UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 98th CONGRESS

FIRST SESSION

VOLUME 129—PART 24

NOVEMBER 17, 1983 TO NOVEMBER 18, 1983

(PAGES 33279 TO 34995)

GENERAL SERVICES ADMINISTRATION
LAW LIBRARY
CENTRAL OFFICE

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1983

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

87-1 (Pt. 24)



For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 98th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Thursday, November 17, 1983*

The House met at 10 a.m.

Rev. Dr. Ronald Christian, Lord of Life Church, Fairfax, Va., offered the following prayer:

Our Father and our God, as we mingle with others in the hallways of our lives, we stand tall in our dignity, our honor, and our many personal accomplishments. But, when we come before You, our Father and our God, we take our rightful places as children, totally dependent and as stewards, managing another's resources.

Our plea this morning is:

That we may never think of ourselves more highly than we ought to think:

That we may always act in ways that are appropriate for people given the trust of others;

That we may speak out for those who have no voice, and listen for those who have no ears; so

That in all our doings and deliberations, "justice may roll down like the waters and righteousness like an overflowing stream."

Hear us as we pray, O God our Father. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. SOLOMON. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 356, nays 34, answered "present" 5, not voting 39, as follows:

[Roll No. 520]

YEAS—356

Ackerman	Bethune	Carney
Addabbo	Bevill	Carper
Akaka	Biaggi	Carr
Albosta	Bilirakis	Chandler
Alexander	Bliley	Chappell
Anderson	Boehlert	Chappie
Andrews (NC)	Boland	Cheney
Andrews (TX)	Boner	Clarke
Annunzio	Bonior	Coats
Anthony	Bonker	Coelho
Archer	Borski	Coleman (MO)
Aspin	Bosco	Coleman (TX)
AuCoin	Boucher	Conable
Badham	Boxer	Conte
Barnard	Breaux	Conyers
Barnes	Britt	Cooper
Bartlett	Brooks	Coyne
Bateman	Brown (CA)	Craig
Bates	Brown (CO)	Crane, Daniel
Bedell	Broyhill	D'Amours
Beilenson	Burton (CA)	Daniel
Bennett	Burton (IN)	Darden
Bereuter	Byron	Daub
Berman	Campbell	Davis

NOTICE

The last issue of the daily Congressional Record for the Ninety-eighth Congress, First Session, will be published not later than December 14. Interim issues of the Record will be printed at the direction of the Joint Committee on Printing.

None of the material printed in the Congressional Record after adjournment may contain subject matter, or relate to any event, which occurred after the date Congress officially adjourned.

No provision herein shall be construed to supersede the two-page limitation rule.

All material must be signed by the Member and delivered to the respective Office of the Official Reporters of Debates, Room H-134 or S-220 of the Capitol, Monday through Friday, between the hours of 10:00 a.m. and 3:00 p.m., through December 14, except November 24 and 25.

Members of Congress desiring to purchase reprints of material submitted for Record printing during the adjournment may do so through the Congressional Printing Management Division located at the Government Printing Office. That office may be reached by telephoning 275-2226 between the hours of 8:00 a.m. and 4:30 p.m. daily.

By order of the Joint Committee on Printing.

AUGUSTUS F. HAWKINS, *Chairman.*

de la Garza	Kolter	Ray
Dellums	Kostmayer	Regula
Derrick	Kramer	Reid
DeWine	LaFalce	Richardson
Dicks	Lagomarsino	Rinaldo
Dingell	Lantos	Ritter
Donnelly	Leach	Robinson
Dorgan	Leath	Rodino
Downey	Lehman (CA)	Roe
Dreier	Lehman (FL)	Rogers
Duncan	Leland	Rose
Dwyer	Levin	Rostenkowski
Dyson	Levine	Roth
Early	Levitas	Roukema
Eckart	Lewis (FL)	Rowland
Edgar	Livingston	Roybal
Edwards (AL)	Lloyd	Rudd
Edwards (CA)	Loeffler	Russo
Edwards (OK)	Long (LA)	Savage
English	Long (MD)	Scheuer
Erdreich	Lott	Schulze
Erlenborn	Lowery (CA)	Schumer
Evans (IL)	Lujan	Seiberling
Fascell	Luken	Sensenbrenner
Fazio	Lundine	Shannon
Ferraro	Lungren	Sharp
Fiedler	MacKay	Shaw
Fields	Madigan	Shumway
Fish	Markey	Shuster
Flippo	Marriott	Siljander
Florio	Martin (IL)	Simon
Foglietta	Martin (NC)	Sisisky
Foley	Martin (NY)	Skelton
Ford (TN)	Matsui	Slattery
Fowler	Mavroules	Smith (IA)
Frank	Mazzoli	Smith (NE)
Franklin	McCain	Smith (NJ)
Frost	McCandless	Smith, Denny
Fuqua	McCloskey	Smith, Robert
Garcia	McCollum	Snowe
Gaydos	McCurdy	Snyder
Gekas	McEwen	Spence
Gephardt	McGrath	Spratt
Gibbons	McHugh	Staggers
Gilman	McKernan	Stangeland
Glickman	McKinney	Stenholm
Gonzalez	McNulty	Stokes
Gore	Mica	Stratton
Gradison	Michel	Studds
Gray	Mikulski	Stump
Green	Miller (CA)	Sundquist
Gregg	Mineta	Swift
Gunderson	Minish	Synar
Hall (IN)	Molinari	Tallon
Hall (OH)	Mollohan	Tauke
Hall, Ralph	Montgomery	Tauzin
Hall, Sam	Moody	Taylor
Hamilton	Moorhead	Thomas (CA)
Hammerschmidt	Morrison (CT)	Thomas (GA)
Hansen (ID)	Morrison (WA)	Torres
Hansen (UT)	Mrazek	Torricelli
Harkin	Murtha	Towns
Harrison	Myers	Traxler
Hartnett	Natcher	Valentine
Hatcher	Neal	Vandergriff
Hayes	Nelson	Vento
Hefner	Nichols	Volkmer
Hertel	Nielson	Vucanovich
Hightower	Nowak	Walgren
Hillis	O'Brien	Watkins
Holt	Oakar	Waxman
Hopkins	Obey	Weaver
Horton	Olin	Wheat
Howard	Ortiz	Whitehurst
Hoyer	Owens	Whitley
Hubbard	Oxley	Whittaker
Huckaby	Packard	Whitten
Hughes	Panetta	Williams (MT)
Hunter	Parris	Williams (OH)
Hutto	Patman	Wilson
Hyde	Patterson	Winn
Jeffords	Paul	Wirth
Johnson	Pease	Wise
Jones (NC)	Penny	Wolf
Jones (OK)	Pepper	Wolpe
Jones (TN)	Perkins	Wortley
Kaptur	Petri	Wright
Kasich	Pickle	Wylie
Kastenmeier	Porter	Yates
Kazen	Price	Yatron
Kemp	Pursell	Young (FL)
Kennelly	Quillen	Young (MO)
Kildee	Rahall	Zablocki
Kindness	Rangel	Zschau
Kogovsek	Ratchford	

NAYS—34

Broomfield	Courter	Daschle
Clay	Crane, Philip	
Coughlin	Dannemeyer	
Dickinson	Guarini	Roemer
Durbin	Hawkins	Sabo
Emerson	Hiler	Schaefer
Evans (IA)	Latta	Schroeder
Forsythe	Lipinski	Sikorski
Frenzel	Lowry (WA)	Skeen
Gejdenson	Miller (OH)	Solomon
Goodling	Pashayan	Walker
Gramm	Roberts	Weber

ANSWERED "PRESENT"—5

Dymally	Murphy	St Germain
Jacobs	Oberstar	

NOT VOTING—39

Applegate	Heftel	Pritchard
Boggs	Ireland	Ridge
Bryant	Jenkins	Sawyer
Clinger	Lent	Schneider
Collins	Lewis (CA)	Shelby
Corcoran	Mack	Smith (FL)
Crockett	Marlenee	Solarz
Dixon	Martinez	Stark
Dowdy	McDade	Udall
Feighan	Mitchell	Vander Jagt
Ford (MI)	Moakley	Weiss
Gingrich	Moore	Wyden
Hance	Ottinger	Young (AK)

□ 1020

Mr. ORTIZ changed his vote from "nay" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Saunders, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H.J. Res. 308. Joint resolution increasing the statutory limit on the public debt.

The message also announced that the Senate insists upon its amendments to the joint resolution (H.J. Res. 308) entitled "Joint resolution increasing the statutory limit on the public debt," requests a conference with the House on the disagreeing votes of two Houses thereon, and appoints Mr. DOLE, Mr. PACKWOOD, Mr. ROTH, Mr. LONG, and Mr. MATSUNAGA to be the conferees on the part of the Senate.

RESIGNATION AS MEMBER OF COMMITTEE ON SMALL BUSINESS

The SPEAKER laid before the House the following resignation as a member of the Committee on Small Business:

WASHINGTON, D.C., *November 16, 1983.*

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House, House of Representatives, H204, The Capitol, Washington, D.C.

DEAR MR. SPEAKER: This letter is to inform you of my resignation, effective immediately, from the Small Business Committee.

I have informed Mr. Parren Mitchell of my decision to accept a position on the Post Office and Civil Service Committee.

I appreciate very much your backing for my appointment to the Post Office Committee.

I am looking forward to service with Chairman Ford very much.

With best regards,

Sincerely,

FRANK MCCLOSKEY,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION AS MEMBERS TO CERTAIN STANDING COMMITTEES

Mr. LONG of Louisiana. Mr. Speaker, as the chairman of the Democratic Caucus and at the direction of that caucus, I send to the desk a privileged resolution (H. Res. 378) and ask for its immediate consideration.

The clerk read the resolution, as follows:

H. RES. 378

Resolved, That the following named Members be and they are hereby, elected to the following standing committees of the House of Representatives:

Committee on Armed Services: George (Buddy) Darden, Georgia;

Committee on Post Office and Civil Service: Frank McCloskey, Indiana, to rank following Representative Sikorski.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TURKISH PARTITION OF CYPRUS

(Mr. MAVROULES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAVROULES. Mr. Speaker, I rise to express my outrage and opposition to the Turkish partition of the island of Cyprus. This aggressive coercion—a step of intimidation and confiscation—is unnecessary and morally indefensible.

A decade ago, Turkish military units invaded the sovereign nation of Cyprus. Violating international law, and every measure of right and justice, this forced occupation has brought personal tragedy to thousands of innocent people.

Today, it is time for all Americans, the members of the NATO alliance, and all other Western allies, to stand united in condemnation of the Turkish military occupation, and their plan to split Cyprus into divided and hostile states.

Mr. Speaker, this Congress cannot stand by and watch a brutal military force establish a Berlin wall on Cyprus. Statements of outrage from the State Department are insufficient.

We cannot stand in silence, we cannot close our eyes, we cannot sanction Turkish aggression and hostility.

For thousands of innocent Cypriot citizens, this Congress must demand justice. The Turkish partition must be stopped.

FILING OF OFFICIAL EXPENSE ORDER BY COMMITTEE ON HOUSE ADMINISTRATION

(Mr. HAWKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HAWKINS. Mr. Speaker, at the direction of the Committee on House Administration and under the authority granted in Public Law 94-184 and Public Law 94-440, I hereby file the adopted Committee Order No. 36, which will become effective on January 3, 1984.

I include at this point in the RECORD the text of Committee Order No. 36:

COMMITTEE ORDER No. 36

Resolved, That effective January 3, 1984, until otherwise provided by the Committee on House Administration, the Allowance for Official Expenses is adjusted as follows:

(1) The Travel Allowance is increased to reflect a cost per mile variable ranging from $.23 to $.39, with a minimum of $6,200.

Expenditures of these funds shall be made in accordance with rules and regulations established by the Committee on House Administration.

RESOLUTION INTRODUCED EXPRESSING SENSE OF CONGRESS THAT SOVIET UNION SHOULD AIR ABC TELEVISION MOVIE "THE DAY AFTER"

(Mr. LEVITAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVITAS. Mr. Speaker, this morning the gentleman from Kansas (Mr. GLICKMAN) and I are introducing a resolution expressing the sense of Congress that the Soviet Union should air to the Soviet public the ABC television movie "The Day After."

We believe that this film, which will no doubt have a tremendous impact upon the American public and demonstrate the apocalyptic horror of a nuclear war in which there can be no winners, may very well have an impact upon American public opinion about the use of nuclear weapons as a deterrent.

It would be unfortunate, however, if that impact were felt only in the United States and in the free world where this demonstration of the horror of nuclear war can be viewed.

We believe it is essential that the impact be felt also upon the Soviet public, who would likewise suffer.

The script writer of "The Day After" was quoted as saying, "I would like to see people start to question the value of defending this country with a nuclear arsenal."

That same question must be asked by the citizens of the Soviet Union if we are to have any hope in a nuclear age of remaining free and avoiding nuclear war at the same time.

For that reason, we are introducing this resolution and call upon all our colleagues to join us in this effort.

□ 1030

SOVIET CITIZENS ALSO NEED TO VIEW MOVIE DEPICTING NUCLEAR WAR

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, I also am pleased to join with the gentleman from Georgia (Mr. LEVITAS) in seeing that the Soviets air the ABC movie, "The Day After." Coming from the State of Kansas, Mr. Speaker, the State where the effect of the nuclear war are portrayed, I have had a chance to see a preview of a movie which shows the beginning of nuclear war occurring and destruction happening in and around the cities of Lawrence, Kans. and Kansas City, Mo. As much as we Americans are given with our first amendment rights the opportunity to see this destruction, so should the Soviets who in the past have operated on the assumption that nuclear war may be survivable. The Soviet Union has spent lots of money on civil defense and their people should know, through seeing this movie, that nuclear war is not in any way survivable.

This movie shows actors portraying Kansas as dying in a nuclear war and the purpose of the movie being shown here in the United States and in the Soviet Union is to prevent those actors portraying a dying Kansas from turning into the real thing. So, I would urge this House, Mr. Speaker, to push this resolution so the entire world, not just the U.S. citizens, will have the opportunity of seeing this movie.

LOOK-ALIKE DRUGS

(Mr. SISISKY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SISISKY. Mr. Speaker, on July 21, I introduced legislation designed to curtail the abuse and traffic in so-called look-alike drugs which are targeted for and sold to young people. I took this action because localities in my district and across the country were troubled by retail outlets which specialize in selling these harmful substances.

At the same time, I asked the Food and Drug Administration for help. I asked the FDA to subject these drugs to their new drug approval process. I am pleased that the FDA has responded favorably to my request. Effective tomorrow, the FDA will treat most of these harmful substances as unauthorized new drugs. Manufacturers of these drugs must now prove to the FDA that they are safe, effective, and of therapeutic value, or they will be removed from the market.

This should help calm many of the fears voiced by concerned parents, teachers, and local officials about these substances. I commend the FDA and hope that these new regulations will bring needed help.

A BILL TO EXEMPT EUROBOND INTEREST FROM TAXATION

(Mr. BARNARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BARNARD. Mr. Speaker, I insert into the RECORD the text of H.R. 4029, which provides that interest on Eurobonds sold outside the United States will not be subject to the 30 percent tax on interest received by foreign persons.

I have previously explained the need for this bill and the manner in which it would take effect, and that statement appears in the September 29 RECORD on pages E4642 through E4644.

The text of the bill is as follows:

H.R. 4029

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF CERTAIN INTEREST.

(a) IN GENERAL.—Subsection (a) of section 871 of the Internal Revenue Code of 1954 (relating to tax on nonresident alien individuals) is amended by adding at the end thereof the following new paragraph:

"(4) INCOME OF NONRESIDENT ALIEN INDIVIDUALS RECEIVED FROM CERTAIN PORTFOLIO DEBT INVESTMENTS.—No tax shall be imposed under subsection (a)(1) on interest (including original issue discount) received by a nonresident alien individual if—

"(A) the interest is paid on an obligation which resulted from the assumption after the date of enactment of this paragraph by a domestic corporation of an obligation which was issued on or before such date and which, when issued, was guaranteed by a domestic corporation and was sold, directly or through underwriters, under arrangements reasonably designed to ensure that such obligation would be sold only to a person who was not a United States person, or

"(B) the interest is paid outside of the United States on an obligation which, when issued, was sold, directly or through underwriters, under arrangements reasonably designed to ensure that such obligation would be sold only to a person who was not a United States person,

but in the case of interest paid on an obligation described in subparagraph (B) only if (i) in the case of interest received from a corporation, the nonresident alien individual does not own, and is not considered as owning (within the meaning of subsection (g)), 10 percent or more of the total combined voting power of all classes of stock entitled to vote of such corporation, or (ii) in the case of interest received from a partnership, the nonresident alien individual does not own and is not considered as owning (within the meaning of subsection (g)), 10

percent or more of the capital or profits interest in such partnership."

(b) CONSTRUCTIVE OWNERSHIP.—Section 871 of such Code (relating to tax on nonresident aliens) is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) CONSTRUCTIVE OWNERSHIP.—Section 318(a) (relating to the constructive ownership of stock), other than paragraph (1) thereof, shall apply for the purposes of determining ownership of stock of a corporation under subsection (a)(4) and section 881(c), and similar rules shall apply for the purposes of determining ownership of an interest in a partnership under subsection (a)(4) and section 881(c). For the purposes of the preceding sentence, section 318(a)(2)(C) shall be applied without regard to the 50-percent limitation contained therein, and stock of a corporation or an interest in a partnership owned by a person by reason of the application of section 318(a)(4) shall not, for the purposes of applying paragraphs (2) and (3) of section 318(a), be considered as actually owned by such person."

(c) CONFORMING AMENDMENT.—Section 871(a)(1) of such Code is amended by striking out "There" and inserting in lieu thereof "Except as provided in paragraph (4), there".

SEC. 2. FOREIGN CORPORATIONS.

(a) IN GENERAL.—Section 881 of the Internal Revenue Code of 1954 (relating to tax on income of foreign corporations) is amended by redesignating subsection (c) as subsection (d) and by adding after subsection (b) the following new subsection:

"(c) INCOME OF FOREIGN CORPORATIONS RECEIVED FROM CERTAIN PORTFOLIO DEBT INVESTMENTS.—No tax shall be imposed under subsection (a) on interest (including original issue discount) received by a foreign corporation if—

"(1) the interest is paid on an obligation described in section 871(a)(4)(A), or

"(2) the interest is paid on an obligation described in section 871(a)(4)(B),

but in the case of interest paid on an obligation described in paragraph (2) only if (A) the interest is not interest received by a controlled foreign corporation, (B) except for interest paid on an obligation of the United States, the interest is not interest received by a bank on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its banking business, (C) in the case of interest received from a corporation, the corporation receiving the interest does not own, and is not considered as owning (within the meaning of section 871(g)), 10 percent or more of the total combined voting power of all classes of stock entitled to vote of such corporation, and (D) in the case of interest received from a partnership, the corporation receiving the interest does not own, and is not considered as owning (within the meaning of section 871(g)), 10 percent or more of the capital or the profits interest in such partnership."

(b) CONFORMING AMENDMENT.—Section 881(a) of the Internal Revenue Code of 1954 (relating to imposition of tax) is amended by striking out "There" and inserting in lieu thereof "Except as provided in subsection (c), there".

SEC. 3. AMENDMENT OF SECTION 864(c)(2).

Section 864(c)(2) of the Internal Revenue Code of 1954 (relating to effectively connected income) is amended—

(1) by striking out "section 871(a)(1) or section 881(a)"; and

(2) by inserting "section 871(a)(1), section 871(a)(4), section 881(a) or section 881(c)".

SEC. 4. REMOVAL OF EXEMPTION FROM TAX IN CASE OF INADEQUATE EXCHANGE OF INFORMATION.

(a) Subpart C of part II of subchapter N of chapter 1 of the Internal Revenue Code of 1954 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new section:

"SEC. 898. REMOVAL OF EXEMPTION FROM TAX IN CASE OF INADEQUATE EXCHANGE OF INFORMATION.

"Whenever the Secretary determines that the exchange of information between the United States and a foreign country is inadequate to prevent evasion of the United States income tax by United States persons, the exemption from tax contained in section 871(a)(4) and section 881(c) shall not apply to any payment or payments addressed to or for the account of persons within such foreign country after the date specified in the Secretary's determination. Any such removal shall not apply to interest on obligations issued on or before the date of publication of such determination. The removal of the exemption from tax contained in section 871(a)(4) and section 881(c) shall continue until the Secretary determines that the exchange of information between the United States and the foreign country of such information is adequate to prevent the evasion of the United States income tax by United States persons."

(b) The table of sections for such subpart C is amended by adding at the end thereof the following new items:

"Sec. 898. Removal of exemption from tax in case of inadequate exchange of information."

SEC. 5. AMENDMENT OF SECTION 2105.

Subsection (b) of section 2105 of the Internal Revenue Code of 1954 (relating to property without the United States) is amended to read as follows:

"(b) BANK DEPOSITS AND CERTAIN OTHER DEBT OBLIGATIONS.—For purposes of this subchapter—

"(1) amounts described in section 861(c), if any interest thereon would be treated by reason of section 861(a)(1)(A) as income from sources without the United States were such interest received by the decedent at the time of his death,

"(2) deposits with a foreign branch of a domestic corporation or domestic partnership, if such branch is engaged in the commercial banking business, and

"(3) debt obligations, if any interest thereon would be eligible for the exemption from tax under section 871(a)(4) were such interest received by the decedent at the time of his death.

shall not be deemed property within the United States."

SEC. 6. WITHHOLDING.

(a) NONRESIDENT ALIENS.—Subsection (c) of section 1441 of the Internal Revenue Code of 1954 (relating to withholding of tax on nonresident alien individuals) is amended by adding at the end thereof the following new paragraph:

"(9) INCOME EXEMPT FROM TAX.—No deduction or withholding shall be required in the case of interest (including original issue discount) described in subparagraph (A) or (B) of section 871(a)(4) unless the person otherwise required to deduct and withhold shall know, or have reason to know, that such item of income is not exempt from tax because of clause (i) or (ii) of section 871(a)(4)."

(b) FOREIGN CORPORATIONS.—The last sentence of section 1442(a) of such code is amended—

(1) by striking out "and" after "section 881(a)(4),"; and

(2) by inserting ", and the reference in section 1441(c)(9) to clauses (i) and (ii) of section 871(a)(4) shall be treated as referring to subparagraphs (B), (C), and (D) of section 881(c)" after "section 881(a)(3)".

SEC. 7. EFFECTIVE DATE.

(a) The amendments made by this Act (other than section (5)) shall apply to amounts paid after the date of the enactment of this Act.

(b) The amendment made by section 5 shall apply to the estates of decedents dying after the date of the enactment of this Act.

ELIZABETH KEE FEDERAL BUILDING

(Mr. RAHALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RAHALL. Mr. Speaker, it is with great pride I inform my colleagues, that this very day, the Federal building in Bluefield, W. Va., is be officially dedicated, the "Elizabeth Kee Federal Building."

Many of my colleagues served in this body with Mrs. Kee, and I know that they join me in honoring her memory. Some also may have served with her husband, John Kee, who represented southern West Virginia for 13 years; or her son, Jim Kee, who served in the House from 1965 to 1973 and now resides with his wife in Fayetteville, W. Va.

Mr. Speaker, I am most honored to represent the same district as Elizabeth Kee, and am pleased that this day has arrived to commemorate her marvelous career.

The legislation naming the Federal building in Bluefield, W. Va., for Mrs. Kee was signed into law on October 15, 1976. But, due to a number of circumstances the General Services Administration never had the building properly dedicated in Mrs. Kee's honor.

I am proud to have played a role in rectifying this situation, so now the only woman from the State of West Virginia to serve in the Congress of the United States is remembered to the people of her State and Nation she so brilliantly served.

Representing the largest coal-producing district in the Nation, Elizabeth Kee worked closely with the United Mine Workers and the coal producers, and was able to obtain Federal help for many projects such as: flood control, new post offices, highways, and vocational training centers for the unemployed and black lung benefits for our coal miners.

As chairman of the Veterans' Affairs Subcommittee on Hospitals, she initiated an investigation of veterans' hospitals, where her efforts resulted in

improved conditions at all defense installations.

Mrs. Kee was quick to emphasize constituent service which, along with her ability to attract Federal money, explained why she won election virtually unopposed.

Mr. Speaker, my Bluefield district office is located in the Elizabeth Kee Federal Building, and I can only hope to serve southern West Virginia as well as she did.

A THREATENED CATASTROPHE IN CENTRAL AMERICA

(Mr. MARKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARKEY. Mr. Speaker, we are on a collision course with catastrophe in Central America.

Thousands of American troops are on the ground in Honduras, and Honduras is on the brink of war with Nicaragua.

The Congress and the American people have been told precious little about what their President is doing in Honduras. I have been trying to find out. I looked for the President's report to Congress on this introduction of American troops abroad.

Under the War Powers Act, he is required to report within 48 hours whether these troops are in hostilities or not.

But there is no report.

Mr. Speaker, sections 4(a) (2) and (3) of the War Powers Act are clear and unmistakeable. If there is any doubt in my colleagues' minds, I ask them to read the committee report on the act.

The President seems to have contempt for the Congress and for the law. We cannot stand for this.

No man is above the law. And we learned in Indochina what happens to this country when Congress is uninformed while the President is committing American troops abroad.

What happened in Vietnam cannot be allowed to happen again in Honduras or Nicaragua.

HEIGHTENED TENSION RESULTS FROM TURKISH ACTION ON CYPRUS

(Ms. FERRARO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FERRARO. Mr. Speaker, I want to join in expressing grave concern over the action of the Turkish Cypriot Assembly in declaring the Turkish area on Cyprus an independent state. This rash move is likley to exacerbate tensions on the already-troubled island.

I have been actively interested in the Cyprus issue since before my election to Congress, and have twice visited the island, most recently in April of this year. At that time, I met with Turkish Cypriot leader Rauf Denktas. I told him then, and I continue to feel, that a peaceful resolution of the issues dividing the Greeks and Turks is essential, and that the intercommunal talks are the best path to peace.

I strongly support the resolution reported by the House Foreign Affairs Committee urging the Turkish Government to withdraw its recognition of the new Turkish Cypriot state. An independent Turkish Cypriot state can only deepen the divisions on the island, and such a move must be opposed by all responsible parties.

If the chances of success at the intercommunal talks are to be preserved, the Turkish Cypriot leadership must back up its statements that it will not attempt to unite with Turkey, and that it will cooperate fully with the U.N. Secretary General in pursuing the negotiated reunification of Cyprus.

FREEDOM OF THE PRESS

(Mr. LOWRY of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOWRY of Washington. Mr. Speaker, the obvious point in our colleagues' resolution asking that the Soviet Union also air on their television "The Day After" is important and correct. Both sides must view the unthinkable horror of nuclear war.

There is another obvious point, of course, and that is in this country, because of the freedom of the press guaranteed under the first amendment, it is not necessary for this body to consider a resolution making that film available. The free media assures that. Thereby, we should be extremely concerned about what happened in Grenada. Regardless of your position on Grenada, the setting of, the precedent that for 4 to 5 days the media is locked out of a significant American military action should not be tolerated by anybody in this body or anybody in this country. It is our tradition of a free press and our Constitutional protection of that right that is the difference between the Soviet Union and the United States as to why "The Day After" will be shown here and it probably will not be shown in the Soviet Union.

While we are correct in trying to persuade the Soviet Union to change from their present and past practices of extreme suppression of information we should be even more concerned that we protect in this Nation those same rights that are suppressed in the Soviet Union.

A primary purpose of our Constitution is to protect important rights against the abuse of Government power. Freedom of the press is one of those important rights and we must protect that right against the abuse of Government power. That is a responsibility we dare not deny.

SUPPORT FOR H.R. 4427

(Mr. MARRIOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARRIOTT. Mr. Speaker, 1 year ago the House passed a never-before-committee, never-before-voted-upon conference report rewriting major tax laws. One of the provisions we passed adversely affects small business by imposing unnecessary, complicated, and burdensome rules on private pension plans at a new cost of about $500 million next year.

The Treasury has acknowledged the impact of these rules and has agreed to hold hearings, but time is short. Unless the Congress enacts a 1-year postponement, these topheavy rules will be made into law December 31, 1983. The losers will be small business men and women, American jobs, employees, and the capital pool that pension plans provide.

Yesterday I introduced H.R. 4427 with JOHN ERLENBORN. Your support for H.R. 4427 to delay implementation of these "topheavy" regulations for 1 year would be most appreciated, mostly by all the small businesses in America.

UNITED STATES MUST AVOID VIOLENCE IN LEBANON

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, since the cowardly and tragic attack on the Marine command post in Beirut, many Americans have been concerned about what response our military might be planning. Yesterday, the Israelis responded to an earlier attack on them by bombing a terrorist camp.

I have said publicly and repeatedly that I believe the United States has no military option in Lebanon and have urged the President to increase marine security and move as quickly as possible to replace our marines with a U.N. or other multinational force not perceived by the belligerents as favoring one faction or another.

Mr. Speaker, if we put 50,000 U.S. troops on the ground in Lebanon today, a year from now nothing would have been gained and thousands would have been killed or injured.

At all costs the United States must avoid involving itself in the vortex of hatred and violence that has characterized Lebanon for years. Retaliation or revenge for the tragic murder of our men will only mean more deaths

by terrorists in the months ahead, and more revenge and killings, without purpose or gain or end.

□ 1040

PROTECTION OF THE KILLER "ORCA" WHALE

(Mr. CHANDLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHANDLER. Mr. Speaker, I have introduced legislation today to prevent the needless and painful capture of killer "orca" whales. This legislation would amend the Marine Mammal Protection Act of 1972 to permanently prohibit the capture and importation of killer whales for display purposes. The bill would strengthen the intent of the act to protect and manage marine mammals for the health and stability of the marine ecosystem rather than for commercial exploitation.

This legislation is being cosponsored by several of my colleagues in the Washington House delegation—Messrs FOLEY, MORRISON, DICKS, LOWRY, and SWIFT—and is endorsed by Greenpeace.

The introduction of my bill was prompted by the issuance earlier this month by the National Marine Fisheries Service of a permit to Sea World of San Diego to capture 100 killer whales over the next 5 years off the coast of Alaska. Then of the whales would be kept in permanent captivity.

Killer whales are magnificent symbols of freedom, grace, and power. They are highly intelligent, sensitive, and social mammals which should be protected from unnecessary harassment, pain, and death.

The citizens of Washington State have a special awareness of the whale capture issue. Public opinion runs high in favor of protecting the whales, and our State legislature passed a law in 1976 forbidding orca captures in Washington waters. The time is right to extend that prohibition to all U.S. waters.

Permanent captivity drastically reduces the life expectancy of killer whales to an average of 4 years compared to the 50 to 80 years for whales living in the wild. Even the 5-million-gallon pool being built by Sea World is but a tiny cage for whales which range 100 miles a day in the ocean. Orcas have never been successfully bred in captivity.

Killer whales can be effectively studied in the wild without being permanently taken out of their natural environment. The legislation I introduced today would not prohibit temporary captures or tagging and marking for scientific study.

Another important consideration is the credibility of the United States as a political force on the International Whaling Commission. The capture of killer whales in U.S. waters for Sea World performances could undermine the strength of U.S. arguments in favor of the phaseout of commercial whale exploitation by 1986.

By introducing this legislation, I believe a clear message will be sent that there are those of us in Congress who do not approve of the capture of killer whales for public display. I am hoping also that this legislation will raise the awareness of Members of Congress from other States about this issue.

CYPRUS

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, I join my colleagues who have expressed themselves this morning in the well of the House as to the dangerous and tragic situation that obtains at this moment in Cyprus. It has, however, a serious implication for American foreign policy as well as it does in what we regard as violations of international law, for as everyone has acted with respect to Lebanon, recognizing that that country is the gateway to the Middle East with all of its series of consequences for American foreign policy, so can it be said that the island of Cyprus is the gateway to the gateway of the Middle East.

With the troublesome and unpredictable behavior of the country of Turkey, Cyprus becomes a fallback position for the eastern end of the Mediterranean so vital to the interests of the United States of America.

SEASON'S GREETINGS CARD FOR FORCES IN BEIRUT

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BILIRAKIS. Mr. Speaker, more than 1,800 Marines, backed by thousands of sailors and support troops, are presently serving in Lebanon and it appears certain that American forces will remain in Lebanon through the holiday season. Many of us may remember a Christmas or a Hanukkah when we were not at home and I think all of us understand how much it means to be with family and friends at this special time of year.

I am, therefore, asking my colleagues to put aside our differences over U.S. policy in Lebanon and to join me in wishing our servicemen in Beirut and on the ships stationed off the Lebanese coast a happy and peaceful holiday season.

I have on the floor with me today this large card on which I hope to gather the signatures of every Member of the House. The simple message is "Season's Greetings" and I hope this small gesture will in some way convey our deep appreciation to our boys in Lebanon for their courage and their dedication in serving the Nation under trying circumstances. By sharing the spirit of the season in this way, we can assure our men that they are thought of and cared about by the folks back home. So please, join me in spreading a little cheer by signing the card at your earliest convenience before we adjourn. It will be on the floor or in the cloakrooms today and tomorrow and after all Members have signed it, I will see that it is delivered to the boys in Beirut in time for the holidays.

GUN OWNER PROTECTION PACKAGE

(Mr. MARLENEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARLENEE. Mr. Speaker, I rise today to bring to the attention of my colleagues my efforts to protect the legal rights of our American sportsmen.

Our heritage of the past, our right to the legal, unharassed pursuit of mankind's greatest enjoyment of the outdoors, and our very rights as sportsmen are being eroded away by the efforts of the antihunter and the antigun groups. The sportsmen and firearm owners of America have rights and I intend to fight to protect those rights.

To enlist your aid in that effort, I have sent a series of four dear colleagues to you over the last several days. Highlighted in those are:

H.R. 3713, the Hunter Protection Act, which safeguards the rights of the hunter to the unharassed pursuit of his sport.

H.R. 3714, the Firearm Transportation Act, which protects the firearm owner from the confiscation of his legal firearm while transporting it.

H.R. 3715, the Manufacturers Liability Protection Act, which protects the manufacturers from damages arising from misuse of a stolen gun.

H.R. 3716, the Firearm Owners Liability Protection Act, which protects the firearm owner from damages arising from misuse of a stolen gun.

I urge you to join me in this effort to protect the rights of our sportsmen by cosponsoring these bills.

FIRST SESSION OF 98TH CONGRESS GETS LOW GRADE

(Mr. COURTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COURTER. Mr. Speaker, last evening during a television program I

was asked what type of grade I would give the 1st session of the 98th Congress. I responded that the grade would not be very high and the reason that the grade would not be high is because we have just recently decided to take 60 days off, facing vacation rather than facing some of the difficult and controversial issues of the day.

Immigration reform is an issue that has been with us for approximately 5 years. We simply do not have control of our borders and we are ducking that.

Criminal code reform is an issue that the Congress has been working on for over 10 years. We have decided to defer it and face 60 days vacation rather than that issue.

Bankruptcy reform, the same thing. It is something that is vitally necessary for this Congress to pass, but yet because it is a controversial issue, because it is difficult, we are ducking it rather than facing it.

The grade I give Congress is not high. It is not high because we have not had the ability to face the sometimes difficult tasks that we are charged with as Members of this body.

□ 1050

A TRIBUTE TO SEA WORLD'S EDUCATIONAL AND RESEARCH RECORD

(Mr. HUNTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNTER. Mr. Speaker, Sandy suffered from weight loss, a severe jaw infection and was nearly deaf. There was little hope of survival for Sandy. A team of experts worked all night to try to save her life. During the succeeding days they worked unceasingly to nurse Sandy back to health. Their efforts were rewarded when the infection was brought under control and Sandy began to gain weight—Sandy was back on the road to recovery.

Lifesaving stories like this are a credit to medical research. Sandy's story, however, is very unusual—Sandy was an 18-foot female killer whale. When Sandy was found beached and near death along the shores of Puget Sound in Washington, Sea World was called to help save the beached whale. This organization gladly assisted with the rescue of Sandy as they are committed to the protection of marine mammals.

Earlier this year, Sea World applied for a permit from the National Oceanic and Atmospheric Administration to conduct further research on killer whales. A small but vocal group raised a series of objections and hearings were held in Washington State. After careful study NOAA granted Sea World's request for a permit, however, there exists the possibility of overturning this decision through legislation. Should this matter ever come before the House of Representatives, I would urge my colleagues to carefully consider the positive record that Sea World has amassed. Through their marine parks across the country, Sea World has educated over 70 million people to the need to protect and preserve our marine mammals. Equally important, however, are Sea World's research efforts which enable them to go to areas where they are needed, such as Washington, and save the lives of not only whales, but all types of marine mammals. Mr. Speaker, I am proud of Sea World's educational and research record. They have proven themselves to be a true and reliable friend to marine mammals.

TURKISH ACTION ON CYPRUS ILL-ADVISED

(Mr. WOLPE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLPE. Mr. Speaker, I rise today to urge the Members of this House to join in a united condemnation of the decision by the Turkish community on the Island of Cyprus to declare an independent Turkish state on the island. We must not remain silent in the face of the continuing Turkish military occupation of Cyprus and of this latest act that will only inflame communal tensions.

Mr. Speaker, no one would deny that a resolution of the differences between the Greek and Turkish community on the island will not be easily found.

But I believe this action is directly counterproductive to the long-term interests of peace on Cyprus and in the eastern Mediterranean. It is essential that all residents of Cyprus be assured the rights of political expression, political association and travel, and a declaration of independence by the Turkish community will only make the achievement of those rights more difficult.

Mr. Speaker, both Greece and Turkey are members of the North Atlantic Treaty Organization and important allies of the United States. This action by the Turkish community on Cyprus will only serve to exacerbate the tension between those two countries and will severely complicate U.S. foreign policy objectives in the region. I urge the Secretary of State to continue to call on the Government of Turkey to reconsider its recognition of a Turkish state on Cyprus, and continue to call on Turkish leaders on Cyprus to reasses their decision.

UNIFORM SINGLE AUDIT ACT OF 1983

(Mr. CARPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARPER. Mr. Speaker, in 1979 GAO and OMB conducted a study that found that of the $70 billion disbursed by the Federal Government to State and local governments each year, only 10 to 20 percent were being audited adequately.

It appeared from the study that the reason for this serious situation was that audits were conducted on a grant-by-grant basis rather than looking at each entity receiving Federal funds as a whole. Additionally, any group receiving Federal funds could be subject to repeated audits continually disrupting the programs involved. Or the groups could easily escape audit requirements year after year.

Obviously, the system under which we have been operating has been neither effective nor efficient.

As a former State treasurer, I am particularly concerned about the problems facing State auditors dealing with Federal programs. As a Congressman, I am concerned about the need for careful and accurate oversight of our Federal expenditures. For that reason, today I introduced the Uniform Single Audit Act of 1983.

This measure requires an independent auditor to perform a single audit on any entity's Federal funds. Any Federal grants the auditor determines are material must be tested for compliance with Federal laws and regulations. This entitywide audit will result in a more complete audit than is now being done and a less repetitious and less disruptive audit than now exists.

The idea has the support of all of those organizations that are affected by Federal audit requirements. I welcome your cosponsorship.

ANNOUNCEMENT OF SCHEDULED CONSIDERATION OF CONFERENCE REPORT

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, pursuant to the unanimous-consent request granted earlier this week, it is my intention to call up the conference report on H.R. 2780, the General Revenue Sharing Act, at the earliest opportunity.

NATIONAL FETAL ALCOHOL SYNDROME AWARENESS WEEK

Mrs. HALL of Indiana. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 324) to designate the week beginning October 16, 1983, as "National Fetal Alcohol Syndrome Aware-

ness Week," and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentlewoman from Indiana?

Mr. COURTER. Reserving the right to object, Mr. Speaker, I reserve the right to object not to object, because I concur in the value of this resolution.

Under my reservation, I yield to the gentleman from Ohio (Mr. KASICH).

Mr. KASICH. Mr. Speaker, I appreciate the gentleman's yielding to me. I want to thank the gentlewoman from Indiana (Mrs. HALL) for her quick action on this bill. I come before the House today to seek approval of House Joint Resolution 324, which will declare the week of January 15, 1984, as National Fetal Alcohol Syndrome Awareness Week. Fetal alcohol syndrome, or FAS ranks as the third largest cause of birth defects and accompanying mental retardation in newborn children. The number of babies born with FAS is about the same as those with sickle cell anemia, hemophilia, and systic fibrosis combined. But FAS is easily preventable. All it takes is for pregnant women to abstain from alcohol.

The whole concept of a pregnant woman's drinking having an effect on the health of her child has been discovered only in the last decade or so. While much research has been done, many questions about alcohol consumption by pregnant women remain to be answered. Because so much is unknown, the Surgeon General in July 1981, issued an advisory urging pregnant women, or those even considering pregnancy, not to drink.

Mr. Speaker, I and the 225 other Members who have cosponsored this legislation realize that FAS is an easily preventable health problem. That is why we have sought a National Fetal Alcohol Syndrome Awareness Week. It will provide an excellent opportunity for National, State, and local health officials to publicize the problem and warn pregnant women of the dangers of drinking. I would like to thank Senator RUDY BOSCHWITZ of Minnesota for sponsoring companion legislation in the Senate, and thank those in this body who have joined with me in sponsoring this resolution. I again urge its passage.

Mr. COURTER. I thank the gentleman for his statement.

Mr. Speaker, under my reservation I would simply like to point out that very often diseases are unknown entirely and people do not become aware of them until they affect them directly.

I think the purpose of this resolution is very laudable, to bring this to the attention of all Americans because it is, as was said by the gentleman from Ohio (Mr. KASICH), a totally avoidable disease. It is something that does not have to affect any American. With a little recognition and observance we can totally eradicate it.

● Mr. MILLER of California. Mr. Speaker, I am pleased to cosponsor House Joint Resolution 324, which establishes the week of January 15, 1984 as "National Fetal Alcohol Syndrome Awareness Week."

In recent months, the Select Committee on Children, Youth, and Families has learned a great deal about the terrible and increasing—but totally preventable—problem of fetal alcohol syndrome (FAS).

We have learned that FAS affects thousands of children born to mothers who drink to excess during and possibly prior to pregnancy. It has been conservatively estimated before our committee that FAS might occur in nearly 8,000 babies each year, with an additional 18,500 showing partial effects. FAS is the third leading cause of mental retardation, and is more common than Down's Syndrome.

Researchers have described for us how alcohol passes rapidly from the mother to the fetus in the same concentration and how it remains in the fetus' system after it has left the mother's. Damage from FAS ranges from mild impairment to profound affliction. Fatalities have been reported as well. Researchers have yet to determine safe levels of alcohol intake during pregnancy—if there are any safe levels.

Children who suffer FAS exhibit many physical and functional problems. Physically, there can be prenatal and/or postnatal growth retardation, central nervous system abnormalities, head and face anomalies, joint and limb malformations, and defects of the heart and kidneys.

Functionally, an assortment of abnormalities have been detected from the time of birth. In the newborn period, FAS infants show inadequate sucking, poor muscle tone, and tremulousness. Later on, it is common to see developmental delays, mental retardation, poor gross and fine motor coordination, learning disabilities, hyperactivity, and short attention span.

One of the reasons I support this and other efforts to educate Americans about FAS is that, if nothing is done, the incidence of FAS is likely to increase. In 1950 one in every eight alcoholics was a woman; in 1982 one in every three was a woman. Furthermore, the highest proportion of heavy drinkers among women is between the ages of 21-29, the peak reproductive years; the second highest proportion is in the teen years.

We do not know everything there is to know about the negative effects of maternal alcohol abuse before and during pregnancy, but we certainly know enough to undertake vigorous prevention.

I cannot emphasize strongly enough that FAS is totally preventable. Women who drink heavily but who stop drinking during pregnancy have a good chance of delivering a normal baby. Even when there are some early effects, the risk of prematurity and growth retardation can be significantly lessened if pregnant women stop drinking.

Fetal alcohol syndrome need not and should not happen. We owe it to our children and society to eliminate this tragic problem. It is my hope that the public, as it has in many other ways, will grow more conscious of this issue and refuse to take those risks. Drinking during pregnancy is avoidable, and avoidance could have such positive long-term implications. This awareness week is an important step in our national educational effort.●

Mr. COURTER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. (Mr. MOAKLEY). Is there objection to the request of the gentlewoman from Indiana?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 324

Whereas fetal alcohol syndrome is one of the three major causes of birth defects and accompanying mental retardation in the United States;

Whereas fetal alcohol syndrome can result in such serious health problems as deficiencies in prenatal and postnatal growth that are associated with mental retardation, developmental disabilities that may cause an infant to experience delays in learning to walk and speak, and heart defects, including a hole between the pumping chambers of the heart;

Whereas, in cases in which fetal alcohol syndrome is avoided, infants may still experience fetal alcohol effects, a series of poorly defined health problems that include increased irritability during the newborn period and hyperactivity;

Whereas the discovery of fetal alcohol syndrome as a major health problem is a recent occurrence, and many questions regarding the illness remain unanswered;

Whereas there has never been an infant born with fetal alcohol syndrome whose mother did not consume alcohol during pregnancy;

Whereas fetal alcohol syndrome can be prevented if pregnant women and women considering pregnancy abstain from alcohol consumption; and

Whereas the Surgeon General of the Public Health Service has issued an advisory stating that pregnant women and women considering pregnancy should not consume alcohol: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning October 16, 1983, hereby is designated "National Fetal Alcohol Syndrome Awareness Week", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate activities.

Mrs. HALL of Indiana. Mr. Speaker, as you are aware, fetal alcohol syndrome is one of the three major causes of birth defects and accompanying mental retardation in the United States. It has come to my attention that fetal alcohol syndrome can result in such serious health problems as deficiencies in prenatal and postnatal growth that are associated with mental retardation and developmental disabilities. In addition, the discovery of fetal alcohol syndrome as a major health problem is a recent occurrence and many questions regarding the illness remain unanswered.

Mr. Speaker, I urge the adoption of this resolution which authorizes and requests the President to designate January 15, 1984, as National Fetal Alcohol Syndrome Awareness Week.

AMENDMENT OFFERED BY MRS. HALL OF INDIANA

Mrs. HALL of Indiana. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. HALL of Indiana: On page 2, line 3, strike "that the week beginning October 16, 1983, hereby is desig-" insert in lieu thereof: "that the week beginning January 15, 1984, hereby is desig-".

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Indiana.

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

TITLE AMENDMENT OFFERED BY MRS. HALL OF INDIANA

Mrs. HALL of Indiana. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mrs. HALL of Indiana: Amend the title so as to read: "Joint resolution to designate the week beginning January 15, 1984 as 'National Fetal Alcohol Syndrome Awareness Week.' "

The title amendment was agreed to.

A motion to reconsider was laid on the table.

□ 1100

NATIONAL SURVEYORS WEEK

Mrs. HALL of Indiana. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 44), to authorize the President to issue a proclamation designating the week beginning on March 11, 1984, as "National Surveyors Week," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Indiana?

Mr. COURTER. Mr. Speaker, reserving the right to object, and I will not object, I yield to the gentleman from Virginia (Mr. WHITEHURST), the author of the resolution.

Mr. WHITEHURST. Mr. Speaker, as the sponsor of this resolution in the House, I am pleased we are taking this opportunity to pay tribute to one of the world's oldest professions and indeed, one of the Nation's most important.

Our great Nation was founded on the principle of private ownership of land. The discovery, exploration and development of land accounted for the growth of our Nation. As our borders spread west from the first settlements, the surveyor was always in the forefront—mapping, reporting, and leading the expansion.

Today, every land transaction and every construction project requires a surveyor. From the house that shelters us to the highway that provides us with transportation to the dam that supplies us with energy and water, each project is started with a surveyor.

Surveying is a separate profession within the field of engineering which requires special education and training. All 50 States license professional surveyors to assure the public these professionals have met, at a minimum, certain levels of knowledge and experience. There are more than 40,000 surveyors in the Nation today, working in private practice, government service at the Federal, State and local levels, and in academic instruction.

My home State of Virginia is rich in surveying history. George Washington and Thomas Jefferson were chartered as county surveyors by the College of William and Mary. One of Jefferson's little known, but significant contributions to our Nation was his authoring the Land Ordinance of 1785 which created the rectangular survey system still used today in the 38 public land States.

During this session of Congress, we have acted on several legislative proposals which recognize the value of quality surveying. A provision in the Supplemental Appropriation (Public Law 98-63) put all Federal agency procurement of the services of surveying and mapping firms on the basis of demonstrated competence and qualifications, and the recently enacted Interior Appropriation (Public Law 98-146) reinstated the surveyor as a lead professional in the preparation of maps, cross-sections and plans of areas affected by a Surface Mining Act permit. It is therefore fitting that Congress should recognize the professional surveyor and urge the public to join us in an effort to pay tribute to this honored and learned profession.

Mr. Speaker, I appreciate the opportunity to rise on behalf of this National Surveyors Week resolution and I urge its adoption.

Mr. COURTER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Indiana?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 44

Whereas the Congress of the United States recognizes the valuable contributions of the surveying profession to history, development, and quality of life in the United States of American;

Whereas the surveying profession requires special education, training, experience, and knowledge of the principles of mathematics, the related physical and applied sciences, and requirement of law for adequate evidence; and

Whereas since the early days of our Nation when many of our forefathers, including our first and third Presidents, were surveyors, the profession of surveying has continued to be uniquely qualified to determine and describe land and water boundaries for the management of our natural resources and the protection of private property rights: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the week beginning on March 11, 1984, as "National Surveyors Week" and to urge the people of the United States to observe such week with appropriate ceremonies and activities paying tribute to professional surveyors and their contribution to society.

Mrs. HALL of Indiana. Mr. Speaker, as you are aware, the surveying profession has been recognized as contributing significantly to the history, development and quality of life in the United States. The surveying profession requires special education, training, experience, and knowledge of the principles of mathematics, the related physical and applied sciences and requirements of law for adequate evidence. In addition, the profession of surveying has continued to be uniquely qualified to determine and describe land and water boundaries for the management of our natural resources and the protection of private property rights.

Mr. Speaker, I urge the adoption of this resolution which authorizes and requests the President to designate the week beginning on March 11-17, 1984 as National Surveyors Week.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARRIER ALERT WEEK

Mrs. HALL of Indiana. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 141) to designate the week of December 4, 1983, through December 10, 1983, as "Carrier Alert Week," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Indiana?

Mr. COURTER. Reserving the right to object, Mr. Speaker, and I will not object, I do so to indicate that the minority is very much in favor of the passage of this resolution.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Indiana?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 141

Whereas the National Association of Letter Carriers and the United States Postal Service, recognizing their unique presence in the neighborhoods of America, and further recognizing the needs of a special segment of postal customers, the homebound, the elderly, and the handicapped, and resolving to encourage joint support of local community social service agencies in a program called Carrier Alert;

Whereas under Carrier Alert, the local sponsoring social service agency notifies the local post office of customers who wish to participate in this program, and the letter carrier of the customer, in the performance of daily rounds, will be alert to an accumulation of mail which might signify a sudden illness or accident, and through locally developed procedures, the accumulation of such mail will be reported to the social service agency for appropriate followup; and

Whereas Carrier Alert, an all volunteer program, is a natural extension of the care which individual letter carriers traditionally have exhibited for customers, not just in the delivery of mail, but in a genuine concern for the well being of such customers, and it has been customary for letter carriers to show particular consideration for customers whose health or advanced age required a little extra special attention: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Congress commends the effort and concern of the National Association of Letter Carriers and the United States Postal Service for the elderly, the homebound, and the handicapped, and that the week of December 4, 1983, through December 10, 1983, is designated as "Carrier Alert Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the day with appropriate programs, ceremonies, and activities.

Mrs. HALL of Indiana. Mr. Speaker, I urge the adoption of this resolution which recognizes the unique presence of the letter carriers of the U.S. Postal Services in the neighborhoods of America. Throughout the years, the letter carriers have attended to the needs of the special segment of postal customers, the homebound, the elderly and the handicapped through the use of the carrier alert program. Under carrier alert, the local sponsoring social services agency notifies the local post office of customers who wish to participate in this program. In the performance of the letter carriers daily rounds, they can alert the appropriate social service agency in the event of the accumulation of mail which might signify a sudden illness or accident.

Mr. Speaker, I urge the adoption of this resolution which authorizes and requests the President to designate December 4 through December 10, 1983, as carrier alert.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. HALL of Indiana. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the several joint resolutions just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Indiana?

There was no objection.

PROVIDING FOR APPOINTMENT OF SAMUEL CURTIS JOHNSON AS CITIZEN REGENT OF BOARD OF REGENTS OF SMITHSONIAN INSTITUTION

Mr. MINETA. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of the joint resolution (H.J. Res. 381), to provide for appointment of Samuel Curtis Johnson as a citizen regent of the Board of Regents of the Smithsonian Institution, and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. FRENZEL. Mr. Speaker, reserving the right to object, I yield to the distinguished gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I would like to take this opportunity to express my strong support for House Joint Resolution 381, to provide for the appointment of Samuel C. Johnson as a citizen regent of the Board of Regents of the Smithsonian Institution.

As a member of the Smithsonian's Board of Regents, it is an honor for me to cosponsor this joint resolution. I would be proud to welcome Mr. Johnson to our Board for a 6-year term.

Mr. Johnson is a native of Racine, Wis., who has served on the National Board of Smithsonian Associates for many years. He has a distinguished background and education in international business and the arts.

A graduate of Cornell University, Mr. Johnson received his M.B.A. from Harvard University in 1952, and has been with the Johnson Wax Co., for almost 30 years.

He is a life member of the Nature Conservancy, a member of the Business Committee for the Arts and a member of the Business Council. In addition to numerous corporate directorships, Mr. Johnson serves as a trustee of the Mayo Foundation, the American Museum of Natural History, the Eisenhower Exchange Fellowships, and Cornell University.

The regents considered the qualifications and interests of many candidates who had been recommended to succeed Regent J. Paul Austin. I am honored to join my fellow congressional regents, Mr. MINETA and Mr. BOLAND, in requesting the support of our colleagues for the appointment of our nominee, Samuel Curtis Johnson, as a citizen regent of the Smithsonian Institution.

Mr. FRENZEL. Mr. Speaker, further reserving the right to object, the minority agrees with the two distinguished trustees of the Smithsonian, the gentleman from California (Mr. MINETA) and the gentleman from Massachusetts (Mr. CONTE). This bill should be promptly passed.

● Mr. BOLAND. Mr. Speaker, I am pleased to be a sponsor of House Joint Resolution 381, and I urge my colleagues to support it.

It is my privilege to serve as one of the congressional members of the Board of Regents of the Smithsonian Institution. The Board has recently experienced a loss, occasioned by the resignation for health reasons of one of its valuable citizen regents, Mr. J. Paul Austin of Georgia. House Joint Resolution 381 will bring the Board to full strength by the appointment of Mr. Samuel Curtis Johnson of Wisconsin to replace Mr. Austin.

Samuel Johnson is a man of considerable talent and achievement. As chairman and chief executive officer of Johnson's Wax, he has developed an international reputation as a businessman of uncommon ability. In spite of the many demands of his career, he has given generously of his time to a number of civic, educational, and charitable pursuits. His membership on the National Board of Smithsonian Associates has provided him with an opportunity to learn about the myriad of activities in which the Smithsonian is engaged, and to become familiar with the operation of the Board of Regents.

I believe that Mr. Johnson will be an enormously valuable member of the Board. We have need of his skill and I look forward to working with him. I hope that House Joint Resolution 381 can receive quick congressional approval so that Mr. Johnson can

assume his duties at the next meeting of the Board in January.●

Mr. FRENZEL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California (Mr. MINETA)?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 381

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, caused by the resignation of John Paul Austin of Georgia on May 9, 1983, is filled by appointment of Samuel Curtis Johnson of Wisconsin for the statutory term of six years.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFERRING RESPONSIBILITY FOR PUBLICATION OF CATALOG OF FEDERAL DOMESTIC ASSISTANCE PROGRAMS FROM DIRECTOR OF OMB TO ADMINISTRATOR OF GSA

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2592) to transfer from the Director of the Office of Management and Budget to the Administrator of General Services the responsibility for publication of the catalog of Federal domestic assistance programs, and for other purposes, with a Senate amendment and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

That chapter 61 of title 31, United States Code, is amended—

(1) by adding at the end of section 6101 the following new paragraphs:

"(5) 'Director' means the Director of the Office of Management and Budget.

"(6) 'Administrator's means the Administrator of General Services,"; and

(2) by striking out the phrase "Director of the Office of Management and Budget" each time that it appears and inserting in lieu thereof "Director".

SEC. 2. Section 6102 of title 31, United States Code, is amended—

(1) by striking out "prepare and maintain information on domestic assistance programs" in subsection (a) and inserting in lieu thereof "collect and review information on domestic assistance programs and shall provide such information to the Administrator"; and

(2) by striking out the second sentence of subsection (b) and inserting in lieu thereof "The Director shall be responsible for ensuring that the Administrator incorporates all relevant information received on a regular basis.";

(3) by striking out "Director" in subsection (c) and inserting in lieu thereof "Administrator";

(4) by striking out "and" at the end of subsection (c)(1), by striking out the period at the end of subsection (c)(2) and inserting in lieu thereof "; and", and by adding thereafter the following new paragraph:

"(3) shall ensure that the information in the computerized system is made current on a regular basis and that the printed catalog and supplements thereto contain the most current data available at the time of printing.".

SEC. 3. (a) Section 6101 of title 31, United States Code (as amended by the first section of this Act), is further amended by adding at the end thereof the following new paragraph:

"(7) 'formula' means any prescribed method employing objective data or statistical estimates for making individual determinations among recipients of Federal funds, either in terms of eligibility or actual funding allocations, that can be written in the form of either—

"(A) a closed mathematical statement; or

"(B) an iterative procedure or algorithm which can be written as a computer program;

and from which the results can be objectively replicated, within reasonable limits due to rounding error, through independent application of such statement, procedures, or algorithm, by different qualified individuals.".

(a) Section 6102(a) of such title (as amended by section 2(1) of this Act) is further amended—

(1) by striking out subparagraph (E) of paragraph (2) and redesignating subparagraphs (F), (G), and (H) as subparagraphs (E), (F), and (G), respectively;

(2) by redesignating paragraphs (3), (4), and (5) as paragraphs (5), (6), and (7), respectively; and

(3) by inserting after paragraph (2) the following new paragraphs:

"(3) a specification of each formula governing eligibility for assistance or the distribution of assistance under the program, which shall be described through the use of—

"(A) the language used to specify each such formula in the law authorizing the program;

"(B) the language used to specify each such formula in any Federal rule promulgated pursuant to the law authorizing the program; or

"(C) a mathematical statement which is derived from the language referred to in subparagraphs (A) and (B) of this paragraph;

"(4) a description of all data and statistical estimates used to carry out each formula specified pursuant to paragraph (3), and an identification of the sources of such data and estimates;".

(c) Section 6102(c) of such title (as amended by section 2(4) of this Act) is further amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by inserting after paragraph (3) the following new paragraph:

"(4) shall transmit annually the information compiled under paragraphs (3) and (4) of subsection (a) to the Committee on Government Operations of the House of Representatives and the Committee on Governmental Affairs of the Senate.".

(d) Section 6103(a) of such title is amended to read as follows:

"(a) The Administrator shall maintain a computerized information system providing access to—

"(1) the information described in paragraphs (1), (2), (5), (6), and (7) of section 6102(a) of this title; and

"(2) such portions or summaries, as the Administrator considers appropriate, of the information described in paragraphs (3) and (4) of such section.".

(e) Section 6104(b)(1) of such title is amended to read as follows:

"(1)(A) all substantive information on domestic assistance programs that, at the time the catalog is prepared, is in the system under paragraphs (1), (2), (5), (6), and (7) of section 6102(a) of this title; and

"(B) such portions or summaries, as the Administrator considers appropriate, of the information on domestic assistance programs that, at the time the catalog is prepared, is in the system under paragraphs (3) and (4) of section 6102(a) of this title;".

SEC. 4. Section 6103 of title 31, United States Code (as amended by section (3)(d) of this Act), and section 6104 of such title (as amended by section 3(e) of this Act) are amended by striking out "Director" each place it appears in such sections and inserting in lieu thereof "Administrator".

SEC. 5. Title 31, United States Code, is amended by striking out section 6105 and inserting in lieu thereof the following:

"§ 6105. Oversight responsibility of Director

"The Director shall have oversight responsibility for the exercise of all authorities and responsibilities in this chapter not specifically assigned to the Director.

"§ 6106. Authorization of appropriations

"After October 1, 1983, there may be appropriated to the Administrator such sums as may be necessary to carry out the responsibilities of this chapter.".

SEC. 6. The analysis of chapter 61 of title 31, United States Code, is amended by striking out the item relating to section 6105 and inserting in lieu thereof the following:

"6105. Oversight responsibility of Director.

"6106. Authorization of appropriations.".

SEC. 7. The Director of the Office of Management and Budget shall transfer to the Administrator of General Services such personnel, property, records, and unexpended balances of appropriations available in connection with any authorities and responsibilities so transferred, as the Director of the Office of Management and Budget determines are necessary to carry out the responsibilities transferred pursuant to this Act.

Mr. BROOKS (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. HORTON. Mr. Speaker, reserving the right to object, and I do not intend to object, but I rise simply to ask questions of clarification of the chairman, the gentleman from Texas (Mr. BROOKS).

Am I correct that this bill would transfer the actual publication of the Catalog of Federal Domestic Assistance from OMB to GSA?

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Texas.

Mr. BROOKS. I thank the gentleman for yielding.

In answer to his question, that is correct.

Mr. HORTON. Am I correct that GSA has agreed to assume this responsibility and that OMB supports the transfer?

Mr. BROOKS. Yes.

Mr. HORTON. Am I correct that under the bill, OMB will still collect and review the data from the various agencies; it will also retain responsibility for the quality of the publication; only the maintenance, compilation, and dissemination of the data are to be transferred to GSA?

Mr. BROOKS. That is correct.

Mr. HORTON. Am I also correct that as amended, this bill now provides for the collection of information on the formulas used to distribute Federal domestic funds?

Mr. BROOKS. Yes.

Mr. HORTON. Mr. Speaker, since both agencies involved are in agreement concerning the need for this legislation, and the bill makes no substantive reductions in the product required by Congress, I see no reason for objection.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas (Mr. BROOKS)?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Texas?

There was no objection.

A motion to reconsider was laid on the table.

OFFICE OF FEDERAL PROCUREMENT POLICY ACT AMENDMENTS OF 1983

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2293) to amend the Office of Federal Procurment Policy Act, and for other purposes. With Senate amendment thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follow:

Strike out all after the enacting clause and insert:

That this Act may be cited as the "Office of Federal Procurement Policy Act Amendments of 1983".

REFERENCE

SEC. 2. Except as otherwise specifically provided, whenever in this Act a reference is expressed in terms of a section or other provision, the reference shall be considered to be made to a section or other provision, respectively, of the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.).

DECLARATION OF POLICY

SEC. 3. Section 2 (41 U.S.C. 401) is amended to read as follows:

"DECLARATION OF POLICY

"SEC. 2. It is the policy of the Congress to promote economy, efficiency and effectiveness in the procurement of property and services by the executive branch of the Federal Government by—

"(1) promoting full and open competition;

"(2) establishing policies, procedures, and practices which will provide the Government with property and services of the requisite quality, within the time needed, at the lowest reasonable cost;

"(3) promoting the development of simplified uniform procurement processes;

"(4) promoting the participation of small business concerns;

"(5) supporting the continuing development of a competent, professional work force;

"(6) eliminating fraud and waste in the procurement process;

"(7) eliminating redundant administrative requirements placed on contractor and Federal procurement officials;

"(8) promoting fair dealings and equitable relationships with the private sector;

"(9) ensuring that payment is made in a timely manner and only for value received;

"(10) requiring, to the extent practicable, the use of commercial products to meet the Government's needs;

"(11) requiring that personal services are obtained in accordance with applicable personnel procedures and not by contract;

"(12) ensuring the development of procurement policies that will accommodate emergencies and wartime as well as peacetime requirements; and

"(13) promoting, whenever feasible, the use of specifications which describe needs in terms of functions to be performed or the performance required.".

DEFINITIONS

SEC. 4. Section 4 (41 U.S.C. 403) is amended to read as follows:

"DEFINITIONS

"SEC. 34. As used in this Act—

"(1) the term 'executive agency' means—

"(A) an executive department specified in section 101 of title 5, United States Code;

"(B) a military department specified in section 102 of such title;

"(C) an independent establishment as defined in section 104(1) of such title; and

"(D) a wholly owned Government corporation fully subject to the provisions of chapter 91 of title 31, United States Code;

"(2) the term 'procurement' includes all stages of the process of acquiring property or services, beginning with the process for determining a need for property or services and ending with contract completion and closeout;

"(3) the term 'procurement system' means the integration of the procurement process, the professional development of procurement personnel, and the management structure for carrying out the procurement function;

"(4) the term 'single system of Government-wide procurement regulations' means (A) a single Government-wide procurement regulation issued and maintained jointly by the General Services Administration, the Department of Defense, and the National Aeronautics and Space Administration, pursuant to their respective authorities, title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.), chapter 137 of title 10, United States Code, and the National Aeronautics and Space Act of 1958 (42 U.S.C. 2451 et seq.), and (B) agency acquisition regulations implementing and supplementing the Government-wide procurement regulation issued as provided in clause (A), which shall be limited to (i) regulations essential to implement Government-wide policies and procedures within the agency and (ii) additional policies and procedures required to satisfy the specific and unique needs of the agency; and

"(5) the term 'standards' means the criteria for determining the effectiveness of the procurement system by measuring the performance of the various elements of such system.".

AUTHORITY AND FUNCTIONS OF THE ADMINISTRATOR

SEC. 5. Section 6 (41 U.S.C. 405) is amended to read as follows:

AUTHORITY AND FUNCTIONS OF THE ADMINISTRATOR

"SEC. 6. (a) The Administrator shall provide overall direction of procurement policy and leadership in the development of procurement systems of the executive agencies. To the extent that the Administrator considers appropriate in carrying out the policies and functions set forth in this Act, and with due regard for applicable laws and the program activities of the executive agencies, the Administrator may prescribe government-wide procurement policies which shall be implemented in the single system of government-wide procurement regulations and shall be followed by executive agencies in the procurement of—

"(1) property other than real property in being;

"(2) services, including research and development; and

"(3) construction, alteration, repair, or maintenance or real property.

"(b) In any instance in which the Administrator determines that the Department of Defense, the National Aeronautics and Space Administration, and the General Services Administration are unable to agree on or fail to issue government-wide regulations, procedures and forms in a timely manner, the Administrator may, with due regard for applicable laws and the program activities of the executive agencies and consistent with the policies and functions set forth in this Act, prescribe government-wide regulations, procedures and forms which shall be followed by executive agencies in the procurement of—

"(1) property other than real property in being;

"(2) services, including research and development; and

"(3) construction, alteration, repair, or maintenance of real property.

"(c) The authority of the Administrator under this Act shall not be construed to—

"(1) impair or interfere with the determination by executive agencies of their need for, or their use of, specific property, services, or construction, including particular specifications therefor; or

"(2) interfere with the determination by executive agencies of specific actions in the award or administration of procurement contracts.

"(d) The functions of the Administrator shall include—

"(1) providing leadership and ensuring action by the executive agencies in the establishment, development and maintenance of the single system of simplified Government-wide procurement regulations and resolving differences among the executive

agencies in the development of simplified Government-wide procurement regulations, procedures and forms;

"(2) coordinating the development of Government-wide procurement system standards that shall be implemented by the executive agencies in their procurement systems;

"(3) providing leadership and coordination in the formulation of the executive branch position on legislation relating to procurement;

"(4) providing for a computer-based Federal Procurement Data System which shall be located in the General Services Administration (acting as executive agent for the Administrator) and shall collect, develop, and disseminate procurement data;

"(5) providing for a Federal Acquisition Institute which shall be located in the General Services Administration (acting as executive agent for the Administrator) and shall—

"(A) foster and promote Government-wide career management programs for a professional procurement work force; and

"(B) promote and coordinate Government-wide research and studies to improve the procurement process and the laws, policies, methods, regulations, procedures, and forms relating to procurement by the executive agencies;

"(6) establishing criteria and procedures to ensure the effective and timely solicitation of the viewpoints of interested parties in the development of procurement policies, regulations, procedures, and forms;

"(7) developing standard contract forms and contract language in order to reduce the Government's cost of procuring property and services and the private sector's cost of doing business with the Government; and

"(8) completing action, as appropriate, on the recommendations of the Commission on Government Procurement.

"(e) In carrying out the functions set forth in subsection (c), the Administrator—

"(1) shall consult with the affected executive agencies, including the Small Business Administration;

"(2) may, with the concurrence of the heads of affected executive agencies, designate an executive agency or executive agencies to assist in the performance of such functions; and

"(3) may establish advisory committees or other interagency groups to assist in providing for the establishment, development, and maintenance of a single system of simplified Government-wide procurement regulations and to assist in the performance of any of the other functions which the Administrator considers appropriate.

"(f) The Director of the Office of Management and Budget may deny the promulgation of or rescind any Government-wide regulation or final rule or regulation of any executive agency relating to procurement if the Administrator determines that such rule or regulation is inconsistent with the policies set forth in section 2 or any policies, regulations, or procedures issued pursuant to subsection (a).

"(g) Except as otherwise provided by law, no duties, functions, or responsibilities, other than those expressly assigned by this Act, shall be assigned, delegated, or transferred to the Administrator.

"(h) Nothing in this Act shall be construed to—

"(1) impair or affect the authorities or responsibilities conferred by the Federal Property and Administrative Services Act of 1949 with respect to the procurement of automatic data processing and telecommunications equipment and services or of real property; or

"(2) limit the current authorities and responsibilities of the Director of the Office of Management and Budget.

"(i)(1) With due regard to applicable laws and the program activities of the executive agencies administering Federal programs of grants or assistance, the Administrator may prescribe Government-wide policies, regulations, procedures, and forms which the Administrator considers appropriate and which shall be followed by such executive agencies in providing for the procurement, to the extent required under such programs, of property or services referred to in clauses (1), (2), and (3) of subsection (a) by recipients of Federal grants or assistance under such programs.

"(2) Nothing in paragraph (1) shall be construed to—

"(A) permit the Administrator to authorize procurement or supply support, either directly or indirectly, to recipients of Federal grants or assistance; or

"(B) authorize any action by such recipients contrary to State and local laws, in the case of programs to provide Federal grants or assistance to States and political subdivisions.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 6. Section 11 (41 U.S.C. 410) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 11. There are authorized to be appropriated to carry out the provisions of this Act, and for no other purpose, $4,500,000 for the fiscal year ending September 30, 1984, and for each of the three succeeding fiscal years.".

EXPERIMENTAL PROGRAMS; ADDITIONAL PROCUREMENT RESPONSIBILITIES OF EXECUTIVE AGENCIES

SEC. 7. The Office of Federal Procurement Policy Act is further amended by adding at the end thereof the following new sections:

"TESTS OF INNOVATIVE PROCUREMENT METHODS AND PROCEDURES

"SEC. 15. (a) The Administrator may develop innovative procurement methods and procedures to be tested by selected executive agencies. The innovative procurement methods and procedures tested under this subsection shall be consistent with the policies set forth in section 2. In developing any program to test innovative procurement methods and procedures under this subsection, the Administrator shall consult with the heads of executive agencies to—

"(1) ascertain the need for and specify the objectives of such program;

"(2) develop the guidelines and procedures for carrying out such program and the criteria to be used in measuring the success of such program;

"(3) evaluate the potential costs and benefits which may be derived from the innovative procurement methods and procedures tested under such program;

"(4) select the appropriate executive agencies or components of executive agencies to carry out such program;

"(5) specify the categories and types of products or services to be procured under such program; and

"(6) develop the methods to be used to analyze the results of such program.

A program to test innovative procurement methods and procedures may not be carried out unless approved by the heads of the executive agencies selected to carry out such program.

"(b) If the Administrator determines that it is necessary to waive the application of any provision of law in order to carry out a proposed program to test innovative procurement methods and procedures under subsection (a), the Administrator shall transmit notice of the proposed program to the Committee on Government Operations of the House of Representatives and the Committee on Governmental Affairs of the Senate and request that such committees take such action as may be necessary to provide that such provision of law does not apply with respect to the proposed program. The notification to Congress shall include a description of the proposed program (including the scope and purpose of the proposed program), the procedures to be followed in carrying out the proposed program, the provisions of law affected and any provision of law the application of which must be waived in order to carry out the proposed program, and the executive agencies involved in carrying out the proposed program.

"EXECUTIVE AGENCY RESPONSIBILITIES

"SEC. 16. To further achieve effective, efficient, and economic administration of the Federal procurement system, the head of each executive agency shall, in accordance with applicable laws, Government-wide policies and regulations, and good business practices—

"(1) increase the use of effective competition in procurement by the executive agency;

"(2) establish clear lines of authority, accountability, and responsibility for procurement decisionmaking within the executive agency, including placing the procurement function at a sufficiently high level in the executive agency to provide—

"(A) direct access to the head of the major organizational element of the executive agency served; and

"(B) comparative equality with organizational counterparts;

"(3) designate a senior procurement executive who shall be responsible for management direction of the procurement system of the executive agency, including implementation of the unique procurement policies, regulations, and standards of the executive agency; and

"(4) develop and maintain a procurement career management program in the executive agency to assure an adequate professional work force.

"STUDIES AND REPORTS

"SEC. 17. (a) The Administrator shall conduct studies and issue a report on the extent of competition in the award of subcontracts by Federal prime contractors including an evaluation of the data available on subcontracts awarded in fiscal year 1982 with respect to (1) the source selection method used in awarding such subcontracts, (2) the type of subcontracts awarded, (3) the dollar value of such subcontracts, (4) the size of the subcontractors which were awarded the subcontract (by number of employees), and (5) the geographical location of such subcontractors. The report shall also include recommendations for improvements, if appropriate, in the extent of competition in the awarding of subcontracts and in the collection of data on such subcontract awards.

"(b) The report required under subsection (a) of this section shall be completed by April 1, 1984, and shall be submitted to the Committee on Governmental Affairs of the Senate and the Committee on Government

Operations of the House of Representatives not later than April 15, 1984.".

MISCELLANEOUS AMENDMENTS

SEC. 8. (a) Section 8 (41 U.S.C. 407) is amended—

(1) in subsection (a)—

(A) by striking out "(1)" at the beginning of paragraph (1); and

(B) by striking out paragraphs (2), (3), and (4);

(2) in subsection (b)—

(A) by striking out the first sentence and inserting in lieu thereof "At least 30 days prior to the effective date of any policy or regulation prescribed under section 6(a), the Administrator shall transmit to the Congress a report on the proposed policy or regualtion."; and

(B) by inserting "or regulation" after "policy" each place it appears in clauses (1), (2), and (3) in the second sentence of such subsection; and

(3) by striking out "any policy" in subsection (c) and inserting in lieu thereof "any policy or regulation".

(b) Section 10 (41 U.S.C. 409) is amended to read as follows:

"SEC. 10. Procurement policies, regulations, procedures, or forms in effect on the date of enactment of the Office of Federal Procurement Policy Act Amendments of 1983 shall continue in effect, as modified from time to time, until repealed, amended, or superseded by policies, regulations, procedures, or forms promulgated by the Administrator.".

(c) Subsection (a) of section 12 (41 U.S.C. 411) is amended to read as follows:

"(a) The Administrator may delegate, and authorize successive redelegations of, any authority, function, or power of the Administrator under this Act (other than the authority to provide overall direction of Federal procurement policy and to prescribe policies and regulations to carry out such policy), to any other executive agency with the consent of the head of such executive agency or at the direction of the President.".

(d)(1) Sections 201(a)(1), 201(c), and 206(a)(4) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(a)(1), 481(c), 487(a)(4)) are each amended by inserting "and regulations" after "subject to policy directives".

(2) Section 602(c) of such Act (40 U.S.C. 474) is amended by inserting "except as otherwise provided by the Office of Federal Procurement Policy Act, and" after "any law inconsistent herewith,".

SMALL PURCHASES

SEC. 9. (a)(1) Section 302(c)(3) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 252(c)(3)) is amended by striking out "$10,000" and inserting in lieu thereof "$25,000".

(2) Sections 201(a)(1), 201(c), and 206(a)(4) of such Act (40 U.S.C. 481(a)(1), 481(c), 487(a)(4)) are each amended by striking out "subject to policy directives" and inserting in lieu thereof "subject to regulations".

(3) Section 602(c) of such Act (40 U.S.C. 474) is amended by inserting "except as otherwise provided by the Office of Federal Procurement Policy Act, and" after "any law inconsistent herewith,".

(b) Clause (1) of the first sentence of section 3709 of the Revised Statutes (41 U.S.C. 5) is amended by striking out "$10,000" and inserting in lieu thereof "$25,000".

(c) The Act entitled "An Act making appropriations for the Legislative Branch for the fiscal year ending June 30, 1966, and for other purposes", approved July 27, 1965 (41 U.S.C. 6a-1), is amended by striking out "$10,000" in the third full unnumbered paragraph under the heading "Office of Architect of the Capitol" and inserting in lieu thereof "$25,000".

(d) Clause (3) of the first sentence of section 9(b) of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831h(b)) is amended by striking out "$10,000" and inserting in lieu thereof "$25,000".

STUDY OF WEAPON SYSTEMS SPARE PARTS PROCUREMENT BY THE DEPARTMENT OF DEFENSE

SEC. 10. (a) Not later than June 1, 1984, the Office of Federal Procurement Policy (hereinafter in this section referred to as the "Office") shall review the procurement practices, regulations, and reform proposals and programs of the Department of Defense relating to the procurement of spare parts for weapon systems and shall transmit to the Congress a report on the findings, conclusions, and recommendations of the Office relating to such matters. The report shall include (1) an evaluation of the adequacy of the reform proposals and programs to promote practices and the development of directives which will achieve control of costs, economy, and efficiency in the procurement of such spare parts and (2) such recommendations for legislation with respect to the procurement of such spare parts as the Office considers appropriate.

(b)(1) the Secretary of Defense shall furnish to the Office such information on the practices, regulations, and reform proposals and programs of the Department of Defense relating to the procurement of spare parts for weapons systems as the Office considers necessary to carry out subsection (a).

(2) The Inspector General of the Department of Defense shall furnish to the Office such information on the practices of the Department of Defense in procuring spare parts for weapons systems as the Inspector General acquires during his audits of such practices and the Office considers necessary to carry out subsection (a).

(c) The Inspector General of the Department of Defense shall have reasonable opportunity to review and comment on the report required by subsection (a) before the report is transmitted to the Congress. The comments of the Inspector General shall be included in such report.

PROCUREMENT PRACTICES OF THE DEPARTMENT OF DEFENSE AT THE END OF THE FISCAL YEAR

SEC. 11. (a)(1) Not later than February 1, 1984, the Office of Federal Procurement Policy (hereinafter in this section referred to as the "Office") shall review the procurement actions of the Department of Defense during the one-week period ending September 30, 1983, and transmit to the Congress a report on such review as provided in paragraph (2). In carrying out the preceding sentence, the Office shall review the regulations and administrative and managerial guidelines applicable to procurement actions of the Department of Defense during the final quarter of a fiscal year.

(2) The report required by paragraph (1) shall include (A) the number and dollar amount of contracts and purchases which were made by the Department of Defense during the one-week period referred to in paragraph (1), (B) the findings and conclusions of the Office on whether the Department of Defense had a bona fide need for the property or services procured by each such contract and purchase, (C) a list of the contracts and purchases which were made by the Department of Defense during such period without formal advertising, including the dollar amount of each such contract or purchase, (D) a list of the contracts and purchases made by the Department of Defense during such period after soliciting bids or proposals from only one source, including the dollar amount of each such contract and purchase, (E) each justification for making each contract and purchase included in the list under clause (C) or (D) without formal advertising or soliciting bids or proposals from more than one source, (F) the findings and conclusions of the Office on whether any regulation or administrative or managerial guideline reviewed pursuant to paragraph (1) (including the requirements of Office of Federal Procurement Policy letter number 81-1) were violated in making any of the contracts or purchases reviewed pursuant to paragraph (1), and (G) such recommendations for legislation and administrative actions relating to the procurement practices of the Department of Defense as the Office considers appropriate to assure economy and efficiency in procurement actions by the Department of Defense during the final quarter of a fiscal year.

(b)(1) The Secretary of Defense shall furnish to the Office such information on the procurement actions of the Department of Defense and the regulations and administrative and managerial guidelines applicable to such actions as the Office considers necessary to carry out subsection (a).

(2) The Inspector General of the Department of Defense shall furnish to the Office such information on the procurement actions of the Department of Defense and the regulations and administrative and managerial guidelines applicable to such actions as the Inspector General has acquired and the Office considers necessary to carry out subsection (a).

(3) The Comptroller General of the United States shall furnish to the Office such information on the procurement actions of the Department of Defense and the regulations and administrative and managerial guidelines applicable to such actions as the Comptroller General has acquired and the Office considers necessary to carry out subsection (a).

(4) Each official furnishing information to the Office under paragraph (1), (2) or (3) shall include with such information all information furnished by such official to the Congress, any committee of the Congress, or any Member of the Congress relating to the procurement actions required by subsection (a) to be reveiwed by the Office.

Amend the title so as to read: "An Act to revise the authority and responsibility of the Office of Federal Procurement Policy, to authorize appropriations for the Office of Federal Procurement Policy for an additional four fiscal years, and for other purposes.".

Mr. BROOKS (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. HORTON. Mr. Speaker, reserving the right to object, and I do not intend to object, but I rise simply to ask questions of clarification.

Am I correct that this bill would reauthorize OFPP for 4 years?

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Texas.

Mr. BROOKS. I thank the gentleman for yielding.

That is correct.

Mr. HORTON. Does the bill give clear authority to OFPP to issue policy directives which the agencies are required to follow and implement?

Mr. BROOKS. Yes. I would like to point out that the Senate did exempt the Tennessee Valley Authority from this bill. I have no idea who has that kind of clout over there, but we should look very closely at TVA's procurement operations in the future.

Mr. HORTON. It is my understanding that these policy directives can be in such detail as the Administrator considers necessary to insure Government-wide implementation. Is that correct?

Mr. BROOKS. Yes.

Mr. HORTON. It is also my understanding that OFPP can determine what areas should be subject to Government-wide procurement regulations. And further, that OFPP can issue such Government-wide regulations where the major procurement agencies—DOD, GSA, and NASA—either fail to agree on such regulations or fail to issue implementing regulations in a timely manner. Is this correct?

Mr. BROOKS. Yes. In this bill, OFPP is given regulatory authority over the Government's procurement system. OFPP needs this authority to settle disputes among procuring agencies and to act as the final decisionmaker in all policy and regulatory matters involving procurement. I would also like to point out that under the proposed section 6(a) of the bill, as amended, OFPP's policy authority is preeminent and would take legal precedence over all Government-wide procurement regulations, as well as agency unique regulations. Further, the Administrator of OFPP may, through the Director of OMB, deny or rescind any agency regulation which is inconsistent with OFPP's policies.

Mr. HORTON. Are there any constraints placed on the Administrator other than those stated in the proposed section 6(e) of the OFPP Act as amended.

Mr. BROOKS. No.

Mr. HORTON. I appreciate the chairman's response to my questions and would only add that the administration supports this bill.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas (Mr. BROOKS)?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Texas?

There was no objection.

A motion to reconsider was laid on the table.

AUTHORIZING PRINTING OF COLLECTION OF STATEMENTS IN TRIBUTE TO LATE REPRESENTATIVE JAMES A. BURKE

Mr. GAYDOS. Mr. Speaker, by direction of the Committee on House Administration, I call up the resolution (H. Res 356) authorizing the printing of a collection of statements in tribute to the late Representative James A. Burke, and ask unanimous consent for its immediate consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 356

Resolved, That there shall be printed as a House document a collection of statements made in tribute to the late Representative James A. Burke and published in the Congressional Record, together with appropriate illustrations and other material relating to such statements.

SEC. 2. In addition to the usual number, there shall be printed, for the use of the House, fifty copies of the document referred to in the first section of this resolution, which shall be casebound in such style as the Joint Committee on Printing shall direct.

The resolution was agreed to.

A motion to reconsider was laid on the table.

IMPROVING HIGHWAY TRANSPORTATION SYSTEM OF COMMONWEALTH OF VIRGINIA

Mr. HOWARD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 199) relating to improving the highway transportation system of the Commonwealth of Virginia.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

□ 1110

The Clerk read the Senate joint resolution, as follows:

SENATE JOINT RESOLUTION 199

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That upon repayment by the Commonwealth of Virginia to the Treasurer of the United States of an amount equal to all Federal-aid highway funds heretofore paid on account of the immediate connectors and approaches to the Richmond-Petersburg Turnpike, said turnpike shall be free of all restrictions with respect to the imposition and collection of tolls or other charges on or for the use thereof which are contained in title 23, United States Code, or section 1 of the Federal Highway Act, or any regulation or agreement thereunder. The amount to be repaid shall be deposited to the credit of the appropriations for the "Federal-Aid Highway (Trust Fund)". Such repayment shall be credited to the unprogramed balance of the Federal-aid interstate funds last apportioned to the Commonwealth of Virginia. The amount so credited shall be in addition to all other funds then apportioned to said State and shall be available for expenditure in accordance with the provisions of title 23, United States Code.

SEC. 2. Notwithstanding any other provisions of law and the Secretary of Transportation's decision on Interstate Highway 66, Fairfax and Arlington Counties, Virginia, dated January 5, 1977, the Secretary of Transportation, in cooperation with the Commonwealth of Virginia, shall carry out a demonstration project on Interstate Highway 66 in Fairfax and Arlington Counties, Virginia, for a period not less than twelve months, commencing within sixty days of the enactment of this section. The Commonwealth of Virginia shall restrict the use of such highway between I-495 and the District of Columbia to high occupancy vehicles carrying three or more passengers during the hours of 7 antemeridiem to 9 antemeridiem on Monday through Friday, exclusive of holidays, on eastbound lanes and during the hours of 4 post meridiem to 6 post meridiem on Monday through Friday, exclusive of holidays, on westbound lanes during the demonstration period. High occupancy vehicle requirements shall not apply to vehicles entering I-66 or the Theodore Roosevelt Bridge from Lynn Street or the George Washington Parkway in Arlington County, Virginia. During the demonstration period, the Secretary of Transportation, in cooperation with the Commonwealth of Virginia, shall carry out an environmental assessment of the effects of the high occupancy vehicle restrictions, and shall, upon completion of such assessment, report to the Congress the results of the assessment and the demonstration project.

SEC. 3. (a) Upon repayment by the State of Ohio or the Ohio Turnpike Commission to the Treasurer of the United States of an amount equal to the total amount of Federal-aid highways funds received for construction of interchanges or connections with the Ohio Turnpike pursuant to an agreement entered into under section 129(d) of title 23, United States Code, the State of Ohio and the Ohio Turnpike Commission shall be free of all restrictions with respect to the imposition and collection of tolls or other charges on the Ohio Turnpike or for the use thereof contained in title 23, United States Code, or in any regulation or agreement thereunder. Nothing in this section shall be construed to affect any apportionment of funds under section 104(b)(5)(B) of title 23, United States Code.

(b) The amount repaid under subsection (a) shall be deposited to the credit of the appropriation for "Federal-Aid Highway (Trust Fund)". Such amount shall be credited to the unprogrammed balance of the Federal-aid highway funds of the same class last apportioned to the State of Ohio. The amount so credited shall be in addition to all other funds then apportioned to such State and shall be available for expenditure in accordance with the provisions of title 23, United States Code.

AMENDMENT OFFERED BY MR. HOWARD

Mr. HOWARD. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOWARD: At the end of the resolution add the following:

SEC. 4. In addition to any amounts authorized to be appropriated by section 125 of title 23, United States Code, for the fiscal year ending September 30, 1984, there is authorized to be appropriated, out of the Highway Trust Fund (other than the Mass Transit Account), for such fiscal year $150,000,000 to carry out such section.

SEC. 5. (a) Section 125 of title 23, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) For purposes of this section, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands shall be considered to be States and parts of the United States, and the chief executive officer of each such territory shall be considered to be a Governor of a State.".

(b) The first sentence of subsection (b) of such section 125 is amended by inserting "(1)" before "obligations" and by inserting after "$30,000,000 in any State" the following: ", and (2) the total obligations for projects under this section in any fiscal year in the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands shall not exceed $5,000,000".

(c) The amendments made by subsections (a) and (b) of this section shall take effect April 15, 1983.

SEC. 6. The proviso in the first sentence of subsection (b) of section 125 of title 23, United States Code (as amended by section 2(b) of this Act), limiting the aggregate amount of obligations for projects under such section, shall not apply to funds authorized to be appropriated by the first section of this Act.

SEC. 7. A project to alleviate flooding conditions caused by an inadequate box culvert under an Interstate highway in the vicinity of Carencro, Louisiana—

(1) by removal of such box culvert and construction of one or more bridges, or

(2) by construction of drainage ditches,

at a cost not to exceed $2,000,000, shall be eligible for assistance under section 125 of title 23, United States Code.

SEC. 8. A project to repair or reconstruct any portion of a Federal-aid primary route in San Mateo County, California, which was destroyed as a result of a combination of storms in the winter of 1982–1983 and a mountain slide and which, until its destruction, had served as the only reasonable access between two cities and as the designated emergency evacuation route of one of such cities shall be eligible for assistance under section 125 of title 23, United States Code.

SEC. 9. Construction of any bridge—

(1) which will be part of a four-lane expressway on the Federal-aid primary systems in the vicinity of Valley City, Illinois, and Florence, Illinois;

(2) construction of which received discretionary funding in fiscal year 1979 under the third sentence of section 144(g) of title 23, United States Code; and

(3) construction of which, on May 1, 1983, was prohibited by judicial injunction;

shall be eligible for assistance under section 144 of such title.

Mr. HOWARD (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. EDGAR. Mr. Speaker, reserving the right to object—and I will not object—I just want to get assurances from the chairman that there are no water projects in this amendment that the gentleman has offered.

Mr. HOWARD. If the gentleman will yield, I am happy to give him those assurances.

Mr. EDGAR. I thank the gentleman. I appreciate that.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. HOWARD) is recognized for 1 hour.

Mr. HOWARD. Mr. Speaker, it is with some mixed emotions that I rise in support of Senate Joint Resolution 199, which passed the other body just yesterday. It contains three provisions, all of which were included in H.R. 3103, the highway emergency relief bill which passed the House on November 1.

Of course, I would prefer, and our committee would prefer, to have brought to the floor today the conference report on H.R. 3103; but, unfortunately, the other body has not yet seen fit to appoint conferees.

Mr. Speaker, the amendment at the desk simply adds the emergency relief provisions contained in the most recent House version of H.R. 3103, plus a certain bridge provision contained in the original House version of H.R. 3103. These are noncontroversial provisions, Mr. Speaker, and I urge their adoption.

Mr. Speaker, this contains the emergency relief legislation word for word as it passed the House several months ago by unanimous consent. We believe that the other body is very happy and willing to accept that.

Mr. SHUSTER. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. I thank the gentleman for yielding.

Mr. Speaker, I rise to support the action of the gentleman from New Jersey. This has been cleared with the minority leader on our side. The House should be informed that the highway bill, which we passed through here some weeks ago overwhelmingly, became bogged down in some controversial items in the other body, so there will be no action on that this year.

Instead, the other body has taken three noncontroversial nonfinancial items and passed a simple Senate joint resolution dealing with I–66 and the high occupancy vehicle lanes dealing with the Richmond-Petersburg Turnpike, which has the support of both the Governor of Virginia and Senator WARNER in the other body, and, third, added the Ohio Turnpike provision, which has the support not only of Governor Celeste of Ohio but of Congressman LATTA in this body, Congressman APPLEGATE in this body and, in fact, in those two, Ohio and Virginia will be required to return money to the Federal Government. And Congressman MCEWEN and others, I am told, support the Ohio provision.

So what the other body has done is simply taken these three noncontroversial items, put them into a joint resolution, sent them here to the House.

Recognizing that we are not going to be able to get action on the highway bill which passed overwhelmingly out of this body, we instead are adding only to this Senate resolution the emergency relief bill which passed this body unanimously on June 13. There are no changes to it, no additions, no deletions. It is precisely as this body overwhelmingly passed that legislation.

Now, some of us regret that we are not able to be here today telling the Members that we are moving forward with the highway legislation which indeed passed overwhelmingly in this body. We are very hopeful that we will be able to be in that position when we return after the first of the year. But this is a matter that has to be worked out with the other body. So rather than do nothing and find the emergency relief legislation not moving forward at all, it seemed prudent and in the best interest of the country that we should take this opportunity to deal with these three noncontroversial nonfinancial items which the other body dealt with and add to it the emergency relief bill.

So for those reasons, I certainly support the action by the gentleman.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

Mr. Speaker, I want to make sure I understand what is being done here.

As I understand it, we are taking a resolution dealing with noncontroversial things that has been approved by the Senate and to which the committee agrees and adding to that the emergency floor relief highway repair bill which was passed here unanimously a number of months ago; is that correct?

Mr. HOWARD. That is correct. Exactly that; nothing more, nothing less. We passed it quite a while ago, and on the Senate side they added the entire highway provision to it. And what we want to do is get this out, we want to get it passed. It was an emergency,

passed months ago. We do not want that hanging over while we negotiate on the highway bill.

Mr. LAGOMARSINO. If the gentleman will yield further, I would urge my colleagues to adopt this resolution. It will provide for a number of emergency projects in the Nation, including one—at least we will be eligible for it—that connects two large cities in my district with Vandenberg Air Force Base. And every day that that highway is not repaired costs the Federal Government untold dollars because of higher costs in delivering personnel, equipment, merchandise and stores, and so on, to that Vandenberg Air Force Base.

So I urge my colleagues very strongly to support this resolution.

Mr. ANDERSON. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from California.

Mr. ANDERSON. I thank the gentleman for yielding. Mr. Speaker, on June 13 of this year, this body passed a simple bill providing emergency relief to repair roads damaged by an unusual season of storms and national disasters that occurred around the country. As some of our colleagues know, this noncontroversial matter passed by the House and Senate, became entangled in other issues. This amendment would pull the emergency relief provision from H.R. 3103 which passed this body on November 1, and add it, along with designation of a bridge in Illinois to the text of Senate Joint Resolution 199 which passed in the other body last night and contains a very few provisons which do not create a penny in new budget authority. I urge its adoption.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, I have just a couple of questions.

We had an emergency highway bill here before us just a couple of weeks ago. At that time we were told that that was all noncontroversial, too, and then we kind of found out afterward that there was a multimillion dollar central Massachusetts project in there and several other items that were indeed controversial.

Are any of those items in this bill?

Mr. HOWARD. None whatever.

Mr. WALKER. None whatever.

Mr. HOWARD. Not in this. And I would say to the gentleman that that was not a totally noncontroversial bill, I do not think that we claimed that that was, and that is why we are negotiating and will continue to negotiate with the other body.

Mr. WALKER. I thank the gentleman.

If the gentleman will yield further, we have been told that there are no financial costs in this particular bill.

Mr. HOWARD. Beyond the cost or the amount of money in the emergency relief portion that we are adding on, which the House passed, as I said, by unanimous consent several months ago. On the other portions which deal with highway legislation on this, there are no provisions in the highway portion which have any money at all in them.

Mr. WALKER. In other words, what we are talking about is the three add-on items that do not have any financial cost to them, and there would be no add-on deficit for the upcoming fiscal year as a result of those three items?

Mr. HOWARD. No, absolutely none.

Mr. WALKER. I thank the gentleman.

Mr. WOLF. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Speaker, I want to thank the chairman, the gentleman from New Jersey (Mr. HOWARD), and the ranking Republican, the gentleman from Kentucky (Mr. SNYDER), the gentleman from Pennsylvania (Mr. SHUSTER), the gentleman from California (Mr. ANDERSON) and the staff of both sides, Republican and Democrat, for working this process out. This is an important piece of legislation. Personally, from the bottom of my heart, I thank the gentlemen for persevering and sticking with it.

Mr. Speaker, I rise in support of this legislation directing the Secretary of Transportation to conduct a 1-year demonstration project on Interstate Route 66 (I-66) inside the Capital Beltway in northern Virginia. The demonstration will lower the number of people required in a vehicle during the rush hours from four to three and will also narrow the hours of restricted use from the present 6:30-9 a.m. eastbound to 7-9 a.m. and the present 3:30-6:30 p.m. westbound to 4-6 p.m. The changes will be made in consultation with the Commonwealth of Virginia and the project will be evaluated during the 1-year demonstration to insure that it is conducted in a manner that is environmentally sound and safe for motorists.

Mr. Speaker, I believe this demonstration project is necessary to alleviate serious traffic problems in northern Virginia which have been of great concern to area commuters.

After studying this situation for almost a year, it is clear that I-66 is underutilized and that HOV-4 rules actually serve as a disincentive to the formation of carpools. It is important for members to realize that northern Virginia is the only area in the United States where there are HOV-4 restrictions.

I-66 is currently operating with about 600 cars per hour during the restricted period. A highway of this type, according to traffic engineering manuals, can carry 2,400 cars an hour traveling 51 miles per hour (or 3,800 cars an hour moving at 40 mph). Reducing the carpooling requirement to HOV-3 would double its current usage to about 1,200 cars per hour, well below capacity.

I would like to point out that this 10-mile portion of Interstate 66, which is restricted now to four-person carpools, cost taxpayers $285 million—or $28 million a mile. Relaxing the carpool restrictions will provide an incentive to more people to form carpools, will make it easier to maintain reliable carpools, and allow more people to take advantage of the road they paid for.

I believe that a reduction of the HOV-4 rush hour limitation would have a positive effect on the environment, including congestion, pollution, energy savings and pedestrian safety.

With more drivers meeting the modified carpool requirements and using I-66, there would be fewer cars on area roads; more cars moving at constant higher speeds, and less stop-and-go traffic. All this would bring energy savings, both in fuel consumption and in human energy and time; reduced pollution levels from standing automobiles on side and residential streets; less congestion on the residential and surface streets in Arlington and Falls Church including Route 50, Lee Highway, Wilson boulevard and other local streets; and improved auto and pedestrian safety along those arteries with the shift of traffic from secondary roads to I-66.

As sponsor of this amendment, it is my intention that the Secretary should have flexibility to modify hours at the beginning of the morning rush hour (6:30 to 7 a.m.) if serious safety problems are demonstrated at the Theodore Roosevelt Bridge. This flexibility should only be exercised after sufficient data is available to determine the extent of the problem and after working with the State to make every effort to implement corrective safety measures including but not limited to advance warning signals, flashing lights, and traffic management system computerized messages warning of any potential hazard. After discussing these proposed changes with the Federal Highway Administration, I understand that the Secretary may need this flexibility if an unforeseen circumstance develops in view of the tremendous pressures on Virginia commuter routes. I do not anticipate a problem but want the Department of Transportation to have the authority necessary to solve such a problem if needed. To me, safety on I-66 or any other highway is of paramount importance.

I also want to make clear that the Lynn Street ramp to I-66 in Arlington, Va. should continue to be exempt from any restriction on passengers in a vehicle or on time of use. This ramp is an important access point for commuters and is located at a point before the road narrows to two lanes westbound and after the road opens to four lanes eastbound. At present, there are no restrictions on vehicles using the Lynn Street ramp and it is the intent of this legislation that no new restrictions be imposed.

Finally, on behalf of Senators JOHN WARNER and PAUL TRIBLE and Representative STAN PARRIS, I want to thank my colleagues on the Public Works and Transportation Committee who recognize that this 1-year demonstration project can provide much-needed relief to weary northern Virginia commuters. The chairman of the full committee, JIM HOWARD, and the ranking member of the full committee, GENE SNYDER, along with the chairman of the Surface Transportation Subcommittee, GLENN ANDERSON, and the subcommittee's ranking member, BUD SHUSTER, provided the leadership necessary to guide this administrative relief through the House during these waning days of the first session. I believe that now is the time to pass this legislation. It appropriates no funds; it will improve commuting for the citizens of the metroplitan area and make trips to and from work more efficient, and it will at the same time provide a positive impact on the residential area surrounding this highway.

Mr. HOWARD. I thank the gentleman for his remarks.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from New Jersey (Mr. HOWARD).

The amendment was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CONDEMNING ACTION OF SO-CALLED TURKISH FEDERATED STATE OF CYPRUS IN DECLARING ITSELF TO BE AN INDEPENDENT STATE ON CYPRUS

Mr. YATRON. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the concurrent resolution (H. Con. Res. 220) condemning the action of the so-called Turkish Federated State of Cyprus in declaring itself to be an independent State on Cyprus on November 15, 1983, and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

□ 1120

Mr. BROOMFIELD. Mr. Speaker, reserving the right to object, I would yield to the gentleman from Pennsylvania (Mr. YATRON) so that he may explain this resolution.

Mr. YATRON. I thank the gentleman for yielding.

Mr. Speaker, this resolution condemns the so-called Turkish Federated State on Cyprus for declaring itself to be an independent state on Cyprus on November 15 and sends a strong message to the Government of Turkey that the United States will not tolerate this tragic act against the Greek-Cypriot people and the sole legitimate Government of Cyprus.

Mr. BROOMFIELD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 220

Whereas the United States recognizes the Government of the Republic of Cyprus as the sole legitimate government of Cyprus;

Whereas on November 15, 1983, the so-called "Turkish Federated State of Cyprus" declared itself to be an independent state on Cyprus;

Whereas this unjustified action clearly contradicts the stated United States objectives of calling for the withdrawal of all foreign forces from Cyprus, including Turkish occupation troops, and for a unified Cyprus under one government;

Whereas this declaration is objected to by the Secretary General of the United Nations and preempts negotiations under United Nations auspices to resolve the 9-year-old dispute on Cyprus;

Whereas this unilateral declaration of independence has been recognized by the Government of Turkey, and prior to this action, the Government of Turkey had been the only government to recognize the self-proclaimed "Turkish Federated State" in northern Cyprus; and

Whereas this action greatly accelerates tensions between two North Atlantic Treaty Organization allies, Greece and Turkey, thereby undermining United States security interests in the Mediterranean region: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress condemns the so-called "Turkish Federated State of Cyprus" for declaring itself to be an independent state on Cyprus. Furthermore, the Congress declares that this unilateral declaration of independence should not be recognized by the United States as a legitimate act and is inconsistent with the objectives of United States policy with respect to a political settlement on Cyprus.

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. YATRON) is recognized for 1 hour.

Mr. YATRON. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan (Mr. BROOMFIELD) for purposes of debate only, and pending that, I yield myself such time as I may consume.

GENERAL LEAVE

Mr. YATRON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution being considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. YATRON. Mr. Speaker, on November 15 the so-called Turkish Federated State of Cyprus declared itself to be an independent state. This action clearly contradicts stated United States objectives of calling for the withdrawal of all foreign forces from Cyprus, including Turkish occupation troops, and for a unified Cyprus under one government. More importantly, this illegitimate action greatly accelerates tensions between two NATO allies, Greece and Turkey, thereby undermining United States security interests in the Mediterranean region.

As you know, Cyprus has been divided since Turkish troops illegally invaded this small island nation in 1974. As a result of this blatant act of aggression, northern Cyprus has been illegally occupied by thousands of Turkish troops and over 200,000 Greek Cypriots have been forced to live in southern Cyprus as refugees in their own homeland.

The Reagan administration has publicly condemned the Turkish-Cypriot community for declaring independence and has urged all nations not to recognize this unjustified proclamation. It has also made it clear to Turkey that by recognizing the Turkish-Cypriot community as a separate state it has created tensions in the NATO alliance and could severely damage United States-Turkish relations. This declaration was undertaken with the full knowledge and approval of the Government of Turkey. Turkey immediately recognized the Turkish-Cypriot community's self-proclaimed government status and has been strongly criticized by the NATO alliance for doing so.

This declaration and recognition by Turkey comes only several days after the Congress passed a continuing resolution guaranteeing Turkey almost $1 billion in aid for fiscal year 1984.

This unilateral declaration of independence has been strongly criticized by the Secretary General of the United Nations and preempts negotiations under U.N. auspices to resolve this 9-year-old tragedy.

Mr. Speaker, in the final analysis, the United States and the NATO alliance must take whatever steps are necessary to pressure the Government of Turkey and the Turkish Cypriots to rescind this declaration. It is my believe that if this action is not reversed, Turkey will soon take the next step, which would be to annex northern Cypus.

Mr. Speaker, this resolution sends a message to Turkey that the stability and unity of NATO is at stake and that it is their responsibility to undo the damage of this tragic action.

I strongly urge my colleagues to support this resolution.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. YATRON. I yield to the chairman of the Committee on Foreign Affairs, the distinguished gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of House Concurrent Resolution 220, condemning the action of the so-called Turkish Federated State of Cyprus in declaring itself to be an independent state on Cyprus on November 15, 1983.

The unilateral declaration of independence by the Turkish Cypriots is regrettable and surely not in the best interests of the United States, NATO, or the parties most directly involved. The action is sure to worsen already difficult relations between Greece and Turkey and weaken efforts to strengthen the defense of NATO's southern flank.

At the very time when slow but steady progress was taking place in the United Nations effort to bring about a solution to the Cyprus dispute, this unilateral action by the Turkish Cypriots literally destroys the basis for further negotiation. Congress cannot and should not be silent in the face of this ill-advised and counterproductive action. In that regard, Turkey's recognition of the Turkish Cypriot action only makes this situation more difficult.

House Concurrent Resolution 220 recognizes the unilateral declaration by the Turkish Cypriots clearly contradicts U.S. foreign policy objectives in the region, including the withdrawal of all foreign forces from Cyprus, and the unification of Cyprus under one government. It rightly condemns the declaration of independence and urges that the U.S. Government not recognize the so-called Turkish Federated State of Cyprus.

Mr. Speaker, House Concurrent Resolution 220 is an appropriated expression of congressional opposition to the action of the Turkish Cypriots. I commend the gentleman from Pennsylvania (Mr. YATRON), chairman of the Subcommittee on Human Rights and International Organizations, and the gentleman from Michigan (Mr. BROOMFIELD), the ranking Republican member of the Committee on Foreign Affairs, for their initiative in this matter.

Mr. Speaker, I urge passage of the resolution.

Mr. YATRON. Mr. Speaker, I thank the distinguished chairman for his comments.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, make no mistake; this is an extremely important resolution dealing with what could become the world's next major trouble spot.

The shocking and short-sighted declaration of an independent Turkish-Cypriot republic on northern Cyprus holds the potential for bloody confrontation between two important United States allies threatening the fabric of the NATO alliance.

Yesterday, I sent a letter to President Reagan expressing my deep concern that unless unilateral decision is quickly reversed, stronger measures must be considered by the administration, including the suspension of military aid to Turkey.

For 10 years we have taken the word of the Turkish Government that the way to resolve the Cypriot problem was through negotiations.

While the lack of progress in those talks has been a source of disappointment, this blatant step demonstrates the Turkish Government's lack of good faith in the process.

As many of my colleagues well remember, Turkey invaded Cyprus back in 1974 and occupied part of the island. Thousands of innocent Cypriots were killed in the bloodbath. Many are missing. That country has occupied over 40 percent of the island with over 30,000 Turkish combat troops.

Turkey then brought in over 40,000 Anatolian settlers and gave them large areas of northern Cyprus. Many native Cypriots have been forced from their villages. Historically, 78 percent of the population of Cyprus has always been Greek Cypriot.

Since 1974, the United Nations special representative has sought a political solution to the problems of Cyprus. Progress has been nil thanks to the intransigence of the Turkish Cypriots.

The United States has been working closely with the United Nations to resolve this situation. We recognize the Government of the Republic of Cyprus as the only legitimate government of that island. We have called for the withdrawal of all foreign forces from Cyprus and have supported a unified Cyprus under one government.

Prolonging difficulties will only undermine America's security interests in the important Mediterranean region.

I commend—and I want to emphasize this—the Department of State for quickly condemning this unilateral decision on the part of the Turkish-Cypriots.

I am confident that my colleagues in this Chamber will join in condemning this hasty and unwise move. It runs counter to the long-term interests of both Greece and Turkey, as well as all groups on the island of Cyprus. Our Government should do everything in its power to insure that the Turkish-Cypriots rethink this unwise declaration and return to the intercommunal talks.

Unless this happens quickly, Mr. Speaker, Congress and this body will be required to consider stronger measures, including, in my judgment, suspension of all aid to Turkey.

□ 1130

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, having long advocated and supported a negotiated settlement on Cyprus, I am deeply concerned and dismayed at the announcement by the Turkish Cypriots of their establishing an independent republic in northern Cyprus.

We had recently had reassurances that the Turkish Cypriot leader Rauf Denktash supported an early return to the intercommunal talks on the future of Cyprus. Obviously, the unilateral action of declaring independence will undoubtedly block any hope for a negotiated settlement on the island. Moreover, it puts the newly elected Turkish Government of the civilian politician Turgut Ozal in an extremely difficult position.

We can hope that, at this point, world opinion can succeed in pressuring the Turkish Cypriots to reconsider their action. It is imperative that we seek a negotiated solution to the continuing problem of Cyprus in order to avoid any further damage to the NATO alliance from increased tension between Greece and Turkey.

I urge my colleagues to pass this legislation, House Concurrent Resolution 220.

Mr. YATRON. Mr. Speaker, I would like to say for the record that my colleague, the gentleman from California (Mr. LEVINE), is a strong supporter of this resolution, and he could not be here during the debate because he is filling in for me and chairing an important human rights subcommittee meeting.

Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Ms. FERRARO).

Ms. FERRARO. Mr. Speaker, I thank my colleague, the gentleman from Pennsylvania, for yielding and I commend him for bringing this resolution to the attention of the House.

I was in Cyprus in 1979 and had occasion to meet Rauf Denktash. While we were speaking and discussing the situation that was occurring on the island at that time, he told me that the Turkish Cypriots were anxious to move toward a settlement of the problem, that there were intercommunal talks and that he was anxious to do his part; that he did not want to see Cyprus united with Greece. He spoke about his desire for the independence of the Island of Cyprus.

I went back to Cyprus last April, and I sat down and talked with Mr. Denktash, again. As we talked, he repeated the same things to me. There had been no movement by his representative toward peace, since the time we met in 1979. He looked at me and he said to me, "You look very unhappy."

I said, "The reason I am unhappy is because you seem to be repeating the same things you told me 4 years ago. You do not seem ready to put actions behind your words."

After reading today's paper where Denktash said the two peoples of the island were destined to coexist side by side and that independence now will not hinder but facilitate the establishment of the general federation between the communities on the island. I really wonder how he expects that to occur.

What is he going to do about 1,600 people who are still missing and of whom we have not heard reports since 1974? What is he going to do about 165,000 people who have been dislocated from the northern part of Cyprus, who have left their homes in Kyrenia and Famagusta and who want to return to them.

How will this outrageous action by Denktash affect them? Yes; they want to live side by side. But they also want their property back. They want to go back to their land. They want to go back and be buried in their home towns. They want to know where their missing brothers and sisters are. I think the situation is absolutely appalling.

I strongly support the resolution reported by the House Foreign Affairs Committee urging the Turkish Government to withdraw its recognition of the new Turkish Cypriot State. An independent Turkish Cypriot State can only deepen the divisions on the island, and such a move must be opposed by all responsible parties.

If the chances of success at the intercommunal talks are to be preserved, the Turkish Cypriot leadership must back up its statements that it will not attempt to unite with Turkey, and that it will cooperate fully with the U.N. Secretary General in pursuing the negotiated reunification of Cyprus.

Mr. YATRON. Mr. Speaker, I thank the gentlewoman from New York (Ms. FERRARO) for her comments.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. BILIRAKIS).

Mr. BILIRAKIS. Mr. Speaker, I thank the gentleman for yielding this time to me, and I thank the gentlewoman from New York (Ms. FERRARO) for apprising us of her experiences with the problem of Cyprus.

I, too, Mr. Speaker, would like to raise my voice in condemnation of the recent action of the Turkish-Cypriot community in declaring themselves a separate and independent state. This action is nothing more than an attempt to divide the Republic of Cyprus.

I want to stress the fact that it is of vital importance to the United States that this action be reversed, as it has polarized the member nations of the southern flank of NATO—our check and balance to the Warsaw Pact of the communist nations.

This action of creating a permanent national schism by outside forces will only serve to encourage further deterioration of the efforts to forge a united island of Cyprus—an ideal which Congress has been committed to since the occupation of the island.

I believe that Congress must now take a firm stand, otherwise our passive acceptance of this unilateral declaration of independence will jeopardize political stability in this crucial and strategic area of the world. I urge my colleagues to approve House Concurrent Resolution 220 for the best interests of the United States.

Mr. YATRON. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. FEIGHAN).

Mr. FEIGHAN. Mr. Speaker, I rise in support of the resolution offered by the gentleman from Pennsylvania, (Mr. YATRON).

On Tuesday, we heard that Turkish-Cypriots on the northern third of Cyprus unilaterally declared their part of the island an independent republic. This arrogant and illegal act—recognized only by the Government of Turkey—violates the U.N. Charter, treaty obligations, and the basic norms of international law; it imperils any hope for a negotiated solution to the Cyprus dispute; and it heightens tensions between two of our allies—Turkey and Greece—which can only serve to weaken NATO's southern flank.

Even more disturbing, the declaration came on the same day that President Reagan signed a foreign aid bill earmarking nearly $1 billion for Turkey—assistance provided under the clearly expressed condition that Turkey would cooperate fully in efforts to bring about a lasting solution to the division of Cyprus. This insulting action shows that constructive engagement is working as poorly with Turkey as it has with South Africa. It is time for a change.

Cyprus is one nation, with one government, and one seat in the United Nations. The United States must join our Western Allies and do everything we can to condemn and reverse this latest power grab by the Turkish Government, which is an insult to Congress, the American people, and all governments who believe in human dignity, freedom, and justice.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. GEKAS).

Mr. GEKAS. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I commend the gentleman from Pennsylvania (Mr. YATRON) and the gentleman from Michigan (Mr. BROOMFIELD) on presenting a succinct outline of the history of the problems that face us as a people concerning the island of Cyprus.

I would like to extract from the remarks of the gentleman from Pennsylvania and the gentleman from Michigan one phrase which for us in this House should contain the two most important words in this whole struggle, and those words are "American security." We have got to recognize for the first time, it seems to me, what Cyprus means to American security.

Insofar as this latest development constitutes a danger to the NATO alliance, to that extent it is a danger to American security. Insofar as it becomes a danger to the stability of the Middle East, where we have put so much emphasis on Lebanon as being the gateway to the Middle East with all its consequences to American security, so it is important to constitute Cyprus in our minds and in our actions as the gateway to the gateway of the Middle East. For centuries Cyprus has been in the troubled waters of the Mediterranean because it is so connected with Europe and the Middle East.

Mr. Speaker, we can do no less than to continue our American foreign policy with full realization that the stability of Cyprus is a key element of American security.

Mr. YATRON. Mr. Speaker, I yield such time as he may consume to the ranking member of the Committee on Foreign Affairs, the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Speaker, I thank the gentleman from Pennsylvania for yielding time to me. I join in the condemnation that has been expressed by him and the gentleman from Michigan (Mr. BROOMFIELD) in this resolution on this illegal act that has taken place in Cyprus. What has happened is really nothing more than an extension of the

Turkish invasion and needs to be strongly condemned and opposed by the American people and the Congress of the United States.

We must redouble our efforts now to do that which was intelligent in the first place. Protection of the minority, return to the rule of law, support for the Greek community and the existing legal government on Cyprus.

Mr. Speaker, I hope my colleagues will all join in the passage of this resolution.

□ 1140

Mr. BROOMFIELD. Mr. Speaker, I yield 4 minutes to the gentlewoman from Maine (Ms. SNOWE).

Ms. SNOWE. Mr. Speaker, I am shocked—and there is no other words—by the actions of the Turkish Cypriots with the tacit if not active support of the Government of Turkey. The unilateral declaration of statehood by the Turkish Cypriots yesterday is an act as provocative and illegal as the 1974 Turkish invasion of the island of Cyprus. That invasion, it should be recalled, very nearly led to a war between Greece and Turkey. It did lead to the displacement of almost 200,000 Greek Cypriots who feared for their lives. The illegal Turkish occupation also resulted in the partition of the island, making impossible any progress toward peaceful coexistence of Greek and Turkish Cypriots.

In the 9½ years since the Turkish invasion of Cyprus, the United Nations and nations that desire peace in the region have been working to get the Government of Turkey to permit the negotiations progress to go forward. We cannot reward Turkish intransigence. Whether or not Ankara had prior knowledge of the Turkish Cypriots' actions, Turkey was responsible for creating the impasse that led to their taking matters into their own hands and declaring a portion of the island a state. And Turkey was quick to recognize the illegal government of Mr. Denktash.

Responsible governments around the world are urging Turkey to reconsider its precipitous action and withdraw its support for the so-called state in northern Cyprus. If it does not, I believe Congress should consider actions stronger than condemnation.

There is nothing more destabilizing to NATO and Western security than a conflict between two members. The United States has been working for a number of years to resolve the strain between two of our allies a strain that seriously weakens NATO's southern flank. The solution is not the division of Cyprus. The only real lasting solution to the problem is a unified Cyprus under one government. The first step toward that goal is the withdrawal of the illegal Turkish occupation troops, and the withdrawal of Turkey's ill-advised recognition for the illegitimate state.

The resolution before us makes clear congressional disapproval of the cavalier disregard for the norms of international law by the Turkish Cypriots. I urge you to support it.

Mr. YATRON. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Speaker, I join in support of this measure.

It has been said that American security is involved, and that is true, but it is more than that, because we in this country have a special debt—because we are a democracy—to the ancient Greeks who helped to make us what we are today.

I first visited Cyprus many years before I was a Member of Congress when the British were still in charge. I remember both sides, both the Greek Cypriots and the Turkish Cypriots saying, "If only the British would leave, we could pull this thing together and it can work." I think it can, but we have to do some things.

There are a couple points that have not been mentioned. No. 1, the government that is there temporarily that has asserted itself, we ought to make clear to that government that we want the rights of the Greek minority there protected. There should be no compromise on that.

Second, we ought to be pushing for negotiations. I say this not simply critical of the Reagan administration, it is true also of the predecessor administrations, we just kind of drift along and when a crisis like this develops, then we say, "Oh, this is a terrible thing."

We ought to be pushing much more aggressively for a negotiated settlement.

The fact that the Turkish Government has made progress for democracy here in recent weeks is a sign of hope. We ought to say to that Government in Turkey: "We welcome this step toward democracy. We want to work with you and with the Government of Greece to get this thing resolved.

Then finally, there is this ray of hope in Cyprus itself. One of the things that amazed me on my last visit to Cyprus was that while we have this division right in the middle of Nicosia, you have both sides working together.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. YATRON. Mr. Speaker, I yield 1 additional minute to the gentleman from Illinois.

Mr. SIMON. As I was saying, Mr. Speaker, we have both sides working together on the water system. They have one common water system in Nicosia. It is an illustration of the fact that the two sides can work together. We ought to be pushing for a resolution of the Cyprus matter much more aggressively.

I join in support of this resolution, but I would urge this administration and any succeeding administration to pull the two sides together, to push aggressively. We are perhaps the only government that can do that, and we are, by and large, doing nothing.

Mr. YATRON. Mr. Speaker, I yield such time as he may consume to the gentleman from Connecticut (Mr. MORRISON).

Mr. MORRISON of Connecticut. Mr. Speaker, I rise today to urge my colleagues' support of the special order for Concurrent House Resolution 220 condemning the recent decision by the Turkish Cypriot community to declare their sovereignty from the rest of the island. This action was done with both the advice and consent of the Turkish Government.

Clearly this declaration of independence can only destroy past efforts to unify the communities of Cyprus as well as worsen the already tenuous relationship between Greece and Turkey—two countries who represent the southern flank of NATO. The polarization of our southern allies will cause a serious threat to both the security of the region and the vital interest of the United States.

I urge that we stand together to condemn this dangerous action.

Mr. YATRON. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. MAVROULES).

Mr. MAVROULES. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, let me take this opportunity to commend and congratulate the gentleman from Pennsylvania and all members of the committee for bringing this forth here this morning.

I think the gentleman from Michigan (Mr. BROOMFIELD) made an excellent remark before and which should put in perspective here the importance of this resolution before the House. It will give to the State Department, the necessary ammunition they need to back up their condemnation of this terrible act by the Turks in Cyprus.

Let me remind my friends that next July is the 10th anniversary of this terrible act that took place on Cyprus by the Turkish Government.

I happen to agree with my dear friend, the gentleman from Illinois (Mr. SIMON), who has talked about this administration and the past administration, who in my opinion, at least, are satisfied with slow, slow progress.

I remind you that for 10 years we have had people suffering. We have had people homeless. We have had people under a regime where they cannot practice their own democracy and that is what we are asking for here today. We are asking the Ameri-

can Government, we are asking this august body to take that necessary action to start the ball rolling, not only here in the Congress of the United States, not only the executive branch, but also the NATO alliance and all our friends throughout the Western World who have an obligation to fight for the truth.

Mr. Speaker, I urge all my colleagues here today to support this in the strongest terms, support the State Department so we can get this message out loud and clear.

Finally, when we talk about that southern flank for the defenses of the NATO alliance, remember this, Cyprus and Greece also are a part of that southern flank and they are friends of this great country of ours. Let us keep that in mind.

Mr. YATRON. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Speaker, I was shocked and frankly alarmed by the unilateral declaration of independence by the Turkish Cypriots and the establishment of the Turkish Federated State in northern Cyprus. I am alarmed because of the potential of this action to generate armed conflict in eastern Mediterranean.

Throughout much of my first 4 years in this body, we spent many hours in debate on the issue of Cyprus and the status of the Greek minority on that island. Many commitments were made by previous administrations to Members of Congress, including me, that if military and economic aid to Turkey were approved by the Congress, progress could be made by the administration in reaching a peaceful settlement with the Turkish Government. I voted against such aid because I did not believe that the Turkish Government would make such a commitment; I did not have confidence that a peaceful solution would be reached on the future of Cyprus that would guarantee the rights of the Greek minority, unless the United States kept the pressure on Turkey through restraint on our foreign aid to that country.

Again and again, I voted against such aid, but the administration prevailed. Now we see the wages of that previous decision, of that commitment by the Congress.

The action we take today is a reaffirmation of the doubts that many of us had that any commitment for a peaceful settlement would be entered into by the Turkish Government, that in effect the Turks would be working to exercise total control over the island of Cyprus.

This resolution states once again firmly the rejection by this Congress and by the people of the United States of the establishment of a separate state in northern Cyprus; that this is a unilateral, illegal action and that the continuation of Turkish troops on the island of Cyprus is illegal.

I commend the gentleman for offering the resolution and I urge a strong vote in favor of the resolution.

□ 1150

Mr. YATRON. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. I thank the gentleman for yielding me this time.

Mr. Speaker, as a cosponsor of House Concurrent Resolution 220, I rise in strong support of this resolution, which condemns the action of the so-called Turkish Federated State of Cyprus in declaring itself to be an independent state on Cyprus on November 15, 1983.

I congratulate Hon. GUS YATRON, the distinguished chairman of the Subcommittee on Human Rights and International Organizations, as well as Hon. CLEM ZABLOCKI, the outstanding chairman of the House Committee on Foreign Affairs, for the expeditious manner in which they have brought this resolution to the floor of the House for action.

When the Turkish forces invaded and partitioned the independent nation of Cyprus in 1974, they acted in direct contradiction to established law, the U.N. Charter, the Charter of the North Atlantic Treaty Organization, and the European Convention on Human Rights.

The Turkish invasion resulted in censorship of the press, the imprisonment of innocent individuals, torture, rape, murder, and an immense loss of property and lives. Furthermore, hundreds of thousands of Cypriots were forced to abandon their businesses and homes in the north and flee south in order to escape Turkish aggression.

Extensive documented evidence is available of the atrocities against humanity committed by the Turks during and after the initial invasion. And now, the Turkish occupation forces are attempting to legitimize their illegal actions by declaring the establishment of a Turkish Republic of Northern Cyprus.

Mr. Speaker, neither the United States nor any free nation can in good conscience recognize this illegitimate government or accept its blatant act of aggression against an innocent people. We must immediately utilize all available forums in calling for prompt and total withdrawal of the forces that are currently occupying northern Cyprus. It is time for our Nation to act forcefully, to condemn all forms of aggression and oppression, and to hold the Turkish authorities accountable for their actions.

I urge my colleagues to give their bipartisan support to House Concurrent Resolution 220.

Mr. YATRON. Mr. Speaker, I yield 2 minutes to the gentlewoman from Ohio (Ms. OAKAR).

Ms. OAKAR. I thank the gentleman for yielding me this time.

Mr. Speaker, I simply want to compliment the gentleman from Pennsylvania for offering this resolution. I think the issue is very, very clear and very, very simple that we recognize the government of the Republic of Cyprus as the solely legitimate Government of Cyprus and that we as a country which stands for freedom cannot sit idly by and allow that beautiful island to be taken over by those who would just merely wish to declare themselves an independent state.

It is not right. It is not fair to the people who live in the beautiful Isle of Cyprus. It is not fair to Greece. It is certainly not fair to the international community, so I think by expressing ourselves in a nonmilitary fashion at this point in support of an independent Cyprus, I think we are clearly doing the right thing. We are sending a strong clear message.

Again, I want to compliment all of the individuals who sponsored this resolution, and in particular, Mr. YATRON of Pennsylvania.

Thank you.

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. YATRON) has 8 minutes remaining, and the gentleman from Michigan (Mr. BROOMFIELD) has 18 minutes remaining.

Mr. YATRON. Mr. Speaker, I yield such time as he may consume to the gentleman from Connecticut (Mr. GEJDENSON).

Mr. GEJDENSON. I thank the gentleman for yielding to me.

Mr. Speaker, I wish to join with my colleague from Pennsylvania in expressing outrage at this particular act. The comments of my colleague from Illinois, Mr. SIMON, that the solution for Cyprus is one of unification, one of the people working together, are particularly apt here. It is vital for this country to speak out very strongly against this unilateral action.

The declaration of independence by the Turkish community on Cyprus, and the endorsement of that declaration by the Government of Turkey, have far reaching implications for the future of Cyprus and for relations within the Western alliance. Since the Turkish invasion of Cyprus in 1974, it has been our hope and goal that the nation might be reunited. The division of Cyprus has been a critical focus of conflict between Turkey and Greece, two key NATO allies, and the formalization of that division can only heighten that tension dangerously. The reunification is therefore a matter of security. It is also a matter of justice for a nation which is internationally recognized as a single sovereign state,

where countless families have, for almost 10 years been unable to return to the homes they fled in the 1974 war. It is crucial that we, as leaders of the Western alliance, take the lead in condemning this action; it is to be hoped that the rest of the world follows suit, in refusing recognition of the so-called Turkish Republic of Northern Cyprus.

I join my colleagues in support of the resolution and urge its adoption.

Mr. YATRON. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. RUSSO).

Mr. RUSSO. I thank the gentleman for yielding time to me.

Mr. Speaker, I rise today to express my support for House Concurrent Resolution 220, introduced by my dear friend Congressman GUS YATRON to condemn the declaration of independence by the Turkish Cypriot minority. In doing so, this body joins the virtually unanimous outcry of the international community in opposition to this outrageous act on the part of the Turkish Cypriots. This action places in grave jeopardy the ongoing efforts at reuniting this island. This action also directly contradicts the expressed policy of the United States, which calls for the immediate withdrawal of all foreign forces from Cypress. I have addressed this body on many occasions in the past on this subject, and I have long hoped that each time I did so a peaceful resolution of the conflicts on Cyprus would preclude my having to do so again. The unilateral action on the part of the so-called Turkish Federated State of Cyprus in declaring the northern sector of Cypress an independent state proves, however, that the efforts which have been put forth to provide for a peaceful resolution of the Cyprus conflict have been in vain. This attempt at making permanent and legitimate the illegal actions taken by Turkey in 1974 is an insult to all who support the rights of peoples to determine their own government and way of life. Since the Turkish invasion in 1974, over 200,000 refugees from the Turkish-occupied north have been denied their right to any compensation for homes and land from which they were forced. The injustices that these displaced individuals have suffered for the past 9½ years were greatly compounded this week by the flagrant violation of international law on the part of a group which constitutes less than 20 percent of this small country and yet wrongfully controls over 40 percent its land mass. The immediate action on the part of the Turkish Government in support of this illegal action proves their lack of sincerity in working for the resolution of the conflicts on Cypress. I hope that my colleagues will join me in condemning these blatant and irresponsible actions against the legitimate government of the conflict-torn island of Cypress.

● Ms. MIKULSKI. Mr. Speaker, I join with the citizens of this Nation and the rest of the world community in denouncing the action taken by the Turkish Cypriots in which they declared their area on Cyprus an independent state.

This irresponsible action came at a time when Cyprus was struggling to overcome the burden of a de facto partition, imposed on the island by the 1974 Turkish invasion and occupation of the northern area of Cyprus. It was that invasion that caused nearly 200,000 Greek Cypriot residents to flee from the northern part of the island. Turkey has perpetuated the Cyprus problem since their invasion of the island, by the continued presence of approximately 20,000 Turkish troops on the island. Shortly after the proclamation by the Turkish Cypriots, Turkey announced it had decided to recognize the independent Turkish Cypriot state and said its troops would remain on the divided island as long as the Turkish Cypriots wanted them to.

The announcement by the Turkish Cypriots caused shockwaves through the rest of the island, inhabited by Greek Cypriots and internationally recognized as the Republic of Cyprus. The announcement was made despite the fact that U.N. Secretary General Javier Perez De Cuellar had been pushing new proposals for a solution to the Cyprus problem, which had been welcomed by the Greek and Cypriot Governments. By supporting the Turkish Cypriot action, Turkey has once again focused its efforts on frustrating and stifling any hopes for a negotiated settlement to the Cyprus problem.

I had visited the island of Cyprus in April of this year with Representative FERRARO and Representative KENNELLY, to examine firsthand the island's political, social, economic, and geographic divisions. I stated then that only through building trust and confidence together with acts of courage on both sides, would there be any hope of bringing about the reunification of the island nation. Tragically, the Turkish Cypriots, supported by Turkey, had decided to take a different course, leading to their declaration of an independent state. This action seems certain to exacerbate tensions between Greece and Turkey—rival members of NATO—as well as underscore the problem that such divisions present on NATO's southern flank.

We must respond to this shocking and irresponsible action by the Turkish Cypriots with a clear, concise message. The United States must not recognize the independent state declared in Turkish-occupied northern Cyprus by Turkish Cypriot leader Rauf Denktash. Instead, we must condemn the action as a blatant attempt, supported by Turkey, to permanently divide the Republic of Cyprus. The United States cannot and shall not remain silent at such attempts.●

● Mrs. BOXER. Mr. Speaker, I rise today to call on my colleagues to condemn the action of the Turkish minority on Cyprus and their attempt to illegally partition this nation and further endanger the fragile peace that has existed since 1974.

Cyprus became an independent republic in 1960 and has been internationally recognized as a nation in good standing ever since.

We all are aware of the conflict that has existed on Cyprus between the Turkish minority and Greek majority. The United Nations, as recently as this summer, has been actively pursuing a peaceful solution that would redress all grievances and guarantee full representation for all Cypriots.

The action taken by the Turkish minority complicates that quest for peace and violates international law. The action taken by the Turkish minority violates the resolutions of the U.N. Security Council that established Cyprus as a nation.

The United Nations has recognized Cyprus as a member nation and has consistently rejected the claim that the Turkish part of the island be recognized as a separate federation.

If this action is allowed to stand, it could create a dangerous precedent in nations throughout the world. Legitimate governments, attempting to represent and serve all the people, would be threatened with constant internal division and instability if any group may declare independence instead of entering into a dialog with the legitimate government and having their grievances addressed.

It is clear that this body should condemn the action of the Turkish Cypriots and demand that order be restored and the legitimate Government of Cyprus be recognized as the one representative of all the people of Cyprus.

I ask my colleagues to support the resolution condemning the action by the Turkish Cypriots.●

● Mr. PAUL. Mr. Speaker, I rise in opposition to this resolution.

This does not mean that I necessarily approve of the unilateral declaration of independence by the Turkish Cypriots. As a U.S. legislator, however, I have taken an oath to uphold the Constitution of the United States. My performance of this role does not include resolutions of condemnation such as the one before us today.

This resolution is a hastily conceived response to actions that took place in Cyprus on November 15. So hastily was it prepared that most Members did not even have access to the text until it was brought to the floor for debate. That is not responsible representation, that is a blind leap of faith.

Let us take a moment to examine House Concurrent Resolution 220, and its implications.

This resolution states that the U.S. Government recognizes the Government of the Republic of Cyprus as the sole legitimate Government of Cyprus. I have no problems with this declaration. In international affairs, the recognition of a government carries with it profound implications, especially in this era of massive U.S. foreign aid giveaways. However, refusal to recognize a government is vastly different from the sort of condemnation contained in this resolution. It is, therefore, the stated reasons for this condemnation that I object to.

In one clause, the resolution states that "this unjustified action clearly contradicts the stated U.S. objectives * * *." The U.S. Government seems to have stated objectives and strategic security interests in every nation in the world. We send planes, armaments, food, money, and men all over the world in the hope of having things our way. Yet rarely do we achieve our elusive goals. Four decades of an interventionist foreign policy have not enhanced our security and or our defensive capability. Instead, we have dissipated our energies and left ourselves militarily and economically weak by our indiscriminate actions.

The resolution is merely a reflection of our current bankrupt foreign policy—a policy we can no longer afford. We have spent over $2 trillion on foreign aid programs since the end of World War II. Yet we have not bought peace, prosperity, or security.

The time has come to alter drastically our foreign policy. The sole legitimate function of our armed services and our foreign policy is to insure a strong and independent United States. By attempting to chaperone the entire world, we find U.S. forces committed indefinitely in areas from Western Europe to the Philippines and everywhere in between.

We expect all these forces to be peacekeepers of sorts; their bodily presence is supposed to insure peace in our time. Yet our young men have died by the tens of thousands, and they are continuing to die in places where the United States has no genuine security interests.

Some Members of this body object strenously to the foreign policy and military decisions made by the President. Yet we pass resolutions such as the one before us that gives him carte blanche and a green light.

Have my colleagues thought about the real message this resolution will send to the American people if approved? We are condemning the unilateral declaration of independence by the Turkish Cypriots. Is that as far as the resolution goes?

My colleagues, this resolution is dangerous. It leaves unanswered the question, "If we oppose this action, what do we plan to do about it?" That is a decision we will abdicate to the President if we approve this resolution.

If you think not, I would like to refresh your memories. In June 1981, we were anxious to praise Ambassador Habib for the "peace" he brought about in the Mideast. In that resolution—which the House overwhelmingly approved—there was a statement that actually set the stage for what we are facing in Lebanon today. That resolution said that:

> The House of Representatives strongly encourages the President to pursue a comprehensive and coordinated policy in Lebanon including the development of an effective cease-fire, resolution of the issue of Syrian missiles, promotion of the independent sovereignty, unity and territorial integrity of Lebanon.

That resolution was passed 398 to 1. That seemingly innocuous resolution paved the way for U.S. Marine bunkers around Beirut Airport and the senseless deaths that followed.

We have no constitutional authority to impose our will on the people of Cyprus nor do we have a moral authority for such action.

I urge my colleagues to oppose this resolution—also seemingly harmless—because it could become the rationale for deeper U.S. involvement in Cyprus.●

Mr. GILMAN. Mr. Speaker, I rise in support of House Concurrent Resolution 220, legislation condemning the recent action of certain Turkish Cypriots who have unilaterally declared that area on the island of Cyprus they control as the Turkish Republic of Northern Cyprus. I commend my colleague, the distinguished chairman of the Subcommittee on Human Rights and International Organizations (Mr. YATRON) for taking the initiative of introducing this measure, of which I am a cosponsor.

The action to create this new sovereign unity on Cyprus can only impede efforts to promote reconciliation among the island's different factions. The decision by Turkey to recognize the new republic will undermine our NATO plans to protect legitimate alliance interests in the Mediterranean area.

Mr. Speaker, just last month I joined several of my colleagues in a letter to Secretary of State Shultz underscoring the need for the United States to support the U.N. Secretary-General's peace initiative for Cyprus by requesting that the Government of Turkey exercise its considerable influence over the Turkish-Cypriot community, and its leader Rauf Denktash, so that it participates within the framework of this initiative. Having visited Cyprus last year and having spoken with leaders within the Greek-Cypriot community, I fully recognize the hard road to lasting peace on that island as a result of Turkey's moving its troops on to Cyprus in 1974. The move to establish a separate Turkish nation on Cyprus clearly undermines the efforts of all those who have genuinely pursued initiatives to bring a legitimate peace to Cyprus.

Accordingly, I urge my colleagues to support House Concurrent Resolution 220, so that the Congress demonstrates in clear and strong terms its full condemnation of the establishment of a new Turkish Republic on Cyprus.

● Mr. EDGAR. Mr. Speaker, I have been extremely distressed by events in Cyprus over the past few days. On Tuesday of this week, the assembly of Turkish Cypriots declared the creation of a new, independent state in northern Cyprus. This unprecedented unilateral action is a direct affront to the process of peace and reconciliation on the island of Cyprus.

Since the invasion of northern Cyprus by Turkey almost a decade ago, the island has been partitioned. While talks on the reunification of Cyprus have been proceeding slowly, they have continued. Optimism has been particularly high since the accession of a democratically elected government in Turkey last month. However, the Turkish Cypriot community has now taken an unnecessary action which may lead to the permanent division of Cyprus into two hostile states. We must condemn this attempt to secede from the Republic of Cyprus: It destroys the country's territorial integrity and unity and it serves to make permanent the disruptions caused by the 1974 occupation of Cyprus, in which thousands of people were dislocated and others remain unaccounted for.

Therefore, Mr. Speaker, today I rise in strong support of House Concurrent Resolution 220, in which the House states its disapproval of the unilateral proclamation of an independent state in northern Cyprus and declares that the independence of this area should not be recognized by the United States. I note in this connection that the secession of northern Cyprus is in contradiction to our foreign policy objective of a withdrawal of all foreign troops from Cyprus—including Turkish occupation forces—and a unified Cyprus under one government. The action in northern Cyprus, which has been condemned by U.N. Secretary General Perez de Cuellar, will disrupt U.N. peace efforts on Cyprus and will also further exacerbate tensions between our important allies in the southern part of NATO.

Congress should move immediately to review the status of our relations with Turkey. The Turkish Government endorsed the actions of the Turkish Cypriots, even as our President signed a foreign aid package in-

cluding nearly $1 billion in military assistance for Turkey. The Turkish Government has the power to dissuade Turkish Cypriots from continuing in their effort. I urge President Reagan to contact newly elected Turkish Prime Minister Turgut Ozal and work to reverse this illegal and unacceptable action. I applaud the strong statement made in House Concurrent Resolution 220, and urge the House act favorably on this important matter. We should not stand in silence in the face of this reckless secession attempt, contrary to our interest in the political and economic unity of the Republic of Cyprus.●

● Mr. ACKERMAN. Mr. Speaker, I rise in support of House Concurrent Resolution 220, which expresses the outrage of the Congress over the recent events in Cyprus. Those of us who share a grave concern about the future of Cyprus have been shocked and dismayed by the declaration of a so-called independent nation in the northern part of the island. Even more distressing is the Turkish Government's immediate recognition of this alleged state within hours after President Reagan put his signature on a bill to provide nearly $1 billion in aid to Ankara. This attempt to formally partition Cyprus is an affront to all of its citizens, to the United States, and to all nations that have worked diligently to pursue a negotiated settlement to this diffcult conflict.

The U.S. Government cannot sit by idly and allow the partition of Cyprus without expressing our strong views on this matter to the Turkish Government, at the United Nations, to our NATO allies, and at every other appropriate forum. At this time, it seems unlikely that this ploy will receive any legitimate support in the world community; condemnation of this act has been strong and swift.

Mr. Speaker, the actions of the Turkish Cypriots and the Turkish Government pose tremendous obstacles to the resolution of an already tense and delicate situation. However, we must not relent in our efforts to utilize the full weight of our influence as the leader of the free world to avoid any action that would result in the permanent division of this island. Through the resolution before the House today, we can place the Congress on record in opposition to this divisive act, and in support of an unequivocal response by the U.S. Government.●

● Mr. COURTER. Mr. Speaker, I rise to voice my dismay over the proclamation of the Turkish Republic of northern Cyprus by Rauf Denktash, the Turkish Cypriot leader.

The patent illegitimacy of this action is demonstrated by the near-universal disapproval shown by the community of nations. Our Government is absolutely correct in refusing to recognize this entity, which has been recognized only by Turkey and Bangladesh.

It is true this action had made no de facto changes in the situation in Cyprus. No one was deposed, no real power was seized. The action, however, is a arrogant slap to all those who have been trying to mediate in the Cyprus dispute and find a just solution which preserves the territorial integrity of the island.

Mr. Speaker, it is my hope that the State Department will use full leverage of our Government and enlist the help of our allies to obtain a reversal of this extralegal, precipitous, and unjustified action.●

● Mr. FRANK. Mr. Speaker, like many other Members of this body, I was shocked that the Turkish Cypriot community had declared the establishment of an "independent" republic in the northern portion of Cyprus. This ill-considered move will only make it more difficult to find a peaceful and just solution to the Cyprus question. The tragedy which has engulfed Cyprus since 1974 can only be resolved by the reestablishment of a truly independent Cyprus; that is to say one in which the fate of the island as a whole is decided by the people of Cyprus as a whole, democratically and without the introduction of outisde forces.

The world community has condemned this latest development, and rightly so. It does nothing to further the cause of peace. The only nation to recognize the "independent" republic has been Turkey, I hope that the Turkish Government will reconsider their decision to recognize the northern state, for a recognition is in essence of unwillingness to work toward a lasting solution to the Cyprus problem.

The Turkish community on Cyprus is justified in desiring to preserve their communal life on the island, but partition—particularly partition based on the occupation of a third of the island by foreign troops—is not the answer. By contrast, the behavior of both the Republic of Greece and the Republic of Cyprus have been exemplary. On the one hand the governments on both countries have made it clear that this latest move is simply unacceptable and I am certain they they will have the unqualified support of the international community on this. On the other hand they have been at pains to make knwon their peaceful intentions in this matter. If the recent development should ever lead to a dangerous escalation of the conflict, let it never be said that there was a series of misunderstandings; the blame for that would rest entirely upon the shoulders of the current military regime in Turkey and of the Turkish Cuypriot assembly.

It is precisely because there can be no misreading of Greek or Greek Cypriot intentions, Mr. Speaker, that we in Congress and the United States as a whole should take every appropriate measure in order to reverse the decisions to declare "independence" and to reverse the Turkish Government's decision to recognize that "independence." It is not too late, Mr. Speaker, if only the Turkish Government and the Turkish Cypriot community can show the self-restraint and good will that have been shown by the Greek and Cypriot Governments then there will be good reason to hope for a lasting and just solution to this tragic crisis in the near future.●

● Mr. BONIOR of Michigan. Mr. Speaker, several times in the last few years, I have taken the floor to express my concern over the situation on Cyprus. Since 1974, more than 20,000 Turkish troops have reinforced control over 37 percent of the island, accounting for 70 percent of the gross national product, in the name of the Turkish Cypriot minority which comprises less than 20 percent of the population. On Tuesday of this week, the Turkish Cypriots in a blatant effort to consolidate control over this land, declared Turkish Cyprus to be an independent state.

This action undermines the efforts to find a diplomatic solution to the tensions on the island, efforts which have entered a new and delicate stage with the recent proposals of the U.N. Secretary General. To the thousands of Greek Cypriots who have been forced to flee their homes in the last decade because of the Turkish partition of the island, this is the most recent in a series of provocative violations of their rights and the nation's sovereignty.

This week's events will have ramifications far beyond the island of Cyprus. Turkey's recognition of the new regime will further strain the NATO alliance, and could further threaten the stability of the Middle East. It is time for the United States to join the United Nations not only in a vigorous denunciation of this illegal action, but in an aggressive effort to encourage negotiations and a withdrawal of Turkish troops.

I commend to my colleagues the following editorial from the New York Times of November 16, which I believe clearly describes the causes and consequences of the Turkish Cypriot proclamation.

TURKISH LAND GRAB IN CYPRUS

With shrewd timing, Turkey has carried out its long-planned partition of Cyprus. The new Turkish republic proclaimed on part of the island yesterday completes the land grab begun by a Turkish invasion in 1974. It violates treaty obligations and is properly denounced by the United States.

The action will further exacerbate relations between Turkey and Greece and weaken NATO's flank. It is not likely to be

undone by mere protest, but the blame for the damage should be understood.

Conflict between the Turks and Greeks has unsettled and Aegean for centuries. Both contributed to the disintegration of Cyprus since its independence in 1960. Greece was most culpable in 1974, when its ruling colonels promoted a coup on the island that victimized the Turkish minority and provoked Turkey's invasion.

Turkey then proceeded to use its superior force to impose an inequitable division of land. It forced 200,000 Greek Cypriots to flee their homes in the north while receiving a smaller number of Turks from the south. Now some 120,000 Turkish Cypriots, or 20 percent of a total population of 626,000, hold 37 percent of the island.

Knowing that the price would be less land, the Turks and Turkish Cypriots have resisted proposals for a federal, bizonal government. They ignored United Nations resolutions and were unmoved by a United States arms embargo—or the lifting of it. Turkish currency became the legal tender in nothern Cyprus a few months ago.

Incredibly, Turkey claimed to be surprised by its compatriots' action yestersay. But the timing was too obviously deliberate: only days after the election of a partly civilian Turkish Government and only hours after President Reagan signed an aid bill earlier marking nearly $1 billion for Turkey. The "surprised" men in Ankara were quick to recognize the new island regime and to declare anyone else's refusal to recognize it a hostile act.

So be it. Greece deserves at least that refusal, and the interests of NATO require it. Military shortcuts are all to common in diplomacy these days. This one is clearly insupportable.●

● Mr. RITTER. Mr. Speaker, I rise today to join with many of my colleagues in condemnation of the declaration of independence by the Turkish minority on Cyprus on Wednesday, November 16, 1983. This foolish action, condemned by the entire House of Representatives further complicates an already difficult situation.

This action will serve to make more difficult negotiations between the Greek Cypriots and the Turkish Cypriots as they have struggled over the last decade to establish some stability and form of peaceful coexistence. Those efforts appear to be dashed, given the action of the Turkish minority Wednesday. The problems between the two factions have been worsening since the 1960's when Cyprus gained its independence. This move will certainly increase hostilities now that 120,000 Turkish Cypriots, or 20 percent of a total population of 620,000, hold 37 percent of the island.

This development also poses serious questions as to the future of NATO and the role of Greek and Turkish participation. NATO relations have already been strained and this action could result in a major eruption as the United States is forced to call upon the Turks to rescind this dangerous action.

In my view, if the responsible parties do not reevaluate the actions of the Turkish Cypriots and rescind this decision, then the United States may be forced to cancel or reduce the foreign aid money slated for Turkey. I am hopeful that with consultation between Turkish, Greek, and U.S. officials that an appropriate compromise can be achieved.●

● Mr. AuCOIN. Mr. Speaker, I rise in strong support of House Concurrent Resolution 220. The announcement earlier this week of the creation of the Turkish Republic of nothern Cyprus is an illegal and provocative action—with severe consequences for U.S. security interests in the Mediterranean. It is an action which further increases the tension between Greece and Turkey, and undermines the stability of NATO's southern flank.

Since 1974, when Turkish forces invaded, Turkish Cypriots have laid claim to over 40 percent of the island of Cyprus. The Turks have refused to comply with a unanimous U.N. resolution calling for the removal of all troops from Cyprus, have impeded progress toward a negotiated settlement to the situation and have refused to provide an accounting of the 2,000 missing persons last seen in Turkish-occupied Cyprus.

While I applaud the U.S. State Department for so quickly and strongly condemning the action of the Turkish Cypriots, I submit that we must go further. Over the last several years, the State Department has advocated large increases in U.S. military aid to Turkey—increases that would have upset the delicate military balance in the Mediterranean. Congressional action has worked to keep military aid to Greece and Turkey at the historic 7-to-10 ratio, but has not halted the overall military escalation in the region.

The actions of Tuesday make it clear that the administration policy of increased military aid has not been effective in moving the Turks toward a more conciliatory policy regarding Cyprus. The action by the Turkish Cypriots took place on the very day that President Reagan signed legislation approving nearly $1 billion in security and economic assistance for Turkey in the coming year. Legislation that included language mandating that Turkey work to forge a solution to the problem of Cyprus.

Mr. Speaker, the situation on Cyprus has been allowed to fester for 10 years. Precisely because of vital U.S. security interests in the region, we must make a commitment to working more strongly for the reunification of the island.

We must do everything that we can to assure that the line now dividing north and south Cyprus does not become a permanent border. Passage of this resolution is one step. Stronger actions may be necessary in the future.●

● Mr. BONIOR of Michigan. Mr. Speaker, Tuesday's declaration of a separate state by Turkish Cypriots threatens to exacerbate tensions on the island and to undermine recent diplomatic efforts by the U.N. It is a blatant effort to solidify control over lands illegally seized when the Turkish military invaded the island in 1974.

Turkey's hasty recognition of the new regime will only further strain the NATO alliance, and is an affront to the United States which recently sent new aid to the nation.

I applaud the Reagan administration's forthright condemnaiton of the Turkish Cypriot's action and its efforts to induce Turkey to revoke its support. Let us hope that the administration, which has until now neglected the problem of Cyprus, will join with the U.N. to reverse this illegal action, to encourage talks between Greek and Turkish Cypriots, and to facilitate the withdrawal of Turkish troops from the island.●

● Mr. BIAGGI. Mr. Speaker, I again rise to condemn the actions taken by the Turkish Cypriot leader, Mr. Denktash, in declaring the illegally occupied Turkish areas of Cyprus as an independent federation. I support House Concurrent Resolution 220 which expresses the condemnation of Congress for this action.

It was almost 10 years ago when Turkey unleashed its illegal and unwarranted invasion of Cyprus. This was followed by an equally illegal occupation of the island—which continues today over some 40 percent of Cyprus. The invasion and occupation were in part accomplished by the use of U.S. military aid—which in turn prompted the Congress to slap an arms embargo against Turkey, I was in the House at the time and helped to lead this fight. I also was the author of a amendment which provided some $25 million in emergency relief and rehabilitation aid to Cyprus.

While the declaration of independence for the new Turkish republic on Cyprus was made by the leader of the community on the island, it is obvious that the aciton was taken with the full advice and consent of the Government of Turkey. If that be the case, the U.S. Congress should consider a reimposition of the ban on U.S. military aid for this action is every way as provocative and illegal as the invasion and occupation itself. If the Turkish Government was not involved in this decision, then let them take the lead and renounce the new Turkish republic on Cyprus and refuse to accord it any recognition or assistance.

The tragedy on Cyprus continues for the Greek community on the island. The invasion and occupation ravaged their community it caused more than 200,000 Greek Cypriots to become homeless and helpless refugees on their own homeland. To this day Turkey has refused to provide for any

accounting of the more than 2,000 Greek Cypriots missing since the 1974 invasion.

The United States should be in a stronger position to insist that negotiations between Turkey and Greece toward a political solution be conducted on a regular basis. The United States should be seeking an end to the occupation of 40 percent of Cyprus by Turkey. The United States must take the lead in providing for a full accounting of all missing Greek Cypriots. The United States must lead the world in condemnation over the new Turkish federation on Cyprus. We will take an important step in the right direction with the passage of this resolution today.●

● Mr. SMITH of Florida. Mr. Speaker, I want to state my deep concern about the decision of the Turkish Cypriot Assembly to make a unilateral declaration of independence. The island of Cyprus maintains a very fragile peace, and this decision can only lead to increased tensions and new political problems.

I believe the Turkish Cypriot Assembly decision harms U.S. interests in the eastern Mediterranean. Greece and Turkey are two important allies, and the United States needs to help these nations solve their problems peacefully and fairly.

This declaration of independence hinders efforts by the United Nations and other parties to reduce the tensions on Cyprus. The Cyprus problem can only be solved if all parties work together to restore a strong, prosperous, and unified Cyprus.

I urge the President and other leaders of the world to seek every possible way to insure this decision is not implemented. Along with the chairman and eight other members of the Europe and Middle East, I sent a letter to Secretary Shultz asking him to take the necessary actions to prevent the implementation of this Turkish Cypriot Assembly's declaration. If governments throughout the world recognize the Turkish portion of Cyprus as a separate nation, it will only lead to an acceleration of tensions and an increased likelihood of the outbreak of violence.

I also want to praise the President of Cyprus for his statement that his government was determined to reverse this decision through peaceful means. We must do whatever we can to avoid another war on this small island nation.

The people of Cyprus deserve to live in peace and prosperity, and the United States must act to accomplish this goal.●

● Mr. MORRISON of Connecticut. Mr. Speaker, for 10 years we have stood idly by while Turkey has mercilessly imposed its will upon the island nation of Cyprus. In 1984, it swept through the nothern end of the island leaving thousands of innocent dead in its wake. In addition, Turkey relocated over 40,000 Anatolian settlers from its homeland to Cyprus, while guarding 40 percent of the island with 30,000 troops. As a result, over 200,000 Greek Cypriots have been forced to live in southern Cyprus as refugees in their own homeland. Historically, almost 80 percent of the population of Cyprus has always been Greek Cypriot. Now, the Turkish Cypriot community, with the full advice and consent of its mother country, has sought to legitimize its control by declaring itself a sovereign state.

Clearly this declaration of independence can only destroy the past efforts to unify the communities of Cyprus and worsen the already tenuous relationship between Greece and Turkey—two countries who represent the southern flank of NATO. The polarization of our southern allies will cause a serious threat to both the security of the region and the vital interest of the United States.

Only a few days before Turkey publicly announced its approval of the Turkish Federated State of Cyprus, Congress passed a continuing resolution guaranteeing Turkey almost $1 billion in aid for fiscal year 1984. Turkey's decision to recognize the Turkish Cypriot Government should lead to a review of our relationship with the Turkish Government itself.

At the very least, we should stand together in absolute condemnation of an action that promises only unhapy consequences.●

Mr. YATRON. Mr. Speaker, I have no further requests for time.

Mr. BROOMFIELD. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the concurrent resolution.

There was no objection.

The SPEAKER pro tempore. The question is on the concurrent resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. RUSSO. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic devices, and there were—yeas 423, nays 1, not voting 10, as follows:

[Roll No. 521]

YEAS—423

Ackerman	Andrews (TX)	Badham
Addabbo	Annunzio	Barnard
Akaka	Anthony	Barnes
Albosta	Applegate	Bartlett
Alexander	Archer	Bateman
Anderson	Aspin	Bates
Andrews (NC)	AuCoin	Bedell
Beilenson	Ferraro	Levine
Bennett	Fiedler	Levitas
Bereuter	Fields	Lewis (FL)
Berman	Fish	Lipinski
Bethune	Flippo	Livingston
Bevill	Florio	Lloyd
Biaggi	Foglietta	Loeffler
Bilirakis	Foley	Long (LA)
Bliley	Ford (MI)	Long (MD)
Boehlert	Ford (TN)	Lott
Boggs	Forsythe	Lowery (CA)
Boland	Fowler	Lowry (WA)
Boner	Frank	Lujan
Bonior	Franklin	Luken
Bonker	Frenzel	Lundine
Borski	Frost	Lungren
Bosco	Fuqua	Mack
Boucher	Garcia	MacKay
Boxer	Gaydos	Madigan
Breaux	Gejdenson	Markey
Britt	Gekas	Marlenee
Brooks	Gephardt	Marriott
Broomfield	Gilman	Martin (IL)
Brown (CA)	Gingrich	Martin (NC)
Brown (CO)	Glickman	Martin (NY)
Broyhill	Gonzalez	Matsui
Bryant	Goodling	Mavroules
Burton (CA)	Gore	Mazzoli
Burton (IN)	Gradison	McCain
Byron	Gramm	McCandless
Campbell	Gray	McCloskey
Carney	Green	McCollum
Carper	Gregg	McCurdy
Carr	Guarini	McDade
Chandler	Gunderson	McEwen
Chappell	Hall (IN)	McGrath
Chappie	Hall (OH)	McHugh
Cheney	Hall, Ralph	McKernan
Clarke	Hall, Sam	McKinney
Clay	Hamilton	McNulty
Clinger	Hammerschmidt	Mica
Coats	Hansen (ID)	Michel
Coelho	Hansen (UT)	Mikulski
Coleman (MO)	Harkin	Miller (CA)
Coleman (TX)	Harrison	Miller (OH)
Conable	Hartnett	Mineta
Conte	Hatcher	Minish
Conyers	Hawkins	Mitchell
Cooper	Hayes	Moakley
Corcoran	Hefner	Molinari
Coughlin	Heftel	Mollohan
Courter	Hertel	Montgomery
Coyne	Hightower	Moody
Craig	Hiler	Moore
Crane, Daniel	Hillis	Moorhead
Crane, Philip	Holt	Morrison (CT)
Crockett	Hopkins	Morrison (WA)
D'Amours	Horton	Mrazek
Daniel	Howard	Murphy
Dannemeyer	Hoyer	Murtha
Darden	Hubbard	Myers
Daschle	Huckaby	Natcher
Daub	Hughes	Neal
Davis	Hunter	Nelson
de la Garza	Hutto	Nichols
Dellums	Hyde	Nielson
Derrick	Ireland	Nowak
DeWine	Jacobs	O'Brien
Dickinson	Jeffords	Oakar
Dicks	Johnson	Oberstar
Dingell	Jones (NC)	Obey
Dixon	Jones (OK)	Olin
Donnelly	Jones (TN)	Ortiz
Dorgan	Kaptur	Ottinger
Downey	Kasich	Owens
Dreier	Kastenmeier	Oxley
Duncan	Kazen	Packard
Durbin	Kemp	Panetta
Dwyer	Kennelly	Parris
Dymally	Kildee	Pashayan
Dyson	Kindness	Patman
Early	Kogovsek	Patterson
Eckart	Kolter	Pease
Edgar	Kostmayer	Penny
Edwards (AL)	Kramer	Pepper
Edwards (CA)	LaFalce	Perkins
Edwards (OK)	Lagomarsino	Petri
Emerson	Lantos	Pickle
English	Latta	Porter
Erdreich	Leach	Price
Erlenborn	Leath	Pursell
Evans (IA)	Lehman (CA)	Quillen
Evans (IL)	Lehman (FL)	Rahall
Fascell	Leland	Rangel
Fazio	Lent	Ratchford
Feighan	Levin	Ray

Regula	Siljander	Traxler
Reid	Simon	Udall
Richardson	Sisisky	Valentine
Ridge	Skeen	Vandergriff
Rinaldo	Skelton	Vento
Ritter	Slattery	Volkmer
Roberts	Smith (FL)	Vucanovich
Robinson	Smith (IA)	Walgren
Rodino	Smith (NE)	Walker
Roe	Smith (NJ)	Watkins
Roemer	Smith, Denny	Waxman
Rogers	Smith, Robert	Weaver
Rose	Snowe	Weber
Rostenkowski	Snyder	Weiss
Roth	Solomon	Wheat
Roukema	Spence	Whitehurst
Rowland	Spratt	Whitley
Roybal	St Germain	Whittaker
Rudd	Staggers	Whitten
Russo	Stangeland	Williams (MT)
Sabo	Stark	Williams (OH)
Savage	Stenholm	Wilson
Sawyer	Stokes	Winn
Schaefer	Stratton	Wirth
Scheuer	Studds	Wise
Schneider	Stump	Wolf
Schroeder	Sundquist	Wolpe
Schulze	Swift	Wortley
Schumer	Synar	Wright
Seiberling	Tallon	Wyden
Sensenbrenner	Tauke	Wylie
Shannon	Tauzin	Yates
Sharp	Taylor	Yatron
Shaw	Thomas (CA)	Young (AK)
Shelby	Thomas (GA)	Young (FL)
Shumway	Torres	Young (MO)
Shuster	Torricelli	Zablocki
Sikorski	Towns	Zschau

NAYS—10

Paul

NOT VOTING—10

Collins	Jenkins	Solarz
Dowdy	Lewis (CA)	Vander Jagt
Gibbons	Martinez	
Hance	Pritchard	

□ 1210

Mr. PHILIP M. CRANE and Mr. SIKORSKI changed their votes from "nay" to "yea."

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 726 AMENDING AND EXTENDING THE TRIBALLY CONTROLLED COMMUNITY COLLEGE ASSISTANCE ACT OF 1978

Mr. SIMON. Mr. Speaker, I call up the conference report on the Senate bill (S. 726) to amend and extend the Tribally Controlled Community College Assistance Act of 1978, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Pursuant to the order of the House of November 15, 1983, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of November 8, 1983.)

The SPEAKER pro tempore. The gentleman from Illinois (Mr. SIMON) will be recognized for 30 minutes and the gentleman from Missouri (Mr. COLEMAN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we do not need to take the full time allotted on this. This is a conference report unanimously agreed to by the conferees. It is in connection with the native American community colleges. In the 18 Indian community colleges in the Nation the conference basically calls for the same level of assistance and adds that there should be some planning and adds some money for an endowment that would be matched.

Frankly, many of these Indian colleges are in very shaky shape financially, and this is an attempt to bolster them a bit financially as well as academically so that those changes are made.

I believe it is noncontroversial, and I would urge support of the House.

Mr. Speaker, the Tribally Controlled Community College Assistance Amendments of 1983, S. 726, are presented on the floor this day. The bill reauthorized Public Law 95-471 of the Tribally Controlled Community College Assistance Act through fiscal year of 1987, as reported from the conference with Senate.

The Tribally Controlled Community College Assistance Act currently provides operating and program support to Indian community schools. Nearly all of these institutions are located on Indian reservations, and are accredited or are close to attaining this status. To assure continued progress in this direction, it is necessary to address the most pressing needs identified by the colleges themselves as well as the regional accrediting agencies. The Bureau of Indian Affairs, in its fiscal year 1982 annual report on the tribal community college program reinforced the need for repair and construction of college facilities. Based on such needs, the primary focus of the reauthorization is on the improvement and expansion of such facilities and the development of stable funding sources.

This legislation attempts to address these needs in a responsible, effective and cost-efficient manner. The bill contains important provisions that will make substantial improvements in the existing tribally controlled community college program. Most notable is the mandate of a study of facilities at the colleges and funds for renovation and construction where need is substantiated. The bill also establishes an endowment program to assist the colleges to develop independent fundraising capabilities, and to attract private funds.

These provisions of renovation and construction funds, and the establishment of an endowment program will enable the tribally controlled colleges to continue their success and to encourage stable growth and development of these schools as viable education institutions.

In addition, the bill provides planning grants for new colleges, with provisions that do not hinder the maintenance and growth of the existing college.

This Tribally Controlled Community College Assistance Act has proven successful and rewarding in offering a growing number of postsecondary Indian students with their unique cultural background and needs since it began in 1978. It is important to support their continuing success in such efforts at improvement and expansion.

S. 726 was passed by the Senate on May 25, 1983, and by this House on October 20, 1983. A similar bill, H.R. 2307, was ordered reported by the Committee on Education and Labor on April 13, 1983. Although H.R. 2307 received a substantial majority of votes—225 for, 148 against—when it came up under suspension on May 3, it did not receive the required two thirds majority.

S. 726 extends authorization for the Tribally Controlled Community College Assistance Act through fiscal year 1987. This bill also contains certain important provisions that will make substantial improvements in the existing tribally controlled community colleges program. Notable among these improvements are the following provisions:

A provision for "forward funding" will place Indian institutions on an equal fiscal and planning basis with non-Indian institutions funded under the Higher Education Act of 1965;

The amount authorized per full-time-equivalent student is adjusted for the fiscal years 1985, 1986, and 1987 to reflect cost-of-living increases (for the first time since the program started);

The method of computation of the number of students to credit to a school for the purposes of the formula is simplified;

Planning grants are authorized for tribes that wish to examine the possibility of establishing a community college;

New schools may not enter the program if this will reduce the per-student amount of the participating schools below 95 percent of the per-student amount for the preceding year. (The per-student amount has been falling steadily each year since the program started. Further continuing reductions would seriously threaten the accreditation prospects, the program quality and even the continued existence of the participating schools);

Funds for new construction are authorized for fiscal years 1985, 1986, and 1987 on a matching basis (a 4-to-1

match, four parts Federal to one part tribal);

Endowment funds are authorized at $5 million per year for fiscal years 1985, 1986, and 1987. Colleges participating in the program are eligible for up to $350,000 per year on a 1-to-1 match, funds to be invested in a federally insured account and only the interest usable. This provision is designed to assist the colleges to begin tapping private sources of funding and to establish a stable, independent funding reserve;

The bill provides for an assessment of existing and available structures and for renovation of useable structures for the colleges' use, where possible. A study of facilities is to be conducted by the General Services Administration, and a program of renovation, alteration, repair and reconstruction is to be instituted, in consultation with the Bureau of Indian Affairs, pursuant to that study. In the statement of managers, the conferees state: "It is the conferees' expectation that the Department of the Interior will request appropriations sufficient for the General Services Administration to carry out the study." I want to clarify that the use of the term "study" when taken in context with the activities set forth in section 11, is not exclusive, nor does it preclude requests by the Department of the Interior for funding of the other activities.

Although narrow in scope, this bill will heavily impact the availability and quality of higher education opportunities for our Native American students. Helping the tribal colleges to improve their facilities and programs will, at the same time, enhance the efforts of Indian tribes to develop comprehensive education, training, and employment strategies.

I would like to thank those on both sides of the aisle who worked on and supported this bill, including the chairman of the Education and Labor Committee, Mr. PERKINS, and my colleagues Mr. WILLIAMS of Montana, Mr. KILDEE of Michigan, Mr. KOGOVSEK of Colorado, Mr. COLEMAN of Missouri, and the full committee and subcommittee staff.

I urge you to adopt this conference report to continue this worthwhile program.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I concur with what the gentleman from Illinois (Mr. SIMON) said about this bill.

Mr. Speaker, I rise in support of the conference agreement for S. 726, to amend and extend the Tribally Controlled Community College Assistance Act.

Mr. Speaker, let me say at the outset, that with the bill before us today, we have already addressed several of the major concerns that the administration had with last year's version of the bill. As you may recall, last year this bill was vetoed because it contained legislative veto language and language regarding the trust responsibility of the United States to provide higher education to Native Americans. Because of the administration's concerns, we removed those two provisions, which we were told were the major stumbling blocks to acceptance of this bill.

I feel we have acted responsibly on this bill by providing a continuation of the per-capita grants program to the tribal colleges, and to give them a bit more incentive to help them toward their goal of self-determination and self-sufficiency. Specifically, the construction program authorized in this bill will help the tribal colleges provide more and better facilities to their tribal members for a better quality education. Better facilities will encourage more tribal members to pursue an education, which will result in a greater economic base for the tribe. If the administration really supports the goal of self-sufficiency for Indians, then it follows that an increased opportunity at a better quality education should benefit not only Native Americans but also the Federal Government.

Let me now highlight several of the agreements reached by the conferees:

First, under this bill, students at tribally controlled colleges must make satisfactory progress toward completion of a degree in order for that student to be counted when determining the size of a college's grant. The requirement of satisfactory progress is consistent with the Department of Education's regulations and self-regulation by other institutions of higher education in this area.

Second, also agreed upon was a funding formula that meets the House's concerns about assurance of funding levels for schools already in the program and the Senate's concerns about helping new schools to come into the program.

Third, a restriction was placed upon the new endowment program so that tribal colleges participating in the title III, Higher Education Act, endowment program will be ineligible for an endowment grant under this bill.

Mr. Speaker, this conference bill provides our Nation's tribally controlled community colleges with the stability they need in order to provide their members an opportunity for a postsecondary education and also ensures that students are making progress toward an academic degree. The bill continues the very necessary basic per-capita grants program and will also permit construction at the college campus if the GSA determines it is needed, to help the colleges provide a quality education to their tribal members.

Mr. Speaker, I urge my colleagues to support this conference report on S. 726 to help out one of our most deserving populations, our Native Americans.

Mr. SIMON. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota (Mr. DASCHLE).

Mr. DASCHLE. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the conference report on the Tribally Controlled Community Colleges Act. This legislation represents one of the very best investments ever made by the Federal Government. It is also an investment whose potential is just beginning to be realized. The tribal colleges provide what no other institution can. These reservation-based, tribally controlled institutions offer educational opportunities that nonreservation, non-Indian institutions could never duplicate.

The tribal colleges, are, in fact, the main vehicle for implementation of two of the major tenants of President Reagan's Indian policy statement, a policy statement issued in January 1983:

ECONOMIC SELF-SUFFICIENCY

The tribal colleges base their courses and training on the tribes' economic development plans. The education and skills taught are relevant to reservation needs. Because of this, students from these colleges are now providing the infrastructure necessary for sound tribal governments and for reservation-based businesses.

For instance, at Standing Rock College, they are working with the Small Business Administration in teaching people skills applicable to private sector small businesses. Students receive business training in everything from farming to how to operate a reservation-based grocery store. Included in this instruction is the all important education in how to gain access to credit, something generally not available on reservations. And at Blackfeet College, people are being trained in oil industry jobs which include everything from oil rig floor hands to petroleum engineers.

STRENGTHENED TRIBAL GOVERNMENT

In the area of strengthened tribal government, the colleges play a pivotal role. The Oglala Lakota College now provides orientation for tribal government officials, teaching them such things as how to set budgetary priorities, management skills, parliamentary procedures and tribal law. And at Turtle Mountain College, the school was able to give technical assistance in rewriting the tribe's constitution.

The colleges and Republican and Democratic Members of the House and Senate have worked in good faith to meet administration concerns regarding this legislation. Supporters of the tribal colleges and of this legislation is active and strong within both

parties. Both the legislative veto language and the educational trust responsibility language, major concerns of the administration, have been removed at their request. In every other area of the bill Democrats and Republicans have consulted and worked together in a spirit of cooperation.

Despite expanded educational opportunities for most Americans in the last few decades, American Indians have generally not benefited from this. It is really only since the inception of the Tribally Controlled Community Colleges Act in 1978 that Indians have had access to meaningful opportunities in higher education. The active presence of these colleges have reaped as many benefits for tribes as they have for the individual students. Your support for this legislation is necessary to keep the doors of higher education open for American Indians.

Mr. SIMON. Mr. Speaker, I yield 3 minutes to the gentleman from Montana (Mr. WILLIAMS).

Mr. WILLIAMS of Montana. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the American Indian, the first Americans, have been maligned, misled and mistreated. I think all Americans understand the early tragic and unfair treatment which has been documented and stands, admittedly, as a great American shame.

Since those tragic early days, American Indians have led a long trail of tears. Even today, despite attempts of their neighbors and the Federal Government to ease the lot of the American Indian, they still suffer the highest poverty rate of any people in America.

Those Americans that live the shortest lives are American Indians; those of our citizens with the poorest housing are American Indians; the highest alcoholism rates in this country are, tragically, those of the American Indian.

The American with the least educational achievement levels is the American Indian. The American infant with the highest mortality rate is an American Indian infant.

Thankfully, things are getting better.

The alcoholism rates are decreasing, the housing is improving. The poverty, until 2 years ago, was lessening some and on some reservations lessening in a dramatic way.

Perhaps the brightest ray of all in the life of the American Indian, however, is that their college graduation rates, their educational achievement levels have begun these last several years to improve dramatically.

□ 1220

It is this rising of the level of education achievement rates and college graduation and high school completion rates for the American Indian that may indeed lay out the best path for the American Indian to take his full and rightful piece of the promised American dream.

It is legislation like that offered by the good gentleman from Illinois which continues the progress of the American Indian. It will most likely be through education that the American Indian, with some assistance from his neighbors, is finally able to pull himself up into the bright sunlight of true equal opportunity.

Everyone in this House, in my judgment, all people in this country should be encouraged by legislation such as this before us it is another step in the effort to improve the life of the people who have been tragically and, of course, unnecessarily mistreated here in this country, the first Americans, the American Indian.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield back the balance of my time.

Mr. SIMON. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the conference report.

There was no objection.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 2780, LOCAL GOVERNMENT FISCAL ASSISTANCE AMENDMENTS OF 1983

Mr. BROOKS. Mr. Speaker, I call up the conference report on the bill (H.R. 2780) to extend and amend the provisions of title 31, United States Code, relating to the general revenue sharing program.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the order of the House of November 15, 1983, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of November 15, 1983.)

The SPEAKER pro tempore. The gentleman from Texas (Mr. BROOKS) will be recognized for 30 minutes and the gentleman from New York (Mr. HORTON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. BROOKS).

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 2780 presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BROOKS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, following the passage of H.R. 2780 in the House and its amendment by the Senate, the conferees for the House and Senate held two lengthy and involved meetings in an attempt to resolve the differences between the two measures. In concluding our conference expeditiously before the end of this session and reauthorizing the revenue sharing program for 3 years, we have reached an agreement which should please the proponents of the revenue sharing program and the 39,000 units of local government which receive revenue sharing funds.

The major issue before the conferees was the question of the funding level for revenue sharing. The House bill increased the entitlement for local governments by $450 million, to $5.02 billion per year. The Senate amendment retained the current funding level of $4.57 billion per year. In the face of insistence by the Senate conferees on their figure, the threat by President Reagan to veto any bill containing an amount higher than the current funding level, and simple economic reality, the conferees agreed to adopt the Senate figure.

Another issue resolved by the conferees was the question of whether or not the bill should contain an authorization for payments to State governments. In 1980, the Congress removed State governments from the revenue sharing program as an entitlement, but retained an authorization for appropriations of $2.3 billion per year for the States for fiscal years 1982 and 1983. This money was not appropriated in either year. The conferees adopted House language terminating the authorization for payments to State governments.

The conferees have made other, relatively minor changes in the revenue sharing statute, affecting such matters as the intrastate allocation formula in cases of economic dislocation, the requirement for public hearings and the requirements for an audit of recipient local governments' books. The conference report also provides for a study to be undertaken by the Secretary of the Treasury on various topics related to revenue sharing and intergovernmental fisal relations.

Mr. Speaker, I remain utterly opposed to revenue sharing. Given the huge budget deficits that the Federal Government faces for year upon year, and the grave threat to our Nation's long-term economic stability that those deficits pose, the renewal of revenue sharing at this time is most unwise. In holding the program to its current funding level, and in removing the authorization for State government payments from the statute, the conferees have taken the most respon-

sible course that they could in coming to agreement on this bill.

Mr. HORTON. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise in support of the conference report on H.R. 2780, to extend and amend the general revenue sharing program.

What this conference report does in essence is to extend the revenue sharing program for an additional 3 years at its current level of funding of $4.6 billion annually. There are other relatively minor changes made to the provisions of the law dealing with audit requirements, public hearings, and discrimination procedures. The Treasury Department is required to undertake a series of studies to clarify several significant intergovernmental finance matters. Finally, that State share, which has been dormant since 1980, is removed altogether.

As Members may recall, the House-passed bill did authorize an increase in the funding level of the program by some $50 million annually. The increase was opposed by the administration. The Senate amendment contained no increase in funding at all. Resolution of this difference was the most controversial issue facing the conferees. After substantial deliberation, we all concurred that with time running out, it was in the best interest of the program to continue it at its current funding level.

This conference agreement, while not containing the funding level I would like, is the best agreement that can be reached; and I urge its adoption. By acting today to continue the revenue-sharing program, we will reaffirm our commitment to the federal system of government that has worked so well for over 200 years. We will reaffirm the understanding of Congress that many decisions are best made at the State and local level. Finally, the extension of revenue sharing will place the Congress clearly on the record that there are alternative means of assisting State and local governments than by complicated categorical programs.

Mr. Speaker, I would like to take this opportunity to commend the chairman. I realize that the gentleman from Texas (Mr. BROOKS) has been consistently in opposition to this bill and has over the course of the life of this program opposed it.

He is very much concerned about our national deficits and feels that this is one place where the deficits could be reduced by eliminating this program.

But in spite of that, his leadership has made it possible to bring this bill to the floor. I think we should commend him. Those of us who are in favor of revenue sharing are grateful for his willingness to bring this bill to the floor, to carry it to the conference and then to bring the conference report here so that we can continue this very important program.

Mr. EDGAR. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman for yielding.

I would like to commend the gentleman from New York and the gentleman from Texas for this legislation. I think there are a number of townships and boroughs and cities across the country who have been concerned as they have been putting their budget preparations together as to what level of funding we would have for revenue sharing.

I think the good news is that they can expect the level of funding that they have had in the past.

The bad news is that some of the efforts to increase the dollar amounts were not accepted.

But the gentleman from New York, over the last few years, serving actively on this committee, as well as very actively with the Northeast-Midwest Coalition, has done an admirable job in helping us to remember how important revenue sharing is particularly to the smaller communities. I want to thank the gentleman for his help.

□ 1230

Mr. HORTON. Mr. Speaker, I thank the gentleman from Pennsylvania for his remarks, and I would just add to that that it was important that we arrive at a decision to continue the program. As the gentleman knows, it is continued on an entitlement basis for 3 years.

This is important so that the local governments can make up their budgets. As the gentleman said, many of the mayors, supervisors, and county executives are making up their budgets for 1984, and it is important that we signal to them now that this program will be continued.

I have the assurance from the administration that the bill will be signed, so that they can be assured that this level of funding will continue for the next 3 years.

Mr. BROOKS. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. WEISS), the distinguished chairman of the subcommittee which can take some dubious credit for having brought this forth.

Mr. WEISS. Mr. Speaker, I thank my distinguished friend, colleague and chairman for yielding this time to me.

Mr. Speaker, I want to start, by expressing my appreciation and commendation to the distinguished gentleman from Texas (Mr. BROOKS), who, although opposed to this legislation, has demonstrated courtesy and fairness through every step of the proceedings in this long and often frustrating year in regard to this legislation.

I also want to express my appreciation to the gentleman from New York (Mr. HORTON), whose support has been invaluable.

And especially do I want to express my appreciation to the members of the subcommittee on both the majority and minority side of the aisle, who worked long and hard hours in trips across the country to make sure that there was input from local government officials in arriving at this legislation.

Mr. Speaker, I rise in support of the conference report on H.R. 2780. However, I do so with some disappointment because the conference committee failed to include a much-needed funding increase for local governments.

Although a majority of the House conferees supported the $450 million increase approved by the House, the Senate conferees were adamantly opposed to any increase and rejected our offer to compromise on this issue. In view of the lateness of the session and the importance of reauthorizing the program before adjournment, were forced to accept the Senate position. Otherwise, local governments would not be receiving their January revenue-sharing payments on schedule.

It is unfortunate, and ironic, that this important and popular program, which is generally regarded as a very efficient and equitable vehicle for assisting our local governments, has been steadily losing its purchasing power. Except for a one-time increase of $200 million in 1976, revenue sharing has not been adjusted for inflation since 1972.

The $4.56 billion of 1972 has been eroded to $1.978 billion in 1983 dollars. Put another way, it would take $7.2 billion in 1983 dollars to buy the same amount as $4.56 billion bought in 1972.

In addition, the State share amounting to $2.3 billion a year has not been paid since 1980, and it is eliminated completely in the reauthorization. Clearly, the revenue-sharing program has lost tremendous ground even in the context of the current budget stringency.

It is my hope that budgetary conditions will permit a substantial increase in revenue-sharing entitlements for local governments, as well as restoration of the State government share, when the reauthorization of ths valuable program is considered in 1986.

Mr. HORTON. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. WALKER), the ranking minority member of the subcommittee.

Mr. Speaker, I would like to commend both the gentleman from New York (Mr. WEISS) and the gentleman from Pennsylvania (Mr. WALKER), the chairman and ranking minority member of the subcommittee, for the work that the subcommittee did in

making it possible for us to move this bill along.

Mr. WALKER. Mr. Speaker, I thank the gentleman for his comments and for yielding me the time.

Mr. Speaker, as ranking member of the Subcommittee on Intergovernmental Relations and Human Resources, I am pleased to speak in support of the conference report to accompany H.R. 2780, which reauthorizes the revenue sharing program. The report reflects thorough deliberations by the conferees, careful consideration by the House Government Operations Committee and a great deal of hard work by the House Intergovernmental Relations Subcommittee. I know our counterparts in the other Chamber have been just as diligent in their efforts on this important program.

Revenue sharing is vital, efficient, and timely. It is vital in helping to insure the fiscal well-being of local governments. It is efficient in its lack of bureaucratic redtape and mandatory restrictions. It is timely in that the program was passed over a decade ago, reviewed and reauthorized twice since then, and has played a key role in the effort to restore control of more Government decisionmaking processes to the local level.

The conference report provides for a 3-year reauthorization at present funding levels. While more funding could surely have been put to good use by our friends in local government, our determination to reauthorize this popular program with no new money demonstrates how serious we regard the need for Federal fiscal discipline.

The report makes other changes in the program but most are technical and I believe all are improvements which will be embraced by revenue sharing recipients.

I commend the chairman of the House Intergovernmental Relations Subcommittee, the chairman and ranking minority member of the House Government Operations Committee and all others who contributed to bringing forth this conference report. I urge its adoption.

Mr. BROOKS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Speaker, I thank my distinguished chairman for yielding.

Mr. Speaker, I rise in support of this conference report. General revenue sharing is one of the most important and certainly one of the most efficient and cost-effective programs that this Congress authorizes. The entire administrative cost of this program is less than one-half of 1 percent. It is a program which recognizes the fact that all wisdom does not reside in Washington and that our local officials frequently are better able to understand and deal with problems which serve their own population who are also our constituents.

It is unfair to say that revenue sharing causes the deficit. When you look at all the other vast programs that are being authorized, it is not this one but the others which may not be as cost effective that have created the problem. And in this instance, I want to commend the members of the conference committee for exercising the fiscal discipline and recognizing that even though this is a program which at some time should and could be expanded, given the deficit problems we have today, overall, it, as in the case of other programs, must hold the line.

So I rise in strong support of the conference report and say to our colleagues that this is a program that they can tell their constituents that they have literally done something about cutting their taxes, because the taxes at the local level, property taxes and otherwise, would have had to be raised if this program were not reauthorized. With passage of this bill those taxes will not have to be raised.

So I commend the Members of the conference committee and the chairman in particular, because with his reservations about this program—and "reservations" I suppose is a euphemism, having heard the gentleman strongly express himself in the past—I want to commend him for permitting the Members of this body to work their will on this program.

Mr. HORTON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BROOKS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the conference report.

There was no objection.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EDUCATION FOR THE HANDICAPPED ACT AMENDMENTS OF 1984

Mr. WHEAT. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 359 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 359

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3435) to revise and extend the Education of the Handicapped Act, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and each section of said substitute shall be considered as having been read. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 3435, the Committee on Education and Labor shall be discharged from the further consideration of the bill S. 1341, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and to insert in lieu thereof the provisions contained in H.R. 3435 as passed by the House.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. WHEAT) is recognized for 1 hour.

□ 1240

Mr. WHEAT. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Missouri (Mr. TAYLOR), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 359 is an open rule providing for 1 hour of general debate to be divided equally between the chairman and ranking minority member of the Committee on Education and Labor. The rule makes in order an amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill. This substitute shall be considered as original text for the purpose of amendment under the 5-minute rule and each section shall be considered as having been read.

Upon conclusion of consideration of the bill, the rule provides for one motion to recommit with or without instructions.

The rule further provides that the Committee on Education and Labor shall be discharged from further consideration of the bill S. 1341 and that it shall be in order in the House to move to strike all after the enacting clause of the Senate bill and insert in lieu thereof the provisions of H.R. 3435 as passed by this body.

Mr. Speaker, H.R. 3435 is a bill which revises and extends the Education of the Handicapped Act in a variety of ways. Some of the bill's most significant provisions include extending through fiscal year 1987 authorizations for 10 discretionary grant programs under the act; reestablishing

and redefining the National Advisory Committee on the Education of Handicapped Children and requiring a 90-day, rather than 30-day comment period for proposed changes in regulations under the act.

The bill also allows the Secretary of Education to bypass State educational agencies in providing special educational services to handicapped children attending private schools in States were there is a constitutional prohibition against shared services between public and private schools. Additionally, H.R. 3435 expands the evaluation section of the act to require that the Secretary obtain data from the States on a regular basis, conduct evaluation studies, and report his findings to the Congress.

Finally, H.R. 3435 makes definitional and clarifying changes to the act and it authorizes two new authorities for grants, contracts, and cooperatives which provide educational and transitional services to deaf and/or blind children, youth, and young adults.

Mr. Speaker, adequate educational services for the Nation's handicapped is a worthy goal which we all share. H.R. 3435 is an excellent measure which provides a means to attain this goal.

I know of no controversy regarding the rule for H.R. 3435. Therefore, I urge that we adopt the rule so that we may proceed to consideration of this important piece of legislation.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 359 is an open rule under which the House will consider legislation to increase and extend the authorization for 11 programs under the Education of the Handicapped Act.

The bill made in order by this rule, H.R. 3435, authorizes $159.8 million in fiscal 1985, $167.6 million in fiscal 1986, and $175.2 million in fiscal 1987 for 11 Federal grant programs that are discretionary in nature.

Under the provisions of House Resolution 359, the Education and Labor Committee amendment now printed in the bill will be considered as original text for the purpose of amendment under the 5-minute rule, and each section is considered as read.

Mr. Speaker, this rule contains the usual and customary language regarding separate votes in the House on any amendments that may have been adopted in the Committee of the Whole, and the rule provides for one motion to recommit with or without instructions.

Finally, the rule discharges the Committee on Education and Labor from further consideration of the bill S. 1341, after passage of H.R. 3435, and it makes in order a subsequent motion to strike out all after the enacting clause of the Senate bill and insert the provisions of H.R. 3435 as passed by the House.

This provision will help expedite the eventual enactment into law of this bill, and there was no controversy about the use of this process during our consideration in the Committee on Rules.

Mr. Speaker, this rule permits any germane amendments and it was supported by the minority members of the Committee on Education and Labor.

I urge the House to adopt the rule.

Mr. Speaker, I yield back the balance of my time.

Mr. WHEAT. Mr. Speaker, having no requests for time and having no controversy on this rule, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to House Resolution 359 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3435.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3435) to revise and extend the Education of the Handicapped Act, and for other purposes, with Mr. VOLKMER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Pennsylvania (Mr. MURPHY) will be recognized for 30 minutes, and the gentleman from Texas (Mr. BARTLETT) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. MURPHY).

Mr. MURPHY. Mr. Chairman, H.R. 3435, the Education of the Handicapped Act Amendments of 1983, reauthorizes a number of discretionary programs that are critically important to maintaining and improving appropriate educational services to this country's 4 million-plus handicapped children of public school age. These discretionary programs serve as a support system to Public Law 94-142, the Education of All Handicapped Children Act, by generating model projects, support for research, and personnel training in a wide array of special education domains, ranging from early childhood to postsecondary education.

Over the past year we have been hearing a great deal of comment and criticism of this country's educational system. Mr. Chairman, our special education system is the envy of the entire world. Considering the fact that Public Law 94-142 is not even 10 years old, the accomplishments that our educational system has generated in pursuit of a free and appropriate public education for all handicapped children are remarkable. We have taught severely handicapped individuals to function independently and prepare for fulfilling lives as adults. We have equipped our moderately handicapped students with the skills necessary to allow them to learn alongside their nonhandicapped peers. Our educational system is rapidly developing the technology to reliably identify handicapping conditions at the onset, thus opening the way for early remediation. The day has passed when the vast majority of our handicapped school-age population are placed in segregated facilities and classrooms, educationally deprived and functionally unattended. Our schools are making great strides on behalf of handicapped children and all of us can be justifiably proud of those accomplishments.

But these gains have not come about by magic or wishful thinking. We owe our progress in the area of instructional technology to the dedicated and inspired work of special educators and parents of handicapped children. The discretionary programs reauthorized under H.R. 3435 represent a critical part of the support system that maintains Public Law 94-142 as a showpiece of Federal legislation in education. The strength of our commitment to the education of handicapped children is reflected in the tradition of bipartisan support that has been a hallmark of this legislation from its inception and which I am happy to report continues today. H.R. 3435 was unanimously reported out of the Subcommittee on Select Education as well as the full Committee of Education and Labor.

Specifically, H.R. 3435 reauthorizes discretionary programs in the areas of: Deaf-blind centers, early childhood education, severely handicapped programs, postsecondary education, personnel training and recruitment, innovation and research, media services, and captioned films. A new discretionary program has been added in the area of secondary and transitional services to address the critical issue of coordinating instruction and services between schools and adult social service agencies for those handicapped individuals aging out of the Public Law 94-142 mandate. This aging out issue is certain to be a major agenda item in special education during the 1980's and this new discretionary program will yield information toward solving the problems and meeting the needs of handicapped youth and their families who find that the transition from school to adulthood is particularly difficult.

I take particular pride in the improvements made on the early childhood program which enable States to receive a grant to plan, develop, or implement a comprehensive delivery system for handicapped children from birth to 5 years of age. This provision is the logical consequence of our research in early childhood education that is telling us that early intervention results in reduced numbers of children requiring special education when they become school-age.

H.R. 3435 contains modest increases in authorization levels particularly in light of the fact that a completely new program has been added. I will offer an amendment which will change the effective date from fiscal year 1985 to fiscal year 1984 in order to ensure that these programs go into effect immediately. Providing for that amendment, H.R. 3435 will contain authorization levels of: $164 million for fiscal year 1984, $171.8 million for fiscal year 1985, and $179.78 million for fiscal year 1986.

In addition to the discretionary programs, H.R. 3435: reestablishes the National Advisory Committee on the Education for Handicapped Children, requires a 90-day comment on any proposed changes in the regulations implementing the act, allows the Secretary of Education to bypass the State Educational Agency in providing special education to handicapped children attending private schools in States where the State Educational Agency is prohibited by law from providing such services, expands the evaluation section to require that the Secretary obtain specific data from the States on a regular basis, conduct several evaluation studies and provide this information to Congress in the annual report, and repeals part G of the act.

In addition to the amendment changing the effective date from fiscal year 1985 to fiscal year 1984, I will be offering a number of amendments which will include authorization levels for Galludet College, the National Technical Institute for the Deaf, the American Printing House for the Blind, and part B of the Education of the Handicapped Act. The other amendments will either make technical changes in the bill or the changes necessary to permit the Senate to accept the House bill without conference and expedite implementation of the legislation.

In section 618(3) of H.R. 3435 an amendment has been added to require that the Secretary publish data identified in section 618 (3)(A) and (3)(B) every third year beginning with the annual report for fiscal year 1985. It is our intent that the annual report contain all of the data that were not published in the 2 years between the 3-year cycle of publication as well as the data for the publication year.

In section 623(b)(1), H.R. 3435 is amended to delete the phrase "and other developmentally delayed children." It is our intent that children from birth to 5 years of age who are suspected of being handicapped by at least one professional in the field be considered eligible for services under this section.

Section 631 of H.R. 3435 has been amended to include (C)(7) which indicates that "The Secretary shall provide technical assistance, by grant or contract, for establishing, developing, and coordinating parent training and information programs." It is our intent that the funds for these activities be drawn from the 10 percent alloted to section 631(C).

Sections 611(e) and 611(a)(2) are amended to include the Northern Mariana Islands. It is our intent that the Commonwealth of the Northern Mariana Islands and the Trust Territory of the Pacific comply with the requirements of the act if they choose to receive funds under the act.

In sections 621(a) and 632 references to participation by comparable educational agencies or offices in the Department of Defense and the Department of the Interior are deleted. It is our hope that the activities identified under sections 621(a) and 632 will be fully funded and carried out by the appropriate agency within the Department of Defense and the Department of the Interior.

Section 622 of the act pertains to deaf-blind children and youth. It is our intent to phase-down the role that deaf-blind centers play in providing direct services to deaf-blind children and youth. The amendments contained in H.R. 3435 emphasize the part that deaf-blind centers should play in providing technical assistance and other indirect services to public educational agencies. For those deaf-blind students who would not receive appropriate direct services from the public educational agency, it is our intent that the deaf-blind centers provide those appropriate direct services.

H.R. 3435 is amended to include a special study on terminology in section 17. Because of the importance of this study, we urge expeditious action including, if necessary, a sole source procurement.

H.R. 3435 will become effective upon signing by the President in fiscal year 1984. We recognize that the effective date of the bill will result in a significant and disproportionate number of obligations in the fourth quarter of the fiscal year.

□ 1250

Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. ACKERMAN).

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. ACKERMAN. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, I rise in favor of this legislation, and I rise also to commend the members of the subcommittee, including both the subcommittee chairman, the gentleman from Pennsylvania (Mr. MURPHY), and the ranking minority member, the gentleman from Texas (Mr. BARTLETT), for the work they have put in on behalf of these amendments to the bill for the education of all handicapped children, and to say that I believe this is a very important piece of legislation.

No piece of legislation has been more liberating to the handicapped children than this legislation which gives an opportunity for the education and occupation of the handicapped.

Mr. Chairman, I ask the Members to support the legislation, and I thank the gentleman for yielding.

Mr. ACKERMAN. Mr. Chairman, I rise in strong support of the Education of the Handicapped Act. By passing this legislation, the Congress would reaffirm our commitment to improving and enriching the lives of hundreds of thousands of disabled American youngsters. A few years ago, when the Congress enacted Public Law 94-142, which provided funds crucially needed by local governments to serve the handicapped, this Nation took a small, if halting, first step toward the proper care of disabled Americans. As a former schoolteacher in the New York City public school system, I well know the need for this type of legislation, and I have seen its positive results.

Now, once again, we have the opportunity to pass legislation which will provide a way for the handicapped to become valuable and productive members of our communities. H.R. 3435 would authorize funds for preschool-age youngsters, regional centers for the deaf and blind, and technical-assistance grants. Especially important are sections 625 and 626, which would begin to close that giant loophole in the law which declares that the United States of America ceases to have any responsibility for disabled persons once they reach the age of 21. This aging-out phenomenon is the shameful practice under which a person becomes too old to be protected by the force of law. It is disgraceful that the Government can arbitrarily decide—without considering any educational criteria—that a person who has reached the age of 21 is too old to learn, and must be shunted into an institution.

This bill would authorize the Secretary of Education to make grants to postsecondary and vocational institutions, and other related not-for-profit agencies, to protect the rights of the aging-out population. Last year, for example, we turned our backs on

173,000 youngsters. During the committee markup of this bill, I expressed my deep concern for these children who are aging-out of the protections of this act—who reach the artificial milepost of 21 or so years old at which the State decides that they are no longer worth teaching. We know that the disabled do not suddenly become self-sufficient at the age of 21. We must not cut them off from their lifeline. The only alternative left for many of these disabled young adults is the spectre of institutionalization, which we all know is not the answer. It is unconscionable that after we place our children in programs that give them—in many instances, for the first time in their lives—a sense of dignity, a feeling of self-worth, and a modicum of success, we cruelly dump them into an impersonal institution.

H.R. 3435, by authorizing grants for transitional services for the aging-out population, is a small start in addressing the needs of these disabled young adults. Let me emphasize that much more needs to be done, but we must take this correct first step.

Mr. Chairman, the education of the handicapped should be a prime concern of every Member of Congress. If a society is measured by how it treats those least able to care for themselves, then our stature as a legislative body, as Americans and as human beings will be measured by how well we provide for the disabled, and by how we vote on this legislation. I strongly urge its approval.

Mr. BARTLETT. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I rise in strong support of H.R. 3435, together with the amendments that will be offered later this afternoon. H.R. 3435 contains amendments and reauthorization for the Education of the Handicapped Act for 1984, 1985, and 1986.

Mr. Chairman, I wish to begin by commending my colleague, the distinguished gentleman from Pennsylvania (Mr. MURPHY), the chairman of the subcommittee, for his efforts in working with this side of the aisle and with Members of the other body in order to bring to us today the Education of the Handicapped Act amendments in the form of a bipartisan package of amendments to that bill which strengthens the act.

I endorse this bipartisan package of amendments for several reasons. First, it clarifies congressional intent on new initiatives.

Second, it strengthens the act by improving services to handicapped children and youths and by redirecting funds in a more cost effective manner.

It reflects accommodation to several concerns raised by the administration, and it will lead to speedy adoption by the other body, removing the need for a conference.

H.R. 3435 has enjoyed much bipartisan support from the time of its introduction. The bipartisan package to be offered by my friend, the gentleman from Pennsylvania, attempts to resolve whatever lingering reservations are held by Members of this side and by the administration. This he has done, with but one exception, and that is authorizations of appropriations.

When H.R. 3435 was reported out of the Committee on Education and Labor, it contained a modest annual growth rate in funding for most discretionary programs of about 5 percent. However, in the interest of accommodating the other body, the bipartisan package of amendments to be offered today includes a potential growth rate in fiscal year 1984 of 41 percent over the fiscal year 1983 appropriation levels. And that is this Member's one reservation.

I recognize that some of this increase is beyond discussion. Congress, through the Labor, HHS, and Education fiscal year 1984 appropriation conference report, as adopted by both bodies and signed by the President, increased the fiscal year 1984 appropriations for these programs by 23 percent over the fiscal year 1983 appropriations levels.

I support the discretionary programs under the Education of the Handicapped Act because ultimately they benefit children. I believe the substantive amendments in H.R. 3435 and the additional ones to be offered by the gentleman from Pennsylvania (Mr. MURPHY) will extend this benefit.

I endorse funding increases to counter inflation. Yet I am concerned that an increase of 41 percent in 1 year will challenge the ability of the Department of Education, as well as grant and contract recipients, to absorb such an increase and to use it effectively. I hope that some day we will be judged not solely in terms of how much of an increase in funding we are willing to support in a program, but in terms of the substantive improvements we are willing to make in this body and in this bill. And in these amendments we have made substantive improvements in the program.

□ 1300

In spite of my concerns about funding, I do support H.R. 3435 and those amendments to be offered today by the chairman of the subcommittee, the gentleman from Pennsylvania (Mr. MURPHY).

H.R. 3435 when amended will give the Secretary of Education the authority to establish new initiatives to help States provide programs for handicapped children from birth to 5 years of age and to establish new programs for handicapped youth as they make the transition from school and home to postsecondary opportunities and independent living.

H.R. 3435, when amended, will give renewed emphasis to technical assistance activities, acknowledging that States have assumed responsibility for direct services to handicapped children and that federally supported discretionary projects should complement and not compete with this direct service commitment.

H.R. 3435 when amended will no longer include ambiguous terms. It will give the Department of Education additional administrative flexibility in operating new programs and issuing regulations for them, and it will establish realistic timelines for inclusion of information about discretionary programs in the annual report to Congress.

Now, there is one area which this legislation deliberately does not address, and that is the issue of Public Law 94-142, a most controversial issue. I might add, as I have stated on several other occasions before the subcommittee and the full committee, the law has had some very positive effects. It has helped increase access to education for handicapped students. It serves as the basic civil rights bill for handicapped young people in this country.

However, I still believe that some of the details of the enforcement of the law could use some improvement and some strengthening. Those improvements can and should be made in the law and in the regulations, those improvements to decrease the regulatory burdens placed on school districts without decreasing the protective features for handicapped students.

I would hope that in the very near future this Congress will address that issue.

I appreciate the indication of the willingness of the subcommittee, chairman, the parents of handicapped children, of representatives of school districts, and other Members of this body, to examine in a clear, rational way Public Law 94-142 and determine if there are some ways that this body can improve its application.

H.R. 3435 when amended will reaffirm our bipartisan support for and commitment to handicapped children and youths. It will resolve administrative and programmatic issues identified by the Department of Education, and H.R. 3435 will reflect accommodation to concerns raised by all members on the Committee on Education and Labor.

I urge my colleagues to vote for 3435 as amended by the gentleman from Pennsylvania (Mr. MURPHY). If we act expeditiously, then the other body will also act quickly, so that the President will have the opportunity to sign the bill before we recess.

Mr. MURPHY. Mr. Chairman, I yield 4 minutes to the gentleman from Puerto Rico (Mr. CORRADA).

Mr. BARNES. Mr. Chairman, will the gentleman yield?

Mr. CORRADA. I yield to the gentleman from Maryland.

Mr. BARNES. Mr. Chairman, I want to commend the subcommittee chairman and others who have brought this legislation to the floor.

I rise today in support of this legislation which reauthorizes a variety of discretionary programs provided for under Public Law 94-142, the Education of All Handicapped Children Act.

As we all know, attempts have been made over the past few years to repeal this law or to gut many of its provisions. Today we have an opportunity to reaffirm and strengthen our support for the hard-earned protections for handicapped children that Public Law 94-142 contains.

The bill provides additional financial incentives for States to develop model projects to aid handicapped children in early childhood. This will encourage States to provide special services to preschoolers in order to insure the effective evaluation and implementation of programs for these children during their crucial early development.

The bill authorizes a new program to develop projects to improve secondary education for the handicapped and to assist handicapped individuals in their higher education and employment goals.

The bill significantly strengthens the provisions for promulgating regulations under the act, by extending the public comment period from 30 to 90 days and preventing the Secretary of Education from implementing any regulations that would substantially alter protections for the handicapped in such areas as parental consent and the placement of handicapped children in regular classroom settings. These provisions will help to insure that new regulations will be promulgated only after close consultation with congressional committees, special education professionals, parents, handicapped students, and school officials.

Finally, the bill provides for the reestablishment of the National Advisory Committee on Education of Handicapped Children, to review the administration and operation of the programs and provisions of the law and to make recommendations to the Secretary. The committee is authorized, but it has not received any funds since 1977.

I believe that H.R. 3435 represents a chance to undo much of the damage that has been done by this administration's past proposals and the resulting turmoil created by the anticipation of those changes, and to insure that these vital programs will not experience such uncertainty in the future. The major new initiatives contained in the legislation—in the early childhood education programs and in transitional services for secondary students—are particularly critical in insuring that handicapped children are given the education and special attention that they deserve in order to eventually lead productive and independent lives.

I strongly urge your support for H.R. 3435, so that we may renew our dedication to meeting the needs of all our country's handicapped children.

Mr. CORRADA. Mr. Chairman, I rise in support of H.R. 3435, the Education of the Handicapped Act Amendments, which reauthorizes the discretionary portions of the 1975 act, also known as Public Law 94-142.

The Education of the Handicapped Act is the primary mechanism for providing Federal support to State and local educational agencies in serving handicapped children. Part B of the act, the State grants program, is under a permanent authorization and is not modified by H.R. 3435. This bill makes improvements to the 10 discretionary grant programs included in Public Law 94-142 which support research, technical assistance, demonstration, dissemination, training, and model project activities.

Mr. Chairman, these discretionary activities are vital to the smooth operation of basic educational services to handicapped children. Through the research and model project activities, new approaches to dealing with specific handicaps are developed for incorporation in local school curricula. Technical assistance and dissemination moneys allow specialists to translate innvoative programs into reality through close working relationships with schools districts.

With the help of Federal grants under the Education of the Handicapped Act, Puerto Rico has made great strides in the last 8 years in providing adequate services to handicapped children. In the 1982 school year, almost 50,000 students were offered special education programs through the public school system. I am confident that programs in Puerto Rico are of high caliber largely because of the access our educators have had to information and curricula developed in other States and disseminated through Federal clearinghouses.

Mr. Chairman, H.R. 3435 makes no major changes to current law, but rather fine-tunes an already successful system of educational support for handicapped children. I urge my colleagues to join me in support of the bill and to vote for passage of H.R. 3435.

Mr. MURPHY. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. STOKES).

(By unanimous consent, Mr. STOKES was allowed to speak out of order.)

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I rise in support of H.R. 3435 which authorizes some very important programs under the Education of the Handicapped Act, the chief law governing the provisions of Federal aid to State and local school systems for education and related services of our handicapped children. Funds have been allocated for early education, handicapped education research, regional resource centers, regional vocational, adult, and postsecondary programs, as well as moneys for centers and services for deaf-blind children and adults, and projects for the severely handicapped.

In the years since this act was initially enacted, we have seen an increased awareness on the part of the public for the specialized needs and desires of handicapped individuals. Important mechanisms have been introduced in this measure to provide new grants to assure for transitional programs for deaf-blind youths aged 22 and over, in order to assist them in the transition from education to social activities. This has become an important concern of mine, and I am pleased that the committee has learned of the great need for this type of assistance.

The funds authorized in this legislation are used to develop and implement programs that have proven their utility, and other model demonstration projects for preschool and early education programs have been included as well. The desire of individual youths participating in these programs is clearly demonstrated; their motivation for learning to their fullest potential, and then translating that knowledge into a viable skill is a trait we so often find lacking in others. Mr. Chairman, by authorizing this program, we in Congress have the opportunity to express our strong support for all those involved in education of the handicapped. The teachers, administrators, social workers, parents, and children all have earned our respect through their hard work and dedication, and in acknowledging this, I urge swift passage of this proposal.

ANNOUNCEMENT OF FILING OF REPORT OF COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. STOKES. Mr. Chairman, 16 months ago the House of Representatives directed the Committee on Standards of Official Conduct to conduct a thorough investigation into two sets of charges. First, the House directed the committee to investigate sensational allegations of sexual misconduct involving congressional pages that had been made by two former House pages.

Second, the House directed the committee to investigate allegations that a drug ring had operated on Capitol Hill and had supplied drugs to Members of Congress and to House employees through an organized network, using pages or House employees as couriers.

Last July, this committee completed its investigation of the allegations of sexual misconduct involving congresional pages.

Today the committee has completed its investigation into the allegations that a so-called drug ring had operated on Capitol Hill. The committee's special counsel has filed his 147-page final report setting out the findings of the exhaustive 16-month investigation that he carried out.

Throughout this investigation, this committee has been committed to carrying out a thorough investigation and taking whatever action was necessary to protect the integrity of the House of Representatives.

We believe that the extensive and detailed report of the special counsel, which the committee is releasing today, demonstrates that the committee has achieved its objective. The committee has approved this report, and it is attached as an appendix to the report of the committee, which I am filing today.

With the filing of this report, the committee has completed its work under House Resolution 518 and House Resolution 12.

I thank the chairman, the gentleman from Pennsylvania (Mr. MURPHY) for yielding to me. And in closing I want to take this opportunity to request that the House join with me in a special commendation to our special counsel Mr. Joseph Califano, Mr. Chairman, the House of Representatives was fortunate to have the legal services of this able lawyer and dedicated public servant in this investigation. His investigation was competent, thorough, and done in a highly professional manner. I am proud to have been associated with him in this investigation. Mr. Califano also brought together a staff of competent individuals who were associated with him in this matter. I particularly want to commend Rick Cotton and Phillip Fox who have worked tirelessly and competently on this very difficult assignment.

Mr. Chairman, I yield back the balance of my time.

Mr. BARTLETT. Mr. Chairman, I have no additional requests for time.

Mr. MURPHY. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. GAYDOS).

Mr. GAYDOS. Mr. Chairman, I think it is imperative, being a member of the committee, that I stand up at this time and point out some very practical considerations involving this legislation.

I think that this legislation is indicative of what this Nation has done over the years and what it intends to do, that it has heeded the old sage advice and description that we hear so many times, "Tell me and show me what a nation does with its poor, its oppressed and its handicapped, and I will tell you what that nation stands for."

I think that Chairman MURPHY just demands extraordinary support in this area and great commendation as a matter of record because he has labored hard and continuously over the last year on this legislation.

It is very sensitive legislation. It has finally brought us at this time in our history out of the dark ages.

Yes, we did have programs in existance and, yes, we did approach after a fashion some of our problems in the education of our children and youth who are handicapped; but this legislation at this time under these conditions has now really given us an enlightened period of growth.

For instance, I think one aspect of the legislation, that which deals with the delivery system of some comprehensive type of education to our handicapped children and youth from birth to 5 years of age, that has been forgotten over the years.

□ 1310

This committee had the courage to approach that aspect of the problem, put together some meaningful legislation, and now at this time has the strength and support on a bipartisan basis to see this program through to its conclusion, so being a member of the Education and Labor Committee, and admittedly on record not having my primary interest in this area because of other commitments on our very area because of other commitments on our very busy committee, I want to state as a matter of record again, that I am very proud to serve on this committee with the extraordinary subcommittee chairman, Mr. MURPHY, who represents the congressional district adjacent to me and also I want to have the record be crystal clear that I think, having been on that committee for 15 years, that it was well worth waiting for this period of time when we have such comprehensive new legislation which will finally put to rest all those critics that have said repeatedly and justifiably at times that we have not had a humane, practical and effective approach to this problem.

So, my congratulations to Chairman MURPHY and I ask my colleagues to support this unanimously, if possible.

Mr. CONTE. Mr. Chairman, I rise in support of the Education of the Handicapped Act Amendments of 1983.

I would like to speak in favor of one particular provision of the amendments; namely, the authorization of funding for parent training and information programs, which are designed to inform and train parents so that they can participate effectively with professionals in meeting the educational needs of their handicapped children.

Mr. Chairman, much of the success of Public Law 94-142 in making the educational benefits of our society available to all children comes from the involvement of parents in the educational plan developed for their handicapped children, and from their active involvement in carrying out that plan, in cooperation with teachers.

Of course, parents' ability to aid in the education of their children can benefit from training. Parent information and training programs can play, and have played, an important role in this regard.

These networks consist of parent coalitions, involving parent-to-parent training by qualified, committed parents. They have grown tremendously over the past several years, and are now located in most States.

Over the past several years, the Labor, Health and Human Services, and Education Appropriations Subcommittee, on which I serve as the ranking minority member, has supported these parent information and training programs. At my request, the subcommittee has included report language encouraging the Department of Education to provide funds to these parent training organizations. I am pleased to say that the Department of Education, and specifically the Office of Special Education, has been most cooperative and has supported these organizations.

But now, with this specific authorization included in this bill, these parent training programs will be assured of receiving funds to carry out their important mission, and to grow and become even more effective. These parent organizations have proven themselves over the past several years, and this authorization of funding for their activities is a fitting recognition of their accomplishments.

So, I want to congratulate the sponsors of this bill for including this program in H.R. 3435, and for their hard work to guarantee that Public Law 94-142 will continue to be one of the most outstanding pieces of legislation ever enacted by Congress.

● Mr. BIAGGI. Mr. Chairman, I rise as a member of the committee and as an original cosponsor of this legislation to express my strong support for H.R. 3435, the Education of the Handicapped Act Amendments of 1984.

Mr. Chairman, this bill extends the 10 discretionary programs under the Education of the Handicapped Act which provide a floor of supportive services to help strengthen programs offered through Public Law 94-142.

The bill authorizes these 10 programs through fiscal year 1987 at the following levels:

Regional resource centers: $5.7 million in fiscal year 1985, $6 million in

fiscal year 1986 and $6.3 million in fiscal year 1987;

Deaf-blind programs: $15 million in fiscal year 1985 through 1987;

Early childhood programs: $26 million in fiscal year 1985, $27.1 million in fiscal year 1986 and $28.3 million in fiscal year 1987;

Research and training activities under subsection C of the act: $3 million for fiscal year 1985; $3.2 million in fiscal year 1986 and $3.3 million in fiscal year 1987;

Postsecondary education programs: $5 million for fiscal year 1985, $5.3 million for fiscal year 1986, $5.5 million for fiscal year 1987;

Secondary education and transitional services: $6 million for fiscal year 1985, $6.33 million for fiscal year 1986 and $6.6 million for fiscal year 1987;

Personnel training—except section 633: $58 million for fiscal year 1985, $61.1 million for fiscal year 1986, and $64.3 million for fiscal year 1987;

Recruitment and information: $1 million for fiscal year 1985, $1.05 million for fiscal year 1986, and $1.1 million for fiscal year 1987;

Innovation and development: $20 million for fiscal year 1985, $21.1 million for fiscal year 1986, and $22.2 million for fiscal year 1987; and

Instructional media: $19 million for fiscal year 1985, $20 million for fiscal year 1986, and $21 million for fiscal year 1987.

In addition, H.R. 3435 reestablishes a National Advisory Committee on the Education of Handicapped Children. This is in recognition of the valuable role which such a committee could provide to both the Department of Education as well as to policymakers in this area.

The bill further provides for a bypass in order to provide services directly to children in nonpublic schools.

H.R. 3435 also seeks to improve our data collection of these programs through expansion of the evaluation section. It also broadens the responsibility of the regional resource centers in order to improve information to State agencies. Most importantly, in my opinion, this expansion of the regional resource centers is also calculated to provide information to parents of handicapped children and the professionals who work with them.

Mr. Chairman, this bill also includes an amendment which I authored that is aimed at strengthening the regulatory process on behalf of handicapped children.

We all can recall—with great trepidation—the attempts made by Secretary Bell last year to gut existing regulations for Public Law 94-142. Many others will recall that the response to these proposals from Congress—was fast and furious.

For the benefit of the record—let me briefly recount the history for my colleagues.

As one of the original authors of the landmark 1974 Handicapped Education Act—I have maintained an active interest in this program and its impact upon the 4 million children it has assisted since its enactment into law.

Despite the strong bipartisan support for this program—the Secretary of Education—over the past 2 years—maintained a tireless assault on the regulations governing this program.

In August of 1982, the Department proposed regulations which would have essentially removed all protections that handicapped children now receive under the law. In response, I introduced House Resolution 588 to reaffirm support for the program and its existing regulations. This resolution was cosponsored by 108 House Members and was reported from the Education and Labor Committee on September 30—with the support and cooperation of our distinguished subcommittee chairman, AUSTIN MURPHY.

The committee took this action despite an announcement by the Secretary the day before to withdraw the six most onerous sections of the proposals. The committee acted because the Secretary could not provide us with assurances—when he came before the subcommittee on that same day—that he would not make revisions that would be equally objectionable to not only the members of the committee—but the educational community—the parents—and the teachers of handicapped children.

In order to make sure that the Secretary was made aware of the importance of this issue to our committee—I reintroduced this resolution this year—House Resolution 52—which I am pleased to note enjoys the bipartisan support of 107 of our colleagues.

My amendment to H.R. 3435 recognizes the position of the House in this matter and also takes into account our concerns in light of the recent Supreme Court decision which struck down the legislative veto.

Section 430 of the General Education Provision Act provides for veto authority in the event of regulations such as those originally proposed by the Department last year.

My amendment strengthens the provisions which govern this section on the promulgation of regulations by extending the public comment period from 30 to 90 days under part B of the act. This will allow a full and fair amount of time for public comment.

The amendment also states that the Secretary cannot propose any regulations which—in the opinion of the committee—have the direct or indirect effect of weakening the protections for handicapped children under existing law and regulation. In the event that regulations are to be proposed—these regulations are to be transmitted to our committee and the Senate Labor and Human Resources Committee—as well as the newly reestablished National Advisory Council.

I believe this provision appropriately expresses the will of the House in this matter.

We will not accept any attempts to alter existing programs and protections for handicapped children.

We will continue to closely monitor the actions of the Department to assure that their own activities—providing technical assistance to States and local educational agencies—are being carried out.

What we do not need is regulatory reform at the expense of the handicapped child.

What we do need is greater help to schools—parents—and other professionals—in order that they can assist in the effective implementation of the mandates of the act.

I recognize that Public Law 94-142 provides localities—including my own city of New York—with major financial burdens. However—I stand firm in my belief of the need to make these expenditures. If we do not pay the costs today—tomorrow's cost—to the child—and the society—will be even greater.

I also wish to express my interest in working with other members of our committee—as I have stated in the past—in a sytemmatic review of existing regulations. If we determine—after a full review of existing rules—that there are changes that can be made to facilitate the implementation of the mandates of the act—then I am ready to support them.

However—I wish to categorically state that no changes in existing law can—or should—be made without close consultation with the parents and the teachers who must—on a day-to-day basis—work with these students and these programs.

I wish to commend, once again, our subcommittee chairman, AUSTIN MURPHY, for his leadership in this area as well as his consideration of my concerns throughout this bill. I am pleased that—as a result of his efforts—the Senate will support this bill and that we can have a reauthorization bill approved and signed into law this year.

I also wish to thank our ranking Republican, STEVE BARTLETT, for his contributions and support of this legislation.

I urge passage of the legislation.●

● Mr. PERKINS. Mr. Chairman, throughout the 34 years that I have had the privilege to serve in Congress, I have worked for legislation that would guarantee equal rights and educational opportunities for all our citizens. Among the legislative accomplishments of which I remain the proudest are those that have strengthened the rights and broadened the educational possibilities of our Na-

tion's handicapped children and youth. Although the progress seemed often too slow, the decades of the 1950's, 1960's, and early 1970's each witnessed the congressional authorization of new Federal educational and related initiatives for the handicapped.

We are here again today to consider a bill, H.R. 3435, which will extend and strengthen the discretionary programs authorized under the Education of the Handicapped Act through fiscal year 1987. H.R. 3435 makes several significant and positive changes in this act including: reestablishing the National Advisory Committee on the Education of the Handicapped; expanding the evaluation section of the act to require the Secretary of Education to obtain specific data from the States on a regular basis; authorizing model demonstration programs for secondary, transitional, and postsecondary age handicapped students; continuing personnel training efforts; and improving the research authority focus on the development of new techniques for teaching handicapped children.

H.R. 3435 authorizes a limited number of regional programs to provide technical assistance to State and local educational agencies in the provision of educational services to deaf-blind children and provides two new grants: One for the provision of preliminary transitional services to school-age deaf-blind children and the other to provide transitional programs from educational to other social services to deaf-blind youth when they reach 22 years of age.

The bill also expands the existing early childhood projects to enable States to receive a grant to plan, develop, and implement a much needed comprehensive delivery system to children from birth to 5 years of age; and, also broadens the responsibilities of the regional resource centers by requiring that they provide information to all State educational agencies in their region and assist in improvement of information dissemination to professionals and parents.

In addition, H.R. 3435 allows the provision of services to handicapped children in private schools in those States which currently restrict the State educational agency from providing comprehensive services to those children; and finally, the bill requires a 90-day comment period on any proposed changes in the regulations implementing the act.

Mr. Chairman, the programs under the Education of the Handicapped Act are some of the most cost-effective programs designed to educate our Nation's handicapped children and youth. These programs benefit thousands of handicapped children throughout the country. It is my hope that my colleagues on both sides of the aisle will move swiftly today to pass this most important piece of legislation.●

● Mr. FORD of Michigan. Mr. Chairman, I rise in support of H.R. 3435, the education of the handicapped amendments. I would like to commend the chairman of the subcommittee, Mr. MURPHY of Pennsylvania, for the outstanding job that he has done in fashioning this legislation and bringing it before the House.

This bill reauthorizes and improves the 10 discretionary grant programs in the Education of the Handicapped Act. These programs provide for research, technical assistance, demonstration, dissemination, training, and model projects. These programs are an important complement to the permanently authorized basic grants to the States for education of the handicapped. One of the most significant innovations provided for by the bill is additional financial incentives for States to develop model projects to aid handicapped children in early childhood—from birth to age 5—a crucial period of development.

I urge all of my colleagues to support H.R. 3435.●

● Mr. SMITH of New Jersey. Mr. Chairman, it is a pleasure to rise in support of H.R. 3435, legislation that reauthorizes the discretionary programs under the Education of the Handicapped Act—Public Law 94-142—through fiscal year 1986. I want to take this opportunity to commend the chairman of the Select Education Subcommittee, Mr. MURPHY, and ranking Republican, Mr. BARLETTA, for their work in developing this extremely important legislation.

Public Law 94-142 is the primary Federal law assuring a free and appropriate education for all handicapped children. The discretionary programs are an essential part of Public Law 94-142—they provide grants to State and local educational agencies, other public agencies, private nonprofit organizations and institutions of higher education, to support a variety of research, training and model project activities which greatly benefit handicapped children in our Nation.

Major new initiatives in H.R. 3435 include improvements in the early childhood projects, and a provision providing transitional services for secondary students preparing to exit the educational system.

Mr. Chairman, research has demonstrated that early intervention services for handicapped children—as close to birth as possible—reduces the likelihood that these children will need special education programs in later years. Therefore, I am very pleased to note that this legislation expands the existing State implementation grant program to enable States to receive a grant to plan, develop, or implement a comprehensive delivery system for handicapped children from birth to age 5.

H.R. 3435 also authorizes a model demonstration program to determine exemplary practices and training techniques which may be duplicated by States and local districts across the Nation. Particular emphasis has been placed on improving current programs for secondary-age students and providing transitional programs for these students as they prepare to leave high school and meet the challenges ahead of them.

Based on the proven value of parental involvement, funding for the programs under H.R. 3435 must—to the extent possible—provide for the direct participation of parents of handicapped children in the planning, development and implementation of projects.

Perhaps one of the most important features of this legislation is to establish a national clearinghouse and other support projects to meet three main objectives:

First, disseminate information to parents and professionals about Federal programs and how to participate in them.

Second, encourage students and professionals to seek careers and employment in fields relating to education for the handicapped.

Third, provide information on available services and programs in post-secondary education of the handicapped.

H.R. 3435 also reauthorizes a National Advisory Committee on the Education of Handicapped Children. This committee is to consist of 15 members, 5 parents, with the remainder handicapped persons, including students.

Mr. Chairman, I strongly believe that these provisions of H.R. 3435 will improve and strengthen the Education of the Handicapped Act. Although not perfect, the goal of assuring a free and appropriate education for all handicapped children is being met and improved upon.

The challenge to meet the needs of our handicapped children, however, is becoming greater. In 1982, about 3.8 million students participated in programs under Public Law 94-142. This number increased to nearly 4 million this year, and is expected to rise in 1984. In New Jersey, the increase was from 142,000 students in 1982 to just under 159,000 participants this year.

Clearly, in order to preserve the purpose and thrust of Public Law 94-142, we must match this increase in participation with an adequate increase in funding to accommodate these programs. I was very pleased that last month the President signed into law the Departments of Labor, Health and Human Services, and Education funding bill which included $1.214 billion for education programs for the handi-

capped, an increase of more than $50 million above the amount appropriated for fiscal year 1983.

While much more needs to be done, this legislation and the increase in funding which we hope to see continue over the next few years, is a major step in the right direction.

Mr. Chairman, in closing, I would like to share with my colleagues a part of the text of the report of the National Commission on Excellence in Education released in May of this year. This statement speaks for our entire educational system, but in particular, I think it reflects the aim of the Education of the Handicapped Act and H.R. 3435:

> Our goal must be to develop the talents of all to their fullest. Attaining that goal requires that we expect and assist all students to work to the limits of their capabilities. We should expect schools to have genuinely high standards rather than minimum ones, and parents to support and encourage their children to make the most of their talents and abilities.

In this light, I strongly support passage of H.R. 3435 and urge my colleagues to do the same. I yield back the balance of my time.●

● Mr. GEJDENSON. Mr. Chairman, I rise today in strong support of H.R. 3435, a bill which would authorize and strengthen the Education of the Handicapped Act. More than any other single piece of legislation, this law has contributed to increasing the opportunities available to handicapped Americans.

I commend Chairman MURPHY and his subcommittee for the provisions they have built into the act which would prevent any further attempts to weaken the statutes that guarantee handicapped students their right to a free and appropriate education.

Clearly, there is room for refinement in the Education of the Handicapped Act as it is now written. But to simply try to eliminate requirements that might be difficult to implement does a grave disservice to the handicapped students and their parents who look to this law and to this Congress for the protection of their rights as American citizens.

Over the past decade, great strides have been made in educating handicapped students. I urge my colleagues to continue the commitment we have made by casting a vote in favor of H.R. 3435.●

● Mr. FAZIO. Mr. Chairman, it has always been my belief that education is an important national investment and that the Federal Government has a leading role to play in the effort to assure educational opportunity. Furthermore, the Government clearly has a responsibility to assure that underprivileged, handicapped, or disabled children have access to educational opportunities that meet their specific needs. Yet, as programs that clearly should not involve partisan debate, as programs of proven and demonstrated success, the discretionary programs under the Education of the Handicapped Act have suffered severe budget cuts under the current administration.

When Public Law 94-142 was passed in 1975, 25 percent of all handicapped children were underserved and another 25 percent had no educational programs at all. Now, just 8 years later, this administration would have us believe that Federal funding for disadvantaged students is a threat to the educational opportunities of all children.

We do ourselves a great disservice to make use of cost-benefit analysis to determine our support of handicapped education. The message of such an intellectual exercise says that handicapped persons are getting too much Federal assistance because they are not the ones who have the highest potential to contribute positively to society.

Handicapped citizens are as much a part of our society as those of us who are mentally and physically nonhandicapped. As a result of Public Law 94-142 they are just beginning to have available to them the social benefits that the rest of us take for granted. This administration and this Congress must realize that there are children who cannot help themselves, who cannot fulfill their potential without the Government's help. The shape of our country tomorrow depends on the investment we make in our children today. Handicapped children are part of our future; today we will decide what that future will be.●

● Mrs. SCHNEIDER. Mr. Chairman, I rise today in support of H.R. 3435, Education of the Handicapped Act Amendments of 1984. This legislation is vitally needed to maintain and extend our Nation's commitment to equal educational opportunities for our handicapped youth. The benefits our society receives from the expenditure of these funds are incalculable. With these programs, millions of youth, under the guidance of loving parents and teachers are able to harness their abilities and strive to achieve their potential.

I would like to call attention at this time of two programs which represent an extension of our commitment to handicapped youths. The first is the inclusion of children from birth to age 3 in preschool and early educational programs. Recent studies have shown that early intervention is cost beneficial to society and that this reduces the number of children who need special education and other services in later years. Quoting from a study done by the Colorado Department of Education for the Colorado Legislature:

> The results indicate that almost one-third of the handicapped children who received special education services through preschools for handicapped children were able to begin public schools in regular education with no special education services.

This will contribute greatly toward allowing our handicapped youth to enter into the mainstream of society at a very early age.

The second program is equally important. H.R. 3435 creates a new section 626, which deals with the difficult question of "aging-out." This section empowers the Secretary of Education to provide money for grants for the development of demonstration projects at the secondary education level. This will insure that proper educational and vocational skills are provided to the students so that they will be successful in making the transfer from the educational system into the workplace.

Once again, Mr. Chairman, I urge all my colleagues to support these fine programs of such great benefit and importance to the handicapped youth of our Nation. Thank you.●

● Mr. MILLER of California. Mr. Chairman, I rise in enthusiastic support of H.R. 3435, the Education of the Handicapped Amendments of 1983.

This legislation reaffirms our national resolve to equal education for the handicapped. It reauthorizes essential discretionary funds for the provision of research, training and model projects and is an essential complement to the direct services provided under Public Law 94-12.

In may home district of Contra Costa County, Calif., the discretionary funds under this provision have enabled the provision of essential, innovative services to hundreds of handicapped children.

I would like to call special attention to sections of this legislation which enable the provision of comprehensive services for handicapped children under 5 years old.

Early childhood intervention is effective in reducing the number of children who later require more costly special education. More important, however, preshool handicapped education programs help integrate children into regular classroom activities and, ultimately, to lead more productive and satisfying lives. Several studies have shown that approximately one-third of handicapped children who received preschool special education were able to begin public school in regular classes with no special education. For an even larger number, preschool programs reduce the amount of special education needed.

In my district of Contra Costa County, Calif., an extremely innovative program has been developed to provide onsite preschooling for the handicapped children of community college students. These children are mainstreamed in with other preschool-

ers, allowing their future participation in regular classes. At the same time, their parents are able to attend college and to be in close enough proximity to their children during the day to meet with them and share in their learning experiences.

The legislation before us promises not only to broaden parental input into progrm development but also to assure that parents will have an opportunity to help one another. The Select Committee on Children. Youth and Families has heard repeatedlly from parents struggling along to provide better educational and social opportunities for their children. Parents are often the best equipped to train and help one another because of their firsthand appreciation of the obstacles and frustrations accompanying education of the handicapped. Parent training allows peer support and family stability, and enhances the educational experiences of the handicapped.

I am encouraged by H.R. 3435's improved emphasis on transitional programs for students who leave the educational system. In Contra Costa County we have had tremendous success with a program called Project. Workability which encourages the placement of handicapped students in private sector jobs. In the last year and a half, Project Workability has successfully placed 64 of its 88 participants. Funded by discretionary grants, like those provided through this bill, this program is a proven example of the value of the services made possible by the Education of the Handicapped Act.

Mr. Chairman, I wholeheartedly endorse the aims and methods of H.R. 3435. We have seen the value of H.R. 3435. We have seen the value of these programs very dramatically in Contra Costa County, and this legislation will allow these kinds of efforts to expand. I urge my colleagues to join in support of its passage.

Mr. MURPHY. Mr. Chairman, I have no further requests for time.

Mr. BARTLETT. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the committee amendment in the nature of a substitute now printed in the reported bill shall be considered as an original bill for the purpose of amendment, and each section shall be considered as having been read.

The Clerk will designate section 1.

The text of section 1 is as follows:

H.R. 3435

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Education of the Handicapped Act Amendments of 1984".

Mr. MURPHY. Mr. Chairman, I ask unanimous consent that the balance of the bill be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The text of the committee amendment in the nature of a substitute for H.R. 3435, following section 2, is as follows:

DEFINITIONS

SEC. 2. Section 602 of the Education of the Handicapped Act (hereinafter in this Act referred to as "the Act") is amended—

(1) in paragraph (1)—

(A) by striking out "seriously emotionally disturbed," and inserting in lieu thereof "behaviorally disordered"; and

(B) by inserting "or language" after "speech";

(2) by striking out paragraph (2);

(3) in paragraph (3) by inserting "the Education of" after "Committee on";

(4) in paragraph (6) by amending such paragraph to read as follows:

"(6) The term 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.";

(5) in paragraph (14) by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Education";

(6) in paragraph (16) by inserting "educational" after "unique";

(7) by inserting "(a)" after "602"; and

(8) by inserting at the end of such section a new subsection (b) as follows:

"(b) For purposes of part C of this title, 'handicapped youth' means any handicapped child (as defined in section 602(a)(1)) who—

"(1) is twelve years of age or older; or

"(2) is enrolled in the seventh or higher grade in school.".

DESIGNATION OF THE AGENCY FOR SPECIAL EDUCATION

SEC. 3. (a) Section 603 of the Act is amended to read as follows:

"OFFICE OF SPECIAL EDUCATION PROGRAMS

"SEC. 603. (a) There shall be, within the Office of Special Education and Rehabilitative Services in the Department of Education, an Office of Special Education Programs which shall be the principal agency in the Department for administering and carrying out this Act and other programs and activities concerning the education and training of the handicapped.

"(b)(1) The office established under subsection (a) shall be headed by a Deputy Assistant Secretary who shall be selected by the Secretary and shall report directly to the Assistant Secretary for Special Education and Rehabilitative Services. The position of Deputy Assistant Secretary shall be in grade GS-18 of the General Schedule under section 5104 of title 5, United States Code, and shall be a Senior Executive Service position for the purposes of section 3132(a)(2) of such title.

"(2) In addition to such Deputy Assistant Secretary, there shall be established in such office not less than six positions for persons to assist the Deputy Assistant Secretary, including the position of the Associate Deputy Assistant Secretary. Each such position shall be in grade GS-15 of the General Schedule under section 5104 of title 5, United States Code, and shall be a merit pay position for the purposes of section 5401(b)(1) of such title.".

(b) The Act is amended by striking out "Commissioner" or "Commissioner's" wherever it appears and inserting in lieu thereof "Secretary" or "Secretary's", respectively.

AMENDMENTS WITH RESPECT TO THE ADVISORY COMMITTEE ON THE EDUCATION OF HANDICAPPED CHILDREN

SEC. 4. Section 604 of the Act is amended to read as follows:

"NATIONAL ADVISORY COMMITTEE ON THE EDUCATION OF HANDICAPPED CHILDREN

"SEC. 604. (a) The Secretary shall establish in the Department of Education a National Advisory Committee on the Education of Handicapped Children, consisting of fifteen members, appointed by the Secretary. Not less than five such members shall be parents of handicapped children and the remainder shall be handicapped persons (including students), persons affiliated with education, training, or research programs for the handicapped, and those having demonstrated a commitment to the education of handicapped children.

"(b) The Advisory Committee shall review the administration and operation of the programs authorized by this Act and other provisions of law administered by the Secretary with respect to handicapped children (including the effect of such programs in improving the educational attainment of such children) and make recommendations for the improvement of such programs. Such recommendations shall take into consideration experience gained under this and other Federal programs for handicapped children and, to the extent appropriate, experience gained under other public and private programs for handicapped children. The Advisory Committee may make such recommendations to the Secretary as the Committee considers appropriate and shall make an annual report of its findings and recommendations to the Secretary not later than June 30 of each year. The Secretary shall transmit each such report, together with comments and recommendations, to the Congress.

"(c) There are authorized to be appropriated for the purposes of this section $200,000 for fiscal year 1985, and for each of the two succeeding fiscal years.".

AMENDMENTS WITH RESPECT TO GRANTS FOR THE REMOVAL OF ARCHITECTURAL BARRIERS

SEC. 5. Section 607 of the Act is amended to read as follows:

"GRANTS FOR THE REMOVAL OF ARCHITECTURAL BARRIERS

"SEC. 607. (a) The Secretary is authorized to make grants and to enter into cooperative agreements with State educational agencies to assist such agencies in making grants to local educational agencies or intermediate educational units to pay part or all of the cost of altering existing buildings and equipment in accordance with standards promulgated under the Act approved August 12, 1968 (Public Law 90-480), relating to architectural barriers.

"(b) For the purposes of carrying out the provisions of this section, there are authorized to be appropriated such sums as may be necessary.".

REQUIREMENTS FOR PRESCRIBED REGULATIONS

SEC. 6. The Act is amended by inserting after section 607 the following new section:

"REQUIREMENTS FOR PRESCRIBING REGULATIONS

"SEC. 608. (a) For purposes of complying with section 431(b) of the General Education Provisions Act with respect to regulations promulgated under this Act, the thrity-

day period under such section shall be ninety days.

"(b) The Secretary may not implement any regulation prescribed pursuant to this Act which would procedurally or substantively lessen the protections provided to handicapped children under this Act, as embodied in regulations in effect on July 20, 1983 (particularly as such protections relate to parental consent to initial evaluation or initial placement in special education, least restrictive environment, related services, timelines, attendance of evaluation personnel at IEP meetings, or qualifications of personnel), except to the extent that such regulation reflects the clear and unequivocal intent of the Congress in legislation.

"(c) The Secretary shall transmit a copy of any regulations promulgated under this Act to the National Advisory Committee on the Education of the Handicapped concurrently with publication in the Federal Register.".

PARTICIPATION OF HANDICAPPED CHILDREN IN PRIVATE SCHOOLS

SEC. 7. Section 613 of the Act is amended by inserting at the end of such section the following new subsection:

"(d)(1) If a State educational agency is prohibited by law from providing for the participation in special programs of handicapped children enrolled in private elementary and secondary schools as required by subsection (a)(4), the Secretary shall waive such requirement, and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of subsection (a)(4).

"(2) Per pupil expenditures under this part for handicapped children enrolled in private elementary and secondary schools, to the extent possible, shall be equal and may not exceed per pupil expenditures under this part for handicapped children in the public schools of the State educational agency.".

AMENDMENTS RELATING TO EVALUATION

SEC. 8. Section 618 of the Act is amended to read as follows:

"EVALUATION

"SEC. 618. (a) The Secretary shall directly or by grant, contract, or cooperative agreement, collect data and conduct studies, investigations, and evaluations—

"(1) to assess progress in the implementation of this Act, the impact, and the effectiveness of State and local efforts to provide free appropriate public education to all handicapped children and youth; and

"(2) to provide Congress with information relevant to policymaking and provide Federal, State, and local educational agencies with information relevant to program management, administration, and effectiveness with respect to such education.

"(b) In carrying out the responsibilities under this section, the Secretary, on at least an annual basis, shall obtain data concerning programs and projects assisted under this Act, and under other Federal laws relating to the education of handicapped children and youth, and such additional information, from State and local educational agencies and other appropriate sources, as is necessary for the implementation of this Act including—

"(1) the number of handicapped children in each State receiving a free appropriate public education (special education and related services) by disability category and by age group (3-5, 6-12, 13-17, and 18-21);

"(2) the number of handicapped children in each State who are participating in regular educational programs, by disability category (consistent with the requirements of section 612(5)(B) and section 614(a)(1)(C)(iv)), and the number of handicapped children in separate classes, separate schools or facilities, or public or private residential facilities, or who have been otherwise removed from the regular education environment;

"(3) the number of handicapped children exiting the educational system each year through program completion or otherwise, by disability category and age, and anticipated services for the next year;

"(4) the amount of Federal, State, and local funds expended in each State specifically for special education and related services (which may be based upon a sampling of data from State agencies including State and local educational agencies);

"(5) the number and type of personnel that are employed in the provision of special education and related services to handicapped children, by disability category served, and the estimated number and type of additional personnel by disability category needed to adequately carry out the policy established by this Act; and

"(6) a description of the special education and related services needed to fully implement the Act throughout each State, including estimates of the number of handicapped children within each disability by age group (3-5, 6-12, 13-17, and 18-21) in need of improved services and the type of programs and services in need of improvement.

"(c) The Secretary shall, by grant, contract, or cooperative agreement, provide for evaluation studies to determine the impact of this Act. Each such evaluation shall include recommendations for improvement of the programs under this Act. The Secretary shall, not later than July 1 of each year, submit to the appropriate committees of each House of the Congress and publish in the Federal Register proposed evaluation priorities for review and comment.

"(d)(1) Not later than one hundred and twenty days after the close of each fiscal year, the Secretary shall publish and disseminate an annual report on the progress being made toward the provision of a free appropriate public education to all handicapped children and youth. The annual report is to be transmitted to the appropriate committees of each House of Congress and the National Advisory Committee on the Education of Handicapped Children, and published and disseminated in sufficient quantities to the education community at large and to other interested parties.

"(2) The Secretary shall include in each annual report—

"(A) an index and summary of each evaluation activity and results of studies conducted under subsection (c);

"(B) a compilation and analysis of data gathered under subsection (b);

"(C) a description of findings and determinations resulting from monitoring reviews of State implementation of part B of this Act;

"(D) an index of all current projects funded under parts C through F of this Act;

"(E) data reported under sections 621, 622, 623, 627, 634, 641, and 653;

"(F) an analysis and evaluation of the participation of handicapped children and youth in vocational education programs and services;

"(G) an analysis and evaluation of the effectiveness of procedures undertaken by each State educational agency, local educational agency, and intermediate educational unit to ensure that handicapped children and youth receive special education and related services in the least restrictive environment commensurate with their needs and to improve programs of instruction for handicapped children and youth in day or residential facilities; and

"(H) any recommendations for change in the provisions of this Act or any other Federal law providing support for the education of handicapped children and youth.

"(e) There are authorized to be appropriated $3,100,000 for fiscal year 1985, $3,270,000 for fiscal year 1986, and $3,440,000 for fiscal year 1987 to carry out the provisions of this section.".

AMENDMENTS RELATING TO PRESCHOOL INCENTIVE GRANTS

SEC. 9. Section 619(c) of the Act is amended by inserting ", and for providing special education and related services for handicapped children from birth to three years of age" immediately before the period.

AMENDMENTS CONCERNING CENTERS AND SERVICES TO MEET SPECIAL NEEDS OF THE HANDICAPPED

SEC. 10. Part C of the Act is amended to read as follows:

"PART C—CENTERS AND SERVICES TO MEET SPECIAL NEEDS OF THE HANDICAPPED

"REGIONAL RESOURCE CENTERS

"SEC. 621. (a) The Secretary is authorized to make grants to, or to enter into contracts or cooperative agreements with, institutions of higher education, private nonprofit organizations, State educational agencies, or combinations of such agencies and institutions (which combinations may include one or more local educational agencies) within particular regions of the United States, to pay all or part of the cost of the establishment and operation of regional resource centers. Each regional resource center shall provide consultation, technical assistance, and training to State educational agencies (including comparable educational agencies and offices within the Department of Defense and the Department of the Interior relating to educational programs and services for handicapped children and youth) and through such State agencies to local educational agencies. Each center established or operated under this section shall—

"(1) assist in identifying and solving persistent problems in providing quality special education and related services for handicapped children and youth;

"(2) assist in developing, identifying, and replicating successful programs and practices which will improve special education and related services to handicapped children and youth and their families;

"(3) gather and disseminate information to all State educational agencies within the region and coordinate activities with other centers assisted under this section and other relevant projects conducted by the Department of Education; and

"(4) assist in the improvement of information dissemination to and training activities for professionals and parents of handicapped children.

"(b) In determining whether to approve an application for a project under this section, the Secretary shall consider the need for such a center in the region to be served by the applicant and the capability of the applicant to fulfill the responsibilities under subsection (a).

"(c) Each regional resource center shall report a summary of materials produced or developed and this information shall be in-

cluded in the annual report to Congress required under section 618.

"SERVICES FOR DEAF-BLIND CHILDREN AND YOUTH

"SEC. 622. (a)(1) The Secretary is authorized to make grants to, or to enter into cooperative agreements or contracts with, public or nonprofit private agencies, institutions, or organizations to assist State educational agencies to—

"(A) assure deaf-blind children and youth a free appropriate public education pursuant to part B of this Act and preliminary transitional services; and

"(B) make available to deaf-blind youth upon attaining the age of twenty-two, programs and services to facilitate their transition from educational to other social services.

"(2) A grant, cooperative agreement, or contract pursuant to paragraph (1)(A) may be made only for programs providing (A) technical assistance to agencies, institutions, or organizations providing educational services to deaf-blind children or youth; (B) preservice or inservice training to paraprofessionals, professionals, or related services personnel preparing to serve, or serving, deaf-blind children or youth; (C) replication of successful innovative approaches to providing educational or related services to deaf-blind children and youth; and (D) facilitation of parental involvement in the education of their deaf-blind children. Such programs may include—

"(i) the diagnosis and educational evaluation of children at risk of being certified deaf-blind;

"(ii) programs of adjustment, education, and orientation for deaf-blind children and youth; and

"(iii) consultative, counseling, and training services for the families of deaf-blind children.

"(3) A grant, cooperative agreement, or contract pursuant to paragraph (1)(B) may be made only for programs providing (A) technical assistance to agencies, institutions, and organizations serving, or proposing to serve, deaf-blind individuals who have attained age twenty-two years; (B) training or inservice training to paraprofessionals or professionals serving, or preparing to serve, such individuals; and (C) assistance in the development or replication of successful innovative approaches to providing rehabilitative, semisupervised, or independent living programs.

"(b) The Secretary is also authorized to enter into a limited number of cooperative agreements or contracts to establish and support regional programs for the provision of technical assistance in the education of deaf-blind children.

"(c) Programs supported under this section shall report annually to the Secretary on the numbers of deaf-blind children and youth, paraprofessionals and professionals, and family members directly serviced by each activity. The Secretary shall summarize this data for submission in the annual report required under section 618.

"EARLY EDUCATION FOR HANDICAPPED CHILDREN

"SEC. 623. (a)(1) The Secretary is authorized to arrange by contract, grant, or cooperative agreement with appropriate public agencies and private nonprofit organizations, for the development and operation of programs of experimental preschool and early education for handicapped children which the Secretary determines show promise of promoting a comprehensive and strengthened approach to the special problems of such children. Such programs shall include activities and services designed to (1) facilitate the intellectual, emotional, physical, mental, social, and language development of such children; (2) encourage the participation of the parents of such children in the development and operation of any such program; (3) acquaint the community to be served by any such program with the problems and potentialities of such children; and (4) demonstrate services in the least restrictive environment taking advantage, as much as possible, of preschool programs serving nonhandicapped children.

"(2) Programs authorized by this subsection shall be coordinated with similar programs in the schools operated or supported by State or local educational agencies of the community to be served.

"(3) As much as is feasible, such programs shall be geographically dispersed throughout the Nation in urban as well as rural areas.

"(4) No arrangement pursuant to this subsection shall provide for the payment of more than 90 per centum of the total annual costs of development, operation, and evaluation of any program. Non-Federal contributions may be in cash or in kind, fairly evaluated, including, but not limited to, plant, equipment, and services.

"(b)(1) Subject to paragraph (2), the Secretary is authorized to make a grant to each State through the State educational agency or other State agency to assist such State agency in planning, developing, and implementing a comprehensive delivery system for the provision of special education and related services to handicapped and other developmentally delayed children from birth through five years of age.

"(2) The Secretary shall make one of the following types of grants (authorized under paragraph (1)) to any State which submits an application which meets the requirements of this subsection:

"(A) PLANNING GRANT.—A grant not to exceed $75,000 per year for a maximum of two years for the purpose of assessing needs within the State and establishing a procedure and design for the development of a State plan which includes parent participation and training of professionals and others.

"(B) DEVELOPMENT GRANT.—A grant not to exceed $125,000 per year for a maximum of three years for the purpose of developing a comprehensive State plan, and gaining approval of this plan from the State Board of Education, the Commissioner of Education, or other designated official of the appropriate State agency.

"(C) IMPLEMENTATION GRANT.—A grant not to exceed $175,000 per year for a maximum of three years for the purpose of implementing and evaluating the comprehensive State plan. A State must apply for annual renewal of such grant.

"(3) Each State educational agency or other State agency desiring to receive a grant under this subsection shall submit an application at such time, in such manner, and accompanied by such information as the Secretary considers necessary. Each such application shall contain assurances and evidence that:

"(A) The State agency receiving the grant will coordinate with other appropriate State agencies (including the State educational agency) in carrying out the grant.

"(B) The State plan will address the special education and related service needs of all handicapped and developmentally delayed children from birth through five years of age with special emphasis on children who are often not identified and children who are not now served.

"(C) The State plan will be closely coordinated with child-find efforts under section 612(2)(C) and with preschool incentive grant activities under section 619 of this Act.

"(4) The Secretary shall include in the annual report under section 618 of this Act the following:

"(A) The States and State agencies receiving grants under this subsection, the types of grants received, and waivers granted under paragraph (5).

"(B) A description of the activities in each State being undertaken through grants under this subsection.

"(C) Beginning in 1986, a description of the status of special education and related services to handicapped and developmentally delayed children from birth through five years of age (including those receiving services through Head Start, Developmental Disabilities Program, Crippled Children's Services, Mental Health/Mental Retardation Agency, and State child-development centers and private agencies under contract with local schools).

"(5) Any State participating in a grant program authorized by this subsection may request a waiver from the Secretary of any Federal regulation which interferes with or otherwise obstructs achievement of the objectives of this subsection. The Secretary is authorized to grant such a waiver, or where such regulations are under the jurisdiction of other executive agencies the Secretary may grant such a waiver in conjunction with any appropriate agency head.

"(c)(1) Not more than 30 per centum of the funds made available in any year for the purposes of this section may be used for purposes of subsection (b).

"(2) Not less than 10 per centum of the funds made available in any year for the purposes of subsection (b) shall be available for the provision of training and technical assistance to States preparing to receive or receiving grants under this section.

"RESEARCH, INNOVATION, TRAINING, AND DISSEMINATION ACTIVITIES IN CONNECTION WITH CENTERS AND SERVICES FOR THE HANDICAPPED

"SEC. 624. (a) The Secretary is authorized to make grants to, or to enter into contracts or cooperative agreements with such organizations or institutions, as are determined by the Secretary to be appropriate, consistent with the purposes of this part, for—

"(1) research to identify and meet the full range of special needs of handicapped children and youth;

"(2) the development or demonstration of new, or improvements in existing, methods, approaches, or techniques which would contribute to the adjustment and education of handicapped children and youth;

"(3) training of personnel for programs specifically designed for handicapped children (including payment of stipends for trainees and allowances for travel and other expenses for trainees and their dependents); and

"(4) dissemination of materials and information about practices found effective in working with such children and youth.

"(b) In making grants and contracts under this section, the Secretary shall ensure that the activities funded under such grants and contracts will be coordinated with similar activities funded from grants and contracts under other sections of this Act.

"(c) In carrying out the provisions of this section the Secretary is authorized to ad-

dress the needs of those with handicapping conditions of the greatest degree of severity.

"POSTSECONDARY EDUCATION PROGRAMS

"SEC. 625. (a)(1) The Secretary is authorized to make grants to or enter into contracts with State educational agencies, institutions of higher education, junior and community colleges, vocational and technical institutions, and other appropriate nonprofit educational agencies for the development, operation, evaluation, and dissemination of specially designed model programs of postsecondary, vocational, technical, continuing, or adult education for handicapped individuals.

"(2) In making grants or contracts on a competitive basis under this section, the Secretary shall give priority consideration to the four regional centers for the deaf and to model programs for individuals with handicapping conditions other than deafness—

"(A) for developing and adapting programs of postsecondary, vocational, technical, continuing, or adult education to meet the special needs of handicapped individuals; and

"(B) for programs that coordinate, facilitate, and encourage education of handicapped individuals with their nonhandicapped peers.

"(3) Of the sums made available for programs under this section, not less than $2,000,000 shall first be available for the four regional centers for the deaf.

"(b) For the purposes of this section the term 'handicapped individuals' means individuals who are mentally retarded, hard of hearing, deaf, speech or language impaired, visually handicapped, behaviorally disordered, orthopedically impaired, or other health impaired individuals, or individuals with specific learning disabilities who by reason thereof require special education and related services.

"SECONDARY EDUCATION AND TRANSITIONAL SERVICES FOR HANDICAPPED YOUTH

"SEC. 626. (a) The Secretary is authorized to make grants to, or enter into contracts with, institutions of higher education, State educational agencies, local educational agencies, or other appropriate public and private nonprofit institutions or agencies (including the State job training coordinating councils and service delivery area administrative entities established under the Job Training Partnership Act (Public Law 97-300)) to—

"(1) strengthen and coordinate education, training, and related services for handicapped youth to assist in the transitional process to postsecondary education, vocational training, competitive employment, continuing education, or adult services; and

"(2) stimulate the improvement and development of programs for secondary special education.

"(b) Projects assisted under this section may include—

"(1) developing strategies and techniques for transition to independent living, vocational training, postsecondary education, and competitive employment for handicapped youth;

"(2) establishing demonstration models for services and programs which emphasize vocational training, transitional services, and placement for handicapped youth;

"(3) conducting demographic studies which provide information on the numbers, age levels, types of handicapping conditions, and services required for handicapped youth in need of transitional programs;

"(4) specially designed vocational programs to increase the potential for competitive employment for handicapped youth;

"(5) research and development projects for exemplary service delivery models and the replication and dissemination of successful models;

"(6) initiating collaborative models between educational agencies and adult service agencies, including vocational rehabilitation, mental health, mental retardation, public employment, and employers, which facilitate the planning and developing of transitional services for handicapped youth to postsecondary education, vocational training, employment, continuing education, and adult services;

"(7) developing appropriate procedures for evaluating vocational training, placement, and transitional services for handicapped youth;

"(8) specially designed programs to provide more effective secondary school instruction in interaction of handicapped youth with nondisabled students, development of positive self-image, improvement of social, communication, and independent living skills, and utilization of innovative and exemplary educational approaches to the needs of secondary school-level students; and

"(9) establishing demonstration and model programs which offer promise of improving secondary school education for handicapped youth, including increasing successful participation in academic, social, cultural, athletic, community, and other aspects of the total school program, as well as activities related to the school program which encourage the involvement of community resources (such as business, industry, labor, and cultural and civic groups) in expanding and enriching such educational programs.

"(c) For purposes of subsections (b)(1) and (b)(2), if an applicant is not an educational agency, such applicant shall collaborate with the State educational agency.

"(d) Projects funded under this section shall to the extent appropriate provide for the direct participation of handicapped students and the parents of handicapped students in the planning, development, and implementation of such projects.

"PROGRAM EVALUATIONS

"SEC. 627. The Secretary shall conduct, either directly or by contract, a thorough and continuing evaluation of the effectiveness of each program assisted under this part. Results of the evaluations shall be analyzed and submitted to the appropriate committees of each House of Congress together with the annual report under section 618.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 628. (a) There are authorized to be appropriated to carry out the provisions of section 621, $5,700,000 for fiscal year 1985, $6,000,000 for fiscal year 1986, and $6,300,000 for fiscal year 1987.

"(b) There are authorized to be appropriated to carry out the provisions of section 622, $13,000,000 for fiscal year 1985, and for each of the two succeeding fiscal years.

"(c) There are authorized to be appropriated to carry out the provisions of section 623, $26,000,000 for fiscal year 1985, $27,100,000 for fiscal year 1986, and $28,300,000 for fiscal year 1987.

"(d) There are authorized to be appropriated to carry out the provisions of subsection (c) of section 624, $3,000,000 for fiscal year 1985, $3,200,000 for fiscal year 1986, and $3,300,000 for fiscal year 1987.

"(e) There are authorized to be appropriated to carry out the provisions of section 625, $5,000,000 for fiscal year 1985, $5,300,000 for fiscal year 1986, and $5,500,000 for fiscal year 1987.

"(f) There are authorized to be appropriated to carry out the provisions of section 626, $6,000,000 for fiscal year 1985, $6,330,000 for fiscal year 1986, and $6,660,000 for fiscal year 1987.".

AMENDMENTS CONCERNING TRAINING PERSONNEL FOR THE EDUCATION OF THE HANDICAPPED

SEC. 11. Part D of the Act is amended to read as follows:

"PART D—TRAINING PERSONNEL FOR THE EDUCATION OF THE HANDICAPPED

"GRANTS FOR PERSONNEL TRAINING

"SEC. 631. (a)(1) The Secretary is authorized to make grants, which may include scholarships with necessary stipends and allowances, to institutions of higher education and other appropriate nonprofit agencies to assist them in training personnel for careers in special education including—

"(A) special education teaching, including speech-language pathology and adaptive physical education;

"(B) related services in educational settings;

"(C) special education supervision and administration;

"(D) special education research; and

"(E) training of special education personnel.

"(2) The Secretary shall ensure that grants awarded to applicant institutions and agencies under this subsection meet State and professionally recognized standards for the training of special education and related services personnel.

"(3) The Secretary in carrying out the purposes of this subsection may reserve a sum not to exceed 5 per centum of the amount available for this subsection in each fiscal year for contracts to prepare personnel in areas where shortages exist, when a response to that need has not been adequately addressed by the grant process.

"(b) The Secretary is authorized to make grants to institutions of higher education and other appropriate nonprofit agencies to conduct special projects to develop and demonstrate new approaches for the preservice training purposes set forth in subsection (a), for regular educators, and for the inservice training of special education personnel, including classroom aides, related services personnel, and regular education personnel who serve handicapped children.

"(c) The Secretary is authorized to make grants through a separate competition to private nonprofit organizations for the purpose of providing training and information to parents of handicapped children and volunteers to enable such individuals to participate more effectively with professionals in meeting the educational needs of handicapped children. Such grants shall be designed to meet the unique training and information needs of parents of handicapped children, including those who are members of groups that have been traditionally underrepresented, living in the area to be served by the grant.

"GRANTS TO STATE EDUCATIONAL AGENCIES FOR TRAINEESHIPS

"SEC. 632. The Secretary shall make grants to State educational agencies (and payments to comparable educational agencies or offices in the Department of Defense and the Department of the Interior) to assist them in establishing and maintaining, di-

rectly or through grants to institutions of higher education, programs for the preservice and inservice training of teachers of handicapped children, or supervisors of such teachers.

"GRANTS TO IMPROVE RECRUITMENT OF EDUCATIONAL PERSONNEL AND DISSEMINATION OF INFORMATION CONCERNING EDUCATIONAL OPPORTUNITIES FOR THE HANDICAPPED

"SEC. 633. (a) The Secretary is authorized to make a grant to or enter into a contract with a public agency or a nonprofit private organization or institution for a national clearinghouse on the education of the handicapped and to make grants or contracts with a public agency or a nonprofit private orgainzation or institution for other support projects which may be deemed necessary by the Secretary to achieve the following objectives:

"(1) to disseminate information and provide technical assistance on a national basis to parents, professionals, and other interested parties concerning—

"(A) programs relating to the education of the handicapped under this Act and under other Federal laws;

"(B) participation in such programs, including referral of individuals to appropriate national, State, and local agencies and organizations for further assistance; and

"(C) technical assistance in establishing, developing, and coordinating State and local parent training and information programs;

"(2) to encourage students and professional personnel to seek and obtain careers and employment in the various fields relating to the education of handicapped children and youth; and

"(3) to provide information on available services and programs in postsecondary education for the handicapped.

"(b) In awarding the grants and contracts under this section, the Secretary shall give particular attention to any demonstrated experience at the national level relevant to performance of the functions established in this section, and ability to conduct such projects, communicate with the intended consumers of information, and maintain the necessary communication with other agencies and organizations.

"REPORTS TO THE SECRETARY

"SEC. 634. (a) Not more than sixty days after the end of any fiscal year, each recipient of a grant or contract under this part during such fiscal year shall prepare and submit a report to the Secretary. Each such report shall be in such form and detail as the Secretary determines to be appropriate, and shall include—

"(1) the number of individuals trained under the grant or contract, by category of training and level of training; and

"(2) the number of individuals trained under the grant or contract receiving degrees and certification, by category and level of training.

"(b) A summary of the data required by this section shall be included in the annual report of the Secretary under section 618 of this Act.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 635. There are authorized to be appropriated to carry out the provisions of this part (other than section 633) $58,000,000 for fiscal year 1985, $61,150,000 for fiscal year 1986, and $64,370,000 for fiscal year 1987. There are authorized to be appropriated to carry out the provisions of section 633, $1,000,000 for fiscal year 1985, $1,050,000 for fiscal year 1986, and $1,110,000 for fiscal year 1987.".

AMENDMENTS RELATED TO RESEARCH IN THE EDUCATION OF THE HANDICAPPED

SEC. 12. Part E of the Act is amended to read as follows:

"PART E—RESEARCH IN THE EDUCATION OF THE HANDICAPPED

"RESEARCH AND DEMONSTRATION PROJECTS IN EDUCATION OF HANDICAPPED CHILDREN

"SEC. 641. (a) The Secretary is authorized to make grants to, or enter into contracts or cooperative agreements with, State and local educational agencies, institutions of higher education, and other public agencies and nonprofit private organizations for research and related activities, to assist special education personnel, related services personnel, and other appropriate persons, including parents, in improving the education and related services for handicapped children and youth and to conduct research, surveys, or demonstrations relating to the education of handicapped children. Research and related activities assisted under this section shall include, but not be limited to, the following:

"(1) The development of new and improved techniques for teaching handicapped children.

"(2) The development of curricula which meet the unique educational needs of handicapped children.

"(3) The application of new technologies and knowledge for the purpose of improving the instruction of handicapped children.

"(4) The development of program models and demonstrations in areas of special education in need of such models and demonstrations.

"(b) In carrying out this section the Secretary shall consider the special education experience of the applicant and the ability of the applicant to disseminate the findings of any grant or contract.

"(c) The Secretary shall publish proposed research priorities in the Federal Register every two years, not later than July 1, and shall allow a period of sixty days for public comments and suggestions. After analyzing and considering the public comments, the Secretary shall publish final research priorities in the Federal Register not later than thirty days after the close of the comment period.

"(d) The Secretary shall provide an index (including the title of each research project and the name and address of the researching organization) of all research projects conducted in the prior fiscal year in the annual report described under section 618. The Secretary shall make reports of research projects available to the education community at large and to other interested parties.

"(e) The Secretary shall coordinate the research priorities established under this section with research priorities established by the National Institute of Handicapped Research and shall provide information concerning research priorities established under this section to the National Council on the Handicapped and to the National Advisory Committee on the Education of Handicapped Children.

"RESEARCH AND DEMONSTRATION PROJECTS IN PHYSICAL EDUCATION AND RECREATION FOR HANDICAPPED CHILDREN

"SEC. 642. The Secretary is authorized to make grants to States, State or local educational agencies, institutions of higher education, and other public or nonprofit private educational or research agencies and organizations, and to make contracts with States, State or local educational agencies, institutions of higher education, and other public or private educational or research agencies and organizations, for research and related purposes relating to physical education or recreation for handicapped children, and to conduct research, surveys, or demonstrations relating to physical education or recreation for handicapped children.

"PANELS OF EXPERTS

"SEC. 643. The Secretary shall from time to time appoint panels of experts who are competent to evaluate various types of proposals for projects under parts C, D, E, and F, and shall secure the advice and recommendations of one such panel before making any grant or contract under parts C, D, E, and F of this Act. The panels shall be composed of—

"(1) individuals from the field of special education for the handicapped and other relevant disciplines who have significant expertise and experience in the content areas and age levels addressed in the proposals; and

"(2) handicapped individuals and parents of handicapped individuals when appropriate.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 644. For the purposes of carrying out this part, there are authorized to be appropriated $20,000,000 for fiscal year 1985, $21,100,000 for fiscal year 1986, and $22,200,000 for fiscal year 1987.".

AUTHORIZATION OF APPROPRIATIONS FOR INSTRUCTIONAL MEDIA

SEC. 13. Section 654 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 654. For the purposes of carrying out this part, there are authorized to be appropriated $19,000,000 for fiscal year 1985, $20,000,000 for fiscal year 1986, and $21,100,000 for fiscal year 1987.".

REPEALERS

SEC. 14. Part G of the Act is repealed.

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 15. Section 611(e) and section 611(a)(2) of the Act are amended by inserting "the Northern Mariana Islands," after "the Virgin Islands,".

EFFECTIVE DATE

SEC. 16. This Act shall take effect October 1, 1984.

The CHAIRMAN. Are there any amendments to section 1?

AMENDMENTS OFFERED BY MR. MURPHY

Mr. MURPHY. Mr. Chairman, I offer amendments, and I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. MURPHY: Page 1, line 4, strike out "1984" and insert in lieu thereof "1983".

Page 2, strike out the hyphen on line 5 and all that follows through "(B)" on line 9.

Page 2, strike out lines 24 and 25, (and redesignate the subsequent paragraphs accordingly).

Page 4, line 11, strike out "Code," and all that follows through "title" on line 12, and insert in lieu thereof "Code".

Page 4, lines 18 and 22, insert "and Youth" after "Children" each place it appears.

Page 4, line 25, strike out "Children," and insert in lieu thereof "Children and Youth,".

Page 6, line 2, strike out "1985," and insert in lieu thereof "1984,".

Page 7, line 4, insert "part B of" after "under,"; and strike out "thrity-day" and insert in lieu thereof "thirty-day".

Page 7, line 6, insert ", or publish in final form," after "implement".

Page 8, line 1, insert ", on the date of enactment of the Education of the Handicapped Act Amendments of 1983," after "If".

Page 8, strike out lines 9 through 14, and insert in lieu thereof the following:

"(2)(A) When the Secretary arranges for services pursuant to this subsection, the Secretary, after consultation with the appropriate public and private school officials, shall pay to the provider of such services an amount per child which may not exceed the Federal amount provided per child under this part to all handicapped children enrolled in the State for services for the fiscal year preceding the fiscal year for which the determination is made.

"(B) Pending final resolution of any investigation or complaint that could result in a determination under this subsection, the Secretary may withhold from the allocation of the affected State educational agency the amount the Secretary estimates would be necessary to pay the cost of such services.

"(C) Any determination by the Secretary under this section shall continue in effect until the Secretary determines that there will no longer be any failure or inability on the part of the State educational agency to meet the requirements of subsection (a)(4).

"(3)(A) The Secretary shall not take any final action under this subsection until the State educational agency affected by such action has had an opportunity, for at least 45 days after receiving written notice thereof, to submit written objections and to appear before the Secretary or his designee to show cause why such action should not be taken.

"(B) If a State educational agency is dissatisfied with the Secretary's final action after a proceeding under subparagraph (A) of this paragraph, it may, within 60 days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(C) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(D) Upon the filing of a petition under subparagraph (B), the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

Page 9, line 17, strike out "6-12, 13-17," and insert in lieu thereof "6-11, 12-17,".

Page 10, line 23, strike out "6-12, 13-17," and insert in lieu thereof "6-11, 12-17.".

Page 9, lines 14, 19, and 24, and page 10, lines 3, 14, and 22, insert "and youth" after "children" each place it appears.

Page 11, after line 8, insert the following new subsection (and on line 9, strike out "(d)" and insert in lieu thereof "(f)"):

"(d)(1) The Secretary is authorized to enter into cooperative agreements with State educational agencies to carry out studies to assess the impact and effectiveness of programs assisted under the Act.

"(2) Such agreements shall—

"(A) provide for the payment of not to exceed 60 per centum of the total cost of studies conducted by a participating State educational agency to assess the impact and effectiveness of programs assisted under the Act; and

(B) be developed in consultation with the State Advisory Panel established under this Act, the local educational agencies, and others involved in or concerned with the education of handicapped children and youth.

"(3) The Secretary shall provide technical assistance to participating State educational agencies in the implementation of the study design, analysis, and reporting procedures.

"(4) In addition, the Secretary shall disseminate information from such studies to State educational agencies, and as appropriate, others involved in, or concerned with, the education of handicapped children and youth.".

"(e)(1) At least one study shall be a longitudinal study of a sample of handicapped students, encompassing the full range of handicapping conditions, examining their educational progress while in special education and their occupational, educational, and independent living status after graduating from secondary school or otherwise leaving special education.

"(2) At least one study shall focus on obtaining and compiling current information available through State educational agencies and local educational agencies and other service providers, regarding State and local expenditures for educational services for handicapped students (including special education and related services), and gather information needed in order to calculate a range of per pupil expenditures by handicapping condition.

Page 11, line 16, strike out "children," and insert in lieu thereof "Children and Youth,".

Page 12, strike out lines 4 through 7 (and redesignate the subsequent subparagraphs accordingly).

Page 12, after line 23, insert the following:

"(3) In the annual report for fiscal year 1985 (published in 1986) and for every third year thereafter, the Secretary shall include in the annual report—

"(A) an index of all current projects funded under parts C through F of this Act; and

"(B) data reported under sections 621, 622, 623, 627, 634, 641, and 653.

Page 12, strike out line 24 and all that follows through line 2 on page 13, and insert in lieu thereof the following:

"(g) There are authorized to be appropriated $3,100,000 for fiscal year 1984, $3,270,000 for fiscal year 1985, and $3,440,000 for fiscal year 1986 to carry out the provisions of this section.".

Page 14, line 1, strike out "(including" and all that follows through "youth)" on line 4.

Page 15, line 12, strike out "a free" and all that follows through "preliminary on line 14, and insert in lieu thereof "provision of special education and related services as well as vocational and".

Page 15, line 18, strike out "social".

Page 16, lines 4, 7, 11, and 25, insert "and youth" after "children" each place it appears.

Page 16, after line 21, insert the following:

"(4) In carrying out this subsection, the Secretary shall take into consideration the need for a center for deaf-blind children and youth in light of the general availability and quality of existing services for such children and youth in the part of the country involved.

Page 17, strike out lines 1 through 6, and insert in lieu thereof the following:

"(c)(1) Programs supported under this section shall report annually to the Secretary on—(A) the numbers of deaf-blind children and youth served by age, severity, and nature of deaf-blindness; (B) the number of paraprofessionals, professionals, and family members directly served by each activity; and (C) the types of services provided.

"(2) The Secretary shall examine the number of deaf-blind children and youth—(A) reported under subparagraph (C)(1)(A) and by the States; (B) served by the programs under part B of this Act and subpart 2 of part B, title I, of the Elementary and Secondary Education Act of 1965 (as modified by chapter 1 of the Education Consolidation and Improvement Act of 1981); and (C) the Deaf-Blind Registry of each State. The Secretary shall revise the count of deaf-blind children and youth to reflect the most accurate count.

"(3) The Secretary shall summarize these data for submission in the annual report required under section 618.

"(d) The Secretary shall disseminate materials and information concerning effective practices in working with deaf-blind children and youth.

Page 17, line 22, strike out the semicolon and all that follows through "children" on line 24; and on line 20, insert "and" after the semicolon.

Page 18, after line 13, insert the following:

"(5) For purposes of this subsection the term "handicapped children" includes children from birth through 8 years of age.

Page 18, lines 19 and 20, strike out "and other developmentally delayed".

Page 19, lines 1 and 2, strike out "not to exceed $75,000 per year".

Page 19, lines 7 and 8, strike out "not to exceed $125,000 per year".

Page 19, lines 14 and 15, strike out "not to exceed $175,000 per year".

Page 20, lines 6 and 7, and line 24, strike out "and developmentally delayed" each place it appears.

Page 20, line 22, insert "in consultation with the National Council for the Handicapped and the National Advisory Committee on the Education of Handicapped Children and Youth," after "1986,".

Page 21, strike out lines 6 through 13; and on page 20, line 18, strike out "subsection" and all that follows through "paragraph (5)" on line 19, and insert in lieu thereof "subsection and the types of grants received".

Page 21, line 14, strike out "more" and insert in lieu thereof "less".

Page 22, line 16, strike out "(including" and all that follows through "dependents)" on line 18.

Page 23, line 4, strike out "those with" and all that follows through "severity" on line 5 and insert in lieu thereof "the severely handicapped".

Page 23, line 12, strike out "evaluation,"

Page 24, line 10, strike out "behaviorally disordered," and insert in lieu thereof "seriously emotionally disturbed,".

Page 26, line 1, strike out "collaborative" and insert in lieu thereof "cooperative".

Page 26, strike out line 12 and all that follows through line 4 on page 27.

Page 26, line 8, insert "and" after the semicolon, and on line 11, strike out the semicolon and insert in lieu thereof a period.

Page 27, line 7, strike out "collaborate" and insert in lieu thereof "coordinate".

Page 27, after line 12, insert the following:

"(e) The Secretary, as appropriate, shall coordinate programs described under this section with projects developed under section 311 of the Rehabilitation Act of 1973.

Beginning on line 21 of page 27, through line 19 on page 28, strike out "1985" each place it appears and insert in lieu thereof "1984"; strike out "1986" each place it appears and insert in lieu thereof "1985"; and strike out "1987" each place it appear and insert in lieu thereof "1986".

Page 28, line 2, strike out "$13,000,000" and insert in lieu thereof "$15,000,000".

Page 28, line 10, strike out "$3,000,000" and insert in lieu thereof "$5,000,000", and strike out "$3,200,000" and insert in lieu thereof "$5,300,000"; and on line 11, strike out "$3,300,000" and insert in lieu thereof "$5,600,000".

Page 29, line 6, insert "(including the university-affiliated facilities program under the Rehabilitation Act of 1973 and the satellite network of the developmental disabilities program)" after "higher education".

Page 29, lines 9, and 10, strike out "speech-language pathology" and insert in lieu thereof "speech, language, and hearing impaired,".

Page 29, line 11, insert "to handicapped children and youth" after "services".

Page 29, line 15, insert "and other personnel providing special services" after "personnel".

Page 29, after line 19, insert the following (and redesignate the subsequent paragraph accordingly):

"(3) Grants under this subsection may be used by such institutions to assist in covering the cost of courses of training or study for such personnel and for establishing and maintaining fellowships or traineeships with such stipends and allowances as may be determined by the Secretary.

Page 30, line 12, insert "who work with parents" after "volunteers".

Page 30, line 9, insert "(1)" after "(c)"; and after line 19, insert the following:

"(2) In order to receive a grant under this subsection a private nonprofit organization shall—

"(A) be governed by a board of directors on which a majority of the members are parents of handicapped children and which includes members who are professionals in the field of special education and related services who serve handicapped children and youth; or if the nonprofit private organization does not have such a board, such organization shall have a membership which represents the interests of individuals with handicapping conditions, and shall establish a special governing committee on which a majority of the members are parents of handicapped children and which includes members who are professionals in the fields of special education and related services, to operate the training and information program under this subsection;

"(B) serve the parents of children with the full range of handicapping conditions under such grant program; and

"(C) demonstrate the capacity and expertise to conduct effectively the training and information activities authorized under this section.

"(3) The board of directors or special governing committee of a private nonprofit organization receiving a grant under this subsection shall meet at least once in each calendar quarter to review such parent training and information activities, and each such committee shall advise the governing board directly of its views and recommendations. Whenever a private nonprofit organization requests the renewal of a grant under this subsection, the board of directors or the special governing committee shall submit to the Secretary a written review of the parent training and information program conducted by that private nonprofit organization during the preceding fiscal year.

"(4) The Secretary shall ensure that grants under this subsection will—

"(A) be distributed geographically to the greatest extent possible throughout all the States; and

"(B) be targeted to parents of handicapped children in both urban and rural areas, or on a State, or regional basis.

"(5) Parent training and information programs assisted under this subsection shall assist parents to—

"(A) better understand the nature and needs of the handicapping conditions of their child;

"(B) provide followup support for their handicapped child's educational programs;

"(C) communicate more effectively with special and regular educators, administrators, related services personnel, and other relevant professionals;

"(D) participate in educational decisionmaking processes including the development of their handicapped child's individualized educational program;

"(E) obtain information about the programs, services, and resources available to their handicapped child, and the degree to which the programs, services, and resources are appropriate; and

"(F) understand the provisions for the education of handicapped children as specified under part B of this Act.

"(6) Each private nonprofit organization operating a program receiving assistance under this subsection shall consult with appropriate agencies which serve or assist handicapped children and youth and are located in the jurisdictions served by the program.

"(7) The Secretary shall provide technical assistance, by grant or contract, for establishing, developing, and coordinating parent training and information programs.

Page 30, line 23, strike out "(and payments" and all that follows through "Interior)" on line 25.

Page 31, line 22, insert "and" immediately after the semicolon; and on page 32, line 2, strike out "; and" and insert in lieu thereof a period, and strike out lines 3 through 5.

Page 32, line 13, insert "(1)" after "(b)"; and after line 19, insert the following new paragraph:

"(2) The Secretary is authorized to make contracts with profit-making organizations under this section only when necessary for materials or media access.

Page 33, strike out lines 15 through 19, and insert in lieu thereof the following: $58,000,000 for fiscal year 1984, $61,150,000 for fiscal year 1985, and $64,370,000 for fiscal year 1986. There are authorized to be appropriated to carry out the provisions of the section 633, $1,000,000 for fiscal year 1984, $1,050,000 for fiscal year 1985, and $1,110,000 for fiscal year 1986.".

Page 33, line 13, insert "(a)" after "635."; and after line 19, insert the following:

"(b) Of the funds appropriated pursuant to subsection (a) for any fiscal year, the Secretary shall reserve 10 per centum for activities under section 631(c).

Page 34, strike out the period at the end of line 14 and insert in lieu thereof "and youth. Research and related activities shall be designed to increase knowledge and understanding of handicapping conditions and teaching, learning, and education-related practices and services for handicapped children and youth.".

Page 34, line 18, insert "and devices" before "for teaching".

Page 34, lines 18, 20, and 23, insert "and youth" after "children" each place it appears.

Page 35, strike out lines 1 through 3, and insert in lieu thereof the following:

"(4) The development of program models and exemplary practices in areas of special education.

Page 35, after line 3, insert the following:

"(5) The dissemination of information on research and related activities conducted under this part to interested individuals and organizations.

Page 37, stike out lines 9 through 12, and insert in lieu thereof the following:

"SEC. 644. For purposes of carrying out this part, there are authorized to be appropriated $20,000,000 for fiscal year 1984, $21,100,000 for fiscal year 1985, and $22,200,000 for fiscal year 1986.".

Page 37, strike out lines 20 and 21, and insert in lieu thereof the following: year, 1984, $20,000,000 for fiscal year 1985, and $21,100,000 for fiscal year 1986.".

Page 38, after line 4, insert the following new sections (and redesignate the subsequent section accordingly):

AMENDMENTS TO THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981

SEC. 16. (a) Section 602(a)(1) of the Omnibus Budget Reconciliation Act of 1981 is amended by striking out "each of the fiscal years 1983 and 1984" and inserting in lieu thereof "the fiscal year 1983, and $1,071,850,000 for the fiscal year 1984".

(b) Section 605 of such Act is amended by striking out ", 1983, and 1984" and inserting in lieu thereof "and 1983, and $5,500,000 for fiscal year 1984".

(c) Section 605(b) of such Act is amended by striking out ", 1983, and 1984" and inserting in lieu thereof "and 1983, and $56,000,000 for the fiscal year 1984".

(d) Section 605(c) of such Act is amended by striking out ", 1983, and 1984" and inserting in lieu thereof "and 1983, and $28,000,000 for the fiscal year 1984".

SPECIAL STUDY ON TERMINOLOGY

SEC. 17. (a)(1) The Secretary of Education shall either directly or by grant or contract, conduct a review and evaluation of the term "behaviorally disordered" as the use of such term relates to handicapped children, as defined in section 602(a)(1) of the Education of the Handicapped Act.

(2) The review and evaluation under this section shall involve the active participation of the parents of handicapped children.

(b)(1) Not later than 6 months after the date of the enactment of this Act, the Sec-

retary shall submit to the Congress, for referral to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report of the review and evaluation required by this section, together with a detailed proposal for any legislation necessary to implement the recommendations of such review and evaluation.

(2) The report required under paragraph (1) shall include—

(A) the number of seriously emotionally disturbed children currently being served under the Education of the Handicapped Act, and the anticipated number of children and youth (by type of condition) in special and regular education who would be served under the Education of the Handicapped Act if the definition is changed;

(B) how the population of children currently served under such Act as "seriously emotionally disturbed" may be changed (particularly in terms of the severity of disability) if the term "behaviorally disordered" is substituted for the term "seriously emotionally disturbed";

(C) how a change in terminology will impact on the identification, assessment, types of special education and related services provided, and the availability of such services, if the change in terminology is made;

(D) how the settings in which special education and related services are provided may change if the change in terminology is made;

(E) how the change in terminology may affect the attitudes of, and the relationships among, parents, professionals, and children and youth;

(F) how the change in terminology will impact upon the training of professional personnel providing services under such Act; and

(G) a number of examples of seriously emotionally disturbed children who are currently effectively and ineffectively served.

(c) The Secretary is authorized to use funds appropriated for purposes of part E of the Education of the Handicapped Act to carry out the purposes of this section.

Page 38, strike out line 6, and insert in lieu thereof the following:

SEC. 18. (a) Except as provided in subsection (b), the provisions of this Act shall take effect on the date of enactment of this Act.

(b)(1) To the extent that the amendments made by this Act to parts C, D, E, and G of the Education of the Handicapped Act prohibit or limit the use of funds, such amendments shall apply only to funds obligated after the date of enactment of this Act.

(2) As determined necessary by the Secretary of Education for purposes of providing services under the Education of the Handicapped Act pending the issuance of regulations implementing the amendments made by this Act, the Secretary shall provide financial assistance under parts C, D, E, and G of the Act as in effect on the day before the date of enactment of this Act until issuance of such regulations or March 1, 1984, whichever is earlier.

Mr. MURPHY (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MURPHY. I thank the Chair.

Mr. Chairman, these are a set of amendments that have been agreed to by both the minority and the majority making technical and other changes, including a change in the fiscal year of the effective date in conformance with the measure that has already passed the Senate, in the hopes that, and with the commitment, that the Senate will accept our bill as amended.

I yield back the balance of my time.

Mr. BARTLETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to support the amendments en bloc as offered by the gentleman from Pennsylvania.

This side has no objections and in fact supported and participated in the negotiation of those amendments and would support the en bloc amendments.

I yield back the balance of my time.

● Mr. ERLENBORN. Mr. Speaker, floor debate on one program which affects the lives of many handicapped persons has been plagued by partisan rhetoric and irresponsible legislative maneuvering. I am referring to the fate of the reauthorization of the Rehabilitation Act, H.R. 3520, which lingers in a legislative limbo from which it may never be resurrected. The circumstances surrounding H.R. 3435, the Education of the Handicapped Act Amendments of 1983, offer us a refreshing contrast. Republican amendments to H.R. 3435 were adopted both in subcommittee and in full committee. Even funding levels enjoyed bipartisan support. Building on this support, Mr. MURPHY and Senator WEICKER have developed a package of amendments which, if adopted, may eliminate the need for a conference with the other body. The sensitive, open, and constructive discussions which led to the block of amendments to be offered today may be the first step in restoring the bipartisan spirit that has, until this year, been a central part of and driving force behind legislation to help handicapped Americans.

I am particularly pleased with proposed amendments to H.R. 3435 in three areas: the deletion of ambiguous terms; the establishment of administrative flexibility in new programs; and the reduction in reporting requirements.

First. The package contains an amendment to delete the ambiguous term "behaviorally disordered" which would replace the term "seriously emotionally disturbed" in current law.

Second. The package contains amendments to give the Secretary more flexibility in administering the new State grant initiative under the early education of handicapped children program, section 623 of the act.

Third. The package contains amendments to reduce the frequency with which the Department must report summary information about discretionary programs.

The amendments developed in these three areas represent genuine compromise, coupled with a desire to improve the act for the benefit of handicapped children and youth and for the benefit of those who administer it. I shall take this opportunity to offer some specific examples.

In full committee I offered an amendment to restore the term "seriously emotionally disturbed" as a category of handicapped children, in the act. In H.R. 3435, the term "behaviorally disordered" would have replaced "seriously emotionally disturbed." My amendment was defeated, yet is spawned considerable dialog and sharing of data among congressional staff, professionals who work with such children, and Department of Education representatives. Although most parties felt that the term "seriously emotionally disturbed" was more stigmatizing, that argument alone was felt by some of us to be insufficient to justify a change. Although data were limited, some believed that perhaps the term change would result in large increases in the number of children so classified, diluting the effects of funds for services. Moreover, some were concerned that such a modification may result in a change in the characteristics of the population served.

The amendments to be offered by Mr. MURPHY address these issues. The amendments direct the Secretary to arrange for a study to assess the likely effects of changing the term "seriously emotionally disturbed" to "behaviorally disordered." Specifically, the Secretary of Education would be directed to commission a study to determine the following:

The number of seriously emotionally disturbed children currently being served, and the anticipated number to be served if the term were changed;

How the population of seriously emotionally disturbed may change if the term "behaviorally disordered" is substituted for "seriously emotionally disturbed";

How a change in terminology would impact on the identification, assessment, types of special education, and related services provided, and the availability of such services;

How a change in terminology may affect the attitudes of and the relationships among parents, professionals, children, and youth; and

How a change in terminology would affect the training of professionals.

The amendments related to the State grant initiative under the early education of the handicapped program provide the Secretary with discretion for setting grant awards. H.R. 3435, in its current form, sets arbitrary caps on the size of grants the Secretary could award, caps that would vary with the

type of grant. These restrictions suggest a failure to recognize the capacity of States to provide services to handicapped children from birth to 5 years of age or costs associated with State geography and population size. The amendments to be offered remove such restrictions.

I would like to offer one final illustration of how the amendment package to be offered will improve H.R. 3435. In H.R. 3435, the Secretary of Education would be required to report the following information every year in the annual report to Congress on progress toward providing a free, appropriate public education to handicapped children:

A summary of materials produced by regional resource centers;

A summary of the number of deaf-blind children and youth, professionals and family members directly served under section 622 activities;

States receiving early childhood grants, types of grants, and regulatory waivers requested;

Types of activities initiated with State early childhood grants;

The status of services to handicapped children between birth and 5 years of age;

Numbers of persons trained by category and level of training; and

An index of all research projects conducted in the previous fiscal year.

If such information were required on an annual basis, it would increase the number of pages in the annual report by 100 percent, and increase the dissemination costs by a similar percentage. In the amendments to be offered these reporting requirements would apply to the annual report to be submitted to Congress in 1986 and then would be reported every third year thereafter.

These three examples demonstrate that the amendments to be offered to H.R. 3435 do not dilute its original intent but clarify and strengthen it. I hope you will join me in voting for the block of amendments and final passage of H.R. 3435 as amended.●

The CHAIRMAN. The question is on the amendments offered by the gentleman from Pennsylvania (Mr. MURPHY).

The amendments were agreed to.

The CHAIRMAN. Are there further amendments to the bill?

AMENDMENT OFFERED BY MR. BARTLETT

Mr. BARTLETT. Mr. Chairman I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARTLETT: At the end thereof insert the following new section:

AUTHORIZATION OF APPROPRIATIONS FOR STATE GRANTS UNDER THE REHABILITATION ACT OF 1973

SEC. 19. (a) For the purpose of making State grants under part B of section 100(b)(1) of the Rehabilitation Act of 1973 (hereinafter in this section referred to as "the Act") $1,037,800,000 are authorized to be appropriated for fiscal year 1984, and the amount determined under section 100(c) of the Act for each of the fiscal years 1985 and 1986.

(b)(1) There are also authorized to be appropriated for the purpose of section 100(b)(1) of the Act such additional sums as may be necessary for each of the fiscal years 1984, 1985, and 1986. Any amount appropriated pursuant to this subparagraph shall be allocated in accordance with paragraph (2).

(2) For any fiscal year for which an amount is appropriated pursuant to paragraph (1), each State shall receive an additional allocation which bears the same ratio to the additional amount appropriated as that State's allotment under section 110 of the Act bears to the total amount allotted pursuant to such section.

Mr. BARTLETT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BARTLETT. Mr. Chairman, I would like to offer an amendment to H.R. 3435 to establish an authorization of appropriations for the State grant program under the Rehabilitation Act of 1973 for fiscal years 1984, 1985, and 1986. Currently this State grant program has no authorization although it does have an appropriation for fiscal year 1984, an appropriation that would have been $36.9 million higher if the State grant program had had an authorization. I shall provide background on this unique circumstance, but first let me describe briefly the three purposes of my amendment:

First, it would authorize $1,037,800,000 for the State grant program under the Rehabilitation Act for fiscal year 1984.

Second, it would authorize an increase over the fiscal year 1984 amount based on an inflation factor, the Consumer Price Index for fiscal years 1985 and 1986. For example, the likely increases in fiscal year 1985, based on the most recently available index—2.7 percent—would be approximately $1,065,800,000.

Third, it would allow the State grant program to receive additional appropriations above the indicated levels if it was the will of Congress.

The language of this amendment is taken from H.R. 3520, the reauthorization bill for the Rehabilitation Act, passed overwhelmingly by this body in September 1983. The language was adopted on the floor, supported by members of the Appropriations and Budget Committees.

The amendment I offer should be adopted because the other body is committed to speedy consideration of H.R. 3435 and an authorization of appropriations for rehabilitation State grants.

The reason for this interest and commitment is because the two reauthorization bills—H.R. 3520 and S. 1340—for the entire Rehabilitation Act contain sensitive, substantive differences that may take extensive time to negotiate. The Rehabilitation Act State grant program, in contrast, has unanimous support and can be expeditiously reauthorized through H.R. 3435. It will be taken up by the other body as soon as we complete our deliberations.

Like the rest of H.R. 3435, the amendment would benefit handicapped Americans. If it were adopted, State vocational rehabilitation agencies would be entitled to their share of $1,037,800,000—a needed 9.9-percent increase over their 1983 share of $943,900,000. Currently the appropriated amount for this vital program is $1,003,900,000. It is not protected by an authorization. There is no legal basis on which we can justify additional increases. The fact that it has any appropriation at all is tied principally to the good will of the members of the Appropriations Committee of both bodies and the recognition by Members of both bodies that the rehabilitation State grant program is extremely cost-effective.

In closing, let me review the basis of the strong bipartisan support for this program:

First, since 1921, the Federal Government has assumed the major cost of this program. Currently, the Federal contribution is 80 percent.

Second, annually, approximately 1 million handicapped Americans are helped through State rehabilitation agencies. They receive training and related support so that they may enter our work force, live more independent lives, and become taxpayers.

Third, the purchasing power of the rehabilitation dollar has declined by 40 percent since 1979, thus significantly reducing the number of handicapped persons (approximately 20 million) who can be helped through rehabilitation.

Fourth, for every Federal dollar invested in the rehabilitation of a handicapped person, his or her earning power increases by $10.

Fifth, the cost of a rehabilitation is returned to government treasuries in 4 years through taxes paid by a rehabilitated person.

Sixth, for every $1 the Federal Government invests in rehabilitation, it puts $20 into income maintenance programs for which there is no fiscal return.

I urge you to support this amendment. It makes sense both in terms of human worth and dignity and in terms of the cost-effective use of Federal dollars.

Mr. Chairman, I yield back the balance of my time.

Mr. MURPHY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we do accept the amendment offered by the gentleman from Texas.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. BARTLETT).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BARTLETT

Mr. BARTLETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARTLETT: At the end thereof insert the following new section:

AUTHORIZATIONS OF APPROPRIATIONS FOR DISCRETIONARY PROGRAMS UNDER THE REHABILITATION ACT OF 1973

SEC. 20. (a) For the purpose of allotments under section 112 of the Rehabilitation Act of 1973 (hereinafter in this section referred to as "the Act") there are authorized to be appropriated $3,500,000 for fiscal year 1984, and for the two succeeding fiscal years.

(b) For the purpose of making grants to Indian tribes under part D of title I of the Act, there are authorized to be appropriated for any fiscal year such sums as may be necessary, not to exceed 1 percent of the amount appropriated pursuant to section 100(b)(1) of the Act.

(c) For the purposes of section 201(a)(2) of the Act there are authorized to be appropriated $36,000,000 for fiscal year 1984, $38,000,000 for fiscal year 1985, and $40,000,000 for fiscal year 1986.

(d) For the purposes of section 304 of the Act there are authorized to be appropriated $22,000,000 for fiscal year 1984, $26,800,000 for fiscal year 1985, and $28,300,000 for fiscal year 1986.

(e) For the purposes of section 310(a) of the Act there are authorized to be appropriated $12,900,000 for fiscal year 1984, $13,600,000 for fiscal year 1985, and $14,300,000 for fiscal year 1986.

(f) For the purpose of section 313(e) of the Act there are authorized to be appropriated $3,700,000 for fiscal year 1984, $3,900,000 for fiscal year 1985, and $4,100,000 for fiscal year 1986.

(g) For the purposes of section 316 of the Act there are authorized to be appropriated $2,000,000 for fiscal year 1984, $2,100,000 for fiscal year 1985, and $2,200,000 for fiscal year 1986.

(h) For the purposes of section 502 of the Act there are authorized to be appropriated $3,000,000 for each of the fiscal years 1984, 1985, and 1986.

(i) For the purposes of section 621 of the Act there are authorized to be appropriated $13,000,000 for fiscal year 1984, $14,400,000 for fiscal year 1985, and $15,200,000 for fiscal year 1986.

(j) For the purposes of section 731 (the second place it appears) in the Act, $21,000,000 is authorized to be appropriated for each of the fiscal years 1984, 1985, and 1986.

Mr. BARTLETT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BARTLETT. Mr. Chairman, this amendment to H.R. 3435 would establish authorizations of appropriations for discretionary programs under the Rehabilitation Act for fiscal years 1984, 1985, and 1986. The programs included in my amendment are:

Special projects—Title III, C—Recreation projects, client assistance, Helen Keller, service projects.

Independent living—title VII.

Training—Section 304(d).

National Institute of Handicapped Research—Section 202.

Architectural and Transportation Compliance Board—Section 502.

Projects with industry—Section 621.

The authorization levels in this amendment, if adopted, would insure a statutory basis for these programs outside of the appropriations process. Currently these programs have a fiscal year 1984 appropriation, but their authorization expired September 30, 1983.

In summary, the fiscal year 1984 authorizations in this amendment would allow these programs an increase of 1.4 percent above the fiscal year 1984 appropriation. The one program which is not yet at its fiscal year 1984 authorization ceiling projected in this amendment is independent living, which through a supplemental could still increase from $19.4 million to $21 million. The authorization ceilings for fiscal year 1985 would allow an overall growth rate of 7.85 percent over fiscal year 1984. The authorization ceilings for fiscal year 1986 would allow an overall growth rate of 4.5 percent over fiscal year 1985.

With the exception of the specific authorization levels for client assistance projects—section 120, $3.5 million a year—and the Architectural and Transportation Barriers Compliance Board—$3 million a year—the levels in this amendment are the levels contained in the reauthorization bill, S. 1340, of the other body for the Rehabilitation Act. H.R. 3520, the companion legislation adopted by this body, contains "such sums as necessary" for all discretionary programs, except for $3.5 million per year for client assistance projects.

Since we have not yet had a conference on these bills and since both bodies are committed to expeditious consideration of H.R. 3435, it is most appropriate to at least insure authorizations for these important programs through H.R. 3435. The growth rate allowed is reasonably above the current inflation rate of about 2.7 percent. For example, even the overall authorization ceiling levels for fiscal year 1984 is 7.9 percent above the fiscal year 1983 appropriations level.

I urge your support of this amendment.

Mr. MURPHY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman's amendment is the second of two which actually includes into this handicapped education bill the efforts that the House had previously expended in passing the Rehabilitation Act.

We are in full accord that that be done. It is merely a reflection of what the House has already agreed to, however, with the consent of the Senate that they will accept these amendments.

I would like, however, to offer an amendment to the gentleman's amendment that is now pending. His amendment calls for the funding for the 2 succeeding fiscal years beyond 1984, and I believe that it would be more prudent for the House to retain jurisdiction and for us to adopt his amendment which will provide funding for the 1984 fiscal year only, and I am therefore offering that in the form of an amendment.

AMENDMENT OFFERED BY MR. MURPHY TO THE AMENDMENT OFFERED BY MR. BARTLETT

Mr. MURPHY. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY to the amendment offered by Mr. BARTLETT: In section 19(a) strike out ", and for the two succeeding fiscal years".

In subsection (b) strike out "for any fiscal year" and insert in lieu thereof "for fiscal year 1984".

In subsection (c) strike out ", $38,000,000" and all that follows through "1986".

In subsection (d) strike out ", $26,800,000" and all that follows through "1986".

In subsection (e) strike out ", $13,600,000" and all that follows through "1986".

In subsection (f) strike out ", $3,900,000" and all that follows through "1986".

In subsection (g) strike out ", $2,100,000" and all that follows through "1986".

In subsection (h) strike out "for each of the fiscal years 1984, 1985, and 1986" and insert in lieu thereof "for fiscal year 1984".

In subsection (i) strike out ", $14,400,000" and all that follows through "1986".

In subsection (j) strike out "each of the fiscal years 1984, 1985, and 1986" and insert in lieu thereof "for fiscal year 1984".

Mr. MURPHY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MURPHY. Mr. Chairman, I have already explained my amendment.

I yield back the balance of my time.

Mr. BARTLETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this gentleman has read your amendment and supports your amendment, and I believe it is a constructive amendment to only make the program discretionary for 1 year.

I would support the amendment to my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. MURPHY) to the amendment offered by the gentleman from Texas (Mr. BARTLETT).

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. BARTLETT), as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

□ 1320

Accordingly the Committee rose; and the Speaker pro tempore (Mr. KILDEE) having assumed the chair, Mr. VOLKMER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3435) to revise and extend the Education of the Handicapped Act, and for other purposes, pursuant to House Resolution 359, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the Committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BARTLETT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 415, nays 1, not voting 18, as follows:

[Roll No. 522]

YEAS—415

Ackerman	Dicks	Hunter
Addabbo	Dingell	Hutto
Akaka	Dixon	Hyde
Albosta	Donnelly	Ireland
Alexander	Dorgan	Jacobs
Anderson	Downey	Jeffords
Andrews (NC)	Dreier	Johnson
Andrews (TX)	Duncan	Jones (NC)
Annunzio	Durbin	Jones (OK)
Anthony	Dwyer	Jones (TN)
Applegate	Dymally	Kaptur
Archer	Dyson	Kasich
Aspin	Early	Kastenmeier
AuCoin	Eckart	Kazen
Badham	Edgar	Kemp
Barnard	Edwards (AL)	Kennelly
Barnes	Edwards (CA)	Kildee
Bartlett	Edwards (OK)	Kindness
Bateman	Emerson	Kogovsek
Bates	English	Kolter
Bedell	Erdreich	Kostmayer
Beilenson	Erlenborn	Kramer
Bennett	Evans (IA)	Lagomarsino
Bereuter	Evans (IL)	Lantos
Berman	Fascell	Latta
Bethune	Fazio	Leach
Bevill	Feighan	Leath
Biaggi	Ferraro	Lehman (CA)
Bilirakis	Fiedler	Lehman (FL)
Bliley	Fields	Leland
Boehlert	Fish	Lent
Boggs	Flippo	Levin
Boland	Florio	Levine
Boner	Foglietta	Levitas
Bonior	Foley	Lewis (FL)
Bonker	Ford (MI)	Lipinski
Borski	Ford (TN)	Lloyd
Bosco	Forsythe	Loeffler
Boucher	Fowler	Long (LA)
Boxer	Frank	Long (MD)
Breaux	Franklin	Lott
Britt	Frenzel	Lowery (CA)
Brooks	Frost	Lowry (WA)
Broomfield	Fuqua	Lujan
Brown (CA)	Garcia	Luken
Brown (CO)	Gaydos	Lundine
Broyhill	Gejdenson	Lungren
Bryant	Gekas	Mack
Burton (CA)	Gephardt	MacKay
Burton (IN)	Gibbons	Madigan
Byron	Gilman	Markey
Campbell	Gingrich	Marlenee
Carney	Gonzalez	Marriott
Carper	Goodling	Martin (IL)
Carr	Gore	Martin (NC)
Chandler	Gradison	Martin (NY)
Chappell	Gramm	Matsui
Chappie	Gray	Mavroules
Clarke	Green	Mazzoli
Clay	Gregg	McCain
Clinger	Guarini	McCandless
Coats	Gunderson	McCloskey
Coelho	Hall (IN)	McCollum
Coleman (MO)	Hall (OH)	McCurdy
Coleman (TX)	Hall, Ralph	McDade
Conte	Hall, Sam	McEwen
Conyers	Hamilton	McGrath
Cooper	Hammerschmidt	McHugh
Corcoran	Hansen (ID)	McKernan
Coughlin	Hansen (UT)	McKinney
Courter	Harkin	McNulty
Coyne	Harrison	Mica
Craig	Hartnett	Michel
Crane, Daniel	Hawkins	Mikulski
Crane, Philip	Hayes	Miller (CA)
Crockett	Hefner	Miller (OH)
D'Amours	Heftel	Mineta
Daniel	Hertel	Minish
Dannemeyer	Hightower	Mitchell
Darden	Hiler	Moakley
Daschle	Holt	Molinari
Daub	Hopkins	Mollohan
Davis	Horton	Montgomery
de la Garza	Howard	Moody
Dellums	Hoyer	Moore
Derrick	Hubbard	Moorhead
DeWine	Huckaby	Morrison (CT)
Dickinson	Hughes	Morrison (WA)
Mrazek	Rostenkowski	Swift
Murphy	Roth	Synar
Murtha	Roukema	Tallon
Myers	Rowland	Tauke
Natcher	Roybal	Tauzin
Neal	Rudd	Taylor
Nelson	Russo	Thomas (CA)
Nichols	Sabo	Thomas (GA)
Nielson	Savage	Torres
Nowak	Sawyer	Torricelli
O'Brien	Schaefer	Towns
Oakar	Scheuer	Traxler
Oberstar	Schneider	Udall
Obey	Schroeder	Valentine
Olin	Schulze	Vandergriff
Ortiz	Schumer	Vento
Ottinger	Seiberling	Volkmer
Owens	Sensenbrenner	Vucanovich
Oxley	Shannon	Walgren
Packard	Sharp	Walker
Panetta	Shaw	Watkins
Parris	Shelby	Waxman
Pashayan	Shumway	Weaver
Patman	Shuster	Weber
Patterson	Sikorski	Weiss
Pease	Siljander	Wheat
Penny	Sisisky	Whitehurst
Perkins	Skeen	Whitley
Petri	Skelton	Whittaker
Pickle	Slattery	Whitten
Porter	Smith (FL)	Williams (MT)
Price	Smith (IA)	Williams (OH)
Pursell	Smith (NE)	Wilson
Quillen	Smith (NJ)	Winn
Rahall	Smith, Denny	Wirth
Rangel	Smith, Robert	Wise
Ratchford	Snowe	Wolf
Ray	Snyder	Wolpe
Regula	Solomon	Wortley
Reid	Spence	Wright
Richardson	Spratt	Wyden
Ridge	St Germain	Wylie
Rinaldo	Staggers	Yates
Ritter	Stangeland	Yatron
Roberts	Stark	Young (AK)
Robinson	Stenholm	Young (FL)
Rodino	Stokes	Young (MO)
Roe	Stratton	Zablocki
Roemer	Studds	Zschau
Rogers	Stump	
Rose	Sundquist	

NAYS—1

Paul

NOT VOTING—18

Cheney	Hatcher	Martinez
Collins	Hillis	Pepper
Conable	Jenkins	Pritchard
Dowdy	LaFalce	Simon
Glickman	Lewis (CA)	Solarz
Hance	Livingston	Vander Jagt

□ 1330

Mr. MOODY changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. LIVINGSTON. Mr. Speaker, I was unavoidably absent during the final passage of H.R. 3435, the Education of the Handicapped Act Amendments of 1984, rollcall No. 522. I support these very important programs and had I been present I would have voted "yea."

Mr. Speaker, I ask unanimous consent that my statement of support appear in the CONGRESSIONAL RECORD.

The SPEAKER pro tempore. Pursuant to the provisions of House Resolution 359, the Committee on Education and Labor is discharged from further

consideration of the Senate bill (S. 1341) to revise and extend the Education of the Handicapped Act, and for other purposes.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. MURPHY

Mr. MURPHY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MURPHY moves to strike all after the enacting clause of the Senate bill, S. 1341, and to insert in lieu thereof the provisions contained in the bill, H.R. 3435, as passed, as follows:

That this Act may be cited as the "Education of the Handicapped Act Amendments of 1983".

DEFINITIONS

SEC. 2. Section 602 of the Education of the Handicapped Act (hereinafter in this Act referred to as "the Act") is amended—

(1) in paragraph (1) by inserting "or language" after "speech";

(2) by striking out paragraph (2);

(3) in paragraph (3) by inserting "the Education of" after "Committee on";

(4) in paragraph (6) by amending such paragraph to read as follows:

"(6) The term 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.";

(5) in paragraph (14) by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Education";

(6) by inserting "(a)" after "602"; and

(7) by inserting at the end of such section a new subsection (b) as follows:

"(b) For purposes of part C of this title, 'handicapped youth' means any handicapped child (as defined in section 602(a)(1)) who—

"(1) is twelve years of age or older; or

"(2) is enrolled in the seventh or higher grade in school.".

DESIGNATION OF THE AGENCY FOR SPECIAL EDUCATION

SEC. 3. (a) Section 603 of the Act is amended to read as follows:

"OFFICE OF SPECIAL EDUCATION PROGRAMS

"SEC. 603. (a) There shall be, within the Office of Special Education and Rehabilitative Services in the Department of Education, an Office of Special Education Programs which shall be the principal agency in the Department for administering and carrying out this Act and other programs and activities concerning the education and training of the handicapped.

"(b)(1) The office established under subsection (a) shall be headed by a Deputy Assistant Secretary who shall be selected by the Secretary and shall report directly to the Assistant Secretary for Special Education and Rehabilitative Services. The position of Deputy Assistant Secretary shall be in grade GS-18 of the General Schedule under section 5104 of title 5, United States Code, and shall be a Senior Executive Service position for the purposes of section 3132(a)(2) of such title.

"(2) In addition to such Deputy Assistant Secretary, there shall be established in such office not less than six positions for persons to assist the Deputy Assistant Secretary, including the position of the Associate Deputy Assistant Secretary. Each such position shall be in grade GS-15 of the General Schedule under section 5104 of title 5, United States Code.".

(b) The Act is amended by striking out "Commissioner" or "Commissioner's" wherever it appears and inserting in lieu thereof "Secretary" or "Secretary's", respectively.

AMENDMENTS WITH RESPECT TO THE ADVISORY COMMITTEE ON THE EDUCATION OF HANDICAPPED CHILDREN AND YOUTH

SEC. 4. Section 604 of the Act is amended to read as follows:

"NATIONAL ADVISORY COMMITTEE ON THE EDUCATION OF HANDICAPPED CHILDREN AND YOUTH

"SEC. 604. (a) The Secretary shall establish in the Department of Education a National Advisory Committee on the Education of Handicapped Children and Youth, consisting of fifteen members, appointed by the Secretary. Not less than five such members shall be parents of handicapped children and the remainder shall be handicapped persons (including students), persons affiliated with education, training, or research programs for the handicapped, and those having demonstrated a commitment to the education of handicapped children.

"(b) The Advisory Committee shall review the administration and operation of the programs authorized by this Act and other provisions of law administered by the Secretary with respect to handicapped children (including the effect of such programs in improving the educational attainment of such children) and make recommendations for the improvement of such programs. Such recommendations shall take into consideration experience gained under this and other Federal programs for handicapped children and, to the extent appropriate, experience gained under other public and private programs for handicapped children. The Advisory Committee may make such recommendations to the Secretary as the Committee considers appropriate and shall make an annual report of its findings and recommendations to the Secretary not later than June 30 of each year. The Secretary shall transmit each such report, together with comments and recommendations, to the Congress.

"(c) There are authorized to be appropriated for the purposes of this section $200,000 for fiscal year 1984, and for each of the two succeeding fiscal years.".

AMENDMENTS WITH RESPECT TO GRANTS FOR THE REMOVAL OF ARCHITECTURAL BARRIERS

SEC. 5. Section 607 of the Act is amended to read as follows:

"GRANTS FOR THE REMOVAL OF ARCHITECTURAL BARRIERS

"SEC. 607. (a) The Secretary is authorized to make grants and to enter into cooperative agreements with State educational agencies to assist such agencies in making grants to local educational agencies or intermediate educational units to pay part or all of the cost of altering existing buildings and equipment in accordance with standards promulgated under the Act approved August 12, 1968 (Public Law 90-480), relating to architectural barriers.

"(b) For the purposes of carrying out the provisions of this section, there are authorized to be appropriated such sums as may be necessary.".

REQUIREMENTS FOR PRESCRIBED REGULATIONS

SEC. 6. The Act is amended by inserting after section 607 the following new section:

"REQUIREMENTS FOR PRESCRIBING REGULATIONS

"SEC. 608. (a) For purposes of complying with section 431(b) of the General Education Provisions Act with respect to regulations promulgated under part B of this Act, the thrity-day period under such section shall be ninety days.

"(b) The Secretary may not implement, or publish in final form, any regulation prescribed pursuant to this Act which would procedurally or substantively lessen the protections provided to handicapped children under this Act, as embodied in regulations in effect on July 20, 1983 (particularly as such protections relate to parental consent to initial evaluation or initial placement in special education, least restrictive environment, related services, timeliness, attendance of evaluation personnel at IEP meetings, or qualifications of personnel), except to the extent that such regulation reflects the clear and unequivocal intent of the Congress in legislation.

"(c) The Secretary shall transmit a copy of any regulations promulgated under this Act to the National Advisory Committee on the Education of the Handicapped concurrently with publication in the Federal Register.".

PARTICIPATION OF HANDICAPPED CHILDREN IN PRIVATE SCHOOLS

SEC. 7. Section 613 of the Act is amended by inserting at the end of such section the following new subsection:

"(d)(1) If, on the date of enactment of the Education of the Handicapped Act Amendments of 1983, a State educational agency is prohibited by law from providing for the participation in special programs of handicapped children enrolled in private elementary and secondary schools as required by subsection (a)(4), the Secretary shall waive such requirement, and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of subsection (a)(4).

"(2)(A) When the Secretary arranges for services pursuant to this subsection, the Secretary, after consultation with the appropriate public and private school officials, shall pay to the provider of such services an amount per child which may not exceed the Federal amount provided per child under this part to all handicapped children enrolled in the State for services for the fiscal year preceding the fiscal year for which the determination is made.

"(B) Pending final resolution of any investigation or complaint that could result in a determination under this subsection, the Secretary may withhold from the allocation of the affected State educational agency the amount the Secretary estimates would be necessary to pay the cost of such services.

"(C) Any determination by the Secretary under this section shall continue in effect until the Secretary determines that there will no longer be any failure or inability on the part of the State educational agency to meet the requirements of subsection (a)(4).

"(3)(A) The Secretary shall not take any final action under this subsection until the State educational agency affected by such action has had an opportunity, for at least 45 days after receiving written notice thereof, to submit written objections and to appear before the Secretary or his designee to show cause why such action should not be taken.

"(B) If a State educational agency is dissatisfied with the Secretary's final action after a proceeding under subparagraph (A) of this paragraph, it may, within 60 days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition

shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(C) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(D) Upon the filing of a petition under subparagraph (B), the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

AMENDMENTS RELATING TO EVALUATION

SEC. 8. Section 618 of the Act is amended to read as follows:

"EVALUATION

"SEC. 618. (a) The Secretary shall directly or by grant, contract, or cooperative agreement, collect data and conduct studies, investigations, and evaluations—

"(1) to assess progress in the implementation of this Act, the impact, and the effectiveness of State and local efforts to provide free appropriate public education to all handicapped children and youth; and

"(2) to provide Congress with information relevant to policymaking and provide Federal, State, and local educational agencies with information relevant to program management, administration, and effectiveness with respect to such education.

"(b) In carrying out the responsibilities under this section, the Secretary, on at least an annual basis, shall obtain data concerning programs and projects assisted under this Act, and under other Federal laws relating to the education of handicapped children and youth, and such additional information, from State and local educational agencies and other appropriate sources, as is necessary for the implementation of this Act including—

"(1) the number of handicapped children and youth in each State receiving a free appropriate public education (special education and related services) by disability category and by age group (3–5, 6–11, 12–17, and 18–21);

"(2) the number of handicapped children and youth in each State who are participating in regular educational programs, by disability category (consistent with the requirements of section 612(5)(B) and section 614(a)(1)(C)(iv)), and the number of handicapped children and youth in separate classes, separate schools or facilities, or public or private residential facilities, or who have been otherwise removed from the regular education environment;

"(3) the number of handicapped children and youth exiting the educational system each year through program completion or otherwise, by disability category and age, and anticipated services for the next year;

"(4) the amount of Federal, State, and local funds expended in each State specifically for special education and related services (which may be based upon a sampling of data from State agencies including State and local educational agencies);

"(5) the number and type of personnel that are employed in the provision of special education and related services to handicapped children and youth by disability category served, and the estimated number and type of additional personnel by disability category needed to adequately carry out the policy established by this Act; and

"(6) a description of the special education and related services needed to fully implement the Act throughout each State, including estimates of the number of handicapped children and youth within each disability by age group (3–5, 6–11, 12–17, and 18–21) in need of improved services and the type of programs and services in need of improvement.

"(c) The Secretary shall, by grant, contract, or cooperative agreement, provide for evaluation studies to determine the impact of this Act. Each such evaluation shall include recommendations for improvement of the programs under this Act. The Secretary shall, not later than July 1 of each year, submit to the appropriate committees of each House of the Congress and publish in the Federal Register proposed evaluation priorities for review and comment.

"(d)(1) The Secretary is authorized to enter into cooperative agreements with State educational agencies to carry out studies to assess the impact and effectiveness of programs assisted under the Act.

"(2) Such agreements shall—

"(A) provide for the payment of not to exceed 60 per centum of the total cost of studies conducted by a participating State educational agency to assess the impact and effectiveness of programs assisted under the Act; and

(B) be developed in consultation with the State Advisory Panel established under this Act, the local educational agencies, and others involved in or concerned with the education of handicapped children and youth.

"(3) The Secretary shall provide technical assistance to participating State educational agencies in the implementation of the study design, analysis, and reporting procedures.

"(4) In addition, the Secretary shall disseminate information from such studies to State educational agencies, and as appropriate, others involved in, or concerned with the education of handicapped children and youth.".

"(e)(1) At least one study shall be a longitudinal study of a sample of handicapped students, encompassing the full range of handicapping conditions, examining their educational progress while in special educator and their occupational, educational, and independent living status after graduating from secondary school or otherwise leaving special education.

"(2) At least one study shall focus on obtaining and compiling current information available through State educational agencies and local educational agencies and other services providers, regarding State and local expenditures for educational services for handicapped students (including special education and related services), and gather information needed in order to calculate a range of per pupil expenditures by handicapping condition.

"(f)(1) Not later than one hundred and twenty days after the close of each fiscal year, the Secretary shall publish and disseminate an annual report on the progress being made toward the provision of a free appropriate public education to all handicapped children and youth. The annual report is to be transmitted to the appropriate committees of each House of Congress and the National Advisory Committee on the Education of Handicapped Children and Youth, and published and disseminated in sufficient quantities to the education community at large and to other interested parties.

"(2) The Secretary shall include in each annual report—

"(A) an index and summary of each evaluation activity and results of studies conducted under subsection (c);

"(B) a compilation and analysis of data gathered under subsection (b);

"(C) a description of findings and determinations resulting from monitoring reviews of State implementation of part B of this Act;

"(D) an analysis and evaluation of the participation of handicapped children and youth in vocational education programs and services;

"(E) an analysis and evaluation of the effectiveness of procedures undertaken by each State educational agency, local educational agency, and intermediate educational unit to ensure that handicapped children and youth receive special education and related services in the least restrictive environment commensurate with their needs and to improve programs of instruction for handicapped children and youth in day or residential facilities; and

"(F) any recommendations for change in the provisions of this Act or any other Federal law providing support for the education of handicapped children and youth.

"(3) In the annual report for fiscal year 1985 (published in 1986) and for every third year thereafter, the Secretary shall include in the annual report—

"(A) an index of all current projects funded under parts C through F of this Act; and

"(B) data reported under sections 621, 622, 623, 627, 634, 641, and 653.

"(g) There are authorized to be appropriated $3,100,000 for fiscal year 1984, $3,270,000 for fiscal year 1985, and $3,440,000 for fiscal year 1986 to carry out the provisions of this section.".

AMENDMENTS RELATING TO PRESCHOOL INCENTIVE GRANTS

SEC. 9. Section 619(c) of the Act is amended by inserting ", and for providing special education and related services for handicapped children from birth to three years of age" immediately before the period.

AMENDMENTS CONCERNING CENTERS AND SERVICES TO MEET SPECIAL NEEDS OF THE HANDICAPPED

SEC. 10. Part C of the Act is amended to read as follows:

"PART C—CENTERS AND SERVICES TO MEET SPECIAL NEEDS OF THE HANDICAPPED

"REGIONAL RESOURCE CENTERS

"SEC. 621. (a) The Secretary is authorized to make grants to, or to enter into contracts or cooperative agreements with, institutions of higher education, private nonprofit organizations, State educational agencies, or combinations of such agencies and institutions (which combinations may include one or more local educational agencies) within particular regions of the United States, to pay all or part of the cost of the establishment and operation of regional resource centers. Each regional resource center shall provide consultation, technical assistance,

and training to State educational agencies and through such State agencies to local educational agencies. Each center established or operated under this section shall—

"(1) assist in identifying and solving persistent problems in providing quality special education and related services for handicapped children and youth;

"(2) assist in developing, identifying, and replicating successful programs and practices which will improve special education and related services to handicapped children and youth and their families;

"(3) gather and disseminate information to all State educational agencies within the region and coordinate activities with other centers assisted under this section and other relevant projects conducted by the Department of Education; and

"(4) assist in the improvement of information dissemination to and training activities for professionals and parents of handicapped children.

"(b) In determining whether to approve an application for a project under this section, the Secretary shall consider the need for such a center in the region to be served by the applicant and the capability of the applicant to fulfill the responsibilities under subsection (a).

"(c) Each regional resource center shall report a summary of materials produced or developed and this information shall be included in the annual report to Congress required under section 618.

"SERVICES FOR DEAF-BLIND CHILDREN AND YOUTH

"SEC. 622. (a)(1) The Secretary is authorized to make grants to, or to enter into cooperative agreements or contracts with, public or nonprofit private agencies, institutions, or organizations to assist State educational agencies to—

"(A) assure deaf-blind children and youth provision of special education and related services as well as vocational and transitional services; and

"(B) make available to deaf-blind youth upon attaining the age of twenty-two, programs and services to facilitate their transition from educational to other services.

"(2) A grant, cooperative agreement, or contract pursuant to paragraph (1)(A) may be made only for programs providing (A) technical assistance to agencies, institutions, or organizations providing educational services to deaf-blind children or youth; (B) preservice or inservice training to paraprofessionals, professionals, or related services personnel preparing to serve, or serving, deaf-blind children or youth; (C) replication of successful innovative approaches to providing educational or related services to deaf-blind children and youth; and (D) facilitation of parental involvement in the education of their deaf-blind children and youth. Such programs may include—

"(i) the diagnosis and educational evaluation of children and youth at risk of being certified deaf-blind;

"(ii) programs of adjustment, education, and orientation for deaf-blind children and youth; and

"(iii) consultative, counseling, and training services for the families of deaf-blind children and youth.

"(3) A grant, cooperative agreement, or contract pursuant to paragraph (1)(B) may be made only for programs providing (A) technical assistance to agencies, institutions, and organizations serving, or proposing to serve, deaf-blind individuals who have attained age twenty-two years; (B) training or inservice training to paraprofessionals or professionals serving, or preparing to serve, such individuals; and (C) assistance in the development or replication of successful innovative approaches to providing rehabilitative, semisupervised, or independent living programs.

"(4) In carrying out this subsection, the Secretary shall take into consideration the need for a center for deaf-blind children and youth in light of the general availability and quality of existing services for such children and youth in the part of the country involved.

"(b) The Secretary is also authorized to enter into a limited number of cooperative agreements or contracts to establish and support regional programs for the provision of technical assistance in the education of deaf-blind children and youth.

"(c)(1) Programs supported under this section shall report annually to the Secretary on (A) the numbers of deaf-blind children and youth served by age, severity, and nature of deaf-blindness; (B) the number of paraprofessionals, professionals, and family members directly served by each activity; and (C) the types of services provided.

"(2) The Secretary shall examine the number of deaf-blind children and youth (A) reported under subparagraph (c)(1)(A) and by the States; (B) served by the programs under part B of this Act and subpart 2 of part B, title I, of the Elementary and Secondary Education Act of 1965 (as modified by chapter 1 of the Education Consolidation and Improvement Act of 1981); and (C) the Deaf-Blind Registry of each State. The Secretary shall revise the count of deaf-blind children and youth to reflect the most accurate count.

"(3) The Secretary shall summarize these data for submission in the annual report required under section 618.

"(d) The Secretary shall disseminate materials and information concerning effective practices in working with deaf-blind children and youth.

"EARLY EDUCATION FOR HANDICAPPED CHILDREN

"SEC. 623. (a)(1) The Secretary is authorized to arrange by contract, grant, or cooperative agreement with appropriate public agencies and private nonprofit organizations, for the development and operation of programs of experimental preschool and early education for handicapped children which the Secretary determines show promise of promoting a comprehensive and strengthened approach to the special problems of such children. Such programs shall include activities and services designed to (1) facilitate the intellectual, emotional, physical, mental, social, and language development of such children; (2) encourage the participation of the parents of such children in the development and operation of any such program; and (3) acquaint the community to be served by any such program with the problems and potentialities of such children.

"(2) Programs authorized by this subsection shall be coordinated with similar programs in the schools operated or supported by State or local educational agencies of the community to be served.

"(3) As much as is feasible, such programs shall be geographically dispersed throughout the Nation in urban as well as rural areas.

"(4) No arrangement pursuant to this subsection shall provide for the payment of more than 90 per centum of the total annual costs of development, operation, and evaluation of any program. Non-Federal contributions may be in cash or in kind, fairly evaluated, including, but not limited to, plant, equipment, and services.

"(5) For purposes of this subsection the term "handicapped children" includes children from birth through 8 years of age.

"(b)(1) Subject to paragraph (2), the Secretary is authorized to make a grant to each State through the State educational agency or other State agency to assist such State agency in planning, developing, and implementing a comprehensive delivery system for the provision of special education and related services to handicapped children from birth through five years of age.

"(2) The Secretary shall make one of the following types of grants (authorized under paragraph (1)) to any State which submits an application which meets the requirements of this subsection:

"(A) PLANNING GRANT.—A grant for a maximum of two years for the purpose of assessing needs within the State and establishing a procedure and design for the development of a State plan which includes parent participation and training of professionals and others.

"(B) DEVELOPMENT GRANT.—A grant for a maximum of three years for the purpose of developing a comprehensive State plan, and gaining approval of this plan from the State Board of Education, the Commissioner of Education, or other designated official of the appropriate State agency.

"(C) IMPLEMENTATION GRANT.—A grant for a maximum of three years for the purpose of implementing and evaluating the comprehensive State plan. A State must apply for annual renewal of such grant.

"(3) Each State educational agency or other State agency desiring to receive a grant under this subsection shall submit an application at such time, in such manner, and accompanied by such information as the Secretary considers necessary. Each such application shall contain assurances and evidence that:

"(A) The State agency receiving the grant will coordinate with other appropriate State agencies (including the State educational agency) in carrying out the grant.

"(B) The State plan will address the special education and related service needs of all handicapped children from birth through five years of age with special emphasis on children who are often not identified and children who are not now served.

"(C) The State plan will be closely coordinated with child-find efforts under section 612(2)(C) and with preschool incentive grant activities under section 619 of this Act.

"(4) The Secretary shall include in the annual report under section 618 of this Act the following:

"(A) The States and State agencies receiving grants under this subsection and the types of grants received.

"(B) A description of the activities in each State being undertaken through grants under this subsection.

"(C) Beginning in 1986, in consultation with the National Council for the Handicapped and the National Advisory Committee on the Education of Handicapped Children and Youth, a description of the status of special education and related services to handicapped children from birth through five years of age (including those receiving services through Head Start, Developmental Disabilities Program, Crippled Children's Services, Mental Health/Mental Retardation Agency, and State child-development centers and private agencies under contract with local schools).

"(c)(1) Not less than 30 per centum of the funds made available in any year for the

purposes of this section may be used for purposes of subsection (b).

"(2) Not less than 10 per centum of the funds made available in any year for the purposes of subsection (b) shall be available for the provision of training and technical assistance to States preparing to receive or receiving grants under this section.

"RESEARCH, INNOVATION, TRAINING, AND DISSEMINATION ACTIVITIES IN CONNECTION WITH CENTERS AND SERVICES FOR THE HANDICAPPED

"SEC. 624. (a) The Secretary is authorized to make grants to, or to enter into contracts or cooperative agreements with such organizations or institutions, as are determined by the Secretary to be appropriate, consistent with the purposes of this part, for—

"(1) research to identify and meet the full range of special needs of handicapped children and youth;

"(2) the development or demonstration of new, or improvements in existing, methods, approaches, or techniques which would contribute to the adjustment and education of handicapped children and youth;

"(3) training of personnel for programs specifically designed for handicapped children; and

"(4) dissemination of materials and information about practices found effective in working with such children and youth.

"(b) In making grants and contracts under this section, the Secretary shall ensure that the activities funded under such grants and contracts will be coordinated with similar activities funded from grants and contracts under other sections of this Act.

"(c) In carrying out the provisions of this section the Secretary is authorized to address the needs of the severely handicapped.

"POSTSECONDARY EDUCATION PROGRAMS

"SEC. 625. (a)(1) The Secretary is authorized to make grants to or enter into contracts with State educational agencies, institutions of higher education, junior and community colleges, vocational and technical institutions, and other appropriate nonprofit educational agencies for the development, operation, and dissemination of specially designed model programs of postsecondary, vocational, technical, continuing, or adult education for handicapped individuals.

"(2) In making grants or contracts on a competitive basis under this section, the Secretary shall give priority consideration to the four regional centers for the deaf and to model programs for individuals with handicapping conditions other than deafness—

"(A) for developing and adapting programs of postsecondary, vocational, technical, continuing, or adult education to meet the special needs of handicapped individuals; and

"(B) for programs that coordinate, facilitate, and encourage education of handicapped individuals with their nonhandicapped peers.

"(3) Of the sums made available for programs under this section, not less than $2,000,000 shall first be available for the four regional centers for the deaf.

"(b) For the purposes of this section the term 'handicapped individuals' means individuals who are mentally retarded, hard of hearing, deaf, speech or language impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, or other health impaired individuals, or individuals with specific learning disabilities who by reason thereof require special education and related services.

"SECONDARY EDUCATION AND TRANSITIONAL SERVICES FOR HANDICAPPED YOUTH

"SEC. 626. (a) The Secretary is authorized to make grants to, or enter into contracts with, institutions of higher education, State educational agencies, local educational agencies, or other appropriate public and private nonprofit institutions or agencies (including the State job training coordinating councils and service delivery area administrative entities established under the Job Training Partnership Act (Public Law 97-300)) to—

"(1) strengthen and coordinate education, training, and related services for handicapped youth to assist in the transitional process to postsecondary education, vocational training, competitive employment, continuing education, or adult services; and

"(2) stimulate the improvement and development of programs for secondary special education.

"(b) Projects assisted under this section may include—

"(1) developing strategies and techniques for transition to independent living, vocational training, postsecondary education, and competitive employment for handicapped youth;

"(2) establishing demonstration models for services and programs which emphasize vocational training, transitional services, and placement for handicapped youth;

"(3) conducting demographic studies which provide information on the numbers, age levels, types of handicapping conditions, and services required for handicapped youth in need of transitional programs;

"(4) specially designed vocational programs to increase the potential for competitive employment for handicapped youth;

"(5) research and development projects for exemplary service delivery models and the replication and dissemination of successful models;

"(6) initiating cooperative models between educational agencies and adult service agencies, including vocational rehabilitation, mental health, mental retardation, public employment, and employers, which facilitate the planning and developing of transitional services for handicapped youth to postsecondary education, vocational training, employment, continuing education, and adult services; and

"(7) developing appropriate procedures for evaluating vocational training, placement, and transitional services for handicapped youth.

"(c) For purposes of subsections (b)(1) and (b)(2), if an applicant is not an educational agency, such applicant shall coordinate with the State educational agency.

"(d) Projects funded under this section shall to the extent appropriate provide for the direct participation of handicapped students and the parents of handicapped students in the planning, development, and implementation of such projects.

"(e) The Secretary, as appropriate, shall coordinate programs described under this section with projects developed under section 311 of the Rehabilitation Act of 1973.

"PROGRAM EVALUATIONS

"SEC. 627. The Secretary shall conduct, either directly or by contract, a thorough and continuing evaluation of the effectiveness of each program assisted under this part. Results of the evaluations shall be analyzed and submitted to the appropriate committees of each House of Congress together with the annual report under section 618.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 628. (a) There are authorized to be appropriated to carry out the provisions of section 621, $5,700,000 for fiscal year 1984, $6,000,000 for fiscal year 1985, and $6,300,000 for fiscal year 1986.

"(b) There are authorized to be appropriated to carry out the provisions of section 622, $15,000,000 for fiscal year 1984, and for each of the two succeeding fiscal years.

"(c) There are authorized to be appropriated to carry out the provisions of section 623, $26,000,000 for fiscal year 1984, $27,100,000 for fiscal year 1985, and $28,300,000 for fiscal year 1986.

"(d) There are authorized to be appropriated to carry out the provisions of subsection (c) of section 624, $5,000,000 for fiscal year 1984, $5,300,000 for fiscal year 1985, and $5,600,000 for fiscal year 1986.

"(e) There are authorized to be appropriated to carry out the provisions of section 625, $5,000,000 for fiscal year 1984, $5,300,000 for fiscal year 1985, and $5,500,000 for fiscal year 1986.

"(f) There are authorized to be appropriated to carry out the provisions of section 626, $6,000,000 for fiscal year 1984, $6,330,000 for fiscal year 1985, and $6,660,000 for fiscal year 1986.".

AMENDMENTS CONCERNING TRAINING PERSONNEL FOR THE EDUCATION OF THE HANDICAPPED

SEC. 11. Part D of the Act is amended to read as follows:

"PART D—TRAINING PERSONNEL FOR THE EDUCATION OF THE HANDICAPPED

"GRANTS FOR PERSONNEL TRAINING

"SEC. 631. (a)(1) The Secretary is authorized to make grants, which may include scholarships with necessary stipends and allowances, to institutions of higher education (including the university-affiliated facilities program under the Rehabilitation Act of 1973 and the satellite network of the developmental disabilities program) and other appropriate nonprofit agencies to assist them in training personnel for careers in special education including—

"(A) special education teaching, including speech, language, and hearing impaired, and adaptive physical education;

"(B) related services to handicapped children and youth in educational settings;

"(C) special education supervision and administration;

"(D) special education research; and

"(E) training of special education personnel and other personnel providing special services.

"(2) The Secretary shall ensure that grants awarded to applicant institutions and agencies under this subsection meet State and professionally recognized standards for the training of special education and related services personnel.

"(3) Grants under this subsection may be used by such institutions to assist in covering the cost of courses of training or study for such personnel and for establishing and maintaining fellowships or traineeships with such stipends and allowances as may be determined by the Secretary.

"(4) The Secretary in carrying out the purposes of this subsection may reserve a sum not to exceed 5 per centum of the amount available for this subsection in each fiscal year for contracts to prepare personnel in areas where shortages exist, when a response to that need has not been adequately addressed by the grant process.

"(b) The Secretary is authorized to make grants to institutions of higher education

and other appropriate nonprofit agencies to conduct special projects to develop and demonstrate new approaches for the preservice training purposes set forth in subsection (a), for regular educators, and for the inservice training of special education personnel, including classroom aides, related services personnel, and regular education personnel who serve handicapped children.

"(c) (1) The Secretary is authorized to make grants through a separate competition to private nonprofit organizations for the purpose of providing training and information to parents of handicapped children and volunteers who work with parents to enable such individuals to participate more effectively with professionals in meeting the educational needs of handicapped children. Such grants shall be designed to meet the unique training and information needs of parents of handicapped children, including those who are members of groups that have been traditionally underrepresented, living in the area to be served by the grant.

"(2) In order to receive a grant under this subsection a private nonprofit organization shall—

"(A) be governed by a board of directors on which a majority of the members are parents of handicapped children and which includes members who are professionals in the field of special education and related services who serve handicapped children and youth; or if the nonprofit private organization does not have such a board, such organization shall have a membership which represents the interests of individuals with handicapping conditions, and shall establish a special governing committee on which a majority of the members are parents of handicapped children and which includes members who are professionals in the fields of special education and related services, to operate the training and information program under this subsection;

"(B) serve the parents of children with the full range of handicapping conditions under such grant program; and

"(C) demonstrate the capacity and expertise to conduct effectively the training and information activities authorized under this subsection.

"(3) The board of directors of special governing committee of a private nonprofit organization receiving a grant under this subsection shall meet at least once in each calendar quarter to review such parent training and information activities, and each such committee shall advise the governing board directly of its views and recommendations. Whenever a private nonprofit organization requests the renewal of a grant under this subsection, the board of directors or the special governing committee shall submit to the Secretary a written review of the parent training and information program conducted by that private nonprofit organization during the preceding fiscal year.

"(4) The Secretary shall ensure that grants under this subsection will—

"(A) be distributed geographically to the greatest extent possible throughout all the States; and

"(B) be targeted to parents of handicapped children in both urban and rural areas, or on a State, or regional basis.

"(5) Parent training and information programs assisted under this subsection shall assist parents to—

"(A) better understand the nature and needs of the handicapping conditions of their child;

"(B) provide followup support for their handicapped child's educational programs;

"(C) communicate more effectively with special and regular educators, administrators, related services personnel, and other relevant professionals;

"(D) participate in educational decisionmaking processes including the development of their handicapped child's individualized educational program;

"(E) obtain information about the programs, services, and resources available to their handicapped child, and the degree to which the programs, services, and resources are appropriate; and

"(F) understand the provisions for the education of handicapped children as specified under part B of this Act.

"(6) Each private nonprofit organization operating a program receiving assistance under this subsection shall consult with appropriate agencies which serve or assist handicapped children and youth and are located in the jurisdictions served by the program.

"(7) The Secretary shall provide technical assistance, by grant or contract, for establishing, developing, and coordinating parent training and information programs.

"GRANTS TO STATE EDUCATIONAL AGENCIES FOR TRAINEESHIPS

"SEC. 632. The Secretary shall make grants to State educational agencies to assist them in establishing and maintaining, directly or through grants to institutions of higher education, programs for the preservice and inservice training of teachers of handicapped children, or supervisors of such teachers.

"GRANTS TO IMPROVE RECRUITMENT OF EDUCATIONAL PERSONNEL AND DISSEMINATION OF INFORMATION CONCERNING EDUCATIONAL OPPORTUNITIES FOR THE HANDICAPPED

"SEC. 633. (a) The Secretary is authorized to make a grant to or enter into a contract with a public agency or a nonprofit private organization or institution for a national clearinghouse on the education of the handicapped and to make grants or contracts with a public agency or a nonprofit private organization or institution for other support projects which may be deemed necessary by the Secretary to achieve the following objectives:

"(1) to disseminate information and provide technical assistance on a national basis to parents, professionals, and other interested parties concerning—

"(A) programs relating to the education of the handicapped under this Act and under other Federal laws; and

"(B) participation in such programs, including referral of individuals to appropriate national, State, and local agencies and organizations for further assistance;

"(2) to encourage students and professional personnel to seek and obtain careers and employment in the various fields relating to the education of handicapped children and youth; and

"(3) to provide information on available services and programs in postsecondary education for the handicapped.

"(b) In addition to the clearinghouse established under subsection (a), the Secretary shall make a grant or enter into a contract for a national clearinghouse on postsecondary education for handicapped individuals for the purpose of providing information on available services and programs in postsecondary education for the handicapped.

"(c)(1) In awarding the grants and contracts under this section, the Secretary shall give particular attention to any demonstrated experience at the national level relevant to performance of the functions established in this section, and ability to conduct such projects, communicate with the intended consumers of information, and maintain the necessary communication with other agencies and organizations.

"(2) The Secretary is authorized to make contracts with profitmaking organizations under this section only when necessary for materials or media access.

"REPORTS TO THE SECRETARY

"SEC. 634. (a) Not more than sixty days after the end of any fiscal year, each recipient of a grant or contract under this part during such fiscal year shall prepare and submit a report to the Secretary. Each such report shall be in such form and detail as the Secretary determines to be appropriate, and shall include—

"(1) the number of individuals trained under the grant or contract, by category of training and level of training; and

"(2) the number of individuals trained under the grant or contract receiving degrees and certification, by category and level of training.

"(b) A summary of the data required by this section shall be included in the annual report of the Secretary under section 618 of this Act.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 635. (a) There are authorized to be appropriated to carry out the provisions of this part (other than section 633) $58,000,000 for fiscal year 1984, $61,150,000 for fiscal year 1985, and $64,370,000 for fiscal year 1986. There are authorized to be appropriated to carry out the provisions of the section 633, $1,000,000 for fiscal year 1984, $1,050,000 for fiscal year 1985, and $1,110,000 for fiscal year 1986.

"(b) Of the funds appropriated pursuant to subsection (a) for any fiscal year, the Secretary shall reserve 10 per centum for activities under section 631(c).".

AMENDMENTS RELATED TO RESEARCH IN THE EDUCATION OF THE HANDICAPPED

SEC. 12. Part E of the Act is amended to read as follows:

"PART E—RESEARCH IN THE EDUCATION OF THE HANDICAPPED

"RESEARCH AND DEMONSTRATION PROJECTS IN EDUCATION OF HANDICAPPED CHILDREN

"SEC. 641. (a) The Secretary is authorized to make grants to, or enter into contracts or cooperative agreements with, State and local educational agencies, institutions of higher education, and other public agencies and nonprofit private organizations for research and related activities, to assist special education personnel, related services personnel, and other appropriate persons, including parents, in improving the education and related services for handicapped children and youth and to conduct research, surveys, or demonstrations relating to the education of handicapped children and youth. Research and related activities shall be designed to increase knowledge and understanding of handicapping conditions and teaching, learning, and education-related practices and services for handicapped children and youth. Research and related activities assisted under this section shall include, but not be limited to, the following:

"(1) The development of new and improved techniques and devices for teaching handicapped children and youth.

"(2) The development of curricula which meet the unique educational needs of handicapped children and youth.

"(3) The application of new technologies and knowledge for the purpose of improving the instruction of handicapped children and youth.

"(4) The development of program models and exemplary practices in areas of special education.

"(5) The dissemination of information on research and related activities conducted under this part to interested individuals and organizations.

"(b) In carrying out this section the Secretary shall consider the special education experience of the applicant and the ability of the applicant to disseminate the findings of any grant or contract.

"(c) The Secretary shall publish proposed research priorities in the Federal Register every two years, not later than July 1, and shall allow a period of sixty days for public comments and suggestions. After analyzing and considering the public comments, the Secretary shall publish final research priorities in the Federal Register not later than thirty days after the close of the comment period.

"(d) The Secretary shall provide an index (including the title of each research project and the name and address of the researching organization) of all research projects conducted in the prior fiscal year in the annual report described under section 618. The Secretary shall make reports of research projects available to the education community at large and to other interested parties.

"(e) The Secretary shall coordinate the research priorities established under this section with research priorities established by the National Institute of Handicapped Research and shall provide information concerning research priorities established under this section to the National Council on the Handicapped and to the National Advisory Committee on the Education of Handicapped Children.

"RESEARCH AND DEMONSTRATION PROJECTS IN PHYSICAL EDUCATION AND RECREATION FOR HANDICAPPED CHILDREN

"SEC. 642. The Secretary is authorized to make grants to States, State or local educational agencies, institutions of higher education, and other public or nonprofit private educational or research agencies and organizations, and to make contracts with States, State or local educational agencies, institutions of higher education, and other public or private educational or research agencies and organizations, for research and related purposes relating to physical education or recreation for handicapped children, and to conduct research, surveys, or demonstrations relating to physical education or recreation for handicapped children.

"PANELS OF EXPERTS

"SEC. 643. The Secretary shall from time to time appoint panels of experts who are competent to evaluate various types of proposals for projects under parts C, D, E, and F, and shall secure the advice and recommendations of one such panel before making any grant or contract under parts C, D, E, and F of this Act. The panels shall be composed of—

"(1) individuals from the field of special education for the handicapped and other relevant disciplines who have significant expertise and experience in the content areas and age levels addressed in the proposals; and

"(2) handicapped individuals and parents of handicapped individuals when appropriate.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 644. For purposes of carrying out this part, there are authorized to be appropriated $20,000,000 for fiscal year 1984, $21,100,000 for fiscal year 1985, and $22,200,000 for fiscal year 1986.".

AUTHORIZATION OF APPROPRIATIONS FOR INSTRUCTIONAL MEDIA

SEC. 13. Section 654 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 654. For the purposes of carrying out this part, there are authorized to be appropriated $19,000,000 for fiscal year 1984, $20,000,000 for fiscal year 1985, and $21,100,000 for fiscal year 1986.".

REPEALERS

SEC. 14. Part G of the Act is repealed.

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 15. Section 611(e) and section 611(a)(2) of the Act are amended by inserting "the Northern Mariana Islands," after "the Virgin Islands,".

AMENDMENTS TO THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981

SEC. 16. (a) Section 602(a)(1) of the Omnibus Budget Reconciliation Act of 1981 is amended by striking out "each of the fiscal years 1983 and 1984" and inserting in lieu thereof "the fiscal year 1983, and $1,071,850,000 for the fiscal year 1984".

(b) Section 605 of such Act is amended by striking out ", 1983, and 1984" and inserting in lieu thereof "and 1983, and $5,500,000 for fiscal year 1984".

(c) Section 605(b) of such Act is amended by striking out ", 1983, and 1984" and inserting in lieu thereof "and 1983, and $56,000,000 for the fiscal year 1984".

(d) Section 605(c) of such Act is amended by striking out ", 1983, and 1984" and inserting in lieu thereof "and 1983, and $28,000,000 for the fiscal year 1984".

SPECIAL STUDY ON TERMINOLOGY

SEC. 17. (a)(1) The Secretary of Education shall either directly or by grant or contract, conduct a review and evaluation of the term "behaviorally disordered" as the use of such term relates to handicapped children, as defined in section 602(a)(1) of the Education of the Handicapped Act.

(2) The review and evaluation under this section shall involve the active participation of the parents of handicapped children.

(b)(1) Not later than six months after the date of the enactment of this Act, the Secretary shall submit to the Congress, for referral to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report of the review and evaluation required by this section, together with a detailed proposal for any legislation necessary to implement the recommendations of such review and evaluation.

(2) The report required under paragraph (1) shall include—

(A) the number of seriously emotionally disturbed children currently being served under the Education of the Handicapped Act, and the anticipated number of children and youth (by type of condition) in special and regular education who would be served under the Education of the Handicapped Act if the definition is changed.

(B) how the population of children currently served under such Act as "seriously emotionally disturbed" may be changed (particularly in terms of the severity of disability) if the term "behaviorally disordered" is substituted for the term "seriously emotionally disturbed";

(C) how a change in terminology will impact on the identification, assessment, types of special education and related services provided, and the availability of such services, if the change in terminology is made;

(D) how the settings in which special education and related services are provided may change if the change in terminology is made;

(E) how the change in terminology may affect the attitudes of, and the relationships among, parents, professionals, and children and youth;

(F) how the change in terminology will impact upon the training of professional personnel providing services under such Act; and

(G) a number of examples of seriously emotionally disturbed children who are currently effectively and ineffectively served.

(c) The Secretary is authorized to use funds appropriated for purposes of part E of the Education of the Handicapped Act to carry out the purposes of this section.

SEC. 18. (a) Except as provided in subsection (b), the provisions of this Act shall take effect on the date of enactment of this Act.

(b)(1) To the extent that the amendments made by this Act to parts, C, D, E, and G of the Education of the Handicapped Act prohibit or limit the use of funds, such amendments shall apply only to funds obligated after the date of enactment of this Act.

(2) As determined necessary by the Secretary of Education for purposes of providing services under the Education of the Handicapped Act pending the issuance of regulations implementing the amendments made by this Act, the Secretary shall provide financial assistance under parts C, D, E, and G of the Act as in effect on the day before the date of enactment of this Act until issuance of such regulations or March 1, 1984, whichever is earlier.

AUTHORIZATION OF APPROPRIATIONS FOR STATE GRANTS UNDER THE REHABILITATION ACT OF 1973

SEC. 19. (a) For the purpose of making State grants under part B of section 100(b)(1) of the Rehabilitation Act of 1973 (hereinafter in this section referred to as "the Act") $1,037,800,000 are authorized to be appropriated for fiscal year 1984, and the amount determined under section 100(c) of the Act for each of the fiscal years 1985 and 1986.

(b)(1) There are also authorized to be appropriated for the purpose of section 100(b)(1) of the Act such additional sums as may be necessary for each of the fiscal years 1984, 1985, and 1986. Any amount appropriated pursuant to this subparagraph shall be allocated in accordance with paragraph (2).

(2) For any fiscal year for which an amount is appropriated pursuant to paragraph (1), each State shall receive an additional allocation which bears the same ratio to the additional amount appropriated as that State's allotment under section 110 of the Act bears to the total amount allotted pursuant to such section.

AUTHORIZATIONS OF APPROPRIATIONS FOR DISCRETIONARY PROGRAMS UNDER THE REHABILITATION ACT OF 1973

SEC. 20. (a) For the purpose of allotments under section 112 of the Rehabilitation Act of 1973 (hereinafter in this section referred to as "the Act") there are authorized to be appropriated $3,500,000 for fiscal year 1984.

(b) For the purpose of making grants to Indian tribes under part D of title I of the Act, there are authorized to be appropriated for fiscal year 1984 such sums as may be

necessary, not to exceed 1 percent of the amount appropriated pursuant to section 100(b)(1) of the Act.

(c) For the purposes of section 201(a)(2) of the Act there are authorized to be appropriated $36,000,000 for fiscal year 1984.

(d) For the purposes of section 304 of the Act there are authorized to be appropriated $22,000,000 for fiscal year 1984.

(e) For the purposes of section 310(a) of the Act there are authorized to be appropriated $12,900,000 for fiscal year 1984.

(f) For the purpose of section 313(e) of the Act there are authorized to be appropriated $3,700,000 for fiscal year 1984.

(g) For the purposes of section 316 of the Act there are authorized to be appropriated $2,000,000 for fiscal year 1984.

(h) For the purposes of section 502 of the Act there are authorized to be appropriated $3,000,000 for fiscal year 1984.

(i) For the purposes of section 621 of the Act there are authorized to be appropriated $13,000,000 for fiscal year 1984.

(j) For the purposes of section 731 (the second place it appears) in the Act, $21,000,000 is authorized to be appropriated for fiscal year 1984.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 3435) was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN THE ENGROSSMENT OF H.R. 3435, EDUCATION OF THE HANDICAPPED ACT AMENDMENTS OF 1984

Mr. MURPHY. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill, the Clerk be authorized to correct section numbers, punctuation, and cross references and to make such other technical and conforming changes as may be necessary to reflect the actions of the House in amending the bill, H.R. 3435.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

□ 1340

GENERAL LEAVE

Mr. MURPHY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3435 and S. 1341, the bills just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 2590. An act to amend the Agricultural Adjustment Act to authorize marketing research and promotion projects, including paid advertising, for filberts, and to amend the Potato Research and Promotion Act;

H.R. 4013. An act to extend the small business development center program administered by the Small Business Administration until January 1, 1985;

H.R. 4042. An act to continue in effect the current certification requirements with respect to El Salvador until the Congress enacts new legislation providing conditions for U.S. military assistance to El Salvador or until the end of fiscal year 1984, whichever occurs first; and

H.J. Res. 93. Joint resolution to provide for the awarding of a special gold medal to Danny Thomas in recognition of his humanitarian efforts and outstanding work as an American.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2395. An act to extend the Wetlands Loan Act; and

H.R. 4252. An act to suspend the noncash benefit requirement for the Puerto Rico nutrition assistance program, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 589) entitled "An act to authorize $15,500,000 for capital improvement projects on Guam, and for other purposes," with amendments in which the concurrence of the House is requested.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 35. An act to establish a Commission on More Effective Government, with the declared objective of improving the quality of government in the United States and of restoring public confidence in government at all levels;

S. 1429. An act to amend the Small Business Act to extend and strengthen the small business development center program, and for other purposes;

S. 2040. An act to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 with respect to the treatment of mortgage-backed securities, to increase the authority of the Federal Home Loan Mortgage Corporation, and for other purposes; and

S. Con. Res. 55. Concurrent resolution expressing the grave concern of the Congress regarding the plight of Ethiopian Jews.

PROVIDING FOR CONSIDERATION OF H.R. 2755, FEDERAL COMMUNICATIONS COMMISSION AUTHORIZATION ACT OF 1983

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 364 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 364

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2755) to authorize appropriations for the Federal Communications Commission for fiscal years 1984 and 1985, and for other purposes, the first reading of the bill shall be dispensed with, and all points of order against the consideration of the bill for failure to comply with the provisions of section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the committee on Energy and Commerce, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Energy and Commerce now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and said substitute shall be considered as having been read. No amendment to the bill or to said substitute shall be in order except—

(1) amendments only to change the dollar figure on page 2, line 10 to another dollar figure, which shall only be subject to amendments to change such dollar figure to another dollar figure;

(2) amendments which are germane to the text of sections 3, 5, and 6 of said substitute, relating to the funding and authority of the Corporation for Public Broadcasting; and

(3) and amendment to section 8 of said substitute printed in the Congressional Record of November 8, 1983 by, and if offered by, Representative Rodino of New Jersey or Representative Kastenmeier of Wisconsin.

At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the Committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from California (Mr. BEILENSON) is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Missouri (Mr. TAYLOR), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 364 provides for the consideration of H.R. 2755, the Federal Communications Commission Authorization Act of 1983. The rule provides 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Commit-

tee on Energy and Commerce. To facilitate the amendment process on the floor of the House, the rule makes the committee amendment in the nature of a substitute in order as an original text for amendment, and provides that the substitute be considered as read.

Under the rule only certain categories of amendments may be offered. These include, first, amendments changing the recommended FCC authorization levels contained in section 2 of the bill; second, amendments relating to the funding and authority of the Corporation for Public Broadcasting dealt with in sections 3, 5, and 6 of the bill; and third, an amendment to section 8 of the bill if offered by either Representative KASTENMEIER or Representative RODINO. This last amendment is printed in the CONGRESSIONAL RECORD of November 8, 1983, and deals with criminal penalties for obscene phone calls, a matter within the jurisdiction of the Judiciary Committee. Under the rule's restrictions, no amendment may be offered dealing with FCC administrative practices. If this restriction were not imposed, the Federal Communications Act of 1934 would itself be opened up to amendment on the floor of the House.

The resolution also waives points of order against the bill under section 402(a) of the Budget Act, requiring authorizations to be reported by May 15 preceding the beginning of the fiscal year for which they are effective. Since H.R. 2755 was reported on September 15, 1983, and it authorizes budget authority for fiscal year 1984, it violates section 402(a). However, because the bill contains important administrative reforms for the FCC and the Corporation for Public Broadcasting, the committee agreed to a waiver in this particular case. Finally, the rule provides a motion to recommit the bill to committee with or without instructions.

Mr. Speaker, H.R. 2755 authorizes $91.2 million for the activities of the FCC for each of the next 2 fiscal years, and provides the Corporation for Public Broadcasting with a small additional authorization to compensate for the severe reductions in Federal assistance imposed on the Corporation by Congress in 1981. In addition, the bill contains significant administrative improvements for the two agencies, including stringent financial accounting procedures for National Public Radio.

Mr. Speaker, H.R. 2755 is a very important bill and I urge my colleagues to promptly adopt the recommended rule. I reserve the balance of my time.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 364 is a restrictive rule under which the House will consider legislation increasing the authorization levels for the Federal Communications Commission and the Corporation for Public Broadcasting.

This rule, and the bill it makes in order, gives the House yet another example of the failure of our legislative committees to meet their reporting obligations under the Budget Act.

This rule contains a waiver of section 402(a) of the Budget Act. The bill, H.R. 2755, authorizes enactment of new budget authority for fiscal year 1984, but it was not reported by the May 15 deadline this year.

Mr. Speaker, the failure of our legislative committees to report out and act on authorizations in a timely manner is one of the major reasons the House is unable to consider appropriations bills prior to the beginning of the fiscal year. This failure is of major concern to the Committee on the Budget, but is apparently of little concern to the Committee on Rules.

In addition to the Budget Act waiver, this rule makes in order the committee amendment reported from the Energy and Commerce Committee as original text for the purposes of amendment, and that substitute is considered as read.

The rule makes in order the following amendments:

One, amendments to change dollar amounts for the Federal Communications Commission authorization which are subject to dollar amount amendments;

Two, germane amendments to sections 3, 5, and 6 of the bill relating to the funding levels and authority of the Corporation for Public Broadcasting; and

Three, an amendment to section 8 of the bill, printed in the CONGRESSIONAL RECORD of November 8, by and if offered by Representative RODINO or Representative KASTENMEIER. This amendment prohibits the use of a telephone to make obscene or indecent calls to persons under the age of 18, or to any person without that person's consent.

Mr. Speaker, the ranking minority member of the Committee on Energy and Commerce, the gentleman from North Carolina, (Mr. BROYHILL) asked the Committee on Rules to report out an open rule for this bill.

The committee turned down our efforts to make this a totally open rule, although the reasons seemed pretty weak.

Had the Committee on Rules reported an open rule, any amendments that might be offered would have had to be germane to the bill as introduced. Under this rule, we only have the specified type of amendments.

Mr. Speaker, the bill made in order by this rule, H.R. 2755, increases the authorization levels for the Corporation for Public Broadcasting by 5.6 percent when compared to the amount appropriated in fiscal 1983. But when compared to the current authorization level of $130 million, the amounts are 12 percent higher for 1984, 18 percent higher for 1985, and 24 percent higher for 1986.

There will be amendments in order to reduce these authorization levels—at least that much is allowed under this rule.

□ 1350

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, I want to congratulate the gentleman for his statement with regard to the budget waiver section of this rule.

Here we are, at the late hours of the congressional session, and still we have bills coming before us that are not properly authorized under the Budget Act and which, therefore, have to have waivers.

I would think that the Members would want to reject this rule for two reasons: First, the budget waiver. I do not think this is any time to be considering bills that cannot meet the standards of the Budget Act. Second, as the gentleman said, if we do not have an open rule, we cannot look at all of the matters that might otherwise be available to us under this act.

So once again we are in a position where 435 Members of the House are being frozen out of the process, being denied their opportunity to work their will on legislation, in favor of a committee product, with committee amendments, where only a handful of Members have a chance to work their will, and in the case of many of the committees around here, where the proportion of the majority Members to minority Members does not even reflect the overall proportion of the House of Representatives.

So it seems to me that the gentleman is right on target, and I would hope that the Members would vote against this rule.

Mr. TAYLOR. I thank the gentleman for his remarks.

Mr. Speaker, I reserve the balance of my time.

Mr. BEILENSON. Mr. Speaker, I yield 5 minutes, for the purpose of debate only, to the gentleman from California (Mr. DYMALLY).

Mr. DYMALLY. Mr. Speaker, I thank the gentleman, my friend from California, for this opportunity to rise in reluctant opposition to the rule.

I realize that there are provisions of this bill which are good for public broadcasting and, ultimately, the public itself. The rule does provide that protection. Nevertheless, if the rule had allowed, I would have proposed what I consider to be an extremely important amendment. The

amendment would have limited the investigative powers of the FCC in an area where I believe their power has placed them in conflict with the first amendment right of citizens to the free practice of their religion. My amendment would have added the following sentence at the end of line 14, page 2:

No funds appropriated for fiscal year 1984 or 1985 pursuant to this authorization may be used by the Commission to make or enforce any order which would require any radio or television broadcasting station whose principal purpose is to broadcast religious programing to reveal the name of any individual who made a contribution to such station.

I do not think it proper that an agency of the Federal Government should be able to require a religious group to reveal the names of those who give monetary support as a result of their religious beliefs. The separation of church and state is an honored and important founding principle of this country. That principle must be preserved. I believe the FCC violates that principle. I would like to have a public hearing from the subcommittee on this matter.

Mr. Speaker, let me, in conclusion, say that the chairman of the Subcommittee on Telecommunications was kind enough to offer me an opportunity to have a colloquy with him. He was also kind enough to give me an advance copy of what he may respond to my question. In reading that, I regret that I had to decline that offer because it would have given the FCC an opportunity to bring to the floor of this House the misinformation which they carry to the Supreme Court. And for that reason, I had to reluctantly decline the offer from the gentleman from Colorado whom I respect so much.

Mr. Speaker, the issue here is simply this: Does the FCC have the right to ask any religious broadcaster to produce lists of contributions from their religious followers?

That is essentially the question, and that is the question which the Faith Center refused to comply with and as a result of which the FCC closed their station down. But in the meantime, the people who took the complaint to the FCC were two. One was disbarred for conflict of interest, and the other witness has subsequently recanted and said that the information he gave the FCC originally was not correct.

Even with that, the FCC has failed to respond to requests for an open hearing on this. So I am appealing to the chairman of the Subcommittee on Telecommunications to give us a public hearing on this matter. I recognize his policy is not to deal with matters which are before the Court. But this matter is past the Court. We have lost that case, and we have accepted the Court's decision. We want a public hearing.

And might I say this: If this policy were House policy, I would not argue the case. But it is not House policy because there is a subcommittee now seeking subpenas to search for records on a particular issue in the State of New York, even though that matter is before the courts. So it is not a uniform House policy; it is a policy strictly of this subcommittee. I respect that policy; I do not argue with it. I am simply saying that fairness dictates that the owners of that station which was closed arbitrarily by the FCC have a right to a public hearing on this issue. The airwaves belong to the people, not to the FCC.

Mr. BEILENSON. Mr. Speaker, I yield 5 minutes, for purposes of debate only, to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Speaker, I regret that I must rise in opposition to this rule. And I do so because this rule relates to the reauthorization of an agency of the Federal Government. Yet this rule is, for all intents and purposes, a closed rule. Only three amendments or three types of amendments can be offered: one dealing with funding levels, one dealing with the Corporation for Public Broadcasting, and one dealing with the standards for obscenity in one particular area.

I suggest to my colleagues that a rule of this sort on a reauthorization of an agency goes to the very heart of what reauthorization is all about. The only purpose of reauthorization, other than to establish funding levels, is to give the Congress of the United States an opportunity periodically to review the charter of the agency to make a determination whether its purposes are still the same, to ascertain whether there needs to be a change in that charter, an expansion or a contraction or a modification.

If we are going to see rules come out on reauthorization of agencies that do not permit the House of Representatives periodically to review an agency's charter and decide whether that is still what we want the agency to do, then I ask my colleagues: What purpose do we have?

We will simply create agencies, and then they will go on forever, without review or change, and we deny ourselves and the American people something that is absolutely fundamental, which is to make a judgment periodically whether the Government which belongs to the people is still serving the people.

□ 1400

I think this closed rule is a terrible mistake. In fact, I will say this: Whatever criticism individuals might have had earlier this week about the procedures with respect to the equal rights amendment, at least at the end of the day we had an opportunity to vote one way or the other on that proposition.

In this case we are talking about rechartering an agency of Government and are denying the Members to make a judgment whether we should recharter it in the same fashion or modify that charter in some way.

That strikes at the very heart of the legislative process, and it strikes at the very heart of representative government. We are, by adopting this rule, abandoning our responsibility for government. When your constituents contact you and ask you, "Why is this agency carrying out this function and why are they not carrying out some other function," then your answer will be, "Because I supported a rule which gave away my responsibility to make that judgment."

I have the greatest respect for the gentleman from Colorado and I know the difficulties with which he has had to deal in this agency and to charter it in a way that will serve its purposes, and I respect that judgment. I simply say that as a matter of my conscience, and as a matter of my understanding of what my responsibilities are as an elected Member of the Congress of the United States, I cannot, without objection, give away the right periodically to reassess the charter of any agency in Government, because if we do that then we have, in fact, given away the whole purpose of representative government that we are supposed to be fulfilling here.

I acknowledge that some amendments might be offered that are controversial and some might even pass over the objections of the bill's sponsors. But that is what the democratic process and representative government is all about.

It is for that reason, with a great deal of regret, but at the same time with a great deal of conviction, that I urge my colleagues to oppose this rule and let us have a rule that will permit the Congress, in a reauthorization of an agency, at least to have a chance to make our judgment about whether that agency should be rechartered or whether that charter in some way should be modified or contracted or expanded.

I think we establish a terribly dangerous precedent today on a reauthorization bill—this is not the Internal Revenue Code; this is not the social security law; this is not the Administrative Procedures Act or some other compendium of law that will open up a myriad of areas of legislative quagmire. We are talking about one agency and its reauthorization. This is the time for you, as Members of this House, to insist that you have your responsibilities and that you have the opportunity to discharge them.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the gentleman from Colorado (Mr. WIRTH).

Mr. WIRTH. I thank the gentleman for yielding this time to me and for the work of the Committee on Rules on this rule.

Very briefly, historically the way that we have authorized the FCC and the functions of the FCC is to do it function by function. We have done the Corporation for Public Broadcasting, and we have done telephones, as we did last week. We are moving on broadcasting, moving on cable, and moving on the overall authorization.

I do not think there are very many Members of the body who would like to have the opportunity to readdress the telephone issue. We had remaining the other night, I think, 6 hours of amendment time and there were some who came up and said they wanted to prolong the discussion of telephones. My guess is that most Members do not want to do this. We have dismissed that and have it out of the way.

We will be doing, this winter, cable we believe, and broadcasting we believe, and I think that this is a way of focusing on those areas which have been broadly focused on by the subcommittee and by the full committee.

So, I would hope that we could pass this rule and quickly get on to the substance of the debate.

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield for a question?

Mr. WIRTH. I would be happy to yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the gentleman for yielding.

Mr. Speaker, on this matter of so-called deregulation, what does this particular reauthorization reflect in that respect? I have been very concerned. As you know, television control time today is a tremendous, awesome power over the American public's right to know.

In the name of deregulation, I have seen some disturbing news items. What I do not know is how far the announcements outlining these changes go.

Mr. WIRTH. Mr. Speaker, if the gentleman will allow me to reclaim my time, this bill does not touch broadcasting at all. It does not telephone, common carrier; it does not touch cable. It focuses on the level of funding at the FCC and on the Corporation for Public Broadcasting.

Mr. GONZALEZ. I thank the gentleman.

Mr. BEILENSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge support for the bill. It is all very well to rail against the rule because it is not a completely open rule and, in fact, as both the gentleman from Missouri and I pointed out, it is not a completely open rule. But the fact of the matter is that nobody is being denied the ability to offer any particular amendment that we are at all aware of.

There were no witnesses who appeared in opposition to the rule when it was being heard by the Committee on Rules. There were no requests that any other amendments be made, in order, other than the ones that have been made in order.

Members of the Committee on Rules read carefully through the two sets of minority views that were sent along with the committee report. They referred only to the funding levels of the two organizations involved and the funding levels in both of those organizations are, in fact, subject to amendment under this particular rule.

So we have made in order and have accounted for all the particular amendments that we were aware of. We urge support for the rule.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in closing I would just like to say, that this is not a strike at public broadcasting. I think most of us do support public broadcasting. But I think the concerns that were so ably expressed by the gentleman from Georgia (Mr. LEVITAS) bear restating.

I think that when we look at rechartering of agencies and continuity without review that we are setting a dangerous precedent. I had hoped that this would have had a completely open rule, as was suggested by the ranking member of the Energy and Commerce Committee, the gentleman from North Carolina (Mr. BROYHILL).

But in closing I would just like to say that I hope that in the future, especially when we are waiving the Budget Act, when we are going beyond the current authorization by as much as 24 percent, and where we are rechartering agencies of any kind, that we will not abandon our responsibility as a legislative body for oversight and review.

I would again like to commend the gentleman from Georgia for his concern about timely oversight and review by the Congress when we have reauthorization bills pending.

Mr. Speaker, I yield back the balance of my time.

Mr. BEILENSON. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 258, nays 160, not voting 16, as follows:

[Roll No. 523]

YEAS—258

Ackerman	Gejdenson	Olin
Addabbo	Gephardt	Ortiz
Akaka	Gibbons	Ottinger
Albosta	Gilman	Owens
Andrews (NC)	Glickman	Panetta
Andrews (TX)	Gore	Parris
Annunzio	Gradison	Patterson
Anthony	Gray	Pease
Applegate	Guarini	Penny
Aspin	Hall (IN)	Pepper
AuCoin	Hall (OH)	Perkins
Barnes	Hall, Sam	Pickle
Bates	Hamilton	Price
Bedell	Harkin	Pursell
Beilenson	Harrison	Quillen
Bennett	Hatcher	Rahall
Berman	Hawkins	Rangel
Bevill	Hayes	Ratchford
Biaggi	Hefner	Ray
Bliley	Heftel	Reid
Boggs	Hertel	Richardson
Boland	Hightower	Rinaldo
Boner	Horton	Rodino
Bonior	Howard	Roe
Bonker	Hoyer	Rose
Borski	Hubbard	Rostenkowski
Boucher	Hughes	Roukema
Boxer	Hutto	Roybal
Breaux	Jeffords	Russo
Britt	Johnson	Sabo
Brooks	Jones (NC)	Savage
Brown (CA)	Jones (OK)	Scheuer
Bryant	Jones (TN)	Schneider
Burton (CA)	Kaptur	Schroeder
Byron	Kastenmeier	Schumer
Carper	Kazen	Seiberling
Carr	Kennelly	Shannon
Chandler	Kildee	Sharp
Chappell	Kogovsek	Shaw
Clarke	Kolter	Shelby
Clay	Kostmayer	Sikorski
Coelho	LaFalce	Simon
Coleman (TX)	Lantos	Sisisky
Conte	Lehman (CA)	Skelton
Conyers	Lehman (FL)	Slattery
Cooper	Leland	Smith (FL)
Coyne	Levin	Smith (IA)
Crockett	Levine	Spratt
D'Amours	Lipinski	St Germain
Daschle	Long (LA)	Staggers
Davis	Long (MD)	Stangeland
de la Garza	Lowry (WA)	Stark
Derrick	Luken	Stokes
Dicks	Lundine	Stratton
Dingell	MacKay	Studds
Dixon	Madigan	Swift
Donnelly	Markey	Synar
Dorgan	Martin (NC)	Tallon
Downey	Matsui	Tauzin
Duncan	Mavroules	Torres
Durbin	Mazzoli	Torricelli
Dwyer	McCloskey	Towns
Dyson	McCurdy	Traxler
Early	McHugh	Udall
Eckart	McKinney	Valentine
Edgar	McNulty	Vento
Edwards (AL)	Mica	Walgren
Edwards (CA)	Mikulski	Watkins
English	Miller (CA)	Waxman
Erdreich	Mineta	Weaver
Evans (IL)	Minish	Weiss
Fazio	Moakley	Wheat
Feighan	Mollohan	Whitley
Ferraro	Montgomery	Whitten
Fish	Moody	Williams (MT)
Flippo	Morrison (CT)	Williams (OH)
Florio	Mrazek	Wilson
Foglietta	Murtha	Wirth
Foley	Natcher	Wise
Ford (MI)	Neal	Wolpe
Ford (TN)	Nelson	Wright
Frank	Nichols	Wyden
Frost	Nowak	Yates
Fuqua	Oakar	Yatron
Garcia	Oberstar	Young (MO)
Gaydos	Obey	Zablocki

NAYS—160

Anderson	Hall, Ralph	Packard
Archer	Hammerschmidt	Pashayan
Barnard	Hansen (ID)	Patman
Bartlett	Hansen (UT)	Paul
Bateman	Hartnett	Petri
Bereuter	Hiler	Porter
Bethune	Hillis	Regula
Bilirakis	Holt	Ridge
Boehlert	Hopkins	Ritter
Broomfield	Huckaby	Roberts
Brown (CO)	Hunter	Robinson
Broyhill	Hyde	Roemer
Burton (IN)	Jacobs	Rogers
Campbell	Kasich	Roth
Carney	Kemp	Rowland
Chappie	Kindness	Rudd
Cheney	Kramer	Sawyer
Clinger	Lagomarsino	Schaefer
Coats	Latta	Schulze
Coleman (MO)	Leach	Sensenbrenner
Conable	Leath	Shumway
Corcoran	Lent	Shuster
Coughlin	Levitas	Siljander
Courter	Lewis (FL)	Skeen
Craig	Livingston	Smith (NE)
Crane, Daniel	Lloyd	Smith (NJ)
Crane, Philip	Loeffler	Smith, Denny
Daniel	Lott	Smith, Robert
Dannemeyer	Lowery (CA)	Snowe
Darden	Lujan	Snyder
Daub	Lungren	Solomon
Dellums	Mack	Spence
DeWine	Marlenee	Stenholm
Dickinson	Marriott	Stump
Dreier	Martin (IL)	Sundquist
Dymally	Martin (NY)	Tauke
Edwards (OK)	McCain	Taylor
Emerson	McCandless	Thomas (CA)
Erlenborn	McCollum	Thomas (GA)
Evans (IA)	McDade	Vandergriff
Fiedler	McEwen	Volkmer
Fields	McGrath	Vucanovich
Forsythe	McKernan	Walker
Fowler	Michel	Weber
Franklin	Mitchell	Whitehurst
Frenzel	Molinari	Whittaker
Gekas	Moore	Winn
Gingrich	Moorhead	Wolf
Gonzalez	Morrison (WA)	Wortley
Goodling	Murphy	Wylie
Gramm	Myers	Young (FL)
Green	Nielson	Zschau
Gregg	O'Brien	
Gunderson	Oxley	

NOT VOTING—16

Alexander	Hance	Pritchard
Badham	Ireland	Solarz
Bosco	Jenkins	Vander Jagt
Collins	Lewis (CA)	Young (AK)
Dowdy	Martinez	
Fascell	Miller (OH)	

□ 1420

Mr. ROWLAND changed his vote from "yea" to "nay."

Mr. MORRISON of Connecticut changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

RESCISSION IN CONTRACT AUTHORITY FOR DEPARTMENT OF INTERIOR AND TWO DEFERRALS OF BUDGET AUTHORITY FOR DEPARTMENT OF ENERGY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 98-135)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read, and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed.

(For message, see proceedings of the Senate of today, Thursday, November 17, 1983.)

EIGHTEENTH ANNUAL REPORT OF DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, 1982—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read, and, together with the accompanying papers, without objection, referred to the Committee on Banking, Finance and Urban Affairs.

(For message, see proceedings of the Senate of today, Thursday, November 17, 1983.)

NINETEENTH ANNUAL REPORT ON STATUS OF NATIONAL WILDERNESS PRESERVATION SYSTEM, 1982—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read, and, together with the accompanying papers, without objection, referred to the Committee on the Interior and Insular Affairs.

(For message, see proceedings of the Senate of today, Thursday, November 17, 1983.)

FIFTEENTH ANNUAL REPORT OF DEPARTMENT OF TRANSPORTATION, 1981—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read, and, together with the accompanying papers, without objection, referred to the Committee on Public Works and Transportation, the Committee on Energy and Commerce, and the Committee on Merchant Marine and Fisheries.

(For message, see proceedings of the Senate of today, Thursday, November 17, 1983.)

FEDERAL COMMUNICATIONS COMMISSION AUTHORIZATION ACT OF 1983

The SPEAKER pro tempore. Pursuant to House Resolution 364 and rule XXXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2755.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2755) to authorize appropriations for the Federal Communications Commission for fiscal years 1984 and 1985, and for other purposes with Ms. FERRARO in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Colorado (Mr. WIRTH) will be recognized for 30 minutes and the gentleman from New Jersey (Mr. RINALDO) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Colorado (Mr. WIRTH).

□ 1430

Mr. WIRTH. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, H.R. 2755 authorizes appropriations for the Federal Communications Commission for fiscal years 1984 and 1985 and authorizes supplemental funding for the Corporation for Public Broadcasting for fiscal years 1984, 1985, and 1986.

H.R. 2755 provides funding at a level of $91.2 million for the FCC for each of fiscal years 1984 and 1985. These funding levels are consistent with the FCC's budget request and continue our tradition of encouraging the FCC to speed the delivery of new services to the public. The legislation reflects our twin goals of increasing competition and promoting diversity in the mass media marketplace made even more urgent by the technological explosion that has taken place in the telecommunications industry.

The Federal Communications Commission has made some major strides toward meeting its congressional mandate to bring new services to the public. However, further steps still must be taken. The Commission will hopefully act soon to complete pending proceedings which will bring new services to the public. However, applications for existing and new mass media services have inundated the Commission, resulting in a huge backlog. Thus, it is imperative that the FCC have sufficient resources to process these backlogged applications.

H.R. 2755 also authorizes supplemental funding for the Corporation for Public Broadcasting for fiscal years 1984, 1985, and 1986, in the following amounts: $15 million for fiscal year 1984; $23 million for fiscal year 1985; and $32 million for fiscal year 1986. This modest authorization increase over existing funding levels is intended to keep Public Broadcasting

whole by compensating it for expected cost increases, strain on the system due to growth in the number of stations, and losses due to inflation. These drains on revenue were not factored into the original 1981 authorization legislation, which authorized funding at $130 million for each of fiscal years 1984, 1985, and 1986. These figures represent an increase of 5.6 percent—the inflation rate used by the administration in its budget proposals.

At the time of the 1981 authorization bill, Federal authorizations for public radio and television were drastically cut by some 40 percent—from $220 million in fiscal year 1983 to $130 million. Like many of my colleagues, I reluctantly supported these cuts but hoped, at the time, that alternate means of financing would substitute for a reduced Federal role.

While both public television and radio have begun major efforts to compensate for these vast funding reductions, currently revenues are not being generated quickly enough and in sufficient amounts to prevent the curtailment of vital programing services. In fact, many stations are having to reduce the amount of overall broadcast hours and staff, while important educational series for children, as well as cultural programs are being forced out of production. Therefore, this modest supplemental authorization is crucial if we are to allow Public Broadcasting to continue to meet its statutory commitment to provide programs of high quality, diversity, creativity, and excellence, while simultaneously meeting the goal of fiscal responsibility.

Over the past several months my colleagues have undoubtedly heard about the financial crisis of National Public Radio. I would just like to interject here that many of us are deeply concerned about the clear financial mismanagement that has occurred at NPR. Thus, we have included strong safeguards in H.R. 2755 to assure that no further funds are distributed to NPR until proper financial and accounting controls are in place and a balanced budget is adopted. I might add that over the last several months NPR has made many substantial and positive changes. A new management team is in place and NPR is working to insure that conservative financial controls are adopted.

H.R. 2755 also contains a section that prohibits obscene messages over the telephone, whether made directly or by a recording device, without regard to whether the sender of the message initiated the call. This will prohibit obscene dial-it services, with enforcement of this section consistent with Supreme Court rulings on obscenity. Some of our colleagues on the Judiciary Committee have voiced concerns about the first amendment implications of this provision and will offer an amendment to clarify this section.

This legislation also insures that the needs of State and local police and public safety agencies will be taken into account when the FCC makes decisions regarding radio and television frequencies. It requires the FCC to establish a plan to give priority to these important security needs.

Finally, three technical amendments to the Communications Act are included in this bill. They are: First, to clarify the FCC's authority to enforce rules relating to citizens band and radio control (amateur) services; second, to clarify that a broadcast station may make technical changes in its facilities without loosing grandfather status for regional concentration rules; and third, to enable the CPB board to choose its Chairman from among Board members.

The Federal Communications Commission strongly supports the funding levels in this bill, and the Corporation for Public Broadcasting and the Nation's public broadcasting stations also enthusiastically endorse its contents.

H.R. 2755 was adopted by the overwhelming bipartisan margin of 39 to 2 in the Committee on Energy and Commerce and I urge my colleagues to support this important legislation today.

Mr. RINALDO. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, the chairman of the committee has already explained the bill in detail. There are a number of other provisions, however, that I would like to mention that I strongly support.

First of all, this measure contains an amendment which the Energy and Commerce Committee unanimously adopted that is of great importance to all of our fire, police, emergency, and other public service agencies. The amendment directs the FCC "to establish a plan which adequately insures that the needs of the State and local public service authorities would be taken into account in making allocations of the electromagnetic spectrum."

The need for such a plan is clear. Our public safety agencies are being left behind in the communications revolution.

Agencies frequently are forced to communicate over five different sets of frequencies. Often separate equipment is needed for each frequency. Such a system is inefficient. In addition, such a system is dangerous. It effectively prevents our police, fire, and emergency departments from communicating with one another.

Scattered frequency allocations also are increasingly inadequate to meet the demands being placed on our public safety service agencies. These frequency shortages jeopardize the lives of both our safety officers and the general public. Indeed, in some areas, frequency crowding prevents police officers from using portable radios, leaving them unable to call for assistance once they leave their vehicles.

This amendment was not intended to and does not adversely affect the ability of nonpublic safety private radio users to obtain additional spectrum. It merely recognizes the needs of public safety service agencies and directs the FCC to address this very present problem.

Second, the bill makes several technical changes in the Communications Act which will reduce needless regulatory delays.

Third, the measure reauthorizes the FCC, as the distinguished chairman of the subcommittee pointed out, at a level which will assure the agency's continued ability to accomplish the very difficult regulatory tasks that Congress has assigned to it.

Finally, the bill provides supplemental funding authority for public broadcasting. On this last point I would like to make some additional comments.

While I have generally supported, and as a matter of fact, have been a strong supporter of public broadcasting and voted in committee in favor of the supplemental spending authority provided by the bill, I have had second thoughts about it; which should be mentioned. I have had those second thoughts because of additional information concerning gross mismanagement at National Public Radio that has been brought to our committee's attention.

I hope that the increased Federal funding for public broadcasting at the same time that we are investigating possible squandering of Federal funds by National Public Radio, a major recipient of public broadcasting money, does not send a message to the entire public broadcasting community that the Federal Government will bail out any public broadcaster who runs into problems due to financial mismanagement.

This is not our intention, and I think the Members should be made completely aware of that fact.

Mr. RINALDO. Madam Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. KINDNESS).

Mr. KINDNESS. Madam Chairman, I would like to associate myself with the gentleman's remarks concerning section 9 of H.R. 2755 which provides for the plan to protect the interests of state and local public safety and police agencies.

I would like to draw the attention of my colleagues to section 9 of H.R. 2755, which directs the Federal Communications Commission to establish a plan which adequately takes into account the needs of State and local

public safety authorities in making allocations of the electronic spectrum. I support this provision and hope that it will be enacted into law.

Last year, the Government Operations Subcommittee on Government Information, on which I serve as ranking minority member and which has oversight jurisdiction over the FCC, held hearings on the FCC's proposed authorization of television service by direct broadcast satellite (DBS-TV). In the course of those hearings, we learned that the authorization of domestic-U.S. DBS-TV services will result in the displacement of terrestrial microwave systems now operating in the same spectrum. We were made aware that police and public safety departments that operate microwave systems operate in that spectrum. In its report on DBS-TV (House Report 97-730 issued August 12, 1982), the Government Operations Committee recommended that the FCC should, prior to the deployment of a DBS system, assess the impact of dislocation of existing services operating in that spectrum and determine whether compensation should be provided to aid the displaced users in relocating to another frequency.

The FCC responded to that report by stating that it felt it had taken great care, during its DBS proceeding, to insure that existing microwave users would be treated fairly. However, it did appear to me that the Commission relief upon some assumptions that public safety departments would not share, such as the cost of modifying equipment for adjacent bands and amortizing equipment over the 5-year period allowed for continued use of the spectrum. And, there appeared to be some finger-crossing by the FCC as well. For example, if, after the 5-year period, no DBS system operates on a frequency in use, that user could continue to operate; and, if a DBS operator was able to get his system in place before the end of the 5-year period, he could agree to pay off the existing user in return for exclusive use of the frequency.

As I understand it, this provision is relatively noncontroversial, but it also should not be expected to necessarily result in any particular actions which are sought presently by the public safety community. Nevertheless, it does instruct the Commission that we in the Congress want it to pay a bit more attention to the needs of State and local public safety organizations in making frequency allocations.

Mr. WIRTH. Madam Chairman, I yield 6 minutes to the gentleman from Texas (Mr. LELAND).

Mr. DIXON. Madam Chairman, will the gentleman yield?

Mr. LELAND. I yield to the gentleman from California.

Mr. DIXON. I thank the gentleman for yielding.

Madam Chairman, I rise in support of this bill, and in particular the gentleman in the well should be congratulated for his interest and dedication to minority employment with the FCC.

While I will support this FCC authorization bill, I want to add my voice to those who have raised serious concern about the minority hiring practices of the Commission.

The lack of minority employment in the communications field generally, is equally pronounced within the Federal Communications Commission. Minorities are virtually excluded from policymaking decisions, and minority employment in senior level positions at the Commission has steadily declined over the past 3 years.

Currently, there is only 1 minority employee out of 35 in a senior executive service position at the Commission, and only 1 minority employed in a professional capacity in any of the four Commissioners' offices.

I am not suggesting that there is some magical number that indicates an Agency's commitment to equal opportunity or affirmative action, but the FCC's record strongly suggests that they have not made a good faith effort in recruiting and hiring minority personnel.

For this reason, I support the provision in this authorization bill which provides funding for additional positions at the FCC.

It has been stipulated by members of the Telecommunications Subcommittee that these funds must be used to increase minority employment at the Commission.

The situation at the FCC warrants this forceful action, since their hiring practices have excluded minority perspectives in the formulation of communications policy.

It is my hope that this authorization will mark the first step in resolving this serious problem.

□ 1440

Mr. LELAND. I thank the gentleman.

Madam Chairman, it is with great reluctance that I rise in support of H.R. 2755, the Federal Communications Commission Authorization Act of 1983. This agency, perhaps more than any other Federal agency, has been successful in its efforts to turn back the clock on advancements for minorities, small businessmen and women, children and other members of economically and politically dispossessed groups. As I review the FCC's record since 1981, when Mark Fowler became Chairman, I find an absolutely horrible public interest record.

Over the past 3 years, the Fowler Commission has demonstrated itself to be totally insensitive to the concerns and needs of all but large corporate entities and other well-heeled interests. The Commission's record on EEO enforcement in the communications industries is abysmal. In fact, the United Church of Christ, in a report issued in November 1982, accused the Commission of neglect of its responsibility to enforce EEO in the cable industry. This Commission has continuously established barriers to minority advancement in ownership of communications properties. When the Congress established a preference for minorities in the lottery for selection of low power television licenses to help alleviate depressingly low minority ownership figures in television, Chairman Fowler refused to implement the lottery. When Congress made the lottery mandatory, Chairman Fowler stated that the lottery penalized "innocent white males," prompting one of his colleagues on the Commission to note that broadcasting today is a "white man's paradise."

In my opinion, the Commission since 1981 increasingly has become a "white man's paradise." The level of minority employment at senior levels at the Commission has declined drastically since Fowler became chairman. Today there is only one minority in a Senior Executive Service position at the Commission, and only one minority employed in a professional capacity in any of the four current Commissioner's offices. Minority employment in other senior positions at the Commission is almost nonexistent. Because there are so few minorities employed in senior positions at the Commission, the FCC is virtually devoid of a minority perspective in the development of communications property.

When we move from consideration of the Commission's internal EEO record and look at the policies it has developed in the past 3 years, the picture is just as bleak. On virtually every issue of importance to the minority community, or women, or small business people, Fowler has sought to undermine their interests. If we review his proposals on EEO, or with regard to the 7-7-7 rule, or the financial interest rule, or universal telephone service, we find that without the intercession of Congress, Fowler would have given away the store to corporate interests. In an article published in this week's Time magazine, it was noted that Chairman Fowler's nickname when he was a disc jockey in Gainesville, Fla., in the late 1960's was "Madman Mark." Gainesville will be happy to know that he has lived up to that nickname here in Washington: Madness is the only appropriate description of the policies Mark Fowler has sought to implement during his tenure as chairman.

Despite my deep concerns about the Commission under the stewardship of Mark Fowler, I will vote for passage of this authorization bill. I will do so for one simple reason. I do not want to

afford Mark Fowler the excuse of a hiring freeze in rationalizing his abominable record on minority hiring. This authorization provides funding for approximately 200 new positions at the FCC, many of them in senior positions. I, along with many of my colleagues on the Telecommunications Subcommittee, have expressed the view that a significant percentage of the new positions we are authorizing today must be filled by minorities. Of course, I recognize that Mark Fowler has often and repeatedly thwarted the will of Congress, so I am putting him on notice today that when he comes back before Congress for Oversight Hearings next spring I will expect him to provide us with a complete evaluation of any hiring at the FCC after the date of this authorization. I do not intend to let this matter rest until the record at the FCC has improved appreciably.

In conclusion, I should note that my decision to support this authorization came only after careful thought. I recognize that many of my colleagues in the Black Caucus are reluctant to support this authorization bill because of the policies of Mark Fowler and this Commission. I hope they will reconsider. I also hope that Chairman Fowler will use this opportunity we are providing him to improve the FCC's internal EEO performance and to rethink his policies. If he does not, I look forward to our discussions in the spring.

Mr. RINALDO. Madam Chairman, I yield 5 minutes to the ranking member of the full committee, the gentleman from North Carolina (Mr. BROYHILL).

Mr. BROYHILL. Madam Chairman, I think we ought to put this bill in a little bit of perspective.

First, this authorization bill is not needed. The authorization years that are provided for in this legislation have been provided for in legislation that was passed back in 1981, and at that time the legislation set the authorization for appropriations ceiling at $130 million a year.

I think this is a bad precedent for us to come in here with a massive supplemental authorization bill for public broadcasting when the program has adequate funds and authorizations to run it for the next three years. In fact, we have already appropriated funds for all 3 years.

If public broadcasting were experiencing unexpected problems, I might be a little bit more sympathetic to the bill that is before us today.

What the committee majority did was to begin with an FCC authorization bill. Traditionally the committee has passed an authorization bill every 3 years or so. In other words, periodically they take a look at the operations of this commission and determine what level of funding they might recommend to the appropriations Committee.

But then they took that bill and added to it vastly increased authorizations for public broadcasting which are not needed. In my judgment, public broadcasting is doing quite well and I do not recall any of the people in the Public Broadcasting System coming to me and requesting increased funding. In fact, it was only after this bill had left committee and I had opposed this supplemental authorization bill that they then came forward and said they thought perhaps they could use some more money.

This is the wrong time to significantly increase funding for public broadcasting. This is a budget breaker. It is also coming right in the middle of an investigation into possible misuse of Federal funds, not only by National Public Radio but perhaps other public broadcasting funds as well.

National Public Radio is one of the largest single recipients of public broadcasting funds.

In addition, this bill is coming only 2 years after Congress had made a policy decision to begin setting a ceiling of $130 million for authorizations for the program.

Madam Chairman, I would like to take an extra 2 or 3 minutes to talk about my thoughts as to how funds for public broadcasting should be allocated. I have been giving this some thought for quite a while.

I think the time has come to permit and to introduce some competition into the provision of the network programing that is provided to the public radio stations around this country.

□ 1450

As Members know, there is really only one radio network serving public broadcasting today.

The reason for this is simple: The public broadcasting law that is on the books today in effect appropriates huge sums of money directly to one single network National Public Radio.

I believe it is bad public policy for Congress to give its stamp of approval to a single radio network.

In my view a better approach would be for Congress to appropriate all of the public broadcasting funds directly to the local public stations rather than giving huge chunks of money to NPR.

Then the stations themselves could decide the kinds of programming networks that best serve their needs rather than Congress making that decision for them.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RINALDO. Madam Chairman, I yield 1 additional minute to the gentleman from North Carolina.

Mr. BROYHILL. So, Madam Chairman, when we get to the amendment stage today, I plan to offer an amendment that would permit us to take one small step in the direction of demonopolizing public radio programing.

My amendment would permit the distribution of more public broadcasting funds directly to the stations in each of our districts. Then these stations either individually or in groups could decide the kinds of programing that they wanted to purchase with these added funds.

I think that would be more democratic, I think that the stations would run such an operation in a far more businesslike way, and I think it would ultimately lead to better programing because, after all, it is the local stations who have the legal responsibility of operating their stations in the standards of public interest which they are required to operate under, under the law.

Mr. WIRTH. Madam Chairman, I yield 2 minutes to the gentleman from Texas, (Mr. BRYANT).

Mr. BRYANT. I thank the chairman of our subcommittee for yielding to me.

Madam Chairman, I rise in strong support of House Resolution 2755.

Madam Chairman, I simply would like to say that this legislation is much needed. I would like to identify strongly with the remarks made previously by my colleague from Texas, Congressman LELAND, with regard to the need to have the FCC improve its record not only its own hiring, but those of the entire industry, with regard to minority hiring and minority representation in general in the entire broadcast industry.

Mr. WIRTH. Madam Chairman, I yield 3 minutes to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. I thank the subcommittee chairman for yielding time to me.

Madam Chairman, I would like to engage in a colloquy with the chairman of the subcommittee.

Madam Chairman, on May 24, I introduced H.R. 3105 to establish an Office of Ethnic Affairs within the Federal Communications Commission.

I introduced this bill for several reasons. First and foremost it was based on concerns prompted by the fact that in the first 3 months of 1983, more than 22,000 complaints were lodged with the FCC regarding TV and radio programing. This compares to 38,000 for all of 1982.

There is no breakdown by either ethnic or racial groups therefore it is difficult to assess how many of these complaints were based on programing which depicted these groups in a disparaging fashion. However, it is safe to assume that a number of these complaints were filed by ethnic and racial groups.

My second reason for sponsoring H.R. 3105 was to build into the FCC a more specific mechanism to handle

complaints from ethnic and racial groups. Presently, there is an office of Public Affairs in the FCC which seems to double as the complaint bureau. I believe it is critical to establish a specific office to monitor these specific complaints.

I would like to ask the chairman of the subcommittee how I can work with him to assure this issue is addressed in hearings and by monitoring the FCC's handling of complaints from ethnic and racial minorities?

Mr. WIRTH. Madam Chairman, will the gentleman from New York yield?

Mr. BIAGGI. I yield to the chairman of the subcommittee.

Mr. WIRTH. I thank the gentleman for yielding.

Madam Chairman, I thank the gentleman from New York for his concern and sensitivity to what is a very real problem. The gentleman from New York has been instrumental in bringing the issue of the negative portrayal of ethnic groups on television to the attention of both this subcommittee and the entire House.

The Subcommittee on Telecommunications has devoted an enormous amount of time to the problem of making sure broadcasters are responsive and sensitive to the needs of the local community in which we are located.

To date, the subcommittee has held three hearings that have focused on the portrayal of racial and ethnic minorities by the broadcast media.

Television and radio have the unique ability to bring America together through the presentation of diverse ideas and thoughts. But and I think the gentleman would agree that with this unique ability comes responsibility to meet the needs of groups within a community, and that responsibility is abdicated when television is replete with negative portrayals of ethnic and racial minorities, that, through stereotypes, may often be demeaning.

These issues are being focused on by the Telecommunications Subcommittee, particularly in our efforts to devise consensus broadcast reform legislation.

I would welcome the gentleman assisting our efforts in this regard. Additionally, when the House reconvenes early next year my subcommittee plans to hold another FCC oversight hearing which can specifically include a discussion of the issues in your bill H.R. 3105. I would like to invite the gentleman to join the subcommittee at this hearing so that he may ask the FCC directly how complaints regarding the depiction of racial and ethnic groups are being handled, and to clarify the responsibilities of broadcasters in meeting the needs of these various groups. I would be very happy to work with the gentleman on this effort so we can find an effective remedy to this problem.

Mr. BIAGGI. Madam Chairman, I thank the gentleman for according me this opportunity to engage in a colloquy with him and I look forward to a constructive relationship in the next session.

Mr. RINALDO. Madam Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. BLILEY).

Mr. BLILEY. Madam Chairman, I want to commend the chairman of the subcommittee, the gentleman from Colorado (Mr. WIRTH), and the ranking minority member of the subcommittee, the gentleman from New Jersey (Mr. RINALDO) for this legislation.

I would prefer it with a lower level of funding for public broadcasting and I intend to support the amendment of the gentleman from Ohio to achieve that end.

But we do need this legislation and I will be offering a couple of amendments.

First of all, I was successful in offering an amendment in committee that was accepted unanimously by the Committee on Energy and Commerce, something that does not happen very often in our committee, dealing with a troublesome problem for many of the Members of this body. And that is what has commonly come to be known as Dial-A-Porn.

This amendment would grant additional statutory authority to the FCC to move to remove this insidious operation from the minds of our children. What adults do, adults will do. I think they may be fools, but I do not think Congress has any reason to move.

But where children are involved, and that is what we have with this section, there is absolutely no way for the calls to be screened out. And because of that I think we have a duty to move.

I was happy to have the committee join with me unanimously in supporting this change. I am pleased that the Committee on the Judiciary has looked at it. They have offered an amendment that will be presented by the gentleman from Wisconsin later. I support that and will offer a substitute which merely changes the effective date and which we will explain at the time.

□ 1500

Second, I am going to offer an amendment to section 3. With all of the problems that we have had with public broadcasting, and in particular, National Public Radio, it came as a shock to me to learn this week that public broadcasting in 1982 did not feel that the president of that organization was adequately compensated at $80,100 a year and so provided him for 30 years an interest-free loan of $125,000 for a second mortgage for his home.

Now, my colleagues, I do not believe that the Members of this House will want to use the public money to provide mortgages. And for that reason I intend to offer an amendment to block this abuse.

I ask my colleagues to support the legislation.

Mr. WIRTH. Madam Chairman, I yield 3 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL. Madam Chairman, I rise in opposition to this legislation and I do so with reluctance because the minority Member and the majority Member are two persons that I have a great deal of respect for. But I say it without any hesitation and I say it without any equivocation, Mark Fowler, who directs the FCC is the most obstinate, irascible, uncooperative individual that serves in this administration. He thumbs his nose at the Congress, he thumbs his nose at small business, he thumbs his nose at minorities, and he ignores the will of the people. I cannot find it within my heart to give this kind of man more money to carry on these abominable practices that he has been carrying on.

I do not have the faith that my comrade, the gentleman from Texas (Mr. LELAND) has that Fowler is going to do better. A leopard does not change his spots. I think that this man is really a disgrace and should not even be in that position.

What has he done? I want to speak about three areas. Minority hiring and internal advancement. He has made up his mind to get rid of every minority that was in the FCC when he came there and for those who are still there to permit them no advancement. Pleading with him, cajoling with him, trying to show him the fairness of the issue has no impact. Mr. Fowler, in his arrogance, is determined to do what he wants to do and you are going to ask me to give him more money to be arrogant, and to hurt my people? There is no way I can do that.

Second, there is no question in my mind but under the leadership of this arrogant man, Mark Fowler, this agency has established the worst record, the absolute bottom zero worst record in terms of equal employment opportunity, but he laughs at you, he laughs at you when you bring this up. He feels that he is so powerful, greater than the Congress, that nobody can tell him to obey a law. And you want me to give a man like that more money to run an agency the way he wants to really in defiance in many instances of the will of the Congress.

Some years ago, under prior administrations, including Republican administrations, it was agreed that we needed to move minorities into entrepreneurship. That we were going to end many of the social welfare programs, which I support, but that we were going to substitute the develop-

ing of a viable minority entrepreneurial class.

That attempt was made under past administrations with the FCC. The doors were opened up for us to at least reach out and purchase radio stations, to compete, to get television stations. We had an opening that existed under Nixon, under Ford, under Carter, and we had hoped that President Reagan, with his emphasis on business, would carry on that tradition. Maybe the President wants to, but Mark Fowler, the arrogant head of FCC does not. He has cut off every opportunity, even single access chance that we have to own or purchase a radio station or television station. He is cutting out every opportunity that we as minorities would have in the new high tech aspects of communication.

And you want me to vote more money for this arrogant dictator who has no respect for us?

Vote down the bill. I would rather see it go down.

Madam Chairman, I am compelled to rise and express some grave concerns that I have with the legislation which is before us for consideration today, H.R. 2755, a bill which would authorize appropriations for the Federal Communications Commission (FCC) for fiscal years 1984 and 1985.

Madam Chairman, I have grave misgivings about the FCC's disgraceful performance in the areas of: First, minority hiring and internal advancement; second, enforcement of Federal equal employment opportunity laws; and third, minority business enterprise.

I will address each of these areas briefly, beginning with FCC's minority hiring and advancement.

In the area of minority hiring and internal advancement, the FCC's equal opportunity record is one of the worst among all Federal agencies. The agency's senior officials, who are the five FCC Commissioners, have set a shameful example for the rest of the agency in their failure to hire minorities, particularly black Americans. Incredibly, there are no black or other minority employees on Chairman Fowler's own staff, and there is only one black employee on the staff of the other three Commissioners.

Historically, each Commissioner has employed at least two legal assistants, one engineering/technical assistant, an administrative assistant, and a confidential assistant secretary, for a minimum of five employees for each Commissioner's office.

Customarily, however, the Chairman also employs a minimum of three additional employees. This brings to a total of approximately 28 the number of staff employees on the Commissioners' combined staff.

At the present time there is only 1 minority out of 35 in a senior executive service position at the Commission, and only one minority employed in a professional capacity in any of the 4 Commissioners' offices. Moreover, minority employment in other senior positions at the FCC has declined steadily over the past 3 years. This has resulted in an FCC which is devoid of a minority perspective in developing communications policy.

It is no mystery then why this agency's overall equal employment opportunity performance is what I consider one of the worst among all Federal agencies. For instance, there are no minority bureau chiefs or deputy bureau chiefs in any of the FCC's bureau offices. The Office of Plans and Policy, the agency's top policymaking area, employs no blacks and there is only one black attorney in the agency's Office of the General Counsel. Throughout FCC, there is only one black American employed in a policymaking position, and that employee is a division chief within the Mass Media Bureau.

My point is that FCC's professional staff develop and implement our national communications policies. They advise other departments and agencies on our international communications policies. An absence of black and other minorities at policymaking levels within that agency means an absence of a significant perspective in the development of crucial communications policies.

As a result of its abject refusal to employ black Americans and other minorities in policymaking positions, the current FCC administration has gutted its own ability to fulfill its mission. This failure is reflected in the number of proceedings which have been backlogged or delayed for consideration. The area of small and small disadvantaged business enterprise is one of those areas.

In fact, as minority interest in telecommunications ownership opportunities increases, FCC support in this area decreases. For example, the FCC's Minority Enterprise Division was created in May 1979 by former FCC Chairman Charles Fervis. This office staffed four full-time positions. Since then the current administration has totally undermined the effectiveness and, therefore, the mission of that office. In November 1981, the Minority Enterprise Division was merged with the Consumer Assistance Division; both components were reorganized to comprise the Consumer Assistance and Small Business Division, with 11 full-time employees. The operation was clearly understaffed and both consumer and minority enterprise organizations urged the FCC to increase the staff.

As of this date, less than 2 years later, the 11-member staff has been cut to 6. This action is most aptly characterized as "abominable." In my opinion, the current FCC administration has reversed the previous administration's move toward advancing minority enterprise opportunities in the telecommunications industries. I maintain that the underfunding, understaffing, and, therefore, the undermining of minority enterprise activities by the FCC are comtemptible and reprehensible actions on the part of this Federal regulatory agency. Consider these recent FCC actions:

MINORITY OWNERSHIP

While publicly affirming the importance of minority ownership, Fowler has sought to undermine the established goals and legal precedents upon which the policy is based. He also has sought to limit the policy's scope and impact.

Low-power TV originally was envisioned as a means of increasing diversity in broadcasting and increasing minority ownership of broadcasting facilities—minorities own less than 1 percent of all TV licenses. Therefore, when Congress initially authorized a lottery for awarding licenses for low-power TV, it included a minority preference in the lottery directive. This goal was nullified when Fowler refused to implement the lottery. Once Congress made the lottery mandatory, Fowler complained in an open hearing that the minority preference victimized "innocent white people."

In a case involving minority ownership of an FM radio station, Fowler dissented, seeking to limit the scope of the minority ownership preference solely to situations in which a minority entrepreneur would be serving a substantial minority audience. This ignores the judicial, executive, and legislative branches' recognition that minority owners' viewpoints are relevant to all the American people.

Under Fowler, the FCC has proposed to repeal the Commission's longstanding character requirement, so that persons found to have discriminated in employment or violated fraud and antitrust laws would no longer be disqualified from getting or keeping an FCC broadcasting license.

The FCC has eliminated numerous protections for listeners and refused to enforce others. By making license renewal automatic, the FCC has repealed de facto one of the most important tools for creating minority ownership in broadcasting—the distress sale policy. In fact, the Fowler Commission has approved only one distress sale since may 1981. The previous Commission approved 26.

EQUAL EMPLOYMENT OPPORTUNITY

Mark Fowler presides over a Federal agency with an absymal internal EEO record, particularly with regard to policymaking positions. There is only one minority in a senior executive service position at the FCC. And only one minority employed in a professional ca-

pacity in any of the four Commissioners' offices.

Fowler has encouraged the repeal of the Commission's annual EEO reporting requirements for broadcasters.

Fowler has been reluctant to require cable companies to comply with the current EEO requirements. In fact, the United Church of Christ, in a report issued in November 1982, accused the FCC of neglect of its EEO responsibilities with regard to the cable industry.

DEREGULATION

Fowler has supported the removal of Commission rules which insure maintenance of the public interest standard in broadcasting and mandates broadcasters service to the entire area of service, including minorities.

Fowler supports the removal of ownership restrictions which have assured inter alia the availability of affordable outlets for minorities.

Fowler has supported policies which will bar significant minority ownership in new technologies such as low-power television (LPTV); multiple channel multipoint distribution service (MMDS); and direct broadcast satellites (DBS). These policies will force small and small disadvantaged businesses to compete at a considerable disadvantage with large media corporations.

LICENSE RENEWALS

Over dissent, Fowler's FCC voted to renew a Michigan broadcaster's license, despite findings of an FCC judge of fraudulent conduct, conditioning news coverage on payment for advertising time and other abuses.

In a 1982 speech, Fowler admitted that the marketplace does not reflect the needs of children, but also said he opposed efforts geared toward insuring that TV stations carry programing to meet the needs of children.

The Fowler FCC voted to renew the license of five stations in Alaska despite an express finding that the stations' EEO program was passive, and that some of the stations have no minority employees.

ACCESS

The FCC has weakened enforcement of the fairness doctrine, which has protected the rights of minorities and other politically dispossessed groups.

The FCC has proposed to repeal the personal attack and political editorial rules—two protections especially important to minorities.

UNIVERSAL TELEPHONE SERVICES

The Fowler Commission developed the access charge proposal, which would have greatly reduced the cost of telephone service to heavy long-distance users, principally businesses and corporations, while contributing to a doubling or tripling of rates for residential consumers. By voice vote, the House overturned the access charge decision last week.

Repeatedly, the FCC Chairman has declined invitations to appear as speaker at one of the monthly luncheons of the National Conference of Black Lawyers Communications task force. While past Chairmen, Members of Congress, and leaders in the telecommunications industries have engaged in dialog with this organization, the current FCC Chairman has refused to participate in such an exchange.

Frankly, I am appalled by the manner in which the current FCC administration flouts enforcement of existing FCC policies and congressional directives which have created minority ownership preferences and affirmative action goals.

FCC's attitude of contempt and total opposition to maintaining and furthering opportunities for minorities in the field of communications threatens the progress achieved in broadcasting and cable television.

Because of the grave and serious national impact of FCC's actions on the civil rights of the large minority population of this country, I would urge the Members of the House to consider the points I have raised and refuse to sanction FCC's insensitivity to the impact of communication on all segments of society. I am ready to see that immediate action is taken to rectify FCC's destructive policies.

Mr. RINALDO. Madam Chairman, I yield 7 minutes to the gentleman from Ohio (Mr. OXLEY).

Mr. OXLEY. Madam Chairman, make no mistake about this bill. It is a budget buster. It asks for a $70 million increase in authorization levels for the 3 fiscal years, authorization levels that are 59 percent higher than the President asked for in fiscal 1984 and 100 percent more than the President asked for in fiscal 1986.

Moreover, the bill authorizes massive new Federal taxpayer infusions into public broadcasting at the very time we are investigating allegations that one of the major recipients of Federal dollars, National Public Radio, has been grossly mismanaged.

As a matter of fact, Madam Chairman, this House has authorized and has gone forward with an investigation by GAO that is currently being undertaken to look into the allegations and some of the facts that have come out about National Public Radio, which, of course, receives part of the funding under this authorization level.

And it is very important to point out, Madam Chairman, that under the leadership of Frank Mankowitz and others, NPR ended up with a $9 million shortfall out of a $26 million budget. And yet we are asked to come to this floor today and authorize $70 million more for the Corporation for Public Broadcasting. And how did the NPR avoid bankruptcy? How did they get out of that mess they got themselves in?

Well, they worked it out with—you guessed it—the Corporation for Public Broadcasting. The Corporation for Public Broadcasting taking $9 million taxpayers dollars for the shortfall and loaning it to the National Public Radio. And, I might point out, that loan has not been paid back.

Let us take a look, if we can, at the history of National Public Radio and how they got into this mess in the first place.

Back in February there were rumors abounding that NPR was in serious financial trouble. The indication was at that point that about $2.8 million was the amount of the shortfall. A few weeks later that deficit projection had risen to $6 million and then, after the accounting firm of Coopers & Lybrand concluded their investigation, they determined the deficit to be $9 million. Again, this is $9 million shortfall out of a $26 million budget. And yet, those same people have the temerity to come into this House and ask for an increase in the funding level.

Gross financial mismanagement without question. And I think the GAO report will back that up.

Let us just talk about a few of them if we can.

First of all, the NPR Board gave President Mankowitz a big salary increase in January of this year. In addition he got a salary advance of over $9,000 and then just for good measure, NPR bought him an automobile that cost $11,000.

Between last winter and this spring, when the financial mismanagement crisis became public, NPR hired 64 new full-time employees and 17 new part-time employees. In addition it gave 250 merit pay raises, ranging anywhere from 5 to 12 percent. Mismanagement, you had better believe it.

More than 100 NPR employees, 25 percent of their entire work force, had American Express credit cards. And during a 7-month period of a spending binge, those employees spent over $800,000 that were charged to the American Express cards, which is an average of nearly $1,000 for each employee per month, with no prior approval of the spending of those credit cards. Totally undocumented expenditures by those employees.

□ 1510

And those same people want to come to the Congress of the United States and ask that we increase the funding level by $70 million? I think that this Congress is too smart, too wise, too appropriately political to look NPR and the Corporation for Public Broadcasting in the face and say: "Yes, we are going to reward your mismanagement, we are going to give you $70 million more that you can spend."

Clearly, the Corporation for Public Broadcasting had a responsibility here to oversee the massive mismanagement of NPR, but they apparently chose to look the other way. So the question is whether we are going to reward these people for that type of mismanagement or whether we are not.

Madam Chairman, I will have an amendment that I will be offering which will lower the appropriation level, not cut but simply provide a 3-percent rate of growth for the Corporation for Public Broadcasting for the next 3 fiscal years, which will provide for an inflationary increase while at the same time keeping the level of spending to a reasonable level.

I ask that the House seriously consider that amendment because I think our responsibility clearly is to the taxpayers and to protect that amount of money that is being spent so willy-nilly at NPR. There has been a shakeup at NPR. The track record for the new management is untested. We simply do not know and will not know officially until the GAO report comes out as to exactly what we are into as far as the mismanagement is concerned.

I would like to cite just one example, if I may, Madam Chairman, about some of the excesses that occurred with the use of credit cards. And, again, 25 percent of the employees have credit cards. NPR's nonexistent oversight of its credit cards was astounding. Company officials did not pay any attention to the employees' substantiation papers, even when they were supplied. Instead, NPR simply paid the monthly American Express bills. One company employee had diligently turned in her documentation papers every month. In January this year, she submitted vouchers documenting $2,185 of American Express charges for that month. Yet American Express sent a bill to NPR stating that the employee had charged $8,700 to her card. Did NPR look into that particular discrepancy? No. They simply paid the bill.

The same thing happened in February. During that month the employee submitted documentation for over $1,000 in charges that she said she made to American Express. The American Express billed NPR for $8,300. NPR paid it, no questions asked. Finally, in April, the employee discovered that someone else, not even an NPR employee, had gotten access to her credit card and was charging items to that card. NPR probably never would have found out about it on its own.

So I think this bill is a budget buster and should be defeated.

The CHAIRMAN. The gentleman from Colorado (Mr. WIRTH) has 13 minutes remaining; and the gentleman from New Jersey (Mr. RINALDO) has 10 minutes remaining.

Mr. WIRTH. Madam Chairman, I yield myself 5 minutes.

Madam Chairman, I will say that last statement related to National Public Radio should not go unanswered. I do not think any of us would apologize nor defend NPR for fundamentally lousy management practices. But to carry that kind of past history into the current debate about the future of public radio, which reaches millions and millions of Americans, and to punish that future on behalf of the transgressions of a few in the past, is absolutely wrong. And it is wrong to do that, as well, by using a number, I think, of specious allegations related to the figures and what is going to NPR.

To suggest, as the previous speaker did, I believe, that $70 million is going to NPR is wrong.

Under the law, only 22 percent of the total amount of money going to public broadcasting in the country, only 22 percent can go to public radio overall. Half of that goes to local stations and half goes to NPR.

So, to assert that $70 million is going to bail out past transgressions is flat wrong.

To suggest that nothing has been done at NPR is also scarcely a reflection of the truth. What has gone on at NPR are being built into this a series of certifications that have to be made before NPR can get any money. Audit reports have demonstrated that there have been no specific instances of misuse of Federal funds. But even so, the audit reports in that whole procedure have been tightened up through the efforts, I would say, primarily of the gentleman from Michigan (Mr. DINGELL) on the Subcommittee on Oversight on this side of the aisle aggressively pursuing this. Expenses have been brought under control, in part by reducing the staff by 140 employees. A completely new management team has been brought in from the outside to stabilize NPR's finances. And, I might add, not reflected in the earlier comments, resignations have been tendered from the President, the Executive Vice President, the chief financial officer, the Chairman of the Board, and the Chairman of the Finance Committee of NPR's previous management.

A clean break has been made with the past. What is at issue here is if you support public radio or not. If you want to destroy public radio, then make a whole variety of justifications and arguments for making sure that that precious resource, which is such things as "All Things Considered" and "Morning Edition," is destroyed. That, it seems to me, is the choice you have, and you can go ahead and do that.

From our perspective I believe a thorough majority of the committee wants to see NPR cleaned up, and strengthened, and not destroyed. That is the issue that we face here, and I would hope that we would vote down the destructive amendments being offered by the minority and support the Corporation for Public Broadcasting and National Public Radio.

Mr. RINALDO. Madam Chairman, I yield 3 minutes to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Madam Chairman, I wonder if I might have the attention of the distinguished chairman of the subcommittee for purposes of a colloquy.

Low-power television is a communications service which could create hundreds of new local television stations throughout the country, including my home State of New Jersey. These areas are presently underserved by existing full-power television stations, and I have been assured that this service presents competition for neither existing commercial nor proposed cable stations.

The Federal Communications Commission, with a backlog of more than 10,000 applications for a low-power television service, has made some progress in issuing licenses for these small stations to operate.

However, at the present time the FCC is processing approximately 20 applications per month in a three-tiered system, using mileage from major markets as its guide.

It will be years before certain applications are considered because of applicants' proximity to a large city like, in our case, New York or Philadelphia.

The Telecommunications Subcommittee has made it clear that it wants expeditious approval of new technology by the FCC. This bill authorizes additional positions within the FCC for this purpose. Positions are specifically authorized for the processing of new VHF drop-in stations and for a new FM radio station.

I am concerned that the FCC eliminate these backlogged applications and getting this new technology to the public as soon as possible.

Mr. WIRTH. Madam Chairman, if the gentlewoman will yield, I agree completely with her concerns. The committee has continually expressed our concern about the goal which we share of making new technologies available to the public as soon as possible.

As the committee report on this bill makes clear, there is a great and deep concern about the backlog which the gentlewoman so carefully and well pointed out, the backlog at the FCC of low-power television applications.

In order to avoid the delay that would occur if the several low-power televison applications were processed in the usual comparative proceeding, Congress last year gave the FCC the authority to use a lottery system to select low-power television stations

which along with money for new computer capability, will help speed the delivery of this service.

I know from earlier correspondence with the FCC that the gentlewoman has shared with us in the subcommittee that this backlog works to delay the availability of this new broadcast service in New Jersey as well as all areas of the country.

The subcommittee has and will continue to express our strong concern that the Commission is not processing these applications at the rate that has been anticipated. The committee has continually reminded the Commission and clearly stated in the committee report that should additional resources be needed for processing low-power television applications, the Commission should ask us for it, and otherwise Congress will expect that the processing of low-power television applications go forward at a much, much faster rate.

This issue has been continually raised by the subcommittee each time the FCC appears before us in oversight hearings. The next oversight hearing will take place early in the year 1984, and I would invite the gentlewoman from New Jersey to please come and join us to express her concern and to again push or, I might say, kick the Commission, if that is a better verb to use. I would appreciate the gentlewoman's help. We have had a very difficult time cajoling, pushing, kicking, and getting them to move on an issue that we all agree on they piously agree but have not done anything.

□ 1520

The CHAIRMAN. The time of the gentlewoman from New Jersey (Mrs. ROUKEMA) has expired.

Mr. RINALDO. Madam Chairman, I yield 1 additional minute to the gentlewoman from New Jersey.

Mrs. ROUKEMA. I thank the gentleman for yielding me this additional time.

I appreciate the chairman's responsiveness to the issue and I know of our shared concern. I accept your invitation for those hearings next year.

Mr. RINALDO. Madam Chairman, will the gentlewoman yield?

Mrs. ROUKEMA. I yield to my colleague, the gentleman from New Jersey.

Mr. RINALDO. I thank the gentlewoman for yielding.

Madam Chairman, I want to point out that I very strongly share the gentlewoman's concern. In this regard, I filed a petiton at the FCC to require the Commission to use low-power TV to expand the coverage areas of WRTV channel 9 license to Secaucus, N.J.

Many of our colleagues do not realize that this is a brand new station in New Jersey. The fact of the matter is, it is the only VHF station in my home State of New Jersey. The important thing is that the use of low-power TV to expand the area's coverage would enable WRTV to cover most, if not all, of the State, and I certainly hope that that petition, which is in line with your thinking, is approved and taken up by the FCC at the earliest possible opportunity.

The CHAIRMAN. The time of the gentlewoman from New Jersey (Mrs. ROUKEMA) has again expired.

Mr. RINALDO. Madam Chairman, I yield 1 additional minute to the gentlewoman from New Jersey.

Mr. MITCHELL. Madam Chairman, will the gentlewoman yield?

Mrs. ROUKEMA. I yield to the gentleman from Maryland.

Mr. MITCHELL. I thank the gentlewoman for yielding.

Is it not true that when the lottery system was proposed for the low-power TV, that Fowler simply refused to implement it?

Mr. WIRTH. Madam Chairman, will the gentlewoman yield?

Mrs. ROUKEMA. I will yield to the gentleman from Colorado for this specific inquiry.

Mr. WIRTH. I thank the gentlewoman for yielding.

Madam Chairman, the gentleman is correct.

Mr. MITCHELL. All right. If the gentleman would stop at that point, he initially refused.

Mr. WIRTH. That is correct.

Mr. MITCHELL. Then we mandated him to do it; is that correct?

Mr. WIRTH. We had mandated him earlier to do it and he came back to us and allowed as to how the mandate was too complicated and he could not do it.

Mr. MITCHELL. Another evidence of his arrogance, and we want to give him more money.

Mr. WIRTH. Well, I would call it confusion.

Mr. MITCHELL. Confused arrogance. I do not care how you call it; it is still arrogance.

Mr. RINALDO. Madam Chairman, may I inquire as to how much time we have remaining?

The CHAIRMAN. The gentleman from New Jersey (Mr. RINALDO) has 5 minutes remaining and the gentleman from Colorado (Mr. WIRTH) has 10 minutes remaining.

Mr. WIRTH. Madam Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. I thank my dear friend from Colorado for yielding this time to me.

Madam Chairman, I strongly support H.R. 2755, and congratulate my good friend from Colorado for the outstanding job that he and the subcommittee have done in presenting us with this legislation, and urge my colleagues to support it.

Madam Chairman, the bill authorizes $91.2 million for the FCC for fiscal years 1984 and 1985. This represents a $5 million increase, requested by the Commission, above the figure recommended in the President's 1984 budget. The additional funds would enable the Mass Media and Common Carrier Bureaus to reduce large backlogs of applications for new and existing services and also help the Common Carrier Bureau address post-divestiture policy issues.

The bill also increases existing authorizations for public broadcasting for 1984, 1985 and 1986 from $130 million for each of those years to $145 million, $153 million and $162 million. These figures would preserve the current 1983 appropriations level of $137 million in real terms over the next 3 years by applying an inflation factor of 5.6 percent, the projection in the administration's budget request to Congress.

The case for these modest increases is clear and is spelled out in my letter of March 7 to Congressman NATCHER, chairman of the Appropriations Subcommittee with jurisdiction over public broadcasting, advising him of the Energy and Commerce Committee's recommendation to the Budget Committee in this regard.

I include that letter in the RECORD at this point:

COMMITTEE ON ENERGY AND COMMERCE,
Washington, D.C. March 7, 1983.

Hon. WILLIAM H. NATCHER,
Chairman, Subcommittee on Labor, Health and Human Services and Education, Committee on Appropriations, Washington, D.C.

DEAR BILL: The Corporation for Public Broadcasting (CPB) provides funds for production and programming to 230 public radio stations and 170 public television stations which offer high quality alternative programming to the public. I am deeply concerned that scheduled reductions in Federal support for CPB from $137 million in fiscal year 1983 to $130 million in each of fiscal years 1984, 1985 and 1986 will result in irreversible damage to the nation's high quality public broadcasting system.

CPB has already sustained serious damage as a result of the deep funding cut imposed in its budget for fiscal year 1983. That $35 million reduction represents a 26 per cent decrease below fiscal year 1982 appropriations of $172 million.

If the scheduled reductions are allowed to go into effect, public broadcasting stations will be forced to continue the pattern of reduction and elimination of programs, hours of broadcast, staff and other services necessitated by the previous round of budget cuts. Your Subcommittee has received testimony that in West Virginia, for example, 24-hour broadcast days have been reduced to 16 hours, local production has been cut 50 per cent, Saturday and Sunday morning television programming has been eliminated, and some stations cannot afford to come on the air until 4 P.M. each weekday. In addition, important educational series, such as 3-2-1 Contact, are going out of production for lack of funding, even as the national demand for math and science instruction in-

creases. Unavailability of sufficient funds also jeopardizes production of other programs, such as Overeasy, targeted at specific audiences like the elderly. Employment in the industry is declining even as the number of certified stations is increasing. Further damage to the system is inevitable as creative program developers and other skilled personnel continue to leave public broadcasting for other jobs or seek other outlets for their work. Scheduled decreases of Federal support will require public stations to pursue even deeper cuts.

The 1981 reduction of future Federal funding for CPB below the current level assumed that alternative private and local government sources of funding would make up for the loss of Federal support. This has not in fact been the case; CPB is facing a funding shortfall that threatens its existence. Local funding and private contributions have not increased and they are likely to decrease in the face of the continuing recession. Moreover, several reports suggest that alternative funding is not feasible in the short term. A report from the CPB-sponsored Task Force on Long Range Financing, which functions independently of the Corporation, recently concluded that minimum Federal Support of $200 million, plus increases to compensate for inflation, is needed in 1987 simply to provide the current level of services. The first report of the Temporary Commission on Alternative Financing for Public Telecommunications also concluded that public broadcasting will be dependent upon federal financing as its primary source of support for the foreseeable future. Its second report, due October 1, will consider long-range financing options such as limited advertising, studio rentals, and cassette sales.

After adjusting for inflation, Federal funding is scheduled to drop from $137 million in 1983 to $123 million in 1984, $117 million and $110 million in 1986 in 1983 dollars. These levels represent reductions in real dollars for those fiscal years of $59 million, $65 million and $72 million from fiscal 1982 appropriations and reductions of 32, 36 and 40 percent from such level. Given the inability of voluntarism to yield more non-Federal funding in the short-term, these cuts are a clear recipe for the disintegration of public broadcasting as a high quality public service alternative to commercial fare. Even if the studies underway culminate in a sound long-term plan for alternative financing, implementation of the current schedule of cuts means that irreparable damage will already have been done to public broadcasting before supplemental financing might materialize.

Despite the crisis in public broadcasting, the Administration has proposed rescissions in CPB's budget of $45 million in fiscal 1985 and $55 million in fiscal 1986, levels that would reduce the public broadcasting budget to only $85 million and $75 million in those years. As the Administration certainly knows, enactment of such serious reductions would be the death knell of public broadcasting. Indeed, the continuing uncertainty generated by the announcement of such cuts itself constitutes an assault on the public broadcasting system since long-range planning is rendered impossible. Public stations need reliable, predictable and adequate sources of income to make long range programming decisions.

The Administration argues that Federal funding is not needed because the system can survive if every viewer earning over $20,000 annually contributed $6 to its support. This attitude reveals either naive faith in "voluntarism", which has not materialized to date, or a cynical hostility to an important national resource. This approach also ignores the fact that the public broadcasting audience consists of many lower-income citizens who benefit from its programming but may be unable to contribute to its financial support.

The deterioration of public broadcasting must be stopped now. The Energy and Commerce Committee's recommendations to the Budget Committee contain proposed funding levels for CPB of $145 million in 1984, $153 million in 1985 and $162 million in 1986. These recommendations would merely preserve the current funding level of $137 million in real dollar terms, adjusted by modest increases to reflect a 5.6 per cent annual rate of inflation, the projection used in the Administration's latest budget request to Congress. I intend to pursue these recommended increases in authorization legislation to be considered by the Energy and Commerce Committee and strongly urge that you and your Subcommittee provide the same funding levels for CPB in your forthcoming appropriations bill.

I look forward to working with you to secure adequate funding levels for CPB and appreciate your favorable consideration of this request.

Best regards.

Sincerely,

JOHN D. DINGELL, *Chairman.*

Mr. DINGELL. Madam Chairman, nothing has changed since this letter was sent. The essential points are:

First, the 1981 reduction of Federal funding for public broadcasting assumed that alternative private and local government sources of funding would make up for the loss of Federal support and, therefore, that public broadcasting services would not unduly suffer overall.

Second, in fact, this alternative financing has not materialized. As a result, public broadcasting has sustained severe damage—many stations have had to reduce hours; some programs have been eliminated; others, including such important educational series as "3-2-1 Contact," are going out of production.

Third, further damage to public broadcasting is inevitable if the decline in Federal funding continues. The erosion must stop now if we are to preserve the possibility of continued high quality public broadcasting in this country.

Fourth, H.R. 2755 takes the necessary step to prevent further decline by stabilizing CPB funding at the 1983 level in real dollars. It does not attempt to roll back the clock to former levels of Federal funding but merely prevents any further decline. It is both moderate and necessary action to preserve public broadcasting from irreparable damage.

Since this bill was introduced, revelations have come to light regarding financial mismanagement in one segment of public broadcasting—National Public Radio. The Energy and Commerce Committee and the Corporation for Public Broadcasting have moved swiftly and decisively to determine the extent of the problem, including an examination of NPR by CPB's own auditors and a GAO investigation undertaken at my request. New interim management was installed at NPR to restore orderly management and to work our internal and external arrangements which would enable NPR to continue in existence and insure proper financial controls and accountability. The interim management took strong steps to put NPR's house in order, including personnel changes and an independent audit by Cooper and Lybrand.

It also negotiated arrangements with NPR's member stations and with CPB which will permit NPR to return to financial health over an orderly period of several years.

To strengthen this process of orderly return to financial stability, the committee added an amendment to H.R. 2755 designed to insure that no Federal funds will be distributed to NPR after enactment of this bill unless it has its financial house in order. Some of the actions required by the amendment are already underway. This amendment, which is section 5 of the bill as reported, underpins reforms which have already been made, but it also goes further and requires still tighter discipline.

At the beginning of this month, the period of interim management ended and a new president was installed at NPR. The initial emergency, therefore, appears to have been successfully dealt with and the first initial steps toward recovery have been taken. The Energy and Commerce Committee will closely monitor these developments very closely to insure the strictest standards of financial integrity.

However, the difficulties of NPR do not reflect upon the rest of public broadcasting. The more than 280 public radio stations and the entire public television community are blameless for NPR's financial plight and are continuing to provide their communities with superlative service. Indeed, throughout the crisis, NPR's own programing department has continued to provide high quality programing despite the disarray in the corporation's management.

It is imperative that the problems which have arisen in one part of public broadcasting be fully understood and swiftly and decisively corrected. But the existence of those problems does not diminish the need to stabilize public funding for all of public broadcasting at the current real level in order to prevent the deterioration of this valuable national resource.

Mr. RINALDO. Madam Chairman, I yield 4 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Madam Chairman, I rise in support of H.R. 2755 which

would reauthorize the Federal Communications Commission for fiscal years 1984 and 1985.

I want to commend the gentleman from Colorado (Mr. WIRTH) and the gentleman from New Jersey (Mr. RINALDO) for their leadership in bringing this bill to the floor of the House.

There are going to be, and have been, as you have all heard, a great many complaints expressed here today over the modest increase in the funding for the Corporation for Public Broadcasting. The legislation increases funding for CPB by only 5.6 percent for the fiscal year 1983. This translates into $145 million in fiscal year 1984, $153 million in fiscal year 1985, and $162 million in fiscal year 1986.

To those who say that this modest increase is too much, I would like to share some impressive figures on what CPB funding has meant to my area of the country, western Massachusetts.

Let me say first of all that I could not agree more with the gentleman from Ohio (Mr. OXLEY) when he reported the mismanagement and bad management of NPR. We held hearings on issue in our Committee on Appropriations. As a strong supporter of public Broadcasting, I was shocked. But we do not throw out the baby with the dirty water. It has been cleaned up. As the gentleman from Colorado (Mr. WIRTH) has mentioned, new management has come in. They have cut over 145 employees. They tightened up their reporting system, and I think they are on the right track now.

The public broadcasting station in western Massachusetts has 300,000 viewers each week. Seventy percent of the shows are devoted to children's television programing. It is the only station which devotes one prime time show to the problems of teenagers, such as drug abuse and suicide. There is a half-hour program devoted daily to senior citizens. In January, they will begin a show focusing on the problems of the poverty-stricken Hispanic population in Massachusetts.

These figures, I am sure, are similar to those in many areas of the country. For example, "Sesame Street" receives as many viewers as the "Today" show. These facts should give us some idea of how important public broadcasting has become. Public broadcasting is the only consistent outlet for educational television programing.

With funding reduced for CPB, unfortunate cutbacks have occurred. The quality programing available over public broadcasting must never be compromised, and this small funding increase will insure that planned programs can go into effect and that quality educational programing can continue to be available.

Overall, Madam Chairman, this is good legislation. It provides additional funds to the FCC for more staff positions to evaluate applications for such services as FM radio and low-power television stations. It contains a provision directing the FCC to establish a plan which adequately insures that the needs of State and local public safety agencies will be taken into account in making frequency allocations, and it recognizes and makes provisions for the funding problems with National Public Radio.

Speaking of public broadcasting, there have been a lot of rumors, in fact they are more than rumors that public broadcasting is thinking about eliminating "The Lawmakers." We do not want to direct their programing, but believe me, if there is one program that I find is popular with my people, it is "The Lawmakers," and I hope they have the good sense to keep airing "The Lawmakers."

I urge my colleagues to adopt this bill.

Mr. RINALDO. Madam Chairman, I have one further request. I yield 1 minute to the gentleman from Nebraska, Mr. BEREUTER.

The CHAIRMAN. The Chair would advise the gentleman from New Jersey that that will finish his time.

Mr. RINALDO. I thank the Chair.

Mr. BEREUTER. I thank the gentleman for yielding this time to me.

Madam Chairman, I would like to use this passing opportunity to send a message to National Public Radio. I think that most of my colleagues on both sides of the aisle would say that on most issues my position is the center of the spectrum.

There are many critics of NPR and I find that most of those critics rarely listen to NPR. I do listen to it each morning for news, and I frequently listen to public service programs on national issues. Frankly, though, I am not sure that I should continue because I may soon have ulcers.

I am finding, and this is my complaint, that NPR is increasingly biased, in its news reporting, and that it is increasingly partisan in its public service programs relating to national issues. By tone and word, its news reporting fairly drips with commentary.

I have been a very strong supporter of NPR. In fact, at one time, this Member lamented the fact that NPR has very little coverage in my home State. Now I am not quite so sure. I will support the additional authorization for NPR, but I am serving notice that, for this one Member, NPR is on probation.

● Mr. WAXMAN. Madam Chairman, I rise in support of H.R. 2755, and would like to talk briefly about one of the most important provisions of that bill.

As many of my colleagues may be aware, there is a growing danger in many of our communities that poses a risk to both our public safety service officers and the general public. At a time when our Nation is enjoying the fruits of an exciting and far-reaching communications revolution, our police, fire, and emergency unit departments often collide with frustrating and dangerous communications problems.

It is a classic problem for our public safety service organizations. They really have no economic interest, or potential, in receiving spectrum. Unlike the entertainment industry, where frequency means large profits and effective lobbying at the FCC for more spectrum, our police and fire units serve the public on whatever resources can be provided to them. As a result, when frequency is allocated and the deck is shuffled by the FCC, these dedicated public servants generally get the leftovers.

The neglect of many years has taken its toll. Many agencies are now forced to communicate over as many as five different frequencies, with separate equipment needed for each frequency. Such a system is inefficient and dangerous. In practice, it insures that our police, fire, and emergency departments will be unable to talk with each other. Even worse, frequency shortages needlesly jeopardizes lives. Indeed, in some areas frequency crowding prevents police officers from using portable radios, leaving them unable to call for assistance once they leave their patrol cars. Such a system serves no one's interest.

Something needs to be done to right this situation. H.R. 2755 moves in the right direction. Although the bill does not allocate frequency, it does tell the FCC that Congress feels public service agencies should get more than just token consideration for frequency. The bill requires the Commission to do something about the problem.

Specifically, the bill requires the FCC to adopt a plan that protects the needs of State and local public safety service agencies in frequency allocation decisions. In establishing the plan the FCC must consider the current and future needs of public safety authorities in light of commercially available equipment, and the need for a contiguous frequency allocation for public safety purposes.

This provision, which was adopted unanimously by the Energy and Commerce Committee, is not controversial.●

● Mr. LEVINE of California. Madam Chairman, today the House considers H.R. 2755, legislation to reauthorize the Federal Communications Commission (FCC). Contained in that bill is a crucial committee amendment which directs the FCC to establish a plan to insure the needs of public safety when allocating communications frequency spectrum.

Currently, time delays exist in the coordination of providing emergency services. For instance, one city's police force cannot routinely radio another's

without going through police headquarters to be connected. In these times when technology is moving forward so quickly in so many different directions, we should be able to guarantee our citizens their safety and security. Communication among police, fire, and paramedics must be as smooth and efficient as possible to provide the best possible response to community needs.

Earlier this year, members of the Los Angeles Peace Officers Association and the Los Angeles County Sheriffs' Department repeatedly expressed their concerns to me, to my California colleagues, and to the FCC that the spectrum available for public safety uses was too limited. They feel that, due to inadequate planning, the public radio bands have become congested and fragmented. And, they believe they cannot compete with the private sector for spectrum because of the limited resources and financial constraints of local government.

Madam Chairman, my coastal district is particularly prone to disasters caused by floods and fires. My constituents and citizens throughout the country have every right to expect that lifesaving services will be provided in the most timely and efficient manner possible. The public safety provision in H.R. 2755 is an essential step forward in that direction—I support it wholeheartedly.●

● Mr. WEISS. Madam Chairman, the legislation before the House today to authorize appropriations for the Federal Communications Commission (FCC) provides a modest but essential increase in funding for the Corporation for Public Broadcasting. For this reason I intend to vote in favor of H.R. 2755.

However, I believe this is an appropriate time to comment on the FCC's inexcusable record of indifference toward those Americans who have been traditionally neglected by the broadcasting industry: minorities, children and low-income citizens.

The FCC, under the direction of its chairman, Mark Fowler, has repeatedly turned away from its regulatory obligations.

In his zeal to deregulate the broadcasting industry, Chairman Fowler has supported the elimination of FCC rules which protect the public interest standard in broadcasting and insure broadcaster service to the entire populace, including minorities and children.

The FCC itself has an appalling record of upholding equal employment opportunities principles within the Commission. Of the 35 FCC employees in senior executive service positions, only 1 individual is a member of a minority community. No more than one minority is employed in a professional capacity in any of the four Commissioners' offices.

Chairman Fowler has been hesitant to require cable television firms to comply with existing equal employment opportunity requirements, and he has urged the repeal of equal employment opportunity reporting requirements for broadcasters.

He has also, in a number of instances, demonstrated a total lack of support for the FCC's longstanding policy of promoting minority ownership of radio and television stations.

The broadcasting industry, perhaps more than any other industry regulated by the Federal Government, requires strong oversight. Radio and television's ability to reach mass audiences gives the medium great influence. Adequate public access and responsible programing can only benefit all Americans while strengthening our democracy.

Unfortunately, the FCC, under the present administration, is replacing strong oversight with regressive policies that hurt those least able to gain access to the airwaves.●

Mr. WIRTH. Madam Chairman, I yield back the balance of my time.

□ 1530

The CHAIRMAN. Pursuant to the rule, the committee amendment in the nature of a substitute now printed in the reported bill shall be considered as an original bill for the purpose of amendment, and the substitute shall be considered as having been read. No amendments to the bill or to the said substitute are in order except: First, amendments only to change the dollar figure on page 2, line 10 to another dollar figure, which shall only be subject to amendments to change such dollar figure to another dollar figure; second, amendments which are germane to the text of sections 3, 5, and 6 of said substitute, relating to the funding and authority of the Corporation for Public Broadcasting; and third, an amendment to section 8 of said substitute printed in the CONGRESSIONAL RECORD of November 8, 1983, by, and if offered by Representative RODINO or Representative KASTENMEIER.

The Clerk will designate the committee amendment in the nature of a substitute.

The text of the committee amendment in the nature of a substitute for H.R. 2755 is as follows:

H.R. 2755

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Communications Commission Authorization Act of 1983".

FEDERAL COMMUNICATIONS COMMISSION APPROPRIATIONS AUTHORIZATION

SEC. 2. (a) Section 6 of the Communications Act of 1934 (47 U.S.C. 156) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 6. There are authorized to be appropriated for the administration of this Act by the Commission $91,156,000, together with sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and other nondiscretionary costs, for each of the fiscal years 1984 and 1985.".

(b) The amendment made by subsection (a) shall apply with respect to fiscal years beginning after September 30, 1983.

INCREASE IN PUBLIC BROADCASTING APPROPRIATIONS AUTHORIZATION

SEC. 3. Section 396(k)(1)(C) of the Communications Act of 1934 (47 U.S.C. 396(k)(1)(C) is amended by striking out ", and $130,000,000 for each of the fiscal years 1984, 1985, and 1986." and inserting in lieu thereof ", $145,000,000 for fiscal year 1984, $153,000,000 for fiscal year 1985, and $162,000,000 for fiscal year 1986.".

FEDERAL COMMUNICATIONS COMMISSION ADMINISTRATIVE MATTERS

SEC. 4. (a) Section 316 of the Communications Act of 1934 (47 U.S.C. 316) is amended—

(1) in subsection (a), by inserting "(1)" after "(a)" and by striking out "and shall have been given reasonable opportunity" and all that follows and inserting in lieu thereof "and shall be given reasonable opportunity, of at least thirty days, to protest such proposed order of modification; except that where safety of life or property is involved, the Commission may by order provide for a shorter period of notice.";

(2) by adding at the end of subsection (a) the following new paragraphs:

"(2) Any other licensee or permittee who believes its license or permit would be modified by the proposed action may also protest the proposed action before its effective date.

"(3) A protest filed pursuant to this subsection shall be subject to the requirements of section 309 for petitions to deny."; and

(3) in subsection (b), by inserting before the period at the end thereof the following: "; except that, with respect to any issue that addresses the question of whether the proposed action would modify the license or permit of a person described in subsection (a)(2), such burdens shall be as determined by the Commission".

(b) Section 503(b)(5) of such Act (47 U.S.C. 503(b)(5)) is amended by inserting, before the period in the second sentence, the following: "or if the person involved is transmitting on frequencies assigned for use in a service in which individual station operation is authorized by rule pursuant to section 307(e)".

FINANCIAL OVERSIGHT OF NATIONAL PUBLIC RADIO BY CORPORATION FOR PUBLIC BROADCASTING

SEC. 5. Section 396(1) of the Communications Act of 1934 (47 U.S.C. 396(1)) is amended by adding at the end thereof the following:

"(4)(A) Subject to subparagraph (C), the Corporation may not distribute to National Public Radio any funds authorized to be appropriated by this Act unless there is in effect a determination by the Corporation that—

"(i) National Public Radio has adopted and is implementing a system of financial controls and procedures devised in consultation with, and recommended by, an independent certified public accountant and determined by the Comptroller General as sufficient to assure that the financial trans-

actions of National Public Radio reflect prudent management practices and are accounted for in a manner consistent with generally accepted accounting principles;

"(ii) National Public Radio has adopted a budget under which reasonably projected expenditures will not exceed reasonably projected revenues from all sources for any fiscal year in which such funds are distributed to National Public Radio; and

"(iii) financial reporting systems of National Public Radio provide the Corporation with continuous access to all financial books and records of National Public Radio.

"(B) Not later than fifteen days after the date of the enactment of this paragraph, the Corporation shall report to the appropriate committees of the Congress on actions taken by National Public Radio to meet the conditions described in subparagraph (A) and on actions taken by the Corporation with respect to the indebtedness of National Public Radio related to deficits accumulated before October 1, 1983. The Corporation shall certify to such committees when such conditions have been met.

"(C) The requirements of subparagraph (A) and (B) shall cease to be effective on and after the date on which the Corporation certifies to the appropriate committees of Congress that all indebtedness of National Public Radio related to deficits accumulated before October 1, 1983, has been liquidated in full.".

CORPORATION FOR PUBLIC BROADCASTING ADMINISTRATIVE MATTERS

SEC. 6. (a) Section 396(c)(1) of the Communications Act of 1934 (47 U.S.C. 396(c)(1)) is amended—

(1) in the first sentence, by striking out ", and the President of the Corporation"; and

(2) by striking out the third sentence.

(b)(1) Section 396(d)(1) of such Act is amended by inserting after "annually" the following: "elect one of their members to be Chairman and".

(2) The subsection heading for section 396(d) of such Act is amended by striking out "VICE CHAIRMAN" and and inserting in lieu thereof "CHAIRMAN AND VICE CHAIRMAN".

(c) section 396(e)(1) of such Act is amended by striking out "No officer of the Corporation, other than a Vice Chairman" and inserting in lieu thereof "No officer of the Corporation, other than the Chairman or a Vice Chairman".

ADMINISTRATION OF REGIONAL CONCENTRATION RULES FOR BROADCAST STATIONS

SEC. 7. Section 310 of the Communications Act of 1934 (47 U.S.C. 310) is amended by adding at the end thereof the following new subsection:

"(e)(1) In the case of any broadcast station, and any ownership interest therein, which is excluded from the regional concentration rules by reason of the savings provision for existing facilities provided by the First Report and Order adopted March 9, 1977 (docket No. 20548; 42 Fed. Reg. 16145), the exclusion shall not terminate solely by reason of changes made in the technical facilities of the station to improve its service.

"(2) For purposes of this subsection, the term 'regional concentration rules' means the provisions of sections 73.35, 73.240, and 73.636 of title 47, Code of Federal Regulations (as in effect June 1, 1983), which prohibit any party from directly or indirectly owning, operating, or controlling three broadcast stations in one or several services where any two of such stations are within one hundred miles of the third (measured city-to-city), and where there is a primary service contour overlap of any of the stations".

CLARIFICATION AND ADMINISTRATION OF SECTION 223

SEC. 8. (a) Section 223 of the Communications Act of 1934 (47 U.S.C. 223) is amended by inserting "(a)" before "Whoever" and by adding at the end thereof the following new subsection:

"(b)(1) Whoever—

"(A) in the District of Columbia or in interstate or foreign communication, by means of telephone, makes (directly or by recording device) any comment, request, suggestion, or proposal which is obscene, lewd, lascivious, filthy, or indecent, regardless of whether the maker of such comment placed the call, or

"(B) knowingly permits any telephone facility under such person's control to be used for any purpose prohibited by subparagraph (A),

shall be fined not more than $50,000 or imprisoned not more than six months, or both.

"(2)(A) In addition to the criminal penalties under paragraph (1), whoever, in the District of Columbia or in interstate or foreign communication, violates paragraph (1)(A) or (1)(B) for commercial purposes shall be subject to a civil fine of not more than $50,000 for each violation. For purposes of this paragraph, each day of violation shall constitute a separate violation.

"(B) A fine under this paragraph may be assessed either—

"(i) by a court, pursuant to a civil action by the Commission or any attorney employed by the Commission who is designated by the Commission for such purpose, or

"(ii) by the Commission, after appropriate administrative proceedings.

"(3)(A) Either the Attorney General, or the Commission or any attorney employed by the Commission who is designated by the Commission for such purpose, may bring suit in a district court of the United States to enjoin any act or practice which allegedly violates paragraph (1)(A) or (1)(B).

"(B) Upon a proper showing that, weighing the equities and considering the likelihood of ultimate success, a preliminary injunction would be in the public interest, and after notice to the defendant, such preliminary injunction may be granted. If a full trial on the merits is not scheduled within such period (not exceeding twenty days) as may be specified by the court after issuance of the preliminary injunction, the injunction shall be dissolved by the court.".

(b) Section 223(a) of the Communications Act of 1934 (as redesignated by subsection (a) of his section) is amended—

(1) in paragraph (1), by striking out subparagraph (A) and by redesignating subparagraphs (B), (C), and (D) as subparagraphs (A), (B), and (C), respectively; and

(2) in paragraph (2), by inserting "facility" after "telephone".

DIRECTION ON USE OF FUNDS REGARDING SPECTRUM ALLOCATION AND ASSIGNMENTS FOR PUBLIC SAFETY PURPOSES

SEC. 9. (a) Funds authorized to be appropriated under section 2 of this Act shall be used by the Federal Communications Commission to establish a plan which adequately ensures that the needs of State and local public safety authorities would be taken into account in making allocations of the electromagnetic spectrum. In establishing such a plan the Commission shall (1) review the current and future needs of such public safety authorities in light of suitable and commercially available equipment and (2) consider the need for a nationwide contiguous frequency allocation for public safety purposes.

(b) Pending adoption of a plan, the Commission, while making assignments and allocations, shall duly recognize the needs of State and local public safety authorities.

AMENDMENT OFFERED BY MR. OXLEY

Mr. OXLEY. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OXLEY: Page 2, line 24, strike out "$145,000,000" and insert in lieu thereof "$134,000,000".

Page 2, line 24, strike out "$153,000,000" and insert in lieu thereof "$138,000,000".

Page 2, line 25, strike out "$162,000,000" and insert in lieu thereof "$142,000,000".

Mr. OXLEY (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. OXLEY. Madam Chairman, the amendment that I am offering is one I alluded to during general debate. I want to make a couple of points, if I may.

First of all, I do watch and enjoy public television, and I think it is important that most people in this House who are involved in the process do in fact enjoy it, as was pointed out by my good friend, the gentleman from Massachusetts (Mr. CONTE).

That is not really the issue here. The issue is whether we are in fact going to increase massively, by an average of 18 percent, the levels of funding for the Corporation for Public Broadcasting at a time when there are some serious questions that have been raised about the efficacy and the fiscal mismanagement of NPR. That is really the issue here.

Now, I understand that there have been some changes made at NPR, although we are not certain how effective those changes have been.

What I seek to do in my amendment is to simply provide a reasonable increase at the level of 3 percent each year to take care of inflation and some of the extra costs that the Corporation for Public Broadcasting has, but to not in any way reward, literally to reward, mismanagement on the part of the management at National Public Radio. I think these are excellent reasons why this amendment should be accepted.

All of us pay a lot of lipservice around here to deficits, and we talk about deficit spending. In my estimation, the committee bill is a classic example of how Congress simply cannot say no to special interest groups.

We are not talking about a lot of money here. We are talking about a $70 million increase, and I understand Congress spills that much before

breakfast. But it is important, I think that we are at least attempting to bring some control over the fiscal chaos that has visited us over the last several months and years.

So if Members are concerned about deficits, they have an opportunity by voting for this amendment to save the taxpayers $46 million, the difference between my amendment, the funding levels of my amendment, as opposed to the funding level of H.R. 2755. We think that a 3-percent increase is adequate. It does not reward fiscal mismanagement, and it does, I think, give this Congress an opportunity over the next couple of fiscal years to take a look at the management of NPR and CPB particularly and to determine whether in fact they are doing a good job. I for one am looking forward to some very incisive hearings in the Subcommittee on Oversight and Investigations on which I sit, chaired by the gentleman from Michigan (Mr. DINGELL) to have an opportunity to really look at some of the allegations that have been made about NPR.

But we simply have to draw the line on spending. If we cannot make the tough decision about cutting spending in a relatively small authorization bill like this, then I ask the Members, where are we going to draw the line? Where are we going to make that tough decision? When are those freshmen Democrats who are so concerned about the deficit going to finally make that tough vote and cut some of the budget fat that we have seen over the years?

Madam Chairman, I ask the Members of the House for support for this very moderate and very meaningful amendment.

Mr. GRAMM. Madam Chairman, I rise in support of the Oxley amendment.

I do not think, in debating the authorization that we have in this bill, that the merits of public broadcasting and the merits set out for these increases in expenditures are the relevant factors.

With a $175-billion deficit, I think the relevant factor for this debate is: Do we want to raise the authorization level for public broadcasting by 12 percent this year, by 18 percent the next, and by 24 percent the year after.

I think it is important, when everybody in the Congress is running around talking about the deficit, that we cast some votes, at least now and then, that show our rhetoric is not totally hollow. We are supposed to vote tomorrow on raising taxes. Now, the fact that we are going to raise taxes $1 for every $6.61 increase in spending on nondefense programs cast some doubt on our seriousness about reducing the deficit.

With the Oxley amendment, I think we have an opportunity to determine who is serious and who is not serious in trying to control Federal spending. Those who are really concerned about the deficit, who really want to lower interest rates and make it possible for people to buy their own homes and invest in their own businesses, are going to be hard pressed to justify a "no" vote against the amendment offered by the gentleman from Ohio (Mr. OXLEY).

In fact the amendment does raise the authorization level for public broadcasting, but it does not raise that authorization level at three times the inflation rate this year, four times the inflation rate next year, and six times the inflation rate the year after.

Madam Chairman, this is a totally unjustified increase in authorizations. Those who are serious about dealing with the deficit problem should vote for the amendment offered by the gentleman from Ohio.

Mr. WIRTH. Madam Chairman, I rise in opposition to the amendment.

Madam Chairman, it is with great pride and pleasure that I oppose this amendment and rise to support public broadcasting.

Let us put this just in the context which I believe is well understood by the gentleman from Texas, who originally offered the package that dramatically cut back public broadcasting. The suggestion from the earlier discussion would be that somehow public broadcasting is increasing by vast amounts every year. As the gentleman truly knows, that is not the case. Public broadcasting had an authorization of $170 million. We are now down to $130 million, a cut of nearly 40 percent.

If some of the gentleman's prized and happy projects of an MX missile or a B-1 bomber or dams and highways, and so on, had been cut by 40 percent, then indeed we might have some kind of a reasonable approach, but somehow to offer to the American people a cut in all these things, our morning edition and programs for children and senior citizens, is perfectly all right.

That is what this is all about. Where are our priorities? Do we want to have an informed American public, or do we want to continue to jab away and cut away at the ability of 230 million Americans to be informed?

I think the vote is going to be very clear against this amendment and for public broadcasting.

A couple of other technical points ought to be made as related to comments earlier suggested. One gentleman on the other side suggested that this was going to provide an 18-percent increase. These are specious numbers; that is not the case. The increase this year is 5.6 percent.

Another speaker on the other side suggested that this was an increase of 12 percent. These are specious numbers; this is not the case. They ought to get together. The increase is 5.6 percent.

The argument is also made that somehow cutting the funds from the Corporation for Public Broadcasting is going to punish NPR. We have already been through that debate and that discussion. The issue is, very clearly, are we going to support an inflation growth overall for the Corporation for Public Broadcasting, for the Public Broadcasting System, for National Public Radio, and for the individual radio stations? That is for an inflation growth of 5.6 percent. That does not bring into account the fact that this system is growing very dramatically.

Why? Because the public happens to support public broadcasting. So we are seeing increasing numbers of stations, as the gentleman from Nebraska earlier pointed out, on the radio, and we are seeing increasing numbers of public television stations. So that modest increase in inflation of 5.6 percent is being spread across a much broader base and in fact comes out to be a real growth of 2.4 percent.

So, Madam Chairman, I would ask my colleagues not to cut further public broadcasting. We have already cut it from $170 million a year to $130 million a year. Let us at least maintain an inflation control base with this 5.6 percent growth and not vote to further cut and damage the Public Broadcasting System. I urge my colleagues to vote a resounding no on this amendment and vote for public broadcasting.

□ 1540

Mr. O'BRIEN. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I rise in support of the Oxley amendment.

With respect to the comments by the distinguished chairman, and particularly on his suggestion that support for public broadcasting is involved as an issue in this debate, that is not true. There is no question about the fact that the gentleman from Ohio (Mr. OXLEY), the gentleman from New Jersey (Mr. RINALDO), and others on this side of the aisle support it and support it vigorously, and we do have our priorities in order.

It seems to me that since we had funded so generously a program that was mismanaged so indiscriminately as this program has been in the past, that there is a time for tightening up, and a time for requiring people to look after their affairs. If my memory serves me correctly, the administration requested $93.5 million for 1984. It is authorized at $130 million, and we matched that in my subcommittee. We appropriated $130 million.

In 1985, the administration asked for $85 million. We again appropriated $130 million to match the authorization.

The administration suggested $75 million for 1986. We appropriated $134.86 million. So the notion that we are not supporting it is quite beside the point.

I would like to refer also to a letter that is being addressed to the President of the Corporation for Public Broadcasting this very day by some Senators and some Congressmen, including myself, in which we are urging not only Federal funding for public television, but limited advertising to strengthen the industry.

Back in my area, I think the outstanding public station is WTTW. It does a superb job. It has an extraordinary audience and I think it is going to thrive; but I do not think that we should promiscuously increase the funding for this organization beyond what it really needs and beyond what is going to sustain it through the next 3 years.

Mr. BROYHILL. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I rise in support of the amendment and I want to commend the gentleman from Illinois (Mr. O'BRIEN) for his statement. I certainly agree with it. I do not think the Congress ought to be coming in here today and giving additional supplemental authorization to a program where there is an investigation under way at the present time with respect to the mismanagement issue at NPR. I feel that giving NPR more money at this time is tantamount to a Government bailout of NPR in order to save it from its own management incompetence.

Now, the CPB under the law has a responsibility to look over the shoulder of NPR and to be looking at the way that they are managing their finances. It seems to me that before authorizing this supplemental funding that we should make sure that the new money is going to be used wisely and not squandered.

I do not see any additional assurances in this bill over present law.

Now, the bill before us says that NPR would be required to adopt accounting standards that would have to be approved by the Corporation for Public Broadcasting and the GAO.

I maintain that this provision adds nothing of substance to what the law already requires. Section 396(1)(3) of the Communications Act already requires CPB "to develop accounting principles in consultation with the Comptroller General which shall be used uniformly by all public telecommunications entities receiving Federal funds."

Moreover, that section of the law already requires NPR to submit annual audits to CPB and it gives CPB access to all NPR's books and records.

So I do not see that the amendments that are included in this bill are any more than a retatement of present law.

I do not think that a simple reiteration of the statutory requirements that already exist is sufficient and I am not sure that it is sufficient to insure that the supplemental appropriations or authorizations to NPR would be used wisely.

As the gentleman from Illinois spoke a moment ago, I am reminded of the fact that the gentleman and I together have asked the GAO to look into this program. It is my understanding that some preliminary investigations have begun.

Speaking on my own behalf, I would intend to see that the GAO does perform this investigation that has been requested.

It seems to me that the CPB has failed to oversee the NPR's financial mismanagement and that the provisions of H.R. 2755 only reiterate present law. The House should not grant supplemental funding at this time.

Mr. TAUKE. Madam Chairman, I move to strike the requisite number of words.

I rise to oppose the amendment.

Madam Chairman, I suspect that all of you have received in your offices a little blue book. I suspect that no one has read the blue book, outside of the gentleman from Washington and myself. Oh, I see a few heads nodding, suggesting that a few others have. I am glad to see that that is true, because this book is the final report of the Temporary Commission on Alternative Financing for Public Telecommunications.

The gentleman from Washington (Mr. SWIFT) and I served on that committee, which was established by this Congress in order to investigate the future of public broadcasting and how we are going to finance it. Our primary mission was to look at alternative methods of financing, to see if there was some way that we could decrease reliance on the Federal Government and other governmental sources and increase reliance on alternative sources of financing.

We reviewed the issue carefully. We found, first of all, that public broadcasting is providing more services than it used to. There are more stations on the air than there used to be. We find that the audiences are bigger than they used to be, and in a sense the scope of public broadcasting has increased substantially. With the increase in the scope of public broadcasting has come an increase in reliance by public broadcasting on non-Federal sources of money.

Our conclusion as a commission, however, a conclusion that was virtually unanimous, was that it was virtually impossible for public broadcasting to survive as we know it today if there is not strong Federal support. That does not mean that we have to fund half of public broadcasting. That does not mean that we have to fund a third of public broadcasting, but it means that we have to provide somewhere in the neighborhood of the 23 to 25 percent that we are providing today.

The bill that is before us is a proposal which I think is consistent with the recommendations of the Temporary Commission. It is consistent in that it recognizes the importance of providing for strong Federal support. Moreover, this bill is consistent with congressional policy in that the Temporary Commission was established to look at alternative sources of funding and we were holding the funding level steady while the Temporary Commission looked at alternative sources.

Now that we have made that look and found that alternative sources cannot pick up the slack substantially, it is time to move forward in a pattern of small increases for public broadcasting so it can continue to provide these services.

Mr. GREGG. Madam Chairman, will the gentleman yield?

Mr. TAUKE. I am glad to yield to the gentleman from New Hampshire.

Mr. GREGG. Madam Chairman, I take it what the gentleman is telling us is that when this Commission for Alternative Sources which was set up to find alternative sources of funding for National Public Radio and for National Public Television completed its sessions, it concluded that there were no alternative public sources, so you should come back to the public trough. Is that essentially what they concluded?

Mr. TAUKE. That would be an inaccurate assessment of what we concluded. As the gentleman knows, at the current time the Federal Government funds less than a quarter of the moneys that support public broadcasting. Less than half of the moneys that support public broadcasting come from governmental sources.

I believe that it is all these other alternatives that are making up the difference. Some of those alternatives can be improved and we had a substantial list of recommendations to increase the dollars coming from those sources, but we do not think that you can eliminate or substantially reduce or fail to maintain the Federal sources and still have a strong broadcasting system.

Mr. GREGG. Madam Chairman, will the gentleman yield further?

Mr. TAUKE. I am happy to yield to the gentleman.

Mr. GREGG. Of course, what we are talking about here is not eliminating or substantially reducing. What we are talking about is instead of having a 50-percent increase in funding over 3 years, reducing that increase in funding to about 25-percent increase in

funding; so we are not talking about eliminating or reducing, but I take it what the Commission talked about, the Commission to Find Alternative Sources Funding concluded, was that there really was not a public interest of such substance out there in the market place that they are willing to pick up this additional funding; that we as taxpayers, many of whom happen to be affronted by some of the policies of National Public Radio, should cover the cost of National Public Radio because the public interest is not out there in the marketplace to cover the cost. Is that not essentially what the Commission on Alternative Financing concluded, that there was not enough public sentiment in the marketplace to fund it?

□ 1550

Mr. TAUKE. I do not think that that would accurately reflect the conclusions of the Commission. First of all, the Commission concluded that we did not want to commercialize public radio stations or public television stations.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. TAUKE) has expired.

(By unanimous consent, Mr. TAUKE was allowed to proceed for 3 additional minutes.)

Mr. TAUKE. We concluded that we did not want to rely on the market to finance those stations, and that was done not just because of the impact that that could have on programing on those stations and because of the impact it would have on copyright and union problems and other factors, but also because of the opposition from the commercial broadcasting stations around the country to reliance on the market.

The second thing that we concluded was that there was ever-growing support from the public for public broadcasting, support reflected in increased voluntary contributions to public broadcasting.

Nevertheless, despite that, if we are going to be able to maintain and continue to expand the system, so that it is able to reach all Americans, the fact is that there has to be a base of taxpayer-financed support.

Let me suggest to the gentleman that I do not in any way condone some of the mismanagement that has been evident at NPR, nor am I happy with the editorial slant discussed earlier by the gentleman from Nebraska.

I do believe that if we are going to be able to maintain and improve the system, that you cannot escape the conclusion that you have to have a base of Federal support.

Mr. GREGG. Madam Chairman, will the gentleman yield?

Mr. TAUKE. I yield to the gentleman from New Hampshire.

Mr. GREGG. Again we are not talking about cutting out the increase, and the percentage of increase, 25 percent versus 50 percent increase.

Mr. TAUKE. Your figures differ substantially from mine.

Mr. WIRTH. Madam Chairman, will the gentleman yield?

Mr. TAUKE. I yield to the gentleman from Colorado.

Mr. WIRTH. I thank the gentleman for yielding.

Let us make very clear what increases we are talking about. There is no such thing as a 25-percent increase under any of the things Mr. OXLEY is proposing or what we are proposing. What is in the legislation in the House, 5.6 percent annual increase, and Mr. OXLEY is proposing cutting that back to 3 percent.

Mr. TAUKE. I thank the gentleman for his clarification.

Mr. GREGG. Madam Chairman, will the gentleman yield?

Mr. TAUKE. I yield to the gentleman from New Hampshire.

Mr. GREGG. I thank the gentleman for yielding.

We are talking about an increase of $70 million in funding. The committee is talking $24 million in funding. If you go with the Oxley resolution—both of which are significant increases.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(On request of Mr. GREGG and by unanimous consent, Mr. TAUKE was allowed to proceed for 2 additional minutes.)

Mr. TAUKE. If I may reclaim my time to point out that those increases are over a 3-year period.

Mr. GREGG. Correct; no question about it. Under the proposed amendment from the committee or under the committee's bill, we are talking about an average increase of 18 percent.

Mr. TAUKE. Five point six percent per year.

Mr. GREGG. Three years, 18 percent.

Mr. TAUKE. Eighteen percent over a 3-year period, 5.6 percent per year.

Mr. GREGG. $70 million over baseline, $130 million works out to 5 percent.

Mr. GRAMM. Madam Chairman, will the gentleman yield?

Mr. TAUKE. I yield to the gentleman from Texas.

Mr. GRAMM. I thank the gentleman for yielding.

Madam Chairman, I can straighten all these numbers out.

Mr. TAUKE. Well, good.

Mr. GRAMM. If the gentleman from Colorado wants to talk about 1983 appropriations, this is an authorization bill. This is a supplemental authorization bill.

Under existing law we have advance funded, and we have authorized $130 million a year for public broadcasting. This legislation would raise that to $145 million in 1984. That is a 12-percent increase in arithmetic. $153 million in 1985—that is an increase of 18 percent over existing law and over existing funding; and 24-percent increase to $162 million in 1986, so where the problem with numbers is coming from is that the gentleman from Colorado is talking about current appropriations, not existing law. What this bill does, last year's appropriation, this bill raises existing law by 12 percent in 1984, by 18 percent in 1985, and by 24 percent in 1986.

Mr. WIRTH. Madam Chairman, will the gentleman yield?

Mr. TAUKE. I yield to the gentleman from Colorado.

Mr. WIRTH. The recent speaker has had historically a lot of problems with numbers and the impact of those numbers. Historically, public broadcasting had authorization prior to the advent of this administration of $220 million.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. TAUKE) has expired.

(On request of Mr. WIRTH and by unanimous consent, Mr. TAUKE was allowed to proceed for 2 additional minutes.)

Mr. WIRTH. Madam Chairman, will the gentleman yield?

Mr. TAUKE. I yield to the gentleman from Colorado.

Mr. WIRTH. Prior to the advent of this administration and the attempts made to destroy public broadcasting, there was an authorization of $220 million for public broadcasting. That is now down to $130 million. And as pointed out by a previous speaker, Mr. Stockman and company have tried to cut down even further, down to $85 and $75 million, totally gutting and destroying public broadcasting.

We kept the level in 1981 at $130 million authorization. The appropriation—which is another set of figures, as I believe the gentleman understands—the appropriation is this year $137 million. That is the appropriation this year.

The appropriation in the bill would go from $137 million, the authorization from $137 million up to $145 million. If the gentleman uses basic arithmetic, going from 137 to 145 is an increase of 5.6 percent.

Mr. TAUKE. I thank the gentleman. I do not want to keep getting caught in this yielding game.

Mr. GRAMM. Madam Chairman, will the gentleman yield?

Mr. TAUKE. I yield to the gentleman from Texas.

Mr. GRAMM. I thank the gentleman for yielding.

The gentleman is taking last year's figure, 1983. If you look on page 2 of this bill, section 3 is amended by striking out $130 million for each of the fiscal years 1984, 1985, and 1986 and

inserting in lieu of $145 million, $153 million, $163 million, so the only confusion is that the gentleman is attempting to confuse the facts. This bill speaks for itself.

We are talking about a 12-percent increase, an 18-percent increase, and a 24-percent increase.

Mr. TAUKE. I wish to reclaim my time.

I think that both gentlemen are in a sense correct. What the gentleman from Colorado points out, and what the gentleman from Texas points out is that if you stick with the current law, you have flat funding. If you go with the bill that is being proposed, you have a 5.6-percent increase per year in funding which is, of course, cumulative.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. TAUKE) has expired.

(By unanimous consent, Mr. TAUKE was allowed to proceed for 1 additional minute.)

Mr. TAUKE. That is a reasonable increase but the bottom line is this: Over the last several years we have had this dispute about how public broadcasting should be funded.

I am not sure that I concur with the gentleman from Colorado—I know I do not—that the administration was trying to cut it significantly or gut public broadcasting.

The administration was convinced that alternative sources of funds could be found. That is why this Congress established a commission to look at alternative sources of financing.

We looked at it for over 1½ years and concluded that while some alternative sources of financing were available, they were not sufficient to offset the need for Federal dollars. That is why a continuation of public broadcasting with modest increases in funding from the Federal level is necessary and I hope that my colleagues on both sides of the aisle will endorse the work of the temporary commission and reject the Oxley amendment and support this bill.

Mr. DINGELL. Madam Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

□ 1600

Madam Chairman, we are engaged in a discussion that is a little bit like the committee of blind men who went to examine the elephant. One reported that it was an enormous barrel suspended in the air. Another said it was like four tree trunks standing from the ground. Another said it was like a snake that moves back and forth. Another said no, it was like a long, cold, polished spear.

They were each seeing only part of the picture.

I would ask our colleagues in the House to look at the real situation which affects public broadcasting and look at past and present levels of funding.

I would point out to my colleagues that authorization and appropriations levels are both involved. The authorization for 1983, before previous cuts, was $220 million. There is no increase in the overall level of contemplated authorization here because the figure that the gentleman would cut with his amendment is much lower than that.

What the amendment does is simply provide modest increases in funding for the Corporation for Public Broadcasting to levels which may prevent the ultimate destruction of that great public resource.

Federal support for public broadcasting should be looked at. How has it progressed?

It has declined rapidly since 1981. In fiscal year 1983 which just ended, CPB received $137 million. That is down $35 million or 26 percent from 1982. This is a drastic decline. It is damaging the quality of the service and it may even threaten the very existence of public broadcasting. H.R. 2755 says that this decline should not go further and it furthermore provides for an adjustment in terms of inflation.

The gentleman's amendment would give a 3-percent increase to address the problem of inflation. But that is not the level that inflation has been going forward in this country. It is much less than the historic level of inflation over the past 10 years and it is at least 1 percent and perhaps 2 percent below the level of inflation which exists at this time.

The bill stabilizes Corporation for Public Broadcasting funding at the 1983 level of $137 million, adjusted for inflation. This will prevent further deterioration in public broadcasting.

The gentleman from Iowa served on the Commission which analyzed alternative funding. He points out that the Commission studied this matter for a long time. The Commission was established to determine whether there are alternative sources of funding that can be achieved on behalf of public broadcasting. The Commission found that it was possible for there to be a modest increase; but not that there was any significant opportunity for increase. The level of funding in the committee bill affords a modest level of increase, but not enough to dispel the need for there to be deliberate and active solicitation by CPB and NPR for additional funding.

The authorization level in the bill would perhaps avoid the disintegration of this valuable public resource. In those levels public broadcasting would have 7.6 percent less in real resources in 1984 than in 1983, 9.8 percent less in 1985 and 12.3 percent less in 1986. This is bad. It is less bad, however, than the proposal offered by my good colleague on the other side.

The simple question here before the House is do we want to stabilize public broadcasting or do we want to threaten it.

We have heard talk about malfeasance and misfeasance and mischief, and I want to address two questions.

I would like my colleagues to know that we are dealing with several institutions. We are dealing with the Corporation for Public Broadcasting which is the receptor of these funds. Indirectly we are dealing with National Public Radio, the Public Broadcasting System, and public radio and television stations, which do not receive public funds but which receives funds from the Corporation for Public Broadcasting.

This arrangement was set up in this fashion some years back to prevent us from having a situation where we were making Federal funds directly available to public broadcasting entities, to insulate them from the influences of Government on programing.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. DINGELL) has expired.

(By unanimous consent Mr. DINGELL was allowed to proceed for 3 additional minutes.)

Mr. DINGELL. We are not talking about wrongdoing on the part of the receptor institution, the Corporation for Public Broadcasting.

I would just want to say a couple of things more and then I will be happy to yield. I think it is important to ask whether there have been any charges of wrongdoing on the part of the Corporation for Public Broadcasting. The answer is emphatically no.

Have there been any questions raised about the management of National Public Radio? The answer is yes.

Now, what is being done about this?

First of all, the committee immediately upon being aware of this initiated a GAO audit to determine the nature and extent of mismanagement at NPR. We plan to have hearings on this matter before the Oversight Subcommittee to follow up on the GAO investigations.

But equally important, the initial findings indicate that while there may have been mismanagement at the National Public Radio, which is not a direct receptor of these funds, there was no criminal wrongdoing and no evidence which would justify any kind of criminal action at this time.

Mr. OXLEY. Madam Chairman, will the gentleman yield?

Mr. DINGELL. I am delighted to yield to my friend.

Mr. OXLEY. I thank my chairman for yielding.

I would simply ask the chairman is it not true that under the Federal law that the Corporation for Public Broad-

casting has legal responsibility for the oversight of NPR; is that not a fact?

Mr. DINGELL. That is correct. And I want to come to that point. The gentleman raises a very good point.

Immediately when it became plain that there were problems at the National Public Radio, the Corporation for Public Broadcasting, through its chief executive officer, Mrs. Sharon Percy Rockefeller, went to the National Public Radio and made them clean their house.

Mr. OXLEY. If I could ask the gentleman to yield further, when was that?

Mr. DINGELL. This was back when the issue first came up.

Mr. OXLEY. If the gentleman would continue to yield, is it not a fact that as early as 1980 when there were some allegations of mismanagement at NPR that the Corporation for Public Broadcasting had an audit, and, in fact, that audit came back and said that at least 15 percent of the expenditures for NPR were in question? Is that not a fact?

Mr. DINGELL. I am not going to challenge the fact. But I want the gentleman to know that there is only so much that CPB can or indeed should do. When the situation deteriorated and came to light, the Corporation for Public Broadcasting insisted that the situation be cleaned up, and the chief executive officer of National Public Radio is no longer with us. I think that is a desirable thing.

What I am saying is that in my view, at least the Corporation for Public Broadcasting moved to see that the situation got strengthened out, and I think the Corporation for Public Broadcasting deserves credit rather than criticism for its overall handling of this matter.

Criticism lies against NPR, but in this bill I want my colleagues to know, there are provisions which would strengthen the hand of the Corporation for Public Broadcasting to monitor the affairs at the National Public Radio to assure that the problems which have come to light will no longer arise.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. DINGELL) has again expired.

(On request of Mr. OXLEY and by unanimous consent, Mr. DINGELL was allowed to proceed for 2 additional minutes.)

Mr. OXLEY. Will the gentleman yield to me?

Mr. DINGELL. I am delighted to yield.

Mr. OXLEY. Is it not a fact, though, despite the amendment in committee that clearly the law was the same then as it would be under this bill, and that is that CPB has that responsibility to investigate? And instead of lauding the CPB and pouring more money on them, it seems to me that our responsibility here is to not only investigate very thoroughly not only GAO but our Oversight and Investigations Subcommittee, and until that time certainly try to recede from granting an average 18 percent increase in their funding.

Is it not also a fact, is it not also a fact that when the NPR was very close to filing bankruptcy almost on a day-to-day basis that they got their $9 million loan from the Corporation for Public Broadcasting, $9 million in taxpayers' money? Is that not a fact?

Mr. DINGELL. It is a fact that the Corporation for Public Broadcasting made a loan to the National Public Radio. It is also a fact that without that loan National Public Radio would not be in business today and without that loan the services that are made available on public radio would not be available to the American people, who listen to, are informed by, enjoy and profit mightily from public radio programing.

I respect the gentleman and I appreciate his concern and I commend him for it. But I would simply observe that the situation is in hand. The Committee on Oversight and Investigation is pursuing a careful investigation of this matter. We are going to bring out all of the facts. We are going to have the GAO up. GAO has already performed an audit. Its preliminary results are in. The preliminary results make it clear that the Corporation for Public Broadcasting has engaged in no wrongdoing and that its behavior has been entirely proper.

□ 1610

I would observe further and I think this is very important. All of public broadcasting is going to be getting much less money than it did before. The reason that public broadcasting is in such difficulty is that the massive cuts which this House approved under the budget reductions of 1981 resulted in National Public Radio having to go out and engage in some business practices, which may not have been very good judgment, to secure supplemental funding.

Mr. WIRTH. Madam Chairman, I ask unanimous consent that all time on this amendment expire in 4 minutes, to be equally divided between the majority and the minority.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. WIRTH. Madam Chairman, I yield our 2 minutes to the gentleman from Washington (Mr. SWIFT).

Mr. SWIFT. Madam Chairman, I thank the gentleman for yielding. It was our committee, it was the majority in our committee that recommended the initial cuts in the authorization for public broadcasting. We did that at a time when it was impossible to argue that public broadcasting should not share in general cuts that were being made across the board, given the economic circumstances which the Nation faced.

We, in fact, feel that the cuts sustained by public broadcasting were more than its share. We had hope. The hope was that we would be able to find some additional ways in which there would be profitable alternatives, in which revenue could flow in to fund public broadcasting and relieve some of the responsibility for the Federal Government to fund public broadcasting.

We wanted not only to be able to help provide some of the funding but also do so in the way that would assure maintenance of the character of the public broadcasting service.

We found that it is true; there is not only no free lunch, there is no free TV dinner.

We found out that the alternatives available, and some do exist, are incremental at best and will not in any way replace basic funding that we must provide if we are to maintain quality public broadcasting service in this country.

So what we have proposed here is not to restore to the original funding levels or even come close to that but rather all we have proposed in this authorization is that we have incremental increases in the support of public broadcasting. But it will still share its part of the burden or perhaps a bit more in terms of the overall constraints under which many Federal programs are operating but that it will, at the base, on a bare-bones basis, be able to provide adequate funding.

I urge my colleagues to oppose this amendment.

The CHAIRMAN. The gentleman from Ohio (Mr. OXLEY), the author of the amendment, is recognized for 2 minutes.

Mr. OXLEY. I thank the Chair.

Madam Chairman, I think all we have to do is look at the numbers. The numbers are very clear. If you vote for my amendment you save the taxpayers $46 million.

I would hope that all of my budget-cutting, deficit-cutting friends would join me on this very important mission in trying to at least send a modicum of commonsense to the money markets and everybody else concerned about deficit spending. We talk a lot about the problems of the NPR.

They will continue in my estimation for several more weeks and perhaps months. But I think now is not the time to increase the funding for the Corporation for Public Broadcasting. They have simply blown the opportunity that they had for oversight over NPR. They had the opportunity under the law and they simply did not fulfill it.

We are looking and asking this Congress to authorize more money for the Corporation for Public Broadcasting while at the same time the major networks, CBS for example, has cut its funding for their news department.

Just this year alone CBS has cut its news department by $19 million. So at the same time we are asking the public sector to increase that amount of money. I do not think that is conscionable. I do not think it makes any sense from an economic standpoint, from a fiscal standpoint.

We simply have to get our house in order. Those of us who are concerned about deficits, other than just mere rhetoric, will support this amendment. Those who want to continue on with the spend and spend policies that have haunted this Congress for 25 years can vote against the amendment.

I think we ought to have it up or down. I think the issues are very clear.

I certainly would ask support for this amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Ohio (Mr. OXLEY).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. OXLEY. Madam Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 141, noes 277, not voting 16, as follows:

[Roll No. 524]

AYES—141

Applegate	Gingrich	McCollum
Archer	Goodling	McEwen
Badham	Gradison	McGrath
Bartlett	Gramm	Michel
Bennett	Gregg	Miller (OH)
Bethune	Gunderson	Montgomery
Bilirakis	Hall, Ralph	Moore
Bliley	Hall, Sam	Moorhead
Breaux	Hammerschmidt	Murphy
Broomfield	Hansen (ID)	Myers
Brown (CO)	Hansen (UT)	Nielson
Broyhill	Hartnett	O'Brien
Burton (IN)	Hightower	Oxley
Campbell	Hiler	Packard
Carney	Holt	Parris
Chappie	Hopkins	Pashayan
Cheney	Hughes	Patman
Coleman (MO)	Hunter	Paul
Conable	Hutto	Petri
Courter	Hyde	Pursell
Craig	Kasich	Quillen
Crane, Daniel	Kazen	Regula
Crane, Philip	Kemp	Rinaldo
Daniel	Kindness	Roberts
Dannemeyer	Kramer	Robinson
Daub	Lagomarsino	Roemer
de la Garza	Latta	Rogers
DeWine	Leath	Roth
Dickinson	Lent	Rudd
Dreier	Livingston	Schaefer
Duncan	Loeffler	Schulze
Edwards (OK)	Lott	Sensenbrenner
Emerson	Lungren	Shaw
Fiedler	Mack	Shumway
Fields	Marlenee	Shuster
Fish	Marriott	Siljander
Forsythe	Martin (IL)	Sisisky
Franklin	Martin (NC)	Skeen
Frenzel	McCandless	Slattery
Smith (NE)	Stump	Walker
Smith, Denny	Sundquist	Watkins
Smith, Robert	Tallon	Weber
Snyder	Taylor	Whittaker
Solomon	Thomas (CA)	Winn
Spence	Vander Jagt	Wolf
Stangeland	Vandergriff	Wylie
Stenholm	Vucanovich	Young (FL)

NOES—277

Ackerman	Ford (MI)	Minish
Addabbo	Ford (TN)	Mitchell
Akaka	Fowler	Moakley
Albosta	Frank	Molinari
Alexander	Frost	Mollohan
Anderson	Fuqua	Moody
Andrews (NC)	Garcia	Morrison (CT)
Andrews (TX)	Gaydos	Morrison (WA)
Annunzio	Gejdenson	Mrazek
Anthony	Gekas	Murtha
Aspin	Gephardt	Natcher
AuCoin	Gibbons	Neal
Barnard	Gilman	Nelson
Barnes	Glickman	Nichols
Bateman	Gonzalez	Nowak
Bates	Gore	Oakar
Bedell	Gray	Oberstar
Beilenson	Green	Obey
Bereuter	Guarini	Olin
Berman	Hall (IN)	Ortiz
Bevill	Hall (OH)	Ottinger
Biaggi	Hamilton	Owens
Boehlert	Harkin	Panetta
Boggs	Harrison	Patterson
Boland	Hatcher	Pease
Boner	Hayes	Penny
Bonior	Hefner	Pepper
Bonker	Heftel	Perkins
Borski	Hertel	Pickle
Bosco	Hillis	Porter
Boucher	Horton	Price
Boxer	Howard	Rahall
Britt	Hoyer	Rangel
Brooks	Hubbard	Ratchford
Brown (CA)	Huckaby	Reid
Bryant	Jacobs	Richardson
Burton (CA)	Jeffords	Ridge
Byron	Johnson	Ritter
Carper	Jones (NC)	Rodino
Chandler	Jones (OK)	Roe
Chappell	Jones (TN)	Rose
Clarke	Kaptur	Rostenkowski
Clinger	Kastenmeier	Roukema
Coats	Kennelly	Rowland
Coelho	Kildee	Roybal
Coleman (TX)	Kogovsek	Russo
Conte	Kolter	Sabo
Conyers	Kostmayer	Savage
Cooper	LaFalce	Sawyer
Corcoran	Lantos	Scheuer
Coughlin	Lehman (CA)	Schneider
Coyne	Lehman (FL)	Schroeder
Crockett	Leland	Schumer
D'Amours	Levin	Seiberling
Darden	Levine	Shannon
Daschle	Levitas	Sharp
Davis	Lewis (FL)	Shelby
Dellums	Lipinski	Sikorski
Derrick	Lloyd	Simon
Dicks	Long (LA)	Skelton
Dingell	Long (MD)	Smith (FL)
Dixon	Lowry (WA)	Smith (IA)
Donnelly	Lujan	Smith (NJ)
Downey	Luken	Snowe
Durbin	Lundine	Spratt
Dwyer	MacKay	St Germain
Dyson	Madigan	Staggers
Early	Markey	Stark
Eckart	Martin (NY)	Stokes
Edgar	Martinez	Stratton
Edwards (AL)	Matsui	Studds
Edwards (CA)	Mavroules	Swift
English	Mazzoli	Synar
Erdreich	McCain	Tauke
Erlenborn	McCloskey	Tauzin
Evans (IA)	McCurdy	Thomas (GA)
Evans (IL)	McDade	Torres
Fascell	McHugh	Torricelli
Fazio	McKernan	Towns
Feighan	McKinney	Traxler
Ferraro	McNulty	Udall
Flippo	Mica	Valentine
Florio	Mikulski	Vento
Foglietta	Miller (CA)	Volkmer
Foley	Mineta	Walgren
Waxman	Williams (OH)	Yates
Weaver	Wilson	Yatron
Weiss	Wirth	Young (AK)
Wheat	Wise	Young (MO)
Whitehurst	Wolpe	Zablocki
Whitley	Wortley	Zschau
Whitten	Wright	
Williams (MT)	Wyden	

NOT VOTING—16

Carr	Hance	Lowery (CA)
Clay	Hawkins	Pritchard
Collins	Ireland	Ray
Dorgan	Jenkins	Solarz
Dowdy	Leach	
Dymally	Lewis (CA)	

□ 1630

Messrs. GARCIA, WALGREN, ZSCHAU, and RIDGE changed their votes from "aye" to "no."

Mr. SLATTERY changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. WIRTH. Madam Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Ms. FERRARO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2755) to authorize appropriations for the Federal Communications Commission for fiscal years 1984 and 1985, and for other purposes, had come to no resolution thereon.

PROVIDING FOR CONSIDERATION OF H.R. 4170, TAX REFORM ACT OF 1983

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 376 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 376

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4170) to provide for tax reform, and for other purposes, and the first reading of the bill shall be dispensed with. All points of order against the consideration of the bill are hereby waived, and all points of order against the bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived. After general debate, which shall be confined to the bill and to the amendments made in order by this resolution and which shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment under the five-minute rule. The amendment printed in the Congressional Record of November 16, 1983, by Representative Waxman, striking out title X of the bill and inserting a new text in lieu thereof, shall be considered to have been adopted in the House and in Commit-

tee of the Whole, and shall be considered to be part of the original bill. No amendment to the bill, as so modified, shall be in order except the following amendments, which shall be considered only in the following order and which shall not be subject to amendment or to a demand for a division of the question in the House or in Committee of the Whole, and all points of order against said amendments are hereby waived, and said amendments shall be considered as having been read—

(1) the amendments recommended by the Committee on Ways and Means to title IX now printed in the bill, and said amendments shall be considered en bloc and shall not be subject to a demand for a division of the question in the House or in Committee of the Whole;

(2) the first amendment printed in the Congressional Record of November 16, 1983, by, and if offered by, Representative Rostenkowski of Illinois or his designee, beginning on page 5, line 14 of the bill;

(3) the second amendment printed in the Congressional Record of November 16, 1983, by, and if offered by, Representative Rostenkowski or his designee, amending titles VIII and V of the bill;

(4) the third amendment printed in the Congressional Record of November 16, 1983, by, and if offered by, Representative Rostenkowski or his designee, amending title VII of the bill, and said amendment shall be debatable for not to exceed thirty minutes, equally divided and controlled by Representative Rostenkowski or his designee and a Member opposed thereto;

(5) the amendment printed in the Congressional Record of November 16, 1983, by, and if offered by, Representative Waxman of California, inserting new sections in title X of the bill, and said amendment shall be debatable for not to exceed one hour, equally divided and controlled by Representative Waxman and a Member opposed thereto;

(6) the fourth amendment printed in the Congressional Record of November 16, 1983, by, and if offered by, Representative Rostenkowski of Illinois or his designee, consisting of the text of the amendment recommended by the Committee on Ways and Means in, and inserting a new section in, title X of the bill, and said amendment shall be debatable for not to exceed two hours, equally divided and controlled by Representative Rostenkowski or his designee and a Member opposed thereto;

(7) the fifth amendment printed in the Congressional Record of November 16, 1983, by, and if offered by, Representative Rostenkowski or his designee, inserting a new title, and said amendment shall be debatable for not to exceed one hour, equally divided and controlled by Representative Rostenkowski or his designee and a Member opposed thereto;

(8) the amendment printed in the Congressional Record of November 16, 1983, by, and if offered by, Representative Pease of Ohio, and said amendment shall be debatable for not to exceed two hours, equally divided and controlled by Representative Pease and a Member opposed thereto;

(9) the amendment printed in the Congressional Record of October 26, 1983, by, and if offered by Representative Morrison of Connecticut, and said amendment shall be debatable for not to exceed thirty minutes, equally divided and controlled by Representative Morrison and a member opposed thereto; and

(10) any other amendments recommended by the Committee on Ways and Means.

At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

□ 1640

The SPEAKER. The gentleman from South Carolina (Mr. DERRICK) is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, I yield the customary 30 minutes for purposes of debate only to the gentleman from Tennessee (Mr. QUILLEN), and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 376 is a modified open rule providing for the consideration of H.R. 4170, the Tax Reform Act of 1983. It also waives all points of order against consideration of the bill and all points of order against the bill for failure to comply with clause 5, rule XXI—the prohibition against an appropriation in a legislative bill. The rule provides for 2 hours of general debate, with the time to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The rule provides that an amendment printed in the RECORD of November 16 by Representative WAXMAN, which strikes out title X of the bill and inserts a new text for that title, shall be considered as part of the original bill.

The rule provides that no other amendments shall be in order to the bill except the following amendments which will be considered in the order listed and which themselves shall not be amendable or subject to a demand for a division of the question:

First, Ways and Means Committee amendments to title IX now printed in the bill, which shall be considered en bloc and shall not be subject to a demand for a division of the question;

Second, the first amendment printed in the CONGRESSIONAL RECORD of November 16 by, and if ordered by, Representative ROSTENKOWSKI or his designee;

Third, the second amendment printed in the CONGRESSIONAL RECORD of November 16 by, and if offered by, Representative ROSTENKOWSKI or his designee, amending titles VIII and V of the bill;

These first three amendments will be debated under the 5-minute rule, which means the total debate time on each amendment will be limited to 10 minutes since, under the rule, no pro forma amendment to strike the last word will be in order.

Fourth, the third amendment printed in the CONGRESSIONAL RECORD of November 16 by, and if offered by, Representative ROSTENKOWSKI or his designee. This amends title VII of the bill and shall be debatable for 30 minutes, equally divided and controlled by Representative ROSTENKOWSKI or his designee and a Member opposed thereto;

Fifth, the amendment printed in the CONGRESSIONAL RECORD of November 16 by, and if offered by, Representative WAXMAN. The amendment inserts new sections in title X of the bill and shall be debatable for 1 hour, equally divided and controlled by Representative WAXMAN and a Member opposed thereto;

Sixth, the fourth amendment printed in the CONGRESSIONAL RECORD of November 16 by, and if offered by, Representative ROSTENKOWSKI or his designee. This amendment, recommended by the Committee on Ways and Means, inserts a new section in title X of the bill and shall be debatable for 2 hours, equally divided and controlled by Representative ROSTENKOWSKI or his designee and a Member opposed thereto;

Seventh, the fifth amendment printed in the CONGRESSIONAL RECORD by, and if offered by, Representative ROSTENKOWSKI or his designee. This amendment inserts a new title in the bill and shall be debatable for not to exceed 1 hour, equally divided and controlled by Representative ROSTENKOWSKI or his designee and a Member opposed thereto;

Eighth, the amendment printed in the CONGRESSIONAL RECORD of November 16 by, and if offered by, Representative PEASE, which shall be debatable for 2 hours, equally divided and controlled by Representative PEASE and a Member opposed thereto;

Ninth, the amendment printed in the CONGRESSIONAL RECORD of October 26, by and if offered by, Representative MORRISON of Connecticut, which shall be debatable for not to exceed 30 minutes, equally divided and controlled by Representative MORRISON and a Member opposed thereto; and

Tenth, any other amendments recommended by the Committee on Ways and Means.

All points of order against these amendments are waived and the amendments shall be considered as having been read.

Finally, the rule provides one motion to recommit.

Mr. Speaker, while House Resolution 376 is rather lengthy it is not a particularly complicated rule and does not require a great deal of explanation. I do want to take time, however, to make sure that everyone understands what amendments will be made in order by the rule.

First, there is the amendment by Representative WAXMAN which strikes out title X of the bill and inserts a new text for title X, which deals with medicare reconciliation savings. As you know the Committee on Ways and

Means and the Committee on Energy and Commerce share jurisdiction over the medicare program. House Concurrent Resolution 91, the congressional budget for fiscal year 1984, mandated medicare savings of $1.7 billion over 3 years and required the Committee on Ways and Means and the Committee on Energy and Commerce to report legislation achieving those savings. The Committee on Ways and Means reported changes in existing law to achieve those savings in title X of H.R. 4170. The Committee on Energy and Commerce reported changes in existing law to achieve those savings in H.R. 4136. The provisions reported by the two committees are partly overlapping and partly complementary. The rule provides that an amendment by Mr. WAXMAN, which combines the medicare provisions reported by the two committees, will be incorporated into H.R. 4170 as a new title X, to be considered as part of the original bill. This means there will not be a separate vote on this amendment. I want to point out that this amendment does not include the provisions reported by the Committee on Energy and Commerce concerning medicaid, including expanded coverage under the child health assurance program (CHAP), or concerning recovery of Hill-Burton funds. These provisions are included in another amendment which will be offered by Mr. WAXMAN and which will be voted on separately.

Amendments (1), (2), and (3) listed in the rule are amendments recommended by the Committee on Ways and Means. The set of amendments listed as number (1) in the rule, which shall be considered en bloc, concern technical changes in title IX, which deals with social security disability benefits reform.

Amendment (2) includes technical changes to all titles of the bill except title VII and title XI. This includes an amendment striking the provision in the bill which would make permanent the requirement now effective through 1985 that medicare part B premium payments by beneficiaries must equal 25 percent of medicare part B program costs.

Amendment (3) adds several sections to title VIII of this bill which deals with miscellaneous revenue measures and adds one section to title V, which deals with the tax treatment of fringe benefits. I would like to point out one particular provision which would be added by this amendment as section 811 of title VIII. That section would provide that income tax would not be due on income earned in the last year by a military or civilian employee of the United States who is killed in a terrorist or military action outside of the United States. Current law provides this income tax exemption only for military personnel killed in a combat zone, which excludes, for instance, the marines killed last month in Lebanon, since Lebanon has not been declared a combat zone. I am a cosponsor of H.R. 4206 which also provides for this change and I would like to thank the Ways and Means Committee for including this provision in their amendments to this bill so that this change will be enacted into law as soon as possible.

Amendment (4) is a substitute for title VII of the bill, which deals with tax-exempt bonds. This amendment embodies a compromise on the so-called IDB provisions, in which tax-exempt bonds for multifamily housing are exempted from the $150 per capita State volume cap and certain other changes are made in provisions of H.R. 4170 which would have severely restricted the use of tax-exempt financing for multifamily housing and for other purposes.

Amendment (5), to be offered by Representative WAXMAN, contains the medicaid provisions reported in its reconciliation bill by the Committee on Energy and Commerce pertaining to expanded coverage under the child health assurance program (CHAP), and recovery of Federal Hill-Burton funds if a Hill-Burton health care facility is sold or undergoes a change of use.

Amendment (6) is the Ways and Means Committee amendment which provides for a 6-month freeze on increases in the "reasonable charges" medicare pays for physician services provided to hospital inpatients and requires physicians to accept assignment for all services provided to medicare hospital inpatients.

Amendment (7) is the so-called modified Rostenkowski tax freeze, which would delay for 3 years a number of tax reductions scheduled to take effect after 1983. It is estimated that adoption of this amendment would increase the revenues raised by this bill by $11.5 billion over the next 3 years.

Amendment (8) is the Pease-Gephardt-Moody-McHugh amendment which would raise an additional $32 billion in revenues over the next 3 years by making a number of changes in existing law concerning corporate and individual income tax deferrals, deductions, and credits.

Amendment (9) by Mr. MORRISON of Connecticut would raise an estimated additional $19.8 billion over the next 3 years by imposing a cap on the third year of the Economic Recovery Tax Act of 1981 (ERTA) tax cut at approximately $700. This is essentially the cap contained in H.R. 1183, the Tax Rate Equity Act of 1983, which was adopted by the House on June 23 of this year.

Finally, the rule makes in order Ways and Means Committee amendments, which might be necessary to make technical and conforming changes in the bill.

Mr. Speaker, I have taken considerable time to explain the provisions of House Resolution 376 and I do not want to further deprive other Members of an opportunity to speak to the rule here, but I would like to stress how important our actions here today are. On June 23 of this year, this House adopted a congressional budget which called for an increase in revenues of $73 billion over the next 3 years in order to begin to reduce the staggering deficits that are facing us. The Rules Committee labored for more than 7 hours yesterday to produce a rule which provides Members of the House an opportunity to live up to our promise to the American people contained in that budget resolution. Rejection of this rule would send a message to our constitutents that we are not serious about our budget or about our promises to deal with the deficit. I urge adoption of this rule so that we may proceed expeditiously to consideration of the deficit-reducing bill, H.R. 4170.

□ 1650

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, the rule has been ably explained, and some of the provisions of the bill itself have been explained. We face a situation today which is difficult and frustrating. The bill is certainly complex, and deals with a wide variety of issues.

The bill was fashioned with considerable bipartisan support in the Committee on Ways and Means, and it achieves many improvements to the Tax Code. For example, the reform of the life insurance industry tax system is a great improvement over current law.

The extension of the single-family and multifamily mortgage revenue bond program will help housing by providing much-needed assistance to home buyers. The fringe benefit provisions, while perhaps not completely satisfactory, do resolve an uncertain and confusing situation that has existed for many years.

So there is much in this bill that merits our support. Unfortunately, however, the bill contains other provisions which I believe are harmful. Members are aware of the controversy regarding the industrial development bond provisions.

Some changes that will exempt multifamily housing from the restrictions of the bill will be offered as a committee amendment. Although I urge Members to vote for this improvement, I do not believe it is sufficient. Even with this committee amendment, the bill places restrictions on the use of industrial revenue bonds that will retard useful economic development. I believe this is a great mistake.

The rule makes in order 10 amendments, and I want to emphasize that this is not the rule that was recommended to us on the Rules Committee. In the Rules Committee the majority party threw in unwanted ingredients to spoil the soup, so to speak.

Among the most objectionable addons is the amendment to be offered by the gentleman from Connecticut (Mr. MORRISON). The Morrison amendment is almost identical to the bill we defeated earlier this year, providing a cap of $700 on the reduction voted on income taxes in 1981. Allowing this amendment seems to be a direct blow to the bipartisan effort that characterized the work of the Ways and Means Committee. Adoption of this amendment will sink the entire bill, in my opinion.

I urge the Members to vote against that amendment when it is considered on the floor, as I shall.

Rather than going into further detail on the rule itself and other provisions of the amendments, I will save time for others. Mr. Speaker, despite all the frustration, and despite those portions of the bill which are bad, I think the bill deserves to be debated on the floor of the House. I voted to report the rule in the Rules Committee, and I support the rule on the floor of the House today.

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Speaker, I rise in opposition to the rule. This Member is tired of having major legislation like tax bills, reconciliation bills, constitutional amendments and others considered under proceedings which effectively eliminate the participation of most Members of Congress in the important decisions as to the contents of such legislation. The rule before the House now again proposes such a process for yet another tax bill.

H.R. 4170, the Tax Reform Act of 1983, includes language which severely restricts the use of industrial development bonds (IDB's) for many local governments. The reason behind this change is extreme concern by the committee that the volume of these bonds has been sharply increased over the past few years. I share that concern but my district has never, to my knowledge, abused the IDB program. Yet, they are being penalized for the misuse of others.

My colleague, the Honorable MARTIN FROST, planned to offer an amendment to H.R. 4170 which would have allowed this IDB issue to be fully and fairly considered on the House floor. Unfortunately, the rule for this bill does not allow us to even consider the Frost amendment. So, once again we will be called upon to cast a single vote on this and many other items without the opportunity for constructive change.

In the case of the matter before us today, there is one project in my district of Florida which may be severely impacted by this bill. Although substantial sums have been spent, it is jeopardized by the narrow limitations this bill places on ongoing projects. Pinellas County, Fla. has expended over $80 million for a solid waste disposal facility and has plans for an expansion costing $90 million.

H.R. 4170 was drafted in closed meetings with little or no opportunity for input by the local governments. Further, in a time when the present administration supports the redevelopment of our cities, this language effectively cuts off numerous revitalization programs previously supported and even encouraged by the Congress. As you know, Congress has been saying to my city and others—clean up and redevelop. St. Petersburg has been trying to heed this call and has spent over $76.3 million in private industry funds and $132.8 million in public funds for the rehabilitation of its downtown. Now, with one small exception for a solid waste disposal project in Connecticut, the Congress is about to throw monumental roadblocks at carrying out its own mandate. We do not even apologize to our cities and towns for the mixed signals we continually send them. Well, I do not think that is fair and on behalf of those cities and towns I urge the House to defeat this rule so that we can have an opportunity to consider the Frost amendment.

Mr. DERRICK. Mr. Speaker, I yield 3 minutes, for the purpose of debate only, to the gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Mr. Speaker, I rise in reluctant support of this rule.

I think that the drafters of the rule made good progress in allowing for certain amendments to be offered on the floor of the House, but I was very disappointed when the amendment offered by the gentleman from Texas (Mr. FROST) was defeated on a 7-to-6 vote. His amendment would have clarified and dealt with the issue of industrial development bonds.

The State of Pennsylvania and the city of Philadelphia have extensively used industrial development bonds as an economic tool and as an incentive to create jobs and to redevelop economically depressed areas. Currently, we have two important redevelopment projects in Philadelphia which will utilize IDB financing. One is a resource recovery, trash-to-steam project, and the other is a large civic center in the center city area. The civic center alone will create 5,000 new jobs, $34.8 billion in increased business volume over the next 30 years, and will generate about $1.04 billion in tax revenues.

Mr. Speaker, I have looked at this legislation and considered the need for revenue increases. Because of the tremendous deficits we face, I will support the rule and many of the worthy amendments that are provided: In particular I note the DSG tax reform amendment and the Morrison initiative to cap the third year of the tax cut. However, as I look at this as an economic tool, one of the few that are left, I feel we have dismantled too many of the economic development programs and we have provided very little in terms of economic incentives and assistance to the older industrial areas like Philadelphia and Pennsylvania.

The State of Pennsylvania and the city of Philadelphia have used industrial development bonds wisely. There are some communities and some States that have misused this particular tool. I would have hoped that the Committee on Ways and Means could have sharpened it and targeted it to areas of economic distress. The Frost amendment which would have been offered was an amendment that I think we all could have supported, and I just hope that we can develop a consensus in the future for targeted restrictions on industrial development bonds rather than the blanket cap approved by the committee

Mr. Speaker, let me conclude by simply saying that IDB's need not be used to finance skyboxes and liquor stores; we should use them for desperately needed, meritorious economic development projects.

□ 1700

Mr. BEREUTER. Mr. Speaker, will the gentleman yield.

Mr. EDGAR. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Speaker, I rise in strong opposition to House Resolution 376 which provides for the consideration of H.R. 4170, the omnibus tax bill.

I object to this rule because of the unfair treatment accorded Members of this body, such as myself, who would like to offer one of only a few necessary and widely supported amendments to this bill.

Yesterday, I testified before the Rules Committee to request that I be allowed to offer an amendment to H.R. 4170 which consists of the text of H.R. 2468, a bill which I introduced. That measure, cosponsored by a bipartisan group of 118 Members, would amend the Internal Revenue Code to provide that a spouse having less than $250 of compensation shall not be disqualified from the benefits of a spousal IRA. This change is needed because present law inadvertently provides that if a nonworking spouse earns even $1 of income, a spousal IRA for $250 cannot be established.

I introduced this legislation after a constituent apprised me of the unfair situation facing her as a nonworking spouse who had earned $40 as an election official. That small amount of income, however, disqualifed her from the benefits of a spousal IRA. Short periods of jury duty are said to cause similar problems.

The law as presently written creates a strong disincentive for continued service as an election official. The Nebraska secretary of state, several local government officials and election workers have contacted me recently to explain the serious impact that this restriction is having on the recruitment of election workers. Unless remedial legislation is passed yet this year, my State and others will face a serious shortage of poll workers at the next election.

Unfortunately, the Rules Committee decided to prohibit me from offering this widely support, amendment which is urgently needed. According to the staff of the Joint Taxation Committee, the annual revenue impact of this change would be less than $1 million. Certainly the benefits of this amendment would far outweigh its costs.

I am baffled as to why the Rules Committee would prohibit such an noncontroversial amendment, while allowing other Members to offer proposals which are highly objectionable to many Members of this body. In particular, for example, this Member and many others strongly object to the proposed freeze on the reduction of estate tax rates, which, if adopted, would have an especially damaging effect upon my predominantly rural constituency and the families of small business operators. That amendment despite the strong opposition of many Members of this body, will, if this rule is adopted, be before the House tomorrow. My noncontroversial amendment, however, will not.

I see little other opportunity for Members such as myself to present our proposal for consideration by the full House unless this unfair rule is defeated. I urge my colleagues, therefore, to join me in striking a blow for equity—and for America's housewives who work at the polling place—by voting against House Resolution 376.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker, we are in a very difficult position and I must say that it has been very hard for the members of the committee to deal with the issues presented to them by the Rules Committee.

The Ways and Means Committee showed constructive and substantial bipartisanship in bringing out a bill which does not raise a significant amount of money, but which does some things which need to be done in the tax law, particularly those things which operate to protect the tax base. Those issues, if not enacted, will become very difficult to deal with in a political year. Early next year we must deal with them if we do not deal with them this year.

It is for that reason that I am supporting what I believe to be a bad rule, promising that if the rule passes, I will myself urge opposition to all except the technical amendments that have been made in order, including those which have been requested by the Ways and Means Committee.

In this respect, I must say that the chairman of the Ways and Means Committee has been eminently fair in trying to operate on a bipartisan basis with the members of the committee. He could have insisted on some of the amendments requested by the committee being incorporated right in the bill, in which case there would be no Republican support for the basic bill. Instead, he agreed to go to the Rules Committee and ask that these proposals objectionable to us simply be made in order as amendments.

The Rules Committee went beyond that, however, bringing in provisions from other committees and offering to the Members on the floor amendments which had not been requested by the Ways and Means Committee. For us to react against the rule for this reason would be to permit the Rules Committee to kill any bill they dislike by loading it up.

I think it is appropriate then for us to stick with the original bill, something which is possible if the Members will vote against those nontechnical amendments which are in my opinion in every case inappropriate, but I would hate to see the bill defeated, forcing us to deal with issues like insurance, like mortgage subsidy bonds and industrial development bonds, like the sale-lease back gambit which has become a very large loophole, next year. In the meantime, all those creative minds out there among the tax advisers and bond counsel of America will be finding new ways to lock in new transactions which will be erosive of our tax base.

We need to deal with this issue as quickly as possible. The House should get it behind us. I know the Senate is not going to have time to act on this, but clearly, we will be in much better position ourselves if we get this matter and the items that have to be dealt with now out of the way before we go home and before the proliferation of new deals will present us with many more vested interests in February or March.

I want to repeat, I oppose amendments to the bill whether they were recommended by the Ways and Means Committee or whether they were the extraneous amendments made in order by the Rules Committee.

I must say, the members of other committees are going to have to deal from time to time with the legislative intrusiveness of the Rules Committee, which seems to be willing to go beyond its function as a traffic cop in the bringing of bills to the floor.

I would like to say to the other committees, you may be a little sympathetic with the Ways and Means Committee if you find that the lobbyists with whom you usually negotiate are suddenly going over your head and dealing directly with the Rules Committee, rather than having to deal with the responsible legislative committee having more explicit knowledge of the circumstances.

I hope we will be able to consider this bill now. We cannot do it if we beat the rule. I think it is a bad rule. I intend to vote against the amendments, but I hope my colleagues will not put us in a position where we have to come back to you next year in a deteriorated environment with a bill which almost inevitably will be itself deteriorated.

Mr. DERRICK. Mr. Speaker, I yield 3 mintues, for purposes of debate only, to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Speaker, I rise in very strong support of this rule and want to congratulate the gentleman from South Carolina and the Rules Committee for giving us this opportunity to make a significant start on vitally needed tax reform and reduction of our staggering national debt.

Virtually every economist throughout this Nation and other nations have decried the huge deficits that we presently are running and the high interest rates that result; and the economists have said that if we are not to mortgage the possibility of a sustained economic recovery in this country and other countries throughout the free world, we have to cope with it.

We ourselves made a firm commitment in the budget resolution to make a significant dent in that deficit and specifically committed ourselves as a part of the budget resolution to making certain expenditure cuts and to raising $73 billion of revenues.

The Rules Committee did what was sound and gave us the opportunity with a number of different options to be able to raise that $73 billion to which we commited ourselves. It is probably the only chance we will get.

My own opinion is that failure to carry through on our budget commitment would break faith with the American people and with the statements that so many of us have made advocating either balanced budgets or certainly vastly reduced deficits.

I think the individual parts of this may be subject to debate, but what kind of tax bill could we have that

would not have differences of opinion on the floor of this body?

I think as my friend, the gentleman from Pennsylvania (Mr. EDGAR) said, that the restrictions on industrial development bonds are probably too sharp; but clearly, industrial development bonds have become a sieve through which a great deal of our revenue base has been allowed to be eroded. I do not think we can criticize the Ways and Means Committee for seeking to limit that particular loophole, though I would have preferred to see more liberal provisions for municipal financing. There are many other loopholes that I would like to have seen addressed, such as the oil depletion allowance and the foreign tax credit, which are not included in this package and I hope at some future date we have occasion to address those.

I head a project called the National Economic Recovery Project, which 153 of my colleagues endorsed, which calls for restoring the tax base of this country and making the investments that we need to restore full employment and high production within our economy. While this is just one step on the road toward achieving that program, it is a very important one. I am firmly convinced myself that unless we restore the national tax base, unless we cope with these high deficits, unless we enable ourselves to make the investments that are needed to restore many of the industries which are dying on the vine in this country and make ourselves competitive with our Japanese and European trading competitors, this country is not going to see an economic recovery. We are, indeed, going to break faith with the American people.

I would like to add a word of commendation for our freshman colleagues who fought so hard to assure that we would get an opportunity to vote on this measure and fulfill our budget resolution commitments.

I strongly urge adoption of this rule and support of the amendments on which we will be able to vote only if this rule is passed.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Speaker, this rule deserves to be included in the classic comic book version of "How Our Laws Are Really Made," because believe me, this is a classic example of how things are done around here. It has been a moving CHAP's game, as I have heard it described here on the floor.

For those of you who were hoping to learn something about this tax bill by reading that 2-volume, 1,300-page report, or the 700-page bill itself, forget it. This bill has since undergone more changes than a new baby does diapers.

Now, you are being told this is supposed to be just a simple little tax bill, but I submit that a 2-volume, 1,300-page report and a 700-page bill is not a simple little change.

□ 1710

Why are we doing this? We are considering this rule, this afternoon, and then if we pass the rule, we will take it up tomorrow, debate it for 8 hours, and have probably at least five votes. It will take us 9 and 10 hours tomorrow, and it will not even go to conference.

If you do not even get into how the rule was drafted in a moving process, we still do not really know what is in this rule or what is provided for by some of these amendments. If you do not want to get into the substance, look at the timing. The other body will not take it up. It cannot go to conference until after the first of the year. We are trying to wrap up this session which we should do for the good of the American people and we are going to bring up a 10-hour bill on the last day of this session? How many people really believe we will be able to complete this thing and do what should be done?

Mr. PEASE. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Ohio.

Mr. PEASE. I thank the gentleman for yielding.

My understanding is that the Senate may try to take up tomorrow a tax bill which the Finance Committee reported out a couple of weeks ago and the Finance Committee may try to report out a tax bill tomorrow with some $75 billion.

Mr. LOTT. Do any of you here have any real confidence in the other body doing something positive in the tax field?

Medicare provisions from Energy and Commerce have been folded into the bill out of Ways and Means. Think about that. One committee's jurisdictional area has been forced into another one and the Rules Committee says this will be considered as adopted as an amendment and a part of the bill. That is a little unusual, you have got to admit. We got the CHAP and medicaid provisions, and they talk about this posing to be a tax increasing measure. This provision will cost more money. We are spending more money. You have the Morrison amendment which would put a cap on the third year of taxes. You have the Pease amendment which would raise a significant amount of taxes. I understand about $50 billion or so. You have the Rostenkowski freeze amendment which would freeze such things as estate tax reductions and you have so-called technical amendments and be careful of these, because at least one of them involves IDB's, and some of the running changes that we have seen in the industrial development bonds.

Then we also make in order any other amendments that the Ways and Means Committee wants to bring to us.

Now, what is that? We never even saw these amendments, but yet we may be having to vote on them tomorrow in the last day of this session.

What is not in this bill? We did not do anything constructive in dealing with the cap on industrial development bonds, and those of you that are from rural, small States with smaller per capita, you are talking about a $150 per capita that would go down to $100 in 1986.

Maybe we want to just always pass more and more programs out of Washington to send the money back home, but I submit to you that these small IDB's have been the one way that some States have been able to get some development, some industrial expansion and under this cap you will be limited in that area. You are talking about significantly limiting the IDB's. You are talking about high taxes and also voting on medicaid changes. I urge defeat of this rule.

Mr. DERRICK. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. BONIOR), for purposes of debate only.

Mr. BONIOR of Michigan. I thank the gentleman for yielding me this time.

Mr. Speaker, I did not intend to speak, but I want to respond to my colleague from Mississippi and my colleague from New York who spoke before me.

Just in reference to what we did in terms of folding in the provisions of medicare, I would point out to the gentleman from Mississippi, that jurisdiction over that is not only coming from the Ways and Means Committee but it also comes from the Committee on Commerce and Energy. It is not unusual to have done what we did, and we have done it in the past with respect to the folding in of those provisions.

With respect to the question on industrial development bonds, as Members know, and as Mr. LOTT knows in particular, the Rules Committee, and the Committee on Ways and Means engaged in dialog for a couple of weeks over this issue and we did make some headway. As Mr. DERRICK has pointed out, we did exempt from the cap multifamily housing which should take care of the problem in 95, if not 99, percent of the States that are represented in this body.

Mr. CONABLE, from New York, reluctantly, I guess, is going to support this so we can get some kind of a tax bill, albeit a small one, $10-point-some billion over 3 years which really does not

make too much of a dent in a $200 billion deficit, but nevertheless I would hope Members would understand that the obligation of the Rules Committee is not just as a traffic cop; it is as a packager also, and we attempted to give you a chance by packaging a series of amendments which will reach, what we think, was a reasonable level to make a dent in that $200 billion-plus deficit that we face and that will come about, not only through amendments by Mr. MORRISON and by Mr. PEASE, but also by the Chairman of the Ways and Means Committee, Mr. ROSTENKOWSKI, his so-called tax freeze amendment.

We did well by the Ways and Means Committee and by the House in giving the Members of this body alternatives to try to rid ourselves of this horrendous deficit and we did ourselves well, not only the Ways and Means Committee but the Committee on Energy and Commerce.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, because it is a terrible rule on a good bill this rule presents a very hard decision for me.

I must admit to being nauseated by the process indulged in by the Rules Committee over the past several weeks on this bill. This rule may not be as bad as the process under which ERA came to us but it is in the same class. The Rules Committee has turned the House into a Junior-grade Senate by attaching nongermane amendments to an otherwise respectable tax bill.

There is no such thing as a perfect tax bill, and this bill is far from perfection.

On the other hand, it is not a bad bill. There are things in it of which I do not approve, but it is a bipartisan effort which is a tribute to the chairman's leadership and the committee's hard work. Developing it was hard but satisfying work.

I do not have the time now to call the roll of its provisions, but everybody knows that the mortgage revenue bond extension and the insurance law sections are absolutely essential. Both expire at the end of December.

The foundation law, the fringe benefits, the tax simplification, and technical corrections are also important and needed.

So much for a description of the bill. The really hard decision is on the rule. The rule is so bad that it can be described in two words: it stinks. Its stench stands out even against the odoriferous standards of the Rules Committee.

Despite the odor and despite the whimsey of the Rules Committee, I am afraid that the rule is going to have to be passed.

If we do not pass the rule, we will do exactly what the Rules Committee wants us to do. They designed the rule so the bill would fail. My normal inclination would be to vote against the rule, but to do so would be to ratify the intentions of the people who gave us the rule.

I have reluctantly come to the conclusion that it is my duty to vote for the rule. We are not going to get a better tax bill next year. We may not even get a tax opportunity next year at all. If we do get an opportunity, it will probably be a worse one.

Therefore, I believe that we must vote for the rule, and against the amendments, except the technical corrections and then vote for the bill.

The only way we can move this bill into conference is to vote for the noxious rule. Otherwise we cannot get a chance to vote on the bill. We cannot remove the stigma of what the Rules Committee has given us, unless we pass what is otherwise a terrible rule.

I urge this House to approve the rule, even through many of you may believe as I do, it is about as bad a rule as the mind of man can concern.

□ 1720

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I rise in opposition to the rule providing for consideration of H.R. 4170, the Tax Reform Act of 1983.

Much has been said about the controversial provisions in H.R. 4170 concerning tax exempt bonds generally, and IDB's specifically. The Committee on Ways and Means seems to feel that there is an urgent need to impose drastic reforms on the program. The gentleman from Texas (Mr. FROST) seems to feel that only a few minor amendments to tax-exempt bond rules are necessary. Tying the whole ball of wax together is a tempting extension of the tax exemption for mortgage revenue bonds until 1988—a proposal cosponsored by over 300 Members of the House, myself included.

The rule for consideration of this measure prohibits any Member from offering an amendment to the bill to weaken the restrictive concepts in title 7. The only exception would allow a committee amendment which contains the so-called "compromise" on IDB's. It is not much of a compromise, I can tell you that. Yes; it does exempt multifamily housing units from the $150 cap, as well as from the arbitrage requirements in H.R. 4170. It also allows certain, specified Government agencies to guarantee tax-exempt bonds, which will allow certain innovative housing projects to go forward in Massachusetts, Texas, and Florida.

Unfortunately, however, the proposed compromise does not increase or delete the cap, it does not really soften the impact of the arbitrage requirements, and it does not generally address the concerns of the Members of this House. Although I will vote for the committee amendment if we do get that far, that amendment does not go far enough.

The Frost proposal, however, is a good response to those Members who would like to see the House work its will. It is clear that the House overwhelmingly supports the IDB program, yet the Ways and Means Committee is taking a "father knows best" attitude. Because of the restrictive proposals, however, and since I think the House should have an opportunity to vote on the Frost amendment, I feel that I must oppose the rule.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Missouri (Mr. TAYLOR).

Mr. TAYLOR. Mr. Speaker, during the 7-hour marathon hearing we gave the tax bill in the Committee on Rules yesterday, we listened to various pleas for amendments that would add more and more taxes to the burden already borne by the Nation's taxpayers.

I found it very interesting that we did not receive too much testimony from Members wanting to support what has been a very popular amendment for the past 3 weeks, the so-called Frost amendment.

If the Members will read this rule they will find that the Frost amendment, the one they have been writing to the Rules Committee about for the past 3 weeks is not allowed.

Mr. Speaker, over 82 Members of the House wrote us and asked the Committee on Rules to include an amendment to delete the provisions of the Ways and Means Committee bill that severely restrict the use of industrial development bonds.

I have been looking through the sheaf of letters from the Members, and while I will not ask that the letters be placed in the RECORD, I notice that States of Ohio, Virginia, Pennsylvania, Alabama, Missouri, and Georgia are very well represented.

This rule does not allow these 82 Members a vote on an amendment they specifically asked for, an amendment to delete the $150 per capita volume cap on IDB's, to delete the $40 million limit on a single beneficiary of IDB's, and to delete the restriction on the use of IDB's for the purchase of land.

Mr. Speaker, there is hardly a Governor of any State, nor a mayor of any city, nor any business or labor group that wants to see arbitrary limits placed on their ability to use IDB's to meet the growing economic development, environmental and educational needs of the future.

Mr. Speaker, the Ways and Means Committee bill proposes a State-by-State cap on the dollar volume of bond issues at $150 per capita. This cap drops to $100 per capita after 1985.

The distinguished chairman of the Committee on Ways and Means, the gentleman from Illinois (Mr. ROSTENKOWSKI) has agreed to remove multifamily rental housing from the volume cap on IDB's. This is a fine gesture, but I am told by State and local government officials that the cap will still impose severe limitations on them.

Mr. Speaker, the Committee on Ways and Means has done very little in this bill to reduce the abuses we have seen in the past in the use of IDB's to finance purely commercial ventures. Their bill penalizes State and local governments who want to assist economic growth and development, who want to create new jobs, and who want to provide a pool of funds for student loans and home mortgages.

This rule does not give the Members any opportunity to deal with the issue of IDB's, except to remove multifamily rental housing from the arbitrary cap.

Mr. Speaker, this rule forces the Members to choose between a series of nongermane amendments and the interests of their State and local governments.

This rule is the first chance, and perhaps the only chance, we will have to kill this snake. I urge defeat of the rule.

Mr. MARTIN of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR. I yield to the gentleman from North Carolina.

Mr. MARTIN of North Carolina. Mr. Speaker, this rule is a travesty. It caters to the partisan whims of only one party, and has so overloaded the bill that it would be better if we just closed our doors and went home.

We started with a carefully crafted tax bill that responsibly raised $8 billion in needed revenues, and had only one real controversy in it, the section on industrial development bonds. The other sections generally were very desirable.

One extends the authority for States to issue tax exempt housing bonds, which will expire painfully if not extended.

Another section protects fringe benefits.

Another solves the problem of taxing insurance companies in a balanced way as between stock and mutual companies.

Another relieves foundations so as to increase their charitable work.

Another remedies the situation of those whose social security disability eligibility is being questioned.

And so on. On the Ways and Means Committee, two-thirds of each party supported the bill.

The Rules Committee, however, has taken this bipartisan bill, the first bipartisan tax bill we have had since 1978, and has made a partisan playground out of it. Many of us who support the bill cannot support the meddling of the Rules Committee.

The rule before us is the legislative equivalent of a roto-ruler, and it should be rejected.

Mr. BLILEY. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR. I yield to the gentleman from Virginia.

Mr. BLILEY. Mr. Speaker, I thank the gentleman for yielding. I ask unanimous consent to revise and extend my remarks.

Mr. Speaker, I rise to voice my opposition to the rule on H.R. 4170, the so-called Tax Reform Act. We have heard Members speak of gag-rules in the past. This is certainly one such rule.

The Rules Committee has reported a resolution which gives the Members the opportunity to debate and vote on amendments which have not been the subject of committee hearings, and have not been studied to see how they will affect our taxpayers and the American economy. The rule allows Members to vote on legislation which has already been considered and rejected by the Congress, but cuts off meaningful debate on tax provisions of vast importance to our Nation. In short, the Rules Committee is using the current popularity of deficit-reduction to do whatever they want on the House floor, regardless of the wishes of the Members. We now have two tax-writing committees in the House.

This rule would allow tax freeze amendments to be offered, debated and voted on. If these amendments have merit, why were they not discussed and debated in the Ways and Means Committee?

This rule would allow medicare amendments to be offered which were defeated in the Ways and Means Committee. I suppose the Members should be grateful that there was at least some debate on those amendments. But the Rules Committee will not allow this amendment—which is really two amendments—to be divided and considered individually, each on its own merits.

The most objectionable part of this rule, Mr. Speaker, is that it precludes Members from voting on the real tax issues of the day, while wasting the House's time to discuss amendments which should not be on the floor.

Members will not have the opportunity to debate or vote on title VII, the industrial development bond provisions of H.R. 4170. And, as Members know, title VII is easily as controversial and as worthy of discussion as any amendment we will be allowed to debate.

Frankly, I do not see why the Members on either side of the aisle are putting up with this charade. If we support this rule, then we will only rubberstamp what the two tax-writing committees—Ways and Means and Rules—have decided American tax policy should be. If we are to accept whatever the Rules Committee rams down our throats, then we might just as well bring the whole bill up under suspension. At least no one could complain that there is not a precedent for considering major legislation that way.

I urge the Members to vote against this rule, and give yourselves the opportunity to debate and vote on the provisions of this bill individually, as benefits representative Government in a free and open democracy.

Mr. TAYLOR. Mr. Speaker, this is the first chance and perhaps the only chance that the full membership of this House will have an opportunity to kill this snake. I urge defeat of the rule.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. GRADISON).

Mr. GRADISON. Mr. Speaker, here we go again. We have taken a good bill and spoiled it with a bad rule. H.R. 4170 came to the Rules Committee with bipartisan support from the Committee on Ways and Means, a balanced, skillfully crafted bill under the able leadership of our chairman, the gentleman from Illinois (Mr. ROSTENKOWSKI), 16 Democrats, and 8 Republicans from our committee who are cosponsors, including this member.

The bill deals with issues which deserve prompt action by this House, including disability insurance, medicare, fringe benefit and life insurance taxation, mortgage revenue bonds, and industrial development bonds.

But this is not a good rule. The rule goes far beyond the bipartisan recommendations of the Committee on Ways and Means and excludes provisions clearly outside the jurisdiction of the Ways and Means Committee.

Mr. Speaker, I urge my colleagues to reject this rule and its nongermane amendments which would add three-quarters of a billion dollars over the next 3 years to our huge budget deficit.

Mr. DERRICK. Mr. Speaker, I yield 2 minutes, for purposes of debate only, to the gentleman from Florida (Mr. NELSON).

Mr. NELSON. Mr. Speaker, I am told that the votes are very close on this rule and so I asked for the opportunity to speak in favor of this rule.

Simply, I think it is a question of fairness and equity that many of us who have come to this well and spoken of the economic emergency that is about in the land, with a $200 billion deficit, want an opportunity to do something about it.

This is not the popular opportunity to do something about it because it involves raising taxes. But if you are going to do something about a deficit, there are three things that you can do:

either cut spending or raise taxes, or a combination of both.

Right here is an opportunity. I have talked with members of the Federal Reserve Board and recently with the new head of the Congressional Budget Office and asked them, "You know, here we have this $200 billion deficit facing us. What are we going to do to get over this economic emergency?"

They keep reminding me, "You can't do it all in one step. It will take a series of steps, a long journey."

But we can start with the first step. If we pass the bill it will be about $8 billion of deficit reduced.

If we add some of the amendments you could go all the way up to in excess of $70 billion of deficit reduction.

Last week there was a protest by some of us on this side of the aisle and that protest was simply that we wanted the opportunity for deficit reduction. We will have that opportunity if you will give us that opportunity by passing this rule.

Mr. QUILLEN. Mr. Speaker, I yield 1½ minutes to the gentleman from Louisiana (Mr. MOORE).

Mr. MOORE. Mr. Speaker, I do not often vote for this kind of rule, probably never have. It is a lousy rule, a lousy rule but a good bill.

It is a good bill, Mr. Speaker, and it is a good bill that may not become law if we defeat the rule and try to come back in February and tackle this bill then, because every one of you know that there is a tremendous lobbying effort going on not by Members of Congress but by outside special interests that would like nothing better than to kill this bill.

□ 1730

I really wonder, my colleagues, are we going to have the courage to pass the bill in February? Are we really hiding behind this rule? The rule is bad, we all know that. But all you have to do to salvage that is to vote against the amendments tomorrow and pass the bill that comes out of the Committee on Ways and Means, which is a bipartisan, solid, good bill that preserves the tax base of this country, does not raise taxes, and does not raise $1 of tax rates or new taxes. It tries to save the tax base so that we can cut taxes for the average working people and not have to raise their taxes to make up for the revenue lost by people who are using tax loopholes we are trying to plug in this bill.

So it is a bad rule, but it is a good bill. Do not kill the bill by killing this rule today.

I just really wonder if we are going to have the courage to come back, after we spend 2 months at home listening to these special interest groups convince us about how important their special interest is and how their use of the Tax Code might be important.

My colleagues, it is a lousy rule but it is a good bill. Vote for the rule today so that we can get to the bill.

If you vote against the amendments tomorrow, you will have preserved the bill and you will have nullified the bad aspects of the rule.

The SPEAKER. The gentleman from South Carolina (Mr. DERRICK) has 8 minutes remaining.

Mr. DERRICK. Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Speaker, I support this tax bill except for one key provision which would have devastating effect in the Oregon veterans home loan program. This veterans program is vital to Oregon's veterans, and Oregons' economy. For this reason I cannot support the bill. We do need such a tax bill, and I intend to vote for the amendment which would reduce the deficit by $32 billion by closing flagrant tax loopholes. I am sorry that the all important provision to Oregon requires me to vote against the bill, and because the rule does not allow an amendment to maintain the Oregon veterans loan program, I must approve the rule also.

Mr. DERRICK. Mr. Speaker, I yield 2 minutes, for purposes of debate only, to the gentleman from Florida (Mr. GIBBONS).

Mr. GIBBONS. Mr. Speaker, you learn some things if you stay here long enough, and one of the things I have learned is I do not know all the answers and I am not always right. And there are an awful lot of tough questions that come at us. I think the gentleman from Louisiana (Mr. MOORE) hit the nail right on the head. It is obvious that we are going to have to sit down with our friends on the Rules Committee and reason together a little more and perhaps have a little prayerful session a little more on some of these things, but that should not be the excuse for killing this bill.

If you vote against this rule you will kill this bill. It is unfortunate, but that is what will happen. It is a good piece of legislation that seeks to prevent serious damage to our tax system and repair some of the things that must be done right now.

This is the kind of thing we are going to face in the future here in the House of Representatives. We have a large chronic deficit and the decisions are going to be very tough. We are going to have to work with our friends on the Rules Committee and make sure that we do not come to the kind of misunderstanding we had on this rule.

If there is any real trouble with this rule, it probably is because it gives the Members of the House so many choices tomorrow.

And I realize these choices are uncomfortable to make, but there are a lot of choices we will have to make out there tomorrow.

And I hope the Members will not run away from a good bill, that they will make the tough choices tomorrow, but they will make the toughest of all today, and that is to vote for this rule.

Mr. DERRICK. Mr. Speaker, I yield such time as he may consume to the gentleman from Tennessee (Mr. BONER).

Mr. BONER of Tennessee. Mr. Speaker, I rise in opposition to the rule.

Mr. Speaker, I rise in opposition to House Resolution 376, the rule which provides for the consideration of debate and amendments on the Tax Reform Act of 1983.

I do so because I oppose being unable to debate amendments to two important titles of the bill that adversely affect the future development of Nashville and Davidson County, Tenn. Specifically, the bill which has been reported by the Ways and Means Committee severely restricts the amount of industrial development bonds (IDB's) that Nashville can issue. Beginning January 1, 1984, the amount of IDB's which the State of Tennessee could issue would be $150 per resident. A rough estimate of the total State amount would be $750 million of new bond issues per year. Nashville's share of that amount would not exceed approximately $75 million. Yet in 1982 alone, the city of Nashville issued approximately $123 million in IDB's. Clearly, Nashville's current and future development projects in Nashville would be severely affected if these restrictions are enacted.

For example, Nashville's planned hotel and convention center needs an estimated $108 million in industrial development bonds to bring it to completion. Under the provision of the bill, the convention center would not be eligible for IDB's unless a binding contract is entered into between the convention center developer and the hotel management and commercial space lessees by the end of the year. While excavation of the project is underway, it is still unlikely that a binding contract could be completed by December 31 of this year. As a consequence, the construction of the convention center would be jeopardized and, with it, more than 1,000 construction jobs and 2,000 permanent jobs. Also jeopardized would be the $2.2 million in sales tax and $2 million in property taxes the city expects to take in when the center is completed in 1986. The State would also lose about $2.3 million in sales tax if the center is not completed.

The convention center is not the only project in the Fifth District of Tennessee which would be harmed by the passage of this bill. The redevelopment and restoration of the historic structures along Lower Second Avenue

and Broadway would also be jeopardized. While currently, 300,000 square feet of office and commercial space has been redeveloped in the historic buildings, there is more than 400,000 square feet scheduled to be renovated next year. These redevelopment projects have resulted in more than 2,500 Nashville construction jobs, an industry which has suffered unemployment of up to 50 percent during the past few years in Davidson County.

Another project that would be adversely affected is construction of a new passenger terminal at Nashville's Metropolitan Airport. This project, alone, will require $120 million in financing. If IDB's are used, this amount alone would equal 20 percent of the entire industrial development bonds available to the State.

I also oppose the rule because the bill imposes severe and unrealistic limitations on the amount of industrial development bonds that a single beneficiary can issue for its use. The $40 million cap in the amount of IDB's that can be issued on behalf of any one entity, and the inclusion of aggregate capital expenditures of $10 million in that cap, will result in nationally known corporations bypassing available lease property in downtown Nashville. With this unrealistic cap, small-issue IDB's probably would not be used to finance the capital expenditures of corporations who wish to locate in Nashville when they have high capital expenditures elsewhere in the country.

The majority of the provisions of the bill are meritorious and there passage is necessary. However, I would be remiss if I did not object to a rule which imposes severe restrictions on the freedom of the Members of the House to offer the necessary correcting amendments to the bill. As such, I cannot support a legislative package that includes provisions which jeopardize the future development of Nashville and Davidson County.

Mr. DERRICK. Mr. Speaker, I yield 1 minute, for purposes of debate only, to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, we have heard a lot today about fairness and deficits. I submit to you that if we are really concerned about fairness, we will defeat this rule. Under this rule, those who want to increase taxes get the opportunity to vote on 90 percent of what they want. Those of us who want to reduce spending get the opportunity to vote on less than 10 percent of what we want. We are being presented a package that is not balanced. In particular, I am referring to the freeze of medicare fees for physicians being tied to a mandatory assignment provision. Many of us feel strongly that the physicians should be willing to share their part of a freeze just as so many other groups have been asked to do. But without having any idea what impact the mandatory assignment would have on the medicare program, we see no way to be able to give our support.

The freeze would help us meet our budget spending reduction goals. The mandatory assignment is totally unnecessary for budget savings and represents a substantial departure in medicare program policy without any hearing by the appropriate committees.

The argument for tying mandatory assignment to the freeze is that without mandatory assignment doctors will just pass along the extra costs to their elderly patients. The foundation of this argument is that all senior citizens are needy. This totally disregards the fact that most senior citizens are not needy and, as we all know, medicare is not a needs based program.

In fairness, opposed the rule.

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the gentleman from Virginia (Mr. PARRIS).

Mr. PARRIS. Mr. Speaker, I rise in opposition to this rule, in part because it does not make in order an amendment I offered to this legislation which was rejected by the Committee on Ways and Means and by the Committee on Rules.

Mr. Speaker, my amendment would preserve the tax treatment of the housing allowance received by members of the military and the clergy.

On July 1, 1983, an IRS revenue ruling went into effect which prohibits the clergy from excluding from their gross income, the interest and taxes they pay on a personal residence. They can continue to deduct the interest and taxes on their personal residence but they will no longer be allowed to exclude that amount from their gross income. This will obviously increase their individual tax burden.

The IRS has modified its ruling somewhat to provide: if a member of the clergy owned or contracted to buy a home before January 3, 1983, revenue ruling 83-3 would not be applied to that individual until January 1, 1985, or until he no longer owns the home, whichever comes first. This modification gives some members of the clergy more time to prepare for the impact of revenue ruling 83-3 but those individuals who have not yet purchased a home will be subject to the ruling as of July 1, 1983.

In addition, I have received a copy of a memorandum prepared by the General Council's Office at the IRS which indicates the same type of tax treatment will soon be applied to military personnel who use the military quarters allowance to help them purchase a home. The IRS has informed me that it is not necessary for them to issue a separate revenue ruling directed toward the military. All they need to do is to apply the tax theory which is set forth in revenue ruling 83-3 to military personnel.

For years, military personnel and the clergy have had the benefit of this tax exemption. It has been a way in which the Federal Government has encouraged individuals to make careers, in what have traditionally been, occupations of modest income. The amount of revenue that would be generated by this action is insignificant compared to the hardship it will place on the clergy and their congregations and on military personnel and their families.

I have sponsored legislation, H.R. 1905, which would repeal revenue ruling 83-3. This bill has attracted over 120 cosponsors in the House and identical legislation is gaining momentum in the Senate.

The situation is critical for the clergy because the social security amendments of 1983 extended mandatory FICA coverage to all employees of religious institutions. For social security purposes, ministers and rabbis will be treated as self-employed, and will be required to pay the higher self-employed rates.

If we take this benefit away from military personnel, it will make it even more difficult to attract and retain qualified people to serve in our Armed Forces. Service pay and allowances simply do not permit the same standard of living and savings that equivalent civilian pay permits. The traditional noncash benefits are essential and must be preserved due to the various liabilities military personnel must endure.

Service people have no established workday or week, they are on call 24 hours per day and get no extra pay for overtime work or combat. They must endure long family separations and frequent disruption of family life and financial losses caused by changes of duty stations. In addition, there are many other aspects of military life which add to the financial burdens and personal hardships that service personnel must endure.

An important point to consider is that the Internal Revenue Service has not even made an estimate as to the amount of revenue which would be generated by eliminating this tax benefit. The tax staff at IRS has informed me that this is a question of equity and that the revenue generated would be minuscule. I submit to the members of this committee that any amount of revenue that would be produced is insignificant when compared to the burden it will place on the clergy and their congregations and to our Nation's military personnel and their families.

I regret that the Rules Committee did not grant a rule which would permit me to offer this amendment to

the Tax Reform Act as it is considered by the House. The complete text of my amendment was printed in the CONGRESSIONAL RECORD on November 3, 1983, appearing on page H9214. The House Parliamentarian reviewed the amendment and informed me that it is in order and does not require any budget waivers.

I hope and trust this House will reject this rule and permit this important legislation to be considered under a revised rule that will make it possible for my amendment to be considered by the full House.

Mr. QUILLEN. Mr. Speaker, I yield 1½ minutes to the gentleman from South Carolina (Mr. CAMPBELL).

Mr. CAMPBELL. Mr. Speaker, I rise in support of the efforts of the chairman of the Committee on Ways and Means to bring a decent bill to the floor of this House.

Chairman ROSTENKOWSKI and the bipartisan group on the Committee on Ways and Means fashioned a decent piece of legislation. It should go into law. Unfortunately, the Committee on Rules today in this rule have probably made it unlikely that it will.

Reluctantly, I have to oppose the rule. This rule makes in order nothing more than additional tax and spend legislation, things that did not come through the Committee on Ways and Means, things that should not be in this bill.

Many people have said it is imperative that we pass this rule so the bill can be considered now. I have to ask these people why if it is not going into law now, and it cannot pass into law until February, then why all of the arguments about the mortgage bonds expiring? These arguments really are moot. They make no difference.

Why are we rushing forward now? We had a good bill. It still is a good bill. This rule makes the possibility of a terrible bill coming forward that could in fact defeat a good bill, and I oppose the rule.

Mr. QUILLEN. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. THOMAS).

Mr. THOMAS of California. Mr. Speaker, as a cosponsor of H.R. 4170, I rise in support of the chairman of the Committee on Ways and Means.

As a short-time member of that committee, I am very impressed with the chairman of the committee in terms of his fairness. He tells you what he can do, he tells you what he cannot do, and he tells you what he will not do.

Coming out of that context we produced a bill that got three-fourths of the Republicans on that committee as cosponsors of the bill that, I think, is a well-crafted measure. The Committee on Rules made in order not only an amendment that is not within the jurisdiction of the Committee on Ways and Means, but it functioned as the tax committee as well.

We have been saying over and over again that the rule is a lousy rule, but go ahead because tomorrow we are going to vote on a good bill.

The fact of the matter is that if the rule passes, we are going to be governed by the choices given to us by the Rules Committee.

I wish Members could vote on the bill that the Committee on Ways and Means passed. You do not have that choice.

You have to support the travesty from the Committee on Rules first. I think you have to vote no on the rule, and I will say, reluctantly, I oppose the rule and will vote no.

□ 1740

Mr. QUILLEN. Mr. Speaker, I yield such time as he may consume to the gentleman from Tennessee (Mr. DUNCAN).

Mr. DUNCAN. Mr. Speaker, I rise in support of the rule.

Mr. DERRICK. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi (Mr. MONTGOMERY), for the purpose of debate only.

Mr. MONTGOMERY. Mr. Speaker, I usually do not oppose rules that come to the floor, but I must rise in opposition to the rule basically because the rule does not permit amendments to be offered on the industrial development bond section.

I supported the Frost amendment which was a compromise on IDB's, but it was not permitted to be offered under this rule.

Mississippi has never had the broad banking base to attract industry into our State. And along came the industrial development bonds and it has been a Godsend to Mississippi. It has put people to work by implementing these bonds and I can safely say that these bonds helped almost double the per capita income of our people in the last 10 years.

Yes, it has attracted industry to our State. Sure, it caused some funds not to come into the treasury but it puts people to work, it has kept them off the welfare rolls and it has given them pride in themselves that they have been able to have jobs.

I hope we will defeat this rule.

Mr. QUILLEN. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Speaker, I rise against the rule.

And I would just note that the IDB's in the compromise should have been, I think, included in this rule. The impact on my district will be close to 3,000 jobs.

Mr. Speaker, last night I appeared before the Rules Committee to request to make in order an amendment to H.R. 4170 that would have expanded language in the bill that imposes a moratorium on disability reviews for mental disorders, to include all permanently disabling disorders.

I am deeply disappointed to say to my colleagues, that the Rules Committee failed to make my amendment in order in a 8-5 vote. All four Republicans and only one Democrat voted to allow me to offer this important social security amendment so needed by those on disability. The remaining eight Democrats voted against it.

Mr. Speaker, as you well know, as a result of the 1980 disability insurance amendments, the Social Security Administration initiated an aggressive program of reviewing those on social security's permanent disability rolls.

While the intent of the policy was to terminate benefits for those healthy enough to resume work, the result has been a nightmare. In my New Jersey district my caseworkers and I have handled over 500 disability terminations. Time and time again, we have found the review process to be less than fair, thorough or compassionate. I am happy to say that our intercession has helped facilitate the reversal of many of those who were terminated but such intervention by me should not have been necessary. I often feel that for every person expunged from the disability rolls who calls me, there must be several who do not. Their reasons are many, perhaps they believe any appeal would be futile, and the appeals process not only appears intimidating, drawn out, it is.

Mr. Speaker, between October 1982 and June 1983, SSA made decisions on 365,000 people on the disability rolls. Of that number 278,000 or 76 percent have been left untouched or returned to the rolls after a lengthy appeals process.

Significantly, of the 116,000 people who opted to go through the review process after initial termination an unbelievably high 70,000 people or 60 percent had their benefits restored. But let me remind my colleagues that these restorations occured only after a very trying, traumatic, lengthy process.

I would point out to my colleagues that approximatley 50 percent of those terminated do not initiate a reconsideration. There are no hard facts or data on what becomes of these people. One preliminary finding from the GAO indicates that in the cases of 100 people terminated only 7 were able to obtain full time jobs, 8 found part-time employment.

It seems to me that its not too difficult to understand why so few apparently do not find jobs. Most, I would suggest, are just too sick or fragile. To some employers such an employee might be regarded as a potential liability—too much of a risk. I would ask my colleagues, how many employers that you know would hire a person

who has just been excised from the disability rolls.

I am pleased to point out to my colleagues that in September the Governor of my State, New Jersey, Tom Kean, refused to comply with Federal policy mandating reviews. And he is not alone. Eleven other States, West Virginia, Alabama, California, New York, Maine, Ohio, Maryland, Pennsylvania, Virginia, Georgia, North Carolina have also balked at the unfairness of the CDI and have refused to enforce its provisions.

Mr. Speaker, in addition to slapping a moratorium on CDI's, the amendment I hoped to have been able to offer to H.R. 4170 would also require the Secretary of HHS to conduct a study of the effects of the continuing eligibility review program and to submit that study to the House Ways and Means Committee and the Senate Finance Committee at the earliest possible date.

The study would focus on:

First, the effect CDI's termination had on beneficiaries' physical and mental health.

Second, the extent that disability beneficiaries whose entitlement to disability benefits have been terminated were able to obtain employment.

Third, the effect such terminations had on other entitlement programs, Federal, State or local.

Fourth, suggestions for improving methods by which disability beneficiaries are periodically reviewed for determining continuing eligibility, including medical diaries.

Let me conclude my remarks by noting that a properly run diary review process is adequate in determining ongoing eligibility for disability.

As my colleagues know, under the medical diary review, SSA sets-aside for future review those persons who have disabilities which could possibly improve.

I have been advised by HHS that a competent diary process is now in operation and I fully concur in the need for a responsible diary system.

Although the Rules Committee blocked my attempt to offer this needed social security provision to aid this country's disabled. I have introduced the amendment today as a bill and I hope it will be favorably considered by the Ways and Means Committee.

Mr. Chairman, I also rise this afternoon to express my strong support for another amendment that the rules committee deemed inappropriate—the amendment that was to be offered by my friend from Texas (Mr. FROST).

That amendment would have eliminated certain objectionable features included in H.R. 4170 including the 150 per capita State volume cap, the $40 million small issue cap, the provision that prohibited purchase of land or property and existing facilities. The Frost amendment would also have, among other things, enabled SBA, Fannie Mae and Ginny Mae to guarantee IDB's.

The Frost amendment was a good amendment and should have been approved for consideration by this House.

Mr. Speaker, many of the proposed curtailments to the industrial development bond program as contained in H.R. 4170 would have a disastrous effect on a program that is working exceedingly well. In my own district and State, the IDB's have been essential to economic development. Last year, for example, Mercer County realized 678 permanent jobs and 726 construction jobs as a direct result of industrial development bonds. The amount of investment capital raised in just one county—my home county—last year was more than $42 million.

I am sure that my colleagues from New Jersey would agree with me that New Jersey boasts of one of the finest IDB programs in the country. Last year, the New Jersey State Economic Development Authority was the largest single issuer of IDB's in the Nation. Long before there were calls for reform of various types in the program, New Jersey was leading the way by carefully targeting funds to areas and specific projects which would generate the best social as well as economic returns. I believe our IDB program was a shinning example of cooperation between labor and management, the AFL-CIO and the Chamber of Commerce.

Mr. Speaker, I urge my colleagues to vote down the rule. The Frost amendment would then be given reconsideration in the rules committee and I am confident that it will be included in a subsequent rule.

I thank my good friend from Tennessee for yielding this time to me.

Mr. QUILLEN. Mr. Speaker, I yield 30 seconds to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Speaker, I oppose this rule for one very simple reason. It does not give the alternative to the House on an up-or-down vote that is badly needed in this day, and that is the opportunity to say whether or not we want to reduce the deficit by cutting spending.

The option in the bill by this rule is to say that we want to decrease the deficit by increasing taxes, but there is nothing in this bill that talks about the opportunity for the Members expressing themselves about cutting spending. I think that omission is fatal and we should turn it down. You can work toward balancing the budget by raising taxes or cutting spending. We should at least have the option of cutting spending as a means of balancing the budget.

Mr. DERRICK. Mr. Speaker, I yield 1 minute to the gentleman from Iowa (Mr. BEDELL) for purposes of debate only.

Mr. BEDELL. Mr. Speaker, I rise in opposition to this rule and this is not easy for me because I agree that we do need to increase revenues.

Plainly put, this bill would deny small business the same benefits enjoyed by big business. Under the IDB provision, tax-exempt pollution control bonding is available for big business and is denied to small business.

We could argue whether that financing should be available or not, but surely if it is, it should be available to small business just as it is to big business.

Mr. Speaker, the Small Business Committee did not have input into this tax bill. The IDB provision that affects small business programs at SBA was actually designed to get at another problem.

And it is clear to me that members of the committee did not realize that this was the effect.

Chairman MITCHELL and I met with the Rules Committee, asked for an opportunity to offer an amendment to correct this problem. It was turned down.

And under those circumstances I have no choice but to oppose the rule.

Mr. Speaker, the following is an outline of an SBA program that H.R. 4170 would severely cripple. I urge my colleagues to decide if this is the type of small business program that want to end with this tax bill.

FACTS ABOUT THE SBA'S POLLUTION CONTROL LOAN PROGRAM

PURPOSE OF THE PROGRAM

The Small Business Administration's pollution control loan program was established to help small businesses obtain long-term, reasonable rate financing for government-mandated pollution control expenditures. The SBA was given the authority to guarantee tax-exempt bond issues that small businesses used to finance pollution control expenditures. No substitute for the SBA program exists.

THE PROGRAM WORKS

This program, when it has been able to function as Congress intended it to function, met the objective of helping small business finance the costs of complying with environmental protection laws.

The program earns the government money because of the fees collected from small business participants. Almost $24 million in fees and over $5.5 million in interest on those fees has accrued to date. The default rate is so low that the interest earned on the fees is sufficient to cover program losses.

BIG BUSINESS HAS AN ADVANTAGE OVER SMALL BUSINESS, SMALL BUSINESS NEEDS THIS PROGRAM FOR EQUALITY

The program was designed to give small businesses the same opportunity that big businesses have to finance government-mandated pollution control abatement facilities. Big businesses do not need the guarantee or small issue pooling authority because of

their access to the capital markets and the size of their bond issue tax-exempt pollution control bonds.

Big businesses issued $513 million in tax-exempt pollution control bonds in the first quarter of 1983. That is twice the amount Congress authorized for all small businesses in FY 83.

RECENT ACTION ON THE SMALL BUSINESS POLLUTION CONTROL PROGRAM

The Administration has sought for two years to deny small businesses the same benefits that big businesses have in pollution control financing. First, the Treasury issued Revenue Ruling 81-216 to deny small businesses the ability to pool their pollution control bond issues and receive tax-exempt status. The FY 83 continuing resolution helped to overcome that obstacle.

Next, the Administration tried to cut the loan guarantee authority in SBA's pollution control program. Both the House and Senate Small Business Committees restored those funds, as well as extra authority to meet the pent-up demand in the small business community for the program.

Finally, on January 1, 1982, the OMB denied the SBA the authority to guarantee any tax-exempt financing. (Tax-exempt financing is necessary for small business because of savings on interest and the longer periods that development bonds allow versus commercial loans. Big businesses use tax-exempt bonds to finance their pollution control expenditures.)

Since this OMB-imposed ban on SBA guaranteed, tax-exempt pollution control financing, SBA concluded only one deal for taxable financing. Before the OMB order, SBA had 98 applications for tax-exempt financing. Those 98 applications have since been rejected by the SBA.

SBA has not used one single dollar of their authority to help small businesses get tax-exempt pollution control financing in over 20 months.

In February legislation was introduced (H.R. 6189) which seeks to deny SBA authority to discriminate against small businesses that want to use SBA guarantees in connection with tax-exempt bonds. Immediately following this, the Administration proposed a deferral of the operating expenses for SBA's pollution control loan guarantee program. House Resolution 76 was passed unanimously on March 3 to disapprove this deferral.

The House Small Business Committee proposed $500 million for FY 84 in their June 1983 proposed authorization levels. The Senate Small Business Committee recommended $250 million for FY 84 in their (October 7) authorization bill.

IMPLICATIONS OF WAYS AND MEANS COMMITTEE BILL

IDB caps for pollution control financing and denial of tax-exemption of bond status if a Federal guarantee is provided would be disasterous for the SBA pollution control program. IDB caps for pollution control financing would prohibit local and regional agencies from fulfilling their statutory responsibilities to meet specific community preferences. Without the tax-exempt status for federally-guaranteed bonds, small businesses would be unable to accquire the necessary capital to install the pollution abatement facilities mandated by Federal, state and local laws. Small businesses would not have the same advantages that big businesses presently have in pollution control financing.

Mr. QUILLEN. Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. Mr. Speaker, I rise in opposition to the rule, and urge my colleagues to vote it down.

This tax bill includes some very controversial and complex issues, and if we are going to consider this legislation, we need a rule which will allow amendments to address these important concerns. I am particularly concerned about provisions in the bill which affect industrial revenue bonds. A last minute compromise accepted by the Ways and Means Committee on the IDB section still leaves in place nearly every restriction. Although the compromise exempts multifamily housing construction from the cap, it still covers pollution control bonds, mass transit, and solid-waste bonds, water development and airport bonds, and bonds issued to attract development in economically blighted areas. IDB's have been extremely important in Alabama and in my district to the financing of a variety of legitimate, badly needed projects, and to the creation of jobs. This compromise still represents very poor public policy, and will have an adverse impact of my State.

Although I support some provisions of the bill, such as the extension on the mortgage revenue bond program due to expire this year, taken as a whole, it represents bad tax policy, and bad economic policy. It reduces or freezes many tax reductions scheduled to go into effect next year which we enacted in the 1981 Economic Recovery Tax Act. The measure is not a balanced approach to deficit reduction, and it deserves to be rejected.

Mr. QUILLEN. Mr. Speaker, I yield the remaining time to the distinguished gentleman from Ohio (Mr. LATTA) to close debate.

Pending that I urge the adoption of the rule. We can iron out our difficulties with the bill on the floor of the House.

Mr. LATTA. Mr. Speaker, I can recall a time when the writing of tax measures was under the jurisdiction of the Ways and Means Committee. We did not have to confront situations like we have today when the Ways and Means Committee wrote the tax bills.

Now we have a situation where everyone has been trying to write a tax bill without knowing too much about the real effects of their actions.

I have looked over some of the proposed amendments which have not even been discussed and are being made in order by this rule. Do my colleagues know that in this proposal is an amendment made in order, the Pease amendment, which would put $32.4 billion in new taxes on the backs of our taxpayers in 3 years and $69.5 billion in 5 years?

Not many Members know what is contained in this costly amendment. I suggest you examine it in detail before giving a rule making it in order your aye vote.

In our State we have had a tough time with unemployment due to the automobile situation. It has been flat. Production of autos is starting up. Why? Because we have been producing and people have been buying larger cars once again. Under this legislation, a 10-percent tax would be added to the cost of any car priced beyond $20,000. Do the Members know what an adverse affect this new tax would have on the production and sale of these automobiles? This certainly would mean more people on layoff and in the unemployment lines. Is this what we want? I think not.

I can remember we had a big fight in order to win a reduction in our estate taxes. Our farmers across this Nation, due to the increased value of their land, were having their farms taken away from their families due to high estate taxes. We finally were able to pass legislation to do something about them. Now under the proposed legislation, we would subject those reductions now underway to a freeze. Farms across this country are going to be affected by this legislation and the farm families living on a goodly number of them would be driven from the land by their inability to pay the necessary estate taxes.

I think Members should take a look at what it is in this bill. There are many more undiscussed tax changes in this bill. Altogether there are 10 major amendments made in order by this rule. How many Members know what is in those 10 amendments? If you do not, I suggest your vote against this rule.

Mr. DERRICK. Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin (Mr. MOODY).

Mr. MOODY. Mr. Speaker, I rise to urge my colleagues to join me in support of the rule for consideration of H.R. 4170, the Tax Reform Act of 1983. I believe that in a matter as important as this, each of us must have the opportunity to vote for or against the bill and its amendments on their respective merits.

Both the House and the Senate agreed in the budget resolution to increase revenues by approximately $73 billion over the next 3 years. We are now in the 11th hour and have yet to live up to that obligation.

Recent Congressional Budget Office figures indicate all the more clearly the need for Congress to take action now to reduce the dangerously high Federal deficit. CBO projects that without new revenue increases, deficits will rise sharply from $194 billion in fiscal year 1984 to an alarming $280

billion in fiscal year 1989. We will actually be paying interest on interest as the national debt snowballs.

These new out-year deficit estimates suggest the following:

First. The deficit will rise to 5.3 percent of GNP by 1988—tenfold the historic relationship prevailing before 1981;

Second. The national debt will rise to $2.38 trillion by fiscal year 1988;

Third. Deficit debt service costs alone will rise to 3.31 percent of GNP; and

Fourth. Debt service costs will far exceed spending on all discretionary programs.

If we do not pass a meaningful deficit reduction measure now, the Federal budget deficit will literally devour the rest of government and cripple our Nation's future economic growth and productivity.

I, therefore, urge my colleagues to support the rule and to join in the effort to address the deficit crisis now before election-year politics make it impossible. It is the only responsible thing to do.

Mr. LEVITAS. Mr. Speaker, I intend to vote for the rule even though I have some reservations about it. I do this in order to permit the Members to express themselves on the bill as a whole and especially on some amendments which will be considered. I want to be clearly on record against some amendments.

It is my intention, for example, to vote against the Rostenkowski amendment and the Pease amendment, just to name two. Also, in the last analysis, I will probably vote against the bill itself although it has some good provisions, such as the part dealing with fringe benefits.

But in order to let the Members express themselves and be recorded one way or the other on these important issues, I will, with some reluctance, support the rule.

Mr. DERRICK. Mr. Speaker, I yield myself the remainder of the time.

Mr. Speaker, let me say in closing on this that we can use arguments for and against the Rules Committee, for and against the Ways and Means Committee, or what have you, but the fact of the matter is that this House went on record as wanting to reduce a horrible national deficit situation. And if we do not do it here today, pass this rule and pass this bill, we will never do it.

I ask my colleagues to support the rule.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LOTT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 204, nays 214, not voting 16, as follows:

[Roll No. 525]

YEAS—204

Ackerman	Gibbons	Olin
Addabbo	Glickman	Ortiz
Akaka	Gray	Ottinger
Alexander	Guarini	Owens
Andrews (NC)	Hall (IN)	Panetta
Andrews (TX)	Hall (OH)	Patterson
Annunzio	Hall, Sam	Pease
Anthony	Hamilton	Penny
Applegate	Harrison	Pepper
Aspin	Hatcher	Petri
Barnes	Hayes	Pickle
Bates	Hefner	Price
Beilenson	Heftel	Quillen
Bennett	Hertel	Rahall
Berman	Howard	Rangel
Bevill	Hoyer	Ratchford
Bilirakis	Hughes	Reid
Boland	Jacobs	Rodino
Bonior	Johnson	Roe
Bonker	Jones (OK)	Rose
Borski	Kaptur	Rostenkowski
Bosco	Kastenmeier	Roukema
Boxer	Kennelly	Roybal
Britt	Kildee	Russo
Brown (CA)	Kogovsek	Sabo
Bryant	Kolter	Savage
Burton (CA)	Kostmayer	Scheuer
Chappell	LaFalce	Schumer
Clarke	Lantos	Seiberling
Coelho	Lehman (CA)	Shannon
Coleman (TX)	Lehman (FL)	Sharp
Conable	Leland	Sikorski
Conyers	Levin	Sisisky
Cooper	Levine	Slattery
Coyne	Levitas	Smith (FL)
Crockett	Lewis (FL)	Spratt
de la Garza	Lipinski	St Germain
Dellums	Long (LA)	Staggers
Derrick	Long (MD)	Stark
Dicks	Lowry (WA)	Stokes
Dingell	Luken	Stratton
Dixon	MacKay	Studds
Donnelly	Markey	Sundquist
Downey	Martinez	Swift
Duncan	Matsui	Torres
Durbin	Mavroules	Torricelli
Dwyer	Mazzoli	Towns
Eckart	McCloskey	Traxler
Edgar	McCurdy	Udall
Edwards (CA)	McHugh	Valentine
Evans (IL)	McNulty	Vander Jagt
Fascell	Miller (CA)	Vento
Fazio	Mineta	Volkmer
Feighan	Minish	Walgren
Ferraro	Mitchell	Waxman
Flippo	Moakley	Weiss
Florio	Mollohan	Wheat
Foglietta	Moody	Whitley
Foley	Moore	Williams (MT)
Ford (MI)	Morrison (CT)	Wilson
Ford (TN)	Mrazek	Wirth
Fowler	Murphy	Wise
Frank	Murtha	Wolpe
Frenzel	Neal	Wright
Garcia	Nelson	Wylie
Gaydos	Nowak	Yates
Gejdenson	Oakar	Yatron
Gephardt	Obey	Zablocki

NAYS—214

Albosta	Boggs	Chandler
Anderson	Boner	Chappie
Archer	Boucher	Cheney
AuCoin	Breaux	Clinger
Badham	Brooks	Coats
Barnard	Broomfield	Coleman (MO)
Bartlett	Brown (CO)	Conte
Bateman	Broyhill	Corcoran
Bedell	Burton (IN)	Coughlin
Bereuter	Byron	Courter
Bethune	Campbell	Craig
Biaggi	Carney	Crane, Daniel
Bliley	Carper	Crane, Philip
Boehlert	Carr	D'Amours
Daniel	Kindness	Robinson
Dannemeyer	Kramer	Roemer
Darden	Lagomarsino	Rogers
Daschle	Latta	Roth
Daub	Leath	Rowland
Davis	Lent	Rudd
DeWine	Livingston	Sawyer
Dickinson	Lloyd	Schaefer
Dreier	Loeffler	Schneider
Dyson	Lott	Schroeder
Early	Lowery (CA)	Schulze
Edwards (AL)	Lujan	Sensenbrenner
Edwards (OK)	Lundine	Shaw
Emerson	Lungren	Shelby
English	Mack	Shumway
Erdreich	Madigan	Shuster
Erlenborn	Marlenee	Siljander
Evans (IA)	Marriott	Skeen
Fiedler	Martin (IL)	Skelton
Fields	Martin (NC)	Smith (IA)
Fish	Martin (NY)	Smith (NE)
Forsythe	McCain	Smith (NJ)
Franklin	McCandless	Smith, Denny
Frost	McCollum	Smith, Robert
Fuqua	McDade	Snowe
Gekas	McEwen	Snyder
Gilman	McGrath	Solomon
Gingrich	McKernan	Spence
Gonzalez	McKinney	Stangeland
Goodling	Mica	Stenholm
Gore	Michel	Stump
Gradison	Mikulski	Synar
Gramm	Miller (OH)	Tallon
Green	Molinari	Tauke
Gregg	Montgomery	Tauzin
Gunderson	Moorhead	Taylor
Hall, Ralph	Morrison (WA)	Thomas (CA)
Hammerschmidt	Myers	Thomas (GA)
Hansen (ID)	Natcher	Vandergriff
Harkin	Nichols	Vucanovich
Hartnett	Nielson	Walker
Hightower	O'Brien	Watkins
Hiler	Oberstar	Weaver
Hillis	Oxley	Weber
Holt	Packard	Whitehurst
Hopkins	Parris	Whittaker
Horton	Pashayan	Whitten
Hubbard	Patman	Williams (OH)
Huckaby	Paul	Winn
Hunter	Perkins	Wolf
Hutto	Porter	Wortley
Hyde	Pursell	Wyden
Ireland	Regula	Young (AK)
Jeffords	Richardson	Young (FL)
Jones (NC)	Ridge	Young (MO)
Jones (TN)	Rinaldo	Zschau
Kasich	Ritter	
Kazen	Roberts	

NOT VOTING—16

Clay	Hansen (UT)	Pritchard
Collins	Hawkins	Ray
Dorgan	Jenkins	Simon
Dowdy	Kemp	Solarz
Dymally	Leach	
Hance	Lewis (CA)	

□ 1800

The Clerk announced the following pairs:

On this vote:

Mr. Dorgan for, with Mr. Ray against.

Mr. Hawkins for, with Mr. Lewis of California against.

Mr. Dymally for, with Mr. Hansen of Utah against.

Messrs. CHANDLER, TALLON, and BROOMFIELD changed their votes from "yea" to "nay"

Mr. HUGHES changed his vote from "nay" to "yea."

So the resolution was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 2915, DEPARTMENT OF STATE AUTHORIZATION ACT. FISCAL YEARS 1984 AND 1985

Mr. FASCELL submitted the following conference report and statement on the bill (H.R. 2915) to authorize appropriations for fiscal years 1984 and 1985 for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, the Inter-American Foundation, and the Asia Foundation, to establish the National Endowment for Democracy, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 98-563)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2915) to authorize appropriations for fiscal years 1984 and 1985 for the Department of State, the United States Information Agency, the Board for International Broadcasting, the Inter-American Foundation, and the Asia Foundation, to establish the National Endowment for Democracy, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I—DEPARTMENT OF STATE

SHORT TITLE

SEC. 101. This title and title X of this Act may be cited as the "Department of State Authorization Act, Fiscal Years 1984 and 1985".

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 102. In addition to amounts otherwise authorized for such purposes, the following amounts are authorized to be appropriated for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and other purposes authorized by law:

(1) For "Administration of Foreign Affairs", $1,486,213,000 for the fiscal year 1984 and $1,580,820,000 for the fiscal year 1985.

(2) For "International Organizations and Conferences", $602,343,000 for the fiscal year 1984 and $602,343,000 for the fiscal year 1985.

(3) For "International Commissions", $23,207,000 for the fiscal year 1984 and $25,355,000 for the fiscal year 1985.

(4) For "Migration and Refugee Assistance", $344,500,000 for the fiscal year 1984 and $326,400,000 for the fiscal year 1985.

(5) For "United States Bilateral Science and Technology Agreements", $1,700,000 for the fiscal year 1984 and $1,700,000 for the fiscal year 1985.

IMPROVEMENT OF CONSULAR FACILITIES IN MEXICO CITY

SEC. 103. In addition to the amounts authorized to be appropriated by section 102(1) of this Act, there are authorized to be appropriated for "Administration of Foreign Affairs" for the fiscal year 1984, $4,000,000 to be used for the purchase of land for and the construction of additional consular facilities, and for certain improvements in existing consular facilities, at the United States Embassy in Mexico City, Mexico.

ADDITIONAL POSITIONS FOR POLITICAL AND ECONOMIC REPORTING AND FOR INTERNATIONAL COMMUNICATIONS AND INFORMATION POLICY

SEC. 104. The Secretary of State shall allocate such funds as may be necessary of the amounts appropriated to the Department of State for the fiscal year 1984 for "Administration of Foreign Affairs" in order to fund 73 additional positions for political and economic reporting and 11 additional positions for international communications and information policy. The positions funded pursuant to this section shall be in addition to the positions which the Department was authorized to have in fiscal year 1983 plus the number of additional positions which have been requested for the Department for the fiscal year 1984.

ALTERNATE COMMUNICATIONS CENTER

SEC. 105. Of the funds authorized to be appropriated under paragraph (1) of section 102, not less than $3,000,000 for the fiscal year 1984 and not less than $7,000,000 for the fiscal year 1985 shall be available only to cover expenses related to the establishment in the State of Maryland of an alternative communications center for the Department of State in order to secure the uninterrupted transmission of communications related to the foreign policy and national security interests of the United States and of communications of other departments and agencies of the United States.

NATIONAL COMMISSION ON EDUCATIONAL, SCIENTIFIC, AND CULTURAL COOPERATION

SEC. 106. (a) Section 5 of the joint resolution entitled "Joint Resolution providing for membership and participation by the United States in the United Nations Educational, Scientific, and Cultural Organization, and authorizing an appropriation therefor", approved July 30, 1946 (22 U.S.C. 287q), is amended by repealing the eighth sentence.

(b) Of the amounts authorized to be appropriated for "Administration of Foreign Affairs" by section 102(1) of this Act, $250,000 for each of the fiscal years 1984 and 1985 shall be available only for the expenses of the secretariat of the National Commission on Educational, Scientific, and Cultural Cooperation.

COORDINATING COMMITTEE ON EXPORT CONTROLS

SEC. 107. Of the funds authorized to be appropriated for the fiscal year 1984 under paragraph (2) of section 102, $2,000,000 shall be used to modernize the facilities and operating procedures of the Coordinating Committee on Export Controls. The Congress finds that the executive branch should seek cost sharing arrangements with other member countries to modernize both the facilities and operations of the Coordinating Committee on Export Controls.

WORLD HERITAGE TRUST FUND

SEC. 108. Of the funds authorized to be appropriated by paragraph (2) of section 102, not less than $248,500 for each of the fiscal years 1984 and 1985 shall be available only for the United States contribution to the World Heritage Trust Fund.

INTERPARLIAMENTARY GROUPS

SEC. 109. (a) Section 5 of the joint resolution entitled "Joint resolution to authorize participation by the United States in parliamentary conferences of the North Atlantic Treaty Organization", approved July 11, 1956 (22 U.S.C. 1928e), is amended by inserting immediately after the first sentence the following: "In addition to the amounts authorized by section 2, there is authorized to be appropriated $450,000 for fiscal year 1984 to meet the expenses incurred by the United States group in hosting the thirty-first annual meeting of the North Atlantic Assembly.".

(b) Of the amount appropriated for the purposes authorized by the amendment made by subsection (a) of this section, up to $25,000 may be used to meet the expenses incurred in hosting the spring 1984 meeting of the British-American Parliamentary Group which is to be held in the United States.

(c) In addition to the amounts authorized to be appropriated by section 102(2) of this Act, there are authorized to be appropriated for each of the fiscal years 1984 and 1985 for "International Organizations and Conferences" $50,000 for expenses of United States participation in interparliamentary groups such as the United States-European Community Interparliamentary Group.

PIRACY IN THE GULF OF THAILAND

SEC. 110. Of the amounts authorized to be appropriated for "Migration and Refugee Assistance" by section 102(4) of this Act, $5,000,000 for each of the fiscal years 1984 and 1985 shall be used for assistance to combat piracy in the Gulf of Thailand.

RELIEF ASSISTANCE FOR EL SALVADOR AND LEBANON

SEC. 111. Notwithstanding any other provision of law, of the funds authorized to be appropriated for fiscal year 1984 under section 102(4) of this Act—

(1) $10,000,000 shall be available only for El Salvador for relief assistance for displaced persons; and

(2) up to $25,000,000, but not less than $5,000,000, shall be available only for Lebanon for relief and rehabilitation assistance for refugees and displaced persons.

WORLD INTELLECTUAL PROPERTY ORGANIZATION

SEC. 112. The joint resolution entitled "Joint Resolution to authorize appropriations incident to United States participation in the International Bureau for the Protection of Industrial Property", approved July 12, 1960 (22 U.S.C. 269f), is amended by striking out all after the resolving clause and inserting in lieu thereof the following: "That funds appropriated to the Secretary of State for 'International Organizations and Conferences' shall be available for the payment by the United States of its proportionate share of the expenses of the International Bureau for the Protection of Industrial Property for any year after 1981 as determined under article 16(4) of the Paris Convention for the Protection of Industrial Property, as revised, except that in no event shall the payment for any year exceed 6.0 percent of all expenses of the Bureau apportioned among countries for that year.".

RESTRICTION ON ASSESSED PAYMENTS TO THE UNITED NATIONS

SEC. 113. None of the funds authorized to be appropriated by this Act shall be used to make assessed payments to the United Nations, the United Nations Educational, Scientific, and Cultural Organization, the World Health Organization, the Food and Agriculture Organization, and the International Labor Organization which, in the aggregate, are in excess of the aggregate calendar year 1983 United States assessed contributions to such organizations.

RESTRICTIONS RELATING TO THE PALESTINE LIBERATION ORGANIZATION AND THE SOUTH WEST AFRICA PEOPLE'S ORGANIZATION

SEC. 114. (a) Funds appropriated for any fiscal year for the Department of State for "International Organizations and Conferences" may not be used for payment by the United States, as its contribution toward the assessed budget of the United Nations for any year, of any amount which would cause the total amount paid by the United States as its assessed contribution for that year to exceed the amount assessed as the United States contribution for that year less—

(1) 25 percent of the amount budgeted for that year for the Committee on the Exercise for the Inalienable Rights of the Palestinian People (or any similar successor entity); and

(2) 25 percent of the amount budgeted for that year for the Special Unit on Palestinian Rights (or any similar successor entity); and

(3) 25 percent of the amount budgeted for that year for projects whose primary purpose is to provide benefits to the Palestine Liberation Organization or entities associated with it or to the South West Africa People's Organization.

(b) Funds appropriated for any fiscal year for the Department of State for "International Organizations and Conferences" may not be used for payment by the United States, as its contribution toward the assessed budget of any specialized agency of the United Nations for any year, of any amount which would cause the total amount paid by the United States as its assessed contribution for that year to exceed the amount assessed as the United States contribution for that year less 25 percent of the amount budgeted by such agency for that year for projects whose primary purpose is to provide benefits to the Palestine Liberation Organization or entities associated with it or to the South West Africa People's Organization.

(c) The President shall annually review the budgets of the United Nations and its specialized agencies to determine which projects have the primary purpose of providing benefits to the Palestine Liberation Organization or to the South West Africa People's Organization. The President shall report to the Congress on any such project for which a portion of the United States assessed contribution is withheld and the amount withheld.

(d) Subsections (a)(3) and (b) shall not be construed as limiting United States contributions to the United Nations or its specialized agencies for projects whose primary purpose is to provide humanitarian, educational, developmental, and other nonpolitical benefits.

UNITED STATES PARTICIPATION IN THE UNITED NATIONS IF ISRAEL IS ILLEGALLY EXPELLED

SEC. 115. (a) The Congress finds that—

(1) the United Nations was founded on the principle of universality;

(2) the United Nations Charter stipulates that members may be suspended by the General Assembly only "upon the recommendation of the Security Council"; and

(3) any move by the General Assembly that would illegally deny Israel its credentials in the Assembly would be a direct violation of these provisions of the Charter.

(b) If Israel is illegally expelled, suspended, denied its credentials, or in any other manner denied its right to participate in the General Assembly of the United Nations or any specialized agency of the United Nations, the United States shall suspend its participation in the General Assembly or such specialized agency until the illegal action is reversed. The United States shall withhold payment of its assessed contribution to the United Nations or a specialized agency during any period in which United States participation is suspended pursuant to this section.

REVIEW OF UNITED STATES PARTICIPATION IN THE UNITED NATIONS

SEC. 116. (a) The Congress finds that—

(1) the United Nations was founded for the primary purpose of maintaining international peace and security by encouraging peaceful resolution of disputes and the development of friendly relations among nations;

(2) the United States, as a founding member of the United Nations and the largest contributor to the United Nations, became and remains a member of the United Nations in order to contribute to collective efforts among the nations of the world to realize the ends of international peace and security;

(3) the United States is committed to upholding and strengthening the principles and purposes of the United Nations Charter upon which the United Nations was founded.

(b) It is the sense of the Congress that—

(1) a review of United States participation in the United Nations is urgently called for with a view to examining—

(A) the extent and levels of United States financial contributions to the United Nations;

(B) the importance of the United Nations, as presently constituted, to fulfilling the policies and objectives of the United States;

(C) the benefits derived by the United States from participation in the United Nations;

(2) the President should review and make recommendations to the Congress regarding the matters described in this section by June 30, 1984; and

(3) the Secretary of State should communicate to the member states of the General Assembly of the United Nations the policy contained in this section.

REPORT ON POLICIES PURSUED BY OTHER COUNTRIES IN INTERNATIONAL ORGANIZATIONS

SEC. 117. The Secretary of State shall transmit to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate, by January 31 of each year, a report regarding the policies which each member country of the United Nations pursues in international organizations of which the United States is a member. The report shall describe generally each country's foreign policies as reflected in its activities in international organizations and shall detail their respective positions on major issues of interest to the United States, including key decisions relating to the budget of international organizations.

1985 CONFERENCE—UNITED NATIONS DECADE FOR WOMEN

SEC. 118. The President shall use every available means at his disposal to ensure that the 1985 Conference to commemorate the conclusion of the United Nations Decade for Women is not dominated by political issues extraneous to the goals of the 1985 Women's Conference that would jeopardize United States participation in and support for that Conference consistent with applicable legislation concerning United States contributions to the United Nations. Prior to the 1985 Conference, the President shall report to the Congress on the nature of the preparations, the adherence to the original goals of the Conference, and the extent of any continued United States participation and support for the Conference.

UNITED NATIONS WORLD ASSEMBLY ON AGING

SEC. 119. (a) The Congress finds that—

(1) in 1977 the Congress called for the United Nations to convene a World Assembly on Aging;

(2) the United Nations World Assembly on Aging was held in Vienna, Austria, from July 26 to August 6, 1982, and unanimously adopted the Vienna International Plan of Action on Aging on August 6, 1982, which called for the development of policies designed to enhance the individual lives of the aging and to allow the aging to enjoy their advancing years in peace, health, and security;

(3) the United Nations General Assembly on December 3, 1982, unanimously endorsed the World Assembly International Plan of Action; and

(4) the General Assembly of the United Nations, in adopting the plan, called upon governments to make continuous efforts to implement the principles and recommendations contained in the Plan of Action as adopted by the World Assembly on Aging.

(b) Therefore, it is the sense of the Congress that the President should take steps to—

(1) encourage government-wide participation in implementing the recommendations of the World Assembly and planning for the scheduled review in 1985 by the United Nations on the implementation of the Vienna International Plan of Action on Aging;

(2) encourage the exchange of information and the promotion of research on aging among the States, the Federal Government, international organizations, and other nations;

(3) encourage greater private sector involvement in responding to the concerns of the aging; and

(4) inform developing nations that the United States Government recognizes aging as an important issue, requiring close and sustained attention in national and regional development plans.

EUROPEAN SPACE AGENCY

SEC. 120. Section 11 of the International Organizations Immunities Act (22 U.S.C. 288f–1) is amended by striking out "European Space Research Organization" and inserting in lieu thereof "European Space Agency".

ALLOCATION AUTHORITY

SEC. 121. Section 8 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2675) is amended to read as follows:

"SEC. 8. The Secretary of State may allocate or transfer to any department, agency, or independent establishment of the United States Government (with the consent of the head of such department, agency, or establishment) any funds appropriated to the Department of State, for direct expenditure by such department, agency, or independent establishment for the purposes for which the funds were appropriated in accordance with authority granted in this Act or under authority governing the activities of such department, agency, or independent establishment.".

EMERGENCY EXPENDITURES

SEC. 122. (a) Section 4 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2671) is amended—

(1) by redesignating paragraphs (a) and (b) as paragraphs (1) and (2);

(2) by inserting "(a)" after "SEC. 4.";

(3) by inserting "subject to subsection (b)," before "make expenditures" in subsection (a)(1), as redesignated by paragraphs (1) and (2) of this section; and

(4) by adding at the end thereof the following new subsection:

"(b)(1) Expenditures described under subsection (a) shall be made only for such activities as—

"(A) serve to further the realization of foreign policy objectives;

"(B) are a matter of urgency to implement;

"(C) with respect to activities the expenditures for which are required to be certified under subsection (a), require confidentiality in the best interests of the conduct of foreign policy by the United States; and

"(D) are not otherwise prohibited by law.

"(2) Activities described in paragraph (1) include—

"(A) the evacuation of United States Government employees and their dependents and private United States citizens when their lives are endangered by war, civil unrest, or natural disaster;

"(B) loans made to destitute citizens of the United States who are outside the United States and made to provide for the return to the United States of its citizens;

"(C) visits by foreign chiefs of state or heads of government to the United States;

"(D) travel of delegations representing the President at any inauguration or funeral of a foreign dignitary;

"(E) travel of the President, the Vice President, or a Member of Congress to a foreign country, including advance arrangements, escort, and official entertainment;

"(F) travel of the Secretary of State within the United States and outside the United States, including official entertainment;

"(G) official representational functions of the Secretary of State and other principal officers of the Department of State;

"(H) official functions outside the United States the expenses for which are not otherwise covered by amounts appropriated for representation allowances;

"(I) investigations and apprehension of groups or individuals involved in fraudulent issuance of United States passports and visas; and

"(J) gifts of nominal value given by the President, Vice President, or Secretary of State to a foreign dignitary.

"(c) The Inspector General of the Department of State and the Foreign Service shall conduct an annual confidential audit of the Department of State's emergency expenditures and prepare and transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate an annual report indicating whether such expenditures were made in accordance with subsections (a) and (b) of this section.

"(d) With regard to the repatriation loan program, the Secretary of State shall—

"(1) require the borrower to provide a verifiable address and social security number at the time of application;

"(2) require a written loan agreement which includes a repayment schedule;

"(3) bar passports from being issued or renewed for those individuals who are in default;

"(4) refer any loan more than one year past due to the Department of Justice for litigation;

"(5) obtain addresses from the Internal Revenue Service for all delinquent accounts which have social security numbers;

"(6) report defaults to commercial credit bureaus as provided in section 3711(f) of title 31, United States Code;

"(7) be permitted to use any funds necessary to contract with commercial collection agencies, notwithstanding section 3718(c) of title 31, United States Code;

"(8) charge interest on all loans as of May 1, 1983, with the rate of interest to be that set forth in section 3717(a) of title 31, United States Code;

"(9) assess charges, in addition to the interest provided for in paragraph (8), to cover the costs of processing and handling delinquent claims, as of May 1, 1983;

"(10) assess a penalty charge, in addition to the interest provided for in paragraphs (8) and (9), of 6 percent per year for failure to pay any portion of a debt more than ninety days past due; and

"(11) implement the interest and penalty provisions in paragraphs (8), (9), and (10) for all current and future loans, regardless of whether the debts were incurred before or after May 1, 1983.".

REPROGRAMMING NOTIFICATIONS

SEC. 123. Title I of the State Department Basic Authorities Act of 1956 is amended by redesignating section 34 as section 35 and by inserting the following new section 34 after section 33:

"SEC. 34. Unless the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified fifteen days in advance of the proposed reprogramming, funds appropriated for the Department of State shall not be available for obligation or expenditure through any reprogramming of funds—

"(1) which creates new programs;

"(2) which eliminates a program, project, or activity;

"(3) which increases funds or personnel by any means for any project or activity for which funds have been denied or restricted by the Congress;

"(4) which relocates an office or employees;

"(5) which reorganizes offices, programs, or activities;

"(6) which involves contracting out functions which had been performed by Federal employees; or

"(7) which involves a reprogramming in excess of $250,000 or 10 percent, whichever is less, and which (A) augments existing programs, projects, or activities, (B) reduces by 10 percent or more the funding for any existing program, project, activity, or personnel approved by the Congress, or (C) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects approved by the Congress.".

INTERNATIONAL COMMUNICATIONS AND INFORMATION POLICY

SEC. 124. Title I of the State Department Basic Authorities Act of 1956, as amended by section 123 of this Act, is further amended by redesignating section 35 as section 36 and by inserting the following new section after section 34:

"SEC. 35. (a) The Secretary of State shall assign responsibility for international communications and information policy matters within the Department of State to an appropriate Under Secretary of State (hereafter in this section referred to as the 'Under Secretary').

"(b) The Secretary of State shall establish, within the Department of State, an Office of the Coordinator for International Communications and Information Policy, headed by a Coordinator who shall be responsible to the Under Secretary. The Coordinator shall be appointed by the President, by and with the advice and consent of the Senate, and shall have the rank of ambassador. The Coordinator shall be responsible, on behalf of the Under Secretary, for formulation, coordination, and oversight of international communications and information policy assigned to the Under Secretary. On behalf of the Under Secretary, the Coordinator shall—

"(1) maintain continuing liaison with the bureaus and offices of the Department of State and with other executive branch agencies concerned with international communications and information policy;

"(2) in accordance with such authority as may be delegated by the President pursuant to Executive order, chair such agency and interagency meetings as may be necessary to coordinate actions on pending issues to ensure proper policy coordination;

"(3) in accordance with such authority as may be delegated by the President pursuant to Executive order, supervise and coordinate the activities of the Senior Interagency Group on International Communications and Information Policy;

"(4) coordinate the activities of, and assist as appropriate, interagency working level task forces and committees concerned with specific aspects of international communications and information policy;

"(5) maintain liaison with the members and staffs of committees of the Congress concerned with international communications and information policy and provide testimony before such committees;

"(6) maintain appropriate liaison with representatives of the private sector to keep informed of their interests and problems, meet with them, and provide such assistance as may be needed to ensure that matters of concern to the private sector are promptly considered by the Department or other executive branch agencies; and

"(7) assist in arranging meetings of such public sector advisory groups as may be established to advise the Department of State and other executive branch agencies in connection with international communications and information policy issues.".

COUNSELOR OF THE DEPARTMENT OF STATE

SEC. 125. (a) Section 2 of the Act entitled "An Act to strengthen and improve the organization and administration of the Department of State, and for other purposes", approved May 26, 1949 (22 U.S.C. 2653), is amended by striking out "Counselor of the Department of State and the Legal Adviser who are" in the second sentence and inserting in lieu thereof "Legal Adviser who is".

(b)(1) Section 5314 of title 5, United States Code, is amended by inserting immediately after the item relating to the Under Secretaries of State the following:

"Counselor of the Department of State.".

(2) Section 5315 of such title is amended by striking out "Counselor of the Department of State.".

ATTENDANCE OF CITIZENS OF THE TRUST TERRITORY OF THE PACIFIC ISLANDS AT THE FOREIGN SERVICE INSTITUTE

SEC. 126. Section 701 of the Foreign Service Act of 1980 (22 U.S.C. 4021) is amended by adding at the end thereof the following new subsection:

"(c) Training and instruction may be provided at the Institute for not to exceed sixty citizens of the Trust Territory of the Pacific Islands in order to prepare them to serve as members of the foreign services of the Federated States of Micronesia, the Marshall Is-

lands, and Palau. The authority of this subsection shall expire when the Compact of Free Association is approved by the Congress.".

FOREIGN NATIONAL EMPLOYEES

SEC. 127. (a) Section 408(a)(1) of the Foreign Service Act of 1980 (22 U.S.C. 3968(a)(1)) is amended in the last sentence by inserting "(A)" immediately after "provision for" and by inserting immediately before the period at the end thereof the following: ", and (B) payments by the Government and foreign national employees to a trust or other fund in a financial institution in order to finance future benefits for foreign national employees, including provision for retention in the fund of accumulated interest for the benefit of covered foreign national employees".

(b)(1) Section 5944 of title 5, United States Code, is repealed.

(2) The chapter analysis for chapter 59 of such title 5 is amended by striking out the item relating to section 5944.

CODIFICATION OF MERESMAN CASE

SEC. 128. Section 2103(f) of the Foreign Service Act of 1980 (22 U.S.C. 4153(f)) is amended in the last sentence by striking out "determined in accordance with chapter 8 of title I of this Act" and inserting in lieu thereof "on the same basis as a member retired from the Senior Foreign Service under section 607(c)(1), and section 609(a)(2)(B) shall be deemed to apply to such officer".

FOREIGN SERVICE VOTING RESIDENCE

SEC. 129. (a) Chapter 9 of title I of the Foreign Service Act of 1980 is amended by adding at the end thereof the following:

"SEC. 906. ENTITLEMENT TO VOTE IN A STATE IN A FEDERAL ELECTION.—(a) Except as provided in subsection (b) and in such manner as shall be otherwise authorized by a State or other jurisdiction within the territory of the United States, a member of the Service residing outside the United States shall, in addition to any entitlement to vote in a State in a Federal election under section 3 of the Overseas Citizens Voting Rights Act (42 U.S.C. 1973dd-1), be entitled to vote in a Federal election in the State in which such member was last domiciled immediately before entering the Service if such member—

"(1) makes an election of that State;

"(2) notifies that State of such election and notifies any other States in which he or she is entitled to vote of such election; and

"(3) otherwise meets the requirements of such Act.

"(b) The provisions of subsection (a) shall apply only to an individual who becomes a member of the Service on or after the date of enactment of this section and shall not apply to an individual who registers to vote in a State in which he is entitled to vote under section 3 of Overseas Citizens Voting Rights Act.".

(b) The table of contents in section 2 of the Foreign Service Act of 1980 is amended by inserting the following new item after the item relating to section 905:

"Sec. 906. Entitlement to Vote in a State in a Federal Election.".

MERGER OF FOREIGN SERVICE INFORMATION CORPS WITH FOREIGN SERVICE CORPS

SEC. 130. (a) Section 102 of the Foreign Service Act of 1980 (22 U.S.C. 3902) is amended—

(1) by striking out "(a)"; and

(2) by striking out subsection (b).

(b) Section 502 of such Act (22 U.S.C. 3982) is amended by adding at the end thereof the following:

"(d) The Secretary of State, in conjunction with the heads of the other agencies utilizing the Foreign Service personnel system, shall implement policies and procedures to insure that Foreign Service officers and members of the Senior Foreign Service of all agencies are able to compete for chief of mission positions and have opportunities on an equal basis to compete for assignments outside their areas of specialization.".

(c) Not later than one year after the date of enactment of this section, the Secretary of State shall submit a report to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate describing the policies and procedures adopted pursuant to the amendment made by subsection (b).

DANGER PAY

SEC. 131. Section 5928 of title 5, United States Code, is amended by adding at the end thereof the following: "The presence of nonessential personnel or dependents shall not preclude payment of an allowance under this section. In each instance where an allowance under this section is initiated or terminated, the Secretary of State shall inform the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate of the action taken and the circumstances justifying it.".

SECURITY OFFICERS

SEC. 132. Section 2104 of the Foreign Service Act of 1980 (22 U.S.C. 4154) is amended by adding at the end thereof the following new subsection:

"(c) The three-year period referred to in subsection (a) shall be extended for an additional period not to exceed one year from the date of enactment of this section in the case of Department of State security officers who are members of the Service and who were initially ineligible for conversion under that subsection because they were available for worldwide assignment and there was a need for their services in the Service, but as to whom subsequent events require the services of these members (and of those later employed who are similarly situated) only or primarily for domestic functions.".

FOREIGN RELATIONS PUBLICATIONS

SEC. 133. (a) The Congress expresses concern about the excessive delays currently experienced in the publication of the Department of State's vital series of historical volumes, "The Foreign Relations of the United States". It is the sense of the Congress that the current delays must be substantially reduced so that publication of this series will occur after twenty years, and no later than twenty-five years, from the date of the events themselves.

(b) The Historian of the Department of State shall prepare and submit a report within three months after the date of enactment of this Act to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives explaining the reasons for these delays and the steps which would be required to reach the goal of publication within twenty-five years.

UNITED STATES DIPLOMATIC RELATIONS WITH THE VATICAN

SEC. 134. In order to provide for the establishment of United States diplomatic relations with the Vatican, the Act entitled "An Act making Appropriations for the Consular and Diplomatic Expenses of the Government for the Year ending thirtieth June, eighteen hundred and sixty-eight, and for other purposes", approved February 28, 1867, is amended by repealing the following sentence (14 Stat. 413): "And no money hereby or otherwise appropriated shall be paid for the support of an American legation at Rome, from and after the thirtieth day of June, eighteen hundred and sixty-seven.".

USE OF HERBICIDES CONTAINING DIOXIN COMPOUNDS BY INTERNATIONAL COMMISSIONS

SEC. 135. (a) Notwithstanding any other provision of law, none of the funds made available under this Act for "International Commissions" for the fiscal year 1984 and the fiscal year 1985 shall be available for the use, by such commissions or their agents, of herbicides containing dioxin compounds.

(b) Unless the Committee on Foreign Relations and the Committee on Environment and Public Works of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Governors of the affected border States are notified forty-five days in advance of the use of a herbicide by an international commission, funds appropriated for such use shall not be available for obligation or expenditure. Such notification shall include—

(1) the name of the herbicide;

(2) an estimate of the quantity of herbicide planned for use;

(3) an identification of the area on which the herbicide will be used; and

(4) a description of the herbicide's chemical composition.

FOREIGN SERVICE BUILDINGS ACT

SEC. 136. The Foreign Service Buildings Act, 1926 (22 U.S.C. 292-301), is amended by adding at the end thereof the following new section:

"SEC. 11. (a) Eligibility for award of contracts under this Act or of any other contract by the Secretary of State, including lease-back or other agreements, the purpose of which is to obtain the construction, alteration, or repair of buildings and grounds abroad, when estimated to exceed $5,000,000, including any contract alternatives or options, shall be limited, after a determination that adequate competition will be obtained thereby, to (1) American-owned bidders and (2) bidders from countries which permit or agree to permit substantially equal access to American bidders for comparable diplomatic and consular building projects, except that participation may be permitted by or limited to host-country bidders where required by international agreement or by the law of the host country or where determined by the Secretary of State to be necessary in the interest of bilateral relations or necessary to carry out the construction project.

"(b)(1) Generally applicable laws and regulations pertaining to licensing and other qualifications to do business in the country in which the contract is to be performed shall not be deemed a limitation of access for purposes of this section.

"(2) For purposes of determining competitive status, bids qualifying under subsection (a)(1) shall be reduced by ten percent.

"(3) A determination of adequacy of competition for purposes of subsection (a) shall be made after advance publication by the Secretary of State of the proposed project, and receipt from not less than two prospective responsible bidders of intent to submit a bid or proposal. If competition is not determined to be adequate, contracts may be awarded without regard to subsection (a) and this subsection.

"(4) Bidder qualification under subsection (a) shall be determined on the basis of na-

tionality of ownership, the burden of which shall be on the prospective bidder. Qualification under subsection (a)(1) shall require evidence of (A) performance of similar construction work in the United States, and (B) either (i) ownership in excess of fifty percent by United States citizens or permanent residents, or (ii) incorporation in the United States for more than three years and employment of United States citizens or permanent residents in more than half of the corporation's permanent full-time professional and managerial positions in the United States.

"(5) Qualification under this section shall be established on the basis of determinations at the time bids are requested.

"(c) Contracts for construction, alteration, or repair in the United States for or on behalf of any foreign mission (as defined in section 202(a)(4) of title II of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4302(a)(4)) may, pursuant to the authority of that title, only be awarded to or performed by bidders qualifying under subsection (a)(1) or (2) or by nationals of the country for which the contract is being performed who are granted the right of entry into the United States for that purpose.

"(d) Determinations under this section shall be committed to the discretion of the Secretary of State.

"(e) This section shall cease to be effective when the Secretary of State determines that there are internationally-agree-upon rules in effect on bidding for construction contracts."

UNITED STATES CONSULATES

SEC. 137. Section 103(b) of the Department of State Authorization Act, Fiscal Years 1982 and 1983 (22 U.S.C. 2656 note) is amended by striking out the period at the end thereof and inserting in lieu thereof the following: ", to the extent such reopening is authorized by the foreign government involved. A report shall be made to the Committee on Foreign Relations of the Senate and the Committtee on Foreign Affairs of the House of Representatives concerning the extent to which such foreign government authorization has been received, and the progress achieved with respect to the reopening of the specified consulates.".

TITLE II—UNITED STATES INFORMATION AGENCY

SHORT TITLE

SEC. 201. This title may be cited as the "United States Information Agency Authorization Act, Fiscal Years 1984 and 1985".

AUTHORIZATION OF APPROPRIATIONS

SEC. 202. In addition to the amounts otherwise authorized for such purposes, there are authorized to be appropriated for the United States Information Agency $642,348,000 for the fiscal year 1984 and $806,239,000 for the fiscal year 1985 to carry out international information, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Numbered 2 of 1977, and other purposes authorized by law.

IMPROVEMENT OF VOA FACILITIES AND OPERATIONS

SEC. 203. Of the authorizations of appropriations contained in section 202—

(1) authorizations of $47,959,000 for the fiscal year 1984, which shall be available for the acquisition and construction of radio facilities, and

(2) authorizations of $164,800,000 for the fiscal year 1985, which shall be available for essential modernization of the facilities and operations of the Voice of America,

shall remain available until the appropriations are made, and when those amounts are appropriated they are authorized to remain available until expended.

INTERNAL AUDITORS

SEC. 204. Of the amounts authorized to be appropriated by section 202, not less than $600,000 for each of the fiscal years 1984 and 1985 shall be available only for the employment of twelve professional internal auditors for the United States Information Agency in excess of any internal auditors employed by the Agency during fiscal year 1983.

FUNDS FOR THE NATIONAL ENDOWMENT FOR DEMOCRACY

SEC. 205. Of the amounts appropriated for the United States Information Agency for each of the fiscal years 1984 and 1985, not less than $31,300,000 shall be available only for a grant, in accordance with title V of this Act, to the National Endowment for Democracy for use in carrying out its purposes.

EDUCATIONAL AND CULTURAL EXCHANGES

SEC. 206. (a) Of the funds authorized to be appropriated for the United States Information Agency for the fiscal year 1984, not less than $100,500,000 shall be available only for grants for the Fulbright Academic Exchange Programs and the International Visitor Program, not less than $3,729,000 shall be available only for grants for the Humphrey Fellowship Program, and not more than $7,100,000 shall be available for the Private Sector Program. Funds authorized to be appropriated by this title for the Private Sector Program shall be available only for grants to not-for-profit cultural, educational, or exchange-of-persons organizations. Of the funds authorized to be appropriated for the United States Information Agency for fiscal year 1984, $3,000,000 shall be available only for enhancements of United States libraries overseas and programs providing support services to foreign students studying, or intending to study, in the United States.

(b) Of the funds authorized to be appropriated for the United States Information Agency for the fiscal year 1985, not less than $123,100,000 shall be available only for grants for the Fulbright Academic Exchange Programs and the International Visitor Program, and not less than $4,435,000 shall be available only for grants for the Humphrey Fellowship Program.

PRIVATE SECTOR PROGRAM

SEC. 207. (a) No funds authorized to be appropriated for the Private Sector Program shall be used to pay for foreign travel by any United States citizen who, in the five years preceding the date of the proposed foreign travel, made two or more trips financed in whole or in substantial part by grants from the Private Sector Program. This limitation shall not apply to escort interpreters accompanying delegations, to artists accompanying exhibitions, to persons engaging in theatrical or musical performances, or to the full-time staff of the grantee organization. In addition, the Director of the Bureau of Educational and Cultural Affairs may waive this limitation in exceptional cases if he determines that foreign travel is essential to the successful completion of the grant program and so certifies in writing to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate at least 15 days prior to the commencement of the proposed foreign travel.

(b) Not later than January 31 of each year, the Director of the Bureau of Educational and Cultural Affairs shall submit to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate a report listing all individuals, with their organization, who in the preceding 5 years made two or more trips involving foreign travel financed in whole or substantial part by grants from the Private Sector Program.

INTERNATIONAL YOUTH YEAR

SEC. 208. (a) From the funds allocated to the Private Sector Program, the United States Information Agency may make grants to youth and youth service organizations in support of activities to promote participation by American young people in the activities of International Youth Year. Activities to be supported shall involve exchange-of-persons. Grants under this subsection shall be subject to all applicable guidelines and notification requirements, except that organizations receiving such grants shall not be subject to the funding limitation on newer organizations which is contained in the "ECA Grant Guidelines" which were submitted to the Congress on May 4, 1983 (see pages 42-44 of the report of the Committee on Foreign Relations on S. 1342 (Senate report numbered 98-143) and pages 66-68 of the report of the Committee on Foreign Affairs to accompany H.R. 2915 (House of Representatives report numbered 98-130)).

(b) The Secretary of State shall ensure that any organization designated by the United States Government, or any agency thereof, as the official United States commission or committee for United States participation in International Youth Year meets the following criteria: (1) the membership of such organization is open to all major youth and youth service organizations; (2) the charter of such organization provides that the organization will have full financial responsibility for its own assets, receipts, and expenditures; and (3) the composition of the Governing Board shall be elected from the constituent youth and youth service organizations, and in such an election the size of the membership of the constituent youth and youth service organizations shall be an important factor. Clause (3) shall not be construed as requiring any particular system of proportional representation in the election of the Governing Board.

(c) No funds authorized to be appropriated by this Act shall be made available to any organization to coordinate or plan for United States participation in International Youth Year if that organization does not meet the criteria specified in subsection (b).

PROHIBITION ON LOBBYING WITH UNITED STATES FUNDS BY USIA GRANTEE ORGANIZATIONS

SEC. 209. None of the funds authorized to be appropriated by this title shall be used by any grantee organization of the United States Information Agency for lobbying or propaganda which is directed at influencing public policy decisions of the Government of the United States or any State or locality thereof. This section shall not be construed so as to abridge the right of any grantee organization to exercise the same freedom of speech as is protected by the first article of amendment of the United States Constitution, so long as such organization does not use funds provided under this title in exercising such right.

FUNDS FOR OFFICIAL RECEPTIONS AND ENTERTAINMENT EXPENSES

SEC. 210. Notwithstanding any other provision of law, not more than $20,000 of the funds authorized to be appropriated to the United States Information Agency for the fiscal year 1984 or for the fiscal year 1985 shall be available for domestic representation or entertainment expenses, including official receptions.

FUNDS FOR UNITED STATES-GERMAN TEENAGE EXCHANGE

SEC. 211. In addition to amounts otherwise authorized to be appropriated for the United States Information Agency, there are authorized to be appropriated $2,500,000 for the fiscal year 1984 and $2,500,000 for the fiscal year 1985 to carry out a United States-German teenage exchange sponsored by the Members of the United States Congress and the West German Bundestag.

FUNDING FOR UNITED STATES PARTICIPATION IN THE TSUKUBA, JAPAN EXPOSITION 1985

SEC. 212. In addition to amounts otherwise made available for such purpose, there are authorized to be appropriated to the United States Information Agency, without fiscal year limitation, $4,000,000 for expenses in connection with United States participation in the Tsukuba, Japan Exposition 1985.

CHARTER FOR THE BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS

SEC. 213. The Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2451-2458a) is amended by adding at the end thereof the following new section:

"SEC. 112. (a) In order to carry out the purposes of this Act, there is established in the United States Information Agency, or in such appropriate agency of the United States as the President shall determine, a Bureau of Educational and Cultural Affairs (hereinafter in this section referred to as the 'Bureau'). The Bureau shall be responsible for managing, coordinating, and overseeing programs established pursuant to this Act, including but not limited to—

"(1) the J. William Fulbright Educational Exchange Program which, by promoting the exchange of scholars, researchers, students, trainees, teachers, instructors, and professors, between the United States and foreign countries, accomplishes the purposes of section 102(a)(1) of this Act;

"(2) the Hubert H. Humphrey Fellowship Program which finances (A) study at American universities and institutions of higher learning, including study in degree granting programs, and (B) participation in fellowships, internships, or other programs in American governmental and nongovernmental institutions for public managers and other individuals from developing countries;

"(3) the International Visitors Program which provides grants for short-term visits to the United States for foreign nationals who are, or have the potential to be, leaders in their respective fields in their own countries;

"(4) the American Cultural Centers and Libraries which make available at selected foreign locations, books, films, sound recordings, and other materials about the United States, its people and culture, and about other topics;

"(5) the American Overseas Schools Program which provides financial assistance to the operations of American-sponsored schools overseas;

"(6) the American Studies Program which fosters and supports the study of the United States, and its people and culture, in foreign countries; and

"(7) a program of working with private, not-for-profit groups through contracts, grants, or cooperative agreements, as authorized by section 102 of this Act, so as to provide financial assistance to nongovernmental organizations engaged in implementing and enhancing exchange-of-persons programs.

"(b) The President shall insure that all programs under the authority of the Bureau shall maintain their nonpolitical character and shall be balanced and representative of the diversity of American political, social, and cultural life. The President shall insure that academic and cultural programs under the authority of the Bureau shall maintain their scholarly integrity and shall meet the highest standards of academic excellence or artistic achievement.

"(c) The Bureau shall administer no programs except those operating under the authority of this Act and consistent with its purposes.".

NOTIFICATION OF REPROGRAMINGS AND GRANTS

SEC. 214. Title VII of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1476-1477b) is amended by adding at the end thereof the following new section:

"SEC. 705. (a) Unless the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified fifteen days in advance of a proposed reprograming, funds appropriated for the United States Information Agency shall not be available for obligation or expenditure through any such reprograming of funds—

"(1) which creates new programs;

"(2) which eliminates a program, project, or activity;

"(3) which increases funds or personnel by any means for any project or activity for which funds have been denied or restricted by the Congress;

"(4) which relocates an office or employees;

"(5) which reorganizes offices, programs, or activities;

"(6) which involves contracting out functions which had been performed by Federal employees; or

"(7) which involves a reprograming in excess of $250,000 or 10 percent, whichever is less, and which (A) augments existing programs, projects, or activities, (B) reduces by 10 percent or more the funding for any existing program, project, or activity, or personnel approved by the Congress, or (C) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects approved by the Congress.

"(b) In addition, the United States Information Agency may award program grants for the fiscal years 1984 and 1985 only if the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified fifteen days in advance of the proposed grant.".

SUPPLEMENTAL ALLOWANCE FOR USIA PERSONNEL STATIONED IN NEW YORK CITY

SEC. 215. Section 9 of the United Nations Participation Act of 1945 (22 U.S.C. 287e-1) is amended—

(1) in paragraph (1), by inserting ", and any employee of the United States Information Agency designated by the Director of that Agency," immediately after "Secretary of State"; and

(2) in the last sentence, by striking out "forty-five employees" and inserting in lieu thereof "fifty employees, including not more than five employees of the United States Information Agency,".

DISTRIBUTION WITHIN THE UNITED STATES OF THE USIA FILM ENTITLED "THANKSGIVING IN PESHAWAR"

SEC. 216. (a) Notwithstanding the second sentence of section 501 of the United States Information and Education Exchange Act of 1948 (22 U.S.C. 1461(a))—

(1) the Director of the United States Information Agency shall make available to the Administrator of General Services a master copy of the film entitled "Thanksgiving in Peshawar"; and

(2) upon evidence that necessary United States rights and licenses have been secured and paid for by the person seeking domestic release of the film, the Administrator shall reimburse the Director for any expenses of the Agency in making that master copy available, shall deposit that film in the National Archives of the United States, and shall make copies of that film available for purchase and public viewing within the United States.

(b) Any reimbursement to the Director pursuant to this section shall be credited to the applicable appropriation of the United States Information Agency.

INCREASED LEASING AUTHORITY FOR RADIO FACILITIES

SEC. 217. Section 801(3) of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1471(3)) is amended by striking out "ten years" and inserting in lieu thereof "twenty-five years".

TITLE III—BOARD FOR INTERNATIONAL BROADCASTING

SHORT TITLE

SEC. 301. This title may be cited as the "Board for International Broadcasting Authorization Act, Fiscal Years 1984 and 1985".

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 302. Subparagraph (A) of section 8(a)(1) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)(1)(A)) is amended to read as follows:

"(A) $111,600,000 for the fiscal year 1983, $106,055,000 for the fiscal year 1984, and $111,251,000 for the fiscal year 1985; and".

FOREIGN CURRENCY GAINS

SEC. 303. Section 8(b) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)) is amended to read as follows:

"(b) Beginning with fiscal year 1983, any amount appropriated under subsection (a)(1) of this section which, because of upward fluctuations in foreign currency exchange rates, is in excess of the amount necessary to maintain the budgeted level of operation for RFE/RI, Incorporated, may be merged with and made available for the same time period and same purposes as amounts appropriated under subsection (a)(2) of this section.".

BENEFITS FOR CERTAIN RETIREES AND SURVIVING SPOUSES OF EMPLOYEES OF RADIO FREE EUROPE AND RADIO LIBERTY

SEC. 304. The Board for International Broadcasting Act of 1973 (22 U.S.C. 2871-2880) is amended by adding at the end thereof the following new section:

"BENEFITS FOR CERTAIN RETIREES AND SURVIVING SPOUSES OF EMPLOYEES OF RADIO FREE EUROPE AND RADIO LIBERTY

"SEC. 12. The Congress hereby authorizes the Board to make available in accordance

with the Supplemental Appropriations Act, 1983, $4,900,000 of the amount appropriated for the Board by that Act for enhancement of (1) the pensions and cost-of-living adjustments of individuals who retired from RFE/RL, Incorporated, before January 1, 1976, and (2) the benefits to which surviving spouses of employees of RFE/RL, Incorporated, are entitled by virtue of the creditable service of such employees rendered before January 1, 1976.".

SALARY OF THE RFE/RL PRESIDENT

SEC. 305. (a) The Board for International Broadcasting Act of 1973 (22 U.S.C. 2871-2880), as amended by section 304 of this Act, is further amended by adding at the end thereof the following new section:

"SALARY OF THE RFE/RL PRESIDENT

"SEC. 13. Funds made available under this Act to RFE/RL, Incorporated, may not be used for the salary of the President of RFE/RL, Incorporated, at an annual rate in excess of the rate payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.".

(b) The amendment made by this section applies with respect to funds used for the salary of any President of RFE/RL, Incorporated, who is appointed after the date of enactment of this Act.

POLICY ON BROADCASTS OF RFE/RL AND THE VOICE OF AMERICA CONCERNING SOVIET RELIGIOUS PERSECUTION

SEC. 306. It is the sense of the Congress that RFE/RL, Incorporated (commonly known as Radio Free Europe and Radio Liberty) and the Voice of America (VOA) are to be commended for their news and editorial coverage of the increasing religious persecution in the Soviet Union, including the declining levels of Jewish emigration, and are encouraged to intensify their efforts in this regard.

BALTIC DIVISION

SEC. 307. None of the funds authorized to be appropriated by the amendment made by section 302 of this Act may be used for a grant to RFE/RL, Incorporated, unless—

(1) the Estonian, Latvian, and Lithuanian radio services of RFE/RL, Incorporated, are organized as a separate division within Radio Liberty; and

(2) those radio services begin broadcasts under a name which would accurately reflect United States policy of not recognizing the illegal incorporation of Estonia, Latvia, and Lithuania into the Soviet Union.

POLICY ON THE JAMMING BY THE SOVIET UNION OF BROADCASTS OF THE VOICE OF AMERICA AND RFE/RL

SEC. 308. (a) The Congress finds that—

(1) the permanent unrestrained flow of accurate information would greatly facilitate mutual understanding and world peace;

(2) the Soviet Union and its allies are at present electronically jamming the broadcasts of the Voice of America and RFE/RL, Incorporated (commonly known as Radio Free Europe and Radio Liberty); and

(3) electronic jamming of international broadcasts violates at least four international agreements: Article 35(1) of the International Telecommunications Union Convention, Article 19 of the Universal Declaration of Human Rights, Article 19 of the International Covenant on Civil and Political Rights, and the Final Act of the Conference on Security and Cooperation in Europe (commonly known as the Helsinki Accords).

(b) It is the sense of the Congress that the President should urge the Government of the Soviet Union to terminate its jamming of the broadcasts of the Voice of America and RFE/RL, Incorporated.

TITLE IV—THE ASIA FOUNDATION

SHORT TITLE

SEC. 401. This title may be cited as "The Asia Foundation Act".

FINDINGS

SEC. 402. The Congress finds that—

(1) The Asia Foundation, a private nonprofit corporation incorporated in 1954 in the State of California, has long been active in promoting Asian-American friendship and cooperation and in lending encouragement and assistance to Asians in their own efforts to develop more open, more just, and more democratic societies;

(2) The Asia Foundation's commitment to strengthening indigenous Asian institutions which further stable national development, constructive social change, equitable economic growth, and cooperative international relationships is fully consistent with and supportive of long-term United States interests in Asia;

(3) The Asia Foundation, as a private organization, is able to conduct programs in response to Asian initiatives that would be difficult or impossible for an official United States instrumentality, and it is in a position in Asia to respond quickly and flexibly to meet new opportunities;

(4) in recognition of the valuable contributions of The Asia Foundation to long-range United States foreign policy interests, the United States Government has, through a variety of agencies, provided financial support for The Asia Foundation; and

(5) it is in the interest of the United States, and the further strengthening of Asian-American friendship and cooperation, to establish a more permanent mechanism for United States Government financial support for the ongoing activities of The Asia Foundation, while preserving the independent character of the Foundation.

GRANTS TO THE ASIA FOUNDATION

SEC. 403. (a) The Secretary of State shall make an annual grant to The Asia Foundation with the funds made available under section 404. Such grants shall be in general support of the Foundation's programs and operations. The terms and conditions of grants pursuant to this section shall be set forth in a grant agreement between the Secretary of State and The Asia Foundation.

(b) If funds made available to The Asia Foundation pursuant to this title or pursuant to any other provision of law are, with the permission of the head of the Federal agency making the funds available, invested by the Foundation or any of its subgrantees pending disbursement, the resulting interest is not required to be deposited in the United States Treasury if that interest is used for the purposes for which the funds were made available.

FUNDING

SEC. 404. There are authorized to be appropriated to the Secretary of State $5,000,000 for the fiscal year 1983, $10,000,000 for the fiscal year 1984, and $10,000,000 for the fiscal year 1985 for grants to The Asia Foundation pursuant to this title.

TITLE V—NATIONAL ENDOWMENT FOR DEMOCRACY

SHORT TITLE

SEC. 501. This title may be cited as the "National Endowment for Democracy Act".

NATIONAL ENDOWMENT FOR DEMOCRACY

SEC. 502. (a) The Congress finds that there has been established in the District of Columbia a private, nonprofit corporation known as the National Endowment for Democracy (hereafter in this title referred to as the "Endowment") which is not an agency or establishment of the United States Government.

(b) The purposes of the Endowment, as set forth in its articles of incorporation, are—

(1) to encourage free and democratic institutions throughout the world through private sector initiatives, including activities which promote the individual rights and freedoms (including internationally recognized human rights) which are essential to the functioning of democratic institutions;

(2) to facilitate exchanges between United States private sector groups (especially the two major American political parties, labor, and business) and democratic groups abroad;

(3) to promote United States nongovernmental participation (especially through the two major American political parties, labor, business, and other private sector groups) in democratic training programs and democratic institution-building abroad;

(4) to strengthen democratic electoral processes abroad through timely measures in cooperation with indigenous democratic forces;

(5) to support the participation of the two major American political parties, labor, business, and other United States private sector groups in fostering cooperation with those abroad dedicated to the cultural values, institutions, and organizations of democratic pluralism; and

(6) to encourage the establishment and growth of democratic development in a manner consistent both with the broad concerns of United States national interests and with the specific requirements of the democratic groups in other countries which are aided by programs funded by the Endowment.

GRANTS TO THE ENDOWMENT

SEC. 503. (a) The Director of the United States Information Agency shall make an annual grant to the Endowment to enable the Endowment to carry out its purposes as specified in section 502(b). Such grants shall be made with funds specifically appropriated for grants to the Endowment or with funds appropriated to the Agency for the "Salaries and Expenses" account. Such grants shall be made pursuant to a grant agreement between the Director and the Endowment which requires that grant funds will only be used for activities which the Board of Directors of the Endowment determines are consistent with the purposes described in section 502(b), that the Endowment will allocate funds in accordance with subsection (e) of this section, and that the Endowment will otherwise comply with the requirements of this title. The grant agreement may not require the Endowment to comply with requirements other than those specified in this title.

(b) Funds so granted may be used by the Endowment to carry out the purposes described in section 502(b), and otherwise applicable limitations on the purposes for which funds appropriated to the United States Information Agency may be used shall not apply to funds granted to the Endowment.

(c) Nothing in this title shall be construed to make the Endowment an agency or establishment of the United States Government or to make the members of the Board of Directors of the Endowment, or the officers or

employees of the Endowment, officers or employees of the United States.

(d) The Endowment and its grantees shall be subject to the appropriate oversight procedures of the Congress.

(e) Of the amounts made available to the Endowment for each of the fiscal years 1984 and 1985 to carry out programs in furtherance of the purposes of this Act—

(1) not less than $13,800,000 shall be for the Free Trade Union Institute; and

(2) not less than $2,500,000 shall be to support private enterprise development programs of the National Chamber Foundation.

ELIGIBILITY OF THE ENDOWMENT FOR GRANTS

SEC. 504. (a) Grants may be made to the Endowment under this title only if the Endowment agrees to comply with the requirements specified in this section and elsewhere in this title.

(b)(1) The Endowment may only provide funding for programs of private sector groups and may not carry out programs directly.

(2) The Endowment may provide funding only for programs which are consistent with the purposes set forth in section 502(b).

(c)(1) Officers of the Endowment may not receive any salary or other compensation from any source, other than the Endowment, for services rendered during the period of their employment by the Endowment.

(2) If an individual who is an officer or employee of the United States Government serves as a member of the Board of Directors or as an officer or employee of the Endowment, that individual may not receive any compensation or travel expenses in connection with services performed for the Endowment.

(d)(1) The Endowment shall not issue any shares of stock or declare or pay any dividends.

(2) No part of the assets of the Endowment shall inure to the benefit of any member of the Board, any officer or employee of the Endowment, or any other individual, except as salary or reasonable compensation for services.

(e)(1) The accounts of the Endowment shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Endowment are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(2) The report of each such independent audit shall be included in the annual report required by subsection (h). The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Endowment's assets and liabilities, surplus or deficit, with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the Endowment's income and expenses during the year, and a statement of the application of funds, together with the independent auditor's opinion of those statements.

(f)(1) The financial transactions of the Endowment for each fiscal year may be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. Any such audit shall be conducted at the place or places where accounts of the Endowment are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment pertaining to its financial transactions and necessary to facilitate the audit; and they shall be afforded full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of the Endowment shall remain in the possession and custody of the Endowment.

(2) A report of each such audit shall be made by the Comptroller General to the Congress. The report to the Congress shall contain such comments and information as the Comptroller General may deem necessary to inform the Congress of the financial operations and condition of the Endowment, together with such recommendations with respect thereto as he may deem advisable. The report shall also show specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made contrary to the requirements of this title. A copy of each report shall be furnished to the President and to the Endowment at the time submitted to the Congress.

(g)(1) The Endowment shall ensure that each recipient of assistance provided through the Endowment under this title keeps such records as may be reasonably necessary to fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(2) The Endowment shall ensure that it, or any of its duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance provided through the Endowment under this title. The Comptroller General of the United States or any of his duly authorized representatives shall also have access thereto for such purpose.

(h) Not later than December 31 of each year, the Endowment shall submit an annual report for the preceding fiscal year to the President for transmittal to the Congress. The report shall include a comprehensive and detailed report of the Endowment's operations, activities, financial condition, and accomplishments under this title and may include such recommendations as the Endowment deems appropriate. The Board members and officers of the Endowment shall be available to testify before appropriate committees of the Congress with respect to such report, the report of any audit made by the Comptroller General pursuant to subsection (f), or any other matter which any such committee may determine.

TITLE VI—FOREIGN MISSIONS

SHORT TITLE

SEC. 601. This title may be cited as the "Foreign Missions Amendments Act of 1983".

REQUIREMENT FOR LIABILITY INSURANCE

SEC. 602. Section 6 of the Diplomatic Relations Act (22 U.S.C. 254e) is amended—

(1) in subsection (a) by striking out "President" and inserting in lieu thereof "Director of the Office of Foreign Missions in the Department of State";

(2) in subsection (b) by striking out "The President shall, by regulation, establish liability insurance requirements" and inserting in lieu thereof "The Director of the Office of Foreign Missions shall, by regulation, establish liability insurance requirements which can reasonably be expected to afford adequate compensation to victims and which are"; and

(3) in subsection (c) by striking out "President" and inserting in lieu thereof "Director of the Office of Foreign Missions".

ENFORCEMENT OF COMPLIANCE WITH LIABILITY INSURANCE REQUIREMENTS

SEC. 603. Title II of the State Department Basic Authorities Act of 1956 is amended by inserting after section 204 (22 U.S.C. 4304) the following new section:

"ENFORCEMENT OF COMPLIANCE WITH LIABILITY INSURANCE REQUIREMENTS

"SEC. 204A. (a)(1) The head of a foreign mission shall notify promptly the Director of the lapse or termination of any liability insurance coverage held by a member of the mission, by a member of the family of such member, or by an individual described in section 19 of the Convention on Privileges and Immunities of the United Nations of February 13, 1946.

"(2) Not later than February 1 of each year, the head of each foreign mission shall prepare and transmit to the Director a report including a list of motor vehicles, vessels, and aircraft registered in the United States by members of the mission, members of the families of such members, individuals described in section 19 of the Convention on Privileges and Immunities of the United Nations of February 13, 1946, and by the mission itself. Such list shall set forth for each such motor vehicle, vessel, or aircraft—

"(A) the jurisdiction in which it is registered;

"(B) the name of the insured;

"(C) the name of the insurance company;

"(D) the insurance policy number and the extent of insurance coverage; and

"(E) such other information as the Director may prescribe.

"(b) Whenever the Director finds that a member of a foreign mission, a member of the family of such member, or an individual described in section 19 of the Convention on Privileges and Immunities of the United Nations of February 13, 1946—

"(1) is at fault for personal injury, death, or property damage arising out of the operation of a motor vehicle, vessel, or aircraft in the United States,

"(2) is not covered by liability insurance, and

"(3) has not satisfied a court-rendered judgment against him or is not legally liable,

the Director shall impose a surcharge or fee on the foreign mission of which such member or individual is a part, amounting to the unsatisfied portion of the judgment rendered against such member or individual

or, if there is no court-rendered judgment, an estimated amount of damages incurred by the victim. The payment of any such surcharge or fee shall be available only for compensation of the victim or his estate.

"(c) For purposes of this section—

"(1) the term 'head of a foreign mission' has the same meaning as is ascribed to the term 'head of a mission' in Article 1 of the Vienna Convention on Diplomatic Relations of April 18, 1961 (T.I.A.S. numbered 7502; 23 U.S.T. 3227); and

"(2) the terms 'members of a mission' and 'family' have the same meanings as is ascribed to them by paragraphs (1) and (2) of section 2 of the Diplomatic Relations Act (22 U.S.C. 254a).".

DIRECTOR OF THE OFFICE OF FOREIGN MISSIONS

SEC. 604. (a) Section 203 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4303) is amended in subsection (a)—

(1) in the second sentence by striking out "appointed by the Secretary" and inserting in lieu thereof "appointed by the President by and with the advice and consent of the Senate"; and

(2) by adding at the end thereof the following: "The Director shall have the rank of ambassador. The Director shall be an individual who is a member of the Foreign Service, who has been a member of the Foreign Service for at least ten years, who has significant administrative experience, and who has served in countries in which the United States has had significant problems in assuring the secure and efficient operations of its missions as the result of the actions of other countries.".

(b) Such section is further amended by redesignating subsection (b) as subsection (c) and by inserting the following new subsection (b) after subsection (a):

"(b) There shall also be a Deputy Director of the Office of Foreign Missions who shall be an individual who has served in the United States intelligence community.".

(c) The amendments made by this section shall apply with respect to any Director of the Office of Foreign Missions, and to any Deputy Director of the Office of Foreign Missions, appointed after the date of enactment of this Act.

EXTRAORDINARY PROTECTIVE SERVICES

SEC. 605. (a) Of the amounts authorized to be appropriated for "Administration of Foreign Affairs" by section 102(1) of this Act, $6,000,000 for the fiscal year 1984 and $6,300,000 for the fiscal year 1985 may be used for the provision of protective services directly or by contract in locations for which funds are not otherwise available to provide such services, to the extent deemed necessary by the Secretary of State in carrying out title II of the State Department Basic Authorities Act of 1956 (relating to foreign missions), except that amounts used under this section shall not be subject to the provisions of section 208(h) of that Act.

(b) The Secretary of State may provide funds to a State or local authority for protective services under this section only if the Secretary has determined that a threat of violence, or other circumstance, exists which requires extraordinary security measures which exceed those which local law enforcement agencies can reasonably be expected to take.

(c) Funds may be obligated under this section only after regulations to implement this section have been issued by the Secretary of State after consultation with appropriate committees of the Congress.

(d) No more than 20 percent of funds available for obligation under this section in any fiscal year may be obligated for protective services within any single State during that year.

(e) Any agreement with a State or local authority for the provision of protective services under this section shall be for a period of not to exceed ninety days in any calendar year, but such agreements may be renewed after review by the Secretary of State.

(f) Not less than 15 percent of funds available for obligation under this section each fiscal year shall be retained as a reserve for protective services provided directly by the Secretary of State or for expenditures in local jurisdictions not otherwise covered by an agreement for protective services under this section.

TITLE VII—INTERNATIONAL ENVIRONMENTAL PROTECTION

SHORT TITLE

SEC. 701. This title may be cited as the "International Environment Protection Act of 1983".

ENDANGERED SPECIES

SEC. 702. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by inserting immediately after section 118 (22 U.S.C. 2151p) the following new section:

"SEC. 119. ENDANGERED SPECIES.—(a) The Congress finds the survival of many animal and plant species is endangered by overhunting, by the presence of toxic chemicals in water, air and soil, and by the destruction of habitats. The Congress further finds that the extinction of animal and plant species is an irreparable loss with potentially serious environmental and economic consequences for developing and developed countries alike. Accordingly, the preservation of animal and plant species through the regulation of the hunting and trade in endangered species, through limitations on the pollution of natural ecosystems, and through the protection of wildlife habitats should be an important objective of the United States development assistance.

"(b) In order to preserve biological diversity, the President is authorized to furnish assistance under this part to assist countries in protecting and maintaining wildlife habitats and in developing sound wildlife management and plant conservation programs. Special efforts should be made to establish and maintain wildlife sanctuaries, reserves, and parks; to enact and enforce anti-poaching measures; and to identify, study, and catalog animal and plant species, especially in tropical environments.

"(c) The Administrator of the Agency for International Development, in conjunction with the Secretary of State, the Secretary of the Interior, the Administrator of the Environmental Protection Agency, the Chairman of the Council on Environmental Quality, and the heads of other appropriate Government agencies, shall develop a United States strategy, including specific policies and programs, to protect and conserve biological diversity in developing countries.

"(d) Each annual report required by section 634(a) of this Act shall include, in a separate volume, a report on the implementation of this subsection. Not later than one year after the date of enactment of this section, the President shall submit a comprehensive report to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate on the United States strategy to protect and conserve biological diversity in developing countries.".

ENVIRONMENTAL EXCHANGES

SEC. 703. (a) Section 102(b) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2452(b)) is amended—

(1) by striking out "and" at the end of paragraph (9);

(2) by striking out the period at the end of paragraph (10) and inserting in lieu thereof "; and"; and

(3) by adding the following after paragraph (10):

"(11) interchanges and visits between the United States and other countries of scientists, scholars, leaders, and other experts in the fields of environmental science and environmental management.".

(b) Of the amount by which expenditures for the Fulbright Academic Exchange Programs, for the Humphrey Fellowship Program, and for the International Visitor Program for each of the fiscal years 1984 and 1985 exceeds the expenditures for these programs in fiscal year 1982, 5 percent shall be used to finance programs authorized by the amendment made by subsection (a) of this section.

INTERNATIONAL WILDLIFE RESOURCES CONSERVATION

SEC. 704. (a) The Secretary of State and the Secretary of the Interior, in consultation with the heads of other concerned Federal agencies, shall undertake a review of the effectiveness of existing United States international activities relating to the conservation of international wildlife resources and shall develop recommendations to substantially improve existing capabilities. On the basis of this review, the Secretary of State and the Secretary of the Interior shall, within six months after the date of enactment of this Act, transmit to chairman of the Committee on Foreign Relations of the Senate and to the chairman of the Committee on Foreign Affairs of the House of Representatives a report—

(1) describing the programs of all Federal agencies concerned with international wildlife resources conservation programs;

(2) recommending an integrated United States plan of action to assist foreign governments and international organizations in conserving wildlife, taking into account the projections in the Global 2000 study;

(3) analyzing the extent to which the Department of State and other relevant Federal agencies are currently involved in—

(A) the establishment of effective liaison with international, national, and local governmental and nongovernmental agencies, organizations, and persons involved in or knowledgeable of wildlife resources conservation abroad;

(B) the provision of expert international wildlife resources conservation staff assistance and advice to United States Embassies, Agency for International Development missions, United States overseas military installations, and other United States governmental or private interests;

(C) facilitating the provision of advice or assistance to governments, agencies, or organizations which wish to enhance their wildlife resources conservation capabilities abroad;

(D) the acquisition and dissemination of reliable data or information concerning—

(i) the conservation status of species of wild fauna and flora;

(ii) the conservation status of lands and waters upon which wild fauna and flora depend;

(iii) existing or proposed laws, proclamations, statutes, orders, regulations, or poli-

cies which pertain to the taking, collecting, import, or export of wildlife resources, or to other aspects of international wildlife resources conservation;

(iv) the potential impact upon wildlife resources abroad of actions authorized, funded, or carried out by the United States Government; and

(v) opportunities to initiate or enhance the efficiency of international wildlife resources conservation by the transfer of United States expertise through technical assistance, training, exchange of publications, or other means;

(E) maintaining liaison, for the purposes of providing information needed to make sound conservation decisions, with persons responsible for implementing actions abroad which are authorized, funded, or carried out by Federal agencies or other persons under the jurisdiction of the United States; and

(F) the performance of any other activities which may be relevant to the United States obligations, authorities, or interests in the field of international wildlife resources conservation;

(4) recommending steps which could be taken to increase the capabilities of the Department of State and other relevant Federal agencies in carrying out the functions described in paragraph (3), including estimates of the costs of taking those steps and estimates of the personnel required to increase those capabilities; and

(5) analyzing the desirability of delineating geographic regions abroad (which would be known as "International Wildlife Resources Conservation Regions") and assigning qualified members of the Foreign Service to be responsible for wildlife resource conservation issues in those regions.

TITLE VIII—SOVIET-EASTERN EUROPEAN RESEARCH AND TRAINING

SHORT TITLE

SEC. 801. This title may be cited as the "Soviet-Eastern European Research and Training Act of 1983".

FINDINGS AND DECLARATIONS

SEC. 802. The Congress finds and declares that—

(1) factual knowledge, independently verified, about the Soviet Union and Eastern European countries is of the utmost importance for the national security of the United States, for the furtherance of our national interests in the conduct of foreign relations, and for the prudent management of our domestic affairs;

(2) the development and maintenance of knowledge about the Soviet Union and Eastern European countries depends upon the national capability for advanced research by highly trained and experienced specialists, available for service in and out of Government;

(3) certain essential functions are necessary to ensure the existence of that knowledge and the capability to sustain it, including—

(A) graduate training;

(B) advanced research;

(C) public dissemination of research data, methods, and findings;

(D) contact and collaboration among Government and private specialists; and

(E) firsthand experience of the Soviet Union and Eastern European countries by American specialists, including on site conduct of advanced training and research to the extent practicable; and

(4) it is in the national interest for the United States Government to provide a stable source of financial support for the functions described in this section and to supplement the financial support for those functions which is currently being furnished by Federal, State, local, regional, and private agencies, organizations, and individuals, and thereby to stabilize the conduct of these functions on a national scale, consistently, and on a long range unclassified basis.

DEFINITIONS

SEC. 803. As used in this title—

(1) the term "institution of higher education" has the same meaning given such term in section 1201(a) of the Higher Education Act of 1965; and

(2) the term "Advisory Committee" means the Soviet-Eastern European Studies Advisory Committee established by section 804(a).

ESTABLISHMENT OF THE SOVIET-EASTERN EUROPEAN STUDIES ADVISORY COMMITTEE

SEC. 804. (a) There is established within the Department of State the Soviet-Eastern European Studies Advisory Committee which shall be composed of the Secretary of State, the Secretary of Defense, the Secretary of Education, the Librarian of Congress, the President of the American Association for the Advancement of Slavic Studies, and the President of the Association of American Universities. The Secretary of State shall be the Chairman.

(b) The Advisory Committee shall meet at the call of the Chairman and shall hold at least one meeting each year. Three members of the Advisory Committee shall constitute a quorum.

(c) The Secretary of State may detail personnel of the Department of State to provide technical and clerical assistance to the Advisory Committee in carrying out its functions under this title.

(d) The Advisory Committee shall recommend grant policies for the advancement of the objectives of this title. In proposing recipients for grants under this title, the Advisory Committee shall give the highest priority to national organizations with an interest and expertise in conducting research and training concerning Soviet and Eastern European countries and in disseminating the results of such research. In making its recommendations, the Advisory Committee shall emphasize the development of a stable, long-term research program.

AUTHORITY TO MAKE PAYMENTS

SEC. 805. (a) The Secretary of State, after consultation with the Advisory Committee, shall make payments, in accordance with the provisions of this section, out of funds made available to carry out this title.

(b)(1) One part of the payments made in each fiscal year shall be used to conduct a national research program at the postdoctoral or equivalent level, such program to include—

(A) the dissemination of information about the research program and the solicitation of proposals for research contracts from American institutions of higher education and not-for-profit corporations, such contracts to contain shared-cost provisions; and

(B) the awarding of contracts for such research projects as the respective institution determines will best serve to carry out the purposes of this title after reviewing proposals submitted under subparagraph (A).

(2) One part of the payments made in each fiscal year shall be used—

(A) to establish and carry out a program of graduate, postdoctoral, and teaching fellowships for advanced training in Soviet and Eastern European studies and related studies, such program—

(i) to be coordinated with the research program described in paragraph (1);

(ii) to be conducted, on a shared-cost basis, at American institutions of higher education; and

(iii) to include—

(I) the dissemination of information on the fellowship program and the solicitation of applications for fellowships from qualified institutions of higher education and qualified individuals; and

(II) the awarding of such fellowships as the respective institution determines will best serve to carry out the purposes of this title after reviewing applications submitted under subclause (I); and

(B) to disseminate research, data, and findings on Soviet and Eastern European studies and related fields in such a manner and to such extent as the respective institution determines will best serve to carry out the purposes of this title.

(3) One part of the payments made in each fiscal year shall be used—

(A) to provide fellowship and research support for American specialists in the fields of Soviet and Eastern European studies and related studies to conduct advanced research with particular emphasis upon the use of data on the Soviet Union and Eastern European countries; and

(B) to conduct seminars, conferences, and other similar workshops designed to facilitate research collaboration between Government and private specialists in the fields of Soviet and East European studies and related studies.

(4) One part of the payments made in each fiscal year shall be used to conduct specialized programs in advanced training and research on a reciprocal basis in the Union of Soviet Socialist Republics and the countries of Eastern Europe designed to facilitate access for American specialists to research institutes, personnel, archives, documentation, and other research and training resources located in the Union of Soviet Socialist Republics and Eastern European countries.

(5) One part of the payments made in each fiscal year shall be used to support language training in Russian and Eastern European languages. Such payments shall include grants to individuals to pursue such training and to summer language institutes operated by institutions of higher education. Preference shall be given for Russian language studies.

(6) Payments may be made to carry out other research and training in Soviet and Eastern European studies not otherwise described in this section.

APPLICATIONS; PAYMENTS TO ELIGIBLE ORGANIZATIONS

SEC. 806. (a) Any institution seeking funding under this title shall prepare and submit an application to the Secretary of State once each fiscal year. Each such application shall—

(1) provide a description of the purposes for which the payments will be used in accordance with section 805; and

(2) provide such fiscal control and such accounting procedures as may be necessary (A) to ensure a proper accounting of Federal funds paid under this title, and (B) to ensure the verification of the costs of the continuing education and research programs conducted under this title.

(b) Payments under this title may be made in installments, in advance, or by way of re-

imbursement, with necessary adjustments on account of overpayments and underpayments.

REPORT

SEC. 807. The Secretary of State shall prepare and submit to the President and the Congress at the end of each fiscal year in which an institution receives assistance under this title a report of the activities of such institution supported by such assistance, if the administrative expenses of such institution which are covered by such assistance represent more than 10 percent of such assistance, together with such recommendations as the Advisory Committee deems advisable.

FEDERAL CONTROL OF EDUCATION PROHIBITED

SEC. 808. Nothing contained in this title may be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction or research, administration, or personnel of any educational institution.

ALLOCATION OF FUNDS

SEC. 809. Of the funds authorized to be appropriated by section 102(1) of this Act—

(1) up to $5,000,000 for the fiscal year 1984 shall be available to carry out this title; and

(2) $5,000,000 for the fiscal year 1985 shall be available only to carry out this title.

TERMINATION

SEC. 810. The provisions of this title shall cease to be effective at the end of the 10-year period beginning on the date of enactment of this title.

TITLE IX—UNITED STATES-INDIA FUND FOR CULTURAL, EDUCATIONAL, AND SCIENTIFIC COOPERATION

SHORT TITLE

SEC. 901. This title may be cited as the "United States-India Fund for Cultural, Educational, and Scientific Cooperation Act".

ESTABLISHMENT OF THE FUND

SEC. 902. (a) The President is authorized to enter into an agreement with the Government of India for the establishment of a fund (hereafter in this title referred to as the "Fund") which would provide grants and other assistance for cultural, educational, and scientific programs of mutual interest. Such programs may include exchanges of persons, exchanges of information, and other programs of study, research, and scholarly cooperation. The agreement may also provide for the establishment of an endowment, a foundation, or other means to carry out the purposes of the agreement.

(b) The United States representatives on any board or other entity created in accordance with the agreement to administer the Fund shall be designated by the President predominately from among representatives of United States Government agencies, including those administering programs which may be supported in whole or in part by the Fund.

(c) United States Government agencies carrying out programs of the types specified in subsection (a) may receive amounts directly from the Fund for use in carrying out those programs.

USE OF UNITED STATES OWNED RUPEES TO CAPITALIZE THE FUND

SEC. 903. Subject to applicable requirements concerning reimbursement to the Treasury for United States owned foreign currencies, the President may make available to the Fund, for use in carrying out the agreement authorized by section 902, up to the equivalent of $200,000,000 in foreign currencies owned by the United States in India or owed to the United States by the Government of India. Such use may include investment in order to generate interest which would be retained in the Fund and used to support programs pursuant to that agreement.

TITLE X—MISCELLANEOUS PROVISIONS

INTER-AMERICAN FOUNDATION

SEC. 1001. Section 401(s)(2) of the Foreign Assistance Act of 1969 (22 U.S.C. 290f(s)(2)) is amended in the first sentence by striking out "$12,000,000 for the fiscal year 1982 and $12,800,000 for the fiscal year 1983" and inserting in lieu thereof "$16,000,000 for the fiscal year 1984 and $16,000,000 for the fiscal year 1985".

HUMAN RIGHTS ACTIVITIES

SEC. 1002. (a) Section 116(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n(e)) is amended—

(1) by striking out "$1,500,000 of the funds made available under this chapter for each of the fiscal years 1982 and 1983" and inserting in lieu thereof "$3,000,000 of the funds made available under this chapter and chapter 4 of part II for each fiscal year";

(2) by inserting "(1)" immediately after "(e)"; and

(3) by adding at the end thereof the following new paragraph:

"(2)(A) Of the amounts made available to carry out this subsection, $500,000 for the fiscal year 1984 and $1,000,000 for the fiscal year 1985 shall be used for grants to nongovernmental organizations in South Africa promoting political, economic, social, juridical, and humanitarian efforts to foster a just society and to help victims of apartheid.

"(B) In making grants under this paragraph, priority should be given to those organizations or activities which contribute, directly or indirectly, to promoting a just society, to aiding victims of official discrimination, and to the nonviolent elimination of apartheid. Priority should also be given to those organizations whose programs and activities evidence community support. Grants may be made only for organizations whose character and membership reflect the objective of a majority of South Africans for an end to the apartheid system of separate development and for interracial cooperation and justice. Grants may not be made under this paragraph to governmental institutions or organizations or to organizations financed or controlled by the Government of South Africa.

"(C)(i) Except as provided in clause (ii), grants under this paragraph may not to exceed $10,000.

"(ii) Of the amounts allocated to carry out this paragraph, $100,000 shall be available each fiscal year only for grants to organizations which have available for their use resources whose value is at least equal to the amount of the grant under this paragraph. Grants of up to $30,000 may be made to such organizations. For purposes of this clause, the term 'resources' includes, in addition to cash assets, in-kind assets and contributions such as equipment, materials, and staff and volunteer time.

"(D) Within 9 months after the date of enactment of this paragraph, the Administrator of the Agency for International Development shall prepare, in consultation with the Secretary of State, and shall submit to the Congress a report detailing grants and proposed grants under this paragraph and their conformity with the provisions of this paragraph.".

(b) Section 624(f)(2) of such Act (22 U.S.C. 2384(f)(2)) is amended by inserting immediately before the semicolon at the end of subparagraph (C) the following: ", and as part of the Assistant Secretary's overall policy responsibility for the creation of United States Government human rights policy, advising the Administrator of the Agency for International Development on the policy framework under which section 116(e) projects are developed and consulting with the Administrator on the selection and implementation of such projects".

INTERNATIONAL NARCOTICS CONTROL

SEC. 1003. (a) Section 481(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(a)) is amended to read as follows:

"(a)(1) It is the sense of the Congress that—

"(A) under the Single Convention on Narcotic Drugs, 1961, each signatory country has the responsibility of limiting to licit purposes the cultivation, production, manufacture, sale, and other distribution of scheduled drugs;

"(B) the international community should provide assistance, where appropriate, to those producer and transit countries which require assistance in discharging these primary obligations;

"(C) international narcotics control programs should include, as a priority, the progressive elimination of the illicit cultivation of the crops from which narcotic and psychotropic drugs are derived, and should also include the suppression of the illicit manufacture of and traffic in narcotic and psychotropic drugs; and

"(D) effective international cooperation is necessary to control the illicit cultivation, production, and smuggling of, trafficking in, and abuse of narcotic and psychotropic drugs.

This cooperation should include the development and transmittal of plans by each signatory country to the Single Convention on Narcotic Drugs, 1961, in which illicit narcotics and psychotropic crop cultivation exists, which would advise the International Narcotics Control Board, the United Nations Commission on Narcotic Drugs, and the international community of the strategy, programs, and timetable such country has established for the progressive elimination of that cultivation.

"(2) In order to promote such cooperation, the President is authorized to conclude agreements with other countries to facilitate control of the production, processing, transportation, and distribution of narcotics analgesics, including opium and its derivatives, other narcotic and psychotropic drugs, and other controlled substances.

"(3) Notwithstanding any other provision of law, the President is authorized to furnish assistance to any country or international organization, on such terms and conditions as he may determine, for the control of narcotic and psychotropic drugs and other controlled substances.".

(b) Section 481 of such Act (22 U.S.C. 2291) is amended by striking out subsection (e) and inserting in lieu thereof the following:

"(e)(1) Not later than February 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a report on United States policy to establish and encourage an international strategy to prevent the illicit culti-

vation and manufacture of and traffic in narcotic and psychotropic drugs and other controlled substances.

"(2)(A) Each report pursuant to this subsection shall describe the policies adopted, agreements concluded, and programs implemented by the Department of State in pursuit of its delegated responsibilities for international narcotics control, including policy development, bilateral and multilateral funding and other support for international narcotics control projects, representations of the United States Government to international organizations and agencies concerned with narcotics control, training of foreign enforcement personnel, coordination of the international narcotics control activities of United States Government agencies, and technical assistance to international demand reduction programs.

"(B) Each such report shall also describe the activities of the United States in international financial institutions to combat the entry of illicit narcotic and psychotropic drugs and other controlled substances into the United States.

"(C) Each such report shall describe the activities for the fiscal year just ended, for the current fiscal year, and for the next fiscal year.

"(3) Each such report shall identify those countries which are the significant direct or indirect sources of illicit narcotic and psychotropic drugs and other controlled substances significantly affecting the United States. For each such country, each report shall include the following:

"(A) A detailed status report, with such information as can be reliably obtained, on the illicit narcotic or psychotropic drugs or other controlled substances which are being cultivated, produced, or processed in or transported through such country, noting significant changes in conditions, such as increases or decreases in the illicit cultivation and manufacture of and traffic in such drugs and substances.

"(B) A description of the assistance under this chapter and the other kinds of United States assistance which such country received in the preceding fiscal year, which are planned for such country for the current fiscal year, and which are proposed for such country for the next fiscal year, with an analysis of the impact that the furnishing of each such kind of assistance has had or is expected to have on the illicit cultivation and manufacture of and traffic in narcotic and psychotropic drugs and other controlled substances in such country.

"(C) A description of the plans, programs, and timetables adopted by such country for the progressive elimination of the illicit cultivation of narcotic and pyschotropic drugs and other controlled substances, and a discussion of the adequacy of the legal and law enforcement measures taken and the accomplishments achieved in accord with these plans.

"(4) In addition, each report pursuant to this subsection shall include, for each major illicit drug producing country for which the President is proposing to furnish United States assistance for the next fiscal year, a determination by the President of the maximum reductions in illicit drug production which are achievable during the next fiscal year. Such determination shall be based upon (A) the measures which the country is currently taking, and the measures which the country has planned for the next fiscal year, in order to prevent narcotic and psychotropic drugs and other controlled substances from being cultivated, produced, or processed illicitly, in whole or in part in such country, from being transported through such country to United States Government personnel or their dependents, or from entering the United States unlawfully, and (B) the other information provided pursuant to this subsection.

"(5) For each major illicit drug producing country which received United States assistance for the preceding fiscal year, each report pursuant to this subsection shall set forth the actual reductions in illicit drug production achieved by that country during such fiscal year.

"(f) As soon as possible after the transmittal of the report required by subsection (e), the designated representatives of the President shall initiate appropriate consultations with members of the Committee on Foreign Relations of the Senate and members of the Committee on Foreign Affairs of the House of Representatives. Such consultations shall include in-person discussions by designated representatives of the President (including the Assistant Secretary of State for International Narcotics Control and appropriate representatives of the Department of Health and Human Services, the Department of the Treasury, the Department of Defense, the Department of Justice, and the Agency for International Development) to review the worldwide illicit drug production situation and the role that United States assistance to major illicit drug producing countries, and United States contributions to international financial institutions, have in combating the entry of illicit narcotic and pyschotropic drugs and other controlled substances into the United States. Such consultation shall include, with respect to each major illicit drug producing country for which the President is proposing to furnish United States assistance for the next fiscal year, the furnishing of—

"(1) a description of the nature of the illicit drug production problem;

"(2) an analysis of the climatic, geographic, political, economic, and social factors that affect the illicit drug production;

"(3) a description of the methodology employed to determine the maximum achievable reductions in illicit drug production described pursuant to subsection (e)(4); and

"(4) an analysis of any additional United States assistance that would be required to achieve those reductions.

The chairman of the Committee on Foreign Relations and the chairman of the Committee on Foreign Affairs shall each cause the substance of each consultation to be printed in the Congressional Record.

"(g) After consultations have been initiated pursuant to subsection (f), the Committee on Foreign Relations and the Committee on Foreign Affairs should hold a hearing to review the report submitted pursuant to subsection (e), especially the determinations described in subsection (e)(4). The hearing shall be open to the public unless the committee determines, in accordance with the rules of its House, that the hearing should be closed to the public.

"(h)(1) If the President determines that a major illicit drug producing country has failed to take adequate steps to prevent narcotic and psychotropic drugs and other controlled substances produced or processed, in whole or in part, in such country or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from being smuggled into the United States—

"(A) the President shall suspend United States assistance to or for such country; and

"(B) the Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development, the United States Executive Director of the International Development Association, the United States Executive Director of the Inter-American Development Bank, and the United States Executive Director of the Asian Development Bank, to vote against any loan or other utilization of the funds of their respective institution to or for such country.

"(2) In determining whether adequate steps have been taken, the President shall give foremost consideration to whether the actions of the government of the country have resulted in the maximum reductions in illicit drug production which were determined to be achievable pursuant to subsection (e)(4). The President shall also consider whether such government has taken the legal and law enforcement measures to enforce in its territory, to the maximum extent possible, the elimination of illicit cultivation and the suppression of illicit manufacture of and traffic in narcotic and psychotropic drugs and other controlled substances, as evidenced by seizures of such drugs and substances and of illicit laboratories and the arrest and prosecution of violators involved in the traffic in such drugs and substances significantly affecting the United States.

"(3) If assistance to a country is suspended pursuant to this subsection, such suspension shall continue in force until the President determines, and reports to the Congress in writing, that the government of such country has taken the adequate steps described in paragraph (2) of this subsection, including—

"(A) having prepared, presented, and committed itself to a plan providing for the control, reduction, and gradual elimination of the illicit cultivation, production, processing, transportation, and distribution of narcotic and psychotropic drugs and other controlled substances within an explicitly stated period of time, with implementation commencing prior to the resumption of United States assistance to or for such country and prior to approval by the United States of the extension of any loan or the furnishing of any financial or technical assistance by any international financial institution to such country; and

"(B) having taken legal and law enforcement measures to enforce effective suppression of the illicit cultivation, production, processing, transportation, and distribution of narcotic and pyschotropic drugs and other controlled substances.

"(i) As used in this section—

"(1) the term 'legal and law enforcement measures' means—

"(A) the enactment and implementation of laws and regulations or the implementation of existing laws and regulations to provide for the progressive control, reduction, and gradual elimination of the illicit cultivation, production, processing, transportation, and distribution of narcotic drugs and other controlled substances; and

"(B) the effective organization, staffing, equipping, funding, and activation of those governmental authorities responsible for narcotics control;

"(2) the term 'major illicit drug producing country' means a country producing five metric tons or more of opium or opium derivative during a fiscal year or producing five hundred metric tons or more of coca or marijuana (as the case may be) during a fiscal year;

"(3) the term 'narcotic and psychotropic drugs and other controlled substances' has the same meaning as is given by any applicable international narcotics control agreement or domestic law of the country or countries concerned; and

"(4) the term 'United States assistance' means assistance of any kind which is provided by grant, sale, loan, lease, credit, guaranty, or insurance, or by any other means, by any agency or instrumentality of the United States Government to any foreign country, including—

"(A) assistance under this Act (including programs under title IV of chapter 2 of this part);

"(B) sales, credits, and guaranties under the Arms Export Control Act;

"(C) sales under title I or III and donations under title II of the Agricultural Trade Development and Assistance Act of 1954 of nonfood commodities;

"(D) other financing programs of the Commodity Credit Corporation for export sales of nonfood commodities; and

"(E) financing under the Export-Import Bank Act of 1945;

except that the term 'United States assistance' does not include (i) international narcotics control assistance under this chapter, (ii) disaster relief assistance (including any assistance under chapter 9 of this part), (iii) assistance which involves the provision of food or medicine, (iv) assistance for refugees, (v) assistance under the Inter-American Foundation Act, or (vi) activities authorized pursuant to the National Security Act of 1947 (50 U.S.C. 401 et seq.), the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a et seq.), or Executive order Number 12333 (December 4, 1981).

"(j) The Department of State shall encourage the International Narcotics Control Board and the United Nations Commission on Narcotic Drugs to take such actions as are appropriate and necessary to secure from signatory countries to the Single Convention on Narcotic Drugs, 1961, the plans described in this section, and to obtain reports from such countries on their achievements under such plans.".

TERMINATION OF ASSISTANCE PROGRAMS FOR SYRIA

SEC. 1004. (a) After the enactment of this section, funds available to the Agency for International Development may not be used for any payment or reimbursement of any kind to the Government of Syria or for the delivery of any goods or services of any kind to the Government of Syria.

(b) The Administrator of the Agency for International Development shall deobligate all funds which have been obligated for Syria under the Foreign Assistance Act of 1961 prior to the enactment of this section, except that—

(1) such funds may continue to be used to finance the training or studies outside of Syria of students whose course of study began before the enactment of this section;

(2) the Administrator may adopt as a contract of the United States Government any contract with a United States or third-country contractor which would otherwise be terminated pursuant to this subsection, and may assume in whole or in part any liabilities arising under such contract, except that the authority provided by this paragraph may be exercised only to the extent that budget authority is available to meet the obligations of the United States under such contracts; and

(3) amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated for Syria under chapter 4 of part II of the Foreign Assistance Act of 1961 shall continue to be available until expended to meet necessary expenses arising from the termination of assistance programs for Syria pursuant to this subsection.

PROHIBITION ON CERTAIN ASSISTANCE TO THE KHMER ROUGE IN KAMPUCHEA

SEC. 1005. (a) Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this Act or any other Act may be obligated or expended for the purpose or with the effect of promoting, sustaining, or augmenting, directly or indirectly, the capacity of the Khmer Rouge or any of its members to conduct military or paramilitary operations in Kampuchea or elsewhere in Indochina.

(b) All funds appropriated before the date of enactment of this section which were obligated but not expended for activities having the purpose or effect described in subsection (a) shall be deobligated and shall be deposited in the Treasury of the United States as miscellaneous receipts.

(c) This section shall not be construed as limiting the provision of food, medicine, or other humanitarian assistance to the Kampuchean people.

RAOUL WALLENBERG AND JAN KAPLAN

SEC. 1006. (a) The Congress finds that—

(1) the Soviet Union arrested one of the great heroes of modern times in 1945 when they arrested Raoul Wallenberg;

(2) Raoul Wallenberg was a Swedish diplomat who, at great personal risk, had acted to save hundreds of thousands of Hungarian Jews from the Nazi Holocaust;

(3) Raoul Wallenberg took these actions as a humanitarian and with the knowledge, consent, and financial assistance of the United States Government;

(4) Raoul Wallenberg has recently been made an honorary citizen of the United States;

(5) the Soviet Union has changed their story a number of times about the whereabouts of Raoul Wallenberg;

(6) the most recent position of the Soviet Union is that he died in 1947;

(7) there are many eyewitnesses who have testified that they saw Raoul Wallenberg in Russian prisons and hospitals in the decades since the 1940's;

(8) one of the most recent eyewitnesses was Jan Kaplan, a Russian refusnik who shortly after his release from a Soviet jail in 1977, phoned his daughter, Doctor Anna Bilder, in Israel and reported that he had met a Swede in prison who had survivied thirty years in the Gulag;

(9) during the next two years, Anna Bilder received no further word from or about her father;

(10) in July 1977, Jan Kaplan's wife smuggled a letter to Doctor Bilder informing her that Jan Kaplan had been rearrested because of a letter he had tried to smuggle to her about Raoul Wallenberg;

(11) in 1980, the Swedish Government sent an official request to interview Jan Kaplan;

(12) the Soviets made no response to this request;

(13) the whereabouts of Jan Kaplan are not known; and

(14) Jan Kaplan could provide valuable information about Raoul Wallenberg.

(b) It is the sense of the Congress that the President, acting directly or through the Secretary of State, should take all possible steps at all appropriate times to ascertain the whereabouts of Jan Kaplan and to request an interview with him in order to learn more concerning the whereabouts of Raoul Wallenberg.

POLICY TOWARD THE EXPORT OF NUCLEAR-RELATED EQUIPMENT, MATERIALS, OR TECHNOLOGY TO INDIA, ARGENTINA, AND SOUTH AFRICA

SEC. 1007. (a) It is the sense of Congress that the United States Government should disapprove the export of, and should suspend or revoke approval for the export of, any nuclear-related equipment, material, or technology, including nuclear components and heavy water, to the Government of India, Argentina, or South Africa until such time as such government gives the Government of the United States stronger nuclear nonproliferation guarantees. Such guarantees should include—

(1) reliable assurances by such government that it is not engaged in any program leading to the development, testing, or detonation of nuclear explosive devices; and

(2) agreement by such government to accept international safeguards on all its nuclear facilities.

(b) If the President determines, in the case of India's Tarapur reactor, while it is under International Atomic Energy Agency inspection, that certain equipment or non-nuclear material or technology is necessary for humanitarian reasons to protect the health and safety of operations and is not available from a foreign supplier, the President may authorize the export of such equipment or non-nuclear material or technology.

ACID RAIN

SEC. 1008. (a) The Congress finds the following:

(1) Acid deposition, commonly known as "acid rain" is believed to have caused serious damage to the natural environment in large parts of Canada and the United States and has raised justified concerns among citizens of both countries.

(2) Acid rain is believed to have caused billions of dollars of damage annually to both natural and man-made materials. It damages crops and the forests which support 25 percent of the Canadian economy and much of our own. It threatens marine life in fresh water lakes, rivers, and streams.

(3) The principal sources of acid rain are believed to be emissions resulting from power generation, industrial production, mineral smelters, and automobile transportation which originate in both the United States and Canada and which affect the environment of the other.

(4) Section 612 of the Foreign Relations Authorization Act, Fiscal Year 1979, called upon the President to "make ever effort to negotiate a cooperative agreement with the Government of Canada aimed at preserving the mutual airshed of the United States and Canada so as to protect and enhance air resoures".

(5) On August 5, 1980, the Governments of Canada and the United States signed a Memorandum of Intent committing both parties "to develop a bilateral agreement which will reflect and further the development of effective domestic control programs and other measures to combat transboundary air pollution," and, as an interim action, committing both parties to "promote vigorous enforcement of existing laws and regulations" and "to develop domestic air pollution control policies and strategies, and as necessary and appropriate, seek legislative or other support to give effect to them".

(6) The Government of Canada has made a formal offer to reduce eastern emissions of

sulfur dioxide by 50 percent by 1990 should the United States make a comparable commitment.

(7) Both the United States and Canada have taken steps to reduce transboundary pollutants. Present United States air emission standards are the most stringent in the world. In the past decade, the United States has reduced sulfur dioxide emissions by 15 percent. However, the failure of the United States to respond in a timely manner to concerns about transboundary air pollution would harm the historically close relations between the United States and Canada.

(8) The strategies and techniques adopted to control air pollution emissions should weigh heavily the employment and other economic effects on employment in the United States and Canada of the acid precipitation, electricity generation, manufacture, distribution and installation of pollution control equipment, and any curtailment of emission producing industrial activity.

(b) It is therefore the sense of the Congress that the President should—

(1) respond constructively to the Canadian offer on air pollution emissions;

(2) proceed to negotiate as expeditiously as possible a bilateral agreement with Canada providing for significant reductions in transboundary air pollution while keeping economic dislocations in both countries to the minimum possible; and

(3) consider prompt initiation of a joint Government-supported program to develop new cost-effective technologies that will facilitate reduction of sulfur dioxide emissions and other copollutants;

(4) instruct the Secretary of State to report to the Congress no later than December 1, 1983, on the progress toward achieving a new transboundary air pollution agreement, including a cooperative program on new technologies.

INTERNATIONAL AGREEMENTS ON NATURAL GAS

SEC. 1009. (a) The Congress finds that—

(1) the foreign policy and economic well-being of the United States depend on mutually beneficial relationships with our trading partners throughout the world;

(2) America's present economic difficulties have been caused in part by the huge increases in the price of energy, especially imported energy, during the 1970's;

(3) at a time when prices for other forms of energy are stabilizing or falling, the burner-tip price of natural gas continues to rise throughout the United States;

(4) the high price of natural gas is a severe hardship for low-income persons, the elderly, the agricultural industry, small businesses, and other consumers without alternative fuel sources;

(5) high-priced imported natural gas is a major factor contributing to these price increases;

(6) imports of high-priced natural gas continue at prices above fair market levels, despite the increased availability of uncommitted and ample supplies of lower priced domestic gas;

(7) it is in the interest of the United States to continue to import natural gas from secure sources in whatever quantity consumers require, as long as the price is fair;

(8) the principles of free and fair international trade require that natural gas prices and terms of trade be made fair to all trading partners; and

(9) the immediacy of this problem requires the prompt and serious attention of all parties involved.

(b) It is the sense of the Congress that—

(1) the United States Government should move immediately to promote lower prices and fair market conditions for imported natural gas; and

(2) within thirty days after the date of enactment of this section, the Secretary of State, with the assistance of the Secretary of Energy, should prepare and transmit to the Congress a report on the progress made in achieving lower prices and fair market conditions for imported natural gas.

PREPUBLICATION REVIEW OF WRITINGS OF FORMER FEDERAL EMPLOYEES

SEC. 1010. The head of a department or agency of the Government may not, before April 15, 1984, enforce, issue, or implement any rule, regulation, directive, policy, decision, or order which (1) would require any officer or employee to submit, after termination of employment with the Government, his or her writings for prepublication review by an officer or employee of the Government, and (2) is different from the rules, regulations, directives, policies, decisions, or orders (relating to prepublication review of such writings) in effect on March 1, 1983.

ELIMINATION AND MODIFICATION OF REPORTS

SEC. 1011. (a) The following provisions are repealed:

(1) Section 126(c) of the Foreign Relations Authorization Act, Fiscal Year 1979 (22 U.S.C. 2691 note).

(2) Section 405(b) of the Foreign Relations Authorization Act, Fiscal Year 1979 (22 U.S.C. 1048 note).

(3) Section 12(d) of the Taiwan Relations Act (22 U.S.C. 3311(d)).

(4) Section 4 of the Act of November 13, 1979 (Public Law 96-110; 93 Stat. 844).

(5) Section 109(a)(7) of the Foreign Relations Authorizations Act, Fiscal Year 1978 (22 U.S.C. 2384 note).

(6) Section 411 of the International Development Cooperation Act of 1979 (22 U.S.C. 3511).

(b) Section 412(b)(1)(B) of the Immigration and Nationality Act (8 U.S.C. 1522(b)(1)(B)) is amended—

(1) by striking out the first sentence; and

(2) by striking out "after such study" in the second sentence.

EXTENDED VOLUNTARY DEPARTURE STATUS FOR CERTAIN EL SALVADORANS

SEC. 1012. (a) The Congress finds that—

(1) ongoing fighting between the military forces of the Government of El Salvador and opposition forces is creating potentially life-threatening situations for innocent nationals of El Salvador;

(2) thousands of El Salvadoran nationals have fled from El Salvador and entered the United States since January 1980;

(3) currently the United States Government is detaining these nationals of El Salvador for the purpose of deporting or otherwise returning them to El Salvador, thereby irreparably harming the foreign policy image of the United States;

(4) deportation of these nationals could be temporarily suspended, until it became safe to return to El Salvador, if they are provided with extended voluntary departure status; and

(5) such extended voluntary departure status has been granted in recent history in cases of nationals who fled from Vietnam, Laos, Iran, and Nicaragua.

(b) Therefore, it is the sense of the Congress that—

(1) the Secretary of State should recommend that extended voluntary departure status be granted to aliens—

(A) who are nationals of El Salvador,

(B) who have been in the United States since before January 1, 1983,

(C) who otherwise qualify for voluntary departure (in lieu of deportation) under section 242(b) or 244(e) of the Immigration and Nationality Act (8 U.S.C. 1252(b) and 1254(e)), and

(D) who were not excludable from the United States at the time of their entry on any ground specified in section 212(a) of the Immigration and Nationality Act (8 U.S.C. 1182(a)) other than the grounds described in paragraphs (14), (15), (20), (21), and (25); and

(2) such status should be granted to those aliens until the situation in El Salvador has changed sufficiently to permit their safely residing in that country.

EXPEDITED PROCEDURES FOR CERTAIN JOINT RESOLUTIONS AND BILLS

SEC. 1013. Any joint resolution or bill introduced in either House which requires the removal of United States Armed Forces engaged in hostilities outside the territory of the United States, its possessions and territories, without a declaration of war or specific statutory authorization shall be considered in accordance with the procedures of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976, except that any such resolution or bill shall be amendable. If such a joint resolution or bill should be vetoed by the President, the time for debate in consideration of the veto message on such measure shall be limited to twenty hours in the Senate and in the House shall be determined in accordance with the Rules of the House.

And the Senate agree to the same.

CLEMENT J. ZABLOCKI,
DANTE B. FASCELL,
GUS YATRON,
STEPHEN J. SOLARZ,
DAN MICA,
GEO. W. CROCKETT, Jr.,
PETER H. KOSTMAYER,
LAWRENCE J. SMITH,
WM. S. BROOMFIELD,
BENJAMIN A. GILMAN,
JOEL PRITCHARD,
MARK D. SILJANDER,

As additional conferees solely for consideration of title VIII of the Senate amendment and modifications committed to conference:

CARL D. PERKINS,
WILLIAM D. FORD,
IKE ANDREWS,
PAUL SIMONS,
JOHN N. ERLENBORN,
TOM COLEMAN,

Managers on the Part of the House.

CHARLES PERCY,
RICHARD G. LUGAR,
CHARLES McC. MATHIAS, Jr.,
CLAIBORNE PELL,
JOE BIDEN,

For consideration of all titles except title II:

JOHN GLENN,

Solely for consideration of title II:

EDWARD ZORINSKY

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2915) to authorize appropriations for fiscal years 1984 and 1985 for the Department of State, the United States Information Agency, the Board for International Broadcasting, the Inter-American Foundation, and the Asis Foundation, to establish the National Endowment for Democracy, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amemdment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached in the committee of conference, and minor drafting and clarifying changes.

AUTHORIZATION OF APPROPRIATIONS

With respect to the fiscal year 1984 authorization requests for the U.S. Information Agency and the Board for International Broadcasting, the committee of conference agreed to authorization levels that are below the President's request by approximately $64 million and $10 million respectively. The entire fiscal year 1984 budget request for these agencies, the Department of State, and the Inter-American Foundation is almost $46 million below the executive branch request.

For fiscal year 1985, the committee of conference agreed to authorization levels which are $92 million lower than the President's request for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, and the Inter-American Foundation. The conferees approved an authorization of $16 million for each fiscal year for the Inter-American Foundation.

This legislation also authorizes supplemental funding for fiscal year 1983 for the Asia Foundation and the Board for International Broadcasting. These supplemental authorities amount to $5 million for the Asia Foundation for increased operating expenses, and $13 million for the Board for International Broadcasting designed to initiate a long-overdue enhancement package for RFE/RL, Inc., programs and operations.

Should the executive branch request a supplemental authorization and appropriation for fiscal year 1984 above the approved levels for any of the agencies authorized by this legislation, such additional sums shall not be offset by reductions in any of the above-mentioned accounts or any other international affairs account. The programs authorized in this legislation are considered by the committee of conference to be vital elements to the conduct of U.S. foreign policy and the promotion of U.S. national security.

The committee of conference notes that the authorization for USIA for the 2 fiscal years does not include $54.8 million authorized in Public Law 98-111 for modernization and construction of VOA facilities, indicated in the budget table. In order to insure that sufficient funds are allocated for this long-overdue modernization program, $47,748,000 has been earmarked in fiscal year 1984 and $614,800,000 in fiscal year 1985 for this purpose.

[In thousands of dollars]

	Executive branch request	House authorization (H.R. 2915)	Senate authorization (S. 1342)	Conference substitute
SUPPLEMENTAL REQUEST FOR 1983				
Department of State: Asia Foundation	[1] (5,000)	5,000	.....	5,000
Board for International Broadcasting: Supplemental request	13,283	13,283	13,283	13,283
Aggregate total, 1983	18,283	18,283	13,283	18,283
1984				
Department of State:				
Administration of foreign affairs (House and Senate secs. 102(1)):				
Salaries and expenses	1,148,586	1,128,291	1,148,586	1,133,586
Representation allowance	4,247	4,247	4,247	4,247
Foreign building operations (FBO)	202,889	202,889	202,889	202,889
FBO/foreign currency account	10,113	10,113	10,113	10,113
Emergencies in the diplomatic and consular services	4,400	4,400	4,400	4,400
Foreign Service retirement	89,503	104,503	89,503	104,503
Buying power maintenance fund	4,500	4,500	4,500	4,500
American Institute in Taiwan	9,475	9,475	9,475	9,475
Extraordinary protection of consulates	6,000	6,000	6,000	6,000
Transfer from AID	.....	.....	1,500	1,500
Political and economic reporting	.....	.....	5,000	5,000
Mexican Embassy property	.....	4,000	4,000	4,000
Total	1,479,713	1,478,418	1,490,213	1,490,213
International organizations and conferences (House and Senate Secs. 102(2)):				
Contributions to international organizations	525,773	525,773	525,773	525,773
Contributions to international peacekeeping activities	66,948	66,948	66,948	66,948
Contributions to international conferences and contingencies	9,622	9,622	9,622	9,622
U.S./European Inter-Parliamentary Group	.....	.....	50	50
North Atlantic Assembly	.....	.....	450	450
Total	602,343	602,343	602,843	602,843
International commissions (House and Senate secs. 102(3)):				
International Boundary Commission, U.S./Mexico:				
Salaries and expenses	9,849	9,849	9,849	9,849
Construction	679	679	679	679
American sections of international commissions	3,461	3,461	3,461	3,461
International Fisheries Commission	9,218	9,218	9,218	9,218
Total	23,207	23,207	23,207	23,207
U.S. bilateral science and technology agreements (House and Senate secs. 102(5))	1,700	1,700	1,700	1,700
Asia Foundation (House sec. 504, Senate sec. 604)	[2] (10,000)	10,000	10,000	10,000
Migration and refugee assistance	344,500	344,500	354,500	344,500
Total, Department of State	2,451,463	2,460,168	2,482,463	2,472,463
U.S. Information Agency (USIA):				
Salaries and expenses	634,365	624,365	588,647	565,567
Salaries and expenses/ foreign currency account	10,556	10,556	10,556	10,454
Radio construction	47,959	47,959	26,250	47,959
East-West Center	18,547	18,547	18,547	18,368
U.S./German exchange program	.....	.....	2,500	2,500
Tsukuba Exposition	.....	.....	8,000	4,000
Total, USIA	711,427	701,427	654,500	648,848
Board for International Broadcasting (BIB):				
Administrative expenses	1,075	1,075	1,075	1,075
Transmitter purchase	1,395	1,395	1,395	1,395
Grants to RFE/RL Inc	103,585	103,585	103,585	103,585
Total in existing programs	106,055	106,055	106,055	106,055
Grants to RBC	9,648	9,648	.....	0
Total, BIB	115,702	115,702	106,055	106,055
Inter-American Foundation	10,705	16,000	.....	16,000
Aggregate total, 1984	3,289,297	3,293,297	3,243,018	3,243,366
1985				
Department of State:				
Administration of foreign affairs (House and Senate secs. 102(1)):				
Salaries and expenses	1,179,146	1,164,146	1,155,086	1,164,146
Representation allowances	4,429	4,429	4,247	4,429
Foreign buildings operations (FBO)	264,595	264,595	202,889	264,696
FBO/foreign currency account	28,045	28,045	10,113	28,045
Emergencies in the diplomatic and consular services	4,400	4,400	4,400	4,400
Foreign Service retirement fund	84,257	99,257	89,503	99,257
Buying power maintenance fund	.....	.....	4,500	.....
American Institute in Taiwan	9,648	9,648	9,475	9,648
Extraordinary protection of consulates	6,300	6,300	6,000	6,300
Total	1,580,820	1,580,820	1,486,213	1,580,820
International organizations, and conferences (House and Senate secs. 102(2)):				
Contributions to international organizations	568,798	568,798	568,798	525,773

[In thousands of dollars]

	Executive branch request	House authorization (H.R. 2915)	Senate authorization (S. 1342)	Conference substitute
Contributions to international peacekeeping activities	67,000	67,000	67,000	66,948
Contributions to international conferences and contingencies	10,180	10,180	10,180	9,622
Total	645,978	645,978	645,978	602,343
International commissions (House and Senate secs. 102(3)):				
International boundary Commission United States/Mexico:				
Salaries and expenses	10,515	10,515	9,849	10,515
Construction	3,764	3,764	679	2,148
American sections of international commissions	3,610	3,610	3,461	3,610
International fisheries Commission	9,614	9,614	9,218	9,614
Total	27,503	27,503	23,207	25,355
U.S. bilateral science and technology agreements (House and Senate sections 102(5))	1,700	1,700	1,700	1,700
Asia Foundation (House sec. 504, Senate sec. 604)	10,000	10,000	10,000	10,000
Migration and refugee assistance (House and Senate secs. 102(4))	326,400	326,400	326,400	326,400
Total, Department of State	2,582,401	2,592,401	2,493,498	2,546,618
U.S. Information Agency (USIA):				
Salaries and expenses	659,859	649,856	580,647	609,682
Salaries and expenses/foreign currency account	12,412	12,412	10,556	12,412
Radio construction	179,426	179,426	26,250	164,800
East-West Center	19,345	19,345	18,547	19,345
U.S./German exchange program			2,500	2,500
Total, USIA	871,039	861,039	638,500	808,739
Board for International Broadcasting (BIB):				
Administrative expenses	1,128	1,128	1,128	1,128
Grants to RFE/RL, Inc	110,120	110,120	110,123	110,123
Total existing programs	111,248	111,248	111,251	111,251
Grants to RBC	10,020	10,020		
Total, BIB	121,268	121,268	111,251	111,251
Interamerican foundation		16,000		16,000
Aggregate total, 1985	3,574,708	3,590,708	3,243,249	3,482,608

[1] The executive branch incorporated its $5 million supplemental request for the Asia Foundation for fiscal year 1983 in the USIA budget request. Both Houses replaced the Asia Foundation request within the Department of State.

[2] The executive branch incorporated its $10 million request for the Asia Foundation for fiscal year 1984 in the USIA budget request. Both Houses replaced the Asia Foundation request within the Department of State.

[3] The executive branch incorporated its $10 million request for the Asia Foundation for fiscal year 1985 in the USIA budget request. Both Houses replaced the Asia Foundation request within the Department of State.

[4] Such sums as may be necessary.

Extraordinary Protective Services

The House bill provided authority for extraordinary protective services for foreign consulates in the United States and earmarked $6 million in fiscal year 1984 and $6.3 million in fiscal year 1985 for this purpose.

The Senate amendment provided authorities similar to those of the House bill, but added the following provisions: (a) A proviso intended to assure that the only protective services which are authorized are those which the Secretary of State determines are necessary beyond those appropriately provided by local and State authorities; (b) a requirement that regulations must be promulgated in consultation with appropriate congressional committees; (c) a requirement that no more than 20 percent of the funds available for obligation under this section may be obligated in a fiscal year in any single state; (d) a provision that agreements to provide assistance under this section may not exceed 90 days in 1 year, but are subject to renewal; (e) a requirement that not less than 15 percent of the funds available for obligation shall be retained as a reserve for security purposes provided directly by the Secretary of State or for expenditures in any local jurisdictions not otherwise covered by an agreement under this section; and (f) an additional $6 million for each of the fiscal years 1984 and 1985.

The conference substitute is identical to the Senate amendment, but earmarks $6.3 million in fiscal year 1985 and clarifies the Secretary of State's authority to determine what constitutes "extraordinary" protective services.

Piracy in the Gulf of Thailand

The House bill earmarked $5 million from the "Migration and Refugee Assistance" account for each of the fiscal years 1984 and 1985 to combat piracy in the Gulf of Thailand.

The Senate amendment contained no comparable provision.

The conference substitute is identical to the House bill. These funds should be used to support new, innovative programs—at a multilateral, bilateral, or nongovernmental level—to suppress and deter effectively the vicious attacks on refugees fleeing from Indochina by boat, whatever their destination. One example would be a system of rewards for fishermen who locate and secure Vietnamese refugee boats. Funding new approaches such as this would complement the U.N. High Commissioner for Refugees' antipiracy program and would contribute greatly to a solution of the problem.

Relief Assistance for El Salvador and Lebanon

The Senate amendment added and earmarked $10 million from the Migration and Refugee Assistance account in fiscal year 1984 for El Salvador for relief to displaced persons, and $25 million in fiscal year 1984 for Lebanon for relief and rehabilitation assistance to refugees and displaced persons.

The House bill contained no comparable provision.

The conference substitute earmarks $10 million in fiscal year 1984 from the Migration and Refugee Assistance account for relief assistance for displaced persons in El Salvador. It also authorizes up to $25 million, but not less than $5 million, in fiscal year 1984 only for relief and rehabilitation assistance for refugees and displaced persons in Lebanon.

World Intellectual Property Organization

The House bill increased the ceiling on U.S. annual contributions to the Paris Union of the World Intellectual Property Organization from the current 4.5 percent limitation to 5 percent of the total contributions of participating countries. This would permit the United States to pay assessments for calendar years beginning with 1982, which reflect the slightly higher U.S. percentage contribution of 4.57 percent.

The Senate amendment authorized, for any year after 1981, "such sums as may be required" for payment of the U.S. proportionate share of expenses of the Paris Union.

The conference substitute sets the ceiling on U.S. annual contributions to the Paris Union of the World Intellectual Property Organization at 6 percent.

North Atlantic Assembly

The House bill authorized an additional $300,000 within the "International Organizations and Conferences" account for fiscal year 1984 for expenses of the U.S. group in hosting the 31st annual meeting of the North Atlantic Assembly.

The Senate amendment authorized $450,000 for the same purpose.

The conference substitute authorizes the appropriation of $450,000 for expenses of the U.S. group in hosting the 31st annual meeting of the North Atlantic Assembly, of which up to $25,000 may be used to permit the Senate to host the spring 1984 meeting of the British-American Parliamentary Group.

Coordinating Committee on Export Controls

The Senate amendment earmarked no less than $2 million within the "Administration of Foreign Affairs" account for the Coordinating Committee on Export Controls for the administrative expenses of its Secretariat.

The House bill contained no comparable provision.

The conference substitute authorizes the use of $2 million from the "International Organizations and Conferences" account to modernize the facilities and operating procedures of the Coordinating Committee on Export Controls and urges the executive branch to seek cost-sharing arrangements with other member countries for this purpose.

Enhancement for Overseas Political and Economic Reporting

The Senate amendment earmarked not more than $8.4 million from the "Administration of Foreign Affairs" account for 84 new State Department positions overseas for political and economic reporting.

The House bill contained no comparable provision.

The conference substitute mandates that the Secretary of State allocate sufficient funds for amounts authorized to be appropriated for fiscal year 1984 to fund an additional 11 positions for international communications and information policy within the Department of State, and an additional 73 positions will be established for political and economic reporting. These positions are additional to those currently being used for these purposes, as well as those which were budgeted in the fiscal year 1984 request submitted to the Congress. Current staffing for the Office of the Coordinator for International Communications and Information Policy encompasses 11 current positions, including two detail officers from other agencies, and six new positions requested in the fiscal year 1984 budget, which assumes two details from other agencies. The additional 11 positions mandated in this section are intended to include permanent full-time officers and secretaries for the coordinator's office.

Alternate Communications Center

The Senate amendment authorized, from the "Administration of Foreign Affairs" account, not less than $3 million for fiscal

year 1984 not less than $7 million for fiscal year 1985 to establish in the State of Maryland an alternate communications center for the Department of State and other agencies.

The House bill contained no comparable earmarking, although funds are generally available for the this purpose within the "Administration of Foreign Affairs" account.

The conference substitute is identical to the Senate amendment.

WORLD HERITAGE TRUST FUND

The Senate amendment earmarked not less than $248,500 for each of the fiscal years 1984 and 1985 from the "Administration of Foreign Affairs" account for the U.S. contribution to the World Heritage Trust Fund.

The House bill contained no comparable provision.

The conference substitute earmarks not less than $248,500 from the "International Organizations and Conferences" account for both fiscal years for the U.S. contribution to the World Heritage Trust Fund. Since the Trust Fund represents a UNESCO activity, such funding is more appropriately provided under the international organizations account.

ALLOCATION AUTHORITY

The House bill provided authority for the Secretary of State to transfer funds to other Federal agencies to carry out the purposes for which the funds were appropriated. This would allow the Department of State to allocate funds to other Government agencies for work authorized by law and for the purposes for which the funds are appropriated when other agencies can execute the activities more efficiently than the Department. This authority is similar to that held by other cabinet departments and will permit the Department of State of effect cost savings.

The Senate amendment contained no comparable provision.

The conference substitute is identical to the House bill except for a technical change making this authority effective October 1, 1983, which is necessitated by passage of the State-Justice-Commerce and Related Agencies Appropriations Act, 1984.

EMERGENCY EXPENDITURES

The Senate amendment amended section 4 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2671), which authorizes the State Department's Emergency Fund, to clarify the purposes for which the account may be used and to impose certain requirements with respect to the repatriation loan program funded by this account.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment.

FOREIGN RELATIONS PUBLICATIONS

The Senate amendment expressed congressional concern about the excessive delays currently experienced in the publication of the Department of State's historical series entitled, "The Foreign Relations of the United States." The section also expressed the sense of the Congress that publication of this series should occur within 25 years of the historical events recorded by the series. Subsection (b) required the Department's historian to provide the Committees on Foreign Relations and Foreign Affairs with a report explaining the reasons for the current delays and a plan for the future.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment.

U.S. DIPLOMATIC RELATIONS WITH THE VATICAN

The Senate amendment repealed an 1867 law prohibiting the use of funds to establish a U.S. legation to the Vatican, thereby giving the President the flexibility to establish formal relations with the Vatican, if he determines that to be in the national interest.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment.

ELIMINATION AND MODIFICATION OF REPORTS

The Senate amendment repealed or modified certain reporting requirements now contained in law.

The House bill contained no comparable provision.

The conference substitute repeals all but two reporting requirements contained in the Senate provision. They include a requirement that the President report annually to the Congress on international science and technology issues and activities and their relationship to and integration into American foreign policy, and a second requirement that the Departments of State, Commerce, Agriculture, USIA, and AID report annually on the status of professional development in the Foreign Service.

INTERNATIONAL RESTRICTIONS ON U.S. EXPORTS

The Senate amendment expressed the sense of the Congress on the need to facilitate U.S. exports by opposing international restrictions on the marketing and distribution of U.S. goods, and further expressed the sense of the Congress that U.S. representatives to U.N.-related agencies and to other international organizations should oppose the adoption of such restrictions which unnecessarily impede the export of U.S. agricultural, fisheries, and other products.

The House bill contained no comparable provision.

The conference substitute contains no provision on this issue.

EUROPEAN SPACE AGENCY

The Senate amendment enabled the European Space Agency, the recently constituted successor organization to the European Space Research Organization (ESRO), to be a beneficiary of the privileges and immunities extended by the International Organizations Immunities Act. Since that act already included ESRO, the section merely replace the old name with the new.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment.

U.N. WORLD ASSEMBLY ON AGING

The Senate amendment expressed the sense of the Congress that the President should encourage Government-wide participation in implementing the recommendations of the U.N. World Assembly on Aging and planning for the 1985 U.N. review of implementation of the Vienna International Plan of action on Aging; encourage information exchange and research on aging inside and outside the United States; encourage more private sector involvement in responding to the problems of the aging; and inform developing nations that the U.S. Government recognizes aging as an important issue, requiring close and sustained attention in national and regional development plans.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment.

RESTRICTIONS RELATING TO PLO AND SWAPO

The House bill permanently prohibited the use of funds authorized to be appropriated for "International Organizations and Conferences" for payments by the United States of assessments which would provide political benefits to the Palestine Liberation Organization or entities associated with it, including the Committee on the Exercise of the Inalienable Rights of the Palestinian People and the Special Unit on Palestinian Rights. The provision also required the President to conduct an annual review of the budgets of the United Nations and its specialized agencies to identify projects which have the primary purpose of providing political benefit to the PLO. It also required the President to report to the Congress on any such project for which a portion of the U.S. contribution is withheld.

The Senate amendment prohibited the use of U.S. funds in fiscal years 1984 and 1985 for any programs that benefit the PLO, SWAPO, Cuba, Libya, Syria, or Iran. It also required the Secretary of State to conduct a study of U.N. activities and those of its specialized agencies to determine whether U.S. assessed contributions directly or indirectly benefit the Palestine Liberation Organization or the South-West Africa Peoples Organization. The provision also required that a report be submitted by June 15, 1984.

The conference substitute prohibits the use of funds authorized to be appropriated for "International Organizations and Conferences" for payments by the United States of assessments which would provide benefits generally, rather than "political" benefits, to the Palestine Liberation Organization or SWAPO, or entities associated with either of the organizations. In addition, the conference substitute requires the Secretary of State to conduct an annual study of U.N. activities, including those of its specialized agencies, to determine whether U.S. assessed contributions directly or indirectly benefit the Palestine Liberation Organization or the South-West Africa Peoples Organization.

REPORT ON VOTES OF THE MEMBERSHIP OF THE U.N. GENERAL ASSEMBLY AND SECURITY COUNCIL

The House bill required the Secretary of State to report to the Congress on all votes of the membership of the U.N. General Assembly and Security Council and to include a comparison with the votes cast by the United States.

The Senate amendment contained no comparable provision.

The conference substitute requires the Secretary of State to transmit to the Congress, by January 31 of each year, a report regarding the policies pursued by each member country in those international organizations of which the United States is a member. The report shall describe generally each country's foreign policies as reflected in its activities in those international organizations and shall detail their positions on major issues of interest to the United States, including key decisions relating to the budgets of the international organizations.

RESTRICTION ON AVAILABILITY OF FUNDS FOR THE UNITED NATIONS

The Senate amendment stated that none of the funds authorized by this act may be made available for any activity carried out by the United Nations or any of its specialized agencies if the President certifies to both Houses of Congress that the activity threatens the national security or the economic interests of the U.S.

The House bill contained no comparable provisions.

The conference substitute requires that the United States suspend its participation in the U.N. General Assembly or in any U.N. specialized agency if Israel is illegally expelled, suspended, denied its credentials, or in any other manner denied its right to participate in the work of such agency. The United States shall also withhold payment of its assessed contribution to an agency during any period in which U.S. participation is suspended pursuant to this section. This provision should not be construed to limit U.S. financial or other support for international safeguards on nuclear facilities.

1985 CONFERENCE—U.N. DECADE FOR WOMEN

The Senate amendment stated that the President shall use every available means to ensure that the 1985 conference commemorating the conclusion of the U.N. Decade for Women is not dominated by unrelated political issues which would jeopardize U.S. participation in and support for the conference. This amendment also stated that the President shall report to the Congress prior to the conference concerning U.S. preparations for any participation in the conference.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment.

RESTRICTIONS ON ASSESSED PAYMENTS TO THE UNITED NATIONS

The Senate amendment reduced the U.S. assessed contributions to the United Nations, the U.N. Educational, Scientific, and Cultural Organization, the World Health Organization, the Food and Agriculture Organization, and the International Labor Organization. It held the 1984 assessment to calendar year 1980 levels for each of these organizations. Payments to each organization for the calendar years 1985, 1986, and 1987 were limited to no more than 90 percent, 80 percent, and 79 percent respectively of the amount of the calendar year 1980 assessments.

This section also required that no payment be made to each of these organizations for calendar years 1985 through 1987 unless the organization accepted these reduced contributions as the full assessment of U.S. financial support.

The House bill contained no comparable provision.

The conference substitute prohibits funds authorized under this Act from being used to make assessed payments to the United Nations, UNESCO, the World Health Organization, the Food and Agriculture Organization, and the International Labor Organization which, in the aggregate, are in excess of the total calendar year 1983 U.S. assessed contributions to those organizations.

REVIEW OF U.S. PARTICIPATION IN THE UNITED NATIONS

The Senate amendment expressed the sense of Congress urging a review of U.S. participation in the United Nations. Such a review would examine (1) U.S. financial contributions; (2) how the United Nations helps fulfill U.S. policy objectives; and (3) the benefits derived by the United States from participation in the United Nations. This section also requested the President to make recommendations to the Congress regarding these questions by June 30, 1984. In addition, the Secretary of State is directed to communicate to the General assembly the Policy contained in this section.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment. This provision calls upon the President to submit for congressional consideration suggestions relative to a reassessment of U.S. participation in the United Nations. It expresses the desire of a bipartisan majority of Congress that the United Nations take steps to uphold the provisions of its own Charter. This review of the effectiveness of the present conduct of the United Nations can be a useful tool in reexamining the policies of the United States with respect to the United Nations, improving the chances of success of the primary goal which is international peace and security.

UNITED STATES-EUROPEAN COMMUNITY INTERPARLIAMENTARY GROUP

The Senate amendment provided authority for the U.S. Congress to participate with members of the European Community in annual interparliamentary meetings and authorized $50,000 annually for this group.

The House bill contained no comparable provision.

The conference substitute authorizes appropriations within the "International Organizations and Conferences" account of $50,000 for each of the fiscal years 1984 and 1985 for the expenses of parliamentary exchanges such as the United States-European Community Interparliamentary Group.

COUNSELOR OF THE DEPARTMENT OF STATE

The House bill raised the salary level of the Counselor of the Department of State from Executive Level IV ($67,200) to Executive Level III ($68,400).

The Senate amendment contained no comparable provision.

The conference substitute is identical to the House bill.,

NATIONAL COMMISSION ON EDUCATIONAL, SCIENTIFIC, AND CULTURAL COOPERATION

The House bill earmarked $250,000 for each of the fiscal years 1984 and 1985 for the expenses of the Secretariat of the U.S. National Commission on Educational, Scientific, and Cultural Cooperation and repealed the prohibition on gifts.

The Senate amendment earmarked no less than $225,000 for the same purpose.

The conference substitute is identical to the House bill.

ATTENDANCE OF CITIZENS OF THE TRUST TERRITORY OF THE PACIFIC ISLANDS AT THE FOREIGN SERVICE INSTITUTE

The House bill provided authority for the Foreign Service Institute to train diplomats for the Trust Territory of the Pacific Islands—the Federated States of Micronesia, the Marshall Islands, and Palau. This authority constitutes a recognition by the United States of its obligation to assist in the transition to independence of its dependencies. These islands will attain free association status with the United States after the Compact of Free Association is approved by the Congress, at which time the training authority expires. Training is limited to 60 people.

The Senate amendment contained no comparable provision.

The conference substitute is identical to the House bill. The committee of conference expects that funds will be made available for this purpose from the funds available to the Department of State.

REGIONAL WILDLIFE RESOURCES ATTACHÉS AND INTERNATIONAL WILDLIFE CONSERVATION PROGRAM REVIEW

The Senate amendment required the Secretaries of State and the Interior to work together to establish up to 10 International Wildlife Resources Conservation Regions around the world and to post wildlife attachés in those areas. The attachés would be employees of the Department of State, but the Department of the Interior would be involved in insuring that the attachés possess adequate technical backgrounds and in assessing their work performance. The provision also required the Secretary of State and the Secretary of the Interior to report to the Congress on the effectiveness of U.S. international activities relating to international wildlife conservation and to recommend ways to improve existing capabilities. This section also made recommendations as to the role and function of the wildlife attachés.

The House bill contained no comparable provision.

The conference substitute requires the Secretary of State and the Secretary of the Interior, in consultation with the heads of other concerned Federal agencies, to review the effectiveness of existing U.S. international activities relating to the conservation of international wildlife resources and to develop recommendations to improve existing capabilities. Within 6 months of the date of enactment of this act, the Secretary of State and the Secretary of the Interior are to transmit a report to the chairmen of the House Foreign Affairs and Senate Foreign Relations Committees on this subject, including an analysis of the desirability of establishing "International Wildlife Resources Conservation Regions" abroad and of assigning Foreign Service members to be responsible for wildlife resource conservation issues in those regions.

ACID RAIN

The Senate amendment expressed the sense of the Congress on the issue of acid rain.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment.

INTERNATIONAL AGREEMENTS ON NATURAL GAS

The Senate amendment addressed the continued importation of natural gas at above-market prices. It expressed the sense of the Congress that the U.S. Government should promote lower prices and fair market conditions for imported natural gas. It also required the Secretary of State, in cooperation with the Secretary of Energy, to prepare and submit a report to the Congress, 30 days following the date of enactment, on the progress made in achieving lower prices and fair market conditions.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment.

REPROGRAMING NOTIFICATIONS

The House bill required the Department of State to notify the House Committee on Foreign Affairs and the Senate Committee on Foreign Relations of proposed reprograming actions 15 calendar days in advance of a proposed expenditure before funds may

be made available. This authority is a codification of existing practice.

The Senate amendment contained no comparable provision.

The conference substitute is essentially the same as the House provision with one technical change resulting from a change made in the reprograming provision in the State-Justice-Commerce and Related Agencies Appropriations Act, 1984.

DOMESTIC POLITICAL ACTIVITIES OF AMBASSADORS

The Senate amendment amended the Hatch Act (5 U.S.G. 7324(d)) to place prohibitions on U.S. ambassadors by eliminating a loophole which presently allows them to engage in overt political activity. This would not affect an ambassador's participation in Presidential political campaigns.

The House bill contained no comparable provision.

The conference substitute contains no provision on this issue in deference to the strong jurisdictional concerns raised by the House Committee on Post Office and Civil Service. However, the conferees have serious concerns about ambassadors engaging in overt political activity and urge the Department of State to monitor this situation closely.

FOREIGN SERVICE BUILDINGS ACT

The Senate amendment amended the Foreign Service Buildings Act of 1926: (1) To require that all building projects over $2 million by the Department of State be awarded to U.S. bidders or bidders from countries which permit equal access to American builders for comparable projects or where required by bilateral agreement or by the law of the host country; (2) to provide a 10 percent preference for U.S. builders; and (3) to provide that exceptions can be granted under country-by-country agreements.

The House bill contained no comparable provision.

The conference substitute is similar to the Senate amendment, but sets the project minimum at $5 million and provides that participation may be permitted by or limited to host-country bidders or where determined by the Secretary of State to be necessary in the interest of bilateral relations or necessary to carry out the construction project. The substitute also sets an expiration date for this authority of the date on which the Secretary of State determines that there are internationally agreed rules in effect on bidding for construction contracts.

DIRECTOR OF THE OFFICE OF FOREIGN MISSIONS

The House bill required that future Directors of the Office of Foreign Missions in the Department of State be members of the Foreign Service with: (a) At least 10 years of experience in the Service; (b) significant management experience; and (c) experience serving in countries where the United States has had problems in assuring the secure and efficient operations of its missions. The section provided that the Director would hold the rank of ambassador, appointed by the President with the advice and consent of the Senate.

The Senate amendment contained no comparable provision.

The conference substitute is similar to the House provision, but adds the requirement that future Deputy Directors of the Office of Foreign Missions be individuals who have served in the U.S. intelligence community, and clarifies that members of the Foreign Service who become Directors of the Foreign Missions Office must have significant administrative experience. This latter change is merely a more accurate description of the kind of experience required, as the term "administrative" experience has an understood meaning within the Foreign Service. In addition, the substitute contains clarifying language that the Director must have experience serving in countries where the United States has had problems in assuring the secure and efficient operations of its missions as a result of the actions of other countries.

The committee of conference notes that the changes made by the addition of this section are intended to express the strong support of the Congress for the activities of the Office of Foreign Missions and the recognition that the Foreign Service must and should be responsible for the operations of this Office. In addition, the establishment of a Deputy Director with intelligence service experience expresses the committee's recognition that the kind of experience is also vital to the implementation of the Foreign Missions Act. The conferees look forward to the continuation of the cooperative working relationship which has been demonstrated to date by the personnel of the Office of Foreign Missions and expects that the activities of this Office will be strengthened as the bureaus and offices of the Department of State are more closely integrated into the operations of the Foreign Missions Office. The Foreign Affairs and Foreign Relations Committee expect to be kept informed of the progress and problems of the Office.

ESTABLISHING THE POSITION OF UNDER SECRETARY OF STATE FOR AGRICULTURAL AFFAIRS

The Senate amendment established a new Under Secretary of State for Agricultural Affairs.

The House bill contained no comparable provision.

The conference substitute contains no provision on this issue.

U.S. CONSULATES

The Senate amendment clarified the authority of the Secretary of State to open new consulates, notwithstanding that the consulate in Mandalay, Burma has not been reopened.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment.

STATE DEPARTMENT SECURITY OFFICERS

The Senate amendment provided (a) that certain security officers in the Department of State and the Foreign Service shall be eligible for the retirement benefits provided for law enforcement officers under 5 U.S.C. 8335; and (b) that the Civil Service conversion provisions of the Foreign Service Act of 1980 be extended by 1 year for a small group of employees originally in the Foreign Service who are now being reassigned to the domestic service.

The House bill contained no comparable provision.

The conference substitute is similar to the Senate amendment, but does not provide eligibility for law enforcement retirement benefits. The committee of conference notes that this provision has been deleted without prejudice and that it is the intention of the Foreign Affairs and Foreign Relations Committee to consider this change during consideration next year of amendments to the Foreign Service Act of 1980.

PREPUBLICATION REVIEW OF WRITINGS OF FORMER FEDERAL EMPLOYEES

The Senate amendment provided a moratorium, until April 15, 1984, on the enforcement, issuance, or implementation of rules, different from those in effect on March 1, 1983, requiring prepublication review of the writings of former officers and employees of the Government.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment.

AUDIT OF POSITIONS IN THE FOREIGN AFFAIRS AGENCIES

The Senate amendment provided for an independent position classification audit, including pay comparability, of Foreign Service positions in the agencies employing the Foreign Service personnel system.

The House bill contained no comparable provision.

The conference substitute contains no provision on this issue.

FOREIGN SERVICE VOTING RESIDENCE

The Senate amendment allowed members of the Foreign Service residing outside the United States the right to maintain voting privileges for Federal elections in their State of residence at the time they enter the Foreign Service if the Foreign Service Member elected such state.

The House bill contained no comparable provision.

The conference substitute is similar to the Senate amendment, with clarifying language.

MERGER OF FOREIGN SERVICE INFORMATION CORPS WITH FOREIGN SERVICE CORPS

The Senate amendment changed the designation of members of the Foreign Service at the U.S. Information Agency to Foreign Service Officers. This would give USIA officers the same opportunities possessed by other Foreign Service members to compete for Chief of Mission and other Foreign Service assignments outside the USIA.

The House bill contained no comparable provision.

The conference substitute is similar to the Senate amendment, but adds language clarifying that members of the Foreign Service of all agencies are to be given the opportunity to compete for chief of mission positions and to compete, on an equal basis, for assignments outside their area of specialization. The provision also requires a report to be submitted, no later than 1 year following date of enactment, by the Secretary of State to the Congress describing the policies and procedures adopted pursuant to this provision.

The committee of conference notes that this provision is intended to carry out the purposes of the Foreign Service Act of 1980 which, among other things, seeks to establish the Foreign Service of the United States as one service, distinguished by individuals varying talents, skills, and specializations, but also characterized by a single overriding purpose—to carry out the foreign policy of the United States. To do this effectively, the members of the Foreign Service must be provided opportunities to cross agency lines to obtain broad experience within the foreign policy community, as well as outside that community, in an effort to develop effective skills and a meaningful career pattern. This effort does not threaten the independence of any single agency and its management of its own personnel, but does highlight the need for all foreign

affairs agencies to work together to implement the Foreign Service Act in a consolidated, coherent fashion, and to recognize that all elements of the Service, regardless of their agency of origin, are vital to the success of the foreign policy effort. As such, more attention must be given by all foreign affairs agencies to the task of career development.

FOREIGN NATIONAL EMPLOYEES

The House bill clarified the authority of the Secretary of State to utilize provident funds in countries where this accords with local practice. The section permitted the payment to beneficiaries of the interest that accumulates in such trust funds, which are used in lieu of a life-certain annuity as a retirement benefit in many countries.

The Senate amendment contained no comparable provision.

The conference substitute is identical to the House bill.

CODIFICATION OF *Meresman* CASE

The House bill provided that members of the Foreign Service who, consistent with the provisions of the Foreign Service Act of 1980, chose not to enter the Senior Foreign Service by February 15, 1984, may receive an immediate annuity upon retirement. In the absence of such a provision, such individuals would be involuntarily retired without an immediate annuity.

The Senate amendment contained no comparable provision.

The conference substitute is identical to the House bill.

DANGER PAY

The House bill clarified the authority of the Secretary of State to provide danger pay allowances in foreign areas, even in cases where dependents or nonessential personnel are present.

The Senate amendment also clarified the Secretary's authority to provide danger pay under the same circumstances, but added a provision stating that the Secretary of State shall inform the Congress of the initiation or termination of an allowance and the circumstances justifying such an action.

The conference substitute is identical to the Senate amendment. The committee of conference notes that this provision is not intended to encourage the presence of dependents and nonessential personnel at danger pay posts, but merely seeks to recognize the realities of overseas service and the necessity or desirability of balancing the needs of employee morale with security. The conferees believe that this determination is most appropriately made on a case-by-case basis. The conferees note that danger pay was terminated at certain posts beginning November 1, 1982 due to the earlier language of the Act and its accompanying report language. This provision modifies the unintentionally stringent language enacted by the Foreign Service Act. Given the legislative change now being made, the committee of conference urges the Department of State to pay danger pay retroactively to November 1, 1982 and notes that the net costs are approximately $330,000.

INTERNATIONAL COMMUNICATIONS AND INFORMATION POLICY

The House bill codified the existing Office of the Coordinator for International Communications and Information Policy in the Department of State and provided that the Coordinator shall have the rank of ambassador.

The Senate amendment contained no comparable provision.

The conference substitute is identical to the House bill. The committee of conference notes that international communications and information policy is a broad field encompassing issues of press freedom and free flow of information among nations; international trade in both merchandise and services and in foreign direct investment; bilateral and multilateral assistance; the distribution and use of the natural resources of communications—frequency spectrum and satellite orbital positions; traditional and public diplomacy; and high technology in the form of computers and information processing, affecting social development, production efficiency, and employment. The policies which the United States formulates and develops to deal with these questions will profoundly affect our basic freedoms, our national security, and our international competitiveness. International communications and information policy issues are integral elements of overall U.S. foreign policy and must be coordinated within the central foreign policy agency—the Department of State. In this way, the specialized skills, not only of State Department personnel, but of the personnel of all agencies of Government which are involved in various aspects of this broad field can be brought to bear most efficiently in the service of U.S. national interests.

In this connection, the committee of conference notes that the Departments of State and Commerce have reached an agreement which reflects the current state of responsibilities of the two agencies and which is intended to facilitate cooperation in this field between the two Departments. Under this agreement, the Department of Commerce is responsible for the development and presentation of domestic telecommunications and information policy, while the Department of State is responsible for incorporating this policy area into U.S. foreign policy efforts, merging it with other aspects of U.S. foreign policy and maintaining relations with other governments and with international organizations. Telecommunications is one component of a much broader field which includes international news flows, transborder data flows, and other activities based on the principle of the free flow of information. The expertise of many executive branch agencies is needed to deal with the various issues in this broad field. Therefore, it is essential that there be one point of coordination to insure that this aspect of U.S. foreign policy is pursued to the maximum benefit of U.S. interests.

USE OF HERBICIDES CONTAINING DIOXIN COMPOUNDS BY INTERNATIONAL COMMISSIONS

The Senate amendment prohibited the use of herbicides containing dioxins by international commissions without prior notification to the Senate and to governors of affected States.

The House bill contained no comparable provision.

The conference substitute is similar to the Senate amendment, but adds language extending the requirement of notification to the House Foreign Affairs Committee.

EXTENDED VOLUNTARY DEPARTURE STATUS FOR CERTAIN EL SALVADORANS

The House bill expressed the sense of Congress that the Secretary of State should recommend that extended voluntary departure status be granted to aliens who are nationals of El Salvador and that such status should be granted to those aliens until the situation in El Salvador has changed sufficiently to permit their safe return to that country.

The Senate amendment contained no comparable provision.

The conference substitute is similar to the House provision, but defines those individuals who should recieve extended voluntary departure status. Specifically, the provision includes nationals of El Salvador who have been in the United States since before January 1, 1983, who otherwise qualify for voluntary departure, in lieu of deportation, and who were not excludable from the United States at the time of their entry on any ground specified in section 212(a) of the Immigration and Nationality Act other than those specified in paragraphs (14), (15), (20), (21), and (25).

The committee of conference expressed considerable concern regarding the fate of returnees, regardless of when they may have entered the United States. However, the conferees felt obliged to attempt to deter any further Salvadoran migration into the United States which might be unwarranted. For this reason, the provision is restricted to those who arrived in the United States prior to January 1, 1983.

PROVISION OF 20 ADDITIONAL AUDITORS FOR THE U.S. INFORMATION AGENCY

The Senate amendment directed that no less than $1 million shall be earmarked in fiscal years 1984 and 1985 for the employment of additional professional internal auditors for USIA.

The House bill contained no comparable provision.

The conference substitute earmarks $600,000 in fiscal years 1984 and 1985 for the employment of 12 additional professional auditors for USIA.

SUPPLEMENTAL ALLOWANCES FOR AGENCY PERSONNEL STATIONED IN NEW YORK CITY

The Senate amendment granted an allowance, of the same kind and amount provided to employees of the staff of the U.S. Mission to the United Nations, to no more than 5 USIA employees assigned to duty in New York City. Such allowances are deemed necessary because important representational responsibilities require these employees to live in the high-rent area immediately surrounding U.N. headquarters in New York.

The House bill contained no comparable provision.

The conference substitute is similar to the Senate amendment, but amends the U.N. Participation Act of 1945 to accomplish the purpose of the section. Thus, the authority reposes in the Secretary of State (under a delegation from the President), which ensures that all U.S. employees in New York are treated equally. The ceiling on the total number of employees who may receive such an allowance is 50, an increase of 5 over the current legal limit of 45.

INCREASED LEASING AUTHORITY FOR RADIO FACILITIES

The Senate amendment enabled the USIA to enter into leases for radio facilities for periods not to exceed 25 years instead of the current maximum of 10 years without having to seek and obtain special appropriations.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment.

EDUCATIONAL AND CULTURAL EXCHANGES

The Senate amendment earmarked funding for certain categories of USIA-sponsored exchange programs so as to meet the requirements of section 305(c) of Public Law 97-241. That provision of law mandates a

doubling of exchange-of-persons programs administered by USIA between fiscal years 1982 and 1986. For fiscal year 1984, the following amounts were made available: not less than $100,500,000 for grants to the Fulbright Academic Exchange Programs and the International Visitor Program; not less than $3,729,000 for the Humphrey Fellowship Program; not more than $7,100,000 for the Private Sector Program. The Senate amendment also described the eligible private sector organizations. In addition, $5 million was earmarked in fiscal year 1984 for enhancements of U.S. libraries overseas and of programs providing support services to certain foreign students. For fiscal year 1985, not less than the following amounts were earmarked: $123,100,000 for the Fulbright and International Visitor Programs and $4,435,000 for the Humphrey Fellowship Program.

The House bill containied no comparable provision.

The conference substitute is similar to the Senate amendment with the following changes: Funds for the Private Sector Program are authorized to be made available only for grants to not-for-profit cultural, educational, or exchange-of-persons organizations of U.S. libraries overseas and of programs providing support services to certain foreign students.

The committee of conference notes the following correspondence from the Director of the U.S. Information Agency:

U.S. INFORMATION AGENCY,
Washington, D.C.

Hon. CLAIBORNE PELL,
U.S. Senate.
Hon. CHARLES PERCY,
U.S. Senate.

DEAR SENATORS PELL AND PERCY: After wide discussion within the Agency, I have determined that there will no longer be any funding in the Bureau of Educational and Cultural Affairs for conferences or seminars on contemporary political or economic issues. Further, we will work with the Committee to develop guidelines on other kinds of conferences and seminars in that Bureau.

Sincerely,

CHARLES Z. WICK,
Director.

PRIVATE SECTOR PROGRAM

The Senate amendment prohibited the use of Private Sector Program funds to pay for foreign travel by any U.S. citizen who has made two or more trips funded by the Program in the 5 years preceding the date of proposed travel. This limitation would not apply to escort interpreters, artists, or persons engaging in theatrical or musical performances, or to the full-time staff of the recipient organizations if it is determined by the Director of the Bureau for Education and Cultural Affairs that such travel is essential to the program and he so certifies to the Congress.

The House bill contained no comparable provision.

The conference substitute maintains the prohibition on such travel, but provides that the limitation will also not apply to full-time staff of grantee organizations. Waiver of the limitation by the Associate Director of the Bureau of Educational and Cultural Affairs is permitted in exceptional cases if he determines that foreign travel is essential to the successful completion of the grant program and so certifies in writing to the Speaker of the House and the Senate Foreign Relations Committee at least 15 days prior to the commencement of the proposed foreign travel. In addition, the Associate Director is required to report annually a list of the individuals, with their organizational affiliations, who have taken two or more trips in the preceding 5 years financed through the private sector program.

The committee of conference believes that the waiver authority granted to the Director of ECA should be used with great discretion. In certain exceptional cases, however, it is appropriate for persons who are not full-time staff of a recipient organization to travel more than twice in 5 years. For example, the Council for International Programs raises significant funds from foreign governments through the efforts of its officers who serve in a volunteer capacity. Their travel may be considered for a waiver. Another example might be the case of an individual who is an officer of a recognized international organization, affiliated with the grant recipient, who needs to travel to meetings of the international organization.

U.S. OBSERVANCE OF INTERNATIONAL YOUTH YEAR 1985

The Senate amendment promoted competition in the awarding of USIA grants for International Youth Year by establishing criteria to be met prior to the granting of any USIA funds for this purpose. No organization could be designated or receive funding as the official U.S. Commission for U.S. participation in International Youth Year unless the organization met these criteria:

(1) the organization's membership is open to all major youth and youth service organizations;

(2) the organization's charter provides that the organization will have full financial responsibility for its own assets, receipts and expenditures;

(3) the composition of the Governing Board and the voting strength of organizations on the Governing Board reflects the size of the membership of the constituent youth or youth service organizations.

The House bill contained no comparable provision.

The conference substitute directs the Secretary of State to ensure that any organization designated as the offical U.S. commission or committee for U.S. participation in International Youth Year meets the criteria enumerated in paragraphs (1) and (2) above. In addition, the composition of the Governing Board shall be elected from the constituent youth and youth service organizations, and in such an election the size of the membership of the constituent youth and youth service organizations shall be an important factor. This requirement is not to be construed as requiring any particular system of proportional representation in the election of the Governing Board. Furthermore, no funds will be made available to any organization to coordinate or plan for U.S. participation in International Youth Year if that organization does not meet the criteria specified in subsection (b) of this provision.

In addition, the section authorizes USIA to make grants to youth and youth service organizations in support of activities, involving exchange-of-persons, to promote participation by American young people in the activities of International Youth Year. Organizations receiving grants shall not be subject to the funding limitation on newer organizations contained in the ECA Grant Guidelines submitted to the Congress on May 4, 1983.

CHARTER FOR THE BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS

The Senate bill formally established a Bureau of Educational and Cultural Affairs responsible for managing and overseeing programs. Such programs would include (but not be limited to) (1) the Fulbright Exchange Program, (2) the Hubert H. Humphrey Fellowship Program, (3) the International Visitors Program, (4) American Cultural Centers and Libraries, (5) the American Overseas Schools Program, (6) the American Studies Program, and (7) programing through private, nonprofit groups.

The section specified that the President or his designee shall insure that all programs under the authority of the Bureau shall maintain their nonpolitical character and be representative of the diversity of American political, social, and cultural life. The President shall also insure that programs under the authority of the Bureau would meet standards of academic excellence.

The House bill contained no comparable provisions.

The conference substitute is similar to the Senate amendment, but removes unnecessary language requiring the Bureau to be responsible for programs "administered by the U.S. Information Agency." The committee of conference also notes that the reference to the American Overseas Schools Program encompasses only those elements of the program involving USIA.

The committee of conference further notes that the list of programs described in the charter are not exclusive. Among other important Fulbright-Hays programs not mentioned in the charter, but which properly fall under the purview of the Bureau of Educational and Cultural Affairs are the English Teaching Program, student support services, and book translation programs. Some programs, such as libraries, fall under the authority of both the Fulbright-Hays Act and Smith-Mundt Act. As long as the activity or program is consistent with the authorities contained in the Fulbright-Hays Act, the Bureau may administer it. The conferees also expect that the Board of Foreign Scholarships, which is essential to the administration of the academic programs of the Bureau of Educational and Cultural Affairs, shall be a completely nonpartisan institution.

ENVIRONMENTAL EXCHANGES

The Senate amendment established a program for exchanges between American and foreign scientists, scholars, leaders and other experts in the fields of environmental science and environmental management. To fund the program, the amendment earmarked 5 percent of the already mandated increase in USIA exchange programs.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment. The committee of conference notes that, as a relatively new discipline, the environmental sciences in both the United States and abroad could be enriched by the cross-fertilization of ideas facilitated by our exchange programs. For example, American scholars concerned with acid rain could benefit enormously from exchanges with their Scandinavian counterparts, who have been observing and studying the problem for more than 50 years. Similarly biologists in other countries might benefit from the work done in the United States to preserve endangered species.

The Humphrey Fellowship Program, which brings public managers from the Third World to the United States for a year's study, is a particularly suitable vehicle for some of these environmental exchanges. In the decade 1972-82, the number of environmental ministries has grown from 10 to more than 110, with most of the increases occurring in the Third World.

In earmarking 5 percent of the increases in certain exchanges, the committee of conference intends to allocate an aggregate amount for environmental exchanges. USIA is best able to determine the amount to be allocated for environmental exchanges among the programs named in this section.

UNITED STATES-GERMAN TEENAGE EXCHANGE

The Senate amendment authorized an additional $2.5 million for each of the fiscal years 1984 and 1985 for USIA to carry out a United States-German teenage exchange sponsored by the Members of the U.S. Congress and the West German Bundestag.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment.

FUNDING FOR U.S. PARTICIPATION IN 1985 TSUKUBA EXPOSITION

The Senate amendment added $8 million to USIA's budget to increase funds for U.S. participation in the 1985 Exposition in Tsukuba, Japan.

The House bill contained no comparable provision.

The conference substitute authorizes the appropriation of $4 million, in addition to amounts otherwise made available for expenses in connection with U.S. participation in the 1985 Tsukuba Exposition and makes the funds available without fiscal year limitation.

FUNDS FOR OFFICIAL RECEPTIONS AND ENTERTAINMENT EXPENSES

The Senate amendment directed that no more than $20,000 of the funds authorized to be appropriated to the United States Information Agency for fiscal years 1984 and 1985 shall be available for domestic representation or entertainment expenses, including official receptions.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment.

PROHIBITION AGAINST LOBBYING WITH U.S. FUNDS

The Senate amendment prohibited the use of any funds authorized to be appropriated by this Act for USIA for the purpose of lobbying or for propaganda which is directed at influencing public policy decisions of the Government of the United States, or of any State or locality thereof.

The House bill contained no comparable provision.

The conference substitute prohibits the use of any funds authorized for USIA by this Act by any grantee organization of the USIA for the purpose of lobbying or propaganda which is directed at influencing public policy decisions of the U.S. Government or of any State or locality thereof. The section further provides that it shall not be construed so as to abridge the right of any grantee organization to exercise the same freedom of speech as is protected by the First Amendment to the U.S. Constitution, so long as such organization does not use funds provided to USIA under this Act in exercising such right.

U.S. INFORMATION AGENCY AUDIT REQUIREMENTS

The Senate amendment placed the Inspector General of the U.S. Information Agency under the Inspector General Act of 1978.

The House bill contained no comparable provision.

The conference substitute contains no provision on this issue.

DISSEMINATION OF USIA-PREPARED INFORMATION TO FOREIGN DIPLOMATS IN THE UNITED STATES

The House bill enabled the U.S. Information Agency to make program and information materials available to foreign diplomatic and consular officials in the United States. Officials who receive this information would be precluded from further disseminating such information within the United States.

The Senate amendment contained no comparable provision.

The conference substitute contains no provision on this issue.

SALARY OF THE RFE/RL, INC. PRESIDENT

The House bill limited the amount of public funds that may be used to compensate the president of RFE/RL, Inc. to an executive level IV salary ($67,200), plus the normal allowances and benefits provided its employees by RFE/RL, Inc. under standard Department of State guidelines. The section takes effect with the next president of RFE/RL, Inc.

The Senate amendment contained no comparable provision.

The conference substitute is identical to the House bill.

FOREIGN CURRENCY GAINS

The Senate amendment provided the Board for International Broadcasting with the authority to retain gains resulting from favorable fluctuations in foreign currency rates, and to use the funds for the operations of RFE/RL, Inc.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment.

BENEFITS FOR CERTAIN RETIREES AND SURVIVING SPOUSES OF EMPLOYEES OF RFE/RL, INC.

The Senate amendment directed that of the amounts deposited in the BIB currency fluctuation reserve pursuant to section 8(b) of the Board of International Broadcasting Act of 1973, $5 million shall be made available, without fiscal year limitation, only to enhance the pensions and costs of living adjustments of individuals who retired from RFE/RL, Inc. before January 1, 1976, as well as the benefits to which spouses of these retirees are entitled.

The House bill contained no comparable provision.

The conference substitute authorizes the Board for International Broadcasting to make available, in accordance with the Supplemental Appropriations Act, 1983, $4.9 million of the amount appropriated to the BIB by that Act for enhancement of the pensions and cost-of-living adjustments of individuals who retired from RFE/RL, Incorporated before January 1, 1976, and for enhancement of the benefits to which surviving spouses of employees of RFE/RL, Inc. are entitled to by virtue of the creditable service of such employees rendered prior to January 1, 1976.

POLICY ON BROADCASTS OF RFE/RL, INC. AND VOA CONCERNING SOVIET RELIGIOUS PERSECUTION

The Senate amendment expressed the sense of Congress that RFE/RL, Inc. and the Voice of America are to be commended for their news and editorial coverage of the increasing religious persecution in the Soviet Union, including the declining levels of Jewish emigration, and encouraged them to intensify their efforts.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment.

BALTIC DIVISION

The Senate amendment required the Estonian, Latvian and Lithuanian radio services of RFE/RL, Inc. to be organized as a separate division within Radio Liberty. The provision also required that these services broadcast under a name which accurately reflects U.S. policy not recognizing the illegal incorporation of Estonia, Latvia, and Lithuania into the Soviet Union.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment.

POLICY ON THE JAMMING BY THE SOVIET UNION OF BROADCASTS OF VOA AND RFE/RL, INC.

The Senate amendment set forth the following findings:

(1) the permanent unrestrained flow of accurate information greatly facilitates mutual understanding and world peace;

(2) the Soviet Union and its allies are jamming the broadcasts of VOA and RFE/RL, Inc.; and

(3) electronic jamming violates at least four international agreements.

Subsection (b) expressed the sense of Congress that the President should urge the Government of the Soviet Union to terminate its jamming of VOA and RFE/RL, Inc.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment.

THE ASIA FOUNDATION

The House bill authorized $5 million for fiscal year 1983 for the Asia Foundation.

The Senate amendment provided that amounts appropriated for fiscal year 1984 and 1985 are to remain available until expended. No funds were authorized for fiscal year 1983.

The conference substitute is identical to the House bill. The committee of conference notes that the Senate provision making amounts available until expended is unnecessary because such authority now exists in the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696).

NATIONAL ENDOWMENT FOR DEMOCRACY

The Senate amendment specified the participation of "the two major American political parties" (a) to facilitate exchanges between U.S. private sector groups; (b) to promote U.S. nongovernmental participation; and (c) to foster cooperation with democratic groups abroad. It also earmarked "not less than $5 million" each for the Party Institutes for International Affairs. In addition, the Senate amendment prohibited the payment of compensation and travel expenses to any member of the Endowment's board director, or to any officer or staff member of the Endowment (except a Member of Congress), who is an officer or

employee of the United States. Finally, the Senate amendment provided that the Department of Labor may make grants to the Endowment for the purposes specified in this title.

The House bill specified the participation of the parties only in promoting U.S. nongovernment participation. It also made the Endowment and its grantees subject to appropriate oversight procedures by Congress and did not contain funding for the political party institutes. The House bill also prohibited the payment of compensation to Endowment board members who are Members of Congress or officers or employees of the United States, but permitted travel expenses to be paid for all board members.

The conference substitute is similar to the Senate amendment but does not earmark funds for the political party institutes; deletes the exemption of Members of Congress in the section prohibiting payment of compensation and travel expenses to certain individuals; deletes the authority of the Department of Labor to make grants to the Endowment; and clarifies the language prohibiting outside compensation of officers and employees of the Endowment so as not to prohibit the payment of retirement benefits. The committee of conference notes that the earmarking of funds for the political party institutes has been dropped without prejudice to their receipt of funds from the Endowment.

APPOINTMENT TO THE NATIONAL ENDOWMENT FOR DEMOCRACY

The Senate amendment prohibited any individual who has engaged in any intelligence activity since 1963 from being appointed to or employed by the Endowment.

The House bill contained no comparable provision.

The conference substitute contains no provision on this issue. It is the understanding of the conferees that an agreement has been reached between the Director of Central Intelligence, William Casey, and Senator Proxmire with regard to the Senate amendment barring former intelligence personnel from employment with the National Endowment for Democracy.

As stipulated in a written statement by Director Casey, the Intelligence Community agrees not to use the National Endowment for Democracy to conduct intelligence activities. In addition, there is an agreement that intelligence community personnel shall not be permitted employment by the National Endowment for Democracy except as jointly agreed to in future negotiations between Senator Proxmire and Director Casey.

In view of this public declaration by Director Casey, and at the request of Senator Proxmire, the conferees have receded on the Senate amendment. Director Casey's statement follows:

"On behalf of the Intelligence Community, I have agreed with Senator Proxmire that the National Endowment for Democracy will not be used to conduct intelligence activities. In addition, I have reached a general understanding that intelligence community personnel shall not be permitted employment by the National Endowment for Democracy except as jointly agreed to in future negotiations with Senator Proxmire with regard to the length of the prohibition and the encompassing definition of intelligence activities. In light of the above understanding, Senator Proxmire has agreed to withdraw his amendment to the 1984 State Authorization Act barring individuals who have engaged in intelligence activities since 1963 from participating in the National Endowment for Democracy."

FOREIGN MISSIONS AMENDMENTS ACT OF 1983

The Senate amendment transferred the responsibility for implementing the liability insurance requirements of the Diplomatic Relations Act of 1978 from the State Department's Office of Protocol to its Office of Foreign Missions. In addition, the provision required the head of a foreign mission to notify the Director of the Office of Foreign Missions of the lapse or termination of any liability insurance coverage held by a member of the mission or his or her family. The Senate amendment provided further for a report, by February 1 of each year, including a list of all motor vehicles, vessels, and aircraft registered in the United States by foreign missions, their personnel, and their families. Finally, the Senate amendment provided authority for the Foreign Missions Director to impose a surcharge or fee on a foreign mission to compensate victims of vehicular negligence by a foreign mission member or his family, in cases where a court judgment remains unsatisfied or is absent.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment.

SOVIET-EASTERN EUROPEAN RESEARCH AND TRAINING ACT OF 1983

The Senate amendment stated that, of the funds authorized under the State Department's "Administration of Foreign Affairs" account, $5 million shall be made available in each of the fiscal years 1984 and 1985 for Soviet and Eastern European research and training. The Senate amendment established a Soviet-Eastern European Studies Advisory Board within the Department of State, chaired by the Secretary of State and composed of the Secretary of Education, the Librarian of Congress, the president of the American Association for the Advancement of Slavic Studies, the Secretary of Defense, and the president of the Association of American Universities. The Advisory Committee would recommend grant policies and the Secretary of State, after consultation with the Advisory Committee, would make grants to conduct national research, disseminate program information, and to carry out fellowship programs. The Secretary of State would prepare and submit a report to the President and to the Congress at the end of each fiscal year, detailing the activities of grantees. The report would include an accounting of the grant funds used to cover administrative expenses if these expenses represent more than 10 percent of such assistance.

Among the uses to which grants under the Senate amendment could be put were the following:

(1) To establish a research agenda and, pursuant to that agenda, conduct a national research program at the postdoctoral or equivalent level;

(2) To establish a program of graduate, postdoctoral, and teaching fellowships for advanced training in Soviet and Eastern European studies;

(3) To disseminate research and data on Soviet and Eastern European studies;

(4) To conduct specialized programs in advanced training and research on a reciprocal basis in the U.S.S.R. and Eastern European countries;

(5) To support language training in Russian and Eastern European languages, including summer language institutes. Preference would be given for Russian language studies.

No department, agency, or employee of the United States would be authorized to exercise any direction over the programs, administration, or personnel of any institution.

Section 810 provided that the provisions of this title terminate 10 years following date of enactment.

The House bill contained no comparable provision.

The conference substitute is similar to the Senate amendment, with changes which accomplish the following:

(1) Strike language specifying that the Secretary of State would use a part of the payments to keep a research agenda. This provision is unnecessary, given the composition of the Advisory Committee and its mandate to recommend grant policies which advance the objectives of this legislation.

(2) Strike language detailing the Secretary of State's authority to approve or deny applications "for whatever reasons he deems necessary," as the Secretary's authority is already implicit in his authority to make grants.

(3) Authorize up to $5 million in fiscal year 1984 and earmark $5 million for fiscal year 1985, since the administration did not budget for this activity in fiscal year 1984. The committee of conference notes that $2.5 million is provided for fiscal year 1984 in the State-Justice-Commerce, and Related Agencies Appropriations Act.

The conference committee, in approving this legislation, was concerned about the scarcity of expertise in Soviet and Eastern European studies. Many of this Nation's foremost authorities on Soviet and Eastern European affairs will not be easily replaced in the next generation because of the lack of funding available for long-range training programs. Given that expertise in Soviet and Eastern European affairs is essential to the Nation's proper handling of our foreign policy, Federal funding of such training programs can be viewed as essential to U.S. national security. This program represents a recognition of the need for stable, long-term support to supplement existing research and training related to the Soviet Union and Eastern Europe, especially at the graduate and postgraduate levels.

Section 804(a) of the conference substitute establishes a General Advisory Committee composed of the Secretary of State, the Secretary of Defense, the Secretary of Education, the Librarian of Congress, the president of the American Association for the Advancement of Slavic Studies, and the president of the Association of American Universities (AAU). The Secretary of State will serve as the Chairman of the Committee. The conference committee, in establishing the membership of the Soviet-East European Advisory Committee, intends that the Committee should have as broad a representation as possible. Inasmuch as the academic community is represented on the Advisory Committee by the president of the Association of American Universities, the AAU president's presence should not in any way be construed to limit his representation only to the 50 members of the AAU. The conference committee fully expects that the president of the AAU in his capacity on the Advisory Committee will closely consult and adequately represent the views of the entire higher education research community and to this end he should specifically consult with the National Association of State Universities and Land Grant Colleges and the

National Association of Independent Colleges and Universities, as well as other representatives of the higher education community.

In order for the president of the AAU to fulfill his duties on the Advisory Committee, the conference committee feels strongly that close cooperation and consultation with other representatives of the higher education community must be pursued in order to preserve the fair representation of the academic community and to achieve a strong academic voice on the Advisory Committee.

Section 804(d) requires that in recommending recipients of grants, the Advisory Committee shall give priority to national organizations involved in conducting research and training concerning the Soviet Union and Eastern Europe, and disseminating the results of such research. Such organizations are to have an interest and expertise in such programing. Entities such as the National Council for Soviet and East European Research, the International Research and Exchanges Board, and the Woodrow Wilson International Center for Scholars and its Kennan Institute for Advanced Russian studies, represent national institutions which serve the national community of scholars of the Soviet Union and Eastern Europe by awarding funds on the basis of peer review conducted by committees of scholars from diverse institutions of higher education. Such organizations help to insure the most equitable distribution of funds independent of the scholars' affiliation with specific institutions of higher education.

UNITED STATES-INDIA FUND FOR CULTURAL, EDUCATIONAL, AND SCIENTIFIC COOPERATION

The Senate amendment authorized the President to negotiate an agreement with the Government of India providing for the formation of an endowment to use U.S.-owned Indian rupees (excess foreign currency) up to the equivalent of $250 million to provide grants and other assistance for exchanges of persons for cultural, educational, and scientific purposes, and for programs for joint scholarly cooperation between the United States and India.

The House bill contained no comparable provision.

The conference substitute is similar to the Senate amendment, but provides for up to $200 million in U.S.-owned Indian rupees to capitalize a fund to support cultural, educational, and scientific programs of mutual interest to India and the United States. It authorizes the President to enter into an agreement with the Government of India to establish such a fund and to provide for a mechanism to carry out the purposes of the agreement. The conference substitute further provides that U.S. representation on the board or boards which will administer the Fund are to be designated from among representatives of U.S. Government agencies, including the Department of Agriculture and other agencies now receiving special foreign currency appropriations.

Since 1974, when the United States and India reached agreement regarding the U.S. claim on Indian rupees, which had been generated primarily by sales of U.S. agricultural commodities under the Public Law 480 food-for-peace program, the United States has been using Indian rupees to support a number of activities in India, including programs of educational and scientific research administered by various U.S. Government agencies. As the amount of rupees available for U.S. activities in India has been drawn down, it has become necessary to consider how these activities, many of which are acknowledged as beneficial to both countries, may be continued.

Using some of the remaining rupees to establish a fund to provide support to a foundation jointly administered by representatives of the two countries, could permit the continuation of the kinds of programs currently receiving rupee support through special foreign currency appropriations. Such programs include, in particular, long-term research in science and technology, including programs related to agricultural development, jointly carried out by a number of U.S. agencies and Indian counterparts, and educational and cultural programs. These programs have been of sufficient value to both countries and to their scientific communities to have continued even during times of political uncertainty when other programs were interrupted. They have also served as an important element in reinforcing common values shared by both democracies.

In addition to these educational and scientific programs, the fund established may have sufficient resources to consider support for other activities, both in the private sector and through government organizations, which would further cultural, educational, and scientific cooperation.

It is hoped that the Foundation would also receive substantial financial support from the Indian Government. When the Fund and/or Foundation is fully established, it is expected that the U.S. agencies involved would no longer need to use special foreign currency appropriations for these purposes.

The House Foreign Affairs and Senate Foreign Relations Committees look forward to being kept informed regarding progress in negotiation and organization of the Fund for U.S.-India Cultural, Educational, and Scientific Cooperation, including the composition of U.S. representation on the board administering the Fund, and the priorities established for the kinds of activities to be supported.

PEACE CORPS STRATEGY COMMISSION

The Senate amendment created a 15-person, 1-year Commission to evaluate the accomplishments and experience of the Peace Corps and to examine options for the future direction of the Peace Corps. $750,000 was authorized for the Commission's expenses.

The House bill contained no comparable provision.

The conference substitute contains no provision on this issue.

REPORT TO CONGRESS ON SOVIET COMPLIANCE WITH ARMS CONTROL AGREEMENTS

The Senate amendment required the President to report to the Congress on the record of Soviet compliance with the letter and spirit of all existing arms control agreements to which the U.S.S.R. is a party.

The House bill contained no comparable provision.

The conference substitute contains no provision on this issue. The committee of conference notes that there is a similar provision in the Arms Control and Disarmament Agency authorization bill.

PRINCIPLES OF EQUIVALENCE

The Senate amendment expressed the sense of Congress that the President should, consistent with the interests of the United States and as soon as practicable after the enactment of this legislation, take the necessary steps: (1) To insure substantial equivalence between the number of officers or employees of the Government of the Soviet Union in the United States (other than members of the news media and those assigned at the United Nations) and the number of officers or employees of the U.S. Government in the Soviet Union; and (2) to insure that the restrictions and conditions imposed on the travel, accommodations, and facilities of officers or employees of the Government of the Soviet Union in the United States are not less than those imposed by the Government of the Soviet Union on the travel, accommodations, and facilities of officers or employees of the United States Government in the Soviet Union. In addition, the President was required to report to Congress on actions taken to carry out this section, with recommendations for further action.

The House bill contained no comparable provision.

The conference substitute contains no provision on this issue, but the conferees agree that the concerns reflected by the Senate provision must be addressed by the executive branch. To that end, the conferees request that the Department of State submit a full report to the Committee on Foreign Relations and Select Committee on Intelligence of the Senate and the Committee on Foreign Affairs and Permanent Select Committee on Intelligence of the House of Representatives by March 15, 1984, on the functioning and operations of official representatives of the government of the Soviet Union in the United States and official representatives of the Government of the United States in the Soviet Union, including numbers, status, privileges and immunities, travel conditions, accommodations and facilities. In view of recent espionage activities, the conferees request that this report also cover the Soviet-bloc countries. The report should discuss fully the advantages and disadvantages of all administrative and legislative actions that could be practicably be taken to implement the principles of reciprocity and equivalence and to reduce the harm to the national security caused by the presence in the United States of Soviet-bloc intelligence personnel acting as official representatives of their countries. The report should also discuss other specific foreign policy and national security interests which bear on this subject. The report should be classified to the extent necessary. The Department of State should solicit and include in the report the views of all relevant departments and agencies, including the Federal Bureau of Investigation.

The conferees expect that the executive branch will take all practicable steps necessary to insure that the principles of reciprocity and equivalence govern the numbers, status, privileges and immunities, travel, accommodations, and facilities of official representatives of the Government of the Soviet Union in the United States and official representatives of the Government of the United States in the Soviet Union.

EXPEDITED PROCEDURES FOR CERTAIN JOINT RESOLUTIONS AND BILLS

The Senate amendment amended the War Powers Resolution to require a joint resolution rather than a concurrent resolution for removal of U.S. Armed Forces and make conforming changes to the expedited procedures for consideration of such a resolution.

The House bill contained no comparable provision.

The conference substitute establishes a separate provision of law which stipulates that any joint resolution or bill introduced

in either House which requires the removal of U.S. Armed Forces engaged in hostilities outside the territory of the United States, its possessions, and territories, without a declaration of war or specific statutory authorization shall be considered in accordance with the procedures of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976, except that any such resolution or bill shall be amendable. If such a joint resolution or bill should be vetoed by the President, the time for debate in consideration of the veto message on such measure shall be limited to 20 hours in the Senate and in the House shall be determined in accordance with the rules of the House.

POLICY ON THE PROCESSING OF REFUGEES

The Senate amendment expressed the sense of Congress that the President should inform the governments that have large concentrations of refugees and receive U.S. aid that the U.S. government is concerned about the proper processing of the refugees. The President was also directed to urge those countries to process as expeditiously as possible those refugees who would be welcome in other countries.

The House bill contained no comparable provision.

The conference substitute contains no provision on this issue.

RESOLUTION ON RAOUL WALLENBERG AND JAN KAPLAN

The Senate amendment expressed the sense of Congress that the President should take all steps at all appropriate times to ascertain the whereabouts of Jan Kaplan and to request an interview with him in order to learn more about the whereabouts of Raoul Wallenberg.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment.

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

The Senate amendment provided for the designation of a Senate Chairman of the Commission on Security and Cooperation in Europe during even-numbered years.

The House bill contained no comparable provision.

The conference substitute contains no provision on this issue.

POLICY TOWARD THE EXPORT OF NUCLEAR-RELATED EQUIPMENT, MATERIALS, OR TECHNOLOGY TO INDIA, ARGENTINA, AND SOUTH AFRICA

The Senate amendment expressed the sense of Congress that no nuclear exports should be approved, and that existing approvals should be suspended or revoked, for India, Argentina, or South Africa until such time as such government gives the U.S. reliable assurances it is not involved in a program to develop nuclear explosives and has accepted international safeguards on all its nuclear facilities.

The House bill contained no comparable provision.

The conference substitute is similar to the Senate amendment, but adds a provision modifying the Senate sense of Congress language which states that if the President determines, in the case of India's Tarapur reactor, while it is under International Atomic Energy Agency inspection, that certain equipment or nonnuclear material or technology is necessary for humanitarian reasons to protect the health and safety of operations and is not available from a foreign supplier, the President may authorize the export of such equipment or nonnuclear material or technology.

HUMAN RIGHTS ACTIVITIES

The Senate amendment earmarked from the "Administration of Foreign Affairs" account $1 million for each of fiscal years 1984 and 1985 for grants of up to $10,000 to nongovernmental organizations in South Africa promoting human rights and helping the victims of apartheid. When matching resources are available, grants may be made up to $30,000. The Senate amendment also provided for the transfer of AID's human rights functions under section 116(e) of the Foreign Assistance Act, together with appropriate funding and staff, to the Assistant Secretary of State for Human Rights and Humanitarian Affairs.

The House bill contained no comparable provisions.

The conference substitute earmarks $500,000 for fiscal year 1984 and $1 million for fiscal year 1985 for the purpose of providing grants to promote human rights activities in South Africa and provides guidelines for making such grants. Where appropriate, grants may be made through private U.S. and international voluntary organizations to South African nongovernmental organizations.

The committee of conference recognizes the importance of the efforts of the United States to help democracy and support human rights overseas. In that regard, section 116(e) of the Foreign Assistance Act authorizes and encourages the use of development assistance funds for activities which will promote increased adherence to civil and political rights. Through the section 116(e) program, the United States has been able to promote greater respect for and understanding of democratic principles of government and the institutions that make it possible for democracies to thrive.

The committee of conference expects that the Bureau of Human Rights and Humanitarian Affairs of the Department of State will continue to be closely involved in decisions on AID's administration of the program. Consistent with the provisions of section 624 of the Foreign Assistance Act, which directs the Assistant Secretary of State for Human Rights and Humanitarian Affairs to encourage increased observance of internationally recognized human rights by all countries, the Bureau for Human Rights and Humanitarian Affairs should play the major role in developing United States human rights policy which inter alia is implemented through section 116(e). The Administrator of AID should continue to administer section 116(e) projects in coordination and consultation with the Bureau of Human Rights and Humanitarian Affairs.

The conference substitute also retains the authorities of section 116(e) of the Foreign Assistance Act of 1961 under the Agency for International Development and clarifies the role of the Assistant Secretary of State for Human Rights and Humanitarian Affairs in consulting with the Administrator of AID on the selection and implementation of projects. The conference substitute also increases the authorized level of funding for section 116(e) purposes to $3 million annually, makes the funding provision permanent, and allows ESF funds (economic support fund) to be used in carrying out section 116(e).

JUSTICE IN THE CASE OF THE SLAIN AMERICAN CHURCHWOMEN IN EL SALVADOR

The Senate amendment called on the Government of El Salvador to appoint a special prosecutor to oversee the case of the murdered churchwomen and to assure the U.S. Government that those accused will be tried before a jury by December 2, 1983.

The House bill contained no comparable provision.

The conference substitute contains no provision on this issue. The committee of conference notes that the Continuing Appropriations Resolution, 1984, contains a provision on this issue.

ENDANGERED SPECIES

The Senate amendment added a new section 119 to the Foreign Assistance Act. Section 119(a) comprised a series of congressional findings on the problems caused by the extinction of species and makes the preservation of endangered animal and plant species an important objective of U.S. development assistance. Section 119(b) authorized the President to provide assistance to countries to help them protect and maintain wildlife habitats and to develop sound wildlife management programs. Particular emphasis is given to the establishment of wildlife sanctuaries, reserves, and parks; the enactment and enforcement of antipoaching measures; and the support of efforts to identify, study and catalog animal and plant species, particularly in tropical environments. Section 119(c) required the Administrator of the Agency for International Development, with the assistance of the Secretary of State, the Secretary of the Interior, the Administrator of the Environmental Protection Agency, the Chairman of the Council on Environmental Quality and the heads of other appropriate government agencies to develop a governmentwide strategy, including specific policies and programs, to protect and conserve biological diversity in developing countries. Section 119(d) contained two reporting requirements. The first required an annual report, as an annex to the report required by section 634(a) of the Foreign Assistance Act on the implementation of this section. Such a report would include a description of the specific projects undertaken pursuant to this section. The report would also include information on the involvement of other government agencies. The second reporting requirement was for a one-time report describing fully the U.S. strategy to protect and conserve biological diversity, as mandated by subsection (c).

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment. The committee of conference notes that the Fish and Wildlife Service and the National Park Service have a well-deserved reputation for many years of effective work in programs to protect endangered species and wildlife habitats. The committee of conference urges the Administrator of AID to take full advantage of the expertise of these services in developing the strategy to protect and conserve biological diversity and in implementing the programs authorized by the new provision. The conferees urge the administration and the appropriate congressional committees to give serious consideration to expansion of the international operations of both the National Park Service and the Fish and Wildlife Service.

The committee of conference considers this provision to be a timely approach to dealing with the increasingly serious problems of the extinction of species. The loss of species, as is now widely recognized, can have a major impact on human welfare in

both the developed and developing countries. Wild species have a vital role in providing the biological material for high-yield, disease-resistant agricultural hybrids; for traditional and modern medicine; and even for industrial uses. Loss of species can contribute to the disruption of entire ecosystems with far-reaching environmental and economic consequences.

DEOBLIGATION OF FUNDS FOR SYRIA

The Senate amendment required the deobligation of all prior year foreign assistance funds for Syria.

The House bill contained no comparable provision.

The conference substitute retains the provisions of the Senate amendment but permits the use of funds to finance the training or studies outside of Syria of students whose course of study began before enactment of this prohibition, and also includes a provision authorizing the Administrator of the Agency for International Development to assume, as a contract obligation of the United States, any contract which would otherwise be terminated pursuant to this provision. In addition, the substitute prohibits all payments, reimbursements, and deliveries of goods and services to the Government of Syria financed by funds appropriated for any past of future year.

PROHIBITION ON CERTAIN ASSISTANCE TO THE KHMER ROUGE

The Senate amendment prohibited any assistance which would directly or indirectly promote, sustain, or augment the capacity of the Khmer Rouge to conduct paramilitary operations in Indochina.

The House bill contained no comparable provision.

The conference substitute is similar to the Senate amendment, but adds language indicating that this prohibition does not preclude the provision of food, medicine, and other humanitarian assistance to the people of Kampuchea. The committee of conference, in considering amendments of both Houses pertaining to the prohibition of military assistance to the Khmer Rouge, agreed to the amendment of the Senate with the understanding that the provision, as amended, would not prevent humanitarian assistance being provided to Kampucheans, notwithstanding the possibility that some of this humanitarian assistance might fall into the hands of a supporter of the Khmer Rouge faction. The committee of conference believes that such an understanding is necessary in light of the sometimes chaotic situation within Kampuchea, while in no way should it suggest that assistance in any form should be provided directly or indirectly to the Khmer Rouge by the U.S. Government.

INTERNATIONAL NARCOTICS CONTROL

The Senate amendment amended section 481 of the FAA to require the President to make an annual preliminary determination of the maximum reduction in illicit drug production achievable by each major illicit drug-producing country receiving U.S. assistance in the next fiscal year; to consult with appropriate committees of Congress on this determination; to make a final determination on maximum achievable reductions; and to suspend all U.S. bilateral and multilateral assistance to any country which has not achieved the projected reductions. The Senate amendment also provided a waiver of the suspension of U.S. assistance if the President determines that such country did not achieve the projected reduction due to factors beyond its control, or if U.S. assistance is in the national interests of the United States. The Senate amendment further established conditions to be met before assistance to a country suspended from U.S. assistance may be reinstated.

The House bill contained no comparable provision.

The conference substitute is similar to the Senate amendment, with the following additions:

(1) A requirement that the President submit a comprehensive annual report which provides a detailed status report on narcotics production and trafficking in each country which is a significant direct or indirect source of narcotics entering the United States, as well as a description of U.S. assistance to each such country and its impact on narcotics trafficking in that country, and a description of the plans, programs, and timetables, and the adequacy of the legal and law enforcement measures taken, by such countries, for the progressive elimination of illicit narcotics cultivation;

(2) For each major illicit drug-producing country receiving U.S. assistance, a determination by the President of the maximum achievable reductions in illicit drug production during the next fiscal year, and a report on the actual reductions during the previous fiscal year;

(3) A requirement that designated representatives of the President shall initiate appropriate consultations with the Congress to review the information submitted in the annual report;

(4) A requirement that the President suspend U.S. bilateral assistance to, and instruct U.S. executive directors of multilateral banks to vote against any loans for, any major illicit drug-producing country that has failed to take adequate steps to prevent narcotic drugs from entering the United States. In determining whether adequate steps have been taken, the President shall give foremost consideration to whether the actions of such country have resulted in the maximum production reductions determined by the President to be achievable.

(5) Specific criteria which must be met by a country to which aid has been suspended pursuant to this section, before aid can be reinstated.

The conference committee notes that the substitute provision adopted provides flexibility to the President in determining whether to suspend U.S. assistance to an illicit narcotics-producing nation. The conferees note that this provision is less stringent than that contained in the Senate amendment, which was adopted by a 96-0 roll call vote, and that if the President abuses the flexibility provided in the substitute provision, a more rigid requirement regarding reductions in narcotics production can be expected in the future.

The conferees recognize that the reporting requirement contained in the substitute is comprehensive, and that the executive branch may not be able to compile all the required information by the initial February 1, 1984 reporting date. The conferees will take this factor into account during the first annual consultations with the Congress, but will expect a complete and detailed report for all subsequent consultations. The conferees also note that several committees and caucuses will be interested in the annual report and consultation process.

The conference committee does not intend Peace Corps activities or Fulbright exchanges to be considered assistance programs within the meaning of "U.S. assistance" required to be suspended pursuant to the requirements of this provision.

FOREIGN AID AUTHORIZATION REQUIREMENT

The Senate amendment required enactment of authorization legislation prior to appropriation or obligation of foreign aid funds in excess of current continuing resolution levels, except for Egypt and Israel.

The House bill contained no comparable provision.

The conference substitute contains no provision on this issue since the second continuing resolution for fiscal year 1984 (enacted Nov. 14, 1983) provides foreign assistance authorizations.

REPORTING REQUIREMENT RELATING TO DEFENSE PACTS

The Senate amendment directed that the President shall transmit to the Speaker of the House and the President of the Senate, no later than January 31 of each year, a report assessing the efforts made by countries which are party to bilateral or multilateral defense agreements with the United States to promote their own defense.

The House bill contained no comparable provision.

The conference substitute contains no comparable provision.

CLEMENT J. ZABLOCKI,
DANTE B. FASCELL,
GUS YATRON,
STEPHEN J. SOLARZ,
DAN MICA,
GEO. W. CROCKETT, JR.,
PETER H. KOSTMAYER,
LAWRENCE J. SMITH,
WM. S. BROOMFIELD,
BENJAMIN A. GILMAN,
JOEL PRITCHARD,
MARK D. SILJANDER,
As additional conferees solely for consideration of title VIII of the Senate amendment and modifications committed to conference:
CARL D. PERKINS,
WILLIAM D. FORD,
IKE ANDREWS,
PAUL SIMON,
JOHN N. ERLENBORN,
TOM COLEMAN,
Managers on the Part of the House.

CHARLES PERCY,
RICHARD G. LUGAR,
CHARLES McC. MATHIAS, JR.,
CLAIBORNE PELL,
JOE BIDEN,
For consideration of all titles except title II:
JOHN GLENN,
Solely for consideration of title II:
EDWARD ZORINSKY
Managers on the Part of the Senate.

ANNOUNCEMENT OF PENDING CONSIDERATION OF CONFERENCE REPORT ON H.R. 2915

Mr. FASCELL. Mr. Speaker, pursuant to a previous order of the House, I hereby announce that the conference report is available and may be considered any time after 1 hour.

APPOINTMENT OF CONFEREES ON HOUSE JOINT RESOLUTION 308, INCREASING THE STATUTORY LIMIT ON THE PUBLIC DEBT

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the joint resolution (H.J. Res. 308) increasing the statutory limit on the public debt, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. CONABLE. Mr. Speaker, reserving the right to object, I do so for the purpose of asking the distinguished chairman of the committee what his expectation is if we go to conference on this matter, about the timing and so forth. Can the gentleman tell us something about that?

Mr. ROSTENKOWSKI. If the gentleman will yield, I would hope to go into conference either tonight or tomorrow, at our earliest convenience, and report back to the House of Representatives on the debt ceiling.

Mr. CONABLE. The gentleman intends to have a small conference committee from the House; is that correct?

Mr. ROSTENKOWSKI. The gentleman from New York is correct.

Mr. CONABLE. In other words, extended debate is not anticipated on this matter.

Mr. ROSTENKOWSKI. It is not.

Mr. CONABLE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? The Chair hears none, and appoints the following conferees: Messrs. ROSTENKOWSKI, GIBBONS, PICKLE, CONABLE, and DUNCAN.

□ 1810

CONFERENCE REPORT ON H.R. 2906, ARMS CONTROL AND DISARMAMENT ACT AUTHORIZATION

Mr. ZABLOCKI submitted the following conference report and statement on the bill (H.R. 2906) to amend the Arms Control and Disarmament Act in order to extend the authorization for appropriations:

CONFERENCE REPORT (H. REPT. No. 98-564)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2906) to amend the Arms Control and Disarmament Act in order to extend the authorization for appropriations, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That section 49(a) of the Arms Control and Disarmament Act (22 U.S.C. 2589(a)) is amended to read as follows:

"SEC. 49. (a) To carry out the purposes of this Act, there are authorized to be appropriated—

"(1) for the fiscal year 1984, $20,888,000;

"(2) for the fiscal year 1985, $21,932,000; and

"(3) such additional amounts as may be necessary, for each such fiscal year, for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs, and to offset adverse fluctuations in foreign currency exchange rates.

Of the sums authorized to be appropriated for the fiscal years 1984 and 1985, not less than $200,000 shall be available in each such fiscal year only for the program for visiting scholars in the field of arms control and disarmament established under section 28 of this Act. Amounts appropriated under this subsection are authorized to remain available until expended.".

SEC. 2. Section 22 of the Arms Control and Disarmament Act (22 U.S.C. 2562) is amended by striking out "He" in the third sentence and inserting in lieu thereof the following: "The Director shall attend all meetings of the National Security Council involving weapons procurement, arms sales, consideration of the defense budget, and all arms control and disarmament matters. The Director".

SEC. 3. Title II of the Arms Control and Disarmament Act (22 U.S.C. 2561 et seq.) is amended by adding at the end thereof the following new section:

"PROGRAM FOR VISITING SCHOLARS

"SEC. 28. A program for visiting scholars in the field of arms control and disarmament shall be established by the Director in order to obtain the services of scholars from the faculties of recognized institutes of higher learning. The purpose of the program will be to give specialists in the physical sciences and other disciplines relevant to the Agency's activities an opportunity for active participation in the arms control and disarmament activities of the Agency and to gain for the Agency the perspective and expertise such persons can offer. Each fellow in the program shall be appointed for a term of one year, except that such term may be extended for a 1-year period. Fellows shall be chosen by a board consisting of the Director, who shall be the chairperson, and all former Directors of the Agency.".

SEC. 4. The Arms Control and Disarmament Act is amended by adding at the end thereof the following new section:

"SPECIALISTS FLUENT IN RUSSIAN LANGUAGE

"SEC. 51. The Director is authorized to create up to eight additional permanent personnel positions at both junior and more senior levels for specialists in Soviet foreign and military policies, arms control, or strategic affairs, who also demonstrate fluency in the Russian language.".

REPORT TO CONGRESS ON SOVIET COMPLIANCE WITH ARMS CONTROL AGREEMENTS

SEC. 5. The President shall prepare and transmit to the Congress a report on the record of the compliance or noncompliance of the Soviet Union with existing arms control agreements to which the Soviet Union is a party.

SPECIAL REPRESENTATIVES FOR ARMS CONTROL AND DISARMAMENT NEGOTIATIONS

SEC. 6. (a) Section 27 of the Arms Control and Disarmament Act (22 U.S.C. 2567) is amended by striking out "a Special Representative" and inserting in lieu thereof "two Special Representatives".

(b) Section 5315 of title 5, United States Code, is amended—

(1) by striking out

"Special Representative for Arms Control and Disarmament Negotiations, United States Arms Control and Disarmament Agency."; and

(2) by adding at the end thereof the following:

"Special Representatives for Arms Control and Disarmament Negotiations, United States Arms Control and Disarmament Agency (2).".

And the Senate agree to the same.

CLEMENT J. ZABLOCKI,
DANTE B. FASCELL,
LEE H. HAMILTON,
GERRY STUDDS,
DAN MICA,
WM. BROOMFIELD,
HENRY J. HYDE,
Managers on the Part of the House.

CHARLES H. PERCY,
JESSE HELMS,
RICHARD G. LUGAR,
CHARLES MCC. MATHIAS, JR.,
CLAIBORNE PELL,
J. R. BIDEN, JR.,
ALAN CRANSTON,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2906) to amend the Arms Control and Disarmament Act in order to extend the authorization for appropriations, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

ENHANCEMENT OF ACDA DIRECTOR'S POSITION ON THE NATIONAL SECURITY COUNCIL (NSC)

The House bill contained a provision which designates the Director of the Arms Control and Disarmament Agency (ACDA) to be a permanent member of the National Security Council (NSC).

The Senate amendment did not contain a comparable provision.

The committee of conference agreed to a substitute for the House provision.

The action of the committee of conference mandates that the Director of ACDA will attend all meetings of the National Security Council involving weapons procurement, arms sales, consideration of the defense

budget, and all arms control and disarmament matters. This action is meant to strengthen the status of the Agency. The conference committee views this action as a reaffirmation of the fundamental principle that arms control is a basic and integral component of U.S. national security. Presently, the Director of ACDA attends NSC meetings only by invitation.

The committee of conference is concerned that the Director of ACDA should be included in National Security Council meetings which may directly or indirectly concern arms control and disarmament matters.

Therefore, the conference committee believes that this mandate which enhances the Director's position on the NSC will facilitate and insure full consideration of the arms control aspects of all issues considered by the NSC. The committee of conference intends to preserve the Director of ACDA's relation to the NSC in order that he will be comparable to that of the Joint Chiefs of Staff. Should the Chairman of the Joint Chiefs of Staff be made a permanent Member of the National Security Council, the Committee on Foreign Affairs of the U.S. House of Representatives and the Committee on Foreign Relations of the U.S. Senate will seriously reconsider making the Director of ACDA a permament member of the National Security Council which will preserve the equilibrium of NSC.

VISITING SCHOLAR PROGRAM

The Senate amendment contained a provision which established a program for visiting scholars in the field of arms control and disarmament.

The House bill did not contain a comparable provision.

The conference substitute is the same as the Senate provision.

The purpose of this program is to afford specialists in various disciplines relevant to the Agency's activities, such as, but not limited to, the physical sciences, a valuable opportunity for first-hand experience in participation in ACDA's activities and to gain for the Agency the perspective and expertise such scholars can offer. Appointments will be for one-year terms, with a one-year extension permitted. To insure continuity and a non-partisan character, fellows will be chosen by a board chaired by the present Director and including all former Directors. Of the amounts authorized to be appropriated for ACDA for the fiscal years 1984 and 1985, the Senate amendment directs that not less than $200,000 be available in each such year to provide initial funding for the program.

In adopting the Senate amendment, the conferees believe that the personnel strictures which the Agency has endured have reduced greatly its ability to do strong analytical work and to support fully current and perspective arms control negotiations. The program for visiting scholars is envisioned both as a source for the Agency, on a temporary basis, of people with the background and expertise to contribute to the Agency's work and as an opprotunity for interested scholars to gain practical experience in current arms control and disarmament activities.

SPECIALIST FLUENT IN RUSSIAN LANGUAGE

The Senate amendment authorized the Director to create up to eight additional permanent personnel positions for specialists in Soviet foreign and military policies, arms control, or strategic affairs, who also demonstrate fluency in the Russian language.

The House bill did not contain a comparable provision.

The conference substitute is the same as the Senate provision.

In taking this action, the committee of conference intends to encourage the Agency to employ a sufficient number of personnel with appropriate backgrounds, as well as skills in the Russian language, to assist at negotiations, and in other arms control activities.

It is not intended that fluency in Russian should substitute for other skills the Agency might seek in its professional employees. The personnel the Director could appoint under this provision would be expected to meet the same standards as others considered for employment. However, it is expected that fluency in Russian should constitute an additional qualification which would give persons with that skill a unique value to the Agency.

The report language in the Senate bill establishes guidelines with respect to the implementation of this program, and it is the intent of the committee of conference that that language will be used to implement this provision of the conference substitute.

REPORT ON SOVIET COMPLIANCE WITH ARMS CONTROL AGREEMENTS

The Senate amendment contained a provision which requires the President to submit a report to the Congress on Soviet compliance with arms control agreements.

The House bill did not contain a comparable provision.

The conference substitute is the same as the Senate provision.

In taking this action, the committee of conference expects the President to submit a report to the Congress on Soviet compliance or non-compliance with existing arms control agreements to which the Soviets are a party.

SPECIAL REPRESENTATIVE FOR ARMS CONTROL NEGOTIATIONS

The Senate amendment contained a provision which creates a new position of "Special Representative for Arms Control and Disarmament Negotiations". This position is for the Intermediate-Range Nuclear Force (INF) Negotiator, Paul Nitze. The pay level for this position is established at level IV of the Executive Schedule. This is to be the second such position at the Agency.

The House bill did not contain a comparable provision.

The conference substitute is the same as the Senate provision.

The inclusion of this provision does not prejudice the request of the executive branch for further promotions for senior ACDA personnel. The Committees on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives expect to consider the executive branch request for such promotions next year. The committee of conference believes that the Senate provision underscores the importance of the INF talks. This provision is intended to reinforce the desire of the Congress that the INF talks continue beyond the point of initial missile deployments.

CLEMENT J. ZABLOCKI,
DANTE B. FASCELL,
LEE H. HAMILTON,
GERRY STUDDS,
DAN MICA,
WM. BROOMFIELD,
HENRY J. HYDE,
Managers on the Part of the House.
CHARLES H. PERCY,
JESSE HELMS,
RICHARD G. LUGAR,
CHARLES McC. MATHIAS, Jr.,
CLAIBORNE PELL,
J. R. BIDEN, Jr.,
ALAN CRANSTON,
Managers on the Part of the Senate.

ANNOUNCEMENT OF PENDING CONSIDERATION OF CONFERENCE REPORT ON H.R. 2906

Mr. ZABLOCKI. Mr. Speaker, pursuant to the previous order of the House, I hereby announce that the conference report on H.R. 2906, Arms Control and Disarmament Act Authorization, is available and may be considered at any time after 1 hour.

WETLANDS LOANS ACT EXTENSION

Mr. BREAUX. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2395) to extend the Wetlands Loan Act, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

That the first section of the Act entitled "An Act to promote the conservation of migratory waterfowl by the acquisition of wetlands and other essential waterfowl habitat, and for other purposes", approved October 4, 1961, is amended by striking out "September 30, 1983," and inserting in lieu thereof "September 30, 1984,".

SEC. 2. Section 3 of such Act of October 4, 1961, is amended by striking out "October 1, 1983," each place it appears therein and inserting in lieu thereof "October 1, 1984,".

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. FORSYTHE. Mr. Speaker, reserving the right to object, I yield to the chairman of the subcommittee to explain the very simple change that has been made by the Senate in this bill.

Mr. BREAUX. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the legislation before the House H.R. 2395, originally passed the House on October 31, 1983. The other body passed the bill on November 17, 1983, after adopting an amendment. The purpose of H.R. 2395 is to extend the Wetlands Loan Fund. The substantive differences between the House and Senate version are minor and I will explain them shortly.

First, however, I would like to address the need for extending the Wetlands Loan Act. This Nation is losing wetlands at the alarming rate of over 715 square miles every year. However staggering this loss appears in terms of acreage, the loss has even greater significance in terms of lost benefits to

the general public. Wetlands serve not only as critical nurseries for fish and shellfish, but also provide breeding and wintering ground for our Nation's magnificent migratory birds, and habitat to countless other plants and animals. In addition, they help to control floods and meet our ever-growing need for safe, pure water.

In 1961, the Wetlands Loan Act was adopted to provide a means to accelerate the acquisition of migratory waterfowl habitat. This law, as amended, authorizes $200 million to be appropriated as a loan against future duck stamp revenues and to be repaid after the act expired on September 30, 1983. If the loan authority is not extended, 75 percent of the revenues raised from the sale of the duck stamp will have to be used to repay the loans, of which more than $150 million has been appropriated. As a result, less than $4 million per year would be available from duck stamp revenues for habitat acquisition.

Mr. Speaker, H.R. 2395 extends the Wetlands Loan Act until September 30, 1993. In contrast to the 10-year extension of the Wetlands Loan Act passed by the House, the other body passed a 1-year authorization. Both the House and the other body had originally intended to move the Wetlands Loan Act as part of a comprehensive wetlands acquisition measure. However, this comprehensive legislation, H.R. 3082, the Emergency Wetlands Resources Act, is not expected to reach the floor until the next session. Such a delay in extending the Wetlands Loan Act would disrupt the Fish and Wildlife Service's wetland acquisition program with the Migratory Bird Conservation Account as funds cannot be committed unless there is certainty that they will not be needed to pay off the loan. It is with the understanding that a longer extension will be adopted as part of an overall package in the next session that we have agreed to accept the amendment and urge our colleagues to support this legislation.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, I would like to ask the gentleman from Louisiana (Mr. BREAUX) the question as to whether the Senate has added any significant amendments beyond what were adopted in the House.

Mr. BREAUX. Mr. Speaker, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from Louisiana.

Mr. BREAUX. Mr. Speaker, I would respond to the gentleman from Ohio (Mr. SEIBERLING) by saying that the Senate has added no amendments to the bill. The only difference is that they had a 1-year bill. We had tried to go ahead and do it for a 10-year period, but we have yielded to the Senate for 1 year. That is the only change, and nothing has been added by the other body or by the House.

Mr. SEIBERLING. Mr. Speaker, I thank the gentleman.

● Mr. JONES of North Carolina. Mr. Speaker, the bill before us today, H.R. 2395, as amended by the Senate, will extend the authorization for the Wetlands Loan Act through September 30, 1984, and the loan repayment date to October 1, 1984.

The Wetlands Loan Act, passed by Congress in 1961, authorized $200 million to be appropriated as a loan against future duck stamp revenues. To date, approximately $152 million has been appropriated out of the $200 million authorized. The authorization expired at the end of fiscal year 1983 and, without this bill, wetlands acquisition will come to a virtual standstill.

Since the authorization has expired, 75 percent of the revenues raised from the sale of the duck stamp must be used to repay the loan. According to the Department of the Interior, those repayments must begin with the second quarter of this fiscal year or January 1, 1984.

H.R. 2395 was reported to the House of Representaatives on May 16, 1983, with the unanimous support of the Merchant Marine and Fisheries Committee. My committee authorized a 10-year extension of the Wetlands Loan Act as well as a 10-year extension of the repayment period. On October 31 of this year the House passed H.R. 2395 by unanimous voice vote under suspension of the rules. The Senate passed H.R. 2395 on November 17, 1983, with an amendment striking the 10-year extension and repayment provisions and inserting a 1-year extension and repayment period.

The Committee on Merchant Marine and Fisheries has also reported a comprehensive legislative initiative dealing with the acquisition and protection of our wetlands resources. However, that legislation, H.R. 3082, was sequentially referred to two other committees for a period ending March 1, 1984, thereby delaying any further action this session of Congress. Given the urgency of the situation, I strongly urge my colleagues to concur with the Senate amendment to the House-passed bill, and clear H.R. 2395 for the President's signature.●

Mr. FORSYTHE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just considered.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

HEALTH RESEARCH EXTENSION ACT OF 1983

The SPEAKER. Pursuant to House Resolution 208 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2350.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the Bill (H.R. 2350) to amend the Public Health Service Act to revise and extend the authorities under that act relating to the National Institutes of Health and the National Research Institutes, and for other purposes, with Mr. BREAUX in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Monday, July 25, 1983, all time for general debate had expired.

Pursuant to the rule, the bill is considered as having been read for amendment under the 5-minute rule.

The Clerk will designate section 1.

The text of section 1 of the bill is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) This Act may be cited as the "Health Research Extension Act of 1983".

(b) Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision the reference shall be considered to be a reference to a section or other provision of the Public Health Service Act.

The CHAIRMAN. Are there any amendments to section 1 of the bill?

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SHELBY

Mr. SHELBY. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. SHELBY: Strike out after the enacting clause and insert in lieu thereof the following:

SHORT TITLES; REFERENCE TO ACT; AND TABLE OF CONTENTS

SECTION 1. (a) This Act may be cited as the "Health Research Extension Act of 1983".

(b) Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to

be a reference to a section or other provision of the Public Health Service Act.

TABLE OF CONTENTS

Sec. 1. Short title; reference to Act; and table of contents
Sec. 2. Revision of title IV of the Public Health Service Act.

TITLE IV—NATIONAL RESEARCH INSTITUTES

PART A—NATIONAL INSTITUTES OF HEALTH

Sec. 401. Organization of NIH.
Sec. 402. Appointment and authority of Director of NIH.
Sec. 403. National Institutes of Health Advisory Board.
Sec. 404. Report of Director of NIH.
Sec. 405. Centers for research and demonstration of health promotion and disease prevention.

PART B—GENERAL PROVISIONS RESPECTING NATIONAL RESEARCH INSTITUTES

Sec. 407. Appointment and authority of the Directors of the National Research Institutes.
Sec. 408. Advisory councils.
Sec. 409. Biennial report.
Sec. 410. Authorizations of appropriations.

PART C—SPECIFIC PROVISIONS RESPECTING NATIONAL RESEARCH INSTITUTES

Subpart 1—National Cancer Institute

Sec. 411. Purpose of Institute.
Sec. 412. National cancer program.
Sec. 413. Cancer control programs.
Sec. 414. Special authorities of the Secretary and the Director.
Sec. 415. National cancer research and demonstration centers.
Sec. 416. President's cancer panel.

Subpart 2—National Heart, Lung, and Blood Institute

Sec. 421. Purpose of the Institute.
Sec. 422. Heart, blood vessel, lung, and blood disease prevention and control programs.
Sec. 423. Information and education.
Sec. 424. National heart, blood vessel, lung, and blood diseases and blood resources program.
Sec. 425. National research and demonstration centers for heart, blood vessel, lung, and blood diseases, sickle cell anemia, and blood resources.
Sec. 426. Interagency technical committee.

Subpart 3—National Institute of Diabetes and Digestive and Kidney Diseases

Sec. 431. Purpose of the Institute.
Sec. 432. Information clearinghouses and data systems.
Sec. 433. Associate Director for diabetes and digestive and kidney diseases.
Sec. 434. Interagency coordinating committees.
Sec. 435. Advisory boards.
Sec. 436. Research and training centers.
Sec. 437. Advisory council subcommittees.
Sec. 438. Biennial report.

Subpart 4—National Institute of Arthritis and Musculoskeletal Diseases

Sec. 443. Purposes of the Institute.
Sec. 444. Information clearinghouse and data system.
Sec. 445. Interagency coordinating committees.
Sec. 446. Arthritis and musculoskeletal diseases demonstration projects.
Sec. 447. Multipurpose arthritis and musculoskeletal diseases centers.
Sec. 448. Advisory Board.
Sec. 449. Biennial report.

Subpart 5—National Institute on Aging

Sec. 451. Purpose of the Institute.
Sec. 452. Special functions of the Secretary.
Sec. 453. Alzheimer's Disease Centers.

Subpart 6—National Institute of Allergy and Infectious Diseases

Sec. 455. Purpose of the Institute.

Subpart 7—National Institute of Child Health and Human Development

Sec. 457. Purpose of the Institute.
Sec. 458. Sudden infant death syndrome.
Sec. 459. Mental retardation research centers.

Subpart 8—National Institute of Dental Research

Sec. 461. Purpose of the Institute.

Subpart 9—National Eye Institute

Sec. 463. Purpose of the Institute.

Subpart 10—National Institute of Neurological and Communicative Disorders and Stroke

Sec. 465. Purpose of the Institute.
Sec. 466. Spinal cord regeneration research.
Sec. 467. Bioengineering research.

Subpart 11—National Institute of General Medical Sciences

Sec. 471. Purpose of the Institute.

Subpart 12—National Institute of Environmental Health Sciences

Sec. 473. Purpose of the Institute.

PART D—OTHER AGENCIES OF NIH

Sec. 475. Division of Research Resources.
Sec. 476. John E. Fogarty International Center for Advanced Study in the Health Sciences.

PART E—AWARDS AND TRAINING

Sec. 479. National research service awards.
Sec. 480. Visiting scientist awards.
Sec. 481. Studies respecting biomedical and behavioral research personnel.

PART F—GENERAL PROVISIONS

Sec. 483. Institutional review boards; ethics guidance program.
Sec. 484. Peer review.
Sec. 485. Protection against scientific fraud.
Sec. 486. Research and public health emergencies.
Sec. 487. Animals in research.
Sec. 488. Use of appropriations under this title.
Sec. 489. Gifts.
Sec. 490. Construction of title.
Sec. 3. Conforming amendments.
Sec. 4. Amendments relating to the National Library of Medicine.
Sec. 5. Studies of animals in research.
Sec. 6. Interagency committee on spinal cord injury.
Sec. 7. Study of personnel for health needs of elderly.
Sec. 8. Interagency committee on learning disabilities.
Sec. 9. Diet therapy for kidney failure.
Sec. 10. National Commission on Orphan Diseases.
Sec. 11. President's Commission on Human Application of Genetic Engineering.
Sec. 12. Review of disease research programs of the National Institute of Diabetes and Digestive and Kidney Diseases.
Sec. 13. Effective date.

REVISION OF TITLE IV OF THE PUBLIC HEALTH SERVICE ACT

SEC. 2. Title IV of the Public Health Service Act is amended to read as follows:

"TITLE IV—NATIONAL RESEARCH INSTITUTES

"PART A—NATIONAL INSTITUTES OF HEALTH

"ORGANIZATION OF NIH

"SEC. 401. (a) The National Institutes of Health is an agency of the Service.

(b)(1) The following national research institutes are agencies of the National Institutes of Health:

"(A) The National Cancer Institute.

"(B) The National Heart, Lung, and Blood Institute.

"(C) The National Institute of Diabetes and Digestive and Kidney Diseases.

"(D) The National Institute of Arthritis and Musculoskeletal Diseases.

"(E) The National Institute on Aging.

"(F) The National Institute of Allergy and Infectious Diseases.

"(G) The National Institute of Child Health and Human Development.

"(H) The National Institute of Dental Research.

"(I) The National Eye Institute.

"(J) The National Institute of Neurological and Communicative Disorders and Stroke.

"(K) The National Institute of General Medical Sciences.

"(L) The National Institute of Environmental Health Sciences.

"(2) The following entities are agencies of the National Institutes of Health:

"(A) The Division of Research Resources.

"(B) The National Library of Medicine.

"(C) The John E. Fogarty International Center for Advanced Study in the Health Sciences.

"(3) The Secretary may establish in the National Institutes of Health one or more additional national research institutes to conduct and support research, training, health information, and related programs relating to any particular disease or groups of diseases or any other aspect of human health if—

"(A) the Secretary determines that an additional institute is necessary to carry out such activities; and

"(B) the additional institute is not established before the expiration of sixty days after the Secretary has provided the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate written notice of the determination, described in subparagraph (A), made with respect to the institute.

"(c) For purposes of this title, the term 'national research institute' means a national research institute referred to in subsection (b)(1) or established under subsection (b)(3).

"APPOINTMENT AND AUTHORITY OF DIRECTOR OF NIH

"SEC. 402. (a) The National Institutes of Health shall be headed by the Director of the National Institutes of Health (hereinafter in this title referred to as the 'Director of NIH') who shall be appointed by the President by and with the advice and consent of the Senate. The Director of NIH shall perform functions as provided under subsection (b) and as the Secretary may otherwise prescribe.

"(b) In carrying out the purposes of section 301, the Secretary, acting through the Director of NIH—

"(1) shall be responsible for the overall direction of the National Institutes of Health and for the establishment and implementation of general policies respecting the man-

agement and operation of programs and activities within the National Institutes of Health;

"(2) shall coordinate and oversee the operation of the national research institutes and other administrative entities within the National Institutes of Health;

"(3) shall assure that research at the National Institutes of Health is subject to review in accordance with section 484(b);

"(4) for the national research institutes and administrative entities within the National Institutes of Health—

"(A) may—

"(i) acquire and construct, and

"(ii) improve, repair, operate, and maintain,

laboratories, other research facilities, other facilities, equipment, and other real or personal property (including patents), and

"(B) may acquire, without regard to the Act of March 3, 1877 (40 U.S.C. 34), by lease or otherwise through the Administrator of General Services, buildings or parts of buildings in the District of Columbia or communities located adjacent to the District of Columbia for use for a period not to exceed ten years;

"(5) may secure resources for research conducted by or through the National Institutes of Health;

"(6) may, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, establish such technical and scientific peer review groups as are needed to carry out the requirements of this title and appoint and pay the members of such groups, except that officers and employees of the United States shall not receive additional compensation for service on such groups;

"(7) may secure for the National Institutes of Health consultation services and advice of persons from the United States or abroad;

"(8) may use, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, or local public agencies, with or without reimbursement therefor;

"(9) may, for purposes of study, admit and treat at facilities of the National Institutes of Health individuals not otherwise eligible for such treatment;

"(10) may accept voluntary and uncompensated services; and

"(11) may perform such other administrative functions as the Secretary determines are needed to carry out effectively this title.

The Federal Advisory Committee Act does not apply to the duration of a peer review group appointed under paragraph (5), and the Office of Management and Budget shall not exercise any authority under such Act with respect to such a group.

"(c) The Director of NIH may make available to individuals and entities, for biomedical and behavioral research, substances and living organisms. Such substances and organisms shall be made available under such terms and conditions (including payment for them) as the Secretary determines appropriate.

"(d)(1) The Director of NIH may obtain (in accordance with section 3109 of title 5, United States Code, but without regard to the limitation in such section on the number of days or the period of service) the services of not more than two hundred experts or consultants, with scientific or other professional qualifications, for the National Institutes of Health.

"(2)(A) Except as provided in subparagraph (B), experts and consultants whose services are obtained under paragraph (1) shall be paid or reimbursed, in accordance with title 5, United States Code, for their travel and other expenses associated with their assignment.

"(B) Expenses specified in subparagraph (A) shall not be allowed in connection with the assignment of an expert or consultant whose services are obtained under paragraph (1) unless the expert or consultant has agreed in writing to complete the entire period of the assignment or one year of the assignment, whichever is shorter, unless separated or reassigned for reasons which are beyond the control of the expert or consultant and which are acceptable to the Secretary. If the expert or consultant violates the agreement, the money spent by the United States for such expenses is recoverable from the expert or consultant as a debt due the United States.

"(e)(1) Director of NIH shall establish a plan for—

"(A) research to be conducted by or through the National Institutes of Health and the national research institutes into methods of biomedical research and experimentation—

"(i) which do not require the use of animals;

"(ii) which reduce the number of animals used in such research; or

"(iii) which produce less pain and distress in such animals than methods currently in use;

"(B) establishing the validity and reliability of the methods described in subparagraph (A);

"(C) the development of such methods which have been found to be valid and reliable; and

"(D) the training of scientists in the use of such methods.

The plan required by this paragraph shall be prepared not later than June 1, 1984.

"(2) The Director of NIH shall take such actions as may be appropriate to convey to scientists and others involved with research or experimentation involving animals information respecting the methods found to be valid and reliable under paragraph (1)(A)

"(3) The Director of NIH shall establish within the National Institutes of Health an Interagency Coordinating Committee to assist the Director of NIH in the development of the plan required by paragraph (1). The Director of each national research institute (or his designee) shall serve on the Committee.

"(f) The Director of NIH shall—

"(1) advise the agencies of the National Institutes of Health on medical applications of research;

"(2) coordinate, review, and facilitate the systematic identification and evaluation of, clinically relevant information from research conducted by or through the national research institutes;

"(3) promote the effective transfer of the information described in paragraph (2) to the health care community and to entities that require such information; and

"(4) monitor the effectiveness of the activities described in paragraph (3).

"NATIONAL INSTITUTES OF HEALTH ADVISORY BOARD

"SEC. 403. (a) The Secretary shall appoint a National Institutes of Health Advisory Board (hereinafter in this section referred to as the 'Advisory Board'). The Advisory Board shall, as the Secretary or the Director of NIH deems appropriate, advise, consult with, and make recommendations to the Secretary or the Director of NIH with respect to the functions under section 402.

"(b)(1) The Advisory Board shall consist of not more than eighteen members. Two thirds of the members shall be appointed by the Secretary from among the leading representatives of the health and scientific disciplines and of those members at least one third shall be experts in public health or the behavioral or social sciences. At least one third of the members shall be appointed by the Secretary from leaders in the fields of public policy, law, health policy, economics, and management and of those members one member appointed by the Secretary from the general public. The Advisory Board shall include such ex officio members as the Secretary may designate to assist the Advisory Board in carrying out its functions.

"(2) Members of the Advisory Board who are officers or employees of the United States shall not receive any compensation for service on the Advisory Board. The other members of the Advisory Board shall receive, for each day they are engaged in the performance of the functions of the Advisory Board, compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule, including traveltime.

"(c) The term of office of an appointed member of the Advisory Board is four years, except that the Secretary shall stagger the terms of the members first appointed so that not more than one third of the members' terms will expire in any one year. Any member appointed for the remainder of such term. A member may serve after the expiration of the member's term until a successor has taken office. A member who has been appointed for a term of four years may not be reappointed to the Advisory Board before two years from the date of the expiration of such term of office. If a vacancy occurs in the Advisory Board, the Secretary shall make an appointment to fill the vacancy not later than ninety days from the date the vacancy occurred.

"(d) The chairman of the Advisory Board shall be selected by the Secretary from among the appointed members, except that the Secretary may select the Director of NIH to be the chairman of the Advisory Board. The term of office of the chairman shall be two years.

"(e) The Advisory Board shall meet at the call of the chairman or upon the request of the Director of NIH, but at least three times in each fiscal year. The location of the meetings of the Advisory Board is subject to the approval of the Director of NIH.

"(f) The Director of NIH shall designate a member of the staff of the National Institutes of Health to serve as the executive secretary of the Advisory Board. The Director of NIH shall make available to the Advisory Board such staff assistants, information, and other assistance as it may require to carry out its functions. The Director of NIH shall provide orientation and training for new members of the Advisory Board to provide them with such information and training as may be appropriate for their effective participation in the functions of the Advisory Board.

"(g) In carrying out its functions the Advisory Board may appoint subcommittees with the approval of the Director of NIH.

"(h) The Advisory Board may prepare, for inclusion in the biennial report under sec-

tion 404, a biennial report respecting the activities of the Advisory Board and including its recommendations respecting the program policies of the Secretary and the Director of NIH.

"REPORT OF DIRECTOR OF NIH

"SEC. 404. The Secretary shall transmit to the President and to the Congress a biennial report which shall be prepared by the Director of NIH and which shall consist of—

"(1) a description of the activities carried out through the National Institutes of Health and the policies respecting the programs of the National Institutes of Health and such recommendations respecting such policies as the Secretary deems appropriate;

"(2) without revision, any biennial report of the National Institutes of Health Advisory Board; and

"(3) the biennial reports of the Directors of each of the national research institutes.

The first report under this section shall be submitted not later than the first November 30 which occurs at least eighteen months after the date of enactment of this section and shall relate to the two-fiscal-year period ending on the preceding September 30.

"CENTERS FOR RESEARCH AND DEMONSTRATION OF HEALTH PROMOTION AND DISEASE PREVENTION

"SEC. 405. (a) The Director of NIH shall establish and maintain Centers for Research and Demonstration of Health Promotion and Disease Prevention to undertake research and demonstration projects in health promotion, disease prevention, and improved methods of appraising health hazards and risk factors. The centers shall serve as demonstration sites for the use of new and innovative research in public health techniques to prevent chronic diseases.

"(b) Each center assisted under this section shall—

"(1) be located in an academic health center with—

"(A) a multidisciplinary public health faculty which has demonstrated working relationships with relevant groups in such fields as medicine, dentistry, nutrition, psychology, nursing, social work, pharmacy, education, and business;

"(B) graduate training programs relevant to disease prevention;

"(C) core faculty in epidemiology, biostatistics, social sciences, behavorial and environmental health sciences, and health administration;

"(D) demonstrated core medical school curriculum in disease prevention;

"(E) residency training capability in public health and preventive medicine; and

"(F) such other qualifications as the Secretary may prescribe.

"(2) conduct—

"(A) health promotion and disease prevention research on retrospective and longitudinally prospective bases in population groups and communities;

"(B) demonstration projects for the delivery of health promotion and disease prevention services to defined population groups using, as appropriate, community outreach and organization techniques and other methods of educating and motivating communities; and

"(C) evaluation studies on the efficacy of its demonstration projects.

"(c) During fiscal year 1984 ten centers shall be established under subsection (a); during fiscal year 1985 an additional ten centers shall be established under such subsection; and during fiscal year 1985 an additional five centers shall be established under such subsection. Such centers shall be distributed geographically as well as within areas containing a wide range of population groups which exhibit disease incidences which are most amenable to preventive intervention.

"PART B—GENERAL PROVISIONS RESPECTING NATIONAL RESEARCH INSTITUTES

"APPOINTMENT AND AUTHORITY OF THE DIRECTORS OF THE NATIONAL RESEARCH INSTITUTES

"SEC. 407. (a) The Director of the National Cancer Institute shall be appointed by the President, and the Directors of the other national research institutes shall be appointed by the Secretary.

"(b)(1) In carrying out the purposes of section 301 with respect to the human disease or disorder or other aspect of human health for which the institutes were established, the Secretary, acting through the Director of each national research institutes—

"(A) shall encourage and support research, investigations, experiments, demonstrations, and studies in the health sciences related to—

"(i) the maintenance of health,

"(ii) the detection, diagnosis, treatment, and prevention of human diseases and other disorders,

"(iii) the rehabilitation of individuals with human diseases, disorders, and disabilities, and

"(iv) the expansion of knowledge of the processes underlying human diseases, disorders, and disabilities, the processes underlying the normal and pathological functioning of the body and its organ systems, and the processes underlying the interactions between the human organism and the environment;

"(B) may, subject to the review prescribed under section 484(b) and advisory council review prescribed by section 408(a)(3)(A)(i), conduct the research, investigations, experiments, demonstrations, and studies referred to in subpargraph (A);

"(C) may conduct and support research training (i) for which fellowship support is not provided under section 479, and (ii) which is not residency training of physicians or other health professionals;

"(D) may develop, implement, and support demonstrations and programs for the application of the results of the activities of the institute to clinical practice and disease prevention activities;

"(E) may develop, conduct, and support public and professional education and information programs;

"(F) may secure, develop and maintain, distribute, and support the development and maintenance of resources needed for research;

"(G) may make available the facilities of the institutes to appropriate entities and individuals engaged in research activities and cooperate with and assist Federal and State agencies charged with protecting the public health;

"(H) may accept unconditional gifts made to the institutes for their activities, and, in the case of gifts of a value in excess of $50,000, establish suitable memorials to the donor;

"(I) may secure for the institutes consultation services and advice of persons from the United States or abroad;

"(J) may use, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, or local public agenices, with or without reimbursement therefor;

"(K) may accept voluntary and uncompensated services; and

"(L) may perform such other functions as the Secretary determines are needed to carry out effectively the purposes of the institutes.

The indemnification provisions of section 2354, title 10, United States Code, shall apply with respect to contracts entered into under this subsection and section 402(b).

"(2) Support for an activity or program under this subsection may be provided through grants, contracts, and cooperative agreements. The Secretary, acting through the Director of each national research institute—

"(A) may approve any contract for resources for research conducted at or through the institute, except that if the total cost of the contract to be approved exceeds $500,000 the contract may be approved only after a peer review group authorized by regulations under section 484 has recommended approval of the contract;

"(B) may approve other contracts under paragraph (1) for research or training only if a peer review group authorized by regulations under section 484 has recommended approval of the contracts; and

"(C) may approve grants and cooperative agreements under paragraph (1) for research or training; except that—

"(i) if the direct cost of the grant or cooperative agreement to be approved does not exceed $35,000, such grant or cooperative agreement may be approved only after appropriate technical and scientific review in accordance with section 484, and

"(ii) if the direct cost of the grant, or cooperative agreement to be approved exceeds $35,000, such grant or cooperative agreement may be approved only after appropriate technical and scientific review in accordance with section 484 and recommendation for approval by the advisory council to the institute.

"(c) In carrying out subsection (b), each Director of a national research institute shall—

"(1) coordinate, as appropriate, the activities of the institute with similar programs of other public and private entities; and

"(2) cooperate with the national research institutes in the development and support of multidisciplinary research and research that involves more than one institute.

"(d)(1) There shall be in each national research institute (other than the National Institute of General Medical Sciences and the National Institute of Environmental Health Sciences) an Assistant Director for Prevention to coordinate and promote the programs in the institute into the prevention of disease. The Assistant Director of an institute shall be appointed by the Director of the institute from individuals who because of their professional training or experience are experts in public health or preventive medicine.

"(2) The Assistant Director for Prevention shall prepare for inclusion in the biennial report made under section 409 a description of the prevention activities of the Institute, including a description of the staff and resources allocated to those activities.

"ADVISORY COUNCILS

"SEC. 408. (a)(1) Except as provided in subsection (1), the Secretary shall appoint an advisory council for each national research institute which (A) shall advise, assist, consult with, and make recommendations to the Secretary and the Director of the Institute on matters related to the activities car-

ried out through the institute and the policies respecting such activities, and (B) shall carry out the special functions prescribed by part C.

"(2) Each advisory council for a national research institute shall recommend to the Secretary acceptance, in accordance with section 2101, of conditional gifts for study, investigation, or research respecting the disease, diseases, or other aspect of human health with respect to which the institute was established, for the acquisition of grounds, or for the construction, equipping, or maintenance of facilities for the institute.

"(3) Each advisory council for a national research institute—

"(A)(i) shall on the basis of the materials provided under section 484(b)(2) respecting research conducted at the institute, make recommendations to the Director of the institute respecting such research,

"(ii) shall review applications for grants and cooperative agreements for research or training for which advisory council approval is required under section 407(b)(2) and recommend for approval applications for projects which show promise of making valuable contributions to human knowledge, and

"(iii) may review any grant or cooperative agreement proposed to be made or entered into;

"(B) may collect information as to studies which are being carried on in the United States or any other country as to such disease, diseases, or other aspect of human health by correspondence or by personal investigation of such studies, and with the approval of the Director of the institute make available such information through appropriate publications for the benefit of public and private health entities and health professions personnel and scientists and for the information of the general public; and

"(C) may appoint subcommittees and convene workshops and conferences.

"(b)(1) Each advisory council shall consist of ex officio members and not more than eighteen members appointed by the Secretary. The ex officio members of an advisory council shall consist of the Secretary, the Director of NIH, the Director of the national research institute for which the council is established, the Chief Medical Officer of the Veterans' Administration, a medical officer designated by the Secretary of Defense, or the designees of such persons and such additional officers or employees of the United States as the Secretary deems necessary for the advisory council to effectively carry out its functions. The members of an advisory council who are not ex officio members shall be appointed as follows:

"(A) Two-thirds of the members shall be appointed from among the leading representatives of the health and scientific disciplines relevant to the activities of the institute for which the advisory council is established.

"(B) At least one-third of the members shall be appointed by the Secretary from leaders in each of the fields of public policy, law, health policy, economics, and management and of those members at least one member appointed by the Secretary from the general public.

Of the members appointed under subparagraph (A) to each advisory council, not less than one-third shall be experts in public health or the behavioral or social sciences.

"(2) Members of an advisory council who are officers or employees of the United States shall not receive any compensation for service on the advisory council. The other members of an advisory council shall receive, for each day they are engaged in the performance of the functions of the advisory council, compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule, including traveltime.

"(c) The term of office of an appointed member of an advisory council is four years, except that any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term and the Secretary shall make appointments to an advisory council in such a manner as to stagger the terms of the members. A member may serve after the expiration of the member's term until a successor has taken office. A member who has been appointed for a term of four years may not be reappointed to an advisory council before two years from the date of expiration of such term of office. If a vacancy occurs in the advisory council among the appointed members, the Secretary shall make an appointment to fill the vacancy within ninety days from the date the vacancy occurs.

"(d) The chairman of an advisory council shall be selected by the Secretary from among the appointed members, except that the Secretary may select the Director of the institute for which the advisory council is established to be the chairman of the advisory council. The term of office of the chairman shall be two years.

"(e) The advisory council shall meet at the call of the chairman or upon the request of the Director of the national research institute for which it was established, but at least three times each fiscal year. The location of the meetings of each advisory council is subject to the approval of the Director of the institute for which the council was established.

"(f) The Director of the national research institute for which an advisory council is established shall designate a member of the staff of the institute to serve as the executive secretary of the advisory council. The Director of such institute shall make available to the advisory council such staff assistants, information, and other assistance as it may require to carry out its functions. The Director of such institute shall provide orientation and training for new members of the advisory council to provide them with such information and training as may be appropriate for their effective participation in the functions of the advisory council.

"(g) Each advisory council may prepare, for inclusion in the biennial report made under section. 404, (1) comments respecting the activities of the advisory council in the fiscal years respecting which the report is prepared, (2) comments on the progress of the national research institute for which it was established in meeting its objectives, and (3) recommendations respecting the future directions and program and policy emphasis of the institute.

"(h)(1) Except as provided in paragraph (2), this section does not terminate the membership of any advisory council to a national research institute which was in existence on the date of the enactment of the Health Research Act of 1983. After such date—

"(A) the Secretary shall make appointments to each such advisory council in such a manner as to bring about as soon as practicable the composition prescribed by this section,

"(B) each advisory council shall organize itself in accordance with this section and exercise the functions prescribed by this section, and

"(C) the Director of each national research institute shall perform for such advisory council the functions prescribed by this section.

"(2)(A) This section applies to the National Cancer Advisory Board, the advisory council for the National Cancer Institute, except that (i) appointments to such Board shall be made by the President, (ii) of the members appointed to the Board not less than five members shall be individuals knowledgeable in environmental carcinogenesis (including carcinogenesis involving occupational and dietary factors), (iii) the chairman of the Board shall be selected by the President from the appointed members and shall serve as chairman for a term of two years, (iv) the ex officio members of the Board shall be the Secretary, the Director of the Office of Science and Technology Policy, the Director of NIH, the chief medical officer of the Veterans' Administration, the Director of the National Institute for Occupational Safety and Health, the Director of the National Institute of Environmental Health Sciences, the Secretary of Labor, the Commissioner of the Food and Drug Administration, the Administrator of the Environmental Protection Agency, the Chairman of the Consumer Product Safety Commission or the designees of such persons, and a medical officer designated by the Secretary of Defense, and (v) the Board shall meet at least four times each fiscal year.

"(B) This section applies to the advisory council to the National Heart, Lung, and Blood Institute, except that the advisory council shall meet at least four times each fiscal year.

"BIENNIAL REPORT

"SEC. 409. The Director of each national research institute, after consultation with the advisory council to the institute, shall prepare for inclusion in the biennial report made under section 404 a biennial report which shall consist of a description of the activities and program policies of the Director of the institute in the fiscal years respecting which the report is prepared and the biennial report made under section 407(c)(2). The Director of each institute shall provide the advisory council of the institute an opportunity for the submission of the written comments referred to in section 408(g).

"AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 410. (a) In addition to amounts otherwise authorized to be appropriated under this title for the National Institutes of Health, the following amounts are authorized to be appropriated:

"(1) For Centers for Research and Demonstrations of Health Promotion and Disease Prevention under section 405, there are authorized to be appropriated $10,000,000 for fiscal year 1984, $20,000,000 for fiscal year 1985, and $25,000,000 for fiscal year 1986.

"(2)(A) For the National Cancer Institute (other than its programs under sections 413 and 415), there are authorized to be appropriated $1,163,000,000 for fiscal year 1984, $1,221,000,000 for fiscal year 1985, and $1,300,000,000 for fiscal year 1986.

"(B) There are authorized to be appropriated for the programs under section 413 $64,000,000 for fiscal year 1984, $74,000,000 for fiscal year 1985, and $84,000,000 for fiscal year 1986.

"(3)(A) For the National Heart, Lung, and Blood Institute (other than its programs under section 422), there are authorized to

be appropriated $659,000,000 for fiscal year 1984, $756,000,000 for fiscal year 1985, and $865,000,000 for fiscal year 1986. Of the sums appropriated under this subsection for any fiscal year, not less than 15 per centum for such sums shall be reserved for programs respecting diseases of the lung and not less than 15 per centum of such sums shall be reserved for programs respecting blood diseases and blood resources.

"(B) For the programs under section 422, there are authorized to be appropriated $54,000,000 for fiscal year 1984, $62,000,000 for fiscal year September 30, 1985, and $71,000,000 for fiscal year 1986.

"(4)(A) For the National Diabetes Advisory Board and the National Digestive Diseases Advisory Board and for the advisory board established under section 448, there are authorized to be appropriated $400,000 for fiscal year 1984, $400,000 for fiscal year 1985, and $400,000 for fiscal year 1986.

"(B) For diabetes research and training centers under section 436, there are authorized to be appropriated $16,000,000 for fiscal year 1984, $18,000,000 for fiscal year 1985, and $20,000,000 for fiscal year 1986.

"(5)(A) For grants for arthritis and musculoskeletal diseases demonstration projects under section 446(a), there are authorized to be appropriated $2,000,000 for fiscal year 1984, and for each of the next two fiscal years.

"(B) For multipurpose arthritis and musculoskeletal diseases centers under section 447, there are authorized to be appropriated $15,000,000 for fiscal year 1984, $18,000,000 for fiscal year 1985, and $21,000,000 for fiscal year 1986.

"(6) For the National Diabetes Data System and the National Diabetes Information Clearinghouse under section 332 and the data system and clearinghouse under section 444, there are authorized to be appropriated $1,000,000 for fiscal year 1984, $1,100,000 for fiscal year 1985, and $1,200,000 for fiscal year 1986.

"(b)(1) Except as provided in paragraph (2), the sum of the amounts appropriated for any fiscal year for administrative expenses of the National Institutes of Health and its agencies may not exceed an amount which is 5.5 percent of the total amount appropriated for such fiscal year for the National Institutes of Health and its agencies to which this paragraph applies.

"(2) Paragraph (1) does not apply to the National Library of Medicine, the John E. Fogarty International Center for Advanced Study in the Health Sciences, and the Office of Medical Applications of Research.

"(3) For purposes of paragraph (1), the term 'administrative expenses' means expenses incurred for the support of activities relevant to the award of grants and contracts for research and expenses incurred for the administrative management and scientific direction of programs and activities of the National Institutes of Health and its agencies.

"PART C—SPECIFIC PROVISIONS RESPECTING NATIONAL RESEARCH INSTITUTES

"Subpart 1—National Cancer Institute

"PURPOSE OF INSTITUTE

"SEC. 411. The general purpose of the National Cancer Institute (hereinafter in this subpart referred to as the 'Institute') is the conduct and support of research, training, health information dissemination, and related programs with respect to the cause, diagnosis, prevention, and treatment of cancer.

"NATIONAL CANCER PROGRAM

"SEC. 412. The national cancer program shall consist of (1) an expanded, intensified, coordinated cancer research program encompassing the research programs conducted and supported by the Institute and the related research programs of the other national research institutes and including an expanded and intensified research program for the prevention of cancer caused by occupational or environmental exposure to carcinogens, and (2) the other programs and activities of the Institute.

"CANCER CONTROL PROGRAMS

"SEC. 413. The Director of the Institute shall establish and support demonstration, education, and other programs for the detection, diagnosis, prevention, and treatment of cancer and for rehabilitation and counseling respecting cancer. Programs established and supported under this section shall include—

"(1) locally initiated education and demonstration programs (and regional networks of such programs) to transmit research results and to disseminate information respecting the detection, diagnosis, prevention, and treatment of cancer and rehabilitation and counseling respecting cancer to physicians and other health professionals who provide care to individuals who have cancer;

"(2) the demonstration of and the education of students of the health professions and health professionals in—

"(A) effective methods for the prevention and early detection of cancer and the identification of individuals with a high risk of developing cancer, and

"(B) improved methods of patient referral to appropriate centers for early diagnosis and treatment of cancer; and

"(3) the demonstration of new methods for the dissemination of information to the general public concerning the prevention, early detection, diagnosis, and treatment and control of cancer and information concerning unapproved and ineffective methods, drugs, and devices for the diagnosis, prevention, treatment, and control of cancer.

"SPECIAL AUTHORITIES OF THE SECRETARY AND THE DIRECTOR

"SEC. 414. (a) The Secretary, acting through the Director of the Institute, shall establish an information and education center to collect, identify, analyze, and disseminate on a timely basis, through publications and other appropriate means, to cancer patients and their families, physicians and other health professionals, and the general public, information on cancer research, diagnosis, prevention, and treatment (including information respecting nutrition programs for cancer patients and the relationship between nutrition and cancer). The Director of the Institute may take such action as may be necessary to insure that all channels for the dissemination and exchange of scientific knowledge and information are maintained between the Institute and other scientific, medical, and biomedical disciplines and organizations nationally and internationally.

"(b) The Director of the Institute in carrying out the national cancer program—

"(1) may establish or support the large-scale production or distribution of specialized biological materials and other therapeutic substances for cancer research and set standards of safety and care for persons using such materials;

"(2) may, with the approval of the advisory council for the Institute, support (A) research in the cancer field outside the United States by highly qualified foreign nationals which research can be expected to inure to the benefit of the American people, (B) collaborative research involving American and foreign participants, and (C) the training of American scientists abroad and foreign scientists in the United States;

"(3) may, with the approval of the advisory council for the Institute, support appropriate programs of education (including continuing education) and training;

"(4) may encourage and coordinate cancer research by industrial concerns where such concerns evidence a particular capability for such research;

"(5) may obtain (with the approval of the Institute's advisory council and in accordance with section 3109 of title 5, United States Code, but without regard to the limitation in such section on the number of days or the period of such service) the services of not more than one hundred and fifty-one experts or consultants who have scientific or professional qualifications;

"(6)(A) may—

"(i) with the approval of the Institute's advisory council, acquire and construct, and

"(ii) improve, repair, operate, and maintain, such laboratories, other research facilities, equipment, and other real or personal property (including patents) as the Director deems necessary;

"(B) may make grants for new construction or renovation of facilities; and

"(C) may acquire, without regard to the Act of March 3, 1877 (40 U.S.C. 34), by lease or otherwise through the Administrator of General Services, buildings or parts of buildings in the District of Columbia or communities located adjacent to the District of Columbia for the use of the Institute for a period not to exceed ten years;

"(7) may, with the approval of the Institute's advisory council, appoint one or more advisory committees composed of such private citizens and officials of Federal, State, and local governments as he deems desirable to advise him with respect to his functions;

"(8) may, subject to section 407(b)(2), enter into such contracts, leases, cooperative agreements, or other transactions, without regard to section 3324 of title 31 of the United States Code and section 3709 of the Revised Statutes (41 U.S.C. 5), as may be necessary in the conduct of his functions, with any public agency, or with any person, firm, association, corporation, or educational institution; and

"(9)(A) shall prepare and submit, directly to the President for review and transmittal to Congress, an annual budget estimate (including an estimate of the number and type of personnel needs for the Institute) for the national cancer program, after reasonable opportunity for comment (but without change) by the Secretary, the Director of NIH, and the Institute's advisory council; and (B) may receive from the President and the Office of Management and Budget directly all funds appropriated by Congress for obligation and expenditure by the Institute.

"NATIONAL CANCER RESEARCH AND DEMONSTRATION CENTERS

"SEC. 415. The Director of the Institute, under policies established by the Director of NIH and after consultation with the Institute's advisory council, is authorized to enter into cooperative agreements with public or private nonprofit agencies or insti-

tutions to pay all or part of the cost of planning, establishing, or strengthening, and providing basic operating support during fiscal years 1984, 1985, and 1986 for at least fifty-five centers for basic and clinical research into, training in, and demonstration of advanced diagnostic, prevention, and treatment methods for cancer. Federal payments under this subsection in support of such cooperative agreements may be used for (1) construction (notwithstanding any limitation under section 488), (2) staffing and other basic operating costs, including such patient care costs as are required for research, (3) training, including training for allied health professionals, continuing education for health professionals and allied health professions personnel, and information programs for the public respecting cancer, and (4) demonstration purposes. As used in this section, the term 'construction' does not include the acquisition of land, and the term 'training' does not include research training for which fellowship support may be provided under section 479. Support of a center under this section may be for a period of not to exceed five years and such period may be extended by the Director for additional periods of not more than five years each after review of the operations of such center by an appropriate scientific review group established by the Director.

"PRESIDENT'S CANCER PANEL

"SEC. 416. (a)(1) The President's Cancer Panel (hereinafter in this section referred to as the 'Panel') shall be composed of three persons appointed by the President who by virtue of their training, experience, and background are exceptionally qualified to appraise the national cancer program.

"(2)(A) Members of the Panel shall be appointed for three-year terms, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member who has been appointed for a term of three years may not be reappointed to the Panel before two years from the date of the expiration of such term of office. If a vacancy occurs in the Panel, the President shall make an appointment to fill the vacancy not later than ninety days from the date the vacancy occurred.

"(B) The President shall designate one of the members to serve as the chairman of the Panel for a term of one year.

"(c) Members of the Panel shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Panel.

"(3) The Panel shall meet at the call of the chairman, but not less often than four times a year. A transcript shall be kept of the proceedings of each meeting of the Panel, and the chairman shall make such transcript available to the public.

"(b) The Panel shall monitor the development and execution of the activities of the national cancer program, and shall report directly to the President. Any delays or blockages in rapid execution of the program shall immediately be brought to the attention of the President. The Panel shall submit to the President periodic progress reports on the program and shall submit to the President, the Secretary, and the Congress an annual evaluation of the efficacy of the program and suggestions for improvements, and shall submit such other reports as the President shall direct.

"Subpart 2—National Heart, Lung, and Blood Institute

"PURPOSE OF THE INSTITUTE

"SEC. 421. The general purpose of the National Heart, Lung, and Blood Institute (hereinafter in this subpart referred to as the 'Institute') is the conduct and support of research, training, health information dissemination, and other programs with respect to heart, blood vessel, lung, and blood diseases and with respect to the use of blood and blood products and the management of blood resources.

"HEART, BLOOD VESSEL, LUNG, AND BLOOD DISEASE PREVENTION AND CONTROL PROGRAMS

"SEC. 422. The Director of the Institute, under policies established by the Director of NIH and after consultation with the advisory council for the Institute, shall establish programs as necessary for cooperation with other Federal health agencies, State, local, and regional public health agencies, and nonprofit private health agencies in the diagnosis, prevention, and treatment (including the provision of emergency medical services) of heart, blood vessel, lung, and blood diseases, appropriately emphasizing the prevention, diagnosis, and treatment of such diseases of children.

"INFORMATION AND EDUCATION

"SEC. 423. The Secretary, acting through the Director of the Institute, shall collect, identify, analyze, and disseminate on a timely basis, through publications and other appropriate means, to patients, families of patients, physicians and other health professionals, and the general public, information on research, prevention, diagnosis, and treatment of heart, blood vessel, lung, and blood diseases, the maintenace of health to reduce the incidence of such diseases, and on the use of blood and blood products and the management of blood resources. In carrying out this section the Secretary shall place special emphasis upon—

"(1) the dissemination of information regarding diet and nutrition, environmental pollutants, exercise, stress, hypertension, cigarette smoking, weight control, and other factors affecting the prevention of arteriosclerosis and other cardiovascular diseases and of pulmonary and blood diseases, and

"(2) the dissemination of information designed to encourage children to adopt healthful habits respecting the risk factors related to the prevention of such diseases.

"NATIONAL HEART, BLOOD VESSEL, LUNG, AND BLOOD DISEASES AND BLOOD RESOURCES PROGRAM

"SEC. 424. (a) The National Heart, Blood Vessel, Lung, and Blood Diseases and Blood Resources Program (hereinafter in this subpart referred to as the 'Program') may provide for—

"(1) investigation into the epidemiology, etiology, and prevention of all forms and aspects of heart, blood vessel, lung, and blood diseases, including investigations into the social, environmental, behavioral, nutritional biological, and genetic determinants and influences involved in the epidemiology, etiology, and prevention of such diseases;

"(2) studies and research into the basic biological processes and mechanisms involved in the underlying normal and abnormal heart, blood vessel, lung, and blood phenomena;

"(3) research into the development, trial, and evaluation of techniques, drugs, and devices (including computers) used in, and approaches to, the diagnosis, treatment (including the provision of emergency medical services), and prevention of heart, blood vessel, lung, and blood diseases and the rehabilitation of patients suffering from such diseases;

"(4) establishment of programs that will focus and apply scientific and technological efforts involving biological physical, and engineering sciences to all facets of heart, blood vessel, lung, and blood diseases with emphasis on refinement, development, and evaluation of technological devices that will assist, replace, or monitor vital organs and improve instrumentation for detection, diagnosis, and treatment of those diseases;

"(5) establishment of programs for the conduct and direction of field studies, large-scale testing and evaluation, and demonstration of preventive, diagnostic, therapeutic, and rehabilitative approaches to, and emergency medical services for, such diseases;

"(6) studies and research into blood diseases and blood, and into the use of blood for clinical purposes and all aspects of the management of its resources in this country, including the collection, preservation, fractionation, and distribution of it and its products;

"(7) the education (including continuing education) and training of scientists, clinical investigators, and educators, in fields and specialties (including computer sciences) requisite to the conduct of clinical programs respecting heart, blood vessel, lung, and blood diseases and blood resources;

"(8) public and professional education relating to all aspects of such diseases, including the prevention of such diseases, and the use of blood and blood products and the management of blood resources;

"(9) establishment of programs for study and research into heart, blood vessel, lung, and blood diseases of children (including cystic fibrosis, hyaline membrane, Cooley's anemia, and hemolytic and hemophilic diseases) and for the development and demonstration of diagnostic, treatment, and preventive approaches to these diseases; and

"(10) establishment of programs for study, research, development, demonstrations and evaluation of emergency medical services for people who become critically ill in connection with heart, blood vessel, lung, or blood diseases.

The Program shall be coordinated with other national research institutes to the extent that they have responsibilities respecting such diseases and shall give special emphasis to the continued development in the Institute of programs related to the causes of stroke and to effective coordination of such programs with related stroke programs in the National Institute of Neurological and Communicative Disorders and Stroke. The Director of the Institute, with the advice of the advisory council to the Institute, shall revise annually the plan for the Program and shall carry out the Program in accordance with such plan.

"(b) In carrying out the Program, the Director of the Institute, under policies established by the Director of NIH—

"(1) may, after approval of the advisory council to the Institute, obtain (in accordance with section 3109 of title 5, United States Code, but without regard to the limitation in such section on the number of days or the period of such service) the services of not more than one hundred experts or consultants who have scientific or professional qualifications;

"(2)(A) may—

"(i) after approval of the advisory council to the Institute, acquire and construct, and

"(ii) improve, repair, operate, alter, renovate, and maintain,

heart, blood vessel, lung, and blood disease and blood resource laboratory, research, training, and other facilities, equipment, and such other real or personal property (including patents) as the Director deems necessary; and

"(B) may acquire, without regard to the Act of March 3, 1877 (40 U.S.C. 34), by lease or otherwise, through the Administrator of General Services, buildings or parts of buildings in the District of Columbia or communities located adjacent to the District of Columbia for the use of the Institute for a period not to exceed ten years;

"(3) subject to section 407(b)(2), may enter into such contracts, leases, cooperative agreements, or other transactions, without regard to section 3324 of title 31 of the United States Code and section 3709 of the Revised Statutes (41 U.S.C. 5), as may be necessary in the conduct of the Director's functions, with any public agency, or with any person, firm, association, corporation, or educational institutions; and

"(4) may make grants to public and nonprofit private entities to assist in meeting the cost of the care of patients in hospitals, clinics, and related facilities who are participating in research projects.

"NATIONAL RESEARCH AND DEMONSTRATION CENTERS FOR HEART, BLOOD VESSEL, LUNG, AND BLOOD DISEASES, SICKLE CELL ANEMIA, AND BLOOD RESOURCES

"Sec. 425. (a)(1) The Director of the Institute may provide, in accordance with subsection (b), for the development of—

"(A) ten centers for basic and clinical research into, training in, and demonstration of, advanced diagnostic, prevention, and treatment methods (including methods of providing emergency medical services) for heart and blood vessel diseases;

"(B) ten centers for basic and clinical research into, training in, and demonstration of, advanced diagnostic, prevention, and treatment methods (including methods of providing emergency medical services) for lung diseases (including bronchitis, emphysema, asthma, cystic fibrosis, and other lung diseases of children); and

"(C) ten centers for basic and clinical research into, training in, and demonstration of, advanced diagnostic, prevention, and treatment methods (including methods of providing emergency medical services) for blood diseases and research into blood, in the use of blood products and in the management of blood resources.

The Director of the Institute shall provide, in accordance with subsection (b), for the development of ten centers for basic and clinical research into the diagnosis, treatment, and control of sickle cell anemia.

"(2) The centers developed under paragraph (1) shall, in addition to being utilized for research, training, and demonstrations, be utilized for the following prevention programs for cardiovascular, pulmonary, and blood diseases:

"(A) Programs to develop improved methods of detecting individuals with a high risk of developing cardiovascular, pulmonary, and blood diseases.

"(B) Programs to develop improved methods of intervention against those factors which cause individuals to have a high risk of developing such diseases.

"(C) Programs to develop health professions and allied health professions personnel highly skilled in the prevention of such diseases.

"(D) Programs to develop improved methods of providing emergency medical services for persons with such diseases.

"(E) Programs of continuing education for health and allied health professionals in the diagnosis, prevention, and treatment of such diseases and the maintenance of health to reduce the incidence of such diseases and information programs for the public respecting the prevention and early diagnosis and treatment of such diseases and the maintenance of health.

"(3) The research, training, and demonstration activities carried out through any such center may relate to any one or more of the diseases referred to in paragraph (1) of this subsection.

"(b) The Director of the Institute, under policies established by the Director of NIH and after consultation with the advisory council to the Institute, may enter into cooperative agreements with public or nonprofit private agencies or institutions to pay all or part of the cost of planning, establishing, or strengthening, and providing basic operating support for existing or new centers for basic or clinical research into, training in, and demonstration of, the management of blood resources and advanced diagnostic, prevention, and treatment methods for heart, blood vessel, lung, or blood diseases. Funds paid to centers under cooperative agreements under this subsection may be used for—

"(1) construction (nothwithstanding any limitation under section 488),.

"(2) staffing and other basic operating costs, including such patient care costs as are required for research,

"(3) training, including training for allied health profesions personnel, and

"(4) demonstration purposes.

Support of a center under this subsection may be for a period of not to exceed five years and such period may be extended by the Director for additional periods of not more than five years each after review of the operations of such center by an appropriate scientific review group established by the Director.

"(c) As used in the section, the term 'construction' does not include the acquisition of land; and the term 'training' does not include research training for which fellowship support may be provided under section 479.

"INTERAGENCY TECHNICAL COMMITTEE

"Sec. 426. (a) The Secretary shall establish an Interagency Technical Committee on Heart, Blood Vessel, Lung and Blood Diseases and Blood Resources which shall be responsible for coordinating those aspects of all Federal health programs and activities relating to heart, blood vessel, lung, and blood diseases and to blood resources to assure the adequacy and technical soundness of such programs and activities and to provide for the full communication and exchange of information necessary to maintain adequate coordination of such programs and activities.

"(b) The Director of the Institute shall serve as chairman of the Committee and the Committee shall include representation from all Federal departments and agencies whose programs involve health functions or responsibilities relevant to the functions of the Committee, as determined by the Secretary.

"Subpart 3—National Institute of Diabetes and Digestive and Kidney Diseases

"PURPOSE OF THE INSTITUTE

"Sec. 431. The general purpose of the National Institute of Diabetes and Digestive and Kidney Diseases (hereinafter in this subpart referred to as the 'Institute') is the conduct and support of research, training, health information dissemination, and related programs with respect to diabetes mellitus and endocrine and metabolic diseases, digestive diseases and kidney and urologic diseases.

"INFORMATION CLEARINGHOUSES AND DATA SYSTEMS

"Sec. 432. (a) The Director shall (1) establish the National Diabetes Data System for the collection, storage, analysis, retrieval, and dissemination of data derived from patient populations with diabetes, including, where possible, data involving general populations for the purpose of detection of individuals with a risk of developing diabetes, and (2) establish the National Diabetes Information Clearinghouse to facilitate and enhance knowledge and understanding of diabetes on the part of health professionals, patients, and the public through the effective dissemination of information.

"(b) The Director shall (1) establish the National Digestive Diseases Data System for the collection, storage, analysis, retrieval, and dissemination of data derived from patient populations with digestive diseases, including, where possible, data involving general populations for the purpose of detection of individuals with a risk of developing digestive diseases, and (2) establish the National Digestive Diseases Information Clearinghouse to facilitate and enhance knowledge and understanding of digestive diseases on the part of health professionals, patients, and the public through the effective dissemination of information.

"(c) The Director shall (1) establish the National Kidney Diseases Data System for the collection, storage, analysis, retrieval, and dissemination of data derived from patient populations with kidney diseases, including, where possible, data involving general populations for the purpose of detection of individuals with a risk of developing kidney diseases, and (2) establish the National Kidney Diseases Information Clearinghouse to facilitate and enhance knowledge and understanding of kidney diseases on the part of health professional, patients, and the public through the effective dissemination of information.

"ASSOCIATE DIRECTORS FOR DIABETES AND DIGESTIVE AND KIDNEY DISEASES

"Sec. 433. (a) In the Institute there shall be an Associate Director for Diabetes, an Associate Director for Digestive Diseases, and an Associate Director for Kidney Diseases who, under the supervision of the Director, shall be responsible for—

"(1) developing a coordinated plan (including recommendations for expenditures) for each of the national research institutes within the National Institutes of Health with respect to research and training concerning diabetes and digestive and kidney diseases;

"(2) assessing the adequacy of management approaches for the activities within such institutes concerning such diseases and developing improved approaches if needed;

"(3) monitoring and reviewing expenditures by such institutes concerning such diseases; and

"(4) identifying research opportunities concerning such diseases and recommending ways to utilize such opportunities.

The Director shall transmit to the Director of NIH the plans, recommendations, and reviews of the Associate Directors under paragraph (1) through (4) together with such comments and recommendations as the Director of the Institute determines appropriate.

"(b) The Director of the Institute, acting through the Associate Director for Kidney Diseases, the Associate Director for Digestive Diseases, and the Associate Director for Diabetes, shall—

"(1) carry out programs of support for research and training (other than training for which National Research Service Awards may be made under section 479) in the diagnosis, prevention, and treatment of digestive diseases and nutrition, diabetes mellitus, and endocrine and metabolic, kidney, urologic, and hematologic diseases, including support for training in medical schools, graduate clinical training, graduate training in epidemiology, epidemiology studies, clinical trials, and interdisciplinary research programs; and

"(2) establish programs of evaluation, planning, and dissemination of knowledge related to such research and training.

"INTERAGENCY COORDINATING COMMITTEES

"SEC. 434. (a) For the purpose of—

"(1) better coordination of the research activities of all the national research institutes relating to diabetes mellitus, digestive diseases, and kidney and urologic diseases; and

"(2) coordinating those aspects of all Federal health programs and activities relating to such diseases to assure the adequacy and technical soundness of such programs and activities and to provide for the full communication and exchange of information necessary to maintain adequate coordination of such programs and activities;

the Secretary shall establish a Diabetes Mellitus Interagency Coordinating Committee, a Digestive Diseases Interagency Coordinating Committee, and a Kidney and Urologic Diseases Coordinating Committee (hereinafter in this section individually referred to as a 'Committee').

"(b) Each committee shall be composed of the Directors (or their designees) of each of the national research institutes and divisions involved in research involving the diseases with respect to which the committee is established, the Associate Directors of the Institute for the diseases for which the committee is established, the chief medical director (or the director's designee) of the Veterans' Administration, and a medical officer designated by the Department of Defense, and shall include representation from all other Federal departments and agencies whose programs involve health functions or responsibilities relevant to such diseases, as determined by the Secretary. Each committee shall be chaired by the Director of NIH (or his designee). Each committee shall meet at the call of the chairman, but not less often than four times a year.

"(c) Each committee shall prepare an annual report for—

"(1) the Secretary,

"(2) the Director of NIH, and

"(3) the Advisory Board established under section 435 for the diseases for which the committee was established,

detailing the work of the committee in the fiscal year for which the report was prepared in carrying out the coordinating activities described in paragraphs (1) and (2) of subsection (a). Such report shall be submitted not later than the one hundred and twentieth day after the end of each fiscal year.

"ADVISORY BOARDS

"SEC. 435. (a) The Secretary shall establish in the Institute the National Diabetes Advisory Board, the National Digestive Diseases Advisory Board, and the National Kidney and Urologic Diseases Advisory Board (hereinafter in this section individually referred to as an 'Advisory Board').

"(b) Each Advisory Board shall be composed of eighteen appointed members and nonvoting, ex officio members as follows:

"(1) The Secretary shall appoint—

"(A) twelve members from individuals who are scientists, physicians, and other health professionals, who are not officers or employees of the United States, and who represent the specialties and disciplines relevant to the diseases with respect to which the Advisory Board is established; and

"(B) six members from the general public who are knowledgeable with respect to such diseases, including at least one member who is a person who suffers from such a disease and one member who is a parent of a person who suffers from such a disease. Of the appointed members at least five shall by virtue of training or experience be knowledgeable in health education, nursing, data systems, public information, or community program development.

"(2) The following shall be ex officio members of each Advisory Board: The Assistant Secretary for Health, the Director of NIH, the Director of the National Insititute of Diabetes and Digestive and Kidney Diseases, the Director of the Centers for Disease Control, the chief medical director of the Veterans' Administration, the Assistant Secretary for Medical Affairs of the Department of Defense (or the designees of such ex officio members), the Associate Director of the National Institute of Diabetes and Digestive and Kidney Diseases for the diseases for which the Board is established, and such other officers and employees of the United States as the Secretary deems necessary for the Advisory Board to carry out its functions. In the case of the National Diabetes Advisory Board, the following shall also be ex officio members: The Director of the National Heart, Lung, and Blood Institute, the Director of the National Eye Institute, the Director of the National Institute of Child Health and Human Development, the Administrator of the Health Resources Administration, and the Administrator of the Health Services Administration (or the designees of such ex officio members).

"(c) Members of an Advisory Board who are officers or employees of the Federal Government shall serve as members of the Advisory Board without compensation in addition to that received in their regular public employment. Other members of the Board shall receive compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule for each day (including traveltime) they are engaged in the performance of their duties as members of the Board.

"(d) The term of office of an appointed member of an Advisory Board is three years, except that no term of office may extend beyond the expiration of the Advisory Board. Any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term. A member may serve after the expiration of the member's term until a successor has taken office. If a vacancy occurs in an Advisory Board, the Secretary shall make an appointment to fill the vacancy not later than ninety days from the date the vacancy occurred.

"(e) The members of each Advisory Board shall select a chairman from among the appointed members.

"(f) The Secretary shall, after consultation with and consideration of the recommendations of an Advisory Board, provide the Advisory Board with an executive director and one other professional staff member. In addition, the Secretary shall, after consultation with and consideration of the recommendations of the Advisory Board, provide the Advisory Board with such additional professional staff members, such clerical staff members, and (through contracts or other arrangements) with such administrative support services and facilities, such information, and such services of consultants, as the Secretary determines are necessary for the Advisory Board to carry out its functions.

"(g) Each Advisory Board shall meet at the call of the chairman or upon request of the Director of the Institute, but not less often than four times a year.

"(h) Each Advisory Board shall—

"(1) in the case of the Advisory Boards for diabetes and digestive diseases, review and evaluate the implementation of the plan (referred to in section 441) respecting the diseases with respect to which the Advisory Board was established and periodically update the plan to ensure its continuing relevance;

"(2) for the purpose of assuring the most effective use and organization of resources respecting such diseases, advise and make recommendations to the Congress, the Secretary, the Director of NIH, the Director of the Institute, and the heads of other appropriate Federal agencies for the implementation and revision of such plan; and

"(3) maintain liaison with other advisory bodies related to Federal agencies involved in the implementation of such plan, the coordinating committee for such diseases, and with key non-Federal entities involved in activities affecting the control of such diseases.

"(i) In carrying out its functions, each Advisory Board may establish subcommittees, convene workshops and conferences, and collect data. Such subcommittees may be composed of Advisory Board members and nonmember consultants with expertise in the particular area addressed by such subcommittees. The subcommittees may hold such meetings as are necessary to enable them to carry out their activities.

"(j) Each Advisory Board shall prepare an annual report for the Secretary which—

"(1) describes the Advisory Board's activities in the fiscal year for which the report is made;

"(2) describes and evaluates the progress made in such year in research, treatment, education, and training with respect to the diseases with respect to which the Advisory Board was established;

"(3) summarizes and analyzes expenditures made by the Federal Government for activities respecting such diseases in the fiscal year for which the report is made; and

"(4) contains the Advisory Board's recommendations (if any) for changes in the plan referred to in subsection (h)(1).

"(k) Each Advisory Board shall expire on September 30, 1986.

"(1) The National Diabetes Advisory Board and the National Digestive Diseases Advisory Board in existence on the date of the enactment of the Health Research Act of 1983 shall terminate upon the appointment of a successor Board under subsection (a). The Secretary shall make appointments to the Advisory Boards established under subsection (a) before the expiration of ninety days after such date of enactment. The members of the Boards in existence on such date may be appointed, in accordance with subsections (b) and (d), to the Boards established under subsection (a) for diabetes and digestive diseases except that at least one-half of the members of the National Diabetes Advisory Board in existence on the date of the enactment of the Health Research Act of 1983 shall be appointed to the National Diabetes Advisory Board first established under subsection (a).

"RESEARCH AND TRAINING CENTERS

"SEC. 436. (a) Consistent with applicable recommendations of the National Commission on Diabetes, the Director of the Institute shall provide for the development, or substantial expansion of centers for research and training in diabetes mellitus and related endocrine and metabolic diseases. Each center developed or expanded under this subsection shall (1) utilize the facilities of a single institution, or be formed from a consortium of cooperating institutions, meeting such research and training qualifications as may be prescribed by the Secretary; and (2) conduct (A) research in the diagnosis and treatment of diabetes mellitus and related endocrine and metabolic diseases and the complications resulting from such diseases, (B) training programs for physicians and allied health personnel in current methods of diagnosis and treatment of such diseases and complications, and in research in diabetes, and (C) information programs for physicians and allied health personnel who provide primary care for patients with such diseases or complications. A center may use funds provided under this subsection to provide stipends for nurses and allied health professionals enrolled in research training programs described in clause (B).

"(b) Consistent with applicable recommendations of the National Digestive Diseases Advisory Board, the Director shall provide for the development or substantial expansion of centers for research in digestive diseases and related functional, congenital, metabolic disorders, and normal development of the digestive tract. Each center developed or expanded under this subsection shall (1) utilize the facilities of a single institution, or be formed from a consortium of cooperating institutions, meeting such research qualifications as may be prescribed by the Secretary; (2) develop and conduct basis and clinical research into the cause, diagnosis, early detection, prevention, control, and treatment of digestive diseases and related functional, congenital, or metabolic complications resulting from such diseases or disorders, (3) shall encourage research into and programs for (A) providing information for physicians and others who care for patients with such diseases, disorders, and complications; patients and their families; and the general public; (B) model programs for cost effective and preventive patient care; and (C) training physicians and scientists in research on such diseases, disorders, and complications; and (4) may perform research and participate in epidemiological studies and gathering data relevant to digestive diseases and disorders to disseminate to the health care profession and to the public.

"(c) The Director shall provide for the development or substantial expansion of centers for research in kidney and urologic diseases. Each center developed or expanded under this subsection shall (1) utilize the facilities of a single institution, or be formed from a consortium of cooperating institutions, meeting such research qualograms for (A) providing information for physicians and others who care for patients with such disease; patients and their families; and the general public; (B) model programs for cost effective and preventive patient care; and (C) training physicians and scientists in research on such diseases; and (4) may perform research and participate in epidemiological studies and gathering data relevant to kidney and urologic diseases to disseminate to the health care profession and to the public.

"(d) Insofar as practicable, centers established, developed, or expanded under this section should be geographically dispersed throughout the United States and in environments with proven research capabilities. Support of a center under this section may be for a period of not to exceed five years and such period may be extended by the Director for additional periods of not more than five years each after review of the operations of such center by an appropriate scientific review group established by the Director.

"ADVISORY COUNCIL SUBCOMMITTEES

"SEC. 437. There are established within the advisory council of the Institute appointed under section 408 a subcommittee on diabetes and endocrine and metabolic diseases, a subcommittee on digestive diseases and nutrition, and a subcommittee on kidney, urologic, and hematologic diseases. The subcommittees shall be composed of members of the advisory council who are outstanding in the diagnosis, prevention, and treatment of the diseases for which the subcommittees are established and members of the advisory council who are leaders in the field of education and public affairs. The subcommittees are authorized to review applications made to the Director for grants for research and training projects relating to the diagnosis, prevention, and treatment of the diseases for which the subcommittees are established and shall recommend to the advisory council those applications and contracts that the subcommittees determine will best carry out the purposes of the Institute. The subcommittees shall also review and evaluate the diabetes and endocrine and metabolic diseases, digestive diseases and nutrition, and kidney, urologic, and hematologic diseases programs of the Institute and recommend to the advisory council such changes in the administration of such programs as the subcommittees determine are necessary.

"BIENNIAL REPORT

"SEC. 438. The Director of the Institute shall prepare for inclusion in the biennial report made under section 404 a description of the Institute's activities—

"(1) under the current diabetes plan under the National Diabetes Mellitus Research and Education Act, and

"(2) under the current digestive diseases plan formulated under the Arthritis, Diabetes, and Digestive Diseases Amendments of 1976.

The description submitted by the Director shall include an evaluation of the activities of the centers supported under section 436.

"Subpart 4—National Institute of Arthritis and Musculoskeletal Diseases

"PURPOSES OF THE INSTITUTE

"SEC. 443. (a) The general purpose of the National Institute of Arthritis and Musculoskeletal Diseases (hereinafter in this subpart referred to as the 'Institute') is the conduct and support of research, training, health information dissemination, and related programs with respect to arthritis and musculoskeletal diseases, including sports-related disorders, and skin diseases.

"(b) The Director of the Institute, with the advice of its advisory council, shall develop a plan for a national arthritis and musculoskeletal program to expand, intensify, and coordinate the activities of the Institute respecting the diseases, and shall carry out the program in accordance with such plan. The program shall be coordinated with the other national research institutes of the National Institutes of Health to the extent that they have responsibilities respecting such diseases and shall, at least, provide for—

"(1) investigation into the epidemiology, etiology, and prevention of all forms of arthritis and musculoskeletal diseases, including sports-related disorders, primarily through support of basic research and such areas as immunology, genetics, biochemistry, microbiology, physiology, bioengineering, and any other scientific discipline which can contribute important knowledge to the treatment and understanding of these diseases;

"(2) research into the development, trial, and evaluation of techniques, drugs, and devices used in the diagnosis, treatment, and prevention of arthritis and musculoskeletal diseases and medical rehabilitation of individuals with such diseases and disabilities;

"(3) research on the refinement, development, and evaluation of technological devices that will replace or be a substitute for damaged bone, muscle, and joints and other supporting structures; and

"(4) establish mechanisms to monitor the causes of athletic injuries and identify ways of preventing such injuries on scholastic athletic fields.

"(c) The Director of the Institute shall—

"(1) carry out programs of support for research and training (other than training for which National Research Service Awards may be made under section 479) in the diagnosis, prevention, and treatment (including medical rehabilitation) of arthritis, musculoskeletal diseases, and skin diseases, including support for training in medical schools, graduate clinical training, graduate training in epidemiology, epidemiology studies, clinical trials, and interdisciplinary research programs; and

"(2) establish programs of evaluation, planning, and dissemination of knowledge related to such research and training.

"INFORMATION CLEARINGHOUSE AND DATA SYSTEM

"SEC. 444. The Director shall (1) establish the National Arthritis and Musculoskeletal Diseases Data System for the collection, storage, analysis, retrieval, and dissemination of data derived from patient populations with arthritis and musculoskeletal diseases, including, where possible, data involving general populations for the purposes of detection of individuals with a risk of developing such diseases, and (2) establish the National Arthritis and Musculoskeletal Diseases Information Clearinghouse to facilitate and enhance knowledge and understanding of arthritis and musculoskeletal

diseases on the part of health professionals, patients, and the public through the effective dissemination of information on such diseases.

"INTERAGENCY COORDINATING COMMITTEES

"SEC. 445. (a) For the purpose of—

"(1) better coordination of the research activities of all the national research institutes relating to arthritis, skin diseases, and musculoskeletal diseases, including sports-related disorders; and

"(2) coordinating those aspects of all Federal health programs and activities relating to such diseases to assure the adequacy and technical soundness of such programs and activities and to provide for the full communication and exchange of information necessary to maintain adequate coordination of such programs and activities,

the Secretary shall establish an Arthritis and Musculoskeletal Diseases Interagency Coordinating Committee and a Skin Disease Interagency Coordinating Committee (hereinafter in this section individually referred to as a 'Committee').

"(b) Each Committee shall be composed of the Director (or his designee) of the Institute and its divisions involved in research involving arthritis and musculoskeletal diseases or skin diseases, as may be appropriate, the chief medical director (or the director's designee) of the Veterans' Administration, and a medical officer designated by the Department of Defense, and shall include representation from all other Federal departments and agencies whose programs involve health functions or responsibilities relevant to arthritis and musculoskeletal diseases, as determined by the Secretary. Each Committee shall be chaired by the Director of NIH (or his designee). Each Committee shall meet at the call of the chairman, but not less often than four times a year.

"(c) Each Committee shall prepare an annual report for—

"(1) the Secretary, and

"(2) the Director of NIH,

detailing the work of the Committee in the fiscal year for which the report was prepared in carrying out the coordinating activities described in paragraphs (1) and (2) of subsection (a). Such report shall be submitted not later than the one hundred and twentieth day after the end of each fiscal year.

"ARTHRITIS AND MUSCULOSKELETAL DISEASES DEMONSTRATION PROJECTS

"SEC. 446. (a) The Secretary may make grants to public and other nonprofit entities to establish and support projects for the development and demonstration of methods for arthritis and musculoskeletal diseases screening and detection and for referral for treatment and medical rehabilitation, and for dissemination of information on these methods to the health and allied health professions. Activities under such projects shall be coordinated with (1) Federal, State, local, and regional health agencies, (2) centers assisted under section 447, and (3) the data system established under subsection (c).

"(b) Projects under this section shall include—

"(1) programs which emphasize the development and demonstration of new and improved methods of screening and early detection, referral for treatment, and diagnosis of individuals with a risk of developing arthritis and musculoskeletal diseases;

"(2) programs which emphasize the development and demonstration of new and improved methods for patient referral from local hospitals and physicians to appropriate centers for early diagnosis and treatment;

"(3) programs which emphasize the development and demonstration of new and improved means of standardizing patient data and recordkeeping;

"(4) programs which emphasize the development and demonstration of new and improved methods of dissemination of knowledge about the projects and methods referred to in the preceding paragraphs of this subsection to health and allied health professionals;

"(5) programs which emphasize the development and demonstration of new and improved methods for the dissemination to the general public of information—

"(A) on the importance of early detection of arthritis and musculoskeletal diseases, of seeking prompt treatment, and of following an appropriate regimen; and

"(B) to discourage the promotion and use of unapproved and ineffective diagnostic, preventive treatment, and control methods for arthritis and unapproved and ineffective drugs and devices for arthritis and musculoskeletal diseases; and

"(6) projects for the investigation into the epidemiology of all forms and aspects of arthritis and musculoskeletal diseases, including investigations into the social, environmental, behavioral, nutritional, and genetic determinants and influences involved in the epiemiology of such diseases.

"(c) The Director shall provide for the standardization of patient data and recordkeeping for the collection, storage, analysis, retrieval, and dissemination of such data in cooperation with projects under this section and centers assisted under section 447, and other persons engaged in arthritis and musculoskeletal diseases programs.

"MULTIPURPOSE ARTHRITIS AND MUSCULOSKELETAL DISEASES CENTERS

"SEC. 447. (a) The Director of the Institute shall, after consultation with the advisory council to the Institute and consistent with the arthritis plan developed under section 443(b), provide for the development, modernization, and operation (including staffing and other operating costs such as the costs of patient care required for research) of new and existing centers for arthritis and musculoskeletal diseases. For purposes of this section, the term 'modernization' means the alteration, remodeling, improvement, expansion, and repair of existing buildings and the provision of equipment for such buildings to the extent necessary to make them suitable for use as centers described in the preceding sentence.

"(b) Each center assisted under this section shall—

"(1)(A) use of the facilities of a single institution or a consortium of cooperating institutions, and (B) meet such qualifications as may be prescribed by the Secretary; and

"(2) conduct—

"(A) basic and clinical research into the cause, diagnosis, early detection, prevention, control, and treatment of arthritis and musculoskeletal diseases and complications resulting from such diseases, including research into implantable biomaterials and biomechanical and other orthopaedic procedures and medical rehabilitation of individuals with such diseases;

"(B) training programs for physicians, scientists, and other health and allied health professionals;

"(C) information and continuing education programs for physicians and other health and allied health professionals who provide care for patients with arthritis and musculoskeletal diseases; and

"(D) programs for the dissemination to the general public of information—

"(i) on the importance of early detection of arthritis and musculoskeletal diseases, of seeking prompt treatment, and of following an appropriate regimen; and

"(ii) to discharge the promotion and use of unapproved and ineffective diagnostic, preventive, treatment, and control methods and unapproved and ineffective drugs and devices.

A center may use funds provided under subsection (a) to provide stipends for health professionals enrolled in training programs described in paragraph (2)(B).

"(c) Each center assisted under this section may conduct programs to—

"(1) establish the effectiveness of new and improved methods of detection, referral, and diagnosis of individuals with a risk of developing arthritis and musculoskeletal diseases,

"(2) disseminate the results of research, screening, and other activities, and develop means of standardizing patient data and recordkeeping, and

"(3) develop community consultative services to facilitate the referral of patients to centers for treatment.

"(d) The Director shall insofar as practicable, provide for an equitable geographical distribution of centers assisted under this section. The Director shall give appropriate consideration to the need for centers especially suited to meeting the needs of children affected by arthritis.

"(e) Support of a center under this section may be for a period of not to exceed five years and such period may be extended by the Director for additional periods of not more than five years each after reveiw of the operations of such center by an appropriate scientific review group established by the Director.

"ADVISORY BOARD

"SEC. 448. (a) The Secretary shall establish in the Institute the National Arthritis Advisory Board (hereinafter in this section referred to as the 'Advisory Board').

"(b) The Advisory Board shall be composed of eighteen appointed members and nonvoting, ex officio members as follows:

"(1) The Secretary shall appoint—

"(A) twelve members from individuals who are scientists, physicians, and other health professionals, who are not officers or employees of the United States, and who represent the specialties and disciplines relevant to arthritis, musculoskeletal diseases, and skin diseases; and

"(B) six members from the general public who are knowledgeable with respect to such diseases, including at least one member who is a person who suffers from such a disease and one member who is a parent of a person who suffers from such a disease.

Of the appointed members at least five shall by virtue of training or experience be knowledgeable in health education, nursing, data systems, public information, or community programs development.

"(2) The following shall be ex officio members of the Advisory Board: The Assistant Secretary for Health, the Director of NIH, the Director of the National Institute of Arthritis and Musculoskeletal Diseases, the Director of the Center for Disease Control, the chief medical director of the Veterans' Administration, the Assistant Secretary for Medical Affairs of the Department of

Defense (or the designees of such ex officio members), such other officers and employees of the United States as the Secretary deems necessary for the Advisory Board to carry out its functions.

"(c) Members of the Advisory Board who are officers or employees of the Federal Government shall serve as members of the Advisory Board without compensation in addition to that received in their regular public employment. Other members of the Board shall receive compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule for each day (including traveltime) they are engaged in the performance of their duties as members of the Board.

"(d) The term of office of an appointed member of the Advisory Board is three years. Any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term. A member may serve after the expiration of the member's term until a successor has taken office. If a vacancy occurs in the Advisory Board, the Secretary shall make an appointment to fill the vacancy not later than ninety days from the date the vacancy occurred.

"(e) The members of the Advisory Board shall select a chairman from among the appointed members.

"(f) The Secretary shall, after consultation with and consideration of the recommendations of the Advisory Board, provide the Advisory Board with an executive director and one other professional staff member. In addition, the Secretary shall, after consultation with and consideration of the recommendations of the Advisory Board, provide the Advisory Board with such additional professional staff members, such clerical staff members, and (through contracts or other arrangements) with such administrative support services and facilities, such information, and such services of consultants, as the Secretary determines are necessary for the Advisory Board to carry out its functions.

"(g) The Advisory Board shall meet at the call of the chairman or upon request of the Director of the Institute, but not less often than four times a year.

"(h) The Advisory Board shall—

"(1) review and evaluate the implementation of the plan under section 443 and periodically update the plan to ensure its continuing relevance;

"(2) for the purpose of assuring the most effective use and organization of resources respecting arthritis, musculoskeletal diseases and skin diseases, advise and make recommendations to the Congress, the Secretary, the Director of NIH, the Director of the Institute, and the heads of other appropriate Federal agencies for the implementation and revision of such plan; and

"(3) maintain liaison with other advisory bodies related to Federal agencies involved in the implementation of such plan, the coordinating committee for such diseases, and with key non-Federal entities involved in activities affecting the control of such diseases.

"(i) In carrying out its functions, the Advisory Board may establish subcommittees, convene workshops and conferences, and collect data. Such subcommittees may be composed of Advisory Board members and nonmember consultants with expertise in the particular area addressed by such subcommittees. The subcommittees may hold such meetings as are necessary to enable them to carry out their activities.

"(j) The Advisory Board shall prepare an annual report for the Secretary which—

"(1) describes the Advisory Board's activities in the fiscal year for which the report is made;

"(2) describes and evaluates the progress made in such year in research, treatment, education, and training with respect to arthritis, musculoskeletal diseases, and skin diseases;

"(3) summarizes and analyzes expenditures made by the Federal Government for activities respecting such diseases in the fiscal year for which the report is made; and

"(4) contains the Advisory Board's recommendations (if any) for changes in the plan referred to in subsection (h)(1).

"(k) The National Arthritis Advisory Board in existence on the date of the enactment of the Health Research Act of 1983 shall terminate not later than ninety days after such date. The Secretary shall make appointments to the Advisory Board established under subsection (a) before the expiration of such days. The members of the Board in existence on such date may be appointed, in accordance with subsections (b) and (d), to the Board established under subsection (a).

"BIENNIAL REPORT

"SEC. 449. The Director of the Institute shall prepare for inclusion in the biennial report made under section 404 a description of the Institute's activities under the plan developed under section 443(b). The description submitted by the Director shall include an evaluation of the activities of the centers supported under section 447.

"Subpart 5—National Institute on Aging

"PURPOSE OF THE INSTITUTE

"SEC. 451. The general purpose of the National Institute on Aging (hereinafter in this subpart referred to as the 'Institute') is the conduct and support of biomedical, social, and behavioral research, training, health information dissemination, and related programs with respect to the aging process and the diseases and other special problems and needs of the aged.

"SPECIAL FUNCTIONS OF THE SECRETARY

"SEC. 452. (a) In carrying out the training responsibilities under this Act or any other Act for health responsibilities under this Act or any other Act for health and allied health professions personnel, the Secretary shall take appropriate steps to insure the education and training of adequate numbers of allied health, nursing, and paramedical personnel in the field of health care for the aged.

"(b) The Secretary shall, through the Director of the Institute, conduct scientific studies to measure the impact on the biological, medical, and psychological aspects of aging of programs and activities assisted or conducted by the Department of Health and Human Services.

"(c) The Director of the Institute shall carry out public information and education programs designed to disseminate as widely as possible the findings of Institute-sponsored and other relevant aging research and studies and other information about the process of aging which may assist elderly and near-elderly persons in dealing with, and all Americans in understanding, the problems and processes associated with growing older.

"ALZHEIMER'S DISEASE CENTERS

"SEC. 453. (a) The Director of the Institute may provide, in accordance with subsection (b), for the development of centers for basic and clinical research into, training in, and demonstration of, advanced diagnostic, prevention, and treatment methods (including methods of providing emergency medical services) for alzheimer's disease.

"(b) The Director of the Institute, under policies established by the Director of NIH and after consultation with the advisory council to the Institute, may enter into cooperative agreements with public or nonprofit private agencies or institutions to pay all or part of the cost of planning, establishing, or strengthening, and providing basic operating support for existing or new centers for basic or clinical research into, training in, and demonstration of advanced diagnostic, prevention, and treatment methods for alzheimer's disease. Funds paid to centers under cooperative agreements under this subsection may be used for—

"(1) construction (notwithstanding any limitation under section 488),

"(2) staffing and other basic operating costs, including such patient care costs as are required for research,

"(3) training, including training for allied health professions personnel, and

"(4) demonstration purposes.

Support of a center under this subsection may be for a period of not to exceed five years and such period may be extended by the Director for additional periods of not more than five years each after review of the operations of such center by an appropriate scientific review group established by the Director.

"(c) As used in this section, the term 'construction' does not include the acquisition of land; and the term 'training' does not include research training for which fellowship support may be provided under section 479.

"Subpart 6—National Institute of Allergy and Infectious Diseases

"PURPOSE OF THE INSTITUTE

"SEC. 455. The general purpose of the National Institute of Allergy and Infectious Diseases is the conduct and support of research, training, health information dissemination, and related programs with respect to allergic and immunologic diseases and disorders and infectious diseases.

"Subpart 7—National Institute of Child Health and Human Development

"PURPOSE OF THE INSTITUTE

"SEC. 457. The general purpose of the National Institute of Child Health and Human Development (hereinafter in this subpart referred to as the 'Institute') is the conduct and support of research, training, health information dissemination, and related programs with respect to maternal health, child health, mental retardation, human growth and development, including prenatal development, population research, and special health problems and requirements of mothers and children.

"SUDDEN INFANT DEATH SYNDROME

"SEC. 458. The Secretary shall, through the Director of the Institute, conduct and support research which specifically relates to sudden infant death syndrome.

"MENTAL RETARDATION RESEARCH CENTERS

"SEC. 459. The Secretary shall, through the Director of the Institute, make grants for research and related activities into the causes, prevention, and treatment of mental retardation. The Secretary shall give special consideration to applications under this section submitted by centers which were constructed under part D of title VII of this Act added by section 101 of Public Law 88-164

and which are engaged in such research or activities.

"Subpart 8—National Institute of Dental Research

"PURPOSE OF INSTITUTE

"SEC. 461. The general purpose of the National Institute of Dental Research is the conduct and support of research, training, health information dissemination, and related programs with respect to the cause, prevention, and methods of diagnosis and treatment of dental diseases and conditions.

"Subpart 9—National Eye Institute

"PURPOSE OF INSTITUTE

"SEC. 463. The general purpose of the National Eye Institute (hereinafter in this subpart referred to as the 'Institute') is the conduct and support of research, training, health information dissemination, and related programs with respect to blinding eye diseases, visual disorders, mechanisms of visual function, preservation of sight, and the special health problems and requirements of the blind. The Secretary may, through the Director of the Institute, carry out a program of grants for public and private nonprofit vision research facilities.

"Subpart 10—National Institute of Neurological and Communicative Disorders and Stroke

"PURPOSE OF THE INSTITUTE

"SEC. 465. The general purpose of the National Institute of Neurological and Communicative Disorders and Stroke is the conduct and support of research, training, health information dissemination, and related programs with respect to neurological disease and disorders, stroke, and disorders of human communication.

"SPINAL CORD REGENERATION RESEARCH

"SEC. 466. The Director of the Institute shall conduct and support research into spinal cord regeneration.

"BIOENGINEERING RESEARCH

"SEC. 467. The Director of the Institute shall make grants or enter into contracts for research on the means to overcome paralysis of the extremities through electrical stimulation and the use of computers.

"Subpart 11—National Institute of General Medical Sciences

"PURPOSE OF THE INSTITUTE

"SEC. 471. The general purpose of the National Institute of General Medical Sciences is the conduct and support of research, training, and, as appropriate, health information dissemination, and related programs with respect to general or basic medical sciences and related natural or behaviorial sciences which have significance for two or more other national research institutes or are outside the general area of responsibility of any other national research institute.

"Subpart 12—National Institute of Environmental Health Sciences

"PURPOSE OF THE INSTITUTE

"SEC. 473. The general purpose of the National Institute of Environmental Health Sciences is the conduct and support of research, training, health information dissemination, and related programs with respect to factors in the environment that affect human health, directly or indirectly.

"PART D—OTHER AGENCIES OF NIH

"DIVISION OF RESEARCH RESOURCES

"SEC. 475. The general purposes of the Division of Research Resources is to strengthen and enhance the research environments of entities engaged in health-related research by developing and supporting essential research resources;

"JOHN E. FOGARTY INTERNATIONAL CENTER FOR ADVANCED STUDY IN THE HEALTH SCIENCES

"SEC. 476. The general purpose of the John E. Fogarty International Center for Advanced Study in the Health Sciences is to—

"(1) facilitate the assembly of scientists and others in the biomedical, behavioral, and related fields for discussion, study, and research relating to the development of health science internationally;

"(2) provide research programs, conferences, and seminars to further international cooperation and collaboration in the life sciences;

"(3) provide postdoctorate fellowships for research training in the United States and abroad and promote exchanges between the United States and other countries of senior scientists;

"(4) coordiante the activities of the National Institutes of Health concerned with the health sciences internationally, and

"(5) serve as the focus for foreign visitors to the National Institutes of Health.

"PART E—AWARDS AND TRAINING

"NATIONAL RESEARCH SERVICE AWARDS

"SEC. 479. (a)(1) The Secretary shall—

"(A) PROVIDE NATIONAL RESEARCH SERVICE AWARDS FOR—

"(i) biomedical and behaviorial research at the National Institutes of Health and the Alchohol, Drug Abuse, and Mental Health Administration and under programs administered by the Division of Nursing of the Health Resources and Services Administration, in matters relating to the cause, diagnosis, prevention, and treatment of the diseases or other health problems to which the activities of the Institutes and Administration and Division are directed.

"(ii) training at the National Institutes of Health and at the Administrations of individuals to undertake such research,

"(iii) biomedical and behavioral research at public and nonprofit private institutions, and

"(iv) pre- and post-doctoral training at public and private institutions of individuals to undertake biomedical and behavioral research, and

"(B) make grants to public and nonprofit private institutions to enable such institutions to make individuals selected by them National Research Service Awards for research (and training to undertake biomedical and behavioral research) in the matters described in subparagraph (A)(i).

A reference in this subsection to the National Institutes of Health or the Alcohol, Drug Abuse, and Mental Health Administration shall be considered to include the institutes, agencies, divisions, and bureaus included in the Institutes or under the Administration, as the case may be.

"(2) National Research Service Awards may not be used to support residency training of physicians and other health professionals.

"(3) In awarding National Research Service Awards under this section, the Secretary shall take account of the Nation's overall need for biomedical research personnel by giving special consideration to physicians who agree to undertake a minimum of two years of biomedical research.

"(b)(1) No National Research Service Award may be made by the Secretary to any individual unless—

"(A) the individual has submitted to the Secretary an application therefor and the Secretary has approved the application;

"(B) the individual provides, in such form and manner as the Secretary shall be regulation prescribe, assurances satisfactory to the Secretary that the individual will meet the service requirement of subsection (c)(1); and

"(C) in the case of National Research Service Award for a purpose described in subsection (a)(1)(A)(iii), the individual has been sponsored (in such manner as the Secretary may by regulation require) by the institution at which the research or training under the award will be conducted.

An aplication for an award shall be in such form, submitted in such manner, and contain such information, as the Secretary may by regulation prescribe.

"(2) The making of grants under subsection (a)(1)(B) for National Research Service Awards shall be subject to review and approval by the appropriate advisory councils within the Department of Health and Human Services (A) whose activities relate to the research or training under the awards, or (B) for the entity at which such research or training will be conducted.

"(3) No grant may be made under subsection (a)(1)(B) unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary may by regulation prescribe. Subject to the provisions of this section other than paragraph (1) of this subsection, National Research Service Awards made under a grant under subsection (a)(1)(B) shall be made in accordance with such regulations as the Secretary shall prescribe.

"(4) The period of any National Research Service Awards made to any individual under subsection (a) may not exceed—

"(A) five years in the aggregate for predoctoral training, and

"(B) three years in the aggregate for postdoctoral training,

unless the Secretary for good cause shown waives the application of such limit to such individual.

"(5) National Research Service Awards shall provide for such stipends, tuition, fees, and allowances (including travel and subsistence expenses and dependency allowances), adjusted periodically to reflect increases in the cost of living, for the recipients of the awards as the Secretary may deem necessary. A National Research Service Award made to an individual for research or research training at a non-Federal public or nonprofit private institution shall also provide for payments to be made to the institution for the cost of support services (including the cost of faculty salaries, supplies, equipment, general research support, and related items) provided such individual by such institution. The amount of any such payments to any institution shall be determined by the Secretary and shall bear a direct relationship to the reasonable costs of the institution for establishing and mintaining the quality if its biomedical and behavioral research and training programs.

"(c)(1) Each individual who is awarded a National Research Service Award (other than an individual who is a pre-baccalaureate student who is awarded a National Research Service Award for research training) shall, in accordance, with paragraph (3), engage in health research for teaching or any combination thereof which is in accordance with the usual patterns of academic employment, for a period computed in accordance with paragraph (2).

"(2) For each month for which an individual receives a National Research Service Award which is made for a period in excess of twelve months, such individual shall engage in one month of health research or teaching or any combination thereof which is in accordance with the usual patterns of academic employment.

"(3) The Requirement of paragraph (1) shall be complied with by any individual to whom it applies within such reasonble period of time, after the completion of such individual's award, as the Secretary shall by regulation prescribe. The Secretary shall by regulation prescribe the type of research and teaching in which an individual may engage to comply with such requirement and such other requirements respecting reseach and teaching as the Secretary considers appropriate.

"(4)(A) If any individual to whom the requirement of paragraph (1) is applicable fails, within the period prescribed by paragraph (3), to comply with such requirements, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula—

$$A \quad (t\text{-}s/t)$$

in which 'A' is the amount the United States is entitled to recover; ' ' is the sum of the total amount paid under one or more National Research Service Awards to such individual; 't' is the total number of months in such individual's service obligation; and 's' is the number of months of such obligation served by him in accordance with paragraphs (1) and (2) of this subsection.

"(B) Any amount which the United States is entitled to recover under subparagraph (A) shall, within the three-year period beginning on the date the United States becomes entitled to recover such amount, be paid to the United States. Until any amount due the United States under subparagraph (A) on account of any National Research Service Award is paid, there shall accrue to the United States interest on such amount at a rate fixed by the Secretary of the Treasury after taking into consideration private consumer rates of interest prevailing on the date the United States becomes entitled to such amount.

"(5)(A) Any obligation of any individual under paragraph (3) shall be canceled upon the death of such individual.

"(B) The Secretary shall by regulation provide for the waiver or suspension of any such obligation applicable to any individual whenever compliance by such individual is impossible or would involve substantial hardship to such individual or would be against equity and good conscience.

"(d) There are authorized to be appropriated to make payments under National Research Service Awards and under grants for such awards $191,000,000 for fiscal year 1984, $220,000,000 for fiscal year 1985, and $251,000,000 for fiscal year 1986. Of the sums appropriated under this subsection, not less than 15 per centum shall be made available for payments under National Research Service Awards provided by the Secretary under subsection (a)(1)(A) and not less than 50 per centum shall be made available for grants under subsection (a)(1)(B) for National Research Service Awards. In any fiscal year not more than 4 per centum of the amount obligated to be expended under this section may be obligated for National Research Service Awards for periods of three months or less.

"VISITING SCIENTIST AWARDS

"SEC. 480. (a) The Secretary may make awards (hereinafter in this section referred to as 'Visiting Scientist Awards') to outstanding scientists who agree to serve as visiting scientists at institutions of postsecondary education which have significant enrollments of disadvantaged students. Visiting Scientist Awards shall be made by the Secretary to enable the faculty and students of such institutions to draw upon the special talents of scientists from other institutions for the purpose of receiving guidance, advice, and instruction with regard to research, teaching, and curriculum development in the biomedical and behavioral sciences and such other aspects of these sciences as the Secretary shall deem appropriate.

"(b) The amount of each Visiting Scientist Award shall include such sum as shall be commensurate with the salary or remuneration which the individual receiving the award would have been entitled to receive from the institution with which the individual has, or had, a permanent or immediately prior affiliation. Eligibility for and terms of Visiting Scientist Awards shall be determined in accordance with regulations the Secretary shall prescribe.

"STUDIES RESPECTING BIOMEDICAL AND BEHAVIORAL RESEARCH PERSONNEL

"SEC. 481. (a) The Secretary shall, in accordance with subsection (b), arrange for the conduct of a continuing study to—

"(1) establish (A) the Nation's overall need for biomedical and behavioral research personnel, (B) the subject areas in which such personnel are needed and the number of such personnel needed in each such area, and (C) the kinds and extent of training which should be provided such personnel;

"(2) assess (A) current training programs available for the training of biomedical and behavioral research personnel which are conducted under this Act, at or through national research institutes under the National Institutes of Health and institutes under the Alcohol, Drug Abuse, and Mental Health Administration, and (B) other current training programs available for the training of such personnel;

"(3) identify the kinds of research positions available to and held by individuals completing such programs;

"(4) determine, to the extent feasible, whether the programs referred to in clause (B) of paragraph (2) would be adequate to meet the needs established under paragraph (1) if the programs referred to in clause (A) of paragraph (2) were terminated; and

"(5) determine what modifications in the programs referred to in paragraph (2) are required to meet the needs established under paragraph (1).

"(b)(1) The Secretary shall request the National Academy of Sciences to conduct the study required by subsection (a) under an arrangementunder which the actual expenses incurred by such Academy in conducting such study will be paid by the Secretary. If the National Academy of Sciences is willing to do so, the Secretary shall enter into such an arrangement with such Academy for the conduct of such study.

"(2) If the National Academy of Sciences is unwilling to conduct such study under such an arrangement, then the Secretary shall enter into a similar arrangement with other appropriate nonprifit private groups or associations under which such groups or associations will conduct such study and prepare and submit the reports theron as provided in subsection (c).

"(3) The National Academy of Sciences or other group or association conducting the study required by subsection (a) shall conduct such study in consultation with the Director of NIH.

"(c) A report on the results of such study shall be submitted by the Secretary to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate at least once every two years.

"PART F—GENERAL PROVISIONS

"INSTITUTIONAL REVIEW BOARDS; ETHICS GUIDANCE PROGRAM

"SEC. 483. (a) The Secretary shall by regulation require that each entity which applies for a grant, contract, or cooperative agreement under this Act for any project or program which involves the conduct of biomedical or behavioral research involving human subjects submit in or with its application for such grant, contract, or cooperative agreement assurances satisfactory to the Secretary that it has established (in accordance with regulations which the Secretary shall prescribe) a board (to be known as an 'Institutional Review Board') to review biomedical and behavioral research involving human subjects conducted at or supported by such entity in order to protect the rights of the human subjects of such research.

"(b) The Secretary shall—

"(1) establish a program within the Department under which requests for clarification and guidance with respect to ethical issues in connection with biomedical or behavioral research involving human subjects are responded to promptly and appropriately, and

"(2) a process for the prompt and appropriate response to information provided the Director of NIH respecting incidences of violations of the rights of human subjects of research for which funds have been made available under this Act. The process shall include procedures for the receiving of reports of such information from recipients of funds under this Act and taking appropriate action with respect to such violations.

"PEER REVIEW

"SEC. 484. (a)(1) The Secretary, after consultation with the Director of NIH, and, where appropriate, the head of the Division of Nursing of the Health Resources and Services Administration (or the successor to such entity), shall by regulation require appropriate technical and scientific peer review of—

"(A) applications made for grants and cooperative agreements under this Act for biomedical and behavioral research (including research under programs of such Division of Nursing); and

"(B) biomedical and behavioral research and development contracts to be administered through the National Institutes of Health or the Division of Nursing of the Health Resources and Services Administration (or the successor to such entity).

"(2) Regulations promulgated under paragraph (1) shall require that the review of grants, contracts, and cooperative agreements required by the regulations be conducted—

"(A) in a manner consistent with the system for scientific peer review applicable on the date of the enactment of the Health Research Act of 1983 to grants under this Act for biomedical and behavioral research, and

"(B) to the extent practical, by peer review groups performing such review on or before such date.

"(3) The members of any peer review group established under such regulations shall be individuals who by virtue of their training or experience are eminently qualified to perform the review functions of the group and not more than one-fourth of the members of any peer review group established under such regulations shall be officers or employees of the United States.

"(b) The Director of NIH shall establish procedures for periodic, technical, and scientific peer review of research at the National Institutes of Health. Such procedures shall require that—

"(1) the reviewing entity be provided a written description of the research to be reviewed; and

"(2) the reviewing entity provide the advisory council of the national research institute involved with such description and the results of the review by the entity.

"PROTECTION AGAINST SCIENTIFIC FRAUD

"SEC. 485. (a) The Secretary shall by regulation require that each entity which applies for a grant, contract, or cooperative agreement under this Act for any project or program which involves the conduct of biomedical or behavioral research submit in or with its application for such grant, contract, or cooperative agreement assurances satisfactory to the Secretary that it—

"(1) has established (in accordance with regulations which the Secretary shall prescribe) an administrative process to review reports of scientific fraud in connection with biomedical and behavioral research conducted at or sponsored by such entity.

"(2) will report to the Secretary any investigation of alleged scientific fraud which appears substantial.

"(b) The Director of NIH shall establish a process for the prompt and appropriate response to information provided the Director of NIH respecting scientific fraud in connection with projects for which funds have been made available under this Act. The process shall include procedures for the receiving of reports of such information from recipients of funds under this Act and taking appropriate action with respect to such fraud.

"RESEARCH AND PUBLIC HEALTH EMERGENCIES

"SEC. 486. (a) If the Secretary determines, after consultation with the Director of NIH, the Commissioner of the Food and Drug Administration, or the Director of the Centers for Disease Control, that a disease or disorder constitutes a public health emergency, the Secretary, acting through the Director of NIH—

"(1) shall expedite the review by advisory councils under section 408 and by peer review groups under section 484 of applications for grants for research on such disease or disorder or proposals for contracts for such research;

"(2) shall exercise the authority in section 3709 of the Revised Statutes respecting public exigencies to waive the advertising requirements of such section in the case of proposals for contracts for such research;

"(3) may provide administrative supplemental increases in existing grants and contracts to support new research relevant to such disease or disorder; and

"(4) shall disseminate, to health professionals and the public, information on the cause, prevention, and treatment of such disease or disorder which information has been developed in research assisted under this section.

The amount of an increase in a grant or contract provided under paragraph (3) may not exceed one-half the original amount of the grant or contract.

"(b) Not later than ninety days after the expiration of a fiscal year the Secretary shall report to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate on actions taken under subsection (a) in such fiscal year.

"ANIMALS IN RESEARCH

"SEC. 487. (a) The Secretary, acting through the Director of NIH, shall establish guidelines for the following:

"(1) The proper care of animals to be used in biomedical and behavioral research.

"(2) The proper treatment of animals while being used in such research. Guidelines under this paragraph shall require—

"(A) the appropriate use of tranquilizers, analgesics, anesthetics, paralytics, and euthanasia for animals in such research; and

"(B) appropriate pre- and post-surgical veterinary medical and nursing care for animals in such research.

Such guidelines shall not be construed to prescribe methods of research.

"(3) The organization and operation of animal care committees in accordance with subsection (b).

"(b)(1) Guidelines of the Secretary under subsection (a)(3) shall require animal care committees at each entity which conducts biomedical and behavorial research with funds provided under this Act (including the National Institutes of Health and the national research institutes) to assure compliance with the guidelines established under subsection (a).

"(2) Each animal care committee shall be appointed by the chief executive officer of the entity for which the committee is established, shall be composed of not fewer than three members, and shall include at least one individual who has no association with such entity and at least one doctor of veterinary medicine.

"(3) Each animal care committee of a research entity shall—

"(A) review the care and treatment of animals in all animal study areas and facilities of the research entity at least semi-annually to evaluate compliance with applicable guidelines established under subsection (a) for appropriate animal care and treatment;

"(B) keep appropriate records of reviews conducted under subparagraph (A), and

"(C) for each review conducted under subparagraph (A), file with the Director of NIH (i) a certification that the review has been conducted, and (ii) reports of any violations of guidelines established under subsection (a) or assurances required by subsection (b) which were observed in such review and which have continued after notice by the committee to the research entity involved of the violations.

Reports filed under subparagraph (C) shall include any minority views filed by members of the committee.

"(c) The Director of NIH shall by regulation require each applicant for a grant or contract administered by the National Institutes of Health or any national research institute to include in its application or contract proposal, submitted after the expiration of the twelve-month period beginning on the date of the enactment of this section—

"(1) assurances satisfactory to the Director of NIH that—

"(A) the applicant meets the requirements of the guidelines established under paragraphs (1) and (2) of subsection (a) and has an animal care committee which meets the requirements of subsection (b); and

"(B) scientists, animal technicians, and other personnel involved with animal care, treatment, and use by the applicant have available to them instruction or training in the humane practice of animal maintenance and experimentation, and the concept, availability, and use of research or testing methods that minimize the use of animals or limit animal distress; and

"(2) a statement of the reasons for the use of animals in the research to be conducted with funds provided under such grant or contract.

Notwithstanding subsection (a)(2) of section 553 of title 5, United States Code, regulations under this subsection shall be promulgated in accordance with the notice and comment requirements of such section.

"(d) If the Director of NIH determines that—

"(1) the conditions of animal care, treatment, or use in an entity which is receiving a grant or contract under this title do not meet applicable guidelines established under subsection (a),

"(2) the entity has been notified by the Director of NIH of such determination and has been given a reasonable opportunity to take corrective action, and

"(3) no action has been taken by the entity to correct such conditions,

the Director of NIH shall suspend or revoke such grant or contract under such conditions as the Director determines appropriate.

"(e) No guideline or regulation promulgated under subsection (a) or (c) may require a research entity to disclose trade secrets or commercial or financial information which is privileged or confidential.

"USE OF APPROPRIATIONS UNDER THIS TITLE

"SEC. 488. Appropriations to carry out the purposes of this title shall be available for the acquisition of land or the erection of buildings only if so specified. Such appropriations, unless otherwise expressly provided, may be expended in the District of Columbia for personal services, stenographic recording and translating services; by contract if deemed necessary, without regard to section 3709 of the Revised Statutes; travel expenses (including the expenses of attendance at meetings when specifically authorized by the Secretary); rental, supplies and equipment, purchase and exchange of medical books, books of reference, directories, periodicals, newspapers, and press clippings; purchase, operation, and maintenance of passenger motor vehicles; printing and binding (in addition to that otherwise provided by law); and for all other necessary expenses in carrying out the provisions of this title.

"GIFTS

"SEC. 489. The Secretary may, in accordance with section 501, accept conditional gifts for the National Institutes of Health or a national research institute or for the acquisition of grounds or for the erection, equipment, or maintenance of facilities for the National Institutes of Health or a national research institute. Donations of $50,000 or over for the National Institutes of Health or a national research institute for carrying out the purposes of this title may be acknowledged by the establishment within the National Institutes of Health or institute of suitable memorials to the donors.

"CONSTRUCTION OF TITLE

"SEC. 490. This title shall not be construed as limiting (1) the functions or authority of the Secretary under section 301 or of any officer or agency of the United States, relating to the study, prevention, diagnosis, and treatment of any disease for which a separate national research institute is established under this title, or (2) the expenditure of any funds therefor.".

CONFORMING AMENDMENTS

SEC. 3. (a) The National Advisory Health Council established under section 217 is terminated.

(b) Section 217(a) is amended—

(1) in the first sentence—

(A) by striking out "National Advisory Health Council, the National Advisory Mental Health Council, the National Advisory Council on Alcohol Abuse and Alcoholism, and the National Advisory Dental Research Council" and inserting in lieu thereof "National Advisory Mental Health Council and the National Advisory Council on Alcohol Abuse and Alcoholism"; and

(B) by striking out "by the Surgeon General with the approval of the Secretary of Health, Education, and Welfare" and inserting in lieu thereof "by the Secretary";

(2) in the second sentence—

(A) by striking out "in the case of the National Advisory Health Council, are skilled in the sciences related to health, and";

(B) by striking out "the National Advisory Mental Health Council, the National Advisory Council on Alcohol Abuse and Alcoholism, the National Advisory Heart Council, and the National Advisory Dental Research Council" and inserting in lieu thereof "the National Advisory Mental Health Council and the National Advisory Council on Alcohol Abuse and Alcoholism"; and

(C) by striking out ", alcohol abuse and alcoholism, and dental diseases and conditions" and inserting in lieu thereof "and alcohol abuse and alcoholism"; and

(3) by striking out the third sentence.

(c) Subsection (b) of section 217 is repealed and subsections (c) through (e) and subsection (g) are redesignated as subsections (b) through (e), respectively.

(d) Section 222(c) is amended to read as follows:

"(c) Upon appointment of any such council or committee, the secretary may delegate to such council or committee such advisory functions relating to grants-in-aid for research or training projects or programs, in the areas or fields with which such council or committee is concerned, as the secretary determines to be appropriate.".

(e) Section 301(a) is amended—

(1) in paragraph (3), by striking out "as are recommended" through "for such fiscal year" and inserting in lieu thereof "as are recommended by the advisory council to the entity of the department supporting such projects or, in the case of mental health projects, by the National Advisory Mental Health Council; and make, upon recommendation of the advisory council to the entity of the department involved or the National Advisory Mental Health Council, grants-in-aid to public or nonprofit universities, hospitals, laboratories, and other institutions for the general support of their research"; and

(2) in paragraph (8), by striking out "recommendations of the National Advisory Health Council" through "such additional means" and inserting in lieu thereof "recommendations of the advisory councils to the entities of the department involved or, with respect to mental health, the National Advisory Mental Health Council, such additional means".

(f) Section 8(w) of the Orphan Drug Act (Public Law 97-414) is repealed.

AMENDMENTS RELATING TO THE NATIONAL LIBRARY OF MEDICINE

SEC. 4. (a) Part I of title III of the Public Health Service Act is transferred to title IV of such Act (as amended by section 2 of this Act), inserted at the end of such title, redesignated as part G, and amended as follows:

(1) Section 381 (42 U.S.C. 275) is amended—

(A) by inserting "(a)" before "In order",

(B) by striking out "there is hereby established in the Public Health Service" and inserting in lieu thereof "there is established as an agency of the National Institutes of Health",

(C) by striking out "381." and inserting in lieu thereof "485.", and

(D) by amending the section heading to read as follows:

"PURPOSE, ESTABLISHMENT, AND FUNCTION OF THE NATIONAL LIBRARY OF MEDICINE".

(2) Section 382 (42 U.S.C. 276) is amended—

(A) by striking out "subsection (c)" in subsection (a) and inserting in lieu thereof "subsection (d)",

(B) by striking out "section 383" in subsection (c) and inserting in lieu thereof "section 486",

(C) by striking out "Sec. 382. (a)" and inserting in lieu thereof "(b)",

(D) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and

(E) by striking out the section heading.

(3) Subsection (a) of section 388 (42 U.S.C. 280a-1(a)) is inserted just before section 383, redesignated as subsection (e), and amended by striking out "section 397" each place it occurs and inserting in lieu thereof "section 496".

(4) Sections 384 and 385 (42 U.S.C. 278, 279) are inserted after the subsection inserted by paragraph (3) and amended—

(A) in section 384 by striking out "Sec. 384." and inserting in lieu thereof "(f)",

(B) in section 384 by striking out the section heading of section 384,

(C) in section 384, by striking out "501" and inserting in lieu thereof "2101".

(D) in section 385, by striking out "Sec. 385." and inserting in lieu thereof "(g)",

(E) by striking out the section heading of section 385, and

(F) by striking out "section 383" in section 385 and inserting in lieu thereof "section 486".

(5) Section 383 (42 U.S.C. 277) is redesignated as section 486 and is amended in subsection (a) by striking out "in the Public Health Service".

(6) Section 386 (42 U.S.C. 280) is redesignated as section 487.

(7) Section 387 (42 U.S.C. 280a) is repealed.

(8) Section 388 (42 U.S.C. 280a-1) is amended by striking out subsection (b), "Sec. 388.", and the section heading.

(b) Part J of title III of the Public Health Service Act is transferred to title IV of such Act (as amended by section 2 of this Act and subsection (a) of this section), inserted after the part inserted by subsection (a), redesignated as part H, and amended as follows:

(1) Section 390(c) (42 U.S.C. 280b(c)) is amended by striking out "and" after "1981," and by inserting before the period a comma and the following: "$10,000,000 for the fiscal year ending September 30, 1984, $11,000,000 for the fiscal year ending September 30, 1985, and $12,000,000 for the fiscal year ending September 30, 1986".

(2) Section 390(c) (42 U.S.C. 280b(c)) is amended by striking out "sections 393, 394, 395, 396, and 397" and inserting in lieu thereof "sections 492, 493, 494, 495, and 496".

(3) Section 391 (42 U.S.C. 280b-1) is amended by striking out "383(a)" and inserting in lieu thereof "486(a)".

(4) Section 392 (42 U.S.C. 280b-2) is amended (A) by striking out "section 383(a) shall, in addition to its functions prescribed under section 383" in subsection (a) and inserting in lieu thereof "section 486 shall, in addition to its functions prescribed under such section", and (B) by striking out "section 383(d)" in subsection (d) and inserting in lieu thereof "section 486(d)", and (C) by striking out "part I" in subsection (1) and inserting in lieu thereof "part G".

(5) Section 393(a) (42 U.S.C. 280b-4(a)) is amended by striking out "section 390(b)(1)" and inserting in lieu thereof "section 489(b)(1)".

(6) Section 394(a) (42 U.S.C. 280b-5(a)) is amended by striking out "section 390(b)(2)" and inserting in lieu thereof "section 489(b)(2)".

(7) Section 394(b) is amended by striking out "section 390(b)(3)" and inserting in lieu thereof "section 489(b)(3)".

(8) Section 395(a) (42 U.S.C. 280b-7(a)) is amended by striking out "section 390(b)(4)" and inserting in lieu thereof "section 489(b)(4)".

(9) Section 396(a) (42 U.S.C. 280b-8(a)) is amended by striking out "section 390(b)(5)" and inserting in lieu thereof "section 489(b)(5)".

(10) Section 397(a) (42 U.S.C. 280b-9(a)) is amended by striking out "section 390(b)(6)" and inserting in lieu thereof "section 489(b)(6)".

(11) Section 399(b) (42 U.S.C. 280b-11(b)) is amended by striking out "of Health, Education, and Welfare".

(12) Sections 390 through 399 are redesignated as sections 489 through 498, respectively.

STUDY OF ANIMALS IN RESEARCH

SEC. 5. (a)(1) The Secretary of Health and Human Services, through the Director of the National Institutes of Health, shall in accordance with this section arrange for the conduct of a study concerning the use of live animals in biomedical and behavioral research. The Secretary shall request the National Academy of Sciences to conduct the study under an arrangement under which the actual expenses incurred by the Academy in conducting such study will be paid by the Secretary and the Academy will prepare the report required by subsection (c). If the National Academy of Sciences is willing to do so, the Secretary shall enter into such an arrangement with the Academy for the conduct of the study.

(2) If the National Academy of Sciences is unwilling to conduct the study required by paragraph (1) under the type of arrangement described in such paragraph, the Secretary shall enter into a similar arrangement with one or more appropriate nonprofit private entities.

(b) The study required by subsection (a) shall—

(1) assess the status of the use of live animals in biomedical and behavioral research conducted by entities receiving Federal financial assistance through the National Institutes of Health or any of its agencies to

support such research and, if possible, by entities which do not receive Federal financial assistance, including—

(A) a determination of the type of animals used in such research during each of the five years in the five-year period preceding the date which is eighteen months after the date of enactment of this section;

(B) an estimate of the total number of live animals used in such research during each such year;

(C) a survey of the purposes for which live animals are used in such research;

(D) an analysis of whether the use of such animals in such research has decreased or increased over such five-year period; and

(E) an exploration of methods which can be used in the conduct of such research which are alternatives to the use of live animals;

(2) assess the impact on biomedical and behavioral research of the establishment of a requirement that, as a condition of receiving Federal financial assistance to support such research, entities conducting such research be accredited in accordance with standards promulgated by organizations which accredit such entities;

(3) estimate—

(A) the amounts that would be expended by entities which conduct biomedical and behavioral research with Federal financial assistance to equip and modernize their research facilities in order to meet the standards referred to in paragraph (2); and

(B) the amounts that would be expended by entities which have not previously conducted such research with Federal financial assistance to establish, modernize, or equip facilities in order to meet such standards;

(4) review Federal and State laws and regulations governing the use of live animals in biomedical and behavioral research conducted by research institutions, medical facilities, academic institutions, and training programs;

(5) evaluate the extent to which accrediting laboratories and research facilities protect animals against inhumane treatment;

(6) evaluate the actions taken by the National Institutes of Health to support research to develop research and testing methodologies which will decrease the number of live animals used in biomedical and behavioral research;

(7) evaluate the actions taken by the National Institutes of Health to improve oversight of the use of live animals in biomedical and behavioral research by entities which receive Federal financial assistance through the National Institutes of Health or any of its agencies to support such research; and

(8) evaluate the activities undertaken by the National Institutes of Health to insure the humane care and treatment, and appropriate use, of live animals in biomedical and behavioral research conducted or supported by the National Institutes of Health or any of its agencies.

(c) Within eighteen months after the date of enactment of this section, the Secretary shall transmit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, and make available to the public, a report—

(1) describing the study conducted under the section;

(2) containing a statement of the data obtained under such study; and

(3) specifying such recommendations for legislation and administrative action with respect to the use of live animals in biomedical and behavioral research as the Secretary considers appropriate.

INTERAGENCY COMMITTEE ON SPINAL CORD INJURY

SEC. 6. (a) The Secretary shall establish in the National Institute of Neurological and Communicative Disorders and Stroke an Interagency Committee on Spinal Cord Injury to plan, develop, coordinate, and implement comprehensive Federal initiatives in research on spinal cord regeneration.

(b)(1) The Committee shall consist of individuals from the—

(A) National Institute on Neurological and Communicative Disorders and Stroke,

(B) Department of Defense,

(C) Department of Education,

(D) Veterans' Administration,

(E) Office of the Science Advisor to the President, and

(F) National Science Foundation,

selected by the heads of such entities.

(2) The Committee shall meet at least four times a year. The Secretary shall designate the Chairman from the representatives of the Committee selected under paragraph (1). The Secretary shall make such designations so that a representative from each agency referred to in paragraph (1) will serve as Chairman of the Committee. The Chairman shall serve for a term of one year.

(c) The Committee shall prepare an annual report for Congress on its activities. The report shall include a description of research projects on spinal cord regeneration conducted or supported by Federal agencies in the fiscal year for which the report is made, the nature and purpose of each such project, the amounts expended for each such project, and an identification of the entity which conducted the research under each such project. Such report shall be submitted not later than the one hundred and twentieth day after the end of each fiscal year. The Committee shall terminate September 30, 1986.

STUDY OF PERSONNEL FOR HEALTH NEEDS OF THE ELDERLY

SEC. 7. (a) The Secretary shall conduct a study on the adequacy and availability of personnel to meet the current and projected health needs of elderly Americans through the year 2020.

(b) The Secretary shall report the results of the study to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate by March 1, 1985. The report on the study shall contain recommendations on—

(1) the number of primary care physicians and other health personnel needed to provide adequate care for the elderly,

(2) the training needs of physicians (including specialists) and other health personnel to provide care responsive to the particular needs of the elderly,

(3) necessary changes in medicare and other third party reimbursement necessary to support training of primary care and other physicians to meet the needs of the elderly, and

(4) necessary program changes in third party reimbursement programs (including changes in medicare programs) to support training of other health personnel in the care of the elderly.

INTERAGENCY COMMITTEE ON LEARNING DISABILITIES

SEC. 8. (a) Not later than ninety days after the date of the enactment of this Act, the Director of the National Institutes of Health shall establish an Interagency Committee on Learning Disabilities to review and assess Federal research priorities, activities, and findings regarding learning disabilities (including central nervous system dysfunction in children).

(b) The Committee shall be composed of such representatives as the Director may designate, but shall include representatives from the National Institute of Neurological and Communicative Disorders and Stroke, the National Institute of Child Health and Human Development, the National Institute of Allergy and Infectious Diseases, the National Institute of Environmental Health Sciences, and the Division of Research Resources of the National Institutes of Health.

(c) Not later than eighteen months after the date of the enactment of this Act, the Committee shall report to the Congress on its activities under subsection (a) and shall include in the report—

(1) the number of persons affected by learning disabilities and the demographic data which describes such persons;

(2) a description of the current research findings on the cause, diagnosis, treatment, and prevention of learning disabilities; and

(3) recommendations for legislation and administrative actions.—

(A) to increase the effectiveness of research on learning disabilities and to improve the dissemination of the findings of such research, and

(B) respecting specific priorities for research in the cause, diagnosis, treatment, and prevention of learning disabilities.

(d) The Committee shall terminate on the ninetieth day following the date of the submission of the report under subsection (c).

DIET THERAPY FOR KIDNEY FAILURE

SEC. 9. The Director of the National Institute of Diabetes and Digestive and Kidney Diseases shall conduct research into the role of diet therapy in the treatment of end stage renal disease. The Director shall report to Congress the results of such research not later than January 1, 1987.

NATIONAL COMMISSION ON ORPHAN DISEASES

SEC. 10. (a) There is established the National Commission on Orphan Diseases.

(b) The Commission shall assess the activities of the National Institutes of Health, the Alcohol, Drug Abuse, and Mental Health Administration, and other public agencies, and of private entities in connection with—

(1) basic research conducted on rare diseases;

(2) the use in research on rare diseases of knowledge developed in other research;

(3) applied and clinical research on the prevention, diagnosis, and treatment of rare diseases; and

(4) the dissemination of knowledge developed in research on rare diseases and other diseases to the public, health care professionals, researchers, and drug and medical device manufacturers which can be used in the prevention, diagnosis, and treatment of rare diseases.

(c) In assessing the activities of the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration in connection with research on rare diseases, the Commission shall review—

(1) the appropriateness of the priorities current placed on research on rare diseases;

(2) the relative effectiveness of grants and contracts when used to fund research on rare diseases;

(3) the appropriateness of specific requirements applicable to applications for funds for research on rare diseases taking into

consideration the reasonable capacity of applicants to meet such requirements;

(4) the adequacy of the science base for such research, including the adequacy of the research facilities and research resources used in such research and the appropriateness of the scientific training of the personnel engaged in such research;

(5) the effectiveness of activities undertaken to encourage such research;

(6) the organization of the peer review process applicable to applications for funds for such research to determine if the organization of the peer review process could be revised to improve the effectiveness of the review provided to proposals for research on rare diseases;

(7) the effectiveness of the coordination between the national research institutes of the National Institutes of Health, the institutes of the Alcohol, Drug Abuse, and Mental Health Administration, and private entities in supporting such research; and

(8) the effectiveness of activities undertaken to assure that knowledge developed in research on non-rare diseases is, when appropriate, used in research on rare diseases.

(d) The Commission shall be composed of twenty members appointed by the Secretary of Health and Human Services as follows:

(1) Ten members shall be appointed from individuals who are not officers or employees of the Government and who by virtue of their training or experience in research on rare diseases or in the treatment of rare diseases are qualified to serve on the Commission.

(2) Five members shall be appointed from individuals who are not officers or employees of the Government and who have a rare disease or are employed to represent or are members of an organization concerned about rare disease.

(3) Five nonvoting members shall be appointed from—

(A) directors of national research institutes of the National Institutes of Health, or

(B) directors of institutes of the Alcohol, Drug Abuse, and Mental Health Administration,

which the Secretary determines are involved with rare diseases.

A vacancy in the Commissioner shall be filled in the manner in which the original appointment was made.

(e) If any member of the Commission who was appointed to the Commission as a director of a national research institute or an institute of the Alcohol, Drug Abuse, and Mental Health Administration leaves that Office, of if any member of the Commission who was appointed from persons who are not officers or employees of the Government becomes an officer or employee of the Government, he may continue as a member of the Commission for not longer than the ninety-day period beginning on the date he leaves that office or becomes such an officer or employee, as the case may be.

(f) Members shall be appointed for the life of the Commission.

(g)(1) Except as provided in paragraph (2), members of the Commission shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including travel-time) during which they are engaged in the actual performance of duties vested in the Commission.

(2) Members of the Commission who are full-time officers or employees of the Government shall receive no additional pay by reason of their service on the Commission.

(h) The Chairman of the Commission shall be designated by the members of the Commission.

(i) Subject to such rules as may be prescribed by the Commission, the Commission may appoint and fix the pay of such personnel as it determines are necessary to enable the Commission to carry out its functions. Personnel shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(j) Subject to such rules as may be prescribed by the Commission, the Commission may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the basic pay payable for grade GS-15 of the General Schedule.

(k) Upon request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this section.

(l) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(m) The Commission may, for the purpose of carrying out this section, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate.

(n) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this section. Upon request of the Chairman, the head of such department or agency shall furnish such information to the Commission.

(o) The Commission shall transmit to the Secretary and to each House of the Congress a report not later than September 30, 1985, on the activities of the Commission. The report shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for—

(1) such legislation or administrative actions, as it considers appropriate, respecting changes in the organization and operation of the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration; and

(2) a long range plan for the use of public and private resources to improve research into rare diseases and to assist in the prevention, diagnosis, and treatment of rare diseases.

(p) The Commission shall cease to exist on the ninetieth day following the date of the submittal of its report under subsection (o).

(q) The Director of the National Institutes of Health shall make available $1,000,000 to the Commission from appropriations for fiscal year 1984 for the National Institutes of Health.

PRESIDENT'S COMMISSION ON THE HUMAN APPLICATION OF GENETIC ENGINEERING

SEC. 11. (a) There is established the President's Commission on the Human Applications of Genetic Engineering (hereinafter in this section referred to as the "Commission").

(b)(1) The Commission shall conduct, and regularly update, comprehensive reviews of developments in genetic engineering that have implications for human genetic engineering, including activities in recombinant DNA technology, and shall examine the medical, legal, ethical, and social issues presented by the human application of such developments.

(2) The Commission shall undertake such other studies as are consistent with the purposes of the Commission on its own initiative or upon the request of—

(A) the President,

(B) the head of a Federal agency, or

(C) a committee of the Congress.

(c) The Commission shall be composed of fifteen members appointed by the President as follows:

(1) Six members shall be appointed from scientists and physicians who are eminent in the field of genetics, including molecular, microbial, and human genetics, and health care, including public health. Of such members—

(A) there shall be appointed from individuals who have been recommended for appointment by the President of the National Academy of Sciences, and

(B) there shall be appointed from individuals who are recommended for appointment by the Director of the National Institute of Health.

(2) Six members shall be appointed from individuals who are not scientists or physicians and who as a group have expertise in the fields of law, theology, ethics, and the social behavioral sciences.

Three members shall be appointed from individuals who are not scientists or physicians and who are members of the general public.

Except for individuals appointed under paragraph (1)(B), no individual who is a full-time officer or employee of the Federal Government may be appointed to the Commission. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(d)(1) Except as provided in paragraphs (2) and (3), members shall be appointed for terms of four years.

(2) Of the members first appointed—

(A) five members shall be appointed for a term of four years,

(B) five members shall be appointed for a term of three years, and

(C) five members shall be appointed for a term of two years, and

as designated by the President at the time of appointment.

(3) Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

(e)(1) Except as provided in paragraph (2), members of the Commission shall each be paid at a rate equal to the rate of basic pay payable for grade GS-18 of the General Schedule.

(2) Members of the Commission who are full-time officers or employees of the Federal Government shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(f)(1) Eight members of the Commission shall constitute a quorum but a lesser number may hold hearings.

(2) The Chairman of the Commission shall be appointed by the President, by and

with the advice and consent of the Senate, from individuals appointed under subsection (c)(2). The Vice-Chairman of the Commission shall be appointed by the President, by and with the advice and consent of the Senate, from individuals appointed under subsection (c)(1)(A).

(3) The Commission shall meet at the call of the Chairman or a majority of its members.

(h)(1) Subject to such rules as may be prescribed by the Commission, the Commission may appoint and fix the pay of such personnel as it considers appropriate.

(2) The staff of the Commission shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(3) Subject to such rules as may be prescribed by the Commission, the Commission may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the annual rate of basic pay payable for GS-15 of the General Schedule.

(4) Upon request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this section.

(i) The Secretary of Health and Human Services, the Director of the Office of Science and Technology Policy, the Director of the National Science Foundation, and the Director of the National Endowment for the Humanities shall each designate an individual to provide liaison with the Commission.

(j)(1) The Commission may, for the purpose of carrying out this section, hold such hearings, sit and act at such times and places, administer oaths, take such testimony, and receive such evidence under subpena or otherwise, as the Commission considers appropriate. Any member or agent of the Commission may, if so authorized by the Commission, take any action which the Commission is authorized to take by this section.

(2) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this section. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(3) The Commission may accept, use, and dispose of gifts or donations of services or property.

(4) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(5) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(k)(1) Upon the completion of each investigation or study undertaken by the Commission, the Commission shall report its findings and recommendations (including recommendations for legislation or administrative action) to the President, the Congress, and each Federal agency to which the recommendation applies.

(2) Not later than December 15 of each year, the Commission shall transmit to the President and to each House of the Congress an annual report of its activities under section 2 which shall include a list of all recommendations made by the Commission under subsection (a) during the year for which the report is made.

(l) There is authorized to be appropriated for the Commission $1,500,000 for fiscal year 1984, $1,500,000 for fiscal year 1985, and $1,500,000 for fiscal year 1986.

(m) This section is repealed effective March 30, 1987.

REVIEW OF DISEASE RESEARCH PROGRAMS OF THE NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES.

SEC. 12. The Secretary of Health and Human Services shall conduct an administrative review of the disease research programs of the National Institute of Diabetes and Digestive and Kidney Diseases to determine if any of such programs could be more effectively and efficiently managed by other national research institutes. The Secretary shall complete such review within the sixty-day period beginning on the date of the enactment of this section.

EFFECTIVE DATE

SEC. 13. This Act and the amendments made by this Act shall take effect on the date of the enactment of this Act. The authority to enter into contracts under section 5 and to make payments under sections 10 and 11 shall be effective for any fiscal year only to the extent that appropriations are generally available for that purpose.

Mr. SHELBY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. The gentleman from Alabama (Mr. SHELBY) is recognized for 5 minutes in support of his amendment in the nature of a substitute.

Mr. SHELBY. Mr. Chairman, today I am offering an amendment in the nature of a substitute reauthorizing the expiring authorities of the National Institutes of Health. I offer this initiative with the endorsement of the chairman and ranking majority member of the Health and Environment Subcommittee, and the chairman and ranking minority member of the full Energy and Commerce Committee. We have a truly bipartisan measure bringing together once-polarized approaches to this issue into a unified, workable package.

The substitute breaks years of deadlock over an NIH research management debate that many thought could not be resolved to the satisfaction of all interested parties. But we have achieved in this substitute a consensus approach to the management of biomedical research conducted by the NIH. Our substitute extends through fiscal year 1986 the authorizations for appropriations for the National Cancer Institute, the National Heart, Lung, and Blood Institute and other expiring biomedical research programs administerd by the National Institutes of Health. The NIH's outstanding history of scientific research will continue to be supported by an increase in spending levels of 15 percent over the fiscal year 1983 funding levels. The current beneficial structure and legislative authority of the Public Health Service Act, under which the institutes have effectively operated, will be retained. In doing this, we have provided guarantees that NIH's broad discretionary mandate to continue vital basic biomedical research is maintained and may be expanded.

Mr. Speaker, I would like to outline some of the highlights of the agreement before I defer to my colleagues on the committee for their remarks. A new National Institute of Arthritis and Musculoskeletal Disease is created, focusing increased emphasis toward critical research activities on these debilitating diseases. A study of the use of animals in biomedical research as well as guidelines for research facilities using animals will further efforts to insure the proper care and treatment of animals used in laboratories. The substitute creates a $1 million Orphan Disease Commission for 1984 and a Presidential Commission on Genetic Engineering for 1984 through 1986.

Recognizing the great strides made by the cancer research community in recent years, the substitute increases funding for important cancer projects funded by the National Cancer Institute. The substitute maintains the existing number of cancer centers nationwide for the 3-year authorization period. Last, though perhaps the most cost-effective initiatives contained in the substitute, we establish a network of centers for research and demonstration on health promotion and disease prevention. Twenty-five centers designed to conduct research in the prevention of illness and the promotion of good health will be located in university-based academic health centers or similar organizational entities.

Mr. Speaker, this substitute represents a convergence of widely differing interests and concerns. It is a well-balanced, reasonable approach to the management of a highly successful, $4 billion venture. The work of the NIH deserves the strong support this substitute provides—I urge my colleagues adoption of the Shelby amendment.

□ 1820

Mr. MADIGAN. Mr. Chairman, I rise in support of the Shelby substitute for H.R. 2350.

Mr. Chairman, this substitute is the result of a compromise agreed to by my colleagues Mr. SHELBY, Mr. BROYHILL, Mr. WAXMAN, and Mr. DINGELL and represents the first time in over 3 years that legislation reauthorizing programs within the NIH is being supported in a bipartisan fashion.

Of utmost importance, the Shelby substitute affirms the general authority of section 301 of the Public Health Service Act. Section 301 authority has allowed the Secretary through NIH, to conduct and support a broad range of research activities and to respond to needs in new research areas. The technical redraft of title IV of the Public Health Service Act, also contained in the compromise, provides only an explication and delineation of the actual authorities of section 301.

Unlike H.R. 2350, the Shelby substitute is free of the highly detailed and restrictive mandates, line-item authorizations for research in specific disease areas, and significant changes to NIH's organizational structure and administrative framework. In offering this substitute we believe we are giving NIH the vote of confidence it justly deserves. The substitute provides a funding increase which insures the continued growth of our Nation's biomedical research endeavors while maintaining the flexibility dictated by the scientific environment.

The compromise does include the creation of National Institute of Arthritis and Musculoskeletal disease to provide increased emphasis to research on these prevalent and chronic diseases.

This compromise recognizes the unparalleled excellence of NIH activities and seeks to reward that record with significant financial support and minimal congressional interference.

I urge your support of this substitute.

Mr. WAXMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the committee substitute.

The substitute represents the product of several months of work involving members of the committee on both sides of the aisle. It represents a workable compromise which required concessions by all involved.

I want to commend the chairman of the committee, Mr. DINGELL; the ranking minority member, Mr. BROYHILL; the ranking minority member of the subcommittee, Mr. MADIGAN; and Mr. SHELBY for the spirit of cooperation with which they approached this difficult task.

All involved in this process believe in a strong Federal commitment to our biomedical research program. The proposed substitute addresses the concerns raised during general debate on H.R. 2350 in a fair and equitable manner.

Passage of the substitute will provide for a stronger Federal commitment to health research.

For the benefit of members I would like to briefly summarize some of the major provisions contained in the committee substitute and ask that a detailed explanation of the proposal be printed at the conclusion of my remarks.

In its report on H.R. 2350, the committee noted that the statutory responsibilities of NIH under title IV of the Public Health Service Act have not been revised since 1944. It is necessary to revise and update these provisions in order to provide a consistent, comprehensive, and coordinated authority for the National Institutes of Health and each of the 11 existing national research institutes. These technical revisions are contained in title II of the substitute.

The substitute also addresses concerns which have been raised over NIH management practices. Title II requires that greater attention be provided to the investigation of scientific fraud, award of contracts and assuring scientific peer review of intramural research.

As in the committee bill, the substitute provides a procedure which permits NIH to expedite the funding of research relating to public health emergencies declared by the Secretary of Health and Human Services.

I know many members are interested in provisions of the substitute dealing with the use of animals in research. The provisions of the committee bill respecting guideline for the proper care and treatment of animals and the conduct of a comprehensive study on the use of animals in research are retained in the substitute. With respect to increasing support for research into methods that will reduce the use of animals, the substitute deletes the specific authorizations of appropriations, and instead provides that this authority will be a responsibility of the NIH Director rather than the division of research resources.

The substitute also provides for the establishment of a National Institute on Arthritis and Musculoskeletal Diseases and establishes a National Commission on Orphan Diseases.

I am particularly pleased to note that like the committee bill, the substitute requires the NIH to increase its emphasis upon research into prevention. The substitute provides for establishment of the new position of assistant director for prevention within 10 of the 12 national research Institutes, and authorizes establishment of a new program of grants to centers to conduct investigations into health promotion and disease prevention.

One feature added to the substitute which was not in the committee-passed bill is a clarification of the NIH's authority under section 301 of the Public Health Service Act. Sections 402, 407, and 492 of the substitute revisions to title IV are intended to emphasize the general applicability of section 301 as authority for NIH activities. The provisions of title IV are intended to be a delineation and explication of the general authority for NIH represented by section 301.

I would also like to highlight those major provisions of the committee passed bill which are not contained in the substitute. These provisions were all deleted at the request of the administration.

The committee passed bill would have allowed NIH and each national research institute to submit their annual budget proposals directly to the Congress rather than through the Office of Management of Budget but this provision is not included in the substitute.

The bill would have also required the NIH to pay direct and indirect costs of research strictly on the basis of actual costs, pursuant to OMB Circular A-21. This provision, which would have prevented arbitrary reductions in the reimbursement rates for these research expenses, has been deleted.

The bill would have also required that research funded under the Small Business Innovation Act program be awarded solely on the basis of scientific merit. This provision has been deleted.

Mr. Chairman, the substitute deserves the support of every Member. I urge Members' support for the substitute.

STATEMENT OF EXPLANATION

PURPOSE AND SUMMARY

The purpose of the substitute to H.R. 2350 is to extend and technically revise the statutory authority for Federal biomedical research programs administered by National Institutes of Health (NIH). The bill establishes a new National Institute of Arthritis and Musculoskeletal Diseases to give increased priority to research on these widely prevalent, chronic diseases. The revision of existing health research authorities will provide a more consistent, logical and uniform foundation for the operation of the NIH and its individual national research institutes. The authorization of appropriations for expiring research authorities is extended through 1986 at levels sufficient to allow NIH to maintain, and modestly expand, its current level of activities.

Major provisions of the proposal include:

1. Establish the National Institutes of Health (NIH) as an agency of the Public Health Service, and provide statutory authority for the eleven national research institutes.

2. Delineate the authorities of the Secretary of the Department of Health and Human Services (HHS) and the Director of NIH in carrying out health research.

3. Delineate the authorities of the Secretary of HHS and the Directors of the national research institutes respecting the conduct and support of research and research training and the awarding of grants, contracts and cooperative agreements.

4. Establish in statute a National Institutes of Health Advisory Board to consult with and advise the NIH Director on NIH policies. The Board would be similar to the existing non-statutory Advisory Committee to the Director of NIH.

5. Establish in statute the advisory councils for each of the national research institutes, and specify the role of the councils with respect to the review of grants, cooperative agreements and intramural research.

6. Consolidate NIH reporting requirements into a single, biennial report to the President and the Congress.

7. Require that the Director of NIH establish procedures for periodic peer review of intramural research conducted by the national research institutes.

8. Require the appointment of an Assistant Director for Prevention within ten of the national research institutes.

9. Authorize support for Centers for Research and Demonstration of Health Promotion and Disease Prevention, and authorize appropriations for such centers for fiscal years 1984 through 1986.

10. Extend through fiscal year 1986 the authorization for appropriations for the activities of the National Cancer Institute and the National Heart, Lung and Blood Institute.

11. Require that the National Cancer Institute maintain support for 55 National Cancer Research and Demonstration Centers for fiscal years 1984, 1985 and 1986. Also extend the period of support for cancer centers from three years to five years, and remove a limit on annual support for cancer and heart, lung and blood centers.

12. Establish and specify the authorities of a National Institute of Arthritis and Musculoskeletal Diseases.

13. Authorize a program of research on spinal cord regeneration.

14. Extend through fiscal year 1986 the authorizations for appropriations for National Research Service Awards and the Medical Library Assistance Act.

15. Require the Director of NIH to establish a formal system for the investigation of scientific misconduct involving NIH grantees.

16. Provide a system under which NIH may expedite research relating to public health emergencies.

17. Authorize the Director of NIH to establish a plan for research into methods of experimentation which do not require the use of animals or which will reduce the use of animals in research.

18. Require the Secretary to issue guidelines concerning the care and treatment of animals used in biomedical research.

19. Require the Secretary to contract with the National Academy of Sciences to conduct a study on the appropriate use of animals as research subjects.

20. Require the Director of the NIH to establish an Interagency Committee on Learning Disabilities to review and assess Federal research priorities, activities and findings regarding learning disabilities, including central nervous system dysfunction in children.

21. Require the Secretary of Health and Human Services to conduct a study and report the results to the Congress on the adequacy and availability of personnel to meet the health needs of elderly Americans through the year 2020.

22. Require the Director of the National Institute of Diabetes and Digestive and Kidney Diseases to conduct a clinical study on the extent to which dietary therapy can control chronic renal failure, and to report the results of such study to the Congress.

23. Establish a National Commission on Orphan Diseases to review the work of NIH and other Federal agencies regarding rare diseases.

EXPLANATION OF COMMITTEE SUBSTITUTE

The proposed substitute extends through fiscal year 1986 the authorizations for appropriations for the National Cancer Institute, the National Heart, Lung and Blood Institute and other expiring biomedical research programs administered by the National Institutes of Health (NIH). It includes a technical revision of Title IV of the Public Health Service Act to revise, preserve and consolidate existing research authorities for more efficient and effective administration of the NIH in the years ahead. Additional sections of the proposal reauthorize the Medical Library Assistance Act and provide for a number of studies and commissions relating to biomedical research.

SECTION TWO

Organization of the National Institutes of Health

The proposal provides explicit statutory authority for the National Institutes of Health and the national research institutes. Under current law, the NIH, the National Institute of Allergy and Infectious Diseases, and the National Institute of Environmental Health Sciences do not have specific statutory authority.

By establishing NIH in statute, the proposal recognizes the importance and permanence of the NIH and its national research institutes. Given the critical role of health research in understanding the causes and developing more effective treatments for disease, this legislation is long overdue.

The needs, priorities and policies in biomedical science may change over time. For this reason, Section 401(b)(3) provides the Secretary of HHS authority to establish one or more additional national research institutes as new needs and new research opportunities arise. The Secretary is required to give the Committee on Energy and Commerce of the House and the Committee on Labor and Human Resources of the Senate sixty days notice prior to the establishment of any new institute. The proposal does not provide for the National Center for Health Services Research and the National Center for Health Statistics to be transfered to NIH. It is, instead, intended for these two centers to remain in their present location in the Office of the Assistant Secretary of Health.

Appointment and authority of the Director

Under current law there is statutory provision for a Director of NIH, but no statutory duties prescribed or assigned. The proposal recognizes the importance of the position of the Director and provides the Director with broad statutory authority to assure the effective operation and management of the agency. It is expected that the Secretary of Health and Human Services will delegate to the Director all appropriate authority necessary to assure the optimal functioning of the NIH.

The Director has a critical role in coordinating and overseeing the administrative entities within the NIH. The proposal reflects an appropriate balance between centralized administration and the administrative independence of each of the national research institutes.

Under Section 402(b) (4), the Director is provided authority to acquire and construct facilities for the NIH. It is intended that this authority be used in accordance with Section 488 respecting the use of appropriations under this Title. To permit needed flexibility, the Director is provided specific authority to secure resources for research conducted by or through the NIH under Section 402(b) (5). It is not intended for this authority to be used to secure resources for the NIH that would, under current operating procedures, otherwise be available or obtainable through one of the national research institutes.

Section 402(b) (6) provides specific authority to the Director to establish additional technical and scientific peer review groups. Specific authority is provided the Director to establish such additional peer review groups as the Director deems necessary to carry out the activities and mission of the NIH. It is intended the Director of NIH be free to appoint new peer review groups without interference from the Office of Management and Budget or General Services Administration.

The capabilities of the peer review system should be expanded to include epidemiologic and behavioral sciences research. It is anticipated that it will become increasingly necessary for the peer review system to become more flexible and responsive to the changing needs in biomedical science. In establishing new peer review groups and filling vacancies on existing groups the Director should seek greater expertise in epidemiology and the behavioral health sciences.

Section 402(b)(3) of the proposal requires the Director of the NIH to insure that intramural research is subject to peer review. The procedures for such review are to be established by the Director in accordance with Section 484(b) so as to meet the unique needs of the intramural program. In providing for consistent review of intramural research under Sections 408 and 484, it is intended that the Director and the directors of the national research institutes be appropriately responsive to recommendations made by scientific review groups and institute advisory councils.

Section 402(b)(9) of the proposal authorizes the Director of the NIH to study, admit and treat individuals at facilities of the NIH. This authority is provided for activities of the NIH Clinical Center and other appropriate NIH agencies. Funding for patient care and other activities at the NIH Clinical Center should be provided, to the extent feasible, from appropriations made to each of the national research institutes.

It is intended under Section 402(d) of the proposal that travel expenses associated with consultant costs include, as is currently the case, travel expenses associated with traveling both to and from the individual's assigned locations. Consultant services available to NIH under this authority should be in addition to those available directly to the National Cancer Institute and the National Heart, Lung, and Blood Institute under Sections 414(b)(5) and 424(b)(1) of this proposal.

Peer review

Intramural research conducted at the NIH comprises from 10 to 30 percent of the research supported by individual national research institutes, and in Fiscal Year 1984 is expected to account for expenditures of more than $525 million. The intramural NIH program is one of the outstanding examples of high quality biomedical research in the world. The proposal reaffirms support for the NIH intramural program while concurrently providing greater accountability for expenditures and research priorities.

The peer review procedures used in the intramural research program have at times been inconsistent. Some research laboratories within the NIH have been subject to scientific peer review on a less-than-regular

basis. When conducted, peer review has often revealed a need for significant improvements in research activities.

Section 484(b) requires the Director of NIH to establish procedures for periodic technical and scientific peer review of all intramural research conducted at the National Institutes of Health. The review procedures developed for intramural research are not intended to be the same as those for extramural research. There are significant differences between the intramural program and the extramural program. It is not intended that the review procedures established by the Director of NIH rely on the extramural model of prospective peer review on a project-by-project basis as the condition for support of future work. Rather, the review of intramural research should consider the work—past, present as well as future—conducted either by an entire laboratory or section of a laboratory. Such review may well encompass the research projects of several investigators. It is intended that the review procedures established by the NIH Director under section 484(b) require peer review of each laboratory or section to be conducted every three to five years.

The entity conducting the peer review of an intramural laboratory is to be provided a written description of the overall research to be reviewed prior to the time of the review. This written description should present the overall past accomplishments of the laboratory and its investigators since the last review was conducted. The written description might also present: the general aims, objectives and projected directions of the research projects to be conducted; appropriate background information on possible future research projects; a brief summary of the general research plan; and an indication of the importance of the research projects.

Entities conducting peer review of intramural research are to provide the institute's advisory council with a written description of the research, the results of the review, and the recommendations of the reviewing entities. The advisory council is to make recommendations to the Director of the institute respecting the research. These recommendations should be forwarded for comment to the Director of NIH.

Sections 484(a) and 407(b)(2) include provisions regarding peer review of contracts. By not referring to "contract proposal" it is intended that contracts be reviewed by peer review committees in a manner different than the current review at the concept-development phase. The proposal requires prior review and approval by peer review groups of all research and training contracts and of all contracts for resources for which the total costs exceed $500,000. It is expected that peer review by non-Federal employees will provide for more careful scrutiny of contracting practices by the national research institutes.

Prevention

It is time for NIH to place greater emphasis on research on health maintenance and the prevention of disease. As an initial step toward greater emphasis on this aspect of the research spectrum, Section 407(d) of the proposal requires that each of the national research institutes, except the National Institute of General Medical Sciences and the National Institute of Environmental Health Sciences, appoint an Assistant Director for Prevention.

A similar position is now provided by current law, and has functioned well for many years in the National Heart, Lung and Blood Institute. The position of Assistant Director for Prevention at an individual institute should not duplicate an existing administrative unit. Existing institute activities, programs and personnel involved with prevention activities should be incorporated, as appropriate, into a revised administrative framework.

Assistant Directors for Prevention should be selected from among the nation's most outstanding health prevention and public health professionals. They should not be appointed from current NIH officials who have little or no background in the prevention field. Each Assistant Director should devote full-time to prevention related activities and not have significant responsibilities for other non-prevention activities.

Among the principal responsibilities of each Assistant Director should be ensuring that research regarding the prevention of disease is a high priority of his or her institute. Prevention research refers to research which is directly related to reducing the incidence of diseases or disorders within the authority of the respective national research institutes, reducing the high-risk precursors of such diseases or disorders, and reducing the adverse consequences of such precursors and early manifestations of such diseases or disorders.

Assistant Directors should ensure that each institute's research plans include sections dealing with such prevention related research as investigations into the epidemiology of disease, studies of the etiology of diseases (including the effect of diet and other personal habits on the development of disease; and the effect of environmental factors, including air, water, radiation, and toxic substances, on the development of disease), research into immunizations against disease, studies of the means to preclude the development of disease through changes in personal habits and environmental factors, and studies of methods for, and the cost-effectiveness of, population screening programs. An Assistant Director should, each year, submit recommendations to the Director of the institute for the specific activities and resources required by the institute to carry out the prevention related activities.

Section 405 provides for NIH to establish and maintain Centers for Research and Demonstration of Health Promotion and Disease Prevention. The proposal requires the Director of the National Institutes of Health to establish 25 such centers over the next three years.

The primary mission of the centers will be to conduct research in the prevention of illness and promotion of good health. The Committee intends the centers to focus their activities on investigations of methods for appraising health hazards and risk factors and to seek improved methods of applying approaches unique to public health to the prevention of chronic illness. Centers must be capable of conducting retrospective and longitudinally prospective research projects on population groups and communities.

In addition to research, the centers will undertake demonstration projects to translate and apply research findings in the community. When appropriate, the centers should use community outreach and organizational techniques, as well as other methods of educating and motivating groups and communities. It is expected that community outreach and organization techniques will be integral components of the demonstration projects for the delivery of health promotion and disease prevention services to defined population groups. The goal of these techniques shall be to ensure that community members are not passive recipients of the centers' health promotion and disease prevention services, but rather are active participants in the planning, operation, and evaluation of these services.

Community outreach and organization techniques include: contact of community members through individual meetings, telephone communications, mail communications, and informal community settings such as civic organizations, educational institutions, and religious meeting halls; identification of local community leaders and encouragement of their participation in opening contacts with the community; informing community members, through these contacts, of the health care issues that are relevant to the health promotion and disease prevention services being delivered by the center; establishment of forums in which community members will receive information from the center's personnel, will exchange information with one another, will form self-help groups, and will address their concerns and advice to local authorities; development of committees, made up of community members, that will in turn develop channels of communication with public officials, will advise local authorities and the center's personnel on community needs, and will help monitor implementation of the health promotion and disease prevention services delivered by the center; establishment of courses in which students and other members of the community will be trained in the methodology and implementation of the activities described above.

Centers must be located in university-based academic health centers or similar organizational mechanisms that coordinate instruction and research in the health sciences. The Committee proposal requires that each center have a core faculty specializing in the fields of epidemiology, biostatistics, social behavior and environmental health sciences and health administration. Additionally, each center should have working relationships with colleagues in relevant fields such as medicine, dentistry, maternal and child health, psychology, nursing, social work, engineering, law, education, pharmacy and business. Each center must also demonstrate curricula capabilities in disease prevention and health promotion, as well as residency training capability in public health and preventive medicine. It is anticipated that these centers will be located at universities with both an accredited school of public health or a department of preventive medicine within a school of medicine.

These centers should be adequately supported by the NIH and should receive at least the NIH-wide average support for specialized and comprehensive centers of $800,000 a year. The authorizations of appropriations for this program in Section 410(a)(1) would provide $1,000,000 per center per year.

National Institutes of Health Advisory Board

Section 403 establishes a National Institutes of Health Advisory Board to advise, consult with, and make recommendations to the Secretary and the Director of NIH. The Advisory Board should assume the role of the existing Advisory Committee to the Director that has functioned for many years. The Committee intends that the Advisory Board play an active role in advising on NIH

policies, planning and programs as the Secretary and Director deem appropriate.

The chairman of the Advisory Board should be selected by the Secretary from among the members appointed to the board. Under the Committee proposal the Secretary may appoint the Director of NIH to serve as the chairman of the Advisory Board.

Subsection 403(h) authorizes the Advisory board to prepare a biennial report on its activities. The preparation of this report is optional. If prepared the report should be included, without revision, in the biennial report of the NIH Director required by section 404. The report should include a detailed discussion of the policy issues considered by the Board and recommendations made to the Secretary and Director during the previous two years. The full range of opinions regarding biomedical science policies considered by the Advisory Board should be presented in the report.

Appointments to the Advisory Board from the scientific and public sectors should reflect a broad array of backgrounds and outlooks respecting health research. Not less than one-third of the experts from the health and scientific disciplines shall be selected from the nation's leaders in public health or behavioral or social sciences. The Secretary should constitute the Board expeditiously. To ensure an orderly transition between the functions and activities of the Advisory Committee and the new Advisory Board, current members of the Advisory Committee may, at the Secretary's discretion, be appointed to terms on the Advisory Board to complete the remainder of their current appointments.

Biennial report

Section 404 consolidates current NIH reporting requirements to Congress by providing for the submission once every two years of a single, comprehensive report from the NIH Director. The Committee intends that the report be written, edited and organized in a manner to assist the Congress in its oversight responsibilities.

Comments included in the biennial report from the advisory councils of the individual national research institutes and the NIH Advisory Board should present candid discussions of controveries regarding institute policies. The advisory council reports should indicate those research programs that its members consider to be no longer important to the missions of the institutes. Reports prepared by the Directors of the national research institutes under Section 409 should include an analysis of the rationale for the institute's policy recommendations and priorities as well as possible alternatives to policy recommendations considered or proposed by the NIH Advisory Board or the advisory councils to the national research institutes.

Appointment and authority of the Directors of the National Research Institutes

Section 407(a) provides for the Directors of the national research institutes to be appointed by the Secretary with the exception of the National Cancer Institute whose Director is to continue to be appointed by the President. The proposal reflects no change from existing statute or administrative practice respecting these appointments.

The proposal, as in existing law, states that the Secretary of HHS is to carry out the authorities respecting the national research institutes through the Director of each national research institute. These authorites include the encouragement and support of research, investigations, demonstrations and studies; the conduct and support of research training; the development, implementation and support of demonstrations and programs for the application of research results; the development, conduct and support of public and professional education and information programs; the acceptance of unconditional gifts; the procurement of consultation services and advice; and the acceptance of voluntary and uncompensated services.

It is intended that the authority to support research training provided under Section 407(b)(1)(C) be used only to support those training programs which may not be supported under the authority of Section 479. For example, the training authority of Section 407 could be used to support mid-career and junior faculty training programs such as Research Career Development Awards and Clinical Investigator Awards. This authority may not be used to support existing or new training programs that could otherwise be supported under the National Research Service Awards (NRSA) authority in Section 479. Residency training programs for physicians and other health professionals are not eligible for support under this authority.

The Director of each national research insitute is authorized, under Section 407(b)(2), to approve contracts for resources for research, contracts for research and training, and grants and cooperative agreements. No contracts for research, training or any contract for resources for research—the total costs of which exceed $500,000 over the life of the contract—may be awarded unless by an appropriate peer review group established under section 484(a).

Cooperative agreements are an assistance mechanism not frequently used by the NIH, but which may be appropriate for use under some circumstances. For this reason, the proposal provides statutory authority for the use of cooperative agreements under Title IV of the Act. It is intended that NIH procedures for the review and approval of cooperative agreements be identical to those used for the review and approval of grants.

Advisory Councils

Section 408 provides for the establishment of an advisory council consisting of up to 18 appointed members for each of the national research institutes. Currently, each national research institute has an advisory council, established either by statute or by regulation, consisting of 12 to 18 appointed members.

The purpose of the advisory councils is to advise and consult with the director of each national research institute on the complete spectrum of activities and policies of the institute. As in existing law or regulation, advisory councils are to review applications for grants and to recommend for approval those applications which show promise of making valuable contributions to human knowledge. Advisory councils may review any grant application but are required to review only those applications requesting over $35,000 in direct costs per annum. No grants with direct costs in excess of $35,000 may be awarded without approval of an Institute's Advisory Council. In addition, advisory councils should follow activities carried out under grants and cooperative agreements as work is carried out during the post-award period.

Each advisory council may periodically review the program of intramural research being carried out at the institute and make recommendations to the director respecting such program. Based on materials provided to the advisory council pursuant to Section 484(b)(2) from entities charged with assessing the technical and scientific merits of intramural research, the advisory councils are to review and make recommendations to the respective directors of each institute regarding the importance and quality of the various intramural research programs.

Advisory council review of the intramural program is not intended to be equivalent to advisory council review of grants and cooperative agreements. For example, while prospective advisory council review is required before grants are awarded, advisory council review of intramural work might be performed on a retrospective basis. Advisory council review and recommendations will provide useful advice to the institute directors and the Director of NIH respecting the operation of the intramural program. The proposal does not provide advisory councils approval authority over intramural research projects.

Section 408(b)(1) broadens the membership of the advisory councils to require that not less than ⅓ of members be experts in public health or the behavorial or social sciences.

It is intended that the chairman of each advisory council be selected from among the appointed members. The director of a national research institute is not precluded from serving as chairman of an advisory council if the Secretary chooses to select the institute director.

The proposal also provides for staff assistance to the advisory councils and should include the services of an executive secretary to assist the council in its review of the activities and policies of the institute. The position of executive secretary need not be a full-time position, although some advisory council activities may require a greater allocation of staff resources than others. The functions of advisory councils will necessitate a minimum of three meetings per year and, in the case of the larger national research institutes, a minimum of four meetings per year.

Authorizations of appropriations

Section 410 extends for three fiscal years the authorization of appropriations for the National Cancer Institute (NCI), the National Heart, Lung and Blood Institute (NHLBI) and other expiring activities of the NIH. Authorizations of appropriations are also proposed for a new program of support for centers conducting research into health promotion and disease prevention. The authorizations of appropriations contained in the Committee bill are displayed in the following table.

AUTHORIZATIONS OF APPROPRIATIONS

[In millions of dollars]

	Appropriations	Proposed authorizations		
	1983	1984	1985	1986
National Cancer Institute:				
Research	850.0	1,163.0	1,221.0	1,300.0
Control programs	56.0	64.0	74.0	84.0
Centers	77.0	95.0	105.0	120.0
National Heart, Lung and Blood Institute:				
Reserach	575.5	659.0	756.0	865.0
Control programs	47.5	54.0	62.0	71.0
Arthritis:				
Multipurpose centers	7.5	15.0	18.0	21.0
Demonstration projects	0	2.0	2.0	2.0
Data system/clearinghouse	.8	1.0	1.1	1.2
Advisory board	.300	.400	.400	.400

AUTHORIZATIONS OF APPROPRIATIONS—Continued

[In millions of dollars]

	Appropriations	Proposed authorizations		
	1983	1984	1985	1986
Diabetes, Digestive and Kidney Diseases:				
Diabetes centers	10.0	16.0	18.0	20.0
Diabetes data system/clearinghouse	.1	1.0	1.1	1.2
Diabetes/digestive disease advisory boards	.300	.400	.400	.400
Other programs:				
Prevention centers	0	10.0	20.0	25.0
National research service awards	167.4	191.0	220.0	251.0
Medical library assistance	7.5	10.0	11.0	12.0
National commission on orphan diseases	0	1.0		

Section 410 authorizes $1,322 million for the activities of the NCI in fiscal year 1984—an increase of 34 percent over fiscal year 1983 appropriations of $983 million. While substantial, the budget increase is thoroughly justified.

In 1983 the American Cancer Society estimates that 855,000 Americans will be diagnosed as having cancer and 440,000 will die of the disease. Cancer research is the public's number one research priority. It is the disease Americans fear most and it is a disease that will strike one out of four families.

For many years Federal support for cancer research has not kept pace with inflation. As a result, much promising work has been left unfunded. In fact, fewer than 30 percent of scientifically meritorious cancer research projects were funded by NCI in fiscal year 1982.

Progress in cancer research is a critical health priority for this Nation. Under this proposal, the authorization of appropriations for cancer research would increase 65 percent over the next three fiscal years, compared with fiscal year 1983 appropriations. With this additional support, NCI could cancel planned closings and cutbacks of research laboratories, restore support to its drug development program, increase support for new investigator initiator grants, increase support for biological carcinogenesis, and assure full exploitation of breakthroughs in the areas of oncogenes and monoclonal antibody research.

To assure that the percentage of NIH expenditures on administration does not increase as a result of the creation of new national research institutes, section 410(b)(1) limits these expenditures to the current level: 5.5 percent. Section 410(b)(2) excludes spending in several small NIH programs, which are not explicitly research oriented, from being considered as part of NIH's total budget for the purpose of this subsection. Paragraph 410(b)(3), defines administrative expenses for the purpose of this subsection. The definition is intended to include the terms "direct operations" and "program management" as applied in the President's Budget for activities within national research institutes and to include the Office of the Director, the Management Fund, the Consolidated Working Fund, and the Service and Supply Fund.

Section 301

Consistent with current law, the proposal recognizes Section 301 of the Public Health Service Act as the general authority for the research activities of the National Institutes of Health. Sections 402 and 407 clearly state that the authorities of NIH delineated in Title IV elaborate upon the general purposes embodied in Section 301. It is intended that Section 301 continue to represent the general legislative authority for NIH programs and that Title IV is an explication and delineation of that authority.

Section 490 restates existing Section 478 of the Public Health Service Act which provides that the provisions of Title IV affirm the applicability of Section 301 of that Act as the general authority for NIH research activities. Section 490 should not be construed to authorize the conduct of activities authorized by Title IV in a fashion inconsistent with the provisions of that Title.

The general Section 301 authority and the specific illustrative authority of Title IV, has allowed the Secretary, through the NIH, to conduct and support a broad range of research activities, to follow promising scientific leads, and to respond to needs for research in new areas.

The process of gain scientific knowledge is slow and not always predictable. The best approach is to experiment, to learn from those experiments, and then to proceed. Because it is not always possible to know in advance where progress will be made in research, the best approach is to follow the lead of the research itself—not to try to prescribe exactly where research should be done.

Procedurally Section 301 general research authority has also provided "fallback" authority for the NIH's two largest programs, the National Cancer Institute and the National Heart, Lung and Blood Institute. If the specific authorization of appropriations for these programs expires, they may continue to receive appropriations under the Secretary's Section 301 authority.

National Cancer Institute

Sections 411 through 416 revise and extend the authorities for the National Cancer Institute. These sections are, for the most part, identical to provisions currently found in Sections 401 through 409.

Section 415 requires the NCI to provide core support to a minimum of 55 national cancer research and demonstration centers in each of Fiscal years 1984, 1985 and 1986. Cancer center core grants provide central support services and highly specialized laboratory services that are most appropriately provided on a common basis to several investigators working in close proximity within a cancer center.

The earmarking of support for a minimum number of cancer research and demonstration centers indicates strong support for the cancer center core grant program. The requirement that a minimum of 55 cancer centers be supported in each of the next three fiscal years is intended to be a floor and not a ceiling on the number of centers that may receive support.

Requiring that the Director of NCI maintain core grant support for at least 55 centers is intended to assure maintenance of a minimum level of support for the institute's centers program during the next three fiscal years. It is intended that this minimum level be maintained both in terms of the number of centers as well as the relative proportion of funding allocated to the centers program in contrast to other institute activities. This section should not be construed to imply or confer a funding entitlement to any individual center or group of centers. It is expected that the award of core grants will be based solely upon the scientific merit of each application as determined by appropriate peer review.

The proposal also extends the support period for cancer centers from three years to five years and removes the annual limitation on support for individual cancer centers.

The proposal provides explicit authority under Section 413(2) for support of clinical cancer education programs. The achievements of these programs in medical and dental schools across the nation is well known and it is intended that support for such programs be extended through fiscal year 1986. Activities funded under this authority are distinct from support for the training of future researchers under the provisions of the National Research Service Award Program. This section does not authorize NCI funds to be used in any way to support individuals in or institutions which operate residency or fellowship post-graduate physician programs in the various medical, surgical or other specialties or subspecialties.

The National Cancer Institute should increase the emphasis it places upon research on the relationship between diet and the incidence of cancer. As part of the development of the Prevention Plan, the NCI should conduct a thorough review of the current understanding of the relationship between diet and cancer, and consider appropriate means to increase its support for research in this area.

National Heart, Lung and Blood Institute

A substantial amount of basic and applied research on the lung and diseases of the lung are conducted by Federal agencies other than the National Heart, Lung and Blood Institute. Lung research is actively sponsored not only by several institutes within the NIH but also by such agencies as the Environmental Protection Agency and the National Institute for Occupational Safety and Health.

Section 426 establishes and specifies the responsibilities of an Interagency Technical Committee on Heart, Blood Vessel, Lung and Blood Diseases and Blood Resources. The committee is intended to ensure the exchange of ideas and dissemination of findings resulting from Federal research programs in these fields. It is recognized that the membership and mandate of the Technical Committee is necessarily broad and, therefore, may be incapable of devoting sufficient attention to the discrete disease categories within its mandate. As appropriate the Committee may establish subcommittees to assist in its activities. Consideration should be given to establishing a subcommittee on lung research due to the number of agencies, inside and outside NIH, involved in this area. The Secretary may consult with or appoint public members to the Technical Committee if their expertise would aid in discharging the responsibilities of the committee or its subcommittees.

Section 423 reflects the desire that the institute expand its activities to disseminate information that will be helpful to assist children and adults in adopting healthful habits and that will reduce the risk factors associated with cardiovascular, pulmonary and blood diseases. In carrying out this authority the institute should place special emphasis upon such factors as diet and nutrition, exercise, weight control and prevention of cigarette smoking. NHLBI should work closely with the Centers for Disease Control's program in health promotion and education as it offers the opportunity to enhance the dissemination of health information to young people.

Section 424(9) adds Cooley's Anemia to the list of hematologic diseases studied under programs of the NHLBI. Strong

progress is being made in the understanding of this disease and the institute should continue efforts to develop effective therapies for those with this disease.

Section 410(a)(3)(A) continues existing statutory authority providing that, within the research funds of the NHLBI, not less than 15 percent shall be reserved for programs regarding lung diseases and 15 percent for programs regarding blood diseases and blood resources. The institute has, upon occasion, provided slightly higher percentages than those authorized and these percentages should be considered floors and not ceilings for expenditures.

National Institute of Diabetes and Digestive and Kidney Diseases

The most substantial change made by the proposal in the present authorities of the National Institute of Arthritis, Diabetes and Digestive and Kidney Diseases (NIADDK) is the creation of a separate institute for arthritis and musculoskeletal diseases and the shift of research on skin diseases to the new arthritis institute.

Creation of the new National Institute of Arthritis and Musculoskeletal Diseases (NIAMD) will not diminish the research needs or statutory responsibilities of the remaining programs in the parent institute—the National Institute of Diabetes and Digestive and Kidney Diseases (NIDDK)—authorized by Subpart 3 of the proposed revisions to Title IV. NIDDK's research programs should continue to be given strong and vigorous support, consistent with their high national priority.

The separation of arthritis research and related programs from NIADDK, coupled with the elevation of NIADDK to bureau status will result in greater focus and research emphasis on diabetes.

The NIH's diabetes research program warrants continued strong support. There have been many recent research advances, including the isolation of viruses which cause diabetes; the development of pure human insulin through recombinant DNA processes; and the successful transplantation between different animal species of insulin-producing islet cells without immune rejection. Despite this encouraging progress, diabetes remains a leading cause of adult and fetal mortality, blindness, heart disease, stroke, kidney failure and nervous system disorders and warrants continued emphasis among research priorities.

In the 1970's, statutory authority was provided for multi-purpose arthritis centers and for diabetes research and training centers. Many worthwhile activities have been pursued through these centers and it is now appropriate to provide authority for centers in digestive diseases and in kidney and urologic diseases. Consistent with the primary mission of NIH, the centers established under the new authorities will emphasize research and research training, with the possibility of engaging in broader activities as circumstances may warrant and as the centers develop and are evaluated by the institute.

It is also appropriate that clearinghouse and data system authorities be given to each of the major research programs of the NIDDK—diabetes, digestive diseases, and kidney diseases. The institute should continue its ongoing information activities in diabetes and digestive diseases under these new authorities. A Diabetes Data Group presently exists within NIADDK which essentially fulfills the requirements of the diabetes data system provision. Thus the proposal simply mandates the continuation of a program which is a necessary corollary to the other research and training efforts in diabetes. The proposal also establishes demonstration programs, a data system, a clearinghouse, an interagency coordinating committee, an advisory board and a program of research centers for kidney and urologic diseases.

The proposal also provides for the appointment of Associate Directors for Diabetes, Digestive Diseases and Kidney Diseases. Such Associate Director positions presently exist in either statute or regulation. The Associate Directors are intended to coordinate the programs of the institute and to monitor and review the expenditures of the other national research institutes respecting these diseases.

The proposal consolidates existing authorities for the Diabetes Coordinating Committee and the Digestive Diseases Coordinating Committee and adds the term "interagency" to properly reflect their functions. The purpose of these committees is to prevent duplication of effort and to promote streamlined, efficient programs in each disease category. The committees are to be responsible for coordination of all Federal health programs and activities relating to these diseases and to ensure the adequacy and technical soundness of these programs and activities. Each coordinating committee should continue to include representatives of all Federal departments and agencies relevant to the disease category for which it is responsible.

Section 435 consolidates and extends, for three fiscal years, existing authorities for the National Diabetes Advisory Board and the National Digestive Diseases Advisory Board. Each board is to review and evaluate the implementation of the plan referred to in Section 438 of the revisions to Title IV, to advise and make recommendations on the implementation and revision of such plan, and to maintain a liaison with other entities, both within and outside the Federal government. The proposal establishes an advisory board for kidney and urologic diseases to maintain a liaison with Federal agencies and key non-Federal organizations whose activities affect the control of these diseases.

The proposal deletes the existing detailed requirements as to the composition of the National Diabetes Advisory Board and the National Digestive Diseases Advisory Board and also permits the Secretary broad discretion in determining which, if any, present members of these Boards will be reappointed for an additional three-year term. It is expected that the Secretary will ensure that the boards include a broad spectrum of those concerned with combating these diseases, and that the Secretary will give full consideration to present board members in making appointments.

National Institute of Arthritis and Musculoskeletal Diseases

Subpart 4 creates a National Institute of Arthritis and Musculoskeletal Diseases (NIAMD) due to concern over the lack of meaningful research focus on these pervasive chronic diseases. In addition a new institute is necessary because the level of funding has not been commensurate with the national health impact of these diseases. It is estimated by the NIH that over 37 million Americans are afflicted with some form of arthritis or musculoskeletal disease. The cost to the nation of these crippling and debilitating diseases exceeds $30 billion annually in health care expenditures, disability payments, lost wages, and lost tax revenues. These diseases account for approximately 20 percent of Medicare hospital expenditures each year and for half of all workers' compensation claims, yet they receive less than 2 percent of NIH funding for research.

While especially critical to the elderly, these diseases are by no means restricted to that population. Some 250,000 children are afflicted with juvenile arthritis, and congenital malformations of the musculoskeletal system.

The existing National Institute of Arthritis, Diabetes, and Digestive and Kidney Diseases recently has been elevated by the Secretary of Health and Human Services to bureau status. This action will not adequately resolve the funding imbalance that has developed over the years between arthritis and the other research programs of NIH.

The creation of a National Institute of Arthritis and Musculoskeletal Diseases will launch a focused, directed, and vigorous attack against arthritic and rheumatic diseases and other musculoskeletal disorders. The concept of the proposed institute was clearly formulated in the National Arthritis Act of 1974. That legislation was an expression of the awareness of Congress of the need for greater emphasis and focus on research in arthritis.

The National Arthritis Plan developed in 1976 as a consequence of that Act reflected the thinking of the best researchers, physicians, and other professionals, as well as persons with arthritis and parents of children who have arthritis. Unfortunately, the National Arthritis Plan has not been fully implemented. Because the need is so great, a new attack on these pervasive diseases is imperative under the leadership of a National Institute of Arthritis and Musculoskeletal Diseases (NIAMD).

Within the framework of the new institute, the proposal extends the authorization of appropriations for arthritis demonstration projects, the arthritis data system and for multipurpose arthritis centers. In carrying out the responsibilities of the new institute, research involving or related to chiropractic care may, if appropriate, be included within the institute's activities.

The apparent lack of inter-agency coordination among various research agencies, including those outside the NIH, in regard to skin disease research is also of concern. Skin disease affects a large part of the population, especially those workers dealing with chemicals and toxic materials. Research into its cure and improved methods of treatment could benefit from greater coordination of research. To enhance inter-agency skin disease research activities, Section 445(a) establishes a Skin Diseases Interagency Coordinating Committee, located within the NIAMD but chaired by the Director of NIH or the Director's designee.

Mental retardation research centers

Section 459 authorizes the Director of the National Institute of Child Health and Human Development (NICHD) to make grants to centers for the purpose of conducting research into the causes, prevention and treatment of mental retardation.

In the award of funds under this section special consideration should be given to those centers established under the provisions of Public Law 88-164 which have played an important role in expanding scientific knowledge about mental retardation. The number of eligible applicants is not intended to be limited to centers established under this authority.

No grant may be awarded under this authority unless an application has been submitted to NIH, reviewed for scientific and technical merit by appropriate study sections and approved by the institute's advisory council. Assistance to centers is dependent upon the availability of funds and the comparative scientific and technical merit of applications for assistance submitted by the eligible entities. This section should not be construed as requiring the support of all eligible centers if available funds or scientific merit justify support of a lesser number.

Alzheimer's disease research

The adequacy of Federal support for research into the cause and treatment of Alzheimer's disease is of increasing concern. Alzheimer's disease is an irreversible illness that often strikes in middle age. The disease begins with simple forgetfulness but in its final stages renders patients totally unable to control bodily functions, unable to recognize and communicate with loved ones and unable to comprehend their medical situation. It is estimated that Alzheimer's disease afflicts between 750,000 and 1 million Americans and costs the nation as estimated $20 billion dollars in nursing home and other medical costs each year. Little is known about the causes of Alzheimer's disease.

Research of Alzheimer's disease is conducted by four Federal research agencies: the National Institute on Aging (NIA); the National Institute of Allergy and Infectious Diseases; the National Institute of Neurological and Communicative Diseases and Stroke and the National Institute of Mental Health. The adequacy of NIA funding for this area of research is troubling in light of the President's proposed 1984 budget which will allow NIA to fund only 19 percent of approved applications for research grants. The average for all of NIH is 31 percent.

Section 453 authorizes the Secretary, acting through the Director of the National Institute on Aging, to make grants for the support of centers conducting research into the prevention and treatment of Alzheimer's disease. In making grants under this authority the Director is to give special consideration to grants in the basic sciences which will expand knowledge to better understand the mechanism of this disease.

Bioengineering research

Section 466 authorizes the Director of the National Institute of Neurological and Communicative Disorders and Stroke (NINCDS) to establish a program of research into neurological deficiencies which involves bioengineering. Such research should include research involving electrical stimulation and the use of computers as a means to overcome paralysis.

Considerable progress has been made in recent years by bioengineers with regard to the electrical stimulation of paralyzed muscles. The work of Dr. Jerrold Petrofsky, the Executive Director of the National Center for Rehabilitation Engineering at Wright State University in Dayton, Ohio is of particular note. Section 466 recognizes the potential benefits of increasing Federal support for the type of research conducted by Dr. Petrofsky and others in the bioengineering field.

It is anticipated that the NINCDS, in supporting bioengineering research, will cooperate with the Department of Education which also supports work in this area.

National Research Service Awards

Section 479 emphasizes the importance of a continued commitment to the research training programs necessary to ensure an adequate number of able, highly trained investigators. New scientists are essential to continue the excellence of this country's biomedical and behavioral research programs into the next century. The very success of the nation's biomedical research program is closely tied to the number and quality of young professionals choosing biomedical and behavioral research as a career. Since 1974, the National Research Service Award (NRSA) program has been a vital part of the Federal effort to support the quality and integrity of biomedical and behavioral research.

Confirming support of the NRSA program, Section 479(d) authorizes appropriations of $191 million for fiscal year 1984, $220 million for fiscal year 1985, and $251 million for fiscal year 1986. It is intended that funds appropriated under this authority be used for research training and not for the support of research for which funds are available under Section 407 or Section 410.

Institutional Review Boards

Section 483 restates existing Section 474, which requires the Secretary, by regulation, to obtain assurances of Institutional Review Board (IRB) review of behavioral or biomedical research. Effective IRBs are an important safeguard against abuse of human subjects involved in federally assisted or conducted research or demonstration projects.

In 1974 and 1978 Congress created special commissions on biomedical and behavioral research to address concerns about the dangers associated with experiments and demonstrations conducted or supported by the Department of Health and Human Services or other Federal agencies. Commission recommendations serve as an official record on the issue of safeguards for human subjects. The Secretary of the Department of Health and Human Services was required to accept the findings and recommendations of the commissions or give substantial reasons for rejecting their views. One basic safeguard in the resulting regulations in IRB review of research or demonstrations which may have an impact on the rights or benefits conferred by Federal law and which pose more than a minimal risk for subjects.

Scientific misconduct

Published reports detailing instances of scientific misconduct by Federal research grantees is of growing concern to the public, the Congress and scientific community. While such instances are relatively infrequent, they are destructive of the public trust so necessary for the continued growth and expansion of scientific inquiry and Federal support for health research. Biomedical research—particularly that supported with public funds—must be conducted with the highest ethical and intellectual standards.

At present, NIH's procedures regarding scientific misconduct are informal and investigations of specific cases of alleged scientific misconduct are handled on an ad hoc basis. Even cases in which the subject of an NIH investigation has admitted wrongdoing, the agency has taken months, and in some cases over a year, to complete its reviews, announce its findings and impose sanctions. The currrent debarment process of the Department of Health and Human Services does not adequately meet the need of the NIH for a prompt, fair response to allegations of misconduct.

The Director of NIH should now take appropriate steps to establish a system for standardizing investigative procedures and post-investigatory sanctions in this area. Section 485 requires the Director of NIH to establish a process for promptly responding to information concerning scientific fraud and violations of the rights of human subjects. The Committee expects the system established to supplement existing Department-wide debarment regulations. The system should include procedures for the recovery of Federal funds when appropriate.

Section 485 requires all institutions which receive NIH funds to establish an administrative process to review reports of scientific fraud. The Committee notes that institutions need not have a standing committee to review reports of misconduct, but must have a formal mechanism to establish quickly such a committee to investigate specific reports of fraudulant activity. Many institutions will establish a standing committee on scientific misconduct.

The proposal would also require institutions to report to the Secretary any investigation of scientific fraud at such time that it appears that the report is not frivolous. The Director of NIH is intended to ensure that the provisions of this system are widely publicized within the scientific and lay community.

Research and public health emergencies

Section 486 provides authority for the Secretary to expedite NIH's response to a disease or disorder that constitutes a public health emergency. The mission of NIH is not generally the day-to-day control or treatment of disease, however, in the case of complex biomedical emergencies, the resources of NIH are sometimes necessary for the Public Health Service to provide a comprehensive response to threats to the public health.

In conducting or supporting research on diseases or disorders that create a health crisis, the routine reviews that have served NIH so well in its development of a strong and diverse research portfolio have resulted in inappropriate delays. The provisions of the substitute require that the Secretary—once he has determined that a public health emergency exists—expedite scientific peer review and advisory council review of research grants, exercise exigency contract authority, and disseminate relevant information.

The Secretary is also authorized to provide administrative supplemental increases to existing grants and contracts of up to 50 percent of the original amount of such grants and contracts. The Committee believes that administrative supplemental increases to scientists working on related questions are a particularly appropriate way to initiate quickly research concerning a public health emergency.

The Secretary should use all of the components of this authority to provide a strong research response to public health emergencies. In doing so, the Secretary should coordinate efforts by the NIH with those of other agencies of the Public Health Service.

Research on alternative research methods

As a result of recent important advancements in the understanding of the mechanisms of cell biology, there is great potential for the development of new research methods. These methods would, in certain instances, provide more accurate research results and reduce the costs of research while concurrently reducing the number of laboratory animals required and reduce the pain and distress to animals involved in such research.

Research involving the use of animals should and must continue. However, the development of non-animal research methods deserves the focused attention of the National Institutes of Health. Section 402(e) directs the Director of NIH to develop and implement a plan for research on research methods which do not require the use of animals, reduce the number of animals used in research or reduce the pain and distress of animals used in research.

Some research in this area is presently supported by the National Toxicology Program administered by the National Institute of Environmental Health Sciences. Funds allocated pursuant to this new authority are intended to increase the present level of effort by NIH.

Care and treatment of animals in research

Section 487 provides certain conditions with respect to the proper care and treatment of animals used in research which must be met by institutions which conduct research supported by the National Institutes of Health.

For the past twenty years, institutions receiving NIH grants and contracts have been required to meet NIH guidelines regarding the treatment of laboratory animals. These guidelines are presently based upon the "Guide for the Care and Use of Laboratory Animals" developed by the Institute of Laboratory Animal Resources of the National Research Council.

It is important to provide statutory authority and recognition for these requirements. In order to ensure professionally appropriate direction for these conditions, the guidelines should remain under the control and direction of the Director of the NIH.

Subsection (b) requires entities which receive NIH support for research involving animals to establish and maintain animal care committees to monitor care and treatment of animals used in research. The membership of these committees would consist of at least three members, of which one must be a veterinarian and one an individual with no financial ties to the institution. This "outside" member is intended to provide a representation of the general communities' interest in the proper care and treatment of animals.

The animal care committees are responsible for reviewing the care and treatment of animals in all animal study areas and facilities semi-annually for compliance with NIH guidelines, to keep appropriate records of such reviews, and to certify to NIH that such reviews have been conducted. Animal care committees must report violations of NIH guidelines first to their institutions and, if a violation continues, then to NIH. The committees must only certify to NIH that reviews have taken place. Paperwork and reporting requirements are therefore minimal.

The requirement to establish animal care committees is intended to provide the most constructive assurance that NIH guidelines for the care and treatment of animals are met. It is far preferable to place responsibility for assuring compliance with NIH guidelines on committees within institutions rather than relying on intrusive Federal inspections as is presently the case. Testimony presented to the Subcommittee on Health and the Environment indicates that the cost of complying with this requirement would be minimal because service on committees in many institutions is voluntary.

Under subsection (b)(2), the Chief Executive Officer of each research institution is charged with the authority to appoint all members of the animal care committees. As a result, the committees will serve as a constructive element within their institutions. The animal care committees' role will be to assure compliance with the NIH guidelines. The animal care committees have no authority to interfere with research decisions, goals or methods. The committees have no authority to "second guess" or review the appropriateness of research. The authority of the committees is limited to review of the care and treatment of animals pursuant to guidelines established by the NIH.

The animal care committees are important because their presence will create an ongoing discussion within the nation's research institutions of sensitivity to the care and treatment of research animals. Recognizing that such sensitivity cannot be captured in any set of rules, that standards of care will change in the future as science advances, and that the value of medical research requires such judgments to be professionally and scientifically sound. The consultation inherent in the review of the care and treatment of animals by animal care committees is essential. Within such a framework, the public can have confidence that the proper sensitivity, whatever the sensitivity may be, to the care and treatment of animals will occur.

Two out of three research institutions receiving NIH funds already have animal care committees. Further, many of the nation's most respected research institutions already include a veterinarian and an "outside" member on their animal care committees.

Under subsection (c) each applicant for NIH funds is required, as a condition of receiving funds, to provide assurances that the applicant will meet the NIH guidelines for the care and treatment of animals and has an animal care committee. Applicants must also assure NIH of the availability of instruction at their institution in humane practices of animal care and in research methods that minimize the use of animals and limit animal distress. All applications for NIH support will include a statement of the reasons for using animals in the research project in order to allow peer review committees to consider possible alternatives or duplication of research.

If NIH determines that a research entity is not meeting the guidelines, and if after notification of its noncompliance, no action is taken, subsection (d) provides that the Director of NIH shall suspend or revoke a grant or contract. Since all institutions will make a commitment to meet the guidelines, effective animal care committees will virtually eliminate the possibility of revocation of funds. Animal care committees and NIH should give research institutions and grant recipients maximum opportunity to correct any instances of noncompliance. However, if after appropriate notification and consultation, inappropriate activities continue, NIH is authorized to suspend funds or revoke grants and contracts under such conditions as the Director of NIH determines are appropriate.

Subsection (e) provides that no guideline or regulation promulgated under subsection (a) or (c) may require a research entity to disclose trade secrets or commercial or financial information which is privileged or confidential. This provision is intended to prevent the improper disclosure of trade secrets and other confidential information. Guidelines established by the Secretary under subsection (a) and regulations promulgated by the Director of NIH under subsection (c), should affirm the authority of the Secretary to assure compliance with guidelines on the proper care and treatment of laboratory animals and assure that trade secrets or proprietary research information in the possession of a research entity is protected.

These requirements are consistent with both the values of humane treatment of animals and criteria for high quality scientific research. Both are already common practices in many research institutions.

SECTION 4

National Library of Medicine

Section (4)(b) of the proposal extends the important programs of the Medical Library Assistance Act for three years at authorization levels of $10 million for fiscal year 1984, $11 million for fiscal year 1985, and $12 million for fiscal year 1986. These funding levels will ensure the continuation of a coordinated national effort to establish library and information services to improve the dissemination of health knowledge.

The support provided by the Committee proposal represents an investment in promoting rapid transfer of medical information. Such rapid transfer is essential to reduce the critical time lag between discovery and practice. The Committee believes the continuing "information explosion" calls for innovative methodologies, technologies, systems and trained manpower to meet the information needs of medical science.

The rapid advances in medical science and technology as well as in human genetics now require the thoughtful attention of scholars and students who must explore and learn about the beneficial as well as potentially harmful consequences of these developments. Bioethical issues require in-depth attention, for clinical and educational purposes as well as for the purposes of scholarly activities. During the last four to five years, there has been an explosion in the literature on the subject of bioethics that is not readily available to interested parties throughout the United States and around the world.

The Director of NIH, acting through the National Library of Medicine or the national research institutes, should take steps to support the acquisition and dissemination of information on bioethical issues. Such steps might include providing support for a centralized referral center, including library resources, through which the public, scholars, theologians and health personnel may obtain ready access to information on bioethics.

A 1982 General Accounting Office study [HRD-82-66] of the National Library of Medicine's (NLM) pricing policies for MEDLARS services. That study concludes that the NLM's pricing policies for establishing user charges to recover costs associated with accessing the MEDLARS data bases are consistent with existing statutes and regulations. The present cost-sharing arrangement wherein the Federal government supports the creation of the MEDLARS system and the users in the biomedical community pay the full costs to access the system has been effective and should be continued.

SECTION 5

Studies of animals in research

Section 5 requires the Secretary to arrange for the conduct of a study concerning the use of live animals in biomedical and behavioral research. The Secretary is authorized to request the National Academy of Sciences to conduct the study. Within eighteen

months after the date of enactment of this section, the Secretary is to transmit to the House Committee on Energy and Commerce and the Senate Committee on Labor and Human Resources, as well as make available to the public, a report describing the findings of the study, including data obtained, and specifying such recommendations for administrative action with respect to the use of live animals in biomedical and behavioral research as the National Academy of Sciences considers appropriate.

The study is intended to include a review of conditions surrounding the use of research animals and to gather current and comprehensive data on this subject. The study will provide the Congress with information on: (1) the types and numbers of animals used in research; (2) trends in the use of animals in research; (3) the status of animal facility accreditation programs and the potential cost and other impacts of mandatory accreditation requirements; (4) the activities of the Department of Health and Human Services in the area of laboratory animal research; (5) the purposes for which animals are used in biomedical and behavioral research; (6) the effectiveness and adequacy of existing Federal and state statutes and regulations governing the use of animals in research; and (7) the status and future of alternative research methodologies which would substitute non-animal research methods, minimize the number of such animals used or to minimize pain and distress involved in necessary research.

It is anticipated that this study will yield accurate and timely information that will assist in promoting the conduct of research, involving animals, under optimal scientific and ethical standards and conditions. Any substantial modifications of current policies under directions provided in this section, should be made with caution pending the completion of this study. The NIH, however, is instructed to proceed immediately with implementation of the provisions governing animal care committees as provided by this legislation.

SECTION 6

Interagency Committee on Spinal Cord Injury

Research on spinal cord regeneration should receive more attention within the Federal government. The Federal government is the only entity capable of supporting a major effort to find a cure for spinal cord injury.

Testimony before the Subcommittee on Health and the Environment in 1980 by the Council on State Vocational Rehabilitation Administrators indicated that:

"Much more research will be required to develop and perfect techniques and to determine how such regeneration can be applied in cases of traumatic spinal cord injury to humans, but the findings at this point are most encouraging. With adequate financial support to enable this research to continue and to expand, a cure may be possible."

Similary, the National Spinal Cord Injury Foundation testified that more than $20 million will be needed each year to conduct the research to meet presently identified research opportunities.

In 1980, President Carter established an Interagency Task Force on Spinal Cord Injury to coordinate the programs of the various Federal agencies and to develop and implement Federal medical initiatives related to spinal cord injury. It is disappointing this Task Force has failed to be continued despite the continuing need for this kind of effort.

Section 6 recognizes the need to bring increased and concentrated attention to research on spinal cord injury by Federal agencies by establishing an Interagency Committee on Spinal Cord Injury to continue the work of the previous Task Force. This Interagency Committee is to be composed of representatives from the National Institute of Neurological and Communicative Disorders and Stroke, the Department of Defense, the Department of Education, the Veterans Administration, the Office of the Science Advisor to the President, and the National Science Foundation. The Interagency Committee is intended to prompt all Federal agencies to give research regarding spinal cord regeneration a higher priority as they set their research agendas. The Committee is directed to report to Congress each year on research being conducted by the various agencies. The activities of the Committee are time limited in order to give the Congress the opportunity to periodically review its activities. The Committee will terminate on September 30, 1986.

SECTION 7

Study of personnel to meet the health needs of the elderly

Section 7 requires the Secretary to conduct a study which will provide a description of the personnel needs for the health needs of the elderly for the next four decades.

The rapidly increasing number of persons over 65, and especially of those over 75, has been accompanied by increasing demand both for general medical care and for care directed specifically to diseases of aging. Unfortunately, there has been little attention paid to the need to train doctors and other health professionals to deal with both those aspects of the health needs of the elderly.

The Subcommittee on Health and the Environment held a hearing on this issue in September 1981 to gain insight into the dimensions of the problem and to receive some ideas for its solution. Testimony indicated that the medical profession is indeed aware that a problem exists in ensuring an adequate number of doctors working with the elderly and providing appropriate training for doctors, both in primary care and in the specialties most often needed by the elderly. There are, however, many barriers to implementing needed changes.

Among those barriers are long-held negative attitudes about the elderly and patterns of reimbursement both for training and care which support treatment for acute illnesses in a hospital. Much of the care of the elderly is for chronic conditions and many elderly need to be treated in settings other than hospitals.

Personnel other than physicians are vital to good treatment. Nurses and social workers, in particular, need to be trained to provide appropriate intervention to ensure high level health care.

This report is to be presented to the Congress by March 1, 1985. The report is to include recommendations for specific numbers of personnel which will be required, including primary care physicians, psychiatrists and other physician specialists, as well as other health personnel.

There is growing recognition of the need to develop leadership cadres of teachers and researchers in geriatrics. The Secretary's report should indicate ways such individuals may be developed and whether current demonstrations such as long-term care gerontology centers and teaching nursing homes should be continued.

The study should include legislative and other policy recommendations to the Congress which must be made to support necessary changes to assure the training of an adequate supply of health personnel.

SECTION 8

Interagency Committee on Learning Disabilities

Over the past years, much of the research into learning disabilities has centered on the educational and behavioral aspects of the problem. Neurophysiological investigations are emerging as crucial to the understanding and treatment of this disorder. Learning disabilities are now seen as among the most complicated of neurological impairments. While the incidence of learning disabilities exceeds all other neurologically handicapping conditions, they are the conditions least recognized and researched.

Many agencies within NIH are involved in neurophysiological research into some aspects of this dysfunction, as are several other government institutions, yet efforts are fragmented and information is neither shared nor integrated among the various research groups.

Therefore, Section 8 mandates the Director of NIH to appoint a task force composed of members of institutes which have been involved in research efforts into learning disabilities. These include the National Institute of Neurological and Communicative Disorders and Stroke (NINCDS), the National Institute of Child Health and Human Development (NICHHD), the National Institute of Allergy and Infectious Diseases (NIAID), the National Institute of Environmental Health Sciences (NIEHS), and the Division of Research Resources (DRR). Members of agencies not within the NIH who also are involved in aspects of this problem and who should be included or consulted are the relevant research divisions of the Department of Education, the Alcohol, Drug Abuse and Mental Health Administration (ADAMHA), the Centers for Disease Control, the Food and Drug Administration and the Environmental Protection Agency. The Director also may include on the task force public members who have expertise and interest in this area.

The role of this task force is to bring to the attention of Congress the best thinking in the field on the incidence of the disorder, and any available epidemiological information; current research findings into the cause, diagnosis and treatment of this disorder; and administrative and legislative recommendations to focus research efforts more clearly, and to disseminate research findings.

A report of the task force is due to be presented to Congress within 18 months of enactment and should include specific research priorities on learning disabilities to ensure that future efforts represent the best thing in the field.

SECTION 9

Research into the role of diet in kidney disease

Section 9 requires the Director of the National Institute of Diabetes and Digestive and Kidney Diseases (NIDDK) to conduct research on the role of diet therapy in the treatment of end stage renal disease. It is intended that funds from the general appropriations of NIDDK be used for conducting this vital clinical study of the extent to which dietary therapy can delay the progression of chronic renal failure.

In view of the longstanding Congressional interest in this issue in the context of the Federal End Stage Renal Disease program, there should be no delay in the initiation of this study. NIH should immediately develop a protocol and issue a Request for Proposal for this research. The Director is required to report to the Congress on the results of this research by January 1, 1987.

SECTION 10

National Commission on Orphan Diseases

Section 10 establishes the National Commission on Orphan Diseases. Composed of distinguished scientists, health professionals and lay individuals who are knowledgeable about rare diseases and their consequences, the Commission will review the activities of the NIH and ADAMHA concerning rare diseases and report its findings to those agencies and the Congress.

The decision to create the Commission was based in part on the work done during consideration of the Orphan Drug Act, which was signed into law in January, 1983 (P.L. 97-414). Beginning in June, 1980, the Committee's Subcommittee on Health and the Environment conducted three hearings and an extensive national survey of drugs for rare diseases. Information gathered during that time indicated that the development of drugs for rare diseases is inhibited and often made impossible by the lack of scientific information and understanding of the rare diseases.

The need to further our knowledge about rare diseases obviously goes far beyond the problems of drug development. Important, new advances in diagnosis, prevention and treatment would surely follow biomedical research breakthroughs in rare diseases. In order to build a record of the amount and type of biomedical research on rare diseases being conducted, the Orphan Drug Act requires the Director of the NIH and the Administrator of ADAMHA to submit to the Orphan Products Board, for inclusion in its annual report to the Congress, a report on their institutions' research activities on rare diseases and conditions. While this report will be useful in determining the need for additional funding for such research, it does not address the Committee's concerns about the way NIH is conducting research on rare diseases.

The NIH and ADAMHA are committed to advancing our understanding of rare diseases, and currently fund research projects on rare diseases and disorders. However, an independent and expert evaluation of our current research activities on rare diseases is needed. In the course of discussions on this matter, a number of problems encountered by rare disease researchers were identified. For instance, some diseases are so rare that it is difficult to get the necessary tissue samples to accompany a grant application. And for other rare diseases which affect several organs and about which little is known, the referral of grant application to multiple study groups is an important disadvantage because reviewers are not familiar with the diseases. In many cases problems like these result from circumstances which are unique to rare disease research. Therefore, an effective resolution may require that NIH and ADAMHA establish special procedures and give special consideration to applications involving rare diseases.

The Commission is mandated to evaluate activities in connection with basic, applied and clinical research, as well as with the dissemination of knowledge developed in research. Its composition of scientists, health professionals and knowledgeable lay individuals will enable it to consider this broad range of activities.

The Commission would have approximately two years to complete its report to the Secretary of the Department of Health and Human Services and the Congress. In order to assure the expeditious establishment of the Commission, the Director of NIH is required by the bill to make $1 million available from NIH appropriations for the Commission's start-up costs. If additional funds are needed it is intended they be obtained through the appropriations process.

Numerous bills have been introduced to create other commissions to study particular rare diseases. One example, H.R. 2926, proposes to create a National Commission on Neurofibromatosis. A single Commission concerned with research on all rare diseases will be more effective and will serve the interests of all organizations representing people with rare diseases. To assure this broad representation, five lay individuals who either have a rare disease or represent organizations such as the National Neurofibromatosis Foundation or the Tourette Syndrome Association are included as Commissioners.

The Commission will not duplicate the work of the Orphan Products Board established by the Orphan Drug Act. This concern was raised during the Committee's consideration of this section but is based on a misunderstanding of the purpose of that Board. The Orphan Products Board is mandated by Public Law 97-414 to promote the development of drugs and medical devices for rare diseases and disorders. The Board is not authorized to evaluate the research activities of the NIH and ADAMHA.

SECTION 11

President's Commission on the Human Applications of Genetic Engineering

Section 11 provides for the establishment of a President's Commission on the Human Applications of Genetic Engineering.

The Commission is to be an independent, nonregulatory, advisory commission. The Commission is to focus its attention on the issues presented by the possibility of intervention in or manipulation of the human genome as a result of developments in genetic engineering. The Commission is to conduct reviews of developments in genetic engineering, including activities in recombinant DNA technology, that have implications for human genetic engineering and to examine the medical, legal, ethical and social issues presented by the human application of these developments. These reviews are to be regularly updated by the Commission.

As its first reviews, the Commission is to undertake studies of the medical, legal, ethical and social issues presented by: 1) the development of means for making directed changes in the deoxyribonucleic acid (DNA) of human somatic cells as treatment of genetic disorders; 2) the development of means for enhancing human capabilities through recombinant DNA technology; 3) alterations in inherited genetic materials through means such as directed changes in the DNA of human germinal cells or human zygotes or embryos during early development; and 4) the power of control over individuals or groups provided by developments in genetic engineering.

The Commission is also to undertake such other studies as are consistent with its purpose either on its own initiative or upon the request of the President, the head of a Federal agency, or a committee of the Congress.

The Commission is to be composed of fifteen members who are appointed by the President. Six of the members are to be scientists and physicians who as a group are eminent in the field of genetics—including molecular, microbial, and human genetics—and health care—including public health. Three of these six members are to be appointed from a group of individuals having the requisite qualifications and who have been recommended for appointment by the President of the National Academy of Sciences. The other three of these six members are to be appointed from a group of individuals having the requisite qualifications and who have been recommended for appointment by the Director of the National Institutes of Health.

Six of the remaining nine Commission members are to be appointed by the President from individuals who are not scientists or physicians and who as a group have expertise in the fields of law, theology, ethics and the social and behavioral sciences. The final three members of the Commission are to be appointed by the President from members of the general public who are not scientists or physicians.

The membership requirements of the Commission are to ensure that a majority of the Commission—nine of the fifteen members—is composed of individuals who are neither scientists nor physicians. The composition is designed to reflect the focus of the Commission on the medical, legal, ethical and social issues presented by the human application of developments in genetic engineering.

Members of the Commission are to be appointed for terms of four years. The initial members of the Commission are to be appointed for staggered terms as specified in the bill.

No member of the Commission, except the three scientists or physicians appointed from individuals recommended for appointment by the Director of the National Institutes of Health, may be a full-time officer or employee of the Federal government. This provision generally prohibits full-time officers or employees of the Federal government from serving on the Commission, but specifically permits full-time officers or employees of the National Institutes of Health to serve.

The Chairman and Vice-Chairman of the Commission are both to be appointed by the President by and with the advice and consent of the Senate. The Chairman must be one of the six Commission members who are not scientists or physicians and who as a group have expertise in the fields of law, theology, ethics and the social and behavioral sciences. The Vice-Chairman must be one of the three Commission members who are scientists or physicians and who have been appointed from the individuals recommended for appointment by the President of the National Academy of Sciences.

The Commission is to submit a report upon the completion of each investigation or study it undertakes. In each report the Commission is to state its findings and conclusions, along with any recommendations. These recommendations may include, but are not limited to, recommendations for legislation or administrative action. The reports are to be submitted to the President, the Congress, and each Federal agency to which any of the Commission's recommendations apply.

Additionally, not later than December 15 of each year, the Commission is to submit an annual report of its activities to the

President and the Congress. This report is to include a list of all recommendations made by the Commission during the year for which the report is made.

The bill contains several provisions concerning the Commission's authority to compensate members, hire staff and consultants, hold hearings, use the mails, and accept, use and dispose of gifts of services and property. The bill also provides that the Secretary of Health and Human Services, the Director of the Office of Science and Technology Policy, the Director of the National Science Foundation, and the Director of the National Endowment for the Humanities are each to designate an individual to serve as a liaison with the Commission.

The bill provides for an authorization of $1,500,000 each fiscal year through 1986. The Commission will terminate on March 30, 1987.

SECTION 12

Budget Act requirements

In section 5 the proposal provides that the Secretary of Health and Human Services "shall * * * arrange" for studies to be conducted by the National Academy of Sciences. The use of the term "shall" in the statutory language requires the Secretary, if the Academy is willing, to contract with the Academy for the conduct of these two studies. If it were wished to merely provide the Secretary discretionary authority, allowing the Secretary the option of contracting or not contracting for a study, the statutory language would have used the term "may" rather than "shall."

Section 12 states: "The authority to enter into contracts under Section 5 * * * shall be effective for any fiscal year only to the extent that appropriations are generally available for that purpose." This provision is included in response to the requirements of Section 401 of the Budget Act which prohibits consideration of legislation providing authority for contracts unless that authority is limited to the amounts provided in advance in appropriation acts.

The language in Section 12 does not require a specific line-item appropriation earmarked for these studies prior to the Secretary entering into the contracts with the National Academy of Sciences required by Section 5 of the bill. In particular, the funds appropriated for the Office of the Director of NIH are clearly "generally available" for purposes identical to the purposes for which these contracts are intended to be used. It is intended that funds appropriated for the Office of the Director in Fiscal Year 1984, and thereafter, be used to support these contracts with the National Academy of Sciences.

The attached memorandum from the Counsel to the Chairman of the Committee on the Budget, concerning a similar provision included in the Omnibus Budget reconciliation Act of 1981, supports and clarifies the proper interpretation of this provision:

COMMITTEE ON THE BUDGET,
Washington, D.C., February 5, 1982.

To: Chairman Jones.
From: Wendell Belew.
Subject: The effect of language required by the Budget Act limiting contract authority on a specific Department of Health and Human Services contract.

Conclusion

A line-item appropriation is not required for specific contract authority limited to amounts provided in advance in appropriation Acts if an appropriation has been provided which is sufficiently broad to cover the contract authority in question.

Discussion

Section 401(a) of the Budget Act prohibits consideration of legislation providing contract authority unless that authority is limited to amounts provided in advance in appropriation acts.

The Committee on Energy and Commerce included a provision in the Omnibus Reconciliation Act of 1981 authorizing the Secretary of Health and Human Services to contract with the Institute of Medicine for a study of the implications of an increasing supply of physicians. (Section 274(c)). The provision included the language required by Section 401(a) of the Congressional Budget Act.

The purpose of the language is to limit the authority to enter into contracts to the availability of appropriated funds. This insures that the government is not obligated to expend funds unless funds have been made available in an appropriation Act.

Therefore, the limitation on contract authority is satisfied if an appropriation has been provided which is available for use by the Secretary within his general authority. Such an appropriation satisfies the limitation without needing to be a line-item appropriation.

Mr. BROYHILL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Shelby substitute.

Few Federal agencies enjoy the stature and world-class distinction of the National Institutes of Health. Our national research institutes have repeatedly lead the world in expanding human knowledge into the causes and effective treatment of disease. The National Institutes of Health have been successful because of the depth of public support for its activities and the Congress recognition that health research requires significant flexibility to assure success.

The substitute offered today by the gentleman from Alabama represents a significant change from the committee passed version of H.R. 2350. Most of the administrative directives, changes to NIH structure, and line-item authorizations for specific disease research contained in H.R. 2350 are not in this substitute. Rather this substitute provides NIH with funding levels to provide for continued growth and support while maintaining the flexibility NIH requires to respond to the everchanging scientific environment.

The work that has been done in preparing this substitute deserves high praise. I think that all involved—Mr. SHELBY, Mr. MADIGAN, Mr. WAXMAN, and Mr. DINGELL—deserve the commendation of this body for restoring the spirit of bipartisanship to congressional support for the National Institutes of Health.

The substitute has corrected the earlier deficiencies in the committee bill and deserves every Member's support. I urge you to vote for the Shelby substitute.

Mr. GORE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I ask my colleagues to support H.R. 2350, the Health Research Extension Act of 1983. The bill is a good one and deserves the endorsement of this House.

The bill addresses a number of important issues and concerns affecting biomedicine today. While there are many significant provisions in this bill, I will limit my remarks to two sections about which I am particularly concerned.

First, the bill addresses the problem of fraud in biomedical research. I have chaired a number of hearings on this matter, and I can attest to the seriousness of this problem. The biomedical research community has been plagued by numerous incidents wherein research data has been falsified. In almost every case, the reaction of the affected research institution has been one of confusion—confusion about how to address the problem and deal with the individual or individuals involved. Because most biomedical research is supported by Federal dollars, it is important that some procedures and guidelines be established to protect the Government's interests here. Presently, no such policy exists. H.R. 2350 takes an important first step toward solving this problem by directing the NIH to motivate Federal grantee institutions to begin to solve this recurrent problem.

Second, section 11 of the bill creates the President's Commission on the Human Applications of Genetic Engineering. I want to spend a little time here discussing this matter, because I believe that the creation of this Commission is essential to enable our country to address the many complex issues raised by the application of our new genetic technologies to human beings.

Last November, the Science and Technology Subcommittee on Investigations and Oversight, which I chair, held 3 days of hearings on the possible human applications of genetic engineering. Many eminent scientists, religious leaders, ethicists, and other observers testified at the hearings. A number of points were made throughout those 3 days of testimony.

First, the testimony presented indicated that genetic technology is developing far more rapidly than we had imagined. One witness testified that a basic blueprint of the human genome could be complete within 2 years. Another witness stated that genetic experiments on human beings to treat genetically based diseases will be practical within 5 to 10 years. Even more, there was testimony that at some point in the future we may actually have the ability to determine human physical and intellectual characteristics.

Second, nearly every witness agreed that we are woefully unprepared to address the tremendous ethical and societal issues that will be presented by human genetic engineering. Our present system of bioethics is based upon treatments and ideas vastly different from those that will be brought about by the new technology. Moreover, while the medical applications of the technology may be a blessing, their advent raises a number of moral and ethical questions that are not easily answered: How far should the technology be developed? To what uses should it be put? Who should benefit from the technology? And who will make the choices? A new body of ethics—a body of "genethics"—must be constructed to enable us to come to grips with the implications of the new technology.

Third, there is a great need for public education about the power and purpose of genetic technologies. The testimony presented indicated that many citizens are frightened or distrustful of the prospect of human genetic engineering in general. An informed public is essential if our Nation is to make reasoned decisions about the new technology. Some mechanism must be created to insure that the public has reasonable and objective information about the possibilities and implications of human genetic engineering.

Fourth, and finally, a remarkable unanimity of opinion was expressed by the witnesses that a new body should be created to insure that the myriad issues raised by the new technology receive appropriate attention and that the necessary process of public education occur. Existing review mechanisms have focused on the safety of genetic technology. None have considered in a comprehensive, independent fashion the broad ethical, religious, and societal questions posed by the potential human applications of the technology. Only one group to date has taken a broad-based approach to the issues, and that group no longer exists. At the hearing, the President's Commission for the Study of Ethical Problems in Medicine and Biomedical and Behavioral Research presented its report on gene splicing. With the presentation of that report, however, and the subsequent expiration of the Commission, a vacuum currently exists in oversight of the technology.

The importance of a body such as the Commission proposed in this legislation was highlighted recently by the controversy resulting from a resolution on genetic engineering signed by a number of clergymen. That resolution called for a prohibition on research into certain, potentially beneficial uses of genetic engineering out of a fear that the technology, if developed, could be severely misused. The sharp disagreements and debate that have occurred over the resolution emphasize the need for a mechanism to facilitate a reasoned and patient examination of the fundamental differences that exist within our society regarding which uses of genetic engineering should be permitted and which should be prohibited. The Commission proposed in this bill is designed to address this need.

The Commission is modeled according to the guidelines articulated by the witnesses at our November hearing.

First, the Commission is an independent body: It is not housed within any Federal agency, and its members are appointed by the President. Thus, the Commission will have maximum freedom to consider issues and render reasoned, objective advice. Presently, no independent group exists to review the technology. As I noted, the only similarly independent body to consider genetic engineering, the President's Commission for the Study of Ethical Problems in Medicine and Biomedical and Behavioral Research, expired in March.

Second, the Commission is interdisciplinary in its composition: It consists of 15 members representing a variety of disciplines and areas, including the general public. In order to insure that the Commission members represent the widest range of interests and expertise, it would be desirable to include a representative from the biotechnology industry among the members. A clear majority of the Commission members—9 of the 15 members—are nonscientists, to insure that the Commission's focus is on ethical and social issues and not technical scientific concerns.

Third, and finally, the Commission is nonregulatory: It is purely an advisory body with no regulatory power whatsoever. The Commission is designed to monitor developments in human genetic engineering and provide advice, in the form of written reports, to the President, the Congress, and appropriate Federal agencies. These reports will present the Commission's conclusions, as well as any recommendations for regulatory or legislative action. Because it is a purely advisory body, the impact of the Commission's conclusions and recommendations will depend upon the force and quality of the reasoning behind them.

It is a primary responsibility of Government not only to promote science but it conduct foresight on the future of technology and any problems it might present. As the new genetic technology develops, it will be essential that our Nation be informed about both the positive and negative implications of it. Particularly for those of us in Congress, it will be important that we base our reactions to and decisions about the technology on objective, reasoned consideration of the issues and not on misunderstandings or exaggerations of the technology's potential for either good or bad. I believe that the Commission proposed in this bill will serve the vital function of helping our Nation prepare for the genetic future without imposing a new regulatory entity onto the development of the technology. I ask for adoption of this legislation.

As a final aside, I would like to make one comment about another important matter that is not specifically addressed in this bill but which nonetheless deserves mentioning here. Last year, the Congress passed the Small Business Innovation Act. As part of that act, the NIH was directed to set aside a small portion of its research dollars for small high-technology firms. I am very pleased to report that the NIH has made great progress in implementing this program and in helping the Nation's small businesses take part in Federal research, while insuring that the quality of Federal research is kept at its usual superior level.

AMENDMENT OFFERED BY MR. DANNEMEYER TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SHELBY

Mr. DANNEMEYER. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. DANNEMEYER to the amendment in the nature of a substitute offered by Mr. SHELBY: Add at the end of the proposed section 402 of the Public Health Service Act the following:

"(g) The Director of NIH and the director of any national research institute may not conduct or support research or experimentation, in the United States or abroad, on a living human fetus or infant, before an abortion which the researcher involved knows or has reason to know is intended or after an abortion, unless the research or experimentation is for the purpose of improving the probability of the survival of, or ameliorating developmental or congenital defects in, such infant.

Mr. DANNEMEYER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considerd as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

□ 1830

Mr. DANNEMEYER. Mr. Chairman and Members of the House, the amendment that the gentleman from California is offering places before the Committee a fundamental question of policy in the area of how our country and its research facilities will deal with the issue of experimentation on fetuses that are destined our are in the course of the abortion process.

Today regulations are in existence that speak to this issue. Those regulations, I submit, create a loophole that

a society in good conscience should not tolerate, and so the choice that will come before us with this amendment is whether we want to permit experimentation on the unborn in the abortion process, for whom there is no one to speak, because they are in the nature of, you might call, society's unwanted garbage in the eyes of some, but some of us believe that there has to be someone around who speaks for these human beings, and that is the thrust of this amendment.

The opponents will say, well, we need the experimentation, and we will hear from them at the appropriate time. The amendment that I am offering to the Committee says, as a matter of policy, as a conscience of our society, we choose not to permit experimentation on the unborn who nobody really wants.

I want to make clear that this amendment does not in any way preclude experimentation or testing on a fetus that is not in the course of abortion. Why? Because the language of this amendment makes it obvious. In such a case there are parents who are looking out for that child to be born who will utilize judgment when they sign a consent as to whether or not they want to approve a particular process or a particular test.

This amendment speaks to those fetuses that are in the course of the abortion process only.

A little bit of history is appropriate as to why this amendment is needed. In the early 1970's experimentation on these fetuses began and prospered and grew to an alarming extent in this country and abroad, and so Congress back in the mid-1970's addressed this issue, and by an amendment which was adopted almost unanimously in 1975, this type of experimentation was precluded. It went to the Senate, the other body, and it was finessed a little, and it ended up in the form of regulations being developed, which regulations are in existence today.

As I mentioned earlier, I think we in this House should set policy, and that policy should not be set for us in the halls of the HHS.

In 1982, this House considered this matter. The Committee considered it last December when we took up this bill, and it passed by an overwhelming vote, 260 to 140. The other body did not get around to considering this matter, and as a result, the legislation died last year in the 97th Congress, and we are now taking up the matter again.

The exceptions, or rather the language that will be offered by way of an alternative is really an interesting exercise to analyze, and I want you to listen to this, because it really poses the question on whether or not the regulations that are being offered by my friend from California, and colleague, Mr. WAXMAN, really establishes an ethical standard at all.

The way he would like the law would authorize the experimentation if the risk to the fetus imposed by the research or experimentation is minimal, and the purpose of the research or experimentation is the development of important biomedical knowledge which cannot be obtained by other means.

Well, now, think about that for a moment. If this human being in the course of an abortion is destined to die anyway, can there be any risk that can be conjured in the mind of an experimenter that is anything less than minimal? The answer to that is really no, and therefore, this is no restriction at all.

There is another element of the regulation they would like to have that would give a waiver to HHS, and I submit, as mentioned earlier, that the waiver process is something that should not be permitted in our law. Policy questions of this magnitude should be set by elected representatives, not appointees in the executive branch.

The CHAIRMAN. The time of the gentleman from California (Mr. DANNEMEYER) has expired.

(By unanimous consent, Mr. DANNEMEYER was allowed to proceed for 3 additional minutes.)

Mr. DANNEMEYER. We here in the Committee should be settling this matter as a question of public policy. Some have asked the question from time to time, well, do we really need this law, and I do not want to shock my colleagues by making repeated references to experimentations that have taken place in the past, but I would like to read just one; and if some Member would like me to go through the dozen I have available for reading, I would be happy to do so but there is one in 1973 that was funded by funds from NIH, and was described as follows:

> Dr. Peter A.J. Adam of Case Western Reserve University (and others) severed the heads of 12 fetuses obtained by hysterotomy abortion whose gestational age range from 12-20 weeks. This study, done in Helsinki, was to determine "whether glucose and D-beta hydroxybuterate can serve as energy sources in early human development."

They concluded that they can. This was reported in Medical World News, June 8, 1973, at page 21.

That is the type of experimentation which led to the law that was passed overwhelmingly in the midseventies, and is the basis of the effort by the gentleman from California this evening with respect to having this law reflect a sense of fairness, a sense of justice in our culture that we as a civilization do not choose to go down this road.

There is also a list of items that I want to make clear that this amendment would not preclude, so that we understand what it does not do.

It does not: First, affect fetal research or experimentation carried on with private funds. Second, restrict research or experimentation on fetuses being carried to term. Parents can determine if such experimentation is advisable if no abortion is contemplated.

Third, it does not adversely affect or restrict amniocentesis or sonnegrams done on mothers planning on carrying the fetus to term. Only if the sonnegram or amniocentesis were to be done on a fetus about to be aborted for purposes unrelated to the survival of that fetus would such procedures be barred.

Fourth, it does not prohibit an expectant mother from ascertaining if a fetal defect could be corrected before opting for an abortion.

Fifth, it does not prevent or limit fetal surgery designed to correct fetal defects, so long as the fetus was not scheduled for abortion.

Sixth, does not prohibit research or experimentation on dead fetal material or transplantation or organs from a dead fetus to a live infant along the lines of the recent liver transplants.

The CHAIRMAN. The time of the gentleman from California (Mr. DANNEMEYER) has expired.

(By unanimous consent, Mr. DANNEMEYER was allowed to proceed for 1 additional minute.)

Mr. DANNEMEYER. It does not curtail valuable ongoing research. NIH has said no ongoing research would be stopped by enactment of this amendment; and for these reasons, Members of the Committee, I ask for the approval of the amendment.

I yield back the balance of my time.

Mr. WAXMAN. Mr. Chairman, I move to strike the last word.

□ 1840

Mr. Chairman, I rise to oppose the amendment offered by the gentleman from California (Mr. DANNEMEYER).

My reasons for opposing the amendment are simple and clear:

The Dannemeyer amendment is unnecessary. There are no examples of abuses funded by NIH.

And the Dannemeyer amendment is harmful. It will stop valuable research that saves and improves the lives of babies and mothers.

Let me begin by briefly describing the present regulations that restrict fetal research at NIH.

In order to perform research on pregnant women, an NIH researcher must show that the work poses no risk or minimal risk to the fetus and that the work can be done in no other way. He must pass the review of the Institutional Review Board of his university or medical school, the peer review of the institute, and the advisory council of the institute.

My colleague from California tells you that this is not enough. I believe he is wrong.

I have distributed—and I have more copies here—a letter from Secretary Heckler saying that HHS "does indeed closely review all Department funded research related to fetuses," and that she believes that the present "regulations provide necessary and appropriate safeguards for the conduct of fetal research."

I would remind you that this is not a liberal or a pro-choice Democrat writing. Mrs. Heckler is herself opposed to abortion. She is the Reagan administration's appointee as Secretary. And she is writing to Senators HATCH and DENTON—themselves strong opponents of abortion.

I would also remind you that my colleagues who support the amendment are not able to cite a single case of NIH-funded research that has violated the sanctity of life. Any questionable projects they might give today either occurred before the present regulations were implemented 8 years ago or were not conducted with Government money, and therefore not remedied by this amendment.

So, therefore the amendment is unnecessary.

One might say "well, why not adopt it?"

There is another reason as well.

The Dannemeyer amendment is not simply an unnecessary attachment to the NIH. It is also an extremely dangerous restriction that I believe will damage the health of pregnant women and babies.

There is a prominent and frightening example I would like to share with you.

As you know, if a woman catches German measles while she is pregnant, her child will probably be severely damaged—deafness, blindness, heart defects, and severe mental retardation.

In 1969 a vaccine against rubella was licensed for use. At that time it was suggested that there should be a national campaign to vaccinate all pregnant women to protect against measles.

The reason that people were so enthusiastic about this vaccine was that it had been tested on monkey fetuses. We found in reading the reports of that research that the fetuses of monkeys were protected and the female monkeys did not get the rubella and the fetuses were not affected adversely by that vaccine.

But then human studies were begun. Women who had requested therapeutic abortions were chosen as subjects and were vaccinated. Ten days later they had their abortion.

In contrast to the monkey experiment, in humans the virus did cross over to the fetus and caused severe birth defects. The vaccine is now refused to pregnant women or women who might be pregnant.

Mr. Chairman, if the Dannemeyer amendment had been in place, this research would not have been possible. We would have had an entire generation of rubella syndrome babies—blind, deaf, retarded, and with heart defects. And these babies would be born not to women who wanted abortions but to those women who had done everything possible to make sure their babies would be healthy.

Under the Dannemeyer amendment, we will have no way to test the safety of new drugs or vaccines for pregnant women. Rubella and thalidomide babies will become the rule for new pharmaceuticals or medical procedures.

Moreover, the amendment as it is drafted this time would prohibit all research on fetuses that are to be aborted—even if the research has no risk.

The CHAIRMAN. The time of the gentleman from California (Mr. WAXMAN) has expired.

(By unanimous consent Mr. WAXMAN was allowed to proceed for 5 additional minutes.)

Mr. WAXMAN. I want to bring out this point because I think it is an important one.

Mr. Chairman, in subcommittee markup, one Member asked if this was intended to prohibit the simple act of a doctor listening to a woman's stomach with a stethoscope to find out how fetuses develop.

The answer was "yes."

Let me suggest other examples.

Would the amendment prohibit sonograms to follow how these fetuses move? The answer is yes.

Would the amendment prohibit amniocentesis to find genetic disease? The answer is yes.

Would the amendment prohibit maternal and fetal fluid sampling to study fetal alcohol syndrome? The answer is yes.

Would the amendment prohibit fetal monitoring? The answer is yes.

This amendment will not prohibit or limit abortions. It will only limit the medical profession's ability to develop new care for pregnant women and their babies.

My colleague, the gentleman from California (Mr. DANNEMEYER), may tell you that there will still be many fetuses on which this good research can be done. But in this country, almost one out of six pregnancies ends in miscarriage. And one out of four pregnancies ends in abortion. By the adoption of the Dannemeyer amendment, we will limit possible research to about half the population, and even fewer in the metropolitan areas where abortion rates are higher.

If this language had been in place 20 years ago, we could never have developed the test for sickle cell or ways to save Rh-negative babies or a safe rubella vaccine program. As the Reagan-appointed Director of the Institute of Child Health wrote last month: "These examples strongly support the case for continued research on the fetus and infant as a means of further improving their health care."

If we adopt this language today, we will eliminate many valuable research projects—projects on diabetes, on lung development, on spinal cord injury, on genetic diseases—projects that could ultimately save lives and even reduce abortions by taking away the fear of birth defects.

And what will we gain? Nothing.

The Secretary of HHS says there is no problem to correct, and the Director of Child Health research says there is much to lose if we adopt this amendment.

I urge my colleagues to oppose the amendment as I will oppose it.

Mr. DANNEMEYER. Mr. Chairman, will the gentleman yield?

Mr. WAXMAN. I will be pleased to yield.

Mr. DANNEMEYER. I notice in the gentleman's comments he made reference to a letter by the Secretary of HHS, Margaret Heckler. Is the gentleman suggesting that Mrs. Heckler on behalf of the administration has taken a position with respect to the amendment offered by the gentleman from California?

Mr. WAXMAN. As I understand the letter, and I would like to read it in full, it is not a lengthy letter, and I think it speaks for itself.

This is the letter that was addressed to Hon. JEREMIAH DENTON, chairman of the Family and Human Services Subcommittee, Committee on Labor and Human Resources.

THE SECRETARY OF HEALTH
AND HUMAN SERVICES,
Washington, D.C.

HON. JEREMIAH DENTON,
Chairman, Family and Human Services Subcommittee, Committee on Labor and Human Resources, U.S. Senate, Washington, D.C.

DEAR SENATOR DENTON: Thank you for your letter of October 31, 1983, regarding the Department regulations pertaining to protection of human subjects. These regulations have been in effect since 1975. I am pleased to emphasize for you that the Department of Health and Human Services does indeed closely review all Department funded research related to fetuses, and that we deem surveillance of this activity important and essential. I can assure you that we do not fund any research in which the proposal includes research on a living fetus ex utero after induced abortion, or research involving fetal material, cells, tissues, or organs unless excised from a non-living fetus. Further, the Department is not funding research on any fetus intended for abortion if such research is in any way different from that research we consider acceptable for a fetus to be carried to term. For these reasons, we believe that our regulations provide necessary and appropriate safeguards for the conduct of fetal research.

I hope this answer is satisfactory to you. Thank you for your legislative alert.

Sincerely,

MARGARET M. HECKLER,
Secretary.

If she thinks her regulations are satisfactory, then I think we ought to leave them alone or codify them, but not take a chance on changing the rules.

Mr. DANNEMEYER. Will the gentleman yield further?

Mr. WAXMAN. Certainly.

Mr. DANNEMEYER. The gentleman is not contending that this letter is in opposition to the amendment that this gentleman from California is now sponsoring to the committee, are you?

Mr. WAXMAN. I believe this letter says that the regulations are sufficient, and my proposal that came out of the committee adopts what the regulations are today. I think that this letter speaks to that as being satisfactory to deal with the issue.

□ 1850

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. DANNEMEYER and by unanimous consent Mr. WAXMAN was allowed to proceed for 1 additional minute.)

Mr. DANNEMEYER. Mr. Chairman, will the gentleman yield further?

Mr. WAXMAN. I yield to the gentleman from California.

Mr. DANNEMEYER. I thank the gentleman for yielding.

Would it be fair to say that the position of Margaret Heckler on behalf of the administration is neutral with respect to the amendment?

Mr. WAXMAN. I have no information as to what her position would be or that of the Department or that of the administration. What I am indicating is her letter and what it says; that is all I can say to you.

Mr. DANNEMEYER. Mr. Chairman, I thank my colleague for yielding.

Mr. HYDE. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, I want to state at the outset that I understand the motives of those who oppose the Dannemeyer amendment. I think they are entirely proper and I think they are designed to support what they feel is essential research into illness and ailments and conditions that oppress human beings and I think they are animated by great compassion.

I just happen to think that they are incorrect because it just seems to me when you are talking about experimenting on preborn children or the unborn child after an abortion has occurred, you are still talking about a human being. You are talking about a member of the human family. You are not talking about chattel, you are not talking about an animal, a hamster. You are doing this without informed consent because the preborn child or the remains of the child after the abortion has been unable to provide any consent to having his or her body experimented on or researched.

It is so undignified to treat a human being, whether dead or alive, whether preborn or otherwise, as some sort of an animal, a laboratory animal, to be experimented with.

I understand that nobody is doing this out of a sense of cruelty or frivolousness but for very noble motives. But you are still dealing with a human being.

Now, if you do not concede that the preborn child is human, that it is animal, vegetable, mineral, or a randomly multiplying tumor or an abscessed tooth or a diseased appendix, then you may have a point. But if you do feel that once conception has occurred you have a member of the human family, it ought to be treated with dignity and with respect.

Now, we have societies that are organized around antivivisection. They do not want experiments with animals. I can understand their concern and their compassion.

But here we are talking about preborn children. Call it a fetus if you want. It is still a member of the human species and it has an identity.

Now, Dr. William Liley, who recently passed away, a famous doctor from New Zealand, has proved that the fetus feels pain, that it reacts to light and to sound and to sweet and to sour and to noise, and nobody seems to consider whether these experiments might or could cause serious pain to this little preborn child.

I remember well a famous series of tests at a jail, and I forget the State, but inmates there were injected with a syphilis virus or germs and then they were not treated so that science could determine how this disease progressed and what the symptoms are and what the prognosis is.

I guess science learned a great deal but at a terrible cost to the humanity of those prisoners.

I am not against fetal monitoring or studying the development of the fetus. I think that is useful and helpful. But I am definitely against experimenting on little human beings whether they are dead or alive, simply because their parents have decided they do not want them and the little child has no chance to have a voice or to provide any informed consent.

We are dehumanizing humanity and I think that is a terrible thing to do.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I certainly yield to my friend from California.

Mr. HUNTER. I thank the gentleman for yielding.

Mr. Chairman, I think the gentleman's point is well taken. I recall the chairman gave an example in which he mentioned there were 10 healthy unborn children who were growing to term but that their mothers desired to get an abortion. So before the abortions were scheduled they injected them with the substance in question and those children, those healthy unborn children developed, then, birth defects and then ultimately they were aborted.

I wonder what would have happen if one of those young ladies would have changed her mined after her child was rendered defective by this injection, what recourse she would have had at that point had she wanted to have a healthy child.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. HYDE was allowed to proceed for 1 additional minute.)

Mr. HYDE. The gentleman (Mr. HUNTER) makes an excellent point, Mr. Chairman. We all recall seeing the grisly pictures of boxes of little fetuses that had been frozen for chemical extraction or cosmetic use, extraction of collagen, I forget the chemistry of it, but I remember how shocked I was at the dehumanization, the depersonalization, the lack of dignity and respect for what were little tiny members of the human family.

Let us treat human beings a little differently than laboratory rats or hamsters. Let us accord them the dignity that perhaps the abortion procedure failed to provide them and treat them with respect and not experiment with them as though they were laboratory animals.

Mr. Chairman, I yield back the balance of my time.

Mr. GLICKMAN. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendment.

Mr. Chairman, briefly, I have faced the problem because I am Rh positive any my wife is Rh negative. We have had two healthy children because of the development of the RhoGam vaccine which prevented my children from being born either very, very sick or perhaps not living at all.

That vaccine would not have been developed without this research. I think this amendment which is being touted as a prolife amendment is not accurately characterized.

I ask my colleagues to look at the types of research it is aimed at: Tests of vaccines to assure the safety for fetuses and mothers; diagnostic testing such as for sickle cell anemia; assisting with complications at birth like Rh negative births.

As I look at it, Mr. Chairman, those are definitely research endeavors which are definitely themselves prolife. In many instances they are abso-

lutely essential to the maintenance of life.

Mr. Chairman, one of my constituents wrote me quite upset about this issue and I realize fully that this is a delicate subject matter. I do not mean to demean it. It is very important, to both sides.

My constituent was upset about the experimentation and research at NIH and wrote to NIH about it. And Dr. Mortimer Lipsett, Director of the National Institute of Child Health and Human Development at the National Institutes of Health, wrote my constituent a letter, who sent me a copy of it.

In his letter to my constituent he says:

In your letter you question the statement made in a letter to you—

From Mr. GLICKMAN—

that fetal research was important for developing a diagnostic test for sickle cell anemia, learning that rubella vaccine may cause fetal damage, and developing medical means to assist with Rh-negative births.

Dr. Lippsett says:

I assure you that those statements are correct. Several tests for prenatal detection of sickle cell anemia, including one employing amniocentesis, required fetal research for their development.

We would not have had the detection for sickle cell anemia without this kind of testing. The letter goes on to say:

Studies conducted during human pregnancy demonstration that the rubella vaccine virus, when given to a pregnant woman, crosses the placenta and infects and may damage the fetus. The techniques for intrauterine diagnosis of the severity of Rh hemolytic disease, and treatment of the severely affected fetus with intrauterine transfusion, required human fetal research as a necessary part of their development.

Now, with the restrictions imposed by the current regulations which appear to me to be very, very tight and reasonably so, I cannot for the life of me see why we would want to restrict the development of lifesaving efforts, whether in the form of vaccines or diagnostic efforts.

It is my personal belief that if we adopt the Dannemeyer amendment we will be sentencing thousands and thousands of pregnant mothers in this country to a situation where their babies may die at birth and which could have been prevented by reasonably structured research efforts at the National Institutes of Health.

So I would urge, because of what I call the life-saving efforts of the properly restricted, tightly drawn regulations under current law, that this amendment be defeated.

□ 1900

Mr. SILJANDER. I thank the gentleman for yielding.

I was rather moved by the gentleman's story dealing with the gentleman's blood type. And I really have a question more than a comment to make.

Were the successful results of the gentleman's endeavor based on research and experimentation of a fetus that was about to be or had been aborted; for this is what the amendment actuall deals with.

Mr. GLICKMAN. The question is not relevant because the amendment would have prevented the basic research which went into developing the basic RhoGAM vaccine from happening in the first place, as far as I read the amendment.

Mr. SILJANDER. If the gentleman will yield further, as far as I read the amendment in front of me, it says:

Research or experimentation in the United States or abroad, on a living human fetus or infant before an abortion.

Is that not what it says? Would the gentleman yield to the gentleman from California for clarity to his amendment?

Mr. GLICKMAN. He will have to describe his amendment.

As I interpret the amendment—because if you read on to the next section, it says:

Unless the research or experimentation is for the purpose of improving the probability of the survival or ameliorating developmental or congenital defects in such infant.

And as I understand the current regulations, which Secretary Heckler has proposed, she has indicated that this kind of language in the Dannemeyer amendment would probably not permit the kind of necessary research that was involved in the RhoGAM vaccine.

Mr. SILJANDER. Before we get off to the Heckler letter I would just like, if the gentleman does not mind since I am on the gentleman's time, to clarify this specific point.

Would the gentleman mind yielding to the gentleman from California so we can get clarity on what his amendment means.

Mr. GLICKMAN. I am delighted to yield to the gentleman from California.

The CHAIRMAN. The time of the gentleman from Kansas (Mr. GLICKMAN) has expired.

(At the request of Mr. SILJANDER and by unanimous consent, Mr. GLICKMAN was allowed to proceed for 2 additional minutes.)

Mr. DANNEMEYER. If the gentleman will yield, to answer the point of the gentleman from Michigan, it is clear that the amendment that is being offered by the gentleman from California is only limited to those fetuses that are in the course of abortion. In other words, if they are outside that perimeter this amendment does not speak to it.

And I think that it should be kept clear to us because if there is an experiment going on, on a fetus, that is intended to be born live, obviously the parents of that fetus, who want it to come into this world, are going to exercise the necessary judgment and care before they sign to consent that would be involved prior to any experimentation on that fetus. And I think we should clearly say what this amendment does and does not do.

Mr. GLICKMAN. Well, I would ask my colleague then, how would you ever test a vaccine like the RhoGAM vaccine if the fetus were required to be carried to term in this kind of circumstance, how would you ever do the kind of research.

Mr. DANNEMEYER. The gentleman's premise is not necessarily valid. Is the testing of that vaccine inimical to the survival of the fetus in one that is intended to be born not aborted? I am not a medical person, I cannot answer that.

Mr. GLICKMAN. Let me just conclude, I do not know either and I admit that reasonable minds can differ.

It is just as I read this language, it appears to me that it puts a cloud on the ability to do any kind of research at all that is necessary for these lifesaving techniques.

And for that reason, I would urge defeat of the amendment.

Mr. SILJANDER. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Michigan.

Mr. SILJANDER. I thank the gentleman for yielding.

The point I am trying to make is just this. The intent of his amendment is now in the RECORD by the author, that it deals specifically with the experimentation and research on fetuses dealing with the process of abortion.

So I go back to the question.

The CHAIRMAN. The time of the gentleman from Kansas (Mr. GLICKMAN) has again expired.

(At the request of Mr. SILJANDER and by unanimous consent, Mr. GLICKMAN was allowed to proceed for 30 seconds).

Mr. SILJANDER. I go back to the question in the gentleman's particular instance, was the research that assisted the gentleman and the gentleman's family and the gentleman's life, was it based upon research done in the same scenario dealing with an abortion that this amendment would cover?

Mr. GLICKMAN. I do not know, but I presume that answer is yes.

Mr. SILJANDER. The gentleman presumes, but the gentleman is not sure.

Mr. GLICKMAN. I am not sure.

Mr. SILJANDER. Just for the record I want to make sure that while I am certainly moved by the gentleman's story, it may not in fact be relevant to the amendment.

The CHAIRMAN. The time of the gentleman from Kansas (Mr. GLICKMAN) has again expired.

At the request of Mr. DANNEMEYER and by unanimous consent, Mr. GLICKMAN was allowed to proceed for 1 additional minute.)

Mr. DANNEMEYER. If the gentleman will yield to me, the gentleman made reference to a letter from Mortimer Lipsett and I just wanted to ask the gentleman if he has had a chance to see a letter from the same Dr. Lipsett, Department of Health and Human Services, dated November 18, 1982. This was written last year before this amendment was considered by the gentleman from California in which he said:

A search has identified no research projects currently being conducted or supported that would be curtailed by this amendment as so interpreted.

The point is this letter last year said no research projects would be precluded. And I thought the gentleman would like to know that.

Mr. GLICKMAN. I think that is useful and as my colleague from California indicated, he prefers agreed with you there, but indicated the potential for restricting necessary research would be dramatically affected by the ambiguities contained in the amendment.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from California.

Mr. WAXMAN. Mr. Chairman, I do want to point out because I think my colleague from Kansas did not know this information, but in fact the research that led to the ability to deal with the Rh factor——

The CHAIRMAN. The time of the gentleman from Kansas (Mr. GLICKMAN) has again expired.

(By unanimous consent, Mr. GLICKMAN was allowed to proceed for 1 additional minute.)

Mr. WAXMAN [continuing]. In fact that research was done on fetuses that were scheduled for abortion. And had that research not been done in that way, it is very questionable whether they ever would have come up with that vaccine or so many other vaccines and drugs that can keep fetuses alive.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from New York.

Mr. GREEN. I thank the gentleman for yielding.

It seems to me that the basic problem with the amendment is that a procedure which is entirely neutral as to the fetus is prohibited by this, even though it could add to the store of human knowledge, because it does not fit within the definition of something that will aid the fetus.

So that something which is not harmful to the fetus in any way and which could provide us with some information that could save other fetuses is going to be denied us because of the language of the amendment. For that reason I urge the defeat of the amendment.

Mr. GLICKMAN. I thank the gentleman.

Mr. SMITH of New Jersey. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, a few years ago, Dr. Lawrence Lawn of Cambridge University's Department of Experimental Medicine spoke candidly to the issue of performing experiments on unborn children and those children who survive abortion.

At the time (1970) some British doctors had been vigorously defending their experiments of live aborted babies after a storm of protest blew up in England when a member of Parliament told the press that private abortion clinics had been selling live aborted babies for research.

Dr. Lawn was quoted in the Cambridge Evening News as saying, "We are simply using something which is destined for the incinerator to benefit mankind * * *."

An abortion clinic operator summed up this depraved value by saying "The position is quite clear. A fetus has to be 28 weeks (in England) to become legally viable. Earlier than that it is so much garbage." (News of the World, May 17, 1970).

Mr. Chairman, my good friend, Mr. DANNEMEYER has offered a humane amendment today to insure that unborn children and those babies who survive abortion receive at least a modicum of respect for their bodily integrity. Mr. Chairman, although we have yet to reverse the infamous 1973 Supreme Court abortion decisions—a tragic decision that daily permits the wholesale killing and maiming of unborn children by salt water injection, dismemberment, and the manual crushing of the childs skull and body parts—Mr. DANNEMEYER'S amendment simply says that we will at least protect the unborn from those who would further reduce this neglected child to the status of a guinea pig.

Today's right to kill an unborn child Mr. Chairman, does not also include the right to perform painful experiments prior to the child's demise. I can just imagine the civil libertarians outcry—and I would be protesting the loudest—if a convicted man or woman condemned to die in the gas chamber or by salt water injection were to be experimented upon. In otherwords, reduced to a guinea pig.

Yet, there are some who have convinced themselves that the unborn child or the child who survives abortion does not count much at all. That the unborn are, in the words of the abortion clinic operator "so much garbage."

It is my understanding that Mr. WAXMAN believes we should reject Mr. DANNEMEYER'S amendment and allow the Secretary of Health to waive restrictions designed to protect the unborn from intrusive experimentation.

Mr. WAXMAN also feels experimentation should be permitted at times, if the child faces what is termed "minimal risk" or if to quote the committee report on page 34, "the knowledge to be gained outweighs the risk to the fetus." Mr. Chairman, that sounds a lot like Dr. Lawn's "for the benefit of mankind" statement and that is truly disturbing.

On the issue of permitting the waiving of safeguards against fetal experimentation, I would point out to my colleagues that the unborn face no danger of Federal funding for experimentation as long as President Reagan sits in the White House. Mr. Reagan's pro-life policy, as executed by our former colleague Secretary Heckler is quite clear. In a letter to Senator JEREMIAH DENTON, Mrs. Heckler writes:

I can assure you that we do not fund any research in which the proposal includes research on living fetus ex utero—after induced abortion—(children who survive abortion) or research involving fetal material, cells, tissues or organs unless excised from a nonliving fetus. Further, the Department is not funding research on any fetus intended for abortion if such research is in any way different from that research we consider acceptable for a fetus to be carried to term. For these reasons, we believe that our regulations provide necessary and appropriate safeguards for the conduct of fetal research.

But the substitute to H.R. 2350, the NIH bill before us, authorizes appropriations through 1986. The President's term expires in 1984. I would ask my colleagues to consider what would happen if President Reagan does not run or if he does and loses, what assurance, what guarantee, do we have that the succeeding President and his HHS Secretary will adopt an administrative position precluding intrusive experimentation. Would they loosely or inadequately implement and enforce the current regulations. I would say to my colleagues, that we have no assurances except the Dannemeyer amendment. As a matter of fact, based on their own rhetoric, if one of the leading Democratic contenders winds up in the White House, the administration policy will be decidedly pro-abortion in 1985 and 1986—years covered by H.R. 2350. Mr. Chairman, Mr. WAXMAN said a few minutes ago that DANNEMEYER is not needed. That is simply not true. It is vitally necessary.

Mr. WAXMAN also argues that Federal funding or experiments on the unborn and the newly born which involves minimal risk should be permissible.

What is, minimal risk?

To the unborn scheduled to die from a salt water injection, what is minimal

risk? What kind of experiment will be allowed on this victim?

To the unborn child scheduled to die from a D&E abortion, a method that always results in decapitation, rib cages split open, arms and legs a pathetic jumble, to that victim, how does one define minimal risk?

To the unborn child who is scheduled to die from a hysterotomy abortion—which is a kind of C-section except in this abortion the child is discarded like garbage, what is minimal risk?

Mr. Chairman, the committee report accompanying H.R. 2350 glibly brushes over any detailed definition of minimal risk. The report says minimal risk should be applied uniformly to those who are scheduled for an abortion and those who will be carried to term. I would suggest that, in practice, this would tend to be impossible. A child whose live birth, is happily anticipated, is hardly a candidate for intrusive experimentation. That baby's mother would never hear of it, but a child destined to die—well, his life is cheap, expendable, and the so-called minimal risk standard becomes meaningless. So what if you inject certain diseases, germs, and poisons into the child about-to-be-aborted. He is going to die soon, anyway, or so this unenlightened, horrific reasoning goes.

Our colleague, Mr. GLICKMAN, sent out a Dear Colleague on November 15 that included a xeroxed letter from Dr. Mortimer B. Lipsett, Director, National Institute of Child Health. Extolling Dr. Lawn's argument that we are using something destined for the incenerator to benefit mankind, Dr. Lipsett writes: "Studies conducted during human pregnancy demonstrated that the rubella vaccine virus, when given to a pregnant woman, crosses the placenta and infects and may damage the fetus"

Think about that, I say to my colleagues.

A rubella virus is purposely administered to the mother to monitor whether or not the child will contract the disease esposing the baby to possible deformity, retardation or simply getting sick. All for the benefit of mankind, of course.

How big of us—how progressive and generous—to sacrifice the defenseless human guinea pigs for the advancement of science.

In Dr. Lipsett's own words again, "Studies conducted during human pregnancy demonstrated that the rubella vaccine virus, when given to a pregnant women, crosses the placenta and infects and may damage the fetus." Mr. GLICKMAN thinks this information somehow makes a compelling case for voting down the Dannemeyer amendment. I believe it does just the opposite.

I also wonder, Mr. Chairman, how many human guinea pigs had the rubella virus forced into their systems, to enable researchers to study the harmful effects and draw conclusions. Perhaps the distinguished gentleman from Kansas who sent out the "Dear Colleague" could tell us? I would like to know.

I would also like to know what happens when a mother is injected with some disease or dangerous substance for the purpose of studying its effect on the baby, what happens if she changes her mind and does not have an abortion. Who is then responsible for any resultant damage to the child? Who is responsible if the experimentation causes mental retardation, deformity or some other anomaly.

Mr. Chairman, I urge my colleagues to enthusiastically support the Dannemeyer amendment. It is humane. It is compassionate. It is just. And I applaud him for offering it.

You know, we talk a lot about human rights in this House, and that is good. And, my friends, this is a human rights issue. There is no question that the unborn child, and the child who survives abortion, are human and alive. We no longer live in the dark ages.

Reducing these children to the status of guinea pigs is wrong and discriminating. I urge you to support the Dannemeyer amendment.

Mr. BLILEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Virginia.

Mr. BLILEY. I thank the gentleman for his fine statement.

I commend the gentleman from California for his amendment.

Mr. Chairman, there are only two points I would like to briefly make. I do not want to prolong the debate. No. 1, this body has been very concerned about animal rights. Just last night a conference committee on the defense bill outlawed certain procedures that the Defense Department wanted to use on animals. We in this bill have certain requirements that will be required in order for medical institutions to conduct animal experiments. And we should be concerned. One of the big reasons and one of the chief arguments that is put forward concerning animal rights is that they do not have anyone to speak for them. Well, who speaks for the unborn? If we do not, who will?

The second point I would like to make is that they say that there is no pain. But I think that records and reports will show that quite often there is great pain, that indeed within a very few weeks the fetus begins to feel pain.

I think the gentleman from California (Mr. HUNTER) put forward a valid argument. What happens if the mother agrees to this sort of experimentation, with a view toward abortion, and then changes her mind, and because of the experimentation she has a deformed child?

I hope the Members will support this amendment.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. SMITH) has again expired.

(On request of Mr. HUNTER and by unanimous consent, Mr. SMITH of New Jersey was allowed to proceed for 2 additional minutes.)

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from California.

Mr. HUNTER. I thank the gentleman for yielding.

Mr Chairman, I think the gentleman has made a very articulate argument in favor of this amendment. I would like to simply observe that I think the proposition that we could not have come as far as we have medically had we not been able to experiment on fetuses is baloney. For hundreds of years doctors in this world, prior to the 20th century, experimented regularly on criminals, on prisoners of war, and medical procedures advanced very slowly. In the United States, after we passed laws in which we could not experiment on criminals, we advanced very rapidly and we traveled thousands of miles and came a long way in advancing medical procedures. We have developed tremendous medical technology and yet we hear this argument that somehow if we could not experiment on fetuses, we would not be able to move forward in medical development. I cannot accept that. I cannot accept the argument that somehow if the doctor, the gentleman from California referred to had not been able to decapitate these fetuses, somehow we would not have gained expertise necessary to give American children a chance of having a viable life.

I think that the reason we have gone as far as we have is because we respect life in this country, and because of that respect we have created an environment for innovation and creativity that allows our medical people to make great strides.

So I commend the gentleman on his very articulate and eloquent argument, and I agree with him that this is a case for human rights.

I urge passage of the Dannemeyer amendment.

Mr. MADIGAN. Mr. Chairman, I observe that we have been on this amendment for 50 minutes. It is 20 minutes after 7. I know that there are other amendments that are going to be offered. Unless somebody has something very important to say, I would like to move the previous question on this amendment.

The CHAIRMAN. The Chair will state to the gentleman that moving the previous question on the amendment is not in order.

Mr. SCHEUER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, let me say that on a subject of extraordinary delicacy and sensitivity, I think the debate on both sides has been sincere, has been knowledgeable, and has been remarkably professional, and I congratulate all my colleagues who have spoken thus far.

I do not wish to repeat much of the statements that have been given before, but I would like to address a couple of questions that have been raised by my colleagues.

First, my colleague a few minutes ago stated that we need absolute prohibitions because of the need for protection after the possible termination of the Reagan Presidency because all kinds of untoward abuses would take place if the absolute prohibition contained in the Dannemeyer amendment were gone.

□ 1920

We have a government of law, a civilized government that has continuity and it passes from administration to administration, across party lines. The amendment offered by the gentleman from California (Mr. DANNEMEYER) would allow no waiver of the restrictions on these experiments under any circumstances. Current regulations, recognize that such authority may be vital on rare occasions, and impose strict conditions under which a waiver may be granted by the Department of Health and Human Services.

These restrictions are already established in current regulations. The restrictions have only been lifted and permission for these experiments have only been used once in the last 8 years. That period extended back in time 6 years before the advent of the Reagan administration, during both the Carter and Ford presidencies. The particular single instance in which the restriction was waived, the experiment led to the development of a means of detecting the presence of sickle cell anemia in a fetus. This enormously benefitted millions and millions of our black citizens who are genetically disposed to sickle cell anemia.

The exceptions have been used with extraordinary restraint for 6 years prior to this administration and during this administration for 2 years, and the current administration recognizes that and they have stated clearly, beyond any possibility of misunderstanding, that they deem the current regulations to be adequate.

Let me give some examples of the kinds of great leaps forward that have taken place because of the very sophisticated experimentation that is possible today: Microsurgery on the fetus in the womb that absolutely boggles the mind with the miracles that it can create. To compare this with the kind of experimentation—butchery might be a better phrase—that went on in the last century with hammer and saws does us all a disservice.

Let me give my colleagues some highlights of the kinds of research that has been successfully completed. We heard about the Rh factor from one of our colleagues himself. Not long ago an infant with this Rh factor, unless it received a complete blood transfusion very shortly after birth, sustained permanent brain damage or died in a matter of days. with advances in fetal research, physicians are now able to administer prenatal blood transfusions, reducing the instances of stillbirth, brain injury, and death.

Likewise, due to fetal research, significant progress has been made to detect and to treat respiratory distress syndrome, a disease that affects premature babies and usually causes them to die of suffocation within a very few days of birth. Through new knowledge about fetal development, physicians now are able to perform microsurgery, as I mentioned, in the womb to correct congenital defects and to improve the infant's health before it is ever born.

The CHAIRMAN. The time of the gentleman from New York (Mr. SCHEUER) has expired.

(By unanimous consent, Mr. SCHEUER was allowed to proceed for 2 additonal minutes.)

Mr. SCHEUER. But nevertheless, many areas of fetal research remain to be accomplished for the benefit of all mankind. Fetal research can lead to the medical techniques that will save and improve the lives of countless millions of infants in the years to come, and these studies are essential if we hope to prevent premature births, congenital disabilities of all kinds, deformities, mental retardation, and stillbirths.

Eventually, we may be able to solve such mysteries as Tay-Sachs disease, sickle cell anemia, and Downs syndrome through fetal research if we develop the means to intercept them before birth, in utero. A major additional advantage of fetal research has been to heighten public awareness of the importance of prenatal care. We now know, through fetal research, the detrimental effects of smoking by the mother on the fetus during pregnancy. We now know the consequences of drug ingestion and alcohol ingestion during pregnancy and the desperately harmful effects that they can have on the developing fetus.

We now know enough to question the prudence of consuming caffeine, even drinking more than perhaps one cup of coffee a day by a pregnant woman.

Quite clearly, our ability to improve prenatal care and reduce the many birth defects that result from ignorance in this area depends very greatly upon our continuing ability to conduct fetal research.

The CHAIRMAN. The time of the gentleman from New York (Mr. SCHEUER) has again expired.

(On request of Mr. SMITH of New Jersey and by unanimous consent, Mr. SCHEUER was allowed to proceed for 2 additional minutes.)

Mr. SMITH of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. SCHEUER. I yield to the gentleman from New Jersey.

Mr. SMITH of New Jersey. I thank the gentleman for yielding.

Mr. Chairman, I appreciate the comments of the gentleman, particularly as he was speaking of the unborn child as a patient. I think many of the false images we have of that child are being shattered by the great advances that are being made in the diagnosis and treatment of unborn children. A growing realization that the unborn child can be a patient and in need or medical care flies in the face of our official policy in this country of abortion on demand, right up until the moment of birth.

I have a couple of questions. The gentleman made reference to microsurgery in his comments. Presumably, if microsurgery is going to be performed on an unborn child, that surgery is going to be performed for a specific medical reason. It certainly is not going to be done frivilously or without top priority being the care of the unborn patient. This kind of surgery is permitted under the Dannemeyer amendment.

Mr. SCHEUER. The point is, we would not have developed those techniques to accomplish all those things.

Mr. SMITH of New Jersey. No, that is not correct. Dr. Albert Liley, who has often been called the father of fetology, developed interuterine blood transfusion and is dead set against fetal experimentation where it is not in the interest of the patient himself or herself has conducted all kinds of experiments that were designed to help the child—to enhance his life—and he has come up with one technique after another through that kind of experimentation that I believe is humane.

My second question to the gentleman——

Mr. SCHEUER. What was the first question?

Mr. SMITH of New Jersey. The first question perhaps was more of a comment that microsurgical techniques were developed without experimentation that put unborn children at risk. Can the gentleman tell us how many black children—subjected to experiments—were sacrificed in order to garner some data on sickle cell anemia?

Mr. SCHEUER. I know of no instance where a child was sacrificed.

Mr. SMITH of New Jersey. Well, obviously they were experimented upon perhaps enduring pain and then aborted. To me that is a sacrifice. Is that what happened?

Mr. SCHEUER. In the case where an abortion was going to take place anyway, I suppose that was an opportunity for important fetal research to be carried on, but I know of no case where an abortion was performed for the purpose of doing fetal research where the abortion would not have been performed otherwise. I know of no such case.

Mr. LENT. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, I rise on behalf of the amendment. I would like to ask the gentleman from California, the sponsor of this amendment, if it is not true that during the committee consideration of this bill, almost at the same time or shortly thereafter that we were deliberating on this question of abortion, there were extensive sections put into the bill that were devoted to protecting the proper care and treatment of animals used in biomedical and behavioral research.

Mr. DANNEMEYER. Mr. Chairman, would the gentleman yield?

Mr. LENT. I would be happy to yield to the gentleman from California.

Mr. DANNEMEYER. I thank the gentleman for yielding.

Mr. Chairman, it is an interesting paradox because in the very bill that we are now debating, provisions have been inserted relating to protection and care of animals, and I would like to read three brief instances of the tender concern we are exhibiting for animals in this bill, "and use of research or testing methods that minimize the use of animals or limit animal distress." That is one of the objectives.

The second one:

An exploration of methods which can be used in the conduct of such research which are alternatives to the use of live animals.

And then the third one:

Which will decrease the number of live animals used in biomedical and behavioral research.

□ 1930

I ask my colleagues, what kind of people are we that we would have language in the bill that would encourage the medical establishment to stop experimenting with animals at the same time as we are talking about establishing conditions for experimenting on live human beings? If that will not give a puzzle to future anthropologists and essayists on the ethics of this era in our century, I do not know what would.

Mr. LENT. Mr. Chairman, I would just like to reclaim my time and ask the gentleman from California, I am reading from a copy of the medical World News some years ago reporting on the procedures involved in an NIH experiment on fetuses, where they said there was death that was produced where investigators who were involved in this NIH experiment on fetuses "severed the heads of 12 previable fetuses obtained by abdominal hysterotomy at 12 to 20 weeks gestation. The heads were then perfused through the internal carotid arteries with recirculating Krebs-Ringer bicarbonate medium containing labeled substrates, and were equilibrated continuously with a gaseous oxygen-carbon dioxide mixture."

Then it goes on to describe in more detail exactly what this test was.

My question is, Would we be allowed to do this with hamsters or rabbits under the terms of the protections that are incorporated in this legislation, in the opinion of the gentleman?

Mr. DANNEMEYER. That would depend on the regulations that are adopted, but the way they are structured in the bill, I very much doubt it.

Mr. LENT. Mr. Chairman, I thank the gentleman.

Mr. WAXMAN. Mr. Chairman, I ask unanimous consent that all debate on the Dannemeyer amendment end in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SILJANDER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, once again we must come to the floor to support an amendment that should not need debate.

The Dannemeyer amendment prohibits HHS from funding in whole or in part any research or experimentation to be performed on a live fetus prior to or after induced abortion.

The amendment does not:

Interfere in any way with the merits of the abortion issue itself;

Prevent any fetal research designed to insure the survival or health of the fetus.

The need for this amendment, and its desirability should be clear to all people. Although NIH currently is not funding any fetal experimentation, clear law is needed. Before this Congress acted, NIH was in fact funding fetal experimentation. At this point I include the following articles:

[From the International Life Times, Nov. 7, 1980]

GRUESOME EXPERIMENTS ON LIVE ABORTED BABIES

(By Hans Perukel, Paris)

The U.S. government has been funding some gruesome experiments on live aborted babies that are kept alive for the sole purpose of medical experimentations.

The live aborted babies were purchased from a Helsinki hospital with funds supplied by the U.S. government. This money was funneled into Finland by an American medical researcher, Dr. Peter Adam of Cleveland, Ohio, who had received a $60,000 grant from the U.S. National Institute of Health to conduct human fetal experimentation and research.

Adam, 44, died just recently of a brain tumor. His widow, Dr. Katherine King, a pediatrician, said that her husband had long ago severed all ties with his Finnish colleagues and that money from the U.S. government no longer was being used to finance the experimentation on live aborted babies.

Finland had been selected for these experiments, because of its extremely liberal abortion laws, which allow a physician to legally abort a fetus as old as five months. Many of the unborn babies survive the abortion procedure.

The babies that survived were kept alive in an incubator in a Helsinki hospital and then were transported to a Turku hospital, where the gruesome experiments were conducted by Finnish researcher Dr. Martti Kekomaki. One of Kekomaki's reports about the experiments reveal their horrendous nature; he wrote: "They took the fetus and cut its belly open. They said they wanted his liver."

Kekomaki added: "They carried the baby out of the incubator and it was still alive. It was a boy. It has a complete body, with hands, feet, mouth and ears. It was even secreting urine."

The Finnish researcher conceded that the baby was not injected with an anesthetic when doctors sliced open his stomach, but also maintained that this was of little concern to the experimentors, because, as he put it, "an aborted baby is just garbage." The baby would have had little chance of survival anyway, he contended.

A very disturbing feature of these fetal experiments is that the mothers of the live aborted babies never were informed that their babies lived through the abortions and that they were used for experiments. Explained Kekomaki: "We don't ask the mother for their permission because, naturally, they would not allow it."

He attempted to justify the morally objectionable experiments by arguing that techniques may be and, indeed, have been developed from these experiments that will keep prematurely-born babies alive. Many lives, he said, have already been saved because of the new methods that have been developed.

Kekomaki stated that the purpose of his experiments is to find a way of feeding premature babies with a brain nutrient. Consequently, claims the Finnish, researcher, he must chop off the head of the babies to isolate the brain and process it into nutrients or food.

"We need the brains and livers of aborted fetuses if we are going to help premature babies." observed Kekomaki. "By feeding this special 'food' to them, their chances of health are much better."

That these gruesome and morally objectionable experiments have been funded by American taxpayers (unknowingly) is of no great concern to Dr. Charlette Katz of the National Institute of Health, which supervised use of Dr. Adam's $600,00 grant, some of the Finnish experimentors. Katz said "there was nothing improper" in channeling some of the funds for the Finnish experiments.

Dr. Robert Bilenker, medical director of pediatric care at Cleveland Metropolitan general Hospital, pointed out that "Dr. Adam also had Finnish researchers working for him in his lab in Cleveland."

According to some critical American observers such as Dr. Paul Ramsey, professor of Christian ethics at Princeton University, under existing U.S. medical ethics, the Finnish experiments could never be allowed in this country. Ramsey declared: "U.S. doctors are going abroad to do research which would cause an uproar in this country."

Even one Planned Parenthood spokeswoman was moved to raise moral objections about the Finnish experiments on live aborted babies. Said spokeswoman Adrienne Degun of New York: "It's ghastly and inhumane." She added: 'It's unthinkable that such a thing should be going on. If those fetuses are actualy surviving the abortions that may mean they were old enough to even be born prematurely and survive."

[From Medical World News, June 8, 1973]

POST-ABORTION FETAL STUDY STIRS STORM

The Supreme Court's landmark abortion decision may have eased one legal and ethical dilemma for American medicine while creating another. The issue is fetal research, and it is a subject every bit as emotionally charged as the abortion controversy itself.

To Right to Life and other anti-abortion groups, the use of the aborted fetus for biomedical research only adds insult to injury—following one crime against life with another. To Rep. Angelo D. Roncallo (R-N.Y.), the matter is serious enough to require legislative prohibition.

The congressman's bill, introduced in April, would make it a federal crime to carry out any research activity on a human fetus or to intentionally take any action to kill or hasten the death of a human fetus in any federally supported facility or activity. The penalty would be ten to 20 years in prison.

But last month, while the National Institutes of Health pondered a rational policy on fetal research—and held in abeyance any requests for support of such research—conferees at the combined meeting in San Francisco of the American Pediatric Society and the Society for Pediatric Research heard at least four reports on work involving human fetal tissue.

No one even raised an eyebrow when Dr. Peter A. J. Adam, associate professor of pediatrics at Case Western Reserve University in Cleveland, reported on a study of "cerebral oxidation of glucose and D-beta hydroxy butyrate (BOHB) in the isolated perfused fetal head." Dr. Adam's work was done in collaboration with Drs. Niels Raiha, Eeva-Liisa Rahiala, and Martti Kekomaki at the University of Helsinki last summer—and was supported in part by NIH funds.

In a study to examine mechanisms by which the fetus is protected in both normal and abnormal pregnancy, the Finnish-American team dicided to tackle the question of whether glucose and BOHB can serve equally well as energy sources early in human development. They can, Dr. Adam concluded in his report, adding that the findings also indicate there is no effective physiologic competition between the two fuels and that oxidated brain metabolism apparently accounts for about a third of the total fetal metabolism.

To produce those data, the investigators severed the heads of 12 previable fetuses obtained by abdominal hysterotomy at 12 to 20 weeks' gestation. The heads were then perfused through the internal carotid arteries with recirculating Krebs-Ringer bicarbonate medium containing labeled substrates, and were equilibrated continuously with a gaseous oxygen-carbon dioxide mixture. Venous return was obtained from the incised sagittal sinus, and carbon 14-labeled CO_2, evolved from the labeled substrates, was collected in hyamine hydroxide solution.

According to Dr. Adam, no member of the research team participated in decisions regarding the method of abortion; these were made solely by the attending gynecologist. While hysterotomy used to be a common abortive method in Finland, he says, the more recent use of prostaglandin has reduced the supply of suitable fetuses and has caused the researchers to abandon this line of investigation. Neither ethical nor legal considerations entered into that decision, adds Dr. Adam.

In the view of the Cleveland physician, a policy that would permit abortion but prohibit fetal research would be unethical as well as irrational. "There's still a dearth of information on fetal mortality," he says, "and once society has declared the fetus dead and abrogated its rights, I don't see an ethical problem. . . . In fact, a much greater problem lies in experimentation with infants and children." (See cover story, page 37.)

He considers resistance to fetal research a kind of "ritualistic absolution" but believes much of it can be dispelled if such research is carried out in full public view. "People need to understand that the fetus doesn't have the neurologic development for consciousness or pain and that it also doesn't have the pulmonary system to survive." Legal considerations and the principles of informed consent are irrelevant, declares Dr. Adam. "Whose right are we going to protect when we've already decided the fetus won't live?"

Some people will say that certain regulations are adequate to limit the number of these amendments. But the situation is subject to abuse if anyone other than Ronald Reagan was President. I praise the strong and vigorous enforcement of the civil right of the handicapped newborns in light of the quality of life arguments.

Besides, the Director of NIH, Dr. James Wyngaarden, stated in the May 12, 1982, Washington Post that he favored fetal experimentation.

What many of these people ignore is that the human fetus feels pain from a very early age: I would like to insert an article by Professor Noonan documenting this pain.

THE EXPERIENCE OF PAIN BY THE UNBORN

(By John T. Noonan, Jr.)

One aspect of the abortion question which has not been adequately investigated is the pain experienced by the object of an abortion. The subject has clearly little attraction for the proabortion party, whose interest lies in persuading the public that the unborn are not human and even in propagating the view that they are not alive. Indeed, in a remarkable judicial opinion Judge Clement Haynsworth has written, "The Supreme Court declared the fetus in the womb is not alive . . ." [1] Judge Haynsworth's statement is merely a resolution of the oxymoron "potential life," which is the term chosen by the Supreme Court of the United States to characterize the unborn in the last two months of pregnancy.[2] Before that point, the unborn are referred to by the Court as alive only according to one "theory of life";[3] and as the phrase "potential life" appears to deny the actuality of life, Judge Haynsworth does not exaggerate in finding that, by definition of our highest court, the unborn are not alive. From this perspective, it is folly to explore the pain experienced. Does a stone feel pain? If you know as a matter of definition that the being who is aborted is not alive, you have in effect successfully bypassed any question of its suffering.

It is more difficult to say why the investigation has not been pursued in depth by those opposed to abortion. The basic reason, I believe, is the sense that the pain inflicted by an abortion is of secondary importance to the intolerable taking of life. The right to life which is fundamental to the enjoyment of every other human right has been the focus. That suffering may be experienced by those who are losing their lives has been taken for granted, but it has not been the subject of special inquiry or outrage. The assumption has been that if the killing is stopped, the pain attendant on it will stop too, and it has not seemed necessary to consider the question of pain by itself. In this respect, those opposed to abortion have been, like most medical researchers, concentrating on a cure not for the pain but for the disease.

There are good reasons, however, for looking at the question of pain by itself. We live in a society of highly developed humanitarian feeling, a society likely to respond to an appeal to empathy. to those concerned with the defense of life, it makes no difference whether the life taken is that of a person who is unconscious or drugged or drunk or in full possession of his senses; a life has been destroyed. But there are those who either will not respond to argument about killing because they regard the unborn as a kind of abstraction, or who will not look at actual photographs of the aborted because they find the fact of death too strong to contemplate, but who nonetheless might respond to evidence of pain suffered in the process of abortion. In medical research it has proved useful to isolate pain as a phenomenon distinct from disease, so it may be useful here.[4]

THE ANALOGY OF ANIMALS

The best indication that attention to the pain of the unborn may have social consequences is afforded by the example of humanitarian activity on behalf of animals. Let me offer three cases where substantial reform was effected by concentrating on the pain the animals experienced. In each case it was accepted that animals would die, whatever reform was enacted; an appeal on their behalf could not be based on an aversion to putting animals to death. The only forceful argument was that the way in which the animals were killed was cruel because it was painful to the animals.

The first case is that of trapping animals by gins—traps that spring shut on the animal, wound it, and hold it to die over a probably protracted period. A campaign was launched in England against this method of trapping in 1928, and after thirty years Parliament responded by banning such trapping.[5] A second case is the butchering of cattle for meat. The way in which this was for centuries carried out was painful to the animal being slaughtered. A typical modern statute is the law in California which became effective only in 1968— all cattle are to re rendered insensible by any means that is "rapid and effective" before being "cut, shackled, hoisted, thrown or cast." Or, if the animals are being slaughtered for Kosher use, their consciousness must be destroyed

---

Footnotes at end of article.

by "the simultaneous and instantaneous severance of the carotid arteries with a sharp instrument." [6] A third case: a 1972 California statue regulates in detail the methods by which impounded dogs or cats may be killed. If carbon monoxide is used, the gas chamber must be lighted so that the animal's collapse can be monitored. A new born dog or cat may not be killed other than by drugs, chloroform, or a decompression chamber. The use of nitrogen gas to kill an older dog or cat is regulated in terms of an oxygen reduction to be reached within sixty seconds.[7] Each of these laws has a single goal: to assure that the animal not suffer as it dies.

It may seem paradoxical, if not perverse, to defend the unborn by considering what has been done for animals. But the animal analogies are instuctive on three counts: they show what can be done if empathy with suffering is awakened. They make possible an a fortiori case—if you will do this for an animal, why not for a child? And they exhibit a successful response to the most difficult question when the pain of a being without language is addressed—how do we know what is being experienced?

THE INFERENCE OF PAIN

Our normal way of knowing whether someone is in pain is for the person to use language affirming that he or she is suffering.[8] This behavior is taken as a sign, not necessarily infallible but usually accurate, that the person is in pain. By it we can not only detect the presence of pain but begin to measure its threshold, its intensity, and its tolerability. Infants, the unborn, and animals have no conceptual language in which to express their suffering and its degree.

Human infants and all animals brought up by parents will cry and scream.[9] Every human parent becomes adept at discriminating between a baby's cry of pain and a baby's cry of fatigue or of anxiety. How do we distinguish? By knowing that babies are human, by empathizing, by interpreting the context of the cry. We also proceed by trial and error: this cry will end if a pain is removed, this cry will end if the baby falls asleep.

* * * * *

A number of soldiers severely wounded on the beach at Anzio told physicians in the field hospital that they felt no pain; they were overwhelmingly glad to be alive and off the beach. The same wounds inflicted on civilians would have been experienced as agonizing.[20] For a third example, childbirth without anesthesia is experienced as more or less painful depending on the cultural conditioning which surrounds it.[21]

As all of these examples suggest, both the culture and specific experiences play a part in the perception of pain. Memory, anticipation, and understanding of the cause all affect the perception. It is inferable that that brain is able to control and inhibit the pain response. In Melzack's hypothesis, the gating mechanism controlling the sensory inputs which are perceived as painful operates "at successive synapses at any level of the central nervous system in the course of filtering of the sensory imput." [8] In this fundamental account, "the presence or absence of pain is determined by the balance between the sensory and the central inputs to the gate control system." [22]

What is the nature of the sensory inputs? There are a larger number of sensory fibers which are receptors and transmitters, receiving and transmitting information about pressure, temperature, and chemical changes at the skin. These transmissions have both temporal and spatial patterns. It is these patterns which will be perceived as painful at certain levels of intensity and duration when the impulses are uninhabited by any modulation from the spinal column or brain.[24]

THE EXPERIENCE OF THE UNBORN

For the unborn to experience pain there must be sense receptors capable of receiving information about pressure, temperature, and cutaneous chemical change; the sense receptors must also be capable of transmitting that information to cells able to apprehend it and respond to it.

By what point do such receptors exist? To answer this question, the observation of physical development must be combined with the observation of physical behavior. As early as the 56th day of gestation the child has been observed to move in the womb.[25] In Liley's hypothesis, "the development of structure and the development of function go hand in hand. Fetal comfort determines fetal position, and fetal movement is necessary for a proper development of fetal bones and joints." [26] If fetal bones and joints are beginning to develop this early, movement is necessary to the structural growth; and if Liley is correct, the occasion of movement is discomfort or pain. Hence, there would be some pain receptors present before the end of the second month. A physiologist places about the same point—day 59 or 60—the observation of "spinal reflexes" in the child. Tactile stimulation of the mouth produces a reflex action, and sensory receptors are present in the simple nerve endings of the mouth.[27] Somewhere between day 60 and day 77 sensitivity to touch develops in the genital and anal areas.[28] In the same period, the child begins to swallow. The rate of swallowing will vary with the sweetness of the injection.[29] By day 77 both the palms of the hands and the soles of the feet will also respond to touch; by the same day, eyelids have been observed to squint to close out light.[30]

A standard treatise on human physiological development puts between day 90 and day 120 the beginning of differentiation of "the general sense organs" described as "free nerve terminations (responding to pain, temperature, and common chemicals), lamellated corpuscles (responding to deep pressure), tactile corpuscles, neuromuscular spindle, and neurotendinous end organs (responding to light and deep pressure)." [31] But as responses to touch, pressure, and light precede this period, visible differentiation must be preceded by a period in which these "general sense organs" are functioning.

The cerebral cortex is not developed at this early stage; even at twelve to sixteen weeks it is only 30 percent to 40 percent developed.[32] It is consequently a fair conclusion that the cognitive input into any pain reaction will be low in these early months. Neither memory nor anticipation of results can be expected to affect what is experienced. The unborn at this stage will be like certain Scotch terriers, raised in isolation for experimental purposes, who has no motivational pain responses when their noses encountered lighted matches; they were unaware of noxious signals in their environment.[33] But if both sensory receptors and spinal column are involved, may one say with assurance that the reception of strong * * * functions as breathing and cardiac action.[48] Such impaired functioning is ordinarily experienced as painful.

Do the anesthetics the mother has received lessen the pain of the child? It is entirely possible that some drugs will cross the placenta and enter the child's system, causing drowsiness. Anesthesia, however, is not administrated to the gravida with the welfare of her child in mind, nor do the anesthetics ordinarily used prevent the mother from serious pain if she is accidentally affected by the saline solution. It may be inferred the child is not protected either. Is it possible that the abortifacient agent destroys the pain receptors and the capability of a pain response earlier than it ends the life of the unborn, so that there is a period of unconsciousness in which pain is not experienced? This is possible in curettage by knife or suction, but it would seem to occur haphazardly, since stunning the child is not the conscious aim of the physician performing the abortion. In saline or prostaglandin poisoning it seems unlikely that the pain apparatus is quickly destroyed. An observation of Melzack is of particular pertinence: the local injection of hypertonic saline opens the spinal gate, he has remarked, and evokes severe pain. At the same time, it raises the level of the inhibitors and closes the gate to subsequent injections.[49] From this it may be inferred that an unborn child subjected to repeated attempts at abortion by saline solution—the baby in the *Edelin* case was such a child [50]—suffers a good deal the first time and much less on the second and third efforts. The general observation of Melzack on the mechanism of pain is also worth recalling: any lesion which impairs the tonic inhibitory influence from the brain opens the gate, with a consequent increase in pain.[51] Any method of abortion which results first in damage to the cortex may have the initial effect of increasing the pain sensations.

From the review of the methods used, we may conclude that as soon as a pain mechanism is present in the fetus—possibly as early as day 56—the methods used will cause pain. The pain is more substantial and lasts longer the later the abortion is. It is most severe and lasts the longest when the method is saline poisoning.

Whatever the method used, the unborn are experiencing the greatest of bodily evils, the ending of their lives.[52] They are undergoing the death agony. However inarticulate, however slight their cognitive powers, however rudimentary their sensations, they are sentient creatures undergoing the disintegration of their being and the termination of their vital capabilities. That experience is painful in itself. That is why an observer like Magda Denes, looking at the body of an aborted child, can remark that the face of the child has "the agonized tautness of one forced to die too soon." [53] The agony is universal.

CONCLUSION

There are no laws which regulate the suffering of the aborted like those sparing pain to dying animals. There is nothing like the requirement that consciousness must be destroyed by "rapid and effective" methods as it is for cattle; nothing regulating the use of the vacuum pump the way the decompression chamber for dogs is regulated; nothing like the safeguard extended even to new born kittens that only a humane mode of death may be employed. So absolute has been the liberty given the gravida by the Supreme Court that even the prohibition of the saline method by a state has been held to violate the Constitution.[54] The Supreme Court has acted as though it believed that

its own fiat could alter reality and as if the human fetus is not alive.

Can human beings who understand what may be done for animals and what cannot be done for unborn humans want this inequality of treatment to continue? We are not bound to animals to the same degree as we are bound to human beings because we lack a common destiny, but we are bound to animals as fellow creatures, and as God loves them out of charity, so must we who are called to imitate God.[55] It is a sign not of error or weakness but of Christlike compassion to love animals. Can those who feel for the harpooned whale not be touched by the situation of the salt-soaked baby? We should not despair of urging further the consciences of those who have curtailed their convenience to spare suffering to other sentient creatures.

With keener sensibilities and more developed inhibitors than animals, we are able to empathize with their pain. By the same token, we are able to empathize with the aborted. We can comprehend what they must undergo. All of our knowledge of pain is by empathy: we do not feel another's pain directly. That is why the pain of others is so tolerable for us. But if we begin to empathize, we may begin to feel what is intolerable.

We are bound to the beings in the human womb by the common experience of pain we have also known in the womb. We are bound to them as well by a common destiny, to share eternal life. As fellow wayfarers, we are bound to try to save them from a premature departure. We can begin to save them by communication our knowledge of the suffering they must experience.

NOTES

[1] *Floyd* v. *Anders*, 440 F. Supp. 535, 539 (D.S.C. 1977).
[2] *Roe* v. *Wade*, 410 U.S. 113, 162 (1973).
[3] Id. at 163.
[4] On the usefulness of looking at pain as a separate phenomenon, see Ronald Melzack, *The Puzzle of Pain* (New York: Basic Books, 1973), pp. 9–10.
[5] C. W. Hume, *Man and Beast* (London: Universities Federation for Animal Welfare, 1962), p. 214.
[6] Cal. Agric. Code § 19 (1967).
[7] Cal. Penal Code §§ 597 v. and w. (1978).
[8] John S. Liebeskind and Linda A. Paul, "Psychological and Physiological Mechanisms of Pain," *American Review of Psychology* 28 (1977): 42.
[9] As to parentally cared-for animals, see Hume, op. cit., p. 45.
[10] Ibid., pp. 94–95.
[11] Ibid., p. 215.
[12] Ibid., pp. 215–216.
[13] Edward Boring, *Pain Sensations and Reactions* (Baltimore: The Williams and Wilkins Co., 1952), pp. v–vi.
[14] Thomas Aquinas, *Summa Theologica*, I-II, q. 35, art. 7.
[15] Melzack, op. cit., p. 163.
[16] Ibid., p. 165.
[17] Ibid., pp. 158–166.
[18] See Liebeskind and Paul, op. cit., p. 47.
[19] Cf. Melzack, op. cit., pp. 29–31.
[20] Ibid., pp. 29–30.
[21] Ibid., p. 22.
[22] Ibid., p. 166.
[23] Ibid., p. 171.
[24] Ibid., p. 158.
[25] A William Liley: "The foetus as personality," *Australia and New Zealand Journal of Psychiatry* 6:99, 1972.
[26] A William Liley, "Experiments with Uterine and Fetal Instrumentation," in *Intrauterine Fetal Visualization*, ed. Michael M. Kuback and Carlo Valenti (Oxford: Excerpta Medica; New York: American Elsevier Publishing Co., 1976), p. 75.
[27] P.S. Timiras, *Developmental Physiology and Aging* (New York: The Macmillan Company, 1972), p. 153.
[28] Ibid., p. 153.
[29] Liley: "The foetus as personality," op. cit., p. 102.
[30] Trypena Humphrey, "The Development of Human Fetal Activity and Its Relation to Postnatal Behavior," in *Advances in Child Development and Behavior*, ed. Hayne W. Reese and Lewis P. Lipsitt (New York: Academy Press, 1973), pp. 12, 19.
[31] Timiras, op. cit., p. 137.
[32] Geoffrey S. Dawes, *Fetal and Neonatal Physiology* (Chicago: Year Book Medical Publishers, 1968), p. 126.
[33] Melzack, op. cit., p. 28.
[34] Liley: Experiments with Uterine and Fetal Instrumentation, op. cit.
[35] Mortimer Rosen, "The Secret Brain: Learning Before Birth," *Harper's*, April 1978, p. 46.
[36] Timiras, op. cit., p. 149.
[37] Paul Mussen, John Congar, and Jerome Kagan, *Child Development and Personality*, 2nd ed. (New York: Harper and Row, 1963), p. 65.
[38] Louis M. Hellman and Jack A. Pritchard, eds., *Williams Obstetrics*, 14th ed. (New York: Appleton-Century-Crofts, 1971), p. 1089.
[39] Selig Neubardt and Harold Schwelman, *Techniques of Abortion* (Boston: Little, Brown and Company, 1972), pp. 46–47.
[40] Ibid., p. 68.
[41] Magda Denes, *In Necessity and Sorrow: Life and Death in an Abortion Hospital* (New York: Basic Books, 1976), p. 27.
[42] Sultan M.M Karim, *Prostaglandins and reproduction* (Baltimore: University Park Press, 1975), p. 107.
[43] See *Floyd* v. *Anders*, 440 F. supp. 535 (D.S.C. 1977), for a case where the child died after delivery.
[44] André Hellegers, director of the Joseph and Rose Kennedy Institute, to the author, oral communication.
[45] Id.
[46] Neubardt and Schwelman, op. cit., p. 68.
[47] Karim, op. cit., p. 107.
[48] see A. I Csapo et al.: "Termination of pregnancy with double prostaglandin input." *American Journal of Obstetrics and Gynecology* 124:1, 1976.
[49] Melzack, op. cit., pp. 181–182.
[50] *Commonwealth* v. *Edelin*—Mass., 359 (N.E.2d) 4 (1976).
[51] Melzack, op. cit., p. 171.
[52] Thomas Aquinas, *Summa contra Gentiles* 4, 52.
[53] Denes, op. cit., p. 60.
[54] *Planned Parenthood* v. *Danforth*, 428 U.S. 52 (1976).
[55] Thomas Aquinas, *Summa Theologica*, II-II, q. 25, art. 3, reply to objection 3.

Hitler's mad doctors resorted to experimenting on human beings. They felt they could learn a great deal about disease and the treatment of war wounds by operating on Jews, handicapped adults and children, and other prisoners.

Do we need to stoop to the same level to make scientific advances in human medicine?

Of course we do not.

Vote for the Dannemeyer amendment and make sure that no experiments are done on any fetuses with the taxpayers' money.

Mr. Speaker, I include the article on human experimentation at this point in my remarks:

[From the Human Life Review, fall 1983]

ON HUMAN EXPERIMENTATION

(By Donald DeMarco)

To rationalize abortion as something other than the killing of unborn humans, its advocates have regularly employed subhuman terms to describe the "fetus" (itself a word far less human than, say "preborn child"). "It" was mere "gametic materials" (Joseph Fletcher), or "protoplasmic rubbish" (Philip Wylie), or even likened to "marmalade" (William Baird). But now that abortion is legally secured, many of the same people have made a rhetorical about-face. Now, the purpose is to justify research and experimentation on the unborn. So the *humanness* of the "fetus" is again stressed: new scientific knowledge of human subjects will have unique and beneficial application to the needs of other humans, inside or outside the womb.

A few years ago, Reuters News Agency reported the story of a Lebanese man who was impotent, and had a testicle transplant from a fetus aborted at six months.[1] Clearly, the transplanted organ was deemed not only a human part of a human being, but one capable of infusing the impotent beneficiary with a masculine power that his own human physiology had failed to provide. Wordsworth, who viewed the child as "the father of the man" could not have known that the child in the womb could provide the manhood of the father. Whether the operation proved successful is beside the point. What is pertinent here is the belief demonstrated by the patient and the surgical team that the human fetus is indeed human and in fact can supply human parts for its homologue who lacks them.

Another case, reported in the *Hastings Center Report*, concerns a 28-year-old engineer who found life on a dialysis machine intolerably restricting. Since he had been adopted as an infant and did not know his natural family, an ordinary kidney transplant had been ruled out. The novel solution was agreed upon: the man's wife would get pregnant and, after five or six months, have an abortion. The kidneys from their own pre-born child would then be transplanted to the husband. Here again, the point is that the fetus, being human, offers real hope (sometimes the only hope) for other humans who suffer from some physiological dysfunction. But it raises the prospect of using the uterus as an organ farm, and the fetus as an organ bank. While based on the recognition that the fetus is human, it denies the right of unborn children not to be exploited as a means for some other human's end.

In Australia, serious consideration is being given to deliberately growing human embryos to provide organs for tranplantation in children. Mr. Justice Kirby, chairman of Australia's Law Reform Commission, has expressed his belief that a majority of the populace might see this as better than simply burying the aborted fetuses.[3] The inequity of allowing some fetuses to live and consigning others to an arbitrary and premature death does not disturb some people as much as the "waste" involved in not using aborted human fetuses to improve the health of other human beings. As a spokesman for the medical faculty at Adelaide University puts it: "In Adelaide alone there are over 4,000 foetuses a year. It seems a waste if they are not going to be used."

In 1980, the U.S. Food and Drug Administration announced its approval of the use of fetal lung tissues in a vaccine against human rabies. Even people who find this to be an acceptable use of parts of aborted fetuses may not be so accepting toward less medically, justifiable cosmetic uses. Two years ago a reputable French legal journal, *Gazette du Palais*, reported the interception by customs officials of a truck loaded with frozen human fetuses at the Swiss-French border. The fetuses were destined for French cosmetic laboratories, where they could become ingredients for "beauty products used in rejuvenating the skin," a high-price item in France.[4] One seller, Madame Renée Ibry's, advertises the claim that her beauty products are "absolutely natural"—a rather grotesque compliment to the unborn human fetus. The commercial trafficking in

[1] Footnotes at end of article.

human fetuses is precisely what inaugurated the public debate on fetal research and experimentation in Great Britain in 1970, when Norman St. John-Stevas, M.P., shocked the English-speaking world by reporting to Parliament the commercial sale in England of human fetuses for research purposes. His report caused the appointment of an advisory committee, under the chairmanship of Sir John Peel, to draft regulations. In May, 1972, The Peel Report on "The Use of Fetuses and Fetal Material for Research" was issued.[5]

The British guidelines were drawn not only to end the scandal of commercial sale of fetuses to researchers, but also to end what virtually everyone agreed was the worst abuse—keeping them alive for up to three or four days.[6] Another central concern of the Peel commission was to offer equal protection for wanted fetuses and those scheduled for abortion. The Report states:

"In our view it is unethical for a medical practitioner to administer drugs or carry out any procedures on the mother with the deliberate intent of ascertaining the harm that these might do to the fetus, notwithstanding that arrangements may have been made to terminate the pregnancy and even if the mother is willing to consent to such an experiment."

A parallel situation soon followed in the United States. The New England Journal of Medicine reported (May 18, 1972) a study to determine whether or not rubella-vaccine viruses administered to the mother are capable of causing infection of the fetus. In this study, "most of the samples, obtained by hysterotomy, were delivered to the laboratory still surrounded by intact membranes."[7] In March of that same year, Wilhamine Dick, testifying at Pennsylvania's Shapp Abortion Law Commission Hearing, said that Pittsburgh's Magee Women's Hospital packed aborted fetuses in ice while they still showed signs of movement and shipped them to experimental laboratories. On the same date in the following year Connecticut's Attorney General presented an affidavit to the U.S. Supreme Court regarding a Yale-New Haven experiment in which a baby boy was dissected without anesthesia before he died. The next month (April 15, 1973), the Washington Post reported that Dr. Gerald Gaull, chief of pediatrics at New York State Institute for Basic Research in Mental Retardation, "injects radioactive chemicals into umbilical cords of fetuses . . . While the heart is still beating he removes their brains, lungs, liver and kidneys for study."[8] Also in 1973, a medical journal reported experiments carried out on live-born fetuses who were decapitated in order that their heads could be perfused to study carbohydrate metabolism.[9]

In 1974 the Federal Drug Administration approved a prostaglandin known as Prostin F2 Alpha for use in second trimester abortions. The important feature of this abortion-inducing substance is that it often results in the delivery of a live, intact baby—a highly suitable subject for research purposes. Dr. Kurt Hirshhorn of New York's Mt. Sinai Hospital has stated that "with prostaglandins, you can arrange the whole abortion . . . so [the fetus] comes out viable in the sense that it can survive hours, or a day."[10] According to Hirshhorn, since "it is not possible to make this fetus into a child, therefore we can consider it as nothing more than a piece of tissue." Of course, if the "fetus" were not aborted, it could be "made" into a child. But the thinking here seems to be that prospective viability is the only characteristic which could warrant protecting the "aborus," while the lack of prospect for viability is sufficient to justify experimentation. The late Dr. André Hellegers (then director of the Kennedy Institute for the Study of Human Reproduction and Bioethics) opposed this in the strongest terms: "[that means] If it's going to die, you might as well use it." If that is not "the British approach," said Hellegers, "it was certainly that of the Nazi doctors."[12]

Because of the abuses going on in fetal research and experimentation, and the conspicuous absence of ethical thinking on the matter, some concerned Americans expressed indignation which evoked an immediate response from the National Institutes of Health (NIH) in 1973 in the form of a "status" position indicating its strong opposition to work on *live* aborted fetuses.[13] Later that year the NIH published its proposed guidelines, titled "Protection of Human Subjects: Policies and Procedures," a document which Paul Ramsey has called "the finest product to date—whatever its defects—to come from our medical bureaucracies."[14] However, in 1974—after very little public dialogue—NIH published revised guidelines which offered the "abortus" much less protection, particularly from harmful experimentation.

In the interim between NIH's proposed and revised guidelines, an important congressional action took place which cut across the rule-making by the health departments. In July of 1974, Congress passed the National Research Act establishing the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research. The Commission was charged to investigate the extent of research involving the human fetus, and to recommend to the Secretary of HEW (then the Dept. of Health, Education, and Welfare, now HHS—Health, and Human Services) the circumstances, if any, under which research should be conducted and supported by that department.

The eleven-man commission completed its report on May 21, 1975.[15] I made 16 recommendations, ten of them non-controversial, which were passed unanimously. (They concerned such things as therapeutic research directed toward the mother, nontherapeutic research directed toward the fetus *in utero* or the possibly viable infant, informed consent, a "conscience clause," etc.)

The Commission's most controversial conclusion (and the main area of controversy in the field of fetal research in general)[16] involved *non-therapeutic* research on a previable abortus. This issue is not only controversial, but highly complex, involving six distinct levels of significant ethical analysis: (1) the nature of the research subject: (2) the notion of pre-viability; (3) the principle of equality; (4) the problem of consent; (5) the principal of "do no harm"; (6) the relevance of abortion to fetal research. In fact, careful assessment of this one issue provides an understanding of the ethics of fetal research and experimentation in general. Therefore, we will discuss each of these six levels separately.

1. THE NATURE OF THE RESEARCH SUBJECT

The National Commission refers to the human embryo and fetus, in or outside the uterus, developing or aborted, in the specific context of "human subjects" which it seeks to protect. This expression has the merit of being neutral, but the disadvantage of being too broad and consequently vague. The expressions "abortus" and "fetus *ex-utero*" are problematic. "Abortus" does not describe what the subject is, but merely what happened to it, namely that it was aborted. "Fetus *ex-utero*" may be contradictory. Pediatrician Eugene Diamond maintains that a fetus *ex-utero* is an infant.[17] The late David Louisell, then a professor of law at the University of California at Berkeley, stated that the non-viable fetus *ex-utero* has been known up to then by law and by society in general as an *infant*, however premature.[18] But HEW restricted the term "premature infant" to the viable fetus *ex-utero*.[19] "Embryonic human being," "fetal human being," "aborus human being," "infant human being," "neonatal or newborn human being" represent reasonably well the nature of the research subjects. According to these terms, the stage of development is properly placed in an adjectival, not substantive, position.[20] Moreover, the subjects are given an intrinsic denomination, rather than a merely extrinsic one. These are more accurate terms, and consequently, since we are dealing with human beings, more *just* than other frequently-used terms such as "fetal material" of "product of abortion." Therefore, when we speak of a non-viable *ex-utero*, we are speaking of a premature infant human being, though "fetal human being" may be acceptable for some people.

2. THE NOTION OF PRE-VIABILITY

The distinction between viable and previable (non-viable) is a somewhat artificial one. The fetus, of course, is viable at all stages unless it is removed from its natural environment. Pre-viable, then, often describes a natural response to a lethal situation. In this sense, we could all be rendered "pre-viable" easily and quickly. Thus pre-viability is usually an induced condition. In addition, the development of artificial wombs could make the distinction between viable and pre-viable obsolete.

Dr. Hirshorn, as we have seen, describes a fetus outside the womb as "viable" in the even more artificial sense of promising to live long enough for it to be a useful subject for experimentation. But critics point out that a pre-viable fetus is *not* one that has already died; it deserves to be respected like any other living fetal or infant human being.[21] Since *Roe* v. *Wade*, viability has been functioning as a legal standard of personhood—a very arbitrary and vague standard which has led to the erroneous (if understandable) belief that a fetus which is "not viable" according to the Supreme Court is either not living or not deserving of any protection.

It is also important to recognize that a fetus is judged pre-viable by prognosis. In a given case of a fetus who is on the borderline of "legal" viability, this judgement could quite often be inaccurate. Surely ethics demands that efforts should be made to save the lives of fetuses (or infants or neonates) in such borderline cases. In this way—by trying to save the lives of some—"salvage" techniques will be developed that will enable physicians to save the lives of many others. In short, ethics and progress in fetal life-saving techniques are not incompatible.

3. THE PRINCIPLE OF EQUALITY

The National Commission recommended different standards of care for the nonviable fetus *ex-utero* (or abortus) who is the subject of non-therapeutic research, compared with his counterpart who is judged viable. The former receives but a single protection: that research and experimentation not alter the duration of his life.[22] But the

viable fetus receives a much broader protection. In his interest, the Commission recommends that "No additional risk to the well-being of the infant be imposed by the research." [23] This unequal protection for two artificially-distinguished classes of fetuses exposes the non-viable fetus to any kind and degree of harm that does not alter the duration of his life. Only one of the Commission members, David Louisell, strongly dissented from this recommendation, appealing to "the essential equality of all human beings," and expressing the fear that American society is at risk of "losing its dedication 'to the proposition that all men are created equal.'" [24] He stated:

"Although the Commission uses adroit language to minimize the appearance of violating standard norms, no facile verbal formula can avoid the reality that under these recommendations the fetus and non-viable infant will be subjected to non-therapeutic research from which other humans are protected."[25]

Louisell went on to complain that the unequal protection given to the non-viable fetus *ex-utero* as well as the fetus *in-utero* gives the researcher a vested interest in the actual effectuation of a particular abortion, and society a vested interest in permissive abortion in general.

More recently (in late 1982) the U.S. House of Representatives renewed its dedication to the proposition that all men are created equal when it voted 260 to 140 to ban the National Institutes of Health from funding experimentation on unborn or aborted fetal or infant human beings. The pertitent passage in the bill, introduced by Cong. William Dannemeyer (R., Calif.), states that:

"[NIH] shall not conduct or support research or experimentation in the United States or abroad on a living human fetus or infant, whether before or after induced abortion, unless such research or experimentation is done for the purpose of insuring the survival of that fetus or infant."[26]

However, subsequent legislative processes reflected a less noble proposition. Cong. Henry Waxman (D., Calif.) opposed Dannemeyer's amendment as an "ideological statement" which would imperil important research, even though earlier, Waxman supported an amendment to protect laboratory animals (the amendment prohibits "more than momentary minor pain or discomfort, or any procedure except where the animal is anesthetized throughout the entire course of that procedure.")[27] Which would clearly provide better treatment for laboratory animals than aborted human fetuses, a point Cong. Mark Siljander (R., Mich.) noted when he protested that "The fetus was not injected with an anesthetic when doctors sliced open his stomach." [28]

After Sen. Robert Packwood (R., Ore.) successfully blocked a Senate vote on the Dannemeyer amendment, a House subcommittee voted for a much weaker restriction prepared by its chairman, the same Henry Waxman, which would permit experimentation posing "minimal risk" to the fetus intended for abortion and authorizes the Secretary of HHS to waive any restrictions under certain circumstances.[29] In May, the full House Energy and Commerce Committee also rejected the Dannemeyer amendment in favor of Waxman's. Thus, at this writing, the prospect of applying a uniform principle of research and experimentation to all human fetuses is not encouraging.

4. THE PROBLEM OF CONSENT

Consent is required for non-therapeutic experimentation on a fetus *ex-utero*. The Commission initially recommended the mother's consent, the father not objecting, and later modified its position to request paternal consent as well (this was the Commission's only major modification.) The immediate problem that arises in the case of an aborted human being is the moral validity of its mother's consent. Can a mother who has already consented to abort her own baby be the appropriate person to grant consent for fetal experimentation on the same child?[30] (Some have suggested that a guardian be appointed who might better represent the interest of the fetal subject of experimentation.) [31]

Another problem involves the effect that consent has upon the woman who might change her mind about going through with an abortion. If she consents to possible harmful fetal experimentation prior to abortion, her liberty to change her mind about abortion is impaired. "Even if she had an arbitrary liberty to abort," as Paul Ramsey points out, "we would not say she has an abritrary liberty to injure and then to change her mind about abortion." [32] Few people (if any) would argue that a woman has a right to expose the child she is going to bring into the world to medically-unwarranted experimentation she knows may seriously injure him. Consent to non-therapeutic experimentation here would seem highly unethical and clearly contrary to established and respected norms concerning proxy consent.

5. THE PRINCIPLE OF "DO NO HARM"

The fundamental problem with non-therapeutic experimentation involving any risk whatsoever to the subeject is that it violates the minimal "do no harm" principle. With this in mind, Rabbi Seymour Siegal, Professor of Theology and Ethics at the Jewish Theological Seminary in New York, writes:

"Research and experimentation on fetuses should be limited to procedures which will present no harm or which have as their aim the enhancement of the life systems of the subject." [33]

Some moralists have suggested that all members of society owe certain minimal debts to society, and these debts may include children, as well as fetal subjects, taking part in low-risk biomedical and behavioral research. They see this involvement in the perspective of social justice.[34] At the same time, it is important to understand clearly what is meant by minimal risk to a fetal subject. In the case of the "pre-viable" human, some argue that minimal risk loses much of its relevance since as such the subject cannot be "injured for life." In addition, one must distinguish between the statistical chance of injury and the nature of an injury. A small chance of great harm may be unacceptable, whereas even a great chance of a small harm might not. A one-to-two percent chance of contracting Down's Syndrome is too high a risk, but a much greater chance of contracting a minor infection may be regarded as a low risk.[35]

Wilfred Gaylin and Marc Lappé have argued the case for nontherapeutic experimentation on the pre-viable *fetus ex-utero* in the context of *philanthropic* experimentation.[36] Since the aborted fetus is going to die anyhow, they would like to see its death ennobled by serving those more fortunate. They regard a pre-viable infant's exposure to the rubella vaccine to determine its effect, for example, a small indignity compared with what happens to it during an abortion. "The medical ethic 'do no harm' would, of course, be violated," they admit, "but we already violated that principle when we accepted the concept of abortion." [37]

But Gaylin and Lappé mount their case on the untenable premise that an established *great* harm justifies the introduction of a *lesser* harm, something Paul Ramsey has termed a "slip-back-up-the-moral-slope" argument.[38] Quite aside from the morality of abortion, this is a premise that has no logical or moral validity. Nor does their contention that a subject "going to die anyway" should suffer non-therapeutic experimentation in the interest of the good of others (besides, it argues for too much—we are all going to die anyway). The class of humans who are "going to die anyway," and soon, also includes those who are terminally ill. Accepted ethical norms do not permit harmful research on these subjects.

What Hans Jonas says against "using" the unconscious, terminally ill patient applies with equal force to the fetus:

"Drafting him for non-therapeutic experiments is simply and unqualifiedly not permissible; progress or not, he must never be used, on the inflexible principle that utter helplessness demands utter protection." [39]

6. THE RELEVANCE OF ABORTION TO FETAL RESEARCH

The U.S. Supreme Court's 1973 abortion decisions granted a woman the right to abort on the basis of what it said was her "right to privacy." Once the mother and her baby are separated, however, the "right to privacy" ruling is no longer pertinent. As Eugene Diamond points out, "Surely the infant cannot be construed as part of the mother, with its rights in conflict with hers, if the mother is in a recovery room and the infant is in an incubator in the nursery." [40] David Louisell said much the same thing when he wrote: "If an infant survives the abortion, there is hardly an additional right of privacy to then have him or her killed or harmed in any way, including harm by experimentation impermissible under standard norms." [41]

In fact, the principles that bear upon abortion and fetal experimentation are largely different. This is a fact that is often overlooked. The Society or Developmental Biology, for example, unanimously passed a resolution supporting the "continued use of human tissues at all stages of development, embryonic and fetal, within the framework of the *Doe* v. *Bolton* ruling of the U.S. Supreme Court." [42]

The attempt to reason from the legal "is" to the moral "ought" represents the fallacy of legal positivism. The legal "is" may very well be a moral wrong. An attitude of legal positivism, therefore, promotes the vice of removing the initiative to redress the legalized moral wrong. It represents an unconscionable moral complacency. Rather than assume that the abortion rulings have settled the ethics of fetal research, it may be that the ethics of fetal research will unsettle the ethical thinking behind the abortion rulings.

Marc Lappé has remarked that "once we have incurred the costs of doing abortion, the moral universe in which we have to operate is *in fact* changed, and we acquire new moral duties." [43] Lappé makes the assumption that it is the "moral universe" that we have changed. What we have changed is law, policy, and practice. The "moral universe" is safely beyond our meager powers to change. In fact, our ethical obligation is

to understand and serve the "moral universe," rather than try to collapse it into law, policy, or practice which may reflect the very antitheses of morality.

The following statement by American Citizens for Life, Inc. (presented before the Senate sub-committee on constitutional amendments in 1974) provides a concise summary of many of the main ethical issues of fetal research and experimentation:

Proper concern for the rights of the unborn child need not bring medical research to a halt. New therapeutic techniques can be with the hope of improving them superior to traditional methods of treatment, after adequate theoretical work and animal experimentation has been carried out. Parents can give consent for experimental therapeutic treatment of the unborn if there is valid reason to believe that such treatment is in the best interests of the child. In addition, organs may be transplanted from the dead fetus, and tissue may be developed from fetuses which are clinically judged to be dead according to the same criteria which would be used for a born child or adult. We recommend careful retrospective clinical and statistical study of defective babies for identification for teratogenic drugs. However, this is not the same thing as purposefully introducing known or suspected harmful substances for research purposes into the live child or his mother which could cross the placental barrier. Systematic benefit should not be derived from systematic induced abortion. We do not approve of experiments which would be judged "cruel" or "senseless" by the average sensitive layman. And parents cannot consent to non-therapeutic research on unborn children who are being purposefully aborted."

Such a statement is grounded in established medical ethics and recognizes the role of the intelligent layman in the formulation of ethical public policy. While it may be improvable, it is a good place to begin. It has two outstanding merits that deserve special mention: it provides equal protection to all human fetuses, whether intended for birth or abortion, a protection that current legislation does not provide; it reflects a consistent recognition of the dignity and humanity of the unborn, in striking contract with the semantic acrobatics that have been used to de-humanize, re-humanize, and then de-humanize again, the defenseless child in the womb.

FOOTNOTES

[1] Nick Timmesch, "Strange Tales of Fetal Life and Death," Human Life Issues, Jan. 1983, Vol. 9, No. 1, p. 4.

[2] "Can the Fetus be an Organ Farm?", The Hastings Center Report, Oct. 1975, Vol. 8, No. 5, pp. 23-25.

[3] Quoted from the Australian in The Human, April 1982, p. 4.

[4] Claude Jacquinot, Gazette du Palais, Nos. 98, 99; Wednesday 8th, Thursday 9th April 1981.

[5] "The Uses of Fetuses and Fetal Material for Research," Department of Health and Social Security, Scottish Home and Health Department, Welsh Office, London: Her Majesty's Stationery Office, 1972.

[6] The Washington Post, April 10, 1973.

[7] Vaheri, Anttis; Vesikari, Timo et al., "Isolation of Attenuated Rubella-Vaccine Virus From Human Products of Conception and Uterine Cervix," New England Journal of Medicine, May 18, 1972, Vol. 286, No. 20, pp. 1071-1074.

[8] Joan Wester Anderson, "Beyond Abortion—Fetal Experimentation, New Upjohn Drug Delivers Perfect Fetus For Laboratory Use," Our Sunday Visitor, Apr. 13, 1975, p. 1.

[9] Adam PAJ, Ratha N., Rohiala E., et al; "Cerbral oxidation of glucose and D-beta hydroxy, butyrate in the isolated perfused human head." Trans Am Pediatr Soc. 309:81, 1973.

[10] *National Observer*, April 21, 1973.

[11] The Washington *Post:* 10th, 13th, and 15th of April, 1973.

[12] André Hellegers, "Issues in Draft Policy Debated in Council," *Ob-Gyn News*, April 15, 1973.

[13] "Fetal Research," *Scientists for Life Newsletter*, October 1, 1973, p. 3.

[14] Paul Ramsey, *The Ethics of Fetal Research* (New Haven and London: Yale University Press, 1975), p. 11.

[15] The *Federal Register*, August 8, 1975.

[16] See Tabitha Powledge, "Fetal Experimentation: Trying to Sort Out the Issues," *Hastings Center Report*, April 1975.

[17] Eugene Diamond, "Redefining the Issues in Fetal Experimentation," *Linacre*, May 1977.

[18] David Louisell, "Fetal Research: Response to the Recommendations," *Hastings Center Report*, October 1975, p. 10.

[19] "The HEW Regulations," *Scientists for Life Newsletter*, October 1, 1975, p. 9.

[20] Ramsey, *op. cit.*, p. xx.

[21] Seymour Siegal, "A Bias for Life," *Hastings Center Report*, June 1975.

[22] "Deliberations and Recommendations of the National Commission for the Protection of Human Subjects," *Hastings Center Report*, June 1975.

[23] *Ibid.*

[24] Louisell, *op. cit.*, pp. 9 and 11.

[25] *Ibid.* p. 9.

[26] "House Votes to Ban Funds for Fetal Experimentation," *Lifegram*, Romeoville, Illinois, Fall 1982. The amendment is attached to HR 6457, a bill authorizing research on cancer and other diseases and was introduced on the floor by Rep. Bill Dannemeyer (R-CA).

[27] Quoted by Paul Fisher, "House Bans Fetal Experimentation," *The Wanderer*, Oct. 14, 1982, p. 1.

[28] *Ibid*, p. 6.

[29] Douglas Johnson, "Waxman Subcommittee Rejects Ban of Fetal Experimentation Funding," *NRL News*, March 24, 1983, p. 1.

[30] Diamond, *op. cit.*

[31] Ramsey, *op. cit.*, p. 97.

[32] *Ibid*, p. 57.

[33] Seymour Siegal, *op. cit.*, p. 25.

[34] Richard McCormick, "Fetal Research, Morality, and Public Policy," *Hastings Center Report*, June 1975, p. 27.

[35] Karen Lebacqz, "Fetal Research: Response to Recommendations," *Hastings Center Report*, October 1975, p. 11.

[36] Wilfred Gaylin and Marc Lappé, "Fetal Politics: The debate on experimenting with the unborn," *Atlantic*, May 1975, pp. 66-71.

[37] *Ibid.*, p. 70.

[38] Ramsey, *op. cit.*, p. 41.

[39] Hans Jonas, *Philosophical Essays: From Ancient Creed to Technological Man* (Englewood Cliffs, N.J.: 1974), p. 126.

[40] Diamond, *op. cit.*, p. 151.

[41] Louisell, *op. cit.*, p. 10.

[42] *Pediatric News*, September 1975, p. 5.

[43] Marc Lappé, "Abortion and Research," *Hastings Center Report*, June 1975.

Mr. DAUB. Mr. Chairman, I rise in support of the Dannemeyer amendment. This amendment is essential in order to clarify the very general language of this bill and prevent helpless infants from being subjected to medical experimentation.

Medical research is important, but not when it is conducted at the expense of innocent human lives. We have heard a number of reports in the past about hundreds of living unborn babies either scheduled for abortion or survivors of abortion who have become the subjects of medical experimentation. Proponents of this type of experimentation justify these actions on the basis that this research will help save more lives in the future.

Our respect for human life, however, should not permit us to allow the use of living infants as mere specimens in the name of medical experimentation. The Federal Government must set the standards and assume the responsibility for these infants who are the victims of abortion and have no one to speak for their rights.

The amendment we consider today raises an important ethical matter; our respect for the life of every human being. If we concern ourselves at all with the dignity of human life, we can not vote against this amendment.

We overwhelmingly adopted a similar amendment last year when considering the Health Research Extension Act. It is important that we demonstrate our continued respect for innocent human life and again vote for this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DANNEMEYER) to the amendment in the nature of a substitute offered by the gentleman from Alabama (Mr. SHELBY).

The amendment to the amendment in the nature of substitute was agreed to.

Mr. HALL of Ohio. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the substitute. I know that the leadership of the Energy and Commerce Committee has spent long, arduous hours in crafting the compromise NIH proposal before us today. I certainly applaud their achievements.

This is an important bill and I hope that the compromise responds adequately to the concerns of those who had earlier expressed opposition to the committee-reported bill.

I would also like to extend my deep appreciation to Mr. WAXMAN for his role in placing a deliberate focus on the bioengineering research provisions of this bill—particularly as they refer to research involving the use of electrical stimulation and computers to overcome paralysis.

H.R. 2350, as reported by the Energy and Commerce Committee, proposed a program for setting up bioengineering research centers across the country dedicated to this particular type of experimentation. In addition, the bill established specific authorization levels to fund the operation of these centers in fiscal years 1984 through 1986.

Under this substitute, we retain a program of grants for bioengineering research which enlists the use of electrical stimulation and computers to overcome paralysis; yet, we do not designate specific authority levels for this purpose.

The committee report accompanying the original bill included language placing emphasis on the well-known work in this field conducted by Dr. Jerrold Petrofsky at Wright State University, which is in my district.

With these points in mind, and for my own clarification, I would like to ask the gentleman a few questions.

First, as the gentleman is aware, this is an area of health research in which the NINCDS has not been heavily involved. Is it the gentleman's understanding that section 466 which deals with the bioengineering part of the substitute would encourage NIH to strengthen its support of work in this area?

Mr. WAXMAN. Mr. Chairman, if the gentleman will yield, the gentleman is correct.

Mr. HALL of Ohio. Next, the committee report on H.R. 2350 stated recognition of the potential benefits of increasing Federal support for the type of research in which Dr. Petrofsky is involved. Is it the gentleman's understanding that this description of Dr. Petrofsky's work demonstrates that he is good example of the type of applicant who would be awarded a grant under this program?

Mr. WAXMAN. Mr. Chairman, will the gentleman yield further?

Mr. HALL of Ohio. I am glad to yield.

Mr. WAXMAN. When the gentleman introduced his amendment, it was exactly the kind of work that prompted us to adopt this amendment as part of the legislation. The gentleman is correct in his statement and I want to commend the gentleman for introducing the amendment and for supporting those activities that are so important for so many people.

Mr. HALL of Ohio. Well, I want to thank the chairman for his help and for his real keen interest in this.

AMENDMENT OFFERED BY MR. DINGELL TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SHELBY, AS AMENDED

Mr. DINGELL. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. DINGELL to the amendment in the nature of a substitute offered by Mr. SHELBY, as amended: In the proposed section 401(b)(2) of the Public Health Service Act add at the end the following:

"(E) The National Institute for Occupational Safety.

Mr. Chairman, the Occupational Safety and Health Act created the National Institute for Occupational Safety and Health, NIOSH, in 1971. It was at the time of the creation of that institution the intent of Congress that NIOSH be administered as an agency of the National Institutes of Health. It has regrettably bounced around for a number of years, both organizationally and geographically. That period of travail has gone on for 12 years, the entire period of its existence.

This amendment would transfer NIOSH to the National Institutes of Health, providing the much needed organizational stability that will help this institution to function properly.

□ 1940

It will enhance the quality of the research on workplace health and safety. As NIOSH already exists and is funded, this will not increase the proportion of administrative costs at NIH, unlike, Mr. Chairman, the creation of any new institutes.

The amendment does not add any new costs and explicitly avoids any change in the Occupational Safety and Health Act or in the functions of NIOSH which remains under the jurisdiction of the Committee on Education and Labor. NIOSH is the largest research institution outside of NIH.

NIOSH uses the NIH grant review system already and will continue to do so. It works most closely with the National Institute of Environmental Health Sciences and the National Cancer Institute. It works much more closely with those institutions than it does with the Centers for Disease Control where it is currently housed.

NIOSH also has professional training facilities and responsibilities similar to those at NIH.

The one regulatory program in NIOSH advises the Mine Safety and Health Administration with regard to respirators and coal dust mine detectors. Far less regulatory than, for example, NIH's Recombinant DNA Advisory Group.

This action is strongly supported by labor and by the university programs in occupational safety and health.

I believe this is a good amendment, and I hope that it will be adopted.

Mr. Chairman, I yield to the gentleman from West Virginia (Mr. MOLLOHAN).

Mr. MOLLOHAN. I thank the gentleman for yielding.

As I understand it, this amendment to this substitute which we are debating does not give the Secretary authority to abolish or merge statutory institutions, is that correct?

Mr. DINGELL. That is correct.

Mr. MOLLOHAN. Will the National Institute for Occupational Safety and Health consequently remain a separate and independent institute under this amendment and this substitute?

Mr. DINGELL. That is my intent.

Mr. MOLLOHAN. It is also true, is it not, that this amendment makes no change in the location, functions or funding levels of the NIOSH facilities in Morgantown, W. Va., or Cincinnati, Ohio?

Mr. DINGELL. That is correct.

Mr. MOLLOHAN. Finally, is it the intent of this amendment that the functions carried out by the National Institute of Environmental Health Sciences facility in Research Triangle Park, N.C., will not be duplicative of functions carried out by either the Morgantown or the Cincinnati facilities?

Mr. DINGELL. That is the current status of the matter, and it remains my intent.

Mr. LUKEN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Ohio.

Mr. LUKEN. I thank the gentleman for yielding to me.

I am interested in the colloquy just consummated between the chairman and the gentleman from West Virginia, because in all of our debate and considerations on this, I believe it has been acknowledged that the criteria documents function in Cincinnati would leave Cincinnati with the passage of this amendment? I am rather surprised to hear any different.

Mr. DINGELL. The answer to that question is no.

Mr. LUKEN. This is a late hour for such a development to arise. In all of our consideration, it has been my understanding that the document development department has been brought closer to research divisions in Cincinnati, and that was the purpose of the move of the criteria development to Cincinnati, that this would all be moved with the entire package to Atlanta?

The CHAIRMAN. The time of the gentleman from Michigan (Mr. DINGELL) has expired.

(By unanimous consent, Mr. DINGELL was allowed to proceed for 2 additional minutes.)

Mr. DINGELL. It is not the intent of the author of this amendment that anything will be moved anywhere as a result of this action.

Mr. LUKEN. I misspoke there. I understand that you did not intend it to be moved to Atlanta.

Mr. DINGELL. Thank you. He is the most valuable Member of this institution.

I simply do not intend anything to be moved physically by reason of this transfer. I will observe that the language of the amendment does place NIOSH where it properly belongs, as a major research institution, inside the NIH where it can most profitably function. But to geographically move any part of that, or all of it, it is not my intention.

Everything geographically will remain where it is inside the agency.

Mr. LUKEN. If the gentleman would yield further briefly, I think it would be very unfortunate if the result of the gentleman's amendment would be, as I understood it would be; namely, that the criteria documents function in Cincinnati which has been recently moved or is in the process of moving to Cincinnati, in order to bring the research division with the actively involved researchers, together with the document development department, I

think it would be very unfortunate for NIOSH if that would occur.

I am very appreciative of the gentleman's assurance that this will not occur, and I hope it will not.

Mr. DINGELL. I believe it would be very unfortunate.

Mr. MADIGAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, the purpose of this amendment is to transfer NIOSH from the Centers for Disease Control to the National Institutes of Health.

I believe this amendment deserves the support of everyone in this body on both sides of the aisle.

Its main purpose and objective is to enhance the quality of research on health matters which exist in the workplace environment, and thus, reduce through their findings, the causes of workplace health hazards which affect the Amercian work force.

The current situation which the gentleman from Michigan is trying to correct is certainly contrary to the expressly stated intent of Congress in creating NIOSH which was to elevate the status of occupational safety and health research in HEW from the relatively low level existing in 1970.

In fact, the net result of the amendment from the gentleman from Michigan, if it is successful, is to create exactly the situation wished by the original sponsor of this legislation, Senator Robert Taft from Ohio.

That is why I believe the effort of the gentleman from Michigan on the other side of the aisle deserves the support of every Member on this side of the aisle, because the gentleman from Michigan is only trying to recreate the situation that once existed in the legislation originally sponsored by Senator Taft, and successfully passed by him some years ago.

This is a bipartisan issue, an issue that deserves the support of everyone, and I certainly hope that it will receive the unanimous support of this body, and I yield back the balance of my time.

Mr. STAGGERS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, notwithstanding the chairman's assurance that it will not be transferred, I oppose the transfer for a number of reasons. The principal reason is that the mandate of the mission of the NIOSH is incompatible with the existing mission of NIH. This is for several reasons. First, NIOSH is mandated to respond to the request for health hazard evaluations and is authorized to use warrants and subpenas for the right of entry and right of access to data.

NIH neither has nor depends on these field response capabilities.

Second, NIOSH is mandated to carry out programs, to test and certify personal protective equipment, and NIH is not involved in regulating industry in any manner.

NIH does pure research, after-the-fact analysis. On the other hand, NIOSH is preventative in nature. CDC is the principal agency of the Public Health Service concerned with the prevention of illness and premature death. By contrast, NIH works to improve human health by acquiring new scientific knowledge. This is a clear divergence between the application of existing knowledge on the one hand, and expansion into new areas of intellectual endeavor on the other.

□ 1950

Further, occupational safety and health research as performed by NIOSH focuses heavily on identifying and characterizing workplace conditions that cause disease or injury and on recommending technologies for prevention. This requires an emphasis on subjects not generally within the purview of NIH and outside the mission of NIH.

Finally, the CDC operate national surveillance systems not only for infectious disease but also for chronic environmental health problems through a network of State and local public health agencies. NIH is not involved in such national surveillance activities.

Frankly speaking, the Dingell amendment is unacceptable to the Second Congressional District of West Virginia, and it should be opposed by all Members concerned with the health of American workers, those workers in our Nation's coal mines as well as others.

The NIOSH office located in my district at Morgantown, W. Va., employs 250 people. That is 250 jobs in the State leading the Nation in unemployment that we can ill afford to lose, Mr. Chairman. The transfer of the NIOSH office in Morgantown to Triangle Park, N.C., where vacancies already exist in facilities there, or to any other place in the Nation, will surely cost taxpayers millions of dollars, not including the negative impact such a move will have on the local economy of Morgantown and surrounding areas.

Finally, and this is probably the most important point, the NIOSH office in Morgantown provides an invaluable service to the coal miners in West Virginia and neighboring coal-producing States in continuing research in the battle against black lung.

This research done in the coalfields as well benefits all taxpayers in that payments in black lung benefits are reduced by the ongoing monitoring of black lung cases in the field.

With all due respect to my colleague, the chairman of the committee (Mr. DINGELL) guarantees today on the House floor do not guarantee that transfers will not occur 1 year, 5 years, or even 10 years down the road. That is the essence of my concern, that it may happen in the future, even though my colleague's intentions are different.

Mr. Chairman, this amendment is unfair to my district and I believe that this amendment is bad for America, so I would ask for a no vote.

Mr. BROYHILL. Mr Chairman, I move to strike the requisite number of words and rise in opposition to the amendment.

Mr. Chairman, I must strongly oppose the Dingell amendment. What this amendment would do is displace the National Institute for Occupational Safety and Health from its present and proper location in service-oriented Centers for Disease Control, moving it to the NIH where it does not belong.

Mr. Chairman, the Centers for Disease Control is viewed as the Federal agency that is more closely associated with the practice of public health and is most responsive to State public health needs and programs. The NIH, on the other hand, is recognized for its preeminence in basic research.

So it is our argument and that of the administration and of the past administrations that the NIOSH program is more compatible to that of the Centers for Disease Control. The focus of NIOSH is on research in identifying and characterizing current workplace conditions that cause disease or cause injury and also on recommending strategies for prevention.

Mr. Chairman, I want to point out that NIOSH has been a component of the Centers for Disease Control since 1973. This is a long association with the Centers of Disease Control and it recognizes the similarities in the two missions.

The benefits of this long association are just beginning to bear fruit. We have just seen the relocation of NIOSH headquarters to Atlanta, and I see nothing in this amendment to assure that there would not be further changes, further shifts in staffs and various components of NIOSH should this amendment pass.

The Centers for Disease Control is the lead agency of the Public Health Service for both emergency response and also prevention. These are also the prime functions of NIOSH. These functions are being enhanced by the close association of NIOSH with the Centers for Disease Control.

There has been greater cooperation and coordination between these two agencies since the move of NIOSH headquarters.

For example, the Missouri dioxin investigations have involved both of the organizations in providing a complete picture to the community and the workers of the potential health effects

of exposure. The close working relationship between NIOSH and the Center of Environmental Health Facilities, in carrying out Public Health Service responsibilities under the Superfund legislation has also been one of the successes.

Mr. Chairman, the NIOSH headquarters was moved to Atlanta primarily to enhance scentific and technical interaction with the rest of the Centers for Disease Control. This move also made it possible to achieve long-range, long-term cost savings. The fiscal separation which had existed for some time between the two agencies over the years has resulted in over-investment by the institutes in resources in the administrative area.

Just this year alone funds that have been reallocated from administrative services and reallocated to the scientific program, have totaled over $1 million.

These funds would have been allocated to administrative services and not to scientific programs if these facilities had not been together as they are today.

So, Mr. Chairman, for these and other reasons I believe it is inappropriate for the National Institute of Occupational Safety and Health to be transferred to NIH. NIOSH has been a component of the Centers for Disease Control for the past 10 years and should remain there in the future.

I urge defeat of this amendment.

Mr. WAXMAN. Mr. Chairman, I ask unanimous consent that the Committee agree to conclude the debate on the Shelby substitute and all amendments thereto at 9 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. BLILEY. Mr. Chairman, reserving the right to object, is the gentleman aware of how many more amendments there are?

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. BLILEY. I yield to the gentleman from California.

Mr. WAXMAN. As I understand it, there are three amendments.

Mr. BLILEY. If we have a vote, would that be taken out of the time?

Mr. WAXMAN. I would agree that, if there is a recorded vote on any amendment, the time be extended for 15 additional minutes.

Let me rephrase the unanimous consent request.

I ask unanimous consent that all debate on the Shelby substitute and amendments thereto end at 9 p.m., with the exception that, should there be a recorded vote on any amendment thereto, the time be extended by such time as it will take to complete the recorded vote.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. BROYHILL. Mr. Chairman, reserving the right to object, I really have no intention of objecting, but I just want to make sure that all Members' rights are protected for offering amendments.

The gentleman from Washington has an amendment, and his concern, which maybe he should express himself, is that time could be eaten up on this amendment and he would not have time to complete his.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from California.

Mr. WAXMAN. I understand. I would hope that we could, if we dispose of these amendments—and some of them are not all that controversial—move forward and have full debate and see whether at that point we need more time. We can always see if we can get an agreement later.

But I think it is reasonable, as I understand the amendments that I expect to be coming up, for us to spend 1 more hour. We have consumed a great deal of time on the major issues of this bill already.

Mr. BROYHILL. Reserving the right to object, Mr. Chairman, would the chairman of the subcommittee restate his limitation of time agreement just for this amendment and let us move amendment by amendment so we can protect the Members?

I have no desire to prolong debate and I think we can end debate on this amendment in 10 or 15 minutes.

□ 2000

Mr. WAXMAN. Let me suggest to the gentleman that perhaps we can agree to limit the debate.

Mr. BROYHILL. We are ready to vote now, for that matter.

Mr. WAXMAN. Did the gentleman say that he is ready to vote now?

Mr. BROYHILL. But the gentleman from Ohio (Mr. GRADISON) wants to speak.

Mr. WAXMAN. If the gentleman is ready to proceed to a vote on this now, then I am sure that 9 o'clock would be adequate for all amendments.

Mr. GRADISON. Mr. Chairman, if the gentleman will yield, I want to reserve the right to object myself if it calls for stopping debate at this point on this amendment.

Mr. WAXMAN. No. The unanimous-consent request is that we stop all debate on the Shelby amendment and all amendments thereto at 9 p.m., with the proviso that, if there be a recorded vote, the time be extended for 15 minutes for each recorded vote during that period of time.

The CHAIRMAN. The Chair observes that we consider that to be a request for 1 hour of debate on the Shelby amendment and all amendments thereto.

Mr. GRADISON. Mr. Chairman, I withdraw my reservation of objection.

Mr. BLILEY. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. BROYHILL. Reserving the right to object, could we not finish this amendment first and then see whether things will go downhill from there?

Mr. WAXMAN. They started going downhill earlier.

Mr. BROYHILL. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. All debate on the Shelby amendment and all amendments thereto will cease within 1 hour.

The Chair will proceed under the 5-minute rule.

PARLIAMENTARY INQUIRY

Mr. BROYHILL. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BROYHILL. Mr. Chairman, would it not be in order to recognize those Members who want to be heard on this amendment so that we can dispose of it and protect the rights of Members who have other amendments?

The CHAIRMAN. That is the procedure the Chair is undertaking at the present moment.

For what purpose does the gentleman from Virginia, a member of the Committee, rise?

Mr. BLILEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the Dingell amendment.

Mr. Chairman, this is an issue which the House has addressed several times before over the past 3 years. For 3 years now we have had attempts to move NIOSH, and for 3 years they have been rejected. The transfer of this agency to NIH was a bad idea 3 years ago, it was a bad idea 2 years ago, it was a bad idea last year, and it is as well this year.

Beyond the functional reasons for leaving the NIOSH in Atlanta, which I will discuss, I would point out that, to move the agency at this point would represent a huge disruption in time, money, and personnel. For 3 years the agency has been operating in Atlanta under the CDC. Moving the Institute back to Washington would cause many employees unnecessary hardship. Many valuable and experienced professionals would refuse to make the move and would be lost to the agency. And the money and effort expended in the move would be taken from the mission of the agency.

Given all the disruption that would be caused, we would need a very compelling reason to move NIOSH, but in fact, the weight of the evidence supports maintaining the Institute as a part of the Centers for Disease Control rather than as a part of the NIH.

The NIH is a laboratory-research organization which relates mainly to academics in the pursuit of important basic scientific research. NIOSH on the other hand deals in specific instances of threats to worker safety and applies that knowledge directly to government or industrial efforts to improve worker safety. The Centers for Disease Control, with its investigative and direct applications experience provides a far better fit with the functions and goal of NIOSH.

Specifically, NIOSH conducts many functions which are not conducted at NIH, but which are common at CDC. These include:

Field investigations in response to worker complaints about health hazards. CDC investigates similarly on disease outbreaks, NIH does nothing of the sort;

Recommendation of regulatory changes to OSHA and MSHA. NIH is simply not equipped to deal with the financial and political issues raised by such regulations;

Regulation of protective equipment such as respirators.

Finally, the applied nature of NIOSH research makes a national scope necessary. CDC deals with national reporting systems. CDC conducts national data gathering daily. NIH deals with specific research results in small groups. If the fine work of NIOSH is to result in better safety for the Nation's workers, NIOSH must remain in an organization which is used to gathering information and applying results on a national level, and on the shop floor and on the street. CDC is the organization which serves this function, not the insulated laboratories of NIH.

I urge my colleagues to defeat this amendment.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words, and I rise to support the amendment.

Mr. Chairman, I do not intend to take the entire 5 minutes. I recognize the House desires to leave. I would simply like to congratulate the gentleman from Michigan (Mr. DINGELL) for offering this amendment and Mr. MADIGAN for offering his support to it. I think what we have here today is a simple question of what we do about the relationship of two very good medical research institutions in this country. The problem is that, very frankly, there is a mismatch by having NIOSH located within the direct umbrella of CDC. CDC is, in my opinion, the most brilliant institution in the world in terms of dealing with the question of infectious disease. But very frankly, the talents that are required to do that, scientifically and medically, are not the same talents that are required to do a first rate job of occupational epidemiology. That requires a quite different set of medical detective skills. There is a quite different set of skills required in tracking, for instance, the spread of a virus or a bacteria from an animal to a human or from one area to another than there is in determining what the chemical facts of life are in the industrial process which can cause occupational disease. I think therefore that by separating these two agencies which really have quite different missions that you do science a service. It is a very important job to get done and I am pleased that the gentleman offered his amendment.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I am pleased to yield to the gentleman from Michigan.

Mr. DINGELL. I want to thank the gentleman for yielding.

Mr. Chairman, I want to thank the gentleman for his kind remarks. I want to observe that he is one of the great experts in this House on the Department of Health and Human Services and in the whole general area of health. I am certainly pleased to have his support.

If the gentleman will yield further, some very regrettable errors have crept into the debate earlier tonight. I just want to reiterate that earlier, on the time of my good friend from Wisconsin, that the amendment that he has been discussing neither authorizes, directs, nor causes the physical movement of any part of NIOSH from anyplace to another. It is the intent of the offeror of that amendment that all facilities and personnel stay where they are. If they are moved by an Executive order, or by some other congressional order, it will take place as a result of some action elsewhere and at some time other than this Chamber at this time and in this place.

I want to thank the gentleman for yielding. I have now corrected the error which regrettably crept into the record of this proceeding at an earlier point.

Mr. OBEY. I thank the gentleman. I agree with that.

I think the issues involved tonight are issues that are quite different from those that were involved 2 or 3 years ago when you had questions of physical movement of people.

What we are talking about tonight is what makes the most sense intellectually and scientifically in terms of the placement of one medical detection unit in this country within the health research structure. I would hope that the gentleman's amendment will be supported and that it will prevail.

Mr. NIELSON of Utah. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would just like to clear up a possible misunderstanding of the statement by the gentleman for Illinois (Mr. MADIGAN) who indicated that it was Senator Taft's idea to put NIOSH under NIH. His response was to Senator Robert Taft, Jr., not the author of the Taft-Hartley Act, Senator Robert Taft, Sr. Actually, the prime mover was Senator Jacob Javits who envisioned NIOSH as an agency as powerful as NIH, not under its umbrella.

NIOSH has several mandated missions; some of these are not incompatible with the mission of other national institutes in NIH. There are other aspects of NIOSH which would be unique in the context of NIH. It is unlikely that these activities would prove compatible with the present mission of NIH.

Field investigations in response to requests. NIOSH is mandated to respond to requests for health hazard evaluations. This service activity brings NIOSH daily into contact, sometimes confrontational in nature, with industry. To do this work, NIOSH is authorized to use warrants and subpenas in execution of right-of-entry and right-of-access to data. NIH neither has, nor depends upon field response capabilities, while CDC's expertise and success in conducting field investigations and epidemic response is well known.

Recommending standards to regulatory agencies. NIOSH is authorized to recommend health-based standards to the Occupational Safety and Health Administration and (OSHA) the Mine Safety and Health Administration (MSHA). This requires integration of results of NIOSH research, other research, and prudent public health concerns into major policy pronouncements. These recommendations are usually controversial because they require changes in the workplace environment and often have financial implications if implemented.

Regulation of protective equipment. NIOSH is mandated to carry out programs to test and certify personal protective equipment. Most prominent in this is the testing and certification of respirators. NIOSH, in essence, regulates this industry and experiences the associated controversy and complaints.

There are other characteristics of NIOSH which make it more compatible with CDC than with NIH:

Knowledge development versus application. CDC is the principal agency of the PHS concerned with the prevention of unnecessary illness and premature death. NIH, on the other hand, by stimulating and supporting basic investigator-initiated research, works to improve human health by acquiring new scientific knowledge.

NIOSH and CDC are most compatible, each with its focus on operational research, application of existing knowledge, field investigations, and technical assistance.

Difference in research focus. Although there is some similarity between the research conducted by NIOSH and NIH, there is a significant difference in the focus. Occupational safety and health research as performed by NIOSH focuses heavily on identifying and characterizing workplace conditions that cause disease or injury and on recommending technologies for prevention. This requires an emphasis on subjects not generally within the purview of NIH (safety, mining, and engineering) and outside the mission of NIH (e.g., regulation and service). On the other hand, CDC has long applied environmental and engineering controls to solve problems in the areas of vectorborne diseases and injury control.

Constituents. CDC and NIOSH serve a different "constituency" than NIH. NIH relates to academic institutions and other organizations involved in conducting basic medical research. CDC relates to those groups primarily concerned with applying research findings; international, national, State and local health agencies, voluntary agencies, associations, and others in the public health community applying prevention programs. The primary users of NIOSH are the occupational health and safety professionals in such settings and labor and industrial organizations.

National Surveillance Systems. CDC operates national surveillance systems not only for infectious diseases but also for chronic and environmental health problems through the network of State and local public health agencies. In occupational safety and health, this CDC expertise is important to assess the magnitude of health problems, monitor national trends, and conduct epidemiologic studies that will be instrumental to NIOSH in identifying effective control mechanisms. NIH is not involved in such national surveillance activities.

Due to significant differences between CDC/NIOSH and NIH in mission, orientation, operation, and constituents, the goals of NIOSH are best served by maintaining NIOSH's organizational location as part of CDC. The differences described here recognize the preeminence of NIH in basic research and the preeminence of CDC in applied research and in solving public health problems.

This amendment is opposed by the Department of Health and Human Services, the Department of Labor, OSHA and NIH. It is also expensive and disruptive. I recommend a no vote.

I yield to the gentleman from Georgia (Mr. LEVITAS).

I yield to the ranking Republican on the Health and Safety Subcommittee of the Education and Labor Committee, the gentleman from Wisconsin (Mr. GUNDERSON).

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. NIELSON of Utah. I yield to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. I appreciate the gentleman yielding.

Mr. Chairman, I would like to support the position the gentleman (Mr. NIELSON) has taken. I think it would be a great mistake and counterproductive for there to be the transfer of NIOSH to the National Institutes of Health.

I want to commend my colleague from Wisconsin who spoke earlier because I think he defined the problem correctly; he just came out of the wrong side of the conclusion.

□ 2010

He said there is a mismatch. And there would, indeed, be a mismatch if NIOSH were in any way transferred to the National Institutes of Health. The National Institutes of Health are a remarkable conglomerate of institutions dealing with basic research.

The Center for Disease Control, on the other hand, are directly related to service orientation and providing information and getting solutions to specific problems, not basic research.

For example, NIOSH is mandated to respond to requests for health hazard evaluation. Precisely the same type of mission that CDC has. To do this work NIOSH is authorized to use warrants and subpenas, to gain rights of entry and rights of access to data. NIH neither has nor depends on field response capabilities, while CDC's expertise in success in conducting field investigations in epidemiological response is well known.

It would be a grave mistake and a defeat of the mission of NIOSH were it for political considerations to be transferred to NIH.

I urge my colleagues, if you are concerned about the mission of NIOSH and the role of NIH and the role of the Centers for Disease Control, to defeat the amendment that has been offered.

Mr. NIELSON of Utah. I thank the gentleman. He is exactly correct.

Mr. Chairman, I yield to the ranking minority members of the Subcommittee on Health and Safety of the Committee on Education and Labor, the gentleman from Wisconsin (Mr. GUNDERSON).

Mr. GUNDERSON. Mr. Chairman, I rise in opposition to the amendment by the distinguished chairman of the Energy and Commerce Committee.

Moving the National Institute for Occupational Safety and Health from the Center for Disease Control to the National Institutes of Health is not meerly an administrative change within the Department of Health and Human Services. The amendment will mean the physical recall of NIOSH from the CDC in Atlanta to the NIH offices in Bethesda, Md.

NIOSH is part of the Center for Disease Control for sound administrative and medical reasons. CDC and NIOSH engage in applied medical research and applied medicine, while the NIH is oriented toward long-term basic medical research. CDC and NIOSH focus heavily on identifying conditions which cause disease. CDC and NIOSH have long applied environmental and engineering controls to solve problems while NIH rarely engages in this type of applied medicine. Furthermore, the Center for Disease Control operates a national surveillance system not only for infectious diseases but also for chronic and environmental health problems. This is an important tool for NIOSH if it is going to prioritize health threats to workers and mobilize to meet those threats.

Finally, I want to note that the committee with jurisdiction over NIOSH, which was created by the Occupational Safety and Health Act, is the Subcommittee on Health and Safety of the Committee on Education and Labor. As ranking member on that subcommittee let me say that we have held no hearings on this legislation. There has been no markup in the committee of jurisdiction on this transfer. Therefore, for sound costs savings, for sound administrative practices, and for sound congressional practices I oppose the amendment.

Mr. GRADISON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I oppose this amendment to the Health Research Extension Act compromise which would remove the National Institute for Occupational Safety and Health from the Centers for Disease Control and place it in the National Institutes of Health.

I am strongly opposed to this reorganization because of significant differences between NISOH and NIH in mission, orientation, operation, and constituency.

NIH, by stimulating and supporting basic investigator-initiated research, works to improve human health by acquiring new scientific knowledge. NIH conducts research in its own laboratories; supports research in universities, hospitals, and research institutions; helps nonprofit institutions build and equip biomedical research facilities; supports the training of career researchers; and promotes effective ways to communicate biomedical information to scientists, health practitioners, and the public.

CDC is the principal operating agency of the Public Health Service, and, as such, is concerned with the prevention of unnecessary illness and premature death. As a scientific/technical organization, CDC is involved in identifying health problems, responding to health emergencies, conducting operational and directed research and field investigations, and providing assistance to State and local health departments, academic institutions, and other organizations engaged in improving the public health.

It is the responsibility of NIOSH to gather information about injuries and illnesses, analyze and organize that information, and make it available to those who need to know; to recommend new standards; to provide technical assistance to workers or employers concerned about job health hazards; and to help train safety and health professionals.

Both NIH and CDC agree that the directed, applied research and service responsibilities of NIOSH are most compatible with the mission of CDC. Thus, the proposed NIOSH transfer would fragment the total occupational health program. Such a reorganization would jeopardize such important NIOSH functions as hazard investigation, surveillance, standards development, technical assistance, and directed research.

I urge my colleagues, to join me in opposing this amendment which threatens to cause a major disruption in the occupational safety and health mission of the Federal Government. The present system—with NIOSH operating as part of CDC—works well. Let us leave it alone.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. DINGELL) to the amendment in the nature of a substitute offered by the gentleman from Alabama (Mr. SHELBY), as amended.

The question was taken and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DINGELL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 186, noes 206, not voting 42, as follows:

[Roll No. 526]

AYES—186

Ackerman	Boland	Courter
Addabbo	Bonior	Coyne
Akaka	Bonker	D'Amours
Albosta	Borski	Daschle
Alexander	Bosco	de la Garza
Anderson	Boucher	Dellums
Annunzio	Boxer	Derrick
Anthony	Brooks	Dicks
Applegate	Bryant	Dingell
AuCoin	Burton (CA)	Donnelly
Barnes	Byron	Dowdy
Bates	Carr	Downey
Beilenson	Coelho	Dwyer
Berman	Coleman (TX)	Eckart
Biaggi	Conyers	Edgar
Edwards (CA)	Long (LA)	Rostenkowski
Evans (IA)	Long (MD)	Sabo
Fascell	Lowry (WA)	Savage
Fazio	Luken	Scheuer
Feighan	Lundine	Schroeder
Ferraro	Madigan	Schumer
Florio	Markey	Seiberling
Ford (MI)	Martin (IL)	Shannon
Ford (TN)	Martinez	Sharp
Frank	Matsui	Sikorski
Frost	Mavroules	Skelton
Fuqua	McCain	Slattery
Garcia	McCloskey	Smith (FL)
Gaydos	McDade	Smith (IA)
Gejdenson	McKernan	Smith (NJ)
Gephardt	Mica	Snowe
Gilman	Mikulski	St Germain
Gonzalez	Miller (CA)	Stark
Gore	Mineta	Stokes
Gray	Minish	Stratton
Green	Mitchell	Studds
Guarini	Moakley	Swift
Hall (IN)	Mollohan	Synar
Hall (OH)	Moody	Tallon
Harkin	Mrazek	Tauke
Hayes	Murphy	Thomas (CA)
Heftel	Murtha	Torres
Hertel	Nowak	Torricelli
Hoyer	Oakar	Towns
Hubbard	Obey	Traxler
Hughes	Olin	Vento
Jeffords	Ortiz	Walgren
Jones (OK)	Ottinger	Waxman
Jones (TN)	Panetta	Weaver
Kaptur	Patterson	Weiss
Kastenmeier	Pease	Wheat
Kennelly	Penny	Williams (MT)
Kildee	Pepper	Wilson
Kostmayer	Perkins	Wirth
LaFalce	Rangel	Wolpe
Lantos	Ratchford	Wright
Lehman (CA)	Reid	Wyden
Leland	Richardson	Yates
Lent	Rinaldo	Yatron
Levin	Ritter	Young (AK)
Levine	Rodino	Young (MO)
Lipinski	Roe	Zablocki

NOES—206

Andrews (TX)	Duncan	Kasich
Archer	Durbin	Kazen
Badham	Dyson	Kindness
Barnard	Early	Kramer
Bartlett	Edwards (OK)	Lagomarsino
Bateman	Emerson	Latta
Bedell	English	Leath
Bennett	Erdreich	Levitas
Bereuter	Evans (IL)	Lewis (FL)
Bethune	Fiedler	Livingston
Bevill	Fields	Lloyd
Bilirakis	Fish	Loeffler
Billey	Fowler	Lott
Boehlert	Franklin	Lowery (CA)
Boggs	Frenzel	Lujan
Boner	Gekas	Lungren
Breaux	Gibbons	Mack
Britt	Gingrich	MacKay
Brown (CO)	Glickman	Marlenee
Broyhill	Goodling	Marriott
Burton (IN)	Gradison	Martin (NC)
Campbell	Gramm	Martin (NY)
Carney	Gregg	Mazzoli
Carper	Gunderson	McCandless
Chandler	Hall, Ralph	McCollum
Chappell	Hall, Sam	McCurdy
Clarke	Hamilton	McEwen
Clinger	Hammerschmidt	McGrath
Coats	Hansen (ID)	McKinney
Coleman (MO)	Harrison	McNulty
Conable	Hartnett	Michel
Conte	Hatcher	Miller (OH)
Cooper	Hefner	Molinari
Corcoran	Hightower	Montgomery
Coughlin	Hiler	Moore
Craig	Hillis	Moorhead
Crane, Daniel	Holt	Morrison (WA)
Crane, Philip	Hopkins	Myers
Daniel	Huckaby	Natcher
Dannemeyer	Hunter	Neal
Darden	Hutto	Nelson
Daub	Hyde	Nichols
Davis	Ireland	Nielson
DeWine	Jacobs	O'Brien
Dickinson	Johnson	Oxley
Dreier	Jones (NC)	Packard
Parris	Schneider	Taylor
Pashayan	Schulze	Thomas (GA)
Patman	Sensenbrenner	Valentine
Paul	Shaw	Vander Jagt
Petri	Shelby	Vandergriff
Pickle	Shumway	Volkmer
Porter	Shuster	Vucanovich
Pursell	Siljander	Walker
Quillen	Sisisky	Watkins
Regula	Skeen	Weber
Ridge	Smith (NE)	Whitehurst
Roberts	Smith, Denny	Whitley
Robinson	Smith, Robert	Whittaker
Roemer	Snyder	Whitten
Rogers	Solomon	Williams (OH)
Rose	Spence	Winn
Roth	Spratt	Wise
Roukema	Staggers	Wolf
Rowland	Stangeland	Wortley
Roybal	Stenholm	Wylie
Russo	Stump	Young (FL)
Sawyer	Sundquist	Zschau
Schaefer	Tauzin	

NOT VOTING—42

Andrews (NC)	Flippo	Lehman (FL)
Aspin	Foglietta	Lewis (CA)
Broomfield	Foley	McHugh
Brown (CA)	Forsythe	Morrison (CT)
Chappie	Hance	Oberstar
Cheney	Hansen (UT)	Owens
Clay	Hawkins	Price
Collins	Horton	Pritchard
Crockett	Howard	Rahall
Dixon	Jenkins	Ray
Dorgan	Kemp	Rudd
Dymally	Kogovsek	Simon
Edwards (AL)	Kolter	Solarz
Erlenborn	Leach	Udall

□ 2030

The Clerk announced the following pair:

On this vote:

Mr. Hawkins for, with Mr. Ray against.

Mr. EVANS of Iowa, Mr. FEIGHAN, Mrs. BYRON, Mr. RITTER, and Mr. EDGAR changed their votes from "no" to "aye."

So the amendment to the amendment in the nature of a substitute, as amended, was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MADIGAN TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SHELBY, AS AMENDED

Mr. MADIGAN. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. MADIGAN to the amendment in the nature of a substitute offered by Mr. SHELBY, as amended: In the table of contents redesignate sections 471 and 473 as sections 469 and 471, respectively, and add after the item relating to subpart 12 the following:

Subpart 13—National Institute of Nursing

Sec. 473. Purpose of the Institute.
Sec. 474. Specific authorities.

In the proposed section 401(b)(1) of the Public Health Service Act add at the end the following:

"(M) The National Institute of Nursing.

In the proposed title IV of the Public Health Service Act redesignate sections 471 and 473 as sections 469 and 471, respectively, and add at the end of part C the following:

"Subpart 13—National Institute of Nursing

"PURPOSE OF THE INSTITUTE

"SEC. 473. The general purpose of the National Institute of Nursing (hereinafter in

this subpart referred to as the 'Institute') is the conduct and support of, and dissemination of information respecting, basic and clinical research, training, and related programs in nursing.

"SPECIFIC AUTHORITIES

"SEC. 474. (a) The Chief Nursing Officer of the Veteran's Administration and the Director of the Division of Nursing of the Health Resources and Services Administration shall be ex officio members of the advisory council to the Institute appointed under section 408. Of the members appointed to the advisory council under section 408(b)(1)(A), seven shall be professional nurses who are recognized experts in the area of clinical practice, education, or research.

"(b) To carry out section 473, the Director of the Institute, may provide research training and instruction and establish research traineeships and fellowships, in the Institute and other nonprofit institutions, in the study and investigation of the prevention of disease, health promotion, and the nursing care of individuals with and the families of individuals with acute and chronic illnesses. The Director of the Institute may provide individuals receiving such training and instruction or such traineeships or fellowships with such stipends and allowances (including amounts for travel and subsistence and dependency allowances) as the Director deems necessary. The Director may make grants to nonprofit institutions to provide such training and instruction and traineeships and fellowship.".

Page 90, beginning in line 24, strike out "Division of Nursing of the Health Resources and Services Administration" and insert in lieu thereof "National Institute of Nursing" and in line 4 on page 91 strike out "and Division".

Page 101, beginning in line 23, strike out ", and where appropriate, the head of the Division of Nursing of the Health Resources and Services Administration (or the successor to such entity),", beginning in line 5 on page 102 strike out "(including research under programs of such Division of Nursing)", and beginning in line 9 on that page strike out "or the Division of Nursing of the Health Resources and Services Administration (or the successor to such entity)".

Mr. MADIGAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MADIGAN. Mr. Chairman, my amendment creates an Institute of Nursing within the National Institutes of Health. The purpose of the Institute is to conduct basic and clinical nursing research and training related to prevention of disease, Health promotion and care of individuals and families of individuals with acute and chronic illnesses. This is a straight-forward amendment that seeks to put nursing research into the mainstream of scientific investigation. The nursing community, including the American Nurses Association, the Association of American Colleges of Nursing, and the National League of Nursing strongly support my amendment.

The Institute of Medicine completed a study of nursing and nursing education in the spring of this year. Its findings demonstrate the need to build a strong research base for nursing, more than 1.3 million registered nurses are employed in the United States today. They represent the largest single professional component in the health care system. Registered nurses manage the health care provided by 915,000 staff-level RN's, 500,000 LPN's, and 850,000 aides in a variety of settings from hospitals to homes, but we have a critical shortage of nursing leadership within the faculties of the colleges of Nursing and in clinical practice. It is in our national interest for the Federal Government to assume a major responsibility for developing the nursing leadership in this Nation.

The Institute of Medicine points out that a substantial share of the health care dollar is expended on nursing care, and yet there is a remarkable absence of funding for research into nursing practice. From 1977 through 1983, only $5 million was annually earmarked for nursing research through the Division of Nursing in Health Resources and Services Administration.

In a letter dated April 21, 1983, James B. Wyngaarden, Director of the National Institutes of Health, told Senator INOUYE that the NIH support for schools of nursing for awards active in 1983 was $1.4 million out of the total $4 billion budget, confirming the fact that the funding for nursing continues to be minimal. This results in poor visability and minimal prestige and discourages scientifically oriented nurses to pursue career devoted to research. The Institute of Medicine wants to double support over the next few years.

The Institute of Medicine believes that a center of nursing is needed at a high level in the Federal Government to be a focal point for promoting the growth of quality nursing research. Such an organizational base, adequately funded, would provide necessary leadership to expand the pool of experienced nurse researchers who can become more competitive for general Health care research dollars, it would also promote closer interaction with other bases of health care research.

The 1984 Labor, HHS Appropriations Bill signed by the President provides $9 million for Nursing Research, this Represents an increase of $4 million over 1983 funding levels, in addition, the conference report specifically states that the peer review process for nursing research should conform to the NIH process.

In reviewing the recommendations of the Institute of Medicine for building a strong research base for nursing and with the support of the necessary funds in the 1984 appropriation, I am led to the conclusion that the only place for a nursing research program is within the National Institutes of Health. The National Institutes of Health have a high level of visibility and provide an opportunity for close interaction with other health care research.

Some may argue that nursing research should be based in the Division of Nursing in the Health Services Research Administration, or possibly in other agencies, such as the National Center For Health Services Research. It is my belief that the only place where nursing research can flourish and receive adequate attention is within the National Institutes of Health.

The Division of Nursing is administered by a "manpower" agency and is not at a level of organizational visibility and scientific prestige to encourage registered nurses to pursue careers in research which had direct applicability to patient care problems that nursing confronts. The Intitute of Medicine agreed that the goal of organizing nursing research should be a creation of an entity for nursing research at a level of scientific credibility which will provide impetus toward the initiation, coordination, monitoring, and dissemination of clinical operations research in academic and other research centers throughout the United States.

Finally, some may not understand the scope of nursing research. Therefore, I include in the RECORD the definition and priorities of nursing research.

DEFINITION OF NURSING RESEARCH DEVELOPED BY THE COMMISSION ON NURSING RESEARCH OF THE AMERICAN NURSES ASSOCIATION

Nursing research develops knowledge about health and the promotion of health over the full lifespan, care of persons with health problems and disabilities, and nursing actions to enhance the ability of individuals to respond effectively to actual or potential health problems.

These FOCI of nursing research complement those of biomedical research, which is primarily concerned with causes and treatments of disease. Advancements in biomedical research have resulted in increased life expectancies, including life expectancies of those with serious injury and those with chronic or terminal disease. These biomedical advances have thus led to growth in the numbers of those who require nursing care to live with health problems, such as the frail elderly, the chronically ill, and the terminally ill.

Research conducted by nurses includes various types of studies in order to derive clinical interventions to assist those who require nursing care. The complexity of nursing research and its broad scope often require scientific underpinning from several disciplines. Hence, nursing research cuts across traditional research lines, and draws its methods from several fields.

DIRECTIONS FOR RESEARCH

Priority should be given to nursing research that would generate knowledge to guide practice in:

(1) Promoting health, well-being, and competency for personal care among all age groups;

(2) Preventing health problems throughout the life span that have the potential to reduce productivity and satisfaction;

(3) Decreasing the negative impact of health problems on coping abilities, productivity, and life satisfaction of individuals and families;

(4) Ensuring that the care needs of particularly vulnerable groups are met through appropriate strategies;

(5) Designing and developing health care systems that are cost-effective in meeting the nursing needs of the population; and

(6) Promoting health, well-being, and competency for personal health in all age groups.

Let me close with this observation. Most of the data for this amendment is based on an extensive study conducted by the Institute of Medicine. Congress continues to rely on this body of outstanding nationally recognized scientists to study difficult health issues in an atmosphere of objectivity. The membership of the Institute is composed of physician scientists along with other research professionals. They have examined this issue thoroughly, making some bold recommendations regarding nursing and nursing education. Even though they did not specifically state that an institute should be created, their characteristics of the research entity and their arguments against the Division of Nursing Research guide us to that conclusion. In addition, the increase in nursing research funds appropriated this year will provide for the necessary administrative costs to create a new institute.

I understand that the distinguished gentleman from California, the chairman of the subcommittee, Mr. WAXMAN, is supporting my amendment. I want to thank my colleagues, the gentleman from Illinois (Mr. O'BRIEN) and the gentleman from Michigan (Mr. PURSELL) for the hard work that they have done in assisting me in getting this to the floor.

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from Michigan.

Mr. PURSELL. I thank the gentleman for yielding.

Mr. Chairman, I want to congratulate the ranking minority member, the gentleman from Illinois (Mr. MADIGAN), for leading the fight to establish a Nursing Institute. I congratulate the committee and I thank both the majority and minority for supporting this amendment.

Mr. Chairman, I urge my colleagues to support the Madigan amendment which will create a National Institute of Nursing within the National Institutes of Health. The purpose of the Institute would be to conduct basic clinical nursing research and training related to the prevention of disease, health promotion, and the care of chronically ill individuals and their families. Passage of this amendment would help further establish the role of American Nurses in the national medical field.

The nurses in this Nation are the backbone of medical care, there are more that 1.3 million registered working nurses in this Nation and yet funding for nursing research is far below adequate levels. Of the $4 billion budget for NIH only $1.4 million has been set aside for nursing. This amounts to just barely more than $1 for each nurse.

The National Institute of Nursing amendment has been endorsed by the American Nurses Association, the National League of Nursing, and the American Association of Colleges of Nursing. These groups have worked together on this proposal and agree that it is a major issue for the future of the nursing profession.

Included in this amendment is a stipulation that seven positions on the proposed Institute's Board be filled by nurses. It is my understanding that when most NIH Institutes are formed they begin with 12 Board members. I support the Madigan proposal because it will give nurses a majority on the Board. This will give them more policy control and say on how nursing research dollars will be spent.

I believe that it is necessary to create the National Institute of Nursing, so that nursing research can be placed in an organization that will give it a high level of visibility. Furthermore, nursing research with Institute status would receive better financial and administrative support because of the creation of the Advisory Board, the placement of the Director on key committees, and other privileges associated with an NIH Institute. I believe that establishing the National Institute of Nursing is the best approach for advancing nursing research in this country.

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to my colleague, the gentleman from Illinois.

Mr. O'BRIEN. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment and I commend my colleague, the gentleman from Illinois (Mr. MADIGAN) for developing it.

Mr. Chairman, there are a million and a half nurses in the United States. They represent the largest group of health care professionals.

As medicine becomes increasingly sophisticated, it is essential to make sure nurses are qualified to provide a full range of quality health care services to our Nation's citizens. The United States spends about $321 billion per year or 10.5 percent of the gross national product on health care. While a sizable chunk of this is spent on nursing care—it is surprising that only a limited Federal investment is made in research efforts to improve the delivery of nursing services. Only $5 million was appropriated in fiscal year 1983 for nursing research while at the time, about $4 billion was spent on biomedical research. That is $5 of nursing research for every $4,000 of biomedical research.

For fiscal year 1984 we increased the appropriation to $9 million. However, support for nursing research remains, to a large extent, dependent on Federal funds, which have been scarce to begin with.

Some have suggested that nurses should apply and compete for the research already being performed at the National Institutes of Health. However, this view is erroneous because NIH is not able to address itself to the needs and issues of nursing research. Nursing research is different than biomedical research. I like to think of it as care research as compared to cure research. Each, however, complements the other.

It seems to me that, contrary to the experience of physicians, nurses have not been given credit for the high quality research they have done. Instead of two professional groups working together in harmony, it seems to me that they are presently competing with each other—unnecessarily. Nursing research focuses on: Prevention, promotion of health, insuring proper application of health care, teaching patients to cope with diseases, and recovery.

These are areas of health care we have all heard referred to as cost effective, all of which are to provide quality health care for our people.

To date, much of nursing research has been cost effective or cost containing. Quality of care is not compromised. If anything, it is better. So also is the quality of life itself.

Some examples of nursing research are as follows:

First, a nursing study showed that home maintenance service provided by home health agencies helped to save medicare and medical assistance programs $575 per enrollee per year in institutional care charges. (October 1977)

Second, a nursing study showed that the total cost of care for all 55 patients who received a hospice service was $118,626 for 1,576 days of care. Their physicians estimated that 943 hospital days of care would have been required without the home hospice service for a total cost of $212,175. The home hospice intervention resulted in an estimated savings of $93,549.

Third, a nursing study concerning patient comfort and the ease of performing nursing care activities using ten common pressure reducing devices was performed when nurses were interested in the question of pressure

sores and the devices used to reduce the incidence of such problems.

Ten devices were evaluated for cost, clinical efficacy, and other factors. The study concluded that "any mattress or device can be useful in preventing pressure sores if the patient is regularly turned and positioned at least every 2 to 3 hours. The use of the device is not a substitute for turning patients regularly." While the most expensive device was rated high, the cheapest devices were also rated at about the same level. Since the most expensive of such devices costs $2,500 each and the cheapest costs $25 each, the cost implications of this study are significant.

And the list goes on and on.

A 1983 Institute of Medicine (IOM) report, issued by the Study Committee on Nursing and Nursing Education and conducted at the request of Congress, cited the need for fellowships and graduate programs to expand the number of nurses with skills commensurate with "the growing complexity of care in many health settings."

The National Academy of Sciences (NAS) in its 1978 report on the "Personnel Needs and Training for Biomedical Research" identified an urgent need to increase the capability of nursing research. For fiscal years 1982 through 1985, NAS recommended that 300 fellowships be provided annually. To date we have only provided enough money ($940,000 in fiscal year 1983) for 42 new and 73 continuing fellowships per year.

Though rapidly expanding in recent years, the nursing research field is still very small and there are only about 2,000 nurses prepared to conduct appropriate research. As reported in the second report to Congress on the Nurse Training Act of 1979, a panel of expert consultants convened by the Western Interstate Commission on Higher Education determined that as a lower limit, there would be a need for 15,000 full-time equivalent nurses with doctorates by 1982. The third report to Congress on the Nurse Training Act of 1982 updates these figures and reports a need for as many as 23,000 doctorally prepared nurses by 1990. This same report also states that doctorally prepared nurses are a small but important cadre within the nursing profession, in the development of programs of nursing education, and in the design of innovative health care delivery systems.

Historically, the Federal Government has had a responsibility to assure that care provided by well-educated health professionals be available to all Americans, as needed.

Since the publication of Florence Nightingale's seminal work on nursing care, the fight for professional advancement has been a struggle for the political, economic, and educational freedom of women. Nurses provide the majority of health care services. Nurses are perpetually on the "front line," taking care of the patients. It is and will always be nurses who make the major contribution to our health care delivery system—especially if given the opportunity to do so within the context of a National Institute of Nursing.

Nurses of the future will require an ever-increasing knowledge, understanding, and overall sophistication to achieve the professional standards of competence and excellence.

Nurses must observe and assess signs and symptoms, reactions and behaviors, understand the pathophysiology underlying disease conditions, and be able to apply principles from the biological, physical, social, behavioral, and medical sciences in quality care to patients. The nursing profession is closely allied to medical progress and practice. Just as one cannot understand nursing without some knowledge of medicine, one cannot practice medicine without some assistance from nursing.

It is time to recognize that nurses are a unique health-care group—a group working in a realm of health care different from that of the physician, whose area of care is basically biomedical. Nursing is more than that. Nursing is a science in itself.

In order for this profession to prosper and meet the future health needs of our people, it needs an established research base. This will be the Institute where the taxpayer will truly see the benefits of the health-care research dollar. The Institute will provide a forum wherein medicine will at last be translated into English. In other words, cure research will be translated to the patient and public in terms of what it means to them—personally. In my vision, this will translate into prevention, health promotion, dissemination, and CARE.

A nursing institute will give credit where credit has been long overdue. It will elevate the status of the nursing profession to a level it clearly deserves—and has earned. Moreover it will make nursing research more visible and valid. Most important, creating a National Institute will give nurses the credibility and esteem they have fought for since the time of Florence Nightingale.

Mr. MADIGAN. I thank the gentleman for all his assistance on this issue.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. MADIGAN) has expired.

(On request of Mr. PHILIP M. CRANE, and by unanimous consent, Mr. MADIGAN was allowed to proceed for 3 additional minutes.)

Mr. PHILIP M. CRANE. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to my other Illinois colleague, the gentleman from Illinois, (Mr. PHILIP M. CRANE).

Mr. PHILIP M. CRANE. I thank my distinguished colleague from downstate Illinois for yielding.

Mr. Chairman, I simply want to rise in support of the gentleman's amendment. Having come from a medical family, and with a sister-in-law who is a dedicated nurse, I think this is long overdue recognition and I salute my colleague for his amendment.

Mr. MADIGAN. I thank the gentleman for his assistance.

□ 2040

Mr. WAXMAN. Mr. Chairman, I rise in support of the amendment.

Mr. SWIFT. Mr. Chairman, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from Washington.

Mr. SWIFT. Mr. Chairman, I rise in support of the amendment offered by Mr. MADIGAN.

Mr. Chairman, I fully support the establishment of the National Institute of Nursing. There is no question on the great need to focus more attention on nursing research and education.

It is clear that we are faced with significant increases in health care costs. Nurses and other health care professionals are continuously striving for the highest quality, yet economical, services to care for the sick and injured, and we need to focus more attention on nursing research projects regarding long-range implications for cost-effective delivery of health care for our elderly, premature newborns and choronically ill, the disabled, and dying. A National Institute of Nursing will help reach that ultimate goal.

In order to accomplish this, nursing research must be given higher visibility and attention. The National Institutes, of Health currently is funding approximately $1.4 to $1.5 million for nursing—a very, very small amount for such an important area compared to a $4 billion NIH budget.

A 3-year study on nursing and the Federal Government's participation in nursing research and education was completed by the Institute of Medicine of the National Academy of Science. The report concluded that the Government's specific involvement and initiative was not "at a level of organizational visibility and scientific prestige," and that there is a lack of funding for such research. This can only lead to the discouragement of the availability of talented and skilled nurse researchers for the development of nursing investigations.

It is my belief that the establishment of a National Institute of Nursing would give the kind of visibility needed to provide the opportunity to compete and interact with other institutes on equal basis. Nursing research needs better financial and administra-

tive support, and such an institute would accomplish that.

I urge my colleagues to support this amendment offered by the distinguished gentleman from Illinois, (Mr. MADIGAN). His amendment would help develop the kind of nursing education and research programs necessary for the development of innovative, quality, and economical health care delivery systems.

Mr. WAXMAN. Mr. Chairman, I rise in support of the amendment by the gentleman from Illinois.

The establishment of a National Institute on Nursing Research holds great promise for the improvement of public health, clinical treatment, and basic biomedical research. I have long supported the provision of grants for nursing research and I hope that the creation of this institute will result in significant new attention and funding for such programs.

I am particularly interested in the promise that nursing research holds for improving the country's rates of infant mortality. Research in the provision of basic prenatal and newborn care by nurse midwives has shown that the country can save lives with basic, primary care. By showing that such improvements are not based on high-tech treatment, such research also points the way for cost containment within the health care system.

I am also pleased at the prospect of greater attention to the nursing research on aging. Such projects have shown that Americans can lead longer, more active lives independently. Only with such research by qualified providers will we begin to overcome the unnecessary institutionalization of the country's elderly.

I urge the amendment's passage.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. MADIGAN) to the amendment in the nature of a substitute offered by the gentleman from Alabama (Mr. SHELBY), as amended.

The amendment to the amendment in the nature of a subsititute as amended, was agreed to.

AMENDMENT OFFERED BY MR. ANDERSON TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SHELBY, AS AMENDED

Mr. ANDERSON. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON to the amendment in the nature of a substitute offered by Mr. SHELBY; as amended: In subpart 7 of Part C of the proposed title IV add after section 459 the following:

"RESEARCH ON LUPUS ERYTHEMATOSUS

"SEC. 460. (a) The Secretary shall establish in the Institute a Lupus Erythematosus Coordinating Committee to plan, develop, coordinate, and implement comprehensive Federal initiatives in research on Lupus Erythematosus.

"(b)(1) The Committee shall be composed of—

"(A) the Director of the National Institute of Neurological Communicative Disorders, and Stroke;

"(B) the Director or designee of the National Institute of Allergy and Infectious Diseases;

"(C) the Director or designee of the National Institute of Arthritis and Musculoskeletal Diseases;

"(D) the Director or designee of the National Institute of Child Health and Human Development;

"(E) the Director or designee of the National Institute of General Medical Sciences;

"(F) the Director or designee of the National Heart, Lung, and Blood Institute;

"(G) the National Institute of Diabetes and Digestive and Kidney Diseases; and

"(H) the Director or designee of the Centers for Disease Control.

"(2) The Committee shall meet at least four times a year. The Secretary shall designate the Chairman from the representatives of the Committee selected under paragraph (1). The Secretary shall make such designation so that a representative from each agency referred to in paragraph (1) will serve as Chairman of the Committee. The Chairman shall serve for a term of one year.

"(c) The Committee shall prepare an annual report for Congress its on activities. The report shall include a description of research projects on Lupus Erythematosus conducted or supported by Federal agencies in the fiscal year for which the report is made, the nature and purpose of each such project, the amounts expended for each such project, and an identification of the entity which conducted the research under each such project. Such report shall be submitted not later than the one hundred and twentieth day after the end of each fiscal year.

Conform the table of contents by adding after the item relating to section 459 the following:

Sec. 460. Research on Lupus Erythematosus.

Mr. ANDERSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There is no objection.

Mr. ANDERSON. Mr. Chairman, for the more than 500,000 Americans who suffer from the disease lupus erythematosus, whether or not my amendment shall be adopted is the most important decision this House will make during deliberations on this bill.

Lupus erythematosus will claim an estimated 5,500 lives this year. Ninety percent of lupus patients are women in their childbearing years, most of whom are blacks and Orientals. Research over the years has given them a glimmer of hope: Whereas in 1955 the life expectancy for 50 percent of lupus sufferers was but 4 years, today 95 percent of them may expect to survive at least 5 years after the disease is diagnosed and treatment has begun; and 80 percent will live for at least 15 years. But according to a report submitted in February of this year to the Committee on Appropriations by the National Institute of Health, "patients with lupus still succumb to the disease, and better treatment is urgently needed."

Lupus is a connective tissue disease with immunological, genetic, and hormonal traits. The two most common forms of lupus are discoid and systemic. Discoid lupus affects the skin and is characterized by a sea of red, butterfly-like rashes. Systemic lupus disrupts the actual functioning of bones and vital organs, including the lungs, kidneys and the heart. Systemic lupus claims so many lives because it breaks down its victims' immune systems: the human body in effect becomes allergic to itself and vital organs atrophy.

The failure of a physician to accurately diagnose the disease only worsens the outcome for the patient. The purpose of my amendment is to increase public awareness of this disease by creating a coordinating committee on lupus erythematosus, the members of which shall be comprised of the directors, or their designees, of those institutes within NIH which are currently involved in lupus-related research. The committee would meet four times throughout the year and report annually to the Congress on the breadth, progress and cost of all such research projects sponsored by the Federal Government.

I am told by the American Lupus Society, the Lupus Foundation of America, and Father John Dingle, who directs the Lupus Mission located just around the corner from the Capitol on 3d Street, that lupus patients everywhere would be well served by the adoption of my amendment. An annual report on lupus research would help to insure that taxpayers' funds are expended effectively and efficiently; enable a greater dissemination of up-to-date information about the disease; and enhance the ability of Members of Congress to make more informed decisions concerning lupus-related research efforts.

My staff has discussed my amendment with Dr. Thomas Malone, Deputy Director of the National Institutes of Health, and Dr. Richard Krause, Director of the National Institute of Allergy and Infectious Diseases. Neither gentleman expressed any grave concern that the adoption of my amendment would fetter research efforts sponsored by NIH.

Mr. Chairman, since 1980 there have been 501 lupus projects sponsored by NIH, at a cost of more than $35 million. It is important that the current efforts undertaken by NIH be maintained, if not increased. The information and guidance that would be provided by a coordinating committee on lupus are vital to continuing the progress that has already been made, and I urge our colleagues [in behalf of

more than 500,000 lupus patients] to support my amendment.

If I may just add, Mr. Chairman, that the adoption of this amendment will not incur any additional costs to the taxpayers.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON. I yield to the gentleman from California.

Mr. WAXMAN. Mr. Chairman, I thank my colleague, the gentleman from California, for yielding to me.

I want the gentleman to know that I commend him for this amendment and will join in supporting it.

Mr. DANIEL. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON. Yes. I yield to the gentleman from Virginia.

Mr. DANIEL. Mr. Chairman, I thank the gentleman for yielding.

I rise in strong support of the amendment by the gentleman from California (Mr. ANDERSON) and urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ANDERSON) to the amendment in the nature of a substitute offered by the gentleman from Alabama (Mr. SHELBY), as amended.

The amendment to the amendment in the nature of a substitute, as amended was agreed to.

AMENDMENT OFFERED BY MR. CHANDLER TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SHELBY, AS AMENDED

Mr. CHANDLER. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. CHANDLER to the amendment in the nature of a substitute offered by Mr. SHELBY, as amended:

At the end of part F of the proposed title IV of the Public Health Service Act insert the following:

FETAL RESEARCH

"SEC. 491. (a) This title shall not be construed to restrict research or experimentation on a living fetus if the risk to the fetus imposed by the research or experimentation is minimal and the purpose of the research or experimentation is the development of important biomedical knowledge which cannot be obtained by other means.

(b) No requirement respecting fetal research may be waived or modified unless an application is submitted to the Secretary for the waiver or modification with the approval of the Institutional Review Board with jurisdiction over the applicant. The Secretary may not approve an application for a waiver or modification unless the Secretary convenes an ethics advisory board to review the application with opportunity for public comment, receives from the board a recommendation for approval of the application, and determines that the risks to the fetus involved are so outweighed by the sum of the benefit to the fetus and the importance of the knowledge to be gained as to warrant the modification or waiver applied for and such benefits cannot be gained except through such modification or waiver. Any modification or waiver granted by the Secretary shall be published as a notice in the Federal Register.

Mr. CHANDLER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. CHANDLER. Mr. Chairman, the amendment I am offering would provide a limited exception to the restriction on fetal research that we adopted earlier this evening.

I would have offered this as an amendment to the Dannemeyer language had the parliamentary status of the original bill allowed, but since we were considering the Shelby substitute to the committee bill, I could not do that.

I want to point out that this amendment has the support of the ranking Republicans of the Health Subcommittee and the full Energy and Commerce Committee.

It would allow the National Institutes of Health to conduct research on a living fetus if the research poses minimal or no risk to the fetus and if the scientific knowledge to be gained cannot be gained in any other way.

Now, the amendment also allows the Secretary to review other research, but permits her or him to approve fetal research only if the application has been approved by:

First, the Institutional Review Board of the applicant's school.

Second, the peer review committee of the NIH Institute that would administer the research.

Third, the Advisory Council of the NIH Institute.

Fourth, the Institute staff and the Institute director.

Fifth, the specifically convened Ethics Advisory Board.

Sixth, finally, the Secretary of Health and Human Services.

This is, in total, 6 levels of review involving 30 to 50 individuals.

This amendment is tightly controlled. It prevents any possibility of abusive research, but it does allow the most basic and virtually risk-free research to continue, leading us to important advances in diabetes, spinal cord regeneration, lung disease, and other research, perhaps research in the future unknown to us now.

With the strong bipartisan support that this amendment enjoys, I anticipate that it can certainly be supported by all Members.

Mr. Chairman, I would like to ask the chairman of the subcommittee, the gentleman from California (Mr. WAXMAN) to enter into a colloquy at this time.

Mr. WAXMAN. I would be pleased to answer any questions that the gentleman would permit.

Mr. CHANDLER. Mr. Chairman, the gentleman knows that in the debate earlier on the Dannemeyer amendment, the definition of "minimal risk" was discussed extensively. I think there was considerable question about what that means.

Since that is an important element in the Chandler amendment, I would like the gentleman to define for the record what "minimal risk" means.

Mr. WAXMAN. Well, I would be pleased to read the exact language in the regulation:

> The risks of harm anticipated in the proposed research which are not greater considering probability and magnitude than those ordinarily encountered in daily life or during the performance of routine physical or psychological examinations or tests.

In other words, if it is the intent of the gentleman to adopt that language, "minimal risk" would be meant to be exactly the language I read, which is now in the regulation.

Mr. CHANDLER. I thank the gentleman.

Mr. SHELBY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment to my substitute. The substitute as I offered it contained no language regarding fetal research. The amendment now offered by the gentleman is a reasonable and conscientious attempt to allow important studies on child health to continue while providing important safeguards against experimentation that might harm the unborn.

As I understand it the amendment would allow NIH to conduct research on a living fetus only if the information to be gotten is important and cannot be obtained any other way. In addition, the study cannot be done unless the fetus is placed at no risk or minimal risk. Any other fetal research could only be done if the Secretary and five other review groups are all satisfied that the fetus is protected.

I understand that the amendment is supported by my Republican colleagues from the Energy and Commerce Committee—the gentleman from Illinois and the gentleman from North Carolina—as well as many other Members from both sides of the aisle who have long stood for the rights of the unborn.

In addition, I also understand that every major medical, nursing, and university research group supports an amendment of this sort.

I am pleased that the gentleman has offered this amendment to my substitute and I would urge its adoption.

□ 2050

Mr. DANNEMEYER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, earlier this evening in the consideration of this bill, the committee heard about 8 or 10 Members of the House, speak to the very issue that is involved by my colleague from Washington in the offer of his amendment now.

We are back to the same consideration that we had when this Member from California offered the amendment that I did earlier this evening which was adopted by a voice vote on which no Member asked for a rollcall.

The main or the same issue is essentially this: Will this Committee acting on behalf of this House set forth a policy statement for this country on this issue that has the conscience of the country or the moral and ethical issue of our day, shall we as a matter of policy say on behalf of those for whom no one can speak, the unborn, fetuses in the course of abortion, we say that as a people, we are not going to agree to experimentation on those fetuses? That is the issue.

Some of the Members were not here in the closing moments of the debate on the amendment offered by this gentleman from California, but I will come back to it because it really is a paradox.

In this bill we have language which encourages the medical and scientific community to discontinue and avoid experimentation on animals. At the same time, we are talking in this amendment by my colleague from Washington about setting standards for experimentation on human beings.

Now, what kind of a people are we that we are evidencing more concern for the welfare of animals than human beings? Have we become so jaded and self-centered as a people that we cannot stand up and say that between animals and people, we as a civilization respect people more than animals?

I do not know about you, but I do not choose to go down the road protecting animals over people, and I think we should not leave this choice to some unelected bureaucrat in HHS in exercising judgment over an exemption.

We all know that the medical community is going to put powerful tension and pressure on HHS to grant exemptions for probably in their eyes good reasons, but there is only one sense of our conscience that we can express, and that is, shall we protect those for whom no one speaks, the unborn.

That is what I ask you to do.

Mr. WALGREN. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from Pennsylvania.

Mr. WALGREN. I thank the gentleman for yielding to me.

As one Member particularly interested in the provisions of this bill relating to the sensitivity of the treatment of laboratory animals, I would like to represent to this House that there is no experimentation on animals that would be prohibited by this bill, absolutely none.

The provisions which we include in this bill would allow, under all circumstances, every experiment that we know of, provided it is passed through the proper reviews, and there are no prohibitions of research whatsoever with respect to animals.

Mr. DANNEMEYER. I am going to reclaim my time from the gentleman. If you heard what I said, I do not claim, nor am I claiming now, that the bill prohibits experiments on animals. I am just saying the clear language of the bill is, we should avoid, if we can, experimenting on animals. That is all I am saying.

My point is, if we avoid experimenting on animals, we ought to have the courage to say we could not want any experimentation on human beings.

Mr. CHANDLER. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from Washington.

Mr. CHANDLER, I thank the gentleman for yielding.

I am more concerned about research or anything else with human beings than I am about animals.

My amendment calls for the strictest safeguards in whatever research would be permitted, and none has been under the rules for the last 8 years, as I understand it, but according to the amendment, If I might cite it and read it for your edification:

The Secretary may not approve an application for a waiver, even after we have already determined that there is minimal risk.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. SMITH of New Jersey and by unanimous consent, Mr. DANNEMEYER was allowed to proceed for 3 additional minutes.)

Mr. CHANDLER. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from Washington.

Mr. CHANDLER. I thank the gentleman for again yielding.

The Secretary must determine that whatever risks would occur to the fetus, and those risks have to be examined by the six boards that I talked about, would be far outweighed by the sum of the benefit to the benefit of the fetus; and the importance of the knowledge to be gained as to warrant the modification or waiver applied for, and that these benefits would greatly outweigh any risk involved.

Mr. DANNEMEYER. I am going to reclaim my time.

I want to point out to the gentleman from Washington, my colleague, something that I suspect you may not even know, that your amendment, if adopted, would be at variance with at least three laws of States in the Union which make the type of experimentation on human fetuses you are talking about a felony.

The laws of Pennsylvania, Rhode Island, and Louisiana presently make it a felony for experimentation on unborn fetuses in the course of abortion, and I thought I would share that thought with you, because I do not think you want to go down the road and authorize the commission of a felony in Louisiana, Rhode Island, or Pennsylvania.

Mr. CHANDLER. If the gentleman will yield further, the amendment is very similar to the rules that are in effect right now with the Department of Health and Human Services, and would simply codify what is already in the regulation now, a regulation which the Secretary of Health and Human Services has said is adequate to the protection of fetuses.

Mr. DANNEMEYER. In response, I would say we in this House should be setting policy for the country on the issues.

Mr. SMITH of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from New Jersey.

Mr. SMITH of New Jersey. I thank the gentleman for yielding.

First of all, I think everyone in this Chamber should realize this is essentially the same vote and same debate that we had earlier in the afternoon. Every prolife group is against this amendment being offered, and they support the Dannemeyer amendment unamended.

The CHAIRMAN. The time of the gentleman from California (Mr. DANNEMEYER) has expired.

(On request of Mr. SMITH of New Jersey and by unanimous consent, Mr. DANNEMEYER was allowed to proceed for 1 additional minute.)

Mr. SMITH of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. DANNMEYER. I yield further to the gentleman from New Jersey.

Mr. SMITH of New Jersey. I thank the gentleman for again yielding.

When I hear this talk about information that could not be obtained in any other way and putting the child at risk, we talked earlier about those women who had the rubbella vaccine put into their bodies, and it was passed out to the unborn child. Ten days later the baby was aborted, and they tried to decide what was the effects of those German measles on the child.

Putting the child at that kind of risk, even if we garner some information that is good for mankind, is certainly not humane.

The Dannemeyer amendment should be approved and kept the way it is, and this is not in my opinion a suitable alternative.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BROYHILL. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment offered by the gentleman from Washington (Mr. CHANDLER).

Mr. Chairman, it is important to know that this amendment does represent a very narrow waiver procedure. Under the language, the NIH will be conducting research on fetuses, only if the research places the fetus at minimal or no risk and this research is the only way the scientific knowledge can be obtained.

□ 2100

We had considerable debate earlier today and it was detailed by Members of a number of instances where human knowledge has been advanced as the result of such research.

In this amendment a waiver procedure allows for fetal research, which would have to be approved by six levels of peer review: An institutional review board, NIH study section initial review, a National Advisory Council review, the Institutes staff and directory review, the Department of Health and Human Services Ethical Advisory Board and also the Secretary of the Department of Health and Human Services. In any of these six levels of peer review, an application could be barred from funding if it is found that the research would lack adequate protection for the fetus.

Mr. Chairman, I believe that these controls will prevent abuses in fetal research while allowing worthy minimal risk research to continue.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from New York.

Mr. GREEN. I thank the gentleman for yielding.

Earlier as we were debating the Dannemeyer amendment I pointed out that as it is drafted it would deny the scientific community the opportunity to undertake research that was only neutral as far as the well-being of the fetus was concerned, but that had great promise for bringing life to future fetuses or for giving us the ability to deal with birth defects and other problems and that we, therefore, needed some approach to the problem which without risk of harm to the fetus would nonetheless enable the scientific community to reap the potential research benefits that were available.

It seems to me that the amendment we have before us deals with that very drafting problem that I pointed out before, that it says that in circumstances where there is little or no risk to the fetus we can indeed conduct that kind of research if after all sorts of levels of reviews there is a finding both of lack of harm and of the potential benefits. And it seems to me that we should make that modification to the Dannemeyer amendment by adopting this amendment and I thank the gentleman for yielding.

Mr. ROWLAND. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Georgia.

Mr. ROWLAND. Mr. Chairman, I rise in support of the amendment. As a member of the medical community for 30-some-odd years I want to state that I do not believe that this amendment will in any way jeopardize the fetus, and I rise in strong support.

Mr. Speaker, this amendment offers every protection to the mother and no abuse to the fetus. While medial research may at times seem insensitive, there is so much valuable information that is obtained that cannot be accumulated in any other manner. This amendment specifically addresses that situation. I believe that the Members of this House would be remiss in their responsibility to future generations if they did not adopt this amendment. I, therefore, offer my strong support of it.

Mr. WAXMAN. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, Mr. SIMON has ask whether the bill provides that all of the extra costs resulting from the creation of a new institute focusing on arthritis research will come from money designated for arthritis research, and that none will come from money which would have gone for research into diabetes, cystic fibrosis, or any other program?

I want to assure the gentleman that I understand his concerns. In the bill we have placed a cap on overall administrative expenses at NIH, which will address this problem. We hope that the situation will in fact be resolved through higher funding for both the National Institute of Arthritis and Musculoskeletal Diseases and the National Institute on Diabetes and Digestive and Kidney Diseases. New initiatives in cystic fibrosis and other areas should not be deferred.

Further, Mr. BROWN of California has asked a number of questions.

I want to assure the gentleman that I understand that the NIH authorization does not designate specific amounts to be spent on various types of health research among minorities.

I am also aware that some epidemiological studies indicate that Hispanics are at a greater risk than the general population for developing adult onset diabetes. While there may be specific health problems among designated populations, it is my understanding that the Congress encourages attempts to define these relationships, and to educate the affected groups about the possible increased risk they face. NIH has the authority to fund research which will clearly define the incidence of adult onset diabetes among Hispanics. It may also fund efforts to educate the Hispanic population about their increased risk.

I want to join my colleague in encouraging the National Institutes of Health and other research organizations to conduct epidemiological studies in this area. As the U.S. Hispanic population increases, the need for definitive knowledge becomes more acute.

Mr. RAHALL has asked whether the revised authority for cancer centers would preclude support for new centers. Under the substitute, the NCI would be authorized to fund new cancer centers in excess of the 55 required by statute. The number of 55 centers contained in section 415 of the revisions to title IV are intended as a minimum number. Funding more than 55 cancer research centers is authorized by the proposal and is a desirable budget priority.

I want to particularly thank Ms. FERRARO for her kind words of support for the substitute bill. The gentlewoman has been a leader in Congress in bringing attention to the dangers of Reye's syndrome and the need for effective measures to combat this disease.

I would assure the gentlewomen that the subcommittee will continue to monitor NIH's efforts on this issue. We will be pleased to work with her in determining how Congress can most effectively assist NIH in achieving the goal we all share—solving the mystery of Reyes syndrome and eliminating this threat to our children's health.

Ms. FERRARO. Mr. Chairman, will the gentleman yield?

Mr. WAXMAN. I yield to the gentlewoman from New York.

Ms. FERRARO. Mr. Chairman, I rise in support of the substitute, and ask unanimous consent to revise and extend my remarks.

I would like to commend the distinguished chairman of the Subcommittee on Health and the Environment and the distinguished gentleman from Illinois, the ranking minority member, for the outstanding work they have done in forging this substitute compromise. The work that goes on at the National Institutes of Health is arguably the most important work funded by the Federal Government. It is vitally important that we act on this bill to give NIH the full support it needs to carry on its work.

While I strongly support NIH and feel they are doing excellent work, there is one area in which I would like to see greater concentration of resources. I am talking about research on Reyes syndrome.

Reyes syndrome is a mysterious disease of the brain and the liver which afflicts children, generally young children under age 18. The disease frequently follows viral infections like influenza, chicken pox, or German measles, and it continues to puzzle the medical profession.

Unfortunately, the disease is not accurately diagnosed until serious health damage has occurred, ranging from mild IQ changes to severe brain dysfunction. Proper care by a pediatrician, neurologist, neurosurgeon, and anesthesiologist familiar with Reyes can result in complete recovery. All too often, though, Reyes is fatal because neither parents nor family doctors are aware of the disease and its symptoms. According to the Center for Disease Control, last year almost one out of three reported cases of Reyes claimed the life of a child.

While public awareness of Reyes has increased in the past few years, and medical research efforts have made progress, there is still great uncertainty about the disease, including even how often it occurs. A recent report in the New England Journal of Medicine found that incidences of Reyes may be 20 times more common than had been thought.

A team of eight doctors at Children's Hospital Research Foundation in Cincinnati found that a rather than there being 200 cases of Reyes each year, the number is more likely to exceed 4,000. Their work suggests that many more children get Reyes than had been previously estimated, but that most cases never reach the worst stages of the disease.

This is a tremendously important finding. While it indicates that Reyes may not be as fatal as had been thought, the fact that so many children are afflicted with a disease about which we understand so little has potentially grave implications.

I have introduced a bill, H.R. 3449, which creates two new means for promoting research and understanding on Reyes syndrome. First, it establishes a Reyes Syndrome Coordinating Committee at NIH, to be composed of the directors of the six institutes which have had a role in Reyes research, plus the CDC. The committee would be chaired by the Director of the National Institute of Neurological and Communicative Disorders and Stroke.

The committee is authorized to make grants for conducting basic and clinical research relating to the causes, diagnosis, early detection, and treatment of Reyes syndrome. It is further authorized to fund research into the development of new and improved treatments for the detection, diagnosis, and treatment of Reyes. The bill authorizes $1.5 million a year for each of the next 3 years for this purpose.

The second key provision of the bill establishes Reyes mobile research teams to visit communities where there have been outbreaks of Reyes. The mobile teams could assemble information on individual Reyes cases, particularly with respect to anomalous community factors that may have contributed to the disease's occurrences.

I had planned to offer the text of my bill, H.R. 3449, as an amendment to this substitute. In the interest of expediting consideration of this substitute, and because the committee has not had adequate opportunity to consider the specifics of the proposals, I will not offer the amendment at this time.

I am concerned, however, that while research on Reyes is moving forward, more needs to be done. Serious questions remain regarding the possible role of aspirin in contributing to the onset of Reyes, and in determining the causes, cures, treatment, and even the number of afflicted children.

For this reason, I am hopeful the subcommittee will monitor the activity of NIH in this area to insure that NIH is committing adequate resources to deal effectively with this very serious threat to children's health. I would further hope that the subcommittee would take a closer look at the need to coordinate Reyes syndrome research and to insure that the needed research on Reyes is being funded.

Mr. WAXMAN. As members of the committee know, I strongly opposed the Dannemeyer amendment. I outlined for you all why I thought it was a mistake to adopt the Dannemeyer amendment. I think it would be very, very limiting to the opportunity for biomedical research to learn information about how to prevent diseases, how to cure diseases, how to have fetused developed into healthy babies.

I lost on that amendment and the Dannemeyer amendment has been adopted. In light of that, I am willing to go along with the Chandler-Shelby amendment and would urge my colleagues to do the same.

Further I would like to add that all major medical professional organizations have written to us to encourage us to continue the standards for safe research on fetuses. I would like to submit some of these letters for the record at this time.

AMERICAN MEDICAL ASSOCIATION,
Chicago, Ill., July 28, 1983.

Hon. HENRY WAXMAN,
Chairman, Subcommittee on Health and the Environment, House of Representatives, Washington, D.C.

DEAR CHAIRMAN WAXMAN: We understand that Representative Dannemeyer will offer an amendment to H.R. 2350 and to the Broyhill-Madigan Substitute that would severely restrict fetal research.

We oppose such an amendment. Such research is vital to continued understanding of the causes and possible cures for birth defects and other diseases of children and pregnant women. We believe that the Dannemeyer amendment, if offered, should be rejected.

Sincerely,

JAMES H. SAMMONS, M.D.

AMA POSITION ON LEGISLATIVE RESTRICTIONS ON FETAL RESEARCH

The American Medical Association has consistently opposed legislation that would restrict fetal research.

In a 1977 Judicial Council report on fetal research, the Council made the following observation on the need for fetal research:

"Research on the development of the embryo and fetus is needed to learn more about birth defects and other human genetic and developmental abnormalities . . . The ban of such research activities, however, might condemn other children or fetuses to disease, disability, or death that could be avoided by use of scientific knowledge obtained from such research."

In a statement from July 20, 1982, on legislation restricting the use of federal funds to support fetal research, the AMA stated, "By prohibiting the use of federal funds for such essential research, the amount of research undertaken will be severely limited and progress towards enhancing the ability to diagnose and treat in utero conditions will be slowed significantly."

While opposing legislative restrictions on this type of research, the AMA is mindful of the need for physicians to demonstrate great care and concern for the fetus. The AMA has developed careful guidelines for physicians engaged in fetal research. These guidelines are attached.

2.07 Fetal Research Guidelines. The following guidelines are offered as aids to physicians when they are engaged in fetal research:

(1) Physicians may participate in fetal research when their activities are part of a competently designed program, under accepted standards of scientific research, to produce data which is scientifically valid and significant.

(2) If appropriate, properly performed clinical studies on animals and nongravid humans should precede any particular fetal research project.

(3) In fetal research projects, the investigator should demonstrate the same care and concern for the fetus as a physician providing fetal care or treatment in a non-research setting.

(4) All valid federal or state legal requirements should be followed.

(5) There should be no monetary payment to obtain any fetal material for fetal research projects.

(6) Competent peer review committees, review boards, or advisory boards should be available, when appropriate, to protect against possible abuses that could arise in such research.

(7) Research on the so called "dead fetus," mascerated fetal material, fetal cells, fetal tissue, fetal organs, or the placenta should be in accord with state laws on autopsy and state laws on organ transplantation or anatomical gifts. In formed and voluntary consent, in writing, should be obtained from a legally authorized representative of the fetus.

(8) In fetal research primarily for treatment of the fetus:

A. Voluntary and informed consent, in writing should be given by the gravid woman, acting in the best interest of the fetus.

B. Alternative treatment or methods of care, if any, should be carefully evaluated and fully explained. If simpler and safer treatment is known, it should be pursued.

(9) In research primarily for treatment of the gravid female:

A. Voluntary and informed consent, in writing, should be given by the patient.

B. Alternative treatment or methods of care should be carefully evaluated and fully explained to the patient. If simpler and safer treatment is known, it should be pursued.

C. If possible, the risk to the fetus should be the least possible, consistent with the gravid female's need for treatment.

(10) In fetal research involving a viable fetus, primarily for the accumulation of scientific knowledge:

A. Voluntary and informed consent, in writing, should be given by the gravid woman under circumstances in which a prudent and informed adult would reasonably be expected to give such consent.

B. The risk to the fetus imposed by the research should be the least possible.

C. The purpose of the research is the production of data and knowledge which is scientifically significant and which cannot otherwise be obtained.

D. In this area of research, it is especially important to emphasize that care and concern for the fetus and should be demonstrated. There should be no physical abuse of the fetus.

ASSOCIATION OF AMERICAN MEDICAL COLLEGES,
Washington, D.C., July 28, 1983.

Hon. HENRY A. WAXMAN,
Chairman, Subcommittee on Health and the Environment, Committee on Energy and Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The Association of American Medical Colleges (AAMC) is concerned about an amendment on fetal research that will be offered by Representative William E. Dannemeyer during consideration of the NIH renewal legislation, H.R. 2350, on the floor of the House. The AAMC thanks you for your past support on this issue and urges you once again to oppose any attempt to enact this language.

The Dannemeyer amendment clearly prohibits the NIH from conducting or supporting any research on a living human fetus that is scheduled for abortion or on a living infant after an abortion, except for the purpose of improving the chances of survival or to correct defects of that fetus or infant.

The Association strongly endorses programs of research directed at eliminating the extensive pregnancy wastage experienced by American women, attributable to malfunctions of the fetus. Past fetal research has been richly rewarding and has resulted in significant reductions in fetal and neonatal morbidity and mortality. For example, it is now possible not only to diagnose, *in utero*, hydrocephalus and urinary tract obstructions in the fetus, but also to relieve these surgically and thus prevent deformities from destroying the brain or kidney of the unborn baby.

Fetal research is a very new field of science; many unsolved problems continue to account for an unacceptably high incidence of pregnancy wastage. It is inconceivable that solutions to these problems will ever be found, except through research. Admittedly, research on the fetus raises a unique set of ethical and moral problems which have received extensive consideration by the National Commission for the Protection of Human Subjects in Biomedical and Behavioral Research. Research conducted or supported by the NIH must adhere to a set of regulations that closely reflect the recommendations of the National Commission. These regulations constitute a formidable bulwark of protection to the fetus and at the same time permit the mounting of a research program of great promise to the nation.

In summary, the Fetal and Infant Research Amendment will not limit abortion, but only interdict the pursuit of promising opportunities for fetal research. The Fetal and Infant Research Amendment does not serve the public interest and, were its consequences really understood, it would scarcely command any significant support.

I urge you once again to oppose its adoption.

Sincerely,
JOHN F. SHERMAN, PH. D.,
Vice President.

THE AMERICAN COLLEGE OF OBSTETRICIANS AND GYNECOLOGISTS,
Washington, D.C., June 27, 1983.

Hon. HENRY A. WAXMAN,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE WAXMAN: When H.R. 2350, the bill to reauthorize the National Institutes of Health (NIH), comes before the full House, the American College of Obstetricians and Gynecologists, the Association of Professors of Gynecology and Obstetrics and the Society for Gynecological Investigation urge you to oppose any amendment to further restrict fetal research.

Biomedical research during the perinatal period is essential to continued reduction in maternal and perinatal morbidity and mortality, a goal to which our organizations are dedicated. Such research frequently requires new methods and avenues of approach, and is of incalculable value to children now alive and to generations as yet unborn. The list of accomplishments in this field is long and distinguished. To advance this effort effectively, it is necessary to investigate the physiology of both mother and fetus at various stages of development from fertilization through the neonatal period.

Regulations developed by the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research have been in force since 1975 to confine the scope of research involving pregnant women and fetuses to that which is intended to meet the health needs of the fetus or imposes minimal risks and is designed to develop important biomedical knowledge which cannot be obtained in any other way. These regulations apply equally to pregnant women and fetuses, regardless of whether an abortion is contemplated. We believe this is the most appropriate way to assure that the welfare of the mother and fetus are the primary concern.

Since the promulgation of these regulations governing NIH supported research, no violations have been reported. An institutional review board (IRB) within each academic center considers the protection afforded human subjects of all research proposals prior to their submission to the NIH. A subsequent re-evaluation of all research proposals by the NIH guarantees adequate protection of pregnant women and fetuses prior to allocation of federal research dollars. More restrictive statutory language such as that contained in the Dannemeyer amendment will not add significant protections for the fetus, but will curtail the work of scientists who are making inroads to our understanding of normal and abnormal pregnancy, fetal growth and development, genetic disorders, and the human reproductive system. Breakthroughs in research utilizing fetoscopy, amniocentesis, ultrasound, fetal surgery and other advances which have already been successfully translated into improved diagnosis and therapy for all mothers, would be jeopardized.

Language contained in the bill as reported by the full Energy and Commerce Committee would place the substance of the existing regulations in statute, including the mechanism whereby the Secretary of the Department of Health and Human Services may waive the regulations upon the recommendation of a national ethics advisory board. Since promulgation of the regulations eight years ago, a waiver has been granted only once for research which led to important information on sickle cell anemia. Clearly, we are aware of the importance of the ethical considerations involved in fetal research and, having participated in the past deliberations of the National Commission regarding the protection of research subjects and formulation of necessary safeguards in such research protocols, we are convinced that the mechanisms in place and incorporated into the bill are the most effective.

When the NIH bill comes before the House of Representatives, it is critical that the debate be based on correct information and accurate understanding of the present restrictions, controls, and mechanisms in place to protect human subjects of biomedical research. We would be pleased to work with you in anticipation of this debate and would urge you to speak out against the misinformation and emotionalism which have characterized previous debates on this important issue.

Sincerely,
Ervin E. Nichols, M.D., Director, Practice Activities, American College of Obstetricans and Gynecologists; Morton A. Stenchever, M.D., President, Association of Professors of Gynecology and Obstetrics; Lawrence D. Longo, M.D., Immediate Past President, Society for Gynecological Investigation.

AMERICAN ACADEMY OF PEDIATRICS,
November 17, 1982.,

Hon. HENRY A. WAXMAN,
House of Representatives,
Washington, D.C. 20515

DEAR MR. WAXMAN: A new threat to research, in the form of an amendment which would restrict federally fetal research, will be decided by the Senate when it reconvenes after the elections and votes on National Institutes of Health authorization.

Human fetal research has contributed to scientific programs in seven broad areas:

a. Understanding of normal and abnormal pregnancy, thereby enabling pregnant women to receive better care.

b. Understanding of human development, so as to provide broad medical services to the fetus.

c. Better diagnosis and treatment of genetic and anatomic defects in the fetus, including hemoglobinopathies and inborn errors of metabolism.

d. Understanding of Rh incompatibility, its treatment and prevention.

e. Ability to improve the survival of prematurely born infants and especially to improve their lung maturation.

f. Knowledge about developmental pharmacology, drug disposition and drug effects, so that drugs needed by pregnant women can be used appropriately and safely, for her and her fetus.

g. Knowledge accrued from fetal research has resulted in improved diagnosis and therapy for the fetus, as well as in advances in virology, cancer research and organ transplantation.[1]

At the same time, ethical considerations for fetal research have been thoroughly and thoughtfully examined at the national level, and safeguards delineated.[2, 3] We support these studies and procedures.

It is all the more incomprehensible, therefore, that a blanket restriction on fetal research should be proposed at this time. We oppose the amendment restricting fetal research, and express our strongest belief that such legislation is not in the interest of pregnant women and their children, nor in the direction of advances in medical care for the American people.

Sincerely,

Philp R. Nader, M.D., President, Ambulatory Pediatric Association; James E. Strain, M.D., President, American Academy of Pediatrics; Alexander Nadas, M.D., President, American Pediatric Society; Joseph William St. Geme, Jr., M.D., President, Association of Medical School Pediatric Department Chairmen; Ralph D. Feigin, M.D., President, Society for Pediatric Research.

REFERENCES

1. Mahoney, Maurice J. The Nature and Extent of Research Involving Living Human Fetuses. Report Submitted to the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research. DHEW Publication No. (OS) 76-128.

2. Task Force on Pediatric Research. AAP Code of Ethics for the Use of Fetuses and Fetal Material for Research, PEDIATRICS 56:304-5, 1975.

3. The National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research. Report and Recommendations, Research on the Fetus. 40 FR 33526; Friday, August 8, 1975.

ASSOCIATION OF AMERICAN UNIVERSITIES,
July 29, 1983.

Hon. HENRY A. WAXMAN,
Rayburn House Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: We understand there will be attempts to amend language in H.R. 2350 dealing with fetal research with more restrictive language. The proposed amendment to the Committee bill would hamper or proscribe the conduct of research essential to improved health and welfare of infants and mothers. We wish to be on record in opposition to any attempts to restrict the conduct of research. It is our belief that current regulation of research involving human subjects effectively insures the ethical and appropriate conduct of infant and fetal research.

The language in H.R. 2350 codifies current practice; such an approach is vastly preferable to a legislative veto over essential research.

Sincerely,

ROBERT M. ROSENZWEIG.

Mr. MADIGAN. Will the gentleman yield?

Mr. WAXMAN. I will be pleased to yield to the ranking Republican member of the subcommittee, the gentleman from Illinois (Mr. MADIGAN).

Mr. MADIGAN. I want to thank the gentleman for yielding and join my colleague from North Carolina (Mr. BROYHILL), the ranking member of our full committee, in supporting the amendment being offered by the gentleman from Washington (Mr. CHANDLER).

I would say, if I may, just as a refresher for those of us who were here in the House with Secretary Heckler that during her entire career Secretary Heckler was an opponent of abortion. She was a strong supporter of the prolife position. She is a supporter, I understand, of continuing the guidelines and regulations that are presently at the Department of Health and Human Services which are codified by the amendment being offered by the gentleman from Washington (Mr. CHANDLER).

I rise in support of the amendment and am pleased to join with my colleague from North Carolina (Mr. BROYHILL) and my colleague from California (Mr. WAXMAN) in support of the Chandler amendment.

Mr. DANNEMEYER. Mr. Chairman, will the gentleman yield?

Mr. WAXMAN. I will be pleased to yield to my colleague from California.

Mr. DANNEMEYER. You are not suggesting by inference here that Mrs. Heckler, on behalf of HHS, is opposed to the Dannemeyer amendment, are you?

Mr. MADIGAN. Will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from Illinois.

Mr. MADIGAN. I am not suggesting that Mrs. Heckler is opposed to or supportive of the Dannemeyer amendment. I am suggesting that Mrs. Heckler by letter has advised the House of her support for the current guidelines administered by HHS and the National Institutes of Health, those guidelines supported unanimously by the medical community and the scientific community.

I am reminding the House that Mrs. Heckler was a prolife legislator and opposed to abortion, but is in her stated position consistent with support for the Chandler amendment.

Mr. DANNEMEYER. Was the gentleman aware that on September 30, 1982, Mrs. Heckler, as a Member of this House, voted for the Dannemeyer amendment?

Mr. MADIGAN. The gentleman has no recollection of what he himself was doing on September 30, 1982.

Mr. WAXMAN. If I might reclaim my time, I think it is wise to codify these rules, put them in place. I join with my colleagues, the gentleman from Washington (Mr. CHANDLER), the gentleman from Alabama (Mr. SHELBY), the gentleman from Illinois (Mr. MADIGAN), and the gentleman from North Carolina (Mr. BROYHILL) in urging support for this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. CHANDLER) to the amendment in the nature of a substitute, as amended.

The question was taken; and the chairman announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Chariman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will state that a quorum is present.

The pending business is the demand of the gentleman from California (Mr. DANNEMEYER) for a recorded vote.

A recorded vote was refused.

So the amendment to the amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. The question is on the amendment in the nature of a substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

Mr. BEDELL. Mr. Chairman, at this point in the debate on H.R. 2350, I would like to inform my colleagues of a tremendously successful research program at NIH.

The Small Business Innovation Research (SBIR) program at NIH is off to a fast start. On September 30, 1983, the NIH made 123 research grant awards totaling $6.2 million to small, high technology companies. The NIH staff, from Secretary Heckler on down, is very enthusiastic about the potential that the SBIR program offers to our Nation's health research efforts. Earlier this year, Mrs. Heckler wrote me that:

> The Public Health Service is expending a vigorous effort to make small businesses an integral part of its research and development programs. P.L. 97-219 as it currently stands provides the Department of Health and Human Services the opportunity to continue to ensure that the SBIR program will be carried out to its maximum potential and it is our intent that the Department will be at the forefront in making this legislation a success.

In the summer of 1982, after passing the House by a vote of 353-57 and the Senate by a vote of 90-0, the President signed Public Law 97-219, the Small Business Innovation Development Act, into law. This landmark small business legislation established highly competitive research and development programs for small, high tech companies at 11 Federal agencies. Each of these agencies is required to support their SBIR program with a small portion of their extramural R&D budget, six-tenths of 1 percent of fiscal year 1984.

This program had been modeled quite successfully at the National Science Foundation and the Department

of Defense. The NSF experience showed that SBIR winners had very high rates of job creation. In addition, NSF research funds invested in SBIR winners have been leveraged almost 10 times by private sector funds. No other Federal program can boast this record.

The SBIR program is structured to have two phases. Winners of phase 1 receive, on the average, $50,000 for 6 months of research. Phase 1 award winners then compete for phase 2 awards of up to $500,000 for up to 2 years more work. So far, on the average, there have been 10 to 15 proposals submitted for every phase 1 award. Furthermore, only one-half of the phase 1 winners have been selected for phase 2 awards. Thus, only 3 to 5 percent of submitted proposals are fully funded. This is far more competitive than other Federal research programs.

Despite the SBIR program's proven success, there was some initial doubt whether the program could work at the National Institutes of Health. During the House floor debate on the SBIR Act, two amendments were offered to exempt NIH from setting up a program. Both efforts were soundly defeated, the second time by a vote of 228 to 169.

Prior to the establishment of their SBIR program, the NIH had the worst record of the major Federal agencies in their dealing with small research companies. Less than 1 percent of NIH's research funds went to small business.

The peer review system employed by NIH was heavily stacked against small research companies. Of the 2,000 peer reviewers who reviewed NIH research proposals, approximately 95 percent were from universities.

In addition, NIH had stalled for more than 4 years in implementing the Federal Grants and Cooperative Agreements Act passed by Congress in 1977. This legislation directed NIH to open its grants programs to small business.

In short, small research companies had been excluded from participating in NIH research programs for so long and had such doubts about getting a fair break that they stopped bothering to submit research proposals to the agency.

However, since the passage of the Small Business Innovation Development Act in 1982, things are beginning to change at NIH:

First, according to the NIH staff, more than 9,000 small businesses and individuals requested NIH SBIR solicitation brochures.

Second, the NIH staff had the opportunity to meet with 450 small research companies at an SBIR conference at NIH and learn about their capabilities.

Third, in fiscal year 1983, NIH received more than 700 proposals from companies that would not have otherwise shared their knowledge, expertise, and ideas to further our Federal health research efforts. So far in the first of 2 fiscal year 1984 solicitations, NIH has received about 600 SBIR proposals from small research firms.

Fourth, NIH has begun to solicit qualified researchers from outside of the university community to diversify their peer review system.

Fifth, the NIH staff has enthusiastically embraced the SBIR program and is looking at ways to expand small business participation in other NIH programs.

Mr. Chairman, I am extremely pleased to see that the substitute version of H.R. 2350 that we are considering today recognizes the significance of NIH's SBIR program. By deleting section 489 of the earlier version of the bill approved by the Energy and Commerce Committee, the substitute removes the threat to the effectiveness of NIH's SBIR program.

Hard work by many individuals and associations, who stood up for the SBIR program, went into the effort to preserve the program. The small business community is indebted to our colleagues on the Small Business Committee, Chairman PARREN MITCHELL, ranking member JOE MCDADE and the ranking member on the Oversight Subcommittee, SILVIO CONTE, for their work. I also want to especially thank AL GORE, who sponsored my amendment to preserve the program, and JIM BROYHILL and ED MADIGAN for standing up for small business in their work on the substitute that is before us today.

Finally, a word of thanks to the many individuals and associations who lobbied on behalf of this effort. Among those deserving a special salute are: The National Small Business Association; the American Council for Independent Laboratories; the Chamber of Commerce of the United States; Frank Swain, the Chief Counsel for Advocacy at SBA; the National Federation of Independent Business; the American Association of Small Research Companies; Small Business United; the National Council for Industrial Innovation; the National Institute of Entrepreneurial Technology; Mr. Milton Stewart, Small Business High Technology Institute; Governor James Hunt, North Carolina, chairman, National Governors' Association Innovation Task Force; Mr. William Norris, chairman, Control Data Group; the Smaller Business Association of New England; the Governor's office of the State of New York.

● Mr. PATTERSON. Mr. Chairman, I rise in support of H.R. 2350, the Health Research Extension Act. I commend my colleagues on the House Energy and Commerce Committee for their diligent efforts in streamlining the administrative operations at the National Institutes of Health and in promoting the continuation of advanced health research.

As we contemplate the state of our Nation, we are often drawn into debate about the economy, our national defense posture, the education of our children, and the ever-increasing cost of living. Rarely do we acknowledge our highest priority in life: good health. Those of us who are blessed with good health often take our fortune for granted. Only those who are afflicted with debilitating, chronic, or incurable disease know how much good health should be appreciated.

When the National Cancer Institute was established in 1937, the United States began a long battle against an unknown disease which continues today. Without the Institute, no single institution would be responsible for coordinated testing, comprehensive treatment, and information sharing which has become the trademark of quality cancer research. Accomplishments at the National Cancer Institute have led to greater understanding improved diagnosis, and treatment which has given the term "remission" a very special meaning to cancer patients.

Under each of the National Institutes of Health, scientists come together to develop methods of research and treatment for incurable disease. The record of scientific achievement for many programs has been outstanding. Examples include the control of hypertension in reducing incidents of serious heart disease, dramatic reductions in respiratory distress syndrome suffered by newborns, and an encouraging 50-percent rate of cure in leukemia cases among children.

Today as we rise to vote for a 3-year extension of the National Institutes of Health, we seek to enhance current research through administrative improvements at NIH and to expand the scope of authorized research. I believe H.R. 2350 goes a long way in meeting these goals.

The Director of NIH will be given a key role in coordinating programs, in acting as liaison between Federal agencies, and in promoting responsible research by working with advisory councils at the Institutes. Important reorganization of NIH programs will greatly accelerate research efforts relating to Arthritis, Alzheimer's disease, public health emergencies, and "orphan" diseases about which very little is known. Above all, I am pleased that the NIH will focus on public health issues through a new prevention strategy. Through the development of an integrated network, this new NIH plan will assist communities in promoting good health and alleviating chronic illness.

I am confident that the long-term perspective of this legislation will yield

positive results, and I urge my colleagues to vote for H.R. 2350.●

● Mr. WALGREN. Mr. Chairman, Every American has a great stake in the National Institutes of Health. NIH is the foremost medical research center in the world. Sixty percent of all health research in the United States is conducted by NIH scientists or grantees under NIH direction. NIH-supported scientists have won 78 Nobel Prizes. NIH is conducting research on a wide range of medical problems, including heart disease, allergies, infectious disease, senility, mental retardation, arthritis, and Reye's syndrome.

I hope we will soon see the day when the NIH bill is not a battleground in Congress. Society has a moral obligation to insure that people have the best health possible. No value we hold is more important than good health. H.R. 2350, before us today, commits $4.5 billion from the Federal Treasury to the eradication of disease, sickness, and suffering. This, in my view, is one of the wisest expenditures to taxpayers dollars.

The Subcommittee on Health, on which I serve, has developed a bill that responds to many health problems of our society. The bill emphasizes new research stategies to address compelling health problems, and continues current research efforts. Several features deserves to be highlighted:

The bill directs new emphasis on prevention of disease, recognizing that maintaining good health is more prudent and cost-effective than correcting poor health and curing disease.

The bill directs NIH to do a study on the adequacy of future health care personnel to deal with the growing aging population. Hearings before our subcommittee revealed that few health professionals receive adequate training in the mental and physical problems of the elderly, yet the number of people over 65 is expected to double by 2020.

We have included pror's disease, a condition affecting almost 1 million Americans at a cost of $20 billion a year in nursing home care.

H.R. 2350 includes a sizable increase for the National Cancer Institute, continuing our Nation's "War on Cancer," a most dreaded disease too familiar to almost everyone.

Our legislation would create a new National Institute for Arthritis and Musculoskeletal Diseases, which we hope will bring some focus to a problem suffered by over 37 million Americans (including 250,000 children) and costing over $30 billion a year in health care expenditures, lost wages, disability payments, and lost tax revenues.

The bill includes language to encourage the development of research methods not using animals to reduce costs and to reduce the thousands of animals now consumed in research. The bill has a specific provision prohibiting interference with research methods. Importantly, the bill directs NIH to establish minimum guidelines on the use of animals in research.

As the author of the animal care and alternatives provisions, I would like to offer some perspective.

These provisions evolved from over 2 years of efforts in two committees and from extensive discussions and negotiations with scientists, researchers, college and university officials, Government officials, and animal care organizations.

To meet the concerns expressed, particularly by the university community, these provisions were significantly changed from the legislation developed in the previous Congress. Most importantly, no provision for accreditation of laboratory facilities has been included in this legislation. We reduced the animal care committees' reporting requirements. We removed all language that might suggest that the committee make judgments about the appropriateness of research methods. we stipulated that standards of animal care and treatment being the form of guidelines, not regulations, to avoid any duplicative or conflicting standards under other laws and to encourage NIH to build on guidelines currently in use. We have included a requirement that committee members be appointed by the institution itself.

Our hearings revealed that two out of three research institutions now have animal care committees. Testimony also revealed that the cost of complying with the animal care committee requirement would be minimal since serving on the committees currently in existence is frequently voluntary. Most major universities now have a "lay" or outside person on their animal care committees. The requirements of this bill, therefore, are not a dramatic departure for responsible institutions since the requirements are not really "new." What we have done is to give a uniform, consistent, legal underpinning for what is largely current practice. The words of several medical college deans put it this way:

> Your amendment addresses the primary issues raised by those concerned with humane animal care and are consistent with our institutional policies on this matter.
>
> The changes contained in your amendment are not cumbersome and are generally consonant with current policy and practice in our animal care programs. I fully appreciate your diligent efforts in resolving our original concerns over prior language on this subject.
>
> The proposed new provisions create requirements that are very close to our current practices.

It is my belief that the animal care provisions of this bill represent a reasonable balance between the interests of quality research and good animal welfare. Good research involving animals depends on good animal care. Responsible institutions have no need to worry. My goal in developing these provisions has never been in redress or reaction to widespread abuse of animals. Occasionally incidents do occur, but they are occasional. My goal has been to create a framework—particularly through local, institutionally-appointed animal care committees—for stimulating discussion on appropriate animal care in hopes of guiding future developments in this area to reflect the proper sensitivity to animals, whatever that sensitivity may be.

It is impossible for anybody—legislative, executive, or private—to make a judgment about which health problem deserves the most money or the most attention. Quite simply, they all do. I am distressed that the Reagan administration's budget and economic policies leave us with so little money to try to eradicate disease and suffering for our people.

President Reagan asked Congress for a 15-percent increase in the 1984 budget for the military, but 1.8 percent for health research. He asked for $4 billion for health research in 1 year and at the same time requested $94 billion for arms, or $1 billion a day for the next 3 years for defense. This administration has doubled the military budget since 1980, but kept the lid tight on NIH funding increases. It is a logic hard to follow since there has been no decrease in disease and sickness or decrease in our population. It is hard to come up with what the numbers should be, but I do know that the priorities of this administration are completely out of whack when it comes to health care. I hope my colleagues will approve the NIH extension bill, which will give a little hope to our people that they can live their lives without fear of disease and debilitation.●

Mr. WYDEN. Mr. Chairman, today in Congress we can offer a ray of hope for the millions of Americans who are suffering from the crippling disease of arthritis.

Today, we have a chance to pass legislation, the Health Research Extension Act, which includes a provision for the creation of a separate National Institute of Arthritis. I would like to give credit to my colleague, the distinguished chairman of the Rules Committee, CLAUDE PEPPER, who got the ball rolling on this important piece of legislation and has done so much to enhance the quality of life for one of our most vulnerable populations—our Nation's elderly.

There are many compelling reasons for creating a separate institute.

Arthritis is the most common crippling disability and mankind's oldest known chronic illness. Over 37 million Americans, old and young alike suffer

from among over 100 types of arthritis.

Even though tens of millions of Americans suffer from this debilitating disease, only 17 percent of all research dollars at the National Institutes of Health, are spent on arthritis research.

While our investment is small the costs to society are enormous. The economic costs to the Nation in terms of health care services and lost productivity exceed $17 billion annually.

The statistics are mind boggling:

Twenty percent of medicare hospital costs are attributable to arthritis, one-half of all workers' compensation claims, and social security disability benefits and lost tax revenues account for the remaining fiscal burden we bear as long as this disease remains untreated.

Arthritis is second only to circulatory diseases in economic costs to society.

Failure to establish this institute would be pennywise and pound foolish.

Arthritis costs society billions each year and yet scientific research has been put on the back burner at NIH, while quack cures proliferate.

In establishing this Institute, existing management and facilities can be consolidated creating more focused research activities and a more efficient utilization of resources.

If arthritis research is to be given an adequate priority among the competing interests for research support, creation of a national research institute is critical.

It is time we raised the level of Federal support for arthritis research, so that it is commensurate with the profound national and economic impact associated with this disease.

Mr. Chairman, I urge my colleagues to join me in supporting this important piece of legislation which can bring a ray of hope for millions of Americans, young and old alike, who are battling this crippling disease.●

● Mr. GREEN. Mr. Chairman, I urge my colleagues to support the provisions for animal protection embodied in the reauthorization for NIH.

The first provision authorizes the Secretary of Health and Human Services to arrange for the conduct of a study by the Institute of Medicine regarding the use of animals in behavioral and biomedical research within 18 months of enactment of the bill.

The second provision requires that each facility that receives research funds from NIH have an internal Animal Care Committee. This requirement for a functional Animal Care Committee is intended to increase institutional accountability for the maintenance of animals used in research. Many facilities already have such committees. This provision would provide assurance that every institution would have an appropriately constituted and functional committee.

The third provision directs NIH to systematically develop alternatives to the use of animals in research and testing. The development of alternatives is now being done by private industry and by privately funded university programs. Alternative methods are not only more humane, they are faster, cheaper, and often more reliable than using animals.

The Government is now using approximately 45 million animals a year, including primates, dogs, cats, rabbits, and other species, and spending between $2 and $3 billion a year for research using these animals. It would be inhumane and fiscally irresponsible not to develop alternatives to animal use.

These animal provisions are a progressive step. I urge your support of them.●

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. GONZALEZ) having assumed the chair, Mr. BREAUX, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2350) to amend the Public Health Service Act to revise and extend the authorities under that act relating to the National Institutes of Health and the National Research Institutes, and for other purposes, pursuant to House Resolution 208, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

Mr. DANNEMEYER. Mr. Speaker, I demand a separate vote on the Chandler amendment.

The SPEAKER pro tempore. The gentleman's motion at this time comes too late and is not in order under the rule providing for consideration of this bill.

At this point the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WAXMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So the bill was passed.

□ 2110

Mr. WAXMAN. Mr. Speaker, I have a point of order.

Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. The gentleman from California (Mr. WAXMAN) makes the point of order that a quorum is not present and objects to the vote on the ground that a quorum is not present.

The Chair will count for a quorum.

Mr. WAXMAN. Mr. Speaker, I will defer to the will of the House. I withdraw my point of order.

The SPEAKER pro tempore. The gentleman withdraws his point of order.

So the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material in the RECORD, on the subject of the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 2350, HEALTH RESEARCH EXTENSION ACT OF 1983

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to correct section numbers, punctuation, and make other technical corrections so as to reflect adoption of the amendments on the bill, H.R. 2350, the Health Research Extension Act of 1983, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 826

Mr. GUARINI. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 826, a bill sponsored by Congressman KOSTMAYER.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

EXPORT ADMINISTRATION ACT OF 1979 EXTENSION

Mr. BONKER. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the bill (H.R. 4456) to extend the authorities under the Export Administration Act of 1979, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the bill as follows:

H.R. 4456

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 20 of the Export Administration Act of 1979 (50 U.S.C. App. 2419) is amended by striking out "October 14, 1983" and inserting in lieu thereof "February 29, 1984".

SEC. 2. (a) Section 7(d)(2)(B) of the Export Administration Act of 1979 (50 U.S.C. App. 2406(d)(2)(B)) is amended by striking out "concurrent" and inserting in lieu thereof "joint".

The SPEAKER pro tempore. The gentleman from Washington (Mr. BONKER) is recognized for 1 hour.

Mr. BONKER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think we can dispense with this in short order.

This bill provides for a simple and temporary extension through February 29 of next year. As Members may recall, we have already passed favorably on the Export Administration Amendments Act of 1983 but the other body has not seen fit to take up a companion bill.

The result is that we are now in a period when the Export Administration Act has expired.

If we do not extend the Export Administration Act of 1979 until next year, affording us an opportunity to complete action on revisions to it, then the President will not have sufficient authority to continue on export controls that are now in effect, except that authority which he might use under the International Emergency Economic Powers Act.

The bill also would correct an unconstitutional congressional veto provision of the expired act. In light of the recent Supreme Court decision on the constitutionality of a congressional veto, the bill simply addresses that problem by changing concurrent resolution to joint resolution. This would of course make it compatible with the existing Supreme Court decision on that subject.

So it is a simple extension of the act with that provision.

Mr. Speaker, the use by the President of emergency powers to implement export controls for purposes of U.S. national security, and to further certain U.S. foreign policy goals, is highly questionable under the present circumstances. It would be dangerous and irresponsible of this Congress to leave these emergency powers in force while it adjourns for nearly 2 months. Not only are they of questionable validity when necessitated by the failure of the Congress to legislate, but they are also extremely broad, opening up the possibility that the President might take actions that are inconsistent with the purposes and limits of the Export Administration Act. The responsible and even essential thing to do under these circumstances is to extend the Export Administration Act without substantive change until the Congress can complete action on regular legislation to govern national security and foreign policy export controls. That is what this bill would accomplish. It is, in other words, a stopgap measure necessitated by the failure of the Senate to act in a timely manner on legislation that is crucial to U.S. national security.

I might say, Mr. Speaker, that I have been disappointed by the actions of certain Members of the other body who have persistently blocked Senate action on legislation to amend and extend the Export Administration Act. They have done so in disregard of threats to national security posed by continued Senate inaction. Nothing is accomplished by preventing this legislation from Senate action except to place in jeopardy programs that are of great importance from a national security point of view.

Mr. Speaker, under section 7(d) of the Export Administration Act, the export of Alaska crude oil is prohibited unless the President makes and publishes certain express findings which he reports to Congress, and Congress approves exports on the basis of those findings, within 60 days by passing a concurrent resolution of approval. This is not a legislative veto as the term is commonly understood. Section 7(d) simply authorizes the President to investigate whether he believes exports are warranted given certain statutory criteria, and if he finds those criteria are met, to recommend to Congress that such exports occur. Congress then approves those exports based on the President's findings, before any exports occur. Thus section 7(d) does not delegate authority to the President to export Alaska oil when he alone decides that certain criteria have been met.

Although it did not directly address a concurrent resolution of approval, the recent Supreme Court decision in the Chadha and related cases suggests that a concurrent resolution is unconstitutional when it is not presented to the President for his signature and possible veto, thus casting doubt on the constitutionality of section 7(d)(2) of the Export Administration Act providing for affirmative congressional approval of proposed exports by a concurrent resolution.

Mr. Speaker, in amending and approving H.R. 3231, the House made certain technical changes in section 7(d) in order that it conform to the requirements of the Supreme Court decision. To accomplish the same purpose in the extension now before the House, I propose simply to change concurrent resolution to a joint resolution. Such a joint resolution approving Alaska oil exports would, of course, have to be approved by the Congress on the basis of the findings required under section 7(d), signed by the President, and enacted into law before any such exports could be made. So the change remains simply a technical one to make this procedure constitutional under recent Supreme Court decisions. I believe, Mr. Speaker, that such a change is essential in order that this important provision of law be constitutionally unchallengeable while the 98th Congress is in recess.

Mr. Speaker, at this time I yield to the ranking member of the Subcommittee on International Economic Policy and Trade (Mr. ROTH).

Mr. ROTH. I thank the gentleman for yielding.

Mr. Speaker, I think it is important for us in the House to understand this is the third time we are getting an extension of the Export Administration Act. I have no objection to this. I do not think anyone else in the House does. I think we are creating somewhat of a problem in that we are now under a state of national emergency under IEPA and if we pass an extension of the Export Administration Act, does that mean that the President is then going to do away with the national emergency and go back under the Export Administration Act? There is no way we are going to have an Export Administration Act by February 29. I do not think we are extending the date long enough because if we come back January 23, by the time the other body acts, by the time the conferees act, it comes back to this House, we are not going to get the job done by February 29. That is my only objection to it, as it was in previous times, when we extended the act.

I do not think we are extending it for a sufficient period of time.

Mr. BONKER. This House has acted responsibly in passing the Export Administration Act amendments. The problem is the failure of the other body to take similar action.

In view of that inaction we need to preserve the President's export control authority.

The International Emergency Economic Powers Act may or may not be sufficient in this interim, but the President has stated that once we restore the authorities of the Export Administration Act, that would provide

him with sufficient authority and he would not have to rely upon this other authority which is somewhat questionable.

Mr. ROTH. Mr. Speaker, I thank the gentleman for yielding.

□ 2120

Mr. COURTER. Mr. Speaker, will the gentleman yield?

Mr. BONKER. I yield to the gentleman from New Jersey.

Mr. COURTER. I thank the gentleman for yielding.

I agree that it is important and imperative to continue the President's authority. I am in full agreement with continuing the validity of the Export Administration Act until February or March or whenever is necessary. We cannot absolutely allow this thing to lapse.

But, indeed, I have one question. The gentleman indicated that it is an extension until toward the end of February. The gentleman said with one change and that had to do with that area of a legislative veto. I wonder if the gentleman would expound a little bit longer and explain that to me.

Mr. BONKER. I would be happy to. There are three major sections of the Export Administration Act that deal with export control authority. One deals with foreign policy, another deals with national security. This falls under the section on materials in short supply and it deals specifically with the export, or in this case, the ban on the export of Alaska North Slope oil.

The Congress approves the President's decision on Alaskan oil exports by a concurrent resolution, according to existing law, but that is not consistent with the recent Supreme Court decision. So we have to change that to a joint resolution.

But this does not at all relate to either the national security nor the foreign policy controls in the Export Administration Act.

Mr. COURTER. I thank the gentleman for his explanation.

Mr. BONKER. I thank the gentleman and appreciate his comments.

Mr. Speaker, I yield back the balance of my time.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNOUNCEMENT OF PENDING CONSIDERATION OF CONFERENCE REPORT ON H.R. 3385

Mr. DE LA GARZA. Mr. Speaker, I hereby give notice that under the rule I plan to bring up the conference report on the bill, H.R. 3385, as soon as practical.

The copies of the report may be found in the CONGRESSIONAL RECORD of yesterday.

CONFERENCE REPORT ON H.R. 2915, DEPARTMENT OF STATE AUTHORIZATION ACT, FISCAL YEARS 1984 AND 1985

Mr. FASCELL. Mr. Speaker, I call up the conference report on the bill (H.R. 2915) to authorize appropriations for fiscal years 1984 and 1985 for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, the Inter-American Foundation, and the Asia Foundation, to establish the National Endowment for Democracy, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the order of the House of November 15, 1983, the conference report is considered as having been read.

(For conference report and statement, see prior proceedings of the House of today, November 17, 1983.)

The SPEAKER pro tempore. The gentleman from Florida (Mr. FASCELL) will be recognized for 30 minutes and the gentleman from New York (Mr. GILMAN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Speaker, I will not presume on the time of my colleague this evening and I only do so because under the continuing resolution the moneys for the Departments covered by this authorization bill runs out tomorrow. These Departments are not covered by the continuing resolution. Therefore, it is essential to pass the authorization bill.

This conference comes back below the President's request. This conference is unanimous. And I commend it to my colleagues.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

Mr. Speaker, I would observe that the conference report contains what I regard as a helpful provision encouraging the continuation of current negotiations between the United States and Canada concerning the acid rain.

I observe it contains some findings which are, of course, not dispositive of these matters, which are not intended as having any effect on the negotiations or other matters, and which I do not fully agree with. But I have also observed that the legislation encourages continued negotiation. It does not require, however, any particular agreement, nor does it confer any substantive powers on any agency of the Federal Government. Is that correct?

Mr. FASCELL. The gentleman is absolutely correct. And the conferees were very careful to make sure that that was the case. This is simply expressing the sense of Congress on this problem and encouraging negotiations as the chairman says.

Mr. DINGELL. If the gentleman will yield further, I gather that it requires no particular form of agreement, nor does it require any particular action in any particular timeframe. Is that correct?

Mr. FASCELL. The gentleman is absolutely correct.

Mr. DINGELL. I want to commend the gentleman for this. I thank him for his kindness in yielding because with these assurances, I have no objection to such a sense of Congress, nonbinding statement. I myself have noted in recent correspondence with the Canadian Ambassador to the United States that such negotiations are quite proper and should be encouraged. They will help to spell out in concrete terms the actions Canada must take to reduce emissions from its huge SO_2 sources. Currently, we have only vague Canadian proposals that fail to spell out in any detail what the Canadians will do in future years while urging the United States to enact strict laws.

This bill makes it clear that flexibility remains in the United States and Canada, but urges that negotiations occur at some future date. That is sound and reasonable.

The correspondence that I mentioned earlier follows:

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, D.C., July 25, 1983.

Hon. KEITH C. NORTON,
Ministry of the Environment,
Minister, M.P.P. Kingston and the Islands,
Toronto, Ontario.

DEAR MR. NORTON: Thank you for your recent letter informing me about efforts in Canada to control acid deposition from some of the major sources of that nation.

According to your letter, I understand that from 1970 to 1980 total sulfur emissions in Ontario were reduced by about 50 percent, from 3.8 million tons to 1.86 million tons. In August 1980, Inco, which you describe as "the largest single point source of sulfur in North America", was ordered to reduce emissions from 3,600 tons per day to 1,950 tons per day "beginning this year". Also, you indicate that regulations have been imposed on Ontario Hydro to reduce emissions "by approximately 43 percent from 1980 levels by 1990, with an interim reduction by 1986". I also note your comment that Canadians have "chosen to put the emphasis on the end, and not on the means", citing use in Canada of large quantities of low-sulphur coal, hydro-electric power, and nuclear power, rather than scrubbers.

In order to better understand these matters and the history of Canada's efforts, I would appreciate your response to the following:

1. Did the Ministry of the Environment, in 1970, order Inco to reduce SO_2 emissions from 5,700 tons per day to 750 tons a day by the end of 1978? If so, please explain why that order was never carried out?

2. I understand that in 1975 your government gave consideration to reducing the Inco emissions to 1,500 tons per day by 1979, but the company resisted on the grounds

that it was not economically and technically feasible. Is that correct? What were these technical and economic problems?

3. Am I also correct in my understanding that in 1978 Inco was actually emitting 3,600 tons per day of SO2 and that your Government issued a permit authorizing this large annual emission? Please explain why your ministry, in effect, approved this actual limit at this time despite earlier directives to reduce these emissions below that limit.

4. I also understand that due to a poor market for its product, Inco, in early 1980, reduced its emissions to 2,500 tons per day. Did your government issue an order in May 1980 requiring Inco to reduce SO2 emissions to this level?

5. It is reported that in 1979 Inco said that it had developed a new process to reduce emissions by 25 percent. Did your government also issue an order in May 1980 requiring Inco to install this process and reduce emissions to 1,950 tons per day by December 31, 1982? Your letter states that an order was also issued in August 1982 requiring such a reduction "beginning this year". Is Inco in full compliance with both orders?

6. (a) In the case of Ontario Hydro, how many coal-fired plants are operated by the firm and where are they located?

(b) Is 1980 the base year for your regulation of SO2 emissions at this utility? If so, what were the total SO2 emissions of Ontario Hydro in 1980? What were they before that year?

(c) Your letter states that this utility will be required to reduce its emissions by 1990 by about 43 percent, with an interim reduction by 1986. What will be the interim reduction from the baseline? What are these reductions in tons?

(d) How many coal-fired generating units are operated by this firm? How many scrubbers are installed or planned for them? I understand that in 1981 Hydro announced plans to install scrubbers on two units. What is the status of those plans, including the timetable for installation?

(e) What orders have been issued to Hydro?

7. It is our understanding that there are other sulfur dioxide emissions sources in Canada, including Ontario. What are those sources? What are their emissions? What is being done to reduce them?

8. What were the total SO_2 emissions from all sources in Canada, including Ontario, in 1970 and 1980? What is the total planned reduction by 1990?

I ask these questions about Inco and Hydro because Ambassador Allan Gotlieb, in a June 9, 1983 letter to my colleague on this Committee, Congressman Thomas A. Luken, and you seem to leave the impression, at least, that Canadian and Ontario governmental actions have forced, through Government Regulation, which you call "the strongest legislative means available" to you, these reductions, while, in fact, they appear to be no more stringent than what Inco and Hydro had already undertaken voluntarily. In fact, unless my information is inaccurate, when stronger measures have been tried, the firms have successfully resisted. In short, unlike current legislative proposals in this country, the Canadian-Ontario actions are not technology-forcing or regulatory forcing actions. They seem to be consensus-type actions confirmed by a regulatory order.

I am not critical of that cooperation between government and industry. In fact, I applaud it because it recognizes technical and economic limitations, particularly at a time of economic distress. However, I am concerned that Canadians, including Ambassador Gotlieb, are less willing ten-year period you mentioned. Undoubtedly, more can be done but at great cost in dollars and jobs and without assurance of the benefits to be achieved?

Ambassador Gotlieb told Congressman Luken that at "no time has Canada asked the United States to cut back on emissions of SO_2 in the absence of at least equivalent Canadian efforts". While I welcome that statement, that was not my impression. In any event, before the United States can determine what is an equivalent effort by Canada, we must know the baseline for each country. Once that is established, it would seem possible that agreement could be reached on what is the equivalent effort of both countries that should be achieved and over what time period, taking into consideration the extent of the problem and the impact on the economy, including jobs, in both countries, rather than requiring one country to reduce its emissions by an arbitrary amount, such as 8 to 12 million tons by 1995. Indeed, I think that if any legislation in enacted to further cut such emissions in this country, it should expressly provide for such an agreement to ensure joint action.

In the meantime, the purpose of this letter is to obtain accurate information about your country's SO_2 emissions and control strategies.

Sincerely,

JOHN D. DINGELL,
Chairman.

CANADIAN EMBASSY,
Washington, D.C., August 19, 1983.

Hon. JOHN DINGELL,
Chairman, Committee on Energy and Commerce, House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. DINGELL: I have read your letter of July 25 to the Honourable Keith Norton of the Government of Ontario. I think the questions you raise are very understandable ones and while I will leave the questions you ask of Mr. Norton to his successor for reply (Mr. Norton has just recently been made Minister of Health in the Ontario Government and has been succeeded by the Honourable Andrew S. Brandt), I would like to make a couple of observations on your reference to recent correspondence I had exchanged with your distinguished colleague, Mr. Luken, with respect to Canadian efforts to deal with the costs of reducing sulphur emissions which could cause acid rain.

Up until recently, there has been frustration in Canada because Canadians accept the scientific evidence that there is a direct link between sulphur emissions in one part of the continent and acid rain in the others. We indeed accept that Canadian industries contribute to the acid rain problem in Canada and that in fact some of the SO_2 which is released in Canada causes acid rain in the U.S. But that being said, we are by a considerable margin net importers of acid rain from United States and scientific evidence does conclude sufficiently for Canadians that much of what we import tends to originate in the general area of the American mid-West. But we also accept entirely that this conclusion does not lead to the assumption that solutions are simple.

In particular, I wish to allay your impression that Canadians are less willing to be understanding of the current economic conditions of the mid-Western United States. We accept the very important point that it is indeed tough to see greater costs imposed on industries and on a part of the country which are having a difficult time of it in any case. We have something of a similar situation in Canada.

We do believe that solutions, however, can be worked out. We are very conscious of the need to take strong action in Canada. As you know, the action taken would need to be different from action in the United States, since the primary contributors in the United States are coal-fired electric generating plants, and different techniques are used in each case. Canada must also take into account the fact that further unilateral action will not be effective without comparably effective action in the U.S. just because of the long range transport implications of the problem.

In negotiations with the Administration, Canada proposed a joint rollback in sulphur emissions in the Eastern half of North America to achieve deposition levels of less than 20 kg/ha/yr of wet sulphate. This would have entailed significant costs for Canada. In the absence of agreement on this proposal, we are still going ahead with a unilateral 25% reduction of 1980 allowable limits by 1990. We of course hope that agreement can be reached soon with the U.S. for the somewhat larger reductions required to achieve the less than 20/kg/ha target.

Like you, we are deeply convinced of the need for joint action. Indeed, our approach to the problem has been centered on our perception of this need. So I am in broad agreement with the observation you make on this point in the concluding paragraphs of your letter to Minister Norton.

Again, I hope you will accept that Canada does not want acid rain controls to cause economic hardships. Canadians have suffered from the recession enough to appreciate the validity of that concern. But we are confident that significant emission reductions can be worked out without undue economic costs to already ailing industries and areas.

As you know, I am always available to you to discuss this and any of the other matters affecting Canada which your important responsibilities bring into your legislative purview. I, and the Canadian Embassy here, are entirely at your disposal.

Yours sincerely,

ALLAN GOTLIEB,
Ambassador.

COMMITTEE ON ENERGY AND COMMERCE,
Washington, D.C., September 8, 1983.

Hon. ALLAN GOTLIEB,
Ambassador, Canadian Embassy, Massachusetts Avenue NW., Washington, D.C.

DEAR AMBASSADOR GOTLIEB: Thank you for your August 19, 1983 letter informing me that Canada is satisfied that available scientific evidence shows "a direct link between sulphur emissions in one part of the Continent and acid rain in the others," the Canadian industries contribute to the acid rain problem in both countries, but that Canadians believe that much of the acid rain in Canada "tends to originate in the general area of the American mid-West." I note that the northeastern States also claim that emissions from the Midwest are the cause of acid deposition in that area as well.

Unfortunately, I am not as certain of the scientific basis for these statements as those in Canada and the Northeast appear to be, particularly given the distances from many

parts of the Midwest to the so-called sensitive receptor areas, considering the growing information about the contribution of local sources, and that some of the more significant polluters in Canada apparently are not now operating at full capacity. I am not yet convinced that a costly control program in the Midwest will assure mitigation and improvement of acid deposition in the receptor areas. I realize that any reduction of emissions could help, but the question is how much and at what cost and for what effect?

In this regard, I understand from the staff of the Department of the Interior's Geological Survey (USGS) release data and an analysis (based on 10-15 year water quality records) about to be released by that Agency shows that SO_2 emissions in the northeastern and northern midwest portions of the United States have decreased and that the chemical characteristics of the studied streams indicate decreased acid depositions. The USGS staff say that the USGS data shows increased SO_2 emissions in the Southeast and in most States west of the Mississippi. The USGS staff indicates that a reduction in emissions is helpful to waterways in the Northeast, but agrees that the data does not show where these reductions should take place in order to continue or accelerate this decline. The staff also agrees that this study shows that acid deposition is not unique to the area east of the Mississippi. Obviously, this study is not conclusive about anything. But it provides further evidence that what some assumed in the beginning of this decade in supporting legislation aimed at the midwestern U.S. may not be valid today.

Your letter also states:

"In particular, I wish to allay your impression that Canadians are less willing to be understanding of the current economic conditions of the mid-Western United States. We accept the very important point that it is indeed tough to see greater costs imposed on industries and on a part of the country which are having a difficult time of it in any case. We have something of a similar situation in Canada.

"We do believe that solutions, however, can be worked out. We are very conscious of the need to take strong action in Canada. As you know, the action taken would need to be different from action in the United States, since the primary contributors in the United States are coal-fired electric generating plants, and different techniques are used in each case. Canada must also take into account the fact that further unilateral action will not be effective without comparably effective action in the U.S. just because of the long range transport implications of the problem."

I welcome your recognition of the economic problems of the Midwest which, of course, includes severe unemployment in Michigan and other States of the region. Since, as you state, Canada has a similar situation you can appreciate our reluctance to embrace a costly acid deposition program when so many uncertainties still remain.

I am interested in your comment that the "action taken" in Canada "would need to be different from action in the United States" since you also have coal-fired generating plants in Canada. In fact, I believe some are fired by coal mined in the United States. I would appreciate clarification of your statement. Also, I would appreciate learning to what extent Canada or the Provinces plan to help finance controls imposed on SO_2 emission sources, like INCO. I understand that such firms do not believe they can be further controlled without such financial aid.

I am also interested in your comment that Canada believes it cannot take "further unilateral action . . . without comparably effective action in the U.S." The implication of this statement is that Canada has acted, but the U.S. has not taken action to control SO_2 emissions. I am confident that you are aware that the States have significantly reduced SO_2 emissions in accordance with the Clean Air Act.

I appreciate your advising me of the Canadian joint rollback proposal, which I gather is largely a target proposal or goal. Enclosed is my letter to the Environmental Protection Agency asking about that proposal and the status of negotiations. I might indicate that I am generally skeptical of goals or targets because translating them into control programs often proves difficult and costly.

Your letter also states that Canada is going ahead with a 25 percent reduction of 1980 allowable limits by 1990. Since you do not indicate what the 1980 limits are (i.e., the baseline), I cannot appreciate the significance of that statement.

Sincerely,

JOHN D. DINGELL,
Chairman.

CANADIAN EMBASSY,
Washington, D.C., October 5, 1983.

Hon. JOHN DINGELL,
Chairman, Committee on Energy and Commerce, U.S. House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. DINGELL: Thank you for your thoughtful letter of September 8, 1983 in which you discuss some of your concerns about acid rain control programs and ask some questions about Canadian efforts to deal with the acid rain threat. In the interest of achieving an understanding which will move our two countries closer to a cooperative effort in tackling this problem, I should like to comment on a few items in your letter and clarify some points about the Canadian situation.

I am aware that there are differences in the United States about the relative contributions to acid deposition of local and distant sources of SO_2. Although further research on this may provide more precision, we believe enough is known to begin to design and implement a control program. In this connection I should like to draw your attention to relevant data contained in the Work Group 2 report jointly prepared by American and Canadian scientists under the terms of the 1980 Canada-USA Memorandum of Intent on Transboundary Air Pollution. An analysis of this data shows that deposition reductions are most likely from emission reductions that occur within 300-600 kilometers from sensitive receptor areas. Nevertheless, strong upwind source regions can produce effects at distances of 1000 kilometers and more. I attach for your information a table setting out the results of such an analysis.

While the United States Geological Survey data you refer to may not show exactly where reductions should take place for a specific effect, it does confirm the efficacy of emissions reductions in reducing deposition and consequently in reducing damage to aquatic resources.

In your letter you raise the question of differences of national courses of action in dealing with the acid rain problem. Programs to abate SO_2 emissions in Canada will differ technically from those in the United States because of the overwhelming differences in the nature and importance of various emission sources. In Canada, nonferrous smelters account for over 40 percent of all SO_2 emissions and electric utilities for only about 15 percent. In the United States the situation is dramatically different: electric utilities are responsible for around 65 percent and non-ferrous smelters for only about 6 percent. Policies, priorities and regulatory mechanisms will also cause national approaches to differ. The only respect in which the programs need be compatible would be in achieving environmental objectives.

Financing of control programs will for similar reasons be specific to each nation. For your information, in Canada there are various industrial assistance programs available and once industries have decided how they will technically achieve further required emissions reductions, they can examine possibilities of obtaining benefits under these existing programs. The federal government is not contemplating any financing schemes directed specifically at SO2 abatement measures.

On the matter of SO2 abatement measures already taken by our two countries, I am of course aware that under your clean air act, substantial emissions reductions were achieved in the 1970s just as in Canada under our clean air act reductions of about 27 percent were made in the same decade. The unilateral action I spoke of in my letter referred to the additional SO2 abatement measures currently being undertaken in Canada specifically directed against aid deposition.

This acid rain related program consists of a 25 percent reduction of the 1980 allowable limit, which was 4.6 million tonnes for all of Canada east of the Saskatchewan border. Actual emissions in 1980 were slightly over 4 million tonnes. In view of periodic fluctuations due to economic conditions, reductions are based on allowable limits since they provide the only reliable benchmark against which further abatement can be measured.

I note your concern about the practicality of setting goals or targets and should like only to say that for long term environmental protection programs, we have not been able to devise a better method than establishing safe loading targets (in the case of acid rain, for wet sulphate). We firmly believe that a mutual Canada/United States commitment to the less than 20 kg/ha/yr (18 lbs/acre) target will provide the basis for safeguarding the sensitive ecosystems of North America from continued damaging acidification. We very much hope that a joint and effective emissions reduction program can be agreed upon in the near future.

I am attaching a copy of a paper we have prepared to explain the Canadian acid rain control program. I believe you will see ample evidence of a sincere commitment to deal with the problem. Please do not hesitate to be in touch or write if there are further matters you would wish to discuss.

Yours sincerely,

ALLAN GOTLIEB,
Ambassador.

RELATIVE CONTRIBUTIONS OF LOCAL AND LONG RANGE SOURCES TO WET SULPHATE DEPOSITION

(Percentages represent average contributions at nine sensitive receptor sites as predicted by the six models used by Work Group 2 (Atmospheric Sciences and Analysis) in preparing its final report under the

terms of the 1980 United States-Canada Memorandum of Intent on Transboundary Air Pollution).

Receptor	Local (<381 km)	Long range (>381 km)
Boundary waters	20	80
Algoma	35	65
Muskoka	25	75
Quebec	25	75
Southern Nova Scotia	10	90
Vermont/New Hampshire	20	80
Adirondacks	25	75
Pennsylvania	45	55
Smokies	50	50

COMMITTEE ON ENERGY AND COMMERCE,
Washington, D.C., November 1, 1983.

Hon. ALLAN GOTLIEB,
Ambassador, Embassy of Canada, Washington, D.C.

DEAR AMBASSADOR GOTLIEB: I appreciate receiving your letter of October 5, 1983 concerning Canada's efforts to control sulfur dioxide SO_2 emissions from Canadian based facilities. Unfortunately, I have not yet received a reply from the Ontario Ministry of the Environment to my letter of July 25, 1983, in which I asked specific questions about the sources of emissions and baseline data in Canada.

Without that response, it is difficult to comment on the document entitled "Acid Rain Control in Canada", which was attached to your letter, except to observe that making comparisons between Canada's Clean Air Act and that of the United States is very difficult because each law deals with stationary source emissions in a significantly different manner. As you note, mobile source emission limitations are "weaker in Canada" than those in the United States.

I point out that, according to your document, the Inco plant in Sudbury, Canada, (which is regulated under the Canadian law) continued to produce, on a daily basis, significant metric tons of SO_2 and that the real reductions at that plant only began to occur between 1975 and 1980. Even now that plant produces greater SO_2 emissions each day than any U.S. stationary source. According to the staff of the Office of Technology Assessment, in 1980 the Inco plant emitted over 893,000 tons of SO_2 per year. To the extent that Canadian and U.S. waterways have been adversely affected by acid precipitation, the cumulative effect of the Inco contribution over several decades undoubtedly was a significant source of that problem while many of the so-called offending sources in the United States today were not even in existence during all of Inco's lifetime.

Since receipt of your letter, United States and Canadian officials met in Halifax to discuss acid rain and other issues. I understand that at that meeting, the head of the Environmental Protection Agency (EPA), Mr. William D. Ruckelshaus, reportedly said that the Reagan administration's acid rain proposals will be delayed. According to the October 21, 1983 edition of Environment Reporter, Mr. Ruckelshaus stressed the complexity of the issue and cited four areas of controversy within the Administration which are: "scientific uncertainty, the question of the best strategy to reduce sulfur dioxide emissions, the issue of who pays for reductions, and the way in which the reductions should be administered." In explaining his dilemma, the article quotes him as saying:

"We have been through a lengthy analytical process and we are now bringing forward the results of that analysis for decision.

"It is a very controversial issue in our country and it divides the country along sectional lines and people feel very strongly about it. It is not surprising to me that it is taking us some time to resolve those controversies and attempt to come to some conclusion by the administration as to what their position should be.

"At every step of the way there is enormous complexity in this problem and a potential for dividing the country along sectional and economic lines that is much different than the kind of controversy that usually surrounds these pollution issues."

I am not surprised at Mr. Ruckelshaus' comments. The issue is far more complex than he may have realized when he embarked on a detailed review of the matter early in the summer. I share his view that "solutions," both in and out of Congress, that target one region of the United States for the benefit of another are divisive and will create economic disadvantages for the States in the targeted region that cannot be tolerated by most elected officials or their constituents in that region, particularly in times of economic distress.

Just as importantly, such a solution would be inconsistent with the Clean Air Act which embodies a national, not a regional, approach to controlling air pollution. That is why I have consistently urged a nationwide approach in the United States and in Canada. Acid rain is not unique to the eastern United States or to eastern Canada. It is a nationwide phenomenon, although not fully understood anywhere. SO_2 emissions in the western half of both countries are no less important than those in the eastern half, although they have received less attention in both countries.

Despite this, I recognize that some in the United States oppose a nationwide proposal such as H.R. 3400, particularly if it involves money. One group in this category appears to be the western Governors. The Governor of Oregon said in a September 27, 1983 letter to the Governor of Colorado: "Probably the most important issue directly centers on the location of the problem and those that are being asked to solve it. Acid rain damage has been a problem primarily on the east coast and Canada. The major source, sulphur dioxide pollutants, as we all know, are the coal-fired utility boilers located in Ohio and the Tennessee River Basins. A national bailout to assist polluting facilities and those areas that will benefit should be put into perspective. All the lower 48 States, regardless of their contribution to the acid rain problem, would be asked to contribute to the trust fund to pay part of the cost of cleanup. The proposal would only primarily finance cleanup in the East, other legislation would spend the entire national trust fund in 13 States, chiefly in the industrial Northwest."

Governor Schwinden has written you on this same subject. Governor Evans and Governor Spellman also feel strongly. They are faced with a similar and thorny problem of financing for the WPPSS plants. Costs associated with that endeavor range from $1 to $2¼ billion, similar to figures under discussion in the acid rain legislation. I see no real difference in the magnitude of the problem, certainly those affected, both bondholders associated with WPPSS, who to a great extent, were innocent parties and those who must bear the acid rain fallout associated with coal burning plants.

I suggest that they both deserve equal treatment before Congress and if sharing nationwide is acceptable for an acid rain solution, it should also be acceptable for a WPPSS solution.

I know you believe that enough is known to begin to design and implement a control program, but not everyone is as confident in the research or the meaning of the relevant data produced by U.S. and Canadian scientists as you are. Certainly my skepticism has not been lessened by a review of the results of the report to my colleagues, Representatives Fuqua, Scheuer, and Lloyd, by the National Laboratory Consortium of its review of the recent findings of the National Academy of Sciences National Research Council (NRC) in its report entitled "Acid Deposition: Atmospheric Processes in Eastern North America." The Consortium response included several criticisms of the NRC findings which appear to reveal a genuine conflict on this issue among the scientific community. Specifically, the National Lab reviewers questioned the principal conclusion of the NRC report regarding the linearity of emissions and deposition; the adequacy of the modeling; and the use by the NRC of the Hubbard Brook data as the almost exclusive basis for the conclusions of the panel. While the NRC report is being cited by many as providing a scientific basis for Congress to act in further controlling sulfur dioxide emissions, these criticisms suggest that some caution in this regard is appropriate.

According to Environment Reporter, Mr. Ruckelshaus said he needed more time before he could present options to the President and that he hoped to resolve this issue before the 1984 elections. Given the fact that the legislative days remaining in this session of the 98th Congress are few and that there still remain a number of other issues to be resolved for a comprehensive Clean Air Act bill (which we are discussing), such as hazardous air pollutants, mobile sources, sanctions, and other stationary source issues, I think he will have that time. Presumably, he could then embark on negotiations with Canada to achieve a joint program which Congress could implement to the extent needed. Incidentally, the Oversight and Investigations Subcommittee which I chair will hold oversight hearings on November 7 on the hazardous air pollutants issues.

Your letter again mentions Canada's 20 kg/ha/yr (18 lbs/acre) proposal, but again without any details. I have not received a reply to my September 8 letter to the EPA asking about the implications of that proposal. Thus, I cannot comment on it at this time.

With best wishes,
Sincerely,

JOHN D. DINGELL,
Chairman.

COMMITTEE ON ENERGY AND COMMERCE,
Washington, D.C., September 8, 1983.

Hon. WILLIAM D. RUCKELSHAUS,
Administrator, Environmental Protection Agency, Washington, D.C.

DEAR MR. RUCKELSHAUS: Almost daily various publications reporting on activities of your agency comment about the progress of your review of the acid deposition issue and about the status of recommendations for resolution of this question. It is my understanding, however, that you have not reached any conclusions and are still considering the matter, pursuant to the president's charge that you examine this issue

and report to him. I understand that this review will, at a minimum, examine whether or not there is sufficient information to warrant a control program, and, if so, the extent to which such a program could affect receptor areas, the scope of any such program, the cost of any such program to ratepayers, and the need for cost sharing. I presume that, to the extent you believe any comprehensive control program is justified, it will be a national program, although I understand you are also considering a limited demonstration or target program. I commend you for this effort and look forward to your report.

I am, concerned about several aspects of this review.

First, there appears to be a misconception that recommendations for resolution of the acid deposition issue (if such resolution is possible) will enable the Congress to move swiftly on Clean Air Act legislation in this Congress. But, as you know, there are a number of other controversial issues relative to the stationary and mobile source provisions of the act, including the hazardous air pollution provisions, which must also be addressed in any consideration of amendments to the Act. I am uncertain as to the Administration's position concerning these other issues. Do you plan to address them when you report to the President on the acid deposition issue or will you do so at a later date?

Second, several years ago the United States and Canada entered into a Memorandum of Intent concerning transboundary air pollution. I understand that several joint working groups were established to examine the acid deposition problem and that there have been periodic talks with Canada concerning this problem. I further understand that both countries agree that the problem is not unique to either country and that if controls are required, they will be required in both countries. In this regard, Ambassador Allan Gotlieb of Canada recently wrote to me that in its "negotiations with the Administration, Canada proposed a joint rollback in sulphur emissions in the Eastern half of North America to achieve deposition levels of less than 20 kg/ha/yr of wet sulphate." He added that this proposal "would have entailed significant costs for Canada."

1. When did these negotiations begin?

2. Please provide a list of the persons representing the United States and Canada (and their affiliation in government) who have participated in these negotiations, indicate the period of each person's participation, and identify the head of each delegation. Also, please provide a chronology of these negotiations.

3. What is the status of the negotiations?

4. When did Canada make the above proposal? What are the details of the proposal? How would such a general proposal be implemented in both countries? What is the technical and scientific basis for this proposal? What is the estimated cost of this proposal for each nation? What was the U.S. response to this proposal? Why was the proposal limited to the eastern half of North America? Will Canada or its Provinces subsidize the controls adopted in Canada?

5. In writing to me, Ambassador Gotlieb was commenting on my July 25, 1983 letter to the Ministry of the Environment for the Province of Ontario in which I asked several questions about the efforts of Canada to control SO_2 emissions from stationary sources in Canada. I also asked for certain baseline information so I could better understand the extent to which Canada has controlled this problem. I have not received a reply to my inquiry as yet. Enclosed is a copy of my letter. I would appreciate your reviewing these questions and indicating to me to what extent your agency has information concerning the matters raised by the questions, particularly questions numbered 5, 6, 7, and 8.

6. Does the United States anticipate entering into an agreement or treaty with Canada concerning the acid deposition issue? In this regard, Ambassador Gotlieb said that in the "absence of agreement" between the two Nations, Canada will go ahead with "a unilateral 25 percent reduction of 1980 allowable limits by 1990." (He does not state what the 1980 limits were or what they were prior to 1980.) I share the view implied by the Ambassador that absent an agreement neither country should proceed unilaterally toward the costly "less than 20 kg/ha/yr of wet sulphate" cutback or any other cutback. I therefore am interested in learning to what extent your forthcoming report to the President and the Congress will be contingent on reaching agreement with Canada, not only for Eastern North America, but for all of North America.

7. For comparison purposes, please provide a table showing allowable SO_2 limits for each State in the United States for 1970 and 1980? Please indicate any change in those limits since 1980.

8. Enclosed is an August 10, 1983 document prepared by a Cleveland, Ohio, law firm and provided to me. The document (pp. 23-26) is critical of Canadian efforts. Please review those comments and indicate whether or not you agree with them.

9. That same document states in footnote 71 that several New England States increased their SO_2 emissions substantially from 1976 to 1980. Is that true? If so, what is the cumulative impact of those increases on the issue of acid deposition? The document also states that New Hampshire is asking your agency to approve the doubling of its sulfur-in-oil limitation. Is that true? If so, what is the basis for this request, particularly in light of efforts by that State to force by legislation a cutback in emissions in Midwestern States and in light of growing evidence that local sources contribute significantly to the problem?

I am also concerned about reports that the EPA studies show that the justification for an acid deposition control program may hinge, at least in part, on the health and visibility benefits to be achieved. I think that justifying a costly program even partially on those grounds would be misleading to the public, particularly since there is already ample authority under the law to deal with those concerns if necessary. I hope you agree.

Enclosed is a copy of an August 24, 1983 letter to the Council on Environmental Quality that comment on some recent publications on the acid deposition issue. I would appreciate your reviewing the enclosures and providing your comments thereon to me. I am particularly interested in your comments on enclosures 1 and 5, which are critical of Federal agency reports or studies, including one apparently prepared under contract with your agency. Please identify that contract, its purpose, and cost and indicate to what extent the EPA believes that the study is sound. If the criticisms set forth in enclosure 5 are accurate, I am concerned about your agency's quality review of EPA-contracted studies prior to paying for the study. I request an explanation.

I request your reply to the above matters by September 30, 1983.

Sincerely,

JOHN D. DINGELL,
Chairman.

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., November 8, 1983.

Hon. JOHN D. DINGELL,
Chairman, Committee on Energy and Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This letter will attempt to respond to the numerous questions which you have raised in your letter dated September 8, 1983 regarding the Environmental Protection Agency's (EPA) progress on our review of the acid deposition issue.

As you know, I established a senior level task force to propose options for resolving the acid deposition problem and am currently reviewing those options with other members of the Administration. I expect to recommend a course of action to the President which will take into account a range of least-cost solutions as well as mandated controls. I am striving to design a cost-effective program that will not unduly harm any sector of the country.

I share your view that acid deposition recommendations will not end the debate on the Clean Air Act, nor am I convinced that they should. I have directed my staff to explore a number of possible options for potential changes to the law. I have not decided yet whether to submit a legislative package at all, or, if we do so, what form such a proposal might take. However, I am increasingly convinced that certain changes may be necessary and/or desirable, and I expect to make a decision soon on recommendations to the Congress.

With regard to negotiations between the United States and Canada concerning transboundary air pollution, a Memorandum of Intent on Transboundary Air Pollution (acid rain), was signed by the United States and Canada in August 1980, and it called for formal negotiations to begin by June 1981. The first negotiating meeting was held in Washington, D.C., on June 23, 1981. The session concentrated on a review of the progress of technical studies underway by joint Work Groups formed under the Memorandum of Intent. The negotiators next met on November 6, 1981 in Ottawa. At the second session, the United States provided technical papers on past U.S. air pollution control efforts and introduced an outline text of a United States-Canada agreement as a basis for discussion. Canada introduced a paper on essential elements of an agreement, also as a guide to negotiations.

The third negotiating session took place in Washington D.C., on Februry 24, 1982. Canada tabled an agreement text and proposed that the United States join Canada in 50 percent reductions of sulfur dioxide emissions in both countries. The Canadian proposal had been announced to the press prior to the meeting. The fourth negotiating session took palce in Ottawa on June 15, 1982. At that time the United States took the position that the Canadian 50 percent reduction proposal was premature, given the significant uncertainties in scientific understanding of acid rain, but indicated it would be prepared to consider the Canadian proposal at a later time as the science picture clarified. Canada expressed considerable disappointment at the U.S. response.

Secretary Shultz and Canadian Foreign Minister MacEachen took up the transboun-

dary air pollution issue in their first meeting in Ottawa, October 24-25, 1982. Expressing a desire to move the negotiations forward, they agreed to an exchange of papers on the key issues of scientific uncertainty and abatement options. The papers were exchanged in January 1983 and were discussed at a working level meeting in Washington D.C., on February 25, 1983. The Secretary met again with MacEachen on April 11, 1983.

Secretary Shultz and Foreign Minister MacEachen met in Halifax on October 16-17, 1983, for discussions which included the air pollution issue. It is our expectation that an administration policy decision on the issue will be made in the coming weeks, and that on this basis the negotiations with Canada can be reactivated.

I have enclosed a list of the delegations for each of the negotiating sessions. These indicate the participation of the various United States and Canadian representatives, and their agency affiliation.

The ongoing Canadian negotiations with the United States that Ambassador Gotlieb referred to in his letter were conducted orally on February 24, 1982. The Canadian 50-percent reduction proposal was based on a Canadian federal-provincial recommendation to achieve a loading target of 20 kg/hectar/year of wet sulfate in order to protect threatened resources. The date for achievement of the reduction was to be 1990. Commenting on how the reduction might be carried out, Canadian representatives suggested that each country develop its own control programs which might include various technologies, use of low sulfur coal and alternative sources of electricity. The discussions did not include specific implementation plans.

Because the uncertainty in our deposition models is large, we do not know precisely what emission reductions are necessary to achieve a 20 kg/ha/yr wet sulfate deposition target. However, we believe the following figures based on our deposition models are reasonable estimates of probable costs to achieve such a goal: the annual cost in the United States would be approximately $4 billion for a 40-percent reduction in SO_2 emissions coming from utility and industrial sources in the East. The annual cost in Canada would be approximately $0.7 billion for a 50-percent reduction in SO_2 emissions coming from utility and smelter sources in the East.

Following your January 12, 1983 letter to then EPA Administrator Gorsuch, in which you asked about Canadian requirements for emissions reductions at Ontario Hydro and INCO, we received the following information via our Embassy in Ottawa which was passed on to your staff in March.

INCO.—Under Ontario Provincial Government Regulations, INCO will be expected to have lowered its emissions to 1950 tons/day by the end of 1983. Likewise, Falconbridge (the second largest Canadian nickel-producing company) is under order to lower emissions to 230 tons/day by the end of the year. Because of production cutbacks, Federal Environmental officials expect INCO's emissions to be well below 230 tons/day.

Ontario Hydro.—Ontario Hydro is currently under regulation requiring it to achieve, by 1986, SO_2 emissions from the entire system no higher than 390,000 tons/year. Combined SO_2/NO_x emissions have been limited to 450,000 tons/year. Low NO_x burners are now being installed and tested by Ontario Hydro. Because its load-growth has decreased substantially from the 3.2-percent level predicted to be maintained through 1990, to the current 1.9-percent level, the use of thermal power (the chief source of pollution) will also drop noticeably. Canadian Federal environment officials expect Ontario Hydro to meet and exceed emission standards set for it by 1986. In addition, the Ontario Provincial Government told Ontario Hydro that it would take appropriate measures should the company's emissions show signs of increasing.

As we indicated earlier, INCO has reduced emissions as required. What we do not know, however, is how much the reduction is due to its lengthy shutdown.

I do anticipate the United States entering an agreement or treaty with Canada concerning the acid deposition issue. In the 1980 Memorandum of Intent, the United States and Canada reiterated their July 1979 undertaking to develop a "cooperative bilateral agreement on air quality" which would deal effectively with transboundary air pollution. The 1980 Memorandum of Intent states the intent of the two countries to develop and conclude that agreement as soon as possible.

Some of the acid rain options now being considered within the administration require commensurate reductions by Canada to be fully successful. A major national control program with a goal of 20 kg/ha/yr would also require such reductions. Research objectives and reductions designed to achieve a specific emissions reduction rather than a deposition rate would be less dependent upon Canadian reductions. However, in all cases significant Canadian reductions would be highly desirable.

It is my firm belief, based on past efforts of this administration to carry on negotiations with Canada, that an agreement with Canada to deal with the acid rain problem depends in major part on resolution of U.S. national policy to deal with the problem. This is also the view of the State Department which has chaired these discussions with Canada.

You have also asked for a table showing allowable SO_2 limits and any changes in those limits for each State in the United States for 1970 and 1980. In many States, the SO_2 limits are set source-by-source and in order to respond to your question, we would have to document operating permits for individual facilities. Also, in 1970, for example, there were no State implementation plans; therefore, we would have to return to each State to ask for its available information. These information-gathering efforts would consume major resources.

We are, however, in the process of compiling information on emission rates per State and we would like to share a portion of that information with you. I have enclosed a list of average utility emission rates per State as of 1980. These are emission rates for utility boilers in 31 Eastern States. In 1980, emissions from utilities represented over 70 percent of the SO_2 emissions in this area of the country. Except for New England, where emissions per State are low, these rates reflect the relative level of control among States in that year. There have been some changes in SO_2 allowable levels since 1980, and we are also currently compiling that information. We will forward that information to your staff as it becomes available.

I realize that I have not fully responsed to all of the questions that you raised in your letter; however, the remaining questions will require additional analysis by my staff. Consequently, I have asked my staff to put together all the remaining information in response to your questions as soon as possible. I expect to reply further on this matter in the near future. I am prepared to work with Congress to fashion a reasonable and effective response to the issue of acid deposition and welcome your support in that effort.

Sincerely yours,

WILLIAM D. RUCKELSHAUS.

Utility sulfur dioxide emission rates: 1980 and after option III controls

[1980 Emissions Rate (lbs. $SO_2/10^6$ Btu)]

Region I:	
Connecticut	0.44
Maine	1.53
Massachusetts	1.70
New Hampshire	2.38
Rhode Island	0.85
Vermont	1.95
Region II:	
New Jersey	0.90
New York	1.44
Region III:	
Delaware	1.25
Maryland	2.21
Pennsylvania	2.49
Virginia	1.42
West Virginia	2.84
Region IV:	
Alabama	2.28
Florida	1.73
Georgia	2.81
Kentucky	3.77
Mississippi	1.23
North Carolina	1.52
South Carolina	1.98
Tennessee	3.60
Region V:	
Illinois	2.76
Indiana	4.33
Michigan	2.02
Minnesota	1.42
Ohio	3.93
Wisconsin	3.43
Region VI:	
Arkansas	0.48
Louisiana	0.09
Region VII:	
Iowa	2.22
Missouri	4.70

Attached are lists of United States and Canadian Delegations for the bilateral four negotiating sessions and one working meeting held to date: June 23, 1981, Washington; November 6, 1981, Ottawa; February 24, 1982, Washington; June 15, 1982, Ottawa; February 23, 1983, Washington.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding.

The money for the Endowment for Democracy, when the bill was before the House——

Mr. FASCELL. Yes; I can answer the gentleman's question.

Mr. KAZEN [continuing]. The House took the money away from the political parties. What did the conference do?

Mr. FASCELL. The conference agreed to remove the earmarking, I will say to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this conference report.

As the ranking Republican on the Subcommittee on International Operations which has jurisdiction over the measure, and as a member of the conference committee, I wish to associate myself with the remarks of the chairman of the subcommittee, my distinguished colleague, the gentleman from Florida (Mr. FASCELL).

I believe the proposal before us will help us to effectively promote U.S. foreign policy interests.

I commend my colleagues who served with us on the conference for their efforts to conclude this agreement. And I urge my colleagues in the House to support the conference report.

Mr. Speaker, I yield to the gentleman from Florida (Mr. FASCELL) for the purpose of a colloquy.

Mr. Speaker, I would like to ask the gentleman from Florida a question.

It is my understanding that the charter of the Advisory Commission on Public Diplomacy would permit oversight of the National Endowment for Democracy and its relationship with the U.S. Information Agency. Is my understanding correct.

Mr. FASCELL. The gentleman is correct. There is certainly an appropriate role for the U.S. Advisory Commission on Public Diplomacy in assessing the activities of the National Endowment for Democracy. The Commission is an independent, bipartisan Presidentially appointed body created by the Congress to conduct a continuing overview of the U.S. Information Agency.

I believe that the Commission can, consistent with its charter, contribute usefully to the oversight of the endowment and its relationship with the USIA.

The Commission's role would be advisory and in the exercise of its oversight would have no authority or operational responsibilities with respect to the endowment.

However, I believe that Commission oversight will help to maintain the broad bipartisan support and national consensus that will be essential to success.

Mr. GILMAN. I thank the gentleman for his explanation.

Mr. FASCELL. Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I rise in support of the conference report on H.R. 2915.

At the outset, I want to commend the gentleman from Florida (Mr. FASCELL), who chaired the committee of conference, and the gentleman from New York, the ranking member of the Subcommittee on International Operations, Mr. GILMAN, for their outstanding efforts to bring this long, arduous, and often contentious conference to a successful conclusion.

Although the primary purpose of this legislation is to authorize appropriations for the Department of State and related agencies, the Senate amendment contained extraneous provisions which should have been addressed in other authorization bills. The House conferees, however, were able either to delete these provisions or to make appropriate modifications in most of these instances.

Mr. Speaker, the gentleman from Florida has ably explained the provisions of the conference report. I would only note that the original Senate amendment contained a provision amending the War Powers Resolution which would have deleted the current procedure for concurrent resolutions directing the withdrawal of U.S. Armed Forces from hostilities abroad and would have substituted a joint resolution procedure. The House conferees opposed this amendment to existing law on the grounds that such an action would be unwise at this stage.

In conference, the Senate receded from its position on amending the War Powers Resolution. The conferees did agree, however, to a Senate proposal to establish expedited procedures in the Senate for the consideration of a bill or joint resolution directing the withdrawal of U.S. Armed Forces from hostilities abroad in the absence of a declaration of war or specific statutory authorization. I would emphasize that this provision does not amend the War Powers Resolution in any way nor does it affect in any way the procedures and rules of the House for consideration of such measures.

Mr. Speaker, these authorizations are urgently required to enable the Department of State and other executive foreign affairs agencies to continue operations. I urge the adoption of the conference report.

I thank the gentleman from Florida for yielding.

□ 2130

Mr. MADIGAN. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Illinois.

Mr. MADIGAN. I thank the gentleman for yielding.

Mr. Speaker, I would like to very briefly pursue a colloquy with the gentleman concerning the acid rain provisions that have been put in this bill.

I understand that those provisions state that the Canadians have brought about a 50-percent reduction in sulfur dioxide emissions in Canada.

Is it my understanding that the committee in the report takes no position on how that reduction has been brought about, that in fact that may be a reduction that has occurred as a result of an economic slowdown in Canada?

Mr. FASCELL. I am sorry, but the committee did not take a formal position on the matter because we felt that other committees of jurisdiction should be involved in these decisions.

We insisted, therefore, in making this simply a sense-of-Congress statement which the other body insisted on.

Mr. MADIGAN. If I may pursue it for just a moment, in the findings I believe that it states that the Canadians have brought about a 50-percent reduction.

Mr. FASCELL. It reads this way:

> The Government of Canada has made a formal offer to reduce eastern emissions of sulfur dioxide by 50 percent by 1990.

Mr. MADIGAN. I thank the gentleman for that clarification.

And if I may pursue this one step further, it is my understanding that the language merely encourages the administration to engage in negotiations with the Canadians but sets forth no guidelines as to what those negotiations should be, nor any timetable for their completion.

Mr. FASCELL. The gentleman is absolutely correct. And, furthermore, I will restate again that while there is obviously a foreign policy component involved in this kind of negotiation, there is obviously a direct question of the committees of authorization that have jurisdiction over the issue.

Mr. MADIGAN. I thank the gentleman for yielding.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from California.

Mr. DANNEMEYER. On that point that my colleague, the gentleman from Illinois has talked about, could the gentleman enlighten the membership as to what the particular reason was for inclusion of language relating to acid rain in this particular authorization bill? Why was that added in the Senate?

Mr. FASCELL. Well, there were several Members of the other body who were trying to write legislation in this bill that we thought was improper, and the best way we could get a conference was to insist that it not be legislation, that it be made a sense of Congress, and give everybody else who is interested an opportunity to pursue the matter. And that is the reason we did it this way. It was in our judgment the best way we could eliminate a very difficult problem.

Mr. DANNEMEYER. In the findings that are in the legislation—I think the gentleman has a copy on his desk—there is a reference made to the relationship, that is, the proximate cause, between acid rain and the impact on the environment. Is there some reference to that?

Mr. FASCELL. It says it is believed to have caused x number of dollars in

damage in natural and man-made materials, et cetera.

Mr. DANNEMEYER. There is a serious scientific question on that very point.

Mr. FASCELL. I understand. The gentleman is correct. I am aware of the serious distinction that exists.

For example, in another capacity, I will say to the distinguished gentleman, I insisted and supported the kind of study that was required by U.S. scientists and Canadian scientists, to see if they are even talking the same language. And the last I heard, they spent 3 years on that; and I am not sure they have reached an agreement on it yet.

So we tried to be as general in this as possible by saying it is the sense of the Congress, not to bind anybody to anything.

Mr. DANNEMEYER. If we adopt this conference report with this language in it, are we not running the serious risk that in future debates over this issue, one side or the other is going to point to this language as a congressional finding of proximate cause of the relationship between emissions of pollutants from our powerplants in the Middle West and acid rain?

Mr. FASCELL. The gentleman is probably correct, unfortunately. That happens around here all the time. And people will pay no more attention to that than they have to the stuff in the past.

Mr. DANNEMEYER. I thank the gentleman for his observation and the perception that he gives to the language.

Mr. FASCELL. I understand the gentleman's point. The gentleman's point is well taken. But we tried to water it down as far as we could to give all of the committees a chance to get into this matter on their own.

Mr. DANNEMEYER. I thank my colleague.

● Mr. FRENZEL. Mr. Speaker, this is one of the best authorizations the House has seen this year because it is under the administration request, and is a very small increase over last year.

However, I shall vote over against it because I believe authorizations for administrative functions at a time of fiscal crisis ought to be at most no more than the previous year and preferably should be less.

The appropriation has already been passed so the consideration of this bill is mostly academic. My vote is intended to call attention to the enormous Federal deficit which I consider to be our No. 1 problem.●

The SPEAKER pro tempore. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. STANGELAND. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, further proceedings on this question will be postponed. The vote will be taken tomorrow.

The point of no quorum is considered withdrawn.

REPORT ON RESOLUTION PROVIDING PROCEDURES DURING CONSIDERATION OF H.R. 3959, SUPPLEMENTAL APPROPRIATIONS, 1984

Mr. LONG of Louisiana, from the Committee on Rules, submitted a privileged report (Rept. No. 98-565) on the resolution (H. Res. 379) providing procedures during the consideration of the bill (H.R. 3959) making supplemental appropriations for the fiscal year ending September 30, 1984, and for other purposes, which was referred to the House Calendar and ordered to be printed.

ANNOUNCEMENT OF PENDING CONSIDERATION OF CONFERENCE REPORT ON 1984 DEFENSE APPROPRIATIONS

Mr. ADDABBO. Mr. Speaker, I wish to announce to the House that the conference committee report on the 1984 defense appropriations bill will be ready at 9 o'clock tomorrow morning.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3795

Mrs. JOHNSON. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 3795.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Connecticut?

There was no objection.

CONGRATULATING LECH WALESA ON BEING AWARDED THE 1983 NOBEL PEACE PRIZE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the Senate concurrent resolution (S. Con. Res. 76) to congratulate Lech Walesa, leader of the independent Polish trade union Solidarity, on being awarded the 1983 Nobel Peace Prize, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. LAGOMARSINO. Mr. Speaker, reserving the right to object, I want to express my earnest support for the passage of Senate Concurrent Resolution 76. This resolution recognizes the inspiring and courageous example of Lech Walesa's leadership in the Solidarity movement in its efforts to peacefully obtain real freedom to organize and participate in meaningful labor unions in Poland. Those rights are guaranteed in the Universal Declaration of Human Rights and the Helsinki Final Act.

Lech Walesa sought these important, fundamental workers rights through peaceful organization, labor action, and negotiation, in spite of official threats, intimidation, and physical detention. For his role in founding and leading this peaceful, and surprisingly effective, effort to obtain the rights of freedom to organize and engage in collective bargaining, Lech Walesa has been awarded the Nobel Peace Prize.

Senate Concurrent Resolution 76 recognizes this honor, calls upon the Polish Government to facilitate Mr. Walesa's attendance at the Nobel awards ceremony and his safe return to Poland, and it calls for continued international support for free trade unions and the promotion of human rights and freedoms to secure universal peace. This resolution deserves the support of every Member of this House.

Mr. Speaker, I withdraw my reservation of objection.

Mr. CONTE. Mr. Speaker, I rise in strong support of Senate Concurrent Resolution 76, a concurrent resolution congratulating Lech Walesa for being awarded the Nobel Peace Prize. The resolution also commends the Nobel Committee for its selection of the man "who has played a fundamental role in establishing and leading Solidarity through peaceful methods * * * even in the face of persecution and imprisonment." Finally, the resolution requests the Polish Government to facilitate Walesa's attendance to the award ceremony and to guarantee his safe return to Poland.

Mr. Speaker, few individuals in the world today have done more to advance the noble goals of peace and human rights than Lech Walesa. The Nobel Committee should be commended for its choice of the man who founded the labor movement, Solidarity, in Poland. Mr. Walesa has taught the members of his union to strive for basic rights that should belong to all of mankind: freedom to assemble, freedom to work for decent wages, freedom to petition for a redress of grievances. Despite persecution, imprisonment, constant harassment, and the "dissolution" of Solidarity, Lech Walesa has continued to lead the members of his union for the accom-

plishment of these basic human rights.

Shortly before he was imprisoned in Poland over a year ago, Lech Walesa spoke of the "wheat that grows on the stones," of how brutal repression only seems to strengthen the hope and hunger of those who long for freedom. He said of Poland's government, "Our souls contain exactly the contrary of what they wanted. They wanted us not to believe in God, and our churches are full. They wanted us to be materialistic and incapable of sacrifice; we are antimaterialistic and capable of sacrifice. They wanted us to be afraid of the tanks, of the guns, and instead we do not fear them at all."

In those words, Mr. Speaker, we see that Lech Walesa certainly deserves this award for he is, in a very real sense, the soul of the Polish people. He is a symbol of human rights and freedom of speech and thought for all of the world. By commending him today, we reaffirm our commitment to these ideals, and we express to the world our hope that someday the blessings of which Lech Walesa speaks will be a reality for all people.

● Mr. BROOMFIELD. Mr. Speaker, let me take this occasion to offer my support of Senate Concurrent Resolution 76. This concurrent resolution was recently agreed to by the other body. It offers our congratulations to Mr. Lech Walesa for winning the 1983 Nobel Peace Prize.

As all of you know, the recent decision by the Nobel Committee is both appropriate and timely. Free men everywhere can rejoice in knowing that the tremendous contributions of this man to liberty and the right to organize are finally being recognized.

I also salute the wonderful people of Poland. Mr. Walesa is the first Polish national to win this coveted prize.

As all of you know, Lech Walesa became a strike leader at the Lenin Shipyard. Fired for his attempts at labor organizing in 1976, he helped to found the Baltic Free Trade Unions Movement. In 1981, the Polish Government granted workers the right to form independent unions. Mr. Walesa had to steer a difficult course between moderation and the militancy demanded by other leaders of Solidarity. He won many gains for the Polish workers and the Polish people. The work week was reduced. Workers won a say in the management of their factories.

Walesa struggled to win and keep workers' rights. His battle can be characterized by two words: negotiation and cooperation. Although later threatened, intimated, and detained for nearly a year, Mr. Walesa continued to struggle for the benefit of the Polish people.

As we all know, Solidarity's success was short lived. With Soviet armored units on the Polish border, a new government was installed in Poland. The Soviets felt threatened by this rebirth of freedom. They had to put an end to the Polish success story. Solidarity was banned and the hopes of over 9 million union members were banished.

I am certain that all of us in this Chamber and all free men can rejoice in knowing that Mr. Walesa's contributions have been recognized. His struggle was our struggle. His goals and dreams were our dreams. Try as they may, the forces of totalitarianism cannot break the spirit of freedom-loving men. I call upon my colleagues to support this concurrent resolution and offer our hardy "well done" to Lech Walesa.●

● Mr. CORCORAN. Mr. Speaker, I rise in support of Senate Concurrent Resolution 76, congratulating Lech Walesa as the 1983 Nobel Peace Prize, winner and commending the Nobel Committee for its selection. Surely this choice was a noble one, and represents the great accomplishment of both the man and the Polish people for whom he has spoken both individually and through the outlawed Solidarity trade union.

Lech Welesa's award marks the contrast between the free world and the totalitarian East; we reward peaceful expression of human rights and freedoms while the Soviets and their satellites repress and punish these pursuits. It is particularly fitting, then, that Senate Concurrent Resolution 76, in addition to congratulating the Nobel winner, also calls on the Polish Government to facilitate his attendance at the award ceremony and his safe return to Poland.

In a related measure, I introduced on June 16 House Joint Resolution 299, making Lech Walesa an honorary American citizen. I am informed that the press in Poland is well aware of my resolution and what it represents—the concrete support of the U.S. Congress for Lech Walesa's peaceful freedom fight. I hope this peace prize and today's recognition of his achievement will serve as a catalyst to my colleagues to strongly support House Joint Resolution 299 conferring honorary citizenship on this most deserving man.●

● Mr. YATRON. Mr. Speaker, I rise in strong support of Senate Concurrent Resolution 76, Lech Welesa's being awarded the Nobel Peace Prize acts as both a tribute to this peaceful and determined hero, and an incentive to those struggling to further human rights throughout the world.

Mr. Walesa attracted the eyes of the world to the plight of the Polish worker. We watched as he waged war without violence against the repression being leveled at his countrymen by the Polish Government. He was clearly visible to us in midst of his supporters who cheered him, and amid his oppressors who attempted to denigrate him. Through all of his endeavors, Mr. Walesa never stopped showing us his courage and dedication.

On October 5, Lech Welesa received the Nobel Peace Prize, and once again worldwide recognition was centered on this brave Pole. Finally, he had the accolades which millions of individuals who had witnessed his bravery, and had been unable to express their admiration, believed he deserved.

Today the U.S. Congress can give Mr. Walesa yet another well deserved tribute by officially congratulating him, and urging the Polish Government to permit his attendance at the award ceremony. Through this resolution, we are saying to Lech Walesa, and individuals like him wh are fighting for freedom and justice for workers throughout the world that our hearts and minds are with him.●

● Mr. BIAGGI. Mr. Speaker, I rise today in full support of Senate Concurrent Resolution 76, which congratulates Lech Walesa on winning the Nobel Peace Prize and calls on the Polish Government to allow his attendance at the award ceremonies in Oslo, Norway on December 10, and to guarantee his safe return. The resolution also calls upon all nations to support the cause of free trade unions and internationally recognized human rights. Earlier this year I had joined a significant number of my House colleagues in cosponsoring a similar resolution (H. Res. 340).

Lech Welesa, the respected and inspired leader of Poland's trade union. Solidarity was elected as this year's Nobel Prize winner for his crusade for basic human, economic, and civil rights in a Communist nation which has long sought to repress those rights. He is indeed a worthy recipient of this distinguished award.

Though disturbing, it is certainly no surprise that the Polish Government has still not stated whether Lech Walesa will be permitted to travel to Oslo for the award ceremonies, or if he does so, whether he will be allowed to reenter Poland. From the very beginning of his courageous pursuit of peace and freedom for the Polish people, Walesa has been detained and harassed by the Soviet puppet regime. Yet, despite these repressive tactics and no matter whether Walesa is allowed to make the trip to Oslo, one thing is certain—Lech Walesa will never be silenced.

Lech Walesa is indeed a man totaly dedicated to peace and freedom—not uust for Solidarity members, but for all people. He has learned that freedom does not come cheap, but he has taught us all it is a price worth paying. He has taught us something else, too—as long as there are Lech Welesa's in the world, the Soviets will never succeed in extinguishing the flame of freedom that burns so fiercely in the

hearts of millions a captive nations throughout the world.●

● Mr. SOLOMON. Mr. Speaker, I rise in support of this resolution congratulating Lech Welesa on receiving the 1983 Peace Prize.

Lech Walesa knows the true meaning of Peace is not surrender. It is not mere survival, or claiming that it is better red than dead. It is not the acceptance of a repugnant philosophy or a burial regime.

Peace, to Lech Welesa, is not being quiet. It is speaking out, in words and deeds, using all the rights available to us as members of the human family—free thought, free speech, and free assembly.

These rights, cannot be denied, no matter what the philosophers of totalitarianism tell us. And, as we learn from Lech Walesa, the working men and women of Poland will never surrender these rights, no matter what the threat—prosecution, martial law, and the terrors of a police state notwithstanding.

Congratulations, Lech Walesa, and thank you for giving new meaning to the age-old tradition of freedom that enlightens America.●

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. MICHEL. Mr. Speaker, reserving the right to object, and I shall not object, may I inquire of the distinguished chairman of the committee how many of these resolutions the chairman intends to bring up by unanimous consent?

Mr. ZABLOCKI. If the gentleman will yield, as the distinguished minority leader knows, there were about 12 noncontroversial resolutions that were printed and available and announced we would be considering.

We also hope that we will be able to bring up the conference report on Arms Control and Disarmament Agency this evening.

If there should be any votes on any of the resolutions that the gentleman from Wisconsin would hope to bring before the body, they will, of course, be put over until tomorrow, under the understanding that we have, and if there were a vote asked for on ACDA, that would also go over.

Mr. MICHEL. Does the chairman intend to bring up these 12 noncontroversial resolutions in rapid-fire order?

Mr. ZABLOCKI. In very rapid order. We could do it in about 15 or 20 minutes.

Mr. MICHEL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 76

Whereas a secure and universal peace is a major objective of people of good will throughout the world;

Whereas one of the necessary conditions of achieving such peace is universal respect for and realization of internationally recognized human rights and fundamental freedoms;

Whereas article 23 of the Universal Declaration of Human Rights establishes the right of every individual to work, to free choice of employment, to just and favorable conditions of work, and to form and to join trade unions for the protection of the interests of such individual;

Whereas the right to form and to join trade unions for the protection of the interest of the individual is a right guaranteed by the Helsinki Final Act, of which Poland is a signatory;

Whereas the independent Polish trade union Solidarity has for three years represented the interests of the Polish working class in a cooperative, moderate, and conciliatory fashion;

Whereas the trade union Solidarity preserved peaceful methods and intentions even in the face of persecution, imprisonment of union leaders, and government violence against the union;

Whereas the founder and elected leader of Solidarity, Lech Walesa, has had a fundamental role in establishing and leading Solidarity as a labor organization working for peaceful goals by peaceful means; and

Whereas Lech Walesa has been awarded the 1983 Nobel Peace Prize in recognition for inspiring all peace-loving people by attempting to solve the labor problems of Poland through negotiations and cooperation, and suffering imprisonment and unjust vilification as a result of these actions: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States of America—

(1) congratulates Lech Walesa as the recipient of the 1983 Nobel Peace Prize and commends the Norwegian Nobel Committee on this outstanding choice,

(2) requests the Government of Poland to facilitate the personal attendance at the award ceremony and to guarantee the safe return to Poland of Lech Walesa, and

(3) calls upon all peace-loving nations to continue to support the cause of free trade unions everywhere, to promote internationally recognized human rights and fundamental freedoms, and to help establish on the basis of freedom and mutual trust a secure and universal peace.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on Senate Concurrent Resolution 76.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

□ 2140

COMMEMORATING UKRAINIAN FAMINE OF 1933

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the concurrent resolution (H. Con. Res. 111) to commemorate the Ukrainian famine of 1933, and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. LAGOMARSINO. Mr. Speaker, reserving the right to object. This resolution commemorates the tragic and heinous extermination of over 7 million of the people of the Ukraine during 1932–33. Not content with the forcible military annexation of the former Ukrainian National Republic in 1918–20, the Soviet Government decided to ruthlessly destroy Ukrainian opposition to Stalin's forced collectivization of agriculture in 1932–33. That policy of callous destruction was cruelly implemented by the confiscation of food supplies in the Ukraine to intentionally inflict famine and starvation on the Ukrainian people as a class. The Soviet Government willfully ignored pleas by other government and international organizations, including the International Red Cross, to provide relief to the hapless victims of this genocidal famine by fiat policy, and it prevented starving Ukrainians from fleeing their homeland in search of survival.

It is too late to save those unfortunate martyrs. By passing this resolution, however, we can help to preserve the memory of the freedom-loving spirit of those who slowly and painfully perished stubbornly defying Soviet Communist tyranny.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the concurrent resolution, House Concurrent Resolution 111, legislation to commemorate the Ukrainian famine of 1933. I commend my colleague, the gentleman from New York (Mr. SOLOMON) for introducing this measure, of which I am a cosponsor, which brings much-needed visibility to the deliberate policy undertaken by the Soviet Government to decimate the Ukrainian population.

An estimated 6 to 10 million Ukrainians starved to death during the 1933 famine in the Ukraine; an event described at the largest "artificial famine known in history." The famine was

not caused by natural catastrophe such as drought, flooding, or crop failure. Sufficient crops were available for the entire population. However, as House Concurrent Resolution 111 points out,

> The Soviet Russian Government, having full and complete control of the entire food supplies within the borders of the Union of Soviet Socialist Republics, nevertheless, failed to take relief measures to check the disastrous famine or to alleviate the catastrophic conditions arising from it, but on the contrary used the famine as a means of reducing the Ukrainian national, political, cultural, and religous rights.

Indeed, a recent Wall Street Journal article, "Forced Famine in the Ukraine: A Holocaust the West Forgot," recounted vivid memories of the famine. One survivor stated:

> If you go now to the Ukraine or the North Caucasus, exceedingly beautiful countries and formerly amongst the most fertile in the world, you will find them like a desert; fields chocked with weeds and neglected; no livestock or horses; villages deserted; peasants famished, often their bodies swollen, unutterably, wretched.

Mr. Speaker, the world must not forget the tragic events occurring in the Ukraine some 50 years ago. Accordingly, I urge my colleagues to suspend the rules and pass House Concurrent Resolution 111 commemorating the famine and demonstrating U.S. support for the freedom and national independence of the Ukrainian nations.

Mr. ZABLOCKI. Mr. Speaker, I rise in support of House Concurrent Resolution 111 to commemorate the Ukrainian famine of 1933. At the outset, I want to commend the gentleman from New York (Mr. SOLOMON) for his sponsorship of this important resolution.

Mr. Speaker, 50 years ago, a tragedy of unprecedented proportions was visited on the Ukrainian people by the ruthless leadership of the Soviet Union. In an effort to forcibly collectivize the rich agricultural areas of the Ukraine, the Soviet Government seized the food supplies of the region, forced peasants to give up their lands, and used the threat of starvation to impose its political will on the Ukrainian people. With the political, cultural, and religious heritage of the Ukraine at stake, the Ukrainian people resisted mightily but their brave resistance cost millions of lives. While collectivization was imposed, the spirit of free people was not.

This barbarous tragedy must never be forgotten and the passage of House Concurrent Resolution 111 will keep the memory of the Ukrainian famine alive. Actions such as these by the Soviet Union must be kept clear in our minds when we consider how U.S. relations with the Soviet Union will be conducted. The quest for political independence remains alive in the Ukraine notwithstanding all Soviet efforts to extinguish it. House Concurrent Resolution 111 recognizes this important fact and I urge its overwhelming approval by the House.

● Mr. BROOMFIELD. Mr. Speaker, the term "Holocaust" is generally applied to the Nazi effort to exterminate the Jewish people in Europe. The term, itself, brings to mind the depth to which a government and its people can sink in their cruelty to their fellow man.

However, the little known, Soviet-engineered famine in the Ukraine, which took place 50 years ago, should also be considered as a Holocaust because it, too, illustrates that same depravity epitomized by the Nazis.

During the period from 1932 to 1933, over 7 million Ukrainians died in one of the first artificially engineered famines the world has known.

Stalin was intent on breaking the spirit of the Ukrainian peasantry in his drive to collectivize agriculture and crush Ukrainian nationalism and so he turned to starvation to impose his will on the Ukrainian people.

Statistics show that nearly 14 million people may have died during the entire collectivization period from 1926 to 1937.

It is difficult for us to imagine the enormity of the inhumanity and suffering caused by the Soviet Government during that period. The Ukraine was enjoying a period of agricultural abundance but that plenty never reached the people. Instead, the grain was confiscated and shipped to Europe on orders of Stalin.

As millions of Ukrainians were starving to death, others attempted to leave the region. However, they were turned back at gunpoint. Those who resisted were shot or exiled.

Domestic and international assistance programs were not permitted by the Kremlin because the government was willing to see millions die for its political ends.

Mr. Speaker, 50 years ago the world paid scant attention to the horror and suffering perpetrated by the Soviet Union in the Ukraine.

However, we cannot let this silence and ignorance over this tragedy continue. The government that engineered this famine 50 years ago continues to suppress the people of the Ukraine today, and its callous attitude toward life not changed as witnessed by its recent downing of the Korean passenger plane, and its willingness to use chemical weapons in Afghanistan.

Mr. Speaker, I urge my colleagues to support this resolution before us today, so that the people of the Ukraine will know that their suffering is not ignored by those of us who share their love of freedom and independence, and so that the world will be reminded of the blood that drenches the hands of the Kremlin.●

● Mr. SOLOMON. Mr. Speaker, I am proud to be the sponsor of House Concurrent Resolution 111, a resolution offered in mournful commemoration of the great Ukranian famine of 1933.

This resolution is a memorial, a proclamation, another footnote to a infamous chapter in the history of crimes against humanity.

But it is more than that, Mr. Speaker. It is a tribute to the spirit of the Ukranian people, who survive this crime and live on in the face of a brutal, oppressive, and evil empire.

Indeed, this resolution is like a candle lit in remembrance of all the world's people living in captive nations who are the victims of a dark tyranny that consumes hope and freedom, like a cancer, it is allowed to spread.

This resolution is also a tribute to the American people. It is their brave vow that they will never forget and that they share with the Ukranian people their sorrow and their aspirations for the recovery of their freedom and national sovereignty.

I also offer this resolution to serve as an object lession about the excesses of Soviet-bfand communism.

The Ukranian famien was a stark tragedy, what one writer called "one of the twentieth century's prime examples of mass destruction." But, horro of horrors, it was not a natural disaster, it was a manmade holocaust. It was a gencocide.

The Ukranian famien was a deliberate political act by the Bolsheviks. Just as the Nazi resorted to genocide as a tool of conquest, so too did the Soviet Communsits use mass starvation as a blunt instrument to destroy the Ukranian as an independent nation.

An independent Ukraine stood as an affront to Stalin and his henchmen. But today, America pays tribute to that same tribute to that same Ukraine of a half-century ago—its fertile wheatfields, its proud peasantry, its deeply felt eastern Orthodox faith, its language, its literature, and its customs. We remember, and our prayers go out to the descendants of this glorious people.

And we remember the lesson that this harrowing event teaches us. It was a forerunner and a harbinger of current atrocities—the downing of Korean Flight 007, the yellow rain, that posions the Afghans, the crushing of Poland's workers and the clientstaes that spreadf terror throughout Asia, and Central America.

Three decades ago, Nikita Khrushchev declared—"We will bury you." When we hear such bald statements of intent, and see them realized in atrocious deeds, it behoves us to awaken to the inherent danger of Soviet-brand communism. It is atheistic philosophy without regard for human rights, or indeed, of human life itself.

We must wake up, learn and remember. This is the most fitting tribute possible in the memory of the brave Ukranian people.●

Mr. BIAGGI. Mr. Speaker, as a cosponsor of House Concurrent Resolution 111, Commemoration of the Ukranian Famine to urge my support to this important measure.

This resolution expresses the sense of Congress that the President should issue a proclamation in commemoration of those who perished in the Ukranian famine of 1932 and 1933 and should issue a warning to the Soviets that their continued enslavement of the Ukranian nation as well as other non-Russian nations constitutes a threat to world peace and normal relationships among peoples of the world. This resolution would also manifest to the captive peoples of the Soviet Union that the United States shares their aspirations for the recovery of their freedom and national independence.

The recent Korean Air Lines tragedy and continued human rights violations inside the Soviet Union make the passage of this measure all the more important. We here in Congress must not turn our backs on the past nor must we ignore the plight of all those who are being oppressed by Soviet tyranny. By commemorating the anniversary of the great famine in Ukraine, we display our great concern and unbending support for the millions of courageous freedom fighters in captive nations throughout the world who are being forced to stgruggle for even the most basic of human rights.●

Mr. LAGOMARSINO. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 111

Whereas over seven million Ukrainians in the Ukrainian Soviet Socialist Republic, which was created as the result of direct aggression by the Russian Communist military forces against the Ukrainian National Republic in 1918-1920, died of starvation during the years 1932-1933; and

Whereas the Soviet Russian Government, having full and complete control of the entire food supplies within the borders of the Union of Soviet Socialist Republics, nevertheless failed to take relief measures to check the disastrous famine or to alleviate the catastrophic conditions arising from it, but on the contrary used the famine as a means of reducing the Ukrainian population and destroying Ukrainian national, political, cultural, and religious rights; and

Whereas the Soviet Russian Government targeted the Ukrainian people for destruction as a whole by directing special draconic decrees against Ukrainian peasants as "an enemy class", against the Ukrainian intelligentsia as "bourgeois Ukrainian nationalists", and against the Ukrainian Autocephalic Orthodox Church as "a remnant of the old prejudicial 'opiate of the people' "—committed on a gigantic and unprecedented scale the heinous crime of genocide, as defined by the United Nations Genocide Convention; and

Whereas numerous appeals from prominent organizations and individuals throughout the world, such as the Legaue of Nations, the International Red Cross, and several groups of parliamentarians from the United Kingdom, Switzerland, Belgium, and Holland who earnestly appealed to the Soviet Russian Government for appropriate steps to help the millions of starving Ukrainians, went unheeded by the Government of the Union of Soviet Socialist Republics; and

Whereas intercessions have been made at various times by the United States during the course of its history on behalf of citizens of countries persecuted by their government, indicating that it has been the traditional policy of the United States to take cognizance of such destruction of human beings as the famine holocaust in Ukraine in 1933; and

Whereas on May 28, 1934, some six months after the formal recognition of the Union of Soviet Socialist Republics by the United States, Congressman Hamilton Fish, of New York, introduced in the House of Representatives a resolution (H. Res. 399, 73d Cong., 2d sess.) calling for international condemnation of the Union of Soviet Socialist Republics for its genocidal and barbarous destruction of the Ukrainian people: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that the President of the United States shall take in the name of humanity immediate and determined steps to—

(1) issue a proclamation in mournful commemoration of the great famine in the Ukraine during the year 1933, which constituted a deliberate and imperialistic policy of the Soviet Russian Government to destroy the intellectual elite and large segments of the population of the Ukraine and thus enhance its totalitarian Communist rule over the conquered Ukrainian nation;

(2) issue a warning that continued enslavement of the Ukrainian nation as well as other non-Russian nations within the Union of Soviet Socialist Republics constitutes a threat to world peace and normal relationships among the peoples of Europe and the world at large; and

(3) manifest to the peoples of the Union of Soviet Socialist Republics through an appropriate and official means the historic fact that the people of the United States share with them their aspirations for the recovery of their freedom and national independence.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Concurrent Resolution 111, the concurrent resolution just considered and agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CONFERENCE REPORT ON H.R. 2906, ARMS CONTROL AND DISARMAMENT ACT AUTHORIZATION EXTENSION

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H.R. 2906) to amend the Arms Control and Disarmament Act in order to extend the authorization for appropriations.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. LAGOMARSINO. Mr. Speaker, reserving the right to object, I support the conference report and hope my colleagues will vote for it.

This legislation provides for a 2-year authorization of appropriations for the Arms Control and Disarmament Agency. In particular, the legislation authorizes a 5-percent increase over the fiscal year 1983 authorization. Most importantly, the legislation intends to preserve the Director of ACDA's relationship to the National Security Council in order that he will be comparabnle to the Chairman of the Joint Chiefs of Staff.

Also, the committee of conference agreed to authorize the Director to create up to eight personnel positions for specialists in Soviet foreign and military policies, arms control, or strategic affairs, who also demonstrate fluency in the Russian language. Moreover, this legislation requires the President to submit a report to the Congress on Soviet compliance with arms control agreements.

In short, the legislation before us will allow the Arms Control Agency to continue to participate in a wide variety of activities concerning international security. Among those activities are the strategic arms reduction talks (START) and the intermedfiate nuclear force (INF) talks, as well as research in the important areas of nuclear nonproliferationa diversification. For thuese reasons, I urge my colleagues to support the conference report before us this everning.

Mr. ZABLOCKI. Mr. Speaker, I rise in support of the conference report on H.R. 2906, a bill to amend the Arms Control and Disarmament Act in order to extend the authorization for appropriations.

At the outset, I wish to express appreciation to my distinguished colleagues on the other side of the aisle, Mr. BROOMFIELD and Mr. HYDE, their cooperation and hard work in our conference with the other body.

The result of our joint efforts is, I believe, a truly bipartisan bill serving the national interest and reflecting Congress continuing concern for an effective arms control and disarmament policy.

The conference report on H.R. 2906 is essentially the same bill which the House passed unanimously back in August.

It authorizes appropriations for the Arms Control and Disarmament Agency (ACDA) of $20,888,000 for fiscal year 1984 and $21,932,000 for fiscal year 1985.

There were a few additions to the bill which the House Conferees accepted from the other body because, in our opinion, they enhanced the measure. These include:

A provision calling on ACDA to hire arms control specialists who are also fluent in the Russian language.

A provision establishing a program for visiting scholars in the area of arms control and disarmament.

A provision requiring a report from the executive branch to the Congress on Soviet compliance with arms control agreements.

A provision creating a new position of "Special Representative for Arms Control and Disarmament Negotiations." This position is for Paul Nitze, our very able INF negotiator in Geneva.

Finally, Mr. Speaker, I wish to report that the Senate basically accepted the House initiative to enhance the status of the Director of ACDA in the formulation and implementation of our Nation's arms control policy. The legislation stipulates that the ACDA Director will attend all meetings of the National Security Council involving weapons procurement, arms sales, consideration of the defense budget, and all arms control and disarmament matters. The Committee of Conference viewed this provision as a reaffirmation of the fundamental principle that arms control is a basic and integral component of U.S. national security.

I believe this is a truly worthwhile conference report and urge its adoption.

Mr. LAGOMARSINO. Mr. Speaker, I withdraw my reservation of objection.

(For conference report and statement, see prior proceedings of the House of today.)

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. Without objection, the conference report is agreed to.

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 2906 just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

SENSE OF CONGRESS RESOLUTION ON SOVIET FORCED-LABOR POLICIES

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the concurrent resolution (H. Con. Res. 100) calling upon the Union of Soviet Socialist Republics to end the current repressive policies of forced labor and expressing the sense of the Congress that the exploitation of workers in forced-labor camps by the Union of Soviet Socialist Republics is morally reprehensible, and ask for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. LAGOMARSINO. Mr. Speaker, I reserve the right to object.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding. I rise to express my strongest support for the legislation now before us. My colleague, the gentleman from New Jersey (Mr. SMITH) has brought to the attention of this body a sorry situation that many of us have known for a long time. The Soviet Union uses the labor of its prisoners in manufacturing goods that are then exported to the West. Such forced labor is against every precept of decency, and the conditions and quotas under which these men and women, many of whom are political and religious dissidents, toil flies in the face of the many documents to which the Soviet Union has said it would adhere.

The Department of State has documented that the U.S.S.R. operates the largest forced labor system in the world, utilizing the man-hours of an estimated 4 million laborers. Among the many items produced by forced labor in the Soviet Union are televisions, dolls, automobile components, radios, the processing of caviar, the mining of gold, household ornaments and glassware, binoculars and precision instruments, office equipment, sawn softwood and plywood, the mining of diamonds, the production of chemicals, ores, and petroleum products as well as automobiles and trucks. This is just a partial list, I am sure, but one which should raise the ire of every Member of this body.

The International Commission on Human Rights held a hearing on forced labor in manufacturing, and found that prisoners, among them women and children, are forced to work under conditions of extreme hardship, including malnutrition, inadequate shelter and clothing, and severe discipline.

This sense-of-the-Congress resolution before us today urges the President to convey our opposition to such reprehensible actions and urges the Soviet Union to cease engaging in these inhumane practices and uphold the agreements to which they are signatory. As a cosponsor of this measure I am pleased that House Concurrent Resolution 100 has been brought before us for House consideration today. It is hoped that this measure will serve as a vehicle for alerting the public about the true conditions behind the many products exported by the Soviet Union. Although the final stamp on the product may be that of a "free" factory or town, chances are good that somewhere in the manufacturing process some Soviet prisoner was involved. I urge the passage of this bill by my colleagues, and suggest to them that their constituents be advised of these repressive practices.

Mr. LAGOMARSINO. Mr. Speaker, this resolution puts the Congress on record in active opposition to one of the most serious Soviet policies in violation of its human rights obligations under various international agreements, its massive use of forced labor. Despite consistent efforts by the U.S.S.R. to hide the magnitude of this sordid policy from the international community, it has been confirmed beyond doubt that the Soviets have enslaved an estimated 4 million persons as forced laborers, including at least 10,000 political and religious prisoners.

In fact, the International Commission on Human Rights has concluded that the Soviet regime's forced labor battalions include women and children. The Commission also reported that the victims of this policy of slavery "are forced to work under conditions of extreme hardship including malnutrition, inadequate shelter and clothing, and severe discipline."

In conclusion, I strongly urge the House to adopt House Concurrent Resolution 100.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. SMITH of New Jersey. Mr. Speaker, I reserve the right to object.

Mr. Speaker, reserving the right to object. Last March I introduced House Concurrent Resolution 100—a resolution calling upon the Soviet Union to end its current repressive policies of slave labor. House Concurrent Resolution 100 expresses the sense of Congress that the exploitation of workers in forced-labor camps by the U.S.S.R. is morally reprehensible and that the President should, at every opportunity and in the strongest terms, express our opposition to these barbaric practices. It is my hope, that the Soviets will terminate the operation of these inhumane gulags and honor the international commitments and obligations that they have agreed upon. As a signer of the Helsinki Final Act of 1975, the United Nations Charter, the Universal Declaration of Human Rights, the Slavery Convention of 1926, the International Labor Organization Convention No. 29, the Covenant on Civil and Political Rights and the Covenant on Economic, Social and Cultural Rights, the Soviets have made solemn international promises not to exploit its citizenry via slave labor. My resolution is an attempt to encourage compliance to those covenants.

Mr. Speaker, freedom from slavery in all its forms and manifestations is a fundamental human right. Forced labor has long been outlawed by international treaty.

Yet the evidence of widespread slave labor in the U.S.S.R. is overwhelming—and shocking. It seems clear that the Soviets are increasing—not diminishing—their use and reliance on slave labor.

According to the U.S. State Department's "Report to Congress on Forced Labor in the U.S.S.R.," the Soviet system includes an estimated 4 million forced laborers, of whom at least 10,000 are considered to be political and religious prisoners. A report by Amnesty International and two other studies agree with the State Department that at least 10,000 political or religious prisoners are forced laborers in the Soviet Union.

Some say the number is much higher.

Mr. Speaker, it is estimated that there are over 1,100 slave labor camps in operation and the list of identified concentration camps grows by the week.

Mr. Speaker, by utilizing forced labor, the Soviet Union has a docile, mobile low cost workforce at its beck and call. Absent any legal restraints or moral suasion to check its action, Soviet authorities can expand its prison population at will to accommodate any need or contingency in its economy.

The State Department notes in its report to Congress:

Thus, the Soviet economy has at its disposal a huge labor force that is cheap, flexible, and subject to discipline. It is especially suitable for deployment as needed for projects in remote areas with difficult climatic conditions, where authorities find it difficult to attract and hold free workers. When authorities need convict labor, they expect the judicial system to supply it. The reliance of the Soviet economy on the availability of convict labor has had an insidious effect on the Soviet judicial system which has always, in any event, functioned as an instrument of official Soviet policy. Soviet criminal courts operate under pressure to produce findings of guilt. As a result, authorities tend to adopt the attitude that the law enforcement organs, including the militia (police), the KGB, the prosecutor, and the judge can do no wrong when implementing official policy; any questioning of the correctness of criminal charges or of the case presented by the prosecutor in court, even by defense counsel during the trial, tends to be regarded as a challenge to state authority. Given the fact that criminal cases in Soviet "peoples' courts" are tried without jury by a judge and two lay assistants, defense attorneys find it extremely difficult to obtain an acquittal in cases of ordinary crime and even more difficult to do so when the case involves a political element.

Mr. Speaker, a long list of consumer items are produced in the slave labor camps. These include lumber, furniture, cardboard containers, glassware, auto parts, resistors and machinery parts. Various metals are mined and processed by forced labor including gold, iron, aluminum, uranium, limestone and construction stone, and gravel. Interestingly, the food industry is not included in the list of items the Soviets have targeted for slave labor use. The reason is quite simple—hunger is used to coerce the slave work force and is a potent weapon in the arsenal of the slave masters. Close proximity to food, it appears, would diminish that weapon.

Mr. Speaker, it is also clear that major projects including the Siberian pipeline, are constructed by forced labor. Apartment buildings, roads, bridges, and whole cities have been erected in this manner. In a September Reader's Digest article entitled "Made in U.S.S.R.—By Forced Labor" author Joseph Harriss says the harbinger of any new construction project is a thinly veiled anticrime campaign. Mr. Harriss writes, "Police round up men and women for the forced labor pool, sometimes resorting to primitive entrapment * * *." He relates how Ivar Jukovski was sent to a gulag: "As Jukovski was shopping in a Riga clothing store, an old lady asked him to try on a jacket to see if it would fit her son. Police promptly arrested him for shoplifting, and the 'corrective labor colonies' had another worker."

Last week in joint hearings of the Helsinki Commission, of which I am a Commissioner and the Foreign Affairs Human Rights Subcommittee, we heard moving, first person testimony from a former convict laborer, Mr. Georgy Davydov.

Mr. Davydov, a political prisoner convicted of disseminating banned literature, spent 5 years in Soviet camps. He was one of the lucky few who successfully emigrated to the West.

Mr. Davydov told the committees that convicts "live in extremely crowded and unsanitary conditions with outbreaks of dysentery in almost all the camps in the summer. Their clothing is inferior, they lack the necessary medical care, their diet is meager * * *."

Hunger he tells us is one of the most effective tools of discipline and punishment imposed by camp administrators. According to the Moscow Helsinki group—document 3—the caloric value of the standard ration of most convicts is below the minimum daily human requirements by one-fourth. That is the nutrition provided the average inmate. Those who dissent, rebel, or foul up in any way often waste away, always just above the threshold of death.

Mr. Davydov provided the joint hearing several accounts of individual camps. I will share one of his descriptions to illustrate life in a women's gulag:

Using Regular Women's Camp UTs-267/10 as an example in Gornoye in Maritime Kray), I will briefly explain the daily living conditions of the inmates. There are 2,000 women in a camp designed for 500. Water is brought in from outside and is therefore in short supply. Baths are rare. The rules of feminine hygiene cannot be observed. The laundry has only 20 tubs—and this is for 2,000 women. There are only two paramedics (and no physician) in the medical unit. Women are excused from work only if they have a high temperature and only for one day at a time. The line for medical attention begins to form at five in the morning. The elderly and severely ill are quite simply physically incapable of standing in this kind of line. Those who are admitted to the medical unit must take a full day's dosage of medicine in the presence of medical personnel, because medicine is issued only once a day and the possession of medicine by inmates is prohibited. Fungus infections, dysentery and jaundice are rife in the camp. Pregnant women are not issued the supplementary ration ordered by the Ministry of Internal Affairs and are not sent to the mother's and infant's home (some women's camps have such institutions of their own). Incidentially, many pregnant women are afraid to go to the home because it is known for its high mortality rate.

I would like to point out to my colleagues that Mr. Davydov's account of life in the Gulags of today is echoed by other former Soviet convicts that I have met including Michail Makavenko. Last March I met with Mr. Makavenko in my office and he described

the living conditions of slave labor camps as "inhumane, intollerable and a living death."

Mr. Speaker, the State Department report notes that prisoners of conscience, those courageous men and women who have spoken out for basic freedoms and human rights issues in the Soviet Union suffer more acutely in Soviet labor camps.

> Life in corrective labor camps is made even more difficult for individuals who regard themselves as political prisoners or "prisoners of conscience" because they fail to meet the two basic criteria the penal system requires from inmates to qualify for privileges and leniency (1) admission of guilt and (2) evidence of "reform." In the case of persons convicted essentially for political, religious, or nationalistic beliefs or other forms of intellectual nonconformity, "reform" in the eyes of the authorities would require renunciation of personal beliefs and public espousal of official ideology. Therefore, authorities regard those who refuse to do this as uncooperative and incorrigible, and not qualified to receive privileges, lenient treatment, early release, or consideration for pardon or amnesty.

In Amnesty International's Prisoners of Conscience in the U.S.S.R.: Their Treatment and Condition, the wife of former political prisoner Alexander Ginzburg wrote after visiting him in 1978: "The cell in which my husband and other inmates are kept is so damp that water drips down the walls and the plaster is crumbling off. Mice run about in the cell."

Mr. Speaker, I would like to focus my concluding remarks on what we can do to press the Soviets to end this cruel institution.

The first avenue open to us is to raise this issue—along with other Soviet human rights violations—at every opportunity, encounter and forumn available. The Soviets are susceptible to world opinion, particularly in the long run. Our compassion for the exploited Soviet work force in the camps may deter the Soviets from more aggressive plans to incarcerate their population. In other words, the moral force and outrage of the West must be focused on the issue. Indeed, to look the other way, to pretend not to see, would encourage the slave labor mindset.

The second action I believe we must take is to respond with economic sanctions.

Current U.S. law prohibits the importation of goods made by forced labor. Section 307 of the 1930 Tariff Act—Smoot Hawley—states:

> All goods, wares, articles, merchandise mined, produced, or manufactured wholly or in part in any foreign country by convict labor or/and forced labor or/and indentured labor under penal sanctions shall not be entitled to entry at any of the ports of the United States, and the importation thereof is hereby prohibited.

Mr. Speaker, on September 28, 1983, the Commissioner of Customs, William Von Raab, recommended in a letter to Secretary of the Treasury Donald T. Regan that over three dozen items from the U.S.S.R. be banned from entry into the United States due to his belief that they are produced by forced labor. It is my understanding that a senior interagency group is currently studying the proposal.

Mr. Speaker, I would like to include the list at this point in the RECORD:

> Wood products: Lumber, furniture, casings for clocks, cabinets for radio and TV sets, wooden chess pieces, wooden souvenirs, wooden crates for fruit and vegetables, and cardboard containers.
>
> Electronic: Cathode ray tube components and resistors.
>
> Glass: Camera lenses, glassware, and chandeliers.
>
> Automotive: Auto parts, wheel rims, and parts for agricultural machinery.
>
> Mining/ore processing: Gold, iron, aluminum, coal and peat, uranium, asbestos, limestone, and construction stone and gravel.
>
> Clothing: Coats, gloves, boots, buttons, and zippers.
>
> Petroleum products and chemicals.
>
> Food: Tea.
>
> Miscellaneous: Brick and tile, watch parts, wire fences, mattresses, screens, steel drums and barrels, lids for glass jars, plumbing equipment, storage battery cases, concrete products, electric plugs/cords, electric heaters, electric motors, pumps, and woven bags.

Mr. Speaker, the United States can, and I believe must, take action to repel from our shore those items made in the Soviet slave labor camps. In the joint hearing last week Mr. Tom Kahn, assistant to the president of the AFL-CIO said,

> We may be powerless to dismantle the slave labor camps that are so important to the functioning of the Soviet economy, but we are certainly not required to purchase the products produced in these camps. Indeed, we are forbidden to do so under Section 307 of the Smoot-Hawley Tariff Act of 1930, which specifically bars the importation into this country of "all goods, wares, articles and merchandise mined, produced or manufactured wholly or in part in any foreign country by convict labor or forced labor." The Commissioner of Customs is charged with the responsibility of enforcing that law.

As our colleague in the other body, Mr. ARMSTRONG, said so eloquently, "If we are willing to accept in commerce the goods produced in the gulags, then it seems to me that we are, in a sense, accomplices to the gulags themselves."

I urge my colleagues to vote for House Concurrent Resolution 100.

Mr. Speaker, I again want to thank the committee chairman, the subcommittee chairman, Mr. YATRON, for his cosponsorship, and all the others in this body who have gotten behind the resolution.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. SMITH of Florida. Mr. Speaker, reserving the right to object, and I will not object, as a matter of fact, what I want to object to is what the bill is trying to eradicate, and that is what is happening in the Soviet Union today and has been happening for many years.

I commend the sponsors of this bill and the chairman of the Committee on Foreign Affairs, on which I proudly serve, for bringing this to the attention of the House. It is something that demands the attention not only of this Congress but of the free world, and I heartily commend this bill to my colleagues.

● Mr. LEACH of Iowa. Mr. Speaker, I rise in support of House Concurrent Resolution 100, condemning the use of forced labor in the Soviet Union. As the ranking minority member of the Subcommittee on Human Rights and International Organizations, which just this past week joined with the Helsinki Commission in holding a hearing on this subject, I want to take this opportunity to commend the gentleman from New Jersey (Mr. SMITH) for his leadership in bringing this important human rights issue to the attention of the House.

While many of us have long known that Soviet authorities subject their prison population to harsh forced labor conditions, the full dimensions of that practice and its ramification for U.S. policy toward the Soviet Union did not fully come to light until the last year or so. A State Department report, released in February 1983, estimates that some 4 million Soviet citizens are serving sentences of forced labor, among which are as many as 10,000 dissidents, including refuseniks and human rights activists. Forced labor is employed for purposes of carrying out developmental projects as well as to produce goods for both domestic and Western export markets. In light of that fact, the administration is presently reviewing all the available data to determine whether some goods, now being imported from the Soviet Union into the United States, have been manufactured with forced labor. Under the terms of section 307 of the Tariff Act of 1930, any articles which are mined, produced, or manufactured by convict, forced, or indentured labor are to be banned from entry into the United States.

On an international level, the U.S. Department of Labor informed us during our hearings that within the last decade, bodies of the International Labor Organization (ILO) have censured the Soviets three times for failing to fully implement ILO Convention 29 which defines forced labor as "all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily." A later ILO Convention on the Abolition of Forced Labor, to which

neither the United States nor the Soviets are parties, further explicitly prohibits the use of forced labor as a "means of political coercion * * * or as a punishment for holding or expressing political views * * *." The Department of Labor witness assured the Members at our hearing that although the United States is not a party to ILO Convention 29, and thus is not authorized to bring formal complaints against the Soviets under that Convention to the ILO, the United States strongly and actively supports the ILO supervisory machinery whereby such complaints are heard and has consistently supported recommendations that the Soviets be cited for noncompliance with ILO Convention 29.

Also during those hearings, a former Soviet prisoner, Georgy Davydov, described in some detail the areas in which forced labor is employed including logging, construction, metallurgy, production of clothing and footwear as well as packaging materials, mining, agriculture and production of electrical equipment and machines among others. He talked of the harsh and cruel working conditions to which such laborers are subjected, including torture by hunger and cold, extreme crowding and unsanitary conditions, lack of medical care, lack of adequate protection against hazardous working equipment, and severe discipline. It is small wonder that not infrequently forced laborers are driven in desperation to engage in self-mutilation in order to escape from and protest the conditions under which they work and live.

Mr. Speaker, the administration has expressed its support for House Concurrent Resolution 100 and I would urge my colleagues to join with me in giving it unanimous support.

Thank you.●

● Mr. BROOMFIELD. Mr. Speaker, I eagerly support this concurrent resolution calling upon the Soviet Union to end its repressive policies of forced labor. By continuing to exploit workers in these camps, the Soviet Union clearly violates international law.

I find it hard to believe that in this day and age, the Soviets are continuing this barbaric practice.

As all of you know, international law recognizes that everyone has the right to liberty and the security of person. The international community has repeatedly condemned the use of forced or compulsory labor.

In 1982, the International Commission on Human Rights concluded that the Soviet Union was continuing the practice of forced labor in manufacturing and construction projects. Among the prisoners being used are women and children. They all work under terrible conditions and have inadequate shelter and clothing. They are also subjected to severe discipline. For 30 years, the International Labor Organization has investigated these allegations concerning forced labor. Sad, but true, the Soviets have refused to provide responses satisfactory to that organization. They also refused to open their camps to international investigation.

Although signatories to the Helsinki accords, the United Nations Charter, and other agreements, the Soviet Union has failed to fulfill its obligations in the human rights area.

Let us look at the facts. This year, the Department of State documented that the Soviet Union was operating the largest forced-labor system in the entire world. Over 1,100 camps have been identified. An estimated 4 million forced laborers are working in these camps; 10,000 are considered to be political and religious prisoners.

I join my colleagues in telling the Kremlin that forced labor is immoral. Our President should express to the Soviet Union our opposition to these policies. We must remind that country that their practices violate human dignity and international accords. I urge you to support this resolution.●

● Mr. YATRON. Mr. Speaker, I rise in support of House Concurrent Resolution 100, and against forced labor in the Soviet Union. As chairman of the Subcommittee on Human Rights and International Organizations, I must emphasize the importance of this legislation which calls upon the Soviet Union to end its repressive forced labor system.

Soviet forced labor practices violate internationally recognized standards of human rights. The system not only imprisons the physical being, but also holds the mind captive by forbidding freedom of thought and expression. Compulsory labor can be used for economic purposes, or as a means of political coercion. Regardless of why the system is employed, the result is always the same—suffering and hardship for the worker. It is a method which jeopardizes the right of the individual and undermines the charter of the United Nations and the universal declaration of human rights.

Apart from undermining human rights, forced labor is strictly prohibited by Federal law. When Congress passed the Smoot-Hawley Tariff Act of 1930, it included a provision banning importation of products "mined, produced, or manufactured wholly or in part in any foreign country by convict labor." This measure has been used to bar certain imports from Cuba, Mexico, and the Soviet Union in the past.

There is considerable evidence that numerous items produced in the Soviet Union were made with forced labor. How can the United States, a country where a free and independent labor movement has thrived and struggled to preserve the dignity of the worker, accept products made by enslaved individuals in the Soviet Union?

Ignoring this Soviet labor system is incongruent with this country's reputation as a protector of human rights. Through this resolution, we are saying to the Soviet Union, and to all countries using compulsory labor, that these policies are morally reprehensible, and the United States will not tolerate them.

Mr. Speaker, last week the Subcommittee on Human Rights and International Organizations, together with the Helsinki Commission, held hearings on forced labor in the Soviet Union. Our findings substantiated our fears—millions of people are forced to work in prison camps in the Soviet Union. they have no rights or benefits. Instead they must succumb to the will of their government, a government that ignores human rights and international law in the treatment of its citizens.

I hope every Member of Congress will support this resolution.●

● Mr. SOLOMON. Mr. Speaker, I rise in support of House Concurrent Resolution 100, which calls on the Soviet Union to end its morally reprehensible practice of using forced labor . . . in violation of the Helsinki accords, the United Nations Charter, and the ethical principles of human rights.

Author and Nobel Laureate Alexandre Solzhenitsyn has given us a harrowing account of the Gulag, the string of concentration camps where the Russian spirit of freedom is being stamped out.

But it may come as a shock to many that, in addition to Mr. Solzhenitsyn's memoirs, we have other souvenirs of the Gulag . . . in the products we import from the U.S.S.R. that have been made by forced labor.

There has also been evidence that the infamous Yamal pipeline is being constructed with the forced labor of some of our missing-in-action of the Vietnam war.

I might also add that it is both the moral and the legal responsibility of the United States to stop the importation of such products.

The Foreign Affairs Committee has estimated that over $130 million in slave labor products are imported from the Soviet bloc every year. This not only violates American law . . . it violates America's conscience and her principles.

I therefore take this occasion to commend William Von Raab, our Commissioner of Customs, for his brave efforts to see to it that American laws against the importation of slave labor products are enforced . . . consistent with America's commitment to freedom around the globe.

But, more importantly, I think that the use of slave labor is a tragic commentary on the lack of human rights

in the Soviet Union. The slave labor system exploits over four million people. An estimated 10,000 political and religious dissidents . . . who are not being kept isolated . . . or tortured in mental hospitals . . . are being exploited for their labor.

Do we need a clearer indication that Soviet-brand communism is bankrupt . . . as a philosophy and an economic system? And how filled with irony this system is, Mr. Speaker. Men are forced to labor for the glorification of a system that crushes them. The Soviet economy shows itself to be not a socialist paradise . . . it is a forced enterprise system. It deserves our condemnation and our contempt.●

● Mr. BIAGGI. Mr. Speaker, I rise in full support of House Concurrent Resolution 100, which condemns the use of forced labor in the Soviet Union and calls on the President to express this sense of condemnation to Soviet authorities.

Earlier this year I contacted the State Department to express my deep concern about reports that the United States is importing various goods made by forced labor in the Soviet Union. My letter to the State Department included a September 1983 Reader's Digest article about this serious problem. That article made a number of alarming charges, such as:

There are approximately 4 million forced laborers in nearly 2,000 Russian prisons and forced-labor camps;

The forced laborers in the Soviet Union face harsh disciplinary action if they fail to meet "impossibly high production quotas";

Soviet prisoners of conscience—those persons arrested for merely seeking basic human rights—are popular targets for forced labor practices;

The U.S. imported approximately $136.2 million worth of Soviet products in 1982, including chemicals, uranium, gold, wood and tractors, which were either wholly or partially the result of forced labor; and

Our allies in Europe import even more Russian goods than we do and the Siberian gas pipeline, which involves forced labor practices, will make the problem even more severe.

The State Department responded to my expression of concern by confirming that:

> The preponderance of available evidence suggests that forced labor (in the Soviet Union) is used to produce primary and manufactured products, some of which inevitably find their way into Western export markets . . . However, as a practical matter, given the closed nature of Soviet society it is difficult for us to identify specific products produced in Soviet forced labor facilities which might subsequently be imported into this country.

The State Department did assure me, though, that they "will continue to examine all available evidence carefully."

We must do everything possible to exert whatever influence we can to end forced labor practices wherever they might exist. The passage of House Concurrent Resolution 100 is consistent with that resolve. In addition, we must take more stringent actions to prevent forced labor products from being imported into the United States. After all, U.S. law clearly states that:

> All goods, wares, articles and merchandise mined, produced or manufactured wholly or in part in any foreign country by convict labor or forced labor . . . shall not be entitled to entry at any of the ports of the United States, and the importation thereof is hereby prohibited.

The strict enforcement of that law is essential if we are to demonstrate our firm commitment to basic human rights for all people throughout the world.●

Mr. SMITH of Florida. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 100

Whereas international law in this century has recognized that everyone has the right to liberty and security of person, and has repeatedly condemned the use of forced or compulsory labor;

Whereas on February 9, 1983, the United States Department of State documented that the Government of the Union of Soviet Socialist Republics operates the largest forced-labor system in the world, comprising some one thousand one hundred forced-labor camps, and that this system "gravely infringes internationally recognized fundamental human rights";

Whereas the United States Department of State has estimated that the Soviet system "includes an estimated four million forced laborers, of whom at least ten thousand are considered to be political and religious prisoners";

Whereas the International Commission on Human Rights, following a hearing in Bonn on November 18 and 19, 1982, concluded that the Union of Soviet Socialist Republics "continues the deplorable practice of forced labor in manufacturing and construction projects" and that prisoners, "among them women and children, are forced to work under conditions of extreme hardship including malnutrition, inadequate shelter and clothing, and severe discipline";

Whereas for nearly thirty years the International Labor Organization has investigated allegations concerning forced labor in the Union of Soviet Socialist Republics, and that the Soviet authorities have refused to provide responses satisfactory to the International Labor Organization or to open their entire forced-labor system to impartial international investigation;

Whereas through these repressive policies the Union of Soviet Socialist Republics has failed to fulfill its solemn undertakings as a signatory of the Helsinki Accords, the United Nations Charter, the Universal Declaration of Human Rights, the Anti-Slavery Convention of 1926, as well as the Soviet Constitution; and

Whereas the continued violations of human rights by the Union of Soviet Socialist Republics, and in particular the use of forced labor, are factors that contribute to world tension and create concern about the validity of the international commitments of the Soviet Union: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the policies of forced labor are morally reprehensible, and that the President, at every opportunity and in the strongest terms, should express to the Government of the Union of Soviet Socialist Republics the opposition of the United States to these reprehensible policies, and that they cease these practices and honor the international commitments agreed upon.

The SPEAKER pro tempore. The question is on the concurrent resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SMITH of New Jersey. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, further proceedings on this question will be postponed. The vote will be taken tomorrow.

The point of no quorum is considered as having been withdrawn.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and that all Members may have 5 legislative days in which to revise and extend their remarks on House Concurrent Resolution 100 just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

SENSE OF CONGRESS RESOLUTION ON INTERNATIONAL EFFORTS TO FURTHER REVOLUTION IN CHILD HEALTH

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the Senate joint resolution (S.J. Res. 111) expressing the sense of the Congress with respect to international efforts to further a revolution in child health, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. LAGOMARSINO. Mr. Speaker, reserving the right to object, and I shall not object, I can think of few

tragedies that can compare with the loss of over 40,000 children who daily succumb to the ravages of malnutrition and disease. This crucial problem requires a worldwide effort in response. The report of the United Nations Childrens Fund (UNICEF) entitled "The State of the World's Children 1982-83" calls for a health revolution for children in developing countries. It calls for a new combination of technological and social approaches carried out by networks of trained healthworkers backed by Government services and international assistance.

President Reagan has issued a statement in support of the UNICEF report citing the longstanding commitment of the American people to giving a better, healthier life to the ill and malnourished throughout the world. I share the President's interest in promoting this worthy effort. House Joint Resolution 289 would express congressional support for a revolution in child health. Passage of this joint resolution will put Congress on record as encouraging important efforts to reduce pain and suffering among children the world over.

Mr. Speaker, I urge my colleagues to give their full support to this joint resolution.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding. I rise in support of Senate Joint Resolution 111, legislation endorsing implementation of those child health techniques outlined by the United Nations Children's Fund, UNICEF, in its recent report "The State of the World's Children 1982-83." I commend UNICEF for its good work, and commend my colleague, the gentleman from Iowa (Mr. LEACH), for taking the initiative of introducing this measure, of which I am a cosponsor.

House Joint Resolution 289 outlines the low-cost programs—such as oral rehydration therapy, ORT, use of vaccines which do not require refrigeration, promotion of breast feeding, and use of child-growth charts to detect malnutrition—which if implemented could go a long way to reducing the staggering number, estimated to approach 40,000 per day, of childhood deaths stemming from malnutrition—related causes.

Mr. Speaker, a recent Agency for International Development publication stated that "One of the most important recent research advances in the field of diarrheal diseases has been the discovery that dehydration due to acute diarrhea can be treated with a simple, inexpensive oral rehydration solution developed by the International Centre for Diarrhoeal Disease Research in Bangladesh," ORT with the other technques, present an attractive approach which the United States and other nations should support in the effort to combat global hunger and malnutrition.

Accordingly, Mr. Speaker, I urge my colleagues to suspend the rules and pass House Joint Resolution 289 so that our Nation can join with other nations and international organizations in utilizing effectively the above techniques to improve child health.

Mr. ZABLOCKI. Mr. Speaker, I rise in support of Senate Joint Resolution 111, expressing the sense of Congress concerning international efforts to further a revolution in child health.

In these days of many troubles around the world, it is encouraging to be able to point to certain areas where there is bright hope for the future. One of these is in programs to improve the lives and health of the world's children, what the resolution terms a "child health revolution."

One of the new, low-cost techniques which can help to save the lives of many of the children who die in poor countries from diarrheal infection is oral rehydration therapy, ORT. It has been estimated that use of this simple remedy may save the lives of up to 5 million children a year.

Other inexpensive and effective techniques to improve child health include vaccination campaigns, promotion of breastfeeding, and use of child-growth charts to detect malnutrition.

The Committee on Foreign Affairs has been active in reviewing international health matters and in approving legislation which will help in this area. A major instrument for U.S. assistance for these programs is the Agency for International Development. A number of international organizations, such as UNICEF, to which the United States contributes funds, and several private and voluntary organizations, are doing outstanding work in promoting improved health techniques around the world.

I want to commend the gentleman from Pennsylvania, (Mr. YATRON), for bringing this resolution to the floor, and his subcommittee, the Subcommittee on Human Rights and International Organizations, for its work in this area. The author of this resolution, Mr. LEACH of Iowa, is the ranking member of that subcommittee, and I also thank him for his active interest and efforts regarding international health assistance.

● Mr. CONTE. Mr. Speaker, I rise in strong support for Senate Joint Resolution 111, which expresses the sense of the Congress with espect to international efforts to further a revolution in child health. I was an original cosponsor of this resolution back in June along with my good friend and colleague from Iowa, JIM LEACH, and our capable and dedicated colleague from Maryland, MIKE BARNES.

Mr. Speaker, it is a tragic and grim fact that more than 15 million infants and small children die in the world each year from preventable diseases and malnutrition. That is more than 40,000 children dying every day. About one-third of these children die from the dehydration effects of acute diarrhea, another one-third from six diseases: Measles, diptheria, tetanus, whooping cough, polio, and tuberculosis. The rest die from various causes, most of which are connected in some way to malnutrition.

These child death statistics are horrible. Forty thousand children are dying every day of preventable causes. Where is the conscience of the world? We have the means to prevent many of these deaths, perhaps up to half of them by the 1990's, perhaps even more. What we lack is the international will.

This resolution which I have cosponsored is an attempt to martial that will on the part of the Government of the United States through its bilateral and multilateral humanitarian assistance programs. The resolution directs the President to take all necessary steps to promote, encourage, and undertake activities to further the objectives of the child health revolution by directing the Department of State, the Agency for International Development, and the Department of Health and Human Services to support and cooperate with the United Nations Children's Fund, UNICEF, the World Health Organization, the United Nations Development Program, UNDP, and other international financial and assistance agencies. The resolution also calls on other public and private organizations involved in health, education, finance, labor, communications and humanitarian assistance programs to assist in this effort.

This resolution is not just another do-good gesture. The means exist to effectively and economically control the causes of many of these needless deaths. Research supported by the international organizations I have just mentioned and by the Agency for International Development shows that through the application of four low-cost, available techniques, we can save the lives of 20,000 small children each day.

One of these techniques is the use of a simple oral rehydration treatment for the victims of diarrhea at a cost of pennies per treatment as compared to a minimum of $30 to $40 per treatment under the old intravenous method which oftentimes is not available in the least developed countries.

Other techniques include wider promotion of breast feeding of infants, the use of growth charts which are easy to use and understandable, and the promotion of campaigns using less expensive and easier to maintain vac-

cines to immunize children against the six deadly diseases I listed earlier in my remarks.

While this resolution does not specifically authorize the expenditure of additional funds, I am pleased to note that the continuing resolution which this Congress passed on Saturday included important funding for these child health efforts. For UNICEF, the bill included $52.5 million, for the UNDP, $160 million, and for the health assistance programs of the Agency for International Development, $125 million. These amounts represent significant increases over the amounts requested in the President's fiscal 1984 budget. As the ranking Republican on the Appropriations Committee, I supported these increases. The possibility of saving millions of children's lives is not and should not be a partisan issue.

In closing, Mr. Speaker, I would just point out that we are entering the holiday season, the time when we exchange seasons greetings. We have all seen and used the UNICEF greeting cards. I am told that when one of us buys one of those UNICEF cards, we will be financing two oral rehydration packets which, in turn, have the potential of saving two lives. If we buy a more expensive card, we are paying for the immunization of a child against measles, tetanus, whooping cough, and other killing diseases.

This resolution expresses the sense of Congress in this critical area, and I trust it will pass overwhelmingly. But it will take the support of millions of people, through contributions and other actions, to bring to reality this promise of a child health revolution. I urge you to inform your constituents of the possibilities and the needs involved.●

● Mr. LEACH of Iowa. Mr. Speaker, in spite of the amazing medical advances and miracles of this 20th century, it estimated that some 5 million children around the world continue to perish each year from diarrhea. In the environment of the developing world where sanitation is often inadequate and water supplies are contaminated, this simple, common ailment has been transformed into a deadly killer. UNICEF also reports that some 40,000 die each day for malnutrition and infection, which raises the casualty figure to over 14 million. In addition, for each child who dies, UNICEF estimates that six others experience hunger and ill health on a scale which will be forever etched upon their lives. This ongoing human tragedy can no longer be tolerated. It is a moral imperative for all of us to lend our support to an effort to mobilize the resources which are presently available to bring this suffering to an end.

Last May, the gentleman from Massachusetts, Mr. CONTE, and the gentleman from Maryland, Mr. BARNES, joined me in introducing House Joint Resolution 289, which has as its purpose a declaration of support on behalf of this Congress for the mobilization of what is now commonly referred to as the "child health revolution." Like its companion, Senate Joint Resolution 111, which is before us today and which passed the Senate unanimously in July, House Joint Resolution 289 seeks to draw national and international attention to what UNICEF's "State of the World's children 1982-83" report hails as "new hope in dark times." That report spells out exciting new potential for a dramatic worldwide revoluton in child health at a minimal cost per child. Techniques such as oral rehydration home therapy, low cost vaccines which do not require refrigeration, breast feeding, and child growth charts which enable mothers to detect signs of malnutrition, offer promise in the contest to save our world's precious resource, our children.

It has been estimated that these techniques, which can be promoted through modern communications technologies and community health workers, and similar means, could successfully cut in half the daily child mortality rate from 40,000 to 20,000 within a decade.

President Reagan has expressed support for this child health initiative and in April issued an appeal to the American people to "help bring about a health revolution for children during the coming decade by supporting UNICEF's humanitarian program." In a letter which the Foreign Affairs Committee received this week, the administration also states its strong support for House Joint Resolution 289 and Senate Joint Resolution 111 and points out that—

> All appropriate U.S. Government agencies are cooperating with international efforts to bring about a health revolution for children in developing countries to the extent that our resources and the law permit.

The Secretary General of the United Nations and the heads of other nations in Europe and Asia have likewise expressed support for the child health revolution and UNICEF's involvement in that worldwide effort.

The resolution before us today seeks to put Congress on record in strong support of this major health initiative. It is consistent with strong U.S. Government leadership in the development of the oral rehydration technique as well as with the general character of the American people who have historically responded generously and with compassion to the humanitarian needs of the world community.

As Americans we can also take special pride in the fact that an American, James Grant, serves as Executive Director of UNICEF. I would like to take advantage of this opportunity to underscore the comments of our U.S. Representative of UNICEF, Rita DiMartino, when she praised Mr. Grant as "peerless as an advocate for children." His service at UNICEF has brought honor and a sense of pride to all his fellow Americans.

Mr. Speaker, a lasting peace in our world will not be possible until we have eliminated from the face of the Earth the harsh reality for millions of children of hunger, disease, and poverty. From such fertile soil thrive the roots of conflict and war. Both from the perspective of political self-interest as well as from a humanitarian perspective, we cannot help but come to the conclusion of the UNICEF report that "To allow 40,000 children to die like this every day is unconscionable in a world which has mastered the means of preventing it."

I urge my colleagues to offer their unanimous support for this child health revolution and to accept the challenge it presents to our Nation as the leader of the international community.●

● Mr. YATRON. Mr. Speaker, the world is on the verge of a major revolution in children's health care. Techniques developed in recent years offer the promise of saving 20,000 of the 40,000 children who die each and every day of disease and malnutrition. Senate Joint Resolution 111 gives the opportunity to Congress to take note of the dramatic promise offered by this potential children's health revolution and to encourage cooperation to make it a reality.

President Reagan last April issued a statement endorsing the children's health revolution and has taken the lead in encouraging full cooperation on the part of U.S. agencies. Similarly, the program has received the enthusiastic backing from a host of international leaders including Pope John Paul III, the Secretary General of the United Nations, and Prime Minister Thatcher.

Mr. Speaker, the United Nations Children's Fund, UNICEF, has played a leading role in coordinating and developing the various techniques which together form the program to improve the lot of the world's children by the end of this century—and at a remarkable low cost. The techniques involved and the strategy designed to make them effective were first described most eloquently in a report issued late last year by James P. Grant, the very able Executive Director of UNICEF. The report is entitled "New Hope in Dark Times" and is the most recent of UNICEF's annual reports on "The State of the World's Children." The report states UNICEF's belief that the social and scientific breakthroughs of recent years are at this point coming together to put into our hands the sudden means of bringing about a rev-

olution in child health. The report goes on to say:

A serious commitment to that revolution by the people's and government's could yet reaccelerate progress for the world's children, slow down the rate of population growth, and reduce child malnutrition and child deaths by at least half before the end of the 1900's.

The techniques and strategies to realize the saving of 20,000 lives daily are the result of decades long efforts by UNICEF and other members of the U.N. family, especially the U.N. Development Program and the World Health Organization, and by numerous national agencies such as our own Agency for International Development. AID, for example, played a leading role in development of oral rehydration therapy which at extremely low cost could alone save as many as 5 million children per year who die of dehydration following diarrheal infection. Rather than requiring intravenous feeding administered by trained health professions, the new technique involves a small packet of chemicals which, when mixed with the right proportion of water, salt, and sugar, can be administered at home by a parent—and at a cost of 10 to 20 cents. For such a technique to become established practice, however, involves the active involvement of the whole network of development agencies, national and international.

Other techniques involved in the children's health revolution are universal immunization, promotion of breast feeding, and mass use of growth charts to identify health problems.

All these techniques rely on easily understood concepts and simple technology. But bringing these concepts and technologies to the village level is not easy. It requires commitment and cooperation by all levels of Government and society—both at a national and international level. We are fortunate that, for the most part, the institutions we now need to achieve the goals of this health revolution are already in place. They are there because of all that we in the United States and others around the world have done to build health delivery systems in the developing world. In short, the billions we have already spent are about to pay an enormous dividend in that most precious of commodities, the lives of children.

Today gives us an opportunity to celebrate what promises to be one of this century's most magnificent achievements. I urge my colleagues to support Senate Joint Resolution 111.●

Mr. LAGOMARSINO. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 111

Whereas the report entitled "State of the World's Children, 1982-83" of the United Nations Children's Fund (hereafter in this joint resolution referred to as "UNICEF") offers unprecedented hope for a "revolution in child health" which could save the lives of up to twenty thousand of the forty thousand children who perish daily around the world from malnutrition and disease;

Whereas the techniques involved in this health revolution including oral rehydration home treatment, low-cost vaccines which do not require refrigeration, promotion of breast-feeding, and use of child growth charts to detect malnutrition, are estimated to cost only a few dollars per child;

Whereas this UNICEF report and the activities of UNICEF have been widely acclaimed by the Secretary General of the United Nations and the heads of the governments of such countries as the United Kingdom, France, Sweden, India, and Pakistan; and

Whereas the President of the United States on April 18, 1983, has issued a statement endorsing this health revolution for children and calling on the cooperation of United States Government agencies with international organizations and agencies associated in this effort: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of the Congress that—

(1) the techniques articulated by UNICEF in its report entitled "The State of the World's Children, 1982-1983" represent an unprecedented low-cost opportunity to significantly reduce child mortality and morbidity throughout the world, and have the full support and encouragement of the Congress at a time of economic difficulty and constriction for all countries;

(2) the President be commended for taking steps to promote, encourage, and undertake activities to further the objectives of the child health revolution and for directing all appropriate United States Government agencies, including the Department of State, the Agency for International Development, and the Department of Health and Human Services, to support and cooperate with UNICEF, the World Health Organization, the United Nations Development Program, and other international financial and assistance agencies participating in fostering this child health revolution; and

(3) other public and private organizations involved in health, education, finance, labor, communications, and humanitarian assistance should cooperate with and support the efforts of the United States to further the objectives of the child health revolution.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks, and that all Members may have 5 legislative days in which to revise and extend their remarks on Senate Joint Resolution 111 just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

EXPRESSING SUPPORT FOR INITIATIVE OF THE CONTADORA GROUP

Mr. BARNES. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the concurrent resolution (H. Con. Res. 197) expressing support for the agreement on a framework for negotiating a peaceful settlement to the conflict and turmoil in Central America which was reached by Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua as a result of the initiative of the Contadora group, and ask for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. LAGOMARSINO. Mr. Speaker, reserving the right to object, I rise in support of House Concurrent Resolution 197, expressing support for the Contadora initiative.

Several of my colleagues and I introduced a resolution on August 4 expressing the support of the Congress for the Contadora group's efforts in negotiating peace in Central America and also recognizing the efforts of the President in support of the Contadora initiative. While I would have preferred to be considering that resolution today, the issue is of such importance, I am pleased this body is considering a resolution in support of the Contadora initiative.

The recognition by all the Contadora participants, including the five Central American nations, of the 21 principles expressed in the document of objectives is a significant step toward finding an eventual peaceful solution to the crisis in Central America. Many of the principles contained in the document of objectives were first revealed in the declaration of Cancun in July by the four-nation Contadora group. In a response to a letter from the presidents of the Contadora group, President Reagan expressed in a letter to them on July 26 his support for the efforts of the Contadora group and his belief that principles of U.S. policy are consistent with the objectives of the Contadora initiative. As President Reagan stated, the principles of U.S. policy seek establishment and strengthening of democratic institutions, respect for the principle of nonintervention, and a ban on support for subversion, removal of all foreign military and security advisers, and promotion of economic and social development.

We in the Congress, and those in the administration as well, support the Contadora group's initiative for finding a peaceful settlement in Central America. I am pleased to join those supporting that effort.

I urge my colleagues to join in expressing their support for this resolution as well.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding. I want to commend the gentleman from Maryland (Mr. BARNES) for bringing the measure to the floor at this time. I rise in support of House Concurrent Resolution 197, legislation expressing support for the peace initiative in Central America which was reached by Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua as a result of the initiative of the Contadora group.

As my colleagues will recall, the four Contadora nations of Colombia, Mexico, Panana, and Venezuela has for same time now sought regional solutions to regional problems.

As House Concurrent Resolution 197 indicates the Contadora approach is based on an "effort by the countries of the region to resolve their differences peacefully in accordance with internationally recognized principles and under international auspices deserves the support of the United States and other countries." It is my hope that real progress toward the beginning of a comprehensive peace can be achieved through the Contadora process.

Accordingly, I urge my colleagues to support House Concurrent Resolution 197 so that the Congress can be placed on record as "encouraging the United Nations, the Organization of American States, other relevant international organizations, and their countries to support this Contadora effort and to assist in bringing about continued negotiations to find a peaceful solution to the tensions and conflict in the Central American region."

Mr. LAGOMARSINO. Mr. Speaker, I withdraw my reservation of objection.

□ 2150

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. LEVINE of California. Mr. Speaker, reserving the right to object, I withdraw my reservation of objection.

I rise in support of House Concurrent Resolution 197, which expresses the support of the Congress for the agreement on a framework for negotiating a peaceful settlement to the conflict and turmoil in Central America, which was reached by Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua as the result of an initiative of the Contadora group.

That these countries, some of which are plagued by violence, should have reached this agreement peacefully, through negotiations and diplomacy, is indeed a great accomplishment and one which should be recognized and supported by this body. That's why I introduced this resolution. In a time when governments too often resort to military means to resolve their differences and work their will, not only should this agreement, peacefully arrived at, be welcomed, but the method through which it was reached should be applauded. It is an important affirmation of the democratic process—and one which recognizes the importance of a regional solution to regional problems, not one which drags a regional problem into the abyss of East-West conflict.

On October 14, in a letter to the Security Council on Developments in Central America, the Secretary General of the United Nations reported that the Central American countries had reached agreement on a document of objectives listing elements which threaten the security and peaceful coexistence of the region and agreeing on goals which have to be reached in accordance with the principles of international law to bring about an end to the conflict.

Among the objectives agreed to by the Central American countries were: Respect and guarantees for the exercise of human, political, civil, economic, social, religious, and cultural rights; promotion of actions of national reconciliation in those cases in which there are deep divisions in the society, in order to permit, in accord with the law, participation in political processes of a democratic character; the establishment of internal mechanisms to control or impede the traffic in arms from the territory of any country of the region to the territory of any other country; and the undertaking of programs of economic and social development with the purpose of achieving greater welfare and an equitable distribution of wealth.

While these are just a few of the objectives which have been agreed to in the document of objectives, it is clear that the nations of Central America have carefully considered a wide-ranging solution to the current situation and are serious in their attempt to initiate negotiations to reach an end to the turmoil in the region.

The countries of Latin America have a tradition of trying to develop diplomatic solutions for the problems which have confronted them. The Declaration of Ayacucho, which sought to end the competition for conventional arms in the region, and the Treaty of Tlatelolco, which, when completed, would create the first nuclear weapons free zone in any populated region of the world, are examples of this.

Once again through the Contadora Group Initiative, Latin American countries have proven the effectiveness of diplomacy and have shown their support for solutions agreed to in a rationally negotiated agreement through the international system. They have demonstrated that the combination of creative ideas, dedicated diplomacy, and good will can lead to greater understanding among nations. Their efforts have sparked the hope that peaceful solutions can be found to the problems and conflicts in Central America.

In addition to expressing the support of the Congress for the agreement reached among the Central American countries, the resolution before us encourages the United Nations, the Organization of American States, and other relevant international organizations and countries to support their efforts, and expresses the view that the United States should provide appropriate assistance and support needed to reach a final agreement.

The efforts of our Central and South American neighbors deserve our recognition and support. I hope my colleagues will agree and will support this resolution.

Thank you.

Mr. BARNES. Mr. Speaker, I want to begin by thanking our colleague from California, Mr. LEVINE for introducing this resolution. It expresses our support for the agreement on a framework for negotiating a peaceful settlement to the conflict and turmoil in Central America as a result of the initiative of the Contadora group.

Mr. LEVINE—and he was joined by several Members from both sides of the isle—introduced this resolution because of his concern about the crisis in Central America. I share the view that we need to address this situation now, before it becomes too late. This resolution recognizes that through the leadership of the Contadora group—Panama, Mexico, Venezuela, and Colombia—the countries of Latin America have proven that a consensus can be reached on finding diplomatic and peaceful solutions to their problems. The Contadora group recognizes that the dogs of war are at the door. They have seen that the conflict and turmoil can and will spread. They have begun to build a framework that can help overcome the obstacles to peaceful solutions and these efforts deserve our admiration and support. I hope that this resolution will be seen as a symbol of our support for the Contadora process and we hope that other nations and groups will join us in supporting this vital effort.

● Mr. LEACH of Iowa. Mr. Speaker, I rise in support of House Concurrent

Resolution 197, which expresses congressional support for the recent agreement, reached by the five Central American governments, on a framework for negotiating a peaceful settlement to the conflicts in Central America. This document was the result of the ongoing peace efforts of the so-called Contadora group, consisting of the Governments of Mexico, Venezuela, Colombia, and Panama, and sets the stage for serious negotiation of regional agreements on reducing military armaments and tensions as well as promoting human rights.

As one of the original cosponsors of this measure, I am pleased for the opportunity to pay public tribute to the four countries of the Contadora group who have worked tirelessly, and against increasingly difficult odds, to reverse the drift toward regional war and to mobilize instead a process for peace in which the Governments of El Salvador, Costa Rica, Honduras, Guatemala, and Nicaragua could all participate.

While it may be, to some extent, undeserved, the United States has, over the years, developed a costly reputation among its neighbors to the south for being too eager and inclined to use military force to solve problems, and too quick to intervene with guns and warships rather than diplomats. That reputation thrives under the present thrust of U.S. policy toward the region which involves the stationing of a large number of U.S. military forces in Honduras, military advisers and substantial military aid to the Government of El Salvador, naval maneuvers in the Caribbean, the invasion of Grenada, and widespread reports of U.S. support for covert action against Nicaragua.

By making clear our strong support for the peace initiatives of the Contadora group, we have an important opportunity to project a more balanced image of our policies toward the region as well as to assure the countries involved that the United States has no desire to undermine or sabotage, either intentionally or unintentionally, this budding peace process.

House Concurrent Resolution 197 is intended to signal to all nine of the governments involved in the successful drafting of the "Document of Objectives" that we stand firmly behind them in their search for a peaceful, negotiated solution to the problems that beset them, as well as to issue a strong challenge to the administration to provide appropriate assistance and support to the parties as they attempt to negotiate final agreements on the basis of the initial document of objectives.

We simply cannot permit the momentum of war to eclipse the momentum toward peace.

I urge the unanimous adoption of House Concurrent Resolution 197.

Thank you.●

● Mr. CONTE. Mr. Speaker, I rise in support of House Concurrent Resolution 197, a resolution supporting the Contadora peace initiatives in Central America.

The situation in Central America remains a high foreign policy concern for the United States. Just last year, the Congress agreed to the President's Caribbean Basin Initiative that distributed $350 million in economic assistance to these countries. The trade component of the CBI—designed to strengthen the economy of these nations through exports—was enacted this year. Despite this positive attempt to assist these countries, the region is still troubled by violence.

As this uncertain situation demonstrates, economic assistance alone cannot stabilize this region. A strong diplomatic effort is needed on the part of all these countries and the United States before a long-lasting settlement is reached. The so-called "Contadora" group is providing leadership on the regional level through diplomatic means. From September 7 to 10, 1983, Colombia, Mexico, Panama, and Venezuela met and agreed to a 21-point "Document of Objectives" for resolving the tensions in the region.

This resolution appropriately notes that this diplomatic initiative "deserves the support of the United States, and other countries." House Concurrent Resolution 197 also urges the United Nations, the Organization of American States and other international organizations to support and assist this effort. I urge my colleagues to express their support for a diplomatic and political approach to the tensions in Central America by endorsing this resolution.●

● Mr. PANETTA. Mr. Speaker, I rise in strong support of the resolution under consideration—House Concurrent Resolution 197—and would like to express my deep appreciation to the House Committee on Foreign Affairs for moving this resolution, similar to one I first introduced in the Congress, to encourage a peaceful solution to the turmoil of Central America.

The events of the last few weeks, marked by the tragic bombing of U.S. Marine barracks in Lebanon and U.S. involvement in the occupation of Grenada, have forced a difficult reexamination of U.S. foreign policy objectives.

The United States has flexed its military arm. The question now is whether it will flex its diplomatic arm to resolve the many problems confronting the region. Regardless of whether one supported the military action in Grenada, the American people have registered deep reservations as to whether the use of military force ought to be viewed as a primary means for advancing U.S. foreign policy objectives. Confusion in this regard has been further fueled by recent press reports which indicate that plans are being developed within the administration house for direct military action against the Sandinista government in Nicaragua—the target of present U.S.-sponsored rebel attacks.

To suggest that such extraordinary action was about to transpire would, just a few weeks ago, have been dismissed by most foreign policy analysts. Yet the Reagan administration has established an ominous precedent for U.S. foreign policy in Central America with the secret funding of rebel groups seeking to overthrow the Government of Nicaragua and most recent renewal of American military intervention in the region. Concerns over escalating violence in the region and scope of U.S. involvement have never been greater.

Mr. Speaker, I am convinced that if our Nation is to remain a leader in the world, then we must lead by example, not merely by force. We must recognize the limits of military force in resolving the many problems of Central America and should instead move forward to fulfill our commitment to peace by throwing our full diplomatic weight behind the regional peace proposals of the four-nation Contadora group.

As my colleagues may recall, on July 27, 1983, I introduced legislation—House Concurrent Resolution 151—calling upon the President to support the program for peace put forward by the Presidents of Mexico, Venezuela, Colombia, and Panama—the so-called Contadora group—at the conclusion of their July 17 meeting in Cancun, Mexico. As Members may recall, the declaration of Cancun called for an immediate halt to the flow of arms into Central America, the withdrawal from the region of all foreign military advisers, and a guarantee by all parties to respect the sovereignty of the nations of the region. I am pleased to report that over 45 of my colleagues joined in cosponsoring House Concurrent Resolution 151.

With regard to today's debate, I applaud my colleague and friend from California, Mr. LEVINE, for sponsoring House Concurrent Resolution 197, expressing the sense of the Congress with regard to the most recent proposals presented by the Contadora group. Without question argeements reached during the September 7 to 10, 1983, meetings between the four Contadora nations and representatives of Costa Rica, El Salvador, Gatemala, Honduras, and Nicaragua represent the most hopeful progress to date for defusing growing tensions. As my colleagues may be aware, the document issued at the conclusion of the most recent meeting provides a 21-step plan for achieving the goals of security and

peaceful coexistence in Central America first outlined at Cancun.

Speaker, in light of recent bloodshed and prospects for new violence, it is essential that the United States make clear its support of the Contadora process. We must seize this opportunity to fashion a consensus policy with our friends in Central America before any more lives are lost. It is, therefore, with great urgency that I urge all my colleagues to support House Concurrent Resolution 197 as a first step toward realization of that goal.●

● Mr. BROOMFIELD. Mr. Speaker, as we all know, the civil strife prevailing in Central America threatens the security of the whole region. What is needed to address this problem is the establishment of a framework for negotiating a peaceful resolution to the conflicts that have caused so much suffering and death in Central America.

The Contadora nations of Colombia, Mexico, Panama and Venezuela have for many months now been working overtime toward getting all parties to the dispute to resolve their differences peacefully.

Thanks to the aggressive efforts of the Contadora group, representatives of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua met on September 7-10, 1983, and agreed to a document of objectives which represents a consensus text of what must be accomplished to achieve a lasting peace in the area.

I realize that many of my colleagues are concerned that the Sandinistas may not fully comply with the various provisions of a negotiated settlement. I share that concern but note that the document of objectives calls for the "establishment of appropriate verification and monitoring systems."

Mr. Speaker, the United States has much at stake in Central America and recognizes and applauds the initiatives taken by the Contadora group. I, therefore, support this resolution and urge its immediate adoption.●

● Mr. ZABLOCKI. Mr. Speaker, the gentleman from Maryland (Mr. BARNES), chairman of the Foreign Affairs Committee Subcommittee on Western Hemisphere Affairs, and the ranking Republican, Mr. LAGOMARSINO, deserve our gratitude for bringing House Concurrent Resolution 197 before the House.

All of us are concerned about the turmoil that is engulfing Central America. The one encouraging note has been the gradual success of the Contadora Group—Colombia, Mexico, Panama, and Venezuela—in at least getting the countries of Central America to discuss their differences and difficulties.

This is an important first step which needs the support of the United States and other nations which have an interest in the region. We hope that it will promote real movement toward peace in the area.●

● Mr. BIAGGI. Mr. Speaker, I rise to lend my support to the pending resolution which expresses support for the framework of the peace initiative for Central America put forth by the four Contadora nations of Colombia, Mexico, Panama, and Venezuela.

The Contadora initiative is based on the aspiration for a peaceful political settlement of the conflicts in Central America. Central to their initiative are the following components; withdrawal of all foreign military personnel, peaceful reconciliation within the countries and advancement of the democratic process.

President Reagan has indicated his support for the efforts of the Contadoras and if in fact we are committed to peace in Central America, we should take this step today and express our support for the resolution.

It is vital that we view the problems of Central America through another vantagepoint beside the military one. The critics of the administration's current policy contend it is more militaristic than anything else. However, there if a great deal of misperception about the policies especially when one considers that we are spending three times more on economic aid than military aid in Central America.

As we develop our future policy with respect to El Salvador and Nicaragua and all of Central America, let us give greater emphasis to the Contadora peace effort. It may be the safest way for us to travel and may offer the best hope for a peaceful political resolution to the crisis in Central America.●

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland (Mr. BARNES)?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 197

Whereas at the initiative of the four Contadora nations of Colombia, Mexico, Panama, and Venezuela, representatives of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua met on September 7 to 10, 1983, and agreed to a Document of Objectives for resolving the tension which threatens the security and peaceful coexistence of the Central American region; and

Whereas this effort by the countries of the region to resolve their differences peacefully in accordance with internationally recognized principles and under international auspices deserves the support of the United States and other countries: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) strongly supports the initiatives taken by the Contadora group and the resulting Document of Objectives which has been agreed to by Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua and which sets forth a framework for negotiating a peaceful settlement to the conflict and turmoil in the region;

(2) encourages the United Nations, the Organization of American States, other relevant international organizations, and other countries to support this effort and to assist in bringing about continued negotiations to find a peaceful solution to the tensions and conflict in the Central American region; and

(3) believes that the United States should provide such assistance and support as may be appropriate in helping to reach final agreements, based on the Document of Objectives, which will ensure peaceful and secure solutions to the Central American conflicts.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BARNES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Concurrent Resolution 197, just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

EXPRESSING SENSE OF CONGRESS IN SUPPORT OF RETURN TO DEMOCRATICALLY ELECTED GOVERNMENT IN ARGENTINA

Mr. BARNES. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the concurrent resolution (H. Con. Res. 213) expressing the sense of the Congress in support of the return to democratically elected government in Argentina, and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. LAGOMARSINO. Mr. Speaker, reserving the right to object, I rise in strong support of House Concurrent Resolution 213, expressing support for the return of democratic government in Argentina.

The election of Raul Alfonsin and his Radical Party marks a stunning change from the political traditions in Argentina of the past 40 years. It also represents the hope for Argentina of change for the better as it tries to emerge from the serious political and economic crises the country has faced over the past decade.

The problems the new government will have to face are monumental. The aftermath of the Falklands/Malvinas war, the economic stagnation and the foreign debt crisis as well as resolving the questions of the thousands of disappeared are all of priority concern to President-elect Alfonsin. He will have

to deal with all those problems in such a way so as not to provoke the military to intervene once again.

We in the Congress and the United States, can look with great satisfaction at the steps taken in Argentina to return to a fully functioning democratic society. It is appropriate that we applaud and support the democratic movement in Argentina and express our hope that the democratic tradition will be reestablished and strengthened in Argentina.

I urge my colleagues to support this resolution.

Mr. Speaker, further reserving the right to object, I yield to the gentleman from Maryland (Mr. BARNES).

Mr. BARNES. Mr. Speaker, this resolution expresses the sense of the Congress in support of the return to democratically elected government in Argentina. On October 30, there was a free and open election in Argentina. This election was the first time in one decade that the people of Argentina have had the opportunity to participate in their government. And, as is often the case in free and open elections, the person that could not win, did win. Argentina has demonstrated that it has moved into new age of democratic traditions.

Still, Agrentina and its new government will be faced with a whole range of complex problems, including an economic and foreign debt crisis, and domestic human rights concerns. And there have been rumors that some in the Argentine military are talking of a coup. These problems will not be solved overnight, but the new government should know that the United States strongly supports the democratic process in Argentina. This resolution is intended to send a message to all that we are willing to actively support the newly elected civilian government of Argentina as it struggles to rebuild Argentina's economy and moves to permanently restore democracy to Argentina.

Mr. BROOMFIELD. Mr. Speaker, it is with pleasure that I note the return of democratic processes to Argentina. In this connection, it should be mentioned that this turn of events reinforces the contention of those who claim it is far easier to return a dictatorship of the right to democracy than it is one from the left—Communist—end of the political spectrum.

Since World War II, not a single Communist dictatorship has moved toward democracy. Morever, in every instance where democratic initiatives were undertaken, we saw them brutally squashed in East Germany, Czechoslovakia, Hungary, and Poland. Meanwhile, such rightwing regimes as Franco's Spain and Salazar's Portugal evolved into viable democracies.

The recent national elections for a new civilian government in Argentina marked the end of approximately 8 years of military rule. These elections also indicated that the Argentine electorate had decided to try something other than another version of Peronism.

I am heartened by the outcome of the October 30 elections which were conducted peacefully and with apparently few irregularities. Moreover, I fervently hope that the new government or Paul Alfonsin will have the capacity to deal effectively with Argentina's many problems particularly those in the economic realm.

In short Mr. Speaker, what has happened in Argentina deserves to be specifically cited by this Congress. I, therefore, commend the sponsor of this timely resolution for bringing it to the House's attention today, and I urge my colleagues to join me in supporting it.

● Mr. ZABLOCKI. Mr. Speaker, it is appropriate that the House of Representatives consider House Concurrent Resolution 213, commending Argentina for the reestablishment of democracy, at this time. It was just a week ago that Argentina held its first free and open elections in more then 7 years. This important development should be an example for the other countries of South America. Hopefully, it is an indication of the strength of the trend over the last several years which has seen reestablishment of representative governments in several countries in the region.

I commend Mr. BARNES, Mr. GLICKMAN, and Mr. LAGOMARSINO for introducing the resolution, and Mr. BARNES for moving it immediately to the floor of the House.●

Mr. LAGOMARSINO. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 213

Whereas on October 30, 1983, free and open elections were held in Argentina to fill municipal and provincial offices, to elect a Congress and a President;

Whereas those elections are to be followed by the meeting of an electoral college to finalize the selection of the President-elect;

Whereas the newly elected President is scheduled to assume office not later than January 1984;

Whereas those elections and the widespread participation therein indicated a strong desire by the Argentine people to return to democratic, electoral government; and

Whereas the newly elected Government of Argentina will be promptly called upon to address a whole range of sensitive and complex problems, including economic and foreign debt crises and domestic human rights concerns: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the United States should support the democratic process in Argentina and should express its willingness actively to support the newly elected civilian government as it struggles to rebuild Artentina's economy and to solve pending territorial disputes.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BARNES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the concurrent resolution, House Concurrent Resolution 213, just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

CALLING UPON PRESIDENT TO STUDY ADVISABILITY AND PRACTICALITY OF COLLABORATIVE PEOPLE-TO-PEOPLE PROGRAM BETWEEN UNITED STATES AND MEXICO

Mr. BARNES. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the concurrent resolution (H. Con. Res. 196) calling upon the President to study the advisability and practicality of a collaborative people-to-people program between the United States and Mexico, and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. LAGOMARSINO. Mr. Speaker, reserving the right to object, I rise in support of House Concurrent Resolution 196, proposing a study for a United States-Mexican people-to-people program.

The significance of close, cooperative relations between the United States and Mexico cannot be underestimated. The issue of undocumented workers in the United States, many of whom come from Mexico, continues to place a strain on the U.S. economy and a strain in relations between the United States and Mexico. A broad-ranging, effective solution must be found to the illegal immigration problem. It calls for imaginative, comprehensive approaches and a willingness to consider a variety of alternatives.

The people-to-people program proposed by the gentleman from Colorado (Mr. KRAMER), is certainly worth the attention of the President and is consistent with his concern for finding an effective solution to illegal immigration. I believe the study proposed by

this resolution is appropriate and will probably serve to reinforce the decisions and recommendations by this administration for a number of initiatives that have already been considered and proposed. The United States-Mexico Bilateral Commission, which is already in existence, serves many of the functions proposed as a coordinating body under this study, which should prove to be helpful in further defining the goals of that Commission.

I urge my colleagues to support House Concurrent Resolution 196.

Mr. Speaker, further reserving the right to object, I yield to the gentleman from Colorado (Mr. KRAMER).

Mr. KRAMER. Mr. Speaker, I rise in support of this resolution and want to extend my appreciation to the committee chairman and the ranking minority member for their cooperation in bringing this matter to the floor. I extend my heartfelt thanks to them for their efforts in this regard.

Mr. Speaker, recent events in Latin America have once again underscored the importance of this region to the United States. This is especially evident to us in Colorado due to the fact that troops from Fort Carson are taking part in the current military maneuvers in Honduras. At the same time, however, what is going on in Latin America points up the historical shortsightedness of our foreign policy.

Although we have periodically paid lipservice about the need to improve relations with our neighbors to the south, the sad truth is that too often we have waited for a crisis to erupt before taking action. Certainly this was the case in Cuba and Nicaragua. We cannot afford to let it happen again with Mexico.

A look at the facts shows why. Mexico is extremely important to our national security not only because of its location—bordering Guatemala as well as sharing a 2,000-mile border with the United States—but also because it is now the fourth largest source of foreign oil for this country. In addition, the economies of Mexico and the United States have become inextricably linked. Mexico is the third largest trading partner of the United States behind Canada and Japan. On the one hand, the United States is the predominant recipient of Mexico's exports; on the other, Mexico is more and more becoming a key consumer of U.S. goods, machinery, and services.

Let me emphasize that I do not think there is any immediate danger of a Communist takeover in Mexico. At the same time, it would be naive to think that Mexico, given its current and projected levels of poverty and unemployment, which in turn have helped unleash a flood of illegal aliens into this country in recent years, is immune from Communist activity. I would rather see us act now by using some type of preventive medicine than being forced to react to a major crisis down the road.

Therefore, I urge my colleagues to support House Concurrent Resolution 196 which is aimed at improving Mexico's economy.

Specifically, this resolution would call upon the President to study the merits of proposing to Mexico the establishment of a joint people-to-people program. Such a study would include looking at how the program might be administered, with particular attention paid to the possibility of the two governments establishing a joint commission, composed of United States and Mexican representatives appointed through diplomatic channels. This commission, or whatever similar vehicle might be chosen, would be responsible for the formation, orientation and review of the people-to-people program. As such, it would be the ultimate coordinating body of existing community-level efforts and new people-to-people-type initiative.

As I envision it, the program would rely on volunteers, employed by the U.S. Government and paid some type of stipend that would cover living costs. The program could potentially involve private organizations as well. Since an important goal would be to foster self-reliance, these American volunteers would work closely with local Mexican businesses, civic organizations and labor groups, concentrating on such areas as agricultural production, industrial output, transportation, energy sources, construction and further development of Mexico's infrastructure. Again, let me emphasize that the key is cooperation. For such a program to work, it must be one which is jointly worked out by the Governments of Mexico and the United States; it should not be unilaterally imposed by the United States. By building on the meeting between President Reagan and President De la Madrid, who pledged to work together to solve border pollution problems through scientific and educational exchanges, I feel that such a spirit of cooperation is indeed attaintable.

In addition to being an insurance policy for our own national defense, I believe that improving Mexico's economy would benefit the United States in other important ways.

Earlier, I touched on the question of illegal immigration. It is difficult to obtain any reliable figures, but recent estimates have put the number of illegal Mexican aliens in this country somewhere between 1.5 and 3 million. Needless to say, at a time when 1.6 million Americans are out of work, the implications are tremendous. Through the people-to-people program I am proposing, we can hopefully create more jobs in Mexico and thus ease the pressures on our borders. This, in turn, will leave more jobs in this country open to Americans.

In addition, as Mexico's economy improves this will create more opportunities for small businessmen and women in this country to increase their exports to Mexico.

For all of these reasons, I strongly believe it is in our self-interest to promote stability and improve economic conditions in Mexico—and a people-to-people program of the type I have just outlined would be a major step toward this objective.

Mr. LAGOMARSINO. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Maryland (Mr. BARNES).

Mr. BARNES. Mr. Speaker, the United States and Mexico are inextricably linked. We are linked not only by a border, but by the past and future. Events in one country cannot help but impact on the other. Together, the United States and Mexico must work to address problems of immigration, problems of economics, and problems of security. Together we will succeed where alone our struggle would be more difficult. This resolution can help move the people of the United States and the people of Mexico closer together. It is intended to ask the President to begin to address the practical arrangements of a people-to-people program. The friendship between the United States and Mexico is deep. This resolution can only expand the relationship and help us move into the future together. I urge all Members to join our colleague from Colorado and pass House Concurrent Resolution 196.

● Mr. ZABLOCKI. Mr. Speaker, the Subcommittee on Western Hemisphere Affairs, particularly the chairman, Mr. BARNES and its ranking minority member, Mr. LAGOMARSINO, should be commended for acting expeditiously to bring House Concurrent Resolution 196 before the House.

At this time Mexico, our neighbor to the south, is confronting major internal economic difficulties and is the principal source of illegal immigration to the United States. As this is basically a "people" problem, the author of this resolution, Mr. KRAMER, has appropriately brought to the attention of the Congress and the executive branch the suggestion that a collaborative people-to-people program should be established between the United States and Mexico.

People oriented programs have been very successful as a mode of deveopment in the United States foreign assistance program. Although the resolution does not specify exactly how much a program would operate between the United States and Mexico, or what it would do, the proposal clearly is worthy of investigation and consideration. The United States should seek the advice of Mexico on

how to successfully implement this important program.●

Mr. LAGOMARSINO. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 196

Whereas increases in illegal immigration from Mexico to the United States and social unrest in Central America have made it imperative that the people of the United States encourage efforts to strengthen economic and social relations with the people of Mexico and to promote economic revitalization and economic expansion opportunities in Mexico;

Whereas not addressing issues relating to illegal immigration from Mexico (such as the 220 per centum increase from 1970 to 1982 in the number of illegal Mexican aliens apprehended in the United States) and the social instability in Central America to the south of Mexico (especially Communist influence in that area) may ultimately jeopardize the economic well-being and national security of both the United States and Mexico;

Whereas financial stability, economic growth, and prosperity in Mexico would substantially help to address this problem; and

Whereas the United States economy and the Mexican economy are inextricably linked to the extent that (1) Mexico is the third largest trading partner of the United States, (2) the United States is the predominant source of Mexico's exports, (3) Mexico is becoming an increasingly important consumer of United States manufactured goods, machinery, and service, (4) Mexico is the fourth largest source of foreign oil for the United States and is of critical strategic importance as a stable supply of oil, (5) two-thirds of the foreign investments in Mexico are held by United States investors, (6) United States banks have loaned Mexico an amount equivalent to 30 per centum of Mexico's foreign debt: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (a) it is the sense of the Congress that the President should study the advisability and practicality of proposing to Mexico the establishment of a collaborative people-to-people program between Mexico and the United States. The President should explore a program that would—

(1) be a bold new initiative to serve as the ultimate coordinating body of collaborative programs of mutual interest to Mexico and the United States and to create a climate of growth and economic prosperity in Mexico;

(2) contribute to economic development in Mexico, reinforcing measures in the fields of trade, investment, and financial assistance, in order to address current and anticipated needs and developments and to foster self-reliance;

(3) serve as a source of financial and technical assistance to carry out these goals drawing on, encouraging, and coordinating participation of existing United States programs and activities, international assistance programs, overseas programs of United States colleges and universities, programs of the Mexican Government, and any new programs or activities which would be established as part of the people-to-people program;

(4) target assistance based on findings of need in areas such as agricultural productivity, industrial research, building construction, transportation systems, research and development, and energy alternatives, and take into consideration the findings of the United States-Mexico Science and Technology Mixed Commission;

(5) draw extensively on and foster the development of local Mexican businesses, civil organizations, and labor organizations, and rely on private sector local and foreign initiatives; and

(6) rely on volunteers in a composition which would provide a mixture of workers, advisers, and consultants with skills not sufficiently available in Mexico.

(b) In studying such a people-to-people program, the President should consider how the program should be administered.

(c) Such study should consider the possibility of the Governments of the United States and Mexico establishing a Mixed Commission for the formulation, orientation, and review of the program. The Commission would meet whenever necessary, alternately in Mexico and the United States. The Commission would meet at the request of either Government and be made up of Mexicans and Americans appointed, through diplomatic channels, whenever a meeting is held. The Mixed Commission would examine matters relating to the execution of the program, determine the plan of activities to be undertaken, examine periodically the program as a whole, and make recommendations to the two Governments. It could also suggest that special meetings be held on a specific project or subject.

(d) The Congress requests that the results of the President's study of the people-to-people program be transmitted to the Congress within one year after the adoption of this resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

□ 2200

GENERAL LEAVE

Mr. BARNES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

COMMENDING THE DOMINICAN REPUBLIC ON EFFORTS TO ACHIEVE A STABLE DEMOCRACY

Mr. BARNES. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the resolution (H. Res. 136) commending the people of the Dominican Republic, the Congress of the Dominican Republic, President Jorge-Blanco, and the rest of the Government of the Dominican Republic, on their efforts to achieve a stable democracy, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. LAGOMARSINO. Mr. Speaker, reserving the right to object, I rise in support of House Resolution 136, commending the Dominican Republic for its efforts to achieve democracy.

For the past 17 years, the democratic process in the Dominican Republic has grown and been strengthened through congressional and Presidential elections. The peaceful transfer of power from one party to its opposition in 1978 was an historic occasion in the Dominican Republic. That was further reinforced when control of the Senate passed from one party to the opposition in 1982. The record of the Dominican Republic for peaceful transfer of power is an enviable one in the hemisphere.

It is appropriate that we commend the efforts of the Government of the Dominican Republic, its President Jorge Blanco and the Dominican people as well. It is also ironic that, at a time when some question whether the use of force in Grenada will result in democracy for that country, we are commending the democratic achievements in the Dominican Republic, where 18 years ago the use of force prevented a Marxist takeover of that nation. Certainly the example of the Dominican Republic will serve well for all of the Caribbean and the hemisphere as well.

I urge my colleagues to support House Resolution 136.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. Further reserving the right to object, I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Speaker, I wish to commend the chairman of the Subcommitee on Western Hemisphere Affairs, Representative MIKE BARNES, and the ranking minority member, Mr. LAGOMARSINO, for bringing this resolution to the floor.

In the last two decades the Dominican Republic has established a solid foundation of democratic government, and its political leaders and people deserve our commendations for their success. They have set an example that other countries in the region would do well to emulate.

Mr. BARNES. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Maryland.

Mr. BARNES. Mr. Speaker, I want to join the gentleman from New York in urging passage of House Resolution 136. I think that this resolution is an important statement of our support for the Dominican Republic. As we all

know, the countries of the Western Hemisphere today are facing a severe economic crisis. The Dominican Republic and its President, Salvador Jorge Blanco, has demonstrated that it is possible to maintain a stable democracy in the face of serious economic problems. The people of the Dominican Republic have had to endure great hardships, they have met the austerity measures of the International Monetary Fund, and they deserve our support. I know that there are additional hardships that will have to be faced and overcome by the people of the Dominican Republic. This resolution is intended to signal our admiration, respect, and support for continued progress in the Dominican Republic.

● Mr. GARCIA. Mr. Speaker, with the recent crisis in Grenada, and the constant tension in Central America, it is a pleasure to have the opportunity to praise a Latin nation. That is why I am happy that this resolution recognizing the progress of democracy in the Dominican Republic is being considered today.

The people of the Dominican Republic have shown that they are capable, on their own strength, of building a democratic tradition. The election of President Jorge Blanco was the first step in the evolution of democracy in the Dominican Republic. The approval of an IMF loan was another important step. Both signified that democracy is not only a possibility but a reality for the Dominican Republic.

As a Member of Congress of Hispanic heritage, I am confident that what has transpired in the Dominican Republic is only the beginning for democracy in the region. I believe that through patience and understanding, along with economic aid, the United States can best effect change in Latin America. We do not necessarily need a strong military presence. The Dominican Republic proves my point. It stands as a beacon in the often troubled Caribbean waters. I urge that this resolution be passed in order that the hard work of the people of the Dominican Republic not go by unnoticed.●

Mr. LAGOMARSINO. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 136

Whereas the efforts the people of the Dominican Republic, the Congress of the Dominican Republic, President Jorge-Blanco, and the rest of the Government of the Dominican Republic, have strengthened the democratic tradition of that nation;

Whereas the people and the Government of the Dominican Republic have had to endure great hardships in order to rebuild their economy;

Whereas the Dominican Republic is becoming more stable and secure as a result of the efforts of the present government;

Whereas the austerity measures of the Dominican Republic have enabled that nation to obtain a loan from the International Monetary Fund; and

Whereas there are still hardships, both political and economic, confronting the Dominican Republic: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the people of the Dominican Republic, the Congress of the Dominican Republic, President Jorge-Blanco, and the rest of the Government of the Dominican Republic, should be commended for their efforts to achieve a stable democracy and encouraged to continue with their progress.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BARNES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

SENSE OF HOUSE THAT THE PRESIDENT SHOULD RENAME NATIONAL BIPARTISAN COMMISSION ON CENTRAL AMERICA "THE JACKSON COMMISSION" IN HONOR OF THE LATE SENATOR HENRY JACKSON

Mr. BARNES. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the resolution (H. Res. 328) expressing the sense of the House of Representatives that the President should rename the National Bipartisan Commission on Central America "The Jackson Commission," in honor of the late Senator Henry Jackson, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. LAGOMARSINO. Mr. Speaker, reserving the right to object, on behalf of myself, Mr. KEMP, Mr. MICHEL, and Mr. BROOMFIELD who are unable to be here this evening, I want to express our strong support of House Resolution 328, expressing the sense of the House that the President should rename the national bipartisan Commission on Central America the Jackson Commission.

Senator Jackson was an original proponent of the bipartisan Commission, and it seems to me an appropriate way to honor the memory of a man who devoted his career to strengthening the United States as the champion for the forces of freedom, liberty, and justice. Senator Jackson will long be remembered for his tireless efforts to improve and modernize America's defense capability. He believed that was an essential component for maintaining the peace and security of the free world. His proposal for the national bipartisan Commission was a natural extension of his belief that the security of the United States depended on a democratic, economically developed, stable environment in Central America. He saw that a long-term bipartisan policy toward Central America would be the only way to provide security and economic development that would have any chance of long-term success.

The work of the Commission has not been completed, but I am confident it will reflect the ideals of Senator Jackson, and with that result, it would be a fitting tribute to have the Commission named for him. I urge my colleagues to support this resolution.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the chairman of the committee.

Mr. ZABLOCKI. Mr. Speaker, Representative MICHAEL BARNES, chairman of the Subcommittee on Western Hemisphere Affairs, should be commended for moving this resolution expeditiously to the House floor.

The bipartisan Commission on Central America was appointed by the President to develop a bipartisan approach to U.S. foreign policy toward Central America. The late Senator Jackson played an important role in promoting a bipartisan U.S. foreign policy. Since Senator Jackson was so deeply and actively concerned about developments in Central America, it would be most appropriate to rename the Commission the "Jackson Commission," in honor of our former colleague.

Mr. BARNES. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Maryland.

Mr. BARNES. Mr. Speaker, this is an important resolution. It is important to me personally because I, like many of my colleagues in both bodies, knew and respected Henry Jackson. We will miss him as a friend, a colleague, and a statesman. Henry Jackson believed that our Nation had interests in Central America and he knew that these were not being protected. Henry Jackson believed that the United States needed a policy of vision to help build democracy, increase economic opportunity and reinforce human rights for the people of Central America. In response Senator Jackson was one of the original proponents of a national bipartisan Commission to focus attention on the problem and on the solution. I have the honor of serving as a congressional counselor

to the Commission, and I think that we owe it to Henry Jackson to carry on the work that he helped to start. However, I also think that it is an appropriate tribute to the Senator that we rename the national bipartisan Commission on Central America the Jackson Commission as a way of remembering the man who gave us so much and gave so much to his country.

It was Congressman KEMP who introduced this resolution, and I was pleased to join with him as one of the original sponsors and I would urge all of our colleagues to support it.

● Mr. BROOMFIELD. Mr. Speaker, I am in strong support of this resolution, expressing the sense of the House of Representatives that the President should rename the national bipartisan Commission on Central America, the Jackson Commission, in honor of the late Senator Henry Jackson. I cannot think of a more appropriate tribute to this great man.

Henry Jackson served with great distinction during a career in Congress spanning over 40 years. He was known for his unfailing integrity and his dedication to the country and the people he served. It is particularly fitting that the Commission bear his name for a number of compelling reasons. Senator Jackson was well aware of the importance of Latin America to the United States long before current problems in the region began to draw attention to it. He was also one of the first to speak out on the need to establish a national bipartisan Commission on Central America and was appointed one of its congressional advisers.

Henry Jackson was a perfect example of steadiness, balanced judgment, and unpretentious diligence. It is these qualities that we all wish to see in abundance in the work of the Commission. As a fellow congressional adviser to the Commission, I believe it appropriate that Henry Jackson lend his name to a Commission which is responsible for charting out a recommended long-term national policy toward Central America. The task of the Commission is a difficult one, and I believe that associating Henry Jackson's name with it will both honor the man, and give greater meaning to the work of the Commission.●

Mr. LAGOMARSINO. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 328

Whereas, Senator Henry Jackson served with distinction in the Congress of the United States for over forty years; and

Whereas, throughout his tenure in Congress, Senator Jackson was a leading spokesman for all that is best in America's traditions and beliefs, and an outspoken advocate of a strong defense and an effective bipartisan foreign policy; and

Whereas, Senator Jackson believed that Central America is of immense strategic importance to the United States, and warned that whatever policy options might be available to us, ignoring threats to the stability of Central America and refusing to engage ourselves in the problems of the region are not among them; and

Whereas, Senator Jackson believed that the United States needed a policy that has a thirty to fifty year vision of building democracy, increasing economic opportunity, and reinforcing human rights for the peoples of Central America; and

Whereas, in response to this need, Senator Jackson was one of the original proponents of a national bipartisan commission on Central America to focus attention on America's vital interests in the region, as set forth in S. Res. 158 and H. Res. 240; and

Whereas, on July 18, 1983, President Reagan appointed such a National Bipartisan Commission on Central America, to lay the foundation for a long-term unified national approach to the freedom and independence of the countries of Central America; and

Whereas, in recognition of his sponsorship of the concept, Senator Jackson was one of eight Members of Congress appointed by the President to serve as advisers to the Commission: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the President should rename the National Bipartisan Commission on Central America "The Jackson Commission", in tribute to the man who first conceived and fought for its creation, and in partial recognition of Senator Henry Jackon's many years of distinguished service to his country.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BARNES. Mr. Speaker, I as unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

EXPRESSING SUPPORT FOR COSTA RICA

Mr. BARNES. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the concurrent resolution (H. Con. Res. 194) expressing support for the sovereignty, territorial integrity, and economic development of the Republic of Costa Rica and for the survival of Costa Rica's democratic institutions, and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. LAGOMARSINO. Mr. Speaker, reserving the right to object, I rise in strong support of House Concurrent Resolution 194, expressing support for the sovereignty, territorial integrity, and economic development of Costa Rica.

The elections in 1982, won by opposition party candidate Luis Alberto Monge, marked another peaceful transition of power and the continuation of the Costa Rican tradition of 30 years of free and democratic elections.

Furthermore, Costa Rica remains one of the world's most committed nations to protecting human rights and has an excellent human rights record. Despite the increasing threat of terrorist activities within the country and the destabilizing political turmoil on its borders, there are no political prisoners in Costa Rica.

In addition to the external political threats to Costa Rica, the serious economic crisis facing that country could pose enormous obstacles for continued stability and peaceful development. It is vital that we continue to support the Government of Costa Rica and to help reinforce its democratic tradition through this expression of support by the Congress, with particular emphasis on the need to maintain the sovereignty and territorial integrity of that nation as it attempts to revitalize its economy.

I urge my colleagues to give their strong support to House Concurrent Resolution 194.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Maryland for bringing the resolution to the floor.

We should note that Costa Rica has a 30-year tradition of democracy, a tradition based on free and democratic elections, and does not have any standing army.

It is an outstanding tribute to the form of government that we so highly respect, and I think that this is an appropriate measure for us to support those democratic institutions.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Speaker, many of us who have visited Costa Rica over the past several years have been concerned that regional conflicts and domestic economic difficulties were possibly endangering this one, solid democratic country in Central America.

House Concurrent Resolution 194 is important in stating to the Costa Rican people and the entire world that the United States stands firm in its

support for Costa Rica's democratic tradition. We are prepared to assist our sister democracy in Central America through this period of uncertainty.

The gentleman from Maryland (Mr. BARNES), the chairman of the Subcommittee on Western Hemisphere Affairs, and the author of the resolution, and the ranking minority member and cosponsor of the resolution, Mr. LAGOMARSINO, should be commended for bringing this matter before the House.

Mr. EDGAR. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman for yielding.

I am impressed with this resolution, and support it. I think Costa Rica has two redeeming features. Not only does it have no standing army, but it has no Senate as well, and perhaps we would get a few of our measures through a lot faster if we followed some of their democratic principles, but I commend the gentleman for raising this issue.

Mr. BARNES. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Maryland.

Mr. BARNES. Mr. Speaker, this resolution expresses our support for the sovereignty, territorial integrity, and economic development of the Republic of Costa Rica, and for the survival of Costa Rica's democratic institutions.

As we all know too well, there is a crisis in Central America. We have all heard, and many of us have seen, that Central America is a region that is ripe with tension and conflict. However, in a region that is known for military governments, repression and poverty, Costa Rica stands as a democratic beacon. For more than 30 years, Costa Rica has maintained a tradition of constitutional democracy based on free and democratic elections. Costa Rica has been a faithful friend and ally to the United States.

Yet, during the last several years, Costa Rica has been faced with a real and severe crisis. It is an economic crisis and Costa Rica has looked to the United States for help. I think that we can all be proud that when Costa Rica needed us, we stood ready to help. The Members of this body will remember that it was here that we began an economic aid program that has helped Costa Rica. I think that it is vital that we continue our commitment to democracy in Central America, and the way to do this is to assure that Costa Rica survives as a democratic and free country. This resolution once again makes clear our support for Coast Rica.

Mr. LAGOMARSINO. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 194

Whereas for more than thirty years the Republic of Costa Rica has maintained a tradition of constitutional democracy based on free and democratic elections;

Whereas the Constitution of Costa Rica forbids the establishment of a standing army and, therefore, Costa Rica remains vulnerable to external aggression;

Whereas Costa Rica is in danger of becoming engulfed in Central America's conflicts;

Whereas Costa Rica's democratic institutions are threatened not only by regional instability, but also by an economic crisis;

Whereas Costa Rica requires long-term economic assistance to surmount this crisis;

Whereas the United States and Costa Rica have a long record of friendship and cooperation: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress expresses its support for the sovereignty, territorial integrity, and economic development of the Republic of Costa Rica and for the survival of Costa Rica's democratic institutions.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

□ 2210

GENERAL LEAVE

Mr. BARNES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

EXPRESSING THE SENSE OF HOUSE ON PROPOSAL TO MODIFY THE COMMON AGRICULTURAL POLICY OF THE EUROPEAN COMMUNITY

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the resolution (H. Res. 332) to express the sense of the House of Representatives concerning the adverse effect on United States agricultural exports of proposals to modify the Common Agricultural Policy of the European Community, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. LAGOMARSINO. Mr. Speaker, reserving the right to object I want to join my friend and colleague, the distinguished chairman of the Foreign Affairs Committee, in urging the House to adopt this resolution. The executive and legislative branches of our Government need to present a timely, united front against the unfair trade restrictions to be considered next month by the European Community (EC) Council of Ministers and which would have serious adverse effects on U.S. exports of certain agricultural products to EC countries. The EC proposals would raise even further the highly protectionist barriers of EC markets against our agricultural exports.

In particular, those proposals would place quotas or higher duties on U.S. exports of soybeans, oilseed products, and non-grain-feed ingredients (NGFI). They would allow the EC to evade important fair trade responsibilities under the General Agreement on Tariffs and Trade (GATT) and serve as thinly veiled protection for the excessive and costly EC domestic butter and olive oil production which characterize the EC's common agricultural policy (CAP).

If the EC Council of Ministers approves these proposals, the damage to our agricultural exports would be significant. As mentioned already, our 1982 soybean and oilseed exports to the EC totaled some $4 billion, and non-grain-feed ingredients exports totaled almost $700 million. Together, those sales represent more than 50 percent of U.S. agricultural exports to the EC and more than 10 percent or our total agricultural exports.

I sincerely hope that the House will pass this resoluton today and make the position of the House clear to all concerned on this important matter.

Mr. DURBIN. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Speaker, I greatly appreciate Chairman ZABLOCKI's efforts in expeditiously bringing this bill to the floor for a vote. And, I want to extend my thanks to the subcommittee chairman, Mr. BONKER and Mr. HAMILTON, who were willing to consider this legislation at one of the most hectic times during the year.

Earlier this year, the European Economic Community proposed modifications in the common agricultural policy which would place import restrictions on the importation of corn gluten feed and citrus pellets, which are used as nongrain feed ingredients. A second proposal would place an internal sales tax on nondairy oils and fats in European Community countries.

These proposals would threaten 50 percent of U.S. agricultural exports to the European Community and over 10 percent of the total U.S. farm exports.

It is imperative that Congress make a strong statement against this European Economic Community proposal. The potential impact of this action on American agriculture and our balance

of payments could be devastating. If enacted, these modifications in the European Community common agriculture policy would create a barrier to U.S. exports which would be debilitating to our farm sector—already threatened by world trade barriers, a worldwide recession, and the recent drought.

House Resolution 322 calls on the President to urge the Council of European Community Ministers to reject proposals by the Commission to impose a consumption tax on oils and fats and place a ceiling on imports of corn gluten meal and other processed feeds. If the European Community refuses to demur, then we ask the President to implement strong measures to protect the legitimate trade interests of the United States.

Representatives from the Department of State, the U.S. Trade Representative, the Department of Agriculture, and the Department of State have expressed grave concern with these EEC proposals. A long list of agricultural, labor, and other industry groups have also called on Congress to address these potentially damaging measures.

The Senate passed a similar resolution, Senate Resolution 233, late last month.

In view of the potential injury to our agriculture industry and disruption of trade agreements, with the European Community, I believe these recent EC proposals warrant immediate and strong response by Congress. Timely action is important, since early next month Trade Representative Brock and Secretaries Block, Regan, and Shultz will meet with the European Community Commissioners in Belgium to discuss these very proposals and their adverse affect on our economy.

Mr. Speaker, Chairman ZABLOCKI, again, thank you for your efforts to bring this resolution before the House for timely consideration.

Mr. BEREUTER. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Nebraska.

Mr. BEREUTER. I thank the gentleman for yielding.

I also want to commend my colleagues on the committee for this resolution.

I would call attention specifically to a letter from our Special Trade Representative, Mr. William Brock, addressed to the Honorable LEE HAMILTON, dated November 9, 1983, in which he speaks to the subject.

The letter referred to follows:

U.S. TRADE REPRESENTATIVE,
Washington, D.C., November 9, 1983.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House of Representatives, Washington, D.C.

DEAR LEE: Thank you for your letter of October 25 about the paper the European Community is circulating to Members of Congress concerning their proposed changes in EC agricultural policy. This paper appears to be part of an EC campaign of persuasion to try to reduce opposition in the United States to the EC's proposals to reform its Common Agricultural Policy (CAP).

The essence of the EC's position is that the proposals must be viewed and analyzed as a "package" of measures with the benefits to the U.S. outweighing the drawbacks. The implication is that if a thoughtful analysis were conducted we would discover that the EC is "right." I assure you that we have examined the proposals closely, both on the basis of the information available, and on the basis of our long-term dealings with the Community on such issues. It is on the basis of a close scrutiny of the proposals that we have objected, and will continue to object, to the measures affecting our trade interests.

The paper maintains that the main thrust of the CAP reform effort is to discipline prices, production, surpluses, and therefore, export subsidies. They say that since the EC is undertaking such politically difficult reforms in areas of concern to the U.S., the U.S. should be willing to shoulder some of the cost of those reforms. At the very least, in their view, the U.S. should recognize the necessity for the EC to show its farmers that "tough" controls on domestic production will not leave them vulnerable to imports.

In our view, the EC's system of import protection is unrivaled among major trading countries, and the few areas that remain relatively free of restrictions (only because the U.S. has fought off frequent EC attempts to impose barriers) are those the EC is now seeking to restrict or tax. We reject the contention that imports are a part of the reason for EC overproduction and that part of the solution should be controls or taxes on imports; those problems are of their own making. Our farmers have accepted drastic measures time after time to bring production in line with demand, and we cannot expect them also to share the burden of adjustment to bring discipline to existing overproduction policies in Europe.

Furthermore, we do not accept the characterization of the Commission's proposals as a "tough package of measures" likely to result in cutbacks in EC production. With the exception of the dairy sector and the proposed restrictions on imports, the proposals tend to be vague and timid and there is little reason to believe they will appreciably reduce the excessive incentives to production provided by EC agricultural policy.

The Community also argues that the measures on imports are consistent with the General Agreement on Tariffs and Trade (GATT), and will not adversely affect U.S. exports. I would like to underscore a few points with respect to these contentions:

1. Despite EC claims that the proposed tax on fats and oils would not discriminate between imports and domestic products, this measure is clearly aimed at impeding imports. In introducing this proposal, the Commission stressed that "the arrival of imported products free of duty has added to the imbalance in the market situation" between butter and olive oil (basically produced domestically) and other fats and oils (predominantly imported). The proposed tax is aimed at "supplementing" efforts to "restore balance" on the market.

2. Without getting into the legal technicalities, it is clear that the thrust of the Commission's proposal is to evade the GATT commitments they assumed when they agreed to bind the zero duty on soybeans, soybean meal, and non-grain feed ingredients (NGFI).

3. Finally, it should be clear that when the Commission speaks of "stabilizing" NGFI what is really meant is putting an end to growth in U.S. exports of these products. Increases in our exports of these products have indeed been significant since the mid-1970's, but not nearly enough to offset the decline in U.S. grain exports to the Community engendered by the CAP as well as the displacement of our exports by subsidized EC grain exports in third countries.

We must not be gulled into believing that the benefits of as-yet-unspecified controls on EC production will outweigh the enormous cost to us of accepting any new measure affecting our trade in soybeans and soybean products and NGFI's. The measures proposed by the EC will clearly result in a significant reduction in the market potential for U.S. farmers over the long run.

I am attaching a more detailed analysis done by the U.S. Department of Agriculture that may be helpful in your assessment of the impact of the EC's proposals.

Very truly yours,

WILLIAM E. BROCK.

THE CAP REFORM PROPOSALS WOULD REDUCE PRICE INCREASES FOR EC FARM PRODUCTS

There is nothing specific in the proposals about concrete actions to restrict price increases. The EC's Agriculture Council would continue to set prices annually and those prices would continue to be strongly influenced by internal political pressures.

Efforts to reduce price increases fall short of allowing market forces to have a greater influence on EC price levels. It is clear that the EC intends that farm prices should continue to increase even in times of falling internal prices, albeit perhaps at a reduced rate of increase.

THE PROPOSALS WOULD FIX PRICES FOR SOME SURPLUS COMMODITIES FOR MORE THAN 1 MARKETING YEAR

This contention may reflect the Community's current resolve, but, again, there are no explicit provisions to assure that price freezes will actually be carried out.

The U.S. considers that such restraint measures by the EC for commodities in surplus should be customary practice. The U.S. routinely (if sometimes belatedly) adjusts support prices to reflect market and supply conditions. Therefore, this type of responsible action by the EC cannot be considered a "concession" to the U.S.

THE PROPOSALS WOULD LEAD TO A REDUCTION IN THE PRICE GAP BETWEEN EC AND WORLD PRICES

Again, this is a contention not supported by concrete measures. The U.S. would cheer such a result if it meant that EC prices henceforth would be more reflective of market supply and demand forces. We have been saying for many years that the EC market was completely isolated from the world market and that EC price policy was

resulting in a widening gap between EC prices and world prices. A decision by the EC to move away from the production stimulating policies of the past would certainly be welcomed by us. But we would consider such an action to be a responsible move which the EC should recognize as being in its own best interests, and not an action undertaken as a concession or favor to the U.S.

THE PROPOSALS WOULD EXTEND THE GUARANTEE THRESHOLD SYSTEM TO ADDITIONAL PRODUCTS

In our view, the value of the guarantee threshold system in reducing overproduction is extremely suspect. The system puts a ceiling on the amount of a crop EC farmers may produce without having to contribute to the cost of surplus disposal. The effect of the system is to solidify gains achieved to date in self-sufficiency and in exports on the world market.

Some control on production is better than no control, however, and in that respect we believe that application of the guarantee threshold to additional products is at least a step in the right direction for the EC. However, it is certainly not something we should feel obligated to pay for.

MILK IS AN EXAMPLE OF HOW THE PROPOSALS WOULD CONTROL OVERPRODUCTION

Milk is not an "example" of how overproduction of farm commodities will be controlled, it is the only case where the EC has made concrete proposals to reduce overproduction.

The U.S. has been taking steps for the past three years to reduce dairy support costs and overproduction by holding prices constant and more recently by assessing producers a charge on their output.

Since we do not directly compete with the EC in dairy products, the EC's actions in the sector cannot be considered a direct response to our concerns.

PROPOSALS ON GRAIN SUBSTITUTES (NGF) ARE DESIGNED TO "STABILIZE" IMPORTS NOT BAN OR REDUCE THEM, AND EC ACTIONS WOULD BE IN ACCORDANCE WITH GATT RULES

We disagree with the EC's contention that imported NGF is disrupting EC feed markets and causing the overproduction in the dairy sector. These problems are the result of excessively high price supports for feedstuffs and dairy products.

Corn gluten feed (CGF) represents a small proportion of EC feed utilization, between 2 and 3 percent, and can hardly be blamed for the problems raised by the EC.

In addition, although shipments of CGF to the EC have increased substantially since 1974, growth has been slight between 1980 and 1982—from 2.5 million tons to 2.7 million tons. The total increase in EC CGF imports between 1980 and 1982 represents only about 0.2 to 0.3 percent of feed utilization in the EC.

In addition, while this growth in CGF has been occurring, our exports of other feedstuffs to the EC have been declining. Our exports of corn have dropped from 10.5 million tons in 1980 to 6.5 million tons. This loss of trade is valued at $616 million which is more than the total value of our CGF exports in 1982 ($437 million). This is a major reason that we see no justification (aside from a perceived political one in the EC) for EC restrictions on CGF.

EC restrictions would be contrary to the spirit of GATT and would eliminate one of the few remaining sectors not subject to highly restrictive import measures.

THE FATS AND OILS TAX PROPOSAL IS AN INTERNAL MEASURE THAT WOULD BE NONDISCRIMINATORY AND WOULD NOT AFFECT IMPORTS

Regardless of how it is portrayed, the tax is predominately aimed at establishing a charge on imported fats and oils. Domestic butter would be exempted and olive oil would be taken care of by promotion efforts or other direct aids in the sector.

We are disappointed that the EC has chosen to resurrect a proposal that the U.S. has strongly opposed many times in the past. The tax would impair our GATT bindings on soybeans and would be the "foot in the door" the EC has long sought that would simplify more direct restrictions on imports of oilseeds and products.

Mr. BEREUTER. Again I commend all of my colleagues for this important resolution.

Mr. LAGOMARSINO. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 322

Whereas the Commission of the European Community has proposed modifications to the European Community's Common Agricultural Policy (CAP):

Whereas the CAP proposals announced by the Commission call, among other things, for restrictions on imports of nongrain feed ingredients, including corn gluten feed and citrus pellets, and for a consumption tax on vegetable oils and fats, including soybean products;

Whereas United States exports to the European Community in 1982 totaled over $4,000,000 of soybeans and oilseed products and nearly $700,000,000 of corn gluten feed and other nongrain feed ingredients, representing over 50 per centum of United States agricultural exports to the European Community and over 10 per centum of total United States farm exports;

Whereas the European Community has bound in the General Agreement on Tariffs and Trade (GATT) that it will impose no import duties on soybeans, soybean meal, corn gluten feed, and citrus pulp, and such zero tariff bindings were agreed to in return for United States trade concessions to the European Community during earlier rounds of trade negotiations;

Whereas the administration has expressed deep concern and disappointment in the proposal for CAP modification advanced by the Commission and has declared its strong opposition to the adoption of any measures calling for new restrictions on United States exports to European Community markets;

Whereas the adoption of proposed CAP modifications by the European Community would impair access of United States agricultural products to the European Community markets and would shift the financial burden of needed CAP adjustments from the Community to other nations: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) the President should urge the Council of European Community Ministers to reject the proposals of the Commission that seek to shift to other countries the financial burden of disposing of European Community agricultural surpluses;

(2) the President should continue to rigorously oppose any of the proposed CAP modifications that would adversely affect access of United States agricultural export to the European Community markets; and

(3) if the European Community adopts any of these proposed CAP modifications, strong measures should be implemented immediately to protect the legitimate trade interests of the United States.

SEC. 2. The Clerk of the House of Representatives shall transmit a copy of this resolution to the President, the Secretary of State, the Secretary of Agriculture, and the United States Trade Representative.

Mr. ZABLOCKI. Mr. Speaker, House Resolution 322 deals with an important aspect of foreign affairs, our trade with the European Community, which will be facing a critical test next month when the Community meets on proposals to reform its Common Agricultural Policy.

The resolution expresses the sense of the House that the Community should reject pending propositions seeking to shift the EC's agricultural costs onto other countries. If the EC adopts changes which hurt sales of American farm products to Europe, I know there will be strong pressure here at home to protect our trade interests.

It is important to secure prompt passage of the resolution so the views of the House will be known before the EC Council of Ministers meets on this matter in December.

A similar resolution has already been passed by the Senate under unanimous consent procedures. House passage, along with similar views previously expressed by representatives of the executive branch to the EC members, will show our common front toward the Europeans on this issue.

House Resolution 322 has been approved by the Subcommittee on Europe and the Middle East, chaired by the distinguished gentleman from Indiana (Mr. HAMILTON). I express appreciation to Mr. HAMILTON and to the gentleman from Washington (Mr. BONKER), chairman of the Subcommittee on International Trade and Economic Policy, for their cooperation in allowing the resolution to be brought to the floor at this time without formal action by the full Foreign Affairs Committee. The gentleman from Illinois (Mr. DURBIN) is to be commended for introducing the resolution, which has bipartisanship sponsorship.

The situation in Europe derives from their efforts to cut down on the growing financial burden of the common agricultural policy while continuing to accommodate domestic European agricultural interests. To accomplish this, the EC Commission has put forward proposals which would appear to impose more costs on the EC's trading partners and impair our sales.

One of the EC Commission proposals is to impose a tax on all fats and oils, other than butter. Butter is pro-

duced in surplus by European dairy farmers, but the EC has been importing 80 percent of the other fats and oils it consumes, mostly in soybeans from America. U.S. representatives have pointed out that the proposed tax clearly would impact mostly against imports, making them more expensive and diminishing their sales.

Another pending EC proposal would put a quota or duty increase on imports of non-grain-feed ingredients. These include corn gluten and citrus pellets, which are American exports to Europe.

We are talking here about very large amounts of sales for U.S. farmers and agribusinesses, affecting many American incomes and jobs. The resolution notes U.S. exports to the EC in soybeans and oilseed products in 1982 was more than $4 billion, and nearly $700 million more was in corn gluten and other nongrain feed ingredients.

The CAP already represents one of the tightest-controlled agricultural markets in the world. Its protectionism and subsidies, accompanied by aggressive dispoal of its surpluses in third country markets, have hurt its trading partners and distorted international markets.

The United States has and will continue to push for freer market systems, which we believe are of benefit to all. We have been able to sell vegetable oils and non-grain-feed ingredients to the EC on a zero tariff basis, which we paid for in concessions to the EC in earlier negotiations.

We must oppose a backtracking by the EC on these trade matters now. The Europeans should understand that we want good economic as well as political relationships with our friends across the Atlantic, and one relationship impacts upon the other.

I urge passage of the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

EXPRESSING SENSE OF CONGRESS THAT SOVIET UNION SHOULD ALLOW PIANIST VLADIMIR FELTSMAN FREEDOM TO TRAVEL WITH HIS FAMILY TO THE UNITED STATES TO PERFORM

Mr. LEVINE of California. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the House concurrent resolution (H. Con. Res. 177) expressing the sense of Congress that the Soviet Union should allow pianist Vladimir Feltsman freedom to travel with his family to the United States to perform, and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I rise in support of House Concurrent Resolution 177, legislation expressing the sense of Congress that the Soviet Union should allow pianist Vladimir Feltsman freedom to travel with his family, to the United States to perform. This timely resolution, sponsored by the gentleman from New York (Mr. KEMP), and the gentleman from California (Mr. LANTOS), again brings before the Congress, the plight of Soviet refuseniks and the freedoms of which they are deprived.

Mr. Feltsman is a world-renowned pianist, celebrated for his critically acclaimed playing in international competitions and sold-out concert halls. In 1979, he applied to emigrate to Israel. Since that time he has been denied the right to work and has been harassed continually by the Soviet authorities.

Mr. Speaker, communications organization within the United States with which many respected and responsible performers are associated, have extended a invitation to Vladimir Feltsman to perform in the United States. An application has been filed through formal channels at the Soviet Embassy in New York on behalf of Mr. Feltsman so he may travel to the United States to perform at the Kennedy Center on December 30, 1983.

Accordingly, I urge my colleagues to suspend the rules and pass House Concurrent Resolution 177 and signal to the Soviet Union our hope that it would respect Mr. Feltsman's basic human rights, including his right to travel, as guaranteed by the Helsinki Final Act.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 177

Whereas Vladimir Feltsman is an internationally acclaimed award-winning pianist;

Whereas Mr. Feltsman has been invited to perform in the United States on December 30, 1983, at the John F. Kennedy Center for the Performing Arts in Washington, District of Columbia;

Whereas Mr. Feltsman, in direct consequence of his expressed desire to emigrate to Israel with his family, has had his basic human rights of freedom of travel and cultural expression routinely violated and suppressed by the Soviet Union;

Whereas Mr. Feltsman's basic human rights, as guaranteed by the Final Act of the Conference on Security and Cooperation in Europe signed at Helsinki, August 1, 1975, to which the Soviet Union is a party, have consistently been violated;

Whereas Mr. Feltsman and his family have continually been harassed as a result of their having applied for exit visas from the Soviet Union, which have been denied each time; and

Whereas the United States was born with a tradition of respect for human rights and freedom of cultural exchange: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that the Government of the Soviet Union should allow Vladimir Feltsman freedom to travel with his family, to the United States to perform.

Mr. LEVINE of California. Mr. Speaker, there are many violations by the Soviet Union of human rights which deserve condemnation, and doing so publicly in a number of instances may in fact improve treatment by the Soviet Communist leadership of Soviet citizens.

One case in point is that of Vladimir Feltsman. This internationally renowned musician has been refused permission to come to the United States for a performance at the John F. Kennedy Center on December 10.

In the past, Mr. Feltsman has been harassed and so has his family because of his desire to emigrate with his family to Israel.

I hope passage of this resolution will be heeded in Moscow. Congressman LANTOS is to be commended for bringing this resolution to the floor, and the gentleman from New York (Mr. KEMP) for introducing it.

● Mr. LANTOS. Mr. Speaker, the resolution before this House today—House Concurrent Resolution 177—expressing the sense of the Congress that the Government of the Soviet Union should allow the internationally acclaimed pianist Vladimir Feltsman to travel to the United States to perform—once again focuses attention on the repressive Soviet immigration policies.

Again the Soviets have demonstrated their willful violation of the Helsinki accords. The pattern of repression that pervade the Soviet system is most clearly evidenced by the Soviet refusal to permit its own citizens to leave. Vladimir Feltsman is another tragic case of this gross and willful violation of human rights.

Feltsman enjoyed a successful career as a concert pianist, winning coveted international competitions. In the Soviet Union he was a rising star in the Soviet music world.

On May 23, 1979, Feltsman applied to emigrate to Israel. That same day radio and television studios were or-

dered to remove all of his tape recordings from their libraries and never play them again.

On the afternoon of the very day he was scheduled to perform in a concert with the Moscow Philharmonic Orchestra, his name was blacked out on posters advertising the concert. Two hours before the performance, Feltsman was told his appearance had been canceled.

Since he made application to emigrate to Israel, Feltsman has been limited to performing for friends and visitors in his tiny Moscow apartment. It is tragic that his talent should be hidden, that a larger audience does not have the opportunity to share his gift.

Mr. Speaker, Feltsman has been invited to perform in the concert hall of the Kennedy Center on December 30. This is the second attempt to permit Mr. Feltsman to perform in the United States. In June 1982, Feltsman was invited to play at a concert at the Lincoln Center in New York, organized in his honor by Norman Gladney in cooperation with the National and Greater New York Conferences on Soviet Jewry. Soviet authorities, of course, did not allow Feltsman to travel to the United States then.

The passage of this resolution will once again send the message to the Soviet leaders that United States-Soviet relations are affected by how individuals are treated in the U.S.S.R. Human rights is a matter of deep concern to all Americans, and continued violation of the Helsinki agreements is not in the best interest of our long-term relations.●

● Mr. KEMP. Mr. Speaker, today we have before us a resolution expressing the sense of Congress that Vladimir Feltsman be permitted to play in a concert at the Kennedy Center in December. The Senate is about to pass a companion bill.

It is outrageous that it should take an act of Congress to extend an invitation for a recognized artist to perform. Even then there is no assurance that Feltsman will be permitted to attend his own concert.

Vladimir Feltsman is a refusenik in the Soviet Union. Like so many other Jews, he applied for an exit visa for himself and his wife to allow them to emigrate to Israel. Like most other refuseniks, he found himself without employment and the subject of ostracism and harassment.

But in Vladimir's case, the circumstances are much more dramatic. Vladimir is an internationally renowned pianist who had won several competitions outside the Soviet Union and had begun to attract a wide following. His type of artistry knows no political boundaries.

But the Soviets think otherwise. Immediately upon his first application for emigration in 1973, his appearances outside the Soviet Union were canceled, and his appearance within the Soviet Union were limited to such nonevents as early morning children's concerts in outlying cities. Upon his marriage to biologist Anna Kagan in 1977, Feltsman was once more permitted to perform outside the Soviet Union and in Moscow in concerts befitting his stature. He became solo pianist with the Moscow Philharmonic Orchestra, and once more his future looked assured.

Then, in 1979, both Vladimir and Anna applied to emigrate. The response was swift and crushing. His appearances were all canceled, his records were pulled from the shelves of record and radio stations, and his name was not permitted to be mentioned. Vladimir has retained his sense of humor throughout his travail, as indicated by his comment on the one out-of-town engagement which was not canceled; "a fluke that only goes to show that almost anything can happen in Georgia."

I had the pleasure of meeting this young man when I traveled to the Soviet Union this past summer. I was struck by his charm and his sense of harassment by Soviet authorities. Then, when I sat down with the other guests to hear him play, I was impressed by his wealth of talent and vowed to do all that I could to see that his prodigious talent was not allowed to go to waste.

When I returned to the United States I got in touch with Norman Gladney, who sponsored a hugely successful concert for Feltsman at Lincoln Center last year. He obtained the engagement for Feltsman at the Kennedy Center for December 30, and I want to do everything possible to see that Feltsman is here to perform.

Gladney has had no response to his invitation sent through Gossconcert, the official Soviet agency of international engagements. Once this resolution passes, I intend to send it to Gossconcert in support of Gladney's invitation and hope to get a favorable reply.

An indication of the importance of the issue is the amount of support it has received. The entire House leadership signed on to the "Dear Colleague" and was received nearly 230 cosponsors. In addition to this being an important issue generally, I think much of the reason for such strong backing is due to the fact that, since Feltsman became a refusenik, he has been giving concerts in his home for friends and visitors to the Soviet Union. A visit to Feltsman's home has been the high point of visits to the Soviet by many Congressmen and Senators and their staff, and I know that everyone who has heard Vladimir perform has been as moved as I was, by his telent and his plight.

This is an exceptionally important case. Not only does it involve the rights of persons as guaranteed by the Helsinki Accords, but it also involves the issue of artistic freedom. Feltsman's case embodies all the elements of every refusenik case, but its repercussions are more highly visible.

We are asking, in this resolution, that Vladimir and Anna be permitted to come to the United States with their baby, Daniel, so that Vladimir may fulfill at the Kennedy Center. Even if only Vladimir himself is permitted to come, and only for the one performance, this will be a major step in the right direction. It will be a victory, and it will be a ray of hope to all other refuseniks suffering the indignities heaped upon them solely as a result of having expressed their desiere to live outside the Soviet Union.

Let us give those people this ray of hope, this signal that performance the tide is turning, this reminder that they are not forgotten. Elie Wisel's dramatic words express the situation exactly: "Indifference to evil is evil." If we do not speak out for freedom at every opportunity, then our indifference will put out that ray of hope to those suffering in the Soviet Union and around the world; those people who reply on us as the greatest stronghold of freedom. We must take every step we can to further the cause of individual rights and freedoms, and to obtain permission for Vladimir Feltsman to perform here next month will be one more important step toward achieving our goal.●

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LEVINE of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Concurrent Resolution 177.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

EXPRESSING SENSE OF CONGRESS CONCERNING COMPLIANCE BY SOVIET UNION WITH CERTAIN INTERNATIONAL AGREEMENTS ON HUMAN RIGHTS

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the concurrent resolution (H. Con. Res. 63) expressing the sense of the Congress concerning the compliance by the Soviet Union with certain international agreements on human rights, and

ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. LAGOMARSINO. Mr. Speaker, reserving the right to object, let me take this opportunity to express my full support for the passage of House Concurrent Resolution 63, with the proposed amendments. The resolution, expressing the sense of Congress that the U.S.S.R. should comply with its human rights commitments under various international agreements, addresses a very serious situation.

The Soviet Union is in violation of its responsibilities to human rights under no less than seven international agreements to which it is a party. In particular, the growing official harassment and denial of basic rights to Jewish citizens is a sobering reality.

Soviet officials have virtually choked off Jewish emigration. That government has punished Soviet Jews applying for emigration with the loss of jobs, academic degrees, and professional stature, and with arbitrary arrest and imprisonment or internal exile based on trumped up charges. The Soviet regime has ruthlessly suppressed cultural seminars and Hebrew classes. Within the last year, that regime has increasingly actively promoted outright anti-Semitic publications. An Anti-Zionist Committee of the Soviet Public has been created. All of these growing violations of the human rights of Jews are chillingly reminiscent of the early days of the Nazi regime in Germany.

We should put Congress on record today in firmly calling for Soviet compliance with their international duties to respect human rights. I sincerely hope the House will adopt this important resolution.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, as an original cosponsor of the legislation before us, I rise in strong support of this measure. The timely consideration of this matter is of great importance to those of us involved in documenting the gross violations of human rights committed by the Soviet Union.

Although it may not be common knowledge, the Soviet Union fails to live up to agreements to which it is signatory over 90 percent of the time. Accordingly, House Concurrent Resolution 63 reaffirms the sense of Congress that there be compliance of the Helsinki Final Act, the Universal Declaration of Human Rights, and other human rights agreements. To this end, the Soviet authorities are urged to cease the harassment and detention of civilians who have committed no crime other than the expression of their desire to emigrate to Israel.

Over the years, our Government has conveyed its feelings on this important human rights matter to the Soviet Union. Although for a period of time some progress was made in the form of increased emigration from the Soviet Union, in recent years we have seen these figures plummet to new lows—only 90 emigres last month. Congress has stated that human rights considerations are a vital element of U.S. foreign policy, as evidenced by section 502B(a)(1) of the Foreign Assistance Act of 1961 and section 402 of the Trade Act of 1974, yet we are in constant witness of the failure of the Soviet Union to act in a positive manner.

Our Postal Committee's yearlong investigation into the Soviet Union's disruption of mail intended for its own citizens has yielded thousands of letters that were returned without a satisfactory explanation. Such correspondence should have been delivered, and is additional evidence that the Soviet authorities are not complying with international agreements. House Concurrent Resolution 63 is yet another worthy vehicle for this Congress to endorse, as it restates our conviction that the issue of human rights be raised by our negotiators and the President when discussing issues of mutual concern with the Soviet Union.

Accordingly, I urge the support of my colleagues for this measure, and its speedy passage by the Congress.

● Mr. LEACH of Iowa. Mr. Speaker, there are few issues upon which the Members of this body are in greater agreement than that of the plight of the Jewish community in the Soviet Union. Time and again, we have risen on this floor to challenge Soviet authorities to live up to their international obligations and permit their citizens to emigrate. In the past year, that task has become more—not less—urgent as emigration rates have plunged.

This long-standing problem took on new personal significance for me this past summer when I travelled with the delegation headed by our colleague from Washington (Mr. FOLEY) to the Soviet Union.

During that visit, I surreptitiously visited a dank Moscow apartment to meet the parents of a 6-month-old girl named "Vera." The dream of Vera's parents is that one spring she may become a "sabra," which, in Hebrew, means "cactus." It has become idiomatic (hard on the outside, soft in the middle) for any girl born in or immigrated to Israel before the age of 3.

The dream is not lightly held. Seven years ago when Vera's parents first applied to emigrate from the Soviet Union, they prayed their only son would be brought up an Israeli citizen. But he contracted an obscure form of cancer and despite pleas to the authorities to allow him access to Western doctors who might be able to cure his illness or at least prolong his life, no visa was forthcoming. The child died 2 years ago. Today, like parents the world over, Vera's mother and father desire above all a better life for their offspring.

The hurdles, however, for this "refusenik" family are towering. Whereas the Soviet Union is party to the Helsinki accords, which, among other principles, enshrine the right to emigrate, Soviet leaders have, as my colleagues know, cracked down on emigration and cranked up on anti-Semitism.

Four years ago 51,230 Jews were allowed to leave Russia. Last year, as tension between Moscow and Washington heightened, Jewish emigration plummeted to 2,688. This year the number is running at about 120 per month.

The roots of anti-Semitism run deep in Slavic history; indeed in the human experience. Many Jewish families in America are here because their forefathers chose to brave the unknowns of a new land to escape the unbridled pogroms of Czarist Russia.

While a number of early European revolutionary leaders like Trotsky and Rosa Luxemburg were Jewish, Stalin moved ruthlessly to bend the Soviet State to his personal prejudices.

During World War II the infamous Jewish Anti-Fascist Committee was set up to encourage support for the Soviet war effort. Many of the best-known Jewish intelligentsia who were coerced into joining the committee were later charged with being agents of the CIA and British Secret Service. In campaigns against cosmopolitism and Zionism culminating after the war in the so-called Doctors' Plot, they and many others were summarily shot.

Today in the Soviet Union killings have been brought to an end, but cultural genocide has a free rein. Teaching Hebrew is forbidden. Scholars like Iosif Begun have been incarcerated for the crime of propagating learning. Jews are being punished for being Jewish. Rabbis are employees of the state. Synagogues, as one refusenik told me, are no longer Houses of God, but branches of a three-letter ministry—the KGB.

Two years ago a KGB agent approached one of the several dozen refuseniks I made a point of meeting and offered him a more attractive job and early consideration of an exit visa. "Nothing would be demanded in return, for now," the KGB agent said. "When in Israel, however, I'll visit you." The refusenik refused. He had not read "The Devil and Daniel Webster," but he understood that making a deal with the devil involved a moral price difficult to pay.

Anti-Semitism is anything but hidden in the Soviet Union today. It begins at school. Non-Jewish children are frequently encouraged to ostracize Jewish children, and teachers readily countenance fights and cruel games of ridicule. The "concentration camp" game is one particularly obscene example. The rules are simple: Jewish children are given a number by which they are referred to that day instead of by name. One can only imagine the psychological effects of such cruelty; the unthinking prejudice of children must be anguishing for those indirectly as well as directly affected.

While children's games of this nature may not be state-sanctioned, their existence in a totalitarian society cannot be considered accidental. Nor can it be considered accidental that access to prestigious universities and technical schools has been severely limited to Jewish students. Academic performance is less relevant to admissions committees than local Communist Party recommendations. Strict quotas for Jewish students are maintained, with the obligation of each applicant to report the nationality and ethnic background not only of parents but also of grandparents.

Considered by official Soviet ideology to constitute both a religion and a nationality group, Russian Jews today are accorded the rights of neither. Allowed no national organization, no institution for rabbinical training, and no independent publications, they lack an infrastructure to facilitate the development of their cultural heritage. Yet the internal passports Soviet citizens are required to carry and present for travel and job applications contain a mandatory place where Jewish descent must be marked. While being denied their heritage, Russian Jews are required to maintain their separate identity.

At the same time Jewish culture is being eviscerated, anti-Semitism is being hyped. In an echo of the campaigns against "cosmopolitism" in the late 1940's and early 1950's, the Andropov government has recently established with great public fanfare a new anti-Zionist committee. The vast majority of Jews, the committee alleges, who wish to leave the Soviet Union have already done so. According to government statistics, emigration applications are down, but refuseniks explain this is exclusively because of the catch-22 predicament new government regulations put them in. To apply for an emigration visa an individual must present a formal invitation from Israel. But applications now lapse every 6 months and letters from Israel containing formal invitations to immigrate are simply not allowed to get through.

Jewish organizations in the West attest they have reliable information that more than 300,000 Russian Jews wish to emigrate. Incredibly, Soviet authorities put the number at less than 1 percent of this total, between 2,000 and 3,000.

Ironically, the freest speech in the Soviet Union today is that of the refuseniks. Once a Soviet citizen indicates a preference to emigrate, the bridges of state loyalty are presumed burned. While Jews in the Diaspora have dreamed of returning to Palestine beginning with the Babylon exile 2,500 years ago, and the daily prayer for untold generations has been "next year in Jerusalem," Soviet authorities cannot tolerate the dissent implied in the desire of any citizen to vote against the regime with feet no matter how tiny or how old.

An elderly refusenik who has been seeking the chance to emigrate for almost a decade told me that to request to emigrate is to condemn one's self and one's family to the treadmill of despair as long as the family remains in the Soviet Union. Registration, however, also seems to lift the burden of choice from individual refuseniks. Since signing an emigration declaration generally sets in motion job firings or at a minimum demotions, refuseniks become more open with Westerners than other Soviet citizens. They realize they have little more to lose. Harassment has already become the norm, with confinement to insane asylums an understood possibility for too assertive behavior.

For scientists who seek emigration, degrees are sometimes stripped. For musicians and artists, performances stopped. Engineers not infrequently become janitors; nurses find their job skills suddenly unnecessary.

Perhaps the most incomprehensibly anti-Semitic rhetoric to be espoused in recent months is the public equation of Zionism with fascism. Employing the "Big Lie" approach of Goebbels, Soviet propagandists are now alleging that Jews are Nazi-like for their support of Israel. Hitler is Begin. Truth is fiction.

To meet under the cloud of repression with refusenik families is to stand in awe of human courage. To dissent in America is a citizen's right, if not duty; in the Soviet Union it is treason. Anatoly Scharansky is a modern-day Nathan Hale. Vera's parents are Pilgrims awaiting a ship that may never sail.

Refuseniks give us faith that man is stronger than the state; that faith is stronger than man. They also give us perspective. In the Soviet Union principled men and women are working every day at great personal cost to break down national borders. In America, our borders, too, are vulnerable. But the courageous people who desire nothing more than greater freedom and opportunity for themselves and their families are pouring in, not out.

With all our tendencies to be critical of the shortcomings of our own system, this remarkable contrast demands pondering. Perhaps a little more emphasis on pride and patriotism is in order in American public life today. Freedom is little appreciated. To survive it demands the protection, nurturing, and committed respect of every generation. We should never take for granted nor fail to thank God that it is the Statue of Liberty rather than the Iron Curtain which stands as America's principal symbol to ourselves and the world at large.

Mr. Speaker, I close by urging my colleagues to give their unanimous support to House Concurrent Resolution 63 as an unmistakable signal to the Soviet authorities that this body cannot remain silent as long as the human rights of Soviet people are abused.

Thank you.●

● Mr. BROOMFIELD. Mr. Speaker, I strongly support House Concurrent Resolution 63, as amended. As all of you know, this concurrent resolution expresses the sense of the Congress concerning the compliance by the Soviet Union with certain international agreements on human rights.

Let me briefly review the sad situation in the Soviet Union today regarding emigration. The Soviet Union has essentially closed its borders to Jewish emigration. Those rates are at their lowest level since 1970. Thousands of people seeking to leave that country have little hope of ever getting out. Several hundred refuseniks, those who have applied but have been refused, have lost their jobs. They may have their academic degrees revoked, and may be subjected to assault and other forms of harassment.

Under the Andropov regime, the Kremlin has taken an unreasonable stand on the question of emigration, and the cultural integrity of Jews. A number of new anti-Semitic publications have been circulated by the government. Cultural seminars have been broken up, and Hebrew classes have been stopped. Many of the Soviet Jews studying Jewish culture have been arrested, imprisoned and exiled. The Jewish "Prisoners of Conscience" are a case in point. Some of them are languishing in remote labor camps.

One would think that this was the behavior of a nation still living in the Stone Age. Is this the same Soviet Union that has signed international accords regarding human rights? Is this the same country that is telling the nations of Western Europe that it stands for peace and justice in the world? Is this the same nation that is discussing important arms agreements with American representatives in Geneva? Let us take a look at the facts.

What about the Soviet Union's signature on the Helsinki Final Act, the Madrid Concluding Document, the Universal Declaration of Human Rights, and others? Does the signature of that nation on an international accord represent any type of commitment? Could their participation in these international meetings be a joke?

I am confident that my colleagues will join me in supporting this amended resolution. Our President should call upon the Soviet Union to comply with the appropriate international agreements. The Soviets must pursue a more humane emigration policy, release the Jewish "Prisoners of Conscience," and restore religious and cultural rights. With this in mind, I urge my friends in this Chamber to support this concurrent resolution.●

● Mr. CONTE. Mr. Speaker, I rise in strong support of House Concurrent Resolution 63, a resolution expressing the sense of Congress that the Soviet Union comply with internationally recognized human rights.

As the resolution notes, the Soviet Union has virtually closed its borders to Jewish emigration. These "refuseniks" are not only prevented from leaving the U.S.S.R. they are subject to increased harassment and social isolation; they are denied the right to cultural expression and are subject to arbitrary arrest, imprisonment, and internal exile. Many in the House are actively involved in efforts to secure the emigration of these Soviet Jews.

This past summer, joining many of my colleagues, I was privileged to participate in the congressional fast and prayer for Soviet Jewry. I have written countless letters to Soviet officials asking for humane treatment of these refuseniks and requesting that they be allowed to emigrate. In coordination with many House Members, I have also included statements in the RECORD highlighting the plight of Soviet Jews and asking for international action on this problem. It saddens me to realize that of the many Soviet Jews on whose behalf I have written over the years, only one, Yosef Mendelevich, is now living free in Israel. In my 25 years in Congress, I cannot recall being involved with an issue so painfully right or an effort so devotedly sustained.

I urge my colleague not only to support this particular resolution, but I urge them to maintain the vigil for human rights. We must continue to speak about these atrocities on the House floor; we must urge the President and the State Department to express this country's strong opposition to this policy at every appropriate opportunity. We must also continue to write on the behalf of Soviet Jews until the government officials in that country finally understand.

● Mr. SOLOMON. Mr. Speaker, critics in Europe and in the Third World often claim that there is no difference between the superpowers. One look at the manifestly different attitudes that the United States and the Soviet Union have toward human rights and we can see how wrong those critics are.

To America, human rights considerations are a vital part of foreign policy. Russia's totalitarian state practices an atheistic philosophy without regard for human rights, or indeed, for human life itself.

Yet the Soviets do sign the many multinational documents that promote human rights, the Helsinki Final Act, the Universal Declaration of Human Rights and other agreements. Now, all we ask is that they comply with their signed pledges.

It is time we ask the Soviet Union to loosen its restrictions on Jewish emigration. It is time we ask the Soviet Union to stop harassing the "refuseniks" and denying them access to their culture and religion. Time to end the arbitrary arrests, the internal exiles, the social isolation.

It is time, in short, that Russia prove our critics right, and mimic America's proper concern with human rights.●

● Mrs. KENNELLY. Mr. Speaker, I want to thank the distinguished chairman of the Human Rights and International Organizations Subcommittee for his help with this resolution, and to thank the distinguished chairman of the Foreign Affairs Committee.

I am speaking today not merely in support of the resolution I have sponsored, but in support of Soviet Jewry in general, a group whose long history of suffering persecution continues to this day, Soviet Jews are being subjected to attacks of their religion, to discrimination in education and culture, a highly restrictive emigration policy, and most recently, a revived campaign of virulent, anti-Semite propaganda, led by fact that an estimated 300,000 Soviet Jews are still awaiting exit visas.

The 2 million Jews in the Soviet Union comprise 20 percent of world Jewry; we cannot afford to remain silent as the Soviet Government persists in subjugating this long-tormented minority.

The recent decline in Soviet Jewish emigration has reached that crisis point. The number of Jews allowed to emigrate in 1982 was only 2,700, a startling 95-percent fall from the peak 1979 figure of 50,000. This year, the average number of Jews permitted to leave the Soviet Union has been a mere 100 per month. These statistics are dismal, especially in light of the fact that an estimated 300,000 Soviet Jews are still awaiting exit visas.

Unfortunately, these figures alone do not convey the grimness of the situation. We know that for the last 3½ years, many people have been unable to apply to leave because Soviet authorities have blocked the letters of invitation from relatives abroad which are the first step in the emigration process. Even when they have their invitations, many applicants have been turned down for very questionable reasons or without explanation. In addition, Jewish emigration applicants often lose their jobs and are then reassigned to temporary or menial employment. Their children are made the objects of ridicule, and young members are quickly drafted, since conscription can delay a family's emigration for years. Some scientists and academicians, who wish to emigrate, have actually been stripped of their degrees.

To add insult to injury, the Soviet leadership has published articles in widely read newspapers which cynically claim that some refuseniks are actually pleased to be denied permission to emigrate because they then become martyrs to Zionist activists abroad.

Not only is the Soviet emigration policy unconscionable, but the situation for all Soviet Jews is rapidly deteriorating. In April of this year, the formation of an Anti-Zionist Committee of the Soviet People was announced allegedly for the purpose of combating international Zionism and of representing all Soviet Jews on matters of Jewish concern.

However, a June press conference revealed the Anti-Zionist Committee's true colors. It is intended to serve as a means of promoting and justifying the Andropov Jewish policy with respect to emigration and Zionism. Though the committee claims to distinguish between Anti-Zionism and anti-Semitism, in reality the distinction is blurred.

We are not fooled. With attacks on Jewish cultural and religious activity on the rise and emigration increasingly limited, the emergence of the Anti-Zionist Committee is hardly coincidential. It is an affront to Soviet Jews and to people everywhere who value human rights.

The Anti-Zionist Committee has claimed that the reunification of divided families has been essentially completed, that most Jews who wish to leave have already done so, and that anti-Semitism does not exist in the Soviet Union. The committee has even gone so far as to make an analogy between Zionism and Nazism. These are lies.

In both the United States and Israel, there are thousands of people who yearn to be reunited with their loved ones, and who are forbidden to leave the Soviet Union. More than 75,000 requests for invitation for Soviet Jews have been received in the West in the past decade. To date, only 260,000 of these people have emigrated, while hundreds of thousands of others must

wait years to exercise a basic human right—the right to choose where they will live.

To deny the existence of Soviet anti-Semitism is untruthful, but to compare Zionism with Nazism is downright obscene. Broadcasts alluding to the "final solution" make the situation even more frightful. Soviet Jews are restricted from practicing their religion freely, from communicating with their coreligionists abroad from learning Hebrew, from receiving equal educational opportunities—all in the name of Anti-Zionism.

It is obvious that Anti-Zionism is merely a poor cover for anti-Semitism. The Soviets blame Zionism for their country's ills and make Jews the butt of official criticism. By isolating Soviet Jews from their brethren abroad, the Soviet authorities are attempting to stifle Jewish religious and cultural expression and destroy the Jews' unique identity. The authorities will not succeed. They will not succeed because the spirit of Soviet Jewry is stronger than the force of Soviet oppression, and because people the world over are protesting against Soviet injustice.

We are crying out, too. Representative AUCOIN and I introduced House Concurrent Resolution 63 to send a message to the Soviet Union that the U.S. Congress stands firmly on the side of human rights. Our resolution seeks to advance the cause of Soviet Jewry by calling upon the Soviet Union to comply with the Helsinki accords and follows a fair and conscientious emigration policy.

We hope to see this entire body join as one of this resolution in order to make an impression on the Soviet Union which is as profound and unswerving as possible.

We must let the Soviets know that we see through their so-called public committee against Zionism, through their vile propaganda, through their attempts to cut off communication between Soviet Jews and their Western supporters. We see the persecution and virulent anti-Semitism which are at the heart of their Jewish emigration policy, and we are appalled.

The plight of the Soviet Jews is intolerable and is growing worse. Now is no time for us to back down our efforts against Soviet oppression to remind both the Soviet Union and Soviet Jews that we will not give up on seeking their compliance with international agreements on human rights, including a free emigration policy. The oppressed implore our action, and the oppressors must heed it.●

● Mr. BIAGGI. Mr. Speaker, I rise today as a cosponsor and strong supporter of House Concurrent Resolution 63, which calls on the Soviet Union to comply with certain international agreements it has signed which require the observance of basic human rights.

Simply put, the Soviet Union's human rights record, which has always been shameful, is now virtually nonexistent. With obvious reason, the entire civilized world was outraged when the Soviet Union destroyed the civilian Korean airliner this year. However, that barbaric act only served to spotlight for the world what had already become all too apparent—the Soviet Government has a total lack of compassion for human life.

The Soviet Union is a signatory to numerous international human rights agreements, including the Helsinki Final Act and the Universal Declaration of Human Rights. Yet, they have failed to comply with these agreements and routinely violate even the most basic human rights of their citizens, particularly their Jewish citizens.

For example, the right to emigrate is guaranteed by these agreements. Yet, from 1979 to 1982, Soviet Jewish emigration declined by more than 95 percent—51,320 in 1979 to 2,688 in 1982. This year, the figures are even more alarming, with only 1,162 Soviet Jews allowed to leave through October. With only 2 months remaining in 1983, it appears certain that Jewish emigration from the Soviet Union this year will be no more than about one-half of what is was for 1982.

To make matters worse, the Soviet Government formed an anti-Zionist committee earlier this year to intensify what was already a vicious anti-Semitic campaign. This anti-Zionist committee has even gone so far as saying that the Jews who wanted to leave the Soviet Union have already left. Nothing could be farther from the truth. In fact, over 400,000 Soviet Jews have begun the emigration process, and some 20,000 have been denied permission to emigrate on more than one occasion.

Particularly distressing are the considerable number of Soviet Jews who have been arrested, imprisoned and denied freedom of religious expression in retaliation for requests to emigrate. Most recently, the Soviet Government tried and convicted Jewish activist Iosif Begun on trumped-up charges of anti-Soviet propaganda, and agitation. He received the maximum sentence of 7 years in jail and 5 years of internal exile.

Begun has long been singled out by the Soviet Government as an example of what will happen to other Soviet Jews who openly pursue basic freedoms, such as the right to emigrate, or religious and cultural freedoms. The simple fact of the matter is that Iosif Begun was arrested and tried for merely practicing his strong Jewish religious and cultural beliefs, and for wanting to emigrate to a nation that would allow him basic human rights.

By placing Begun on trial and convicting him, the Soviet Union demonstrated a total disregard for the letter and spirit of the Helsinki Final Act, a commitment to basic human rights, including the right to emigrate and free religious and cultural expression, which was reaffirmed by the Soviet Union earlier this year. I had joined many of my colleagues in urging the Soviet Union to release Iosif Begun and allow him to emigrate to Israel where he could join his wife and son. Instead, the Soviets elected to make a further mockery of their so-called commitment to human rights.

Mr. Speaker, we cannot sit back and allow the Soviet Union's crimes against humanity to continue without an appropriate U.S. response. Clearly, House Concurrent Resolution 63 is consistent with that belief and I urge its passage here today.●

● Mr. AUCOIN. Mr. Speaker, I want to thank the gentleman from Florida, Mr. FASCELL, for his support and fine work on behalf of this resolution. I also want to extend my thanks to the distinguished chairman of the Human Rights Subcommittee, Mr. YATRON, for his leadership and long-standing commitment to securing basic human rights for Soviet Jews.

In February, I introduced House Concurrent Resolution 63 with my colleague from Connecticut, Mrs. BARBARA KENNELLY, to promote the cause of Soviet Jews and all others who seek to emigrate from the Soviet Union.

We received overwhelming bipartisan support for the resolution from more than 200 cosponsors. In June, the Subcommittee on Human Rights and the Committee on Security and Cooperation in Europe, held a joint hearing, to examine the plight of Soviet Jews. Testimony revealed that the situation for Soviet Jews in the U.S.S.R. was grave and grows worse.

Mr. FASCELL has amended the resolution to recognize this and I support his efforts to strengthen our expressions of protest against the deliberate mistreatment of so many Soviet Jews.

The resolution calls upon the Soviet Union to comply with the Helsinki Final Act and other international agreements that is has signed, by ceasing its persecution of Jews, and permitting free emigration. The resolution also urges the President to make use of every appropriate opportunity, including trade talks and scientific exchanges, to seek reforms.

It sends a message to the Soviet Union that I urge all Members of the House to support. The cause is just. The need more urgent than ever.

The signals we are receiving from Moscow about human rights are not encouraging. Current relations between the Governments of the United States and the Soviet Union are on thin ice. Hopes that the Soviets' treatment of Jews might improve have not been realized.

11-059 O-87-8 (Pt. 24)

So we are watching with alarm a startling halt in the Soviet Jewish emigration and an increase in anti-Semitism in the Soviet Union. Last month 91 Jews left the Soviet Union, the lowest monthly figure since February. This brings the total for the year to 1,162, less than half that for the first 10 months of 1982—and a sharp drop from the departure of more than 50,000 Jews in 1979.

The most chilling development of late is the trial of Jewish activist, Iosef Begun. On October 14, Iosef Begun was sentenced to 7 years of hard labor and 5 years of exile for so-called anti-Soviet agitation. His only real offense was his desire to immigrate to Israel.

Begun's trial is just one horrible example of Soviet disregard for its word to respect human rights given at the Madrid Conference to review the Helsinki Final Act a month ago. We have witnessed many attempts in the past to make the process of applying to emigrate more difficult.

Soviet authorities hold up the critical invitation from a relative abroad without which the arduous process of applying for an exit visa cannot begin. We know that for the last 3½ years, many people have been unable to apply to leave because Soviet authorities have blocked letters of invitation. Then, even with letters in hand, many have been turned down for very questionable reasons or without explanation. We hear of still others who have been refused exit visas for life.

In April, a new wave of fear swept throughout the Soviet Jewish community with the establishment of the Soviet Government-backed Anti-Zionist Committee.

Many believe that the Anti-Zionist Committee foreshadows an intensifying effort on the part of the Soviet officials to discredit Jewry and discourage Jews from applying to emigrate.

The Soviets insist there is no emigration problem and deny any discrimination against Jews in the U.S.S.R. They say the establishment of this committee has nothing to do with anti-Semitism.

On the contrary, it has everything to do with it. Anti-Semitism in the Soviet Union is on the rise and efforts to build a barrier between the Soviet Jewish community and its Western brethren are evident. Anatoly Shcharansky remains in detention in Chistopool Prison. Ida Nudel hs been denied permission to emigrate since 1971 and Soviet officials seem determined to keep her from leaving. Hundreds of others have been falsely accused of crimes, repressed and refused emigrations.

Jewish cultural activity and religious observance are being attacked with frightening vengeance. Soviet KGB officials, armed with threats of arrest, persist in conducting sudden raids, confiscating private property and banning the teaching of Hebrew and Jewish culture. The Soviet Government continues this kind of oppression in flagrant violation of the Helsinki Final Act in which they pledged to uphold basic human rights, among them the right to cultural expression and emigration.

After the announcement of the formation of the Anti-Zionist Committee, a group of Jewish emigres whose parents, children, and friends have been blocked from leaving the Soviet Union gathered in Jerusalem to tell their side of the story. Each had two or more family members left in the Soviet Union who could not get out. As they spoke, they fought back tears. Their experience with Soviet Jewish emigration policy stands in stark contrast to Soviet rhetoric. One of the emigres was quoted as saying, "My letters don't get there, my phone is cut off. We can't do anything. It's very hard, very hard. We have no hope anymore."

At a time of plummeting emigration rates and heightened anti-Semitism, I believe we must do everything we can to give these people the hope that the Soviet Union is so brutally taking from them.

Indeed, our protests represent the best hope of Soviet Jews for a better life and the freedom to emigrate.

I believe it is the responsibility of Congress to bring the cause of Soviet Jewry to the attention of the international community and to act as a focal point for advocacy.

If the Soviet Union believes that we can be silenced by their smoke-screen "public committee" against Zionism, we must let them know that we are not fooled. If they think we can be deterred by their strong action against Iosef Begun and attempts to cut off communication between Soviet Jews and their Western supporters, we must make them think again.

This resolution is an important demonstration of our determination to oppose Soviet mistreatment of its Jewish population and Soviet refusal to permit voluntary emigration.

Mr. Speaker, the Soviet leadership must be put on notice that we will not give up the fight. I uge passage of this resolution.

● Mr. PORTER. Mr. Speaker, I commend my colleague, Mr. AuCoin, for his outstanding work to bring us this resolution calling on the Soviet Union to comply with human rights. I fully support his legislation.

Mr. Speaker, Soviet emigration hit an all time low in 1982—2,692. In October of this year, only 91 Jews were permitted to leave the Soviet Union. This is a 60-percent drop in the number of Jewish Soviets permitted to emigrate during the same month last year. Reports of additional measures, which further jeopardize the lives of those who have applied to leave, have been finalized. Increased numbers of final refusals have been issued, an anti-Semitic campaign has been formalized, and pressure to halt Jewish cultural activities grows stronger.

The legislation before us urges the Soviet Government to comply with its obligations under the Helsinki Final Act, the Universal Declaration of Human Rights, and other international human-rights agreements by pursuing a more humane emigration policy and ceasing its harassment of Jews and others seeking to emigrate. Further, the resolution observes that compliance would "significantly promote" improved relations between the U.S.S.R. and the United States and calls upon the President to impress upon the Soviet Government this country's stronger opposition to its policy of persecution "at every appropriate opportunity" and to convey these concerns to U.S. allies and solicit their cooperation.

This resolution is an important and significant step toward pressing the Soviets to regard the basic human rights of its citizens. In my judgment, the Soviets engage in the shameless persecution of refuseniks in the hope that denial of human rights will frustrate our efforts to relieve the suffering of Soviet Jews. We must show them that they are wrong and that our commitment to the refuseniks will grow stronger and more resolute as the Soviet authorities continue to increase the persecution of a people who have committed a crime no greater than wanting to leave their country to actively practice their religious beliefs. Only in a warped system of ideals can that right be punished, and it is our duty as a champion of basic human rights and individual freedoms to speak out against the persecution of the refuseniks.

This actions of this Congress are carefully watched by Soviet officials and the message we send them today is clear; if our diplomatic ties are to be improved, you must permit the refuseniks to emigrate and you must comply with your obligation under the Helsinki Final Act and the Universal Declaration of Human Rights.●

Mr. LAGOMARSINO. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 63

Whereas the Soviet Union is pursuing a policy of virtually closing its borders to Jewish emigration, as evidenced by declining emigration levels which for 1982 were the lowest since 1970, with only two thousand six hundred and eighty-eight Soviet Jews allowed to emigrate;

Whereas this policy has left tens of thousands of people seeking to emigrate from the Soviet Union with little hope of being granted permission to emigrate in the forseeable future;

Whereas there are several hundred long-term "refuseniks," including many children, who applied to emigrate from the Soviet Union between 1970 and 1976 and have been waiting for permission to emigrate since that time;

Whereas those who have been denied emigration rights, especially the long-term "refuseniks," are often subjected to a life as internal refugees in the Soviet Union, resulting in loss of jobs, loss of membership in important social and professional organizations, revocation of academic degrees, surveillance and arbitrary assault, and other forms of harassment and social isolation;

Whereas these individuals also suffer physical, emotional, and psychological problems which result from social isolation;

Whereas these individuals are also denied the right to cultural expression, evidenced by the breaking up of cultural seminars and Hebrew classes and harassment by Soviet officials of those individuals participating in those forms of cultural expression;

Whereas these individuals are subjected to arbitrary arrest, imprisonment, and internal exile, as is the case with the Jewish "Prisoners of Conscience" currently serving sentences in the Soviet Union;

Whereas it is the stated policy of United States law, including section 502B(a)(1) of the Foreign Assistance Act of 1961 and section 402 of the Trade Act of 1974, that human rights considerations are a vital element of United States foreign policy; and

Whereas the Soviet Union, by arbitrarily denying its citizens the right to emigrate and the right to religious and cultural expression, and by harassing members of a specific ethnic group, is violating international agreements, including the Helsinki Final Act, the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social, and Cultural Rights, the International Labor Organization Convention Concerning Employment Policy, and the UNESCO Convention Against Discrimination in Education: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) the Soviet Union should comply with the Helsinki Final Act, the Universal Declaration of Human Rights, and other international agreements relating to human rights, by pursuing a more humane emigration policy and ceasing harassment of Jews and others seeking to emigrate;

(2) compliance by the Soviet Union with internationally recognized emigration rights would significantly promote improved relations between the United States and the Soviet Union;

(3) the President or his representatives should convey to Soviet officials the concerns of the Congress expressed in this resolution at every appropriate opportunity, including—

(A) at such time as agreements between the United States and the Soviet Union, relating to trade and commerce, including grain sales, and to science and technology exchange, are negotiated; and

(B) at such appropriate times as the President or his representatives meet with leaders of the Soviet Union concerning other aspects of relations between the two countries; and

(4) the President or his representatives should also convey these concerns of the Congress to the governments of United States allies and urge the cooperation of those governments in efforts to promote emigration from the Soviet Union.

SEC. 2. The Clerk of the House shall transmit a copy of this concurrent resolution to the President with the request that he transmit such copy to the Government of the Soviet Union.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. FASCELL: strike out all after the resolving clause and insert in lieu thereof the following:

That it is the sense of the Congress that—

(1) the Soviet Union should comply with the Helsinki Final Act, the Madrid Concluding Document, the Universal Declaration of Human Rights, the International Covenants on Human Rights, and other international agreements relating to human rights, by pursuing a more humane emigration policy, releasing the Jewish "Prisoners of Conscience", ceasing harassment of Jews and others seeking to emigrate, restoring religious and cultural rights, and ceasing officially-sanctioned anti-Semitism;

(2) compliance by the Soviet Union with internationally recognized standards of human rights, including the right to emigrate, would significantly promote improved relations between the United States and the Soviet Union;

(3) the President or his representatives should convey to Soviet officials the concerns of the Congress expressed in this resolution at every appropriate opportunity, including—

(A) at such time as agreements between the United States and the Soviet Union relating to trade and commerce (including grain sales), and to science and technology exchange, are negotiated;

(B) at such appropriate times as the President or his representatives meet with leaders of the Soviet Union concerning other aspects of relations between the two countries; and

(C) at the General Assembly of the United Nations, the United Nations Human Rights Commission, and meetings of the Conference on Security and Cooperation in Europe; and

(4) the President or his representatives should also convey these concerns of the Congress to the governments of United States allies and urge the cooperation of those governments in efforts to promote emigration from the Soviet Union and Soviet respect for human rights.

SEC. 2. The Clerk of the House shall transmit a copy of this concurrent resolution to the President with the request that the President transmit such copy to the Government of the Soviet Union.

Mr. FASCELL (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

● Mr. YATRON. Mr. Speaker, I rise in support of House Concurrent Resolution 63 and the amendment offered by the gentleman from Florida, Mr. FASCELL.

The resolution was reported favorably by a unanimous vote of the Subcommittee on Human Rights and International Organizations which I have the honor to chair. Our action followed a joint hearing by the Subcommittee and the Commission on Security and Cooperation in Europe during which we heard deeply disturbing testimony about the worsening situation confronting Jews in the Soviet Union. Not only has the Andropov regime, virtually brought an end to emigration of Jews, it has embarked on the most virulent antisemitic campaign since the worst days of the Stalin era. Indeed the rhetoric of the Soviets all too closely resembles the words of Nazi leaders in the 1930's.

Mr. Speaker, I want to commend my colleagues who have taken such a strong lead on this important issue. Congressman AUCOIN and Congressman KENNELLY are the principal sponsors and their determined leadership is reflected by the fact that the resolution is cosponsored by 199 Members of the Houe of Representatives. On my own subcommittee, Congressman LANTOS, LEVINE, and WEISS have all played an extremely active role in assuring that the issues addressed in this resolution receive the ugrent attention they merit.

I also wish to express my appreciation to Congressman FASCELL whose leadership on the Helsinki Commission has been outstanding. He has been at the forefront of those concerned with violations of human rights in the Soviet Union and elsewhere.

I urge all my colleagues to support House Concurrent Resolution 63.●

The amendment in the nature of a substitute was agreed to.

The concurrent resolution was agreed to.

Mr. ZABLOCKI. Mr. Speaker, I offer an amendment to the preamble.

The Clerk read as follows:

AMEND THE PREAMBLE TO READ AS FOLLOWS:

Whereas the Soviet Union is pursuing a policy of virtually closing its borders to Jewish emigration, as evidenced by declining emigration rates which are now at the lowest level since 1970, averaging less than 110 a month for 1983;

Whereas this policy has left tens of thousands of people seeking to emigrate from the Soviet Union with little hope of being granted permission to do so in the foreseeable future;

Whereas there are several hundred long-term "refuseniks", including many children, who applied to emigrate from the Soviet Union between 1970 and 1976 and have been waiting for permission to emigrate since that time;

Whereas those who have been denied emigration rights, especially the long-term "refuseniks", are often subjected to a life as in-

ternal refugees in the Soviet Union, resulting in loss of jobs, loss of membership in important social and professional organizations, revocation of academic degrees, surveillance and arbitrary assault, and other forms of harassment and social isolation;

Whereas these individuals also suffer physical, emotional, and psychological problems as a result of this social isolation;

Whereas these individuals are also denied the right to religious and cultural expression, as evidenced by the breaking up of cultural seminars and Hebrew classes and harassment by Soviet officials of those individuals participating in those forms of cultural expression;

Whereas these individuals are subjected to arbitrary arrests, imprisonment, and internal exile, as is the case with the Jewish "Prisoners of Conscience" currently serving sentences in the Soviet Union for their efforts to emigrate;

Whereas Iosif Begun, a long-term refusenik and Hebrew teacher, was recently convicted of "anti-Soviet agitation and propaganda" and sentenced to seven years in labor camp and another five years in internal exile;

Whereas the Soviet Union is pursuing a state policy of anti-Semitism as evidenced by the recent spate of anti-Semitic publications and the formation of the "Anti-Zionist Committee of the Soviet Public";

Whereas it is the stated policy of United States law, including section 502B(a)(1) of the Foreign Assistance Act of 1961 and section 402 of the Trade Act of 1974, that human rights considerations are a vital element of United States foreign policy; and

Whereas the Soviet Union, by arbitrarily denying its citizens the right to emigrate and the right to religious and cultural expression, and by harassing members of a specific ethnic group, is violating international agreements, including the Helsinki Final Act, the Madrid Concluding Document, the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social, and Cultural Rights, the International Labor Organization Convention Concerning Employment Policy, and the United Nations Educational, Scientific and Cultural Organization Convention Against Discrimination in Education: Now, therefore, be it

The amendment to the preamble was agreed to.

A motion to reconsider was laid on the table.

EXPRESSING SENSE OF CONGRESS REGARDING REDUCTION OF EMIGRATION FROM SOVIET UNION

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from the further consideration of the joint resolution (H.J. Res. 279) expressing the sense of the Congress regarding the reduction of emigration from the Soviet Union, and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. LAGOMARSINO. Mr. Speaker, reserving the right to object, I rise in support of this resolution.

● Mr. SILJANDER. Mr. Speaker, I would like to begin by thanking Chairman ZABLOCKI and Chairman HAMILTON for their efforts in bringing this resolution before the House. Their dedication to those people around the world suffering by the systematic abuse of oppressive governments is an inspiration to them and to us here in Congress.

I am also grateful that the Subcommittee on Europe and the Middle East considered and passed House Joint Resolution 279 earlier this week.

It is indeed a solemn duty we have this day to point out the continuing plight of our Jewish friends inside the Soviet Union. I view the situation inside the Soviet Union as a critical one. Emigration of Soviet Jews has declined from 51,000 in 1979 to almost nothing this year. In fact, only 1,069 Jews have been allowed to emigrate from the U.S.S.R. so far this year. At this rate nearly 50 percent fewer Soviet Jews will emigrate this year than last year which was considered a tragically low point in the eyes of the world community. The current rate, if continued, will mean that there has been a nearly 98 percent reduction in the rate of emigration from the Soviet Union since 1979.

Presently there are 1.8 million Jews in the Soviet Union, according to the 1979 Soviet census, of which 380,000 are awaiting action on their applications to leave. Jews are the 16th largest ethnic group in the Soviet Union out of a total of 118 national Soviet minorities.

Jewish cultural and religious expression has long been restricted and there are apparent obstacles to its preservation. There are no Hebrew or Yiddish schools; Yiddish publications and Yiddish language instruction are extremely limited; and less than 60 synagogues remain open—or about 1 for every 30,000 Jews. Rabbinical training is nonexistent.

Constant anti-Semitism coupled with decreasing opportunities for higher education and professional positions has prompted more and more Jews to seek emigration from the U.S.S.R. At first, only the less assimilated Jews living in Central Asia, the Caucasus and the Baltics tried to leave, but increasingly, assimilated Jews living in the Slavic republics, especially in the RSFSR—Russian Republic—and the Ukraine have applied to emigrate. This is significant for it appears life in the Soviet Union is becoming intolerable for more and more Jews, even those who do not identify with being Jewish. These assimilated Jews had been loyal proponents of the Soviet way of life.

The Soviets respond by saying that many Jews have been wrongly influenced by "Zionists." Hostile Zionist propaganda, they maintain, has deceptively lured many Soviet Jews to Israel from the U.S.S.R. On March 31, 1983, the Soviet press reported the formation of an "anti-Zionist committee of the Soviet public." According to the Soviet press, the establishment was suggested by eight prominent Soviet Jews in order to counter the influence of Israel and Jewish organizations abroad in the U.S.S.R. The State Department responded with a strongly worded statement which called on the Soviet Union "to cease its so-called anti-Zionist propaganda campaign." Many of my colleagues here today as well as I signed a letter to the same effect. Some in the United States view this development as further evidence that the Soviet Union has decided to cut off all Jewish emigration from the U.S.S.R.

On June 6, 1983, this Soviet sponsored committee held a press conference at which they announced that "the process of reuniting families is, for the most part completed." On April 20, 1983, Victor Louis, a Soviet foreign correspondent with KGB connections wrote: "Like it or not, large scale Jewish emigration has come to an end."

All of us in Congress, however, know how far these statements are from the truth. We all know of, and have sponsored letters and resolutions for Soviet Jews who have been beaten and arrested for teaching Hebrew, or of the KGB raids on homes that have increased in recent months, or of the psychiatric and mental institutions that are being used to silence the dissent of the "refuseniks." Many Jews are being incarcerated in prisons and concentration camps. Without a doubt, anti-Semitism in the Soviet Union is on the same level as that of Nazi Germany before the Holocaust.

My resolution declares it the sense of Congress that the President should insist on Soviet compliance with the terms of the Helsinki accords and the United Nations Declaration of Human Rights. The Soviets signed the Helsinki accords on August 1, 1975. The inclusion of human rights in general terms was included in Basket I and more specifically in Basket III. The accords call for the affirmation of the most funadamental human rights: Liberty of thought, conscience and faith; the exercise of civil and political rights; the rights of minorities. It calls for a freer flow of information, ideas and people; greater scope for the press; cultural and educational exchange; family reunification; the right to travel and to marriage between nationals of different states; and the right to emigrate.

By signing the Helsinki accords, the Soviets formalized their commitment to certain policies governing emigra-

tion. Perhaps the Soviets do not view emigration with the seriousness that we do, but nonetheless, they must be held accountable by treaties that they have signed, or else what is the purpose of negotiating any other treaties with them. If we cannot trust the Soviet Union to comply with the Helsinki accords or the United States Declaration of Human Rights then how can we trust them to abide by a nuclear arms control agreement?

This resolution calls on the President to confront the Soviets with this issue in the General Assembly of the United Nations and in the ongoing Conference on Security and Cooperation in Europe, the oversight body of the Helsinki accords, which is scheduled to meet on human rights in Ottawa, Canada, in 1985, in Bern, Switzerland, in 1986, and a full review in Vienna in late 1986. It is important that we as Americans, who care so deeply for our brothers and sisters held captive in the Soviet Union, pursue every approach possible to bring world pressure to bear on the Soviet Union.

Like Mordecai, in the book of Esther, we are compelled to cry out on behalf of the Jews in captivity. Mordecai said. "If you keep silence at such a time as this, relief and deliverance will rise for the Jews from another quarter, but you and your father's House will perish." The same urgency applies to us in the U.S. Congress.

I know of my colleagues commitment to this issue and I appreciate their favorable consideration of House Resolution 279 today.●

Mr. LAGOMARSINO. Mr. Speaker, I withdraw my reservation of objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Concurrent Resolution 63 and on House Joint Resolution 279 just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

PERSONAL EXPLANATION

Mr. GILMAN. Mr. Speaker, I was unable to cast my vote on November 15, when a second was ordered on H.R. 3635, the Child Protection Act of 1983. Had I been present, I would have voted "yea" on rollcall No. 491.

□ 2220

AUTHORIZING CERTAIN CHANGES IN THE ENGROSSMENT OF HOUSE JOINT RESOLUTION 279, EXPRESSING SENSE OF CONGRESS REGARDING REDUCTION OF EMIGRATION FROM SOVIET UNION

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that in the engrossment of House Joint Resolution 279 the clerk delete the word "treaty" in the third paragraph of the preamble and insert in lieu thereof "agreement" and that in the text of the resolution the word "treaty" be deleted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. PETRI. Mr. Speaker, reserving the right to object, I do so to ask the gentleman from Florida if this request has been cleared with the minority?

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. PETRI. I yield to the gentleman from Florida.

Mr. FASCELL. I thank the gentleman for yielding.

Mr. Speaker, it has not only been cleared, but the author of the bill, the gentleman from Michigan (Mr. SILJANDER) has cleared it.

It just corrects a gross error in the bill, the technical reference to the Helsinki accords.

Mr. PETRI. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

DEFEAT OF ERA

(Mr. WEBER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. WEBER. Mr. Speaker, last evening in a special order our colleague from Georgia, Mr. GINGRICH, laid out quite masterfully the history of what happened to the Equal Rights Amendment this week in the House.

I today will insert in the RECORD, as an addition to the record established by our colleague, an editorial from today's New York Times entitled "Was This ERA Defeat Necessary," and a Richard Cohen column from today's Washington Post entitled "Defeat."

The Times editorial began, and I quote:

Tuesday's vote against the Equal Rights Amendment in the House had less to do with the substance of the amendment than with exploiting the "gender gap" and targeting ERA opponents for defeat in next year's elections. The skirmish may have done the ERA—already deeply wounded—more harm than good.

Mr. Cohen at one point in his column said, and I quote:

Sometimes winning is not either everything or the only thing. How you play the game also matters. And the women's movement played this game the way the Japanese played Pearl Harbor.

Mr. Speaker, the Times concluded in their editorial:

The Equal Rights Amendment isn't dead, but it won't survive many more such defeats.

Had they known that you have already apparently decided that the ERA will not be brought up at any time under an open rule they would have concluded their editorial by saying the ERA is indeed dead.

The texts of the Times editorial and the Cohen column follow:

[From the Washington Post, Nov. 17, 1983]

DEFEAT

(By Richard Cohen)

The women's movement, having noticed with the invasion of Grenada that nothing succeeds like success, apparently decided to launch its own little sneak attack. It prevailed upon the speaker of the House, Tip O'Neill, to limit debate on the Equal Rights Amendment, bar any amendments, and proceed to a vote. Win or lose, they figured, they would win. Wrong. They simply lost.

The thinking was not all that obscure. If the ERA were amended in the House, it would either lose or pass in some vitiated form. However, if amendments were forbidden, while some members might balk and vote no for that reason, they would be held accountable at the polls. And if the amendment passed, well, that would be the sweetest victory of all.

Trouble is, it lost. And it went down amidst cries of dirty pool from congressmen who said love as they might the ERA, they loved the rules of the House even more. The proposed amendment should have been debated, they said, and treated in every way like any other proposed law—especially a proposed constitutional amendment.

Trouble is (trouble, that is, for us ERA fans) the congressmen have a point. Sometimes, winning is not either everything or the only thing. How you play the game also matters. And the women's movement played this game the way the Japanese played Pearl Harbor. They were a bit sneaky—too cute by half. An amendment worth having in the Constitution is worth debating. The ERA, after all, can hold its own.

The truth, of course, is that the ERA has been debated for what seems like eons. It was first proposed in 1923 and then, after languishing as both an idea and a cause, it was reintroduced nearly 50 years later. In 1972, it cleared Congress and was sent on its way to the states. It needed 38 of them to become law. It didn't get them.

It did get a hearing, though. If there is anything more to be said about the ERA, I cannot imagine what it is. You are either for it or against it, although why you should oppose it is beyond me. Despite a whole lot of dust kicked up by its opponents who yell about unisex bathrooms (what do you think you have in airplanes, anyway?) and women in combat, it is really nothing more than a basic expression of principle.

But there seems to be precious little principle behind that principle. When the ERA failed to garner 38 states, its proponents did not simply vow to try again. Instead, they pronounced the ERA more important than the spirit of the law giving them seven years

for ratification, and they got an extension out of Congress. Not even that worked, though.

Now, once again, feminists have decided that there is nothing more important than the ERA. This time, it was the rules and traditions of the House. You could say, of course, that the feminists are only doing what was done for them—that at last they are learning how to play the game. In state after state, the ERA was either bottled up by arcane parliamentary procedures, or kept hostage to other interests.

It would be sexist to insist that feminists play by one set of rules while their opponents play by another. But it is not sexist to condemn them both or to say that somehow the politics of enacting the ERA has become more important than the message of the amendment itself. Now there is talk of getting even. A noble cause is looking like a proposed Corps of Engineers project.

The problem with the ERA is that, like all reform legislation, it is suspect, considered by worshippers of the status quo to be somehow un-American. There is, they insist, something sinister lurking beneath the ERA's simple words—the end of male seminaries, a female draft, the abolition of single-sex schools and that idiocy about restrooms. All the pro-ERA forces did is foreclose a debate that could have knocked those concerns out of the park.

More than anything else, ERA is a moral issue. It ought to be law because it is right, not through some clever parliamentary manuever. Its proponents think they merely lost a vote, but they lost something more than that. They lost the distinction between themselves and their opponents. That is not the equality they were seeking.

[From the New York Times, Nov. 17, 1983]

WAS THIS E.R.A DEFEAT NECESSARY?

Tuesday's vote against the Equal Rights Amendment in the House had less to do with the substance of the amendment than with exploiting the "gender gap" and targeting E.R.A. opponents for defeat in next year's elections. The skirmish may have done the E.R.A.—already deeply wounded—more harm than good.

The amendment reintroduced in the House and Senate earlier this year was identical to the one that passed Congess in 1972 but failed to win ratification by the required 38 states even before an extended deadline. E.R.A. purists feared that if brought to the floor, the measure might be amended beyond recognition or meaning.

With this year's session headed for adjournment, they persuaded the House leadership to pursue a showdown tactic: an up-or-down vote on E.R.A., with limited debate and no amendments. It was a cynical gambit, and lost as Republicans sympathetic to the measure withheld their votes to protest the unusual procedure.

Was anything gained from the exercise? It gave Democrats another club with which to exploit the Republicans' "gender gap" problem and provided the amendment's supporters with a tally sheet of E.R.A. opponents. And it again demonstrated the growing imporance of women as a force in American politics. Only a few years ago, it would have been impossible to imagine the crusty old men in the House leadership bowing to pressure for such a ploy on a women's issue.

But the vote also laid bare lingering skepticism over the amendment that could cause efforts next year to backfire. Critics are now even more likely to insist on prolonged debate, crippling amendments and punctilious procedure. The Equal Rights Amendment isn't dead, but it won't survive many more such defeats.

TRADING POLICIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. DE LA GARZA) is recognized for 5 minutes.

● Mr. DE LA GARZA. Mr. Speaker, I think that during this period when we hear many complaints about the trading policies of some other nations, we should pay some attention when a piece of good news comes along.

One piece of such news is the recent announcement by Premier Sub Yunhsuen in Taiwan that he has directed officials of his government to concentrate Taiwan's corn purchases as much as possible in the United States. The reason the Premier gave for his decision is instructive and welcome. He said the purchases should be made to strengthen economic and trade relations between the Republic of China and the United States and to narrow the unfavorable U.S. trade balance with Taiwan.

Earlier, a ranking official of the Taiwan Ministry of Economic Affairs indicated that his government will concentrate bulk purchases of products like soybeans, wheat, cotton, sorghum and barley in the United States. Taiwan currently buys most of its supplies of these crops from the United States, but in recent years it has made some purchases of items including cotton and sorghum from other countries. Now, in a determined effort to balance the United States-Republic of China trade relationship, America will get more of this business.

Any signs of strengthening foreign markets are welcome these days, because many of our farmers are still suffering economically and a dependable export market is extremely important to the outlook for the future. What is especially welcome is the indication of a policy geared to balance and mutual advantage. It is a policy which should play a major role in our relations with many countries.●

INDUSTRIAL POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. PETRI) is recognized for 60 minutes.

GENERAL LEAVE

Mr. PETRI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. PETRI. Mr. Speaker, I am pleased to have the opportunity to address the House this evening on the subject of "industrial policy." This term has come to mean a particular set of policies to address a supposed lack of competitiveness in the American economy. Actually, as I hope tonight's discussion will show, the problem does not exist and the proposed solution would only deepen it if it did exist.

Industrial policy has been called a solution in search of a problem, or worse, a solution that will create its problem. It is as if you treated cancer by prescribing cigarettes.

Proponents of industrial policy usually call for some sort of national industrial investment bank to channel resources to favored industries and some sort of national coordinating council to pick the favored industries and otherwise plan or manage the economy.

Often the national council is conceived as a partnership of government, big business, and big labor.

This sounds ironically and perilously similar to the corporate state of Mussolini, the original model of fascism. In fact, many of the economic problems we do have result from too much and too clumsy government interference in the market. Yet advocates of a national industrial policy urge even more and clumsier government interference.

Fortunately, most respected economists have seen through this empty notion. Many of them, including highly respected Democratic economists, have spoken out against it.

Despite this barrage of criticism, politicians of the other party in both Houses of Congress have, within this past week, introduced industrial policy proposals with considerable fanfare. The House bill, would you believe, includes a Bank for Industrial Competitiveness, and a Council on Industrial Competitiveness. I am afraid that these Members are pushing these ideas for one simple reason—they appear to provide good trendy campaign slogans for 1984.

Mr. Speaker, I hope that the American people will not be misled. I hope they will look beneath these attractive slogans. Aided by the thoughtful analyses of numerous respected authorities from both parties, I think that they will discover that industrial policy really means bigger government, less freedom, and poorer economic performance.

It is to advance such a discussion that I have asked for this time tonight. A number of my colleagues have graciously agreed to participate and to insert cogent articles for the RECORD. I would like to thank them all in advance. I hope we can present a body of significant material sufficient for anyone to make up his or her mind on the folly of this slogan.

A good introduction to the wide array of Democratic economists opposing industrial policy was provided in a recent Fortune article by Bruce Bartlett, Staff Director of the Joint Economic Committee.

While Mr. Bartlett may have exaggerated the political dilemma facing these individuals, he has given us a useful survey of the views of such figures as Charles Schultze, Alfred Kahn, Paul Samuelson, James Tobin, Robert Crandall, Robert Lawrence, and Philip Trezise.

My colleagues will be inserting separate articles by a number of these individuals as well as others.

I would like to insert Mr. Bartlett's article in the RECORD at this point.

INDUSTRIAL POLICY: CRISIS FOR LIBERAL ECONOMISTS

(By Bruce R. Bartlett)

For traditional liberal economists, the industrial policy boomlet presents a crisis. The stag-flation of the Carter years discredited their efforts to manage the economy using time-honored Keynesian techniques. Into the vacuum that resulted rushed the liberals' longtime rivals on the left, the advocates of central economic planning, who see in industrial policy an opportunity. This leaves liberal economists like Charles Schultze, Paul Samuelson, and Alfred Kahn with a choice: either fight the industrial policy idea and rejuvenate traditional liberal economics, or risk being isolated in a leftward-drifting Democratic party.

Problems for the mainstream liberal economists first began cropping up in the recession of 1974-75. Until then the U.S. had never had rapid inflation and high unemployment at the same time. The Keynesians had a theory as to why the two should not coexist: As long as there was unused productive capacity, such as workers without jobs, demand stimulus would increase capacity utilization, putting people to work rather than igniting inflation. Inflation resulted only when stimulus was applied at close to full capacity.

In 1975, however, the theory seemed no longer to work in practice. The U.S. approached double-digit inflation and suffered the highest unemployment since World War II. Liberal economists were hard put to explain it, and with the budget deficit soaring to what was then a peacetime record of $66 billion, they weren't about to call for a still larger deficit, which would have been the standard Keynesian prescription for increasing employment.

The cloud over that prescription hasn't lifted yet. "It is conceivable that the idea of stimulating employment by means of fiscal policy measures may yet be reborn in some sturdier theoretical frame," Columbia Professor Edmund Phelps told the American Economic Association last year. "But for now, the old Keynesian notion of fiscal stimulus is so beset by doubts that fiscal policy, if not truly incapacitated, is in a deactivated status."

At the same time, however, liberal economists continue to embrace the Keynesian opposition to economic planning. Keynes himself clearly believed his macroeconomic policies obviated industry-by-industry planning. If the state could control aggregate demand, he asserted, government control of industry would not be necessary. Thus most liberal economists have favored allowing the market to operate freely so long as government, when appropriate, stimulated demand through tax cuts, spending, and fast money growth. Typical is the attitude of Walter Heller, chairman of the Council of Economic Advisers under President Kennedy, who said in 1966, "It is hard to study the modern economics of relative prices, resource allocation, and distribution without developing a healthy respect for the market mechanism."

As Keynesian economics has lost credibility, other schools of economics that had existed on the fringes of respectability have enjoyed a renaissance. Socialists, who had allied themselves with the liberals as long as Keynesian policies produced relatively full employment, began to break away. Professor Robert Lekachman, for example, wrote a laudatory biography of John Maynard Keynes in 1966. Today he criticizes industrial policy advocates like Robert Reich for being too weak proponents of planning.

Industrial policy advocates are aware of the conflict between their approach and traditional liberal Keynesianism. This is why Professor Lester Thurow of MIT, one of the few academic economists to support industrial policy, attacked Keynesian economics in his new book *Dangerous Currents*. According to Thurow, the Keynesians attacked high unemployment in a two-step process. By stimulating demand, they created inflation, which in turn caused real wages to fall. As the cost of labor dropped, employment climbed. However, Thurow argues, the power of labor unions, large corporations, and international cartels has made such price flexibility a thing of the past: "The weakness of Keynesian analysis is that . . . wages do not seem to adjust as they should." Consequently, Keynesian policy no longer leads to growth and full employment, and only direct government intervention in the microeconomy—industry by industry, plant by plant—can alleviate our economic problems.

These notions have made many apparent coverts among Democratic politicians. One of the first was Jimmy Carter, who toward the end of his Administration put forward an industrial revitalization program. Now most Democratic candidates for President have endorsed some form of industrial policy. As Senator Edward Kennedy recently explained, "Historically, the unifying issue for the Democratic party has been the economic issue. We need the restoration of our economy. The basis for that restoration is the development of an industrial policy."

Rather than go gently into the dark political night their opponents plan for them, the mainstream liberal economists have been quick to fire back, beginning with President Carter's economic advisers, chaired by Charles Schultze, who in their last *Economic Report* criticized industrial policy. "It is presumptuous," they wrote, "to assume that successful indentification of winning and losing industrial sectors is possible . . . Attempts to pick winners or reinvigorate declining industries introduce considerations into strategic industrial decisions that, while not now absent, are certainly less directly felt. Greater government involvement in the detailed workings of the economy has already increased the political aspect of economic decision-making and led to constant pressure for the federal government to aid firms, regions, and industries. Establishment of an explicit industrial policy, together with the authorities for implementing it, would intensify these trends."

The liberal counterattack has intensified. Alfred Kahn, Carter's chief inflation fighter, recently said: "Cast a skeptical eye on glib references to the alleged success of government interventions in other countries in picking and supporting industrial winners." The successes of such interventions, he declared, "have been greatly exaggerated."

Paul Samuelson, dean of liberal economists, has testified against industrial policy. "It's not good macroeconomics. And I don't think it's defensible social philosophy," he told a committee of Congress.

At a conference last summer sponsored by the Federal Reserve Bank of Kansas City, a number of liberal economists voiced their opposition to industrial policy. "A lot of the motivation for industrial policy won't be there if monetary and fiscal policy do their job," said James Tobin of Yale, a member of President Kennedy's CEA.

The Brookings Institution, long a bastion for liberal Democrats, has become a hotbed of anti-industrial-policy work. Joining colleague Charles Schultze, who has denounced industrial policy as "absolute nonsense," Senior Fellow Robert Crandall has attacked industrial policy guru Robert Reich. Senior Fellow Robert Z. Lawrence is in the midst of a major study arguing that the erosion of the U.S. industrial base is not significant, and in any case would not be slowed by industrial policy. Senior Fellow Phillip Trezise has written that Japan's economic success is due less to economic planning than to low taxes and other policies promoting capital formation.

Intellectually, industrial policy today is about where supply-side economics was in 1977. Both are primarily political programs designed to appeal to political constituencies, not to satisfy professional economists. Like supply-side in 1977, industrial policy lacks the hard analytic underpinning that would impress a professional economist. Just as supply-side economics overwhelmed the economics profession and leapfrogged to political success with the rise of the tax revolt and the election of Ronald Reagan, so too we could yet see significant parts of the industrial policy agenda adopted if the current recovery should seriously stumble.

The liberal economists' situation is reminiscent of that of conservative classical economists in the wake of the Great Depression. The conservatives' theories implied that sustained, large-scale unemployment was impossible because workers would rather accept low wages than remain unemployed. The Depression made clear that this was, at best, an incomplete explanation of the way the world worked, and the conservative policy of laissez faire lost credibility. Some of these economists eventually repudiated classical economics, others simply faded way, to be replaced by a younger generation of economists who had received the Keynesian wisdom. If industrial policy becomes the official economic program of the Democratic party, the liberal Keynesians will face an uncomfortable choice: join the industrial policy advocates, or imitate the neoconservatives, who abandoned the Democratic party on issues of social and foreign policy, and become, if not Republicans, then outcasts from their own party.

At this time I would like to yield to my distinguished colleague from California (Mr. SHUMWAY), the ranking member of the Subcommittee on Economic Stabilization. Mr. SHUMWAY has been a leader in the fight against industrial policy, and I am pleased that

he has joined in this discussion tonight.

Mr. SHUMWAY. I thank the gentleman for yielding, and particularly for taking out this time to discuss industrial policy.

I know the hour is late and there are other Members who are patiently waiting to speak, but Mr. Speaker, I will be very brief in my remarks.

Mr. Speaker, these days, it seems that everyone is talking about industrial policy; the idea that American business needs explicit Federal guidance and assistance in order to become and to remain prosperous is the latest economic fad to sweep its way into the national consciousness.

For some, industrial policy means more efficient and coordinated Federal tax, trade, antitrust, and regulatory policy or, in general, the creation of a more congenial business climate. Others, fearing that American industry has somehow lost the ability to compete in the global marketplace, believe that because other nations have formal industrial policies, we must as well. Still others express concern about the dislocations caused by the high-tech revolution now widely perceived to be taking place. Many of our colleagues on the other side of the aisle simply see a catchy and popular concept which can be presented as an alternative to Reaganomics, yet which is broad and vague enough that no interest group or industrial sector need be offended.

As the 1984 elections grow closer, the debate over industrial policy will undoubtedly grow more heated. This should hardly be surprising—although the phraseology, in many instances, is new, and the specific concerns identified by industrial policy advocates are often of fairly recent origin—the emphasis on the high-tech sector, for instance, and the focus on education, research, and development—the entire controversy can best be viewed as the latest chapter in the longstanding debate between those who favor reliance on the free market and those who want to expand the role of Government in the economy.

The attraction of what is typically perceived as a comprehensive response to our complex economic problems—high unemployment, low capacity utilization and productivity growth, a deteriorating trade position—to politicians jockeying for political position is obvious. When coupled with the hope that industrial policy can somehow ease the transition of the U.S. economy from one based on basic manufacturing to one more reliant on services and information, and the promise that U.S. competitiveness in the global marketplace can be enhanced, the urge to jump aboard the bandwagon becomes very nearly irresistible.

The origin of the industrial policy debate can probably be traced to the growing awareness, in recent years, that the United States can no longer take for granted its traditionally preeminent position in the world economy. Although, by and large, our economy remains the world's most vital and dynamic, and affords the American people a standard of living that is universally envied, the fact that the economies of many other nations are growing faster than ours is, for many, the cause of great concern. In particular, the ability of Japan to penetrate our domestic markets in a wide variety of areas—steel, autos, and electronics being only the most prominent—as well as to beat out American firms for business overseas has become so ingrained in the American psyche that it is now something of a cliche.

At the same time, the nature of the U.S. economy is indeed changing. Although high-tech industries may not lead to the degree of job and wealth creation that is popularly portrayed, there can be little doubt that the smokestack sector will, in the future, be relatively less important. In one important sense, then, the industrial policy debate is a debate about what can and should be done for a laidoff auto worker whose job has been taken by a robot so his company can compete with Toyota and Datsun.

The severity of the recession, from which we are only now beginning to recover, has resulted in even more pressure on the Government to intervene in the economy. Protectionist sentiment has risen as auto and steelworkers have lost their jobs; unemployment figures loom large in the national consciousness; the economies of entire regions of the country, based on smokestack industries, appear to some to be in a state of permanent decline. It is in this context that many of those promoting industrial policy believe, in George Eads' words: "that major investment decisions have now become too important to be left to private markets alone." It is this sentiment which leads to proposals for national development banks, for economic planning boards, for Government-aided rationalization of industries, for plant closings legislation, and, in the most extreme case, for a policy of picking winners and losers.

When closely examined, however, the evidence tends to be less than supportive of many of the most cherished assumptions of the industrial policy advocates. It is not at all certain, for example, that U.S. industry is growing fundamentally less competitive in a global sense, nor that our foreign competitors are doing better economically than we are.

As Fred Bergsten points out—in testimony before the House Banking Subcommittee on Economic Stabilization—

> All relevant data show that the United States retains an enormously competitive industrial sector. As recently as 1978-80, U.S. exports were growing at double the rate of world trade. By early 1981, U.S. manufacturers had regained the share of world markets which they held in the late 1960's.

Since early 1981, of course, the U.S. trade position has deteriorated significantly; this occurrence, however, can best be ascribed not to foreign targeting of U.S. industries, but rather to global recession and the overvaluation of the dollar which, in Bergsten's words: "has savaged the international price competitiveness of American industry."

The success of foreign industrial policies, too, can be questioned. First, it must be recognized that when most observers speak of the threat of foreign industrial policies, characterized by Government targeting of industry, labor-management-Government consensus and cooperation, and rapid growth in foreign market penetration, they really mean Japan; although Government intervention in European economics tends to be much greater than in either the United States or Japan, almost no one would look to Europe for examples of successful economic behavior. Those few areas where European nations, either singly or collectively, have developed competitive industries—such as the aerospace sector—generally operate at a loss, and depend on heavy Government subsidization.

While there can be no doubt, on the other hand, that "Japan, Inc." has for a number of years been an archetype of economic dynamism, there exists here as well a growing debate as to first, the reasons for Japan's exemplary economic performance, and second, the threat that Japan poses to the American economy.

UCLA Prof. William Ouchi states flatly that "the Japanese are successful because their government doesn't get as directly involved in policymaking as ours does in the United States." In an article entitled "Industrial Policy Is Not the Major Reason for Japan's Success," Philip Trezise of Brookings claims that:

> In Japan public funds have not been directed in any sizable amounts, relative to total investment requirements, to the industries or economic sectors with high growth potential.

For example, in 1973, according to Warren Nutter, 29 percent of Japan's national income was spent by Government, compared to 40 percent in the United States. The point is not that the Japanese Government is not involved in the Japanese economy in ways that are unique to Japan, nor that specific industries are not singled out for support and protection. It is rather that there is little consensus as to the nature of the fundamental relationships within the Japanese economy, or as to what extent Government intervention is responsible for Japan's

economic success. Some would argue, in fact, that the popular impression of Japanese industrial policy is essentially a myth; historical, cultural, and social factors, and macroeconomic policies, which encourage a high rate of savings and investment, may well be more relevant than an industrial policy which has targeted the petrochemical, agriculture, and shipbuilding sectors—all notable failures—while initially declining to do so with respect to the automobile industry—a Japanese success.

Further, the Japanese threat, in the form of ever-increasing competition, is probably overstated as well. As Herb Stein explains:

Between 1960 and 1979 Japanese real per capita output rose from 31.5% of ours to 70.2%. But the rate of gain on us fell sharply. If it continues to fall at the same pace, Japan's real per capita GNP would still be only about 74% of ours in 2083.

During the 1970's, in fact, U.S. employment growth was more rapid than that of Japan in nearly every manufacturing industry. Japan certainly remains a tough competitor, particularly in high value-added sectors, and we must continue to work to open Japanese markets to American products, while trying to assure that Japan abides by out trade laws. But to assume that the rate of growth of the Japanese economy will continue indefinitely; that Japanese industrial policy alone is responsible for Japan's economic success; and that the Japanese way of doing things can be effectively applied to U.S. problems is to overstate the case.

While it is true that foreign economic and trade practices can and do have an impact on certain U.S. industrial sectors, the degree to which formal industrial policy contributes to successful economic performance, therefore, is open to question—in Europe, it can be argued, excessive Government intervention has resulted in some dramatic economic failures—as is the real impact of such policies on the U.S. trade position.

The one valuable contribution that the industrial policy debate can make is to focus attention on the importance of the actions of Government in determining general economic and business behavior. Industrial competitiveness has not been a priority in the United States in recent years—Government has perhaps enacted more disincentives to business investment and productivity than incentives; the business community has tended to focus on short-term profits at the expense of long-range planning and investment, and management has often been slow to react to changes in the marketplace; labor has been more concerned with preserving gains already achieved than with examining the consequences of declining productivity and the impact of noncompetitive wage rates. Although never explicit, U.S. industrial policy—or, anti-industrial policy, as it might more accurately be termed—has often had, in fact, an adverse impact on the performance of our economy. A tax policy that rewards consumption at the expense of savings and investment; a trade policy that is loosely and inconsistently applied; an antitrust policy developed to deal with the domestic cartels of the late 19th century; and a regulatory policy concerned with the achievement of largely noneconomic goals all contribute to the present lack of focus, coherence, and coordination that characterize existing industrial policy.

The Federal Goverment, therefore, is inextricably involved in our economy—often in ways that do not contribute to the most efficient and productive allocation of economic resources. For instance, Federal credit programs—leaving aside tax expenditures and direct outlays—now total approximately $700 billion—an amount unavailable for investment by the private sector based on market decisions. Although a totally free market, in a theoretical sense, is obviously impossible to achieve, the free enterprise system, nevertheless, remains the most powerful engine of economic success possible. When Government impedes the ability of companies and their workers to adapt to changing market forces—change, which in Schumpeter's elegant view, is the creative force of capitalism—through regulation or taxation, the allocation of available resources becomes less efficient. If the industrial policy debate leads to a greater understanding of the power of the marketplace, and a recognition of the inability of Government to fruitfully manipulate it in the aggregate, it will have served a valuable purpose.

If, on the other hand, the result is, as many industrial policy proponents advocate, the creation of economic planning boards and new Federal institutions to target industries and allocate credit; to stabilize declining industries and promote the emergence of new ones, our economic performance will undoubtedly deteriorate. There is no evidence to suggest that panels of appointed wisemen and Federal bureaucrats can make economic decisions better than the invisible hand of the free market; there is every reason to expect that, in Senator WILLIAM PROXMIRE's words:

Money will go where the political power is * * * It will go where union power is mobilized. It will go where the campaign contributors want it to go. It will go where the mayors and governors as well as congressmen and senators have the power to push it. Anyone who thinks government funds will be allocated to firms according to merit has not lived or served in Washington very long.

In response to the question: Do we need an industrial policy? the answer is, in my view, clearly "no" if it means greater Government control of capital and the substitution of political decisionmaking for the judgments of the marketplace. Such an approach to our economic problems, in addition to having little chance of achieving the indentified objectives, raises fundamental concerns of equity and individual liberty. It can be argued, I think, that the greater the degree to which Government, whether it be democratic or authoritarian, determines the allocation of capital, the greater the degree to which the people themselves are controlled by Government. As FTC Chairman Jim Miller asks:

Who wants to subsidize so-called "winner" firms chosen by elite planning boards at the expense of tax-payers, including those who work in the hard-pressed industries?

On the contrary, to quote Herb Stein once again:

We have a system that for two hundred years picked winners successfully. That system is the free market, the free enterprise system, in which people bet their own money on who the winners are going to be.

The appropriate role of public policy—whether termed "industrial policy" or not—then, is to create a climate in which the free market can flourish. It is in this regard that existing U.S. industrial policy can be criticized; it is in this area where a new industrial policy must be implemented. The elements of such policy are obvious; however, until our tax, trade, regulatory, and antitrust laws are thoroughly reviewed and revised in ways which reflect the need to encourage industrial competitiveness, our economic problems are likely to persist. Of even greater importance is the need to reduce our runaway budget deficits. This would not only insure continued recovery, but would ease the overvaluation of the dollar—enhancing the export competitiveness of American firms.

Mr. Speaker, I would like to close by commending to the attention of our colleagues a recent speech made by Chairman Jim Miller of the FTC to the Commonwealth Club of California. In it, Miller eloquently discusses many of the issues I have raised, and explains clearly why the premises underlying most industrial policy proposals are faulty and the results anticipated are nonachievable.

The speech follows:

"INDUSTRIAL POLICY: PANACEA OR PANDORA'S BOX?"

(By James C. Miller III [1])

Thank you very, very much. It is truly an honor to address so prestigious a group. Considering your membership and the lineup of speakers you have had over the years, my friends back home in Georgia would say I'm truly steppin' in high cotton!

Today, I'd like to address a matter of considerable import to the advancement of U.S.

[1] The views expressed are those of Chairman Miller. They do not necessarily reflect the views of the other Commissioners.

commercial interests and our standard of living.

"Industrial policy"—a term that evoked blank stares from almost everyone a year ago—has turned into one of this year's hottest issues. Prominent economists, powerful politicians, outspoken business leaders, and activist union officials tell us the United States is in desperate need of an "industrial policy." What's behind all this sudden clamor?

One sympathetic congressman suggests the reason is fear. And, I think he's right. But it's two kinds of fear. The first is a general anxiety about America's competitive position in the world, a concern that we are falling irretrievably behind our major commercial rivals in Western Europe and Japan.

In other words, the fear is that President Reagan's economic reforms will not, in themselves, be sufficient to correct the falterings of the American economy.

The second fear is they will. I'm not simply referring to the string of Democratic presidential aspirants, almost all of whom have enthusiastically endorsed "industrial policy" and thus stand to lose a promising campaign theme if the Reagan economic program succeeds too well. I have no doubt they will find something else to talk about.

But behind the politicians and their sloganeering are a gaggle of special economic interests, seeking government subsidies and protective controls. Thus, we are treated to the spectacle of parading business executives and union leaders eager to embrace "industrial policy" as a cover for their own inability to perform in a competitive environment. Many of those business executives probably wear Adam Smith neckties, and no doubt union leaders affirming faith in "industrial policy" would recoil violently should the government interfere with collective bargaining.

My own view is that most of the talk about lagging U.S. competitiveness comes right out of Chicken Little. The clamor for an intervenionist "industrial policy" is misguided, and, in part, disingenuous. Indeed, it seems to me any large-scale experiment with "industrial policy" would be a dangerous venture, threatening heavy drags on our own prosperity and ultimately risking severe strains on our democratic institutions.

I shall explain all this, but first let me clarify what I mean by " industrial policy." Insofar as it is simply a call to consider the impact of government on private industry, industrial policy is an obvious necessity. President Reagan's economic program—stressing budget restraint, tax reductions, regulatory relief, and stable monetary policy—stems precisely from the recognition that past government policies were having a deleterious effect on economic growth and industrial development.

In this sense the Reagan program deserves to be considered and "industrial policy." But most of those who clamor for "industrial policy" are not satisfied with general policies that simply promote favorable conditions for economic prosperity. For better or worse, the phrase "industrial policy" seems to have been captured by advocates of governmental activism. Thus the phrase is now associated with calls for targeting governmental assistance on "growth industries" and for shielding "declining industries" with special governmental protections.

Why do we need an "industrial policy" in this sense? The free market may have worked well enough in simpler times, the proponents tell us, but it can't be relied on in this age of "fast-changing technology" and "global interdependence." Though decked out in the latest cliches, this sort of appeal should have a sadly familiar ring to anyone with a long memory—or an acquaintance with modern history. Advocates of governmental intervention are always finding some fearful new development which makes our traditional reliance on the market "naive" or "outdated."

Remember the "energy crisis" of the 1970s? The Carter administration solemnly warned us that the world was facing the imminent depletion of oil reserves, and that producers were too greedy, and consumers were too stupid to adapt before disaster struck. Only "the moral equivalent of war" could save us. But somehow the experience of long gas lines and winter fuel shortages taught us a new respect for the market: After President Reagan decontrolled oil, supply and demand came into better balance, prices tumbled, and, after all, there turned out to be enough oil to last us for decades to come.

In the early 1930s, President Roosevelt was equally earnest in warning about the problem of "wasteful," "reckless," chronic overproduction, with the economy having reached a mature state: "We may build more factories," he said, "but the fact remains that we have enough now to supply all of our domestic needs and more if they are used." [1] The New Deal's initial response to this novel problem was to organize industrial cartels under the aegis of the National Recovery Administration, with the avowed intention of constraining production to force up prices. Of course, the scheme collapsed of its own weight in less than two years. And, after decades of continuous, dramatic increases in per capita production and per capita consumption, not many would characterize the problem as our producing "more than we can use."

I do not cite these examples to ridicule the mistakes of past leaders or to question their sincerity. I simply want to remind you that in times of crisis and dislocation, politicians are always tempted to think they can improve matters with a little dose of active intervention. They forget, however, that it is precisely during conditions of novelty, complexity, and uncertainty that a free market is most needed: The millions of private adaptive decisions reflected in the market must always embody more overall insight and agility than a few hundred or a few thousand government directors, inevitably reflecting limited control and still more limited information.

But the proponents of "industrial policy" tell us we're already in grave danger, that we are falling behind our international rivals for want of a coordinated development strategy.

Certainly, we have faced serious problems over the last decade. We all remember the painful stagflation of the 1970s. Compared to the expansionary period between 1960 and 1973, the post-oil-embargo years 1973-to-1979 witnessed a one-third reduction in the annual rate of growth of industrial output and a nearly two-thirds reduction in the growth of labor productivity.[2]

But this dismaying performance hardly proves that we need an interventionist "industrial policy" to turn things around. First, as I indicated, many of our economic difficulties during the 1970s were due to government itself. To improve economic performance, one needs only to improve governmental policies. And that is just what seems to be happening. Even before the recession bottomed out last year and the full effects of the Reagan tax cuts began to be felt, productivity started to revive. Since the last quarter of 1982 labor productivity has risen at an annual rate of 3.2 percent.[1] That is well above the average annual gains of the last 60 years—and more than twice the dismal gains of the 1973-to-1979 period.

It is not just the encouraging trends of recent months that ought to make us reject the entreaties of the doom-sayers, however. The truth is that, for all self-inflicted wounds in the 1970s, the American economy demonstrated remarkable durability. Of the major industrialized countries, only Japan and Italy actually experienced higher rates of growth in industrial output per capita in the 1970s, and both are still far behind the U.S in per capita GNP. The vaunted "industrial policies" of France and West Germany did not actually deliver any greater industrial growth, and West Germany's industrial output grew at barely 60 percent of the American record in the 1970s.[2]

Moreover, during the 1970's, the U.S. added 19 million new jobs, absorbing a baby-boom population bulge and an estimated 12 million legal and illegal immigrants. By contrast, according to George Gilder, the European Common Market countries added no new jobs and actually paid hundreds of thousands of foreign "guest workers" to return to their homelands.[3]

The influx of young and untrained workers in the United States, combined with tax policies that discourged capital formation, naturally encouraged a shift in economic activity from capital-intensive industries—like steel and autos—to labor-intensive industries—like fast-foods and residential constuction. Thus, capital formation per employed worker diminished during the 1970's, along with productivity growth. But as the more favorable climate capital formation develops in the 1980s and our relatively younger work force develops more maturity and experience, the American economy will have opportunities for dramatic gains in labor productivity unavailable in Western Europe.

All by itself, then without any master plan or governmental guidelines, the U.S. economy has been adjusting fairly well to changing world conditions. And the activist "industrial policies" of Western European economies seem to have hindered more than helped.

Ah, but what about Japan? Deprived of other examples, proponents of "industrial policy" are quick to fall back on the example of Japan's very impressive growth rate—

---

[1] "The Public Papers and Addresses of Franklin Delano Roosevelt," Vol. I (compiled by Samuel I. Rosenman; New York: Random House, 1938), p. 639.

[2] John W. Kendrick, "International Comparisons of Recent Productivity Trends," in William Fellner, ed., "Essays in Contemporary Economic Problems" (Washington, D.C.: American Enterprise Institute, 1981), pp. 125-70.

[1] Federal Reserve Bank of St. Louis, "National Economic Trends" (August, 1983), p. 10.

[2] See Federal Reserve Bank of St. Louis, "International Economic Conditions" (June 1983); "Comparing Real Standards of Living," The OECD Observer (March 1982), pp. 31-2; and International Monetary Fund, International Financial Statistics (September 1983).

[3] George Gilder, "The Supply Side Economics of the Left," The Public Interest (September 1983), pp. 29-43.

fueled, they insist, by the guiding hand of the Japanese government's Ministry of International Trade and Industry (MITI). But despite Japan's undeniable economic achievements, there is a good deal less to its "industrial policy" than meets the eye.

To begin with, the scale of government subsidies and loans to Japanese industry is far less than often supposed and by no means so shrewdly targeted. Only 10 percent of loans over the past 25 years have been provided by government financial institutions, mostly city and regional banks. Over three quarters of this amount was allocated to small business loans, housing loans, agricultural and forestry loans, and loans for other non-industrial purposes. Growth industries like iron and steel, autos, and computers have received negligible amounts of government financing. For example, less than 1 percent of total investment in machine and information industries (including computers) derived from government loans in the late 1970s. And whereas the government picked up the tab for over 50 percent of basic research and development in the United States, in the late 1970s the comparable figure in Japan was less than 30 percent.

Not only have MITI's efforts been on a smaller scale than is commonly imagined, but not all of MITI's activities have shown great foresight. For example, MITI targeted ocean shipping and ship building for extensive government loans until the 1970s, resulting in so much excess capacity that 19 companies closed between 1975 and 1978, and the shipbuilding industry is still operating at barely 35 percent of total capacity.[1] For two years in the early 1950s, MITI refused permission to a small consumer electronics company to buy transistor manufacturing rights from Western Electric: no future in this, MITI experts declared. Only the company's own persistence forced the deal through, laying the basis for today's Sony empire. Similarly, MITI discouraged Japanese auto manufacturers from trying to compete in the export market, and actually urged them to merge into fewer and larger companies, on the model of GM and Ford. The Japanese companies' remarkable success in international auto sales during the 1970s stems from their earlier success in resisting such governmental pressures.[2]

In truth, then, Japan's enviable economic track record in recent decades has much less to do with government "industral policy" than with the energy and skill of its private entrepreneurs. No doubt, its growth rate owes much to its high savings and investment rates—highest in the industrialized world—and this in turn has been promoted by favorable governmental tax policies. But this is not what most proponents mean by "industrial policy."

Japanese firms also have developed a number of other enviable advantages, such as very cooperative labor relations and impressive manufacturing techniques. But Japan has its own problems, not the least of which is that in economic growth, like so many other activities, diminishing returns inevitably set in. My professor, G. Warren Nutter—a noted scholar of Soviet economic growth—made the point with the following kind of analogy: each year my younger brother grows older by a greater fraction of his age than I do; of course, he'll never catch me.

Frankly, I am not willing to concede that the American economy is going to play second fiddle to anyone, industrial policy or no. Winston Churchill said it very well for us on a visit to North America shortly after the attack on Pearl Harbor:

"We have not journeyed all this way across the centuries, across the oceans, across the mountains, across the prairies, because we are made of sugar candy.[1]"

We should not let ourselves be stampeded into exotic "industrial policy" ventures on the basis of unfounded fears. Neither should we rush headlong into novel experiments on the basis of unfounded hopes.

As the Japanese experience demonstrates, government has no special talent for discerning the future. Yet, the "Atari Democrats" insist that prosperity lies in governmental actions to pick "winners" in the high technology race. And what does Nolan Bushnell, the founder of Atari, say about this?

"The problem is that these Atari Democrats would never have targeted Atari.[2]"

Regardless of what we think of government planners' ability to pick winners, we Americans should retain a healthy skepticism about the likelihood of such a system's working that way. In our experience, institutionalized bailouts and adjustment assistance programs quickly turn into endless pork barrel schemes subsidizing inefficiency and mismanagement for the politically well connected. Those who think "industrial policy" would target government aid on especially hard-hit firms or industries and only as a temporary "adjustment" measure are sadly mistaken. As Senator Proxmire recently put it:

"Money will go where the political power is. . . . It will go where the union power is mobilized. It will go where the campaign contributors want it to go. It will go where the mayors and governors as well as congressmen and senators have the power to push it. Anyone who thinks government funds will be allocated to firms according to merit has not lived or served in Washington very long.[3]"

Finally, let me say a word about the dangers that an ambitious "industrial policy" may pose for our constitutional order. Some enthusiasts of "industrial policy" acknowledge the likelihood of its degenerating into hopeless pork barrel schemes under normal circumstances. And they urge us to establish an industrial policy authority that is somehow insulated from politics.

Now think about that for a moment. We are supposed to empower some official body to channel billions of dollars from one sector of the economy to another, to determine directly the fate of large companies and even the fate of regions—and in the face of all that power our elected representatives are simply to stand to one side, gawking with silent awe, oblivious to all protests and complaints. Well, to quote another of Churchill's wartime speeches: What sort of people do they think we are![1]

Perhaps if we can be talked into accepting such a government, we can be talked into becoming such a people. I certainly hope not. The prospect reminds me of de Tocqueville's dark prophecy of the kind of despotism democratic nations have to fear:

"It covers the whole of social life with a network of petty complicated rules that are both minute and uniform, through which even men of the greatest originality and the most vigorous temperament cannot force their head above the crowd. It does not break men's will, but, often, bends and guides it; it seldom enjoins but often inhibits action; it does not destroy anything but prevents much from being born; it is not at all tyrannical but it hinders, restrains, enervates, stifles and stultifies; so much that in the end each nation is no more than a block of timid and hardworking animals, with the government as its shephard.[2]"

We have not been that kind of people in America and we have always been wary of that kind of government. As John Philpot Curran said: "Eternal vigilance is the price of liberty."

Thank you very much.

□ 2230

Mr. PETRI. Mr. Speaker, I yield to the gentleman from California (Mr. ZSCHAU).

Mr. ZSCHAU. Mr. Speaker, first of all I would like to thank and commend our colleague, the gentleman from Wisconsin, Mr. PETRI, for arranging this special order on industrial policy.

In my remarks I would like to suggest an industrial policy to maintain U.S. technological leadership. Although achieving technological advances is certainly not the only objective for a proper industrial policy, I believe it is sufficiently important for industrial competitiveness, economic growth, and jobs to warrant special attention.

There are some who suggest that rapid technological advances could cause the loss of jobs and make those jobs that remain less interesting. Those modern day Luddites warn us that technology is a threat to employment opportunities and our quality of life which must be countered by government actions. Such is the thrust of their industrial policy suggestions.

Mr. Speaker, I submit that the threat to jobs is not technological change. Nor are changes in manufacturing processes, products, or markets. The threat to this Nation's economy and our quality of life is the lack of change. The threat is lack of competitiveness and growth. The real threat to jobs and quality of life is losing our technological leadership.

Earlier this year, on a beautiful clear Friday evening, my wife and I had the privilege of attending a reception

---

[1] Katsuro Sakoh, "Industrial Policy: The Super Myth of Japan's Super Success," Heritage Foundation (July 13, 1983).

[2] See David R. Henderson, "The Myth of MITI," Fortune (Aug. 8, 1983), p. 113.

[1] Speech to the Canadian Parliament, December 30, 1941, in "The Unrelenting Struggle: Speeches by the Right Honorable Winston S. Churchill" (Compiled by Charles Eade; Boston: Little, Brown & Co., 1942), p. 365.

[2] Nolan Bushnell, quoted in the Wall Street Journal (Sept. 15, 1983), p. 31.

[3] As reported by Robert Poole, Jr. in "Healing American Industry," Reason Magazine (August 1983), an edidorial reprinted in the Congressional Record (July 25, 1983), p. E 3726.

[1] Speech to the U.S. Congress, Dec. 26, 1941, *supra*, p. 353.

[2] Alexis De Tocqueville, "Democracy in America" (George Lawrence, translator; J. P. Mayer, editor; New York: Anchor Books, 1969), p. 692.

given by Her Majesty, Queen Elizabeth, aboard the royal yacht *Britannia* docked in San Francisco Bay. During a brief conversation, the Queen, who had just completed a visit to my congressional district, often called Silicon Valley, asked me a most provocative question—to which I did not have an equally provocative answer. She asked, "Why are there so many high technology companies in Silicon Valley?"

The Queen's question is being asked frequently these days because the San Francisco Bay area—particularly the Santa Clara Valley—has become synonymous around the world with high technology. And rightly so.

It was there that the Varian brothers developed the klystron tube that provided the initial technological foundation for radar and microwave communications.

It was there that two young Stanford graduates—Bill Hewlett and Dave Packard—encouraged by their Stanford professor, Frederick Terman—started a business making electronic instruments in a Palo Alto garage—a business that has grown into a world-renowned electronics company with sales last year of $4.2 billion and employing 69,000 people.

It was there that Nobel Laureate William Shockley, coinventor of the transistor at Bell Labs, established Shockley Labs to exploit the transistor invention.

It was there that one of Shockley's bright, young researchers, Bob Noyce, invented the integrated circuit and cofounded the integrated circuit manufacturing company which later became Fairchild Semiconductor, the patriarch of the many integrated circuit companies which have given Silicon Valley its name.

It was there that Bob Noyce and several of his colleagues from Fairchild founded Intel, the first manufacturer of a commercial microprocessor—a computer on a chip—which has brought the power of computer technology into the homes, appliances, cars, and pockets of people throughout the world.

It was there that a group of hobbyists formed the Home Brew Computer Club rigging together microprocessors and household TV sets to make their own "personal" computers.

It was there that the personal computer concept was commercialized by two young entrepreneurs, Steve Wozniack and Steve Jobs, who founded Apple Computer and launched a revolution that resulted in the computer being selected Man of the Year by Time magazine.

And Silicon Valley's high tech accomplishments are not just limited to electronics.

For example, it was there at Stanford University that basic research into the mysteries of DNA contributed to the development of genetic engineering technology, a technology that has given rise to many new companies, resulted in unique products such as synthetic human insulin, and which has applications that could be as pervasive in the future as computers are today.

These are but a few of the many technological advances made in Silicon Valley. The area was also the birthplace of video games, nonstop computers, small disk drives, gas laser products, heat resistant tiles for the space shuttle, and electronic reading devices for the blind. Overall, there are about 700 high technology firms in and around my congressional district.

As provocative as the Queen's question was—"Why are there so many high-tech firms in Silicon Valley?"—there is a related question which is far more crucial for us to answer these days. That question is, "How can we keep technology advancing, not just in Silicon Valley, but all across America?"

U.S. TECHNOLOGICAL LEADERSHIP HAS GENERATED ECONOMIC GROWTH AND JOBS

Mr. Speaker, over the past several years, a variety of studies have documented the importance of technological innovation to our economic growth, productivity, job opportunities, and trade competitiveness. A study by the Massachusetts Institute of Technology estimated that 80 percent of the growth of the GNP of the United States between 1909 and 1949 was due to technological change. Further, a recent Brookings Institution study determined that more than one-half of the productivity increases in the United States between 1948 and 1968 were the direct result of technological innovation. In recent years, while the overall export performance of the United States has been mediocre, export of research and development-intensive products have shown excellent growth. From 1960 to 1979, these industries increased their export surplus from $5.9 billion to $29.3 billion. During the same period the trade balance of industries without technological bases declined from near zero to a negative $16.5 billion. It is clear that our technological leadership in the past has enabled the United States to create many new jobs to employ our growing work force.

U.S. TECHNOLOGICAL LEADERSHIP IS BEING CHALLENGED FROM ABROAD

On January 25, 1983, President Reagan in his state of the Union message announced that "This administration is committed to keeping America the technological leader of the world now and into the 21st century." This commitment by the President to spur technology may have come just in the nick of time. U.S. technological leadership has eroded in recent years. It has not been squandered like some other resources through overuse and waste. It is been frittered away through neglect.

Over the past 20 years, research and development expenditures as a percent of gross national product have declined in the United States. During the same period our two most aggressive trading partners—Japan and West Germany—were increasing their expenditures.

With the decreasing intensity of our research efforts, it is not surprising that our leadership in technical contributions has fallen as well. In the 1950's, the United States was credited with 80 percent of the major inventions made during that period. During the 1970's, our share of major inventions dropped to 60 percent.

Due to the outstanding past performance of America's high technology industries, plus the growing recognition that our leadership in technology is being challenged from foreign competitors, high technology is receiving considerable attention in Congress these days. In the first months of 1983, more than 100 bills to promote high technology have been introduced.

HIGH TECHNOLOGY CAN CREATE JOBS AND IT CAN SAVE EVEN MORE BY HELPING AILING INDUSTRIES BECOME MORE COMPETITIVE

While it is reassuring that high technology is finally getting proper attention, all this new-found enthusiasm may be a mixed blessing. Many of those who have jumped on the high technology bandwagon have been exaggerating its capabilities for restoring our economic growth. They suggest, for example, that high technology can create enough jobs to replace all those that are being lost in our so-called smokestack industries.

Such claims smack of Pollyanna thinking. The numbers just do not add up. The high tech industries, although their job creation record is outstanding, still represent only a small part of America's jobs today. It is estimated that 1.4 million new high tech jobs will be created over this decade. While that is excellent growth, it is certainly not enough to replace all the jobs that would be lost if the older industries were allowed to deteriorate.

We simply cannot write off the mature industries, nor should we. There is plenty of opportunity in those businesses yet. The demand for steel, automobiles, and durable goods is not vanishing. We have just been losing market share. Rather than abandoning those industries, we need to make them more competitive.

Recently, President Reagan established a Presidential Commission on Industrial Competitiveness. It is chaired by one of my Silicon Valley constitutents, John Young, president of the Hewlett-Packard Co. The objective of the Commission is to determine how the United States can improve its competitiveness and world market

share in not only those industries, such as high technology, where we are currently competitive, but also in those so-called smokestack industries where we have been losing our competitive edge.

I believe that the ailing companies in our mature industries can be rejuvenated. I believe that application of technology and new approaches to those industries will play a major role in making them more competitive. In fact, it may be the only way for these companies to become competitive again and save their jobs.

CENTRAL PLANNING WITH GOVERNMENT FINANCING IS NOT THE PROPER APPROACH

In its enthusiasm to help high technology, Congress must avoid the temptation of legislating direct Government involvement. We cannot afford to let the helping hand of Government "strike" high tech the way it struck agriculture or energy. We should have learned our lessons. Still some suggest we should have some sort of high technology planning council which would pick those technologies and industries that it feels have the most promise and target them with grants, loans, subsidies, or other special treatment.

Although this proposal is patterned after the way the Ministry of International Trade and Industry in Japan is imagined to work, I believe such a scheme would be doomed to failure. Bureaucrats in Washington, D.C., should not be given the job of picking between opportunities and dead ends. Politics and a variety of noneconomic criteria would undoubtedly play a major role in their decisions. Also, I suspect that many of the opportunities such a council would target for government financial assistance would be those that are unable to attract capital from the market—in other words, the losers. Clearly, government targeting of this kind is not the answer.

On the other hand, we can not deny that government should play a positive role in promoting high technology. However, I believe that its proper role involves a targeting of a different kind.

WE NEED AN INDUSTRIAL POLICY THAT "TARGETS" THE PROCESS OF INNOVATION

Rather than targeting specific technologies or indistries, the proper role for government is to target on the process by which they are developed—the process of innovation. That is, our Government should focus on creating an environment in this country in which high technology, innovation, new ideas, and new companies are likely to flourish. Making sure that such an environment exists is the best way to help America maintain its technological leadership.

Based on my personal experiences and my analysis of the Silicon Valley phenomenon, I believe there are four conditions needed for an environment that promotes technological innovation:

A strong commitment to basic research, deepening and broadening our understanding of the fundamental processes that will form the basis for industries and products in the future;

Incentives for investors, entrepreneurs and innovators to provide the capital and take the personal risks associated with the development of new companies and products;

A strong educational system, particularly in the sciences, that assures an ample quantity of trained technical and managerial personnel and a broad base of technically literate citizens who can deal with the challenges of a high technology world;

Expanding market opportunities, domestic and foreign, which requires a healthy economic environment and aggressive trade policies.

A proper high technology industrial policy is one that focuses on the prerequisites for innovation. It consists of specific legislative and regulatory initiatives that foster these conditions, and it avoids government actions that would weaken them.

Although the specific legislative and regulative initiatives that are needed will change over time, here is the outline of a legislative agenda that Congress should pursue now:

WE NEED A STRONG COMMITMENT TO BASIC RESEARCH

We must renew our commitment to basic research. The Federal Government must increase—not decrease—its funding of research carried out in universities and research laboratories. The truly basic research—such as the study of DNA that resulted in genetic engineering technology—would not be pursued by the private sector. Funding such research is a proper role for Government.

Over the next decade, America's dominance in the computer industry will be challenged from abroad. The challenge comes from Japan. In 1981, after 3 years of extensive planning, the Japanese Government announced a national project designed to make Japan No. 1 in the computer industry by the late 1990's. It is a project to develop a fifth generation computer—a machine so advanced in hardware and software that it can reason with knowledge like a human being rather than just compute data or process information. The Japanese research program, involving several companies and coordinated by the Government, will cost a total of a billion dollars over 10 years.

We should respond to the Japanese challenge in two ways: Start our own Federal R&D project for advanced computer design and encourage research collaboration by U.S. companies.

The Federal R&D program for advanced computer design is now being planned. It is being organized under the DOD's Advanced Research Projects Agency which has an outstanding record in computer research, including the development of timesharing, computer networking, and artificial intelligence. A Silicon Valley researcher, Lynn Conway from the Xerox Research Center in Palo Alto, has been named to lead this critical project.

In addition to funding basic research, we need to alter our antitrust laws to permit the establishment of multicorporate research joint ventures that would enable U.S. companies to pool their research resources and share in the results that are produced. There is legislation currently before the Congress that would, under certain conditions, permit such research joint ventures to be formed without the threat of antitrust suits or that would otherwise reduce the antitrust risk of forming such joint ventures.

MCC—a research joint venture to develop advanced computer systems—was formed recently without benefit of such legislation and was immediately threatened with a law suit by an enterprising private attorney. Taking the antitrust risk out of the formation of research joint ventures would permit our high technology companies to compete more effectively against the consortiums that have long been encouraged in other countries. In addition, removing the antitrust risk may be what is needed to get the companies in the ailing "smokestack" industries to work together to solve their common problems and become more competitive in world markets.

WE NEED INCENTIVES FOR THE RISK TAKERS

In addition to basic research, we need incentives for the risk takers—the investors, entrepreneurs, inventors, and enterprises who must take the risks of pursuing new ideas. Here, tax policy has a significant role to play.

The reduction of the capital gains tax rate, passed by Congress in 1978, illustrates the enormous impact that tax policy can have on the availability of risk capital for the financing of new ventures. In 1978, the maximum tax rate on capital gains was reduced from nearly 50 percent to 28 percent. In the 8 years prior to 1978, when the tax rate was at the higher level, less than $50 million per year in new capital was made available to venture capital funds investing in small companies. However, within 18 months after the tax rate was lowered, $1 billion in new capital was made available to such funds. In 1982, $1.7 billion of new venture capital was provided.

The results of the 1978 capital gains tax reduction show the power of tax policy in improving the incentives for

investing in new technology companies. We should preserve and enhance such tax incentives for risk capital investment.

In addition to tax policy, regulations also impact capital formation for high technology companies. Currently we have restrictions that curb the amounts that pension funds, including IRA's, can invest in high growth companies. Although regulations that prevent fiscal mismanagement and speculation are appropriate, such restrictions on pension funds prevent those immense pools of capital from being used to their fullest extent to finance the growth of technology enterprises. They should be made more flexible.

In addition to incentives for investors, we need incentives for corporate risk taking. The Economic Recovery Tax Act of 1981 contained such an incentive. It provided for a 25-percent tax credit on increases in research and development expenditures. This tax credit was an excellent idea. It appears already to have had a positive effect on R&D expenditures. Although the R&D credit was only partially phased-in in 1981 and 1982, the McGraw-Hill annual R&D survey shows that despite the severe recession there was a significant increase in R&D expenditures during these years, making this the first postwar recession during which the pace of research spending increased.

Although the R&D tax credit can be an important incentive, the restrictions that were placed on it by Congress have prevented it from being as effective as it should be. Most importantly, the tax credit is only temporary. It expires in 1986. However, since most R&D projects are long term in nature, a temporary R&D tax credit cannot provide the kind of incentive needed for long range projects. Congress needs to pass legislation this year to make the R&D tax credit permanent. In addition, it should make sure that regulations for the R&D credit are written broadly enough to cover software development which is becoming a most significant part of most advanced computer system development projects.

WE NEED AN ADEQUATE SUPPLY OF TRAINED TECHNICAL PEOPLE

Besides basic research and incentives for risk takers, we must insure that there is an adequate supply of trained technical people. This is a critical problem that has only recently been recognized. The future demand for engineers and technicians is predicted to far outstrip the supply. The American Electronics Association has forecast an annual shortfall of 16,000 electrical engineers and computer scientists through 1987—that is a total of 90,000 unfilled technical positions in 5 years.

The scarcity of trained technical people will put us at a severe competitive disadvantage in world markets. Japan, for example, is graduating on a per capita basis twice as many engineers per year as we are. Of course, the Japanese are no match for us when it comes to lawyers and accountants. Out of every 10,000 citizens, the United States has 20 lawyers and 40 accountants while the Japanese have only 1 lawyer and 3 accountants.

The basic constraint to providing efficient technical education is a lack of money. The cost of educating technical people, particularly engineers, is very high, and it is difficult to attract enough qualified professors because industrial salaries are so attractive. Currently, there are more than 2,000 unfilled faculty positions in the engineering departments of colleges and universities in America causing us to turn away about 75 percent of the student applicants.

I believe private industry has an important role to play in providing the funding for increased technical education programs. The American Electronics Association and the Massachusetts High Technology Council, for example, have already established industrial giving programs to collect money from corporations and use it to fund college faculty salaries and equipment.

The Federal Government has a role to play, too. By offering tax credits and enhanced deductions for corporate contributions of cash and equipment to colleges and universities for teaching activities, as well as research, we can encourage private sector support to increase the capacity of our technical education facilities without requiring a new Federal bureaucracy to carry it out. There is currently legislation before Congress which would provide the proper kinds of incentives to increase the funding of our technical education facilities.

As an aside, we should also make sure that our immigration policy recognizes our need for trained technical people. In particular, since a high percentage—30 to 50 percent—of graduate engineering students are foreign nationals, such students who develop technical skills in this country should be permitted to remain here. The immigration reform legislation currently making its way through Congress should recognize this need, rather than requiring such students to return to their home countries after receiving their education here.

WE NEED EXPANDING DOMESTIC AND FOREIGN MARKET OPPORTUNITIES

Finally, in addition to needing a research base, incentives for risk taking, and trained technical personnel, technological innovation will not occur unless there are attractive business opportunities. We need a strong domestic economy and access to foreign markets. Government plays an important role in insuring both.

Specifically, this country must pursue an aggressive trade policy aimed at achieving free and fair trade. We should negotiate in a tough-minded fashion to break down the trade barriers erected by our trading partners. Also, we should maintain tax incentives—such as the Domestic International Sales Corp. that permits the deferral of taxes on profits from export sales—that encourge and help finance exports. Finally, we should focus and streamline our export controls on high tech products so we can prevent trade-related transfer of militarily critical technologies while, at the same time, making exporting easier for U.S. companies.

Above all, high technology enterprises, as well as all businesses, can only achieve their potential within a good economic climate. That means we must have lower interest rates and low inflation. People are unwilling to make investments, to make long-term commitments, or to borrow the funds needed for expansion in a climate of high interest rates and inflation. We must reduce significantly the substantial projected Federal budget deficits for the next several years in order to remove the upward pressure on interest rates and inflation. I believe this means a monetary policy that accommodates economic growth, a tax policy that encourages savings and investment, and the discipline needed to sharpy curtail the growth of Government spending. If we do not reduce Federal deficits, I fear that our current economic recovery will be choked off and new technical developments will perish with it.

Mr. Speaker, high technology is perhaps our most valuable national resource. We must preserve it. However, innovation cannot be forced. It can only be fostered. It is fostered by creating an environment that emphasizes freedom of scientific and industrial activities and that offers incentives to the innovators, entrepreneurs and investors who have the talent and resources to advance technology. It is fostered by a strong base of fundamental technology and by a population that is well educated in science and its application. It is fostered in a healthy economic environment and by trade policies that provide expanding opportunities for our technological products. Promoting such an environment should be a primary objective of America's industrial policy.

Mr. Speaker, I mentioned before the leadership role that John A. Young, president of the Hewlett-Packard Co., is taking to increase U.S. industrial competitiveness. Recently, Mr. Young testified before the House Subcommittee on Economic Stabilization and provided his thoughts on how that could be done. His testimony follows:

TESTIMONY OF JOHN A. YOUNG, PRESIDENT AND CHIEF EXECUTIVE OFFICER, PACKARD-HEWLETT CO.

I am very pleased for the opportunity to address this Subcommittee on the question of how to improve the competitiveness of American industry. Certainly the ability of American business to compete—both at home and abroad—has broad consequences for all of us. We face major structural changes in the world economy, and the wisdom with which we respond to these new challenges will affect the well-being of future generations.

For that reason, we cannot afford to consider competitiveness a partisan issue. Our continued success in world markets will require the best efforts of all of us—and then some. We need to realize that we all—Republicans and Democrats, management and labor, smokestack and high-technology—have more interests in common than we might have presumed. It's time to recognize and build on those shared interests.

The attention recently given to the competitiveness question is healthy and can lead to some constructive development. I'm not so sure that the issue would have received any attention as little as five years ago. It is a positive first step for us to have recognized the significance of the change we're experiencing. The sheer volume of world trade has grown dramatically in the last decade, and our own economy has a growing international character.

Both our private and public sectors have been slow to recognize and respond to this change. Perhaps this lack of response is a measure of how much we have managed to insulate ourselves from the realities of world competition.

THE PRESIDENT'S COMMISSION ON INDUSTRIAL COMPETITIVENESS

The views I am expressing today are my own, and not necessarily those of the White House Commission on Industrial Competitiveness, which I chair. However, before I share my own thinking on the subject of competitiveness, I'd like to describe the Commission's charter and how we intend to approach our work.

The Commission is charged with reviewing means of increasing the long-term competitiveness of U.S. industries both at home and abroad, with particular emphasis on high technology. The high technology focus of the Commission includes not only those industries that usually fall under this label, such as electronics, but also the reliance of other industries and services on high technology to improve their effectiveness.

I might add that the Commission has no preconceived agenda of issues it will consider and recommendations it will make. We will report to the Cabinet Council on Commerce and Trade and expect to make recommendations to that group on a continuing basis.

As you well know, a great deal of work has already been done on the subject of U.S. competitiveness, and we do not intend to duplicate that work and produce yet another voluminous report. Rather, we intend to build on the work that has already been done, select a limited number of options that can be pursued immediately, and follow through on the enactment of those recommendations. Our staffing is being drawn from the relevant federal agencies—those with expertise in the subject areas—which are also most likely to implement any new programs. We expect this integration will facilitate the implementation of our findings.

A PERSPECTIVE ON COMPETITIVENESS ISSUES

My involvement in the competitiveness issue started with my role as head of Hewlett-Packard Company, an elelctronics company that participates quite heavily in foreign markets. About half our sales are abroad, and we are one the nation's twenty leading exporters.

We also participate in an industry that faces increasingly focused and concerted foreign competition. The industry has seen a strong Japanese incursion into its semiconductor segment—a sector which provides the basic building blocks for all electronic products. The nation has also experienced an increasing American trade deficit in consumer elelctronic products. These trends, combined with HP's strong international presence, have cause me to give a great deal of thought to what factors contribute to the competitiveness—or uncompetitiveness—of an industry.

My philosophical home base is the view that the final test of whether a product or industry is competitive rests in the world marketplace. That means that the responsibility for being competitive rests primarily with the private sector, where decisions are made about what will be produced, the markets served, and the cost and quality of the products offered.

THE GOVERNMENT POLICY FRAMEWORK

What government does, however, affects what resources are available to the private sector and the decisions it makes. Government policy—whether fiscal, social, or international—represents the framework within which the private sector operates. In the past, we have often neglected to ask how those policies affect our competitive position, and it is now appropriate to examine those relationships in detail.

A review of the governmental framework, however, should not be predicated on the assumption that government action alone can counteract or determine trends in the world market. Government's proper role is to encourage the activities that will contribute to the competitiveness of the private sector, rather than to implicitly encourage or discourage selected industrial sectors. No amount of government support can ensure commercial success. Take the Concorde jet as an example. The British and French governments spent vast amounts of money in its development, but it was a commercial failure. The market rejected it.

This analysis is not meant to suggest that the world market is not often distorted by our own activities and those of our trading partners. We often find ourselves playing on a field that is far from level, and we need to find ways to bring things more into balance. But the cost, quality, and appropriateness of the goods and services we offer are the primary determinants of our success in world markets. And these factors are most influenced by the private sector.

The ability of American industry to compete, then, depends both on actions taken by its own participants and on the public policy framework within which industry operates. The President's Commission on Industrial Competitiveness will therefore address actions needed in both public and private sectors. It is also our hope to offer an increased understanding of competitiveness to the American public. A better public awareness of our problems and options will, I believe, make it easier for elected officials to take appropriate corrective actions. If we accomplish nothing else, I hope we can gain a sense of how little we can afford to approach this challenge from our traditional, adversarial stances.

FOUR COMPETITIVENESS ISSUE AREAS IDENTIFIED

A great number of studies have already been done on the question of what makes American industry competitive, and we have defined four basic areas. These are 1) human resources, 2) capital resources, 3) innovation and the production process, and 4) the laws and practices of international trade and marketing. The President's Commission on Industrial Competitiveness is also organized in committees along these lines, and those committees are currently developing work plans for their efforts. Those plans will be presented at our next meeting in December. With this work in the formative stages, I can't fully anticipate what issues the committees will address. However, there are some key areas I'm sure will be reviewed.

As I discuss each of these four areas, I'll start from the vantage point of what the private sector needs to do to remain competitive. I will then discuss public policy issues which either contribute or detract from industry's competitive ability.

HUMAN RESOURCES

In the area of human resources, the private sector—both management and labor—should do three things. First, it needs to attract and motivate a qualified workforce. Then it needs to maintain and develop the skills of the workforce it has employed. Lastly, industry must create an atmosphere where management and employees are working for the same goals and where the risks and rewards of their business are shared equitably.

These fundamental human resource requirements point to changes needed in both the public and private sectors. Our educational system needs a great deal of attention. We should be teaching our people how to learn. We can't predict, with any certitude, exactly what skills will be needed in the workforce of the future.

A better focus for our educational system would be a sound grounding in basic skills, with an emphasis on lifelong learning to adapt to new technologies and new markets. We'll simply have to discard the notion that education is something that can be pursued for a short, prescribed period of life and then never revisited.

I hesitate to give you too much detail on the plight of our educational system. The Business-Higher Education Forum and the National Commission on Excellence in Education have well portrayed the severity of the crisis—declining test scores, poorly prepared and poorly paid teachers, and, as one report put it, a threat of mediocrity.

From my own vantage point as a participant in an industry where innovation and knowledgeable people are the prime resource, I find it troubling that the Japanese produce two-and-a-half times as many engineers per capita as we do. The engineering faculty shortage in this nation's universities is acute. If this problem is not addressed, our abilty to maintain America's technological leadership is seriously jeopardized.

I also think that high school graduation requirements of just one year of math and science are a mistake. The age of 15 or 16 is just too young to effectively close off career options, and yet many of our young people have, in essence, been allowed to attenuate their own participation in a wide range of career options.

The educational problem is amply identified; the solutions remain to be enacted. And yet here is an area with the widest possible implications, affecting the entire range of U.S. industry.

Employee/management relations

Still on the subject of human resources, the private sector needs to take a look at ways to create a congruence of interests within its organizations. The best results are obtained when everyone—management and labor—has a unifying goal. One thing that has certainly struck me about our Japanese competitors is the strength of their unified purpose.

I think there are ways management can foster such sharing of goals. Among them are profit-sharing, employee stock purchase programs, and open lines of communication. At HP, we have a practice we call managing-by-wandering-around. We don't just sit in our offices. We get up and go where the action is, and we learn a lot that way. We also have no doors on our offices, and this encourages a lot of drop-in visits. Sometimes more than we'd like, but we know that the accessibility and informality we aim to foster have some real business benefits.

Employee groups have a responsibility for responding to our competitive challenges, too. Especially important is a mind-set that is open to change and able to respond to new market forces and technologies. Workers have to confront the reality that, in the end, their jobs depend on the ability of their organization to compete in world markets. Nothing is going to change that, no matter how strongly we may wish otherwise.

INNOVATION AND THE PRODUCTION PROCESS

In the area of innovation and the production process, America's lead is under serious pressure. To remain competitive, industry must be able to innovate and to manage risk and change. It must also be able to offer products and services that are competitive in price and quality. This very fundamental challenge—the price and quality of our products—means that industry must invest in ways to make its employees more productive.

Productivity

Improving employee productivity is the only way we are going to retain jobs here in America. Since some of our trading partners have lower wage scales—for employees of *all* ranks—our only logical alternative is to make the U.S. workforce worth more. And that means investing in productivity-improving equipment and training our workforce to use it effectively.

When we first defined the subject areas to be pursued by the President's Commission on Industrial Competitiveness, we had two separate categories. The first was labeled research and development and the second as the production process. We decided to combine those two areas, and the reasoning behind the combination is illustrative of one central theme I'd like to leave with today.

As a nation, we have not done enough research and development on the production process. Our Japanese competitors have certainly honed their expertise in this area, and we can see the results in the cost and quality of their products. Jim Baker, an executive vice president of General Electric Company, has described the Japanese approach so well that I'd like to quote him: "They have discovered that if you can't make a better product, you learn to make a product better." And that means more reliable or less expensive than your competitor—or, ideally, both.

Federal R&D

The area of innovation and the production process is one where the private sector bears the bulk of the responsibility, but public policies can be helpful in two ways. First, there should be increased federal support for basic research performed at the university level and a better focus for the federally funded R&D that we undertake. Collaborative research vehicles—pooling the resources of government, industry, and academia—should be established to pursue basic research in areas of potential commercial applications. Our universities are strapped for funds and equipment, and such collaborative research would enable them to retain the innovative leadership of America.

We should also streamline the management of our federal labs and improve the focus of their efforts. The President's Private Sector Survey on Cost Control undertook a study of our more than 700 federal research laboratories. Headed by Dave Packard, the group concluded that the labs often have research goals that are poorly defined or frequently changing directions.

The group also described a managerial maze few scientists are able to navigate—more than 2,700 distinct federal R&D programs receiving line-by-line budget scrutiny from 54 different Congressional committees and subcommittees. Since federal funds comprise about half of total R&D spending in this country, better focus and management of that effort would be extremely beneficial.

Private sector R&D

Governmental policies also affect R&D activities in the private sector, and those policies should encourage these activities. I've seen analyses that compare the trade balance of industries that are research-intensive to those that are not. The contrast is quite apparent. Industries that spend a large percentage of their revenues on R&D have a positive trade balance. Industries that spend comparatively little, on the other hand, show a trade deficit.

We should review our tax policies for their effects on R&D spending, develop ways to protect intellectual property, and exempt certain kinds of joint research ventures from anti-trust actions. Certainly, the R&D tax credit passed in 1981 has proved a significant incentive to private sector efforts. The credit should be made permanent.

Moving to the area of capital resources, there is a need for American industry to develop a long-term investment perspective, where the goal of business activity is to produce real wealth rather than manipulate paper assets. Industry should also be encouraged to invest in plants and equipment that will increase our ability to compete by increasing the productivity of our workforce.

The investment and long-term perspective we desire are, of course, directly affected by what is happening to U.S. interest rates. Some studies put U.S. capital costs at twice those faced by our international competitors. These high interest rates also contribute to the strength of the U.S. dollar, and the strong dollar has really hurt the competitiveness of U.S. Products sold abroad.

The U.S. Japan Advisory Commission, headed by Dave Packard, issued an interim report last week advocating a 40-yen adjustment in the exchange rate between the dollar and the yen. Such a move, in the Commission's view, would aid considerably in reducing the large, bilateral trade deficit we have with Japan and increase our ability to compete with the Japanese in foreign markets.

Packard cites high U.S. interest rates as one of the prime factors contributing to the yen-dollar exchange rate problem. I'd like to quote Mr. Packard's comment on this issue, because he has a way of getting to the heart of things: "Everybody in the Congress and government knows that interest rates are too high, but for political reasons nobody wants to do anything about it."

What we're talking about here, of course, is a macro-economic issue adversely affecting a broad segment of American industry. While we address the problem, I suggest we also look for ways to increase the efficiency and flexibility of the capital markets. New financing mechanisms such as tax-deductible preferred stock issues are possibilities worth exploring. The venture capital market has been doing well because of the lowered capital gains tax rate, but there is a need for more capital for mid-sized companies.

INTERNATIONAL TRADE

Let me move on to the murkiest of areas we face in the competitiveness arena, and that is the subject of international trade. I mentioned earlier that American business should ideally compete on a level playing field where the market reflects the success with which an industry can offer innovative products and services of reasonable cost and quality. Unfortunately, we exist in a world where debt-strapped developing countries, as well as our industrial trading partners, have adopted conscious strategies to maximize exports and minimize imports. As a result, we are operating in a market that is often distorted.

I don't have a simple answer to how to deal with a world trade arena that is becoming increasingly important and complex. I believe we'll have to strengthen and broaden the General Agreement on Tariffs and Trade. It's also time to review current U.S. trade laws to determine if they are adequate to respond to the export promotion practices of our trading partners. Beyond being adequate, they should be easily enforced—and in a timely manner.

Promoting open markets abroad is only half of the international trade agenda. We should also encourage exports of American products through better export financing, reasonable export control policies, and tax policies. Here the private sector has a role to play. Too often, American industry has hesitated to look beyond its own borders for potential markets. We are prone to a kind of provincialism that we can no longer afford.

It is most apparent that these attitudes and many of our past beliefs and practices are no longer appropriate. On that point, I believe we have consensus. This nation is at a crossroads. We recognize that we are no longer the automatic world leader in all market segments. We also recognize that we must take stock of our strengths and weaknesses—do a kind of national audit on our competitive position and its underpinnings.

I took on the role of chairing the President's Commission on Industrial Competitiveness because I believe that we can strengthen the performance of American industry both at home and abroad. I don't think there's a single, simple solution for the challenges we face. But I think we can reach a constructive consensus on what needs to be accomplished and whether that

task is best undertaken in the private or public sector.

The enormity of the challenge we face—put into the context of an election year—makes it very tempting to look for the simple, grand strategy or slogan to solve all our ills. Let us resist that temptation. We can't wait for the definitive solution, the grand plan. We have enough trouble agreeing on the definitions of what we're doing, much less the content of those strategies.

I believe that effective policy decisions are incremental in nature. That seems to be the pace at which U.S. history is most comfortably made. Let's identify some areas where we can improve our competitiveness among those action areas already identified. Let's be sure that the remedies we select really fit the problems we've identified and the political and economic context in which we operate.

And let us remind ourselves that we all have a stake in how successful we are in solving America's competitive problems. It will take the collaborative efforts of us all. I am committed to do my part in formulating our national response, and I am pleased to be invited to share my views with this Subcommittee. I hope it is the beginning of a constructive dialogue.

Mr. PETRI. Mr. Speaker, I thank my colleague from California for his participation and for his very insightful and worthwhile remarks.

Mr. Speaker, I yield to the gentlewoman from Illinois (Mrs. MARTIN).

□ 2240

Mrs. MARTIN of Illinois. I thank my colleague, the gentleman from Wisconsin, for yielding.

Mr. Speaker, in recent months, there has been a great hue and cry by certain of my colleagues on the other side of the aisle about the need for an industrial policy for the United States. This frankly causes me some alarm.

I hope they are not confusing the need for anti-inflationary policies and a removal of unnecessary Federal regulation with a policy requiring even more intervention in the marketplace. I hope this infatuation with industrial policy does not lead us to adopt a policy that is not needed—one that will stifle our free enterprise system instead of one that will allow our economy to grow.

Before we do anything rash, I would recommend to my colleagues on the other side of the aisle an article by Charles L. Schultze, Chairman of the Council of Economic Advisers in the Carter administration, and Director of the Bureau of the Budget in the Johnson administration. When so distinguished an economist, who can hardly be called a conservative Republican, raises red flags about whether we need an industrial policy and whether such a policy could be administered without wrecking the economy, I think we should all take careful note.

I would like to insert in the RECORD at this point a portion of Mr. Schultze's article, "Industrial Policy: A Dissent," which appeared in the Brookings Review and I hope all my colleagues will carefully consider the points Mr. Schultze makes.

[From the Brookings Review, fall 1983]

INDUSTRIAL POLICY: A DISSENT

(By Charles L. Shultze)

The last 10 years have been a time of troubles for most of the world's industrial economies. The growth of output and productivity has slowed. Both inflation and unemployment have averaged substantially higher than in earlier postwar years. And the decade has produced the two worst recessions of the postwar period.

In the United States, this experience has spawned two new economic doctrines, each purporting to explain the source of at least some of our economic ills and offering a plan of action to deal with them. These economic theories originated outside of the mainstream of professional economic thought. The first of them is supply-side economics, which is based on a vast exaggeration of the incentive effects of lower taxes. It has had a spectacular political success, and was installed in early 1981 as official U.S. government policy.

The second of these new theories—and the latest entry in the competition for the hearts and minds of political candidates—is a set of economic ideas and policy recommendations that goes by the name "industrial policy." It has been the subject of a growing stream of books and articles; it has been endorsed as a concept by the AFL-CIO; its precepts have been incorporated in a number of bills now before the Congress; and it is receiving a sympathetic hearing from many of the candidates for the 1984 Democratic presidential nomination.

The phrase "industrial policy" means somewhat different things to different people; it refers not so much to a single theory as to a loose collection of similar diagnoses and proposals. The diagnoses generally cluster around two basic propositions:

First, the United States has been "de-industrializing." The share of national output generated by manufacturing has been falling in recent years while the share attributable to services has been growing. Within manufacturing a number of essential heavy industries are in absolute decline, and the United States is no longer at the cutting edge of technological advance in the newer, high-tech industries. We are becoming increasingly uncompetitve in world markets. These are the symptoms of deep-seated structural problems; they will not be cured by macroeconomic measures aimed at overall economic growth. The private market is not directing investment to the right places; older manufacturing industries cannot find the funds they need to rehabilitate themselves, and promising new firms in the advancing sectors are often unable to secure as much venture capital as they need for growth. American labor finds it difficult to make the necessary transition from older, declining industries to newer ones with good growth potential and high value-added per worker; this is partly because investment is being directed to the wrong industries and partly because laid-off workers do not have the skills needed or are not in the right locations. And when these dislocated workers eventually do get reemployed it is too often in low-skill jobs paying low wages. We are in danger of becoming a nation of hamburger joints and boutique shops.

Second, some other countries—Japan being the preeminent example—have developed governmental policies that successfully promote vigorous industrial growth. The Japanese government identifies potential winners in the competition for world markets and encourages their growth, while simultaneously protecting and easing the burden of adjustment for older but essential heavy industries. Farsighted officials in the Japanese Ministry of International Trade and Industry (MITI), working closely with cooperative Japanese business leaders and bankers, plan and organize, years in advance, such industrial achievements as the penetration of world automobile markets, the development of automated steel mills producing at water's edge for exports, the 256K memory chip, and now the ultimate supercomputer.

The various proponents of industrial policy offer a wide range of suggestions to deal with the structural problems they identify. Many of their proposals involve new or modified federal initiatives in traditional areas: expanded support for technical education; research and development; and programs to retrain workers. Whatever the merits of these ideas, they do not constitute a major new thrust in economic policy. What is new, however, is the proposal that government deliberately set out to plan and create an industrial structure, and a pattern of output and investment, significantly different from what the market would have produced. Two leading advocates of industrial policy, Ira Magaziner and Robert Reich, put the matter this way: "We suggest that U.S. companies and the government develop a coherent and coordinated industrial policy whose aim is to raise the real income of our citizens by improving the patterns of our investments rather than by focusing only on aggregate investments levels." [1]

Industrial policy thus aims to channel the flow of private investment towards some firms and industries—and necessarily, therefore, away from others. The government develops, at least in broad outline, an explicit conception of the direction in which industrial structure ought to be evolving, and then adopts a set of tax, loan, trade, regulatory, and other policies to lead economic activity along the desired path.

Industrial policy typically has two aspects—"picking the winners" and "protecting the losers"—and proponents sometimes disagree as to the relative emphasis to be placed on each. "picking the winners" involves identifying industries that are at the cutting edge of economic progress, with such characteristics as high growth potential and high value-added per worker, and then providing investment subsidies, research support, and other assistance to existing firms and new entrants in those industries. "Protecting the losers," on the other hand, involves supporting and presumably helping to rehabilitate major declining industries. The government measures that would be deployed for this purpose include creation of barriers against competition from imports, special tax breaks, subsidized loans, and selectively favorable regulatory treatment. In most versions of industrial policy, the government, in a switch from current practice, would require that labor and management in these declining industries accept major reforms—wage restraint, reduction of featherbedding rules, and improved managerial practices—as preconditions for assistance.

In addition to the two explicit propositions noted above—that America has been de-industrializing and that the government

[1] Footnotes at end of articles.

of Japan has successfully managed industrial adjustment—there are two implicit premises on which the case for a U.S. industrial policy rests. The first of these is that the government has the analytical capability to determine with greater success than market forces what industrial structure is appropriate, who the potential winners are, which of the losers should be saved, and how they should be restructured. The second is that the American political system would (or could) make such critical choices among firms, individuals, and regions on the basis of economic criteria rather than political pressures.

In fact, as we shall see, reality does not square with any of the four premises on which the advocates of industrial policy rest their case. America is not de-industrializing, Japan does not owe its industrial success to its industrial policy. Government is not able to devise a "winning" industrial structure. Finally, it is not possible in the American political system to pick and choose among individual firms and regions in the substantive, efficiency-driven way envisaged by advocates of industrial policy.

DE-INDUSTRIALIZATION: A NONEXISTENT TREND

America has not been de-industrializing. Throughout the industrial world, economic performance in the 1970s did fall behind the record of the 1960s. But relative to the industries of other countries, American industry performed quite well by almost all standards.[2]

During the decade of the 1970s, before the current recession began, the United States was vastly superior to the major European countries and to Japan in the generation of new jobs. Total employment grew by 24 percent in the United States during that decade. The next best performer was Japan, with a 9 percent increase. Other countries were far behind; in Germany, for example, employment actually fell. Moreover, the United States was one of only three major industrial countries—Italy and Canada having been the others—with any increase in manufacturing employment. According to OECD data, manufacturing production in the United States, while rising less rapidly than production in Japan, grew faster than the European average and outstripped the gains made in Germany, a country that is usually mentioned, along with Japan, as a leading example of industrial strength.[3]

Manufacturing production in the United States typically rises more in business cycle expansions, and falls further in contractions, than does total GNP. After adjustment for this regular cyclical pattern—and contrary to popular impression—the share of private domestic GNP produced by manufacturing industries did not decline significantly in the 1970s.[4] The proportion of total U.S. employment accounted for by manufacturing has been falling throughout the postwar period, but this principally reflects the fact that productivity growth (output per person) has continued to grow faster in manufacturing than in most other parts of the economy.

The relatively good performance of the industrial sector in the 1970s was partly due to a very large increase during the decade—in fact, a doubling—in exports of American manufactured goods. This was a good bit less than the rise in Japanese exports, but substantially higher than the increase experienced by Europe. America's export strength was aided by a decline in the real exchange value of the dollar, from an overvalued level at the beginning of the decade to what many people believed was a somewhat undervalued level at the end. Since it is unlikely that the value of the dollar will fall steadily over the long run, the share of U.S. economic activity accounted for by the manufacturing sector could conceivably decline very slowly. That would be a natural development, however, in no way reflecting a structural malaise requiring new governmental policies.

The United States does have some old-line heavy industries with deep-seated structural problems—especially the steel and automobile industries. But they are not typical of American industry generally. There is no evidence that in periods of reasonably normal prosperity American labor and capital are incapable of making the gradual transitions that are always required in a dynamic economy, as demand and output shift from older industries to newer ones at the forefront of technological advances.

Indeed, American industry successfully made some important and desirable structural adjustments in the 1970s, even though that was a decade of economic difficulties throughout the world. Thus, Robert Lawrence of Brookings reports that the U.S. international trade surplus in the products of high-tech industries grew from $12 billion in 1972 to $40 billion in 1979, while the trade deficit in other manufactured products rose from $15 billion to $35 billion over the same period. Yet, according to a study done for the National Commission for Employment Policy, dislocated workers—defined as unemployed people whose last jobs were in declining industries and who had been out of work for more than eight weeks—amounted to only 0.4 percent of the labor force in March, 1980.[5] In addition, although the total unemployment rate was higher in the United States than in most large European countries as the 1970s drew to a close, long-term unemployment was substantially lower.[6]

But even if it is true that the United States was not de-industrializing in the 1970s, has not the industrial sector performed very much worse than the economy in general during the past several years? Yes, it has. From 1981 through the fourth quarter of 1982—the trough of the recession—GNP declined by 2.2 percent while manufacturing production fell by 10.6 percent. But the outsized drop in manufacturing production occurred for two reasons having nothing to do with de-industrialization. First, as noted above, manufacturing production always falls faster than GNP during recessions, and rises faster during booms. In the first half of 1983, for example, as GNP began to recover at a 5.9 percent annual rate, manufacturing production jumped up at a 16.2 percent rate. Second, the huge rise in the real exchange value of the dollar over the last two years discouraged U.S. exports and encouraged foreign imports—a development that had an especially depressing effect on American manufacturing industries. But the overvaluation of the dollar was obviously not caused by structural deficiencies in American industry; it was principally the result of the combination of tight money and loose budgetary policy that gave us unprecedentedly high interest rates. What is needed is a better mix of macroeconomic policies, not a new government agency to influence the pattern of industrial investment.

What about the dramatic fall in the rate of productivity growth in the United States during the 1970s? Does that not reflect, at least in part, a major structural problem in U.S. manufacturing sector? The pace of productivity growth did, indeed, decrease. While the reasons for this decline are still something of a mystery, a few things are known. First, the decline was worldwide—and its magnitude in the United States was about midway down the list of industrial countries. Second, the decline was not concentrated in manufacturing industries; in fact, by most estimates it was somewhat smaller there than in the other sectors of the economy, and productivity growth has continued to be higher in manufacturing than in most sectors. Third, the decline was not caused by a shift in production away from high-productivity manufacturing industries to low-productivity service industries.[7]

Productivity growth is the source of rising living standards. The sharp decline in that growth, in manufacturing and elsewhere, is the most serious long-run problem facing the U.S. economy. But there is no evidence that this decline stems from a tendency for the private market system to allocate investment to the wrong" places—away from the manufacturing sector or, within manufacturing, to the wrong firms or industries. The decrease in productivity growth in no way bolsters the case for an industrial policy.

A CLOSER LOOK AT THE JAPANESE SUCCESS

The postwar flourishing of Japan's economy is frequently cited as the premier example of how successful an industrial policy can be. The Japanese do have a way of working cooperatively towards national economic objectives without getting strangled in bureaucratic red tape or dulling competition among business firms. But the contributions of MITI and of industrial policy to Japan's postwar success have been far overstated. Other factors were primarily responsible for the phenomenal growth that the Japanese economy enjoyed until very recently.

First, over the past two decades, the Japanese saved and invested some 30 to 35 percent of their GNP, compared to 17 to 20 percent in the United States.[8] Second, with an industrial plant technologically far behind those of the United States and Western Europe, Japanese business firms were able to put the huge savings to work at moderate risk and with good returns by upgrading their capital stock with known technologies. Countries that were much nearer to the technological frontier, like the United States, had to depend more heavily for their economic growth on the gradual advance of technical knowledge. Third, the Japanese appear to have developed a unique set of cooperative labor-management relationships that promote high quality work and rapid productivity growth.

Throughout the postwar period, the Japanese government in general, and MITI in specific, did act on a broad view of what was required for rapid economic growth in the particular circumstances facing Japan. For example, private savings and investment were encouraged by tax laws and other measures. Up through the early 1970s, macroeconomic policies were highly expansive, but with a combination of very stimulative monetary policies and large budget-surpluses. Thus, the government endeavored to encourage the rapid expansion of both demand and supply. Since it needed to import virtually all of its fuel and raw materials, Japan discouraged the import of manufactured goods. Especially in the earlier part of postwar history, when it was still lagging behind other major countries in industrial technology, Japan protected large

segments of its home market against import competition.

But while a broad strategy along these lines did guide Japanese economic policy during the postwar period, that strategy did not dictate the detailed structure of Japanese industry. The major decisions about where funds would be invested were made by Japanese business leaders, not by MITI. Hugh Patrick, professor of Far Eastern economics at Yale, has put forward this assessment:

Indeed, looking at Japanese industrial development as a whole in the postwar period, I think the predominant source of its success was the entrepreneural, vigor of private enterprises that invested a good deal and took a lot of risks. The main role of the government was to provide an accommodating and supportive environment for the market, rather than providing leadership or direction. Unquestionably government planning bodies were important in a few industrial sectors, but not in many others, which flourished on their own.[9]

The Japanese government, through its Fiscal Investment and Loan Program (FILP), does control substantial investment sums, amounting in 1980 to some $80 billion in direct investments, subsidized loans, and loan guarantees. Such a large investment budget does seem to offer potential leverage for carrying out an industrial policy. In fact, however, as Brookings' Philip Trezise carefully documented in the Spring, 1983, issue of the Review, the government's investment portfolio is spread across a wide range of enterprises in response to regional political, and special interest pressures. In 1979, the FILP budget was allocated among some fifth separate agencies, plus a number of local governments. The local governments, together with four agencies (a housing loan corporation, two small business financing entities, and the Japanese National Railways), got a total of 60 percent of the funds. Another 27 percent went to such entities as the Ex-Im Bank; the Japan Highway Corporation; the Japan Housing Corporation; the Agriculture, Forestry, and Fisheries Corporation; and the Japan Development Bank.

The Japan Development Bank (JDB), in turn, seems a likely candidate for the role of financing an industrial policy aimed at building up major growth industries. The facts belie this conjecture, too. In the first twenty years of the JDB's life, according to Trezise, three-quarters of its funds went to merchant shipping, electric utilities, and regional and urban development. The burgeoning steel industry, on the other hand, received during these two decades less than one percent ($110 million) of the JDB's financing. since 1972, in Japan as in the United States, public investment has emphasized energy and pollution control—and the JDB budget reflects this trend. But JDB investment in the development of new technologies outside of the energy industry has averaged only $313 million a year over the past decade.

Thus, in Japan as in any other democratic country, the public investment budget has been divvied up in response to diverse political pressures. It has not been a major instrument for concentrating investment resources in carefully selected growth industries. Indeed, if one changed the institutional labels, the Japanese government's investment budget looks remarkably like what might have emerged from a House and Senate conference committee on public works in the United States Congress.

All of this is not to suggest that MITI had no influence on the direction of Japanese industrial investment. For example, MITI is widely, and probably quite correctly, cited as having played a major role in organizing the very successful Japanese penetration of the memory chip segment of the world semiconductor markets. As Paul Krugman has pointed out, however, the relevant question is whether this particular use of Japanese savings generated a higher return for the nation than would have been earned had the market allocated the funds.[10] It may have done so, but we do not yet know the answer.

MITI has also had some major failures. For instance, MITI tried very hard—and, as is evident, to no avail—to keep Honda out of the automobile business and to consolidate Japanese auto production into a few giant companies. MITI also attempted to get a major commercial aircraft industry going in Japan, but the banks failed to follow MITI's lead and would not provide the necessary capital. Those who attribute Japan's economic success principally to MITI's industrial policy seem to be suggesting that without MITI the huge 30 to 35 percent of GNP that the Japanese invested in the past several decades would have gone mainly into such industries as textiles, shoes, plastic souvenirs, and fisheries. This is sheer nonsense. Given the quality of Japanese business executives, those massive investment funds probably would have wound up roughly where they actually did. And to the extent that there would have been differences, there is no reason to believe that MITI's influence, on balance, improved the choices in any major way.

The combination that worked so well for Japan—a hugh saving rate, aggressive business leaders, and a backlog of modern technology waiting to be exploited—may now be faltering. In particular, as Japan has caught up to the technological frontier of other Western countries, the potential for large returns from investment in known technologies has been reduced. The propensity to save remains high, but investment opportunities appear to have dwindled. Partly for this reason, Japanese economic growth while still above that in other advanced countries fell from an average of 9.9 percent a year between 1960 and 1973 to 3.5 percent a year between 1973 and 1983.[11]

FOOTNOTES

[1] Ira Magaziner and Robert Reich, "Minding America's Business," Harcourt Brace Jovanovich, New York, 1982, p. 4.

[2] In a forthcoming Brookings book, Robert Z. Lawrence documents in substantial detail the absence of any trend toward de-industrialization in the United States during the 1970s and, in particular, the fallacy of the proposition that international trade has contributed to depressing output and employment in American manufacturing. This section of the paper owes much to his work.

[3] To reduce distortions caused by cyclical influences (U.S. recessions in 1970 and 1980), average output in 1969-70 and 1979-80 was used to make the decade output comparisons. The European average was held down by the very poor performance of the United Kingdom, but even if the United Kingdom is excluded from these calculations, the growth of manufacturing output in the United States still exceeded that of the rest of Europe as reported by the OECD data. The U.S. Bureau of Labor Statistics produces an alternative set of manufacturing output measures for selected countries; according to these data, the United States outperformed Germany and the average of eight European countries, but grew less than the European average (33.5 versus 36 percent) if the United Kingdom is excluded.

[4] During the cyclical peak of the Vietnam war boom, 1965-69, the constant-dollar manufacturing share averaged slightly higher (30 percent) than it did in both the early years of that decade (28.2 percent) and the last years of the 1970s (28.6 percent), but by no more than can be explained by the strength of the boom. In a regression equation fit to data from 1955-80 that linked the manufacturing share to a cyclical variable and time trend, the time trend did have a very small negative coefficient of marginal statistical significance. The trend was so slight that it would require some thirty years to reduce the share by one percentage point. There was no evidence that the trend became larger in the 1970s.

[5] Marc Bendick, Jr., and Judith Radlinski, "Workers Dislocated by Economic Change: Do They Need Federal Employment and Training Assistance?," National Commission for Employment Policy, Seventh Annual Report, Appendix B.

[6] Long-term unemployment rates (percent of the labor force) in 1979 were: United States (1.14), United Kingdom (1.92), France (4.41), Germany (3.35). The long-term unemployment definition—fifteen weeks or longer for the U.S., fourteen weeks for the U.K., and three months for France and Germany—does bias the U.S. rate down relative to the others, but not by enough to account for those differences. Economic Report of the President, January, 1981, p. 127. These findings were confirmed by a later OECD analysis reported in Economic Outlook, July, 1983, p. 46 (Table 15).

[7] Martin Neil Baily estimated, more generally, that none of the slowdown in American productivity growth since 1973 can be explained by a shifting composition of output among major American industries. Baily, "The Productivity Growth Slowdown by Industry," Brookings Papers on Economic Activity, 2:1983, pp. 445-51.

[8] Based on OECD estimates of gross fixed capital formation as a percent of gross domestic product (GDP). Economic Outlook 1960-1980, Table R-3. The difference between GDP and GNP is small and does not affect the basic comparison between the United States and Japan.

[9] Interview in Manhattan Report on Economic Policy, Manhattan Institute for Policy Research, Vol. II, No. 7, October, 1982.

[10] Paul Krugman, "Targeted Industrial Policies: Theory and Evidence," a paper prepared for the Conference on Industrial Change and Public Policy, sponsored by the Federal Reserve Bank of Kansas City, August 25-26, 1983, pp. 46-49.

[11] 1983 growth as forecast by the OECD, Economic Outlook, July, 1983.

Mr. PETRI. I thank my colleague, the gentlewoman from Illinois, for her contribution.

Mr. Speaker, I yield to my distinguished colleague, the gentleman from New York (Mr. GREEN).

Mr. GREEN. I thank the gentleman for yielding.

Mr. Speaker, an assertion has been made by many of our colleagues and other public spokesmen that without rigorous economic planning on the part of the Federal Government, combined with a significant reorganization of American trade policies, the future of U.S. industry is in serious question. In stating such a pessimistic view of the future course of America's private sector, a new piece of jargon has been introduced into the American lexicon: industrial policy.

In order to understand this term and its ramifications for American society, we should ask a few basic questions. First, what assumptions are being made about the current economic situation which could lead one to this conclusion? What constitutes an industrial policy? How should one be implemented? Of what value would such a policy be? And to what extent is one desirable?

THE CURRENT SITUATION

It is clear, Mr. Speaker, that certain segments of the American economy

currently are undergoing turbulent economic times. The domestic automobile industry, although presently in its strongest post-World War II recovery, competes with highly automated Japanese auto manufacturers and with highly desirable European imports. The U.S. machine tool industry is faced with formidable Asian competition, as is the steel industry. Indeed, these "smokestack" industries are currently under tremendous pressure to cut costs, to improve productivity, and to somehow compete with more efficient foreign plants. At the same time, the strength of the American dollar makes this task even more difficult than it was only a year ago.

Many of our colleagues assume that without an omnibus and comprehensive infusion of Federal Government energy, these industries will collapse like a black hole and drag all of the concerns directly and indirectly related to them down the vortex with them. In so thinking, these proponents of a comprehensive industrial policy assume that America is "de-industrializing" and will continue to do so, that is, that American manufacturing employment will soon become a far less significant portion of the total domestic employment picture. Yet, during the 1970's, the United States was one of only three major industrial powers—the others were Italy and Canada—to register an increase in manufacturing employment. Production grew at a faster rate than the European average during that decade, indeed at a higher rate than West Germany's. Indeed, high-technology exports grew during the 1970's by over 200 percent, and dislocated workers amounted to only 0.4 percent of the workforce in March 1980. Granted, Mr. Speaker, manufacturing industries have come upon difficult times during the past few years. But it is also clear that America is not deindustrializing to the extent that so many of our colleagues believe.

DEFINITIONS

Just what constitutes an industrial policy is a major question in itself. Four descriptions of industrial policy have been discussed in great detail:

First. Company targeting designed to assist distressed firms, for example, Chrysler and Lockheed, the ramifications of whose possible demise are deemed important enough to the Federal Government to bail them out;

Second. Industrial targeting of governmental assistance for possible growth sectors or "transitional industries," for example, using Government financing to increase research and development in selected high-technology industries, and targeting older smokestack industries supposedly in need of financial assistance to maintain their respective markets;

Third. Overall reorganization of the basic relationships between Government, labor, and business, possibly including a reorganization of the Department of Commerce in conjunction with the Office of the U.S. Trade Representative, in order to form an American version of the Japanese Ministry of International Trade and Industry (MITI); and

Fourth. Reconstruction Finance Corporation, as proposed by a number of financial leaders, including Mr. Felix Rohatyn of New York, which would provide the means through which Federal governmental funding would be awarded.

DRAWBACKS

Each of these approaches has serious drawbacks. The most important flaw in each approach is that each option assumes that the Federal Government has some skill not found in the private sector which enables it to make correct microeconomic decisions more often than the private sector. Clearly, if this were not assumed there would be no reason for the proponents of an industrial policy to desire that Washington intrude into what has been historically the world's most successful market economy.

In addition, the first two approaches constitute microeconomic answers to our macroeconomic problems. I cannot help but wonder, Mr. Speaker, if Congress should be in the business of picking industrial winners and losers. In order to depoliticize the reindustrialization issue, it seems logical that incentives to invest, for example, in research and development, should be across-the-board incentives, and should not be handed out on a company-by-company or industry-by-industry basis. As my colleagues and I know so well, political decisions do not always result in good economic policy.

The third approach, that of creating an American MITI, is also subject to some skepticisim. A plan to coordinate American trade policy, in theory, is a fine idea. Yet, we must be careful not to copy an idea which may not be workable under our economic and political system and, in addition, whose history is not the rosy picture that some paint it to be. For example, MITI attempted to halt Honda's expansion into the automobile market, an attempt that many of our own domestic auto manufacturers now wish had been successful. MITI also attempted to introduce a commercial airline concern in Japan—one of MITI's failures that our domestic producers are very happy about. What I am saying, Mr. Speaker, is that Japan's governmental institution, and European institutions of the same ilk designed to create an industrial policy, are subject to the same problems that any American Cabinet-level department would be subject to—the idea that Government officials are probably in no better position to judge which products will be successful and which ones will not be. Clearly, a new and improved RFC would be subject to the same constraints.

A POSSIBLE PARTIAL SOLUTION

Many of our macroeconomic troubles cited above are caused by a lack of working capital available at affordable rates. One lesson that we should learn from Japan, as well as from our European allies, is that we as a people should save more of our income. Unlike most other Western industrialized nations, our personal saving rate, as a percentage of after-tax income, is trivial. Unlike all other Western industrialized nations, our total gross saving rate, as a percentage of gross domestic product, is under 20 percent. I believe that if we would save more of our income, thus creating a larger pool of investment potential, many of the capital investment problems we currently face as an older industrialized nation could be partially solved. Clearly, the rate of personal saving as a percentage of disposable income has decreased precipitiously during this past year. Perhaps legislation providing incentives to save, such as I introduced during the 97th Congress (H.R. 1397), is a possible partial solution to our economic problems.

Just as important, we need to continue to study more closely our own economic ills. We must continue to question the assumptions that the proponents of an overreaching industrial policy use to make their respective arguments. I would agree with many of our colleagues, Mr Speaker, that Publius was correct when he wrote that "It is a bad plan that admits of no modification." Yet, we should only correct that which needs correcting. Historically, our economy has been based in most part upon individual initiative, the use of private venture capital, and private sector-based ingenuity. Unless it can be shown beyond a doubt that the Federal Government has the ability to improve upon this combination of natural and man-made resources, it should leave well enough alone. Certain limited plans are both possible and desirable if they provide for across-the-board policies designed to spark increased investment in plant and equipment; we should be wary, however, of an omnibus, comprehensive solution including company or industrial targeting or a massive reorganization of our Government's trade functions into a MITI-type structure with overarching powers.

Mr. Speaker, my good friend and colleague, Mrs. MARTIN of Illinois, has inserted the first half of Mr. Charles Schultze's article into the RECORD. Mr. Schultze's essay discusses the above points in greater detail than I have done, and I commend my colleagues to read this very well-written article. I would like to insert the balance of the article into the RECORD at this time.

The article follows:

IDENTIFYING THE "RIGHT" INDUSTRIAL STRUCTURE

Despite the lack of evidence that the United States has been de-industrializing or that the key to Japan's economic success has been its industrial policy, advocates of an industrial policy for the United States nevertheless propose that the federal government play a much enlarged role in determining the structure of American industry. The centerpiece of an industrial policy is some kind of a development bank—a new Reconstruction Finance Corporation—with authority to do some or all of the following: provide loans, loan guarantees, and subsidies to business firms and regional development bodies; certify firms as being eligible for special tax breaks; recommend measures to protect domestic industries against competition from imports; and negotiate restructuring agreements with labor and management in forms and industries that are in trouble and are candidates for assistance. In many versions of industrial policy, the new RFC would be governed, or at least be advised, by a tripartite body made up of representatives from business, labor, and government. The powers of the Corporation would be exercised in pursuit of explicit industrial objectives designed to achieve some combination of the two broad goals—stimulating the emergence and growth of new high-tech industries and protecting and rehabilitating older industries.

The first problem for the government in carrying out an industrial policy is that we actually know precious little about identifying, before the fact, a "winning" industrial structure. There does not exist a set of economic criteria that determine what gives different countries preeminence in particular lines of business. Nor is it at all clear what the substantive criteria would be for deciding which older industries to protect or restructure.

Originally, comparative advantage and international specialization among countries were thought to derive principally from the relative abundance or scarcity of the factors of production—labor, capital, and various natural resources. The United States and other advanced industrial countries do in fact have a broad advantage in the production of those goods that are research-based and technologically sophisticated, and that require for their production an educated labor force. It is also demonstrably the case that the availability of certain kinds of natural resources can play an important role in determining comparative advantage. But beyond these very broad principles, there are no general criteria that allow one to predict the industries in which a country will be particularly successful.

Advanced industrial countries both export and import a wide range of goods that covers almost the entire spectrum of their manufacturing industries. Exports are not concentrated in one set of selected industries and imports in another. One study has shown, for example, that in major countries very few industries, classified at a medium (three digit) level of detail, had less than 30 percent of their international trade as intra-industry trade—i.e., in most categories of industrial goods, international trade involved significant volumes of both exports and imports, rather than exclusively one or the other. The distribution among advanced nations of the production of various manufactured products is not principally a function of some broad set of national characteristics, but arises in large part from quite different causes.

In an insightful article on industrial policy, Assar Lindbeck of the University of Stockholm has analyzed the origins of industrial specialization among advanced countries.[1] He argues that what a country will specialize in is determined by a combination of historical coincidence and momentum. Individual entrepreneurs search for a niche in the market. Once one or more firms in a country successfully establish a foothold in the market for some special product, forces come into play that can heighten, at least for a while, that country's comparative advantage in the manufacture of that product. A growing market leads to economies of scale for the original producers. Ancillary firms spring up to supply the new industry's special needs. Workers and managers acquire skills and know-how. Success tends to breed success.

In short, the winners emerge from a very individualistic search process, only loosely governed by broad national advantages in relative labor, capital, or natural resource costs. The competence, knowledge, and specific attributes that go with successful entrepreneurship and export capability are so narrowly defined and so fine-grained that they cannot be assigned to any particular nation. The "winners" come from a highly decentralized search process, the results of which cannot be identified on the basis of abstract criteria. As Lindbeck points out, there is nothing in Swedish natural resources or national character that would have foreordained that Sweden would be preeminent in the production of ball bearings, safety matches, cream separators, and automatic lighthouses. Nor, it might be added, is there a basis in observable national characteristics to have predicted Japanese dominance in the motorcycle industry or the American success in pharmaceuticals and the export of construction management and design.

There are, of course, overall policies that government can pursue to create the kind of environment in which a decentralized search process is most likely to be fruitful. What government cannot do—except perhaps in a country that is far behind the leaders and simply trying to catch up by imitating them—is to identify in advance the particular lines and products in which each country will be successful.

Some have argued that a new industrial policy should particularly seek to reallocate investment towards industries with high value-added per worker and away from those with low value-added. The argument for such a reallocation implicitly assumes (1) that there are large numbers of skilled American workers trapped in low-paying jobs in industries with low value-added per worker; (2) that there are large untapped markets for the products of high value-added industries employing skilled workers, and (3) that this situation exists because of a propensity on the part of American business to invest too much in the low value-added, and too little in the high value-added, industries. Government policies designed to improve the skills of the labor force make good sense. But given the current mix of skills in the labor pool, there is no evidence that market forces in the United States have tended to ignore potentially large returns in industries with high value-added per worker and to channel excessive investment to those with low value-added. Indeed, as Krugman points out, government redistribution of a fixed aggregate investment from low value-added to high value-added industries would tend to lower employment and output, since capital-labor and capital-output ratios are higher in the latter industries.[2]

There are equally formidable barriers to designing substantively defensible criteria to govern a systematic government policy of trade protection and investment assistance for declining older industries. No one seriously suggests a policy of indiscriminate aid to all such industries, so some criteria for choice are necessary. One litmus test that is proposed is the importance of an industry to the national defense; that, however, is almost always a red herring. The national defense/essential industry argument is usually presented in an all-or-nothing mode, as though, in the absence of import protection, the affected industry would disappear. In fact, what is almost always at stake is a much less dramatic change in the industry's fortunes, of a magnitude that is irrelevant to national defense. Whether, for example, the domestic steel industry meets 80 percent of the nation's peacetime needs, as it does now, or only 60 percent is of no significance to the nation's security.

It has also been suggested that we assist those particular older and troubled industries that other governments are heavily subsidizing. The industries we would end up supporting under this decision rule would most likely be those with worldwide excess capacity, in which the returns to investment are unusually low, since those are the ones most apt to be getting help from other governments. A systematic reallocation of investment away from other American industries towards these would lower the growth of national output and real wages.

Ironically, the systematic provision of import protection to various industries, in an effort to "restructure" them, would indirectly weaken the most dynamic and progressive sector of American industry. Import protection would initially worsen the trade balances of the countries against whom it was directed. As a result their currencies would tend to depreciate against the dollar. In turn, this would impair the competitive position of American export industries, which, by their very nature, are likely to be at the leading edge of economic progress. We would trade jobs and output in the leading sectors for jobs and output in the losing sectors.

In practice, the motivation behind most existing efforts to protect the losers is not so much to improve economic performance as to lessen the pains of economic change. Almost by definition, a dynamic economy is one in which change is continually at work—change in technology, in tastes, and in world markets. And while change creates new opportunities, it also forces some firms, workers, and communities to make painful adjustments.

A decent concern for the human costs imposed by economic change is one hallmark of a compassionate society. But society can act to reduce those costs in two quite different ways. First, it can short-circuit market forces and try to slow the pace of change through subsidies, trade protection, and regulations designed to prop up declining firms. Second, it can attempt to accommodate and ease the transition dictated by changing economic conditions through the provision of reasonable unemployment compensation relocation assistance, and generous training opportunities to those facing major adjustment problems. Neither approach will fully insulate workers and communities from the

pains of economic change. But systematic application of the first approach, while preventing some pain for some people, will over time sap the economy of dynamism and hold down growth in living standards. The second option is far from perfect, but it offers the potential of reducing transition costs with much less impairment of the dynamism that generates economic growth.

INDUSTRIAL POLICY AND THE AMERICAN POLITICAL SYSTEM

Not only would it be impossible for the government to pick a winning industrial combination in advance, but its attempt to do so would almost surely inflict much harm.

There are many important tasks that only governments can do—and, with constant effort and watchfulness, they can do those tasks passably well. But the one thing that most democratic political systems—and especially the American one—cannot do well at all is to make critical choices among particular firms, municipalities, or regions, determining cold-bloodedly which shall prosper and which shall not. Yet such choices are precisely the kind that would have to be made—and made explicitly—for an industrial policy to become more than a political pork barrel.

The government can, and continually does, adopt policies that have the indirect consequence of harming particular individuals or groups. But a cardinal principle of American government is "never be seen to do direct harm." The formal and informal institutions of the political system are designed to hinder government from making hard choices among specific individuals, rewarding some and penalizing others. So it is, for example, that we have an Economic Development Administration, created to help "depressed areas," that has eligibility criteria so broad that they encompass over 80 percent of the counties in the United States. The same pattern—that of obviating the necessity of choice—is evident in the evolution of the Model Cities Program. Two decades ago, planners in the Johnson administration set out to test the proposition that a very comprehensive assistance program—directed at physical capital, education, retraining, social services, and so on—that concentrated large investment in a few areas could overcome the inertial force and vicious cycle of inner city poverty and decay. A demonstration of this approach was initially designed to be carried out in a very limited number of cities; hence the name "Model Cities Program." By the time the concept had made its way through the political thickets of the administration and the Congress, the Model Cities Program enconpassed one hundred and fifty cities, each receiving only a fraction of the funding needed.

It is not surprising that the American political system is seldom capable of making express choices among individuals, firms, or regions. The American government, after all, was not established to bring order and authority out of social chaos. Quite to the contrary, it originated in an effort to reduce what was seen as too much authority on the part of the British king and parliament. Its founders were principally concerned to constrain legislative and executive authorities so that they could not make arbitrary and invidious choices among individuals. In the American system, most decisions that discriminate among specific citizens and firms are reached through litigation in the courts, where "fairness," rather than "efficiency," is the major criterion for settling disputes. When it is necessary to permit executive officials to make such decisions, their exercise of discretion is hedged about by complex procedural safeguards, including the right of appeal to the courts. The Administrative Procedures Act, which governs the exercise of regulatory authority is a prime example of this approach.

The governmental choices that an industrial policy contemplates have little to do with fairness and much to do, at least ostensibly, with exacting economic criteria. As we have seen, these are precisely the sorts of decisions that the American political system makes very poorly. A new RFC would do no better. For every twenty new entrants into the high-tech race, nineteen will probably perish and only one succeed. But the federal government's portfolio would likely carry all twenty forever.

To be anything more than a universal protector of inefficiency, a systematic program of assistance to declining industries would have to call for some very hard-headed decisions among particular firms, cities, and group of workers—that the Youngstown plant can live but the Weirton one must close, for example, or that the cotton textile industrial has a reasonable chance to rehabilitate itself but the wool textile industry is a hopeless case and must die. Or that in order for the steel industry to compete successfully in world markets, the large increases over the last fifteen years in its wages and fringe benefits relative to those of the rest of industry must be eliminated. Quite apart from the inability of any staff to make such substantive calls correctly, can anyone seriously imagine an American RFC being left alone to make such decisions, with its authorizations and appropriations controlled by the Congress and its policies supervised by a president interested in his party's political success? Rather, we can expect a combination of patterns to emerge: Some assistance would be made available, on a formula basis, to all industries that were in trouble; the wheels with the loudest squeaks might get a bit of extra financial grease; and protectionist interests would have a new and highly vulnerable pressure point to exploit. In the process, resources would be misallocated, incentives for industrial efficiency reduced, and competitive forces blunted.

THE FALSE ALLURE OF "COORDINATION"

One of the most frequently heard arguments for industrial policy is that it would bring a much-needed coordination to government policy-making. Those who make this argument begin by pointing out that the government already has in place many individual policies that affect the industrial structure, often in illogical contradictory, or harmful ways. They go on to ask why we do not, therefore, adopt a positive and coherent industrial policy in place of the current ad hoc array. These advocates often cite examples of the foolishness that ad hoc assistance decisions lead to:

The U.S. government now spends five times more on research and development for commercial fishing than for steel.

The U.S. tax code provides almost $750 million a year in tax breaks for the timber industry, but only a small fraction of that amount for semiconductors.

We now provide substantial import protection for the carbon and specialty steel industries (an illustration presumably adduced on the grounds that with an industrial policy we would be able to extract more competition-oriented reforms from labor and management in the favored industries).

In fact, this argument makes little sense—even if the examples cited are indeed blunders. It might very well be bad policy to spend five times more on R&D for commercial fishing than for steel (although what is relevant is total R&D, private as well as government, and even then it is not self-evident that the payoff from R&D in commercial fishing is less than from R&D in steel). Tax experts long ago concluded that the special treatment of the timber industry was excessively generous. And virtually all economists would argue that the steel protectionist measures are bad for the country. But these conclusions would all be true even if the term "industrial policy" had never been invented, and regardless of whether industrial production was an increasing or a decreasing share of GNP. Indeed, it is curious logic to cite examples of how the American industrial structure has been distorted by political pressures—in support of an argument for entrusting even more economic decisions to the same political system. One does not have to be a cynic to forecast that the surest way to multiply unwarranted subsidies and protectionist measures is to legitimize their existence under the rubric of industrial policy. The likely outcome of an industrial policy that encompassed some elements of both "protecting the losers" and "picking the winners" is that the losers would back subsidies for the winners in return for the latter's support on issues of trade protection.[3]

The argument is also made that we do provide assistance to individual firms, on occasion and in a very ad hoc way; the Chrysler and Lockheed bailouts are usually cited as examples. Should we not, therefore, regularize and rationalize this procedure, rather than making these assistance decisions on a case-by-case basis? In fact, the ad hoc approach is precisely the right approach. To every rule there are exceptions. It may very occasionally be in the public interest to supersede the market's judgment and to prevent the bankruptcy of some major firm. But it is a virtue that a special law is now needed for each case. It is a virtue that each case is, in fact, treated as an exception. Only very exceptional cases are likely to muster the support needed to enact a special law, and the government's bargaining power, to impose needed and painful reforms on management and labor, is consequently enhanced. Should this process of decision by exception be supplanted by an ongoing authority to initiate bailouts, the result would almost surely be a politically vulnerable fund, available to help avoid or delay politically sensitive plant closings.

SOME REAL PROBLEMS

To say that industrial policy is a dangerous solution for an imaginary problem is not to say that the United States has no serious economic difficulties. It has a number of them.

Our most immediate set of problems is macroeconomic in nature. Recovery from the deepest recession of the postwar period has just begun. Having paid a very high price for partially wringing out a stubborn inflation fifteen years in the making, we—along with every other industrial country—will have to walk a very fine line to sustain an economic recovery vigorous enough to make substantial inroads on unemployment, but not so buoyant as to risk a resurgence of inflationary pressures or inflationary expectations.

In addition, we in the United States face the special problem of a political impasse

that threatens to perpetuate very sizeable federal budget deficits even as the economy recovers towards full utilization of its resources. Since the Federal Reserve is most unlikely to accommodate these high employment deficits with large and inflationary increases in the money supply, failure to break the impasse with tax increases and spending cuts would extend today's high real interest rates—or, more likely, even higher ones—into the indefinite future. This outcome would have particularly serious consequences for the health of America's industrial structure. High interest rates would tend to perpetuate overvaluation of the U.S. dollar, and would continue to penalize American exports and encourage imports. At home, the high interest rates would especially depress purchases of durable manufactured goods. Finally, the ability of new and young enterprises, at the frontiers of technological advance, to raise new capital could be seriously impaired to the extent that the actuality and the expectation of continue high interest rates depressed stock market values.

Getting America's monetary and fiscal policies in order is far more important for the health of the nation's industrial structure than any conceivable set of new industrial policies. What now seem to be serious problems of industrial structure would quickly shrink and become far more manageable with a few years of balanced economic recovery at lower real interest rates.

After the achievement of a sustained and balanced recovery, the prospects for which depend heavily on how the government uses its macroeconomic tools, the next most important factors influencing industrial performance are mainly beyond the government's control—such things as the pace of technological progress, the course of labor-management relationships, and the stability of world markets. There is, however, a variety of governmental microeconomic policies that can affect favorably or unfavorably, the vigor and adaptability of American industry. Choices among alternatives in this area sometimes pose very difficult tradeoffs between economic efficiency and other social goals. For example, environmental considerations compete with the objective of keeping industrial costs low. The provision of generous tax incentives for risk bearing has to be balanced with the objective of a more equal distribution of generous tax incentives for risk bearing has to be balanced with the objective of a more equal distribution of income. Additional federal support for scientific and technical education would conflict with the goal of budget expenditure control. In other cases, what is at issue is not a tradeoff among competing national objectives, but the reform or elimination of provisions in tax or regulatory codes that distort the pattern of investment among different industries. The 1981 liberalization of depreciation allowances, for example, was desirable in the aggregate but very arbitrary as among investments of different types. It sharply skewed rates of return and distorted investment incentives among industries. Determining the federal government's stance on these and other thorny issues will continue to provide grist for the legislative and political mills in the years ahead. How they are settled will have an important, even if not overwhelming influence on the behavior of American industries.

The most critical and vexing structural problems that American society will have to face in the coming decade have little to do with the issues raised by industrial policy. Even with a return to prosperity, unemployment among America's black youth will remain scandalously high. Large parts of American central cities will continue to be afflicted by serious financial constraints, social problems, and physical decay. And, if recent studies are to be believed, the quality of American education has been deteriorating for a number of years. Unfortunately, no one yet seems to have a very clear idea of exactly how the federal government can best play a constructive role in fundamentally reversing these very troubling structural trends. But we must keep searching for solutions—and where federal outlays are required to experiment with promising approaches, these are the areas, unlike most others, where the benefit of the doubt ought to be given a little more rather than a little less funding.

In sum, there are changes in federal fiscal and monetary policies that could help the economy generally, and industry in particular, attain a more satisfactory level of economic prosperity. There are microeconomic policies that we know could contribute to an environment that is favorable to the creation of new and rapidly expanding lines of business and to the adaptability of American industry. In many cases, formulating these policies requires making some very difficult choices among competing national objectives.

In addition, there are a few very important structural problems for which, at the moment, no convincing solutions are in sight. Yet it is absolutely essential that we keep searching and experimenting to try to solve them.

One structural problem, however, that does *not* exist is the de-industrialization of American industry. And one set of government measures that we do *not* need is an industrial policy under which the federal government tries to play an important role in determining the allocation of resources to individual firms and industries.

We have enough real problems without creating new ones.

REFERENCES

[1] Assar Lindbeck, "Industrial Policy as an Issue in the Economic Environment," The World Economy, December, 1981, pp. 391-405.

[2] Krugman, op. cit., pp. 6-8.

[3] The chief executive of a firm producing semiconductors has recently argued that his industry does not need special government help—only a "Buy America" provision for its products.

Mr. PETRI. I thank the gentleman for his remarks.

Mr. Speaker, I yield to my distinguished colleague, the gentleman from Pennsylvania (Mr. RITTER).

Mr. RITTER. Mr. Speaker, I want to thank and commend my colleague, the gentleman from Wisconsin (Mr. PETRI), for arranging this timely special order.

Last week some Democratic colleagues in the House laid out an approach to restoring innovation and competitiveness in American industry. I admire their attempt. They labored long and hard. They lined up hundreds of hour's worth of witnesses. But they have come up with the wrong answers. Their work product is, in essence, an attempt to spruce up policies of the past with new names—policies which have not been successful.

The heart of the proposal that they have made is a council of industrial competitiveness to provide investment strategy and a bank of industrial competitiveness to provide the funds. But what really lies behind this "industrial policy" is either educated, serious, well-intentioned crystal ball gazing by our economic leaders, or, in the worst case, an opportunity for porkbarrel politics.

My colleagues make the assumption that this "bank" will target funds to industry selected on the basis of "merit" and an estimate of which industries will be somehow successful over the long range. But how is merit defined? How is this long range defined, when our leading economists cannot predict the future of the economy 6 months in advance, much less a year or two.

Experience also tells us that those regions and industries represented by the most powerful political forces and political blocs in Congress will be the benefactors of this bank of industrial competitiveness.

I realize that this is not the aim of the very well-intentioned, very hard-working proponents of this legislation, the proposal's authors. But one only has to look into the past of some of these large-scale Federal economic interventions, such as the synfuels program and such as the Economic Development Administration for examples of less-than-successful efforts and efforts less defined by their merits than by their political pull in the system.

Now, this kind of intervention has been tried before. It has been tried in Great Britain. And it could lead us down the very same path that Great Britain took when older manufacturing industries actually declined after Government intervention politicized those industries.

Many leaders of the very industries that are targets or potential targets are very wary of this policy, this targeting policy, and they themselves, potential recipients of Federal largesse, are not in favor, in a very broad cross-section not in favor, of this kind of a policy.

Mr. Speaker, I believe there are less political approaches to putting funds into some of our older industries which suffered under high inflation, low-savings rate and a lack of capital investment. As part of the 138-Member Republican Task Force on High Technology Initiatives, I have been working with my colleagues on the task force to formulate an agenda that will focus on creating an investment environment where funds can flow back into our older capital-starved industries. We believe that the American people and the market can do a better job of restoring this Nation's competitiveness, given the right

climate, given the right incentives. We believe that the people can do this job far better than some large-scale inherently political Government operation.

I think the primary feature of any industrial policy has got to be to provide that climate and the kinds of incentives which make our industry move forward and restore competitiveness.

Our task force, for example, has endorsed such proposals as H.R. 3434, the Work Opportunities and Renewed Competition Act of 1983, authored by Mr. CONABLE on the Republican side and Mr. JONES on the Democratic side, where the private sector, the market, not the politicians, makes the decision. And this allows companies to cash in investment tax credits, if the money is used to reinvest in new plant and equipment and paid back over a strict period of time, to cash in investment tax credits that were not used because the profitability was not there in spite of major investments being made.

The basic industries, such as steel and autos and railroads, which were not able to take advantage of the investment tax credits because they did not realize sufficient profit, could tap into these credits for investment capital. It would not just provide capital for these older, more basic industries to help them rejuvenate, but it would provide a market for high technology products in our basic manufacturing industries.

There is this inevitable interweaving of basic manufacturing and high technology that defies targeting.

□ 2250

We are talking about computer control of freight systems in railroads, freight movement in railroads, robots in auto making, laser sensors, and computer control of steel operations, as a few examples. In fact, the computerization of American manufacturing is fast becoming a prerequisite to competitiveness in today's markets.

It is not possible to differentiate between what is the high tech growth segment and what is that segment of basic American manufacturing that will use high tech in order to achieve higher productivity and competitiveness. Indeed, some 70 percent of the output of the high tech industries goes into basic manufacturing. How can you decide which of the industries should receive the target subsidy?

Other examples of legislative initiative endorsed by our task force are to try and make these research and development tax credits permanent so that research and development can be planned over a period of time. The fact is that too much of the research and development in today's American economy is federalized; it is not connected with product innovation, development and marketing.

This is an area which differentiates us strongly from Japan, where the basic thrust of their research and development is in the private sector and involves products and markets.

Our task force works to encourage and is supporting legislation to encourage joint ventures in research and development, as my colleague from California pointed out, but there are also other possibilities, myriad possibilities for assisting some of our older industries to collaborate and cooperate in a way which, to use a buzz word of the times, rationalizes their capacity and allows them to adapt to the changing domestic and world markets.

The task force promotes a low inflation, low tax rate environment to shift capital out of consumption and into savings and investment. If you want to find the singular difference, the outstanding difference between our economy and the Japanese economy, it is in our rate of savings and investment. The Japanese are saving and investing at a rate three times that of the American economy, and I think that more than anything tells the story of some of the differences, as my colleague from New York pointed out, between the Japanese performance and the performance of the American economy.

I have been doing a great deal of reading lately on the differences between Japan and the United States, and I keep coming up with this single outstanding difference, and then other differences which have very little to do with targeting but which have a lot to do with Japanese culture.

Low tax rates, rewards for investment, and a higher savings and investment economy, indeed, those are the real prerequisites of any industrial policy. An industrial policy that does not go to those factors at the heart of the matter is not an industrial policy.

I would like to share with my colleagues who are still not convinced that central industrial policy planning is the way for the USA and that somehow we can copy the Japanese mini-model, I would like to share with them the testimony of the renowned scholar Philip Trezise on July 13, 1983, before the Joint Economic Committee. Mr. Trezise, presently a senior fellow at Brookings, served as Deputy Assistant Secretary for Economic Affairs under Presidents Kennedy and Johnson, served as U.S. Ambassador to the Organization for European Community Development under President Johnson, and served as Assistant Secretary for State Economic Affairs under President Nixon, a man with broad experience in previous Democratic administrations.

Mr. Trezise discusses the political trappings for U.S. policymakers in trying to emulate Japan's approach to industrial policy.

Once again I would like to commend my colleague from Wisconsin (Mr. PETRI) for calling this special order. It is important that this subject be discussed in a rational way at the present time prior to the opening up of the political salvos that we will most certainly be faced with in campaign 1984.

STATEMENT OF PHILIP H. TREZISE, SENIOR FELLOW, THE BROOKINGS INSTITUTION

Mr. TREZISE. Thank you. I should begin by saying that my remarks are my own responsibility and in no way can be said to represent the views of the Brookings Institution, its trustees and officers.

I'd like to say, Congressman, that if the term "industrial policy" has any real content, it must mean that public authorities deliberately act to direct or divert resources to certain selected, chosen industries or sectors. And there are many ways that governments can do this. They can provide outright subsidies. They can provide concessional loans. They can give tax breaks. They can provide import protection. They can run one form or another of competition policy. And they can exhort or guide the private sectors in certain directions.

Now Japan has all of these instruments of policy, of course, and it uses all of them. The question, it seems to me, is not whether Japan has an industrial policy. After all, they say they have one. The question, rather, is whether one can find that the instruments of policy are combined and applied in a coherent, selective fashion to pick winners and discourage losers.

And I think by that test, the evidence is that they are not so combined or applied.

Let me begin with subsidies. The Japanese central Government budget, of course, includes subsidies for private parties and for several purposes. The most important subsidy by far is for agriculture, which is not, by international or any standard, a cost efficient industry.

The next largest set of subsidies goes to the energy sector. Now this makes a great deal of sense, no doubt, in the Japanese context. But I would submit that Japan would have subsidies for the energy sector if the term "industrial policy" had never been invented.

The third largest set of subsidies to the private sector goes to small business. And as with agriculture, the political quotient in the subsidy to small business is quite large.

A final large subsidy goes to a public sector enterprise, the national railways, which has to be heavily subsidized.

Now, reference has been made to R&D by earlier speakers and it's a subject that entrances many of the enthusiasts for industry policy. Japan, like other modern countries, provides grants in aid to R&D in the private sector. And publicly financed R&D is considered, as I say, by many to be an extremely significant part of Japan's industrial policy. This can't be because the size is so great because, in fact, Japan spends less in proportion to GNP or national income than any other industrial country. * * *

MITI, which is supposed to be the architect of industrial policy, gets about 12 percent of public R&D funds and about half of that 12 percent goes to a number of energy projects, leaving, as I calculate it, about $350 million for everything else. This is not a small amount of money, but, by comparative standards, it is almost trivial.

It's hard to believe, indeed, that these relatively modest sums can have had great influence on Japan's successful manufacturing industry. On the other hand, private sector R&D apparently is now relatively larger than in the United States.

Reference is made to concessional or preferential lending. Well, Japan has a development bank, the Japan Development Bank, which has an official mandate—to promote industrial development and economic and social progress. The bank is funded out of postal savings deposits, primarily, and it's therefore able to make loans at somewhat below commercial bank interest rates.

To whom does the bank lend? Well, from year to year the pattern is fairly constant. Most of the loans go to what we would call public infrastructure projects—energy, urban and regional renewal and development, pollution prevention or amelioration, and a constant borrower, the ocean shipping industry, the merchant marine, which, incidentally, is a chronically ill industry.

At the end of the line, about 12 percent of the development bank lending program is devoted more or less to high-tech and related activities. As of fiscal 1981, this meant that the bank loaned some $600 million equivalent to what might be thought to be the key objectives of a selective industrial policy. In that fiscal year, private plant and equipment investment was running at about $180 billion. So the $600 million does not strike this observer at least as a decisive amount for shaping Japan's industrial future.

A look at tax policy is equally unrewarding if you're looking for a highly articulated and coherent approach. Japan has a whole range of tax breaks for various sectors and various industries in the tax code. But these are not targeted in a way that is usually believed. All kinds of industries get something from the tax code. But the great majority of the beneficiaries are not those that would be expected of the kind of industrial policy that is usually said to characterize Japan.

For a single example, the investment tax credit in Japan is limited to industries that are designated as "permanently depressed," or to certain small and medium businesses or, as an alternative to special depreciation allowances, to certain kinds of equipment for saving energy or saving oil.

This is a selective tax credit, but it's not selective in a way that one is led to believe is the manner of selection in Japan. As a matter of fact, our own investment tax credit is enormously larger. It is across the board for everybody. If there's something useful in the investment tax credit, we have it, not Japan.

As for import protection, well, the past is the past. Japan was certainly a protective country up until the 1970's. As Professor Patrick says, it protected virtually everything, to the point that it's not clear that protected was very useful to anybody.

* * * * *

In the manufacturing sector, the protection goes to the weak, of course, as it does in all countries, and among the weak is the textile industry.

The assertion that Japan protects only the growth industries and willingly allows the weak sisters to be discarded, to be killed off, is simply fiction.

Now for competition policy as an instrument of industrial policy, it's fair to say that Japan, Japanese thinking, official thinking, and, I think, private sector thinking, is directed toward discouraging, quote, "excessive," unquote competition and toward encouraging large units for economies of scale.

On the whole, it has not been a total success. There are many Japanese industries which are characterized by a multitude of small firms—the clothing industry, for example—which have successfully resisted decades of efforts, Government efforts, to get greater consolidations. As a matter of fact, there are more small firms in the clothing industry now than there were, relatively and absolutely, than there before were 30 years ago.

Some big industries, like autos and electronics, are vigorously competitive industries, as we well know. There are others—I might mention petroleum refining—which have been closely managed by the Government, which are less vigorously competitive and these are, by and large, the less successful Japanese industries.

At the present time, the Government is trying to supervise an orderly reduction in capacity in industries like aluminum, certain petrochemicals, and chemical fertilizers. The basic techniques is to organize a shared plan of scrapping productive facilities. This policy is now going into its 6th year. They had a law passed in 1978 to accomplish these objectives. That law has now been revised and renewed and we are starting on a second cycle of 5 years to accomplish the restructuring, so-called, of these depressed industries.

This is a form of industrial policy. I have no doubt about that. Whether it's a better form of industrial policy than allowing firms to go bankrupt is, it seems to me, an open question. It's not necessarily foolish, but it's not necessarily going to be the best economic policy, either.

Well, finally, among Government instruments, there is, of course, the ability to exhort and to guide industries to do certain things. And in the Japanese tradition and considering the close relationship which does, indeed, exist between Government and business, this part of policy is clearly not beside the point or irrelevant.

One aspect of exhortation, guidance, and so on are the so-called visions of MITI, which Professor Adams has referred to with some enthusiasm. I would rather consider the so-called visions as committee documents which are discursive, go widely over the economic and even political horizon, and are, as the London Economist says, not much more than collections of platitudes.

In any case, it's very hard for me to believe that firms like Nippon Electric or Matsushita or Komastsu or others among Japan's industrial giants, really are willing to risk large sums of their funds on investments solely because some Government bureaucrats have had a vision.

The elaborate mechanisms that the Japanese have developed for consultation between business and government undoubtedly serve useful informational purposes. But it takes an act of faith to believe that out of these consultations and decisions come the decisions to make large production changes or large investments. Unless, that is, the Government is putting up the cash, which it is not.

So I come out with the view that while Japan's industrial policy is an interesting subject, one that has preoccupied a number of American observers and many Japanese as well, there isn't much that our Government is going to learn from it. We do many of the things that the Japanese do. We do them probably as badly as the Japanese. And it's not clear to me that they make any more sense here than they do in Japan.

The Japanese policy is not aimed with precision at new industries. The resources that are used for industrial policy in Japan are quite modest; in fact, small. Industrial policy is not free of political pressures in Japan. Japan has a lively political life and politicians have their say, too, as they would, of course, in our country. The Japan Development Bank was initially construed or considered to be something similar to our Reconstruction Finance Corporation. Well, our Reconstruction Finance Corporation, as you know, ended, went to its death in a scandal. Japan has been more fortunate.

In the end, to ascribe Japan's successes to the mixture of measures that go under the general term of "industrial policy" has to be, it seems to me, an act of faith and not a finding based on any relevant evidence. Thank you.

[The prepared statement of Mr. Trezise follows:]

PREPARED STATEMENT OF PHILIP H. TREZISE[1]

INDUSTRIAL POLICY IN JAPAN

Japanese officials, politicians, and ordinary citizens will tell you that Japan has an industrial policy. So will many outside observers, some of whom write articles, monographs, and books about it. I will not quarrel with this multitude of believers.

The government of Japan does in fact devote a considerable amount of attention to the various parts of the national economy. It has institutions of long standing to facilitate consultations with private business. It has a Development Bank. It of course has the power to tax or not to tax, to protect or not to protect, to subsidize directly or not to subsidize, and so on. Periodically, it presents statements—called plans or visions of the future—which identify economic problems or technological possibilities that are considered to be deserving of bureaucratic concern and action. I find understandable the often arrived at conclusion that all these institutions, authorities, and procedures are combined in a coherent fashion to promote Japan's economic growth and international competitiveness.

A closer look raises many doubts, however.

If industrial policy is anything more than a catch-phrase, it must mean that the government acts deliberately to assure that resources of capital and labor will go predominantly to the most promising sectors of the economy. In Japan's case, obviously, these will include though not be limited to potential export sectors. By definition, a successful export sector must be capable of achieving international competitiveness.

Pursuit of such a policy calls for foresight or predictive skill. These are not commonplace qualities in any country. It also calls for a great deal of political forebearance. The more that public authorities have their attention diverted to backward or declining sectors, less will be available to underwrite the chosen industries, the industries of the future, as the saying goes. Yet, as experience tells us, the backward or declining industries tend to have a priority claim to political consideration, at least where popular elections are in vogue. Japan has frequent elections.

Subsidies. A straightforward way for governments to influence private economic decisions is to provide grants-in-aid, that is,

[1] The views expressed in this statement are the sole responsibility of the author and do not purport to represent those of the Brookings Institution, its Officers, Trustees, or other staff members.

outright subsidies. Most governments do so. Japan is no exception.

Who gets the subsidies? Foremost is agriculture and within agriculture the rice producing sector. Rice is produced in Japan at three to four times the price prevailing in world markets. The excess cost is shared between the Japanese consumer in high retail prices and the government (i.e., taxpayers) in price supports. Rice supports together with other subsidies make agriculture easily the most costly Japanese industry in terms of budget outlays.

Next most costly is energy. The oil crises have made Japanese politicians exceedingly sensitive to the country's dependence on imports of energy fuels. Energy expenditures are concentrated on nuclear power—including reprocessing, the breeder, and fusion—and on coal and oil (exploration and development, storage, stockpiling, etc.). Although these subsidies may be said to be a part of an industrial policy, the reality is that Japan's government would be spending money on energy security if the term industrial policy had never been invented.

Small business is third in line. Special assistance to this private sector is an old story in Japan. Its rationale, needless to say, is heavily political.

A large claim on the budget is exercised by the loss-making national railways. Subsidies to sustain the publicly owned rail system might be considered to be part of a carefully designed industrial policy, if one supposed that every branch line and all the members of an overmanned work force really are indispensable.

Finally, the Japanese government, like its counterparts elsewhere, finances some of the nation's R&D out of public funds. This subject deserves separate attention because of the perception abroad that Japan's public R&D spending is very large, carefully targeted, and economically exceptionally rewarding.

R&D. Large it is not. Among the principal industrial countries, Japan comes in last in terms of publicly financed R&D in relation to GNP. To be sure, only a tiny fraction of Japan's R&D budget goes to defense, as compared with, say the 62 percent of the U.S. fiscal 1984 R&D budget submission that would be assigned to defense-military functions. Still, after adjusting for this disparity, Japan's public R&D spending is less than half that of the United States. (Private R&D, on the other hand, has surpassed that of the United States in relative terms.)

As for official R&D being meticulously aimed at commercial goals, roughly half of Japan's official spending is disbursed by the Ministry of Education, mostly to the universities as general grants for the advancement of knowledge. Since these grants are on long tether—they can be used to finance faculty salaries, libraries, and administration—it is fair to put them down as being primarily funding for basic research, rather remote from industrial applications.

Another quarter of the R&D budget, more or less, goes to the Science & Technology Agency, which pays for space and oceanic R&D and for much of energy R&D.

The Ministry of Agriculture is scheduled to receive during the current fiscal year four percent of all public R&D money, twice the share that has been asked for agriculture in the U.S. budget.

One finds at the end that the Ministry of International Trade & Industry, or MITI, is to have control over only 12 percent of public R&D financing in fiscal 1983. Since more than half of that is supposed to be spent on energy R&D, the remainder is perhaps $350 million to do all the multifarious things that MITI is popularly supposed to do in the way of providing R&D in support of manufacturing industry.

Mention should be made of tax benefits for private R&D spending. Japan's tax code allows a credit of 20 percent of R&D expenditures that are in excess of the amount in the highest earlier year, subject to a ceiling of 10 percent of the firm's total tax liability. (The comparable U.S. figure is 25 percent, calculated against the three previous years' average and with no ceiling.) Also, associations formed to conduct research may write off equipment investments in the first year—an incentive for cooperative research projects.

Tax subsidies. These R&D tax provisions are among a large number of "special tax measures" in Japan's tax legislation. All of them have the intended effect of reducing tax collections so as to favor one or another kind of economic activity. In the United States, we say that these kinds of provisions lead to tax expenditures; Japan's Ministry of Finance compiles the results as "revenue losses."

The literature on Japanese industrial policy commonly attributes much significance to these selective tax benefits. Selectivity is there all right, but not quite as advertised. All manner of tax benefits are provided—accelerated depreciation, increased initial depreciation, tax free reserves, tax exemptions, tax credits, and depletion allowances—but the beneficiaries can hardly be said to have been selected because they are uniformly industries of the future. The restaurant industry, food processing, textiles, paper & pulp, non-ferrous metals, agriculture, mining, forestry, and merchant shipping enjoy or have enjoyed special tax favors, along with steel, chemicals, certain machinery sectors, and other more commonly remarked candidates. Investors in housing built for renting has long benefited from accelerated depreciation allowances. Today robotics investors are similarly treated. So are airlines when they buy new planes (which Japan does not produce).

Not only are special tax measures for the industrial-business sector a hodge-podge but the total amounts at issue are surprisingly small. The Ministry of Finance calculates that in fiscal 1981 the gross revenue losses from all special tax measures were about 1100 billion yen, say, $5 billion. Half of this was attributable to various small savers' exemptions, as on interest earnings from bank deposits under 3 million yen. Another one-fourth was the result of such things as tax benefits for doctors whose fees from the social insurance program are considered—by the doctors—to be unduly parsimonious. The remainder, something over a billion dollars, was spread over all of Japan's business world. Comparisons may or may not be wholly fair in these matters but it is at least worth remarking that Office of Management & Budget estimates of U.S. tax expenditures for fiscal 1984 include as only one of the line items a figure of $14.6 billion for the investment tax credit and certain related tax benefits for industry.

The Japan Development Bank. Japan has a second budget, known as the Fiscal Investment & Loan Program (FILP). It is financed out of postal savings and other fiduciary deposits with the government and is disbursed in the form of loans at concessional rates. Some students and journalists have found in it one of the keys to Japan's economic successes. Viewed more soberly, the FILP is a Japanese parallel to our tax-free federal, local and state bond issues and the Federal Financing Bank. FILP lending is in main part to local governments, housing, highway corporations, regional development projects, and so on. That these kinds of activities are funded more cheaply than in the private market is hardly uncommon among advanced industrial countries.

Something less than a third of the FILP is handled by several corporations or banks that are empowered to lend directly to what would be customarily considered private business sectors. Their lending mandates run principally to small business and to agricultural, forestry, and fishery enterprises. The exceptions are the Export-Import Bank and the Japan Development Bank.

Like its American counterpart, the Ex-Im Bank helps to finance big-ticket exports. (This financing, incidentally, is the only important remaining export subsidy.) As in the United States, the Japanese Ex-Im has had one major customer, in its case the shipbuilding industry rather than the aircraft industry. It seems right to say that the Ex-Im Bank serves an industrial policy purpose. But it would not be right to call it distinctive, for all of Japan's major competitors have a similar lending institution.

The industrial policy literature tends to single out the Japan Development Bank as the central instrument of industrial policy. The JDB has had as its mission "to promote industrial development and economic and social progress." Its lending program in fiscal 1981, representing new authority and repayments of old loans, was 1.0 trillion yen, or about $5.1 billion. Many commentators assert that its loans have a multiplier effect because the evidence of governmental interest tells private bankers that a JDB borrower should be given preferential treatment. (Why this should be true in present-day Japan is not altogether clear.) Unlike the small business lending institutions, which actually are far more generously endowed, its customers in principle are to be found in the big business and prospectively high growth sectors.

Examination of the lending program makes for some doubt about the JDB's role in industrial policy. Of the $5 billion scheduled to be disbursed in 1981, $2 billion was earmarked for energy projects. About $700 million was to be allocated to urban development—private railroads, modernization of distribution facilities, and urban renewal. Regional development lending was set at $760 million. Quality of life loans—pollution prevention, safety measures, food supply, city gas—were to be $560 million. The merchant marine industry, a perennial claimant for IDB assistance, was to get $550 million.

These parts of the program—about 88 percent of the whole—have to do, basically, with economic infrastructure. It may make the best of sense to nurture private infrastructure projects with public loans at interest rates somewhat below commercial rates, although an argument can be made that the Japanese flag merchant marine at least is more a burden than a boon for the national economy. But to find in these JDB operations a highly focused form of industrial policy is simply not possible.

Of the remainder of the $5.1 billion, the 1981 program proposed loans of $475 million for the "development of technology"—that is, computers, the electronic and machinery industries, and R&D. These loans, and perhaps the $145 million of "other" lending, may fit well with the conception of a national policy aimed at the economic future.

But the total of $620 million, in a country where private plant and equipment investment was running (1981) at something like $180 billion, does not look to be a decisive force for shaping that future.

Protection. Throughout the 1950s and 1960s Japan's import policy can be characterized as protectionist. It was protectionist for infant industries and more established industries alike. Because foreign exchange control was the principal instrument, and the balance of payments the rationalization, import restrictions even extended to many goods not produced in Japan at all.

This wholesale protectionism was a factor in the growth and diversification of Japan's economy in those decades. Whether it was all necessary or always well calculated is open to question, but it was in any case the fact.

After the liberalization of the 1970s Japan now stands as a country with generally low tariffs, processed foods and certain semimanufactures aside, and relatively few other official barriers to imports, agricultural goods excepted. Formal, official protection, in other words, cannot be said to be a significant feature of industrial policy.

It is often alleged that the private sector itself runs a protectionist regime through informal buy-Japanese or buy-only-within-the-industrial-group practices. The extent to which this allegation is accurate cannot readily be established. If private protectionism is indeed widespread and the sums involved substantial, then Japanese business must willingly be passing up important potential gains from international trade. This does not seem consistent with the abundant evidence of vigorous inter-firm competition in Japan. And if industrial policy relies in important measure on a self-defeating practice (so far as profit maximization is concerned) then perhaps the policy's merits will need to be reconsidered.

Competition policy. It is certainly true that Japan does not have a Sherman Act tradition. The Fair Trade Commission, a pro-competition inheritance from the postwar occupation, has survived and in recent years been strengthened somewhat, but the general thrust of official thought in Japan has been toward worry about "excessive" competition and toward a possibly exaggerated faith in economies of scale. Thus industry laws and government policy have emphasized ways to limit competition and to foster bigness. What we have learned recently about official measures to organize cooperative R&D in semiconductors comes within this intellectual and policy framework.

To be sure, much of the drive to restrict competitive excesses has been directed at sectors like textiles, where entry is easy and small firms come and go with great frequency. The record suggests that the policy has been less than fully effective. Small firms are as numerous as ever in, for example, the clothing industry, which has long engaged the attention of MITI's textile bureau. A sizable official effort in the automobile parts industry during the late 1950s and early 1960s may have had greater success; but here the major auto producers must have had an important role as they went about developing reliable supplier relationships.

The machine tool industry, also a target for nationalization programs, appears still to be one of relatively small firms whose competitive positions are subject to rapid change.

In a few industries, particularly shipbuilding and petroleum refining, investment decisions have had to be formally approved by government authorities. In others, such as steel, the government has sometimes intervened to defer capacity expansion projects. Price leadership in steel has been allowed and in fact fostered by the official establishment. Cartels to manage export restraints have been frequent, as have so-called recession cartels.

Nonetheless, the government's competitive policy writ does not run without limit. In the 1960s MITI made a famous bid for broad powers to guide and rationalize designated industries, beginning with autos, specialty steel, and petrochemicals. The auto industry, MITI officials believed at the time, could best be organized into only two groups centered around Nissan and Toyota. This proposal attracted much business, bureaucratic, and political opposition. Eventually it was abandoned. More generally, it seems clear, Japanese business and industry have been able to evade or ignore many of the rules, restrictions, and guidances that it has found unhelpful. Much of Japanese economic life is visibly rivalrous, not only in the small firm sectors but also in autos, electronics, and other industries where big companies dominate.

Currently, the MITI version of competition policy is being applied, in modified ways, to a group of "depressed" industries which include aluminum and certain petrochemicals and chemical fertilizers. These are mostly industries which have been hurt by high energy prices and which stand in need of more or less severe capacity reductions, or so it is agreed. Legislation enacted in 1978 and revised and renewed this year gives the government ministries, in most cases MITI, authority to guide and induce the necessary adjustments. The usual formula is to get agreement on scrapping of capacity under some form of fair shares arrangement and then to promote various kinds of joint action in the way of production, marketing, or raw material procurement.

This is truly a version of an industrial policy: the government steps in to help organize a process of orderly disinvestment when an industry is judged to require downward adjustment. Whether this will prove to be more economic than a policy of leaving everything to market forces is open to question. The worst-case aluminum industry has already shut down more than two-thirds of its 1978 capacity and is still shrinking; a less intrusive MITI policy might have seen the reduction accomplished even more quickly, to the general benefit. But the actual approach probably conforms to prevailing Japanese views, and is not plainly wrongheaded.

All in all, it is difficult to find in Japanese competition or anti-competition policies anything fitting with an overall industrial policy. Some sectors of industry and business are populated mainly by small firms, where atomistic competition to some extent prevails. Others are in varying degrees oligopolistic, in some cases with governmental blessing and support. There is certainly no standard pattern, designed by central authority.

Plans and visions. An industrial policy would seem to call for a plan or blueprint to provide guides for day-to-day and month-to-month implementation. These are not evident in Japan.

Every now and then, usually after a new prime minister takes office, the Economic Planning Agency and its advisory body prepares a multi-year Economic and Social Plan. "Plan," however, is a misnomer. These documents resemble rather our President's annual Economic Report to the Congress. They discuss trends and problems, economy-wide and in some cases sectoral, and suggest broad courses of action, often heavily qualified (because a number of ministries have a hand in the preparation). To draw the particulars of a focussed industrial policy out of the Plan would require an enormous amount of freehand exegesis.

MITI and its senior advisory council also prepares a plan, or "vision," which is nominally more narrowly confined to the industrial part of the economy. In fact, past visions have been very discursive statements, ranging over many subjects not all of them strictly within MITI's purview, the exchange rate for instance. But they do provide a check list of specific technologies and products that are believed to hold out promise for the future. Government interest in these is justified very much as the OMB explains federal support for R&D—that the private sector may lack incentive to invest adequately on its own.

That certain technologies receive mention in the visions does not mean that their commercialization is assured. Or if it does, then Japan infallibly will achieve nuclear fusion on a commercial basis in some finite period. The London Economist has said that the futuristic technologies cited in the visions are mostly "platitudes." This may be too deprecatory a term, but it is certainly no further from fact than the notion that inclusion in the MITI list is equivalent to a guarantee of successful development.

Concluding comments. As a nation, Japan clearly has done many things right. The recovery from wartime devastation and disruption and the subsequent record of economic growth were impressive achievements by any standard. No single source or cause explains these accomplishments. Government was one of the contributing factors, but only one among many. And its principle contribution arguably was in prudent macroeconomic policy making (with one major lapse in 1972–1974) rather than in the detailed interventions that are now supposed to amount to a closely articulated industrial policy.

The belief that the government supports the winners—and discards the losers—is in conflict with reality and, for that matter, with commonsense. One of the chosen industries is the aircraft industry. It has been the object of special promotional legislation and close bureaucratic guidance and nurturing since 1954. It is still a small industry, overwhelmingly dependent on a single captive customer, the Japan Defense Agency. One of the laggard sectors is clothing. Per capita value added in this industry is the lowest in all manufacturing. During the 1970s, when total employment in manufacturing declined, employment in the clothing industry increased.

Automobiles represent one of Japan's spectacular industrial successes. An industry that produced 165,000 inelegant and high cost cars in 1960 is now the world's leading producer and, as is well known, the leading exporter. Its biggest export market, to state the obvious, is the United States, where mass production of autos was invented. Some of the public comment about this phenomenon could be taken to suggest that it was planned and "targeted" by some extraordinary prescient people a couple of decades ago.

Prescience in the automobile instance would have required a prevision of the oil

crisis of 1973-74, for it was this event that led to the surge of Japanese exports to the United States. From the late 1960s to 1975, Japanese exports had been increasing, but almost entirely at the expense of European suppliers. It was only after the gasoline shortages and higher gasoline prices that the Toyotas, Datsuns, and the rest began to take the market share away from Detroit. To believe that anyone foresaw all this is to believe anything.

In short, happenstance as well as good quality, good marketing, and competitive prices had its part in this Japanese miracle, as it had in the larger economic growth miracle. MITI and other ministries of government played parts also and it would be pointless to argue that these were irrelevant or negative. It is equally wrong, however, to attribute to MITI and to something labelled industrial policy the principal credit for accomplishments that were the product of complex and shifting combinations of forces and events. Above all, it is wrong to assume that Japan's mix of policies, which on inspection proves not to be a coherent whole anyway, has some valid application to our own, made in America problems.

□ 2300

Mr. PETRI. Mr. Speaker, I thank my colleague for his participation in this special order.

Mr. Speaker, I yield such time as she may consume to my colleague, the gentlewoman from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON. Mr. Speaker, I thank my colleague, the gentleman from Wisconsin (Mr. PETRI) for making this special order possible. I am pleased to participate in what I consider to be an important discussion. Many Members of this body and the other body as well have recently appeared ready to embark on an ambitious and far-reaching plan to let the Federal Government design our economic future through a new national industrial policy.

I submit, firstly, that we have an industrial policy. In fact, Federal tax credits, tax deductions, loans and loan guarantees, subsidies and contract setasides, monetary and regulatory policy and international trade legislation and agreements, together constitute our industrial policy. Each and every one of these special Federal provisions is designed to encourage one or more types of economic activity, and a good deal of Federal money is expended to implement these many laws and policies.

Furthermore, almost every day debate is heard on this floor on new proposals to direct investment. Enterprise zones, a concept which is in fact the subject of Ways and Means Committee hearings this week, is one such example. Antitrust exemption for corporate research and development joint ventures is another, and reform of our export control laws to foster American exports has taken many, many hours of this body's time in the last 6 weeks. Expansion of research and development or job training credits are other examples of the debate that is ongoing. Daily we debate and we do adjust the many laws, regulations, policies and agreements that comprise our Nation's industrial policy.

We do not need to create a new far-reaching Federal initiative, but we do as a Congress and as a people need to develop a better understanding, a more precise understanding, of our current industrial policy.

The net effect of Federal subsidies and regulations, agreements, policies and tax breaks, and how these existing mechanisms can be more harmoniously employed to foster and assure not only employment, but diverse opportunities for our citizens in the future and the growth and diversity that we have come to expect.

What concerns me further, Mr. Speaker, is that the majority of these new industrial policy plans propose a remarkable new role for the Federal Government in the private sector; but the wheels of our economy move forward, not primarily on the decisions of commissions of Federal bureaucrats, but on the actions of the working people of America, small inventors, corporate decisionmakers, and savvy investors. These people know best the strengths and weaknesses of American production and industry and are in the best position to determine which products to manufacture, which processes to adopt, which services to provide and which new technologies to pursue.

Mr. Speaker, no Washington bureaucrat, no Federal legislative body, can possibly know, much less identify and nourish the imaginative entrepreneur, the innovative machinist, the creative doer who will shape the next generation of our economic growth. For those creators are the heart, ingenuity and strength of America in the cities, towns and quiet hills and plains of our Nation.

Mr. Speaker, before we seek a new Federal Messiah, let us buckle down and face the reality of the sometimes confused and often contradictory network of laws and policies that we have created to guide economic growth in this Nation and let us assume our responsibility to clarify, simplify, and improve them.

Proponents of a national industrial policy rely on several myths to try to persuade Americans to support increased Government intervention in the economy and protection and subsidy of certain industries. But when we examine these myths, we see how weak the case for a national industrial policy really is. Industrial planning advocates point with alarm to the decline of manufacturing in the United States. But the truth is that the trend in manufacturing employment remained largely even from 1965 to 1980. Another myth is that we are experiencing a large and painful shift from high-paying manufacturing jobs to low-paying service jobs. But again if we look at Labor Department statistics, we see that there has not been a dramatic shift in the last few years and that none is forecasted for the next decade. Advocates of a national industrial policy cite the Chrysler bailout as the ideal example of what Government planning can do. But the only ones who really benefited from the bailout were the Chrysler shareholders, at the expense of all Americans.

Richard McKenzie, professor of economics at Clemson University, has done an admirable job of exposing the myths of a national industrial policy. I would like to insert the first half of an article by Professor McKenzie, into the RECORD.

FASHIONABLE MYTHS OF NATIONAL INDUSTRIAL POLICY

(Richard B. McKenzie)

The debate over a national industrial policy has been framed in much political rhetoric that colorfully charts the demise of the United States as an industrial power in the world economy. Harvard University Professor Robert Reich proclaims in the opening page of his widely read book, "Since the late 1960's America's economy has been slowly unraveling." Not only is industry in serious decline, but "America's politics have been in chronic disarray."

After attributing the country's economic decline to the inability or unwillingness of business managers to discard production techniques developed during and reserved for an earlier economic epoch of standardized mass production, Professor Reich deduces that businesses must be coaxed into becoming more "adaptive" and inclined to adopt what he calls flexible-system production: "America has a choice: It can adapt itself to the new economic realities [advancing technologies, accelerating capital mobility, and growing world competitiveness] by altering its organization, or it can fail to adapt and thereby continue its present decline . . . But failure to adapt will rend the social fabric irreparably. Adaptation is America's challenge. It is America's next frontier."

Economists Barry Bluestone and Bennett Harrison document what they perceive to be "the Deindustrialization of America" arguing (as Professor Reich and others conclude) that the country's path to economic salvation lies not in less government, as the Reagan administration proposes, but in more government control of the economy, especially the investment sector. Specifically, a growing chorus of advocates of a centralized and coordinated industrial policy stress that many of our economic ills can be resolved largely through instituting industrial democracy, an economic environment in which workers, managers, and government officials participate jointly (through discussions and voting power) at the firm level in investment and reinvestment decisions and at the national level in the allocation of the nation's capital stock across regions and industries. In addition to beefing up federal expenditures on the nation's infrastructure and a wide range of social services—education, child care, health care—industrial policy proponents contend that the country must "rationalize" investment decisions through federal loans, interest subsidies, loan guarantees, and grants.

The purpose of these proposed new programs is to save firms from falling prey to international competitors, to spur the emergence of so-called sunrise industries, and generally to ease transition problems faced by workers and communities in a changing industrial climate. After all, the proponents contend, we need a social organization premised on "equity, security, and participation," not "greed and fear." Not surprisingly, the type of industrial policy advocated depends often on the private interests and concerns of the advocate. "The kind of industrial policy I'm talking about," writes Edward Jefferson, chairman of E. I. du Pont de Nemours & Company, "should be highly selective, limited to asserting the national interest on behalf of our declining industries. That's no different from the concern we expressed for agriculture when it was in great difficulty in this country." Professor Reich would settle simply for making firms the workers' agents for a wide range of social services and for making the federal government not larger, just "more open, more explicit, and more strategic." Others in the industrial policy movement seek nothing short of central economic planning.

After the rhetoric is stripped away, it becomes clear that many, if not most, industrial policy reformers seek a substantial realignment of public and private decision making in the country. These reforms are premised on the undeniable contention that several key industries—automobiles, steel, housing, and rubber—have recently experienced considerable economic difficulty. However, the reforms are also predicated upon a modern industrial mythology. And before serious reform can be considered, six key myths need to be dispelled.

MYTH 1

The manufacturing sector in the United States is on the wane, rapidly giving rise to a shift in employment opportunities from high-paying industrial jobs to low-paying service jobs.

Professor Lester Thurow of the Massachusetts Institute of Technology began his congressional testimony on industrial policy pressing the widely held view that "interest in industrial policy springs from a simple four-letter word—fear. American industry is being beaten up by its international competition, and business and labor are both afraid that American industry is going down for the count." Similarly, the U.S. Trade Policy Council argues, "American jobs and markets are being systematically eroded, eaten away by a few of our trading partners who do not practice the same kind of free and fair trade that we do." After calculating the jobs lost to private disinvestment during the 1970s, Bluestone and Harrison conclude, "What people seem to be feeling (and what most analysts in universities and in the media seem to be studiously misunderstanding) is a deepening sense of insecurity, growing out of the collapse all around them of the traditional economic base of their communities. Their very jobs are being pulled out from under them. And instead of providing new employment opportunities, a higher standard of living, and enhanced security, the decisions of corporate managers are doing just the opposite."

But have manufacturing employment and production, not to mention total employment and gross national product, been in serious decline in the United States? The graphs clearly dispel any lingering impression that the nation's total stock of jobs is regressing. Admittedly, the unemployment rate rose gradually during the 1960s and 1970s, reaching a peak of 10.8 percent in December 1982, the depth of the 1980-1983 recessionary period. The growth in the unemployment rate was due in part to the purposeful (but clumsy) anti-inflationary policy of the Federal Reserve from 1979 to 1982 and to an increase in the labor force participation rate, especially by women, which in turn was due partly to the rising tax burden and desire of many families to maintain their standard of living through two incomes. However, total nonagriculture employment rose by 30 million, or by almost 50 percent, between 1965 (60.6 million) and 1980 (90.8 million); by 29 percent between 1970 (70.6 million) and 1980; and by 19 percent between 1975 (76.8 million) and 1980. In the fifteen years prior to 1965, nonagriculture employment expanded by much less, by a little more than 35 percent.

Such a comparison of employment growth between the 1950-1965 and 1965-1980 periods fails to support the widely held view that the economy is, on balance, systematically destroying jobs. Yes, jobs are constantly being destroyed as new ones are being created in private markets. But the history of progress is necessarily a history of job destruction. Many of the jobs created by the expanding industries destroy the jobs of contracting industries as workers freely seek better opportunities.

Although there have been obvious ups and downs, the trend in manufacturing employment for the country as a whole remained largely flat from 1965 to 1980, moving between 18.5 million and 21 million workers and increasing at a scant compound rate of 0.4 percent over the 1965 to 1980 period. Proponents of industrial policy often stress the million or so manufacturing jobs lost between 1969 and 1975, failing to recognize the rather dramatic growth in manufacturing employment of approximately 3 million jobs between 1975 and 1979.

Those are the facts of employment. The clamor for an industrial policy, then, appears to boil down to four central concerns. First, the 1981-1982 recession took a serious toll on manufacturing employment, as well as total employment. Manufacturing employment fell by nearly 4 million jobs, or by 20 percent, between 1979 and December 1982. But that decline, due mainly to deliberate anti-inflationary policies pursued erratically by the Federal Reserve, was largely cyclical, not structural. Although there are ongoing structural shifts in employment in the economy, this is not one of them. Perhaps the advocates of a national industrial policy are too afflicted with tunnel vision to have noticed the revival of manufacturing employment that is accompanying the recovery.

Second, several key industries—specifically automobiles, steel, rubber, textiles, and related products—were in serious decline during the 1970s, especially the late 1970s. Even the decline in the basic industries was not as dramatic as has been supposed. Between 1970 and 1980, employment in the motor vehicle and equipment industries fell from 799,000 to 789,000, or by only 1.3 percent. Employment in primary metals industries during the same period fell by 118,000, which was only 9 percent of the 1970 labor force. (Employment in fabricated metal products actually rose slightly during the 1970s.) Again, these industries have recently suffered heavy employment losses, which were at least partially a cyclical problem. Moreover, this was a period of expansion for other industries, including computers, biogenetics, robotics, and other high-tech products.

Third, between 1965 and 1980, manufacturing employment tended to shift among regions. As a consequence, the flatness in manufacturing employment for the entire country is not observed in all Census Bureau divisions. There was a general decline in employment in the Northeast and a general expansion in the West and South. The trend for the North Central division was flat. The contraction in Northeast manufacturing employment over the fifteen-year period, however, hides a strong turnaround in manufacturing employment between 1976 and 1980. In those four years New England experienced a compound rate of annual manufacturing employment expansion of 3.46 percent, earning the nickname "Sunbelt of the North." North Central manufacturing employment, meanwhile, expanded at a compound rate of less than 1 percent. The growth in manufacturing employment in the West and South was substantially higher than in the Northeast and the North Central. The important point is that from 1965 to 1980, total employment in all regions—indeed, all states—expanded, although irregularly and slowly at times.

Fourth, manufacturing employment has declined in a relative sense. In 1965 manufacturing employment accounted for approximately 30 percent of all nonagriculture jobs. By 1980 the share of the country's jobs in manufacturing was down to 22 percent, still on par with the share of jobs in manufacturing in 1947. The growth of jobs from 1965 to 1980 was most apparent in the government and service sectors. Contrary to what is often suggested—that the shift from manufacturing to service jobs means workers are becoming janitors and fast-food waiters—these shifts in the composition of the labor force have economic explanations:

Many of the service jobs have been taken by women, teen-agers, and elderly people who seek part-time employment demanding few skills. Such jobs satisfy a need.

The service sector includes more than janitorial and waitering services. Of the 9 million service jobs created during the 1970s, which caused a 41 percent increase in service employment between 1970 and 1980, 1 million (representing a 68 percent increase) were in business services, and another 6.7 million (a 54 percent increase) were in professional services, a category that covers health, education, welfare, and religious employment. Employment in finance, insurance, and real estate expanded from 3.9 million in 1970 to 6 million in 1980 (a 52 percent expansion). Personal services actually contracted by 10 percent during the decade.

A significant portion of the shift occurred not because manufacturing plants were replaced by fast-food parlors in which workers had to accept employment, but because many manufacturers could not meet the rising wages of their competitors in the service (and expanding manufacturing) industries and could not, therefore, hold their employees. In short, the rise in service employment was often the result of free choices of U.S. workers seeking improvement in their welfare. The idea that firms are always responsible for jobs destroyed is a gross distortion of the way employment markets work.

The contraction of employment in many key manufacturing industries in the 1970s was partly a response to productivity improvements that resulted in a steady rise in the real value of manufactured goods over the past two decades, from $171.8 billion in 1960 to $351.2 billion in 1980. What seems to

be bothering advocates of an industrial policy is that the increases in output were not always accompanied by increases in wages. Indeed, average gross weekly wages stayed more or less the same during most of the 1970s and have declined every year since 1979, facts that can be explained by the growing competitiveness of many industries. Just as manufacturing workers have benefited in the past from productivity increases in agriculture and computers, other workers through their purchases are benefiting from productivity improvements in key manufacturing industries.

Some of the contraction in manufacturing employment and wages experienced during the late 1970s was due to workers' uncompetitive wage demands. Steelworkers, for example, were able to negotiate wage increases even when their productivity was declining. In other words, not all job losses can be attributed to poor management decisions (which also, of course, play a role in labor force losses), and many of the job losses were caused by those who risked unemployment by raising wages to uncompetitive levels.

Lester Thurow, among others, blames imports for the stagnating or declining positions of a number of basic industries. But consider the assessment of Professors Joseph Badaracco and David Yoffie, who write, "Fortunately for America and unfortunately for proponents of industrial policy, a crisis of catastrophic proportions is not yet upon us. The deterioration in the United States' international position is real, but it is not as widespread or calamitous as many believe."

Professors Badaracco and Yoffie question the view that the country's failures in international markets are culturally inspired—that is, reflective of U.S. executives' inability or unwillingness to adapt. Although the United States had an overall trade deficit in 1981, it also had trade surpluses in capital goods, agriculture, and industrial supplies. The U.S. surplus in high-technology goods, for example, is growing, as is the nation's share of trade in manufactured goods since 1978. This rise in world market share has occurred despite lagging productivity increases and decreases in the international value of the dollar, caused in part by relatively high real interest rates in the United States, which have attracted foreign investment. And that, in turn, has fortified domestic demand for capital goods.

Finally, it is a gross distortion of the facts and benefits of international trade for proponents of industrial policies to develop their case by pointing to the U.S. trade deficits with Japan and other important trading partners without acknowledging our trade surpluses with other countries specifically, European countries) or recognizing that Japan has trade deficits with other countries that use the dollars obtained from Japan to finance their deficits with the United States. U.S. trade deficits with Japan are financed, in part, by U.S. trade surpluses with other countries that have trade deficits with Japan. Moreover, a contraction in the U.S. trade deficit with Japan will lead to a contraction of the U.S. trade surplus with other countires. Our problems cannot be tackled simply by restricting our trade deficit with a particular country.

MYTH 2 (A COROLLARY TO MYTH 1)

The country's employment base is rapidly changing. High-paying manufacturing jobs are being replaced by low paying service jobs. The rapidity of these changes is so great that dramatic new government initiatives are needed to ease the pain of adjustment.

Most Democratic candidates for president have premised their industrial policy proposals on what they perceive are substantial changes in the composition of jobs. Senator Gary Hart echoes a familiar theme, "Over the last 30 years, the U.S. economy has been undergoing a transformation as significant as the Industrial Revolution of the 19th century." Congressman John LaFalce in opening hearings on industrial policy before the House Subcommittee on Economic Stabilization, which he chairs, noted, "We are witnessing an unprecedented period of change in our economic life, with an increasingly internationalized economy, declining basic industry, high unemployment, and staggering rates of change in knowledge and technology."

The myth that the country is rapidly being transformed from an economy emphasizing housing, automobiles, and steel to computers and telecommunications is believed by two-thirds of the respondents to a national survey. Columnist Robert Samuelson has noted, "These perceptions are to history as bourbon is to water." Many of the facts presented above in discussing the myth of industrial decay should disabuse people of their misperceptions. How could we be going through a period of industrial change of staggering proportions when, as advocates of industrial policy point out, we are experiencing, by historical standards, relatively low and at times nonexistent increases in productivity? Granted, changes have been observed, but the evidence suggests that if the private sector has been able to advance and cope with much more rapid rates of technological change in the past, it should certainly be able to handle the current changes.

The persistence of the myth can be explained by the attention the media give to developments in computer technology (which many people find mysterious), the closing of plants in key industries, and the recent relatively high unemployment rates. Furthermore, statistics on projected job growth can be used artfully to suit the purposes of the industrial policy advocate. If, as Mr. Samuelson observes, the interest of the "policy peddler" (his term) is to stress the rapid emergence of high-tech jobs, he can focus on the percentage growth projected by the Labor Department for several key high-tech industries in the 1979-1990 period: paralegal personnel (109 percent), data-processing mechanics (92 percent), computer operators (72 percent), and computer analysts (68 percent).

Alternatively, if the industrial policy advocate wants to convince the audience that the nation is being transformed into a country of relatively low skilled workers, he can emphasize the absolute number of jobs expected to emerge over the 1980s in selected job categories: secretaries (700,000), nurses' aides and orderlies (508,000), janitors (501,000), and sales clerks (479,000), most of whom receive below-average wages. These analyses, however, are gross distortions because they do not consider the number of workers already in the various job categories. As Mr. Samuelson writes, "If there are already a lot of janitors [and there are], a big job increase may mean that the janitorial work force is just keeping pace with the economy's expansion. In fact, this is precisely what is expected to happen. In 1980, there were 2.8 million janitors and 2.9 million sales clerks. Projected growth for these occupations parallels total growth."

The Labor Department does not forecast dramatic changes in the composition of the labor force between now and 1990. Education, agriculture, and private household services are expected to be the only major sectors of the economy that will experience declines in employment over the period, and those sectors are not of special concern to industrial policy advocates. Although declines in particular job categories and industries are expected, total manufacturing employment will continue to grow very slowly, even with the more conservative assumptions about overall growth in the economy. The percentage of the nation's labor force in manufacturing will continue to decline as other sectors expand more rapidly, but although the precise projection may be off the mark, manufacturing employment growth is expected. Manufacturing jobs, on balance are not expected to be wiped out, as many industry policy advocates imply.

Industries are not expected to grow at the same rates; employment in a number of sectors is expected to decline. Employment in most industries is expected to change at average annual rates of 3.1 percent to 1.5 percent. Such rates do not support the view that the economy will be dramatically restructured by 1990. Admittedly, the impact of relatively small annual changes can mount over the course of a decade. However, the industries that will be expanding rapidly in the 1980s were relatively small at the start of the decade; relatively large growth in an industry like computers will, as a consequence, do little to change the composition of the nation's employment by 1990.

MYTH 3

The federal government saved Chrysler from bankruptcy.

The federal government's aid to the Chrysler Corporation in 1979 is touted as the quintessential example of what industrial policy, strategically aimed at helping firms out of financial crisis, can accomplish. Former Vice President Walter Mondale, now a Democratic contender for the presidency, exhorted union leaders:

"Look at Chrysler, I believe in a free market. Most decisions have to be made there. But there are times when things are so important that that's why we have a government of the United States. If we had let Chrysler go down the drain, we would have lost a major competitor in the auto industry. We would have lost a major source of industrial productivity in our country. The federal government would have lost billions of dollars through the cost of unemployment and the collapse of the industry and the tax losses and all that went with it. . . . Many people, including the man who is now President, turned his back on Chrysler and said, 'No help'."

"I'm proud of the fact that I worked for the auto workers and the auto industry to drive a quality recommendation through our administration to support that Chrysler loan and to help pass it in Congress. Three years later, the Chrysler Corporation is one of the success stories in America. It's starting to make progress. It's paying the federal government back. We're making money off the loan. The communities with plants are stabilizing. People have jobs. We've got more competition in the auto industry. What's wrong with using the government when it serves?"

If one judges the bailout in terms of whether Chrysler still exists, then the bailout worked. But Chrysler might have sur-

vived even if bankruptcy proceedings had begun in 1979. Indeed, attorney James Hickel declares that for all practical purposes "the Chrysler Corporation has gone bankrupt. Or, more accurately, in the past three years Chrysler has renegotiated its debt and restructured its organization in a way that greatly resembles a company that has gone through bankruptcy."

Mr. Hickel points out that the bailout law required Chrysler's creditors to make "concessions," a provision that was pressed by then Secretary of the Treasury G. William Miller and enabled Chrysler to pay off more than $600 million in loans at 30 cents on the dollar and to convert $700 million in loans into a special class of preferred stock, a class of stock that according to Mr. Hickel is "relatively worthless in the financial markets, because the shares presently earn no dividends and are unredeemable for several years. Granted, these preferred stockholders were able to trade their shares of preferred for common in early 1983, however, it is fair to believe that the market value of the newly acquired common stock will be less than the value of the original debt, plus lost interest." Had the company been allowed to declare bankruptcy, the changes in Chrysler's balance sheet might have been little different, except that stockholders and creditors would probably have taken a greater financial beating. But that is the risk of investing in private enterprise, and stockholders and lenders are compensated through dividends and interest rates.

Did the bailout save jobs? That is questionable for several reasons. First, the company could have started anew after bankruptcy proceedings, as many other companies do, and it could be employing as many workers as the "New Chrysler Corporation" currently does. Second, other investors (including any number of other companies) could have purchased Chrysler's assets at the postbankruptcy market price, and production could have continued, perhaps on a more modest but profitable scale. Third, other car companies could have emerged or expanded, providing jobs in the process. Fourth, lendable funds were drawn away from other firms and other investment purposes. Some Chrysler jobs were saved, but jobs in other firms were just as surely destroyed. And finally, since Chrysler has cut its white-collar work force by 20,000 and its production work force by 42,600, there is ample reason for Senator William Proxmire and others to wonder whether the bailout actually saved any jobs at all. Certainly, if the government treated all firms like Chrysler, as industrial policy advocates suggest it should, Chrysler's workers would find the benefits of the bailout more questionable. The employees, stockholders, suppliers, and customers of each bailed-out company would have to carry the heavy tax burden of salvaging tens of thousands of other companies.

In addition, Mr. Hickel questions whether Chrysler is actually recovering. First, half of Chrysler's reported $170 million in profit comes from large losses that were carried forward to 1983 and beyond, reducing its tax liability. Second, the company cut its real expenditures on research and development by 18 percent, cutbacks that could hamper future profitability. Given its cutbacks in purchases of plant and equipment, Chrysler may be forsaking long-term profitability for short-run profits, something that has not gone unrecognized by industry analysts. Chrysler managed to defer $220 million in pension fund contributions. And it negotiated $600 million in wage concessions for 1982 and 1983; some of that was given back under the threat of a strike in 1982, and more givebacks are expected to be negotiated in early 1984. The company can also thank "voluntary restrictions" accepted on the importation of Japanese cars, which at this writing the Japanese are refusing to continue. Finally, any success Chrysler has in staying out of the red may be due more to the special entrepreneurial skills of chairman Lee Iaccoca than to the federal bailout.

In short, there is every reason to believe that Mr. Hickel was right when he wrote, "In reality, the primary difference between the actual bankruptcy that Chrysler faced in 1979 and the quasi-bankruptcy that Chrysler has gone through in the past three years, is that under this quasi-bankruptcy the federal government has accepted responsibility for guaranteeing over $1 billion in Chrysler loans. But if Chrysler's creditors and employees have already suffered through the debt negotiation and layoffs that typify reorganizations under the bankruptcy laws, who is benefitting from those loan guarantees? Primarily Chrysler's stockholders."

Mr. PETRI. Mr. Speaker, I thank my colleague from Connecticut for her participation and for her wise words.

● Mr. BEREUTER. Mr. Speaker, my colleague has addressed some of the myths of national industrial policy—myths that Professor McKenzie exposes in his article. I would like to call some others to your attention. A much paraded myth is that the Japanese Government and MITI engineered the Japanese economic miracle. There are several factors that explain Japan's success, but one of the most important is that the Japanese Government played a very limited role in the Japanese economy, more limited than that of our own Government. Industrial planning proponents try to scare Americans into supporting protectionism by telling us that without trade barriers, Americans will lose their jobs. But the truth of international trade is that barriers will protect a few favored jobs at the expense of losing many more. Likewise, we are told that American companies cannot compete with foreign countries that pay low wages. But American industries that pay high wages to reflect high productivity are able to export goods to cheap-labor countries.

Professor McKenzie has demonstrated how false are the myths the national industrial planning advocates proclaim. I would like to insert the remainder of his article into the RECORD.

MYTH 4

The postwar Japanese economic miracle had been to a substantial degree the work of the Japanese government.

Political scientists Chalmers Johnson contends that "central to understanding Japan's economic 'miracle'—the unprecedented economic growth—is the role of the Ministry of International Trade and Industry (MITI)." Professor Lester Thurow concludes, "While the foreign success [in outcompeting the United States in international trade] is traceable to many factors (low currency values, more engineers, longer time horizons), it remains true that each of these countries that are now beating up on American industry has some mechanism for strategic coordination of their industries. In Japan the banking system is heavily influenced by the decisions of government, MITI tries to develop a consensus for its industrial policies, and 'administrative guidance' is a way of life." Professor Robert Reich adds (referring to the industrial policies of several countries, including Japan).

"As relatively late industrializers dependent on international trade continental Europe and Japan relied to a far greater extent than did America or Britain on national economic strategies, spearheaded by their governments. In sharp contrast to the American pattern, these governments were the driving force behind economic development—the vehicles through which middle class business interests overcame the inertia of an older economic order based on landed wealth . . . They were, in short, directly and openly intervening to propel their economics toward growth. In several of these countries—especially Japan, West Germany, and France—these public efforts have successfully accelerated economic adjustment."

Although government policies certainly played a role in the economic development of Japan, claims of Japan's industrial policy successes are grossly exaggerated, given the limited role the Japanese government played in the economy, relative to the United States and other countries. During the 1950s, 1960s, and 1970s, only 10 to 15 percent of outstanding loans were financed through government institutions, and government-sponsored capital formation represented less than 10 percent of the country's gross national expenditures. However, government involvement in capital formation expanded gradually over the last three decades, and that policy accompanied a slowdown in Japan's economic growth.

Granted, the Japanese government was responsible for 28 percent of research and development projects in 1980. But the government's share of R&D expenditures in the United States was 51 percent, and in West Germany, 44 percent. Furthermore, only 1.5 percentage points of the Japanese government's 28 percent R&D share went into private industrial R&D, whereas 25 percentage points of the United States' 51 percent share and 12.5 percentage points of West Germany's 44 percent share went for private industrial R&D.

Japan's Fiscal Investment and Loan Program (FILP), which is independent of the government's budget and designed to invest in government and private enterprises, provides considerable government aid to selected industries that may permit Japan to "beat up" on U.S. industries. FILP's budget for 1980 was set at 18 trillion yen, or more than $80 billion, which is spread among fifty separate entities and local governments. Typically, the spread is 20 percent to local governments, 30 percent to public investment, and 50 percent to something called "policy implementation financing."

Japan's policy-implementation funds seem directly related to industrial planning, although the local government and public investment expenditures can also have positive effects on infrastructure and, thereby, economic growth. The United States, however, has also been heavily involved in such expenditures at all levels of government. Since the inception of Japan's policy implementation program, approximately 75 to 80 percent of the funds (which, again, accounted for approximately 50 percent of the

FILP budget) were lent to small businesses, homeowners, farmers, and "others," which included the Japan National Railway. As Philip Trezise, senior fellow at the Brookings Institution, has observed, these borrowers "may provide many worthy services to Japanese society, but it is difficult to credit any of them with being closely connected with promising growth sectors, unless housing is so considered."

The remaining 20 to 25 percent of the policy-implementation funds went mainly to the Japan Development Bank and the Export-Import Bank of Japan. However, the impact of the JDB on industrial development is questionable. After looking over the distribution of loans to manufacturing and nonmanufacturing sectors of the Japanese economy (see the figure at the left), one is inclined to agree with Japanese economist Katsuro Sakoh, who has written, "There is no evidence that manufacturing industries, in general or any particular manufacturing sector, have been targeted by JDB. In fact, the share of loans that manufacturing industries have received from JDB is negligible. Industries such as iron and steel, often cited as examples of successful government assistance efforts in the early post-war period, received less than 1 percent of the loans of JDB from 1951 to 1972. This amounts to about half that received by the hotel business during the same period."

Since 1972, JDB lending has shifted to urban and regional development, energy, and environment. Between 1976 and 1980, almost 72 percent of JDB funds went for nonmanufacturing purposes, principally electricity, gas, and water supplies (approximately 35 percent of JDB loans) and transport and communications (about 19 percent). Such statistics have caused Mr. Trezise to observe, "Effectively, the bulk of the post-1972 lending program was for infrastructure and improvements in the quality of Japanese life . . . If all the JDB infrastructure lending had been left to the private capital market, the economy probably would not have developed differently." The targeted industries—those receiving a relatively large share of JDB funds—include agriculture, coal mining, petroleum refining and petrochemicals, shipbuilding, and aluminum, industries that tend to have considerable political influence but not necessarily great potential for growth. In developing its industrial plan in the early 1960s, the Japanese government attempted to encourage cartels among its automobile producers and to discourage Honda from going into the automobile business on the grounds that it did not have the potential to compete on the world market.

Why, then, has Japan experienced so much higher growth than other countries? There are several plausible explanations.

Taxes have taken a relatively small share of national income. In 1980 the share of Japan's national income going to taxes was 23 percent; in the United States it was 28 percent; in West Germany and France, 32 percent; in the United Kingdom, 41 percent.

The tax system in Japan has tended to favor saving (which leads to investment and growth) and has been partially responsible for the 20 percent saving rate among Japanese workers.

For most of the postwar period Japan has maintained a policy of balancing its budget. The growing deficits during the 1970s may partially explain the decrease in the growth rate from the 4 to 5 percent range to the 2 to 3 percent range.

The Japanese government has had to spend little on defense.

Wages in many Japanese industries have remained competitive. Wages in the automobile industry, for example, are approximately half what they are in the Untied States. An important "secret" to the ability of Japanese firms to offer their workers lifetime employment lies in competitive wages (a policy option always available to American workers). Also, the stability of employment (which tends to lower wages) in many major Japanese industries reflects the fact that 30 to 40 percent of a worker's wages is paid in the form of year-end bonuses. Such bonuses vary with the companies' profitability, which means that wages—not employment—rise and fall with the ups and downs of the business cycle.

Finally, as University of Maryland professor Mancur Olson has argued, World War II may have inadvertently contributed to economic growth in Japan by breaking up and destroying the hold that interest groups had on government policies, reducing competition and enhancing their own profits at the expense of the general public. In other words, forced competitiveness has spurred economic growth, since fewer resources have been devoted to seeking monopoly profits through government protection. Mr. Sakoh has concluded, "Ironically . . . the government contribution [to economic growth and prosperity in Japan] is based not on how much it did for the economy, but on how much it restrained itself from doing."

MYTH 5

Our industrial development problems can be solved through protectionist measures and "Buy American" programs.

A prominent textile executive and vocal supporter of free markets has echoed a familiar theme in the reinvigorated protectionist movement in this country: "Every time you import a product, you're exporting a job." Following the lead of others, he suggests that to solve our nation's unemployment problem, we should all "Buy American." The recently published philosophical manifestos of these born-again protectionists who have wrapped themselves in the mantle of industrial policy reveal how easy it is to overlook or ignore basic principles of international trade.

When applied to a specific industry, such as textiles or automobiles, claims of enhanced employment opportunities for protection represent special pleading, a demand that government tariffs promote the interests of the few at the expense of the many. When applied to the entire range of domestically produced goods, such arguments are absurd and lose much of their appeal even to textile and automobile workers. Nevertheless, employment claims inspired President Reagan's tenfold increase in the tariff on motorcycles in early 1983, and they undergird the emerging theory of "managed capitalism," the philosophical perspective that supports the industrial policies of Messrs. Reich, Thurow, Hart, and Bluestone.

Clearly, when domestic textile companies are unable to meet the prices charged by foreign firms, employment in American textile firms suffers. If textiles are produced abroad, textile workers are employed abroad, not in the North and South Carolina mills. Though indisputable, that fact does not mean that the total number of jobs in this country is reduced by textile imports. Trade—international or domestic—is always in two directions. No individual in this country will continue to sell the product of his labor and investment without expecting something in return. Similarly, no country is going to continue to sell us the products of its industry without expecting goods and services in return.

The Japanese and Koreans are willing to export to us (and allow us to import from them) for one simple reason: It is their most effective means of laying claim to the products of U.S. industries—and U.S. workers. They may sell us their textiles for dollars, but the exchange dealers seek dollars for the purpose of using them to buy American goods. The end result is that over time, imports of textiles (and thousands of other goods) give rise to (or are caused by) exports of American goods. Granted, imports of textiles may "destory" jobs in the domestic textile industry, as proponents of protectionism argue. But because of the bidirectional nature of international trade, those imports also "create" jobs in other export sectors of the U.S. economy, a fact that those who seek protection from market competition fail to acknowledge. Many of those other jobs will be in the very states in which textile jobs, in particular, are the object of protection. If the domestic textile industry is protected, the economy's stock of jobs will not rise. Protection may lead to more textile jobs, but it will also result in fewer exports and fewer jobs in the export industries (including sectors of the textile industry that cater to foreign markets).

Nonetheless, for some very good reasons, tariffs have considerable political appeal. First, in hard times it is all too tempting to blame our troubles on others, especially foreigners who are are not in a good position to defend themselves. Second, the benefits of any given tariff proposal are typically concentrated on a relatively small number of people, who because of the significant income at stake, tend to be politically active in promoting protection. The costs of each of the tariffs, on the other hand, are spread thinly over the entire consuming population in the form of higher prices and restricted supplies.

Third, the jobs that are "destroyed" by imports are highly visible. The "textile trade deficit" can be computed with ease, and the plants and workers idled because of that deficit can be readily identified—all of which can be reported vividly with pictures of closed plants and interviews with unemployed workers. The jobs "destroyed" by the protection are largely invisible to the media, which cannot disentangle job losses due to protection from job losses due to other economic forces in other countries.

Finally, protectionists have an arsenal of spurious arrangements that have worked, unfortunately, to their advantage many times in the past:

We cannot hope to compete with subsidized foreign industries. If foreign industries are receiving extensive subsidies, as is claimed, then those companies and their workers must also be bearing a substantial tax burden, which should be reflected in the costs of their production. To develop an industrial policy that truly benefits Americans, the U.S. government should perhaps treat the subsidies much as "favorable climate," a basis for a competitive cost advantage, and exploit it. By importing subsidized products, the U.S. economy can tap into the tax base of other countries.

Unrestricted trade will wipe out entire domestic industries. In fact, only the least efficient marginal firms will likely fall to international competition. In most major product groups, open international trade is likely

to lead to greater specialization, not complete specialization.

We need our industries for national defense. This appealing argument will be unconvincing until it is shown that the industries that would prosper in the absence of protection will contribute less to our national defense than the protected industries. Proponents of protectionism as part of an industrial policy must place their national defense claims in the context of comparative analysis.

We cannot compete with the low wages in foreign countries. This fallacy is considered in detail below.

In evaluating the growing array of proposals for protection, consumers should recall one simple point: Such proposals come from people who have very narrow economic interests. They do not wish to be contained by the forces of competition, and they often cloak their private interests in noble claims about broader national interests—which can only rarely be validated. The honest slogan of the textile protectionist, for example, should probably be "Buy American, Save Our Textile Jobs, and Impose the Cost on Others."

MYTH 6

Low wages in foreign countries explain the inability of U.S. industries to compete with imports.

This protectionist position, a theme from Robert Reich's widely read book, was no doubt fortified recently when Wolfgang Hager, visiting professor at Georgetown University's School of Foreign Service, wrote:

Without trade barriers, rich countries are bound to suck in cheap imports from low-wage countries, destroying the domestic industries that used to make those products. There will never be enough "high tech" jobs to employ those who lose more traditional jobs. Therefore, unrestricted trade would eventually destroy the economies of all high-wage, developed countries.

Cheap labor is the presumed culprit for the eroding market shares of American firms in automobiles, steel, textiles, aircraft, television, robotics, and a host of other industries. Imposing tariffs, quotas, and quality controls on imports is the presumed solution that would reestablish "fair international trade" and give back to American companies their American markets.

Industrial executives ask prophetically, how can we hope to compete with foreigners who pay their workers 17 cents an hour? The answer is that we do compete. In many industrial and agricultural areas we pay high wages and export goods to cheap-labor countries, including Korea, Hong Kong, Japan, and Italy. This feat is accomplished principally where American wages reflect relatively high levels of productivity.

Although low wages may characterize the production of almost all imports, what is important is the comparative cost of production of various goods in the United States and other countries, and wages are only one factor in countries production costs. And by comparative costs we mean not the absolute level of wages, but what must be foregone to produce some good for export.

Why? To be worthwhile, international trade must ultimately be bilateral. Moreover, wages are typcially low across industries in low-wage countries. Again, no country will long persist in using its resources to produce goods for export if it gets nothing in return.

If a country like Japan exports low-wage products, it must—just to make trade bilateral and worthwhile—import high-wage products from abroad. Otherwise, trade would be nothing but a drain on the economy of the low-wage country. If low wages account for imports, we must wonder how the United States could ever export anything, since our wages across the industrial board are generally higher than elsewhere in the world.

Of course, protection, advocates like Professor Hager argue that unless U.S. industry is protected, all U.S. markets will be at the mercy of foreign low-wage producers—an absurd conclusion, since a foreign country's ultimate motivation for exporting goods is its demand for imports, including imports from the United States. To suggest, as does Chalmers Johnson, that "the United States is in danger of ending the twentieth centry as the leading produer of ICBMs and soybeans, while the Japanese monopolize everything else" is tantamount to saying the Japanese are so stupid that they will, through exports, drain their country of its resources, and get nothing in return just to achieve monopolies—a maddening contradiction of intents.

Those Japanese workers are paid in yen, and the products they produce are priced in yen. In deciding whether to import Japanese textiles, American buyers can observe only the prices of Japanese goods in yen; they probably do not care (and probably do not know) what Japanese workers are paid. They are concerned only with whether textiles can be bought at a lower cost from companies in Japan or the United States. Differences in wages and labor productivity can explain the comparative costs of products in the two countries.

To illustrate the problem facing the importer, suppose a yard of cloth costs 1 yen in Japan and $4 in the United States. That information alone, regardless of how much Japanese and U.S. workers are paid in real terms, offers little help in deciding whether textiles should be imported into or exported from the United States, since one product cannot provide the basis for bilateral trade. But say a bushel of soybeans costs 1 yen in Japan and $2 in the United States. The American importer can now reason that a yard of cloth in Japan can be made at the same yen cost as a bushel of soybeans (1 yen each), but the yard of cloth is relatively dearer in the United States ($4 versus $2).

What is important is the comparative costs of production of cloth and soybeans in the two countries. To produce a yard of cloth, Japan will have to give up a bushel of soybeans (each costs 1 yen). To produce a yard of cloth, the United States will have to give up two bushels of soybeans (one yard of cloth at $4 is worth two bushels of soybeans at $2 each). Therefore, even though wages may be low in both Japanese industries, it makes sense for cloth to be produced where the fewer soybeans are given up—in Japan. That, then, is where production tends to occur.

By the same argument, it makes sense to produce soybeans where fewer yards of cloth are forgone—in the United States. Only half a yard of cloth must be given up for every bushel of soybeans produced here, whereas one yard of cloth must be given up for every bushel produced in Japan. Indeed the demand for yen by Americans intent on buying textiles from Japan will push up the dollar price of yen in the international money market until American soybeans become cheaper than Japanese soybeans to the Japanese.

A fundamental principle of trade, often overlooked by protectionists in their zeal to convince Congress that without protection the U.S. economy will decay into total ruin, becomes clear: Regardless of the absolute level of wages in the two countries, if the Japanese have a comparative cost advantage in the production of, say, textiles, then the United States must have a comparative cost advantage in something else, like soybeans. Again, trade must be bidirectional.

An aside: If soybeans cost $8 a bushel in the United States (and if wages remained the same in Japan), trade would be reversed. Fewer soybeans would have to be given up in Japan (one bushel) than in the United States (half a bushel), and we would export cloth and import soybeans.

One can blame low wages in Japan for the imports of cloth in our original example. But blame could just as well be attributed to the soybean industry in the United States, which is able to push the dollar price of its beans to a sufficiently low level that it, not the textile industry, is the beneficiary of the export market to Japan. The textile industry is having a difficult time competing with Japanese imports because it must compete for labor with other industries, like soybeans, that have been able to raise their productivity relative to the textile industry. As a consequence of this competitive process, the comparative cost advantage in textiles goes to the Japanese, and the textile industry is thrown up against foreign competition in its own domestic markets.

These simple but subtle analyses of international trade continue to perplex many a statesman who has been swayed by demands for protection. However, they must be understood by the voters if they are not going to be hoodwinked into greater protection, which spells higher prices and lower real incomes for Americans.

Between now and the 1984 election, industrial policy issues will attract considerable media attention. The arguments offered in support of many industrial policy schemes, however, often confuse fact and fiction. Just possibly, everyone can agree with industrial policy advocates that the United States needs a "coordinated" industrial policy, one that means government policies foster growth in jobs and incomes. But we also need to separate fact from the fiction in the debate so that citizens can understand whether a "coordinated industrial policy" should mean more or less government intervention in the economy.●

Mr. PETRI. Mr. Speaker, I yield to my distinguished colleague, the gentleman from Pennsylvania (Mr. RIDGE).

Mr. RIDGE. Mr. Speaker, I would like to commend and thank my friend and colleague, the gentleman from Wisconsin, for the opportunity to participate in today's special order.

Mr. Speaker, many people in Congress and throughout the country are currently discussing the subject of industrial policy and what changes should be made in the policy presently followed by the United States. As a member of the Subcommittee on Economic Stabilization of the Committee on Banking, Finance and Urban Affairs, I have had the opportunity to participate in a series of hearings that focused on this issue. The real question that is being discussed is how the industrial policy of this country will evolve in the future. In essence it

comes down to whether we want the economy to continue to be guided primarily by market forces, as we have for the 207 years of our independence, or whether we are now going to make a fundamental change within our system of the government enabling it to decide which sectors of the economy will prosper and which will be curtailed.

It is suggested that the United States should move toward the use of a planned or directed economy. Several witnesses suggested that the United States would be better served by creating an entity similar to the Japanese Ministry of International Trade and Industry (MITI). The belief behind this suggestion is that the Japanese economy has benefited greatly from MITI aiding the development of new industries and new technologies. The argument seems to be, if it is good enough for Japan, it must be good enough for the United States.

For this assessment to be valid, we must be prepared to conclude that the Japanese economy has peformed better than ours during the past few decades. From the testimony that has been presented to the Economic Stabilization Subcommittee, there is much disagreement on this point.

Assuming, for discussion, that the Japanese economy has performed better than ours, the next question is whether MITI can receive the credit. Many witnesses were at best, doubtful. According to Mr. Olin L. Wethington, Deputy Under Secretary for International Trade:

> Japanese government support for heavy industries in the 1960's—including steel, shipbuilding, petrochemicals, aluminum, and chemical fertilizers—has led in the 1970's and 1980's to costly government assistance to alleviate structural shifts in the competitiveness of these industries and in many cases legislated depressed industry programs to reduce long-term over-capacity in these once-favored industry sectors. In the Japanese aluminum industry, for example, the government has had to cope with a tremendous reduction in capacity and production (about 1.2 million metric tons in 1977 down to only 350,000 metric tons in 1982). Last year the Japanese government asked Japanese banks to write-off their loans to the aluminum industry worth some $5 billion.

This statement was echoed by other witnesses including Mr. D. Bruce Merrifield, Assistant Secretary of Commerce for Productivity, Technology, and Innovation who said:

> . . . we need to make three observations here. One, it is not entirely clear that Japan has been able to direct much of its public resources to targeted industries. There have been studies that indicate that most of the Japanese government subsidies directed toward industry go toward traditional rather than emerging industries. Second, in those cases where the government has managed to direct resources toward targeted industries, there have been some serious mistakes that are characteristic of bureaucratic targeting. Thirdly Japan is now faced with the rationalization and write-off of very large investments in steel, aluminum, petrochemicals, textiles and shipbuilding, for example, because the worldwide production capacity in these industries now far exceeds the world demand.

There were other witnesses who cited additional examples of the failures of MITI in guiding the Japanese economy. Two of the most frequently-mentioned examples were the efforts made to keep Sony out of the electronics industry in the 1950's and the more recent efforts to keep Honda out of the automobile industry. Many people in our country today wish that MITI had been successful in these two attempts to keep Sony and Honda from expanding into new products. It would have resulted in much less competition for our domestic industries.

Several witnesses testified that the success of the Japanese economy may have occurred in spite of the efforts of MITI rather than because of its assistance. Yet there are many voices raised in support of providing the same type of assistance in our economy without looking further to see if there may be other reasons for the success of the Japanese economy. One theme that was repeatedly stressed during the months of hearings conducted by the Economic Stabilization Subcommittee was the fact that Japan produces many more engineers than does the United States. While the United States has many people working to discover new ideas and products, in many cases it is the Japanese who have taken our discoveries and found ways to apply them to make their industries more competitive. But few of the suggestions for industrial policy seem to take this fact into consideration.

If there is a great desire to follow the Japanese pattern for MITI, we need to look at all aspects of Japanese society to determine if there are other factors that make that economy work. According to Mr. James C. Miller, the Chairman of the Federal Trade Commission:

> . . . the major sources of Japan's stunning economic performance—a high savings rate, a high rate of technological growth, and highly cooperative labor/management relations—are no longer as robust as they once were. As Japanese incomes have grown closer to American levels, so has their demand for consumption and public services. Since 1974, saving as a proportion of Japan's GNP has declined by some six percentage points—about a quarter.
>
> Their technological growth has declined as well. True, they have largely caught up with U.S. levels. But as Charles Schultze observes, it was one thing for them to play catch up ball, but quite another to move ahead. And I would refer the pessimists to the recent American sweep of the Nobel science awards.
>
> Much is made of the Japanese system of labor relations; and indeed, much of the cooperation is to be admired. But anyone with even a faint impression of how that system works knows it to be quite different from our own. For example, the Japanese have few unions as we know them. Most are organized along company, not industry, lines. But as rising wages lead to rising worker expectations, cooperation and consensus will be harder to obtain.
>
> Note that I did not identify targeting policies as a source of Japanese growth. Japan's successful overall track record was not the result of any governmental ability to outguess the marketplace. The Ministry of International Trade and Industry (MITI) and the Japan Development Bank have encouraged at least as many "losers" as "winners."

Mr. MILLER went on to state that the Japanese Government has had a positive role in stimulating that economy. But it has done the best job when it serves as a catalyst to market forces and not as a substitute for them. If the United States is to embark on a path to a more comprehensive and coordinated industrial policy this lesson is one that should be taken to heart. The best way to encourage industry and job creation is not by creating our own version of MITI. It is rather to carefully study the policies we already have in place and determine what reforms need to be instituted to create a better environment for economic growth in the future.

Lester Thurow of MIT told the subcommittee that the United States enjoyed an era of "effortless superiority" following World War II which lasted until quite recently. Now we have to face strong competition from the rest of the world and have to work at it. The way to be more competitive is not by following the typical response of the past and spend an additional $8.5 billion. To be more competitive will require the best efforts of government, industry, and labor working together in what is increasingly a global economy. Past tactics of management, labor, and government confrontation simply will leave the United States at a serious competitive disadvantage in a market where our goods and services are competing against not only foreign industries but also against foreign governments. We no longer have the luxury of "effortless superiority" and the policies that were developed under that scenario.

I am not suggesting that central planning or a reconstruction financing bank are the best alternatives available. There are other proposals we must consider. One of the leading proponents of industrial policy, October 19, Robert B. Reich of the John F. Kennedy School of Government at Harvard University, offered testimony worthy of our consideration:

> There is no secret to the relative success of Japanese industrial policy. It is not so much that the Japanese have given direct subsidies to prospective "winners" as that they have constantly restructured the terms of competition—toward rapid innovation, commercialization, and new skills at the frontier, and capacity reductions and re-

training at the declining edge. Japan integrates its policies governing trade, government procurement, antitrust, patents, taxes, and education and training, into a strategic whole. Japan accomplishes this without an inordinate degree of government subsidy or central planning. The United States, by contrast, ignores its industrial policy, and thereby too often allows it to retard economic development.

THE CHALLENGE OF INDUSTRIAL POLICY

The choices confronting us are not between the free market and planning, or whether to have an industrial policy, or whether to pick industrial winners. These are caricatures. In our mixed political economy, the real choice is between politics to protect or sustain an aging industrial base, and policies to ease the transition to an industrial base, and policies to ease the transition to an industrial base yielding higher real incomes. The practical question—simply posed, but extremely difficult to answer—is how to render our microeconomic interventions more consistent with our macroeconomic objectives.

At its base, industrial policy raises questions more political than economic. The fear is often expressed that any effort to improve our industrial policy is doomed by the same special interests that have fashioned it in the first place. Indeed, it is feared that any more explict recognition and integration of U.S. industrial policy merely would encourage more special pleadings and politicize the economy to an even greater degree than it already is. A counter-hypothesis holds just the opposite: that the only way to transform our present industrial policy from a "do-it-yourself" hodge-podge—heavily weighted toward subsidizing service industries sheltered from international trade and maintaining aging segments of our older industries—into a force for positive economic change is by integrating its administration and enhancing its viability. Choices still would have to be made of course, but at least they could then be informed by public debate and the participation of other industries, unions, and industry analysts. The experiences of other democratic industrial nations, and our own history, provides some evidence for both points of view, although I believe somewhat more evidence for the latter.

But it is imperative that we engage these political issues head on, rather than continue to bury them under ideological platitudes over the relative merits of free markets or planning. The United States already is moving at a rapid clip toward the institutionalization of a more centralized and strategic industrial policy, but is doing so with almost no public understanding of its central features or debate over its merits.

The shift comes as an inevitable response to the perceived decline in American competitiveness in the world markets. Of course, the present Republican administration does not refer to this shift as an "industrial policy." The term sounds too much like planning. But all the elements are coming to be there: enhanced government support for high-technology, active government involvement in restructuring older industries, and a vast consolidation of government authority over both of these ends of the industrial spectrum.

United States industrial policy for high technologies increasingly is being planned and executed by the Pentagon. This is partly due to the current defense build-up. The Congressional Budget Office estimates that by 1984 federal research and development spending will have increased 13 percent in real terms over 1980 levels. Approximately 70 percent of this increase—amounting to some $32 billion—will be related to defense. Federal spending for basic research alone will rise to an expected $6.62 billion in current dollars; again, the bulk will be defense-related. In addition to these sums, some $88 billion will be spent in 1984 on procuring new weapons, many of which will incorporate the most sophisticated technologies.

But the Pentagon's high-tech industrial policy also is being driven by a fear even more palpable than the Soviet threat. It is the fear that other nations, particularly the Japanese, are gaining a lead in new "strategic" technologies—incorporating innovations that will be critical to America's capacity to wage war in an era of advanced electronics. Lest this nation become dependent on another's high-tech products and processes, therefore, the Department of Defense has launched an all-out effort to maintain leadership in these areas.

Under the Defense Advanced Research Planning Agency (DARPA), several specific programs are now underway: a $500 million effort to accelerate the development of very-large-scale integrated circuits (the next generations of logic and memory chips), a $250 million-per-year research and development drive in advanced lasers, $40 million per year in fiber optics, and research programs in an array of related technologies, such as computer software and composite materials. In addition, the Reagan Administration has announced with unusual fanfare the start of a five-year, $1 billion program designed to maintain America's lead in "super-computers"—capable of significantly faster computations than today's most advanced computers. On each of these projects groups of U.S. companies are working in tandem with several universities and government laboratories.

At the other end of America's industrial spectrum, meanwhile, there is a similar trend. United States industrial policy for declining industries increasingly is falling under the twin domains of the Office of the U.S. Special Trade Representative and the Commerce Department. If the Reagan Administration has its way, both will be consolidated into a new cabinet-level Department of International Trade and Industry (DITI).

Declining-industry policy has become highly protectionist in the last few years. We now have bilaterally-negotiated quotas against the importation of basic steel from Western Europe and automobiles from Japan, quotas on textile and apparel imports from South East Asia more stringent than at any time in recent history, and a ten-fold increase in tariffs on motorcycles from Japan. Even in the wake of the Williamsburg summit's call for a reduction in worldwide import barriers, the Reagan Administration decided to increase tariffs and impose quotas on stainless steel imports.

In seeking politically-acceptable alternatives to this rising domestic tide of protectionism, the Reagan Administration increasingly is negotiating with distressed industries. The "voluntary" quota against European steel was the product of such a negotiation with U.S. steel producers, who in return agreed to forego more onerous countervailing duties and penalties. As another example, the Harley Davidson Company (the single U.S.-owned manufacturer of motorcycles) agreed to a plan for upgrading its facilities in return for the Administration's willingness to increase tariffs on imported motorcycles for a limited period of time.

Thus, if present trends continue, DARPA and DITI (or some facsimile) will be vested with greater and greater responsibility for coordinating industrial policymaking at both ends of the spectrum. High-technology industrial policy will be dictated, in large part, by Defense Department's concerns about Japan's technological advances; declining-industry industrial policy by our trade-related agencies' concerns about forestalling escape clause petitions or antidumping and countervailing duty complaints. United States industrial policy may be more coherent as a result of these new centers of authority, but hardly less reactive.

NEW PROPOSALS

Regardless of prevailing ideology, we can count on certain emerging verities. American business and labor will continue to solict benefits from government, and these demands will escalate as trade tensions increase. National defense programs will continue to affect the pace and direction of emerging technologies and these effects will loom larger as international political tensions increase. Governments in every other advanced industrial nation and every industrializing nation will continue to seek to improve their own nations' economic performance, and these interventions will become more comlex, if not more sophisticated, as the ideal of free trade (and the American hegemony on which it has been based for forty years) slowly declines. And finally, and in large part because of these trends, the formulation and administration of U.S. industrial policy will continue to become more centralized, if not more strategic. New proposals for U.S. industrial policy must be seen against this backdrop.

This Committee is now considering several bills designed to help improve the formulation of U.S. industrial policy. Two innovations feature prominently: (1) a high-level council to collect and analyze information about U.S. industrial development, evaluate public policies bearing on industrial development, and advise the President and Congress accordingly; and (2) a development bank to assist in providing financing for U.S. industrial development.

The first proposal is a small step in the right direction. A high-level council charged with tracking the nation's industrial development by sector, and advising about how microeconomic policies bear on those developments, appropriately complements the macroeconomic functions of the Council of Economic Advisors. While data-gathering and analysis could be undertaken equally well by a slightly enlargerd CEA, the industrial development council also would function as a national forum in which issues about the evolving structure of the nation's economy could be raised more explicitly than is now the case.

But the proposal is a very small step. The council lacks any effective leverage. Industries seeking help from the federal government need not consult with it. Disparate agencies and Congressional subcommittees dealing with particular aspects of industrial development need not share their information or deliberations with it. It has no authority beyond that which is inherent in sound data and analysis, and timely appeals to the logic and good sense of our political leaders and the public.

Perhaps this is the most we can ever hope for in our centrifugal system of governance. Perhaps we can not legislate more. After all,

the vast bulk of industrial policymaking necessarily is executory; a President can elevate even the most ephemeral advisory group into a locus of power and public drama, and likewise relegate the most authoritative of coordinating institutions to near oblivion. And yet I fear that without any authority to knit together the loose strand of industrial policy and demand from business as a condition for government benefits a commitment to retrain and restructure, the council soon will become just another research and advisory body, to be ignored whenever convenient.

The second proposal, to establish a development bank, arguably gives the council some leverage, but it may be of the wrong kind. As I have suggested, the challenge of industrial policy is to better integrate the nation's microeconomic policies and align them with macroeconomic objectives. New authority to provide subsidized loans or loan guarantees to U.S. businesses—on top of the sizeable loans and loan guarantees already allocated by many other agencies, and the trade restrictions, antitrust exemptions, major research and development grants, tax benefits, and procurement contracts awarded by agencies and Congressional subcommittees to particular firms and industries—does not seem a step toward greater integration. To the contrary, it appears to be just another spigot from the public trough.

Instead of new lending authority, a better alternative might be to vest the council with some review authority over the primary agencies now charged with providing development assistance (such as the Farmer's Home Administration, Small Business Administration, and Economic Development Administration) and the agencies established to fund developmental research (National Science Foundation, National Institutes of Health, DARPA, and research underwritten by the Department of Energy). The council would monitor the pattern of research and economic development funding across industries, including direct grants, loans, and loan guarantees; then each year it would review agency funding proposals and recommend to Congress and the President ways in which the nation's overall "research and economic development budget" should be redirected.

The council also might be given two additional responsibilities, both important to the evolving competitive structure of U.S. industry. The first would be authority to immunize from the antitrust laws both specific research joint ventures and also mergers of companies within "structurally depressed" industries. Such authority now exists de facto in the Federal Trade Commission and the Antitrust Division of the Justice Department, but there is a great deal of uncertainty over how and when these two agencies will grant such relief; no mechanism exists for reconciling their decisions with those of other agencies whose decisions also affect industrial structure, or effectively bargaining with the petitioning firms or industries over conditions that must be fulfilled to obtain the overall package of benefits they are seeking from the various agencies; neither the FTC nor the Antitrust Division is set up to systematically preview a wide range of business plans; and because Congress has not formally conferred antitrust immunity, mere prosecutorial restraint by the FTC or the Justice Department is no guarantee against private rights of action. For all these reasons, the council might be a better forum for making these decisions.

The second, related, responsibility would involve import relief under the "escape clause" of the Trade Act. Under present law the President may grant such relief if he finds that imports have caused domestic firms substantial injury. He is advised in this regard by the Special Trade Representative. But the law provides no mechanism for conditioning such relief upon a petitioning firms' or industry's willingness to restructure itself to become more competitive, nor for withdrawing the relief should the petitioner fail to meet restructuring targets. Nor is the STR particularly well-suited to negotiate any such restructuring plan and review its progress. As the negotiating and reviewing arm of the STR, the council could fill another important gap.

These three responsibilities—reviewing the nation's yearly "research and economic development" budget, granting antitrust immunity for specific research joint ventures and mergers in structurally-depressed industries, and negotiating restructuring agreements under the "escape clause"—are complementary. All entail close monitoring of the nation's evolving industrial structure; all involve strategic decisions about how public policies should affect industrial development; all require that such decisions be systematically related to one another; all depend on the private sector for taking the initiative in seeking public support; all would benefit from a government with the institutional capacity to integrate such support into a clearly-defined package and condition it upon the petitioning industry's willingness to retrain and retool. What is more, none of these responsibilities is clearly lodged in any other agency of government; they build upon capabilities already in place; and they involve no new federal outlays.

The mounting pressures of international competition inevitably are reshaping our governing institutions—consolidating authority over the economy, and forcing a closer strategic link between business and government. This reshaping transcends ideological and political lines. At the same time, as America's industrial base dramatically transforms itself with government's help, the stakes for both winners and losers will grow significantly larger. Thus the central question with which we must deal concerns not the economic wisdom of industrial policy but its political form. Republican or Democrat, liberal or conservative, this is a question that will continue to be with us in the coming years. I applaud this Committee's willingness to begin addressing it in earnest.

The ideas put forth by Professor Reich contain much that needs to be seriously considered when we discuss industrial policy. I hope that Congress will not go forward with an industrial policy that is done in a piecemeal fashion. Only by looking at existing policies in a comprehensive manner can the United States be properly served in the future. Simply relying on some form of central planning or a financing agency to perform miracles for our economy will not work. There is considerable debate as to how well such policies have worked in other countries. It must be remembered that even if these policies have worked in other countries, there is no guarantee they will work in the United States.

This is not to say that the existing laws and governmental programs that comprise our industrial policy do not need review. We need to seriously look at the underlying assumptions of any new industrial policy and what goals it is designed to achieve. For that purpose I have included in my remarks excerpts of testimony from Robert B. Reich of the John F. Kennedy School of Government at Harvard University, and have attached as extraneous material an interview with Charles L. Schultze, former Budget Director to President Johnson and chief economic adviser to President Carter, and a recent commentary regarding industrial policy that appeared in Business Week. The economic future of our country is too important to be decided on the basis of what policy, or policies, is good for one industry, for one group of employees, or for even one political party.

[From the Christian Science Monitor, Sept. 30, 1983]

U.S. INDUSTRIAL POLICY—A CASE AGAINST

(By Harry B. Ellis)

WASHINGTON.—Industrial policy: A panacea for US economic problems? Congress debates the creation of a government agency to pick industrial winners, shield losers, and channel investment.

Many economists and politicians see an industrial policy as a way to help ensure that America's economy remains productive and competitive in world trade, especially when compared with Japan. And the concept is expected to be embraced by some Democratic presidential candidates as their answer to President Reagan's economic policies.

But Charles L. Schultze—budget director to President Johnson, chief economic adviser to President Carter, and now an economist with the Brookings Institution—says an industrial policy is not needed, nor would it work:

The United States is not "deindustrializing," says Dr. Schultz. Relative to other countries, American industry is performing well.

Japan's rapid rise is due all to a high savings rate, low-risk investment in already known technologies, and labor-management cooperation—not to government intervention.

The US political system sidesteps the hard choices needed to pick winners and protect losers through government intervention.

Excerpts from the interview follow:

Q. What is meant by industrial policy?

Industrial policy is not so much one theory, as it is a loose collection of diagnoses of what's wrong with the economy, and some prescriptions.

A. The essential core is that, even if we were to attain overall economic prosperity, the government of the United States needs to take an active role in determining the composition of that prosperity, directing investment away from some industries and toward others.

That is, we need a governmental agency that will help protect some of the losers in our economy and restructure them and help pick some of the winners and get them going.

Q. What are the basic propositions around which the proposals for an industrial policy cluster?

A. There are two propositions. First, that the United States is deindustrializing. Second, that other countries, particularly Japan, have discovered a successful way of structuring industry to make for vigorous industrial progress.

Q. Has the U.S. in fact been deindustrializing?

A. The deindustrialization of America is really a myth. Relative to other countries, by almost all standards, American manufacturing did relatively well in the 1970s. Total employment in the U.S. grew vastly more than in any other country in the world. Our total employment grew by about 24 percent in the decade of the 1970s. The next best was Japan, with 12 percent. West Germany had a decrease.

In the case of manufacturing employment, which is more to the point—the United States was about the only country, aside from Canada and Italy, which had any increase in manufacturing employment. Again, Germany had a fairly noticeable decrease.

The share of total GNP (gross national product) contributed by manufacturing in the US always goes up and down as the economy booms and busts. But if you extract that cyclical fluctuation, you find that over the last 20 to 25 years the share of total GNP accounted for by manufacturing in the US has not declined.

Manufacturing exports in the US doubled in the decade of the 1970s—less than Japan, but again more than the European average. There is no evidence of deindustrialization, absolutely or comparatively.

Q. Within the manufacturing sector, do we have to distinguish between the old-line heavy industries and high-tech industries?

A. If we have decent economic policies in periods of normal prosperity, people are able to make the switches which economic progress always imposes. Some industries reach maturity, level off, and decline. Other industries grow. The question is whether we are capable both of generating the growth industries and of having our labor and capital make the transition from old to new.

Q. Are we?

A. All the evidence is that, during normal prosperity, we are able to do that with a few exceptions.

Q. Did the 1981-82 recession change this picture in any way?

A. Clearly, during the recession, manufacturing was hit much harder than the rest of the economy. But that always happens. Manufacturing is now, as you might also expect, rising faster in the recovery than other sectors. For example, in the first half of 1983, GNP rose at a rate of about 5.5 percent. Manufacturing production rose at a little over 16 percent annual rate.

Q. During the 1970s the growth rate of US productivity, or output per person, declined. Does this reflect structural problems?

A. Decline of productivity is a very serious problem—in the long run, perhaps the most serious economic problem the country faces. A lot of the reasons for this decline we don't know. But we can make a very good estimate that it was not due to deindustrialization. The decline in productivity growth during the 1970s occurred all over the world. The US is about midway down the list in terms of the size of the decline. There is no evidence that manufacturing productivity declined more than that of other industries. In fact, there is some evidence that it declined less.

Q. To turn to the second basic proposition: To what extent is an industrial policy in Japan responsible for that country's economic success?

A. Industrial policy, as administered by MITI (Ministry of International Trade and Industry) has been much overrated as the explanation for Japan's success.

Japan does have characteristics that make for successful industries. The Japanese work together cooperatively without a lot of red tape and without dulling the competitive edge. However, if you look at the factors or Japanese economic progress in the postwar period, three things stand out, no one of which is associated with industrial policy:

1. The Japanese save and invest some 30 to 35 percent of their gross national product, compared with 17 to 20 percent in the United States.

2. The Japanese were able, with a technological plant far inferior to that of the United States, to invest those huge savings at low risk and high return in already known successful ventures, improving on them as they went.

3. The Japanese developed a system of labor-management relationships with many advantages, including the ability to elicit high-quality, productive work.

MITI did play a role, but a relatively modest role. Most of the big decisions were made by Japanese business, with MITI encouraging rather than originating.

While MITI had some successes—for example, with the Japanese development of the 256K memory chip—it also had a lot of failures. MITI tried to keep Honda out of the automobile business. MITI tried to get the Japanese heavily into commercial airlines and the banks just wouldn't follow.

People seem to have the idea that, if MITI hadn't been around, that huge investment in Japan somehow would have gone into plastic toys, souvenirs, and fisheries. Well, it wouldn't have. Given the aggressive quality of the Japanese businessman, it probably would have gone where it went anyway. The contribution that MITI made by pushing, shoving, and nudging was good in some cases, probably bad in others, but on balance was not the major factor in Japanese success.

Q. In the postwar years the Japanese were able to capitalize on technology already developed elsewhere, notably the U.S. and Germany. Now that Japan's own technology has caught up, is government intervention better able to help the Japanese than would be the case here?

A. No, I'd say almost the opposite. In a world in which you have an example to follow—as Japan did in 1960, looking at the U.S. to see what a modern, technologically advanced, industrial country was like—it is easy for a government agency to say: Here are some areas which we ought to follow up. When you're up on the technological frontier yourself, however, then the whole question of industrial advance becomes one of a decentralized search in areas where no one is exactly sure where you are going to end up. Here the private market system, with decentralized searching and the profit motive, is going to have a much greater chance in this trial and error way of making a breakthrough than a government agency is.

As the Japanese have caught up—and they have—it is becoming much harder for them to grow so fast. Roughly, from about 1960 to 1973, the Japanese economy grew at 10 percent a year. They invested their huge savings in fairly obvious ways. Now, they have caught up. They still have their huge savings rate, but their investment opportunities have shrunk substantially. As a consequence, the Japanese for the last five years have been growing at something like 3 to 4 percent a year. The prospects are for something like that in the future. They find themselves in a world in which it is much harder to grow, when you are at the technological frontier with the leaders.

Q. For an industrial policy to be successful, it must be able to pick winners and protect losers. Is the U.S. government, or any agency that might be set up, better able to pick winners than the markets themselves?

A. Far from it. We really don't have any objective economic criteria which determine, in detail, what particular lines of activity or products a nation is going to be successful at.

Standard economic theory tells you that comparative advantage, or what a nation is good at, depends on the relative scarcity or abundance of things like labor, capital, and raw materials. To a certain extent that is important. Industrial countries tend to have an advantage in technologically oriented, research-based products that require a skilled labor force to produce. Certain natural resources are relevant.

But apart from that, what determines what a country will be good at has little to do with things you can identify in advance. A lot of it, believe it or not, comes from a combination of sheer coincidence and inertia. That is, if you have a good environment for progress, there are a lot of entrepreneurs out looking for a niche in the market.

In this process, once you begin to get success, success breeds on success, because once a nation gets a foothold in some particular niche, all sorts of advantages begin to accrue. Workers get more skilled, management picks up knowhow, ancillary firms develop just to supply that industry.

For example, as Swedish economist Assar Lindbeck points out, there is nothing in the Swedish national character, or Swedish natural resources, which would have led you to believe in advance that the Swedes would be preeminent in the field of automatic lighthouses, cream separators, safety matches, or the Japanese in motorcycles, or the U.S. in pharmaceuticals.

Q. What is the proper government role, based on compassion for people who are badly hurt by import competition, in protecting the losers?

A. There are two basic ways society can go about trying to reduce the pain that comes from economic change. Economic dynamism necessarily means change. Change is painful.

Society can try to slow down, or prevent, or put roadblocks in the way of change. That will reduce some of the pain, at least in the short run.

The other way is to let economic change take its course, but then to provide retraining, unemployment compensation, relocation allowances, and the like, to make people better able to adjust to the change.

Clearly, neither way is perfect. A consistent, systematic effort to prevent change will reduce pain in the short run, but in the long run will substantially reduce the dynamism and economic progress of a nation and have major harmful effects on its productivity growth.

Q. Since there would be a limited pool of capital to implement any Industrial policy, are you saying that capital would tend to be directed in the wrong ways, hurting the economy overall?

A. Exactly. The whole idea of industrial policy is not to increase total investment, but to reallocate it. That means, if you are going to put more money into some industries, you have to take it out of others.

Q. Does our political system militate against government making the critical choices among industries, firms, and groups of workers?

A. One cardinal principle of American policy is never be seen to do direct harm. Our entire system is set up to avoid the government making invidious choices among individuals, or regions, or municipalities—precisely the kind of hard choices that would have to be made if an industrial policy were to be more than simply a political pork barrel.

To give one example: We have an Economic Development Administration, set up to help depressed areas. By the time the EDA got through Congress, a little more than 80 percent of the counties in the United States qualified as depressed areas. Whatever agency was set up would have to say, "The cotton textile industry is capable of restructuring, but the wool textile industry will have to die. Steelworkers, who have a very large wage premium relative to other manufacturing workers, will have to give that up."

I can't conceive of this happening. The market should make that kind of decision and government should be there to help ease the adjustment. Nobody should pretend that the American government is capable of doing more.

[From Business Week, Nov. 21, 1983]

WHY THE DEMOCRATS NEED TO COME UP WITH AN INDUSTRIAL POLICY

(By Norman Jonas)

The better the economy looks for 1984, the more certain it becomes that the Democratic Party will make industrial policy its major domestic issue in the Presidential election campaign. A healthy expansion next year would deprive the Democrats of a short-term case against Reagan.

That will force them to focus on the nation's long-term economic problems—particularly the widespread fear that the U.S. is losing its international competitiveness and faces an inexorable decline in its standard of living. The question is how to get America growing and keep it growing, and a strong consensus is emerging among Democrats that industrial policy is an essential part of the answer.

WHAT IT'S NOT

But nothing is ever that simple in politics or economics. Industrial policy, broadly defined, is the targeting of government spending, tax, and regulatory policies to create a competitive advantage for some industries, sectors, or regions with high growth potential while smoothing the adjustment of declining industries. That definition may satisfy economists, but some Democrats fear it will not do much for the electorate. And they worry that their GOP opponents will redefine the concept for what it is not or need not be: statism, central planning, or disguised protectionism. Administration officials have already begun the attack.

Public doubts about industrial policy emerged in a poll done for consultant John Bowles of Public Policy Analysis Inc. Bowles reports that 74% of the people surveyed think America's economic position is "in serious decline around the world," and it makes them mad. But they flatly oppose government intervention in the private sector. Thus, 52% liked the idea of an economic coordinating committee to forge a consensus among government, business, and labor, but a scant 6% favor a national investment bank.

Fears that industrial policy could be a poltical albatross are pushing some Democrats to fuzz the issue rather than make it specific—to turn it into an ideological polyester suit that fits all shapes and sizes but is utterly lacking in character. If the Democrats wimp out on this issue, they will lack any coherent vision with which to challenge Reagonomics. More important, a serious examination of industrial policy during the 1984 campaiagn might produce some alternatives to the economic nostrums that failed both Republicans and Democrats over the past decade.

The Democrats are also unnerved by a flood of criticism from such party traditionalists as Charles L. Schultze of the Brookings Institution. Schultze calls industrial policy "a solution in search of a problem" and denies that the U.S. is being deindustrialized. He contends that aggregate employment in manufacturing held virtually steady from 1973 through 1980—at a bit above 20 million jobs—while it actually shrank in Europe and Japan.

PLUNGING AHEAD

But these numbers are nothing to cheer about. As Barry Bluestone of Boston College noted at an Aspen Institute conference on Nov. 1, the aggregate data hide the fact that production jobs dropped by almost 700,000, or 5%, in 1973-80—a loss almost perfectly offset by an increase in office and supervisory workers. Furthermore, the price of maintaining the level of manufacturing jobs in the 1970s was a steep slowdown in productivity growth—and a resultant loss of markets at home and abroad.

After months of listening to economists crunch the numbers—and each other—Democratic politicians may be wary, but they are plunging ahead with the job of putting industrial policy into legislative form. In the House, a banking subcommittee headed by Representative John J. LaFalce (D-N.Y.) is completing work on a bill calling for the creation of a Council on Industrial Competitiveness, an $8.5 billion loan facility, and an Advanced Technology Foundation. In the Senate, a Democratic task force led by Massachusetts Senator Edward M. Kennedy is about to issue a position paper calling for an economic coordinating council, aid to state development banks, new training and educational programs, export promotion, and creation of regional technology centers.

Both the Senate and House Democratic proposals carefully eschew the specter of coercive government planning; they stress private-sector initiative and consensus-building. But they also seem to reflect the advice that pollster Patrick H. Caddell has been giving the Democrats for months: "The only way they can succeed with the American voter is to go for the big idea, not incrementalism. Their goal must be to restore the growth of the economy and make it clear that anything less than being the most prosperous country in the world is unacceptable." That, indeed, is a very big idea. What must now be shown is whether industrial policy, however defined, can carry that much weight.

□ 2310

Mr. PETRI. Thank you, I would like to thank my colleague from Pennsylvania for his participation.

● Mr. KEMP. Mr. Speaker, talking about industrial policy is very much in fashion these days, and I want to thank my colleagues for taking this time to focus on what industrial policy actually means to American workers and taxpayers.

Much attention is given to a national industrial policy by which the Federal Government can join with the business and labor communities to create an all-encompassing economic program for the Nation. According to this strategy, the elites of business, labor, and Government can get together and concoct a grand, centrally planned strategy, directed and orchestrated by the wonderful wisdom of the Federal Government, which today gives oil companies massive synfuel subsidies, major corporations large export subsidies, and provides other trickle down benefits, paid for by the taxes of working men and women.

But as Paul Craig Roberts so eloquently points out in the accompanying testimony, there is another form of industrial policy that is the true basis for a nation's economic health. Rather than having the Federal Government allocate resources, this industrial policy consists of a tax system that encourages economic initiative and incentives, a monetary system with low interest rates that is both stable and reliable, a dollar that is sound, honest, and as good as gold, and a prudent level of Government spending. This type of industrial policy is one I heartily endorse. It would help all people and all businesses, not just those special few who qualify for loans, tax credits, and capital allocations negotiated by lobbyists and tax specialists in the Halls of Congress.

INDUSTRIAL POLICY AND ECONOMIC GROWTH

(Statement by Paul Craig Roberts, William E. Simon Professor of Political Economy, Center for Strategic and International Studies, Georgetown University)

The idea of an industrial policy to spur economic growth and to create a healthy public attitude toward business is appealing at first glance, but before we leap to endorse one form of industrial policy over another, we should examine the case for each.

One form of industrial policy means a concerted effort on the part of government, business and labor to design an economic program for the nation. It encompasses a variety of strategies—some more ambitious than others—of tax concessions, government loan guarantees and subsidies, job training programs, export promotion schemes and import restrictions. The ideas range from bailing out losers to picking winners—and some try to incorporate both. One need only walk into the local bookstore to see that industrial policy is a very popular fad.

While this kind of industrial policy may sell books, there is little evidence that it has helped many economies. In the majority of cases, industrial policy appears to have done more harm than good.

There is another kind of industrial policy about which less is written but which is the foundation of every successful modern economy. It consists of a government commitment to provide an economic environment in which private business can thrive. This form of industrial policy entails a tax system that does as little damage as possible to economic incentives, provides a stable, dependable monetary system, and exercises restraint in government spending growth.

Proponents of an industrial policy for America like to point to Japan, or "Japan Incorporated," as they call it, as proof of what an industrial policy can do for a nation. Japan has enjoyed sparkling economic growth rates with low inflation at a time when the rest of the world was experiencing stagflation. Just what kind of industrial policy does Japan have?

According to some people, businessmen in Japan sit down with government officials at a table in the Ministry of International Trade and Investment (MITI) to plan where money should be invested, what export strategies should be adopted, which industries should be encouraged and which should be gently eased towards the back door. According to this view, Japan has an unfair advantage over the United States, which for the most part adheres to the principles of a free market. Our only hope, it is claimed, is to adopt an industrial policy of our own. Others say that we already have an industrial policy, but that it is uncoordinated and works at cross purposes.

There is mounting evidence, however, that Japan's success is not due to MITI. Robert Kaus provides an illuminating story in the February 1983 Harper's that illustrates the limited power and foresight of the real Japanese government. Japan's industrial policymakers encouraged Honda to move out of auto production, because it was feared that there would be too many auto manufacturers struggling against each other to maintain an efficient market. Luckily enough for Japan and car buyers, Honda didn't listen.

In addition to the fact that Japan's industrial policymakers have far from perfect judgment, it is not certain how important a role they actually play in the economy. In a collection of essays published by the Brookings Institution in 1976, Philip Trezise and Yukio Suzuki examined the extent of the role that politics and government play in Japan's economy and concluded:

"A warranted conclusion is that the durability of conservative political rule was a positive factor. If private business provided much of the motive force for growth, business also had the assurance at virtually every point that government would be safe and sane, partial to profits and dedicated to business growth, willing to listen to business views, devoted to trying to maintain a social order in which business could feel secure."

Trezise again challenged the myth of "Japan Incorporated" in the Spring 1983 edition of the Brookings Review, saying,

"One has to be be doubtful . . . about the picture of wise bureaucrats sitting down with wise industrialists to plan in some detail the future shape of an economy that now produces, gross, more than a trillion dollars worth of goods and services. What officials and advisers say or prescribe obviously can matter. But the allocation of resources in a free market economy—certainly in one as big as Japan's—depends on myriad decisions taken throughout the country."

The evidence is at best ambiguous that Japan's economic gains are due to its industrial policy. Some experts have concluded that planning has done more harm than good. Tsunehiko Watanabe of Harvard and Osaka Universities, for example, has written that in Japan, "national planning has not only been decorative, but also destructive at least in some of its economic objectives." [1]

Japan's success is more likely due to its policy of maintaining a stable economic environment, a high saving rate and a tax system that does not penalize success. Most government subsidies do not buttress growth industries but instead are devoted to public works, handled at the local government level. Other subsidies go to weak sectors of the economy, like the national railroads. As for the Japan Development Bank, it is more concerned with financing infrastructure than encouraging the computer industry, and most of its lending is on a relatively small scale. Indeed, during the 1970s, the Japan Development Bank's net lending (excluding housing) accounted for just 1 percent of private capital formation.[2] If we misinterpret the source of Japan's success, we risk adding to our economic problems.

Not only is the role played by Japan's industrial policy in its success an ambiguous one, but Japan itself is the strongest example that advocates of an industrial policy can muster. Other models of industrial policy are not perceived to be nearly as successful as Japan. France was the first nation to adopt an industrial policy, and supposedly was the source of inspiration for the Japanese. But the French experience with industrial planning is widely perceived as a failure.

There is a temptation to claim that the Japanese have focused on picking winners while the French have been bailing out losers. But in actual fact Japan has been helping the dying but politically powerful apparel industry, because it is a large employer.

On the other hand, the Europeans have tried more often than not to put their money into promising high tech areas in the interest of helping the winners or what are sometimes called "sunrise industries." The effect has been the opposite. Michael Wachter, an economic advisor to President Carter, has written that:

"France and Germany have made their high-tech sectors weaker with government help. Those industries become more dependent on their governments for support, and the help proves to be something negative, not positive."

In the past couple of years, a growing number of voices in the United States have been calling for a Reconstruction Finance Corporation like the one originated by Herbert Hoover and called into action (as part of the New Deal) by Franklin Delano Roosevelt. The idea behind a new R.F.C. is that private enterprise can no longer be counted on to provide the nation with stable economic growth and prosperity. Felix Rohatyn, a New York investment banker, has a vision of a modern R.F.C. that, in his words, "would be the investment and development bank of the Government, publicly accountable, but sheltered from political pressures. It would be a focus of American commitment to our basic industrial underpinning as well as to rebuilding cities, harbors, transportation systems—the complex of facilities known as infrastructures.[3]

First of all, how realistic is it to assume that today's R.F.C. would be fundamentally different from the original version? The original R.F.C. was dissolved in 1953 amid charges of corruption, fraud, and political favoritism. In a 1951 report of an investigation into the activities of the R.F.C., the chairman of the Senate Banking and Currency Committee, J. William Fulbright, a Democrat from Arkansas, wrote:

"There has been a large number of instances in which the board of directors [of the R.F.C.] has approved the making of loans, over the adverse advice of the corporation's most experienced examiners and reviewing officials, notwithstanding the absence of compelling reasons for doing so and the presence of convincing reasons for not doing so."

An article in the January 1952 issue of Harper's magazine confirmed the Banking Committee's report, pointing out that the R.F.C.:

"* * * thrust money on the proprietors of roadside snake farms, cultivators of cactus plants for sale in dime stores, dental clinics, paperboard makers, mattress makers, television manufacturers, canneries, movie houses, cafes, drug stores, truckers, a trailer manufacturer, a maker of fluorescent lamps, a rainbow trout factory, and some very dubious fellows who wanted to be concessionaires for the roulette room in a Nevada hotel."

Whatever rainbow trout factories and Las Vegas gamblers have in common, neither were major growth industries that promised to increase employment. Whose idea it was to sponsor these enterprises and for what reason is really beside the point. Bringing back the R.F.C. would put government back in the business of allocating capital. The control of capital by government is a powerful instrument, and the potential for abuse, as illustrated by the R.F.C. scandals, is very great.

There are additional problems with reestablishing the R.F.C. If a new R.F.C. were made "politically accountable," the result would be that those industries with the biggest political clout, not necessarily the most deserving or the most promising, would be the ones to receive financing. On the other hand, if a truly independent R.F.C. were established, we would have another Federal Reserve Board on our hands. That would be a lot of power independent of the legislative and executive branches.

An R.F.C. bureaucracy would have far less incentive and ability to pick winners than venture capitalists. Indeed, bureaucracies are unimaginative and self-protective and would naturally shy away from politically weak entrepreneurs with untested products and instead allocate capital to politically backed established industries. This would be the kiss of death to the emerging sectors of our economy. I do not see any grounds for believing that an R.F.C. can allocate capital better than the capital markets.

Economists in general now agree that the economic recovery that began in January is going to be at least as strong as supply-side economists said it would be. It appears certain that the gloomy forecasts of David Stockman and Martin Feldstein are wrong. Nevertheless, advocates of an industrial policy claim that even with recovery, our in-

[1] Tsunehiko Watanabe; "National Planning and Econmic Development: A Critical Review of the Japanese Experience;" in Economics of Planning; Harold Hallaraker, ed.; vol. 10, No. 1-2; 1970; p. 50.

[2] See Philip Trezise; "Industrial Policy Is Not the Major Reason for Japan's Success;" The Brookings Review; Spring 1983; pp. 13-18.

[3] Felix Rohatyn; "Alternatives to Reaganomics"; New York Times; Dec. 5, 1982.

dustrial base is outmoded, that we will no longer be able to keep up with our competitors and that we have transformed ourselves into a service economy which doesn't produce anything more tangible than hamburgers and high-tech movies like the "Return of the Jedi." Happily enough, this is not so.

The production of goods as a percent of gross national product has not changed—it was 45.6 percent of GNP in 1960 and was 45.3 percent of GNP in 1980. Nor has the percentage of GNP originating in the manufacturing sector fallen over the past two decades—it was 23.3 percent in 1960 and 23.8 percent in 1980. As a share of Gross Private Domestic Investment, investment in producer's durable equipment has actually risen over 10 percentage points in the twenty-year period, from 39.1 percent in 1960 to 49.4 percent in 1980 (see Table).

INVESTMENT IN PRODUCERS' DURABLE EQUIPMENT AS A SHARE OF GROSS PRVATE DOMESTIC INVESTMENT

[Dollars in billions]

Year	Gross private domestic investment	Producers' durable equipment	Percent
1950	$53.8	$17.8	33.1
1955	68.4	23.9	34.9
1960	75.9	29.7	39.1
1965	113.5	45.8	40.3
1970	144.2	65.2	45.2
1975	206.1	102.3	49.6
1980	402.3	198.6	49.4

Source: Department of Commerce, Bureau of Economic Analysis.

It is no cause for alarm that as a share of total employment, the manufacturing sector has fallen from about 31 percent in 1960 to 22 percent in 1980. The fact that output did not also decline is evidence that this is a result of higher productivity, not industrial decline. In 1929 the agricultural sector's share of total civilian employment was over 21 percent, but by 1950 it had dropped to ony 11.5 percent. Despite the drop in employment in farming, agriculture's share of the gross national product had more than doubled, and Harry Truman was not proposing any agricultural job training programs.

This is not to say that all is well with the American economy. Taxes on employment and on income from saving are still too high, and monetary policy continues on a "stop-go" cycle. But to take a radically new approach inconsistent with our national heritage is not what is called for. The kind of industrial policy America needs is one that protects property rights and decentralized decision-making and provides stable, dependable macroeconomic policies, restraint in the growth of government spending and a tax system that does not result in a maze of economic disincentives.

Although I opposed the increase in government intervention in the economy that an industrial policy would bring, there is one encouraging aspect to all the talk about it. The liberals have given up their flirtation with a no-growth economy and reaffirmed their former belief that economic growth is vital to the shared goals of an industrial society. Most of the advocates of an industrial policy are pushing supply-side policies—only they want to implement them through the government rather than through the market. I call it "supply-side socialism," and it shows that supply-side concerns have set the agenda for the 1980s.●

● Mr. MORRISON of Washington. Mr. Speaker, despite the fact that there has been tremendous improvement in the health of our economy in recent months, it is obvious that a number of economic challenges face the United States in the next few years. The decline of the so-called smokestack industries and the rapid changes in technology present both problems that must be solved and opportunities that must not be allowed to slip away. Alternatives for meeting these challenges should be a major item on Congress' agenda and should be subject to careful evaluation and discussion.

The most talked about solution for maintaining the economic recovery at the present time seems to be the concept of industrial policy. This approach calls for the Federal Government, in cooperation with business, labor, and other groups, to determine the industries that hold the greatest potential for growth and allocate available resources to encourage that growth. Unfortunately, as Prof. Alan H. Meltzer of the Carnegie-Mellon University pointed out in his testimony last month before the Joint Economic Committee, the industrial policy concept is based on at least three erroneous premises.

First, proponents claim that America needs an industrial policy in order to halt the deindustrialization the United States is allegedly experiencing due to foreign competition. A careful study of comparative economic date, however, shows that all countries, including Japan, have experienced slowing growth rates due to worldwide economic conditions. When compared to the growth rate experienced by other developed countries, the United States has not suffered relative deindustrialization.

Second, proponents argue that the United States is losing the so-called sunrise, or growth, industries to Asian democracies while we languish with sunset, or dying industries. it is difficult to test this premise, since there is no way to define when an industry is rising or when it is setting. As a result, selecting the industries that should benefit from an industrial policy would be difficult. Beyond this, all economies, including our own, have benefited from the spread of industrialization to developing countries.

Finally, we are told that industrial policy is responsible for Japan's economic growth. While it may be true that industrial policy has played a role in Japan's success, Britain's industrial policy was a failure and the results of industrial policy in France are, at best, inconclusive. Even if it could be demonstrated that there was some marginal advantage to a directed industrial policy, would it be worth the loss of freedom that is a necessary ingredient of such an approach?

I have only briefly covered the points raised by Professor Meltzer before the Joint Economic Committee. His testimony provides a much more detailed criticism of industrial policy and I would like to submit the full text of it for the RECORD tonight.

Thank you for your attention.

INDUSTRIAL POLICY

(By Allan H. Meltzer)

Industrial policy is defined in the Chairman's letter of invitation as the coordination of Federal fiscal, monetary, trade, regulatory, anti-trust and R&D policies. Coordination would be achieved by an organization like Japan's MITI. A related proposal calls for the creation of a government development bank to lend money at below market rates of interest to fast growing firms in technologically advanced industries, for the purpose of encouraging growth, and to firms in declining industries with the intention of smoothing the decline.

I believe that the proponents of industrial policy (1) misinterpret the recent industrial history of the U.S., (2) misunderstand what has happened in the world economy, and (3) misread the experience with industrial policy elsewhere. Further, this type of industrial policy is unsuitable in a society of free men. Industrial policy shifts control of resource allocation and investment from the market place to government agencies and delegates decision making power to political appointees allegedly representing labor, capital, consumers and other interest groups. This method of allocating resources is more suited to a corporate state, like Italy under Mussolini, than to an economy that seeks to achieve efficiency and freedom. Countries with industrial policy typically restrict capital movements and regulate interest rates as in Japan during the fifties and sixties, in Britain until 1980, and in France today.

My opposition to industrial policy does not mean that I believe current arrangements are ideal. I do not. Changes are needed. I offer some proposals for changes after commenting on industrial policy.

RECENT INDUSTRIAL EXPERIENCE OF THE U.S.

The typical brief in favor of industrial policy attributes our slower growth to a lack of planning. A typical claim is that the United States has been "deindustrialized" by growing competition from foreign countries and by their ability to increase their industrial production by din inishing ours.

These claims are not correct. We have not been "deindustrialized." The growth rate of industrial production in the United States slowed in the seventies. But, as Table 1 shows, all major developed countries experienced slower growth in the seventies.

TABLE 1.—GROWTH RATES OF INDUSTRIAL PRODUCTION

	1963–72 (1)	1972–81 (2)	Percentage decline (2)–(1)	Rank
Belgium	4.4	1.2	73	7
Canadian	6.1	2.6	57	3
France	5.3	1.6	70	6
Germany	4.9	1.1	78	8
Italy	5.1	3.2	37	1
Japan	12.0	3.6	70	6
Netherlands	6.5	2.1	68	4
Sweden	5.1	.7	86	9
Switzerland	4.6	.3	93	10
United Kingdom	2.8	−.2	107	11
United States	5.1	2.6	49	2

Source: Federal Reserve Bank of St. Louis, "International Economic Conditions" June 1983.

Growth rates for industrial production show that, during the period 1963 to 1972, U.S. industrial production rose at a rate comparable to the growth rates experienced in the developed countries on the European continent, but that rate was less than half the growth rate of industrial production in Japan. In contrast, during the nine years ending in 1981, growth of U.S. industrial production is above the average for the developed, industrial countries.

All the developed countries experienced a decline in the growth rate of industrial production during the seventies. The oil shocks, rising inflation, rising protectionism, increased taxation to support consumption and transfer payments and increased uncertainty about monetary, fiscal and trade policies are prominent among the reasons offered to explain slower growth. Whatever the reasons, it is clear the the U.S. has not suffered a relative decline.

Table 1 shows that the percentage decline in the growth of industrial production in the U.S. is smaller than in most developed countries. Japan experienced a much larger relative and absolute decline in growth. On average, the growth of Japanese industrial production is now much closer to the U.S. rate of growth.

Differences in the timing of recessions and recoveries in specific industries and other well-known problems of cross-country comparison suggest that we should not overstate the importance of small differences. Changes in the starting or ending dates would probably alter the relative rankings. Such changes are unlikely to alter the two main conclusions I draw: First, the decline in growth rates affects all developed countries; Second, Japan did not avoid the world problem but, in fact, the Japanese growth rate declined relative to United States.

Data for real income include income earned in the provision of services, in agriculture and other productive activities. These data, shown in Table 2, support a stranger conclusion. The U.S. has the smallest relative and absolute decline in growth of real income among the eleven developed countries. Japan has the largest abolute decline and one of the largest relative declines. Japan's record of growth is impressive, but the differences in growth rates between Japan and the U.S. have become smaller. Whatever MITI or Japanese policy achieved, it did not prevent a decline in Japanese growth toward the world average.

TABLE 2.—GROWTH RATES OF REAL NATIONAL PRODUCT

	1963–72	1972–81	Percentage decline	Rank
	(1)	(2)	(2)–(1)	
Belgium	5.0	2.3	54	8
Canada	5.6	3.3	41	3
France	5.5	2.5	54	8
Germany	4.5	2.3	49	5
Italy	4.5	2.9	36	2
Japan	10.5	4.4	58	10
Netherlands	5.4	2.8	48	4
Sweden	3.8	1.8	5.3	6
Switzerland	4.1	.8	80	11
United Kingdom	2.8	1.3	54	8
United States	4.0	2.7	32	1

Source: See table 1.

CHANGES IN THE WORLD ECONOMY

In a competitive economy with freedom to transfer capital to countries where anticipated returns are highest, the less developed countries typically acquire capital from the more developed countries. The flow of capital, if invested in efficient enterprises, reduces the difference in anticipated returns, increases income in the less developed countries and reduces differences in real wages between more developed and less developed countries. Measured growth rates would probably rise in the less developed countries, for a time, reflecting the increase in their level of income. If the process continued without hindrance, real wages and real rates of return would, eventually be equalized and incomes would move toward equality.

In practice there are many reasons why wage rates, incomes and rates of return are not equalized. Risk and uncertainty of return differ, and the differences are reflected in premiums that affect interest rates across countries and over time. Tax rates, regulations, social customs and attitudes differ also.

The tendency of capital to move toward highest after-tax, risk-adjusted real rates of return and for real wages to rise rapidly in market oriented, developing economies is clearly shown by the data for recent years. Japan, Taiwan, Korea, Malaysia (and other developing countries) have imported capital from the more developed countries by providing higher anticipated rates of return. The opposite side of this capital movement is that the developing countries export more goods and services than they import.

The fact that countries like Japan, Korea, Taiwan or, in its better days, Brazil move from technologies that are more labor intensive (textiles) to technologies that require more skill and have greater productivity per hour (microprocessors) or to technologies that are labor saving (robots) is the expected result of development. Growing competition in industries with advanced technologies is the expected outcome of world economic development and is not, by itself, evidence of a failure in the U.S. The fact that Japan now produces computers and that Brazil now produces airplanes, to choose two examples, is evidence of the remarkable advance in the market economies of the world during the past thirty years.

These achievements impose costs and benefits on us and others. We are forced to change, to become more efficient, to adopt new methods and to develop new products. As we become more efficient, our living standards rise.

Proponents of industrial policy see the world as a mixture of "sunrise" industries and "sunset" industries. This is misleading and sustains the absurd belief that someone "knows" which are the sunrise and which are the sunset industries or that the former should expand and the latter close.

Production of ceramics is one of the oldest industries in the world, but it is currently a growth or "sunrise" industry. Rubber tires production is an old industry, but new technology and new products have produced remarkable changes in the quality of tire, in their safety and in the number of miles travelled per tire. These examples can be expanded almost endlessly. No one can predict when product or process innovations will make a "sunset" industry into a "sunrise" industry or conversely. The great advantage of the market is that it does not concentrate decisions in the hands of experts or community groups but gives opportunity to those who are willing to risk their time, talent and money when making investment decisions.

Public policy has encouraged—and despite some increase in trade barriers, continues to encourage—expansion of world trade and growth in the market economies of the world. Japan, Taiwan, Korea and others could not have implemented successful policies based on export-led growth, if the U.S. and other countries had not accepted the growth in imports required by these policies. Had we failed to accept their imports, the exporting countries would have been poorer but we would have been poorer also.

In the two decades following the end of World War II, real per capita income probably increased at a higher rate in more countries and for more people than at any time in recorded history. This progress continued in the seventies, but at a slower rate. We should not abandon the strategy that produced these gains. On the contrary, we should make a concerted effort, to adopt policies that encourage efficiency, enterprise, initiative and policies that remove barriers to world trade and capital movements. We should encourage the rest of the world to do the same.

THE RECORD OF INDUSTRIAL POLICY

The typical tract on industrial policy concentrates on Japan and argues that Japan grew rapidly because (1) Japan had MITI and (2) MITI pursued a coordinated industrial policy. Critics of industrial policy typically point to the experience of Britain and the recent experience of France and point to the logical (*post hoc*) fallacy that gives credit to MITI because MITI was there.

Experience in Japan, by itself, tells us nothing about industrial policy. No one should be surprised that some government decisions prove to be insightful, perceptive and correct. It would be surprising if *all* government decisions were wrong or foolish and *all* private decisions correct. If this were true, serious people would not consider industrial policy or government planning and direction of investment.

The comparison of a free market strategy and government planning and directing must be based on the total record, not on specific instances of success or failure. The record of industrial consolidation, state direction of investment in Britain is miserable. Table 1, above, shows that Britain is the only developed country with stagnant or declining industrial production in the seventies. After these policies were reversed, in 1980, productivity growth rose well above the world average. No doubt some of the increase in U.K. productivity growth is cyclical, but some of the increase is the result of the change in economic policy from industrial policy to a more market oriented policy.

France has recently forced industrial consolidation, the coordination of research and has increased state direction of investment. French governments have always had considerable influence on credit allocation, and government influence has increased. It is too early to reach a final judgment about the results of this experiment with industrial policy, but the early results are not encouraging.

Further, there is the often neglected issue of freedom. Even if it could be shown—and I do not believe it can—that on average industrial policy would make a marginal improvement in our real standards of living, we should be unwilling to sacrifice freedom to decide, to spend, to produce, to set wages and prices and to allocate capital. Many countries that have adopted industrial policies—France, the U.K., Japan in the fifties and sixties—imposed controls on capital movements. Formal or informal controls on prices, wages and interest are common

where the state imposes its judgment in place of the market. These restrictions on freedom not only reduce allocative efficiency, they restrict the rights of individuals to allocate their incomes and express their individual judgments.

SOME SUGGESTED REFORMS

Much can be done to improve the functioning and performance of the world economy. We should continue to reduce regulation of financial markets, trucking, telecommunications, railroads and other industries. The promising start toward pro-competitive policies has been followed by a slower, more hesitant approach.

Other useful changes should be made to reduce uncertainty about future monetary, fiscal and trade policies. At its recent meeting, the Shadow Open Market Committee recommended a set of policies that is far more likely to raise real incomes and reduce inflation than any set of proposed industrial policies or other schemes to transfer control of resources from individuals and firms to government agencies. In the following paragraphs, I borrow heavily from the Shadow Committee's September statement.

MONETARY POLICY

Currently, there is widespread uncertainty about future monetary policy. Will the Federal Reserve be excessively expansive or too contractive? No one can be very certain as long as monetary growth swings over the wide range experienced in recent years and shown in the table.

[In percent]

Quarterly periods	M1	Monetary base	Policy
Q4/77–Q4/78	8.2	9.3	Go
Q1/79	5.6	7.1	Slow
Q1/79–Q3/79	10.3	8.6	Go
Q3/79–Q2/80	2.2	7.4	Stop
Q2/80–Q4/80	13.3	9.5	Go
Q4/80–Q2/81	7.1	7.2	Slow
Q2/81–Q4/81	3.2	4.4	Stop
Q1/82	11.0	10.1	Go
Q1/82–Q3/82	4.7	7.4	Slow
Q3/82–Q2/83	13.8	10.3	Go
Q3/83–?			Slow
Averages	7.9	8.0	

Current procedures for monetary policy expose the economy to these continuing risk of alternating periods of excessive monetary expansion followed by excessive monetary contraction. The estimates suggest that the variability of money growth has raised interest rates at all maturities by 1 to 2 percentage points. Lower variability would permit rates to decline and would encourage investment and capital formation and raise the level of income.

The present period of comparable rates of inflation in the major countries offers an opportunity to increase the stability of the world economy, reduce world inflation, and increase the stability of exchange rates and, thus, increase trade and capital investment. These desirable goals can be achieved without fixing exchange rates if principal countries agree to consistent monetary policies.

The governments of the United States, Germany, Japan and the United Kingdom should agree to set the growth rate of the monetary base equal to a moving average rate of growth of real output with adjustment for a moving average growth of base velocity. A policy of this kind would bring relatively stable prices in all countries and would increase the stability of exchange rates. Further, it would provide a disciplined approach that is easily monitored. It would provide targets that even central banks could achieve and would facilitate a gradual adjustment to changes in relative rates of financial intermediation.

FISCAL POLICY

Based on current economic forecasts, budget deficits in the range of $175–200 billion can be expected in fiscal years 1984 and 1985. A continuing stream of deficits in this range is likely for the rest of the decade. These deficits reflect the continued high level of government spending. The path of total government spending for the remainder of the decade will be largely determined by spending for defense, pensions (mostly social security), and health care services. Together with interest on the debt, outlays on these programs will account for about 80 percent of total government spending in the future. Congress and the Administration should reduce the growth rate of real Federal outlays on these programs below the rate of sustainable GNP growth. This would require a re-examination of the defense spending path, and significant structural reforms in retirement and health programs.

Current deficit projections constitute a policy of future deindustrialization. Financing the U.S. deficit absorbs savings from the rest of the world. The other side of this capital transfer is an enormous U.S. trade deficit. Business and political leaders conclude wrongly that U.S. goods cannot compete in world markets. They urge protection and industrial policy to slow imports and subsidies to encourage exports. These recommendations are based on an incorrect diagnosis of the problem. Tariffs, protection and industrial policy will not eliminate the problem but will reduce efficiency and further misallocate resources and lower standards of living. Reversing the current deindustrialization requires reducing government spending. That is the proper solution to the budget deficit and the trade deficit.

TRADE POLICY

Growing restrictions on international trade in agricultural and manufactured goods reduce opportunities for debtor countries to earn foreign exchange. These restrictions lower standards of living in debtor and creditor countries alike and prevent debtors from earning the resources for investment. Thus, the policies lower output and living standards.

The United States should take the leadership in international economic policy by calling for another round of phased reductions in barriers to capital movements and reductions of quotas, tariffs and other restrictions affecting trade in agricultural and manufactured goods.●

● Mr. LUNGREN. Mr. Speaker, while Paris and New York are popular for their latest fashions, Washington is known for its public policy fads. Last year's most popular fall line was the flat tax rate proposal. While in theory it would seem to be hard to oppose a flat tax rate, political and economic difficulties surfaced which prevented its serious consideration.

Such seems to be the plight of industrial policy—the latest policy fad. On the surface it would seem difficult to oppose a proposal which claims to promote greater economic cooperation and Government policy coordination, but closer examination reveals many deficiencies.

ABSENCE OF SUPPORT AMONG ECONOMISTS AND ACADEMICIANS

Indeed, this was the consensus of the many economists, academicians, and public policy analysts who testified before the Joint Economic Committee on hearings that I recently had the opportunity to participate in and in some nine hearings in which it was my privilege to chair.

The one general conclusion that evolved from our hearings was the lack of strong support for an industrial policy. And this was from a witness list whose views spanned the political and economic spectrum.

In fact, the general level of opposition we found in our hearings was also evident in a recent conference on industrial change and public policy sponsored by the Federal Reserve Bank of Kansas City.

While my initial involvement in this issue began with a genuine interest in policy which could enhance cooperation and coordination, I am now convinced by careful study that the adoption of an industrial policy, as advocated by some, would be one of the worst economic directions our country could choose.

THE BURDEN OF PROOF HAS YET TO BE SHOWN

The one major point I would like to leave with the subcommittee today is that in my view it is the advocates of industrial policy that have the high burden of proof. It is their responsibility to show that such a drastic change in course is needed from current economic and Government policy.

Indeed, it is my belief that the problems that advocates attempt to address do not warrant a grand new design. Industrial policy or other economic theories can never substitute for a competitive economic environment and a sound macroeconomic program.

To date, one of the reasons industrial policy has generated so much interest is that it generally remains undefined. I would agree with a recent New York Times editorial which said "It's an ideal in search of definition. Until defined, it's just a slogan."

Having studied the industrial policy issue now for several months, I would like to discuss several reasons why I believe the core components frequently advocated for an industrial policy are flawed.

Last week members of the House Banking Subcommittee on Economic Stabilization introduced legislation which would provide for a council on industrial competitiveness and for a bank for industrial competitiveness.

This week the Senate Democrat Caucus endorsed an industrial policy proposal which would have a council on economic competitiveness and cooperation.

While the objectives of both plans are worthy, I believe the means which they use to achieve the ends are doomed to failure. Indeed as Dr. Charles Schultze, former Chairman of the Council of Economic Advisers in the Carter administration, told the Joint Economic Committee last month: "Getting America's monetary and fiscal policies in order is far more important for the health of the Nation's industrial structure than any conceivable set of new industrial policies."

Because many industrial policy proponents emphasize the objectives of their plans rather than discuss the intricacies of how industrial policy would work in practice, a closer examination of the essential parts is necessary.

ECONOMIC COMPETITIVENESS AND COOPERATION COUNCIL—OR SOMETIMES REFERRED TO AS THE COUNCIL ON INDUSTRIAL COMPETITIVENESS

The intent of an ECC, as I understand it, is to develop consensus for strategy between business, Government, and labor on areas where direct and indirect Government assistance can be targeted.

The result, I believe, would dilute or even take away the competitive process of the marketplace.

Let me focus on six major concerns that I have.

One, an ECC, as I understand it, carries with it a presumption that those in Washington have the ability and can agree on policies to make the major structural changes occurring in the economy less disruptive.

I do not believe it has ever been shown that the best and the brightest are all here in Washington. Establishing some permanent council would give false hope to those in the private sector about the Government's ability to solve most of our economic problems.

Two, businesses, instead of attempting to deal with their problems in the private sector, would tend to rely on and, inevitably strongly lobby the ECC for assistance.

I believe businesses would have a tendency to become even more oriented toward short-term goals as they attempt to control the political process to extract concessions beneficial to their industry. The hard decisions in the board rooms, offices, and work places across the country would therefore have a tendency to be diverted to Washington.

Three, the creation of a council would institutionalize this Government assistance process.

I would go so far as to analogize it to the lessons we have learned from the entitlement program formula. Once the Government giveth, it is more difficult to take back what it gave away. The advocates of industrial policy fail to address the issue of how to withdraw public support once it is no longer needed or desired.

In the past the private sector has had to come to Washington on an individual basis to argue the merits of their claim for Government assistance. Certainly there has been and will be special circumstances within the economy which may need to be evaluated case by case, but these instances of Government intervention should be rare. The need in those situations, in my view, should be based upon the unique merits of the circumstances and in each case, the benefits must be carefully weighed against the costs.

However, the creation of an ECC would institutionalize that entire process. Businesses around the country would turn to the institution or council on perhaps a regular basis for assistance. In fact, I can envision a special telephone hotline being established by businesses or labor groups so they can have direct contact to the council offices here in Washington whenever they feel they need assistance.

Charles Schultze, Chairman of the Council of Economic Advisers during the Carter administration, recently illustrated this point in an interview with the Christian Science Monitor:

> We have an Economic Development Administration, set up to help depressed areas. By the time the EDA got through Congress, a little more than 80 percent of the counties in the United States qualified as depressed areas.

It is not difficult to see a similar result occurring under many of the industrial policies now being proposed. Additionally, I contend that such a council would make economic policy more rigid by centralizing the decision and planning making process, instead of making economic policy more flexible as intended. This would be occurring at a time when the country is becoming more decentralized.

Four, the proposed composition of the council would undoubtedly be very undemocratic and elitist. It would put the decisions in the hands of a few and take them away from individual decisionmakers in the marketplace.

Certain special interest groups would be favored. Big would have an advantage over small. That is big business, big government, and big labor, for it is the big enterprises which have the capacity to establish government, regulatory, and legal departments to attempt to deal with the Federal Government.

Really the only way to make such a council truly democratic is to establish a board the size of Congress. Yet creating a council that large would cause it to attempt to do the job of the Congress. The fact that no council would be truly representative of all the economic actors is an inherent defect in this proposal.

Furthermore, an ECC would not be directly accountable to the electorate or the Congress. Since many Members believe the Federal Reserve Board is not as responsive to the people and Congress as they would like, is there any doubt they too would have similar problems with an ECC?

Five, a politicization of the process would result as political judgments would be substituted for economic ones.

I believe that the 1951 findings of the Senate Banking and Currency Committee investigating the Reconstruction Finance Corporation are indicative of what would occur. Senator Fulbright, chairman of the Senate Banking Subcommittee on Reconstruction Finance Corporation, then stated that:

> There's been a large number of instances in which the Board of Directors of the Reconstruction Finance Corporation has approved the making of loans over the adverse advice of the Corporation's most experienced examiners and reviewing officials, notwithstanding the absence of compelling reasons for doing so and the presence of convincing reasons for not doing so.

Indeed, the Senate report stated that the Reconstruction Finance Corporation:

> Thrusts money on the proprietors of roadside snake farms, cultivators of cactus plants for sale in dime stores, dental clinics, paperboard maker, * * * a rainbow trout factory, and some very devious fellows who wanted to be concessionaires for the roulette room in a Nevada hotel.

Six, and finally, I doubt that the required council consensus that would be needed to propose strategies is realistically achievable under some policy options.

The United States is very diverse and is not as homogeneous as many other nations. This is particularly true of Japan, which is often cited as a model our country should follow for some forms of industrial policy. Diversity is a strength of our economy that we should promote rather than attempt to subdue with ill-conceived micromanagement policies.

INDUSTRIAL DEVELOPMENT BANK—SOMETIMES REFERRED TO AS A BANK FOR INDUSTRIAL COMPETITIVENESS

My strongest opposition to industrial policy is over those proposals which would create an industrial development bank.

The effect of an industrial development bank would be to rearrange capital market funds. This proposal suggests that the Government has an ability to allocate funds better than the capital markets.

But capital markets are extremely efficient. Funds flow quickly in response to rates of return. I believe any attempt by the Government to rearrange credit allocation would have an adverse impact on the economy as a whole. It would reduce economic pro-

ductivity growth and technology innovation by channeling funds away from profitable dynamic firms and into inefficient firms that are a drag on the economy.

The key point here is that whenever the Government invests in a project it is not creating credit, but taking it away from other uses in other, usually more efficient, markets.

First, advocates of the industrial development bank misunderstand that the problem plaguing capital markets is not an allocation problem, rather it is a problem of not enough capital. Sound tax and economic policies to promote savings and investment will do infinitely more for the economy than any so-called industrial development bank.

Policies should concentrate on increasing our country's savings rate and maintaining a noninflationary economic environment. Inflation reduces the value of savings and thereby encourages consumption.

A bank, like the Reconstruction Finance Corporation, will not generate more savings for investment since it is only dealing with the existing pool of capital within the economy.

In fact, the claim by some advocates that their industrial policy proposals would not pick winners and losers is naive. By virtue of controlling the allocation of large sums of credit within the economy, the bank is indeed an allocator of credit favoring in a very special way certain firms over others.

The second problem with capital markets is that there is not enough private sector investment in long-term risky investments.

Again, we don't need to institutionalize an industrial development bank to address this problem. The means already exist to improve our capital markets. I would like to suggest a couple of these alternatives.

Joint research and development ventures should be encouraged to enhance U.S. international competition and technological innovation. This would permit firms in the economy to overcome problems together which individually they would not be able to address. In this regard, and as a member of the House Judiciary Subcommittee on Monopolies and Commercial Law, I have introduced H.R. 3975 to encourage joint research and development ventures by providing limited antitrust protection to those ventures.

The Congress should encourage private investment in the research and development process. Among many proposals which should be considered include making the R&D tax credit permanent. H.R. 3031, of which I am a cosponsor, would help to achieve this end.

The long-term capital gains tax should be reduced to encourage business expansion, long-term investment, and high growth.

The Tax Code should be made more rational so that investment decisions are made for economic and not tax reasons.

These are just a few suggestions which would go a long way toward improving the efficiency of our capital markets and the research and development which is done in the United States. The main point is that we do not need to institutionalize a bank to address the problems in capital markets.

Even if the Congress created the bank, I would go so far as to say that the problems will still be with us until we look at the tax laws and other policy proposals which I have mentioned.

Finally, a point that cannot be overlooked is that even if it could be argued that an industrial development bank would provide benefits to certain industries, we cannot overlook the impact it would have on other industries. This is where the major failing of such a bank would occur. For in subsidizing certain industries, it will be at the expense of those that are not subsidized. The unsubsidized will effectively have a tax imposed upon them as they will be at a disadvantage in obtaining capital.

STRESS ECONOMIC FUNDAMENTALS TO FOSTER THE COMPETITIVE PROCESS

From the hearings which the Joint Economic Committee has held on industrial policy, the conclusion is clear. Promoting economic growth is best achieved by fostering a competitive environment, not by an industrial policy.

In my view, the Government has an obligation not to interfere with the economy but rather to stress the economic fundamentals. This includes legislation that would increase the pool of savings and the pool of technical knowledge through research, improve the quality of education, improve our technically trained labor force, reduce the size of the deficit, and reform the Tax Code so that production is encouraged. Stressing the basics does not require an economic cooperation council nor an industrial development bank.

In focusing on our fundamentals we must concentrate on our unique strengths—not those of another nation. The real strength of U.S. economy lies in its diversity and flexibility. A competitive economy and open trade has been the driving force behind much of our economic growth. Our focus must be on enacting policy which increases competition domestically and internationally.

If we can achieve these fundamental objectives, the consumer and producer will be given the competitive environment where economic growth can best occur. This means more jobs and a higher standard of living.

I would also suggest that industrial policy proposals begin to take on an element of greater risk now that the economy is improving.

One final point, Mr. Speaker. While there are other objections to an industrial policy which one could raise, nonetheless I would reiterate my belief that it is the industrial policy supporters who must bare the heavy burden of proof. The responsibility rests on their shoulders to show that the industrial policy they advocate will put us on the path of economic growth better than the private economy is doing right now. I am doubtful that such proof can be demonstrated.

THE JAPANESE EXPERIENCE WITH INDUSTRIAL POLICY

It is understandable that with the rampant inflation of the 1970's and the resulting unemployment of the 1980's has caused a revolution in our economic thinking. We are seeking answers not only from within, but solutions from entirely different cultures which challenge our traditional relationship between Government and business.

The country most responsible for our new position in world trade and most exemplary of our search for new answers is Japan. It is commonly believed that the Japanese economic success over the past 20 years is due to a Japanese industrial policy, whereby the Japanese Government has exerted considerable control over the private economy. This Japanese industrial policy is, supposedly, responsible for Japanese supremacy in certain industries, most notably, autos. It is also supposedly responsible for providing the Japanese with a relatively noninflationary economic growth that is the envy of all developed countries.

However, as American scholars have investigated Japanese industrial policy there is increasing evidence that there is more myth than reality to America's view of how the Japanese run their economy.

These are crucial questions because the industrial policy described by advocates in this country is far different socially, politically, and economically from the history of the United States. Advocates are fond of saying that the United States already has an industrial policy and they just want to extend it a little. Let us not kid ourselves: The similarity between our present so-called industrial policy and the one described by advocates today is slight and illusory.

Because Japan is the glorious example of industrial policy to be followed by the United States, it is vitally important that we separate myth from reality concerning Japanese industrial policy. There are decades of economic performance riding on whether or not we should establish an industrial policy.

One of the hearings of the Joint Economic Committee which I had the

opportunity to chair was entitled, "Japanese Industrial Policy: Lessons for America."

What we were able to learn in this hearing is that while many industrial policy advocates cite Japanese industrial policy as the primary source of its industrial success, sound macroeconomic policy, including promotion of savings and competition is the real key to Japan's success.

As it turns out, Japanese Government economic plans are mostly projections of growth and "visions" for the future. In the 1950's the Japanese Government did play a major role in allocating resources, but that was mostly to help the reconstruction of its war-ravaged economy.

In this hearing we heard testimony from four expert witnesses who argued that Japan is not a planned economy, as many believe. In fact, the ratio of Government expenditures to GNP in Japan is one of the lowest in the world.

Two of Japan's major successful industries—automobiles and consumer electronics—were not initially targeted by MITI and have not been recipients of substantial Government aid. In fact, most Japanese growth has been due primarily to risky, but successful private investment, with Government's major role being that of providing a sound "environment" for savings and investment.

Indeed, Prof. Hugh Patrick, professor of Far Eastern economics at Yale University, best summed up the concerns about the United States following the Japanese industrial policy experience when he told the Joint Economic Committee:

[M]y lessons tend to be cautionary. First, I would urge that American policymakers beware of facile generalizations about the nature and effectiveness of Japanese industrial policy. In my judgment, the industry-specific industrial policy has had a useful, but has not been the central, role in Japan's economic success. It has made less of a policy contribution than macroindustrial policy or aggregate demand policy.

Second, it is even less clear whether Japanese-style industrial policy, in its historical or especially its current manifestation, is appropriate for the United States. In what ways and to what extent can an industrial policy system be incorporated into the ideology of the American economic policy and help achieve these basic goals, and also fit into the existing panoply of policy instruments, institutional arrangements, and governmental administrative structure?

Third, what I have termed "macroindustrial policy" has made a significant contribution to Japanese growth: General tax incentives for business to invest productively and to engage in R&D and for families to save, and the development of a highly effective public education system.

Fourth, it is easier for a nation to pick potential future winners when it is a follower. The United States is at the technological frontiers. No other countries are ahead of us to emulate. I am skeptical as to whether American Government bureaucrats or scholars or other experts can judge better than the marketplace what the industries of the future should be. As I have just stressed, more general policies such as support of R&D, improvement of educational systems, and general incentives for investment and saving, will probably be more effective in enhancing sustained economic growth than specific Government support of specific new industries.

It seems to me that the ultimate irony would be if the United States would try to model an industrial policy based on that of Japan now that Japan is relying less and less on the Ministry of International Trade and Industry.

Mr. Speaker, so that the record can be made clear on the lessons we can learn from Japanese industrial policy, I would like to insert into the RECORD at this point an interview with Dr. Hugh Patrick on Japanese industrial policy which appeared in the Manhattan Report, October 1982.

I would also like to insert into the RECORD a chart showing the job creation in six major western industrial countries. While I am encouraged by the significant drop in the unemployment rate which has occurred in the last year, with the unemployment rate dropping from 10.8 percent last December to 8.8 percent last month, none of the other countries have matched U.S. job creation during the past decade.

In fact many of the nations in the chart I am inserting have forms of industrial policies which proponents are suggesting we adopt. I think the record speaks for itself that if the bottom line in industrial policy is job growth, industrial policy faired poorly in those countries where it has been practiced. This is the strongest point I believe that can be made in questioning whether the promises made by industrial policy advocates are more than just promises.

The interview with Dr. Patrick and the chart follow:

[From the Manhattan Institute for Policy Research, Manhattan Report, October 1982]

THE JAPANESE ECONOMIC MIRACLE: AN INTERVIEW WITH HUGH PATRICK

Mahattan Report—Is Japan an example of a successfully planned economy?

Hugh Patrick—Japan is not a planned economy in the sense of the Communist bloc nations. Most resources in Japan are allocated through the private sector; and their government is small relative to other advanced industrial nations. The government owns very little of the means of production.

Japan has had five year economic plans, but they were "indicative." They were essentially projections of what the government thought the growth rate of the economy was going to be. They were used to help the state formulate its macroeconomic policies and budget priorities, such as how much the Ministry of Transportation or the Ministry of Construction could likely plan on spending, and so forth. The five year plans did not set specific industry targets, nor were they binding on the allocation of public or private sector resources.

MR—How about the "industrial policy" of the important government bureaucracies, such as the Ministry of International Trade and Industry (MITI)?

Hugh Patrick—The essence of Japanese industrial policy was the selection of industries or groups of industries to receive differentially favorable or unfavorable tax, finance, or technology import treatment, etc., relative to other sectors, giving them a leg up in the market place.

On the broad sectoral level, it is clear that during the fast growth period, roughly from the mid 1950s to the mid 1970s, Japan consciously allocated resources not to housing or consumer credit, but to business; and particularly to certain big businesses. Agriculture, which was a lagging, not a leading, growth sector, also received special help. During this period in the U.S., on the other hand, we allocated resources to aerospace and defense, to agriculture, and to housing—the latter through the favorable tax treatment of mortgage interest payments. So, in this sense, the U.S. also made "industrial policy" decisions, although our priorities were different.

You must keep in mind the profound difference in the position of the American economy versus that of Japan or Germany at the end of the war, Japan was devastated, in desperate straits. They knew that reconstruction of their industrial base had to have priority; reaping the fruits, in terms of more and better housing, would have to come later. Also, having lost the war and their empire sacrifices could be asked of everybody.

We must also distinguish between the broad support government policy gave to all industry, such as import quotas and tariff protection for manufactured products, and the differential advantages to specific, targeted industries.

MR—Did Japanese manufacturing firms grow through exploiting the domestic market, or were they export oriented from the start?

Hugh Patrick—One of the misunderstandings about Japan is the role of foreign trade. Japanese exports as a share of their GNP are really quite low—12 or 13 percent—compared to the European Common Market countries. Almost every industry that has grown in Japan grew initially in the domestic market. Some of them achieved sufficient strength to compete in world markets, but that came later.

MR—That sounds like the American pattern in the late 19th century and early 20th century.

Hugh Patrick—That's right. We take for granted the free trade environment in the post World War II era; we forget our own very extensive history of protection for manufacturing enterprise.

To return to Japan in the high growth period, one may say that the planning bureaucracy, such as MITI, aimed mostly to identify and favor industries it perceived as future "winners", though to some extent it also helped "losers" to "rationalize." The two losers in the mid 1950's and 1960's were cotton textiles and coal mining. They continued to protect these industries from imports. But oil was allowed to replace coal in many cases; and textile firms were encouraged to scrap some spindles and move into synthetic fibers and other materials.

In other industries where an "excessive" number of firms developed, the government attempted to encourage mergers. The auto-

mobile industry is an excellent example. But the remarkable thing was that the government's policy was a failure. They did not succeed in bringing about industrial consolidation nearly to the extent that they hoped to do. And in retrospect, it was probably wise that the industry was allowed to evolve on its own. Certainly the idea that the market was saturated proved, in retrospect, to be in error. There are now some half-dozen major automobile firms in Japan.*

The automobile industry is a very good example of a non-strategic industry that grew *without* differentially beneficial or unique government favors. Like virtually all industries it grew in a protected domestic market because the demand for automobiles grew; and then it began to penetrate international markets.

For that matter, the consumer electronics industry was never selected by the government as a priority industry, either.

MR—But these two industries are the ones we in America virtually identify with the competitive threat posed by "Japan, Inc."

Hugh Patrick—The Japanese government did favors for every industry, and there were many industry-specific tax benefits, accelerated depreciation measures, etc., that existed also. But neither automobiles nor consumer electronics got really special deals. And domestically, competition in these industries was strong. A lot of firms could and did enter, and many were shaken out. As a whole, they grew very well outside of MITI's industrial policy.

The steel industry, on the other hand, was one of the favored few. But here too, the industry grew primarily in a domestic setting, although Japanese firms did export maybe a fifth of their output to Southeast Asian countries. It wasn't really until the late 1960s that the steel industry could compete internationally, particularly in America and Europe.

MR—Did industrial policy aim ultimately at creating export industries? Did the government attempt to foster monopolies among their favorites?

Hugh Patrick—No. I think the general strategy of industrial policy was to identify industries regarded as important for the domestic economy and then nourish their growth. But within the context of special measures, and given the import protection umbrella, the government did foster or create a number of firms that could compete with each other to reduce price, improve quality, innovate technologically and so forth. Take petrochemicals, for instance. Instead of allowing one firm to develop multiple plants, MITI would insist that new firms be set up, quite often as subsidiaries of companies in related chemical fields. The aim was to have four or five competitors, rather than just one huge firm.

MR—This seems to be a different pattern than the one pursued by many developing countries enamored of planning, where specially favored import-substitution industries are state monoplies.

Hugh Patrick—Most countries that have pursued import substituting industrialization have been much less successful than Japan. They have been content to stay behind their protected domestic market, but without the vital internal competitiveness that existed in Japan. Another difference has been that when the Japanese industry became reasonably strong in a global context, the special trade protections and government incentives have been removed.

I'd like to add here that we mustn't think Japanese planners picked winners flawlessly. The government tried to develop some industries that failed, or at least did not succeed all that well; and we tend to forget about these. Commercial aircraft and shipping are good examples. The private, commercial banks were not willing to follow government leadership, because they did not see great profit opportunities. Banks were willing to follow the government's strategic industry policy when they saw great prospects. But simply because the government laid its blessing on an industry, or made funds available to it, did not mean that the banks would follow. And they were not required to follow. The credit allocating mechanisms of the Japanese were much freer, looser, and market-oriented than some writers about Japan imply.

Indeed, looking at Japanese industrial development as a whole in the postwar period, I think the predominant source of its success was the entrepreneurial vigor of private enterprises that invested a great deal and took a lot of risks. The main role of the government was to provide an accomodating and supportive environment for the market, rather than providing leadership or direction. Unquestionably, government planning bodies were important in a few industrial sectors, but not in many others, which flourished on their own. That's why I have always felt that, when looking at Japan, the real question is, what made entrepreneurs so willing to invest so much, so willing to take so many risks?

After all, it is not as if the government guaranteed the existence of all firms, or even those in the favored sectors. When an industry is in trouble because of a recession, or because of structural difficulties, they will try and help it over the rough spots. But not everyone will continue as before. They do not guarantee specific firms. If a particular firm makes bad decisions they are willing to let it go down the drain.

MR—Does, or can, Japan pursue industrial policy as it used to?

Hugh Patrick—The situation is quite different than it was ten or twenty years ago. There are many more interest groups in the political process to be satisfied. You cannot ask people for the same types of sacrifices.

Another point is that when Japan was a follower nation catching up, it could look to the U.S. for a model of what its future industrial structure might be. The future is now much more uncertain; it is harder to pick who will be the winners ten or twenty years down the road.

Moreover, Japanese firms in many industries now face competitive threats from the rest of the world, and they must pay attention to the problems of adjustments even more so than in the past.

In some textiles, for instance, Japan is facing stiff competition from the developing world. And in any energy-intensive industry, such as petrochemicals, pulp and paper, aluminum, etc., the future is not bright at all.

Finally, Japan is no longer the protected market it once was. The domestic market is open to imports, which implies relatively less ability on the part of government to channel investment through trade policy, or, as in the days of adverse trade balances, through control of foreign exchange.

MR—On the other hand, the government, in tandem with business, some argue, is gearing up for a major assault in the high technology areas, like computers.

Hugh Patrick—The government clearly encourages research and development (R&D) through tax policies and other measures, though much less through direct government spending than in America. The lion's share of our R&D is defense related, and they don't have that. A far greater proportion of their R&D goes to commercial purposes.

On this computer business, I would be a little wary. The government may end up spending a great deal, and it may be to ultimate good effect for Japanese industry. But even if this happens, one will be unable to conclude that the government had been the indispensable, vital factor. After all, the amount that the private sector spends on its own is not unrelated to what the government spends. Just because the government spent it would not mean if they didn't, the private sector would not have.

What we can learn from the Japanese is the importance of thinking through long-run strategy about how a society and an economy should develop; and the importance of fostering a set of institutions and policies within which entrepreneurs can operate, investors can invest, and, in general, the economy can grow. With growth, problems of unemployment do not loom so menacingly, and paying for the problems of growth is much easier.

I think that is the essence of what might be called supply-side economics, Japanese style: to provide greater inducements for savings and investment, research and development, and technological innovation; and to keep government macroeconomic activity within reasonable grounds accordingly. We seem to be groping for some American equivalent.

The Japanese are, however, very pragmatic about economic policy and do not believe very much in the invisible hand. That's why there is much greater tolerance for positive intervention and leadership, although the government does not try to command too many resources for its own use, or crowd out private investment, as it were. The Japanese, for instance, distrust so-called "excessive" competition, and tend to be quicker generally than Americans to seize upon "market failure" as a reason for government intervention.

MR—Quicker than Americans? That's hard to believe.

Hugh Patrick—On the other hand, their understanding that the world is the relevant market, and not Japan, is a big practical difference in their attitude toward antitrust and giant enterprise.

MR—Would you attribute low levels of government spending on social programs, or defense—or budget balancing—as a positive growth factor?

Hugh Patrick—In the rapid growth era until the early 1970s, private sector dynamism was so strong that the government's role was more to restrain demand than to stimulate it. It opted for small government—little on defense (for other very sensible reasons) and social welfare and a balanced budget. It was a classic case of relatively tight budgets and relatively easy money.

The story has been very different since the first oil shock. Private saving continued at a very high rate while business investment slowed. Once the inflationary surge of 1973-74 was brought under control the government engaged in a very stimulative fiscal policy, with budget deficits much greater than those in the United States. At the same time it tackled problems not handled

*See *The Entrepreneur*, p. 12 *infra*.

in the high growth era, notably social welfare, pollution control, and housing.

It is not widely known that since 1970 there has been a substantial increase in government spending in social welfare areas: its share of GNP doubled, rather quietly, from about 5 percent to about 10 percent. Since the U.S. share is around 12 percent, the Japanese are now approaching our level.

They have had national health care programs for a long time, and there are of course arguments that the money is squandered inefficiently, that doctors grab too much, and so on, just like in this country. The real increases have been in old age benefits, particularly as they are linked to the cost of living, as the population has begun to "age." This social security problem in Japan has been causing great anxiety about the future. In fact, the debate is remarkably similar to the one here.

MR—Are they concerned about the effect government old age programs have on the amount of money individuals save from their current income, and the ramifications for capital formation?

Hugh Patrick—There has been less immediate concern about these issues since Japan has extraordinarily high savings rates, but some thoughtful specialists are worried about such possibilities in the longer run.

My impression is that the U.S. personal savings rate as a percentage of disposable income has not varied a great deal over the last century, but has been fairly stable at around 7 to 8 percent. Japanese savings rates before the Second World War were probably on that order, although we do not know exactly. Only since the late 1950s has their savings rate taken off. In 1974 it reached a peak of 24 percent, though it is now about 17 or 18 percent. Yet no one is certain what accounts for these extraordinary numbers. Some argue that the high cost of housing and poor mortgage credit markets have forced people to delay housing purchases and to save to meet high down-payment requirements. Another contender is the strong value put on savings for ones children's education; another contender is the need to save for ones own retirement. But the exact reasons and their relative importance have not been sorted out.

MR—How about taxation?

Hugh Patrick—The total tax taken out of Japanese personal income is substantially less than in the U.S. There are large exemptions, so that perhaps 30 percent of the population don't pay any income taxes. Interest income on up to $15,000 of savings deposits is exempt from tax and considerable evasion is tolerated; dividends and capital gains are taxed preferentially from the taxpayers' standpoint. After that, the system is actually quite progressive, with the maximum rate 70 percent.

MR—What lesson, in sum, do you think we should learn from Japan's impressive growth?

Hugh Patrick—I don't think there is any one simple lesson. Nor would it necessarily be easy or even wise to import their ways of doing things, not at least without careful adaptation to our very different culture.

Nevertheless, I do think it is very important that we develop here a longer perspective on economic policy, and adopt a more consistent set of measures conducive to investment, entrepreneurship, and economic growth.

JOB CREATION—CIVILIAN EMPLOYMENT FORCE (THOUSANDS) [1] APPROXIMATING U.S. CONCEPTS

Years	United States		Japan		France		Germany		Great Britain		Italy	
	Jobs created	Percent increase	Jobs created	Percent increase	Jobs created	Percent increase	Jobs created	Percent increase	Jobs created	Percent increase	Jobs created	Percent increase
1960–69	12,124	18.43	6,200	14.29	1,640	8.78	80	0.31	810	3.50	−1,130	−5.63
1970–79	20,146	25.60	3,900	7.77	800	3.93	−640	−2.45	520	2.18	1,010	5.29
1970–82	20,848	26.49	5,480	10.93	[2] 660	[2] 3.24	[2] −1,050	[2] −4.02	[2] −1,230	[2] −5.17	[2] −1,310	[2] −6.86

CIVILIAN LABOR FORCE (THOUSANDS) APPROXIMATING U.S. CONCEPTS

Years	United States		Japan		France		Germany		Great Britain		Italy	
	Jobs created	Percent increase	Jobs created	Percent increase	jobs created	Percent increase	Jobs created	Percent increase	Jobs created	Percent increase	Jobs created	Percent increase
1960–69	11,106	15.95	6,020	13.64	1,800	9.48	−30	−0.11	1,050	4.45	−1,200	−5.78
1970–79	22,191	26.81	4,480	8.83	1,670	8.01	0	0.00	1,190	4.85	1,260	6.41
1970–82	27,433	33.14	6,250	12.32	[2] 2,090	[2] 10.03	[2] 380	[2] 1.44	[2] 1,170	[2] 4.76	[2] 1,770	[2] 9.01

[1] Calculations based on raw data obtained from the Bureau of Labor Statistics, U.S. Department of Labor.
[2] Preliminary estimates based on incomplete data.●

● Mr. McKERNAN. Mr. Speaker, in the wake of our economic problems, there have been renewed calls for the development of a national industrial policy. The contention is that Government involvement will restore the competitive edge for American business. Obviously, proponents of this theory have failed to look at the whole picture. It is Government intervention and policies that have caused many of the problems currently being experienced by industry.

In my opinion, it is neither necessary nor desirable to expand Government power or increase Federal spending to revitalize industrial growth. To the contrary, the best thing that we can do for industry is to relieve the Government regulatory burden and improve the economic climate through such means as simplifying the tax system, reducing the number of business-oriented Federal regulations, cutting the Federal deficit, and curbing Government lending. These arguments are persuasively made in an article that was written by Murray L. Weidenbaum, former Chairman of the President's Council of Economic Advisers and current Mallinckrodt professor at Washington University. I would like to submit Mr. Weidenbaum's article for the RECORD, and I urge my colleagues to review it.

INDUSTRIAL POLICY IS NOT THE ANSWER

(By Murray L. Weidenbaum)

(Government intervention discourages private business and weakens our manufacturing base. Why not just simplify taxes, grant regulatory relief, reduce deficit financing, and curtail government lending?)

As predictable as spring crocuses, please for an "industrial policy" to combat high unemployment and restore the health of the American economy are now sprouting. By guiding investment into growth areas and out of declining markets, a new federal industrial policy supposedly will restore the competitiveness of American business at home and abroad. But, as I tell my students regularly, you often have to preserve the private enterprise system from the contrary actions of individual entrepreneurs.

What is especially disconcerting is the number of business executives who are joining in this chorus for more governmental intervention. These are men and women who normally champion private enterprise and oppose a bigger role for Uncle Sam in business decision-making.

SHORTCOMINGS OF EXISTING INDUSTRIAL POLICY

To begin with, it is important to realize that we already have many government policies which affect industry in important ways—and which have in large measure contributed to the difficulties now being faced by the American economy. In the main, of course, these impacts are side-effects of laws designed for other purposes. There are many examples—policies to provide a more equitable tax structure, to reduce the inequality of the distribution of income, to enhance the quality of life, to improve the physical environment, and so forth.

Most of these policies ignore or at least take for granted the needs and operations of the private enterprise system by focusing on noneconomic and social goals. Intentionally or not, the result of these policies, in the main, has tended to be in one direction—to weaken the basic condition of the manufacturing sector of the economy.

This influence on the fundamental structure of American industry, as a result of government policy, can readily be seen in the larger manufacturing companies as they shift increasing portions of their work force

away from the creative and productive areas of business such as research and development, manufacturing, and marketing. This shift has resulted in an increase in the overhead functions—legal activities, accounting and finance, public affairs, and government relations. For the individual firm, this change may be an essential way of responding to pressures from government agencies and self-styled public interest groups with noneconomic orientations. But the effect on national productivity can only be negative.

Moreover, this change is compounded by the metamorphosis of the traditional functions. Business research efforts are now being reoriented to please the regulators. Thus, "defensive" research is now becoming a major mission of industrial laboratories. Similarly, "reverse distribution" has become a new marketing function: that is when business gears for and, on occasion, carries out product recalls. The ultimate effects of these responses to government dictates go far beyond the immediate compliance expenses. Often, they contribute to the problems which spur the current calls for reindustrialization.

If we overlook these structural responses to existing government policy, all that is visible in the short run are the pleas for bailouts, subsidies, and other special assistance from the companies that are most severely affected by the governmental burdens imposed on American industry. But, on reflection, the willingness of government to bail out a Lockheed or a Chrysler is not surprising. That is the price that Congress is willing to pay to avoid dealing with the underlying industrial problems that arise from the present pattern of governmental intervention in the private economy.

WHY BRING BACK THE RFC?

A focal point for the current advocates of industrial policy is the proposed reestablishment of the Reconstruction Finance Corporation (RFC). Let us take a detailed look at that idea. As we may recall, that federal agency was a creature of the Depression of the 1930s which grew rapidly during and following World War II. Those with short memories may think well of that government enterprise. But a review of its activities is instructive for today's situation.

Under the original act passed in 1932, Congress granted the RFC very modest lendingpowers limited to railroads and financial institutions. During the next six years, however, the agency's authority was steadily broadened. By 1938, it had the power to buy the securities of any business enterprise. The RFC had become an extensive corporate bail-out agency in the form of a government-sponsored investment bank. Attention is usually focused on the contributions that the RFC made during the Depression and World War II. Nevertheless, most of its loans to business were made in the postwar boom period of the late 1940s and early 1950s.

The statutory criteria for loan approvals were extremely vague. As we would expect, Congress stipulated that the RFC should extend loans only for purposes that would serve the public interest. By 1949, rumors circulated that connections with influential people in Washington were often the real basis for gaining loan approvals from the RFC. Subsequently, Congressional hearings disclosed numerous examples of favoritism and corruption in the granting of RFC loans. Finally, in 1953, Congress ended the life of what was by then a discredited agency.

There is indeed much to learn from the operations of the RFC. Its history shows that government subsidy of business encourages and perpetuates a misallocation of resources. The agency's loans included such "high priority" ventures as distillers, brewers, drive-in theaters, hotels, motels, and bars. The RFC experience also demonstrates once again that government programs develop a life of their own and persist long after the problems for which they were created have been solved.

Variations on the negative theme of focusing on the "losers" are not limited to the notion of bringing back the RFC. Some would attempt to stop economic change by dealing with the so-called "runaway plant problem." Their response is to make it extremely difficult and costly to move or close down an industrial facility. This "King Canute" approach ignores the reasons why companies are forced to take such actions in the first place. So frequently those plants have lost their competitiveness due in large part to the government policies advocated by the same groups that now support legislation against runaway plants. Such proposals also overlook the negative signals that this policy would send out to any company considering building a new plant in a region that has adopted restrictive legislation (and a few states already have done so).

Close cousins of this negative approach are proposals to "protect" various industries and markets from foreign competition and to inhibit American investments overseas. None of these approaches would lead to a more productive or more competitive economy. They often would shelter companies and localities from their own mistakes.

A POSITIVE APPROACH

All this, however, need not lead to a "do nothing" approach to the serious economic questions that face the United States. There is a growth strategy that involves no expansion in either government power or federal spending. Its elements are basic—tax simplification, regulatory relief, lower deficit financing, and curtailed government lending. In each of these areas, much needs to and can be done.

The 1981 tax reductions were surely welcome. But the sad fact of the matter is that the tax code is far more complicated today than it was just a few years ago. To anyone who has ever tried to fill out the tax forms for a small company, it is clear that simplification is not just a pleasant thought but a vitally important need.

Similarly, the regulatory relief effort has accomplished much in reducing the burden of new rules. But fundamental improvement can come only from revising existing statutes that mandate unreasonable burdens of compliance, such as the "zero discharge" goal of the Clean Water Act and the "zero risk" provision of the Delaney Amendment to the Food, Drug and Cosmetic Act.

Furthermore, it is ironic to contemplate the numerous industrial policy proposals for funneling federal funds to "worthy" private investment areas at a time when the federal government is running budget deficits of $200 billion a year. The most effective way to increase private capital formation is just the reverse of the RFC approach; it is to reduce the federal drain on private saving represented by massive deficit financing.

Finally, federal lending programs are a classic example of robbing Peter to pay—or lend to—Paul. They do nothing to increase the pool of private saving. But they do reduce the amount available in the private market.

The most effective strategy for encouraging economic growth is no secret. It is to reduce government barriers and achieve a better functioning market economy. However, the approach I am advocating is not accompanied by any guarantee. In a truly dynamic, competitive economy, we do not know in advance where the new product break-throughs will occur. And the benefits will not be evenly distributed. But we do know that society as a whole will be better off, since it is likely that most—but not all—industrial workers and employers will enjoy higher real incomes and living standards. Surely the positive types of industrial policy are designed to enhance productivity, capital formation, and international competitiveness. The negative approaches are all adverse to these key economic goals.

PLANNING—PRIVATE AND PUBLIC

Much of the current talk of a comprehensive industrial policy smacks of national economic planning. The rekindled interest in such an approach is due to a simpleminded analogy with planning techniques in private business. But to talk about "corporate planning" and "government planning" in the same breath disregards the fundamental distinction between members of a society forecasting and reacting to the future, and the government of that society trying to regulate or control it. Corporate planning is necessarily based on attempting to persuade consumers to buy a firm's goods or services. In striking contrast, the government is sovereign, and its planning ultimately involves the use of its power to achieve the results it desires.

When we look at the operation of centralized economic planning adopted by market-oriented, non-Communist nations, we find that these planning systems have shifted the focus of private enterprise even further away from dealing with market forces and consumer demands, toward reaching an accommodation with an ever more powerful government bureaucracy.

Under an American version of centralized economic planning, a company might find it desirable to shift resources from conventional marketing activities to convincing the government to adopt more generous production targets for its industry. Thus, there might be less payoff from traditional consumer market research than from new efforts to persuade the government to treat the industry more favorably. Such public sector "marketing" activities would be a low priority use of business resources from the viewpoint of society as a whole. Yet, given the incentive of any organization to grow and prosper in the environment it faces, this result would not be surprising under a system of strong national economic planning and centralized decision-making.

A cynic might conclude that the optimum amount of change in industrial policy is zero. That is, the positive approaches that I have advocated may not be adopted and the negative approaches that involve further government intervention may turn out to be more popular. But I remain a patient optimist, hoping that some modest contribution to a more productive and competitive industrial structure will result from the renewed interest in facing the nation's economic problems.

(Murray L. Weidenbaum is Director of the Center for the Study of American Business at Washington University in St. Louis, and former Chairman of the Council of Economic Advisers. This article is based on his remarks at the Second Wharton/Reliance

Symposium, University of Pennsylvania, May 3, 1983.)●

● Mr. LIVINGSTON. Mr. Speaker, America is a nation captivated by passing fads. For a brief period in time, we have all been swept away by the hula hoop, bell bottom pants, and the pet rock.

Today, the new rage in politics is an old idea called industrial policy. All the Democrat Presidential candidates say it is just what we need to counter the successes of President Reagan's economic program; there are now more than 20 separate bills in Congress to create it; and all the media soothsayers are telling us it will be the centerpiece of the 1984 political campaigns.

If all this good fun were only as harmless as a pet rock, there would be no reason for concern. Industrial policy, however, is an idea heavily weighted with dangers for the American economy and our way of life.

The goal of industrial policy proponents is to create some kind of Federal board or agency to draw up a master Government plan for our economy, decide which industries should survive and which should fail, and then give this board the authority and means to carry out its plan. Most of the proposals would give the new agency billions of taxpayers' dollars to either loan or give to the targeted industries, and presumably, the power to dictate to them.

Such a scheme just plain will not work.

Our free-market economy is based on billions of individual decisions made by individuals acting in their own self-interest. There is no foolproof way to predict the outcome of those decisions, and their is no reason to suspect that the human beings running some industrial policy board will have any better information or insight on the industries likely to succeed than the current decisionmakers in our capital markets—the investors who have their own money at risk.

Japan is frequently held up as a model of the benefits of an industrial policy. But it's a common misperception that the Japanese Ministry of International Trade and Industry has masterminded that country's phenomenal economic success. In fact, MITI has been wrong as often as it has been right. MITI planners, for example, tried to prevent Japanese automakers from exporting their cars on the grounds there would not be much of a world market for them. MITI also told a small electronics company that products utilizing the transistor technology developed in America were a waste of money. That little company is today known as the Sony Corp. So it is not at all unreasonable to expect that an industrial policy board could critically damage our economy by making the wrong decisions.

We also have to recognize that it is quite probable that an industrial policy would lead us to the wrong decisions by design. No Government board operates outside of the normal political process. So as the entire Federal system works, the squeakiest wheels would get the grease. Financial assistance would not go to the emerging businesses of the future, but toward saving the established, obsolete, and dying industries that the market no longer supports.

As Senator WILLIAM PROXMIRE recently put it:

> Money will go where the political power is • • • where unions are mobilized, where mayors and governors, representatives and senators have the power to push it.

The political power is with the old industries, not the new ones. So instead of enhancing our future economic growth, an industrial policy program would be digging ourselves deeper into the past.

Developing an industrial policy to "coordinate government policies" may sound like a logical idea, but in practice, it could only result in a dramatic, and costly, increase in the Government's interference in our lives. It would drag down our economy.

This Nation was founded on an economic policy that has created more wealth and more well-being for more people than any economic system in history. The only new industrial policy we need is for the Government to step further out of the way of the marketplace. Rather than increasing Federal intervention, we should be reducing the burdens we have placed on capital investments. The free market is perfectly capable of choosing the economic winners and losers. It does not need the Government's help.

In furtherance of that point, Herbert Stein, professor of economics at the University of Virginia and former Chairman of the Council of Economic Advisors, has been in a position to evaluate the recurrent calls for national planning. In strong words he warns us of its dangers. The much-lauded tripartite board of business, government, and labor, with a few professors tossed in, will not be able to stimulate innovation in the economy. It will be able to protect the status quo at the expense of consumers, taxpayers, and newly emerging businesses. Inefficient industries, with powerful political clout, will receive huge Government subsidies. Trade barriers, already costing American consumers about $70 billion a year, will be increased. And the real problem of our economy—our slowing productivity—will only be made worse.

I would like to insert a cogent article by Professor Stein into the RECORD.

DON'T FALL FOR INDUSTRIAL POLICY

When the American economy seemed to be lagging in May 1962, the trustees of the Committee for Economic Development—a generally distinguished group of businessmen—met with President Kennedy in the White House Rose Garden. I was along as research director of the CED. The President urged us to investigate the possibility of improving the performance of the American economy by emulating French planning. Many people were infatuated with French planning at the time. The combination of intellectual rigor, as suggested by the word "planning," and romance, as suggested by the word "French," was extremely tempting.

So a group of us went to Paris. We met with officials of the Commissariat du Plan, with French businessmen, and with economists. By the time we returned I had concluded, in a line that I could not get out of my mind: "Le Plan Francais il n'existe pas." The French government had forecasts about the economy, it made certain interventions in the economy—but it had no plan. It had no blueprint for the desired course of the economy in specific and detailed terms and no machinery for bringing a blueprint into reality if one had existed. The French "plan" was soon enough forgotten by everyone.

In 1975 the American economy again seemed to be in bad shape, and some congressional leaders caused to be established a thing the formidable title of Advisory Committee on National Growth Policy Processes. More plainly, the committee was to study ways to plan the American economy. I was a member of that committee, as were some people initially more sympathetic to the idea of planning than I was. I still have, as a memento of this experience, the blue binders that once contained working papers and reports of the committee. The empty binders are more valuable than the contents.

I tell these stories to illustrate two points: that national planning recurrently fascinates our liberal political leaders, and that the idea is an empty box. No one has devised a plausible system for planning a large, modern economy in a democracy.

The idea of national economic planning is now on stage again, this time as one element in "industrial policy." The yearlong debate about industrial policy shows no signs of going away—also no signs of getting clarified. Some proponents of the idea consider planning to be its main element. They say that what is new about their proposal is not that it calls for much government intervention in the economy, which we already have, but that the intervention would at last be rationalized and not just a series of ad hoc responses to particular problems. The American economy would be revitalized by the exploitation of a vast and hitherto unused resource, namely, intelligence. This resource is luckily in the possession of some professors willing to bring it to Washington.

Many supporters of industrial policy are putting forward a more ambitious version of economic planning than has usually been contemplated in the past. The thought sustaining the earlier proposals was that American businessmen were good enough at running their own individual companies, but that the economic system as a whole performed poorly. Planning was supposed to correct this inadequacy in the system. But some champions of industrial policy—such as Robert Reich—are now saying that businessmen don't even know how to run their own companies, and need to be guided by Washington. In other words, a generation of businessmen trained at leading universities

has failed, and we must now turn their jobs over to the professors who trained them.

The other main element of industrial policy is the Corporate-Union Welfare State (my label). Along with national economic planning, industrial policy would protect large corporations and unions in especially depressed industries.

Legislative proposals for implementing industrial policy generally gravitate toward certain arrangements. There would be a tripartite board, on which representatives of labor, business, and government would serve. And there would be a public corporation, modeled after the Reconstruction Finance Corporation of the 1930s. Typically the proposals call for the corporation to have a capital of $5 billion furnished by the government and borrowing authority of $50 billion—making what proponents view as a modest and aesthetically satisfying total of $55 billion. Industrial policy sometimes reminds me of the old Deanna Durbin movie One Hundred Men and a Girl. Now we would have $55 billion and a tripartite board.

The tripartite board serves two functions. First, it fills the vacuum created by the inability of the idea's authors to describe with any specificity what sort of planning they're talking about. This problem would apparently be delegated to the board itself. The second function of the board is to counter the widespread sense that planning might mean increased power in the hands of politicians and government bureaucrats and to take advantage of the idea, also amazingly widespread, that planning must be consistent with a free economy and free society when it's done by a board whose members include the heads of large corporations and large unions.

Tripartite boards have been the frequent recourse of politicians and pundits seeking to show that they have an economic policy when they have none. I was involved in one such device in 1971, when the Nixon Administration felt a need to show that it was on top of economic problems. In setting up our National Commission on Productivity, we went the tripartite idea one better. We had a quadripartite board, with not only business, labor, and government but also the "public"—a code word for professors. Some people thought that if all these parties sat down together, they would agree on restraint of prices and wages, which would help cure inflation. Others thought that even if the commission couldn't do anything about wages, it could arrange for increases in productivity that would help hold down labor costs. But at its first meeting, George Meany, then president of the AFL-CIO, made it perfectly clear that he did not intend to discuss either wages or ways to get more out of the workers. Thereafter, the commission sank into about ten years of innocuous desuetude.

Nothing could be more implausible than the idea that a board including the established leaders of business and labor will stimulate innovation in the American economy. The one thing they would be able to agree on would be protection of the status quo at the expense of consumers, taxpayers, and newly emerging industries. If some central body is to run the American economy—which I devoutly pray will not happen—it should certainly not be a tripartite body. I am a worker and in some ways a businessman, but I do not at all feel myself represented by the heads of the AFL-CIO or the Chamber of Commerce, estimable as those men may be. I suspect that I am fairly typical in this regard. Americans may not have a deep appreciation of Adam Smith's economics, but I doubt that they would stand for turning the economy over to professors in white smocks pretending to be scientific planners and business-labor leaders in pinstripes representing themselves as economic statesmen.

So the planning element in industrial policy is most unlikely to become a reality. What might well survive, however, would be the other main element—the Corporate-Union Welfare State—meaning, in practice, a big pot of money to underwrite industries in trouble, with auxiliary support from tariffs, tax privileges, and regulatory preference.

One can see the political impulses at work here in the rhetoric now used to endorse industrial policy. Originally, the policy was thought to be synonymous with a high-tech orientation, and those in the advance guard were called Atari Democrats. (That was before Atari began moving its operations from California to Hong Kong). But nowadays descriptions of industrial policy increasingly talk about revitalization, about preservation of basic industries (a code word for old, low-tech industries), and about rebuilding the infrastructure of decaying communities. What used to be a program for propelling the American economy into the future is becoming a program for historic preservation.

This transition seems ironic, but it was natural and probably inevitable. To ask why our government would tend to protect the old established industries is like asking Willie Sutton why he robbed banks. Willie's answer, according to legend: "Because that's where the money is." In the case of our political leadership, the answer is, "Because that's where the votes are." The industries of the next generation have no votes or political action committees. The AFL-CIO, now the most influential promoter of industrial policy, is dominated by the old industries that are most in trouble.

Some people believe that industries in trouble can be revitalized without any large-scale government subsidy or protection. This is, I believe, the view of Lester Thurow, the most thoughtful of the industrial policy proponents. He envisions business and labor in the affected industries getting together to develop plans that would be reviewed, endorsed, and in some minor degree supported by the government. The idea is reminiscent of Secretary of Commerce Herbert Hoover's notion during the 1920s that trade associations, provided with information by government, could rationalize and stabilize American industries.

The whole idea is better on paper than in the real world. I can visualize the spirit of cooperation at the first meeting of the Steel Committee after someone points out that the industry is not likely to prosper while its wages are 60 percent above the U.S. national average. I can see the reaction of the Senators from Pennsylvania and Alabama when confronted with a plan to revitalize the industry by concentrating U.S. steel production near deepwater ports. I can imagine the reaction of the Congressman from Peoria contemplating any plan of "rationalization" that adversely affected Caterpillar. The likeliest outcome of industry-wide planning—aside from more plans to raid the Treasury—is cartelization. Dividing up the market for declining industries is surely not a prescription for economic progress.

The industrial policy advocates correctly note that we already have many federal government activities designed to shelter or promote particular industries. The biggest of these is the restriction of imports by tariffs and quotas. This restriction has recently been estimated to cost the American consumer about $70 billion a year. In addition, business is helped by the Economic Development Administration, the Export-Import Bank, and various tax privileges and exemptions associated with income from exports, industrial revenue bonds, and so on.

As the industrial policy advocates keep reminding us, such programs are mostly uneconomic and an obstacle to progress. But these problems would not be corrected, as the advocates seem to think, by injecting more professors into the system. Those government programs resist progress because that is the nature of government—that is, of politics. Many people have recently taken to quoting Joseph A. Schumpeter's phrase "creative destruction," referring to the process by which capitalism generates economic advance. The last thing one can expect from government is creative destruction. Adding "industrial policy" to the existing interventions will not make them more rational; it will only give us more of them.

The fact that some businessmen are for industrial policy is sometimes taken as evidence that the idea is consistent with the principles of a private, free-market economy. The conclusion is a mistake. Some "statesmen" of business will always want admission to the liberal chic society and crave complimentary notice in the national media. Some businessmen also want the kind of protection that might come with an industrial policy. But others are simply naive about our economic and political system. I recently heard a businessman argue that there were going to be some rising industries and some declining ones, and that the winners and losers should be determined by design, not chance. I don't think he realized he was saying that the design of politics rather than the design of the market should be controlling.

Proponents of industrial policy like to cite the record of the old RFC when they argue the case for their $55-billion pot of money. The analogy is wobbly. Despite some scandals, the RFC was probably helpful during the Depression and certainly was in World War II. But its function was quite different from what's being proposed now.

During the Depression, private investors were shellshocked by the economic collapse and had no confidence in the coming of recovery. There were many opportunities to make investments of a kind that would be profitable when high employment came back, but private investors could not be persuaded to bet on the comeback. The RFC offered one means by which the government, carrying out its necessary function of restoring recovery, could make this bet. It did not have to look for investment opportunities that private investors would have turned down even in normal conditions.

In the war, the situation was even clearer. The RFC financed the construction of plants to make synthetic rubber, aluminum, and other materials for the war. The rationale for their operation was that the government knew better than anyone else how large the demand for these materials would be.

The assignment being proposed for the new RFC is quite different. It would make investments that private investors declined to make even in full anticipation of general prosperity. The government agency would not have superior information enabling it to

make better decisions, and politics would inevitably lead it to make inferior decisions.

One final point about the Corporate-Union Welfare State: it cannot be defended on grounds of compassion for the poor and disadvantaged. The industries receiving the most subsidy and protection would be those in which the workers' pay is more than 50% above the national average. Indeed, some AFL-CIO officials propose to restore regulation of the airlines to protect the salaries of pilots, earning $100,000 or more a year for very short workweeks. The proposal seems more in the spirit of the Sheriff of Nottingham than of Robin Hood.

One common response to negative views of industrial policy, like my own, is that such positions are indifferent to the problems of the American economy and closed-minded about possible solutions. That is a serious charge, the more so as the American economy does have problems, and there are things that should be done about them. But industrial policy is largely irrelevant to these real problems and the "problems" to which it is most commonly addressed are not real. We have, in fact, these serious problems:

Aggregate demand in the U.S. is too unstable and unpredictable. In the past two decades this instability has caused accelerating inflation, which has been interrupted by periods of high unemployment when we tried to stop the inflation—as happened recently. But the instability is basically a problem of monetary policy—and industrial policy would do nothing to solve it.

We have no agreed-upon procedures for resolving our major, unending arguments about the division of national output—specifically, about how much should go for national defense, for investment in future growth, for care of the poor and disadvantaged, and for consumption by the nonpoor. We need to resolve these issues to protect ourselves against external aggression, preserve our national sense of solidarity, and ensure the welfare of present and future generations. But again, industrial policy is irrelevant.

Total output and output per worker have been growing more slowly than they used to, even after adjusting for cyclical fluctuations. We do not know all the causes of this slow-down—or all the possible cures. The inflation and instability of the past two decades probably had much to do with it. The absorption of national savings by the federal deficit has also been a factor and threatens to become a bigger one. Changes in personal attitudes that are reflected in, for example, declining educational achievement have probably also affected productivity. In principle, industrial policy might contribute to economic growth if it fostered the movement of labor and capital to more productive and progressive industries. But in practice the Corporate-Union Welfare State would almost certainly do the opposite.

The call for an industrial policy is usually predicated on certain other concerns. Mostly these involve the notion that the U.S. is losing "competitiveness" in some sense. At times, the argument is no more than a prediction that someone—usually it turns out to be the Japanese—is going to surpass us in income and output per capita. The evidence on which this prediction is based is flimsy. But still, one should face the possibility that this might happen. Capital, technology, knowledge in general, and goods and services move more and more freely around the world. We should expect that eventually people with equal intelligence, health, industriousness, thriftiness, and desire for wealth will earn equal incomes, whether they live in the U.S., Japan, or anywhere else. It may indeed turn out that average per capita incomes will be higher in some other countries than in the U.S.—as they are already in Kuwait. So what? Many people who have never been on a sailboat felt a twinge of regret when Australia won the America's Cup, and many Americans will feel a twinge, probably no longer lasting, if statistics show that the median income in some other country exceeds ours. But such regrets are irrelevant to industrial policy unless it would make U.S. incomes grow more rapidly, and it won't.

We are often told that we need an industrial policy to protect or subsidize certain industries because they are "basic." As I have already suggested, basic can be a code word for old. In fact, the whole notion that some industries are basic is hollow. There are some basic needs—food, clothing, perhaps even some durable goods. But these and most other things can be bought for money. We should identify as basic industries only the ones that most efficiently earn for us the money to buy what we want. If the most efficient way for the U.S. to get steel is to produce tapes of Dallas and sell them to the Japanese, then producing tapes of Dallas is our basic industry.

I do not mean to imply that no problems at all are being addressed by industrial policy. It is, in fact, targeted on one problem: that Walter Mondale, Gary Hart, and some others are not in the White House but would like to be. As the following article argues, liberal politicians have lately felt a need for new economic ideas. Industrial policy is responding to that feeling.

In recent years the requirements for a successful presidential candidate have been changing. Being above average in height, reasonably articulate, and happily married used to be sufficient. Later some requirements associated with television were added. Nowadays, coming across as brainy and as having "ideas" seems necessary.

The market works, and whole industries now help candidates meet these requirements. There are TV coaches, producers of political commercials, plastic surgeons, and for all I know, casting offices to supply potential First Ladies. An industry is also producing and packaging "ideas" for candidates. The ideas have three characteristics.

First, they must seem to be new to people unfamiliar with history. The electorate and the media will not recognize that an idea is an idea if it is thought to be old. (This also means that the idea should not have been exposed to much recent expert analysis.)

Second, the idea must promise some kind of free lunch—goodies for all at no cost.

Third, the idea must be endorsed by at least a few Ph.D.s.

Industrial policy is an excellent example of such an idea. So was supply-side economics. But these are not the characteristic that distinguish good thinking or sound policy.

The naiveté exhibited by many businessmen in this policy debate is more than disappointing. Given the weight attached to the opinions of businessmen about policy in a free economy, the naiveté is dangerous. Businessmen contributed substantially to the pressure for price and wage controls in 1971. As President Nixon's chief economic adviser, I remember the discussion well. They recommended the controls believing that the government would protect them from the wage demands of their workers without simultaneously squeezing profits. They should have known better then—and should know better now.●

● Mr. FRENZEL. Mr. Speaker, industrial policy is a convenient buzz phrase that is currently touted as the cure for all evils.

No Democratic Presidential candidate is without one. Many committees of Congress have discussed it. Many bills have been introduced offering suggestions to implement it. Industrial policy amendments are being attached to every convenient piece of legislation.

One group wants to promote an industrial policy which would coordinate Government policies that relate to business, then weeding out the bad policies and adding new ones. Another group wants to revitalize and protect our sunset industries. Yet another wants to promote the industries of the future, letting the Government decide who the lucky ones may be. Each incumbent or candidate sees industrial policy as saving or promoting his or her local industries. Unfortunately, all of them cannot be right.

Printed below is an article, "Picking Winners and Killing Dogs" by George Eads, senior economist at the Rand Corp., printed in Wharton magazine, fall 1981. It echoes some of my own concerns regarding industrial policy and states in its conclusion:

Unfortunately most of the industrial policy proposals I have seen, while claiming to be adjustment-facilitating, would actually retard adjustment. These grounds alone should be sufficient to insure their rejection.

Every country has an industrial policy. Ours lives in our Tax Code, our excessive regulation, our tariff schedules, our legal trade barriers, our environmental laws and the like. There is presently an unfilled role for the Government to coordinate these various policies into a rational whole. I believe it would be unwise and counterproductive to create some kind of industrial policy board or finance bank whose prime function is to promote revitalization for our aging industries and to target our emerging industries of the future. There is no evidence that industrial policy has worked effectively for any of our trading partners, and I do not believe it would work for us.

That kind of policy would cause us to follow the backward-looking example of our European friends. This country does not need to reproduce British steel to the archtypical product of European industrial policy.

Even more important is the need to refrain from sheltering our domestic industries with trade protection. Protectionism, the industrial policy of organized labor, is a lonely, downhill walk down a one-way street. The end of that street is noncompetitiveness, high prices, and a low and sinking standard of living.

Instead, Government should increase its efforts to remove obstacles to competitiveness in the form of Government overregulation. There are encouraging signs that U.S. companies are aware that they must reexamine their own policies and management strategy and rely on their own resources to increase their competitiveness. If labor, management, and Government would compete more fully, we would have a dandy industrial policy. I am confident that these developments would be an industrial policy for the United States that would enable us to out compete the rest of the world.

[From Wharton magazine, fall 1981]

PICKING WINNERS AND KILLING DOGS

Recently, a surprising amount of interest has developed in having the federal government assume a much more active, explicit, and conscious role in channeling the flow of business investment. Proposals have been made that the government identify promising new industries and promote their growth ("pick winners"); that it help shift resources out of declining industries in ways that ease the shock of their decline; and that it intervene to "revitalize" ailing firms, sectors, or regions. Although each of these proposals has somewhat different aims and attracts different groups of supporters, all reflect a belief that major investment decisions have now become too important to be left to private markets alone.

This prescription for an explicit federal role in major industrial investment decisions is surprising, because it comes at the same time that both scholars and the general public have become much more skeptical of the federal government's ability to carry out detailed "micromanagement" of the economy. There has been a growing questioning of the programs initiated over the past decade and a half: programs whose aims include controlling air and water pollution, improving the level of workplace safety, and improving the performance of consumer products as diverse as power lawn mowers and automobiles.

This skepticism arises less from a questioning of the aims of such programs than from a recognition that they have thus far failed to achieve their laudable goals in ways that do not necessarily detract from the economy's other tasks. The fault lies in the government's inability to admit that priorities have to be set and to develop means of setting them. The "market failures" that led to the need for these programs in the first place have been matched by failures in the institutions created to carry them out. I will refer to these as "political failures."

Another surprise in the current push for a U.S. "industrial policy" is the identity of many of those who are in the forefront of the movement. Supporters certainly include the expected groups who generally argue in favor of an increased government role in managing the economy. But the movement has also captured the allegiance of a surprising number of businessmen of a generally conservative stripe—individuals who are no strangers to the recent record of government and who have expressed skepticism about the government's ability to implement complex programs efficiently.

Paradoxically, the current state of government policymaking and the consequences it has had for the performance of the economy—particularly investment—are seen by these people as a prime reason why a conscious and well-articulated industrial policy is so urgently needed. To them, many of our current problems stem not so much from any inherent defect in our political processes as from the fact that we have not coordinated these numerous government programs under the guidance of a clear national "vision." What is more reasonable, they ask, than to pull together the vast array of current federal programs directly and indirectly influencing investment at the firm and industry level and use this power to bring about a "reindustrialization" of our economy? To put it bluntly, the choice as these people appear to see it is between continuing to muddle on as we have—in which case things will get progressively worse—or beginning to make intelligent use of our powers.

There is a certain appeal to this argument. A major federal presence both in directing the course of the aggregate economy and in pursuing social goals such as the reduction of pollution is clearly here to stay. Although achieving these goals need not entail the degree of federal involvement that has come to characterize current government efforts, progress in moving toward more flexible and less intrusive forms of regulation has been painfully slow. Furthermore, the sheer number and variety of the federal government's interventions do sometimes produce chaos in investment planning at the firm level and seriously distort investment flows at the industry level. Our current ad hoc forays into industrial policy are messy and intensely political, and their results sometimes leave much to be desired. The nature of the investment requirements the nation faces during the next decade, and the limited resources at our disposal to meet them, make it extremely tempting to explore techniques which promise, even if only in theory, to allow us to stretch these resources. Finally, reports that other countries, Japan especially, have achieved superior results by engaging in just such explicit policies to channel private investment add credibility to the call for their close consideration by this country.

In examining whether a larger federal role might improve matters in the United States, it will be useful to separate the potential problems into three classes: those associated with achieving "appropriate" levels of disinvestment from weak sectors; those associated with the "revitalization" of currently weak firms and industries, and those associated with promoting vigorous growth in promising industries.

Perhaps the most painful thing for any economy to do is to move resources out of an industry or section of the country when that industry or section has become uncompetitive. Our economy (and, indeed, our society as a whole) is geared to expansion, not contraction.

Yet decline and contraction are an essential feature of a growing economy. In a society with limited resources, these resources must be freed to move where they can be used more productively. Otherwise, growth will slow to the level that can be sustained merely by the increase in the aggregate volume of factor inputs—the rate of growth of the labor force, the capital stock, and the stock of usable land. Historically, the growth in the physical volume of these inputs has been far below the growth in output we have typically achieved. Much of our progress has come from the rearrangement of existing resource in more productive ways.

Furthermore, the process of contraction occurs all the time. It need not be synonymous with "death." Measured in terms of the proportion of the labor force it employs, our agricultural sector has been contracting virtually since the nation was founded. In the mid-1800's, when the first comprehensive data were collected, nearly half the nation's population lived on farms. By the mid-1970's, the figure was less than 5 percent. Yet agriculture is healthier today than at almost any time in our history. And the movement of labor off the farm contributed importantly to the economy's ability to expand output elsewhere.

Indeed, massive population movements are an important characteristic of American economic history. They are invariably viewed as frightening by the industries and regions experiencing the outflow. New England was once seen as the epitome of a "dying" region as the industries forming its traditional base—textiles, shoes, shipbuilding—moved elsewhere. But it seems to have weathered this adjustment and is now experiencing a rebirth, led by new, high-technology industries.

Disinvestment is thus as much a characteristic of an efficient economy as is investment. Why might not market forces handle disinvestment "appropriately"? Two separate sorts of "failures" appear possible: the failure to generate the right level of disinvestment because of excessive "myopia," and the failure to recognize—or to give "adequate" weight to—certain costs that inevitably accompany disinvestment.

Private markets are, by definition, myopic. That is, they require an activity to produce a high return in the future to justify investment today. But might the degree of myopia be inappropriate at times? Consider the post-World War II history of coal production and use in this country. At the end of the war, coal was the nation's dominant energy source, accounting for about 50 percent of our total energy needs. Production peaked at about 700 millions tons in 1947, but soon thereafter began to drop steadily. Production bottomed out at about 420 million tons in 1961, and thereafter began a slow recovery. Coal employment, which had reached just over 500,000 in the late 1940's fell to a trough of 131,000 in 1969.

The sharp increase in oil prices caused this situation to turn around. In 1979, total domestic demand for coal reached 680 million tons. Forecasts have total demand (including coal for export and for synthetic fuel conversion) reaching nearly 1.5 billions tons per year by 1990.

During this several-decade cycle, the nation's ability to mine, transport, and burn coal first atrophied and then had to be rebuilt. As noted, the number of workers involved in coal mining fell drastically, causing severe economic dislocation in coal mining regions such as Appalachia. Might not a farsighted government, through the use of appropriate subsidies and other tools, have prevented this disinvestment and the dislocation that accompanied it? Possibly, but it is useful to recall that the vast bulk of the resources freed by the post-World War II decline in coal production found employment elsewhere, often at significantly higher returns; that the coal that will be most sought after in the future is not necessarily the same coal that was attractive during the earlier period; and that the technologies that burn coal have changed so radically over the past thirty years that any coal-burning capacity that had been preserved would by now likely be technically obsolete.

There may indeed be cases where markets may give misleading short-run investment signals. Agriculture is a case in point. There, policies to even out season-to-season fluctuations have proven useful in stabilizing investment both in the production of corps such as wheat and corn, and in associated industries such as beef cattle. But long swings which reverse are an extremely rare phenomenon. Even rarer still are instances in which the resources preserved are precisely the ones that are later needed when an expansion in demand does occur. The costs arising from the temptation to be overcautious—to hold onto capacity "just in case"—would surely overwhelm any savings to society resulting from extremely rare instances where inappropriate disinvestments were prevented.

What about instances in which the government, though its various interventions, distorts investment decisions? While market signals tend to affect investment and disinvestment over a relatively long time, government actions, especially if taken without due regard for their consequences, can tip balances quite quickly. For example, the implementation of government policies to control air pollution in the western United States has greatly accelerated what otherwise might have been a slow decline in domestic copper refining capacity. Clean air policies have substantially affected the demand for midwestern high sulfur coal. Federal energy policies have greatly altered the timing of the current technological revolution sweeping the automobile industry. Is there not a case for government policies that compensate for these distortions by stimulating investment?

This is a much more difficult question to deal with. In principle, one could design policies that just offset any distortions introduced by other government policies. In practice, such an extreme degree of "fine tuning" of policies is likely to be impossible to achieve. As a technical matter, the optimal "second best" set of policies (that is, the policies that are just right given the distortions that already exist) is extremely hard to identify. But even more important, the government is hardly a neutral arbiter in such matters. There is a distinct danger that the political process may cause the government to introduce an inappropriately low degree of myopia into disinvestment decisions. The costs of disinvestment are always short-term, graphic, and concentrated; the benefits of permitting the disinvestment are widely spread throughout the economy, often speculative, and always in the future. The pressures on government officials are inevitably going to be in the direction of preserving inefficient capacity.

These pressures are likely to be even more intense if the government is responsible, in whole or in part, for the decline of the industry or region. Unfortunately, this is likely to be the typical case encountered today. Because of the vast expansion in federal regulatory activity in recent years, the government already affects in an important way the financial health of virtually every important firm and certainly every important industry in this country.

In addition, firms are becoming much more sophisticated (indeed, more sophisticated than the government in many instances) in understanding the many consequences of the government's influence. Thus, in almost every case in which an important firm or industry is in decline, the firm or industry and its workers are likely to be able to present a semi-plausible case that government actions in some way lie at the heart of the problem. This creates the presumption that the federal government has a responsibility to "do something" to prevent—or to cushion—the decline.

The same expansion of federal influence also creates the tools by which this "responsibility" can be discharged: "temporary" trade restrictions, "targeted" investment tax credits, special exemptions from regulation, and so forth. If the federal government ever assumes an important explicit role in preserving industrial capacity on the grounds either that the unaided market is excessively myopic or, more likely, that in doing so it is merely attempting to offset the consequences of its own distortions, the political pressures to preserve inefficient operations will be overwhelming. The result is likely to be a growing herd of white elephants, absorbing an ever-increasing share of the nation's scarce capital. Given the government's ability to secure for itself whatever funds it requires (at least over the short to intermediate term), new and growing enterprises will be increasingly crowded out of capital markets. This is hardly the way to meet the investment needs of the 1980's.

What other case can be made to support government involvement in disinvestment decisions?

Although it is not strictly a "market failure," it is true that the market does not take into account the income losses that occur when plants close and industries move, and this is a cause for government concern. If the nation as a whole does indeed benefit substantially from a free flow of resources out of unproductive sectors, it is appropriate that all of us bear some of the costs of activities designed to facilitate this flow. Thus, "adjustment assistance," to the extent it actually promotes adjustment, is an appropriate governmental activity. Several problems should be noted, however.

First, the actual shock of a plant closing, or major industry contraction, even when the plant or industry is a major employer in an an area, is almost always less than appeared likely at the time the action was first announced. Studies of the impact of military base closings, of adjustments to major weapons systems cancellations, of steel mill and automobile plant closings, and of firm dislocations attributed to imports all tend to confirm this finding. Thus the size of the adjustment assistance that is appropriate is likely to be less than the amount proposed by the prospective recipients.

The second problem has to do with the likely nature of the government response. I have mentioned that government is never a neutral arbiter when income losses are involved. Our political system inevitably tries to delay or avoid such losses and, in the process, prevents necessary adjustment from occurring. Our current adjustment assistance programs are certainly poorly designed and need a complete overhauling. They cushion temporary losses of income; they do not facilitate adjustment. However, extreme care must be taken in any overhaul to make sure that additional adjustment-retarding measures are not introduced.

For example, as part of a revised program of adjustment assistance, it has been proposed that plants be required to give advance notice of their intention to close. The argument has been that such advance notice would give government agencies responsible for providing adjustment assistance and the affected communities themselves time to mobilize their resources to deal with the coming shock. A more likely result is that such a requirement would permit the mobilization of political resources to prevent the closing. We should be extremely wary of instituting such a requirement.

Disinvestment can be the first sign of the death of a firm, industry, or region, or it can be an essential prelude to a rebirth of vigor—a "revitalization." But do private markets, supplemnented by existing institutional arrangements such as the bankruptcy laws, properly identify the appropriate candidates for extinction and revitalization, provide the appropriate incentives and necessary "breathing space" to permit revitalization to occur, and deal humanely with the resources that are not required by the revitalized entity?

In large part, these questions are inseparable from the ones addressed in the preceding section and have similar answers: markets appear to do reasonably well in assuring needed change; they do less well in providing an appropriate cushion to those dislocated by change. But the well-publicized financial difficulties of firms like Lockheed and Chrysler and of major cities like New York and Cleveland; the problems being experienced by once-vigorous industries like autos, steel, and rubber; and the apparent decline in the industrial midwest have combined to generate proposals for new institutional arrangements to deal with such situations "better."

It is not clear whether the primary fault in existing arrangements is that they would choose the wrong set of survivors or that, if permitted to operate, they might result in some firms not surviving. The aim in a bankruptcy is to preserve the assets of a firm's creditors—if possible, by reorganization; if necessary, by liquidation. It is not difficult to imagine that in such a process, some enterprises in which there was a certain element of public interest might be liquidated, while other less "worthy" enterprises might be successfully restructured. But if the test of market viability is not to be the principal one, what objective criterion is to be used? How is the "public interest" to be valued and properly inserted into a reorganization or liquidation decision? (It certainly is not to be expected to result automatically from the workings of the political process—unless one is willing to define the public interest as whatever the political process happens to spew out.)

It is useful to recognize that aspects of businesses which the government may have a direct interest in protecting can be protected without preserving the entire enterprise. Indeed, the mere fact of the government's interest may be sufficient to assure these units' survival. There was much concern at the time of the Lockheed debate about the threat to the firm's abilities as an important defense contractor if the firm were permitted to go bankrupt. However, it was clear at the time—and it has become clearer since—that the money-losing civilian aircraft branch of the firm could have been successfully separated from its profitable defense-related activities and the latter preserved. And recent newspaper reports have indicated that Chrysler's important tank production subsidiary has been insulated from the rest of the enterprise in a way that would assure its survival even if the rest of the firm were liquidated.

Another point to remember is that a successful reorganization—as opposed merely to the creation of a permanent ward of the

government—often requires that major surgery be performed. If Chrysler does survive, it will be a very different company from the one that first approached the government several years ago. Many plants will have been shut down; others will have been modernized. The dealer network will have shrunk, and supplier arrangements will have changed. The wage structure will have been altered. Several units of the enterprise will have been sold off.

But these are precisely the things that would have been necessary had the bankruptcy route been followed! Why, then, is the bankruptcy route so inferior, especially since government intervention inevitably involves the risk of creating a permanent ward of the state? The supporters of a federal role in reorganization must show why the government, with all the political pressures it inevitably is subject to, is likely to produce a more viable enterprise than the bankruptcy route in a case such as Chrysler.

The proponents of "revitalization" experiments might agree with the above argument and yet say that the institutions they are proposing to create would not fall prey to such pressures because they would be "nonpolitical." Unfortunately, there are no "nonpolitical" political institutions. Any entity created by the Congress, given access to large amounts of government funds, and asked to deal with matters having great political importance could not be "nonpolitical." Congress has in the past granted blanket authority to restructure small and medium-sized enterprises where the sums involved were not too great. But to assume that Congress would issue blank checks amounting to billions of dollars in borrowing authority is to ignore reality.

It has been suggested that the decision to help Chrysler signals that no large firm will be permitted to fall regardless of the merits of its doing so, and that the proposed new institutional arrangements represent merely a more efficient, less costly way to put this policy into effect. It is questionable, however, whether we really want a more "efficient" process.

The current process is certainly very inefficient, and also very unpleasant for the firm receiving aid, as the case of Chrysler illustrates. Its officers have been forced to appear before Congress to explain why their company deserves help. They have had their decisions exposed to detailed criticism and second-guessing by virtually every major financial publication. The company has been forced to accept the Secretary of the Treasury, the Chairman of the Federal Reserve Board, the Comptroller General, and their staffs as de facto receivers. It has had to comply with a host of nuisance conditions—the requirement that it submit an energy savings plan, a productivity improvement plan, an employee stock plan—all to qualify for aid. The number of employees has been reduced substantially through the closure of numerous facilities. And still, "rescue" is far from assured.

However, it is the very "messiness" of this process which helps assure that it will not be used very often. A far different—and more ominous—signal would be given by the creation of a special "revitalization" authority with general powers to receive petitions for aid, work out rescue packages shielded from the glare of publicity and congressional scrutiny, and put them into effect backed by the authority of the government.

The check provided by the "messiness" of the current process is invaluable, and should be retained at virtually any cost. In fact, if the nation were indeed to be so foolish as to declare that the bankruptcy of a major corporation is "unthinkable," the threat that the political process might fail to produce agreement on an effective rescue plan would be the principal remaining check on gross corporate inefficiency.

On rare occasions, the discovery that a large firm or city is facing imminent bankruptcy may be sufficiently unsettling so as to threaten the stability of financial markets. In the case of banks, Congress has found this possibility serious enough to require a grant of broad authority to banking regulators to reorganize failed and even "open" banks. Might not the same logic apply to industrial enterprises?

A number of important differences between banks and industrial firms should be noted. History confirms the suddenness with which financial problems can come to light at major banks. Either the bank has managed to conceal its developing difficulties from state and federal banking supervisors, or a major change in financial markets has suddenly changed the characteristics of certain of the bank's assets. In contrast, the difficulties which beset major industrial enterprises are usually much slower in developing and much more difficult to conceal from investors. To be sure, the extent of Penn Central's difficulties did catch financial markets by surprise, and substantial efforts by the Federal Reserve were required to prevent severe problems in the commercial paper market. But the problems of Lockheed and Chrysler were well advertised, giving investors adequate opportunity to assess each company's prospects and adjust their holdings accordingly.

Second, history also shows the rapidity with which "runs" on banks can develop. Depositors can withdraw large blocks of funds very quickly, turning what might have been a relatively small liquidity problem into an insurmountable one. If assistance can be quickly arranged, runs can be prevented, and the problem can be contained.

There is an analogy in the case of industrial firms, but the analogy should not be pushed too far. Part of Chrysler's current difficulties may be due to the "orphan car" syndrome—people don't want to buy a car from a company that may not be around to fix it—but other automobile companies have gone bankrupt in the past and the owners of the cars have generally been able to obtain service, so we should avoid attributing too much of Chrysler's current situation to this cause. Similarly, claims I have heard that many potential customers would desert an airline facing bankruptcy fly in the face of the experience of carriers like Pan Am, TWA, and even Braniff, which have continued to attract traffic in the face of extended periods of losses. Finally, the phenomenon of creditors suddenly deciding to liquidate their claims is precisely what the bankruptcy laws are designed to prevent.

The third major investment-channeling activity that government might engage in more actively than at present is encouraging the growth of new industries or, to use the more popular phrase, "picking winners." To private markets, "winners" are industries that grow rapidly and generate substantial profits. What are "winners" from the government's point of view? One might imagine that they have precisely the same characteristics as the "winners" identified by the private market. In such a case, the purpose of the government's "picking" them presumably would be to encourage more rapid growth or higher profits.

To accomplish this, either the government somehow would have to be able to spot potential "winners" that the market had overlooked, or it would have to arrange to channel more resources than the market would into those "winning" industries the market itself had identified. The government's ability to do the first is highly questionable; the desirability of its doing the second (thereby diverting resources away from other sectors of the economy) is equally questionable.

However, the government is not likely to be content merely to try to mimic and reinforce the private market—it will have additional criteria by which it judges an industry to be a "winner." One might be an industry's ability to generate employment, especially in a locality or region where employment appears to be especially needed. Another might be the industry's potential for generating technological externalities—benefits that the industry itself cannot capture fully through the sale of its products or its processes which will diffuse throughout the economy and raise productivity substantially. (This is precisely why the government rather than the private sector is the source of such a high proportion of the funding for the nation's basic research.) A third criterion might be the possibility that the new industry will generate substantial exports.

Each of these objectives has a certain plausibility. But several caveats should be kept in mind. First, any decision by the government to divert scarce investment funds to the achieving of goals not directly rewarded by the private market will reduce the amount of resources available to support growth elsewhere in the economy. The nation's growth will be enhanced only if these diverted resources stimulate overall economic activity by more than they would have if they had been left to flow by themselves. Second, as I have noted repeatedly in this paper, the government does not approach the task of job creation, export promotion, or technology diffusion as a neutral party. It imparts its own biases to the decisions—biases which tend to give insufficient weight to the returns that the resources it diverts could earn in alternative uses.

There is yet another extremely important reason why government likely would find it extremely hard to do well in "picking winners." This goes to its inherent inability to play the role of a super venture capitalist.

A successful policy of identifying and supporting promising sectors implies a willingness on the part of government to let some of the firms in the chosen sectors fail. A portfolio of venture capital investments designed to pick only winners typically ends up with a few large winners and many losers. However, the governmnent's necessary sensitivity to income losses, intensified by the fact that it would bear a special responsibility for a chosen sector, makes it difficult if not impossible to tolerate such a portfolio. The more likely outcome—one frequently observed in other countries—would be a reluctance to abandon individual firms that fail. This could more than offset any gains achieved by the successful few among the chosen firms.

The government does indeed have an important responsibility for creating a set of conditions under which new industries and firms can thrive. And it may also have a responsibility to make it relatively more attractive for such firms and industries to locate in one section of the country rather than another. But its role should be, in horticultural terms, to prepare the soil so that

plants can grow successfully. Government should not be like a hot-house gardener who develops beautiful specimens that cannot survive if exposed to the open air. For "winners" will not help the country if they require constant federal nourishment.

The experience of other countries has been cited as supporting the case for a larger federal role in the three areas examined: phasing out old industries; reorganizing viable firms and industries in trouble; and encouraging the growth of new industries. Certainly, examples can be found where each of these activities is practiced to a much greater extent than is presently the case in the United States. And individual examples of success—or reputed success—can be cited. But does the experience overall give grounds for hope or for caution? I think the latter.

Let us look first at the disinvestment process. Virtually every government in major overseas industrialized countries has found it necessary to take a direct role in aiding disinvestment in key sectors. Most allow exceptions from their antitrust laws, if this is considered necessary, to permit major industry restructuring. Many have strict requirements for advance notice of intended plant closings and for consultation with affected communities and workers. Most have incentives to induce expanding industries to locate in areas facing major plant closures. A few resort to nationalization to prevent "unacceptable" levels of disinvestment.

What are the results? Decidedly mixed. Within Europe, the principal thrust of programs to aid disinvestment seems to have been to retard it significantly. The British case is notorious, but hardly atypical. Here, concern over job preservation has blunted needed moves toward industry rationalization, and has led to an endless series of efforts at "revitalization." Reductions in capacity eventually do occur—autos, steel, textiles, shipbuilding, and aircraft are all examples—but usually only after one or two rounds of subsidy or nationalization. The present Conservative government claims that it will end these repeated efforts at nurturing "losers," but results have yet to follow rhetoric. British industry continues to be the textbook example of how not to aid disinvestment—or to "revitalize" declining industries or sectors.

In a number of the smaller European countries, efforts to rationalize such politically sensitive industries as steel and shipbuilding have not met with success. Often, the claim that currently redundant capacity will be needed "someday" has been sufficient to convince the authorities not to take on the politically difficult task of reducing the size of these traditionally strong industries. In certain of these countries, the actual number of jobs involved is remarkably small, both in the aggregate and as a percentage of the total labor force. But geographical concentration of these jobs has prompted claims that the closing of individual facilities would spell economic disaster for the localities involved, and has enabled the day of reckoning to be postponed and re-postponed.

In France, there has been a serious effort in recent years to wean industry from its historic heavy reliance on subsidies. Efforts at "indicative planning," in which explicit "visions" were to be designed to guide industry in setting its investment priorities, have been substantially downgraded. Important progress has been made in permitting the market to force reductions in the size of industries like textiles and steel. But progress has come slowly, and it is still considered an appropriate activity of the state to shelter certain firms and sectors in difficulty, especially if the firm in question or a significant portion of the sector is nationalized.

The Japanese experience warrants a special mention. Although attention has generally focused on Japan's real or imagined successes in promoting growing sectors, its achievements in encouraging disinvestment are what seem to me to be the more interesting aspect of the Japanese experience.

The Japanese clearly have their problems. Their distribution sector is a notoriously inefficient "sink" for absorbing labor released elsewhere in the economy. And productivity in their agricultural sector could be improved significantly if further rationalization were permitted. Political barriers, tied importantly to the method by which legislative districts are apportioned, have acted so far to limit restructuring in these two critical sectors of the economy. How much longer the Japanese will be able to avoid facing these problems is an important question both for them and for their trading partners.

Yet it is unfair to focus entirely on these problems, even though they are significant. What is more interesting is the degree to which Japanese society has been able to tolerate—and even encourage—bankruptcies and reorganization. When "recession cartels" are formed, capacity sometimes actually seems to get reduced, in contrast to the general case in Europe, which finds capacity preserved in anticipation of the next upswing. Thus, when the recession of 1975 and the higher energy prices that accompanied it placed a number of important industries in jeopardy—electric steel, aluminum, textiles, shipbuilding—these industries were given some encouragement to shrink to a more reasonable size. And when large industries have found themselves in trouble, these enterprises have been reorganized and their activities have been pruned.

Just as in the case of declining industries and sectors, foreign governments have typically assumed a much more active and explicit role in promoting new industries than has been the case in the United States. In part, the reason for this is historical. Governments in countries like France have an extremely long history of singling out firms or industries for favor.

Ironically, the reasons given by most foreign governments today for engaging in such policies relate to the need to compensate for disadvantages their firms experience relative to those in the United States. Anyone who questions why countries like Britain and France continue to offer support to what appear to be promising new sectors has the example of the U.S. defense and space industries immediately thrown back at him. It is argued that the United States has engaged in "winner picking" on a scale undreamed of elsewhere and that, absent these compensatory efforts, the rest of the world would fall hopelessly behind the United States in technology.

I believe the Europeans have seriously misunderstood the U.S. experience. The fact that there are certain spin-offs from space and defense programs may be a fortunate occurrence for the United States. However, it is not the same as attempting to force-feed civilian-oriented technologies.

As in the revitalization example, the textbook case is Great Britain. This nation has spent billions of pounds and tried virtually every institutional arrangement imaginable in an effort to "pick winners." There has been the occasional commercially successful product, but every independent evaluation I have seen has pronounced the British experiment a dismal failure. Certainly it has failed to produce a viable high-technology industrial sector in Great Britain. And it has drained capital and engineering talent from enterprises that might have been more successful. Commitments to projects have been maintained long past the period where it became clear that they were nonviable. Ultimately, considerations of national prestige have been the driving force in causing support to be continued. In short, the British have clearly shown us how not to do it.

The French clearly have had an explicit policy of promoting French technology and French firms. They have used a very wide range of mechanisms to do this, especially discriminatory government procurement contracts. They have had some success in encouraging certain sectors—computers and commercial aircraft are two where they have directed much effort—but it is not clear how much any success achieved has been due to the efforts of the French government and how much has been due to other reasons. Still, the French government clearly intends to continue to identify leading sectors—biotechnologies, offshore drilling, robotics, and telecommunications appear to be four sectors currently enjoying favor—and to support these industries with a variety of instruments.

The classic Japanese "success" stories cited are in steel, shipbuilding, and automobiles. In the first two, there can be no doubt that the government played an active and important role. Investment funds clearly were channeled in the direction of both industries. Each was also the recipient of other forms of government aid.

Autos present a more complex case. By now it is widely known that originally the Ministry of International Trade and Industry (MITI) did not believe that Japan should have an auto industry and fought against its establishment. Eventually, however, the fledging industry did receive at least grudging support in its battle for access to scarce investment funds. (However, the industry was never heavily dependent on loans from either the banks or the government. The balance sheets of the major automobile companies are largely free of long-term debt. Growth has been principally financed from retained earnings.) More importantly, significant domestic tariff protection was supplied to aid the growing industry. Takeovers by foreign firms were prevented. And the standards and certification processes were also used to hinder imports.

After a brief but unsuccessful foray into the commercial aircraft market (with the YS11), efforts were sharply scaled back (through interest now seems to be reviving). There has been a continuing interest in computers, but never the aggressive "force-feeding" that is characteristic of the French effort. The important thing to note is that the Japanese, almost uniquely among countries with policies designed to "pick winners," have been willing to cut their losses at an early stage if ventures appeared to be commercially unpromising.

To sum up, other countries have certainly engaged in explicit efforts to "pick winners." But these attempts to spot "industries of tomorrow" far in advance of the market have not generally proven successful and they have consumed considerable volumes of scarce capital.

A related issue is the problem of various countries all trying to support the growth of the same industries simultaneously. It was mentioned that Japanese steel and shipbuilding were two cases in which government efforts to promote domestic industries appear to have been successful—at least for a time. But these "winners" of the sixties became the problem industries of the seventies. To be sure, the Japanese appear to be more skillful than most in reducing the scale even of industries "created" with substantial government help. But what of other countries? In particular, what happens when all countries—including the United States if some people have their way—"pick" robotics or microcircuitry and attempt to force-feed it? Is a viable world industry created, or do we end up with significant overcapacity? Who are the ultimate "winners" in such a game?

The current performance of the U.S. economy leaves much to be desired. The numerous interventions that make up our present de facto "industry policy" are a crazy quilt of imperfectly coordinated and often poorly thought-out activities. Our attempts at rescuing major firms or revitalizing major industries may be misdirected and poorly executed. It is not hard to imagine how omniscient, omnipotent policymakers, sufficiently isolated form "politics," might produce far better results.

However, before we recommend that our government increase its role in channeling the flow of investment, we should be clear about what ought to be the relevant standard for comparisons. Any institution we create to formulate and administer industrial policy will be operated by fallible humans and will be immersed in politics. The issue, therefore, is whether such an institution, prone as it would be to the numerous "political failures" detailed in this paper, would be an improvement over the equally imperfect status quo.

The evidence from our own experience and from overseas should teach us to be wary of promises that something called "industrial policy" will be a cure for our current economic ills. Improving the understanding of government about the effects of its various policy interventions is certainly a feasible goal. But it takes time and resources to create and nurture the analytical capabilities that this requires. Few administrations have been farsighted enough to undertake such investments. Claims that the creation of a small (that is, inexpensive) expert group would magically bring order out of chaos divert attention from the more difficult task of institution-building.

Excessive reliance on "industrial policy" might also create the impression that we can avoid facing certain problems that await us in the coming decade—problems that in part are as difficult as they are because we have refused to face them in the past. The 1980's are going to place extraordinary demands on the adjustment capabilities of the United States and the rest of the world. It will be the decade during which the major costs of adjusting to the higher energy prices of the late 1970's will have to be borne. Further, we will have to take expensive steps to reduce our energy vulnerability by increasing our ability to use alternative fuels. The long-delayed restructuring of many of our traditional industries—particularly steel and autos—will have to occur at the same time we are "deepening" our capital stock and laying the foundation for the growth of new industries. Trade flows are likely to continue to be a disruptive influence—one that we must learn to accommodate, not shut off. The aging of our labor force will reduce the extraordinary pressures we felt during the mid- to late-1970's to create "first time" jobs, but will exacerbate the problem of providing adequate retraining and relocation incentives for experienced workers.

The temptation will be to try to avoid these adjustment pressures or to find "solutions" that appear to permit them to be resolved without making hard choices. Industrial policy, at least as espoused by some of its more enthusiastic proponents, is one such tempting "solution." However, as our experience in energy has shown, delaying needed adjustment in the hope that the underlying problem will go away, or trying to "manage" the adjustment too carefully in the hope that we can somehow avoid its pain, only serves to make the economy unproductive in the interim and increase the costs once the inevitability is finally faced up to. In this critical period, the acid test for any institutional recommendations is whether in actual operation they will help facilitate this needed adjustment. Unfortunately, most of the industrial policy proposals I have seen, while claiming to be adjustment-facilitating, would actually retard adjustment. These grounds alone should be sufficient to ensure their rejection.●

● Mr. BROYHILL. Mr. Speaker, Government interference has brought about many of the problems facing our industries. Yet many of the ills a national industrial policy is supposed to solve are ills earlier Government planning helped to bring about. When we look abroad, we see that government policies of foreign countires designed to save their declining industries caused great harm in their economies. What we should remember about Japan is that its Government has not so much controlled private initiative as allowed it to act freely and creatively.

Theodore Eismeier, professor in the department of government at Hamilton College, has portrayed the harmful consequences that would result from adoption of a national industrial policy. The Government would dispense economically harmful but politically profitable subsidies and trade protections. A new set of regulations would meddle in an already overregulated economy. And Americans would be so distracted by the flurry of activity, that we would neglect the important function of restoring healthy economic rivalry. I would like to introduce into the RECORD at this point Professor Eismeier's sobering article.

[From the Journal of Contemporary Studies, Spring 1983]

THE CASE AGAINST INDUSTRIAL POLICY

(By Theodore J. Eismeier)

A decade of economic malaise has sparked a lively debate in the United States about government's role in the economy, a debate that promises to become even livelier as the 1984 election approaches. The view that won mass approval in the 1980 election and has since impelled public policy is that sustained recovery requires control over the growth of spending and taxing as well as pruning of the vast apparatus of government regulation. Indeed, the theme of government discipline now receives grudging homage even from those who oppose the particulars of the Reagan administration's fiscal policy. Nonetheless, opposition to the administration has regrouped around the larger claim that the economy needs more, not less, government intervention—but intervention of a strategic sort known as a "national industrial policy."

The spread of the industrial policy gospel has been remarkable. Little known in the United States a few years ago, industrial policy and its practice in the rest of the world have now become the subject of increasing popular and scholarly attention.[1] And the idea evidently has political purchase. The need for a more rational and aggressive industrial policy has become a drumbeat of congressional discussion about the economy, while recognition as early and ardent champions of this view is becoming a badge of honor among Democratic presidential aspirants.

Of course, one reason for the broad appeal of a national industrial policy is the apparently catholic meaning of the concept. Getting tough with our trading partners, designing salutary policies for "sunrise" and "sunset" industries, investing in infrastructure and human capital, promoting exports and innovation—the rhetoric of industrial policy includes all this and more. With the idea emerging as a serious economic alternative, the task of public discourse, and of this article, will be to fathom the logic of industrial policy and consider the likely consequences of its adoption.

VARIATIONS ON THE THEME

In the absence of any clear and agreed-upon definition of the term, let us begin by thinning from the field those ideas given the appellation industrial policy that are either uncontroversial or plainly unworkable. At times, for example, the term industrial policy is used to describe any general effort to foster capital formation.[2] It is also used to describe efforts to persuade policymakers to think more carefully and systematically about the complex effects of government intervention and to build a less adversarial realtionship with the business community.[3] None of this is controversial but neither is it the essence of the forceful policies of positive adjustment usually implied by advocates of industrial policy.

On the other hand, some variations on the industrial policy theme are so ambitious that prudent advocates disclaim them. In their emphasis on information, coordination, and rationality, current plans for a national industrial policy would seem to have an intellectual kinship with proposals for national economic planning, like the one introduced into the Senate as "The Balanced Growth and Economic Planning Act of 1975." Cogent criticism and popular distaste, however, withered these proposals, and now they are regarded by proponents of the newer view as something of an albatross. "Industrial policy," leading spokesman Robert Reich has hastened to make clear, "is emphatically not national planning but rather a process for making the economy more adaptable and dynamic."[4]

There is also a growing retreat from the idea that industrial policy either means or requires government's picking "winners" and "losers" among particular sectors of the economy. The reason again is to rescue in-

Footnotes at end of article.

dustrial policy from political and intellecturla quicksand. Even in the abstract, it has become clear, the concept of winning and losing industries defies easy definition and measurement. And in practice there seems even less cause for optimism about government's ability to second-guess the market in this way.

Stripped of the sound ideas to which they have no unique claim and the unsound ideas that their more sophisticated apologists disown, what remains of proposals for a national industrial policy? In broad form, industrial policy is at once a statement about the ends of government intervention, a prescription of specific means to those ends, and a design for restructuring political institutions so as to make possible the wisest use of these means. Fairly summarized, then, it amounts to this:

The goal of national industrial policy is to ensure the competitiveness of U.S. businesses in the world economy by expanding and rationalizing government's role in promoting the most productive patterns of investment. Such a role is made necessary by new and more complex problems of market failure, adjustment costs and interdependence.

Specifically, government ought to devise strategies to assuage the pains of economic dislocation for individuals and regions; to encourage investment in research and development, infrastructure, and risky ventures with long-term payoffs for which there may be imperfect markets; to coordinate policies that have selective effects on industry; and more generally "to facilitate the movement of capital and labor into businesses that permit higher value added per employee."[5]

Replacing the current hodgepodge with coherent and targeted policies will require changes both in the ideology and in the institutions of economic policymaking. Within the limits of our nonparliamentary system of government, ways must be found to centralize and coordinate responsibilities for economic policies as well as to make those policies the products of considered judgment rather than the tug and pull of political bargaining.

Even this is still vague, but in the arguments supporting a national industrial policy its central tenets are made more precise.

EVALUATING THE CASE

Guiding the invisible hand

For all its abstract expression of faith in market mechanisms, the case for industrial policy rests most fundamentally on a far-reaching critique of the current practice of American capitalism. That markets are failing rather badly, after all, is the raison d'etre of the proposal to shift governmental attention from "macro" to "micro" problems. Moreover, the concept of market failure used by industrial policy advocates is very broad. Government is now urged to intervene not simply to supply public goods, promote competition, and provide an economic safety net, but also to stimulate less myopic and wiser thinking among allegedly clumsy corporate giants, coordinating capital and labor markets so as to direct economic change and avoid its disruptions.

In a world in which serious market imperfections were unmatched by political imperfections, this kind of guided capitalism would have much to commend it. But that of course is not the case. Whatever one makes of this medley of arguments about market failure, the road of government failure is clear. Evidence of foresight and effectiveness in previous government efforts either to pick winners—or, more euphemistically, to facilitate the movement of capital and labor—is scanty at best. In fact, government itself bears no small part of the blame for the current problems of many industries.

Industrial policy advocates are hardly blind to this record of maladroitness, but they do not see the problem as irremediable. Here the United States purportedly has a great deal to learn from its industrial competitors, whose governments have shown more imagination and skill in taming the market.

Learning from abroad

The view that our government is being fairly and unfairly outsmarted by the governments of other nations is an important part of the case for industrial policy, certainly the part with the strongest political appeal. The American practice of economic policymaking, critics contend, fares badly when compared with the more enlightened practices of governments in Western Europe and Japan. In these nations a coherent industrial strategy is at the heart of plans for the economy, and programs to restructure declining industries, gear up for growth in new industries, and smooth economic transitions are either well established or now being put in place. Such felicitous policies, the argument goes, are made possible by institutional machinery that is at once more competent and more centralized than that of the United States.

The great diversity of foreign economic experience permits no easy generalization, but the claims made about foreign successes are so central to the case for an industrial policy that a careful sifting of the evidence is important. To be sure, there are clear institutional differences. In name or function, the United States has no single counterpart to Japan's Ministry of International Trade and Industry (MITI) or the economic bureaucracies of European governments. Nor has there been as strong a commitment to planning in the United States as elsewhere.

The apposite question, however, is not whether more elaborate schemes exist but how well they work. And on this question the evidence is decidedly mixed. Where American policy compares most unfavorably is in coping with economic dislocation. Indeed, the evidence suggests that other nations have more generously indemnified individuals and regions against dislocations and perhaps, as in the German case, devised more effective collaboration between the public and private sectors in enhancing the skills of the labor force.[6] On the other hand, government efforts to dissuade or prohibit firms from laying off workers in the first place have apparently met with less success.[7] And not surprisingly, all of these transition programs worked best in a buoyant world economy. In more difficult times the problems of adjustment are more severe and the costs less palatable to the electorate.

The foreign experience with restructuring declining industries is not reassuring. Although no doubt there are some success stories, Raymond Vernon drew unfavorable conclusions from a review of studies on the European case. Not only did sunset sectors tend to crowd out sunrise sectors in industrial policymaking, but a large share of the resources diverted to those industries was ill spent:

"The principle of the squeaking wheel seems to have prevailed. An inordinate share of effort and of treasure has been poured into ad hoc programs that were essentially palliative in nature. Programs that were intended to modernize and strengthen the economy were starved, while public resources were directed mainly to support ailing shipyards, declining coal mines, and uncreative mechanical industries. Though public subsidies sometimes went to the support of more dynamic sectors, these proved to be much the lesser part of the largesse coming from the public purse."[8]

Such ad hoc bailouts are hardly the kind of coherent policies so admired by industrial policy advocates, who must be even more chagrined by the fact that this aid for declining industries has often been accompanied by crude protectionism.

Similarly, while industrial policy advocates make much of the fact that other nations have had specific strategies for steel, computers, automobiles, and other "linkage industries," they tend not to emphasize the fact that in many instances such strategies seem to have failed. Certainly this is true for the case most written about—France—for which the bulk of evidence about the effort to create internationally competitive "national champions" is negative.[9] Although the evidence concerning other nations is perhaps less clear-cut, it is still a slender reed on which to lean the case for an American imitation.

Along with efforts at reorganization, sectoral promotion has also included government attempts to advance technological progress. Here again, though, the lessons of foreign and American experience are complex and not quite as rosy as is sometimes implied in the case for industrial policy. To begin with, the overall record of government influence on the process of innovation is not impressive; one study of innovation projects in Europe and Japan detected little if any positive effect of government influence and found in fact that perceptions of that influence among businessmen were more often negative.[10] The prospects of failure seem to be greatest precisely in those cases that are almost alluring, cases in which government tries to pick "winning" commercial projects. Moreover, ambitious research and development plans included in industrial policy proposals remain largely untempered by accumulating evidence about the informational and organizational requisites of successful government involvement.[11]

The case of Japan looms very large in all these discussions about lessons from abroad. Here, after all, is a nation with a most remarkable record of economic performance and a most famous, indeed notorious, system of strategic government intervention. Surely, admirers claim, there must be some connection.

Perhaps there is, but some important caveats are in order. In the first place, among the many proximate causes of Japan's economic growth the role of industrial policy ought not to be overstated. Any explanation of this growth ought prominently to mention a creative and highly competitive private sector. And it ought also to mention that private initiative has been nurtured not only by industrial policy but also by more traditional policies—a clear and consistent commitment to growth, limited taxes with strong incentives for savings and investment, and a cooperative relationship with business.[12] Finally, such an account ought at least to consider the possibility that the specifics of Japanese growth, including its industrial policy, can be properly understood only in a far broader social context.[13]

In addition, there is good reason to doubt that, whatever its merits, the Japanese

system of industrial policymaking can be transplanted to the United States. In the outstanding piece of scholarship on the subject, Chalmers Johnson concludes that the Japanese developmental state has as its essential features a lean and elite bureaucracy; legislative and judicial branches that exercise only a "safety valve" function, allowing the bureaucracy, in effect, to rule; and an elaborate array of existing institutions, rules, and traditions that permit extensive yet unobtrusive market intervention. These features are so much the products of a unique history that Johnson advises that "other nations seeking to emulate Japan's achievement might be better advised to fabricate the institutions of their own developmental states from local materials." [14] An American model, in fact, might pay closest attention not to the ways in which Japan has controlled private initiative but to the ways in which it has unleashed it.

Finally, the great strength of Japanese economic policymaking is its adaptability. It is true that protectionism and simple industry targeting were once the hallmarks of its industrial policy, but in the last decade Japan has adapted to its changing position in a new world economy by significant trade liberalization and by substantial abandonment of heavy-handed sectoral promotion. The failure to recognize the true genius of the system creates the risk that in the rush to emulate we might adopt practices that in Japan are viewed as outmoded.

The point here is not to deny that there are important lessons in foreign experiences; economic xenophobia is as dangerous as mimicry. But idealized portrayals of foreign successes, especially those that fail to recognize the intimate relationship between policy and indigenous political arrangements, do not by themselves constitute a strong argument for an American industrial policy. That case has to be made on its own merits.

The strategic planning analogy

Yet industrial policy advocates find worthy models in the planning of domestic businesses as well of foreign governments. Indeed, the intellectual roots of industrial policy are usually traced to the strategic planning of businesses. If businesses can map long-term investment strategies, it is argued, government can and should do the same kind of strategic planning, albeit on a somewhat larger scale. There is a certain irony in this line of argument, since the case for industrial policy, it will be recalled, turns elsewhere on claims about the serious organizational shortcomings of the American corporation. And although many of these claims are exaggerated, the record of corporate strategic planning is in fact spotty.[15]

The more important issue, however, is whether industrial policy can even be sensibly compared to strategic planning. There are good reasons to doubt that it can—beginning with the problem of organizational design. Given the nature of their goals and tasks, private organizations can reasonably expect to harness self-interest for the implementation of desired decisions. What we know about public organizations, on the other hand, suggests that self-interest would be prevalent in any government planning agency but hardly as serviceable. Then, of course, there is the problem of information, which would be vastly greater for any government effort to plan for whole sectors of the economy. Finally, there is the issue of control. While the purpose of private planning ultimately is to adapt to market forces, public planning by its very nature, whether it is of the traditional sort or the less coercive sort that industrial policy aspires to be, requires both the knowledge and the instruments to control these forces.[16]

Planning versus politics

The positive case for a national industrial policy, which we have found less than convincing, is buttressed by a set of negative arguments in its favor. The most common of these is that the real choice is not between intervention and nonintervention but between reason and anarchy. Government, after all, already has profound, if largely unintentional, effects on the economy through its taxing, spending, and regulatory policies. Viewed in this light, an avowed national industrial policy could simply be a way to make explicit the trade-offs now made implicitly and badly by muddling through.

There is in the United States a long tradition of distrust of the indirection inherent in democratic decision-making. Yet only the dubious equation of explictness with correctness justifies the preference for planning over politics or, as Aaron Wildavsky puts it, cogitation over interaction.[17] Ungainly perhaps in appearance, the tug and pull of politics does produce a weighing of conflicting values and objectives, a weighing less explicit but not obviously inferior to that which might be accomplished by planning. Thus, for example, the profusion of direct and indirect subsidies for housing might, as some industrial policy advocates claim, be of questionable value.[18] But it is difficult to argue that in this case as in others such policies do not reflect strong and widespread societal preferences, preferences that even the most explicit planning could hardly ignore.

Industrial policy misdiagnoses the problem of government and therefore prescribes the wrong cure. The problem is not that an open political system cannot balance competing values; at that task it works well. Rather the problem is that government has come lately to pursue those values by intervening too often and too bluntly in the market. This being the case, the proper direction of reform is to require a retraction and refinement of governments intrusion, not to expend controls in the way envisaged by industrial policy. That seems rather like prescribing more food for a case of obesity.

The lesser of two evils

The most modest argument in favor of industrial policy is that its alternatives are worse. Assuming as they do that neither Keynesians nor supply-siders have the answers to the economy's ills, industrial policy advocates see a potentially grim future ahead. In the absence of a coherent national economic policy, they argue, the United States faces the prospect of continued buffeting by foreign competition and worsening social strains caused by meager growth. This in turn could lead to policies born of desperation. A spreading wave of protectionism—witness the alarming popularity of domestic content legislation—and increasing calls for ad hoc bailouts and massive public jobs programs could be only the first symptoms of this politics of desperation.

If the future were this bleak and if industrial policy were itself harmless, the ony problem with warding off bad ideas with unproven ones might be dashed expectations. Recent indications, however, suggest that such gloomy economic predictions are somewhat off the mark. And further thought quickly raises the possibility that a national industrial policy might actually encourage the very sorts of policy errors that it is supposed to avoid.

POSSIBLE PERVERSE RESULTS

Strong adherents tend to regard any criticism of industrial policy as mere caviling. To the extent that the thinking occasioned by a national industrial policy resulted in the adoption of a few good policies or the discarding of some bad ones, they argue, there is nothing to lose by the effort. Yet by its own admission industrial policy is more than a set of specific ideas, some better than others, about how to improve the economy; it is a conscious and comprehensive effort to transform the institutions and ideology of economic policy in the United States. It is in this context that its possible benefits and considerable risks must be judged.

Exactly how industrial policy would be institutionalized is not clear, for its proponents' interest in explicitness apparently does not extend to organizational details. Beyond the usual rhetoric about coherence, cooperation, and coordination, descriptions of industrial policymaking tend to be artfully vague. At a minimum, one imagines, a new bureaucracy would be created. Such an agency, say an American namesake of Japan's MITI, might simply be window dressing, an organization with many specific goals and no authority.

But it would be just as likely for Congress to create one or—as is probable—several institutions with broad authority and no specific goals. Given the congressional penchant for delegating authority, and the stated preference of industrial policy advocates for flexibility, we could expect the charters of such institutions to be very general. Indeed, recent proposals for new versions of the Reconstruction Finance Corporation or Venture Development Centers are exactly that. Such new institutions for borrowing and lending seem to have as a mandate only the broadest of notions about promoting modernization and new technologies.

Regardless of their precise form, there are serious problems with these and other possible instruments for industrial policymaking. First, there is little reason to expect them to have any beneficial effect.[19] Second, by encouraging the abdication of authority by popularly elected institutions, such schemes would weaken and not strengthen processes of accountability. Finally, and perhaps most important, these proposals are fundamentally escapist. Wise national goals are not emergent properties of artificially created and vaguely defined bureaucracies or processes of planning. However tempting it is to imagine that hard political choices can be planned away or given away, ultimately the making of such choices remains the defining task of any policy.

To be fair, thoughtful proponents do recognize this. The urgent task of industrial policy, they claim, is not only institution-building but consensus-building. The American public and its policymakers have been bound, according to this view, by an almost religious fear of government intervention in the market, a fear that oddly permits all manner of indirect government interventions but nothing in the way of conscious direction. The aim is to supplant this with a new public philosophy that would allow for public policies better suited to economic realities.

What would such a conversion do? Ideas as well as formal rules do constrain the practice of politics. The conviction that budgets ought normally to be balanced, for

example, was an idea that constrained fiscal politics in the United States for many years.[20] Yet as that example also demonstrates, the power of ideas can be eroded. Similarly, the leeriness politicians feel about intervention has waned, but it still exists. Although in principle industrial policy might call only for selective intervention, as a public philosophy it could be stretched to justify almost anything and thereby put in jeopardy, what remains of the informal system of constraint.

Thus in practice a national industrial policy could have perverse results. The first result might well be a new explosion of well-intentioned but ill-conceived government programs to aid the economy. Now at least there is some difficulty in enacting the kinds of ad hoc bailouts and other subsidies that industrial policy advocates find so distasteful. Suitably justified by the right code words, however, virtually any new act of government largesse could claim the aegis of national industrial policy. And this largesse would hardly be limited to government expenditures; protectionism might also flourish. Although this is certainly not what most of its proponents intend, protectionism is already creeping into the political case for industial policy. With a formal national industrial policy in place, the urge to protect both sunset and sunsire industries could be irresistible.

Another probable result of widespread acceptance of the industrial policy doctrine would be a spate of new laws and regulations meddling in the internal affairs of business. Mergers that are not anticompetitive, for example, might well be discouraged or proscribed because by some logic of industrial policy they would be judged to be unproductive.[21] By a similar logic more and more corporate decisions could easily be judged to be too important to be left in private hands. In a nation as attached to laws as the United States, such control would not be effected by Japanese-style administrative guidance but rather by American-style command-and-control regulation.

If the adoption of a national industrial policy could produce an unwarranted expansion of government authority, it could also produce an unwarranted centralization of that authority. To be sure, allocative efficiency is already a victim of an irrational division of labor between the states and the national government. But an industrial policy could make matters even worse. Whether the rubric is infrastructure, human capital, or industrial development, the impulse would be to try to achieve greater responsibility and coordination at the national level, even in those many areas where the recent history of American federalism would urge extreme caution.

To recognize the risks of a national industrial policy is, of course, not to be Panglossian about the current state of the political economy. Encouraging productive behavior through a fair and efficient tax system, controlling and targeting government spending, sorting out the functions of different levels of government, promoting healthy economic rivalry—these issues and a host of others require continuing national attention. Indeed, the greatest danger of an infatuation with industrial policy is that it might turn our national attention away from such fundamentals.

FOOTNOTES

[1] See, for example, Barry Bluestone and Bennett Harrison, "The Deindustrialization of America: Plant Closings, Community Abandonment and the Dismantling of Basic Industry" (New York: Basic Books, 1982); Ira C. Magaziner and Robert B. Reich, "Minding America's Business" (New York: Harcourt Brace Jovanovich, 1982); Ronald E. Muller, "Revitalizing America" (New York: Simon & Schuster, 1980); John Pinder, ed., "National Industrial Strategies and the World Economy" (London: Allanheld, Osmon, and Co., 1982); Michael L. Wachter and Susan M. Wachter, eds., "Toward a New U.S. Industrial Policy?" (Philadelphia: University of Pennsylvania Press, 1981).

[2] Reginald B. Jones, "Toward a New Industrial Policy," in Wachter and Wachter, eds., pp. 9-16.

[3] Robert A. Leone and Stephen P. Bradley, "Toward an Effective Industrial Policy," Harvard Business Review 59 (November/December 1981): 91-97.

[4] Robert B. Reich, "Why the U.S. Needs an Industrial Policy," Harvard Business Review 60 (January/February 1982): 74-81.

[5] Magaziner and Reich, p. 343.

[6] Ibid., ch. 22.

[7] See, for example, Suzanne Berger, "Lame Ducks and National Champions: Industrial Policy in the Fifth Republic," in "The Impact of the Fifth French Republic," ed. William G. Andrews and Stanley Hoffman (Albany, N.Y.: State University of New York Press, 1981), pp. 160-78.

[8] Raymond Vernon, "Enterprise and Government in Western Europe," in Big Business and the State, ed. Raymond Vernon (Cambridge, Mass.: Harvard University Press, 1981), p. 13.

[9] See, for example, Berger; Keith Pavitt, "Governmental Support for Industrial Research and Development in France: Theory and Practice," Minerva 14 (Autumn 1976): 330-54; John Zysman, "Between the Market and the State: Dilemmas of French Policy for the Electronics Industry," Research Policy 4 (1975): 312-36. Volumes of studies on French and other cases include Vernon and Pinder.

[10] Thomas J. Allen, et al., "Government Influence on the Process of Innovation in Europe and Japan," Research Policy 7 (1978): 124-49.

[11] Compare, for example, the proposals of Magaziner and Reich, ch. 28, with the evidence in Richard R. Nelson, ed., Government and Technical Progress (New York: Pergamon Press, 1982).

[12] Hugh Patrick and Henry Rosovsky, eds., "Asia's New Giant" (Washington, D.C.: The Brookings Institution, 1976); Theodore J. Eismeier, "The Real Japanese Miracle," Journal of Contemporary Studies, vol. 5, no. 4 (Fall 1982): 33-42.

[13] For such a view see Roy Hofheinz, Jr., and Kent E. Calder, "The Eastasia Edge" (New York: Basic Books, 1982).

[14] Chalmers Johnson, "MITI and the Japanese Miracle" (Stanford: Stanford University Press, 1982), p. 323.

[15] For a review of this record see Murray L. Weidenbaum, "the Contrast between Government and Business Planning: Market Orientation versus Centralized Control," in The Politics of Planning, ed. A. Lawrence Chickering (San Francisco: Institute for Contemporary Studies, 1976), pp. 225-40.

[16] These issues are discussed in detail by Weidenbaum and others in The Politics of Planning.

[17] Aaron Wildavsky, "Speaking Truth to Power" (Boston: Little, Brown, 1979), ch. 5.

[18] See, for example, Reich, p. 76.

[19] For a thoughtful assessment see Robert Z. Lawrence and Lawrence B. Krause, "Problems of Positive Adjustment: Do We Really Need a National Industrial Policy," paper delivered at annual Meeting of the American Economic Association, December 1982.

[20] James M. Buchanan and Richard E. Wagner, "Democracy in Deficit" (New York: Academic Press, 1977).

[21] For example, Magaziner and Reich, pp. 116-17, discuss mergers as a problem of nonproductive investment. For another view, see Yale Brozen, "Concentration, Mergers, and Public Policy" (New York: Macmilian, 1982), ch. 13.●

● Mr. CLINGER. Mr. Speaker, I would first like to commend my good friend and colleague, the gentleman from Wisconsin, Mr. PETRI, for his leadership in organizing this special order today to illustrate the possible impact of recent proposals to create a national industrial policy.

For my part, Mr. Speaker, I would like to bring to the attention of my colleagues an article by Dr. Amitai Etzioni, formerly a senior White House policy adviser during the Carter administration and currently university professor at George Washington University.

Professor Etzioni challenges what he aptly coins the "MITIzation of America;" that is, Government direction of industry through a predetermined set of priorities in a style popularly attributed to Japan's Ministry of International Trade and Industry. He points out specific failures of MITI decisionmaking in the so-called picking of winners and losers, and maintains that these forecasts of industry performance are both unfair and often grossly inaccurate.

I have to agree with the distinguished professor's suggestion that we encourage the growth of a healthy economy through economic incentives, not through a national planning strategy which assumes the accuracy of forecasting technology which has never before proven successful for American society. Training for displaced workers, improving our Nation's crumbling infrastructure, and tax incentives to stimulate innovation, are policies we need to pursue. But these can be implemented without central planning—better known as industrial policy, repackaged for the 1984 campaign.

Finally, Mr. Speaker, I must note with some irony that the industrial policy cure is not a recent development. The fact is we have an industrial policy, and have had an industrial policy since the founding of the Republic. The real issue is whether industrial policy should include national planning and management of the economy. Dr. Etzioni's article, like those of many other leading economic thinkers, suggests it should not.

The article follows:

THE MITIZATION OF AMERICA?

(By Amital Etzioni)

From half a dozen Democratic study groups, caucuses, a think tank, and—more indirectly—from statements by several Democratic presidential hopefuls, a new theme is rising; industrial policy. It calls for the next Democratic administration, in consultation with business and labor, to formulate a set of industrial priorities. Chosen industries (high tech, especially computers, usually lead the list) are to be showered with public funds and benefits. Losing industries (autos and steel, for example) are to be "sunset" and their workers moved to other industries after "retraining." (Some suggest reconstructing the losing industries—with public funds and guidance—to become winners.) In these ways the government is to help American business adapt more rapidly to the changing technological environment and to the competitive world overseas. An often repeated line is, "We did Japan and Germany a favor by bombing out their steel mills; now we must take out our own obsolescent ones."

The model that several proponents of industrial policy seek to emulate is Japan.

The Ministry of International Trade and Industry (MITI) of Japan is credited with successfully managing Japan's economy as if it were one corporation. Hence references to "Japan Inc.," and a standard question from the left: "If corporations have a planning committee, what's wrong with having one for the U.S.?" Indeed, the MITIzation of America is openly advocated.

One American version of MITI calls for the Department of Commerce to be transformed into a Department of Trade and Development, with a desk and a trilateral committee (made up of government, business, and labor) for each industry, from ball bearings to shoes. Each desk would analyze its industry and determine whether it had a promising future in terms of productivity, export potential, technological innovation, labor intensiveness, "added-value," and other such criteria. The industries ranked at the top would be granted whatever they need to thrive, based on trilateral consultations. ("Consensus" is another Japanese characteristic the new industrial world is to emulate.)

The people who most explicitly call for an industrial policy based on identification of winners and losers are the left-liberal Gar Alperowitz, co-director of the Center for Economic Alternatives, and Arny Packer, an Assistant Secretary of Labor in the Carter administration. Robert Reich, a former planning director of the Federal Trade Commission and currently a professor at Harvard's Kennedy School of Government, is widely considered the spokesman for Democratic industrial policy. A book he coauthored with Ira C. Magaziner, Minding America's Business, is often cited in discussions of industrial policy. Reich does not use the terms "winners" and "losers" and objects to being identified with the Alperowitz-Packer position. Nevertheless, he does call for identifying and assisting those industries with a "high added-value."

Reich never clearly defines what "high added-value" is. The problems in predicting which industries will have a high added-value in the future are similar, if not identical, to those of picking winners and losers. Indeed, in their book, Magaziner and Reich talk about "declining" and "growing" businesses as if there were labels pinned to their smokestacks or written on their laboratory flat-roofs. While it might be relatively easy to tell who is currently on the decline, this is by no means an easy business to predict. Losers turn into winners in a few short years, and vice versa, a catch Reich and others ignore.

As I see it, America cannot be MITI-ized, nor should it be. Before indicating why, I ought to make it clear that the Democratic Party has not adopted the idea as part of its platform or official policy, both because Democrats are still actively debating the idea and because the 1984 elections still seem far away. Now, before a commitment has been made, is the best time to raise questions about industrial policy. (Republican readers may feel that they could not care less—or would even find it welcome—if the Democrats lock into a wrong-headed strategy. But there is always a certain statistical probability that the Democrats will win, and the last thing the country needs is another round of experimentation with faulty economic theory.)

THE CULTURAL GAP

Before evaluating what MITI has to offer America, we ought to ask how well it has done for Japan. In the mood of self-flagellation which prevailed on these shores in the late 1970s, Japan was credited with almost unbelievable prowess. For instance, Harvard sociologist Ezra Vogel found Japan first not only in economic achievement, but also in education, crime control, equality of income distribution, environmental protection, and health. The guiding spirit in this account—the consensus-builder, the administrator-coordinator, the promoter of productivity, export, research and development (R&D), good labor relations and wise investment decisions—is, you guessed it, MITI.

Others disagree. They point to MITI failures. For example, in 1955 MITI wanted Japanese auto makers to concentrate on a single car model, the "People's Car," and it took lobbying in the Japanese parliament to allow the auto makers to keep a more varied line, which has been part of their marketing success. Not long before, MITI officials had told Japanese auto makers not to waste resources trying to export—on the assumption that they could never penetrate foreign markets! In the 1960s, Honda and Mitsubishi succeeded by staying out of MITI-guided cartels and going it alone. More recently, Japan's MITI-ized steel mills have been operating for years at 70 percent of capacity.

But more to the point, whatever MITI does or does not do for Japan, it cannot be Xeroxed and shipped to the U.S. Major institutions do not travel well across international boundaries. It suffices to remember that our Constitution has been copied by some of the republics of Latin America, which have frequently used it to impose the rule of generals, not to sustain democracy. Japan is a far more homogeneous society than the U.S., and its people have a strongly shared national mentality, fostered by a sense of vulnerability due to their isolation and the absence of most natural resources. They pull together much more readily than do the people of continent-sized, pluralistic America. Executives in Japan often have secure, lifelong employment commitments. Many employees live on corporate campuses and many labor unions are, in effect, company-controlled. To put it succinctly, there probably is not a major industrial country from which the U.S. can copy less than from Japan.

The essential feature of MITIzation is that it presupposes an intensive and extensive role for government in planning and managing the economy. Nothing could be further from the political philosophy to which most Americans subscribe. The American antipathy for government, and the corresponding belief in individualism, competition, and the marketplace, go back to the days of the founding. In recent years, in a reaction to the liberal decades of the New Frontier and the Great Society, these beliefs have been strongly reaffirmed. After all, not just Reagan but Carter, too, rode on an anti-government wave. If Reaganomics fails, some backlash may develop, which could carry us either to greater opposition to government, or to some new willingness to draw on it for economic revitalization. But I cannot imagine that by 1984 or 1988 the public will embrace a MITI-ized economy. To advocate it is at least politically, a losing proposition.

THE POLITICAL GAP

Nor is a MITI compatible with the way America is governed. In Congress we find a strong expression of local interests and, increasingly, of other special interests. We may leave to another occasion the question whether this makes for a wholesome, pluralistic, representative system or for a semi-corrupt PACed Congress. The fact is that a national economic plan cannot be formed and implemented under our political institutions, if it can be done at all. When our social engineers wanted to test the Model Cities plan in six sites during the 1960s, members of Congress, long before the data were in, demanded the program for "their" cities, extending it to 75, soon 150, cities. The Economic Development Administration was to allot funds for selected economically depressed counties; soon, under Congressional pressure, 84.5 percent of all U.S. counties qualified, turning the program into an open pork barrel and completely defeating its purpose. Essentially the same thing happened to Trade Adjustment Assistance and to the tax code, the latter becoming so riddled with special favors that some have proposed turning to a flat rate tax.

Moreover, the "losing" industries are usually the oldest and best-established ones, and therefore have the most political influence, while newer, more innovative industries often have relatively little. Bio-engineering is lost among the farm, bank, labor, real estate, steel, and auto lobbies. Thus the American political process tends to channel resources to obsolescent industries, to the relative neglect of the new, with-it ones. President Carter's short-lived 1980 economic revitalization drive started with the auto and steel industries—both obsolescent and in need of being scaled back—not because his staff believed they were the engines of America's future, but because their labor unions were flirting with the idea of endorsing Senator Kennedy.

It has been suggested that the American MITI, like the Federal Reserve, would be an independent authority, insulated from Congress. But would Congress agree to keep its hands off a comprehensive national planning and management agency? And could the economy run if we had two economic policy-making institutions independent from one another—and from general national policy making? (Some feel one is too many.) Sometimes the bark of the proponents of industrial policy is worse than their bite. Reich calls for "government management" of capital markets, which is enough to drive most American businessmen, investors, and voters up the wall (and over it, to relocate overseas). Actually, he does not quite mean a government-run investment decision-making apparatus for the American economy, only introduction of "public investment criteria" into allocations of loan guarantees, insurance subsidies, and tax and credit subsidies.

THE KNOWLEDGE GAP

Other advocates of industrial policy, such as Lester Thurow and Felix Rohatyn, are much more moderate. The favor directing some capital to where it is needed—perhaps through a Reconstruction Finance Corporation (RFC) on the order of $50 billion a year—which is a long way from "managing the American capital market." Indeed, the size of the intervention is as important as its tightness of grip. A small RFC might be wasteful, a nuisance, a symbol of relying on government rather than the market; a major one would constitute an attempt to plan the economy through a central financial authority. Gar Alperowitz, for instance, recently called for "coordinated overall planning." Recognizing that this notion is not very popular, he has returned to an old-left chestnut, expecting the forthcoming crisis to raise people's "consciousness." He writes, "Probably the new approach will have to linger on the sidelines . . . until the

economic disarray explodes into crisis and the people demand that something be done."

Last but not least, the identification of "winners" and "losers," the cornerstone of industrial policy, is a near-impossible task. To identify a winning industry requires predicting the future, determining what product line will succeed, taking into account future technological developments, changes in the general leave of economic activity, actions by our competitors, and so on. The fact is that American industries that in the past were considered sure losers—textiles, shoes—have become winners, *without* industrial policy, and an industry that until recently seemed an American winner—airplane manufacturing—may turn sour (and then again may not). It is hard to foretell. I find it very revealing when people who put their faith in forecasting do not engage in studies of the validity of past forecasts. (Do not trust a broker who will not provide—or keep—a performance record.)

At one point Magaziner and Reich announce that, "the governments must be capable of distinguishing between major structural declines and temporary problems that can be overcome with adequate funding." Maybe they must, maybe they do not—but *can* they? So far as one can tell from historical and anecdotal information, and as the preceding examples illustrate, successful long-run identification of winners and losers is beyond our current intellectual and technical capacity.

LEARNING FROM THE AMERICAN EXPERIENCE

All this does not mean that the only alternative is to sit back and await the results of the vicissitudes of the marketplace. As long as there is a government (even for defense only) there will be a tax system and public policy decisions as to how to distribute its burdens, not only among various social groups, but between consumption and investment and production. (For instance, shall there be a tax on corporations or only on individuals? On capital gains or only on earned income?) Similarly, monetary policy and the level of government activities, especially deficits, affect the availability of credit to the private sector. In effect, both the tax and the credit systems are used daily by the government—including the Reagan administration—to transmit national priorities to the economy.

These sort of signals differ from those sent by MITI in that they are economic incentives, not administrative decrees, regulations, or public financing. Moreover, these incentives are focused on wide sectors of the economy, not specific industries. For example, to favor investment in capital goods over collectibles and residential real estate (as most items of the 1981 Economic Recovery Act do) is not to favor tin over silver, or slurry pipelines over railroads. Because they are broad, these incentives are much less subject to political pork-barreling; most political corruption enters when economic incentives are tied to a narrow, specific constituency. In addition, they can work well even if we cannot forecast precisely. To favor R&D in general, for instance, does not require forecasting which specific R&D projects, or even which line of investigation, will "win," or which new technology will pay off.

A major study of "industrial innovation policy" published in Science illustrates the point.[1] The authors identified three ways the U.S. government historically has supported R&D. Before one rushes to condemn all government support for R&D it should be noted that a good part of this support is directly related to U.S. national security. And all but the extreme free market purists recognize the need for the government to support some shared goods which have no profit potential, among which basic scientific research ranks second only to defense. Support, of course, does not mean government administration, production, or control. Support of R&D currently takes the form of appropriation of needed funds. The question under study is what kind of government guidance—if any—should be built into the ways the funds are allotted.

The study found two ways that worked well and one that clearly does not. Support for items in which the government has a "strong and direct procurement interest" (e.g., missiles) works well, as does support for "generic" research between basic and applied (e.g., accelerating the transition of basic work in chemistry and biology to applied R&D carried out by the private sector). What "unequivocally" did not work, say the researchers, is the government's trying to "pick winners." In the SST project and Operation Breakthrough (a HUD housing development), the government "did not attempt to create a framework in which scientific and user interests could guide allocation; rather than federal agencies attempting to insert themselves directly into the business of developing particular technologies for a commercial market in which they had little or no procurement interest." This "targeted" form of support for R&D failed, while the indirect—or semi-targeted—approach worked quite effectively.

All specific economic decisions can be left to the private marketplace within a framework that encourages what I have called reindustrialization—that is, shoring up the infrastructure and capital goods sectors, the sectors favored by the first industrialization of America. Others may call such an approach "industrial policy II" or "MITI-minus." By whatever name, such an economic policy may foster American economic reconstruction, as long as it does not look like or attempt to work like MITI in Japan. Incentives and broad-gauged signaling of priorities might help; national planning and managing the economy will not.●

● Mr. PAUL. Mr. Speaker, I want to thank my colleague from Wisconsin, Mr. PETRI, for coordinating these special orders, and for offering me the opportunity to speak on the topic of industrial policy.

I rise today in strong opposition to a national industrial policy, and I welcome the change to debunk the myth that a so-called national industrial policy can help solve America's economic problems. Furthermore, I welcome the chance to challenge the notion that any government plan or program can allocate economic resources more efficiently than the free market.

The perceived need for a national industrial policy is predicated upon the misguided notion that the free market has somehow broken down, and that reliance on free market forces is responsible for the severe economic problems our country faces. Every such problem—from unemployment, trade imbalances, and declining productivity growth to credit gaps for developing and older industries—is blamed upon the free market which is, critics assume, no longer able to protect its participants.

A national industrial policy is a political fallacy that has at its heart the ill-conceived and mistaken notion that Government planners can function more efficiently than the free market. Not only is an industrial policy mentality "a dangerous solution to an imaginary problem," but it is a mentality which could seriously exacerbate our present economic problems.

Clearly, Mr. Speaker, there is no consensus, even among its proponents, as to the definition of an industrial policy. In fact, the seductive allure of an industrial policy lies in this very vagueness. However, while proponents of an industrial policy have put forth a wide variety of schemes and strategies to address the Nation's economic woes, I find some consistency in what they claim an industrial policy will accomplish, and the mechanisms through which these economic miracles will be performed.

THE MYTH OF MARKET FAILURE

The primary focus of most industrial policy proposals, and the aspect I find most alarming, is the creation of a government mechanism to allocate and direct capital to government selected recipients. The purported benefits to the economy from a "new" Reconstruction Finance Corporation, a National Development Bank, an Industrial Development Bank or their equivalents would be numerous. Differing scenarios have growth industries being promoted through subsidized Government loans, with older industry being the target of Government disinvestment policies; or, a policy of subsidizing both "winners and losers."

Those who claim there is a need for a development bank base, their claims upon the premise that capital markets are imperfect, and that these imperfections manifest themselves in the form of capital or credit gaps. This perceived shortage of capital, it is argued, is especially critical with regard to financing either new growth firms or older distressed firms.

I disagree with this hypothesis. Not that I don't believe that some new growth firms and distressed firms are denied access to cheap financing, but because I believe that the unavailability of capital is a product of the market's assessment of risk and rate of return.

I would also question the Government's ability to identify capital

[1] Richard R. Nelson and Richard N. Langlois, "Industrial Innovation Policy: Lessons from American History," Science (Feb. 18, 1983:) 814-818.

market imperfections the market cannot. Imperfections imply inefficiency, and inefficiency implies the loss of money or the loss of an opportunity to make money. Personally, I have more faith in an individual investor's ability, or the collective ability of the market, to spot profit potential than I do in Government's ability to identify imperfections.

Many would argue, and I would agree, that capital markets are the most efficient allocator of capital to competing alternative uses. In free markets, like our own, investment decisions are based on return on investment and the element of risk associated with advancing funds. The capital market is the mechanism through which capital is allocated, quickly and efficiently, to those ends which promise the highest risk-adjusted rate of return. Unfortunately, though, capital markets are finite, and when the Federal Government steps in to allocate and direct capital, changing the market's assessment of risk and rate of return, it follows that other, more productive borrowers are crowded out.

FEDERAL CREDIT ASSISTANCE: COSTS AND CONSEQUENCES

Many argue that Federal credit assistance, since loans are paid back, does not cost anything. In fact, some even go so far as to say that direct loans, like those that might be made from a National Development Bank, are moneymakers for the Federal Government.

I would argue differently. Are these development bank proponents ignoring the effects the budget deficits used to finance these loans have on interest rates, inflation, and the economy as a whole. And even if the credit assistance granted to recipients is in the form of loan guarantees, as some have argued, what of the loss of economic output from the more productive firms which were crowded out of the credit markets by excessive Federal demands?

Federal credit assistance, since it changes the allocation of credit among users, is one of the most dangerous forms of Government intervention. It should be avoided or minimized as a policy instrument. The folly of Government directed credit assistance is summarized in a recent article by Irving Trust Co.:

> In a truly free capital market, credit flows toward those uses that offer the highest risk-adjusted rates of return. But when the government steps in to extend subsidized credit to some users, some of these more productive enterprises are necessarily crowded out of the credit markets. And national productivity grows more slowly because these high growth companies can't get the capital they need.

Today, we are already faced with a serious Federal credit crisis. With over 350 different types of lending programs, and almost $1 trillion in direct loans, loan guarantees, and Government-sponsored enterprise lending outstanding, it is hard for me to believe that we are seriously considering another $5 to $20 billion credit proposal.

Of course, there are those who argue that an industrial policy or a National Development Bank are just the mechanisms we need to coordinate or "rationalize" our existing credit activities. Again I am forced to disagree. Not because we don't need to "rationalize" these programs, but because these proposed mechanisms will not achieve these laudable objectives.

I am skeptical for a number of reasons. First, because we have tried in the past, with little success to date, to coordinate the Federal Government's credit activities; second, and the reason why we have not yet coordinated the Government's credit activities, is that credit assistance is highly political in nature.

For years, one of our colleagues on the Banking Committee, Mr. BETHUNE, has tried to enact a Federal credit budget as a means to coordinate and judge the relative value and costs of Federal credit activities. I applaud him for his fine work in this area, and I'm pleased to hear that the Rules Committee's Committee on Budget Reform is considering this mechanism.

The wide support for this legislation seems to indicate a recognition that Federal credit assistance does have economic costs and value, and that it should be brought into a framework where these costs can be considered. However, it is totally inappropriate, and a little naive, to expect that an industrial policy can bring about a "rationalization" of Federal credit activities, especially when we can't even enact a credit budget.

The current distribution of Federal credit assistance does not reflect a comprehensive strategy; it does not reflect a rational or integrated economic approach where the economic costs and value of federally assisted credit are considered; it does, however, reflect a policy of support to areas with strong and organized political suport. I would like to know why a National Development Bank would be any different?

If we look at the current distribution of Federal credit assistance by policy objective we notice certain trends. We find that over half of credit outstanding has gone to support housing. The second highest recipient of Federal loans and guarantees is agriculture. While these are certainly important aspects of our economy, I doubt these areas were targeted for Federal assistance solely on the basis of their economic problems. I think we find a system of government credit allocation which is based primarily on politics, a system where political considerations are often substituted for private, free market economic decisionmaking.

I noted from Robert Reich's testimony before the Subcommittee on Economic Stabilization that he supports the idea of a National Development Bank only if it does not add to the layers of Federal credit programs which currently exist. I would say to Mr. Reich: I fear that we cannot eliminate the current layers, and that if we create a National Development Bank, we will be stuck with the old programs as well as a new one. I would further add the warning that these funds will be distributed on the basis of political points, and not sound economics. Those who doubt this should heed Senator PROXMIRE's warning:

> Money will go where the political power is. . . . It will go where the union power is mobilized. It will go where the campaign contributors want it to go. It will go where the mayors and governors as well as the congressmen and senators have the power to push it. Anyone who thinks that government funds will be allocated to firms according to merit has not lived or served in Washington very long.

THE AMERICAN ECONOMY IN TRANSITION

Without a doubt, the American economy is in a period of transition. Our economy has always been a dynamic, evolving one. It is this attribute—the ability to change, to move and grow in new directions, while naturally disinvesting in others—which has placed, and kept, the United States as the world's economic leader, and which has given the American people more choice, freedom and opportunity than any other country in the world.

Some argue that government should act to slow economic change because it creates problems, like unemployment and trade imbalances, which hurt the people and economic performance of the United States.

Yes, a changing economy often creates short-term problems for its participants. But is this a rationale for slowing the natural economic changes which come from a free market and which bring about long-term employment and economic prosperity to its participants. I think not.

Make no mistake, I am not arguing that some aspects of the U.S. economy are not in serious trouble. One of the problems of the day is high unemployment. How would those who advocate an industrial policy address this problem? From what I have heard, they would subsidize the distressed firm or industry, effectively promoting labor immobility, but only if the firm or industry made concessions. These concessions, which the Government would extract, things like advance notice for plant closings and preapproval for new siting, would further decrease the firm's efficiency.

Promoting labor immobility is a shortsighted solution to unemployment, and one that slows employment and economic transition. Current esti-

mates indicate that by the year 2000 between 25 percent to 40 percent of the professions in the United States will be new ones. It is foolish for the Government to waste billions of dollars subsidizing jobs, many of which will not even exist in the near future, especially when the Government is destroying the processes by which the economy renews itself.

As Italian entrepreneur and CEO of Olivetti, Carlo De Benedetti says: "Supporting uncompetitive sectors or companies with public funds is a waste of resources." This warning from a continent that has for years supported failing industries is a strong one indeed. What will the next step be for the U.S. Government after Government subsidies prove to be inadequate to keep a firm afloat? Nationalization? We have seen the harm this has done to our European allies.

Just as I believe it is foolish for the Government to promote labor immobility, I believe it is equally foolish to think that the Government can identify new growth industries or areas in an ever changing economy. The folly of Government picking the winners has two parts. First, what gives the Government powers of discernment the market does not already have tenfold? Second, if these new growth areas are going to be so competitive and profitable, why is there a need for Government subsidization?

I must tell you that I have a great deal of confidence in the ability of the market to identify winners, and none in the Government's. But don't take my word for it, listen to the words of Nolan Bushnell who founded one of the winners, Atari, Inc.:

> I guarantee you that no government agency can target the right industry; in fact, I'll almost guarantee you they'll target the wrong one. The targeting role belongs to the entrepeneurs. The problem is that these Atari Democrats would never have targeted Atari.

I wholeheartedly agree with those who point to the productivity, the economic output and the jobs which new growth industries promise for the economy. These industries are a sign that the economy is renewing itself, and I welcome the transition. However, it is the uniqueness of the American capital markets which will nurture the growth areas to prosperity, not the Government's targeting and subsidies. As Carlo De Benedetti writes:

> A strong advantage of the U.S. in relation to Europe and Japan is the existence of a financial market which makes the financing of new entrepeneurial ventures extremely easy. In fact, the U.S. venture capital system is a decisive factor in the development of strongly innovative high-risk companies. A sample of 72 public U.S. companies formed with venture capital required investments of $209 million in the period 1970-79; but in 1979 these innovative firms employed 130,000 people, and had revenues of $6 billion, exports of $900 million, corporate taxes and employer taxes of $450 million. In the same period, the first 1,000 U.S. industrial companies in the Fortune ranking did not create a single new job.

AN ECONOMIC COOPERATION COUNCIL: INSTITUTIONALIZING THE PROBLEM?

Other mechanisms, besides a National Development Bank, have also been advocated as a substitute for a national industrial policy. One of these, an Economic Cooperation Council, would be a tripartite collection of business, labor, and Government officials who would meet to discuss our Nation's economic problems, and possible solutions to these problems. Again, it appears the impetus for the ECC comes from the Japanese and their Economic Structure Council.

We have hard that some such organization would be able to forge the necessary consensus to bring about economic change. Unlike Congress, it would be able to force concessions from labor; of course, as a necessary precondition, business would have to agree to certain conditions. To entice business to play along, the Federal Government would dangle the carrot of trade protection or Government loans before industry or company leaders. Not only is it inappropriate for Government to interfere in the interactions of business and labor, but I fear the consequences of adopting policies which restrict the free flow of goods between countries.

We have been inundated lately with calls for fair trade which, in reality, is another name for trade protection or retaliation. This is an old question, and it never ceases to amaze me the new covers which those who oppose free trade think up as a means to apply their antifree market policies.

The case against trade restrictions is threefold. First, trade restrictions violate fundamental economics. One of the most basic of all economic principles is that of comparative advantage or, simply put, that economic efficiency is maximized when everyone is doing what he does best. This principle is just as valid for a nation as it is for the individual.

Second, trade restrictions eliminate the freedom of consumers to buy those goods at those prices which best meet their needs, regardless of where these goods are produced. This is both a practical, economic consideration and a moral one as well. Not only is it efficient for consumers to buy the best products, but it is their moral right to purchase whatever goods they so choose.

The third reason is a practical one; that is, that trade restrictions do not work. In 1930, Congress passed the Smoot-Hawley tariff bill, imposing heavy tariffs on imports, with the avowed motive of "protecting" U.S. companies and jobs. Within 1 year, our 25 major trading partners had retaliated with their own tariffs on American goods. World trade sharply declined, and the depression was made worldwide and longer lasting.

My opposition to an ECC does not lie in its power, for, as I understand it, it would not have any. Of course, I would be extremely averse to allowing it to implement beggar-thy-neighbor trade policies. I am not opposed to representatives of labor and business meeting together to discuss how the two may operate more efficient together. I believe it is unfortunate, however, that Government intervention into the workings of the market has grown to the point where we need specially appointed Government representatives to help determine how the economy can operate more efficiently.

JAPANESE INDUSTRIAL POLICY: FACT OR FICTION?

Mr. Chairman, I would be remiss if I did not take the time to address the claims which industrial policy advocates make with regard to the success of Japanese industrial policy. It seems, more often than not, that whenever we debate industrial policy, there are a number of experts who rush to tell us how successful the Japanese have been with their programs. For many of these advocates, Japan's Ministry of International Trade and Industry (MITI) present a glowing example of the kind of government planning agency which the United States should emulate.

Before we rush headlong into copying the Japanese, we should look closely at what their experiences have been. Are their seeming successes a product of the Government's MITI, or are they, in reality, a reliance upon market forces? I believe a closer look at MITI shows not only that the Japanese are unable to "pick the winner," but that often MITI's actions have hampered or slowed the success market forces would have brought about anyway.

One of the best examples of this failure to successfully target the winners can be found in automobiles. Clearly, the Japanese have a successful automobile industry; however, it is interesting to question what, if any, the Government policies were which led to the success of this industry.

In the early 1960's, the Japanese Government actively sought to encourage Japan's smaller automobile manufacturers to merge into two large companies, Nissan and Toyota. Those who did merge were to be rewarded with Government-subsidized loans of the type which U.S. industrial policy proponents envision for American firms. Apparently, the Japanese reasoning was that larger firms would be more efficient, and would be in a better position in which to reach out to other countries for potential exports. Fortunately, at least for the

Japanese, the smaller firms resisted these Government policies.

Today, the Japanese automobile industry has more competition than any other country. From a competitive environmment, one characterized by numerous firms competing against each other for domestic and export markets, the Japanese have grown into the world's most efficient and successful automobile manufacturer.

Along similar lines, the Japanese Government at one time tried to dampen the interest Japanese electronics firms had in American transistor technology. One of those firms so discouraged was the Sony Corp. Sony eventually got its way and, along with other Japanese firms, is a large part of Japan's tremendous success in the consumer electronics industry.

In a recent study published by the Center for the Study of American Business, Arthur Denzau identifies other industries which the Japanese misdiagnosed as winners, and industries in which the Japanese Government chose to promote disinvestment. These are the same types of choices which American industrial policy supporters would like the U.S. Government to make. From Mr. Denzau's study, one concludes that a clearer picture of Japanese industrial policy is of one motivated by political considerations, and of a Government agency subsidizing politically powerful industries, such as agriculture, while "three important 'high tech' industries—consumer electronics, integrated circuits, and computers—were handicapped by bureaucratic mistakes."

Denzau argues that there is one distinction which allows the Japanese to avoid the negative aspects of a politically motivated industrial policy. That is, that "ultimately, the Japanese Government does accept the verdict of the marketplace."

Is this the kind of industrial policy we need in the United States? I think not. Why should we hamper the market's ability to invest on a rational basis? What business does Government have in trying to anticipate new technology or market trends? And, I might ask, what business does Government have in targeting industries for disinvestment? What if these industries don't want to die and, ultimately, what if they shouldn't die. Do we go back and admit our mistakes and then spend billions revitalizing them?

This is the problem of applying political solutions to economic problems. They don't work, and they will exacerbate our already serious economic problems. What we need to do is get the politics out of economic decisionmaking, get Government off the backs of business and let the market function. This is not the intent of any industrial policy proposals I have seen.

There are several lessons which can be learned from Japan. They are not, however, that MITI has been a success in picking winners, or in coordinating the Japanese economy. If we are to emulate the Japanese, why don't we promote private research and development or why don't we provide our citizens and companies with a tax structure that creates incentives for citizens to save and for companies to produce. These are the lessons we should learn from Japan.

CORRECTING PAST MISTAKES

I believe we already have an entity charged with maintaining the right climate in which the market can flourish. It is called the Congress, and its Members are sworn to uphold a Constitution which says nothing of Government planning or coordinating the economy. If Congress had not usurped its prerogatives in the past, I believe our economic crisis would be less severe, and we would hear less talk of market imperfections and national industrial policies.

There are several reforms which Congress could adopt to address its past mistakes. First, we need to reinstitute a system of sound money, establishing a currency that people can have confidence in saving, and one that can be lent out without huge inflation premiums. This would address the problems which we have in our capital markets without resorting to a policy of centralized planning. Second, we need to reform our tax system so that we encourage saving and create an incentive for productive investment. Third, we need to reverse the trend of regulating business to the point where they spend as much time with Government paperwork as they do on their legitimate business interest. Finally, Congress must do something about our tremendous budget deficits.

An important issue that I believe has not been adequately discussed before this subcommittee during the entire series of hearings on industrial policy is the deteriorating nature of our capital markets, and the reasons for this deterioration. Our unstable monetary system, already infected with centralized policy mistakes for the past 50 years, is the cause of our progressive problem of economic stagnation. When Government provides nonmarket incentives, in what is otherwise a free market system, it is possible for resources to be misdirected.

The very curious thing about proposals for certain kinds of industrial policy is that some advocates would extend the problem of centralized policy mistakes to every other part of our economy in the attempt to correct its consequences on our capital markets.

Our population as a whole still saves and invests, but very few people save and invest in enterprises that they themselves are creating or managing. They use financial institutions and most investments are managed by professional observers of the capital markets. But observation depends upon the quality of information, and their information is imperfect and distorted by the instability of our monetary institutions. All balance sheets and income statements of our corporations, all computations of discounted present value for the future cash flow of alternative investment projects, and all business judgments that rely upon projections of economic conditions are distorted by an unstable monetary system based on centralized, Government (Federal Reserve) monetary planning.

The United States also occupies a special position in the world that masks the condition that I am concerned about. In one important way we benefit from the more serious mess that almost every other nation is suffering from. This country attracts the savings and investments of the entire world. The world capital markets are in serious trouble. Some people have referred to one side of this deterioration as the "world debt problem," but that is only a small part of it. The collapse of the U.S. dollar during the 1973–79 period led most of the rest of the world to make investment mistakes, and to borrow in terms of an unstable monetary unit that was depreciating. Many people here in the United States made the same mistake, and are now in default also. When the policy was changed for political reasons, all the wasted resources are unveiled and the whole world knows it is poorer.

The loss of productivity, efficiency, competitive advantage or, in jargon terms, the "deindustrialization of America," is the consequence of this same problem here at home. These past 50 years of unstable monetary policy have caused a deterioration in the ability of capital markets to perform the vital task of allocating resources. In a socialist economic system, the central planning agency is theoretically what allocates capital to different industries and different investment projects within industries. In a free market system, this function is performed by the capital markets. The longer the planning horizon, the more efficient these allocation decisions can be; the more accurate they can be; the less speculative they can be; and the better able we are to see where economic growth is coming from.

The essence of a capital market is planning—planning for the future. People use the capital markets to make investment plans, not merely as savers, in financing investments, but more fundamentally in the industrial uses of financial investment. All production, except subsistence agriculture, requires tools or machinery or intermediate products that are needed by people to create greater value. The

mixture of the current production of goods and services to satisfy both current desires and to set aside the "seed corn" for future production depends upon how far into the future people today care to plan. When we force people to make only short-term financial plans, due to unstable monetary institutions, volatile interest rates, and a long-known tendency for policies to change from "tight" to "loose" and back again every few years—in an unpredictable way—we unnecessarily cripple our capital markets. This is a tragedy, and a wholly avoidable situation.

In the last century, following the Industrial Revolution, the free world saw the greatest age of economic growth in human history. Some historians have said this was the result of the steam engine, or a population explosion that followed the discovery of potato cultivation. I believe it was the result of the creation of markets for long-term capital investment. This became possible after the Napoleonic wars because of the stability of monetary units. Governments got out of the way and let the international gold standard create a world financial system based on a unit of money, the British pound sterling, that was not debased or manipulated for over 200 years.

What is of vital importance for the continuation of real economic growth, as distinguished from boom-and-bust, stop-go imitations of real progress, is a restoration of conditions that can produce stable, long-term capital markets. What this means is a restoration of domestic and international monetary institutions that are free of politics, free of "policy" manipulations, and that means a monetary system based on gold—a monetary system with the units of account on which balance sheets, income statements, cash flow forecasts, et cetera are based on definite concepts of tangible real wealth.

It is not my purpose today to set forth the details of monetary reform that I believe are needed, but we will not succeed in correcting the problems of the loss of productivity, the loss of competitive advantage, and the "deindustrialization of America" until we are prepared to look at the basic problem in our capital markets—the missing keystone: monetary stability.

I also believe our tax system is in tremendous need of reform. Our current system is a mess; it discourages investment by excessively taxing return; it promotes Government involvement in personal issues such as retirement and health care; it discourages personal initiative through its progressive nature; in short, it is a major reason for our underlying economic problems.

I believe a flat rate tax would go a long way toward eliminating many of these problems. It would eliminate excessive taxation which saps productive investment and presents a disincentive to save. Of course, it would also reduce the time and money spent figuring out and filling out complex tax forms.

I believe we must act to reduce excessive and unnecessary Federal regulations. One of the most frequent discussions I have with constituents in my district is how we can reduce the burden of Federal regulations on business and individuals alike. Often the rationale for Government regulations is questionable at best, and the economic costs, and the loss of freedom which accompanies these regulations is too high to justify them.

Finally, Congress must act to reduce our tremendous budget deficits. These deficits are responsible, to a large degree, for high interest rates, poor sustained economic growth, and persistent inflation. They are a product of a Federal Government which has grown too big, which has usurped too many prerogatives of State and local government, and which, if not reversed, threaten to bring our Republic to the brink of an economic and political abyss.

The problems which Government created for the economy, and the solutions to these problems, are ones which Congress created, and which Congress can rectify. I believe it makes little sense to institutionalize additional Government involvement into the economy. We already have an industrial policy in the United States, it is called the free market; unlike the Government, the free market promises nothing and offers everything.●

● Mr. PASHAYAN. Mr. Speaker, as a member of the Steering Committee of the Republican Task Force on High Technology Initiatives, I should like to say a few words about the industrial policy proposal and insert a statement on the issue. The proponents of a national industrial policy argue that government, labor representatives, and business leaders ought to join forces and should target industrial winners and losers. One of those industries that would likely be targetted as successful is the semiconductor industry. In testimony before the Joint Economic Committee earlier this year, one of the giants of this industry, Mr. Robert Noyce, puts the idea of targetting one industry over another to rest. Mr. Noyce believes that the enterpreneurial process, not the industry, ought to be targetted. For the record, I should like to submit Mr. Noyce's testimony.

STATEMENT OF DR. ROBERT N. NOYCE, VICE CHAIRMAN, INTEL CORP., CHAIRMAN, SEMICONDUCTOR INDUSTRY ASSOCIATION

I am Robert Noyce, Vice Chairman of Intel Corp., whose primary business is VLSI semiconductor components.

After a great deal of pondering, I have decided that the most useful thing I could do for the committee this morning would be to recite some of the history of the semiconductor industry, both personal and corporate, to enhance your understanding of this newly recognized "Sunrise Industry." Then I would like to conclude with a view from the trenches, which I believe represents a broader view than a personal one.

I grew up as a preacher's kid in small towns in Iowa. After getting a B.A. from Grinnell College (Iowa) I studied physics and received a Ph.D. from M.I.T. I worked in semiconductor research and transistor development at Philco Corp. in Philadelphia, then with William Shockley, a coinventor of the transistor, and Nobel Laureate in Palo Alto. I was a cofounder of Fairchild Semiconductor in 1957, which I managed for ten years. In 1968 I cofounded Intel Corporation, serving as its first president, and later as its chairman. I am a coinventor of the integrated circuit with Jack Kilby, then of Texas Instruments. I have been elected to the National Academy of Engineering, the National Academy of Science, and have been awarded the National Medal of Science. Both Fairchild Semiconductor, if it were an independent company, and Intel Corporation make the Fortune 500 list. Intel has been cited by Fortune as one of the ten best managed companies in America. I hope you will forgive that apparently self-serving recital of personal history, but I hope it will aid you in understanding what has shaped my attitudes.

The development of the semiconductor industry is a uniquely American phenomenon. The transistor was invented at Bell Telephone Laboratories while seeking an understanding of complex surface phenomenon on semiconductor materials in 1947. Shortly thereafter, work was initiated on transistors in most of the industrial electronics laboratories in the U.S. and abroad, including all of the recognized electronics companies of the day, such as General Electric, RCA, Raytheon, Sylvania, Westinghouse, and Philco. In Europe and Japan, the then established electronics companies, are still the recognized semiconductor companies: Philips and Siemens, Toshiba, Hitachi, Matsushita and Nippon Electric. Yet, in the U.S., the top names in the semiconductor industry, with the exception of IBM and Western Electric, do not include those early participants, but rather later arrivals in the semiconductor industry, such as Motorola, Texas Instruments, National Semiconductor, Advanced Micro Devices, and my own company. The early American Participants in the industry, the established electronics companies, have done a creditable job in pursuing the semiconductor business, comparable to the European and, until recently, the Japanese giants. The edge of advantage for the American industry, however, has been the newer participants.

The international battle for dominance of the world-wide semiconductor market is now being joined for the third time. This has always been a world-wide market. In the earlier forays the foreign competition has been bested by the aggressively competitive, young American industry. The first battle was fought over the germanium transistor market. The American industry won that skirmish by switching the battleground to silicon transistors in the early 1960's, winning on the technical merits of the case. The second battle was waged on small scale integrated circuits around 1970. The battle was won by the more favorable production costs in America due to economies of scale, as compared to producers in Europe or Japan.

In the mid-70's the battle was again joined, but with a new twist: in both Europe and Japan, it became a matter of national priority to establish a strong indigenous semiconductor industry, and various government policies were adopted to further progress toward that end. As you know, the European programs were notably lacking in success, and may have further weakened their industries, by diverting attention from efforts to achieve product superiority to efforts to acquire government aid. It appears that the Japanese efforts have been successful, and Japan's market share is increasing rapidly. The American industry is, however, significantly larger than is the Japanese industry today.

The American industry has long recognized the challenge for dominance arising from Japan. When the Japanese VLSI project was started in the mid 70's, the Semiconductor Industry Association was formed in order to study potential problems and responses by the American industry.

Many of the Japanese practices are viewed as unfair or illegal in the United States. These include limiting access to the Japanese market, cartelization and sharing of development activities, significant government subsidies, differential pricing on the domestic and export markets, copying of designs of American producers, differential tariff rates and other practices, some of which have been modified or abandoned by this time, in part due to pressure from American trade negotiators. While we might hope that the Japanese would agree to play the game of international competition by our rules, they have no reason to do so, for they perceive that they are winning the game using their current strategy. They may.

It is in this context that I would like to return to the issue of industrial strategy. Several things have changed since the last major challenge from the Japanese. I believe that four are especially important.

First, the output of trained scientists and engineers in America dropped in absolute numbers in the decade of the 70's. During the time that the industry has tripled in size and its manpower needs have risen commensurately, available trained manpower has only recently matched that of 1970. In addition, there is a widespread belief that the average quality of the training our graduates receive is lower now than it was then, due to shortages of equipment and instructors in our universities.

Second, investment capital has been expensive, or in short supply at a critical time in the growth of the industry. A study conducted by Chase Econometrics concluded in 1980 that for the U.S. industry the cost of capital was twice that in Japan. Today, with the highest real interest rates in our history, capital is again readily available, but that cannot reverse the effects of earlier underinvestment, or undo the several mergers or acquisitions of American semiconductor companies by foreign interests.

Third, Japan set the development of the Japanese semiconductor industry high on the national priority list. The joint development which was conducted with government subsidies was, I believe, less important than the announcement of the priority to be accorded this industry, which had an element of the self-fulfilling prophesy. With Japan's tradition of government-industry cooperation, that announcement had the effect of telling those who make investment decisions that semiconductors were a risk-free investment, or nearly so. As a result, long term investment was available to the industry without the need for early profitability.

Fourth, America's commitment to research and development declined nearly a full percentage point as measured by the GNP during the 1970's. R&D is the fuel which powers the engine of increasing productivity. Industrial R&D has increased during this period by the same measure, but not enough to counter the drop in federally supported research.

What should our response be, then, to the widely held belief that America is losing ground in industrial strength? First and foremost, it should be to do those things which the private sector cannot accomplish on its own. None of the four changes I have listed can be countered entirely by the private sector alone.

The savings rate, which ultimately determines available investment capital, is largely determined by government policy. Other nations have achieved significantly higher savings rates by more favorable treatment of interest and dividend income, or capital gains than we have. To achieve social equity, consumption taxes may be more desirable than taxes on capital. Only corporate savings, i.e. the decision to pay or not to pay a dividend are under direct corporate control. Favorable tax treatment of deferred income; i.e. pension funds, has provided at times nearly 100 percent of net consumer savings.

Our government must quickly and surely counter the effects of unfair or illegal foreign government targeting. The semiconductor industry does not advocate protectionism which invites retaliation, but asks instead that the U.S. government actively seek to influence other countries to make their markets as open and available to U.S. companies as U.S. markets are to their companies. This opportunity does not exist today, particularly in France and Japan, despite the requirements of GATT for national treatment.

Our industry has favored the unilateral suspension of semiconductor duties by the United States, with an eye to encouraging similar action by our trading partners. This action alone could save the U.S. industry over $60 million annually, money that is better spent on R&D and capital investment.

If measures cannot be found to counter the advantages of foreign producers afforded by targeting practices, I see no alternative but to engage in similar activities ourselves. I would urge that any measures taken be done in close collaboration with industry to assure the highest cost effectivity that we can achieve.

Research and education fall in a special category. While industry can, and does support education and research, that support falls short of what is needed to reach an optimum level. In an industry with two equal competitors the winning strategy is to have your competitor bear the expense of creating the public good—the graduate or the—and then appropriate that public goods to your own use as needed. Thus education and research (including basic research performed within industrial laboratories) will be funded at lower than optimum rates unless undertaken by government.

Industry has sought a partial solution to the research funding problems by funding joint research efforts. The status of some of these efforts under the antitrust laws is not clear and new legislation is required to facilitate expansion of these efforts. The encouragement of increasing R&D efforts through tax credits is justified by the creation of a public good, and should be extended. Tax credits for the support of academic research should be zero based. We should take cognizance of our shortage of scientific and technical skills, and allow foreign graduates of our universities to work in the United States if their studies are in disciplines where shortages exist.

Whether semiconductor device designs are covered by copyrights or patents is unclear. Legislation (S. 1201, H.R. 1028) has been introduced to clarify this issue, and if enacted would stop the unjustifiable piracy of this intellectual property, protecting an important incentive to innovation.

I have great concern about our ability to pick winners and losers. Lester Thurlow has suggested, facetiously I hope, that it is simple to do, since we need only follow the Japanese list. I suggest that Japan has had American successes as a taillight to follow on this foggy course. We forget our failures in identifying promising new areas; only the successes remain for long. When private decisions are made which turn out to be wrong, the decision maker gets few opportunities for a repeat performance. I cannot believe the same would be true in government.

Since I have spent most of my life in entrepreneurial high technology business, I would be better than most in picking winners and losers. Yet I advised my wife a few years ago not to invest in the local start up which has turned out to be the most successful in American industrial history to date—Apple Computer. It is precisely because many people, including those in the existing companies which were potential entrants into the personal computer business that the opportunity was left open to Apple. As a footnote I might add that I'm fortunate that my wife, like most, did not take my advice.

Most of all, however, I believe we need to identify our national objectives clearly. They are often in conflict.

DOD would like to see export controls tightened while Commerce would like to see an improvement in export performance. In the semiconductory industry the VHSIC Program was justified in part for its commercial benefit. Technology is now on the ITAR list and therefore tightly restricted for commercial sales abroad.

Justice prevented joint development of smog devices and airbags although mandated for social reasons.

EPA has mandated rules beyond cost effectivity.

State has sacrificed industrial and agricultural interests in the pipeline and wheat embargoes.

Treasury has used a narrow definition of R&D to minimize short term tax revenue loss, negating the intent of Congress.

Trade negotiators have put political relationships above the economic interest of the nation.

The Foreign Corrupt Practices Act has significantly impeded export sales to many parts of the world.

Each of these policies has been adopted in pursuit of laudable goals but has, at the same time reduced the ability of American industry to compete on the world market.

It would be useful to have the Department of Commerce report periodically to Congress on the various conflicts which appear in these policies adopted to pursue other than economic goals, and the estimated cost to productivity or competitiveness of our industry. The executive should further propose a game plan to address the issues raised by such a report.

We need to raise the priority of economic growth and the viability of American industry in our national goals. One only needs to think of agriculture or aircraft, railroads or space exploration to realize that we have a history of supporting certain sectors of our economy in the national interest. Our problem today is a broader one—that of accommodating the accelerating change in the make-up of American industry.

I view the path by which I came before this Committee to be the essence of the mechanism by which America can rejuvenate its industrial base, and win the battle for international competitiveness. I had an excellent undergraduate education paid for by an endowment established by an Iowa businessman. My graduate education was funded by research grants from the Federal Government. When I wanted to strike out on my own in a new industry it was possible to do so. The first start-up was funded by corporate venture funds, the second by private venture capital. This process offers America a great advantage over its industrial competitors.

My Congressman, ED ZSCHAU has stated it well: "Target the entrepreneurial process, not the industry."

As long as that process is functioning, it will offer a fountain of youth to American industry.●

● Mr. BROWN of Colorado. Mr. Speaker, proponents of a national industrial policy claim that something is fundamentally wrong with our economy—something that only national planning could solve. They point to our decreasing rate of productivity growth as proof that America is in need of a major program of reindustrialization and revitalization. Gregory Schmid has examined the reasons for the decrease, refuting the claim that we need a national plan of reindustrialization. Mr. Schmid is senior research fellow of the Institute for the Future and former chief of the research division at the Federal Reserve Bank of New York. Schmid feels our decline in productivity as a result of the huge expansion of the labor force in the last two decades, causing the cost of labor to fall relative to other outputs. During this period he claims American companies retained an impressive stability of real investment and their products remained competitive. As the growth of the labor force decreases in the 1980's, fundamental market forces will stimulate capital investment and raise the level of output per worker according to Schmid.

The point to be taken from Schmid's analysis is that a nationally planned program of reindustrialization is not only not needed but could jeopardize our return to a high rate of productivity.

I insert his article into the RECORD at this point.

[From Challenge, January-February 1981]

PRODUCTIVITY AND REINDUSTRIALIZATION: A DISSENTING VIEW

(By Gregory Schmid)

Falling rates of productivity growth have been singled out as the critical U.S. economic failing of recent years. Presidential commissions, official government publications, the academic community, and business journalists have all focused attention on this issue. The fall in the growth rate of productivity has become a yardstick of every thing fundamentally wrong with the U.S. economy, from a decline in international competitiveness to a failure in the American educational system to a loss of the will to work. It has stimulated a whole industry of policy analysis and politicans asserting the need for "reindustrialization" or "revitalization."

The focus on productivity, however, is actually a fundamental misinterpretation of recent economic history, and the policy prescriptions it is generating could pose a genuine threat to long-term U.S. economic growth. The fall in productivity growth rates during the 1970s was a direct consequence of a revolutionary increase in the U.S. labor force which made labor cheap relative to capital. The consequent substitution of skilled labor for capital did not affect lond-term growth propsects: the buildup of the U.S. capital stock continued and, if anything, the basic competitiveness of U.S. products in the international markets improved. In fact, the response to the major changes in the labor markets in the last fifteen years reflects one of the prime American virtues: the vigorous adaptability of the U.S. economy.

DECLINING PRODUCTIVITY

Productivity is a measure of the relationship between the amount of goods and services produced and all the inputs used in the production of that output. The measure is most useful if output can be stated in terms of the variation in a single input. While any number of input measures can be used, including land, resources, and capital, the most commonly used measure, and the one we will concentrate on, is that associated with labor: output per hour of all persons employed.

There is no serious debate over the fact that there was a decline in productivity growth in the United States in the 1970s. Between 1948 and 1965, output per hour of all persons in the private sector rose an average of 3.2 percent per year; between 1965 and 1973, it rose an average of 2.3 percent per year; between 1974 and 1979, 0.6 percent per year. Most other measures of labor productivity show a similar decline over that period.

Even from a long-term perspective, the decline in productivity growth in recent years stands out. From 1874 to 1973, productivity growth in the United States average 2.3 percent per year. Except for the first years of the Great Depression (1929-1934), there has not been an extended period of such low productivity growth rates since the era of mass immigration before World War I. It seems reasonable to conclude that the decline in the rate of productivity is real—and significant.

THE LABOR MARKET REVOLUTION

The focus on aggregate productivity statistics masks the complex structural adjustments among key component elements. The most important structural change in recent years has been the virtual revolution in the U.S. labor market. The U.S. economy has absorbed a huge number of labor force entrants over the last fifteen years. The entrants came from two sources: the maturing of the postwar baby-boom generation and the movement of women into the labor force.

The postwar baby boom broke a long pattern of declining fertility rates in the United States. Between 1925 and 1945, total fertility rates (or the number of births each woman would have in her lifetime if current birthrates for each age group remained unchanged) averaged 2.5; between 1945 and 1965, they averaged 3.4 (with a high of 3.8 in 1965); since 1965, they have averaged 2.2 (with a current low of 1.8). This baby boom produced an abnormally large population cohort which began to have an appreciable effect on the labor force in the mid-1960s.

Coincident with the maturing of the baby-boom generation, an increasing portion of the female population chose to enter and remain in the labor force. While women's participation rates have been rising steadily since the late 1940s, the rate of increase in participation has soared since the mid-1960s (Table 1).

TABLE 1.—FEMALE PARTICIPATION RATES, 1948–79

	Percent of female population 16 and over in labor force	Annual average percent increase
1948	32.7	
1948–65		1.1
1965	39.3	
1966–79		1.9
1979	51.0	

Source: Economic Report of the President, 1980, p. 234.

A third aspect of the revolution was the jump in the level of education of young labor force entrants. The number of young people who went to college and graduate school mushroomed during the 1960s and early 1970s (Table 2).

TABLE 2.—DEGREES EARNED

[In thousands]

Type of degree	1950	1960	1975
B.A.	432.1	392.4	922.9
Post-Graduate	64.6	110.8	382.5

Source: Digest of Education Statistics, 1979, p. 123.

In sum, starting in the mid-1960s, the U.S. economy absorbed a startling number of relatively well-educated young people and older women. In the 17 years from 1948 to 1965, the labor force expanded by 13.8 million or an average of 811,000 per year: in the 14 years from 1966 to 1979, it expanded by 28.5 million, or an average of 2,035,000 per year. To put it another way, while the labor force as a percentage of total population actually fell between 1948 and 1965, it has risen since, especially in the mid- and late-1970s as young people flocked into the labor force and had fewer children of their own (Table 3).

Table 3.—Employment per capita, 1948–79

Civilian labor force as a percent of total civilian population:	
1948	41.3
1965	38.9
1973	42.6
1979	47.1
Annual average percent increase:	
1948–65	0.4
1966–73	1.1
1974–79	1.7

Sources: Economic Report of the President, 1980, Current Population Reports, Series P-23.

The impact of the growth in the number of young, well-educated people on the econ-

omy was mitigated for a time by the temporary increase in the size of the armed forces. By the early 1970s, this effect began to disappear: between 1970 and 1975, the total number of people in the armed forces fell by one million. By all measures, the growth in the civilian labor force was higher after 1973.

The major impact of this growth in the labor force was a fall in the cost of labor relative to other inputs. The average hourly earnings of workers in the private nonagricultural sector, when adjusted for inflation, rose at an annual rate of 2.5 percent from 1948 through 1965; rose 1.6 percent per year from 1966 through 1973; and actually fell by 0.6 percent per year from 1974 to 1979. In the meantime, businessmen found that the cost of capital goods—plant, equipment, and structure—relative to labor was rising sharply. With the relative cost of labor becoming lower, it was reasonable for entrepreneurs to invest in processes that tended to use more skilled labor at the expense of increasingly costly capital equipment. The fall in productivity was a direct reflection of this substitution of relatively cheap labor for expensive capital equipment.

PRODUCTIVITY AND GROWTH

A direct causal connection between productivity and growth is difficult to make. The shift toward a more labor-intensive economy did coincide with a decline in real GNP growth rates (Table 4), though the decline in GNP growth was much smaller than the decline in productivity. But many special factors that affected demand between 1973 and 1979 could account for the decline in GNP: the large shift in the relative costs of energy, the severity of the world recession in 1974–75, the overall slowdown in growth rates of the European consumer economies, and the growth in government regulations.

TABLE 4.—PRODUCTIVITY AND GNP

[In percent]

Year	Productivity	Real GNP
1948–65	3.2	3.8
1966–73	2.3	3.7
1974–79	0.6	2.5

Source: Economic Report of the President, 1980 pp. 209, 246.

Theoretically, the structural change that favored labor relative to capital could hurt long-term economic prospects in one of two ways: the emphasis on relatively cheap labor could retard the necessary buildup in the U.S. capital stock, or it could affect the relative competitiveness of U.S. industries in the world environment.

CAPITAL INVESTMENT

The rate of growth in real investment per worker declined dramatically during the 1970s as the number of workers grew rapidly (Table 5). But investment as a percentage of GNP fell only slightly during the mid- and late 1970s and, in fact, was higher in the late 1970s than in the period 1948–65. In addition, the growth in the real net stock of business capital was as high during the mid- and late 1970s as it was during the 1950s and early 1960s, though it was lower than it had been during the boom years of the late 1960s. Given the fact that the relative cost of capital rose dramatically during the 1970s, the basic stability of real investment is impressive. On the whole, private sector investment has held up well despite a major increase in relative costs of capital, and the growth in the capital stock during the 1970s seems consistent with longer-term trends.

TABLE 5.—REAL INVESTMENT, 1948–79

Year	Percent increase in real investment per worker	Real investment as percent of real GNP
1948–65	2.5	9.2
1966–73	1.8	10.3
1974–79	−.4	9.9

Source: Economic Report of the President, 1980, pp. 204,303

INTERNATIONAL COMPETITIVENESS

The second signal of a potential problem would be a decline in world competitiveness of U.S. products. Other countries, both developed and developing, have had much higher rates of productivity growth than the United States since the early 1950s. But this does not mean that they have become more productive than the United States. Rather, they are growing faster because they are still catching up with this country. The European countries and Japan fell well behind U.S. levels of output per worker hour during the two world wars and the Great Depression. Their postwar productivity growth spurts have now brought the overall productivity rates of other major industrial countries up to about 75 percent of the average U.S. level of productivity. Japan averages slightly below 55 percent of the average U.S. level. Since adapting selected technology from a high-productivity country is easier than improving productivity where there is no more advanced model to draw on, it is not surprising that other countries have higher gains than the United States does.

The same holds true if comparisons are made in specific categories of products that are technology-intensive. The United States has long had an international advantage in technologically intensive high value-added products. A change the relative competitiveness of these products due to inadequate labor productivity is likely to be felt quickly in the international markets. A recent Department of Labor study examined the long-term international market performance of the 17 most technology-intensive industries (C. Michael Aho and Howard F. Rosen, Trends in Technology-Intensive Trade with Special Reference to U.S. Competitiveness, Office of Foreign Economic Research. Bureau of International Labor Affairs. Department of Labor, 1980, p. 11). Technology-intensive industries were defined as those industries at the three-digit Standard International Trade Classification (SITC) level which had the highest expenditures for research and development per unit of output. The net exports (total exports minus total imports) for those 17 industries were compared for three time periods: 1962, 1970, and 1977 (Table 6). Net exports reflect the best single measure of a country's trade performance relative to the world and between commodities. Table 6 shows that these technological-intensive industries increased their export surplus during the 1970s after losing ground during the 1960s. Preliminary data indicate that the trend toward surplus on these 17 items continued in the late 1970s, rising from $5.8 billion in 1977 to $10.2 billion in 1979. The performance of high-technology industries was thus substantially better during the 1970s than it has been in the 1960s. In fact, the table probably understates the true competitiveness of U.S. high-technology industries. It is based upon three-digit SITC categories that are aggregations of a sometimes diverse group of components. For example, SITC category 724, telecommunications apparatus, includes TV sets, radio receivers, and telephone and telecommunications equipment. If the trade data are disaggregated, virtually all of the increase in deficit is accounted for by a rise in net imports of relatively low value-added per worker TV and radio equipment. (Radio and TV receivers averaged a value-added of $13.65 per person-hour worked, while other telecommunications equipment averaged $17.00.) Subtracting trade in radio and TV sets, category 724 shows a surplus of $274.3 million in 1970 and $119.6 million in 1977.

TABLE 6.—U.S. TECHNOLOGY-INTENSIVE MANUFACTURED GOODS, 1962–77

SITC	Description	Net exports (millions of current U.S. dollars 1970)		
		1962		1977
724	Telecommunication apparatus	226.4	−442.2	−1,624.3
714	Office machines	242.8	1,042.0	2,055.4
734	Aircraft	1,155.3	2,382.2	5,261.5
541	Medical and pharmaceutical products	220.1	333.1	761.1
726	Electrical apparatus for medical purposes	4.3	19.3	116.7
711	Power generating machinery	371.5	622.7	1,372.5
514	Other inorganic chemicals	−14.4	77.6	257.3
864	Watches and clocks	−68.8	−163.3	−538.1
513	Inorganic chemicals	53.4	−21.4	−386.2
862	Photographic supplies	41.8	152.2	521.4
861	Scientific medical controlling instruments	213.1	500.5	911.4
571	Explosives and pyrotechnics	7.2	−7.4	43.3
581	Plastic materials	289.5	530.0	1,332.0
722	Electric power machinery	230.1	364.0	1,327.0
725	Domestic electrical equipment	89.3	−23.9	−21.9
723	Equipment for distributing electricity	35.1	−53.6	182.6
732	Road motor vehicles	754.4	−1,930.6	−5,732.9
	Net exports of technology-intensive goods	3,851.1	3,381.2	5,838.8

Source: Aho and Rosen, Trends in Technology-Intensive Trade, Department of Labor, 1980, Table 10.

Similarly, the growth in the surplus in office machines (SITC 714) was held back by a growing deficit in relatively low value-added typewriters and electric-mechanical calculating machines. (Value-added in these categories averages $12.18 per person-hour as opposed to $26.78 in computer equipment.) If these two categories are removed, the surplus of other office equipment, including computers and duplicating machines, rose from $728.1 million in 1970 to $2,523.8 million in 1977. Eliminating the low value-added per worker subcategories of radio and TV receivers, typewriters, and desk calculators, the overall export surplus of technology-intensive industries jumps from $3,783.8 million in 1970 to $8,051.1 million in 1977.

Further, in two marginal categories of consumer goods—autos and domestic appliances—both R&D expenditures and value-added per worker are only slightly above the overall industry average. Eliminating these two categories from the list of 17 would further boost the positive balance to $5,414.4 million in 1970 and $13,784.0 million in 1977. In other words, during the 1970s the United States did remarkably well in competition with the rest of the world in the most technology-intensive products, and its performance seems to improve as the technological sophistication of the product increases. In those products which depend less on R&D and have a lower value-added per worker, foreign competitors have been increasing their penetration of the U.S. market. Thus, the fall in the relative price of skilled labor and the rise in the relative price of capital during the 1970s and the consequent substitution of labor for capital does not seem to have affected the long-term comparative advantage of the United States. This country has continued to increase its export surplus in technology-intensive goods and has continued to lose net market position in goods that have much lower levels of value-added per employee.

On balance, the use of more labor in the economy and the subsequent fall in the growth rate of output per worker during the last 15 years has not affected long-term growth prospects: the share of GNP being invested has remained the same, and the competitiveness of U.S. high-technology products in the international markets has, if anything, improved.

THE 1980'S

The 1980s will witness important changes in the labor force. By mid-decade, the baby-boom cohort will be almost fully absorbed, and the rate of increase in women's participation rates is likely to slow as their rates approach men's at certain age levels. The annual growth in the labor force is likely to fall to one-third of its earlier peak level by the late 1980s (Table 7). As the rate of increase in the labor force declines, the relative cost of labor should rise. The opportunities to substitute relatively cheaper capital for labor should grow (that is, more robots will be used on assembly lines, and more sophisticated word-processing machines in offices). By the mid-1980s, fundamental market forces should help to stimulate capital investment and raise the level of output per worker. In all likelihood, the productivity growth rate will return to its secular average of 2 or 2.5 percent. From a longer-term perspective, the fall in productivity rates during the 1970s will be seen as a rational market response to the unique labor market factors of the time, a response that did not interfere with the two critical elements of U.S. long-term growth, the accumulation of capital stock and the international comparative advantage in technology-intensive goods.

Table 7.—*Total labor force*

[Average rate of increase]

1965–70	2.2
1971–75	2.0
1976–80	2.6
1981–85	1.6
1986–90	0.9

Source: Monthly Labor Review, U.S. Department of Labor, Bureau of Labor Statistics, October 1980, projections by Institute for the Future.

POLICY IMPLICATIONS

The fall in productivity growth rates has spurred discussion of a number of government programs for reindustrialization to foster "productive" capital investment and R&D expenditures. Congress has held hearings and discussions on bills that would:

Accelerate depreciation schedules;

Lower the capital-gains tax;

Raise the level of the investment tax credit;

Reduce the burden of government regulations.

Each of these policy steps has costs. In many of them, government revenues would be cut substantially, and either taxes would have to be raised, other government programs cut back, or an inflationary government deficit financed. No consensus exists for a reduction in government health, safety, and environmental regulations. The benefits in terms of increased incentives to invest might be substantial, but their prime beneficiaries would likely be capital-intensive, high-technology companies that are doing just fine without them. If the intention of the reindustrialization programs is to aid those industries that are bearing the brunt of foreign competition, then they can be targeted much more clearly through outright protectionist measures. But do we need to keep employees tied to jobs in non-competitive, low value-added industries just as we enter a period of potential labor shortages? The actual impact of the reindustrialization programs could be to reduce the flexibility that has characterized America's response to changing circumstances.

The United States will face many serious problems as it enters the 1980s: trade adjustment, inflation, energy and resource availability, education and training of urban youth. A major program of reindustrialization to improve productivity? Let relative wages rise and forget about it.●

Mr. PETRI. In conclusion, Mr. Speaker, I would just like to thank all of my colleagues for their participation either during the actual 1 hour that we have been given for this special order on industrial policy this evening or by means of remarks that they have prepared for submission in the RECORD, and articles that they have included for the benefit of those who read the RECORD.

This special order is intended as a service to those who have to speak to attempt to communicate the ideas that are current in the area of industrial policy, editorial writers who take positions representing their organizations or periodicals and for the benefit of thoughtful citizens attempting to figure out how to participate in the economic life of our country and in public affairs, so that we end up with a more prosperous future.

I hope that the discussion and the articles included in the special order will indicate to people that the idea of turning over to the Government, and that is, to the elected officials, the savings of this country, will not lead to a higher return on the savings of the individuals or the groups or citizens of this country but instead to more politics and a wasting of our national assets.

I yield back the balance of my time.

BANKRUPTCY: THE CRISIS THAT WON'T GO AWAY—III

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. FISH) is recognized for 5 minutes.

● Mr. FISH. Mr. Speaker, in two previous speeches, I have reviewed the background of the present crisis in bankruptcy, including the policy decisions taken by the Congress in enacting the Bankruptcy Act of 1978 and the ruling of the Supreme Court on June 28, 1982, in the Marathon case. The Court there held that the bankruptcy court system which Congress created was unconstitutional because its judges lack the life tenure and protection against reduction of salaries required by article III of the Constitution for judges exercising the judicial power of the United States.

I concluded yesterday with a discussion of the interim rule, under which the courts have been operating since December 24, 1982, when the Supreme Court refused to further extend the stay of its order in Marathon. I also referred to the recent Pacemaker decision by the Ninth Circuit Court of Appeals, which held unconstitutional the consent provisions of the U.S. Magistrates Act, pursuant to which magistrates were entering final judgments with the consent of the parties. This leads to consideration of the constitutionality of the two principal alternative proposals for remedying the crisis in bankruptcy.

The approach taken in H.R. 3257 and in S. 1013, which has been passed in the other body, is essentially a codification of the interim rule. It provides that jurisdiction over all bankruptcy cases and proceedings shall be vested in the district courts, with an adjunct system of bankruptcy courts authorized to exercise such jurisdiction even though the judges are only to be appointed for 14-year terms and accordingly will lack article III protection. Any case or proceeding pending in the bankruptcy court may be recalled by the district court on its own motion or that of a party to the action. The parties may, however, consent to a bank-

ruptcy judge handling any type of proceeding. Orders, judgments and decrees of the bankruptcy court would be final and binding unless appealed to the district court for review.

As noted succinctly in the September 1983 issue of the Broken Bench Review, the interim rule and the House and Senate bills which would codify it "all assume that article I bankruptcy judges can enter final judgments. Moreover, they rely on the further assumption that the implied consent of the parties to a suit (by failing to object to jurisdiction) can support the entry of a judgment of a bankruptcy judge even in a Marathon-type matter. The Pacemaker decision undercuts both of those assumptions—denying the latter even when there was explicit consent to the jurisdiction." In short, an article I court, composed of congressionally created judges who lack the protections required by the Constitution, simply cannot exercise jurisdiction over matters reserved by the Constitution to article III courts, even by waiver or consent of the parties. This is the fundamental constitutional defect of any legislative codification of the interim rule.

The alternative proposal, H.R. 3, was reported by the Judiciary Committee by a vote of 24 to 6, on February 15, 1983. It is similar to H.R. 6978, reported by the Judiciary Committee in the last Congress just 7 weeks after the Supreme Court's Marathon decision of June 28, 1982. It provides life tenure during good behavior instead of 14 years terms for a total of 227 bankruptcy judges, the practical equivalent of the existing 220 full-time and 21 part-time positions, and it also protects them against reduction of salary while in office. It does not create a new court; it does not authorize additional judges; it does not change the jurisdiction of the bankruptcy courts. It would simply resolve the constitutional problem with the least cost and the least change in the present system of bankruptcy adjudication. It has the active support of the bankruptcy bench and bar, the National Bankruptcy Conference, the Commercial Law League, the American Bankers Association, the American Council of Life Insurance, and others who are deeply concerned about the present crisis in bankruptcy.

Clearly H.R. 3 merits enactment by this Congress, although it is not without its flaws. It is difficult to rationalize staggering appointments over a 3-year period, for instance, when constitutional crises are not intended to be resolved by thirds. I also object to not making bankruptcy judges fungible, or assignable on a temporary basis to hear other kinds of cases, with the necessary safeguards of a clear showing of need by the Federal district or appellate court and approval by the chief judge of the bankruptcy court.

The proposal in H.R. 3257 and S. 1013 to establish a court whose jurisdiction is extended beyond constitutional limits by consent of the parties, and which is structured to enable article I decisions to masquerade as article III adjudications, is unlikely to withstand scrutiny by the Supreme Court. I have the impression, and others do as well, that there is a growing realization in the House and Senate that it is an article III solution which is necessary if we do not wish to confront Marathon II. Whether and how a bill providing for a constitutionally sound bankruptcy court can be enacted by this Congress, however, will be the subject of my fourth and final statement in this series.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. FRANKLIN) is recognized for 5 minutes.

● Mr. FRANKLIN. Mr. Speaker, on November 16, 1983, due to unforeseen circumstances, I was unable to vote on roll No. 509 concurring with a Senate amendment to H.R. 3222, making appropriations for the Departments of Commerce, Justice, State, the Judiciary, and related agencies concerning funding for the Commission on Civil Rights. Had I been present, I would have voted "yea."●

IT IS TIME TO PASS AN ENTERPRISE ZONE BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

● Mr. KEMP. Mr. Speaker, today the House Ways and Means Committee held a long-awaited and overdue hearing on enterprise zones. It was more than heartening to hear such strong support for the concept from State and local officials, businessmen, researchers, and the administration—liberals, conservatives, Republicans, Democrats, blacks, and Hispanics. All agreed that no more time should be wasted on trying to dot every "i" and cross every "t"—that the time is now to sit down and get a Federal enterprise zone bill out. The States have moved ahead of us in Congress and have proven that enterprise zones do work. Enterprise zones do create jobs and encourage investment in distressed areas. The report is in—we cannot ignore it. Even those areas which have not yet implemented a zone are enthusiastic because for the first time they have a positive, active dialog going on at the local level.

There is no logical reason to delay consideration and passage of a Federal enterprise zone bill. All that further delay will accomplish is more pain and suffering for our Nation's inner cities and distressed rural areas and the people who live there.

I am submitting the latest list of cosponsors, now numbering 239 in the House and 43 in the Senate, as proof that there is broad bipartisan support for the Enterprise Zone Employment and Development Act of 1983. I am also submitting my testimony presented to the Ways and Means Committee, a joint article by the bill's cosponsor BOB GARCIA and myself, and my most recent news release on enterprise zones for the record.

ALPHABETICAL LIST OF COSPONSORS OF THE ENTERPRISE ZONE EMPLOYMENT AND DEVELOPMENT ACT OF 1983, HOUSE OF REPRESENTATIVES (H.R. 1955)

[*—New]

Ackerman (NY), Akaka (HI), Andrews (TX),* Anthony (AR), Applegate (OH), Badham (CA), Bartlett (TX), Bateman (VA), Bereuter (NB), Barnard (GA), Bethune (AR), Bevill (AL), Biaggi (NY), Bilirakis (FL), Bliley (VA), Boehlert (NY), Boggs (LA), Boner (TN), Britt (NC), Broomfield (MI), Brown (CA), Brown (CO), Burton (IN), Byron (MD), and Campbell (SC).

Carney (NY), Chappell (FL), Chappie (CA), Cheney (WY), Clinger (PA), Coats (IN), Coleman, T. (MO), Conable (NY), Conte (MA), Corrada (PR), Corcoran (IL), Coughlin (PA), Courter (NJ), Coyne (PA), Crane, D. (IL), Crane, P. (IL), Dannemeyer (CA), Daub (NB), Davis (MI), de la Garza (TX), Derrick (SC),* DeWine (OH), Dickinson (AL), Donnelly (MA), and Dreier (CA).

Duncan (TN), Eckart (OH), Edwards (AL), Edwards, M. (OK), Emerson (MO), Erdreich (AL), Evans (IA), Fiedler (CA), Fish (NY), Flippo (AL), Forsythe (NJ), Franklin (MS), Fuqua (FL), Garcia (NY), Gekas (PA), Gephardt (MO), Gilman (NY), Gingrich (GA), Goodling (PA), Gradison (OH), Gramm (TX), Gregg (NH), Guarini (NJ), Hall (OH), and Hall, S. (TX).

Hammerschmidt (AR), Hance (TX), Hansen, G. (ID), Hansen (UT), Hartnett (SC), Hatcher (GA), Hefner (NC),* Heftel (HI), Hiler (IN), Hillis (IN), Holt (MD), Horton (NY), Hubbard (KY), Huckaby (LA), Hughes (NJ), Hunter (CA), Hutto (FL), Hyde (IL), Ireland (FL), Jeffords (VT), Jenkins (GA), Johnson (CT), Jones (NC),* Kasich (OH), and Kazen (TX).

Kemp (NY), Kennelly (CT), Kindness (OH), Kogovsek (CO), Kramer (CO), Lagomarsino (CA), Latta (OH), Leach (IA), Leath (TX), Lehman (FL), Lent (NY), Lewis (CA), Lewis (FL), Livingston (LA), Loeffler (TX), Lott (MS), Lowery (CA), Lujan (NM), Luken (OH), Lungren (CA), Mack (FL), MacKay (FL),* Madigan (IL), Marlenee (MT),* and Marriott (UT).

Martin (IL), Martin (NC), Martin (NY), Mavroules (MA), Mazzoli (KY), McCain (AZ), McCandless (CA), McCollum (FL), McCurdy (OK), McDade (PA), McEwen (OH), McGrath (NY), McKernan (ME), McKinney (CT), Mica (FL),* Michel (IL), Miller (OH), Mineta (CA), Minish (NJ), Molinari (NY), Mollohan (WV), Montgomery (MS),* Moorhead (CA), Morrison (WA), and Murphy (PA).

Murtha (PA), Neal (NC), Nielson (UT), Nowak (NY), Oakar (OH), O'Brien (IL), Ortiz (TX), Ottinger (NY), Oxley (OH), Packard (CA), Parris (VA), Pashayan (CA), Paul (TX),* Porter (IL), Price (IL), Pritchard (WA), Pursell (MI), Quillen (TN),

Rahall (WV), Ratchford (CT), Regula (OH), Richardson (NM), Ridge (PA), Rinaldo (NJ), and Ritter (PA).

Roberts (KS), Robinson (VA), Rodino (NJ), Roe (NJ), Rogers (KY), Roukema (NJ), Rowland (GA), Sawyer (MI), Schaefer (CO), Scheuer (NY), Schneider (RI), Schulze (PA), Sensenbrenner (WI), Shaw (FL), Shelby (AL),* Shumway (CA), Siljander (MI), Simon (IL), Sisisky (VA), Skeen (NM), Smith (NE), Smith, V. (NE), Smith, D. (OR), Snowe (ME),* and Solomon (NY).

Spence (SC), Staggers (WV),* Stangeland (MN), Stenholm (TX), Stratton (NY), Sundquist (TN), Tallon (SC), Tauke (IA), Taylor (MO), Thomas, W. (CA), Thomas, L. (GA), Valentine (NC), Vander Jagt (MI), Vucanovich (NV), Walker (PA), Watkins (OK), Weber (MN), Whitehurst (VA), Whitley (NC),* Williams (MT), Williams (OH), Winn (KS), Wise (WV), Wolf (VA), and Wolpe (MI).*

Wortley (NY), Wylie (OH), Young (AK), Young (FL), Young (MO), Zschau (CA), Howard (NJ), Chandler (WA), Jones (TN), Ray (GA), Hall, R. (TX), Breaux (LA), Tauzin (LA), and Volkmer (MO).

ALPHABETICAL LIST OF COSPONSORS OF THE ENTERPRISE ZONE EMPLOYMENT AND DEVELOPMENT ACT OF 1983 SENATE (S. 863)

Abdnor (SD), Andrews (ND), Baker (TN), Boschwitz (MN), Bradley (NJ), Chafee (RI), Chiles (FL), D'Amato (NY), Danforth (MO), Denton (AL), Dole (KS), Domenici (NM), Durenberger (MN), Evans (WA), Garn (UT), Gorton (WA), Grassley (IA), Hatch (UT), Hawkins (FL), Heflin (AL), Heinz (PA), and Helms (NC).

Humphrey (NH), Inouye (HI), Jepsen (IA), Kasten (WI), Laxalt (NV), Matsunaga (HI), Mattingly (GA), Murkowski (AK), Percy (IL), Pressler (SD), Quayle (IN), Roth (DE), Rudman (NH), Simpson (WY), Specter (PA), Thurmond (SC), Tower (TX), Trible (VA), Wallop (WY), Warner (VA), and Wilson (CA).

TESTIMONY OF THE HONORABLE JACK KEMP (N.Y.) ON THE ENTERPRISE ZONE EMPLOYMENT AND DEVELOPMENT ACT OF 1983 BEFORE THE HOUSE WAYS AND MEANS COMMITTEE

Mr. Chairman and members of the committee, I would like to thank you for this opportunity to testify on behalf of the Enterprise Zone Employment and Development Act of 1983, H.R. 1955.

Several witnesses have already testified in support of the concept behind this important legislation. I welcome this emphasis on enterprise zones as an idea whose time has come. If we are really going to make a difference to the people of America's inner cities and distressed rural areas, we will have to base this proposal on a sound understanding of how people tick economically, of how jobs are created and why cities prosper or decay.

Many witnesses have also offered specific proposals for revision. While these are welcome too, after months of discussions with literally hundreds of interested groups and individuals, I believe that we have achieved workable enterprise zone legislation. The incentives are deeper and more significant, the State and local roles is more important but also more flexible, and the provisions are more closely tied to the needs of disadvantaged workers—those who need and will benefit most from this important legislation.

What concerns me all the same, is that the whole debate about enterprise zones may get bogged down over issues which in fact are "straw men". So rather than review the history of the enterprise zone concept, or the details of the bill, I would like to take this opportunity to attempt to lay to rest certain misconceptions about enterprise zones.

First of all, I agree with the fact that enterprise zones are not a substitute for current programs. How many times must it be said? The bill has no hidden agenda. When Bob Garcia and I first introduced enterprise zone legislation in the summer of 1980 there was no question of changing programs like CETA, UDAG or EDA, and the cutbacks in the current budget have been made without reference at all to enterprise zones. The failed CETA program has in fact been replaced with a more promising program, The Job Training and Partnership Act, which more directly targets training for the truely disadvantaged youth and adults of this country. If anything, our revised bill makes the role of the Federal Government more explicit, by confirming that Federal money can be used for projects included in a State and local zone incentive package. Enterprise zones provide a very different tool, and are aimed at reaching problems that direct Federal programs, by their very nature, have failed to resolve.

Above all, enterprise zones are designed to attract private capital. Now, I know that this bill has been criticized for not providing "up-front" Federal seed money. Yet if we tripled recent Federal capital assistance programs—and there seems little public or Congressional support for such a move—these programs would still provide less than one-tenth of all start-up business capital. By far the largest portion—nearly 90%—of this capital comes from personal savings. Seventy-five percent of all new businesses start without using any outside debt or equity at all; and even when they receive outside funds these are more likely to come from family or friends than from financial institutions.

What makes a person decide to put his or her savings into a new enterprise instead of a house, money market fund or a yacht? The entrepreneur surely isn't looking for immediate profits. Most new small businesses don't make money for the first five years, if they beat the odds and survive at all. Instead, entrepreneurs choose the risky course of starting their own business because they calculate that, in the long run, they will reap a greater reward, both personal and financial.

What we don't, or shouldn't want is for the Federal government to be holding the pursestrings—picking and choosing which particular business ventures should be receivers of their largess. There is no way that bureaucrats in Washington can accurately assess the needs or desires for new business formation in any given locality. Also, we don't want to artificially stimulate the formation of firms, who, when the Federal funding runs out will fail, taking the new jobs with them. No one wins if that happens. It is important to realize that the federal package of incentives are an incomplete list—designed to complement whatever incentives States and locals are willing to offer.

Future-oriented tax incentives make capital available in the present. By reducing capital gains and income taxes, in particular, the Enterprise Zone Employment and Development Act promises a greater reward to those who succeed in their initial risk-taking investment. In this way we can tap the greatest resource available for our innercities: the huge pool of private savings seeking a significant after-tax rate of return in these uncertain times. In addition, the bill provides continued availability of Industrial Development Bonds to small business in a zone even if such bond availability has been terminated elsewhere.

Enterprise zones also provide a unique tool for assisting the kind of business most likely to provide new jobs in the inner city and distressed rural areas. As the M.I.T. Program on Neighborhood and Regional Change discovered, two-thirds of all new jobs nationwide are created by businesses employing twenty people or fewer. Closer to 80% of all the new jobs taken by blacks and other disadvantaged workers are provided by small businesses, and 100% of the net new jobs in my own region of the Northeast, and in almost all of our declining central cities come from businesses with twenty or fewer employees.

Yet these are the very businesses that development grants, loan guarantees, and public job training programs, by their very nature, are least likely to reach. In fact, these smaller businesses tend to resist direct government assistance. When thousands of small business men and women came together for the White House Conference on Small Business in January 1980, they voted not for more Federal grants, loan guarantees or development assistance. Of their top 15 recommendations, the top 5 all proposed changes in the tax code, while 4 more advocated reduced government regulation. None of the top 60 recommendations favored direct economic assistance.

This doesn't mean that direct Federal programs don't have an important role to play in economic development. When it comes to large-scale projects, or infrastructure development, Federal assistance is often essential. But, as M.I.T. researcher Dr. David Birch points out,

"A problem arises when the target population consists of thousands of small businesses. They are difficult to reach. They are expensive to aid—the set-up costs are high relative to the magnitude of assistance provided. They can be very embarassing—they fail often, and agencies cannot tolerate very many failures. . . ."

On this note, let me make a poltical point about the complementary roles of direct spending programs and enterprise zones. Whenever the Federal government seeks to assist new, small firms directly, it runs up against the fact that 4 out of 5 new firms fail in their first year. The number is sure to be even higher in the risky environment of the inner-city. Eventually, pressure for a decent success rate leads to a conservative strategy for aiding sure winners, who would probably would have gotten along fine without the Federal assistance, rather than encouraging risk-taking and entrepreneurship.

This problem won't be solved just by better Federal oversight. It is inherent in the process of economic growth. Not every entrepreneur who responds to the incentives offered in enterprise zones will be able, ultimately, to take advantage of them. Some will fail. So even as the tax incentives affect the risk-reward calculations of all enterprise zone entrepreneurs, the rewards themselves will go to the successful. Thus enterprise zones fit the nature of our economic marketplace, and can adapt to change, risk and failure. This is not only efficient—it will help ensure the program's political survival as well.

We need to keep this in mind, too, when we consider the possible tax "cost" of the Enterprise Zone Employment and Development Act. The more successful the zones are, after all, the more expensive they become in *static revenue terms.* If we have a widly successful enterprise zone, with hundreds of new businesses and thousands of new jobs enjoying the various tax incentives—is the revenue loss equal to the additional taxes these workers and businesses are not paying? But for the enterprise zone, would these businesses or jobs have otherwise existed? What about the reduction in costs associated with unemployment in the form of transfer payments such as AFDC, Food Stamps and Medicaid? I think any fair estimate of the "cost" of enterprise zones must take these questions into consideration. For instance, Lousiana and Florida have calculated that for every $1.00 in revenue foregone, $1.55 and $1.40 respectively, have been gained through a combination of increased revenue and reductions in transfer payments. And, of course, if enterprise zones do not succeed, we would be no worse off than before. That is more than can be said for many of our earlier efforts at urban renewal.

To me, one of the most exciting elements of the bill is the employer tax credit (50% of wages paid in the first three years, declining by ten percent points per year over an additional four years) for hiring disadvantaged persons. Besides the credit percentage, there's no cap on what that employee can be paid. In other words, it's a terrific incentive for an employer to hire, train and promote disadvantaged people into the better paying jobs.

The final "straw man" in our current debate over enterprise zones is, I believe, the notion that this proposal would somehow be diluted by the 1981 Economic Recovery Tax Act. Just the opposite is true. Our inner cities, more than any other area, exist on the margin. Their people and their enterprises are hurt most by economic stagnation, and they have the most to gain from economic growth. It is no accident that black and white income in this country converged for the first and up until now, at least, the last—time in the late sixties, when the Kennedy marginal income tax rate cuts led to unprecedented economic growth. When the entire economy is growing, businesses seek out new workers, and new opportunities for expansion. In a stagnant economy it's unlikely that even the enterprise zones' considerable incentives would attract new enterprises, because new enterprises would not be starting up. But now, with our economic recovery gaining new strength every day, entrepreneurs are seeking new opportunities and new workers, and the marginal advantages of enterprise zones incentives are and will continue to be far more significant.

Let us try to examine enterprise zones on their own merits. While we should recognize that they simply can't substitute for existing direct assistance programs, we should also recognize that they bring important *new* tools to help us meet our old challenge of restoring jobs, economic vitality, hope and dignity to America's poorest communities.

ENTERPRISE ZONES: THE EVIDENCE SUGGESTS THAT THEY ARE WORKING

(By Reps. Jack Kemp and Bob Garcia)

Until now the debate on enterprise zones has been purely a matter of theory on both sides. Proponents have described what they expected in response to given incentives in given circumstances. Opponents have made gloomier assumptions.

But in recent days we have seen the first tangible evidence of the potential of enterprise zones. An exhaustive city-by-city study conducted by the Sabre Foundation of Washington, D.C. indicates that over 20,000 jobs have been saved, created or planned in just the last ten months in state designated enterprise zones. For the average urban zone, 104 jobs have been created with an additional 113 saved. Over 150 additional jobs on the average have been pledged in the urban zones.

These results are all the more impressive in light of the economic climate that has prevailed in each of these areas. The typical zones are reversing long trends of disinvestment and lost employment opportunities. Early findings suggest that a wide range of firms, particularly manufacturers, are making productive jobs available in inner cities and economically distressed rural communities. Equally important, the zone incentives appear to be making productive jobs accessible to neighborhoods where a large portion of jobless workers reside.

The Sabre study found that a substantial proportion of new jobs within the zone areas are going to the long-term unemployed and disadvantaged. In those communities tracking company hiring practices, expanding firms are credited with hiring from 23% to 100% of their new workers from these groups. These results are heartening, because the cornerstone of the federal enterprise zone legislation is a liberal employer credit for hiring such workers. If the results are this good at the state and local level, the federal incentive could well produce more job opportunities for those in need of work than even its strongest advocates have hoped.

These patterns bode well—for the cities trying to shore up their economic bases and rehabilitate their industrial areas, for new companies seeking to locate in close proximity to the potential labor-force, and for low-income workers who simply cannot afford to commute to jobs outside the inner city.

Another healthy sign is the number of existing businesses in the zones that are expanding in response to the incentives rather than closing their doors. Indeed, the retention and expansion of existing businesses is one of the most important elements of any revitalization strategy especially in the older industrial areas of the Northeast and Midwest. Nearly 70 expansions, about 26 percent of all activity in the study, are helping to keep marginal businesses alive, with another 46% of zone activity attributable to new business start-ups. Fears that many businesses would simply shut down one operation to relocate facilities in the zones have not been borne out by this initial research.

Many opponents of enterprise zones had predicted that instead of creating new jobs, zones would only stimulate relocation of firms from outside the zone boundary, resulting in tax revenue losses. To the contrary, the research results indicate that very few relocations have actually occurred (less than 1% of the activity), with the principal gains in employment coming from expansions and new entreprenurial activity within the zones. Also, temporary construction jobs have been created thanks to residential rehabilitation activity.

Better yet, all of the activity has occurred with very little state or local bureaucracy and without the appropriation of an additional federal dollar. Congress owes a debt of gratitude to the nine states involved in this study for providing the unprecedented opportunity to field test one of its own initiatives before it acts.

The time to act, however, is upon us. It has been nearly three years since we first introduced the enterprise zone idea. We have always billed it as an experimental policy, not as a solution to every urban problem. The Congress has enacted numerous programs to revitalize the inner city from the massive urban renewal program of the sixties to the more structured urban development action grant. The results of these programs have been mixed both in impact and in consequences. Enterprise zones have been designed with these programs in mind and as a complement to existing economic development initiatives.

Enterprise zones provide a unique tool for assisting the kind of business most likely to provide new jobs in the inner city and distressed rural areas. As the M.I.T. Program on Neighborhood and Regional Change discovered, two-thirds of all new jobs nationwide are created by businesses employing twenty people or fewer. Closer to 80% of all the new jobs taken by blacks, Hispanics and other disadvantaged workers are provided by small businesses. These are the type of businesses enterprise zones are assisting in the states today.

The federal enterprise zone bill also encourages States and localities to use some of their resources, including federal resources in the very poorest communities—communities which may have been overlooked in the past as city governments have sought bigger downtown development projects. Enterprise zones can help redress this imbalance, and have proven so by the fact that more than $450 million of private sector investment alone has been committed to existing state designated zones.

Enterprise zones are a departure from past urban policies in three ways: (1) they require virtually no new federal bureaucracy, (2) they provide incentives for private sector job creation and investment automatically rather than through lengthy grant application procedures, and (3) they are designated to secure real commitments from the neighborhoods and up through the city, state and federal levels of government.

If an enterprise zone should fail to induce business activity, then it will not cost the taxpayer a cent. If tax credits are claimed, it is because people have been hired and a business has been formed or expanded. It is fair for all involved. Federal, state and local governments offer an up-front reward to businesses that move into risky areas, and give inner city residents jobs and hope for their future.

This is a logic that cuts right through a generation of red tape and right across ideological lines. So far business, the states and local governments have embraced enterprise zones enthusiastically. If Congress fails to follow up on the experience the states are now providing us, we will have missed a golden opportunity to help people get jobs and to help our cities.

WILL CONGRESS ABANDON WAR ON POVERTY?

WASHINGTON, D.C., November 17, 1983.—While the 1980s have been a time of intense partisanship, on several key issues the emergence of consensus opinion has been a catalyst for bipartisan legislative victories. The Martin Luther King holiday was passed

overwhelmingly with Republicans breaking with their past opposition and joining Democrats in commemorating the civil rights revolution. This year we have forged a bipartisan coalition to promote a foreign assistance strategy that meets the security and economic needs of dozens of America's friends and allies around the world. And an emerging bipartisan consensus in Congress will, I hope, force the Federal Reserve Board to lower interest rates and keep this promising recovery moving.

Yet on no other issue has a wider, more devoted broad-based consensus emerged than on urban enterprise zones. Black, white and Hispanic, liberals and conservatives, Democrats and Republicans, big city mayors, suburban and rural areas all support this constructive and progressive effort to help put our people to work in productive, meaningful jobs in our inner cities and other depressed areas.

How is it possible that the Congress can stand in the way of this broad-based movement for economic growth and opportunity? The people without jobs in our cities, the people who place so much hope on what actions we take here in Washington, deserve better than to have their dreams shattered by a handful of people in the Congress.

The War on Poverty was declared twenty years ago. It has been waged with federal spending and income redistribution. The result has been a truce with poverty. Our inner city residents, many of them minorities, continue to be trapped in a cycle of poverty and are desperate for an opportunity to make a life for themselves and their children that is worthy of the American dream.

The civil rights revolution opened doors that had been closed by law. It will not be complete, however, and our experiment in democratic government will not be a success until America's doors of economic opportunity are fully opened and our minorities brought into the mainstream of the American economy through jobs, income growth and enterprises. We cannot mock the American dream by giving people a ticket to get on the economic train and then allow that train to be halted.

It only takes common sense to realize that there can't be employees without thousands of new entrepreneurial employers. While Congress continues to debate theory, states and localities have validated the theories with experience. A survey of just nine states with operating enterprise zones found that over 20,000 productive jobs have been created or saved in pockets of poverty that had been suffering the most from economic decay and decline.

And while we can discuss and criticize the relative merits of quotas or set asides to help the minorities who suffer from long term unemployment, we find that minority entrepreneurs and workers in enterprise zones have gained a secure foothold on the ladder of economic opportunity and are moving steadily upward.

The question before us is whether Congress will turn its back on America's inner cities and their largely minority population. Is Congress going to abandon the war on poverty? There are always risks in doing something new, but in this case the danger from doing nothing is greater. Do we plan to leave the private sector out of the war on poverty? Do we propose to lay down our most effective weapons? Minorities across the country are trying to move ahead and create opportunities for themselves and their children. Will Congress block the way by refusing to help remove some of the barriers that stand in the way of self-sustaining economic growth and opportunity.

I know from my own experience in Buffalo, that there is no more important issue confronting us today than the revitalization of our inner cities and the creation of real jobs for our unemployed. If there are changes that need to be made to this bill, make them. If there are capital needs for minority and other enterprises that can only be resolved with an expensing provision as suggested by my friend Mr. Rangel, pass them. But allow us to offer hope to the inner cities through the federal enterprise zone program.●

A SALUTE TO KEN DUBERSTEIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. LOEFFLER) is recognized for 10 minutes.

● Mr. LOEFFLER. Mr. Speaker, when our good friend Max Friedersdorf left the White House to become Consul General in Bermuda, I well remember conversations on the floor and in the cloakroom which suggested that no one could possibly fill Max's boots. I remember thinking at the time that Max was indeed leaving a major void at the Reagan White House, but I felt strongly that if anyone could hit the ground running in that very difficult position, it was Ken Duberstein, a good friend with whom I had worked closely during the Ford administration.

And Ken did it.

With style, with savvy, and with substance, Ken has filled the job of Assistant to the President for Legislative Affairs with great distinction. Many of the administration's most notable legislative accomplishments have Ken's solid imprint on them. Many of the relationships which needed to be bridged between the White House and the Congress were forged because of Ken. Much of the good humor which flowed back and forth on Pennsylvania Avenue was due to Ken's easy wit and amiable nature. It has been a tremendous pleasure and a fulfilling experience to work with Ken over these last 3 years and I look forward to our continued association and our enduring friendship.

As we salute Ken for his superlative service, let us also wish him the respite he so richly deserves to spend time with Sydney and Jennifer. It is family time again—and I personally promise not to interrupt—even if it does not rain in west Texas.

As we say in west Texas, Ken, may your life be filled with an abundance of beautiful and brilliant sunsets—and may you savor them, one at a time.

Once again there are big boots to be filled in the White House, but once again I am convinced that if anyone can fill them during the forthcoming political season, it is B. Oglesby. B. brings strong legislative skills to the highest levels of the administration and I know that the President will be well served during B.'s tenure. I trust B. knows, however, that I shall call him in those wee hours if the rains do not fall.

I salute you, Ken. Good luck, B.●

STEEL INDUSTRY RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. KOSTMAYER) is recognized for 5 minutes.

● Mr. KOSTMAYER. Mr. Speaker, I take this time tonight to announce the names of all 101 of my colleagues who have cosponsored House Concurrent Resolution 170, introduced by my colleagues JOE GAYDOS, JOHN MURTHA, and myself, in opposition to the proposed United States Steel-British Steel joint venture involving the importation of subsidized foreign steel.

As you know, Mr. Speaker, United States Steel and British Steel have been negotiating the annual importation of 3 million tons of steel into the American market. This would result in the cessation of steelmaking at the Fairless Works in Pennsylvania and the direct loss of an estimated 3,000 jobs in my congressional district.

We are opposed to this deal for the following reasons:

First, unfair competition. The steel to be imported is clearly subsidized by the British Government. In recent countervailing duty suits, U.S. trade officials have found subsidy margins of up to 20 percent on British-made steel. Our domestic steel industry will have yet another source of unfair competition to contend with.

Second, contravention of the existing United States-European Community steel arrangement. One year ago the United States negotiated with European steel exporters an arrangement limiting steel exports to the United States for a variety of products. The arrangement covers some 3 million tons annually. Should the United States Steel-British Steel plan be consummated, allowing another 3 million tons to enter the United States, the underlying U.S.-E.C. arrangement will surely collapse.

Third, breach of faith. Last winter steelworkers across the country ratified a contract which gave back many previously bargained-for benefits. As part of the negotiations, domestic producers agreed to plough back wage and benefit savings into plant modernization. The United States Steel plan to now replace domestic capacity with a foreign source of raw steel clearly violates this understanding.

Fourth, future of the steel industry. Foreign competition, much of it involving "dumped" steel, now accounts for 20 percent of domestic steel consumption. If this deal goes through, it will force other U.S. producers at

other plants across the country to undertake similar arrangements with foreign suppliers who have the capability of exporting huge quantities of raw steel to our country. The very future of our steel industry is at stake here.

If the deal is consummated, United States Steel's domestic competitors and organized labor have promised to fight this battle in the courts. In addition, Lionel Olmer, Under Secretary for International Trade at the Department of Commerce, testified before the Foreign Affairs Committee last month that the repercussions would be so disastrous, the Government may be "compelled to self-initiate an unfair trade case."

Mr. Speaker, the text of House Concurrent Resolution 170 is as follows, with a list of cosponsors:

H. CON. RES. 170

Whereas the proposed joint venture between the United States Steel Corporation and the British Steel Corporation for the importation of semifinished steel slabs is not in the public interest;

Whereas the proposed joint venture would result in the loss of at least three thousand direct steelmaking jobs and an additional five thousand four hundred jobs in the support of steelmaking in the Fairless, Pennsylvania, area;

Whereas, if the proposed joint venture results in an agreement and steel is imported into the United States, there may be possible violations of United States laws regarding unfair trade practices and a violation of the recently negotiated United States-European Community steel arrangement under paragraph 10, which states that consultations will be held between the parties when a significant increase in imports indicates the possibility of diversion of trade from arrangement products to certain steel products other than arrangement products; and

Whereas, if the proposed joint venture goes through, a new unfair competitive factor would be injected into the domestic market, forcing other domestic steel companies to seek similar arrangements, thus reducing raw steelmaking capacity exacerbating unemployment and creating a threat to national security and the general economy: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) the proposed joint venture between the United States Steel Corporation and the British Steel Corporation is not in the best interests of the United States, the domestic steel industry, and the steelworkers; and

(2) the Secretary of Commerce exercises all the powers of his office to take action under existing laws including the invocation of paragraph 10 of the United States-European Community steel arrangement to determine if there are any violations.

COSPONSORS OF H. CON. RES. 170

ORIGINAL COSPONSORS

Joseph M. Gaydos, John P. Murtha, Peter Kostmayer.

ADDITIONAL COSPONSORS

Nick Rahall, Clarence Long, Mel Price, Alan Mollohan, Chris Smith, Doug Walgren, Joe Kolter, Henry Nowak, Roy Dyson, Frank Harrison, Tony Hall, Jim Oberstar, Jack Fields, Austin Murphy, Robert Borski, Ray Kogovsek, Tom Bevill.

Jack Brooks, Bill Coyne, Bob McEwen, Joe Moakley, Les Aspin, Don Albosta, Gus Savage, Martin Frost, Bob Davis, Carl Perkins, Richard Shelby, Richard Ottinger, Don Ritter, Bruce Morrison, Gerry Sikorski, Tom Daschle, Henry Gonzalez.

Katie Hall, Bill Gray, Jim Cooper, Bruce Vento, Lane Evans, Jim McNulty, Bud Hillis, Doug Applegate, Larry Coughlin, Gus Yatron, William Lipinski, Bob Edgar, George O'Brien, Frank Annunzio, Dennis Eckart, Cardiss Collins, Augustus Hawkins.

Harley Staggers, Paul Simon, Tom Luken, Louis Stokes, Marcy Kaptur, Dennis Hertel, Matthew Martinez, John Seiberling, Bob Young, Parren Mitchell, Bernard Dwyer, Harold Ford, Mike Andrews, Pete Stark, Mike Barnes, Bill Ford, Howard Wolpe.

Ed Feighan, Ed Madigan, Bob Traxler, James Scheuer, Pat Williams, Harry Reid, Andy Jacobs, Ron Wyden, Tom Foglietta, Tom Carper, Sala Burton, Bill Clay, Robert Torricelli, Nick Mavroules, Richard Durbin, Barbara Mikulski, Barney Frank.

Philip Sharp, Henry Waxman, Bill Nichols, John Bryant, Frank McCloskey, Bob Wise, Charles Wilson, Frank Guarini, Ben Erdreich, David Bonior, Joe Minish, John Conyers, Major Owens, Robert Roe, Bob Carr, Mario Biaggi.

These 104 members believe, as I do, Mr. Speaker, that the Congress needs to stress its opposition to the United States Steel-British Steel joint venture. It is our hope that negotiators from our country will indicate to our European trading partners the strong opposition to the deal being evidenced within the Congress. This deal is not in our national interest, plain and simple, and our trade officials must drive this point home.

I would like at this point, Mr. Speaker, to share with my colleagues the remarks of other cosponsors of House Concurrent Resolution 170.

Mr. BORSKI. Mr. Speaker, as a member of the Congressional Steel Caucus, and as a representative from one of the largest steel producing States in the Union, I am concerned about the future of the steel industry in this country.

I am concerned about the nearly 100,000 unemployed steelworkers, many of them in the devastated steel towns of Pennsylvania. I am concerned about unfair foreign subsidies and the dumping of foreign steel that jeopardizes our own industry. And I am concerned when the largest steel producer in this country begins the dangerous precedent of importing steel and putting more American workers on the unemployment lines.

Mr. Speaker, negotiations are continuing between United States Steel and the government-subsidized British Steel Corp., which would allow the importation of semifinished steel slabs to be finished at the Fairless Works in southeastern Pennsylvania. This action would initially put 3,000 more steelworkers out of work and would also affect several thousand other local jobs. This is simply not tolerable.

There are possible violations of unfair trade practice laws involved here. There are possible violations of recently negotiated steel arrangements between the United States and the European Community. But most importantly, there is a violation of a trust between steelworkers and their employers.

Last year, when unions and management agreed to temporary wage reductions and adjustments to some benefit programs, it was understood by all parties that the savings would be put back into plant modernization. The United States-British Steel proposal to replace domestic capacity with a foreign source of raw steel is a clear violation of this understanding and a threat to steelmakers across the country.

I well appreciate the huge task that is underway in the American steel industry to update facilities and meet the aggressive challenge of imports. Because the problems of the industry are so compelling, Congress is also involved in reviewing trade and tax policies that may alleviate some of these problems.

Reviving the steel industry will require the total commitment of steelworkers, steel companies, and the Federal Government. For United States Steel to enter a joint venture to import steel at this point in time is a setback to this commitment. I deplore this proposal, and urge my colleagues to voice their disapproval about this dangerous and threatening move.

Mr. OBERSTAR. Mr. Speaker, the proposed joint venture between United States Steel and British Steel to import subsidized unfinished steel slabs into the United States in an affront to U.S. trade laws and our Nation's steelworkers. I have opposed this venture for these reasons from the outset and, today, I am pleased to join my colleague from Pennsylvania (Mr. KOSTMAYER) once again to voice my strong opposition.

The resolution which the gentleman is introducing today expresses the sense of Congress that the joint venture is not in the best interests of the United States, our steelworkers, nor our domestic steel industry. This resolution demonstrates to United States Steel and to the Reagan administration that Congress will not tolerate blatant violations of our trade laws.

The proposed deal will violate our Nation's trade laws, call into question the agreement with the European Economic Community, and jeopardize the contract containing wage and benefit concessions to which the steelworkers agreed in good faith.

United States Steel claims that by forming a private company with the British plant, in which the British Government would invest from $300,000 to $600,000 in the American plant, Fairless Works, for modernization, it will assure that the unfinished

slab is not subsidized. The joining of this British firm, long subsidized by the British Government, with an American steel producer is in fact designed to sidestep our trade laws, which permit the imposition of penalties on subsidized steel imports if these imports harm American producers. This scheme ignores the long-term subsidization of the Ravenscraig plant by the British Government and is an affront to American steelworkers and other domestic producers who are committed to reviving our domestic market.

The proposal would also idle 3,000 steelworkers at the Fairless Works and result in the loss of an additional 5,400 jobs in related industries.

It is hypocrisy for United States Steel to purchase unfinished steel from a government-subsidized producer while claiming to oppose foreign-subsidized steel imports and filing trade actions against Mexico, Argentina, and Brazil. Through this joint venture, United States Steel will be the beneficiary of those very foreign government subsidies that it has purported to oppose.

We must oppose this latest attack on the domestic steel industry and American steelworkers. We must assure that other producers do not follow the example of United States Steel in the pursuit of cheap, subsidized steel. We must urge the Reagan administration to put a stop to the venture before it is consummated. I urge my colleagues to support this resolution.●

THERE IS A CONSTITUENCY FOR IMMIGRATION REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. MAZZOLI) is recognized for 5 minutes.

● Mr. MAZZOLI. Mr. Speaker, on May 5, 1983, the Judiciary Committee approved by a 2-9 vote (H.R. 1510) the Immigration Reform and Control Act. H.R. 1510 would impose civil and criminal penalties on employers who knowingly hire undocumented aliens and would establish an extremely generous legalization program for those undocumented aliens who have developed substantial equities while living and working in this country.

Despite the fact that this measure has been under careful consideration by the House Judiciary Subcommittee on Immigration—which I am privileged to chair—for 3 years and been approved by the House Judiciary Committee on two occasions, and despite the fact that it is modeled after the report of the Special Commission on Immigration Reform chaired by Rev. Theodore M. Hesburgh, CSC, president of Notre Dame University, and despite the fact that H.R. 1510 has been considered sequentially by four separate House committees, and despite the fact that companion legislation has passed the other body by wide margins last year and this year, H.R. 1510 has not been scheduled for floor consideration for the stated reason that there is no constituency for it.

I do not believe this to be the case. I submit that there is a broad constituency for immigration reform—namely, the American people.

Perhaps this constituency is not as organized nor as vocal as some of the special interest groups in Washington which are sworn to kill the immigration bill, but it is the only real constituency we should be listening to.

Two reputable pollsters, Peter Hart and Lance Tarrance, concluded in August 1983, that the vast majority of the American people strongly support reforms of the Nation's immigration laws including sanctions on employers of undocumented aliens. This majority includes Hispanic and black Americans as well as white Americans.

A recent Gallup poll reached similar conclusions. I am including, following my remarks, a November 15 New York Times article which discusses the findings of the June Gallup poll. Two of its major findings are that 61 percent of those surveyed believe that U.S. immigration policies are not strict enough and 79 percent support sanctions against employers of undocumented aliens.

The other reason given, Mr. Speaker, for failing to schedule H.R. 1510 is that the President will veto the legislation. I do not believe this to be the case, and I am firmly convinced that the President will sign any reasonable immigration reform bill that reaches his desk.

I remain hopeful that the immigration reform legislation, a truly bipartisan piece of legislation, will be given an opportunity to come before the House so it can be debated, amended, if necessary, and adopted.

The time for studying this issue is over. The time for action—which is what the American people are demanding—is now.

[From the New York Times, Nov. 5, 1983]

STRONGER POLICIES ON ALIENS FAVORED

LATEST GALLUP POLL SAYS PUBLIC APPROVES OF HIRING LIMITS

Public support for restrictions on hiring illegal aliens is stronger than it has been at any time since 1977, according to the latest Gallup Poll.

The 1,549 adults questioned also expressed overwhelming approval for the kinds of prohibitions contained in an immigration bill that was killed last month by Thomas P. O'Neill Jr., the Speaker of the House of Representatives.

A New York Times poll taken in June found that 61 percent of those questioned considered immigration policies insufficiently strict. In the Times survey of 1,145 adults, 26 percent said the laws governing aliens were "about right," while 5 percent called them too harsh.

But, by a margin of five percentage points, the Times poll found that those questioned believe aliens take jobs Americans do not want, rather than deprive natives of employment.

Forty-seven percent of those in the Times sample said immigrants hold positions that natives consider undesirable, while 42 percent said immigrants take jobs that would otherwise be filled by natives.

The Gallup survey found that 79 percent of those surveyed believed it should be illegal to employ anyone who has entered this country without the proper papers. This reflected a slight but continuing increase over two previous Gallup surveys in which the same question was asked. In 1980, 76 percent said they agreed with the idea; in 1977, 72 percent favored it.

All three Gallup polls found about the same level of support for a proposal to require all citizens and permanent resident aliens to carry identification cards, which would make it possible for prospective employers to tell who is an illegal immigrant and who is not.

66 PERCENT FAVOR IDENTIFICATION CARDS

In the most recent poll, 66 percent favored the cards, up 4 percentage points from the 1980 survey and 3 percentage points from the 1977 poll.

Seventy-five percent of the respondents of Hispanic descent in the most recent survey expressed approval of the restrictions on hiring illegal aliens, the same percentage that supported the idea of requiring identification cards.

The Gallup results were derived from face-to-face interviews conducted in 300 communities around the country from Oct. 7 to Oct. 10, just after Representative O'Neill effectively killed the immigration bill. The survey had a margin of error of plus or minus three percentage points.

The measure would have established a system of sanctions against employers who knowingly employed illegal aliens. It has passed the Senate twice by comfortable margins, and President Reagan had promised to sign it.

But it ran into opposition in the House because leaders of Hispanic groups opposed the sanctions on employers. They said they were concerned that since the majority of illegal aliens were from Latin America, penalties for employing them would prompt some employers to discriminate against job-seekers of Hispanic descent.●

INDUSTRIAL POLICY IN GREAT BRITAIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BROWN) is recognized for 15 minutes.

● Mr. BROWN of California. Mr. Speaker, several committees of the House are currently considering the question of industrial policy, and it is expected that the House will take up early next year some of the legislative proposals which result from those deliberations.

Last week the Science Adviser to Prime Minister Margaret Thatcher addressed the U.S. National Academy of Engineering here in Washington on the occasion of its annual meeting. I believe that many of my colleagues will find those remarks of interest in connection with our own concern

about industrial policy, and I therefore ask that they be printed in the RECORD at this point.

I find it particularly noteworthy that Dr. Nicholson chose to cover a very wide spectrum of policies in discussing this subject. From technical education at the primary levels through support for research and development to international cooperation in these areas, Dr. Nicholson describes a comprehensive and prudent program aimed at strengthening British industry for competition in the world market. While we may not adopt each and every one of the policies being pursued by our British friends, there is undoubtedly much that we may want to consider in our own formulation of an industrial policy in this country.

SCIENCE AND TECHNOLOGY POLICY IN THE UNITED KINGDOM

(Address given at the 19th Annual Meeting of the National Academy of Engineering, November 2-3, 1983, by Dr. R. B. Nicholson, Science Adviser to Prime Minister Margaret Thatcher)

INTRODUCTION

The United Kingdom has a uniquely fine record of achievement in science and engineering. But in the future excellence is going to be even more important than it has been in the past, especially for our economic prosperity.

The United Kingdom's policies on science and technology have an impact on many aspects of the lives of our people: agriculture, the defense of the country, health care, and the protection of the environment. However I have chosen to concentrate on the role of science and technology in our industry and trade because of its importance in recovery from economic recession and because only through achievement in this area, can the necessary resources be developed for achievement in the other areas.

SCIENCE AND ENGINEERING FOR THE YOUNG

But my first topic, education in science and engineering is, of course, universal in its application. An awareness of science and technology starts at school and we have recently taken new measures to ensure that our school children become familiar with that most universal of modern technologies, the computer.

The Department of Trade and Industry (DTI) has introduced a scheme to help primary (5-10 years) and secondary (11-18) schools buy their own microcomputers. Three suitable designs were chosen, the Sinclair ZX Spectrum (for the primary school programme only), the BBC Acorn Model B and the Research Machines Link 480Z, for which Government paid 50 percent of the cost. Within 2 years of the start of the scheme for secondary schools, every secondary school in the country had at least one microcomputer—the average is now 4 per school and still rising rapidly. Government is now also helping schools extend their basic installations by assisting schools to buy printers, computer-controlled measuring devices and other peripherals.

Of course teachers also have to be trained in basic computing skills. All new teachers will be so trained and have some awareness of computer applications. And 35,000 existing teachers have already been re-trained in a programme due to continue until 1986. Much educational software has been written and this should become a significant export market in the future.

At the same time the BBC started a major initiative to stimulate general interest in computing, to help promote local and national educational courses in computing and to provide an integrated range of learning materials. An amazing one in five of the adult population watched the first series of TV programmes, the second series has been more popular still.

Sales of the BBC Acorn Model B microcomputer, chosen for its flexibility and "enhanceability", are close to 250,000 while sales of books and software run into many hundreds of thousands. Current developments include links to the rest of the BBC range of educational programmes and use of the teletext service (where the one millionth sale was recently made) to provide a range of telesoftware. The BBC programmes are in great demand round the world and have been broadcast in many countries, including the PBS in the USA.

With this background, it will not come as a surprise that the UK can now claim to be the most computer-literate country in the world. One in six of our homes has a microcomputer, the largest penetration in the world, no less than six times greater than that in France, for example. A British company, Sinclair, has the highest sales of microcomputers in the world.

Thus our new generations, and increasingly our older generations as well, will be using this technology with skill and confidence both at work and in all aspects of their lives. They will welcome computers as natural tools for work in the office, in the design studio and on the factory floor.

I must not leave the impression that the only role for TV in science and engineering education has been in computers. That pioneering concept, the Open University, uses off-peak hours on the national TV networks as its main teaching medium for its large student population studying to degree level standards. The interaction of television professions with teachers in science and engineering has led to the achievement of remarkably high standard in the use of the visual media in many aspects of science and engineering.

In this section I have concentrated on education in science and engineering. As a recent Royal Society report pointed out education through and about science and engineering are equally important. The former covers the development of skills and attitudes which have value and usefulness in relation to general educational objectives. The latter concerns science and education in the broader context of society and the need for all citizens to have a better understanding of the successes and limitations of science and technology. Time does not permit an elaboration of these topics although they must be a part of national policies on science and technology.

SCIENCE AND ENGINEERING IN UNIVERSITIES

Turning to higher education, our University system more than doubled in size in the period 1960 to 1980 and, like the USA, we have at the same time maintained a substantial part-time higher education programme. As in other Western nations, we face a demographic problem during this decade because of a falling birth rate starting about 20 years ago, coupled with the rapid recruitment to faculty staff in the 50s and 60s. A further factor is a significant amount of early retirement due to a 15 percent reduction in funds from central Government to Universities over a 4-year period ending next year.

If no action had been taken, recruitment in University Departments of science and technology would have been very small during this decade with drastic consequences especially for the dynamism and quality of research in Universities.

Therefore the Government last year announced a "new Blood" scheme whereby, despite the current contraction of staff and population, a nearly "normal" fraction of the academic staff posts (about 2 per cent) were made available for fresh young recruits each year. The posts made available (nearly 90 per cent in science and technology) are awarded on the basis of competitive bids by University Departments and judged on our normal Research Council peer review system. Once awarded, the post is filled through recruitment by the University in the normal way. Competition both for the posts and amongst potential University staff has been encouragingly high—on average 7 applicants per post. The Royal Society has added to the scheme by increasing the number of posts awarded from its own funds—these posts tend to carry an added prestige. The schemes are due to operate until 1985 when their success will be assessed and the case for continuation evaluated.

Research in UK Universities is funded through the so-called "dual support" system whereby one "leg" of the system, the central Government grant to a University, is intended both for teaching and the maintenance of "well found" laboratories which have the basic capability and equipment to carry out research in their chosen fields. Departments then make competitive bids to our Research Councils (Science and Engineering, Agricultural, Medical, Natural Environment and Economic and Social) for specific research projects. The Research Councils (which are publicly funded) only account for about half the funds in the second "leg" of the system, with the remainder coming again on a competitive basis from industry, charitable foundations and Government Departments.

A recent independent report concluded that the 'dual support' system had much merit in recognizing the importance of unprogrammed fundamental research, catering for the nurturing of new talent and aiding the emergence of innovation and growth points in research. Nevertheless the report found that the central Government leg of the system has been under some strain recently due to the cut in University funds mentioned earlier and the increasing sophistication and cost of scientific equipment in so many fields; the 'well found' laboratory funds may be spread too thinly and Universities should in the future concentrate their activities to produce fewer and stronger laboratories. This is an important recommendation and it will be interesting to watch how Universities react to it.

The Research Council leg of the dual support system has had approximately level funding in real terms over the last decade but the equipment cost factor mentioned earlier and the growing cost of participation in international scientific laboratories has also put University funds under strain. Nevertheless within the envelope of funds, there have been marked changes in the distribution of spending, especially away from big science and towards engineering and small science. But the burden of continuing to provide for a system which has historically produced, on a per capita basis, the larg-

est number of Nobel prize winners in the world is increasingly severe.

Few countries, and certainly not the UK, can afford to compete worldwide at the highest level across all fields of science and engineering. There will have to be an increasing trend to support preferentially those many areas of science and engineering where individuals and groups in the UK are acknowledged leaders and put forward exciting proposals of the highest quality.

Another trend is likely to be a greater emphasis on application of results and on relevance to industry. For example, the Science and Engineering Research Council (SERC) has devised several schemes to promote high quality research jointly with DTI in important fields of applied science and engineering such as polymer engineering, biotechnology and opto-electronics.

One of the most successful joint SERC/DTI initiatives has been the Teaching Company Scheme, so called because of the analogy with Teaching Hospitals where doctors in the UK complete their training in one of the great hospitals associated with our Universities and Medical Schools.

In the Teaching Company Scheme, the DTI pays for good graduates (mainly engineering so far) to do postgraduate work in industry on projects which are based on the development, design and manufacturing process but with the close interest and support of academic staff who supervise the innovative aspects of the graduates' work in industry. This programme has attracted great interest from industry and many of the household names in British engineering industry are involved: General Electric Company, British Aerospace, GKN, Ferranti, etc. Now a project is just starting with IBM.

Private sector industrial funding of research in Universities has been a welcome and growing part of the scene in several of our Universities, such as Cranfield Institute of Technology and Imperial College, London. Recently there has been an interesting proposal to tie some of the public funding of Universities to success in winning industrial research funding. The idea is that University Departments which demonstrate the quality and relevance of their research by winning industrial contracts should gain additional public funds for fundamental 'seed-corn' research so as to enable them to better develop applied research programmes which will win further industrial funding. In this way not only would emphasis be placed on industrially relevant fundamental research but it is suggested that Universities would compete better for industrial funding thus providing a better balance of research funding for the future. This proposal is currently under consideration by Government.

RESEARCH AND DEVELOPMENT EXPENDITURE IN THE UNITED KINGDOM

The total research and development spent in the UK in 1981-82 is estimated to be nearly £6 billion. That is about 2.3 percent of GNP which is comparable to figures for other industrialised nations like the USA and Germany and rather more than some other industrial competitor countries such as Franch and Canada.

Of course the figure in absolute terms is also important and our lower GNP (especially using current sterling dollar exchange rates) means that the absolute figure is also low. However research costs (especially staff costs) are also lower in the UK and hence the number of people, which must be the real measure of a country's R&D capability is correspondingly higher. In this context it is regrettable that published figures on people in R&D in our countries are determined in such different ways as to make the statistics almost meaningless. It is to be hoped that the OECD can continue to improve the quality of national and international R&D statistics.

THE ROLE OF GOVERNMENT IN RESEARCH AND DEVELOPMENT

The importance of Government in Research and Development in the UK is illustrated by the fact that rather more than half our £6 billion R&D expenditure is funded by Government. Since the UK system of Government is one of decentralized Departments of State, science and technology is also decentralized with each Department operating on the basis of its perceived needs for research and development to carry through its policies and responsibilities.

Government Departments require appropriate infrastructure to administer such a large segment of the nation's R&D effort and high quality external advice on objectives, programmes and the exploitation of results. To meet these needs all Departments with major R&D commitments have a full time Chief Scientist or Chief Engineer with appropriate staff coupled with an external advisory committee structure which reports to the Minister concerned. For some 10 years now, Departments have made decisions on their research programmes on the basis of the so-called "customer-contractor" principle advocated by Lord Rothschild. This applied equally to R&D which is contracted to external organizations as to work carried out in Government's own laboratories. In general the adoption of this principle is felt to have increased the relevance and efficiency of Departments' R&D although it is only fair to add that it is probably facing its real test under current financial constraints.

Of course there is also a need for central advice to Government on R&D. In something as pervasive as science and technology, the operation of a decentralized system must be complemented by an overview to provide a general perspective, to identify gaps and overlaps, to spot new opportunities and to develop a national picture which can be compared with the scenes in foreign countries.

This requirement is met by the Advisory Council for Research and Development (ACARD) which has amongst its members leading industrialists, entrepreneurs, industrial technical directors, academics and heads of independent research organisations. ACARD reports to the Prime Minister and some of its output must be confidential. However it also plays a significant public role, principally by the publication of short reports prepared by specialist Working Groups. These reports do not pretend to be comprehensive reviews of the field but they do create awareness and by focussing on a few key recommendations, have enjoyed a high success rate in Government. Early reports played a significant part in policy development in fields such as microelectronics, robotics, information technology and biotechnology; one recent report has dealt with research links between industry and higher education.

ACARD is serviced by my own Science and Technology Unit in the Cabinet Office which also has a responsibility for providing internal advice to the Prime Minister and Cabinet and for exercising coordination in science and technology in fields such as international relations and national policy.

Government Departments carry out R&D for a variety of purposes. In some, such as Defence and Transport, it is an essential adjunct of a major Government purchasing role. In others, such as Environment and Trade, the primary purpose is to provide a high quality technical back-up to an important regulatory responsibility. Finally there are some, such as Agriculture and Industry where the Department is acting as "proxy-customer" and carrying out R&D to stimulate or enhance the industry's own R&D.

R&D expenditure by some of the major Government Departments is shown in Table I. About half the total (£1.7 billion) is spent on defence R&D. Since most of this is devoted to the development of specific equipment, an increasing amount is carried out in industrial companies (presently more than 60 percent) with most of the remainder undertaken by the Ministry of Defence's own research establishments. There is concern that the benefits to civil industry from this large and very advanced defence R&D effort are not as large as they should be. The Ministry is now encouraging the private sector to come in to its research establishments, to identify civil spin-off possibilities and then to exploit them for the benefit of all involved. Current thinking is towards forming exploitation "club" consisting of the appropriate groups in the research establishments together with venture capitalists, independent R & D organizations and the hi-tech divisions of banks.

THE SUPPORT FOR INNOVATION SCHEME

The DTI runs a broadly based programme called "Support for Innovation". Its aims are: to spread awarness of new technologies and facilitate their application; to back this up with specialised management consultancy and information services (encouraging firms to use private sector consultants and advisory services but the Government helps with costs); and to help companies meet the costs of innovative products and processes—grants of up to one-third are offered to selected projects in industry.

There are also special schemes to help small firms: ranging from loan gurantees, when they are set up, to technical advise and help as they grow.

The DTI started a Microelectronics programme in 1977—the methods used included a railway train full of demonstrations which was seen by 40,000 visitors in 19 UK cities in 1981 and there was the related Information Technology year in 1982. This programme has led to big increase in the number of firms in the UK who use microelectronics in their business—a poor 7 percent in 1977 to a more respectable 30 percent in 1982. Currently effort is concentrated on encouraging the take-up of key generic technologies such as CAD/CAM, robotics and flexible manufacturing systems, which can be applied in most industrial settings. There is also support for R & D biotechnology, fibre optics and opto-electronics.

The decentralised nature of the UK system tends to militate against 'national' programs. Recently an exception has been made in the field of Advanced Information Technology. In this vital area Government has been guided by a broadly-based advisory committee (the Alvey Committee) with substantial private sector representation, and have just embarked on a national programme which will cost £350 m over the next 5 years. Government and industry will share the costs—£200 m from Government through the Ministry of Defence, the DTI and the SERC, and £150 m from private

sector industry. The major subject areas in the programme, which are all enabling technologies for the future IT industry are: very large scale integration VLSI, software engineering, man-machine interface; and intelligent knowledge based systems.

The programme will bring together many private sector companies (both large and small), Universities and Government Departments and Laboratories, since an element of collaboration is a prerequisite to funding from the programme. It is an experiment in collaborative research and will concentrate on the so-called pre-competitive stage of research but in no way inhibit full and normal industrial competition at the product stage. The treatment of industrial property will reward discovery but also ensure that the benefits of the programme are widely spread through UK industry.

RESEARCH IN THE PRIVATE SECTOR OF INDUSTRY

A vigorous and profitable private sector industry, truly competitive in world markets, is a key component of Government policy. In today's world this requires innovative products and processes and so the quality and level of industrial R & D is of prime importance. Current estimates suggest that the volume of R & D has been maintained during the recession with substantial advances in areas like microelectronics, pharmaceuticals and aerospace, and corresponding fall-offs in metals and traditional engineering.

The innovation performance of some of our leading large companies has been outstanding. Several British companies have played important roles in the development of optical fibres and the UK now has the longest stretch of commercial fibre optic network in the world. Our pharmaceutical industry (admittedly not all British owned) has been outstandingly inventive, as demonstrated by the fact that three of the world's six best-selling drugs were invented in the UK. Several companies in our aerospace industry combined to create the Harrier aircraft whose unique qualities have been well recognised in the United States such that a joint Anglo-American programme has been formed to develop and manufacture future versions.

It is equally encouraging that each year sees the emergence of new small and medium sized companies with high technology products which are market leaders in the world. Sinclair and Acorn have already been mentioned in the computer field but other companies like Quantel (television graphics), Oxford Instruments (super-conducting magnets), BDH (liquid crystals), Cosworth (automobile racing engines) and Amersham International (medical diagnostics) have won similar positions. The UK Venture Capital industry, although still an infant in terms of the American scene, comfortably leads Europe. The industry has really only emerged in the last three years but already there are more than 30 companies with funds of more than £200 m.

These few examples provide evidence that the Government policy to entrust the private sector with responsibility for innovation and at the same time to reduce the state financial and regulatory burdens steadily imposed on it over several decades, is rapidly bearing fruit. There is still a long way to go but the signs are that UK industry is responding quickly to the need for product and process innovation based on outstanding science and technology.

THE INTERNATIONAL SCENE

The UK is part of Europe and Europe is the largest market in the world. The ten countries of the European Communities, the EEC (which alone had a GDP of nearly £2.5 trillion in 1981, only 15 per cent less than the USA), have been slow to capitalise on this through ancient rivalries and language differences. But the impact or American and, especially, Japanese competition is changing that situation. Although a large truly homogenous market is the greatest benefit Europe can offer the exploitation of science and technology, R & D on a Europe-wide basis also has a part to play. The centre for research in high energy physics, CERN in Geneva, is already an outstanding success in scientific terms and the fusion research centre, JET in Culham, bids fair to follow it.

Research and development expenditure carried out through the EEC resources and only 2½ percent (590 Mecu in 1982) of total EEC resources and less than 2 percent of total national expenditure on R&D in the countries of the EEC. Nevertheless some important projects are being undertaken of which JET is but one example. The most exciting current proposal is ESPRIT which like the UK's national Alvey Programme mentioned earlier, is aimed at the massive advanced Information Technology market. ESPRIT, which is still before the European Council of Ministers, is proposed as a 1500 Mecu programme over 5 years funded 50/50 by European private sector industry and the EEC. This is the first EEC R&D programme in which private sector industry has been heavily involved in planning and partly funding the programme—it may prove to be the pattern of the future.

Moving on to a broader front, the Versailles Working Group on Technology, Growth and Employment, set up after the 1982 Economic Summit, encouraged a greater element of consultation in major scientific and technological projects and proposed collaboration in certain specific areas. In the UK, I think we have only recently realised that collaboration starts when one is prepared to abandon national projects in order to put the resources into an international project which, though still readily accessible, will in many cases be located abroad. Our Continental European friends took this crucial psychological step rather earlier. It is a step which, I humbly suggest, has yet to be taken by the USA or Japan, indeed neither country may wish to do so.

While the UK Government policy is to encourage international collaboration when it is a cost-effective way of meeting an agreed objective, there must be some concern as to whether world wide competition between two or three 'super projects' can drive forward a field at a rate which is faster and more expensive than is really justified by the quality and value of the science and engineering concerned. If considerations of prestige take over from more soundly-based values, as could so easily become the case in fields like Space and High Energy Physics, the world science and engineering community will be the eventual losers.

CONCLUSION

The Prime Minister recently held a unique seminar on Science, Technology and Industry where she spoke at and chaired a day-long discussion which covered many of the topics I have spoken about today: education in science and engineering, industrial R & D, innovation in small companies, research links between Universities and Industry, financing of innovation and maintaining the basic strength of science and engineering in the UK. The seminar was attended by leading industrialists, academics, financiers and members of Government. At the end of the day, the message was one of cautious optimism, enthusiasm without complacency, and recognition of improved preformance with a realisation that there is unlimited scope for further improvement. As the Prime Minister herself said in her summing up: "We are beginning to see a rising optimism because the things Government has done are enabling people of great talent and ability the better to develop the resources we have in this country".

TABLE I.—*Research and development expenditure (Frasiati definition) in some major departments*

Department	*£ millions pa 1981–82*
Ministry of Defence:	1,688
Research	198
Development	1,490
Department of Education and Science:	889
SERC	187
MRC	102
NERC	53
ARC	42
SSRC	9
Education	22
Universities and colleges	474
Department of Industry:	288
Department of Energy:	216
Nuclear	171
Nonnuclear	45
Ministry of Agriculture, Fisheries and Food	102
Environment and Transport	63
Environment	39
Transport	24

IMF STATEMENT

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Michigan (Mr. CARR) is recognized for 15 minutes.

● Mr. CARR. Mr. Speaker, I rise today to discourage my colleagues, both in the House and in the Senate from supporting $8.4 billion in extra U.S. funds for the International Monetary Funds.

As we approach a decision on the IMF, I think the following motto would be appropriate for this organization: "Old loans never die, they just get dumped on the taxpayers." It is time we realized that the taxpayers are not stupid; 77 percent of the American people have told public opinion polls that they are tired of the IMF doubletalk that we can get Third World countries out of debt by first getting them more into debt.

That is exactly what an $8.4 billion quota increase for the IMF would do. In addition to bailing out countries such as Mexico and Brazil by helping them pay interest on their loans, the IMF is actually pressuring the big banks lending more money to these very same countries. Many of these

countries have to pay more to service their debts than their current and projected export earnings. These countries don't have the resources to pay off their debts to begin with; the last thing they need is more loans to pay off.

Our willingness to throw good money after bad around the globe is in stark contrast with our treatment of U.S. taxpayers and consumers. When it comes to debtors at home, we are saying, justifiably, that it is time to crack down. The House just this week has passed the Debt Collection Act of 1983, which enhances our ability to collect on bad debts. What if, instead, we were to apply the IMF's philosophy to these debtors and simply lend them more money?

We have also just passed a very good bill to crack down on divorced parents who do not pay to support their children, in spite of court orders telling them to do so. We have said we are tired of forcing the taxpayers to put their hard-earned money into supporting families because an absent father or mother is not fulfilling the court-ordered responsibility to support the children.

But when it comes to foreign countries which are dealing with far greater sums of money, we are saying, "Fine, take $8.4 billion more from the U.S. taxpayer. Never mind that we are dealing with countries that cannot pay off their present debts. Never mind that the biggest banks made fabulous profits on a 700-percent increase in Third World debt between 1970 and 1982. Never mind that our contributions to the IMF do little to help combat actual poverty in the Third World, and actually can help increase it through IMF-imposed austerity measures."

It is time we stopped worrying so much about the IMF's debts around the world and start thinking more about another debt closer to home: our own Federal Government's deficit. The only way we can fight a $200-billion-plus deficit is to cut Federal spending. And the only way we can cut Federal spending is to stop funding programs and agencies that are not doing the job they were intended to do. That is precisely the case with the IMF. We can eliminate more than $8 billion in new Federal debts right here at home by doing one thing: Vote down the IMF quota increase.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GARCIA) is recognized for 5 minutes.

● Mr. GARCIA. Mr. Speaker, unfortunately, on Tuesday afternoon, November 15, 1983, as the House considered the equal rights amendment, I was absent from the floor, I would like to extend my sincerest apologies to my colleagues, as well as to all American women. Due to horrible weather and a delay in my plane's arrival, I missed this crucial vote by 6 minutes.

It grieves me that I was not present to cast my vote in favor of the equal rights amendment no matter what procedure was used for its consideration. I was a cosponsor of House Joint Resolution 1 and continually support all legislation that would end inequality between the sexes. Equal treatment under the law helps all individuals. I am sorry that I was not present to help this legislation pass.●

ADMIRAL JAMES D. WATKINS, CHIEF OF NAVAL OPERATIONS, PAYS WELL-DESERVED TRIBUTE TO ADMIRAL RICKOVER'S CHOSEN COURSE OF EXCELLENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. STRATTON) is recognized for 5 minutes.

● Mr. STRATTON, Mr. Speaker, last August 27, at Groton, Conn., the U.S.S. *Hyman G. Rickover* (SSN-709) was launched in honor of Admiral Rickover's monumental contribution to the U.S. Navy as well as to the Nation.

On that occasion the chief of Naval Operations, himself an officer trained in submarines operations by Admiral Rickover, and the first submariner to hold the Navy's top command, delivered the main address of that impressive ceremony.

I believe that Admiral Watkins address touches the key to the remarkable success of Admiral Rickover over some 63 years of naval service.

For that reason under leave to extend my remarks, I include in the RECORD the text of Admiral Watkins speech that I feel sure will be of great interest to my colleagues.

The address follows:

ADMIRAL RICKOVER'S CHOSEN COURSE OF EXCELLENCE

(Speech by Adm. James D. Watkins)

On this special day, I would like to share with you a story of an ancient philosopher who came to a city, determined to save its inhabitants from sin and wickedness. Night and day the philosopher walked streets and haunted marketplaces. He preached against greed and envy; against falsehood and indifference. At first people listened and smiled. Later they turned away; for he no longer amused them. Finally, a child asked, "Why do you go on? Do you not see it is hopeless?"

The man answered, "In the beginning, I thought I would change men. If I still shout, it is to prevent men from changing me."

This is a story that Admiral Rickover tells—and has used in many speeches. It is the timeless story of a visionary man who perseveres, who does what he knows is right; story of a teacher, who desires to impart his knowledge to others; a story of courage, the search for excellence, the use of every skill and God-given capability that one man possesses; it is also the Admiral Rickover story.

I speak from personal experience, for I am one of his students. And there are others here today who have come to share the honor of observing this historical event. Military and civilian-active duty and retired—these students of Admiral Rickover come from the ranks of the former Atomic Energy Commission, naval reactors directorate, both House of Congress, and from the Nation's scientific and engineering communities. While their backgrounds are varied, they share one thing in common—they are all better human beings because he taught them to strive for excellence and not settle for mediocrity. They know, because he taught them, intellectual integrity, technical honesty, sound analysis, and courageous decisions are essential ingredients in managing the development of technology.

These are the qualities often overlooked by the sensationalist or gossiper who watches the admiral from afar—who has no direct linkage; who speaks of personal-interview folklore; who feeds on and reproduces rumor ever more exaggerated with each one-sided source input. These people miss the mark. They do not begin to understand the depth of this brilliant American, his dedication to American ideals, his quest for excellence in himself and others, his undaunted spirit.

Even biographical summaries found in the libraries of the world only tell part of the Admiral Rickover story. While properly crediting Admiral Rickover as the father of the nuclear submarine, these accounts still miss the mark. An engineer, educator, patriot and critic, Admiral Rickover's range of interests and knowledgeable teachings have run from conservation of our natural resources to the study of ethics and morality.

Admiral Rickover has said that: "One must learn to reach out, not to struggle for that which is just beyond, but to grasp at results which seem almost infinite."

Reaching for the infinite—that aptly describes much of Admiral Rickover's work as a teacher. Thirty years ago, the Admiral reached for the infinite when he envisioned the warfighting potential of the nuclear submarine. Because of his perseverance, and despite many others who were doubting and narrow-in-vision, our Navy is the world's foremost source of knowledge in design, construction and safe, efficient operation of nuclear power plants.

Last month I had the chance to visit U.S.S. *Nautilus*, now readied at Mare Island Naval Shipyard for delivery to her memorial home here in Groton. As I walked through that submarine, I was reminded of how revolutionary she was back in 1954. With *Nautilus*, we slipped the confines of having to surface frequently to recharge our batteries and refresh our air supply. We were able to stay submerged and run at high speeds almost indefinitely. That marked a watershed in submarine development and the beginning of a revolution in strategy and tactics. U.S.S. *Nautilus* was the first true submarine.

This success story goes back even further, to the 1940's when few were enthusiastic about nuclear power and many thought it outright impossible. So it took a visionary to circumvent the ever-present naysayers and get this program going. Against all odds, Admiral Rickover proved that nuclear power could be safely used, both in shipboard propulsion and civilian power-generation applications.

Admiral Rickover knew that investments in proper design, quality control in manufacturing, and excellence in training were prerequisites for safety and success. He recognized that if you pay now for quality assurance and environmental protection, you avoid paying later in potential environmental damage, tragic loss of life and prohibitive remedial costs. While others looked for short cuts, Admiral Rickover insisted upon establishing his standards of performance—with checks and balances, concern and quality, and extra care that have become the hallmark of our Navy's nuclear power program.

From the very beginning, Admiral Rickover was particularly concerned about safety—it was a fundamental consideration in every facet of his program. The admiral has testified repeatedly: "Where radiation is involved, we are dealing not just with the lives of present-day individuals, but with the genetic future of mankind." From the beginning he designed each nuclear ship with the thought that his own son would be a member of the crew.

Long before environmental impact statements were even thought of, Admiral Rickover was concerned about man's ability to properly use new technologies, hailed as advancements, and what long-range effect they might have on our environment and our children's children.

The teacher also knew that the vital link in any technological advancement was the human element—would people be trained to safely operate and use what scientists and engineers produced?

Many others failed to understand what Admiral Rickover already knew—it is the quality of people that makes the difference. An engineering system could be designed perfectly, but still it could be made to fail, if those required to operate it did not understand and respect every theoretical and practical aspect of what they were doing.

Because the admiral understood human significance in the equation, he did not produce technocrats alone. Instead he developed the Navy's nuclear power program around a solid core of dedicated individuals who showed the same care, understanding and quest for excellence. The crew that stands aboard the ship we launch today is a legacy of that philosophy.

This philosophy led the admiral's searching mind to question the very capability of our national education system to give him the raw material he needed to successfully operate the nuclear power program. When he saw just how weak our Nation's educational standards were, he put his energy and drive toward correcting the discovered inadequacies. Not only did he build his own schools and trainers in the Navy to do what had to be done, he embarked on a one-man campaign to improve the educational system throughout the country.

Let me quote Admiral Rickover: we need "To develop to the utmost our human resources—the minds of our young people. They will need far more highly trained minds than the ones we now get by with in order to cope with the poorer and more crowded world we are bequeathing to them."

That was written by the admiral over twenty years ago. Yet it still encapsulates a driving motivation in his life which may well surpass all others in intensity—the proper education and training of our young people.

Admiral Rickover also wanted each of his students to make full use of their God-given talents to do the job right. He knew that all too often the mediocre and status quo were the world's standards of performance—not the exceptional and the excellent. He acknowledged that success was only possible with hard work and heavy sweat, reminding his students that the hard-fought is the sweetest victory of all.

Individual responsibility for excellence is a central philosophy of his life. He incorporated this belief into the very organization of the naval reactors directorate which he founded. When the rest of the Navy—and government—were rushing off to reorganize and build large bureaucracies, he fenced off his own organization to insure against obfuscation of individual responsibility and accountability. He has always been fully accountable for his actions, first and foremost, to himself—the toughest judge of all.

He also championed the cause of not cheating the taxpayer out of his tax dollar, long before "fraud, waste and abuse" became Washington buzz-words. He was concerned not only with blatant subterfuge and outright evasion of the law by industry, appointed officials and government employees, but also with attempts to circumvent established practices of responsible behavior. He did not subscribe to the roman maxim caveat emptor, let the buyer beware, but believed that everyone had a moral and ethical responsibility to provide a quality product—whether it was a piece of equipment from a manufacturer of the day-to-day performance of an employee, nobody should cheat the taxpayer.

His efforts in this area were recognized early by some of the military's toughest critics, like Senator William Proxmire, who has said that Admiral Rickover is a "national treasure" because of his tireless protection "of the taxpayer."

Admiral Rickover's visionary teachings and leadership have set tone and pace for a wide variety of vital initiatives, which improved the quality of our Navy's overall warfighting capabilities. Many of the admiral's doctrines, first strongly opposed, are now accepted standards throughout the Navy. Why? Because they work and they're the right thing to do.

The legacy of superb performance continues today. Since Nautilus first put to sea in 1955, our nuclear-powered ships have steamed over 55 million miles and have accumulated over 2,600 reactor-years of operation. Further, in the 30 years since the Nautilus land prototype first operated—and with 127 nuclear submarines, 4 nuclear carriers, 9 nuclear cruisers, a total of 170 reactors in operation today—there has never been an accident involving a nuclear reactor, nor has there been any release of radioactivity which has had a significant effect on our environment. To date, almost 60 thousand officers and enlisted men have been trained in this program, all striving to meet that Rickover mark of personal excellence.

The admiral often talks about the proper utilization of our limited national resources—human, financial and natural. It is appropriate then, to name this submarine after the admiral, for his teachings of properly using our resources to the fullest are embodied in this submarine and her sisters. This is today's most quiet—most "stealthy"—most sophisticated submarine; this submarine is the result of applied knowledge, which produced solid, well designed and tested engineering systems; this submarine has the admiral's concern for system reliability, redundancy and simplicity, built in as standard equipment, not as options; and the crew of this submarine will reflect the admiral's reliance upon well-trained people who use their full potential.

This submarine and the fine crew that will take her to sea are symbolic of a much larger group of submarines that already bear that unique mark of Rickover excellence. They will be the principal determinant of victory during any protracted war at sea.

It is difficult to properly honor Admiral Rickover for what he has accomplished. This same problem confronted the admiral's headquarters staff at naval reactors. They wondered, "what type of recognition do you give a man whose service performance has transcended all others? How do you honor a man after 64 years of active duty service who already has 15 honorary degrees? Who has won over 60 different awards, including a Presidential Medal of Freedom and a Congressional Gold Medal?"

What you give him is a special, very personal gift that shows your respect for the man. To do that, they chose to support Eleanore Rickover's work as a member of the Board of Hospice of Northern Virginia. Eleanore, our lovely sponsor, is not only a hospice board member, but is also an active volunteer, caring for the terminally ill in the hospice as well as in their own homes. The staff raised over five thousand dollars for the hospice. This loyalty, commitment and compassion in his staff tells more about Admiral Rickover and his life's accomplishments than any other biographical footnote. This honors him and his wife better than any other type of special award or recognition.

It is an "Admiral Rickover Story" such as this, which best tells about the man and his life. This is a story about undaunted spirit, Diogenes-like intellect, an untiring man who is seeking excellence and takes individual responsibility for each and every action. It is the story of a patriot; the story of a winner who values the proper development and education of our young people, because he knows that each American can only be a full partner in citizenship, if he or she has the knowledge and determination to seek such a partnership. That is the real Admiral H. G. Rickover this new submarine represents.

So this is an important day, not only for Admiral and Mrs. Rickover, not only for our Nation and Navy, but for the many students of the teacher who have come to know the true Admiral Rickover story—and this submarine will serve as a constant reminder of that story.

It was the admiral's demanding leadership; his technical wisdom and engineering foresight; his frank and knowledgeable discussions with our Nation's elected leaders; and his consuming pursuit of and strict adherence to standards of excellence, that has given this Nation a nuclear Navy second to none. Without this man's contributions, *Nautilus'* famous "underway on nuclear power" would probably still be an unfulfilled Jules Verne vision.

Thank you for coming today and helping this talented navy crew take the initial step, on their long journey, into the deep. God bless.●

INTRODUCTION OF JOINT RESOLUTION OF FREEDOM OF INFORMATION DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. WIRTH) is recognized for 5 minutes.

● Mr. WIRTH. Mr. Speaker, today, along with 168 of my colleagues, I am introducing a joint resolution authorizing the President to proclaim March 16, 1985, and each year thereafter, as the "Freedom of Information Day."

March 16 marks the anniversary of James Madison's birthday. Mr. Madison, our fourth President and father of the Bill of Rights, is the American most responsible for many of those freedoms we enjoy today. Among those freedoms are the freedom of speech and the press.

What Mr. Madison understood, and what we often take for granted, is the importance of free speech, free press, and the value of information in a democratic society. He envisioned a society in which the American people could be truthfully informed about its Government, thereby able to enjoy what he called a "peculiar freedom" to scrutinize the bureaucracy. He believed that through encouragement of interaction of the press and people, the Government would become more responsive to the people.

His idea was considered radical in his day. Today, however, it is hard to imagine not being afforded these freedoms in our society. Yet, because many Americans have never known any other way of life, they do not recognize how important the freedom of information is to the preservation of their other freedoms guaranteed by the Constitution.

A national Freedom of Information Day would serve as a reminder to the American people and the rest of the world the vital role these liberties have played in shaping this country. Without the press being allowed to probe, question, and report, the American people would be left to the mercy of a few powerful people.

Moreover, it is important to recognize that the freedom of speech and press means more than just being able to express ones thoughts. It is a catalyst that sparks a flow of information. This is the most fundamental right of an American—the right to a free and robust marketplace of diverse and antagonistic ideas.

Mr. Speaker, it seems fitting and proper that March 16 be established as the Freedom of Information Day, to honor both the man James Madison, and the principles for which he stood. Therefore, on behalf of 31 of my colleagues who have cosponsored this joint resolution, I would like to urge the Congress to adopt this proposal. Also, I would like to ask unanimous consent that the text of the joint resolution and the list of cosponsors be printed in the RECORD.●

The material follows:

H.R. RES. 434

Whereas a fundamental principle of our Government is that a well-informed citizenry can reach the important decisions that determine the present and future of our Nation;

Whereas the freedoms we cherish as Americans are fostered by free access to information;

Whereas many Americans, because they have never known any other way of life, take for granted the guarantee of free access to information that derives from the First Amendment to the Constitution of the United States;

Whereas the guarantee of free access to information should be emphasized and celebrated annually; and

Whereas March 16 is the anniversary of the birth of James Madison, one of the Founding Fathers, who recognized and supported the need to guarantee rights through the Bill of Rights: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That March 16 of each year is designated as "Freedom of Information Day", and the President is authorized and requested to issue a proclamation calling upon Federal, State, and local government agencies and the people of the United States to observe such day with appropriate programs, ceremonies, and activities.

By Mr. WIRTH (for himself, Mr. AKAKA, Mr. BEDELL, Mr. CAMPBELL, Mr. FAZIO, Mr. FRENZEL, Mr. FROST, Mr. GORE, Mr. HEFTEL of Hawaii, Mr. HORTON, Mr. HUGHES, Mr. KASTENMEIER, Mr. KEMP, Mr. LUKEN, Mr. MARRIOTT, Mr. MINETA, Mr. MURPHY, Mr. MYERS, Mr. OBERSTAR, Mr. PANETTA, Mr. REGULA, Mr. ANDREWS of Texas, Mr. ROSE, Mr. SABO, Mr. SCHEUER, Mr. SIMON, Ms. SNOWE, Mr. SNYDER, Mr. STANGELAND, Mr. TRAXLER, Mr. WEAVER, Mr. WOLPE, Mr. CONYERS, Mr. ROWLAND, Mr. GINGRICH, Mr. WALKER, Mr. MACK, Mr. HEFNER, Mr. MAVROULES, Mr. PATTERSON, Mr. LEHMAN of Florida, Mr. WALGREN, Mr. ROTH, Mr. LENT, Mr. MCGRATH, Mr. NEILSON of Utah, Mr. HOYER, Mr. HALL of Ohio, Mr. FASCELL, Mr. HAMILTON, Mr. MCHUGH, Mr. GEPHARDT, Mr. YOUNG of Missouri, Mr. VOLKMER, Mr. PICKLE, Mr. LEVINE of California, THOMAS of California, Mr. SHARP, Mr. PATMAN, Mr. CARR, Mr. RATCHFORD, Ms. FERRARO, Mr. FAZIO, Mr. SMITH of Iowa, Mr. ADABBO, Mr. WRIGHT, Mr. DASCHLE, Mr. DE LA GARZA, Mr. ANNUNZIO, Mr. BENNETT, Mrs. BURTON of California, Mr. BREAUX, Mr. LEVITAS, Mr. BARNES, Mr. DURBIN, Mr. SLATTERY, Mr. BRYANT, Mr. GEJDENSON, Mr. MATSUI, Mr. SIKORSKI, Mr. BERMAN, Mr. SMITH of Florida, Mr. COLEMAN of Texas, Mr. BOSCO, Mr. WATKINS, Mr. BONIOR of Michigan, Mr. WAXMAN, Mr. SHELBY, Mr. TAUZIN, Mr. RALPH M. HALL, Mr. FRANK, Mr. GLICKMAN, Mrs. BOGGS, Mr. WYDEN, Mr. MOLLOHAN, Mr. STAGERS, Mr. DANNEMEYER, Mr. PETRI, Mr. SHANNON, Mr. BONKER, Mr. LUKEN, Mr. FOWLER, Mr. BLILEY, Ms. OAKER, Mr. COELHO, Mr. DARDEN, Mr. DONNELLY, Mrs. BOXER, Mr. PENNY, Mr. LANTOS, Mr. CLARKE, Mr. TORRES, Mr. FEIGHAN, Mr. JACOBS, Mr. ROEMER, Mr. STENHOLM, Mr. DANIEL, Mr. BEVILL, Mr. PERKINS, Mr. NATCHER, Mr. DINGELL, Mr. DICKS, Mr. BRITT, Mr. MICA, Mr. ECKART, Mr. SISISKY, Mr. GORE, Mr. BONER of Tennessee, Mr. NOWAK, Mr. GRAY, Mr. EDGAR, Mr. MURTHA, Mr. ZABLOCKI, Mr. COYNE, Mr. DWYER of New Jersey, Mr. MINISH, Mr. GUARINI, Mr. LEVIN of Michigan, Mr. COPPER, Mr. MCCLOSKEY, Mr. MCCURDY, Mr. ENGLISH, Mr. HARRISON, Mr. SWIFT, Mr. OLIN, Mr. SKELTON, Mr. REID, Mr. JONES of Tennessee, SAVAGE, Mr. WEISS, Mr. MARKEY, Mr. OWENS, Mr. STUDDS, Mr. LEHMAN of California, Mr. PASHAYAN, Mr. WISE, Mr. ROYBAL, Mr. WHITLEY, Mr. ACKERMAN, Mr. CORRADA, Mr. SCHUMER, Mr. SYNAR, and Mr. DOWNEY of New York).●

CONFERENCE REPORT ON HOUSE JOINT RESOLUTION 308

Mr. ROSTENKOWSKI submitted the following conference report and statement on the joint resolution (H.J. Res. 308) increasing the statutory limit on the public debt.

CONFERENCE REPORT (H. REPT. NO. 98-566)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 308) increasing the statutory limit on the public debt, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 3, 4, 5, 6, 7, and 8.

That the House recede from its disagreement to the amendment of the Senate numbered 1 and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment numbered 1 insert the following: *$1,490,000,000,000.*

And the Senate agree to the same.

DAN ROSTENKOWSKI,
SAM GIBBONS,
J. J. PICKLE,
BARBER CONABLE,
JOHN J. DUNCAN,
Managers on the Part of the House.

BOB DOLE,
BOB PACKWOOD,
BILL ROTH,
RUSSELL B. LONG,
SPARK MATSUNAGA,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.J. Res. 308) increasing the statutory limit on the public debt, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

SENATE AMENDMENT NUMBERED 1

House bill.—Increases the public debt limit to $1,614.6 billion.

Senate amendment.—Increases the public debt limit to $1,450 billion.

Conference agreement.—The conference agreement increases the public debt limit to $1,490 billion.

SENATE AMENDMENT NUMBERED 2

House bill.—No provision.

Senate amendment.—Provides for a sense of the Congress statement that the President should insist that, to repatriate Cuban nationals captured in Grenada, the Government of Cuba should agree to the return of all Cuban nationals in the U.S. who are

found to be deportable under the immigration laws.

Conference agreement.—The conference agreement does not include the Senate amendment.

SENATE AMENDMENT NUMBERED 3

House bill.—No provision.

Senate amendment.—Includes a provision stating that Congress determines that the requirements of section 4(a)(1) of the War Powers Resolution, dealing with Presidential reporting to Congress of imminent involvement in hostilities, became operative when U.S. armed forces were introduced into Grenada.

Conference agreement.—The conference agreement does not include the Senate amendment.

SENATE AMENDMENT NUMBERED 4

House bill.—No provision.

Senate amendment.—Includes a provision stating that no funds may be expended by the U.S. to provide Jordan with military equipment for a special military force except by an expressly-authorized expenditure and with funds appropriated by Congress in an unclassified manner.

Conference agreement.—The conference agreement does not include the Senate amendment.

SENATE AMENDMENT NUMBERED 5

House bill.—No provision.

Senate amendment.—Includes a provision expressing the sense of the Senate that debt limit and budget reconciliation bills should not be used for amendments that worsen the deficit.

Conference agreement.—The conference agreement does not include the Senate amendment. The conferees recognize that the Senate has expressed its sense with regard to this matter. Since this need not be reflected in law, the conference agreement does not include the Senate amendment.

SENATE AMENDMENT NUMBERED 6

House bill.—No provision.

Senate amendment.—Includes a provision stating that unreasonable restrictions on the press in Grenada shall cease, provided such action does not jeopardize the safety or security of the U.S. or allied forces or citizens of Grenada.

Conference agreement.—The conference agreement does not include the Senate amendment.

SENATE AMENDMENT NUMBERED 7

House bill.—No provision.

Senate amendment.—Includes a provision expressing the sense of the Senate that the United States should insist that Japan dismantle all nontariff barriers to the importation of beef into that country.

Conference agreement.—The conference agreement does not include the Senate amendment. The conferees recognize that the Senate has expressed its sense with regard to this matter. Since this need not be reflected in law, the conference agreement does not include the Senate amendment.

SENATE AMENDMENT NUMBERED 8

House bill.—No provision.

Senate amendment.—Includes a provision requiring the Comptroller General to prepare and trasmit to Congress a report that compares amounts spent over the 15 fiscal years ending October 1, 1983, with amounts specified in the President's budget.

Conference amendment.—The conference agreement does not include the Senate amendment.

DAN ROSTENKOWSKI,
SAM GIBBONS,
J. J. PICKLE,
BARBER CONABLE,
JOHN J. DUNCAN,
Managers on the Part of the House.

BOB DOLE,
BOB PACKWOOD,
BILL ROTH,
RUSSELL B. LONG,
SPARK MATSUNAGA,
Managers on the Part of the Senate.

ANNOUNCEMENT OF PENDING CONSIDERATION OF CONFERENCE REPORT ON H.J. RES. 308

Mr. ROSTENKOWSKI. Mr. Speaker, I wish to inform the House I intend to take this measure up tomorrow afternoon.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. FIELDS) to revise and extend their remarks and include extraneous material:)

Mr. FRANKLIN, for 5 minutes, today.

Mr. SENSENBRENNER, for 60 minutes, on Tuesday, January 24, 1984.

Mr. SENSENBRENNER, for 60 minutes, on Tuesday, January 31, 1984.

Mr. SENSENBRENNER, for 60 minutes, on Tuesday, February 7, 1984.

Mr. SENSENBRENNER, for 60 minutes, on Tuesday, February 21, 1984.

Mr. SENSENBRENNER, for 60 minutes, on Tuesday, February 28, 1984.

Mr. SENSENBRENNER, for 60 minutes, on Tuesday, March 6, 1984.

Mr. SENSENBRENNER, for 60 minutes, on Tuesday, March 13, 1984.

Mr. SENSENBRENNER, for 60 minutes, on Tuesday, March 20, 1984.

Mr. SENSENBRENNER, for 60 minutes, on Tuesday, March 27, 1984.

Mr. KEMP, for 30 minutes, today.

Mr. LOEFFLER, for 10 minutes, today.

(The following Members (at the request of Mr. HOYER) to revise and extend their remarks and include extraneous material:)

Mr. KOSTMAYER, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. MAZZOLI, for 5 minutes, today.

Mr. BROWN of California, for 15 minutes, today.

Mr. CARR, for 15 minutes, today.

Mr. GONZALEZ, for 30 minutes, today.

Mr. GARCIA, for 5 minutes, today.

Mr. STRATTON, for 5 minutes, today.

Mr. WIRTH, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. GILMAN, to revise and extend his remarks in support of House Concurrent Resolution 220 prior to the passage of that measure.

Mr. CONTE, on H.R. 3435, in the Committee of the Whole, today.

Mr. BEDELL, during general debate on bill, H.R. 2350.

Mr. DAUB, to revise and extend his remarks in support of the Dannemeyer amendment just before the vote on the Dannemeyer amendment.

Mr. LIVINGSTON, immediately following final passage of H.R. 3435.

Mr. LEVITAS, immediately before the vote on House Resolution 376.

Mr. SHELBY, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $5,313.

Mr. LAFALCE, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $2,535.75.

(The following Members (at the request of Mr. FIELDS) and to include extraneous matter:

Mr. WEBER in two instances.
Mr. HILER.
Mr. MARLENEE.
Mr. SHUMWAY.
Mr. PURSELL.
Mr. LAGOMARSINO.
Mr. BILIRAKIS in two instances.
Mr. MICHEL in two instances.
Mr. PORTER.
Mr. DAUB.
Mr. MCKERNAN.
Mr. CAMPBELL.
Mr. WHITEHURST.
Mr. PAUL.
Mr. RUDD.
Mr. RITTER.
Mr. EMERSON.
Mrs. VUCANOVICH.
Mr. BROYHILL.
Mrs. MARTIN of Illinois.
Mr. GINGRICH.
Mr. MCKINNEY.
Mr. GILMAN.
Mr. FRENZEL in five instances.

(The following Members (at the request of Mr. HOYER) and to include extraneous matter;

Mr. LEATH of Texas.
Mr. JACOBS.
Mr. FEIGHAN.
Mrs. BOXER.
Ms. MIKULSKI.
Mr. WIRTH.
Mr. MARKEY in two instances.
Mr. HOYER in two instances.
Mr. MCCLOSKEY.
Mr. SOLARZ.
Mr. DOWNEY of New York.
Mr. ROE.
Mr. YATES.
Mr. HUBBARD.
Mr. BERMAN.
Mr. DASCHLE in 10 instances.
Mr. BARNES.
Mr. FUQUA.
Mr. YOUNG of Missouri.
Mr. GUARINI in three instances.
Mr. GEJDENSON in two instances.
Mr. FAZIO.

Ms. FERRARO in two instances.
Mr. GORE.
Mr. PEPPER.
Mr. MILLER of California.
Mr. CORRADA.
Mr. WILLIAMS of Montana.
Mr. SIMON.
Mr. FRANK in two instances.
Mr. OBERSTAR.
Mr. SYNAR.
Mr. RODINO.
Mr. GARCIA in two instances.
Mr. FLORIO.
Ms. KAPTUR.
Mr. TORRES.
Mr. AUCOIN.
Mr. KASTENMEIER in three instances.
Mr. BONIOR of Michigan in two instances.
Mr. GAYDOS in three instances.
Mr. MICA.
Mr. RICHARDSON in five instances.
Mr. SIKORSKI.
Mr. BOLAND.
Mr. EDGAR.
Mr. ACKERMAN.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 35. An act to establish a Commission on More Effective Government, with the declared objective of improving the quality of government in the United States and of restoring public confidence in government at all levels; to the Committee on Government Operations.

S. Con. Res. 55. Concurrent resolution expressing the grave concern of the Congress regarding the plight of Ethiopian Jews; to the Committee on Foreign Affairs.

ENROLLED BILLS SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2077. An act to amend title 5, United States Code, to extend the Federal Physicians Comparability Allowance Act of 1978, and for other purposes.

ADJOURNMENT

Mr. COELHO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (11 o'clock and 14 minutes p.m.) the House adjourned until tomorrow, Friday, November 18, 1983, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2155. A letter from the Principal Deputy Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting notice of the Navy's decision to convert to contractor performance the night shelf stocking function at the branch commissary store, Philadelphia, Pa., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

2156. A letter from the Principal Deputy Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting a report of the Navy's decision to convert to contractor performance the night shelf stocking function at the branch commissary store, Garden City, N.Y., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

2157. A letter from the Director, Defense Security Assistance Agency, transmitting a report of a terrorist act against an employee of the Joint U.S. Military Aid Group, Athens, Greece, on November 15, 1983, pursuant to section 21(c)(2) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2158. A letter from the Acting Secretary of the Interior, transmitting a study report on the Green and Yampa Rivers in Colorado and Utah, pursuant to Public Law 90-542, as amended; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operations. Federal assistance to States and communities for hurricane preparedness planning (Rept. No. 98-557). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. The extent and impact of mercury releases and other pollutants at the Department of Energy's Oak Ridge complex at Oakridge, Tenn. (Rept. No. 98-558). Referred to the Committee of the Whole House on the State of the Union.

Mr. STOKES: Committee on Standards of Official Conduct. Investigation pursuant to House Resolution 12 concerning alleged illicit use or distribution of drugs by Members, officers, or employees of the House (Rept. No. 98-559). Referred to the House Calendar.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 653. A bill to amend Public Law 96-162 to provide a credit to the State of Washington for certain construction costs associated with the Yakima River Basin water enhancement project; with amendments (Rept. No. 98-560). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 3506. A bill to authorize additional long-term leases in the El Portal administrative site adjacent to Yosemite National Park, Calif., and for other purposes; with amendments (Rept. No. 98-561). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Improving the effectiveness of the Bureau of Motor Carrier Safety and its enforcement of hazardous materials regulations (Rept. No. 98-562). Referred to the Committee of the Whole House on the State of the Union.

Mr. FASCELL: Committee of conference. Conference repot on H.R. 2915 (Rept. No. 98-563). Ordered to be printed.

Mr. ZABLOCKI: Committee of conference. Conference report on H.R. 2906 (Rept. No. 98-564). Ordered to be printed.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 379. Providing procedures during the consideration of H.R. 3959. A bill making supplemental appropriations for the fiscal year ending September 30, 1984, and for other purposes. (Rept. No. 98-565). Referred to the House Calendar.

Mr. ROSTENKOWSKI: Committee of conference. Conference report on House Joint Resolution 308 (Rept. No. 98-566). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of California (for himself, Mr. HEFTEL of Hawaii, Mr. MATSUI, Mr. MILLER of California, and Mr. ZSCHAU):

H.R. 4437. A bill to amend title VIII and XIX of the Social Security Act to treat certain sensory and communication aids as medical and other health services, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. CARPER:

H.R. 4438. A bill to establish uniform single audit requirements for State and local governments who receive Federal assistance and for recipients of Federal assistance from such governments, and for other purposes; to the Committee on Government Operations.

By Mr. FLORIO (for himself, Mr. LENT, Mr. RAHALL, Mr. MADIGAN, and Mr. ROGERS):

H.R. 4439. A bill extending the authorization for the Railroad Accounting Principles Board, and for other purposes; to the Committee on Energy and Commerce.

By Mr. HALL of Ohio (for himself, Mr. LEACH of Iowa, Mr. JEFFORDS, and Mr. BARNES):

H.R. 4440. A bill to help meet basic human needs and to promote world security; jointly, to the Committees on Foreign Affairs and Banking, Finance and Urban Affairs.

By Mr. HARKIN:

H.R. 4441. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain minimum standards for milk, and for other purposes; to the Committee on Energy and Commerce.

By Mr. HEFTEL of Hawaii:

H.R. 4442. A bill to amend the Internal Revenue Code of 1954 to impose a progressive consumption tax, and for other purposes; to the Committee on Ways and Means.

By Mr. JONES of Oklahoma:

H.R. 4443. A bill to continue until the close of June 30, 1989, the existing suspension of duties on certain forms of zinc; to the Committee on Ways and Means.

By Mr. KAZEN (for himself, Mr. DE LA GARZA, Mr. FAZIO, and Mr. MCCANDLESS):

H.R. 4444. A bill to amend the Small Reclamation Projects Act of 1956, as amended;

to the Committee on Interior and Insular Affairs.

By Mr. LEACH of Iowa:

H.R. 4445. A bill to revitalize the Peace Corps; to the Committee on Foreign Affairs.

By Mr. LOWRY of Washington:

H.R. 4446. A bill to improve the competitiveness of export financing provided by the Export-Import Bank of the United States; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MOAKLEY (for himself, Mr. PRITCHARD, Mr. FRANK, Mr. WEISS, Ottinger, Mr. JEFFORDS, Mr. TOWNS, and Mr. LOWRY of Washington):

H.R. 4447. A bill to provide for the temporary suspension of deportation for certain aliens who are nationals of El Salvador, and to provide for Presidential and congressional review of conditions in El Salvador and for other purposes; jointly, to the Committees on Foreign Affairs, the Judiciary, and Rules.

By Mr. NIELSON of Utah (for himself and Mr. HANSEN of Utah):

H.R. 4448. A bill to authorize the Secretary of the Interior to provide reimbursement to the city of Duchesne, Utah, for public safety services provided by the city on that portion of the central Utah project situated within the city; to the Committee on Interior and Insular Affairs.

By Mr. PAUL:

H.R. 4449. A bill to amend the Internal Revenue Code of 1954 to provide that no portion of a Federal estate tax liability may be assessed or collected if an appellate administrative conference has been requested with respect to any portion of such liability and such conference is not commenced within 90 days after such request; to the Committee on Ways and Means.

By Mr. RODINO (for himself and Mr. FISH):

H.R. 4450. A bill to delay the effective date of section 401(b) of the Federal Courts Improvement Act of 1982; to the Committee on the Judiciary.

By Mr. ST GERMAIN (for himself and Mr. WYLIE) (by request):

H.R. 4451. A bill to strengthen and refine the provisions of the Federal Deposit Insurance Act, to provide for more flexible assessment procedures, to improve methods for insuring deposits and for paying insured depositors, to establish priorities among claimants to the estates of failed banks, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SHUMWAY (for himself, Mr. BADHAM, Mr. BOSCO, Mr. CHAPPIE, Mr. LEHMAN of California, Mr. LUNGREN, Mr. MARTINEZ, Mr. PASHAYAN, and Mr. THOMAS of California):

H.R. 4452. A bill to amend the act entitled "An Act to authorize the Secretary of the Interior to construct, operate, and maintain the Auburn-Folsom South unit, American River division, Central Valley project, California, under Federal reclamation laws", enacted September 2, 1965, and the Flood Control Act of 1970; to the Committee on Interior and Insular Affairs.

H.R. 4453. A bill to amend the act entitled "An Act to authorize the Secretary of the Interior to construct, operate, and maintain the Auburn-Folsom South unit, American River division, Central Valley project, California, under Federal reclamation laws", enacted September 2, 1965; to the Committee on Interior and Insular Affairs.

By Mr. WILLIAMS of Ohio:

H.R. 4454. A bill to authorize the Secretary of the Army, acting through the Chief of Engineers, to make necessary repairs to the Milton Dam in Mahoning County, Ohio; to the Committee on Public Works and Transportation.

By Mr. WOLF (for himself, Mr. COATS, and Mrs. JOHNSON):

H.R. 4455. A bill to provide for increased employment at military bases overseas of dependents of members of the Armed Forces and Federal civilian employees stationed overseas; to the Committee on Armed Services.

By Mr. BONKER:

H.R. 4456. A bill to extend the authorities under the Export Administration Act of 1979, and for other purposes; to the Committee on Foreign Affairs.

By Mr. CHANDLER (for himself, Mr. FOLEY, Mr. DICKS, Mr. MORRISON of Washington, Mr. LOWRY of Washington, and Mr. SWIFT):

H.R. 4457. A bill to prohibit the taking and importation of killer whales for public display purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DERRICK:

H.R. 4458. A bill to direct the President to prohibit all transactions involving liquid or investment assets of the Union of Soviet Socialist Republics in the United States to secure the payment of claims of survivors of the U.S. citizens on board the Korean Air Lines plane shot down on September 1, 1983, and to amend the International Claims Settlement Act of 1949 to provide for the determination of the validity and amount of such claims; to the Committee on Foreign Affairs.

By Mr. FLORIO (for himself, Mr. MOAKLEY, Mr. BROOMFIELD, Mr. FORSYTHE, Mr. SMITH of New Jersey, Mr. KASICH, Mr. GEJDENSON, Mr. BIAGGI, Ms. OAKAR, Mr. HUGHES, Mr. ROE, Mr. ROSTENKOWSKI, Mr. LENT, Mr. RITTER, Mrs. SCHROEDER, Mr. MARTINEZ, Mr. BONIOR of Michigan, Mr. HYDE, Mr. NOWAK, Mr. MORRISON of Connecticut, Mr. TORRICELLI, Mr. LEVINE of California, Mr. HOWARD, Mr. FISH, Mr. MCGRATH, Mr. FAUNTROY, Mr. HANCE, Mr. RINALDO, Mrs. JOHNSON, Mr. DWYER of New Jersey, Mr. LEVIN of Michigan, Mr. GEKAS, Ms. KAPTUR, Mr. MINISH, Mr. OTTINGER, Mr. RUDD, Mr. PORTER, Mr. RODINO, Mr. LANTOS, Mr. GRAY, Mr. HORTON, Mr. EDGAR, Mr. MCHUGH, Mr. GUARINI, Mr. DYSON, Mr. MURPHY, Mr. SEIBERLING, Mr. HERTEL of Michigan, Mr. STRATTON, Mr. SCHAEFER, Mr. WAXMAN, Mr. MILLER of California, Mrs. BOXER, Mr. KOSTMAYER, Mr. CORCORAN, Mr. MINETA, Mr. LAGOMARSINO, Mr. CARR, Mr. COURTER, and Mr. WALGREN):

H.R. 4459. A bill to establish a commission to study the 1932-33 famine caused by the Soviet Government in Ukraine; to the Committee on Foreign Affairs.

By Mr. KASTENMEIER:

H.R. 4460. A bill to clarify the circumstances under which a trademark may be canceled or considered abandoned; to the Committee on the Judiciary.

H.R. 4461. A bill to recognize the organization known as American Council for Better Broadcasts; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself and Mr. MOORHEAD):

H.R. 4462. A bill to amend the patent laws of the United States; to the Committee on the Judiciary.

By Mr. KOGOVSEK:

H.R. 4463. A bill to amend the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to permit certain loans from qualified plans to owner-employees and shareholder-employees; jointly, to the Committees on Ways and Means and Education and Labor.

By Mr. MARKEY (for himself and Mr. BRYANT):

H.R. 4464. A bill to amend the Communications Act of 1934 to provide for full and effective competition in international telecommunications markets, and for other purposes; to the Committee on Energy and Commerce.

By Mr. PATTERSON:

H.R. 4465. A bill to amend the Internal Revenue Code of 1954 to provide employers a credit against income tax for 50 percent of the employer's expenses in providing dependent care assistance for dependents of employees; to the Committee on Ways and Means.

By Mr. STENHOLM (for himself, Mr. WEBER, and Mr. STANGELAND):

H.R. 4466. A bill to amend the Small Business Act and other statutes to encourage small business concerns to participate in Federal construction projects, to provide new job opportunities in the small business sector, to provide exemptions for certain contracts with small business concerns, to reduce Federal paperwork requirements associated with such contracts, to require the Administrator of the Small Business Administration to study the impact of such exemptions and paperwork reduction, and for other purposes; jointly, to the Committees on Education and Labor and Small Business.

By Mr. WALGREN (for himself and Mr. BROYHILL):

H.R. 4467. A bill to encourage cogeneration activities by gas utility holding company systems; to the Committee on Energy and Commerce.

By Mr. WILLIAMS of Montana (for himself, Mr. PERKINS, Mr. ANDREWS of North Carolina, Mr. BEREUTER, Mr. HAWKINS, Mr. BARNES, Mr. WEAVER, Mr. BEDELL, Mr. FAUNTROY, Mr. CROCKETT, Mr. CHAPPIE, Mr. FRANK, Mr. BERMAN, Mr. SWIFT, Mr. BONIOR of Michigan, Mr. SEIBERLING, Mr. RANGEL, Mr. FORD of Michigan, Mr. DYMALLY, Mr. EDGAR, Mr. SUNIA, Mr. RATCHFORD, Mr. ROSE, Mr. DORGAN, Mr. KILDEE, Mr. OBERSTAR, Mr. SMITH of Florida, Mr. DASCHLE, Mr. KOGOVSEK, Mr. FAZIO, Mr. BOSCO, Mr. TOWNS, Mr. UDALL, Mr. LEVIN of Michigan, Mr. EDWARDS of California, Mr. GEJDENSON, Mr. ACKERMAN, Mr. RICHARDSON, Mr. FLORIO, Mr. CORRADA, Mr. MCNULTY, Mr. SIMON, Mrs. SCHROEDER, Mr. FROST, Mr. PENNY, Mr. OWENS, Mr. GRAY, Mr. CLAY, Mr. PANETTA, Mr. HOYER, Mr. KOSTMAYER, Mr. MCCAIN, Mr. SAVAGE, Mr. YOUNG of Alaska, Mr. AUCOIN, Mr. LUJAN, Mr. MARKEY, Mr. AKAKA, Mr. BROWN of California, Mr. LOWRY of Washington, Mr. SABO, Mr. WIRTH, Mr. ANTHONY, Mr. WYDEN, Mr. MATSUI, Mr. RODINO, Ms. SNOWE, Mr. EDWARDS of Alabama, Mr. MCKERNAN, and Mrs. SCHNEIDER):

H.R. 4468. A bill to amend the Native American Programs Act of 1974 to impose certain limitations with respect to the administration of such act and to authorize appropriations for fiscal years 1985, 1986,

and 1987 for such sums as may be necessary and for other purposes; to the Committee on Education and Labor.

By Mr. BOLAND:

H.J. Res. 433. Joint resolution to proclaim the month of May 1984, as "National Tap Dance Appreciation Month"; to the Committee on Post Office and Civil Service.

By Mr. WIRTH (for himself, Mr. AKAKA, Mr. BEDELL, Mr. CAMPBELL, Mr. FAZIO, Mr. FRENZEL, Mr. FROST, Mr. GORE, Mr. HEFTEL of Hawaii, Mr. HORTON, Mr. HUGHES, Mr. KASTENMEIER, Mr. KEMP, Mr. LUKEN, Mr. MARRIOT, Mr. MINETA, Mr. MURPHY, Mr. MYERS, Mr. OBERSTAR, Mr. PANETTA, Mr. REGULA, Mr. ANDREWS of Texas, Mr. ROSE, Mr. SABO, Mr. SCHEUER, Mr. SIMON, Ms. SNOWE, Mr. SNYDER, Mr. STANGELAND, Mr. TRAXLER, Mr. WEAVER, Mr. WOLF, Mr. CONYERS, Mr. ROWLAND, Mr. GINGRICH, Mr. WALKER, Mr. MACK, Mr. HEFNER, Mr. MAVROULES, Mr. PATTERSON, Mr. LEHMAN of Florida, Mr. WALGREN, Mr. ROTH, Mr. LENT, Mr. MCGRATH, Mr. NIELSON of Utah, Mr. HOYER, Mr. HALL of Ohio, Mr. FASCELL, Mr. HAMILTON, Mr. MCHUGH, Mr. GEPHARDT, Mr. YOUNG of Missouri, Mr. VOLKMER, Mr. PICKLE, Mr. LEVINE of California, Mr. THOMAS of California, Mr. SHARP, Mr. PATMAN, Mr. CARR, Mr. RATCHFORD, Ms. FERRARO, Mr. FAZIO, Mr. SMITH of Iowa, Mr. ADDABBO, Mr. WRIGHT, Mr. DASCHLE, Mr. DE LA GARZA, Mr. ANNUNZIO, Mr. BENNETT, Mrs. BURTON of California, Mr. BREAUX, Mr. LEVITAS, Mr. BARNES, Mr. DURBIN, Mr. SLATTERY, Mr. BRYANT, Mr. GEJDENSON, Mr. MATSUI, Mr. SIKORSKI, Mr. BERMAN, Mr. SMITH of Florida, Mr. COLEMAN of Texas, Mr. BOSCO, Mr. WATKINS, Mr. TRAXLER, Mr. BONIOR of Michigan, Mr. WOLPE, Mr. WAXMAN, Mr. SHELBY, Mr. TAUZIN, Mr. RALPH M. HALL, Mr. FRANK, Mr. GLICKMAN, Mrs. BOGGS, Mr. PANETTA, Mr. WYDEN, Mr. MOLLOHAN, Mr. STAGGERS, Mr. DANNEMEYER, Mr. PETRI, Mr. SHANNON, Mr. BONKER, Mr. LUKEN, Mr. FOWLER, Mr. BLILEY, Ms. OAKAR, Mr. COELHO, Mr. DARDEN, Mr. DONNELLY, Mrs. BOXER, Mr. PENNY, Mr. LANTOS, Mr. CLARKE, Mr. TORRES, Mr. FEIGHAN, Mr. JACOBS, Mr. ROEMER, Mr. STENHOLM, Mr. DANIEL, Mr. BEVILL, Mr. PERKINS, Mr. NATCHER, Mr. DINGELL, Mr. DICKS, Mr. BRITT, Mr. MICA, Mr. ECKART, Mr. SISISKY, Mr. GORE, Mr. BONER of Tennessee, Mr. NOWAK, Mr. GRAY, Mr. EDGAR, Mr. MURTHA, Mr. ZABLOCKI, Mr. COYNE, Mr. DWYER of New Jersey, Mr. MINISH, Mr. GUARINI, Mr. LEVIN of Michigan, Mr. CARPER, Mr. MCCLOSKEY, Mr. MCCURDY, Mr. ENGLISH, Mr. HARRISON, Mr. SWIFT, Mr. OLIN, Mr. SKELTON, Mr. REID, Mr. JONES of Tennessee, Mr. SAVAGE, Mr. WEISS, Mr. MARKEY, Mr. OWENS, Mr. STUDDS, Mr. LEHMAN of California, Mr. PASHAYAN, Mr. WISE, Mr. ROYBAL, Mr. WHITLEY, Mr. ACKERMAN, Mr. CORRADA, Mr. SCHUMER, Mr. SYNAR and Mr. Downey of New York):

H.J. Res. 434. Joint resolution to designate March 16 of every year as "Freedom of Information Day"; to the Committee on Post Office and Civil Service.

By Mr. LEVITAS (for himself, Mr. GLICKMAN, Mr. MARKEY, Mr. RAHALL, Mr. MINETA, Mr. WHITEHURST, Mr. WALKER, Mr. BROWN of California, Mr. PRICE, Mr. BENNETT, Mr. RAY, Mr. GRADISON, Mr. MCHUGH, Mr. STRATTON, Mr. WEISS, Mrs. SCHROEDER, Mrs. KENNELLY, Mr. COELHO, Ms. FERRARO, Mr. GINGRICH, Mr. DANNEMEYER, Mr. MONTGOMERY, Mr. PETRI, Mr. ASPIN, Mr. GORE, Mr. DELLUMS, Mr. BONIOR of Michigan, Mr. MARTIN of North Carolina, Mr. DICKS, Mr. PANETTA, Mr. OBEY, Mr. GILMAN, Mr. DOWNEY of New York, Mr. WIRTH, Mr. HOPKINS, Mr. COURTER, and Mr. AUCOIN):

H. Con. Res. 229. Concurrent resolution expressing the sense of Congress that the Soviet Union should air to the Soviet public the ABC television movie "The Day After"; to the Committee on Foreign Affairs.

By Mr. MAVROULES:

H. Con. Res. 230. Concurrent resolution expressing the sense of the Congress that certain mailing privileges should be granted to members of the Armed Forces of the United States and certain others in Lebanon; to the Committee on Post Office and Civil Service.

By Mr. LONG of Louisiana:

H. Res. 378. Resolution designating membership on certain standing committees of the House; Considered and agreed to.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KOSTMAYER:

H.R. 4469. A bill for the relief of Miroslaw Wieckowski; to the Committee on the Judiciary.

By Mr. PATTERSON:

H.R. 4470. A bill for the relief of Gladys Viviani Silberstein de Levi; to the Committee on the Judiciary.

H.R. 4471. A bill for the relief of Virgilio Cabeza and Marissa Cabeza; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 58: Mr. GUARINI.

H.R. 100: Mr. MCNULTY.

H.R. 193: Mr. NOWAK.

H.R. 225: Mr. BROYHILL, Mr. BOUCHER, Mr. LONG of Maryland, Mr. CLARKE, and Mr. SILJANDER.

H.R. 388: Mr. HORTON, Mr. MCGRATH, Mr. ROWLAND, Mr. DREIER of California, Mr. DAUB, and Mr. OLIN.

H.R. 608: Mr. ST GERMAIN.

H.R. 623: Mr. WOLPE, Mr. BONIOR of Michigan, and Mr. CARR.

H.R. 881: Mr. BOLAND, Mr. MINETA, Mr. BOEHLERT, Mr. HAYES and Mr. PEASE.

H.R. 1249: Mr. BOEHLERT and Mr. LELAND.

H.R. 1400: Mr. GEJDENSON.

H.R. 1438: Mr. FAZIO, Mr. PANETTA, Mrs. BOXER, and Mr. BERMAN.

H.R. 1580: Mr. PETRI and Mr. LANTOS.

H.R. 1601: Mr. PATTERSON.

H.R. 2090: Mr. RINALDO.

H.R. 2126: Mr. BORSKI and Mr. MCGRATH.

H.R. 2382: Mr. SENSENBRENNER, Mr. MACKAY, and Mr. STRATTON.

H.R. 2406: Mr. ASPIN and Mr. FOWLER.

H.R. 2566: Mrs. HALL of Indiana, Mr. THOMAS of Georgia, Mr. ECKART, and Mr. DURBIN.

H.R. 2817: Mr. PACKARD, Mr. FORSYTHE, and Mr. BEVILL.

H.R. 2927: Mr. GEJDENSON, Mr. PATMAN, Mr. RAHALL, and Mr. SEIBERLING.

H.R. 3028: Mrs. LLOYD and Mr. HUTTO.

H.R. 3091: Mr. COLLINS, Mr. CHANDLER, Mr. MORRISON of Washington, Mrs. MARTIN of Illinois, Mr. FLIPPO, Mr. BONIOR of Michigan, Mr. GINGRICH, Mr. MCKINNEY, Mr. SHUMWAY, Mr. ROTH, and Mr. SISISKY.

H.R. 3176: Mr. FRENZEL.

H.R. 3181: Mr. MCNULTY, Mr. GOODLING, Mr. LONG of Maryland, and Mr. GUARINI.

H.R. 3282: Mr. OWENS and Mr. SABO.

H.R. 3346: Mr. ANTHONY, Mr. BARNARD, and Mr. KINDNESS.

H.R. 3384: Mr. BERMAN, Mr. REIGHAN, Mr. ROE, Mr. SISISKY, Mr. SCHEUER, Mr. FAZIO, Mr. MINETA, Mr. RATCHFORD, Mr. WYDEN, Mr. ADDABBO, and Mr. ECKART.

H.R. 3428: Mr. BERMAN.

H.R. 3579: Mr. FOGLIETTA and Mr. SAVAGE.

H.R. 3614: Mr. ALEXANDER, Mr. ANDERSON, Mr. ANNUNZIO, Mr. ANTHONY, Mr. APPLEGATE, Mr. BATES, Mr. CARPER, Mrs. COLLINS, Mr. COOPER, Mr. COYNE, Mr. ERDREICH, Mr. EVANS of Illinois, Mr. FLORIO, Mr. GAYDOS, Mr. LAFALCE, Mr. LUNDINE, Mr. MCCLOSKEY, Mr. MARTIN of New York, Mr. MARTIN of North Carolina, Mr. MITCHELL, Mr. MOAKLEY, Mr. PATTERSON, Mr. RODINO, Mr. SMITH of Iowa, Mr. WIRTH, Mr. TRAXLER, Mr. RUSSO, Mr. MACKAY, Mr. MOODY, Mr. MORRISON of Connecticut, Mr. NEAL, Mr. HUBBARD, Mr. JENKINS, Mr. D'AMOURS, Mr. BONKER, Mr. BREAUX, Mr. BROOKS, Mrs. BURTON of California, Mrs. BYRON, Mr. COELHO, Mr. DELLUMS, Mr. DERRICK, Mr. DORGAN, Mr. EDGAR, Mr. ENGLISH, Ms. FERRARO, Mr. FORD of Michigan, Mr. FOWLER, Mr. FUQUA, Mr. GLICKMAN, Mr. GORE, Mr. GRAY, Mr. HALL of Ohio, Mr. HAMILTON, Mr. HERTEL of Michigan, Mr. HIGHTOWER, Mr. HOPKINS, Mr. HOYER, Mr. IRELAND, Mr. JEFFORDS, Mr. JONES of Oklahoma, Mr. JONES of North Carolina, Mr. KASICH, Mr. KASTENMEIER, Mr. KEMP, Mr. KOGOVSEK, Mr. KOSTMAYER, Mr. LEATH of Texas, Mr. LEHMAN of Florida, Mr. LELAND, Mrs. LLOYD, Mr. LOWRY of Washington, Mr. LUJAN, Mr. MCEWEN, Mr. MARKEY, Ms. MIKULSKI, Mr. MILLER of California, Mr. MINETA, Mr. MORRISON of Washington, Mr. NATCHER, Mr. NELSON of Florida, Ms. OAKAR, Mr. OBERSTAR, Mr. OBEY, Mr. PENNY, Mr. PICKLE, Mr. ROEMER, Mr. ROSE, Mr. ROWLAND, Mr. SCHEUER, Mrs. SCHNEIDER, Mr. SCHUMER, Mr. SEIBERLING, Mr. SHANNON, Mr. SHARP, Mr. SHELBY, Mr. SIMON, Mr. SPRATT, Mr. STRATTON, Mr. SWIFT, Mr. SYNAR, Mr. TAUZIN, Mr. WAXMAN, Mr. WEAVER, Mr. WEISS, Mr. WYDEN, and Mr. YOUNG of Alaska.

H.R. 3734: Mr. CARPER, Mr. MARTIN of New York, and Mr. CHAPPIE.

H.R. 3735: Mr. TAYLOR and Mr. PATMAN.

H.R. 3763: Mr. GUARINI.

H.R. 3846: Mr. WON PAT.

H.R. 3891: Mr. STUMP.

H.R. 3904: Mr. CONTE, Mr. STUDDS, Mr. MOAKLEY, Mr. MAVROULES, Mr. FRANK, Mr. EARLY, Mr. MARKEY, Mr. JEFFORDS, Mr. RATCHFORD, Mrs. JOHNSON, Mr. MORRISON of Connecticut, Mr. MCKINNEY, Mr. ST GERMAIN, Mr. D'AMOURS, Mr. MCKERNAN, Mr. SHANNON, Mr. GEJDENSON, Mrs. KENNELLY, Mrs. SCHNEIDER, and Ms. SNOWE.

H.R. 3925: Mr. NEAL.

H.R. 3950: Mr. BENNETT and Mr. SKEEN.

H.R. 3961: Mr. ROEMER.

H.R. 3973: Mr. EMERSON.

H.R. 3987: Mr. PICKLE, Mr. OWENS, Mr. SIMON, Mr. KOGOVSEK, Mr. MACKAY, Mr. MCNULTY, Mr. CONABLE, Mr. WEISS, Mr. BARNARD, Mr. ANDREWS of Texas, Mr. GINGRICH, Mr. KOSTMAYER, Mr. RAHALL, Mr. NICHOLS, and Mr. SYNAR.

H.R. 4021: Mrs. HOLT, Mr. STAGGERS, Mr. HAMMERSCHMIDT, and Mr. WON PAT.

H.R. 4034: Mr. GOODLING, Mr. BARTLETT, and Mr. PATMAN.

H.R. 4049: Mr. STUMP, Mr. IRELAND, and Mrs. HALL of Indiana.

H.R. 4050: Mr. STUMP, Mr. IRELAND, and Mrs. HALL of Indiana.

H.R. 4051: Mr. STUMP, Mr. IRELAND, and Mrs. HALL of Indiana.

H.R. 4054: Mr. ANDERSON, Mr. ROE, Mr. RAHALL, Ms. FERRARO, Mr. LIPINSKI, Mr. STANGELAND, Mr. GINGRICH, Mr. WEBER, Mr. MRAZEK, Mr. FASCELL, Mr. SMITH of Florida, Mr. BONKER, Mr. FAZIO, Mr. PATMAN, Mr. FISH, Mr. DAUB, Mr. HORTON, Mr. DENNY SMITH, Mr. FORSYTHE, Mr. CARR, and Mr. SKEEN.

H.R. 4055: Mr. ANDERSON, Mr. ROE, Mr. RAHALL, Ms. FERRARO, Mr. LIPINSKI, Mr. STANGELAND, Mr. GINGRICH, Mr. WEBER, Mr. MRAZEK, Mr. FASCELL, Mr. SMITH of Florida, Mr. BONKER, Mr. FAZIO, Mr. PATMAN, Mr. FISH, Mr. DAUB, Mr. HORTON, Mr. DENNY SMITH, Mr. FORSYTHE, Mr. CARR, and Mr. SKEEN.

H.R. 4076: Mrs. SCHROEDER.

H.R. 4078: Mr. GORE, Mr. WIRTH, and Mr. SHUMWAY.

H.R. 4080: Mr. WALGREN, Mr. REID, Mr. WINN, Mr. GREGG, Mr. MCCANDLESS, Mr. CHANDLER, Mr. BOEHLERT, Mr. CARNEY, Mr. YOUNG of Florida, Mr. SENSENBRENNER, Mr. RALPH M. HALL, Mr. YOUNG of Missouri, and Mr. VOLKMER.

H.R. 4099: Mrs. COLLINS.

H.R. 4145: Mr. BERMAN.

H.R. 4214: Mr. SABO.

H.R. 4243: Mr. KOGOVSEK, Mr. PATTERSON, Mr. GUARINI, Mr. STUDDS, Mr. BARNARD, Mrs. HOLT, Mr. ASPIN, and Mr. WYLIE.

H.R. 4247: Mr. WON PAT.

H.R. 4272: Mr. BIAGGI, Mr. ROYBAL, Mr. RINALDO, Mr. BILIRAKIS, Mr. MCKERNAN, Mrs. SCHNEIDER, Mr. LOWERY of California, Mr. HEFTEL of Hawaii, Mr. PRICE, Mr. FORSTHE, Mr. RICHARDSON, Mr. FRANK, Mr. BARNES, Mr. FISH, Mr. OTTINGER, Mr. LANTOS, Mr. PATMAN, Mr. DEWINE, Mr. WON PAT, Mr. MCGRATH, Mr. SMITH of Florida, Mr. ROE, Mr. DWYER of New Jersey, Mr. BERMAN, Mr. STUDDS, Mr. MILLER of California, Mr. RAY, Mr. PACKARD, and Ms. FERRARO.

H.R. 4273: Mr. BIAGGI, Mr. ROYBAL, Mr. RINALDO, Mr. BILIRAKIS, Mr. MCKERNAN, Mrs. SCHNEIDER, Mr. LOWERY of California, Mr. HEFTEL of Hawaii, Mr. PRICE, Mr. FORSYTHE, Mr. RICHARDSON, Mr. FRANK, Mr. BARNES, Mr. LELAND, Mr. FISH, Mr. OTTINGER, Mr. LANTOS, Mr. PATMAN, Mr. DEWINE, Mr. WON PAT, Mr. MCGRATH, Mr. SMITH of Florida, Mr. ROE, Mr. DWYER of New Jersey, Mr. BERMAN, Mr. STUDDS, Mr. MILLER of California, Mr. RAY, Mr. PACKARD, and Ms. FERRARO.

H.R. 4274: Mr. BIAGGI, Mr. ROYBAL, Mr. RINALDO, Mr. BILIRAKIS, Mr. MCKERNAN, Mrs. SCHNEIDER, Mr. LOWERY of California, Mr. HEFTEL of Hawaii, Mr. FISH, Mr. OTTINGER, Mr. LANTOS, Mr. ROE, Mr. PATMAN, Mr. OWENS, Mr. DEWINE, Mr. WON PAT, Mr. MCGRATH, Mr. DWYER of New Jersey, Mr. PRITCHARD, Mr. PRICE, Mr. FORSYTHE, Mr. RICHARDSON, Mr. FRANK, Mr. BARNES, Mr. LELAND, Mr. BERMAN, Mr. STUDDS, Mr. MILLER of California, Mr. RAY, Mr. SOLOMON, Mr. PACKARD, and Ms. FERRARO.

H.R. 4283: Mr. WON PAT.

H.R. 4312: Mr. MCCANDLESS.

H.R. 4324: Mr. ACKERMAN, Mr. BERMAN, Mr. BEILENSON, Mrs. BOGGS, Mr. BROWN of California, Mr. BRYANT, Mr. CHANDLER, Mr. COELHO, Mr. COLEMAN of Texas, Mr. COYNE, Mr. DASCHLE, Mr. DIXON, Ms. FERRARO, Mr. FOLEY, Mr. FOWLER, Mr. FROST, Mr. GORE, Mr. RALPH M. HALL, Mr. SAM B. HALL, JR., Mr. HOYER, Mr. LEHMAN of Florida, Mr. LEVIN of Michigan, Mr. LOWRY of Washington, Mr. MATSUI, Mr. MAVROULES, Mr. MACKAY, Mr. MILLER of California, Mr. MINETA, Mr. MITCHELL, Mr. NIELSON of Utah, Mr. OTTINGER, Mr. PATTERSON, Mr. PANETTA, Mr. RATCHFORD, Mr. ROSE, Mr. SABO, Mr. SHELBY, Mr. SHARP, Mr. SIKORSKI, Mr. SIMON, Mr. SMITH of Florida, Mr. STUDDS, Mr. SYNAR, Mr. TAUKE, Mr. TAUZIN, Mr. VENTO, Mr. WALGREN, Mr. WAXMAN, and Mr. WILLIAMS of Montana.

H.R. 4345: Mr. MCKERNAN, Mr. FRANK, Mr. D'AMOURS, Mr. ACKERMAN, Mr. BEDELL, Mr. MCNULTY, and Mr. FOGLIETTA.

H.R. 4356: Mrs. BURTON of California.

H.J. Res. 95: Mr. DANIEL B. CRANE, Mr. HARTNETT, Mr. DASCHLE, Mr. SOLOMON, Mr. LEWIS of Florida, Mr. VOLKMER, Mr. SISISKY, Mr. SKELTON, Mr. RICHARDSON, Mr. ROEMER, Mr. SABO, and Mr. MOLLOHAN.

H.J. Res. 121: Mr. DEWINE.

H.J. Res. 205: Mr. HAMMERSCHMIDT, Mr. HORTON, Mr. RANGEL, Mr. MCNULTY, and Mr. ARCHER.

H.J. Res. 309: Mr. GONZALEZ.

H.J. Res. 326: Mr. TAUKE, Mr. TAYLOR, Mr. ROE, Mr. DICKINSON, Mr. BEVILL, Mr. FRENZEL, Mr. HORTON, Mr. HAMMERSCHMIDT, Mr. BILIRAKIS, Mr. WINN, Mrs. HOLT, Mr. HUGHES, Mr. SPENCE, and Mr. THOMAS of Georgia.

H.J. Res. 341: Mr. MORRISON of Washington and Mr. PATMAN.

H.J. Res. 344: Mr. ALEXANDER and Mr. MOLLOHAN.

H.J. Res. 375: Mr. CHANDLER, Mr. LAFALCE, and Mr. BONKER.

H.J. Res. 382: Mr. BLILEY, Mr. BARTLETT, Mr. CHANDLER, Mr. CORCORAN, Mr. DURBIN, Mr. EDWARDS of Alabama, Mr. LEVINE of California, Mr. LOWRY of Washington, Mr. HIGHTOWER, Mr. NICHOLS, Mr. RAHALL, Mr. WOLF, and Mr. WON PAT.

H.J. Res. 384: Mr. STOKES, Mr. FOGLIETTA, Mr. RODINO, Mr. BEILENSON, and Mr. ACKERMAN.

H.J. Res. 385: Ms. SNOWE, Mr. MCDADE, Mr. NEAL, and Mr. WON PAT.

H.J. Res. 394: Mr. WAXMAN, Mr. TAUZIN, Mr. SISISKY, Mr. EDWARDS of Oklahoma, Mr. MOORHEAD, Mr. O'BRIEN, Mr. SOLOMON, Mr. FORSYTHE, Mr. CAMPBELL, Mr. SPENCE, Mr. MCKINNEY, Mr. LOWERY of California, Mr. EMERSON, Mr. MADIGAN, Mr. BOEHLERT, Mr. CONTE, Mr. MACK, Mr. SMITH of New Jersey, Mrs. MARTIN of Illinois, Ms. SNOWE, Mr. BARTLETT, Mr. GUNDERSON, Mr. GOODLING, Mr. GINGRICH, Mr. FIELDS, Mr. HUNTER, Mr. CHENEY, Mr. GRAMM, Mr. SKEEN, Mr. CARNEY, Mr. KASICH, Mr. SCHAEFER, Mr. PURSELL, Mr. THOMAS of California, Mr. WHITEHURST, Mr. GILMAN, Mr. LENT, Mr. WOLF, Mr. HYDE, Mr. GREEN, Mr. CHANDLER, Mr. ACKERMAN, Mr. AKAKA, Mr. ALBOSTA, Mr. ANDREWS of North Carolina, Mr. ASPIN, Mr. BONIOR of Michigan, Mr. BREAUX, Mr. CARPER, Mrs. COLLINS, Mr. COYNE, Mr. DE LUGO, Mr. DICKS, Mr. DURBIN, Mr. FAUNTROY, Mr. FOWLER, Mr. GARCIA, Mr. GRAY, Mr. HEFNER, Mr. KOLTER, Mr. LEHMAN of California, Mr. LOTT, Mr. MACKAY, Mr. MINETA, Mr. MURTHA, Mr. NOWAK, Mr. PATTERSON, Mr. RATCHFORD, Mr. REID, Mr. RICHARDSON, Mr. RODINO, Mr. SABO, Mr. SCHEUER, Mr. SMITH of Florida, Mr. SOLARZ, Mr. STARK, Mr. WEAVER, Mr. YATRON, Mr. HORTON, Mr. LANTOS, Mr. MAVROULES, Mr. MURPHY, Mr. BARNES, Mr. BONER of Tennessee, Mr. BOSCO, Mr. DASCHLE, Mr. DONNELLY, Mr. FORD of Michigan, Mr. DYMALLY, Mr. MCNULTY, Mr. OWENS, Mr. PRICE, Mr. RAHALL, Mr. SIMON, Mr. WHEAT, and Mr. TOWNS.

H.J. Res. 427: Mr. FASCELL, Mr. BARNES, Mr. MCKERNAN, and Mr. D'AMOURS.

H. Con. Res. 100: Mr. BEDELL.

H. Con. Res. 105: Mr. MORRISON of Washington, Mr. SMITH of New Jersey, Mr. HATCHER, Mr. HUNTER, Mr. WILLIAMS of Ohio, Mr. JACOBS, Mr. EVANS of Iowa, Mr. SENSENBRENNER, Mr. DYSON, Mr. MACKAY, Mr. HIGHTOWER, Mr. ERDREICH, Mr. LOWERY of California, Mr. GILMAN, and Mr. LEWIS of Florida.

H. Con. Res. 170: Mr. ANDREWS of Texas, Mr. OWENS, Mr. MORRISON of Connecticut, Mr. STARK, Mr. ROE, Mr. OTTINGER, Mr. YOUNG of Missouri, Mr. MITCHELL, Mr. DWYER of New Jersey, Mr. BONIOR of Michigan, Mr. SIKORSKI, Mr. PERKINS, Mr. CONYERS, Mr. BARNES, Mr. CARR, Mr. RITTER, Mr. DASCHLE, Mr. FORD of Michigan, Mr. BIAGGI, Mr. GONZALEZ, Mr. WOLPE, Mr. SHUSTER, Mr. RAHALL, Mr. LONG of Maryland, Mr. PRICE, Mr. MOLLOHAN, Mr. SMITH of New Jersey, Mr. WALGREN, Mr. KOLTER, Mr. NOWAK, Mr. DYSON, Mr. HARRISON, Mr. HALL of Ohio, Mr. OBERSTAR, Mr. FIELDS, Mr. MURPHY, Mr. BORSKI, Mr. KOGOVSEK, Mr. BEVILL, Mr. BROOKS, Mr. COYNE, Mr. MCEWEN, Mr. MOAKLEY, Mr. ASPIN, Mr. ALBOSTA, Mr. SAVAGE, Mrs. HALL of Indiana, Mr. GRAY, Mr. COOPER, Mr. VENTO, Mr. EVANS of Illinois, Mr. MCNULTY, Mr. HILLIS, Mr. APPLEGATE, Mr. COUGHLIN, Mr. YATRON, Mr. LIPINSKI, Mr. EDGAR, Mr. O'BRIEN, Mr. ANNUNZIO, Mr. ECKART, Mrs. COLLINS, Mr. HAWKINS, Mr. STAGGERS, Mr. SIMON, Mr. LUKEN, Mr. STOKES, Ms. KAPTUR, Mr. HERTEL of Michigan, Mr. MARTINEZ, Mr. FEIGHAN, Mr. MADIGAN, Mr. TRAXLER, Mr. SCHEUER, Mr. WILLIAMS of Montana, Mr. REID, Mr. JACOBS, Mr. WYDEN, Mr. FOGLIETTA, Mr. CARPER, Mrs. BURTON of California, Mr. CLAY, Mr. TORRICELLI, Mr. MAVROULES, Mr. DURBIN, Ms. MIKULSKI, Mr. FRANK, Mr. SHARP, Mr. WAXMAN, Mr. NICHOLS, Mr. BRYANT, Mr. MCCLOSKEY, Mr. WISE, Mr. WILSON, Mr. FROST, Mr. SEIBERLING, Mr. GUARINI, Mr. DAVIS, Mr. SHELBY, Mr. ERDREICH, Mr. FORD of Tennessee, and Mr. MINISH.

H. Con. Res. 178: Mr. CLINGER, Mrs. COLLINS, Mr. COELHO, and Mr. BRYANT.

H. Con. Res. 185: Mr. DICKS.

H. Con. Res. 191: Mr. MITCHELL, Mr. ROE, Mr. FRANK, Mr. BOLAND, Mr. COYNE, Mr. HOWARD, Mr. WALGREN, Mr. LEVINE of California, and Ms. KAPTUR.

H. Con. Res. 209: Mr. WON PAT and Mr. CRAIG.

H. Con. Res. 220: Mr. DYSON, Mr. BIAGGI, Mr. COYNE, Mr. DONNELLY, Mr. ANDERSON, Mr. GILMAN, Ms. SNOWE, Mr. BILIRAKIS, Mr. MAVROULES, Mr. BARNES, Mr. WOLPE, Mr. ZSCHAU, Ms. FERRARO, Mr. SIMON, Mr. OBERSTAR, Ms. OAKAR, Mr. GEJDENSON, Mr. ANNUNZIO, Mr. GEKAS, and Mr. WEISS.

H. Con. Res. 227: Mr. AUCOIN, Mr. BEILENSON, Mr. BONKER, Mr. BROWN of California, Mr. BRYANT, Mr. CHANDLER, Mr. COLEMAN of Texas, Mr. DASCHLE, Mr. DICKS, Mr. DINGELL, Mr. DIXON, Mr. ECKART, Ms. FERRARO, Mr. FLORIO, Mr. FOWLER, Mr. FROST, Mr. GORE, Mr. RALPH M. HALL, Mr. LELAND, Mr. LOWRY of Washington, Mr. MARLENEE, Mr. MATSUI, Mr. MAVROULES, Mr. MACKAY, Mr. MILLER of California, Mr. MINETA, Mr.

MITCHELL, Mr. MOORHEAD, Mr. MORRISON of Washington, Mr. NIELSON of Utah, Mr. OTTINGER, Mr. OXLEY, Mr. PANETTA, Mr. PATTERSON, Mr. PRITCHARD, Mr. RATCHFORD, Mr. RINALDO, Mr. ROEMER, Mr. SABO, Mr. SHARP, Mr. SHELBY, Mr. SIKORSKI, Mr. SYNAR, Mr. TAUKE, Mr. TAUZIN, Mr. VENTO, Mr. WALGREN, Mr. WAXMAN, Mr. WILLIAMS of Montana, Mr. WIRTH, and Mr. WYDEN.

H. Res. 216: Mr. KASICH, Mr. ROBERT F. SMITH, and Mr. SENSENBRENNER.

H. Res. 233: Mr. BARNES, Mr. HYDE, Mr. FAZIO, Mr. LAGOMARSINO, Mr. LELAND, Mr. MITCHELL, Mr. SMITH of Florida, Mr. HOYER, Mr. WEAVER, Mr. LAFALCE, Mr. LEVIN of Michigan, Mr. AUCOIN, Mr. BERMAN, Mr. RATCHFORD, Mr. SIMON, Mr. GEJDENSON, Mr. FRENZEL, Mr. WEISS, Ms. KAPTUR, Ms. MIKULSKI, Mr. EVANS of Illinois, Mr. FRANK, Mr. LEHMAN of Florida, Mr. EDWARDS of California, Mr. RICHARDSON, Mrs. SCHNEIDER, Mr. ACKERMAN, Mr. HARRISON, Mr. BILIRAKIS, Mr. FLORIO, Mr. ECKART, Mr. KOGOVSEK, Mr. LIPINSKI, Mr. CROCKETT, Mr. MOLLOHAN, and Mr. EDGAR.

H. Res. 327: Mr. STUMP, Mr. IRELAND, and Mrs. HALL of Indiana.

H. Res. 373: Mr. BROOMFIELD.

H. Res. 377: Mr. LAFALCE and Mrs. BOXER.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 826: Mr. GUARINI.

H.R. 3795: Mrs. JOHNSON.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1904

By Mr. BIAGGI:

(Amendment to the amendment offered by Mr. Miller of California.)

—After section 306 insert the following new section (and redesignate the subsequent sections accordingly):

"DISCRIMINATION PROHIBITED

"SEC. 307. (a) The Secretary shall not provide financial assistance for any program under this title unless the grant, contract, or agreement with respect to such program specifically provides that no individual with responsibilities in the operation of such program will discriminate unlawfully with respect to any such program because of race, creed, belief, color, national origin, sex, age, handicap, or political affiliation.

"(b) No individual in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with, any program or activity receiving assistance under this title. Nothing in this title shall require any such program to include any individual in any program or activity without taking into consideration that individual's sex in those certain instances where sex is a bona fide occupational qualification or programmatic factor reasonably necessary to the normal operation of that particular program or activity. The Secretary shall enforce the provisions of the preceeding sentence in accordance with section 602 of the Civil Rights Act of 1964 (42 U.S.C. 2000d-1). Section 603 of such Act (42 U.S.C. 2000d-2) shall apply with respect to any action taken by the Secretary to enforce such sentence. This section shall not be construed as affecting any other level remedy.".

In section 308(1)(B) (as so redesignated) insert "(including elderly family members)" after "related".

SENATE—*Thursday, November 17, 1983*

(Legislative day of Monday, November 14, 1983)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

The PRESIDENT pro tempore. Our opening prayer today will be offered by the Reverend Hampton Joel Rector, special assistant to Senator ROBERT C. BYRD.

PRAYER

The Reverend Hampton Joel Rector, special assistant to Senator BYRD, offered the following prayer:

Almighty God, we work in an important place. We follow in the footsteps of giants and play our roles on one of history's best-lit stages. We talk about millions of people and think about billions of dollars. We plan for decades and judge ourselves by centuries.

But help us understand that greatness is not bigness, and that Your will embraces the smallest of Your creatures as well as the largest. Help us realize that one person is no less precious in Your sight than a thousand. Help us remember that the laws forged here can decide the fate of individual men and women, as well as the destiny of nations. Help us grasp that even the jots and titles that we add to bills and amendments can bring hope or despair to multitudes.

So lend today Your spirit to this Chamber and to the hallways and offices in which we work. Shed Your light in our hearing rooms and on our desks and open our hearts to Your inspiration and our minds to Your possibilities, that our Republic may be a truer mirror of Your kingdom, and that the people of our Nation may walk more faithfully in Your paths.

For these things we ask in Christ's name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

SENATE SCHEDULE

Mr. BAKER. Mr. President, we have four special orders this morning that will follow on after the time for the two leaders.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. President, I ask unanimous consent that after the execution of special orders there be a period for the transaction of routine morning business of 5 minutes in length in which Senators may speak for 1 minute each.

The PRESIDING OFFICER (Mr. HUMPHREY). Without objection, it is so ordered.

Mr. BAKER. Now, Mr. President, there may be an opportunity for additional time for the transaction of routine morning business later in the day, but the leadership on this side is anxious to get on with the business of the Senate. At the conclusion of the time for the transaction of routine morning business, the Senate will resume consideration of the reconciliation bill. I assume that will go pretty fast and that the managers on both sides wish to finish that measure. If they do not, we can arrange to set it aside temporarily, I assume.

The supplemental appropriations conference report will be early up. I see the distinguished chairman of the Appropriations Committee on the floor. I will yield to him if he cares to give the leadership some estimate of how long it may take to do that bill.

Mr. HATFIELD. I would like to ask the leader if there is any possibility of unanimous consent on the time for the conference report.

Mr. BAKER. Yes. Mr. President, I would be very pleased to explore that possibility today, and I will request the Cloakroom staff on this side to see if we can negotiate such an agreement.

Mr. HATFIELD. I thank the majority leader.

VITIATION OF SPECIAL ORDER FOR SENATOR HATCH

Mr. BAKER. Mr. President, I am told now that the Senator from Utah (Mr. HATCH) does not require his special order. I ask unanimous consent that it be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, that is all I have today and the distinguished Senator from Oregon, the chairman of the Appropriations Committee, my colleague and classmate in the Senate, has the first special order.

First of all, Mr. President, I see the acting minority leader is present, and I yield the floor so that he may seek recognition.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDING OFFICER. The acting minority leader is recognized.

Mr. PRYOR. I do thank the majority leader for yielding to me as acting minority leader.

ORDER FOR RESERVATION OF SENATOR BYRD'S LEADERSHIP TIME

Mr. PRYOR. Mr. President, on behalf of the minority leader, Senator BYRD, I ask unanimous consent to reserve the customary time that he would have for his later use during the course of today's business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR. I thank the majority leader.

RECOGNITION OF SENATOR HATFIELD

The PRESIDING OFFICER. Under the previous order, the Senator from Oregon is recognized for not to exceed 15 minutes.

WORLD PEACE TAX FUND

Mr. HATFIELD. Mr. President, each year at tax time Senate offices receive a number of letters from constituents who are unable, for moral and religious reasons, to pay that percentage of their taxes that would go toward the Military. Many conscientious objectors are increasingly troubled by their implicit participation in military activities by means of the large portion of their tax payments that support the spiraling arms budget. They sincerely desire a legal and peaceful method to direct their tax dollars away from the military endeavors, which they cannot in good conscience support; and toward peaceful solutions to local and global conflicts.

Any person of reason and compassion must grant in this age of ever-increasing nuclear danger and evermore deadly local conflicts that it is the time to seek new ways to resolve disputes. The age of reason and mediation must take the place of deadly force before we all are caught in the idolatrous web of stealing God's stuff—the destruction of creation itself.

Our conscientious objector brothers and sisters, especially the faithful members of the traditional so-called "peace churches"—the Quakers, Mennonites, Brethren and Amish—have been voices crying in the wilderness. For much of our history they have incurred our corporate hostility because

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

they have held up to us for examination our warring natures. Senator MATHIAS and I believe it is long past the time when we should provide an equitable way for them to be fully a part of our national life.

Today I am reintroducing the World Peace Tax Fund bill to amend the Internal Revenue Code of 1954 in order to provide a way for conscientious objectors to elect to have their tax payments spent for nonmilitary purposes.

As each of us knows, from the large volume of mail and personal visits from those conscientiously opposed to war, our present tax system is working a grievous injustice against people who, while not required to bear arms, must still pay for others to do so and for the continuing and widening arms race. Requiring taxes for current military outlay from people whose moral and spiritual background forbid them participation in violent means of conflict resolution is a dark blot upon our national human rights policy.

It is my strong conviction that we as a body should move to permit citizens opposed to war on moral and theological grounds, and who have entered responsibly into the rigors of demonstrating conclusively their conscientious status, the opportunity to have that portion of their income, estate, and gift taxes normally spent by the military directed to peace-related activities instead. This legislation is on behalf of constituents who are petitioning the Congress to be allowed to pay 100 percent of their taxes. The way present law is written they are not able to do so. They wish to bear their fair share.

William Penn argued this very issue with the English monarch in 1711. Since the first Congress this matter has been upon the legislative agenda. But today, as the specter of nuclear conflagration widens, and we as a nation become more ensnared by the worldwide arms race, it is not only an issue of equity but of urgent moral policy. It is time to declare in an unequivocal fashion that we as a nation give support to peacemakers. It is time to extend the long honored principle of conscientious objection to payment of taxes for the military.

This Nation is ennobled, not threatened, by diversity. Therefore, no citizen should be forced to violate compelling opposition to violence. And, yet, today citizens in each of our States are under threat of imprisonment if they persist in following the highest principles that they know. Others of our constituents are choosing to earn less money than they could in order to maintain a nontaxable income level, which means living below the poverty level.

The World Peace Tax Fund Act would not lower total tax payments or diminish tax obligations, as many current deductions now do. Rather, it recognizes deep convictions and removes the awful dilemma facing conscientious objectors to disregard their moral beliefs or disobey the laws of the land. Under this measure, conscientious objection would be determined by the criteria established by the Selective Service Act.

Those who qualify, then, may choose to have an appropriate percentage of their tax dollars transferred by the Treasury into a trust fund to be established by the bill. The percentage would be figured each year according to the amount of budgeted current military outlay.

An estimated 0.5 to 9 percent of income taxpayers would use the World Peace Tax Fund checkoff if it became law. This is based on the membership of the Church of the Brethren, Mennonites and Quakers—Friends—who are the principal supporters of WPTF, and have a combined membership of 540,000. A survey taken at the time of the Calley sentence in 1971 by Harris indicated 9 percent thought a soldier not justified in shooting an enemy in war, and is the only indication known of a poll of the public at large on conscientious objection.

The WPTF fund would be approximately $180,058,000 if 0.4 percent of income taxpayers used the fund and $4,051,305,000 if 9 percent used it.

This fund, administered by a board of citizens appointed by the President and Congress, would disburse funds to programs of a peace-related nature. The 1983 World Peace Tax Fund bill has been redrafted to include several new activities which would be eligible to receive these transfer funds. The "National Academy of Peace and Conflict" resolution would be a most fitting recipient. Another concordant option added to this version is a retraining of workers displaced by conversion from military production. These alternatives are bold symbols as well as practical ways to begin to redirect our energies as a nation committed to bringing a wider peace in our troubled world.

The denominational church support for this bill is wide and growing: The U.S. Catholic Conference, an organization of Catholic bishops, declared in 1973:

We encourage legislative efforts which offer citizens, who object for reasons of conscience to paying taxes to support military programs, the option of allocating a portion of their tax payment to fund peace and development oriented programs.

The 10-million-member Methodist denomination, while not a traditional "peace church," such as the Quakers, Mennonites, or the Brethren, supports the world peace tax fund concept. William Willoughby, of the Washington Star, reported from Portland, Oreg., on May 5, 1976:

The General Conference of the United Methodist Church, the country's second largest Protestant denomination, gave its endorsement to individuals who, for reasons of conscience, withhold a portion of their tax dollars which would be used for war and promoting the arms race.

The action, including a comprehensive resolution on world peace and matters directly related to it, is reflected of a growing feeling in many churches in the United States that they should not be forced into supporting programs with which they have strong moral and theological conflicts.

It does hold as one of its official statements the assertion that "what the Christian citizen may or may not do is to obey persons rather than God, or overlook the degree of compromise in even our best acts, or gloss over the sinfullness of war."

The resolution said, "Christian teaching supports conscientious objection to all wars as a technically valid position." It also asserts that ethical decisions on political matters must be made in the context of the competing claims of Biblical revelation, church doctrine, civil law, and one's own understanding of what God calls him or her to do.

Further, the resolution, approved by the General Conference of the United Methodist Church, states:

We therefore, support all those who conscientiously object: to preparation for or participation in any specific war or all wars; to cooperation with military conscription; or to the payment of taxes for military purposes; and we ask that they be granted legal recognition.

The United Church of Christ passed a supportive resolution during its 1977 general synod meeting:

Whereas, we look for guidance from the life, teaching and suffering of Jesus; his passion for human well-being; his solidarity with the vulnerable against the false order of the day; his embodiment of peacefulness and courage in his ministry; his readiness to stand against the imperialism of his day with the whole of his life, and

Whereas, we must look for alternatives to war to settle international conflicts, and;

Whereas, a bill to establish a World Peace Tax Fund, has been introduced in Congress which would amend the Internal Revenue Code to provide that taxpayers conscientiously opposed to participation in war may elect to have their income, estate, or gift tax payments spent for nonmilitary purposes, and;

Whereas, we recognize the dilemma of conscientious objectors who wish to pay their full share of taxes but cannot accede to thus participating in war which is against their beliefs, and;

Whereas, the Quaker, Brethren, Mennonite and United Methodist churches have already acted in this area;

Therefore be it resolved that the 11th General Synod of the United Church of Christ gives full support to the swift passage of legislation establishing a World Peace Tax Fund and urges individual members of the UCC to write their appropriate legislators.

Possibly the most compelling affirmative statement to date came from the October 7 and 8, 1978, New Call to Peacemaking Conference in Green Lake Wis.;

This meeting, a cooperative effort of Brethren, Friends and Mennonites, was called to renew the Historic Peace Church-

es' commitment and promotion of nonviolence as a way of life. This statement represents a distillation of the resolutions and recommendations developed by 27 small groups, each of which met four times during the course of the Conference. Prior to the Green Lake Conference there were some 26 regional conferences in 13 regions involving more than 1,600 people.

CONFRONTING MILITARISM AND THE ARMS RACE

Because our security is in Jesus Christ, we reject reliance on "national security." We reaffirm our membership in Christ's kingdom and in the global community by denouncing national and military idolatry. Because the earth is the Lord's we declare that the resources presently wasted on national military systems in all countries should be transferred to meet the genuine needs of the world's people.

CONVERSION TO A PEACE ECONOMY

With awareness of the destructive, wasteful, and inflationary effects of military-related expenditures, we support:

1. Research and action toward economic conversion to non-military production, with assistance for those who are temporarily unemployed during the process.

2. Transfer of tax monies from the military budget to programs meeting human needs:

WAR TAX RESISTANCE

1. We call upon members of the Historic Peace Churches to seriously consider refusal to pay the military portion of their federal taxes, as a response to Christ's call to radical discipleship.

2. We challenge ourselves and also our congregations and meetings to uphold war tax resisters with spiritual, emotional, legal, and material support.

3. We call on our church and conference agencies to enter into dialogue with employees who ask, for reasons of moral conviction, that their tax not be withheld.

4. We suggest that alternative "tax" payments be channeled into a peace fund initiated by the New Call to Peacemaking or into existing peace funds of constituent groups.

5. We call on our denominations, congregations and meetings to give high priority to the study of war tax resistance in our own circles and beyond.

WORLD PEACE TAX FUND

In keeping with our past support of alternative service provisions for conscientious objectors to the draft, we urge support for congressional enactment of a World Peace Tax Fund as an alternative to compulsory financial support of war and preparation for war.

In 1983, Friends World Committee on Consultation, General Conference Mennonite Church, Friends United Meetings, and the American Friends Service Committee have decided not to withhold taxes for those employees who request that they not be withheld. If the world peace tax fund bill was passed, this action would be unnecessary.

Thomas Jefferson said, in the Virginia Statutes of Religious Freedom in 1799, that—

To compel a man to furnish contributions of money for propagation of options which he disbelieves, is sinful and tyrannical.

I am strongly persuaded that this bill is sound in its approach to the reduction of tyranny against a certain portion of our population.

Legally, it has precedent in the selective service statutes which have recognized an individual's right to alternative civilian service. Federal courts have also exempted individuals, for religious reasons, from social security taxes.

PRECEDENTS IN LAW RECOGNIZING CONSCIENTIOUS OBJECTORS

First, section 1402(e) of the Internal Revenue Code provides an exemption from payment of self-employment taxes for duly ordained, licensed, or commissioned ministers and members of religious orders, or for Christian Science practitioners upon their filing an application for exemption together with a statement that they are conscientiously opposed to, or because of religious principles, they are opposed to participation in an insurance plan like that provided by the Social Security Act.

Second, section 1402(h) of the Internal Revenue Code similarly relieves members of qualifed religious faiths, primarily the Amish, of the duty to pay the social security tax. By this code provision, enacted in 1965, Congress acknowledged and accommodated the conscientious objection of the Amish, to participation in insurance plans. The tax exemptions provided by sections 1402(e) and 1402(h) of the Internal Revenue Code were modeled after the exemption of conscientious objectors from the draft.

Third, the revised conscription bill of February 24, 1864, contained provisions for conscientious objectors which allowed them to be considered noncombatants "or shall pay the sum of three hundred dollars to such person as the Secretary of War shall designate to receive it, to be applied to the benefit of the sick and wounded soldiers." U.S. Statues at Large, 38th Congress, 1st session, XIII, page 9.

Fourth, in 1863, Secretary of War Stanton made an instructive proposition to the Society of Friends, Baltimore, because some of the disciplines of the Quakers and other peace churches urged the refusal of payments in hiring substitutes. He proposed to create a special fund for the benefit of the Freedman and to exempt Friends from military service upon the payment of $300 into his fund. Such payment may not be as in other cases to the district provost marshal, but to his fiscal agent at Washington to be credited on his books to the Freedman, and that Friends can have the disbursement of it through their own agents and laborers.

Fifth, a memorial of the Society of People, commonly called Shakers, contained a brief statement of the principles and reasons on which their objections and conscientious aversion to bearing arms, hiring substitutes, or paying an equivalent in lieu thereof, are funded, in 1818, address to the legislature of New Hampshire.

We are not ungrateful to God for the privileges and freedom we enjoy, nor do we forget the patriotic Legislature of 1808, who considered our conscientious scruples, and sacred rights in the fifth section of the militia bill; and concurred with the constitution and rights of man, that we should, and of right ought to be exempt from military duty, and from all equivalents on that account.

Morally, the fund not only nurtures the individual conscience opposed to war, but it acknowledges the deeper held and recently elucidated American social commitment to peace.

Tangibly, the peace fund is a way this Nation can speak out for human rights and the sanctity of life, and call into question our high expenditures to arm ourselves and the world. It is a way that we can show commitment to a substantial reduction in nuclear arms levels and greater security for our country and the world.

Taken together, the world peace tax fund is, in actuality, merely a widening of section 1402 of the Internal Revenue Code, while morally, it lets our people express the values of nonviolence.

These conscientious objectors believe that by feeding the world; by clothing the world; and by housing the world; mankind's interests will be promoted. To them, there is only one race of people on Earth—the human race. There is also one nation on Earth—the nation of God. Conscientious objectors, along with other people of faith, although thorougly patriotic, see no national borders, only children of God; and to them the military, that they must support through taxes, has the sole purpose of killing these children of God.

These, Mr. President, are admirable beliefs, ones which are fostered in the environment of religious freedom guaranteed to us by our Constitution. Who are we to inhibit this religious freedom? By establishing this fund, we can free peacelovers from the tyranny of paying for the wars they fight against.

To show the sincerity of these warriors for peace, let me share with the Senate the statement of two conscientious objectors to the IRS after being fined $500 for filing a frivolous return. This couple explains that:

A. The penalty violates our First Amendment rights of free exercise of religious faith, in a situation where others are not so oppressed;

B. The penalty suppresses our First Amendment rights of expression of conscience in the form of a written protest on the face of our tax return, a protest directed at the social, political, and spiritual conscience of our governmental leaders through their administrative agents;

C. The penalty violates the guarantee of equal protection under the law set forth in the 14th Amendment, because the penalty

does not recognize the sincerity of conscientious tax objectors as it does conscientious objectors to military service;

D. The penalty violates the 5th Amendment right to Due Process under the law because it arbitrarily and capriciously categorizes sincere and straight forward expressions of conscience such as ours, voiced on a tax return form, as "frivolous," without regard to our message; and

E. This list is not exhaustive, but is illustrative, of the constitutional defects in IRC Section 6702.

This couple continues to state:

There is no matter in our lives less frivolous than our reasons here for withholding a percentage of our income taxes calculated on our 1040 form, a percentage proportionate to the amount of such taxes which were to be allocated toward present and future military expenditures. At the time of filing, we explained these reasons in detail. We will repeat them in part here.

We conscientiously object to the use of our tax revenues for weapons of war. Our Quaker, Christian faith and commitment to the living presence and teachings of Jesus Christ compells us to protest this evil use of our taxes. God revealed His purpose that human beings make peace and abandon war in the life, death and resurrection of Jesus Christ. In our struggle to follow Christ, we were led by the Spirit of God to express our protest against military expenditures by a tax protest, stated on our 1040 form.

There was nothing frivolous in our taking such a step. We believe we have a duty to subject ourselves to civilian authority so far as is possible without violating our prior commitment to serve God. Our decision to communicate our protest against the United States Government's, our government's, military spending was the product of our profound distress and rejection of the evil our government is perpetrating in certain, if not all, of its foreign policies in places such as El Salvador.

The definition of "frivolous" in IRC Section 6702 is overbroad, because it encompasses sincere religious and ethical objectors such as ourselves. We did not secret our protest and do not deserve to be punished as tax evaders. We mean to be soldiers for peace, fighting with what few weapons are left to us. When Section 6702 takes away our right to protest, it suppresses our communication of our religious, ethical and political beliefs, in that order.

I ask again, how can we as a nation, one based on the principles of religious freedom, use our tax laws to squelch such high religious ideals? We as Americans are great enough as a people to embrace and celebrate diversity and high religious ideals. The Scriptures teach nonviolence; that man shall not kill, yet our tax laws discriminate against those who try to live their lives by the nonviolent standard set by Jesus Christ.

The money put into the world peace tax fund will be used for humanitarian purposes; to ease starvation, to educate children, to shelter the homeless, and search for nonviolent conflict resolution. I can think of no higher use for these funds than the one established by this bill. I ask, Mr. President, what are these gentle and committed people supposed to do if we do not provide a way for them to live lawfully?

I sincerely hope that the Senate will quickly consider this legislation. If this body would take the leadership in this matter, I am confident that the House would follow suit by passing an identical bill, H.R. 3224.

Mr. President, I ask unanimous consent that a series of questions addressing some of the key issues of the world peace tax fund, and the text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WORLD PEACE TAX FUND QUESTIONS

Does the World Peace Tax Fund Act:

Diminish tax obligations, as many current deductions now do?

No. Participants would pay 100 percent of their taxes.

Open the floodgates to similar relief for other groups?

No. Conscientious objection to participation in war is unique and traditionally recognized in this country.

Create a referendum on U.S. military and foreign policy?

No. Conscientious objection is not based on policy judgments but on intensely held moral and religious beliefs. It is not selective dependent upon the legitimacy of the war.

Allow new categories of conscientious objection?

No. Conscientious objection is precisely defined in the Military Selective Service Act and interpretive legal cases as "anyone . . . who by reason of religious training and belief is opposed to war in any form." This excludes essentially political, sociological, or philosophical views, or a merely personal moral code.

Remove the agonizing dilemma facing conscientious objectors to disregard moral beliefs or disobey the laws of the country?

Yes.

Allow a significant minority of this country's citizens to make positive contributions to the work of this society without violating their religious beliefs?

Yes.

Affirm Congress' authority to appropriate all tax receipts, including the amounts in the World Peace Tax Fund Act?

Yes.

Provide for development of non-violent alternatives to conflict, including the National Academy of Peace and Conflict Resolution?

Yes.

As a matter of conscience some citizens adjust their income tax returns to redirect their tax obligation to non-military purposes. This is in violation of existing tax law. Provision in the new Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) makes this practice subject to an additional $500 penalty (see attached). Adoption of the World Peace Tax Fund legislation will enable these citizens to comply with the law without compromising their religious and moral beliefs.

S. 2105

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "World Peace Tax Fund Act".

SEC. 2. WORLD PEACE TAX FUND.

(a) CREATION OF TRUST FUND.—There is hereby established within the Treasury of the United States a special trust fund to be known as the "World Peace Tax Fund" (hereinafter referred to as the "Fund"). The Fund shall consist of such amounts as may be transferred to the Fund as provided in this section.

(b) TRANSFER TO FUND OF AMOUNTS EQUIVALENT TO CERTAIN TAXES.—

(1) IN GENERAL.—There are hereby transferred to the Fund amounts equivalent to the sum of the amounts designated during the fiscal year by individuals under sections 2210, 2506, and 6099 of the Internal Revenue Code of 1954 for payment into the Fund. Such amounts shall be deposited into the Fund, and shall be available only for the purposes provided in section 8 of this Act.

(2) METHOD OF TRANSFER.—The amounts transferred by paragraph (1) shall be transferred at least monthly from the general fund of the Treasury to the Fund on the basis of estimates by the Secretary of the Treasury of the amounts, referred to in paragraph (1), received in the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent that prior estimates were in excess of or less than the amounts required to be transferred.

SEC. 3. INCOME TAX PAYMENTS TO WORLD PEACE TAX FUND.

(a) IN GENERAL.—Subchapter A of chapter 61 of the Internal Revenue Code of 1954 (relating to returns and records) is amended by adding at the end thereof the following new part:

"PART IX—DESIGNATION OF INCOME TAX PAYMENTS FOR TRANSFER TO WORLD PEACE TAX FUND

"SEC. 6099. DESIGNATION BY INDIVIDUALS.

"(a) IN GENERAL.—Every eligible individual (other than a nonresident alien) whose income tax liability for any taxable year is $1 or more may designate that his income tax payment for that year shall be paid into the World Peace Tax Fund established by section 2 of the World Peace Tax Fund Act.

"(b) DEFINITIONS.—As used in this section—

"(1) ELIGIBLE INDIVIDUAL.—

"(A) IN GENERAL.—The term 'eligible individual' means an individual who certifies on his return of tax that he is conscientiously opposed to war in any form, and who—

"(i) has been exempted from combatant service and training in the Armed Forces of the United States as a conscientious objector under section 6(j) of the Military Selective Service Act (50 U.S.C. App. 456(j)), or prior corresponding law, or

"(ii) demonstrates to the satisfaction of the Secretary that he is conscientiously opposed to participation in war in any form within the meaning of such section.

"(B) VERIFICATION.—The Secretary may require any taxpayer who makes a designation under subsection (a) to provide such additional information as may be necessary to verify his status as a person conscientiously opposed to participation in war in any form.

"(C) CHALLENGE OF STATUS.—If the Secretary determines that a taxpayer who makes the designation provided for by subsection (a) is not entitled to make that designation, then the Secretary may bring an action, in the United States district court for the district in which that taxpayer has his residence, for a declaratory judgement as to whether the taxpayer is entitled to make that designation as a person conscientiously opposed to participation in war in any form.

"(2) INCOME TAX LIABILITY.—The term 'income tax liability' means the amount of the tax imposed by chapter 1 on an individ-

ual for any taxable year (as shown on his return) reduced by the sum of the credits (as shown on his return) allowable under subpart A of part IV of subchapter A of chapter 1, other than the credit allowed by section 31.

"(3) INCOME TAX PAYMENT.—The term 'income tax payment' means the amount of taxes imposed by chapter 1 and paid by or withheld from an individual for any taxable year not in excess of his income tax liability.

"(c) MANNER AND TIME OF DESIGNATION.—A designation under subsection (a) may be made with respect to any taxable year,

"(1) at the time of filing the return of the tax imposed by chapter 1 of such taxable year, and

"(2) at any other time (after the time of filing the return of the tax imposed by chapter 1 for such taxable year) specified in regulations prescribed by the Secretary.".

(b) CLERICAL AMENDMENTS.—The table of parts of subchapter A of chapter 61 of such Code is amended by adding at the end thereof the following:

"Part IX. Designation of income tax payments for transfer to World Peace Tax Fund.".

(c) QUESTION PLACED ON RETURN; INSTRUCTIONS.—

(1) Subpart B of part II of subchapter A of chapter 61 of such Code (relating to income tax returns) is amended by adding at the end thereof the following new section:

"SEC. 6017B. WORLD PEACE TAX FUND DESIGNATION INFORMATION.

"Each return with respect to the tax imposed by chapter 1 shall include the question 'Are you conscientiously opposed to participation in war in any form?', together with an opportunity to respond affirmatively or negatively to the question. Each publication of instructions with respect to such return shall include an explanation of the purpose of the World Peace Tax Fund and the criteria for determining whether one meets the requirements of section 6(j) of the Military Selective Service Act (50 U.S.C. App. 456(j)), and shall state that only a person who meets those criteria may indicate an affirmative response to that question on the return and may make the designation provided by section 6099.".

(2) The table of sections for such subpart is amended by adding at the end thereof the following new item:

"Sec. 6017B. World Peace Tax Fund designation information.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to—

(1) taxable years beginning after December 31, 1978, and

(2) any taxable year ending before January 1, 1979, for which the time for filing a claim for refund or credit of an overpayment of tax has not expired on the date of enactment of this Act.

(e) RULES APPLICABLE TO RETURNS OF TAX FOR TAXABLE YEARS ENDING BEFORE JANUARY 1, 1979.—

(1) PENALTIES FOR FAILURE TO PAY TAX.—Any civil or criminal penalty imposed on an individual for failing or refusing to pay all or a part of the tax imposed by chapter 1 of the Internal Revenue Code of 1954 shall be vacated and set aside if the person upon whom the penalty was imposed—

(A) pays the tax due (with interest), and

(B) establishes to the satisfaction of the Secretary of the Treasury that his failure or refusal to pay was based upon his conscientious objection to participation in war in any form within the meaning of section 6(j) of the Military Selective Service Act (50 U.S.C. App. 456(j)) or prior corresponding law.

(2) DISPOSITION OF AMOUNTS COLLECTED.—There are hereby transferred to the Fund amounts equal to the sum of the amounts paid into the Treasury by persons under the provisions of paragraph (1).

SEC. 4. ESTATE TAX PAYMENTS TO WORLD PEACE TAX FUND.

(a) IN GENERAL.—Subchapter C of chapter 11 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new section:

"SEC. 2210. DESIGNATION OF ESTATE TAX PAYMENTS FOR TRANSFER TO WORLD PEACE TAX FUND.

"(a) IN GENERAL.—An eligible individual (within the meaning of section 6099(b)(1)) may elect that the tax imposed by section 2001 on his taxable estate shall be transferred when paid to the World Peace Tax Fund established under section 2 of the World Peace Tax Fund Act. The election may be made by the executor or administrator of the estate under written authority of the decedent.".

(b) CLERICAL AMENDMENT.—The table of contents for subchapter C of chapter 11 of such Code is amended by adding at the end thereof the following:

"Sec. 2210. Designation of estate tax payments for transfer to World Peace Tax Fund.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to the estates of decedents dying after December 31, 1978.

SEC. 5. GIFT TAX PAYMENTS TO WORLD PEACE TAX FUND.

(a) IN GENERAL.—Subchapter B of chapter 12 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new section:

"SEC. 2506. DESIGNATION OF GIFT TAX PAYMENTS FOR TRANSFER TO WORLD PEACE TAX FUND.

"(a) IN GENERAL.—An eligible individual (within the meaning of section 6099(b)(1)) may elect that the tax imposed by section 2501 shall be transferred when paid to the World Peace Tax Fund established under section 2 of the World Peace Tax Fund Act.".

(b) CLERICAL AMENDMENT.—The table of contents for subchapter B of chapter 12 of such Code is amended by adding at the end thereof the following:

"Sec. 2506. Designation of gift tax payments for transfer to World Peace Tax Fund.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to gifts made after December 31, 1978.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

(a) CERTIFICATION BY COMPTROLLER GENERAL.—As soon after the close of each fiscal year as may be practicable, the Comptroller General shall determine and certify to the Congress and to the President the percentage of actual appropriations made by the United States from the Federal Funds Budget during the preceding fiscal year which were made for a military purpose. The certification shall be published in the Congressional Record upon receipt by the Congress.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated each year a certain portion of the Fund to the World Peace Tax Fund Board of Trustees for obligation and expenditure in accordance with the provisions of this Act. This portion is determined by applying the percentage figure derived in subsection (a) above to the money transferred to the Fund in each fiscal year, and adding to that sum all moneys in the Fund previously authorized to be appropriated to the Board of Trustees but not yet appropriated. Moneys remaining in the Fund shall accrue interest according to the prevailing rate in long-term Government bonds.

(c) SURPLUS COVERED INTO GENERAL FUND.—The remaining portion of the Fund is authorized to be appropriated to the general fund of the Treasury of the United States. No part of the money transferred to the general fund under ths subsection shall be appropriated for any expenditures, or otherwise obligated, for military purposes.

SEC. 7. BOARD OF TRUSTEES.

(a) ESTABLISHEMENT OF BOARD.—There is established a World Peace Tax Fund Board of Trustees (hereinafter referred to as the "Board") which shall be composed of 11 members appointed as follows:

(1) nine members, not more than five from the same political party, appointed by the President, by and with the advice and consent of the Senate, from among individuals who have demonstrated a consistent commitment to world peace and international friendship and who have had experience with the peaceful resolution of international conflict; and

(2) two members, who shall also meet the above criteria, one of whom shall be appointed by the President pro tempore of the Senate from among the Members of the Senate, and one of whom shall be appointed by the Speaker of the House of Representatives from among the Members of the House, and both of whom shall serve ex officio.

(b) TERMS OF OFFICE.—The term of office of each member of the Board shall be six years, except that the term of office for four members initially appointed under subsection (a)(1) shall be three years. Members may serve until their successors are appointed, except that if any member appointed under subsection (a)(2) ceases to serve as Member of Congress, his term of office on the Board shall terminate at the time he ceases to serve as a Member of Congress. Each member shall be eligible for reappointment for one additional term, but no person shall serve for more than twelve years as a member of the Board. Six Trustees shall constitute a quorum.

(c) FILLING OF VACANCIES.—Any vacancy in the membership of the Board shall not affect its powers and shall be filled in the same manner in which the original appointment was made. The term of office of any person appointed to fulfill the unexpired term of a member shall consist of the unexpired portion of such member's term.

(d) CHAIRMAN.—The Board shall elect a Chairman from among its members.

SEC. 8. DUTIES OF THE BOARD.

(a) PAYMENTS.—The Board may make payments as authorized by appropriation Acts, by way of grant, loan, or other arrangement, under such conditions and upon such terms as it considers necessary.

(b) RESEARCH FUNDS; NONDOMESTIC PROGRAMS.—Funds designated for the purpose of research may be directed to governmental or nongovernmental, nationals, or international organizations. Funds for nondomestic programs involving the providing of goods and services shall be restricted in dis-

tribution to the United Nations and associated agencies.

(c) ELIGIBLE ACTIVITIES.—Activities eligible to receive money from the Board shall include but not be limited to:

(1) the National Academy of Peace and Conflict Resolution;

(2) research directed toward developing and evaluating nonmilitary and nonviolent solutions to international conflict;

(3) disarmament efforts;

(4) retraining workers displaced by conversion from military construction;

(5) international exchanges for peaceful purposes;

(6) improvement of international health, education, and welfare; and

(7) programs for providing information to and education of the public about the above activities.

(d) APPLICATIONS.—The Board shall publish regulations for the submission of applications for funds by persons and agencies, and shall determine the eligibility of such persons and agencies to receive payments or loans. Before approving the application of any such person or agency the Board shall determine, after a comprehensive review of all the functions and activities of the person or agency requesting approval, that such functions and activities have a nonmilitary purpose.

(e) SUBMISSION OF BUDGET.—The Board shall submit its budget to the Congress, shall report to the President and to the Congress annually on its activities, and shall provide a complete accounting of all funds received and disbursed pursuant to this Act.

(f) DISPLACEMENT OF OTHER FUNDS.—It is the intent of this Act that the Fund shall not operate to release money for military expenditures which, were it not for the existence of the Fund, would otherwise have been appropriated for nonmilitary expenditures.

SEC. 9. SUBMISSION OF BUDGET.

Notwithstanding any other provision of law, the Comptroller General shall carry out the activities and review of the Board which would be carried out by the Office of Management and Budget if the Board were an agency within the executive branch of the Government; and may establish such requirements as he deems necessary to carry out his authority under this section. The Office of Management and Budget shall not have jurisdiction over the Board. The Board shall submit its budget, requests for appropriations, and related reports to the Congress in accordance with such requirements and procedures as the Comptroller General may establish.

SEC. 10. POWERS AND ADMINISTRATIVE PROVISIONS.

(a) COOPERATION OF OTHER AGENCIES.—Each department, agency, and instrumentality of the Federal Government, including independent agencies, is authorized and directed to cooperate with and furnish to the Board, to the extent permitted by law, upon request made by the Chairman, such information as the Board may require to fulfill its duties under this Act.

(b) EXECUTIVE DIRECTOR; EXPERTS AND CONSULTANTS.—Subject to such regulations as the Board may adopt, the Chairman may—

(1) appoint and fix the compensation of an Executive Director and such additional staff personnel as he deems necessary; and

(2) procure temporary and intermittent services to the same extent as authorized by section 3109 of title 5, United States Code.

(c) COMPENSATION.—Members of the Board shall be compensated at the maximum rate permitted by law under the General Schedule for Government employees or consultants, on a per diem basis, and shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as members of the Board.

SEC. 11. DEFINITIONS.

For the purposes of this Act—

(1) "military purpose" means any activity or program conducted, administered, or sponsored by an agency of the Government which effects an augmentation of military forces, defensive and offensive intelligence activities, or enhances the capability of any person or nation to wage war,

(2) "actual appropriations for military purpose" includes but is not limited to amounts appropriated by the United States in connection with—

(A) the Department of Defense;

(B) the Central Intelligence Agency;

(C) the National Security Council;

(D) the Selective Service System;

(E) activities of the Department of Energy that have a military purpose;

(F) activities of the National Aeronautics and Space Administration that have a military purpose;

(G) foreign military aid, and foreign economic aid made available to any country for the purpose of releasing local funds for military activities; and

(H) the training, supplying, or maintaining of military personnel, or the manufacture, construction, maintenance, or development of military weapons, installations, or strategies;

(3) "agency" means each authority of the Government of the United States, whether or not it is within or subject to review by another agency, but does not include—

(A) the Congress; or

(B) the courts of the United States; and

(4) "person" includes an individual, partnership, corporation, association, or public or private organization other than an agency.

SEC. 12. SEPARABILITY.

In any section, subsection, or other provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such section, subsection, or other provision to other persons or circumstances shall not be affected thereby.

Mr. MATHIAS. Mr. President, I am pleased to join my distinguished colleague from Oregon in introducing the world peace tax fund bill. It seems to me that a democratic society ought to be able to provide a way for people to obey the law, pay 100 percent of their taxes, and still remain faithful to the dictates of conscience.

This bill would establish a fund to receive the percentage of a conscientious objector's gift and tax payments that would otherwise support the military budget. I think it is appropriate to provide these productive and law-abiding citizens with the legal means to pay their taxes in full without doing violence to their deeply held convictions. This country already provides legal alternatives to service in the military. I see this bill as a logical and necessary extension of that constitutionally acknowledged option.

ORDER OF PROCEDURE

Mr. HATFIELD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

NATIONAL EPIDERMOLYSIS BULLOSA AWARENESS WEEK

Mr. HATFIELD. Mr. President, moments before I came to the floor today I paused to consider the relative importance of the joint resolution which I am about to introduce, when viewed in the context of these final, hectic days in this session. This joint resolution, which establishes the week of November 25 through December 1, 1984 as "National Epidermolysis Bullosa Awareness Week," when considered in the light of the many competing national priorities demanding congressional action at this hour, is probably of little consequence. Nonetheless, this resolution does confront all of us with an enduring perspective on life which supercedes the many shifting perspectives which seem to govern our attitudes and efforts amid these legislative and appropriations deadlines. Only when we pause to remind ourselves of the relative vanity of our work in Congress can we appreciate the beauty of those lasting values which, incidentally, do not exist at the behest of this body: Life, liberty, love, and fulfilling happiness. Unfortunately it is seldom that we can pause to consider these values. Only when a tragedy is thrust in front of us, only when our senses are jarred by incidents of shocking sorrow, do we allow ourselves to witness the abiding beauty of this passing life in its true perspective.

Mr. President, it may be worthwhile for the Members of this body to pause and to consider the daily, desperate struggle for life facing the unfortunate victims of epidermolysis bullosa. Such reflection, I suggest, would inevitably add a measure of perspective and balance to our frantic deliberations during these last hours.

Epidermolysis bullosa (EB) is the term applied to a group of inherited disorders whose common primary feature is the formation of severe blisters subsequent to minor trauma to the skin. In its mildest form, the blisters may be confined to the hands and feet. However, the symptoms of the dystrophic forms of EB show widespread blistering and skin erosions which heal slowly, if at all, and result in pain, scarring, deformities, contractures, malnutrition, anemia, gastrointestinal problems, dental problems, corneal erosions, and carcinoma.

How many people suffer from EB in the United States? For decades medical practitioners have dealt with EB patients as though their ailment were a skin disease. Such frequent misdiag-

noses made it impossible to get a firm, fixed number of EB victims in the United States. In my home State, a number of EB victims have surfaced. In fact in an Oregon hospital recently an infant was born with this disease. But when I inquired among the medical community as to how many people are known to have EB in Oregon, I was told that there was no way of knowing. This is so because EB victims live in the shadows of life and only emerge when their life signs are threatened or when their pain is intolerable. So while there is no reliable statistical information available on the incidence or prevalence of EB, it is estimated that as many as 10,000 to 15,000 Americans suffer from the disorder and another 20,000 to 30,000 persons in this country may be carriers. There is no known cure for EB, nor is there a test for determining its carriers. It is a serious and incurable genetic defect that casts the lives of thousands of children and adult victims and their families into a condition of perpetual emotional and financial torment.

The costs of caring for an EB victim can be exorbitant, involving annual expenditures as high as $10,000 in protective dressings, antibiotics and high protein food alone. Moreover, most insurance plans do not cover EB. In most States EB is not even covered under existing crippled childrens or developmental disability programs. Consequently, many of these children are referred to State institutions, with the costs of custodial care considerably higher than those associated with home treatments. Because of the profound inadequacy of accurate information about this disease, a group of parents whose children have EB, and a group of concerned citizens have formed the Dystrophic Epidermolysis Bullosa Research Association (DEBRA). Under the leadership of Arlene Pessar, whose son, Eric, suffers from EB, DEBRA has labored to increase public awareness about EB. As is the case with rare diseases, the information on EB which has been brought to the attention of the public has been minimal. Two years ago the hearts of many of us were stolen by an EB victim, Michael Hammond, who was affectionately known as the Crisco Kid. He was so named because the doctors charged with Michael's care felt that applying Crisco to his badly blistered skin would reduce his pain and abate his blistering. Michael Hammond has died, and the public's awareness of EB has diminished as well. But for every Michael Hammond, there are thousands of additional silent sufferers like Cal Larson of Silver Spring, Md., who must endure the indignity and total debilitation of EB anonymously.

My office first became acquainted with Cal 2 years ago when he and his parents, Carl and Estelle, were traveling from office to office on the Hill trying to raise the level of congressional awareness of EB and the plight of EB sufferers. I had never heard of EB, nor could I have imagined the mortifying symptoms of this disease before Cal came to my office. Because Cal's hands and feet are grossly atrophied, and because his slight frame is constantly agonized by EB, his 5-hour days of sitting upright in a wheelchair while going from office to office were painful ones. And his saga of suffering is no different from the thousands of Michael Hammonds, Cal Larsons, and Eric Lopezes of the United States who endure the daily despair of EB.

Because EB is classified as a skin disease rather than a genetic defect, it does not receive the same attention given to other inherited disorders. In 1982, for example, the National Institutes for Health (NIH) provided approximately $150,000 from a budget of $369.3 million to support scientific research grants supporting studies on EB. Hopefully all of that will change in the near future and there will be increased funding for EB-related research. In the committee report accompanying the fiscal year 1984 Labor-HHS appropriations bill recently signed by the President, contains specific language urging the National Institute of Arthritis, Diabetes, Kidney and Digestive Disease to "increas(e) grants for research dealing with dermal-epidermal interactions, the formation and destruction of collagen, and the mechanisms of blistering skin." I look forward to seeing how NIADDK proceeds this year under this committee directive.

This joint resolution which I am introducing today will not liberate the lives of EB sufferers from the ravaging emotional and physical effects of this disease. History tells us that increased public awareness of a disease translates into increased research activities to find a cure for that disease. Whether we are talking about muscular dystrophy or multiple sclerosis, it is apparent that the body politic, mobilized by the exposure of information regarding a sorrowful illness, will move to improve the lot of the unfortunate. America's traditional humanitarian soul will respond to the urgency of the lot of EB sufferers. Hopefully the establishment of a National Epidermolysis Bullosa Awareness Week, coupled with intensified NIH research efforts in EB-related studies, will provide a measure of reasonable hope to those suffering from EB and those sympathetic to their plight.

S.J. RES. 201

Whereas the incidence and prevalence of epidermolysis bullosa present a significant health problem in the United States;

Whereas epidermolysis bullosa is an inherited disorder showing widespread blistering and skin erosions which result in pain, scarring, deformity, contractures, malnutrition, anemia, gastro-intestinal problems, dental problems, corneal erosions, and carcinoma;

Whereas an estimated ten to fifteen thousands Americans of both sexes are afflicted with the disease, and another twenty to thirty thousand Americans may be carriers of this disease;

Whereas the Nation faces a continuing need to support innovative research into the causes, treatment, and cure of epidermolysis bullosa;

Whereas it is appropriate to focus the Nation's attention upon the plight of epidermolysis bullosa sufferers and upon the continuing peril epidermolysis bullosa poses to humanity: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the week of November 25 through December 1, 1984, is designated "National Epidermolysis Bullosa Awareness Week" and the President of the United States is authorized and requested to issue a proclamation calling upon all government agencies and the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

BILL COHEN—SENATE POET

Mr. HATFIELD. Mr. President, the fabric of my political life has been neatly woven of enduring friendships forged within the grand body politic. Abraham Lincoln's assessment that "the better part of one's life consists of his friendships" resounds with growing clarity as we age and find the time at our disposal slipping from our grasps. The durable satisfaction gained from the daily exercises in human relations which constitute life in public office represent perhaps the sweetest benefit for those who serve in public office.

The U.S. Senate is properly referred to as a deliberative body, indeed, the paramount deliberative body in the world. The richness of this reputation rests in the rainbow of characters who constitute this great, deliberative body. Often I sit in my chair on the Senate floor during a rollcall vote and marvel at the awesome assortment of personalities and perspectives among the Members of this body. In these moments it becomes manifest that each Senator leaves his or her distinct, indelible imprint on the character of the Senate with every vote cast, with every passing day.

Five years ago almost to the day the voters of Maine heralded the imminent arrival of a poet, a free thinker, to the Halls of the U.S. Senate. When my dear friend BILL COHEN moved to this side of the rotunda on January 3, 1979, he carried with him a unique gift which would ultimately shake the souls of his colleagues as only an artist can. BILL COHEN carried with him the blessing of poetic expression, and he has shared that gift with us when we have been most in need of it. The emotions of that first Monday without Scoop seemed to be captured some-

where in the poem BILL COHEN offered that grey September morning. His book of poetry, "Of Sons and Seasons," provides us with the rare privilege of seeing beauty trapped momentarily within the dimension of written expression. This, no doubt, will also be the case in his upcoming publication, "A Baker's Nickel."

The November issue of the Washington Dossier contains a glimpse into the genius of the life of BILL COHEN. Just as poems can only briefly tap into the reservoir of feelings that exist beyond the realm of description, so, too, is this article flawed by limitations of journalism. Nonetheless, what emerges from "Maine's Well Versed Senator" is an image of a thoughtful, benignant, contemplative man who is trying to make a difference in this world. For the benefit of my colleagues, I ask unanimous consent to have printed in the RECORD the article, "Maine's Well Versed Senator."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAINE'S WELL VERSED SENATOR

(By June Fletcher)

Bill Cohen doesn't want to be president.

That's not to say that the brass ring is beyond his reach. The 43-year-old senator from Maine has many presidential prerequisites: the looks and charm of a Kennedy, carefully manicured manners, a knack for pithiness that comes from writing poetry, and a reputation for independent thinking. He also has some national name recognition, gained in 1974 during his freshman term as a congressman when he was the only Republican on the House Judiciary Committee to vote to impeach President Nixon.

Colleagues from both parties describe him as intelligent, hard-working and well-prepared. And Cohen describes himself as a "perfectionist" and a "workaholic" who finds the stuff of politics both invigorating and important.

So why not try for the top spot?

Cohen fixes you with bracing blue eyes and twiddles with a flower in the centerpiece of the Senate dining room table.

"No one, especially journalists, ever believes me when I say I don't want to be president," he says. "I plan to run one more term—though I never rule out longer—and then it will be time to try something else.

"To be president, you have to be so consumed by the job, there's nothing else," he adds. "I have to have quiet moments, to read, write, listen to music, go dancing . . . I look at friends who are running now and I can't imagine doing it. I want to retain my privacy, go away to the ocean, and think about the larger things in life. . . ."

Is this the sly demur of an ambitious politician who just wants to play his cards close? Is it the acquired cynicism of an idealist who's learned the wisdom of Bismarck's remark that to retain one's appetite for laws and sausages, one should never witness how either is made?

Despite his reflective nature, Cohen seems ambitious, a classic type-A personality with a history of high achievement. "I have a Gothic preoccupation with time," he admits. "I feel it leaking through my fingers." He was born the athletic and academic supernova of his high school in Bangor, and graduated cum laude from both Bowdoin College and Boston University Law School. After a stint as assistant editor of Boston's Journal of the American Trial Lawyers' Association, Cohen and a friend set up a private law practice.

"My partner and I started out making $75 a week with six children between us," recalls Cohen, who with his wife Diane has two sons, Kevin and Christopher. "We'd be up at night working until 5 a.m."

After a few years of struggle, living in roach-infested, railroad-style apartments, Cohen began a slow, steady climb. He won election to Bangor's city countil, school board, and mayoralty. At age 32, he was selected as a fellow at Harvard's John F. Kennedy Institute of Politics, and won a seat in Congress. At 34, Time magazine chose him as one of America's 200 future leaders. The next year, the national Jaycees picked him as one of their Ten Outstanding Young Men in America.

His drive for early success he attributes in part to the influence of his Irish Protestant mother, whom he's described as "a woman of fierce independence and iron will," and his father, a Russian Jewish baker who once berated his son after he'd scored 43 points in a basketball game for not making 45. Cohen likes to tell the story of how he once asked his father not to come and cheer him on at basketball practice because none of the other boys' fathers attended. But one night he glanced out the gym window and saw his father, "covered in flour, covered in snow," watching him in secret. With a mixed sense of pride and guilt, Cohen says he ever after "tried just a little harder for that face in the window."

"My father's 74, and he's still trying to make the perfect roll," adds Cohen, who remembers his father routinely working 18-hour days. "He always goes to Boston on his vacation to see how the bakers there do things."

Cohen's religious heritage may also have something to do with his Yankee independence, which some colleagues have termed a "rebel" or "maverick" streak. As a boy in Bangor, he was subjected to ethnic insults at a Little League game, and he recalls signs posted at beaches proclaiming "No dogs or Jews allowed." Though his father wanted him to be bar mitzvahed, he balked when he learned he would have to undergo a conversion ceremony first. Although he's a Unitarian, he received rocks in the mail wrapped with notes containing anti-Semitic slurs during the Nixon impeachment hearings.

Cohen didn't grow up in the romantic, craggy seashore environment the travel posters paint of Maine. Like his family, his neighborhood was a mix of ethnic groups. "You had to be tough to survive there," he remembers. "You learned how to fight fast." He wrote of the place where he was born, Hancock Street, as "littered with men who had failed, never got started, who sat on doorsteps and let the sun sink into their haggard faces flushed red with wine and filled with veins that had broken and spread wide from the alcohol that they strained from canned heat through soiled handkerchiefs."

Although his family eventually moved to a better neighborhood, young Cohen still had to hack out his own path.

As a "macho-minded" college basketball player, Cohen struggled with his first sonnet, based on "the notion that the weather vane could alter love among humans." It was the first of many poems on sometimes startling themes—he's also written about killer satellites, nuclear war and the rigors of campaigning—that Cohen says help him to clarify his thoughts and emotions. "I take a paragraph of thought and compress it into one or two lines of phosphorescent phrases," he explains. The process of writing poetry has also helped him politically. "It's an important part of leadership to take complex issues and to simplify them, but to keep that reservoir of complexity in your mind."

Being both streetwise and a poet sets Cohen apart in the Senate, particularly in the Republican ranks. But then, so do his often unpredictable political positions. Cohen's independent nature was particularly telling during the controversy over the sale of AWACs radar planes to Saudi Arabia. The senator is known as a supporter of Israel, but he backed the administration in the sale, an unpopular move with the influential Jewish community which provides his candidacy strong financial support. "Even as I voted for the sale, I knew it was a mistake and said so," says Cohen, explaining that the AWACs deal, in the bigger picture, would prove less of a threat to Israel's security than would a backlash of anti-Israelism in America which, he felt, was a possibility had the deal been stymied. "I didn't like the position I had to take," he adds. "Reagan raised the issue to a . . . level beyond what it should've been."

More recently, in early September, on an Armed Services Committee fact-finding mission to Central America with presidential contender Sen. Gary Hart, Cohen had a close call that wasn't just political—it was life-threatening.

"Sen. Hart and I flew down to El Salvador, Nicaragua and Honduras to assess what our role is and ought to be in those countries," explains Cohen. "An hour outside of Managua, we were radioed to turn away because the airport was under attack." The pilot headed for Honduras, landing safely despite broken landing gear.

Eventually, the mission met with Sandinista leaders in Managua before helicoptering to San Lorenzo in the mountains of El Salvador where U.S. military advisors are training the El Salvadoran army. On the way, flying over guerrilla-occupied territory, Cohen, who happened to have on a set of flight earphones, overheard the suddenly panicky pilot call ground control: "We're losing fluid fast." The pilot was taking instructions over the earphones while frantically paging through the mechanical manual. "Not good for confidence," says Cohen. "Forty seconds later, the pilot radioed he was going to "park this blankety blank." Those were anxious moments. Instead, the pilot unexpectedly increased altitude from about 100 to 10,000 feet, apparently a necessary maneuver to avoid a possible guerrilla missile attack.

"I was thinking if you're going to go down anyway, 100 feet is better than 10,000 feet," admits Cohen. "Both'll do the same damage, but 100 feet is quicker." The helicopter made its destination, narrowly avoiding disaster.

"The trip had a big impact on me," says Cohen. "I came away with the conclusion that the answer down there isn't to militarily overthrow the Sandinistas, but rather to isolate Nicaragua and help countries like El Salvador and Costa Rica develop militarily and economically, to show by example a better system than the Marxists offer. If we let poverty remain in Central America, it will breed revolution. But you can't beat a

tank with a bag of potatoes. Scoop Jackson was right: we need something tantamount to the Marshall Plan in Central America. I don't know if the administration or the American public will agree to that."

Cohen casts a basilisk eye on the whims of public opinion. Party loyalty, he contends, should take a back seat to the issue at hand.

"The easiest way to stay elected is to always say 'yes,'" Cohen says. "Single issue groups are so sophisticated that within two hours' time you can be flooded with 10,000 to 20,000 letters. There comes a time when you have to say it's not the numbers, but the issue at stake."

Cohen describes himself as having conservative views on economic matters and liberal ones on social policy. According to the National Journal, he voted liberal 46 percent of the time and conservative 53 percent of the time on economic matters; three percent liberal and 84 percent conservative on foreign policy issues, and 81 percent liberal and 18 percent conservative on cultural concerns. His ambivalence tends to complicate his decisions, and his unpredictability has made him a target of both the New Right and the Old Left.

"I envy Jesse Helms and Ted Kennedy," says Cohen. "They're like gargoyles in my skull. They don't harbor doubts. Some people see things in total absolutes. I try to balance."

Part of this attitude springs from an instinct for political expediency honed by years of experience. "The art of good government is to reach a consensus," says Cohen. But another part seems to be Cohen's attempt to "cast a cold eye" on political issues, removing them from the cauldron of public opinion and examing them dispassionately. It's a habit born of a reflective nature, one which prompted him to complete "Of Sons and Seasons," a book of poetry published in 1978, Roll Call, a memoir of his first year in the Senate, and an as-yet unpublished manuscript of poems, "A Baker's Nickel." He also coauthored a more practical guide entitled "Getting The Most Out Of Washington: Using Congress to Move the Federal Bureaucracy," which came out last year.

"You're not sure whether he's a poet who's a philosopher or a philosopher who's a poet," says 20-year-old Kevin Cohen of his father. According to Cohen family lore, Kevin, a Bowdoin College student and summer intern for Sen. Joseph Biden, takes after his father while his brother Chris, a high school senior with an interest in photography, takes after his mother.

When Cohen was first elected to Congress, his family moved to a modest split-level in McLean, Va., where his children attended public schools. And though most elected officials take pains to project the image, Cohen actually seems to be that Washington rara avis—a family man.

He also seems, after over two decades of marriage, to still be crazy about his blond wife Diana, his high school sweetheart, whose pictures dot his cavernous, echoing office in the Hart building. He calls her "the most fascinating person I know," and wrote in Of Sons And Seasons:

Diane,

A quiet bubble of life
seeping through neglected soils
reversing the rooted
spreading seeds, pulling weeds
and turning brown to green.

Somehow you pushed through
the concrete that surrounds my soul
and with your gentle flow
washed a mind of war and passion
with the secrets of the sea.

As their children get ready to leave the nest, both Bill and Diane find themselves eager to explore untapped potentials. Bill dreams of returning to Maine, living in the small house Diane designed in the foothills of the White Mountains, writing poetry and perhaps a Washington novel. Diane, a painter, recently left her job as senior vice president for Washington Corporate Arts to start two new consulting businesses, one financial, the other to arrange meetings for boards, conferences and seminars. She has her eye on some property on Pennsylvania Avenue (Not 1600!" she laughs) where she and Bill can be near galleries, theaters and Capitol Hill.

But like Bill, Diane smiles broadly when talking about life in Maine, where she returns every summer either to their farm or to their condo in Portland. "Everything slows down there," she says "You have time to do and appreciate the simplest things: a country fair, a gallery, a visit with neighbors."

Whether the Cohens stay in Washington depends on the results of the next election. Bill Greener of the Republican National Committee calls Cohen "a bright star," but wouldn't venture to call his re-election assured. "We're in doggone good shape, but we like to run scared in every instance," says Greener. Maine Democrats are trying to attract Gov. Joe Brennan, who swept every county in the state's last election, state house majority leader Libby Mitchell, or former governor Ken Curtis to oppose Cohen. "Cohen is very popular in Maine," says Brian Atwood of the Democratic National Committee, "but he's perceived to be more moderate than his voting record shows. Reagan is very unpopular in Maine; it's not a rich state and the gender gap is large.

"Most people do not perceive Cohen as siding with the president, but he has in terms of Reaganomics and arms control. Those issues are important to women. He supported the MX in return for [consideration of his] build-down theory. The nuclear freeze issue is important in Maine. Most people perceive build-down as a clever ruse to get out of a nuclear freeze."

Cohen is pleased that his build-down proposal (cosponsored with Sen. Sam Nunn), which calls for bilaterally scrapping two outmoded missiles for every new one built, has been accepted by the administration as a compromise stance at the Geneva arms talks. He's proud of it as "something never before achieved—an arms control policy originating from Capitol Hill."

Cohen in general has supported defense build ups (an issue seized upon by his opponent in the 1978 election, incumbent William Hathaway, as well as the fact that Cohen never served in the military because he had a college deferment). He has served on both the Armed Services Committee and the Seapower Committee. But as his sons approach military service age, he has become increasingly concerned with the consequences of war. "Something has to be done," says Cohen, who framed his dilemma in an unpublished poem, "The Choice":

Suppose the line clicked dead
and no voices screaming
STOP, it's a mistake
could be fed to foreign ears? . . .

Suppose the earth
became a ball of sun
and flamed until it
cindered into dust,
And laughter cracked
across the universe
as evil did rejoice?

Would God conclude
that his mistake
was giving man the choice?

If the nuclear freeze issue doesn't become his own political Armageddon, Cohen has other unfinished agenda. He wants to change the social security review process and to promote a "wellness ethic" that will encourage home health care and provide tax credits to employers who encourage exercise. Both Bill and Diane Cohen are athletic—they jog, ski, sail and white-water raft together—and have built a home gym in Kevin's old room.

Cohen's eyes light up when he discusses these ideas, but narrow as he considers shaping and pushing them through as legislation. The first bill he cosponsored as a congressman, allowing tax credits for energy conservation, took five years to be adopted. He attributes the snail's pace of Congress to a "lack of restraint" which, ironically, springs from the same reforms which brought more openness and accountability to the legislative process.

"We must exercise self-discipline," says Cohen. "We file 500 amendments or filibuster on every issue—it's an abuse of process which has diminished our significance." Cohen regrets the decisions of Sens. Howard Baker and John Tower not to run for reelection, and the death of Sen. Henry Jackson. "The whales are going; we're being left with minnows."

Cohen sometimes wonders why he puts up with the late nights at committee hearings, the breaks from his family life, the wheeling, dealing and delays. To a man with an intellectual and introspective bent, it's frustrating.

In college, Cohen was a Latin poetry major, and he smiles at the suggestion that he, like Cincinnatus, would rather retire to his farm and chop weeds than untangle political thickets in the capital. But if his party insisted, would he, like the ancient Roman, answer the call to lead his country?

"Please," he answers, shaking his head. "Don't wish that on me."

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WILSON). Without objection, it is so ordered. The minority leader is recognized.

Mr. BYRD. Mr. President, I believe Mr. PRYOR made arrangements for me to have my normal time under the standing order. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. I thank the Chair.

A SPECIAL TRIBUTE TO PRESIDENT JOHN F. KENNEDY

Mr. BYRD. Mr. President, yesterday there was a special tribute to the late President John F. Kennedy by the

Congress of the United States in the Great Rotunda of the U.S. Capitol. There was, I thought, a very fine agenda, and the ceremony was very well attended.

I was so proud to see such a great number of U.S. Senators attending this event. Aside from the excellence of the musical program by the U.S. Navy Band, and the fine work that was done by Representative EDWARD BOLAND, master of ceremonies, there were some excellent musical selections by Mr. Richard Stillwell.

There were remarks by the Speaker of the House, by the majority leader of the Senate, Senator BAKER, by the minority leader of the House, Mr. MICHEL, and the minority leader of the Senate.

I would like to be able to have printed in the RECORD the remarks of all who addressed the people on yesterday's occasion. I do not have those remarks. I believe that most of the participants spoke extemporaneously. My own remarks were confined strictly to those that were previously prepared. I ask unanimous consent that my statement be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS AT JFK CEREMONY, ROTUNDA OF THE CAPITOL

(By Senator Robert C. Byrd)

In his 1961 inaugural address, President John Fitzgerald Kennedy said, "Let the word go forth from this time and place, . . . that the torch has been passed to a new generation of Americans. . . ."

To millions, John Kennedy embodies that generation—the generation to which many standing here belong. His faith in America, his zest for life, his vision, his talent for grasping possibilities and creating opportunities, his commitments to freedom and justice—those were qualities that caught the imaginations of Americans who fought World War II and the Korean war, and of those who longed to make ours the best of all worlds.

And through television, millions of other Americans felt that they shared President Kennedy's friendship. Across our country, John Kennedy's charm, compassion, graciousness, and warmth touched men and women of all backgrounds and all classes.

That may explain why most of those who lived through the dreadful events of November 22, 1963, and the days following, will never be able to erase the images and sounds of those events from their memories—the tragic violence that took his life, the courage of his grieving widow, the pathos of his fatherless children, the rolling drums along Pennsylvania Avenue, the riderless mount with boots reversed in its stirrups, and the lonely flame burning in Arlington Cemetery. As America shared the excitement of John Kennedy's life, so America shared the sorrow of his death.

But John Kennedy's legacy to his generation and to rising millions of Americans is not the memory of his death, but the remembrance of his life, his vision, and his values. John Kennedy was not one who sat in the darkness, mourning the sunset's passing; even in the bleakest night, John Kennedy waited for the dawn. And John Kennedy's message to this decade would echo the call that he gave in 1961—look for the best in America, demand the best from Americans, and dream of the best for tomorrow.

And perhaps words that I spoke in the Senate memorial ceremony in December 1963 summarize that message and remind us again of his place in our history even today:

"John Kennedy reaffirmed our belief in the American way as the way in which life can be lived bravely, nobly, and in the face of a thousand dangers, heroically. He had no patience with mediocrity, no ear for the prophets of doom, no concern with the raucous outcries of the radical right or left which sought to turn aside this Nation from its destiny as the world leader of free men, committed to the unavoidable challenge of enlarging the scope of human freedom at home and abroad."

Often, history judges an age by the men and women that that age honors. Our age is honored to claim John Fitzgerald Kennedy. May history record that he was one of us, and that we have not forgotten the grace that he lent to our times.

Mr. BYRD. Mr. President, Senator KENNEDY and other members of the Kennedy family were at the ceremony and I am sure everyone there was warmed by the presence of this remarkable family and delighted that we could attend a ceremony with these of the Kennedy family present.

I should also indicate that there was a film shown at the close of the program, "President John F. Kennedy, 1917-1963." It was a very interesting and informative and documentary film.

JOBS FOR THE FUTURE

Mr. BYRD. Mr. President, in February of this year, I appointed a task force made up of Democratic Senators from the Democratic Conference to develop a program for national economic growth, and jobs for the future. The task force, headed by Senator KENNEDY, has worked diligently over these past 8½ months held a great many meetings, and talked with many of the leaders in the labor and business, and professional communities.

The report that was released yesterday by Mr. KENNEDY and the task force is an excellent report. It suggests 22 actions—in other words, it has 22 proposals in 6 major areas. It was well and ably presented by Mr. KENNEDY and others of the task force yesterday to the media. I ask unanimous consent that a statement by me at the beginning of the news conference, together with statements by Mr. KENNEDY and others on the task force, be printed at this point in the RECORD, along with an article from the Wall Street Journal of today, entitled "Senate Democrats Offer Economic Plan That Calls for More U.S. Help to Industry," together with the jobs for future program itself, which consists of about 30 pages.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

JOBS FOR THE FUTURE

(By Senator Robert C. Byrd)

Our Nation faces tremendous challenges. Massive changes in the patterns of world trade and technological advancement threaten our standard of living. We cannot meet these challenges by hiding our head in the sand, looking backwards, and pretending that they do not exist. Rather, as this Nation has done so many times in the past, we can and must seize the initiative, work together, and stride boldly into the future.

It is clear that current policies are not geared to the future. In fact, it is the stated view of this administration that, even in the face of a $60 billion trade deficit, nothing needs to be done.

Clearly, a large share of the trade problem results from the Kemp-Roth budget deficits and the resultant high interest rates and over-valued dollar. But more than half of the trade deficits appear to be long-term and structural. In other words, if we do not move decisively to increase the competitiveness of our economy, our employment situation will continue to suffer for years to come. Since every billion dollars in trade deficits is estimated to cost 25 to 30 thousand jobs, a $60 billion trade deficit costs our people between 1.5 and 1.9 million jobs. The drift in policy that perpetrates this disgraceful situation must end.

In February of this year, I appointed a task force of Democratic Senators, chaired by Senator Kennedy, and asked them to develop a program which would help us to compete in an increasingly competitive world. They worked for nine months to produce this document—"jobs for the future"—which has been unanimously endorsed by our caucus.

Today, we are unveiling our long-term economic alternative. We recognize that we do not have to export our high-paying jobs. But the solution is not to slam our borders shut. The solution lies in providing our workers with the education and training necessary to keep them the most productive in the world. It requires that our companies have the latest in technological and scientific innovation. It means our communities and displaced workers cannot be abandoned as the winds of economic change whip around them.

We hope that over time, the proposals contained in this book will be refined into legislation. We hope that over time they will become law. Now let me yield to Mr. Kennedy who will conduct the remainder of the news conference.

SENATE DEMOCRATS OFFER ECONOMIC PLAN THAT CALLS FOR MORE U.S. HELP TO INDUSTRY

(By Robert W. Merry)

WASHINGTON.—Senate Democrats united behind an economic plan designed to spur growth through greater governmental involvement in industrial decision-making.

The plan answers the call among many politicians and economists for a Democratic "industrial policy." It envisions formal cooperation among government, labor and business through a "council on economic competitiveness and cooperation." The proposal, which contains 22 specific recommendations, was endorsed unanimously at a recent Democratic caucus, according to Senate Minority Leader Robert Byrd of West Virginia.

It was called "a clear alternative to Reaganomics" by Sen. Edward Kennedy (D., Mass.), chairman of a Democratic task force that produced the plan. Sen. Kennedy said the plan, which was unveiled at a news conference yesterday, is designed to increase U.S. competitiveness in world trade by providing policy makers with tools for spurring industrial efficiency and aggressiveness.

The council would study the competitiveness of U.S. companies and industries. When asked, it would recommend government actions to bolster the competitive position of particular companies or industries.

To encourage research and development, the Democrats recommend loosening antitrust laws, allowing permanent tax incentives, and setting up governmental centers to act as "clearinghouses" for channeling new technologies into applied uses.

Democratic Party officials said they hadn't yet determined what the entire program would cost the federal government. They added that the plan probably wouldn't be introduced as a single piece of legislation, but that parts of it probably would be introduced next year.

The report also called for the federal government to channel funds to state and regional economic-development banks, which in turn would help finance industrial projects. But the Senate Democrats stopped short of recommending a federal financing agency to subsidize private-sector initiatives.

A similar plan put forth last week by members of a House subcommittee contained a recommendation for such a federal financing insitution.

On trade, the plan recommends streamlining procedures for U.S. companies and industries applying for relief against imports. It also would give the government greater authority to require companies seeking such relief to take specific actions that the government believes would increase their competitiveness.

The plan also calls for changes in the unemployment-insurance system designed to encourage states to match unemployed workers with job openings through greater training and other programs. It also calls for special benefits for older workers who lose their jobs permanently because of the changing nature of the U.S. economy.

JOBS FOR THE FUTURE: A DEMOCRATIC AGENDA

(A Report of the Senate Democratic Caucus, November 16, 1983)

[Note: Graphs and charts mentioned in text not reproducible in the RECORD.]

[Senate Democrats believe that the party out of power serves the national interest by proposing forward-looking alternatives. This package of policy initiatives is offered in the hope that it will form the basis of a program aimed at increasing the competitiveness of the American economy.

[Democratic Leader Robert C. Byrd established the task force, which produced this report, in February of 1983, when the recovery from the country's worst recession in 50 years was in its infancy. Senator Edward M. Kennedy was asked to chair this group of Senators, and to look beyond the short run business cycle to focus on the country's long-range economic problems. The task force met regularly over a period of nine months before presenting its report to the full Caucus of Democratic Senators. The Caucus unanimously endorsed the proposals which are now presented to the American people as our contribution to the debate on these crucial issues.]

INTRODUCTION

Decisions that we make during the next few years—or the consequences of decisions that we fail to make—will substantially shape the economic future of our nation and the employment prospects for our children.

The 1970's ushered in a time of economic turbulence—rising unemployment, hyper-inflation, record interest rates and, by many measures, declining competitive performance. The underlying factors which caused our problems—new international competitors, rapid and destabilizing technological change, the breakdown of a stable world currency regime, and an inability of traditional macro-policy tools to address changed structural realities—are still with us. And conditions have been made worse by the short-sighted budget-busting policies of the Reagan Administration. To be sure, inflationary pressures seem to have been temporarily reduced—but at a massive cost. The President's radical experiment only served to prove what most Americans already knew—if you shut enough factories and throw enough people out of work you can lower any rate of inflation.

A continuation of the President's policies to mortgage our economic future to a mountainous increase in our national debt. By 1987 the President's trillion dollar misunderstanding will cost us one hundred billion dollars each year in increased interest payments alone—or enough to repair every hole he ripped in the safety net.

After paying this enormous price we might have expected an improvement in our long-term prospects.

No such improvement is in sight. Instead:

Our merchandise trade deficit continues to worsen,

Mega-deficits are projected far into the future,

Slashed education and research budgets jeopardize our ability to excel in the industries of the future,

Basic industries are being wrecked by our dramatically overvalued dollar and absence of a coherent trade policy,

Programs designed to encourage adjustment and adaptation by workers, firms, and communities have been abandoned, and

Important steps toward labor/management/government cooperation have been reversed.

Democrats recommended a response to our economic ills that will be responsive to our underlying structural problems. Our primary goal is good jobs for American workers. We must prepare the nation to compete. Government must work with labor and business leaders to build world-class industries, increase productivity, and make the economy more flexible so that it can adapt to changing conditions.

Democrats reject the logic of a zero-sum world, in which one's hopes for a better future depend upon diminishing another's opportunities. We reject the argument that workers' wages must fall before capital can be invested. We reject the proposition that nothing can be done to rebuild our steel towns, and that millions of our citizens should therefore leave their homes and uproot their families. And, most importantly, we reject the claim that government should be a passive bystander doing nothing as winds of change sweep across our land.

Individuals prepare for future careers and corporations plan to obtain market share. So can a nation—business, labor, and government working together—make itself ready for an uncertain future. We reject both the rigidity of bureaucratic planning and the President's policy of aimless drift.

SUMMARY OF RECOMMENDATIONS

In Chapter two of this report we outline twenty-two specific recommendations in six vital areas. Taken together our recommendations represent a coherent and balanced alternative to the Administration's failure to respond to our changed circumstances. Our proposals are outlined below.

Area 1. Organizational arrangements to produce informed, coordinated, coherent program choices and to encourage business/labor/government cooperation. We propose a Council on Economic Competitiveness and Cooperation.

Area 2. Innovation programs to accelerate the development and commercialization of new products and processes and provide strong support for continued basic research. We propose:

a. Clarifying antitrust laws to encourage joint R&D

b. Making the R&D tax credit permanent

c. A continuing assessment of strategic technologies

d. Establishing technology extension centers to disseminate innovations

e. Stimulating technological innovation by federal agencies

Area 3. Education and other human resource programs to increase creativity and productivity of U.S. workers. We propose:

a. Extending compensatory education programs to secondary schools

b. Redirecting vocational education to disadvantaged youth, displaced homemakers and dislocated workers; and to target on emerging technology programs

c. Upgrading science, math, and foreign language instruction at all levels of education

d. Aiding gifted students

Area 4. Adjustment programs to facilitate the adaptation of workers, communities, and industries to changing markets and technologies. We propose:

a. Modifying the unemployment insurance system to make it more suitable for adjustment

b. Improving the training system to aid small businesses, dislocated workers, and workers willing to borrow for training

c. Community service employment for dislocated workers who are older or have family responsibilities

d. Adjustment assistance to firms and communities

Area 5. Financing programs to improve investment in plant and equipment. We propose:

a. Federal support for state development finance agencies

b. Coordination of the federal impact on financial markets

c. Consideration, by the Council, of a National Development Bank

d. A study of capital markets

Area 6. Trade programs to support the marketing of domestically produced and internationally-traded goods and services in the United States and in foreign markets. We propose:

a. Tying import relief to a privately-developed adjustment plan

b. Speeding up the finding of injury from unfair trade practices

c. Broadening the framework for international negotiations on trade

d. Promoting exports

CHAPTER I

The challenge: New policies for a changing world

The last third of the Twentieth Century will be characterized by sweeping economic change. Our Nation's future depends upon our ability to understand and adapt to the new environment. These changes have introduced uncertainty into every aspect of economic life, accelerated the pace at which firms, workers, and communities must adjust, and transformed national labor and product markets into world markets.

The Twin Challenge: International Competition and Technological Change

During the post-war years, American economic achievement was the envy of the world. In industry after industry, American technology and productivity levels defined the state of the art. Our war-ravaged trading partners needed American products to rebuild and offered little competition to our goods. Stable exchange rates, low inflation, and rapid productivity growth translated directly into higher standards of living for American workers, and their steadily increasing demand for goods led to new orders for American factories.

Today, the world looks very different. The rebuilding of Europe and Japan, and the rapid growth of many Third World economies, combine to confront American firms with sophisticated new competitors in both basic and emerging industries. The radically reduced cost of transportation and communications have permanently erased much of the advantage which domestic products had over foreign competitors even in our home market. Other countries, notably Japan, driven by lack of resources to export, have proved more adept at capitalizing on the opportunties of the international marketplace—particularly by pursuing new markets in the developing world.

Competition will intensify further in the next decade, as the newly industrializing countries, such as Mexico, Brazil, Korea, and Singapore, continue to shift from supplying raw materials and inexpensive labor to becoming prime suppliers of medium technology products. Japan, for instance, already faces serious competition from Korea and Taiwan in steel and autos.

Our once-insulated economy has increasingly become part of the international marketplace. In 1960, the traded sector of the American economy constituted less than 10 percent of our GNP; since then, it has more than doubled. Now and into the future, success in major industries—and our prosperity as a nation—will depend upon the ability of America to meet the standards of international competition.

The dazzling pace of technological change in intensfying the challenge posed by international competition. Unprecedented changes in product, production, and communications technology ensure that our children will see more change in the last quarter of this century than our grandparents did during the first half.

For instance, while the internal combustion engine transformed almost every facet of American life, its introduction was spread over generations. Today, new technologies (even entire new industries) are developed, mature, and are in worldwide use within a fraction of that time. Consider the electrician trained to work with vacuum tubes in 1955, confronted with circuit boards in 1965, and a microprocessor in 1975. The need to adapt to technological change, coupled with the intense worldwide competition, poses a great challenge to our institutions—government, business, labor, academia—and to our people.

The warning signals

During previous periods of change the American economy has adjusted in a fashion which insured that workers moved into more productive jobs. There are disturbing indications that this time we have begun to lose ground.

During the past decade, average unemployment rates have steadily increased; between 1960 and 1973, the average rate was less than five percent; since that time, it has been over seven percent. (Chart 1)

Average real wages, which had grown sixty percent between 1948 and 1973, have fallen eight percent since 1973. (Chart 2)

The U.S. share of world trade has fallen from 19.6 percent in 1951 to 12.6 percent in 1981. (Chart 3)

Our foreign trade deficit was $7.2 billion in September. Some experts believe that the deficit for 1984 will approach $65 billion. The numbers, ominous as they are, do not reflect the whole story. While we battle to open up the Japanese marketplace for our lumber, fruit, and baseball bats, Americans routinely turn to Japan for video cassette recorders, cameras, stereo equipment, and automobiles. (Charts 4 and 5)

Unemployment and economic distress have been unevenly distributed and the gaps are widening. Many cities have regularly experienced unemployment more than double the national rate and more than triple the rates of the most well-off areas; some states now regularly register double-digit unemployment figures.

Productivity growth slowed after 1967 and has failed to rebound sufficiently. While the productivity growth of our most important competitors also slowed, they were able to maintain rates of increase. (Chart 6)

Adapting to change

Successful adjustment is never easy, and never automatic. What is certain, however, is that change is inevitable and successful adjustment is possible. The extraordinary strengths that allowed our Nation to develop into the strongest economic power in history have not disappeared. We can look to the future with confidence if we determine that we will commit ourselves to charting our own course, not having it shaped by events.

The American economy remains the world's largest and American workers the most productive. Our great universities, national laboratories, and corporate research centers continue to set the pace in leading-edge technologies. Our capital markets are the world's most sophisticated and most flexible.

Today's challenge is to build on those strengths as we adjust to changing circumstances. But the Reagan Administration counsels that we need not adjust, that the practices and policies designed for yesterday are good enough for today. They fundamentally misread the sea change which has taken place. The American people understand that the ways of doing business which succeeded when we were economically dominant no longer suffice. We can no longer take the foundations of our prosperity for granted; instead we must call upon the energy and creativity that fueled our past success in order to rethink, readjust, and rebuild.

Separating Shadows From Substance

A vital debate over the future direction of our economy and the role of the government will take place next year. We believe that this report and the recommendations we make to improve the structure of our economy will make a major contribution to that debate. In the same spirit, we believe that it would be valuable to respond to several criticisms which repeatedly surface in discussions about new policies.

Neither Central Planning Nor Aimless Drift

By far the most common criticism leveled against proposals to strengthen our economic policymaking is the charge of big government. Some critics claim that we seek to substitute central government planning for the working of the free market.

That is not the choice. The charge that government planners will replace the market is a straw man. In fact, every Administration, Democratic or Republican, intervenes in the market through tax, regulatory, trade, research spending, and other decisions. The Reagan Administration, for example, has negotiated voluntary quotas with Japan on automobiles and the European Economic Community (EEC) on steel. They have denied trade relief to the machine tool industry, but granted it to motorcycles. They have radically transformed the pattern of capital investment through the 1981 tax cut. They have dramatically increased defense research while slashing funds for energy research.

The question, in the Twentieth Century, is not whether the federal government will intervene in the market. That question was answered emphatically 50 years ago by the New Deal—the response to the original Republican argument that the federal government had no need to be concerned about the economic well-being of Americans. In a recent speech E. G. Jefferson, Chairman of DuPont, made a penetrating observation about the need for proper balance between government and the market:

Any successful industrial strategy in the U.S. must be thoroughly consistent with the idea of private enterprise . . . But at the same time, I would reject the notion that pure free market economics will suffice to ensure our international industrial competitiveness.

Neither central planning nor aimless drift will work. Today's question is where, when, how, and to what ends will the government intervene:

Where: Will political expediency call forth intervention or will we intervene where private sector incentives are weak; for example, to provide information, support R&D, and invest in human resources?

When: Will the government find a way to anticipate problems or at least identify them early, or will we be condemned to responding to crisis situations?

How: Will the government intervene to encourage competitiveness and recognize the inevitability of change, or will the government act to throw up barriers in an effort to freeze the status quo?

To What Ends: Will the government intervene in the economy to enrich the lives and opportunity of all Americans; or will the government serve as it has in this Administration, as an instrument to further the interests of the wealthiest citizens, at the expense of the others?

The Spectre of Protectionism

Next to "too much planning", protectionism is the most persistent criticism leveled at structural policy proposals. Some critics have charged that structural policy proposals are nothing but an excuse to protect failing industries.

Nothing could be further from the truth. The reality of international competition is the basis for all of our proposals; the need to maintain competitiveness where we have it, and rebuild it where we have lost it, is our unifying theme.

In fact, it is the Administration's approach to trade and industrial problems, or more accurately the lack of an approach, which is a guaranteed formula for increasing resort to protectionism. Time and again, the same pattern rears its ugly head. A sector begins to suffer a loss of market share due to foreign competition. Trade relief is sought, and frequently granted, often on the basis of political considerations. Usually, the relief is sought only after the industry is in very serious straits. At an early stage when the problems could be anticipated and identified, the industry wants no part of the government, and government has had no capacity for anticipating the problems. When the relief is granted, nothing is required of the industry receiving relief. They often use the protection to continue the practices of the past, failing to adjust and failing to assist either workers or communities to prepare for successful adaptation.

Our proposals advocate positive alternatives to this depressing scenario. Through cooperation, we believe that problems can be identified earlier so that import relief will not be the only recourse. By emphasizing retraining and adjustment, we seek to ease the transition and reduce the resistance to change in industries where competitiveness cannot be restored. By requiring that trade relief be conditioned upon a realistic hardheaded plan for adjustment and modernization, we put the focus on competitiveness.

While we insist on a full and firm application of the laws designed to protect American firms and workers from unfair and predatory competition, we reject permanent protectionism as a solution to our problems. It is difficult to have economic growth without a substantial export sector, and it is impossible to envision that we will be able to export successfully without continuing to be a sizeable market for other countries' goods. Given the international debt situation, and continued recession in much of the world, we have no choice but to encourage developing countries to export. Worldwide economic growth is fundamental to the kind of society Democrats want at home; it is more likely to produce a world at peace.

Improving Macro Policy

A third often voiced argument is that a balanced economic recovery will, by itself, save the day and that structural policies are irrelevant. We agree that the structural policies we propose cannot succeed without good macroeconomic policy. Lower interest rates and more favorable exchange rates are needed to improve the international competitiveness of U.S. goods and services and generally increased employment. But, just as macroeconomics is essential to the solution of our structural problems, so new structural policies are needed if we are to have a better macroeconomic situation than we have had for the last ten years and more.

Our central unsolved macroeconomic problems are: reconciling a full-employment economy with stable prices, containing the inflationary effects of international shocks, and reducing deficits and real interest rates as the recovery proceeds. Structural policies, designed to build consensus and produce mutually beneficial agreements among business, labor, and government can help solve these problems. The fundamental lesson of the last ten years is the destructiveness of using unemployment, bankruptcy, and high interest rates as our primary anti-inflation tools. Management and labor both understand their stake in lower budget deficits. It would be a tragedy if these lessons are not converted into responsible wage/price and fiscal behavior. But the necessary consensus cannot be created in a vacuum; it requires the institutions and policies we are recommending to assure that burdens are equitably borne and cooperation is in everyone's interest.

Integration of structural concerns with macroeconomics can reduce some of the other weaknesses in current policymaking. For instance, economic forecasts generally ignore both the inflation and employment performance of key sectors. Economic forecasters at the Council of Economic Advisers, for example, never ask the Secretary of Health and Human Services to project employment and inflation in the health sector, even though one-fifth of the total inflation and a substantial portion of our employment growth originate there. The same lack of coordination is true for energy, transportation, housing, and other key sectors. Yet, government policies in these areas clearly affect employment, productivity, and inflation in these sectors, and, therefore, in the overall economy.

The economic difficulties of the last decade are a stark reminder of the dangers of ignoring key sectors in developing economic policy. Two periods of hyper-inflation followed by serious recessions began with disturbances in the energy sector. The first was the Arab oil embargo in 1973 and the second was the Iranian shutdown. The best time for developing energy policy was before 1973. Unfortunately, attempts to do so, beginning with the Synthetic Fuels Act of 1944, have been repeatedly derailed. Then, the development of oil storage and standby capacity might have prevented the embargo and the attendent difficulties. After 1973, only difficult choices were open to us. Once again we have an opportunity to develop a farsighted energy policy. If we act to do so we may be able to avoid a replay of the 1970's, and ensure that macroeconomic policy measures can work successfully. Coordination between those responsible for macroeconomic policy and those designing structural policies for key sectors is essential.

Retraining, job placement, and other labor market programs designed to reduce structural and frictional unemployment are another link between structural policies and macroeconomic goals. Only with success in these programs can we reduce unemployment to the levels achieved in the 1960's without creating excessive inflationary pressures.

Other factors which are decisive to success or failure—the quality of education; a commitment to technological innovation; effective institutions which accentuate cooperation rather than combat in international competition—are long run concerns. Comparative advantage is the economists' term for a nation's capacity to excel in international competition. Traditionally, comparative advantage came with the territory—location and natural resources—but over the past 30 years, the Japanese have demonstrated that, to an increasing degree, nations can make their own comparative advantage through investing in education, training, and technological innovation; and by developing organizations which help groups work effectively together. These are long-term investments in human resources. To a substantial extent, human resources—our people and our willingness to invest in them—will determine whether we maintain our economic position in an intensely competitive world.

Goals and criteria for action

Our fundamental objective must be to ensure that our economy can provide a steadily rising standard of living to all of our citizens. That cannot be achieved unless we are able to lower the unemployment rate 2 to 3 percent below the 7 percent deemed acceptable by Reagan Administration economists and restore productivity growth to the levels achieved during the 1950's and 1960's.

In developing the specific proposals discussed in Chapter 2 of the report, several recurrent themes assume such importance that they must be highlighted at the outset:

International competitiveness—keeping it where we have it, and rebuilding it where we need to—is crucial to our social and economic well-being as a nation. Given the nature of the world economy, we should make decisions with a full awareness of the impact on the competiveness of our industries. We have not done so in the past. We need not—we should not—imitate other nations' approaches to economic or industrial development; we need policies and organizational arrangements which are uniquely suited to our traditions and system.

If competitiveness is the challenge, then cooperation is the response. Democrats believe that it is time to unite business, labor, government, and academia in pursuit of our common goals. This means building organizations and channels which facilitiate cooperation; it also means putting aside traditional antagonisms in recognition that the things which unite us are more important than the things which divide us.

In order to ensure the necessary flexibility and openness to change, policies should rely on and be guided by market signals. The vitality of our high technology sectors is a recent reminder that the market system is one of our great strengths and we should build on those strengths while recognizing and making adjustment for our weaknesses.

Policy should be coherent and consistent so that the myriad of public actions which affect private decisionmaking will all pull in the same direction.

The costs incurred by policy should be clearly stated so that all can be assured of the fairness of or actions and fully assess the costs and benefits of competing choices.

Macroeconomic and structural policies must reinforce and complement each other. Macroeconomic policy must be managed to insure steady real growth, and structural policies must be utilized to insure that growth in productivity is at sufficiently high levels to insure that real wages and employment opportunities can increase without igniting inflationary processes.

Government must play a role as it has throughout our history. Government's collaboration with farmers was vital to building our extraordinary strength in agriculture; government's collaboration with indusry and workers made us the arsenal of Democracy and saved the world from facism in World War II; it was government which made possible the surge of education and the space program which responded to Sputnik.

Democrats reject the logic of a zero-sum world, in which one's hopes for a better future depend upon diminishing another's

opportunities. We reject the argument that workers' wage must fall before capital can be invested. We reject the proposition that nothing can be done to rebuild our steel towns, and that millions of our citizens should therefore leave their homes and uproot their families. And, most importantly, we reject the claim that government should be a passive bystander doing nothing as winds of change sweep across our land.

CHAPTER II

Our recommendations

We recommend new economic policies and organizational arrangements which can provide a foundation for sustained economic growth. They hold out a realistic promise for improvement because they are specifically designed to meet the twin challenges of international competition and rapid technological change; they build on our economic strengths; and they respond to both the lessons of the 1970's and the failures of the Reagan Administration.

Organizing for competitiveness and cooperation

We cannot meet the challenge of international competition with our current framework for making decisions about economic policy.

The process is all too often shortsighted. While the development of new technologies and the introduction of new production processes takes years to complete—and the return on those investments cannot be realized immediately—our political and corporate leaders are regularly forced to focus on the very near term. For public officials the electoral clock can overwhelm a longer view; and, as Reginald Jones, former Chairman of General Electric, has noted "the tremendous pressure . . . (on corporate officials) . . . for quarterly results . . . can be very damaging".

The process is fundamentally adversarial. The antagonisms between business and labor, and government toward both, are a too familiar constant. Our industrial performance has suffered greviously because of these conflicts, and will continue to suffer if we are not able to successfully emphasize increased consultation and cooperation.

The process is surprisingly uninformed. We lack an understanding of the structure, performance, and prospects of our industries; and, equally serious, we know little about our competitors and their policies. The Director of the Office of Technology Assessment captured our dilemma succinctly with his observation that the federal government is drowning in data, but painfully short on analysis.

The process is incoherent. Divided responsibilities and conflicting missions within government, and a lack of coordination between the public and private sectors is the norm rather than the exception. There is not even a coordinated process for assisting businesses interested in exports.

These organizational issues—the process by which decisions are made—are absolutely critical. No one can predict with certainty the specific policies needed to meet the challenges of the coming years. Could we have guessed ten years ago that today we would have to assess the implications of a joint venture between General Motors and Toyota? But we can predict the kind of decisionmaking framework we will need to meet tomorrow's challenges. It must be based on thoughtful and farsighted analysis of our current and future competitive position, it must ensure the coherent use of our many policy tools; and, above all, it must encourage and reward cooperation.

The new procedures must bring all the parties to the table; provide an information base and frame the issues in a way that all can trust; and ensure that the agreements reached can be implemented. Cooperation—among workers, management, government, and creditors—was the key to rebuilding Chrysler and saving tens of thousands of jobs. Consensus was found around an equitable sharing of burdens, risks, and opportunities. We recommend a new institution designed to encourage and reward such collaboration.

The Council on Economic Competitiveness and Cooperation

We recommend the creation of a Council on Economic Competitiveness and Cooperation, composed of 20 representatives of government, business, labor, and the public. The Council would be a permanent, independent agency in the executive branch. The non-governmental members would serve six-year terms, so as to provide continuity from administration to administration. The Council's role would be advisory. It would have no power to override regulations or change law.

The Council will discharge two major responsibilities. First, the Council will be the forum within which the Nation's industries strategy will be debated and formulated. To drive this process, the Council will prepare a biannual report on the structure and competitive performance of the national economy. The report will analyze the changing competitive position of U.S. firms and industries, the changing composition of labor markets, and the prospects of ensuring sufficient productive, high value-added employment. These reports should serve to frame the debate about the Nation's overall economic development.

The second major responsibility for the Council will be to establish, after a request from the private sector, advisory working groups to analyze and consider responses to problems that affect individual industries and geographic regions. These groups will be convened for a limited period of time to develop practical responses to specific problems. Each group will include representatives from business, labor, and national and local government.

For instance, an advisory group might represent a mature industry facing severe international competition. Following common agreement on the facts, it may become clear what management, labor, and government must each do if international competitiveness is to be regained. Initiatives could include investment, job security, profit sharing, work practices, wages, training, government regulations, and temporary trade relief. The Council would then recommend, to the President and Congress, specific steps that the government should take with the understanding that the private parties would keep their reciprocal commitments.

Innovation

Innovation in process and product technology is at the heart of our ability to compete.

We face a formidable challenge in this area. We remain in the forefront of most new or emerging technologies, but in recent years have seen others leading the way in commercialization. For instance, VCR technology was developed in the United States; but, today we do not produce a single video cassette machine.

Our competitors, particularly Japan, West Germany, and France, are targeting innovation and R&D in areas where global markets are expected to grow rapidly. These governments aid their companies by subsidizing product development, supporting cooperative research, and making long-term financing available.

In 1980, Congress enacted, with broad bipartisan support, the Stevenson-Wydler Act. The Reagan Administration's implementation effort to date can only be characterized as disgraceful. The Administration refused to comply with the provision of law requiring the creation within the Commerce Department of a National Technology Board. Almost three years after taking office, the Administration arrogantly defended its inaction by claiming to have elevated the issue to an even higher level: the President's Commission on Industrial Competitiveness, scheduled to report, coincidentally, in September 1984. A temporary Presidential Commission set up to try and defuse a political issue does not replace the permanent Board mandated by the law.

Democrats believe that important initiatives are needed to insure that the nation remains on the cutting edge of technological change.

Private firms typically underinvest in research and development from the standpoint of the economy as a whole, this is particularly true regarding basic research, which generally has a very long-term payoff. The country then loses emerging growth markets as foreign manufacturers gain leading positions and set the terms of competition. Governments can provide companies with a head start in this race by assisting in product development through research funding and procurement. For example, the development of the commercial aircraft industry and the semi-conductor industry would not have occurred without government-funded research and development (R&D) and procurement. (Chart 7)

We propose:

1. Clarifying Antitrust Laws to Encourage Joint R&D:

Antitrust laws should be clarified to encourage the formation of joint R&D ventures among small businesses. The lines defining what is an acceptable joint R&D venture should be drawn more clearly in order to reduce the threat of federal and private suits. Clarifying the application and interpretation of the antitrust laws should create a "zone of certainty" within which private companies can make decisions with regard to cooperative R&D without significant risk of adverse antitrust action.

2. Making the R&D Tax Credit Permanent:

The R&D tax credit enacted in 1981 provides a tax credit of 25 percent of the increase in qualified research expenditures by corporations for a given tax year above a three-year base period. The tax credit is scheduled to expire in 1985. Significant increases in industrial R&D spending since enactment, despite a deep recession, indicate that the tax credit is effective in encouraging corporate R&D.

3. Conducting Competitive Assessments and Target Strategic Technologies:

A mechanism should be established to bring together representatives of industry, academia, the national laboratories, and government agencies to identify strategic technologies, assess the targeted efforts of our competition, and plan cooperative development programs to meet that competition. Technologies may be strategic in either an economic or a national security sense, often both simultaneously. Government agencies,

from NASA to the National Institutes of Health, clearly have a role to play in targeting strategic technologies and are playing it even today, though in an uncoordinated way.

4. Establishing Technology Extension Centers:

Modeled after the Agricultural Extension Service, Technology Extension Centers located at state universities would help to assure effective transfer and utilization of new technology. Centers would function as a clearinghouse for new technology, and serve as a primary channel for transferring federally-supported R&D to the private sector. Centers would also provide technical and managerial assistance to new enterprises. In addition, joint industry/university Centers for Industrial Technology, as originally authorized under the Stevenson-Wydler Act, would be established.

5. Establishing a Coherent Federal Program to Stimulate Technological Innovation:

A new organization should be established to foster technological innovation. The agency would be responsible for interagency coordination and for encouraging and assisting all federal agencies to stimulate innovation in the industrial sectors related to their missions. It would fund research to increase our understanding of the innovation process. It would assist state and local initiatives to accelerate innovation by promoting spinoffs from university research, providing managerial, technical, and financial assistance to high technology start-ups, and developing research parks and consortia.

Education/human resources

In the challenging era we face, nothing is more important than making the proper investments in people. The authors of "Global Stakes: The Future of High Technology in America," put it well:

Whereas American wealth and power have traditionally been based on natural resources and on capital investment in physical plant and machinery, the balance is now tipping toward investments in people and knowledge as key resources . . . Knowledge should be seen as a strategic resource with an importance equal to or exceeding natural resources and physical investments.

The Reagan Administration disagrees. It regards education, training, and other human resource areas primarily as part of the domestic budget, prime targets for cutting. This Administration has inflicted great damage on some vital programs.

During his term of office, the President has asked Congress to repeal the federal education program for handicapped children; to cut vocation and adult education by nearly half; to approve budget reductions that would mean some 2.5 million disadvantaged elementary school children would no longer be able to receive the acknowledged benefits of the program; to eliminate upwards of one million students from the Guaranteed Student Loan program and to cut funding for the Pell Grant program by 42 percent.

Despite President Reagan's born-again zeal for public education, the President has all but ignored the recommendations of his own blue-ribbon commission. The commission's report states specifically that the federal government, in cooperation with states and localities should help "meet the needs of key groups of students such as the gifted and talented, the socioeconomically disadvantaged, minority and language minority students, and the handicapped". The Commission called for improved financing of education at all levels—district, state, and federal.

A. Graham Down, Executive Director of the Council for Basic Education, recently observed:

One enemy of excellence is cheapness. The Reagan Administration allies itself with the popular cause of school improvement but is unwilling to assume responsibilities that the federal government alone can shoulder . . .

Fifteen years ago, in his worldwide best-seller, *The American Challenge*, J. J. Servan-Schreiber described one of the key sources of America's industrial dominance in this way:

All clichés to the contrary, American society wagers much more on human intelligence than it wastes on gadgets. As we have seen, scientific studies are beginning to confirm what intuition led us to suspect: this wager on (people) is the origin of America's new dynamism.

This "wager on people", best epitomized by our historic commitment to universal public education, is deeply embedded in the American tradition. Reaganism departs radically from our traditions with shortsighted budget cuts in education and training and other human resource areas which could place Americans at severe lasting disadvantage in the world economy. The Reagan Administration inflicts that harm to save a small percentage of the tax cut it has lavished upon the wealthy few.

It is ironic, but unmistakable, that the factors on which Servan-Schreiber focused are undeniably a major reason for the Japanese economic miracle. Democrats believe it is time to return to policies which reflect our ideals and our best traditions by "wagering on people".

We propose:

1. Extending Title I to Secondary Schools:

Funding for the Title I program would be increased to allow for participation of disadvantaged young people in our secondary schools. Presently, only 47 percent, or 5.2 of the 11 million eligible Title I children, are being served, despite the fact that the National Assessment of Educational Progress shows dramatic gains by children served under this program. Our proposal would permit disadvantaged high school students to receive compensatory education in reading, writing, and computing—assistance they need to complete their secondary education and be sufficiently prepared to enter the job market to continue their formal education.

2. Targeting Vocational Education:

A Youth title in a new Vocational Education Act would bring about a more specific targeting of public vocational education policy and would make the plight of the disadvantaged youth, including the high school dropout, a top vocational education priority.

We also propose an adult Training and Retraining title as part of the Vocational Education reauthorization to complement and coordinate with the recently enacted Job Training Partnership Act. Included among those who would be eligible for assistance under this title would be displaced homemakers, workers laid off from jobs they have held for many years and who need retraining in order to re-enter the job market, people who have retired early and need to work in order to supplement their retirement income, and those who need new or upgraded skills to meet the changing demands of the workplace.

In addition, the Adult Basic Education Act should be strengthened to increase participation in basic skills programs for those no longer enrolled in a school system.

3. Science, Math, Computer, and Foreign Language Instruction:

We should increase funding to upgrade instruction in science, mathematics, computer utilization, and foreign languages. This program would focus resources on teacher training, retraining, and inservice upgrading of skills.

Improving educational equality also requires attracting talented young men and women into the teaching of science and math. As an incentive, we propose enactment of a special forgiveness provision on the Guaranteed Student Loan program. Under this provision students entering the teaching profession in science and math would have the opportunity to have their loan obligation reduced by 10 percent a year for each year they taught. A loan would be completely forgiven upon the completion of ten years of teaching.

Through the use of computers, both as a subject of instruction and a tool for instruction in all areas of the curriculum, we will be providing our children with the skills and familiarity with information processing which they will need to participate in the economy and society of the future. Steps must be taken to ensure that computer learning is provided equally to both boys and girls at all socioeconomic levels.

4. Aid to Gifted Students:

All too often, we fail to provide programs designed to intellectually stimulate gifted and talented students in order to encourage them to excel. To reverse this situation, we propose: (1) enactment of a new education program to aid America's gifted and talented students at the elementary and secondary level; and (2) a Federal Merit Scholarship Program at the college level to reward students of exceptional academic aptitude and achievement.

Adjustment/training

Adjustment policy should anticipate and prepare for structural changes in the world's economy. For example, as developing countries begin to produce goods at lower prices than U.S. producers, U.S. workers should be given incentives to adjust to these changes.

U.S. firms and the federal government have not always responded well to competitive challenges, and the impacts of this failure to adapt have been felt unevenly. Various industries, firms, workers, and communities have encountered problems of severe unemployment which extend beyond the swings of the business cycle. The severity of these problems and the unevenness of their impacts have created social problems which are beyond the capacity of markets to correct. These problems arise because markets for investment are fluid and quick to change while the markets for labor are not. A manufacturing plant can be shut down on short notice, but it can take months or years for workers and communities to adjust to the change.

In the face of these crucial needs, the President has eliminated funds for the Trade Adjustment Assistance program and proposed nothing in its place. Our proposals are designed to increase the efficiency and equity of adjustment by individuals, communities, and industries.

We propose:

1. Modifications to the Unemployment Insurance System:

The unemployment insurance (U.I.) systems of most states are primarily directed to

helping workers on temporary layoff who will ultimately return to their previous employers. It is not oriented to workers dislocated by imports or technological change. The orientation is shown by the lack of attention paid to matching workers to job openings (labor market exchange) and by the structure of U.I. benefits. Our proposals are directed to both issues.

All states would be assisted in making improvements in their labor market exchange. Program funds would be used to obtain employer information on current and projected job openings and the training qualifications required to fill the openings.

In addition to the improvements in the labor market exchange, states would be encouraged to make their U.I. systems more effective adjustment mechanisms. States would be able to choose from changes in the unemployment system that are already allowable but have not been widely tried because the federal government provided neither assistance nor administrative funds.

The program options for each state would include:

a. Work-sharing with training requirements or incentives. The program would allow workers in declining industries to receive unemployment benefits for up to 20 hours per week spent in training or related activities.

b. Unemployment insurance for workers in declining industries with a mandatory training option. This would encourage attrition by allowing workers to resign and receive unemployment insurance benefits while enrolled in approved training.

c. Establish two-track unemployment insurance. Track 1 would be no different from current practice; track 2 would give workers the choice of taking a lower monthly payment over a longer period to allow completion of a lengthy training period.

d. Cashing out benefits at a reduced rate for workers who accepted lower-wage employment prior to exhausting their benefits.

2. Improving the Job Training System:

The following are additions to the Job Partnership and Training Act:

a. A new student loan program would provide loans to adults for part-time education and training courses. Income limits would be set and the states would determine eligible fields of study. Interest subsidies would be comparable to the Guaranteed Student Loan program. Governors would be given a fixed amount to allocate. Priorities would be established for the allocation of funds based on criteria such as income, industry mix, duration of unemployment, and/or participation in one of the special U.I. programs.

b. A job counselling and placement service would be provided for large scale plant closings where advance notice of at least 60 days has been given. The objective is to exhaust these less expensive activities prior to using the more expensive training option.

c. Training for small business concerns using both new technology (i.e., computer-based training) and the community college system as the delivery mechanism. Incentives would be given for states to cooperate in producing software that is widely applicable. (For example there might be a regional program to develop a microcomputer course to teach owners and workers in small businesses how to utilize the metric system in order to increase export capacity.)

3. Community Service Employment for Dislocated Workers:

Employment would be provided in both the private and public sectors for unemployment insurance exhaustees who live in communities with above average unemployment rates and declining industrial employment. Eligible persons would have to be either over 55, or heads-of-household with children, and not have a working spouse. Younger enrollees would be required to undergo training and could only remain in the program for a year.

4. Adjustment Assistance to Firms and Communities:

Communities with declining industrial employment and/or experiencing large scale plant shutdowns would be eligible for financial assistance to establish tripartite organizations to deal with the adjustment problem. These funds could also be used to purchase consulting services to improve the management, marketing and/or technology of qualifying firms.

Financing development

The unmatched size, dynamism, and sophistication of the U.S. capital markets are among this country's most important competitive assets. Some $3 trillion is expected to flow into U.S. business debt and equities over the next decade, equal in value to the country's entire output of goods and services in 1983. The private sector, to an overwhelming extent, will allocate those enormous resources and determine our economy's competitiveness.

Nevertheless, government policy influences virtually every aspect of private capital markets and industrial finance. U.S. monetary and fiscal policy, by having an impact on the availability and cost of credit, will affect important investment decisions. A broad array of U.S. laws—including the tax code, bank regulation, securities law, and ERISA—will influence the structure of our capital markets and investment incentives.

For too long, the U.S. government has had no mechanism for understanding or coordinating how its policies affect the private capital markets. The government can neither quickly recognize nor promptly remove unintended disincentives to productive investment.

The Reagan Administration's answer is one dimensional—deregulate. The answer grossly underestimates the stiff new difficulties of U.S. firms facing foreign competitors that have the support of their own governments.

Democrats believe that public policies can foster a more favorable investment climate for firms who want to produce more competitive products, adopt more efficient production methods, and create new career opportunities. Fuller access to longer-term credit can be made available to smaller, growing firms, which we now know to be the richest seedbed for new technologies and products. And valuable lessons can be learned from State economic development activities, which often have well-established relationships with private financial institutions. (Chart 9).

We propose:

1. State-based Investment Program:

The federal government would enhance the ability of states to stimulate economic development and also build state efforts into a nationwide network that both encourages diversity and reinforces national competitiveness.

Federal support for state and regional economic development finance institutions would be provided by formula over a period of five years. These institutions would lend to or invest in businesses according to the state's own development strategies. States would be encouraged to have the federal funds recaptured in revolving funds for reuse in related activities. In exchange, states would be required to provide state matching funds, avoid beggar-thy-neighbor development strategies, build partnerships with private financial institutions, and share information with other states and federal agencies.

The federal government would also work with states to develop a secondary market in small, longer-term industrial loans so that pension funds and similar investors could more readily meet the most important financing needs of smaller, growing firms.

2. Coordination of Federal Impact on Financial Markets:

A top-level council on those federal agencies that most directly affect U.S. financial markets would be established and charged with continuously monitoring the impact of public policies on industrial finance and inquiring into possible disincentives to productive investment. Inquiries could be self-initiated or begun at the request of the President, the Council on Economic Competitiveness and Cooperation, or a Committee of Congress. When such barriers are found, steps to remedy the problem would be recommended to the President and Congress.

3. Consideration of a National Development Bank:

We have considered various proposals to establish national development banking mechanisms which would be associated with the proposed Council on Economic Competitiveness and Cooperation. We find substantial merit in many of these ideas but believe that further study is required. Congress will be in a better position to evaluate these proposals after the Council has had some operating experience. We therefore recommend that the Council be charged with studying the need for such a financing facility and submitting its findings to Congress.

4. A Study of the Capital Markets:

We are deeply concerned by the findings of the American Business Conference's study, "High Cost of Capital: Handicap of American Industry". The study found that U.S. firms are at a competitive disadvantage because the cost of capital is much higher in the U.S. than in Japan and other countries. The Council on Economic Competitiveness and Cooperation would be instructed to conduct a broad review of the ability of U.S. industries to finance investments that are needed to improve our international competitiveness. The report would be submitted to the President and Congress one year after the Council is established.

Trade

External factors, including exchange rate problems and a worldwide recession, have put a great deal of pressure on our trade performance. But even making reasonable allowances for these circumstances, the Reagan trade policy is in shambles. On every front current policy is marked by inconsistency or inaction. While pledging rhetorical allegiance to free trade, the Administration increasingly resorts to protectionism without rhyme or reason. It tolerates a huge bilateral trade deficit for our extremely competitive telecommunications industry with Japan. It does nothing to address the distortions between the value of the dollar and the currencies of our major trading partners.

Last year's General Agreement on Tariffs and Trade (GATT) ministerial was a costly and ill-conceived disappointment; as a consequence, there are no multilateral discussions going on as trade tensions mount, and

bilateral agreements, undertaken outside the GATT framework, proliferate. To divert attention from the absence of a coherent policy which recognizes that trade and industrial health are inextricably linked, the Administration offers a trade reorganization proposal so weak that it is opposed by senior Republicans in both Houses.

For 50 years, since President Roosevelt first proposed a reciprocal trade agreements program to Congress, Democrats have supported an open and fair international trading system. During Democratic administrations, international trade has been opened up, producing new and better jobs for Americans while increasing consumers' purchasing power. But just as Democrats were willing to confront the need for change in trade policies in 1934 by proposing the reciprocal trade agreements program, we are again willing to confront change in the international trade environment by designing new approaches.

Two fundamental changes have created new difficulties for American firms and workers. First the increasing integration of the world's economy and a tendency toward overcapacity in some key industries have increased the need for effective, fast-moving adjustment mechanisms. Second has been the increasingly mercantilist approach of many of our trading partners. Effective trade policies must come to grips with these new realities, and simultaneously strive to make the United States more competitive and the rules governing international trade more equitable.

If the United States fails to take account of the need to improve our ability to adjust and to control the mercantilist practice of other governments, then the haphazard pattern of protectionism which we have seen in the Reagan Administration will increase.

In urging action to control mercantilism, we do not expect governments to discard all involvement in their economies. In fact, we believe that the American government could be more effectively involved in our economy than it is at present. Toward that end, trade policy should reinforce other measures designed to promote industrial competitiveness and to insure our technological strength.

We propose:

1. Tying Adjustment to Import Relief:

To the extent that temporary import relief is available under current law, the law should require that in order for the President to grant the relief, it must be an integral part of an industry adjustment plan. The President would take the plan into consideration in deciding whether to grant import relief.

2. Speeding Up the Finding of Injury;

We recommend that current law be amended to take account of the need to move quickly in specific cases to mitigate serious injury. Measures should also be adopted to improve access to unfair remedies. And where, by reason of the nature of the product concerned, such as perishable products, it is appropriate to speed up the process of providing remedies for unfair trade practices, the law should be improved.

3. Broadening the New General Agreement of Tariffs and Trade (GATT) Framework;

We recommend a broad effort to renovate the GATT with particular emphasis on improving and standardizing procedures under which countries may take import relief (safeguard) action, and in extending the commitment to open markets to services, finance, and certain aspects of trade in high technology products—sectors where American firms have substantial export capacity, but are often stymied by the absence of effective international agreements.

4. Export Promotion;

For years; Congressional committees, executive branch task forces, and other groups have called for more vigorous promotion of U.S. exports and encouraged our government to emulate the activities of our trading partners in this regard. Business has often complained that they have to "go it alone" while foreign competitors have their government and foreign service in their corner. Indeed, concerns that our State Department found it difficult to reconcile foreign policy objectives with the commercial needs of the private sector led to the creation of the Foreign Commercial Service which reports to the Commerce Department.

Much more can be done; not in exhortation but in assistance to potential exporters. A one-stop export assistance service to business, especially small business, should be established. More recognition should be given to the growing purchasing power of the developing countries and our ability to meet their new needs. For example, the United States has a substantial advantage in a number of areas in growing demand by developing nations. We are unparalleled in the technology of agricultural production and distribution; our health technology is unsurpassed; so is our capacity to find and develop energy resources. The United States is the leader in telecommunications and educational technology. The relevant cabinet agencies, working with the Agency for International Development, should seek ways to expand our comparative advantage and our exports in these areas. This is the ultimate "positive-sum" game; our workers obtain high value-added employment providing goods and services that assist in the development of the world's fastest growing market. (Chart 10).

Tsongas Praises Democratic Industrial Policy Recommendations

Massachusetts Senator Paul Tsongas praised the policy recommendations released today by the Democratic Task Force on Industrial Policy as "sound, innovative initiatives of considerable significance to the future of U.S. competitiveness in the World marketplace." The Task Force, created by Minority Leader Robert Byrd and chaired by Senator Edward Kennedy, released the findings at a luncheon/press conference in the U.S. Capitol.

"We are entering a new era of economic change," Tsongas stated in his remarks at the press conference. "It is a time of rapid technological progress and sharpened international competition. Our success in meeting these challenges depends on maintaining U.S. scientific and technological leadership and a sharp acceleration in our rate of industrial innovation."

He continued: "If we are to ensure the economic security of our country, especially full employment for our workers, we must compete with foresight and vigor."

Organized nine months ago to develop democratic alternatives to current administration policies, the thirteen member task force concentrated on developing initiatives in six basic areas: (1) business/labor/government cooperation; (2) programs to stimulate innovation (3) improvements in education and other human resource programs to increase productivity; (4) trade adjustment assistance to adapt workers, communities and industries to structural change; (5) federal support for state development finance agencies and (6) trade programs to support the marketing of domestically produced goods and services.

Tsongas chaired the task force working group on innovation which drafted recommendations aimed at accelerating the development and commercialization of new products and processes. Several of the proposals suggested by the working group have already been drafted and introduced by Tsongas. They are: S. 568—a bill to exempt businesses from certain restrictive anti-trust laws which prevent joint R&D ventures and S. 438—a bill which provides for a partnership between industry, academia and government to identify technologies (i.e. super computers, biotechnology and new materials technologies) where U.S. prospects are favorable but jeopardized by targeted efforts in other countries.

Another innovation working group proposal concerning the establishment of an agency for technical innovation will be introduced by Tsongas in the next session of Congress. This agency would act as a clearing house for innovative technologies, disseminating them for commercial application, resulting in a more streamlined approach to innovation in government policies.

Pell: Support for Education is Key to Providing "Jobs for the Future"

Senator Claiborne Pell, ranking Democrat on the Senate Education Subcommittee, today joined in unveiling a Democratic Task Force report that emphasizes support for education as one of the keys to rehabilitating our national economy.

The report, titled "Jobs for the Future," is unanimously endorsed by the Senate Democratic caucus. It outlines a strategy to cure the economic dislocation that results from rapid technological change and intense overseas competition.

Rejecting the extremes of rigid economic planning and what it calls the present Administration's policy of "aimless drift," the report calls for a broad range of new programs.

Those new programs are designed to promote international trade, provide adjustment assistance to dislocated workers and industries, accelerate development of new products, finance new investment in plants and equipment and to support new initiatives in education and training.

Pell said he was particularly pleased that the Task Force, on which he served, recognized that investment in humane resources is the "keystone" to the entire program.

"I concur wholeheartedly," Pell said, "in the Task Force's conclusion that investment in human resources is the keystone to our comprehensive program for national economic rehabilitation.

"Our task is to adjust to rapid technological change and increased international competition, and to the structural dislocations which have resulted in our own economy.

"But no amount of new financial arrangements and new organizational structures can meet that challenge unless our basic human resource—the American workforce—is prepared to adjust to the change.

"Our basic need, therefore, is to provide the educational support which will arm our workforce with the skills they need to compete in a new era."

Pell, who headed the Task Force's Subcommittee on Education, said he was gratified that the Senate Democratic Caucus ac-

cepted the recommendations of his subcommittee.

"We recommend," he said, "increasing funding for instruction in science and mathematics and expanding vocational education for dislocated workers as well as high school dropouts. We also support new programs for gifted students as well as help for disadvantaged students who need special help in basic skills.

Pell added that he is thinking about introducing new legislation to "facilitate the transfer of computerized training systems from the Department of Defense to the small business community to provide new job training support that small businesses often cannot afford to develop on their own."

STATEMENT OF SENATOR THOMAS F. EAGLETON IN CONNECTION WITH THE RELEASE OF "JOBS FOR THE FUTURE"

America's industrial structure is beset with adversarialism and incoherent and short-sighted government policies—all luxuries we can no longer afford.

To deal with these problems, the Task Force has recommended the creation of a 20-member Council on Economic Competitiveness and Cooperation, made up of representatives of business, labor, government and the public, as a permanent, independent agency of the government.

The Council would analyze the changing competitive positions of our industries and serve as the forum in which our industrial strategy would be debated and formulated. the Council would also establish, after requests from the private sector, advisory working groups to consider the challenges, risks and opportunities facing particular industries; how to maintain competitiveness in industries where we have it; and how to restore it where it is slipping. When the future of a critical sector is in doubt, lines of communication would be open; the problems would be understood and recommended solutions hammered out cooperatively; benefits and burdens would be addressed squarely and negotiated among the interested parties.

The Council is advisory only. It makes recommendations to the President and Congress. Its success will turn on the quality of its analysis; its willingness to take the long view; its ability to create an atmosphere where problems can be solved through negotiation.

We believe that if a Council of this kind had been operating a decade ago, we could have identified the challenge to our steel, auto and machine tool industries much earlier and mapped out for more effective responses.

Above all, we believe that cooperation—not government planning nor the drift of the free market—is the most likely course for achieving competitive industries and wage-price moderation needed for long-term economic growth.

STATEMENT OF SENATOR FRANK R. LAUTENBERG ON THE DEMOCRATIC INDUSTRIAL POLICY TASK FORCE

The task force has taken a major step toward fashioning a new, and more promising program to increase our Nation's industrial competitiveness, to enhance the prosperity of business and to provide jobs for our people, today and in the future.

We face a rapidly changing world economy. Competition from other nations is increasing. And it is competition unlike that we used to know. Governments are promoting industries to meet us head to head.

If we are to compete effectively, we must make changes. "Jobs for the future" lays out an economic program that is tailored to meet the economic challenges of the eighties and beyond. There are three areas in the program that are of special interest to me—the proposals to encourage innovation, to insure a skilled and educated work force, and to secure free and fair trade.

The success of American business has rested in large part on its ability to innovate, to devise new processes and products. Government must keep that process of innovation going. The task force's recommendations—including the continuation of research-and-development tax credit, and the clarificaiton of antitrust laws—would contribute to that goal. Business also needs open markets abroad. Our trade policy must be geared toward insuring that we have access to foreign markets, not just for our goods, but for the array of services that play a larger role in our economy.

In a rapidly changing world, workers need up-to-date education and training. Moreover, they need the assurance that they can stay up to date throughout their working lives. Our recommendations include mechanisms for enabling workers to adjust to constant and accelerating changes in the skills needed in the workplace. We have proposed enhancements of education in math, science, and computers, and on foreign language, unlike the present administration, we are not willing to leave our students and workers behind in the wake of technological change.

Our effort is a continuing one. The task force's recommendations have already begun to garner favorable editorial comment. We want to solicit the constructive insights of others, particularly managers and workers whose interests are at stake. We are committed to finding new solutions to meet today's and tomorrow's challenges.

I commend the Democratic leader, Senator Byrd, and the chairman of the group. Senator Kennedy, for their fine work in bringing this endeavor along. I pledge myself to the challenges of pursuing and refining this program to promote the economic vitality of our Nation, and the jobs of our people.

SENATOR NUNN'S VIEWS ON LEBANON

Mr. BYRD. Mr. President, the situation we face in Lebanon today is dangerous and complicated—the cauldron of factional hatreds and the conflict of many nations' interests which are woven in Lebanon's landscape frustrate any simple military or diplomatic solutions for the United States.

American interests and now the blood of America's children are a part of the sorrowful mosaic of that land. The situation demands a long-term solution which will permit the removal of our Marine forces there, safeguard the integrity of the Lebanese nation-state, secure the protection of Western interests, and block the adventurism of those who oppose the goals of peace, stability, and democracy in the Middle East.

The distinguished senior Senator from Georgia, who is the ranking member of the Armed Services Committee, Mr. NUNN, has grown over the years into one of the most thoughtful and respected Members of this body on the subjects of American security and foreign policy. He has written a very incisive editorial, published in the November 1, 1983, edition of the New York Times entitled "Next Steps in Lebanon." I commend Senator NUNN for his article and recommend it to my colleagues, and I ask unanimous consent that it be printed in the RECORD in full at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEXT STEPS IN LEBANON

(By Sam Nunn)

WASHINGTON.—More than a week after the tragedy at the Marine headquarters in Beirut, we still have not answered two fundamental questions: What are we trying to achieve in Lebanon and what is the role of our military forces in achieving it? The President owes our military and our nation deep reflection on these issues. Only then can we hope to formulate a sensible policy for both the short and the longer run in Lebanon.

The marines should never have been introduced into the hostile Lebanese situation without a well-defined mission and sufficient forces to carry it out. The Reagan Administration acted in spite of warnings from military experts, in and out of Government, when it placed our fighting men in the untenable situation they now occupy in Beirut.

No experienced observer believed that 1,600 marines, together with the other components of the multinational force, could stabilize a country torn by decades of factionalism and bitter civil war. Our marines have come to be viewed by some combatants as a party to the conflict and their lives have become hostage to the political whims and terrorist instincts of the innumerable factions that plague Lebanon.

What should we do now? A precipitous, total withdrawal would reward the terrorists whose explosives killed the marines. But continuation of the status quo would mean that the marines would remain vulnerable and concerned above all with self-defense.

Our short-term priority must be to insure the safety of our troops on the ground by greatly enhancing security measures. We should immediately make clear to the Gemayel Government that our marines were never intended to stand in the front lines of fire. The Lebanese Army must provide that defense, while our troops and the rest of the peacekeeping force stand behind it, giving moral and symbolic support. A minimum condition for a continued American presence should be that the Lebanese Army take immediate action to clear out and police the areas from which short-range attacks on the Marine compound have come. If the Lebanese Army cannot achieve this, how can we hope that it can ever establish control over the entire country?

A second, intermediate-term task is the phasing out of American ground forces. It may be appropriate for our forces to be replaced gradually by the United Nations contingent now in southern Lebanon. If the United Nations is unwilling or incapable of performing this task, a multilateral force drawn from neutral European and third world nations should be considered. Such

forces are much more likely to be perceived as neutral and much less likely to become targets for attack. Meanwhile, the phasing out of our own troops must be closely planned and coordinated with our allies, France, Britain and Italy.

Third, in the longer term, America must maintain a strong diplomatic and military posture in the region, a posture that will contribute to the security and stability of the Lebanese Government. What is the proper role of the American military in contributing to this stability? I suggest that the primary mission of our forces should be to deter any direct aggression by Syria or its surrogates. That limited mission can best be carried out by the naval firepower of the Sixth Fleet and by stationing most of our forces offshore.

The large guns or aircraft of the Sixth Fleet can directly threaten Syrian positions in the Bekaa Valley or even Damascus itself if necessary. Syria must know that it will risk retaliation for direct aggression against Lebanon or for continuing to permit extreme terrorist groups to operate from ground it holds. The credibility and deterrent value of our naval firepower against such aggression will increase once our marines are no longer hostages on the ground.

These three steps will not solve Lebanon's internal disputes, but neither will our present policy—which is extremely costly. We must insist that the Gemayel Government broaden its base and undertake a constitutional revision assuring all citizens of Lebanon equitable representation. Ultimately, long-term stability requires the Lebanese to sit down together and resolve their differences. Eventually, Israel and Syria must agree on mutual withdrawal.

Lebanon is surely no more vital to our interests than to those of Israel, yet Israel has recognized that its soldiers' lives should not be risked further in the cauldron of Lebanon's factional strife. If President Reagan really is convinced that Lebanon is vital to our national security, then he must make that case to the American people and provide sufficient military force to protect that interest. Our nation must learn to make hard choices between significant national goals that can be achieved by diplomatic efforts and more vital national interests that we are willing to fight for.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time for the transaction of routine morning business be extended until 10:15 a.m.

The PRESIDING OFFICER. The Chair advises the majority leader that we are not yet in morning business.

Mr. BAKER. Then, I ask unanimous consent that we have routine morning business until 10:15 a.m. and that Senators may be permitted to speak during that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

ONE WAY TO BEGIN TO END THE NUCLEAR ARMS RACE

Mr. PROXMIRE. Mr. President, Arthur Macy Cox has recently written an extraordinarily helpful analysis of our country's current nuclear military policy. He concludes that our present policy is dangerous. He argues it "will almost inevitably lead to catastrophe." He proposes a series of reasonable steps that would lessen the likelihood of nuclear war.

With the immense buildup of Soviet nuclear power, some of our most competent experts have changed their views on the potential use of the nuclear arsenal. For example, in 1962, Secretary of Defense McNamara put into effect a program of nuclear response aimed at Soviet military targets. McNamara wanted to limit a nuclear war to avoid the millions of civilian casualties that have made nuclear war such a nightmare, and to win the war by obliterating the enemy's nuclear capability. Cox argues that even in 1962 that was not possible. Cox may or may not be right about 1962. He is certainly right that such a concept of limiting nuclear war to military targets is absolutely impossible in 1983, because the Russians obviously have built up their nuclear power immensely since 1962 and now they will not play that way. Once a nuclear war starts, they will retaliate all out with everything they have against every American target and no matter how hard we hit them they will have plenty left. Of course, the easiest target would be American cities. So we know that the Soviets, once a nuclear war starts, would play with no limits at all. That should have been the end of any notion that we could pursue a limited nuclear war doctrine to victory against the Soviet Union. But it was not.

Secretary McNamara has, indeed, repudiated his earlier limited war-fighting view with this emphatic statement: "Nuclear weapons serve no military purpose whatsoever. They are totally useless—except only to deter one's opponents from using them." But this is not the view of the present Secretary of Defense. Just last year Secretary Weinberger declared that we could fight and win a nuclear war with the Soviet Union. He said, "You show me a Secretary of Defense who is not planning to prevail and I'll show you a Secretary of Defense who ought to be impeached." How does this administration plan to prevail in a nuclear war? By decapitation of the entire leadership, civilian and military, of the Soviet Union. The administration's theory is that we would knock out all of the Kremlin's top leadership and also their communications system, so they would have no central authority to authorize the launching of their nuclear weapons. Of course, the administration does not expect to have to push such a strategy because they believe that the threat of such a decapitation would compel the Moscow leaders, who would be the victims, to yield. We would coerce Moscow.

Now, Mr. President, I suppose nothing is impossible, but this scheme has to be about as fanciful as any I can imagine. In the event of a nuclear war, the top leaders on both sides would be the most massively protected. Both our President and their Dictator would be far, far underground in a rock and steel and lead reinforced fortress deep within a mountain. In view of the damage a super power nuclear war would do to the environment, the supreme irony might be that the only human beings left on earth would be the heavily protected Soviet Dictator and the heavily protected President of the United States. In the poem by Lord Byron that I read into the record last Saturday, entitled "Darkness," Byron foresaw the final two survivors in these lines:

> . . . then they lifted up
> Their eyes as it grew lighter, and beheld
> Each other's aspects—saw, and shrieked, and died—
> Even of their mutual hideousness they died,
> Unknowing who he was upon whose brow
> Famine has written Fiend.

Does Mr. Weinberger's support of a nuclear war fighting capacity reinforce or subvert the force of our deterrence? Weinberger has said, "When deterrence fails * * * the dividends of a war fighting defense are unquestionable." But Arthur Cox argues that:

> The more we rely on a war fighting strategy to back up our deterrent, the more likely it is that deterrence will fail. This is particularly true as technology advances, leaving less and less time for human decisionmaking and encouraging strategists to rely on computers—thus increasing the risk of accident or preemptive strike.

So what does Cox propose we do to improve our chances of survival in this age of nuclear weapons? He does not propose nuclear freeze negotiations, which I favor, but he does make sensible suggestions short of a freeze. Here they are:

First. Acknowledge that nuclear weapons are of no value in our competition with the Soviet Union except for deterring a nuclear exchange;

Second. Reject all theories of war fighting;

Third. Get back to genuine arms control negotiations with the Soviet Union;

Fourth. Move away from multiple warhead missiles and return to single warheads;

Fifth. Rely on bombers with air-launched cruise missiles because they are slow, can turn back and do not pose a first-strike threat;

Sixth. Rely on submarines because they are not so vulnerable;

Seventh. Continue the antiballistic missile treaty;

Eighth. Negotiate a mutual ban on the testing and deployment of antisatellite weapons, a mutual ban on space-based weapons, a comprehensive ban on the deployment of nuclear weapons that impede arms control by making

adequate verification more difficult or impossible;

Ninth. Improve communications between the superpowers.

Mr. President, I disagree with Mr. Cox's rejection of a comprehensive end to the arms race in favor of a partial, limited, selective elimination of those phases of the nuclear arms race that seem to make the outbreak of nuclear war more likely. Mr. Cox sides with those who believe we can and should channel the arms race into that testing and production and deployment that strengthens the deterrent of both sides. That is a constructive and defensible position. It is shared by many well-informed experts. If the only threat of nuclear war came from the superpowers, Cox would be right. I disagree because I believe that nuclear proliferation represents the most likely source of a nuclear catastrophe. And a freeze on all nuclear testing as well as production and deployment by the superpowers could stop the runaway technology that promises to make nuclear weapons eventually far more easily available for all countries and even for terrorists—making them smaller, more portable, more easily concealed, and especially much cheaper. The nuclear freeze can begin to bring this nightmare to an end. Continuation of the nuclear arms race in any form could literally blow up this world.

And the Cox proposals are not inconsistent with eventual adoption of a nuclear freeze. Indeed, they might provide the kind of practical first steps that would build confidence in the more ambitious, comprehensive treaty.

Mr. President, I ask unanimous consent that an article by Arthur Macy Cox from the November 8 issue of the New York Times entitled "End the War Games" be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Nov. 8, 1983]

END THE WAR GAME

(By Arthur Macy Cox)

American strategic planners have been thinking the unthinkable for more than 25 years: trying to make nuclear warfare controllable and even winnable. The result has been an escalating nuclear arms race that has increasingly reduced our security and endangered our survival.

Why is it so dangerous? Because a war-fighting doctrine is fundamentally incompatible with a policy of nuclear deterrence: The greater the capacity to fight a nuclear war, the more likely it is that deterrence will fail because of increased chances that a war will start through accident, miscalculation or pre-emption in a time of crisis.

The struggle between the war fighters and the advocates of stable deterrence began in the late 1950's. Then, as now, the deterrence advocates believed that nuclear weapons must never be used and that the best way to insure that they won't is for each side to have the assured capacity to destroy the other. This threat—of mutual national suicide—has for years prevented war between the United States and the Soviet Union.

The war fighters have ridiculed the notion of mutual assured destruction. They call it MAD and they claim that it is immoral because it would mean destroying cities. They also argue that it won't deter war because the Russians don't believe in it and are prepared to fight a nuclear war; that it doesn't provide an alternative in case deterrence fails; and, perhaps most important, that it doesn't permit us to build the military power with which to coerce the Soviet Union.

In 1962, these arguments persuaded Secretary of Defense Robert S. McNamara to adopt a strategy for a controlled and flexible nuclear response aimed at military targets rather than cities—a counterforce strategy. This was the first attempt to make nuclear war more rational and moral. It was also the first attempt to develop a war-fighting strategy—a plan for a limited nuclear war. Such a theory made no sense then and it makes no sense today.

Our allies Britain and France have no illusions about the apparent morality of counterforce doctrine. Both aim their nuclear missiles at Soviet cities in the hope that this will deter a Soviet Attack. As one French nuclear expert recently said: "In a half hour, the submarines alone could kill 50 million people. That should be enough to dissuade any adversary." The Kremlin, too, targets cities. In contrast, Washington asserts that its nuclear targets are military, including military industry. Yet, inevitably, this means cities—including 60 military targets in Moscow alone.

There can be no relative degree of morality about the use of nuclear weapons. The principles of "just war" theory and proportionality are irrelevant to nuclear war. Nor will there ever be a limited nuclear war: It would take two to play and the Kremlin won't. Its policy is very explicit: Moscow will not be first to use nuclear weapons, but if attacked with such weapons, its response will not be limited.

Yet, for some years, our policy has been based on the notion that Moscow would try to fight a limited nuclear war. When Harold Brown became Secretary of Defense in 1977, he categorically rejected the idea of such a war. But in August 1980, he joined Zbigniew Brzezinski in drafting Presidential Directive 59, which adopted a war-fighting theory that included plans for limited nuclear war. Why? Because, in his view, the Soviet leadership appeared to think a nuclear victory was possible.

In fact, during the 1950's and 1960's, Soviet military leaders did assert that if their country were ever attacked with nuclear weapons, it would fight and ultimately win the war. But for the past decade, Soviet leaders including Leonid I. Brezhnev; Yuri V. Andropov; the Defense Minister, Marshal Dmitri Ustinov; and Chief of Staff, Marshal Nikolai Ogarkov, have agreed that there can be no winners in a nuclear war—only holocaust.

Mr. McNamara has also changed his view and today rejects the concepts of flexible response and limited nuclear warfare. He now says: "Nuclear weapons serve no military purpose whatsoever. They are totally useless—except only to deter one's opponent from using them."

Secretary of Defense Caspar W. Weinberger, in contrast, clearly believes that the United States should be prepared to fight a protracted nuclear war and to prevail, as outlined in the five-year Defense Guidance he signed in 1982. At the time, he said: "You show me a Secretary of Defense who is not planning to prevail and I'll show you a Secretary of Defense who ought to be impeached." Yet even Secretary Weinberger has acknowledged on several subsequent occasions that nuclear wars are not winnable.

Nevertheless, the Reagan Administration is vigorously pursuing a doctrine that would theoretically allow us to prevail by "decapitating" the Soviet state. This would mean destroying the Soviet civilian and military leadership and the communication system that controls the launching of Soviet nuclear weapons. But the main value of the decapitation threat, it is claimed, would be to coerce Moscow. This is a dangerous fantasy—a self-deluded effort to restore a political advantage that was lost forever when the United States lost strategic nuclear superiority.

The other argument that the war fighters use against deterrence is the possibility that it may break down. Some 20 year ago, the influential nuclear strategist William Kaufmann argued that a counterforce strategy was justified if there was so much as a 5 percent chance that deterrence would fail. Today, Mr. Kaufmann, like his former boss Mr. McNamara, has apparently come to doubt the wisdom of this calculation. Mr. Weinberger, however, has no doubt. He recently wrote: "when deterrence fails . . . the dividends of a viable war-fighting defense are unquestionable." This is an illogical, desperate thesis that will almost inevitably lead to catastrophe—for the more we rely on a war-fighting strategy, supposedly in order to back up our deterrent, the more likely it is that deterrence will fail. This is particularly true as technology advances, leaving less and less time for human decision-making and encouraging strategists to rely on computers—thus increasing the risk of accident or pre-emptive strike.

If we want to survive, we must try to make deterrence as stable as possible. This means acknowledging that nuclear weapons are of no value in our competition with the Soviet Union except for deterring a nuclear exchange. It means rejecting all theories of nuclear war-fighting. It means getting back to genuine arms control negotiations with the Soviet Union. Other useful steps include moving away from multiple-warhead missiles and returning to single warheads. Bombers with air-launched cruise missiles are also relatively stable: They are slow, can be turned back and don't pose a first-strike threat. So are submarines, which are not so vulnerable to attack.

Other measures to enhance the stability of deterrence would include a continuation of the Anti-Ballistic Missile Treaty, a mutual ban on the testing and deployment of anti-satellite weapons, a mutual ban on space-based weapons, a comprehensive ban on nuclear-weapons testing, a ban on the deployment of nuclear weapons that impede arms control by making adequate verification more difficult or impossible and, finally, efforts to improve communications between the superpowers.

Such measures are indispensable if we are to avoid accidental or unintentional nuclear war. And in the end, if the superpowers can't find a more stable basis for our competition, we probably won't survive.

THE NATIONAL ENDOWMENT FOR DEMOCRACY AND THE INTELLIGENCE COMMUNITY

Mr. PROXMIRE. Mr. President, I would like to inform the Senate about an agreement reached with the Director of Central Intelligence, William Casey, dealing with the National Endowment for Democracy.

By way of background, I offered an amendment to the State Department authorization bill that would have precluded the National Endowment for Democracy from hiring any individual with prior intelligence association.

Director Casey proposed an alternative to this amendment which is broader in scope since it includes a commitment on the part of the intelligence community not to use the National Endowment for Intelligence Activities. In addition Director Casey has agreed to prohibit the employment of intelligence personnel at the endowment.

Details regarding the employment prohibition, including the length of the prohibition and the precise definition of intelligence activities, will be left to subsequent negotiations.

It is critically important to provide blanket protection to the new National Endowment for Democracy against propaganda attacks abroad that it is a CIA front organization. For many years the Peace Corps has operated abroad successfully due in part to the public declaration by President Kennedy and specific Peace Corps regulations prohibiting the employment of former intelligence personnel.

If the National Endowment for Democracy is to be an effective instrument for promoting democratic institutions abroad, then it must be kept free of any intelligence relationship. Director Casey is farsighted in recognizing this fact and by publicly committing the intelligence community to a handoff policy—much as President Kennedy did for the Peace Corps.

Mr. President, in return for Mr. Casey's commitment on behalf of the intelligence community, I have asked that my amendment to the State Department authorization bill be withdrawn by the conferees and they have agreed to this position.

Mr. President, I ask unanimous consent that the public agreement I have reached with Director Casey be printed in the RECORD.

There being no objection, the agreement was ordered to be printed in the RECORD, as follows:

PUBLIC RELEASE BY DCI CASEY

On behalf of the intelligence community, I have agreed with Senator PROXMIRE that the National Endowment for Democracy will not be used to conduct intelligence activities. In addition, I have reached a general understanding that intelligence community personnel shall not be permitted employment by the National Endowment for Democracy except as jointly agreed to in future negotiations with Senator PROXMIRE with regard to the length of the prohibition and the encompassing definition of intelligence activities. In light of the above understanding, Senator PROXMIRE has agreed to withdraw his amendment to the 1984 State Authorization Act barring individuals who have engaged in intelligence activities since 1963 from participating in the National Endowment for Democracy.

THE LEGACY OF NUREMBERG

Mr. PROXMIRE. Mr. President, at the conclusion of the Second World War, the German city of Nuremberg was the site of an historic precedent in international law. A military tribunal, composed of representatives from the Allied Nations, tried the Nazis of the Third Reich for war crimes against humanity. Never before had the world come to grips with justice following an international conflagration. There had always been victors and vanquished. There had always been devastated cities and ravaged countryside. There had almost always been heinous acts committed by both sides during wartime. In the past, the victors dealt swift vengeance upon the defeated. Nuremberg tried to change this attitude.

The tribunal at Nuremberg attempted to proceed in a legal framework for all the world to see. The accused were not simply taken out and shot without the opportunity to speak on their own behalf in defense of their actions. It is true that the preponderance of evidence left little doubt that the accused were war criminals of the highest breed. Yet, they were still given a fair trial. Nuremberg was, of course, not without its faults—indeed international law was just developing at that time and is still developing now. But Nuremberg showed us that we could indeed establish some international code of fairness and justice.

The tribunal conducted trials for those accused of a broad spectrum of heinous crimes. Among the victims of these atrocities were ethnic and religions groups such as Jews, Gypsies, and other "non-Aryans"; clearly, the Nazis aimed to wipe out these groups completely. But the Nuremberg Tribunal was precise in defining its role: the trials were geared to crimes committed in direct relation to the prosecution of the war. Genocide—the destruction or attempted destruction of any racial, religious, ethnic, or cultural group—was a crime not directly related to war strategy and was thus ruled to be outside of their purview.

The Genocide Convention of 1949 took up where the Nuremberg trials left off. In that treaty the crime of genocide was defined for the world, and a procedure for rendering justice was created. The world now possesses a code of justice for the most heinous of all crimes—the mass slaughter of innocent groups of people.

Mr. President, the legacy of Nuremberg can be found in the Genocide Convention. The tribunal at Nuremberg functioned under a legal framework which resulted in the punishment of Nazi war criminals. The Genocide Convention extends that framework to permit the prosecution of those who would commit genocide. The actions taken at Nuremberg said something important about our commitment to the legal ideals of our own society. Ratification of the Genocide Treaty will reinforce our commitment to these ideals.

AMERICAN EDUCATION WEEK

Mr. THURMOND. Mr. President, Sunday, November 13, 1983, marked the beginning of American Education Week, which is recognized as such by Senate Resolution 268 and House Resolution 349.

I am proud to be a cosponsor of this Senate resolution, particularly in light of the renewed national interest in education. Greater public awareness of the quality of education is long overdue, and I am pleased with the attention that this important subject is receiving.

Considerable attention has been given the several recent reports which have critically analyzed our Nation's system of education. During this reassessment process, it is only fitting that Americans take the time to acknowledge the contributions and accomplishments that our educators have made to our society. The respective House and Senate resolutions acclaiming this week as American Education Week accentuate the many positive aspects of our educational system, while leaders at all levels of government are joined in an effort to solve the problems facing America's schools. These resolutions specifically call on the American people to work together for a restoration of our schools to their rightful place of preeminence among our great institutions.

Mr. President, my interest in education has been a lifelong one. One of the most challenging and satisfying of the several jobs I have been privileged to hold during my career as a servant of the people was my first public position as a teacher of vocational agriculture, mathematics, and physics, and athletic coach.

My first elected office was as Edgefield County Superintendent of Education, a position that gave me some understanding of how difficult it is to operate a school system and how essential it is to have strong community support and involvement.

As a State senator in the 1930's, I advocated increases in Statewide funding for public schools, mandatory school attendance hours, higher pay for teachers, longer State-supported

school terms, and other measures to promote education.

While Governor of South Carolina, I was pleased to have recommended the establishment of the area trade school system, and this important program was the forerunner of our present day technical colleges in our State, which are considered the finest in the Nation. Also, funds for public schools were increased 85 percent; State support for colleges, adult education, libraries, and bus transportation was augmented; the permanent 9-month State-supported school term was instituted; local school districts and the State Department of Education were reorganized for greater efficiency; and programs for hearing- and speech-impaired students were enhanced.

Additionally, a commission was appointed by me to survey the comprehensive needs of the education system in South Carolina. The significant recommendations made by this commission were subsequently acted upon to provide the best possible educational opportunities in the State. In 1950, the Southern Governors' Conference, of which I was chairman, adopted a regional plan whereby training in medicine, dentistry, and veterinary science was made available in States where the teaching of such subjects had previously been unaffordable. During the years of my Governorship, it was my great pleasure to have witnessed the quality of education rise to the highest level in the history of South Carolina.

As a U.S. Senator, I cosponsored legislation to increase important title III funds for developing institutions. It has also been my pleasure to support other worthwhile Federal education programs, such as impact aid to school districts near military bases and Government installations, vocational education, special education for handicapped children, and vocational rehabilitation. Additionally, it is my intention to support the mathematics and science education improvement bill when that measure is brought before the Senate.

As a further manifestation of my commitment to education, I have created 30 scholarships in 25 institutions to assist deserving students. In addition to these scholarships, it has been my privilege to establish the Strom Thurmond Foundation to promote education. This foundation yearly assists between 60 to 80 needy, worthy students to receive educational opportunities beyond high school in a regular or technical college or in other advanced training programs.

Today, my interest in education has never been stronger. Suffice it to say that, because of my responsibilities as a U.S. Senator, as well as a keen personal interest as a parent, I have never been more firmly convinced that education is indeed the hope of our Nation. Education is an investment in the future, and I shall always favor properly structured programs to provide the best educational opportunities for our people and reasonable salaries for our teachers.

Mr. President, through the designation of the week of November 13th as "American Education Week," the Senate and the House of Representatives take this opportunity to say "thank you" to American educators. We appreciate the significant contributions these fine people have made toward encouraging intellectual development. These professional individuals provide an indispensable service to the Nation, for without them, America would not be the leader of the free world. This week is an opportune time for all Americans to appropriately express their gratitude to our Nation's teachers and other educational personnel for their dedicated efforts to improve our state of knowledge and the quality of our lives.

MAYOR ABE L. DRASIN

Mr. LEVIN. Mr. President, I would like to take this opportunity to pay tribute to my good friend, Grand Rapids' Mayor Abe L. Drasin, who will soon be leaving elected office. In March 1971, he was appointed to the Grand Rapids City Commission, representing the city's second ward. He remained a commissioner until November 1975, when he was first elected to the office of mayor. In September 1979, without campaigning, he was reelected for a second 4 year term. During his tenure in public office he has been instrumental in the extraordinary revitalization of Michigan's second largest city.

Mayor Drasin has been a lifelong resident of Grand Rapids. He attended Union High School, Grand Rapids Junior College, and graduated from Western Michigan University.

Prior to holding elected office, he had a most successful career in industry, as president of Wolverine Hide Corp. In 1968, he chose a new and fulfilling career as a teacher of government at Creston High School.

Mayor Drasin has served in many National, State, and local capacities, too numerous to mention in entirety, but including the following: Founder and president of the National Hide Association; Federal appointee to the U.S. National Defense Executive Reserve; director, University of Michigan Hillel Foundation; board of directors, Grand Rapids Urban League; chairman, Interracial Committee of the Council of Social Agencies; member, National Council of the Joint Defense Appeal; guest lecturer, Michigan State University; chairman, Grand Rapids Fair Employment Practices Committee; chairman, Grand Rapids Chapter of the Michigan Committee on Civil Rights; president, Congregation Ahavas Israel; president, Michigan B'nai B'rith Council.

Mayor Drasin is a life member of the NAACP; member of the World Affairs Council of Grand Rapids; member of governing board of the Kent Community Action program; Association of Grand Rapids Area Governments; U.S. Conference of Mayors; board of trustees, Michigan Municipal League; chairman of the Grand Rapids Area Employment and Training Council.

As mayor and throughout his life, Abe Drasin has brought that rare sense of service and commitment that is so essential to all levels of life, especially elected office. I, along with the citizens of Grand Rapids and the State of Michigan, will not soon forget the work he has done to enrich his community or the wonderful relationship with his wife Rose, who has sustained and assisted him so wonderfully for so long.

MARIHUANA'S EFFECTS ON THE POLITICAL SYSTEM

Mrs. HAWKINS. Mr. President, we are all well aware of the harmful effects marihuana has on the mind and body. Today in America this drug not only pervades our culture, but it has had a dangerously serious impact on our economy and, in fact, on our entire political system.

Retail sales of U.S.-grown marihuana amount to about $8.2 billion, making marihuana the fourth largest U.S. cash crop, behind soybeans, $13.3 billion; corn, $12.8 billion; and wheat, $8.99 billion. Marihuana is the No. 1 cash crop in the Nation's leading agricultural State, California, primarily in the State's northern counties. California's marihuana crop is worth at least $1 billion annually. Marihuana also is the top cash crop in Hawaii, and is being cultivated commercially in at least 30, and possibly all 50, States.

And there are hundreds of thousands of people deriving their economic existence from the growing and sale of marihuana. They cannot fail to have a tremendous impact on the mainstream economy and political structure.

The corner store owner is a lot less adamant against the pot growers when they constitute a sizable portion of his patronage. Where enough pot is grown, the social stigma associated with its growth is "narcotized."

Political candidates in an area where these people go to the polls sometimes think twice before making an all-out attack on pot growing a major plank in their platform.

The irony of this is that the political and economic influence of pot growing is, in effect, being subsidized by the very government systems that are sworn to eradicate it.

Pot growers, by creating an enclave of toleration for their illegal activities, also create a system that allows them to avoid taxes on their earnings. This gives them a distinct advantage over their neighbors who do pay taxes.

The pot growers problem with its threat not only to those who use it but to the political and social structure, has no easy solution. Prohibition of liquor was a failure in the twenties because of bootlegging. The illegal pot growers seem to present a similar problem.

But the "solution" of legalizing and taxing alcohol carried with it the pervasive tragic consequences of spreading alcoholism and the carnage associated with drunken driving. Legalizing marihuana would only institutionalize the evils it contains.

Mr. President, the problem of marihuana production and marihuana abuse in this country cannot be ignored by us, the lawmakers of this Nation. The drug has practically become an integral part of American society The deeper it becomes ingrained in our way of life, the harder it will be for us to solve the many problems it poses.

NATURAL GAS

Mr. PERCY. Mr. President, early this week, the Senate expressed itself decisively by strongly opposing two contrasting approaches to our current natural gas problems. First, the Senate voted 71 to 26 against the Kassebaum amendment to freeze or roll back gas prices. It then voted 67 to 28 against the McClure amendment to significantly accelerate the decontrol of old gas prices.

I believe the Senate acted wisely on both these votes. Either approach could have led to considerable problems in the not-too-distant future. A recent analysis by the Congressional Research Service—CRS—indicates that a freeze or rollback could generate severe gas shortages as early as 1985. Shortages of this type, as we have learned over the past decade, not only cause immediate hardships, but also can have a long-term damaging effect on our economy. The recession from which we are now recovering has, to some extent, resulted from energy shortages of the past.

But as we protect ourselves from future shortages, we should be careful not to exacerbate the current economic recovery. This is why I opposed old gas decontrol as proposed in the McClure amendment. In principle, I believe deregulation of energy markets, with sufficient competition, is the right long-run approach. The marketplace offers the best means for avoiding future shortages, promoting conservation of scarce resources, and allowing prices to fall, as well as rise. This has indeed been the case with oil deregulation, which brought lower gasoline prices and helped to reduce OPEC's grip on consuming nations.

However, I question the pace at which we should achieve the ultimate goal of decontrol in the natural gas market. The Nation as a whole is currently coming out of a recession, with the Midwest—especially Illinois—just starting to recover. People and businesses in Chicago, Springfield, Peoria, from across the State, can ill-afford another round of large prices hikes. Even as I traveled across Illinois during the warm summer months, people told me of the troubles and hardships associated with price hikes of up to 50 percent in some parts of the State. We are not talking about small change here. We are talking about people's jobs, their daily lives, sometimes even—especially among the elderly or lower income people—their choice between eating and keeping warm.

Does decontrol always mean higher prices? Certainly not. Oil deregulation is the prime example. But the gas market is very different from the oil market, and we cannot necessarily expect the same response. The Natural Gas Policy Act set up a system of different categories of gas sold at different prices. Under the act, one of these categories—commonly referred to as "old gas," or gas contracted for before passage of the act in 1978—was priced at a lower rate than other gas categories. This year's debate has primarily been about the decontrol of this low-cost gas. A State or region of the country which is supplied by pipelines with access to a large amount of this low-cost gas would almost surely see prices rise under decontrol, unless there are other moderating forces.

The data and analysis on what would happen with accelerated natural gas decontrol are confusing, and at times contradictory. However, I have been told by Governor Thompson, Illinois consumer groups, our major pipelines, our utilities, the staff at the Congressional Research Service, and even analysts at the Department of Energy that Illinois does have unusually large amounts of this old gas. Most of the high cost gas in the State comes from imported natural gas. Given this supply mix, I have concluded that consumers in Illinois would suffer if we too quickly decontrol this old gas.

While our large amount of old gas would be "ramped up" in price under this bill, most of our high cost gas would not be "ramped down" because it is imported. In particular, the McClure amendment would not have alleviated the high cost of Algerian liquefied natural gas—LNG—coming into the central part of Illinois.

To more clearly show how the McClure amendment would have affected us, I would like to borrow an analogy which my colleague from Louisiana, Senator JOHNSTON, used on the Senate floor last week. Senator JOHNSTON compared how it works to how you make orange juice with oranges of different prices. He explained that if you reduced the price of high cost domestic oranges—that is, high cost gas—while increasing the price of your low cost oranges—low cost gas—at a slower pace, the average cost of your orange juice—all gas—would be reduced. What I would like to point out, however, is that if most of your "oranges" are low cost to begin with, as ours are, the price of your orange juice cannot help but go up.

I commend both Senator MCCLURE and Senator KASSEBAUM for allowing these amendments to be brought up to a vote to break the logjam we had faced on this piece of legislation. Now that these two amendments have been set aside, it is important that we move swiftly to a compromise that will provide relief for consumers while insuring that we will not face supply shortages. I do not believe the defeat of these amendments means we can now go home satisfied that we have addressed natural gas problems.

In the days following these votes, the mood of the Senate has plainly turned to compromise. For the sake of my constituents, I would very much like to see a compromise bill pass the Senate and be signed into law before we are too far into this winter's heating season. There are some specific provisions that most of us can agree upon. It is time we incorporate these provisions into a broader bill that deals equitably with the concerns of everyone—Frost Belt and Sun Belt, gas producer and gas consumer, and the many other categories of interests in this debate.

It is with this in mind that I am today cosponsoring two amendments—those offered by Senators DANFORTH and BRADLEY. I believe that these two amendments, taken together, offer a bipartisan approach to our Nation's gas problems that warrent careful review by my colleagues. Their approaches are complementary, and would combine to offer added competition in the natural gas market, while providing a needed measure of consumer relief.

I am also cosponsoring these amendments because they both directly address the serious problem Midwest consumers now have with liquefied natural gas imported from Algeria. Both amendments have incorporated language from S. 1882, the LNG bill I introduced with 11 cosponsors. The House of Representatives has recently shown signs of adopting an LNG provision quite similar to S. 1882. It is time we stopped talking about more private renegotiations and regulatory processes, and took action to suspend ship-

ments of this vastly overpriced imported gas.

Any final compromise bill must contain provisions to address the problems of high cost imported LNG to the Midwest. I will be unable to support a bill unless such provisions are included. For any compromise bill to emerge from the Senate this late in the calendar year, it must have broad support. I am hopeful we can achieve this support quickly.

AMERICANS FAVOR ITEM VETO

Mr. DIXON. Mr. President, I continue to point out that the item veto is an important tool we could utilize in this country to help control spending if we would add this concept to the U.S. Constitution.

Congress should recognize that the American people, by a substantial margin, favor giving the President the item veto. Polls conducted since 1945 have indicated strong public support for this idea.

A Gallup poll appearing today confirms this situation once again. Gallup reports that 67 percent of our citizens support the item veto, while only 25 percent oppose it. These poll results conform to the general pattern of public support over the last four decades for the item veto, which the Governors in 43 States already possess.

At this point, I would like to request that a Chicago Sun-Times report on the Gallup poll results be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

[From the Chicago Sun-Times, Thursday, Nov. 17, 1983]

MOST FAVOR PRESIDENTIAL 'ITEM VETO'

PRINCETON, N.J.—President Reagan should be able to veto specific items in bills passed by Congress instead of having to veto or approve an entire bill, most surveyed voters say.

Two voters in three (67 percent) in the latest Gallup survey favor giving presidents item veto power, while 25 percent are opposed and 8 percent are undecided.

Large majorities for almost four decades have favored changing the present rule. When responses were first surveyed in 1945, 57 percent favored allowing chief executives to exercise item veto power.

Item veto power would stop "pork-barrel" legislation—the inclusion of items that serve narrow political interests, its proponents say. It could eliminate expensive riders and save millions of dollars, others say.

Those who favor the present system say it gives the legislative branch more power by forcing a president to accept items [particularly in appropriation bills] that he might not otherwise accept.

Solid support for giving presidents item veto power is found among all major population segments, including people of all political stripes and those with different educational levels, as shown here:

	Favor (pct)	Oppose (pct)	No opinion (pct)
National	67	25	8
Republicans	75	19	8
Democrats	63	30	7
Independents	66	26	8
College graduates	57	31	2
College incomplete	66	27	7
High school graduates	74	21	5
Did not complete high school	60	24	18
Oct. 21–24	67	25	8
1978	70	19	11
1977	69	20	11
1976	57	14	29

REVLON RESEARCH CENTER IN EDISON, N.J.

Mr. BRADLEY. Mr. President, New Jersey has a long tradition of nurturing innovation. We have spawned such great inventors as Thomas Edison and have been a home to such great scientists as Albert Einstein.

New Jersey knows that to maintain our leadership in the world economy, we must create new and better products. That will only happen with significant investment in research and development.

That is why I am so pleased that an important American company—Revlon—has chosen to establish its new research center in Edison, N.J. For a half a century, Revlon has been a leader in the cosmetics and fragrance industry in research, innovative packaging, and new production techniques. I am sure that this new facility will help them continue that tradition.

Revlon will be able to draw from an educated and well-trained work force. I look forward to the positive affect they will have on the State's economy. The new Revlon Research Center will help our State and our country retain our world economic leadership. I extend my congratulations to all the people of Revlon on the opening of the new research center. I look forward to watching their continued success.

TRIBUTE TO WILLIAM J. DUGAN

Mr. BRADLEY. Mr. President, recently I had the privilege of addressing the State convention of the New Jersey State Fireman's Association. At that time the association recognized their President for more than 20 years—William J. Dugan.

And I would like to take a few minutes today to pay tribute to this outstanding citizen of my State. Bill Dugan has dedicated his life to helping others. He first joined the Morris Township Fire Department in 1928, rising steadily in its ranks. He became a life member of his fire company in 1948. Five years later, in 1953, Bill Dugan became first assistant chief of the township fire department.

At the same time, Bill Dugan's leadership abilities were recognized by the New Jersey State Firemen's Association. He was elected its president in 1963 and continued in that office for 20 years—until his retirement this past July.

During his tenure as head of the State association, Bill Dugan devoted his energies to improving the training and readiness of New Jersey's local firefighting forces. He organized the Morris County Fire School which was later to become the Morris County Firefighters and Police Training Academy.

New Jersey owes much to all of its firefighters. But, in particular we owe a large debt of gratitude to the outstanding leadership of Bill Dugan.

NOMINATION OF DR. BERNARD GOLDSTEIN

Mr. BRADLEY. Mr. President, there is no better person to head the Environmental Protection Agency's Research and Development Office than Dr. Bernard Goldstein.

Dr. Goldstein is currently the chairman of the Department of Environmental and Community Medicine at New Jersey's College of Medicine and Dentistry. He has simultaneously served as an associate professor at the New York University Medical Center in their Department of Environmental Medicine and as chief of Middlesex General Hospital's division of Environmental and Community Medicine. His list of publications and activities in the field of environmental medicine is far too long to mention here. He is considered the leading national expert in environmental risk assessment. Dr. Goldstein is clearly eminently qualified to direct our Nation's search to find new ways to deal with the elimination of environmental hazards.

But Dr. Goldstein has another quality that makes me extemely pleased to see him assume the leadership of EPA's office of Research and Development. That is the ability to tell the facts in straight terms that everyone can understand.

Dr. Goldstein recently particpated in a conference I sponsored in New Jersey for local public health officials to help them understand the full dimensions of the toxic threats that are plaguing our State. I have tried to insure that these local officials, who have to deal on a day-to-day basis with public fears, have adequate information to communicate to the public about the progress—or lack of it—in cleaning up these toxic threats. I called upon Dr. Goldstein to speak to that conference and I was extremely impressed by the cogent remarks that he gave. Without minimizing the problem, without a lot of jargon, without patronizing his audience, Dr. Goldstein imparted a great deal of information and made clear how much more has to be done. Those communications

skills are sorely needed in Government and at EPA in particular.

Toxic wastes are an incredible problem for our country and for the State of New Jersey. They threaten our water supplies, they threaten the very lives of our families. We must find better ways to dispose of our wastes. Unfortunately, we have only just begun to recognize the dangers posed by years of irresponsible disposal of wastes. And, too frequently our belated response has been to push pollution around from one place to another. When we recognized the danger of air pollution, we devised systems to prevent the discharge of particulates. Instead, we took the soot and sludge and dumped them in the ocean. And when we became concerned about pollution in the ocean, we ordered the wastes buried in the ground. And now we have learned that what is buried in the ground can seep into and destroy our drinking water. Our problems have only moved with each new form of disposal. It will be up to Dr. Goldstein to help us find the new ways of disarming these toxic time bombs without creating new problems. I am satisfied that Dr. Goldstein has the commitment, the knowledge, and the determination to help us meet this challenge. And I am certain that he will give us straight answers to what needs to be done—in plain English, and without a lot of excuses.

My only sorrow is that we will miss his services to New Jersey. Nevertheless, the entire country, including New Jersey, will benefit from his talents.

NATIONAL OUTDOOR RECREATION RESOURCES REVIEW COMMISSION

Mr. McCLURE. Mr. President, I rise in support of S. 1090, as reported by the Senate Energy and Natural Resources Committee and the Senate Committee on Governmental Affairs. We Americans love the outdoors. We are spending more time outdoors having fun than ever before. As a result, participation in outdoor recreation has outpaced all previous governmental projection. By 1977, actual participation in white water canoeing and rafting was already 200 percent above projections made in 1965 for 1980. Hiking was approximately 100 percent over a comparable projection. Fishing, camping, hunting, skiing, all experienced large gaps between projections and actual participation rates. Snowmobiling, motorcycling, and boating continue to grow in popularity.

We are told that we cannot continue to expect dramatic growth in outdoor recreation. The U.S. Forest Service has projected outdoor recreation participation rates through the year 2030 and in virtually every case, the growth and participation will exceed the growth of the U.S. population. We need to prepare for this growth and to assure that not only the rich or the lucky have opportunities to participate in their choice of recreational activities. I was pleased to sponsor this legislation to create the National Outdoor Recreation Resources Review Commission. I fully expect that this commission will assist those of us in the Congress to take the actions necessary to see that recreational opportunities are available now and in the future for all our citizens. I am especially interested in having this commission focus on further needs. I look to it for help in assessing the social, technological, economic, and demographic changes which will shape both the quantity and the type of participation in recreation. We need to insure prompt action on this legislation, so that the commission can begin its work and submit its report for consideration and action by the 99th Congress.

NATURAL GAS POLICY ACT AMENDMENTS OF 1983

AMENDMENT NO. 2616, AS MODIFIED

Mr. McCLURE. Mr. President, I ask unanimous consent that section 101 of amendment number 2616 to the bill S. 1715, supra, be modified to reflect text which was inadvertently missing from the official copy of the amendment sent to the desk on November 15, 1983, and reprinted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the modified section 101 would read as follows:

LIMITATION ON PRICES FOR CERTAIN NATURAL GAS

SEC. 101. (a) Title I of the Natural Gas Policy Act of 1978 (15 U.S.C. 3311-3333) is amended by adding the following new subtitle:

"Subtitle C—Transitional Price Provisions

"SEC. 131. LIMITATION ON PRICES FOR CERTAIN NATURAL GAS.

"(a) GENERAL RULE OF APPLICABILITY.—

"(1) COVERAGE.—The provisions of this section shall apply to contracts for the first sale of natural gas produced in the contiguous forty-eight States or from adjacent portions of the Outer Continental Shelf, including gas purchased by a pipeline for use in pipeline transmission, but not including gas which is described in section 121(f) (1), (2), or (3).

"(2) PARTIES MAY ELECT.—The provisions of this section shall apply only if either party to a contract for the first sale of natural gas so elects.

"(A) NOTICE OF ELECTION.—The party making such election must give notice to the other party to the contract, and must file a copy of such notice with the Commission within five days.

"(B) ELECTION PERIOD.—The election must be made no later than the first day of the fifth full month after enactment of this section; such notice must have been received by the other party to the contract by that date.

"(C) EFFECT OF NON-ELECTION.—Where neither party to a contract for the first sale of natural gas so elects, the contract shall remain subject to the otherwise applicable provisions of this Act.

"(3) OPTIONS AVAILABLE TO NON-ELECTING PARTIES.—Where either party to a contract for the first sale of natural gas makes the election specified in paragraph (2), the other party shall have the options specified in this paragraph.

"(A) For a contract subject to subsection (c) where the seller elects to alter the contract by making the election specified in paragraph (2), the purchaser shall have the option, to be exercised within fifteen days of receipt of notice of an election, to agree to such election or terminate the contract. If such option is not exercised within such period, the purchaser shall be deemed to have agreed to such election.

"(i) If the purchaser exercises the option to terminate the contract, the purchaser or seller shall have the option to compel continued performance in accordance with the provisions of the terminated contract at the price specified in subsection (c)(2) until such date as the seller has entered into a contract with a new purchaser, unaffiliated with such seller, who is capable of receiving the gas that was subject to the terminated contract: *Provided, however,* That the seller's authority to compel continued performance under the terms of the contract shall expire at the end of twelve months. If the seller has not obtained such a new purchaser prior to the end of the first eighteen months of the thirty-six-month period specified in paragraph (c)(1), the purchaser may elect to no longer compel such continued performance by the producer as of such date.

"(ii) If the purchaser agrees to an election, the purchaser, at the end of the first eighteen months of the thirty-six-month period specified in paragraph (c)(1), shall have an additional option to terminate the contract subject to the provisions of subparagraph (i).

"(iii) Neither party to a contract terminated pursuant to this paragraph shall have any obligation to perform any act because of the contract after the effective date of termination of the contract, except as provided herein and in paragraph (7) of this subsection.

"(B) For a contract subject to subsection (b) where the purchaser elects to alter the contract by making the election specified in paragraph (2), the seller has the option, to be exercised within fifteen days of receipt of notice of election, to agree to such election or terminate the contract.

"(i) If the seller exercises the option to terminate the contract, such seller shall continue performance under the contract at the price specified in subsection (b)(2) until such date as the seller—

"(aa) enters into a contract with a new purchaser, unaffiliated with such seller, who is capable of receiving the gas that was subject to the terminated contract or—

"(bb) one year, whichever is earlier.

"(ii) If the seller agrees to an election, the seller, at the end of the first eighteen months of the thirty-six-month period specified in paragraph (c)(1), shall have an additional option to terminate the contract subject to the provisions of subparagraph (i).

"(iii) Neither party to a contract terminated pursuant to this paragraph shall have any obligation to perform any act because of the contract after the effective date of termination of the contract except as provided herein and in paragraph (7) of this subsection.

"(4) EXEMPTION.—The provisions of this section shall not apply to contracts for the first sale of gas if such contract meets the requirements for an exemption under this paragraph.

"(A) REQUIREMENTS.—To qualify for the exemption, the contract for the sale of natural gas must contain a clause that—

"(i) may be exercised at the option of the purchaser,

"(ii) enables the purchaser to adjust the price of natural gas subject to the contract; and

"(iii) does not prohibit the purchaser from adjusting the price to a price equal to the applicable price indicator.

"(B) DISQUALIFICATION.—The exemption shall not apply if the clause is not available for exercise by the purchaser on the first day of the second full month after the date of enactment of this section, or if the seller provides notice within thirty days after the enactment of this section that the clause does not satisfy the requirements set forth in paragraph (A).

"(5) EXPIRING CONTRACTS.—If a contract for natural gas not subject to section 121 (a), (b), or (c) of this Act has been the subject of an election under paragraph (2) of this subsection and if the contract expires prior to the expiration of the time periods specified in subsections (b), (c), or (d), performance under the contract by both parties shall continue at the price specified by such applicable subsections until the expiration of the period specified in subsection (d). Upon the expiration of such period, the termination of the contract shall be effective. The right of first refusal and right of first offer provisions of section 318 shall not apply to the sale of gas subject to such terminated contract.

"(6) RIGHT OF FIRST REFUSAL AND RIGHT OF FIRST OFFER APPLICABILITY.—Except as provided in paragraph (5), the right of first refusal and right of first offer in section 318 shall apply to the sale of gas subject to any contract terminated pursuant to this subsection.

"(7) RESTITUTION.—Either party to a contract terminated under this section that has received a good or service before the effective date of the contract termination shall have a duty to pay for that good or service as provided for in the contract. A party that has received payment for a good or service that was not provided before the effective date of contract termination shall have a duty to make restitution of the payment in cash or in kind in accordance with the provision of the contract.

"(b) APPLICATION TO HIGH PRICED GAS.—

"(1) GENERAL RULE.—Beginning with the first day of the second full month after the date of enactment of this section, and effective for a ceiling price limitation period of thirty-six months thereafter, the price of natural gas subject to this subsection shall be the lower of the contract price or the computed price under paragraph (2) for a contract which was the subject of an election by one party and the agreement of the other party under the procedures of subsection (a)(3)(B). In no event, however, shall the price of natural gas subject to this subsection be less than the price established by the applicable price indicator.

"(2) COMPUTER PRICE.—The computed price per million Btu's under this subsection for any month shall be equal to the base price, minus the quotient of the surplus price divided by the number of months in the price control period.

"(3) GAS COVERED BY THIS SUBSECTION.—This subsection applies to the first sale of any gas where the price in effect for such sale on the first day of the second full month following the date of enactment equals or exceeds the applicable price indicator on that date.

"(c) APPLICATION TO LOW PRICED GAS.—

"(1) GENERAL RULE.—Beginning with the first day of the second full month after the date of enactment of this section, and effective for a ceiling price limitation period of thirty-six months thereafter, the price of natural gas subject to this subsection shall be the computed price under paragraph (2) for a contract which was the subject of an election by one party and the agreement of the other party under the procedures of subsection (a). In no event, however, shall the price of natural gas subject to this subsection exceed the price established by the applicable price indicator.

"(2) COMPUTED PRICE.—The computed price per million Btu's under this subsection for any month shall be equal to the base price, plus the quotient of the price controlled price divided by the number of months in the price control period.

"(3) GAS COVERED BY THIS SUBSECTION.—(A) Except as provided in paragraph (B), this subsection applies to the first sale of any gas where the applicable price indicator exceeds the price in effect for such sale on the first day of the second full month following the date of enactment of this section.

"(B) This subsection does not apply to the first sale of any gas which meets the requirements of paragraph (A) but is the subject of a definite price contract in effect on the date of enactment of this section.

"(4) For the purposes of this subsection, the term "definite price contract" means any contract for the first sale of natural gas in which the price is specified exclusively in terms of an initial specific price per unit, with or without specified escalations at specified intervals.

"(d) ADDITIONAL PERIOD FOR CONTRACT PRICE LIMITATION.—The contract price of natural gas subject to subsection (b) or (c) shall not exceed the free market price indicator for—

"(1) an additional six months following expiration of the thirty-six month period specified in subsection (b) or

"(2) an additional six months following expiration of the thirty-six month period specified in subsection (c).

"(e) DEFINITIONS.—For purposes of the calculation required by this section, the term—

"(1) 'base price' means, for any calendar month, the price for that gas for the previous calendar month;

"(2) 'price control period' is the divisor and means the number of calendar months, including the current month, remaining before the expiration of the ceiling price limitation period specified in the general rule, plus one;

"(3) 'price controlled price' is the dividend and means the amount by which the applicable price indicator exceeds the base price; and

"(4) 'surplus price' is the dividend and means the amount by which the base price for that gas exceeds the applicable price indicator.

"(f) APPLICABLE PRICE INDICATOR.—

"(1) TEMPORARY PRICE INDICATOR.—A temporary price indicator equal to the price computed under section 103 of this Act will be the applicable price indicator for the first six months of operation of this section. It will go into effect the first day of the second full month after enactment of this section.

"(2) FREE MARKET PRICE INDICATOR.—Beginning on the first day of the eighth full month after enactment of this section, the free market price indicator will be the applicable price indicator. The term 'free market price indicator' means, for a particular month, the volume weighted average of the price per million Btu's for natural gas under contracts exempt from ceiling prices pursuant to section 121(f)(1) entered into during the six months prior to the month in which the calculation is made and under contracts for imports authorized under section 3 of the Natural Gas Act which are authorized during the six months prior to the month in which the calculation made, including all subsequent amendments to such contracts made during such six-month period. Any allowances subject to section 110 of this Act shall be excluded from the calculation.

"(g) PUBLICATION.—Beginning with the first day of the seventh full month after enactment of this section and continuing for thirty-six months thereafter, the Commission (in accordance with section 101(b)(6)) shall compute and publish the free market price indicator for each succeeding month.

"(h) FILING REQUIREMENT.—

"(1) A purchaser of natural gas under a contract subject to section 121(f)(1) shall file with the Commission within five days of the date on which such contract is executed or amended within six months of execution—

"(A) a summary of the contract and all ancillary agreements, including all pricing provisions;

"(B) the prices to be paid under the contract during the first six months of deliveries;

"(C) the estimated volumes (in millions of Btu's) to be delivered during the first six months; and

"(D) any additional data required by the Commission.

"(2) A copy of the data filed for each contract, and contract amendment, shall be served by the purchaser of the gas on the other parties to the contract.

"(3) At the end of the period when the Commission ceases computing and publishing the free market price indicator, in accordance with section 131(g), a purchaser's filing obligation under this subsection shall terminate.

"(i) SECTION 110 ALLOWANCES.—A price for the first sale of natural gas shall not be considered to exceed the price established for the first sale of such natural gas under this section if such price exceeds the price established hereunder due to any allowance established under the provisions of section 110 of this Act.

"(j) CONTRACTS COVERING MORE THAN ONE CATEGORY OF NATURAL GAS.—For pruposes of subsection 131(a), any contract covering two or more categories of natural gas for purposes of pricing the natural gas delivered under the contract shall be treated as two separate contracts if one or more categories is priced as stated in 131(b)(3) and one or more categories is priced as stated in 131(c)(3). In such event, one contract shall be considered to include all categories priced as stated in 131(b)(3) and the other contract shall be considered to include all categories priced as stated in 131(c)(3).

"(k) COMMISSION RULES.—Within thirty days of the enactment of this section, the Commission shall issue rules to implement this section.".

(b) The table of contents of the Natural Gas Policy Act of 1978 (15 U.S.C. 3301 note)

is amended by inserting after the item relating to section 123 the following:

"SUBTITLE C—TRANSITIONAL PRICE PROVISIONS

"Sec. 131. Limitation on ceiling prices for certain natural gas.".

(c) TECHNICAL AMENDMENTS.—

(1) Section 101(b)(5) of the Natural Gas Policy Act of 1978 (15 U.S.C. 3311(b)(5)) is amended by striking the period at the end and inserting the following: ", but in no event shall the operation of this paragraph be deemed to entitle any seller of certain natural gas subject to section 131 to collect a price in excess of the price under section 131.".

(2) Section 101(b)(9) of the Natural Gas Policy Act of 1978 is amended by striking the period at the end and inserting the following: ", except as provided in section 131.".

(3) Section 105(b)(3)(B) of the Natural Gas Policy Act of 1978 is amended by adding a new sentence at the end to read as follows: "This definition shall not include any clause which establishes the price for natural gas exempted from the operation of this title pursuant to section 121(f).".

(4) Section 601(b)(1)(A) of the Natural Gas Policy Act is amended by striking "or" at the end of clause (i), replacing the period at the end of clause (ii) with a semicolon and "or", and inserting clause (iii) as follows: "(iii) such amount is the price under section 131 (b)(1) or (c)(1).".

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to House Concurrent Resolution 126, appoints the Senator from Hawaii (Mr. MATSUNAGA) as a member of the Special Joint Committee on Arrangements for the Commemoration of Harry S. Truman's 100th birthday, vice the Senator from Ohio (Mr. METZENBAUM), appointed through an inadvertence.

URBAN TRANSPORTATION ACT

Mr. LUGAR. Mr. President, I wish to engage my colleague from Utah in a colloquy concerning eligible projects under section 9 of the Urban Mass Transportation Act. When the Congress established section 9 of the Surface Transportation Assistance Act of 1982 it authorized a wide variety of projects including historic transportation facilities with related private investment. Was it your understanding in developing this language that the renovation of the historic canal in Indianapolis was eligible for funding under the city's formula allocation?

Mr. GARN. Yes, that certainly was our understanding of that part of the definition of eligible projects under section 9. In addition, I understand that the plans for the project call for a number of transit elements that will be physically and functionally related to the overall project. There are also long-range plans for additional transit elements. In sum, I think the project clearly is within the scope of section 9 of the Urban Mass Transportation Act.

JOSEPH DIGENOVA, U.S. ATTORNEY

Mr. MATHIAS. Mr. President, the Senate has expressed its confidence in Joseph diGenova by confirming his nomination as U.S. attorney for the District of Columbia. This unanimous action of Senators gave me a great deal of personal satisfaction because of my friendship for and professional association with Joe diGenova. He served for several years on my staff and on the staff of the Senate Committee on Rules and Administration. But we can all be pleased in that a person of his talent and professional dedication is now the chief Federal legal officer in the National Capital. All of us who work or live in the District of Columbia will benefit from his service.

Much as I hate to admit it, Joe is not a native Marylander. He was born and raised in Wilmington, Del. When the Committee on the Judiciary met last week to consider Joe's nomination, the junior Senator from Delaware, Mr. BIDEN, expressed his only regret about the nomination: That Joe diGenova was on the way to take his post in the District of Columbia, rather than in the District of Delaware. In this case, Wilmington's loss is Washington's gain.

Joe diGenova's new assignment is certainly a challenging one. He will supervise a staff of 182 attorneys, who represent the Federal Government in every kind of civil and criminal case imaginable, as well as some that we probably cannot imagine.

I am confident that he is up to the challenges ahead and I am sure that every Member of this body, which Joe loves and serviced so well, joins me in congratulating him and wishing him well in his new position.

Joe has already distinguished himself in public service. Upon graduation from the Georgetown University Law Center in 1970, Joe clerked for Judge George Gallagher of the District of Columbia Court of Appeals, and then served for 3 years as a prosecutor in the U.S. attorney's office which he will now head. Eight years ago, in 1975, he came to Capitol Hill to serve as counsel to the Senate Select Committee on Intelligence. Following that challenging assignment, he returned briefly to the executive branch, as an adviser to Attorney General Edward Levi. In 1977, he came to work for me, and served me in several capacities, including legislative director and administrative assistant. In 1981, when I became chairman of the Committee on Rules and Administration, Joe was the logical choice to become chief counsel and staff director. Early last year, he was asked to assist Stanley Harris as the principal assistant U.S. attorney for the District of Columbia. Now the Senate has confirmed Judge Harris as a U.S. district judge, and Joe has become his successor in the U.S. attorney's office.

SOUTH CAROLINA CASUALTIES IN THE BEIRUT, LEBANON TERRORIST ATTACK.

Mr. THURMOND. Mr. President, October 1983 will be remembered as a month in which America, while sustaining heavy casualties in a terrorist bombing in Lebanon and preventing a Cuban-backed takeover in Grenada, stood firm in the defense of freedom. While our flags fly at half-mast and our hearts are heavy with grief, our firm determination to assist freedom-seeking nations has never been more unshakeable.

There is no alternative to freedom. These brave men who have paid the ultimate price protecting this precious commodity have not died in vain and their sacrifices will not be forgotten.

Mr. President, South Carolinians have long resisted any attempt to deny them liberty. Our patriotic citizens successfully defended a small coastline outpost against the British in 1776 and since that day, they have never wavered in their resistance to tyranny. True to their heritage, there were South Carolinians carrying out the task assigned to the multinational peacekeeping force in Lebanon when it was attacked by suicide bombers.

In their honor, I place before the Senate the names of six servicemen from the Palmetto State who died in this incident.

Killed were Navy Corpsman Ronnie Kent Bates of Aiken and five marines: Sgt. Freddie Haltiwanger, Jr., of Little Mountain, S. Sgt. Richard Holberton of Beaufort, L. Cpl. Michael Sauls of Walterboro, Gun. Sgt. Scipio Williams, Jr., of James Island and Capt. William E. Winter of Fripp Island.

Although some may question our reason for being in Lebanon, these young men knew that America had an obligation as a peace-loving Nation to help bring an end to war and provide stability in the Middle East. This obligation is not new, but one we also recognized and fully accepted in 1948 to assure the continued existence of Israel as a nation. These men also knew that their task would be a dangerous one. Lebanon has been ravaged by internal warring factions for years.

Also, these servicemen were fully aware that on every side, terrorists and Soviet-trained soldiers alike were plotting to prevent any attempt to negotiate a peaceful settlement. They realized that there could be no democracy, no freedom, and no independence for the people of Lebanon until peace and stability were restored.

If America were to turn its back on Lebanon, these six brave men knew the cause of the terrorists and opposing soldiers would gain a new momentum, which would serve to advance their efforts throughout the Middle East and in other nations.

During my lifetime, Mr. President, I have seen an alarming increase in threats to freedom around the world. America cannot ignore the pleas for help from innocent, helpless nations under seige. We are a nation with global interests which carry global responsibilities.

It is a painful occasion for us to lose these young people who are among the youth who promise a bright future for America. However, by this sacrifice they have insured that the pursuit of democratic ideals will continue. We grieve with their families and friends, and offer our heartfelt condolences during this period of suffering.

Let us reaffirm our commitment to the principles which made this nation great. Let us not shrink from our duty to promote, protect, and defend the search for freedom at home and abroad.

Mr. President, it is a sad occasion for me to bring the names of these six South Carolina servicemen to the attention of the Senate. However, I am heartened to know that the CONGRESSIONAL RECORD will forever contain these names in honor and memory of the exemplary courage, patriotic sacrifice, and dedicated service of these six South Carolinians and 234 others who were killed, and the 79 who sustained wounds in Beirut, Lebanon on Sunday, October 23, 1983.

JERRY KRAMER: STILL A WINNER

Mr. SYMMS. Mr. President, the American people—especially our young people—need heroes that they can look up to; heroes that can set good examples for all of us to follow. One of Idaho's hero's and mine is Jerry Kramer, the pride of Sandpoint, Idaho, who went on to become the greatest offensive guard in National Football League history.

Jerry and I played football together at the University of Idaho, and we were also fraternity brothers. His brilliant career with the Green Bay Packers spanned 11 years, including 5 NFL championships and the first two Super Bowls. He won all-pro honors five times and was named the Most Courageous Player of 1967, in addition to being named the greatest offensive guard in NFL history.

He retired from professional football 16 years ago, but Jerry is still competing as hard in the business world as he did on the gridiron. And he's just as successful. That is because the lessons he learned from Green Bay's legendary coach Vince Lombardi—"no pain, no gain," "strive for perfection"—apply to the rest of life as well as they do to sports.

On November 6, Howie Stalwick, a sports writer for the Spokane Spokesman-Review, brought the readers of that newspaper up to date on the latest activities and achievements of my friend and hero Jerry Kramer. I want to share his fine article, and Jerry's inspirational example, with my colleagues. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A SUCCESS: FORMER FOOTBALL GREAT JERRY KRAMER KNOWS NO OTHER STYLE

(By Howie Stalwick)

Sixteen years have passed since Jerry Kramer's glory days in the National Football League, but Kramer still competes in the big leagues.

Not that he ever planned on leaving. When Kramer exchanged his football helmet for a briefcase after the 1967 season, he set out to equal or surpass his accomplishments on the gridiron.

That's a mighty tall order. From Sandpoint High School and the University of Idaho, Kramer emerged to become the man named the greatest offensive guard in NFL history.

During his 11-year pro career, Kramer watched legendary Coach Vince Lombardi transform the Green Bay Packers from the laughingstock of the NFL into a symbol of greatness in America. Kramer won all-pro honors five times and helped Green Bay win five NFL championships and the first two Super Bowls.

All that, and Kramer sometimes makes his football achievements sound trivial compared to his big-time doings in the business world. He won't admit as much, but when Kramer estimates "12 to 15 of the guys I played with on the Packers are now millionaires," count him in.

After reaping major dividends from various investments and three football books he co-authored with Dick Schaap, Kramer has devoted most of his attention in recent years to developing projects in the oil, gas and geothermal industries.

The man who once scrapped and fought with Lombardi over a few hundred dollars now travels all over the country to keep tab on investments that could bring him and his two partners millions.

"I'm doing OK," Kramer allows. "These are projects, though.

"There could be awfully big profits, or zero.

"You never know. It could make us a bundle, or you could lose your shirt.

"You could work three or four years on a project and not come up with anything."

Obviously Kramer "comes up with something" more often than not. He competes just as hard in business as he did in football, because Kramer has discovered the lessons of Lombardi apply to life as well as sport.

"Life has been pretty good," he said by telephone while taking a breather recently at his daughter's Green Bay home. "The problem is, Lombardi taught you to look for perfection, to strive for perfection, and you find that's difficult to find in the business world.

"If seven things work out and three don't work out, the only ones I think about are the three that don't work out."

Kramer has adjusted to the world outside of sport with uncommon flair. Still, he had to overcome the mental and physical letdown felt by so many former athletes when their careers end.

"I've just been kind of looking for something interesting and exciting," he said. "It's hard to find something to compete with the Super Bowl.

"After all those wonderful years in Green Bay, it's kind of hard to sell shoes or something. I've been looking for something that's not just financially stable, but something interesting."

Kramer appears to have found his niche, though his rugged travel schedule leaves him maybe one week a month to spend at his ranch near Parma in southwestern Idaho.

"It's tough," admits Kramer, who has six children, three by his second wife.

"I've got a lovely wife, lovely kids. I shouldn't have gotten as involved as I have. . . ."

Ah, but Lombardi always preached, "No pain, No gain." Kramer was one of Lombardi's prize pupils, a man who sacrificed his body so zealously for the good of the team that he long ago lost count of his encounters with the surgeon's scalpel.

"I don't know—23, 24 maybe," Kramer guesses. No wonder teammates nicknamed him "Zipper," in reference to his many surgical scars.

The man has no regrets, though.

At 47, Kramer said he feels fine. His days with the Packers, it seems, provided him with eternal youth.

"In some ways it was a little bit like Camelot, I guess," Kramer said. "I saw 'Camelot' in New York, with (Robert) Goulet, (Richard) Harris, (Richard) Burton.

"It was a great play, and I remember this one part: 'Let it never be forgot, that once upon this spot, for one bright and shining moment, there's a place called Camelot.'

"The further I get away from it (his Packer days), the more it seems like it was our Camelot—one shining moment," Kramer said dreamily. "That 11-year period was a magical time, a great time."

The glib, well-spoken Kramer was always a favorite with the fans and media during his playing career. Combining his great talent and that of his teammates, Kramer earned an unusual amount of notoriety for an offensive lineman.

Kramer carved a niche for himself in pro football history with his famous block of all-pro tackle Jethro Pugh in the "Ice Bowl."

In the waning moments of the 1967 NFL title game, played in the horrendous, subzero cold that only Green Bay could provide, Kramer blasted Pugh into the end zone to allow Bart Starr to score the winning touchdown in Green Bay's 21-17 win over Dallas.

A few months later, Kramer announced his retirement. He rarely has looked back since, even when an NFL committee in 1969 named him the greatest offensive guard of all time.

"It's nice to be chosen in the company of Johnny Unitas, Jimmy Brown, some of the great players," Kramer admits.

"But that was yesterday. Now I really don't think a lot about it.

"My wife put my trophies in the office and put hers out in the front room. She was 'Miss Chicago' a couple years."

Wink Kramer's husband was the toast of Green Bay for 11 years. Now he probably makes more money each year than he made in his entire NFL career.

The pride of Sandpoint was, is and probably always will be a success. He knows no other way.

"It's a long way from 'Sandy Point,'" he said, laughing softly. "It sure as hell is."

THE PLIGHT OF SOVIET JEWRY

Mr. CHAFEE. Mr. President, despite international outrage, the Soviet Union has maintained its prejudicial policies toward Soviet Jews. Jews in the Soviet Union are discouraged from freely practicing their religious and cultural activities, and Soviet emigration policies for Jews have become dramatically more restrictive in the past year.

In August of this year, I joined my distinguished colleagues in sending a letter to Soviet Chairman Yuri V. Andropov, urging him to reverse the current restrictive emigration policies of the Soviet Government. Despite this, and other expressions of concern, the situation in the Soviet Union has remained the same.

The Jewish population of the Soviet Union is the third largest Jewish population in the world; only the Jewish populations of Israel and the United States are larger. Against all evidence to the contrary, the Soviet Government contends that the majority of Jews wishing to emigrate from the Soviet Union have already done so. If this were the case, why are there thousands of cases of individuals who have been denied the right to emigrate from the Soviet Union? In 1979, 50,000 Jews were allowed to emigrate from the Soviet Union, but in 1983, a mere 3,000 Jews will be granted exit visas. This drastic drop in emigration only underscores the current state of Soviet repression.

Religious freedom is a doctrine upon which our country was built and for which the United States has always fought. It is for this reason that I join the Jewish Federation of Rhode Island in condemning Soviet intransigence on the question of the emigration of Soviet Jews.

Mr. President, this matter is of great concern to my State and the Nation as a whole. The Council of Synagogues of America in conjunction with the National Conference on Soviet Jewry has declared the week of December 2 through December 9, 1983, a week of recognition for the plight of Soviet Jews wishing to emigrate from the Soviet Union. The Women's Division of the Jewish Federation of Rhode Island has joined these two organizations in urging all of us to remember this deplorable situation during that week. I ask unanimous consent that the letter from the Women's Division of the Jewish Federation of Rhode Island to me be inserted in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

JEWISH FEDERATION
OF RHODE ISLAND,
Providence, R.I., November 7, 1983.

Hon. JOHN H. CHAFEE,
301 Post Office Annex,
Providence, R.I.

DEAR SENATOR CHAFEE: We know you are familiar with the deplorable injustices in the Soviet Union. In 1979, over 50,000 Jews were allowed to leave; in 1983 less than 3,000 Jewish people will be able to emigrate. It is important that the world remember the 3 million Jews remaining in the Soviet Union who are denied religious freedom.

The Women's Plea for Soviet Jewry in Rhode Island will recognize the desperate plight of Soviet Jews during the week of December 2-December 9. This will be in conjunction with our holiday of Hanukah, our festival of freedom and United Nations Human Rights Day on December 10.

Because of your deep commitment to religious freedom and rights for all, we urge you to publicly recognize our plea and do whatever you think appropriate.

Sincerely,

MAXINE RICHMAN,
Co-Chairman, Women's Plea for Soviet Jewry.
BONNIE RYVICKER,
Co-Chairman, Women's Plea for Soviet Jewry.
GERALDINE S. FOSTER,
President, Women's Division.

PRESIDENT CHAIM HERZOG OF ISRAEL AT THE UNITED NATIONS

Mr. JOHNSTON. Mr. President, I was very disappointed this morning by an account of yesterday's session of the United Nations General Assembly and the events surrounding an address by Israeli President Chaim Herzog.

According to The New York Times, virtually all of the Communist block nations and every Arab nation, with the exception of Egypt, boycotted the address by President Hezog. A page 1 photograph of the general assembly floor shows members of the Iraqi delegation leaving their seats even as the President of Israel prepared to speak.

While I am troubled by this affront to Chaim Herzog and the Israeli delegation, I am concerned even more by what it may say about our hopes for a reasoned dialog, for meaningful negotiations to resolve the issues which stand in the way of peace in the Middle East.

The United Nations, if it is nothing else, is the one single, global forum available to us to address the world's conflicts in a positive and peaceful way. As the ancient Chinese philospher Lao Tzu observed, "A journey of a thousand miles must begin with one step." And while the United Nations cannot be the final guarantor of peace, it can be the first step in the long journey to peace.

Even in this limited role, however, the United Nations is powerless when parties to conflict refuse to take that first step, refuse to join in constructive dialog, refuse even to listen to the viewpoint of others.

It is not the President of Israel nor the nation of Israel which is injured most by such actions as the Communist and Arab boycott of the United Nations, but the cause of peace itself.

I ask unanimous consent to have The New York Time article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MANY BOYCOTT HERZOG SPEECH

UNITED NATIONS, N.Y., November 16.—Some 70 countries were absent when President Chaim Herzog of Israel addressed the General Assembly this morning. The absentees included virtually all the Communist countries; the Arab countries, except Egypt, and many countries espousing nonalignment.

Most of the absent delegates simply did not attend the session, though several Arab representatives, including Algeria, Iraq, Libya and Syria walked out of the Assembly hall as Mr. Herzog was coming to the podium to speak.

An Israeli spokesman, whose delegation here made note of the representatives who were not present at today's session, said that some delegations commonly miss General Assembly meetings and that the absence of those countries should not be seen as an anti-Israeli gesture.

It has been a common practice for many years here for a large group of countries to boycott Israeli appearances before the General Assembly.

According to a list prepared by the Israeli Consulate, the members that did not attend today's session included Afghanistan, Albania, Algeria, Angola, * * * Bulgaria, Burundi, Byelorussia, Cambodia, Cameroon, Cape Verde, Central African Republic, Chad, China, Comoro Islands, Congo, Cuba, Cyprus, Czechoslovakia, Djibouti, Dominica, Dominican Republic, East Germany, Gabon and Gambia.

Also not present were Ethiopia, Ghana, Grenada, Equatorial Guinea, Guinea, Guinea-Bissau, Guyana, Hungary, India, Indonesia, Iran, Iraq, Jordan, Kuwait, Laos, Lebanon, Libya, Madagascar, Malasia, Maldives, Mali, Mauritius, Mongolia, Morocco, Mozambique, Nicaragua, Niger, Nigeria, Oman, Pakistan and Poland.

Others were Qatar, Rwanda, Sao Tome and Principe, Saudi Arabia, Senegal, Seychelles, Somalia, Southern Yemen, Soviet Union, the Sudan, Suriname, Syria, Trinidad and Tobago, Tunisa, Uganda, the Ukraine, United Arab Emirates, Upper Volta, Vanuatu, Vietnam, Yeman and Zimbabwe.

PRESIDENT CHAIM HERZOG OF ISRAEL AT THE UNITED NATIONS

Mr. MOYNIHAN. Mr. President, the American Government ought do more than simply protest the shameful treatment accorded President Chaim Herzog of Israel yesterday at the U.N. General Assembly. It should do

promptly what it should have done long ago; it should recognize formally that the city of Jerusalem, reunited and undivided, is and shall remain the capital of the State of Israel. The principal manifestation of such a policy would be to locate the U.S. Embassy in Israel in the city of Jerusalem.

The New York Times reports today that "some 70 countries were absent when President Chaim Herzog addressed the General Assembly. * * * The absentees included virtually all the Communist countries; the Arab countries, except Egypt, and many countries espousing nonalignment."

President Herzog's address was a plea for peace in the turbulent region of the Middle East. "Let us begin to talk," said Mr. Herzog. "Let us open a dialog. Let us forget the bitterness of the past."

Those to whom he spoke refused even to listen. The delegate of Iraq objected to President Herzog's presence, he said before walking out, because, according to U.N. resolutions, Israel's assertion that Jerusalem is its capital is null and void. He thus reminded us of the slow and steady encroachment upon Israeli sovereignty occasioned by these U.N. resolutions—an encroachment in which the United States has acquiesced by not recognizing the reality that Jerusalem is and shall remain Israel's capital.

The subtle yet pernicious effect of current American policy is to undermine the prominent and vociferous protestations of friendship that American Presidents and Secretaries of State issue regularly with respect to Israel. How close a friend can Israel be, after all—other nations must wonder—when the U.S. Government publishes maps that do not indicate East Jerusalem to be a part of Israel? What kind of message do we send to Israelis, and to Israel's hostile neighbors, when we refuse to send envoys to its capital?

The world has come to recognize that a traditional measure of American relations with another country is the nature and quality of our diplomatic relations with that country. For Israel's most important friend in the world to refuse to acknowledge that Israel's capital is its own, perpetuates the lie that Israel is an illegitimate, misbegotten state. And that it gives encouragement and false hope to Israel's enemies that the United States can be pressured and cajoled into abandoning Israel. This encourages intransigence and obstructionism, of even American initiatives.

This is why on October 31, 1983, I introduced S. 2031, a bill of 28 words that would require the U.S. Embassy in Israel, as well as the residence of the American Ambassador to Israel, to be located in the city of Jerusalem.

The chairman of the Senate Committee on Foreign Relations (Mr. PERCY) has pledged to hold hearings on the proposal I have made. In fact, properly recognizing the growing urgency of this matter, the chairman recently reassured me the hearings will be held at any early date.

This need not and should not be a partisan matter. Both parties should pledge themselves forthwith to work for the recognition of Jerusalem by the United States as Israel's capital city. For the United States to continue to say, in effect, that Israel does not have a capital city is to say that Israel is less than a sovereign nation. It is to join the majority in the U.N. General Assembly in denying that Israel is a legitimate state.

Once again, I invite my colleagues to join me as cosponsors of S. 2031. To date only eight have done so. Senators BENTSEN, COHEN, DODD, EXON, LAUTENBERG, LEVIN, SPECTER, and ZORINSKY. I would also urge the members of the Committee on Foreign Relations to cooperate in the convening of the early hearings Chairman PERCY has promised.

I ask unanimous consent to have material in connection with this subject printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Thursday, Nov. 17, 1983]

ISRAELI BIDS ARABS "OPEN A DIALOG"

"LET US FORGET THE BITTERNESS OF THE PAST," HERZOG SAYS IN ADDRESS AT THE UNITED NATIONS

(By Richard Bernstein)

UNITED NATIONS, N.Y., Nov. 16.—President Chaim Herzog of Israel, in a speech that was applauded by some delegates and boycotted by many others, appealed today to Arab countries to negotiate their differences with his Government.

Mr. Herzog, speaking in a half empty General Assembly Hall, said:

"For years, we maintained that dialog is the only road to peace and that negotiations, however protracted and difficult, must lead to positive results. Let us begin to talk. Let us open a dialog. Let us forget the bitterness of the past."

President Herzog spoke on the third day of an 11-day tour of the United States in which he has been meeting with Jewish groups. On Tuesday, he is expected to see President Reagan.

As Mr. Herzog was introduced to the General Assembly, Wissam Zahawie of Iraq objected on the ground that, according to United Nations resolutions, Israel's claim that Jerusalem was its capital was "null and void."

PANAMANIAN DEFENDS PRESENCE

The president of the General Assembly, Jorge Enrique Illueca of Panama, said Mr. Herzog's presence, as the head of state of a United Nations member country, "in no way prejudices United Nations resolutions."

As Mr. Herzog rose to speak, a number of delegations, including most of the Arab countries and Iran, walked out. About 70 of the 158 member countries were not present, but most of them, including the Soviet bloc countries, had simply not come to the session. Some of those present applauded as Mr. Herzog was introduced and at the end of his speech.

Mr. Herzog criticized what he called the United Nations' "campaigns of calumny and vilification" against Israel. He reiterated Israel's intention of eventually withdrawing all of its forces from Lebanon and said that Israel would not agree to renounce the Israeli-Lebanese withdrawal agreement signed earlier this year.

PALESTINIANS WITHOUT LEADERS

Calling Anwar el-Sadat of Egypt "a great leader of towering stature," Mr. Herzog affirmed Israel's commitment to the Camp David agreement that led to peace between Israel and Egypt and provided for negotiations on the autonomy of the occupied West Bank. He said that, if the Palestine Liberation Organization had agreed to participate in the autonomy talks, the Palestinians "would now have been living in a regime of full autonomy."

"The tragedy of the Palestinian people has been their leadership, which has invariably rejected compromise," Mr. Herzog said. "The net result has been that Israel has invariably succeeded and the Palestinian cause has invariably failed."

Mr. Herzog, who is a former delegate to the United Nations, said he was "grieved and pained" that so many delegates refused to attend.

"There are countries," he said, "whose delegates have left this hall who apply for, and receive, technical and agricultural aid from Israel, who send students to train in Israel and, yet, who left this hall for no other reason than fear."

When an Israeli spokesman was asked which countries were meant, he said the information was not available.

On the withdrawal accord with Lebanon, Mr. Herzog said:

"How tragic it is, against the background of the human misery which has been the lot of the Lebanese people since 1975, to observe that an agreement which will advance the cause of peace in Lebanon is the main target of the Syrian Government, in pursuance of its policy of absorbing Lebanon and creating a Greater Syria.

"The sooner Syria accedes to the Lebanese Government's demand to remove its occupying army from Lebanon, the better will it be for Lebanon and for the prospects of bringing peace and stability to the entire region."

MANY BOYCOTT HERZOG SPEECH

UNITED NATIONS, N.Y., Nov. 16.—Some 70 countries were absent when President Chaim Herzog of Israel addressed the General Assembly this morning. The absentees included virtually all the Communist countries; the Arab countries, except Egypt, and many countries espousing nonalignment.

Most of the absent delegates simply did not attend the session, though several Arab representatives, including Algeria, Iraq, Libya and Syria walked out of the Assembly hall as Mr. Herzog was coming to the podium to speak.

An Israeli spokesman, whose delegation here made note of the representatives who were not present at today's session, said that some delegations commonly miss General Assembly meetings and that the absence of those countries should not be seen as an anti-Israeli gesture.

It has been a common practice for many years here for a large group of countries to

boycott Israeli appearances before the General Assembly.

According to a list prepared by the Israeli Consulate, the members that did not attend today's session included Afghanistan, Albania, Algeria, Angola, Bahrain, Bangladesh, Benin, Botswana, Bulgaria, Burundi, Byelorussia, Cambodia, Cameroon, Cape Verde, Central African Republic, Chad, China, Comoro Islands, Congo, Cuba, Cyprus, Czechoslovakia, Djibouti, Dominica, Dominican Republic, East Germany, Gabon and Gambia.

Also not present were Ethiopia, Ghana, Grenada, Equatorial Guinea, Guinea, Guinea-Bissau, Guyana, Hungary, India, Indonesia, Iran, Iraq, Jordan, Kuwait, Laos, Lebanon, Libya, Madagascar, Malaysia, Maldives, Mali, Mauritius, Mongolia, Morocco, Mozambique, Nicaragua, Niger, Nigeria, Oman, Pakistan and Poland.

Others were Qatar, Rwanda, São Tomé and Príncipe, Saudi Arabia, Senegal, Seychelles, Somalia, Southern Yemen, Soviet Union, the Sudan, Suriname, Syria, Trinidad and Tobago, Tunisia, Uganda, the Ukraine, United Arab Emirates, Upper Volta, Vanuatu, Vietnam, Yemen and Zimbabwe.

ADDRESS BY H. E. MR. CHAIM HERZOG, THE PRESIDENT OF ISRAEL TO THE UNITED NATIONS GENERAL ASSEMBLY

Mr. President, I rise with no small sense of nostalgia to address this distinguished Assembly and in so doing, I take the opportunity to congratulate you, a former colleague of mine in this Organization, on your election to the Presidency of the Assembly, and to wish you well.

As I look out at this Assembly, I am grieved and pained to note that politics of fear still persist. Here in the demonstrative departure from this hall of the delegates from some countries, is summed up for you in the most succinct and telling manner the problem that Israel faces in the Middle East. Here you see the problem of the unwillingness of nations to listen to each other, to enter into a dialog, to try to understand each other. There are countries whose delegates have left this hall who apply for, and receive, technical and agricultural aid from Israel, who send students to train in Israel, and yet, who left this hall for no other reason than fear.

Here you have been exposed in the most dramatic and telling manner to the core of the problem of the Middle East. An unwillingness to talk, to negotiate. A fear of being exposed to the other side's views. The politics of fear, of assassination of intimidation, of threat and subversion, which motivate all too many countries in the world in general and in our Middle East region in particular, are reflected in the behaviour of so many delegations to this Assembly.

For years, since the establishment of the State of Israel, representative after representative of our Government, myself included, have stood before this Assembly and declared that our conflict with our Arab neighbours cannot be solved on the battle field. It can only be resolved at the negotiating table. We maintained that we are prepared to negotiate on all issues. True, our Governments have invariably adopted a clear policy on this or that issue, but we have never proposed negotiations with prior conditions.

For years we maintained that dialog is the only road to peace and that negotiations, however protracted and difficult must lead to positive results. For years we maintained that no advance could be made without negotiations and no negotiations had ever taken place between us and our Arab neighbours without an advance being made. And then, one day, a great man arose in the Middle East and accepted our challenge. The late lemented President Anwar Sadat of Egypt came to Jerusalem, addressed the Knesset set forth his demands and entered into negotiations. His challenge was taken up by the Government of Israel. The long and protracted negotiations which ensued, with the active help and historic involvement of the U.S. Government and its President, led ultimately to the signing of the Israel-Egyptian Peace Treaty. They also led to the Camp David Agreement, setting out the guidelines for a solution to the Palestinian Arab question. All the territory of Sinai was returned by Israel to Egypt.

Today the border with Egypt is open. Israeli tourists frequent Egyptian resorts in Sinai. A bus leaves Tel-Aviv every morning, arriving in Cairo for lunch. True, there are problems. Not all developments have been as we would have wished them, but the machinery of negotiation and dialog exists in the Israel Embassy in Cairo and in the Egyptian Embassy in Israel. It is sobering and sad indeed to reflect that this Organization, dedicated, as it is supposed to be, to the peace of the world and to the achievement of peaceful relations between nations, condemned an agreement, the most tangible result of which has been the fact that since President Sadat's historic visit to Jerusalem on November 19, 1977, not one Israeli or Egyptian soldier has died in the Sinai or on the Israeli-Egyptian border. Because of the process of peace set in motion by President Sadat's visit, there is not one house of mourning in Egypt or in Israel as a result of hostilities on the Egyptian-Israeli border.

As one contemplates the carnage and slaughter which unfortunately is so characteristic of events in our neighbourhood, perhaps this fact may be considered by some to be of little importance. But to the mothers of Egypt and of Israel, it is. It will be to the everlasting discredit of this organization that it was unable to rise above its obsessions and prejudices and to endorse a move of such historic consequence in the direction of peace.

Yes, Mr. President, for years we maintained that we are prepared to negotiate on all issues without pre-conditions. For years, every Prime Minister of Israel issued invitations to the leaders of the Arab world to meet around the negotiating table. One great leader of towering stature rose in the Middle East above the pettiness of daily struggle and mutual recrimination and stepped forward to the negotiating table. That move led to peace.

I can but reiterate the invitation extended by all governments of Israel to the leaders of our neighbouring countries, inviting them to join us in a quest for peace, not on the battlefield but in the conference room.

Indeed, Mr. President, in the past year we negotiated an agreement with a second Arab country—with Lebanon. Again this was with the active intervention and participation of the U.S. Government, which has been the major force for peace in our area. In May 1983 an Agreement was negotiated and signed with the Lebanese Government and later ratified by the Israeli Knesset and the Lebanese Parliament, designed to lead to the withdrawal of all foreign forces from Lebanon—Syrian, PLO and Israeli. This in turn is to lead to a process of normalization along our border with Lebanon which will guarantee that Southern Lebanon will never again be used for terrorist attacks on Israeli towns and villages in Northern Galilee.

It is sad and tragic, especially against the background of the bitter events which have occurred in Beirut and Tyre over the past month, that the main purpose of Syria and its Lebanese surrogates at the recent Conciliation Conference in Geneva, was the abrogation of the Israeli-Lebanon agreement. How tragic it is against the background of the human misery which has been the lot of the Lebanese people since 1975, to observe that an agreement which will advance the cause of peace in Lebanon, is the main target of the Syrian Government, in pursuance of its policy of absorbing Lebanon and creating a Greater Syria. This perhaps, more than anything else demonstrates the inhuman tragedy of the Lebanese situation and the cruel alternatives which face those who are involved. In the final analysis, it is the Lebanese people which is suffering a tragedy, the scope of which it is difficult to comprehend.

For years, during the first three years of the Lebanese conflict, I stood on this rostrum and appealed to the world's conscience. I asked the Christian world how it could contemplate the massacre which its brothers and sisters were enduring in Lebanon. We received no reply nor did the Lebanese people, from those leaders of morality in the world, who deliver themselves so frequently of homilies to others.

Mr. President, Israeli forces entered Lebanon because terrorists in the vicinity of its borders had been making life intolerable for approximately one fifth of the population of my country. Children were growing up in shelters, frequently not seeing the light of day for days on end. Innocent passers-by were being killed on the road by Soviet supplied Katyusha rockets. Industry was almost at a standstill. Farmers went into the field at the risk of their lives. Life in the towns and villages was being

There is a time in the affairs of a nation when a decision must be made. Failing to reach such a decision can spell disaster. In 1970 King Hussein of Jordan made that decision, driving the PLO out of Jordan in a bitter battle, and saving his Kingdom.

The tragedy of Lebanon was that its Government over the years did not face up to this problem and lost its independence to a terrorist organization backed by the Syrian Government. In 1982 the Government of Israel faced the same traumatic decision and like any self respecting sovereign nation reacted accordingly. True, there have been differences of opinion in Israel on our Lebanon policy, but there has been no difference of opinion as far as the bulk of the population, as represented in the Knesset, was concerned, on the necessity to take steps in order to guarantee the security of the towns and villages in Northern Galilee. I wish here to reiterate Israel's declared intention of withdrawing all its forces from Lebanon, subject to satisfactory arrangements being made which will ensure that Lebanon will not be used again as a base for attacks on Israeli territory. As part of this process we have affected a partial withdrawal to the Awali River. On this issue too we experienced the double-standards which characterize so many approaches to Israel. When we were in the vicinity of Beirut, we were maligned and attacked and urged to withdraw. When we withdrew, we were maligned and attacked for withdrawing.

The facts are that we gave three months notice to all concerned of our intention to withdraw. We urged all parties to take the necessary action arising out of this intention. We reiterated time and again our requests to the Lebanese army to move in to occupy in advance the positions from which our forces were planned to withdraw. Time and again we were pressured not to withdraw and on a number of occasions we acceded. But when after all these warnings we did withdraw we were maligned for so doing. I wish to emphasize that the partial withdrawal we made to the Awali River is part of an overall withdrawal within the framework of the Agreement reached with the Government of Lebanon, which the Government of Israel proposes to make in due course, subject to the necessary satisfactory arrangements being made to guarantee that Lebanon will not be used as a base for hostile action against Israel.

Israel's primary interest in embarking on the "Peace for Galilee" campaign against the PLO was the security of our northern border. For that purpose, and in order to establish relations on a peaceful basis with Lebanon—relations which are definitely an important component of security—we conducted negotiations for an agreement with Lebanon. This agreement, which was reached following complex negotiations between Israel and Lebanon, with the participation of the United States, is the basis for future arrangements. We agreed to the security arrangements included in it, not because they were ideal, but because with the addition of an arrangement of a political and civilian character, we saw in it a possible minimum. Let no one imagine that it will be possible to come to an arrangement with Lebanon without the fullfilment of the Agreement. All parties must be aware of this.

If the agreement is put into effect by the Lebanese Government and the conditions attached to it are carried out, only positive result can emerge. We are interested in a sovereign and independent Lebanon, free of foreign forces on its soil, capable of acting as necessary to ensure its security and to live in proper relations with its neighbours. We will continue to work for this. We will not agree, and we cannot imagine, that any State of the Rejection Front will be granted a power of veto over the creation of normal relations between Israel and a neighboring country. We will remove our forces from Lebanon when security conditions are assured.

It should be pointed out in this connection that Syria's massive military presence on Lebanese soil increases the danger that Lebanon will once more become a base for attacks on Israel. Therefore, the sooner Syria accedes to the Lebanese Government's demand to remove its occupying army from Lebanon, the better will it be for Lebanon and for the prospects of bringing peace and stability to the entire region.

Obviously, one of the problems facing Israel in the field of our relations with the Arab world is that of the Palestine Arabs, residents of the Judea, Samaria and Gaza district. It is clear to all in Israel that this is a major problem which must find a solution. We had gone a long way towards solving the problem when our Government signed the Camp David Accord. To our regret the Palestinian Arabs and Jordan did not take advantage of the opportunity which Camp David gave them and rejected Israel's outstretched hand.

We regret too that Egypt has discontinued the autonomy talks, despite President Sadat's letter on this subject obliging them to continue such negotiations. The situation today is an anomalous one. Egypt is unwilling to reopen the autonomy negotiations without the participation of Jordan and the Palestinians. Jordan and the Palestinian Arabs for their part are unwilling to enter into such negotiations and thus we find ourselves in a vicious circle. The tragedy of the Palestinian people has been their leadership which has invariably rejected compromise. Had they entered the autonomy neogtiations which Israel proposed at the outset, the Palestine Arabs would now have been living in a regime of full autonomy, as laid down by the Camp David Accord, and we would by now have been in the phase of negotiations on the final status of the territories. Here is another example of a missed opportunity which characterizes the Palestinian tragedy.

In the history of the Arab Israeli conflict, Israel was invariably prepared for compromise. On no issue was the Palestinian Arab leadership prepared for any form of compromise.

The net result has been that Israel has invariably succeeded. The Palestinian cause has invariably failed. Only now that the bloody conflict in the PLO has weakened the reign of terror which the PLO exercised over the Palestinian Arab population, are the Palestinian Arabs beginning to give expression to their feeling of betrayal at the hands of the Arab countries and of their leadership over the years.

King Hussein has hesitated on the issue of joining the autonomy discussions. He wanted Yassar Arafat's approval. Arafat, for his part, was looking over his shoulder at the extreme elements in the PLO and therefore no approval was forthcoming.

For years I stood on this rostrum and maintained consistently that within the equation of the Arab-Israeli conflict the PLO is an irrelevant organization. An organization with the aims of the PLO as laid down in the Palestinian covenant, including the destruction of Israel, is doomed to failure unless it can do one of two things: either be strong enough to achieve its aims, or have a leadership strong enough to compromise. The PLO was capable of neither, and accordingly doomed itself historically to oblivion. The brutal armed internecine conflict within the PLO heralds the disappearance of this Organization as an independent one. At best it will survive only as an instrument of Syrian policy.

I take this opportunity, Mr. President, to call on Egypt to return to negotiations on the autonomy arrangements and to call on Jordan as well as representatives of Arabs of the Judea, Samaria and Gaza districts join such negotiations.

It must be clear to all that the Camp David Accord is the only document agreed by all concerned and, therefore, the only way to continue the process. Complicated and complex negotiations preceded the signing of this document. Israel cannot and will not depart from it because the Camp David Accord was a breakthrough of historic dimensions. It provided a golden opportunity for the Palestinian Arabs, for the first time in their history. It would be a tragedy for them to let this opportunity slip, as they have done in the case of all previous opportunities which were offered to them.

Mr. President, one of the major problems attending the approach to our area has been the fact that there has been a tendency to see our problem divorced from the general picture in the area. I think it is right to say that public opinion in the world has, to a considerable extent been misled by the over-emphasis of the Israel-Arab conflict in the context of all that is happening in the Middle East. I am not in any way suggesting that the Arab-Israel conflict is not an important one. Of course it is and merits a determined effort towards its resolution. But it appears to draw obsessive interest to the exclusion of far more important issues in the Middle East.

What better example of this distortion of an issue in the context of the problems affecting the general area, than the treatment by this body of the Arab-Israeli conflict. I would say that nothing has contributed more to the degradation of the status of the U.N. in the world and of its standing, than the manner in which it has allowed a group of extreme delegations to convert this forum into one which devotes the bulk of its time, at enormous expense, to campaigns of calumny and vilification against my country.

Consider the amount of time—reputedly some 50% of your time—that you have devoted in your deliberations to condemning Israel, and then take a look at the Middle East. The ominous developments which have been, and are occurring in the Middle East and are threatening the peace of the world, have nothing to do with the Arab-Israeli conflict. Observe the situation all around us from Afghanistan in the East, to the Western Sahara in the West. Observe all the conflcts going on at one given time in this vast area, all unconnected with the Arab-Israeli dispute. Then, perhaps you will give the correct perspective to the political picture in our area.

The Arab-Israel conflict is not, in my view, the central problem in the Middle-East, as far as world peace is concerned. Because if the Israel-Arab conflict is resolved by whatever means it is resolved, the main centers of bloodshed, warfare and instability will persist. Now look at the situation in our area and compare the scope of attention given by this Assembly in its obsessive preoccupation with condemning Israel with the time devoted to addressing itself to the major centers of stife and bloodshed in our region. Small wonder that so many voices are raised in the world suggesting that this body is failing in its declared purpose.

This devaluation in the status of the U.N. is a tragedy. I can but express the hope that those who have the interest of this body at heart, will awaken to the dangers attending it. In one day's fighting in the Iran-Iraq war along the Shatt El Arab, more casualties were suffered then in all Arab-Israel wars together by the opposing sides since the establishment of the State of Israel. An analysis of press and media coverage of these respective events and of the time taken by this body to deal with them must surely explain the reason for the unbelievable distortion of the truth by the world community.

Mr. President, I am the Head of a State, 17% of whose citizens are Arabs. Given the problems which we have faced over the past 35 years and the fact that a number of Arab countries continue to maintain a state of war with Israel, the condition of our Arab population, which is a loyal and integral part of our society, is perhaps the greatest tribute to our free and democratic society. Our Arab and Druze citizens are an integral part of the political life of our country, participating as they do within their own ethnic frameworks, or within the general party framework in the country. We can boast the only free Arab press in the Middle

East, published both by the Arabs of Israel and by the Arabs residing in the territories administered by Israel. I am the only Head of State in the Middle East who feels secure enough to stroll freely through the streets of cities with a large Arab population, and does so. Ours is the only society in the whole Middle East in which an Arab who feels that he is being politically wronged, may turn to the courts of the land and does so. The Mayor of Jerusalem, Mr. Teddy Kollek received more votes from the Arab population in East Jerusalem, in the recent municipal elections than any Arab Mayor ever received in the city.

Mr. President, as I look at the societies of those countries who engage your time so much in decrying Israel, I do so with a feeling of intense pride in the people of Israel, which I represent here before you—Jewish, Arab and Druze.

It is because we are so proud of our relationship with our own Arab minority enjoying all the privileges of a free and open society, despite the circumstances in our region, that we can raise our voice once again in this Assembly and ask for similar treatment of our minorities in other countries. I appeal once again from this rostrum to the Soviet Union to grant all the rights of equal citizens in the field of education, religion and human rights to its Jewish citizens and to allow those who wish to join their brothers and sisters in Israel, to do so. Is it not a sad commentary on what has happened to our world that on the eve of 1984, a Soviet Jewish citizen, Joseph Bigun, was sentenced to 7 years in prison and an additional period of 5 years of exile for the "crime" of teaching Hebrew, the language of the Prophets, the language in which the immortal prophecy of the Prophet Isaiah facing the entrance of this building was spoken. Let the doors of all countries be open for the free movement of our people, if they so wish, to come to Israel from the Soviet Union, from Syria and from other countries which are restraining their exit.

Mr. President, every day we learn of the arrival in our region of new weapons of death, each time more deadly, more murderous than those preceding it. These means of destruction flow into our region from East and West. Instead of these vast resources being devoted to advance the lot of the common man, huge military stockpiles are being created. Syria today with over 4,000 tanks, a huge army of missiles and other instruments of death is one of the largest armies in the world—larger than any Western army, with the exception of the United States. Has not the time come for the community of the world to turn to the nations in our region and call on them to halt in this headlong race to destruction? To stop and ponder for a moment and ask themselves for how much longer? Where is this leading? Has not the time come to halt the deadly arms race in the Middle East and have we had not our fill of catastrophies and wars? It is not arms we lack—but peace. Give a chance to the peoples of our region to live in peace and quiet, and resolve their differences and quarrels peacefully and without bloodshed.

We dream in Isreal of the day when peace will come. Our writers, our poets, our songwriters, our authors and our playwrights—Jewish and Arab—give constant expression to the natural desires of our peoples. We dream of the day when we can make available to the nations of our area the fruits of our research, our scientific advances and our technological developments. These have brought us to be among the leaders of the world in the development of solar energy, in the technologies of irrigation and fertilization, in the science of turning arid zones and deserts into fruitful orchards and farms, in the development of nuclear medical scanning equipment.

All of this and much more we have achieved and all of it is available, to be shared with all the peoples in our area. This, Mr. President is our message to the world and to our own neighbors. From this rostrum I turn once again to our neighbors and to the representatives of the great Arab nation and the peoples of Islam, in the name of our common heritage and the golden ages of cooperation between our peoples in the past, and say, let us renew our days as the past for our mutual benefit and for the benefit of the peoples of our region.

I once again extend the hand of friendship and cooperation on behalf of my people to our neighbors. Let us begin to talk, let us open a dialog, let us forget the bitterness of the past and move forward together on a basis of mutual respect and tolerance to a new era, which will bring healing recovery and advance to a region which has suffered so much.

THE CONFERENCE ON THE LONG-TERM WORLDWIDE BIOLOGICAL CONSEQUENCES OF NUCLEAR WAR

(By request of Mr. PELL the following statement was ordered to be printed in the RECORD:)

● Mr. CRANSTON. Mr. President, I call my colleagues' attention to the Conference on the Long-Term Worldwide Biological Consequences of Nuclear War which was held in our Nation's Capitol on October 31 and November 1.

This meeting made a significant contribution to the debate on the nuclear arms race. As a result of this unprecedented two-year study on the possible effects of nuclear war, we have new information on the long-range biological, atmospheric and climatic effects of a nuclear exchange. Among the conclusions drawn by the 100 eminent scientists who participated in this study was that a nuclear exchange "even at the level of 100—1,000 megatons could cause profound climatic and metrological disturbances, including darkness and extreme cold, and that exposure to radioactivity would be much greater than previously projected." And it is a sad fact that we live in a world with a nuclear arsenal of over 12,000 megatons or the equivalent of enough nuclear explosive power to destroy 1 million Hiroshimas.

This study also determined that our ecosystem would be affected to a much greater extent than we have previously assumed. Climatic changes could last for years, beginning with a sharp drop in land temperatures to subfreezing levels that would destroy farm animals and other food sources and lead to worldwide starvation. The scientists' calculations also include the extent of radioactive fallout over time and the impact of nuclear debris on the Southern Hemisphere in the event of a nuclear exchange in the Northern Hemisphere. Until this study, it had been assumed that the nuclear impact on the Southern Hemisphere would be minimal. The harmful widespread effects of ozone depletion and fires generating deadly toxins are also addressed.

These sober findings further strengthen the compelling argument that we must make the prevention of a nuclear holocaust the number one priority on the human agenda. The confence did not address the policy measures that are urgently needed to prevent a nuclear exchange by design, accident, or miscalculation. We in the Senate have the responsibility to help shape policies and develop initiatives to halt the nuclear arms race. We have a duty not only to our constituents and to this generation but to mankind and to future generations—if there are to be future generations—to pursue actively and vigorously solutions to this catastrophic threat. Radioactive fallout will know no boundaries and will not differentiate between free and Communist nations.

Because of my very deep concern that we put a stop to the nuclear madness, I have been and continue to be a leader of the Senate effort to achieve a bilateral, verifiable United States-Soviet nuclear freeze. Although the free resolution has not been voted upon favorably by this body, I will continue to do all I can to make a freeze possible. We must pass this measure without further delay as a strong signal to the Reagan administration and to the leaders in the Kremlin of our resolve to end the nuclear arms competition.

I wish to commend Dr. Carl Sagan, Dr. Paul Ehrlich, and all those who made possible the Conference on the Long-Term Worldwide Biological Consequences of Nuclear War. We are in their debt for making these scientific facts available. Now, we must act on these facts.

I also ask unanimous consent that the summary of the conference be inserted in the RECORD at this time, along with an excellent article authored by Dr. Carl Sagan on the long-term biological consequences of nuclear war.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONFERENCE FINDINGS INDICATE STARTLING CHANGES IN EARTH'S CLIMATE AFTER NUCLEAR WAR COULD HAVE DEVASTATING IMPACT ON SURVIVORS

Introduction

The world's nuclear arsenal today stands at over 12,000 megatons (MT), enough to destroy one million Hiroshimas. Recent studies estimate that anywhere from 300 million to 1 billion people would be killed outright in a large-scale nuclear war (5,000-10,000

MT yield) and an equal number would suffer serious injuries requiring immediate medical attention—which would be largely unavailable. But what of the longer-term effects of nuclear war? What kind of world would survivors face? New evidence suggests that the lingering atmospheric and biological consequences may be even more serious than the immediate ones.

These findings will be presented at the Conference on the Long-Term Worldwide Biological Consequences of Nuclear War being held in Washington, D.C. October 31-November 1, 1983.

The findings are largely the result of studies done over the last two years by Richard P. Turco; Owen B. Toon, Thomas P. Ackerman and James B. Pollack, of NASA Ames Research Center; and Carl Sagan, of Cornell University, on the optical and climatic impacts of the dust and smoke particles which would be generated in nuclear war. Their work has been critically reviewed by some 100 eminent physicists, atmospheric scientists and biologists from the United States and other countries who participated in a series of meetings held earlier this year in Cambridge, Mass.

The atmospheric findings, which augment earlier studies and introduce previously unforeseen consequences of nuclear war, have been reported in a paper entitled "Global Atmospheric Consequences of Nuclear War" (referred to as the "TTAPS" paper, after the names of its authors). The authors conclude that a nuclear war, even at the level of 100-1,000 MT could cause profound climatic and meteorological disturbances, including darkness and exteme cold, and that exposure to radioactivity would be much greater than previously projected.

Some 40 biologists reviewed the atmospheric findings, determined the biological consequences and also considered other potential ecological effects not caused by atmospheric changes. Their conclusions are outlined in a separate paper entitled "The Long-Term Biological Consequences of Nuclear War." [1] Their unanimous view is that the atmospheric stresses resulting from nuclear war could so disrupt the earth's biological support systems that the extinction of a significant proportion of the earth's animals and plants would occur. They conclude that the possibility of human extinction cannot be excluded.

At the Conference, Dr. Sagan will present the atmospheric and climatic consequences and Dr. Paul R. Ehrlich of Stanford University will present the biological consequences. The Conference begins at 2 p.m., Monday, October 31, in the Cotillion Ballroom of the Sheraton Washington Hotel.

Methodology

To study the optical and climatic effects of dust and smoke clouds generated in a nuclear war, the physicists ran computer models of dozens of different nuclear war scenarios. They adopted as a baseline case a 5,000 MT exchange with 20% of the explosive power (yield) expended on urban or industrial targets in the Northern Hemisphere. Given current arsenals, this is a realistic possibility for a full-scale war. Other cases studied ranged in total yield from 100 to over 10,000 MT.

In each case, the scientists calculated:

1. How much dust and smoke was generated;

2. How much sunlight was absorbed by the dust and smoke;

3. How much the temperature changed;

4. How the dust and smoke spread, and how long before it all fell back to the surface;

5. The extent of radioactive fallout over time;

6. How much ultraviolet light reached the surface after the soot and dust fell out.

The following conclusions reflect aggregate data from the baseline scenario in the original TTAPS paper and from the paper on "The Long-Term Biological Consequences of Nuclear War." They have been substantially edited. Compete scientific and technical support data will be provided at the Conference.

Conclusions

1. UNBROKEN FALL OF DARKNESS WOULD COVER NORTHERN HEMISPHERE

Within a week after the war, the amount of sunlight at ground level could be reduced to just a few percent of normal; an unbroken gloom could persist for weeks over the Northern Hemisphere. The light would be absorbed primarily by sooty smoke from nuclear fires ignited by surface bursts and airbursts. The total amount of smoke released in the baseline model is 225 million tons (released over several days). Smoke particles are extremely small, which lengthens the time they remain in the atmosphere. The soil dust raised by surface bursts, while important, would have less climatic impact since it is typically poorly absorbing.

Low light level would disrupt photosynthesis, food chains

In the early months following a substantial nuclear exchange, the amount of light filtering through the cloud cover might not be adequate to sustain photosynthesis. Even assuming that plants would be otherwise undamaged, which is unrealistic, the lack of light would severely limit growth, and the consequences would cascade through all food chains.

2. EFFECTS ON SOUTHERN HEMISPHERE GREATER THAN PREVIOUSLY ASSUMED

Large disturbances in global circulation patterns could greatly accelerate the interhemispheric transport of smoke, dust and radioactivity. Rapid interhemispheric mixing means that the Southern Hemisphere could be subjected to massive injections of nuclear debris soon after an exchange in the Northern Hemisphere. Possible rapid transport of dust and smoke from the Northern to the Southern Hemisphere may involve the entire planet in after-effects. Previous studies have assumed that Southern Hemisphere effects would be minor.

3. HARSH "NUCLEAR WINTER" WOULD PREVAIL

Contrary to the conclusions reached in most earlier studies, nuclear war probably would have a major impact on climate lasting for several years. It would be manifested by a dramatic drop in land temperatures to subfreezing levels for several months, large disturbances in global circulation patterns, and dramatic changes in local weather and precipitation. Even if the war were to occur in the summer, many areas might be subject to continuous snowfall for months.

Subfreezing temperatures would substantially reduce chances for human survival

Except for areas near coastlines, land temperatures would plunge from −15°C (+5°F) to −25°C (−13°F), with dire consequences for survivors. The impact of dramatically reduced temperatures on plants would depend on the time of year at which they occurred, their duration, and the tolerance limits of the plants. The abrupt onset of cold is of particular importance, though, since plants that normally can withstand subfreezing temperatures would have no time to develop tolerance. A spring or summer war would kill or damage virtually all crops in the Northern Hemisphere.

Most uncultivated food sources also would be destroyed, as would most farm animals. Many animals that survived would die of thirst, as surface fresh water would be frozen over the interior of continents. Available food supplies would be rapidly depleted. Most of the human survivors would starve.

Non-target areas that import food directly affected

Nations that now require large imports of foods, including those untouched by nuclear detonations, would suffer the immediate cessation of incoming food supplies. These countries would be forced to rely on their local agricultural and natural ecosystems. This would be especially serious for many less-developed countries, particularly those in the tropics.

4. EXPOSURE TO RADIOACTIVE FALLOUT WORSE THAN EXPECTED

Exposure to radioactive fallout would be more widespread than is predicted by standard empirical exposure models because of the intermediate fallout which would extend over many days and weeks. With unprecedented quantities of fission debris released into the atmosphere, even areas remote from the explosion sites would be subject to large doses of fallout radiation.

Radiation doses approach lethal doses for humans

In the baseline case, roughly 30 percent of the land at Northern mid-latitudes (30° N to 60° N) would receive a radioactive dose greater than 250 rads over several months. About 50 percent of the Northern mid-latitudes would receive a long-term dose greater than 100 rads. (This dose includes radionuclides ingested from contaminated food.) These doses are roughly ten times larger than previous estimates. A 100 rad dose is the equivalent of approximately 1,000 medical x-rays. A 400 rad whole-body acute dose is usually considered lethal. Doses this large can affect the immune system and increase the probability of infectious disease, cancer and genetic and embryonic defects.

5. NO ICE AGE, BUT THE OCEAN WOULD NOT PROVIDE RELIEF

Because the climatic effects would not last longer than a few years, an Ice Age would probably not be generated. Subfreezing temperatures will freeze most freshwater systems to considerable depth, leaving survivors without surface water. The oceans will not freeze due to their enormous reservoir of heat. It has often been thought that the coastal areas would be a major source of food for survivors of a nuclear war. However, the combined effects of darkness, ultraviolet light, severe coastal storms due to enormous land-sea temperature differentials, run-off of silt and toxic chemicals from the land, destruction of ships and concentrations of radionuclides in fish and other marine life cast strong doubt on this contention.

6. FIRE WOULD BE A MAJOR PROBLEM WITH SERIOUS AND UNANTICIPATED CONSEQUENCES

About one-sixth of the world's urbanized land area, or approximately equal to 240,000 km^2 would be partially burned by approximately equal to 1,000 MT of explosions in

[1] See Appendix 1 for names of the principal authors.

the baseline scenario. The remaining 4,000 MT of yield could ignite wildfires and firestorms. Uncontrolled fires could sweep over large areas. For example, multiple airbursts over California in the late summer or early fall could burn off much of the state, leading to catastrophic flooding and erosion during the next rainy season.

Urban fire would generate large amounts of deadly toxins

Cities hold large stores of combustible, synthetic materials that would release large quantities of toxic gases (pyrotoxins) as they burn, including carbon monoxide, cyanides, dioxins and furans. These pollutants might have only limited immediate effect on vegetation, but they would certainly hinder the recovery of vegetation devastated by nuclear blast and fire. Transport by winds to distant, initially unaffected ecosystems could be an important additional adverse side effect. This problem had not been addressed in previous studies.

7. OZONE DEPLETION WOULD INCREASE EXPOSURE TO ULTRAVIOLET LIGHT (UV-B)

High-yield explosions would inject nitrogen oxides (NOx) into the stratosphere, which would result in large reductions in the ozone layer. The ozone layer, only 3 millimeters thick if it were brought down to sea level, shields the earth from UV-B, a damaging type of radiation. In the baseline case, dust and soot would absorb the increased UV-B at first. But when the dust and soot cleared a few months later, UV-B doses roughly 1.6 times normal would be transmitted to the surface.

Increased levels of UV-B can harm biological systems in several ways. The immune systems of humans and other mammals are known to be suppressed by relatively low doses of UV-B. Given the conditions of increased radioactive fallout and other stresses, such suppression of the immune systems leads to an increase in the incidence of disease. Protracted exposure to increased UV-B also may lead to widespread blindness among humans and other mammals.

8. TROPICAL FORESTS COULD DISAPPEAR

Tropical plants are less able to cope with even short periods of cold and dark than those in temperate zones. If darkness or cold, or both, were to become widespread in the tropics, the tropical forests, which are the major reservoir of organic diversity, could largely disappear. This would, in turn, lead to the extinction of a majority of the species of plants and animals on earth.

Dependence on imports threatens survivability in tropical and developing countries

The dependence of urban populations in many tropical and developing countries on imported food would lead to severe effects, even if those areas were not affected directly by the war. Large numbers of people would be forced to leave the cities and attempt to cultivate the remaining areas of forest, accelerating their destruction and the consequent rate of extinction. Regardless of the exact distribution of the immediate effects of the war, everyone on Earth would ultimately be profoundly affected.

9. EVER SMALL NUCLEAR EXCHANGES COULD TRIGGER SEVERE AFTER-EFFECTS

Relatively large climatic effects can result from small nuclear exchanges (100 to 1,000 MT). A scenario involving 100 MT exploded in the air over cities could produce a two-month interval of subfreezing land temperatures, with a minimum near −23° C. In this scenario thousands of fires would be ignited and the smoke from these fires alone would generate a period of cold and dark almost as severe as in the baseline (5,000 MT) case.

In short

In the aftermath of a 5,000 MT nuclear exchange, survivors would face extreme cold, water shortages, lack of food and fuel, heavy burdens of radiation and pollutants, diseases, and severe psychological stress—all in twilight or darkness.

It is clear that the ecosystem effects alone resulting from a large-scale thermonuclear war would be enough to destroy civilization as we know it in at least the Northern Hemisphere. These long-term effects, when combined with the direct casualties from the blast, suggest that eventually there might be no human survivors in the Northern Hemisphere. Human beings, other animals and plants in the Southern Hemisphere would also suffer profound consequences.

The scenario described here is by no means the most severe that could be imagined with present world nuclear arsenals and those contemplated for the near future.

CONFERENCE ORIGINS

The Conference on the Long-Term Worldwide Biological Consequences of Nuclear War developed more than a year ago out of the mutual concerns of scientists, environmental leaders and foundation executives.

In early 1982, environmentalists were engaged in a United Nations effort to assess progress over the previous decade in tackling the long-term threats to the global environment identified at the 1972 Stockholm U.N. Conference on the Human Environment.

However, the most serious long-term threat to the planet, nuclear war, was not among the issues under consideration; indeed it had not even been generally regarded as an environmental issue. Environmental leaders recognized this oversight, and those involved became convinced that the environmental community should take an active role in addressing this issue.

At about the same time, there was concern among scientists that such studies as had been made of the long-term environmental consequences of nuclear war were both limited in scope and outdated. (The National Academy of Sciences of the United States had issued a report, "Long-Term Worldwide Effects of Multiple Nuclear-Weapons Detonations," in 1975, and the U.S. Congressional Office of Technology Assessment had issued a subsequent report on "The Effects of Nuclear War," in 1979.)

A special issue of Ambio, the International Environmental Journal of the Royal Swedish Academy of Sciences (Volume XI, Number 2-3, 1982) presented new findings and indicated new areas of concern.

Meanwhile, an independent group of scientists was conducting new atmospheric studies employing a series of physical models, and discovering that factors ignored in previous studies could well lead to unanticipated longer-term and global scale consequences. Their efforts, which culminated in a paper entitled, "Global Atmospheric Sequences of Nuclear War," became known to those already concerned and all parties agreed to work together.

In view of the dramatically important nature of the still preliminary scientific findings on atmospheric effects, decisions were made: (1) to form a Steering Committee to bring the findings, when further developed, to the attention of biologists and ecologists, who would be asked to assess the implications for planetary life and life-support systems; (2) to provide an appropriate forum for peer review of the findings of both physicists and biologists; and (3) to make the findings as widely known to the public as possible.

In the Summer of 1982, the Steering Committee of the Conference was established, a Scientific Advisory Board was created and a group of sponsoring organizations was formed. In April 1983, five days of scientific preparatory meetings were held in Cambridge, Massachusetts, involving some 100 nuclear and atmospheric physicists and biologists. As a result of those meetings the biological and physical papers to be presented at the Conference were developed and refined, respectively.

The Conference is a special project of the Open Space Institute and the Global Tomorrow Coalition, and has been funded solely by private sources. Financial support from the following foundations and individuals is gratefully acknowledged. At the time of this printing, these include: the Beldon Fund, Lillian Boehm Foundation; Columbia Foundation; The Conservation and Research Fund, The Jessie B. Cox Charitable Trust; The George Gund Foundation; John A. Harris, IV; W. Alton Jones Foundation; Ruth Mott Fund; New York Zoological Society; North Shore Unitarian Universalist Veatch Program; Ploughshares Fund; Public Welfare Foundation; Rockefeller Brothers Fund; Rockefeller Family Fund; Tortuga Foundation, and Drs. Jeremy P. and Lucy R. Waletzky.

SPONSORS

American Institute of Biological Sciences.
American Society for Microbiology.
Canadian Nature Federation.
Common Cause.
The Ecological Society of America.
Environment Liaison Centre.
Environmental Defense Fund.
Environmental Policy Institute.
Federation of American Scientists.
Friends of the Earth.
Global Tomorrow Coalition.
The International Federation of Institutes for Advanced Study.
International Union for Conservation of Nature and Natural Resources.
International Union of Biological Sciences.
National Audubon Society.
National Science Teachers Association.
National Wildlife Federation.
Natural Resources Defense Council.
Open Space Institute.
Planned Parenthood Federation of America.
Sierra Club.
Smithsonian Institution.
The Institute of Ecology.
The Trust for Public Land.
Union of Concerned Scientists.
United Nations Association of the United States of America.
United Nations Environment Programme.
The United Nations University.
The Wilderness Society.
World Resources Institute.
Zero Population Growth.

STEERING COMMITTEE

Mr. Robert L. Allen, Vice President, The Henry P. Kendall Foundation.
Mr. Robert Cahn, Journalist.
Dr. Paul R. Ehrlich, Professor of Biological Studies and Bing Professor of Population Studies, Stanford University.
Ms. Jeannie Peterson, Editor-in-Chief, Ambio (on leave).

Dr. Russell W. Peterson, President, National Audubon Society.

Dr. Peter H. Raven, Director, Missouri Botanical Garden.

Dr. Walter Orr Roberts, President Emeritus, University Corporation for Atmospheric Research.

Dr. Carl Sagan, David Duncan Professor of Astonomy and Space Sciences and Director, Laboratory for Planetary Studies, Cornell University.

Ms. Patricia J. Scharlin, Director, Sierra Club International, Earthcare Center.

Mr. Robert W. Scrivner, Director, Rockefeller Family Fund.

Thomas B. Stoel, Jr., Esq., Director, International Programs, Natural Resources Defense Council.

Dr. George M. Woodwell, Conference Chairman, Director, The Ecosystems Center, Marine Biological Laboratory.

[Appendix 1]

THE LONG-TERM BIOLOGICAL CONSEQUENCES OF NUCLEAR WAR

This paper was prepared following a meeting of biologists on the Long-Term Worldwide Biological Consequences of Nuclear War (Cambridge, Massachusetts, 25-26 April 1983). The consensus of the 40 scientists at the meeting is presented here, assembled by the following committee.

Principal authors: Paul R. Ehrlich, Stanford University; Mark A. Harwell, Cornell University; Peter H. Raven, Missouri Botanical Garden; Carl Sagan, Cornell University.

Committee: Edward S. Ayensu, Smithsonian Institution; Joseph Berry, Carnegie Institute of Washington; Anne H. Ehrlich, Stanford University; Thomas Eisner, Cornell University; Stephen J. Gould, Harvard University; Herbert D. Grover, University of New Mexico; John Harte, University of California, Berkeley; Rafael Herrera, IVIC, Venezuela; Robert M. May, Princeton University; Ernst Mayr, Harvard University; Christopher P. McKay, NASA Ames Research Center; Harold A. Mooney, Stanford University; David Pimentel, Cornell University; John M. Teal, Woods Hole Oceanographic Institution; and George M. Woodwell, Marine Biological Laboratory, Woods Hole.

THE NUCLEAR WINTER

(By Carl Sagan)

Except for fools and madmen, everyone knows that nuclear war would be an unprecedented human catastrophe. A more or less typical strategic warhead has a yield of 2 megatons, the explosive equivalent of 2 million tons of TNT. But 2 million tons of TNT is about the same as all the bombs exploded in World War II—a single bomb with the explosive power of the entire Second World War but compressed into a few seconds of time and an area 30 or 40 miles across . . .

In a 2-megaton explosion over a fairly large city, buildings would be vaporized, people reduced to atoms and shadows, outlying structures blown down like matchsticks and raging fires ignited. And if the bomb were exploded on the ground, an enormous crater, like those that can be seen through a telescope on the surface of the Moon, would be all that remained where midtown once had been. There are now more than 50,000 nuclear weapons, more than 13,000 megatons of yield, deployed in the arsenals of the United States and the Soviet Union—enough to obliterate a million Hiroshimas.

But there are fewer than 3,000 cities on the Earth with populations of 100,000 or more. You cannot find anything like a million Hiroshimas to obliterate. Prime military and industrial targets that are far from cities are comparatively rare. Thus, there are vastly more nuclear weapons than are needed for any plausible deterrence of a potential adversary.

Nobody knows, of course, how many megatons would be exploded in a real nuclear war. There are some who think that a nuclear war can be "contained," bottled up before it runs away to involve much of the world's arsenals. But a number of detailed analyses, war games run by the U.S. Department of Defense, and official Soviet pronouncements all indicate that this containment may be too much to hope for: Once the bombs begin exploding, communications failures, disorganizations, fear, the necessity of making in minutes decisions affecting the fate of millions, and the immense psychological burden of knowing that your own loved ones may already have been destroyed are likely to result in a nuclear paroxysm. Many investigations, including a number of studies for the U.S. government, envision the explosion of 5,000 to 10,000 megatons—the detonation of tens of thousands of nuclear weapons that now sit quietly, inconspicuously, in missile silos, submarines and long-range bombers, faithful servants awaiting orders.

The World Health Organization, in a recent detailed study chaired by Sune K. Bergstrom (the 1982 Nobel laureate in physiology and medicine), concludes that 1.1 billion people would be killed outright in such a nuclear war, mainly in the United States, the Soviet Union, Europe, China and Japan. An additional 1.1 billion people would suffer serious injuries and radiation sickness, for which medical help would be unavailable. It thus seems possible that more than 2 billion people—almost half of all the humans on Earth—would be destroyed in the immediate aftermath of a global thermonuclear war. This would represent by far the greatest disaster in the history of the human species and, with no other adverse effects, would probably be enough to reduce at least the Northern Hemisphere to a state of prolonged agony and barbarism. Unfortunately, the real situation would be much worse.

In technical studies of the consequences of nuclear weapons explosions, there has been a dangerous tendency to underestimate the results. This is partly due to a tradition of conservatism which generally works well in science but which is of more dubious applicability when the lives of billions of people are at stake. In the Bravo test of March 1, 1954, a 15-megaton thermonuclear bomb was exploded on Bikini Atoll. It had about double the yield expected, and there was an unanticipated last-minute shift in the wind direction. As a result, deadly radioactive fallout came down on Rongelap in the Marshall Islands, more than 200 kilometers away. Almost all the children on Rongelap subsequently developed thyroid nodules and lesions, and other long-term medical problems, due to the radioactive fallout.

Likewise, in 1973, it was discovered that high-yield airbursts will chemically burn the nitrogen in the upper air, converting it into oxides of nitrogen; these, in turn, combine with and destroy the protective ozone in the Earth's stratosphere. The surface of the Earth is shielded from deadly solar ultraviolet radiation by a layer of ozone so tenuous that, were it brought down to sea level, it would be only 3 millimeters thick. Partial destruction of this ozone layer can have serious consequences for the biology of the entire planet.

These discoveries, and others like them, were made by chance. They were largely unexpected. And now another consequence—by far the most dire—has been uncovered, again more or less by accident.

The U.S. Mariner 9 spacecraft, the first vehicle to orbit another planet, arrived at Mars in late 1971. The planet was enveloped in a global dust storm. As the fine particles slowly fell out, we were able to measure temperature changes in the atmosphere and on the surface. Soon it became clear what had happened:

The dust, lofted by high winds off the desert into the upper Martian atmosphere, had absorbed the incoming sunlight and prevented much of it from reaching the ground. Heated by the sunlight, the dust warmed the adjacent air. But the surface, enveloped in partial darkness, became much chillier than usual. Months later, after the dust fell out of the atmosphere, the upper air cooled and the surface warmed, both returning to their normal conditions. We were able to calculate accurately, from how much dust there was in the atmosphere, how cool the Martian surface ought to have been.

Afterwards, I and my colleagues, James B. Pollack and Brian Toon of NASA's Ames Research Center, were eager to apply these insights to the Earth. In a volcanic explosion, dust aerosols are lofted into the high atmosphere. We calculated by how much the Earth's global temperature should decline after a major volcanic explosion and found that our results (generally a fraction of a degree) were in good accord with actual measurements. Joining forces with Richard Turco, who has studied the effects of nuclear weapons for many years, we then began to turn our attention to the climatic effects of nuclear war. [The scientific paper, "Global Atmospheric Consequences of Nuclear War," is written by R.P. Turco, O.B. Toon, T.P. Ackerman, J.B. Pollack and Carl Sagan. From the last names of the authors, this work is generally referred to as "TTAPS."]

We knew that nuclear explosions, particularly groundbursts, would lift an enormous quantity of fine soil particles into the atmosphere (more than 100,000 tons of fine dust for every megaton exploded in a surface burst). Our work was further spurred by Paul Crutzen of the Max Planck Institute for Chemistry in Mainz, West Germany, and by John Birks of the University of Colorado, who pointed out that huge quantities of smoke would be generated in the burning of cities and forests following a nuclear war.

Groundbursts—at hardened missile silos, for example—generate fine dust. Airbursts—over cities and unhardened military installations—make fires and therefore smoke. The amount of dust and soot generated depends on the conduct of the war, the yields of the weapons employed and the ratio of groundbursts to airbursts. So we ran computer models for several dozen different nuclear war scenarios. Our baseline case, as in many other studies, was a 5000-megaton war with only a modest fraction of the yield (20 percent) expended on urban or industrial targets. Our job, for each case, was to follow the dust and smoke generated, see how much sunlight was absorbed and by how much the temperatures changed, figure out how the particles spread in longitude and latitude, and calculate how long before it all fell out of the air back onto the surface. Since the radioactivity would be attached to these same fine particles, our calculations

also revealed the extent and timing of the subsequent radioactive fallout.

Some of what I am about to describe is horrifying. I know, because it horrifies me. There is a tendency—psychiatrists call it "denial"—to put it out of our minds, not to think about it. But if we are to deal intelligently, wisely, with the nuclear arms race, then we must steel ourselves to contemplate the horrors of nuclear war.

The results of our calculations astonished us. In the baseline case, the amount of sunlight at the ground was reduced to a few percent of normal—much darker, in daylight, than in a heavy overcast and too dark for plants to make a living from photosynthesis. At least in the Northern Hemisphere, where the great preponderance of strategic targets lies, an unbroken and deadly gloom would persist for weeks.

Even more unexpected were the temperatures calculated. In the baseline case, land temperatures, except for narrow strips of coastline, dropped to minus 25° Celsius (minus 13° Fahrenheit) and stayed below freezing for months—even for a summer war. (Because the atmospheric structure becomes much more stable as the upper atmosphere is heated and the lower air is cooled, we may have severely underestimated how long the cold and the dark would last.) The oceans, a significant heat reservoir, would not freeze, however, and a major ice age would probably not be triggered. But because the temperatures would drop so catastrophically, virtually all crops and farm animals, at least in the Northern Hemisphere, would be destroyed, as would most varieties of uncultivated or undomesticated food supplies. Most of the human survivors would starve.

In addition, the amount of radioactive fallout is much more than expected. Many previous calculations simply ignored the intermediate time-scale fallout. That is, calculations were made for the prompt fallout—the plumes of radioactive debris blown downwind from each target—and for the long-term fallout, the fine radioactive particles lofted into the stratosphere that would descend about a year later, after most of the radioactivity had decayed. However, the radioactivity carried into the upper atmosphere (but not as high as the stratosphere) seems to have been largely forgotten. We found for the baseline case that roughly 30 percent of the land at northern midlatitudes could receive a radioactive dose greater than 250 rads, and that about 50 percent of northern midlatitudes could receive a dose greater than 100 rads. A 100-rad dose is the equivalent of about 1000 medical X-rays. A 400-rad dose will, more likely than not, kill you.

The cold, the dark and the intense radioactivity, together lasting for months, represent a severe assault on our civilization and our species. Civil and sanitary services would be wiped out. Medical facilities, drugs, the most rudimentary means for relieving the vast human suffering, would be unavailable. Any but the most elaborate shelters would be useless, quite apart from the question of what good it might be to emerge a few months later. Synthetics burned in the destruction of the cities would produce a wide variety of toxic gases, including carbon monoxide, cyanides, dioxins and furans. After the dust and soot settled out, the solar ultraviolet flux would be much larger than its present value. Immunity to disease would decline. Epidemics and pandemics would be rampant, especially after the billion or so unburied bodies began to thaw.

Moreover, the combined influence of these severe and simultaneous stresses on life are likely to produce even more adverse consequences—biologists call them synergisms—that we are not yet wise enough to foresee.

So far, we have talked only of the Northern Hemisphere. But it now seems—unlike the case of a single nuclear weapons test—that in a real nuclear war, the heating of the vast quantities of atmospheric dust and soot in northern midlatitudes will transport these fine particles toward and across the Equator. We see just this happening in Martian dust storms. The Southern Hemisphere would experience effects that, while less severe than in the Northern Hemisphere, are nevertheless extremely ominous. The illusion with which some people in the Northern Hemisphere reassure themselves—catching an Air New Zealand flight in a time of serious international crisis, or the like—is now much less tenable, even on the narrow issue of personal survival for those with the price of a ticket.

But what if nuclear wars *can* be contained, and much less than 5000 megatons is detonated? Perhaps the greatest surprise in our work was that even small nuclear wars can have devastating climatic effects. We considered a war in which a mere 100 megatons were exploded, less than one percent of the world arsenals, and only in low-yield airbursts over cities. This scenario, we found, would ignite thousands of fires, and the smoke from these fires alone would be enough to generate an epoch of cold and dark almost as severe as in the 5000-megaton case. The threshold for what Richard Turco has called The Nuclear Winter is very low.

Could we have overlooked some important effect? The carrying of dust and soot from the Northern to the Southern Hemisphere (as well as more local atmospheric circulation) will certainly thin the clouds out over the Northern Hemisphere. But, in many cases, this thinning would be insufficient to render the climatic consequences tolerable—and every time it got better in the Northern Hemisphere, it would get worse in the Southern.

Our results have been carefully scrutinized by more than 100 scientists in the United States, Europe and the Soviet Union. There are still arguments on points of detail. But the overall conclusion seems to be agreed upon: There are severe and previously unanticipated global consequences of nuclear war—subfreezing temperatures in a twilit radioactive gloom lasting for months or longer.

Scientists initially underestimated the effects of fallout, were amazed that nuclear explosions in space disabled distant satellites, had no idea that the fireballs from high-yield thermonuclear explosions could deplete the ozone layer and missed altogether the possible climatic effects of nuclear dust and smoke. What else have we overlooked?

Nuclear war is a problem that can be treated only theoretically. It is not amenable to experimentation. Conceivably, we have left something important out of our analysis, and the effects are more modest than we calculate. On the other hand, it is also possible—and, from previous experience, even likely—that there are further adverse effects that no one has yet been wise enough to recognize. With billions of lives at stake, where does conservatism lie—in assuming that the results will be better than we calculate, or worse?

Many biologists considering the nuclear winter that these calculations describe, believe they carry somber implications for life on Earth. Many species of plants and animals would become extinct. Vast numbers of surviving humans would starve to death. The delicate ecological relations that bind together organisms on Earth in a fabric of mutual dependency would be torn, perhaps irreparably. There is little question that our global civilization would be destroyed. The human population would be reduced to prehistoric levels, or less. Life for any survivors would be extremely hard. And there seems to be a real possibility of the extinction of the human species.

It is now almost 40 years since the invention of nuclear weapons. We have not yet experienced a global thermonuclear war—although on more than one occasion we have come tremulously close. I do not think our luck can hold forever. Men and machines are fallible, as recent events remind us. Fools and madmen do exist, and sometimes rise to power. Concentrating always on the near future, we have ignored the longterm consequences of our actions. We have placed our civilization and our species in jeopardy.

Fortunately, it is not yet too late. We can safeguard the planetary civilization and the human family if we so choose. There is no more important or more urgent issue.●

BILL ARMSTRONG: SENATOR AND CHRISTIAN

Mr. HATFIELD. Mr. President, the November 11 issue of Christianity Today magazine has as its lead article an exceptional interview with one of our most widely respected colleagues, BILL ARMSTRONG. Christianity Today is recognized to be the preeminent Christian journal. Its editors have granted us all a considerable favor in capturing in print a revealing portion of our good friend's warm heart and skillful mind.

Teresa of Avila wrote that a person whose spirit is congruent with the Lord of history possesses three characteristics. First, they often speak with an uncommon authority and power because what they say taps something deep within us. Second, a person in tune with deeper realities lives out his/her life with tranquility. And finally, when sharing an insight, a person with a mature spirit often has that truth strike home to listeners at a much more effectual level than, say, a fact taught in a classroom that once reiterated on a test is forgotten. This truth witnesses so to our spirits that it lingers for a lifetime integrated in our thought process.

BILL ARMSTRONG, as revealed in this interview, possesses these characteristics, especially as concerns the issue of how our spiritual interests affect politics. His insights are delivered with a power and humility that demand attention, even if we disagree with some of his conclusions. Faith and politics is an area which has been a focus of mine through the years, and I must say that rarely have I been so well instructed. His thoughts on how our relationships in this body, in our spirit of brotherhood, transcend our differ-

ences and occasional controversies, are truly captivating—even a comfort in these rigorous closing hours of the session. I invite your careful attention, as well, to his wise perceptions concerning the expectations of leadership. With rapier intellect accompanied by warm honesty, Senator ARMSTRONG challenged me anew to seek and pray more for wisdom on some of the persistent irresolvables before us.

It occurred to me while reading my friend's well-chosen words that, in fact, even in the midst of accomplishing so little with such a great deal of effort, one immense truth is transparent and a source of considerable encouragement. There are very few places on Earth where such a diverse and potentially explosive mix of men and women are modeling effectively respect, conciliation, and even love. I think it is one of the most ennobling characteristics of our life together. Marcus Aurelius said it better than I am able in "Meditations," when he instructed:

Adapt yourself to the environment in which your lot has been cast, and show true love to the fellow mortals with whom destiny has surrounded you.

None of us go our way alone in this calling and in this Chamber. Increasingly, it is apparent to me that each experience we have here, in our homes with our families, and in our States with our constituents underscores that the basic problem of our existence is that we ought to love one another more but, in most cases, do not.

Mr. President, I am sincerely grateful to our brother, BILL ARMSTRONG, for so vulnerably and cogently sharing himself. I commend his interview to all and ask unanimous consent that it be printed in the RECORD.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

[From Christianity Today, Nov. 11, 1983]

BILL ARMSTRONG: SENATOR AND CHRISTIAN

A RISING YOUNG MEMBER OF CONGRESS COMMENTS ON FAITH AND POLITICS

BILL ARMSTRONG is a first-term Republican senator from Colorado who earlier served three terms in the House of Representatives. He chairs the Senate subcommittee studying solutions to the severe problems facing Social Security and is earning respect as a leader. The Wall Street Journal says of ARMSTRONG: "[He] has moved ahead of the pack of bright, young conservatives elected to the Senate in the past three elections." ARMSTRONG, 46, is the owner of a radio and television station and formerly owned a newspaper, the Colorado Springs Sun. While he was a member of the House of Representatives, ARMSTRONG became a committed Christian. He was interviewed in Washington recently by Christianity Today editors.

If you had the choice of 50,000 Christians becoming either better Christians or getting involved in politics, which would you choose?

I don't see those as being mutually exclusive. I frequently talk to people individually about their spiritual lives and about Christ. I think that is one of the most important things I can do. But I don't see that as being in conflict with politics. In fact, sometimes they go together. Because I'm deeply involved in politics. I am thrown together with other people in the Senate or in the House of Representatives. A colleague recently called me for three reasons. He first asked for two political favors. After we were done talking about that, he said, "By the way, can we get together some time? I want to talk about religious things." I sense he might be ready to give his life to Christ.

Virtually every denomination and large church group emphasizes organized political action. Jerry Falwell has been prominently identified with that recently. That is largely because he has been the pastor to, and spokesman for, probably the largest group of those who stayed away from political activity over the last 25 years. Virtually all of the mainstream denominations teach that it is an aspect of religious leadership to play their part in political action.

If I had to say what is the most important thing a believer can do, I'd probably say to tell people about Jesus. But that doesn't mean I don't think it's important that they pray or that they register to vote. Would people who say that political activity is not a proper role for Christians also say that William Wilberforce shouldn't have run for the British Parliament to put an end to the slave trade? It just doesn't hold up.

On the other side of the coin, there is a danger when believers get deeply involved in political activity that they will try to put the mantle of Christ over their cause. They might try to deify that cause and say, "Because I'm motivated to run for office for reasons that are related to my faith, a vote for me is a vote for Jesus." That's not right. Even on such sensitive issues as school prayer, there are conscientious believers on both sides of the issue.

It is terribly important never to let the church see itself as a power bloc. I would resist the church itself organizing as a political force, encouraging individual Christians to do so, and even creating political organizations. Those activities should be separate from the body of Christ itself.

How do you feel about Christians organizing politically to support candidates because they are good candidates, not because they are good Christians?

Members of the church can organize without saying, "A vote for this candidate is a vote for Christ." What if you have a good candidate who is not a believer and a bad candidate who is? My view is that each case has to be resolved on its merits. I do not think it is proper for a believer to support another believer only on religious grounds. I would not refuse to have a nonbeliever do brain surgery on me in preference to a believer who is not as well qualified. It limits the power of God to say that only a believer can function effectively in brain surgery or in public office. Scripture teaches that God can raise up sons of Abraham out of stone. There are men and women in Congress who are not believers, but they still are doing God's will.

There are a number of Christians in the Senate and in the House of Representatives. How does your Christianity influence what you do and how you vote on issues?

It makes all the difference in the world. My conception of what a senator is hinges on what his world view is. Scripture tells us to perform any vocation as if unto the Lord. When my staff and I gather for our weekly legislative meeting, we begin with prayer. Sometimes we pray specifically about the substance of legislation or about how we will handle a matter. One of the recurring attitudes in our office is that as we deal with people with whom we disagree, we will be sensitive to their point of view. We want to recognize that they could be right. We feel that relationships with other members of Congress are important. Those relationships transcend whatever the political issue is.

Another level at which we pray specifically is for guidance. A lot of the important questions defy human understanding. I've got some idea of what we should do about the economy. But the truth is that nobody knows for sure. Even the most brilliant of our economists are baffled. The same is true with issues of war and peace, drug abuse, pornography, and law enforcement. The things that we really care about, for the most part, are those issues on which human understanding isn't sufficient. So prayer for wisdom is a recurring theme.

My faith really does affect relationships in the Senate. There is a spirit of brotherhood among a number of us which goes beyond political questions. For two years I've been meeting with a group of senators on a weekly basis. We are growing closer together in ways that include our official responsibilities. But that doesn't mean we'll all be on the same side of a particular issue. Frequently we are not. But we're growing together in brotherhood and unity, which I believe is consistent with the sort of brotherhood Christ would have us seek.

Are there more Christians in Congress today than in the past?

That's hard for me to measure since my interest in spiritual things began after I arrived in Washington. Instinctively my answer is "yes." I think it is easier today for those in public life to be open about their faith than it was a few years ago. Much of the credit for that belongs to former President Jimmy Carter. He was up-front about his faith, and in so doing he opened the door for a lot of people in less-prominent positions to do the same. For a long time there were only a handful of political figures who were prominently identified as believers. That's much less true today. There are many men in public life today who are serious about their faith.

Is it harder for a President to lead the country these days?

There is almost a total breakdown in the ability of anybody to lead the country. The results of leadership seem to be deteriorating rapidly. It is almost impossible for any President to fulfill his historical task. The last successful President we had was Eisenhower.

What is the cause of the decline in our Presidents' ability to lead us?

We have raised the expectations of leadership to a level that is awesome for anybody to fulfill. In addition, we subject our leaders, particularly Presidents, to a degree of scrutiny that makes it impossible for them to have time for reflection. The reaction times are so quick, and there is so much harrassment in the media—not in the ideological sense, but in the sense of the speed with which Presidents are forced to react.

Here's a typical example: The President's budget was leaked to the news media before Congress received it. The details were published in newspapers around the country. The opposition in both parties had already analyzed and dissected the budget and had begun to critique it before the President

even had an opportunity to present it. The reaction time has become so quick, and the criticism by the media has become so instantaneous, that it makes it very difficult to be a leader.

The breakdown in respect for authority is another reason for the decline in the ability to govern. You see it on campus, and you see it in politics. People ignore the leaders of Congress. It used to be that the top two or three men in the Senate and in the House would virtually control the outcome of legislation in their chambers. That's no longer true. And it used to be that when the President cracked the whip, everybody would fall in line.

Are we expecting more from one another than we are capable of delivering?

I think that is true. If you put people in positions where they have vast authority over other human beings, where they are subjected to temptations, where they are cut off from the kind of accountability most human beings have, and then expect them to exhibit anything other than corruption it's totally unrealistic. We put our leaders in that kind of situation. It especially affects the President, but it's not just the President. It affects heads of corporations, and certainly senators. We surround them with people whose task is to flatter their egos and open doors for them. We deprive them of the experiences and self-correcting mechanisms that would make them balanced human beings. If you want to create the worst atmosphere for policy making, give people a lot of public adulation, separate them from their families for prolonged periods of time, and force them to work late night after night. Then, on weekends, take them away from their families and send them to visit their constituents. That's exactly what we've done to those in public office. The wonder is that we're doing as well as we are.

How would you reverse that and make the best possible situation?

I've been encouraging people to pray that there will be an end to the night sessions in Congress. We keep a bunch of men and women [members of Congress] away from their families until late at night, night after night. Then we punctuate that with all-night sessions of Congress. It gets to be a routine that they're never home for dinner. They're never with their families under ordinary, relaxed circumstances. That's going to produce divorce. I think statistics would show that Congress is a divorce factory for its members and also for the staff, of which there are several thousand.

How do you handle that kind of pressure?

When I travel, I'm on the telephone every night with my family. Second, my wife travels with me some. Third, when I'm home, I meet with my family at 6:45 every morning for prayer and Bible study. A lot of times that's the only time we are together.

My son and I are trying to start a tradition that one weekend every year he and I will spend two days skiing together. We believe that the quality of the time is more important than the quantity. I must admit, however, that if you get the time cut down too far, no amount of quality will compensate.

It's terribly important that men and women in public life have regular access to the kind of Christian fellowship that I've been fortunate to have. The greater the pressures, the more that need exists.

Is there a specific place and time you can recall when you became a Christan?

Yes. I had been a nominal church-going Christian suburbanite all my life. But I accepted Christ as my personal Savior in the Joseph Martin Dining Room in the Capitol after I was elected to Congress 10 years ago.

Some people are led to the Lord as a result of tragedies. That was not my experience, but just the opposite. I had dreamed of certain kinds of success: making a lot of money, being elected to public office, and so on. I had achieved those things at a rather early age when I discovered they were fundamentally empty. Instead of being filled and satisfied, I was feeling kind of desperate. Just at that point I was converted by a Christian layman who shared the gospel with me in a very direct way. I came to the realization that although I had been a church member, I wasn't really a Christian in the sense of trusting Christ for salvation and for the ultimate questions of life. So sitting there in this little dining room, we discussed the gospel. He said, "Does this express the desire of your heart, to accept Christ as your personal Savior and let him take charge of your life?" I said, "Yes, it does. Let's pray." It was just about in that matter-of-fact manner.

Why has abortion not been outlawed, particularly after all the outcry?

I think we are in the process of winning the battle. There is a much greater sensitivity to the issue, and a much greater understanding of the moral question involved. Federal funding for abortions is unlikely to be reinstated. But I think it is unlikely that we are going to take the next step—outlawing abortion—any time soon, although I think we should. There are a lot of people who are like I used to be. They simply do not understand the ramifications of it, the moral gravity of abortion.

What are your conclusions about another moral question: the nuclear arms race?

We are in an intellectual cul-de-sac. I basically affirm the doctrine of deterrence, and I affirm the idea of the just war. On the personal level, I respect people who argue for pacifism. But none of those ideas give me much sense of optimism for the future. I have reached the conclusion that the Lord will give us better approaches if we can get out of the intellectual rut we're in.

From a moral standpoint, our present nuclear doctrine, nuclear destruction, is absolutely bankrupt. It is contrary to the teachings of pacifism and it is contrary to deterrence, because it won't work. It is contrary to several of the main premises of the just-war theory. It does not direct itself to combatants or to keeping civilians safe. It is not proportionate by several of the hallmarks of the just-war theory. Clearly we need something different. Our country has become, by virtue of the doctrine of nuclear destruction, the first major nation to decide that we're not going to defend our homeland upon attack. Instead, we are relying for safety on our threat to kill millions of people, such as Soviet citizens if the Soviet Union makes a hostile move against us. I believe that policy to be impractical.

There is a growing body of scientific thought and military strategic thought that we could come up with a purely defensive system. It would not have offensive capability. One of the most promising of those ideas is called "High Frontier." It is a system that relies partially on space-borne defensive site areas. And I stress, it has no offensive capability. It wouldn't be a threat to another country. That has a lot of practicality, and I believe it is more scripturally sound.

I attended a conference in Pasadena called "The Church and Peacemaking in the Nuclear Age." I urged the people there to think about Nehemiah when he rebuilt the wall. He didn't threaten Sanballat with nasty retaliation or with mutual destruction. He didn't negotiate with him. He just rebuilt the wall. And he did a lot of other things. He put through a number of civic reforms, including lowering taxs and freeing the slaves. I think that's the kind of leadership that we need to provide the country with.

What is it about the pacifist argument that you think is fundamentally wrong?

I think pacifism is completely honorable and proper at the individual level. But as John Stott has said, Scripture clearly distinguishes between the role of the individual and the role of the state. The magistrate is not only permitted—but may well be required by the state—to use force to protect the innocent, to restrain evil, and to punish wrongdoing.

At the national level, Scripture teaches that it is proper for leaders to bear the sword in self-defense or to defend an innocent third party. So pacifism on a national level is not scriptural. And it doesn't respond to practical reality.

Some might say that it's better to give in. I sense that there is in some people almost a desire for the United States to be subjugated so that we can test out and live our faith in captivity. One of the most articulate of the pacifist spokesmen at the Pasadena conference even admitted that there were some circumstances in which he would be wiling to resort to violence—in defense of his life or the life of his family. So I don't think pacifism is the answer.

So far as the nuclear freeze is concerned, I think that's an idea that has run out of steam intellectually. It doesn't stand up under rigorous examination. The reality is that the United States has had a nuclear freeze for 12 years. It hasn't affected the Soviet Union in any particular way that I can tell. By the same token, I think the mindless expansion of the arms race clearly is not the answer. How many weapons are we going to end up with? That's why I'm looking for ideas like High Frontier.

How do you regard the Moral Majority?

I don't think there's any doubt that the Moral Majority has both helped and hurt. On balance it has been enormosuly helpful. Many of the people who criticize the Moral Majority for taking moral stands are the same individuals who have been taking moral stands for decades, but from a different perspective. The criticism I hear against the Moral Majority is from those who simply disagree with its political positions.

Whether it's the Moral Majority or the National Council of Churches, any Christian who approaches a political subject should do so with a degree of intellectual humility and should clearly distinguish the gospel from the political issues. There are no political positions on which salvation hangs. Your citizenship in the kingdom does not depend on your position on a balanced federal budget, nuclear disarmament, or even on abortion.

I think I can demonstrate to the satisfaction of most impartial listeners that our form of government is vastly preferable to Marxism. But that doesn't prove that Christ would be a capitalist. I think Christ is indifferent to issues of that type, with one exception. I think he would approve of those institutions of government or economy that foster human liberty. So I take it for granted that Christ would not approve of the arrangements in Nazi Germany or in the

Soviet Union. There are some political and economic features in our own country that don't seem as hateful to me as to some, but that Christ wouldn't approve of either. The point is that there is a risk that the church or a religious group would see itself as a power bloc. That is not scriptural in my opinion.

Such groups may unwittingly tend to limit the Lord's power by assuming that the only way God can accomplish his purposes is through political ends. Now I think political service is worthy and that Christians should wade into politics with both feet. But in the end the Lord is not bound by political considerations.

We are really in danger of throwing the mantle of Christ over any lesser cause. I think it's perfectly proper for Christians to be in the used-car business. But I don't think you can say, "This is Christ's used car lot." By the same token, I don't think you can say, "This is Christ's legislative program."

The right approach for any Christian in politics is to ask, "Does this actively honor Christ?" If it does, the rest will take care of itself. If it doesn't no matter how right it may be on a particular political issue, it's out of bounds from the Christian perspective.

There are about 184,000 Christians who read Christianity Today. If you could address them all at once, what subject would you like to speak on? What are a few of the main points you would make?

Christ told how the world would know that Christians belonged to him. He said, "If you have love for one another," that would be the sign [John 13:35]. I think one of the greatest needs in Christendom is that Christians rise above their disagreements over economic issues, political issues, even the most serious issues of war and peace. We should emphasize the overriding significance of our unity in Jesus Christ.

I attended the peace-making conference in Pasadena with some sense of tension. I agreed to make the trip because I felt a deep need to learn about the issue of nuclear war. I wanted to be receptive to people whose views were quite different from my own. But I prayed about the conference for months. My church even prayed that whatever the disputes about policy were, that Christ would be honored. And to a large extent that was true.

When I got back, I was talking to a colleague in the Senate about the experience I had. He said it would be a shame if we let anything become more important than our brotherhood in Christ. And he is a senator who holds quite a different viewpoint from mine on the nuclear issue.

I told some of the people in Pasadena that politics supposedly is very rough and tumble. We are supposed to be tough guys, professional advocates in a sense. But I have never seen the kind of brutal personal relationships between senators that occasionally crop up among leaders of the church. A very deep need of the church is for us to emphasize our unity—not to say we shouldn't argue. I think we should. I appreciate the contribution made by the U.S. National Conference of Catholic Bishops in their pastoral letter on nuclear arms. Even though I may not agree with their conclusions, it's good to have those kinds of intellectual disputes. We can honor Christ if the spirit is right.

THE CALENDAR

Mr. BAKER. Mr. President, I have a folder of matters that appear to be cleared for action by unanimous consent. If the minority leader is ready to work through the list, I am ready to begin.

Mr. BYRD. Mr. President, I am ready to proceed, and if I may speak to the majority leader privately, I will approach the bench.

Mr. BAKER. Mr. President, in view of that, may I describe for the minority leader what I have in my folder.

First, I would propose to proceed to H.R. 4252. There are amendments to that measure as well as statements, and then the bill as amended would be passed.

Next, I have H.R. 4013, with two statements. I hope the Senate would agree to pass that measure.

On the calendar today are these items which appear to be cleared for action by unanimous consent, with nothing except one statement in one case. They are Calendar Nos. 105, 522, 565, 568, 569, 572, and 574.

Mr. President, I would hope then that we could proceed to the consideration of H.R. 4042, and pass that measure without any further action; then, Calendar No. 562, which would contemplate one amendment, plus a committee substitute, plus two statements and then passage.

Then, Calendar 145, S. 1284, which would carry an amendment by Senator CHAFEE, a statement, and then a substitution of the Senate bill, which is S. 1284, for H.R. 2395, which is the companion House measure.

After that, Mr. President, I would propose to hold at the desk H.R. 2751, which is the National Foundation on the Arts and Humanities Act amendments.

Then I would ask as we proceed to hold at the desk H.R. 4350 pending further disposition and then to put on the calendar H.R. 3867 when that measure is received from the House of Representatives.

Next, Mr. President, I would ask to discharge the Judiciary Committee from further consideration of House Joint Resolution 405 and put that measure on the calendar.

Mr. President, I would then introduce a bill, if the minority leader did not object, to name the national recreation area in Tennessee and Kentucky after our former colleague and friend Senator John Sherman Cooper which would give me a special pleasure. There would be statements in respect to that measure together with a request for cosponsorship.

Mr. President, I would then ask unanimous consent, I say to the minority leader, to go to a message from the House on S. 589, which is the capital improvements project on Guam, to concur in the House amendment with the Senate amendment, and then to insert statements and to concur in the House amendment with the Senate amendment together with statements which would be sent to the desk.

Mr. President, in connection with that litigation I would then send to the desk a resolution for myself and the distingished minority leader to authorize production of documents in a lawsuit. Then as in executive session, Mr. President, I would propose to remove the injunction of secrecy for a protocol to amend the Tax Convention of 1980 with Denmark together with the usual language that accompanies that.

I apologize to the minority leader for describing in detail what my folder contains, but those are the matters I would like to clear if he is in position to proceed on all or any portion of them.

Mr. BYRD. Mr. President, this side is ready to proceed.

Before we do proceed, however, I would want to include, and hope that the majority leader will ask consent, these statements by the following Senators be included appropriately in the RECORD, a statement by Mr. HUDDLESTON in connection with H.R. 4252, a statement by Mr. BUMPERS and a statement by Mr. NUNN in respect to H.R. 4013, statements by Senators RIEGLE, ZORINSKI, two statements by Mr. SARBANES, and a statement by Mr. HUDDLESTON in connection with various calendar items which have been enumerated by the distinguished majority leader and statements by Senators BUMPERS, NUNN, SASSER, BAUCUS, and TSONGAS in connection with S. 1429, and a statement by Mr. HUDDLESTON in respect to the John Sherman Cooper national river and recreation area resolution.

Mr. BAKER addressed the Chair.

Mr. BYRD. Mr. President, if the majority leader will allow me to continue, I thought I was finished—a statement by Mr. MATSUNAGA in connection with a House message on S. 589, and that completes the list.

Mr. BAKER. I thank the minority leader.

Mr. President, not only will I be happy to include that in my request when I make it, but I will also ask—let me formulate a request now if I may.

Mr. BYRD. Do it en bloc.

Mr. BAKER. Mr. President, if the minority leader will permit me to do so—this is out of the ordinary and is not something that I suppose we ought to do very often, but we need to get on to the business at hand and it will save a great deal of time.

Mr. President, I ask unanimous consent that the several items described by me be considered en bloc and requests, permissions, the introduction and consideration of bills, resolutions, and joint resolutions, the statements to accompany them as described by

the minority leader on his side and as they appear in the documents I send to the desk on this side may be spread of record, that appropriate action be taken with respect to the bills, the resolutions, the preambles, the appropriate authorities be granted, amendments considered, substitutions made, and other actions as description may delineate. I make that request.

Mr. BYRD. Mr. President, reserving the right to object, and I will not object, all of the items and the amendments thereto, wherever they occur, have been cleared on this side. So there is no objection.

The PRESIDING OFFICER. Is there objection? There being no objection, it is so ordered.

PUERTO RICO NUTRITION ASSISTANCE PROGRAM

The bill (H.R. 4252), to repeal the noncash benefit requirement for the Puerto Rico nutrition assistance program was considered.

AMENDMENT NO. 2631

(Purpose: To repeal the noncash benefit requirement for the Puerto Rico nutrition assistance program)

Mr. BAKER. Mr. President, on behalf of Mr. HELMS, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER), on behalf of Mr. HELMS, proposes an amendment numbered 2631.

The amendment is as follows:

On page 1, lines 3 and 4, strike out "for the period beginning January 1, 1984, and ending July 31, 1985" and insert in lieu thereof "January 1, 1984".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2631) was agreed to.

AMENDMENT NO. 2632

(Purpose: To make technical corrections to the bill)

Mr. BAKER. Mr. President, on behalf of Mr. HELMS, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER), on behalf of Mr. HELMS, proposes an amendment numbered 2632.

The amendment is as follows:

On page 2, strike out lines 3 through 8 and insert in lieu thereof the following:

(1) by striking out "the limit of twelve months may be waived by the Secretary to improve the administration of the program" in the second sentence and inserting in lieu thereof "the foregoing limits on the certification period may, with the approval of the Secretary, be waived by a State agency for certain categories of households where such waiver will improve the administration of the program"; and

On page 2, line 10, strike out "12" and insert in lieu thereof "twelve".

On page 3, line 7, strike out "in person" and insert in lieu thereof "in-person".

On page 3, line 24, strike out "or" after the semicolon.

On page 4, line 12, strike out the period before the quotation marks and insert in lieu thereof a semicolon.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2632) was agreed to.

Mr. HELMS. Mr. President, under the Omnibus Budget Reconciliation Act of 1981, the Commonwealth of Puerto Rico—which previously had operated the largest food stamp program in the United States—was designated to have a block grant for nutrition assistance, fixed at $825 million annually. The block grant took effect on July 1, 1982, and Puerto Rico became responsible for the development and operation of the nutrition assistance block grant, with the Secretary of Agriculture maintaining oversight for the program's operation.

The Commonwealth made numerous changes in the administration of the program, many designed to improve the program's administration and make it less subject to waste, fraud, and abuse. Eligibility levels were reduced, verification of information was increased, and the Commonwealth changed the means of distributing food assistance.

Rather than provide food stamp coupons, the Commonwealth opted to send recipients a monthly check which they were to use for the purchase of food. The Commonwealth calculated that savings would accrue from the elimination of substantial paperwork involved in the maintenance of paper coupons, reconciliation of such coupons from retail stores, theft, and other circumstances.

Congressman TOM COLEMAN of Missouri, the ranking Republican on the House subcommittee responsible for the food stamp program, objected to the check system developed and implemented in Puerto Rico. He succeeded in passing an amendment within the House Agriculture Committee to require that Puerto Rico would have to develop some noncash system by October 1, 1983. House conferees on the Omnibus Budget Reconciliation Act of 1982 insisted on the House position, and the Coleman amendment was adopted.

Earlier this year, I worked with Senators COCHRAN, HATFIELD, and DOLE to provide that a 3-month extension of the current (that is, cash) program—until January 1, 1984—should be included in an appropriation bill in light of the possibility that the House and Senate Agriculture Committees would work out some long-term solution for the Puerto Rican situation. That 3-month delay was included in the first continuing resolution for fiscal year 1984 adopted on September 30, 1983. On October 31, 1983, the Resident Commissioner from Puerto Rico (Mr. CORRADA), House Agriculture Committee chairman DE LA GARZA and others introduced a bill, H.R. 4252, to repeal the Coleman amendment. S. 1208, the administration's recommendations for fiscal year 1984 had included a similar provision.

The House chairman and I agreed that, despite our differences on other food stamp issues, we—and a strong majority of our colleagues in both houses—were in agreement that Puerto Rico should have sufficient flexibility to design the type of nutrition assistance program that the Commonwealth felt would work best on the island. We agreed to handle a bill dealing specifically with this issue, on which there is a consensus, and not to introduce other, more controversial food stamp issues onto this package.

During House committee consideration during the past 2 weeks, however, the House subcommittee chairman (Mr. PANETTA) and committee chairman felt constrained to accept two new Coleman amendments to the repeal bill in order to expedite House consideration.

First, Congressman COLEMAN prevailed on the subcommittee and the full committee to include a requirement that the Secretary of Agriculture conduct a further study on the cash system in Puerto Rico. A similar study was required by the 1982 Coleman amendment. The Department's first study concluded that the cash system had not reduced the nutritional status of Puerto Rican recipients. The study—issued in early 1983—was based on the first few months of program operation—which had begun July 1, 1982.

Second, Congressman COLEMAN insisted that the repeal of his amendment be temporary—until July 31, 1985—rather than permanent. I should add that permanent may be a misnomer inasmuch as the entire Food Stamp Act, including the Puerto Rico block grant, is subject to reauthorization by the end of fiscal year 1985, September 30, 1985.

It is simply impractical to plan to deal with this issue as a separate matter again in the summer of 1985—as would be required under the pending House bill—because both the Senate and the House will be deeply involved in the reauthorization of the entire food stamp program and, concurrently, with the reauthorization of numerous commodity programs, both of which have proven historically to be rather time-consuming.

Puerto Rico should be out from the under the sword of Damocles posed by

the Coleman amendment. If the subsequent evidence of the second USDA study warrants a change in the Puerto Rico program, certainly that can be done. However, Puerto Rico needs to have the freedom in the interim to be about the business of operating its current program. Much money has already been spent in trying to plan some noncash assistance program to comply with the Coleman amendment.

The Senate amendment, therefore, removes the date limitation of the House provision, consistent with the administration's position and the original House bill.

I have tried to be accommodating to my colleague, Mr. COLEMAN, by leaving intact, against the wishes of the administration, his amendment to require a second study of the Puerto Rican program.

Mr. President, frankly I am disturbed by the implication of remarks which have been made in disparaging the Puerto Rican efforts under the nutrition assistance block grant.

Puerto Rican officials have shown precisely the type of creativity that one would expect under a block grant approach to nutrition.

They have carefully studied the needs of their population and crafted a program that they believe best addresses the needs unique to the island.

I want to emphasize that, in supporting the repeal of the Coleman amendment, I am not necessarily endorsing the cash concept that the officials in Puerto Rico selected for their program.

However, I do believe strongly in the principle that under a system of federalism, individual jurisdictions should have the maximum freedom to tailor programs to the unique needs and desires of their citizens.

No one knows how to run a proper program—be it in Puerto Rico, North Carolina, Missouri, or elsewhere—like the people in those areas. That is the beauty—the essence—of the "New Federalism" which President Reagan has championed.

Rather than ridiculing the Puerto Rican program, I think it should be thoughtfully studied by others who are concerned that Washington just might not have all the answers about how to run every program of the Federal Government.

In another capacity, as chairman of the Senate Foreign Relations Subcommittee on Western Hemisphere Affairs, I am constantly amazed at the paternalistic attitude that frequenlty is expressed toward the people in Latin America and the Caribbean.

The officials of Puerto Rico did an exemplary job in analyzing quickly the nutrition situation in the Commonwealth, and in devising a program to convert the largest food stamp program of any jurisidiction into a block grant within less than a year.

I would like to review some of the decisions that were made in the block grant program. It is interesting that many of the improved verification safeguards that were implemented in Puerto Rico have been urged upon the national food stamp program for years by conscientious food stamp caseworkers and fraud investigators.

Let me be clear that the block grant approach was not sought by Puerto Rico. On the contrary, it was devised by the Senate Committee on Agriculture, Nutrition and Forestry out of concern for the enormous growth of the program which, in 1981, was serving approximately 56 percent of the population at an annual cost approaching $1 billion.

Funding for the food stamp program in Puerto Rico was reduced; the size of the block grant was set at $825 million annually. Total flexibility was provided to permit Puerto Rico to design a program to meet its needs. No limitation was put on the form which such assistance would, or should take.

Obviously with less money, the Government had to decide whether to provide a lower amount of money to the same number of people, thus resulting in lower benefits per person, or to reduce the number of recipients in order to maintain or increase benefits. Puerto Rico decided—wisely, I believe—to emphasize the latter. Officials tightened income eligibility criteria, improved verification procedures and thereby reduced overall participation.

Among the specific proposals implemented in connection with the conversion to the nutrition assistance block grant were the following:

Maximum allowable liquid resources were reduced from $1,500 to $1,000 per household except in households with elderly or disabled recipients.

Gross income was reduced from $11,000—for a family of four—to $8,000. Congressional and administration critics of the preblock grant program had noted that it was reasonable to lower the poverty level applicable in Puerto Rico since the overall cost of living on the island was considerably lower than in the continental United States, thus contributing to the high proportion—56 percent—of the population on the food stamp program.

Allowable medical expenses were set at a maximum of $100 per month.

Unannounced home visits—then and now banned by Federal regulations for the regular food stamp program—were reinstated.

One appointment for a certification interview is made. If the appointment is not kept, and the household does not institute arrangements to appear on another date, the household will be disqualified. Federal food stamp regulations provide—then as now—that the State agency has responsibility for seeking out a recipient who does not appear for an interview and scheduling a second interview, a process which many caseworkers have indicated is time consuming and unnecessary.

Strikers are not eligible for benefits.

Students and workers temporarily living away from the family are not permitted to qualify as a separate household.

Households that are not entitled to benefits of at least $10 per month will not receive benefits. Federal law provides that one- and two-person households receive $10 minimum benefits, regardless of the amount to which they are actually entitled.

Manual issuances were eliminated. Checks are mailed twice every month.

Work registration, as such, was eliminated, and a program was developed in coordination with the Department of Labor in which, in every municipality, Department of Labor personnel will seek employment for those participants that are physically and mentally able and ready to work.

All adult household members applying for program benefits are required to sign an authorization to request information so that the agency may verify the information submitted by the household. Failure to provide this form within 10 days will result in a denial of the application.

Verification of social security number is required for all household members regardless of age. New social security numbers of all new applicants and the numbers of their respective households will be cross-checked to insure against duplicate participation.

Social security numbers of disqualified household members will be cross-checked to insure that ineligible individuals do not receive benefits in another household.

For each case in which a determination for retroactive benefits is made, a local office supervisor is required to review the case and sign the document, to authorize the issuance of benefits.

All of the income and resources of a disqualified household member—rather than a prorated amount—is considered in determining the eligibility and benefit level for the remainder of the household.

The definition of household has been changed to count all persons, regardless of age and relationship, who are living in a common living arrangement, excluding roomers and boarders, as one household. This is the most frequent recommendation of caseworkers in the regular food stamp program.

Documented evidence must be provided by all self-employed persons to document production costs associated with their self-employment.

Drug and alcoholic rehabilitation institutions may receive benefits only on behalf of recipients who do not have other household members participat-

ing in the food stamp program. For those with other household members participating, the benefits will be provided to the household on behalf of the institutionalized individual.

Aliens must provide verification of alien status at the time of certification rather than within 2 months after certification as had been the case under the Federal regulations.

Any information supplied by a recipient can be verified. Under Federal regulations at that time, the only information that could be verified was that which was inconsistent with statements made by the applicant or inconsistent with other information shown on previous applications. The expansion of verification options consistently has been recommended by food stamp fraud investigators and caseworkers.

Fraud penalties were established at 6 months disqualification for an initial violation, 12 months for a second violation, and permanently for a third violation.

In short, Mr. President, officials of the Puerto Rican government took conscientious steps to improve the administration of the program.

They deserve not condemnation, but emulation by other jurisdictions.

Indeed, the program they have established has already served to create interest in the possibility of permitting other States to establish nutrition assistance block grants in lieu of the federally regulated food stamp program.

I have introduced legislation, S. 1279, which would permit other States to receive a block grant. Participation would be optional, at the discretion of each State. There would be no reduction in the level of funding, but States would receive the same proportion of the program that they received in the past year. Puerto Rico's reduction to $825 million annually was part of reductions in anticipated food stamp spending approved in the Omnibus Budget Reconciliation Act of 1981.

Diversity in providing nutritional assistance to low-income citizens can bring forth creative, new ideas.

Puerto Rico has done an outstanding job.

Other States have begun to show an interest in the possibility of operating a nutrition assistance program in lieu of the Federal food stamp program.

While such States might not opt for the same format as Puerto Rico did, they should have that option. There is nothing inherently wrong with a cash system of providing food assistance. Each State should be able to operate a program which it believes best meets the needs of its citizens.

PURPOSE AND NEED

H.R. 4252, as amended by the Senate, amends the Food Stamp Act of 1977 to eliminate the requirement that Puerto Rico make benefits under its nutrition assistance program available in a noncash form. Unless a change in the law is enacted prior to January 1, 1984, Puerto Rico would be required to implement a noncash benefit delivery system. H.R. 4252 also mandates the Secretary of Agriculture to complete a study of the effectiveness of the current nutrition assistance program by March 1, 1985.

Based upon evidence presented thus far, the current nutrition assistance program appears to be an effective program of nutritional assistance. The program is well administered, has eliminated many of the accountability and integrity problems of the Puerto Rico food stamp program, and enjoys wide support among recipients and program workers. A study by the U.S. Department of Agriculture (USDA) failed to show any significant drop in food expenditures by participating households as a result of the conversion of the form of payment from food stamps to cash.

However, since the evidence on the effect of this conversion on the food expenditures and consumption of these households occurred immediately after conversion to the new program, the bill, provides for a more definitive evaluation of the cash form of nutritonal assistance to be conducted by the Secretary of Agriculture. Such an evaluation should compare (a) the adequacy of nutritional levels that are achieved by households receiving food assistance in the form of cash with those that were achieved by households receiving noncash assistance, and (b) the levels of food expenditures for these two groups of households. The study should also evaluate any other factors the Secretary deems relevant in assessing the effectiveness of the program. H.R. 4252 directs USDA to submit by March 1, 1985, a final report of its findings to the House and Senate Agriculture Committees.

Both committees will consider, after a complete review of study findings, hearing records, and other facts compiled on the Puerto Rican nutrition assistance program, what action is appropriate to reauthorize this program when the Food Stamp Act is reauthorized in 1985.

BACKGROUND

Until July 1, 1982, the Commonwealth of Puerto Rico participated in the food stamp program under much the same conditions that governed other States and jurisdictions. The primary difference was that the benefit and allowable deduction levels were lower in Puerto Rico than in other jurisdictions. While legislation in 1971 (Public Law 91-671) first permitted Puerto Rico to operate the food stamp program, program implementation did not occur until after the August 1973, passage of Public Law 93-86, which required extension of the food stamp program to every area of the United States and Puerto Rico. By November, 1974 all municipalities in Puerto Rico had implemented the program.

Congress passed the Puerto Rico block grant as part of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35), requiring implementation by July 1, 1982. Congress took this action because of its growing concern about the cost, participation rate, and accountability of the Puerto Rico food stamp program. By fiscal year 1981, about 1.8 million persons, or approximately 56 percent of the island's population, participated in the program. Puerto Rico's participation was about 8 percent of total participation in the United States that year, at a cost of about $915 million or 8 percent of total Federal program expenditures. By 1982 program costs were projected to be over $1 billion, or about 10 percent of total program costs, with over half of the island population participating. The quality control error rate from October 1980 to March 1981, measuring payments to ineligible persons, overpayments, and underpayments, was among the highest in the country (14 percent), and illegal trafficking of food stamps appeared to be a widespread problem.

The block grant approach, mandated by Public Law 97-35, reduced the funding of this nutritional program by 25-percent below projected fiscal year 1983 levels and capped the program at $825 million for each of fiscal years 1983, 1984, and 1985. Because actual food price inflation has been less than was anticipated in 1981, the actual reduction in benefits in total monthly value of benefits issued in Puerto Rico during fiscal year 1983 was about 15-percent less than would have been expected under the food stamp program. The grant funds provide 100 percent of the cost of recipients' benefits and 50 percent of program administration costs.

According to the July 29, 1981 conference report (Public Law 97-208), accompanying the Omnibus Reconciliation Act of 1981, it was the intent of the conferees to allow the government of the Commonwealth considerable latitude in formulating a plan to meet the special needs of its low-income population. The Secretary may make payments to the Commonwealth only under program plans that he approves.

Beginning July, 1982, with the Secretary's approval, Puerto Rican recipients received their benefits monthly in the form of checks rather than the food coupons previously issued. The House Agriculture Committee approved a measure to return the program to a noncash system by October 1, 1983. In addition, this legislation required the Secretary of Agriculture to conduct a study of the cash food assistance program in Puerto Rico, in-

cluding the impact of the program on the nutritional status of residents of Puerto Rico and the economy of Puerto Rico, and to report the findings of the study to the House and Senate Agriculture Committees no later than 6 months after the effective date of the bill. These provisions were enacted into law on September 8, 1982, as part of the Omnibus Budget Reconciliation Act of 1982 (Public Law 97-253).

The noncash requirements of Public Law 97-253 remained in effect until September 30, 1983, when Congress passed a provision in a continuing appropriations bill for fiscal year 1984 (Public Law 97-107) that delayed implementation of the noncash program for an additional 3 months until January 1, 1984.

The administration's views on the committee-reported bill is contained in the accompanying letter from Assistant Secretary for Food and Consumer Services Mary C. Jarratt. While the administration has not yet established an official position with regard to the other provisions of the bill, we know of no objections, and have worked to establish the technical correctness of the provisions.

I ask unanimous consent that the letter of the administration be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., Nov. 10, 1983.

Hon. E. (KIKA) DE LA GARZA,
Chairman, Committee on Agriculture
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for a report on H.R. 4252, a bill, "To repeal the noncash benefit requirement for the Puerto Rico nutrition assistance program." The bill was introduced by Representative Corrada on October 31, 1983.

The United States Department of Agriculture supports H.R. 4252, as introduced. As you know, the Department supported the 1981 Omnibus Budget Reconciliation Act which removed Puerto Rico from the Food Stamp Program and provided for a nutrition assistance block grant. Under that authority Puerto Rico implemented the current cash Nutrition Assistance Program. Subsequently, the Food Stamp Act Amendments of 1982 required that Puerto Rico return to a noncash program by October 1, 1983. Recently, the continuing resolution, Public Law 98-107, included an amendment delaying the required return to noncash until January 1, 1984.

It is the position of this Department that the existing cash program has thus far met the goals of nutrition assistance for Puerto Rico, while concurrently lowering administrative costs and reducing overall fraud by eliminating abuses specifically related to the use of food stamps.

We believe the amendments added during the committees consideration of H.R. 4252 should be removed. Given the success of the current program; we believe the cash grant should continue permanently, as originally intended by the Congress in establishing the Puerto Rico Nutrition Assistance Grant. Temporary deletion of the noncash requirement will continue to cause great uncertainty in the administration of nutrition assistance in Puerto Rico.

In addition, we believe the study already conducted by the Department has demonstrated the effectiveness of cash distribution in Puerto Rico. The study mandated by the Committee would be both difficult to design and costly to administer.

The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

MARY C. JARRATT,
Assistant Secretary for
Food and Consumer Services.

THE CURRENT NUTRITION ASSISTANCE PROGRAM

Mr. HELMS. Mr. President, USDA approved Puerto Rico's plan for the operation of a cash food assistance program which has been operating since July 1, 1982. The USDA study of the program—published March 9, 1983—reported a significant administrative cost savings, largely due to the elimination of coupons, estimated at $10 milliion a year. Puerto Rico has enhanced program operations through the use of more intensive verification procedures and computerized benefit issuance to limit opportunities for waste, fraud, and abuse. The high-security benefit checks appear to be less vulnerable to fraud than coupons were. Although no household data exists, the preliminary indicators suggest that recipients under the new cash program spend roughly as much of their assistance on food as they did with the former food stamp program. USDA's study found that the large majority of benefit checks were cashed in food stores. The analysis of supermarket and other retail food store sales revealed no significant downward trend that can be attributed to a conversion from stamps to cash assistance.

EXPLANATION OF PUERTO RICAN PROVISIONS OF H.R. 4252

H.R. 4252, as amended, has two basic purposes with regard to the Puerto Rican program. First, it would eliminate the requirement that nutritional assistance program benefits in Puerto Rico be made available in noncash form. Second, it would require the Secretary of Agriculture to conduct a study of the program and present its findings to Congress no later than March 1, 1985.

The deadline for the new USDA study was set for March 1, 1985, in order to provide Congress with sufficient information to act well in advance of the September 30, 1985, expiration date for the program. There has been uncertainty in the past few months as to whether Congress would act on the issue of cash assistance in Puerto Rico, and this uncertainty has created a difficult situation for the Government of Puerto Rico. Contingency plans had to be developed and implemented and additional expenses were incurred. In order to assure smooth program administration, a clear expression of congressional will on any further change to the program should occur well in advance of the reauthorization date. Funds to carry out the study are to be derived from food stamp study funds, and not from the Puerto Rico block grant.

The study should explore carefully the levels of household resources being allocated for nutrition under the current cash program. These current household data should be compared with comparable household data collected from households in Puerto Rico as part of the 1977-78 nationwide food consumption survey. The committee recognizes that certain adjustments may have to be made in interpreting the data to provide a control for such factors as changes in benefit levels and the elimination of the purchase requirement in the food stamp program.

It is expected that this study will provide information on two fundamental questions: First, what different results can be expected when food assistance is given in cash rather than in food coupons or some other noncash form? And second, is the cash being issued in Puerto Rico for food assistance being spent on food?

The Department should note that if its study finds that some portion of benefit checks is utilized for nonfood items, this does not necessarily mean that they are a less effective form of nutrition assistance than stamps. Extensive evidence exists that indicates some portions of food stamp benefits were not actually utilized for food purchases. Trafficking of food stamps and acceptance of food stamps for nonfood items in stores was not uncommon. Additionally, some reports indicated that, particularly in rural areas, some food store owners charged food stamp clients higher prices than those paying cash.

BACKGROUND: MONTHLY REPORTING/ RETROSPECTIVE BUDGETING

A 3-month delay was suddenly sprung on the Senate at the 11th hour on September 30, permitting States until January 1, 1984, to prepare for the implementation of monthly reporting and periodic reporting—a provision about which they had known since 1981 when it was originally passed. States have had over 2 years now to prepare for this important measure. Indeed, many States have already implemented it. Where it has been implemented, it has proven most successful in addressing the issue for which it is intended—identifying changes in income of food stamp households.

Last week, the House when considering the second continuing resolution, only narrowly approved, 210 to 201, a

provision to delay implementation further until fiscal year 1985, October 1, 1984, and that by the leadership exerting its influence to keep intact the so-called Wright amendment to which the delay was attached. The continuing resolution—as amended by the Wright amendment—was subsequently defeated, but was resurrected later in the week with the Wright amendment—including the delay in monthly reporting and retrospective budgeting—attached. The Wright amendment was rejected by the Senate. In conference on Friday, the conferees dropped most of the amendment, including the delay.

This package today addresses some of the refinements needed to improve the administration of monthly reporting and retrospective budgeting. I am pleased to have worked out this consensus package with colleagues in both the Senate and House and to have concurred with the procedure to add these consensus provisions to H.R. 4252.

There has been a good deal of misinformation on the subject circulated for some time. I should emphasize that not all households are required to file monthly reports. Rather, the intent is that households with income, and those most likely to have income, should be targeted for more timely and accurate reporting of their income. Audits of the food stamp program have shown consistently that the most frequent cause for overissuance errors in the program is the underreporting of actual income by food stamp recipients.

As noted by the Congressional Budget Office:

> Monthly reporting and retrospective budgeting (MR/RB) is one of several initiatives to reduce fraud, waste and abuse in the Food Stamp Program.

These are important provisions that were originally estimated in 1981 to save $257 million annually when fully implemented—in fiscal year 1984.

The 1981 law provided flexibility for the Secretary of Agriculture to waive provisions of the act in order to permit States to maintain consistency with provisions for calculating income required under the aid to families with dependent children (AFDC) program. Monthly reporting and retrospective budgeting have been required in AFDC since October 1, 1981.

In order to accommodate further the compatibility of the two programs, additional waiver authority was established under the Omnibus Budget Reconciliation Act of 1982, Public Law 97-253. The Secretary is now authorized to waive any provision of the act—except the provisions excluding certain categories of households from monthly reporting—in order to develop requirements similar to those used for AFDC. Additionally, waiver authority was granted to enable State agencies to have selected categories of households report less frequently—than monthly—if the State agency could demonstrate that requiring monthly reports from such households would result in unwarranted administrative expense.

It should be remembered that the original and fundamental purpose of monthly reporting is to obtain the most current income information from food stamp recipients. Historically, investigative audits have demonstrated that the single largest cause for overissuances of food stamps comes from recipients underreporting their actual income. Inasmuch as monthly food stamp benefits are based on a household's monthly income, understatement of income results in overissuances of food stamp benefits. Most recent figures indicate that over $1 billion, or 10 percent of all food stamp benefits, are overissued, most of which is caused by underreported income. The Committee on Agriculture, Nutrition, and Forestry has been especially concerned with this area of fraud in the food stamp program, and has made a number of recommendations, subsequently adopted, to prevent and detect such underreporting of income. Monthly reporting and retrospective budgeting are two such tools intended to improve this situation.

At the same time, the committee's legislation has permitted the necessary flexibility to target such requirements on households that are likely to have income, and experience frequent changes in income. there is not the same urgency to include households that have no income, or are not likely to have changes in income—such as those on fixed incomes. For example, households in which all adult members are elderly or disabled are exempt from these requirements. As noted earlier, States may seek to exempt other categories if they can demonstrate that their incorporation in monthly reporting would not be cost effective.

The legislation before us today continues this approach of permitting greater flexibility to the States and the Secretary in formulating the day-to-day operations of monthly reporting and retrospective budgeting.

The committee has received only scattered reports of complaints. In my home State of North Carolina, most of the few counties that complained had not even attempted to seek waivers for those categories of recipients for which they felt reporting would not be cost effective. Some apparently felt that the requirement was "more bother than it was worth" or would result in a "paperwork glut."

Since that time, States and counties have petitioned the Secretary to grant waivers in certain cases. By all reports, the Secretary has been very judicious in granting waivers where the evidence presented warranted an exception.

Obviously, the committee will continue to monitor the situation to insure that the requirement provides the kind of improvements that were intended at the time of enactment in 1981.

FLEXIBLE MONTHLY REPORTING

Four provisions of the bill would permit greater flexibility to the States in the operation of the monthly reporting and retrospective budgeting (MRRB) requirements enacted in 1981 and now scheduled to take effect on January 1, 1984.

Let me be straightforward in saying that the provisions do not permit States the option of implementing monthly reporting, as some had sought which led to the delay in implementation from October 1, 1983 to the current date of January 1, 1984.

However, the provisions do address four concerns that many States have identified as being unnecessarily burdensome.

Under the existing law, households subject to monthly reporting—whether they are actually reporting monthly or whether they have been waived from such reporting—are required to be certified for no less than 6 months at a time.

Prior to the implementation of monthly reporting, there has been no minimum certification time period. Each State has set its own recertification periods which can and have varied, depending on the likelihood of the household having any changes in income. Typically, households most likely to have a change in income have been certified for shorter periods of time than fixed income households, for instance, who are less likely to have fluctuations in their monthly income.

States are most likely to require more frequent recertification—possibly in person—for households likely to have a change in income. In this way, the eligibility worker—or caseworker—can be made aware of any changes in the family's monthly income. Typically, such recertification periods for these households would be shorter than 6 months. However, with the implementation of monthly reporting, 6 months is to be the minimum time period for which these households must be certified.

Legislation which I introduced on October 25, S. 1993, the Food Stamp Integrity and Accountability Act, would remedy this situation by eliminating the federally imposed 6 month minimum certification period, thereby permitting States to continue determining the most appropriate certification periods.

States have been very receptive to this provision—section 101(a)—of the legislation. Numerous State welfare

and food stamp administrators have endorsed this specific reform. Among the comments:

The removal of the statutory six-month minimum period of certification is desirable. States do need this flexibility.—Linda Reivitz, Secretary, Department of Health and Social Services, Wisconsin.

We support the concept of flexible certification periods. Since States have to operate the program and be responsible for payment error rates above statutory imposed limits, the State should have full flexibility in assigning certification periods.—Ray Scott, Director, Arkansas Department of Human Services.

We agree the minimum six month certification period for monthly reporting households should be removed from the statutes. Many households which are mandatory monthly reporters, and therefore receiving a minimum six month certification, have fluctuating or zero income and unstable circumstances. States should have the flexibility to certify for shorter periods in such cases.—S. Barton Jacka, Director, Department of Human Resources, Nevada.

We support the removal of the statutory six month minimum certification period for monthly reporting households. This would allow food stamp staff more flexibility in administering monthly reporting, especially in coordinating reviews with public assistance households and in targeting households with error prone profiles.—Gina C. Dunning, Director, Nebraska Department of Social Services.

Other States supporting the provision include Iowa, Washington, West Virginia, Texas, Florida, Alaska, Mississippi, Ohio, South Carolina, and Arizona.

While the version of the legislation introduced, S. 1993, would have granted automatic exemption from the 6-month minimum, the approach taken in H.R. 4252 is to provide flexibility for the Secretary to review the requests for exemption from the 6-month minimum. While it is expected that the Secretary generally would approve such requests, he has reserved the authority to review requests and deny them where he feels such waivers are not warranted.

ALTERNATIVE MEANS OF REPORTING

The Food Stamp Act provides that State agencies may seek waiver authority from monthly reporting for categories of households for which such frequent reporting would not be cost effective.

Such households then report periodically—or, as the statute describes it, "at specified less frequent intervals."

Regulations issued by the Department of Agriculture have interpreted narrowly the options available to States in establishing such "periodic reporting."

By regulation, the reporting has been deemed to apply to written reports from households, usually on forms provided to the households for this purpose.

The intent of this provision of the bill is to clarify that other means of reporting by households may be established by State agencies, in consultation with the Secretary, to achieve the periodic reporting.

In addition to the periodic written reports—which are the general rule at the present time—the Secretary may permit interviews between recipients and eligibility workers to qualify as a periodic reporting of income. Typically, such interviews occur at the time of recertification. However, in addition to recertification interviews, the provision permits interviews that take place during the certification period.

As with other provisions, a primary concern is that accurate and timely information be received by the State agency in making eligibility and benefit calculations.

It is intended that this provision provide greater flexibility to the Secretary and to State agencies to tailor provisions to the needs of particular locations.

REPORT FORMS

A number of States have indicated that there are difficulties in the administration of the current monthly reporting forms by virtue of the complexity of the forms. The statute currently requires that all information necessary to determine eligibility and benefit levels should be included on such forms.

However, the Secretary is permitted the authority to establish standards of the inclusion of information on the monthly reporting forms. Because the statute requires that such forms be the sole requirement for reporting changes, the Secretary has felt constrained to include detailed questions on all monthly report forms.

It has been suggested that by targeting the questions on the monthly reporting forms, the administrative burden could be reduced for both the State agency as well as the recipients.

By reducing the number of questions, the Secretary would have the authority to permit incidence reporting of nonessential information. Obviously, the Secretary would want to maintain on all monthly report forms crucial information on income, household size, major assets, and other vital information.

However, secondary information could be omitted from such forms and thereby shorten and simplify the process.

Because of these concerns, a provision is included in the legislation that provides that reports required to be filed monthly shall be the sole reporting requirement for the subject matter included in such reports. No longer would the State have to include questions on all aspects of household circumstances on each month's report form.

The Secretary would coordinate with State agencies to identify those aspects of the form which are not as necessary for the accumulation of vital data, and establish criteria for the reporting, by recipients, for any changes in information not collected by the monthly report.

It should be noted that the amendment is designed to avoid the situation which has arisen with regard to the AFDC program in which recipients are sometimes required to file more than once in the same month regarding the same household information.

By targeting on reporting requirements that are most subject to change, both States and recipients should be well served.

RETROSPECTIVE BUDGETING

Retrospective budgeting, also known as retrospective accounting, is closely associated with monthly reporting.

Under present law, until January 1, 1984, States may opt to use one of two accounting systems for purposes of determining household income for food stamp purposes. Most States have used a prospective, or anticipatory system. This method requires that the food stamp eligibility worker estimate a household's income in the months for which it is being certified—normally 3 months—using past income, present circumstances, and other information as a guide. If, for example, a household has recently lost its income, past income may be ignored as an indicator of future income in the certification period. Expected future income is often estimated as presented by the household, unless there is reason to question the household's claims.

States have also been allowed to use a retrospective income accounting system, for some or all of their food stamp caseload. Under this procedure, the income actually received by the household in a past month, or similar measuring period, is used as the income base for calculation of eligibility and benefits in the certification period, rather than an estimate as to actually future income, except on application where, for consistency with AFDC procedures, eligibility and benefits are calculated prospectively for the initial months.

Retrospective budgeting generally provides more accurate and verifiable information on household income, and hence, a more accurate computation of the household's food stamp eligibility and benefits. The prospective accounting system, that has been the rule in the food stamp program in the past, leaves too much room for error and abuse.

Neither retrospective budgeting nor monthly reporting is as crucial to accuracy in benefit determination for households with stable, fixed incomes. Hence, in 1982, greater latitude was granted to the Secretary to exempt certain categories of households where the State agency requested an exemption based on the expectation that in-

clusion in monthly reporting would not be cost effective.

However, the provisions did not grant a waiver, or the possibility for a waiver, from retrospective budgeting.

The provision included in the bill provides that in those cases in which the Secretary has permitted a waiver from monthly reporting, a State may seek a similar waiver from retrospective budgeting.

It is anticipated that, as a general rule, the Secretary would grant a waiver in the second instance if he had granted one in the first. However, the Secretary retains the authority to decide such matters.

Of particular concern to the Secretary and to the States, should be the influence of such decisions on the overissuance error rates in the food stamp program.

Accuracy of income information is essential, and waivers should not be sought by States nor granted or extended by the Secretary in cases in which the overissuances to categories of households exempted from retrospective budgeting—or monthly reporting, for that matter—result in increases in the overissuance error rate among such households.

The Secretary and State agencies should monitor closely the implementation of this waiver authority to insure that it is prudently targeted.

These changes should enhance the implementation of monthly reporting and retrospective budgeting in the food stamp program. The Secretary should formulate plans immediately to deal with the waiver authority granted under these provisions, including prompt notification to State agencies. The provisions are not intended, in any manner, to impede the orderly and prompt implementation of mandatory monthly reporting and retrospective budgeting now scheduled for national implementation on January 1, 1984. The Secretary should hold States to a strict accountability for the implementation of the monthly reporting and retrospective budgeting provisions of existing law, provisions about which they have known for more than 2 years, and, hopefully, for which they have prepared. States that have already begun the use of monthly reporting and retrospective accounting are to be commended for their initiative and responsibility.

The Secretary should monitor carefully all waiver requests and the operational results of waivers granted for various purposes. The reduction in the overissuance of error rates is a primary concern of the Senate Committee on Agriculture, Nutrition, and Forestry. To the extent that specific waivers contribute to higher error rates, the Secretary should review such waivers.

He may solicit from the States the information he deems necessary to substantiate that such waivers for various categories of recipients and for various purposes will, indeed, improve the overall administration of the food stamp program.

Obviously, the Secretary retains ultimate authority in granting any of the waivers for which authority is provided, and in designing provisional or temporary waivers until final regulations are published.

Needless to say, I am hopeful that the Secretary and the States will work together in a way that works to the ultimate benefit of American taxpayers who desire a proper accountability in the expenditure of their tax dollars on the food stamp program.

STATE WAGE MATCHING ALTERNATIVES

The bill also includes section 505 from S. 1993, as introduced.

The provision provides greater latitude to approximately 12 States that do not currently maintain quarterly unemployment compensation records.

The Congress adopted a provision in the Agriculture and Food Act of 1981—97-98—which required States to begin using quarterly wage data collected by unemployment compensation agencies or social security wage information for verifying food stamp eligibility and benefit payments effective January 1, 1983.

The provision paralleled a similar Federal requirement in the aid to families with dependent children program that was added in December 1977, and became effective in December 1979.

The provision, as adopted in the food stamp program, required States to use their unemployment compensation agency's quarterly wage reports if such reports are available. Approximately 40 States have quarterly wage reporting—so-called wage report States. Those States that do not have quarterly reporting would use the most recent social security earnings information available from the Social Security Administration.

The requirement for wage matching became mandatory on January 1, 1983, requiring States to use one of the two above-mentioned earning reports.

States using social security information have indicated that the "most recent information" is frequently 2 years old, and thus makes timely matching with current food stamp case files impractical.

However, it has been brought to the attention of the committee that some of the 12 nonwage reporting States have other information on wages available to them which could be useful in performing wage matches.

At the present time, however, the statute is tightly drawn in such a way that only the options—quarterly wage data or social security information—can satisfy the wage match requirements of the Food Stamp Act.

Two of the comments from administrators follow:

Nebraska supports the provision regarding use of alternate methods of obtaining wage information. Nebraska is not a wage reporting state in respect to unemployment compensation. Therefore, we have been forced to initiate wage matching with the Social Security Administration in spite of that fact that the wage information does not meet the timeliness standards of our program requirements. We believe that the information available through alternatives such as the State Department of Revenue is of better quality and far more timely.—Gina C. Dunning, Director, Nebraska Department of Social Service.

As one of the few states required to rely on wage data from the Social Security Administration, Hawaii welcomes your proposal to allow us to adopt alternative methods. The present information received from SSA is too old (2 years old) to be beneficial.—Franklin Y. K. Sunn, Director, Department of Social Services and Housing, Hawaii.

The provision has been endorsed by States that do and do not need the alternative methods. Among those supporting the provision are: the District of Columbia, Iowa, Texas, West Virginia, Florida, Alaska, Arkansas, and Wisconsin.

The provision included in the bill, therefore, would permit States that do not have quarterly unemployment compensation records of wages to use other comparable means, as approved by the Secretary, to comply with the wage matching requirements of the Food Stamp Act.

Both the Inspector General of the Department of Agriculture and the General Accounting Office have repeatedly emphasized the importance of verification procedures using current wage information.

Underreporting of income by food stamp applicants and recipients continues to be the primary cause for overissuance of benefits which total over $1 billion annually. Improved means of detecting such unreported or underreported income can be critical to lowering these overissuance rates and improving the administration of the program.

It would be anticipated that State tax information would be, as noted by Nebraska, a likely alternative source for current wage information. While States that have quarterly wage reporting would be required to utilize that method first, they would not be precluded from using additional matching techniques if they felt it would improve the administration of the program. This is especially true in cases in which certain employee wage information is not included in the quarterly wage data. For instance, Federal employee wage information is not reported on a quarterly basis.

There has been some discussion about the possibility of requiring all States to establish quarterly wage reporting for unemployment compensation purposes. If that were to become law, this provision would be negated. However, until such time as all States

have unemployment compensation records, those that do not should have alternatives to outdated social security information. Of course, it is also hoped that the Social Security Administration's wage information can be updated so as to be more useful for this and other purposes.

I ask unanimous consent that a summary of the provisions be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF PROVISIONS

H.R. 4252, as amended by the Senate, would amend the Food Stamp Act of 1977 to—

(1) repeal the requirement (scheduled to take effect January 1, 1984) that nutrition assistance in Puerto Rico be made available in a form other than cash;

(2) direct the Secretary of Agriculture to carry out a study of the nutrition assistance program in Puerto Rico to include an assessment of (a) its impact on the adequacy of the nutritional level of diets of households receiving food assistance in the form of cash rather than in noncash form, and (b) the expenditure levels of such households for food. The Secretary would be required to report the findings of the study to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry by March 1, 1985;

(3) allow States to waive, with the approval of the Secretary, the existing requirement that the minimum certification period for food stamp households that must submit monthly reports of income be six months;

(4) provide authority for the Secretary to waive the existing requirement that certain food stamp households not subject to monthly reporting requirements have twelve month maximum certification periods;

(5) allow States, with the approval of the Secretary, to calculate household income for certain households on a prospective, rather than a retrospective, basis. Households for which a waiver may be approved are those that (i) are premitted to report household circumstances at specified intervals less frequent than monthly, (ii) have no earned income and in which all adult members are elderly or disabled members, and (iii) are any other households, other than a migrant household, not required to report monthly or at less frequent intervals.

(6) provide that the Secretary may permit State agencies to accept several forms of reporting to be used to satisfy reporting requirements for households reporting at specified less frequent intervals—i.e., those households not filing monthly reports. These forms would include recertifications conducted in accordance with section 11(e)(4) of the Act, in-person interviews conducted during a certification period, the filing of written reports, and such other means as are prescribed by the Secretary;

(7) provide that reports to be filed monthly shall be the sole reporting requirement for subject matter included in such reports rather than the sole source for reporting all changes in circumstances for participating households; and

(8) continue to require States to perform wage matching procedures. States that maintain quarterly unemployment compensation records would continue to use such records for wage matching purposes. States that do not have such data would use either Social Security Administration wage information (as required under current law) or comparable information, as approved by the Secretary.

FOOD STAMP AMENDMENTS OF 1983

Mr. DOLE. Mr. President, I rise in support of H.R. 4252, the food stamp legislation which has just passed the House under a suspension of the rules. For once, we are enacting some necessary changes in the food stamp program without controversy or extended debate, and I commend my colleagues in both Houses for expediting this action.

TWO PROBLEMS WITH PROGRAM

Mr. President, as chairman of the Nutrition Subcommittee, the Senator from Kansas has been aware of two problems in the food stamp program that needed to be addressed this year if possible. One of them was the noncash provision for the Puerto Rico food assistance block grant, which was originally scheduled to go into effect as of October 1, 1983. As a result of previous congressional action, Puerto Rico was given an extension to continue its block grant in cashed-out form through the end of this year. This legislation will now make it possible for Puerto Rico to continue its food assistance program on a cashed-out basis at least until the entire program comes up for reauthorization in 1985. This is one change that the Senate would make in the House language.

The other problem that has generated widespread concern among the States was also supposed to have been implemented as of October 1, 1983. Under current law, monthly reporting and retrospective budgeting (MRRB) is a State option. MRRB as a State option was to become mandatory on October 1, but the current option was extended through the end of December to allow States more time to implement MRRB on a mandatory basis. This legislation would make some modifications in current law that seem to be satisfactory to all those concerned.

PUERTO RICO BLOCK GRANT

Mr. President, at various times this year, we have attempted to assist Puerto Rico in maintaining its food assistance block grant in cash form. We were aware that they had a legitimate problem down there. Thus far, we have only succeeded in obtaining an extension of the current program through the end of this year. The provisions in this legislation will amend the Food Stamp Act of 1977 to repeal the requirement scheduled to take effect January 1, 1984, that nutrition assistance in Puerto Rico be made available in a form other than cash. This block grant in its current form, has the support of the administration, and the Congress. It seemed a viable solution to providing food assistance in Puerto Rico, which has some unique problems.

When the House passed H.R. 4252, it also included a Coleman amendment to direct the Secretary of Agriculture to carry out a study of the nutrition assistance program in Puerto Rico to include an assessment of its impact on the adequacy of the nutritional level of diets of households receiving food assistance in the form of cash rather than in noncash form, and the expenditure of levels of such households for food. The Secretary would be required to report the findings of this study to the Senate Committee on Agriculture, Nutrition, and Forestry, and the House Committee on Agriculture by March 1, 1985. This provision should satisfy the concerns that my distinguished colleague in the House, Mr. COLEMAN, had with regard to the cash food assistance provided for under current law.

MONTHLY REPORTING AND RETROSPECTIVE BUDGETING

This MRRB compromise maintains the mandatory nature of monthly reporting and retrospective budgeting, while giving the States the flexibility they need to utilize MRRB as a cost-effective administrative tool. This action on the part of Congress should ease the burden on States while the mandatory nature of MRRB remains in effect. The compromise represented by this legislation would allow for a more liberal waiver policy with regard to mandatory monthly reporting and retrospective budgeting that seems to address most of the complaints we have heard from States this year.

These amendments would allow retrospective budgeting—the practice of basing benefits and eligibility upon household circumstances in a prior month to be waived for households that are either exempt or waived from monthly reporting requirements. One of the most significant changes would be to allow States to conduct recertification interviews more often than every 6 months for households subject to the monthly reporting requirements. Some States believe that it is more cost effective to have frequent, face-to-face interviews rather than to require filing of a written report on a monthly basis. This legislation clarifies the Secretary's authority to permit several forms of reporting to be utilized to satisfy requirements for households reporting at specified, less frequent intervals.

Other changes included in this legislation would allow the Secretary, upon request by a State agency, to waive the existing requirement that certain households, not subject to monthly reporting requirements, have 12-month maximum certification periods and authorize the Secretary to permit certain elderly and disabled households to be certified for more than 12 months at a

time. Further, the bill provides authority for States that do not maintain quarterly unemployment compensation records to use comparable information, as approved by the Secretary, for the purpose of implementing wage-matching procedures required under the Food Stamp Act. One additional change will allow States to design shorter and less complicated monthly report forms, so long as recipients would not be required to file more than one written form a month addressing the subject matter in the reports.

Taken as a whole, these amendments should simplify program administration and give the States the necessary flexibility to target monthly reporting and retrospective budgeting on those food stamp recipients for whom it is cost effective.

CONCLUDING REMARKS

Mr. President, the Senator from Kansas had hoped that this year we would not have to enact any changes in the food stamp program. It was the first year since 1977 that no major food stamp legislation was needed. Even the authorization ceiling did not need to be raised, in order to accommodate supplemental appropriations.

Last year, throughout the budget process, I emphasized the need for program stability, to allow States to adapt to the layer upon layer of changes that have been imposed on them over the last 5 years. Error rates were becoming a serious concern, and we made an attempt to improve State administration of the program by strengthening the error rate sanction system last year. However, at the same time, we were continually making it more difficult for States to administer the program because of the frequency and multiplicity of changes that we continually made in the program.

Still, there were two problematic areas that remained this year and needed to be corrected at the earliest possible date. This legislation satisfies the need to address both the Puerto Rico block grant problem and the implementation of mandatory monthly reporting and retrospective budgeting. Again I commend those who have worked out these problem areas in the food stamp program to the satisfaction of all those involved.

Mr. HUDDLESTON. Mr. President, I support the passage of H.R. 4252 and the technical amendments offered by the chairman of the Committee on Agriculture, Nutrition, and Forestry.

H.R. 4252 will allow the Commonwealth of Puerto Rico to continue its current system of distributing cash benefits under the nutrition assistance program. Currently, the law requires, beginning on January 1, 1984, that Puerto Rico implement a noncash benefit delivery system. The administration, as well as the Governor of Puerto Rico, would like to see the cash delivery system continued. While the evidence, to date, on the effect of a conversion of food program expenditures from cash to noncash on participating households is inconclusive, it is important to note that the bill will require the Secretary of Agriculture to conduct a study on the effectiveness of the current nutrition assistance program in Puerto Rico.

The other provisions of the bill will make it easier for States to administer the monthly reporting and retrospective budgeting requirements currently in the law.

Many States have voiced their concerns about the difficulties they have encountered in trying to efficiently administer the food stamp program. This legislation is designed to provide States with greater flexibility so that they may better serve their food stamp recipients.

Specifically, the bill will—

First. Allow retrospective budgeting—the practice of basing benefits and eligibility on household circumstances in a prior month—to be waived for households that are either exempt, or waived, from monthly reporting requirements;

Second. Permit the Secretary of Agriculture to allow certain elderly and disabled households to be certified for more than 12 months at a time;

Third. Allow periodic reporting requirements to be satisfied by in-person interviews, as well as the filing of a written form; and

Fourth. Allow States to design shorter and less complicated monthly report forms, so long as recipients would not be required to file more than one written form a month addressing the subject matter in the reports.

I believe the improvements made to the food stamp program by H.R. 4252 are needed and urge my colleagues to join me in supporting the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "An Act to amend the Food Stamp Act of 1977 to repeal the noncash benefit requirement for the Puerto Rico nutrition assistance program, to provide States with greater flexibility in the administration of the food stamp program, and for other purposes.".

SMALL BUSINESS DEVELOPMENT CENTER EXTENSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate turn to the consideration of H.R. 4013, Small Business Development Center program extension now being held at the desk.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 4013) to extend the Small Business Development Center program administered by the Small Business Administration until January 1, 1985.

The Senate proceeded to the consideration of H.R. 4013.

Mr. WEICKER. Mr. President, I rise in support of H.R. 4013, a bill to extend the sunset provision of the Small Business Development Center program, and ask its favorable consideration.

Currently, the SBDC program, administered by the Small Business Administration, is due to expire on October 1, 1984. On November 11, 1983, the Senate Small Business Committee favorably reported out S. 1429, a bill to make the SBDC program permanent. I am pleased that the full Senate unanimously passed this legislation today. Unfortunately, the House will not be in a position to deal with S. 1429 until early next year. Therefore, to avoid funding problems, this stopgap measure needs to be enacted.

The problem is this: Of the 27 SBDC's currently operating, about half are on a calendar year funding cycle, as opposed to a fiscal year. While there is still a year before the authorization for the program runs out, the administration informs me that unless the program is extended for 3 months, those centers on a calendar year cycle will suffer an interruption in their funding.

So then, this is an interim measure, merely designed to insure the continued, steady operation of the program while our bill is being considered in the House. As such, I recommend—and I have the concurrence of the Small Business Committee's ranking minority member on this—that the Senate act quickly to pass this interim legislation. Thank you.

Mr. GORTON. Mr. President, the small business development centers have been an effective tool for providing management assistance to small businesses throughout the country. These advanced business management skills are essential to growth in a free market system. The small business development centers are dedicated to fostering the sound management practices that are the core of any successful business.

Currently there are 23 small business development centers (SBDC's) around the Nation. The best measure of their success is the fact that as many as a dozen additional States are expected to apply for SBDC's in the coming year. The program has been successful in effectively combining limited State and Federal funds in order to provide valuable business consulting services through existing State university systems.

Washington State University has had a small business assistance program since 1976. In 1979 that service

was expanded under the small business development center program, and now includes four additional offices around the State of Washington. Washington State's program has been particularly effective, and I believe that our success demonstrates that SBDC's can play an important part in assuring the continued growth and health of small business.

I chaired two SBDC oversight hearings this year, and I am convinced that the program is a cost-effective stimulus to small business growth. I encourage my colleagues to support the continuation of the program, and to encourage its development in their own States.

Mr. BUMPERS. Mr. President, I rise in support of H.R. 4013, a bill approved by the House that would provide for a 3-month extension of the Small Business Administration's small business development center program. I urge my colleagues to adopt the House bill without amendment, and clear the measure for the President.

In 1976, the Small Business Administration undertook an administrative program with eight universities from around the Nation to test the ability of these institutions to provide management assistance to small businesses in their area. That program appeared to have worked, but lacked any comprehensive "game plan" by which the agency, or the Congress, could evaluate the effectiveness of this approach.

However, Congress recognized that the Small Business Administration was not able to meet the demands for management assistance by the small business community with its own staff. Under the leadership of the former chairman of the Senate Small Business Committee, Gaylord Nelson, and the distinguished Senator from Georgia, my predecessor as the ranking Democratic member on the Senate Small Business Committee, Senator SAM NUNN, the Senate initiated legislation in 1978 providing a statutory framework for the SBDC program. However, because this SBDC legislation was a pilot program effort, Congress imposed a September 30, 1984, sunset date on the total program. It is that date that the House bill would extend for an additional 3 months.

Why the need for a 3-month extension only? Primarily, the need for this legislation stems from the various funding cycles that the Small Business Administration has established for the 27 approved small business development centers. Some SBDC's are funded on the Federal fiscal year cycle. Others, like the SBDC in my own State of Arkansas, are funded on a calendar year basis. For some, the funding cycle runs for 12 months from the date on which the SBDC was able to meet the statutory matching requirements imposed in the statute. In fact, only 8 of the 27 approved centers are funded on the Federal fiscal year basis. SBA has reached the conclusion, correctly in my view, that they lack authority to fund the program beyond next September 30. Since the planning for each SBDC operation, and the efforts to obtain the match, begins many months before the actual funding cycle begins, States, universities, SBDC's, SBA, and the small business in need of management assistance that are the beneficiaries of this program need to be assured that there will be an entire funding cycle for the coming year. As a matter of planning, and as a means for insuring that the small business community continues to have access to a source of management assistance, this temporary extension legislation is necessary.

Mr. President, I want to assure my colleagues that this extension legislation will not prejudge the question of the permanent extension of the SBDC program. Legislation introduced by the chairman of the Senate Small Business Committee, Senator WEICKER, and cosponsored by several other members of the committee, including me, would make the SBDC program permanent (S. 1429). The Senate Small Business Committee has already held 3 days of hearings this year on this SBDC program, with over 30 witnesses. A markup on this legislation was held on November 1. The Small Business Committee ordered reported the bill extending the program permanently, and adopted a number of amendments to strengthen the program and its operation. The bill will be reported to the Senate shortly, and the Senate may have an opportunity to consider the permanent program extension before the Senate adjourns. The House Small Business Committee will also be undertaking its review, and making its recommendations for changes to the program early next year.

Mr. President, as the ranking Democratic member of the Senate Small Business Committee, I fully support this bill, and urge the Senate to pass this House bill without amendment.

Mr. NUNN. Mr. President, I join my colleagues in urging the Senate to adopt the House-passed bill that would provide for a 3-month extension of the sunset date of the Small Business Administration's small business development center program. As has already been noted, this legislation is necessary to insure that at least 16 of the 27 existing small business development centers that are not funded by SBA on a Federal fiscal year basis will know in advance that they will be able to undertake a full year of service to the small business community—if they otherwise meet the requirements of the law—while we in the Congress consider the merits of extending this program on a permanent basis.

I have been actively involved in the SBDC legislation from the outset. The State of Georgia, under the leadership of the University of Georgia's president, Fred Davison, and former business school dean, Bill Flewellen, was one of the original schools participating in the SBA's initial eight school pilot program. Georgia's SBDC served as a guide to our committee in the development of the SBDC legislation, and continues to serve as a model to many of the operating SBDC's. I was honored to have chaired the first Senate hearing on the program in 1977, and to work with many of my colleagues in the development of the 1980 Small Business Development Center Act. I have joined with Senator WEICKER, the chairman of the Senate Small Business Committee, in proposing legislation (S. 1429) to make the program permanent. I am pleased that Senator BUMPERS, the new ranking member on the Senate Small Business Committee, has joined as a cosponsor of this extension legislation, as well.

The Senate Small Business Committee is well along the way in its review of the small business development center program. I chaired the first oversight hearing on this program in Georgia in February. As Senator BUMPERS has noted, the Senate Small Business Committee has recommended that Congress make the program permanent, and has proposed some changes to the program to strengthen the operation and accountability of SBDC's. The Senate may have the opportunity to consider that legislation shortly.

Pending the completion of the congressional action on the permanent extension proposal, this legislation will provide a needed bridge in service delivery by the small business development centers to the small business community.

Enactment of this 3-month extension will insure that the program will be able to operate fully for the entire fiscal year 1984 while we proceed expeditiously to consider a permanent extension of this important management assistance program for small business.

Mr. President, I wish we could be bringing a completed SBDC extension bill to the Senate for its consideration. Until that time, I strongly support the House bill, and join the chairman, and the ranking member, in urging the Senate to approve the House-passed bill without amendment.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 4013) was ordered to a third reading, was read the third time, and passed.

COMMISSION ON MORE EFFECTIVE GOVERNMENT

The Senate proceeded to consider the bill (S. 35) to establish a Commission on More Effective Government, with the declared objective of improving the quality of government in the United States and of restoring public confidence in government at all levels which had been reported from the Committee on Governmental Affairs with an amendment:

On page 12, line 20, strike "it first meets", and insert "the date of enactment of this Act";

So as to make the bill read:

S. 35

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

SECTION 1. It is the policy of the Congress to develop a blueprint for better government in the United States, to set in motion processes by which the Federal Government can more effectively and responsively serve the people for whom it was created and can more rationally meet its present and future challenges, both national and international, and to encourage and justify the full restoration of public confidence in government at all levels.

ESTABLISHMENT OF COMMISSION

SEC. 2. For the purpose of carrying out the policy set forth in section 1, there is hereby established a commission to be known as the Commission on More Effective Government (in this Act referred to as the "Commission").

IMPLEMENTATION OF POLICY BY COMMISSION

SEC. 3. (a) In carrying out the policy set forth in section 1, the Commission shall consider and study the management, operation, and organization of the executive branch and of the independent regulatory agencies of the Federal Government, including the relationships of such entities to each other, to the other branches of the Federal Government, to their State and local governmental counterparts, and to the private sector. Such study and consideration shall give particular attention to the extent to which such relationships and established patterns of action meet or fail to meet governmental responsibilities and are adequate to meet the challenges of the future. Where appropriate and necessary, the Commission's consideration and study shall include the extent to which the policies implemented by the executive branch and the independent regulatory agencies detract from or enhance governmental management, operation, and organization.

(b) On the basis of its considerations and study under subsection (a), the Commission shall make recommendations, including but not limited to specific proposals for changes in Federal laws, regulations and administrative practices, to promote economy, effectiveness, efficiency, and managerial and political accountability, and to improve services and management in the transaction of the public business. Such recommendations shall include, where appropriate, recommendations for altering the present distribution of functions and activities among the Federal agencies and among the Federal, State, and local governments.

(c) In carrying out its consideration and study under subsection (a), the Commission shall avail itself of relevant information and data gathered by such public and private organizations and individuals as it deems appropriate.

ORGANIZATION OF THE COMMISSION

SEC. 4. (a) The Commission shall be composed of eighteen members as follows:

(1) Six appointed by the President of the United States; a maximum of three from the executive branch, and the balance, persons who are not Federal officials.

(2) Six appointed by the Speaker of the House of Representatives; a minimum of two and a maximum of three from the House of Representatives, and the balance, persons who are not current Members of the House of Representatives.

(3) Six appointed by the President pro tempore of the Senate, upon the recommendations of the majority and minority leaders of the Senate; a minimum of two and a maximum of three from the Senate, and the balance, persons who are not current Members of the Senate.

Members of the Commission shall to the maximum extent possible be chosen from among persons who have particular knowledge and expertise in the major areas of the Commission's consideration and study. Of the members appointed by the President, one shall have had experience in government at the State or local level; of the members who are not Federal officials appointed by the Speaker of the House of Representatives, one shall have had governmental experience at the local level; and of the members who are not Federal officials appointed by the President pro tempore of the Senate, one shall have had governmental experience at the State level. In considering individuals for membership, preference shall be given to persons with a broad knowledge and understanding of the working of the Federal system of the United States of America.

(b)(1) Of the members appointed by the President from persons who are not Federal officials under subsection (a)(1), three shall be from the major political party which is not the party of the President, and at least two shall be persons not engaged in partisan political activity.

(2) Of the members appointed from the House of Representatives under subsection (a)(2), one shall be from the political party which is the majority party in the House and one shall be from the political party which is the minority party in the House. At his discretion, the Speaker may appoint either a second incumbent Representative from the majority party in the House or a former Representative from that same party. Of the remaining three members appointed under such subsection, two shall be persons not engaged in partisan political activity. Of these three remaining members one shall be from the political party which is the minority party in the House. In appointing members under subsection (a)(2) who are from the political party which is the minority party in the House, the Speaker shall obtain the advice and consent of the minority leader of the House.

(3) Of the members appointed from the Senate under subsection (a)(3), one shall be from the political party which is the majority party in the Senate and one shall be from the political party which is the minority party in the Senate. At his discretion, the President pro tempore of the Senate may appoint either a second incumbent Senator from the majority party in the Senate or a former Senator from that same party. Of the remaining three members appointed under such subsection, two shall be persons not engaged in partisan political activity. One of these three remaining members shall be from the political party which is the minority party in the Senate.

(4) For the purposes of this Act, the term "persons not engaged in partisan political activity" shall mean persons who for at least six months prior to appointment as a member of the Commission, have not occupied or sought elected public office, or have not served as an official of a State or national political party.

(c) The President shall select a Chairman from among the Commission members who are not Federal officials at the time of appointment. The selection by the President of the Chairman shall be subject to the approval of a majority vote of the members of the Commission, conducted by secret ballot. The Commission shall elect from among its members a Vice Chairman from the major political party which is not the party of the Chairman. The Commission shall adopt such rules and reugulations as may be necessary to establish its procedures and to govern the manner of its operations, its organization, and its personnel.

(d) Ten members of the Commission shall constitute a quorum.

(e) Any vacancy in the Commission shall not affect its powers, but shall be filled in the manner in which the original appointment was made. Any individual appointed to fill a vacancy in the Commission shall be of the same political party as his predecessor.

(f) An individual who is appointed to the Commission in the status of a Member of Congress or in the status of a person in the executive branch of the Government, and who thereafter ceases to have such status, shall nevertheless continue as a member of the Commission and shall (if he has returned to private life except for his membership on the Commission) be treated as an individual appointed from private life for purposes of compensation under section 5.

COMPENSATION OF COMMISSION MEMBERS

SEC. 5. (a) The members of the Commission who are Members of Congress or who are in the executive branch of the Government shall serve on the Commission without any compensation in addition to that received for their services as Members of Congress or in the executive branch. The members of the Commission from private life shall each be paid compensation at a rate equal to the rate of basic pay in effect for level IV of the Executive Schedule when engaged in the performance of the duties vested in the Commission.

(b) All members of the Commission shall be reimbursed for travel as authorized by section 5703 of title 5, of the United States Code, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

COMMISSION STAFF

SEC. 6. (a) The Commission shall have power to appoint, terminate, and fix the compensation of such personnel as it deems advisable to assist in the performance of its duties, without regard to the civil service laws and without regard to the provisions of title 5 of the United States Code (or of any other law) relating to the number, classification, or compensation of employees. The Commission may also procure, as authorized by section 3109 of title 5, United States Code, temporary and intermittent services to the same extent as is authorized by law for agencies in the executive branch but at rates not to exceed the daily equivalent of the maximum annual rate of basic pay in

effect for grade GS-18 of the General Schedule. The Chairman and Vice Chairman shall select an executive director for the Commission contingent upon confirmation by the Commission members.

(b) Service of an individual as a member of the Commission (or of an advisory council or committee under section 7) or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of any Federal law relating to conflicts of interest or otherwise imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with claims, proceedings, or matters involving the United States. Service as a member of the Commission (or of such an advisory council or committee), or as an employee of the Commission, shall not be considered service in an appointive or elective position in the Government for purposes of section 8344 of title 5, United States Code, or comparable provisions of Federal law.

ADVISORY COUNCILS AND COMMITTEES

SEC. 7. The Commission may establish (without regard to the Federal Advisory Committee Act) such advisory councils and advisory committees as it may deem appropriate to provide specialized assistance in the performance of the duties vested in the Commission by this Act. Members of such advisory councils and committees, while attending meetings of such councils or committees or while otherwise serving at the request of the Commission away from their homes or regular places of business (unless otherwise eligible for travel and subsistence expenses under chapter 57 of title 5, United States Code), may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for individuals in the Government serving without pay.

POWERS OF THE COMMISSION

SEC. 8. (a) The Commission or any member authorized by the Commission may, for the purpose of carrying out this Act, hold such hearings and sit and act at such times and places, take such testimony, have such printing and binding done, enter into such contracts and other arrangements (with or without consideration or bond, to such extent or in such amounts as are provided in appropriation Acts, and without regard to section 3709 of the Revised Statutes (41 U.S.C. 5)), make such expenditures, and take such other actions as the Commission or such member may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before such member. The provisions of the Federal Advisory Committee Act shall not apply to the Commission established under this Act.

(b) The Commission is authorized to secure directly from any officer, department, agency, establishment, or instrumentality of the Government such information, suggestions, estimates, and statistics as the Commission may require for the purpose of this Act; and each such officer, department, agency, establishment, or instrumentality is authorized and directed to furnish, to the extent permitted by law, such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

(c) Upon request of the Commission, the head of any Federal agency is authorized to make any of the facilities and services of such agency available to the Commission or to detail any of the personnel of such agency to the Commission, on a reimbursable basis, to assist the Commission in carrying out its duties under this Act, unless the head of such agency determines that urgent, overriding reasons will not permit the agency to make such facilities, services or personnel available to the Commission and so notifies the Chairman in writing.

(d) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(e) No officer or agency of the United States shall require the Commission to submit any report, recommendation, or other matter to any such officer or agency for approval, comment, or review before submitting such report, recommendation, or other matter to the Congress or to the President.

MEETINGS, PUBLIC INVOLVEMENT, REPORTS, EXPIRATION

SEC. 9. (a) The Commission shall first convene no later than six months after the date of enactment of this Act, and shall meet from time to time thereafter, as its members deem appropriate.

(b) Consistent with other provisions of this Act, the Commission shall structure its operations and activities to assure the appropriate and meaningful involvement of the public in its deliberations. In doing so, the Commission shall consider the desirability of holding public hearings, particularly in locations outside of the District of Columbia and of establishing toll-free telephone lines or other mechanisms whereby members of the public can readily contribute suggestions for Commission consideration.

(c) The Commission shall from time to time submit to the Congress and the President such reports as it may deem appropriate with respect to its activities under this Act. One year after the date of enactment of this Act, the Commission shall report to the Congress and the President on its agenda and its progress. Twenty-four months after the date of enactment of this Act, the Commission shall submit to the Congress and the President its final report with respect to such activities, including all of its findings and recommendations.

(d) Ninety days after the submission to the Congress and the President of its final report under subsection (c), the Commission shall cease to exist, except as provided under section 11(b).

PREPARATION FOR THE COMMISSION

SEC. 10. Upon enactment of this Act, the Comptroller General, the Director of the Congressional Research Service, the Director of the Congressional Budget Office, the Director of the Office of Technology Assessment, and the Chairman of the Advisory Commission on Intergovernmental Relations shall begin to prepare briefing papers for the Commission. Such briefing papers shall catalog and synthesize any recent reports, analyses, and recommendations of the respective organizaitons, and shall contain such other information deemed by the head of each such organization to be pertinent to the work of the Commission. The briefing papers shall be completed no later than four months after the date of enactment of this Act.

MONITORING AND FOLLOWUP ON COMMISSION RECOMMENDATIONS

SEC. 11. (a) For a period of four years after the Commission ceases to exist, the Comptroller General shall monitor the implementation of the recommendations of the Commission, and shall report periodically to the Congress and the President on the actions being taken to implement such recommendations.

(b) For a period of eighteen months after the Commission ceases to exist, a portion of the staff shall continue to seek the consideration and implementation of the recommendations of the Commission. During such period, such staff shall be under the supervision of and shall report to the Director of the Office of Management and Budget.

(c) Upon submission of the Commission's final report to the President under section 9(c) the Director of the Office of Management and Budget, in coordination with the executive agencies, shall take action to (1) formulate the views of the executive agencies on the recommendations of the Commission; (2) to the extent practicable within the limits of their authority and resources, carry out recommendations of the Commission in which they concur; and (3) propose legislation needed to carry out or to provide authority to carry out other recommendations of the Commission in which they concur. At least once every six months, the Director of the Office of Management and Budget shall report to the Congress and the President on the status of action taken or to be taken as provided herein. A final report on the final disposition of the recommendations shall be submitted within four years after the submission of the Commission's final report under section 9(c).

EXPENSES OF THE COMMISISON

SEC. 12. There are hereby authorized to be appropriated $10,000,000 to carry out this Act.

Mr. ROTH. Mr. President, today the Senate considers S. 35, legislation that will create a Commission on More Effective Government. This proposal is an important step toward improved governmental performance, and it deserves the support of every Member of the U.S. Senate.

The effort to establish a bipartisan commission on governmental effectiveness is not new to the Senate. On December 7, 1981 the Senate passed this legislation by the strong bipartisan vote of 79 to 4. Unfortunately, however, the bill was not acted upon by the House of Representatives before the end of the 97th Congress. It is my fervent hope that with Senate passage of this legislation today, the House will begin action on a comparable version promptly in order that the Commission can be created and begin its important work.

Before I make my remarks on this legislation, I want to give special recognition to the role played by my colleague on the Governmental Affairs Committee, TOM EAGLETON, on this effort. Senator EAGLETON has supported the Commission legislation since it was proposed during the Carter administration, and was instrumental in moving the bill through the Senate in

1981. During my tenure as chairman of the Governmental Affairs Committee, Senator EAGLETON has exemplified the spirit of bipartisan cooperation that is a fundamental tenet of the Commission concept. I am confident that with this foundation built upon cooperation the Commission can make a substantial contribution to the improved operation of American Government.

Mr. President, this Nation has faced an increasingly complex set of economic, social, and national security problems in the period since World War II. The complicated, seemingly intractable nature of these problems has spawned a host of public sector responses. New agencies, new programs and a vast array of regulatory mandates are evidence of this governmental response.

But as Government has tried to grapple with the tough problems, the role of Government in our lives has expanded immensely, governmental expenditure levels have risen almost exponentially, and the institutional relationships within Government have taken on the complexity of the very problems that Government seeks to address. It is no secret to us or to the American people that governmental performance rarely lives up to its promise.

Government agencies and programs that are ineffective, inefficient and unable to give our citizens a fair return on their tax dollar is unacceptable. And this is just the situation that we face today.

The Commission on More Effective Government provides the means for us to step back and examine the broad sweep of how our Government is structured and how it operates. The recommendations produced by the Commission will provide a reform agenda for the structural and managerial changes so badly needed in Government today. Of equal importance, the Commission legislation provides a strategy for carrying through with the implementation of the recommended changes.

S. 35, once enacted, will assemble an 18 member bipartisan commission of distinguished American citizens to examine issues of governmental management and organization. On the basis of this 2-year review the panel will develop a blueprint for more effective Government at the Federal level and throughout the intergovernmental system.

In carrying out its review the Commission will rely on the vast body of information already compiled, rather than conduct a de nouveau study of Government operation.

The General Accounting Office, the Congressional Research Service, various executive branch organizations and private sector groups have all compiled reports and monographs on Government structure and management. These should provide the basis for the formulation of the Commission's findings and recommendations.

The effort will not end here, however, with the submission of the Commission's own report. In fact the Commission review and recommendations will be only the beginning. Unlike so many commissions that produce reports that end up as dust collectors on a library shelf, this Commission will be as much an implementation effort as it will be a study of governmental operation.

Our idea is to take the recommendations of the Commission and move them directly into the policymaking process. We envision implementation through both legislation and executive action. By structuring the Commission to encourage real coalition building, we have tried to insure that this important follow through step actually does take place.

For example, serving on the Commission will be Members of Congress, members of the administration, State and local officials and private citizens. In this way we are certain that key decisionmakers with the authority to carry out the work of the Commission will participate from the very beginning to the end of the effort. And the presence of prominent private citizens will help to build public support for the work of the Commission as well as to avoid a governmental bias to the findings and recommendations of the panel.

Mr. President, I want to emphasize that the Commission will be strictly bipartisan in nature. It will not be subject to the influence of one political party or another or to any particular philosphical bias other than the one based upon effective public service delivery at a minimal cost.

It has been said that we rarely come up with new ideas here in Washington, we just refashion old ones. Our Commission is not a new idea. In fact S. 35 is based upon the two very successful Hoover Commissions of the late 1940's and early 1950's.

Government then, like today, was in need of review and refinement after a period of rapid growth. The independent and bipartisan Commissions headed by former President Hoover studied and produced recommendations that fell into three broad categories. The first category included the sort of crosscutting issues such as procurement system improvement and the upgrading of personnel system practices that effect the systemwide performance of Government.

The second category addressed changes in the organization and operation of specific Federal departments and agencies. Our current structure for national defense and the existing State Department structure are results of the work of the first Hoover Commission. Additionally, enhanced Presidential authority for reorganizations was encouraged at this time. This reorganization authority has resulted in improved organizational structures for some 17 major agencies in the years since 1949.

The third major contribution of the Commission came in the realm of the nuts and bolts of Government operation. The elimination of Government run establishments that were in competition with private businesses, and the reduction of governmental paperwork were significant contributions of the second Hoover Commission.

It is difficult to measure the improved effectiveness of Government as a result of the Commissions' work, but to a degree the cost savings realized are quantifiable. The figures are impressive to say the least. With 72 percent of its recommendations implemented it is estimated that the first Hoover Commission saved about $2 billion for the American people. The second Hoover Commission saw 77 pecent of its recommendations implemented for a net savings of $1 billion, though some estimates range higher.

With fiscal year 1984 budget outlays projected to be $868 billion, a 1 or 2 billion dollar saving may not seem very impressive. However, considering the fact that in 1950, between the two Hoover Commissions, Federal budget outlays amounted to only $42.6 billion, these Hoover Commission savings are impressive.

And these savings can be weighed against total cost of both Hoover Commissions of about $5 million. This certainly is a small price to pay for such a dramatic dollar return and for improved Government operation. I see no reason why the Commission we are proposing today cannot bring about similar savings for the Government and the American taxpayer.

The broad mandate of the legislation directs the Commission to study the management, operation and organization of the executive branch of the Federal Government, and the nature of its relationship to other branches of the Federal Government to States and local governments, and to the private sector.

The committee made it clear that in conducting its review and making its recommendations the Commission should narrow its mandate to the structure and process of Government. The development of actual public policy, whether it be related to defense, social welfare, the economy or one of the host of other issues we confront in Washington, should be left to elected officials to resolve through the political process.

The recommendations that eminate from the Commission's review will provide a comprehensive guide for improved performance and enhanced ac-

countability in Government. By encouraging and accepting public participation in the review effort, the Commission will build the consensus for Government reforms long recognized as needed, but never implemented because of the lack of sustained public support.

Mr. President, Government operation and structure must be refashioned to make our public institutions more effective in meeting the tasks we assign them. We simply cannot continue to conduct business as usual. The inadequacies of current governmental performance and the tremendous demands that we as a nation will face in the coming decades dictate that we seek new approaches as well as a return to the sound administrative practices we have applied in the past.

It has been 30 years since the legislative and executive branches of Government have collegially sponsored an effort to bring this country's best leadership talent and intellectual resources to bear on the problems of Government. Doing so again is the primary objective of S. 35.

The Commission on More Effective Government will provide the independent and objective review that will guide us to these improvements. With its emphasis on citizen participation and awareness it will encourage action on the commonsense governmental reforms that so often receive inadequate attention. For all of these reasons I urge prompt and affirmative Senate action on S. 35.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SECONDARY MORTGAGE MARKET ENHANCEMENT ACT OF 1983

The bill (S. 2040) to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 with respect to the treatment of mortgage backed securities, to increase the authority of the Federal Home Loan Mortgage Corporation, and for other purposes, was considered.

Mr. RIEGLE. Mr. President, I believe enactment of this bill is a valuable step which will help insure that an adequate supply of funds is provided for home mortgages while our country's housing finance industry is undergoing historic changes.

In my judgment, S. 2040, as reported by the Banking Committee, satisfies four important criteria that I have applied during consideration of this legislation.

First, it encourages private firms to enter the secondary mortgage market as issuers of mortgage-backed securities. I strongly support that objective. In the years ahead, and expanded and assured flow of funds must be attracted into mortgage lending from nontraditional sources. Leading housing analysts suggest that mortgage-backed securities will have to supply over 75 percent of all housing credit by 1990. Since American homebuyers will benefit by having the secondary mortgage market as broad and deep as possible, Congress should do what is necessary to increase the number of firms in the market.

Second, the bill maintains the ability of Ginny Mae, Fannie Mae, and Freddie Mac to provide funds for home mortgages and to respond to changes in the market. These organizations form the foundation of our country's housing finance system. Witnesses from all sectors of the housing industry testified that these three institutions are making vital and innovative contributions to the Nation's housing in a very difficult time. Any effort to weaken these basic housing institutions would be irresponsible, particularly now that the demand for housing has finally begun to rebound from disastrously low levels.

Expert witnesses, who testified before the Banking Committee, agree that private companies will be unable to issue mortgage-related securities in the volume needed to produce an active and sufficient secondary market for at least another 5 to 10 years. In the meantime, we must be sure that the existing mortgage system remains vigorous.

I am encouraged by testimony indicating that private firms not only want to enter this market under today's conditions but also intend to remain as active participants through all periods of the business cycle. However, the Nation's housing finance system is far too complex and dynamic for anyone to forecast with certainty how changes would affect the system's performance under different economic conditions. Congress should encourage the entry of private firms, but we will have to observe how they perform throughout a business cycle. Since a reliable supply of mortgage funds is so important to homebuyers and many sectors of the American economy, public policy in this area should be made only with great care.

I point out, in particular, that this bill rejects the radical suggestions of some members of the administration who want to quickly terminate or greatly reduce the Federal Government's role in housing finance.

Third, the bill amends existing law to help insure that housing finance is available at reasonable rates for modestly priced homes in all parts of the country. I am pleased that the committee added two amendments to help many Americans afford decent housing. The first amendment authorizes Fannie Mae and Freddie Mac to purchase second mortgages that are used to purchase or refinance a home. This would help bring interest costs down to affordable levels for many middle income families. The second amendment increases the mortgage limits for multifamily projects in high cost areas. The current limits have proven to be unreasonably low in many areas and therefore have prevented many needed rental units from being built.

Fourth, the bill specifically includes certain safeguards to protect the interests of individual investors. This legislation exempts certain mortgage-backed securities from Federal or State securities laws. I reluctantly agreed to these exemptions, because I believe a compelling case was made for amending the laws that relate to mortgage-backed securities. In addition, I believe the committee limited these exemptions so that individual investors would not be exposed to undue risks. I will continue to watch this issue carefully, however, and will ask for oversight hearings after the legislation is enacted.

Mr. President, I had hoped that this bill in its entirety could have been included in this year's comprehensive housing authorization legislation. However, that does not now seem possible because the parliamentary situation for title I is rather complicated in the House of Representatives. I still believe that the appropriate course of action would be to include provisions of title II in a comprehensive housing bill that could be enacted during this session of Congress. I believe that the need for an adequate supply of mortgage credit in all parts of the country requires that Congress enact as much of S. 2040 as possible this year.

Mr. President, I believe that the Secondary Mortgage Market Enhancement Act of 1983 is prudent legislation and deserves the broad, bipartisan support of the Senate.

Mr. PROXMIRE. Mr. President, I want to join the chairman of the Banking and Housing Committee in urging the Senate to approve S. 2040, the Secondary Mortgage Market Enhancement Act of 1983.

Recent hearings conducted by the committee clearly demonstrated that changes in the Nation's financial markets require us now to update and reform some of our banking, securities and tax laws—if we are to assure American homebuyers an adequate supply of mortgage credit in the years immediately ahead.

Leaders of both our housing and housing finance industries testified that there is an urgent need to:

First, expand the secondary mortgage market since this is where most of the money to finance home mortgages comes from today.

Second, expand private sector involvement in the secondary market, since private enterprise can help raise capital for housing, but has been discouraged by dominating institutions which have Government connections.

Third, expand use of mortgage-backed securities by encouraging private sector issues, since such securities are considered today to be the best means for attracting investment in housing.

S. 2040 is designed to achieve these objectives. It eliminates outdated rules which restrict mortgage-backed securities and other securities used in the housing market. It eliminates unnecessary rules which inhibit many investors, particularly the large institutional investors, from putting money into housing.

S. 2040 also encourages private enterprise in the secondary markets by making clear through changes in the laws governing securities and banking, that it is welcome. The bill sends a clear message to Wall Street that the secondary mortgage market is open for competition. And, in the committee's view, more competition in the secondary mortgage market means more mortgage credit at lower cost to the homebuyer.

Mr. President, S. 2040 was overwhelmingly approved by the Banking Committee. It is supported by all segments of the housing industry. I have not been informed of any real opposition. I, therefore, strongly recommend that Members of the Senate act promptly to pass S. 2040, the Secondary Mortgage Market Enhancement Act of 1983.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2040

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Secondary Mortgage Market Enhancement Act of 1983".

TITLE I—SECURITIES LAWS AMENDMENTS

REGISTRATION EXEMPTION

SEC. 101. Section 4(5) of the Securities Act of 1933 is amended to read as follows:

"(5) Transactions involving one or more promissory notes, participation interests in such notes, or mortgage related payment securities secured by such notes or participation interests, offered and sold subject to the following conditions:

"(A) The note or notes are directly secured by a first lien or a second lien on—

"(i) a single parcel of real estate (including stock allocated to a dwelling unit in a residential cooperative housing corporation) upon which is located a dwelling or other residential or commercial structure, or

"(ii) a manufactured home, as defined in section 603(6) of the National Manufactured Housing Construction and Safety Standards Act of 1974, which is used as a residence;

"(B) The note or notes were originated by a savings and loan association, savings bank, commercial bank, credit union, insurance company, or similar institution which is supervised and examined by a Federal or State authority or were originated by a mortgagee approved by the Secretary of Housing and Urban Development pursuant to sections 203 and 211 of the National Housing Act; and

"(C) The terms of the sale require that—

"(i) the minimum aggregate sales price to the purchaser be not less than $250,000,

"(ii) payment of the sales price by the purchaser be made with cash within one hundred twenty days of the date of sale, and

"(iii) each purchaser buy only for his own account.

For the purpose of this paragraph, the term 'mortgage related payment securities' means (I) any obligation (which may be with or without recourse to the issuer thereof) which, by its terms, provides for payments of principal in relation to payments, or reasonable projections of payments, on notes meeting the requirements of subparagraphs (A) and (B) or participations in such notes which are pledged as security for such obligation, and (II) any participation interest in a pool or pools of such notes and the proceeds thereof, and any related rights designed to assure servicing of, or the receipt or timeliness of receipt by holders of such mortgage related payment securities of amounts payable under, such mortgage notes if such obligation or participation interest is rated in one of the four highest rating categories by at least one nationally recognized rating organization.".

INVESTMENT BY DEPOSITORY INSTITUTIONS

SEC. 102. (a) Section 5(c)(1) of the Home Owner's Loan Act of 1933 (12 U.S.C. 1464(c)(1)) is amended by adding at the end thereof the following:

"(S) MORTGAGE BACKED SECURITIES.—Investments in securities which are offered and sold pursuant to section 4(5) of the Securities Act of 1933 or which would be eligible to be offered and sold pursuant to section 4(5) of the Securities Act of 1933 except for the requirement of subparagraph (C)(i) of such section, subject to such regulations as the Board may prescribe.".

(b) Section 107 of the Federal Credit Union Act (12 U.S.C. 1757) is amended—

(1) by redesignating paragraph (15) as paragrah (16); and

(2) by inserting after paragraph (14) the following:

"(15) to invest in securities which are offered and sold pursuant to section 4(5) of the Securities Act of 1933 or which would be eligible to be offered or sold pursuant to section 4(5) of the Securities Act of 1933 except for the requirement of subparagraph (C)(i) of such section, subject to such regulations as the Board may prescribe.".

(c) Section 5136 of the Revised Statutes (12 U.S.C. 24) is amended by adding at the end of paragraph Seventh the following: "The limitations and restrictions contained in this paragraph as to an association purchasing for its own account investment securities shall not apply to securities which are offered and sold pursuant to section 4(5) of the Securities Act of 1933 or which would be eligible to be offered and sold pursuant to section 4(5) of the Securities Act of 1933 except for the requirement of subparagraph (C)(i) of such section, subject to such limitations as the Comptroller of the Currency may prescribe.".

PREEMPTION OF STATE LAW

SEC. 103. (a) Any person, trust, corporation, partnership, association, business trust, or business entity created pursuant to or existing under the laws of the United States or any State shall be authorized to purchase, hold, and invest in securities which are offered and sold pursuant to section 4(5) of the Securities Act of 1933 or which would be eligible to be offered and sold pursuant to section 4(5) of the Securities Act of 1933 except for the requirement of subparagraph (C)(i) of such section if such securities are rated in one of the four highest rating categories by at least one nationally recognized statistical rating organization, and in securities issued or guaranteed by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association, to the same extent that such person, trust, corporation, partnership, association, business trust, or business entity is authorized under any applicable law to purchase, hold or invest in obligations issued by or guaranteed as to principal and interest by the United States or any agency or instrumentality thereof. Where State law limits the purchase, holding, or investment in obligations issued by the United States by such a person, trust, corporation, partnership, association, business trust, or business entity, such securities which are offered and sold pursuant to section 4(5) of the Securities Act of 1933 or which would be eligible to be offered and sold pursuant to section 4(5) of the Securities Act of 1933 except for the requirement of subparagraph (C)(i) of such section if such securities are rated in one of the four highest rating categories by at least one nationally recognized statistical rating organization, or such Federal Home Loan Mortgage Corporation or Federal National Mortgage Association securities shall be considered to be obligations issued by the United States for purposes of the limitation.

(b) The provisions of subsection (a) shall not apply with respect to a particular person, trust, corporation, partnership, association, business trust, or business entity or class thereof in any State which, prior to the expiration of three years after the date of enactment of this Act, enacts a statute which specifically refers to this section and either prohibits or provides for a more limited authority to purchase, hold, or invest in such securities by any person, trust, corporation, partnership, association, business trust, or business entity or class thereof than is provided in subsection (a). The enactment by any State of any statute of the type described in the preceding sentence shall not affect the validity of any contractual commitment to purchase, hold, or invest which was made prior thereto and shall not require the sale or other disposition of any securities acquired prior thereto.

(c) Any securities which are offered and sold pursuant to section 4(5) of the Securities Act of 1933 or which would be eligible to be offered and sold pursuant to section 4(5) of the Securities Act of 1933 except for the requirement of subparagraph (C)(i) of such section if such securities are rated in one of the four highest rating categories by at least one nationally recognized statistical rating organization, shall be exempt from any law of any State with respect to or requiring registration of qualification of securities or real estate to the same extent as any obligation issued by or guaranteed as to principal and interest by the United States or any agency or instrumentality thereof. Any State may, prior to the expiration of three years after the date of enactment of this Act, enact a statute which specifically refers to this section and requires registra-

tion or qualification of any such security on terms which differ from those applicable to any obligation issued by the United States.

DELAYED OR CONTINUOUS REGISTRATION

SEC. 104. The Securities and Exchange Commission shall, by rule or regulation, provide for the registration pursuant to section 6 of the Securities Act of 1933 of one or more promissory notes, participation interests in such notes, or mortgage related payment securities secured by such notes or participation interests, which are to be offered and sold on a delayed or continuous basis in the future, where the notes or participation interests therein are directly secured by a first lien or a second lien on (1) a single parcel of real estate (including stock allocated to a dwelling unit in a residential cooperative housing corporation) upon which is located a dwelling or other residential or commercial structure, or (2) a manufactured home, as defined in section 603(6) of the National Manufactured Housing Construction and Safety Standards Act of 1974, which is used as a residence.

TITLE II—FEDERAL HOME LOAN MORTGAGE CORPORATION AND FEDERAL NATIONAL MORTGAGE ASSOCIATION AMENDMENTS

FEDERAL HOME LOAN MORTGAGE CORPORATION PREFERRED STOCK

SEC. 201. Section 306(f) of the Federal Home Loan Mortgage Corporation Act is amended—

(1) by inserting before the period at the end of the last sentence thereof the following: ", and shall not be entitled to vote with respect to the election of any member of the Board of Directors"; and

(2) by adding at the end thereof the following: "Such preferred stock, or any class thereof, may have such terms as would be required for listing of preferred stock on the New York Stock Exchange, except that this sentence does not apply to any preferred stock, or class thereof, the initial sale of which is made directly or indirectly by the Corporation exclusively to any Federal Home Loan Bank or Banks.".

FEDERAL NATIONAL MORTGAGE ASSOCIATION PREFERRED STOCK

SEC. 202. (a) The first sentence of section 303(a) of the National Housing Act is amended to read as follows: "The corporation shall have common stock, without par value, which shall be vested with voting rights, each share being entitled to one vote with rights of cumulative voting at all elections of directors.".

(b) Section 303 of such Act is amended by adding at the end thereof the following:

"(h) Any preferred stock of the corporation may have such rights as are permitted by the rules of the New York Stock Exchange in the case of securities listed on such Exchange.".

(c) Section 308(b) of such Act is amended by striking out the word "common" in the first sentence.

LIMITATIONS ON PARTICIPATION AGREEMENTS BY FEDERAL NATIONAL MORTGAGE ASSOCIATION AND FEDERAL HOME LOAN MORTGAGE CORPORATION

SEC. 203. (a) The sixth sentence of section 302(b)(2) of the National Housing Act is amended to read as follows: "The corporation shall establish limitations governing the maximum principal obligation of conventional mortgages that are purchased by it; in any case in which the corporation purchases a participation interest in such a mortgage, the limitation shall be calculated with respect to the total principal obligation of the mortgage and not merely with respect to the interest purchased by the corporation.".

(c) The fifth sentence of section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act is amended to read as follows: "The Corporation shall establish limitations governing the maximum principal obligation of conventional mortgages that are purchased by it; in any case in which the Corporation purchases a participation interest in such a mortgage, the limitation shall be calculated with respect to the total principal obligation of the mortgage and not merely with respect to the interest purchased by the Corporation.".

FEDERAL HOME LOAN MORTGAGE CORPORATION MANUFACTURED HOUSING LOANS

SEC. 204. (a) Section 302(d) of the Federal Home Loan Mortgage Corporation Act is amended by inserting after "located," the following: "or a manufactured home which is personal property under the laws of the State in which the manufactured home is located,".

(b) Section 302(h) of the Federal Home Loan Mortgage Corporation Act is amended by adding at the end thereof the following: "The term 'residential mortgage' also includes a loan or advance of credit secured by a mortgage or other lien on a manufactured home which is the principal residence of the borrower, without regard to whether the security property is real, personal, or mixed.".

(c) Section 305(a)(1) of the Federal Home Loan Mortgage Corporation Act is amended by adding at the end thereof the following: "Where a residential mortgage is secured by a manufactured home, the term 'mortgage insurance program' shall also include any manufactured home lending program under section 2 of the National Housing Act.".

FEDERAL HOME LOAN MORTGAGE CORPORATION AUTHORITY TO PURCHASE STATE AGENCY INSURED MORTGAGES

SEC. 205. Section 302(i) of the Federal Home Loan Mortgage Corporation Act is amended by striking out "a State or an agency or instrumentality of either" and inserting in lieu thereof "any of its agencies or instrumentalities".

FEDERAL HOME LOAN MORTGAGE CORPORATION GUARANTEE OF MORTGAGE-BACKED SECURITIES ISSUED BY OTHERS

SEC. 206. Section 306 of the Federal Home Loan Mortgage Corporation Act is amended by adding at the end thereof the following:

"(h) The Corporation may not guarantee mortgage-backed securities or mortgage related payment securities backed by mortgages not purchased by the Corporation.".

FORTY-FIVE-DAY APPROVAL PERIOD

SEC. 207. Section 309 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(i) If the Federal National Mortgage Association submits to the Secretary of Housing and Urban Development, after the date of the enactment of the Secondary Mortgage Market Enhancement Act of 1983, a request for approval or other action under this title, the Secretary shall, not later than the expiration of the forty-five-day period following the submission of such request, approve such request or transmit to the Congress a report explaining why such request has not been approved. Such period may be extended for an additional fifteen-day period if the Secretary requests additional information from the corporation. If the Secretary fails to transmit such report to the Congress within such forty-five-day or sixty-day period, as the case may be, the corporation may proceed as if such request had been approved.".

MULTIFAMILY MORTGAGE LOAN-TO-VALUE RATIO

SEC. 208. (a) The second sentence of section 302(b)(2) of the National Housing Act is amended by inserting after "mortgage" the first place it appears the following: "secured by a property comprising one- to four-family dwelling units".

(b) The first sentence of section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act is amended by inserting after "mortgage" the first place it appears the following: "secured by a property comprising one- to four-family dwelling units".

BOARD OF DIRECTORS

SEC. 209. The first sentence of section 308(b) of the National Housing Act is amended to read as follows: "The Federal National Mortgage Association shall have a board of directors, which shall consist of eighteen persons, five of whom shall be appointed annually by the President of the United States, and the remainder of whom shall be elected annually by the stockholders.".

HOUSING AND URBAN DEVELOPMENT ANNUAL REPORT TO THE CONGRESS ON FEDERAL NATIONAL MORTGAGE ASSOCIATION ACTIVITY

SEC. 210. Section 309(h) of the National Housing Act is amended by striking out the last two sentences and inserting in lieu thereof the following: "Pursuant to the authority provided in this subsection, the Secretary shall, not later than June 30 of each year, report to the Congress on the activities of the corporation under this title.".

MULTIFAMILY LIMITS

SEC. 211. (a) The penultimate sentence of section 302(b)(2) of the National Housing Act is amended by inserting before the period at the end thereof the following: ", except that such limitations may be increased to not to exceed 240 per centum of the dollar amount limitations contained in section 207(c)(3) of the National Housing Act in any geographical area for which the Secretary determines under section 207(c)(3) that cost levels require any increase in dollar amount limitations under that section".

(b) The penultimate sentence of section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act is amended by inserting before the period at the end thereof the following: ", except that such limitations may be increased to not to exceed 240 per centum of the dollar amount limitations contained in section 207(c)(3) of the National Housing Act in any geographical area for which the Secretary of Housing and Urban Development determines under section 207(c)(3) that cost levels require any increase in dollar amount limitations under that section".

PURCHASE OF SECOND MORTGAGES BY FEDERAL NATIONAL MORTGAGE ASSOCIATION AND FEDERAL HOME LOAN MORTGAGE CORPORATION

SEC. 212. (a) Section 302(b) of the National Housing Act is amended by adding the following new paragraph at the end thereof:

"(5)(A) The corporation is authorized to purchase, service, sell, lend on the security of, and otherwise deal in conventional mortgages or advances of credit that are secured by a subordinate lien against a one- to four-family residence only if (i) the residence is the principal residence of the mortgagor, (ii) the proceeds of such loan were used to

purchase or to refinance only the remaining balance of a loan the proceeds of which were used to purchase the residence, and (iii) the commitment to purchase the loan is issued prior to October 1, 1985, except as provided by paragraph (3). If the corporation, pursuant to paragraphs (1) through (4), shall have purchased, serviced, sold, or otherwise dealt with any other outstanding mortgage secured by the same residence, the aggregate original amount of such other mortgage and the mortgage authorized to be purchased, serviced, sold, or otherwise dealt with under this paragraph shall not exceed the applicable limitation set forth in paragraph (2).

"(B) The corporation shall establish limitations governing the maximum principal obligation of subordinate conventional mortgages described in subparagraph (A). Such limitations shall not exceed $50,000 in the case of a one-family residence and $60,000 in the case of a two- to four-family residence. In any case in which the corporation purchases a participation interest in such a mortgage, the limitation shall be calculated with respect to the total principal obligation of the mortgage and not merely with respect to the interest purchased by the corporation.

"(C) No subordinate mortgage shall be purchased by the corporation if the total outstanding indebtedness secured by the property as a result of such mortgage exceeds 80 per centum of the value of such property unless (i) that portion of such total outstanding indebtedness that exceeds such 80 per centum is guaranteed or insured by a qualified insurer as determined by the corporation (and not the corporation itself); (ii) the seller retains a participation of not less than 10 per centum in the mortgage; or (iii) for such period and under such circumstances as the corporation may require, the seller agrees to repurchase or replace the mortgage upon demand of the corporation in the event that the mortgage is in default. The corporation shall not issue a commitment to purchase a subordinate mortgage prior to the date the mortgage is originated, if such mortgage is eligible for purchase under the preceding sentence only by reason of compliance with the requirements of clause (ii) of such sentence.".

(b)(1) Section 302(h) of the Federal Home Loan Mortgage Corporation Act is amended—

(A) by striking out "The maximum principal obligation" and all that follows through "associations."; and

(B) by adding at the end thereof the following: "Until October 1, 1985, the term 'residential mortgage' shall also include purchase or refinancing loans or advances of credit that are secured by a subordinate lien against a one- to four-family residence only if the residence is the principal residence of the borrower and the proceeds of such loan or advance of credit were used to purchase or to refinance only the remaining balance of a loan the proceeds of which were used to purchase such residence.".

(2) Section 305(a) of such Act is amended by adding the following new paragraph at the end thereof:

"(4)(A) With respect to the purchase by the Corporation of any purchase or refinancing residential mortgage secured by a subordinate lien against a one- to four-family residence as authorized by the last sentence of section 302(h), the Corporation shall establish limitations governing the maximum principal obligation of such mortgages. Such limitation shall not exceed $50,000 in the case of a one-family residence and $60,000 in the case of a two- to four-family residence. In any case in which the Corporation purchases a participation interest in such a mortgage, the limitation shall be calculated with respect to the total principal obligation of the mortgage and not merely with respect to the interest purchased by the Corporation. If the Corporation shall have purchased, serviced, sold, or otherwise dealt with any other outstanding mortgage secured by the same residence, the aggregate original amount of such other mortgage and the mortgage authorized to be purchased, serviced, sold, or otherwise dealt with under this paragraph shall not exceed the applicable limitation set forth in paragraph (2).

"(B) No subordinate mortgage shall be purchased by the Corporation if the total outstanding indebtedness secured by the property as a result of such mortgage exceeds 80 per centum of the value of such property unless (i) that portion of such total outstanding indebtedness that exceeds 80 per centum is guaranteed or insured by a qualified insurer as determined by the Corporation (and not the Corporation itself); (ii) the seller retains a participation of not less than 10 per centum in the mortgage; or (iii) for such period and under such circumstances as the Corporation may require, the seller agrees to repurchase or replace the mortgage upon demand of the Corporation in the event that the mortgage is in default. The Corporation shall not issue a commitment to purchase a subordinate mortgage prior to the date the mortgage is originated, if such mortgage is eligible for purchase under the preceding sentence only by reason of compliance with requirements of clause (ii) of such sentence.".

(c) The amendments made by this section do not apply to commitments issued prior to the date of enactment of this section.

AWARDING OF A SPECIAL GOLD MEDAL TO DANNY THOMAS

The joint resolution (H.J. Res. 93) to provide for the awarding of a special gold medal to Danny Thomas in recognition of his humanitarian efforts and outstanding work as an American, was considered.

Mr. ZORINSKY. Mr. President, I would like to take this opportunity to briefly express my opposition to House Joint Resolution 93, legislation that authorizes the striking of a gold medal to Danny Thomas.

I have only the highest respect and esteem for Danny Thomas and the significant contribution he has made to our country. He has given freely of his time and energy, his dedication is unmatched, and this country is a better nation because of his unselfish efforts. Danny Thomas is most notably recognized for the founding and support of Saint Jude Children's Research Hospital, a nonprofit hospital dedicated to helping grievously ill children of all faiths and races. Because of his activities, Danny Thomas has helped to alleviate the suffering of children throughout the world and has given them hope for a brighter future.

Mr. President, while I recognize Danny Thomas' humanitarian deeds and his outstanding work as an American, what this Nation owes to him cannot be measured with a simple medal.

My opposition to this legislation today is to voice the conscience of the American taxpayer. We simply cannot afford to strike gold medals for every deserving American, worthy though they may be. Mr. President, I therefore, must oppose House Joint Resolution 93.

The joint resolution (H.J. Res. 93) was ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

OPPOSITION TO ILLEGAL ACTIONS BY THE TURKISH FEDERATION OF CYPRUS

The resolution (S. Res. 278) calling for determined U.S. opposition to illegal actions by the so-called Turkish Federation of Cyprus, was considered.

Mr. PERCY. Mr. President, yesterday the Turkish community in Cyprus unilaterally declared its independence from the remainder of that small island.

This act is outrageous and unacceptable and can only serve to further isolate the Turkish minority from the Greek majority, and from the rest of the international community.

When I visited Cyprus a year ago last summer, I sought in person, as I have always sought from afar, to work to resolve communal tensions and the separation of Greek Cypriots from Turkish Cypriots. That has been the objective of U.S. policy and of United Nations good offices over the years, most recently in an initiative last September by Secretary General Perez de Cuellar to rekindle the sputtering communal talks.

Cyprus is one country, as established by its independence and constitution in 1960. The way for its Greek and Turkish peoples to live together on the island is for them to work together toward a fair and equitable sharing of political power and economic resources. It is not for one community to wall itself off from the other into a completely separate existence.

This resolution supports a U.S. policy of urgency and determination in opposing the establishment of an independent Turkish Republic of Northern Cyprus, or any other action aimed at permanently splitting Cyprus. This resolution calls upon our friend and ally Turkey to use its influence to reverse this illegal declaration of Turkish Cypriot independence and to work for the full political and economic unity of the Republic of Cyprus.

Mr. SARBANES. Mr. President, I rise in very strong support of Senate Resolution 278, which passed the Senate Foreign Relations Committee unanimously on Tuesday morning.

Joining me in proposing this resolution, in addition to Chairman PERCY of the committee, are Senator PELL, the ranking minority member of the committee, and Senators BIDEN, GLENN, TSONGAS, CRANSTON, DODD, KENNEDY, LEVIN, HART, HOLLINGS, EAGLETON, and D'AMATO.

The Foreign Relations Committee acted quickly and decisively because the unilateral declaration of independence by the Turkish Cypriots—in effect, secession from the Republic of Cyprus—is contrary to treaty obligations and international law. Furthermore, it runs counter to the established policies of the United States and the United Nations which recognize the government headed by President Kyprianou as the governing authority of a unified Cyprus.

The State Department has issued an official U.S. Government position on the declaration by the Turkish Cypriot community of its independence. In part the Department's statement provided:

The Turkish Cypriots should reverse this action. We have urged the Govenment of Turkey to use its influence with the Turkish Cypriot community to bring about such a reversal. We will not recognize the new policy and we urge all countries of the world not to recognize it.

The resolution before us calls on the U.S. Government to act "with urgency and determination to oppose this and any other action aimed at effecting a permanent bifurcation of Cyprus." It further calls on the Government of Turkey to take without delay all necessary steps to reverse the illegal action declaring an independent state and, to promote, pursuant to pertinent U.N. resolutions, full political and economic unity of the Republic of Cyprus.

Mr. President, this illegal declaration of independence is a dangerous and irresponsible action and must be reversed. The Senate should register its views on this critical issue and I therefore urge the adoption of the resolution.

Mr. President, I ask that a New York Times editorial discussing this latest development in Cyprus be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Nov. 16, 1983]

TURKISH LAND GRAB IN CYPRUS

With shrewd timing, Turkey has carried off its long-planned partition of Cyprus. The new Turkish republic proclaimed on part of the island yesterday completes the land grab begun by a Turkish invasion in 1974. It violates treaty obligations and is properly denounced by the United States.

The action will further exacerbate relations between Turkey and Greece and weaken NATO's flank. It is not likely to be undone by mere protest, but the blame for the damage should be understood.

Conflict between Turks and Greeks has unsettled the Aegean for centuries. Both contributed to the disintegration on Cyprus since its independence in 1960. Greece was most culpable in 1974, when its ruling colonels promoted a coup on the island that victimized the Turkish minority and provoked Turkey's invasion.

Turkey then proceeded to use its superior force to impose an inequitable division of land. It forced 200,000 Greek Cypriots to flee their homes in the north while receiving a smaller number of Turks from the south. Now some 120,000 Turkish Cypriots, or 20 percent of a total population of 620,000, hold 37 percent of the island.

Knowing that the price would be less land, the Turks and Turkish Cypriots have resisted proposals for a federal, bizonal government. They ignored United Nations resolutions and were unmoved by a United States arms embargo—or the lifting of it. Turkish currency became legal tender in northern Cyprus a few months ago.

Incredibly, Turkey claimed to be surprised by its compatriots' action yesterday. But the timing was too obviously deliberate: only days after the election of a partly civilian Turkish Government and only hours after President Reagan signed an aid bill earmarking nearly $1 billion for Turkey. The "surprised" men in Ankara were quick to recognize the new island regime and to declare anyone else's refusal to recognize it a hostile act.

So be it. Greece deserves at least that refusal, and the interests of NATO require it. Military shortcuts are all too common in diplomacy these days. This one is clearly insupportable.

Mr. GLENN. Mr. President, I consider the recent declaration of independence from the Republic of Cyprus by the Turkish-occupied sector illegal and unconscionable. I urge that it be rescinded immediately. The United States, independently and in cooperation with the United Nations, has been seeking meaningful negotiations aimed at restoration of democratic government on Cyprus and the withdrawal of Turkish military forces. I believe that it is imperative that the so-called Turkish Federation of Cyprus be annulled and that the so-called Turkish Federation of Cyprus be annulled and that the United States and the U.N. redouble their efforts to help find a just and lasting solution on Cyprus. I have every confidence that the United States will continue to recognize the government in Nicosia, under President Kyprianou, as the sole governing authority in a unified Cyprus, reject as illegitimate this new so-called State and urge our allies to do likewise. I am extremely disappointed that the Government of Turkey has, alone among the world's nations, chosen to recognize the illegal action of the Turkish Cypriots. The Government of Turkey obviously gave little regard to the long-standing views of the United States on the issue of Cyprus nor to the welfare of the NATO alliance whose cohesion will be threatened by this action as Turkey is isolated from all its NATO partners on this matter. I urge the President to be forceful and direct in articulating the U.S. position in opposition to this action and in reiterating our support for the people of Cyprus, undivided and democratically-governed. I hope that my colleagues will give this resolution their full support so that we can speak with one voice to Cyprus, to Turkey, and to the whole world of our outrage over this attempt to divide the Republic of Cyprus.

Mr. TSONGAS. Mr. President, I support Senate Resolution 278, calling for immediate and decisive action by the U.S. Government to oppose the illegally formed Turkish Federation of Cyprus, and to exert pressure upon the Government of Turkey to reverse all actions by the Turkish Cypriots in seceding from the Republic of Cyprus. I will go a step further, Mr. President, in calling on Turkey to reverse its declaration of support for such an unconscionable act, as they are the only country in the world to do so. Such actions serve to destabilize the entire Aegean area, put relations between Greece and Turkey in serious jeopardy, and weaken the southern flank of the NATO alliance. I strongly urge the administration to continue its support for meaningful negotiations by both Greek and Turkish Cypriots on Cyprus, in order to form a democratic government and insure the removal of Turkish troops as quickly as possible. Until these initiatives are achieved, the United States will continue to deny any form of recognition to the illegal federation, and will condemn any nation which does so. In conclusion, Mr. President, I feel that the administration and the Congress must express grave concerns to the countries in the region about the political economic and strategic implications of this shocking act. By doing so, we will send a message to the international community as well. Let that message be clear and decisive. I urge my collagues to support Senate Resolution 278.

The resolution (S. Res. 278) was agreed to.

The preamble was agreed to.

The resolution, and the preamble, are as follows:

S. RES. 278

Whereas in 1974 Turkish forces occupied a portion of Cyprus, facilitating the creation of a separate but unrecognized governmental entity in that sector of the island;

Whereas both the United States and the United Nations continue to recognize the government in Nicosia, under President Kyprianou, as the sole governing authority in a unified Cyprus;

Whereas on November 15, 1983, the so-called assembly of the Turkish Federation of Cyprus purported to declare the creation of an independent state, thereby attempting to secede from the Republic of Cyprus and to destroy its territorial integrity and unity;

Whereas such action is illegal and contrary to the policy of the United States, which continues to call for the withdrawal of Turkish forces and the establishment of a harmonious, bicommunal Republic of Cyprus;

Whereas such illegal activities, which threaten the stability of the entire Eastern Mediterranean region and the integrity of the North Atlantic Alliance, are made possible only by the presence of Turkish occupation forces on Cyprus: Now, therefore, be it

Resolved, That the United States Government—

(1) should act with urgency and determination to oppose this and any other action aimed at effecting a permanent bifurcation of Cyprus; and

(2) should call upon the Government of Turkey to take without delay all necessary steps to reverse the illegal action declaring an independent state and to promote, pursuant to pertinent United Nations resolutions, the full political and economic unity of the Republic of Cyprus.

CONDEMNING THE ASSASSINATION OF U.S. NAVAL ATTACHE IN ATHENS

The resolution (S. Res. 279) condemning the assassination of the U.S. naval attache and his driver in Athens, was considered.

Mr. SARBANES. Mr. President, I was shocked to learn about the tragic slaying of the U.S. naval attache in Athens, Greece, Captain George Tsantes, Jr. Killed along with Captain Tsantes was the driver of his car, a Greek citizen, Mr. Nikos Veloutsas. At the Senate Foreign Relations Committee meeting on Tuesday, I proposed a resolution expressing the Senate's condemnation of this act of terrorism and supporting all efforts by the Government of Greece necessary to apprehend and pursue those responsible. The Prime Minister of Greece Andreas Papandreou has conveyed his deep sorrow over the killing to the U.S. Ambassador in Athens Monteagle Stearns and told him that all possible measures were being taken for the discovery and exemplary punishment of the culprits.

This terrible crime is another instance of the brutality inflicted throughout the world by vicious assassins. In this instance there is a particular personal poignancy for me since I knew Captain George Tsantes since he was a young boy. The son of immigrants from Greece and a graduate of the Naval Academy, he was a fine, decent, dedicated American who died in the line of duty for our country. I extend my heartfelt sympathies to his wife, their three children, and other members of his family and join them in mourning his loss.

Joining me in proposing this resolution, in addition to Chairman PERCY and Senator PELL, the ranking minority member of the committee, are Senators BIDEN, GLENN, TSONGAS, CRANSTON, DODD, KENNEDY, LEVIN, HART, HOLLINGS, EAGLETON, and D'AMATO. Mr. President, I urge immediate passage of Senate Resolution 279.

The resolution (S. Res. 279) was agreed to.

The preamble was agreed to.

The resolution, and the preamble, are as follows:

S. RES. 279

Whereas the United States naval attaché serving at the United States Embassy in Athens and his driver were brutally assassinated on November 15, 1983; and

Whereas terrorism constitutes both a heinous crime and a threat to democratic society: Now, therefore, be it

Resolved, That the United States Senate condemns this act of terrorism and supports all efforts by the Government of Greece necessary to apprehend and punish those responsible.

PLIGHT OF ETHIOPIAN JEWS

The concurrent resolution (S. Con. Res. 55) expressing the grave concern of the Congress regarding the plight of Ethiopian Jews, was considered and agreed to.

The preamble was agreed to.

The concurrent resolution, and the preamble, are as follows:

S. CON. RES. 55

Whereas the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights guarantees to all persons the right to freedom of religion, the right to hold opinions without interference, the right to freedom from expulsion, and the right to emigrate;

Whereas Ethiopian Jews are among the oldest continuous Jewish communities in existence, their history extending back for three thousand years;

Whereas this community once numbered several hundred thousand persons, but the scourge of wars, pestilence, persecution, and famine over the years has reduced it to some twenty-five thousand people, several thousand of whom have sought refuge in nearby countries;

Whereas the American people are becoming increasingly aware of the difficulties facing Ethiopian Jews and are seeking ways to assist them; and

Whereas the plight of Ethiopian Jews demands that the American people and all people of good will do everything possible to alleviate their suffering: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President should—

(1) express to relevant foreign governments the United States concern for the welfare of Ethiopian Jews, in particular their right to emigrate,

(2) seek ways to assist Ethiopian Jews through every available means so that they may be able to emigrate freely, and

(3) express the concern of the American people for the welfare of the Ethiopian Jewish community in every appropriate forum.

HELP FOR FALASHAS

Mr. LAUTENBERG. Mr. President, on numerous occasions in recent weeks, dozens of citizens from New Jersey have written or visited me to call my attention to the deprivation and discrimination suffered by Ethiopian Jews, called Falashas. They support Senate Concurrent Resolution 55, introduced by Senator PAUL TSONGAS of Massachusetts, in an effort to call the attention of the entire Senate and the U.S. Government to these problems. I am pleased to have joined as a cosponsor of this resolution and support its prompt passage.

Falashas have suffered for their faith for hundreds and hundreds of years. Persecution for them has been a way of life. Yet, never has the persecution been so relentless as under the present Government of Ethiopia. Our own Department of State, the House Subcommittee on Human Rights, and the American Association on Ethiopian Jewry have rigorously documented and condemned the Ethiopian Government for its oppression and condoning of atrocities against Falashas. The international community has noted that the Ethiopian Government is violating the most basic provisions of the United Nations Declaration on Human Rights.

Article 1 of the declaration entitles all persons to rights and freedoms regardless of race, color, religion, or language. Article 5 forbids the use of torture. Article 9 forbids arbitrary arrest or detention. Article 12 forbids interference with family, home, or correspondence. Article 13 entitles all persons the right to emigrate. Yet, abuses of these rights continue.

Not only is Judaism condemned along with other religions in Ethiopia and arbitrary interference promoted by the Ethiopian government, emigration to Israel, one possible outlet for relief for Falashas, was proclaimed to be treason in 1981. These gross violations of basic human rights should compel the international community to make a greater effort to provide relief for these oppressed people.

The drought in north and east Africa has added to the persecution problems of the Falashas. This continuing natural disaster has taken the lives of tens of thousands of Ethiopians this year, as it has for the last decade. And the drought is continuing. One report indicates that 3 million to 4 million people in Ethiopia lack enough food now. Only about 600,000 of those hungry are now receiving government food assistance, most of it from international donors. Poor transportation and the struggles for political power on the Horn of Africa have greatly hindered more timely and effective relief.

It is clear that the United States and other donor nations can do more in the way of food assistance. We all should be pleased at the announcement November 8 in Rome by Agriculture Secretary John Block that the United States will double the amount of direct emergency food aid to 22 drought-stricken African nations, including Ethiopia, to $50 million this year. Secretary Block also noted that spending on arms in the world is too much relative to that spent on food

and other assistance to developing states.

In the case of the Falashas basic humanitarian and human rights considerations need more attention. I urge my colleagues to support Senate Concurrent Resolution 55 and a more active commitment from the United States to assist the Falashas and to see basic human rights observed for all people.

MARKETING RESEARCH AND PROMOTION PROJECTS

The bill (H.R. 2590) to amend the Agricultural Adjustment Act to authorize marketing research and promotion projects, including paid advertising, for filberts, and to amend the Potato Research and Promotion Act, was considered.

Mr. HUDDLESTON. Mr. President, I am pleased to support the passage of H.R. 2590. H.R. 2590 amends the Agricultural Adjustment Act to authorize marketing research and promotion projects, including paid advertising, for filberts, more popularly known as hazelnuts. In addition, the bill will provide for necessary changes to the Potato Research and Promotion Act.

FILBERT MARKETING ORDERS

H.R. 2590 will add filberts to the list of 22 commodities for which marketing promotion, including paid advertising, may be undertaken through a Federal marketing order using funds collected by assessment on handlers. It also provides for crediting the assessment obligation of a handler with the handler's direct expenditures for marketing promotion, to the extent permitted by the marketing order.

U.S. production of filberts has increased substantially in the past decade. According to the industry, the current level of Federal production requires development of new markets and strong promotion of shelled filberts, both in the United States and abroad. Market research to determine an appropriate market price and to educate consumers about the versatility and nutritional quality of the filbert will also contribute to market growth.

The legislation will facilitate the development of markets and encourage filbert handlers to promote their own brands and develop their own promotional programs in concert with the overall marketing strategy, as well as help improve the competitive position of the filbert industry in domestic and foreign markets.

POTATO PROMOTION

H.R. 2590 will clarify that the failure of potato producers in December of 1982 to approve amendments to the potato marketing plan did not invalidate the plan. Further, the bill will exempt, from the requirement for approval by potato producers in a referendum, the provisions for public representatives on the national potato promotion board and the provision for reimbursing the Department of Agriculture for its referendum and administrative costs.

The bill also provides for a rate of assessment, to finance potato research and promotion activities, of not more than 1 cent per 100 pounds of potatoes handled, with authority for the producers to approve, in a referendum, a change in the assessment. The assessment rate could be increased up to an amount equal to one-half of 1 percent of the average price received by producers for potatoes over a 10-year period.

The amendments made to the Potato Research and Promotion Act will resolve a controversy created by an opinion from the general counsel's office of the U.S. Department of Agriculture that the rejection, by potato growers in December 1982, of the amendments to their marketing plan had the effect of terminating the plan. In order to resolve the controversy, Congress must reaffirm its intent relative to the validity of the existing plan.

The Department of Agriculture supports the amendments relating to the potato program, as well as those relating to filbert marketing orders. With respect to provisions relating to potato promotion, Secretary of Agriculture Block has stated that the Department strongly endorsed consideration of the amendments and believes that they will obviate any possible legal difficulties that might be encountered under the existing statute.

I urge my colleagues to join me in supporting the passage of H.R. 2590.

Mr. President, I ask unanimous consent that Secretary Block's letter to the Committee on Agriculture, Nutrition, and Forestry commenting on H.R. 2590 be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., September 27, 1983.

Hon. JESSE HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: We appreciate this opportunity to respond to your request for a report on H.R. 2590, an Act "To amend the Agricultural Adjustment Act to authorize marketing research and promotion projects, including paid advertising, for filberts, and to amend the Potato Research and Promotion Act."

This Department recommends enactment of H.R. 2590 as passed by the House on August 1, 1983.

Section 1 of H.R. 2590 would amend the Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, to authorize marketing promotion, including paid advertising, under any Federal marketing order for filberts/hazelnuts. Also, the proposed bill provides for crediting the assessment obligation of each handler with all or any portion of the handler's direct marketing promotion expenditures as may be authorized by the order.

Advertising under Federal marketing order programs is authorized for 22 fruit, vegetable, and tree nuts commodities. In addition, several commodities, including potatoes, have separate research and promotion acts, and many States have authorized the establishment of commissions and State marketing orders to promote various commodities. Agricultural producers generally favor marketing promotion (including paid advertising) as a way of maintaining or expanding markets. Commercial production of filbets is concentrated in Oregon (over 95 percent) and Washington. The handling of Oregon-Washington filberts is currently regulated under a Federal marketing order.

The domestic filbert industry has concerned itself primarily with marketing high-quality inshell filberts. This has helped the industry expand its inshell market and recently develop a substantial export market. However, the U.S. market for inshell filberts is limited, with shipments occurring primarily during the fall and early winter. Domestic production during the 1979–1981 period averaged 14,400 tons, but inshell shipments during that 3-year period accounted for only slightly more than half of that amount. The remainder of domestic production is shelled and marketed as kernels, mostly in the the United States. Imports of inshell filberts are comparatively minor but currently about 40 to 50 percent of the U.S. supply of shelled filberts is imported, virtually all from Turkey.

Turkey is the largest world supplier of shelled filberts, and prices for its shelled filberts tend to set the price for all shelled filberts, including prices for domestic shelled filberts. Because of the large volume from Turkey, prices for its shelled filberts also tend to impact on the price for domestic inshell filberts. The marketing order helps to reduce the effects of wide variations in Turkish prices on the U.S. crop sold in the domestic inshell market.

U.S. filbert acreage has increased 13 percent between 1976 and 1980, and the industry reports that the expansion has continued the last few years. The domestic filbert industry believes that continued market growth can only come about by increasing the demand for filberts in U.S. markets and abroad. The industry believes that this increase could be accomplished by promoting the consumption of filberts.

Amendment of the Federal marketing order utilizing the authority in Section 1 of H.R. 2590 could permit expenditure of handler assessment funds for promotion, such as generic advertising, public relations, or the preparation and distribution of educational and recipe materials to home economists, schools, and food editors, or the general public through the purchase of space in media. Such an amendment could, also, encourage handlers under the order to maintain or develop their own marketing promotion activities, including paid advertising, by allowing them to offset at least part of their direct marketing promotion expenditures against their assessments.

Section 2 of H.R. 2590 would amend the Potato Research and Promotion Act to clarify those provisions of section 308 relating to public representatives, reimbursement to the Department for administrative and referendum costs, and the assessment provisions of the Act. The failure of producers

thus far to approve amendments to the plan corresponding to the 1982 amendments to those provisions of section 308 of the Act has created some uncertainty with respect to the status of the existing plan. Therefore, the amendments to the Potato Research and Promotion Act contained in section 2 of H.R. 2590 are needed to clarify the validity of the current plan. We strongly endorse their consideration and believe they will obviate any possible legal difficulties which might be encountered under the existing statute.

Specifically, the amendments to sections 308(b) and 308(f)(1) provide that the provisions for public representatives to the board and for payment to the Department of Agriculture for any referendum and administrative costs so incurred shall not be subject to producer approval in referendum. The amendment to section 308(e) provides for an assessment rate at not more than one cent per hundred pounds of potatoes, except if otherwise approved by producers in a referendum. Then the rate of assessment shall not exceed one-half of one per centum of the immediate past ten calendar year United States average price received for potatoes by growers as reported by the Department of Agriculture. Finally, section 2 of the bill would reaffirm the congressional intention that failure of the producers in December 1982 to approve amendments to the plan occasioned by the 1982 amendment to the Act did not invalidate the existing plan.

These amendments will clarify the statutory basis for the current one-cent assessment program which is in effect and reaffirm the intent of Congress relative to the validity of the existing plan.

Enactment of section 1 of H.R. 2590 would result in a cost to the Department of $7,000. Any costs associated with carrying out section 2 would be fully reimbursable to the Department. Estimated annual administrative cost is $48,000; cost for conducting the referendum is $5,500.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

JOHN R. BLOCK,
Secretary.

The bill (H.R. 2590) was ordered to a third reading, read the third time, and passed.

CERTIFICATION REQUIREMENTS WITH RESPECT TO EL SALVADOR

The bill (H.R. 4042) to continue in offset the current certification requirements with respect to El Salvador until the Congress enacts new legislation providing conditions for United States military assistance to El Salvador or until the end of fiscal year 1984, whichever occurs first, was considered, ordered to a third reading, read the third time, and passed.

SMALL BUSINESS ACT AMENDMENTS

The Senate proceeded to consider the bill (S. 1429) to amend the Small Business Act to provide for the continuation of the Small Business Development Center program, which had been reported from the Committee on Small Business with an amendment to strike out all after the enacting clause and insert the following:

SECTION 1. Section 21 of the Small Business Act is amended—

(1) by striking from paragraph 1 of subsection (a) the phrase "assist in establishing" and inserting in lieu thereof "establish".

(2) by amending paragraph 2 of subsection (a) to read as follows:

"(2) The Administration shall require as a condition to the award of any grant (or amendment or modification thereof) made to an applicant under this section, that a matching amount (excluding any fees collected from recipients of such assistance) equal to the amount of such grant shall be provided by the applicant from sources other than the Federal Government, to be comprised of not less than 50 per centum cash and not more than 50 per centum of indirect costs and in-kind contributions: Provided, That this matching amount shall not include any indirect costs or in-kind contributions derived from any Federal program: Provided further, That no recipient of funds under this section shall receive a grant which would exceed its pro rata share of a $65,000,000 program based upon the population to be served by the small business development center as compared to the total population in the United States, or $200,000, whichever is greater.".

(3) by striking from paragraph 1 of subsection (b) "During fiscal years 1981, 1982, and 1983, financial" and inserting in lieu thereof "Financial", and by striking "area" and inserting in lieu thereof "state";

(4) by striking from paragraph 2 of subsection (b) "a plan" both times that it appears and inserting in lieu thereof "an application", by striking "plans" both times that it appears and inserting in lieu thereof "applications", and by striking from the second sentence the phrase "or part thereof to be served." and inserting in lieu thereof a period;

(5) by inserting before the period at the end of the first sentence of paragraph 2 of subsection (b) the following: "including information showing that the assistance to be provided will not solely duplicate or replace existing services".

(6) by inserting after the period at the end of the first sentence of paragraph 2 of subsection (c) the following: "The facilities and staff of each small business development center shall be located in such places as to provide maximum accessibility and benefits to the small businesses which the center is intended to serve.";

(7) by amending subparagraph (2)(A) of subsection (c) to read as follows:

"(A) a full-time staff, and a staff director whose sole responsibilities shall be to manage the program activities and provide services to the program;";

(8) by amending subsection (e) to read as follows:

"(e) The National Science Foundation is authorized and directed to cooperate with the Administration in developing and establishing programs to support small business development centers.";

(9) by striking from the second sentence of paragraph 2 of subsection (h) the word "quarterly" and inserting in lieu thereof "semiannually";

(10) by striking from paragraph 1 of subsection (i) the word "may" and inserting in lieu thereof "shall";

(11) by striking subsection (j) in its entirety; and redesignating subsection "(k)" as subsection "(j)".

SEC. 2. Section 7(d)(1) of the Small Business Act is amended to read as follows:

"(d)(1) The Administration shall not fund any small business development center or any variation thereof, except as authorized in section 21 of this Act.".

SEC. 3. Section 20 of the Small Business Act is amended by adding at the end thereof the following:

"(t) There are hereby authorized to be appropriated for fiscal year 1984, $25,000,000, for fiscal year 1985, $30,000,000, for fiscal year 1986, $40,000,000, and for fiscal year 1987, $40,000,000, to be available solely for the purpose of carrying out the provisions and purposes of the small business development center program as provided in section 21.".

SEC. 4. Section 204 of the Small Business Development Center Act of 1980 (Public Law 96-302) is repealed.

The Senate proceeded to consider the bill.

AMENDMENT NO. 2630

(Purpose: To delete the 1984 authorization provision)

Mr. BAKER. Mr. President, I send an amendment to the desk on behalf of Mr. WEICKER and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER), for Mr. WEICKER, proposes an amendment numbered 2630.

On page 5, line 4, strike "fiscal year 1984, $25,000,000, for".

Mr. WEICKER. Mr. President, the amendment I am offering would simply strike the 1984 authorization in this bill.

Under current law Congress may authorize and appropriate such sums as are necessary for carrying out the provisions and purposes of the SBDC program. Because the bill as currently drafted places a $25 million cap on the program for fiscal year 1984, even though this is a limitation on the program authorization, without a budget waiver resolution, it would constitute a technical violation of section 402 of the Congressional Budget and Impoundment Act of 1974.

Accordingly, since a 1984 authorization is not necessary, and to insure expeditious consideration of this bill, this amendment is being offered, and I ask that it be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment (No. 2630) was agreed to.

Mr. WEICKER. Mr. President, I am pleased the Senate is today considering S. 1429, legislation introduced by Senator NUNN and myself to strengthen, expand, and make permanent the small business development center program. Currently, this program is due to expire on October 1, 1984.

The SBDC program, administered by the Small Business Administration, is designed to provide local management and technical advice and assistance to small business. This service is offered through a network of SBDC's across the country, and draws on the resources of the private and public sectors, local business organizations, and universities.

Mr. President, the history of this program and a detailed account of the Small Business Committee's review of its operation and effectiveness may be found in the committee report which accompanies this bill. Let me briefly summarize if I may, however, by saying that the SBDC program began as a pilot program of the SBA in 1976. At that time, with business failures reaching new heights largely because of a lack of management assistance, the agency sought to find new ways of providing this needed counseling and service to small firms without taking away from their own limited resources.

The initial pilot centers had many flaws, but the Small Business Committee believed the underlying concept of using the private and educational sectors to deliver management assistance was a good one.

In 1979, a bill formally authorizing the SBDC program and setting up a statutory framework for the operation and management of the centers was introduced, and in 1980, was enacted as Public Law 96-302. The law included provisions for a mandatory evaluation of the program after 2 years, and a sunset date at October 1, 1984.

Since that law went into effect, Mr. President, the program has grown. SBDC's are now located in 27 States and the District of Columbia, and the SBA fully expects that, should the authorization continue, the program will spread to all 50 States within the next 5 years.

In 1983, the Small Business Committee conducted an extensive review of the SBDC program. Three hearings were held, and testimony was received from all sectors of the governmental, business, and educational community. In addition, the committee looked at two independent evaluations of the program's cost and its impact on small businesses and their surrounding areas.

Based on the performance of the program over the past 3 years, and the committee's review, I believe the SBDC program should be made permanent. Its track record shows clearly that this is a delivery system that has delivered, leveraging private sector, public sector, and university resources in a unique way to provide valuable advice and assistance to small firms.

As orginially introduced, S. 1429 was designed solely to eliminate the sunset provisions existing in Public Law 96-302 and to make the program permanent. Based on testimony we received at the hearings and our own evaluation, several other strengthening and clarifying amendments were added as well.

The amendments made were as follows:

At least 50 percent of the total non-Federal matching funds for operation of the SBDC is required to be provided in cash, rather than in-kind services, as has been the case in the past.

Each State applying for SBDC program status must submit a statewide plan to the administration, specifying what services will be offered, how they will be delivered, et cetera.

Individual centers in each State must be in locations that are accessible and convenient to the target small business community.

Each SBDC must have a full-time staff director.

Each SBDC is required to establish a local advisory council from the surrounding area, to advise and provide guidance on SBDC operations.

An authorization level of $30 million is set for fiscal year 1985; $40 million is authorized for fiscal years 1986 and 1987, and program funding is capped at that level.

S. 1429 was reported out of the Small Business Committee by a vote of 18-0. It has the full support of all our Members, and I urge its speedy and favorable consideration.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated November 14, 1983, from myself and the ranking minority member, Mr. BUMPERS, to the chairman of the committee, the distinguished Senator from New Mexico (Mr. DOMENICI).

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON SMALL BUSINESS,
Washington, D.C., November 14, 1983.

Hon. PETE V. DOMENICI,
Chairman, Senate Budget Committee,
Washington, D.C.

DEAR MR. CHAIRMAN: On November 1, 1983, the Committee on Small Business met in executive session and favorably reported S. 1429. It is our intention to ask the Senate to pass this bill before we adjourn.

Budget Committee staff have informed staff of the Small Business Committee that the inclusion of an authorization cap on the SBDC program for Fiscal Year 1984 in S. 1429 constitutes new spending under Section 402 of the Budget Act. Accordingly, to resolve this matter and to ensure the expeditious consideration of this bill, it is our intention, when S. 1429 is considered, to offer an amendment that would strike the bill's 1984 authorization.

It is our understanding that, based on our agreement to offer this amendment, the current hold placed on this bill by the Budget Committee will be removed.

Sincerely,

DALE BUMPERS,
Ranking Minority Member.
LOWELL WEICKER, Jr.,
Chairman.

Mr. BOSCHWITZ. Mr. President, I rise in support of S. 1429, legislation that will make the small business development program permanent. I am pleased to be a cosponsor of this bill, and commend the chairman and ranking member of the Small Business Committee for their efforts on this bill.

Small business development centers (SBDC's) were created as a pilot program in 1980 to provide local management and technical assistance to small business owners. SBDC's, generally located at colleges or universities, serve as a focal point for assistance by linking together the resources of Federal, State, and local governments with the academic community and the private sector. SBDC's require significant local and State commitment, through the 50-50 matching funds requirement.

When the program was first enacted, Congress purposely established a sunset provision—October 1, 1984—so that it would be thoroughly reviewed. The Small Business Committee has thoroughly reviewed the program, and I support the committee's recommendation to remove the sunset date. It is important that the bill is passed this year because many SBDC's are on calendar years and would face uncertainty next year.

The Minnesota Small Business Development Center Consortium is a good example of how well this program works. The College of St. Thomas in St. Paul is the lead institution in the consortium which includes the University of Minnesota at Duluth; the University of Minnesota Agricultural Extension in Grand Rapids; Bemidji State; Mankato State University; Brainerd Area Vocational Technical Institute; Moorhead State; St. Cloud State; Southwest State at Marshall, and Winona State as affiliates.

These fine institutions have provided excellent resources and referral services to small businesses in Minnesota. The program has used business instructors, outside professionals, and the Service Core of Retired Executives to train and counsel small businesses. Indeed, the consortium has provided counseling or training to over 1,500 small businesses in 1983 alone. It is the heavy emphasis that the Minnesota program places on practical application provided by experienced practitioners that contributes to the success of the program. I believe it is a good program and that the sunset date should be removed. I urge my colleagues to support the bill.

Mr. TSONGAS. Mr. President, I offer my support for the passage of this legislation, S. 1429, to provide for the continuation of the small business development center program. This

program has proven to be very effective in assisting the small business person and merits continued funding.

Small business development centers perform a vital role in the small business community by offering such services as: Coordinating and conducting research and education on small business concerns; dissemination of information and counsel concerning Government regulations and state-of-the-art technologies; and access to laboratory and engineering facilities. By their very nature, small businesses are not large enough to provide such services for themselves. They must rely on outside help such as the small business development center program in order to survive in today's competitive market.

As an example of the kind of services provided, one of the small business development regional centers in my home State of Massachusetts, located at Southeastern Massachusetts University in North Dartmouth, cosponsored with industry a 1-day seminar on productivity last week. An opportunity for discussion and participation by the participants was included, thus facilitating communication and idea sharing among small business owners. This kind of interaction and exchange is essential for the success and growth of the business person and his or her company.

Currently, 27 small business development centers are funded through this program with many others in the planning stages. Enactment of this legislation will insure their future.

In closing, I again voice my support for this important piece of legislation and ask for yours. Small businesses are a part of the lifeblood of America and deserve our assistance.

Mr. BAUCUS. Mr. President, I join my colleagues on the Small Business Committee in supporting Senate bill 1429. This bill will amend the Small Business Act to provide for the continuation of the small business development center program on a permanent basis.

The glaring need for development centers comes from the realization that over 90 percent of the small business failures each year are due to management weakness.

Development centers do not compete with or take the place of private management consulting. Rather, in the words of one consulting executive, "They tend to create more business for the private sector."

The first small business development centers were set up on 1977. SBA funded eight pilot programs on university and college campuses to make management expertise available to local businesses and to promote academic research.

The original 8 pilot centers have grown to 27, with 4 applications pending and another 10 under preparation. Montana State University is coordinating the preparation of one of those applications.

Each center has provided a variety of services tailored to the needs of the businesses in the community. Here are some examples:

Massachusetts has a capital formation service to provide counseling on nonconventional financing to many fast-developing firms in the State;

Alabama and Georgia have developed international trade centers to help clients with the financial, marketing, and technical complexities of exporting their products to foreign countries;

Pennsylvania has formed a joint venture with the Pennsylvania technical assistance program to help small business clients find solutions to technical problems;

Washington State operates an innovation assessment center that, for a small fee, conducts an indepth marketing, engineering, and financial feasibility analysis on new products; and,

Florida has developed the INFO-BID system to help small businesses get a larger share of Government and private industry contracts by matching contracting opportunities with qualified small business contractors.

In Montana, the proposed development center will be a clearinghouse for many types of small business training. The clearinghouse will be an important part of Montana's comprehensive economic development program, known in the state as the "Build Montana" program.

Since 1977, the development centers received increasing annual congressional funding, from year to year. They have undergone 6 years of scrutiny and have proven their usefulness.

Now it is time to make the SBDC's an ongoing program in SBA. This bill authorizes SBA to continue its funding on a matching basis through 1987 to public and private groups to set up the centers.

Our commitment to small business assistance is a commitment to America's backbone. It is small business that is providing new jobs and creating new technology. It is small business that will carry us into the 21st century with jobs, prosperity, and economic stability.

Mr. SASSER. Mr. President, the Senate considers today a significant piece of small business legislation which I am pleased to cosponsor. S. 1429 touches on a very important tool in the small business community, the Small Business Development Center program. I am pleased to see this measure come to the floor and urge my colleagues to support it.

The SBDC program directly addresses what I feel is one of the most pressing needs facing small firms today. I am referring to the management assistance concerns of small businesses. During hearings before the Small Business Committee earlier this year on this worthy program, I pointed out that management education and the lack of training in this area are perhaps the greatest obstacles many small businesses face when they first open for business. Without these necessary tools, many small firms would simply fold.

During my travels across Tennessee during the past 2 years, small business persons have repeatedly stressed the need for this type of assistance. As I campaigned throughout the State in 1982 and listened to the concerns of small business owners, it became clear that the lack of management training and management assistance is one of the primary reasons for small business failures. I came away from that campaign acutely aware of the need for greater management assistance programs for our firms in Tennessee.

Unfortunately, the Small Business Administration does not have the resources to adequately address management assistance needs throughout the small business community. SBA covers a lot of ground in its various small business programs, but this is one area where many entrepreneurs feel more assistance is necessary. I share this view.

As I pointed out earlier this year, Mr. President, the Small Business Development Center program is one way to bridge the gap in this critical area. The fact that this program is not directly operated by SBA does not deter the enthusiasm for SBDC's across the country. Any small business owner will tell you that proper management knowledge is crucial to their survival and they are not particular about who can provide such assistance.

The SBDC program is especially attractive as it not only meets a need that SBA is presently unable to handle, but also is a very efficient program. Although relatively young, the program has proven itself as an effective means of educating small business owners on proper management techniques. Several of the existing SBDC's, such as those in Georgia and Wisconsin, are proven success stories of the type of Government programs we would do well to see more of.

My interest in the SBDC program increased this year when Memphis State University in Tennessee applied to participate in the program. That application is presently pending before SBA. The Governor's office in Tennessee has given approval to the Memphis State proposal and it is my hope that Tennessee will soon join the ranks of States with small business development centers providing needed assistance in a number of areas throughout the State's small business community.

Indeed, with what the SBDC program has to offer coupled with the hard-working nature of Tennessee's small business community, I hope to see an SBDC in Tennessee which can serve as a sterling example of the accomplishments one can achieve with this worthwhile program.

In closing, I again urge my colleagues to give S. 1429 their favorable consideration on the floor today.

Mr. NUNN. Mr. President, I rise in support of S. 1429, a bill to extend and strengthen the Small Business Development Center, SBDC, program of the Small Business Administration.

As unanimously reported by the Small Business Committee, this legislation would permit the continuation of a valuable management assistance resource made available to small business through a matching grant program. The Small Business Committee has proposed a number of amendments to the current law which should increase the visibility of the SBDC program as a source of assistance to small business. It will strengthen both the services that are to be delivered by the SBDC and the program management oversight exercised by the Small Business Administration. More importantly, passage of this legislation will insure small business' continuing access to high quality management assistance that had previously been unavailable in virtually any form.

Mr. President, I am particularly pleased to see this bill come to the floor. I had the opportunity to work with the former chairman of the Senate Small Business Committee, Gaylord Nelson, and the committee's present chairman, the distinguished senior Senator from Connecticut (LOWELL WEICKER) in building on an SBA administratively initiated effort in 1976. In addition, one of Georgia's outstanding academicians, and at the time the dean of the business school at the University of Georgia, Bill Flewellen, was instrumental in bringing the SBDC experiment to Georgia. Through his aggressive leadership in my State, and his continuing role in the development and nationwide growth of this program, Bill Flewellen has often been referred to as the father of the SBDC program.

As the committee report notes, the SBDC program was modeled after the highly successful agricultural extension service, and many of the current program's critical statutory provisions have been taken from it. In addition, from the first Senate Small Business Committee hearing in 1977 on this program, which I was pleased to chair, the primary motivating factor behind our efforts at building an SBDC program has been to increase the flow of management and technical assistance to small business. Despite a complicated procedural struggle over unrelated issues attached to the SBDC legislation in the 96th Congress, we were successful in getting a 4-year pilot program signed into law on July 2, 1980.

When the law was signed, there were 16 centers operating under SBA's administrative guidance. In the 40 months since the law has been in operation, we now have 27 centers approved by SBA, and delivering management assistance to small business. There is every indication that the program can be available in virtually every State within the next 5 years. I believe that the legislation we are considering today, and hopefully passing, will facilitate that process.

Mr. President, when I chaired the committee's initial oversight hearing on the 1980 law in Atlanta this past February, I opened that hearing with a number of questions about the SBDC program that, in my judgement, needed to be clearly and fully answered before I could justify supporting an extension or expansion of this program. I reiterated those questions when I joined Chairman WEICKER, and other members of the committee, in introducing S. 1429 earlier this year. They were:

Is the Small Business Development Center program providing management assistance to small businesses that would not otherwise be available?

Is this program a cost-effective way of providing management assistance?

Has there been a sufficient test of the pilot program so that Congress would be capable of fully and fairly evaluating the performance of the program?

Finally, are there changes in the law that Congress should make, or administrative changes that SBA should make, that would increase the potential for success of this program if the program is extended and if it is expanded?

From the committee's review of the SBDC program through three hearings and extensive data collection during the past year, and my own evaluations, I believe that each of these questions can be answered affirmatively. I feel very confident in recommending the amendments that have been incorporated in S. 1429, and in supporting a continuation of the SBDC program.

Mr. President, I would like to take a few moments to highlight a few of the major provisions incorporated in this bill. I would also mention some major issues in the SBDC program operation that do not lend themselves to statutory resolution, but which have as much potential impact on the program as any legislative formulation.

As introduced, S. 1429 had only two provisions. One was a repeal of the sunset date of the program as a whole. The second was a repeal of the sunset date on the prohibition against the Small Business Administration making financial assistance available to any SBDC unless the SBDC would offer services in a manner consistent with a plan for the area to be served which had been approved by a State agency authorized to approve such plan. The plan requirement of current law was a compromise from the Senate approved version of the legislation in 1979 and 1980. In those earlier bills, the Senate would have required an approved plan for delivering management assistance to the entire State before any single SBDC was funded.

It was our judgment then, and it is still my view, that there need to be an overall game plan for each State for providing management assistance to small business. We recognized then, and still do, that it is permissible to have more than one SBDC in a State. Each SBDC application would stand on its own merits in seeking recognition, and funding, from the agency. But it makes no sense not to have a coordinated plan for service, or a plan to avoid duplication of SBDC efforts in one or more areas. It would be worse to have no systematic program for insuring that management assistance can be offered to small business in all parts of a State.

In practice, since the law has been signed, every SBDC operates under an approved statewide plan. At our hearings in Washington and in the field, SBDC directors, State officials, and SBA fully concurred in the need to continue this overall plan requirement as part of the SBDC approval process. I am pleased that the committee has made this a permanent program requirement.

In addition, the committee bill clarifies an ambiguity in the present law between the plan for service delivery and the applicant for funding, and reverts to the original Senate position requiring the development and approval of a single, statewide plan before any financial assistance is made available to any SBDC in a State. However, as the committee report properly notes, there is nothing in the law, the committee's amendments, or in the legislative history that prevents SBA from approving more than one qualified SBDC in each State. Nothing in the law, the committee's amendments, or the legislative history would prevent SBA from approving an SBDC that intends to provide services, or is only capable of providing services, in an area less than the entire State. However, it should now be clear from the law, and our intent, that no financial assistance is to be made available to any SBDC unless there is an approved plan which spells out the complete game plan for providing SBDC services across the State.

Mr. President, a second critical element of the law is the formula for determining the maximum Federal share of the matching funds that an SBDC

may receive, and the authorizations for the program that the committee has recommended in this bill.

Under current law, each applicant must state in its proposal to SBA the funds that it believes will be required to operate the program. SBA makes an independent evaluation of the amount of Federal funds that should be made available to the SBDC for that fiscal year. The current law has two qualifications on the amount of funds, however. The first imposes a ceiling on the maximum Federal share that any one SBDC shall receive, based on the population of the State to be served by that SBDC as compared to the total population of the Nation. That ratio is then applied to a hypothetical $65 million program to determining the maximum amount available. The statute also contains a minimum $200,000 in Federal funds for each SBDC, provided that the matching funds are available.

Mr. President, I had concerns about this $65 million statutory figure from the outset. However, in 1980, we recognized that it was necessary to impose some limitation on the maximum amount of funds that any one SBDC could draw down so as to insure that each center would have funds available to it, and that the largest States, or those States with the greatest ability to generate matching funds, were not able to obtain a virtually unlimited amount of Federal funds. But to be clear, there was never any intention on my part to have a $65 million Federal SBDC program.

During the committee's review of the SBDC program this year, we explored a variety of alternatives that would have permitted us to modify this provision in the statute. We looked at striking the provision outright; we looked at reducing the $65 million level to some other rate that more closely resembles the congressional expectation of the size of the program; we looked at substituting a flat maximum share of Federal funds. Each of these proposals, however, would have done more damage to the existing centers, and to the environment for permitting a reasonable growth in the program, than making no change at all. Therefore, our committee made no change to this formula. But I do not want to leave any doubt that, at least as far as this Senator is concerned, there is no $65 million Federal SBDC program contemplated.

We also reviewed the minimum program funding contained in the statute, and questioned whether such a level was necessary. Based on the experience that the SBDC program has had over the past 7 years, and the strong recommendations of both the Small Business Administration and the small business development centers, we maintained the minimum program level, as well.

Despite the fact that no changes have been made to the allocation formula, the committee has retained its oversight responsibility and control over the program. We have provided authorizations for the program through fiscal year 1987. While I understand that it may be necessary to delete the fiscal year 1984 authorization in order to comply with the Congressional Budget Act, nevertheless, the provisions that we have reported from the Senate Small Business Committee make it clear that we expect that there will be some growth in this program over the next several fiscal years. During that period of time, as the committee's report on the bill notes, it is likely that as many as 45 of the 50 States will have prepared, and qualified for, funding for at least one SBDC. An increase in the funding authorization is necessary to reasonably accommodate that growth.

However, while this program has merit, and should be retained and strengthened, I am convinced that there cannot be, and likely will not be, an unlimited source of Federal matching dollars. Beyond a reasonable level, and in our bill that level has been set at $40 million in Federal funds, program growth will have to come from the private sector. In the final analysis, we are relying on the private sector to take up the responsibility for providing management and technical assistance to small business.

The Federal Government has been willing to participate in an incubation period for the development and maturation of the SBDC program. I believe the Federal Government, through the SBDC matching grant program, is prepared to remain as a full partner in insuring that quality management assistance is made available. But given the legitimate constraints on the Federal budget, and the competition for Federal funds for both defense and domestic spending, it is important that we now tell those involved in the SBDC program, and those that have an interest in being involved in this worthwhile effort, that the Federal Government cannot provide unlimited matching funds.

In my view, SBA also has a critical role to play in the success of the efforts to rely on the private sector to deliver assistance to small business. Almost from the outset of the Senate Small Business Committee's involvement in the SBDC program, we recognized, and the SBA admitted, that they lacked the resources and the personnel to meet the demands for management assistance required by small business. In study after study, both public and private, the lack of management skills is an overriding factor in small business failure. An important committee consideration was the role of the Small Business Administration in nurturing and developing this program. We have added a number of provisions to aid the SBA in its review of the applications submitted by SBDC's for approval and funding. We have clarified the responsibility of the small business development centers to insure that they are providing new services to small business, not merely taking existing services, and relying on Federal funding to pay a portion of that service delivery. I believe that the small business development center directors welcome the more explicit statutory direction to the SBA, and a clarification of their own role and responsibilities.

In addition to these provisions, there was a clear recognition that SBA has available to it, under its management assistance umbrella, a variety of resources in addition to the SBDC program. These include the use of private consultants, the SCORE and ACE program, the Small Business Institute program, the cooperative arrangement with the junior colleges, chamber of commerce resource centers, and the agency's own management assistance officers. Each of these service providers have proven themselves to be effective in providing specific types of management assistance to small business. At the most local level possible, SBA must be the coordinator of these various delivery services.

We have already seen the agency rely on the SBDC program to manage the Small Business Institute program in certain States. That cooperative arrangement, under the guidance of the SBA, has worked well. I know in my own State of Georgia that the SCORE and SBDC programs have been able to jointly reach an agreement as to their respective roles in providing assistance. In fact, in several instances, the SBDC, which is housed within a chamber of commerce office, serves as the headquarters for a SCORE counselor, as well Wisconsin also has been a national leader to insure that a cooperative effort is maintained between the SCORE and the SBDC programs. Here again, SBA has been an active and aggressive partner. Congress expects the national office of SBA to approach this leadership and coordinating role more actively.

Finally, I want to compliment Senator WEICKER, the chairman of the committee, for his commitment of the SBDC program, and his leadership in moving the extension legislation. I believe that the small business community as a whole, and the SBDC program in particular, can be rest assured that they have a leader and a supporter of their efforts in the chairman of the Senate Small Business Committee.

Mr. President, S. 1429 is a good bill that will strengthen the SBDC program. It is a bill that will insure that

the parameters for the continued expansion of the SBDC program into more States so as to assist more small businesses, are clear. It will provide the framework to improve the Small Business Administration's ability to guide and manage the program.

During the next several months, we will be working closely with our counterparts in the House to complete the congressional review of this important program in a timely manner. Passage of this legislation today will bring us one significant step closer to that end.

I urge my colleagues to support this bill.

Mr. BUMPERS. Mr. President, I rise in support of S. 1429, the bill reported favorably by the Small Business Committee that would strengthen the small business development center program, and make it permanent.

Mr. President, the small business development center program began as a pilot program undertaken by SBA. In 1977, the Senate Small Business Committee began its oversight on the program. The committee recognized then that the concept of shifting the primary reliance for the delivery of management assistance to small business from SBA had merit, and, using the eight pilot university centers as a model, could be successful. However, we also recognized that those eight pilot centers had little in common.

Under the leadership of the former chairman of the Senate Small Business Committee, Gaylord Nelson, the current chairman (Senator WEICKER) and the former ranking minority member (Senator NUNN), the committee took from the eight centers those critical elements that seemed to have the most bearing on our interest in insuring that small business had access to quality management assistance. From that effort, and those of the House, the Small Business Development Center Act of 1980 was signed into law.

The program has grown from those eight pilot centers since that 1980 law was signed. There are now SBDC's operating in 26 States and the District of Columbia. In my own State of Arkansas, this program, operated through the University of Arkansas at Little Rock, has had a very positive impact, and has been working well.

It appears that, with only minimal statutory adjustments, the legislative framework that Congress established in 1980 for this program has sustained the test of time, and rigorous implementation and oversight. Each of the centers are routinely evaluated by SBA, and subject to an annual audit by the Federal Government. The 1980 law required a detailed impact analysis of the program, and the committee received testimony from the private-sector firms that undertook that assessment. It was the judgment of those that conducted the evaluation that the program filled an important gap in the SBA's total management assistance delivery system.

Our committee also undertook its own survey of the SBDC's. We raised questions about the non-Federal funding made available to them, the use of the private sector, and the extent to which minority and women business owners were being assisted. We held 3 days of hearings on the program this year, and obtained the additional written testimony of a wide range of interested groups.

Mr. President, the sum total of our committee's review showed that the SBDC program—relying on a matching-grant program to assist in providing quality management assistance to small business—has worked. With the refinements that the Small Business Committee has recommended to the statute, it is my judgment that we have a sufficiently detailed legislative prescription for using the small business development center program to aid small businesses. Yet, I believe we have left more than ample flexibility to the agency to manage this important program, and we have left plenty of room for the SBDC's in each State to tailor their specific programs to the needs of the small businesses it must serve.

Mr. President, even though our committee has fully endorsed this valuable program, and we are convinced that the legislative package is sound, there are several points that stood out during our review and, in my opinion, deserve mentioning here.

First of all, the SBDC program is not intended, or expected, to do the whole job of providing management assistance to small business. There are many resources directly made available to SBA to meet the varying needs of small business. Within the management assistance division alone, the SBDC program is only one of six program delivery mechanisms.

Each of these six programs have unique strengths, and some recognized weaknesses. It is my view that SBA must be a coordinator of these resources, and a manager of the scarce dollars that we have been able to assign to these valuable programs. In addition, I believe the committee expects other divisions within SBA, including its financial, procurement, and innovation programs, to provide the greatest degree of coordination and assistance in the delivery of management services and in the compilation of information.

Second, our decision to make the program permanent should not be interpreted as a carte blanche endorsement of every element of the program's operation. There are still some areas of the program, such as the use—or lack of use—of private consultants, that concerns the committee, but that do not easily lend themselves to statutory resolution. The onus is on the applicants who are seeking Federal funds to prove that they are meeting the needs of the small business communities of their State, that the applicants are making use of all available resources, and that they are providing quality management assistance in an effective and efficient manner. SBA also has a critical responsibility for insuring that the most comprehensive services can be delivered when the agency reviews each SBDC application for Federal matching funds.

The statute spells out basic minimum program components. These elements were put in the 1980 law, and remain unchanged by our amendments, because they represent the basic management assistance needs that we have identified during the committee's years of extensive review of the problems faced by small business. To the extent that a center finds it advantageous to specialize in one or more particular phases of this assistance, the center should be encouraged to do so. Hopefully, that expertise would be readily available to the agency, and to the sister SBDC's, as well. But specialization cannot be, and should not be, a substitute for meeting the minimum program requirements of the statute.

As I mentioned earlier, I believe the committee expects this program to be available on a nationwide basis within the next several years; 27 centers are already in place. According to SBA, at least five additional States, including California, Texas, and Illinois, have applications near completion. In fact, according to SBA, only a handful of States have shown no interest in the program to date. With the known demand for the program, the requirement for matching funds, and the requirement for a statewide plan showing how the SBDC's will provide service delivery, the committee felt confident that the program could grow in an orderly and efficient manner, and wisely use the Federal funds which Congress has appropriated.

We have provided for a permanent program, and have added authorizations for this program only through fiscal year 1987. Although providing for multiyear authorizations, the Senate Small Business Committee will continue its regular oversight responsibilities to insure that SBDC services are being provided to small business and that there is continued compliance with the law.

Furthermore, the level funding for this program established for fiscal years 1986 and 1987, following the recommendation of Senator NUNN, is designed to signal that there are limits to the financial commitment which the Federal Government can make in this program. Such a limitation should not be viewed as a diminution in our

support for the SBDC program, or for the concept of reliance on the non-Federal sector to provide management assistance. Rather, it is a recognition of the practical fiscal constraints that will have to be imposed on this program. The program can expand at each center as additional State- or private-sector resources are channeled into the SBDC program, however.

Mr. President, this extension legislation is a good bill. It strengthens the program without imposing overly stringent constraints on SBA or the SBDC's. It will enhance the availability and delivery of management assistance provided to small business.

I urge my colleagues to support this legislation.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read "A bill to amend the Small Business Act to extend and strengthen the Small Business Development Center Program, and for other purposes."

MIGRATORY BIRD CONSERVATION FUND ADVANCES

The bill (S. 1284) to extend until October 1, 1985, the authority for advances to the migratory bird conservation fund, was considered.

AMENDMENT NO. 2629

Mr. BAKER. Mr. President, I send an amendment to the desk in behalf of Mr. CHAFEE and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) for Mr. CHAFEE proposes an amendment numbered 2629.

On page 1, line 8, and on page 2, line 4, strike "1985" each place it appears and insert in lieu thereof "1984".

Mr. CHAFEE. Mr. President, on October 31, 1983, the House of Representatives passed the bill (H.R. 2395) to extend the Wetlands Loan Act. With one minor amendment, I support this bill and urge my colleagues to do the same. For the reasons I am about to explain, this is a must piece of legislation. We must act quickly and see to it that this measure is signed into law by December 31, 1983.

In 1962, Congress passed the Wetlands Loan Act to accelerate the Federal acquisition of migratory water fowl habitat. This law, as amended, authorizes the appropriation of $200 million as a loan against future revenues for the sale of migratory bird hunting and conservation stamps (duck stamps). The authorization, of which more than $145 million has been appropriated, expired on September 30, 1983. Without this bill, the balance of the authorized money will be unavailable despite the great and growing need for these funds.

In addition, current law provides that beginning with the first quarter after October 1, 1983, 75 percent of the revenues raised from the sale of duck stamps must be used to repay the loan. At the present cost of $7.50 per stamp, revenues are approximately $14.5 million per year. Therefore, if we fail to enact an extension of the law, appropriations from the wetlands loan fund will no longer be authorized and, of the $14.5 million paid each year by duck hunters and others, less than $4 million will be available for acquisition of important wetland habitat.

Fortunately, the Department of the Interior intends to comply with existing law by continuing the acquisition program with duck stamp revenues through the first quarter of fiscal year 1984. However, if this measure is not signed into law by December 31, 1983, the Department will have no recourse but to begin using those revenues to pay back the loan. As a result, the acquisition of migratory bird habitat will come to a halt and those employees who have served this vital program so well will be in danger of losing their jobs.

On September 28, 1983, the Committee on Environment and Public Works met and unanimously approved S. 1329, the Emergency Wetlands Resources Act of 1983. That bill contains a provision that will extend the Wetlands Loan Act for 10 years and, as recommended by the administration, delete the provisions for repayment of advances under the act. A companion bill, H.R. 3082, was reported to the House on October 25, 1983, by the Merchant Marine and Fisheries Committee.

We had intended to pass the Wetlands Loan Act extension in conjunction with passage of the Emergency Wetlands Resources Act. However, an unrelated and controversial amendment dealing with Oregon Inlet in North Carolina was added to the House version of the Emergency Wetlands Resources Act. The addition of such an amendment unnecessarily complicated the Emergency Wetlands Resources Act of 1983 and made passage of the bill in time to save the wetlands loan program impossible.

The Emergency Wetlands Resources Act will increase the price of the duck stamp and authorize entrance fees to be charged at certain wildlife refuges to augment the funds available to acquire wetlands. It will also allow land and water conservation funds to be used for State and Federal wetland conservation projects.

The future of the wetlands loan program is integrally related to the fate of the Emergency Wetlands Resources Act. To separate consideration of the two measures at this time is ill-advised but necessary. It is not necessary, however, to separate these measures for 10 years, as H.R. 2395 would do. Therefore, I urge my colleagues to accept an amendment to H.R. 2395 that would shorten the extension from 10 years to 1 year. As amended, the bill will address the must nature of this legislation: It will extend the authority for appropriations and it will delay the payback provision which became effective on October 1, 1983. As amended, the bill will also assure that we return to the issue of wetlands conservation when we address the Emergency Wetlands Resources Act in the second session of this Congress.

Mr. President, I move my amendment and the bill and urge my colleagues to support this important measure.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment (No. 2629) was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. BAKER. Mr. President, I ask the Chair to lay before the Senate Calendar order No. 573, H.R. 2395.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

The bill (H.R. 2395) to extend the Wetlands Loan Act.

The PRESIDING OFFICER. Without objection, the Senate will proceed immediately to the consideration of the bill.

Mr. BAKER. Mr. President, I move to strike all after the enacting clause of H.R. 2395 and to substitute the text of S. 1284, as reported and as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 2395) was passed.

Mr. BAKER. Mr. President, I ask unanimous consent that S. 1284 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO HOLD H.R. 2751 AT THE DESK

Mr. BAKER. Mr. President, I ask unanimous consent that once the Senate receives from the House H.R. 2751, National Foundation on the Arts and Humanities Act Amendments of 1983, it be held at the desk pending further consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO HOLD H.R. 4350 AT THE DESK

Mr. BAKER. Mr. President, I ask unanimous consent that once the Senate receives from the House H.R. 4350, a bill to authorize a loan consolidation program under part B of the Higher Education Act, it be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

BILL PLACED ON CALENDAR—H.R. 3867

Mr. BAKER. Mr. President, I ask unanimous consent that once the Senate receives from the House, H.R. 3867, a bill to amend the Perishable Agricultural Commodities Act, it be placed on the Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO DISCHARGE JUDICIARY OF H.J. RES. 405 AND PLACED ON THE CALENDAR

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of House Joint Resolution 405, to extend the term of the Presidential Commission for the German-American Tricentennial, and ask that it be placed on the Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOHN SHERMAN COOPER NATIONAL RECREATION AREA

Mr. BAKER. Mr. President, I introduce a bill, if the minority leader does not object, to name the national recreation area in Tennessee and Kentucky after our former colleague and friend, Senator John Sherman Cooper, which would give him a special pleasure.

The cosponsors of the bill are as follows:

Senators Baucus, Bentsen, Burdick, Chafee, Chiles, Cranston, Dole, Domenici, Durenberger, Eagleton, Ford, Goldwater, Hatfield, Hollings, Mathias, McClure, Mitchell, Moynihan, Packwood, Pell, Percy, Roth, Sasser, Simpson, Stennis, and Weicker.

Mr. President, I ask unanimous consent to have printed in the RECORD a biographical sketch of Senator John Sherman Cooper and an article which appeared in the Rural Kentuckian entitled "The Noblest Roman."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BIOGRAPHICAL SKETCH OF SENATOR JOHN SHERMAN COOPER

Born August 23, 1901 in Somerset, Ky., son of John Sherman and Helen Gertrude (Tartar) Cooper, one of seven children—Don E. Cooper, Richard E. Cooper, Mrs. J. L. Hardin, Mrs. W. E. Converse, Mrs. Cooper Helm, Mrs. Benjamin Heiser—all living in Somerset, Ky. Sixth generation resident of Pulaski County, Ky., father was lawyer, farmer and banker and served as a County Judge. Mother's father was a lawyer and served as Judge.

Educated in Somerset public schools, Centre College, 1918–1919; Yale College, A.B., 1923; Harvard Law School, 1923–1925. Honorary degrees: Centre College, Kentucky, LL.D.; University of Kentucky, LL.D.; Georgetown College, Kentucky, LL.D.; Berea College, Kentucky, LL.D.; Lincoln Memorial University, Tenn., L.H.D.; Nasson College, Maine, D.C.L.; Yale University, LL.D.; University of Pittsburgh, LL.D. Representative in Kentucky Legislature, 1928–30; County Judge of Pulaski County, 1930–38 during depression. Candidate for Republican nomination for Governor of Kentucky in 1939, defeated. Elected Circuit Judge, court of general jurisdiction and highest trial court in Kentucky, 1945 for six year term.

Elected to Senate in 1946 for 2 years to fill unexpired term; defeated in 1948; elected in 1952 for 2 years to fill unexpired term; defeated in 1954; elected in 1956 for 4 years to fill unexpired term; re-elected 1960-66 to full six year term. Has now served 19 years and six months and at conclusion of term his total years of service will be longer than that of any Senator from Kentucky, excepting that of the late Senator Barkley. 1960 and 1966 majorities of 199,000 and 217,000 were largest of any candidate for state or national office in Kentucky except that of President Johnson in 1964.

Member of the Senate Committees of Foreign Relations, Public Works, Rules and Administration, and Select Committee on Standards and Conduct established by his resolution 1964. Voting member of the Senate Appropriations Committee for public works programs and projects. Served previously as member of Committees on the Judiciary, Agriculture, and Labor, Education and Welfare and Armed Services.

Appointed by President Truman delegate to fourth United Nations General Assembly session, 1949; alternate delegate to General Assemblies, 1950 and 1951; advisor to Secretary of State Dean Acheson at the London and Brussels meetings of the North Atlantic Treaty Organization's Council of Ministers, 1950. At request of Secretary Acheson, visited NATO countries in 1951 to report on military and economic status. Appointed Ambassador to India and Nepal, January 1955 by President Eisenhower, resigned August 1956 to become candidate for Senate. Member of Commission appointed by President Johnson in 1963 to investigate the assassination of President John F. Kennedy, called the Warren Commission. Advisor to the United States Delegation to the Treaty Signing Conference establishing the Asian Development Bank, Manila, 1965. Rapporteur for Military Committee of NATO Parliamentarians Conference, 1967–70. Delegate to General Assembly of United Nations in 1968.

Named by American Political Science Association in 1965 as Republican recipient of its award for distinguished service in Senate for the 88th Congress. In 1960 named as ablest Republican in Senate in poll by Newsweek Magazine of 50 Washington news correspondents covering Senate. Enlisted in United States Army in 1942 as a private, commissioned a second lieutenant at Fort Custer, Michigan, Corps of Military Police, Officer Candidate School in 1943, served with Third Army in Normandy, France, Luxembourg, German campaigns from July 1944 to end of hostilities. Then headed reorganization of German judicial system in Bavaria, awarded Bronze star medal. Legal advisor to Col. Philip Schafer who was in charge of the repatriation of approximately 300,000 displaced persons in 3rd Army Zone of Occupation. Cited by Military Government Division for recommendation to General George Patton, which was approved, that displaced persons of Russian nationality in Third Army Zone, would not be forced to return to USSR, leaving their spouses and children who were not Russian nationals, as Russian negotiators were insisting they must do under Yalta Agreement.

Member American Bar Association, Kentucky Bar Association, Centre College (Ky.) Board of Trustees, American Legion, Veterans of Foreign Wars, Rotary International, Beta Theta Pi. Baptist. Married Lorraine Rowan Shevlin, March 17, 1955. Had previously served as member of Board of Trustees of Georgetown College, Kentucky, and University of Kentucky.

THE NOBLEST ROMAN

(By Gary Luhr)

To reporter William S. White he was "a thinking man's politician." To his former colleague, Paul Douglas of Illinois, "the noblest Roman in the Senate." Maryland's Charles Mathias called him "a standard by which we can all measure our actions."

John Sherman Cooper will be 80 next August. His step is a bit uncertain these days and age has robbed him of his hearing. Still, his mind and memory are keen and his always handsome features have grown more distinguished with age. He reports for work regularly at one of Washington's prestigious law firms and comes home just as regularly to be with his family and friends in Kentucky. This fall, he returned to the campaign trail on behalf of Republican presidential candidate Ronald Reagan.

Eight years have passed since Cooper retired from the United States Senate, citing his age and increasing demands of the job.

"I made up my mind in 1966 that the next six years would be enough," he recalled. "I was 71 (in 1972). That now seems quite young, (but) I didn't know if I would have the strength to keep up with the work. As it turns out, I was in perfectly good health during all that period."

In the center of his office are the desk and chair he brought with him from the Senate, large wooden pieces built in the old Senate workshop. One end of the desk is piled high with federal regulations, many relating to tobacco. The walls and bookshelves around them display the momentoes of a long and distinguished career.

FORTUNATE POSITION

"I think I was in a pretty fortunate position; I was a Republican in a Democratic state. If I had been a Democrat I don't think I would have ever been in the Senate. Republicans had no real organization (at the time of his first election in 1946). You

didn't have to go in and ask if you could run. So I didn't have to respond to an organization and everything they wanted. Neither did I have to respond to the Democrats. I just had to try to take care of the interests of my state as best I could."

Outsiders who only knew Cooper by his position on certain national issues probably wondered how such a man could have been chosen repeatedly to represent a generally conservative constituency.

"I think a lot of people thought I was too liberal. Of course, I found up here there were all kinds of liberals. There were those who would vote for something just because they thought it *was* liberal.

"My own feeling was if I thought something was justified and human I'd vote for it. Having come from a rural area, having been a county judge, having served in the Depression, I saw the hardships of people and I had a certain sympathy for them. So I voted for a lot of measures which were looked upon by many of my friends as being too liberal.

"For example, I voted for the proverty program. Of course, it's grown all out of reason today, but it seemed at that time it helped the poorest people. I voted for Medicare because I'd seen people who couldn't pay their bills lie there and die. I had tremendous opposition from the doctors. They were all against it except the country doctors, but I'm glad I voted for it.

"I decided on national issues I couldn't confine myself wholly to the views of the people of my own state. On civil rights—I got very few letters asking me to vote for civil rights. I got 30,000 letters asking me to vote against it. I don't know if that represented the view of the whole state, but I knew it was a national issue."

FOREIGN AFFAIRS

It was in foreign affairs, however, that Cooper earned his greatest reputation. His former junior colleague from Kentucky, former Senator Marlow Cook, attributed this partly to the defeat he suffered the first time he ran for reelection to the Senate in 1948. Shortly thereafter, President Truman appointed Cooper as a delegate to the United Nations.

"It was this act which proved to be the genesis in making the man from Somerset one of America's foremost authorities in the field of foreign affairs," Cook said at the time of Cooper's retirement.

Twice Cooper served in the diplomatic corps—during the 1950s as ambassador to India and Nepal, and more recently as the United States' first ambassador to East Germany. Throughout his career he worked for world peace and arms control. In 1950, he opposed a suggestion that the United Nations be reorganized to exclude communist nations. During his final years in the Senate, he cosponsored several resolutions to cut off funds for the war in southeast Asia.

Such feelings remain strong as Cooper assesses the current world situation. "The Russians are very unpredictable," he said. "They know they've got the strength. They could overrun Iran if they wanted to and there wouldn't be a thing we could do about it, in my opinion, other than use nuclear arms, which is the last thing in the world anybody wants.

"I count these next two years as very critical and dangerous years, ones in which we must care and let the world know that we want to reach agreement with the Soviets on arms limitation and some kind of accommodations which will preserve peace. The problem is, there's no way you can excuse the Russian aggression in Afghanistan."

The son of John Sherman and Helen Tarter Cooper didn't set out to be a United States senator. His first race for statewide office was the Republican gubernatorial primary in 1939. Cooper lost to King Swope of Lexington who, in turn, was defeated by A.B. "Happy" Chandler in November. "I had in mind running again for governor, but when I had this opportunity to run for the Senate, I decided I'd better do it," Cooper said, recalling his election in 1946 to fill the seat vacated by Chandler, who had resigned to become baseball commissioner. His opponent that year was John Y. Brown, Sr., father of Kentucky's present governor.

"I didn't think I'd get elected," Cooper said. "The reason (I did) was war controls (on wages and prices). Brown was supporting them; I was against them. Just before the election, President Truman lifted them and I could say, 'See, Brown was wrong all the time.' "

Cooper laughed as he recalled the "stinging" letter Brown sent him 26 years later, when he retired from the Senate. In the letter Brown said, "I don't mind you retiring but I do mind you saying you're retiring because of age. You and I are the same age and I never felt better."

When Cooper ran for reelection in 1948, he lost to Virgil Chapman, a member of the House of Representatives for 22 years. Chapman died in office before his term was over and, in 1952, Cooper was again elected to fill the last two years of the unexpired term.

During the interim, Cooper got his first taste of foreign affairs. In 1949, Truman appointed him to the U.N. to replace John Foster Dulles, who had resigned to run for the Senate from New York. In 1950, he was named by Secretary of State Dean Acheson as the principal Republican consultant to the State Department (also replacing Dulles). Later that year, he accompanied Acheson to Europe for meetings that led to the establishment of NATO, the North Atlantic Treaty Organization.

Cooper had been only the third Republican ever elected to the Senate from Kentucky and the first in 22 years. The Republicans had gained control of the Senate in 1947, for the first time in 16 years. In 1954, however, the Democrats regained the majority and Cooper, running again for a full term, lost to the ever-popular Alben Barkley of Paducah.

The following year, President Eisenhower named Cooper ambassador to India and Nepal, one of the most difficult and delicate diplomatic positions of the cold war period. Biographer Robert Schulman attributed Cooper's success with Indian Prime Minister Nehru to a combination of "simple likeability and sensitive finesse." Former Vermont Senator George Aiken wrote, following Cooper's retirement:

"During the period . . . when he was ambassador to India, I feel that John Cooper's low-key and humane approach to the problems of people did much to keep our relations with that country on a more workable plane. Not all of our diplomats have a noninflammatory way of dealing with officials of foreign countries and, in some instances, the United States has paid a rather high price for their lack of tact and consideration."

HISTORY REPEATED

History repeated itself on April 30, 1956, when Barkley died while making a speech in Virginia. Running for the third time to fill an unexpired term, Cooper defeated former Governor Lawrence Wetherby and became a fixture around the Capitol for the next 18 years. He was elected to a full six-year term in 1960 and reelected in 1966, each time by record margins.

Cooper was 55 when he defeated Wetherby. Just a few years before, he had been regarded as one of Washington's most eligible bachelors. A syndicated columnist described him as "handsome, sophisticated and intelligent" but with "a frontiersman's practicality." In 1955, he married Lorraine Shevlin, a few years his junior, in Pasadena, California. (A previous marriage to an Army nurse in 1943 had ended with divorce in 1947.)

"Wives can be a great help to you (in the Senate) because they get to know the wives of other senators and make friendships that can lead a little bit toward their husbands' friendships," Cooper said. "A wife can also be a tremendous help in campaigns. I know my wife was for me. Although she never lived in Kentucky (before their marriage), she went down there and I think the people liked her."

Cooper's own ancestors came to Kentucky from Virginia and South Carolina in the late 1700s. His mother was a teacher. His father, a law school graduate, owned timber, coal mines and farmland and was the first president of the Farmers Bank of Somerset. The senior Cooper was also at various times county school superintendent, county judge and Republican congressional district chairman.

Young John, one of seven children, attended both private and public schools, as well as Centre College and Yale University. In 1923, he was voted "best liked" and "most likely to succeed" by his graduating class at Yale. The class included a student from Missouri who later would become one of Cooper's colleagues in the Senate, Stuart Symington.

Following graduation, Cooper spent two years studying law at Harvard. His father's death in 1923 left the family with mounting debts, however, and so he returned to Somerset without a degree. Nevertheless, in 1928 he passed the Kentucky bar examination and was admitted to practice law the same year he had been elected to the Kentucky House of Representatives.

In 1930, Cooper was elected Pulaski County Judge, the fifth member of his family to occupy the office. His compassion became evident during the next eight years. At times, as many as 30 people crowded inside the county judge's office to warm themselves by the pot-bellied stove. Cooper, earning $2,500 a year in the job, provided food and lodging personally for many who were poor and starving.

PRIVATE COOPER

Cooper celebrated his 40th birthday in 1941, two years after his unsuccessful race for governor and less than four months before the Japanese bombed Pearl Harbor, drawing the United States into World War II. Early the next year, he enlisted in the Army as a private, went through officer candidate school and was commissioned a second lieutenant at Fort Custer, Michigan in 1943.

Cooper was assigned to General George S. Patton's Third Army as a courier in the military police. During the next two years, he fought across France, Luxemburg and Germany, participating in five major campaigns and emerging from the war with a Bronze Star and the rank of captain.

While still in Europe in 1945, Cooper was elected in absentia as circuit judge of Kentucky's 28th judicial district. He remained in Germany for another year, however, serving as a legal adviser on the reorganization of the Bavarian courts and the repatriation of 300,000 displaced war victims.

Twenty-eight years later, he returned to that part of the world. "I was always glad I had the opportunity to spend two years in East Germany," Cooper said. "They're tremendous producers because the Germans like to work." In the same breath he said the need for greater productivity by American workers is one of the more serious problems facing this country.

As a diplomat, Cooper worked under the auspices of former Secretary of State Henry Kissinger, whom he called "the toughest fellow I ever ran into.

"I consider Kissinger as really having one of the great minds of this period, not only in this country but abroad, in the field of foreign affairs. I first met him when he was head of the Security Council under President Nixon. I was on the (Senate) Foreign Relations Committee. We disagreed on a number of things—ways to try to bring the war in Vietnam to a close and also on the anti-ballistic missile system.

"He was always very nice to me, but now he's become the subject of a great deal of criticism. I'm not really in a position to say how much of that is justified. When I was ambassador to East Germany I had very little connection with him. He was very busy with the Middle East and with Russia and China."

Cooper also recalled the six Presidents under whom he served in the Senate, beginning with Truman.

"I suppose I was like most Repubiicans in the beginning, I didn't think an awful lot of Truman. But I got to know more about his politics when I was at the U.N. and when I was with Secretary Acheson. He was a very strong personality. He believed it; foreign countries believed it. It looks like now every candidate running for President wants to be compared to President Truman. I consider he's going down in history as one of the great Presidents."

HAPPIEST TIME

Eisenhower. "We still had a very strong position militarily and economically. There were two small recessions during his term, but because of his prestige over the world it was a peaceful time and, I think looking back, it was probably about the happiest time among most people. He showed some terribly good sense on a number of things. For example, when Great Britain, France and Israel tried to take the Suez Canal back from the Egyptians, they asked for his support and he refused to go in there. He also refused when the French were defeated in Vietnam to send in our troops."

John Kennedy. "He came to Congress the same time I came to the Senate, but I never really knew him until he came to the Senate and we were on the Labor Committee together. I found that he was the most conservative Democrat on the Labor Committee. While he was pro-labor, he just would not vote for everything they wanted. I was kind of in the middle on the Republican side. I think it kind of led the two of us to get together and talk, and he would tell me things, I'm sure, because he knew I wouldn't tell them.

"He sent me to Moscow and I was able to talk to the Soviet leaders. I got a terribly tough feeling against the United States and I came back and reported all of that. I think he thought I'd exaggerated, but when he met with Khrushchev in Vienna, Khrushchev treated him terribly. He told me later, 'You were right.'

"He showed his honesty when he took the blame for the Bay of Pigs himself, and then he showed his courage when the Russians had placed missiles in Cuba and were attempting to bring in more and he told them they would be stopped. I think he gave hope particularly to the young people in the United States and to young people all over the world. I saw that when I traveled around the world at different times and talked to them. I've seen tears come to their eyes when they mentioned Kennedy.

"Although he did send troops to Vietnam, I don't think he'd have let us get into a war. I think he would have withdrawn them or found some way to reach some kind of accommodation. I just don't believe he'd have taken that chance."

Lyndon Johnson. "He was one of the most human individuals I ever knew. As leader in the Senate, he used every bit of power he could. If he just hadn't had this Vietnam war. His hero was Franklin Roosevelt. He wanted to have a second New Deal at home and he wanted to win a war, and that was his great mistake. (Had it not been for Vietnam) I think he would have gone out remembered chiefly for his victory on civil rights."

Richard Nixon. "He was disliked from the very beginning by so many people. Gradually, chiefly because of his forming some kind of association with Russia and China, I think that, but for Watergate, he would have gone down in history. The Democrats would not have done that because they were always accused of being soft (on communism). He could do it. A lot of people think Kissinger thought it up. I think Nixon did just as much as Kissinger. I talked to Nixon one time before he was inaugurated and he told me that was going to be one of his objectives. I don't know that Nixon would ever have been greatly loved (but) I think you would have had to respect him. In Europe they still admire Nixon tremendously."

Regarding Watergate, Cooper said, "I couldn't understand it and I don't understand it now. He'd been reelected by the greatest majority. He had this success with the Russians and Chinese which had given him great acclamation around the world. Someone said even in the United States people who had disliked him so much were beginning to give him credit for his ability. I cannot understand why with all of that it could ever happen."

COUNSEL SOUGHT

Cooper still talks to former colleagues and others who seek his counsel, particularly on foreign affairs. He said members of President Carter's administration talked with him about the Panama Canal, the Strategic Arms Limitation Talks, arms supply and the situation in Iran. But characteristically, he downplays his role in such matters.

Having left the Senate, I don't go up there much. I was very fortunate to have an invitation to join this (law) office right away and I've felt my duty was here. I've never been on the floor except twice since I left there. I go in the cloakrooms when I want to talk to a member about public business. When I want to see someone, I never have any trouble seeing them.

"There are only 49 (senators) who were there when I left. A lot of the staff people know me and I know enough not to take up their time. After all, each member has got to wrestle with his own decisions."

He still accepts occasional speaking invitations. "I've got to make a speech now and then to make me think," Cooper chuckled.

He rose to show visitors some of the pictures and memorabilia that decorate his office. There are pictures of his family; pictures of presidents; pictures of Patton, Kissinger and Acheson. There is his picture on a 1954 cover to Time Magazine; a 1979 Christmas card from Nixon with a picture of his grandchildren, and a picture of the Warren Commission that investigated the assassination of President Kennedy. (Cooper was a member of the commission.)

He pointed to a picture of himself presenting his diplomatic credentials to former Indian Prime Minister Nehru. "I think it was the first and last time I ever wore a longtail coat and a silk hat," he said.

On the opposite wall was a large painting he had brought back from New Delhi. The walls and shelves were a retrospective of a public lifetime.

"I've been lucky," Cooper said.

So have the people of Kentucky, the United States and the world.

Mr. HUDDLESTON. Mr. President, I am pleased to cosponsor this bill naming the Big South Fork National Recreation Area in honor of one of our Nation's great men of public affairs.

John Sherman Cooper served two full terms and parts of three other terms in this body, and that only begins to scratch the surface of his contributions to the Nation.

Ambassador to India and Nepal, our first Ambassador to East Germany, delegate to the United Nations, country lawyer and big city attorney, soldier, officer, judge, adviser to Presidents and those who would be President, politician and party activist.

All these can and do describe John Sherman Cooper, but none reflect the depth of independent thought and personal integrity that have been the markers of his long career.

And none describe the deep and abiding affection he has maintained for his native southeastern Kentucky through a career that has taken him across the Nation and around the world.

Mr. President, in addition to all these, John Sherman Cooper made tremendous contributions in terms of the environment, providing the impetus and early leadership in establishing the Big South Fork National River and Recreation Area for the enjoyment of future generations and for the preservation of this unique environmental preserve in southeastern Kentucky, so close to his hometown of Somerset, and northeastern Tennessee.

I can think of no more appropriate tribute to John Sherman Cooper, and his continuing vigor and willingness to lend his good counsel, than to designate the John Sherman Cooper National Recreation Area in Kentucky and Tennessee in his honor.

As John Sherman Cooper's successor in the U.S. Senate, and as a measure

of my enduring respect for this great American, I am proud to join the majority leader as a cosponsor of this legislation and I urge its timely passage.

Mr. FORD. Mr. President, I rise in support of S. 2106, which would designate the Big South Fork River and Recreation Area as the "John Sherman Cooper National Recreation Area." I can think of no one more deserving of this recognition than the distinguished former Senator from Kentucky.

I take pleasure in joining my colleagues, Senator HUDDLESTON of Kentucky and Senator BAKER of Tennessee, in advocating this measure, which would be a fitting honor for a man who dedicated his public service, particularly his years in the U.S. Senate, to preserving our environment.

Mr. President, each State represented here can point to only a handful of men and women whose service in this body exemplified the best our American political system has to offer. Kentuckians can point with pride to Henry Clay and Alben Barkley. I believe John Sherman Cooper can be counted with them. Throughout his entire public career—as county judge, Senator, and Ambassador—Mr. Cooper, who now works as an attorney, has always served Kentucky graciously and generously.

Mr. KENNEDY. Mr. President, it is a privilege for me to join in supporting this legislation in honor of one of Kentucky's greatest Senators, and I commend the sponsors for introducing it.

I also had the privilege of serving for many years in this Chamber with John Sherman Cooper, before his retirement in 1972. When I first came to the Senate in 1962, my brother Jack, who served here with him until 1960, told me, "If you want the best and wisest and fairest advice on any issue, free of partisanship or narrow interest, be sure to go first to John Sherman Cooper."

In the course of a decade of work together, I came to know Senator Cooper well as both friend and colleague. In a sense, he has never really left the Senate. His familiar presence, his persuasive wisdom in debate, his courtly grace, his uncommon warmth, and unfailing humility will always be remembered by all of us who knew him here and who value his friendship today.

And of course, we remember him as well for his profound impact on so many vital issues. He was one of the first to comprehend the truly tragic dimension of our policy in Vietnam, and he was the chief sponsor of the famous amendment that sought to end that war. He had been present at the dawn of the United Nations, and in the Senate he won renown as a statesman who was a pioneer for peace and for nuclear arms control.

It is fitting, therefore, that the Senate should pause today to honor one of the best loved and most respected members in its history, and I hope that this legislation will be approved unanimously by the Senate.

Mr. BAKER. Mr. President, I ask unanimous consent that the bill be placed on the calendar.

The PRESIDING OFFICER. Without objection, the bill will be placed on the calendar.

CAPITAL IMPROVEMENT PROJECTS ON GUAM

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 589.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 589) entitled "An Act to authorize $15,500,000 for capital improvement projects on Guam, and for other purposes", do pass with the following amendment:

Page 2, after line 2 insert:

Sec. 3. (a) Section 205(a) of Public Law 96-205, as amended by Public Law 96-597, is further amended by changing "1983." to "1985.".

(b) Section 205(c) of Public Law 96-205 (94 Stat. 87) is amended to read as follows: "As provided in section 602 of Public Law 94-241 (90 Stat. 263, 270) the term 'rebate of any taxes' shall, effective January 1, 1985, apply only to the extent taxes have actually been paid pursuant to section 601 of said Act, shall not exceed the amount of tax actually paid for any tax year, and may only be paid following the close of the tax year involved. Notwithstanding any other provision of law, effective January 1, 1985, the Commonwealth of the Northern Mariana Islands shall maintain, as a matter of public record, the name and address of each person receiving such a rebate, together with the amount of the rebate, and the year for which such rebate was made.".

(c) The Secretary of the Interior and the Governor of the Commonwealth of the Northern Mariana Islands shall each submit a report to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate on any efforts to develop any needed modification of the income tax rates required by sections 601 and 602 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America approved by Public Law 94-241 (90 Stat. 263, 269-270) to enforce such sections. The initial report shall be transmitted not later than January 1, 1984, with subsequent reports to be transmitted every three months thereafter until January 1, 1985. The reports shall set forth the precise objectives of both the Commonwealth government and the administration, any areas of difference, the modifications under consideration, and what progress has been made to resolve any differences and implement the provisions of sections 601 and 602.

Sec. 4. (a) Section 303 of Public Law 97-357 (96 Stat. 1705, 1709) is amended by deleting "grants to" and inserting in lieu thereof "grants or loans to".

(b) Public Law 94-392 (48 U.S.C. 1574(b)), as amended, is hereby further amended by—

(1) deleting the semicolon in section 2(b)(1) and adding the following: ", except that $28,000,000 of the guaranteed bonding authority will be used for water producing and power projects, including maintenance and overhaul of electrical generating and distribution mechanisms, and $12,000,000 of the guaranteed bonding authority will be used for repair and improvements of the water distribution and storage systems;"; and

(2) in section 2(f), strike "$61,000,000" and insert in lieu thereof "$101,000,000" and in each place where it occurs, strike "1984" and insert in lieu thereof "1990".

SEC. 5. (a) Section 29 of the Revised Organic Act of the Virgin Islands (68 Stat. 509; 48 U.S.C. 1543) is amended to read as follows:

"SEC. 29. All members of the Legislature of the Virgin Islands, the Governor, the Lieutenant Governor, all judges and all officials of the government of the Virgin Islands who report directly to the Governor shall be citizens of the United States.".

(b) Subsection (c) of section 10 of the Organic Act of Guam is further amended by deleting all through *Provided,* That any" and inserting in lieu thereof "Any".

(c) Section 1906(a)(55) of the Act of October 4, 1976 (90 Stat. 1832), is amended as follows:

(1) in paragraph (B) change the language to be inserted to read "emergency relief purposes and essential public projects"; and

(2) add the following new paragraph (D) to read as follows:

"(D) by amending the second sentence in paragraph (A) by changing the colon after 'determine' to a period and striking the remainder of the sentences.".

SEC. 6. Section 501(d), of Public Law 95-134 (91 Stat. 1159, 1164), as amended, is amended by changing "$100,000" to "$200,000".

SEC. 7. Section 604(d) of Public Law 96-597 (94 Stat. 3477, 3481) is amended by inserting before the period "and may implement any projects or programs contained in recommendations of the plan".

SEC. 8. The Secretary of the Interior is directed to implement the health care program required by section 106 of Public Law 95-134 (91 Stat. 1159) for the populations of the four atolls in the Marshall Islands identified in such section immediately upon enactment of this section and shall promptly notify the Committee on Interior and Insular Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Energy and Natural Resources and the Committee on Appropriations of the Senate if he finds that the populations of other atolls should be included in the program setting forth the basis for his finding and the estimated cost of extension of the program. The Secretary of Energy shall transmit annually to the Committees on Interior and Insular Affairs and Appropriations of the House of Representatives and the Committees on Energy and Natural Resources and Appropriations of the Senate together with the proposed budget for the next fiscal year, a description of the program and the estimated costs for implementation together with any recommendations which he may have for improvements in such program.

SEC. 9. Subsection (b) of section 606 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America,

approved by Public Law 94-241, is amended by striking out "upon termination of the Trusteeship Agreement or" and inserting in lieu thereof "on January 1 of the first calendar year following the termination of the Trusteeship Agreement or upon".

SEC. 10. Section 419(a)(2) of the Act of August 23, 1958 (72 Stat. 731, as amended, 49 U.S.C. 1389(a)(2)), is amended by adding at the end thereof the following new subparagraph:

"(D) The Board may, after considering the views of any interested community, the territory of Guam and appropriate Federal agencies, determine what is the essential air transportation for Guam without regard to whether it is being served by more than one air carrier holding a certificate issued under section 401 of this title.".

SEC. 11. (a) Notwithstanding any other provision of law, upon petition of the governor of the respective territory, the Administrator of the Environmental Protection Agency (hereinafter in this section referred to as "Administrator") shall by rule exempt any person or source or classes of persons or sources in Guam, American Samoa, or the Commonwealth of the North Mariana Islands from any requirement of or under the Act of July 14, 1955 (69 Stat. 322, as amended and supplemented, 42 U.S.C. 1857 et seq.), upon finding (1) that compliance with such requirement is impractical, unnecessary, or unreasonable due to geographical, meteorological or economic factors or other such local factors as the Administrator in his discretion deems significant, and (2) that an alternative requirement, enforceable under such Act, will be imposed to assure attainment and maintenance of the national ambient air quality standards and to assure compliance with any applicable emission standards for hazardous air pollutants unless such alternative requirement is unnecessary for attaining, maintaining, and complying with such standards. Such a rule shall be promulgated pursuant to the provisions of section 307(d) of such Act and shall be considered final action of the Administrator for the purposes of section 307(b) of such Act.

(b) The Administrator shall notify the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate upon receipt of a petition pursuant to this section and shall notify such committees of his approval or rejection of the petition and the basis therefor.

SEC. 12. Amendments of, or modifications to, the constitution of American Samoa, as approved by the Secretary of the Interior pursuant to Executive Order 10264 as in effect January 1, 1983, may be made only by Act of Congress.

SEC. 13. (a) The Secretary of the Army, acting through the Chief of Engineers and in cooperation with the Commonwealth of the Northern Mariana Islands, is hereby authorized and directed to study and draft plans for development, utilization, and conservation of water and related land resources of the Commonwealth. To carry out the purposes of this section there are authorized to be appropriated effective October 1, 1983, such sums as may be necessary.

(b) Such studies shall include appropriate consideration of the needs for flood protection; wise use of flood plain lands; navigation facilities; hydroelectric power generation; regional water supply and waste water management facilities systems; general recreational facilities; enhancement and control of water quality; enhancement and conservation of fish and wildlife; and other measures for environment improvement and economic and human resources development. Such studies shall also be compatible with comprehensive development plans formulated by local planning agencies and other interested Federal agencies.

SEC. 14. Section 101 of Public Law 97-253 shall apply only to that portion of the United States referred to in section 48 of Public Law 86-70 (73 Stat. 151).

AMENDMENT NO. 2628

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendment with further Senate amendments which I send to the desk on behalf of Senator WEICKER, and I ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. The amendments will be stated.

Mr. BAKER. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(1) Section 5 of the amendment of the House is amended by adding at the end thereof the following new subsection:

"(d) Section 3 of the Revised Organic Act of the Virgin Islands (68 Stat. 498), as amended, is further amended by inserting 'article VI, clause 3;' after article IV, section 1 and section 2, clause 1; and before 'the first to ninth amendments'.".

Strike section 11 of the amendment of the House and insert in lieu thereof the following:

"SEC. 11. Title III of the Clean Air Act is amended by inserting after section 324 the following new section and renumbering succeeding sections accordingly:

"'EXEMPTIONS FOR CERTAIN TERRITORIES

"'SEC. 325. (a)(1) Upon petition by the governor of Guam, American Samoa, or the Commonwealth of the Northern Mariana Islands, the Administrator is authorized to exempt any person or source or class of persons or sources in such territory from any requirement under this Act other than section 112 or any requirement under section 110 or part D necessary to attain or maintain a national primary ambient air quality standard. Such exemption may be granted if the Administrator finds that compliance with such requirement is not feasible or is unreasonable due to unique geographical, meteorological, or economic factors of such territory, or such other local factors as the Administrator deems significant. Any such petition shall be considered in accordance with section 307(d) and any exemption under this subsection shall be considered final action by the Administrator for the purposes of section 307(b).

"'(2) The Administrator shall promptly notify the Committees on Energy and Commerce and on Interior and Insular Affairs of the House of Representatives and the Committees on Environment and Public Works and on Energy and Natural Resources of the Senate upon receipt of any petition under this subsection and of the approval or rejection of such petition and the basis for such action.

"'(b) Notwithstanding any other provision of this Act, any fossil fuel fired steam electric power plant operating within Guam as of the date of enactment of this section is hereby exempted from—

"'(1) any requirement of the new source performance standards relating to sulfur dioxide promulgated under section 111 as of such date of enactment; and

"'(2) any regulation relating to sulfur dioxide standards or limitations contained in a State implementation plan approved under section 110 as of such date of enactment: *Provided*, That such exemption shall expire eighteen months after such date of enactment unless the Administrator determines that such plant is making all emissions reductions practicable to prevent exceedances of the national ambient air quality standards for sulfur dioxide.'."

(3) Strike section 14 of the amendment of the House and insert in lieu thereof the following:

"SEC. 14. Effective with respect to milk marketed for commercial use during the period beginning on December 1, 1983 and ending on May 31, 1984, paragraphs (2) and (3) of section 201(d) of the Agricultural Act of 1949 shall apply only to milk produced in the 48 contiguous states.".

(4) At the end of the amendment of the House insert the following new sections:

"SEC. 15. (a) Section 1839 of the Revised Statutes (48 U.S.C. 1451) is amended by adding at the end thereof: 'As used herein, the term "Territory" does not include the Virgin Islands, Puerto Rico, American Samoa, Guam, or the Northern Mariana Islands.'.

"(b) Section 1840 of the Revised Statutes (48 U.S.C. 1452) is amended by adding at the end thereof: 'As used herein, the term "Territory" does not include the Virgin Islands, Puerto Rico, American Samoa, Guam, or the Northern Mariana Islands.'.

"SEC. 16. The following provisions of law are repealed:

"(a) That portion of section 1 of the Legislative, Executive, and Judicial Appropriation Act for the fiscal year 1916 (March 5, 1915, c.141, Sec. 1, 38 Stat. 1021) which reads as follows: 'Hereafter, the accounts and vouchers relating to the expenditure of the appropriations for government in the Territories shall be transmitted to the Secretary of the Interior for administrative examination and by him passed to the Auditor for the Interior Department for settlement.';

"(b) Chapter 56 of the Act of April 16, 1880 (21 Stat. 74);

"(c) Section 1841 of the Revised Statutes (48 U.S.C. 1453);

"(d) Section 1873 of the Revised Statutes (48 U.S.C. 1453a);

"(e) Section 1843 of the Revised Statutes (48 U.S.C. 1454);

"(f) Section 1844 of the Revised Statutes (48 U.S.C. 1455);

"(g) Section 1855 of the Revised Statutes (48 U.S.C. 1457);

"(h) Section 1857 of the Revised Statutes (48 U.S.C. 1458);

"(i) Section 1858 of the Revised Statutes (48 U.S.C. 1459);

"(j) Section 1860 of the Revised Statutes, as amended (48 U.S.C. 1460);

"(k) Section 1854 of the Revised Statutes (48 U.S.C. 1460a);

"(l) Section 8 of the Act of March 22, 1882 (22 Stat. 31);

"(m) Section 1 of the Act of June 19, 1878 (20 Stat. 193);

"(n) Section 1868 of the Revised Statutes (48 U.S.C. 1463);

"(o) Section 1864 of the Revised Statutes (48 U.S.C. 1463a);

"(p) Section 1 of the Act of April 7, 1874 (18 Stat. 27);

"(q) Section 1878 of the Revised Statutes (48 U.S.C. 1465);

"(r) That portion of chapter 88 of the Act of May 1, 1876 (19 Stat. 43), which reads as follows: And hereafter payment of salaries of all officers of the Territories of the United States appointed by the President shall commence only when the person appointed to any such office shall take the proper oath, and shall enter upon the duties of such office in such Territory; and said oath shall hereafter be administered in the Territory in which such office is held.';

"(s) Section 1883 of the Revised Statutes (48 U.S.C. 1467);

"(t) Section 1884 of the Revised Statutes (48 U.S.C. 1468), as amended by section 304 of chapter 18 of the Act of June 10, 1921 (42 Stat. 24);

"(u) Section 1886 of the Revised Statutes (48 U.S.C. 1469) as amended by section 304 of chapter 18 of the Act of June 10, 1921 (42 Stat. 24);

"(v) Section 1888 of the Revised Statutes (48 U.S.C. 1470);

"(w) Section 1 of chapter 818 of the Act of July 30, 1886 (24 Stat. 170);

"(x) Section 4 of chapter 818 of the Act of July 30, 1868 (24 Stat. 171) as amended by chapter 43 of the Act of August 22, 1911 (37 Stat. 33);

"(y) Section 3 of chapter 818 of the Act of July 30, 1886 (24 Stat. 171);

"(z) Section 2 of chapter 679 of the Act of July 19, 1888 (25 Stat. 336);

"(aa) Section 2 of chapter 818 of the Act of July 30, 1886 (24 Stat. 171);

"(bb) chapter 35 of the Act of March 4, 1898 (30 Stat. 252);

"(cc) chapter 820 of the Act of June 6, 1900 (31 Stat. 683);

"(dd) Section 6 of chapter 818 of the Act of July 30, 1886 (24 Stat. 171);

"(ee) Section 7 of chapter 818 of the Act of July 30, 1886 (24 Stat. 171);

"(ff) chapter 235 of the Act of June 16, 1880 (21 Stat. 277);

"(gg) Section 1892 of the revised Statutes (48 U.S.C. 1482);

"(hh) Section 1893 of the revised Statutes (48 U.S.C. 1483);

"(ii) Section 1894 of the revised Statutes (48 U.S.C. 1484);

"(jj) Section 1895 of the revised Statutes (48 U.S.C. 1485); and

"(kk) Chapter 388 of the Act of June 22, 1874 (18 Stat. 135).

"SEC. 17. No provision of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States of America by the United States of America shall bar the United States of America from paying compensation to or employing any citizen of the Northern Mariana Islands.

"SEC. 18. No requirement of United States citizenship in any federal law which provides federal services or financial assistance and which is applicable to the Northern Mariana Islands by operation of section 502(a)(1) of the Covenant or, if enacted subsequent to March 24, 1976, by its own terms shall bar a citizen of the Northern Mariana Islands from receiving services or assistance pursuant to such law.

"SEC. 19. (a) The President may, subject to the provisions of section 20 of this Act, by proclamation provide that the requirement of United States citizenship or nationality provided for in any of the statutes listed on pages 63-74 of the Interim Report of the Northern Mariana Islands Commission on Federal laws to the Congress of the United States, dated January 1982 and submitted pursuant to section 504 of the Covenant, shall not be applicable to the citizens of the Northern Mariana Islands. The President is authorized to correct clerical errors in the list, and to add to its provisions, where it appears from the context that they were inadvertently omitted from the list.

"(b) A statute which denies a benefit or imposes a burden or a disability on an alien, his dependents, or his survivors shall, for the purposes of this Act, be considered to impose a requirement of United States citizenship or nationality.

"SEC. 20. (a) The President may issue one or more proclamations under the authority of this Act.

"(b) When issuing such proclamation or proclamations the President—

"(1) shall take into account:

"(i) the hardship suffered by the citizens of the Northern Mariana Islands resulting from the fact that, while they are subject to most of the laws of the United States, they are denied the benefit of those laws which contain a requirement of United States citizenship or nationality;

"(ii) the responsibilities, obligations, and limitations imposed upon the United States by international law;

"(2) may make the requirement of United States citizenship or nationality inapplicable only to those citizens of the Northern Mariana Islands who declare in writing that they do not intend to exercise their option under section 302 of the Covenant to become a national but not a citizen of the United States.

"(3) may make the requirement of a United States citizenship or nationality inapplicable only in the Northern Mariana Islands;

"(4) may retain the requirement of United States citizenship or nationality with respect to parts of a statute or portion thereof.

"SEC. 21. If the President does not issue any proclamation authorized by section 19 of this Act within a period of six months following the effective date of the Act, the requirement of United States citizenship or nationality as a prerequisite of any benefit, right, privilege, or immunity in any statute made applicable to the Northern Mariana Islands by the terms of that statute or by operation of the Covenant shall not be applicable to citizens of the Northern Mariana Islands: *Provided*, That the provisions of this section shall not be applicable to any requirements of United States citizenship or nationality contained in statutes relating to the political rights of citizenship, and to the diplomatic protection of, and services to, citizens or nationals of the United States in foreign countries: *Provided further*, That with respect to the statutes relating to the uniformed services, the requirement of United States citizenship or nationality shall remain in effect, except with respect to those citizens of the Northern Mariana Islands who declare in writing that they do not intend to exercise their option under section 302 of the Covenant to become a national but not a citizen of the United States.

"SEC. 22. Nothing in this Act shall be construed as extending to the Northern Mariana Islands any statutory provision or regulation not otherwise applicable to or within the Northern Mariana Islands, in particular the statutes relating to immigration and nationality and the regulations issued under them.

"SEC. 23. The authority of the President to issue proclamations under section 19 of this Act shall terminate upon the establishment of the Commonwealth of the Northern Mariana Islands pursuant to section 1002 of the Covenant. Section 21 of this Act shall not become effective if the Commonwealth of the Northern Mariana Islands is established within the period of six months following the effective date of this Act.

"SEC. 24. As used in this Act:

"(a) 'Covenant' means the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, approved by the Joint Resolution of March 24, 1976 (90 Stat. 263, 48 U.S.C. 1681, note).

"(b) 'Citizen of the Northern Mariana Islands' means a citizen of the Trust Territory of the Pacific Islands and his or her children under the age of eighteen years, who does not owe allegiance to any foreign state, and who—

"(1) was born in the Northern Mariana Islands and is physically present in the Northern Mariana Islands or in the United States or any territory or possession thereof; or

"(2) has been lawfully and continuously domiciled in the Northern Mariana Islands since January 1, 1974, and, who, unless then under age, was registered to vote in an election for the Mariana Islands legislature or for any municipal election in the Northern Mariana Islands prior to January 1, 1975.

"(c) 'Domicile' means that place where a person maintains a residence with the intention of continuing such residence for an unlimited or indefinite period, and to which such person has the intention of returning whenever he is absent, even for an extended period.

"SEC. 25. Upon the establishment of the Commonwealth of the Northern Mariana Islands pursuant to section 1002 of the Covenant, the benefits acquired under this Act shall merge without interruption into those to which the recipient is entitled by virtue of his acquisition of United States citizenship, unless the recipient exercises his privilege under section 302 of the Covenant to become a national but not a citizen of the United States.".

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

Mr. WEICKER. Mr. President, S. 589 was introduced at the request of the administration on February 24, 1983. A hearing was conducted by the Subcommittee on Energy Conservation and Supply of the Committee on Energy and Natural Resources on March 8, 1983, and the measure was considered by and favorably reported from the committee with amendments on March 23, 1983, and passed the Senate with the amendments on April 7, 1983. The House Committee on Interior and Insular Affairs considered the measure and recommended additional amendments. On October 3, 1983, the House passed S. 589, agreeing to the original Senate action with several additional provisions. On October 6, 1983, the Subcommittee on Energy Conservation and Supply received testimony from the administration and the territories on two unrelated measures as well as the additional provisions added to S. 589 by the House. After review of the testimony and discussions with other commit-

tees, we recommend that the Senate agree to the House amendments with further amendments.

Sections 1 and 2 of S. 589 as passed by the House are the original provisions of S. 589 as passed by the Senate. Section 1 would authorize $15.5 million for construction grants to Guam effective October 1, 1983. The fiscal year 1984 appropriation for the Department of the Interior includes $11.35 million of that total. Section 2 permits funding for the construction of the hydroelectric facility in Ponape to be made directly to the Corps of Engineers rather than being appropriated to the Secretary of the Interior for transfer to the corps. I would like to clarify that section 2 does not in any manner limit or remove the authority or responsibility of the Secretary of the Interior for construction projects in the trust territory nor does it mandate use of the Corps of Engineers to perform the construction. The language only provides flexibility in the manner of funding and I would expect the Appropriations Committee to review all options to determine the best method for completing construction.

Section 3 was added by the House to defer implementation of the mirror tax system in the Northern Mariana Islands and clarify the meaning of the term "rebate" in section 602 of the Covenant to establish the Commonwealth of the Northern Mariana Islands. The Senate had agreed to a deferral at the end of the last Congress, but the House was unable to act prior to adjournment. Section 3 provides for quarterly reports to the Congress on the progress which both the Marianas and the administration is making in developing an alternative to the mirror tax system. The amendment is acceptable to the Marianas and the administration supports the deferral.

Section 4 would permit the $10 million authorized by section 303 of Public Law 97-357 for grants to the Virgin Islands to be provided either as grants or direct loans. Subsection (b) would increase the limit on the Secretary of the Interior's authority to provide guarantees of Virgin Islands bonds by $40 million and extend the authority from 1984 to 1990. Subsection (b) has already been included in the fiscal year 1984 appropriation for the Department of the Interior. The administration supports subsection (b) but would prefer that the authority be extended only until 1986. The administration opposes the permission in subsection (a) to use direct loans rather than grants. Since the $40 million water and power project in the Virgin Islands was designed to extend over 4 years and the Virgin Islands has other as yet unmet needs for the present bond guarantee program, it does not seem reasonable to limit the period of the authority. In addition, current problems with holders of Guam Power Authority bonds, which have a similar guarantee, provide ample justification for serious consideration of direct loans rather than guarantees both in terms of protection of Federal interest and in terms of meeting the needs of the residents of the territory. The use of direct loans provides a degree of flexibility and direct Federal involvement missing in the use of guarantees. The Senate report on the fiscal year 1984 appropriation to the Department of the Interior requires the Department to prepare a comprehensive study of the options available to meet the water and power needs in the Virgin Islands and it seems foolish to reject an option—direct loans—prior to such a study.

Section 5 would accomplish three changes in the organic legislation for Guam and the Virgin Islands. Subsection (a) would limit the requirement that employees of the Virgin Islands government be U.S. citizens to certain officials and delete a requirement for a loyalty oath. The administration and the Virgin Islands support this subsection and support the extension of article VI, clause 3 of the constitution to the Virgin Islands in lieu of the loyalty oath presently in the Revised Organic Act. One of the amendments which I am proposing would extend article VI, clause 3 to the Virgin Islands as if it were a State. I would like to make clear that enactment of this section does not in any way limit the authority of the Virgin Islands government to impose any constitutionally permissible requirements on employment but simply treats the Virgin Islands as if it were a State. Subsection (b) would eliminate a limitation in the Guam Organic Act prohibiting Guam from reapportioning more frequently than every 10 years. Such a limitation is not imposed on the States other than as a practical limitation of Supreme Court decisions. The administration testified in opposition to the repeal of this limitation on the basis that repeal might divert the Guam legislature from substantive issues and "that alteration of the election laws every 10 years is sufficient to insure a properly constituted legislature that will meet constitutional tests." While I agree that there are several major substantive issues facing the Guam Legislature, it does not follow that the Federal Government should assign priorities or assume that the legislature will not be responsible. The administration also opposed subsection (c) which would repeal the requirement that the Secretary of the Interior, as the designee of the President, approve expenditures by the Virgin Islands of excise taxes transferred to it under the Revised Organic Act. Continued approval of rum fund expenditures is a curious position in that the administration did not support or recommend such a limitation in the transfer of excise taxes on foreign rum under the recent Caribbean Basin Initiative. There are at present several general limitations on the use of these funds and these would appear to be adequate. As previously indicated, a new subsection (d) is proposed to extend article VI, clause 3 of the constitution to the Virgin Islands and this amendment to the House-passed measure is acceptable to both the Virgin Islands and the administration.

Section 6 would amend section 501(d) of Public Law 95-134 to raise the matching grant waiver for American Samoa and the Marianas from $100,000 to $200,000. The administration opposes this amendment and stated at the hearing that "budgetary constraints prohibit such an increase." That argument is not persuasive since the Federal Government provides the bulk of the revenues for local government operations annually in the appropriation process. These Federal grants are then considered to be local revenues for the purpose of Federal matching requirements. Given the small populations of both the Marianas and Samoa and the relatively small allocations of Federal program revenues which go to these jurisdictions, the increase in the match waiver is more than justified, especially in light of the fact that we are talking essentially of the use of Federal funds to match Federal funds.

Section 7 would authorize the Secretary of Energy to implement any projects or programs recommended in the Territorial Energy Assessment—Final Report submitted to the Congress pursuant to Public Law 96-597. The section has the support of the administration as well as the territorial governments. I would like to note that the Secretary of the Interior, who has the overall responsibility for the territories within the executive branch, approved the report and will continue to have approval responsibility with respect to implementation of the recommendations. This section does provide flexibility in funding these territorial needs.

Section 8 directs the Secretary of the Interior to commence implementation of the health care program for the populations of Bikini, Enewetok, Rongerik, and Utirik atolls in the Marshall Islands pursuant to section 106 of Public Law 95-134 and directs the Secretary of Energy to annually submit his estimate of the costs for such program in his budget submission. Congress made a deliberate decision that the Secretary of the Interior, who has general responsibility for the residents of the trust territory, would provide a comprehensive health program for the populations of those atolls affected by the nuclear testing program in the Pacific and that the

11-059 O-87-13 (Pt. 24)

Secretary of Energy should bear the expense as a cost of the nuclear testing program. The language is consistent with recent action by the Appropriations Committee. The administration indicated its agreement that a specialized health care program was needed.

Section 9 is a technical amendment supported by both the administration and the Northern Marianas government to delay the date for full implementation of the social security system in the Marianas. The covenant presently provides that the date shall be the date of termination of the trusteeship agreement. The amendment would change that to January 1 of the following year which would facilitate the transition.

Section 10 would permit the Civil Aeronautics Board to make an essential air service determination for Guam. This provision passed the Senate late last year, but unfortunately the House was unable to take action prior to adjournment. The situation in Guam has become critical due to the reduction in flights by Pan Am and the confusion over Continental, whose subsidiary Air Micronesia is the only carrier serving all of Micronesia. I ask unanimous consent that the text of a colloquy between Senator MCCLURE and Senator KASSEBAUM which occurred during consideration of this amendment last year, describing this amendment, be printed in the RECORD at the conclusion of my remarks. I would like to express my appreciation to Senator KASSEBAUM and her staff for their support and assistance on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WEICKER. Mr. President, section 11 as passed by the House would provide a means for the Administrator of the Environmental Protection Agency to deal with the particular and unique situation of Guam, the Marianas, and Samoa under the Clean Air Act while fully achieving the purposes and goals of the Clean Air Act. An amendment to this section was prepared by the Committee on Environment and Public Works to meet the problems in the Pacific.

I should like to express my appreciation to the members and the staff of the Environment and Public Works Committee for their efforts in resolving the current problems. It would have been easy to suggest that this issue be deferred and considered when the revisions to the Clean Air Act are considered, as happened in 1980 when the immediate problem of the Guam Power Authority was first raised. I appreciate the sensitivity shown by the Environment and Public Works Committee and their recognition of the urgency of action.

The situation addressed in this amendment is not unique to the Clean Air Act. Section 14 of the House-passed measure addresses a similar situation under the milk price program. Several years ago the problems under a variety of Agriculture measures, especially free food distribution, became so severe that language was enacted to give the Secretary of Agriculture general authority to waive or modify any statutory or other requirement under any law extended to the territories. The idea of distributing free food to those below certain income levels is salutary in the continental United States, but, when extended to subsistence economies in the trust territory, it undermined years of effort to develop local agriculture, drove small grocery operations which were just beginning out of business, and frustrated strong cultural traditions of family responsibility for the care of the young, the sick, and the elderly.

The new sections 17 to 25, which I will propose to add to this measure and which I will discuss later, address a situation where the failure to recognize the unique situation of the territories has caused a problem. Many statutes contain a requirement of citizenship but fail to recognize that the residents of the Northern Marianas are not citizens of the United States and cannot become citizens until termination of the trusteeship. American Samoa presents a different situation as its residents are nationals but not citizens.

In other areas, carefully crafted requirements for sharing of costs and responsibilities may fail to recognize that the territories do not have the local resources, the technical expertise, or the identical problems as the several States. In addition, there is a particular Federal responsibility for the territories under article IV of the Constitution. The territories do not have the voting representation in the Congress which the States have and that increases the responsibility which each of us has to represent them and pay careful attention to their needs. The Senate has recognized this in the past by the creation of a Standing Committee on Territories which subsequently merged with other committees into what is now the Committee on Energy and Natural Resources. I would not suggest that other committees ignore the territories and leave all areas up to the Energy and Natural Resources Committee, because there are enormous benefits under many programs and valuable expertise in Federal agencies. I would recommend however that all committees, to the extent that they review any program under their jurisdiction, consider the unique situation and needs of the territories and the special responsibility of the Congress and consult with the Committee on Energy and Natural Resources on how best to meet those needs and responsibility. The Caribbean Basin Initiative is a recent example of missed opportunities due to a failure to develop the potential of Puerto Rico and the Virgin Islands.

The situation of the application of the Clean Air Act to the territories was first raised in 1980 with respect to the Guam Power Authority. The Northern Marianas Federal Laws Commission also reviewed the Clean Air Act and recommended a waiver mechanism in its 1982 interim report noting that there was no legislative history on the 1978 extension of the Clean Air Act to the Marianas which is not part of the United States but is part of the Trust Territory of the Pacific Islands. The Committee on Energy and Natural Resources conducted hearings on the commission proposal last year at which time EPA proposed a general administrative waiver approach rather than case-by-case legislation. Section 11 of the House passed version of S. 589 contains the language suggested by EPA but limited to Guam, the Northern Marianas, and American Samoa because those jurisdictions have immediate needs. The administration and the Virgin Islands testified in support of the language but suggested the inclusion of the Virgin Islands. As a result of the hearing it became clear that actions by EPA and the Department of Justice would render the House-passed language ineffective in dealing with the Guam situation. The language of the amendment drafted by the Committee on Environment and Public Works is an improvement over the administration recommendation and is consistent with the approach first recommended by the Energy and Natural Resources Committee in 1980 as section 304 of H.R. 3756. I regret that the administration did not submit their language to the Environment and Public Works Committee for consideration as part of the Clean Air Act revisions, because that would have allowed full consideration of all of the insular areas.

I would note that reports on waivers under this section go to both the Environment and Public Works Committee as well as the Committee on Energy and Natural Resources. That in no way should be viewed as a lessening of the responsibility or jurisdiction of the Environment and Public Works Committee over the Clean Air Act but simply a recognition that there is an overlap of interests which can best be addressed, as in the present situation, by close consultation between the two committees.

I would note finally that I plan to join with the ranking minority member of the subcommittee, Senator MATSUNAGA, and the chairman and ranking minority of the full commit-

tee, Senators McCLURE and JOHNSTON, in requesting the chairman of the Environment and Public Works Committee to examine the situation of the Virgin Islands and other insular areas to determine whether this provision or some other provision might be useful for those jurisdictions. The critical situation in Guam does not afford us the time to consider such options on this measure and I am not aware of a similar critical need in the Virgin Islands. Perhaps a report or study from EPA would be helpful, but there is time to fully review that situation.

Section 12 provides simply that any future changes to the constitution of American Samoa may be made only by an act of Congress. The present constitution is promulgated by secretarial order and can be changed by the Secretary of the Interior at any time. The Secretary has recently approved the convening of a constitutional convention in American Samoa which is expected to review the present constitutional provisions in light of current needs and aspirations. American Samoa has a unique culture and tradition and various provisions have recognized the importance of those values such as restraints on land alienation and the organization of the Fono. The importance of communal land and the matai system argues for Congress discharging its responsibilities under article IV of the Constitution rather than delegating that responsibility to the administration. I think it is unfortunate that in 1950 the Senate was unwilling to support the then Interior Committee's recommendation to extend citizenship to American Samoans and restrain the potential loss of communal lands, but the experience of the Marianas covenant may permit reconsideration.

Section 13 provides the Corps of Engineers authority to conduct planning in the Northern Mariana Islands as it does elsewhere in the territories. This authorization in no way detracts from the responsibility of the Secretary of the Interior for the Northern Mariana Islands and must be done in cooperation with the government of the Marianas. The Northern Marianas has a critical need to improve its water distribution system and assistance from the corps may be useful.

Section 14 as approved by the House would exempt the territories and the State of Hawaii from the assessment under the milk price support program. Based on and consistent with the recent Senate action limiting the implementation of the dairy program embodied in S. 1529 to the 48 contiguous States, I am offering an amendment prepared by the Senator from Hawaii (Senator MATSUNAGA), who is the ranking minority member of the subcommittee, to limit the present dairy assessment program to the 48 contiguous States for the period December 1, 1983, to May 31, 1984. This action will provide the Congress time to resolve the differences in the extension of the basic program, is consistent with both Senate and House positions and, like the Clean Air Act amendment and essential air service amendment, recognizes that the insular areas are unique and require special attention. The amendment was prepared in consultation with both Senate and House Agriculture Committees.

To the House language I am offering additional amendments which I understand are acceptable to the House and which have the support of both the administration and the territories.

During the hearing on October 6, the subcommittee received testimony on S. 1367, a measure which I introduced to repeal archaic provisions of Federal law affecting the territories, which are generally codified as chapter 10 of title 48 of the Code. The administration supported the repeals except for two provisions dealing with Indian rights which they felt might potentially have some relevance to the States but which clearly had no application to the current territories. The administration recommended that those two provisions be amended to exclude the current territories so that they could be recodified with other legislation dealing with the Indians. Section 15 contains those two amendments while section 16 contains the repeals of the other provisions of chapter 10. The administration also recommended the repeal of that language from the fiscal year 1916 Appropriation Act dealing with vouchers which is codified at 48 U.S.C. 1469–1. The Virgin Islands also noted that section as archaic and it would be repealed by subsection (a) of section 16. The administration also feels that chapter 11 dealing with alien ownership of land is archaic and should be repealed. Portions of that chapter have been extended to Hawaii and the District of Columbia. Recent conversations with the attorney general of Hawaii indicate that Hawaii concurs but we have not received a formal comment from the Corporation Counsel for the District of Columbia and therefore are deferring consideration of chapter 11 at this time.

During the hearing on October 6, the subcommittee also considered S. 1366, title 1 of which would have treated residents of the Northern Mariana Islands as citizens for the purpose of a variety of statutes. Title I was recommended by the Northern Mariana Islands Commission on Federal laws to address a particular problem in the Marianas which has resulted from delay in the termination of the trusteeship agreement. When the Marianas approved the covenant in plebescite in 1975 and the Congress approved it in 1976, it was in the expectation that the trusteeship agreement would be terminated shortly thereafter and the residents of the Northern Marianas would become citizens of the United States. That has not occurred and the Commission found that many Federal statutes had been extended to the Northern Marianas covering areas such as financial assistance and civil rights but that those statutes require beneficiaries to be citizens. The administration has acknowledged the problem but has noted that in certain areas the United States has obligations under the trusteeship agreement which might appear to be violated by the approach suggested by the Commission. The administration has suggested an alternative of authorizing the President to deal with the problem by proclamation within the next 6 months by either waiving the citizenship requirement or adopting another approach to achieve the objective. In the consular assistance area, for example, provisions could be made administratively under the trusteeship agreement. Only one change is being made in the language offered by the administration at the hearing, aside from some technical and clarifying changes in dates which the administration agrees were in error, and that is the inclusion of the language in section 18 dealing with those particular Federal service or financial assistance programs directly extended to the Marianas. Those programs specifically contemplated the participation of residents of the northern Marianas and section 18 provides that a citizenship requirement in those areas will not bar a citizen of the Northern Mariana Islands from participation.

The administration had requested that the relevant pages of the interim report of the Commission be printed as a Senate document for reference. In lieu of that approach, I ask unanimous consent that those pages of the interim report, pages 63–74, be printed at the close of my remarks. Sections 17 to 25, therefore, are the administration's proposed solution to the problem raised by the Commission and is acceptable to the Marianas.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. WEICKER. Mr. President, with the amendments I am offering, this is an excellent measure, and I urge its passage.

EXHIBIT 1

Mr. McCLURE. Mr. President, the amendment being offered would clarify the jurisdiction of the Civil Aeronautics Board to issue an essential air service determination for Guam. The amendment was requested by Congressman Won Pat, the non-voting delegate from Guam and it is my understanding that the CAB has no objection to the amendment and that the Chairman of the Subcommittee on Aviation of the Commerce Committee has reviewed the amendment and has no objection.

Mrs. KASSEBAUM. The Senator is correct. The issues surrounding essential air service determination are very complex and become even more complicated when the territories of the United States are concerned. The territories have a unique problem in that, as non contiguous areas, they are almost completely dependent upon air transportation for the movement of goods and persons.

Mr. MCCLURE. I understand that this amendment would be consistent with and carries out the original intent of Congress in including the territories in the essential air service program in the first place.

Mrs. KASSEBAUM. The Senator is correct and essential air service determinations have already been issued for the similar cases of American Samoa and the Northern Marianas. The problem which has arisen is due to the Febraury 1982 decision by the D.C. Circuit Court in *Delta Air Lines* v. *C.A.B.* which involved Montgomery, Alabama and which held that the Board does not have jurisdiction, at least in some cases, to issue an essential air service determination for a point which is being served by more than one section 401 carrier. This amendment would eliminate any uncertainty and permit the Board to make such a determination for Guam.

Mr. MCCLURE. I thank the Senator and I appreciate her assistance and concern for the territories. The Committee on Energy and Natural Resources, which has the general jurisdiction and responsibility for the territories and insular areas of the United States has had to face the transportation difficulties faced by the islands in their development almost on a continuing basis. I appreciate the efforts which the Senator, and her Subcommittee, and the Commerce Committee have made to recognize the unique situation of the territories in considering legislation before that Committee and the advice and expertise offered to us in the discharge of our responsibilities.

Mrs. KASSEBAUM. I appreciate the Senator's remarks and would note that while the Committee on Energy and Natural Resources does have the responsibility and jurisdiction for the territories, the Commerce Committee has the responsibility and jurisdiction over transportation and civil aviation. It is inevitable that our responsibilities will overlap. I welcome the opportunity to assist the Senator in discharging his responsibilities and similarly I appreciate his assistance and the expertise of his Committee in enabling us to ensure that in discharging our responsibilities we will be responsive to the situation of the territories and their unique needs and problems. By working together I am certain that the Congress will properly discharge its responsibilities both over transportation and for the welfare of the territories and the residents of those areas.

EXHIBIT 2

PROPOSED LEGISLATIVE LANGUAGE

RIGHTS AND PRIVILEGES OF UNITED STATES CITIZENSHIP

The following language, if enacted by the Congress of the United States, would implement the Commission's recommendation that citizens of the Northern Mariana Islands be treated as citizens of the United States prior to termination of the trusteeship for purposes of specified federal statutes:

An Act to require treatment of citizens of the Northern Mariana Islands as citizens of the United States of America for purposes of particular federal statutes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That provisions of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States of America by the United States of America shall not bar the United States of America from paying compensation to or employing citizens of the Northern Mariana Islands.

SEC. 2. STATUTES RELATING TO THE UNIFORMED SERVICES.—In accordance with the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (approved on March 2, 1976, by Public Law 94-241), a citizen of the Northern Mariana Islands who declares in writing an intent to become a citizen, and not a national, of the United States of America upon full implementation of such Covenant shall be deemed a citizen of the United States of America for purposes of:

(a) Sections 311, 510, 532, 591, 2004, 2031, 2104, 2107, 2122, 4348, 6019, 6911, 6958, 6959, 8257, and 9348 of title 10, United States Code;

(b) Sections 195, 371, 706, and 823 of title 14, United States Code; and

(c) Section 313 of title 32, United States Code.

SEC. 3. STATUTES RELATING TO THE FEDERAL EMPLOYMENT.—Citizens of the Northern Mariana Islands shall be deemed citizens of the United States of America for purposes of

(a) Sections 5342, 5343, 5561, 5595, 5912, 5922, 6301, 7103, 7532, 8171, 8501, 8701, and 8901 of title 5, United States Code;

(b) Section 22 of title 13, United States Code;

(c) Section 2 of Public Law 86-91, 73 Stat. 213 (20 U.S.C. section 901);

(d) Sections 301-03 of the Act of January 27, 1943, c. 36, 62 Stat. 6, as amended (22 U.S.C. sections 1451-53);

(e) Section 636 of Public Law 87-195, 75 Stat. 424, as amended (22 U.S.C. section 2396);

(f) Sections 5 and 6 of Public Law 87-293, 75 Stat. 612, as amended (22 U.S.C. sections 2504-05);

(g) Sections 103, 301, 312, 403, 409, 504, 608, 901, 903, 904, and 1101 of Public Law 96-465, 94 Stat. 2071 (22 U.S.C. sections 3903, 3941, 3952, 3963, 3969, 3984, 4008, 4081, 4083, 4084, and 4131);

(h) Section 15 of Public Law 90-202, 81 Stat. 602, as added by section 28(b)(2) of Public Law 93-259, 88 Stat. 55, and as amended (29 U.S.C. section 633a);

(i) Sections 235 and 4105 of title 38, United States Code;

(j) Section 203 of the Act of July 1, 1944, c. 373, 53 Stat. 682, as amended (42 U.S.C. section 204);

(k) Section 104 of Public Law 93-113, 87 Stat. 394 (42 U.S.C. section 4954); and

(l) Civil Service Rules VII and VIII (5 C.F.R. parts 7 and 8).

SEC. 4. STATUTES RELATING TO PROTECTION AND SERVICES IN FOREIGN COUNTRIES.—Citizens of the Northern Mariana Islands shall be deemed citizens of the United States of America for purposes of:

(a) Sections 351 and 1486 of title 10, United States Code;

(b) Section 498 of the Act of June 17, 1930, c. 497, 46 Stat. 590, as amended (19 U.S.C. section 1498);

(c) Subsection (b) of section 502 of Public Law 93-618, 88 Stat. 1978 (19 U.S.C. section 2462(b));

(d) Section 2001 of the Revised Statutes of 1878 (22 U.S.C. section 1732);

(e) Section 108 of Public Law 95-105, 91 Stat. 845 (22 U.S.C. section 2151n-1);

(f) Sections 601 and 620 of Public Law 87-195, 75 Stat. 424, as amended (22 U.S.C. sections 2351 and 2370);

(g) Section 3 of the Act of August 1, 1956, c.841, 70 Stat. 890 (22 U.S.C. section 2670);

(h) Section 7 of Public Law 96-8, 93 Stat. 14 (22 U.S.C. section 3306);

(i) Sections 1707, 1709, 1711, 1734, and 1737 of the Revised Statutes of 1878, as amended (22 U.S.C. sections 4193, 4195, 4197, 4217, and 4218);

(j) Section 1 of the Act of December 23, 1944, c. 716, 58 Stat. 921, as amended (31 U.S.C. section 492a);

(k) Sections 3048 and 3689 of the Revised Statutes of 1878, as amended (31 U.S.C. section 711);

(l) Sections 4294 and 4295 of the Revised Statutes of 2878 (33 U.S.C. sections 382 and 383);

(m) Section 1113 of the Act of August 14, 1935, c. 531, 49 Stat. 620, as added by section 302 of Public Law 87-64, 75 Stat. 131, and as amended (42 U.S.C. section 1313);

(n) Section 521 of Public Law 94-163, 89 Stat. 871 (42 U.S.C. section 6391); and

(o) Sections 2, 8, 10, and 12 of the Act of October 6, 1917, c. 106, 40 Stat. 411, as amended (50 U.S.C. App. sections 2, 8, 10, and 12).

SEC. 5. STATUTES RELATING TO COMMERCE.—Citizens of the Northern Mariana Islands shall be deemed citizens of the United States of America for purposes of:

(a) Sections 302, 310D, 311, and 321 of Public Law 87-128, 75 Stat. 294, as amended (7 U.S.C. sections 1922, 1934, 1941, and 1961);

(b) Section 5146 of the Revised Statutes of 1878, as amended (12 U.S.C. section 72);

(c) Subsection (a) of section 25 of the Act of December 23, 1913, c. 6, 38 Stat. 251, as added by the Act of December 24, 1919, c.18, 41 Stat. 378, and as amended (12 U.S.C. section 619);

(d) Subsection (a) of section 7 of the Act of July 22, 1932, c. 522, 47 Stat. 725, as amended (12 U.S.C. section 1427(a));

(e) Subsection (b) of section 5.1 of Public Law 92-181, 85 Stat. 583 (12 U.S.C. section 2222);

(f) Subsection (i) of section 44 of the Act of July 5, 1946, c. 540, 60 Stat. 427, as amended (15 U.S.C. section 1126(i));

(g) Subsection (b)(7) of section 4 of the Act of August 8, 1956, c. 1036, 70 Stat. 1119, as amended (16 U.S.C. section 742c(b)(7));

(h) Subsection (e) of section 4 of the Act of June 10, 1920, c. 285, 41 Stat. 1063, as amended (16 U.S.C. section 797(e));

(i) Subsection (b) of section 101 of Public Law 94-553, 90 Stat. 2541 (17 U.S.C. section 104 (b));

(j) Subsection (a) of section 526 of the Act of June 17, 1930, c. 497, 46 Stat. 590, as amended (19 U.S.C. section 1526(a));

(k) Subsection (a)(5) of section 2 of the Act of June 20, 1936, c. 638, 49 Stat. 1559, as amended (20 U.S.C. section 107a(a)(5));

(l) Section 238 of Public Law 87-195, 75 Stat. 424, as added by section 105 of Public Law 91-175, 83 Stat. 805, and as amended (22 U.S.C. section 2198);

(m) Section 897 of the Internal Revenue Code of 1954, as added by subsection (a) of section 1122 of Public Law 96-499, 94 Stat. 2599 (26 U.S.C. section 897);

(n) Subsection (b)(7) of section 622 of Public Law 96-294, 94 Stat. 611 (30 U.S.C. section 1522(b)(7));

(o) Subsection (5) of section 3 of Public Law 93-627, 88 Stat. 2126 (33 U.S.C. section 1502(5));

(p) Subsection (f)(3) of section 514 of the Act of July 15, 1949, c. 338, 63 Stat. 413, as added by subsection (a) of section 804 of Public Law 87-70, 75 Stat. 149, and as amended (42 U.S.C. section 1484(f)(3));

(q) Subsection (d) of section 103 and subsection (d) of section 104 of the Act of August 1, 1946, c. 724, 60 Stat. 754, as added by section 1 of the Act of August 30, 1954, c. 1073, 68 Stat. 921, and as amended (42 U.S.C. sections 2133(d) and 2134(d)).

(r) Subsection (b)(2)(A) of section 7 of Public Law 93-577, 88 Stat. 1878 (42 U.S.C. section 5906(b)(2)(A));

(s) Subsection (p)(1) of section 19 of Public Law 93-577, 88 Stat. 1878, as added by subsection (b) of section 207 of Public Law 95-238, 92 Stat. 53 (42 U.S.C. section 5919(p)(1));

(t) Subsection (b) of section 179 of Public Law 96-294, 94 Stat. 611 (42 U.S.C. section 8779(b)(4));

(u) Subsection (a)(3) of section 2, subsection (a) of section 101, and subsection (e)(2)(C) of section 108 of Public Law 96-320, 94 Stat. 974 (42 U.S.C. sections 9101(a)(3); 9111(a); and 9118(e)(2)(C));

(v) Section 4219 of the Revised Statutes of 1878, as amended (46 U.S.C. section 121);

(w) Section 4131 of the Revised Statutes of 1878, as amended (46 U.S.C. section 221);

(x) Section 1 of the Act of August 1, 1939, c. 409, 53 Stat. 1145, as amended (46 U.S.C. section 242);

(y) Section 4377 of the Revised Statutes of 1878, as amended (46 U.S.C. section 325);

(z) Section 5 of the Act of June 25, 1936, c. 816, 49 Stat. 1930 (46 U.S.C. section 672a);

(aa) Section 36 of the Act of September 7, 1916, c.451, 39 Stat. 728 (46 U.S.C. section 834);

(bb) Sections 302, 501, 509, 601, 809(a), 1103, and 1104 of the Act of June 29, 1936, c. 858, 49 Stat. 1985, as amended (46 U.S.C. sections 1132, 1151, 1159, 1171, 1213, 1273, and 1274);

(cc) Subsection (a) of section 203 of Public Law 96-320, 94 Stat. 974 (46 U.S.C. section 1279c(a));

(dd) Sections 1201 and 1203 of the Act of June 29, 1936, c. 858, 49 Stat. 1985, as added by the Act of September 7, 1950, c. 906, 64 Stat. 773, and as amended (46 U.S.C. sections 1281 and 1283);

(ee) Sections 1301, 1303, 1304, and 1306 of Public Law 96-453, 94 Stat. 1997 (46 U.S.C. sections 1295, 1295b, 1295c, and 1295e);

(ff) Subsection (1)(l) of section 303 and subsection (b) of section 310 of the Act of June 19, 1934, c. 652, 48 Stat. 1064, as amended (47 U.S.C. sections 303(1)(l) and 310(b));

(gg) Subsection (16) of section 101, section 104, and subsection (d)(4) of section 401 of Public Law 85-726, 72 Stat. 731, as amended (49 U.S.C. sections 1301(16), 1304, and 1371(d)(4));

(hh) Section 418 of Public Law 85-726, 72 Stat. 731, as added by subsection (a) of section 17 of Public Law 95-163, 91 Stat. 1278, and as amended (49 U.S.C. section 1388); and

(ii) Sections 501, 602, and 1303 of Public Law 85-726, 72 Stat. 731, as amended (49 U.S.C. sections 1401, 1422, and 1533).

SEC. 6. STATUTES RELATING TO POLITICAL AND CIVIL RIGHTS.—Citizens of the Northern Mariana Islands shall be deemed citizens of the United States of America for purposes of:

(a) Section 319 of Public Law 92-225, 86 Stat. 3, as added by subsection (2) of section 112 of Public Law 94-283, 90 Stat. 475, and as redesignated by subsection (5) of section 105 of Public Law 96-187, 93 Stat. 1339 (2 U.S.C. section 441e);

(b) Subsection (a)(2) of section 3 of Public Law 93-579, 88 Stat. 1896, as amended (5 U.S.C. section 552a(a)(2));

(c) Sections 241 and 243, subsection (b)(5) of section 245, subsection (a) of section 4000, and subsection (b) of section 4100 of title 18, United States Code;

(d) Sections 4081 and 4082 of the Revised Statutes of 1878, as amended (22 U.S.C. sections 257 and 258);

(e) Subsection (b)(2) of section 1 of Act of June 8, 1938, c. 327, 52 Stat. 631, as amended (22 U.S.C. section 611);

(f) Sections 1343, 1344, 1391, 1443, 1861, 1862, 1863, and 1865 of title 28, United States Code;

(g) Section 505 of the Act of June 30, 1948, c. 758, 62 Stat. 1115, as added by section 2 of Public Law 92-500, 86 Stat. 816 (33 U.S.C. section 1365);

(h) Subsection (a)(1) of section 2004 of the revised Statutes of 1878, as amended (42 U.S.C. section 1971(a)(1));

(i) Section 2, subsection (b) of section 3, section 4, and subsection (a) of section 10 of Public Law 89-110, 79 Stat. 437 (42 U.S.C. sections 1973, 1973a(b), 1973b, and 1973h(a));

(j) Subsection (a) of section 201 of Public Law 89-110, 79 Stat. 437, as added by section 6 of Public Law 91-285, 84 Stat. 314, and as amended (42 U.S.C. section 1973aa(a));

(k) Section 203 of Public Law 89-110, 79 Stat. 437, as added by section 301 of Public Law 94-73, 89 Stat. 400 (42 U.S.C. section 1973aa-la);

(l) Section 104 of Public Law 85-315, 71, Stat. 634, as amended (42 U.S.C. section 1975c);

(m) Section 1979 of the Revised Statutes of 1878, as amended (42 U.S.C. section 1983);

(n) Section 1980 of the Revised Statutes of 1878 (42 U.S.C. section 1985);

(o) Section 702 of Public Law 88-352, 78 Stat. 241, as amended (42 U.S.C. section 2000e-1);

(p) Section 717 of Public Law 88-352, 78 Stat. 241, as added by section 11 of Public Law 92-261, 86 Stat. 103 (42 U.S.C. section 2000e-16);

(q) Section 2 of the Act of March 2, 1917, c. 145, 39 Stat. 951, as amended (48 U.S.C. section 737);

(r) Subsection (i) of section 101 of Public Law 95-511, 92 Stat. 1783 (50 U.S.C. section 1801);

(s) Subsection (b)(3) of section 10 of the Act of June 24, 1948, c.625, 62 Stat. 604, as amended (50 U.S.C. App. section 460(b)(3));

(t) Section 105 of the Act of October 17, 1940, c. 888, 54 Stat. 1178, as added by section 4 of the Act of October 6, 1942, c. 581, 56 Stat. 769 (50 U.S.C. App. section 514); and

(u) Section 512 of the Act of October 17, 1940, c. 888, 54 Stat. 1178, as amended (50 U.S.C. App. section 572).

SEC. 7. STATUTES RELATING TO FEDERAL PROGRAMS AND BENEFITS.—Citizens of the Northern Mariana Islands shall be deemed citizens of the United States of America for purposes of:

(a) Subsection (f) of section 6 of Public Law 88-525, 78 Stat. 703, as amended (7 U.S.C. section 2015(f));

(b) Subsection (a) of section 2545 of title 10, United States Code;

(c) Subsection (m)(2) of section 2[3] of the Act of September 21, 1950, c. 967, 64 Stat. 873, as added by section 6(c)(4) of Public Law 95-369, 92 Stat. 607 (12 U.S.C. section 1813(m)(2));

(d) Subsection (b) of section 500 of title 14, United States Code;

(e) Paragraphs (4) and (5) of subsection (a) of section 4 of Public Law 88-578, 78 Stat. 897, as added by section 2 of Public Law 92-347, 86 Stat. 459, as amended, and by subsection (2) of section 9 of Public Law 96-344, 94 Stat. 1133 (16 U.S.C. section 4601-6a (a) (4) and (5));

(f) Section 29 of the Act of August 1, 1956, c. 841, 70 Stat. 890, as added by section 2201 of Public Law 96-465, 94 Stat. 2071 (22 U.S.C. section 2701);

(g) Section 2 of Public Law 95-524, 92 Stat. 1909 (29 U.S.C. sections 834(e) and 993(b)(1)(C));

(h) Subsection (g) of section 9 of the Act of March 4, 1927, c. 509, 44 Stat. 1424, as amended (33 U.S.C. section 909(g));

(i) Subsection (b) of section 624 of title 38, United States Code;

(j) Subsection (d)(12) of section 789, formerly section 776, of the Act of July 1, 1944, c. 373, 58 Stat. 682, as added by subsection (a) of section 3 of Public Law 93-154, 87 Stat. 594, as amended (42 U.S.C. section 295g-8(d)(12));

(k) Subsection (b)(3) of section 2 and section 4 of the Act of August 14, 1935, c. 531, 49 Stat. 620, as amended (42 U.S.C. sections 302(b)(3) and 304);

(l) Subsection (t) of section 202 of the Act of August 14, 1935, c. 531, 49 Stat. 620, as added by subsection (a) of section 118 of the Act of August 1, 1956, c. 836, 70 Stat. 807, and as amended (42 U.S.C. section 402(t));

(m) Subsection (a)(4) of section 103 of Public Law 89-97, 79 Stat. 285, as amended (42 U.S.C. section 426a(a)(4));

(n) Subsection (a)(3) of section 228 of the Act of August 14, 1935, c. 531, 49 Stat. 620, as added by subsection (a) of section 302 of Public Law 89-368, 80 Stat. 38, as amended (42 U.S.C. section 428(a)(3));

(o) Subsection (b)(2) of section 1002 and section 1004 of the Act of August 14, 1935, c. 531, 49 Stat. 620, as amended (42 U.S.C. section 1202(b)(2) and 1204);

(p) Subsection (b)(2) of section 1402 and section 1404 of the Act of August 14, 1935, c. 531, 49 Stat. 620, as added by section 351 of the Act of August 29, 1950, c. 809, 64 Stat. 477 (42 U.S.C. sections 1352(b)(2) and 1354);

(q) Subsection (a)(1)(B) of section 1614 and subsection (a)(3) of section 1818 of the Act of August 14, 1935, c. 531, 49 Stat. 620, as added by sections 301 and 202, respectively, of Public Law 92-603, 86 Stat. 1329, and as amended (42 U.S.C. sections 1382c(a)(1)(B) and 1395 i-2(a)(3));

(r) Subsection (2) of section 1836 and subsection (b)(4) of section 1902 of the Act of August 14, 1935, c. 531, 49 Stat. 620, as added by subsection (a) of section 102 and subsection (b) of section 121, respectively, of Public Law 89-97, 79 Stat. 285 (42 U.S.C. sections 1395o(2) and 1396a(b)(4));

(s) Subsection (b) of section 2 of the Act of August 16, 1941, c. 357, 55 Stat. 622 (42 U.S.C. section 1652(b)).

(t) Subsection (c) of section 101 of the Act of December 2, 1942, c. 668, 56 Stat. 1028, as amended (42 U.S.C. section 1701(c));

(u) Section 10 of the Act of May 10, 1950, c. 171, 64 Stat. 149, as amended (42 U.S.C. section 1869);

(v) Subsection (c) of section 2 of Public Law 86-209, 73 Stat. 431 (42 U.S.C. section 1881(c)); and

(w) Section 2 of the Act of August 3, 1950, c. 520, 64 Stat. 397 (42 U.S.C. section 1922).

SEC. 8. GEOGRAPHIC APPLICABILITY OF LAWS UNAFFECTED.—Nothing in this Act shall extend to the Northern Mariana Islands any law not otherwise geographically applicable to or within the Northern Mariana Islands.

SEC. 9. STATUTORY CONSTRUCTION.—Citizens of the Northern Mariana Islands shall be deemed citizens of the United States for purposes of any provision requiring United States citizenship as a prerequisite to receipt of any benefit, right, privilege, or immunity in any statute made applicable to the Northern Mariana Islands by the terms of that statute or by operation of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (approved on March 24, 1976, by Public Law 94-241).

SEC. 10. DEFINITION.—For purposes of this Act, "citizens of the Northern Mariana Islands" are those persons defined as United States citizens or United

* * * * *

Mr. McCLURE. Mr. President, one part of the amendment being offered provides for exemptions for certain territories from provisions of the Clean Air Act under specified conditions. The language of the amendment was developed by the Committee on Environment and Public Works, which has jurisdiction over the Clean Air Act. I would like to ask the chairman of that committee to explain its contents.

Mr. STAFFORD. I thank the distinguished chairman. The provisions he alluded to were developed in response to certain conditions brought to the attention of the Environment and Public Works Committee by the Energy Committee, which has general jurisdiction and responsibility for territories and insular areas of the United States.

The situation we have addressed is the possibly anomalous effect of requiring every provision of the Clean Air Act to apply in Guam, American Samoa, and the Commonwealth of the Northern Marianas.

The remote location of these territories, their meteorology, and the distinctive character of their economies strongly suggest that exemptions from particular requirements of the Clean Air Act may prove to be appropriate.

Rather than have the Congress continue to be asked to respond to individual situations, this amendment gives the Administrator of the Environmental Protection Agency the authority, upon a petition by a territorial Governor, to exempt a territory from a Clean Air Act requirement other than any requirement to control hazardous air pollutants under section 112 or any requirement, including those for continuous emission controls, that is needed to assure attainment or maintenance of the health-based primary ambient air quality standards.

The Administrator is to follow the procedures prescribed in section 307(d) of the act in making a decision on such a petition and is to grant the exemption only if, in light of unique geographical, meteorological, or economic factors or other factors in the territory the requirement is clearly unreasonable or infeasible.

In order for Congress to monitor the continued need for and use of this exemption provision, the appropriate committees of Congress are to be notified of each petition and its disposition by the Administrator.

The amendment also addresses a particular situation: It provides an outright and immediate exemption for existing fossil fuel fired powerplants on Guam from current sulfur dioxide-related new source performance standards and from sulfur dioxide-related requirements of the current State implementation plan. Continuation of an exemption from the current SIP requirements beyond the date 18 months after enactment is conditioned upon the Administrator's determining that a plant is taking all practicable steps to prevent exceedances of the national ambient air quality standards for sulfur dioxide.

I want to emphasize that the Administrator is being given the general authority to grant exemptions to the three named territories in recognition of characteristics that we believe distinguish them from other jurisdictions subject to the Clean Air Act.

The required reports to Congress by the Administrator will provide a basis for determining whether the exemption authority is justified and should remain available in the future.

I want to thank the distinguished chairman and members of the Energy Committee for working with members of the Environment and Public Works Committee on this issue, which is of interest to both committees.

Mr. MATSUNAGA. Mr. President, I rise in strong support of the House amendment to S. 589, a bill passed by the Senate earlier this year authorizing funds for certain projects in Guam and other U.S. territories.

The amendments added to this legislation by the House Interior and Insular Affairs Committee and approved overwhelmingly by the full House of Representatives are extremely important initiatives for the U.S. territories in a number of problem areas. I can say very confidently, Mr. President, that if the House had not acted to address these problems in this legislation, the Senate Energy and Natural Resources Committee would have been compelled to do so in separate legislation.

I might point out, as the chairman has done, that the Energy and Natural Resources Committee conducted a hearing on the House amendments, during which we queried the Departments of Interior, and Justice, and Representatives of the territories, on the effect of these measures on the respective jurisdictions. As expected, the administration's testimony was mixed, indicating some opposition to certain House amendments. However, I believe that there is general support among committee members for the full amendment package and I urge the full Senate to pass the legislation.

At this point, Mr. President, I would like to highlight some of the amendments which are of particular interest to me.

First, section 7 of the House amendment would authorize the Department of Energy to fund the indigenous energy projects recommended in the "Territorial Energy Assessment" report of December 1982. This assessment of the feasibility of the use of renewable energy resources in the U.S. territories was the final product of the Energy Committee hearings, which I chaired in Hawaii in 1980 which explored the Pacific Island energy crisis.

I am pleased that the House has taken this first step in implementing the findings of the "Territorial Energy Assessment."

I think we can go even further with respect to the use of renewables in the U.S. insular areas, and I am hopeful that the Energy and Natural Resources Committee, with the cooperation of the Departments of the Interior and Energy, will take further action in this important area.

Under current conditions with respect to the price and availability of oil, the need to press on toward full development and use of renewable energy resources does not seem as urgent to some people as it did just a few short years ago. But make no mistake about it, the U.S. territories are still spending huge amounts of money, in some cases more than 50 percent of their annual budgets, on fuel to run generators to provide electricity to island residents.

This money being spent on foreign oil could be spent on improving the economies of these islands, the health and education of their people, island infrastructures, and other programs which are crucial to political and economic development of the territories. If our goal is to make these areas self-governing and self-sufficient, we need to address their serious energy programs and I strongly believe—and the "Territorial Energy Assessment" will bear this out—that the utilization of renewable energy resources is the way to go for these insular areas. Section 7 of the House amendment places us on the right path.

Turning to section 8 of the House amendment, which directs the Secretary of the Interior to implement the health care program authorized by the Congress for the people of the Marshall Islands atolls exposed to radiation during U.S. nuclear testing during the 1950's, I must say that I was disappointed by the testimony

before our committee by the Department of the Interior in opposition to this provision. Interior indicated that the Department's opposition was based primarily on the fact that the Congress has never appropriated funds for the Marshall's health care program since its enactment during the 96th Congress.

When this Senator asked the Department witness whether Interior had ever requested funds in its annual budget submission to carry out the clear intent of the Congress to provide these exposed islanders with a special health care program, the answer was "No," the Department has never requested funds. Under further questioning, the Department witness admitted that because the Micronesian Compact of Free Association was being readied for submission to Congress, which includes a fund that could be used for such a health care program, Interior did not think that implementation of the health care program, as directed in the House amendment, was appropriate at this time.

The fact of the matter is, Mr. President, that approval of the compact by both Houses of Congress may be a lengthy process, which could take months or even years. In the interim period, the Marshall Islanders exposed to radiation as a result of error by our Government during our nuclear testing will be without the special health care program we thought they needed and deserved in view of the magnitude of our error.

Mr. President, there is no justification for the Department's position in this matter. The Secretary of the Interior should be directed to implement this program and section 8 of the House amendment would do just that.

Mr. President, section 14 of the House amendment would exempt the U.S. insular areas, including my home State of Hawaii, from inclusion under the milk price support assessment program which was established under the Agriculture portion of the Omnibus Reconciliation Act of 1982. I strongly support this provision for reasons which I will explain in a moment. However, before I do so, I would like to explain the nature of my amendment to this section, which has been worked out with and cleared by the chairman of the Senate Committee on Agriculture, Senator HELMS.

What my amendent would do is to expand the exemption contained in section 14 of the House amendment from just the U.S. insular areas to all U.S. noncontiguous areas. The definition of noncontiguous areas includes not only the U.S. insular areas, but also the State of Alaska. The purpose of changing the House amendment to include Alaska is to conform the legislation to the agricultural price supports measures which have been passed by the Senate and reported favorably by the House Agriculture Committee, both of which include a complete exemption from the milk price supports program of the U.S. noncontiguous areas. The Alaska delegation supports this exemption from the present program as well as from the new program which will be created upon the enactment of the agricultural price supports measure.

It should be emphasized that the amendment would limit the exemption from the present 50-cent-per-hundredweight assessment program for 6 months, from December 1, 1983, through May 31, 1984. Although I originally proposed an unlimited exemption for the noncontiguous areas, I have agreed to the 6-month exemption, which was proposed by Chairman HELMS.

It is our hope that within this time period, the Congress will clear the agricultural price supports measure, which will replace the present assessment program with the new diversion program. If this action is not taken by the end of the 6-month period, we have every reason to believe that both the Senate and House Agriculture Committees will favorably consider a further extension.

Mr. President, the enactment last year of the legislation establishing the 30-cent-per-hundredweight assessment program, designed to offset a portion of the Federal Government's milk price support costs, had an unintended effect—it included the noncontiguous areas of the United States. It should be noted that this assessment was not in either of the two original reconciliation bills from the House and Senate. The assessment provision, which included the noncontiguous areas, was developed in the House-Senate conference committee as a compromise. I strongly believe that its impact on the noncontiguous areas and their dairy markets was not considered or anticipated.

The 50-cent-per-hundredweight assessment is now being applied to all the U.S. insular areas—Hawaii, Puerto Rico, the Virgin Islands, Guam, and American Samoa—and Alaska, which in each case have relatively small, separate, and self-contained dairy markets which are not part of the national dairy market. The assessment will undoubtedly have a deleterious effect on and place an undue burden on the dairy industries in these areas and will be discriminatory to residents, who already pay more for fresh milk than do the residents of the lower 48 States.

In the case of Hawaii and Puerto Rico, Mr. President, the dairy markets in these insular areas are wholly separate and distinct and bear no relationship to the U.S. mainland milk market. Cost of production in Hawaii and Puerto Rico are considerably higher than those of any mainland States. Hawaii's cost of production last year was $21.06 per hundredweight, compared to the Federal price support figure of $13.01 cents per hundredweight. This means that in Hawaii the cost of milk production is 60 percent higher than the rate of the Federal price support.

The Commonwealth of Puerto Rico is in an even worse situation than Hawaii in terms of the cost of milk production. It is my understanding that Puerto Rico's cost of production last year reached $23.27 per hundredweight, again compared to the $13 Federal price support figure. I believe this works out to about an 80-percent difference in the cost of production for Puerto Rico.

The truth of the matter is, Mr. President, that this translates into high costs for milk consumers in the noncontiguous areas. In Hawaii, for example, consumers are paying an average of 98 cents per quart, while their counterparts on the mainland are paying on the average of only 60 cents per quart of milk. This fact alone should make a case for the exemption of the noncontiguous areas from the assessment program.

Mr. President, the fact is that the Federal dairy program has not, over the years, been able to have any effect on the dairy markets of Alaska, Hawaii, Puerto Rico, and the other U.S. insular areas. It is important to note that because of the inability of the Federal milk program to have any impact on island production of milk, the governments of both Hawaii and Puerto Rico enacted strict controls over island dairy industries. The Hawaii Milk Control Act, for instance, provides for a quota system based on consumer demand and is set at a level that prevents virtually any surplus production. The result of the Hawaii Milk Control Act is that supply meets demand in our State. We contribute no surplus milk to the national market.

Furthermore, our dairy industry produces only fresh milk. We have no facilities to process milk for cheese, butter, or nonfat dry milk, the forms in which excess production can be stored. In view of these circumstances—and I believe they apply to the other insular areas and Alaska as well—we cannot possibly contribute to the dairy production surplus problem that we face in the lower 48 States and that the Congress was trying to address with the enactment of the 50-cents-per-hundredweight assessment.

Mr. President, the U.S. insular areas and the State of Alaska need this exemption from the assessment program that is contained in the House-passed amendments that are before us today. The dairy industries of these areas are separate and distinct markets which do not participate in or benefit from

the Federal milk price support program, and which do not contribute to the milk surplus on the mainland.

The 50-cents-per-hundredweight assessment has placed a heavy burden on our milk producers, who receive no benefit from the Federal milk price supports and will have a detrimental effect on milk prices and consumers in the noncontiguous areas, who already pay the highest prices for milk in the Nation.

Mr. President, both the House and Senate Agriculture Committees have recognized the need for this exemption for the noncontiguous areas from the present program and the new milk program which will soon be enacted by the Congress. I would urge the support of my colleagues for section 14 of the House amendment, as amended, to include all the U.S. noncontiguous areas and the limitation of 6 months to allow for the enactment of the new national milk program.

Finally, Mr. President, I want to express my strong support for section 11 of the House amendment, which directs the Administrator of the Environmental Protection Agency to grant waivers of requirements under the Clean Air Act in American Samoa, Guam, and the Northern Mariana Islands upon application of the Governor. The criteria upon which the Governor would base his application would be, first, if he finds that compliance with the Clean Air Act would be impractical, unnecessary, or unreasonable, and second, that an alternative requirement enforceable under the Clean Air Act will be imposed to maintain air quality standards.

The enactment of this provision would be the culmination of a diligent effort on the part of the Congressman from Guam, my good friend ANTONIO B. WON PAT, to reach a satisfactory solution to the problem faced by the Guam Power Authority and the governments of the other island territories in complying with unreasonable and ineffective stateside standards under the Clean Air Act.

Although it has long been recognized that insular areas do not face the same pollution problems which are experienced by mainland jurisdictions because trade winds take much of the island auto emissions and other pollution safely out to sea, the U.S. insular areas have, nonetheless, been expected to comply with the Environmental Protection Agency (EPA) Clean Air guidelines and regulations. In some cases, particularly in Guam, compliance with these regulations would mean the expenditure of large amounts of funds for seawater scrubbers and other devices necessary to meet EPA requirements.

Mr. President, in past Congresses we attempted to obtain a complete exemption for Guam from the Clean Air Act. Unfortunately, these efforts were objected to strenuously by the EPA. I am happy to say, however, that the EPA has cooperated with Congressman WON PAT and other interested parties in coming up with what I believe to be a reasonable compromise, which provides the Administrator of the EPA with waiver authority upon application by the Governor of the island jurisdiction. I am very interested in the success of this provision because my home State of Hawaii, which would not be affected under this amendment, is in a similar position to Guam, American Samoa, and the Northern Marianas in terms of Clean Air compliance.

Mr. President, I urge the adoption of S. 589, as amended by the House. I strongly believe that the legislation is a major step forward in our effort to assist the U.S. territories in their political and economic development.

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendment with the amendment I have sent to the desk.

The motion was agreed to.

AUTHORIZING TESTIMONY AND PRODUCTION OF DOCUMENTS

Mr. BAKER. Mr. President, I send a resolution to the desk on behalf of myself and the distinguished minority leader and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 282) authorizing testimony of Linda K. Stiles and Christian A. Steed and the production of documents.

The Senate proceeded to consider the resolution.

Mr. BAKER. Mr. President, the cases of Republicbank, Lubbock, etc., et al. against United States of America and The Travelers Insurance Corp. against United States of America are pending in the U.S. District Court for the northern district of Texas, Lubbock Division. The Department of Justice is defending these cases which were filed under the provisions of the Federal Tort Claims Act. The cases involve claims for property damages allegedly sustained from a fire which occurred in a Lubbock office building in which Senator TOWER had a State office. The testimony of Linda K. Stiles, an employee in Senator TOWER'S Lubbock office and Christian A. Steed, a former employee of that office, and the production of certain documents have been requested in the cases. This resolution would authorize Ms. Stiles and Mr. Steed to provide the requested documents and testimony.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 282) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 282

Whereas, the cases of *Republicbank, Lubbock, etc., et al.* v. *United States of America,* CA No. 5-83-059, and *The Travelers Insurance Corp.* v. *United States of America,* CA No. 5-83-140 are pending in the United States District Court for the Northern District of Texas, Lubbock Division;

Whereas, the parties have requested the production of certain documents and the testimony of Linda K. Stiles, an employee of Senator Tower's Lubbock office and Christian A. Steed, a former employee of that office, in these cases;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that testimony, documents, papers, and record under the control of or in the possession of the Senate are needful for use in any court for the promotion of justice, the Senate will take such action thereon as will promote the ends of justice consistently with the privileges and rights of the Senate: Now, therefore, be it

Resolved, That Linda K. Stiles and Christian A. Steed are authorized to appear and testify and to produce documents in the cases of *Republicbank, Lubbock, etc., et al.* v. *United States of America,* and *The Travelers Insurance Corp.* v. *United States of America,* except concerning matters for which a privilege from disclosure should be asserted.

REMOVAL OF INJUNCTION OF SECRECY—TAX CONVENTION OF 1980 WITH DENMARK

Mr. BAKER. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from a protocol to amend the Tax Convention of 1980 with Denmark (Treaty Document No. 98-12), transmitted to the Senate yesterday, November 16, 1983, by the President of the United States. I also ask that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

I transmit herewith for Senate advice and consent to ratification, the Protocol amending the Convention between the Government of the United States of America and the Government of the Kingdom of Denmark for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, signed at Washington on June 17, 1980. The Protocol was signed at Washington on August 23, 1983, together with an exchange of letters. I also

transmit the report of the Department of State on the Protocol.

The Senate Committee on Foreign Relations deferred consideration of the Convention pending the negotiation of amendments to certain of its provisions. The Protocol takes into account recent changes in Danish tax laws. It also takes into account positions expressed by the Senate in its recent consideration of other United States income tax treaties.

I recommend that the Senate give early and favorable consideration to the Procotol and give its advice and consent to ratification.

RONALD REAGAN.

THE WHITE HOUSE, *November 16, 1983.*

Mr. BAKER. Mr. President, I move to reconsider the votes by which the several bills, resolutions, and joint resolutions were passed or agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I thank the Chair and I especially thank the minority leader for his cooperation and suggestions in this respect.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, may I say to the minority leader that when morning business is closed—and I expect it will be earlier than 11:15 a.m.—it would be the hope of the leadership on this side that, instead of going back to the reconciliation bill, we go to the supplemental appropriations conference report.

I have checked that with the distinguished chairman of the Budget Committee on this side and with the distinguished chairman of the Appropriations Committee. I hope that the minority leader might view favorably such action by unanimous consent.

Mr. BYRD. Mr. President, that matter is cleared on this side. Mr. STENNIS has been here already and stepped off the floor and will be ready when the majority leader wishes to proceed.

EXPRESSIONS OF ADMIRATION AND APPRECIATION

Mr. BYRD. Mr. President, I wish to say a few words in admiration of the majority leader. I think last night he demonstrated an enviable degree of persuasiveness on a matter which was very difficult. In so doing, I think his actions reflected a great respect for him by the Members on his side.

I commented on it to my staff people after we left the Chamber. This was a difficult matter for him. Had he not been able to switch five votes, the debt limit bill would have been down again, which would have made more complex any further action to pass a measure extending the debt limit.

Over the last 3 years, I have voted against the debt limit extension, but last evening I voted for it for at least two reasons: one being that I felt and I respected the colleagues on my side who walked the plank, and I should be willing and ready to walk the plank with them; another being that I wanted to be helpful in getting votes on the Democratic side once the majority leader produced the votes he said he would produce on his side. He produced precisely the number that he said he would. All of this, I think, adds to his stature and the respect we have for him.

I was somewhat moved by the efforts he made in the face of very difficult circumstances. He came through. I respect him for that.

Mr. BAKER. Mr. President, I am a little short of overwhelmed. I am extremely grateful to the minority leader, not only for his remarks but because they come from a man who knows the duties and responsibilities of majority leader in this Senate better than any man alive, in my opinion. Mike Mansfield was a great majority leader, and this is no disparagement of his record and reputation. But, Mr. President, it was ROBERT C. BYRD who conducted the daily affairs of the Senate much of the time during Senator Mansfield's tenure, and certainly during the time that he was majority leader.

So I am especially moved and pleased and happy for these remarks from the man who is the essence of the Senate leadership, who has such a fine understanding of it.

I remarked to him earlier that there were perhaps not 100 people in the world who understand what the leadership goes through in the Senate, what happens behind the scenes. But he and I understand that. Mike Mansfield, Hugh Scott, and maybe a few others, but there are not many. Even in this Chamber, and this is no disrespect to our colleagues, most of them are not called on to do the daily chores necessary to move legislation and to administer the business of the Senate.

The Senate leadership, which most people do not know, is essentially an administrative job, an executive responsibility rather than purely legislative, and it must be so, because there is reduced time for us to participate in legislative activity in the committee sense and otherwise.

The minority leader understands that. He understood that as majority leader and he understood that as majority whip.

I remember when I was a kid scrounging through the attic in my grandmother's house I found a plaque that I have remembered ever since. My father's father died before I was born so I never knew him. But I think he must have been a remarkable man. That plaque said, "There is no limit to what a man can do if he does not care who gets the credit."

Perhaps in the Senate leadership there is more truth to that than anyplace else in the world, because the man who stands up and crows about his accomplishments or tries to claim the credit is usually the man who gets the least done in this place.

But I have had a good tutor, Mr. President, in leadership in ROBERT C. BYRD of West Virginia. I have watched him, I have learned from him, and I continue to. Therefore, I am especially appreciative of his remarks.

I would be derelict if I did not say a word of thanks to the Members in this Chamber who agreed to support this measure even with substantial reservations—I can see some of them standing in the Chamber at this time—and others who responded to the call and helped in a very, very remarkable way. They know who they are. I will not try to list them. I relayed that information, however, to the President of the United States, and I suspect they will hear from him on both sides of the aisle. There is a very substantial list on the minority side of the aisle to whom we owe a debt of gratitude.

I am especially grateful that the minority leader spoke on this subject because that was the turning point. I was previously aware of the fact that he had not voted for debt limits. I was grateful for his remarks. There were 20 Democrats who supported this, and I am grateful to every one. There were 38 Republicans who supported it, and I am grateful to every one of them.

Finally, Mr. President, I am grateful even to those who voted against it because there is always another day.

Mr. BYRD. Mr. President, may I thank the distinguished majority leader, and on my behalf and on behalf of the other 19 Democrats, I express our appreciation for what the majority leader has accomplished.

Mr. BAKER. I thank the minority leader.

Mr. President, there are still a few minutes left in morning business for Senators to speak.

The PRESIDING OFFICER (Mr. DENTON). The Senator from Indiana.

Mr. QUAYLE. Mr. President, First of all, I want to congratulate the majority leader for the accomplishment he achieved last night, and I also congratulate the minority leader. They showed a great deal of forcefulness, polite cajoling, and convincing that the hour was right and that the Senate did do the right thing.

INDUSTRIAL POLICIES ON TARGET AT LAST

Mr. QUAYLE. Mr. President, I rise to take a few minutes of the Senate's time to talk about another important issue that has a bipartisan flavor, something that we discuss a lot around here. That is industrial policies.

According to the Wall Street Journal this morning, we now have another industrial policy floating around. According to the Wall Street Journal article, the lead paragraph says, "The plan is designed to spur growth through greater governmental involvement in industrial decisionmaking."

Mr. President, I think we have a number of industrial policies, as a matter of fact, there are probably about 535 industrial policies when we get right down to it. Basically, industrial policies is the idea of having more Government intervention in the picking of winners and losers.

Mr. President, I would like to refer to industrial policies, which I believe is in the budget reconciliation which will again be before the Senate sometime today, hopefully to be concluded.

I think in the confusion of the last days of this session of the Congress, perhaps some Members have overlooked the significance of the amendment to section 4161(b) of the Internal Revenue Code contained in the Omnibus Reconciliation Act of 1983, as reported by the Senate Finance Committee.

I want to pay special reference to Senate report 98-300, page 104. It is a very important amendment.

The amendment provides that the tax on arrows, currently applicable only to the longbow, shall be applied to the crossbow, thus effectively ending Government favoritism in the century-old struggle between these weapons.

Certainly, Mr. President, we all remember quite well when the crossbow burst upon the scene, a technological marvel so powerful that it had to be outlawed for use against Christians by the Lateran Council of 1139. If industrial policy means that Government should pick winners, surely we were right to exempt the crossbow from taxation, even if we were not exactly around at that particular time.

But industrial policy does require us to adapt to the times, to recognize change when it occurs. The Battle of Crecy, for those who have not been briefed on the battle recently, was fought in 1346, but it showed that the longbow had come into its own and the verdict of history was sealed to Battles of Poitiers and Agincourt.

Now, Mr. President, section 4161(b) does no more than recognize the facts for the case for the crossbow subsidy is no longer valid.

So who says that we do not have an industrial policy? Who says an industrial policy will not work? And who says that Government cannot pick winners and losers?

Mr. President, it just takes us a little bit of time.

I yield the floor.

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, I see no other Senators seeking recognition. I ask the Chair to inquire if there is further morning business.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECOGNITION OF SENATOR McCLURE

Mr. McCLURE. Mr. President, I believe I had a special order reserved.

The PRESIDING OFFICER. The Senator is correct.

The Senator from Idaho is recognized for a period not to exceed 15 minutes.

Mr. McCLURE. I thank the Chair. I say to all Members, I shall not be that long.

NATURAL GAS POLICY ACT AMENDMENTS OF 1983

Mr. McCLURE. Mr. President, I picked up yesterday's CONGRESSIONAL RECORD and read, to my great surprise, the account of the previous day's debate on the Natural Gas Policy Act Amendments of 1983.

On page S16185, I reviewed an excerpt from my debate with my good friend, Senator DANFORTH of Missouri, on our efforts to move to a vote on a secondary amendment. And, to my amazement, I read that I was recorded as saying, and I quote:

> But it may well be that what we need to do, all of us, is to retire to the cloakroom with our shirt sleeves up and our pistols out and see what we can do.

Mr. President, I would be the first Member of this body to admit that we have worked long and hard on this bill, and that tempers between the various interests on this issue have flared from time to time. But I can assure the Chair, as well as the full Senate, that I seem to recall saying that we should enter the cloakroom with our shirt sleeves up and our pencils out.

Mr. BYRD. Will the Senator yield?

Mr. McCLURE. I am happy to yield.

Mr. BYRD. I was able to hear above the din and the confusion and the chaos that existed in the Chamber at that moment. I was able to hear the stentorian tones of the distinguished Senator, and he did say "pencils."

Mr. McCLURE. I thank the distinguished Senator from West Virginia for corroborating my own memory.

But maybe this version of the debate that transpired yesterday is for the better, Mr. President. For many of us who have labored for the cause of natural gas decontrol have occasionally felt that the use of firearms may be the only way to bring about a quick resolution of this matter.

Frankly, Mr. President, many of us are sick and tired of being ambushed at every turn by those who oppose natural gas decontrol.

Mr. BYRD. And who carry pencils rather than pistols.

Mr. McCLURE. Yes, Mr. President.

It seems that every time we attempt to engage in serious debate on this important matter, we end up getting shot at by a hodgepodge coalition, or peppered by a particular Senator who has a provincial problem with this legislation.

But I can assure those who are bent on the defeat of this bill that we who support it plan to come out with guns blazing. Indeed, Mr. President, we no longer plan to be sitting targets. Since March of this year, it has taken long hours to troubleshoot the problems of this bill. Despite this commendable work by the distinguished members of the Energy and Natural Resources Committee, somebody always seems to want to pistol-whip us.

I urge these Members to stop shooting blanks and start shooting straight. Because we plan to take dead aim at the tailgunners who are trying to shoot down a measure which will certainly bring consumers relief from the price blast that current controls will bring them.

So, Mr. President, I am not at all angered or upset by the slightly incorrect recount of my remarks. And for those who still retain the thought of obstructing this measure, I remind them that the cloakroom is only 10 paces away.

Mr. President, I yield back the remainder of my time. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection it is so ordered.

OMNIBUS RECONCILIATION BILL TEMPORARILY LAID ASIDE

Mr. BAKER. Mr. President, before I attempt to take us off the reconciliaton bill, I hasten to say that in doing so, it does not mean we are not going to go back to it. We are going to go back to reconciliation; we are going to finish it. But there are strong reasons why we need to go to the supplemental conference report at this time.

Therefore, Mr. President, I ask unanimous consent that we temporarily lay aside the pending business and turn to the consideration of the conference report on H.R. 3959, the supplemental appropriations bill for 1984.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

SUPPLEMENTAL APPROPRIATIONS, 1984—CONFERENCE REPORT

Mr. BAKER. Mr. President, I submit a report of the committee of conference on H.R. 3959 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. DENTON). The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3959) making supplemental appropriations for the fiscal year ending September 30, 1984, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of November 16, 1983.)

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, the conference report on H.R. 3959, the first fiscal year 1984 supplemental, provides a total of $302,213,600 for 19 different agencies and departments of Government. This amount is $88,615,000 below the amount passed by the Senate, and $142,527,200 below the House. Discounting the conferees' disapproval of $106,000,000 in fiscal year 1983 veterans' benefits, the bill as reported from the conference is $6,087,800 above the President's request and is supported by the administration.

Mr. President, there were 34 amendments in disagreement, 15 of which require further action by the Senate. Rather than prolong consideration here this morning, I shall yield to Senator STENNIS for any comments he may wish to make, and then suggest we proceed to consideration of the conference report unless there are questions.

Mr. STENNIS. Mr. President, the chairman has already given the high points and the number of amendments involved and the high point of the amounts. We have 15 Senate amendments that really are not in agreement as yet. The main point I want to make, just for information in the handling of the bill, is I understand that there will be offered an amendment to one of those Senate amendments for the IMF fund and also a housing program. I do not know—I suspect either one or both of those will bring on some debate. It seems to me that it would be well if the chairman would see fit to make a call for those who have amendments to come in and be ready. I do not know who is going to present them.

I have nothing further to say, Mr. President. I am ready to proceed.

Mr. GARN. Mr. President, the conference agreement on H.R. 3959 contains 12 items which fall under the jurisdiction of the HUD-Independent Agencies Subcommittee. A brief description of the disposition of each of these items is as follows:

The conferees agreed to retain Senate language fixing the interest rate on housing loans for the elderly and handicapped (section 202) at the fiscal year 1983 level of 9.25 percent. This action will result in the potential production of 3,000 to 4,000 additional units of housing.

The conferees receded to the Senate position on amendment No. 2 which provides $600,000 to the Council of Environmental Quality for the conduct of two studies. The Statement of the Managers notes that the study is to be performed by university-based organizations.

The conferees also accepted a Senate provision increasing FEMA's reception and representation from $500 to $2,000. On another FEMA item, the conferees agreed to a Senate provision increasing the limitation on funds that could be used for emergency management assistance from $54,000,000 to $55,000,000 in order to conform with the fiscal year 1984 appropriations bill. The final FEMA item concerns the provision of additional funds for the emergency food and shelter program. For this program, the conferees included $30 million as opposed to the $40 million included in the Senate amendment. These funds, in addition to the $10 million provided in House Joint Resolution 413, brings the total funding for this program to $140 million in fiscal year 1983 and fiscal year 1984.

The conference agreement also includes a Senate amendment that provides an additional $20 million for NASA's construction of facilities account. These funds, and the accompanying language, provides the necessary authority for NASA to begin construction of three shuttle-related facilities.

Amendments Nos. 8 and 9 concern the VA's compensation and pensions and readjustment benefits accounts. The fiscal year 1983 supplement request for these items were deleted in conference, in accordance with the Senate recommendations, since these funds are no longer required at this time.

The conference agreement also includes $53,974,000 for the initiation of the agent orange study, to be conducted by the Centers for Disease Control. The agreement also includes $75 million for veterans job training. This is the second appropriation for this new program and brings the total availability in fiscal year 1984 to $150 million. On the VA's general operating expense amendment, the conferees provided no additional funding but earmarked $1 million for the conduct of a study as specified in Senate Report 98-275.

In a similar amendment, the conferees agreed to a Senate provision which would grandfather Anoka County, Minn., in the community development block grant program. This amendment assures the continuity of funding for Anoka County which was funded in fiscal year 1983 and is expected to qualify for funding in fiscal year 1984.

As usual, Mr. President, I would like to thank Chairman Boland for his cooperation and advice during the entire consideration of H.R. 3959.

SMALL BUSINESS PROVISIONS RELATING TO THE EXPORT-IMPORT BANK IN THE CONFERENCE REPORT ON THE INTERNATIONAL MONETARY FUND

Mr. BOSCHWITZ. Mr. President, this conference report includes the provisions of an amendment I offered that gives small businesses better access to the export financing programs of the Export-Import Bank. These provisions have broad support and are truly a bipartisan effort. I commend Senators MATTINGLY, SASSER, D'AMATO, and GLENN for their leadership on this issue. In addition, I would like to specifically commend Senators GARN and HEINZ for their efforts in conference to retain provisions that will provide a major boost to small business exporters, while addressing the legitimate concerns of the exporting community as a whole.

We are all aware of the contributions small business makes to the economy in terms of jobs and innovative technology. Small business can also be the leading contributor in U.S. exports if competitive export financing is available. Indeed, the Commerce Department estimates that at least 20,000 businesses in our country would export, but do not. In fact, only 1 percent of American manufacturers account for over 80 percent of our exports. As we face record trade deficits, it is imperative that small businesses become more active exporters.

Our balance of merchandise trade deficit was $42.7 billion in 1982—making a cumulative trade deficit of over $200 billion from 1978 through 1982. And, it is not getting any better. The Secretary of Commerce estimates that this year's merchandise trade deficit could be as high as $60 billion. When exports of services are included, the picture is somewhat better, but the imbalance in merchandise trade is still a cause for concern.

During the same time period, total U.S. exports increased substantially—from $220 billion in 1978 to $375 billion in 1981. This is a 70-percent increase over those 4 years. But, in 1982, total U.S. exports declined by 8 percent to $342 billion. The worldwide recession and strength of our dollar certainly contributed to this decline, but

the lack of adequate financing was also a big factor.

Not surprisingly, jobs generated by exports decreased between 1981 and 1982. The decrease was a dramatic 20 percent—from 6.2 million export-related jobs in 1981 to 4.9 million in 1982. Without question, increasing our exports—especially by small businesses that create the most jobs—will improve both our balance of trade picture and our unemployment situation.

Last fall I held a hearing in Washington that focused on obstacles faced by small business exporters. One of the major obstacles we identified was the lack of adequate financing. As a followup, I chaired another hearing in April that examined the small business export financing programs of the Export-Import Bank. Ex-Im has been termed a big business bank by many—and with good reason. To put it bluntly, Ex-Im's track record is dismal—in 1982 only 2.8 percent of Ex-Im's total available financing went to small businesses. And, during the past 5 years, small businesses received only 3.4 percent of Ex-Im's total available financing. Furthermore, Ex-Im does business with only about 300 banks, out of a total of some 15,000 banks in the country.

To remedy this situation, I introduced an amendment last May that will require Ex-Im to do more business with small businesses. That amendment would have required a small business set-aside of 10 percent increasing to 15 percent by the end of 6 years. Since May, however, negotiations have occurred with opponents of the amendment. Senators GARN and HEINZ have been most helpful in mediating these negotiations and achieving an agreement on a modified amendment.

The major issue in these negotiations involved in the possibility that small business would not be able to use all of the funds available from the set-aside. Opponents of my amendment suggested a trigger mechanism that would make any unused small business funds available to Ex-Im's big business customers. While a trigger mechanism sounds good in concept, we could not agree on one that would not give Ex-Im a loophole that it could use to avoid financing small business exports. Instead, I agreed to reduce the percentages of the small business set-aside in return for not including a trigger mechanism. As a result, it should be abundantly clear to Ex-Im that the funds must be used only to finance small business exports.

Since the original amendment was introduced in May, I also chaired a hearing in Minnesota on Ex-Im's lack of small business financing. At that hearing Minnesota witnesses made valuable suggestions on how to improve my amendment. These suggestions have been included in the modified amendment, which I will review at this time.

These are the main provisions of my amendment, that are included in the conference report.

First, Ex-Im must establish a small business set-aside for fiscal year 1984 equal to 6 percent of the total direct loan, guaranteed loan and insurance levels provided in appropriations acts. The percentage will be 7 percent in fiscal year 1985, 8 percent in fiscal year 1986, and 10 percent in fiscal year 1987, the final year of this reauthorization. This will increase small business export financing by over $2.3 billion in the next 4 years without increasing Ex-Im's budget. Instead of giving Ex-Im more money to spend, the provisions require Ex-Im to allocate to small businesses these percentages of the spending authorized by Congress each year.

Second, the provisions direct Ex-Im to establish a program that provides lines of credit or guarantees to consortia of local banks, export trading companies, small business investment companies, State financing companies, and/or export financing cooperatives. The consortia would use the lines of credit or guarantees to finance small business exports, which would count against the set-aside. As a result of the Minnesota hearing, I included language directing Ex-Im to delegate to the consortia the authority to make credit evaluations and approve financing commitments to the maximum extent possible.

Third, Ex-Im would be required to promote small business exports and its export financing programs in cooperation with the Department of Commerce, the Small Business Administration, and especially the private sector. This is an integral part of the amendment because small business must be aware of the financing to take advantage of it.

Fourth, at least three members of the Advisory Committee established in the bill must be chosen from the small business community. Similarly, at least one of the five members of the Board of Directors must be appointed from the small business community to represent small business.

Fifth, Ex-Im is directed to urge the Foreign Credit Insurance Association (FCIA) to provide insurance against 100 percent of the loss of export sales up to $100,000. Currently, FCIA will insure 100 percent of the political risk, but only 85 to 95 percent of the commercial risk. Commercial banks will normally make export loans for the amount of FCIA insurance, which requires small businesses to regularly finance, or provide reserves for, the uninsured 10 to 15 percent. For exporters with a number of small sales, these cumulative reserves can cause a substantial drain on cash flow and stifle further exports. Because FCIA is a consortium of private insurers, it is not appropriate to require 100 percent coverage of commercial risks. But, this provision recognizes the importance of full insurance coverage and directs Ex-Im to do something about it. The need for this type of program was stressed repeatedly at the Minnesota hearing.

Finally, Ex-Im must report annually to Congress on the effectiveness of the set-aside, the small business financing programs and Ex-Im's efforts in promoting small business exports. In response to suggestions at the Minnesota hearing, the amendment requires Ex-Im to report specifically the number of small business commitments under $500,000 and the number of small businesses that use Ex-Im's programs for the first time. This provision will give Congress the ability to monitor Ex-Im's efforts, and the progress in improving its track record with small business.

Mr. President, these provisions will make more financing available to small business exporters. But, Ex-Im must aggressively and effectively implement this legislative mandate to help small businesses achieve their full exporting potential. In addition to the formal requirements of my amendment, Ex-Im should be aggressive and creative. It should reach out to the small business community to develop working groups for advice on ways to implement the consortia program. It should aggressively offer preliminary commitments so small businesses can quote financing terms early in their deals. It should also consider developing a short-term guaranteed loan program, separately or through the consorita program, to meet this crucial small business financing need. In short, Ex-Im must develop an attitude of wanting to assist small businesses.

Mr. President, as the owner of a small business myself, I am well aware of the importance of competitive financing, for exporters, competitive financing is vital. As a member of the Small Business Committee, I recognize the need to be an advocate for small business in legislation considered by the Senate.

These provisions have bipartisan support in the Senate—over 25 Senators cosponsored my amendment. It has also been endorsed by Commissioner Nichols, of the Minnesota Department of Agriculture, the National Federation of Independent Business, Small Business United, the National Small Business Association, and the National Governors' Association. I am pleased that these provisions are included in the conference report, and fully expect the Eximbank to aggressively implement the provisions. Mr. President, I ask that a factsheet describing these provisions be included in the RECORD.

There being no objection, the fact-sheet was ordered to be printed in the RECORD as follows:

[Fact Sheet]

SMALL BUSINESS EXIMBANK PROVISIONS

Small business participation

Fiscal year:	*Percentage*
1984	6
1985	7
1986	8
1987	10

A setaside is required based on the aggregate level of direct loans, guaranteed loans and insurance provided in annual appropriations acts for fiscal year 1984–fiscal year 1987. Small businesses can participate in the setaside program even if they are not turned down for export financing by other federal agencies.

FINANCING CONSORTIA PROGRAM

Exim must develop a program to provide lines of credit or guarantee to any combination of small- and Medium-sized banks, export trading companies, state finance companies, small business investment companies, export financing cooperatives or other export financing institutions. The consortia would use the line of credit or guarantee to finance small business exports. The costs and responsibilities for processing, servicing and credit evaluation would be shared by the consortia and Exim. To the maximum extent possible, Exim must delegate the authority to make credit evaluations and actual loans to the consortia. Exports financed by the program would count against the setaside.

FCIA INSURANCE FOR SMALL EXPORTERS

The Foreign Credit Insurance Association (FCIA) is urged to change its current practice of insuring only 85 percent of the commercial risk on small export sales. FCIA is urged to provide 100 percent insurance for both commercial and political risk for export sales of $100,000 or less.

PROMOTIONAL ACTIVITIES OF EXIM

Exim would be required to promote small business exports and its small business export financing programs in cooperation with the Department of Commerce, the Small Business Administration (to coordinate and supplement SBA's Office of International Trade established by Public Law 96-481), and especially the private sector. Exim should especially work with small business organizations, state agencies, chambers of commerce, banking organizations, export management companies, export trading companies and private industry.

ADVISORY COMMITTEE

At least three members of Exim's Advisory Committee must be small business persons.

BOARD OF DIRECTORS

Requires that at least one of the five members of Exim's Board of Directors must be selected from the small business community to represent small business.

REPORT TO CONGRESS

Exim's annual report to Congress would include a report on the setaside program, the consortia program, the number and dollar volume of loans, guarantees and insurance commitments made with small business and recommendations for getting small- and medium-sized banks more involved. The report would have to be transmitted to the Small Business Committee.

INTERNATIONAL MONETARY FUND/HOUSING AUTHORIZATION

Mr. CHAFEE. Mr. President, I wish to express my strong support for the IMF/Housing/Eximbank MDB legislation we are considering. I would like to focus especially on the Housing and International Monetary Fund bills which have been the primary areas of controversy.

With regard to housing, I believe it is critical that the Congress face the issue of Federal housing assistance. We have gone too long without a housing authorization bill. The level of assistance provided in this bill may be less than some of us might have liked, or lower than the level of need. Nonetheless it is a fair compromise in view of the budget constraints we face.

Additionally, new proposals such as the rental rehabilitation and development program offer a promising approach to low-income housing assistance.

I am delighted the Senate has taken up this measure, agreeing to shape our housing assistance programs and reaffirming our commitment to provide effective housing and community development assistance.

With regard to funding for the International Monetary Fund, I believe approval of legislation increasing the U.S. contribution is critical if we are to avoid international economic crisis. Resolution of the controversy over this bill comes none too soon.

The IMF is a vital tool in dealing with the current serious financial strains and potential debt crisis. IMF assistance can help avert major economic disruption and resultant political instability.

The basis of the IMF's leverage is its power to precondition loans to borrowing nations on their agreement to make necessary economic reforms. While these economic restraints might, in the short run, mean more limited markets for U.S. exports, ultimately IMF assistance will insure that these nations, which now comprise 40 percent of our export market, can continue to be vital markets for our exports. And exports, Mr. President, mean jobs for Americans.

Some would say this bill is a bailout of the banks. I do not believe that this legislation is a bailout. While some see appeal in letting the banks pay the price for the risks they took, the price the entire Nation would pay—not only economically, but politically as well—would be far greater. Indeed that is the issue surrounding our IMF contribution: Not how much it will cost to make the contribution but how it will cost us not to make it.

Let me say too, that the banks are by no means getting a free ride. Banks are being required to maintain their financial commitments to borrowing nations as a condition of IMF assistance. For every dollar of IMF lending, the Fund has required $4 of additional bank loans. Additionally, the legislation includes substantial banking reforms intended to insure that the current problems are not repeated in the future.

Our contribution is more than just a contribution to the Fund. It is a contribution to international economic stability. And that is a contribution made very much in our own economic and political interest.

SUPPLEMENTAL APPROPRIATIONS, 1984—CONFERENCE REPORT

(By request of Mr. BYRD, the following statement was ordered to be printed in the RECORD:)

● Mr. HOLLINGS. Mr. President, I reluctantly support the conference report on the conference report on the Supplemental Appropriations Act (H.R. 3959). I certainly appreciate the efforts of our managers in obtaining the Senate approved funding to terminate the seepage basins at the Savannah River plant and to complete the acquisition of the Congaree Swamp National Monument. These were two high priority items for South Carolina that the senior Senator from South Carolina (Mr. THURMOND) and I worked together to obtain.

I want to express my personal appreciation to Senator HATFIELD for standing firm on the Savannah River item. It is beyond me why some of the House conferees objected to correcting a dangerous situation with regard to the contaminants in ground water in the Savannah River basin, but we are grateful to our distinguished chairman for standing firm. He worked things out so that the necessary and vital work can get underway, and Senator THURMOND and I will see to it that the Department of Energy supplies the required plan to obtain the committee's approval for expenditure of the funds.

Mr. President, I was not a conferee on this bill. If I had been, I would have joined Senators CHILES and DECONCINI in taking exception to the conference agreement on amendment 63. We will not have a national enforcement policy on illegal drugs until we really put someone in charge. President Reagan, and particularly Mrs. Reagan, constantly speak about the war on narcotics traffickers, but at the same time, he adamantly opposed giving the necessary authority to finally obtain overall direction in our drug control efforts. We are going to have many more renditions of "The Chemical People" on television until we get a drug czar with authority to direct our presently fragmented effort.●

Mr. HATFIELD. Mr. President, if there is no further debate, I urge adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. HATFIELD. I move to reconsider the vote by which the conference report was agreed to.

Mr. STENNIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. I ask unanimous consent that the amendments in disagreement be considered en bloc with the exception of the amendments numbered 11 and 45. Amendment No. 11 relates to veterans' benefits for the purpose of further amendment; No. 45 relates to a matter on offshore leasing off the State of Florida.

Mr. STENNIS. Mr. President, I do not have any objection myself to that, but it seems it would be well to give the membership a little further notice before proceeding. I do not know; I hear talk that there will be additional amendments.

Mr. HATFIELD. Shall we proceed with the amendments one by one?

Mr. STENNIS. Let me suggest the absence of a quorum to put the notice out on amendments.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I ask that the clerk call up the first amendment in disagreement.

The PRESIDING OFFICER. The clerk will state the first amendment in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 6 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum $40,000,000 named in two instances, in said amendment, insert in lieu in each instances *$30,000,000*

Mr. HATFIELD. I yield to Senator GARN at this time.

Mr. GARN. Mr. President, I am willing to accept No. 6 as modified in the conference. I know of no objection.

The PRESIDING OFFICER. Does the floor manager wish to make a motion to concur?

Mr. HATFIELD. Mr. President, I move that the Senate agree to the amendment of the House to the amendment of the Senate No. 6.

The PRESIDING OFFICER. Is there objection to the motion to concur?

Mr. STENNIS. No objection.

The motion was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 11 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken and inserted by said amendment, and insert:

For an additional amount for payment of expenses as authorized by the Emergency Veterans' Job Training Act of 1983 (Public Law 98-77), $75,000,000, to remain available until September 30, 1986.

Mr. HATFIELD. I yield to Senator GARN.

AMENDMENT NO. 2633

Mr. GARN. Mr. President, I move that the Senate concur in the House amendment to the amendment of the Senate numbered 11 with the following amendment which I send to the desk at this time.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Utah (Mr. GARN) proposes an amendment numbered 2633.

Mr. GARN. Mr. President, I move that further reading of the amendment be dispensed with.

Mr. BYRD. Mr. President, reserving the right to object—and I could object, which would require the reading of that entire amendment—may I ask the distinguished Senator, still reserving my right to object, is this the block of amendments that we have been hearing about and, if so, what is involved?

Mr. GARN. I would be happy to answer the distinguished minority leader's question. I was going to explain it, but it is appropriate to do it at this point.

This is the amendment that everybody has been talking about, and it is a situation where we passed the IMF bill in the Senate early this summer and expected to go to conference with the House of Representatives before the August recess. They were unwilling to appoint conferees on that particular issue, although the Senate was ready to proceed, and we were told that unless there was a housing authorization bill to go with the IMF bill, there would be no IMF conference. Therefore, there has been a series of negotiations with the administration, with the distinguished chairman of the House Banking Committee, myself, and many others to produce a housing authorization bill.

So the Senate is correct, this is a large and rather unprecedented amendment, a method of procedure that I do not like, I do not think is appropriate and wished I had not been forced into proceeding in this manner. But at this late date there are important issues. The housing authorization bill is certainly one that is important to the country, so it is a large amendment including IMF and housing and others that I will explain in more detail. I will not take the time now, but to identify it for everyone this is that combination package that has been talked about.

Mr. BYRD. Mr. President, I still reserve the right to object, and I hope the distinguished Senator will indulge what I am about to say.

Mr. GARN. I would be happy to.

Mr. BYRD. The distinguished Senator has indicated that the IMF and the housing measures are included in this amendment, and he has said "others that he will explain." I would like to know what the "others" are.

Mr. GARN. Without explaining in detail, the Eximbank authorization will also be in it, as well as the authorization for the International Development Banks.

Mr. BYRD. We have four authorizations?

Mr. GARN. There are three authorizations—for IMF, for Ex-Im, for housing—and then we have the appropriation for IMF as well.

Mr. BYRD. Mr. President, still reserving the right to object, I have to say—and this is without any denigration or aspersions with respect to the Senator from Utah or any other Senator——

Mr. GARN. May I interrupt the Senator?

Mr. BYRD. Yes.

Mr. GARN. There is one other element I neglected to announce. We have not been able to come to an agreement with the House on the Defense Production Act authorization. Therefore, an additional element in this package is a simple extension of the Defense Production Act authorization. I want the distinguished minority leader to know everything.

Mr. BYRD. I thank the distinguished Senator.

My situation is this, Mr. President. I do not want to take long in reserving my right to object, but if I do not reserve the right to object, I might just have to go ahead and object, which would cause the amendment to be read and that would take a good bit of time of the Senate, because that is quite a lengthy amendment. I do not intend to object.

I have the floor, do I not, Mr. President?

The PRESIDING OFFICER. The Senator from Utah lost the floor when he sent the amendment to the desk. Until the amendment has been read, or its reading called off, no Senator has the right to the floor.

Mr. BYRD. Mr. President, I do not want to object. I want to save the Senate's time, so I ask unanimous consent that I be permitted to speak for a brief time.

The PRESIDING OFFICER. Is there objection to the request of the minority leader? The Chair hears none, and it is so ordered.

The minority leader is recognized.

Mr. BYRD. Mr. President, this is a bad way to legislate. Again, I am not complaining about the Senator. He too has said it is a bad way, but he is a victim of circumstances.

There is one part of this package I strongly favor, and that is the housing part. As to IMF and most other items he has mentioned, I feel varying degrees of hostility or support, whichever word best applies.

This is a reprehensible way to legislate. At least five major bills have been offered as an amendment en bloc to an amendment in disagreement.

Is this a motion to strike and insert?

The PRESIDING OFFICER. It is a motion to strike and insert.

Mr. BYRD. So there could be no request for a division on the amendment. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. However, any Senator could move to strike any one or more of these various items and thus get a separate vote in that way. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. I thank the Chair.

The Senate has already passed several of these measures, I believe—IMF and what others?

Mr. GARN. It has passed them, except housing and defense production. The others have been passed by the Senate, including the appropriation for IMF.

Mr. BYRD. I just want to say for the record that I hate to swallow this kind of pill. I am going over in my mind as to whether I will offer an amendment to strike one of these measures, such as the IMF, for which I voted when it passed the Senate—but to strike it out, in protest of this procedure.

For the moment, I suggest the absence of a quorum.

QUORUM CALL

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 18 Leg.]

Byrd	Hawkins	Levin
DeConcini	Heinz	Mathias
Denton	Inouye	Proxmire
Dodd	Johnston	Riegle
Garn	Lautenberg	Stennis
Hatfield	Leahy	Wilson

The PRESIDING OFFICER. a quorum is not present.

Mr. BAKER. Mr. President, I move that the Sergeant at Arms be instructed to require the attendance of absent Senators, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee to instruct the Sergeant at Arms to require the attendance of absent Senators. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from North Carolina (Mr. EAST) is necessarily absent.

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. Glenn), and the Senator from South Carolina (Mr. HOLLINGS) are necessarily absent.

The PRESIDING OFFICER. (Mr. GORTON). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 92, nays 4, as follows:

[Rollcall Vote No. 371 Leg.]

YEAS—92

Abdnor	Garn	Mitchell
Andrews	Gorton	Moynihan
Armstrong	Grassley	Murkowski
Baker	Hart	Nickles
Baucus	Hatch	Nunn
Bentsen	Hatfield	Packwood
Biden	Hawkins	Pell
Bingaman	Hecht	Percy
Boren	Heflin	Pressler
Boschwitz	Heinz	Pryor
Bradley	Helms	Randolph
Bumpers	Huddleston	Riegle
Burdick	Humphrey	Roth
Byrd	Inouye	Rudman
Chafee	Jepsen	Sarbanes
Chiles	Johnston	Sasser
Cochran	Kassebaum	Simpson
Cohen	Kasten	Specter
D'Amato	Kennedy	Stafford
Danforth	Lautenberg	Stennis
DeConcini	Laxalt	Stevens
Denton	Leahy	Symms
Dixon	Levin	Thurmond
Dodd	Long	Tower
Dole	Lugar	Trible
Domenici	Mathias	Tsongas
Durenberger	Matsunaga	Wallop
Eagleton	Mattingly	Warner
Evans	McClure	Wilson
Exon	Melcher	Zorinsky
Ford	Metzenbaum	

NAYS—4

Goldwater	Quayle
Proxmire	Weicker

NOT VOTING—4

Cranston	Glenn
East	Hollings

So the motion was agreed to.

The PRESIDING OFFICER. With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

SUPPLEMENTAL APPROPRIATIONS, 1984—CONFERENCE REPORT

AMENDMENT NO. 2633

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah?

Mr. BYRD. Reserving the right to object, Mr. President, I do not intend to object to the request of the Senator from Utah to dispense with the reading of the amendment. That amendment would require 6 hours of reading. It was not my purpose in the beginning to object to the reading of the amendment. So I do not object to his request.

Mr. BAKER. Mr. President, is the request still pending?

The PRESIDING OFFICER. The request is still pending.

Several Senators addressed the Chair.

Mr. ARMSTRONG. Mr. President, reserving the right to object, it is not my intention to object but I would like to say a word about the parliamentary situation we find ourselves in.

Mr. BYRD. Will the Senator yield to me?

Mr. ARMSTRONG. Yes.

Mr. BYRD. Neither one of us has the right to debate this just now. We either object or do not object. I hope the Senator will not object. We will have an opportunity, once the request of the Senator from Utah is acceded to, to speak. Inasmuch as it was I who called for the live quorum, I would like to say something about the parliamentary situation.

Mr. ARMSTRONG. Since there are a number of Senators on the floor, I wonder if the Senator from Utah can withhold his request for a moment so that the minority leader might speak on the subject and I might speak on the subject.

Mr. GARN. If the minority leader will yield, since I put in the request, certainly I would expect the minority leader to be recognized first for his statement, and then I would hope I would be allowed, as manager of the bill, to make my opening statement. Then I would be happy for anyone to seek the floor. I think the minority leader deserves to be recognized first, however. I think we should let the request go through and then the minority leader would have the floor.

The PRESIDING OFFICER. Is there objection to the unanimous-con-

sent request of the Senator from Utah? Hearing none, it is so ordered.

(The text of amendment No. 2633 is printed later in today's RECORD under Amendments Submitted in Routine Morning Business.)

The PRESIDING OFFICER. The minority leader is recognized.

Mr. BYRD. Mr. President, I felt I would be neglectful in my duties to my colleagues if I did not alert them to what we were doing here. It is nothing new for the Senate to adopt an amendment to an amendment in disagreement. That has been done many times here.

In this instance, however, the amendment contains, I believe, five major bills. I suppose there are two saving graces here—at least two saving graces. Those saving graces are: First, the housing bill, which is in here, and which the administration has opposed—so that is one thing.

Second, the Senate has already acted at one time or another, I believe, the other four items. Am I correct—without losing my right to the floor?

Mr. GARN. Three out of the four have been passed by the Senate previously.

Mr. BYRD. Which item has not previously been passed by the Senate?

Mr. GARN. The International Development Bank.

Mr. BYRD. I thank the Senator.

Here is where we are, Mr. President. Because there is a sweetener in the package—namely, the housing bill—we are being asked, at the last minute, figuratively speaking, to adopt a package of five bills, three of which the Senate has already acted on, and two of which the Senate has not acted upon.

Mr. GARN. That is correct.

Mr. BYRD. One of which two I am especially supportive of, namely the housing bill.

Mr. President, I do not think this is a good way to legislate. I say again that it is perfectly proper to amend amendments in disagreement. I urge my colleagues and I apologize to them for forcing a live quorum here, but I thought I had the duty to do it so all Senators can see what we are doing.

I do not have any criticism of the Senator from Utah. I think he is a victim of circumstances here. I have no criticism of the majority manager or the ranking manager, because I think they are caught in the same situation. I doubt that they like this procedure any better than I do.

I say for the third time, it is perfectly proper to do this. The Senate from time to time will add an amendment to an amendment in disagreement. But I want my colleagues to know that we are adding a package here en bloc—five bills. It is an amendment to strike out and insert, so a Senator cannot ask for a division. A division cannot be had. The only way to get a separate vote on any one of these five bills would be to move to strike that particular measure from the amendment and the Senate could then get a separate vote on that.

I shall not do that. I have not played the part of an obstructionist in the Senate for the last 19 years out of my 26 years here. The chairman of the committee and the ranking member have worked hard and the Senator from Utah has worked hard on this.

Mr. President, I also call attention to the fact that any Senator who wished to add an amendment to this package—if we are going to to this way, I thought I should alert my colleagues to the fact that they have a right also to offer to amend this package—any Senator who wants to offer an amendment can offer it. It is a perfectly legitimate way to get a vote on your amendment. I just hope that we will not be forced on many future occasions to vote on a package of five bills in order to be supportive of one we like.

I do not like the procedure of having to vote for four measures that Senators might not like in order to get one they strongly support.

I say again to any Senator who wishes to participate in this kind of approach that he has the right to do so.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. BYRD. Yes, Mr. President.

Mr. BAKER. Mr. President, I cannot think of a single word uttered by the minority leader that I disagree with. It is an awkward and cumbersome way to legislate, but it is also right and proper. I can assure the Senator for my part that it is not going to become a practice as far as the leadership on this side is concerned. I acknowledged to the distinguished chairman of the committee and the distinguished Senator from Utah that I do not think there is any other practical way. I feel the Senator from Utah was perhaps reluctant to proceed this way but there is no other practical way. I agree with the minority leader that it is not good, but perhaps best to go along with it. I assure my colleagues on both sides of the aisle that this is not going to be habit forming.

Mr. BYRD. I thank the majority leader. I am going to give up the floor in a moment, but I want to extend my congratulations to the chairman of the committee, Mr. HATFIELD, who is an outstanding chairman, always fair and considerate, and all Members are grateful to him. And kudos also to the ranking member and an apology to the chairman of the subcommittee.

I have not yet given up the floor, but I do not intend to hold it long.

Mr. METZENBAUM. Will my colleague yield for a question?

Mr. BYRD. I yield for a question, Mr. President.

Mr. METZENBAUM. Mr. President, nobody wants to keep matters from moving forward, but it occurs to me that this package provides literally millions of dollars with respect to foreign expenditures—International Monetary Fund, IDA, I forget the third one—Eximbank, which really has to do with overseas matters. There is a little bit in there as far as housing is concerned.

I know I have heard the Senator from Michigan address himself on a number of occasions to the need to have an opportunity to include health insurance for the unemployed in some way—I think the junior Senator was speaking of disability insurance and the senior Senator was speaking of health insurance for the unemployed. I wonder whether there would not be more equity if this package had a little greater concern for people living in this country, even though I am concerned for people living throughout the world. I wonder if when the package is put together, it should not include either or both of the measures that the two Michigan Senators, with my support, have been advocating.

Mr. BYRD. Mr. President, I shall respond to the Senator, then I shall sit down. Certainly, any Senator has the right, the Senator from Michigan or any other Senator, to call up an amendment to the package and he can get a vote on it. That is my response.

Mr. GARN. Mr. President, I would like to respond to the distinguished minority leader and say that I, too, agree with everything he said about the procedures. As a matter of fact, during the quorum call and vote, I told him there was nothing he could possibly say negative or nasty about the procedure that I would not agree with. It is a terrible way to legislate and I think the minority leader knows that since I have been chairman of the Banking and HUD independent agencies, my bills have been out first, 3 years in a row. DEE HUDDLESTON and I have worked together and we have produced the first appropriations bill that has been signed. We passed the housing authorization bill out of the Senate Banking Committee a long time ago. We passed Eximbank authorization. We passed IMF.

The major portions of this bill either came out of the Senate Banking Committee last June and July or passed the Senate and the House and went to the President for signature in some cases. So this is not my idea of being the proper way to legislate. It is wrong and we should not be doing it. I point out to my colleagues that it was not the choice of either Senator PROXMIRE and I from the Banking Committee or Senator HUDDLESTON and I from the Appropriations Subcommittee to do it this way. We were ready to go to conference on IMF in July. We were

ready to go to conference on a number of these issues and the House of Representatives simply told us no, that they wanted a housing package attached to this. We started negotiating more than 6 weeks ago, negotiations that have been detailed and comprehensive and have been done at the principal level between the distinguished chairman of the House Banking Committee, Secretary Regan, myself, David Stockman, and others who were brought in on various parts of the negotiations. At no time have I liked the procedure. I made the comment it was like mating a turkey and a camel and hoping it would fly. So I cannot tell my colleagues enough that this is the wrong way to do it. But it was not the choice of this Senator or my Democratic colleagues on my committees to do it this way. It was forced on us by the House of Representatives. That is the reality of the situation. I wish it were otherwise. If I could possibly have avoided this procedure, I would have done so.

But having said that, we do have what I think is a very good package. Those negotiations resulted in some good, reasonable compromises between the House and Senate versions. I believe those who have had the opportunity to study it will find that this is a good housing package. It tracks very closely with the appropriations bill that was passed, as I said, in June, the first appropriations bill to do so. I think the compromises between the House and the Senate are reasonable. But it is important—the minority leader is correct—anyone has a right to amend my amendment, and I do expect several amendments to be offered. Some of them I may agree with and some of them I may not. But having described this tortuous 3-, 4-, 5-hour-per-day negotiations for weeks and now having agreement that the House of Representatives will accept it, that the President will sign the whole package because his people have been involved in the negotiation, housing, the whole works, without any thought of change or of veto, it is important for Senator PROXMIRE and I now to try to maintain this package intact. Once again, do not misunderstand me. That is not locking out anybody who wishes to offer an amendment but to say that we feel constrained to try and defeat those amendments even if they are good ones, because if we send this back to the House in disagreement again and they modify it, it comes back to us, we could lose everything. We could lose the housing package and, believe me, if it is separated, the minority leader is also correct that someone can make a motion to separate out one of these titles. But after 6 weeks of carefully constructing this mess we simply, if we separate it, defeat all the parts.

I do not want that to happen. I want a housing bill, too. And this is a good one. So I would hope my colleagues understand the procedure and that there is no disagreement whatsoever with the distinguished minority leader, the fine parliamentarian that he is. This is not the way to conduct the Senate's business. If I can avoid it in the future, as long as I am here, it will never be initiated by me. I will guarantee that. This procedure will never be initiated on the Senate side.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. GARN. I would be happy to yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, as ranking member of the Banking Committee, I strongly support my chairman. I think he is absolutely right about this. I rise in support of this amendment because it is an amendment that certainly is unusual—not unprecedented, as the minority leader has pointed out, but unusual. We do not like to legislate this way. Normally it is not the way we do it. However, this is legislation which simply takes three bills that have passed the Senate and two measures which have the support of the appropriate committee, the jurisdictional committee, and put them in a package which is the only way we can get them through. The House has been adamant on it. There is no way they will take and implement this bill unless there is housing attached to it. That is a fact of life. I feel very strongly, as did the majority of the Senate who voted for the IMF bill, that we ought to pass it. This is the only way we could do it. So I hope that the Senate recognizes that this is a combination of measures that has passed the Senate before or has the approval of the authorizing committee and those that have not passed the Senate, it seems to me are not really in much dispute in this body.

So I again strongly support my chairman. I think he is right on this. I think he has done a fine job of working out a compromise with the House, and this is the only way we can get this legislation enacted. I think the minority leader was absolutely 100 percent correct in calling our attention to this unusual kind of action, and I hope we do not have to repeat it.

Mr. President, I urge my colleagues to support this amendment which will, among other things:

First, authorize the United States to increase its quota to the International Monetary Fund (IMF);

Second, renew and strengthen the mandate of the Export-Import Bank; and

Third, extend and amend congressional authorization for housing and community development programs.

Portions of the bill dealing with the IMF will authorize an increase in the U.S. quota to the IMF of $5.8 billion, and also authorize appropriations of $2.7 billion in order to increase the amount of funds which the United States may lend to the IMF under the general agreement to borrow.

I support the IMF legislation because I am convinced it is vital to insure America's continued prosperity and jobs for our workers. In a recent speech, President Reagan warned that if Congress failed to pass the IMF legislation we could face, in his words, "a major disruption of the entire world trading and financial system—and economic nightmare that could plague generations to come." I agree with the President—this legislation is needed now if we are to pull the world's economy back from the abyss of financial collapse.

I also wish to emphasize that the United States is not acting alone in this rescue effort. For every dollar we are making available to the IMF, other countries together are making available a little more than $4. So we are getting lots of help from other countries in this truly cooperative effort to avert financial disaster.

There are some who will charge this bill is nothing more than a bailout for the big banks who are in trouble because of their own misjudgments and lack of prudence. I do not agree. There is a specific provision in this bill that requires the United States to oppose and vote against any funding by the IMF where the principal purpose is to allow countries to pay back imprudent loans made by the banks. The fact of the matter is that we are bailing in the big banks, not bailing them out. For every dollar the IMF lends to the debtor nations to help them through this difficult period, the international bankers are going to lend $3 or $4. Combining this with the money from other countries means the American taxpayer is going to get about 10 times as much for his money as he does on most foreign aid programs. To say then that the bankers are just being repaid by IMF for their past imprudent loans to developing countries is false.

Some argue that if these developing countries cannot repay their debt, we should let them go bankrupt. Those who advocate such a course fail to recognize that 45 percent of our exports of manufactured goods and 39 percent of our total exports are to developing countries. If they went bankrupt the effect on our country would be devastating. Hundreds of thousands of Americans would lose their jobs as our export sales dwindled. Perhaps even more important, those bankrupt developing countries would become ripe for social revolution and the influx of communism. Many of these debtor countries, such as Mexico, Brazil, and Argentina, are in Latin America. Bank-

ruptcy for them could mean economic and political chaos. We certainly do not need any more Castro-style regimes in that part of the world.

The IMF, as you know, does not loan money to countries with balance-of-payments problems without requiring them to take measures to insure the loans can be repaid. These conditions are designed to make sure that the borrowing nation puts its economic house in order. To guarantee that the IMF does not fund practices that contribute to the breakdown of our international financial and trading system we have put provisions in this legislation that will require our representative to the Fund, to seek to have practices such as export subsidies discontinued by a country before it can qualify for IMF funding.

The IMF bill also contains four provisions to reform the U.S. bank regulatory system in order to prevent our banks from making imprudent foreign loans.

In recent years many of our large banks had a capital ratio with respect to their assets of less than 4 percent. This legislation requires the bank regulating agencies to establish uniform systems for requiring banks to maintain adequate levels of capital. It does not, itself, establish a uniform level of capital adequacy but leaves that to the regulators. The Banking Committee will keep a close watch on how the regulators carry out this requirement.

Second, the bill provides that each regulatory agency shall require its banks to establish and maintain a special reserve against foreign loans that have not been repaid over a protracted period. These reserves would be maintained off the books of the bank and could not be counted as capital for supervisory, regulatory, or disclosure purposes at the bank regulatory agencies and at the Securities and Exchange Commission. Maintenance of such a special reserve by a bank would be tantamount to writing off such loans.

Third, the bill provides that each appropriate banking agency shall establish rules for accounting fees charged by banks in connection with their international loans. Under such rules any portion of a loan fee that is deemed interest income would be amortized over the effective life of the loan. Some banks have taken rescheduling fees as earnings in the quarter they are received. Thus these banks have actually shown an increase in their recorded profits after rescheduling their foreign debts, even though the quality of the loan portfolio has deteriorated.

Finally, the bill authorizes the regulatory agencies to require more frequent and complete reports from banking institutions with respect to foreign country exposure. This legislation would require such reports to be filed no fewer than four times a year, rather than semiannually as now.

These reforms will go a long way toward correcting abuses that have crept into our banking system over the last several years.

To sum up—I urge your support for the legislation to increase our IMF contribution because it is a bargain basement means of helping to safeguard U.S. economic and political interests while at the same time achieving reforms that will help prevent a reoccurrence of the now threatening debt crisis. Our economy will benefit by maintaining a viable International Monetary Fund.

Another section of this bill renews and amends the mandate of the Export-Import Bank—Eximbank.

The private sector traditionally has provided most of the financing needed by our exporters. There are occasions, however, when private sector credit is not available or is unsuitable because of contract terms, political risks, or interest rate constraints. In many instances the Exim fills a void for our exporters. It can also play a vital supplementary role by providing guarantees or insurance that serve to stimulate private credit financing of our exports.

To make sure the Bank considers the needs of all of our exporters, this bill amends the Exim charter to make it clear that service exports are to receive the same and equal treatment as the Bank gives the export of goods. I think this particular amendment is most welcome because services represent the fastest growing sector of American exports and the Bank has been somewhat in doubt about its authority to provide support for service exports.

During the consideration of this bill, I heard complaints that the Bank was not always responsive to the needs of small businesses. Therefore, we have added a provision, which requires the Bank's chairman to designate one member of the five-person board to insure that the Bank's resources are appropriately used to the maximum extent for small businesses. This provision states that it is U.S. policy to encourage the participation of small business in international commerce and directs the Bank to develop a program to make loans and provide guarantees for the export of goods and services by such businesses.

To assure that the Bank takes seriously our concerns about small business, we are requiring it to set aside 6 percent of its 1984 aggregate loan, guarantee and insurance authority, to finance exports by small business concerns. The set-aside program will increase 1 percent a year until it reaches 10 percent in fiscal year 1988.

This bill marks our resolve to stabilize the free trading system to which the members of the GATT and OECD have committed themselves. The bill will allow parties, that may be injured by foreign government subsidized imports to our country, to have access to a streamlined process under which duties can be imposed on the import that will eliminate the effect of the foreign subsidy.

It is our intention that if the Secretary of the Treasury determines that there has been a derogation of an international undertaking on official export credits, pursuant to section 650 of this bill, the liquidation process on the entry of any such goods shall not be finalized pending a final determination on the matter by the administering authority.

We intend that the Secretary exercise his discretion and impose a cash deposit on the offending merchandise because this is the most effective method to deter use of these illegal export subsidies.

Petitions filed under this provision constitute a special class of petitions filed with the Commerce Department. Congress intends to single these petitions out for special consideration because of their public importance. They are to be considered and investigated immediately and their handling should be expedited in every way so they can be brought to an accelerated conclusion.

I believe the Export-Import Bank provisions will benefit our economy and enable all segments of our export community to compete internationally, particularly small business. The export sector of our economy is vital to our prosperity in terms of jobs it provides our workers and the profit it provides our companies. This Ex-Im legislation supports our efforts to maintain a strong export sector to our economy. The provision to deter use of illegal subsidies by other countries will also help protect our domestic industry from predatory practices by other nations.

SEVERAL SENATORS addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah has the floor.

OVERVIEW OF HOUSING AND COMMUNITY DEVELOPMENT PROVISIONS

Mr. GARN. I thank the distinguished Senator from Wisconsin.

Mr. President, the housing authorization language contained in the IMF-Housing amendment is a hybrid product of extensive negotiations between the Senate and House Banking Committees and the administration. This product provides a 2-year authorization for most housing programs including housing assistance and the FHA insurance programs. Exceptions to this rule include a traditional 3-year authorization for the community development block grant and urban development action grant programs, and a 1-year authorization for the section

312 rehabilitation loan program and the Federal crime insurance program operated by Federal Emergency Management Agency.

Funding authorization for fiscal year 1984 in this housing package adhere to the same levels set in the fiscal 1984 HUD appropriations law enacted last June. Senators will recall that the appropriations bill set aside $1.5 billion of appropriations for new programs if such programs were authorized. The housing authorization language creates two new programs: a rental rehabilitation and development grant program funded at $615 million for 2 years and a housing voucher demonstration program funded at approximately $242 million. The balance of the $1.5 billion would be used to fund the current program of section 8 for existing housing certificates.

COMMUNITY AND NEIGHBORHOOD DEVELOPMENT AND CONSERVATION

Community development block grants will be reauthorized for 3 years at $3.468 billion per year. Of this total, $68.2 million will be used for the Secretary's discretionary fund for each of the 3 years.

The objective of the CDBG program, to principally benefit low- and moderate-income families, is strengthened by requiring that during a period of up to 3 years, not less than 51 percent of the funds expended must be used by a grantee to benefit low- and moderate-income persons.

Cities or urban counties losing their entitlement status because of updated census information are grandfathered for 2 fiscal years. In the instance that a newly designated entitlement city wishes to retain its status as part of an urban county program, it may do so for a period of up to 3 fiscal years. A county may qualify as an urban county between decennial census if it meets the criteria specified by the act and has verified that it has a combined population of not less than 200,000.

Urban development action grants are reauthorized for 3 fiscal years at a level of $440 million each year.

HUD is required to use unemployment data in determining UDAG eligibility for small cities. Currently eligible small cities will retain their eligibility until the criteria are revised to include unemployment statistics.

The section 312 rehabilitation loan program is extended for 1 year. New loans are permitted from repayments to the revolving fund.

Urban homesteading is reauthorized at $12 million for fiscal year 1984, and at such amounts as are appropriated for 1985.

An equitable procedure for selecting the recipients of the properties is established.

Several demonstration programs, including one using multifamily rental properties, are adopted.

HOUSING ASSISTANCE PROGRAMS

Budget authority is provided for housing assistance programs totaling $9.9 billion for fiscal year 1984, and such sums as may be appropriated for fiscal year 1985.

The section 8 new construction and substantial rehabilitation programs have been repealed, except in conjunction with the section 202 elderly housing program.

Tenants of public housing and housing assisted under section 8 would continue to pay 30 percent of their adjusted income for rent by 1986. Deductions from family income will be: $480 for each child, $400 for any elderly family, the amount of medical expenses in excess of 3 percent of annual income of an elderly family, and a deduction for child care.

A voucher demonstration program is authorized in connection with the rental rehabilitation and development program to assist families below 50 percent of median income. Public housing authorities will receive 5-year contracts from HUD to make assistance payments primarily for families residing in units assisted under the rental rehabilitation and development program. The monthly assistance payment for any family represents the amount that the payment standard for the area exceeds 30 percent of the family's monthly income. The monthly payment cannot exceed the amount that the rent exceeds 10 percent of the family's income.

The section 202 elderly housing program is authorized at a level of $666 million for fiscal year 1984. An annual interest rate of 9.25 percent on 202 loans has been statutorily set for 1 year. Prepayment or transfer of a 202 mortgage will only be allowed if the project is operated under the original contract until the maturity date.

Competitive bidding would be allowed on 202 project construction only if the rents required to operate the unit exceed 110 percent of the fair market rent applicable to such projects, if the project exceeds $2 million or if the project is not sponsored by a labor organization.

Lease and grievance procedures are established to implement an administrative procedure to advise tenants of the specific grounds of any action taken against them by a public housing agency, provide opportunity for a hearing, and require a written decision on the proposed action.

An emergency shelter program is authorized at $60 million for fiscal year 1984 to provide shelter and essential services for individuals who are subject to life threatening situations because of their lack of housing. Grants may be used to rehabilitate existing structures, maintain existing structures, pay utilities and furnish the shelters and provide health and safety measures.

A public housing child care demonstration program is established to utilize public housing facilities for the provision of day care for lower-income residents.

RENTAL HOUSING REHABILITATION AND DEVELOPMENT PROGRAM

This new program is established as a lower-cost alternative to the section 8 programs for rehabilitation and construction of rental housing. Total funding for this program may not exceed $615 million for fiscal years 1984 and 1985. Of this amount, $150 million will be available for rental rehabilitation in each fiscal year. During fiscal year 1984 up to $200 million will be available for development grants. In 1985, $115 million will be provided for development.

This program provides grants to States and localities to support the rehabilitation of privately owned rental properties for lower income families, or for new construction or substantial rehabilitation under very restricted circumstances.

Assistance for rehabilitation grants can be used only for residential rental properties located in moderate income neighborhoods where the area income is less than 80 percent of median. Grant assistance cannot exceed 50 percent of the total cost of rehabilitation, except under limited circumstances, and must be used only to make essential improvements. A maximum of $5,000 grant funds may be provided for each unit.

Development grants can only be made in areas experiencing a severe shortage of decent rental housing, as determined by the Secretary of HUD. Grant funds can only be used to develop rental properties, and assistance can not exceed 50 percent of the development cost, including acquisition. For 20 years following construction, 20 percent of the units must be available for persons of families with incomes below 80 percent of the median.

PROGRAM AMENDMENTS AND EXTENSIONS

PART A—FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS

FHA insurance programs are reauthorized for fiscal years 1984 and 1985 at an aggregate commitment level of $50.9 billion per year. Losses to the fund are covered by such sums as may be necessary.

The requirement that the FHA interest rate be set by the Secretary of HUD has been eliminated. Interest rate on FHA insured loans will be agreed upon by the borrower and the financial institution.

Properties insured under FHA may comply with one of the nationally recognized model building codes or a State or local building code based on one of the nationally recognized model building codes or their equivalent. Energy performance requirements for new construction must be at least as

effective as the requirements which were in effect on September 30, 1982.

Loan limits for manufactured homes and lots insured under title I have been increased. Manufactured homes which are not insured by FHA may be refinanced through FHA if they meet the standards established in the National Manufactured Housing Construction and Safety Standards Act of 1974.

Lending for condominium and cooperative housing is facilitated by allowing insurance on cooperative shares where the basic loan was not FHA insured. Loan limits for condominium units will be consistent with those provided in section 203(b)(2).

Single family mortgage insurance is facilitated on Indian trust land, Hawaiian homelands and Pacific Trust Territories where title cannot be conveyed.

The maximum amount a mortgage secured by a one- to four-family dwelling can be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured.

The maximum loan to value ratio for homes up to $50,000 has been charged to 97 percent of the appraised value.

A demonstration mortgage reinsurance program has been authorized to test the feasibility of entering into reinsurance contracts with private mortgage insurers in order to reduce Government risk and administrative costs and to speed mortgage processing.

Demonstration programs for alternative mortgages including ARM's, SAM's, PLAM's, are authorized.

PART B—FLOOD AND PROPERTY INSURANCE PROGRAMS

The flood insurance program has been extended for 2 fiscal years and mapping studies have been authorized at a level of $49,752,000 for fiscal year 1984 and such sums as may be necessary for the following year.

The Director of FEMA must submit a plan to Congress for bringing all the communities with flood risk zones in the emergency phase of the program into full program status by September 30, 1987. The study must be prepared by September 30, 1984.

The premium rates charged for flood insurance cannot be increased during fiscal year 1984. By June 30, 1984, the Federal Insurance Administrator must submit a report to Congress on the premium rate structure for the program and an explanation of any premium increases anticipated before October 1, 1985.

The riot reinsurance program is repealed.

The crime insurance program is extended until the close of fiscal year 1984.

PART C—REGULATORY AND OTHER PROGRAMS

The Real Estate Settlement Procedures Act has been clarified by permitting controlled business arrangements if disclosure is made. A strong antitying provision prohibits any requirement that a client use a particular settlement service provider.

The National Institute of Building Sciences is authorized to receive no more than $250,000 for fiscal year 1984, in addition to the amounts already authorized to be appropriated. The amount appropriated must be matched by donations from nongovernmental contributors to the Institute.

The solar energy and energy conservation bank has been reauthorized at $35 million for fiscal year 1984.

The weatherization program has been authorized for not less than $190 million for fiscal year 1984.

The housing counseling program has been authorized at $3.5 million for fiscal year 1984.

The research authorization for the Department of HUD is $19 million for fiscal year 1984; $2 million of this total will be used to identify current problems of public housing management and potential solutions to the problems.

Studies and reports will also be conducted on the following topics:

PROGRAMS

PART D—SECONDARY MORTGAGE MARKET PROGRAMS

The Government National Mortgage Association is authorized to enter into commitments to issue guarantees under the mortgage backed securities program for an aggregate amount of $68.25 billion for fiscal years 1984 and 1985.

RENTAL REQUIREMENTS/AGREEMENTS STATEMENT

Mr. President, the title of this legislation which establishes a rental rehabilitation and development program provides that rental requirements or agreements shall not apply to units assisted under that title unless such requirements or agreements are entered into pursuant to a State law or local ordinance of general applicability which was enacted and in effect in that jurisdiction prior to the enactment of this section and such requirements and agreements would apply generally to structures not assisted under this section.

For the sake of those cities which are covered by this grandfather provision, it is not our intention that the grandfather protection lapses if a State or local ordinance temporarily lapses while awaiting reenactment by a legislative body. Not even Congress always extends programs before deadlines have temporarily passed. This provision also prevents States or cities from applying rent controls or agreements specifically created just for projects assisted under the rental rehabilitation or development program.

We also want to make clear that the provision exempting projects in those certain jurisdictions from the rent control preemption under this program does not affect the power of HUD to preempt rent controls on projects benefiting from FHA mortgage insurance. HUD's power to preempt rent controls on FHA-insured projects, whether or not subsidized under this program, in order to protect the fiscal interest of the Federal Government would apply to projects in grandfathered jurisdictions in the same manner as to those elsewhere.

With respect to title 6 which deals with the Export-Import Bank, Mr. President, what we have worked out closely approximates the Senate version of the bill. Senate language was agreed to with only minor changes in the provisions clarifying the Bank's mandate to provide competitive financing and specifying a level of assistance for small business—the Boschwitz amendment.

The practice of mixing foreign aid moneys with officially supported export credits is a particularly unfair and pernicious practice. Yet, in recent years, our industrialized trading partners have repeatedly engaged in this practice in order to garner export contracts in less developed country markets. The compromise struck with the House creates a new mixed credit, or tied aid, program at the Export-Import Bank. This program should act as a deterrent against this unfair practice and help our trade negotiators reach agreement with our allies to end it. But it would also act, in selected cases, as a defense for U.S. exporters who are the potential losers when this practice is used. The program would be administered by the Eximbank and coordinated by NAC, the National Advisory Council, an interdepartmental group established to coordinate international economic policy. Unanimous approval of the NAC would be necessary before any mixed credit under this program could be implemented.

The legislative language makes it clear that the unanimous approval of the NAC is only necessary for mixed credit programs carried out under this particular program. Nothing in this legislation precludes the Eximbank from continuing to carry out its own mixed credit programs as it has in the past, or from derrogating from the arrangement on officially-supported export credits of the organization for economic cooperation and development under its own charter and under the implementation procedures it has used heretofore.

The midyear report requirement in the Senate bill as well as the provision effectively making the Bank subject to the rescission mechanism are also included in this compromise with a number of wording changes that clarify that such reports or requests are to be submitted by the Office of Management and Budget on behalf of the ad-

ministration and not by the Bank directly. Further, the new language clarifies that even if a proposed rescission were disapproved, the Bank would not be obligated to make available all of its funds regardless of the qualifications of the applicants for them.

One area where the compromise differs from the Senate bill is with respect to the question of the independence of the Bank's Board of Directors. Although the compromise includes the Senate language providing fixed, staggered terms for the Board members, it also includes language providing that the Board members will continue to serve at the pleasure of the President. This is a weakening of the Board independence the Senate wanted to create, but the fixed staggered terms will nonetheless provide for greater continuity of Board policy and closer, more regular oversight of Board activities by the Congress.

Another area where the compromise differs from the Senate bill is its treatment of subsidized export financing offers in the United States. Section 1912 of current law creates a mechanism whereby a U.S. company competing in the United States against a foreign subsidized financing offer can obtain a matching offer from the Eximbank. The compromise strengthens that language by requiring that the subsidized financing be a significant factor in the sale rather than a determining factor, as in present law, and by putting a 60-day time limit on the Treasury Department for making that judgment.

In addition to this provision, the compromise also contains a revised version of the Proxmire amendment, which provides an additional recourse for aggrieved American companies. The original language would have created a mechanism permitting the Government to exclude goods or services benefiting from subsidized export financing from our shores. The revised version amends the countervailing duty law to provide for an accelerated determination by the 15th day of whether or not the proposed export financing derogates from the international arrangement on export credit financing and an evaluation of the amount of that subsidy.

Subsequent to such a finding, the normal countervailing duty procedures would operate, except that in the event of suspension of liquidation, a cash deposit would be required rather than a bond. The current law's injury requirement would remain intact, although we would expect that the International Trade Commission would lend special weight to the fact that in these cases the harm done is usually irreparable, the sale having been agreed to, and to the fact that sales in the large capital goods sector are often infrequent. In my judgment, this earlier determination of whether the financing has derogated from the arrangement will be a significant deterrent to the offering of subsidized export financing by our foreign competitors.

The compromise also expresses congressional authorization for the Mexican and Brazilian facilities established by the Bank on September 30, with a proviso that such facilities are to be used for export purposes and not for balance of payments purposes. Further, the compromise reauthorizes the Bank for 3 years, instead of 2 years as proposed by the House and 6 years as proposed by the Senate.

A number of other minor provisions from both the House and Senate bill are also included in the compromise: The House provision on medium term credits, with a minor change in language, the House provision on the export of services, the Senate provisions on export trading companies, the House provision providing notification to Congress if the Bank's capital falls below 50 percent of the value of its capital at the end of fiscal 1983, the Senate provision on FCIA insurance for small exporters, the House provision reconstituting the Bank's advisory committee, without the Senate requirement that advisory committee members be permitted to attend Bank Board meetings, the House provision on nondiscriminatory insurance opportunities, the House provision authorizing appropriations for an International Trade Commission report on the impact of the Bank's activities on industries and employment in the United States—this report had been previously authorized without funding being provided for it, and a group of technical amendments proposed by the Bank to make references in the act gender-neutral. Finally, the Senate's provision raising the reporting threshold for large transactions to $250 millon has been dropped.

Mr. President, this is a good compromise between version of the legislation that were not that far apart to being with. The Senate's determination that the Bank become more competitive, more aggressive, and more independent is fully reflected in this final product. In view of the fact that the Bank apparently utilized less than one-fourth of the direct credit funds available to it in the last fiscal year, it is clear that the Bank has not yet received the message the Congress expects a more aggressive performance. This bill sends that message loud and clear.

Title 8 of the legislation provides authorization for the U.S. share of increases in two International Monetary Fund lending facilities. One is a 47-percent increase in IMF quotas, of which the U.S. share is $5.8 billion. The second is a $19 billion increase in the "General Agreement to Borrow" (GAB), of which the U.S. share is $2.6 billion.

Opponents of the increase in the IMF's resources have charged that the new funding will be used to bail out international banks that have made imprudent foreign loans. But such criticism is based on a misunderstanding of how the IMF operates. Before the IMF will loan to a country, the IMF requries the commercial banks with outstanding loans to that country to commit to continue their lending as well. Far from being a bail out for the banks, the IMF programs should be viewed as bailing in the banks.

The big advantage of including the IMF in these lending programs is that the IMF can require the borrowing countries to undertake the fundamental economic policy changes that are required to solve their balance-of-payments difficulties.

Title 8 also contains a number of significant amendments to the Bretton Woods Agreement Act. The Secretary of the Treasury is directed to work toward the adoption of policies which promote proper exchange rate alignment and stability and preclude the manipulation of exchange rates between currencies. He is also directed to work for procedures which collect and disseminate timely information on extensions of credit to public and private entities throughout the world. In addition, the Secretary would be required to give Congress 60 days notice before any IMF borrowing takes place in the U.S. credit markets. Nor, would any approval to increase allocations of special drawing rights be authorized unless the Congress is consulted 90 days prior to such action.

Title 8, further, provides a number of instructions to the U.S. Executive Director to the Fund. Among other things, the USED is instructed to work for the elimination of predatory export subsidies, for the reduction of obstacles to world trade, for market rates on IMF loans, for greater IMF review and disclosure of international lending information, and against any loans which could be considered bank bailouts.

Finally, title 8 contains an omnibus reporting requirement which requires the National Advisory Council on international monetary and financial policies to include in its annual reports to the Congress a very substantial list of analyses and information based on every amendment requiring such analyses offered in the Senate—as well as an almost equally comprehensive list from the House. For example, analyses will be prepared on questions such as whether project assistance from the Bank will establish or enhance the capacity of any country to produce a commodity in surplus on the world markets; what is the impact on the U.S. steel and copper industries of

steel and copper subsidies by nations who are borrowers from the Fund; and what progress has been made in eliminating agricultural subsidies by Fund members. A number of other important studies will be produced by the Secretaries of State, Energy, and the Treasury pursuant to the reporting requirements of this provision. I think my colleagues will agree that the bill will provide a mandate for information which will be of benefit to us and to our constituents for years to come.

Title 9 of this legislation provides: First, for strengthened supervision and regulation of international lending by the Federal bank regulatory agencies; second, for more timely and comprehensive public information on individual banks' foreign borrowing and lending; and third, for accounting procedures that will more accurately report the true results of international lending.

As the title 9 provisions are very similar in most respects to the provisions in S. 695 as reported by the Banking Committee and passed by the Senate, the report accompanying that legislation—Senate Report No. 98-122—should be referenced for a detailed explanation of the intent of the provisions in title 9.

Some proposed measures beyond those in S. 695 relating to regulation of international lending—such as requiring a rebate to the Treasury of all interest earned above a certain level—proved to be unworkable and/or counterproductive upon closer examination.

The legislative proposals which are included in title 9 meet the test of being workable. They also meet the test of having a positive impact on the overall strength of the international financial system and the test of meeting the legitimate needs of the Federal bank regulatory agencies.

In light of the transfer risk associated with foreign lending, the legislation specifically directs each of the Federal banking agencies to incorporate country exposure and transfer risk in its examination and supervision procedures as well as in its evaluations of capital adequacy, while recognizing that such factors as diversification of foreign credits clearly are important in assessing capital adequacy.

As recommended by the Federal bank regulatory agencies, title 9 creates a new category of special reserves which commercial banks would be required to set aside against foreign loans when borrowers experience a protracted inability to make debt service payments.

Protracted inability to make payments would be indicated by such factors as: First, a failure of borrowers to make full interest payments on indebtedness for a substantial time period such as 6 months or more; second, the terms of restructured indebtedness have not been met for over 1 year; third, an IMF or other suitable adjustment program has not been complied with and there is no immediate prospect for such compliance; or fourth, no definite prospects exist for the orderly restoration of debt service in the near future.

These special reserves would not apply, for example, to lending to a country where the terms of any restructuring of debt are being met, where interest payments are being made regularly, and where the borrowing country is complying with the terms of an IMF-approved stabilization program.

As an alternative to establishing special reserves, a bank would have the option to write off all or part of the loans that would be subject to special reserves and, thereby, reduce the amount of special provisions and reserve balances that otherwise would be required.

Consideration was given to requiring that these special reserves be applied to any foreign loan that was renegotiated. After much discussion, the decision was made that this would be unwise.

Domestic loans as well as foreign loans often must be renegotiated and, in both cases, the renegotiation frequently improves the quality of the loans. To impose special reserves on a loan just because it was renegotiated, thus, would not make sense.

Moreover, a prime objective of this legislation is to strengthen the international financial system, not to weaken it. Special reserves are not included in capital, as are regular loan loss reserves. As a result, whenever a bank is required to make an allocation to these special reserves, the capital position of that bank is weakened. This consideration underscores the need to limit application of special reserves to only those loans where there is a clear protracted inability to make debt service payments.

Title 9 further recognizes the importance of bank capital by granting explicit authority to the Federal banking agencies to require banks to maintain adequate levels of capital. The language in title 9 on capital adequacy is more specific than in S. 695 regarding the enforcement of capital requirements, but the intent of both versions of the capital-adequacy language is the same.

In carrying out these capital adequacy provisions, the banking agencies are expected to give banks reasonable time periods to meet any requirements for higher capital rations.

Title 9 provides specific guidelines for banks in their accounting treatment of "front-end" fees charged in connection with the restructuring of international loans. If such a fee exceeds the administrative cost of the restructuring, the excess must be amortized over the effective life of the loan. Of course, the effective life may differ from the loan's stated term.

In order to enhance the bank supervisory agencies' capacity to analyze and assess developing trends in international lending and to supervise better the banking institutions involved, the bill authorizes the agencies to require more frequent reports from banking institutions with respect to foreign country exposure. Currently, country lending reports are required on a semiannual basis, whereas this legislation would require such reports to be filed no fewer than four times a year.

The bill also directs the bank supervisory agencies to require public disclosure of information regarding material country risk exposure in relation to the assets and capital of the banking institution. Such disclosure requirements are separate from those required under SEC authority but, of course, similar information may be required by the SEC. Public disclosure will enhance marketplace discipline by providing depositors and investors with information upon which to assess the banking institutions' foreign lending. Banks will need to be prepared to defend policies leading to large and concentrated country exposure. Recognizing the relationship of disclosure to the financial and competitive condition of the bank, however, the bill grants to the three banking agencies the authority to determine the form and type of information which must be disclosed.

Section 911 clarifies the current audit authority of the General Accounting Office with respect to the activities of the Federal banking agencies. Reports prepared by the Comptroller General under this section will not disclose to the public policy proposals or nonpublic supervisory actions of foreign central banks or regulatory authorities or international organizations provided to Federal banking agencies in confidence. It is expected that the GAO's access to agency records pursuant to an authorized audit will be in such framework as will not impede or jeopardize productive discussions, negotiations and sound working relations among U.S. banking agencies and foreign agencies and institutions. This provision is not intended to modify in any way exemptions from audit as contained in the Federal Banking Agency Audit Act and all the provisions of title 31, sections 701-779 that apply to GAO audits of these agencies will continue to apply.

Finally, in light of the transfer risk associated with foreign lending which has been highlighted by the recent liquidity problems of some countries, the legislation specifically directs each of the Federal banking agencies to incorporate country exposure and trans-

fer risk in its examination of supervision procedures. It is expected that an effective system of country exposure warnings will be adopted as part of the examination process that assures these warnings are considered at the policymaking level. This system of country exposure warning should recognize that certain country exposure may be subject to greater levels of transfer risk than others, depending on domestic economic policies and conditions, as well as other factors, in a particular country. The legislation also directs the banking agencies to include considerations of country exposure and transfer risk in evaluations of capital adequacy, while recognizing that such factors as diversification of foreign credits clearly are important in assessing the amount of capital needed by an individual bank.

Mr. HATFIELD. Mr. President, this is an unusual procedure. In fact, I never would have agreed to it if it had not been for the urgency of the matter, and I would confirm the thesis as given to us today by the minority leader of the Senate. We have several hundred pages of legislation in the form of an amendment to an amendment in disagreement on a minor supplemental appropriations bill. I remind the Senate that we have had a very extraordinary record of the appropriations process functioning will for the first time in my memory. We have reported all 13 bills to the Senate. We have passed 11 of the 13 in the Senate. We have eight of them signed into law and two more on the way down to the White House to be signed into law. We have passed two continuing resolutions. We have had two previous supplementals and now this supplemental.

In this context, it is particularly disconcerting to see another appropriation bill held up for the consideration of extraneous legislation. Time and time again Senators have complained from the authorizing committees about legislative provisions in appropriation bills, and the intrusion into their jurisdiction. These complaints are often well taken. Senator STENNIS and I have worked hard together to fend off legislative provisions, but we have just as often found as we find here that we are asked to carry provisions of legislation on appropriations. We are asked, not that we have initiated. I do not believe we can have it both ways. The chairmen and the members of the authorizing committees do not want legislative provisions in appropriation bills, and I hope they will refrain from asking us on the Appropriations Committee to carry them and vote with us when we attempt to keep them out. But as I say, with the extraordinary circumstances which we face today, I want to commend the efforts of Senator GARN and Senator PROXMIRE and their counterparts on the House side for their diligence in putting this package together. I am also happy to support the administration and the IMF appropriation, and I am pleased to support the housing provision. But I am disheartened to see the appropriations process used again as a vehicle for all and sundry legislation, no matter how vital it is. But I shall support it in this particular case because of the exigencies of the time.

SEVERAL SENATORS addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, what I am about to say is in no way critical of the distinguished members of the Banking Committee or the Appropriations Committee, but it seems to me that there is an overriding issue here, despite the fact that there has been a great amount of effort, supposedly, and I believe it has been put forth in an effort to come up with a compromise.

Unfortunately, "compromise" is beginning to be the key word in passing legislation, both by the House of Representatives and the U.S. Senate. Indeed, maybe it would be well if every law we passed started out by saying, "This was not what we wanted to do, collectively or individually, but this is a compromise."

I have listened with amazement to the remarks that have just been made in this regard on the Senate floor. I have heard statements such as these: "This is a carefully constructed mess." "We don't like to legislate in this way, but we have to." "This is a terrible way to legislate, which we should not do now, and we should never do it in the future."

However, it seems that the recommendations are that we go ahead and do it.

Mr. President, I call to the attention of this great body that, supposedly, we are the most deliberative body in the world. If we study the intentions of the Founding Fathers, the U.S. Senate, by its very nature and by its procedures and by its staggered terms and by its 6-year tenure, is supposed to say, "Halt! Halt!" when the U.S. House of Representatives goes off on a tangent to which this more deliberative body is supposed to say, "No."

I suspect that many Members of this body are similarly situated to the Senator from Nebraska, and that is that there are some parts of this horrendous and horrible compromise that I might be able to support, but I am not willing to go ahead under any circumstances, nor can I vote for this proposal and will continue to oppose it if the full funding as recommended by the President, and which he is now pushing for, is part of the package. They have evidently put in some sweeteners from one place or another, put together a mess, as it has been described by one of the leading Senators involved in this compromise.

Mr. GARN. Mr. President, will the Senator yield for a correction?

I said it is a procedural mess, but substantively it is a good housing bill. I want to be quoted correctly. It is a procedural mess, turkey, anything you want to apply to it.

Mr. EXON. I thank my friend for that clarification. I think it is not only everything he says from a procedural standpoint, but also, it goes much farther than that, and we might differ.

I suppose some of the justification advanced for this is that we have to get out of here. There is no Member of this body who would rather see us adjourn, because I think it would be in the best interests of the Senate and the American public. But in our rush to get out of here for Thanksgiving and a long recess, I think we are doing a disservice to the responsibilities we have as U.S. Senators if we vote for this piece of legislation, whatever it is called; if, individually and collectively, as a majority, we cannot agree that it is good legislation.

So I simply call upon the Senate, once again, to recognize that, as badly as we would like to leave, and as much as I think we should, pushing through something that is put together in this fashion, whether it is a procedural mess or a legislative mess, is not legislation that should be passed by the U.S. Senate, either in its form, in its substance, or in the way it was handled.

SEVERAL SENATORS addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I think the Senator from Nebraska is absolutely right about the procedure we are following. The minority leader is right in criticizing the procedure we are following. The Senator from Utah, the manager of this bill, is completely correct in describing this, and I noted precisely his words, because I found them to be profoundly descriptive of our circumstance.

He said: "A terrible way to legislate." He is right about that. It is a horrible way to legislate. It is a travesty on the legislative process. Why are we doing it, then?

The Senator from Wisconsin (Mr. PROXMIRE) explained it very well. He said it is the only way we could get these bills enacted—and I think that is right—which gives us an additional reason, in my opinion, to turn down the proposed amendment.

This legislation is bad in its substance, in my opinion, and I expect to point out some shortcomings in this legislation, and I expect to propose some amendments which, if adopted, would greatly improve it.

More than that, and as a place to start, we should think seriously about the consequences of giving into our brothers in the other body on a matter such as this.

This is exactly what happened: The Senate passed an IMF bill. I did not vote for that. It was a controversial piece of legislation. But the Senate worked its will, expressed its intention to pass an increase in the IMF authorization. We sent that to the House months ago.

The House would not take it up, would not consider it, would not confer with us; just would not perform their part of the legislative process.

Instead, in a very public way, in a blatant way, in a flagrant way, they said, "Look, we're going to hold this IMF matter hostage until you get a housing bill out."

Mr. President, if we start that game on a grand scale—obviously, there has been some of that kind of practical procedure common to the legislative process, I guess, forever—but when you start rolling together issues of this consequence and then bringing them back as an amendment in disagreement, we are going a long way in the direction the Senator from Nebraska suggested, saying we did not want to do this, but everything got rolled together.

We should separate this into its component parts and consider each component part on its merits. If we fail to do so, if we just give in and vote on this package, whether it is voted up or down, it seems to me that we greatly encourage the other body to proceed in this way in the future.

So, Mr. President, I want to talk about the substance of the IMF bill first, and then it is my intention to offer an amendment.

I will also ask that the matter be divided, so that IMF will be considered separately on its merits; and then, having disposed of that, I will hope to turn to a detailed consideration of the housing bill, and I have some amendments there to offer.

Before I do so and before I yield to the Senator from Pennsylvania, who I gather would like to make a statement at this time, let me say that while I am extremely critical of the process and while I am really dismayed at the fix we find ourselves in, I nonetheless have the greatest sympathy and admiration for the role played by the Senator from Utah in all this.

He and I have been conferring about this on a daily basis for weeks, and weeks, and weeks. In fact, he prefaced a conversation a day or two ago by saying: "I am not calling you about the housing bill or IMF." He has gone the extra mile not only in dealing with me but, more important, in dealing with the other body.

This is not the procedure of his choosing. While he arrived at a different conclusion about the propriety of this project and about the substance of the legislation, I compliment him for handling this with the courtesy, with the steadiness, with the scholarship, and with the infinite patience that is in the highest tradition of the Senate and of the legislative process, and I publicly express my appreciation.

My strong appreciation is more than just a thank you. In consideration of his patience and courteous efforts, I have forgone the opportunity I would have otherwise exercised to object to the consideration of this matter, to speak against the motion to proceed on the housing bill if it had been brought up as a separate bill, to object to the waiving of the reading of this amendment when it was presented at the desk, or in some other way to use procedural tactics to delay the process.

I have done so for no other reason than his extraordinary patience and courtesy and his helpfulness to me on a lot of matters we disagree about. I am not going to try to delay this bill. I am not going to filibuster it. I believe there is a reasonable chance that on its merits it may be defeated. I expect to raise those issues as forcefully as I can. But after all he has gone through, I do not have the heart to engage in some kind of parliamentary high-jinks, delaying tactics, or filibustering, to try to avoid voting on the issue. I am ready to vote on it after everyone has taken up their amendments. I want to acknowledge publicly the role he has played.

Mr. GARN. I want to thank the Senator for stating his position as clearly as he has and to thank him for his generous comments.

Mr. ARMSTRONG. I am ready to proceed, but I see the Senator from Pennsylvania is on the floor and wishes to make an opening statement. I will yield the floor so that he can proceed, and then pick up with my amendments and my observations about this bill.

Mr. HEINZ. Mr. President, I thank the Senator from Colorado for yielding the floor.

Mr. President, what I want to say about this procedure and about the substance involved here are two very different things. I, too, have reservations about the procedure, legislatively, and I would be hard put to disagree with most of the statements which have been made about it insofar as it poses a precedent. But one point I would make to all my colleagues on the procedure is that, for all intents and purposes, it does not sacrifice the right of any Senator to modify the legislation. I would remind our colleagues that most of the elements of this amendment have been on the floor of the Senate. As the manager of two elements, the Eximbank authorization and the International Monetary Fund authorization, and as a very interested party in the housing authorization, I can testify to the fact that each of them has been on this floor not just for hours but in some cases for days. In the case of the Eximbank and the IMF, the Senate worked its entire will on both of those. We considered many amendments, including those of my friend from Colorado, and the Senate had the total opportunity to work its will.

Indeed, it seems to me that anybody who has any reservations about the IMF, or the Eximbank or the housing authorization is now getting a second bite at the apple. Substantively and procedurally, therefore, everybody's rights, so far as this Senator can determine, are being fully protected. So I would hope that no one having heard all the protestations, which I think are well taken, about the procedure believes that the procedure is either illegal or sacrifices the rights of Senators to deal with these matters.

(Mr. BOSCHWITZ assumed the chair.)

Mr. HEINZ. I do not like it that the House has put us in this procedural bind, and I intend to join Senator GARN, the minority leader, the majority leader, Senator ARMSTRONG, and all others in resisting any further use of this procedure. But I must tell my colleagues that this is not the first time that the House has taken hostages, nor is the Senate free from having taken hostages or prisoners on other occasions. There were some people who might have said that the debt ceiling was a prisoner in this past couple of weeks in an effort to get the House to move forward on reconciliation or some deficit-reduction measure. In every legislative process, prisoners are taken at every opportunity unless they are fleet of foot. There is an army after them at each and every moment.

So I do not know that I would characterize the political procedure here as anything out of the ordinary. I think any of us who have ever been privileged to chair a committee or a subcommittee knows that legislation ultimately emerges only when you have enough votes to get it to the full committee and report it from the full committee to the floor. I do not expect, therefore, that this will be the last attempt to take prisoners, but it does suggest to me that it is certainly well to be on our guard.

Mr. President, having spoken at length during the consideration of the Eximbank bill and the IMF bill when they were on the floor, I shall say nothing of them except that I support them again. I hope we enact them in this procedure, notwithstanding all our reservations about it.

I would only say that the housing authorization that Senator GARN has worked at so diligently is an excellent

compromise. It is literally true—I know, because I have tried to contact him on other matters on which he has also spent a good deal of time—he has spent 3, 4, and 5 hours a day on this compromise, and it has been going on for weeks. I do not know of any other Member of this body who has such patience and perseverance. I would be remiss if I did not compliment him and the ranking minority member, Senator PROXMIRE, as well as Senator RIEGLE and others who have played an indispensable role in getting an agreement on a housing authorization that, assuming we pass it and I hope we do, will be the first time we have enacted a housing authorization in some 3 years.

Mr. President, I want to commend the Banking Committee leadership in both Houses of Congress as well as the administration for coming to an agreement on a housing authorization bill for 1983. Those of us who care about the Federal responsibility for insuring that all Americans have decent and affordable shelter should be pleased that we are on the verge of passing the first housing authorization bill under the current administration. Those of us who serve on the respective housing subcommittees of the House and Senate Banking Committees as I do, should feel some measure of satisfaction for the contributions made toward the achievement of a consensus document.

S. 1338, the original Housing and Community Development Act of 1983, reported in May by the Senate Banking Committee, was a sound and fiscally responsible piece of legislation. It contained the seeds of the compromises reached between Congress and the administration on many of the major points of disagreement, including the level of rent contributions to be made by tenants in subsidized housing; a reasonable legislative response to HUD's administrative efforts to change the methods of calculating fair market rents for section 8 existing housing units; and protection of the existing method of allocating operating subsidies and moderization funding to public housing authorities across the country. While I have some questions about the exact nature of that protection, which I shall direct to Chairman GARN at the appropriate time, public housing management should feel reassured that Congress will be vigilant in its oversight of HUD. I fully support these and other congressional efforts to inject a measure of stability into Federal housing assistance programs for the poorest families in America.

The legislation before us today draws from S. 1338 and H.R. 1 to enact a vital new rental production program, a significant portion of which will be devoted to new construction of rental units. Since the elimination of the section 8 construction and rehabilitation programs, many of us in Congress have been struggling to devise a responsible way to help local communities meet the rising demand for affordable low- and moderate-income rental housing, an effort of special importance to States with older housing stock such as my own State of Pennsylvania.

I am also pleased that we have extended the successful Federal community development programs. I supported efforts to clarify congressional intent requiring that low-income Americans be the principal beneficiaries of the community development block grant program. The prospective improvements in the small cities portion of urban development action grant program are especially welcome. It is about time that we made the small cities UDAG program more workable, particularly for those jurisdictions suffering the severest long-term economic hardship. By adding the best available measure of unemployment in small communities, the labor surplus area designation, to the eligibility criteria for the small cities UDAG program, Congress will give nearly 2,000 of the most distressed small jurisdictions, including 200 in Pennsylvania, the opportunity to use this vital economic development tool. This is a change I sought legislatively as well as administratively in a letter to OMB Director, David Stockman, in September.

Mr. President, I am pleased to see that many provisions beneficial to elderly housing are part of the compromise bill. As chairman of the Special Committee on Aging, I have monitored closely the provisions in S. 1338 and H.R. 1 which affect the housing needs of older Americans. This bill will cap the interest rate for section 202 loans at 9.25 percent; preserve the ability of aged households to deduct excessive medical expenses from their income prior to calculating their rent share; and retain the nonprofit sponsors' option of negotiating contracts or getting competitive bids in most cases.

I have strongly supported these provisions as they provide important protections for elderly residents. I am gratified to see that $6.8 million is provided for 14,000 units of section 202 housing for the elderly and handicapped. I understand that a provision in H.R. 1 to expand the 202 program to 36,000 units beginning in 1985, offered by Representative LUNDINE, was dropped during conference. It was felt by the conferees that the proposal required further study.

Last July, I introduced similar legislation, S. 1648, to modify and consolidate current Federal programs providing housing assistance for elderly and handicapped households. At that time, I emphasized the fact that this legislation did not represent the one and only solution to the housing needs of the elderly and handicapped of this country. Also, because of the revised financing and subsidy mechanism and the inclusion of for-profit sponsors in the proposal, I stressed the need for further budgetary analysis and a public forum on the bill. Accordingly, as chairman of the Aging Committee and as a senior member of the Housing Subcommittee of the Senate Banking Committee, I plan to push for a series of hearings, beginning in February on housing for older Americans, with the first on S. 1648 and the section 202 program.

In order to prepare for this hearing and to assure that we have the most current data on the present section 202 program, the Senate Aging Committee is now conducting the first comprehensive survey of all section 202 projects across the country. The results will give Congress and elderly housing advocates a detailed picture of the current 202 population and those waiting for 202 units.

Mr. President, Federal housing programs are currently providing assistance to more than 3 million older Americans. The section 202 program is the most well known of the Federal housing programs, and preliminary results from the Aging Committee survey underscore the immense demand for this specially designed housing. Yet, less than 6 percent of all federally assisted units occupied by the elderly have been constructed under this program. The primary sources of assistance are the section 8 and public housing programs. We must examine these Federal programs and other private sector options for housing elderly families in light of the dramatic growth of America's older population. I plan to develop comprehensive elderly housing legislation in 1984.

In the community development title of this bill, Congress has also enacted the Neighborhood Development Demonstration Act, a bill I first introduced a year ago with Senator HATFIELD. Reintroduced in February 1983 with bipartisan support as S. 586, the legislation was accepted in both S. 1338 and H.R. 1. It establishes a 3-year program to demonstrate public/private partnerships for job development, small enterprise development, and community revitalization by neighborhood groups. This legislation complements recent efforts by the Ford Foundation and the Local Initiative Support Corporation (LISC) in Pittsburgh, Philadelphia, and elsewhere across the country.

Unfortunately, his package does not include another bill, S. 846, I introduced to assist unemployed homeowners avoid the tragedy of foreclosure on their homes. This legislation, I might add, was agreed to by the Senate

Banking Committee when it reported S. 1338 in May 1983. Due to objections persistently raised by the administration, the leadership in both Houses of Congress was compelled to drop any language on mortgage foreclosure assistance from the compromise package before us today.

Mr. President, I have repeatedly stated my intention to offer an amendment on mortgage foreclosure assistance to the housing bill when it reached the Senate floor. I and Senator RIEGLE, my cosponsor, have felt that we owe it to our constituencies—the unemployed factory workers in our States whose unemployment compensation is running out and whose home mortgage payments are already delinquent—to make every effort to pass foreclosure assistance legislation. Our colleagues may recall that we offered a much reduced amendment to the fiscal year 1984 HUD appropriations bill in July 1983 which was not accepted by the Senate.

Members of Congress who have followed the negotiations on this housing package know that we attempted to have included modest language allowing mortgage foreclosure assistance to be an eligible activity under the CDBG program and authorizing the Secretary of HUD to use discretionary funds to provide such assistance in areas of the country hardest hit by unemployment and high mortgage default rates—areas like the Monongahela Valley in western Pennsylvania. We were rebuffed again by colleagues, both Democratic and Republican, who did not want to jeopardize the progress of the negotiations.

Mr. President, this has been a difficult situation for me to accept. I am deeply disappointed by the fact that this legislation was never given fair consideration by the administration. And while I am, of course, extremely pleased that this Nation appears to be enjoying a steady economic recovery, I urge my colleagues to remember that there are regions of this country where hardship is as severe as ever. Unemployment and mortgage delinquency rates are not declining in areas where smokestack industries remain depressed—places like Gary, Ind., where 20 homes a week go into foreclosure and in Allegheny County where nonprofit agencies like Action Housing are running out of the means to help the steadily increasing stream of pleas for assistance.

There were nearly 500,000 home loans past due at the end of the first quarter of 1983. There were 60,000 homes already in foreclosure. That is 60,000 families—fathers, mothers, sons, and daughters—who were forced to give up their stake in the American dream.

Mr. President, I have reluctantly agreed not to offer an amendment to this housing bill. The country can no longer look to the Federal Government for quick action on this matter. I will look to the wise and responsive leadership of nonprofit organizations, of sympathetic lending institutions, of local city and county executive and judicial officials, and of legislatures in my home State of Pennsylvania and other States where mortgage foreclosure assistance legislation is pending. I will continue to urge all those in government and in the private sector to forebear on mortgage delinquencies wherever possible.

The Federal Government must continue to do what it can to help low-income Americans find decent housing; it must address the question of how this Nation intends to house its growing elderly population; it must continue to make it possible for young Americans to buy their first homes; and I would hope, Mr. President, that it will in the future fulfill a responsibility to help those hard-working Americans who through no fault of their own are temporarily out of work and who have invested their life's savings in a home.

In sum, Mr. President, as one who has been pressing since May for passage of a housing authorization bill, I am encouraged by the progress we have made in this legislation. Probably no one who has worked on the bill is completely satisfied with the results—that is the nature of compromise. Congress and the administration have more work to do on national housing policy and in my capacity as a senior member of the Senate Banking Committee I will continue to push for responsible Federal responses to the overriding housing needs of poor, elderly, and unemployed Americans.

Mr. GARN. Mr. President, I would compliment the distinguished Senator from Pennsylvania because he has spent a total of weeks and months in the IMF section of this bill and has a great interest in that portion of it. He is chairman of the International Finance Subcommittee of the Banking Committee. I wish to thank him for all his work in that area, without which we would not have passed the IMF bill in the first place earlier in the summer.

I see Senator DODD is about to seek recognition. Rather than interrupt again, I would like to thank him and Ed Silverman of his staff for the very important role they played and their help on the housing section of this bill. We appreciate that very much.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I join with my other colleagues on this side of the aisle. This is not a memorial service for JAKE GARN, but a lot of us feel that without his perseverance, we would not be at this particular juncture. He has done a remarkable job in holding a negotiating process together, which is a very difficult thing to do. This process has been maligned significantly here this afternoon. I would just like to make a couple of points on the procedure.

We do not operate like the textbooks told us we were going to operate. This is not the first time and it will not be the last time. It is not a particularly attractive sight, the tools that have been used over and over, and the two things people should not witness in production, the production of sausage and laws, which certainly applies to this particular effort from a procedural standpoint. I want to emphasize this does occur and it has over our long history. I presume it will again. Enough said on that.

With regard to the issue of compromise, I have heard a number of people rise and say compromise is somehow an ugly word in all of this. How else do we accomplish anything short of compromise? You take strong people with strong views who work hard on issues, and if you have any hope at all of moving forward in vital areas, whether it be international monetary policy or export policy or certainly something as important to all of us as housing, it takes compromise. That is, in fact, the definition of politics, in effect, the art of compromise. For those who have suggested that this is not a worthwhile way to proceed, I would again strongly commend the efforts of the Senator from Utah, the Senator from Wisconsin, Senator PROXMIRE, and Senator RIEGLE, who I think have worked tremendously hard and long to see that we arrive at the point we are.

As the Senator from Utah, JAKE GARN, has pointed out, the chairman of our committee, the housing section of this is something I have a particularly strong interest in. I think we have done a good job. It is not everything I wanted. He knows that. I would have wanted more, frankly, in this area, but I think it is an excellent, excellent beginning.

Overall, I would consider it, frankly, as part of this whole package, the most important aspect of the legislation we have moved forward on. It is a modest new initiative contained in title III to establish a program of rental housing rehabilitation and development grants.

On the bill itself, I can only say that the proposal before us represents a compromise of some very divergent views in this country. Everyone was forced to make some concessions. I am sure that we will all feel there are some positive and negative aspects to the package as it is before us.

But the bottom line, as viewed by this Senator, is a positive one. We have reauthorized and improved targeting of community development progams, which is essential for our cities.

Important changes have been accomplished in our assisted and insured housing programs, an extremely important effort. Most significantly, we are addressing the major void in rental housing policies by reestablishing and properly defining the Federal role with respect to rehabilitation and development of rental housing for low- and moderate-income people in this country. This is the first time in 2½ years we have been able to do something in this area. While it is not everything I wanted, I think it is a very important feature of this legislation.

On this latter issue, Mr. President, I want to signal my endorsement of the proposed rehab and development grant program. This program responds to the general need and incorporates major portions of legislation I introduced over 2 years ago with Representative CHARLES SCHUMER of New York. Over the next 18 months, $600 million will be available to States and localities for block grants for moderate rehab or targeted discretionary grants for the development of modest affordable rental housing. Like prior programs in this regard, the Federal program is not committing resources over an extended time. It is not assuming the total risk. These are highly leveraged initiatives and in many aspects are structured in a similar manner to the very successful community development block grant and urban development action grants program of years past.

Assistance under either allocation mechanism is highly targeted to both individuals and areas with objectively measured needs.

Finally, the practice not only emphasizes leveraging of Federal funds but in addition requires the most prudent use of these limited resources.

THE MULTILATERAL DEVELOPMENT BANK REPLENISHMENTS

Mr. President, I rise today to support provisions of this amendment which authorize U.S. participation in the proposed replenishments of three key multilateral development institutions—the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund. The Committee on Foreign Relations held hearings on these requests and, after careful review, recommended that the Senate give it favorable consideration. The House has already acted favorably on similar legislation.

Little needs to be said with respect to the African Development Fund replenishment request, as the Senate considered an identical request during the last Congress and passed legislation without objection. It is only because the House failed to act on the bill before the Congress adjourned that we have once again been asked to consider it. In fact, subject to favorable action on the authorization bill, Congress has already approved appropriations of $50 million in fiscal year 1983 as the first installment, in the $150 million 3-year replenishment.

The replenishments of the Inter-American Development Bank's (IDB) ordinary capital account and its concessional loan window—the Fund for Special Operations (FSO), together with the replenishments of the ordinary capital of the Asian Development Bank (ADB) and its concessional affiliate, the Asian Development Fund (ADF), are the first multilateral development bank (MDB) replenishments negotiated by the Reagan administration and submitted to the Congress for its approval. As I am sure all of my colleagues know, the Reagan administration came into office highly skeptical of the utility of continued U.S. participation in these institutions. However, after an exhaustive review by the Department of the Treasury, the administration was forced to conclude in the comprehensive report of its findings, "U.S. Participation in the Multilateral Development Banks in the 1980's," that "the MDB's * * * have been most effective in contributing to the achievement of our global economic and financial objectives."

It might be useful to take a look at some of the factors which I am sure helped to convince the Reagan administration that continued support of the MDB's would be in the economic and foreign policy interest of the United States. First, the MDB's activities have proved to be significant in stimulating overall investment and fostering economic growth in the developing world. In the case of the IDB for example, the $22 billion of loans made in the course of its 23 years of operation have served as the catalyst for investments totaling $85 billion in Latin America.

The MDB's have been able to provide significant amounts of financial assistance to developing countries in a cost-effective manner. The proposed replenishments continue that practice. In the case of the ADB, for example, as little as $13 million in U.S. appropriations annually would enable the ADB to make loans totaling $12 billion over the next 5 years. Similarly in the case of the IDB, annual U.S. appropriations of only $145 million will contribute to a $14 billion loan program during 1983-86. Given the tight budgets which most countries face today, these institutions enable us to maximize U.S. assistance to developing countries, friendly to us and our allies, at the least possible cost to the Treasury and the U.S. taxpayer. In fact, if one analyzes the annual cost of U.S. participation in these proposed replenishments, one discovers that it is only slightly more than $338 million, and represents a 15-percent reduction from current U.S. commitments to the MDB's.

Continued U.S. participation in the MDB's, the primary development institutions serving their respective regions, helps to meet important U.S. foreign policy goals. The IDB, for example, is the primary source of official assistance for the nations of the Caribbean region—a region which the President felt was so important to our national security and foreign policy interests that it warranted extraordinary assistance from the United States in the form of the Caribbean Basin Initiative. Similarly, the President's recent trip to the Asian and Pacific region emphasizes the importance the U.S. accords in foreign policy terms to the region which depends on the ADB for funds and technical assistance to meet its economic development objectives.

In countries where poverty is at the root of revolutionary fervor; eliminating hunger, eradicating disease, and providing jobs for people are the soundest methods of fostering political stability. In this regard, the MDB's have a proven track record of successfully reaching out to the poorest peoples of these countries, making day-to-day existence more tolerable and fostering a spark of optimism about tomorrow. Not only do our contributions improve the material conditions of people in these regions, and foster good will regionally and internationally, but it also serves to thwart propaganda efforts by those who would seek to portray us as concerned only with winning the political victories of propping up right-wing dictators, and not with improving the lives of the vast majority of people who live there. For these reasons I believe that our firm support for the MDB's is necessary and wise.

In conclusion, Mr. President, I believe that continued support for the multilateral development banks makes sound economic and foreign policy sense, as these institutions complement our bilateral efforts as well as the efforts of the IMF in fostering a stable and growing international economy. U.S. national security interests continue to benefit from our participation. Therefore, I urge my colleagues to give their endorsement to these replenishment requests.

In conclusion, Mr. President, I want to also acknowledge the contributions, as I have, of Senator TOWER of Texas, of Senator PROXMIRE, the ranking minority member of our Banking Committee, and Senator RIEGLE, of Michigan, for their work in getting this legislation to this point, and for their accommodations to this particular Senator for several provisions in addition to those I have just highlighted in these remarks.

Again, Mr. President, let me associate myself, if I may, with the remarks of my minority leader, the Senator

from West Virginia, at the outset of this discussion. He appropriately points out that this is not the best way to run a railroad. But we are in that awkward position, as we have been in the past and I presume before I leave this body we will be in again. It is advisable for us to avoid it but when we cannot, when we have important measures before us, we have to go forward this way if we are going to get things done. So I commend again the chairman of the committee for his work.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, if the Senator from New Jersey wishes me to withhold for a couple of minutes, I will do so.

Mr. LAUTENBERG. I appreciate my colleague's yielding.

Mr. President, I will not take much of the Senate's time now, but I want to briefly express my thanks to those with whom I have worked on this legislation regarding housing. I commend the chairman of the Banking Committee, without whose cooperation we would not be approving this housing bill today. I also thank the ranking minority member, Senator PROXMIRE, and the ranking minority member of the Housing Subcommittee, Senator RIEGLE, for their work in accomplishing what was a difficult compromise.

In my work on this bill as a member of the Housing Subcommittee, I found the leadership of the committee and their staff to be cooperative and sensitive to the needs of my State. While there are elements of the bill I supported in the committee which are not included in this bill, many of the issues of importance to New Jersey have been addressed. I am pleased to have been able to play a part in their resolution.

There is a crying need for new construction and rehabilitation of rental housing in New Jersey. I want to commend the Senator from Connecticut Senator DODD, for his authorship and his participation in the development of this legislation.

Community development block grants and urban development action grants extended under this title for 3 years are of vital importance to communities in my State. Low- and moderate-income citizens will be served well by this bill and local housing conditions and circumstances will be addressed, as well as housing for the elderly and support for public housing operations.

While the procedure is one that I continue to learn about here, and it may be faulty, I do strongly support this housing bill.

Mr. President, I rise in support of this amendment to provide authorizations for the Nation's housing and community development programs. With the possible exception of general revenue sharing, no legislation has been of more interest to local governments in New Jersey. Nor is any legislation more important for local economic development than the passage of this housing and community development bill.

Communities throughout New Jersey rely heavily on community development block grants and urban development action grants to provide jobs and a healthy living environment. The need for additional housing in New Jersey is critical, particularly for those of low and moderate income. With vacancy rates well below the national average in many of our cities, there is a crying need for new rental construction in New Jersey.

Mr. President, several provisions of this bill are especially important to me. They are:

A 3-year authorization for community development block grants which means in excess of $100 million in funds to New Jersey communities.

Reauthorization of the UDAG program which brought $80 million to New Jersey last year.

Protection of those communities who due to population loss or other changes in formula allocation were in danger of losing their CDBG entitlement status. In New Jersey the affected communities include Hoboken and Hudson County, Asbury Park, Sayreville, Long Branch, Parsippany-Troy Hills, and Bloomfield.

Creation of a new rental rehabilitation and construction program at $615 million over 2 years to produce and repair rental housing.

Increases the allowable percentage of community development block grant funds which can be used for social services from the present 10 percent to 15 percent and also allows those communities which utilized a higher than a 15-percent level in fiscal year 1983—excluding funds under the jobs bill passed earlier this year—to maintain a higher than 15-percent level of social service funding.

Continuation of the urban crime insurance program which has been used to insure against residential and commercial loss due to urban crime in New Jersey and throughout the Nation.

Provision of 14,000 units of section 202 housing for the elderly and handicapped, which brought over $20 million to New Jersey in fiscal year 1983 and produced 406 much-needed units.

Coverage of necessary rent increases in State-insured section 236 and 235 housing under the rental assistance and rent supplement programs. Ninety percent of these rent increases will be covered under this bill to preserve this housing for existing tenants.

Mr. President, one of the principal controversies in the Banking Committee during consideration of housing legislation this year was whether the Federal Government should preempt local rent control laws as a precondition to receiving Federal assistance to rehabilitate or construct rental housing. I firmly resisted this on the basis of the strong tradition of home rule in New Jersey. I was also very concerned that denying local jurisdictions the flexibility to maintain their current practices might well lead to the tragic displacement of low- and moderate-income people. This bill will not adversely affect current practices in New Jersey. The bill includes a grandfather provision sought by me in committee to insure that existing local ordinances would not be overridden.

This legislation is the product of difficult negotiations. It represents a rather painful compromise. This is not the bill I would have written if it was left to me to write it. Nevertheless, the bill is the first housing authorization bill approved by the Congress in several years. It gives much needed direction and assistance to our Nation's housing policy. I urge its adoption.

Mr. ARMSTRONG. Mr. President, depending on who you listen to, this IMF provision is the cornerstone of a sound economic policy which will set the stage not only for international monetary stability but for the restoration of the kind of growth and prosperity in this country and abroad that we all long for. It will lead to a reduction of unemployment, better relations between countries, an upsurge of trade. Or, if you listen to other sources, it is nothing less than a bailout of the big banks, an egregious affront not only to the financial well-being of our country but in fact it is a ripoff.

I suppose the truth is somewhere in between. My own feeling is that this is not so much as a bank bailout but it is a bank bail-in. If we pass this IMF section, we are not bailing the banks out of these bad loans; we are encouraging them to take themselves even deeper into the hole that they are in.

I am not going to talk about the jobs argument or the financial stability argument. Frankly, I just do not think the case has been made. If we could buy economic prosperity for $8 billion, I would say let us buy a double load and authorize $16 billion. I just do not believe it. I do not think that case has been persuasively made, so I am not disposed to deal with it at any length at this point. I do want to look at some of the banking issues involved, because I am honestly convinced, as are many of the most thoughtful observers, including many bankers, including leading economists and others, that by passing this IMF legislation in its present form, we are likely to make the situation worse rather than better.

Far from fostering reform, we are likely to retard reform.

The problem for the United States is that many of our major banks are already vulnerable because they now hold a large amount of questionable loans to Brazil, Mexico, and other Third World countries. Normally, these loans would be rated nonperforming and the banks would have to write them down.

This process would be painful to some of the financial institutions involved. It would mean that the banks would bear some costs, the same kinds of costs that banks ordinarily bear when they make nonperforming loans. If you or I fall behind on a loan to our neighborhood banker, it is rated as nonperforming and at a very early time, it is written down on the books of the bank.

I do not see that, from a banking standpoint, from the standpoint of sound financial practice, it is wise to permit these extraordinarily large, infinitely larger loans to be treated in a different way.

It would be costly for the banks to follow that normal business practice. It would not be, in my opinion, nor the opinion of many others—officials who have served in the highest positions of our Government, like former Treasury Secretaries, people who have headed large banks like the former chairman of the Chase Manhattan Bank, economists like Paul Craig Roberts, Milton Friedman, and others—it would not be catastrophic.

It would be painful, but it would be the best medicine. But there would be a cost.

Borrowers would also have to bear a portion of the cost. They would have to begin to perform on these loans if they are going to continue to enjoy access to capital markets, thus would have every incentive to take the steps necessary to improve security positions of their banks. For example, they might be called upon to put up some collateral or to expand the equity position of their creditors in the enterprises or to agree that subsequent debt disputes might be arbitrated in U.S. courts. Neither the banks nor the creditor nations nor creditor entities would be happy with this kind of development, but I say to my colleagues in the Senate, these are not good loans and it does not matter—that is to say, some of them are not. Of course, some are. But the loans that have gotten us into a jam are not performing loans and whether we call them something else, the notion of increasing the IMF authority so we can extend more money to countries who are not performing on their loans so they can perform in part, is really, when you boil it down to its simplest essence, a very flawed idea.

In fact, I guess I would have to report to you that out our way, it seems like kind of a foolish idea. Why would we want to pump out more money in order to get just a part of it back? That is what this whole rescheduling idea is all about.

The notion behind this IMF increase is that, somehow, we can avoid the hard choices. The IMF arranges for new funding that permits debtor nations to continue servicing existing loans and we play a game of "let's pretend there is no crisis" when we all know there is a crisis. I do not think that is to the benefit of the banks, nor to the benefit of debtor nations, either.

The debtor nations do not benefit, either. Political leaders and the various creditors are encouraged to defer any hard adjustment decisions. Instead, they negotiate with the IMF to determine what minimum conditions must be met. Since these burdens will be allocated politically, we can be sure that they will fall on the less politically powerful groups.

So, Mr. President, we have a "bail-in" provision, instead of bailing anybody out. We are not bailing out the debtors, not bailing out the banks, we are instead postponing the day of reckoning and hinting or implying there will not have to be a day of reckoning; maybe we can just postpone the whole problem.

How did the IMF get into such a delicate situation? Originally, the IMF was intended to handle short-term currency fluctuations associated with fixed exchange rates. External events could create currency shortages which would require formal Government action to alleviate and that might take time: Thus the IMF was created to provide short-term bridging liquidity. When floating exchange rates were introduced in 1973, this rationale for the IMF vanished. IMF lending in such circumstances would only impede the normal adjustments of exchange rates and encourage nations to interfere—to "dirty" the float.

However, another rationale for the IMF operation was found. The IMF would play the expert credit assessor-credit advisor role. When nations got into trouble the IMF would intervene, determine a plan to restore its economic health and then monitor the nation's adherence to the plan. To make acceptance of these, at times, rather harsh plans more palatable, the IMF would itself lend funds. This lending role was though to be the "spoonful of sugar" to help the medicine go down.

In some cases, Mr. President, I think it has worked out in that way.

There are also problems with this approach, the most serious of which is that the IMF's lending authority would be in conflict with its credit assessment role. In this role, the IMF is to determine whether the prospects for loan repayment justify banks to lend more. As a lender, however, IMF wants to keep the loan cycle churning. Banks may then decide to lend to the debtor nation not because they believe IMF's credit assessment, but because they believe the IMF has gotten itself into the same boat and therefore would not let the boat sink.

That is the argument we have heard over and over in private, that we are so deep in this thing that we cannot pull the plug. Mr. President, I do not believe we are in that kind of crisis, but I think we could be going in that direction. There are some places where the loans could become so large that there will not be any solution, there will not be any way out through normal banking practices. We are not in that situation at this point.

Mr. President, I think it is a mistake for us to enact this legislation. However, I must say that I am impressed by the prestige and sincerity of those who are advocationg its passage. I am not so sure that I would be willing on my own recognizance to urge the Senate to turn down this legislation, just to say that because the idea does not seem sound to me, I would want to buck the influential and the thoughtful persons who are backing this legislation. It so happens that there are as many and perhaps more of the most thoughtful and the best informed experts on this subject who agree with the position I have just outlined than there are who say we ought to go ahead and pass this. I wish to quote briefly from a letter from Dr. Milton Freedman, the Nobel Prize-winning economist, who, on September 23, wrote to our colleague, Representative CLARENCE LONG, who is the chairman of the Subcommittee on Foreign Operations of the Committee on Appropriations which has jurisdiction over this matter.

By the way, Mr. LONG told me yesterday that he is very much opposed to the passage of this proposal. Here is what Dr. Friedman wrote:

> I write to express my opposition to the proposed increase in the IMF quota on which your subcommittee is holding hearings.
>
> The IMF was founded to preside over the system of fixed exchange rates established by Bretton Woods. Its power to make loans was created to facilitate that function, not to enable it to become a central bank, or a lender of last resort, or a savior for banks that have made bad loans.

Dr. Friedman goes on at some length. I do not intend to quote the letter in its entirety. I shall, in a minute, send it to the desk and ask that it be printed in full. Let me read the conclusion Dr. Friedman reaches.

> In consequence, I strongly oppose any increase in the IMF quota.

I send this letter to the desk and ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOOVER INSTITUTION ON WAR, REVOLUTION AND PEACE,
Stanford, Calif., September 23, 1983.

Hon. CLARENCE LONG,
Chairman, Subcommittee on Foreign Operations of the Committee on Appropriations, House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CLARENCE LONG: I write to express my opposition to the proposed increase in the IMF quota on which your subcommittee is holding hearings.

The IMF was founded to preside over the system of fixed exchange rates established by Bretton Woods. Its power to make loans was created to facilitate that function, not to enable it to become a central bank, or a lender of last resort, or a savior for banks that have made bad loans.

The IMF's initial function disappeared with the breakdown of the Bretton Woods system and the emergence of a system of floating exchange rates. In all logic, its life should have been terminated simultaneously with the end of the Bretton Woods system. However, international bureaucratic organizations neither die nor fade away. And ever since, the International Monetary Fund has been in search of a new function, in the process encroaching on the territory of the World Bank, and apparently envisaging its future as a central bank for the world.

National central banks that have sought to stave off financial collapse by shoring up borrowers who face default in order to help lenders have not succeeded. Instead, the result has often been the postponement of relatively minor adjustments until a major collapse cannot be avoided. That was certainly true in the United States in the 1930s.

Commercial banks that have made loans should be held responsible for them, making what adjustments are necessary, organizing whatever refinancing is appropriate, and bearing whatever losses occur. The Federal Reserve System has ample power to prevent any losses that do occur from endangering our domestic monetary structure. The central banks of other countries have similar powers. We do not need an international central bank on top of the national ones.

The borrowing countries that are in the greatest difficulty are mostly countries that have used loans to finance current account deficits rather than to finance productive capital investment. They have been able to do so largely because the loans were to governments, not to individuals. The availability of such loans has stengthened the ability of governments to control economic activity. In doing so, they have distorted and suppressed market forces. Additional loans to governments, this time by an international governmental agency, will simply add to the problem. However serious the difficulties of the borrowing countries, their people will not benefit by encouraging their governments to continue the very policy of excessive centralized control of economic activity that has been the major obstacle to development.

The International Monetary Fund may be able to play a constructive role by providing information about the economic conditions of various countries and by serving a role in fostering cooperation among the banks and the countries. It does not need any increase in its funds for this purpose, and certainly from the long-run point of view, our objective should be to reduce the size and scale of the IMF, not to expand it.

In consequence, I strongly oppose any increase in the IMF quota.

Sincerely yours,

MILTON FRIEDMAN,
Senior Research Fellow.

P.S.—It is a long time since we communicated as economists. The profession misses you.

Mr. ARMSTRONG. Mr. President, I am also going to ask unanimous consent that we print in the RECORD at this point an article from Forbes magazine of May 9. It contains some very interesting observations. It is a thoughtful analysis of what the alternatives are; in other words, what happens if we do not approve this IMF quota increase.

I am not going to quote at length, but I would like to call the attention of the Members to the comments of George Champion, former chairman of Chase Manhattan, who refused when he was chairman to lend to any foreign or government-owned entity.

Mr. Champion agrees with Dr. Friedman and Paul Craig Roberts and others that banks should be made to bite the bullet and that, in the long run, that is better for them as well as for our country and the debtor nation.

He says:

It [would] mean cutting down on the published earnings of the banks very materially, and that is what they [bankers] object to.

He goes on to talk about the pros and cons of it, but he makes it clear that, from his perspective, having headed one of the largest international banking organizations in the world, this IMF legislation is not well advised.

Mr. President, I send the Forbes article to the desk and ask unanimous consent that it be printed in full at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WRITE DOWN LOANS? PERISH THE THOUGHT

(By Howard Banks)

As we all have been told in numbing detail, the international loan mess is about to be papered over with a $32 billion increase in the funds available to the International Monetary Fund. At least $8.4 billion, and probably more, of the IMF quota increase—a 47.5% boost in the fund's lendable deposits—will come from the U.S. However you cut the situation, it's another taxpayer bailout of other people's mistakes.

The Reagan Administration strongly supports the quota increase for the IMF, the vast credit cooperative created by the 1944 Bretton Woods agreement to help its 146 member nations when they have balance of payments problems. The Reagan Administration fears that the more than half-trillion-dollar debt overhang of non-OPEC Third World countries might stall any chance of domestic economic recovery. Hence its eagerness to help the IMF.

Without IMF aid, many Third World countries will not be able to meet even the interest payments on their monumental debt, and those debts would have to be written down in American banks' books. That means the banks would be less able to lend to American industry and business in order to fuel the nascent domestic recovery. And Third World countries would be unable to keep up even a minimal level of importing, which would further dampen business in America.

Goodness knows, the exposure of the major U.S. banks is nothing to sneeze at: Manufacturers Hanover has close to $7 billion lent out to the less developed countries (245% of equity); Chase Manhattan, $6 billion (220%); and Citicorp, $9.8 billion (200%). The nation's ten largest banks have an average of 170% of their equity lent to the Third World. It's a scary situation, but it isn't reflected in bank earnings or balance sheets. The reason it isn't reflected is that even where interest payments are late, the loans are not being classified—as would be the case with domestic loans. Where no cash interest is forthcoming, the banks simply tack unpaid interest onto principal that isn't being repaid either. Thus U.S. bank revenue and profitability look better than reality might suggest (see Forbes, Apr. 11).

Bankers' interest in maintaining that none of the Third World debts is bad coincides with the Reagan Administration's desire to maintain lending, particularly to Latin America, whose political stability is vital to the U.S. Moreover, the IMF can do what the U.S. government cannot do: force the debtor governments to adopt less irresponsible fiscal policies.

There are two questions involved: Is it necessary to avoid default at any cost? And, is it right to ask the taxpayers to bail out bankers' bad loans? For those who think the answer to both questions is "no," there is an alternative course of action. Paul Craig Roberts, until recently an assistant secretary at the Treasury, explains: "The alternative to an IMF bailout is not default, but a partial writedown of some of the loans" to a more rational and realistic value in the banks' books. The effect on bank profits would be sharp, of course. But so it should be, says George Champion, the respected retired chairman of Chase Manhattan, who refused point-blank to allow the Chase in his day to lend to any foreign government or government-owned entity. Champion agrees with Roberts that the banks should be made to bite the bullet. Champion says: "It [would] mean cutting down on the published earnings of the banks very materially, and that is what they [bankers] object to. It would mean that a lot of those fellows who have been getting big bonuses would be without them." What about the bankers' jobs? "Some of them should get the sack, no question. Management has to be held accountable."

Not surprisingly, bankers now in charge do not agree. "That's unfair," says George Clark, a senior vice president at Citicorp. "We may still be showing these loans at full value and not writing them off against revenues. But look at our stock prices. Our multiples are at 5 to 6 times earnings. I'm feeling considerable pain through my stock options."

No one is suggesting there should be any suicidal change in banks' accounting policies. "It has to be realistically handled over a number of years," says Champion. What he has in mind is for banks to write down all nonperforming loans using 50 percent of their pretax profits, creating each year an extra quarter percentage point of reserves.

"They are going to show enormous first quarter earnings," he says. "It's a terrific opportunity to start."

Those who support the take-the-writedown argument claim that a writedown of the face value of the loans on the lenders' books would immediately reduce the debt of the borrowing nation, while also reducing its interest burden. The developing nation's economy could then work at returning to health with its finances in more realistic order. There would be those developing-country governments undoubtedly, that would see in the apparently reduced debt burden an opportunity for more borrowing. But would any bank be foolish enough to lend to them? The market is attentive, as witness the fact that the Philadelphia National Bank, which has never lent to developing countries, can borrow in the money market cheaper than most banks in the U.S.

There is (see box, p. 59) a sharp contrast between the U.S. banks' behavior and that of West German banks with large suspect loans to Eastern Europe and Latin America. There are difficulties in making direct comparisons between such different tax and accounting systems as they affect banks, warns Citicorp's Clark. Even so, he acknowledges that the impression is broadly correct.

There is a measure of hypocrisy in the U.S. banks' public stance that none of their Third World loans is going to stay bad. In their credit policies they are behaving far more cautiously. At first, banks took fairly narrow spreads on loans to developing countries (LCDs), particularly where there were other opportunities for business, such as setting up a local offshoot. But now, spreads and fees have been jacked up. Take the recent emergency $5 billion loan to Mexico, organized under IMF pressure (and on top of a $3 billion IMF facility). The banks are charging 2¼ points over the London interbank offered rate (the base rate of the Euro dollar market) and massive fees—said in all to exceed $600 million. Even though no actual money changes hands, these fees appear on the good side of the banks' income statements.

"I think it's outrageous," says Champion of these practices. "If collected at all, these fees should be paid over the life of the loan. If the loan is paid, then take your profit." Indeed, that is one of several, mostly cosmetic, changes now being proposed by the Comptroller of the Currency as part of a move to fend off a still small but growing pressure in Congress against bailing out the banks.

The liquidity crisis in the Third World came to a head for the U.S. last summer (Forbes, Oct. 11, 1982), when falling oil prices and declining demand meant that Mexico could not meet its repayment schedule. It then became painfully clear that the developing countries, especially those not members of OPEC, had built up vast levels of debt to the West, debt that they were quite unable to cope with without help.

The Administration's response was to shift suddenly from skepticism to enthusiasm for the IMF solution, even though it threatens credit distortions by giving the banks an implied guarantee on foreign loans. The motives were commendable, the thinking muddled, because until then the Administration had remained true to its principles and had argued for trusting the free market rather than for an IMF solution.

If the market is trusted, there seems little chance that a default by a country would today produce more than a quick scare for the markets and fat losses for the banks concerned. But the losses have, in reality, already occurred. Some observers, like Representative Jerry Lewis (R-Calif.), a member of the House Appropriations Committee, even suggest that—as a lesson to all—it might be worthwhile foreclosing on some debtor nation that has behaved in an impossible way. The Central African Republic, for example, which spent money from international loans to hold a coronation for its short-lived emperor, as its bloodstained former dictator styled himself.

Fantasize a little. Suppose that a group of young officers in, say, Argentina, raised their hands in "Heil, Peron" salutes, announced a coup and stridently defaulted on that country's billions of international debt. What would happen? A media crisis, a couple of banks or so in bankruptcy, lots of money poured in from central banks. And after this useful if costly lesson? Give it a year or so, and those young officers, older and wiser, would beg to be allowed to rejoin the international fold. And, as happened time and again in the 19th century—a better model for what is now happening than the 1930s—they would repay all those once-defaulted debts.

It was John Maynard Keynes, writing about the 1931 crisis in money values, who saw the flaw in bankers' armor most clearly. Keynes wrote: "Lifelong practices [to maintain appearances and to profess a conventional respectability] make [bankers] the most romantic and the least realistic of men. It is so much their stock in trade that their position not be questioned, that they do not even question it themselves until it is too late." That's why voices like George Champion's are worth listening to when he declares that "management has to be held accountable."

Mr. PERCY. Mr. President, will the Senator yield for a question?

Mr. ARMSTRONG. I am very happy to yield to the distinguished chairman of the Foreign Relations Committee.

Mr. PERCY. I have a very high regard for George Champion. I served on the Chase board with him for 15 years, and he is one of the great bankers that we have had. He has occasionally differed in philosophy with me, with David Rockefeller, chairman of the board. But at some point before the distinguished Senator offers an amendment, Mr. President, I ask unanimous consent to have 3 or 4 minutes to state any views on this bill. Regrettably, I cannot come back to the floor for a couple of hours, unless it is necessary. I would be happy to have my remarks not interrupt the continuity at all of the distinguished Senator's remarks, which are eloquent but a somewhat different point of view than I see on this issue.

Mr. ARMSTRONG. Mr. President, if it is the desire of the Senator from Illinois that I yield to him so that he may make his statement and fulfill his other obligations——

Mr. PERCY. Without the Senator losing his right to retain the floor.

Mr. ARMSTRONG [continuing]. Under those conditions I would be very pleased to do so.

Mr. PERCY. I thank my distinguished colleague very much, indeed.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Mr. PERCY. Mr. President, we have before us today a vitally important legislative package. This package includes housing, Export-Import Bank, International Monetary Fund, and multilateral development bank legislation.

There is a common thread which holds the contents of this package together, American workers will be helped by each of the four pieces of legislation contained here. Our unemployment will be reduced. Our economic recovery will be furthered. In the judgment of the President of the United States, particularly with respect to the International Monetary Fund, by our taking positive action as he has strongly recommended, we could help ward off what might become a worldwide depression if we have a catastrophic failure or bankrupty by country after country if they cannot be at this time of world recession assisted and helped.

The chairman of the Banking Committee has addressed in detail the housing and Export-Import Bank portions of this legislation. I want to confine my remarks to the International Monetary Fund and Multilateral Development Banks.

The Senate has already acted on the IMF authorization legislation. What Members have before them today represents the carefully worked out compromise between the House and Senate authorization bills. I need not rehearse in detail for my colleagues the reasons why action by Congress on this legislation is absolutely necessary. Though we will provide only about 20 percent of the additional resources for the IMF, other countries are awaiting our lead before fulfilling their pledges.

At a time of continuing global recession we must not abstain from fulfilling our role as the leader of the free world. Only the Soviet Union gains from economic disruption in the Third World. The IMF plays an important role in avoiding such disruption.

But we must be candid. Not just our leadership is at stake here; our self interest is caught up as well in the fate of the IMF legislation. As I said, President Reagan has made this clear. Restoring the health of the U.S. economy depends heavily on reviving U.S. exports. But our exports require foreign markets and those markets are being adversely affected by the global recession.

To cite only one example, according to the U.S. Department of Treasury:

U.S. exports to Brazil fell steeply in the first half of 1983 following moderate declines in 1981 and 1982. The U.S. exported only $1.22 billion January-June, 1983, 30 percent lower than the level of $1.76 billion for the first half of 1982.

The IMF is absolutely critical to the economic recovery of Brazil and other major markets for U.S. exports.

This is not an abstract issue for this Senator. Last year Illinois companies exported over $360 million in goods and services, representing over 10,000 agricultural and manufacturing jobs in our State, to 9 countries on the IMF troubled country list.

Illinois needs the IMF and the IMF in turn needs access to increased resources.

That could be said by many, many Senators. Every Senator that is from a State that depends upon export for jobs would be adversely affected if we do not act wisely and properly in accordance with the request of the President in this regard.

Let me now turn to the multilateral development bank legislation.

The legislation before us provides for replenishments for the African Development Fund, the Inter-American Development Bank, and the Asian Development Bank.

The Senate Foreign Relations Committee received testimony last winter from Secretary of the Treasury Donald Regan that—

> The (Multilateral Development Banks) MDBs are proven effective instruments for promoting economic growth and development and our participation in the MDBs represents a significant part of both present and projected U.S. foreign assistance.

The multilateral banks are the largest official source of external capital for the lesser developed countries (LDC's). Furthermore, multilateral development bank lending is an important catalyst in generating other resources. The U.S. tax dollar, in short, goes far.

The statistics speak for themselves. For every one dollar the U.S. contributes to the Multilateral Development Banks other members contribute $3. These banks in turn borrow on the capital markets generating additional lendable resources. For example, for every dollar the United States contributes to the World Bank, the Bank lends over $60.

Let me conclude by saying I am sure that some of my colleagues may have problems with certain elements of this package. I do not approve of every single feature of what is, after all, a substantial document. I do believe on balance that the package serves our national interests. I urge its passage.

I wish to thank my distinguished colleague very much, indeed, for his thoughtfulness in yielding at this time, and to express my tremendous respect for his tenacity, his determination, and the perspective from which he causes the Senate to look at a great many of these issues. So many times in the past we sort of passed over lightly and let them go without very, very close examination. He is forcing the Senate to take a good hard look at these matters, in addition to the growing concern I have along with my distinguished colleague about the national debt and what we are going to do about it. It has given us all cause for thoughtful concern—how we face up to this issue. The question, "What are we going to do about it?" that he puts to us I feel very deeply is put to me as a Senator from the State of Illinois, and I intend to do something about it. I will try in every way I possibly can to further the objective of our distinguished and respected colleague.

Mr. ARMSTRONG. Mr. President, I want to acknowledge my tremendous appreciation to my friend from Illinois for his generous, indeed, his flattering comments about my participation, which are far more generous than I deserve.

I am especially conscious of the task I am undertaking here today because we are on opposite sides, and his statement and his interest in passing this IMF bill give me pause because I know he is an authority on this matter and has provided admirable leadership. It pains me to be at cross purposes with him in this matter. I am sorry that fate has cast us in this role and I truly hope it will not often be so.

Mr. PERCY. If we differ on some issues, let me just give a report at this time on one issue where we stood side by side, the fact that we have $147 billion in debts owed the U.S. Government, $43 billion in deficits in default and we ought to do something about it. We worked together on legislation that gave the power to the Federal Government and this administration, when it was refused by the last administration and the last Congress, Senate and House, to even consider it. We grasped onto it. It is now law. And without raising taxes, $4 billion of new money will come to the Federal Treasury reducing our deficit by that amount simply by giving five additional powers to the Federal Government to go out and collect our debts.

I thank my distinguished colleague for the support he gave to me in the legislation I offered in that regard.

Mr. ARMSTRONG. Mr. President, on the contrary. We are all indebted to the Senator from Illinois for his leadership on that, and I just hope he has some more ideas like that because we sure need to save some money.

Mr. RIEGLE. Will the Senator yield so that I might address something to the Senator from Illinois before he leaves the floor, related to what he just said?

Mr. ARMSTRONG. Of course, I will be happy to yield.

Mr. RIEGLE. I want to address one question to the Senator from Illinois. We are proposing here to spend billions of dollars overseas through a variety of devices. Like the Senator, I think it may be necessary that we do it, although I do not like it, and I am troubled about it. But by the same token, we are doing very little for people in this country. I may be offering later an amendment to provide health insurance for unemployed workers in the Senator's State, in mine, and in the rest of the 50 States. I am wondering, in light of the fact that I listened to his appeal on the need to spend literally tens of billions of dollars abroad, if we are going to be able to use the same logic to defend spending a tiny fraction of that for health insurance for unemployed workers in Illinois and in Michigan and other States, and if the Senator will be prepared to support such an amendment as part of the package of responses to crises at home as well as abroad.

Mr. PERCY. I am conversant with this legislation and sympathetic with his compassion for the unemployed. Illinois is only exceeded by a few States—West Virginia, Michigan—in unemployment level. We have a very high unemployment level. But what would be the cost of this new entitlement program in the first year, the second year, the third year, and the fourth year?

Mr. RIEGLE. Yes. I can tell the Senator that I can lay that out in detail. But first the Senator should know that we have worked out on a bipartisan basis an agreed-upon package where there will be adjustments in the tax laws to provide the funding, the full cost of this program, so that this program will not have an effect upon the deficit.

That has been worked out with Senator DOLE in the Finance Committee and other Members on the Senator's side of the aisle, Senator QUAYLE, Senator HEINZ and others, so that we have an authentic bipartisan package which is self-financing from a budget point of view.

So I would hope this would be something that the Senator could support.

I wish to say, frankly, we are at a point here where I do not think we can have appeals from the Foreign Relations Committee to be sending tens of billions of dollars out of this country and at the same time an unwillingness to respond to urgent human problems at home. I think it is hypocrisy of the worst form, and I would hope that the Senator would feel that he could support an initiative like that as long as we are responding here to emergency problems. I might further say that my amendment could not create an entitlement.

Mr. PERCY. Mr. President, I shall briefly respond. First, the Senator could not possibly vote for a bill that I do not know the cost of, and I am glad to hear we will get the details later. I could not find out what the costs of this new entitlement program was the last time we were called upon to vote.

There is the practical problem we face, and I turn to the distinguished manager of the bill and chairman of the Banking Committee for a reply on this: What we are faced with is the package here. The package has been agreed to by the House of Representatives. We either buy this package now and take it and do it, or we begin throwing people out of work in Illinois, Michigan, and all over the country if we fail to come through with this package.

From a practical standpoint, I have all kinds of amendments I would wish to add on to this bill and get through before we adjourn. But I know if I add them on there, I am going to sink the bill, the package goes down, and we are going to end up, as the saying goes so frequently, shooting ourselves in the foot, or doing something like that, because we have not adopted the practical approach, which is about the only approach left to us.

Mr. ARMSTRONG. Mr. President, will the Senator yield?

Mr. RIEGLE. Mr. President, let me say, if I may——

Mr. GARN. Could I respond?

Mr. RIEGLE. I wish to answer the specific questions the Senator raised.

The Dole figure is $900 million for the first year and $900 million for the second year, and it is only a 2-year program. It ends at that point. It is not an entitlement, and the funding is provided for and it is done on a bipartisan basis.

Let me go further to say this: Yes, it is a package but that does not prevent me or anyone else from asking for individual votes on items of this package. I think if we are not going to get a response on other issues, we may just find ourselves voting on pieces of this package and one piece perhaps we should vote on is the IMF and let us find out how much support we have.

This, the health insurance for the unemployed bill, has passed the House of Representatives. I have heard people in this Chamber on both sides of the aisle from the industrial States come in here and cry crocodile tears about the unemployment problem and yet do nothing to respond to it.

So I would just say to the Senator I would urge him and others similarly situated to think about it because if we are not going to be able to respond to urgent needs here at home, we just may find ourselves having to vote on this issue not as a package but on its separate parts. We could then find out how much support there is for IMF, if all we are going to do is respond to foreign problems and not respond to problems right in our own back yard.

Mr. ARMSTRONG. Mr. President, will the Senator yield?

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. RIEGLE. I thank the Senator for yielding.

Mr. GARN. Mr. President, I respond to the Senator from Illinois, and I will not repeat the great length of talk at the beginning of this bill about how the package was arrived at.

But the Senator from Illinois is correct. I am sorry I do not like closed things of this type, as I said earlier, but I will say to my distinguished colleague from Michigan that there are three parties to this agreement. I will be very blunt about it. There is no doubt that if you were successful in passing this, I would expect the House of Representatives would probably accept it. It would not be a killer as far as they are concerned. It would be with the administration.

So any time we look at any of the parts of this, there is the Senate, the House of Representatives, and the administration.

Particularly dangerous is if we split this, if we separate it, any of the major parts are taken out and IMF is the most vulnerable, I am very well aware of that. If IMF is on a separate vote and defeated, there is no package. Housing fails, Eximbank fails, the whole package fails. If housing comes out separately, you lose IMF. They are all interrelated.

So, I am just trying to explain that there are three parties that agreed to this process. You irritate any one of them and it pulls a piece of it out.

I do not like to be in the role. I will just repeat so everyone understands. There will be some amendments that will be offered today that I will personally agree with and some I will disagree with.

I wish to reiterate again that Senator PROXMIRE and I determined so we are not picking and choosing and entering our own substantive opinions on these, that whatever the amendments are without prejudice to the substance we will move to table those amendments in attempting to keep this whole package. I want a housing bill.

When we talk about we should recognize that in this package, although there is money for IMF, there is more than double the amount of money in this package for domestic programs. There is the housing and the other programs compared. It is about $16 billion to about $8.6 billion. It is in the domestic area.

But I again am speaking procedurally. I am certainly not going to debate the Senator from Michigan on the merits or demerits.

There is a very serious problem in his State particularly. I am well aware of that. And I just want him to know that I am speaking procedurally in my attempt to keep this together and not talking for or against individual amendments on their merits.

Mr. RIEGLE. Mr. President, if the Senator will yield just briefly for one additional comment, and I appreciate him doing so, as a matter of record in the negotiations we have had on the health insurance for the unemployed with the administration, we have been given assurance by Stockman that if the funding is provided for in this, if the funding source is provided to pay for the health insurance for the unemployed, and it is within the scaled-down scope that we have agreed to on a bipartisan basis, that is acceptable to the administration. I want that known because I do not want the Senator from Utah or anyone else to be under a misapprehension about that. We do not have a veto threat hanging over this matter because we are way past that point on this issue.

So there may be other reasons to oppose it, but that is not one of them.

Mr. GARN. Mr. President, let me say with all of my negotiations I have gone through with we did not negotiate health insurance for the unemployed. So I cannot speak about those negotiations. I am attempting procedurally to keep a package together.

I apologize to the Senator from Colorado. He continues to get interrupted, but with his usual kindness and courtesy he lets all of us speak. I yield the floor.

Mr. RIEGLE. He has been very gracious, and I thank the Senator.

Mr. ARMSTRONG. Mr. President, there is a general consensus in the Chamber that interruptions have been the better part of my speech thus far. So I am glad to yield.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ARMSTRONG. I appreciate that, Mr. President.

I have been asked to yield to the Senator from Iowa and I will do that, and then I think rather than yielding further if it would be agreeable I would like to complete my statement and offer my amendment. I will not be very long, but in order to accommodate the schedule of the Senator from Iowa, I am pleased to yield to him.

Mr. GRASSLEY. I thank the Senator from Colorado for yielding.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I wish to say to my good friend, the Senator from Michigan, that as I heard him speak for the last 10 minutes in various exchanges, it seems as though he is voicing those concerns of my constituents. I am not sure that my constituents would agree that health insurance for the unemployed is as important a new program to establish as he feels it is. But everywhere I go in my State, every letter I read, there is no constituency for giving away $8.4 billion to the IMF. In every instance where someone is moaning about not having enough money for this or that domestic pro-

gram, there is generally the proposition brought up: "How can you Senators or you people in Washington be appropriating money for overseas ventures, and to foreign lands without taking care of our needs at home?" In this case, we are asked to increase funds for the IMF, which my constituents probably consider even a more irresponsible donation of funds than foreign aid in general.

So I hope that all of my colleagues who heard what Senator Riegle had to say understand that he reflects views expressed to me at the grassroots of every constituency in this country.

I rise once again in strong opposition to the passage of this IMF quota increase. As I have spoken at great length during previous debates on this subject, I am not going to belabor the debate at this point.

The quota increase, as the Senator just indicated, has picked up some additional baggage of late, and that is the housing authorization bill. I find the procedure by which we are going forth here as troublesome as the substance of the legislation we are considering.

If Congress does not feel the IMF quota increase can pass on its own merits, which the proponents of the other body must believe, surely that speaks for the desirability of the bill. While I, too, am troubled by the Congress inability to adopt the housing authorization, it is most inappropriate to consider these measures as a package deal. I suggest to my colleagues that each bill should be considered on its merits and not as a result of some political threat.

It is my understanding progress has been made in improving the provisions of the housing authorization bill. And I want to applaud those efforts. However, I am greatly disturbed by the lack of debate on the housing measure. Instead, it is being used as the vehicle to provide a fast track for passage of the IMF quota increase. I cannot vote for this ill-conceived package tied up with a ribbon of red ink.

It is paradoxical to be considering a quota increase for the International Monetary Fund at the same time we are considering efforts to reduce the deficit by increased taxes and by spending restraints. We would be authorizing additional spending to aid banks and foreign nations, and asking the American taxpayers to make greater sacrifices to do so.

The American public is not fooled by claims that the quota increase will cost nothing. The Federal Government has no money in its coffers, we all know. And that should be self-evident by the fact the Senate just increased the debt ceiling, and will likely adopt the conference report shortly.

What a record we will be taking back to the American people. In less than 24 hours we will have increased both the debt ceiling and the U.S. contributions to the International Monetary Fund. That is not a message that I will carry back to Iowans with pride. I would only hope more of my colleagues would reflect the views of their constituents and join me in opposing this quota increase.

I yield back now to the Senator from Colorado and thank him very much for his help.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ARMSTRONG. Mr. President, I wish that every Senator could hear the statement just made by the Senator from Iowa.

Last night, in this Chamber, we had extensive debate and a fair amount of hand wringing over the enormous deficits which are facing this country. Speaker after speaker talked, and properly so, about their concern for the awesome size of the deficits projected for this country, about what it portends in terms of rising inflation if we let such deficits occur, rising interest rates, rising unemployment, economic stagnation, snuffing out of the recovery, how we are holding the economic future hostage to these deficits and how intolerable this is. And today we are right back considering not one but two enormous spending measures wrapped together as an amendment to an amendment in disagreement to a supplemental appropriation bill.

Mr. President, I would like to pick up where I left off a few minutes ago and complete my statement and then offer an amendment rather than yield further, because I have really held the floor longer than I intended and longer than I really wished to.

Senators may recall that a few moments ago I was pointing out that, while I have certain concerns about this IMF legislation, I would be reluctant to oppose at length the adoption of this bill if it were only my own opinion. I have already put in the RECORD the observation of Dr. Milton Friedman, who is opposed to this bill, and an article from Forbes magazine which quotes, among others, Paul Craig Roberts and George Champion, the former chairman of the Chase Manhattan Bank.

I would now like to call attention of Senators to the testimony of James D. Davidson, chairman of the National Taxpayers Union. I am not going to quote this in detail, but I would just like to quote a summary of the points and then send the fuller discussion by Mr. Davidson to the desk to be printed in the RECORD.

He says:

The IMF does not need the assistance of American taxpayers to raise cash. It has three ready sources of funds:

(a) It could borrow directly in capital markets;

(b) It could sell some of the $23.5 billion in sovereign loans it currently holds;

(c) It could raise cash by selling some of its $50 billion horde of gold.

Mr. President, I ask unanimous consent that the summary of testimony by Mr. Davidson be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:,

SUMMARY OF TESTIMONY ON IMF QUOTA INCREASE

(By James D. Davidson)

I. Proponents of additional resources for the IMF have been consistently over-optimistic in their projections. On the other hand, the National Taxpayers Union has warned since 1977 that the mounting debts of Third World and Iron Curtain countries would not be repaid.

II. The Reagan Administration is following in the Carter Administration's footsteps by taking the path of least resistance in recommending yet another giant infusion of taxpayer funds to subsidize and preserve the current relationships in international finance.

III. The IMF does not need the assistance of American taxpayers to raise cash. It has three ready sources of funds:

(a) It could borrow directly in capital markets;

(b) It could sell some of the $23.5 billion in sovereign loans it currently holds;

(c) It could raise cash by selling some of its $50 billion horde of gold.

IV. One of the reasons the IMF does not care to sell its gold is that this would tend to drive down the price of gold, and thus be a setback to the government of South Africa. The IMF has recently lent yet another $1.1 billion to South Africa. In essence, this money went to help the South Africans maintain their gold price support program. Do U.S. taxpayers want to pull $8.4 billion out of an empty pocket just to avoid disrupting South Africa's mining subsidies?

V. Quite apart from the question of how the money is raised, there is a question as to whether the IMF needs cash at all. The extra money will only be used to bail out imprudent commercial banks and their customers among Third World and Iron Curtain governments.

VI. The IMF does (or could) serve a vital function in helping borrowing countries accept politically unpopular changes in economic policies.

VII. The IMF's certification function not only does not require it to have cash, it is probably done better without cash. By adopting a "lender of last resort" role, the IMF has encouraged commercial banks to lend more money in support of governments with inefficient policies than they would have done in the alternative. As a result, there are probably more barriers to trade than there would have been if the IMF and other agencies had not effectively "guaranteed" loans to countries with anticompetitive policies.

VIII. There is a direct contradiction between the IMF's role as a certifying agency, passing on the credit worthiness of borrowers, and its role as a lender of last resort, seeking to keep the international banking system solvent. As its role as a lender grows, the IMF is constantly put in the position of shoveling out cash to solve emergencies in nations which have failed to live up to their terms under previous stand-by agreements. One recent internal IMF study showed that

more than two-thirds of the stand-by agreements scrutinized were failures.

IX. The contradiction between the IMF's two roles is bound to grow as borrowing nations ignore the terms of their rescue packages with increasing impunity. For example, Mexico is now broadly ignoring many of the terms of its recent rescue package. When this leads to yet another crisis, the IMF will have to choose. Either it will be a bailout agency, or it will maintain the credibility of its agreement by not stepping in.

X. If the IMF prefers to be a lender of last resort, as its current quest for cash implies, the resulting devaluation of its certifying function will lead to a deterioration of world economic policy, reduced lending on a commercial basis, and an increased burden upon taxpayers in western countries as yet more official flows are sought to bail out banks and their cash poor customers.

XI. The best way for the IMF to serve a positive role in resolving world financial difficulties is for it to serve as a monitoring agency only.

XII. A crisis brought on by too much lending will not be solved by more lending.

XIII. The history of sovereign lending clearly shows that repayment and default are determined by geo-political factors and not by "objective" economic conditions.

(a) Many nations, such as Germany in 1933, repudiated debts after their economic position had improved relative to an earlier period.

(b) Shifts in military power, and even the basing of forces tend to precipitate default, as in the case of Venezuela's repudiation of British debt in 1902.

XIV. There are already reports of attempts to form a debtors' cartel. Such a cartel would present the U.S. government with a choice of tolerating gigantic and disruptive losses to the economy or employing U.S. military force as a collection agency for banks at home and abroad.

XV. At a time when the U.S. budget deficit is running well out of hand, it is not only economically but politically inadvisable to borrow $8.4 billion so that Congress can lavish the savings from domestic budget cuts on CitiBank and the Argentine dictators.

Conclusion: The IMF increase is bad public policy. It is unnecessary, even on the grounds supposed by its proponents. It would subsidize a few at the expense of many, making matters worse, not better.

Mr. ARMSTRONG. Mr. President, in the Wall Street Journal on September 27 of this year, Lindley H. Clark, Jr., a distinguished and thoughtful journalist, wrote an article under the headline "The IMF Helps To Make the Debt Problems Worse."

This discussion of the role of the IMF in international finance is worthy of the attention not only of every Senator but of all who may read the RECORD of this proceeding.

Also, from the Wall Street Journal, Paul Craig Roberts' article, entitled "The Banks' Friends Have Put Them Over a Barrel."

In this very perceptive commentary, Mr. Robert makes some points about how we got into this mess and his ideas about how we ought to get out.

Mr. President, I ask unanimous consent that both of these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Sept. 27, 1983]

THE IMF HELPS TO MAKE THE DEBT PROBLEMS WORSE

(By Lindley H. Clark, Jr.)

With only the best of intentions, the international Monetary Fund is working hard to make the international debt problems worse.

That's a conclusion reached last week by the Shadow Open Market Committee in New York. Three committee members, Karl Brunner of the University of Rochester, Allan H. Meltzer of Carnegie-Mellon University and Anna Schwartz of the National Bureau of Economic Research, expressed similar views later in the week at a Washington conference sponsored by the Taxpayers Foundation.

The conclusion may sound somewhat harsh. Developing countries have been running into major liquidity problems in the past couple of years, and the IMF has been struggling to straighten things out.

Many factors contributed to the problems. The second oil-price shock in 1979 led many industrial countries, including the U.S. to adopt more restrictive financial policies. One result has been economic stagnation and reduced markets for the exports of developing nations. Higher oil prices, of course, raised the import costs of non-oil developing countries too.

Stagnant economies and increased oil conservation cut oil demand, subsequently producing price weakness and causing new problems for an oil producer such as Mexico. To some extent, the developing nations were victims of factors not really within their control.

And to some extent they shot themselves in the foot.

"Latin America became addicted to fast economic growth over the past two decades," says Richard S. Smith of Norwest Bank of Minneapolis. "Domestic policies to promote this growth resulted in rapidly growing current account deficits. These growing deficits, in turn, were increasingly financed by an international banking community with a growing need for new asset sources."

The problems weren't limited to Latin America, but that's where the bulk of them were. "Many of these countries clearly overborrowed their ability to make debt service payments," says an analysis by the consulting firm of Data Resources Inc. "The response of the commercial banks in the industrialized countries was to recoil from international lending."

The International Monetary Fund couldn't begin to cope with this situation on is own; it didn't have the resources. So when it began to try to sort matters out, one aim was to keep the commercial banks lending. How to do that? Well, the IMF assumed the answer was "conditionality," a very stiff set of rules for the economic policy makers in the debtor countries. Once the banks saw that the debtors were mending their ways, they would be willing to go on lending.

That's the point where the Shadow Committee begins to have trouble. The committee's role primarily is as an outside critic of the Federal Reserve and since Fed Chairman Paul Volcker has been heavily involved in debt matters, the Shadow group is too.

"The International Monetary Fund urges debtor countries to adopt policies that—however sensible or successful when applied to a single small country—make little sense when applied to several relatively large debtors simultaneously," the Shadow Committee said last week in a statement. "These policies, requiring reductions in imports and expansion of exports by all the debtor countries, are mistaken.

"They fail to recognize that problems of the principal debtor countries are interrelated and related to the United States and the world economy. Each country's effort to reduce imports and expand exports forces contraction on others. The effect is a contractionary policy made more severe by growing import restrictions in the United States and Western Europe."

The Shadow group also strongly opposes an $8.4 billion increase in the U.S. contribution to the IMF, and increase separately approved by both houses of Congress but still awaiting final approval.

The House approved the increase by only a six-vote margin, and it's easy to see why some lawmakers are a little leery of the legislation. In our democracy, legislators grow enthusiastic mainly about measures that stir some enthusiasm among their constituents, and the IMF quota increase clearly does nothing of the sort.

A Harris Poll sponsored by the National Taxpayers Union showed that 77% of the 1,287 respondents opposed the quota increase.

The Shadow Committee, however, does not oppose the idea of giving the Monetary Fund more resources. What it opposes is giving the fund those resources in perpetuity. "The international debt problem," the group said, "requires a temporary (self-liquidating), not a permanent, increase in the lending capacity of the International Monetary Fund."

The idea would be to require some sort of sunset provision. The U.S. funds would not necessarily be withdrawn when the time elapsed, but the matter would be considered anew. The IMF has shown itself capable of switching to new tasks when its old ones dwindle; that doesn't mean that it shouldn't switch, but not the decision should not be left to an international bureaucracy.

When the IMF was set up at the Bretton Woods conference in 1944, the idea was that the fund was to tide countries over temporary imbalances in a fixed-exchange-rate system. Fixed rates fell apart in the early 1970s, but not the IMF. Amid flexible rates, the IMF is as busy as ever.

While temporary credit is needed from the IMF and the banks, the long-term solution will come only through expanded trade. That may mean that conditionality for some countries will have to be relaxed. If the developing nations are to gear up for exports, they will have to have, as the General Agreement on Tariffs and Trade says in its latest analysis of trade problems, "some minimum import capacity necessary for a stable functioning and continued growth of the debtor economies."

The debtor countries have to have increased opportunities for trade. That requires the creditor countries, such as the U.S., to open their markets to the goods of the developing nations. The GATT statement estimates that "30% to 40% of the oil-importing countries exports are under some kind of restraint in the markets of the creditor countries."

When the debtor countries admit imports, they acquire the goods and materials needed by export industries. Moreover, they take away the artificial prop for the import

substitute industries that often function inefficiently.

None of this is to suggest that international institutions such as the IMF should stop monitoring the policies of the debtor countries. Much of the problem results from inefficient use by debtors of the resources that flowed into their economies in recent years.

It's obvious that for some time to come the IMF will have to keep an eye on the current accounts of the debtor nations. However, as the GATT statement says, "it would be self-defeating if it were an exclusive focus of policy. The priority policy concern should be with the general economic performance of the indebted countries, the main determinate of which is . . . the functioning of competition and the price system."

Brazil, Mexico, Argentina and other debtor countries have large real resources. Their problems are partly of their own making and are partly the work of others. Lasting solutions may be delayed, not advanced, by a permanent rise in IMF quotas.

THE BANKS' FRIENDS HAVE PUT THEM OVER A BARREL

(By Paul Craig Roberts)

While the International Monetary Fund and the banks worry about the reluctance of Rep. Clarence Long's Subcommittee on Foreign Operations to appropriate the U.S. government's $8.4 billion share of increased IMF funding, more worrisome developments are occurring in the world debt situation. Indeed, the dynamics of the debt problem seem to be breaking out of the solution designed to contain it. Even before Ronald Reagan can pry the money loose from Congress, it has become clear that it is not enough. To help stem the breach, the Export-Import Bank has promised Mexico and Brazil $2 billion to finance their imports, thus freeing more of these countries' export earnings for debt service.

But it is not just a money problem. The political dynamics seem headed in unpromising directions. Before it is all over the banks may wish that they had written off the worst of the loans, stretched out the remainder and reported less profits. And the IMF may wish that it had not risked its reputation by undertaking a role larger than its resources.

One of the most worrisome developments is the changing attitude of debtor countries toward their debts. When the IMF, the Exchange Stabilization Fund of the U.S. Treasury, the Bank for International Settlements and other governmental entities intervened in the relationship between debtors and their private creditors, the psychology of the situation changed. The involvement of such prestigious third parties allowed debtors to cease viewing their debts as private contractural obligations and to begin seeing them as something subject to politics and international diplomacy. The political dynamics opened opportunities for countries to turn their debts into wealth transfers. Regardless of their own integrity, debtor governments can find themselves set on this course by pressure from their political oppositions calling for debt repudiation.

Such calls rise in pitch when the IMF's involvement results in the application of austere economic policies to the economies of the debtor countries. It can be potent politics for an opposition to claim that a sitting government is throwing its own people out of work to pay back U.S. banks.

Some of the debtors are already politically unstable and antagonistic toward the U.S. and the IMF. In Argentina suspicions reached such heights that the head of the central bank was recently accused of compromising his country's sovereignty in debt renegotiations and was detained by court order. Similar developments may occur elsewhere. The Mexican finance minister has already warned that the IMF imposed austerity program is not sustainable. The recessionary effects are proving to be too much even for Mexico's strong one-party political system. The austerity package for Brazil requires workers to accept the erosion of their real wages by inflation—a condition that seems even less sustainable.

The IMF's participation in a world-wide debt bailout reflects that institution's admirable spirit of concern. But as a consequence its image is taking an unfair beating, especially in South America where it is being portrayed as a handmaiden of "Yankee banks." The IMF may have to counter this image by weakening the conditionality that it imposes, leaving it with larger responsibilities and weaker authority over the economic policy of debtors. If the agreements that protect the debt situation are not to unravel, the IMF may have to compensate for weaker authority over debtors with increased authority over creditors.

In a recent book published by the Institute for International Economics, William R. Cline argues that the subordination of the creditor banks to the IMF has already begun. In the latest rescue package, "the IMF adopted a new approach of historical significance. Contrary to previous practices, whereby the IMF merely hoped that an adoption of a standby lending program would act as a seal of approval to encourage the return of foreign private lending, the IMF now explicitly told the private banks that if they did not provide new lending themselves there would be no new IMF funds whatsoever."

The political allocation of private bank lending by the IMF results in what Mr. Cline calls "forced, or involuntary, lending." Mr. Cline goes on to outline how debtor countries can take advantage of this situation that, together with "the high degree of bank vulnerability to developing country debt," gives debtors "substantial unexploited bargaining potential." One tactic that Mr. Cline recommends to debtor countries is "to announce that the outstanding debt of uncooperative banks will be subordinated." Mr. Cline argues "it would be a mistake to take banks 'off the hook' by having an international agency buy up their claims on developing countries," because this would allow the banks to escape from forced lending and choke off the ability of the Third World to extract continued financing by the banks.

It is ironic that the very banks that are perceived in some quarters as master-minding a "one world government" are on the verge of being exploited by Third World governments. Perhaps the picture Mr. Cline draws of bankers held over a barrel by the IMF while the Third World picks their pockets will cause bankers to sober up. Perhaps it will also help them realize that some critics of the bailout were able to foresee its implications far clearer than the bankers themselves.

Mr. ARMSTRONG. Mr. President, I would invite the attention of Senators to the observations of the distinguished economist Allan H. Meltzer in Fortune magazine of November 28, 1983.

In this discussion, Mr. Meltzer points out:

The International Monetary Fund is pursuing a misguided "solution" to the world debt crisis.

A solution which, in his opinion:

Could push shaky borrowers over the precipice of default. As a condition for granting emergency loans that troubled nations need to pay interest to private banks, the IMF insists that the borrowers slash imports or boost exports. This prescription differs hardly at all from the beggar-thy-neighbor policies that destroyed world trade in the 1930's.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Fortune Magazine, Nov. 28, 1983]

A WAY TO DEFUSE THE WORLD DEBT BOMB

(By Allan H. Meltzer)

The conditions attached to IMF loans certainly sound like the type of austerity needed to turn around the debtor countries. If just one borrower were in extremis, this approach might work: the resulting trade surplus would yield the extra foreign currency the country needed to service its international debt. But the IMF policy becomes counterproductive when it is applied to many nations at once. One country's imports are another's exports. When the IMF tells a group of large borrowers to slash imports, it is ordering up a policy of mutual contraction. As each country's imports fall, so must everyone else's exports. Every country's ability to service its debt is reduced.

This type of linkage is extensive in Latin America, where some of the largest and most worrisome international debtors are tethered together like climbers on an icy mountainside. When Mexico and Argentina curbed imports last year, Brazil's exports fell and its ability to pay its bankers went from doubtful to impossible. Then, early this year, the IMF ordered Brazil to reduce its imports in return for an emergency loan.

There is no painless way out of the debt mess, but some solutions entail less sacrifice than the IMF program of shrinking world trade. They also offer much more hope of success. The one I prefer would have the debtor countries pay off some of their loans by giving real assets to the banks. The easiest way to do that would be to give the banks minority stock positions of government-owned industries like Mexico's petrochemical plants or Brazil's Hydro-electric utilities. With some of their loans out of the way, the ailing countries would need less foreign currency to service the remaining debt. Though most of the countries would still need comparatively austere programs—as opposed to the profligacy that helped put them in their present straits—they could get on with mutual policies of growth and expanding trade. The debtors would have to give up partial ownership of national treasures, but that seems a fair and possibly salable trade-off for keeping economies growing and food on tables.

Any effective solution has to begin with an understanding of the source of the problem and the reasons it persists in some countries but not in others. The difference

between the minority of problem debtors and the healthy majority mainly reflects the ways that countries manage resources. That the major debt problems are in Latin America is no accident. A United Nations agency, the Economic Commission for Latin America (ECLA), has been urging for decades that those countries follow policies akin to the wrongheaded reindustrialization schemes that some politicians now recommended for the U.S. ECLA has advocated high tariffs to suppress imports and promote domestic production, and programs to stimulate exports of manufactured goods.

ECLA's development formula promoted inefficient production and penalized the use of low-cost imports. It encouraged waste. Worse still, it concentrated planning and investment decisions in government bureaucracies with the power to regulate prices, subsidize production, and distort the use of resources. Considerably more than half the productive assets in Brazil and Mexico are in enterprises owned or directed by the governments, and the governments wield enormous influence over natural resources.

When adversity arrives, the least efficient producers have the greatest difficulty adjusting and surviving. The rise in oil prices was the shock for Brazil. The fall in oil prices brought hard times to Mexico. Political instability and gross mismanagement shook Argentina's economy even before the Falklands fiasco. The surge in interest rates was a shock for all three, but for other countries as well. The distinguishing feature is not what happened in the world, important as that was; it is what caused these particular countries to sustain such damage. In the recent period of high interest rates and recession, most developing countries in Asia moved ahead while Latin America fell behind.

The difficulty is not that the troubled borrowers have gone too far into debt in some absolute sense. Argentina and South Korea, for instance, both have foreign debt equal to about 50 percent of GNP. Rather, the weak countries are in such bad shape because they misused the borrowed funds. Korea used its debt to finance investment. Much of Argentina's debt financed capital flight on the part of individuals worried about political instability and outrageous economic policies. Some of Mexico's borrowing paid for consumption; the country intended to repay it by selling oil at ever-rising prices.

The problem continues and deepens for two basic reasons. One is the behavior of lenders, who have little to gain by owning up to the severity of the troubles. The other is the nature of the debt itself. Most of the loans to developing countries are so-called sovereign debt guaranteed by governments. No one knows what the guarantees mean or what they will be worth if countries continue to follow the policies urged by the IMF.

Loans that have been rolled over on easy terms obviously are worth less than their face value, but the banks have no incentive to write them down and admit their losses. When a debtor comes up short, the creditor banks, acting as a group, extend the maturity of existing loans and lend more money. The debtor pays a large fee, sometimes hundreds of millions of dollars, to get the extra time and money. Often the entire proceeds of the new loan go to pay the fee and the interest on existing debt so that, on balance, the borrower does not get any additional money. Nor do the banks extend any new funds.

Instead of writing down nonperforming loans and reporting losses to their shareholders, the banks record the fees and interest payments as current income and claim impressive profits. But the banks have not received any true income. All they have done is designate the forgone interest as a loan. The charade does not make the banks any healthier, and it probably doesn't fool depositors or stockholders anymore. Problem loans have gotten too much attention by now.

If the debtor countries repaid some of their loans by giving banks equity positions in national companies, the charade would end. The action would force the banks to recognize losses, possibly very large ones. The debtor countries would insist on settling claims at less than 100 cents per dollar of debt. Otherwise they would have no incentive to abandon the present folly of piling loan upon loan in hopes that, someday, they will not have to borrow just to pay interest.

The size of the losses that banks would have to accept could be settled only in negotiations between them and the debtors. My very rough estimate is that it might take write-offs of 20 percent to 30 percent of the face value of the loans if the obligations of problem countries were reduced to market value. That could wipe out about one-third of the capital of some of the largest U.S. banks. But as Fortune observed in its last issue, write-offs of that magnitude need not topple the banking system. (See "Why the U.S. Shouldn't Fill the IMF's Till," November 14.)

Moreover, it is important to keep in mind that the banks already have sustained those losses; they just haven't admitted them. If the debtor countries repay some loans as described above, the actual value of the banks' losses should decline. The exchange would demonstrate to the world that the countries intend to honor their guarantees, and the value of the remaining loans would rise. The banks might look weaker, but they would be stronger.

The central argument made against this scheme is that it is impractical, that developing countries would never surrender their patrimony to a bunch of foreign bankers. Giving up valuable resources to pay off foreign loans could be political suicide, but it might not. For one thing, many countries already permit private investment in state-owned enterprises. Some of the largest creditor banks have big equity positions in Third World countries.

More important, repayment with equity could become the most palatable option on a menu of bad choices. It certainly beats default or a moratorium on interest. Any move of that kind would cripple a country's ability to do business with the rest of the world. A debtor government could make the equity repayment option somewhat less onerous by issuing preferred stock and retaining the right to repurchase it at, say, the face value of a loan. At some point, parting with a piece of the patrimony will become more survivable politically than yet another round of IMF-induced belt-tightening.

Radical as the equity-for-debt proposal may sound, it merely applies traditional banking procedures to what at bottom is a traditional banking problem: debtors who can't pay. As always, the debtors can't pay because a mistake has been made. Who made the mistake is unimportant. The crucial task now is to admit the error, put it behind us, and work toward a solution that permits an increase in world trade and standards of living.

Mr. ARMSTRONG. Finally, Mr. President, I am going to send to the desk a statement of September 1983 by the Environmental Policy Institute, which points out their concerns with this legislation. I will quote but a single paragraph at this point:

Some of the countries seeking help from the IMF have been carrying out a series of extremely dubious projects—projects so environmentally disastrous that they have attracted international concern and criticism.

Mr. President, I ask unanimous consent that this statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REASONS FOR ENVIRONMENTAL OPPOSITION TO THE IMF REPLENISHMENT

The pending replenishment of the IMF should be opposed because this constitutes in its most basic terms a bail out of banks who have made loans for environmentally destructive, short-sighted projects in developing countries. Replenishment of the IMF is a direct reward to imprudent banks and can only serve as an encouragement of more of the same.

Some of the countries seeking help from the IMF have been carrying out a series of extremely dubious projects—projects so environmentally disastrous that they have attracted international concern and criticism. These include numerous agricultural and energy projects. Of particular significance are those which directly and indirectly contribute to the elimination of tropical forests. The demise of the world's tropical forests is extremely serious since thousands of species are being wiped out and the world's climate may ultimately be affected.

A large component of the agricultural projects involve the conversion of tropical forest for the production of cattle. These short-lived ventures involve the extensive use of pesticides, contribute ironically to a decline in local consumption of protein (because beef for export drives prices higher), and render the soil useless for further forest production.

Hydroelectric projects in the tropics threaten local populations with the spread of diseases such as malaria, displace indigenous peoples and destroy their cultures, donate power to multinational corporations at bargain basement rates while providing no local benefits to the rural areas impacted, and contribute further to the elimination of tropical forests. Projects are being built despite huge power surpluses in some areas.

One of the most important ways to check the senseless destruction of the global environment is to halt the financing of such economically and environmentally unsound projects. Replenishing the IMF is giving a green light to the international loan lushes financing these ill-conceived projects.

The IMF must learn to recognize that wise sustainable development is directly linked to sound management of natural resources and maintenance of environmental quality. The IMF demonstrated its ignorance of environmental considerations when, as part of its conditionality with Brazil, it recently proposed the lifting of export restrictions on the sale of products made from endangered species.

Some critics of IMF have focused on the IMF's insensitivity to human rights and

labor union issues. It is time to stress that the IMF and those seeking IMF help cannot disregard environmental matters. Banks must begin to consider their loans from a new perspective of sustainability: do projects which they propose to finance protect the environment and develop resources in a sustainable fashion? Banks must quit relying on outmoded energy forecasts and look to some of the recent breakthroughs in renewable energy and efficiency improvements. A vote against IMF replenishment is essential to bring about important changes in international development.

Mr. ARMSTRONG. Mr. President, these concerns about whether or not additional funding for IMF is the correct answer, about whether or not we are imposing the wrong kind of conditions on borrowing countries, of whether or not banks in fact ought to follow the standard banking practice of writing down these loans before it is too late, before we dig them in deeper, cause me to have the gravest concern about this IMF legislation. They cause me to think it is a bad deal. Somebody described it as a turkey that would not fly. I think that is pretty close to the mark. This is a package that hs been brought together by expenditious circumstances and it is really a package that none of us have much taste for.

Even so, Mr. President, I recognize that there is an argument and a plausible, although not to my mind wholly convincing, argument that at least as a stopgap measure we ought to support an increase in the quota for IMF. So, despite everything I have said, despite all the reservations I have, there are some circumstances under which I would personally support such a quota increase.

AMENDMENT NO. 2634

(Purpose: Expressing the sense of the Senate concerning the condition of the international financial system)

Mr. ARMSTRONG. My support for it could be conditioned on the adoption of two amendments, the first of which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG) proposes an amendment numbered 2634.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. COCHRAN). Without objection, it is so ordered.

The amendment is as follows:

Insert at an appropriate place the following:

(a) The Congress finds and declares that—

(1) the international banking system is currently threatened by a series of national financial crises;

(2) the Congress is desirous of finding a solution to the current monetary crisis which will result in a stable monetary system and preservation of a liberal international economy;

(3) this solution must be found without placing inordinate pressures on United States credit markets;

(4) the breakdown in the Bretton Woods monetary system has contributed directly to these problems;

(5) the economic policies prescribed by the International Monetary Fund can be harmful to economic growth; and

(6) the International Monetary Fund currently holds approximately $40 billion of uncommitted assets in the form of gold bullion and has not utilized them fully to date.

(b) It is the sense of the Senate that—

(1) restoration of a stable monetary system is necessary to assure economic growth and to maintain a liberal international economic system;

(2) as a first step toward this restoration the Secretary of the Treasury should call for an international conference on the monetary system to investigate its systemic problems;

(3) in coping with the current financial crisis the International Monetary Fund should make fuller use of its current assets, including its gold holdings;

(4) the International Monetary Fund should revise the conditions placed on its loans so as to encourage economic growth;

(5) any additional financial resources made available during the current crisis should be made available on a temporary basis, preferably through bilateral arrangements.

Mr. ARMSTRONG. Mr. President, I will attempt to explain the amendment.

This amendment is sense-of-the-Senate language that expresses a proposed solution to some of the concerns which have been raised by the experts I have quoted.

Mr. President, I am not sure how to explain what has transpired, other than to explain what has transpired.

The manager of the bill has suggested a very cogent reason why this wonderful amendment, which I will take a moment to explain, could be more aptly, more fittingly, and perhaps more successfully considered at a more convenient time. So, to avoid confusion, I will explain it and then ask that it be set aside so that other Senators may offer amendments or proceed as they wish.

The concerns which economists like Dr. Friedman, Mr. Roberts, and the National Taxpayers Union have expressed are addressed in this resolution. It sets forth sense-of-the-Senate language which attempts to cope with some of these concerns. It makes the following findings:

First, it is the sense of the Senate that restoration of a stable monetary system is necessary to assure economic growth and to maintain a liberal international economic system.

This does not call for fixed exchange rates, although there are many who think that would be a good idea, but it does say that the system of wildly oscillating exchange rates, where currencies can change value enormously overnight—such as in Mexico recently—creates international chaos. It is impossible to do business from one day to the next if you close down on Friday when you do not know what the money will be worth on Monday.

This says we should look for a way to stabilize those relationships.

Second, as a first step toward this restoration the Secretary of the Treasury should call for an international conference on the monetary system to investigate its systemic problems

In fact, a latter-day Bretton Woods conference.

The format of that, it seems to me, is a detail we need not concern ourselves with. But the idea of getting the nations of the world together to look at this problem and to consider the systemic problems seems to me to be a very timely one.

Third, in coping with the current financial crisis the International Monetary Fund should make fuller use of its current assets, including its gold holdings.

IMF has a substantial amount of gold on hand which is carried on its books at $4 billion, but that $4 billion figure, or whatever it is—that is an approximation, but it is close enough—is based upon gold at $35 an ounce. So, if we took the present market value of the gold, it would be worth about 10 times that amount and could be used to collateralize loans.

I stress that I do not favor the sale of the gold. It is an option suggested by Mr. Davidson, of the National Taxpayers Union. I do think it makes sense to collateralize loans to reduce or eliminate the need for increases in the IMF quota.

Instead, the IMF should revise conditions placed upon its loans in order to stimulate economic growth. One of the great theories of IMF—and I am not unsympathetic to it, although I am skeptical about it—is that as a sort of international agency, IMF can impose upon a borrower country the kind of economic conditions that would be impossible for any political agency within a country to impose upon its own people.

In other words, when things get bad enough, a country goes to the IMF and gets the money, but with the money comes conditions.

Sometimes I think the United States should apply for an IMF loan so that IMF would say, "All right, you have to balance your budget in 3 years."

In too many cases, the kinds of conditions imposed by IMF have been antigrowth conditions, the kind of things that resulted in increases in taxes on dividends, levies on capital, instead of focusing on pro-growth, pro-capital formation, the kinds of economic conditions that would emphasize methods of restraint on consumption, in a number of cases—not in every case—IMF has apparently used its leverage in an exactly backward fashion.

So, the fourth item in the language I propose simply says that the International Monetary Fund should revise the conditions placed on its loans so as to encourage economic growth.

Mr. President, that is the proposition. For the reason I have stated previously, I ask unanimous consent that this amendment be laid aside so that others may propose their amendments, and I will be glad to come back to it at a time convenient to the managers.

I also will be glad to proceed to other amendments of mine on the housing portion, but I think it would be more orderly to go forward with other amendments by Senators in connection with the IMF portion.

Mr. GARN. Mr. President, I see no one ready to offer an amendment at this time. We have no sequence for amendments. Inasmuch as the Senator has the floor, I think he should proceed.

Mr. PROXMIRE. Mr. President, I think Senator RIEGLE has an amendment with respect to the IMF.

I should like to ask the Senator from Colorado a couple of questions.

First, I congratulate the Senator from Colorado. He is always one of the most lucid and intelligent Members of this body, one of the most persuasive. I am delighted that he recognizes that the IMF is not a bailout of the banks. He said it is not a bailout; it is a bail-in. He is right. Few people realize that.

As the Senator may have pointed out—I did not hear all his remarks—what the IMF does is to require that if the IMF provides funds, the banks provide funds probably in a 2- or 3-to-1 ratio; so that instead of just getting leverage where we put in $8.5 billion and other countries put in $30 billion or $32 billion, a 4-to-1 ratio, we get a much bigger ratio, because the banks will match it, so we get a 10-to-1 ratio, which is an argument for helping countries which are our trading partners.

The argument that the Senator from Colorado pursued is that this would make matters worse, because it would endanger our banks as well as banks in the United Kingdom and Italy and Japan which are all part of the international lending community.

I should like to respond to the argument that the Senator from Colorado makes this might be catastrophic because making more loans will only aggravate the situation but that we should require writing down loans, that is what I understand the Senator from Colorado proposes. In saying that we simply provide more funds you are overlooking the record of the IMF.

The IMF is insistent, when it makes these loans, on austerity, on domestic policies of fiscal responsibility by the borrowing option and it has worked.

If this country provides a loan to Mexico or to Brazil and we try to tell them, as the United States, how they should conduct their fiscal policy, it is resented. Politically, it is impossible in their country to go along. But if an international organization, the IMF, does this, they can persuade the other country to go along. It is not being imposed by a superpower or any other sovereign country.

The important element here is that the IMF will require a change in the operations of the countries to which they lend the money, and that change means that the loans will become sounder.

I do not say that on the basis of theory. I say it on the basis of experience, a fact. I challenge the distinguished Senator from Colorado or any other Senator to point to a case in which the IMF has been improvident and has loaned money and as a result has not been able to get repayment.

It is astounding that they have made these loans over a period of years and they have been successful. They have been repaid; they have not lost.

That is to our benefit, particularly since the prime beneficiaries of IMF lending over the next several years will be our trading partners. Our jobs are at stake. They are lending money to Brazil and other countries, so that in North Dakota, Wisconsin, Utah, and other States, the jobs that are dependent on exports will benefit from the IMF activity, and it is the most efficient way we can do the job.

What is the Senator's answer to that?

Mr. ARMSTRONG. Mr. President, I would respond in several ways. First of all, I would respond any time I find myself on the opposite side of issues like this with the Senator from Wisconsin. I figure there is a 60 to 40 chance that I am dead wrong, because he knows a lot more about these issues than I do. My knowledge about this is acquired recently, and I base most of my opinions and conclusions on those who are far more expert than I, Dr. Friedman, Alan Meltzer, Bill Simon, and so on and so on. My opinions, however, about the matter he raises are as follows:

First, whether the loans are improvident I think is not yet known. My judgment, as a former director of a couple of banks, is that no bank that I was a director of would ever have made loans to any private borrower on such terms and conditions and with such credit.

What I think is the implicit understanding is that the U.S. Government just is not going to let these loans go bad, that they are so big and the banks involved are so important that we are going to sustain them at any cost.

I do not think we are so deep in that if some of these loans, in fact, are written off, that is not what I suggest but I suggest that they be handled in the normal course, that they be written down, those performing. I do not suggest that they be written off. I do not think they will all go bad. In fact, I do not think the situation is so desperate that the normal market forces cannot take care of the situation. I think Champion is right about that.

In recent years, we have branched out into a form of lending which was simply not contemplated as recently as 10 years ago. We are in just a lot different situation. So, as we have extended more credit, they have used a part of the newly extended credit to meet the debt service on the old loan. In that sense, it is sort of a fill the leaking bucket kind of operation, and I do not know whether they will turn out to be good.

Mr. PROXMIRE. Would the Senator from Colorado differ with the conclusions? After all the International Monetary Fund has a long record of being very careful, a long record, as I say, of success, a long record in which they have been paid back. If the Senator can recite examples of how they have departed in the past, I would like to hear about them. The IMF insisted on policies on the part of Brazil that were hard to take, but that kind of policy is working.

Mr. ARMSTRONG. The Senator is correct that in many cases, possibly in every case, if that is what he is saying, the IMF has been tough. In a number of cases, and I will cite Mexico and India as two specific cases, the specific conditions that resulted from IMF loans were unwise, in my opinion, in that they contained provisions which levied on capital or which discouraged investment or which taxed dividends unduly and the kind of economic activity which is very necessary in countries like India and Mexico to promote growth, which is the ultimate hope of these countries.

I do not dispute his notion that IMF officials have stepped up to the plate and shown courage, and so on. It is a question of whether they have acted wisely in every case. It is my conclusion that they have not. But I cannot dispute his vouchering.

Mr. PROXMIRE. It just seems to me that it is hard to argue in a vacuum, to argue theoretically. What you have to do is to make your judgment based on results. If the Senator is arguing about whether or not they should have been tougher or less tough with respect to India, Brazil, or Mexico, it seems to me you have to look at the results they achieved, and the results they achieved in every case, so far as we know, have been successful. As I say, the big persuasion, as far as I am concerned, is that it is so much better than having this country, with all of our resources, provide these

funds instead of having other countries provide 80 percent, 75 or 80 percent, of the money, and then having banks throughout the world match that and exceed that by a 2-, 3-, or a 4-to-1 ratio.

This, it seems to me, is the most sensible kind of assistance.

I remember Senator Fulbright when he was in this body used to argue that multilateral loans and activities of this kind are by far the most economical, the best for our taxpayers, and the best also because the relations between the lender and the borrower are so much easier to maintain, so much easier to pick on the part of the borrower. He does not feel he is knuckling under to another sovereign country.

I thank the Senator.

Mr. ARMSTRONG. Mr. President, that just goes to show there are two sides to every issue. The points made by the Senator from Wisconsin are plausible. My purpose is really not to criticize anybody. I happen to think that if I were a director of some of the banks involved, I would raise Cain. I am not and I do not think the Senate is functioning as some kind of a super board of directors for a bunch of banks. I am not here to criticize anybody. I am here to say I think it is a mistake to go ahead and increase the IMF quota by $7 billion or $8 billion, unless we adopt a couple of amendments, one of which is already on the table, another of which will be offered by the Senator from New Hampshire (Mr. HUMPHREY), of which I will be a cosponsor.

It is a matter about which reasonable men may disagree. The evidence to me is pretty persuasive, the expert testimony is pretty persuasive, that we are making a mistake.

At the suggestion of the manager, I am going to shift gears and talk about the housing portion of this.

The PRESIDING OFFICER. There is pending a unanimous-consent request that this amendment be set aside. Is there objection to the request?

Mr. ARMSTRONG. It is the intention to set it aside temporarily, rather than prejudice it, so that it will recur as the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, let us shift gears and think about housing. Earlier this year, I opposed the Senate action on the Senate housing authorization bill reported by the Banking Committee. I did so because I believed it was flawed legislation. In fact, I probably said something to the effect that I thought it was about the worst piece of legislation I had ever seen. It is not the biggest spending, biggest budget-busting bill I have ever seen, although it is certainly one of the biggest spending, biggest budget-busting items that ever came down the pike.

It was not the dollar amount I objected to so much. What I objected to was that it was an absolutely wrongheaded piece of legislation, in my opinion, for the times we live in. It was clear, even several months ago, that this country was right on the edge of the cliff on deficits. Senator after Senator was combing through the budget to find places to save $100 million here, $100 million there, to find places where worthwhile, existing programs could be constrained in their growth, could be curtailed, possibly in some cases suspended, and in a few instances abolished, in a desire to wring a few billion out of the budget and lower the projected deficits.

For the Senate Banking Committee to send to the floor and for the Senate to consider and pass an authorization bill which authorized the spending of billions of dollars and create a number of brand new housing subsidy programs just seemed to me to be a masterpiece of bad timing as well as bad policy because the actual programs for the most part that were recommended I did not think were well suited for their intended purpose, even if we could have afforded them, which we could not.

Well, I objected to the bill, and partly in consideration of the objections which I raised the Senate did not proceed to the consideration of this legislation. We talked about it for a couple of hours, and then by prearrangement with the managers of the bill the legislation was taken off the floor and it was permitted to simmer for a while.

Well, it has been simmering for a few months. During that period, managers of this legislation have consulted with their counterparts in the House and with OMB, and I am pleased to report that the package which comes before us is substantially—let me say enormously—improved over the bill that was on the floor a few months ago.

Since I took quite a while, I took a good deal of the Senate's time a few months ago to explain my objections, I want to acknowledge the improvements.

Both the House and Senate bills, that is the bill we almost considered here and the bill taken up in the House, proposed costly revisions to current programs. Among those provisions which have been deleted or modified in the amendment now pending are the following:

Targeting assistance to the needy. The pending bill continues, with one exception, the 1981 reforms as directed on the housing assistance on a priority basis to very low-income families, rather than to more affluent families. The pending bill also expands the 1981 targeting provisions to rural housing programs for which assistance was not previously targeted.

This is very significant and I acknowledged the work done by OMB and the managers of the bill in this respect. At a time when we have limited resources, clearly we ought to direct limited resources to those most in need, rather than just splashing the money around across all income brackets.

Tenant contributions to rent. Although providing income exclusions somewhat higher than now provided in current regulations, the pending bill retains the 1981 reform that increased the tenant contribution for rent from 25 to 30 percent of income. This increased contribution is fair, particularly since those not receiving the benefit of subsidized housing often pay as much as 40 percent of their income for housing expenses.

Next, I am very pleased to note that the pending bill deletes two provisions contained in the earlier Senate draft of the bill which would have extended the time which illegal aliens could reside in federally subsidized housing.

I do not know how many Senators remember this, but some of us were a little upset when we discovered that Federal subsidy was being extended to house people whose very presence in this country constituted a violation of the law. This came to my attention as a result of a newspaper headline. So, we called up HUD and said, "What in the world are you guys thinking about, subsidizing illegal aliens?"

They said, "We don't have the legal authority to do anything else."

Well, we passed an amendment giving them that legal authority. You can imagine how astounded I was when I found out that one of the drafts of legislation on housing was going to in some way alleviate, moderate, or attenuate the decision we made earlier to stop subsidies for housing. I am glad that has been taken out of the bill.

I note some improvement in the Davis-Bacon provisions in this bill. I think that is significant, although the change is not large. Senators know I personally believe we ought to repeal the Davis-Bacon law as it relates to federally subsidized housing. It is costing us billions and billions of dollars over time to continue this unnecessary provision of Federal law, which results in higher construction costs. You can look at it one of two ways: You can either say as a result of Davis-Bacon labor provisions, taxpayers have to pay more for what they get; or, viewed in another perspective, low-income persons get less housing from the available money. In either case, it is a genuine ripoff. It has been found to be so by, I think, just about everybody who has looked at it, including the General Accounting Office, which has

reams of cost data about just how bad the situation is. So, I think we ought to repeal the Davis-Bacon provisions.

This bill does not do it, Mr. President, though I notice with great pleasure and satisfaction that, although full repeal is warranted, we are making a modest reform in that we exempt from the provisons of Davis-Bacon projects of less than 12 units, from having to be constructed by firms adhering to the Davis-Bacon wage scale. In former years, the cutoff was eight units. That is a small, maybe a miniscule movement but, to my knowledge, it is the first movement on Davis-Bacon in this direction. I tip my hat to the managers of the bill for getting that problem solved.

Mr. President, the pending bill deletes three provisions which would have expanded, even mandated, the use of tax-exempt financing for HUD contracted projects. Both OMB and GAO have concluded that tax-exempt financing is among the most costly subsidies now provided. That is good to have out of there.

Provision for the setting of fair market value was previously contained in earlier House and Senate legislation. Hereafter, fair market values will be set by regulation, not by law. Both the House and Senate legislation contained a number of new programs which, in my view, were not well advised.

All of these programs have been, in the measure that comes before us, either reduced in scope or significantly improved. Just to tick them off: The pending bill does not contain the so-called mortgage foreclose relief assistance. That is an idea which I thought was flawed in concept, certainly not timely. I am glad it is not in here.

Public Housing Accreditation Commission. Earlier drafts of this legislation contained a proposal to set up a new Federal commission on which Federal officials would be given sweeping authority to regulate, inspect, subpena, and accredit public housing authorities, which are subdivisions of State and local governments. Not a good idea, very much opposed by the officials who are affected by it.

I am glad to note the pending bill deletes an earlier Senate proposal to establish a new fund not requested by the administration to finance equipment and property replacement within public housing authorities.

Mr. President, I am glad to note also a number of other changes. I think I have made the point I wanted to make, which is that this is a greatly improved piece of legislation over what we had earlier considered. So, I think that whatever happens, whether this legislation passes today—as I hope it will not—but if it does pass, we owe a debt of gratitude to the distinguished Senator from Utah, the Senator from Wisconsin, and the staff of the Bank Committee, who have literally worked nights and days over a period of many, many weeks to hammer out something which makes a lot more sense than what we had before us a few months ago. I salute them for it.

Mr. President, if there are some improvements, then why is it that I am calling for the defeat of this bill? Because there are still a lot of provisions in here which, to my way of thinking, are completely haywire; things that only in the context of a gigantic end-of-the-session package would not stand careful examination.

AMENDMENT NO. 2635

(Purpose: Target all funds provided to benefit the most needy in the rental rehabilitation assistance program)

Mr. ARMSTRONG. Mr. President, I should like now to simply send to the desk an amendment, the first in a series of three or four that I shall offer, which, if adopted, would greatly improve this already improved legislation.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG) proposes an amendment numbered 2635.

Title III. On page 6, line 24 after "families" strike through line 34.

Mr. ARMSTRONG. Mr. President, the pending legislation permits up to 50 percent, at the discretion of the Secretary of HUD, of the assistance provided under the rental rehabilitation grant program to be given to persons without consideration of their income. My proposed amendment requires that all assistance from the rental rehabilitation program should go to very low income familes. This is not a very drastic idea, not even a very creative idea. It just says if you are short of money, whatever amount of money you are going to spend ought to go to the lowest income people. That is consistent with policy previously adopted by the Senate. Let me suggest four reasons why this amendment ought to be adopted.

First. Federal assistance programs are generally not targeted to help the truly needy. Less than 9 percent of all Federal assistance is means tested. At a time of budget stringency, it does not make sense to do it that way.

Second. The proposed rental rehabilitation program is no exception. No income limit is imposed on those who receive the grants to rehabilitate housing. And the bill permits, at the HUD Secretary's discretion, that up to 50 percent of the assistance provided under this rental rehabilitation grant program to be given to anyone regardless of income.

Third. This provision is contrary to the successful efforts of the past 2 years to get housing assistance targeted to those in need. In fact, the eligibility for assistance under the grant section of the bill are more generous than most HUD programs currently offered.

Fourth. The first of several targeting amendments directs that all assistance must be directed to those earning less than 50 percent of area median income, HUD's definition of "very low income." According to the Senate Appropriations Committee, at least 800,000 families earning less than 50 percent of median income live in units needing repair. Assistance provided by Congress should help these families first.

It seems to me we ought to take care of them first before we go on to provide rental rehabilitation assistance to somebody else.

Mr. President, I urge the adoption of the amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GARN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN. Mr. President, I object to the adoption of this amendment but not the substance of it. The Senator from Colorado knows I supported his efforts in the committee on this particular amendment. I agree with what he is trying to accomplish. Therefore, I shall take no more time to debate it, because I agree with him but I still must table the amendment.

I said earlier on two different occasions that in order to keep this package together, I would move to table amendments whether I agreed with them or not. The first one out of the box happens to be one that, under normal circumstances, I would be voting for.

But if the Senator has no more comments—I do not want to cut him off—I move to table and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 74, nays 23, as follows:

[Rollcall Vote No. 372 Leg.]

YEAS—74

Andrews	Gorton	Metzenbaum
Baker	Hart	Mitchell
Baucus	Hatch	Moynihan
Bentsen	Hatfield	Murkowski
Biden	Hawkins	Nunn
Bingaman	Hecht	Packwood
Boren	Heflin	Pell
Bradley	Heinz	Percy
Bumpers	Huddleston	Proxmire
Burdick	Inouye	Pryor
Byrd	Johnston	Quayle
Chafee	Kassebaum	Randolph
Chiles	Kasten	Riegle
Cochran	Kennedy	Rudman
Cohen	Lautenberg	Sarbanes
D'Amato	Laxalt	Sasser
Danforth	Leahy	Specter
Dixon	Levin	Stafford
Dodd	Long	Stennis
Dole	Lugar	Stevens
Durenberger	Mathias	Tower
Eagleton	Matsunaga	Tsongas
Evans	Mattingly	Wallop
Ford	McClure	Weicker
Garn	Melcher	

NAYS—23

Abdnor	Goldwater	Simpson
Armstrong	Grassley	Symms
Boschwitz	Helms	Thurmond
DeConcini	Humphrey	Trible
Denton	Jepsen	Warner
Domenici	Nickles	Wilson
East	Pressler	Zorinsky
Exon	Roth	

NOT VOTING—3

Cranston	Glenn	Hollings

So the motion to lay on the table Mr. ARMSTRONG'S amendment (No. 2635) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2636

(Purpose: Amendment to the Garn amendment—to reduce the IMF quota increase by 10 percent thereby saving approximately $584 million)

Mr. HUMPHREY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

Mr. GARN. Mr. President, may we have order so the Senator from New Hampshire can be heard?

The PRESIDING OFFICER. The Senate will please be in order.

The Chair advises the Senator that there is an amendment by the Senator from Colorado which will have to be set aside by unanimous consent once again to consider the amendment of the Senator from New Hampshire.

Is there a request to do so?

Mr. HUMPHREY. Mr. President, I wonder if the floor manager, the chairman of the Banking Committee, is aware of the intentions of the Senator from Colorado. Is it the impression of the Senator from Utah that the Senator from Colorado is planning to proceed now with his amendment which was set aside?

Mr. GARN. Mr. President, it was set aside temporarily. I ask unanimous consent that the amendment of the Senator from Colorado be temporarily set aside so that the Senator from New Hampshire may offer his amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from New Hampshire (Mr. HUMPHREY), (for himself and Mr. ARMSTRONG), proposes an amendment numbered 2636 to amendment numbered 2633.

In title VIII, section 802, on page 33, line 2, strike "5,310,800,000" and insert "4,779,720,000".

Mr. HUMPHREY. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator is entitled to be heard in support of his amendment. The Senate will please be in order.

Those Senators who desire to converse will please retire to the cloakroom. The Senate will please be in order.

The Senator from New Hampshire.

Mr. HUMPHREY. I thank the Chair.

Mr. President, this amendment represents a 10-percent reduction in the $5.8 billion increase in the U.S. quota to the IMF. This does not touch in any way the change in the authorization for the general agreements to borrow. It is focused on the SDR portion of this proposal. It represents a 10-percent decrease from the proposed $5.8 billion increase in the U.S. quota.

Mr. President, I intend to vote against this bill in any case, irrespective of the fortune that my amendment might meet. But, inasmuch as there is so much genuine concern about the deficit, inasmuch as we have seen so much concern expressed within the last few days about the size of the deficit and the inability of the Congress to deal meaningfully with the spending side of the ledger, it seems to me an amendment of this nature is very much in order.

Relative to the bill itself, that is the total IMF part, I think it is objectionable on many grounds. Generally, it is objectionable to this Senator because what it involves at the bottom line is the bureaucratic allocation of resources. Another definition of that is socialism, the allocation of resources by government fiat.

If we make available to the IMF this line of credit that has been proposed, and which will be drawn down over a period of perhaps 2 or 3 years, we are going to drain the private sector of our country of some $8 billion. That money will go to the IMF, which will then parcel it out to a number of nations, most of which are in trouble because they have state-managed economies, they have state-owned industries, they subsidize their industries and engage in all kinds of inefficient practices. So we are draining a capitalist economy, that of the United States, of a significant amount of money—we will be, if this bill passes—and transferring that capital and those assets to nations that are in trouble largely because they deserve to be in trouble because they mismanaged their economies through socialistic and, in some cases, outright Communistic economic practices.

Some of the nations which are members of the IMF, and which stand to benefit by our largess if we approve this bill as it is, are, in fact, Communist nations. Now that does not make an awful lot of sense to the man on the street in the United States of America; the man on the street who is having to pay mortgage rates and faced with mortgage rates such that he cannot even afford a home. Yet we propose to drain our economy of more than $8 billion so that we can help the economies of other nations who deliberately mismanage their economies and never seem to learn from their lessons. So on that general ground, it is objectionable enough.

Let me also point out, as was pointed out I believe by the Senator from Michigan, that many of these nations whom we will be helping through this intermediary called the IMF, this bureaucracy called the IMF, engage in unfair trade practices against our country, against our industries, and against our workers.

We are going to enhance this process if we pass this bill. We are going to enable them to compete unfairly by helping them to subsidize their industries and their inefficiency by draining capital from our private sector.

Mr. DECONCINI. Will the Senator from New Hampshire yield?

Mr. HUMPHREY. I am delighted to yield to the Senator from Arizona.

Mr. DECONCINI. I want to thank the Senator from New Hampshire for offering what I think is as symbolic an amendment as we may see here today. We are really faced with an interesting proposition of the administration and the distinguished chairman of the committee trying to tell us in this body and across the land that we have to do something about deficits.

Now the Senator from New Hampshire has come up with a very modest decrease in this replenishment.

I think it is very worthwhile that we do this, at least to demonstrate that times are tough in this country, for all the reasons that the Senator from New Hampshire has indicated, but also for the fact that if we cannot take at least a 10-percent cut in foreign aid—and that is what we are talking about here, in this area—we cannot go out of

here with our heads very high, that we are interested in reducing deficits.

Mr. President, I ask unanimous consent that my name be added as a cosponsor of the amendment, and I thank the Senator for offering the amendment.

The PRESIDING OFFICER (Mr. MATTINGLY). Without objection, it is so ordered.

Mr. ANDREWS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ANDREWS. Mr. President, I have been listening with a good deal of attention to the remarks of the Senator from New Hampshire.

I used to feel that way. In the 20 years I have been in Congress, I have probably voted against the IMF as much as any other Member. But as a member of the Budget Committee, I have been doing a good deal of study about where these deficits come from.

It is important to point out that while there would be an $8 billion transfer, not out of the taxpayers' funds but a transfer from our capital, because we would have to provide the backup to this increased capital funding for IMF—that because of the unique problem of exports, particularly agricultural exports in this country, we would have a $7.5 billion decrease in the deficit of this country just by this credit line transfer. That is what this administration can score right away. There are a number of other side benefits.

It is my feeling that had we done more in feeding, health care, and education in the Latin American hemisphere, we would not have to be riding down there with munitions today.

This IMF funding gives us the opportunity to help the infrastructure of these underdeveloped countries.

I say to my colleague from New Hampshire that when this administration, this Republican administration, comes up with figures such as those which indicate a net decrease in our deficit, almost paralleling dollars for dollar the capital we put up in the IMF, that is a whale of a good bargain.

Those of us who have grown up on the farm have learned that you watch those dollars pretty carefully.

So I hope that some of my colleagues who, like myself, have been less than enthusiastic in the past about IMF will take another look at it based on the problems as they exist in the troubled world today, reconsider it, and recognize that there is a good deal of benefit that flows back to this country.

I appreciate my colleague from New Hampshire yielding, and I hope he will take another look at the policy line of this IMF consideration.

Mr. HUMPHREY. Mr. President, I am always glad to have the thoughts of my friend from North Dakota. He is suggesting that this process of transferring money to other nations through this multinational intermediary known as the IMF is good for our exports. If that is the case, why quibble about $8.4 billion? If transferring our wealth to other nations through the IMF is beneficial to this Nation, why not double it? Why not increase it by 100 percent? Why not increase it by a factor of 10? If this is good, why settle for a mere $8.4 billion? If this is a good process, let us go whole hog. We can get rid of all agricultural commodities in the United States.

That does not seem like a logical argument for this Senator, although I understand full well the importance to the State of North Dakota and other States of agricultural and industrial exports. I think the argument is suspicious on its face. I do not buy it.

Mr. ANDREWS. To get away from being parochial, I point out to my friend, the Senator from New Hampshire, that I was addressing the issue of deficits.

As I said in the Budget Committee, it seems to me that deficits affect the people of all 50 States, not just the agricultural States.

For far too long, this Nation has overlooked the unique contribution agricultural exports make to our overall economy. The figures we obtained from the administration attest to the fact that there will be a net reduction deficit almost dollar for dollar for this transfer of funds to the IMF. This is something I think my colleagues have not looked at.

Let us argue this on the basis of deficits that are killing our economy and the fact that some of these exports are extremely important to the overall economy, to the people in New Hampshire, to the people in New York, who would not know a blade of wheat from a loaf of bread. Nonetheless, it is important.

Mr. HUMPHREY. Mr. President, I will yield to the Senator from Pennsylvania in a moment.

It seems that I missed an important point. Not only does it boost our exports to turn over our capital to the IMF, to be turned over to Socialists, and Communists, and mismanaged nations; not only does it boost our exports, but also, it reduces our deficits. So why stop it at a mere $8.4 billion? If it is so good in reducing the deficit, $8.4 billion is not enough. Let us make it $84 billion.

Mr. ANDREWS. Let me caution my colleague that moderation in the pursuit of virtue is always a good thing to think about. [Laughter.]

Mr. HUMPHREY. Mr. President, I am left speechless, so I yield for the moment to the Senator from Pennsylvania.

Mr. HEINZ. I thank the Senator. He will not be surprised to hear me say that I do not support his amendment.

In addition to the reasons so well stated by the Senator from North Dakota (Mr. ANDREWS), I only add that there is, as I suspect the Senator knows, a reason for this amount. This is an amount negotiated over nearly a year by the administration. We can all argue about whether it is too high or too low. I suspect that the Senator would argue that it is too high. I certainly would not argue that it is too low. In any event, this is the product of a negotiation; and whether we agree with it or not, we have to make a fundamental decision as to whether or not we want to take the responsibility of sending everybody back to the bargaining table in a rather precarious situation.

There is also another reason to oppose this amendment. I know that the Senator from New Hampshire is second to none in his opposition to Communist regimes and as well as Government mismanagement and that he is for a very strong national defense. I know that he stands for all those things.

However, one problem I find with the Senator's amendment—although this is not the intended consequence of it, I realize—is that if we abrogate the agreement that was reached between the developed countries and the members of the IMF on this quota increase—we are a small part of it, about 18 percent—we run the risk of the IMF not being able to do what it is supposed to do. We do not know what that uncertainty will bring.

If the uncertainty should result in the IMF being unable to help countries like Mexico readjust its economy, we have a very critical problem on our hands; because if the Mexican economy continues to fall out of bed and if, as a result of that catastrophic economic decline, there is a political change in Mexico and Mr. Castro and his supporters are able to take over, we will have to think seriously about redeploying a lot of our national defense assets in the Southwestern United States. The people down there would demand it.

So, to my mind this is a good balance which we ought not to try to tilt in one direction or the other. I hope the Senator—I understand his rationale—would not insist on his amendment.

I thank him for yielding.

Mr. HUMPHREY. The Senator from Pennsylvania is more than welcome.

Mr. President, I shall not consume much more time, unless others will rise to engage further in debate.

I do not agree with the Senator from Pennsylvania or the members of the Banking Committee in general. This is not a wise policy for the United States to be following. We should let the marketplace work. We profess to believe in free enterprise. We should let that occur in our country. We should

let that occur among the nations of the world.

To engage in international socialism, and that is what this is—transferring wealth from our economy to other economies at the discretion of bureaucrats over whom we have virtually no control, and who have a very poor track record—is plainly unwise.

Let us let the marketplace work. If we do not appropriate money for IMF, what will happen? The banks will be scared of losing their money. They will renegotiate the payment terms. They will write down some of the loans. They will make it easier for some of the countries to repay. We know what they will do to protect their interests. It is not necessary for us to bail them out.

Banks want this because it will make life a heck of a lot easier for them. Bank presidents will not have to answer to boards of directors and explain why things are in such bad shape if we lend this money through the IMF to help repay the outstanding loans. That is one aspect of it, though not the only one.

Mr. President, this issue has been discussed in great detail. There is really nothing more that I can add. I will yield to the Senator from Colorado. He is always able to add something.

Mr. ARMSTRONG. I compliment the Senator from New Hampshire. I think this is a worthy amendment for two reasons. First, it will save us money. If we have to pass this package, at least we might as well make some saving, particularly in view of the sense of urgency that we all have in mind about the deficits.

Second, the passage of this amendment would transmit to all who care about it the signal that whatever is negotiated in these great international negotiations is not considered to be binding on the U.S. Senate. We reserve our judgment to make up our own mind of what is a proper level.

I think the proper level is substantially less than what is in this amendment, but at least it is a saving of several hundred millions of dollars and it does assert our independence. I think it is a very good amendment. I expect to vote for it.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point an editorial from the Washington Times of November 14, 1983, headlined "Let's Not Make This Deal," in which that newspaper comments in a very perceptive and hard-hitting way why this is a bad package.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LET'S NOT MAKE THIS DEAL

Looks like the administration has cut a deal on public housing with House Banking Committee Democrats. It's the Democrats' price for rescuing an $8.4 billion increase in Washington's contribution to the International Monetary Fund. President Reagan backed the proposed IMF increase, you'll recall, because someone misled him into believing it was the only way to solve the so-called international debt crisis. It ain't. The IMF bill remains the bailout of private banks it always was.

The debt crisis—to the extent it exists at all—arose because our big banks made some bad loans to faraway places and now want the government to cover for them. But doing so, as we've often noted, would not be without cost to the economy. In spite of Treasury Secretary Regan's claims to the contrary, the increase in our IMF participation would have the same effect as widening the U.S. budget deficit. To borrow the money, Treasury will have to dip into the same markets it relies on to finance the deficit.

A much better and fairer solution, from the very beginning, was for the lenders to renegotiate the loans, giving up some interest and profits, so the debtor nations can get back on their own feet and repay the banks with their money, not ours. And to do this without the IMF standing in the wings, checkbook in hand.

Because of their hard-sell marketing efforts with developing nations when cash was burning a hole in their vaults a few years ago, the banks clearly share the responsibility for the present mess. And there is room for sacrifice. The latest quarterly reports show that in most cases they're well in the black.

The bankers and developing country borrowers can sort it out by themselves—without what amounts to a subsidy. Like a slap in the face, there's nothing like the discipline of the market to get their attention, forcing each to make sacrifices and not-so-gently signaling them that next time around they'd better be prudent, because there'll be no massive transfer of wealth from our taxpayers to bail them out.

What about all that hand-wringing—that reduced profits on outstanding loans make the banks shrink from lending to these countries ever again? Pure hype. It's in the banks' self-interest to continue the flow of dollars to help them stay afloat and avoid defaults.

Only the Senate now stands between the taxpayer and the IMF quota expansion. It has to act on the expansion of housing programs demanded by House Banking Committee Chairman Fernand St Germain, D-R.I., before the deal can be clinched. This is its chance to reject both measures and save nearly $25 billion. The public housing bill, to which Democrats want to add monies for new construction and garnish with larger rent subsidies, is just another rat-hole down which they propose to pour over $15 billion. It's outrageous for the administration to have agreed to ransom a bad proposal, the quota expansion, with an even more wasteful and expensive measure.

Mr. HUMPHREY. I thank the Senator from Colorado for his cosponsorship and adding further ammunition to this effort on funding.

To come back to the amendment before us, Mr. President, it is an effort to reduce by 10 percent the $5.8 billion increase in the U.S. contribution to the IMF. That is a savings to taxpayers of some $580 million. That is not a lot compared to the amount we would make available to the IMF under this amendment. It is only a 10-percent reduction. But given all of the handwriting and expressions of concern about spending, about deficits, about national debt, about interest on the national debt, and about the effect of all of those things on the economy a year or two down the road, here is an opportunity to put our votes where our mouths are, so to speak.

I yield to the Senator from North Carolina.

Mr. EAST. Mr. President, I would like to make a few comments in defense of the amendment being offered by the Senator from New Hampshire.

I agree with his sentiments that we ought to cut it. Second, I would be candid and forthright, as he has been, and say that I intend to vote against this measure on final passage. Senator HUMPHREY is suggesting in this time of budgetary restraint we ought to at least cut down the amount we are going to contribute even if we do not eliminate it in toto.

I agree with him that not only should we do that as a modest step, but I also agree with him that this ought to be voted down in final passage. This bill ought to be killed.

I think basically what you are up against when you strip it down to bare essentials is that imprudent loans were made by major banking institutions in the United States. What they need to do, as any other bank does that makes an imprudent loan, is to renegotiate. They should renegotiate them in terms of perhaps interest rates, string out the period of time over which repayments are made, et cetera.

We are given the impression here by some, for whom I have great admiration defending this measure, that some way or another we are going to reach a great economic international Armageddon if this does not go through. Not so. Not so.

These loans can be renegotiated and it will be a good experience, a chastising experience, for the banks as well as the borrowers.

For example, if the average American goes down and borrows from his bank and his bank imprudently loans him more than it should have, and then they would ask for assistance, let us say, from the State legislature to get them out of that economic hole, it would not be done.

I think if the American people genuinely understood what we were doing here they would vote unanimously against it. There is no economic Armageddon at hand here at all. All of this talk about our export markets will fail, these international economies will fail, it will have an adverse impact upon the American economy, I think is to conjure up a chamber of horrors that simply will not stand up under careful scrutiny.

All you are really saying is imprudent loans were made, they ought to be renegotiated, and in this time of budgetary restraint the U.S. Senate—and we are now the last place where this battle will be fought—ought to say no to another $8.4 billion to help bail out those—and I hate to use the words bail out—to assist, reimburse, backup. It is a bad precedent. People who make bad loans of this kind ought to be required themselves to make the accommodation. They will, and I think the economic economies of the world as well as the country will be stronger for having done that.

So I think the Senator from New Hampshire is right on track when he said, one, based, on sheer budgetary considerations it ought to be cut down to begin with, but even beyond that I agree with him completely it ought to be eliminated.

So I would hope that the U.S. Senate across the aisles, party lines and philosophical lines, liberal and conservative, would vote this down. I will say one thing, I would find it very, very difficult to go back to my State of North Carolina and explain to the average citizen in the street why in the world we voted another $8.4 billion to help large, major banks get out of an economic jam that they got themselves into.

You will not be doing that for my local bank in Greensboro, N.C., nor will the State legislature. These banks will have to do the same thing they would have to do—renegotiate it, try to bring the interest rate down, stretch it out over a period of time. Economic life will go on in the State, in the country, and in the international community in economic trade. It will be a healthy experience. It will dictate, next time, prudence, economic prudence, in planning being in order.

So the Senator is correct. I am going to vote for his amendment. I wish him well with it. Even if it passes, which I hope it does, I am going to join him in final passage in voting against the bill. It is a bad bill, with all due respect to the fine Senators and the administration supporting this measure. On this one, I firmly and vigorously dissent. Thank you, Mr. President.

Mr. HUMPHREY. Mr. President, I thank the Senator from North Carolina for his assistance.

Mr. LEVIN. Mr. President, I will vote in support of the Humphrey amendment which would cut the contribution to the International Monetary Fund by 10 percent.

At a time when we are attempting to reduce the deficit here at home so that economic recovery can continue, we have to carefully scrutinize all spending programs to assure that they are fully justified. At a time when people on food stamps have been asked to do with less, we cannot avoid asking the biggest banks in this country to accept some of the responsibility and consequences of ill-advised loans which they may have made to foreign nations over the past decade. The Humphrey amendment would ask the banks to share the burden.

What, then, we have before us is a balancing act. If our economic recovery continues, then the chances for world economic recovery will improve and economic conditions in many of the countries which are recipients of IMF loans stand to benefit. For this set of events to occur, it is essential for us to reduce the Federal deficit. However, if we cut the IMF contribution too much in an effort to reduce the deficit, then we risk throwing a fifteen foot rope to foreign nations on the verge of drowning 30 feet off shore with all the negative effects on our economy which will result. I believe that the Humphrey amendment struck an appropriate balance in meeting these needs and avoiding these dangers. It is for this reason that I give it my support.

The PRESIDING OFFICER. Who yields time?

Mr. HUMPHREY. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry. Do I lose the floor by asking for the yeas and nays?

Mr. GARN. Mr. President, I was not trying to take the floor from the Senator. I thought he had completed his remarks.

Mr. HUMPHREY. The Senator was recognized, but I had a question about the parliamentary situation.

The PRESIDING OFFICER. The Senator from New Hampshire now has the floor.

Mr. HUMPHREY. I thank the Chair.

Mr. President, to reiterate with the utmost gravity, this is an amendment to reduce by 10 percent of $5.8 billion increase in the U.S. SDR quota for the IMF. It does not affect the GAB portion of this proposal, only the $5.8 billion increase. That of course calculates out to $580 million.

I yield the floor, Mr. President.

Mr. GARN. Mr. President, I shall be very brief before I move to lay this amendment on the table. Once again, I repeat, I shall move to table all amendments, whether I happen to personally agree with them or not, for the purpose of attempting to keep this bill in the package that was negotiated with the administration and the House of Representatives.

The only comments I make are general. The major opposition to this is common, believe me. I have had a great deal of opposition from my own State. Mr. Howard Ruff and Free the Eagle are based in Utah. I have received a lot of mail and 99 percent of it is against what I have been attempting to do. I do not make those decisions lightly. I never have since I have been in the Senate.

Certainly, I do not think I could be accused by any of the rating groups of being a liberal or sympathetic to socialism. I think after 9 years in the Senate, I am a card-carrying conservative and I do not think anybody can dispute that.

Then the question comes up: Why am I supporting this? If this were an issue of just bailing out the big banks, I would not be for it. I did not vote for the Chrysler loan guarantee. I am glad it worked, but I did not work for it. I have not voted for any sort of bailouts since I have been in the Senate; neither has Senator PROXMIRE. He also opposed the Chrysler loan guarantee when he was chairman of the Banking Committee.

It is not just the big New York banks. There are some 1,500 banks all over the country involved in international lending. Many of them got involved at the encouragement of politicians from this body, after the energy embargo by the oil-producing nations in 1973 and 1974, demanding "Let us be independent, go out and make those loans, develop that oil in Mexico or wherever you can that is not a part of OPEC."

I do not see any of those people now claiming that they had any part in the problem. It is just those dumb big banks. I could say, as the Senator from North Carolina did, "they made some bad loans, let them suffer the consequences; they are big boys. Let them handle this themselves."

After many years of testimony and meetings on this, I am convinced that serious consequences would result. When we talk about $8.4 billion, first of all, the United States has the first drawing rights. Any country that puts up the money—it is not automatically spent, it is not automatically loaned. The country that put up that quota has the first drawing rights on their quota, not just the $8.4 billion new, but past quota. We have first drawing rights on it.

Mr. PROXMIRE. Will the Senator yield on that point?

Mr. GARN. Yes, I yield.

Mr. PROXMIRE. Is it not also true that we have used the IMF as borrowers, consistently, and more than any other country?

Mr. GARN. That is correct, we have used parts of our own quota over the years.

It is also not mentioned by the opponents that we have put in requirements to try to prevent this from happening in the future. There are additional capital requirements which the

Senator from Wisconsin insisted upon. There are additional reserve requirements and additional disclosure requirements.

There is also conditionality. Brazil right now is having a big stomach ache over whether they want to accept the conditions imposed by IMF in order to get a loan.

Somebody previously on the floor talked about our fiscal responsibility in this country with a $200 billion deficit. Some of the conditions IMF has imposed upon these countries for help would be very useful in the problems we refuse to deal with now in solving our deficit problems. They say you simply are not going to get any help at all unless you follow some of these conditions. Some of them are incredibly stringent. Mexico is going through that process right now.

None of them is the reason for my support. If you default these loans, the banks, most of them, would survive, in my opinion. They would weather the storm. It is just like a country bank in North Carolina, Utah, or Alabama. They got out on the limb on mortgage loans on a development project and had a big loss. Their loss ratios are reflected in the price of money. There are independent studies that did not come from banks or did not come from the House or Senate or anyplace else, that indicate that if you had failures in Brazil or Mexico on a loan, you could have an increase in the prime rate of 1½ percent in this country, that you lose jobs. That is what I am looking at, not adding to the burden.

It is not a good choice. My normal preference would not be to be appropriating any additional money for IMF. It is like having a good friend that falls in a bed of quicksand. You can point out the things he did wrong and how stupid he was to fall in and say, "Sorry, we are not going to help you because you were dumb."

We are saying in the American economy there were some mistakes made, and there were. I cannot dispute what the Senator from New Hampshire says and a lot of the things he said I agree with. A lot of the banks made bad loans. We could wash our hands of them and say, "Tough, live with your bad loans." But it has a dramatic effect, when you are dealing with this loan problem, on our international trade, our deficits, our employment in this country.

Again, totally apart from the issue of the banks that are involved, we did not do this in order that we would pay a far, far bigger price than $8.4 billion, which may or may not be paid. That is not an automatic, that is going to be used.

So, Mr. President, the last argument I shall make on it—I do not want to take any more of the time of the Senate. I think it is important for those reasons and we ought to separate the two issues: that of whether we are bailing out banks, which I am not in favor of and do not think we are in any sense doing—they are big boys, as I said; they can live with themselves—and trying to analyze the impacts on the economy.

There are various versions from some who think it would have minor impact, others major. You split the difference. I believe it would be incredibly costly to the economy of this country. I think it is something that is necessary that we do, just as, 2 or 3 years ago, when we increased the FDIC and FSLIC insurance to $100,000 from $40,000. That was to instill some confidence in the domestic marketplace when we had the proposed failure of hundreds of banks and savings and loans in this country; to send a signal that you are not going to lose your money up to $100,000, to prevent a run on the bank.

In essence, this $8.4 billion is a similar thing, to prevent a panic in the international markets, to see if we can instill some little amount of confidence while the countries of this world, including our own, rebuild our economies from a very serious, worldwide recession.

Mr. President, I do not see anyone else seeking recognition. I move to table the amendment of the distinguished Senator from New Hampshire and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), and the Senator from South Carolina (Mr. HOLLINGS) are necessarily absent.

The PRESIDING OFFICER (Mr. MATTINGLY). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 52, nays 45, as follows:

[Rollcall Vote No. 373 Leg.]

YEAS—52

Andrews	Gorton	Packwood
Baker	Hart	Pell
Bentsen	Hatfield	Percy
Bingaman	Hecht	Proxmire
Bradley	Heinz	Quayle
Chafee	Huddleston	Riegle
Chiles	Inouye	Sarbanes
Cochran	Kassebaum	Sasser
D'Amato	Kasten	Stafford
Danforth	Kennedy	Stennis
Dixon	Lautenberg	Stevens
Dodd	Long	Tower
Dole	Lugar	Tsongas
Domenici	Mathias	Wallop
Durenberger	Matsunaga	Weicker
Eagleton	Mitchell	Wilson
Evans	Moynihan	
Garn	Murkowski	

NAYS—45

Abdnor	Goldwater	Metzenbaum
Armstrong	Grassley	Nickles
Baucus	Hatch	Nunn
Biden	Hawkins	Pressler
Boren	Heflin	Pryor
Boschwitz	Helms	Randolph
Bumpers	Humphrey	Roth
Burdick	Jepsen	Rudman
Byrd	Johnston	Simpson
Cohen	Laxalt	Specter
DeConcini	Leahy	Symms
Denton	Levin	Thurmond
East	Mattingly	Trible
Exon	McClure	Warner
Ford	Melcher	Zorinsky

NOT VOTING—3

Cranston	Glenn	Hollings

So the motion to lay on the table Mr. HUMPHREY's amendment (No. 2636) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, the Senator from Utah is not seeking recognition at this time.

Mr. ARMSTRONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 2637

(Purpose: Voucher Demonstration)

Mr. ARMSTRONG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to setting aside the previous amendment?

Mr. GARN. Mr. President, I ask unanimous consent that the amendment of the Senator from Colorado be temporarily set aside so we can consider another amendment of the Senator from Colorado.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG) proposes an amendment numbered 2637 to amendment No. 2633.

Strike out section 207 and redesignate succeeding sections accordingly.

Mr. ARMSTRONG. Mr. President, this amendment deletes from the proposal a new program of housing vouchers. These are what might be described in simplest terms as rent stamps. They are analogous to food stamps. The idea of the housing voucher program is we are going to give people who are eligible for this a piece of paper that they take out and spend like money. It is a very attractive idea if you are a recipient.

But, from where we are sitting, with the potentially explosive growth of a

program like this, I believe that we ought to look very carefully before we leap.

The PRESIDING OFFICER. Will the Senator refrain for just one moment while we try to create some order in the Senate? Those desiring to talk, it would be much appreciated if they would go to the cloakroom. If not, we will gavel everybody down. Please go to the cloakroom and talk and let the Senator from Colorado proceed.

The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I do not wish to overdraw the parallel between this new housing voucher system and the experience we have had with food stamps, but I think the comparison is a very apt one. The food stamp idea started out with the notion that it would cost maybe $100 million, a little less than $100 million, and within a very few years, it became a $13 billion program. Believe me, my friends, housing vouchers have an even more explosive potential. Let me explain why.

Under the eligibility criteria contained in this legislation, some 12 million people are estimated to be eligible for housing vouchers. This bill funds 15,000 vouchers. Now 15,000 is not very many. It is not going to make us or break us although, in my judgment, it is not a very well warranted expenditure.

But once we set the precedent, once we decide we are getting in the business of housing vouchers, how can you equitably, let alone politically, draw a line? Where is the justice of a program that says to two people who are equally situated, who may live side by side, who may have the same kind of employment, who have the same size family and number of children and says to one of these two families, "You get a subsidy"—and a large one, by the way—and to the other, says "You get nothing"?

Mr. President, I suggest that that is extraordinarily unjust. It is the kind of injustice that will utimately, probably sooner rather than later, be reconciled by a vast expansion of the program to all or most of the 12 million people who are potentially eligible under the eligibility criteria in the bill.

This thing is a time bomb. This provision, if we enact it, sets the stage for an astronomical cost over time. A few years ago, when I was in the other body, I engaged the floor manager of a housing subsidy bill, the distinguished Representative from Massachusetts (Mr. BOLAND) in a discussion about the future potential of section 8 housing.

I talked at great length about what seemed to me to be the potential for that program. I asked him, "Is is not true that we have already committed"—this is now about 8 or 9 years ago—"over $30 billion to section 8 housing?" He said, "Yes, the gentleman is correct." I said, "Well, isn't it true if we keep going that it could go to $100 billion or even more?" And he said, "Yes, that is correct."

Well, that was about, I think, 8 years ago. Thus far, we have committed over a quarter of a trillion dollars to the section 8 housing program. I am convinced that this housing voucher program has the same kind of explosive potential.

Somebody will say that it is only a demonstration program. Somebody will say that we are not going to let it get out of control. But my conscience would not be clear if I let this bill go by without drawing attention to this kind of explosive growth.

This is a bad idea. At least, it is, in my estimation. It is unjust. We cannot stand the potential cost.

In an April 1983 report to Congress, the General Accounting Office expressed serious reservations regarding how effectively certificates served those most in need.

The GAO made these points:

First, the certificates may not reach those families in greatest need. Because the per-unit subsidy is substantially less than under section 8, the poorest of poor are less likely to be served. Such families are more likely to be living in substandard housing and thus will have to relocate, which is costly and not always possible, especially for large families.

Second, the existing housing stock may not be adequate to fully support a housing certificate program.

Third, program administration could be a burden, and the GAO report discusses this concern at some length.

Fourth, it is difficult to prove certificates will be a less expensive subsidy strategy in the long run.

That is the heart of the argument. The people who propose this say that it will be a better deal than what we have. This program comes right out of the administration.

I have just reminded my friends downtown how we got in the section 8 mess in the first place.

Section 8 housing, it is generally conceded, has proved to be scandalously corrupt, and I base that on GAO reports and reports of law-enforcement agencies around the country who have turned up scandalous corruption and abuse.

I try to remind some of the people fostering this program downtown how we got into section 8. It was because at the time they said the 235 and 236 housing program was impossible, that we could not stand it, that it was awful, and they said section 8 is going to be better and we will replace 235 and 236 with section 8. It has proved to be a disaster.

We are still saddled with 235 and 236; and if we adopt the housing voucher, we will still have 235 and 236 and section 8.

The amount in this measure is small, but the principle is very large, and therefore I urge adoption of the amendment.

Mr. GARN. Mr. President, I rise in opposition to the amendment.

No one on the Senate Banking Committee has been more diligent in attempting to reduce excessive housing programs in this country. I share many criticisms of section 8. It has become a very expensive program.

I say to the Senator from Colorado that this was an administration attempt at reform, to try to produce housing units for the poorer families in this country at a much lower cost than section 8. It is not a new concept. It is a variation of the existing section 8 certificate program.

It is important to note that it is a 1-year authorization for only 15,000 units. It provides eligible recipients the ability to find housing of their choice, rather than to be forced into public housing.

Because of the change in the amount of time for when we budget, it reduces the cost from a 15-year $68,000 certificate to a $16,000 5-year voucher.

Most of the vouchers in the demonstration program are used in connection with the rental rehab program, where they may be necessary to help families displaced in the rehab process or to help cities meet targeting objectives of the bill. Other uses would be in connection with new rural rehab programs and to help make housing affordable to very poor people.

It is not an entitlement. The bill strictly limits expenditures to $242 million for approximately 15,000 vouchers.

I stress that it is a 1-year demonstration program. Obviously, the administration, I would expect, will try to expand it. I grant that to the Senator from Colorado. But what we are talking about is a very limited demonstration program.

Mr. DODD. Mr. President, will the Senator yield?

Mr. GARN. I yield.

Mr. DODD. Mr. President, I second what the distinguished Senator from Utah has said.

I point out to the Senator from Colorado that there were those of us on the committee who objected to this demonstration program. I will be candid with the Senator from Colorado and say that it is not as generous a program as the existing section 8 program. The depth of subsidy in this demonstration is less than section 8, and this is designed to replace the existing section 8 program.

I understand that we need this to try it, but I am uneasy about it, because I do not think it will be as much as the existing section 8 program.

Under normal circumstances, I would find myself alined with the Senator from Colorado, for different reasons from those he has articulated this afternoon.

So I emphasize that what the chairman has just said is correct. This was an administration proposal. It is to replace existing section 8. It is a 1-year authorization, only 15,000 units, and only for two programs—rental rehab and rural housing. Those are the only two programs in which this demonstration can be used. I urge my colleagues to accept it.

I assume that a motion to table will be offered. This is a program the administration wants. I think in this case we should vote for the tabling motion or defeat the amendment.

Mr. ARMSTRONG. Mr. President, I think we have had a useful although not extensive discussion of this matter.

I just want to sum up by saying that we already have in existence, or in the pipeline, 5 million units of subsidized housing in this country. Under the circumstances, I do not think there is any prospect that we are going to continue the section 8 housing program, and we should not. It has been extravagant. It has been abused. It has not been well targeted. It has not served the needy, for the most part; but, on the contrary, it has served the less needy. We should target it to those most in need, and we are at long last in the process of doing that.

As to whether a voucher program makes sense, I do not think it does, for the reasons we have discussed.

I understand that it is the intention of the Senator from Utah to move to table, and I understand his reasons for doing so. I hope he understands why I could not permit this to be enacted into law without sounding the alarm.

I hope that 5 or 10 years from now—if it lasts that long—when we see what this is all about, Senators will have a second thought.

Mr. GARN. Mr. President, before I move to table, I state that although the housing programs in this country are very expensive, considerable progress has been made in making them more efficient in the last 3 years. There are no new construction starts in section 8.

I only make the comment that I guess I get caught in the middle. On the one hand, I have been criticized by many in this country for dramatically cutting the housing programs; and on the other side, I am getting criticized because I have not cut them enough. I guess that is something you expect in politics, getting it from both sides on some issues.

I appreciate the courtesy of the Senator from Colorado and his viewpoints, as well as his willingness not to take a great deal of time, in view of all the other amendments we have.

I move that the amendment be tabled.

Mr. ARMSTRONG. Mr. President, I ask for a division vote on the tabling motion. We have not had a division vote in the Senate recently, but it is the right of the Senator to ask for it, and in my view, it is the most expeditious way for the Senate to work its will in this matter.

The PRESIDING OFFICER (Mr. SPECTER). A division has been called for.

Senators in favor will rise and stand until counted.

[After a pause.]

Senators opposed will stand until counted.

On a division, the motion to table Mr. ARMSTRONG's amendment (No. 2637) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2634

Mr. LEVIN. Mr. President, I ask unanimous consent to temporarily lay aside the amendment in disagreement and move to amendment No. 11, so that it might be in order for me to offer an amendment.

Mr. GARN. Mr. President, reserving the right to object—and I do not intend to object—I just want to make certain from the Parliamentarian and the Chair that in setting this matter aside, we will return to exactly the position we are in, that my amendment be the amendment to the amendment in disagreement, No. 11, and that an Armstrong amendment is pending to the Garn amendment.

Mr. LONG. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. GARN. Mr. President, I see no one seeking recognition at this time. I would hope that those listening realize that we have a good deal to do remaining on this bill, and I would hope those who have amendments can come to the Chamber and offer their amendments.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, is the pending business the Armstrong amendment on the IMF?

The PRESIDING OFFICER. The Senator is correct.

Mr. ARMSTRONG. Mr. President, I believe this matter has been adequately discussed and that we are ready for the question.

Mr. GARN. Mr. President, this is a sense of the Senate resolution, not an amendment, which has been worked on by Senator PROXMIRE and me. We have modified the sense of the Senate resolution and are willing to accept it, I believe. Senator DODD will speak for Senator PROXMIRE.

Mr. DODD. If the Senator will yield, I understand there is no objection to this resolution and we are prepared to accept it.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2634) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ARMSTRONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ARMSTRONG. Mr. President, am I correct that the Senator from Nebraska (Mr. EXON) was added as a cosponsor to the amendment just agreed to on IMF? If not, may I ask unanimous consent that he be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2638

(Purpose: Amend reinsurance demonstration program under title IV)

Mr. ARMSTRONG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Colorado (Mr. ARMSTONG) proposes an amendment numbered 2638.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 21, lines 13 through 15 delete "and will not result in loss of employment by any employees of the Department of Housing and Urban Development.". This amendment will take affect on September 30, 1985.

Mr. ARMSTRONG. Mr. President, this amendment is a very simple one. The pending legislation requires that the demonstration program will not result in loss of employment by any HUD employee involved in the program.

In my opinion, this is not a wise provision. The purpose of the demonstration is to test the feasibility of entering into reinsurance contracts with private mortgage insurers in order to reduce Government risk and administrative costs. By guaranteeing the preservation of the HUD job the pur-

pose of the program is effectively defeated. Administrative and monitoring costs will not be reduced for HUD jobs which are retained.

It is not good policy to legislatively protect the jobs of some HUD employees and not of others, and Federal workers as well.

In its original form, my amendment struck the grandfathering in of these employees. In the revised form, which I have sent to the desk, my amendment does not become effective until September 30, 1985, a date which I am told is agreeable to managers of the bill.

Mr. GARN. Mr. President, we have reviewed this on both the majority and minority sides. It is merely a date change, which no one objects to.

Mr. DODD. Mr. President, there is no objection on this side.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2638) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ARMSTRONG. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HOUSING/IMF AMENDMENT

Mr. RIEGLE. Mr. President, it now appears that the Senate will at long last have an opportunity to vote on housing and community development policy.

The amendment now before the Senate gives the Congress an opportunity to take important action not only on housing and communiy development, but also on the International Monetary Fund, the Export-Import Bank, and the Multilateral Development Banks.

I commend Senator GARN and Congressman ST GERMAIN for having steered this legislation through a very difficult obstacle course. These matters are now before the Senate only because of intense negotiations that the Banking Committee chairmen led over the last several weeks.

This is extremely important legislation. I urge my colleagues to pass it promptly.

I wish to comment briefly on the major elements of this package.

HOUSING AND COMMUNITY DEVELOPMENT

Mr. President, Congress traditionally has reviewed and revised housing and community development policy every year. However, it has now been over 2 years since Congress last enacted a housing bill. Last year, an omnibus housing bill was carefully constructed in committee but did not even get to the Senate floor. This year's housing bill was allowed less than 2 hours of debate on June 21 before it was pulled off the floor and returned to the calendar. Only a few weeks ago it appeared that housing legislation was dead not only for this year but for next year as well.

The cause of that inaction has been very clear: The administration simply did not want a housing bill last year and did not want one this year. The White House has worked effectively behind the scenes to keep housing legislation off the Senate floor.

Of course, OMB was claiming in public that the housing bill was a budget buster. Those who were familiar with the facts knew that charge was untrue. Both bills were within the amounts anticipated in the congressional budget resolution. The Senate Banking Committee—on a bipartisan basis—produced a very responsible housing bill. It would actually have authorized less than was provided in appropriations signed willingly by the President.

More accurately, the administration simply has wanted to decide national housing policy through administrative fiat and with little congressional involvement. Under any circumstances, that would be a bad way to govern—all the regions and groups who are affected by housing policy should be given a chance to be heard. However, given the biases of this administration, that approach could be disastrous for thousands of families and ultimately very costly to the country.

Mr. President, this administration has been far less supportive of housing than any in living memory. In most respects, administration policy has clearly been antihousing.

Over the last 3 years, the President's policy of continuing high interest rates drove the homebuilding and building supply industries into their worst crisis ever. Although starts have begun to rebound, the injury remains. Just three States—California, Texas, and Florida—will account for 40 percent of the housing starts in 1983. Homebuilding in most States is still suffering. An unusually large share of the building is being done by a few large builders. The small and medium-sized builders, who are the backbone of the U.S. housing industry, typically are in very fragile financial condition.

This administration has adamantly opposed measures to provide relief to homebuilders or homeowners or homebuyers who have been hurt by the administration's economic policies. Administration officials have worked in the open and behind the scenes to hamper the ability of Ginnie Mae, Fannie Mae, and Freddie Mac to support U.S. housing finance.

Housing and community development programs have suffered disproportionately in the administration's budgets of the last 3 years. The administration proposed cuts in real terms for assisted housing of 45 percent between fiscal 1980 and 1984 and cuts of another 80 percent between fiscal 1984 and 1988. Real reductions over the same period would be 32 percent for rural housing.

The administration proposed sharp reductions in the incomes of low-income families by changing fair market rent standards, counting food-stamp subsidies as income and capping medical deductions at $300. Those proposals would have forced families receiving housing assistance into decaying neighborhoods and would effectively have killed the section 8 existing housing certificate program in many communities.

The administration would even cut assistance to elderly families by 42 percent in real terms. The Urban Institute has estimated that the impact of just three administration housing proposals would reduce the income of a low-income elderly couple by $1,000 to $2,000 per year.

Measures such as these are what have made the administration's budget program so unfair.

The administration's legislative proposals of last January aroused a fire storm of opposition from across the country. Those who understood housing problems at the local level knew that the proposals would make housing assistance unworkable, would weaken neighborhoods and would ultimately impose heavy costs on American society. The Senate and House Banking Committees evaluated each of those proposals carefully and rejected most of them soundly.

Despite talk of New Federalism, the administration's budgets would deprive States and communities of tolls they need to relieve the worst problems of ill housing, neighborhood blight, and economic distress. Community development block grants would be cut by 28 percent and UDAG by 40 percent in real terms between fiscal 1984 and 1988.

Mr. President, in such an environment, this housing legislation takes on added importance. The Congress must no longer avoid its responsibility for setting public policy. This bill will, of course, not bring a marked improvement in housing for all Americans. But it would take some signficant new steps to improve housing for many, and it would reject some of the Administration's more ill-considered policies.

First, the amendment continues a strong Federal commitment to community development, specifying that the community development block grant program has a clear national purpose to benefit primarily low- and moderate-income people. Local communities could continue to use the section 108 loan guarantee program where it is needed to obtain financing in a timely manner. Localities in a number of States would be protected from adverse changes in their funding.

Second, the amendment strongly reaffirms congressional support of the UDAG program and of the system of national competition that has enabled UDAG to provide the greatest public benefit at the lowest cost. This amendment includes a provision in both the Senate-reported and House-passed bill that unequivocally rejects an administration proposal to weaken UDAG by decentralizing the competition. The amendment makes it clear that HUD area and regional offices are not authorized to interfere with a local community's right to have its UDAG proposals fairly considered in the national competition.

Third, the amendment includes a new program to assist in the rehabilitation and production of rental housing. Enactment would recognize that Federal housing policy, if it is to be balanced, must help produce new housing in those local markets that have a shortage of decent rental housing, particularly for elderly persons and large families. Localities would be able to tailor assistance efficiently to the requirements of particular projects.

Fourth, the amendment provides a more realistic level of housing assistance for participating families by increasing income deductions for children and elderly households.

Fifth, the amendment reaffirms congressional support for the provision of decent housing in rural areas. Nonprofit organizations, States, and local governments would be helped to rehabilitate homes owned by lower-income families and multifamily housing that serves lower-income people. Farmers Home would be able to finance manufactured housing that meets energy standards designed to reduce a homeowner's long-term operating costs.

Mr. President, I believe that enactment of this amendment would improve our ability to meet the Nation's urgent housing needs.

I regret that three important items have not been included in this amendment.

First, the amendment does not include any of the provisions of S. 2040, the Secondary Mortgage Market Enhancement Act. Title I of that bill would make it easier for private firms to enter the secondary mortgage market as issuers of mortgage-backed securities. Title II would help Fannie Mae and Freddie Mac support homeownership and respond to changes in the mortgage market. I understand that title I of the bill cannot be enacted this session because of considerations of committee jurisdiction in the House. However, I believe that provisions of title II, which have already been passed by the full House and were just passed by the Senate, should have been included as part of this bill.

Mr. President, a majority of my colleagues on the Banking Committee agree. I ask unanimous consent that the text of our letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON BANKING,
HOUSING, AND URBAN AFFAIRS,
Washington, D.C., May 2, 1983.

Hon. JAKE GARN,
Chairman, U.S. Senate Banking Committee, Washington, D.C.

DEAR MR. CHAIRMAN: We congratulate you on the Committee's success in marking up the Housing and Community Development Amendments of 1983. We think it is important that the Congress pass a housing bill this year, and we intend to work with you toward that end in the spirit of bipartisan cooperation that has marked the Committee's work on the bill thus far.

We believe that the reported bill, as a whole, demonstrates the Committee's determination to strengthen Federal housing and community development programs.

It is our view, however, that two important parts of the reported bill were approved as legislative proposals subject to further consideration by the Committee prior to Senate floor action.

"With regard to public housing, the Committee has agreed that first priority should be given to bringing the existing stock of public housing up to standard rapidly and then maintaining and managing it well for years to come. However, Title III of the bill contains in addition a new and rather detailed proposal for establishing a Public Housing Accreditation Commission. Serious questions have been raised concerning this proposal—including its constitutionality—and it has engendered considerable controversy since the markup.

"The rural housing provisions of the reported bill are a major improvement over the legislation advocated by the Administration. However, a number of the proposed changes included in Title V have also given rise to controversy."

We understand that Senator Tower is asking for a full Committee meeting to consider a motion to change the provision concerning rent control that was contained in Title I of the April 12 Committee Print. For procedural reasons, we support his request.

We therefore suggest that you schedule a Committee meeting to take up these outstanding items along with proposals on the secondary mortgage market, Indian housing, and mortgage default assistance. We also request that any Committee amendments together with a written report on their implications be made available to all Senators in a timely manner prior to floor debate on the bill.

In conclusion, we want to thank you for the accommodation you and your staff have shown members and staff of the minority. We will support your efforts to have a responsive and responsible housing bill enacted early in this session of Congress.

Sincerely,

ALAN CRANSTON,
CHRISTOPHER J. DODD,
JIM SASSER,
WILLIAM PROXMIRE,
DONALD W. RIEGLE, JR.,
PAUL S. SARBANES,
FRANK R. LAUTENBERG,
ALAN J. DIXON,
U. S. Senators.

Mr. RIEGLE. Second, the compromise dropped a number of provisions in the House and Senate bills that would have helped insure that public housing will be better managed and maintained for years to come. The administration asked that these provisions be dropped in exchange for a commitment that the administration would make no change in regulation or administration of these programs unless the changes are enacted in legislation. Since HUD's recent administration of these programs has been very controversial, I believe that this is a serious loss to the program.

Finally, I regret that the amendment fails to include any relief for those unemployed homeowners who are threatened with the loss of their homes as a result of economic adversity beyond their control.

Despite these omissions, I urge my colleagues to adopt the amendment.

EXPORT IMPORT BANK

I would now like to make a few brief comments in support for the Export-Import Bank Amendments of 1983 and about the proposed quota increases for the International Monetary Fund which we are also considering today.

I am a long-standing supporter of the Export-Import Bank and remain strongly committed to this agency, which helps American exporters by insuring their loans and by providing credits to their customers abroad.

At a time when the U.S. deficit in foreign trade is increasing dramatically, I think that it is imperative that we do everything in our power to facilitate and accelerate American exports.

In 1982 the U.S. foreign trade deficit was $43 billion and for 1984, Martin Feldstein, Chairman of the President's Council of Economic Advisers, predicts that this deficit could reach $100 billion.

Since approximately one out of every six American jobs is dependent on foreign exports, the more we export, the more Americans we will be putting back to work; and the less we export, the more we allow the other nations to capture our domestic markets and the weaker we will become as a nation.

I believe that our current trade imbalance is an extremely serious problem which threatens the economic welfare of our country and which cannot be underestimated. Serious ongoing efforts must be made to address this problem.

Passage of the Export-Import Bank Amendments of 1983 is a vital step in this direction. The purpose of today's Export-Import legislation is, among other things:

To expand U.S. employment and economic growth by increasing U.S. exports to markets in the developing world;

To stimulate the economic development of countries in the developing world by improving their access to

credit for imports from the United States; and

To neutralize foreign predatory financing of exports in competition with U.S. exports.

In considering and passing this legislation in the Senate Banking, Housing and Urban Affairs Committee we recognized the vital need for a strong and aggressive Export-Import Bank and the importance of neutralizing subsidized foreign export financing.

Various sections of the Export-Import Bank Act amendments reflect our following intentions:

To make it absolutely clear that a primary function of the Export-Import Bank is to be competitive with foreign officially subsidized export credits;

To reestablish the Eximbank Advisory Panel to make the bank more fully responsive to the needs of American exporters;

To reduce the opportunity for politicizing the Eximbank by giving members of the Board of Directors fixed 4-year terms; and

To discourage the use of subsidized financing by foreign governments to support sales in the U.S. market.

Other major provisions of the Export-Import Bank Act Amendments of 1983 are designed specifically to assist the export of services, to assist small business, and to insure that U.S. companies are afforded an equal and nondiscriminatory opportunity to bid for insurance in connection with transactions assisted by the Bank.

Services represent the fastest growing sector of American exports. This legislation amends the Eximbank Charter to make it clear that service exports are to receive the same and equal treatment as the Bank gives to other export sectors.

The bill seeks to insure that the Bank will be responsive to the needs of small business exporters. The Chairman of the Eximbank Board is to designate one Director of the Bank to coordinate the Bank's support for small business.

Mr. President, in hearings last year, the Banking Committee learned that well over $1 billion of U.S. export sales were lost in fiscal year 1982 due to inadequate Eximbank support. During the same period, the Bank failed to use approximately $1 billion of its direct loan authority.

This underutilization of funds to stimulate U.S. exports is totally unacceptable and in our Senate committee report we recognized the need for greater adherence on the part of the Bank to meet its responsibilities to provide American exporters with competitive financing in the face of foreign government subsidized export credit competition.

As one Senator representing a major exporting State, with an intolerably high unemployment rate, I view the improvement of our trade imbalance and export situation as a major imperative of the Congress and I support passage of this Export-Import legislation as a much needed measure in the right direction.

INTERNATIONAL MONETARY FUND

Mr. President, during the past year the Senate Banking Committee has held numerous hearings on the international financial situation and the participation of the United States in the International Monetary Fund.

It is no secret that "our monetary system is in a rather frightening state" as H. Johannes Witteveen, the former managing director of the International Monetary Fund, put it at the start of the annual meetings of the IMF and the World Bank here in September.

President Reagan's speech to the same conference acknowledged the possibility of "an economic nightmare that could plague generations to come" if steps were not taken to buttress our international monetary system.

Recently, no single issue has dominated the financial community more than the outstanding loans of our banks to lesser developed countries and debtor nations and the implications on the world's monetary system of a default on the part of any of a number of different countries.

The International Lending Supervision Act of 1983 is the result of hundreds of hours of hearings, thousands of pages of testimony, and the best efforts of Members in both the Senate and in the House to reach an acceptable compromise on an extremely difficult piece of legislation.

In addition to increasing the U.S. quota in the IMF by $5.8 billion and contribution to the general agreement to borrow by $2.6 billion, the International Lending Supervision Act:

Requires bank regulators to insure that banks heavily involved in overseas lending maintain adequate capital to protect themselves from possible defaults;

Requires banks to spread the earnings from service fees over the effective life of the loan;

Requires more frequent reporting by banks of their foreign lending;

Encourages the IMF to examine more closely and report on the external indebtedness of borrowing nations;

Urges consideration of U.S. membership in the Swiss-based Bank for International Settlements;

Disallows U.S. banks to extend credit to finance foreign mineral and mining operations without conducting a thorough feasibility study; and

Requires special reserves for banks with loans likely to default.

This legislation also directs the U.S. representative to the IMF to:

Propose policies to improve collection and public dissemination of information;

Propose policies to the Fund to insure that countries using Fund resources take steps to eliminate import restrictions and export subsidies;

Work for policies to eliminate agricultural export subsidies;

Oppose the use of GAB funds for loans to noncontributing countries; and

Propose policies to eliminate IMF assistance which would enhance a country's production of world surplus commodities.

Mr. President, the Domestic Housing and International Recovery and Financial Stability Act, taken as a package, represents many compromises arrived at through the give-and-take inherent in the legislative process.

On balance I support this omnibus legislation with enthusiasm and urge my colleagues to pass it without further delay.

IMF

Mr. DECONCINI. Mr. President, I rise in opposition to the amendment to the supplemental appropriations bill to fund the International Monetary Fund.

I do not believe that our Nation can afford the full increase contained in this given our own economic problems. As a matter of fact, I would prefer that no quota increase were granted. I do not believe that this increase will help to remedy the international debt problem, and I do not believe that the American people want our nation to allocate this additional sum to the IMF.

Perhaps David Stockman best summarized the arguments against additional funding of the IMF when he stated on July 21, 1980:

> . . . Proponents argue that the IMF needs this increase to help prevent economies in the Third World from collapsing under the burden of excessive external debt and thereby becoming vulnerable to Communist takeover or subversion. But the IMF does not have a record of success in strengthening unstable economies in the Third World. Indeed, it has been counterproductive.
>
> Some argue that the quota increase is needed to protect the international banks from the possible default of Third World loans. Except for an imprudent few, however, it is unlikely that banks will have difficulty weathering any such defaults.
>
> In this time of economic stringency, when Federal deficits are placing heavy borrowing requirements on the capital markets of this country, the American public should not be called upon to fork over $5.5 billion to the IMF . . .

Thus, spoke Mr. Stockman in 1980, and what was true then is true today.

The increase in the IMF will add to the Federal deficit. It will also significantly impact on our credit markets because the IMF bailout packages require additional foreign lending by U.S. banks, thus reducing their ability

to purchase U.S. Government and corporate bonds at home. According to one estimate, our private banks lend $4.30 abroad for every dollar in IMF loans. Paul Volcker has warned us that there is not enough credit to go around. Thus, it seems that a larger IMF quota will cost the United States either higher interest rates and a weaker recovery or higher taxes or reduced defense and social spending.

In addition to contributing to our own economic difficulties, the IMF quota increase will serve to prop up old debts with new debts. The ultimate risk of default is increased, and the banks and our Government become more and more entangled in the economies of the debtor nations. Such an approach solves no problem—it enhances them.

The President has always been a strong critic of foreign aid—at least he was before he came into office. The IMF is another multilateral aid agency to the Third World. Based on our own contribution to the IMF, we should have 40 percent of the vote in the IMF. But we do not—we have just under 20 percent. So the IMF is another multilateral aid agency over which we have little control. We receive plenty of international pressure to contribute to the IMF, but receive no apparent credit from those to whom our assistance goes. The loss of control not only may harm our foreign policy interests—it also may result in aid which will be directed in ways that will harm particular sectors of our own economy.

In sum, I believe that the threat of a banking crisis has led us to jump at the IMF quota increase without adequately exploring the alternatives. Perhaps a temporary revolving fund would be sufficient to get us through the current situation. At least then, we would not have to permanently commit our funds.

Another possibility would be to concentrate on bilateral arrangements. We would at least have control over these arrangements and ensure that our money was going to nations that we want to help in ways that will help.

A third option is for the President to determine just what percentage of the bank loans would have to be written down in order to make the others manageable. This knowledge would create a basis for some sort of assistance plan that would make more sense than just throwing additional money into the IMF.

A fourth alternative, if the decision is made that the IMF must be used, is for the IMF to sell some of its assets rather than ask contributing nations to up their quotas. The International Monetary Fund holds the world's second largest gold reserve—103 million ounces of gold, currently worth between $40 to $50 billion. The sale of gold by the IMF would not be unprecedented—the IMF sold 25 million ounces at public auction over a 4-year period and earned $4.6 billion.

I urge my colleagues to encourage the administration to explore these options. Fully—for the good of our Nation as well as for the longrun benefit of the world economy—by opposing this amendment.

HOUSING

Mr. BRADLEY. Mr. President, I rise today to support the first housing authorization bill the Senate has considered in almost 4 years. Although the authorization does not provide enough housing assistance for low-income tenants, the bill does authorize enough moneys to build or renovate 30,000 to 40,000 units and it does reauthorize community development block grants and urban development action grants for 3 years.

This is a long way from the 300,000 units which were financed in the 1970's. But the housing units the bill will provide will help at a time when the poverty rate has risen to 15 percent nationally, the highest rate since 1966. This legislation is far better than nothing, which for a while appeared to be the only alternative.

A very important provision for me is the protection this legislation will provide several New Jersey communities. Many cities and counties that would have been adversely affected by CDBG reclassifications including Asbury Park, Long Branch, Sayreville, Hoboken, and Hudson County in New Jersey, will have a 2-year reprieve under the reauthorization community development block program. Because of administrative changes and redefinitions, relating to the CDBG program, these cities and Hudson County stood to lose vitally needed funds.

For example, the city of Hoboken now receives its CDBG funds from Hudson County which in turn receives its moneys from HUD under the urban county entitlement designation. After a redefinition of the standard metropolitan statistical area, Hoboken was classified as a "central city" because it has a population in excess of 50,000. This designation would require Hoboken to be classified as a "metropolitan entitlement city" for CDBG purposes and to receive its funds directly from HUD. The problem with this is that Hoboken would have to compete with very large cities and that would mean a probable loss of $700,000 annually in CDBG funds. With a per capita income of $5,421, unemployment at 15 percent, and the poverty rate at 23.5 percent of its population, Hoboken cannot afford the loss of a single dollar.

Worse, if Hoboken's population were removed from Hudson County for CDBG eligibility, the county would slip under the CDBG urban county population minimum. That means Hudson County would no longer be eligible for the $5.2 million it now receives. With unemployment at 13 percent, a poverty rate of 17 percent, and a per capita income of $6,476, Hudson County could not tolerate the loss of CDBG funds. As anyone in New Jersey knows, there is no more of an urban county than Hudson. It is perhaps the most densely populated county in the country.

As these per capita income figures and unemployment and poverty rates indicate, Hoboken and Hudson County rely heavily on CDBG funds to supplement their services available to low- and moderate-income individuals.

Similarly Asbury Park, Long Branch, and Sayreville rely heavily on CDBG funds to supplement their services for low- and moderate-income individuals. Because of the redefinition of a standard metropolitan statistical area these cities would have lost their status as central cities under CDBG. Without this legislation these three cities would have lost a total of $1.7 million annually.

I commend the Banking Committee, and in particular, its counterpart in the House for working long hours to develop this compromise which could be brought to the floor.

I support this compromise housing authorization bill and urge my colleagues to support it as well.

HOUSING

Mr. TSONGAS. Mr. President, I wish to comment on the housing authorization bill contained in the supplemental appropriations legislation. After 3 years without housing authorization legislation, I am pleased that we finally have legislation for passage tonight. I understand that the bill is a delicately crafted compromise arduously constructed in the past week. Because I believe such legislation is so essential to our Nation's desperate housing needs, I will not endanger the passage of this compromise by proposing any amendments to improve the bill.

However, I am compelled to express my concern over the provisions pertaining to public housing authorities in this legislation. Local public housing authorities have been responsible for the most difficult task of administering housing for the country's low income, elderly, and handicapped. It is unfortunate that we are unable to address any of the issues that would improve the often deplorable conditions under which the tenants must live.

Provisions to confirm a cost-based system for operating subsidies; establish incentives for better management, reduction of vacancies, and improved energy conservation; reduce inequitable rents; and make production of units possible through realistic and achievable total development cost controls are all eliminated in this legislation. Yet such provisions are necessary

for an effective public housing system. Their removal raises serious concerns.

In the next session of Congress I intend to introduce legislation that would address these important issues so crucial to providing decent housing. However, I reiterate my support for enacting housing authorization legislation tonight and will respect the compromise.

HOUSING AUTHORIZATION

Mr. TOWER. Mr. President, I am pleased to stand today and speak in support of the long-awaited comprehensive housing authorization legislation that is now before us. I must commend the distinguished chairmen of the Senate and House Banking Committees, Senator GARN and the gentleman from Rhode Island, Mr. ST GERMAIN. Their leadership and willingness to grapple with this critically important legislation has been diligent and untiring. I know that I express gratitude from the Nation's housing community when I thank these colleagues for their efforts.

This is the first piece of comprehensive housing authorization legislation since the 1981 reconciliation package. It responsibly addresses the needs of low- and moderate-income Americans and it is my understanding that this measure is within the parameters of the already enacted HUD appropriations bill. Mr. President, I urge my colleagues to consider this package carefully and to act favorably on it. This measure reflects the hours of hard work and compromise by Members of the Senate, the House, and the administration.

Mr. President, I have been dismayed over the last few months by the delay in approving the U.S. share of the needed increase in funds for the International Monetary Fund. Traditionally, we have attempted not politicize major foreign policy decisions. The U.S. share of the proposed increase must be placed in its proper economic perspective.

We cannot return to the days of a United States that is self-sufficient in every way and able to set policies that serve only our own parochial interests. On a global basis, our world is interdependent. We link arm in arm with our allies and together oppose the spread of communism and terrorism, poverty and starvation, and encourage enlightenment from new scientific and technological discoveries. Since Bretton Woods, the United States and the major financial countries have helped develop the rapidly growing Third World. Such development has created jobs and homes for an exploding population and has created new markets for the exporting of American consumer goods, research, and technology. We as policymakers cannot act so narrowly in our short-term interests that we ignore the fragile interdependence of our financial world. We must protect stability and the knowledge of confidence while the IMF, together with the debt-ridden countries, restructure their weakened balance sheets.

Were there bad loans made? Yes. Was there far too much concentration and risk by a few banks in a few countries? Yes. I beg to differ with those, however, who argue that this increase is purely a "bail-out" of the large money center banks. In looking at the period from 1977 to mid-1982, Treasury Department analysts found that in the 20 countries that have received the largest IMF disbursements, all relied most heavily on private bank financing. IMF programs have been followed up by new bank lending much greater than the amount dispersed by the IMF itself. During this period, net IMF disbursements totaled $11.5 billion to these 20 countries, while net commercial bank lending totaled $49.7 billion, resulting in a ratio of 4.3 to 1. It is to be hoped these increases will prevent huge loan losses and perhaps further bank failures, but this is being done in the ultimate interest of the American worker, farmer, and taxpayer. President Reagan and Secretary Regan were firmly opposed to any increase in the IMF quota less than a year ago, but after a great deal of painful analysis and study of Brazil and Mexico's probems alone, they have reluctantly recommended this 18-percent quota increase of $8.4 billion as the most cost-effective solution.

I was shocked when I studied the reports on this international debt situation. I shared the concerns of many regarding this quota increase. But, in my view, one must study the hard data of the potential impact of a country default. During the 1970's, U.S. exports grew twice as fast as total world exports. In 1970, exports represented 9 percent of our total production. In 1980, that number was 19 percent, and U.S. export-related jobs totaled 5.1 million, or 5.1 percent of the total civilian employment. Every $1 billion in exports resulted in 24,000 jobs. As I mentioned earlier in relation to our participation in the development of the Third World, one now finds that some 30 percent of U.S. exports are sold to non-OPEC-member Third World countries. Jobs are at stake here. We on the Senate Banking Committee went a step further prior to approving passage of the increase by imposing more strict lending, accounting, and capital adequacy measures for our banks involved in international lending, Additionally, Senator MATTINGLY, RIEGLE, and I amended the measure to impose restrictions on IMF dispersals to any country that has restrictive trade barriers to U.S. products. I believe that this amendment strengthens the IMF's ability to insist on conditionality prior to any commitment. Jobs and exports should continue to be our chief concern in this process.

Many of my colleagues have offered possible alternatives to increasing the IMF quota, the most popular of which would be to sell IMF gold inventories or to pledge that gold as collateral for funding loans to the IMF. First, selling the IMF's gold bullion would result in a lowering of the price of gold which would have a dramatic negative impact on the solvency of the very countries and the very banks that we are discussing. Countries and world central banks keep a large portion of their capital in gold reserves. Lowering the value of those reserves would damage the liquidity of the banks and the customers they serve and, therefore, this solution is not a practical one. The concept of using the gold as collateral is often discussed. In fact, this is already being done by the IMF for certain short-term borrowing needs and thus this proposal is currently being used.

The President and the Congress have often been forced by public views, as well as by grave concern for the stability of our Nation, to do things that are unpleasant. One would be hard pressed to tell me that passage of the Garn-St Germain bill was not a "bail-out" of the savings and loan industry through the capital certificates program. Yet, millions of American savers, borrowers, and depositors and their homes are affected by this decision. Chrysler is another example of the same principle. Let us hope our friends in the international community take Lee Iacocca's advice about borrowing—"We borrow money the old fashioned way; we pay it back."

Mr. DOMENICI. Mr. President, I stand up today to oppose any quota increase for the International Monetary Fund. I think it is about time to stop our suicidal practice of using U.S. tax dollars to export American jobs to foreign countries. In addition to the IMF authorization, this package also reauthorizes the Eximbank and several interdevelopment banks. Each of these institutions have been a menace in the past. Their loan activities have hurt our copper, steel, potash, and cement industries. They make loans which build plants to increase world capacity for commodities that are already in surplus. They make loans that put Americans out of work.

I am very concerned that this bill does nothing significant to address this problem of surplus commodities. In addition, I think that this is an inexcusable authorization when this country is facing gargantuan deficits. But I am not going to expound upon the deficit problem in this speech. There is an equally important reason why this legislation should be defeated.

The United States is suffering from the unscrupulous trade practices of other countries. These are the same governments that are the beneficiaries of the IMF, and the same beneficiaries of the U.S. essential and generous participation in that institution.

Let me focus for a moment on what we have received in return. When I meet with constituents I hear about how our markets are being lured away because of subsidized competition by the same countries who we help down at the IMF. We help them through the IMF so that they can continue to borrow money to continue to uneconomically subsidize their industries, take over our markets and put Americans out of work.

One problem is that some of these countries are not supply and demand economies. They set production levels and sell at whatever price necessary to meet that goal. They disregard market conditions and increase capacity, building new plants—even when a product may be in surplus. They subsidize production to the point that even with the most modern technology our domestic producers have no hope of competing in their own markets.

The problem is spreading. Last year the World Bank approved a $450 million loan package to the Cananea project in Mexico. Eximbank also financed $75 million for the project. After considerable effort I was able to persuade the World Bank not to make the loan. I was assured that this sort of thing would not happen again. But amazingly, 2 weeks ago I learned about another proposed $268 million loan for the Codelco copper plant's expansion. This is the nationalized copper company in Chile. This comes at a time when copper is in surplus and our own plants are operating at depression levels.

Copper is not the only target. Mexico has built or remodeled seven cement plants and has increased its U.S. market share 669 percent in the first 9 months of this year. Mexican cement is so marketable because half the cost of producing cement is energy and the Mexican Government, through PEMEX, its government owned and controlled monopoly sells heavy oil to its cement industry at $1.23 per barrel.

During this same period of time when Mexico has made major inroads into our copper and cement markets, Mexico has also been a regular customer at the IMF.

Another commodity that is being subsidized at the expense of U.S. producers is potash. Israel, East Germany, the Soviet Union, and Spain subsidize the potash and sell it at below market prices here and in the international market.

These countries are making the United States look stupid. They subsidize their industries, steal our markets, and then they expect us to bail them out through institutions like the IMF.

It is bad enough that our trade laws do not address the unfair practices of energy subsidies and has no effective way of dealing with government subsidies in nonmarket economies.

It is hard for me to tell my unemployed constituents that our trade laws will not protect their jobs. I have introduced measures that I believe would address the commodities in surplus problem. In fact, the amendment was passed in both the House and the Senate. However, in this conference that we are voting on today, numerous changes have substantially curtailed the provisions' effectiveness. I have also introduced a bill to deal with the energy subsidies undermining our cement industry, but it is going to be next year before any legislative trade relief is enacted.

Today we have an opportunity to at least send a message to these countries that the United States is not that stupid, and that we are no longer going to pay for the reckless subsidization of foreign countries' industries at the expense of our own.

Mr. President, for the past 18 months we have watched with alarm the development of a crisis in world trade and finance. As our own recovery gathered steam, American farmers and businessmen watched their foreign markets contract as their foreign customers ran out of dollars. The crisis has had a particularly striking impact on our neighbors in Mexico and Central America.

I agree with the proponents of this amendment that there is a serious problem. Where I part company is with the stopgap solution that is offered by this legislation.

Just yesterday, the Washington Post editorial writers called on each Senator to make tough decisions to prevent the nightmare of collapsing world trade and finance. This Senator knows what tough decisions are. We saw last night how difficult it is for the Senate to make the tough decisions that would bring Federal spending under tighter control.

The problem with immediate consideration of the $8.5 billion package for the International Monetary Fund and the general agreement to borrow is that it does not do the job at hand. This measure would not protect our financial system. It would not revive world trade, and it would not sustain our domestic recovery.

In the view of the Senator from New Mexico, this amendment does not have a significant impact on the financing problems that overhang our domestic economy and leave the world economy in the doldrums. If this amendment made a real difference, I could vote for it, but $8.5 billion is a lot of money to spend in order to make us feel better.

All of the news is not dismal. There are some favorable developments and I will review some of these in a few minutes. The IMF package, however, helps to camouflage the fact that several countries have contracted large international debts and they cannot meet interest payments on that debt. I would consider supporting a measure which would clearly promote a healthy world economy, but I am not prepared to support U.S. financing of other nations' debt service. For that reason, I will oppose this amendment. Let me explain how I have come to this conclusion.

Mr. President, I believe that we need a constructive approach to international finance—one which promises growth and opportunity not only for our developing neighbors, but for our own country and our industrialized trading partners.

Earlier in the year, the proponents of this amendment suggested that our own economy could not recover unless the world recovered and particularly the developing world which is so important to our export growth. At the time, I was impressed by these arguments.

Today, however, I am more impressed by the fact that the U.S. economy has recovered beyond our expectations. The economy will likely grow in excess of 6.5 percent this year compared to the fourth quarter of 1982. This is certainly a respectable growth rate for a recovery that just some months ago we thought would be anemic.

If we ignore our first quarter experience which was very weak, the economy is likely to grow at better than an 8-percent annual rate for the 9 months ending in December. This compares favorably with past recoveries. In fact, only twice in the last 35 years has the economy grown more than 8 percent during the first year of an economic recovery. If the net export sector had been flat, instead of very weak, the growth rate in our economy would have been 1 to 1.5 percent higher. With additional exports, this recovery could have been one of the strongest of the postwar period, and our growth rate in recent months would have been near 10 percent at an annual rate.

I do not believe that such high growth rates are sustainable or are consistent with the kind of price and interest rate stability we are trying to achieve. In short, I believe that even if the foreign trade sector had been stronger during the past year, we would have not realized any more rapid a growth rate than we already have.

It is for this reason that I find the recent study by the Federal Reserve Bank of New York, which finds that we have lost 250,000 jobs as a result of

the sharp decline in U.S. exports to financially troubled nations of Latin America, to be misleading. Of course if you look at any one sector of the economy you can identify job losses that would not have occurred had the demand grown more rapidly.

But the plain fact is, Mr. President, that we have added 3 million jobs to this economy during the past year. This is as many jobs as we have added to this economy in any single year in our postwar history. Indeed, I would point out to my colleagues that the mix of the job growth is just as distorted by the growth in imports from many developing countries as it is by any loss in jobs due to lower exports.

During this recession, Mr. President, we lost 3 million jobs. All of these jobs were in the manufacturing sector. However, only 35 percent of the recent job growth—or about 850,000 jobs—are manufacturing jobs. Part of the reason may be weakness in the export sector. Equally important, however, is the alarming weakness of many other sectors, particulary mining and basic materials, that are crippled by imports. Some foreign competitors export minerals at less than the cost of production with the financial support of the IMF. The practice devastates our American copper industry.

While the rest of the economy is operating at about a 78-percent capacity, which is up almost 10 points from the 1983 low, the mining industries of this country are operating at only about 70 percent or about the same as the low point for 1982. And many industrial material prices are now going down, not up, which is not a very encouraging sign for the future prospects in these industries.

Moreover, Mr. President, if we look at the trade sector, now, we see that it is improving—without any action on the IMF legislation. Import growth is stabilizing after a large run up in the early stages of the recovery. More important, exports are stabilizing and actually improved dramatically in the third quarter. Of course, the world must continue to recover. But, I happen to believe that the world recovery is more dependent on what we do in this country and in this Congress with our national economic policy than on this proposed contribution to the IMF.

Finally, Mr. President, there are many in this body who would characterize this vote as a vote of confidence for the banking system in this country. I want to tell my colleagues that it is possible to vote against this amendment and not be antibanks. I support the commercial banks in this country and in my own State of New Mexico. But I believe that there are good banking practices and poor banking practices. The banks in my own State have often sacrificed tremendous growth opportunities by what, at the time, may be referred to as conservative banking practices that in the long run are clearly prudent.

I, for one, Mr. President, see no undue stress in the banking sector. The banks of this country are enjoying substantial profits. Let us run down the list. Citicorp; profits will be up almost 19 percent this year. Chase; profits will be up 45 percent this year; J. P. Morgan, and Chemical Bank; profits up 10 to 15 percent. This is not stress. By many industries standards, this is prosperity. To me this means that banks are able to take account of the losses in interest and the existing restructuring of debt, are able to raise loan loss reserves and still show substantial profitability.

In addition, Mr. President, I have heard many times during this long debate that banks will have to raise capital under conditions of serious duress if the IMF funding is not passed. But, I note in Tuesday's Wall Street Journal that banks are already raising capital at record rates. Commercial banks in this country have raised $7.6 billion in debt and equity capital during the first 9 months of the year. Is this flurry of bank financings to compensate for the drain in capital due to our troublesome international financial situation? Yes, some, but a large share of these financings is to take advantage of new growth and investment opportunities now available under financial market deregulation. I would like to enter this Wall Street Journal article into the RECORD at this point.

[From the Wall Street Journal, Nov. 17, 1983]

COMMERCIAL BANKS ARE BOOSTING CAPITAL AT RECORD PACE: $7.6 BILLION IN 9 MONTHS

(By Daniel Hertzberg)

NEW YORK.—A growing economy, new expansion opportunities created by deregulation and an underlying fear of high loan losses are prompting the nation's commercial banks to raise new capital at an unprecedented rate.

Led by giant money-center institutions, banks have issued $7.6 billion in stock and long-term debt through the first nine months of this year and the total probably will exceed $9 billion by year-end. That's more than what they raised in the previous 3½ years and far above the record $5.5 billion that banks raised in 1982.

The growing economy is behind some of the money-raising efforts. Under bank rules, the greater a bank's capital, the more quickly it can expand such assets as loans. But the prospect of deregulation allowing banks to expand quickly is also providing an incentive to raise money. For example, Key Banks Inc., Albany, N.Y., in July sold $40 million of adjustable rate perpetual preferred to help fund several acquisitions, including the pending purchase of Depositors Corp., Augusta, Maine, for about $75 million.

But another reason for the funding flurry is the widespread concern over loan losses, particularly the threat of a major loan default by a foreign country. Banks want to increase their capital in anticipation of possible write-offs on the troubled loans associated with Third World borrowers.

So far, the nation's biggest banks have dominated the rush to the public markets. Banks with assets greater than $5 billion accounted for 84% of the bank financing in the first nine months of 1983, according to a report issued last week by Irving Trust Co.

The list was led by Citicorp, which raised $2.3 billion in the nine months, according to Irving Trust. Manufacturers Hanover Corp. raised $650 million; J.P. Morgan & Co., $400 million; and BankAmerica Corp., $400 million.

To raise capital, banks are selling either long-term debt or equity, which includes common stock and adjustable rate preferred stock. The adjustable rate issues recently have made a comeback.

One effect of all the money-raising has been to boost substantially some banks' ratio of capital to assets. For some time, federal regulators have been pressing big banks to strengthen their capital levels and earlier this summer imposed rules requiring the nation's 17 largest multinational banking organizations to maintain capital equal to 5% of their assets, which principally consist of loans.

According to preliminary figures from the Federal Reserve Board, all but two of the big banks matched or exceeded the 5% limit on Sept. 30. BankAmerica moved to 5.03% from 4.79%; Bankers Trust New York Corp. to 5.68% from 4.79%; J.P. Morgan to 6.84% from 6.2% and Irving Bank Corp. to 5.03% from 4.83%. Citicorp moved to 4.8% from 4.67%, still below the 5% level, while Manufacturers Hanover dropped to 4.92% from 5.04%.

The ratio measures primary capital, which includes common stock, perpetual preferred stock, loan loss reserves and certain other factors. It doesn't include most long-term debt, although long-term debt is regarded as part of a bank's capital by most financial analysts.

Mr. DOMENICI. Mr. President, the conference agreement provides $0.3 billion in budget authority and $0.2 billion in outlays for fiscal year 1984 for activities of the Veterans' Administration, the Departments of Agriculture, Energy, Housing and Urban Development, and Interior, and miscellaneous Federal programs.

Enactment of this conference report would put the Appropriations Committee $8.2 billion in budget authority and $0.2 billion in outlays below its overall allocation under the budget resolution when outlays from prior-year budget authority, actions to date, and possible later requirements are taken into account.

Mr. President, I commend Chairman HATFIELD and the members of the Appropriations Committee for fashioning a reasonable compromise and expediting completion of this bill prior to adjournment.

I ask unanimous consent that a table showing the relationship of the conference report, together with other actions completed and possible later requirements, to the budget resolution, the Senate- and House-passed levels, and the President's budget request be

printed in the RECORD at the conclusion of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FISCAL YEAR 1984 SUPPLEMENTAL APPROPRIATIONS BILL CONFERENCE AGREEMENT—SENATE APPROPRIATIONS COMMITTEE STATUS

[In billion of dollars]

	Fiscal year 1984—	
	Budget authority	Outlays
Action to date by Appropriations Committee [2]	519.0	502.5
H.R. 3959, conference agreement	0.3	0.2
Possible later requirements	8.6	8.2
Adjustment to conform mandatory programs to Budget Resolution assumptions	+1.8	+1.4
Appropriations Committee total	529.7	512.4
Committee 302(a) allocation [3]	537.9	512.6
Senate-passed level	529.8	512.5
House-passed level	529.8	512.4
President's request	518.7	505.7
Committee total compared to:		
Committee 302(a) allocation	−8.2	−0.2
Senate-passed level	−0.1	−0.1
House-passed level	−(1)	+(1)
President's request	+11.0	+6.6

[1] Less than $50 million.
[2] Includes enacted regular appropriation bills, regular appropriation bill conference reports agreed to in both Houses, the continuing resolution in all other cases, and other prior actions.
[3] Includes reserve fund allocations made on September 14 and October 27, 1983.

Note.—Totals may not add due to rounding.

Mr. GARN. Mr. President, regarding the provision in my amendment which would prohibit the Secretary of HUD from prescribing a fixed interest rate for FHA mortgages, I want to clarify a matter that has been raised with me by the distinguished Senator from California (Mr. CRANSTON) who serves as the ranking minority member on the Senate Veterans' Affairs Committee, as well as on the Banking Committee with me. We have discussed the concerns of many veterans about the effect of the provisions of the pending amendment on the authority of the Administrator of Veterans' Affairs under section 1803(c) of title 38, United States Code, to determine the maximum rates of interest applicable to VA guaranteed home loans.

We are in agreement that the pending FHA proposal, if enacted, would not affect the VA's current authority to establish maximum interest rates. The title 38 authority in section 1803(c) does require that the Administrator consult with the HUD Secretary in establishing the interest rates applicable to VA guaranteed loans. However, the Administrator is in no way bound by the HUD Secretary's view. Whatever authority the VA Administrator presently has with respect to setting the interest rates for VA guaranteed loans, he would continue to have if this FHA provision were enacted.

Certainly, Mr. President, the Senator from California (Mr. CRANSTON) and I would both expect that the Administrator would continue to exercise his authority in the best interest of our Nation and our Nation's veterans.

NINETY-PERCENT FUNDING OF STATE FINANCED RENT SUPPLEMENT AND RENTAL ASSISTANCE PAYMENTS IN PUBLIC LAW 98-63

Mr. D'AMATO. Mr. Chairman, I would like to state for the record that I appreciate the efforts that you personally have made to enable the 1983 housing bill to become a reality in the last few days before Congress recesses. In the hurried atmosphere in which the House and the Senate has been able to achieve a compromise, I want to be sure that I understand correctly the intent of the committee with regard to certain legislative language in Public Law 98-63. Sections 218 and 219 of the bill address the funding of rent supplement and rental assistance payments which run to State assisted, non-FHA insured projects. I want to be sure that the intent of these provisions is to assure that all units contacted for such assistance will receive at least 90 percent of the amount necessary to cover rent increases and changes in the incomes of eligible tenants required under amendments to the subsidy contracts. As you know, we have labored over the amount of funding for these units over the last 2 years. An acceptable compromise was reached this year when the 1983 supplemental appropriations bill provided that beginning with fiscal year 1984, the RAP and rent supplement units will receive, in addition to the 1983 base amount, funds to cover 90 percent of the necessary increases due to increased rent changes and changes of tenant incomes. I want to be sure that the committee intends that the full 90-percent funding is required under the statute.

Mr. GARN. I thank the Senator for his expression of appreciation for my effort in producing this compromise. It is the intention of the committee that amendments to a project for the number of units occupied by eligible tenants on the date of enactment assisted under the RAP and rent supplement programs on uninsured State projects be funded to a full 90 percent of the amount necessary to cover changes in rents or tenant incomes. This authorization statute reflects the agreement reached in the 1983 supplemental appropriations bill, whereby Congress provided that the full 90-percent funding of such amendments are required.

Mr. LAUTENBERG. Will the Chairman yield?

Mr. GARN. Yes, I will yield to the Senator.

Mr. LAUTENBERG. I would like to thank the distinguished Senator from New York for raising this important point. I agree with the chairman that these provisions regarding RAP and rent supplement are drafted to assure that a full 90-percent funding of amendments are required.

Mr. GARN. I appreciate the Senator's comments. For the record, I believe that Secretary Pierce has already expressed his intent to fund the full 90 percent of the amendments to these units which we require under this legislation. I would like to read a letter which I have recently received from Secretary Pierce, the last paragraph of which addresses the issue we now discuss.

THE SECRETARY,
DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT,
Washington, D.C., November 3, 1983.

Hon. JAKE GARN,
Chairman, Subcommittee on HUD-Independent Agencies, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR SENATOR GARN: The Senate Report on P.L. 97-377 directed the Department to develop a comprehensive funding plan to meet the long-term needs of projects being assisted under the Rent Supplement and Rental Assistance Payments (RAP) programs. Our original Budget proposals included both short-term and long-term measures designed to meet fully the anticipated needs of insured Rent Supplemental and RAP projects. However, the Department did not request any funding for projects that had been financed by State Housing Agencies, and the Report directed us to deal with the needs of both insured and non-insured projects.

In large part, this issue was resolved by the subsequent enactment of the FY 1983 Supplemental Appropriations Act (P.L. 98-63) which set-aside up to $114 million to be used for non-insured Rent Supplement and RAP projects. In compliance with the Committees direction, I am writing to summarize the steps we are taking to assure adequate funding for both insured and non-insured projects under the two subsidy programs.

INSURED AND SECRETARY-HELD PROJECTS

During FY 1984, the Department intends to continue converting insured and Secretary-held Rent Supplement and RAP units to funding under Section 8 Loan Management Set-Aside. The FY 1984 Appropriations Act includes 40,000 units of Section 8 specifically targeted for this purpose. (That Act also includes another $1.5 billion for subsidized housing, the allocation of which has not yet been determined.) The FY 1984 Budget also assumes the use of $23,209,000 in short-term Rent Supplement and RAP amendments for projects which have not yet converted to Section 8. Amounts not required for amendments under these two programs will be rescinded. The FY 1984 Appropriations Act authorizes the rescission of up to $106.6 million of contract authority and an estimated $2.9 billion of budget authority under the two programs.

We estimate that by the end of FY 1983, as many as 64,101 eligible Rent Supplement and RAP units will still lack a Section 8 reservation. Therefore, while we expect that an allocation of at least 40,000 units in FY 1984 will meet the bulk of conversion demand in that year, additional Section 8 funding will ultimately be needed. The Department is committed to providing sufficient authority to convert all remaining insured and Secretary-held Rent Supplement and RAP units to Section 8 as quickly as possible. Depending on the response of owners, the process should be completed in FY 1985.

STATE-AIDED, NONINSURED PROJECTS

The FY 1983 Supplemental Appropriations Act (P.L. 98-63) signed by the President on July 30, 1983, contains the Congressionally-mandated plan for funding Rent Supplement and Rental Assistance Payments (RAP) amendments for State-aided, non-insured projects. Specifically, the Act sets aside up to $50,828,000 in Rent Supplement contract authority and $63,365,000 in RAP contract authority to cover amendments for the remaining term of outstanding Rent Supplement and RAP contracts for non-insured projects. HUD is to fund fully required amendments in FY 1983. Beginning in FY 1984, HUD funding will be limited to 90 percent of required amendments.

I am sending similar letters to Senators Hatfield and Huddleston and Congressmen Boland and Green.

Very sincerely yours,

SAMUEL R. PIERCE, Jr.

Mr. PERCY. Mr. President, before the Senate completes consideration of S. 1338, the housing authorization bill, I would like to clarify the intent of the title I, dealing with the grandfathering of several urban counties in the community development block grant program (CDBG).

In July of this year, Senator DIXON and I were alerted by Madison and St. Clair Counties in Illinois that these counties faced loss of their eligibility as urban counties under the CDBG program in fiscal year 1985. This situation is the unanticipated result of OMB's designating in the counties three cities—Granite City, Alton, and Belleville—as central cities. Under HUD's rules, the counties can no longer count the population of these cities. Therefore, without these cities, they do not have enough people to remain eligible for CDBG's.

Mr. President, this change would have resulted in the loss of over $1 million for each of these counties. The CDBG program is one of the most successful Federal assistance efforts in Madison and St. Clair Counties—the funds appropriated for it have gone directly to work for low-interest loans for low- and middle-income persons, for senior citizen centers, for water and sewer improvements, and economic development.

Moreover, Belleville, Alton, and Granite City want the counties to continue being eligible for the program. This arrangement has worked well, and there is no reason for the Federal Government to disrupt this relationship now.

There are two other counties in the United States that faced an identical situation: Hudson County in New Jersey, and Sonoma County in California. The central cities there, and these two counties, also want the counties to remain the entitlement entity. Senator LAUTENBERG, Senator BRADLEY, Senator WILSON, and Senator CRANSTON have joined Senator DIXON and me in seeking a statutory change insuring continued eligibility for these four counties.

Senator GARN and Senator TOWER, and their staff, have been extremely helpful in rectifying this problem. The housing bill now includes language grandfathering the entitlement status of these four counties. Because of the complexity of the issue, I would like to make it crystal clear for the record precisely what our intent is in part A of title I of the bill.

Madison and St. Clair Counties have a 3-year cooperative agreement for the CDBG program through fiscal year 1984, and will be entering into a new 3-year agreement for fiscal years 1985, 1986, and 1987. It is important that there be no misunderstanding regarding the housing bill and its impact on these counties and their agreements.

I would like to ask Senator GARN to clarify the language of section 102 which amends section 102(a)(4) of the Housing and Community Development Act of 1984:

Is it the intent of the Senator to allow continuation of the current 3-year cooperative agreements between the city and county under section 102, subsection (d) of the act, allowing the city to remain part of the urban county through fiscal year 1984?

Is it the intent of the Senator to allow the city to continue to defer its entitlement status in fiscal year 1985, and permit the city to enter into a new 3-year cooperative agreement with the county, allowing the city to remain part of the urban county in fiscal years 1985 and 1986?

Mr. President, I would like to turn to my distinguished colleague from Illinois, Senator DIXON.

Mr. DIXON. Mr. President, the compromise language embodied in the Housing and Community Development Act of 1984 I believe is acceptable. However, I join with the senior Senator from Illinois in seeking clarification regarding section 102 which amends section 102(a)(4). Is it the intent of the Senator from Utah to permit the newly designated central cities in St. Clair and Madison Counties in Illinois and two cities in two other States to remain part of the urban county through fiscal year 1984? In addition, is it the intent of the Senator to permit these newly designated central cities to defer CDBG entitlement status in fiscal years 1985 and 1986?

Mr. GARN. Mr. President, I assure Senator PERCY and Senator DIXON that my intent is to allow Madison and St. Clair Counties in Illinois, Sonoma County in California, and Hudson County in New Jersey, to continue to be urban counties, for entitlement purposes, by permitting their newly designated central cities to remain part of the urban county, if they so desire, in fiscal years 1984, 1985, and 1986.

Mr. LAUTENBERG. Mr. President, I want to express my appreciation to Senators GARN and TOWER for their cooperation on this matter. The entire New Jersey congressional delegation has expressed their support for maintaining the current status of Hudson County and the city of Hoboken under the CDBG program. This provision which carries them through 1986 is vital to the city and county. As a cosponsor of S. 1802, I commend Senators PERCY and DIXON for their leadership on this issue.

HOUSING AUTHORIZATION ACT—SECTION ON PUBLIC HOUSING PROGRAMS

Mr. HEINZ. I have commended leadership in an earlier statement for bringing this housing compromise to the Senate floor. Knowing of the differences between Congress and the administration, I am well aware of the hard bargains that had to be accepted on both sides.

Mr. President, I am particularly dismayed, however, to find that in an 11th hour bargaining session on S. 1338 and H.R. 1, all of the management-oriented improvements in the public housing operating subsidy formula and modernization program were dropped from the package. The distinguished chairman of the Senate Banking Committee knows better than anyone of the time and energy devoted to developing these improvements by members of the Senate and House Committees and their staffs, as well as the good faith efforts made by outside representatives of the Nation's public housing authorities.

It is my understanding, Mr. Chairman, that as part of the compromise you and the House leadership have received a commitment from the administration not to make any changes in fiscal year 1984 in the way operating subsidies are funded or in the CIAP program. Furthermore, if the administration wishes to pursue any such changes in fiscal year 1985, it will do so only by presenting a legislative proposal to the Congress.

It is my belief that we must insure some measure of stability in these programs so that the public housing authorities can effectively manage a system which provides housing for more than 3.5 million Americans. I know from my constituents who are trying to do a good job running their authorities in York, in Harrisburg, in Pittsburgh, in Westmoreland County and in other Pennsylvania communities that we must protect them from uncertainties created by unpredictable administrative changes. My question, Mr. Chairman, is what is the nature of the commitment given to Congress by the administration?

Mr. GARN. I thank the distinguished Senator from Pennsylvania for his remarks. I share his concerns.

Mr. President, we have the firmest assurances from OMB Director, David Stockman, and Secretary of HUD, Samuel Pierce, that the administration will not make any changes in the operating subsidy or modernization program in fiscal year 1984 and that in fiscal year 1985, the administration will only make fundamental changes or structural program reforms by seeking authorizing legislation. These assurances are embodied in a letter which I have received from Mr. Stockman. I ask unanimous consent that the full text of this memorandum be made part of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C. November 16, 1983.

Hon. JAKE GARN,
Chairman, Banking, Housing, and Urban Affairs Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is intended to clarify the Administration's position concerning fundamental structural program reforms for the Public Housing Operating Subsidy and Modernization Programs in 1984 and 1985.

As you know, the Department of Housing and Urban Development has developed, through published regulations and other administrative procedures, a complex, technical system for allocating operating subsidies and modernization funds among more than 2,600 local public housing authorities. The Department will administer these programs in 1984 with the funding provided in the HUD-Independent Agencies Appropriations Act of 1984 (P.L. 98-45) pursuant to regulations and policies in effect as of November 15, 1983, except prescient to the pending authorization bill. The Administration has agreed that it would seek authorizing legislation for any fundamental changes or structural program reforms it might wish to make for these programs in 1985.

I hope these clarifications will remove any concerns Members of Congress may have concerning the Administration's position on this matter.

Sincerely,

DAVID A. STOCKMAN,
Director.

(Identical letter sent to the Honorable FERNAND ST GERMAIN, chairman, Banking, Finance and Urban Affairs Committee.)

Mr. GARN. I understand that the Senator has a technical amendment to section 437 of the Housing and Urban-Rural Recovery Act regarding State certification requirements under section 232 of the National Housing Act. I will be glad to include the Senator's amendment in the technical corrections bill that will be introduced very early next year.

Mr. DECONCINI. I thank the Senator for including my amendment in the technical corrections to this legislation.

The text of the proposed amendment follows:

At the appropriate place, insert the following:

SEC. . Section 232 (d)(4) of the National Housing Act is amended by inserting before the last sentence thereof the following: "The certification referred to in clause (A) of the preceding sentence shall not be required until January 1, 1986, for facilities located in any State where the designated agency is not, as of January 1, 1983, authorized by State law, to issue such certifications.".

Mr. RIEGLE. Mr. President, I also share the concerns of the Senator from Pennsylvania.

I believe that several important reforms related to public housing were contained in both the Senate and House housing bills. The provisions regarding the public housing performance funding system and the comprehensive improvement assistance program would have helped preserve a valuable national asset that makes it possible for many of the country's neediest families to have decent housing. Virtually all of those provisions were removed from this compromise in the late stages of the negotiations.

I know that the chairman of the Banking Committee authored some of the more helpful provisions and that he supported the thrust of the Senate bill, as I do.

I understand that the administration pressed to have these provisions dropped from the bill in exchange for the administration's commitment that they will make no changes in regulation and no substantive changes in administrative policy without prior approval by Congress in legislation. It is helpful to have that letter on the record.

However, I want to make it clear that I am still concerned by the questions that have been raised about the recent administration of these programs. I believe that the intent of Congress has been very clear that the performance funding system should be administered in a way that permits local housing authorities to have adequate resources and that the CIAP program should contribute primarily to the long-term habitability of the public housing stock. The purposes of these programs are not changed by adoption of this amendment. My vote for this amendment is not an endorsement of the administration's policies that are inconsistent with those congressional objectives.

Mr. HEINZ. I want to congratulate the managers for bringing up a bill which responds in a balanced way to the concerns that have been raised during congressional consideration of this complex and controversial issue.

However, I do want to rise a concern about one aspect of the provision dealing with the U.S. vote on IMF loans to countries practicing apartheid or Communist dictatorship. It is my understanding that the United States would be required to vote against IMF loans to such countries unless the Secretary of the Treasury certifies in writing and testifies before Congress at least 21 days in advance of an IMF vote that certain conditions had been met. I do not believe that such a 21-day rule is practical or realistic.

The IMF procedures normally provide that the results of loan negotiations are to be presented to the Executive Board at least 4 weeks prior to a decision. However, it is often not possible to meet this schedule and decisions on loans can be made within a shorter period. For example, the negotiations on the IMF loan to Brazil have just been completed and the Executive Board will be meeting on the request next Tuesday. In such circumstances, it would be impossible for a Secretary of the Treasury to satisfy the 21-day requirement provided in the bill.

I would appreciate knowing how the managers intend for this provision to be applied in such circumstances.

Mr. GARN. I want to thank the Senator for raising a very important point.

It is not the intention of the sponsors to have a provision which cannot reasonably be expected to be met. Clearly, the 21-day requirement will have to be interpreted realistically in order to take account of the IMF loan negotiations; the legislative calendar, including congressional recesses; and other factors that might affect the ability of the Secretary of the Treasury to provide the necessary certification and to testify before the appropriate committees. I want to assure the Senate that the 21-day requirement would be our expectation, but the adherence to that goal would take into account reasonable variations due to the circumstances at the time.

EXPORT-IMPORT BANK REAUTHORIZATION

Mr. MATTINGLY. Mr. President, I would first like to commend my colleagues here in the Senate and also my counterparts in the House for their efforts in developing legislation which forces the U.S. Export-Import Bank—Eximbank—to be responsive to the needs of American exporters, no matter how large or small. While extending the Bank's charter, this legislation makes a significant contribution to U.S. exporters by making the terms and conditions of Eximbank's financing competitive with government-supported, financing offered to exporters from other countries.

The Eximbank is too frequently viewed as a bank and not as an instrument of U.S. trade policy or job creation. It has been estimated that Eximbank supports over $18 billion in U.S. exports annually, with each billion dollars providing 24,000 to 30,000 jobs. If U.S. exporters are unable to obtain competitive financing, they frequently face the loss of sale and perhaps a permanent loss of market.

The challenge to develop international and domestic solutions to global

economic problems and trends will face not only this administration but many to come. To make the Bank's programs fully competitive, as this bill provides, will asist in its use of resources in ways to help meet that broader objective.

Mr. President, in the Senate-passed version of this bill, we were successful in having approved an amendment which will permit small business exporters to benefit more from Eximbank resources. I would like to commend again the efforts of the other Senators who joined Senator BOSCHWITZ and myself in formulating this amendment. Since the house passed a similar amendment providing for a small business set-aside within the Bank. I am pleased that the conference bill retained language pertaining to an Eximbank small business set-aside.

I believe our efforts will result in the growth of the export base of our country through the increased participation of small business exporters. The additional employment impact resulting from an increase in small business exports will be substantial. Small businesses have the potential to create more jobs than the traditional large manufacturing concerns. You have already heard the figures: The Commerce Department estimates that at least 20,000 businesses in the United States could export but do not. The fact is clear: The rewards of increasing the participation of small business exporters are great.

Eximbank officials have conceded that there is a need to make the Bank work for small business. Although the Bank has developed a few ad hoc programs directed at smaller exports over the past 2 years, Bank officials admit that, and I quote: "Their use has not been as great as we had hoped."

Therefore, I am pleased to have this opportunity to comment on this legislation which will require Eximbank to be more attentive and responsible to the needs of small business. This provision will require the Bank to consistently focus on the needs of small business. Previous efforts in this regard have been implemented by the Bank on a come-and-go basis.

American small business exporters want to export, they want to compete, and are able to compete on the basis of those things at which they excel—quality, service, and price. However, they cannot compete against the officially subsidized export financing offered to their foreign competitors. The set-aside insures small business better access to Eximbank's resources at competitive terms by: First, establishing a small business set-aside in an amount of 6 percent for fiscal year 1984 and increasing to 10 percent by fiscal year 1987; second, requiring Eximbank to provide lines of credit or guarantees to consortia of local banks, export trading companies, State export finance agencies, export financing cooperative and small business investment companies; third, requiring Eximbank to promote this small business program in cooperation with the Commerce Department, the Small Business Administration, and the private sector; fourth, designating leaders from the Small Business Community to the advisory committee at the Eximbank and to its Board of Directors; fifth, directing Eximbank to urge the Foreign Credit Insurance Association (FCIA) to provide insurance against 100 percent of the loss of export sales up to $100,000; and finally, sixth, requiring Eximbank to report to Congress annually on the status and effectiveness of the small business set-aside.

Mr. President, I would like to raise one other point. I understand that this bill includes an Eximbank loan guarantee package in an amount equal to $500 million to be extended to Mexico. This package is tied to the Mexican purchase of U.S. exports. What many people do not know is that in September 1983, Mexico extended low-interest loans to Cuba in an amount of approximately $55 million. While we do not have jurisdiction over the lending practices of Mexican banks, we do have more influence over U.S. bank practices.

I opposed the Banking Committee's motion to approve the $500 million Exim loan guarantee package to Mexico because of Mexico's loans to Cuba. I want to be 100 percent certain that by lending money to Mexico, we are in no way facilitating Mexico's ability to lend to Cuba, thereby, aiding and abetting communism. Making it easier for Mexico to finance its imports permits it to use the capital otherwise needed for that purpose for other purposes—like aiding Cuba's ability to import. I continue to find this activity intolerable and one we should not support.

While the provision was passed by the Senate Banking Committee and is included in this conference bill, I have received assurances from the Chairman of the Eximbank, Mr. William Draper, that the assistance extended to Mexico will in no way, not even indirectly, facilitate our ojectives to foil the growth of the Communist threat.

With my opposition to this provision of the bill clearly stated, I reiterate my support of this Eximbank bill and again commend by colleagues for their fine work. Thank you, Mr. President.

ON ASIAN DEVELOPMENT BANK AUTHORIZATION

Mr. KASTEN. Mr. President, I wish to express my strong support for a particular provision of the bill before us, and to commend the conferees for including it. I refer to the sense of the Congress provision that the Republic of China should remain a full member of the Asian Development Bank and that its status within that body should remain unaltered, no matter how the issue of the People's Republic of China's (PRC) application for membership is disposed of.

This provision is an important one and it is essentially the same as Senate Resolution 137 which I introduced in May. That resolution now has 55 cosponsors, and for good reason. My resolution strongly reaffirms U.S. support for Taiwan, and makes it clear that any attempt to abandon our oldest Asian ally in order to improve relations with the People's Republic of China would be unacceptable to Congress. I am happy that the conferees decided on language just as uncompromising.

This language should also make it clear that any attempt by the People's Republic of China to manipulate multinational agencies such as the Asian Development Bank will be counterproductive. China will gain much more from the United States if it refrains from such actions as trying to have Taiwan expelled.

The Asian Development Bank is a nonpolitical regional financial organization. Its sole purpose is to provide the developing member countries with financial and technical assistance for their economic development. Article 36 of the Asian Development Bank agreement specifically prohibits the influence of political considerations on the decisions of the bank:

> Only economic considerations shall be relevant to their decisions—in order to achieve and carry out the purpose and functions of the bank.

Political influences, of the sort being brought to bear by the People's Republic of China, undermine the ability of the Asian Development Bank to carry out its mission, namely to foster economic growth and cooperation in the region.

Congress will continue to be vigilant concerning the well-being of Taiwan. It is now up to the administration to recognize the strength of this congressional commitment to Taiwan, and to do its part to insure the security of our ally.

Mr. MOYNIHAN. Mr. President, I rise today in support of the housing authorization amendment to the conference report on the supplemental appropriations bill (H.R. 3959). This is a compromise proposal and, under the circumstances, a necessary one. For 3 years, we have passed no housing authorization legislation. This cannot go on.

This amendment provides us with an opportunity to renew the Federal goal of providing decent, safe, and affordable housing for all Americans. It does so by authorizing new Federal assistance for 100,000 housing units for the elderly and low- and moderate-income families.

The amendment also reauthorizes the urban development action grant and community development block grant programs for 3 years. These programs have been most important, and most effective, in supporting community revitalization efforts in New York and throughout the Nation. Many innovative and successful renewal and redevelopment efforts have been grown out of the UDAG and CDBG programs.

I should also say that this compromise proposal accommodates several issues of particular concern to me. First, the compromise includes provisions to mitigate the impact of a 1982 change in tenant rent contribution policy. That change increased the rental contribution in federally assisted housing from 25 percent to 30 percent of income for new tenants and from 25 percent to 27 percent for current tenants.

I opposed this change when it occurred. It was and is a inequitable way to increase rents—the equivalent of Government-sponsored inflation for those who can least afford it. I tried to delay the effective date of the HUD regulation implementing the new policy. I was concerned about the effect of such an immediate rent increase on 700,000 New Yorkers in federally assisted housing. I remain concerned, and therefore I am pleased that this compromise housing legislation allows for new adjustments in determining a tenant's income for the purpose of setting his rent. It is my hope that the new deductions available for the elderly, the handicapped, and for each child in a family, will offset the impact of the rental contribution percentage change.

Second, I applaud the compromise on rent control. On June 3, 1981, I spoke on the Senate floor opposing provisions in housing legislation then under consideration, to deny housing assistance to communities with rent control ordinances. This provision, which had been added by amendment in the Banking Committee, was wholly improper, unacceptable Federal interference with local statutes. This issue of rent control should not be federalized. Cities with rent control and rent stabilization policies should not be forced to choose between Federal housing assistance and local programs to maintain affordable private housing for all their citizens. The housing amendment before us today reaffirms the right of local communities to maintain rent control and stabilization programs as their communities see fit, without a Federal dictate. This is a wise and proper decision, and one that will be welcomed in communities like New York City with long-standing commitments to rent control and rent stabilization.

I commend my colleagues involved in fashioning this housing and community development amendment. We have gone far too long without authorization legislation in this area. I urge passage of this amendment, so we can renew our Federal commitment to housing and community development programs.

Mr. D'AMATO. Mr. President, I wish to take a minute of this distinguished body's time to lend my highest commendation to my colleagues who have labored so long and so hard to make this legislative package a reality. Much has been said about the terrible precedent this body has set proceeding as it has during consideration of this package. I could not agree more with those assessments. It is my hope, however, that the Senate does not lose sight of the critical needs this legislation will address in fulfilling both our domestic and international policymaking responsibilities.

There are many provisions of this legislation that are of grave importance to my State of New York. I would like to especially express my deep appreciation to Chairman GARN for being responsive to the needs of New York in the formulation of this legislation. Although we often differed sharply on many policy questions, the Chairman was exceptionally cooperative in exploring mutually acceptable solutions to what sometimes seemed irresolvable deadlocks.

Of special importance to me is the authorization of a rental rehabilitation proposal Senator DODD and I had introduced in the 97th Congress. Rehabilitation is a cost-effective method of adding sorely needed units to our housing stock.

In addition, Mr. President, I would like to commend Sentor TOWER, the Chairman of the Senate Housing Subcommittee, the distinguished ranking minority member, Senator RIEGLE, and the ranking minority member of the full Banking Committee, Senator PROXMIRE, for their persistence in seeing the housing bill to final passage.

In closing, Mr. President, I believe passage of this housing bill reasserts the federal presence in the area of housing and community development which would have been threatened should a third year have passed without a housing authorization bill. I urge the House of Representatives to act quickly and favorably on this proposal and I look forward to working with Secretary Pierce and the Department of Housing and Urban Development in the constructive implementation of this legislation.

MODIFICATION TO AMENDMENT NO. 2633

Mr. GARN. Mr. President, I would modify the pending Garn amendment. This was an amendment of Senator PROXMIRE. It deletes subsection (c), which has been agreed to by all parties in Senator PROXMIRE's behalf. It is not an amendment, but I sent to the desk a modification to the pending Garn amendment.

The PRESIDING OFFICER. It would take unanimous consent to modify the amendment.

Mr. GARN. Mr. President, I ask unanimous consent that the Garn amendment be so modified.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modification is as follows:

Strike section 650(c).

Mr. GARN. Mr. President, I am not aware of any additional debate. To protect any Senators who may wish to offer amendments, there are many more amendments in disagreement where they would be protected on offering additional amendments. Therefore, I move immediate consideration of the Garn amendment to amendment No. 11 in disagreement.

The PRESIDING OFFICER. Is there further debate?

Mr. GARN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The motion is to concur in the House amendment to the Senate amendment No. 11, with the Garn amendment, as amended and modified.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Utah. The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), and the Senator from South Carolina (Mr. HOLLINGS) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 67, nays 30, as follows:

[Rollcall Vote No. 374 Leg.]

YEAS—67

Andrews	Hart	Murkowski
Baker	Hatch	Nunn
Bentsen	Hatfield	Packwood
Biden	Hawkins	Pell
Bingaman	Hecht	Percy
Boschwitz	Heinz	Proxmire
Bradley	Huddleston	Quayle
Burdick	Inouye	Randolph
Byrd	Johnston	Riegle
Chafee	Kassebaum	Rudman
Chiles	Kasten	Sarbanes
Cochran	Kennedy	Sasser
D'Amato	Lautenberg	Specter
Danforth	Laxalt	Stafford
Dixon	Leahy	Stennis
Dodd	Levin	Stevens
Dole	Long	Tower
Durenberger	Lugar	Tsongas
Eagleton	Mathias	Wallop
Evans	Matsunaga	Weicker
Ford	Mattingly	Wilson
Garn	Mitchell	
Gorton	Moynihan	

NAYS—30

Abdnor	Exon	Nickles
Armstrong	Goldwater	Pressler
Baucus	Grassley	Pryor
Boren	Heflin	Roth
Bumpers	Helms	Simpson
Cohen	Humphrey	Symms
DeConcini	Jepsen	Thurmond
Denton	McClure	Trible
Domenici	Melcher	Warner
East	Metzenbaum	Zorinsky

NOT VOTING—3

Cranston	Glenn	Hollings

So the motion to concur in the House amendment to the Senate amendment No. 11, with the Garn amendment (No. 2633), as amended and modified, was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the motion to concur was agreed to.

Mr. HATFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SENATE AMENDMENT NO. 12

The PRESIDING OFFICER. The clerk will state the next amendment in disagreement.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 12 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken and inserted by said amendment, and insert:

"Of the funds appropriated under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1984 (Public Law 98-45), $1,000,000 shall be available for an evaluation of the emergency veterans' job training program."

Mr. HATFIELD. Mr. President, I merely wish to indicate that we have 13 committee amendments remaining to be acted upon and I am very hopeful that very shortly we should be able to ask unanimous consent to adopt those committee amendments en bloc with certain exceptions that have been asked for in order to protect Senators' rights to offer amendments to those committee amendments.

But at this point, I yield the floor for the purpose of further amendment on the committee amendment No. 12.

AMENDMENT NO. 2639

(Purpose: To amend provisions of the disability benefits)

Mr. LEVIN. Mr. President, I send an amendment to the desk on behalf of Senator COHEN, Senator BYRD, Senator HEINZ, and 18 other Senators, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Michigan (Mr. LEVIN), for himself and Mr. COHEN, Mr. BYRD, Mr. HEINZ, Mr. PRYOR, Mr. DURENBERGER, Mr. BINGAMAN, Mr. RIEGLE, Mr. RANDOLPH, Mr. MELCHER, Mr. SARBANES, Mr. LAUTENBERG, Mr. BOSCHWITZ, Mr. HEFLIN, Mr. PELL, Mr. SPECTER, Mr. GLENN, Mr. KENNEDY, Mr. DIXON, Mr. INOUYE, Mrs. HAWKINS, and Mr. RUDMAN, proposes an amendment numbered 2639.

Mr. LEVIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. LONG. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk read as follows:

At the end of the amendment add the following title:

TITLE II—SOCIAL SECURITY DISABILITY PROVISIONS

SHORT TITLE

SEC. 201. This title may be cited as the "Social Security Disability Amendments of 1983".

PRETERMINATION NOTICE

SEC. 202. (a)(1) Section 221(i) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(4) In any case where the Secretary initiates a review under this subsection of the case of an individual who has been determined to be under a disability, the Secretary shall notify such individual of the nature of the review to be carried out, the possibility that such review could result in the termination of benefits, and the right of the individual to provide medical evidence with respect to such review.".

(2) Section 221(c) of such Act is amended by adding at the end thereof the following new paragraph:

"(4) In any case where the Secretary initiates a review under this subsection of a determination made by a State agency that an individual is under a disability, the Secretary shall notify the individual whose case is to be reviewed of the nature of the review to be carried out and the possibility that such review could result in the termination of benefits.".

(b) Section 1633 of such Act is amended by adding at the end thereof the following new subsection:

"(c) In any case in which the Secretary initiates a review under this title, similar to the continuing disability reviews or own motion reviews authorized for purposes of title II under sections 221(c) and 221(i), the Secretary shall notify the individual whose case is to be reviewed in the same manner as required under section 221(i)(4) or 221(c)(4), respectively.".

STANDARD OF REVIEW FOR TERMINATION OF DISABILITY BENEFITS AND PERIODS OF DISABILITY

SEC. 203. (a) Section 223 of the Social Security Act is amended by inserting after subsection (e) the following new subsection:

"Standard of Review for Termination of Disability Benefits

"(f)(1) A receipient of benefits under this title or title XVIII based on the disability of any individual may be determined not to be entitled to such benefits on the basis of a finding that the physical or mental impairment on the basis of which such benefits are provided has ceased, does not exist, or is not disabling only if such finding is supported by—

"(A) substantial evidence which demonstrates that there has been medical improvement in the individual's impairment or combination of impairments so that—

"(i) the individual is now able to engage in substantial gainful activity, or

"(ii) if the individual is a widow or surviving divorced wife under section 202(e) or a widower or surviving divorced husband under section 202(f), the severity of his or her impairment or impairments is no longer deemed, under regulations prescribed by the Secretary, sufficient to preclude the individual from engaging in gainful activity; or

"(B) substantial evidence which—

"(i) consists of new medical evidence and (in a case to which subclause (II) does not apply) a new assessment of the individual's residual functional capacity and demonstrates that, although the individual has not improved medically, he or she is nonetheless a beneficiary of advances in medical or vocational therapy or technology so that—

"(I) the individual is now able to engage in substantial gainful activity, or

"(II) if the individual is a widow or surviving divorced wife under section 202(e) or a widower or surviving divorced husband under section 202(f), the severity of his or her impairment or impairments is no longer deemed under regulations prescribed by the Secretary sufficient to preclude the individual from engaging in gainful activity; or

"(ii) demonstrates that, although the individual has not improved medically, he or she has undergone vocational therapy so that the requirements of subclause (I) or (II) of clause (i) are met; or

"(C) substantial evidence which demonstrates that, as determined on the basis of new or improved diagnostic techniques or evaluations, the individual's impairment or combination of impairments is not as disabling as it was considered to be at the time of the most recent prior decision that he or she was under a disability or continued to be under a disability, and that therefore—

"(i) the individual is able to engage in substantial gainful activity, or

"(ii) if the individual is a widow or surviving divorced wife under section 202(e) or a widower or surviving divorced husband under section 202(f), the severity of his or her impairment or impairments is not deemed under regulations prescribed by the Secretary sufficient to preclude the individual from engaging in gainful activity; or

"(D) substantial evidence which demonstrates that, as determined on the basis of a new assessment of the individual's residual functional capacity and new vocational evaluations, the individual is able to return to his or her prior employment.

"(2) Nothing in this subsection shall be construed to require a determination that a recipient of benefits under this title or title XVIII based on an individual's disability is entitled to such benefits if evidence on the record at the time any prior determination of such entitlement to disability benefits was made, or new evidence which relates to that determination, shows that the prior determination was either clearly erroneous at the time it was made or was fraudulently obtained, or if the individual is engaged in substantial gainful activity.

"(3) In any case in which there is no available medical evidence supporting a prior disability determination, nothing in this subsection shall preclude the Secretary, in attempting to meet the requirements of the preceding provisions of this subsection, from securing additional medical reports necessary to reconstruct the evidence which supported such prior disability determination.

"(4) For purposes of this subsection, a benefit under this title is based on an individual's disability if it is a disability insurance benefit, a child's, widow's, or widower's insurance benefit based on disability, or a mother's or father's insurance benefit based on the disability of the mother's or father's child who has attained age 16.".

(b) Section 216(i) of such Act is amended by adding at the end thereof the following new paragraph:

"(4)(A) A period of disability may be determined to end on the basis of a finding that the physical or mental impairment on the basis of which the finding of disability was made has ceased, does not exist, or is not disabling only if such finding is supported by evidence described in subparagraph (A), (B), (C), or (D) of section 223(f)(1).

"(B) Nothing in subparagraph (A) shall be construed to require a determination that a period of disability continues if evidence on the record at the time any prior determination of such period of disability was made, or new evidence which relates to such determination, shows that the prior determination was either clearly erroneous at the time it was made or was fraudulently obtained, or if the individual is engaged in substantial gainful activity.

"(C) In any case in which there is no available medical evidence supporting a prior disability determination, nothing in this paragraph shall preclude the Secretary, in attempting to meet the requirements of the preceding provisions of this paragraph, from securing additional medical reports necessary to reconstruct the evidence which supported such prior disability determination.".

(c) Section 1614(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(5)(A) A recipient of benefits based on disability under this title may be determined not be to entitled to such benefits on the basis of a finding that the physical or mental impairment on the basis of which such benefits are provided has ceased, does not exist, or is not disabling only if such finding is supported by—

"(i) substantial evidence which demonstrates that there has been medical improvement in the individual's impairment or combination of impairments so that the individual is now able to engage in substantial gainful activity; or

"(ii) substantial evidence (except in the case of an individual eligible to receive benefits under section 1619) which—

Mr. LEVIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. I object.

The PRESIDING OFFICER. Ojection is heard.

The assistant legislative clerk resumed reading as follows:

"(I) consists of new medical evidence and a new assessment of the individual's residual functional capacity and demonstrates that, although the individual has not improved medically, he or she is nonetheless a beneficiary of advances in medical or vocational therapy or technology so that the individual is now able to engage in substantial gainful activity, or

"(II) demonstrates that, although the indivdual has not improved medically, he or she has undergone vocational therapy so that he or she is now able to engage in substantial gainful activity; or

"(iii) substantial evidence which demonstrates that, as determined on the basis of new or improved diagnostic techniques or evaluation, the individual's impairment or combination of impairments is not as disbling as it was considered to be at the time of the most recent prior decision that he or she was under a disability or continued to be under a disability, and that therefore the individual is able to engage in substantial gainful activity; or

"(iv) substantial evidence which demonstrates that, determined on the basis of a new assessment of the individual's residual functional capacity and new vocational evaluations, the individual is able to return to his or her prior employment.

"(B) Nothing in this paragraph shall be construed to require a determination that a recipient of benefits under this title based on disability is entitled to such benefits if evidence on the record at the time any prior determination of such entitlement to benefits was made, or new evidence which relates to that determination, shows that the prior determination was either clearly erroneous at the time it was made or was fraudulently obtained, or if the individual (unless he or she is eligible to receive benefits under section 1619) is engaged in substantial gainful activity.

"(C) In any case in which there is no available medical evidence supporting a prior determination of disability, nothing in this paragraph shall preclude the Secretary, in attempting to meet the requirements of the preceding provisions of this paragraph, from securing additional medical reports necessary to reconstruct the evidence which supported such prior determination.".

Mr. LONG. Mr. President, will the clerk please tell me what page and line he is on at this point? I am trying to follow along with him as he reads.

THE PRESIDING OFFICER (Mr. DANFORTH). Page 7, line 21.

The clerk will resume.

The assistant legislative clerk continued reading the amendment, as follows:

CASE DEVELOPMENT AND MEDICAL EVIDENCE

SEC. 204. (a) Section 223(d)(5) of the Social Security Act is amended by inserting "(A)" after "(5)" and by adding at the end thereof the following new subparagraph:

"(B) In making any determination with respect to whether an individual is under a disability or continues to be under a disability, the Secretary shall consider all evidence available in such individual's case record, and shall develop a complete medical history of at least the preceding twelve months. In making such determination the Secretary shall make every reasonable effort to obtain from the individual's treating physician (or other treating health care provider) all medical evidence, including diagnostic tests, necessary in order to properly make such determination, prior to seeking medical evidence from any other source on a consultative basis.".

(b) Section 1614(a)(3) of such Act is amended by adding at the end thereof the following subparagraph:

"(G) In making determinations with respect to disability under this title, the provisions of section 223(d)(5) shall apply.".

EVALUATION OF PAIN

SEC. 205. (a) Section 223(d)(5)(A) of the Social Security Act (as amended by section 203 of this Act) is amended by inserting after the first sentence the following new sentence: "An individual's statement as to pain or other symptoms shall not alone be conclusive evidence of disability as defined in this section; there must be findings, established by medically acceptable clinical or laboratory diagnostic techniques, which demonstrate the pain or other symptoms alleged and which, when considered with all evidence required to be furnished under this paragraph (including statements of the individual and his treating physician as to the intensity and persistence of such pain or other symptoms which may reasonably be accepted as consistent with the findings), would lead to a conclusion that the individual is under a disability.".

(b)(1) The Secretary of Health and Human Services shall, in conjunction with the National Academy of Sciences, conduct a study of the issues concerning—

(A) the use of subjective evidence of pain, including statements of the individual alleging such pain as to the intensity and persistence of such pain and corroborating evidence provided by treating physicians, family, neighbors, or behavioral indicia, in determining under section 221 or title XVI of the Social Security Act whether an individual is under a disability, and

(B) methods of preventing, reducing, or coping with pain.

(2) The Secretary shall submit the results of the study under paragraph (1), together with any recommendations, to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate not later than April 1, 1985.

UNIFORM STANDARDS FOR DISABILITY DETERMINATIONS

SEC. 206. (a) Section 221 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(j)(1) The Secretary shall establish by regulation uniform standards which shall be applied at all levels of determination, review, and adjudication in determining whether individuals are under disabilities as defined in section 216(i) or 223(d).

"(2) Regulations promulgated under paragraph (1) shall be subject to the rulemaking procedures established under section 553 of title 5, United States Code.".

(b) Section 1614(a)(3)(G) of such Act (as added by section 204) is amended by striking out "section 221(d)(5)" and inserting in lieu thereof "sections 221(d)(5) and 221(j)".

MULTIPLE IMPAIRMENTS

SEC. 207. (a)(1) Section 223(d)(2) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

"(C) In determining whether an individual's physical or mental impairment or impairments are of such severity that he or she is unable to engage in substantial gainful activity, the Secretary shall consider the combined effect of all of the individual's impairments without regard to whether any such impairment, if considered separately, would be of such severity.".

(2) The third sentence of section 216(i)(1) of such Act is amended by inserting "(2)(C)," after "(2)(A),".

(b) Section 1614(a)(3)(G) of such Act (as amended by section 206) is amended by striking out "and 221 (j)" and inserting in lieu thereof ", 221 (j), and 223(d)(2)(C)".

MORATORIUM ON MENTAL IMPAIRMENT REVIEWS

SEC. 208. (a) The Secretary of Health and Human Services (hereafter in this section referred to as the "Secretary") shall revise the criteria embodied under the category "Mental Disorders" in the "Listing of Impairments" in effect on the the date of the enactment of this act under appendix 1 to subpart P of part 404 of title 20 of the Code of Federal Regulations. Teh revised criteria and listings, alone and in combination with assessments of the residual functional capacity of the individuals involved, shall be designed to realistically evaluate the ability of a mentally impaired individual to engage in substantial gainful activity in a competitive workplace enviornment, regulations establishing such revised criteria and listings shall be published no later than nine months after the date of the enactment of this Act.

(b) The Secretary shall make the revisions pursuant to subsection (a) in consultation with the Advisory Concil on the Medical Aspects of Disability (established by section 208 of this Act), and shall take the advice and recommendations of such Council fully into account in makig such revisions.

(c)(1), Until such time as revised criteria have been established by regulation in accordance with subsection (a), no continuing eligibility review shall be carried out under section 221(i) of the Social Security Act, or under the corresponding requirements established for disability determinations and reviews under title XVI of such Act, with respect to any individual previously determined to be under a disability by reason of a mental impairment, if—

(A) no initial decision on such review has been rendered with respect to such individual prior to the date of the enactment of this Act, or

(B) an initial decision on such review was rendered with respect to such individual prior to the date of the enactment of this Act but a timely appeal from such decision was filed or was pending on or after June 7, 1983.

For purposes of this paragraph and subsection (d)(1) the term "continuing eligibility review", when used to refer to a review of a previous determination of disability, includes any reconsideration of or hearing on the initial decision rendered in such review as well as such initial decision itself, and any review by the Appeals Council of the hearing decision.

(2) Paragraph (1) shall not apply in any case where the Secretary determines that fraud was involved in the prior determination, or where an individual (other than an individual eligible to receive benefits under section 1619 of the Social Security Act) is determined by the Secretary to be engaged in substantial gainful activity.

(d)(1) Any initial determination that an individual is not under a disability by reason of a mental impairment and any determination that an individual is not under a disability by reason of a mental impairment in a reconsideration of or hearing on an initial disability determination, made or held under title II or XVI of the Social Security Act after the date of the enactment of this Act and prior to the date on which revised criteria are established by regulation in accordance with subsection (a), and any determination that an individual is not under a disability by reason of a mental impairment made under or in accordance with title II or XVI of such Act in a reconsideration of, hearing on, or judicial review of a decision rendered in any continuing eligibility review to which subsection (c)(1) applies, shall be redetermined by the Secretary as soon as feasible after the date on which such criteria are so established, applying such revised criteria.

(2) In the case of a redetermination under paragraph (1) of a prior action which found that an individual was not under a disability, if such individual is found on redetermination to be under a disability, such redetermination shall be applied as though it had been made at the time of such prior action.

(3) Any individual with a mental impairment who was found to be not disabled pursuant to an initial disability determination or a continuing eligibility review between March 1, 1981, and the date of the enactment of this Act, and who reapplies for benefits under title II or XVI of the Social Security Act, may be determined to be under a disability during the period considered in the most recent prior determination. Any reapplication under this paragraph must be filed within one year after the date of the enactment of this Act, and benefits payable as a result of the preceding sentence shall be paid only on the basis of the reapplication.

ADVISORY COUNCIL ON MEDICAL ASPECTS OF DISABILITY

SEC. 209. (a) There is hereby established in the Department of Health and Human Services an Advisory Council on the Medical Aspects of Disability (hereafter in this section referred to as the "Council").

(b)(1) The Council shall consist of—

(A) 10 members appointed by the Secretary of Health and Human Services (without regard to the requirements of the Federal Advisory Committee Act) within 60 days after the date of the enactment of this Act from among independent medical and vocational experts, including at least one psychiatrist, one rehabilitation psychologist, and one medical social worker; and

(B) the Commissioner of Social Security ex officio. The Secretary shall from time to time appoint one of the members to serve as Chairman. The Council shall meet as often as the Secretary deems necessary, but not less often than twice each year.

(2) Members of the Council appointed under paragraph (1)(A) shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. Such members, while attending meetings or conferences thereof or otherwise serving on the business of the Council, shall be paid at rates fixed by the Secretary, but not exceeding $100 for each day, including traveltime, during which they are engaged in the actual performance of duties vested in the Council; and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(3) The Council may engage such technical assistance from individuals skilled in medical and other aspects of disability as may be necessary to carry out its functions. The Secretary shall make available to the Council such secretarial, clerical, and other assistance and any pertinent data prepared by the Department of Health and Human Services as the Council may require to carry out its functions.

(c) It shall be the function of the Council to provide advice and recommendations to the Secretary of Health and Human Services on disability standards, policies, and procedures under titles II and XVI of the Social Security Act, including advice and recommendations with respect to—

(1) the revisions to be made by the Secretary, under section 208 (a) of this Act, in the criteria embodied under the category "Mental Disorders" in the "Listing of Impairments"; and

(2) the question of requiring, in cases involving impairments other than mental impairments, that the medical portion of each case review (as well as any applicable assessment of residual functional capacity) be completed by an appropriate medical specialist employed by the State agency before any determination can be made with respect to the impairment involved. The Council shall also have the functions and responsibilities (with respect to work evaluations in the case of applicants for and recipients of benefits based on disability under title XVI) which are set forth in section 211 of this Act.

(d) Whenever the Council deems it necessary or desirable to obtain assistance in order to perform its functions under this section, the Council may—

(1) call together larger groups of experts, including representatives of appropriate professional and consumer organizations, in order to obtain a broad expression of views on the issues involved; and

(2) establish temporary short-term task forces of experts to consider and comment upon specialized issues.

(e)(1) Any advice and recommendations provided by the Council to the Secretary of Health and Human Services shall be included in the ensuing annual report made by the Secretary to Congress under section 704 of the Social Security Act.

(2) Section 704 of the Social Security Act is amended by inserting after the first sentence the following new sentence: "Each such report shall contain a comprehensive description of the current status of the disability insurance program under title II and the program of benefits for the blind and disabled under title XVI (including, in the case of the reports made in 1984, 1985, and 1986, any advice and recommendations provided to the Secretary by the Advisory Council on the Medical Aspects of Disability, with respect to disability standards, policies, and procedures, during the preceding year).".

(f) The Council shall cease to exist at the close of December 31, 1985.

SSI BENEFITS FOR INDIVIDUALS WHO PERFORM SUBSTANTIAL GAINFUL ACTIVITY DESPITE SEVERE MEDICAL IMPAIRMENT

SEC. 210. (a) Section 201(d) of the Social Security Disability Amendments of 1980 is amended by striking out "shall remain in effect only for a period of three years after such effective date" and inserting in lieu thereof "shall remain in effect only through June 30, 1986".

(b) Section 1619 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(c) The Secretary of Health and Human Services and the Secretary of Education shall jointly develop and disseminate information, and establish training programs for staff personnel, with respect to the potential availability of benefits and services for disabled individuals under the provisions of this section. The Secretary of Health and Human Services shall provide such information to individuals who are applicants for and recipients of benefits based on disability under this title and shall conduct such pro-

grams for the staffs of the District Offices of the Social Security Administration. The Secretary of Education shall conduct such programs for the staffs of the State Vocational Rehabilitation agencies, and in cooperation with such agencies shall also provide such information to other appropriate individuals and to public and private organizations and agencies which are concerned with rehabilitation and social services or which represent the disabled.".

ADDITIONAL FUNCTIONS OF ADVISORY COUNCIL; WORK EVALUATIONS IN CASE OF APPLICANTS FOR AND RECIPIENTS OF SSI BENEFITS BASED ON DISABILITY

SEC. 211. (a) The functions and responsibilities of the Advisory Council on the Medical Aspects of Disability (established by section 209 of this Act) shall include—

(1) a consideration of alternative approaches to work evaluation in the case of applicants for benefits based on disability under title XVI and recipients of such benefits undergoing reviews of their cases, including immediate referral of any such applicant or recipient to a vocational rehabilitation agency for services at the same time he or she is referred to the appropriate State agency for a disability determination;

(2) an examination of the feasibility and appropriateness of providing work evaluation stipends for applicants for and recipients of benefits based on disability under title XVI in cases where extended work evaluation is needed prior to the final determination of their eligibility for such benefits or for further rehabilitation and related services;

(3) a review of the standards, policies, and procedures which are applied or used by the Secretary of Health and Human Services with respect to work evaluations, in order to determine whether such standards, policies, and procedures will provide appropriate screening criteria for work evaluation referrals in the case of applicants for and recipients of benefits based on disability under title XVI; and

(4) an examination of possible criteria for assessing the probability that an applicant for or recipient of benefits based on disability under title XVI will benefit from rehabilitation services, taking into consideration not only whether the individual involved will be able after rehabilitation to engage in substantial gainful activity but also whether rehabilitation services can reasonably be expected to improve the individual's functioning so that he or she will be able to live independently or work in a sheltered environment.

(b) For purposes of this section, "work evaluation" includes (with respect to any individual) a determination of—

(1) such individual's skills,

(2) the work activities or types of work activity for which such individual's skills are insufficient or inadequate,

(3) the work activities or types of work activity for which such individual might potentially be trained or rehabilitated,

(4) the length of time for which such individual is capable of sustaining work (including, in the case of the mentally impaired, the ability to cope with the stress of competitive work), and

(5) any modifications which may be necessary, in work activities for which such individual might be trained or rehabilitated, in order to enable him or her to perform such activities.

PAYMENT OF COSTS OF REHABILITATION SERVICES

SEC. 212. (a) The first sentence of section 222(d)(1) of the Social Security Act is amended—

(1) by striking out "into substantial gainful activity"; and

(2) by striking out "which result in their performance of substantial gainful activity which lasts for a continuous period of nine months" and inserting in lieu thereof the following: "(i) in cases where the furnishing of such services results in the performance by such individuals of substantial gainful activity for a continuous period of nine months, (ii) in cases where such individuals receive benefits as a result of section 225(b) (except that no reimbusement under this paragraph shall be made for services furnished to any individual receiving such benefits for any period after the close of such individual's ninth consecutive month of substantial gainful activity or the close of the month in which his or her entitlement to such benefits ceases, whichever first occurs), and (iii) in cases where such individuals, without good cause, refuse to accept vocational rehabilitation services or fail to cooperate in such a manner as to preclude their successful rehabilitation".

(b) The second sentence of section 22(d)(1) of such Act is amended by inserting after "substantial gainful activity" the following: ", the determination that an individual, without good cause, refused to accept vocational rehabilitation services or failed to cooperate in such a manner as to preclude successful rehabilitation,".

(c) The first sentence of section 1615(d) of such Act is amended by striking out "if such services result in their performance of substantial gainful activity which lasts for a continuous period of nine months" and inserting in lieu thereof the following: "(1) in cases where the furnishing of such services results in the performance by such individuals of substantial gainful activity for continuous periods of nine months, (2) in cases where such individuals are determined to be no longer entitled to benefits under this title because the physical or mental impairments on which the benefits are based have ceased, do not exist, or are not disabling (and no reimbursement under this subsection shall be made for services furnished to any individual receiving such benefits for any period after the close of such individual's ninth consecutive month of substantial gainful activity or the close of the month with which his or her entitlement to such benefits ceases, whichever first occurs), and (3) in cases where such individuals, without good cause, refuse to accept vocational rehabilitation services or fail to cooperate in such a manner as to preclude their successful rehabilitation".

(d) The amendments made by this section shall apply with respect to individuals who receive benefits as a result of section 225(b) of the Social Security Act (or who are determined to be no longer entitled to benefits under title XVI of such Act because the physical or mental impairments on which the benefits are based have ceased, do not exist, or are not disabling), or who refuse to accept rehabilitation services or fail to cooperate in an approved vocational rehabilitation program, in or after the first month following the month in which this Act is enacted.

QUALIFICATIONS OF MEDICAL PROFESSIONALS EVALUATING MENTAL IMPAIRMENTS

SEC. 213. (a) Section 221 of the Social Security Act is amended by inserting after subsection (g) the following new subsection:

"(h) A determination under subsection (3), (c), (g), or (i) that an individual is not under a disability by reason of a mental impairment shall be made only if, before its issuance by the State (or the Secretary), a qualified psychiatrist or psychologist who is employed by the State agency or the Secretary (or whose services are contracted for by the State agency or the Secretary) has completed the medical portion of the case review, including any applicable residual functional capacity assessment.".

(b) Section 1614(a)(3)(G) of such Act (as amended by section 207) is amended by inserting "221(h)," before "221(j)".

RESPONSE BY SECRETARY TO COURT DECISIONS

SEC. 214. (a) In the case of any decision rendered by a United States Court of Appeals which—

(1) involves an interpretation of the Social Security Act or any regulation issued thereunder;

(2) involves a case to which the Department of Health and Human Services or any officer or employee thereof is a party; and

(3) requires that such department or officer or employee thereof, apply or carry out any provision, procedure, or policy under such Act with respect to any individual or circumstance in a manner which varies from the manner in which such provision, procedure, or policy is generally applied or carried out,

the Secretary shall, within 60 days after the issuance of such decision or the last day available for filing an appeal, whichever is later, send to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives, and publish in the Federal Register, a statement of the Secretary's decision to acquiesce or not acquiesce in such court decision, and the specific facts and reasons in support of the Secretary's decision. Nothing in this section shall be interpreted as sanctioning any decision of the Secretary not to acquiesce in the decision of a United States Court of Appeals.

CONTINUATION OF BENEFITS DURING APPEAL

SEC. 215. (a)(1) Section 223(g)(1) of the Social Security Act is amended—

(A) in the matter following subparagraph (C), by striking out "and the payment of any other benefits under this Act based on such individual's wages and self-employment income (including benefits under title XVIII)," and inserting in lieu thereof ", the payment of any other benefits under this title based on such individual's wages and self-employment income, the payment of mother's or father's insurance benefits to such individual's mother or father based on the disability of such individual as a child who has attained age 16, and the payment of benefits under title XVIII based on such individual's disability,"; and

(B) in clause (iii) by striking out "June 1984" and inserting in lieu thereof "June 1986".

(2) Section 223(g)(3)(B) of such Act is amended by striking out "December 7, 1983" and inserting in lieu thereof "January 1, 1986".

(b) Section 1631(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(7)(A) In any case where—

"(i) an individual is a recipient of benefits based on disability or blindness under this title,

"(ii) the physical or mental impairment on the basis of which such benefits are payable if found to have ceased, not to have existed, or to no longer be disabling, and as a consequence such individual is determined not to be entitled to such benefits, and

"(iii) a timely request for review or for a hearing is pending with respect to the determination that he is not so entitled,

such individual may elect (in such manner and form and within such time as the Secretary shall by regulations prescribe) to have the payment of such benefits continued for an additional period beginning with the first month beginning after the date of the enactment of this paragraph for which (under such determination) such benefits are no longer otherwise payable, and ending with the earlier of (I) the month preceding the month in which a decision is made after such a hearing, (II) the month preceding the month in which no such request for review or a hearing is pending, or (III) June 1986.

"(B)(i) If an individual elects to have the payment of his benefits continued for an additional period under subparagraph (A), and the final decision of the Secretary affirms the determination that he is not entitled to such benefits, any benefits paid under this title pursuant to such election (for months in such additional period) shall be considered overpayments for all purposes of this title, except as otherwise provided in clause (ii).

"(ii) If the Secretary determines that the individual's appeal of his termination of benefits was made in good faith, all of the benefits paid pursuant to such individual's election under subparagraph (A) shall be subject to waiver consideration under the provisions of subsection (b)(1).

"(C) The provisions of subparagraphs (A) and (B) shall apply with respect to determinations (that individuals are not entitled to benefits) which are made—

"(i) on or after the date of the enactment of this paragraph, or prior to such date but only on the basis of a timely request for review or for a hearing, and

"(ii) prior to January 1, 1986.".

(c)(1) The Secretary of Health and Human Services shall, as soon as practicable after the date of the enactment of this Act, conduct a study concerning the effect which the enactment and continued operation of section 223(g) of the Social Security Act is having on expenditures from the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, and the Federal Supplementary Medical Insurance Trust Fund, and the rate of appeals to administrative law judges of unfavorable determinations relating to disability or periods of disability.

(2) The Secretary shall submit the results of the study under paragraph (1), together with recommendations, to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate not later than July 1, 1986.

PERSONAL APPEARANCE DEMONSTRATION PROJECTS

SEC. 216. The Secretary of Health and Human Services shall, as soon as practicable after the date of the enactment of this Act, implement demonstration projects in which a personal appearance prior to a determination of ineligibility for persons reviewed under section 221(i) of the Social Security Act is substituted for the face to face evidentiary hearing required by section 205(b)(2) of such Act. Such demonstration projects shall be conducted in not fewer than five States, and shall include disability determinations with respect to individuals reviewed under title XVI of such Act. The Secretary shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate concerning such demonstration projects, together with any recommendations, not later than April 1, 1985.

EFFECTIVE DATE

SEC. 217. Except as otherwise provided in this title, the amendments made by this title shall apply with respect to cases involving disability determinations pending in the Department of Health and Human Services or in court on the date of the enactment of this Act, or initiated on or after such date.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, in 1980, Congress decided that there were people who were receiving social security disability benefits who should not be, who were receiving those benefits without ever being reviewed, and so we adopted amendments to provide that the Social Security Administration would review those people. And we were right in worrying about people being on these rolls who should not be on the rolls and we were right in deciding that people should be reviewed. I think that decision essentially was a correct one—it was a correct impetus; that we did not want people on the rolls who should not be, and there should be a way of removing people from the rolls once there who did not belong.

But in the last couple of years we have found that the review process that we set in motion is now out of control. The review process has removed over 100,000 people wrongfully that we know of—people who have appealed their elimination from the disability rolls and who have prevailed on their appeals but who during the appeal period have suffered unconscionable harm. We have had over 100,000, perhaps up to a quarter of a million, injustices that are now so bad that about 30 States have decided to either totally stop the review of these people or to follow rules other than the Social Security Administration rules.

Now, let us just think about what is now in motion. About 30 States, half the States of the Union or more, are now telling the Federal Government that what we now have in motion is so bad, so unjust, so unfair, so egregious, so full of error, so full of harm, so full of needless pain, so full of injustice, that they are going to follow rules other than the rules which the Social Security Administration has set for these reviews or in the case of many of these States they are going to stop these reviews totally. They are just going to stop them. They are not going to do what the Congress has said must be done. That is how bad it now is.

It is so bad that the National Governor's Association, recognizing the chaos and the anarchy which exists in this program, has now written to all Members of the Senate supporting this package which Senator COHEN and I and about 30 other Senators on a bipartisan basis are offering tonight. The Governors Association has written us that:

> The manner in which the 1980 disability determination amendments have been implemented has resulted in large numbers of erroneously terminated benefits causing severe financial and emotional hardship to eligible individuals.

Mr. President, we have now taken care of the International Monetary Fund, we have taken care of the Export-Import Bank, and a few other needs around this Senate today. I voted for final passage of the amendment of Senator GARN, but we literally have hundreds of thousands of people there who are disabled, who are now on the rolls who are going to be thrown off these rolls unless we bring some semblance of order to this process.

Now, many of us were here in 1980 when these amendments to require these reviews were first put into the law, and I know that the impetus to do this was a wise one, an impetus that we should remove people from the rolls who should not be there, and we should not want people on these rolls who do not belong there.

But, for Heaven's sake, with equal fervor we should want people on those rolls who do belong there. They have contributed to the social security system. It is the only disability insurance system that they have. And with the same passion that we do not want people on the rolls who do not belong there, we should insist that people who do belong on those rolls stay there and not be weeded out by a process which is now simply out of control. It is the review process which is out of control now, just as it was once thought that placing people on the rolls was somewhat out of control.

And so I, along with Senator COHEN and so many others in this body, have for months and months, indeed now for years, been working on some reforms to this system. We have worked closely with many members of the Finance Committee. I think we have satisfied most of the needs of most of the members, although not all of the needs of all of the members. We have refined, we have dropped a number of amendments. This amendment which we offer tonight is significantly less costly to the Treasury than the amendment of Representative PICKLE that has passed the House Ways and Means Committee. Indeed, according

to the social security estimate, the cost of this amendment is about $1 billion less than that of Representative PICKLE, which is going to be coming to the floor of the House tomorrow. And so this amendment cannot be viewed as a budget buster when we are going to see in the House an amendment of Representative PICKLE, who is no big spender, which costs significantly more than this.

This is a modest, pared-down, scaled-down amendment which provides some minimum reform to get this system back on course. It is off the road. It is in the ditch. And again, when you have this many States that are telling the Federal Government that what we are now doing is so wrong that they have to ignore the Federal law, we have a problem that cannot wait until January in order to be reformed.

Mr. President, in 1980, our instincts were right, and this amendment tonight does not say that we were wrong in 1980. What it says is that we have learned some things since 1980. We can improve this review process. It does not end the process. It does not say that people who should be working are still going to be on disability. Indeed, it is quite clear in this amendment that people who should be working are not going to be on the disability rolls. But it brings a little bit of commonsense to the review process.

Now, I wish to go over some of the provisions that we have in this amendment.

First of all, Mr. President, the amendment would allow the Secretary of Health and Human Services to terminate individuals who are on the rolls if one of the following is shown:

First, if the individual can return to his or her prior work—and that is important—if the individual can return to the prior work of that individual, we would allow the Secretary to terminate this person from the rolls even though there is no medical improvement.

Second, we would, of course, allow the Secretary to terminate an individual if there has been medical improvement.

Third, we would allow termination if the beneficiary gained from advances in medical or vocational therapy or technology; in other words, if the person is now in a better condition to work even though there has not been technically a medical improvement.

Fourth, if based on new or improved diagnostic techniques or evaluations, the individual is now found not as disabled as previously thought.

Fifth, if there has been error or fraud in the prior determination of eligibility.

So there are many circumstances other than medical improvement which we have in our amendment which would allow termination of an individual. We do not require medical improvement if there are one of those other circumstances which exist.

Second, we require the Secretary to make every effort to obtain the necessary medical evidence from the treating physician instead of a consultive examination alone and that is only just that. We go to the actual treating physician and not just rely on consultive examinations from physicians which the Secretary calls in.

Third, we would require the Secretary to consider a claimant's pain if there are medical findings which show the existence of the pain, whether or not there are medical signs and findings of a medical condition causing the pain. In other words, we permit the Secretary to consider a claimant's pain providing a physician makes medical findings which show the existence of the pain.

Fourth, we would require the Secretary to issue standards for determining disability by regulation and to make them applicable to all levels of the judicatory process. Right now the Secretary can issue standards to determine disability which are simply internal which are never subject to publication notice and comments and those are critical regulations and we should require that they be done in the usual regulatory manner.

Fifth, we require the Secretary to consider the combination of multiple impairments in determining whether or not an individual has a severe impairment. This provision would not be effective for a year in order to give the Social Security Administration the time to study the impact of this provision and to prepare the appropriate regulations and procedures.

Sixth, we provide for a moratorium on the review of all persons with mental impairment until the listing for mental impairment has been revised. A similar provision authored by Senator HEINZ was passed by the Senate earlier this year.

Seventh, we establish an advisory council on the medical aspects of disability to advise the Social Security Administration on the appropriate standards for determining the extent of an individual's disability.

Next, we require the Secretary to use a qualified psychiatrist or psychologist in reviewing new cases involving mental impairment.

Next, we require that the Secretary report both to Congress and to the public the Secretary's decision to acquiesce or not acquiesce in decisions by the circuit court of appeals involving the Social Security Act and the specific reasons in support of such decisions. This provision explicitly states that does not mean that Congress is sanctioning the Secretary's use of the nonacquiescence policy. It is a very carefully crafted provision which, however, does not prohibit the use of nonacquiescence, either,

This is typical of the provisions that are in this amendment. They have been worked out extremely carefully with many members of the Finance Committee. Indeed, we have consulted over and over again over the past months with the Social Security Administration, so that this amendment would be sensitive to the needs of the Social Security Administration but at long last bring an end to some of the abuses which exist and end the chaos that we now have in the disability program.

Next, we provide for the payment of benefits through appeal to an administrative law judge for terminations as of December 31, 1985, and payments thereafter through June 30, 1986.

This provision also requires repayment for those who lose on appeal and a report by the Secretary on the impact of this entire provision.

Mr. President, we now see that there are so many appeals from the terminations of these disability cases that in many of our circuits, in many of our Federal districts, significant portions of the new caseload actually are appeals from these terminations.

We have also seen a significant reversal rate on these terminations, that the harm that has come from this process has been the needless pain and the needless suffering that has occurred because of a policy of review which is simply gone haywire.

Since the time Senator COHEN and I introduced our bill we have been working, as I indicated, with members of the Finance Committee to get committee consideration of the legislation, as well as their support on a revised bill and there have been, Mr. President, many, many efforts on both sides and on all sides because there are more than two and I believe again that most concerns and perhaps not all concerns of all Members have been met and I know not all of them of all Members have been met, but we have gone far in amending our original bill in order to reduce the costs of our proposal, and it is this amended version which we are offering as an amendment today.

Let me give the costs to this before I yield. The House Ways and Means Committee has again reported a similar bill which has been sponsored by Congressman PICKLE, which would cost an estimated $3.4 billion over 5 years. That is the estimate provided by the social security actuary. The Congressional Budget Office has estimated the cost of the Pickle bill at substantially less, some $1.6 billion over 5 years. So that the Congressional Budget Office estimates the cost of the Pickle bill at about half of the estimate of the Social Security Administration.

We have trimmed down our bill significantly and in revising our original bill, we have been able to reduce the cost of this amendment by a billion dollars below that of the Pickle bill, according to the Social Security Administration, so that according to the Social Security Administration, our amendment would cost about $2.4 billion over 5 years as contrasted to the $3.4 billion that the Pickle bill would cost, according to the Social Security Administration.

And the Congressional Budget Office estimates that our bill would cost $1 billion over 5 years. Again in contrast to the Pickle bill, the Congressional Budget Office estimates that the Pickle bill would be about $1.6 billion over 5 years. So there are significant savings in this bill over the Pickle bill.

What we are doing in this amendment is revising the way in which persons in the disability program are to be reviewed pursuant to the mandate of the 1980 amendment.

We are not eliminating that amendment. We are not throwing out that mandate.

At the time we passed the 1980 amendment, there were projections about the estimated savings that would result from terminating certain ineligible beneficiaries as a result of the reviews. I believe that the figure was in the neighborhood of $150 million a year. Current Social Security Administration estimates on the reductions in cost from those reviews are $600 million for 1983 alone, with a significant increase in future years. So what we are doing by our amendment is putting into sync the expected savings of the 1980 amendment with the actual savings of the 1980 amendment.

We are not increasing the cost of the program above that anticipated by the 1980 amendment. We are simply correcting abuses which are not justified in the administration of the program and in that way eliminating savings which should not have been expected in the first place.

We want people to work but if they are disabled we do not want them to be thrown off the disability rolls to which they earned a place by their contributions to this system.

Mr. President, I yield the floor.

Mr. COHEN. Mr. President, I wish to rise and lend my support to the Senator from Michigan who has worked for nearly 2 years now in trying to forge this legislation on a bipartisan basis.

I wish to just offer a few comments, not trying to duplicate much of the material he has covered.

Senator LEVIN suggested that we recognized back in 1980 that we had a serious problem with the social security disability program. There were reports that indicated there were some people on disability who did not deserve to be on there. We all agreed with that. We should not be using the taxpayers' dollars to pay for people who are not deserving of that kind of compensation.

So we approved a mandate for the administration to conduct a review of those people in the disability program in order to weed out individuals who were ineligible.

GAO said we had a 20-percent problem; we had a 20-percent problem. Unfortunately, the administration came up with a 40-percent solution. And that is exactly what has taken place—a 40-percent solution to a 20-percent problem. The number of people terminated from the problem is twice the expected ineligibility rate.

Now let me tell you what the administration did. Prior to being geared up to handle the kind of caseload that was involved, they started the process rolling prematurely.

You see, there are some in this body who question whether or not we have been efficient in this program. Well, the Government has a duty to be efficient, but it also has a duty to be just.

Let me talk about the justness aspect of this particular program. Administration officials sent out a notice to all those receiving disability who had been selected for review, and it simply said, "Your disability case is up for review."

It did not say that "none of your past medical evidence will be considered." It did not say that you must bring new medical evidence in to show that you are disabled. It did not tell them that they had a burden of proof to meet. It simply said, "Your case is coming up for review."

The notice did not say, "We would like to see you in our State disability office to evaluate your condition. As a matter of fact, the administration has a policy:

> We don't want to see you. We do not want to have you talk with the State adjudicator because we don't want to be confused about the facts. We don't want to get too emotional about this.

What happened is the SSA developed computer profiles to select cases. They took their computer and determined that a certain group of people ought to come up for review based upon their age, their benefits, and their number of years in the program.

They said:

> But don't come into the office. We don't want to see you. Not only do we not want to see you when you come in for that initial consideration, but after you are determined to be unentitled to compensation and file for reconsideration, we do not even want to see you then. Don't come in at that time either because we don't want to be confused by the facts. We don't want to see what you look like. But you always have a right of appeal to the administrative law judge if you want to wait 12 months or 15 months and there, for the first time, you can present yourself and let the administrative law judge make a determination as to whether there was error made.

The SSA says:

> Yes, we'll be sorry that you lost your compensation. We are sorry that you can't pay the mortgage. We are sorry that you are unable to survive economically. We are sorry that you might be tempted to commit suicide, as some have done. We are sorry if you suffer heart attacks because of the anxiety. But you have got to wait 12 to 15 months before you can come in and have a personal, face-to-face conference with the administrative law judge.
>
> And by the way folks, by the way, we are not going to consider pain anymore. We think there has been undue emphasis placed upon pain.

Now how do they do that? The SSA, for a time, deleted the guidance on pain given to State examiners.

The consideration of pain has been upheld in Federal courts for about 20 years, at least, as a medically objective sign that has to be supported by doctors, but which is nevertheless to be taken into account in determining disability. The guidance on pain was eliminated with no public notice, no publication in the Federal Register and no revision in the Federal regulations on pain. It was simply a little message sent to all the offices.

The SSA message to the States said:

> Deletion of this section reflects the appreciation that an improper emphasis on the role of pain is conveyed.

Let me repeat it because it sounds so bloodless and so bureaucratic:

> Deletion of this section reflects the appreciation that an improper emphasis on the role of pain is conveyed.

So because of that little SSA teletype message, pain was no longer considered by the State decisionmakers.

Of course, the administrative law judges operate under something different. They operate under the rule of law. And the rule of law, according to regulations, requires the consideration of pain.

Now, that was the way in which the administration initially started this process.

Now what has it wrought? What has this procedure that was followed by the administration produced? Let me read a few cases that it produced.

In 1982, a Lincoln County resident in my State was in the hospital in a full body cast recovering from 12 hours of surgery when he learned that his disability benefits would be terminated because he was considered fit to return to work. This particular man, whose spinal column was partially shattered in 1979, appealed the determination decision to the administrative law judge. It took an 8-minute hearing for the judge to determine that the Government had made a mistake.

Another man from Woodland, Maine, who was severely disabled from multiple sclerosis, was forced to turn to welfare because his disability payments were terminated, despite his in-

ability to work. He was just told to go out and chop some wood.

Recently we had a 61-year-old disabled Maine veteran denied disability benefits and told that he could return to his job as a chauffeur, despite the fact that he has bilateral cataracts which severely limit his vision, in addition to having a host of other problems, including arthritis and emphysema.

Don't worry about your bilateral cataracts. Go out and drive a car on the Maine highways.

We had another Maine resident who was without disability checks for 16 months because of a computer mistake and appeal backlogs. He lacked the income but was too proud to accept welfare. Consequently, he attempted to take his life.

I could go on and on with cases just like that.

Now, how did that occur? It occurred because we adopted this procedure. We have to get real efficient. We are going to get efficient by not dealing with the people on a face-to-face basis. And we are not going to take into account pain. We are going to force these people to go all the way to the administrative law judge level before they can come face to face with someone making a determination of their legal rights which, by the way, they have paid for.

There is not any welfare involved here. I think the implication is that most of these people who are getting disability checks are somehow malingerers or, it has been suggested, alcoholics; somehow not entitled to this money. In fact, they paid for this insurance. The average age of a person granted benefits is 55 years of age. They have been working a long time paying into that fund to qualify for benefits should they ever become disabled.

So we had a 40-percent solution to a 20-percent problem. As a result, the SSA has terminated people in body casts, terminated a man who was in an iron lung, terminated people with bilateral cataracts and multiple sclerosis.

Senator LEVIN had a constituent who was blind in one eye and had tunnel vision in the other. He went to a hospital and had to have some toes amputated due to diabetes. Because of this unjust termination process, he suffered a heart attack. His doctor testified to the stress that losing his benefits caused. About 6 months after he died, the Social Security Administration sent the checks to his widow saying, "Sorry. We made a mistake. We apologize."

That is great consolation for the widow of that particular individual.

What we have here is a process that was put into effect in our efforts to be efficient. We round up all the handicapped people in this country who are on disability. We round them up by computer, of course, and then we push a button, a discharge botton, and let them go into a free-fall economic chaos.

We have Senators come to the floor and say: "Well, you have to clean up that situation. It seems out of control."

Senator LEVIN properly characterized it: What is out of control? The program or the review process? What is out of control when they terminate the rule of law without public notice and simply eliminate pain as a consideration because it has received "undue emphasis" in the past?

The Senator from Louisiana, a very distinguished Senator on the Finance Committee, indicated yesterday that we need some time to consider this matter.

Well, back on May 25, 1982, the Oversight Subcommittee of Governmental Affairs held its first hearing on this problem. The Senate Finance Committee held a hearing in August of 1982. Hearings also were held in the Senate Aging Committee in April 1983. Another hearing was held in the Government Affairs Committee in June 1983.

The first Levin-Cohen comprehensive bill was introduced on June 24, 1982, and we are still here tonight, at this hour, saying that we need more time to take a look at it.

Where has the Finance Committee been? It had one hearing last year, and they say they need more time.

I want to say that the chairman of that committee has worked with us very closely. We have spent weeks meeting in his office, trying to meet concerns raised by the Finance Committee and raised by members of the administration.

Indeed, we met with the Secretary of Health and Human Services to try to satisfy her considerations, and I think we have done that.

Right now, we have some 18,000 cases pending in Federal court challenging that the Social Security Administration has acted improperly. We had one court of appeals indicate that the Social Security Administration has the burden of proof of showing medical improvement.

As Senator LEVIN has said, we have a letter from the Governors Association strongly endorsing our amendment.

What we have helped to create is a contempt for the rule of law. Take the Justinian principles on justice. It said that justice is giving every man—and, we add, every woman—his or her due. It does not mean giving them more than their due, but it means not giving them less than their due. That is exactly what the procedure has encompassed for the past 2 years, which we have tried to correct.

The Senator from Louisiana has raised a number of questions about the program being out of control, and I should like to address several of them.

He indicated that the cost of the program is four times what it was expected to be and, therefore, the program is out of control. There is a little problem here about comparing apples and oranges, because the program, when it began and what it is now, is entirely different, and is different for a number of reasons I should like to recite.

No. 1, Congress modified the program in terms of eligibility dramatically in its 24-year history.

In 1956, only disabled workers aged 50 and over were eligible. Since 1960, workers of any age are now eligible. That is one major change. The Senator from Louisiana voted for that.

In 1956, no dependents were allowed benefits. Since 1958, benefits have been extended to the dependents of disabled workers. I believe the Senator from Louisiana also voted for that.

In 1965 and 1967, the disability definition was deliberately changed because Congress recognized the original definition was not in tune with the times and needed to be expanded. I believe the Senator voted for that.

In 1972, SSI was created by Congress, which added money for disability insurance beneficiaries found to be eligible for disability insurance and who had not applied. I believe the Senator is on record as in favor of that.

In 1972, the OASDI benefits increased by 20 percent, a vote of both Houses, and I believe the Senator voted for it.

Each of these changes from the original law was supported because of a perceived deficiency in the program.

To the extent that the benefits have increased more than we had anticipated, another reason is that in 1956 there were 61.5 million workers and self-employed people covered under social security. Today, there are 116 million people covered. The population is nearly double.

So, sure, there have been some changes in the program—by population increase, by program changes voted upon by this Congress and others. In short, there are some legitimate reasons why the program is larger than when it started out.

There has been some suggestion that continuing benefits through the administrative law judges level continues benefits to ineligibles. The converse of that is also true. It continues benefits to the eligibles. When it comes to weighing the balance of whether or not you terminate people who are justifiably entitled to benefits, to prevent their considerable pain and anguish, I think we have to err on the side of those who paid for and are entitled to the benefits.

The suggestion that many of the beneficiaries are alcoholics has also been made. Well, that is not true. There is no cumulative data, but one of the latest studies I have seen was in 1977 and indicated that about one-half of 1 percent of the disability allowances in that year were for alcohol-related mental disorders.

I could go on, and I am sure I will at a later time, but I come back to the point that what we are seeking to do is to reform the review process, to make it more consistent with the notions of due process in this society—due process and decency, I might add.

I went to the ceremony in the Rotunda yesterday where we observed the 20th anniversary of the death of President Kennedy. I listened to all those words. There were people from the Republican Party and from the Democratic Party: TIP O'NEILL, BOB MICHEL, ROBERT BYRD, HOWARD BAKER. We were there as an indication of our admiration for a President who was taken from us. I heard his words quoted. I also heard reference to Franklin Delano Roosevelt.

I should like to recite Roosevelt's words, because I think they are pertinent today.

I want to quote from a speech made by Franklin D. Roosevelt before a Democratic Convention. He said:

> Governments can err. Presidents do make mistakes. But the immortal Dante tells us that divine justice weighs the sins of the coldblooded and the sins of the warmhearted in a different scale. Better the occasional faults of a government living in a spirit of charity than the consistent omission of a government frozen in the ice of its own indifference.

I yield the floor.

(Mr. EVANS assumed the chair.)

Mr. LONG. Mr. President, let me first make it clear that the Senator from Louisiana does very much want to provide assistance to disabled people who qualify under the legislation we have passed.

The Senator from Louisiana came here 35 years ago very much believing in the idea that we should make disabled people eligible for public welfare programs and for social security. As a matter of fact, the position of this Senator in favor of that was so well known that when Mr. Cruikshank and others who were associated with the labor movement in America sought a sponsor of their amendment to expand social security to include disabled people, they honored the Senator from Louisiana by coming to me and asking me to be the principal sponsor of the amendment.

At that time I felt that, for the good of the cause, I should decline the honor; because I felt that we could persuade the former chairman of the committee, the late Walter George, a highly revered and respected Senator, one of the great Senators of our time, to be the principal sponsor of the amendment.

If I had been the principal sponsor, I would have had a legislative monument of significance to point to as something that came about because the Senator from Louisiana was in this body.

I was a cosponsor of that amendment, Mr. President, and I joined in making a speech for it and supported Walter George, Bob Kerr, and other Senators who joined as cosponsors on it. I recall the ringing speech that Walter George made in this body. Mr. President, there is no doubt in my mind that his speech carried the day for disability insurance, which is today an $18 billion spending program.

Mr. President, I can say with assurance if it had not been for Walter George we would not have won, for a simple reason: We won by 1 vote and if Walter George had not voted for it, we would not have carried the day.

As a matter of fact, Mr. President, Walter George was known as a conservative from a fiscal point of view. I have my doubts that he would have voted for it if he had not been the principal sponsor. But when he got involved to that degree, he throught he would not only vote for it but lead the charge for it.

Walter George stood here on the floor of the Senate and spelled out the cost of this program. This was to be a very carefully drawn program. This was not a program, Mr. President, to put all handicapped people on the disability rolls. No. This was to be a program for people who were not able to earn a living.

Mr. President, I recall very well the kind of people we had in mind. We were talking about people who could not manage any employment whatever, not even a job tailored for their benefit.

Mr. President, after we got that program into effect we found we had made some mistakes. Frankly, that will happen sometimes especially when you initiate a big spending program with a floor amendment. A proposal offered in that manner has usually not been as carefully considered as it would be if it had gone through committee hearings and if you had the views of those in the department to help you find ways to contain the cost of the program.

Now the disability program is not the only runaway spending program that we have created during the time this Senator has been around. I can recall when it was suggested that we should enact what is now medicaid. That was a program for the Federal Government to match on a liberal basis State programs to help the indigent with their health care costs.

The estimate was that the medicaid program was going to cost something more than $200 million a year. That may sound like a lot of money, but not compared to what it is costing nowadays. It is costing over $20 billion this year. Just in rough terms, it is costing 100 times the original estimate. Think of that—100 times the estimate. Not one-fifth of $1 billion, but more than $20 billion this year.

You may wonder, Mr. President, how could people be so irresponsible?

Well, it was enacted, Mr. President, by well-intentioned people who got poor advice. In that case, we should have more carefully looked at the cost of it. I am not saying that we should not have enacted this program, that we should not be spending all this money—$39 billion—for medicaid, including $21 billion of Federal funds and $18 billion of State funds. I am not saying we should not be doing that. I voted for that program for those less fortunate people and I will vote for them again.

But, we ought to try to contain the cost of these programs. We ought to try to limit these programs to serving the people for whom they were intended.

Mr. President, I have listened to the eloquent statements here by my two good friends, one from Michigan and one from Maine. I salute them. They are able men who have a heart that beats for the less fortunte, for the sick, for the disabled, for the poor, for the unemployed.

The Senator from Michigan has many times taken the floor to lead the charge for the unemployed and it is appropriate that he would. Through no fault of his, the great State of Michigan has had a large number of unemployed people who need his help. He has been their champion, and I have been happy to help him in that matter.

I do not criticize them for a moment, and find no fault with them in seeking to aid disabled people.

But, Mr. President, any one of these disabled people who might have been done an injustice by not being on the disability rolls has the right to a hearing. If he is not satisfied with the hearing, he can take his case to the courts.

Let us talk about what has happened in this program. We knew what we were talking about when we voted for that program, and Walter George carefully spelled it out to us here in the Senate.

We were told that by 1980 that program was going to cost 0.33 percent of taxable payroll, after you adjust for changes in the tax base. In dollar terms that would cost $4.9 billion in 1983 dollars. Adjusting for inflation, that is what we understood the program would cost, $4.9 billion by 1980.

What is the program costing us? Well, Mr. President, on a comparable basis, in 1980 it cost us $20.4 billion in

1983 dollars. It is costing us four times as much as the estimate when we voted to put that program into effect.

It has been even worse, in terms of what we voted for and what we got. In the mid-seventies, in 1977, the actuaries found that on a long-range basis it was costing us eight times what it was originally supposed to cost. Many factors accounted for this increase, but one of the largest was this matter of putting large numbers of people on the rolls who were never intended to be there.

There were some basic mistakes built into what we did in 1956. I am sorry about that. That is the human error which happens to people with good intentions.

May I say as a cosponsor of the original disability amendment, I had the same good intentions that the Senator from Maine and the Senator from Michigan have when they speak for their amendment. With all the good intentions and advice available to this Senator, we voted for things that were unwise. They were mistakes.

Let me talk about the number one mistake we made. That was our decision about who would determine if claimants were disabled. Rather than have the Federal Government expand its bureaucracy we said, "Well, the States already have programs relating to disabled people, so we will not hire any Federal examiners to determine disability. We will use State examiners. The State can hire the people and we will pay them."

Under that program we pay 100 percent of the administrative costs. It has not cost the States one red copper cent, not a penny, for those examiners. They hired them. Is that not a nice thing for a Governor? We said, "You hire them and we will pay them."

Mr. COHEN. Will the Senator yield?

Mr. LONG. I have one more point, if I may continue.

Here is a program where the State hires the claims examiner, and the Federal Government pays them.

Mind you, the benefits are also paid for by the Federal Government that also does not cost the State government one penny.

It is easy to understand how in that type of situation you would wind up having, let us say, four times as many people on the rolls as you would have anticipated.

Frankly, I am surprised we did not have 20 times as many on the rolls as we might have anticipated, looking back on how the administrative arrangements worked out.

Some years later when Jimmy Carter was President, I was down in the Department of HEW with Mr. Califano. We were trying to come up with a program to get people to go to work who were on the welfare rolls. We thought we would try to find employment opportunities for them to accept. I said to the Secretary that those you could not find an employment opportunity for—because they were a little nervous or did not look like too good as employment prospects—might just be declared disabled. The Secretary threw his hands up in the air. He said, "Do not talk about disability to me." That is where I learned how that program was exploding, when Mr. Califano explained how the figures were going through the ceiling. He felt something had to be done to get this program under control because it was very badly out of control.

In the 1950's the social security program was funded on a very conservative basis; the estimates were very conservative. When the cost of social security went up beyond what we anticipated, it was fairly easy to handle. We could even vote increases in social security benefits without raising the taxes. But Senator Kerr of Oklahoma had insisted at that time that we should have a separate fund for disability because he foresaw the possibility that this program might pull down the overall social security program, that this program could get so badly out of hand that it could destroy social security. So we set up a separate fund. And that fund—as well as the retirement fund—had serious problems in the 1970's.

It fell to my lot as chairman of the Senate Finance Committee to come out here to the Senate floor to ask the Senate to raise social security taxes. We needed a big tax increase to pay for the people we had on the rolls.

Mr. President, when this Senator ran for reelection after doing that, he was accused of having managed the biggest tax increase in history. I guess if you project it over a long enough period of years, perhaps it was. It is hard to say. In any event, those who voted for that bill were accused of having voted for the biggest tax increase in history.

Mr. JOHNSTON. Will the Senator yield?

Mr. LONG. Yes, I yield to my colleague.

Mr. JOHNSTON. Mr. President, I am informed that the way this bill operates, you can draw full disability benefits without being totally and permanently disabled. Is that a correct impression?

Mr. LONG. They are doing it to a large extent now. I am not saying that they are supposed to be getting benefits without being disabled. But it is a fact that some people are.

Mr. JOHNSTON. I wish the Senator would explain that, because I know when I was practicing law back in Louisiana, we had a worker's compensation law that used to say you had to be totally and permanently disabled. The court got that somehow to mean that if you were a piano player, and you lost two joints of a finger, you were totally and permanently disabled because you could not play the piano, even though you could do a hundred other jobs. Is that the kind of thing that led to this anomaly, this explosion in benefits?

Mr. LONG. Mr. President, we did not intend for people to be eligible on that basis, but the numbers certainly show that many people are on the rolls whom we never intended to be eligible.

Test studies indicate that a very high percentage of the people on those rolls did not belong on there—20 percent or more. So with the costs of social security and the disability program in particular running so far out of bounds, President Carter and his Secretary of HEW, Joe Califano, recommended to us that we pass legislation to try to control the cost of the program. They were very concerned about the number of people on the rolls who never should have been there.

That gets us to another point, Mr. President. Even if a person is disabled, the good Lord made our bodies so they tend to heal. So when one's case first goes before an examiner, he may be eligible. But a year or two later, that person may be in such condition that he can go back to work. Frequently that is the case. If you do not review those cases over a period of time, you are going to have enormous numbers of people on those rolls who do not belong there.

I would like to discuss how this matter looks—not to those who come in representing the disabled—but to the ordinary person on the street. Let us take my own experience.

We have more than 2½ million persons on the rolls as disabled. We come into contact with many of them. The majority of the people I know who are drawing disability insurance simply do not have the severe disabilities we had in mind when we passed this program. At least that is the case insofar as I can detect from looking at those people and from what I know of them.

Just to give an example: A friend came to me. He complained that he was disabled, he could not get around and he hurt all the time. He said that the agency was investigating him. He was afraid they were going to take him off the rolls.

I explained to him that my understanding was that even if they did so, he could appeal their decision. If he won the case, they would have to give him back benefits for the time he was not on the rolls. Later, I heard that he won his appeal.

To me, Mr. President, this man looked like he was in just as good shape as he was when my brother used to play touch football with him. Now, this might be one of those cases where

you look at the man and he does not appear to be disabled, but that is because you do not know all the facts. If you knew what the doctor knew, you might think otherwise. But whatever was wrong with him, it did not keep him from going fishing, it did not keep him from going hunting, it did not keep him from playing golf. Perhaps this man was disabled. But you begin to wonder when you find out that his buddy, whom he has known for a lifetime, was on the disability rolls for exactly the same symptoms. And that same disability also did not keep him from hunting, it did not keep him from fishing, it did not keep him from playing golf. And if you asked him, "How do you feel?" He would say, "I feel great. I never felt better in my life."

Mr. President, both of these men—just by some quirk of fate I guess—both contracted the same disease, even though this was not supposed to be a contagious disease at all. Actually, I think they both contracted the same idea, that they could both live on the taxpayer from that day forward. They apparently made a very convincing case when they applied for benefits.

That gets us to the next point. We did not ask the insurance people very much advice about how to set up a disability program. If we had, we would have been more careful. That is the kind of thing that happens with a floor amendment. You tend to act on it without bringing the insurance experts in. Instead, you use your own judgment and the judgment of those who want you to offer the amendment. The insurance people would have told us there would be problems if we were going to pay that much money, if the program was going to have benefit levels as close to what people can earn as this one has.

The insurance people would have said that they would not have anything to do with a program like that. As far as they are concerned, that is not an insurable risk. Their view is that that makes it too tempting for people to claim that they are disabled when they are not in fact disabled.

Mr. President, I go back in my mind to people I know. Let us take the ones I know, not the cases they are going to bring in on behalf of some organization. There is an old friend, who lives down the road from me. I went by one day wanting him to help me do a little work around the house. It turns out that he cannot help me.

What is the problem? He is on the rolls as disabled.

How did that happen? Well, I found that he went down to the social security office. He was entitled to draw his retirement benefits but apparently they could not find all the records. They did not have a record of some of his earnings. For all I know maybe the employer did not pay it in. In any case they did not have the records to support as large a payment as he felt he was entitled to.

After he made several trips down to that office they said to him, "Well, maybe we can put you on the rolls as disabled."

Now, get this, Mr. President. It was not his idea that he was disabled, it was their idea he was disabled. And they put him on the rolls as disabled.

So being on the rolls like that, he was very reluctant to give me any help at all because that might prejudice his right to draw the benefits.

So I said, "Well, look, you go get your tools and you just show me how to do it and I will do it myself." But, when I started to do it he said, "Hold on just a minute." He proceeded to take over the job and do exactly the same work that he had always done before—the exact same type of thing. I guess he felt he could trust me not to tell that he could still do everything he had ever been doing before.

Then let us take another case. The case of a dear, sweet person, bless her heart, hardworking, honest, a person who worked for our family. Mrs. Long and I were very delighted to have her work as a part-time maid in our home. She was sincere, disdainful of welfare, disdainful of those people who do not work. She felt that all those people ought to be working and not drawing all this money from the Government; that they ought to be out there working like she was. She complained about how her back would bother her, but she worked for several people including our own family. One day, bless her sweet heart, she came down with cancer and she went down to see about the disability insurance. I told her about it myself. She was dismayed that they would not pay quite as much as she thought they might pay, but she was also dismayed because, if she took that money, she was going to have to either quit working or hide her earnings.

Well, Mr. President, perhaps some of her employers were willing to pay that person and make no record of it.

Now, Mrs. Long and I were not going to do business that way. It would be a disgrace if we were; a U.S. Senator certainly would have no business having somebody in their employ who was classified as disabled and drawing a check on the basis that she could not work.

If she was not drawing the disability check, we would have been glad to keep her on our payroll, glad to help her, employ her even more hours, have her do what work she felt like doing; if she did not feel good, she would not come to work that day, and so forth.

And that is not unusual among kind employers across America, Mr. President. I think that is more the rule than the exception among human beings if you did not have this disability program.

Unfortunately, that approach did not work very well as far as that person was concerned, so she worked for some other people. Maybe I should have reported it. I did not. I could not find it in my heart to report this. Later on it is true that person did get sufficiently advanced with cancer so that she could not work and was entitled to the benefits, but she was permitted to go on the rolls there, to the best of my knowledge, long before that.

People who have cancer are able to work in many cases for a year or even longer after they contract that disease, although it be a fatal disease. I have known some admirable people who did work for many months, sometimes more than a year, after they knew they had cancer.

Now, why do I tell these stories? Mr. President, I tell them for this reason. In my personal experience I have known quite a few people who were getting disability payments. The one I told you about, the maid, is the one who had the best claim on it, although she was on the rolls prematurely. Everybody else, so far as this Senator could see, did not look to me like the kind of beneficiary I was voting for when I voted for this disability insurance program.

All you have to do is look at the figures. We have 2.6 million people on the rolls. When we started this program, we estimated that by now we would have only 1.1 million. So we have got about 2½ times as many people on the rolls as we estimated when we put the program into effect.

Now, I can understand how these things happen. In view of the fact that the program costs the State nothing, you can understand how the Governor does not call upon those people doing the reviews to watch that program carefully to see that no one goes on the rolls who is not 100 percent disabled.

Now, let us talk about these appeals.

Mr. President, our experience in this program has been that when you pay people that much for being disabled and they do not have to do any work for it, in short order you find that large numbers of people begin to convince themselves that they are disabled. Having convinced themselves that they are disabled, they then go to work to convince other people that they are disabled, and some people are able to do that.

What happens when a judge is sitting there hearing one of these appeals? Assuming that a person is handicapped, he will be able to present a sympathetic appearance. Can you not hear that judge—after deciding that case—say to himself, "Well, now, I know that person was

not totally and permanently disabled. I know that that person could make a living. But I felt sorry for that man and his wife and I kind of feel good about deciding that case for those poor people, I will sleep well tonight." I can picture a lot of judges saying that kind of thing. And the judge does sleep well that night because he felt sorry of those poor souls—the man, his wife, and his children. And while the man could do work, he did not have a job available to him, and "I just took care of them," says that judge to himself. And on the rolls they go and there they stay. We are confronted with a real problem that way, Mr. President.

Mr. President, it is true that in the effort to limit this program to those who were intended to be on the rolls, there have undoubtedly been some injustices—but not a great number. The majority of people have not been done an injustice. The big injustice is to the taxpayers who are paying some $20 billion for a program that is supposed to be costing $5 billion.

Now, what should we do about these people who are severely handicapped but not disabled? We ought to have a program for people who are severely handicapped that encourages employers—subsidizes them if need be—to help handicapped people find employment.

And the employers of this Nation should work with us to designate the jobs that handicapped people can hold. They should hire these people for those jobs.

Mr. President, when I first came to Washington, I recall that I participated in some of those programs where we would encourage employers to hire the handicapped. We would make it a point of saying that handicapped people appreciate those jobs more than others.

They are loyal employees. They show up regularly. And given these work habits, employers should give them a chance. We would make this case, and we had considerable success in getting handicapped people into those jobs.

Once you start making the handicapped person feel that he can live reasonably comfortably on his benefits, not any life of Reilly, but he can get by on what they pay him for being handicapped for life, you can understand why that person then is not much interested in trying to persuade some employer that he should hire the handicapped. If he goes off the disability rolls, he might never get back on.

So it seems to me, Mr. President, that we are going to have a difficult time making this program into what it should be.

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. LONG. I will yield in a moment.

Mr. President, there is one big thing wrong with our welfare program, and I say this about the program of welfare for families; and I would say it about the food stamp program; I would say it even about the unemployment insurance program. The big thing wrong with these welfare programs is that we make the mistake of paying people for doing absolutely nothing when those people could be paid for doing something useful.

I can recall when people used to criticize Franklin D. Roosevelt's WPA program, his public works program, and the CCC program. They were a joke among contractors who were used to seeing people really work when they did a job for their concerns.

But, Mr. President, such programs have enormous respectability among the public today compared to the welfare program we have now, where people are paid for doing absolutely nothing.

We should insist that these welfare programs be tailored to a work requirement where people do whatever they can that will be beneficial to society rather than paying them just to sit there and vegetate, just sit there and atrophy.

That, Mr. President, is what is wrong with our welfare programs whose cost is now running into tens of billions of dollars, if you add them all up.

There is no requirement that the recipients do anything for society in return for what society is doing for them.

I yield to the Senator from Pennsylvania.

Mr. HEINZ. I thank my friend for yielding.

Mr. President, may I say to my friend, I think he has given a brilliant discourse on the need for reform of the welfare system. But, as I think he also knows, we are talking about the social security disability program, which is a social insurance program. And while I could support many of the things he says about the need to reform welfare, and many of our other programs, we are not going to be able to do that here tonight, as I think he knows.

However much I may agree with what the Senator has just said, Mr. President, regarding the need for reform of our welfare system, I must respectfully disagree with my friend's characterization of many of the people on disability.

We have just received from the General Accounting Office the first and the only objective national survey of the people who have been cutoff the disability rolls. And I will let the statistics speak for themselves.

Let me explain the statistics.

GAO went out and took a national random sample. It was a small sample. But they looked at each case in the sample very carefully.

They took a sample of 100 cases, and to collapse it down to the simplest possible numbers, out of every 28 disability cases reviewed, what they found is that the Social Security Administration and the State agency terminated 13. That means they left 15 people on the rolls. Even with these rules that are in effect, they left the majority of the people on the rolls. Then of those 13 who were terminated, more than half, 7, were reinstated on appeal by an administrative law judge. Four of the remaining six were unable to find gainful employment of any kind, and went on public or private assistance to subsist. Only 1 out of every 28 disability beneficiaries reviewed found some kind of a full-time job. Another one found some very limited part-time employment, and did not have to go on welfare, probably because he or she got some help from their family. Really, only 1 of those 28 who were terminated went back into the work force. And I would be the first to say sure, we want to get that 1 out of 28 who are terminated back into the work force.

We may even want to get that other individual—whose status we are unsure about—back into the workforce.

But the statistics, I say to my good friend from Louisiana and my colleagues, convinced me that out of those 13 cases where SSA terminates benefits, they are possibly making 11 wrong decisions. And that is a bad batting average, 2 out of 13. You cannot even play for the Pittsburgh Pirates with a 2 out of 13 batting average, although there were times when you could have made the team back in the old days with that batting average.

If we do not adopt this amendment, the State agencies will continue to process the cases of the mentally disabled. If this GAO survey I just referred to shows that SSA it batting 2 for 13 across the board on all cases, of both physical and mental disabilities, SSA is batting about 91 out of 100 where the mentally disabled are concerned. These are people who have extraordinary, chronic mental disabilities, which even the Social Security Administration recognized were being wrongly terminated. And SSA imposed a partial moratorium, one that would take two-thirds of the mentally disabled out of the review process. But it left the rest of the severely mentally disabled at risk.

Mr. President, I am in strong support of this amendment to reform the social security disability program. It is crucial at this point in time that we resolve to protect disabled individuals and their families from an unfair review process, and put an end to the

wrongful practices of the past 2½ years.

The amendment before us would do that. It represents a substantial compromise from costlier, more far reaching proposals. It is the least expensive piece of legislation that achieves the badly needed comprehensive reform of the disability review process and, even though I have serious reservations about some aspects of this legislation, I strongly support its immediate passage.

The disability review process has become a national tragedy, and it is imperative we act swiftly and decisively to alter this state of affairs. When we realize that more than a half-million people have been terminated, these statistics from the GAO survey describe a program both deeply flawed and completely out of control. We have the responsibility to see that the Federal Government stops inflicting such unnecessary damage upon defenseless people, and this requires a comprehensive reform of the disability review system.

There is a great deal in this amendment that works toward that end. Among other things it incorporates the major features of S. 1144, a bill I introduced last April, which currently has 47 cosponsors. Essentially, my bill and the parallel provisions in the amendment place a temporary moratorium on the continuing disability reviews of the mentally impaired, until the Social Security Administration has revised its regulations governing the medical evaluation of such cases. To assist SSA in this undertaking, a panel of experts will examine the medical listings and residual functional capacity assessment process and will make recommendations for improving and updating both.

The amendment further mandates that a qualified psychologist or psychiatrist complete the medical evaluation required by SSA in considering the severity of mental impairments. This will insure that decisions on all new applications will more closely reflect sound medical standards in the field.

The most significant aspect of this amendment is that it establishes medical improvement as the primary criterion for review of disability cases. This means that if SSA is going to terminate eligibility, it must demonstrate that an individual's medical condition has improved to the degree that he or she can actually work. This rightfully shifts the burden of proof from beneficiaries to SSA, and should prevent the arbitrary and abusive terminations witnessed far too frequently in the past.

The medical improvement standard is qualified by a number of exceptions that allow for flexibility in applying it. For instance, where improved medical or rehabilitation technology allows a person to work despite an unchanged medical condition, or where new diagnostic techniques show an impairment is less disabling than originally thought, the medical improvement standard is waived. These provisions balance the goal of protecting beneficiaries from arbitrary termination decisions with the need to include consideration of advances in medical and rehabilitation technology in the disability review process.

The legislation requires SSA to consider the combined effects of multiple impairments upon a claimant's capacity to work. In the past, a person with 10 nonsevere impairments could be denied benefits, despite the interactive effects these impairments may produce. This provision, like many others in this amendment, makes the medical review process fairer and more realistic in evaluating an individual's capacity to function in a work environment.

This amendment also requires the Secretary to consider a claimant's pain in determining eligibility for benefits if there are medical findings which show the existence of the pain, whether or not there are medical signs and findings of a medical condition causing the pain. In addition, the Secretary is directed to conduct a study on the use of subjective evidence of pain to determine whether a person is disabled.

The amendment also continues benefits to beneficiaries through the administrative law judge stage in the appeals process, which is critical in the period of transition between old policy and new. I feel it is important that no beneficiary suffer undue financial hardship while his or her appeal is still pending.

Another reason I support this legislation is that it upgrades the method through which disability policy is formulated in two crucial ways. First, it establishes uniform standards binding upon all levels of the decisionmaking process, and it further requires that basic review criteria can be modified only after a proposed rule change has been published and opened to public comment. Second, the amendment provides for the creation of a temporary advisory council on social security disability for 2 years, consisting of medical, psychological, and vocational experts to furnish recommendations to the Secretary concerning disability standards, particularly in the area of mental impairments.

Finally, I strongly support the increased emphasis this amendment places on vocational rehabilitation—both in funding increases and in reforming the method in which the money is allocated. I also approve of the extension of section 1619, which reduces work disincentives for SSI disability recipients. I feel we can better accomplish the worthy goal of restoring disabled people to productive employment through the constructive work of rehabilitation than from the destructive procedure of arbitrarily removing people from the rolls. Indeed, I believe we will need even more vocational rehabilitation provisions in the years ahead.

Mr. President, this amendment reflects a compromise, carefully crafted to balance the views of Senators actively engaged in the disability field with those of the administration and the distinguished chairman of the Finance Committee. In forging this compromise, a number of very good provisions were dropped. For instance, this amendment does not require a face-to-face hearing before a termination decision is made. That would be a reform of great importance, and it is unfortunate it has been removed from this legislation. Also, I am unhappy that in this amendment we do not take a clear stand condemning SSA's refusal to abide by the decisions of our circuit courts of appeals. In my opinion, SSA should be required to either comply with an appeals court decision or appeal the decision to the Supreme Court.

The provision about which I hold the greatest reservation, however, is the prior work exception to the medical improvement standard. While I fully agree that a beneficiary capable of successfully performing his or her prior occupation should return to work, I am skeptical as to why such a scenario is not covered in the other exceptions to the medical improvement standard. It seems logical to me that if a beneficiary can return to his prior work, one of four cases must apply. First, his medical condition could have been improved. Second, he could have benefited from advances in medical or vocational technology. If either of these cases do not apply, SSA could still terminate the individual's eligibility if there was an error in the original decision or if new diagnostic methods reveal the individual's condition is not as severe as once thought.

It appears to me that a careful application of these four exceptions will indeed allow SSA to terminate eligibility for those able to return to their prior work. Therefore, I have deep reservations about creating another exception—for fear of it being applied abitrarily.

Let me provide one illustration of why this troubles me. In a specific case examined by the Special Committee on Aging, a woman, diagnosed as paranoid schizophrenic, wrote on her review form: "I do not socialize because I get very nervous in a crowd and cannot function well." A psychiatrist hired by SSA to perform a consultative medical examination described the woman—and I quote—"as withdrawn, seclusive, stoic, isolated. Has no friends" yet this woman's benefits were terminated on the ludicrous

rationale that she supposedly would have no problem relating to people in work setting and could perform her past work as a waitress.

I think it is critical that Congress monitor how SSA administers this prior work exception, to insure that such cases as the one described above are not repeated. We tried to guard against abusive terminations by mandating the SSA meet a high standard of proof—substantial evidence—if it chooses to use this exception to terminate a beneficiary.

But if it turns out that this exception simply provides a loophole through which SSA can continue to make arbitrary termination decisions, we will have to repeal the provision.

Mr. President, this amendment reflects more than 2 years of hard work in striving to reform the disability process. I am proud to have worked alongside Senators COHEN, LEVIN, and DURENBURGER in this effort. This amendment, though far from perfect, reflects a substantial effort at reforming the program's most serious problems. I urge its immediate adoption.

My question to my good friend from Louisiana—and he is kind to yield and he is patient to yield, and I appreciate it—my question is this: I understand his concern about welfare. I understand his concern that we have to try and get 1 out of these 28 people off the rolls. But can we not do that without subjecting the other 27 people involved, and in particular these hopeless cases of the mentally disabled, to what is really a catch-22, unfair situation?

We had many cases of testimony before our Senate Committee on Aging. If you are mentally disabled and SSA is reviewing your disability benefits, what you have to do is go down there and make a plea before the administrators saying, "I am crazy." Here this person is trying to get well. But in order to keep his disability benefits, he has to go down and plead exactly the opposite, that he really is not trying to get well, he is not making improvement.

Talk about a catch-22.

So my question to my good friend is: How does he believe keeping the present system in place results in a reasonable and fair result in the instances I have just described?

Mr. LONG. Mr. President, let us take the Senator's sample.

I have not interviewed the 100 people the Senator has in mind. I am not familiar with this sample of 100. I am familiar with the cases I have already mentioned.

Senator, if you take a poll among the Senators, you can come up with more examples than that. There are 100 Senators in this body and I think everyone here knows at least somebody that is on the disability rolls.

I would just ask Senators to compare notes with other Senators: Of the people that you know who are on the disability rolls, how many of them do you think are totally and permanently disabled and how many of them are not?

The Senator has been making some reference to these persons who have been put back on the rolls when they appealed. I thought I had pretty well covered that situation. These people can go and make a sad case before that judge, and many times the judge will return them to the rolls even though that was never a case we intended to have there.

But where you already have two-and-a-half times as many people on the rolls as you thought you were voting for, that does not justify doubling the rolls all over again. In due course, I want to get around to explaining why these experts are so wrong. One of the reasons that they are so wrong is that they fail to take into account the human psychology of people who would say: "If that much money is available for being disabled, then I think maybe I am disabled."

Mr. President, this program was never really intended to be a substitute for employment for people who are handicapped but who are capable of working. I hate to say this, but it is true that we have a lot of people in this country who are kind of allergic to work. They will stay away from it if they can. And some of those people have found their way on the disability rolls. I do not say it is a typical case.

But we have to think of these things when we see that at one time the program had a projected cost eight times as great as we thought we were going to have. At some point, should we not say, "Well, hold on. This program is costing $18 billion this year." Just yesterday we were trying to find some way to economize and balance the budget.

You keep talking about this fellow that got taken off the rolls who was disabled. How about the millions of workers who are paying about $20 billion a year for what is supposed to be a $5 billion program?

If we were doing right by the taxpayer, we would take a careful look at this situation and we would try to make it a program that would have some responsibility.

We have heard something about the States refusing to review the disability cases. Is that not great? The State government, with us paying 100 percent of the cost, refuses to make the reviews. The Governor can hire the people who make the disability determinations and we pay, the cost; they can put all the people on the rolls they want to and we pay their benefits. Then they refuse to go along with our regulations; they want to have nothing to do with them. They take the position that Uncle Sam is stingy because we do not want to put all these less fortunate people on the rolls. We are only paying 4 times what we thought you were going to have to pay; they want us to pay 10 times what you thought you were going to have to pay.

So what do they do? They refuse to go along with the Federal regulations. What will this bill do for them? It will say they were right.

Mind you, Mr. President, if they had to put in 10 percent of their own money, just a mere 10 percent, you would not see those Governors wanting to put more people on the rolls.

Mr. HEINZ. Will the Senator yield?

Mr. LONG. Yes.

Mr. HEINZ. I thank my friend for yielding.

Those same States, Mr. President, that my friend from Louisiana describes as likely to put people on this program have been instead terminating 45 percent of the disability beneficiaries reviewed. Speaking for my own State of Pennsylvania, the States have done the continuing disability investigations as we mandated in Congress.

Indeed, I do not know of anybody who disagrees with the notion that there should be continuing disability reviews. The question is what standards should we use for this review?

I do not want to overextend my time from my friend from Louisiana. But if he will permit me I want to share one piece of information with our colleagues.

It is another GAO report of disability review cases involving the mentally disabled. The published record of the GAO testimony at the Aging Committee hearing of April 7 reads as follows:

> We found many individuals who had their benefits terminated despite having severe impairments, and in our opinion, having little or no capability to function in a competitive work environment. We had 40 of the denial and termination cases reviewed by our clinical psychologist and she concluded that in 27 of those 40 cases the individuals could not function in their daily living without support and could not work in a competitive or stressful environment.

In the other 13 cases, GAO did not feel that SSA had sufficient information to make a good determination. In all, GAO found something wrong in 100 percent of the cases where benefits were denied or terminated.

Mr. President, somehow I feel we are talking at cross-purposes. On the one hand, the Senator from Louisiana is right. We want to continue a review process. On the other hand, it seems to this Senator that the process that we have is much too harsh and harms a lot of innocent, indeed defenseless, people.

The amendment offered by Senators COHEN and LEVIN does not do away with the continuing disability investigation process. Not at all. It makes

some very sensible adjustments in it. It puts careful standards in it.

It is quite different from the proposal by the Congressman from Texas (Mr. PICKLE). It saves a lot more money than Mr. PICKLE's proposal does.

So I would say to my good friend, the Senator from Louisiana, that I hope we do not really have to talk at cross-purposes. This should be an issue on which reasonable people can agree.

I have always found the Senator from Louisiana eminently reasonable. But, I must say that, as I listen to him, I am unable to identify any middle ground between us. That is unusual, because I always find him to be perceptive and accommodating, always intelligent, always articulate. But I am disappointed in this instance that we cannot seem to find any middle ground.

I thank him for yielding. If he has anything he wants to ask me, I would be pleased to try and respond at some risk to myself, because I have great respect for his forensic ability.

Mr. LONG. Mr. President, I am not going to interrogate the Senator at this point. I yielded to him for a question because I did not want to yield the floor. I will yield the floor shortly. But I appreciate the Senator's view.

Let me just say, Mr. President, that this Senator has served on the Senate Finance Committee with the distinguished Senator from Pennsylvania, and I would like to work with him and all members of the committee to help make this program one that we can be proud of.

But I am here to say, Mr. President, that we are not going to be able to do our duty if we are not permitted to focus on the problem.

The able chairman of the committee, ROBERT DOLE, has indicated that we will have hearings on this matter as soon as we can schedule them, which probably should be early next year. We will do the best we can to do our job for the country.

Again, let me stress the fact, Mr. President, just for those who might misunderstand my position, that this Senator is strongly in favor of generously taking care of every person who is truly totally and permanently disabled as defined by the statute and by regulations.

What this Senator opposes, Mr. President, is a runaway spending program costing $18 billion this year when it was supposed to be costing one-fourth that much; where the difference in the cost is in the administration or rather the failure to administer the program, or the inability to administer the program within the law that Congress set forth.

This Senator had something to do with enacting the disability program. But this Senator is concerned about the fact that the taxpayer is not getting a fair break for his dollar; that he is not getting fair consideration, and that so many people are on those rolls who should not be there. And I have been concerned about the fact that if you are going to have a program like this and be responsible to the taxpayer, you have to find some way to contain the cost of it.

If you have a runaway spending program, what is the first thing you should do with it? This Senator has had a little experience with that.

I recall other runaway spending programs that gave us similar problems. When you have a runaway spending program, the first thing you should do with it is try to get it under control, try to get a handle on it or a lid on it, not to expand it.

What does this amendment do? This amendment expands a runaway spending program. If you had anything to do with putting a runaway spending program on the books, you owe it to the taxpayers, the people who pay your salary, to try to get that spending program under control.

Then, when you get it under control, if you can improve on it in order to do more justice to more people, that is fine; go ahead and do that.

There are many things about this measure I find wrong, and we should have time to adequately discuss it. I will be recommending changes.

For example: In this amendment, what would be the test as to whether a person stays on the rolls or goes off the rolls? We can all agree that many people will be on those rolls who were qualified as disabled in the beginning, but subsequently, because their condition improved, no longer are disabled enough to be there.

Based on my experience—and I think other Senators must have had their own experiences—many people on those rolls do not belong there. If those people were handicapped but never totally disabled, and are not so now, they should come off those rolls.

What is the test in this amendment? The test is whether their condition shows medical improvement. The Secretary would be required, under this amendment, to show that a person on the rolls has undergone medical improvement since they went on the rolls to the extent that they no longer are disabled.

I know there is some other language in the amendment that says that this is not necessary if the Secretary can show that they were clearly not qualified to be on the rolls in the first instance, that they were put on the rolls through error. That puts the burden on the Government to go back and try to find an error in the records and find the people to testify in order to prove what the condition was in the first instance.

Mr. President, the question of medical improvement should be totally irrelevant. The question is this: Is that person totally and permanently disabled now? That is all the test should be.

This amendment would treat people differently once they are on the rolls from the way they were treated before they got on the rolls. This amendment makes it easier to get on the rolls and easier to stay on. Perhaps we will conclude that this ought to be the case. But I think that, at a minimum, a responsible committee should be looking at it and making recommendations to the Senate.

Frankly, a situation such as this is one in which the U.S. Senate serves a purpose, because Senators run for office every 6 years. Only one-third of the Senate is up for election every 2 years, and they are in a better position to withstand the pressure of those who organize to press us for more benefits at the taxpayers' expense.

Mr. President, other Senators want to speak on this subject, and I may want to speak on it later. But in deference to my colleagues, I will yield at this time so that others may have a chance to express themselves on this subject.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER (Mr. ABDNOR). The Senator from Kansas.

Mr. DOLE. Mr. President, I have a view that is a little different from that of the Senator from Louisiana. One thing we should do is to extend the provision allowing continued payments during appeal. If nothing else happens this evening, that is something we should do.

I do not want to leave the impression that improvements have not been made over the past couple of years in the administration of the disability program. In addition, disability reform has been a matter of ongoing discussion here in the Senate. There are some areas of agreement, and we were close to other areas of agreement.

I know that the Senator from Louisiana has a particular interest in this legislation, and it is a very large program. It is an $18 billion program, involving 2.5 million disabled workers, and 4 million beneficiaries in all.

I cry crocodile tears every time the Governors put out a release that we should reduce the Federal deficit. All the States' Governors also send letters: Add more money to this program.

Again, the Senator from Louisiana pointed out that it is a program they did not pay any money into, but they want to dictate how the program is run.

I ask unanimous consent to have printed in the RECORD a letter addressed to the Honorable Margaret Heckler, dated October 18 by the distinguished Senator from Louisiana and myself, wherein we suggest that she should enforce the requirements

of the law. In addition, I ask unanimous consent to have printed a list of CDI reforms announced by Secretary Heckler on June 7, and other administrative steps taken in the past 2 years.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., October 18, 1983.

Hon. MARGARET M. HECKLER,
Secretary, Department of Health and Human Services, Washington, D.C.

DEAR MADAME SECRETARY: We are writing to convey our great concerns about the failure of some States to administer the social security disability insurance program according to Federal law and standards. State actions which impose moratoriums on eligibility reviews or which, in other ways, deviate from your authoritative interpretation of the statutory definition of disability threaten the unique Federal-State arrangement that has existed in the disability insurance program since 1957.

As your know, under the law, States may continue to administer the disability insurance program on behalf of the Federal government only so long as their disability determinations comply with Federal law and the standards and criteria contained in regulations or other written guidelines of the Secretary. Should a State be found to be substantially failing to comply, disability determinations in that State are ultimately to be made by the Federal government.

If the Administration fails in its obligation to enforce the requirements of the law, States have very little incentive to operate the disability insurance program in a fiscally responsible or nationally uniform manner. After all, the States are reimbursed for all of their administrative costs and bear no fiscal responsibility for any part of the benefit costs.

Though Federal legislation affecting the disability insurance review process is now under consideration, we do not know what specific changes in the review process are likely to be enacted nor when they would become effective. Unless and until new legislation is enacted, we urge you to fulfill your responsibility of assuring the uniform national applicability of the current review process.

Sincerely yours,

RUSSELL B. LONG.
BOB DOLE.

CDI REFORMS ANNOUNCED BY SECRETARY HECKLER ON JUNE 7

(1) Increased by 200,000 (or by 25 percent) the number of beneficiaries classified as having "permanent impairments" and who will thus be exempted from the three-year review requirement.

This change will bring the total number of beneficiaries exempted from the CDI review to more than 1 million, or about 37 percent of those on the benefit rolls.

The new categories of permanent impairments involve, sight, speech, hearing, arthritis, heart disease, diabetes, severe mental retardation and mental illness. Also, certain impairments previously considered permanent at age 59 are now considered permanent at age 50 and others are considered permanent at any age.

(2) Temporarily exempted from review two-thirds of all mental impairment cases, or 135,000 of those still to be reviewed. This would apply to beneficiaries with "functional psychotic disorders."

The moratorium will be effective until the criteria used for determining disability have been revised in consultation with outside mental health professionals. An effort will be made to identify those beneficiaries already terminated under the old procedures and to reevaluate their cases under the revised criteria.

(3) Eliminate the present method of selecting cases for review, which is targeted toward cases judged most likely to be ineligible, and replace it with a random selection process.

To date, SSA has used a "profile" of characteristics known to be common to those most likely to be able to return to work. This has led to a higher termination rate and a higher number of cases being appealed than would have resulted from a random selection process.

OTHER MAJOR STEPS SSA IS TAKING TO REFORM THE CDI PROCESS

1. In October 1982, SSA started using a new procedure for beginning a CDI review: each beneficiary has a face-to-face interview with an interviewer in the local Social Security Office. The interviewer explains how the review works and what the beneficiary's rights are, obtains information about the beneficiary's medical care and treatment and current condition, and—in some cases—concludes the review process where it is clearly warranted based on the beneficiary's current medical condition.

2. SSA is stationing State agency employees to serve as disability consultants in 50-60 SSA local offices with the highest workloads. This will help to ensure that SSA personnel are as fair, helpful, and effective as possible. New interview forms and guides have been issued to local office interviewers and numerous State agency disability consultants are already onsite.

3. SSA has established pilot programs in three States so that SSA can smoothly implement the provision in P.L. 97-455 providing an opportunity for a face-to-face evidentiary hearing at reconsideration. Prior to the legislation, SSA had been planning to implement this change on an administrative basis.

4. In March 1982, SSA initiated a policy of determining that, in general, a person's disability ceases as of the time the beneficiary is notified of the cessation. This change reduces situations where the beneficiary is faced with the need to pay back past benefits because of a retroactive determination.

5. Since May 1982, SSA has mandated that States review all medical evidence available for the past year—a directive which ensures that every State is looking at every piece of evidence that might be pertinent to a case.

6. SSA has taken many actions to improve the quality of consultative examination purchases by the government in cases where medical evidence from a person's physician is unavailable or incomplete.

7. Since March 1982, SSA has required State agencies to furnish detailed explanations of their decisions in all cases in which a person's disability has ceased.

8. To improve the quality of determinations in difficult cases where it is necessary to determine a person's capacity to do work-related activities despite a severe impairment, SSA is requiring that the determinations as to residual functional capacity be more detailed and explicit so that the basis for the final decision is clear.

9. To ensure quality in CDI cases, SSA conducts a quality review of a sample of cases before benefits are stopped. In June 1982, SSA doubled the number of quality reviews of termination cases. In addition, to demonstrate the importance of quality in the CDI process, SSA established an interim accuracy goal for the State agencies. SSA is also studying terminations to find out what kinds are especially error-prone.

10. SSA has consistently monitored State agency resources and workloads closely and adjusts the flow of cases to the individual States to avoid backlogs when problems have arisen in their acquiring adequate resources. Since October, all new CDI cases have been sent directly to the local Social Security offices for the face-to-face CDI interview; this also helps States to reduce backlogs.

11. SSA is refining the selection criteria for CDI reviews so that more beneficiaries who are permanently disabled are identified and exempted from the 3-year review process. Based on findings in the first year of the CDI program, SSA has broadened the definition of the permanently disabled. We expect to be able to significantly reduce the number of cases to be reviewed by State agencies.

12. To modernize the CDI process and make it more responsive to beneficiaries' needs, SSA has reached out to many public and private interest and professional groups to discuss their concerns about the disability program and to obtain their suggestions for improvements. SSA has also met extensively with State agency administrators and field personnel to exchange ideas for improvements.

13. SSA has concentrated efforts on the need for special handling of cases involving psychiatric impairments.

SSA has met with mental healths groups to obtain their recommendations for improvements in our guidelines for evaluation of mental impairments.

SSA has also encouraged the States to increase the number of psychiatrists on their staffs and has asked the American Psychiatric Association (APA) for assistance in recruiting psychiatrists for the States.

SSA is setting up a mental impairment advisory group which will consist of psychiatrists, psychologists and consumer and legal group representatives and has asked the APA to suggest the names of some academicians in the psychiatric field.

The APA has agreed to set up a special task force on Social Security disability to educate APA members and help us make improvements in our evaluation of mental impairments.

SSA and the APA have agreed to exchange research and development information in the field of mental illness.

SSA is exploring the idea of contracting with the APA in our regions to provide peer review services for mental impairment cases.

14. SSA has underway, in two States, a study to test the value of obtaining more than one special mental status examination in cases where evidence from the beneficiary's treating source is incomplete or inadequate. This is intended to determine whether a person's mental condition can drastically change from one day to another. One criticism of SSA's practice of getting only one mental status examination is that it gives a misleading "snapshot" of a person.

15. SSA has been issuing Social Security rulings to make sure that all disability decisionmakers—State agencies, ALJ's and the Appeals Council—follow the same standards

of adjudication. These rulings are in accord with existing law and regulation and do not establish new standards.

16. SSA has added more than 140 Administrative Law Judges to what is already perhaps the largest single administrative adjudicative system in the world, bringing their total number to more than 800 and providing them with significantly more support staff to help reduce the backlog of cases that has been a chronic problem in past years.

Mr. DOLE. Mr. President, why should States which pay nothing be able to determine how the program is going to be administered?

I am sympathetic to the goals of both Senators and other Senators who have an interest in this matter. I think we have made a lot of progress. The Ways and Means Committee bill will not be coming over. The House just turned down the rule, so there will not be any consideration of the reconciliation bill, which included the disability bill. There is some necessity to at least extend payments during appeal.

As far as the medical improvement provision and some other items in this amendment, I agree with the Senator from Louisiana that we should be certain we are doing the right thing.

There is some lack of understanding between the Secretary and OMB on what they were supporting, which has caused some confusion.

I support efforts to make certain that the program is properly administered, that no one is removed from the rolls who should not be. I assume there must be a number on the rolls who should be reviewed and should be taken off the rolls so that we might have room for someone else who might merit that consideration.

I yield to the Senator from Utah, who I understand will make a tabling motion.

The PRESIDING OFFICER. The Senator from Utah.

Mr. METZENBAUM. Mr. President, when Congress, in 1980, adopted the Bellman amendment, which required SSA to review the status of disabled beneficiaries at least once every 3 years, the clear intent was to initiate an orderly and equitable review process aimed at removing from the rolls persons who were no longer disabled.

But what we got under the Reagan administration was something very different.

This administration turned a review into an inquisition—and in the process thousands of truly disabled persons were forced off the rolls. All the cuts, all the policies directed against the poor and elderly, all the misplaced priorities of this administration are somehow summed up by this issue.

On September 14, the GAO responded to my request for a report on the deaths of 26 SSDI recipients who had had their benefits terminated.

After reading these case histories, Mr. President, there is no doubt in my mind that terrible injustices were committed.

All of the 26 recipients died within 8 months of the decision to terminate benefits.

In 19 of the 26 cases, the initial decision to terminate benefits was wrong and later reversed. Unfortunately, 13 of these reversals came too late—after the recipient had already died. Take, for example, the case of Larry Schultz, an Ohioan whose benefits were terminated on April 9, 1982, and who died 2 months later, on June 25. Social Security maintained that Mr. Schultz was not disabled. I quote from a letter I received from his widow. First, on the impact the loss of benefits had on their lives.

> Once the cut was made, we had to sell our 10-acre property and home because we could not handle the finances involved with one income. I did most of the moving myself, but Larry helped with the heavy items because "Social Security says I am well and can work." The mental and emotional stress of selling out, seeking new residence, moving and putting everything in its place is excruciatingly painful for someone in his condition. I saw him doing many activities he should not have.

Mr. President, consider Mr. Schultz' ability to work. He had arteriosclerotic heart disease with coronary insufficiency, angina, and kidney disease. But Social Security said he could work. Again, listen to Mrs. Schultz:

> If he could work he would have. He held two jobs as a teenager and worked frantically all his life having pride in being a perfectionist in what he did * * * not working was a difficult change but he found simple chores to do at home.

Mr. President, what about the medical exam given by social security doctors? Again, listen to Mrs. Schultz:

> He went through all their tests, no matter how painful. The treadmill test was one I will always remember him talking about. He hurt deeply and told them so but they refused to take him off the machine because no measurable pain was recorded. Finally, a nurse took the initiative and turned it off. His doctor sent in Larry's records as requested but social security doctors ignored his report and made their own decision. Larry's doctor laughed at the absurdness of Larry returning to any kind of work. His written appeal was denied * * * strangers decided he was well enough to work. Something must be done to change the reevaluation method. Forget the terminally ill patients who are living on medicine. (Larry took over 120 pills weekly to stay alive). Just the stress of knowing they are being reevaluated can kill them.

Mr. President, one must wonder how does Mrs. Schultz feel at the end of this ordeal?

> As his widow, I will despise the social security program for what has happened for the rest of my life. If I had the money I would sue—but I found this Government program doesn't know what is going on in its own organization. While receiving sympathy cards, I received a notice that Larry's benefits would be increased with the July check! My only satisfaction will be that he is no longer in pain. But what about my pain. When an automobile accident takes a life, the family can sue. Most people have life insurance but Larry was uninsurable. I'll make it due to a good job, but I feel cheated because the pressure concerning Social Security could have been responsible for my husband being taken earlier than if the stress had not been there.

Mr. President, these might sound like harsh words, but who can blame her? The argument might be made that Larry Schultz was an exception to the rule—a lone victim of a bureaucracy struggling to cope with hundreds of thousands of cases.

But Larry Schultz was not the only victim. Take Richard Kage of Michigan, his benefits were terminated in May 1981. He died 6 months later. His doctor said he died of a heart attack under stress created by the termination of his benefits. His doctor told Social Security officials it was completely ridiculous that consulting physicians seeing a patient for a brief exam should countermand a statement of disability on the part of the experienced physician.

Take Deanne Witt of Arizona. His benefits were terminated in November 1981, and he died July 1. The administrative law judge restored his pension 30 days after he died.

Or Ralph Irvan of Arkansas. He served in the Army for 21 years, with 3 tours in Vietnam. His cancer led to a collapsed lung, to surgical removal of most of his tongue, a big chunk of his jawbone, as well as parts of his neck and shoulder. Social Security told him his cancer was mended and he could go back to work. After numerous appeals, his benefits were finally cut off on January 12. He died February 8 and his benefits were restored posthumously.

All of these cases are from the GAO report. The litany could go on and on. These are only the most dramatic cases of injustice associated with the disability system.

In the last 2 years, 250,000 people have had their benefits terminated. Another 100,000 recipients have lost their benefits but can expect to get them back upon appeal.

The administrative law judges are reversing Social Security decisions in over 60 percent of cases.

These are not the sort of statistics associated with a well-managed administrative review of a Government program; rather, they are clear indications of a bureaucracy gone beserk.

This administration started the reviews 9 months earlier than required by Congress; the administration redefined disability in more narrow terms in order to trap more recipients in their net; they purposely zeroed in on those with the biggest benefits; they overloaded the caseworkers in the field and exerted pressure to produce the right results. They have ignored Federal court rulings on the validity of

their procedures; they have even attempted to intimidate those administrative law judges who had a record of restoring too many benefits.

The primary goal of all of this is not to get malingerers off the rolls. No—the primary goal is to save money—$250 million in 1982, $600 million in 1983, and $850 million in 1984—to save money by whatever means necessary and at whatever cost to defenseless people.

There is nothing wrong with saving money by trimming waste, fat, and fraud from Government programs. I have vigorously supported such efforts in programs as diverse as medicare and military procurement. But there is something wrong—desperately wrong—with a policy that purges the disability rolls of legitimate beneficiaries in order to make the bottom line look a little better.

This administration has been waging an all-out assault on disabled Americans. It is high time for Congress to say "stop."

Mr. President, the compromise measure before us is far from perfect. I much prefer the so-called Pickle bill passed by the Ways and Means Committee.

But I recognize this compromise is all we are going to get in the Senate at the present time.

But I put the Social Security Administration on notice. Congress will no longer tolerate a disability review system that all too often has resembled an inquisition.

We expect the Social Security Administration to administer these reviews in a just and humane fashion.

That is the message we are sending with this piece of legislation.

I only hope this administration gets that message—loud and clear.

Mr. SASSER. Mr. President, I rise today to offer my wholehearted support for the amendment offered by the Senators from Maine and Michigan.

The amendment represents the culmination of nearly 2 years of bargaining and negotiation on a problem which has plagued many thousands of disabled people across the Nation.

I would like to commend the Senators for their tireless and determined efforts over these past 2 years in search of an effective remedy to this unfortunate situation. Today, finally it appears a remedy is in sight.

The administrative nightmares created by the Reagan administration's decision to accelerate the process known as continuing disability investigations (CDI's) beg for corrective action. The legislation before this body in the form of the Levin-Cohen amendment is a significant step in the right direction.

When the administration advanced the implementation date for the continuing disability investigations process some 9 months ahead of schedule in March 1981, it caught State agencies charged with the responsibility for conducting the reviews off guard. Because of a lack of resources, State agencies generally were not prepared to handle the large increases in caseloads precipitated by the hasty acceleration.

Consequently, the resulting injustices and inequities in the social security disability program have been far-reaching and affected the disabled in each and every State across the Nation. Last year, over 225,000 beneficiaries were terminated from the disability rolls. At the same time, the rates at which those terminated were eventually reinstated at the administrative law judge level of appeal was astounding. It is estimated that early on the error rate was close to 70 percent. Although the error rate has subsided somewhat, there still exists today fundamental problems in the disability program.

The individual horror stories are well documented and need no further elaboration here. What is probably the most illustrative indicator of the need for immediate action is the rebellion currently underway in over half the States. To date, 28 States have taken unilateral action to modify the administration of the Federal program at the State level. The pervasiveness of the rebellion transcends both party affiliation and political ideology. Governors have taken executive action premised on the belief that it is far more equitable to ignore the legal contractual agreements the States have with the Social Security Administration than to allow continued injustices in the disability program.

It is these structural problems to which we address our concerns through this legislation today.

The amendment before us is a compromise in every sense of the word. To some of us, it does not go as far as we would like. To others the cost of a comprehensive solution somehow outweighs the benefits derived from an efficient and equitable disability program. I subscribe to the former proposition.

A cursory examination of the expansion of the original social security legislation indicates the commitment and intention to compensate adequately those who unfortunately have fallen prey to disabling condition. The rights and entitlement of those unable to perform substantial gainful activity to compensatory benefits is no longer an issue. Yet today we find ourselves debating this fundamental notion.

Mr. President, that battle was won over a quarter of a century ago. What is important for us to accomplish here today, is to reaffirm our commitment to provide for those unable to provide for themselves. No concept is more fundamental to a compassionate democratic society.

The importance of this issue reaches beyond either politics or economics. The guiding principle must be that of fairness. It is to this principle that I am ultimately responsible as a representative not only of the citizens of Tennessee but of the American people.

As I have already mentioned, the amendment before us is a compromise. I would have preferred a more comprehensive approach, such as that embodied in the bill offered by Congressman PICKLE on the House side, and offered on this side by the distinguished Senators from New York (Mr. MOYNIHAN) and Arkansas (Mr. PRYOR) and myself.

I will support this legislation because I feel that we must address this problem before we adjourn. We cannot allow the disability problems to fester. It is my sincere hope that the chairman of the Finance Committee will accept this amendment, for his support, I believe, will be crucial to the success of efforts to reform the disability system in the short time that we have.

Mr. President, time is no ally in this matter. It is precisely this constraint which heightens the importance of passing this legislation today. I hope that my colleagues will join me in this effort.

Mr. DURENBERGER. Mr. President, I am pleased that this issue is being brought to the floor today. The need for change within the disability review process cannot be underestimated. The continuing disability investigations, mandated by Congress in 1980, has become a major concern for 80,000 Minnesotans who are severely disabled. There is nothing intrinsically wrong with reviews every 3 years. We cannot, and should not, continue payments to persons who are no longer disabled. While the original intent should remain unchanged, we must change the process by which we carry out this intent.

We must take great care to insure that those who are truly qualified are not terminated from the disability rolls. Our past efforts have been dismal failures—Committee Print 98-93, indicates that 421,000 persons have been terminated by State agencies under the supervision of the Social Security Administration. Over half of those cases which have been appealed to an administrative law judge have been reinstated. There has also been a steady drop in the number of allowances of individuals applying for social security benefits.

My first concern is correcting the real tragedy—the suffering that many beneficiaries and their families endure because of the loss of benefits. As a result of the review process we began in 1980, thousands of disabled individ-

uals who should not have been terminated in the first place have been forced to live, for an average of 6 months, without necessary benefits—both the disability payments themselves and the often equally important medicare eligibility.

So serious is this problem that the States are starting to take the administration of the program into their own hands. Several States have imposed moratoriums on the continuing reviews, refusing to process the cases sent to them by the Social Security Administration. Other States have adopted their own standards to determine eligibility. At least nine other States have decided to follow the decisions of courts within their own jurisdictions that have required the application of standards of eligibility which have been rejected by the Social Security Administration.

It is time to recognize that the 1980 continuing disability review process has been a dismal failure. We need not scrap the intent of that legislation, but we must act now to reform the process. Comprehensive reform, such as this amendment, should be enacted before we adjourn this session of Congress.

Mr. BRADLEY. Mr. President, I rise in support of the amendment offered by the Senators from Michigan and Maine. It is imperative that immediate steps be taken to redress the serious problems that have occurred as a result of the Social Security Administration's heavy-handed implementation of the disability insurance review process.

Our limited resources must be used to support only those who genuinely require our support. But, Mr. President, the Social Security Administration has clearly gone too far in their attempt to purge the disability rolls.

Nearly half of those reviewed have been terminated, and a large majority of those who have appealed their termination decision to have been reinstated by the administrative law judges. During the 9 to 12 months that these individuals await a decision on their appeal process, they must suffer from the uncertainty of their fate. If no measure is taken soon, these individuals will not receive payments while they wait for the final judgment, and who knows what kind of harm this can do to those recipients who are unable to work and are dependent on these payments for their livelihood.

Case after case has been brought to my attention of individuals who have had their benefits terminated on the basis of a superficial evaluation that was completed by someone who had no qualifications in the area of the person's impairment. I have heard of individuals with mental impairments who were terminated on the basis of a 15-minute interview with a psychiatrist, and blind recipients evaluated by general practitioners.

Of course these are the extreme cases—the horror stories—and I certainly would hope that they are not typical. But they serve to point out the serious problems with the current procedures for reviewing disability benefits.

Mr. President, I am told that as many as 28 States refuse to comply with the Social Security Administration's guidelines for the review process; if the current system was truly working properly, States would not be flaunting the laws, as interpreted by the Social Security Administration. My own State of New Jersey has had to stop all terminations because a court ruling, binding the administrative law judges in New Jersey, mandates more stringent requirements for termination than are applied by the Social Security Administration.

Mr. President, we clearly have on our hand a crisis situation that requires our immediate attention. The amendment proposed by my esteemed colleagues, Senators LEVIN and COHEN, is a fair and thoughtful measure to assure that the people in our Nation who are unable to work for reasons beyond their own control, who already suffer the pain and indignity of a severe disability, get the relief they deserve. And it allows the Social Security Administration to remove from the rolls those individuals who are ineligible. I urge my colleagues to support the amendment.

Mr. DOMENICI. Mr. President, I rise in support of the amendment to reform the social security disability program offered by the Senator from Michigan, Senator LEVIN, and the Senator from Maine, Senator COHEN.

There are few problems more pressing today than the well-being of disabled Americans. In my travels across my own State of New Mexico over the past year, I have learned about serious problems in the way the social security program reviews the eligibility of disabled Americans for benefits. I am deeply concerned about the number of individual cases where a genuinely disabled person has abruptly had his or her benefits terminated.

A similar situation exists all across the Nation. Numerous congressional reports and hearings on the social security disability program clearly show that the current program suffers from severe administration problems. Persons who have been on the disability program for many years and whose conditions have not improved are being unjustifiably terminated.

In response to this very unfair situation, many States have acted to implement their own standards of disability while others are halting reviews altogether.

Congress must respond to this troubling situation. We must improve the accuracy and quality of disability reviews, and insure that the rights of the Nation's disabled are protected under the law.

All parties have the same basic goal—to improve the disability determination process. This legislation represents a bipartisan compromise among the many Senators who have worked hard for the past year to find a solution to a very troubling problem. The compromise addresses three major areas of concern.

First, it would modify the standards for determining eligibility for disability benefits. The Social Security Administration (SSA) would need to prove that a recipient had medically improved since he or she first came on the rolls in order to remove the recipient from the program. Recipients who have benefited from improved medical technology, vocational rehabilitation, or who are now able to work would be exempt from this provision. The SSA would also be required to consider the combined effect of all of an individual's impairments in determining eligibility for benefits.

Second, the compromise would modify the structure of the disability review process. It would provide a temporary delay on reviews of all mental impairment disabilities until guidelines are improved. It would implement a demonstration project on face-to-face evidentiary hearings at the State agency level for medical termination cases. It would also extend the provision in current law that allows recipients to continue to receive benefits while they appeal their removal.

Third, the compromise would improve the way in which the Social Security Administration makes disability policy. This would affect the way in which the SSA makes rules and applies the decisions of circuit courts of appeal.

Mr. President, it is important for us to note that the basic purpose of the social security disability program is to provide benefits only for those who are completely unable to work. The SSA must continue to review beneficiaries who are not totally disabled to insure that they continue to meet this standard.

I am convinced that we have found a way to accomplish these goals without harming some of America's most vulnerable citizens, the disabled. The compromise before us would provide that the disability program carry out its basic purpose in a way that is simple, fair, and humane. I urge my colleagues to join me in voting in favor of this bill.

Mr. BINGAMAN. Mr. President, I support the amendment from the Senator from Michigan, Senator LEVIN and the Senator from Maine, Senator COHEN. I believe that the social securi-

ty disability system is flawed and corrections are badly needed.

FIELD HEARING

On October 8, 1983, I was pleased to be able to hold a field hearing of the U.S. Senate Committee on Governmental Affairs in Santa Fe on the subject of social security disability reviews. Firsthand testimony was heard from a cross-section of New Mexicans who told of their painful experiences caused by an insensitive, inefficient, and dehumanizing process. Testimony was also received from doctors who treat claimants, attorneys who represent claimants, the State of New Mexico Disability Determination Unit director, an administrative law judge who hears appeals, and a representative of the Governor's office. Many others submitted testimony that will be included in the printed hearing record.

One major recommendation, which I am pleased to say has already been implemented was the suggestion that the State of New Mexico impose a moratorium on further terminations of benefits as a result of the continuing review process. Several other States have also taken action to impose moratoriums on the continuing disability reviews. I applaud the action taken by Governor Anaya shortly following the October 8 field hearing. This action puts New Mexico in the forefront of calling for corrections in this flawed process which has caused so much pain and suffering.

HISTORY

For the past 2 years, Members of Congress and the American people have read and heard, on an almost daily basis, depressing stories in the news about termination of disability benefits for individuals who are still clearly disabled. These are people who could not face the prospect of battling a hostile review process or of losing their only source of income.

Other individuals, shortly after having their benefits terminated, have died of the same illness which examiners had found no longer disabling. Nearly all of the terminations have resulted in needless pain, suffering, and loss of income for thousands of disabled individuals and their families. Ironically, many who have been found recovered and have had their benefits terminated were later, upon closer examination, eventually restored to the disability rolls. But often it was only after months of anguish at the hands of a wasteful and inefficient system.

This flood of terminations stems largely from two factors. One was the act of Congress, the so-called Bellmon amendment, which mandated in 1980 that disability recipients be reviewed every 3 years to determine if they were still eligible for benefits. These reviews, called continuing disability investigations, or CDI's, were scheduled by Congress to begin in January 1982. The second factor behind the great number of terminations was an administration bent on reducing Government spending regardless of human costs. Wielding the Bellmon amendment, the Reagan administration decided to accelerate the implementation date to March 1981, and began ordering disability reviews at an alarming rate.

In fiscal 1982, some 497,000 disability recipients, or almost 18 percent of the total, found their cases under review. Some 340,000 individuals have been dropped from the rolls since March 1981 when the Reagan administration began its review program.

No one can argue with the need for review to insure that only those who are actually disabled be permitted to continue to receive disability benefits. But the manner in which the review is conducted should be sensitive to the hardships which it can cause. The review process has been frought with insensitivity, inefficiency, and blatant abuses.

A PATTERN OF UNFAIRNESS

Because of the abrupt acceleration of the reviews, many individual cases received only the most cursory examination. State disability determination offices were forced to accept a threshold increase in their workloads without an increase in funding or support. Many reviews were accomplished simply on paper, without ever seeing another human being, or by a 5-minute examination by a physician who had never seen the recipient before. Often the statements of personal physicians have either never been sought or simply disregarded. Most reviews centered on a profile of disabled persons who were thought most likely to be able to go back to work. Several days of hearings before the Senate Special Committee on Aging, the Senate Governmental Affairs Committee and other groups have documented an irrefutable pattern of unfair—and improper—denials of disability benefits to individuals, particularly those suffering from severe psychiatric problems.

Nationwide, some 45 percent of the disability recipients reviewed were sent notices that their benefits would be terminated. On its face, that 45 percent would seem to indicate that a good number of recipients were no longer disabled. The records of appeals, however, tell a different story. Twelve percent of the terminations that were appealed received reversals at the reconsideration stage. Over 60 percent of the terminations appealed to social security administrative law judges were reversed. The General Accounting Office found, in a study of 1,400 appealed cases, that 9 out of 10 terminations of mentally disabled persons were reversed by administrative law judges—the first face-to-face interview for most of these individuals. These recipients were still disabled, but subjected to the stressful and unfair process of being reevaluated.

The Social Security Administration, the lead administration agency, has even admitted that some physically disabled persons died soon after the agency's examiners had ruled them healthy. In 4 of 11 cases reviewed in an internal GAO study, the former disability beneficiaries died of the very illnesses that the examiners had decided were not disabling. The study admits that the decision to terminate benefits was not correct and although error was admitted, little good it did.

So overzealous have the examiners been that one man who received the Medal of Honor for valor in Vietnam by President Reagan was cut off from disability upon review. This individual was told he could work even though he had two pieces of shrapnel in his heart, both his arms and legs were severely impaired, one lung was punctured, and he was in constant pain. Although his benefits were restored upon review, he went through countless, unnecessary hours of pain and suffering.

Many who lose their benefits are forced on to welfare rolls. New York City Council President Carol Bellamy said individuals thrown off Federal disability rolls would cost New York State and city an estimated $4 million in local aid in 1983.

CONGRESSIONAL ACTION AND ADMINISTRATION REACTION

The record of such conduct, by a government founded to help its citizens, has stirred the outrage of many people. During the spring and summer of 1982, corrections, remedies, and improvements were proposed by many of my colleagues. In December 1982, a significant amendment was added to a tax bill that continued disability benefits on appeal for recipients who chose to contest their notices of termination. The amendment also required that recipients be given the opportunity to appear and participate at their reconsideration hearings. This benefit was recently agreed to be temporarily continued until the end of December.

Several remedial bills have been introduced in Congress and the House has recently begun action on corrective legislation approved by the House Ways and Means Committee. The administration also supports making changes in the system, administratively.

These reforms are commendable, but they should have been implemented a year ago, when we already had full knowledge of the tragic consequences of this review process. The administration, if it intends to effect meaningful change, should not stop with these steps.

I also support making immediate legislative reforms by Congress which

would guarantee that benefits not be cut off unless the beneficiaries medical condition has improved. A recipients' treating physician must also be consulted early in the review process and entire medical histories must be reviewed. We must also require that each beneficiary be entitled to a face-to-face interview with a right to immediate appeal to an independent administrative law judge. We must also have uniform standards for determining disabilities, and work skills should be put down as regulations and subject to public comment.

These changes are badly needed at this time. I urge my colleagues to support this amendment.

Mr. RIEGLE. Mr. President, I am pleased to join with my colleagues in this effort to address the serious problems that have plagued the social security disability insurance (SSDI) program over the last couple of years. Both Houses of Congress have long recognized that comprehensive reform was desperately needed to prevent the unwarranted termination of hundreds of thousands of disabled Americans from the disability rolls. Last year we acted to provide for the continuation of benefits during this period when a beneficiary appeals the Social Security Administration (SSA) decision to terminate their disability benefits. Recently we expanded this continuation of benefits, now set to expire on December 7, 1983.

The difficulties within the DI program gained national attention when the Reagan administration implemented the congressionally mandated continuing disability investigations (CDI's) several months prior to the time set by law. The result was the termination of thousands of disabled Americans from DI rolls who were later determined, through the appeal process, to still be under a disability and eligible for continued benefits. Most beneficiaries were encouraged to appeal termination decisions, for almost two-thirds of those individuals who appealed the decision to terminate their benefits had such decisions reversed by the administrative law judges all over the country.

Mr. President, the failure of the Congress to act has resulted in chaos in the National Administration of the DI program. The Federal courts, in attempting to address the senseless suffering of DI beneficiaries, have issued opinions in conflict with SSA practice. Due to the practice of "nonacquience," SSA and other Federal agencies fail to follow the ruling of court decisions they disagree with other than with regard to the individuals in the particular case. The result of the practice is the application of different eligibility criteria to different claimants. In addition, various States have taken independent action to address this tragic situation within their own borders. Arkansas, Kansas, Massachusetts, and West Virginia have modified the redetermination process in an effort to reduce the number of wrongful terminations. A growing number of States have placed a complete moratorium on terminations until a remedy to this situation can be developed.

Mr. President, clearly there is a need to remove individuals from the disability rolls who are not disabled. The Social Security Administration estimates as many as 30 percent of the individuals receiving benefits are ineligible under law. The GAO estimates the number to be only two-thirds of that amount, but nevertheless, GAO also has determined that there are ineligible persons in receipt of benefits. Nobody supports that. But it is inexcusable for the the administration, in its laudable effort to remove the nondisabled from the disability rolls, to lack the kind of precision we have witnessed over the past 2 years.

As a result of the CDI's, 40 percent to 50 percent of the beneficiaries who are reviewed receive termination notices, of those who appeal—and not all of those who are terminated appeal—over 60 percent are placed back on these disability rolls by an administration law judge. This lack of precision, which is resulting in the wrongful termination of hundreds of thousands of social security disability beneficiaries, has created and continues to create significant hardship for our Nation's disabled. Being pulled off and on the rolls, being told one day that they are not disabled, when they know they are, being forced to hire an attorney to fight a termination decision; these are only a few of the hardships we are forcing disabled Americans to go through. Clearly, we must reform this review process and stop this senseless suffering of our disabled citizens.

Mr. PRYOR. Mr. President, I rise today in support of the amendment offered by the Senators from Michigan and Maine, which would make comprehensive reforms in the social security disability program. I am hopeful that my colleagues will join me in supporting their efforts to make some much needed changes in this most important program.

For 2½ years now, I and other Members have come before this body to express our concerns over the manner in which the reviews of the nonpermanently disabled are being handled, in hopes that some resolution for the very real problems in this program could be dealt with. Unfortunately, we have seen very little action, and we now find ourselves in the same predicament as we have so many times before—in the final hours of a legislative session with no relief in sight for the hundreds of thousands of disability beneficiaries, and their dependents threatened with a termination without the benefit of a fair review.

The package that is being offered today is a scaled-back version of legislation which I have cosponsored with Senators LEVIN, COHEN, and many others—S. 476. It also contains some elements of Congressman PICKLE's disability legislation which may be considered by the full House in the very near future.

Mr. President, this bill does not address all of the problems within the disability program. However, it will go a long way toward correcting many of the more severe abuses that are occurring. And every effort has been made to trim back the costs of the bill so that it is as fiscally responsible as possible without destroying its effectiveness.

There is a great need for action at this time in the disability area. Last year, because of the Congress lack action in this area, despite the general concerns that a real problem existed, a temporary, stopgap measure was adopted which allowed terminated beneficiaries to continue to receive benefits during appeal through the administrative law judge level. Since that time, we have extended this provision, but it will expire on December 7 of this year. This December 7 deadline makes enactment of this corrective legislation all the more imperative. The time is now long past overdue for us to take positive action, and a mere extension of our stopgap measure would be totally irresponsible in light of this program's problems.

Disability benefits are benefits which are earned through social security payroll contributions. This program was enacted to fulfill what was seen as a very real need. There is now an even greater need that must be met—that of restoring the integrity and fairness upon which this program was built.

At present there is absolute chaos within the disability system. States, as a result of the accelerated review of the nonpermanently disabled, have been faced with overwhelming caseloads, many without the benefit of increased staff to achieve expected review goals. Cases are developed poorly, and in many cases inappropriate consultative physicians are used to document specific disabilities. And inconsistent guidelines for determining disibility are used throughout the decisionmaking process.

These and many other factors have contributed to making a fair disability determination close to an impossibility. The States, in their frustration at being placed in the position of the middle man—between the Social Security Administration, the administrative law judges, the Federal courts, and State residents—have responded in varying degrees. Several States have placed moratoriums on disability reviews altogether; others have imposed

restrictions on the manner in which the reviews are conducted. In the absence of legislative action, there is no longer a national program based on a single set of standards and administered in an efficient, consistent manner; rather, a patchwork of different disability programs varying from State to State has emerged.

Our distinguished colleagues, the Senators from Maine and Michigan, have eloquently documented the acute need for action at this time. It is my hope that all Members of this body will join in support of this most important amendment.

DISABILITY INSURANCE REFORM IS ESSENTIAL

Mr. BYRD. Mr. President, I am confident that virtually every Member of this body is very much aware of the problems that have appeared in the social security disability insurance (SSDI) program during the past 2 years. Thousands of the disabled persons the Congress intended this program to serve have been hurt by these problems and rightly have called the attention of their elected Representatives to them and the great need to remedy them as quickly as possible. I am sure my colleagues have received the same kind of correspondence and personal request that I have received on this subject.

So I will not take the Senate's time today to attempt to provide an exhaustive history of the development of these problems. I will, however, recall some of the most pertinent facts in this development.

During 1980, responding to reports that disability payments were being paid to some persons who were not truly disabled, the Congress enacted the Social Security Disability Amendments of 1980. One of its provisions required the Social Security Administration (SSA), beginning in 1981, to review the status of each SSDI recipient at least once every 3 years unless the recipient's disability had been classified as permanent.

When the Reagan administration took office in 1981, it evidently saw an opportunity to achieve dramatic savings by instituting these reviews immediately, without taking the time or effort to carefully plan the review criteria that would be employed or to carefully train the disability program workers who would be charged with making the reviews. Further, evidence is available that SSA officials, in the words of the New York Times, "quietly made clear * * * that more claims were to be denied."

And that was exactly what happened. Between March 1981, when the reviews began, and June of this year, 1,134,000 disabled persons' cases have been reviewed. For some time, the rate of termination from these reviews was running at close to 50 percent. For over a year it hovered around 45 percent. After the furor over this situation began to build earlier this year, the administration took some limited steps to reduce the severity of these reviews, and the termination rate now has dropped to under 40 percent.

In all, by June of this year, 421,000 of the 1,134,000 persons reviewed since March 1981 had been terminated. Many of these appealed the termination decision. Administrative law judges within the Health and Human Services Department reversed a remarkable proportion of these termination decisions, further raising questions about the reliability of the SSA's new review processes.

To add to the consternation caused to the disabled by this newly fierce review process, the number of appealed terminations has slowed an already overburdened appellate process to a crawl. In September, over 173,000 appeals cases were pending before the administrative law judges, an increase of 60,000 in the backlog in only 1 year. Some individuals must wait from 6 to 12 months even to get a hearing before an administrative law judge—at which the judges often have been concluding that termination was unwarranted in the first place. The needless agony and uncertainty caused to the disabled by this situation—most of whom believe they have no prospect of obtaining or successfully holding gainful employment—can be devastating.

Originally, this picture was even worse because disability benefits were halted upon the initial finding of ineligibility. The Congress at least has intervened to allow benefit continuation through the administrative law judge level of the appellate process. Several weeks ago we again extended the emergency provision to do this into December. But even this temporary tourniquet has its shortcomings, greatly exacerbated by the long delays now being experienced in the appellate process.

If a person chooses to continue receiving benefits during the course of his appeal, but ultimately is found to be ineligible, he is obligated to repay all benefits since the initial decision. Even if a person is convinced that he truly is disabled and the appellate process should affirm his eligibility, the possibility of a contrary verdict understandably produces fear and tension.

A number of the terminations of benefits ultimately have been appealed to the Federal courts. In many cases decisions have gone against the administration. Some court decisions have found that SSA must find evidence of medical improvement before a DI recipient can be terminated and that eligibility standards for the mentally impaired disabled were improper and should not be used. However, SSA has a policy that it will not follow court rulings with which it disagrees except in the individual case considered by the court—and instructs its administrative law judges to continue to apply its existing standards and policies rather than court rulings.

Things have gotten so bad that a number of the States—including my own State of West Virginia—have taken matters into their own hands, either tossing out the SSA eligibility determination and redetermination criteria and substituting their own or imposing a moratorium on all disability program terminations until adequate criteria are developed and implemented. When coupled with the fact that a number of State disability determination agencies are operating under varying court-ordered criteria, in effect we no longer have a national disability insurance program.

Out of all of this, Mr. President, one thing is crystal clear: What we do have on our hands is a crisis. It is a crisis that should be resolved just as quickly as possible. Surely it must not be allowed to persist until the Congress returns to session in January of next year.

There have been a number of Members of this body who have taken the lead in examining the scope of the problems with the program and in devising legislation to address those problems. Principal among these have been the distinguished chairman and ranking minority member of the Governmental Affairs Subcommittee on Oversight, Senators COHEN and LEVIN. Based upon evidence obtained at hearings of their subcommittee, they introduced remedial legislation last year. This year they again introduced remedial legislation—S. 476—the so-called Levin-Cohen bill. They have been joined in their efforts by 33 other Senators from both parties, of which I am proud to be one, who are cosponsors of S. 476.

Their bill has served as an excellent starting point for negotiations with the distinguished chairman of the Finance Committee, with the objective of developing a compromise substitute. The amendment they have proposed this evening—emerging from those negotiations—will yield improvements in the current situation of confusion, hurt, and chaos that pervade the program currently. Let me review some of the components of the amendment.

It requires SSA to conduct disability reviews reasonably according to criteria incorporating complete and recent medical histories and information.

It requires SSA to provide proof of medical improvement, substantial gainful activity, other clean and convincing evidence of ability to function successfully, or of error or fraud in the previous determination of disability before terminating an individual's participation in SSDI.

It requires SSA to consider a claimant's pain in determining eligibility if

medical findings show pain exists, even if no medical findings confirm the origin or condition causing the pain.

It requires SSA to continue the current emergency practice of paying benefits to beneficiaries declared ineligible in disability reviews, if appealed, until an administrative law judge rules in the case.

It requires SSA to consider the combination of multiple impairments in determining whether or not an individual has a severe impairment for purposes of determining eligibility.

It establishes a moratorium on the eligibility review of all persons with mental impairments until reasonable eligibility criteria applying to mental impairment are set in place. This provision stems from S. 1144, authored by the distinguished Senator from Pennsylvania (Mr. HEINZ), which I was pleased to cosponsor.

These are vital changes, Mr. President, and I am pleased to join in wholehearted support of this amendment. It is carefully drawn and both fiscally and programatically responsible in the way it makes the changes in this program that so badly need to be made.

Mr. President, to adjourn without taking action on such legislation would be irresponsible; it would be unjust and inhumane for the disabled persons in our Nation for whom the presence of the disability insurance program is a tangible congressional promise of help where legitimate need exists; and it would be a disservice to the dedicated disability program employees of the Social Security Administration and the State disability determination agencies, who labor diligently to implement the policies set by decisionmakers in Washington and the State capitals.

For the reasons I have noted, Mr. President, I urge my colleagues on both sides of the aisle to support this bipartisan attempt to return sanity and compassion to the SSDI program in a responsible manner. We must do no less.

Mr. LEVIN. Mr. President, I ask unanimous consent that the names of the following Senators be added as cosponsors: Senators HAWKINS, MOYNIHAN, SASSER, METZENUBAUM, LEAHY, STAFFORD, and D'AMATO.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN. Mr. President, I regret that at numerous times today I have continued to move to table amendments. I emphasize that this procedure is an attempt to keep this package together and get it to the House tonight, so that it can go to the Rules Committee and so that they can consider it tomorrow.

I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KENNEDY), would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced, yeas 49, nays 46, as follows:

[Rollcall Vote No. 375 Leg.]

YEAS—49

Abdnor	Hatfield	Proxmire
Armstrong	Hawkins	Quayle
Baker	Hecht	Roth
Chafee	Helms	Simpson
Cochran	Huddleston	Stafford
D'Amato	Johnston	Stennis
Danforth	Laxalt	Stevens
Denton	Long	Symms
Dole	Lugar	Thurmond
East	Mathias	Tower
Evans	Mattingly	Trible
Exon	McClure	Wallop
Garn	Murkowski	Weicker
Goldwater	Nickles	Wilson
Gorton	Nunn	Zorinsky
Grassley	Packwood	
Hatch	Percy	

NAYS—46

Andrews	Durenberger	Metzenbaum
Baucus	Eagleton	Mitchell
Biden	Ford	Moynihan
Bingaman	Hart	Pell
Boren	Heflin	Pressler
Boschwitz	Heinz	Pryor
Bradley	Humphrey	Randolph
Bumpers	Inouye	Riegle
Burdick	Jepsen	Rudman
Byrd	Kassebaum	Sarbanes
Chiles	Kasten	Sasser
Cohen	Lautenberg	Specter
DeConcini	Leahy	Tsongas
Dixon	Levin	Warner
Dodd	Matsunaga	
Domenici	Melcher	

NOT VOTING—5

Bentsen	Glenn	Kennedy
Cranston	Hollings	

So the motion to lay on the table amendment No. 2639 was agreed to.

Mr. LONG. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEVIN and Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, I understand that a number of us have been assured that there will be an opportunity to offer something on the DOD bill tomorrow similar to this amendment, and I again assure Senators I will make that effort. Apparently many of my colleagues voted to table based on that assurance, and we will try to offer that opportunity. I understand that the Senator from Kansas is also going to be offering an extension, which is a small part of this amendment, and I do hope that that amendment can pass very quickly tonight.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. BYRD. Mr. President, will the Senator from Oregon yield?

Mr. HATFIELD. Mr. President, may we have order?

Mr. BYRD. Will the Senator from Oregon allow me just to make an inquiry of the distinguished majority leader without the Senator from Oregon losing his right to the floor?

Mr. HATFIELD. Yes.

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats.

The minority leader may proceed.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Oregon (Mr. HATFIELD) for yielding to me so I might inquire of the majority leader what the program will be for the rest of the day, tomorrow, and hopefully not Saturday.

Mr. BAKER. Mr. President, I thank the minority leader.

Mr. President, I hope we can finish this conference report tonight. I do not know how practical that hope is, but I will address a question to the distinguished chairman of the committee in a moment for his appraisal of that. But if we can finish this bill tonight, it would not be my intention to ask the Senate then to go on to the reconciliation bill. We might have another conference report that we can get tonight. If there is one that we can do without a great deal of time, I would hope the Senate would do that. But the Senate will be in tomorrow. Later I will try to get an order for the Senate to convene at 9:30 in the morning. We will either be on reconciliation, or another conference report, or the Clark nomination, or natural gas, I do not have my list before me, but I think that is it.

I think it is clear that we can finish by some time tomorrow and adjourn, and that is the hope and ambition of the leadership on this side. That is what we are going for. But there are two or three things that really have to be done. We still have to do this conference report and a number of others including the DOD conference report, which has now been completed and on which the House will act first. We have the debt limit conference report, which is not yet done but may be done

yet tonight. I do not anticipate that that will take very long, but we have to do that.

Mr. President, it is the intention of the leadership on this side to try to reach the Clark nomination before we go out.

So, Mr. President, mostly what we have is conference reports, the reconciliation bill, the Clark nomination, and natural gas. I do not now anticipate the need to be in on Saturday, but that is a possibility. I urge Senators to not yet make plans to leave before during the day on Saturday.

Mr. BYRD. I thank the majority leader.

Mr. BAKER. I thank the minority leader.

Mr. BYRD. And I again thank the Senator from Oregon.

Mr. HATFIELD. Mr. President, let me add to the information given by the majority leader as to where we are in this process.

First of all, let me announce we are going to complete it tonight—the majority leader has indicated to me that he will support that effort—whatever hour it may take because the House has to get a rule after we finish on this. That will diminish the possible necessity for a Saturday session. So I am determined to finish it tonight.

At this point, I believe there are about four or five amendments of which we are aware. I do not know that any one of them will take an extraordinarily large amount of time. I do not know how many rollcalls will be requested on these amendments. We will have to resist any amendment, so that I would put the Senate on notice on that, in order to get this vehicle back to the House and again not to have to go through another conference or another delay in getting this acted upon.

It is up to the body as to how long they want to be here tonight in terms of how much time they take on amendments. We will table all amendments.

Mr. President, I move that the Senate agree to the amendment of the House to the amendment of the Senate. What that is, is the underlying amendment which we have just completed the work on with the amendment of the Senator from Michigan.

The PRESIDING OFFICER. Is the Senator moving to concur in the House amendment?

Mr. HATFIELD. That is correct.

The PRESIDING OFFICER. Is there further debate? If not, the question is on the motion to concur.

The motion was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. STENNIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, since early this morning I have been seeking to get a unanimous-consent agreement to adopt the amendments en bloc with two exceptions, No. 36 and No. 45, which leaves a vehicle out there for any Senators who have amendments to offer. In other words, we are preserving the rights of all Senators to offer amendments until we complete this bill, but there are about 12 other House amendments to the Senate amendments. At this point I ask unanimous consent to adopt them en bloc, to save the time of the Senate of having to go through each one, leaving the two vehicles out here, 36 and 45, as the vehicles on which to hang any amendments.

Mr. METZENBAUM. Mr. President, reserving the right to object—and I do not intend to object—will the Senator from Oregon yield for a question?

Mr. HATFIELD. Yes.

Mr. METZENBAUM. I do have such an amendment, and I discussed the matter with the manager of the bill. It concerns me, if you adopt all of these amendments en bloc and you then attach my amendment or such other amendments as may be attached, whether or not it provides a simpler means for the manager to drop off those amendments that are offered on the floor of the Senate in conference, or do our amendments then go directly to the floor of the House for disposition?

Mr. HATFIELD. They go directly to the floor of the House.

Mr. METZENBAUM. So that it could not be dropped by agreement?

Mr. HATFIELD. No. If the managers of the bill fail to table the Senator's amendment, as a case in point, and that amendment should prevail, then that amendment would go directly to the floor of the House of Representatives.

Mr. METZENBAUM. I thank the manager, my friend from Oregon.

Would the manager be good enough to advise what these two amendments are in order that each of us may make some evaluation?

Mr. HATFIELD. The House amendment to the Senate amendment 36 is the Park Service amendment dealing with the Truman estate.

Mr. METZENBAUM. Dealing with what?

Mr. HATFIELD. Dealing with the Truman estate.

Mr. METZENBAUM. All right.

Mr. HATFIELD. No. 45 is a provision relating to OCS, the Outer Continential Shelf.

Mr. METZENBAUM. Is the second one the one that is in controversy with the Senator from Florida and the Senator from Louisiana?

Mr. HATFIELD. That is correct.

Mr. METZENBAUM. And is the first one an amendment that is not in controversy?

Mr. HATFIELD. That is correct.

Mr. METZENBAUM. I thank the Senator from Oregon.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon.

The motion was agreed to.

The amendments in disagreement agreed to follow:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 19 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

TERMINATION OF THE USE OF CERTAIN SEEPAGE BASINS

Of the funds heretofore appropriated for "Atomic Energy Defense Activities", $30,000,000 is to be made available for use by the Secretary of Energy—

(1) to terminate, within 24 months after the date of enactment of this Act, the use of seepage basins associated with the fuel fabrication area at the Savannah River Plant, Aiken, South Carolina; and

(2) to submit to the appropriate committees of Congress, within 6 months after the date of enactment of this Act, a plan for the protection of groundwater at the Savannah River Plant which shall include—

(A) proposed methods for discontinuing the use of seepage basins associated with the materials processing areas;

(B) provisions for the implementation of other actions appropriate to mitigate any significant adverse effects of on-site or off-site groundwater and of chemical contaminants in seepage basins and adjacent areas, including the removal of such contaminants where necessary; and

(C) provisions for continuing the expanded monitoring program of groundwater impacts involving the appropriate South Carolina agencies in accordance with the statutory responsibilities of such agencies.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 23 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert:

SEC. 1300. No part of the funds appropriated under this Act or any other provisions of law may hereafter be used by the Department of Justice to represent the Tennessee Valley Authority in litigation in which the Authority is a party unless the Department is requested to provide representation in such litigation by the Authority.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 27 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert:

The Secretary of the Army is further authorized to acquire such interest in lands currently in agriculture production which are adversely affected by any modification of schedule for water delivery to Everglades National Park under the preceding paragraph. The Secretary shall acquire any interest in land at the fair market value of such interest based on conditions existing after the construction of the project described in the preceding paragraph of this section and before any modification of such delivery schedule. The Secretary is also au-

thorized to construct necessary flood protection measures for protection of homes in the area affected by any modification of such delivery schedule, at an estimated cost of $10,000,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 39 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: *Provided further,* That any funds remaining available following completion of these acquisition and relocation activities may be made available to the Commonwealth of Pennsylvania to undertake other approved reclamation projects pursuant to section 405 of the Surface Mining Control and Reclamation Act of 1977: *Provided further,* That funds made available under this head to the Commonwealth of Pennsylvania shall be accounted against the total Federal and State share funding which is eventually allocated to the Commonwealth.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 55 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

CHAPTER VII. DEPARTMENT OF EDUCATION

HIGHER EDUCATION

For an additional amount for part B of title IX of the Higher Education Act of 1965, $500,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 60 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 2002. Notwithstanding any other provision of law, the terms "meat" and "meat food products" as used in the Prompt Payment Act (Public Law 97-177; 96 Stat. 85) in section 2(a)(2)(B)(i) thereof shall include also edible fresh or frozen poultry meat, perishable poultry meat food products, fresh eggs and perishable egg products; and the Secretary of Agriculture, out of funds available to the Commodity Credit Corporation, upon proper proof of loss, shall pay outstanding claims for losses resulting from the 1980 embargo on sales of agricultural commodities to the Soviet Union sustained by businesses dealing in pork and frozen hog carcasses as well as edible fresh or frozen poultry meat, perishable poultry meat food products, fresh eggs and perishable egg products.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 61 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 2003. (a) Section 4 of the Act entitled "An Act to save daylight and to provide standard time for the United States," approved March 19, 1918 (15 U.S.C. 263) is amended—

(1) by striking out "Yukon" and inserting in lieu thereof "Alaska";

(2) by striking out "Alaska-Hawaii" and inserting in lieu thereof "Hawaii-Aleutian"; and

(3) by striking out "Bering" and inserting in lieu thereof "Samoa".

(b)(1) Any reference to Yukon standard time in any law, regulation, map, document, record, or other paper of the United States shall be held and considered to be a reference to Alaska standard time.

(2) Any reference to Alaska-Hawaii standard time in any law, regulation, map, document, record, or other paper of the United States shall be held and considered to be a reference to Hawaii-Aleutian standard time.

(3) Any reference to Bering standard time in any law, regulation, map, document, record, or other paper of the United States shall be held and considered to be a reference to Samoa standard time.

(c) The Regional Rail Reorganization Act of 1973 (45 U.S.C. 701 et seq.) is amended—

(1) by striking from Section 201(e) of such Act "1983" and inserting in lieu thereof "1985"; and

(2) by striking from Section 308(c)(1) of such Act "1983" and inserting in lieu thereof "1985".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 62 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: 2004

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 65 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: 2005

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 67 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the first section number named in said amendment, insert: 2006

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the House amendments to the Senate amendments were agreed to en bloc.

Mr. STENNIS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SENATE AMENDMENT NO. 36

Mr. HATFIELD. Mr. President, if I am not mistaken, we are ready then to take up the House amendment to the Senate amendment No. 36. Is that correct?

The PRESIDING OFFICER. That is correct.

The amendment will be stated.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 36 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

OPERATION OF THE NATIONAL PARK SYSTEM

Funds appropriated to the National Park Service under this head in Public Law 97-394 shall be available to reimburse the Estate of Bess W. Truman for operation expenses, including maintenance and protection, of the Harry S Truman National Historic Site incurred during the period October 18, 1982 through December 27, 1982.

AMENDMENT NO. 2641

(Purpose: Expressing the advice of the Senate to the President relative to the nomination of William P. Clark of California to be Secretary of the Interior)

Mr. JOHNSTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON) proposes an amendment numbered 2641.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after "Operation" and insert in lieu thereof the following:

OF THE NATIONAL PARK SYSTEM

Funds appropriated to the National Park Service under this head in Public Law 97-394 shall be available to reimburse the Estate of Bess W. Truman for operation expenses, including maintenance and protection, of the Harry S Truman National Historic Site incurred during the period October 18, 1982 through December 27, 1982. For the Washington Tourist Information Facility in the Great Hall of the Herbert Clark Hoover Building, $500,000.

Sec. . (a) The United States Senate, having under consideration the nomination of Mr. William P. Clark of California to be Secretary of the Interior, finds and declares that—

(1) the Department of the Interior under the leadership of Secretary James Watt and his subordinates has pursued policies that have significantly altered well-established programs which had enjoyed long-standing, bipartisan congressional support and broad public acceptance; and

(2) these policies have generated unprecedented public controversy, led to an unusual volume of litigation in which courts have frequently held that the Department was not acting in accordance with the law, and have caused the Congress to constrain the Department from pursuing many of these policies;

(b) The United States Senate further finds and declares that, as examples of these policies—

(1) wilderness study lands have been dropped from congressionally mandated study inventories without regard for congressional requests that such lands continue to be studied fairly;

(2) purchases of congressionally authorized lands for inclusion within the National Park System have been delayed or halted; and

(3) plans have been prepared for extensive sales of public lands with insufficient regard for congressionally mandated planning requirements.

Sec. . Therefore, it is the sense of the Senate, that, upon confirmation, the new Secretary of the Interior should undertake immediate actions to insure that the policies and programs of the Department of the Interior:

(1) conform with the expressed will of Congress, and

(2) regain general public support and confidence. Such actions should include—

(1) an end to efforts to lease for energy development lands under study for possible Congressional designation as wilderness or to eliminate such lands altogether from the wilderness study program;

(2) prohibition within wildlife refuges, of intensified commercial development or other actions inconsistent with the purposes for which they were established;

(3) rejection of plans for the sale and disposal of millions of acres of public lands;

(4) resumption of urgently needed purchases of lands within authorized units of the National Park System, the National Wildlife Refuge System, the National Forest System, and the National Wild and Scenic Rivers System, and of funding for state and local acquisition of park and recreational lands; and

(5) establishment of policies of leasing public mineral resources under conditions of careful environmental protection.

Mr. JOHNSTON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 2642

(Purpose: Expressing the advice of the Senate to the President relative to the nomination of William P. Clark of California to be Secretary of the Interior)

Mr. JOHNSTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Louisiana (Mr. Johnston) proposes an amendment numbered 2642 to amendment numbered 2641.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follow:

Strike all after "of" and insert in lieu thereof the following:

THE NATIONAL PARK SYSTEM

Funds appropriated to the National Park Service under this head in Public Law 97-394 shall be available to reimburse the Estate of Bess W. Truman for operation expenses, including maintenance and protection, of the Harry S Truman National Historic Site incurred during the period October 18, 1982 through December 27, 1982. For the Washington Tourist Information Facility in the Great Hall of the Herbert Clark Hoover Building, $505,000.

Sec. .(a) The United States Senate, having under consideration the nomination of Mr. William P. Clark of California to be Secretary of the Interior, finds and declares that—

(1) the Department of the Interior under the leadership of Secretary James Watt and his subordinates has pursued policies that have significantly altered well-established programs which had enjoyed long-standing, bipartisan congressional support and broad public acceptance; and

(2) these policies have generated unprecedented public controversy, led to an unusual volume of litigation in which courts have frequently held that the Department was not acting in accordance with the law, and have caused the Congress to constrain the Department from pursuing many of these policies;

(b) The United States Senate further finds and declares that, as examples of these policies—

(1) wilderness study lands have been dropped from congressionally mandated study inventories without regard for congressional requests that such lands continue to be studied fairly;

(2) purchases of congressionally authorized lands for inclusion within the National Park System have been delayed or halted; and

(3) plans have been prepared for extensive sales of public lands with insufficient regard for congressionally mandated planning requirement.

Sec. . Therefore, it is the sense of the Senate hereby advises the President that, upon confirmation, the new Secretary of the Interior should undertake immediate actions to insure that the policies and programs of the Department of the Interior:

(1) conform with the expressed will of Congress and

(2) regain general public support and confidence. Such actions should include—

(1) an end to efforts to lease for energy development lands under study for possible Congressional designation as wilderness or to eliminate such lands altogether from the wilderness study program;

(2) prohibition within wildlife refuges, of intensified commercial development or other actions inconsistent with the purposes for which they were established;

(3) rejection of plans for the sale and disposal of millions of acres of public lands;

(4) resumption of urgently needed purchases of lands within authorized units of the National Park System, the National Wildlife Refuge System, the National Forest System, and the National Wild and Scenic Rivers System, and of funding for state and local acquisition of park and recreational lands; and

(5) establishment of policies of leasing public mineral resources under conditions of careful environmental protection.

Mr. JOHNSTON. Mr. President, this amendment pertains to the policy of the Department of the Interior and is an expression of opinion of this Senate that we should change the way the Senate does business.

If I may read to my colleagues the pertinent paragraphs from this resolution I know on this side of the aisle most Senators are familiar with this amendment but I wish to read the pertinent paragraphs. It is not long because I think the amendment speaks very well for itself. It says as follows:

SECTION 1. (a) The United States Senate, having under consideration the nomination of Mr. William P. Clark of California to be Secretary of the Interior, finds and declares that—

(1) the Department of the Interior under the leadership of Secretary James Watt and his subordinates has pursued policies that have significantly altered well-established programs which had enjoyed long-standing, bipartisan congressional support and broad public acceptance; and

(2) these policies have generated unprecedented public controversy, led to an unusual volume of litigation in which courts have frequently held that the Department was not acting in accordance with the law, and have caused the Congress to constrain the Department from pursuing many of these policies;

(b) The United States Senate further finds and declares that, as examples of these policies—

(1) wilderness study lands have been dropped from congressionally mandated study inventories without regard for congressional requests that such lands continue to be studied fairly;

(2) purchases of congressionally authorized lands for inclusion within the National Park System have been delayed or halted;

(3) plans have been prepared for extensive sales of public lands with insufficient regard for congressionally mandated planning requirements.

SEC. 2. Now, therefore, be it resolved that it is the sense of the United States Senate and the advice of the Senate provided to the President, pursuant to Article II, Section 2 of the Constitution of the United States: That, upon confirmation, the new Secretary of the Interior should undertake immediate actions to insure that policies and programs of the Department of the Interior—

(1) conform with the expressed will of Congress; and

(2) regain general public support and confidence. Such actions should include—

(1) an end to efforts to lease for energy development lands under study for possible Congressional designation as wilderness or to eliminate such lands altogether from the wilderness study program;

(2) prohibition within wildlife refuges, of intensified commercial development or other actions inconsistent with the purposes for which they were established;

(3) rejection of plans for the sale and disposal of millions of acres of public lands;

(4) resumption of urgently needed purchases of lands within authorized units of the National Park System, the National Wildlife Refuge System, the National Forest System, and the National Wild and Scenic Rivers System, and of funding for state and local acquisition of park and recreational lands; and

(5) establishment of policies of leasing public mineral resources under conditions of careful environmental protection.

Mr. President, let me inform my colleagues what this amendment does not do. First, it does not raise any questions about the fitness of Judge Clark to be Secretary of the Interior. I voted to report his nomination favorably out of the Committee on Energy and Natural Resources, and I intend to vote for his confirmation if and when it comes before the Senate. Second, the resolution does not represent in any way a personal attack on Secretary James Watt or anyone who worked with him in the Department of the Interior. While some may have had personality conflicts with Secretary Watt, I was always able to work with him on a 1-to-1 basis and have no animosity toward him whatsoever.

What this resolution does do is give the Senate an opportunity to express its views on what direction certain policies and programs of the Department of the Interior should take in the future.

During his recent confirmation hearings before the Committee on Energy and Natural Resources, Interior Secretary-designate Clark agreed to review many of the controversial programs of this administration. However, he gave very little specific indication of what his views were on the subjects involved. I am concerned that without some expression of the Senate such as this, Judge Clark's confirmation could be interpreted as a vote for continuation of all of the Department's present programs and policies. That is certainly not the impression that I want to leave with either the President or Mr. Clark, and this resolution will give us an opportunity to set the record straight.

Mr. President, the job of Secretary of the Interior is an extremely important one. When I came to the Senate in November 1972, this committee's predecessor—the Committee on Interior and Insular Affairs—had 16 members. Only one from a State lying east of the 100th meridian. Today the committee has 20 members—9 are from States east of the 100th meridian and a 10th is from Hawaii.

That change in the geographic distribution of our membership is not simply a reflection of the changes in our committee's jurisdiction. It is also a reflection of the dramatic transformation of the role of the Secretary of the Interior.

Many comments on President Reagan's nomination of William P. Clark to be Interior Secretary seem to be totally oblivious to this change. The President cited as one of Judge Clark's qualifications the fact that he is a Westerner and a "fourth generation rancher." Chairman MCCLURE was quoted as saying that "Bill Clark has a natural affinity for the job, coming from the West and having worked on a ranch."

Time magazine, in describing Judge Clark's shift from National Security Advisor to Secretary of the Interior, said:

> The Interior Secretary's task of managing the Federal Goverment's vast landholdings . . . is of interest primarily to the Western States.

While I do not have anything against Westerners, I am concerned that these comments seem to ignore the changes that have taken place during the last 11 years—many of which were already underway prior to that time.

These changes are evidenced by a whole series of laws setting out modern policies for management of our natural resources. These include the following laws that originated in our committee: National Environmental Policy Act, Land and Water Conservation Fund Act Amendments, Federal Land Policy and Management Act, National Forest Management Act, Federal Coal Leasing Amendments Act, Surface Mining Control and Reclamation Act, Outer Continental Shelf Lands Act Amendments, Public Rangeland Improvements Act, and Alaska National Interest Lands Conservation Act.

Today, all Americans are deeply concerned about the management of our national lands, and the Outer Continental Shelf. All Americans care about our national programs for surface coal mining, outdoor recreation, and historic preservation. All Americans realize that the Secretary plays a vital role in national energy, environment, and natural resource policies and programs.

In recent years the increasingly acerbic debate between preservationists and developers has tended to ignore the central issue—our survival as a nation does not depend on either preservation or development—it depends on both.

Mr. President, there is a broad range of feeling in the United States and on our side of the aisle about the personality and the policies of past Secretary James Watt. There are those of us who like him, there are those who abominate him and there are those in between.

This amendment, this resolution, does not deal with that issue. One does not take a position on James Watt's personality or his style by virtue of this resolution. What it does say, Mr. President, is that the U.S. Senate gives a very high priority to conservation matters, to matters involving national parks, wildlife refuges and the enforcement of the laws under the Secretary of the Interior's jurisdiction.

It is intended to be, and I believe it is, Mr. President, a positive mandate to do the things described in the resolution from this Senate as opposed to a negative indictment of any person. What this Senate wants, if this resolution is adopted, is a change in direction in the Department of the Interior. It is not intended to be an indictment of anyone. But it is intended to mark a change in direction in the management of our national resources, our conservation resources in this country.

I trust and I hope that the Senate will go on record in that respect.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MATSUNAGA. Will the Senator yield?

Mr. JOHNSTON. Yes; I yield to the Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, as a cosponsor and a member of the Senate Committee on Energy and Natural Resources, I rise in strong support of the resolution introduced by the ranking member of our committee, the Senator from Louisiana (Mr. JOHNSTON) which would advise the President of the United States of the Senate's deep concern over the record of former Secretary of the Interior James Watt and the natural resources policies which he administered during his tenure in that post.

Mr. President, let me begin by commending the Senator from Louisiana for his efforts in providing the Senate this opportunity to send a message to President Reagan that we take very seriously the stewardship of the public domain and are deeply concerned about the direction of this stewardship under his administration. The taking up of this resolution prior to our consideration of the nomination of William P. Clark for Secretary of the Interior is important because it is clear that the Senate will confirm the nominee without the benefit of his views on many of the most significant and controversial environmental and natural resources issues that face this Nation. Its passage would allow Senators to communicate their concerns to the President in a constructive, positive manner. I say positive, Mr. President, because I do intend to vote to confirm the nomination of William P. Clark.

I met privately with Judge Clark and have carefully reviewed what he said to our committee in 2 days of testimony last week. I must say that I found Judge Clark to be a reasonable and conscientious man, an engaging personality, and well-briefed on the major natural resources issues of the day. Although I harbor many of the same reservations as a number of my colleagues on the Energy and Natural Resources Committee who voted against reporting the nomination favorably, that is, that Judge Clark was evasive with respect to whether he will redirect the controversial and, in many cases misguided programs and policies of his predecessor, I believe that he can do the job that needs to be done at Interior.

The question is, Mr. President, is Judge Clark inclined to do what Congress and the American people believe should be done to bring our natural resources policies back from the brink of disaster? We had hoped that his testimony at the Energy and Natural Resources Committee's hearings would provide us with a satisfactory answer to that question. Needless to say, we received no such answer or assurances.

Judge Clark was asked about his views on Secretary Watt's frantic drive to sell public resources at fire sale prices; he was asked about Secretary Watt's abandonment of important resource management responsibilities; he was asked about Secretary Watt's shortsighted and damaging efforts to stall national parks and wildlife refuges acquisitions; and he was asked about Secretary Watt's disproportion-

ate favoring of development interests over those of conservation; he was asked to provide the committee with his position on these and a number of other issues, but on virtually all counts, Mr. President, Judge Clark would only say that he had been authorized by the President to review all Interior policies. He steadfastly but respectfully declined to give us any indication that he is inclined to redirect the policies of the Department of the Interior away from the policies pursued by Secretary Watt.

In view of this situation, Mr. President, I believe it is imperative that before this body votes to confirm the nomination of Judge Clark to become the new Secretary of the Interior, we ought to convey to the President and to the nominee that the Senate is deeply concerned over the direction of our environmetal and natural resources policies under Secretary Watt; that the Watt policies have drawn unprecedented criticism from the American public, the courts, and the Congress; and that immediate action should be taken by the new Secretary of the Interior to change these controversial policies to conform to the expressed intent of the Congress.

Mr. President, this sense of the Senate resolution does just that and more. It makes specific recommendations on actions that the new Secretary should take. These recommendations include, but should not, in my opinion, be limited to, ending efforts to lease wilderness lands for energy development, prohibiting intensified commercial development within wildlife areas, rejecting plans to disperse of millions of acres of public lands, resuming parks and wildlife refuges acquisitions, and establishing environmentally safe mineral leasing policies.

As I see it, Mr. President, the dilemma we face on the Clark nomination is this: We have no assurance that the nominee will not just take up where James Watt left off, continuing the Interior policies that have threatened the delicate balance of resource use and conservation in this country. While I plan to vote to confirm Judge Clark's nomination, I do not want my vote to be in any way perceived as an endorsement of the Watt administration's policies. The adoption of this resolution will insure that the Senate is clearly on record with respect to the policies of James Watt and the direction that it wants Judge Clark to go in his stewardship of our Nation's environment and natural resources.

I, therefore, strongly urge the adoption of the resolution.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, I rise to join my distinguished colleague from Louisiana and other cosponsors in the sense-of-the-Senate resolution.

This is a sense of the Senate resolution in the best sense of the word. Clearly, Judge Clark is going to be confirmed. Most of us know him. Most of us regard him as a decent and honorable man. But we are urging the President and the soon-to-be new Secretary to stand back and review the policies that the previous Secretary of the Interior and this administration have followed.

Mr. President, the policy of dig, dig, dig, dump, dump, dump, chop, chop, chop, must stop. We have plunged ahead pell-mell, willy-nilly.

I know the arguments that can be made and I have seen the statistics that Secretary Watt would give as to how much money has been spent on certain activities in the Department of the Interior and the Park Service. But, Mr. President, in any successful republican form of government, there are the governors and the governed, and you cannot successfully run a government without the eventual acquiescence of its citizens. And the people in this country no longer have faith in the policies that have been followed as far as the environmental policies of this country are concerned, and very especially the policies as administered by the Secretary of the Interior, Mr. Watt.

So all this Senate is saying, if this resolution is passed, is let us stop and smell the roses. Let us take a step back and look and review and take a respite and study a bit what we are doing and what we are going to do. Because anything that we save, be it land or trees, or water, will not be half enough 50 years from now, no matter how much we do.

We look back now with the great steps we made with the setting aside of the Yellowstones and the Rainiers and the Sequoias. And we say to ourselves why did we not, when we had the opportunity, do more?

We could have done so much in those days with so little money.

This is still a vast country, with extraordinary resources, both for commercial utilization and for preservation. But if we follow the policies that we have been pursuing for the last 2½ years, many of the options that should remain open will be closed.

So it would be my strong hope that the Senate would adopt this sense-of-the Senate resolution and say to the President, not in anger or arrogance but in hopefulness and empathy: "We want to work with you, and we want your new Secretary to work with us, together, so we might accomplish what none of us will accomplish alone."

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the names listed as coauthors of Senate Resolution 227, which I will send to the desk, be listed as coauthors of both pending amendments.

The PRESIDING OFFICER. Without objection, it is so order.

The names follow:

Mr. Packwood, Mr. Baucus, Mr. Bentsen, Mr. Bingaman, Mr. Boschwitz, Mr. Bradley, Mr. Bumpers, Mr. Chiles, Mr. Cranston, Mr. Dixon, Mr. Durenberger, Mr. Eagleton, Mr. Exon, Mr. Ford, Mr. Glenn, Mr. Hart, Mr. Hollings, Mr. Humphrey, Mr. Kennedy, Mr. Lautenberg, Mr. Leahy, Mr. Levin, Mr. Matsunaga, Mr. Metzenbaum, Mr. Mitchell, Mr. Pell, Mr. Proxmire, Mr. Pryor, Mr. Riegle, Mr. Sarbanes, Mr. Tsongas, Mr. Zorinsky, Mr. Moynihan, Mr. Dodd, Mr. Huddleston, Mr. Stennis, Mr. Sasser, Mr. Randolph, Mr. Biden, and Mr. Inouye.

Mr. SYMMS. Mr. President, on the subject of the amendment of may good friend from Louisiana, I must say that no matter how carefully worded or how carefully written our distinguished colleague from Louisiana believes this amendment to be, there is a very strong inference that somehow the policies of the Interior Department under President Reagan and the present administration have been against the environment.

In many instances, my colleague from Oregon and I are in a great deal of agreement on policies in the Finance Committee or on the policies which impact on the direction of this country. However, I think the comments he just made leave an inference that is totally incorrect, with all due respect to my good friend. It is totally incorrect to infer that the leadership of our former Secretary of the Interior, Secretary Watt, was not in the best interest of all of the American people.

I come from a State where there are millions of acres of Government land, millions of acres managed by the U.S. Forest Service, which is not under the management of Secretary Watt, and there are acres under the Bureau of Land Management which are under the administration of Secretary Watt. It is totally incorrect for the Senate to accept this sense-of-the-Senate resolution and somehow create an incorrect inference as to the people whom James Watt picked in his administration to manage and take the responsibility for the stewardship and the management of those lands. I can say, as one Senator from a Western State, that in those areas, where people use, work, take care of, and conserve the Bureau of Land Management lands, which is under the leadership of Bob Burford, that there has been renewed confidence as to the future of those lands because of the positive changes that have taken place in the public lands property of this Government.

There has been improvement in the relationship between the States and the Bureau of Land Management. There has been an improvement in the relationship between the private landholders and the lessees, the people

who use the land for cattle grazing and hunting and fishing and recreation. This improved relationship has occurred in this administration.

I think it would be totally improper for the Senate to accept this sense-of-the-Senate resolution. It would be my wish that at the proper time, the leadership would move to table this amendment and that it would be tabled properly.

I know that my good friend from Louisiana is very concerned about our national security problems. He is concerned about energy problems. He is well aware of the fact that the offshore leasing, for example, in Louisiana, Florida, California, and other States is vitally important and is in the best environmental and energy interests of this country.

By reducing our dependence on foreign resources, we reduce the necessity to ship supertankers across the ocean and to take a chance that a tanker will break up and pollute the ocean.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. SYMMS. I yield.

Mr. JOHNSTON. I fully agree with the Senator, and this makes absolutely no reference to that.

Mr. SYMMS. I understand that, and I appreciate the Senator's comments. However, I assure him that the people in the Fourth Estate are not going to mention the fact that the Senator from Louisiana very carefully left out the importance of offshore leasing and the fact that Secretary Watt probably has done more than any other Cabinet officer to see that young Americans do not have to carry M-16's in Africa or the Middle East, to try to get energy for this country through gun barrel diplomacy. We now have a policy which encourages domestic energy production.

This country is relying on foreign sources for 23 of the 31 critical minerals. Yet, we stand here on the Senate floor and say we should have more acres of wilderness.

Secretary Watt had a commonsense approach to our public lands policy. I think it is absolutely out of order for the Senate to pass anything that gives the inference that the policies of the Interior Department have been incorrect.

I hope that, at the proper time, the leadership on my side of the aisle, or somewhere on the floor, will move to table this amendment.

Mr. President, I hate to oppose something that my good friend from Louisiana proposes, but in politics, the truth becomes what the perception is, rather than reality. The language of the amendment, no matter how carefully worded, no matter how carefully sanitized, will make no difference in the morning papers tomorrow. It will be one more big vote to try to kick the Secretary one more time.

I think that someday the stewardship, the management, the leadership, and the example that Secretary Watt gave to this country and this administration will be respectfully recorded in the history books.

I think it would be a shame for the Senate to do anything which would detract from his excellent record. I can tell the Senator from Louisiana that the people in my State have been pleased that we have a Secretary who is concerned about the water systems and the sewer systems, about cleaning up the national parks so that they can be safe, clean places for the people to go and take their families to enjoy the great outdoors. The people in my State are very pleased that we have had a Secretary of the Interior whose policies encouraged the multiple use of our Western lands so that we could enjoy those public lands as well as use a portion of them to provide our country with the energy necessary to maintain our industrial base.

In my opinion, this amendment is totally out of order. If Members of the Senate do not think President Reagan has appointed the right Secretary for a job, they have a right—and I respect it—to vote against the nomination in their advice and consent. But to try to pass anything that limits the ability of Judge Clark to perform his job before he is nominated is totally out of order. This amendment will be interpreted as the last gasp of those people who want to preserve everything; who look but do not touch; who do not worry about jobs; who do not worry about energy; who believe small is better, small is beautiful. They will have one last kick at a person who is a great American, who did a great job for this country, who did his very best to carry out the duties he was given by our President.

Secretary Watt's only fault was that he believed in the basis of our economic and political system—he believed in capitalism and private property: He loved God and hated communism.

Unfortunately, those basic, fundamental American beliefs ran contrary to the views of the average media in Washington, D.C.

I oppose this amendment, and I hope that at the proper time it is tabled.

Mr. HELMS. Mr. President, I strongly support the nomination of William P. Clark to become Secretary of the Interior.

During his years of public service, Judge Clark has distinguished himself in various endeavors. From a successful law practice to then-Governor Reagan's cabinet, and ultimately to the California Supreme Court, he exhibited competence and versatility. The call to become President Reagan's Deputy Secretary of State in 1980 came as no surprise to those who knew of his achievements in California.

Judge Clark's firm commitment to conservation principles made him a natural choice as the President's National Security Adviser when that post became vacant. He wasted no time in demonstrating his expertise in that demanding position as well.

Not unexpectedly, there have been a few murmurs of discontent about the selection of Judge Clark from a handful of self-appointed caretakers of the environment. However, I am convinced that his detractors either are unfamiliar with his abilities or else they choose to ignore them.

I congratulate President Reagan on his choice of William Clark to head the Department of the Interior. In him, the President will have a loyal ally and the Nation, an able steward of our natural resources.

Therefore, Mr. President, I hope this amendment will be tabled.

Mr. BINGAMAN. Mr. President, I also rise tonight to express my grave concern for many of the policies pursued by the Department of the Interior over the past 2½ years. I believe these policies of the Reagan administration have been contrary to the best interests of the Nation. As the Senate considers the nomination of Mr. William Clark to replace former Secretary Watt, it is important to review the policies of the Department that have caused so much concern in the Congress and throughout the Nation. I do not intend to vote against Mr. Clark; however, I want to take this opportunity to state clearly my concerns for the policies he is inheriting.

The position of Secretary of the Interior is one of the most important public offices in our country, especially for my State of New Mexico where we are fortunate to have unique natural resources and a significant percentage of federally owned lands. These public resources deserve ever vigilant protection. The citizens of this country also deserve a Secretary who will be an effective steward of these resources.

The former Secretary pursued policies that have significantly altered well-established programs which had enjoyed longstanding bipartisan congressional support and broad public acceptance. The policies generated unprecedented public controversy, led to an unusual volume of litigation in which courts have frequently held that the Department was not acting in accordance with the law, and caused the Congress to constrain the Department from pursuing many of these policies.

I hope that Mr. Clark would assume his new responsibilities with a sense of shared responsibility with the American people. I believe Mr. Clark does recognize the need to solicit and listen to the views of all interests in this country. It is incumbent upon Mr.

Clark, if confirmed, to restore a proper balance to the Department's programs and move swiftly to correct the policies I believe have rendered a disservice to our Nation's natural resources and public lands. It is imperative that the new Secretary regain public support and confidence. The Congress will, I am sure, continue its close vigilance on the Department's policies.

I hoped that Mr. Clark would have provided a great deal more insight into his thoughts on departmental policies than evidenced in his confirmation hearings before the Senate Energy and Natural Resources Committee. I was pleased, however, to see that he recognized that "changes and innovations are certainly in order where there are weaknesses" and "there are certain principles established by Congress which must be followed." I want to indicate clearly areas where I believe congressional intent has been ignored, where current weaknesses in departmental policy exist and where the new Secretary should seek changes.

I strongly believe that Mr. Clark's confirmation must be accompanied by a clear indication of the Senate's views on the future direction of the policies the new Secretary will be required to carry out. I share the concern of many of my colleagues on both sides of the aisle who have cosponsored a resolution making specific recommendations to the President relating to the Department. These recommendations include: First, the end to efforts to lease for energy development lands under study for possible congressional designation as wilderness or to eliminate such lands altogether from the wilderness study program; second, prohibition within wildlife refuges of intensified commercial development or other actions inconsistent with the purposes for which they were established; third, rejection of plans for the sale and disposal of millions of acres of public lands; fourth, resumption of urgently needed purchases of lands within authorized units of the national park system, and of funding for State and local acquisition park and recreational lands; and fifth, establishment of policies of leasing public mineral resources under conditions of careful environmental protection. Each of these recommendations represents sound public policy effective management of our public resources.

I think it is important to consider these recommendations and why they have been made.

WILDERNESS AREAS

When Secretary Watt took over the Interior Department, the Bureau of Land Management was well on its way toward fulfulling the wilderness review requirements of the Federal Land Planning Management Act (FLPMA). The BLM has completed an inventory of all of its lands and had identified 24 million acres as wilderness study areas. In place was a policy providing protection for those areas while under study, and an established procedure and schedule for studying the areas that would provide Congress with well-documented recommendations for each of the areas within the 15 years allotted by law.

The wilderness review processs has drastically changed under Mr. Watt. Under his leadership, the Department eliminated approximately 1.5 million acres of qualified lands from the wilderness review. The wilderness study schedule has been accelerated to a point that taxes the abilities of the Bureau to provide adaquate documentation and limits public participation in the study process. The interim management policy, designed to provide protection for study areas, has been weakened significantly. Monitoring of violations and prosecution procedures almost are nonexistent. Recommendations for wilderness study areas have been biased against wilderness and have not contained adequate justification for these antiwilderness conclusions. Additionally, the Department has sought to open up development and exploration in wilderness areas as well as wilderness study areas. The Congress has expressed its interest that there be no development in any of these areas. Wilderness is especially important to New Mexico. Senator Clinton Anderson was instrumental in the passage of the Wilderness Act of 1964, which included the Gila Wilderness near my home in southern New Mexico as the first designated wilderness area. I trust Mr. Clark recognizes the importance of our wilderness system to all citizens in this Nation and to future generations and will move swiftly to reverse the unfortunate and shortsighted policies of the Department.

NATIONAL WILDLIFE REFUGES

The purpose of the national wildlife refuge system is the conservation and far-sighted management of an important national resource. Yet, whenever wildlife conservation has come into conflict with potential mineral or energy development, Secretary Watt chose to sacrifice the very resource which the system was built to protect.

Under Secretary Watt, the proposal has been made to open, for the first time in 25 years, 1 million acres of refuge lands to potential oil and gas leasing. In Alaska, the push is on for greatly increased energy development, while at the same time the Alaska refuge management budget for vegetation inventories, habitat evaluation, instream flow studies, and environmental analysis have been drastically cut.

In addition to opening the wildlife refuges to potentially damaging development, the administration also:

Sought zero funding for the land and water conservation fund for wildlife refuge acquisition;

Eliminated grants for the land and water conservation fund for State habitat acquisition;

Recommended zero funding for wetland acquisition under the Wetland Loan Act in fiscal year 1983; and

Proposed the elimination of $3.9 million in Federal funds for States programs to conserve endangered species' habitat.

PRIVATIZATION

"Privatization," or "asset management," are the Department's names for an exceedingly controversial administration program which plans to raise some $17 billion by 1987 through the sale of millions of acres of our public lands. However, the mandate of the Federal Land Policy and Management Act is clear: Public lands are to be retained, except in those rare instances where the comprehensive land use planning process identifies parcels whose retention is not in the national interest.

I would hope that Mr. Clark would assure that these bulk sales of public lands will be halted, and that the public and the Congress will be given access to detailed information on the land sales program, both past and future.

NATIONAL PARKS

For 110 years the national park system has grown with the Nation. That growth came to an abrupt halt when the Reagan administration took office. The centerpiece of the administration's parks policy was to halt all new parkland acquisition.

The new parks policy was implemented by requesting drastic budget cuts for the land and water conservation fund. The fund, created by the Congress in 1965, is the primary source of money for acquiring or completing parks, wildlife refuges, and other recreation areas. It is also an important source of funds for buying and developing State and local parks. The administration requested appropriations for the fund at a fraction of the level considered necessary by former administrations. Congress gave the administration more than it desired. The administration refused to spend money, authorized and appropriated by Congresss, to acquire lands from private holders who were often eager to sell. And year after year, the cost of filling out our national parks system grows.

I urge the new Secretary to end the existing moratorium on new acquisitions and seek a fiscal year 1985 budget for the land and water conservation fund that is large enough to begin an orderly process of acquiring the backlog of authorized parklands which still have not been purchased due to these years of delay.

COAL LEASING

The administration has proposed leasing up to 16 billion tons of coal in the United States by 1985, part of a plan to accelerate energy development on public lands. In New Mexico, the Department of the Interior is planning to lease 3 billion tons of San Juan basin coal in the northwestern part of the State.

Considerable controversy has surrounded this planned leasing program especially since a review of the first major sale last year in the Powder River Basin of Wyoming raised significant problems with the process. This controversy continues with the recent Fort Union sale that drew low bids and few bidders and the resulting congressional moratorium on any future sales. This moratorium is in effect until Congress has the opportunity to review the findings of a special commission created to investigate the coal leasing program's economic and procedural problems.

The three major issues in dispute are: First, providing an adequate return to the public for the release of these public resources; second, determining the appropriate amount of coal to be offered for sale; and third, the comprehensive land use and environment planning leading up to the sale.

I think it is important for the integrity of the program that we clear up any questions or concerns relating to its management. We want to insure confidence among the public and potential investors that this program will provide a steady and reliable supply of Federal coal.

New Mexico is a major contributor to the coal resources of our country and I am vitally interested in making sure that we have a national coal program. I think it is important to our long-term energy needs and future energy security.

I urge the new Secretary to review the four major coal sales currently planned in order to consider both the recommendation of the Commission and of Congress.

CONCLUSION

We have established a legacy in this country unprecedented in the world for preserving and protecting our natural resources, public lands, and environment. It is a legacy for which we all should justly be proud.

Republicans and Democrats alike have contributed to this legacy and Mr. Clark has the unique opportunity to restore public confidence in our programs. I urge him to do so quickly.

Mr. SPECTER. Mr. President, I am voting to table the Johnston amendment because it seeks to embarrass the administration and would imperil final passage of the entire supplemental appropriations bill.

At this stage, it is plain that if the Johnston amendment were adopted, there would most probably be a filibuster which could not be terminated through cloture because of the lateness of the session. If the supplemental appropriation were not enacted, many important provisions would be defeated which are very important for the Nation and my State.

This sense of the Senate resolution, which carries no binding effect, is highly partisan and the voting is projected largely along party lines.

On the merits of the administration of the Department of the Interior under former Secretary Watt, I have heretofore expressed my disagreement with certain policies in record votes. For Secretary-designate Bill Clark has already publicly committed to review the policies of his predecessor.

For those reasons, I am voting to table.

Mr. MOYNIHAN. Mr. President, I rise in support of the resolution offered by my colleagues from Louisiana and Oregon (Senators JOHNSTON and PACKWOOD). I am cosponsoring this resolution (S. Res. 277), because I believe it an appropriate way to inform the President that the policies put forth by the Interior Department under Mr. Watt's leadership are unacceptable and must be reversed.

Nearly 3 years ago, I was 1 of the 12 Senators who voted against the nomination of Mr. Watt. I was concerned that, prior to his appointment, he had pressed for the dismantling of Federal laws he would be obliged to uphold as Secretary of the Interior. I feared that he lacked the balanced perspective necessary to steward our Nation's precious natural resources and heritage.

My concerns and fears proved to be legitimate. Upon confirmation as Secretary of the Interior, Mr. Watt embarked on development programs that quickly proved destructive to our Nation's parks, wildlife refuges, wilderness areas, and other Federal lands. I wish to discuss a few of these programs and policies.

An intensive study prepared by the President's Office of Science and Technology 3 years ago documented the grave deterioration of our park resources. Entitled "State of the Parks 1980: A Report to Congress," this study cited 4,345 specific internal and external threats to our national park system. Mr. Watt did nothing to mitigate these threats. Instead, he opposed the Parks Protection Act, passed twice by the House of Representatives and pending before the Senate. Our park's valuable scenic, natural, and cultural resources now face unprecedented dangers.

Many of Mr. Watt's policies revealed an antipathy toward Government ownership and management of public lands and resources. The primary source of funding for Federal land acquisitions and Federal support of State outdoor recreation activities is the land and water conservation fund (LWCF), which has enjoyed bipartisan support since it was enacted in 1964. Mr. Watt's budget requests—$40 million, $70 million, and $65 million in fiscal years 1982, 1983, and 1984, respectively—were among the lowest requests made for the LWCF since its inception. Congress rebuffed Mr. Watt, appropriating $180 million in fiscal year 1982, $295 million in fiscal year 1983, and $225 million so far this fiscal year. Despite the clear intent of Congress that Interior continue to make timely acquisitions, the Department continues to resist spending appropriated funds for such purposes. In fiscal year 1983, for instance, the National Park Service obligated less than 60 percent of the $168 million made available to it.

Our National Wilderness Preservation System contains only some 3 percent of the Nation's undiscovered oil resources and perhaps 2 percent of the Nation's undiscovered gas resources. There is little need at this time to allow oil and gas exploration in existing wilderness areas or in those areas being studied for possible inclusion in the wilderness inventory. Yet, Mr. Watt sought to expedite the processing of lease applications for these highly sensitive areas. He did so despite congressional moratoria on such actions.

Under Mr. Watt's direction, the Department opened 3.5 million acres of National Wildlife, Refuge lands to oil and gas leasing. At the same time, he resisted funding for wildlife land acquisitions and habitat protection.

In April 1982, despite depressed economic conditions, Mr. Watt held the largest-ever auction of coal leases, at the Powder River basin in Wyoming and Montana. Independent studies prepared by the surveys and investigations staff of the House Appropriations Committee and the General Accounting Office indicate that the Federal Government received perhaps $100 million less than the fair market value for the coal. Mr. Watt conducted the Fort Union coal sale in early September 1983, despite a directive from the House Interior and Insular Affairs Committee to postpone the sale until the Linowes Coal Leasing Review Commission analyzed the administration's coal leasing policies.

Mr. President, Mr. Watt's tenure was a time of unprecendented controversy and stalemate. I welcome his resignation. I am concerned, however, that Interior Secretary designee Mr. Clark has failed to disassociate himself from Mr. Watt's policies—policies that represent a radical departure from those pursued in a bipartisam spirit by so many previous administrations.

We need to return to a more balanced stewardship of our Nation's resources. We need to send a clear message to the administration that it must

change its policies. I believe that the resolution before us can do just that and I urge my colleagues to support it.

Mr. HATFIELD. Mr. President, I move to table amendment No. 2641, and I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. ARMSTRONG). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LONG. Mr. President, on this vote, I have a pair with the distinguished Senator from North Carolina (Mr. EAST). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay;" therefore, I withhold my vote.

Mr. STEVENS. I announce that the Senator from Maine (Mr. COHEN), the Senator from North Carolina (Mr. EAST), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Virginia (Mr. WARNER) are necessarily absent.

Mr. BOYD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 48, nays 42, as follows:

[Rollcall Vote No. 376 Leg.]

YEAS—48

Abdnor	Hatch	Percy
Andrews	Hatfield	Pressler
Armstrong	Hawkins	Quayle
Baker	Hecht	Roth
Chafee	Heinz	Rudman
Cochran	Helms	Simpson
D'Amato	Jepsen	Specter
Danforth	Kassebaum	Stafford
Denton	Kasten	Stevens
Dole	Laxalt	Symms
Domenici	Lugar	Thurmond
Durenberger	Mathias	Tower
Evans	Mattingly	Trible
Garn	McClure	Wallop
Gorton	Murkowski	Weicker
Grassley	Nickles	Wilson

NAYS—42

Baucus	Exon	Mitchell
Biden	Ford	Moynihan
Bingaman	Hart	Nunn
Boren	Heflin	Packwood
Boschwitz	Huddleston	Pell
Bradley	Humphrey	Proxmire
Bumpers	Inouye	Pryor
Burdick	Johnston	Randolph
Byrd	Lautenberg	Riegle
Chiles	Leahy	Sarbanes
DeConcini	Levin	Sasser
Dixon	Matsunaga	Stennis
Dodd	Melcher	Tsongas
Eagleton	Metzenbaum	Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Long, against.

NOT VOTING—9

Bentsen	East	Hollings
Cohen	Glenn	Kennedy
Cranston	Goldwater	Warner

So the motion to lay on the table amendment No. 2641 was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. GARN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The business before the Senate is the amendment in disagreement numbered 36. Who seeks recognition?

AMENDMENT NO. 2643

(Purpose: To prohibit the implementation of changes to the executive remuneration disclosure requirements)

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. METZENBAUM) proposes an amendment numbered 2643.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio that further reading of the amendment be dispensed with?

Mr. McCLURE. Mr. President, resering the right to object—I do not know that I will object—what is the amendment the Senator is offering?

Mr. METZENBAUM. It is identical with the amendment that I offered in the continuing resolution that was accepted without objection having to do with the SEC and the SEC being prepared to issue some regulations.

Mr. McCLURE. Mr. President, I have no objection to that.

The PRESIDING OFFICER. Is there objection to the request of the Senator that further reading of the amendment be dispensed with?

The Chair hears none, and it is so ordered.

The amendment is as follows:

At the end of the amendment, add the following:

Notwithstanding any provisions of H.R. 3959, or any other act, no funds shall be available to the Securities and Exchange Commission to implement the admendments adopted on September 23, 1983 (48 F.R. 44467), with respect to forms and regulations pertaining to the disclosure of executive remuneration, or to otherwise amend or revise the forms and regulations pertaining to the disclosure of executive remuneration which were in effect immediately prior to such amendments.

This provision shall remain in effect through September 30, 1984.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, this is an identical amendment—a couple words may be changed but the substance is the same——

Mr. STENNIS. Mr. President, may we have order? We cannot hear. We do not know what the Senator is saying.

The PRESIDING OFFICER. If the Senator will suspend, the Chair will seek to obtain order.

The Senator may proceed.

Mr. METZENBAUM. This is an identical amendment, with a couple of words that may be changed only for form purposes but the substance is the same, having to do with the fact that on September 22, 1983, the SEC adopted a rule which makes sweeping changes in the regulations governing the disclosure of corporate executive compensation.

As a result of the action, stockholders and investors in the country will have far less information on which to base sound investment decisions. The amendment I am offering would not prohibit them from doing that but would prohibit implementation of the rule for the duration of the fiscal year. And unless we take this action now, we will not have any other opportunity to address this issue during this session of Congress. The rule will take effect December 31, 1983.

As a matter of fact, this is a subject about which the Wall Street Journal said on September 23, 1983, "SEC rules allow concerns to delay disclosure. Companies likely to divulge less on executive fees, incentives, and stock options."

It goes on to say that "Soon shareholders of publicly-held companies will likely receive a lot less information about their executives' pay under new rules issued by the Securities and Exchange Commission."

I might say that when this amendment was offered on the continuing resolution and when it was offered at an earlier date to the authorization bill, with respect to the latter the Senator from New York, who had jurisdiction apparently of this subcommittee, the Banking Committee, indicated that he wanted to talk about it and that personally he did not feel he had that much concern with it. In connection with the amendment at the time that I offered it on the continuing resolution, the Senator from New York, who has jurisdiction of this issue, was on the floor and indicated that he had no objections to it. I hope that the chairman of the Banking Committee, who is managing the bill at this moment, will not have any objections to it either.

Mr. GARN. Mr. President, I do have objections to the amendment, and I am not going to take the Senate's time or the distinguished Senator from Ohio to discuss the merits or demerits of the amendment. But we are back to the same procedural issue. Even if I agreed with the amendment—and I was willing to accept it on the CR because, to be very frank about it, we were accepting lots of amendments that we expected the House not to take in that conference—I do have substantive objections. But even if I did not, I have moved to table all of the amendments tonight to keep the housing-IMF package together. So I am certainly not going to try to limit anybody's debate, but when the discussion is over, I would feel constrained because of what I announced at the beginning of the bill to table any and all amendments. I have tabled three tonight that I absolutely agreed with. So it is not personal or prejudice to anyone. I have been consistent and would feel constrained to do that again when the Senator from Ohio is through discussing his amendment.

Mr. METZENBAUM. I appreciate the position of the manger of the bill. Let me explain to my colleagues what this is all about.

Under the SEC's new executive compensation rule—companies will no longer be required to provide stockholders with detailed information on the salaries and fringe benefits provided top-level executives. That includes reporting on prerequisites like cars, use of the company plane, country club memberships as long as these benefits amount to less than $25,000 or 10 percent of the executive's salary.

Under the new SEC rule, companies will now be able to calculate the cost of all fringe benefits based on what these benefits cost the company, rather than on their actual value to the executive. In other words, the use of the company jet by an executive's family can go unreported because even though it is a significant benefit for the executive, it costs the company very little.

These benefits are a major part of an executive's compensation package. And these benefits cost the corporations plenty, too.

Three years ago, Hartz Mountain Corp. leased cars to 21 managers at a cost of $51,000.

In 1977, Eastern Airlines paid $38,000 in country club dues.

I wish my colleagues to understand that there is nothing in this amendment that would in any way say that the corporation could not do these things. That very well may be justified action on the part of the corporation.

I do not believe that Members of the Senate should be telling corporations what they can or cannot do for their executives.

I do believe that the SEC should not be changing the rules with respect to disclosure as presently provided in the law, and, therefore, I would hope that notwithstanding the motion to table that my colleagues would recognize the full disclosure is in the best interest of developing and expanding the free enterprise system. It is good for the corporations. It is good for their stockholders, and I think it is just good business for America.

Some companies provide their executives with special deals on their own products. Goodyear tire gives 40 of its top people free tires. Some companies provide their executives with free financial and legal advice and better medical benefits than what is provided to the firm's other employees.

Marc & Co., a Pittsburgh advertising firm, has a villa on the east coast of Spain for its top executives. And Pepsico and Owen-Illinois have jointly leased a salmon stream in Iceland. Perks, large and small, add up.

Philadelphia management consulting firm, Hay and Associates, found in a survey of 468 companies that the average $100,000 a year executive gets $30,000 in fringe benefits.

So, Mr. President, these perks are certainly a big deal to corporations and their executives. They are also extremely important to stockholders at large. These investors deserve to know how corporate funds are being used.

But, Mr. President, with the new SEC rule many of these perks will be hidden from stockholders. And the weakening of disclosure will not stop here. The SEC rule will deny stockholders other important information.

Fewer executives will be required to disclose their salaries, detailed reporting of contingent benefits like incentive pay plans will be eliminated, and reporting of stock options will be sharply curtailed.

Mr. President, I am not the only one who considers these changes ill-advised. The Commission's own division of enforcement sharply criticized the SEC's proposal. I quote from a September 23, 1983, memo written by Theodore A. Levine, Associate Director of the Commission's Division of Enforcement:

> . . . We are concerned that certain of the proposed amendments will reduce significantly the disclosure of information concerning management remuneration. The current provisions of item 402 require the disclosure of information that is useful to analysts in evaluating the efficiencies with which public companies operate. In recent hearings held by the Commission, witnesses suggested that increased disclosure rather than a reduction would enhance their ability to analyze publicly-held companies. Also, there has not been sufficient demonstration that the amendments to the disclosure provisions will result in savings to the registrants that will be sufficient to justify the reduction in the disclosure of important information to shareholders and analysts.

The enforcement memo goes on to say—

> The reduction in the disclosure requirements concerning management remuneration may also result in a lessening of accountability by publicly-held companies. Although accountability may not be a primary purpose of disclosure, it is an important result; accordingly, we believe that the Commission should consider this factor in reaching a determination on the appropriate level of disclosure of management remuneration.
>
> Moreover, we believe that certain amendments reduce the disclosure requirements concerning management remuneration without significantly simplifying disclosure requirements, reducing compliance burdens or providing added flexibility. Thus, the amendments, will deny to share-holders important information, and make it more difficult to evaluate public companies without any corresponding benefit to registrants.

That, Mr. President, is from the SEC's own Division of Enforcement.

Consider the following newspaper headlines which appeared after the SEC voted out this new rule change:

> From the Washington Post: SEC deregulation gives top brass a license to steal: New SEC ruling creates free fire zone.
>
> And from the Wall Street Journal: SEC rules allow concerns to curb pay disclosure: companies likely to divulge less on executive fees, incentives, stock options.

Mr. President, the diversity and complexity of executive compensation packages prompted the SEC, in 1978, to attempt to quantify the varied forms of management remuneration.

Now, the Commission wants to reverse all of that.

In advocating the new rule, the Commission argues that the 1978 system was too costly and the information provided too confusing for investors.

Nonsense. Of the 115 comments received on this rule, only 15 came from individual shareholders. Eleven of these were critical of the SEC rule.

I do not think the SEC compiled a balanced record on this issue. Look at where the remaining bulk of comments came from—70 corporations, 6 banks, 5 representatives of the securities industry, 8 law firms, and 7 trade associations.

The SEC is going in the wrong direction. The responsibility of the SEC is to mediate between regulatees and the public. It is bound to consider the public benefits as well as the private costs of any regulation. The benefits to the public and stockholders, who have every right to oversee the use of their resources, make those costs associated with reporting executive compensation unavoidable.

There are ways to improve the system. But let us not revert to an outmoded and vague remuneration reporting system. If we do, we will be setting the stage for the scandals which can occur when corporate fringe benefits are hidden from stockholders. The SEC rule, as currently

written, is a disservice to both investors and executives.

I urge my colleagues to adopt my amendment to prevent implementation of this rule and to allow time for the Congress and all interested parties to address this issue in the detail it deserves.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

Mr. GARN. Mr. President, does the Senator from Ohio wish any further discussion?

Mr. METZENBUAM. I have nothing further.

Mr. GARN. Mr. President, I move to table the Metzenbaum amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Utah to lay on the table the amendment of the Senator from Onio.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Maine (Mr. COHEN), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Wyoming (Mr. WALLOP), are necessarily absent.

Mr. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Massachusetts (Mr. KENNEDY), are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 51, nays 40, as follows:

[Rollcall Vote No. 377 Leg.]

YEAS—51

Abdnor	Grassley	Nickles
Andrews	Hatch	Packwood
Armstrong	Hatfield	Percy
Baker	Hawkins	Pressler
Boschwitz	Hecht	Quayle
Chafee	Heflin	Roth
Cochran	Heinz	Rudman
D'Amato	Jepsen	Simpson
Danforth	Kassebaum	Stafford
Denton	Kasten	Stevens
Dixon	Laxalt	Symms
Dole	Long	Thurmond
Domenici	Lugar	Tower
East	Mathias	Trible
Evans	Mattingly	Warner
Garn	McClure	Weicker
Gorton	Murkowski	Wilson

NAYS—40

Baucus	Bumpers	Dodd
Biden	Burdick	Eagleton
Bingaman	Byrd	Exon
Boren	Chiles	Ford
Bradley	DeConcini	Hart
Helms	Melcher	Riegle
Huddleston	Metzenbaum	Sarbanes
Humphrey	Mitchell	Sasser
Inouye	Moynihan	Specter
Johnston	Nunn	Stennis
Lautenberg	Pell	Tsongas
Leahy	Proxmire	Zorinsky
Levin	Pryor	
Matsunaga	Randolph	

NOT VOTING—9

Bentsen	Durenberger	Hollings
Cohen	Glenn	Kennedy
Cranston	Goldwater	Wallop

So the motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, may I have the attention of the Senate? I know of no other amendment that is to be offered on the amendment in disagreement numbered 36. Therefore, I move to concur with the House on this amendment.

The PRESIDING OFFICER (Mr. JEPSEN). The question is on agreeing to the motion.

The motion was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. STENNIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SENATE AMENDMENT NO. 45

The PRESIDING OFFICER. The clerk will report the next amendment in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered forty-five to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert:

Subsection (d) of section 109 of the Act entitled "An Act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1984, and for other purposes" (Public Law 98-146), is amended by striking out "The limitation with regard to this subsection on the use of funds shall not apply if any State-owned tide or submerged lands within the area described in this subsection are now or hereafter subject to sale or lease for the extraction of oil or gas from such State lands; and" and insert in lieu thereof "The limitation with regard to this subsection on the use of funds shall not apply to submerged lands within 30-nautical miles off any Florida land mass located south of 25 degrees north latitude.

Mr. HATFIELD. Mr. President, I know of one amendment and possibly two on this amendment in disagreement. The Senator from Louisiana has one. I think we are ready to wind up after we dispose of that amendment. There may be one offered by the Senator from Alaska but that is not certain as yet.

So we may be reaching a point of third reading on this conference report.

The Senator from Hawaii has been waiting very patiently all evening to interdict this process, and I will yield the floor, because I indicated to him that we would try to find a little window for about 5 minutes.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. MATSUNAGA. I thank the Senator from Oregon for yielding.

S. 2116—INTRODUCTION OF LEGISLATION TO IMPLEMENT THE RECOMMENDATIONS OF THE COMMISSION ON WARTIME RELOCATION AND INTERNMENT OF CIVILIANS

Mr. MATSUNAGA. Mr. President, with my colleague from Hawaii (Mr. INOUYE), Senators STEVENS and MURKOWSKI of Alaska, Senator CRANSTON of California, Senator MELCHER of Montana, Senator METZENBAUM of Ohio, Senator RIEGLE of Michigan, Senator TSONGAS of Massachusetts, Senator MOYNIHAN of New York, Senator LEVIN of Michigan, Senator PROXMIRE of Wisconsin, Senator DENTON of Alabama, and Senator D'AMATO of New York, I am today introducing legislation which would implement the recommendations of the Commission on Wartime Relocation and Internment of Civilians.

Our bill, S. 2116, would provide a long overdue remedy for what has become known as one of America's worst errors of World War II: the incarceration in detention camps of some 120,000 Americans and resident aliens of Japanese ancestry from the west coast.

About 80 percent of these people were Niesei—Native-born American citizens—and the remainder were their parents, the Issei—first generation immigrants who were longtime legal residents of the United States prohibited by the Oriental Exclusion Act of 1924 from becoming naturalized American citizens. In the summer and early fall of 1942, long after the prospect of an enemy invasion of the west coast had faded, they were summarily removed from their homes by U.S. Army troops attached to the Western Defense Command and sent to isolated detention camps surrounded by barbed wire fences and armed guards in the interior of the United States. Without trial or hearing, without warrant, they were deprived of liberty and lost their homes, farms, businesses, and careers. This wholesale incarceration of Japanese Americans was unprecedented in our Nation's history and, in later years, scholars and political scientists would ask "Why?" How could the

United States, even in time of war, suspend its most cherished ideals—principles which had been enshrined in our Constitution since the founding of our Nation?

In 1980, nearly 40 years after the event, the U.S. Congress authorized a study of the circumstances surrounding the relocation and incarceration of Japanese Americans during World War II. A distinguished nine-member study Commission, chaired by Washington attorney Joan Bernstein, reported on its findings in February of this year and, in June, submitted to the Congress its recommended remedies. The Commission's careful review of wartime records, and its extensive public hearings, confirmed what Americans of Japanese ancestry have always known: the evacuation of Japanese Americans from the west coast and their incarceration in what can only be described as American-style concentration camps was not justified by military necessity, but was the result of racial prejudice, wartime hysteria, and a historic character failure on the part of our political leaders. The Commission found that:

(1) Lt. Gen. John DeWitt, Commanding General of the Western Defense Command, recommended exclusion of Japanese Americans to the Secretary of War on the grounds that ethnicity (or race) determined loyalty;

(2) The Federal Bureau of Investigation (FBI) and members of Naval Intelligence, who had relevant intelligence responsibility, were ignored when they recommended that nothing more than careful surveillance of suspected individuals was necessary;

(3) Gen. DeWitt relied heavily on civilian politicians rather than informed military judgments in reaching his conclusions as to what actions were necessary, and civilian politicians largely repeated the prejudiced, unfounded themes of anti-Japanese factions and interest groups on the West Coast;

(4) No effective measures were taken by President Roosevelt to calm the West Coast public or to refute unfounded rumors of sabotage and fifth column activity at Pearl Harbor;

(5) Gen. DeWitt was temperamentally disposed to exaggerate the measures necessary to maintain security, and placed security far ahead of any concern for the liberty of citizens;

(6) Secretary of War Stimson and Assistant Secretary of War John J. McCloy, both of whose views on race differed from those of Gen. DeWitt, failed to insist on a clear military justification for the measures Gen. DeWitt wished to take;

(7) Attorney General Francis Biddle, while contending that evacuation of the Japanese Americans was unnecessary, did not argue to the President that failure to make out a case of military necessity on the facts would render the exclusion constitutionally impermissible or that the Constitution prohibited exclusion on the basis of ethnicity given the facts on the West Coast;

(8) Those representing the interest of civil rights and civil liberties in Congress, the press, and other forums were either silent or supported evacuation. Thus there was no effective opposition to the measures vociferously sought by numerous West Coast special interest groups, politicians, and journalists; and

(9) President Roosevelt, without raising the question to the level of Cabinet discussion or requiring careful review of the situation, and despite the Attorney General's arguments and other information before him, agreed with the Secretary of War that evacuation should be carried out.

In the light of these findings, the Commission concluded that "a grave injustice was done to American citizens and resident aliens of Japanese ancestry, who, without individual review or any probative evidence against them, were excluded, removed, and detained by the United States during World War II." In accordance with its mandate from Congress, the Commission recommended remedies, including the following:

1. The establishment by Congress of a $1.5 billion fund which would be used, first, to provide a one-time per capita payment of $20,000 to each of the approximately 60,000 surviving persons of Japanese ancestry who were excluded from their places or residence pursuant to the federal government's order.

2. The establishment of a fund for humanitarian and public education purposes related to the wartime events. The remaining monies in the $1.5 billion fund would be used for this purpose.

3. The enactment of legislation which officially recognizes that a grave injustice was done and offers the apologies of the nation for the wartime acts of exclusion, removal and detention.

4. The granting of presidential pardons to individuals who were convicted of violating the wartime statutes imposing a curfew on American citizens on the basis of their ethnicity and requiring ethnic Japanese to leave designated areas of the West Coast to report to assembly centers.

5. The "liberal review" by appropriate executive branch agencies of applications submitted by Japanese Americans for the restitution of positions, status or entitlements lost in whole or in part because of acts or events between December 1941 and 1945 (for example, the Department of Defense should be instructed to review cases of less than honorable discharge of Japanese Americans from the armed services during World War II).

Mr. President, I have had nearly 5 months to review the Commission's recommendations. Convinced that its findings and recommendations are accurate, fair and equitable, I decided to introduce legislation which reflects exactly the Commission's recommendations with respect to Japanese Americans, I strongly believe that Congress should give formal consideration to the Commission's findings and recommendations so that at long last Americans, regardless of ancestry, can write "The End" to a dark chapter in our national history and proclaim with pride, in the words of President Roosevelt "Americanism is a matter of the mind and heart, not of race or ancestry."

Mr. President, I am very pleased to be joined in this endeavor by the two Senators from Alaska. It is a little known fact that Alaskan Aleuts were evacuated from their island homes by the U.S. Army following enemy attacks on the Aleutian Islands in 1942. Resettled in southeastern Alaska by the U.S. Department of the Interior, the Aleuts suffered deplorable living conditions, inadequate medical care, lack of education opportunities for their children, and the irretrievable loss of priceless religious artifacts. Their homes were destroyed. Mandated by Congress to investigate this issue as well, the Commission on Wartime Relocation and Internment of Civilians has recommended a number of actions which would help the Aleuts finally rebuild and clean up their home islands and recover to some extent the losses they suffered as a result of the World War II evacuation.

I ask unanimous consent that the text of the bill S. 2116 be printed in the RECORD, along with a section-by-section analysis prepared by the Congressional Research Service of the Library of Congress following the statement of the cosponsors of the bill, and that 500 initial copies of the bill be printed for distribution purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATSUNAGA. Finally, Mr. President, I urge the earliest sympathetic consideration of the bill S. 2116 by the committee of jurisdiction and the full Senate.

There being no objection, the text of the bill and analysis was ordered to be printed in the RECORD, as follows:

S. 2116

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS AND PURPOSE

SECTION 1. (a) FINDINGS.—The Congress finds that—

(1) the findings of the Commission on Wartime Relocation and Internment of Civilians, established by the Commission on Wartime Relocation and Internment of Civilians Act, accurately and completely describe the circumstances of the exclusion, relocation, and internment of in excess of 110,000 United States citizens and permanent resident aliens of Japanese ancestry and the treatment of the individuals of Aleut ancestry who were removed from the Aleutian and the Pribilof Islands;

(2) the internment of individuals of Japanese ancestry was carried out without any documented acts of espionage or sabotage, or other acts of disloyalty by any citizens or permanent resident aliens of Japanese ancestry on the west coast;

(3) there was no military or security reason for the internment;

(4) the internment of the individuals of Japanese ancestry was caused by racial prejudice, war hysteria, and a failure of political leadership;

(5) the excluded individuals of Japanese ancestry suffered enormous damages and losses, both material and intangible, and there were incalculable losses in education and job training, all of which resulted in significant human suffering;

(6) the basic civil liberties and constitutional rights of those individuals of Japanese ancestry interned were fundamentally violated by that evacuation and internment;

(7) as documented in the Commission's reports, the Aleut civilian residents of the Pribilof Islands and the Aleutian Islands west of Unimak Island were relocated during World War II to temporary camps in isolated regions of Southeastern Alaska where they remained, under United States control and in the care of the United States, until long after any potential danger to their home villages had passed;

(8) the United States failed to provide reasonable care for the Aleuts, and this resulted in widespread illness, disease, and death among the residents of the camps; and the United States further failed to protect Aleut personal and community property while such property was in its possession or under its control;

(9) the United States has not compensated the Aleuts adequately for the conversion or destruction of personal property and the conversion or destruction of community property caused by United States military occupation of Aleut villages during World War II;

(10) the United States has not removed certain abandoned military equipment and structures from inhabited Aleutian Islands following World War II, thus creating conditions which constitute potential hazards to the health and welfare of the residents of the islands;

(11) the United States has not rehabilitated Attu village, thus precluding the development of Attu Island for the benefit of the Aleut people and impairing the preservation of traditional Aleut property on the island; and

(12) there is no remedy for injustices suffered by the Aleuts during World War II except an Act of Congress providing appropriate compensation for those losses which are attributable to the conduct of United States forces and other officials and employees of the United States.

(b) PURPOSES.—The purposes of this Act are to—

(1) acknowledge the fundamental injustice of the evacuation, relocation, and internment of United States citizens and permanent resident aliens of Japanese ancestry;

(2) apologize on behalf of the people of the United States for the evacuation, relocation, and internment of the citizens and permanent resident aliens of Japanese ancestry;

(3) provide for a public education fund to finance efforts to inform the public about the internment of such individuals so as to prevent the reoccurrence of any similar event;

(4) make restitution to those individuals of Japanese ancestry who were interned;

(5) make restitution to Aleut residents of the Pribilof Islands and the Aleutian Islands west of Unimak Island, in settlement of United States obligations in equity and at law, for—

(A) injustices suffered and unreasonable hardships endured while under United States control during World War II;

(B) personal property taken or destroyed by United States forces during World War II;

(C) community property, including community church property, taken or destroyed by United States forces during World War II; and

(D) traditional village lands on Attu Island not rehabilitated after World War II for Aleut occupation or other productive use.

TITLE I—RECOGNITION OF INJUSTICE AND APOLOGY ON BEHALF OF THE NATION

SEC. 101. The Congress accepts the findings of the Commission on Wartime Relocation and Internment of Civilians and recognizes that a grave injustice was done to both citizens and resident aliens of Japanese ancestry by the evacuation, relocation, and internment of civilians during World War II. On behalf of the Nation, the Congress apologizes.

TITLE II—UNITED STATES CITIZENS OF JAPANESE ANCESTRY AND RESIDENT JAPANESE ALIENS

DEFINITIONS

SEC. 201. For the purposes of this title—

(1) the term "eligible individual" means any living individual of Japanese ancestry who—

(A) was enrolled on the records of the United States Government during the period beginning on December 7, 1941, and ending on June 30, 1946, as being in a prohibited military zone; or

(B) was confined, held in custody, or otherwise deprived of liberty or property during the period as a result of—

(i) Executive Order Numbered 9066 (February 19, 1942, 7 Fed. Reg. 1407);

(ii) the Act entitled "An Act to provide a penalty for violation of restrictions or orders with respect to persons entering, remaining in, leaving, or committing any act in military areas or zones" and approved March 21, 1942 (56 Stat. 173); or

(iii) any other Executive order, Presidential proclamation, law of the United States, directive of the Armed Forces of the United States, or other action made by or on behalf of the United States or its agents, representatives, officers, or employees respecting the exclusion, relocation, or detention of individuals on the basis of race;

(2) the term "Fund" means the Civil Liberties Public Education Fund established in section 204;

(3) the term "Board" means the Civil Liberties Public Education Fund Board of Directors established in section 206;

(4) the term "evacuation, relocation, and internment period" means that period beginning on December 7, 1941, and ending on June 30, 1946; and

(5) the term "Commission" means the Commission on Wartime Relocation and Internment of Civilians, established by the Commission on Wartime Relocation and Internment of Civilians Act.

CRIMINAL CONVICTIONS

SEC. 202. (a) REVIEW.—The Attorney General shall review all cases in which United States citizens and permanent resident aliens of Japanese ancestry were convicted of violations of laws of the United States, including convictions for violations of military orders, where such convictions resulted from charges filed against such individuals during the evacuation, relocation, and internment period.

(b) RECOMMENDATIONS.—Based upon the review required by subsection (a), the Attorney General shall recommend to the President for pardon consideration those convictions which the Attorney General finds were based on a refusal by such individuals to accept treatment that discriminated against them on the basis of race or ethnicity.

(c) PARDONS.—In consideration of the findings contained in this Act, the President is requested to offer pardons to those individuals recommended by the Attorney General pursuant to subsection (b).

CONSIDERATION OF COMMISSION FINDINGS

SEC. 203. Departments and agencies of the United States Government to which eligible individuals may apply for the restitution of positions, status or entitlements lost in whole or in part because of discriminatory acts of the United States Government against such individuals based upon their race or ethnicity and which occurred during the evacuation, relocation, and internment period shall review such applications for restitution of positions, status or entitlements with liberality, giving full consideration to the historical findings of the Commission and the findings contained in this Act.

TRUST FUND

SEC. 204. (a) ESTABLISHMENT.—There is hereby established in the Treasury of the United States the Civil Liberties Public Education Fund, to be administered by the Secretary of the Treasury. Amounts in the Fund shall be invested in accordance with section 9702 of title 31, United States Code, and shall only be available for disbursement by the Attorney General under section 205, and by the Board of Directors of the Fund under section 206.

(b) AUTHORIZATION.—There are authorized to be appropriated to the Fund $1,500,000,000.

RESTITUTION

SEC. 205. (a) LOCATION OF ELIGIBLE INDIVIDUALS.—(1) The Attorney General, with the assistance of the Board, shall locate, using records already in the possession of the United States Government, each eligible individual and shall pay out of the Fund to each such individual the sum of $20,000. The Attorney General shall encourage each eligible individual to submit his or her current address to the Department of Justice through a public awareness campaign.

(2) If an eligible individual refuses to accept any payment under this section, such amount shall remain in the Fund and no payment shall be made under this section to such individual at any future date.

(b) PREFERENCE TO OLDEST.—The Attorney General shall endeavor to make payment to eligible individuals who are living in the order of date of birth (with the oldest receiving full payment first), until all eligible individuals who are living have received payment in full.

(c) NON RESIDENTS.—In attempting to locate any eligible individual who resides outside the United States, the Attorney General may use any available facility or resource of any public or nonprofit organization.

(d) NO SET OFF FOR ADMINISTRATIVE COSTS.—No costs incurred by the Attorney General in carrying out this section shall be paid from the Fund or set off against, or otherwise deducted from, any payment under this section to any eligible individual.

BOARD OF DIRECTORS

SEC. 206. (a) ESTABLISHMENT.—There is hereby established the Civil Liberties Public Education Fund Board of Directors which shall be responsible for making disbursements from the Fund in the manner provided in this section.

(b) DISBURSEMENTS FROM FUND.—The Board of Directors may make disbursements from the Fund only—

(1) to sponsor research and public educational activities so that the events surrounding the relocation and internment of United States citizens and permanent resident

aliens of Japanese ancestry will be remembered, and so that the causes and circumstances of this and similar events may be illuminated and understood;

(2) to fund comparative studies of similar civil liberties abuses, or to fund comparative studies of the effect upon particular groups of racial prejudice embodied by Government action in times of national stress;

(3) to prepare and distribute the hearings and findings of the Commission to textbook publishers, educators, and libraries;

(4) for the general welfare of the ethnic Japanese community in the United States, taking into consideration the effect of the exclusion and detention on the descendants of those individuals who were detained during the evacuation, relocation, and internment period (individual payments in compensation for loss or damages shall not be made under this paragraph); and

(5) for reasonable administrative expenses, including expenses incurred under subsections (c)(3), (d), and (e).

(c) MEMBERSHIP AND TERMS OF OFFICE.—(1) The Board shall be composed of nine members appointed by the President, by and with the advice and consent of the Senate, from persons who are not officers or employees of the United States Government. At least five of the individuals appointed shall be individuals who are of Japanese ancestry.

(2)(A) Except as provided in subparagraphs (B) and (C), members shall be appointed for terms of three years.

(B) Of the members first appointed—

(i) five shall be appointed for terms of three years; and

(ii) four shall be appointed for terms of two years; as designated by the President at the time of appointment.

(C) Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office. No individual may be appointed to more than two consecutive terms.

(3) Members of the Board shall serve without pay, except members of the Board shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the functions of the Board, in the same manner as persons employed intermittently in the United States Government are allowed expenses under section 5703 of title 5, United States Code.

(4) Five members of the Board shall constitute a quorum but a lesser number may hold hearings.

(5) The Chair of the Board shall be elected by the members of the Board.

(d)(1) The Board shall have a Director who shall be appointed by the Board and who shall be paid at a rate not to exceed the minimum rate of basic pay payable for GS-18 of the General Schedule under section 5332(a) of title 5, United States Code.

(2) The Board may appoint and fix the pay of such additional staff personnel as it may require.

(3) The Director and the additional staff personnel of the Board may be appointed without regard to section 5311(B) of title 5, United States Code and may be appointed without regard to the provisions of such title governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that the compensation of any employee of the Board may not exceed a rate equivalent to the rate payable under GS-18 of the General Schedule under section 5332(a) of such title.

(e) SUPPORT SERVICES.—The Administrator of General Services shall provide to the Board of Directors on a reimbursable basis such administrative support services as the Board may request.

(f) DONATIONS.—The Board may accept, use, and dispose of gifts or donations or services or property for purposes authorized under subsection (b).

(g) ANNUAL REPORT.—Not later than twelve months after the first meeting of the Board and every twelve months thereafter, the Board shall transmit a report describing the activities of the Board to the President and to each House of the Congress.

(h) SUNSET FOR BOARD.—The Board shall terminate not later than the earlier of ninety days after the date on which an amount has been obligated to be expended from the Fund which is equal to the amount authorized to be appropriated to the Fund or ten years after the date of enactment of this Act. Investments shall be liquidated and receipts thereof deposited in the Fund and all funds remaining in the Fund shall be deposited in the miscellaneous receipts account in the Treasury.

TITLE III—ALEUTIAN AND PRIBILOF ISLANDS RESTITUTION

SHORT TITLE

SEC. 301. This title may be cited as the "Aleutian and Pribilof Islands Restitution Act."

DEFINITIONS

SEC. 302. As used in this title, the term—

(1) "Administrator" means the person designated under the terms of this title to administer certain expenditures made by the Secretary from the Aleutian and Pribilof Islands Restitution Fund;

(2) "affected Aleut villages" means those Aleut villages in Alaska whose residents were evacuated by United States forces during World War II, including Akutan, Atka, Nikolski, St. George, St. Paul, and Unalaska; and the Aleut village of Attu, Alaska, which was not rehabilitated by the United States for Aleut residence or other use after World War II;

(3) "Aleutian Housing Authority" means the nonprofit Regional Native Housing Authority established for the Aleut region pursuant to AS 18.55.995 et seq. of the laws of the State of Alaska;

(4) "Association" means the Aleutian/Pribilof Islands Association, a nonprofit regional corporation established for the benefit of the Aleut people and organized under the laws of the State of Alaska;

(5) "Corporation" means The Aleut Corporation, a for-profit regional corporation for the Aleut region organized under the laws of the State of Alaska and established pursuant to section 7 of the Alaska Native Claims Settlement Act (Public Law 92-203);

(6) "eligible Aleut" means any Aleut living on the date of enactment of this Act who was a resident of Attu Island on June 7, 1942, or any Aleut living on the date of enactment of this Act who, as a civilian, was relocated by authority of the United States from his home village on the Pribilof Islands or the Aleutian Islands west of Unimak Island to an internment camp, or other temporary facility or location, during World War II; and

(7) "Secretary" means the Secretary of the Treasury.

ALEUTIAN AND PRIBILOF ISLANDS RESTITUTION FUND

SEC. 303. (a) ESTABLISHMENT.—There is established in the Treasury of the United States a Fund to be known as the Aleutian and Pribilof Islands Restitution Fund (hereinafter referred to as the "Fund"). The Fund shall consist of amounts appropriated to it, as authorized by sections 306 and 307 of this title.

(b) REPORT.—It shall be the duty of the Secretary to hold the Fund, and to report to the Congress each year on the financial condition and the results of operations of such Fund during the preceding fiscal year and on its expected condition and operations during the next fiscal year. Such report shall be printed as a House Document of the session of Congress to which the report is made.

(c) INVESTMENT.—It shall be the duty of the Secretary to invest such portion of the Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired—

(1) on original issue at the issue price, or

(2) by purchase of outstanding obligations at the market price.

(d) SALE OF OBLIGATIONS.—Any obligation acquired by the Fund may be sold by the Secretary at the market price.

(e) INTEREST ON CERTAIN PROCEEDS.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to and form a part of the Fund.

(f) TERMINATION.—The Secretary shall terminate the Fund six years after the date of enactment of this Act, or one year after the completion of all restoration work pursuant to section 306(c) of this title, whichever occurs later. On the date the Fund is terminated, all investments shall be liquidated by the Secretary and receipts thereof deposited in the Fund and all funds remaining in the Fund shall be deposited in the miscellaneous receipts account in the Treasury.

EXPENDITURES AND AUDIT

SEC. 304. (a) EXPENDITURES.—As provided by appropriation Acts, the Secretary is authorized and directed to pay to the Administrator from the principal, interest and earnings of the Fund, such sums as are necessary to carry out the duties of the Administrator under this title.

(b) AUDIT.—The activities of the Administrator under this title may be audited by the General Accounting Office under such rules and regulations as may be prescribed by the Comptroller General of the United States. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, and files and all other papers, things, or property belonging to or in use by the Administrator, pertaining to such activities and necessary to facilitate the audit.

ADMINISTRATION OF CERTAIN FUND EXPENDITURES

SEC. 305. (a) DESIGNATION OF ADMINISTRATOR.—The Association is hereby designated as Administrator, subject to the terms and conditions of this title, of certain specified expenditures made by the Secretary from the Fund. As soon as practicable after the date of enactment of this Act the Secretary shall offer to undertake negotiations with the Association, leading to the execution of

a binding Agreement with the Association setting forth its duties as Administrator under the terms of this title. The Secretary shall make a good-faith effort to conclude such negotiations and execute such Agreement within 60 days after the date of enactment of this Act. Such Agreement shall be approved by a majority of the Board of Directors of the Association, and shall include, but need not be limited to—

(1) a detailed statement of the procedures to be employed by the Association in discharging each of its responsibilities as Administrator under this title;

(2) a requirement that the accounts of the Association, as they relate to its capacity as Administrator, shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants; and a further requirement that each such audit report shall be transmitted to the Secretary and to the Committees on the Judiciary of the Senate and House of Representatives; and

(3) a provision establishing the conditions under which the Secretary, upon 30 days notice, may terminate the Association's designation as Administrator for breach of fiduciary duty, failure to comply with the provisions of this Act as they relate to the duties of the Administrator, or any other significant failure to meet its responsibilities as Administrator under this title.

(b) SUBMISSION TO CONGRESS.—The Secretary shall submit the Agreement described in subsection (a) to Congress within 15 days after approval by the parties thereto. If the Secretary and the Association fail to reach agreement within the period provided in subsection (a), the Secretary shall report such failure to Congress within 75 days after the date of enactment of this Act, together with the reasons therefor.

(c) LIMITATION ON EXPENDITURES.—No expenditure may be made by the Secretary to the Administrator from the Fund until 60 days after submission to Congress of the Agreement described in subsection (a).

DUTIES OF THE ADMINISTRATOR

SEC. 306. (a) IN GENERAL.—Out of payments from the Fund made to the Administrator by the Secretary, the Administrator shall make restitution, as provided by this section, for certain Aleut losses sustained in World War II, and shall take such other action as may be required by this title.

(b) TRUST ESTABLISHED.—(1) The Administrator shall establish a trust of $5,000,000 for the benefit of affected Aleut communities, and for other purposes. Such trust shall be established pursuant to the laws of the State of Alaska, and shall be maintained and operated by not more than seven trustees, as designated by the Administrator. Each affected Aleut village, including the survivors of the Aleut village of Attu, may submit to the Administrator a list of three prospective trustees. In designating trustees pursuant to this subsection, the Administrator shall designate one trustee from each such list submitted.

(2) The trustees shall maintain and operate the trust as eight independent and separate accounts, including—

(A) one account for the independent benefit of the wartime Aleut residents of Attu and their descendants;

(B) six accounts, each one of which shall be for the independent benefit of one of the six surviving affected Aleut villages of Atka, Akutan, Nikolski, St. George, St. Paul, and Unalaska; and

(C) one account for the independent benefit of those Aleuts who, as determined by the trustees, are deserving but will not benefit directly from the accounts established pursuant to subparagraphs (A) and (B).

The trustees shall credit to the account described in subparagraph (C), an amount equal to five per centum of the principal amount credited by the Administrator to the trust. The remaining principal amount shall be divided among the accounts described in subparagraphs (A) and (B), in proportion to the June 1, 1942 Aleut civilian population of the village for which each such account is established, as compared to the total civilian Aleut population on such date of all affected Aleut villages.

(3) The trust established by this subsection shall be administered in a manner that is consistent with the laws of the State of Alaska, and as prescribed by the Administrator, after consultation with representative eligible Aleuts, the residents of affected Aleut villages, and the Secretary. The trustees may use the accrued interest, and other earnings of the trust for—

(A) the benefit of elderly, disabled, or seriously ill persons on the basis of special need;

(B) the benefit of students in need of scholarship assistance;

(C) the preservation of Aleut cultural heritage and historical records;

(D) the improvement of community centers in affected Aleut villages; and

(E) other purposes to improve the condition of Aleut life, as determined by the trustees.

(4) There are authorized to be appropriated $5,000,000 to the Fund to carry out the purposes of this subsection.

(c) RESTORATION OF CHURCH PROPERTY.—(1) The Administrator is authorized to rebuild, restore or replace churches and church property damaged or destroyed in affected Aleut villages during World War II. Within 15 days after the date that expenditures from the Fund are authorized by this title, the Secretary shall pay $100,000 to the Administrator for the purpose of making an inventory and assessment, as complete as may be possible under the circumstances, of all churches and church property damaged or destroyed in affected Aleut villages during World War II. In making such inventory and assessment, the Administrator shall consult with the trustees of the trust established by section 306(b) of this title and shall take into consideration, among other things, the present replacement value of such damaged or destroyed structures, furnishings, and artifacts. Within one year after the date of enactment of this Act, the Administrator shall submit such inventory and assessment, together with specific recommendations and detailed plans for reconstruction, restoration and replacement work to be performed, to a review panel composed of—

(A) the Secretary of Housing and Urban Development;

(B) the Chairman of the National Endowment for the Arts; and

(C) the Administrator of the General Services Administration.

(2) If the Administrator's plans and recommendations or any portion of them are not disapproved by the review panel within 60 days, such plans and recommendations as are not disapproved shall be implemented as soon as practicable by the Administrator. If any portion of the Administrator's plans and recommendations is disapproved, such portion shall be revised and resubmitted to the review panel as soon as practicable after notice of disapproval, and the reasons therefor, have been received by the Administrator. In any case of irreconcilable differences between the Administrator and the review panel with respect to any specific portion of the plans and recommendations for work to be performed under this subsection, the Secretary shall submit such specific portion of such plans and recommendations to the Congress for approval or disapproval by Joint Resolution.

(3) In contracting for any necessary construction work to be performed on churches or church property under this subsection, the Administrator shall give preference to the Aleutian Housing Authority as general contractor. For purposes of this subsection, "churches or church property" shall be deemed to be "public facilities" as described in AS 18.55.996 (b) of the laws of the State of Alaska.

(4) There are authorized to be appropriated to the Fund $1,399,000 to carry out the purposes of this subsection.

(d) ADMINISTRATIVE AND LEGAL EXPENSES.—The Administrator is authorized to incur reasonable and necessary administrative and legal expenses in carrying out its responsibilities under this title. There are authorized to be appropriated to the Fund such sums as may be necessary for the Secretary to compensate the Administrator, not less often than quarterly, for all such reasonable and necessary administrative and legal expenses.

INDIVIDUAL COMPENSATION OF ELIGIBLE ALEUTS

SEC. 307. (a) PAYMENTS TO ELIGIBLE ALEUTS.—(1) In accordance with the provisions of this section, the Secretary shall make per capita payments out of the Fund to eligible Aleuts for uncompensated personal property losses, and for other purposes. The Secretary shall pay to each eligible Aleut the sum of $12,000. All payments to eligible Aleuts shall be made within one year after the date of enactment of this Act.

(2) The Secretary may request, and upon such request, the Attorney General shall provide, reasonable assistance in locating eligible Aleuts residing outside the affected Aleut villages. In providing such assistance, the Attorney General may use available facilities and resources of the International Committee of the Red Cross and other organizations.

(3) The Administrator shall assist the Secretary in identifying and locating eligible Aleuts pursuant to this section.

(4) Any payment made under this subsection shall not be considered income or receipts for purposes of any Federal taxes or for purposes of determining the eligibility for or the amount of any benefits or assistance provided under any Federal program or under any State or local program financed in whole or part with Federal funds.

(b) AUTHORIZATION.—There are authorized to be appropriated to the Fund such sums as are necessary to carry out the purposes of this section.

MINIMUM CLEANUP OF WARTIME DEBRIS

SEC. 308. (a) CLEANUP PROGRAM.—The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to plan and implement a program, as the Chief of Engineers may deem feasible and appropriate, for the removal and disposal of live ammunition, obsolete buildings, abandoned machinery, and other hazardous debris remaining in populated areas of the lower Alaska peninsula and the Aleutian Islands as a result of military construction and other activities during World War II.

The Congress finds that such a program is essential for the further development of safe, sanitary housing conditions, public facilities, and public utilities within the region.

(b) ADMINISTRATION OF PROGRAM.—The debris removal program authorized under subsection (a) shall be carried out substantially in accordance with the recommendations for a "Minimum Cleanup," at an estimated cost of $22,473,180 based on 1976 prices, contained in the report prepared by the Alaska District, Corps of Engineers, entitled "Debris Removal and Cleanup Study: Aleutian Islands and lower Alaska Peninsula, Alaska," dated October 1976. In carrying out the program required by this section, the Chief of Engineers shall consult with the trustees of the trust established by section 306(b) of this title, and shall give preference to the Aleutian Housing Authority as general contractor.

(c) AUTHORIZATION.—There are authorized to be appropriated $38,601,000 to carry out the purposes of this section.

ATTU ISLAND REHABILITATION PROGRAM

SEC. 309. (a) CONVEYANCE.—Notwithstanding any other provision of law, the Secretary of the Interior is authorized to convey to the Corporation, subject to the requirements of this section and without cost to the Corporation, all right, title and interest of the United States in and to the lands and waters comprising Attu Island, Alaska, including fee simple title to the surface and subsurface estates of such island.

(b) CONDITIONS.—The Secretary of the Interior shall make the conveyance described in subsection (a) within one year after—

(1) the Corporation has entered into a cooperative management agreement with the Secretary of the Interior, as provided in section 304 (f) of the Alaska National Interest Lands Conservation Act (Public Law 96-487), concerning the management of Attu Island; and

(2) the Secretary of Transportation and the Corporation have certified to the Secretary of the Interior that the Department of Transportation and the Corporation have reached an agreement which will allow the United States Coast Guard to continue essential functions on Attu Island. The patent conveying the lands under this section shall reflect the right of the Coast Guard to continue such essential functions on such island, with reversion to the Corporation of all interests held by the Coast Guard when and if the Coast Guard terminates its activities on the island.

(c) RULES AND REGULATIONS.—The Secretary of the Interior is authorized to promulgate such rules and regulations as may be necessary to carry out the purposes of this section.

SEPARABILITY OF PROVISIONS

SEC. 310. If any provision of this title, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of this title or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

TITLE IV—MISCELLANEOUS PROVISIONS

DOCUMENTS RELATING TO THE INTERNMENT

SEC. 401. (a) DELIVERY TO NATIONAL ARCHIVES.—All documents, personal testimony, and other material collected by the Commission on Wartime Relocation and Internment of Civilians during its inquiry shall be delivered by the custodian of such material to the Administrator of General Services who shall deposit such material in the National Archives of the United States. The Administrator of General Services, through the National Archives of the United States, shall make such material available to the public for research purposes.

(b) CONGRESSIONAL DOCUMENTS.—The Clerk of the House of Representatives and the Secretary of the Senate shall direct the Administrator of General Services to make available, beginning on the date of the enactment of this Act, to the public, for research purposes, all congressional documents transferred to the Clerk of the House and the Secretary of the Senate relating to the evacuation, relocation, and internment of individuals of Japanese or Aleut ancestry during World War II.

COMPLIANCE WITH BUDGET ACT

SEC. 402. No authority under this Act to enter into contracts or to make payments shall be effective except to the extent and in such amounts as are provided in advance in appropriations Acts. Any provision of this Act which, directly or indirectly, authorizes the enactment of new budget authority shall be effective only for fiscal years beginning after September 30, 1984.

BACKGROUND AND SUMMARY OF PROPOSED LEGISLATION IMPLEMENTING THE FINDINGS OF THE COMMISSION ON WARTIME RELOCATION AND INTERNMENT OF CIVILIANS—2116

In February 1942, pursuant of Executive Order 9066 of President Franklin D. Roosevelt and directives of the United States military forces, 120,000 civilians, United States citizens and permanent resident aliens of Japanese ancestry, were removed from the West Coast and placed in relocation centers in several western States. A small band of Aleuts, residents of the Aleutian and Pribilof Islands, was also removed.

In 1980, the United States Congress established (P.L. 96-317, 94 Stat. 964) a Commission on Wartime Relocation and Internment of Civilians to review the facts and circumstances surrounding Executive Order 9066, to determine whether any wrong was committed against those American citizens and permanent resident aliens affected by Executive Order 9066, and to recommend appropriate remedies. In June 1983, the Commission released its recommendations, one of which is for Congress to appropriate $1.5 billion dollars for compensation to these individuals, including payment of $20,000 to each Japanese American held in relocation camps during World War II.

The proposed legislation would support the several findings of the Commission on Wartime Relocation and Internment of Civilians and would implement these findings by providing for, among other things, payments to certain Japanese Americans and Aleuts who were interned, detained, or forcibly relocated by the United States during World War II. The proposed legislation includes the following provisions:

FINDINGS AND PURPOSE

Section 1 (a) would provide for acceptance of the findings of the Commission on Wartime Relocation and Internment of Civilians regarding the exclusion and relocation of more than 110,000 United States citizens and permanent resident aliens of Japanese ancestry and regarding the treatment of the Aleuts of the Aleutian and Pribilof Islands; namely, that the findings of the Commission on Wartime Relocation and Internment of Civilians represent an accurate description of the circumstances surrounding the exclusion and removal; that the internment of the Japanese Americans was carried out without any documented cases of subversion; that there was no military reason for the relocation; that the internment was caused by racial prejudice, war hysteria, and a failure of political leadership; that the exclusion and relocation caused great economic losses to the Japanese Americans; that their basic civil liberties and constitutional rights were violated; that the evacuated Aleuts, relocated for their safety by the United States military because of the Japanese invasion and capture of the Aleutian Islands of Attu and Kiska, were kept in camps long after any danger to them; that inadequate care for Aleuts' personal and community property caused widespread hardship; that the United States has not compensated the Aleuts adequately; that significant amounts of hazardous military debris abound in the Aleutian Islands; that the United States has not rehabilitated Attu; and that the only remedy for injustices suffered by the Aleuts is an Act of Congress providing appropriate compensation.

Section 1(b) would propose the following purposes of the Act: an acknowledgment of the injustice of the relocation of the Japanese Americans; an apology for the relocation; a provision for a public education fund to disseminate information about the relocation; a restitution to those Japanese Americans relocated; and a restitution to those Aleuts for personal hardship and property damage.

TITLE I. RECOGNITION OF INJUSTICE AND APOLOGY ON BEHALF OF THE NATION

Section 101 would provide for an acceptance by the United States Congress of the findings of the Commission on Wartime Relocation and Internment of Civilians, a recognition that an injustice was done to the Japanese Americans and, on behalf of the Nation, an apology by the Congress.

TITLE II. CITIZENS OF JAPANESE ANCESTRY AND RESIDENT JAPANESE ALIENS

Definition

Section 201 would define terms, for purposes of this Act, as follows:

1. "Eligible individual" would mean any living individual of Japanese ancestry who was confined, held in custody, or otherwise deprived of liberty or property during the period beginning on December 7, 1941, and ending on June 30, 1946, as a result of Executive Order 9066, or any other Executive Order, Presidential proclamation, law, directives of the Armed Forces of the United States, or any other action made by or on behalf of the United States respective to the exclusion, relocation, or detention of individuals on the basis of race.

2. "Fund" would mean the Civil Liberties Public Education Fund established in section 206.

3. "Board" would mean the Civil Liberties Public Education Board of Directors established in section 206.

4. "Evacuation, relocation, and internment period" would mean the period from December 7, 1941 to June 30, 1946.

5. "Commission" would mean the Commission on Wartime Relocation and Internment of Civilians established by Public Law 96-317.

Criminal convictions

Section 202(a) would authorize the Attorney General to review all cases in which Japanese Americans were convicted of violations of any laws during the internment period.

Section 202(b) would authorize the Attorney General to recommend to the President for pardon those convictions which the Attorney General finds were based on refusal by individuals to accept treatment which they believed was based on race or ethnicity.

Section 202(c) would request the President to offer pardons to those individuals recommended by the Attorney General.

Consideration of Commission findings

Section 203 would require United States Government Departments and Agencies to review applications of those interned for full restitution of positions and status, giving full consideration to the findings of the Commission.

Trust fund

Section 204(a) would establish in, to be administered by, the Treasury Department, a Civil Liberties Public Education Fund. Amounts in the Fund would be invested in accordance with section 9702, title 21, United States Code, and would be disbursed by the Attorney General under provisions of section 205, and by the Board of Directors under section 206.

Section 204(b) would authorize $1,500,000,000 to be appropriated to the fund.

Restitution

Section 205(a)(1) would empower the Attorney General to locate, through United States Government records and a public awareness campaign, each eligible individual and to pay each individual the sum of $20,000.

Section 205(a)(2) would provide for the payment into the Fund of any payment refunded by an eligible individual.

Section 205(b) would provide for payments to eligible individuals in order of date of birth with oldest receiving payment first.

Section 205(c) would allow the Attorney General to use any available resource or facility to locate any eligible individual residing outside the United States.

Section 205(d) would exempt the Fund, and individual payments, from any costs incurred in carrying out this section.

Board of Directors

Section 206(a) would establish a Civil Liberties Public Education Fund Board of Directors responsible for making disbursements from the Fund.

Section 206(b)(1-5) would provide that disbursements from the Fund may be made only for sponsoring research and public educational activities on the relocation; funding comparative studies of similar civil liberties abuses; and preparation and distribution of findings of the Commission.

Section 206(c)(1) would provide that the Board of Directors be composed of nine members appointed by the President, with the advice and consent of the Senate. At least five of the members of the Board to be of Japanese ancestry.

Section 206(c)(2) would establish the terms of office for the members of the Board.

Section 206(c)(3) would provide that members of the Board serve without pay, except for reimbursement for necessary expenses.

Section 206(c)(4) would provide that five members of the Board constitute a quorum.

Section 206(c)(5) would provide that the Chair of the Board be elected by the members of the Board.

Section 206(d)(1) would establish position and pay of the Director appointed by the Board.

Section 206(d)(2) would allow additional personnel to be appointed by the Board.

Section 206(d)(3) would permit the Director and additional personnel to be appointed without regard to number and classification of executive level positions in existence (Section 5311(b) title 5, U.S.C.), and without regard to competitive service requirements and classification of pay rates, except that such compensation might not exceed rate payable under GS-18.

Section 206(e) would authorize Adminstrator of General Services to provide the Board of Directors, on a reimburseable basis, such administrative support as the Board might request.

Section 206(f) would authorize the Board to accept and use any gifts or donations for purposes specified in subsection (b).

Section 206(g) would require the Board to furnish to the President and to each house of Congress, a report on the activities not later then twelve months after the first meeting and every twelve months thereafter.

Section 206(H) would provide that the Board of Directors terminate not later than ninety days after the date on which the last amount remaining in the Fund was disbursed, or ten years after the enactment of this Act.

TITLE III. ALEUTIAN AND PRIBILOF ISLANDS RESTITUTION

Section 301 would provide that this title be cited as the "Aleutian and Pribilof Islands Restitutions Act."

Definitions

Section 302 would define terms, for purposes of this Act as follows:

a. "Administrator" would mean the person designated to administer expenditures from the Aleutian and Pribilof Islands Restitution Fund.

2. "affected Aleut villages" would mean those villages in Alaska whose residents were evacuated during World War II.

3. "Aleutian Housing Authority" would mean the Regional Native Housing Authority established by the laws of the State of Alaska.

4. "Association" would mean the Aleutian/Pribilof Islands Association established by the laws of the State of Alaska.

5. "Corporation" would mean the Aleut Corporation established by the Alaska Native Claims Settlement Act.

6. "eligible Aleut" would mean any living Aleut who was relocated and placed in an internment camp or other facility during World War II.

7. "Secretary" would mean the Secretary of the Treasury.

Aleutian and Pribilof Islands restitution fund

Section 303(a) would establish in the United States Treasury a Fund known as the Aleutian and Pribilof Islands Restitution Fund.

Section 303(b) would require the Secretary to provide the Congress an annual report on the operation of the Fund.

Section 303(c) would require the Secretary to invest portions of the Fund, but only in interest-bearing obligations of the United States.

Section 303(d) would permit the Secretary to sell any obligations acquired by the Fund.

Section 303(e) would require that any sale of, or interest on, any obligations be credited to and become part of the Fund.

Section 303(f) would require the Secretary to terminate the Fund six years after enactment of the Act, or one year after completion of restoration work as provided in Section 306(c). After termination, monies remaining in the Fund would be deposited in the miscellaneous receipts account of the Treasury.

Expenditures and audits

Section 304(a) would authorize the Secretary to pay the Administrator of the Fund necessary monies to carry out his/her duties.

Section 304(b) would allow the General Accounting Office to audit activities of the Administrator.

Administration of certain fund expenditures

Section 305(a) would designate the Aleutian/Pribilof Islands Association (see Section 302(4)) as Administrator of expenditures, and would provide for an Agreement between the Association and the Secretary establishing duties of the Administrator. This Agreement would be approved by a Board of Directors of the Association and would include (1) a statement of proceedings to be employed by the Association, (2) a requirement that accounts of the Association be audited annually and that such audits be submitted to the Secretary and to the Committees on the Judiciary of the Senate and the House, and (3) a provision permitting the Secretary to terminate, for due cause, the Association designated as Administrator.

Section 305(b) would require the Secretary to submit the agreement to Congress. Failure to reach an agreement would also be reported.

Section 305(c) would provide that no expenditures be made by the * * * the Administrator until sixty days after submission to the Congress of the Agreement.

Duties of the Administrator

Section 306(a) would authorize the Administrator to make restitution for certain Aleut losses.

Section 306(b)(1) would establish, from monies appropriated to establish a trust of $5,000,000 for affected Aleut communities. The trust would be established pursuant to the laws of the State of Alaska, and would be * * * and operated by seven trustees designated by the Administrator from * * * prospective trustees submitted by each affected Aleut village.

* * * * *

Section 306(b)(4) would authorize an appropriation of $5,000,000 to the Fund to carry out these purposes.

Section 306(c)(1) would authorize Administrator to restore, rebuild, or replace churches and church property damaged or destroyed in certain affected Aleut villages during World War II. Further authorization would provide $100,000 for an inventory and assessment of such property, which would be submitted, together with recommendations and plans, to a review panel composed of the Secretary of Housing and Urban Development, the Chairman of the National Endowment for the Arts, and the Administrator of the General Services Administration.

Section 306(c)(2) would establish conditions for approval or disapproval of Administrator's plans and recommendations, and in case of irreconcilable differences, submission to the Congress for approval or disapproval.

Section 306(c)(3) would provide that preference be given to the Aleutian Housing Authority as general contractor for any construction work on churches or church property.

Section 306(c)(4) would authorize an appropriation of $1,399,000 to carry out these purposes.

Section 306(d) would authorize the Administrator to incur reasonable and necessary expenses in carrying out responsibilities, and would authorize quarterly appropriations to the Fund for such expenses.

Individual compensation of eligible Aleuts

Section 307(a)(1) would require the Secretary to make payment, from moneys in the Fund, of $12,000 to each eligible Aleut, within one year after enactment of this Act, for uncompensated personal property losses.

Section 307(a)(2) would allow the Secretary to request, and the Attorney General to provide, using any available resources or facilities, assistance in locating eligible Aleuts residing outside affected Aleut villages.

Section 307(a)(3) would require the Administrator to assist the Secretary in identifying and locating eligible Aleuts.

Section 307(a)(4) would exempt payments from Federal taxation and also from eligibility requirements of any Federal or State benefit or assistance program.

Section 307(b) would authorize appropriation of necessary funds to carry out the purposes of this section.

Minimum cleanup of wartime debris

Section 308(a) would authorize the Secretary of the Army to plan and implement a program, as the Chief of Engineers may deem feasible and appropriate, for the removal and disposal of hazardous wartime debris.

Section 308(b) would require that debris removal be carried out in accordance with recommendations of a study prepared by the Corps of Engineers, and that the Aleutian Housing Authority be given preference as general contractor.

Section 308(c) would authorize an appropriation of $38,601,000 to carry out the purposes of this section.

Attu island rehabilitation program

Section 309(a) would authorize the Secretary of the Interior to convey to the Corporation all rights, titles, and interest to all lands and waters comprising Attu Island.

Section 309(b) would require the Secretary of the Interior to make conveyance of lands within one year after an agreement with the Corporation regarding the management of Attu, and an agreement with the Department of Transportation regarding continuance of Coast Guard functions on Attu.

Section 309(c) would authorize the Secretary of the Interior to promulgate necessary rules and regulations to carry out purposes of this section.

Separability of provisions

Section 310 would provide for the continuance of other provisions of this title in the event any provision is held invalid.

TITLE IV. MISCELLANEOUS PROVISIONS

Documents relating to internment

Section 401(a) would require that all documents and other material collected by the Commission be deposited in the National Archives, and be made available to the public for research purposes.[1]

Section 401(b) would require the Clerk of the House of Representatives and the Secretary of the Senate to direct the Administrator of General Services to make available to the public all congressional documents in their custody relating to the relocation and internment.

Compliance with Budget Act

Section 402 would provide that payments be made only to the extent that funds are provided in appropriation acts, and that any provisions of this Act which authorize the enactment of new budget authority be effective only for fiscal years beginning after September 30, 1984.

Mr. INOUYE. Mr. President, today I am joining several of my colleagues in introducing legislation which is intended to act as a vehicle for the recommendations of the Commission on Wartime Relocation and Internment of Civilians. As many of my colleagues are aware, the release of the Commission's recommendations in June of this year marked the culmination of their work, the highlight of which was the publication of Personal Justice Denied.

This report serves as excellent testimony to the fact that there was no basis, military or otherwise, which justified the mass evacuation, relocation, and internment of approximately 120,000 Japanese-American citizens and resident aliens. Personal Justice Denied shows conclusively that the decision to intern was made solely on the basis of ethnicity. Prejudice obscured our commitment to upholding the constitutional rights of our people, and as a result, thousands of lives were disrupted immeasurably.

No other group of American citizens suffered such a massive denial of constitutional rights in existence at the time. The Japanese-American case is unique in the constitutional history of our country in that there was a total abrogation of constitutional guarantees inflicted against a single group of citizens solely on the basis of race.

In response to this grave injustice, the Commission recommended a series of remedies to redress the wrongs suffered by the internees. As an impartial nonpartisan body, and one which spent a considerable amount of time and effort thoroughly studying this issue, we can be confident that these recommendations are highly unbiased.

The Commission was established by the Congress through the enactment of Public Law 96-317 on July 31, 1980, and formally concluded its work in June of this year. During the 3 years of its existence, the Commission conducted extensive hearings throughout the country in addition to exhaustive archival research on the events and circumstances which led to internment.

I think we can all be proud of the dedication and integrity which is manifest in the work of the Commission. They made their recommendations only after serious and thoughtful deliberation, and on the basis of what they felt to be the just and proper solution, not necessarily what was politically and economically expedient. I commend the Commission for a task well done and I look forward to working with my colleagues in the coming months to implement the recommendations in as fair and realistic a manner as possible.

At the very least it is my hope that the legislation we are introducing today will serve to heighten the awareness of both the Congress and the American people to the extent that the racist sentiment which engendered internment 49 years ago does not flare up again in the future. It is vitally important that we recognize the gravity of the serious error that was committed, and, most importantly, that we redress in some form the victims of this reprehensible event in order to preclude something as horrible from happening again in the future.

Mr. President, I believe that the Commission recommendations provides us with an excellent starting point to address this problem, and I urge my colleagues to give this legislation their fullest consideration.

Mr. STEVENS. Mr. President, I am pleased to join my colleagues in offering legislation to implement the recommendations of the Commission on Wartime Relocation and Internment of Civilians.

The Commission was established pursuant to Public Law 96-317 and directed to review the facts and circumstances surrounding the relocation and internment of American citizens and permanent resident aliens of Japanese ancestry during World War II, along with the facts and circumstances which led to the relocation and, in some cases, the detention of Aleut civilians during the same time period.

In discharging its congressional mandate, the Commission held 20 days of hearings, including 3 days of hearings in Alaska, and received the testimony of more than 750 witnesses. The Commission's staff and others conducted exhaustive research. They were able to document in irrefutable detail, from their research in the National Archives and elsewhere, the facts and circumstances of these events that occurred 40 years ago. In these remarks I will address the Aleut issues, as I understand that other Senators will address in separate remarks the tragic circumstances which led to the internment of thousands of loyal Americans of Japanese ancestry.

THE ALEUT PEOPLE

Mr. President, the Aleut people are Native Americans whose ancestors mi-

[1] The records of the Commission on Wartime Relocation and Internment of Civilians have been transferred to the National Archives. Inclusion of this provision, however, would legitimize the transfer and establish the location of these records for future researchers. The records of the Commission are in the process of being made available to researchers by the staff of the National Archives. Portions of the records are already available for public use.

grated from Asia about 10,000 years ago. They settled the lower Alaska peninsula and the Aleutian Islands, an archipelago that spans the North Pacific for 900 miles from the peninsula to Attu Island. The Aleut villages are among the oldest places of habitation on this continent—the village on Nikolski, for example, has been determined to have been occupied for more than 8,000 years.

Anthropologists have estimated that 10,000 people lived on the Aleutians when the islands were occupied by Russian traders in the 18th century. Their numbers were soon reduced by massacre and disease to less than 2,000. Today there are about 3,600 Americans of Aleut ancestry, and major efforts are being made with Aleut communities to preserve the culture and traditions of this unique people.

As Solicitor General of the U.S. Department of the Interior in the Eisenhower administration, I became generally aware that the Aleut communities of the Aleutians and Pribilof Islands had suffered severe dislocation and losses during World War II. There had been no press accounts of these events at the time—correspondence and information between Alaska and the lower 48 had been subject to censorship during the war.

Unlike the internment of Japanese Americans, which was subject to widespread publicity, litigation, and public discussion, the Aleut relocation during the war was considered a local administrative inconvenience and scant attention was paid to its effect on the Aleut people outside the immediate area of the Aleutians and the relocation camps.

Mr. President, Congress at my request expanded the mandate of the Commission on Wartime Relocation and Internment of Civilians to include the specific treatment of the Aleuts in World War II. The findings of the Commission document the extreme hardships endured by the Aleuts, and the unjustified losses they sustained. The recommendations of the Commission include restitution for those losses—and restitution, along the lines of these recommendations, is provided in the bill we introduce today.

EVACUATION OF ALEUT VILLAGES

After the conquest of Attu and Kiska Islands by Japanese forces in early June of 1942, the evacuation of all Aleut villages on the Pribilof Islands and the Aleutian Islands west of Unimak Island was ordered by military authorities in Alaska. Approximately 900 Aleut civilians were evacuated in June and July 1942, and hurriedly relocated to temporary camps in southeastern Alaska.

While this evacuation suffered from poor planning and inadequate logistic support, the Commission determined that it was a rational wartime measure under the circumstances at the time. The Commission found that the Aleuts suffered extreme hardships in the camps. Housing, sanitation, and eating conditions in the camps were deplorable. There were repeated epidemics of disease, and at least 10 percent of those in the camps died. Medical care was wholly inadequate. The Government clearly failed to meet its responsibilities to those under its care.

On returning to their villages, the Aleuts found—after an absence of 2 to 3 years—that houses, churches, community centers, personal property, boats, and other possessions had been destroyed, converted to military use without compensation, or severely damaged. They lost most of their religious icons and family heirlooms. While some attempts were made, with severely limited funds to provide restitution, the evidence shows without doubt that the Aleuts' losses were never fully compensated by the responsible agencies and officials.

COMMISSION RECOMMENDATIONS

After evaluating the evidence, the Commission recommended five specific measures of restitution for Aleut losses during World War II. These include a trust to be established for the beneficial use of the six surviving Aleut villages subject to relocation and for the beneficial use of surviving Aleuts and their descendants; a per capita payment to each surviving Aleut evacuee; the rehabilitation of churches and restoration of church property damaged or destroyed by U.S. Forces in the Aleutians; the cleanup of wartime debris left on populated islands of the Aleutians; and the rehabilitation of Attu Island for Aleut ownership and use.

The bill we introduce today would make restitution substantially in accordance with the Commission's five recommendations. It includes the $5 million trust as recommended. And, while the recommendations left open the dollar amount for the rehabilitation of churches and restoration of church property, and the cleanup of wartime debris, we have provided a spending cap of $40 million for these two items. This includes $38,601,000 to accomplish the October 1976 Corps of Engineers minimum cleanup as adjusted for inflation to October 1983. The remaining $1,399,000 is authorized for the church rehabilitation and restoration program. While this amount does not constitute complete rehabilitation and restoration, it provides, again, for a minimum effort.

There are two substantive differences between the Commission's recommendations and the provisions of our bill. First, those eligible for per capita payment would include not only the survivors of the evacuation by U.S. forces, but also the surviving Attuans who were held in detention on Hokkaido Island, Japan. I am informed that these people number only five survivors today. They suffered a great loss when their home village was not rehabilitated for resettlement after the war. Second, our bill provides per capita payment of $12,000 to each of some 400 to 500 surviving Aleuts, instead of the recommended $5,000. The legislation includes this increase in per capita payment to reflect comparability with the treatment of the surviving Japanese-American internees.

CONCLUSION

Mr. President, title III of our bill, relating to the Aleuts, has been drafted in close consulation with the Aleut leadership and with the residents of the affected Aleut villages. I am pleased to join this measure as a cosponsor, and I urge the committee of jurisdiction to schedule timely hearings.

Mr. President, I ask unanimous consent that a section-by-section summary of title III of the bill, relating to the Aleut issues, be included in the RECORD immediately following these remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION SUMMARY OF THE "ALEUTIAN AND PRIBILOF ISLANDS RESTITUTION ACT"

[Title III of S. 2116, a bill to accept the findings and to implement the recommendations of the Commission on Wartime Relocation and Internment of Civilians]

TITLE III—ALEUTIAN AND PRIBILOF ISLANDS RESTITUTION

SECTION 301—SHORT TITLE

This title may be cited as the "Aleutian and Pribilof Islands Restitution Act."

SECTION 302—DEFINITIONS

The definitions contained in this section are those required to implement the Commission's recommendations in accordance with this title for compensation of individual Aleuts, and the Aleut community generally, for their losses and other injustices suffered during World War II.

The term "affected Aleut villages" includes the six Aleut villages which were evacuated by U.S. forces in June and July 1942, for relocation to temporary detention camps in remote regions of Southeastern Alaska. The term also includes the Aleut village of Attu, which was not rehabilitated for Aleut occupation or other productive use following liberation of Attu Island from Japanese forces and the repatriation of Attuan citizens from Japanese detention on Hokkaido Island, Japan.

The term "eligible Aleut" includes any Aleut who is living on the date of enactment of this Act and who, as a civilian, was relocated by authority of the United States from his or her home village to an internment camp, or other temporary facility or location, during World War II. The term also includes those Aleuts who were residents of Attu on the date of Japanese occupation of the Island, and who are living on the date of enactment of this Act.

Other terms requiring no elaboration in this summary are also defined.

SECTION 303—ALEUTIAN AND PRIBILOF ISLANDS RESTITUTION FUND

Section 303(a) establishes within the Treasury of the United States a Fund to be known as the "Aleutian and Pribilof Islands Restitution Fund." This Fund will be administered by the Secretary of the Treasury, and will consist of amounts appropriated to it under this title.

Under section 303(b), the Secretary is required to report to Congress annually on the financial condition of the Fund, and on the results of Fund operations during the preceding fiscal year. All such reports will be printed as House Documents of the session of Congress to which such reports are made.

Section 303(c) through (e) establishes procedures to be followed by the Secretary in managing the assets of the Fund. The interest on any obligations held by the Fund, along with other proceeds from the sale of any obligations, will be credited to and form a part of the Fund.

Section 303(f) provides for the orderly termination of the Fund after the Secretary has accomplished the purposes of the Fund, as set out in other sections of the title. On the date the Fund is terminated, all amounts remaining in the Fund shall be deposited in the miscellaneous receipts account in the Treasury of the United States.

SECTION 304—EXPENDITURES AND AUDIT OF FUND

Section 304(a) provides that the Secretary shall pay to the Administrator of certain specified Aleut restitution programs, as provided in appropriations acts, such sums from the Fund as are necessary to carry out the purposes of this Act.

Under section 304(b), authority is established for audits of the activities of the Administrator by the General Accounting Office, subject to such rules and regulations as may be prescribed by the Comptroller General.

SECTION 305—ADMINISTRATION OF CERTAIN FUND EXPENDITURES

The detailed procedure for designation of the Administrator is established in section 305(a). Under the terms of the section, the Aleutian/Pribilof Islands Association, a nonprofit regional corporation organized under the laws of the State of Alaska for the benefit of Aleuts in the Aleut region, is designated by Congress as Administrator, subject to the terms and conditions of this title.

As soon as practicable after enactment, the Secretary of the Treasury will offer to undertake negotiations with the Association leading to execution of an Agreement setting forth the duties of the Association as Administrator. Any such Agreement entered into with the Association shall be approved by a majority of the Board of Directors of the Association. Independent annual audits of the Association's activities as Administrator are required, and a report of each such audit will be transmitted to the Secretary and to the Committees on the Judiciary of the House and Senate. Upon 30 days notice, under the terms of the required Agreement, the Secretary may terminate the Association's designation as Administrator for good cause shown.

Section 305(b) requires the Secretary of the Treasury to submit to Congress, within 15 days after approval by the parties, the Agreement specified in section 305(a). If the Secretary and the Association fail to reach an agreement within the 60 day period established for negotiations, the Secretary shall notify Congress within 75 days after enactment of such failure to reach agreement. In such circumstances, Congress would have the option of designating another Administrator, or of taking any other appropriate and necessary legislative action.

Section 305(c) provides that the Secretary shall make no expenditures to the Administrator from the Fund until Congress has reviewed for 60 days the Agreement required by section 305(a).

SECTION 306—DUTIES OF THE ADMINISTRATOR

Section 306(a) provides that, out of payments made from the Fund to the Administrator by the Secretary of the Treasury, the Administrator shall make restitution (as provided elsewhere in this section) for certain Aleut losses sustained in World War II, and shall take such other action as may be required by this title.

Section 306(b) directs the Administrator to establish a trust, organized under the laws of the State of Alaska, for the beneficial use of affected Aleuts and affected Aleut communities. This subsection parallels the first recommendation of the Commission for compensation of the Aleuts for losses sustained in World War II.

The principal amount of the trust established under this subsection shall be $5,000,000. It will be governed by not more than seven trustees, appointed by the Administrator from lists of prospective trustees submitted by each affected Aleut village. The trust will be apportioned into eight independent accounts. One account will be established for the independent benefit of the wartime Aleut residents of Attu and their descendants; one account will be established for the independent benefit of each of the six surviving Aleut villages evacuated by U.S. forces; and one account will be established for the independent benefit of those Aleuts who, as determined by the trustees, are deserving but who will not benefit directly from the other seven accounts.

Five per centum of the principal amount of the trust will be credited initially to the latter account referenced above. The remaining principal amount will be apportioned among the other seven accounts, in proportion to the wartime population of the village for which each such account is established, as compared to the wartime population of all affected Aleut villages.

The purposes of the trust are outlined in section 306(b)(2). In general, the section authorizes the trustees to use the interest and other earnings from the trust to benefit the elderly, the disabled, the seriously ill, students in need of scholarships, and others in comparable circumstances. Additionally, the section provides that trust earnings may be used to preserve Aleut culture and historical records, to establish community centers in affected villages, and to take such other action as the trustees may determine will improve the condition of Aleut life.

Section 306(c) authorizes the Administrator to rebuild, restore, or replace churches or church property damaged or destroyed in affected Aleut villages during World War II. This subsection is consistent with the third recommendation of the Commission for compensation of Aleuts for losses sustained as a direct result of U.S. governmental actions during World War II.

Under the terms of this subsection, the Secretary of the Treasury shall pay $100,000 from the assets of the Fund to the Administrator within 15 days after expenditures from such Fund are authorized by this title. The Administrator is required to use this payment to make an inventory and assessment of all churches and church property damaged or destroyed in affected Aleut villages during World War II. In addition the Administrator will use the payment to develop specific recommendations and detailed plans for reconstruction, restoration and replacement work to be accomplished on churches and church property.

The inventory and assessment, together with the specific recommendations and detailed plans, shall be submitted within one year after enactment to a review panel composed of the Secretary of Housing and Urban Development, the Chairman of the National Endowment for the Arts, and the General Services Administrator. If the review panel has not disapproved the Administrator's plan and recommendations within 60 days, such plans and recommendations will be implemented as soon as practicable by the Administrator. If any part of the plans and recommendations are disapproved, the Administrator shall revise and resubmit such part to the review panel as soon as practicable.

In the event of irreconcilable differences between the Administrator and the review panel in respect of any part of the plans and recommendations, the Secretary of the Treasury is authorized and directed to submit such part to Congress, for approval or disapproval by Joint Resolution.

Under the terms of section 306(c)(3), the Administrator is required to give preference to the Aleutian Housing Authority as general contractor for work to be performed in implementing the plans and recommendations for reconstruction, restoration, or replacement of churches and church property.

This section authorizes appropriations to the Fund adequate to carry out the purposes of the section, including $1,399,000 to carry out the church rehabilitation program under section 306(c). In addition, section 306(d) authorizes the Secretary of the Treasury to reimburse the Administrator, not less often than quarterly, for all necessary and reasonable administrative and legal expenses incurred in carrying out its functions under this title.

SECTION 307—INDIVIDUAL COMPENSATION OF ELIGIBLE ALEUTS

Section 307(a) authorizes and directs the Secretary of the Treasury to make per capita payments out of the Fund to eligible Aleuts, as defined, for uncompensated personal property losses and for other purposes. The subsection requires a payment of $12,000 to each of approximately 400 individual Aleuts who are living on the date of enactment of this Act and who are the survivors of the relocation experience during World War II. All such per capita payments shall be made within one year after enactment of this Act, and shall not be considered income for purposes of any Federal taxes or for the purposes of determining eligibility for or the amount of any benefits or assistance under any Federal program or under any State or local program financed in whole or in part with Federal funds. This section addresses the second recommendation of the Commission for compensation of Aleut losses during World War II.

Under section 307(a) (2) and (3), the Secretary of the Treasury may require the assistance of the Attorney General in locating eligible Aleuts, and the Administrator shall assist the Secretary in identifying and locating eligible Aleuts for the purpose of the section.

Section 307(b) authorizes appropriations to the Fund adequate to make the per

capita payments required by the section for restitution of heretofore uncompensated Aleut wartime losses.

SECTION 308—MINIMUM CLEANUP OF WARTIME DEBRIS

Section 308(a) authorizes and directs the Secretary of the Army, acting through the Chief of Engineers, to plan and carry out a program for the removal and disposal of live ammunition, obsolete and abandoned buildings, abondoned machinery, and other hazardous debris remaining in populated areas of the lower Alaskan peninsula and the Aleutian Islands as a result of military activity during World War II. This section is consistent with the fourth recommendation of the Commission.

Section 308(b) provides that the debris removal program shall be the "Minimum Cleanup," as recommended by the Alaska District, Corps of Engineers, in its report dated October 1976. In carrying out the program, the Chief of Engineers is required to consult with the trustees of the trust established in section 306(b), and is further required to give preference to the Aleutian Housing Authority as general contractor.

Section authorizes $38,601,000 to be appropriated to carry out the purposes of this section. The authorized amount reflects the October 1976 estimate by the Corps of Engineers to accomplish the "Minimum Cleanup," as adjusted for inflation (CPI) to October 1983.

SECTION 309—ATTU ISLAND REHABILITATION PROGRAM

Section 309(a) authorizes the Secretary of the Interior to convey, subject to certain requirements, Attu Island in fee simple to the Aleut Corporation—the regional corporation established for the Aleut region under terms of the Alaska Native Claims Settlement Act.

This section is consistent with the fifth recommendation of the Commission for compensation of the Aleut people for losses sustained in World War II.

Under the terms of section 309(b), the Secretary of the Interior shall make the conveyance described in section 309(a) within one year after the Corporation has entered into a cooperative management agreement for Attu Island with the Secretary of the Interior.

As a condition precedent to conveyance, the Secretary of the Interior shall also ensure that the Secretary of Transportation and the Aleut Corporation have reached agreement which will allow the U.S. Coast Guard to continue essential functions on Attu Island. The patent conveying the lands to the Corporation shall reflect the right of the U.S. Coast Guard to continue such essential functions on the island, with reversion to the Corporation of all interests held by the Coast Guard when and if the Coast Guard terminates its activities on the island.

Under section 309(c), the Secretary of the Interior is authorized to promulgate such rules and regulations as are necessary to carry out this section.

SECTION 310—SEPARABILITY OF PROVISIONS

This section provides that if any provision of this title, or the application of any provision to any person or circumstance, shall be held invalid, the remainder of this title or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

Mr. MURKOWSKI. Mr. President, I am pleased to join Senators STEVENS, MATSUNAGA, and INOUYE in authoring a bipartisan bill to implement the recommendations of the Commission on Wartime Relocation and Internment of Civilians.

As my colleagues will recall, the independent Commission was established by act of Congress in 1980 to investigate the circumstances surrounding the relocation and internment of Japanese-American and Aleut citizens during World War II. The Commission's reports were presented to Congress in January and June of this year. Those reports document fully the injustices suffered by those who were relocated to camps far from their homes in early 1942 for the duration of the war.

In the case of the Aleuts, who inhabited a number of small, remote villages on the Aleutian Island chain and the Pribilofs, the Commission determined that the military decision to relocate the people was justified under the circumstances. The Japanese enemy forces captured Attu and Kiska in early June 1942, and about 881 Aleut villagers were removed from their home villages by Army and Navy forces within the following 60 days.

Unfortunately, the relocation of the Aleuts to abandoned fish canneries and mining camps in southeastern Alaska resulted in widespread disease and death among the residents of the camps. The Commission found that medical care was inadequate, shelter and food were below standard, sanitary facilities were virtually nonexistent, and the drinking water was unhealthful. At least 10 percent of all the Aleuts relocated to the camps perished before their villages were restored on the Aleutian and Pribilof Islands.

Upon their return after 2 to 3 years in the camps, the Aleuts found their personal and community property had been converted without compensation for military use, destroyed, or taken by those who occupied the villages in the Aleuts' absence. They were never fully compensated for these losses. In addition their churches were burned, desecrated, or stripped of invaluable religious icons dating from 18th and 19th century Imperial Russia. There was never any effort by our Government to replace or rehabilitate the churches and church properties destroyed or severely damaged while under U.S. control during the war.

Mr. President, the populated areas of the Lower Alaska Peninsula and the Aleutians are still littered with the debris and abandoned structures from the U.S. military occupation of the islands. In recent years at least one child, who lived with his family in Cold Bay, lost the use of his hand when a World War II fuse exploded. He had been playing in an area where live ammunition still litters the lands outside the town. The Commission has recommended that this debris be cleaned up, as the debris from World War II has been cleaned up in Japan, Europe, and elsewhere, often with substantial American assistance.

Mr. President, our legislation implements the five recommendations of the Commission to provide restitution to the Aleut people for the losses they suffered as a consequence of Government operations during the war years. In addition the bill implements the Commission's recommendations for restitution of Japanese-American losses. I know that Senators MATSUNAGA and INOUYE will be addressing the Japanese-American issues in connection with the introduction of this legislation. Thus I have limited my remarks to the Aleut issues at this time.

Mr. President, 40 years and more have passed since the Aleuts were relocated to unimaginably inadequate camp facilities in southeastern Alaska. A number of those who suffered the most are quite elderly—an even greater number have already passed away. I urge the Senate to consider this legislation promptly, as substantial justice to the Aleut people demands compensation for losses sustained as a result of U.S. Government activities in World War II. The restitution provided in our bill should not be unreasonably delayed any longer.

Thank You, Mr. President.

● Mr. CRANSTON. Mr. President, it is my pleasure and my honor to join with my colleagues from Hawaii and Alaska—Senator MATSUNAGA, Senator INOUYE, Senator STEVENS, and Senator MURKOWSKI—in sponsoring this legislation fully implementing the recommendations of the Commission on Wartime Relocation and Internment of Civilians.

Redressing the violations of civil liberties by our Government during World War II is an issue that has long been dear to me. I fought against the internment policy in 1942, pushed for creation of the Commission in 1980, and upon completion of the Commission's recommendations, introduced redress legislation last June.

The bill that my distinguished colleagues and I introduce today continues the important process of achieving redress for those American citizens and legal residents of Japanese and Aleut ancestry whose constitutional guarantee of civil liberties were all too easily swept away by our Government. This bill is a natural, more detailed evolution of the measure which Senator KENNEDY and I introduced 5 months ago, which has had hearings in the Administrative Practices and Procedures Subcommittee of the Judiciary Committee.

Our strength as a democracy lies in adherence to and zealous protection of the guaranteed liberties of every American. The guarantee of these lib-

erties, of the freedom and dignity of an individual, is what distinguishes us from all other nations in history.

It is the Government's duty, when Government action violates constitutional guarantees, to correct and redress the violation. If we forget the exclusion and internment of hundreds of thousands of law-abiding citizens and residents, or merely decry the episode, then we have tolerated an erosion of our precious liberties. We increase the chance that a similar episode could happen again to another group of Americans.

Many Americans recognize the wrong that was done, but raise questions about the wisdom of a monetary payment to surviving individuals. Most of those who suffered in this episode, lost many times the amount provided under this legislation. All suffered the same basic injustice and affront to their civil liberties—a loss that can never be measured adequately in money. Monetary compensation is a symbolic effort to provide redress and to deter recurrence in the future.

Some have suggested that this bill would involve the present generation paying for past mistakes. Rather, it is an investment in our future to guarantee our children's liberties.

I am very proud to join in this renewed redress effort, and look forward to working closely with my colleagues to pass a bill.●

Mr. DENTON. Will the Senator yield?

Mr. MATSUNAGA. I yield.

Mr. DENTON. Mr. President, I wish to compliment the Senator from Hawaii. I endorse in every respect the authenticity of his remarks and that I consider that event one of the most darkest moments in our history, a consequence of General Sherman's statement that war is hell. We in the United States yielded to the temptation of the moment in that respect and caused a grave injustice to which the Senator from Hawaii alluded. I defer to the learned historian from the State of New York, Senator MOYNIHAN, but I have felt this all my life. I have felt the hypocrisy of that, the tragedy of it. I wish to join with the Senator in the sentiments he just described.

Mr. MATSUNAGA. I thank the Senator.

SUPPLEMENTAL APPROPRIATIONS, 1984—CONFERENCE REPORT

The Senate continued with the consideration of the amendments in disagreement to the conference report.

ADJUSTMENT TO AMENDMENT NO. 2638

Mr. GARN. Mr. President, earlier, during the consideration of my amendment, we had modified a Proxmire amendment from back in the Banking Committee when it was marked up and changed the date. The words that were inserted were "before September 30, 1985."

We find that my staff erred in the drafting of this, and I have to ask unanimous consent, so there is no misunderstanding, that in title IV, page 21, line 15, after the word "development" add "before September 30, 1985." There is no change in what we put in, but we put it in the wrong place. We are correcting the drafting of the amendment. It has been cleared on both sides of the aisle. I ask unanimous consent that amendment No. 2638 agreed to earlier be corrected to read as shown in the amendment which I send to the desk.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSTON. This is a technical correction?

Mr. GARN. That is correct. It is a technical drafting error correction to an amendment in my part of the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

SENATE AMENDMENT NO. 45

Mr. JOHNSTON. Mr. President, this committee amendment creates a zone around the State of Florida in which no drilling or leasing can take place for the duration of this supplemental appropriation bill. It also creates another cordon some 20 miles wide extending all the way from Apalachicola to Panama City in which no drilling can take place.

Mr. President, the action of the joint conference committee on this bill was most unusual because it added on language which was not in the Senate bill, was not in the House bill, and went far beyond the language of the House bill that dealt with leasing prohibitions in the area off the gulf coast of Florida.

This constituted, Mr. President, the third time that this Senate had dealt with the issue of drilling off the coast of Florida. The first time we dealt with the question was in the interior appropriations conference committee. At that time, Mr. President, a compromise was struck by all parties in which all sensitive areas off the coast of Florida were banned from drilling. In the so-called sea grass area, 177 tracts were taken off limits for drilling or leasing by the interior appropriations conference committee. In the Florida middle grounds, 23 tracts were banned from drilling or leasing. In the so-called 20-mile isobath area, 99 tracts were taken off limits. These three areas combine for a total of 2,700 square miles in the Outer Continental Shelf off the gulf coast of Florida, which are off limits to leasing for oil and gas production.

Mr. President, as a member of that conference committee, I can tell you that every area that had legitimate environmental complaint—any legitimate environmental complaint at all—was placed off limits to Federal leasing.

After adopting these environmental protections we came back to the floor of the Senate. An amendment was then offered and agreed to which created a protected area of the same length, width, and dimensions as the pending amendment but with one important proviso. That is, if the State of Florida has in existence now, or issues in the future any oil and gas lease in its territorial waters, the restriction in Federal waters is vitiated.

The idea behind that amendment, Mr. President, was that if the State of Florida, in the 10.4-mile area which it owns, sees fit to allow drilling or leasing, then the Federal Government should not be prohibited from leasing in its territorial waters which lie even farther out to sea.

What happened? It was discovered by the Senator from Florida that the State does, in fact, have a lease. The facts are that the State of Florida has a lease that extends all the way from Naples to Apalachicola, a distance of some 450 miles, which is 3 miles wide and comprises some 880,000 acres. The lease was updated, redefined, and renegotiated in 1976. Not only did the Governor of Florida sign that lease, but all the members of his Cabinet signed that lease. That lease not only permits drilling, it requires drilling not less than every 5 years. Not only does it permit and require drilling, but drilling has, in fact, taken place in Florida's waters.

Some 15 wells have already been drilled, some to depths of as much as 20,000 feet, with the last having been drilled this very year, 1983. Another 10 wells have been slant-drilled from Florida waters into the Outer Continental Shelf, for a total of 25 wells.

In spite of that, Mr. President, we are now asked by amendment No. 45 to let Florida go ahead and drill and lease to any extent they want in their 10-mile area, yet not permit the Federal Government to lease at all in its territorial waters. This is fine when it is somebody else's money, but when it is your own, you want to lease and you want to develop that oil and gas.

Mr. President, to say that this is unfair, to say that this is unwise, is much too mild. The proper word is to say that it is an outrage to the people of the United States to prohibit this drilling in this manner.

Mr. President, lest my colleagues think that the Outer Continental Shelf in the area off Florida is an inconsequential, insignificant, and uniportant source of oil and gas, let me tell you that the area off Florida is an area of vital interest to the oil companies. I talked to the head of explora-

tion for Shell Oil Co. just 2 weeks ago. He brought out the maps and showed me the hot areas off Florida, which are of great interest to a number of oil companies.

There are now some 26,000 wells in the Gulf of Mexico—26,000. Since the first well was drilled out there in the Inland Sea in 1927 there is no evidence of any oil spill ever reaching shore. So, for all those years, over 50 years, we have been drilling out in the Outer Continental Shelf of the gulf. It is probably the most stable geologic environment for drilling of any offshore area in the world. How can you have a safer record than to say you have been drilling for 50 years with no oil spills ever reaching shore. And this drilling is taking place in the greatest estuary of the world—this is, off the coast of Louisiana. There is more seafood production off the coast of Louisiana than anywhere in the world, with the possible exception of the coast of Chile. We produce over 1 billion pounds of commercial seafood, and right within the producing grounds of this billion pounds of commercial seafood, we have 26,000 wells.

Mr. President, we have produced out there some 5.7 billion barrels of oil—5.7 billion barrels of oil. That is more than this country uses in many years. The Gulf of Mexico is the most important resource this country has. We have produced 54 trillion cubic feet of natural gas from the gulf. That is enough natural gas to keep this country running for more than 3 years.

How much else is there out there? Hundreds of millions of barrels of oil—hundreds of millions. And Florida is one of the richest areas that there is.

Mr. President, if there were any justification for this 30-mile cordon around Florida then I would like to know what it is, because in the weeks this amendment has been pending, we have given no—zero—justification. There is no environmental study that says this is a sensitive area. To the contrary, we know it is not sensitive.

Of course there are fish out there. There are fish all around those 26,000 wells off the coast of Louisiana. One thing we have proved—not with one test well, not with one year's study, but with over 50 years of study and over 26,000 wells, and over 5.7 billion barrels of oil and 54 trillion cubic feet of gas—we have proved that drilling in the gulf is safe, is benign, and is probably the stablest form of energy that we have.

You say, you do not want to drill out there in the Gulf of Mexico? What would you rather do? Use more coal with acid rain? We are going to address that issue here next year and in years after. I hope we will do it wisely, but I can tell you that there is much more resistance to acid rain and the burning of coal and much more expense than there is to drilling in the Gulf of Mexico.

How about nuclear? "Oh, we cannot have nuclear," so many of our colleagues say. They say that has been proven to be, if not too dangerous after Three Mile Island, then too expensive.

But there is one source of energy that is vast, that is available, that is benign, and that is stable. That source is the Gulf of Mexico including this area off the Florida coast—a vast area, Mr. President. We do not know how much oil and gas is there, but the area covered by the amendment is almost 500 miles. It is 450 miles long and 30 miles wide just from Naples to Apalachicola. And that would be off limits to leasing by the Federal Government. Then again, from Apalachicola to Panama City, another 20 miles is off limits to leasing by the Federal Government. All the while the State of Florida has an existing lease and existing exploration. Not only does the holder of this lease have the right to go out and drill for oil, they have the duty to drill at least once every 5 years, and they have been doing it much more frequently than that.

Not only, Mr. President, is the State of Florida leasing and drilling in its own waters, the State of Florida is also importing oil in wholesale quantities, and that is much more likely to cause pollution than is OCS production. According to the National Academy of Sciences, shipping oil by tankers causes 400 times as much oil discharge as does drilling. It is 400 times as dangerous to import oil as it is to drill in the OCS, according to the National Academy of Sciences.

But what does Florida do? In the Port of Pensacola every year they import 790,000 tons of oil. In the Port of Tampa, they import 10.5 million tons of oil every year. In the Port of Jacksonville, they import 6 million tons of oil every year. In the Port of Fort Lauderdale, they import 71 million barrels of oil every year. Although it is 400 times more dangerous than offshore drilling, there has been no effort to curb that importation.

If Florida were really sensitive to the dangers of oil spills, the first thing they would do would be to stop the importation of oil. The way to stop that importation, Mr. President, is to develop our own resources and to drill in our own areas. This is the big frontier in the Gulf of Mexico right now.

Mr. President, there are also jobs involved. You use steel out there. Only 55 percent of our present steel capacity is being used. I could go down the list of jobs. But that is not the primary issue. The primary issue is that the taxpayers of this country, whose resource this is, the energy users of this country, whose resource this is, all of us—it belongs to all of us—are being asked to let the State of Florida proceed to drill in their land closer to shore and say no to us.

Mr. President, that is nothing less than an outrage. As a matter of fact, Mr. President, the State of Florida has 10.4 miles that has, in effect, been reserved to them according to the Supreme Court while other States, such as the State of Louisiana have only 3 miles. The State of California owns only 3 miles. Florida has 10.4. We have 3. Why? Because the Supreme Court said that when Florida came into the Union, there was some provision in the instrument by which they were admitted that gave them 10.4 miles, while California was not so farsighted and Louisiana was not so farsighted so we got only 3. So they can do what they wish in their 10.4 miles, and they have three times more protection than anybody else.

Mr. President, it is not good policy. However, as I mentioned, the conference committee put this amendment on as a compromise. I am going to offer an amendment which returns to the House language. I think we should have no language at all and no prohibition at all, but the amendment I am going to offer goes back to the House language and provides a 40-mile area not to drill in between the 26th and the 28th parallels.

Mr. President, the amendment is something that I would not ordinarily support but in the spirit of compromise, as a middle ground, I offer this amendment. I sent it to the desk and ask for its immediate consideration.

AMENDMENT NO. 2644

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON) proposes an amendment numbered 2644.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the language proposed to be added by the amendment numbered 45, insert the following:

"No funds may be expended by the Department of Interior for the lease-sale of tracts in Lease-Sale numbered 79 within the Eastern Gulf of Mexico planning area listed below:

All tracts in the Federal Outer Continental Shelf area between 28 degrees north latitude and 26 degrees north latitude extending from the 10 mile Federal-State boundary seaward 40 miles.

This section shall not affect the authority of the Secretary of the Interior to approve any plan, or to grant any license or permit, which is restricted to scientific exploration or other scientific activities, or other preleasing activities necessary up to the point of sale.

Mr. JOHNSTON. Mr. President, just to repeat, this is the House language. I

offer it as a compromise. I yield the floor.

Mrs. HAWKINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mrs. HAWKINS. Mr. President, I rise in opposition to the amendment presented by the Senator from Louisiana that weakens the buffer zone along the west coast of Florida from offshore drilling included in this conference report.

I must say I am astounded that the same Senator who just 15 minutes ago was dictating to the new Secretary of the Interior how he must change the Interior Department's ways, has already had a change of heart. The Senator from Louisiana's resolution spoke about the failure of the Interior Department to carefully weigh the balance between environmental and mineral interests, that the environment has been shortchanged by the prior Secretary. Indeed it was a masterful memo to Secretary-designate Clark.

I applauded him for his language. I thought it meant that the Senator had changed his attitude on how he felt about correcting the imbalance between preserving Florida's unique way of life and developing hydrocarbon deposits.

I have spoken a number of times on this particular issue on the Senate floor and I will continue to demand that the environmental and economic concerns of Florida be protected from the risks outsiders want to force on us through greatly expanding offshore oil and gas exploration program off our west coast. My colleagues should make no mistake about it. The program has been expanded at an astronomical rate under Secretary Watt. In the years between 1970 and 1981, the U.S. Government offered only 36.9 million acres for oil and gas leasing. That is 11 years. And yet if I had not objected some weeks ago, the Department under the previous Secretary would have leased 58 million acres off the west coast of Florida in one fell swoop alone.

Furthermore, I say to the Senator from Louisiana that everyone knows his State relies heavily on oil and gas development to employ its people. No one in this body begrudges the people of Louisiana for making their living in the oil and gas industry. They are very good at it and they have benefited this country by their efforts. But at the same time the people of Louisiana, other oil States, and the Interior Department cannot rightfully deny the people of Florida their livelihood.

Floridians have a right to expect that our unique natural resources, magnificent beaches, crystal clear water, exotic wildlife, and supreme sporting environment, all unmatched anywhere else in the United States, will be defended seriously by the Department of the Interior.

To the Senators from oil States, I say I know the Nation's major oil and gas companies do not share my view. They are constantly waiting at the door. Every Senator that leaves the Chamber after this vote will meet an oilman. I meet them, too. But you have to tell them no sometimes. For me this is partly an industry versus industry fight; 20 or 30 big oil companies on one side and thousands of individuals in mid- and small-sized companies involved in tourism and fishing on the other side. Both groups have an equal right to do business and prosper in this country, and both groups are equally entitled to representation in the Senate. I believe that the compromise I authored that was incorporated in the supplemental appropriation conference report fairly balances the interests of both groups. Frankly, the way to increase energy independence is to develop our abundant coal resources.

The United States of America is the Saudi Arabia of coal. At today's usage rate, we have over a 1,000-year supply. We should be spending our time scientifically designing ways to safely use coal in this country in new ways, not threatening Florida's way of life by adopting reckless oil development policies.

I ask that my colleagues support the Florida position and not adopt the amendment of the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. CHILES. Mr. President, the hour is late. We have spent a lot of time. Actually, it is not the time to rewrite a conference on the floor at this hour.

The conferees did have time to go into this. They did. They listened to all the arguments, and on the basis of their arguments that is the report that we have before us.

Let me say that Florida is not averse to having some oil drilling off their shore. We have had that before. We have already entered into leases in the Atlantic and entered into leases in the gulf. We have done that under Federal leases.

Florida is concerned that the environmental problems and considerations be taken into consideration.

Why is this problem before us tonight? Let me just tell you why it is before us.

It is before us because the Department of the Interior in effect said, "We are going to issue these leases," and the State of Florida said, "Now wait a minute. Before you issue them, sit down with us and let us share our concerns with you. Let us tell you what we think some of the problem areas are."

And the Department of the Interior was high-handed, was arrogant, and said, "We do not have to listen to you. We are going to lease wherever we want to lease."

The Governor said: "Wait a minute. You know that is not right."

And the Governor then contacted the delegation and said, "For goodness sakes, see if you can give me some help. I cannot get through the Department of the Interior. They have broken off the negotiations with us. They will not negotiate."

So the Florida Congressional Delegation started to go to work. In the House of Representatives, they put in provisions trying to set up a buffer zone. We did it in the Senate.

The distinguished junior Senator from Florida started moving a provision for a buffer zone, and we were saying: "Look, sit down with the State of Florida. Listen to what their concerns are. Let us work out these matters. We already have leases there."

And the Senator from Louisiana said that there are some State leases. Yes, they are. They go back to a lease in 1942, back in a time where, you know, States just did not have sense enough to worry about oilspills and what the problems would be and what the concerns would be, and someone took a lease and took all of the 10 miles of the State of Florida.

Since that time, the State of Florida has been trying to break that lease. They have been in court time after time. In 1976 it was finally a settlement, a negotiated settlement.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. CHILES. I will yield when I get through.

A negotiated settlement. In that settlement, they were able to negate those leases up to a portion of Florida's 10-mile zone, except 3 miles. Another thing they put in that settlement, again trying to see that those leases would be terminated, and they got a 40-year termination where before they had a lifetime lease. They also provided that you just cannot have those leases and sit on them. They made the companies make an exploration well every so often. Hopefully, the companies will not do it. If they do not do it, they break the lease and we get out of it.

But so far, they managed to drill that well to make sure that they put it down. They keep finding dry holes. They are not finding anything in that area. So they have had some leases there, but, as I say, we have had Federal leases. We have agreed to Federal leases before, but we want to do it in safe areas.

What is the State of Florida asking for? The State of Florida is trying to put together an oil spill model, a part of our studies that we are paying our

dollars for, to find out what the dangers will be, and it is going to take us about 2 years to get the data. So we are saying do not go out there and drill all our land. Do not go out there and sell all these leases until we get a chance in the State of Florida to determine what are the other major sensitive areas that there may be so we can exclude those areas.

Let me ask the Senator from Louisiana one thing. Has he ever been to a beach in Louisiana?

Mr. JOHNSTON. Yes.

Mr. CHILES. By golly, I have not, and maybe I am backward about that. But most of the people in Louisiana come to the Florida beaches because they enjoy the kind of sand we have, the white sand we have, Mr. President, and they enjoy the fact that they do not have to clean the oil off their feet when they come out of that beach. They enjoy the fact that we have birds there that can fly because they do not sink with the oil that they have on them.

So we want them to be able to keep coming there. We want them to make all the money they can in Louisiana, drill all the holes they want to drill there, eat all those fish out of that estuary there they want to, and then come and spend their dollars in beautiful Florida because that is what we have going. So we are just saying to Senators tonight, do not let these oil companies come in there before we have the data, and drill all these dadgum holes in our beaches. That is all we are asking.

We will do our share. We have leases off the Atlantic. We have leases off the gulf. We will take a lot more, but we just want to watch some of the careful areas that we do not have it.

Mr. JOHNSTON. Mr President, will the Senator yield,

Mr. CHILES. I will certainly yield.

Mr. JOHNSTON. Mr. President, first of all, I wish to say that people from Louisiana do indeed come to Florida. We have a beach on Grand Isle, but is not as big and not as white as it is on Santa Rosa Island, and we love it there. We want to be able to get there, though. If we do not have the gasoline, we cannot get to Florida.

That is what we are interested in here.

My question to the Senator is this: Is he telling me that the State of Florida in 1976 wanted to break this lease because they did not want any drilling out there, and so, therefore, they entered into a new lease that required them to drill every 5 years? Is that right?

Mr. CHILES. Absolutely.

Mr. JOHNSTON. And that is just indicative of the fact that they wanted to break the lease.

Mr. CHILES. Absolutely.

Mr. JOHNSTON. That required them to drill?

Mr. CHILES. That is right. They said, "If you do not drill, we are not going to let you have this thing forever, as they had it to start with."

Mr. JOHNSTON. Only to 2016.

Mr. CHILES. That is right. But before it was forever. So that is something, if you get it cut to 40 years from forever. That is a pretty good chunk.

But the other thing they said is that you just cannot sit back and wait until you ever want to do it.

Mr. JOHNSTON. You cannot sit back and not drill. You have to drill.

Mr. CHILES. Hopefully, those companies are going to get tired and they are getting tired of drilling that dry hole and having to do one every 5 years, at least one every 5 years. The Senator already told me what the risks are for them to do that. They are going to get dadgum tired of it and going to say, "We better go someplace else."

The Senator from Florida convinced me. When he had the other resolution I voted with him. He convinced me that this Department of Interior had run roughshod over the States. He put particular language in there that we had to change the establishment of policies of leasing public mineral resources under conditions of careful environmental protection.

The "Good Book" says a fountain should not spew forth sweet and sour water.

I do not want the Senator from Florida to be spewing forth any sour water I hope that someone will table this amendment and we can have sweet water, sweet beaches, white sands, and welcome all those people from Louisiana to come to the State of Florida.

Mr. LEVIN. Mr. President, I would like to take a few minutes to discuss with my colleagues the amendment of the Senator from Louisiana.

When I first learned of the resolution of the Senator from Louisiana, I was struck by the elegance of such a proposal. The resolution would give the Senate an opportunity to not only consent—or not consent—to Mr. Clark's nomination, but to advise as well.

Reading through the resolution, section 1 makes certain findings and declarations, while section 2 resolves that it is the sense of the Senate and the advice of the Senate that certain actions be taken. Nothing in this resolution mandates that the new Secretary take any specific action. No rider was attached to the continuing resolution prohibiting the Interior Department from operating unless the advice of the the Senate is followed by a certain date. The resolution simply provides advice, outlining policy areas where the resolution's sponsors believe improvements can be made in the management of the Department of the Interior.

Section II of article II of the Constitution states that —

> The President shall nominate, and by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States.

While it is true that usually the Senate only exercises its right to consent, we certainly retain the power to advise as well as to consent, and given the amount of controversy that surrounded the previous Secretary of the Interior and his policies, a little advice seems to be in order. I do not know why anyone would want to bottle up this nonbinding resolution and prevent the Senate from providing some advice.

The amendment offered by the Senator from Louisiana, of which I am proud to be a cosponsor, states that it is the advice of the Senate that the new Secretary of the Interior should undertake immediate actions to insure that the policies and programs of the Department of the Interior first, conform with the express will of Congress and second, regain general public support and confidence. One would hope and expect that the new Secretary would not have any trouble taking this advice.

I would like to focus attention on item (4) of the resolution:

> Resumption of urgently needed purchases of lands within authorized units of the National Park System, the National Wildlife Refuge System, the National Forest System, and the National Wildlife Refuge System, the National Forest System, and the National Wild and Scenic Rivers System, and of funding for state and local acquistion of park and recreational land.

The establishment of parks and the preservation of undeveloped lands and habitat for wildife have a long history of support throughout the United States. In the State of Michigan, for example, such support comes from local government, individual hunters and fishermen who presently have access to Federal lands, environmental groups, and many others. Secretary Watt broke that tradition. When he took office, Secretary Watt requested only 10 percent of the amount previously requested for the land and water conservation fund (L&WCF), which is used for Federal land acquisition as well as for matching funds for State park and recreation projects. In 1981, Secretary Watt requested a rescission of $250 million from proposed spending for the land and water conservation fund; the Congress rescinded only $90 million. The next year, fiscal year 1982, Secretary Watt asked for a total appropriation for the fund of only $39 million; the Congress insisted on funding at $151 million. In fiscal year 1983, Secretary Watt asked for $69 million, but the Congress insisted upon $227 million—including $75 million for

State matching funds, a program that Secretary Watt continually tried to abolish. In addition, $68 million was added in a fiscal year 1983 supplemental appropriations bill. For the current year, fiscal year 1984, Secretary Watt requested $65 million for the land and water conservation fund and the Congress appropriated $225 million, including $75 million for the States matching program.

His obstinate opposition to requesting adequate funding for the land and water conservation fund raises several questions. This fund is financed through royalties paid for leases issued for exploring Federal offshore oil and gas tracts. Secretary Watt was trying to decimate the fund at the same time that he proposed to lease offshore areas at a faster rate than any other Secretary of the Interior. Under his proposed Outer Continental Shelf (OCS) program, because of increased leasing, more and more money would be available to the fund, but he would be spending less and less. It should be remembered that the establishment of the land and water conservation fund was part of a compromise reached in exchange for expanded Outer Continental Shelf leasing. Those who feared environmental damage caused by increasing offshore drilling were assured that the expanded fund would protect enough areas to insure adequate wilderness and recreation areas. Inadequate spending of the fund, therefore, is inconsistent with the compromise.

The fact that the Secretary never accepted the judgment of the Congress—despite our constant overruling of his budget requests—shows a lack of respect for the Congress.

And to those why ask why these past battles are being discussed now, I would say that we do not know if these battles are yet behind us. Despite the consistent record of congressional disapproval of Interior Department policy initiatives—and I have only discussed one area of disagreement, not mentioning coal leasing, leasing in wilderness, or any of the other areas where the Congress would not accept Secretary Watt's proposals—the nominee for Secretary of the Interior, William Clark, has not committed himself to change any policies of the past Secretary. I find that disturbing and hope if Mr. Clark does not change the policies of the past Secretary, that he too will be checked by Congress.

Mr. JOHNSTON. Is the Senator saying that oil wells drilled in Florida's gulf are sweet and oil wells drilled out a little farther are sour?

Mr. CHILES. The Senator from Florida is saying that we want to keep our white beaches. If the Senator from Louisiana likes his darker beaches, that is all right.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. D'AMATO. Mr. President, I say that the conferees knew what they were doing and did the right thing and afforded the State of Florida and its people along the west coast and beautiful gulf coast the protection to which they are entitled; 18 of the 19 Floridian Congressmen were in favor of this. The two Senators were in favor of this, and the Governor is in favor of this.

As to the amendment by my distinguished colleague today, the Senator from Louisiana knows what it does. It creates a 50-mile buffer. It adds 40 miles additionally between the 26th and 28th parallel and strips down the rest of the coast, strips it down to 10 miles. We are talking about a 1-percent differential in the total area between Senator JOHNSTON's amendment and that agreed upon by the conference. That is what we are talking about.

I think the people of Florida have a right to say where they wish to have the buffer, and that the place they desire to have it is down along the coast, starting from the Apalachicola down to Naples. Additionally, the 10.3 miles was not given to Florida. No one gave that to the people of the State of Florida. That came from the Spanish deeds. The same thing happens in Texas. It is the product of a Supreme Court decision. So we did not give them 10.3 miles.

The fact of the matter is the original agreement on this floor envisioned that 30-mile buffer strip, 20 miles added to the basic 10 miles down along that coast.

I think we knew exactly what we are doing. I think it was environmentally the sound thing to do.

The senior Senator from Florida touched on it. Let us do the environmental studies and ascertain whatever they can tell us.

We should not say what a wonderful thing we did when certain lands were exempted from drilling. To get the Interior Department these days to admit these were environmentally sound lands, they must have been ecologically important, so did not do anything magnificent by doing that.

I would hope that we would continue to honor the conference report because it really makes the most sense.

Mr. HATFIELD. Mr. President, I move to table the Johnston amendment.

Mr. JOHNSTON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon (Mr. HATFIELD) to table the amendment of the Senator from Louisiana (Mr. JOHNSTON). The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Maine (Mr. COHEN), the Senator from Arizona (Mr. GOLDWATER) and the Senator from Virginia (Mr. WARNER) are necessarily absent.

Mr. BYRD. I announce that the Senator from Texas (Mr. BENTSEN) the Senator from California (Mr. CRANSTON) the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Missouri (Mr. EAGLETON) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 71, nays 20, as follows:

[Rollcall Vote No. 378 Leg.]

YEAS—71

Abdnor	Grassley	Nunn
Andrews	Hart	Packwood
Armstrong	Hatch	Pell
Baker	Hatfield	Percy
Baucus	Hawkins	Pressler
Biden	Hecht	Proxmire
Boschwitz	Heinz	Pryor
Bradley	Helms	Quayle
Bumpers	Humphrey	Riegle
Chafee	Jepsen	Roth
Chiles	Kassebaum	Rudman
Cochran	Kasten	Sarbanes
D'Amato	Lautenberg	Simpson
Danforth	Laxalt	Specter
DeConcini	Leahy	Stafford
Denton	Levin	Stevens
Dodd	Lugar	Thurmond
Dole	Mathias	Tower
Domenici	Matsunaga	Trible
Durenberger	Mattingly	Tsongas
East	Melcher	Weicker
Evans	Metzenbaum	Wilson
Garn	Mitchell	Zorinsky
Gorton	Moynihan	

NAYS—20

Bingaman	Heflin	Nickles
Boren	Huddleston	Randolph
Burdick	Inouye	Sasser
Byrd	Johnston	Stennis
Dixon	Long	Symms
Exon	McClure	Wallop
Ford	Murkowski	

NOT VOTING—9

Bentsen	Eagleton	Hollings
Cohen	Glenn	Kennedy
Cranston	Goldwater	Warner

So the motion to lay on the table amendment No. 2644 was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. QUAYLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I know of no other amendments. Therefore, I move that the Senate concur in the amendment of the House to the amendment of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion.

Without objection, the motion is agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. D'AMATO. Mr. President, I am pleased that the conferees on H.R. 3959, the Supplemental Appropriations bill, have resolved their differences on the disposition of redeemable preference shares. That resolution provides that the applications of two railroads, the Erie Lackawanna and the New York, Susquehanna & Western, be given equivalent priority consideration to the extent that their projects can be funded from surpluses derived from existing projects.

It is my understanding that surplus funds from the redeemable preference share program are expected by the Federal Railroad Administration. I urge the FRA to determine the amount of that surplus as expeditiously as possible so the two applicants can proceed with their plans.

The Erie Lackawanna group has invested a great deal of time and effort, as well as local resources, in their effort to reopen the line from Dover to Scranton. The New York, Susquehanna & Western has already played a critical role in preserving local service by buying and operating lines that were scheduled for abandonment.

Both these lines are expected to submit their applications to the FRA in the near future. It is the intent of the conferees that these applications be given equal consideration. Equality is particularly important in this instance because the proposed Dover to Scranton line would be in direct competition with the New York, Susquehanna & Western, which is already operating in the same region and which serves the same New York metropolitan area that the new line hopes to serve.

I want to stress to my colleagues the admirable job the New York, Susquehanna & Western has done in preserving service along lines that were to be abandoned by Conrail and other bankrupt carriers. Moreover, they have accomplished this with private investment and must now use a significant portion of operating revenue to pay the debt on its market rate loans.

Any decision on low interest loans for a direct competitor to the New York, Susquehanna & Western must take into account the competition among rail carriers serving this region. I am pleased the conferees have insisted that the FRA make equity a prime consideration as they deal with these applications.

ORDER OF PROCEDURE

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, that completes action now on the supplemental conference report. I congratulate the distinguished managers of this bill, Senators HATFIELD and STENNIS.

I also congratulate the distinguished Senator from Utah (Mr. GARN) who managed the Garn amendment, which was a heroic undertaking.

Mr. President, in a moment, when I have had an opportunity to confer with the minority leader, I want to try to get to the debt limit conference report. The House has requested that we act first. They are prepared to act. I believe we can do that by voice vote.

Mr. President, the conference report, which will be described by the distinguished chairman of the Finance Committee when the papers are delivered to the desk, as I understand it is a clean extension of the debt limit but with a funding level that carries it to some time in April, which is an approximation of the Armstrong amendment plus a little.

That was agreed to quickly by the House and the Senate conferees. As soon as we get the papers here, I hope we can go ahead with it.

I thought when I began this little dissertation that we had the papers, but I am told they have flown the coop.

So, Mr. President, I will try very hard to find them. When we do that, that will be the last business we will attempt to transact this evening.

Mr. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. Yes.

Mr. BYRD. I wonder if there is any objection to having a voice vote so that Senators could go home.

Mr. BAKER. I would heartily endorse that.

Mr. EXON. Reserving the right to object, let us clarify something here so that we know what we are doing. As I understood the explanation that has been offered by the majority leader, the conference is coming back with essentially all of the amendments that were passed over here, including the War Powers Act amendment, knocked off in conference and they are coming back essentially with the Armstrong amendment only. That is the only amendment that was passed in the Senate in connection with this bill. All the others have been eliminated?

Mr. BAKER. Mr. President, I am not intimately familiar with the process, but it is my understanding that, in the House, the House and Senate conferees unanimously decided to bring back a clean bill and they dropped off everything the House had added and everything the Senate had added with the exception of the reduced funding level which was, of course, the Armstrong amendment.

Mr. EXON. Further reserving the right to object, then, as I understand the situation, the Senate would not have spoken on the War Powers Act with regard to Grenada?

Mr. BAKER. Mr. President, I believe that is correct.

Mr. EXON. Mr. President, I reserve the right to at least ask for a rollcall vote.

Mr. BAKER. Mr. President, we do not have the papers here yet. As soon as they are here, we will address this matter again.

There are other conference reports. While I confer with the minority leader on what else we might be able to do, I suggest the absence of a quorum.

Mr. BYRD. Will the Senator withhold?

Mr. BAKER. I withhold the request momentarily.

Mr. BYRD. May I say my suggestion would be based on the understanding that we will have to take another look at that in April under the compromise.

Mr. BAKER. That is correct, yes.

Mr. BYRD. Did the majority leader say something about when he would call up the nomination?

The PRESIDING OFFICER. Will the Senator suspend? Will Senators please take their seats? Will those staff people without seats please clear the Chamber?

The majority leader.

Mr. BAKER. Mr. President, let me get my bearings for a moment and see what we can do.

Mr. President, let me check and see what conference reports we have that we might be able to do, or other matters. It is not the intention of the leadership to ask the Senate to have another roll call vote tonight. Let me explore what we can do. I cannot yet say there will be no more because I do not have control of that. It is my intention to arrange matters that way.

Mr. President, while the leadership on this side attempts to get its bearings, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TO EXTEND THE EXPIRATION DATE OF SECTION 252 OF THE ENERGY POLICY AND CONSERVATION ACT

Mr. McCLURE. Mr. President, I ask unanimous that the Senate turn to the consideration of H.R. 4194, an act

to extend the expiration date of section 252 of the Energy Policy and Conservation Act. This has been cleared on both sides of the aisle.

Mr. BYRD. Mr. President, reserving the right to object, and I will not object, is it the understanding that there is one amendment?

Mr. McCLURE. One amendment which I will offer on behalf of myself and the Senator from Ohio (Mr. METZENBAUM).

Mr. BYRD. Would the Senator be willing to limit it to one amendment?

Mr. McCLURE. Mr. President, I ask unanimous consent that only one amendment be in order, that to which I just referred.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I further ask unanimous consent that the time on the bill be limited to not to exceed 15 minutes, to be equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. METZENBAUM. I would like to speak for 10 or 12 minutes.

Mr. McCLURE. Would that be enough time for the Senator?

Mr. METZENBAUM. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The bill clerk read as follows:

A bill (H.R. 4194) to extend the expiration date of section 252 of the Energy Policy and Conservation Act.

The PRESIDING OFFICER. Without objection, the Senate will proceed to consider the bill.

The Senate proceeded to consider the bill.

AMENDMENT NO. 2645

Mr. McCLURE. Mr. President, I send an amendment to the desk in the nature of a substitute on behalf of myself and the Senator from Ohio (Mr. METZENBAUM) and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Idaho (Mr. McCLURE), for himself and Mr. METZENBAUM, proposes an amendment numbered 2645.

Mr. McCLURE. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

That subsection (j) of section 252 of the Energy Policy and Conservation Act (42 U.S.C. 6272(j)) is amended by striking out "December 31, 1983" and inserting in lieu thereof "June 30, 1985": *Provided, however, That such provision shall terminate on June 1, 1984, unless a statute has been signed into law to authorize standby authorities to the President to allocate crude and petroleum products for essential domestic use during an international oil shortage.*

Mr. McCLURE. Mr. President, I yield to the Senator from Ohio.

Mr. METZENBAUM. Mr. President, in general, I am opposed to section 252 of the Energy Policy and Conservation Act, which this amendment reauthorizes. That is the part of the bill that extends the exemption from the antitrust laws to major international oil companies that are involved with the International Energy Agency. It provides a limited defense against antitrust suits. As I stated before, I do not believe that it is sound policy to provide the major international oil companies with limited immunity from antitrust laws, since that kind of immunity allows companies to share data about the world market and to divide up the world oil supply in times of an international shortage, all under Government sanction.

As a matter of fact, whether there is or is not a shortage, it provides for an exemption for them to meet and work together in connection with an international agency. I am frank to admit that I do not think I have that much confidence in providing any exemption from the antitrust laws to the oil companies in this instance or any other. I further say that I do not believe that we get back that which we give in permitting the oil companies so to participate.

This authority has been extended nine times since 1979. I have opposed a long-term extension of the authority because of my reservations about giving that kind of blank check to the oil companies that participate in IEA. In the past, however, I have been persuaded to allow the extension of the section 252 antitrust defense in order to maintain U.S. participation in the IEA.

I believe that there is a real question that faces us in Congress as to whether or not there is any gain whatsoever for our country to be participating in the IEA. That is a broader question than the antitrust exemption but participation in the IEA makes it possible for this Nation to give up a share of its oil supply to other nations and, in my opinion, I think we get very little back from those other nations for our participation.

This issue before us this evening relates to a different issue.

The bill before us, S. 1982, would extend the antitrust defense under section 252 of EPCA through June 30, 1985.

In response, Senator McCLURE, on behalf of himself and me, has offered an amendment, accepted by voice vote in committee, which says simply that such a longer term authority "shall terminate on June 1, 1984, unless a statute has been signed into law to authorize standby authority to the President to allocate crude and petroleum products for essential domestic use during an international oil shortage."

In other words, if the administration believes there is enough reason to participate in IEA, and to provide oil companies with immunity from antitrust laws, then it should support some type of standby allocation program to protect the American public.

But when we sent legislation to this effect to the President, he vetoed it. If we do not have this kind of protection in place through legislation to that effect by June 1, 1984, I believe it is time for us to cancel our Nation's participation in the IEA. I here and now announce that I shall do everything possible to block our further participation in the IEA after June 1, 1984, unless, prior to that time, we have some kind of standby allocation program to protect the American public.

Mr. President, I believe that this amendment will spur the Senate, and Congress as a whole, to pass legislation once again to authorize standby controls in case of major oil shortage. Similar legislation, S. 1503, the Standby Petroleum Allocation Act of 1981, passed the Senate on October 29, 1981, by the overwhelming vote of 85–7. The conference report on that legislation was adopted 86–7 by the Senate on March 2, 1982, and by the House by a vote of 246–144.

My good friend from Idaho (Mr. McCLURE), and the distinguished majority leader, (Mr. BAKER) attempted to dissuade President Reagan from vetoing the bill, but it was vetoed on March 20, 1982.

The final Senate action occurred when Senator McCLURE tried to override the veto on March 24, 1982. The override veto received more than a majority of the Senate, but failed to receive the required two-thirds and therefore failed on a vote of 58–36.

Mr. RANDOLPH. May I interrupt my able colleague from Ohio?

Mr. METZENBAUM. Without its counting against my time limitation. I ask unanimous consent that my friend from West Virginia may interrupt me but, since I am on limited time, I would not want to have it charged against me.

Mr. RANDOLPH. I would not want to disturb my colleague.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I listened very carefully to my colleague. Especially, I listen carefully to all my colleagues when they begin to talk about those fuels which take care of the United States of America and other countries of a shrinking Earth.

We have no realization of what would happen in the United States of America with the failure to provide alternate fuels in case the so-called oil

glut is repeated with another OPEC of one type or another.

Mr. METZENBAUM. The Senator, as usual, is right on target, absolutely. The distinguished Senator from West Virginia is a pioneer in this area. He was one of the first Members of Congress to introduce a Synthetic fuels bill and his efforts should be applauded.

Mr. RANDOLPH. Synthetic liquid fuels; I repeat here tonight as I have over and over again, it is a tragedy that the Congress of the United States and the administration, whatever it may be, does not provide for a program of alternative fuels synthetic in nature, using coal, shale, forestry, and agricultural products. I hope my colleagues will just allow me this extra word.

The Congress—this Congress, next year, January, February, and March—should come to grips with this subject matter and see that there is a program that is realistic for the people of America in the future.

Mr. METZENBAUM. I could not agree more with my colleague from West Virginia. We have been remiss and the administration has been remiss in its responsibilities in that very area.

Mr. PRESIDENT. I believe this provision requiring the passage of standby authority has a majority support in the Senate. I believe that the political climate has changed sufficiently that, if necessary, we could override a veto.

In any event, I believe it is imperative that the U.S. Government take action to protect the interests of the American public in times of an oil emergency.

Recently, the 21-member countries of IEA conducted an extensive mock drill to determine whether its allocation procedures would actually work in time of a major oil shortage. The American Government participated in all facets of the drill. Representatives from the Departments of Energy, State and Justice participated. Mock demonstrations, mock press conferences, letters of memorandum were all part of the drill.

That drill showed a number of things would happen under current policies if we faced a major oil shortage today.

First, it showed that the official position of the Reagan administration is to let price of oil triple to $98 per barrel or higher without any government intervention.

No effort was made to allocate oil to hospitals, or fire departments, or farmers, or any other critical use. The so-called free market would prevail. If you can pay for it, you get it. And if you cannot pay for it, even in the time of an oil shortage, that is your tough luck.

As I said at the recent hearings, I believe that is politically naive. I do not think the American people will let prices triple without calling for Government intervention.

The second lesson drawn from that mock drill is that, according to our agreements with other countries through the IEA, the United States will actually be forced to contribute oil to other countries in the time of shortage. And for no logical reasons. We get nothing in return.

Under the IEA agreement, we would practically double our shortfall.

That is right. If the Straits of Hormuz were closed this week, the United States would suffer an automatic shortfall in oil imports of 1.3 million barrels per day.

But we would be required under our IEA agreements to provide an additional 900,000 barrels of oil per day to other countries, including Japan and European countries, causing a greater shortage for the American public.

By comparison, in 1973 the United States lost 1 million barrels of oil per day during the OPEC boycott. The result was panic at the gas lines, hoarding of private stocks, and escalating prices. We can all remember those days.

In 1979, Iranian oil was cut off to the United States. Although other oil-producing nations stepped in to help us out, resulting in almost no net loss of oil to the United States, the effect was much the same—panic buying, hoarding, and almost a doubling of gasoline prices.

So now the Reagan administration says it will not only let the price of oil increase to $98 per barrel or higher, but it will redistribute our remaining oil to other countries, causing an oil shortfall twice as great as we faced in the 1979 boycott.

Again, Mr. President, I believe that is politically naive. I do not think the American people will ever stand for it.

Finally, we learned during this mock drill the oil stored in our strategic petroleum reserve—at last count about 370 million barrels—will not be distributed according to any emergency allocation plan to the Nation's farmers, hospitals, emergency services, utilities, or to anyone else.

Instead, the official position of the Reagan administration is to auction off the strategic reserve oil to the highest bidder, including speculators, the large oil companies, and even foreign governments.

Mr. President, that oil belongs to the American taxpayers. At today's prices it is worth more than $11 billion. It is being purchased and stored for the explicit purpose of providing a backup supply to essential services in case of an emergency.

Yet the administration refuses to implement a policy that guarantees that the American public will actually receive the reserve oil in time of an emergency.

Once again, Mr. President, I believe that is politically naive. The American people are entitled to better than that.

Perhaps the administration really believes that the American people will let the free market prevail in the case of a major international oil shortage. I do not. I believe the public will demand action—just as it has in previous oil emergencies.

Therefore, I believe it is time to link these two issues. If we are to continue participation in the international energy agency—that is, if we are going to commit our nation's oil to other countries in time of emergency—then we must, at the very least, be prepared to protect our own citizens.

Such an oil emergency is not a remote threat—it is a real threat, as we all know by reading the daily accounts of events in the Mideast and in the long war between Iran and Iraq.

If the Reagan administration is not willing to support and implement standby authority to allocate oil supplies in the event of an international shortage, we have no business participating in an international agency that allows major oil companies to allocate oil in the international markets with immunity from U.S. antitrust laws and which actually requires a great sacrifice on the part of the American public.

I am pleased that this amendment has been accepted, and I look forward to prompt action in the next session to fulfill the mandate to authorize a standby allocation program.

We owe that to the people of this country. We owe it to ourselves. I hereby indicate that if we do not do something about that in this country, then we have no right to be participating in an international program to the same effect, and this Senator will resist any further effort to provide an antitrust exemption for the oil companies of this country to participate in the IEA.

I thank the chairman and I thank the manager of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

So Mr. METZENBAUM's amendment (No. 2645) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. McCLURE. Mr. President, the distinguished Senator from West Virginia (Mr. RANDOLPH) has requested to be added as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr President, S. 1982, as amended, does two things: First, it amends section 252(j) of the Energy Policy and Conservation Act, EPCA, by extending until June 30, 1985, the expiration date for the limited antitrust defense afforded domestic oil companies by section 252 with respect to their participation in the voluntary agreement and plan of action to implement the international energy program. Under present law such authority would expire on December 31, 1983.

Second, it provides that such exemption shall terminate on June 1, 1984, unless a statute has been signed into law to authorize standby authorities to the President to allocate crude and petroleum products for essential domestic use during an international shortage.

Mr. President, on June 25, 1983, I introduced S. 1678, the Energy Emergency Preparedness Act Amendments of 1983, to strengthen our Nation's energy emergency preparedness consistent with the policy set forth in section 271 of EPCA, and for other purposes. That measure also contains an extension of section 252(j) of EPCA until June 30, 1985. In addition, that measure contains the elements of an understanding with the administration on a compromise on the strategic petroleum reserve and energy emergency preparedness. That agreement, which is reflected in letters of July 19, 1983, from the Director of the Office of Management and Budget, David A. Stockman, and the Secretary of Energy, Donald Paul Hodel, does not include authorities for standby price and allocation controls.

On October 19, 1983, the committee held a hearing on S. 1678. The administration strongly supported extension of the antitrust defense afforded by section 252 of EPCA to U.S. oil companies participating in implementing the voluntary agreement in the international energy program, IEP.

There presently are 21 signatories to the international energy program consisting of most of the principal industrialized oil-consuming nations. The agreement provided for creation of the International Energy Agency, IEA, as an autonomous entity with the Organization for Economic Cooperation and Development, and established an international oil-sharing system for use during oil supply emergencies, and an information system on the international oil market. It also required each country to establish emergency petroleum reserves, and to have a means for restraining demand for petroleum products in the event of an interruption of petroleum supplies to the IEP countries.

Section 252 of EPCA sets out procedures applicable to the development or carrying out of voluntary agreements and plans of action to implement the allocation and information provisions of the IEP. Pursuant to this authority, effective March 21, 1976, U.S. oil companies entered into the voluntary agreement and plan of action to implement the international energy program—the voluntary agreement—41 F.R. 13998, April 1, 1976. At present, 20 U.S. oil companies, including both major international oil companies and independent oil companies, are participants in the voluntary agreement.

The antitrust defense made available by section 252(f) of EPCA is essential to the participation of U.S. oil companies in the voluntary agreement and, through it, in the IEP. The IEP, in turn, can function effectively only with participation in the international oil market by U.S. and foreign oil companies which would be the primary actors in the redistribution of oil if the IEP's emergency sharing provisions were activated.

The major aspects of participation with our allies in the IEP emergency sharing system were reviewed by the Deputy Assistant Secretary of State for Energy Policy, E. Allan Wendt, before the committee on October 19, 1983. The benefits of our participation in this system are: First, the IEA emergency system provides a mechanism that mitigates the economic damage from an interruption of oil imports. Under the terms of the IEA's emergency oil allocation system, our IEA partners guarantee that in a major oil crisis, the United States will not absorb a greater portion of an oil supply shortage than that which they themselves are absorbing. For this assurance, we in turn have a similar pledge.

Second, in the national security area, it has long been a fundamental tenet of our national security policy that the safety of the United States is inextricably linked to that of its allies in Western Europe and the Far East. Over the years we have made enormous sacrifices and investments in support of those alliances. The U.S. commitment to the IEA and its sharing system is one of those investments.

Most of our allies are more dependent upon imported oil than we—and some of our allies are nearly totally dependent on imported oil. An interruption of major proportions could provoke a divisive competition for oil supplies among us and our allies. Some of our allies in Europe and the Far East would be under strong pressure to make accommodations necessary to secure vital oil supplies. Such accommodations could seriously affect our ability to deal with the situation, and might well alter the shape of our alliances for some time to come. The IEA sharing system is designed to reinforce our alliances at a time of energy crisis and to distribute the burden of dealing with disruptions in an equitable manner.

In addition, competitive panic buying among the major industrialized countries can lead to exaggerated price rises that go far beyond what the fundamentals of the market would suggest. The economic damage from an exaggerated price runup could be severe for us and our allies. Cooperation, including exchange of information, together with sharing among the major industrialized countries would help calm markets and avoid unnecessary economic damage. Further, the IEA agreement and U.S. policy place heavy emphasis on individual country stock levels. Currently, most IEA countries have in excess of 90 days of imports in stock. This is another element that would contribute significantly to price stability in a major disruption.

The third major benefit of our participation in the IEA is the opportunity it provides for consultation and coordination among governments. Examples of this kind of cooperation are many, but one of the most recent and compelling concerns the Soviet gas pipeline. A contentious and divisive problem was successfully resolved through IEA efforts culminating in the energy requirements and security study conducted by the combined IEA/OECD Secretariat. IEA and OECD ministers in May of this year endorsed a set of policy conclusions drawn from the study. These conclusions establish principles for the secure development and use of natural gas and create a framework for continued review of gas security issues. Through this study and followup efforts now underway, OECD countries are a good deal more aware of gas security issues and are committed to avoiding undue dependence on any single source of gas.

Thus, it is fair to conclude that our participation in the IEA is as relevant to our security interests today as it was when the Agency was created in 1974.

On November 9, 1983, the Committee on Energy and Natural Resources, in an open business meeting with a quorum present, by a vote of 18 ayes and 1 nay, recommended that the Senate pass S. 1982 as amended.

Mr. President, enactment of this measure should not result in a greater expenditure of funds than already provided in appropriations acts. I ask unanimous consent that there be printed in the RECORD at this point in my remarks the estimate of costs of this measure provided by the Congressional Budget Office.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., November 9, 1983.

Hon. JAMES A. MCCLURE,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared a cost estimate for S. 1982, a bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act, as ordered reported by the Senate Committee on Energy and Natural Resources, November 9, 1983.

The bill extends until June 30, 1985, section 252 of the Energy Policy and Conservation Act. The authorization, however, expires on June 1, 1984 unless a statute is signed into law granting the President authority to allocate crude and petroleum products during an international oil shortage. Section 252 provides antitrust immunity to oil companies participating in the international energy program. These companies meet to develop plan for implementing allocation agreements in the event of an oil disruption emergency. Based on information from the Department of Energy, the State Department, the Department of Justice, and the Federal Trade Commission, the costs for federal officials to monitor meetings and prepare transcripts as required by section 252 is estimated to be approximately $0.1 million through June 1, 1984, and an additional $0.3 million through June 30, 1985, if the required statute becomes law. This estimate assumes that the emergency oil allocation system is not activated during this period.

Enactment of this bill would not affect the budgets of state and local governments.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

JAMES BLUM,
(For Rudolph G. Penner, Director).

Mr. McCLURE. Mr. President, as I mentioned, the bill would amend section 252(j) of the Energy Policy and Conservation Act by extending from December 31, 1983, to June 30, 1985, the expiration date of the limited antitrust defense afforded by section 252(f) of EPCA to U.S. oil companies participating in implementing the voluntary agreement and plan of action to implement the international energy program. Under present law, section 252 would expire on December 31, 1983.

The bill also provides that section 252 shall terminate on June 1, 1984, unless a statute has been signed into law to authorize the President to allocate crude and petroleum products for essential domestic use during an international oil shortage.

Mr. President, this last provision is an amendment by the Senator from Ohio (Mr. METZENBAUM). The amendment relates to the continuing debate on the issue of whether the Federal Government should have available standby price and allocation controls for petroleum products. It is important to indicate that we have been down that road before. After prolonged debate, the Congress in 1982 approved a bill providing for standby price and allocation controls to be utilized in the event of energy supply emergencies. The President vetoed it. We did not override the veto. That is not to say that additional authorities are not needed. I have not abandoned the desire on my part to have additional authority vested in the Federal Government to take appropriate action in the event of a national petroleum emergency.

As I noted earlier, I have been working with the administration over the past year to clarify and strengthen the authority that the administration expects to use in the event of a national energy emergency. That agreement is reflected in S. 1678, which is currently pending on the agenda of the Committee on Energy and Natural Resources. The committee will return to markup of that measure at the earliest practicable time. In my judgment, that measure represents as much progress as we are likely to make right now towards strengthening our energy emergency preparedness capability. I would emphasize that S. 1678 is not, and will not become, a standby price and allocation measure.

In the interim, until S. 1678 can be enacted into law, the committee recommends that the Senate approve S. 1982.

The PRESIDING OFFICER. Is there any further discussion or debate on the bill? If not, the bill having been read a third time, the question is, shall it pass?

So the bill (H.R. 4194) was passed.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I have three or four other matters that I would like to do tonight, but as I indicated earlier I would prefer not to do them tonight if there is an insistence on a rollcall vote or a strong indication that there may be one. They are all conference reports: Debt limit I have already mentioned, revenue sharing, which is here and available, the agriculture conference report, which is the dairy and tobacco adjustment conference report, the tribally controlled Community College Assistance Act of 1978, and the agriculture PIK conference report, which is the conference report on 3385.

Those we can do tomorrow or if they are not going to require rollcalls I will plan to do them tonight.

Mr. President, what I would like to do, if we can, is dispose of these conference reports, all or some part of them and before we go out tonight lay down the Clark nomination for consideration in the morning.

I have not cleared that on either side as a matter of fact, but I just say that so Senators are on notice that the leadership on this side would like to do that if we can. We still have reconciliation to do. We still have the Natural Gas Act to do, and Defense appropriations. We have State and Justice authorization, which we hope we will be able to do, but it will require a rollcall and will not be until tomorrow.

Mr. McCLURE. Will the Senator yield?

Mr. BAKER. Yes.

Mr. McCLURE. There is one other item I think we have to do, and that is the adjournment resolution.

Mr. BAKER. It has not escaped my notice.

Mr. President, I would like now to ask the Senator to turn to the debt limit conference report, but, as I said earlier, if there is a request for a rollcall, I would not want to do that tonight.

INCREASE IN PUBLIC DEBT LIMIT—CONFERENCE REPORT

Mr. BAKER. Mr. President, I submit a report of the committee of conference on House Joint Resolution 308 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.J. Res. 308) increasing the statutary limit on the public debt, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of today, November 17, 1983.)

Mr. DOLE. Mr. President, let me explain the conferences agreement briefly because there was a question asked earlier. I shall take only a minute.

The debt limit under current law is $1.389 trillion. The Armstrong amendment, which we adopted in the Senate, set a limit of $1.450 trillion. The conference report before us provides a debt limit of $1.490 trillion.

I would add that the Treasury estimates that this amount of an increase is sufficient to fund the operations of the Federal Government through April 7, 1984.

We added another $40 billion over and above the Senate figure because we felt that when we come back in session in late January, and February is sort of a mixed month, and that would give us sufficient time to act before the expiration date.

Mr. President, in response to the inquiry from the distinguished Senator from Nebraska (Mr. EXON)—may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOLE. In the Senate there were about seven amendments adopted that were, as I said at that time not relevant to the subject of the debt limit. We in the Finance Committee had no jurisdiction of Grenada, the War Powers Act, the Cuban prisoners, and other matters that members raised. Therefore, we perhaps did not do a very good job, debating the amendments and a lot of them were adopted. So we took all those amendments to the conference tonight, and I must say the chairman of the House Ways and Means Committee indicated very clearly to myself and to the Senator from Louisiana, Senator LONG, that they had no jurisdiction of any of those matters that they could not accept any of those matters, and we felt that their message was rather strong and clear. So we yielded to their position.

There were however two sense of the Senate resolutions passed, one by the Senator from Louisiana, Senator LONG, with reference to the debt ceiling; and one by the Senator from Montana, Senator BAUCUS, with reference to meat exports, and the statement of the managers on this bill reflects the fact that those were sense of the Senate amendments, that they do reflect the Senate's view, but that no legislative language was needed in the conference agreement to make that point. That took care of the amendment.

We had a very brief conference because the primary concern was the level of the debt ceiling, and that, as I said, now is proposed to be set at $1.490 trillion.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. DOLE. Mr. President. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, may I say to those who are concerned about the war powers legislation, as I am concerned about it, the Senate adopted an amendment to the debt limit bill by Mr. HART which I believe was worded exactly as was a joint resolution that was passed by the House of Representative (H.J. Res. 402) and which resolution is on the calendar of the Senate now.

That resolution produced a "finding" that the War Powers Act had been triggered by the events that occurred in Grenada. The Hart amendment did the same.

I have three things to say. One, it is not required that Congress "find" that the War Powers Act has been triggered. Events themselves determine that, and both Houses have——

Mr. FORD. Mr. President, may we have order, please.

The PRESIDING OFFICER. The chair will advise and ask the Sergeant at Arms to clear the Senate of all those who are not Members of the Congress and those who are not seated. The Chair would ask the Senate to please be in order.

The minority leader.

Mr. BYRD. I thank the distinguished occupant of the chair.

As I was going to say, and I will say again, each House has produced legislation "finding" that the War Powers Act, sections 4(a)(1) and 5(b), was triggered by events that occurred in Grenada. Both measures have identical language. But they were like two ships passing in the night. The Senate acted on one vehicle; the House of Representatives acted on another. But both houses have acted "finding" that the War Powers Act sections I referred to have been triggered.

That, as I said before, is not a necessity, but I think I should state just for the record, I think it might help in the event that the legislative history might be important in some future case, that both Houses have made that same "finding," although on two separate vehicles, in the event that there is a court case. These facts would be made clear by the record.

Also I wish to state that the majority leader and I have discussed this matter, and if there is a necessity for the Senate to come back and act on that House joint resolution or take some other action, I am satisfied by my conversation with the majority leader. I will not reveal the content of that conversation. I think that is for him to decide when and how to reveal that.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. BYRD. I yield the floor.

Mr. BAKER. Mr. President, I thank the minority leader for his reference to our conversation on this subject, and we have had more than one conversation on the subject.

Indeed the minority leader has been instrumental in making suggestions on the form of the adjournment resolution that has been adopted by the House of Representatives and will be adopted by us on tomorrow which provides that, of course, not only can Congress be reconvened at the call of the President but Congress can be reconvened as well by the call of the joint leadership, the House of Representatives, and the Senate, being the Speaker and the majority leader in the House of Representatives and Senate in consultation with the minority leaders in both Houses.

In addition to that, Mr. President, there is a provision, of course, as Members recall, in the War Powers Act itself, for the reconvening of Congress under certain circumstances on petition of a certain number of Members.

But against that background, Mr. President, I wish to assure Senators, as I have indicated to the minority leader, that I have no hesitation in saying that if there is any matter that develops on the international arena that appears to require our attention in the context of the War Power Act, I will not hesitate one moment in consulting with the minority leader and with the Speaker of the House of Representatives in preparation for the return of Congress during the time we are in recess.

I make that representation freely, voluntarily, and publicly, and I say that my friends and colleagues know that.

Mr. EXON. Mr. President, I thank the minority leader and the majority leader for their comments, and I am reassured by what I heard from both of them, and it takes away most of the concerns that I had when I raised the point a few moments ago.

I thank both the majority leader and the minority leader.

Mr. BAKER. Mr. President, I thank the Senator from Nebraska.

First, I thank him for his diligence in being concerned and, second, I thank him for his understanding and his agreeing that we might proceed in this way.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, may I now announce there will be no more record votes tonight.

There are other matters that we may take up but if there are to be rollcall votes on them, we will put them over until tomorrow.

Mr. President, may I inquire now of the minority leader if he would be in a position to go to the revenue sharing conference report, which is the conference report on H.R. 2786. I believe it is noncontroversial.

Mr. BYRD. Mr. President, does the distinguished Senator from Arkansas wish to respond? If he does, I will withhold any comment.

Mr. BUMPERS. The distinguished Senator from Arkansas would simply wish to know what is the format on the Clark nomination. In other words, I would hope that the majority leader

will not ask us to debate that matter tonight and vote on it tomorrow.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. BUMPERS. I am happy to yield.

Mr. BAKER. Mr. President, I will not.

I discussed with the minority leader the possibility of laying down the nomination tonight. I may have mentioned that, but I believe that is not wise. I believe it is not advisable. So I will not ask that that nomination be laid down tonight.

Sometime in the morning I would expect to do that, but it will not be done tonight.

Mr. BUMPERS. What time would the majority leader plan? That being an executive matter, that would be on the Executive Calendar. What time would the majority leader anticipate we might get to it?

Mr. BAKER. Yes.

What the leadership on this side plans to do is ask the Senate to come in at 9:30 a.m. After the opening formalities are dispensed with, we will probably be 10:30 a.m. or thereabouts before we get onto the pending business.

Now, if we need to go back to reconciliation perhaps that may take some time. We might need to go back to natural gas perhaps. That may take some time. But I do not see the likelihood that we will be on the Clark nomination before 11 or 11:30 a.m. or maybe even 12 o'clock.

Mr. BUMPERS. I thank the majority leader.

Mr. BAKER. I thank the Senator from Arkansas.

Mr. BYRD. Mr. President, in response to the majority leader's inquiry about the revenue sharing conference report, we have run our lines on that and we find no problem in taking that up.

Mr. BAKER. I thank the minority leader.

REVENUE SHARING—CONFERENCE REPORT

Mr. BAKER. Mr. President, I submit a report of the committee of conference on H.R. 2780 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2780) to extend and amend the provisions of title 31, United States Code, relating to the general revenue sharing program, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of today, November 17, 1983.)

Mr. DOLE. Mr. President, I am pleased that the Senate now has the opportunity to consider the conference agreement on H.R. 2780, legislation to extend the general revenue sharing program for 3 years. This is a good agreement, a responsible bill from the standpoint of fiscal policy, and good news for cities, towns, and counties throughout the country.

As members of the Senate know, the House, and Senate, and the President have long been in substantial agreement on most of the basic issues in connection with extending revenue sharing. Both Houses of Congress passed bills authorizing a 3-year extension, as President Reagan requested earlier this year. Both bills kept the revenue sharing formula essentially intact and both provided for studies of different formula options. Aside from some technical provisions and simplifications in the administration of the program—matters discussed in the statement of managers reflecting the conference agreement on H.R. 2780, which I will ask to have placed in the RECORD following my remarks—the major issues between the House and Senate were the funding level, possible changes in the audit requirement for governments receiving revenue sharing funds, and the scope of the study of revenue sharing alternatives. Each of these matters has been resolved to our satisfaction, and I hope to the satisfaction of the Senate.

FUNDING LEVEL

Mr. President, it is well known that the question of the funding level for revenue sharing was the most important matter before the conferees, and was the only real obstacle to reaching agreement. Your conferees held fast to the view expressed by the Senate that, while revenue sharing should not be cut, neither should it be increased at this time of severe fiscal stress. I am happy to report that our view prevailed: the conference agreement now before us provides for a 3-year extension of revenue sharing at the current funding level of $4.6 billion per year.

There are many reasons why all parties to the agreement ought to be satisfied with this result. Despite our deficit problem, no one seriously advocated cutting revenue sharing—a sign that Congress understands the financial problems that local govenments and States are experiencing, just as the Federal Government is in a fiscal bind. But however stong our desire to maintain good relations between the Federal Government and localities, it was hard to justify an increase in revenue sharing funds at this time. Earlier this year it seemed some tradeoff might be possible, whereby revenue sharing funds might be increased in other grant funds were offset accordingly. But that was before we pased a $4.6 billion jobs bill, most of which is channeled to the State and local level for specific projects. That was before we were convinced that the Federal Government faces $200-plus billion deficits for the foreseeable future.

Mr. President, the only sensible compromise was to continue the revenue sharing program, but to keep funding at the current level. That was not only the strongly expressed view of the Senate, which rejected the House funding level by a vote of 64 to 30, but of the President of the United States. The President not only recommended legislation to maintain level funding of revenue sharing, he advised us by letter that he could not approve legislation that increased funding. A similar letter was sent by David Stockman, Director of the Office of Management and Budget. So as a practical matter, in the interest of expediting agreement on revenue sharing legislation and to reassure the city, town, and county officials who have prepared budgets based on continuation of revenue sharing, level funding always made the most sense.

It is true that the budget resolution for fiscal year 1984 allowed for an increase in revenue sharing. It is also true that the budget resolution, despite the hard work of the Budget Committees, did not do enough to control spending to make the proposed tax increases it calls palatable to Members of Congress. In the Finance Committee we operated on the assumption that we should do better than the budget resolution, and we are still trying to reach that goal. One way we are doing it is by preserving revenue sharing at current funding, and I hope the Senate will promptly ratify the conference agreement that does just that.

AUDITS

Mr. President, the second major issue for the conferees was the question of increasing the audit requirements imposed on governments that receive revenue-sharing funds. The President proposed, and the House passed, a provision that increased audit coverage from once every 3 years to once a year, or every 2 years for governments on a biennial budget—provided that the audit covered both years. The House bill also made some more technical changes in the audit provisions of the revenue-sharing law. The Senate, on the other hand, maintained present law—one audit every 3 years, covering only 1 of the 3 years.

Our conferees were unanimous in feeling strongly that the audit provisions should not be made more onerous—and they held firm in secruing agreement that the changes in audit requirement should minimize the

burden on smaller governments. In this area we believe the conference agreement strikes a sensible compromise that will meet with the approval of the Senate. Under the agreement, the new requirement for an annual audit will apply only to governments that receive $100,000 or more in revenue-sharing funds each year. For governments receiving $25,000 to $100,000, present law will continue to apply—one audit every 3 years, covering 1 year. Future audits will have to meet GOA standards, and most present-law waiver authority is retained. This is a good agreement that will give us more current information on use of funds by recipient governments, while protecting smaller governments from an unnecessary financial burden.

STUDY

Mr. President, the final major issue for the conferees was the study of revenue-sharing alternatives and related issues of Federal-State relations. Here the main concern of the Senate was to keep the study sufficiently broad in scope to give proper weight to various alternatives that have widely differing impacts on different regions of the country, and to insure that adequate funds would be provided to make the study meaningful. Again, I believe the conference agreement serves these goals admirably. The agreement reduces authorized funding from the Senate-proposed level of 5 percent of the cost of administering revenue sharing to 3 percent of that cost. In addition, the study incorporates most of the Senate-proposed issues, as well as the representative tax system that the House bill focused on, and provides explicitly for the participation and involvement of representatives of State and local government. This study should provide useful information on overhauling Federal-State fiscal relations, and should be satisfactory to Senators representing all regions of the country.

IMPROVEMENTS

Mr. President, a few other changes in the revenue-sharing program under the conference agreement worth noting include eliminating one of the use hearings, to streamline procedures for local governments; making permanent a State's authority to vary the intrastate allocation formula; delaying the impact of a sudden economic dislocation on a locality's revenue-sharing payment, the amendment offered here by Senator HEINZ; and making technical and conforming changes that bring the codified law better in line with administrative practice.

This is an excellent agreement, and it is fair to everyone. It could not have been achieved without the cooperation of the Senate conferees, Senators DANFORTH, HEINZ, DURENBERGER, LONG, BENTSEN, and MITCHELL. For the House Chairman JACK BROOKS of the Committee on Government Operations did an outstanding job, and we appreciate his cooperation and that of the ranking Republican on that committee, FRANK HORTON.

In fact, despite our differences in some issues, I believe the House conferees on both sides of the aisle took a straightforward, fair, and reasonable approach to the issues before us. Without that kind of productive attitude it would not have been possible to have this legislation before us now, and that fact should be much appreciated here in the Senate. For our part, I should also acknowledge the particular contributions of Senator HEINZ in working out the compromise on the audit provision of this bill, and of Senators DURENBERGER and BENTSEN in developing the final language of the study provision.

This is not a perfect bill in everyone's view, but I believe it both extends and improves the revenue sharing program. It is a good, balanced package that deserves prompt approval, so that it can go to the President's desk before we adjourn. Without that action the first revenue-sharing payment due next year will be in jeopardy.

Let me add that while representatives of State and local government did not prevail on every point they would have wanted, they were effective advocates for their position and helped significantly in shaping this agreement. I hope they will agree that the final product serves their interests well, in addition to serving the cause of fiscal responsibility. Revenue sharing remains a popular program—it will remain that way so long as we maintain realistic expectations of what it can and should achieve.

Mr. President, I urge swift adoption of the conference agreement on H.R. 2780.

Mr. President, I ask unanimous consent that a joint explanatory statement of the committee of conference and the bill itself be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill H.R. 2780, to extend and amend the provisions of title 31, United States Code, relating to the general revenue sharing program, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a complete substitute for the Senate amendment, and the Senate agrees to the same. The differences among the House bill, the Senate amendment and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SECTION 1—SHORT TITLE

House bill: The House bill is entitled the "State and Local Fiscal Assistance Amendments of 1983."

Senate amendment: The Senate amendment is entitled the "Local Government Fiscal Assistance Amendments of 1983."

Conference substitute: The conference substitute is the same as the Senate amendment.

SECTION 2—EXTENSION OF PROGRAM

The House bill, the Senate amendment, and the Conference substitute extend the program for three years, October 1, 1983, through September 30, 1986.

Funding level

House Bill: The House bill increases the entitlement for local governments by $450 million to $5.02 billion per year.

Senate amendment: The Senate amendment retains the current funding level of $4.57 billion per year.

Conference substitute: The Conference substitute is the same as the Senate amendment.

SECTION 3—TERMINATION OF STATE SHARE

House bill: The House bill terminates the authorization for payments to State governments.

Senate amendment: The Senate amendment retains the current authorization for payments to State governments of $2.3 billion per year, subject to the appropriations process and the provisions requiring a dollar-for-dollar tradeoff of categorical grant funds for revenue sharing funds.

Conference substitute: The conference substitute is the same as the House bill.

SECTION 4—STATE VARIATIONS OF LOCAL GOVERNMENT ALLOCATIONS

House bill: Under current law, each State government may, subject to certain constraints, develop its own formula for allocating revenue sharing funds to local governments within the State. The House bill extends this option through fiscal year 1986.

Senate amendment: The Senate amendment extends this option permanently.

Conference substitute: The conference substitute is the same as the Senate amendment.

SECTION 5—MODIFICATION OF INTRASTATE ALLOCATION FORMULA IN CERTAIN CASES

House bill: No provision.

Senate amendment: The Senate amendment revises the intrastate allocation formula to disregard a reduction in a local government's adjusted taxes if: (A) the reduction is caused by a "specific economic dislocation", and (B) the reduction would mean a decrease of 20 percent or more in the government's allocation.

Conference substitute: The conference substitute adopts the Senate provision.

SECTION 6—PUBLIC HEARINGS

House bill: Under current law, each recipient is required to hold two public hearings concerning the use of its revenue sharing allocation—one on the "possible uses" of such funds, and one on the "proposed use" of the funds. The "possible uses" hearing may be waived if the cost would be "unreasonably

burdensome" in comparison to the recipient's allocation.

The House bill retains the current requirements, but the committee report calls on the Treasury Department to inform recipients of the waiver provision.

Senate amendment: The Senate amendment eliminates the requirement for a public hearing on the "possible uses" of revenue sharing funds.

Conference substitute: The Conference substitute eliminates the requirement for a separate "possible uses" hearing. This revision is not, however, intended to diminish public participation in the process of deciding how a recipient's revenue sharing funds are to be used. It is expected, therefore, that when a recipient holds its hearing on the "proposed use" of its revenue sharing allocation, interested persons will be given an opportunity to suggest alternative uses of such funds.

SECTION 7—DISCRIMINATION PROCEEDINGS

House bill: The House bill retains the current provisions for handling discrimination proceedings under the general revenue sharing program.

Senate amendment: The Senate amendment revises the method of computing the time periods within which a recipient must respond to a "notice of noncompliance" with the nondiscrimination provisions of the program. The time periods would run from the date such a notice is received by a local government, rather than from the date the notice is issued by the Secretary of the Treasury, as is currently the case.

Conference substitute: The Conference substitute adopts the Senate provision.

SECTION 8—AUDIT REQUIREMENTS

House bill: Under current law, governments receiving $25,000 or more per year in revenue sharing funds are required to obtain an audit once every three years. This provision has been construed to mean that the audit need only cover one of the three years. The audits must be conducted in accordance with generally accepted auditing standards.

The House bill requires governments receiving $25,000 or more per year in revenue sharing to obtain annual audits. Governments operating on a biennial fiscal period, however, may obtain an audit every two years as long as the financial statements for both years are covered. Audits must be conducted in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States.

The House bill deletes the provision of current law permitting State and local governments to waive the audit requirements under certain conditions, and establishes a requirement that audit reports be submitted to the Secretary of the Treasury and be available for public inspection.

The House bill also deletes the provision of current law that permits the Secretary of the Treasury to waive the requirement that audits meet generally accepted auditing standards and be independent if the audits are conducted by a State audit agency and such agency demonstrates substantial progress toward meeting such standards or becoming independent.

Finally, the House bill deletes the provision of current law that permits a government receiving less than $25,000 per year in revenue sharing to use an audit required by State or local law to comply with the revenue sharing audit requirements.

Senate amendment: The Senate amendment retains the current audit requirements.

Conference substitute: The Conference substitute requires governments receiving $100,000 or more per year in revenue sharing to obtain annual audits, or biennial audits covering both years for governments operating on a two-year fiscal period. Governments receiving between $25,000 and $100,000 are subject to the current requirement for an audit once every three years. Such audits need only cover one year. Audits must be conducted in accordance with generally accepted government auditing standards issued by the Comptroller General and be available for public inspection.

The Conference substitute retains the current waiver authority for the Secretary of the Treasury and recipient governments, but deletes the option for governments receiving less than $25,000 per year to use an audit required by State or local law to meet the revenue sharing audit requirement.

SECTION 9—TECHNICAL AMENDMENTS

Both the House bill and the Senate amendment contain various technical and clarifying changes to Chapter 67, title 31, U.S. Code. The Conference substitute incorporates all of these changes.

SECTION 10—STUDY OF FEDERAL/STATE/LOCAL FISCAL RELATIONSHIPS

House bill: The House bill requires the Secretary of the Treasury, in consultation with the Secretary of Commerce, the Comptroller General of the United States, and the Advisory Commission on Intergovernmental Relations (ACIR), to evaluate: (1) the representative tax system for use in the general revenue sharing allocation formulas; (2) alternative to personal income as a measure of the fiscal capacity of State and local governments in the revenue sharing formulas; and (3) Federal aid formulas in general. The bill does not include a specific authorization of funds.

Senate amendment: The Senate amendment requires the Secretary of the Treasury, the Secretary of Commerce, the Comptroller General, and the Chairman of the ACIR to conduct a series of studies on the areas covered by the House bill, as well as the following additional issues: (1) the overall revenue sharing program; (2) the concept of returning Federal revenue sources to State and local governments along with the responsibility for programs currently financed by Federal grants-in-aid; (3) the fiscal condition and capacity of all levels of government; (4) the relationship between changes in the economy and the distribution of Federal financial assistance; (5) alternative measures of fiscal capacity; and (6) Federal grant allocation formulas.

The amendment specifically provides for extensive participation by organizations representing State and local governments in the design of the studies. The amendment authorizes such funds as are necessary for fiscal years 1984–1986, but the annual authorization is limited to five percent of the cost of administering the general revenue sharing program.

Conference substitute: The Conference substitute requires the Secretary of the Treasury to undertake a study on the following issues: (1) The factors used in current allocation formulas for revenue sharing and possible alternatives to such formulas and factors; (2) the long-term outlooks for the fiscal condition and fiscal capacity of Federal, State, and local governments; (3) the concept of returning revenue sources to State and local governments, along with the responsibility for programs and activities currently funded by Federal financial assistance; (4) the impacts of the cyclical nature of the economy and other factors on Federal, State, and local governments' expenditures, needs, and fiscal capacities, and the responsiveness of the distribution of Federal financial assistance to the cyclical nature of the economy and such other factors; (5) the responsiveness of the distribution of Federal assistance to State and local governments' fiscal capacities, and to such governments' need for services, and to cost-of-living and cost-of-government differentials; (6) the mathematical forms, data, and administration of Federal grant formulas, including current and possible alternative revenue sharing formulas; and (7) the impact of modifying the Internal Revenue Code with respect to the deductibility of State and local taxes, and tax exempt status of certain State and local securities, along with increases in revenue sharing allocations which would be made to compensate for modifications in the above tax provisions.

The Conference substitue requires the Secretary of the Treasury, in consultation with the Secretary of Commerce, the Comptroller General, the Advisory Commission on Intergovernmental Relations, and recognized organizations of elected officials of State and local governments, including regional organizations of such officials and officials of States that may receive substantially reduced funding under alternative allocation methods to develop a plan for completion of the study described above. This plan may provide for the participation of the individuals and organizations listed above in the conduct of the study. The conferees intend that responsibility for conduct of the portion of the study dealing with a proposed "representative tax system" shall remain with the Secretary of the Treasury and shall not be delegated to the Advisory Commission on Intergovernmental Relations.

The Conference substitute requires the Secretary, upon completion of the study, to solicit the views of the individuals and organizations with whom he was required to consult above, and to append such views to a final report to be submitted to the President and Congress no later than June 30, 1983.

The Conference substitute authorizes the appropriation in fiscal year 1984 and fiscal year 1985 of such sums as may be necessary to carry out the study provision, not to exceed for each fiscal year an amount equal to three percent of the cost of administering the revenue sharing program for the previous fiscal year.

SECTION 11—ADJUSTING DEFINITION OF MASSACHUSETTS TAX EFFORT

House bill: The House bill allows local governments in the Commonwealth of Massachusetts to include in their fiscal year 1982 "tax effort", property taxes levied in fiscal year 1982 but not actually collected until the following year. This provision does not affect the amount of revenue sharing funds that will be allocated to Massachusetts or to any other State.

Senate amendment: The Senate amendment contains a similar provision. In the Senate version, however, the adjustment in "tax effort" is contingent upon local governments in Massachusetts adopting "generally accepted accounting principles" by fiscal year 1985.

Conference substitute: The Conference substitute is the same as the House bill. The Conference Committee has, however, received written assurance from the Massachusetts Department of Revenue that local governments within the Commonwealth are in the process of converting to generally accepted accounting principles.

SECTION 12—EFFECTIVE DATE

House bill: The House bill contains a specific effective date provision to accommodate the changes it makes in audit requirements.

Senate amendment: The Senate amendment is effective upon its enactment.

Conference substitute: The Conference substitute is the same as the House bill.

H.R. 2780

SHORT TITLE

SECTION 1. This Act may be cited as the "Local Government Fiscal Assistance Amendments of 1983".

EXTENSION OF PROGRAM

SEC. 2. Section 6710(a)(1) of title 31, United States Code, is amended to read as follows:

"(1) 'entitlement period' means each one-year period beginning on October 1 of 1982, 1983, 1984, and 1985.".

TERMINATION OF STATE SHARE

SEC. 3. Section 6703(b)(1) of title 31, United States Code, is amended by inserting after "each entitlement period" the following: "beginning before October 1, 1983,".

STATE VARIATIONS OF LOCAL GOVERNMENT ALLOCATIONS

SEC. 4. Subsection (a) of section 6711 of title 31, United States Code, is amended—

(1) by adding "and" at the end of clause (1);

(2) by striking out "; and" at the end of clause (2) and inserting in lieu thereof a period; and

(3) by striking out clause (3).

MODIFICATION OF INTRASTATE ALLOCATION FORMULA IN CERTAIN CASES

SEC. 5. Subsection (c) of section 6713 of title 31, United States Code, is amended—

(1) by striking out "and" at the end of clause (1);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new clause:

"(3) for purpose of intrastate allocations under sections 6708, 6709, and 6712, consider any reduction in the amount of adjusted taxes of any unit of general local government if such reduction—

"(A) results from a specific economic dislocation which causes—

"(i) the closing of places of employment,

"(ii) declines in assessed values of, or receipt of taxes from, real property, or

"(iii) declines in sales or income tax collections of such government, and

"(B) would reduce the allocation of the unit of local government for an entitlement period by an amount equal to or greater than 20 percent of such allocation for the preceding entitlement period.".

PUBLIC HEARINGS

SEC. 6. Section 6714 of title 31, United States Code, is amended—

(1) by striking out paragrpah (1) of subsection (a);

(2) by redesignating paragraphs (2) and (3) of subsection (a) as paragraphs (1) and (2), respectively;

(3) by striking out "subsection (a)(2)" in subsection (b)(1) and inserting in lieu thereof "subsection (a)(1)";

(4) by striking out clause (1) of subsection (c);

(5) by striking out "subsection (a)(2)" in subsection (c)(2) and inserting in lieu thereof "subsection (a)(1)"; and

(6) by redesignating clauses (2) and (3) of subsection (c) as clauses (1) and (2), respectively.

DISCRIMINATION PROCEEDINGS

SEC. 7. Section 6717 of title 31, United States Code, is amended—

(1) by striking out "the Secretary submits a notice of noncompliance to the government" in subsection (b) and inserting in lieu thereof "the government receives a notice of noncompliance from the Secretary of the Treasury"; and

(2) by striking out "shall suspend payments to the government under this chapter unless by the 10th day after the decision" in the second sentence of subsection (c) and inserting in lieu thereof "shall notify the government of the decision and shall suspend payments to the government under this chapter unless, within 10 days after the government receives notice of the decision,".

AUDIT REQUIREMENTS

SEC. 8. (a) Section 6723(a)(1) of title 31, United States Code, is amended—

(1) by striking out "expecting to receive" and "which receives";

(2) by striking out "at least once every 3 years" and inserting in lieu thereof "at least as often as is required by paragraph (2)"; and

(3) by striking out "auditing standards" and inserting in lieu thereof "government auditing standards issued by the Comptroller General of the United States".

(b) Section 6723(a)(2) of such title is amended to read as follows:

"(2) Paragraph (1) of the subsection does not apply to a government for a fiscal year in which the government receives less than $25,000 under this chapter. A government which receives at least $25,000 but not more than $100,000 under this chapter for a fiscal year shall have an audit made in accordance with paragraph (1) at least once every 3 years. A government which receives more than $100,000 under this chapter for a fiscal year shall have an audit made in accordance with paragraph (1) for such fiscal year, except that, if the government operates on a biennial fiscal period, such audit may be made biennially but shall cover the financial statements for, and compliance with the requirements of this chapter during, both years within such period."

(c) Section 6723(b)(1) of such title is amended—

(1) by striking out "at least once every 3 years" in clause (A) and inserting in lieu thereof "at least as often as would be required by subsection (a)(2)"; and

(2) by striking out "auditing standards" and inserting in lieu thereof "government auditing standards issued by the Comptroller General of the United States".

(d) Section 6723(c)(2) of such title is amended—

(1) by striking out "generally accepted auditing standards" the first place it appears and inserting in lieu thereof "generally accepted government auditing standards issued by the Comptroller General of the United States"; and

(2) by striking out "generally accepted auditing standards" the second place it appears and inserting in lieu thereof "such auditing standards".

(e) Section 6723(e) of such title is amended by adding at the end thereof the following: "No later than 30 days following completion of the audit, the audit report shall be made available for public inspection by the State government or unit of local government.".

TECHNICAL AMENDMENTS

SEC. 9. (a)(1) Subsection (a) of section 6701 of title 31, United States Code, is amended by adding at the end thereof the following new clauses:

"(8) 'adjusted taxes of a unit of general local government' means the taxes imposed by the unit of general local government for public purposes (except employee and employer assessments and contributions to finance retirement and social insurance systems and other special assessments for capital outlay) determined by the Secretary of Commerce for general statistical purposes and adjusted (under regulations of the Secretary of the Treasury) to exclude amounts properly allocated to education expenses.

"(9) 'urbanized population' has the meaning given to such term by the Secretary of Commerce for general statistical purposes.".

(2) Section 6701(c) of such title is amended by striking out the last sentence and inserting in lieu thereof the following: "Except as provided in regulations prescribed by the Secretary of the Treasury, the Secretary shall make all data computations based on the ratio of the estimated population of the part to the population of the entire unit of general local government.".

(3) Section 6701(d) of such title is amended by inserting "annexation," after "constitutional change,".

(4) Section 6701(e)(2) of such title is amended by striking out "having one unit of general local government" and inserting in lieu thereof "and the sole unit of general local government in the area".

(b) Section 6704(a) of such title is amended—

(1) by inserting "under this chapter" before the semicolon at the end of clause (1);

(2) striking out "received under" in clause (3) and inserting in lieu thereof "so received in accordance with";

(3) by striking out "consistent" in clause (5) and inserting in lieu thereof "in accordance";

(4) by striking out "section 6723(b)" in clause (7) and inserting in lieu thereof "section 6723(g)";

(5) by striking out "and" at the end of such clause (7);

(6) by striking out the period at the end of clause (8) and inserting in lieu thereof "; and"; and; and

(7) by inserting after such clause the following new clause:

"(9) the government will comply with the requirements of sections 6714 and 6723.".

(c) Section 6707(c)(5) of such title is amended by striking out the last sentence.

(d) Clause (A) of section 6709(a)(2) of such title is amended to read as follows:

"(A) the adjusted taxes of the unit of general local government, divided by".

(e) Section 6713(a) of such title is amended by inserting "before the beginning of the entitlement period" immediately after "Secretary of Commerce".

(f) Section 6716 of such title is amended by striking out "when" in subsections (a) and (b) and inserting in lieu thereof "if".

(g) Section 6716(c)(1) of such title is amended by inserting before the period at

the end of the following: "with respect to which the allegation of discrimination is made".

(h) Section 6717 of such title is amended—

(1) by striking out "a part" in subsection (b)(3) and inserting in lieu thereof "any part";

(2) by striking out "except when" in subsection (c) and inserting in lieu thereof "unless";

(3) by striking out "When" in such subsection and inserting in lieu thereof "If"; and

(4) by inserting "of discrimination" after "The holding" in subsection (e).

(i) Section 6718(b) of such title is amended by striking out "about" and inserting in lieu thereof "based on".

STUDY OF FEDERAL/STATE/LOCAL FISCAL RELATIONSHIPS

SEC. 10. (a) The Secretary of the Treasury shall undertake a study of the following issues:

(1) The various factors used in the current allocation formulas under chapter 67 of title 31, United States Code, and possible alternatives to such formulas and factors (such as State gross domestic product, the representative tax system, and the inclusion of user fees in factors based on tax collections), including an analysis of the strengths and weaknesses of such formulas and factors.

(2) The long-term outlook for the fiscal condition and fiscal capacity of Federal, State, and local governments.

(3) The concept of returning revenue sources to State and local governments along with responsibility for programs and activities for which financial assistance is now provided by the Federal Government.

(4) The impacts of the cyclical nature of the economy and other factors, such as unemployment, on the expenditures, needs, and fiscal capacities of Federal, State, and local governments, and the responsiveness of the distribution of Federal financial assistance to the cyclical nature of the economy and such other factors.

(5) The responsiveness of the distribution of Federal Assistance to the fiscal capacities of State and local governments, and the responsiveness of the distribution of Federal assistance to the need for services of State and local governments and to cost-of-living and cost-of-government differentials.

(6) The mathematical forms, data, and administration of Federal grant formulas, including the formulas examined under paragraph (1).

(7) The impact on State and local governments of—

(A) modification of the provisions of the Internal Revenue Code of 1954 with respect to—

(i) the deductibility of State and local government taxes, and

(ii) the tax exempt status of State and local securities used for purposes other than the financing of public facilities and cash management, and

(B) increases in allocations under chapter 67 of title 31, United States Code, made to compensate for the modifications described in clause (A).

(b) The Secretary of the Treasury, in consultation with the Secretary of Commerce, the Comptroller General of the United States, the Advisory Commission on Intergovernmental Relations, and recognized organizations of elected officials of State and local governments, including regional organizations of such officials and officials of States that may receive substantially reduced funding under alternative methods of allocating Federal grants-in-aid, shall develop a plan for the completion of the study required by subsection (a). Such plan may provide for the participation of such individuals and organizations in the conduct of the study.

(c) Upon completion of the study required by subsection (a), the Secretary shall solicit the views of the persons and organizations with whom he was required to consult by subsection (b) and shall append such views to a final report to the President and the Congress. Such report shall be submitted no later than June 30, 1985.

(d) There are authorized to be appropriated for each of the fiscal years 1984 and 1985 such sums as may be necessary to carry out this section, not to exceed for each such fiscal year an amount equal to 3 percent of the cost of administering chapter 67 of title 31, United States Code, for the preceding fiscal year.

ADJUSTING DEFINITION OF MASSACHUSETTS TAX EFFORT

SEC. 11. (a) For the purposes of allocating amounts under sections 6708 and 6709 of title 31, United States Code, among units of general local government within the Commonwealth of Massachusetts for the entitlement period beginning October 1, 1983, the adjusted taxes of those governments shall include property taxes levied for the Commonwealth's 1982 fiscal year and recognized as fiscal year 1982 receipts pursuant to Massachusetts General Laws, chapter 59, sections 21 and 23, and chapter 44, sections 35 through 46.

(b) No tax collections credited to any unit of general local government under subsection (a) for the Commonwealth's 1982 fiscal year shall be credited to that unit of general local government for any other fiscal year.

EFFECTIVE DATE

SEC. 12. (a) Except as provided in subsection (b), the amendments made by this Act shall apply to entitlement periods (as such term is defined in section 6701(a)(1) of title 31, United States Code) beginning on or after October 1, 1983.

(b) The amendments made by section 8 shall apply with respect to any fiscal year (or period) of any State government or unit of general local government beginning on or after October 1, 1983.

Mr. HEINZ. Mr. President, I rise today to commend our fellow conferees from the House of Representatives and those who speak directly for local governments for agreeing, however reluctantly, to the Senate position on funding for the general revenue sharing program. That $4.6 billion decision enabled Congress to reauthorize the program for another 3 years. I know that it was difficult for them to accept yet another 3 years without any compensation for the inflation that has decimated the buying power of the revenue sharing dollar.

As chairman of the Senate Finance Committee's Subcommittee on Economic Growth Employment and Revenue Sharing, I have since the beginning of the 98th Congress in January had as one of my major legislative objectives for this session the reenactment of the general revenue sharing program. Since the hearings I held in March 1983, and the Finance Committee markup in June of this year, I have known that the funding issue would be the only one that could jeopardize quick reauthorization.

There is no question that the continuing economic recovery in cities and towns across the country, coupled with our huge Federal deficits, made it impossible for Senators on both sides of the aisle and the President to approve of an increase in a non-means tested entitled program like GRS, even one that has not seen an increase since 1976. Deficit sharing was not the intent of those who drafted the original legislation in 1972.

As a strong supporter of GRS, I had indicated in an early March speech to the National League of Cities that I would like to find a way to increase GRS funding, especially in times of severe economic distress. I still believe that my bill (S. 525) to provide $1.15 billion to local governments by accelerating general revenue sharing payments, a bill which was accepted overwhelmingly by the full Senate as an amendment to the emergency job's bill, would have been a more effective means of stimulating local economic recovery than any other provision of that bill. Unfortunately, it was dropped in the conference due to administration objections.

My faith in GRS as the best vehicle in the Federal repertoire for providing quick economic relief to distressed communities has prompted me to continue working on a countercyclical revenue sharing bill that would be triggered by two successive quarters of decline in the national GNP. I will introduce such legislation early next year and conduct hearings in my Senate Finance Committee Subcommittee.

In the meantime, I am pleased that the House conferees accepted my amendment on economic dislocation. It will protect small jurisdictions beset by dramatic economic disasters such as a major plant closing from the additional injury of drastic reductions in their GRS payments. This 1-year hold-harmless provision will enable such communities to recover or to adjust to their changed economic circumstances. In Pennslyvania, small jurisdictions such as Renovo Borough, Midland, and Aliquippa stand to benefit from this provision.

I was also gratified by the support of my Senate colleagues and by the cooperative spirit of House Chairman JACK BROOKS which enabled the conference to accept my proposed compromise on the GRS audit provision. By raising the threshold for annual audits to those jurisdictions receiving $100,000 or more in GRS allocations, we spared thousands of small communities, some 650 of them in Pennsylvania, from the burdensome and costly annual audit requirement. I received the assistance and full support of the General Accounting Office, obviously a strong ad-

vocate of responsible accounting practices, in developing my proposal. According to the Municipal Finance Officers Associaion and the Congressional Budget Office this provision will now save local governments roughly $200 million in additional audit costs that would have resulted from the annual audit provision in the House-passed bill, H.R. 2780.

I am extremely pleased that we managed to reauthorize the GRS program before the end of the session this week. Not to have done so would have created enormous budgetary uncertainty for the 39,000 local governments receiving GRS funding. For them to replace the 7 percent of local revenue that GRS represents, an average 23-percent increase in property taxes would have been required. In my State of Pennsylvania where the economy has been so distressed, a recent survey of local governments found that revenue sharing accounts for 16.7 percent of the average local budget—it would take an average increase of 62 percent to replace those funds. GRS is the only source of Federal funding for 94 percent of the municipalities responding to that Pennsylvania survey.

In sum, Mr. President, I am sure that most of those 39,000 communities will agree with me that the reauthorization of this $4.6 billion program is welcome news indeed. I am pleased to have been a part of the process that led to the conference agreement.

Mr. SASSER. Mr. President, I urge every one of my colleagues to support final passage of the conference report on extension of the general revenue sharing program.

All of the arguments on behalf of the program's efficacy have been brought forward and that have obviously had a successful impact; the broad support for the concept of revenue sharing has helped to overcome divisions within our ranks with regard to its specific aspects.

For instance, I would have preferred to see the program extended to a 5-year authorization because I believe that a longer authorization period would lend a degree of permanency to this essential program. A longer period would be a greater help to local governments in developing their capital budgets over the next 5 years.

I also favored additional funding for the program.

Still, the conference report represents the essence of what a conference report is and ought to be: A reasonable resolution of differences between the House and Senate. And I wholeheartedly support the report.

Nothing I can say, nothing any of us here can say, so clearly marshals the evidence in support of general revenue sharing as do the reports prepared by local officials in which uses of the funds are outlined.

I conducted several forums with local government officials in Tennessee last month, including one in upper east Tennessee.

Local officials from throughout the region appeared at a conference in Johnson City in order to make the case for the reauthorization of revenue sharing.

In essence, the first argument they made is this: no revenue sharing means disproportionately high property tax increases. It would cost local governments more to raise the same amount of money they receive from the Office of Revenue Sharing.

This is one of the strongest arguments for the program. It is cost efficient. Less than 1 percent of the funds we authorized for this program go for administrative costs or for other overhead expenses. Because of the scales of economy involved, it would cost local governments far more than that to raise and allocate the same share of revenues they get from the Federal Government under this program.

The second major argument for general revenue sharing in the reports provided by local government officials in upper east Tennessee is obvious. The uses of the funds show that these local governments have followed the spirit of the original law creating revenue sharing: that is, they have used the funds for priority expenditures.

I ask unanimous consent that the reports of the local officials from upper east Tennessee be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SASSER. Mr. President, I look forward to the continuation of this program as do the local officials in Tennessee with whom I work.

General revenue sharing has served well our local governments and the people they serve.

Having met the tests of efficiency and economy, it deserves our support and deserves to become a lasting feature of American intergovernmental relations.

EXHIBIT 1

REMARKS PREPARED BY CHARLES L. HARWOOD, EXECUTIVE DIRECTOR OF THE FIRST TENNESSEE-VIRGINIA DEVELOPMENT DISTRICT, FOR SENATOR SASSER'S CONFERENCE ON FEDERAL GENERAL REVENUE SHARING

General revenue sharing for local governments represents about one-half of one percent of total Federal expenditures. On the surface this is not very significant. However, viewed from the local government perspective, general revenue sharing has affected the lives of citizens in upper east Tennessee directly and dramatically.

The significance of general revenue sharing is seen and felt by the citizens in the dollars spent and the variety of services and facilities that local governments have been able to provide. From the standpoint of numbers, the nineteen cities and eight counties in upper east Tennessee received a total of $6.48 million last year or $15.50 per capita. The smallest amount received was about $3,500. The largest amount received was over $1.1 million.

The general revenue sharing program recognizes that the constituents of each local government have different needs and allows each local government to respond in its own way to implement locally determined priorities. A brief review of how local governments have used revenue sharing funds will indicate the rich variety and diversity of services and facilities that have been supported:

LOCAL GOVERNMENT SERVICES AND FACILITIES PROVIDED USING GENERAL REVENUE SHARING FUNDS

Carter County—GRS—$372,020: schools, Red Cross, day care, senior citizen center, fire department, landfill, recreation, tourism, economic development.

Elizabethton—GRS—$332,852: prorates GRS funds to all eligible activities in city budget.

Watauga—GRS—$7,315.

Greene County—GRS—$438,796: bridge matching fund, schools, roads, solid waste, airport, sheriff's department (cars and equipment), P-O-W acquisition.

Greeneville—GRS—$347,202: all goes for school operations.

Baileyton—GRS—$6,720.

Tusculum—GRS—$4,579.

Mosheim—GRS—$11,682.

Hancock County—GRS—$102,874: law enforcement, school bus, Holston Mental Health Center, library fund, repair of county buildings.

Sneedville—GRS—$20,800: general government, public safety, public works.

Hawkins County—GRS—$522,855: drivers for senior citizen center, nutrition program, rescue squads (2), highway department equipment, school buses, landfill operation and services.

Bulls Gap—GRS—$3,448.

Church Hill—GRS—$57,772.

Mount Carmel—GRS—$15,614: Debt service of city buildings.

Rogersville—GRS—$98,207: One-fourth to social services: sheltered workshop, senior citizen center, rescue squad, mental health, health department—indigent care. Three-fourths to city operations: fire department, police department, sanitation, recreation, et cetera.

Surgoinsville—GRS—$23,820.

Johnson County—GRS—$173,274: Rescue squad, computer, sheriff's cars, Little League, football, baseball, band, eight fire departments, senior center, roads, schools, retirement.

Mountain City—GRS—$30,805: Used for capital outlay expenditures within various city departments.

Sullivan County—GRS—$1,117,876.

Bluff City—GRS—$12,367.

Bristo—GRS—$505,225.

Kingsport—GRS—$717,732

Unicoi County—GRS—$145,114: schools, YMCA, (3) fire departments, museum, courthouse repairs, tourism development, records binding, library shelves, civil defense, rescue squad, data processing, Limestone Community Center. Up until last year GRS was used to retire bonds on courthouse construction.

Erwin—GRS—$118,533: one-third, salaries one-third, capital expenditures; one-third, welfare (senior citizen center, rescue squad, et cetera).

Washington, County—GRS—$431,279.

Jonesborough—GRS—$50,670: parking lot, fire department equipment, industrial development commission, museum, library, tourism.

Johnson City—GRS—$810,550.

Source for services and facilities: Individual local governments contacted.

Source for GRS numbers: Federal Office of Revenue Sharing, 13th entitlement period, October 1, 1981 to September 30, 1982.

It is clear that without general revenue sharing many services and facilities would not have been provided or would have been delayed. Increased local taxes would have been necessary to provide these services and facilities; however, general revenue sharing has provided an extended range of needed services and facilities that might not have otherwise been funded.

Legitimate needs to which local governments must respond are not abating. In fact, as we continue to grow, these needs increase in quantity and complexity. Without sufficient resources we just get further behind and overall, the quality of life deteriorates. Finally, that general revenue sharing is an essential part of federalism is clearly evidenced by our experience in upper east Tennessee.

Thank you, Senator.

CITY OF
KINGSPORT, TENN.,
August 22, 1983.

Mr. PAUL M. BIVENS,
Office of Senator Jim Sasser,
Blountville, Tenn.

DEAR MR. BIVENS: Please find enclosed, a copy of the City of Kingsport's Revenue Sharing Fund. This is a schedule of projects completed with Revenue Sharing Funds from the inception of the Fiscal Assistance Act of 1972 through June 30, 1982.

This copy of the Revenue Sharing Fund is a follow-up to the August 11, 1983 meeting with Senator Sasser at East Tennessee State University, Culp Center.

If you have any questions or need any further help, please do not hesitate to call me.

Sincerely,

THOMAS L. MCPHERSON,
City Recorder and Treasurer.

CITY OF KINGSPORT REVENUE SHARING FUND

[Schedule of projects completed with revenue sharing funds from the inception of the Fiscal Assistance Act of 1972 through June 30. 1982]

		Project closing date, fiscal year ending June 30, 19—
Fire Truck	$29,250.00	75
Drainage Imp. Mad Branch—Phase I	260,898.78	75
New Sluice Bridge (Riverport Road Bridge)	229,049.07	75
Legion Pool	523,938.36	76
Fort Robinson Access Rd	265,567.28	76
Boatyard Bi-Centennial	5,200.00	76
Renovate Allendale Barn	20,533.64	76
Library Bldg. Improvement	8,159.21	76
Health Equipment	67,070.00	76
Cloud & Borden Park	63,658.87	76
Traffic Engineering	8,037.39	76
Douglass Gym Floor & Heat	5,865.98	76
Sevier Gym Roof & Floor	21,555.00	76
Mad Branch Imp. II	370,138.87	77
Clinchfield St. Ext	123,635.08	77
Public Safety Equipment	50,130.17	76
S & S Garage Imp	63,908.43	77
Bays Mtn, Park Rd. Imp	34,613.75	77
Bay Mtn. Park Planetarium	78,900.00	77
D.B. Track	250,000.00	77
Hiara Hgts. Storm Sewer	30,600.15	79
Animal Shelter	51,828.00	79
New Public Safety Bldg	61,002.82	79
Public Works Equipment	164,891.99	79

CITY OF KINGSPORT REVENUE SHARING FUND—Continued

[Schedule of projects completed with revenue sharing funds from the inception of the Fiscal Assistance Act of 1972 through June 30. 1982]

		Project closing date, fiscal year ending June 30, 19—
Library Equipment	5,102.10	78
Bays Cove Sanitary Sewer	86,250.00	78
Ashley St. Sanitary Sewer	29,950.00	78
Amersham Sanitary Sewer	61,700.00	79
Mary St. Area Sanitary Sewer	52,500.00	78
Heather Hawthorne Sanitary Sewer	44,810.00	79
Cloud Apts. Rec. Improvements	33,028.71	79
D.B. Track	5,000.00	78
Sullivan St. Bridge	495,625.79	79
Library Roof Renovation	9,800.00	79
Radio Communication Bldg	8,400.00	79
Kingsport Regional Service Park	160,000.00	79
Idle Rd. Sanitary Sewer	24,000.00	79
Skyland Drive Sanitary Sewer	100,000.00	79
Hillcrest Drive Sanitary Sewer	78,000.00	79
Senior Citizens Handicap Transportation	9,998.58	79
Pistol Range	45.64	79
Public Safety Venicles	88,966.50	80
Parks & Recreation Equipment	8,703.00	80
Engine Analyzer	3,452.00	80
Risk Mangt. Admin. Vehicles	5,236.00	80
School Capital Outlay	200,000.00	80
Public Works Equipment	85,309.93	80
Senior Citizens Programs	13,387.94	80
Heather Lane Storm Sewer	38,392.34	80
Bays Mountain Park Road Improvement	355,831.39	80
Motor Equipment	30,331.57	80
Fire Equipment	79,472.00	81
C.P. Edward's Bridge	23,754.57	81
Ridgefields Storm Sewer	14,805.83	81
Allendale Barn Theater	2,701.33	81
Allendale Repairs—House	21,988.52	81
Tennis Court—Riverview	5,750.00	81
Sevier Rec. Bldg. Improvement	81,842.00	81
Netherland Inn Road Storm Sewer	546.50	81
Police Department Salaries	81,472.00	81
Longs Island Pedes. Bridge	7,929.27	81
Total	5,142,516.35	

General revenue sharing fund summary—fiscal year 1982-83

Fund balance	$50,000
Revenue:	
Entitlement 13, 4th Qtr.	174,440
Entitlement 14, 1st-3rd Qtrs.	474,360
Interest Income	35,000
Subtotal revenue	683,800
Total available for capital appropriations	733,800
Capital appropriations:	
Aerial Bucket Truck (Traffic Dept.)	60,000
Replacement of Sludge Handling Truck (Utilities Dept.)	55,000
Transfer to Interdepartmental Services Fund for Future Equipment Replacement	75,000
Phase I of Semi-Automated Refuse Collection System Containers and "Flippers" for Existing Equipment	543,800
Total Capital appropriations	733,800

Funding: General Revenue Sharing entitlements, interest income and fund balance.

Personnel: None, funds are used exclusively for capital purposes.

REVENUE SHARING—SULLIVAN COUNTY

During the 1982-83 fiscal year, Sullivan County received $1,149,949.00 from the Federal Government in the form of General Revenue Sharing Funds. These funds supplemented with surplus Revenue Sharing Funds were appropriated as follows:

School—operational expenses—$1,300,000.00.

General Government—operational expenses—$400,000.00.

General Government—capital outlay—$44,000.00.

It has been the practice of Sullivan County for several years to use Revenue Sharing funds to fund the County's normal operating budget. The exception being when funds were appropriated to help cover school renovations and improvements.

By utilizing Revenue Sharing Funds for school and general operating expenses it enabled the county to reduce the property tax rate by approximately $0.37 in the 1982-83 fiscal year.

The use of revenue sharing funds in prior years for school capital projects aided the county because the county did not have to rely on long-term debt to finance the project.

The continuance of the Revenue Sharing program to State and local governments is urged because in Sullivan County's situation, it has provided relief for the over burdened property owner.

WASHINGTON COUNTY, JONESBORO, TENN.

COMMENTS OF COUNTY EXECUTIVE ROBERT J. GOOD, AUGUST 11, 1983

The total of funding from Revenue Sharing to Washington County in FY 82-83, was $441,000.00.

Of this amount, $221,000.00 went to the Washington County School System, the remainder of the total was appropriated to the County Road Program. The total budget for Washington County in FY 82-83, was $23,209,000.00. Our Revenue Sharing represents 1.9 percent of our total budget. However, to generate $441,000.00 of revenue for the County represents .20 cents on our present property tax rate.

In view of the present state of the economy, and, high unemployment, what has been received from Revenue Sharing has been of significant assistance to the budget, and, it goes without explanation what a .20 cents property tax increase does to the elderly on fixed incomes, and, to the unemployed homeowners.

Many of the sources of revenue at the Local Level have been lost, or usurped by the State and Federal Government which makes Federal Revenue Sharing one of the few benefits that County and City Governments have to look forward to.

TOWN OF MOUNT CARMEL,
Mount Carmel, Tenn.

Senator JIM SASSER,
Tri-City Regional Airport, Blountville, Tenn.

DEAR SENATOR SASSER: Please believe that the Revenue Sharing Program is the fairest of all the Federal programs for the small towns. We can not compete with the larger cities.

Our City Hall-Post Office-Community Center building is being financed with our Revenue Sharing funds—no tax.

We appreciate your support for our Emergency Jobs Act project, which you indicated in your letter to our city attorney, Mr. John McLellan III. We applied for this Safety building project after receiving the original information from your office. We have received the blessings of the District office, and the Clearinghouse in Nashville, but Mr. Ernest F. Marsolan, Director, Jobs Act Task

Force in Washington, D.C. says to allow 60 days to render the decision on our application Locator No. TN 0025.

Senator Sasser, we need this project funded. Maybe one more word from you to Mr. Marsolan would push it into reality.

Again, I am sorry I missed seeing you in person, but I have the fullest confidence in your leadership anyway. I am serious about Senator John Glenn.

Sincerely,

SIDNEY SNODGRASS,
Mayor of Mount Carmel,
Hawkins County, Tenn.

CITY OF JOHNSON CITY, TENN.
July 21, 1983.

STATEMENT ON REVENUE SHARING

During the ten-year period during which Federal Revenue Sharing has been enacted in assisting local government in funding, the City of Johnson City has received a total of $7,317,612. This is equivalent to an annual tax rate of $0.52. Needless to say, the revenue has been of tremendous assistance to the City and citizens of Johnson City.

Revenue Sharing has been a particularly good federal program for local government since it has not become "bogged down" with bureaucratic regulations. This is one federal program which has allowed local government to establish its own priorities and to direct the funds received toward the implementation of these locally established priorities.

This seven-million-plus dollar grant during the past ten years has assisted in the funding of virtually every department in the City—with particular emphasis on schools. Without this source of revenue, it would have been impossible for the City to have done many of the things for citizens that have been accomplished.

Unfortunately, since the enactment of Revenue Sharing, the funding level has remained approximately constant and the consumer price index has increased by 125.7% so that the funds received now have paid purchasing power of substantially less than half they had in 1973.

The City of Johnson City appreciates very much Senator Sasser's personal efforts in reenacting Revenue Sharing and would encourage him to do everything possible to increase the funding level of Revenue Sharing to help offset the purchasing power which has been eroded by inflation.

RAYMOND E. HUFF,
Mayor, City of Johnson City.

TOWN OF ERWIN,
Erwin, Tenn., August 15, 1983.

Hon. JAMES SASSER,
Senator from Tennessee,
U.S. Senate Office Bldg.,
Washington, D.C.

DEAR SENATOR SASSER: I would like to personally thank you for your interest and support in the continuation of the Revenue Sharing program. I would also like to urge you to extend this program for a period of five years rather than the proposed three year period.

The Town of Erwin has used these Revenue Sharing funds, which have amounted to slightly more than $1,000,000.00, for worthwhile uses. Some of these uses are listed as follows:

1. Street cleaning equipment & street improvements.
2. Purchase of two fire trucks & fire fighting equipment.
3. Expanded garage facilities.
4. Emergency medical vehicles.
5. Recreational facilities.
6. Welfare agencies (Senior Citizens, Mental Health Center, Rescue Squad).
7. Police equipment.
8. Public parking lots.
9. Hiring of additional personnel.
10. Rehabilitation of old buildings.

You can tell from the above list our town has greatly benefited from this program and has been able to purchase equipment and to institute projects which we otherwise would not have been able to afford.

Thank you for your continued interest and support in this most worthwhile Federal program.

Yours very truly,

HERMAN J. MAY,
Mayor.

CITY OF WATAUGA,
Watauga Tenn., August 16, 1983.

Senator JIM SASSER,
Tri-City Airport,
Blountville, Tenn.

DEAR SENATOR SASSER: I am sorry I missed your meeting with local officials on the question of revenue sharing for local governments.

Watauga, as well as other cities, uses revenue sharing money for many important purposes. In the past, Watauga has used the money for road maintenance as well as other uses of major interest and need to our citizens. Yes, we agree with you in offering increased funding to local governments.

I would like to express my thanks to you on behalf of the city of Watauga for your interest in revenue sharing and local government issues.

Sincerely,

HOLLY DAVISON,
Mayor.

Mr. DOLE. Mr. President, I think it is fair to say that the essential provision of this bill is that provides for level funding of revenue sharing at $4.6 billion per year for a 3-year period. This is the conference report on revenue sharing.

Mr. BYRD. $4.6 billion for 3 years?

Mr. DOLE. Right.

Mr. BYRD. Senator LONG is on the floor.

Mr. DOLE. This is the revenue-sharing conference report.

Mr. LONG. Is it before the Senate now?

Mr. DOLE. Yes.

Mr. LONG. Mr President, from this Senator's point of view, that has a very successful conference. I believe we brought back the Senate figure and, in the main, we prevailed on most of the points of interest to the Senate.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, next on my list I have the dairy and tobacco adjustment conference report, H.R. 3385. Could I inquire of the minority leader if he is in a position to consider that.

Mr. BYRD. I would prefer to let the Senator from Kentucky respond.

Mr. BAKER. Are we prepared to proceed to that conference report?

Mr. HUDDLESTON. We are prepared.

Mr. METZENBAUM. Mr. President, will the Senator from Kentucky indicate what changes were made in the House in the Senate bill?

Mr. HUDDLESTON. Very minor changes really were made. In which section, the tobacco or the dairy?

Mr. METZENBAUM. Tobacco and dairy, both.

Mr. HUDDLESTON. Well, on the tobacco section, as the know, there were some sections relating principally to Flue-cured and some principally to burley tobacco. They were left intact as separate sections.

The one amendment that the Senator from Ohio may have interest in, which was his amendment that we accepted here on the Senate floor, was modified slightly at the very strong urging of the State Department to make it comply with the general tariff agreements that we have with other countries, to alter the pesticide requirement in it as far as the requirement is concerned there.

Mr. METZENBAUM. Mr. President, would it unduly inconvenience the majority leader or the managers of the bill if we had a chance to look at this in the morning and bring it up? I do not think I have any objection, but I would like to read the changes.

Mr. HUDDLESTON. Well, it would be inconvenient.

Mr. HELMS. I think we could show the wording to the Senator tonight.

Mr. METZENBAUM. That would be fine.

Mr HELMS. I would prefer to go ahead tonight.

Mr. METZENBAUM. That would be fine. Perhaps the majority leader, if he would not mind, could set this aside.

Mr. BAKER. Mr. President, I would be pleased to do that. Have I made a request?

The PRESIDING OFFICER. A formal request has not been made.

Mr. BAKER. Mr President, I withhold that request.

Mr. President, there is one other conference report, I believe, that is cleared on this side, I say to the minority leader. That is the conference report on S. 726, which is the bill dealing with the Tribally Controlled Community College Assistance Act of 1978.

Mr. BYRD. I know of no reason why we should not proceed.

TRIBALLY CONTROLLED COMMUNITY COLLEGE ASSISTANCE ACT—CONFERENCE REPORT

Mr. BAKER. Mr. President, I submit a report of the committee of conference on S. 726 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 726) to amend and extend the Tribally Controlled Community College Assistance Act of 1978, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of November 17, 1983.)

Mr. ANDREWS. Mr. President, I rise today to ask that the Senate vote to accept the report of the conferees on S. 726, a bill to amend and extend the Tribally Controlled Community College Assistance Act of 1978, and for other purposes.

You may recall that a similar bill, S. 2623, was passed by both Houses and sent to the President in the last hours of the 97th Congress. The President issued a pocket veto of the bill premised upon amendments to the act that authorized a legislative veto of program regulations and that characterized the provision of higher education as part of the Federal Government's trust responsibility to Indian people. Those amendments have not been retained in the current bill.

Believing as we do, that higher education is the most important investment that the United States can make to assure the future self-sufficiency of our first Americans, the members of the Select Committee on Indian Affairs have gone to great lengths to come up with a bill that would accommodate the concerns of the administration and still maintain the integrity of the programs that are authorized by the act and these amendments. The Indian Affairs Committee began negotiations on this bill with representatives of the administration in the early days of the second session of the 97th Congress. From that time forward, significant changes have been made to the original bill in an effort to assure that this program is fully consistent with President Reagan's Indian policy and his economic development initiatives for Indian country. The members of the Indian Affairs Committee and the sponsors of the bill believe that S. 726 achieves those objectives in a fiscally responsible manner.

In line with administration emphasis on private sector involvement in education, S. 726 authorizes the creation of endowment funds for the tribally controlled community colleges, making possible a time when the colleges will have the capacity to operate without Federal support. A Federal matching share for each dollar generated by a college up to a maximum of $350,000 provides an incentive for private sector support of the institutions. The bill also authorizes the General Services Administration to conduct a study of vacant or underutilized Bureau of Indian Affairs facilities that would be suitable for use by the colleges and to identify the need for construction of new facilities where appropriate. The results of the study are to be submitted to Congress so that Congress may determine whether renovation and repair of existing facilities or construction of new facilities is warranted. It is the intention of S. 726 conferees that any funds required to enable GSA to conduct renovation and repair of facilities shall be included in the Department of the Interior budget.

Mr. President, there can be no greater contribution to the administration's policy goals of developing reservation economies and strengthening tribal governments than providing Indian people with access to higher education opportunities. I ask that my colleagues support the quest of our first Americans to become economically self-sufficient by voting to approve the conference report on S. 726 and extending this important program.

THE PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the conference report.

The conference report was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, to extend no longer than 11:15 p.m., in which Senators may speak.

THE PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

BUDGET RESCISSIONS AND DEFERRALS—MESSAGE FROM THE PRESIDENT—PM-91

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying documents; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Energy and Natural Resources:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose one rescission of $30,000,000 in contract authority for the Department of the Interior and two new deferrals of budget authority totaling $72,164,000 for the Department of Energy.

The details of the proposed rescission and the deferrals are contained in the attached reports.

RONALD REAGAN.

THE WHITE HOUSE, *November 17, 1983.*

ANNUAL REPORT OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—MESSAGE FROM THE PRESIDENT—PM-92

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

I hereby transmit for the information of the Congress the Eighteenth Annual Report of the Department of Housing and Urban Development covering the calendar year 1982.

RONALD REAGAN.

THE WHITE HOUSE, *November 17, 1983.*

ANNUAL REPORT OF THE DEPARTMENT OF TRANSPORTATION—MESSAGE FROM THE PRESIDENT—PM-93

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the

Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

In accordance with Section 11 of Public Law 89-670, I hereby transmit the 15th Annual Report of the Department of Transportation which covers fiscal year 1981.

RONALD REAGAN.

THE WHITE HOUSE, *November 17, 1983.*

STATUS OF NATIONAL WILDERNESS PRESERVATION SYSTEM—MESSAGE FROM THE PRESIDENT—PM-94

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

In accordance with the Wilderness Act of 1964 (Public Law 88-577), I herewith transmit the Nineteenth Annual Report on the status of the National Wilderness Preservation System for the calendar year 1982.

RONALD REAGAN.

THE WHITE HOUSE, *November 17, 1983.*

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 10:35 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 2077. An act to amend title 5, United States Code, to extend the Federal Physicians Comparability Allowance Act of 1978, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. Thurmond).

At 1:15 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following joint resolutions, without amendment:

S.J. Res. 44. Joint resolution to authorize the President to issue a proclamation designating the week beginning on March 11, 1984, as "National Surveyors Week"; and

S.J. Res. 141. Joint resolution to designate the week of December 4, 1983, through December 10, 1983, as "Carrier Alert Week".

The message also announced that the House has passed the following joint resolution, with an amendment, in which it requests the concurrence of the Senate:

S.J. Res. 199. Joint resolution relating to improving the highway transportation system of the Commonwealth of Virginia.

The message further announced that the House agrees to the amendment of the Senate to the bill (H.R. 2592) to transfer from the Director of the Office of Management and Budget to the Administrator of General Services the responsibility for publication of the catalog of Federal domestic assistance programs, and for other purposes.

The message also announced that the House agrees to the amendments of the Senate to the bill (H.R. 2293) to amend the Office of Federal Procurement Policy Act, and for other purposes.

The message further announced that the House has passed the following joint resolutions, in which it requests the concurrence of the Senate:

H.J. Res. 324. Joint resolution to designate the week beginning January 15, 1984, as "National Fetal Alcohol Syndrome Awareness Week"; and

H.J. Res 381. Joint resolution to provide for appointment of Samuel Curtis Johnson as a citizen regent of the Board or Regents of the Smithsonian Institution.

At 5:11 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 726) to amend and extend the Tribally Controlled Community College Assistance Act of 1978, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2780) to extend and amend the provisions of title 31, United States Code, relating to the general revenue sharing program.

The message further announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 1341. An act to revise and extend the Education of the Handicapped Act, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 220. Concurrent resolution condemning the action of the so-called "Turkish Federated State of Cyprus" on declaring itself to be an independent state on Cyprus on November 15, 1983.

At 8:08 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the joint resolution (H.J. Res. 308) increasing the statutory limit on the public debt; it agrees to the conference as by the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. ROSTENKOWSKI, Mr. GIBBONS, Mr. PICKLE, Mr. CONABLE, and Mr. DUNCAN as managers of the conference on the part of the House.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 2395) to extend the Wetlands Loan Act.

H.J. Res. 324. Joint resolution to designate the week beginning January 15, 1984, as "National Fetal Alcohol Syndrome Awareness Week"; to the Committee on the Judiciary.

H.J. Res. 381. Joint resolution to provide for appointment of Samuel Curtis Johnson as a citizen regent of the Board of Regents of the Smithsonian Institute.

ENROLLED BILLS PRESENTED

The Secretary reported that on today, November 17, 1983, he had presented to the President of the United States the following enrolled bills:

S. 376. An act to amend the Debt Collection Act of 1982 to eliminate the requirement that contracts for collection services to recover indebtedness owed the United States be effective only to the extent and in the amount provided in advance appropriations acts;

S. 807. An act to amend the boundaries of the Cumberland Island National Seashore;

S. 1168. An act to declare that the United States holds certain lands in trust for the Kaw Tribe of Oklahoma;

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-479. A resolution adopted by the House of Representatives of the Commonwealth of Pennsylvania; to the Committee on Agriculture, Nutrition, and Forestry.

"HOUSE RESOLUTION No. 144

"Whereas the 1980 census reported that the rural population in Pennsylvania increased to 3,643,044, more than the combined population of all Pennsylvania's cities of 30,000 or more; and

"Whereas 47 of the 67 counties in Pennsylvania have been classified as rural, constituting 70 percent of the total Pennsylvania landmass; and

"Whereas Pennsylvania is first in the Nation in the production of mushrooms, third in the production in calves and eggs, fourth in the production of grapes, fifth in the production of dairy products, chickens, peaches, cherries and floriculture, and sixth in the production of silage, corn and apples; and

"Whereas agriculture is the backbone of a very substantial agri-business industry: food processing, feed, fertilizer, seed equipment and machinery production and distribution. Agriculture is also the largest user of steel and rubber. If export markets can be captured, agriculture stands in the forefront of economic remedies of Pennsylvania. Agriculture heads the list of the number and quantity of goods exported annually; and

"Whereas in spite of the fact that agriculture is the number one revenue-producing industry in the Commonwealth ($3 billion annually, almost half from dairy products), neither of our United States Senators nor members of the Pennsylvania Congressional delegation serve on either the 18-member Senate Agriculture, Nutrition and Forestry Committee or the 41-member House Com-

mittee on Agriculture although United States Senator Specter has served with distinction on the Agricultural Appropriations Subcommitte: Therefore be it

"Resolved, That the House of Representatives of the Commonwealth of Pennsylvania urge United States Senators Heinz and Specter, along with the other members of the Pennsylvania Congressional delegation that represent farm/rural constituencies, to strive for positions on either of these committees at the earliest appropriate time; and be it further

"Resolved, That copies of this resolution be submitted to Senators Heinz and Specter; members of the United States House of Representatives; United States Senator Jesse Helms, Chairman of the Senate Agriculture Committee; Congressmen E de la Garza, Chariman of the House Agriculture Committee; Senate Majority Leader Howard H. Baker; House Speaker Tip O'Neill; and House Majority Leader James C. Wright, Jr."

POM-480. A resolution adopted by the House of Representatives of the Commonwealth of Pennsylvania; to the Committee on Banking, Housing, and Urban Affairs.

"HOUSE RESOLUTION No. 78

"Whereas The Federal mortgage revenue bond program is scheduled to expire on December 31, 1983: and

"Whereas, a number of bills, including House resolution No. 1176, have been introduced to allow mortgage revenue bonds to be issued beyond the scheduled sunset date; and

"Whereas the mortgage revenue bonds have proven their value to the depressed housing industry and the home-buying public: and

"Whereas the bonds have created jobs and provided shelter to those Americans most in need of help, the low and moderate income family: and

"Whereas during a time when direct Federal aid to new housing construction is being substantially diminished in an effort to reduce the Federal deficit: Therefore be it

"Resolved, That the House of Representatives of the Commonwealth of Pennsylvania memorialize the Congress of the United States to extend the expiration date of the mortgage revenue bond programs; and be it further

"Resolved, That copies of this resolution be transmitted to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania."

POM-481. A petition from holders of contracts with the United States for capacity and energy generated at the Hoover Dam Powerplant; to the Committee on Energy and Natural Resources.

POM-482. A resolution adopted by the House of Representatives of the Commonwealth of Pennsylvania; to the Committee on Foreign Relations.

"HOUSE RESOLUTION No. 125

"Whereas the Soviet Union committed an act of unparalleled barbarism by downing a South Korean civilian airliner, killing 269 innocent men, women and children; and

"Whereas, 61 American citizens, including one United States Congressman and eight to ten Pennsylvanians were passengers; and

Whereas the Soviet Union continues to consistently deny human rights and disregard the value of human life throughout the world; and

Whereas the Soviet Union continues to threaten the security and safety of all people: Therefore be it

"Resolved (the Senate concurring), That the General Assembly of the Commonwealth of Pennsylvania memorialize the Congress of the United States to support the condemnation of this savage Soviet attack; and be it further

"Resolved, That the General Assembly Supports asking the Soviet Union for an apology to the bereaved families of the victims and to the world for committing this heinous deed; and be it further

"Resolved, That the General Assembly denounce this act of atrocity, aggression and violence against humanity; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States, the presiding officers of each house of Congress and to each member of Congress from Pennsylvania."

POM-483. A resolution adopted by the House of Representatives of the Commonwealth of Pennsylvania; to the Committee on Finance.

"HOUSE RESOLUTION No. 58

"Whereas United States Steel Corporation, the number one steel producer in this country, is considering selling an interest in one of its largest steelmaking facilities, the Fairless Works, Bucks County, Pennsylvania, to Britain's state-owned steel company; and

"Whereas the economic impact of this transfer of interest could be translated into the loss of over 3,000 jobs to a state which already has over 800,000 persons unemployed: Therefore be it

"Resolved (the Senate concurring), That the General Assembly of the Commonwealth of Pennsylvania memorialize the President and the Congress of the United States to investigate all aspects of this transaction to see if any violations of any law or treaty are being violated; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the presiding officers of each house of Congress and to each member of Congress from Pennsylvania."

POM-484. A concurrent resolution adopted by the House of Representatives of the Commonwealth of Pennsylvania; to the Committee on the Judiciary.

"HOUSE RESOLUTION No. 53

"Whereas the gardeners of Pennsylvania produce a multitude of foods for their people and thereby enabling the Commonwealth and our Nation to export foods to other countries which are in desperate need of food; and

"Whereas gardens also yield flowers of great variety and breathtaking beauty; and

"Whereas gardening is a pleasant and productive full or part time activity for a large number of citizens; and

"Whereas Pennsylvania's gardeners help to preserve and foster the traditional American spirit of independence and individual initiative; and

"Whereas gardening instills in all Pennsylvanians and Americans a great appreciation for nature and the beauty of this State and country, an appreciation which fosters respect and care for the environment: Therefore be it

"Resolved (the Senate concurring), That the General Assembly of Pennsylvania, urge the governor to designate the week beginning the first Sunday of June of each year as "Pennsylvania Garden Week" and the Governor is requested to issue a proclamation urging State and local government agencies, and citizens and private organizations, to observe such week with appropriate ceremonies and other activities, including the wearing of garden flowers as a symbol of appreciation for the efforts and contributions of the State and Nation's gardeners; and be it further

"Resolved, That copies of this resolution be transmitted to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania."

POM-485. A resolution adopted by the County Board of Lake County, Illinois urging Congress to pass legislation setting the national minimum legal age for drinking alcoholic beverages at 21; to the Committee on the Judiciary.

POM-486. A resolution adopted by the Board of Supervisors of the County of Los Angeles, California ordering the lowering of all American flags flying over county facilties to half staff in memory of those gallant marines who died in the assault on marine headquarters in Beirut, Lebanon; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment:

S. 1145. A bill to recognize the organization known as the Catholic War Veterans of the United States of America, Incorporated (Rept. No. 98-315).

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S. 114. A bill for the relief of Carlos Mebrano Gatson (Rept. No. 98-316).

S. 149. A bill for the relief of Adel Shervin (Rept. No. 98-317).

S. 261. A bill for the relief of Yaeko Howell (Rept. No. 98-318).

S. 277. A bill for the relief of Marlon Dolon Opelt (Rept. No. 98-319).

S. 295. A bill for the relief of Panivong Norindr and Panisouk Norindr (Rept. No. 98-320).

S. 306. A bill for the relief of Elga Bouilliant-Linet (Rept. No. 98-321).

S. 353. A bill for the relief of Cirilo Raagas Costa and Wilma Raagas Costa (Rept. No. 98-322).

S. 367. A bill for the relief of Mrs. Spyros Agriopoulos (Rept. No. 98-323).

S. 441. A bill for the relief of Prashant Agarwal (Rept. No. 98-324).

S. 514. A bill for the relief of Seela Jeremiah Piula (Rept. No. 98-325).

S. 798. A bill for the relief of Grietje Rhea Pietens Beumer, Johan Christian Beumer, Cindy Larissa Beumer, and Cedric Grant Beumer (Rept. No. 98-326).

S. 1060. A bill for the relief of Samuel Joseph Edgar (Rept. No. 98-327).

S. 1339. A bill for the relief of Shyh-Fann Tyan-Norem and Bin-Ti Yao Tyan-Norem (Rept. No. 98-328).

S. 1494. A bill for the relief of Kok Djen Su and Grace Su, husband and wife (Rept. No. 98-329).

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S. 1863. A bill for the relief of Aundun Endestad (Rept. No. 98-330).

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 229. A bill for the relief of Maxine Ann Fricioni (Rept. No. 98331).

By Mr. THURMOND, from the Committee of the Judiciary, with an amendment in the nature of a substitute and an amendment to the title:

S. 301. A bill for the relief of Hae Ok Chun (Rept. No. 98-332).

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 392. A bill for the relief of Nabil Yaldo (Rept. No. 98-333).

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment:

S. 396. A bill for the relief of Hyong Cha Kim Kay (Rept. No. 98-334).

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 692. A bill for the relief of Charles Gaudencio Beeman, Paul Amado Beeman, Elizabeth Beeman, and Joshua Valente Beeman (Rept. No. 98-335).

By Mr. THURMOND, from the Committee on the Judiciary, with amendments:

S. 256. A bill for the relief of William Vojislav Rankovic, Stanislava Rankovic, husband and wife; and William Rankovic, Junior, and Natalie Rankovic, their children (Rept. No. 98-336).

S. 435. A bill for the relief of Joseph Antonio Rancis (Rept. No. 98-337).

By Mr. THURMOND, from the Committee on Judiciary, with amendments and an amendment to the title:

S. 517. A bill for the relief of Doan Van Toai (Rept. No. 98-338).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 457. A bill to require the protection, management, and control of wild free-roaming horses and burros of public lands (Rept. No. 98-339).

By Mr. ABDNOR, from the Committee on Environment and Public Works, with an amendment in the nature of a substitute:

S. 1739. A bill to authorize the United States Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes (Rept. No. 98-340).

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

H.R. 2479. A bill to amend the Act of March 3, 1969, incorporating the Masonic Mutual Relief Association of the District of Columbia, now known as Acacia Mutual Life Insurance Company.

By Mr. MATHIAS, from the Committee on Governmental Affairs, with an amendment:

H.R. 3655. A bill to raise the retirement age for Superior Court judges in the District of Columbia.

By Mr. TOWER, from the Committee on Armed Services, without amendment:

H.R. 3969. A bill to amend the Panama Canal Act of 1979 to allow the use of proxies by the Board of the Panama Canal Commission.

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

H.J. Res. 311. A joint resolution to proclaim March 20, 1984, as "National Agriculture Day".

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S. 1188: A bill to relieve the General Accounting Office of duplicative audit requirments with respect to the Disabled American Veterans.

S. 2079: A bill to amend the charter of AMVETS by extending eligibility for membership to individuals who qualify on or after May 8, 1983.

By Mr. HATCH, from the Committee on Labor and Human Resources, without amendment:

S. 2110: An original bill to amend the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to assure equality of economic opportunities for women and men under retirement plans.

● Mr. HATCH. Mr. President, I am pleased to be able to report, on behalf of the Labor and Human Resources Committee, an original bill on the issue of women's pension equity—S. 2110. The committee yesterday authorized the reporting of this measure, which is entitled the "Retirement Equity Act of 1983" and which parallels the proposal which the Finance Committee reported (H.R. 2769) on October 29. The Labor Committee took this action in order to facilitate The Senate's consideration of these important amendments to the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code.

I would like to make some brief remarks clarifying for the record the somewhat unusual procedural history of this legislation.

H.R. 2769 and S. 2110 represent the culmination of the efforts of both the Finance Committee and the Labor and Human Resources Committee to bring about a greater degree of equity for women and men in our Nation's private pension system. The distinguished chairman of the Fianance Committee Mr. DOLE deserves tremendous credit for taking the lead in this important area, as well as Mr. NICKLES, the distinguished chairman of the Labor Subcommittee, At the onsent of the 98th Congress, Senator DOLE introduced S. 19. This measure was referred jointly to both the Labor and the Finance Committees, as has been the custom with respect to measures proposing amendments to the Internal Revenue Code and the Employee Retirement Income Security Act of 1974 (ERISA). And, over the summer and the fall both committees, held hearings on the bill and the whole subject of women's pension equity.

The evidence gathered from these hearings reinforced the need to enact the changes proposed in S. 19 and in addition pointed up additional problems. There emerged from the hearings and from extended negotiations among the committees, the administration, and various interests groups a revised proposal (S. 1978), which Senator DOLE and over 30 other cosponsors, including this Senator from Utah, introduced on October 19. This bill was jointly referred to the Labor Committee and the Finance Committee on October 26. In the meantime, S. 1978 was scrutinized by many interested parties for technical changes. On October 29, the Finance Committee reported to the Senate the substance of S. 1978—refined and technically perfected—in the form a substitute amendment to H.R. 2769, a bill totally unrelated to ERISA or the subject of pensions.

H.R. 2769, as received from the House, proposed the enactment of the Caribbean Basin Economic Recovery Act. In August, while H.R. 2769 was pending in the Finance Committee, Congress did enact the Caribbean Basin Initiative but did so as part of another tax measure (Public Law 98-67). This normally would have relegated H.R. 2769 to oblivion. However, because the Constitution requires that revenue-related measures originate in the House, the Finance Committee resurrected the bill to serve as a vehicle for enacting the Senate-initiated ERISA amendments to the Tax Code,

There, of course, is little time remaining in this first session of Congress, and the sponsors of this legislation have felt some urgency to pass it before adjournment, Because of these time constraints, and the procedural obstacles involved in proceeding further with S. 1978 as a legislative vehiclel and also involved in asserting jurisdiction over H.R. 2769, the Labor Committee opted for reporting an original bill. This is the most expeditious way by which the committee can formally endorse the concepts embodied in the "Retirement Equity Act of 1983."

I expect at the time this legislation is considered on the floor there will be a review of the justifications for this measure. I realize that, as with any complex piece of legislation, both H.R. 2769 and S. 2110 may require some further refinements. However, I do anticipate that a conference committee will have to be appointed to resolve differences between the Senate bill and whatever may be passed by the House. The conferees will thus have the opportunity to make the final perfecting changes to this reform legislation.●

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

S.J. Res. 80. Joint resolution to grant posthumously full rights of citizenship to William Penn and to Hannah Callowhill Penn.

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment and an amendment to the title and with a preamble:

S.J. Res. 176. Joint resolution to designate the week of October 16, 1983 through October 22, 1983, as "National Fetal Alcohol Syndrome Awareness Week".

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

S.J. Res. 196. Joint resolution to designate January 16, 1984 as "Public Employees Appreciation Day".

S.J. Res. 197. Joint resolution to designate the week beginning November 20, 1983 as "National Adoption Week".

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. ROTH, from the Committee on Governmental Affairs:

Robert H. Morris, of Maryland, to be Deputy Director of the Federal Emergency Management Agency.

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

Ralph Leslie Stanley, of Virginia, to be Urban Mass Transportation Administrator.

Richard H. Francis, of Virginia, to be President of the Solar Energy Conservation Bank.

Kenneth S. George, of Texas, to be Director General of the United States and Foreign Commercial Services.

(The above nominations were reported from the Committee on Banking, Housing, and Urban Affairs, with the recommendation that it be confirmed subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation:

Mr. PACKWOOD. Mr. President, as in executive session, I report favorably from the Committee on Commerce, Science, and Transportation, a nomination list in the Coast Guard which appeared in the CONGRESSIONAL RECORD of November 16, 1983, and, to save the expense of reprinting them on the Executive Calendar, I ask unanimous consent that they may lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. TOWER, from the Committee on Armed Services:

Michael Ira Burch, of Florida, to be an Assistant Secretary of Defense.

Francis Carter Coleman, of Florida, to be a Member of the Board of Regents of the Uniformed Services University of the Health Sciences for the term expiring May 1, 1989.

Mr. TOWER. Mr. President, from the Committee on Armed Services, I report favorably the following nominations: In the Air Force there are 28 appointments to the grade of major general (list begins with Donald O. Aldridge) and in the Air Force Reserve there are 17 appointments to the grade of major general and below (list begins with Carl D. Black). I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, in addition, in the Army Reserve there are 41 appointments to the grade of colonel and below (list begins with Filippo A. Balboni) and in the Army there are 19 appointments to the grade of lieutenant colonel and below (list begins with Tommy A. Clark), in the Air Force there are 859 permanent promotions to the grade of colonel (list begins with Albert L. Abernathy), in the Navy there are 479 permanent appointments to the grade of lieutenant (list begins with Alfredo Z. Acosta) and in the Navy there are 1,619 permanent appointments to the grade of commander and below (list begins with Christopher E. Abbott). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of November 4 and November 16, 1983, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HATFIELD (for himself and Mr. MATHIAS):

S. 2105. A bill to amend the Internal Revenue Code of 1954 to provide that a taxpayer conscientiously opposed to participation in war may elect to have his income, estate, or gift tax payments spent for nonmilitary purposes; to create a trust fund (the World Peace Tax Fund) to receive these tax payments; to establish a World Peace Tax Fund Board of Trustees; and for other purposes; to the Committee on Finance.

By Mr. BAKER (for himself, Mr. BAUCUS, Mr. BENTSEN, Mr. BURDICK, Mr. CHAFEE, Mr. CHILES, Mr. CRANSTON, Mr. DOLE, Mr. DOMENICI, Mr. DURENBERGER, Mr. EAGLETON, Mr. FORD, Mr. GOLDWATER, Mr. HATFIELD, Mr. HOLLINGS, Mr. MATHIAS, Mr. MCCLURE, Mr. MITCHELL, Mr. MOYNIHAN, Mr. PACKWOOD, Mr. PELL, Mr. PERCY, Mr. ROTH, Mr. SASSER, Mr. SIMPSON, Mr. STENNIS, Mr. WEICKER, and Mr. KENNEDY):

S. 2106. A bill to designate the "John Sherman Cooper National Recreation Area" in Tennessee and Kentucky; placed on the calendar.

By Mr. D'AMATO:

S. 2107. A bill to provide Geographic Deregulation of Banking; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HATCH:

S. 2108. A bill for the relief of Maria Cristina PEREZ-lopez; to the Committee on the Judiciary.

By Mr. NUNN (for himself and Mr. MATTINGLY):

S. 2109. A bill for the relief of Dr. Henry H. Wall; to the Committee on the Judiciary.

By Mr. HATCH:

S. 2110. An original bill to amend the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to assure equality of economic opportunities for women and men under retirement plans; from the Committee on Labor and Human Resources; placed on the calendar.

By Mr. HATCH:

S. 2111. A bill to amend part B of title IV of the Job Training Partnership Act, to strengthen the Job Corps program; to the Committee on Labor and Human Resources.

By Mr. CHAFEE:

S. 2112. A bill to authorize the disposal of silver from the national stockpile; to the Committee on Armed Services.

By Mr. MATTINGLY:

S. 2113. A bill to authorize interstate banking among certain States; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LEVIN:

S. 2114. A bill to authorize the Secretary of the Army to construct a second large lock at Sault Sainte Marie, Mich.; to the Committee on Environment and Public Works.

By Mr. THURMOND:

S. 2115. A bill to amend provisions regarding the executive exchange program; to the Committee on Governmental Affairs.

By Mr. MATSUNAGA (for himself, Mr. INOUYE, Mr. STEVENS, Mr. MURKOWSKI, Mr. CRANSTON, Mr. MELCHER, Mr. METZENBAUM, Mr. RIEGLE, Mr. TSONGAS, Mr. MOYNIHAN, Mr. LEVIN, Mr. PROXMIRE, Mr. DENTON, and Mr. D'AMATO):

S. 2116. A bill to accept the findings and to implement the recommendations of the Commission on Wartime Relocation and Internment of Civilians.

By Mrs. HAWKINS (for herself and Mr. HATCH):

S. 2117. A bill entitled the "National Childhood Vaccine-Injury Compensation Act"; to the Committee on Labor and Human Resources.

By Mrs. HAWKINS (for herself, Mr. WARNER and Mr. SPECTER):

S. 2118. A bill to establish a Commission on Missing Children; to the Committee on Governmental Affairs.

By Mr. SASSER:

S. 2119. A bill to provide for cash incentive awards for citizens whose disclosure of fraud, waste, or mismanagement in the Government results in substantial cost savings to the Government; to the Committee on Governmental Affairs.

By Mr. GARN (for himself and Mr. PROXMIRE) (by request):

S. 2120. A bill to amend the Federal Credit Union Act (12 U.S.C. Sections 1751 et seq.) to correct the tax status of the National Credit Union Central Liquidity Facility; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GARN (for himself and Mr. PROXMIRE) (by request):

S. 2121. A bill to amend the Federal Credit Union Act (12 U.S.C. Sections 1751 et seq.) to further capitalize the National Credit Union Share Insurance Fund and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GARN:

S. 2122. A bill to amend title 31, United States Code, to eliminate the fee imposed on financial organizations which receive payroll deductions from Federal employees, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MOYNIHAN:

S. 2123. A bill to promote voluntary contributions; to the Committee on Finance.

S. 2124. A bill to amend the Energy Policy and Conservation Act to eliminate preemption of a State's authority to establish or enforce any energy efficiency standard or similar requirement if a Federal energy efficiency standard has not been established; to

the Committee on Energy and Natural Resources.

By Mr. BUMPERS (for himself and Mr. PRYOR):

S. 2125. A bill entitled the "Arkansas Wilderness Act of 1983"; to the Committee on Energy and Natural Resources.

By Mr. MATHIAS:

S. 2126. A bill for the relief of Ippolito Leotta; to the Committee on the Judiciary.

By Mr. NICKLES:

S. 2127. A bill entitled "Federal Advisory Committee Act Amendments of 1983"; to the Committee on Governmental Affairs.

By Mr. LONG (for himself, Mr. BAUCUS, Mr. BENTSEN, Mr. BINGAMAN, Mr. BOREN, Mr. BURDICK, Mr. BYRD, Mr. COHEN, Mr. CRANSTON, Mr. DECONCINI, Mr. DENTON, Mr. DIXON, Mr. DURENBERGER, Mr. EAGLETON, Mr. GLENN, Mr. HART, Mr. HATCH, Mr. HATFIELD, Mrs. HAWKINS, Mr. HELFIN, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. INOUYE, Mr. JOHNSTON, Mr. KENNEDY, Mr. LAUTENBERG, Mr. LAXALT, Mr. LEVIN, Mr. MATTINGLY, Mr. MATSUNAGA, Mr. MELCHER, Mr. MITCHELL, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. NUNN, Mr. PELL, Mr. PRYOR, Mr. RANDOLPH, Mr. RIEGLE, Mr. ROTH, Mr. SARBANES, Mr. SASSER, Mr. STEVENS, Mr. SYMMS, Mr. TOWER, Mr. TSONGAS, and Mr. ZORINSKY):

S. 2128. A bill to amend the Internal Revenue Code of 1954 to provide a rollover of the gain on stock of an employer sold to certain employees, and for other purposes; to the Committee on Finance.

By Mr. BAKER (for Mr. HATCH (for himself, Mr. KENNEDY, Mr. DOMENICI, and Mr. BINGAMAN)):

S. 2129. A bill to provide revised reimbursement criteria for small rural health clinics utilizing National Health Service Corps personnel; placed on the calendar.

By Mr. WILSON:

S. 2130. A bill to provide home buyers equitable access to the national secondary mortgage market; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DECONCINI (for himself and Mr. KENNEDY):

S. 2131. A bill to provide for the temporary suspension of deportation for certain aliens who are nationals of El Salvador, and to provide for Presidential and Congressional review of conditions in El Salvador and other countries; to the Committee on the Judiciary.

By Mr. DECONCINI:

S. 2132. A bill to authorize the Secretary of Agriculture to extend special use authorizations to owners of recreation residences within the Coronado National Forest; to the Committee on Energy and Natural Resources.

By Mr. FORD (for Mr. GLENN):

S. 2133. A bill to provide authority to reduce erosion within the Cuyahoga Valley National Recreation Area; to the Committee on Energy and Natural Resources.

By Mr. HATFIELD:

S.J. Res. 201. Joint resolution to provide for the designation of the week of November 25 through December 1, 1984, as "National Epidermolysis Bullosa Awareness Week"; to the Committee on the Judiciary.

By Mr. ARMSTRONG (for himself, Mr. ABDNOR, Mr. ANDREWS, Mr. BAKER, Mr. BAUCUS, Mr. BENTSEN, Mr. BINGAMAN, Mr. BOSCHWITZ, Mr. CHAFEE, Mr. DECONCINI, Mr. DENTON, Mr. DOMENICI, Mr. EAGLETON, Mr. GARN, Mr. GOLDWATER, Mr. HART, Mr. HATCH, Mrs. HAWKINS, Mr. HECHT, Mr. HELMS, Mr. LAXALT, Mr. LUGAR, Mr. MCCLURE, Mr. MOYNIHAN, Mr. NICKLES, Mr. PRESSLER, Mr. RANDOLPH, Mr. SIMPSON, Mr. THURMOND, Mr. TSONGAS, Mr. WALLOP, and Mr. ZORINSKY):

S.J. Res. 202. Joint resolution to designate 1984 as "The Year of Water"; to the Committee on the Judiciary.

By Mr. HUDDLESTON (for himself, Mr. FORD, Mr. MELCHER, Mr. RANDOLPH, Mr. ANDREWS, Mr. DOLE, Mr. GLENN, Mr. SARBANES, Mr. GRASSLEY, Mr. JEPSEN, Mr. STENNIS, Mr. NUNN, and Mr. LEAHY):

S.J. Res. 203. Joint resolution designating the week beginning April 8, 1984, as "National Mental Health Counselors Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BAKER (for himself and Mr. BYRD):

S. Res. 282. Resolution authorizing testimony of Linda K. Stiles and Christian A. Steed and the production of documents; considered and agreed to.

By Mr. COHEN (for himself and Mr. BIDEN):

S. Res. 283. Resolution relating to chemical weapons; to the Committee on Foreign Relations.

By Mr. DOMENICI (for himself, Mr. DECONCINI, Mr. HART, and Mr. BINGAMAN):

S. Res. 284. Resolution regarding the bankruptcy code; to the Committee on the Judiciary.

By Mrs. HAWKINS (for herself, Mr. D'AMATO, Mr. MOYNIHAN, Mr. LEAHY, Mr. MATSUNAGA, and Mr. HEINZ):

S. Res. 285. Resolution expressing the sense of the Senate that Medicare reimbursement for hospice care be at reasonable levels; to the Committee of Finance.

By Mr. BAKER (for Mr. DOLE):

S. Res. 286. Resolution establishing a Special Committee on Security and Cooperation in Europe, and for other purposes; placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATFIELD (for himself and Mr. MATHIAS):

S. 2105. A bill to amend the Internal Revenue Code of 1954 to provide that a taxpayer conscientiously opposed to participation in war may elect to have his income, estate, or gift tax payments spent for nonmilitary purposes; to create a trust fund (the World Peace Tax Fund) to receive these tax payments; to establish a World Peace Tax Fund Board of Trustees, and for other purposes; to the Committee on Finance.

(The remarks of Mr. HATFIELD and the text of the legislation appear earlier in today's RECORD.)

By Mr. D'AMATO:

S. 2107. A bill to provide geographic deregulation of banking; to the Committee on Banking, Housing, and Urban Affairs.

GEOGRAPHIC DEREGULATION OF BANKING

● Mr. D'AMATO. Mr. President, the financial services industry, as we all know, is currently undergoing a period of rapid change, covering seemingly every aspect of that industry. The laws and regulations have been unable to keep up with the pace of change in the marketplace. In 1980 the Congress did enact important legislation which dealt with the significant issue of the rate of interest which depository institutions could pay on deposits. This effort to bring our laws up to date was furthered last year by the passage of the Garn-St Germain Depository Institutions Act of 1982.

In this Congress, the Senate Banking Committee has held a series of hearings on various proposals dealing primarily with the issue of which products various sectors of the financial services industry should be able to offer. In other words, who should be able to offer what financial products and services and how. However, just as important as the questions of who, what, and how is the question of where. Currently, various segments of the financial services industry are proceeding to determine the geographic question not on the basis of a sound public policy, but rather on the basis of self-interest, protectionism, and creative interpretations of outdated statutes. I believe it is time for Congress to establish a policy for geographic deregulation, and it is for this purpose that I am today introducing the Banking Geographic Deregulation Act of 1983. The purpose of this act is to provide an orderly transition to full interstate banking.

The truth is, Mr. President, that today we in large part already have an interstate system for the delivery of banking services. However, our present system can only be described as a hodgepodge which is inefficient, costly, and unfair both to those offering banking services and to those purchasing them. Let us look at only a partial listing of the interstate system we have today.

First, loan production offices: Most of the larger banking institutions have loan production offices in many locations throughout the country lending to large- and medium-size businesses.

Second, grandfathered bank holding companies: 8 bank holding companies headquartered in six States control 128 banks in 21 other States.

Third, nonbank affiliates: Bank holding company nonbank affiliates by the hundreds are spread throughout the country. These affiliates include finance companies, mortgage companies, and industrial banks.

Fourth, interstate thrifts: Interstate mergers approved by the Federal Home Loan Bank Board have created interstate systems in 29 States.

Fifth, reciprocal banking: 13 States have adopted various types of state laws permitting out-of-state bank holding companies to enter their States under specified circumstances.

Sixth, nonbank banks: Companies which do not qualify as bank holding companies are in the process of setting up interstate networks of so-called nonbank banks. They can do so because a bank is defined in the Bank Holding Company Act as an entity that both takes demand deposits and makes commercial loans; therefore an entity which does everything a bank normally does except make commercial loans is not technically a bank and may be acquired across State lines.

Seventh, interstate electronic banking networks: Networks of automatic teller machines have been formed allowing bank customers access to such machines interstate.

Thus we have de facto interstate banking today in many respects, but in a very inefficient manner. Customers are prevented from receiving the benefits of true competition in financial services by laws which no longer have any justification except to protect certain segments from competition. The efficient flow of capital is inhibited. Millions of dollars are wasted in setting up artificial business structures that serve no purpose other than to comply with the technicalities of laws which are totally out of date. Furthermore, the financial industry is unable to plan efficiently since, while almost everyone agrees full interstate banking will come, no one knows how or when.

While I believe that we should have full interstate banking, I recognize that political realities require a phased-in approach. Such a phase in will also enable bankers to plan and adjust to the coming change in an orderly fashion. The bill I am introducing today provides for such a phase in. Under this legislation, bank holding companies would be able to acquire—or set up de novo—one bank in each of two States each year for 5 years. In other words, after 5 years, a bank holding company could have expanded to a maximum of 10 States. Under the legislation, at the end of the 5-year period, the present prohibition on the interstate acquisition of banks by bank holding companies would be repealed.

Furthermore, during the initial 5-year period a State may adopt a law which, in effect, nullifies the phase in as far as that particular State is concerned. In other words, a State may prohibit an out-of-state holding company from entering that State; but, if a State so acts, its holding companies will be unable to acquire banks in other States. Again, at the end of the 5-year period, any such State law affecting the interstate expansion of holding companies would be nullified.

Mr. President, I would like to comment briefly on one argument which is often raised against removing the barriers to interstate banking. That argument is that removing such barriers will result in the concentration of economic resources. It is often asserted that the bigger banks will quickly gobble up the smaller ones and that we will in the end have only a dozen or so huge depository institutions.

I do not agree with this argument for a number of reasons. First, we have thousands of strong financial institutions in this country which are quite capable of meeting the competitive challenge and thriving. Second, the antitrust laws, as applied to banking, would prevent such a concentration of resources; furthermore, if a case can be made that the antitrust laws are insufficient, they can be strengthened as part of any legislation to remove the interstate barriers. Third, the largest bank holding companies in this country simply do not have the financial means to gobble up all the others.

Fortunately, we have test cases which demonstrate that removal of geographic barriers will not result in too much concentration. My own State of New York, which has several of the largest banks in the country, removed its barriers to geographic expansion a little over a decade ago. In the early 1970's, for the first time the huge New York City banks were allowed to enter the upstate market. Some commentators thought these banks with their tremendous resources would soon dominate the entire State. To the contrary, New York today has a highly competitive banking market. In fact, the largest New York City banks, despite great efforts, were unable to make much of a dent against the competition in other parts of the State. The local institutions were more than up to the challenge. There have been similar results in State after State were geographic barriers were removed.

I hope the approach set forth in the Banking Geographic Deregulation Act of 1983 will help move forward the discussion of the phase in of full interstate banking. At this point, I would like to state why I think the approach I have outlined today is preferable to another type of approach which has sometimes been advocated—regional banking. Under the regional approach, bank holding companies would be able to acquire other banks in their region or in States contiguous to their home State.

There are two major problems with the regional approach. First, while it is always put forth as an interim step, there never appears to be any specific timetable for full interstate banking. Without such a specific timetable, the regional approach may in reality be permanent. Second, the regions, however defined, have no real economic reality. It should be left up to the market, as is the case with every other sector of our economy, to decide where services are offered. Most banking institutions would probably choose a regional approach; but why, for example, should not a New York institution be able to offer services to retired or vacationing New Yorkers in Florida? Why should not a banking institution which specializes in energy related financing be able to concentrate its efforts on energy-producing States? The bill I introduce today would allow such economic choices to be made.

In my opionion, the most objectionable approach of all is the so-called regional-reciprocal approach. In New England, States have either passed, or are in the process of passing, State laws which basically allow entry by out-of-State bank holding companies only if they are headquartered in another New England State. This approach, of course, obviously has little to do with natural markets. It is hard to argue that a Rhode Island institution headquartered in industrial Providence is a natural to combine with a Vermont institution 150 miles away, while an institution across the border from Vermont in upstate New York is not; or that a New Hampshire institution is a more natural partner for a Connecticut holding company than a New York one—considering the relevant commuting patterns.

Unfortunately interest in this approach appears to be spreading. Institutions in the Northwest, the Midwest, and the Southeast are reported to be considering the idea. The American Banker for November 4 reports initial meetings of a group consisting of representatives from Ohio, Delaware, Pennsylvania, New Jersey, Maryland, and the District of Columbia. Is Ohio a more natural market partner for the District than Virginia? Of course not. Is it an accident that both this group and the New England group stop at the New York border? No more so than the almost certain fact that any Midwest group will not include Illinois, any western group will exlude California, and any southwest or southern group will probably exclude Texas. New York, Illinois, California, and Texas are, of course, the home States of the bigger banking institutions whose competition is to be avoided at all costs. The States that are being included and excluded demonstrate clearly the real purpose of these efforts—protectionism. These combinations are being developed purely in the interest of the banking institutions involved. Should not the question be what is in the best interests of

the consumers of financial services and the economy as a whole?

For the Federal Government to allow, much less as some have proposed to condone, such balkanization of the States for protectionist purposes would be beyond belief to the authors of our Constitution. The very purpose of the commerce clause of the Constitution was to prevent such protectionist measures. The authors of that clause recognized that the economy was best served by the free flow of goods and services throughout the country. The same is true today with respect of financial services.

Mr. President, I hope the bill I introduce today will engender a discussion of the proper approach to phase in full interstate banking. We badly need a national policy on this issue—a policy which looks beyond narrow self-interest to the good of the economy as a whole.●

By Mr. HATCH:

S. 2111. A bill to amend part B of title IV of the Job Training Partnership Act, to strengthen the Job Corps program; to the Committee on Labor and Human Resources.

JOB CORPS AMENDMENTS OF 1983

Mr. HATCH. Mr. President, I am pleased to introduce the "Job Corps Amendments of 1983." This legislation is designed to make further improvements in one of this country's more successful training programs targeted to serve disadvantaged youth.

I am, and have been, a strong supporter of the Job Corps program for many reasons. First, this country is currently experiencing a 19-percent youth unemployment rate and a 48.3-percent unemployment rate among minority youth. A large number of disadvantaged youth have become disillusioned by the traditional school system and its failure to provide the educational and vocational skills necessary to compete in the labor market. The Job Corps focuses directly on this population and provides comprehensive services designed to overcome their labor market handicaps.

Second, the Job Corps utilizes the resources and expertise of the private sector extensively since the majority of Job Corps centers are operated by private sector companies which have expertise in training. These contractors also bring the bottomline accountability characteristic of the private sector to the operation of a Government program. Such private sector participation is consistent with our goals for employment and training policy, including more business input to develop training programs which can best respond to the needs of the labor market, and therefore increase placement opportunities for students.

Third, the Job Corps has a demonstrated record of success approximately 50 percent of all terminees obtain unsubsidized employment, another 25 percent go on to attend technical school, community colleges and other educational or training institutions. This record is particularly impressive in view of the Job Corps' particular client group. Finally, the Job Corps program has been, and still is, successful in removing disadvantaged youth from their debilitating milieu and placing them in the constructive, learning and living environment of a Job Corps center. The mission of such centers is to give students a sense of independence, self-esteem, and dignity in place of defeatism, indifference, or even rebellion.

Despite the many Job Corps successes and my longstanding support of this program, I know that further steps must be taken to improve the program and to further enhance its effectiveness. This bill outlines these steps in a constructive, positive manner. As chairman of the Labor and Human Resources Committee, I have had the opportunity to take a close look at the operation of this program and to identify needed improvements.

The bill has specific provisions which are built on three general concepts: First, extend the use of private sector expertise to the operation of civilian conservation centers which are currently operated federally by the Departments of Agriculture and Interior; second, require contractors to assume specific and reasonable responsibilites for achievement and behavior of students as well as for the maintenance of centers; and third, codify certain program improvements, such as performance standards and regular reviews of vocational curricula, which have been initiated by the Department of Labor to insure their consistent application and full, long-term implementation. The specific provisions are focused in the following areas:

First. Job Corps Center Facilities.—The bill establishes specific standards for physical plants and facilities and requires uniform compliance to eliminate the broad disparity among centers.

Second. Vocational Training.—The bill formally sanctions an activity recently undertaken by DOL to thoroughly review and regularly update information on the effectiveness of Job Corps vocational education programs. Training must be geared toward the labor market.

Third. Performance Standards.—The bill establishes formal standards of performance for Job Corps centers, including job placement and educational achievement. In addition to influencing center program changes helpful to student's overall success, the performance standards will also provide an objective basis for evaluation of Job Corps contracts.

Fourth. Standards of Conduct.—The bill strengthens required action regarding youth who abuse the privilege of attending a Job Corps center.

Fifth. Community Participation.—The bill, in the spirit of JTPA, gives new emphasis to the Job Corps contractor's responsibility to forge cooperative relationships with the communities in which centers are located.

Sixth. Counseling.—The bill strengthens counseling services to help improve the retention rate of students in the program by increasing the frequency of counseling. The success of students after leaving the Job Corps is directly related to the length of time they spent in the center.

Seventh. Personnel.—The bill addresses the qualifications of the Job Corps staff in the vocational, education, and residential living areas. These are the staff who are in direct and daily contact with enrollees. We must insure that these staff possess at least minimum qualifications to support and to insure that program quality and results are maximized for these disadvantaged youth.

Mr. President, I recognize the effort spent by my colleagues in formulating and passing the Job Training Partnership Act. I was proud to work closely with the distinguished chairman of the Employment and Productivity Subcommittee, Senator QUAYLE, our ranking member, Senator KENNEDY, and the Senator from Florida, Senator HAWKINS, in getting this monumental change in employment and training policy enacted into law. Senator QUAYLE, in particular, worked tirelessly to develop a workable plan for public-private partnerships in job training. The result of such dedicated, bipartisan efforts on the part of both House and Senate sponsors, should be preserved without any amendment for a period of time sufficient to make a fair judgment of JTPA's weaknesses and strengths. In recognition of our common commitment to avoid any amendment to JTPA for at least a 2-year period, I offer to stimulate the same kind of serious consideration and discussion of specific improvements and refinements needed in the Job Corps program. My intent is not to open up the JTPA to amendment at this time, but I believe the legislative "bill of particulars" adds greater weight to my concerns regarding the Job Corps. As I indicated earlier, the Job Corps is one of our most successful programs. It deserves our continued support and attention to insure that our most severely disadvantaged youth receive the opportunity to become full and productive citizens in this great country.

This bill represents a stage in the natural evolution of all successsful programs of continuing refinements and improvements. It offers an opportunity for my colleagues to join me on a bipartisan basis to discuss the future

effectiveness of this program in all of the 106 communities where Job Corps centers presently operate.

By Mr. CHAFEE:

S. 2112. A bill to authorize the disposal of silver from the national stockpile; to the Committee on Armed Services.

DISPOSAL OF SILVER FROM THE NATIONAL STOCKPILE

Mr. CHAFEE. Mr. President, I am today introducing a bill which would authorize the General Services Administration to dispose of the silver now held in the national strategic stockpile. The bill provides that the GSA must dispose of this silver in such a way that there would be no loss to the Treasury, and that producers, processors, and consumers of silver would be protected against market disruption.

Mr. President, the U.S. Government is the largest single holder of silver in the world. It stores 137.5 million ounces in the strategic stockpile. Substantial additional amounts are also held by the Mint and the Defense Department.

The strategic stockpile is worth more than $1.6 billion if valued at the average price prevailing in January through October this year. The cost of the stockpile on the Government's books is $177.3 million. Thus, were the Government to sell its strategic stocks today, it would earn more than $1.4 billion. I must note that this sum would not, however, be available to the general fund of the Treasury. It would be credited to the national defense stockpile transaction fund. It would, nonetheless, be considered revenue to the Government, and help to reduce the deficit.

This extremely large U.S. Government stockpile has the effect of overhanging the domestic market, creating uncertainty among consumers and traders, and market instability.

The facts about consumption and production show the reason for the influence of the silver stock on the market.

Total U.S. consumption of silver in 1982 was only 121 million ounces. World consumption was 369 million ounces, but total new production was only 265 million ounces. The gap between consumption and new production is filled mainly by the use of scrap and demonetized coins and by silver supplied from the stocks of foreign governments. Should the U.S. Government stocks be sold, there would be a substantial addition to supply.

Contrary to what one might expect, there is no strategic purpose served by maintaining the huge supply of silver in the Government's stockpile. The National Security Council has determined that there is no strategic need to stockpile silver. Since 1974, all or a portion of the silver has been declared surplus by four administrations. At least one Presidential Commission—the National Commission on Supplies and Shortages—did not find it necessary to stockpile silver.

However, should there be an urgent national need for silver, stocks other than the strategic stockpile are available. Treasury still holds 36 million ounces for commemorative coinage purposes; 14 million ounces are held in industry stockpiles; 0.6 million ounces are held in Defense Department stocks. In addition, very substantial amounts of silver are held by citizens. There are an estimated 850 million ounces of sterling and 600 million ounces of bullion estimated to be held by U.S. citizens. And there are millions of ounces of silver coins in private hands. Clearly, in a time of emergency, these supplies could become available for urgent national purposes.

Mr. President, it is worth noting that the creation of the strategic silver stockpile was simply a byproduct of the decision in 1967 to cease minting silver coins. It was not the result of a considered determination that such stocks were essential to the national defense.

Before 1967, the United States consumed vast amounts of silver for coinage purposes. In 1965, for example, this country consumed 320 million ounces for coinage. During 1961–65 more than 700 million ounces were so consumed. Thus, there was at one time a need for large amounts of silver to be stockpiled for national purposes, but this is clearly no longer the case. The great bulk of the current stockpile was transferred from the Treasury to the stockpile as a result of the 1967 act.

The United States now depends on substantial amounts of imported silver to meet its industrial needs. In 1982, net imports were 92 million ounces or $736 million. Imports accounted for 77 percent of U.S. consumption. Obviously orderly disposal of the strategic stocks would reduce the volume of imports.

Finally, I believe that it is in the interest of the United States and of the taxpayer to dispose of the silver stockpile. The stockpile of 137.5 million ounces is now valued at nearly $1.6 billion. Presuming an interest charge of 10 percent, the opportunity cost is $450,000 a day or $164 million a year. This is the amount of debt service that would be saved were the Government able to sell the silver. In addition, it costs about $20 million yearly to physically maintain the silver stockpile.

I believe this bill is in the interest of U.S. consumers of silver products, and of the taxpayers who must bear the cost of the stockpile. Disposal of the stockpile would be useful now because it would have the effect of stabilizing supplies at a time of market volatility. As in the past, disposal can be undertaken in such a way as to avoid disruption of markets and harm to producers and could bring a period of stability to the market, thus benefitting consumers and producers as well.

Ultimately, Mr. President, my interest in this issue stems from my determination to improve the business climate for industries that produce silver. This means jobs—jobs for Rhode Island and other States where silver-based industries are important.

Mr. President, I ask that the text of the bill be printed immediately following the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2112

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized to dispose of one hundred and thirty-seven million five hundred thousand troy ounces of silver now held in the National Defense Stockpile. Any disposal under this authority shall be carried out in accordance with the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.).

By Mr. MATTINGLY:

S. 2113. A bill to authorize interstate banking among certain States; to the Committee on Banking, Housing, and Urban Affairs.

INTERSTATE BANKING ACT OF 1983

Mr. MATTINGLY. Mr. President, today I am introducing S. 2113, the Interstate Banking Act of 1983. This legislation will give a congressional blessing to initiatives at the State level which are seeking to adapt the banking industry to new competitive forces. Moreover, it is intended to promote interstate commerce while, at the same time, respecting the State prerogative that lies at the heart of our Federal system.

At present various regions of the country are taking steps toward the creation of regional banking markets through reciprocal agreements among groups of States. One such regional banking experiment is already underway in New England. It was recently disclosed that Georgia, Florida, and North Carolina are considering a proposal to allow banks in those three States to operate in each of the others. The Georgia Legislature will take up this issue when it convenes in January. In addition, I understand that a similar arrangement is under discussion among States in the Northwest. The Interstate Banking Act of 1983 will give a congressional go-ahead to the creation of such regional banking compacts and to other interstate banking initiatives originating at the State level.

Senator TSONGAS recently introduced S. 1002 to authorize interstate banking among the New England States. My legislation, S. , is identical in intent. However, it is more comprehen-

sive in that it would allow any region, not just New England, to set up regional banking compacts or to experiment with other interstate banking possibilities.

Make no mistake, nationwide interstate banking currently exists in many ways. Bank credit cards, out-of-State loan production offices, nationwide mortgage and finance companies, brokered deposits, and interstate networks of automatic teller machines are all examples of existing interstate banking activities. Further, in the State of Georgia, Citicorp and other large banks are offering a wide array of banking services and products, and solicit deposits from Georgia residents by mail or through brokers. There are also more than 250 offices of out-of-State banks in Georgia, and at least four Georgia bank holding companies have offices in other States.

The extent of interstate banking already in existence and the regional experimentation with interstate banking clearly indicate the crumbling of the existing legal structure that seeks to confine full service banking within the separate States. A powerful impetus of these changes comes from recent technological developments and expanded communications capabilities that are producing a variety of new financial services on a national basis. While it is extremely unlikely that Congress will move toward nationwide interstate banking at this time, regional interstate banking is a first step which attempts to balance on the one hand respect for local interests and on the other recognition of the forces underlying an emergent financial services industry that operates on an interstate basis.

The regional approach to interstate banking permitted by this bill respects the rights of the States. Individual State governments know how best to serve the financial needs of their States and their regions. In addition, the individual States are in a position to assess the technological developments and the nature of competition in their States and regions to determine whether reciprocal banking legislation with neighboring States would be desirable. It would be improper for the Federal Government to inhibit the States' prerogative and stifle their efforts. Indeed, their initiative should be encouraged by the Federal Government. This proposal would do just that.

Traditionally States have been laboratories for innovation. The Interstate Banking Act of 1983 would foster such experimentation without imposing Federal requirements. Moreover, this approach to regional interstate banking as a possible prelude to national interstate banking is not without precedent. We all recall how the NOW account began as an experiment in the Northeastern States, proved successful, and was then adopted of a national basis. Innovation in regional interstate banking likewise should be permitted.

Finally, regional interstate banking is more than just a banking issue. Permitting banking expansion on a regional basis can enhance the potential for economic development within that region. Regional banking arrangements would encourage a more efficient and effective flow of capital into those regions as a result of market place forces.

Mr. President, Federal law currently permits only limited forms of interstate banking by bank holding companies. S. , will give congressional blessing to the creation of regional banking compacts and open the way for much more vigorous experimentation by all kinds of federally insured depository institutions.

I ask unanimous consent that the text of the proposal appear in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2113

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Interstate Banking Act of 1983".

SEC. 2. The first sentence of subsection (c) of section 5155 of the Revised Statutes (12 U.S.C. 36) is amended—

(1) by striking out "and" before "(2)"; and

(2) by inserting before period the following: "; and (3) within any other State in which such establishment and operation are at the time authorized to out-of-state State banks by statute law by language specifically granting such authority affirmatively and not merely by implication or recognition, and subject to any restriction as to location imposed by the laws of the other State on State banks".

SEC. 3. Section 7 of the Bank Holding Company Act of 1956 (12 U.S.C. 1846) is amended by inserting "(a)" after "Sec. 7." and by adding at the end thereof the following:

"(b) In considering an application filed pursuant to section 3 of this Act, the Board shall give effect to any State laws which permit a bank holding company whose banking operations are principally conducted in any other State to acquire, directly or indirectly, any voting shares of, interest in, or all or substantially all of the assets of any bank located in that State.".

SEC. 4. Section 5 (r) of the Home Owner's Loan Act of 1933 (12 U.S.C. 1464 (r)) is amended by adding at the end thereof the following:

"(4) An association may establish and operate a branch in any State where the establishment and operation of a branch by an out-of-state association are authorized by statute in language specifically granting such authority affirmatively and not merely by implication or recognition, and subject to any restriction as to location imposed by the laws of the State on State associations.".

SEC. 5. Section 408 (e)(3)(B) of the National Housing Act (12 U.S.C. 1730a(e)(3)(B)) is amended by inserting before the period at the end thereof the following: ", except that the Corporation shall give effect to any State laws which permit a savings and loan holding company whose operations are principally conducted in any other State to acquire, directly or indirectly, any voting shares of, interest in, or all or substantially all of the assets of any association located in that State.".

SEC. 6. Section 18(d) of the Federal Deposit Insurance Act (12 U.S.C. 1828(d)) is amended by adding at the end thereof the following:

"(3) In considering the application of any State nonmember bank, the Corporation shall give effect to any State laws under which the establishment and operation of a branch by an out-of-state nonmember bank are authorized by statute in language specifically granting such authority affirmatively and not merely by implication or recognition and subject to the restrictions as to location imposed by the laws of the State on State nonmember insured banks.".

SEC. 7. Section 18(C)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1828(C)(5)) is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(2) by inserting "(A)" after "(5)"; and

(3) by adding at the end thereof the following:

"(B) In reviewing any merger transaction, the responsible agency shall give effect to the laws of affected States under which a merger transaction involving a bank from one State and a bank from another State is authorized by statutes of the States in which the banks have their principal offices in language specifically granting such authority affirmatively and not merely by implication or recognition and subject to any restriction as to location imposed by the laws of the affected States."

SEC. 8. Section 5(d)(11) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(d)(11)) is amended—

(1) by inserting "(A)" after "(11)"; and

(2) by adding at the end thereof the following:

"(B) In considering any reorganization or merger involving an association, the Board shall give effect to the laws of affected State under which a reorganization or merger involving an association from one State and an association or other financial institution from another State is authorized by statutes of the States in which the associations have their principal offices in language specifically granting such authority affirmatively and not merely by implication or recognition and subject to any restriction as to location imposed by the laws of the affected States.".

SEC. 9. Any State that enacts legislation authorizing interstate banking acts pursuant to the power of Congress to promote interstate commerce, even though such legislation authorizes only banks and savings and loan associations located in certain states to engage in banking activities in such State.

By Mr. LEVIN:

S. 2114. A bill to authorize the Secretary of the Army to Construct a second large lock at Sault Ste. Marie, Mich.; to the Committee on Environment and Public Works.

CONSTRUCTION OF NEW LOCK AT SAULT STE. MARIE

● Mr. LEVIN. Mr. President, today I am introducing legislation along with

Senator RIEGLE to authorize the U.S. Army Corps of Engineers to construct a second large lock at Sault Sainte Marie, Mich. The Soo locks, as they are known, are the locking facility on the upper four Great Lakes, providing access to and egress from Lake Superior.

The Soo locks are vital to the economic health of the entire Great Lakes region. Iron ore from northern Michigan and Minnesota move through the Soo locks to steel mills located on the southern tip of Lake Michigan and along Lake Erie. Grain, coal, and other bulk commodities, such as limestone, cement, and wood products, leave ports on Lake Superior for manufacturing facilities in Michigan, Ohio, Pennsylvania, Illinois, and Indiana, or for export through the St. Lawrence Seaway. During 1982, approximately 66.5 million tons moved through the Soo locks.

However, the Soo locks were built for an earlier time. Increasingly, industry is replacing its existing fleet of smaller bulk carrying vessels and relying to a greater extent on larger class X vessels, 1,000 feet long 105 feet wide, to move the raw materials used by Great Lakes industries. At the present time, however, only one lock at the Soo can accommodate such vessels. That lock, the Poe, is 1,200 feet in length and 110 feet wide, Another lock, the MacArthur, can accommodate the smaller vessels in the Great Lakes fleet up to 800 feet in length and 80 feet in width. The remaining two locks, the Sabin and Davis, are too shallow to accommodate loaded vessels.

A second large lock at the Soo would improve efficiency, remove sole reliance on the Poe, and provide for potential increased demand in a national emergency. As the Great Lakes fleet modernizes and additional class X vessels come into service, the potential for a bottleneck at the Soo locks increases. Moreover, damage to the Poe lock, in the absence of a second large lock, could adversely affect employment in the ports and industries dependent on movement of raw materials through the Soo locks. Finally, a second large lock would assure that the Soo locks could adequately handle an increased demand for raw material during a national emergency.

The legislation we are introducing today would respond to these concerns by authorizing the Army Corps of Engineers to construct a second large lock at the Soo. This lock would be similar in dimension to the Poe, but would involve replacement of the Sabin or Davis. The Corps has already determined, based upon preliminary feasibility studies, that a second large lock is economically justified.

Not only is a second large lock needed and important to the Great Lakes economy, its construction would also benefit the economy of Sault Ste. Marie and surrrounding area. Unemployment in the eastern half of Michigan's Upper Peninsula has hovered around 20 percent for a number of years. Construction of the lock would provide needed employment and a boost for the local economy.

Moreover, construction of a second large lock should not cause significant adverse environmental damage. Construction would be located in the vicinity of the Sabin and Davis locks and would not directly impact the St. Mary's Fall Canal or River—a significant fish spawning and habitat area important to the Upper Peninsula's tourist economy.

In fact, construction could improve the environment and economy of the area. Removal of the substantial amounts of rock and concrete could be used to protect shoreline property, or provide for fish and wildlife habitat rejuvenation.

By Mr. THURMOND:

S. 2115. A bill to amend provisions regarding the executive exchange program; to the Committee on Governmental Affairs.

EXECUTIVE EXCHANGE PROGRAM

Mr. THURMOND. Mr. President I rise today to introduce legislation relating to the President's Commission on Executive Exchange. Similar legislation has already been introduced in the House of Representatives by Representative SAM HALL, the distinguished and able chairman of the House Judiciary Subcommittee on Administrative Law and Government Operations. My bill, like the House version, will facilitate the recuitment of our Nation's most promising executives as candidates for the President's Executive Exchange Program.

The goals of this program are straightforward. Business and Government objectives are becoming more interdependent. There is a growing need for business and Government to operate in close concert for the national good. It logically follows that leaders in both the private sector and Government should possess a basic understanding of, and experience working with, the problems of the other.

The President's Commission on Executive Exchange was originally created under the Nixon administration to increase cooperation between the Government and industry by placing talented, high-potential executives from one sector into the other for a year. It was hoped that the experience would give the executives additional insight into the day-to-day operations of the opposite sector.

The Commission, originally named the President's Commission on Personnel Interchange, was renamed the Commission on Executive Exchange under the Carter administration. It has functioned smoothly and has successfully placed executives in Federal agencies and private industry for over 12 years. In recent years, however, the Commission has been experiencing increased difficulty in recruiting top private-sector executives for Government service. The Commission feels it is the disparity between Government and private sector salaries that makes the task of attracting top flight private sector personnel to Washington so difficult. Often, a participant is not only asked to relocate, but must also accept a huge cut in pay to spend a year with the Government.

The bill that I am introducing today will allow those executives to serve the Government as volunteers, while continuing to be compensated by their sponsoring company. This legislation will wave certain restrictions on Government employees receiving outside compensation while serving as members of the Exchange Program. Further, the bill provides that only the sponsoring company or organization may compensate the executive. The Commission will carefully screen the placement of each program candidate to insure that there are no conflicts of interests.

Finally, Mr. President, at a time when it is absolutely necessary to pursue budgetary frugality, it is important to emphasize that the participating companies have all expressed their willingness to bear the expense of supporting their employees who take part in the program. This proposed legislation will not result in any additional cost to the Government.

This is a worthwhile program, and I am pleased to say that the President's Commission on Executive Exchange and the Office of Personnel Management both strongly support this change as a means of assuring the continued participation of this country's most promising and gifted executives in the progam.

By Mrs. HAWKINS (for herself and Mr. HATCH):

S. 2117. A bill entitled the "National Childhood Vaccine-Injury Compensation Act"; to the Committee on Labor and Human Resources.

NATIONAL CHILDHOOD VACCINE-INJURY COMPENSATION ACT

● Mrs. HAWKINS. Mr. President, immunization efforts have saved countless children from death and disability and contributed enormously to virtual eradication of many diseases in the United States. But immunizations are not without potential hazards. There have been controversies over the safety and efficacy of some vaccines and concern over the inadequacy of our current legal-claims system for compensating those injured by an adverse reaction to a vaccine. Doubts and fears have eroded confidence in our

vaccination program and threaten our supply of vaccines.

Parents should not be frightened to have their children immunized. It would be tragic if efforts to eliminate or control communicable disease were hampered because segments of the population reject the vaccination process. We cannot afford a revival of serious epidemics, which would most surely follow public opposition to vaccines. We cannot forget the iron lung. To prevent pain and suffering, we must take action to restore confidence in our immunization program.

Immunization programs serve a special function in our society. All 50 States have implemented legislation making immunizations mandatory for school admission. Because school attendance is required by law, parents must have their children immunized or risk criminal prosecution. Refusing vaccination is difficult, if not impossible. Moreover, large-scale public participation in the immunization program is essential to its success. Each of us benefits from the individual's decision to be immunized. It is only fair that this benefit be matched by a public commitment to assure some form of compensation to those unavoidably injured—and the compensation should be fair and expeditious.

There is another issue related to the immunization program that is of grave concern to me—the threat to the vaccine supply in this country. The number of firms engaged in the manufacture of vaccines in the United States has declined dramatically over the past 15 years. A 1979 Government study verified that since 1968, the number of vaccine manufacturers with activities in the United States had decreased by 50 percent; the number of licensed vaccine products had declined by 60 percent over the same period; and there is only one pharmaceutical manufacturer in the United States for 19 kinds of vaccine products, and no U.S. manufacturer of 11 other vaccine products.

One by one, U.S. vaccine manufacturers have decided that this business is not commercially attractive, and have dropped out. Why? Rising costs and inadequate prices have been a significant factor in the decision to withdraw from vaccine markets. But a major problem is liability for unavoidable injury in mass immunization programs. The specter of high and uncertain damage awards has driven manufacturers out of vaccine production. The president of a major vaccine manufacturing company in this country informed me that price increases on vaccines are necessary because the number of litigious suits can suddenly increase, as can awards granted to plaintiffs. In his company's case, 50 percent of all liability claim dollars are attributable to vaccines, which represent less than 10 percent of their business. It is absolutely vital that we not lose the remaining domestic sources that supply the U.S. population with protection against disease and death.

Increased vaccine costs threaten the childhood immunization program in another way: Dramatic increases in price mean that fewer children will be immunized. According to a spokesperson of one of the three private pharmaceutical companies currently manufacturing the pertussis vaccine, the cost of a 15-dose vial of pertussis vaccine increased from $4.67 to $42 in June of this year. That represents an unbelievable tenfold increase. The company had only two alternatives: either to discontinue manufacturing the vaccine or to increase its price radically. The director of marketing of that U.S. vaccine manufacturer, Douglas Reynolds of Connaught Laboratories, informed the chairman of the Academy of Pediatrics' Committee on Infectious Diseases that "Connaught definitely endorses the concept of new legislation to establish a compensation system for those individuals who suffer a serious adverse reaction and attendant losses as a result of vaccination. Such a system should: One, assure that those actually injured are compensated for their losses to the extent society can reasonably provide, and two, eliminate the frivolous lawsuits that even when thwarted have substantial costs involve. Neither the vaccine manufacturers nor other responsible parties in the medical community are looking for an escape from the costs of negligence, but the concept of absolute liability applied to immunization is not in the best interest of society's public health goals."

Our legal claims system is a slow, expensive, and uncertain process. One court may place the entire burden for caring for an injured child on the family and another may award a $1 million settlement even if negligence cannot be proved. To assure simple justice for children injured by vaccines, we need to enact a Federal no-fault compensation system to provide for children injured by adverse reactions to childhood vaccines.

I have been working with the American Academy of Pediatrics and Dissatisfied Parents Together to develop the legislation we are introducing today.

This legislation creates a national vaccine-injury compensation program which will compensate children who are injured by adverse reactions to vaccines.

It is an elective program, not mandatory, Injured parties may still choose to pursue their cases through the traditional tort system. But we feel that the administrative remedy has certain advantages that will make it preferable to the tort system.

An approach suggested by the National Immunization Work Group on Liability to develop a schedule of designated compensation injuries or (DCI's) reactions of a severity that may be expected to result from particular vaccine, within a given time period. It would create a rebuttable presumption that a DCI occurring within the time period was vaccine-related.

To avoid conflict of interest, the administrative agency deciding claims would be separate from HHS and the Public Health Service. We have borrowed a concept from Senator Hatch's radiation compensation legislation in which the district court could appoint a special compensation master or magistrate to administer claims.

Victims could be compensated for all economic losses: medical expenses, rehabilitation, lost wages, replacement services, pain and suffering.

Negligence would not be a prerequisite for recovery, but the Federal Government would have a right to sue negligent parties.

A nine-member Advisory Commission on Childhood vaccines is established to be comprised of three members who are physicians, scientists, or health professionals, three members who are from the general public including two who represent parents of children injured by vaccines, and three members from the field of law. The Advisory Commission will advise the Secretary on the implementation of the program, recommend changes in vaccine injury table (VIT), recommend ways to improve the safety, efficacy, and supply of vaccines, and recommend changes in surcharge and research priorities.

The bill requires each health care provider administering vaccines to record on patients permanent medical record, information regarding their name and current address, date, manufacturer, and lot number of the vaccine.

The bill requires each health care provider who administers a vaccine and becomes aware of a reaction following vaccination to enter it on a patient's permanent medical record and report it to the Centers for Disease Control.

After conducting broad based studies of vaccines, the bill requires the Secretary to issue regulations regarding circumstances in which the vaccine should not be administered, or should be delayed beyond its normal time of administration, and the groups, categories or characteristics of potential recipients who may be at significantly higher risk of adverse reactions. This information should be disseminated to physicians, professional health associations, and State and local governments.

The Secretary is required to develop parent information materials containing information regarding the frequency, severity, and potential risks of

both the vaccine and the disease to be prevented by the vaccine. The materials should include information regarding the symptoms and reactions to vaccine which should be reported to the physician, precautionary measures which should be taken to reduce risk of adverse reactions, when, how, and to whom parents can report adverse reactions, contraindications of vaccines, identification of possible high-risk categories, and summary of relevant State and Federal vaccination laws, including information about the availability of the national vaccine-injury compensation program.

The Secretary is required to review all relevant medical and scientific information on nature, circumstances, and extent of relationship between vaccines and certain illnesses and conditions. After review the Secretay shall make a determination as to whether the illness or condition can be reasonably considered to be caused or aggravated by the vaccine and the time period within which the first symptom or manifestation of an onset can be reasonably determined to occur. If the relationship is determined, Secretary shall begin a procedure to amend the vaccine injury table.

This legislation is being introduced in the Senate prior to the end of this session to enable interested parties, including vaccine manufacturers, insurance industry, and the Public Health Service, to review this legislation and offer their suggestions regarding the improvement of our Nation's childhood immunization program.

Mr. President, I ask unanimous consent that the bill and explanatory material regarding this legislation be printed in the RECORD following this statement.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2117

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "National Childhood Vaccine-Injury Compensation Act."

SEC. 2. The Public Health Service Act (42 U.S.C. § 26, et seq.) is amended by inserting at the end thereof the following new title:

"TITLE 21 OF THE PUBLIC HEALTH SERVICE ACT, COMPENSATION OF CHILDHOOD VACCINE-RELATED INJURIES

"PART A—FINDINGS AND PURPOSES

"FINDINGS AND PURPOSES

"SEC. 2101.(a) The Congress finds that—

"(1) there has been a long-standing effort by the Federal Government to promote childhood vaccinations against communicable disease and to encourage states to adopt and enforce mandatory pre-school vaccination laws. As a result, all fifty states and the District of Columbia require that children receive certain vaccines as a condition of entry into school, with limited exceptions;

"(2) while the childhood vaccination programs implemented as a result of these efforts have prevented death and reduced suffering from once common communicable diseases, such as polio, these same programs have, in an unknown number of cases, caused or significantly contributed to, the injury, illness, disability, or even death of some innoculated children and others;

"(3) in some of these instances, vaccine-related injuries cannot clearly be attributed to the fault of any particular party. Thus, in such instances the traditional fault-based tort system offers no effective mechanism for compensating these injured individuals; and

"(4) because communicable disease is a national problem, because the primary thrust for vaccination programs has come from the Federal Government, and because vaccine-related injuries which may tend to undermine the public's confidence in vaccination programs are a national concern, there is a national need for, and responsibility to establish, a national vaccine-injury compensation program as a non-mandatory alternative to the current tort system.

"(b) The purposes of this title are—

"(1) to establish a simple, no-fault, expedited, low transaction cost, nonadversarial, and effective national program for assuring the provision of just compensation to children and others who have sustained vaccine-related injury;

"(2) to establish mechanisms and create incentives to reduce the risks associated with presently available vaccines;

"(3) to promote development and dissemination to parents in understandable terms of more and better information on the risks and benefits of available vaccines, and other relevant information;

"to assure that when vaccine-related injury results from negligence or from a vaccine which is defective of unreasonably dangerous, the responsible party or parties will ultimately be held financially liable; and

"(5) to the extent consistent with the foregoing purposes, to assure the availability of an adequate supply of necessary vaccines at a reasonable price.

"PART B—ESTABLISHMENT OF THE PROGRAM

"NATIONAL VACCINE-INJURY COMPENSATION PROGRAM

"SEC. 2111. (a) In accordance with section 2101(b)(1), there is hereby established the National Vaccine-Injury Compensation Program (hereinafter referred to as the 'Program').

"(b) Subject to the limitations of this Act, but notwithstanding any other provision of law, any person who has sustained a vaccine-relate injury (or the parent or legal guardian of such person in the case of a minor) may elect to seek compensation under the Program established under this title as an alternative to filing an action in a state or federal court in tort for damages.

"(c) The entry of either proposed findings of fact and conclusions of law pursuant to section 2113(d)(1)(C) or a final judgment by the court on a petition for compensation under the Program by, or on behalf of, any person shall constitute a permanent bar against the filing, or further consideration, of any action in tort in a state or federal court by, or on behalf of, such person for damages arising from the same incident of administration of a vaccine for which compensation was sought under this title.

"(d) Except as provided in subsection (c)—

"(1) nothing in this title shall constitute a bar to any action in tort in a state or federal court for damages for any vaccine-related injury; and

"(2) nothing in this title shall affect the legal standards, burdens of proof, statutes of limitations, court jurisdiction. allowable damages or any other aspect of state or federal actions in tort for damages for any vaccine-related injury.

"(3) nothing included (or referred to) in the Vaccine-Injury Table in section 2114(a), nor excluded from such Table, shall be admissible for any purpose whatsoever in any action in tort in any state or federal court for damages for any vaccine-related injury. Nor shall any matter included in, referred to, or excluded from, such Table be afforded any weight by the decider of fact in any such action in tort.

"(4) nothing included (or referred to) in the review list in section 2114(c), nor excluded from such list, shall be admissible for any purpose whatsoever in any action in tort in any state or federal court for damages for any vaccine-related injury. Nor shall any matter included in, referred to, or excluded from, such list be afforded any weight by any decider of fact in any such action in tort.

"(e) A plaintiff who as of the date of enactment of this title has filed and has pending a civil action in tort for damages for any vaccine-related injury may, at any time within two years of the date of enactment, elect to withdraw such action (with prejudice for the sole purpose of that action) and instead seek compensation under the Program.

"PETITIONS FOR COMPENSATION

"SEC. 2112. (a) Compensation in accordance with section 2116 shall be awarded to any petitioner under this title if a petition is submitted in accordance with section 2113 and if—

"(1) the petitioner received any of the vaccines listed in the Vaccine-Injury Table under section 2114 (except as otherwise provided in subsection (b) of this section), regardless of whether such vaccine was administered before or after the date of enactment of this title;

"(2) the petitioner sustained (or had aggravated) any of the illnesses, disabilities, injuries, or conditions listed in the Vaccine-Injury Table under section 2114 with respect to such vaccine, regardless of whether such illness, disability, injury, or condition (or aggravation) occurred or was discovered before or after the date of enactment of this title;

"(3) the first symptom or manifestation of the onset (or significant aggravation) of any such illness, disability, injury or condition occurred within the requisite time period after vaccine administration set forth in the Vaccine-Injury Table under section 2114, regardless of whether or not such symptom or manifestation was recognized or recorded as such within that period; and

"(4) the petitioner has not previously collected an award or settlement of a civil action in tort for damages for such vaccine-related injury.

"(b) A petitioner under the Program need not have received polio vaccine in order to be eligible for compensation for contracting polio, if the petitioner contracted such disease directly or indirectly from some other person as a result of oral polio vaccine.

"DETERMINATION OF ELIGIBILITY AND COMPENSATION

"SEC. 2113. (a) Any eligible person may, through counsel or otherwise, seek compensation under the Program.

"(b)(1) Whether compensation is to be provided and the amount of any such compensation under the Program shall be determined in an ex parte civil action filed in the United States District Court for the District of Columbia under the caption 'In re [name of person on behalf of whom the petition is filed]'.

"(2) The United States District Court for the District of Columbia, and only such court, shall have jurisdiction to entertain civil actions referred to in paragraph (1), to determine whether the petitioner is entitled to, and the amount of, compensation under the Program, and to issue such orders as the court deems necessary to assure the prompt payment of any compensation awarded. The court shall have such jurisdiction in such cases without regard to the amount in controversy or the citizenship of the petitioner.

"(3) Notwithstanding any other provision of law, no person or entity may intervene in any such action: *Provided, however,* That nothing in this paragraph shall preclude the Secretary from appealing a final decision of the court pursuant to subsection (e)(1) of this section.

"(c) The filing of a civil action under subsection (b) shall include a petition which shall contain—

"(1) an affidavit, and supporting documentation, demonstrating that the petitioner meets the requirements of section 2112 and is not barred from seeking compensation under the Program by any express provision of this Part;

"(2) appropriate medical records and other documents that are reasonably necessary for the determination of the amount of compensation that shall be awarded to, or on behalf of, the petitioner in accordance with section 2116; and

"(3) certification that the petitioner understands that, as provided in section 2111(c), the entry of proposed findings of fact and conclusions of law pursuant to subsection (d)(1)(C) of this section or a final judgment by the court on a petition for compensation under the Program constitutes a permanent bar against any action in tort in a state or federal court for damages arising from the same incident of administration of a vaccine for which compensation under the Program was sought, and evidence that the petitioner has agreed in writing to such condition.

"(d)(1) Following receipt of an appropriate petition under subsection (b), including an express written consent for the appointment of a special master or magistrate, the court shall appoint such special master or magistrate to consider the petition. The special master or magistrate shall be empowered to serve as an adjunct to the court and in such capacity to—

"(A) receive such evidence as may be appropriate for the preparation of proposed findings of fact and conclusions of law with respect to whether compensation is to be provided under the Program and the amount of any such compensation;

"(B) conduct a hearing, upon the request of the petitioner or at the discretion of the special master or magistrate, and receive oral testimony; and

"(C) prepare and submit to the court proposed findings of fact and conclusions of law.

In no event shall such special master or magistrate exercise the ultimate judicial responsibility, which shall be retained by the court. Upon motion by the petitioner or at the discretion of the special master or magistrate, any hearing under clause (B) may be conducted at such location as is most convenient or appropriate under the circumstances presented by the petition.

"(2) Upon objection by the petitioner to the proposed findings of fact or conclusions of law prepared by the special master or magistrate under paragraph (1) or upon its own motion, the court shall undertake a review of the record of the proceedings and shall thereafter make a de novo determination and issue its final judgment accordingly, including findings of fact and conclusions of law.

"(3) If no objection is filed by the petitioner under paragraph (2) and if the court does not choose to review the proceedings and make a de novo determination on its own motion, the court may adopt the proposed findings of fact and conclusions of law of the special master or magistrate as its own and render final judgment thereon.

"(e)(1) The findings and conclusions of the court under this section shall be final determinations of the matters involved, except that the Secretary or any petitioner aggrieved by the findings or conclusions of the court (and only such persons) may obtain review of the judgment of the court in the United States Court of Appeals for the District of Columbia Circuit upon petition filed with such Circuit Court of Appeals, a copy of which shall be delivered to the Secretary, within 60 days after notice of the judgment.

"(2) The findings of the court shall be upheld upon appeal unless it is determined that the findings are unsupported by substantial evidence, in excess of statutory authority, or otherwise not in accordance with law.

"(f)(1) A decision to provide compensation under this title, when final, shall constitute an obligation of the United States and shall be backed by the full faith and credit of the Untied States.

"(2) Compensation shall be paid from the National Vaccine-Injury Compensation Trust Fund established by section 2119.

"INJURIES TO BE COMPENSATED

"SEC. 2114. (a) Until and unless modified pursuant to subsection (c) or (d) and subject to the qualifications in subsection (b), the following injuries, disabilities, illnessess, and conditions shall be deemed 'vaccine-related injuries' solely for the purposes of this title, and thus compensation shall be provided under the program if the first manifestation of the onset (or significant aggravation) of any such injury, disability, illness, or condition occurs within the time period after vaccination as set forth in the following Vaccine-Injury Table:

TIME PERIOD FOR FIRST SYMPTOM OR MANIFESTATION OF ONSET (OR SIGNIFICANT AGGRAVATION) AFTER VACCINE ADMINISTRATION

I. DPT; P; DTP/Polio Combination; or Any Other Vaccine Containing Whole Cell Pertussis Bacteria, Extracted or Partial Cell Pertussis Bacteria, or Specific Pertussis Antigen(s)

TIME PERIOD FOR FIRST SYMPTOM OR MANIFESTATION OF ONSET (OR SIGNIFICANT AGGRAVATION) AFTER VACCINE ADMINISTRATION—Continued

"A. Acute illness or event covered:	
1. Anaphylaxis or anaphylactic shock.	24 hours.
2. Convulsion, seizure or focal neurologic signs.	7 days.
3. Encephalopathy (acute).	Do.
4. Fever over 105° F (40.5° C), or fever of at least 104° F for at least 72 hours, taken rectally.	72 hours
5. High-pitched, unusual screaming.	Do.
6. Persistent, unconsolable crying (at least 3 hours duration).	Do.
7. Prolonged sleeping with difficulty arousing.	Do.
8. Shock-collapse or hypotonic-hyporesponsive collapse.	Do.
9. Thrombocytopenia.	30 days.
10. Any acute complication of the above, including death, or sequela which follows any of the events listed in the items above.	Not applicable.
B. Long-term illness or event covered: Any neurological sequela or significant complication, including death, of a vaccine-related encephalopathy (acute).	.

"II. MMR; Measles; DT; Td; Tetanus Toxoid; Mumps; or Rubella Vaccine

"A. Acute illness or event covered:	
1. Anaphylaxis or anaphylactic shock.	24 hours
2. Convulsion, seizure or focal neurological signs.	30 days (for mumps, rubella, measles, or MMR); 7 days (for DT, Td, or tetanus toxoid).
3. Encephalopathy (acute).	Do.

TIME PERIOD FOR FIRST SYMPTOM OR MANIFESTATION OF ONSET (OR SIGNIFICANT AGGRAVATION) AFTER VACCINE ADMINISTRATION—Continued

4. Any acute complication of the above, including death, or sequela which follows any of the items listed above.	Not applicable.
B. Long-term illness or event covered:	
Any neurological sequela or significant complication, including death, of a vaccine-related encephalopathy (acute).	Do.
"III. Polio Vaccines (other than Inactivated Polio Vaccine)	
"Illness or event covered:	
1. Peralytic polio:	
In a non-immunodeficient recipient.	30 days.
In an immunodeficient recipient.	6 months.
In a nonimmunodeficient contact.	60 days.
In an immunodeficient contact.	6 months.
In a vaccine-associated community case (involving no direct contact identified).	3 months.
2. Any acute or chronic complication, including death, or sequela of the paralytic polio.	Not applicable.
"IV. Inactivated Polio Vaccine	
"Illness or event covered:	
1. Anaphylaxis or anaphylactic shock.	24 hours.
2. Any acute or chronic complication, including death, or sequela of the anaphylaxis or anaphylactic shock.	Not applicable.

"(b) The following qualifications and aids to interpretation shall apply to the Vaccine-Injury Table under subsection (a) as initially enacted:

"(1) An acute illness or event listed in the Table shall be compensated under section 2116 only if such illness or event resulted either in hospitalization and total medical expenses of at least $2,500, or death.

"(2) If a convulsion or seizure otherwise meets the requirements of this section, it shall be compensable as an acute event regardless of the duration or type of convulsion or seizure, regardless of whether it is marked by depression of consciousness or loss of consciousness, and regardless of whether it was accompanied by fever.

"(3) A 'shock-collapse' or 'hypotonic-hyporesponsive collapse' may be evidenced by indicia or symptoms such as decrease or loss of muscle tone, paralysis (partial or complete), hemiplegia or hemiparesis, loss of color/turning pale white or blue, unresponsiveness to environmental stimuli, depression of consciousness, loss of consciousness, prolonged sleeping with difficulty arousing, or cardiovascular or respiratory arrest.

"(4) Any acute complication or sequela of an acute illness or event listed in the Table shall be compensated under section 2116, regardless of whether the listed acute illness or event itself resulted in hospitalization, if the first symptom or manifestation of onset (or significant aggravation) of the listed illness or event occurred within the time period after vaccination set forth in the Table and if the acute complication or sequela of such illness or event resulted either in hospitalization and total medical expenses of at least $2,500, or death.

"(5) A seizure disorder of epilepsy shall be deemed to be the neurological sequela of a vaccine-related encephalopathy (acute), such encephalopathy shall be deemed to exist without the introduction of any further evidence, and the seizure disorder shall be compensated under section 2116, if the first seizure or convulsion (or significant aggravation of a pre-existing seizure disorder or epilepsy) occurred within the time period for a convulsion or seizure set forth in the Table for that vaccine and if—

"(A) the next convulsion or seizure occurred within two months after the first post-vaccination seizure or convulsion;

"(B) the seizure disorder or epilepsy continues for at least one year after such vaccination, with the third post-vaccination seizure or convulsion occurring within that one-year period; and

"(C) if one or more of the seizures or convulsions occurring during the first year after vaccination are unaccompanied by high fever, or if febrile seizures, are accompanied by other symptoms of neurologic dysfunction or deficit.

"(6)(A) The court shall be authorized to find that petitioner has suffered an encephalopathy (acute) under subsection (a) which involved neither an encephalitis nor a seizure disorder meeting the requirements of paragraph (5) only if at least one of the symptoms or manifestations under subparagraph (B)(i) occurs within the appropriate time period under the Vaccine-Injury Table or at least two of the symptoms or manifestations under subparagraph (B)(ii) occur, one of which must be within such time period.

"(B) In assessing whether to make the finding under subparagraph (A) of this paragraph, the court shall consider, among other appropriate factors, whether or not the petitioner suffered any of the following (and the number, severity, and duration thereof):

"(i) a depression, loss or change in the level of consciousness (including stupor); a convulsion, seizure or focal neurologic signs (including partial or complete paralysis or spacticity); high-pitched, unusual screaming; shock-collapse or hypotonic-hyporesponsive collapse; prolonged sleeping with difficulty arousing; anoxia; loss or impairment of vision or hearing; opisthotonous posturing;

"(ii) a fever of 105°F, or a fever of 104°F for a period of 72 hours, taken rectally; persistent, unconsolable crying (at least three hours duration); irritability; hypoglycemia, drop in blood sugar levels, increase in insulin levels, or hypotension; swelling or bulging fontanelle; severe or repeated vomiting, severe or repeated diarrhea or anorexia.

"(C) In assessing whether a petitioner has suffered a chronic or long-term complication or sequela of an encephalopathy (acute) under this title, the court shall consider, in addition to other appropriate factors, whether and, if so, when and to what extent the petitioner has suffered the following effects: seizures, convulsions, or focal neurological signs; developmental delay, learning disabilities, or mental retardation; hyperkinesis; paralysis or other motor or muscular impairments; sensory impairment or loss; unusual or extreme emotional dysfunction.

"(7) In assessing whether the petition suffered a compensable illness under item I.B or II.B of the Vaccine-Injury Table in subsection (a) for purposes other than paragraph (5) of this subsection, the court shall consider whether or not the neurologic status of the petitioner began to change significantly for the worse within two months after the occurrence of the acute events and may only award compensation under such item if the court finds that the sequella or complication persisted more than one year after the vaccination in question.

"(8) In determining whether or not any petitioner meets the requirements of the Vaccine-Injury Table under subsection (a) and thus is entitled to compensation under section 2116, the court may consider, in addition to all other relevant medical and scientific evidence.

"(A) the diagnoses, conclusions or medical judgments which are contained in the record, regarding the nature, causation, and aggravation of the petitioner's illness, disability, injury or condition, and

"(B) any diagnostic or evaluative tests, which are contained in the record, and the summaries and conclusions reached on the basis of the tests.

In no event, however, shall any such diagnosis, conclusion, judgment, test result, or summary be binding on the court, and in evaluating the weight to be afforded to any such diagnosis, conclusion, judgment, test result or summary the court shall consider the entire record and the course of the injury, disability, illness, or condition up to the date of decision.

"(9) In determining whether the first symptom or manifestation of onset (or aggravation) of an injury, disability, illness, or condition listed in the Vaccine-Injury Table occurred within the requisite time period listed in the Table, the court need not find that such symptom or manifestation was recognized or recorded at the time, but may in appropriate circumstances infer its occurrence within such time period after review of the entire record and in light of the course of the injury, disability, illness or condition up to the date of decision.

"(10) In determining whether any petitioner is entitled to compensation under the Program, the court shall treat evidence of any significant worsening of a pre-existing injury, disability, illness, or condition the same as if it were evidence of a newly arising injury, disability, illness, or condition. The existence and extent of the prior injury, disability, illness or condition may be considered by the court in deciding the amount of compensation to be paid as a result of the significant aggravation thereof.

"(11) If the causation (or aggravation) of any illness or event listed in the Table under Subsection (a) is better explained and documented by factors entirely unrelated to the administration of the vaccine, taking into account all relevant medical and scientific information in the record of the proceeding on the petition for compensation, and the special master or magistrate or court makes specific findings to that effect, the petition for compensation shall be denied with respect to that illness or event.

"(c)(1) Not later than three years after the date of enactment of this title, the Secretary shall complete a review of all relevant medical and scientific information (including information obtained from the studies required under paragraph (6)) on the nature, circumstances, and extent of the relationship, if any, between pertussis-containing vaccines (including whole cell, extracts, and specific antigens) and the following illnesses or conditions:

"(A) hemolytic anemia,

"(B) hypsarrhythmia,

"(C) infantile spasms,

"(D) Reye's syndrome,

"(E) peripheral mononeuropathy,

"(F) sudden infant death syndrome,

"(G) aseptic meningitis,

"(H) juvenile diabetes, and

"(I) such other illnesses and conditions as the Secretary may choose to review or as the Commission under section 2118 recommends for inclusion in such review.

"(2) The review under paragraph (1) shall include notice and opportunity for a public hearing, consultation with the Commission established under section 2118, and consideration of information submitted in writing by the public.

"(3) Not later than three years after the date of enactment of this title, the Secretary shall make, and publish in the Federal Register, the following specific findings or determinations:

"(A) whether or not each of the illnesses or conditions listed pursuant to paragraph (1)(A)-(I) can reasonably be determined in some circumstances to be caused, significantly contributed to, or significantly aggravated, by pertussis-containing vaccines; and

"(B) for each illness or condition for which a positive finding is made under subparagraph (A) the circumstances under which such causation, contribution, or aggravation can reasonably be determined to occur; and

"(C) the time periods within which the first symptom or manifestation of onset (or aggravation) of such illness or condition can reasonably be determined to occur after pertussis vaccination, for each illness or condition for which a positive finding is made under paragraph (A) and for each illness or event listed in the Vaccine-Injury Table under section 2114.

"(4) At the same time as publication of the specific findings and determinations under paragraph (3), the Secretary shall propose regulations to amend the Vaccine-Injury Table under subsection (a) in light of such findings. The Secretary shall promulgate such proposed regulations with such modifications as may be necessary after opportunity for public hearing and observance of the requirements of 5 U.S.C. 553, not later than 42 months after the date of enactment of this title.

"(5) In addition to the review under paragraph (1) the Secretary shall, within three years after the date of enactment of this title, undertake a similar review with respect to the potential relationship between MMR (and other rubella-containing vaccines) and radiculoneuritis. The procedures provided in paragraph (2) shall also apply with respect to the review required by this paragraph. Not later than three years after such date of enactment, the Secretary shall make and publish in the Federal Register specific findings such as those required by paragraph (3) and shall, if appropriate, propose similar regulations (and thereafter promulgate them) to those required by paragraph (4), with respect to compensation under the Program of radiculoneuritis caused, contributed to, or significantly aggravated by MMR or other rubella-containing vaccines.

"(6)(A) In order to assist the Secretary in making the determinations required under paragraphs (3) and (5), the Secretary shall, in accordance with subparagraph (B), arrange for the conduct of studies of—

"(i) the relationship between pertussis-containing vaccines (including whole cell, extracts, and specific antigens) and the illnesses or conditions listed in paragraph (1)(A)-(H) of this subsection,

"(ii) the relationship between pertussis-containing vaccines and any other illnesses and conditions, as selected by the Secretary or the Commission established under section 2118, and

"(iii) the relationship between MMR (and other rubella-containing vaccines) and radiculoneuritis.

"(B)(1) The Secretary shall request the Institute of Medicine of the National Academy of Sciences to conduct the studies required by subparagraph (A) under an arrangement by which the actual expenses incurred by such Academy in conducting such study will be paid by the Secretary.

"(2) If the Institue of Medicine is unwilling to conduct such study under such an arrangement, the Secretary shall enter into a similar arrangement with other appropriate nonprofit private groups or associations under which such groups or associations will conduct such study and prepare and submit the reports thereon as provided in subparagraph (C).

"(3) The Institute of Medicine or other group or association conducting the studies required by this paragraph shall conduct such studies in consultation with the Commission established under section 2118.

"(C) Reports on the results of the studies required by subparagraph (A) shall be completed not later than 32 months after the date of enactment of this title and shall be submitted immediately to the Secretary. Upon submission to the Secretary, the reports shall be made available to the public.

"(D) There are authorized to be appropriated such sums as are necessary for fiscal years 1984, 1985 and 1986 for the purpose of making payments for the conduct of the studies required under this paragraph. If appropriations under this subparagraph are insufficient for making such payments, then payments shall be made from the Trust Fund established under section 2119.

"(7) Nothing in this subsection shall preclude the court from considering with respect to a particular petition under this title whether any of the illnesses or conditions listed in paragraph (1)(A)-(I) may have been a complication or sequela of a vaccine-related encephalopathy (acute).

"(d)(1)(A) Not earlier than four years after date of enactment of this title and from time to time thereafter, the Secretary may be regulation promulgated after notice and opportunity for a public hearing and at least 90 days of comment modify the Table in subsection (a), taking into account all relevant medical and scientific information. A modification of the Table under this subparagraph may add to, or delete from, the list of covered vaccines or injuries, disabilities, illnesses, and conditions to be compensated or may change the time periods for the first symptom or manifestation of onset (or aggravation) of any such injury, disability, illness, or condition, so long as the modification is in accordance with the purpose of this title.

"(B) Any modification of the Table under this section shall take effect not earlier than 30 days after date of publication of the promulgated regulation in the Federal Register and shall apply only with respect to civil actions for compensation under the Program which are filed after the effective date of the promulgated regulation.

"(2) Except with respect to a regulation recommended by the Commission established under section 2118, the Secretary may not propose a regulation under subsection (c) or this subsection or any revision thereof, unless the Secretary has first provided to the Commission established under section 2118 a copy of the proposed regulation, or revision, requested recommendations and comments by such Commission, and afforded such Commission at least 90 days to make such recommendations.

"(3)(A) Any person (including the Commission established under section 2118) may petition the Secretary to propose regulations amending the Table pursuant to this section.

"(B) Unless clearly frivolous, or initiated by the Commission, the petition shall be referred to the Commission established under section 2118 for its recommendations.

"(C) Following receipt of any recommendations of the Commission, the Secretary shall conduct a rule-making proceeding on the matters proposed in the petition in accordance with the standards and procedures established by this subsection, or publish in the Federal Register a statement of reasons for not doing so.

"STATUTE OF LIMITATIONS

"SEC. 2115. (a) Except as provided in subsections (b) and (c), any action commenced under section 2112 shall be barred if the petitioner fails to file the action within two years after the date of the enactment of this title, or five years after the occurrence of the injury listed in the Vaccine-Injury Table under section 2114(a), whichever is later.

"(b) An action may be commenced under section 2112 after the period established under paragraph (a) if the petitioner demonstrates that he or she was not informed as required by section 2123, or did not know that the injury was compensable under the Program.

"(c) If at any time the Table under Section 2114(a) is amended to render a person not previously eligible to seek compensation through the Program eligible to do so, then

the civil action with respect to any claim based on such newly-established eligibility shall be barred if it is filed more than two years after publication of the regulation making such person so eligible.

"COMPENSATION

"SEC. 2116. (a) The compensation to be awarded under the Program to eligible persons shall include the following:

"(1) Actual unreimbursed expenses and projected expenses of medical care, rehabilitation, developmental evaluation, special education, vocational training and placement, counseling, emotional or behavioral therapy, residential and custodial care and service expenses, special equipment and necessary facilities to enable the compensated person to achieve his or her maximum feasible potential and enjoyment of life;

"(2) In the event of a death, compensation of not less than $300,000, nor more than $700,000 for the parents of the victim (or other appropriate family member as determined by the court), plus such expenses as may have been incurred under paragraph (1) prior to death;

"(3) Compensation for the injured party for pain, suffering and emotional distress, with a limitation of $100,000 under this paragraph; and

"(4) Compensation for anticipated loss of earnings, determined in accordance with generally recognized actuarial principles and projections.

"(b)(1) In determining the individual's maximum feasible potential under subsection (a)(1), the court shall consider exclusively the capabilities and needs of the injured party, and not the present availability (or lack of availability) of the services and facilities necessary to realize those capabilities and meet those needs.

"(2) The amount of any compensation for residential and custodial care and service expenses under subsection (a)(1) shall be sufficient so that the compensated person may, if the petitioner so decides, remain living at home and such that institutionalization of such person will not be necessary.

"(c) The following types of compensation may not be awarded under this section:

"(1) Punitive or exemplary damages;

"(2) Compensation for pain, suffering and emotional distress of any person other than the injured party, except as provided in subsection (a)(2);

"(d) Compensation under this title shall take one of the following three forms, at the sole option of the petitioner:

"(1) a lump sum payment;

"(2) an initial compensation payment sufficient to cover all prior compensable expenses, plus an irrevocable commitment by the National Vaccine-Injury Compensation Fund to pay on an on-going basis all future compensable expenses of the injured party for life (as determined by the court); or

"(3) an initial compensation payment to cover all prior compensable expenses and projected expenses for the next five or ten years (as determined by the court) with the right to a final determination as to the remaining lifetime payment due at the end of that five or ten year period.

"(e) Except with respect to a compensation payment under subsection (a)(2)—

"(1) all compensation payments under this title shall be used solely for the health, education, or welfare of the injured person.

"(2) any lump sum payment under subsection (d)(1) or remaining lifetime payment under subsection (d)(3), for a minor shall be placed in trust for the benefit of the injured person. The trustees of such trust shall be subject to all fiduciary duties which are applicable under state law to the trustees of any trust instrument, and the trust shall be administered consistently with the requirement of paragraph (1) of this subsection, with all fiduciary duties, and with all other regulations and requirements of state law pertaining to the administration and supervision of trust instruments. Any trust under this paragraph shall remain in effect until the beneficiary reaches twenty-one years of age, or until the beneficiary attains the status of mental competence, whichever is later.

"(f)(1) The compensation to be paid under this section shall be increased by an amount to cover reasonable attorneys fees and other costs reasonably incurred in any action filed pursuant to section 2112 in which the petitioner has been determined to be entitled to compensation.

"(2) For the purpose of this subsection, the term 'reasonable attorneys fees' shall not exceed—

"(A) 20 per cent of the compensation otherwise payable, in the event the proposed findings of fact and conclusions of law submitted to the court by the special master or magistrate are not objected to, are adopted by the court and are not appealed; or

"(B) 25 per cent of the compensation otherwise payable, in all other cases, including if a review and de novo determination is undertaken by the court or if an appeal to the United States Court of Appeals for the District of Columbia Circuit is taken.

"SUBROGATION

"SEC. 2117. (a)(1) Upon payment of compensation to any petitioner under this Title, the Fund established under section 2119 shall be subrogated to all rights of the petitioner with respect to the vaccine-related injury for which compensation was paid. Notwithstanding any other provision of law, the Secretary, on behalf of the fund, may bring a civil action to recover all appropriate damages (whether or not previously paid to the petitioner), including as a minimum that portion of the compensation so paid, as well as any costs of litigation.

"(2) In any case in which it deems such action appropriate, the United States District Court for the District of Columbia may, after entry of final judgment providing for compensation to be paid for vaccine-related injury under section 2116, refer the record of such proceeding to the Secretary and the Justice Department with such recommendation as the court deems appropriate with respect to investigation and/or commencement of a civil action by the Secretary under this section.

"(b) A civil action under this section may be filed by the Secretary against any responsible party or parties, including the physician or other health care provider who administered the vaccine and/or the manufacturer of the vaccine. The Secretary may maintain such action against any such party or parties in the district court of the United States in which any of the defendants resides or has a principal place of business or in which the vaccination in question occurred.

"(c) Any federal district court referred to in subsection (b) shall have jurisdiction to entertain such civil action, to award appropriate damages as provided in subsection (a) to the Fund, and to enforce its orders and decrees, in any case in which the Secretary proves by a preponderance of the evidence that the compensated party's injuries were proximately caused by the defendant's negligence or by a vaccine which was defective or unreasonably dangerous.

"(d) Amounts recovered under this section shall be collected on behalf of, and deposited in, the National Vaccine-Injury Compensation Trust Fund established by section 2119.

"ADVISORY COMMISSION

"SEC. 2118. (a) There is established the Advisory Commission on Childhood Vaccines which shall be comprised of nine members as follows:

"(1) Three members appointed by the Secretary who are health professionals not in the employ the United States (two of whom shall be pediatricians) who have expertise in the care of children, the epidemiology, etiology and prevention of childhood diseases, and the adverse reactions associated with vaccines;

"(2) three members appointed by the Secretary from the general public, of whom at least two must be parents of a child who has suffered a serious vaccine-related injury; and

"(3) three members appointed by the Secretary from the field of law, including one attorney whose specialty includes representation of vaccine-injured persons and one attorney whose speciality includes representation of health care providers.

"(4) The Director of the National Institutes of Health or his or her designee, the Assistant Secretary for Health or his or her designee, the Director of the Centers for Disease Control or his or her designee, and the Commissioner of Food and Drugs or his or her designee, each of whom shall serve as ex officio, nonvoting members.

"(b) The members of the Commission shall select a chairperson from among their own number. The Commission shall first meet within 60 days after it is appointed, and thereafter shall meet at the call of the chair, but not less often than three times per year.

"(c) Members of the Commission who are officers of employees of the Federal Government shall serve as members of the Commission without compensation in addition to that received in their regular public employment. Members of the Commission who are not the daily equivalent of the rate in effect for grade GS-18 of the General Schedule for each day (including traveltime) they are engaged in the performance of their duties as members of the Commission. All members, while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistance, in the same manner as such expenses are authorized by section 5703, title 5, United States Code, for persons in the Government service employed intermittently.

"(d) The Secretary shall—

"(1) designate a senior member of the Secretary's staff to act as Executive Director of the Commission, and

"(2) provide the Commission with such full-time professional and clerical staff, such information, and the services of such consultants as may be necessary to assist it in carrying out effectively its functions under this Title.

"(e) The Commission shall, in addition to other duties—

"(1) advise the Secretary of the implementation of the Program;

"(2) on its own initiative or as the result of the filing of a petition, recommend changes in the Vaccine-Injury Table established under section 2114;

"(3) Study and recommend ways to encourage the availability of an adequate supply of safe and effective childhood vaccination products in this country, with special emphasis on assisting the Secretary implementing his or her responsibilities under section 2124, regarding the need for vaccination products that result in fewer or no significant adverse reactions;

"(4) Survey Federal, State and local programs and activities relating to the gathering of information or injuries associated with the administration of childhood vaccines, including the adverse reaction reporting requirements of section 2121, and advise the Secretary on means to obtain, compile, publish and use credible data related to the frequency and severity of adverse reactions associated with childhood vaccines;

"(5) Provide advice to the Secretary on the establishment or revision of the surcharges required under section 2119; and

"(6) Recommended research priorities and other measures the Secretary should take to enhance the safety and efficacy of childhood vaccines and to carry out this title.

NATIONAL VACCINE-INJURY COMPENSATION TRUST FUND

"Sec. 219. (a) There is established in the Treasury of the United States a trust fund to be known as the National Vaccine-injury Compensation Trust Fund (referred to throughout this title as the Fund), consisting of such amounts as may be appropriated or transferred to the Fund as provided in this section.

"(b)(1) There are hereby appropriated, out of any money in the Treasury not otherwise appropriated, to the Fund amounts determined by the Secretary of the Treasury (hereinafter in this section referred to as the Secretary) to be equivalent to—

"(A) the amounts received in the Treasury under subsection (c) from surcharges from manufacturers of childhood vaccines, and

"(B) the amounts recovered on behalf of the Fund pursuant to section 2117 of this title.

"(2) There are authorized to be appropriated to the Trust Fund for fiscal year 1984, such sums may be necessary.

"(c)(1) The Secretary of Health and Human Services shall, by rule promulgated not later than eighteen months after date of enactment of this title, establish a uniform or variable annual surcharge on the manufacturer of each vaccine listed in the Table in section 2114. The surcharge or surcharges shall be set at such level or levels, as in the discretion of the Secretary, is or are adequate (in addition to sums appropriated-under subsection (b)(2) and the sums collected under section 2117) to—

"(A) make prompt payment of all amounts to be paid under section 2116; and

"(B) pay the costs of the studies required by this title, to the extent that sums appropriated under section 2114(6)(d)(D) are insufficient for such purpose.

"(2) The surcharge(s) shall be established by the Secretary of Health and Human Services on each childhood vaccine listed in the Vaccine Injury Table under section 2114, for each manufacturer of such product sold in the United States, after consultation with the Commission established under section 2118, on July 1, 1984, and on July 1 of each succeeding year.

"(3) Factors which may taken into account by the Secretary of Health and Human Services in prescribing or revising the amount of the surcharge applicable to various vaccines and manufacturers so as to derive adequate funds as set forth in paragraph (1) include:

"(A) the amount of product sold in the United States,

"(B) the price of such product,

"(C) compensation awarded by the United States under this title in connection with such product,

"(D) amounts collected by the Fund pursuant to section 2117 of this Act,

"(E) encouragement of the production of safer vaccines than are currently licensed, and

"(F) any shortfall in anticipated revenues from the surcharge in preceding years.

"(d) Amounts in the Trust Fund shall be released to a petitioner promptly following certification by the court that the award to the petitioner is final.

"(e)(1) Any compensation awarded under this title may be paid only out of the Trust Fund. Nothing in this title (or in any amendment made by this title) shall authorize the payment by the United States Government of any additional amount with respect to any such claim from any source.

"(2)(A) If at any time the Fund is unable (by reason of paragraph (1)) to pay all of the awards payable out of such Fund, then the Fund shall have the authority to (and shall) borrow money from the general fund of the Treasury for such purposes in accordance with subparagraphs (B) and (C).

"(B) There are authorized to be appropriated to the Fund, as repayable advances, such sums as may be necessary to pay all awards payable by the Fund. Upon request by the trustee of the Fund, the Treasury shall provide such sums as repayable advances to the Fund.

"(C) Advances made pursuant to this section shall be repaid, and interest on such advances shall be paid, to the general fund of the Treasury when the Secretary determines that monies are available for such purposes in the Fund.

"(f) The amounts appropriated by subsection (b)(1) shall be transferred at least monthly from the general fund of the Treasury to the Fund on the basis of estimates made by the Secretary of the amounts referred to in such subsection. Proper adjustments shall be made in the amount subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

"(g)(1) The Secretary shall be the trustee of the Fund, and shall report to the Congress for each fiscal year ending on or after September 30, 1984, on the financial condition and the results of the operations of such Fund during such fiscal year and on its expected condition and operations during the next five fiscal years. Such report shall be printed as a House document of the session of the Congress to which the report is made.

"(2) It shall be the duty of the Secretary to invest such portion of such Fund as is not, in his or her judgment, required to meet current withdrawals. Such investments shall be in public debt securities with maturities suitable for the needs of such Fund and bearing interest at rates determined by the Secretary, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities. The income on such investments shall be credited to and form a part of such Fund.

"(h) The Secretary, or the Attorney General, acting on behalf of the Fund, shall be authorized to commence a civil action in the United States District Court for the District of Columbia to compel payment of any fee required under this section. The United States District Court for the District of Columbia shall have jurisdiction to entertain any such civil action and to issue such orders, grant such relief, and impose such monetary penalties (up to twenty percent of the unpaid amounts of any such fee owed) and/or other civil sanctions as are necessary to assure timely and full compliance with the requirements of this section.

"PART C—ASSURING A SAFER CHILDHOOD VACCINATION PROGRAM IN THE UNITED STATES

"RECORDING AND REPORTING OF INFORMATION

"Sec. 2121. (a) Each health care provider who administers a vaccine listed in the Vaccine-Injury Table of section 2114 to any person shall record, or insure that there is recorded, in such person's permanent medical record (or in a permanent office log or file to which the person, parent or legal guardian shall have access upon request) with respect to each such vaccine—

"(1) the date of administration of the vaccine;

"(2) the manufacturer and lot number of the vaccine;

"(3) the name and address and, if appropriate, title of the health care provider administering the vaccine; and

"(4) any other identifying information on the vaccine required pursuant to regulations promulgated by the Secretary.

"(b)(1) Any health care provider who, after the date of enactment of this title, administers a vaccine listed in the Vaccine-Injury Table set forth in section 2114(a) and who becomes aware that the vaccine recipient has suffered an illness or event listed in such Table, and that the first symptom or manifestation thereof occurred within the appropriate time period listed in such Table, shall comply with the reporting requirements of paragraph (3) of this subsection.

"(2) The occurrence of an encephalopathy (acute) which involved neither an encephalitis nor a seizure disorder meeting the requirements of section 2114(b)(5) shall be determined for the purposes of this subsection after consideration of all appropriate factors, including those listed in section 2114(b)(6).

"(3) Any health care provider to whom paragraph (1) applies shall as expeditiously as practicable, but not later than one week, report the illness, event, symptom or manifestation, and all other relevant information, including the type of vaccine administered; the time period after administration within which such illness, event, symptoms, and manifestations occurred; and the manufacturer and lot number of the vaccine to the Centers for Disease Control.

"(4) If a person who has received a vaccine listed in the Vaccine-Injury Table of section 2114(a) exhibits or experiences a symptom of manifestation of any illness, disability, injury, or condition listed in such Table with respect to such vaccine, and such symptom or manifestation occurs within 30 days of the administration of the vaccine and the health care provider becomes aware of this fact, then the health care provider shall within one week record, or insure the recording of, the symptom or manifestation and all other relevant information in such person's permanent medical record.

"(5) Each health care provider shall report to the Centers for Disease Control such information as may be required to be reported by regulation promulgated by the Secretary respecting the possibility of vac-

cine-related illnesses, disabilities, injuries, or conditions and symptoms and manifestations (and timing) thereof with regard to any vaccine listed under the Vaccine-Injury Table under section 2114(a).

"(d)(1) Individually identifying information in the possession of local, state or the Federal government under this section shall not be made available (under the Freedom of Information Act, 5 U.S.C. § 552, or otherwise) to any person except—

"(A) the person who received the vaccine, or

"(B) the parent, legal guardian or authorized legal representative of such person.

"(2) For the purpose of this section, the term 'individually identifying information' shall be limited to the name, street address, phone number, and actual medical records of the person who received the vaccine, and of that person's parent or legal guardian, and shall not include the locality and state of innoculation, the name of the health care provider who administered the vaccine, or the date of the vaccination, or of any reported symptom, manifestation, illness, disability, injury or condition.

"(3) Except as provided in paragraph (1), all information reported under this section shall be available to the public.

"(e) The fact that a physician or other health care provider complied with requirements of this section pertaining to recording and reporting of information shall not be construed as an admission of liability, and such fact shall not be admitted in evidence for the purpose of establishing culpability of any such physician or health care provider in any civil action in tort brought against such physician or other health care provider. Nothing in this title, however, shall preclude the content of such recorded or reported information from being admitted into evidence in any civil action in tort with the consent of the person with respect to whom the record of report was made.

"STUDY OF RISKS

"SEC. 2122. (a) As soon as practicable, but not later than one year after the enactment of this Title, and after consultation with the Commission established under section 2118, the Secretary shall (1) conduct, and support, a broad-based study of the risks to children associated with each vaccine listed in the Table established under section 2114, and (2) by rule, after notice and opportunity for public hearing and consideration of all relevant medical and scientific information, determine (A) the circumstances under which any such vaccine should not be administered; (B) the circumstances under which administration of the vaccine should be or delayed beyond its usual time of administration; and (C) the groups, categories or characteristics of potential recipients of such vaccine who may be at significantly higher risk of major adverse reaction than the general population of potential recipients.

"(2) The Secretary shall from time to time (but at least every 3 years) thereafter review and revise the regulation referred to in paragraph (1) in accordance with the procedures set forth therein, unless the Secretary finds and publishes the finding that on the basis of all relevant information no revision of the regulation is warranted.

"(b) Any determination under subsection (a)(1) (A) or (B) that a vaccine should not be administered, or that its administration should be delayed, shall take into account, among other appropriate factors—

"(1) the risk to the potential recipient of the vaccine;

"(2) the medical and other characteristics of the potential recipient; and

"(3) the risks to the public of withholding the vaccine from the portion of the patient population that would be affected by any such determination.

"(c) The Secretary shall widely disseminate the results contained or referenced in the regulation required under subsection (a), to (1) physicians and other health care providers; (2) professional health associations; (3) state and local governments and agencies; and (4) other relevant entities.

PARENT INFORMATION

"SEC. 2123. (a) Not later than one year after the date of enactment of this title (including time for consultation with the Commission established under section 2118, appropriate health care providers and parent organizations, the Food and Drug Administration and the Centers for Disease Control), the Secretary shall develop, by regulation, parent information materials for distribution by health care providers to the parents or legal guardians of any child receiving a vaccine listed in the Table under section 2114(a).

"(b) Such information shall be developed after notice to the public, opportunity for a public hearing, and 90 days of comment thereon.

"(c) The information in such materials shall be presented in understandable terms and shall include—

"(1) the frequency, severity, and potential long-term effects of the disease to be prevented by the vaccine;

"(2) the symptoms, or reactions to the vaccine which, if they occur, should be brought to the immediate attention of the health care provider;

"(3) precautionary measures parents should take to reduce the risk of any major adverse reactions that may occur;

"(4) early warning signs or symptoms to which parents should be alert as possible precursors to major adverse reactions and how parents should monitor adverse reactions, including a form on which reactions can be recorded to assist parents in reporting information to appropriate authorities;

"(5) when, how and to whom parents may report any major adverse reaction;

"(6) the contraindications to (and bases for delay of) the administration of the vaccine, and identification of the groups, categories, or characteristics of potential recipients who may be at significantly higher risk of major adverse reaction than the general population;

"(7) a summary of relevant state and federal laws concerning the vaccine, including (A) information on the number of vaccinations required for school attendance and the schedule recommended for such vaccinations and (B) the availability of the National Vaccine-Injury Compensation Program established by this Title; and

"(8) other relevant information as determined by the Secretary.

"(d) Beginning not later than one year after date of enactment of this title, each health care provider who administers a vaccine listed in the Vaccine-Injury Table under section 2114(a), shall provide to the parents or legal guardian of children to whom they intend to administer such vaccine prior to the administration of such vaccine either a copy of the information materials developed pursuant to this section or other written information which meets the requirements of this section.

"INCEPTIVES FOR SAFER CHILDHOOD VACCINES

"SEC. 2124. (a) In the administration of this title, and other laws under the jurisdiction of the Secretary, the Secretary shall encourage the development or refinement of childhood vaccines that result in fewer major adverse reactions than those on the market on the date of enactment of this title and shall make or assure improvements in the system of vaccine licensing, manufacturing, testing, labeling, warning, distribution, storage amd administration to reduce the risks of major adverse reactions.

"(b) Within 2 years after the date of enactment of this Act, and each two years thereafter, the Secretary shall report actions taken pursuant to subsection (a) to the Committee on Labor and Human Resources of the United States Senate and the Committee on Energy and Commerce of the United States House of Representatives.

"PART D—GENERAL PROVISIONS

"DEFINITIONS

"SEC. 2131. For the purpose of this title—

"(a) The term 'the court' means the United States District Court for the District of Columbia.

"(b) The term 'claimant' or 'petitioner' means any person who files, or on whose behalf is filed, a civil action for compensation under the Program including the parent, legal guardian, or alleged victim of the vaccine-related injury.

"(c) The term 'compensable expenses' means any cost, expense, or other economic value which is required to be compensated as provided for under section 2116 of this title.

"(d) The term 'factors entirely unrelated to the administration of the vaccine' shall not include any 'idiopathic', unexplained, unknown, hypothetical or undocumentable causes, factors, injuries, illnesses, or conditions.

"(e) The terms 'compensable event', and 'compensable illness' means any illness, disability, injury, or condition which is covered by section 2114. Any such illness, disability, injury, or condition shall be compensated in accordance with section 2116.

"(f) The term 'encephalopathy' means any significant abnormality of, injury to, or impairment of function of, the brain and includes encephalitis.

"(g) The term 'encephalitis' means an inflammation of the brain or meninges.

"(h) The term 'neurological sequela or significant complication of a vaccine-related encephalopathy' includes any seizure disorder or epilepsy which meets the requirements of section 2114(b)(5) of this title;

"(i) The terms 'the Fund' or 'the Trust Fund' means the National Vaccine-Injury Compensation Fund.

"(j) The term 'the Program' means the program, authorities, and requirements of this title.

"(k) Except as the term is used in section 2121(b)(5), the terms 'vaccine-related injury' and 'vaccine-related injuries' means any injury, disability, illness, or condition listed in the Vaccine-Injury Table under section 2114(a).

"(l) The terms 'long-term' and 'chronic' means any injury, disability, illness, or condition which persists more than one year after the occurrence of the first symptom or manifestation of its onset (or of its significant aggravation).

"(m) The term 'medical and scientific information' includes epidemiologic, clinical, biostatistical, pathological, toxicologic, and other laboratory data and case study infor-

mation, observations, studies and reports in peer-reviewed literature or official government publications, as well as relevant unpublished information, data, studies, and observations.

"(n) The terms 'convulsion(s),' 'seizure(s)', and 'focal neurological sign(s)' include grand mal, petit mal, absence, myoclonic, tonic-clonic, and focal motor seizures and signs, and febrile seizures.

"(o) The term 'Vaccine-Injury Table' means the Table initially enacted as section 2114(a) of this title, as amended or modified by a rule under section 2014(c) or 2014(d) of this title.

"(p) The term 'Secretary' or 'the Secretary' means the Secretary of the Department of Health and Human Services (except as otherwise provided in section 2119), but in no event may the ultimate exercise of the duties and authorities of the Secretary under this title be delegated to any other officer or employee of the Department.

"(q) The term 'P' means a vaccine containing material intended to prevent or confer immunity against pertussis disease.

"(r) The term 'MMR' means a vaccine containing material intended to prevent or confer immunity against measles, mumps, and rubella disease.

"(s) The terms 'DT,' 'Td,' and 'DTP' mean a vaccine containing material intended to prevent or confer immunity against diphtheria and tetanus (and in the case of the latter, against pertussis disease, as well).

"(t) The term 'eligible person' means any person who is entitled to compensation under the Program established by this title, and includes any person who receives the vaccination in question in the United States or in its trust territories, or who is a citizen of the United States serving abroad as a member of the Armed Forces or otherwise as an employee of the Untied States at the time of such vaccination.

"(u) The term 'health care provider' means any licensed health care professional, organization or institution, whether public or private, under whose authority a vaccine listed in the Table under section 2214 is administered.

"CITIZENS SUITS

"SEC. 2132. (a)(1) Except as provided in subsection (b), any person may commence a civil action on his or her own behalf against the Secretary where there is alleged a failure of the Secretary to perform any act or duty under this Act which is not discretionary with the Secretary.

"(2) The district courts of the United States shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to order the Secretary to perform such act or duty, as the case may be.

"(b)(1) No action may be commenced under subsection (a) prior to 60 days after the plaintiff has given reasonable notice of such action to the Secretary.

"(2) Reasonable notice under this subsection shall be given in such manner as the Secretary shall prescribe by regulation.

"JUDICIAL REVIEW

"Sec. 2133. A petition for review of action of the Secretary in promulgating a regulation under this title (or in taking any other final action under this title) may be filed only in the United States Court of Appeals for the District of Columbia within 60 days from the date of such promulgation (or action), or after such date if such petition is based solely on grounds arising after such 60th day."

NATIONAL CHILDHOOD VACCINE-INJURY COMPENSATION ACT

National vaccine-injury compensation program.—Bill establishes a no-fault, national program to compensate children who are injured by a childhood vaccine.

Advisory commission.—Establishes a nine member advisory commission on childhood vaccines to be comprised of three members who are health professionals, including two pediatricians, three members who are from general public including two who represent parents of children injured by vaccines, and three members for the field of law. The Advisory Commission will advise the Secretary on the implementation of the program, recommend changes in vaccine injury table (VIT), recommend changes in surcharge and research priorities.

Recording.—Requires each health care provider administering vaccines to record and make available to patients, information regarding the date of vaccination, vaccine manufacturer and lot number and serious events occurring within 30 days after vaccination.

Reporting.—Requires each health care provider who administers a vaccine and becomes aware of a listed reaction occurring within a designated period after vaccination to enter all relevant information on patient's permanent medical record and report it to Centers for Disease Control.

Contraindications.—Requires Secretary, after conducting broad based studies of vaccines, to issue regulations regarding circumstances in which the vaccine should not be administered, or should be delayed beyond its normal time of amdinistration, and the groups, categories or characteristics of potential recipients who may be at significantly higher risk of adverse reactions. This information is to be disseminated to physicians, professional health associations, and state and local governments.

Parent information materials.—Requires Secretary to develop parent information materials containing information regarding the frequency, severity and potential risks of both the vaccine and the disease to be prevented by the vaccine. The materials should include information regarding the symptoms and reactions to vaccine which should be reported to physician, precautionary measures which should be taken to reduce the risk of adverse reactions, when how and to whom parents can report possible high risk categories, and a summary of relevant state and federal vaccination laws, including information about the availability of the national vaccine-injury compensation program.

Review of relationship between vaccines and certain illnesses.—Requires Secretary to review all relevant medical and scientific information on nature, circumstances, and extent of relationship between vaccines and certain illnesses and conditions. After review, Secretary shall make determination whether illness or condition can be reasonably considered to be caused or aggravated by vaccine and the time period within which the first sympton or manifestation of onset can reasonably be determined to occur. Based on this study, Secretary shall begin procedure to amend vaccine injury table.

QUESTIONS AND ANSWERS ON NATIONAL CHILDHOOD VACCINE-INJURY COMPENSATION ACT

What vaccines are covered

Diphtheria, Tetanus, Pertussis, Measles, Mumps, Rubella and Polio. These are childhood vaccines mandated by most State laws as a prerequisite for entry into school. (Persons who contract polio directly or indirectly from persons who received oral polio vaccines are also eligible even though they didn't receive direct vaccination.)

What injuries or illnesses are compensable

In general, those injuries and illnesses listed in Vaccine Injury Table (VIT) which begin in a specified period of time following vaccination. However, an acute illness or event listed in VIT will be compensated only if it resulted in hospitalization and total medical expenses which exceeded $2,500 or death. A long-term complication of an encephalopathy (brain injury) may be compensated if it involves encephalitis, an ongoing seizure disorder, or other complication lasting more than one year.

What types of compensation are available

Actual unreimbursed expenses and projected expenses of medical care, rehabilitation, developmental evaluation, special education, vocational training, counseling, emotional or behavioral therapy, residential and custodial care and service expenses, special equipment and necessary facilities to enable the injured persons to achieve his or her maximum feasible potential and enjoyment of life. Compensation for death limited to not less than $300,000 but no more than $700,000, plus actual expenses incurred prior to death. Pain and suffering permitted up to $100,000 for injured party only. No recovery for pain and suffering for parent or other family member. Anticipated loss of earning would be compensated, to be determined in accordance with generally recognized actuarial principles and projections. No compensation for punitive or exemplary damages.

In what form is compensation to be paid

At petitioners option, they may request compensation in form of (1) lump sum, (2) immediate payment for prior expenses and receive irrevocable commitment to pay on on-going basis for all future compensable expenses, or (3) initial payment for prior expenses plus projected expenses 5 or 10 years in advance, with right to final lump sum award at end of that 5 or 10 year period. Any lump sum payment would be held in trust for injured party and distributed in accordance with normal fidiciary duties.

What is the source of funding

The bill establishes a National Vaccine-Injury Compensation Trust Fund. The fund may initially borrow from general revenues, but within 18 months of enactment, the Secretary shall develop a surcharge on the manufacturer of each vaccine covered by the Act. The Secretary may consider a variety of factors in determining the amount of each surcharge, including the amount of compensation paid resulting from injury or illness associated with that vaccine.

Are manufacturers or physicians administering vaccine absolved from liability for negligence

No, individuals filing claims under this Act, subrogate their rights to sue for negligence to the Federal government. The Secretary, after reviewing the record, can bring a civil action against negligent parties, including physicians, health care providers administering the vaccine, and/or manufacturers of defective or unreasonably dangerous vaccines. Awards and settlements collected are to be deposited in Trust Fund.

Is this an exclusive remedy

No, parties have choice of pursuing either administrative relief under this Act, or tra-

ditional tort remedy. They can not pursue both remedies. Parties injured prior to date of enactment may file claims under this Act as long as they have not received compensation for civil action in tort for damages. Parties injured subsequent to enactment of this Act, waive right to pursue tort action when findings of fact and conclusions of law are entered under Act.

Would this program be open to persons injured before enactment

Yes, injured parties that meet the requirements of the Act and have not yet received compensation through tort system may petition for relief within two years after enactment of this Act.

What do claimants have to prove

In general, the petitioners must prove that they were vaccinated, had an injury listed on the VIT, the injury occured within specified time period, and they have not received prior compensation through tort system. Petitioners must supply affadavit and medical records and other documentation to support their claim for compensation. They must certify that they realize they are waiving their right to pursue tort actions for damages and give express consent for the appointment of a special master.

Where is claim filed

Petitioners file claim for compensation in the U.S. District Court for the District of Columbia. The Court shall have the authority to appoint a special master or magistrate who can receive evidence, conduct a hearing, take oral testimony and prepare and submit to the court proposed findings of fact and conclusions of law regarding the claim. If the petitioner objects to the special master's findings of fact or conclusion of law, he/she may request judge to review the record and make a de novo determination before issuing its final determination. The petitioner or Secretary of HHS may appeal the District Court decision.●

By Mrs. HAWKINS (for herself, Mr. WARNER, and Mr. SPECTER):

S. 2118. An act to establish the Commission on Missing Children; to the Committee on Governmental Affairs.

COMMISSION ON MISSING CHILDREN

● Mrs. HAWKINS. Mr. President, today I am introducing legislation with Senator WARNER and Senator SPECTER that calls for the creation of a National Symposium on Missing Children that would bring together the various experts and organizations who are interested in and working on this issue for the purposes of sharing and disseminating information concerning what is currently being done to locate missing children and prevent their abduction and also to determine what still needs to be done to protect our most precious national resource—our children.

Mr. President, I have been heartened by the tremendous response on the part of dedicated and concerned individuals who want to volunteer their time and effort to locate children that are missing from their homes and prevent their disappearance. In my State of Florida alone, the Adam Walsh Child Resource Center, the Dee Scofied Awareness Program, Children's Rights of Florida, Justice for Children, Child Keyppers of Florida, the Missing Children Help Center, and Parents Helping Parents are all active in behalf of missing and exploited children. Established national organizations have implemented excellent programs serving the special needs of children. Boy and Girl Scouts, Campfire, Inc., and Boys Clubs of America have all established safety programs for their young members, junior league chapters are establishing "warm lines" and after-school programs for "latchkey" children; police and law enforcement organizations have been volunteering their time to assist local communites in fingerprinting and other prevention programs. The American Bar Association has several excellent programs serving children including a compilation of the State and Federal laws regarding child custody and parental kidnaping. The Humane Society and the National Crime Prevention Council have long been active in this field and have a variety of prevention programs for children. I have been meeting with many of these organizations to coordinate with ACTION volunteer efforts in behalf of missing children. The need for these different groups and individuals to come together to share their information and help each other is becoming readily apparent.

I feel that a nationwide symposium on missing children is needed to raise public awareness and design solutions to the problem of missing children. Many States and localities have created similar symposiums on the local level. The State of Kentucky formed a task force on exploited and missing children in November of 1982 and travelled throughout the State taking testimony from a variety of witnesses on problem of missing children and related issues such as runaways, child prostitution, pornography, molestation, victimization and parental abduction. The Kentucky Task Force, published an excellent summary of what was currently being done within the State to assist children and the parents of missing children and made recommendations on what can and should be done to further protect children. These recommendations include: School call back programs, child fingerprinting programs, compensation of crime victims, changes in State laws regarding unlawful transaction with a minor, custodial interference, criminal record checks, changes in the method in which testimony is taken from a child victim, and implementation of State Missing Children's Act and Child Sexual Abuse and Exploitation Act.

But the problem of missing children is not confined to one State or area. It is a national problem. In fact, the different court and law enforcement jurisdictions often exacerbate the difficulties of locating and recovering a missing child. We need to coordinate these efforts on a national level and improve the cooperation between the States and local court and law enforcement jurisdictions to insure the safety and protection of children. I feel that a National Symposium on Missing Children will play an important role in achieving these goals.

The legislation that we are introducing today would establish a 15 member Commission on Missing Children whose purpose would be to convene a symposium on missing children that would bring together the experts, professionals, and interested individuals who are involved in this issue. This symposium will improve cooperation and coordination between these various groups and individuals, compile and disseminate information about innovative and successful programs serving children and develop recommendations regarding Federal, State, or local laws, regulations or policies that need to be changed in order to protect our children and improve our ability to locate missing children.●

● Mr. WARNER. Mr. President, I am pleased to join with Senator HAWKINS and Senator SPECTER in sponsoring this legislation to establish the Commission on Missing Children.

The commission will coordinate activities to assist in finding solutions to the national problem of missing children.

Today, we find that over 1 million children disappear from their homes each year.

These children often become the victims of sexual and physical abuse and exploitation, and the efforts of our local, State, and Federal officials and the private sector must be coordinated in addressing this national tragedy.

Across this Nation, individual groups of citizens have banded together in their town or neighborhood to find solutions to this problem.

This outpouring of concern and desire to help is in the finest American tradition of voluntarism of this caring Nation.

These Americans need our help, not to dictate solutions, but to gather together all the information available about the various programs now being undertaken by the private and public sectors and find answers.

This legislation will establish a commission which will hold a national conference or symposium, bringing together all interested groups, to conduct an indepth inquiry on solutions which will prevent the disappearance of children and safely return missing children to their homes.

The commission will disseminate the information and make recommendations to the President and the Congress for changes in public law and regulations which may be needed.

Mr. President, this legislation is proper action, the time for action is now, and I urge my colleagues to join this effort.

The children of our Nation need help. The children need our protection. The children have a right to expect our help.●

● Mr. SPECTER. Mr. President, I am pleased to join Senators HAWKINS and WARNER in their efforts to establish a commission for the purpose of coordinating activities to prevent and solve the all-too-frequent occurrences of child abductions in this country.

The tragedy of our Nation's 1.8 million missing children has recently received national attention with the widely publicized reports of the disappearances of Etan Patz of New York City and Adam Walsh of Hollywood, Fla. Following an exhaustive search, the parents of Adam Walsh ultimately learned of the brutal murder of their 6-year-old son. The parents of now 11-year-old Etan Patz, and the overwhelming majority of the parents of other missing children, are still waiting for some news of their child's whereabouts. Publicity campaigns have been increasingly successful in locating missing children. For instance, a poster distributed nationwide by one missing children's organization, displaying the photographs of 24 missing children and a toll-free hotline, has led to the recovery of 8 of these children since its release last June.

Our national commitment to prevent child abductions and locate missing children was demonstrated last year by the passage of the Missing Children Act. This act provided for the inclusion of data on missing children in the FBI's computerized criminal information network. As a second step in this direction, I introduced the Missing Children's Assistance Act of 1983 on October 27, along with Senators HAWKINS and WARNER and 21 of our distinguished colleagues in the Senate. This bill establishes and maintains a national toll-free telephone line for individuals to report information on missing children and a national resource center and clearinghouse to provide technical assistance and aid in the coordination of public and private efforts to locate and recover missing children.

The National Symposium on Missing Children Act of 1983 complements the existing and proposed Federal legislation on missing children by establishing a Commission comprised of 15 Presidential appointees—10 of whom are to be appointed upon the recommendation of the leaders of the House and Senate—the U.S. Attorney General, and the Secretaries of the Departments of Health and Human Services and Education. The Commission is to conduct a national conference on missing children, disseminate information to citizens, agencies, and branches of Government, and make recommendations to the President and Congress regarding the establishment of an ongoing program to coordinate efforts to remedy the personal and societal tragedy of a missing child.

In light of the overwhelming need for some national direction to aid in the prevention of child abductions, I urge my colleagues in the Senate to join us in working toward the speedy enactment of this legislation.●

By Mr. SASSER:

S. 2119. A bill to provide for cash incentive awards for citizens whose disclosure of fraud, waste, or mismanagement in the Government results in substantial cost savings to the Government; to the Committee on Governmental Affairs.

CITIZEN INCENTIVE AWARDS ACT OF 1983

● Mr. SASSER. Mr. President, I am today introducing the Citizens Incentive Awards Act of 1983. This legislation is designed to provide awards to those citizens whose disclosure of waste, fraud and mismanagement in the Federal Government results in substantial savings, and to expand the potential for checking such waste, fraud and mismanagement of the General Accounting Office's nationwide, toll free fraud hotline.

The need for such a legislative initiative became even more apparent during recent hearings of the Senate Governmental Affairs Committee. These hearings focused on the excessively costly spare and support parts procurement practices of the Department of Defense (DOD). Committee investigators had found, for instance, one case in which contractors were prepared to charge DOD more than $9,600 for a 12-cent hex wrench. This revelation came in the wake of a DOD Inspector General's report earlier this year which showed that the Department had paid $414.29 for a 3½-inch metal bracket and $17.59 for a simple, 2-inch bolt. These were but a few of the many examples outlined in the report.

I want to commend the Governmental Affairs Committee's chairman, Senator ROTH, for focusing on DOD's spare and support parts procurement practices and for turning the committee's attention in 1983 to the Department's overall management and procurement policies. The committee has held a series of hearings on this matter.

In response to the congressional activity and interest DOD Secretary Caspar Weinberger has implemented a 10-point plan aimed at reducing waste and excessive costs in spare parts procurement. First among the steps is a cash incentive program, which rewards DOD employees who find cost savings through the disclosure of waste or mismanagement, or through other steps. Paul Thayer, DOD Deputy Secretary, told the Governmental Affairs Committee on November 2, 1983, of over 30 such cash awards within the Department.

On a Government-wide basis, the Office of Personnel Management reported recently, Federal employees saved $1.1 billion in fiscal year 1982 under the Federal incentives program. A recent article in the Federal Times summarized this OPM report, and I ask unanimous consent that the text of the article be printed in the RECORD at the conclusion of my remarks.

The Citizen Incentive Awards Act of 1983 would extend the concept already in place in DOD and elsewhere in the Federal Government by making awards to private citizens whose disclosures of waste, fraud, and mismanagement lead to cost savings for the Government. In doing so, this legislation would also complement the work of the GAO hotline.

Hotline records show that it is no secret that thousands of Americans are aware of instances of waste, fraud, and abuse of Federal funds. The GAO hotline, established at my request nearly 5 years ago, has saved millions of taxpayer dollars, and it can help to save even more.

Since January 1979, the hotline has processed over 13,500 alleged cases of waste, fraud, and mismanagement from among more than 50,000 calls. Of these reported cases, 9,350 allegations were considered serious enough to warrant further investigation.

The Citizen Incentive Awards Act will provide additional motivation for individuals to report items that could lead to cost savings for the Federal Government.

The bill provides that corporations, partnerships, and associations will not be eligible to receive the awards made available under the act; only native-born and naturalized American citizens may receive an award.

The inspector general of each agency—or similar employee designated to make such awards—will make a cash payment to citizens reporting waste, fraud or abuse if the report results in substantial savings to the Government. The amount of the award will be either $10,000 or 1 percent of the agency's cost savings, whichever is less. The President will also be authorized to make cash awards in the amount of $20,000 for a disclosure which results in savings to the Government.

There are several limits within the bill, limits designed to insure that this act will be an efficient and cost-effective program.

First, the cash awards are limited to no more than 25 annually. This means that, even if each award made by the President is $20,000 each, the direct cost to the Government will be just

$500,000—this is roughly the annual budget for the GAO hotline operation.

Second, the program is designed to expire on September 30, 1984; this coincides with the expiration of the Federal employee incentive awards program (5 USC 4511 et seq.) and before fiscal year 1985 begins. Hopefully, we can make some evaluation of the efficacy of the new program before making it a permanent feature of Federal management policy.

Third, the Comptroller General of the United States is directed to report regularly on procedures for making the awards and to verify the cost savings for which the awards were made.

Mr. President, the Citizen Incentive Awards Act is a vital legislative initiative. It will help us to continue our fight against fraud, abuse, waste and mismanagement in Federal programs. And it will provide the American public—the people who see the wasteful practices as much as anyone—with additional incentive to come forward, to "blow the whistle," to make those disclosures that we need in order to correct these problems.

I urge the Senate take prompt action on this measure, and I ask unanimous consent that the full text of the bill be printed in the RECORD at this point.

There being no objection, the bill and article was ordered to be printed in the RECORD as follows:

[From the Federal Times, Nov. 14, 1983]

$1.1 BILLION SAVING CREDITED TO FED WORKERS

(By Bill Andronicos)

The Office of Personnel Management says federal employees saved taxpayers about $1.1 billion during fiscal 1982 through "innovative ideas, inventions and exceptional performance."

The savings resulting from the employee accomplishements were reported to Congress, as required by the Federal Incentive Awards Program, in a slick OPM publication entitled "Achievements 1982."

In an interview, OPM director Donald Devine said that "these achievements prove that federal employees respond to rational, performance-based systems," adding that "the incentive awards program provides the basis for rewarding service beyond job requirements."

He conceded that the government's incentive awards program "has grown helter-skelter over time to the extent that nobody really knows—or if anybody does, nobody can communicate it—what the incentive awards program is all about."

New OPM pay-for-performance regulations, he said, distinguish between job performance awards and special awards.

Devine said the special awards "are the ones given high publicity—that is, above and beyond the normal course of one's job, such as the invention of a cancer cure or that kind of thing."

He added that it's the kind of award presentation that "we want to see the president or the head of an agency attend."

The new awards will continue to be funded the same way they are now—from agency salaries and expense accounts.

"What we will do is have the agencies submit historic amounts they have given under their performance awards to be included in their performance plans," Devine said. "That will mean some agencies will have higher payouts than others if that's what they've traditionally done.

"What we want to do—this is not a budget-saving action but it's also not a budget increasing proposal—is essentially to stay at the same levels of expenditures but to rationalize the awards process," Devine said.

Under the Incentive Awards Program, established by Congress in 1954, employees receive public recognition through monetary and honor awards for efforts beyond job requirements to improve government operations and services and which reduce wasteful and inefficient practices.

OPM noted that during fiscal 1982, workers received awards totaling $82 million, an amount representing less than two-tenths of one percent of federal civilian payroll costs. For every dollar paid in awards, the government realized benefits exceeding $14.

President Reagan on October 12 approved the maximum award of $35,000 to Edward E. Thomas, a former employee of the Civil Aeronautics Board, who saved the government $6.4 million.

Thomas was cited for his role in changing the handling of refunds due the government from air carriers. The president signed a congratulatory letter to Thomas, commending him for his efforts that "significantly contributed to our goal of reducing the costs of government operations."

Among others receiving recognition under the 1982 Incentive Awards Program:

Arthur Leudtke, who during a career of more than 40 years with the Federal Communications Commission, was reponsible for saving the government more than $10 million. To his credit are 12 patented inventions with a 13th pending.

Dr. Lance A. Liotta, a medical research scientists at the National Institutes of Health, who was recognized for his "outstanding achievements in cancer research that have led to a new understanding of how cancer cells invade and spread through the body."

Meyer Schwarz, an Agricultural Research Service chemist, for his role in developing a new chemical "which controls the dangerous red fire ants that have been responsible for killing humans and livestock."

S. 2119

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Citizen Incentive Awards Act of 1983".

SEC. 2. (a) For the purposes of this section—

(1) the term "agency" has the same meaning as provided in section 551 (1) of title 5, United States Code;

(2) the term "citizen" means—

(A) a national and citizen as defined in section 301 of the Immigration and Nationality Act (8 U.S.C. 1401); or

(B) a person who is naturalized under the provisions of part II of subchapter III of charter 12 of such Act (8 U.S.C. 1421 et seq.); and

(3) no corporation, partnership, or association may be deemed to be a citizen.

(b)(1) The Inspector General of an agency, or any agency employee designated under section 4512(b) of title 5, United States Code, may pay a cash award to any citizen of the United States, other than an individual who may be paid a cash award under section 4512(a) of title 5, United States Code, whose disclosure of fraud, waste, or mismanagement in the agency has resulted in substantial cost savings to the Government. The amount of an award under this subsection shall not exceed the lesser of—

(A) $10,000; or

(B) an amount equal to 1 percent of the agency's cost savings which the Inspector General, or other agency employee designated under section 4512(b) of title 5, United States Code, determines to be the total savings attributable to the citizen's disclosure.

(2) The Inspector General of an agency making an award under this section, or other employer designated under section 4512(b) of title 5, United States Code, shall submit to the Comptroller General documentation substantiating any award made under paragraph (1).

(c)(1) The President may pay a cash award in the amount of $20,000 to any citizen, other than an individual who may be paid a cash award under section 4513 of title 5, United States Code, whose disclosure of fraud, waste, or mismanagement has resulted in substantial cost savings for the Government. In evaluating the significance of such a disclosure, the President shall take into account the cost savings projected for subsequent fiscal years as a result of the disclosure.

(2) The President shall submit to the Comptroller General documentation substantiating any award made under paragraph (1).

(d) The Comptroller General shall, from time to time, review awards made under subsections (b) and (c) and the procedures used in making such awards to verify the cost savings for which the awards were made.

(e) Not more than 25 awards may be made under this section during any fiscal year.

SEC. 3. No award may be made under section 2 after September 30, 1984.●

By Mr. GARN (for himself and Mr. PROXMIRE) (by request):

S. 2120. A bill to amend the Federal Credit Union Act (12 U.S.C. 1751 et seq.) to correct the tax status of the National Credit Union Central Liquidity Facility; to the Committee on Banking, Housing, and Urban Affairs.

S. 2121. A bill to amend the Federal Credit Union Act (12 U.S.C. 1751 et seq.) to further capitalize the National Credit Union Share Insurance Fund and other purposes; to the Committee on Banking, Housing, and Urban Affairs.

S. 2122. An act to amend title 31, United States Code, to eliminate the fee imposed on financial organizations which receive payroll deductions from Federal employees, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

CREDIT UNION LEGISLATION

● Mr. GARN. Mr. President, I am introducing three bills dealing with credit unions, their regulation, and the insurance of their members' share accounts. Two of the bills Senator PROXMIRE and I are introducing at the request of the National Credit Union Administration. The first a proposal to

increase the funding of the National Credit Union Share Insurance Fund and to establish a Federal payout priority on the assets of liquidating credit unions, and the second a proposal to exempt the NCUA's Central Liquidity Fund from Federal income taxation.

The third bill would eliminate the fee imposed by the Treasury Department on financial institutions which receive payroll deductions from Federal employees and would clarify that the Right to Financial Privacy Act authorizes a Federal disbursing authority to receive from a financial institution the name and address of any person with access to an account credited with a Government disbursement. The bill would also authorize such agency to provide other Government authorities with similar employee identification information in order to insure that correct payment of Government funds is made.

The Share Insurance Fund proposal—an important issue because it addresses the capital needs of the Fund—is, in some respects, similar to the deposit insurance proposal I introduced yesterday at the request of the FDIC.

NCUA's proposal will be made a part of the Banking Committee's consideration of deposit insurance issues next year.

I request unanimous consent that the text of the bills and summaries be printed in full in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2120

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Credit Union Act (12 U.S.C. § 1751 et seq.) is amended as follows:

SEC. 101. Title III of the Federal Credit Union Act (12 U.S.C. § 1795 *et seq.*) is amended:

(1) by inserting in SEC. 303 the words ", an instrumentality of the United States," between the words "Facility" and "shall" in the second sentence; and

(2) by adding the following new section at the end thereof:

"TAX EXEMPTION

"SEC. 311. (a) The Central Liquidity Facility, its franchise, activities, capital reserves surplus, and income shall be exempt from all Federal, State, and local taxation now or hereafter imposed, other than taxes on real property held by the Facility (to the same extent according to its value, as other similar property held by other persons is taxed).

"(b) The notes, bonds, debentures, and other obligations issued on behalf of the Central Liquidity Facility and the income therefrom shall be exempt from all Federal, State, and local taxation now or hereafter imposed, provided that—

(1) interest upon such obligations, and gain from the sale, or other disposition of such obligations shall not have any Federal income tax or other Federal tax exemptions, as such, and loss from the sale or other disposition of such obligations shall not have any special treatment, as such under the Internal Revenue Code of 1954 or laws amendatory or supplementary thereto, except as specifically provided therein; and

(2) any such obligations shall not be exempt from Federal, State, or local gift, estate, inheritance, legacy, succession, or other wealth transfer taxes."

(c) For purposes of this section—

"(1) the term 'State' includes the District of Columbia; and

"(2) taxes imposed by counties or municipalities, or any territory, dependency, or possession of the United States shall be treated as local taxes."

SEC. 102. The amendments made by this Act shall take effect on October 1, 1979.

SUMMARY: CENTRAL LIQUIDITY FUND TAX STATUS

This bill will correct an oversight in the enactment of P.L. 95-630 regarding the Central Liquidity Facility (CLF). The CLF is a central bank for credit unions, is a mixed ownership corporation, is on-budget, and is located within the National Credit Union Administration, an independent government agency. The retroactive provisions of this tax exemption amendment will correct an obviously difficult situation before the operations of the CLF are seriously affected.

S. 2121

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Credit Union Act (12 U.S.C. § 1751 *et seq.*) is amended as follows—

SEC. 1. Section 201(b)(8) of the Act (12 U.S.C. § 1781(b)(8)) is amended to read as follows:

"(8) to pay and maintain its deposit and to pay the premium charges for insurance imposed by this title; and".

SEC. 2. Section 202(b) of the Act (12 U.S.C. § 1782) is amended to read as follows:

"(b) For each insurance year, each insured credit union which became insured prior to the beginning of that year shall file with the Board at such time as the Board prescribes a certified statement showing the total amount of insured shares in the credit union at the close of the preceding insurance year and both the amount of its deposit or adjustment thereof and the amount of the premium charge for insurance due to the fund for that year, both as computed under subsection (c) of this section. The certified statements required to be filed with the Board pursuant to this subection shall be in such form and shall set forth such supporting information as the Board shall require. Each such statement shall be certified by the president of the credit union, or by any officer of the credit union designated by its board of directors, that to the best of his knowledge and belief that statement is true, correct, and complete and in accordance with this title and regulations issued thereunder."

SEC. 3. Section 202(c)(1) of the Act (12 U.S.C. § 1782(c)(1)) is amended by:

"(1) renumbering the subparagraph from (c)(1) to (c)(2);

"(2) deleting the words "on or before January 31 of each insurance year" and inserting in their place the words "at such time as the Board prescribes";

(3) deleting the word. "member accounts" and inserting the words "insured shares" in their place; and

(4) inserting the following at the beginning thereof:

"(c)(1) Each insured credit union shall pay to and maintain with the National Credit Union Share Insurance Fund a deposit in an amount equaling one percent (1%) of the credit union's insured shares. The Board may, in its discretion, authorize insured credit unions to initially fund such deposit over a period of time in excess of one year if necessary to avoid adverse effects on the condition of insured credit unions. The amount of each insured credit union's deposit shall be adjusted annually, in accordance with procedures determined by the Board, to reflect changes in the credit union's insured shares. The deposit shall be returned to an insured credit union in the event that its insurance coverage is terminated or it converts to insurance coverage from another source. The deposit shall be returned in accordance with procedures and valuation methods determined by the Board, but in no event shall the deposit be returned any later than one year after the final date on which no shares of the credit union are insured by the Board. The deposit shall not be returned in the event of liquidation on account of bankruptcy or insolvency. The deposit funds may be used by the Fund if necessary to meet its expenses, in which case the amount so used shall be expensed and shall be replenished by insured credit unions in accordance with procedures established by the Board."

SEC. 4. Section 202(c)(2) of the Act (12 U.S.C. § 1782(c)(2)) is deleted.

SEC. 5. Section 202(c)(3) of the Act (12 U.S.C. § 1782(c)(3)) is amended to read as follows:

"(3) When, at the end of a given insurance year, any loans to the fund from the Federal Government and the interest thereon have been repaid and the equity of the fund exceeds the normal operating level, the Board shall effect for that insurance year a pro rata distribution to insured credit unions of an amount sufficient to reduce the equity in the fund to its normal operating level."

SEC. 6. Section 202(c)(4) of the Act (12 U.S.C. § 1782(c)(4)) is amended by:

"(1) renumbering the subparagraph from (c)(4) to (c)(5);

(2) deleting the word "expenditures" and inserting the word "expenses" in its place; and

(3) deleting the statement "under paragraph (1), (2), or (3)" and inserting in its place the statement "under paragraph (2)".

SEC. 7. Sections 202 (d)-(f) of the Act (12 U.S.C. § 1782 (d)-(f)) are amended by:

(1) inserting the words "its deposit or" before the words "the premium charge" or "any premium charge" each time they appear; and

(2) deleting the words "member accounts" and inserting the words "insured shares" in their place".

SEC. 8. Section 202(g) of the Act (12 U.S.C. § 1782(g)) is amended by:

(1) deleting the words "statements, and premium charges" and inserting in their place the words "statements, and deposit and premium charges";

(2) deleting the words "payment of any premium charge," and inserting in their place the words "payment of any deposit or adjustment thereof or any premium charge,"; and

(3) deleting the words "any premium charge for insurance" and inserting in their place the words "any deposit or adjustment thereof or any premium charge for insurance".

SEC. 9. Section 202(h)(1) of the Act (12 U.S.C. § 1782(h)(1)) is amended by: deleting the ";" at the end of the subsection and

adding in its place ", unless otherwise prescribed by the Board;".

SEC. 10. Section 202(h)(2) of the Act (12 U.S.C. § 1782(h)(2)) is amended by: "deleting the statement "equal to 1 per centum" and inserting in its place the statement "equal to 1.3 per centum".

SEC. 11. Section 202(h)(3) of the Act (12 U.S.C. § 1782(h)(3)) is amended to read as follows:

"(3) the term "insured shares" when applied to this section shall include share, share draft, share certificate and other similar accounts as determined by the Board, but shall not include amounts in excess of the insured account limit set forth in section 207(c)(1)."

SEC. 12. Section 203(b) of the Act (12 U.S.C. § 1783(b)) is amended by: "inserting the words "deposits and" before the words "premium charges".

SEC. 13. Section 206(d)(1) of the Act (12 U.S.C. § 1786(d)(1)) is amended by:

"(1) inserting "(1)" after "subsection (a)";

(2) inserting the words "maintain its deposit with and" before the words "pay premiums to the Board"; and

(3) inserting at the end thereof, the following sentence "Notwithstanding the above, when an insured credit union's insured status is terminated and the credit union subsequently obtains comparable insurance coverage from another source, insurance of its accounts by the Fund may cease immediately upon the effective date of such comparable coverage by mutual consent of the credit union and the Board."

SEC. 14. Section 207(a)(2) of the Act (12 U.S.C. § 1787(a)(2)) is amended by inserting after the second sentence thereof the following: "The Board may prescribe rules and regulations governing such distribution including the order in which distribution is to be made."

SEC. 15. Section 207(d) of the Act (12 U.S.C. § 1787(d)) is amended by changing the third and fourth sentences to read as follows:

"In the case of any closed insured credit union, such subrogation shall include the right on the part of the Board to receive the same dividends from the proceeds of the assets of such closed credit union as would have been payable to the member on a claim for the insured account in accordance with the rules and regulations governing distribution issued pursuant to subsection (a)(2) of this section, but such member shall retain his claim for any uninsured portion of his account. The rights of members and other creditors of any State-chartered credit union shall be determined in accordance with the applicable provisions of State law, but in no event shall the right of the Board to receive payment from the assets of the closed insured credit union be subordinated to the rights of members and other creditors unless otherwise provided by the rules and regulations of the Board."

SUMMARY: CAPITALIZATION AMENDMENTS TO THE SHARE INSURANCE FUND AND PAYMENT PRIORITIES

a. Sections 1-13 would revise the system for capitalizing the National Credit Union Share Insurance Fund (Fund), and strengthen the Fund, by requiring that each insured credit union post and maintain with the Fund a refundable deposit in an amount equalling one percent of the credit union's total insured member accounts. This method of capitalization is necessary to bring the fund to a proper level of capital and ensure continued soundness and confidence in the fund. The one percent deposit would be refundable to an insured credit union in the event the credit union or the NCUA terminates insurance coverage. The deposit would not be refunded in the event of liquidation on account of insolvency.

To prevent unreasonable adverse impact on the current operating condition of insured credit unions, the NCUA initially would be authorized to permit a phased in payment of the deposit. Thereafter the amount of the deposit would be adjusted annually to reflect changes in each credit union's total insured shares. Insured credit unions would continue to pay the normal annual insurance premium, but would receive a rebate of amounts exceeding that which is necessary to meet the expenses of the fund and maintain the fund at its newly capitalized ratio of 1.3 percent of the total insured portions of member accounts (1 percent deposit, plus the 0.3 percent current capitalization). For purposes of annual implementation of deposit, premium and rebate procedures, the Board would be authorized, but not required, to aggregate one or more of the payments due to or from each insured credit union resulting in a single payment to or from the Fund.

b. Sections 14 and 15 would clarify the authority of the NCUA to establish liquidation procedures specifying the order of priority for the distribution of assets of liquidating credit unions.

The first amendment specifically addresses the authority of the NCUA to issue regulations concerning distribution of liquidating Federal credit union's assets. The second relates to Federally insured State-chartered credit unions, and provides that the NCUA's recovery of insurance payout in the case of a state credit union will be the same as in the case of a Federal credit union. It further provides that although State law will determine the right of members and creditors, as under the present law, such State law shall not have the effect of subordinating the NCUA's right to recover, to the right of such members and creditors unless the Board so provides in its rules and regulations.

S. 2122

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Payroll Deduction Facilitation Act".

ELIMINATION OF PAYROLL DEDUCTION FEES ON FINANCIAL ORGANIZATIONS

SEC. 2. Section 3332(b) of title 31, United States Code, is amended by inserting "without charge" after "shall be sent".

SEC. 3. Section 3332 of title 31, United States Code, is amended by striking out subsection (c) and redesignating subsections (d), (e), (f), and (g) as subsections (c), (d), (e), and (f), respectively.

PROPER ADMINISTRATION OF DISBURSING FUNCTIONS

SEC. 4. Section 1113 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3413) is amended by adding at the end thereof the following:

"(l)(1) In any case in which a Government authority which has a disbursing function needs to know, for the sole purpose of properly administering such disbursing function—

"(A) the name and address of any individual customer with access to an account which was credited, or which should have been credited, with any deposit disbursed by such Government authority; or

"(B) the amount credited to such account of funds disbursed by such Government authority,

nothing in this title shall apply to the disclosure by a financial institution to such Government authority of the information specified in subparagraph (A) and (B) so long as the request for disclosure by the Government authority is specific as to the individual customers, account numbers, or amounts credited.

"(2) Information which is specified under subparagraph (A) or (B) of paragraph (1) and which is received under paragraph (1) by a Government authority which has a disbursing function may be transferred by such Government authority to another Government authority concerned with the payment of the funds involved, only if such transfer is made for, and such information will be used for, the sole purpose of properly administering the law which authorizes the payment of the funds involved.".●

By Mr. MOYNIHAN:

S. 2123. A bill to promote voluntary contributions; to the Committee on Finance.

VOLUNTARY CONTRIBUTIONS

● Mr. MOYNIHAN. Mr. President, I rise today to offer legislation to promote voluntary contributions to the Nation's charities and foundations. The fundamental rationale for this legislation is a basic principle of federalism familiar to every American. The National Government ought to assume only those responsibilities that cannot be carried out by our States, cities, and countless private organizations. Our neighborhoods, churches, educational institutions, and numerous public and private nonprofit agencies perform services proper and essential for the satisfactory functioning of a just social order. These structures depend on the generosity of the American people, and Congress must do its utmost to support this generosity. Private contributions, both individual and corporate, form the very lifeblood of America's charities.

In October of this year, the President's Committee on the Arts and the Humanities, in conjunction with the Department of the Treasury, completed work on a series of proposals to encourage charitable contributions. The legislation that I am introducing is based on those proposals.

This bill would amend several provisions of section 170 of the Internal Revenue Code. Under current law, a taxpayer can deduct the value of certain charitable gifts from his adjusted gross income, up to 50 percent of that income. Following the recommendations of the President's Committee, my proposal would increase this 50-percent limit to 75 percent for certain types of gifts. Gifts that would qualify include donations of cash, ordinary income property and capital gain property to public charities, private operating foundations and private founda-

tions which serve as conduits to public charities.

Under current law, a taxpayer may carry over for 5 years charitable contributions exceeding 50 percent of his adjusted gross income. This percentage would increase to 75 percent to conform with the first provision. Furthermore, the carryover period would be extended from 5 to 15 years.

Finally, current law allows a taxpayer to deduct a contribution of capital gain property at a percentage of that contribution's present value. However, in the case of ordinary income property contributions, noncash gifts held by the taxpayer less than 1 year, the taxpayer may only deduct the unappreciated value. Following the recommendations of the President's Committee, this legislation would treat certain capital gain property held less than 5 years as ordinary income property for the purpose of the charitable contribution deduction.

Mr. President, this is worthy legislation supporting noble organizations without which our society would be poorer. This legislation encourages private individuals and corporations to contribute to these organizations, and through them to our society. I urge prompt and positive action on this matter.

I ask that the full text of S. 2123 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2123

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Subsections (b) and (d) of section 170 of the Internal Revenue Code of 1954 are amended by deleting "50 percent" wherever it may appear and inserting "75 percent".

SEC. 2. Section 170(d) is further amended by:

(a) deleting "5" and inserting "15" wherever it may appear; and

(b) deleting "second, third, fourth, or fifth succeeding year" and inserting "each of the fifteen succeeding years" wherever it may appear.

SEC. 3. (a) LIMITATION ON DEDUCTION ALLOWABLE FOR CERTAIN PROPERTY HELD FOR LESS THAN 5 YEARS.—Subsection (e) of section 170 (relating to charitable contributions) is amended by adding at the end thereof the following new paragraph:

"(5) CERTAIN CAPITAL GAIN PROPERTY HELD FOR LESS THAN 5 YEARS.—The amount allowable as a deduction under this section for any charitable contribution of property which—

"(A) is capital gain property as defined in subsection (b)(1)(C)(iv),

"(B) is not readily tradable on an established securities market, and

"(C) at the time the contribution is made, has been held for more than one year but not more than 5 years,

shall not exceed the adjusted basis of such property."

(b) ADDITION TO TAX FOR OVERVALUATION OF PROPERTY HELD FOR MORE THAN 5 YEARS.—Subsection (c) of section 6659 (relating to valuation overstatement) is amended to read as follows:

"(c) VALUATION OVERSTATEMENT DEFINED.—For purposes of this section, there is a valuation overstatement if the value of any property, or the adjusted basis of any property, claimed on any return is 150 percent or more of the amount determined to be the correct amount of such valuation or adjusted basis (as the case may be)."

(c) CONFORMING AMENDMENT.—Paragraph (1) of section 170(e) relating to contributions or ordinary income and capital gain property) is amended by inserting "(other than charitable contributions described in paragraph (5))" before the phrase "otherwise taken into account".●

By Mr. MOYNIHAN:

S. 2124. A bill to amend the Energy Policy and Conservation Act to eliminate preemption of a State's authority to establish or enforce any energy efficiency standard of similar requirement of a Federal energy efficiency standard has not been established; to the Committee on Energy and Natural Resources.

HOME APPLIANCE ENERGY EFFICIENCY STANDARDS

● Mr. MOYNIHAN. Mr. President, I rise to introduce a bill that would amend the Energy Policy and Conservation Act of 1975—Public Law 94-163—to guarantee a State's authority to establish or enforce energy efficiency standards for home appliances in the absence of a substantive Federal standard.

Under the Energy Policy and Conservation Act, as amended by the National Energy Conservation Policy Act, Congress directed the Department of Energy (DOE) to issue standards setting minimum energy efficiency levels for 13 categories of home appliances no later than January 2, 1981. Appliances in the first nine categories were assigned priority status because they account for 19.5 percent of the Nation's primary energy use and 82.4 percent of all residential energy use.

DOE issued a proposed rulemaking, published on June 30, 1980, for eight of the nine priority categories. DOE projected a cumulative energy savings potential of 14 to 26 quads by the year 2005—2 billion barrels of oil equivalent. DOE estimated that consumers' averted energy costs could total $19.3 billion.

On April 2, 1982, however, DOE revised its projects downward and determined that efficiency standards for the eight priority categories would not save sufficient energy to justify their imposition. Subsequently, on December 22, 1982, and August 30, 1983, DOE announced that it would not issue standards for any of the eight priority categories.

Mr. President, DOE's "no standards" decision has serious implications for existing or proposed State appliance standards. The Energy Policy and Conservation Act, as amended, provides that a Federal "no standards" decision supersedes any State or local standards. Appliance efficiency standards for a variety of products are in force in 47 States and hundreds of localities.

States may petition DOE for exemption from Federal preemption, and indeed New York State did. New York State energy law, section 16-116, prohibits the use of standing pilot lights on gas-fired residential appliances. This law, as it pertained to kitchen ovens and ranges, was set aside by DOE's "no standards" decision. The State was granted preemption.

But the process is costly and burdensome. The Congressional Budget Office estimates that each petition proceeding costs DOE $20,000. The cost to individual State petitioners has not been determined, but it is of some consequence.

The New York State Energy Office is preparing six more petitions, for appliances such as room and central air conditioners, water heaters, and furnaces. This process of repeatedly preparing petitions to defend New York State's right to establish and maintain vital energy saving standards is a waste of limited State and Federal resources. The burden may continue unabated for years. Of course, this burden is not imposed solely on New York. Several other States are in the process of filing petitions. The duplicative effort that must be expended to preserve legitimate standards from preemption is most substantial.

Mr. President, in the absence of substantive Federal standards, State standards are essential if we are to conserve energy. For example, the ban on the standing pilot lights of New York's 4,033,000 natural gas ovens and ranges will save between 92 million and 186 million therms annually. Such a reduction in energy consumption will generate statewide savings for consumers of between $69.7 million and $141 million.

Mr. President, Congressman RICHARD OTTINGER, of New York, has introduced an identical bill in the House of Representatives, H.R. 3244. It has the endorsement of a variety of organizations, including the National Governors Association, the National Conference of State Legislatures, the National Conference of States on Building Codes and Standards, the Consumers Union, and the Energy Conservation Coalition. This bill will provide much-needed legislative relief to the States and I urge my colleagues to support it.

Mr. President, I ask unanimous consent that a copy of the full text of my bill be printed in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2124

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 325(b) of the Energy Policy and Conservation Act (42 U.S.C. 6295(b)) is amended by striking out: "For purposes of section 327, a determination under paragraph (2) with respect to any type (or class) of covered products shall have the same effect as would standard prescribed for such type (or class) under this section.".

SEC. 2. Section 327(b) of such Act (42 U.S.C. 6297(b)) is amended by striking out paragraphs (1), (2), and (5), and by redesignating paragraphs (3) and (4) as paragraphs (1) and (2), respectively.●

By Mr. BUMPERS (for himself and Mr. PRYOR):

S. 2125. A bill entitled the "Arkansas Wilderness Act of 1983; to the Committee on Energy and Natural Resources.

ARKANSAS WILDERNESS ACT OF 1983

● Mr. BUMPERS. Mr. President, today Senator PRYOR and I are pleased to introduce the "Arkansas Wilderness Act of 1983," legislation to protect some 117,000 acres of Federal land by placing it in the National Wilderness Preservation System. Our legislation is intended to preserve some of Arkansas' most beautiful natural areas. I believe it is a reasonable proposal that will accomplish this objective and also end any remaining uncertainty about the availability of other national forest lands.

Mr. President, our beloved State of Arkansas is blessed with some of the most scenic and pristine land in the Eastern United States. The Ozark-St. Francis and Ouachita National Forests cover some 2.6 million acres in Arkansas, and include much of the State's undeveloped land.

The exceptional wilderness character of certain portions of the Ozark and Ouachita National Forests was recognized in 1975, when Congress added two areas in Arkansas—Caney Creek and the Upper Buffalo—to the national wilderness preservation system created by the 1964 Wilderness Act. The 1975 legislation also designated several areas in Arkansas as "wilderness study areas," thereby giving them interim protection from development until Congress could make a final decision about whether they should also be given full wilderness protection.

Before such a decision could be reached, the Forest Service initiated its second roadless area review and evaluation—RARE II. Twenty-five areas in Arkansas, comprising about 8 percent of the State's National Forest land, were reviewed, including the study areas designated earlier. RARE II was completed in 1979. As a result of RARE II, the Forest Service recommended that four areas should be designated as wilderness, and that an additional seven areas should be studied further to determine their wilderness suitability. The remaining 14 areas were recommended for nonwilderness use, even though the Forest Service had given many of them high marks for their wilderness attributes. Recently, the Forest Service made its final recommendations for the further planning areas identified in RARE II, and so completed its wilderness reviews and recommendations in Arkansas.

Altogether, the Forest Service has recommended wilderness protection for 48,812 acres in seven parcels in the Ozark and Ouachita National Forests—an addition to the existing Buffalo area, and new areas at Richland Creek, Hurricane Creek, Belle Star Caves, Black Fork Mountain, Dry Creek, and Upper Kiamichi River. Because the Upper Kiamichi River area lies almost totally in Oklahoma, the recommended additions in Arkansas are actually limited to five significant new areas. These recommendations represent less than 2 percent of the National Forest land in Arkansas.

Mr. President, I have generally supported the Forest Service's wilderness studies and I was prepared to support its wilderness recommendations for my State. But after reviewing this matter for more than a year, personally visiting both those areas recommended for wilderness, and those areas recommended for further study, and after considering the recommendations made by numerous State agencies, conservation groups, and citizens, I am convinced that the wilderness package proposed by the Forest Service for Arkansas is inadequate.

After RARE II was completed in 1979, several State agencies and conservation groups initiated independent reviews of proposed wilderness areas. Both the agencies and conservation groups found that the Forest Service's recommendations would not meet the State's recreation needs and would not protect certain lands particularly deserving of the wilderness designation. The Arkansas Department of Parks and Tourism concluded that more extensive additions to the wilderness system are desirable, and has recommended designation for several new areas in addition to those indorsed by the Forest Service. The Department's recommendations total about 105,000 acres, or roughly 4.5 percent of the State's National Forest land. The Natural Heritage Commission and the Game and Fish Commission joined the Department in expressing support for wilderness areas other than those recommended by the Forest Service.

Protecting several more areas has also been advocated by the Arkansas Conservation Coalition, an alliance of nine conservation groups in Arkansas which represents more than 10,000 citizens. The coalition conducted extensive on-site surveys of the areas reviewed in RARE II. Its final wilderness proposal is identical to that made by the State park's department with the exception that it includes one additional area in the Ozark National Forest. The coalition's proposal would give wilderness protection to 11 areas totaling about 117,000 acres.

The bill we are introducing today designates as wilderness the 10 areas recommended by the State parks department and the additional area included in the conservation coalition's proposal. These 11 areas represent less than 5 percent of Arkansas' national forest lands, and less than 1 percent of the State's total land area. Preserving these 117,000 acres will protect some of the State's most significant natural areas, and will provide exceptional recreational opportunities, while leaving nearly all of the national forests open to other uses, such as hunting, fishing, and camping. The specific areas that our bill will include in the national wilderness preservation system are:

First, a 1,504-acre addition to the existing Upper Buffalo Wilderness Area;

Second, the 15,177-acre Hurricane Creek Wilderness Area;

Third, the 11,822-acre Richland Creek Wilderness Area;

Fourth, the 10,729-acre Penhook Wilderness Area;

Fifth, the 18,292-acre East Fork Wilderness Area;

Sixth, the 16,956-acre Leatherwood Wilderness Area;

Seventh, the 10,962-acre Black Fork Mountain Wilderness Area;

Eighth, the 14,524-acre Belle Star Caves—or Poteau Mountain—Wilderness Area;

Ninth, the 6,470-acre Dry Creek Wilderness Area;

Tenth, the 10,735-acre Flatside Wilderness Area; and

Eleventh, the 300-acre Upper Kiamichi Wilderness Area.

These 11 areas are highly deserving of inclusion in the wilderness system. Besides having exceptional wilderness attributes, they present few management conflicts. The preliminary boundaries drawn for the areas have excluded most private land as well as cemeteries and reserved minerals. The small amount of private land that lies within boundaries of the proposed areas is accessible by existing roads, and those routes can remain open. Although a major part of the acreage has been leased for minerals development, no exploration or development has occurred on any of the leases, and none is expected before the leases expire in 1985 and 1986. Finally, because the areas are generally small and scattered throughout the national forests, they will be easily accessible to many recreational users.

Our legislation also addresses a problem that has arisen in nearly every State for which RARE II wilderness recommendations are still pending—the uncertain availability of national

forest lands for nonwilderness uses, and the prospects for a third roadless area review. Recently, the Ninth Circuit Court of Appeals in California ruled that the national RARE II environmental impact statement was inadequate on several counts and enjoined any development activities on the 47 acres in California that the Forest Service has recommended for nonwilderness. The effect of this decision on other Forest Service regions is unclear, but the Forest Service believes that any activity on areas recommended for nonwilderness in 1979 would be subject to judicial challenge, and has taken steps toward yet another expensive roadless area review—a RARE III, the Forest Service has already initiated this reevaluation of roadless areas in Arkansas.

Last year the Forest Service asked the Congress to approve language which would have ruled the RARE II EIS to be legally sufficient nationwide. I objected to national sufficiency language, because I believe that a State-by-State approach to reviewing wilderness recommendations and making additions to the wilderness system is the best one, and is also the appropriate forum for determining the sufficiency of the 1979 EIS for any State. The legislation we are proposing makes this determination for Arkansas. It declares the RARE II EIS to be legally sufficient for Arkansas, and declares that the Forest Service need not consider wilderness as a multiple-use option before initiating its next round of forest management plans. This standard release language is identical to that approved by the Congress in wilderness bills for several other States, including Colorado, New Mexico, and Alaska.

Mr. President, I want to emphasize that this proposal does not represent a final decision about wilderness additions in Arkansas. I hope that the Senate Energy and Natural Resources Committee will hold extensive hearings on the bill in Washington and in Arkansas. Those hearings may find that certain areas or portions of areas would be better managed for primitive recreational use. For example, I understand that the Belle Star Caves, or Poteau Mountain, area is heavily used by local citizens for hunting and other activities requiring vehicle access. Boundaries may need to be redrawn in order to accommodate their historic use of the area. The citizens have worked with conservation groups and State legislators to develop a compromise proposal for the area. I have reviewed their compromise proposal, and I would consider any necessary changes to our bill that will protect the area and meet the concerns of those people who use it. Similar arrangements may need to be made for other areas.

Another matter which I hope will be addressed during hearings is the possible effect of these wilderness additions on the timber industry in Arkansas, and especially the effect of timber receipts on local school districts that depend heavily on those receipts. The data I have been able to obtain to date indicate that taking these 11 small areas out of timber production will have only a negligible effect on the industry and on timber receipts. Estimates of the sawtimber volume on the Ozark and Ouachita National Forests and actual production figures for previous years show that a substantial cushion exists between available timber and production needs on those forests, and that designating all the 11 areas included in our bill as wilderness would reduce that surplus volume by no more than 4 percent. Of course, this is a statewide estimate, and I realize that local economic effects may be more significant.

The prospect of condemning privately owned land for wilderness has been frequently raised in Arkansas, and I want to emphasize that this proposal would not require or even permit the condemnation of a single acre of private land. The bill directs that the proposed wilderness areas would be managed in accordance with the 1964 Wilderness Act, which provides no authority for condemnation. Access to the few private inholdings associated with these areas will be maintained. I am confident that the effect of the wilderness designations made by this bill would have no appreciable effect on any private landowner.

Mr. President, the Wilderness Act of 1964 established a responsible, farsighted system for protecting significant undeveloped areas in our national forests. Because these areas are already in Federal ownership, taxpayers are not required to foot the bill for costly land acquisitions. And because no privately owned lands are condemned for wilderness, the rights of landowners are protected, and no private property is taken off the tax rolls.

This system gives us the opportunity now to act before some of our most beautiful natural areas are irreparably damaged. Should some emergency need arise, the Congress might later choose to overturn a wilderness designation and allow development in a wilderness area. But damage done to fragile lands by clearcutting, mining, road construction, or other activities cannot be overturned. Giving some of these lands statutory protection as wilderness allows us to keep our options open for their use and enjoyment. In Arkansas, we are fortunate to have the ability to preserve 117,000 acres with outstanding wilderness attributes at so little real cost. The 11 areas that our bill would include in the wilderness system are the most scenic and pristine of the 25 areas originally selected by the Forest Service for their high wilderness potential. Yet if all 11 areas are placed in the system, nearly 95 percent of the national forest land in Arkansas will remain available for timber harvesting, minerals development, and other uses. If we do not act now to protect the best 5 percent of our undeveloped lands, we—or our children and grandchildren—will surely regret our failure to do so.

Mr. President, our legislation represents a responsible approach to designating additional wilderness in Arkansas, and I urge its consideration by the Energy and Natural Resources Committee. Through the hearings process, I hope that the delegation can reach some agreement as to which areas should be included in an Arkansas wilderness bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2125

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Arkansas Wilderness Act of 1983.".

SEC. 2. (a) The Congress finds that—

(1) many areas of undeveloped National Forest System lands in the State of Arkansas possess outstanding natural characteristics which give them high values as wilderness and will, if properly preserved, contribute as an enduring resource of wilderness for the benefit of the American people;

(2) the Department of Agriculture's second Roadless Area Review and Evaluation (RARE II) of National Forest System lands in the State of Arkansas and the related congressional review of such lands have identified areas which, on the basis of their land-form, ecosystem, associated wildlife, and location, will help to fulfill the National Forest System's share of a quality National Wilderness Preservation System; and

(3) the Department of Agriculture's second Roadless Area Review and Evaluation of National Forest System lands in the State of Arkansas and the related congressional review of such lands have also identified areas which do not possess outstanding wilderness attributes or which possess outstanding energy, mineral, timber, grazing, dispersed recreation and other values and which should not now be designated as components of the National Wilderness Preservation System but should be available for nonwilderness multiple uses under the land management planning process and other applicable laws.

(b) The purposes of this Act are to—

(1) designate certain National Forest System lands in the State of Arkansas as components of the National Wilderness Preservation System, in order to promote, perpetuate, and preserve the wilderness character of the land, protect watersheds and wildlife habitat, preserve scenic and historic resources, and promote scientific research, primitive recreation, solitude, physical and mental challenge, and inspiration for the benefit of all the American people, to a greater extent than is possible in the absence of wilderness designation; and

(2) insure that certain other national Forest System lands in the State of Arkansas be available for nonwilderness multiple uses.

SEC. 3. In furtherance of the purposes of the Wilderness Act, the following lands in the State of Arkansas are hereby designated as wilderness and, therefore, as components of the National Wilderness Preservation system:

(a) certain lands in the Ouachita National Forest, Arkansas, which comprise approximately 10,962 acres, as generally depicted on a map entitled "Black Fork Mountain Wilderness—Proposed," dated November 1983, and which shall be known as the Black Fork Mountain Wilderness;

(b) certain lands in the Ouachita National Forest, Arkansas, which comprise approximately 6,470 acres, generally depicted on a map entitled "Dry Creek Wilderness—Proposed," dated November 1983, and which shall be know as the Dry Creek Wilderness;

(c) certain lands in the Ouachita National Forest, Arkansas, which comprise approximately 14,524 acres, as generally depicted on a map entitled "Belle Star Caves Wilderness—Proposed," dated November 1983, and which shall be known as the Belle Star Caves Wilderness;

(d) certain lands in the Ouachita National Forest, Arkansas, which comprise approximately 10,735 acres, as generally depicted on a map entitled "Flatside Wilderness—Proposed," dated November 1983, and which shall be known as the Flatside Wilderness;

(e) certain lands in the Ouachita National Forest, Arkansas, which comprise approximately 300 acres as generally depicted on a map entitled "Upper Kiamichi River Wilderness—Proposed," dated November 1983, and which shall be known as the Upper Kiamichi River Wilderness;

(f) certain lands in the Ozark-St. Francis National Forest which comprise approximately 1,504 acres, generally depicted on a map entitled "Upper Buffalo Addition—Proposed," dated November 1983, and which are hereby incorporated in and shall be deemed to be a part of the Upper Buffalo Wilderness as designated by Public Law 93-622;

(g) certain lands in the Ozark-St. Francis National Forest, Arkansas, which comprise approximtely 15,177 acres, as generally depicted on a map entitled "Hurricane Creek Wilderness—Proposed," November 1983, and which shall be known as the Hurricane Creek Wilderness;

(h) certain lands in the Ozark-St. Francis National Forest, Arkansas, which comprise approximately 11,822 acres, as generally depicted on a map entitled "Richland Creek Wilderness—Proposed," dated November 1983, and which shall be known as the Richland Creek Wilderness;

(i) certain lands in the Ozark-St. Francis National Forest, Arkansas, which comprise approximately 10,729 acres, as generally depicted on a map entitled "Penhook Wilderness—Proposed," dated November 1983, and which shall be known as the Penhook Wilderness;

(j) certain lands in the Ozark-St. Francis National Forest, Arkansas, which comprise approximately 18,292 acres, as generally depicted on a map entitled "East Fork Wilderness—Proposed," dated November 1983, and which shall be known as the East Fork Wilderness;

(k) certain lands in the Ozark-St. Francis National Forest, Arkansas, which comprise approximately 16,956 acres, as generally depicted on a map entitled "Leatherwood Wilderness—Proposed," dated November 1983, and which shall be known as the Leatherwood Wilderness.

SEC. 4. (a) The Congress finds that—

(1) the Department of Agriculture has completed the second Roadless Area Review and Evaluation program (RARE II); and

(2) the Congress has made its own review and examination of National Forest System roadless areas in the State of Arkansas and of the environmental impacts associated with alternative allocations of such areas.

(b) On the basis of such review, the Congress hereby determines and directs that—

(1) Without passing on the question of the legal and factual sufficiency of the RARE II Final Environmental Statement (dated January 1979) with respect to National Forest System lands in States other than Arkansas, such statement shall not be subject to judicial review with respect to National Forest System lands in the State of Arkansas;

(2) With respect to the National Forest System lands in the State of Arkansas which were reviewed by the Department of Agriculture in the second Roadless Area Review and Evaluation (RARE II), except those lands designated as wilderness in section 3 of this Act, that review and evaluation shall be deemed for the purpose of the initial land management plans required for such lands by the Forest and Rangeland Renewable Resources Planning Act of 1974 as amended by the National Forest Management Act of 1976 to be an adequate consideration of the suitability of such lands for inclusion in the National Wilderness Preservation System and the Department of Agriculture shall not be required to review the wilderness option prior to the revision of the initial plans and in no case prior to the date established by law for completion of the initial planning cycle;

(3) Areas in the State of Arkansas reviewed in such Final Environmental Statement and not designated as wilderness or for wilderness study by this Act or remaining in further planning upon enactment of this Act need not be managed for the purpose of protecting their suitability for wilderness designation pending revision of the initial plans; and

(4) Unless expressly authorized by Congress the Department of Agriculture shall not conduct any further statewide Roadless Area Review and Evaluation of National Forest System lands in the State of Arkansas for the purpose of determining their suitability for inclusion in the National Wilderness Preservation System.

SEC. 5. As soon as practicable after the date of enactment of this Act, the Secretary of Agriculture shall file maps and legal descriptions of each wilderness area designated by this Act with the Committee on Energy and Natural Resource of the United States Senate, and the Committee on Interior and Insular Affairs, and the Committee on Agriculture of the House of Representatives, and each map and legal description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such legal descriptions shall be on file and available for public inspection in the office of the Chief, United States Forest Service, Department of Agriculture.

SEC. 6. Subject to valid existing rights, each wilderness area designated by this Act shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act of 1964 (78 Stat. 892) governing areas designated by that Act as wilderness areas, except that, with respect to any area designated in this Act, any reference in such provisions to the effective date of the Wilderness Act of 1964 shall be deemed to be a reference to the effective date of this Act.●

By Mr. NICKLES:

S. 2127. A bill entitled the "Federal Advisory Committee Act Amendments of 1983"; to the Committee on Governmental Affairs.

FEDERAL ADVISORY COMMITTEE ACT AMENDMENTS OF 1983

● Mr. NICKLES. Mr. President, I am today introducing a bill to amend the Federal Advisory Committee Act to reduce the cost of the Federal advisory committee system and to assure that more advisory committee meetings are open to the public, and to make other necessary reforms. The bill, entitled the Federal Advisory Committee Act Amendments of 1983, will control the costs of administering Federal advisory committees by having members serve voluntarily unless compensation is required by law or otherwise necessary to insure balanced membership or to obtain technical expertise. It makes compensation, beyond travel and lodging expenses, to committee members the exception rather than the norm. And because nearly half of the 3,000 advisory meetings conducted last year were closed to the public, the bill will require stricter adherence to open meeting laws. It would also put tighter restrictions on the hiring of consultants, and make it more difficult for advisory committees to be created.

Mr. President, I believe this legislatin is necessary, based on an analysis I made this summer and had confirmed by the General Services Administration in its 11th report to Congress. Among the findings:

The sum of $1.25 million was spent for 194 advisory committees which never met last year;

Some committees cost more than $100,000 per member to operate;

Millions of dollars were spent by advisory committees to hire consultants;

Nearly half of the 3,300 advisory meetings last year were closed to the public;

A total of 948 committees cost taxpayers $74.1 million last year.

Clearly, reform measures are called for. This system is nothing short of deplorable when it allows for such wasteful spending practices as $5,000 of taxpayer's money to be paid out to seven members on the Board of Tea Experts to taste tea for 1 day. This board, created in the 18th century, continues to drain taxpayers' dollars even though the Food and Drug Administration already employs two full-time tea examiners.

This legislation codifies much of a proposed regulatory change announced by the National Archives and Records Service of the General Serv-

ices Administration. The Reagan administration has done an outstanding job in exposing many of the problems in the Federal advisory committee system, and I believe the GSA has full authority to make whatever changes are deemed necessary to insure the taxpayers are getting their money's worth from these committees. I believe that GSA's intent is good, and so I have taken this step to keep these changes in effect in the years ahead. I am hopeful that the regulatory changes are implemented adminsitratively as soon as possible.

Thus, we have many committees whose very existence is questionable; we have many committees whose expenses and meeting habits are questionable; and we have many committees whose members are paid compensation beyond expenses, which is indeed questionable. In a nation of 230 million people, I find it difficult to believe the Government is unable to empanel advisory committees with persons willing to serve their country as a volunteer.

Federal advisory committees were established so that private citizens would have the opportunity to share in the decisionmaking of government. If they have gone beyond that—which I believe they have—then it is time to return the advisory system to its original intent. While I would be the first to agree that some, in fact many, advisory committees do provide a valuable service, I suggest that a majority of them are not necessary, are too costly, and keeping the public out of the decisionmaking process more than they are allowing them to participate.

The results of a General Accounting Office investigation, which I requested in July, should be made available after the first of the year. This report should shed more light on what has become a very disturbing problem.●

By Mr. LONG (for himself, Mr. BAUCUS, Mr. BENTSEN, Mr. BINGAMAN, Mr. BOREN, Mr. BURDICK, Mr. BYRD, Mr. COHEN, Mr. CRANSTON, Mr. DECONCINI, Mr. DENTON, Mr. DIXON, Mr. DURENBERGER, Mr. EAGLETON, Mr. GLENN, Mr. HART, Mr. HATCH, Mr. HATFIELD, Mrs. HAWKINS, Mr. HEFLIN, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. INOUYE, Mr. JOHNSTON, Mr. KENNEDY, Mr. LAUTENBERG, Mr. LAXALT, Mr. LEVIN, Mr. MATTINGLY, Mr. MATSUNAGA, Mr. MELCHER, Mr. MITCHELL, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. NUNN, Mr. PELL, Mr. PRYOR, Mr. RANDOLPH, Mr. RIEGLE, Mr. ROTH, Mr. SARBANES, Mr. SASSER, Mr. STEVENS, Mr. SYMMS, Mr. TOWER, Mr. TSONGAS, and Mr. ZORINSKY).

S. 2128. A bill to amend the Internal Revenue Code of 1954 to provide a rollover of the gain on stock of an employer sold to certain employees, and for other purposes; to the Committee on Finance.

EMPLOYEE STOCK OWNERSHIP ACT OF 1983

Mr. LONG. Mr. President, on behalf of myself and 46 cosponsors, I introduce the Employee Stock Ownership Act of 1983, for appropriate reference.

Mr. President, it is with the greatest of pleasure that I rise to introduce this measure. Employee stock ownership has grown in popularity all across this country over the past decade, and it is my hope that the provisions of this bill will soon be adopted so that employee stock ownership will continue to grow.

I am convinced that this ownership issue goes to the very heart of just what sort of economic system we mean to have in the United States, and just what sort of Nation we intend to leave for succeeding generations of Americans.

It is particularly heartening to have so many Senators join me in this effort to increase the number of Americans who have an ownership stake in our free enterprise system. The large number of cosponsors is evidence not only of the growing popularity of employee stock ownership but also of its extraordinary broad political appeal.

Employee stock ownership is not a partisan issue; rather, it is an issue that cuts across party lines in an attempt to bring out the best in our free enterprise system. It is only fair and right that those who work to make this economy succeed should have an opportunity to share in that success. It is a matter of simple commonsense and basic equity.

If we want this private property system of ours to succeed, we simply must insure that as many Americans as possible have an opportunity to earn an ownership stake in that system. A continuing fundamental weakness of our system is that so many Americans own so very little while a relative few Americans own a great deal.

This does not mean that we should redistribute the wealth of current owners. The intent is not to take from those who own to give to those who do not. Rather, the goal is to provide incentives for financing to be structured in such a way that, in the future, more Americans will have a chance to accumulate a capital estate.

INCENTIVE-SIDE ECONOMICS

Mr. President, in the 97th Congress, we enacted a sweeping set of tax incentives designed to promote the growth of investment. Under the banner of supply-side economics, the Congress reformed the depreciation rules, cut the capital gains tax, and enacted several other amendments with the idea of encouraging capital spending.

Unfortunately, these incentives have not proven to be quite the stimulus to new investment that we had hoped. In fact, the Commerce Department's latest statistics indicate that businesses expect to reduce plant and equipment outlays 2.3 percent this year, after a 5.5 percent decline in 1982.

We should continue our encouragement of this emphasis on such "hard" economic factors as capital investment and research and development. However, this approach will be shortsighted if we continue to overlook the "soft" factors that impact productivity—the motivation, commitment, and dedication of our work force.

Incentives for employee stock ownership provide a way to link these two factors and to end the costly mismatch between our national goal of improved productivity and our system of incentives and rewards.

WHOSE CAPITALISM?

The economic strength and political stability of this Nation stem largely from our commitment to a private property, free enterprise philosophy. To date, however, we have not strongly encouraged the use of financial techniques designed to provide widespread access to capital ownership. Consequently, in this, the world's most avowed capitalist nation, we have only a scanty sprinkling of capitalists.

In 1976, for example, the Joint Economic Committee studied this ownership issue and found that 50 percent of the market value of individually owned corporate stock in the United States is held by just 0.5 percent of the U.S. population, and 72 percent is owned by a mere 6 percent of the population.

Perhaps the most disturbing aspect of the present state of our private property system, however, is noted by the National Bureau of Economic Research, which reports that for the majority of American families, their most important wealth is now their entitlements under our pay-as-you-go social security system.

Thus, for the majority of Americans, their most significant asset is an assurance that their children will be taxed on their behalf. Mr. President, I question the wisdom of both U.S. economic policy and U.S. tax policy when the end result is to leave most Americans dependent for their subsistence on taxes paid by an already over-taxed population.

The financial press indicates that the Nation's pool of productive capital will increase by $2 to $5 trillion by the end of this century. Yet unless we develop financial incentives to spread this newly created wealth more broadly among our citizens, this Nation's crippling legacy of concentrated ownership will continue and the great bulk

of that new wealth will become owned largely by the already-wealthy.

This likelihood led the Joint Economic Committee to conclude in its 1976 annual report:

To provide a realistic opportunity for more U.S. citizens to become owners of capital, and to provide an expanded source of equity financing for corporations, it should be made national policy to pursue the goal of broadened capital ownership.

WHOSE PRODUCTIVITY?

This concentration of wealth is not only unjust, the evidence indicates that it is harmful to the efficient and successful operation of a market economy.

In a 1980 Gallup survey, which asked workers who they thought would benefit from improvements in their productivity, only 9 percent felt that they, the workers, would. Most assumed that the beneficiaries would be others—consumers or stockholders or management.

Although increase productivity has a generally positive ring to it, for the average hourly worker increased productivity suggests that the company will benefit at his expense—for example, through speedups or through job insecurity due to automation.

The inference is clear: When employees themselves become stockholders, their attitudes toward productivity will change. This commonsense conclusion gains support from a series of studies of companies with the foresight to embrace employee ownership. One of the first studies focused on employee-owned cooperatives in the Pacific Northwest in which the average output exceeded industry productivity levels by more than 30 percent.

In 1977, five MBA candidates at UCLA conducted a survey of 180 companies with employee stock ownership plans (ESOP's). These students found that improved employee motivation was the most commonly cited benefit of establishing an ESOP.

In a related finding, a 1977 report on employee-owned companies by the Survey Research Center at the University of Michigan—sponsored by the Economic Development Administration of the U.S. Department of Commerce—found that companies with a substantial degree of employee ownership are 1.5 times more profitable than comparable conventionally owned firms. They also discovered that the more equity the employees own, the more profitable the company. Managers surveyed indicated a noticeable improvement in work attitudes and a positive effect on productivity.

Similar results are reflected in a 1979 study of 72 companies with employee stock ownership plans (ESOP's) sponsored by the ESOP Association of America. The typical ESOP company studied had been in business for 24 years and had established its ESOP 3 years prior to the study. Over the 3 years, an average of 7 percent of the stock of the company was transferred to the ESOP each year; at the time of the survey, the typical ESOP in the survey held 20.6 percent of the company stock.

During those 3 years with an ESOP, annual sales per employee increased an average of 25 percent, total annual sales rose an average of 72 percent, and annual profits grew an average 157 percent. In addition, the results showed a close correlation between ESOP's and a growth in both employment and tax revenue, the study finding an average 37-percent jump in total jobs per company and an average 150-percent increase in company-paid taxes.

A 1981 survey of 229 ESOP companies by the Journal of Corporation Law at the University of Iowa School of Law found that while other companies' productivity was declining during the 1975-79 period, productivity in ESOP companies was increasing. In addition, one-third of the companies surveyed reported reduced employee turnover and improved quality of work.

In May of this year, the American Business Conference published the results of a 2-year study designed to explain how and why mid-sized growth companies have outpaced the Nation in sales, profits, jobs, and exports. In the high-growth companies studied, employees own over 30 percent of the company stock—a surprisingly high proportion for companies averaging over $200 million in annual sales volume. This is in sharp contrast with the "Forbes 100" companies, where insiders own an average of less than 4 percent of company stock. In every company surveyed, top management had a significant ownership interest, and in 85 percent of the companies, employees below the senior management level owned an average of 6.6 percent of the stock.

On the basis of the research to date, it is clear that companies with employee ownership are likely to be more productive and more profitable than those without, and the more ownership held by employees, the better the performance of the company. Just as the company with employee ownership will have an advantage over a conventionally owned competitor, so, too, will the U.S. economy enjoy a competitive advantage with a policies and programs supportive of widespread employee ownership.

It does not require an industrial psychologist to explain this phenomenon—a phenomenon, I should add, that is being repeated time and again across the Nation as more and more companies are establishing employee stock ownership plans. A sense of ownership is crucial to the efficient and successful functioning of our private enterprise system—a system based on individual initiative, and on sharing in the gains that one's efforts bring about.

As an additional benefit, it appears that the tax incentives provided for corporate financing with ESOP's may well pay for themselves in the form of more jobs and generally higher tax payments—by both employees and employers.

Employee ownership can also help to create a more widespread unity of interest and incentive, thereby fostering better relations between management and labor. It can serve as a new stabilizing element, an element that may encourage these traditional foes to act more in the national interest by beginning to operate more in a much-needed spirit of cooperation and compromise.

Stock ownership by employees—both management and rank-and-file employees—can create a work environment in which issues are resolved more constructively. Getting both sides to work together to solve problems they share in common can be a very powerful force for dismantling alienation and distrust.

Unions need new ways to deliver victories to their members, and management must find new ways to deal with union demands. Employee stock ownership provides a fruitful new area in which these adversaries can resolve their differences.

RELIEVING THE FISCAL STRAIN

A strong case for expanded ownership could be made on equitable grounds alone—or on motivational grounds alone. Certainly a national that puts its faith in a private enterprise system should conduct its economic policy so as to insure that the voting public has a personal stake in that system.

Rather than creating a constituency for private property capitalism, however, we have been steadily adding people to the make-work rolls, to the income security rolls, and to the countless other State and Federal programs designed to disguise the onus of welfare. This is clearly not the direction in which Federal tax policy should encourage the American economy to move.

Only recently have the consequences of this shortsighted approach begun to surface. The fiscal strains are the most obvious, with the growth of Federal transfer payments revealing one troublesome dimension of the problem. In 1960, these payments to individuals totaled 26.4 percent of total budget outlays; by 1980, they had skyrocketed to more than 50 percent; $27 billion was paid out in 1960; 23 years later these costs have risen to more than $400 billion. Just since 1970, transfer payments have grown more than $250 billion. These trends simply must be reversed.

Although the debate within the administration currently centers on whether or not the enormous Federal deficits are helping to keep interest rates high, no one is suggesting that these deficits are not an enormous strain on the economy. Reversing our drift in the direction of ever-increasing Government redistribution will not be an easy task. It may take quite some time to see any real improvement.

As a modest first step, this bill suggests that the private sector be encouraged to finance its capital requirements in such a way as to promote the economic self-sufficiency of an ever-expanding number of American households.

Over the long-term, the best way to reduce Government spending is to reduce the need for such spending. Thus, this bill suggests that we supplement our incentives for expansion of the Nation's capital base with incentives for expansion of the Nation's capital ownership base.

TOWARD A PRIVATE SECTOR SOLUTION

Expanded ownership is a question of alternatives. Which economic course should we follow? The trend toward ever-increasing transfer payments clearly must be reserved. Yet how can this be accomplished without simultaneously promoting more widespread economic self-sufficiency?

It would also be helpful if we could reduce the Government spending devoted to public sector employment. Without continued public spending, we cannot maintain these people in the new jobs to which they have been drawn by the inflationary spending of the past. We find ourselves running faster and faster to keep people employed in what are often artificially created jobs; meanwhile deficits continue to grow at an alarming pace.

This approach stems, in part, from the belief in the deliberate stimulation of aggregate demand as a means of creating full employment. But to blindly follow that approach requires that we elevate the tax system and Government-stimulated demand to a position higher than the Nation's wealth-production system, upon which all tax revenues and everyone's ultimate standard of living depend. It is production that creates income and only income that can be taxed or spent.

The expanded ownership concept suggests that continued heavy reliance on taxation and Government spending is not a sound long-term approach to maintaining market demand and economic growth in a private property economy. Our long-term economic and tax strategy should offer incentives for the private sector itself, as the principal producer of goods and services in the economy, to become a more direct and efficient distributor of the purchasing power needed to consume those goods and services.

We can begin to move in that direction by encouraging companies to finance newly formed capital so that it is broadly owned, and then encouraging a substantial payout of the earnings on that capital in order to put purchasing power into consumers' hands.

The concept of a market economy is based on the premise that each person's outtake from the economy is directly related to that person's productive input. In a technologically advanced, capital-dominated economy such as ours, that presents a problem. Where capital instruments account for a major portion of an economy's input and capital owners are few, we must call on Government to redirect the income flows that would otherwise flow to this already income-saturated few.

Market mechanisms reward productivity—the ability to produce a product or a service to meet market demand. Productivity is, in part, dependent upon individual effort. However, and this is particularly true of our crucial infrastructure, to a great extent productivity is dependent upon technological advances and efficiencies converted to productive capital.

Since the dawn of the industrial revolution, our enhanced ability to utilize labor-saving technology has enabled this Nation to gradually shift the burden of industrial production off of our labor force and onto the Nation's nonhuman resources—the machinery, equipment, processes, and other advances that have been the hallmark of 20th century economic progress.

If the market system were permitted to operate in a totally laissez-faire manner, the bulk of the national income would flow to the owners of this Nation's productive capital. Those few owners, however, could consume only a small portion of the Nation's output.

When capital owners are few, the private property conduits of a market economy create vast reservoirs of savings for those few—savings that can then be reinvested to acquire more income-producing assets. If there were many owners, those same conduits could begin to broadly irrigate the economy with purchasing power.

By producing the economic pie, we necessarily create the problem of how it is to be distributed. Redistributive taxation is one way to achieve a more equitable and a more workable distribution of income, but for this purpose it is strictly a hindsight, remedial approach. And, of course, Government can never return as much as it takes, so its costs insure a net loss in the transfer.

This bill suggests a positive, forward-looking approach, one that begins to link the concern for production with the concern for widespread income distribution. It suggests that as we increase the economy's overall power to produce, we should simultaneously provide incentives to systematically increase the economic power of households to consume.

Rather than leaving the vast majority of American households dependent for their subsistence on either cost-inflating wages or deficit-inflating transfer payments, this bill suggests that we begin to encourage a broader distribution of productive input and a more complete payout of the earnings generated by that input.

In July of 1974, Ronald Reagan illustrated this point with the following story:

> Some years ago a top Ford official was showing the late Walter Reuther through the very automated plant in Cleveland, Ohio, and he said to him jokingly, "Walter, you'll have a hard time collecting union dues from those machines," and Walter said, "You are going to have more trouble trying to sell automobiles to them."
>
> Both of them let it stop right there. There was a very logical answer to that; the logical answer was that the owners of the machines could buy automobiles and if you increase the number of owners you increase the number of consumers.

As we begin to move in this direction, the economy should find itself better equipped to operate on the basis of market-directed, self-sustaining economic flows. Under our present system, pay tends to outpace increases in productivity. And because the upward drift of income is not accompanied by a real growth in output, income gains are, of course, largely illusory.

Nevertheless, this inflationary bias is understandable as most Americans are left in the untenable position of having only their increasingly depreciated labor as the capital with which they provide input into—and derive income from—the economy.

In testimony before the Joint Economic Committee, Walter Reuther, President of the United Automobile Workers, endorsed this analysis in suggesting that:

> Profit sharing in the form of stock distributions to workers would help to democratize the ownership of America's vast corporate wealth. If workers had a definite assurance of equitable shares in the profits * * * they would see less need to seek * * * increases in basis wages.

How efficiently our free enterprise system works in solving our income distribution problem is partly a function of how well our structure of property laws matches the underlying technological and economic realities. If these realities change and our property arrangements fail to keep pace, a conflict is inevitable.

The long-term goal of ESOP-type financing is to create income-generating mechanisms to supplement the income earned through employment. The goal is to link a growing number of American households to the economic

growth—as well as the capital income—represented by newly created capital, the capital whose creation our tax system was recently amended to encourage.

The tax system is a key to linking equity and efficiency. As currently structured, that system not only aggravates the trend toward concentrated ownership and governmental redistribution, in the process it also jams the market's pricing system and its ability to allocate resources in the most productive, market-responsive manner.

We must begin to strike a better balance between the energy and efficiency of the market and the equity, compassion, and equality of democracy. The free enterprise market mechanisms of incentive and reward have brought more and better goods and services to more people here and throughout the world than any other system in history. Yet those mechanisms are not indestructible. If they are to be preserved, we need an institutional framework that operates in their support. That support lies in the direction of a more democratic form of private property ownership.

IMPROVING THE QUALITY OF ECONOMIC OPPORTUNITY

Our private property approach to economic matters recognizes the indisputable interplay between economic rights and political rights. Our Founding Fathers recognized that individual liberties and a democratic form of government cannot long endure unless the majority of citizens have a high degree of economic independence. Thus, protection of the concept of private property was embodied in the Bill of Rights.

This forward-looking group also recognized that a private enterprise system was the most natural economic structure—a structure that evolved from the actions of a free people. It had not been forced; it had grown. It had not been enforced; it had come on its own.

As the 1980 Republican platform reminds us:

> The widespread distribution of private property ownership is the cornerstone of American liberty. Without it neither our free enterprise system nor our Republican form of government could long endure.

Consequently, the 1980 Republican platform pledges the Reagan administration "to help millions of Americans * * * to share in the ownership of the wealth of their nation."

If a nation is to be politically free, it must structure its social contract to first insure economic freedom. Economic freedom implies the right to participate freely in the economy and the right to a just return for one's participation. Our concern for equality of economic opportunity is closely linked to those ideals.

The concept of equal economic opportunity recognized that everyone should have an opportunity to effectively participate in the economy—an opportunity to earn a living by making a productive input. Both the Employment Act of 1946 and the Equal Employment Opportunity Act of 1964 include this tacit assumption. The premise is sound.

Thus, these acts direct Congress to insure that as many citizens as possible have employment opportunities, and that those opportunities are equally available to all.

The nature of economic opportunity, however, should be a function of how goods and services are produced. The economic opportunity appropriate to the largely agrarian 1860's, for example, would clearly be inappropriate to the postindustrial 1980's.

Working Americans of today are not the same as American workers 100 years ago, or 50 or even 20 years ago. The means of production have changed; thus, the nature of economic opportunity should also change.

In a capital-intensive economy such as ours, the right to earn a living involves more than the right to work and the right to a just return for work done. True economic opportunity involves the right to economically participate by means consistent with the existing state of technology.

At our labor-saving, cost-containing insistence, American engineers, scientists, and managers have been remarkably successful at destroying the very employment that the Government—again, at our insistence—has been directed to promote.

Rather than break the relationship between effort and reward or, more accurately, between input and outtake, the expanded ownership concept suggests that we recognize—and adjust to—the increasingly dominant role that capital inputs play in the productive process.

Our full employment approach—both to providing economic opportunity and also to solving the income distribution problem—simply does not reflect the extent to which productive capital is now the factor most fully employed in providing the basic goods and services of a modern economy.

THE BENEFITS OF GROWTH

A century ago, President Lincoln understood the importance of widespread ownership, and he signed legislation insuring that the opportunity to own capital was within the reach of all. The philosophy underlying the Homestead Act of 1862 should be applied at evey step of the Federal Government's relationship with its people. Why not use the public sector to build productive capital in reasonable-sized holdings into the vast majority of American households who presently own little if any?

President Reagan, in a July 1974 speech to the Young Americans for Freedom, explained the historical precedent for a national policy of expanded ownership and endorsed the uniquely American opportunity that such a policy would represent:

> Over one hundred years ago, Abraham Lincoln signed the Homestead Act. There was a wide distribution of land and they didn't confiscate anyone's already owned land. They did not take from those who owned and give to others who did not own. It set the pattern for the American capitalist system. We need an Industrial Homestead Act * * * I know that plans have been suggested in the past and they all had one flaw.
>
> They were based on making present owners give up some of their ownership to the non-owners. Now this isn't true of the ideas that are being talked about today.
>
> Very simply, these business leaders have come to the realization that it is time to formulate a plan to accelerate economic growth and production and at the same time broaden the ownership of productive capital. The American dream has always been to have a piece of the action.

In a similar vein, Senator Hubert Humphrey explained his support of expanded ownership in a letter to the editor of the Washington Post not long before his death:

> Throughout my career as a public servant, I have viewed full employment as a top priority goal for this country. And I continue to do. But I recognize that capital, and the question of who owns it and therefore reaps the benefit of its productiveness, is an extremely important issue that is complementary to the issue of full employment.
>
> I see these as twin pillars of our economy: Full employment of our labor resources and widespread ownership of our capital resources. Such twin pillars would go a long way in providing a firm underlying support for future economic growth that would be equitably shared.

In addition, in the Tax Reduction Act of 1976, Congress made clear its interest—

> * * * in encouraging employee stock ownership plans as a bold and innovative method of strengthening the free private enterprise system which will solve the dual problems of securing capital funds for necessary capital growth and of bringing about stock ownership by all corporate employees.

The benefits of Government-stimulated economic growth have traditionally trickled down in the form of higher wages, expansion in the number of jobs, and the availability of increased tax revenues to fund expanded social programs. That approach has produced strains on the economy as the benefits of this growth have resulted in the accumulation of massive amounts of productive capital by a relatively few households while the vast majority have been left with only a meager net worth.

Attention must be given to new ways to distribute the benefits of this growth more widely. Despite all the fine populist oratory and good intentions of great men like Franklin

Delano Roosevelt, Harry Truman, Dwight Eisenhower, John Kennedy, and Lyndon Johnson, the distribution of wealth among Americans in relative terms, is about the same today as it was when Herbert Hoover succeeded Calvin Coolidge.

The already-rich of this Nation should warmly welcome this new dimension to our free enterprise economy. ESOP-type financing techniques are designed to avoid the redistribution of ownership of existing capital for the simple reason that we cannot build a broadly based private property economy on the expropriation of anyone's property.

The aim is to strengthen, not to further erode, the rights of private property ownership, and certainly we would not need to tax the rich nearly so much if we worked harder at broadening the base of those who have an opportunity to become rich.

Friedrich A. Hayek, the Nobel prize-winning economist, summarized the predicament facing those who most benefit from our pinnacle pattern of capital ownership in his book, "The Constitution of Liberty":

> It is also true that the less possible it becomes for a man to acquire a new fortune, the more must the existing fortunes appear as privileges for which there is no justification. . . . A system based on private property and control of the means of production presupposes that such property and control can be acquired by any successful man. If this is made impossible, even the men who otherwise would have become the most eminent capitalists of the new generation are bound to become the enemies of the establishment.

This bill suggests that we pledge ourselves to improving the quality of economic opportunity. The American people need and deserve a chance to own a stake in the U.S. economy—an economy of their own making. It is time to acknowledge the important role of the individual in our capital-intensive economy, and provide working Americans with access to ownership of the productive capital with which they work.

CREATING A WELCOME CONTEXT FOR TECHNOLOGY

Expanded capital ownership is a type of corporate responsibility that is consistent with the goals of American business. The free enterprise system is based on production for profit, not for employment. The concern is for the rational, efficient production of goods and services, generally with little thought given to just how consumers are to get the purchasing power to buy those goods and services.

The need for economy and efficiency is indisputable. U.S. business holds a franchise from the American public in large part because we believe that we can best achieve our economic goals by relying on private initiatives.

However, if we are to create a self-sustaining economic system and one in which Government plays only a minor role, as the business sector suggests it should, then the private sector itself must play a greater role in solving the economy's income distribution problem. This will become increasingly important once the private sector begins to take advantage of the recently enacted supply-side tax incentives to apply the latest advances in technology.

One of the market's greatest strengths is its ability to stimulate and harness new technologies and resources, and to direct innovation into socially desirable directions. The historically demonstrated power of market incentives to influence the pace and direction of technological change warrants every effort to retain such incentives as part of our economic and tax policy.

However, while these technological changes on balance create gains in the form of higher living standards, almost every one of them causes a loss of income to some firms and individuals.

A Carnegie-Mellon study, for example, indicates that industrial robots have the potential to eliminate 2 million jobs in the metal-working industry by 1990, and the Upjohn Institute for Employment Research contends that robots in Michigan will replace three times as many workers as they will provide new jobs. The trend toward increased automation seems likely to continue. Indeed, the Commerce Department insists that batch manufacturing companies must automate if they are to compete successfully in international markets.

With the advent of microelectronics, the jobless growth already apparent in agriculture, which now employs only 3.2 percent of the U.S. work force, is spreading beyond agriculture and manufacturing and into the economy's tertiary sector—finance, insurance, government services, et cetera.

According to Department of Labor statistics, from 1960 to 1980, the service sector accounted for more than 85 percent of new jobs. It is in the service sector, however, that most experts are predicting that the chief impact of this new technology will be felt. Moreover, it is those with low-level clerical and analytical skills who will be most affected, particularly women and minorities.

As a nation, the American people have greatly benefited from the remarkable labor-saving advances of the past century. As individuals, however, they have not fared as well. Due to the way in which those advances were financed, they continue to find themselves left with only their labor as their stock in trade.

Thus, each round of new investment further threatens their power to earn a living. Instead of being part owners of the system, they find themselves pitted against it. If this new technology is to have a welcome context for its use, we must begin to strike a new balance between social and economic objectives.

Our present supply-side, investment-based strategy can make the U.S. economy more successful—more growth oriented and less redistribution oriented. However, unless the benefits of this new growth are widely shared, for example, through a combination of employee ownership and job sharing, we may find ourselves 10 to 20 years from now with a population even more in need of governmental transfer payments.

WHY ESOP FINANCING?

Capital ownership is most emphatically a social opportunity; indeed, a socially created opportunity. It is the institutions of society and, more specifically, the institutions and conventions of finance that determine who will be the owners of productive capital that has yet to be created.

Capital ownership, however, is an opportunity historically reserved for a relative few. That is due to the simple fact that the ownership of new wealth is largely a function of the ownership of existing wealth. The current structure of our most widely used financing techniques insures that the rich will, in fact, continue to get richer.

The vast majority of Americans cannot afford capital ownership. Most working Americans owe rather than own; they accumulate debts rather than assets. Daily economic survival, not savings and investment, is their primary concern, and the less our technologically advanced economy needs their labor, the less they are able to save their way to capital ownership. Inflation, of course, further penalizes their thrift.

Concentrated wealth holdings contribute to the cumulative and self-reinforcing nature of the concentration of wealth and income. The concentration of stock ownership leads to a situation where those who currently own stock are those best able to save significant amounts and, thus, best able to make additional investments, thereby increasing their stock ownership.

What the individual needs is access to the financial logic of self-liquidating debt—the logic used every day by businesses in borrowing to invest in productive assets that will pay for themselves. Most Americans lack assets to pledge as security for a loan to acquire income-producing capital; consequently, those who do not now own are unlikely to own in the future. Access to this type of financing simply is not available to the enormous number of Americans born into families without substantial capital assets.

Lacking access to cash or credit, they are instead encouraged to save their way to capital ownership. Thrift,

they are told, is their financial opportunity. I think of this as the Marie Antoinette approach to expanded ownership. Only instead of suggesting, "Let them eat cake," they recommend, "Let them buy stock." That financial philosophy brought us the concentrated pattern of ownership that we have today and, unless that philosophy is changed, our ownership pattern will remain largely unchanged.

If we are to break this monopoly of participation in the ownership of productive assets, we must first resolve the financial "catch-22" that requires accumulated savings or assets as a condition of capital ownership. ESOP-type financing suggests that we approach this dilemma by broadening access to the financial logic of self-liquidating corporate debt.

The very purpose of corporate debt is to enable a business to acquire productive assets before it has saved the funds to pay for them. Instead, the acquisition is made on terms where the newly acquired assets will pay for themselves out of the earnings they generate.

Widespread access to this type of credit must be distinguished from the widespread access to consumer credit. Consumer credit produces no marketable wealth; rather, it is simply an advance against future purchasing power. Although originally developed to narrow the purchasing power gap, in the long run it only widens it; the end result is to mortgage future purchasing power, not to increase it.

In 1960, consumer credit outstanding in the United States totaled $65 billion; today, it amounts to more than $420 billion. Consumer credit involves the financing of inherently nonfinancable items, items that generate no income with which to repay the debt incurred for their purchase.

Consumer financing has become so sophisticated that a consumer can now spend his or her income for many years into the future in order to purchase today articles which creates no marketable wealth. ESOP-type financing is of a different sort. It is producer credit—credit for the acquisition of productive assets rather than for consumer articles.

ESOP financing involves access to credit for the financing of assets which are calculated to generate earnings with which to repay the debt incurred over a reasonable period of time, and which can then go on to generate purchasing power for their owners, their productiveness preserved by reserves set aside for depreciation, or, as it is now termed, "cost recovery."

This approach puts the concept of thrift in a new and more workable context. Capital ownership is still attained by the individual in lieu of consumption. Only now the income generated by newly acquired productive capital is saved and applied to repay the debt incurred.

It should be noted that our current tax incentives assist in providing the "savings" used by corporations to pay for new or replacement capital. These savings take the form of tax deductions for depreciation, or "cost recovery", based on the amount of investments made. The Economic Recovery Tax Act of 1981 approximately doubled the amount of such deductions that can be claimed in any one year to recover the cost of capital investments.

In addition to depreciation deductions, corporations may also reduce their tax liability by $1 for every $10 of capital investment. If a corporation has more credits than tax liability in the current year, these investment tax credits can be used to reduce taxes in 3 previous years and can then be carried over to reduce taxes for 15 years into the future.

Due to these taxpayer-provided incentives, most corporations are able to finance all of their capital needs—both for replacement and growth—out of corporate "savings"—their retained earnings, the bulk of which consist of tax benefits provided to stimulate such investments. The net result, of course, is not to create new shareholders but to enrich existing shareholders.

A MODEL OF WORKABILITY

If we continue to rely solely on traditional techniques of finance, those techniques will continue to allocate productive credit primarily to the already wealthy. With that approach, the concentrated ownership of newly created capital is virtually assured, and the rich-get-richer legacy of U.S. capitalism will continue unabated.

That would show a great failure of foresight on our part, because not only will we continue to have an unworkable form of capitalism here in the United States, we will also have a form of capitalism unsuitable for imitation abroad.

We need a more hopeful model, a working model of what we would advocate for other nations. We need to be able to show people all over the world how the increasing prosperity of our private property economy spreads out and reaches Americans in all walks of life. Unless we have such a model, other nations will continue to see the false promises of socialism as a more attractive alternative.

By encouraging widespread employee ownership in the United States, we would be making good on our promise of a better life for our people and challenging other nations to do likewise. Such an approach could provide the leadership that is needed to encourage other nations to move our way rather than follow the Socialist path.

Although some nations continue to move in the direction of nationalized ownership, I do not believe that they do so because they necessarily think that State ownership will solve their problems. Rather, I see it as an act of desperation; they simply cannot think of a better solution.

State ownership has enormous drawbacks; experience has taught us that time after time. All too often, both freedom and efficiency are sacrificed in the name of equity. Yet even basic equity is sacrificed as a privileged bureaucratic elite emerges in place of the property-owning elite that socialism and communism claim they are designed to replace.

Socialism and communism are not alternatives; rather they are largely a reaction to the abuses of early models of capitalism.

A PRINCIPLED APPROACH TO FOREIGN POLICY

In recent testimony before the Finance Committee, Secretary of State Shultz suggested that what the United States needs is policies and programs "to get ahead of history." Employee stock ownership is just such a program. It not only increases the constituency for a private property economy, at the same time it undercuts the primary rationale for communism.

The path that expanded ownership takes faces in exactly the opposite direction from that taken by those who favor ownership by the State. Expanded ownership financing seeks to steadily increase the number of capital owners instead of preventing anyone from owning capital by making the State the only owner.

Employee ownership has far-reaching implications for those who share the democratic vision. By advocating employee ownership abroad, we can take a more principled approach to foreign policy, an approach that stands a far better chance than others to insure that a nation will realize its democratic ideals.

It is difficult to imagine an enduring democracy without widespread private property. Democracies are stable because people participate in them. A dictatorship—whether it be a dictatorship of the left or of the right—is unstable because people do not participate. Participation in ownership can contribute to stability by providing a broad base of support for economic and political reforms.

A principal objection to private property development is that not enough people own some of it. That has been a primary criticism of American capitalism throughout history.

Unfortunately, in many parts of the world capitalism is portrayed simply as an economic system in which a nation's productive wealth is concentrated in the hands of a privileged few.

It is a remarkably shortsighted strategy for us to expect other nations to move in the direction of a private enterprise economy when we ourselves

have failed to set the U.S. economy on a sure path toward widespread capital ownership.

In an address to the American Legion convention in Washington, D.C., on February 22, 1983, President Reagan touched on this point in outlining America's foreign policy strategy. As the President explained:

> There is no more damaging misconception than the notion that capitalism is an economic system benefiting only the rich. Economic freedom is the world's mightiest engine for abundance and social justice. . . . Developing countries need to be encouraged to experiment with the growing variety of arrangements for profit sharing and expanded capital ownership that can bring economic betterment to their people.

The encouragement of employee ownership abroad could become a crucial factor in the U.S. foreign policy, particularly in resolving the developmental paradox of stability versus growth. It is difficult to have economic growth without stability; yet stability is elusive without a strong economic base. And, of course, where Marxism succeeds, or is seen as likely to succeed, financial capital flows out of the country, further compounding the problem of financing development.

The coupling of development financing with employee ownership could provide an environment in which assistance is more likely to succeed and in which more people in the assisted country have an opportunity to share in that success.

It has also come to my attention that Pope John Paul II issued a papal encyclical on September 15, 1981, titled "Laborem Exercens" (On Human Work), that addresses this subject. In this letter to Roman Catholic bishops, the pontiff places particular emphasis on the dignity and the rights of workers and gives special attention to the question of ownership of the means of production.

In addition to defending the right of workers to form labor unions as an "indispensable element" of modern society and as a vehicle "for the struggle for social justice," the encyclical suggests that each person, on the basis of his work, should be "* * * fully entitled to consider himself as a part owner of the great workbench at which he is working with everyone else. A way toward that goal could be found by associating labor with the ownership of capital, as far as possible * * *."

This farsighted and outspoken church statesman then goes on to cite the "need for ever new movements of solidarity" and suggests that union demands "can and should also aim at correcting—with a view to the common good of the whole of society—everything defective in the system of ownership of the means of production or in the way these are managed."

America's free enterprise system has been on the defensive for 65 years in a struggle that, it seems, cannot be won with simple neutrality. If we expect other nations to follow our lead, we should take the ideological offensive. We need to demonstrate how a government can operate to insure that its working people have an opportunity to become active partners in a nation's economic progress.

If we hope to prevail over those we oppose, we need to confront them with an idea that is better. In this battle for people's minds, we must make it clear not only what we are against but also what we are for. Employee ownership is the type of idea that we can all be for.

In a democratic nation in which only a few people are citizens, the solution is not to destroy citizenship but to make it possible for all to become citizens. Similarly, in an industrialized nation in which only a few people are owners of capital, the solution is not to destroy private ownership but to make it possible for all to become owners.

AN OPPORTUNITY FOR COMMITMENT

Amid the many reports of the sad state of productivity, both in the United States and elsewhere, is a recurrent theme of discontent, of an unmotivated and uncommitted work force. Most troubling of all is that this attitude seems most prevalent among the young.

The question facing policymakers is what type of economic policy is best designed to tap the abilities and skills of this Nation's increasingly well educated work force? How can we realistically expect to enlist their interest, their enthusiasm, and their commitment when what is being offered as an opportunity is not the chance to own but the chance to work for those who own? Or else the chance to be employed at a make-work job that results in a rising tax burden for others?

Why should they enthusiastically support a system of which they are not fully a part? And, most disturbingly, of which they are not likely to become a part?

In searching for the solution to this vexing problem, we should take a lesson from Pope John Paul II and his suggestion that "Every effort must be made to ensure that * * * the human person can preserve his awareness of working 'for himself'."

The evidence indicates that employee stock ownership has the potential for creating a work environment and a reward system that can bring out the best that the American worker has to offer.

A national policy supportive of widespread employee ownership would help to tap that reserve of human energies, resources, and commitment. Commitment is dependent upon a sense of participation; however, for the most part, we have thus far limited that participation to jobs alone. Employee stock ownership would provide an opportunity for commitment by providing an opportunity to participate in ownership of the Nation's capital growth.

An encouraging—and growing—trend is reflected in the number of U.S. companies experimenting with participative management, quality work circles, and other programs designed to enhance the quality of work life. For example, the growing appreciation of the benefits available through participative styles of management is well reflected in a 1982 New York Stock Exchange survey of management's attitude toward participative management. Eighty-two percent of those surveyed in corporations with 500 or more employees consider participative management to be "a promising new approach," versus only 3 percent who consider it "a fad destined to disappear."

This "People and Productivity" study concluded that—

> . . . higher productivity is achieved by improving the quality of life in the workplace itself—when people are better educated, more humanely treated, more involved in decisionmaking, and better rewarded for their efforts. Thus, we find that ends and means are the same: The challenge to corporate America is to improve quality of life in the workplace; by doing so, it will boost productivity—and in that way help achieve a better quality of life generally.

Employee stock ownership helps to create an environment in which companies are more likely to establish these types of programs. Such programs can have a beneficial effect, not only on productivity but also on job satisfaction, individual dignity, general mental health, community cohesiveness, et cetera.

COMMUNITY AND COMMITMENT

All too often, Federal programs perpetuate people's dependency, poverty, and powerlessness. Many of our Federal jobs creation programs, for example, are meaningless except as a necessary source of income. As Ray Marshall, former Secretary of Labor, once observed:

> There is no more complete rejection of human beings than to give them a job you know and they know is useless.

A life without work is a poor life indeed. But when that work is useless, pointless, and a dead end, then that is truly a life of poverty. It has little meaning, vitality, or challenge.

Living in decency and dignity is impossible without a stable source of income. Yet it is clear that there is more to life than material well-being. Who would claim that the wholly wage-dependent family enjoys the dignity, the security, the range of choice, and the autonomy—not to mention the leisure and the freedom—of the family even partially supported by capital ownership?

We need to rejuvenate ownership's dying spirit. We need to return a sense of community, a sense of commitment, and a sense of dignity to the American workplace. What better way to accomplish all of this than to provide working Americans with access to ownership of stock in the companies for which they work?

THE GROWTH OF ESOP'S

The employee stock ownership plan (ESOP) first received congressional approval in 1974 with passage of the Employee Retirement Income Security Act of 1974 (ERISA). ERISA made it clear that the ESOP is a technique of corporate finance that utilizes the advantages of a tax-exempt employee benefit trust to encourage the financing of corporate transactions in such a way that employees will have an opportunity to earn an ownership stake in their employer.

Federal encouragement of ESOP's has also included loans and loan guarantees from a variety of Federal agencies, including the Economic Development Administration of the Commerce Department, the Farmer's Home Administration, and the Department of Housing and Urban Development. In addition, as part of the trade adjustment assistance provided under the Trade Act of 1974, and as amended in 1983, ESOP companies are granted preferred status for Federal loan guarantees.

More recently, the Small Business Development Act of 1980 included a provision encouraging the Small Business Administration to provide financing both for ESOP companies and for employee organizations seeking to acquire an ownership interest in their employer. ESOP's were also made a condition of Federal financial assistance to the Chrysler Corp., Conrail, and others.

State legislatures have also demonstrated a growing interest in ESOP's. California, Delaware, Illinois, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New York, and West Virginia now have laws farorable to ESOP financing. Maryland's "Broadened Ownership Act," for example, establishes support for ESOP's as official State economic policy, and requires several State agencies to report annually on their progress in implementing this policy. Since 1974, Minnesota has had several ESOP-related tax incentives on its books.

Several of these States have additional legislation under consideration and legislation is pending in other States as well. Financial and other assistance has also been provided for ESOP buyouts by California, Georgia, Indiana, Iowa, Maine, New Jersey, New York, and Pennsylvania.

This increased use of ESOP's for development financing reflects a return to incentive economics. The coupling of development programs with employee ownership programs results in a more production-oriented work force. That, in turn, helps to insure that scarce economic development dollars are invested so as to get the most "bank for the buck."

ESOP's are a healthy step in that direction. In addition to insuring that the benefits of development financing are more widely dispersed than through traditional means, the ESOP also helps to create the circumstances in which assisted companies are more likely to survive, and in which taxpayer-provided development loans are more likely to be repaid.

In terms of motivation, the merit of an ESOP-targeted economic development policy can be easily summarized: ownership counts. It summons up a common determination to succeed and insures that the company's success is shared with those on whom that success will largely depend.

In recent years, the use of ESOP financing in conjunction with Federal or State assistance has been limited largely to cases of corporate divestitures or plant shutdowns. Thus far, such financing has been used primarily to save jobs and business activity in communities that would otherwise lose them, or for preventing independent or potentially independent businesses from being acquired by other corporations, or possibly moved or shut down. Thus, the success of these employee-owned companies is all the more remarkable because they often face initial financial difficulties and a disruption of marketing patterns.

At first blush, it would seem that a company that could not survive as a subsidiary of an existing corporation could not survive as an independent employee-owned firm. However, this is often not the case. For example, a parent corporation may set a certain target rate of return that it expects from its subsidiaries. If they fail to generate that return, they are closed or sold. Employee-owners, on the other hand, may well be satisfied with a lower, but still profitable rate of return, particularly since their jobs are at stake.

In other cases, a parent corporation may decide that a subsidiary simply no longer fits into its plans, or that it needs the cash that would result from a sale. Also, a parent corporation may mismanage a subsidiary, or saddle it with burdensome overhead costs. Moreover, even a subsidiary that is reasonably well run may be better run with employee ownership for the simple reason that its new owners may well work smarter than before.

Researchers at the New York State School of Industrial and Labor Relations at Cornell University and at the National Center for Employee Ownership cite these reasons and others for the fact that, to the knowledge of researchers in the field, more than 90 percent of employee buyouts are still in operation.

AN ENVIRONMENT FOR SUCCESS

One of the greatest failings of our free enterprise system is its hostility to the marginally profitable company. Employee ownership of such firms brings with it a way to correct that glaring deficiency, a deficiency that has devastated entire regions as marginally successful companies all across the Nation have closed their doors.

Mr. President, as any free market economist will tell you, it is the essence of capitalism to allow—indeed, encourage—financial capital to seek its highest return. It is this "invisible hand" that serves as the driving force of a market economy. By that measure, plant closings make perfectly good economic sense, particularly to those who own capital and to those financial managers hired to oversee that capital on their behalf.

But to those who neither own nor manage—to the workers and to the communities who must live with the effects of such closings—the fact that the market's signals are being followed is faint comfort, particularly when they must cope with swollen welfare rolls, and deficits, overburdened State and local relief efforts, increased health and emotional problems, and other repercussions, including the ripple effects of additional unemployment resulting from generally weaker consumer demand.

Given what many economists see as the over acquisition of the 1960's and 1970's, many opportunities for employee ownership may present themselves in the years ahead. For employees and communities where conglomerates have erred, ESOP buyouts may present the most workable solution to an otherwise difficult situation.

This is not to suggest that ESOP buyouts should be utilized in firms that cannot be profitable. Quite the contrary. A company that is not market responsive, a company that cannot meet its competition and turn a profit, should not put its employees in the position of owning that company. ESOP-type financing is not intended for losers.

It is intended, however, for those losers and for those marginally profitable firms who, with employee ownership, can become winners. It is intended for those willing to sacrifice now in order to have a brighter future. It is intended for those employee groups willing to tie some portion of their future wages and benefits to their company's performance. On that point, it is encouraging to note that a 1981 Louis Harris survey of employee attitudes indicates that 63 percent of those surveyed would be willing to link their salaries to higher personal productivity.

It is also intended for those companies and those employee groups who feel that a climate of cooperation and compromise may now be better suited to their purposes than continued confrontation. That 1981 Harris survey also found that one in four Americans thinks better relations between management and labor is one of the changes that would do the most to improve productivity in the workplace. Only financial rewards for productivity gains, 30 percent, are thought to be more effective. A well-designed employee stock ownership arrangement can, of course, address both of those concerns.

Business executives surveyed—44 percent—likewise think that better labor-management relations are one of the changes that would best contribute to increased productivity. Only the use of better equipment or tools—65 percent—is viewed by them as more important.

Employee stock ownership provides a healthy new dimension to the economic development process. It enables those affected to examine the issue in a different frame of reference, one in which the effect on them becomes much more real, and one in which they can realize how important their productive efforts are to that process.

Employee stock ownership is for those who believe in the worth of the individual employee, and for those who see the rank and file as the root source of quality, creativity, and productivity.

In short, Mr. President, employee stock ownership is intended for those companies and for those employees who are ready to shift the context of the workplace, for those who are ready for a new way of thinking, and for those who are prepared for a whole new array of options, opportunities and outcomes.

ESOP FINANCING

The employee stock ownership plan (ESOP), a technique of corporate finance, offers sponsor corporations certain tax incentives and cost reductions not available under traditional methods of finance. ESOP financing also grants employees access to ownership of productive capital in a tax-free manner during their employment while incurring tax only on their ownership incomes—in the form of dividends paid to them on their ESOP shares—and on their stock when distributed from their ESOP accounts.

The ESOP is designed to accomplish corporate financing through an employee benefit plan. As an employee benefit plan, the ESOP has many of the same legal characteristics as more traditional pension plans. For example, the plan must meet certain minimum requirements concerning eligibility, participation, vesting, and reporting and disclosure. In addition, distributions receive the favorable tax treatment available to other types of pension plans.

The ESOP's primary purpose, however, is not to serve as a retirement vehicle but, rather, to serve as an incentive for corporations to structure their financing in such a way that employees can gain an ownership stake in the company for which they work.

What the Congress sanctioned with the ESOP is a socially improved technique of corporate finance that also serves as a new type of employee benefit. Thus, as a tax-qualified plan for providing employee benefits, in the form of employer stock, an ESOP is subject to many of the same standards imposed on other types of employee benefit plans but interpreted in light of the special purposes for which ESOP's are intended.

The term "technique of corporate finance" refers primarily to the "leveraged" ESOP, an ESOP that uses borrowed funds to acquire employer stock, with the employer, or a related party, guaranteeing repayment of the loan. It is this guarantee, plus the underlying security provided for the loan, that puts the logic of corporate finance to work for a company's employees.

In a 1953 revenue ruling, the Internal Revenue Service sanctioned this type of leveraging by a defined contribution plan, thus laying the legal groundwork for the leveraged ESOP. The first known use of ESOP-type financing, pioneered by attorney Louis Kelso, involved a 1956 employee buy out of a chain of California newspapers that was threatened with a takeover by a major chain. But only in the last few years has the business world at large become aware of this innovation.

Suppose, for example, that corporation X wants to build a new plant costing $10 million. With traditional debt financing, the company would borrow the $10 million, provide adequate collateral and guarantee of repayment to satisfy the lender, use the borrowed funds to build the plant, and then utilize the income generated by the new plant to repay the loan.

The ESOP adds a third element to this transaction—an employee stock ownership trust. The trust borrows the funds based on the sponsoring corporation's guarantee that it will make periodic payments to the trust sufficient to repay the loan. As with traditional financing, the corporation may be required to secure this guarantee with collateral.

The ESOP trust then uses the borrowed funds to acquire newly issued employer securities, and the corporation applies the funds to build its new plant. As the new plant generates income, corporation X makes payments to the trust which are used to pay its obligation to the lender.

The primary difference is that with conventional debt financing, only interest payments are deductible for income tax purposes; amounts used to repay loan principal are not. The employer's contributions to the ESOP, however, are fully deductible, as employer contributions to an employee benefit plan, incuding those applied by the trust to repay loan principal.

Consequently, where corporation X uses the ESOP as its financing vehicle, it may repay its indebtedness, both principal and interest, with tax-deductible dollars. The Internal Revenue Code limits to 25 percent of payroll the amount that can be deducted each year for principal payments; interest payments are deductible without limit.

Thus, assuming, for example, a 50-percent tax rate and conventional debt financing, corporation X would need to generate $20 million in revenues to repay the $10 million in loan principal. With ESOP financing, however, the corporation would need to generate only $10 million to repay the loan principal through tax-deductible contributions to its ESOP.

By enabling a company to expense its capital investment, the ESOP lowers the sponsor company's taxable income and increases its available capital for other purposes; and the same dollar that finances the company's capital requirements also finances an employee benefit in the form of employer stock.

After purchase, the stock is held in an escrow account for allocation to employees' individual ESOP accounts as the loan is repaid. In no sense is this a "gift" to employees; rather, the capital is paid for out of the future flow of earnings that the new capital itself generates. As the already-rich know so well, the new capital's productiveness generally pays for itself.

The ESOP participants, however, also "earn" their ownership interest in the company through the ESOP's requirement that employees work for the company for a prescribed period of time before the stock in their ESOP accounts becomes nonforfeitable, that is, vested. An appropriate analogy can be drawn to the Homestead Act of 1862 under which the potential owner earned his or her acreage by homesteading the land for at least 5 years.

THE VERSATILE ESOP

The ESOP can also be used, with or without leveraging, as an "in-house market" for the sale of stock owned by the shareholders of a closely held company. For example, suppose the sole shareholder of corporation Y wants to begin to convert his shares to cash over a period of years in contemplation of retirement.

The corporation could contribute cash each year to its ESOP and the ESOP could use the cash to purchase shares from the owner. Should the

owner wish to sell out before the ESOP has adequate funds to pay him, the ESOP could borrow the money to pay the owner, with the corporation guaranteeing the loan—or the owner himself could act as lender by accepting a note for the amount due.

Similarly, an ESOP can be used to refinance existing debt, or to finance mergers, acquisitions, or divestitures. For example, at his confirmation hearing before the Senate Finance Committee, Treasury Secretary Regan explained how Merrill Lynch & Co. used an ESOP to divert itself of the Lionel-Edie Co. Rather than sell the company to someone else, the former chief executive explained:

We used an employee stock ownership plan, letting them buy it, and they have prospered as a result of that. I am definitely in favor of that.

TAX CREDIT ESOP'S

The investment tax credit has been an on-again, off-again stimulus to capital investment since its introduction in 1962 during President Kennedy's administration. In the Tax Reduction Act of 1975, the standard investment tax credit was raised from 7 percent to 10 percent. In addition, that act permitted corporations to claim an additional 1 percent, an 11th percent, credit provided the company used its tax savings to invest in company stock for its employees through a specially defined type of ESOP. These plans were quickly labeled Tax Reduction Act Stock Ownership Plans (TRASOP's); the Internal Revenue Code now refers to this type of plan as the tax credit employee stock ownership plan or the tax credit ESOP.

Initially, these plans did not prove very popular, primarily because the additional 1-percent credit was available for only 2 years. In 1976, Congress approved legislation extending through 1980 the period during which the ESOP credit could be claimed. In addition, the Senate approved expansion of the ESOP credit to a full 2 percent. In conference, however, that was scaled back to the original 1 percent, approving instead an additional one-half percent credit to the extent employees contributed a matching amount of cash. In the Revenue Act of 1978, this arrangement was extended through 1983.

A primary objection to expansion of the ESOP credit to a full 2 percent was that the tax incentive is primarily used to buy stock for employees of capital-intensive companies. For labor-intensive companies, the ESOP credit generally was not large enough to be worthwhile.

The Economic Recovery Tax Act of 1981 addressed this objection by providing an ESOP tax incentive based on the amount of payroll paid to participants in a company's ESOP, thereby making these plans attractive to labor-intensive companies as well. It was my preference, and the preference of the 30 cosponsors of the Expanded Ownership Act of 1981, that companies be granted the option, on an annual basis, of claiming either the investment-based ESOP credit or an ESOP credit of up to 1 percent of payroll.

Instead, the investment-based ESOP credit was phased out at the end of 1982 and a payroll-based credit, now known as the PAYSOP, enacted in its place with an available credit of one-half of 1 percent of payroll for 1983 and 1984 and three-quarters of 1 percent for the 3 years thereafter. As with the TRASOP, amounts allocated to employees' PAYSOP accounts must be immediately 100 percent vested.

It is my hope that at some future date the Congress will reexamine the investment tax credit area in light of our experience with ESOP's. There are really two types of investment tax credits. The first is the standard investment tax credit which, in the interest of stimulating investment, makes the rich richer still. The second was the ESOP investment tax credit.

Both of these provisions help to stimulate capital formation; however, the long-term benefits of the first, representing a tax expenditure of $19.7 billion for fiscal 1985, flow largely to those few Americans who own the bulk of the Nation's productive capital. In addition, it should be noted that the cost of this provision would be much higher except that the 1981 act lowered corporate and individual taxes so drastically that these credits against tax are no longer nearly so useful.

The standard investment tax credit helps to stimulate new capital formation; however, it also operates to further concentrate ownership of that newly formed capital in existing shareholders. In a sense, the investment tax credit is a gift from the American taxpayer to already-existing shareholders—in the interest of promoting investment and, thus, full employment. Perhaps it is time for Congress to reevaluate the nature of this type of investment stimulus, and to consider linking a portion of this tax incentive to expanded ownership.

A NEW DIRECTION

Mr. President, it is my hope that the Congress will be able to act on these provisions in a timely manner. The evidence indicates that incentives for employee stock ownership are worthwhile. It is gratifying to note that the support for employee ownership is strong and growing. I know that as other Senators learn about their constituents' experience with ESOP's they will join me in this effort to make our system work better for more working Americans.

If widespread capital ownership is to become an American reality, we need to adopt a wide array of policies and programs that will work toward that end. Changes in tax policy alone will not be enough. It is my hope that we will also examine incentives that could be enacted in other areas as well, including amendments to our economic policy, monetary policy, foreign policy, and others.

I want to make it clear, Mr. President, that I am in no way proposing a model solution to the many complex problems facing this dynamic economy of ours. But I do think it is important to aks questions about the kind of society we are building, and about the kind of private property economy we want to have 20, 50, or even 100 years from now.

Tomorrow's economic system will be born out of the decisions that we in this Chamber make today. If we want private property ownership to be the rule rather than the exception, then we simply must enact incentives to insure that tomorrow's free enterprise system is financed so as to be more broadly owned.

The building blocks of finance are, in large part, made up of those small sets of invisible arrangements we know as tax policy. I am convinced that a sound long-term tax policy for the United States must include a broad range of ESOP-type incentives.

By enacting such incentives, we can bring about a new sense of connection and participation. That, in turn, will help us to more fully enlist the drive, enthusiasm, and intelligence of the American public.

What this legislation suggests is not a destination but a new direction, a direction that I am convinced the U.S. economy must take if we are to be true to our ideals and if we are to realize our full potential.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 2128

Be it enacted by the Senate and House of Respresentatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Employee Stock Ownership Act of 1983".

(a) IN GENERAL.—Part III of subchapter O of chapter 1 (relating to nontaxable exchanges) is amended by adding at the end thereof the following new section:

"SEC. 1041. SALES OF STOCK TO EMPLOYEES.

"(a) NONRECOGNITION OF GAIN.—

"(1) In general.—If—

"(A) qualified securities held by the taxpayer for more than one year are sold by the taxpayer to an employee stock ownership plan (as defined in section 4975(e)(7)) or to a tax credit employee stock ownership plan (as defined in section 409A), or to an eligible worker-owned cooperative, and

"(B) within the qualified period, qualified replacement property is purchased by the taxpayer,

then the gain (if any) from such sale shall, at the election of the taxpayer, be recognized only to the extent that the amount realized on such sale exceeds the cost to the taxpayer of such qualified replacement property.

"(2) ELECTION.—The election under paragraph (1) shall be made by filing with the Secretary a statement (in such manner as the Secretary may by regulations prescribe) of such election not later than the last day prescribed by law (including extensions thereof) for filing the return of the tax imposed by this chapter for the taxable year in which the sale occurs.

"(b) DEFINITIONS; SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED SECURITIES.—The term 'qualified securities' means employer securities (as defined in section 409A(1))—

"(A) which are issued by a domestic corporation, and

"(B) with respect to which the taxpayer's holding period is more than one year.

"(2) ELIGIBLE WORKER-OWNED COOPERATIVE.—The term 'eligible worker-owned cooperative' means any organization to which part I of subchapter T applies—

"(A) a majority of the membership of which is composed of employees of such organization,

"(B) a majority of the shares of which are owned by employees,

"(C) a majority of the board of directors of which is elected by the members on the basis of one person one vote, and

"(D) a majority of the earnings and losses of which are allocated to members on the basis of—

"(i) patronage,

"(ii) capital contributions, or

"(iii) some combination of clauses (i) and (ii).

"(3) QUALIFIED PERIOD.—The term 'qualified period' means the period which begins three months prior to the date on which the sale of qualified securities occurs and which ends twelve months after the date of such sale.

"(4) QUALIFIED REPLACEMENT PROPERTY.—The term 'qualified replacement property' means any security (as defined in section 165(g)(2)) issued by a domestic corporation—

"(A) which does not, for the taxable year in which such stock is issued, have passive investment income (as defined in section 1362(d)(3)(D)) in excess of the limitation set forth in section 1375(a)(2), and

"(B) the equity capital of which (determined on the date on which such security is purchased by the taxpayer) does not exceed $10,000,000.

"(5) CONTROLLED CORPORATIONS.—In the case of an issuing corporation which is a member of a controlled group of corporations (as defined in section 1563(a)(1)), the equity capital of all members of such controlled group shall be treated, for purposes of paragraph (1)(A), as the equity capital of such issuing corporation.

"(6) STOCK ACQUIRED BY UNDERWRITER.—No acquisition of stock by an underwriter in the ordinary course of his trade or business as an underwriter, whether or not guaranteed, shall be treated as a purchase for purposes of subsection (a).

"(7) EQUITY CAPITAL.—The term 'equity capital of a corporation' means the excess of—

"(A) the sum of—

"(i) the money of such corporation, plus

"(ii) the aggregate adjusted basis in property of such corporation, over

"(3) the amount of indebtedness of such corporation (other than indebtedness to shareholders).

"(c) BASIS OF QUALIFIED REPLACEMENT PROPERTY.—The basis of the taxpayer in qualified replacement property purchased by the taxpayer during the qualified period shall be reduced by the amount of gain not recognized solely by reason of the application of subsection (a). If more than one item of qualified replacement property is purchased, the amount of deduction applicable to any item of such property shall be determined by multiplying the total gain not recognized by reason of subsection (a) by a fraction the numerator of which is the cost of such item of property and the denominator of which is the total cost of all such items of property.

"(d) STATUTE OF LIMITATIONS.—If any gain is realized by the taxpayer on the sale or exchange of any qualified securities and there is in effect an election under subsection (a) with respect to such gain, then—

"(1) the statutory period for the assessment of any part of such gain shall not expire before the expiration of three years from the date the Secretary is notified by the taxpayer (in such manner as the Secretary may by regulations prescribe) of—

"(A) the taxpayer's cost of purchasing qualified replacement property which the taxpayer claims results in nonrecognition of any part of such gain,

"(B) the taxpayer's intention not to purchase qualified replacement property within the qualified period, or

"(C) a failure to make such purchase within the qualified period, and

"(2) such deficiency may be assessed before the expiration of such three-year period notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1223 of such Code (relating to holding period of property) is amended by redesignating paragraph (13), as paragraph (14) and by inserting after paragraph (12) the following:

"(13) In determining the period for which the taxpayer has held qualified replacement property (within the meaning of section 1041(b)) the acquisition of which resulted under section 1041 in the nonrecognition of any part of the gain realized on the sale of qualified securities (within the meaning of section 1041(b)), there shall be included the period for which such qualified securities had been held by the taxpayer.".

(2) Subsection (a) of section 1016 of such Code (relating to adjustments to basis) is amended—

(A) by striking out "and" at the end of paragraph (24),

(B) by striking out the period at the end of paragraph (25) and inserting in lieu thereof ", and", and

(C) by adding at the end thereof the following new paragraph:

"(26) in the case of qualified replacement property, the acquisition of which resulted under section 1041 in the nonrecognition of any part of the gain realized on the sale or exchange of any property, to the extent provided in section 1041(c).".

(3) The table of sections for part III of subchapter O of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Sec. 1041. Sale of Stock to Employees.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales of securities in taxable years beginning after the date of enactment of this Act.

SEC. 3. DEDUCTIBILITY OF CERTAIN DIVIDEND DISTRIBUTIONS FROM EMPLOYEE STOCK OWNERSHIP PLANS AND QUALIFICATION FOR PARTIAL EXCLUSION FROM INCOME

(a) DEDUCTION.—Section 404 of the Internal Revenue Code of 1954 (relating to deductions for employer contributions to an employees' trust) is amended by adding at the end thereof the following new subsection:

(k) DIVIDENDS PAID DEDUCTIONS.—In addition to the deductions provided under subsection (a), there shall be allowed as a deduction to an employer the amount of any dividend paid in cash by that employer during the taxable year with respect to the stock of the employer if—

"(1) such stock is held on the record date for the dividend by a tax credit employee stock ownership plan (as defined in section 409A) or an employee stock ownership plan (as defined in section 4975 (e) (7)), and

"(2) in accordance with the plan provisions—

"(A) the dividend is paid in cash to the participants in the plan, or

"(B) the dividend is paid to the plan and is either—

"(i) distributed in cash to participants in the plan not later than 60 days after the close of the plan year in which paid, or

"(ii) applied by the plan to the repayment of a loan (as described in section 404(a)(10)) incurred for the purpose of acquiring stock of the employer.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of enactment of this Act.

SEC. 4. EXCLUSION OF INTEREST ON LOANS USED TO FINANCE ACQUISITION OF EMPLOYER SECURITIES BY AN ESOP.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items excluded from gross income) is amended by redesignating section 132 as section 133 and by inserting after section 131 the following new section:

"SEC. 132. INTEREST ON CERTAIN LOANS USED TO ACQUIRE EMPLOYER SECURITIES.

"(a) IN GENERAL.—Gross income does not include 50 percent of the interest received by a bank (within the meaning of section 581), an insurance company to which subchapter L applies, or a person actively engaged in the business of lending money on a securities acquisition loan.

"(b) SECURITIES ACQUISITION LOAN.—For purposes of this section, the term 'securities acquisition loan' means a loan all of the proceeds of which are used by an employee stock ownership plan (within the meaning of section 4975(e)(7)) to acquire employer securities (within the meaning of section 409A(1)) for the plan.".

(b) CONFORMING AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 132 and inserting in lieu thereof the following:

"Sec 132. Interest on certain loans used to acquire employer securities.

"Sec. 133. Cross references to other Acts.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to loans extended after the date of the enactment of this Act.

SEC. 5. REDUCTION IN CAPITAL GAINS TAX WITH RESPECT TO SALES OF STOCK IN EMPLOYEE-OWNED CORPORATIONS.

(a) REDUCTION IN AMOUNT OF NET CAPITAL GAIN INCLUDED IN INCOME OF INDIVIDUALS.—Subsection (a) of section 1202 of the Internal Revenue Code of 1954 (relating to deduction for capital gains) is amended to read as follows:

"(a) IN GENERAL.—If for any taxable year a taxpayer other than a corporation has a net capital gain, there shall be allowed as a deduction from gross income an amount equal to the sum of—

"(1) 80 percent of the qualified corporate gain of the taxpayer for such taxable year, plus

"(2) 60 percent of the excess (if any) of—

"(A) such net capital gain, over

"(B) the qualified corporate gain of the taxpayer for such taxable year.".

(b) REDUCTION OF ALTERNATIVE CAPITAL GAIN TAX RATE FOR CORPORATIONS.—Subsection (a) of section 1201 of such Code (relating to alternative tax for corporations) is amended—

(1) by striking out "plus" at the end of paragraph (1), and

(2) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) a tax of 10 percent of the qualified corporate gain of the taxpayer for the taxable year, plus

"(3) a tax of 28 percent of the excess (if any) of—

"(A) such net capital gain, over

"(B) the qualified corporate gain of the taxpayer for the taxable year.".

(c) DEFINITIONS AND SPECIAL RULES.—Part I of subchapter p of chapter 1 of such Code (relating to treatment of capital gains) is amended by adding at the end thereof the following new section:

"SEC. 1203. DEFINITIONS AND SPECIAL RULES RELATING TO QUALIFIED CORPORATE GAIN.

"(a) QUALIFIED CORPORATE GAIN.—For purposes of this part, the term 'qualified corporate gain' means the net capital gain of the taxpayer for the taxable year resulting from the sale or exchange of qualified securities of employee-owned corporations.

"(b) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED SECURITIES.—The term 'qualified securities' means any shares of stock which have been held by the taxpayer for at least 3 years.

"(2) EMPLOYEE-OWNED CORPORATION.—The term 'employee-owned corporation' means any domestic corporation—

"(A) not less than 50 percent of the total value of shares of all classes of stock of which is owned by, or on behalf of, qualified employees of such corporation, and

"(B) not less than 50 percent of the qualified employees of which own, or are the beneficiaries of, such shares of stock.

"(3) QUALIFIED EMPLOYEE.—The term 'qualified employee' means an employee of the corporation who is not an officer or a member of the board of directors of the corporation.

"(c) SPECIAL RULES.—For purposes of this section—

"(1) TIME FOR DETERMINING WHETHER A CORPORATION IS AN EMPLOYEE-OWNED CORPORATION.—The determination of whether a corporation is an employee-owned corporation shall be made at the time the qualified corporate gain is realized after taking into account the sale or exchange described in subsection (a).

"(2) CONTROLLED GROUPS.—

"(A) IN GENERAL.—In the case of a corporation which is a member of a controlled group, all members of such group at any time during the calendar year shall be treated as one corporation for such calendar year.

"(B) CONTROLLED GROUP DEFINED.—Persons shall be treated as members of a controlled group if such persons would be treated as a single employer under subsection (b) or (c) of section 414.

"(3) STOCK ATTRIBUTION RULES.—The rules of section 318 shall apply for purposes of determining employee ownership of stock.

"(4) STOCK HELD BY QUALIFIED PLANS.—All shares of stock of the employer held by an employees' trust described in section 401(a) which is maintained by a corporation shall be considered as owned by qualified employees of the corporation.".

(d) CONFORMING AMENDMENT.—

(1) Subsection (e) of section 170 of such Code (relating to contributions of ordinary income and capital gain property) is amended—

(A) by striking out "40 percent (28/46 in the case of a corporation)" in paragraph (1)(B) and inserting in lieu thereof "the applicable percentage", and

(B) by adding at the end thereof the following new paragraph;

"(5) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1), the term 'applicable percentage' means—

(A) in the case of a taxpayer other than a corporation—

"(i) whose charitable contribution consists of qualified securities of employee-owned corporations (within the meaning of section 1203), 20 percent, or

"(ii) whose charitable contribution consists of other property, 40 percent, or

"(B) if the case of a corporation—

"(i) whose charitable contribution consists of such qualified securities, 10/46, or

"(ii) whose charitable contribution consists of other property, 28/46.".

(2) The table of sections for part I of subchapter P of chapter 1 of such Code is amended by inserting after the item relating to section 1202 of the following new item:

"Sec. 1203. Definitions and special rules relating to qualified corporate gain.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to sales, exchanges, and contributions made after the date of the enactment of this Act in taxable years ending after such date.

SECTION 6. ASSUMPTION OF ESTATE TAX LIABILITY BY ESOP RECEIVING EMPLOYER SECURITIES.

(a) IN GENERAL.—Subchapter C of chapter 11 of the Internal Revenue Code of 1954 (relating to miscellaneous estate tax provisions) is amended by adding at the end thereof the following new section:

"SEC. 2210. LIABILITY FOR PAYMENT IN CASE OF TRANSFER OF EMPLOYER SECURITIES TO AN EMPLOYEE STOCK OWNERSHIP PLAN.

"(a) IN GENERAL.—If—

"(1) a qualified amount of employer securities—

"(A) are acquired by an employee stock ownership plan from the decedent,

"(B) pass from the decedent to such a plan, or a

"(C) are transferred by the executor to such a plan, and

"(2) the executor elects the application of this section and files the agreement described in subsection (e)(1) before the time prescribed by section 6075(a) for filing the return of tax imposed by section 2001 (including extensions thereof),

then the executor is relieved of liability for payment of that portion of the tax imposed by section 2001 which an employee stock ownership plan is required to pay under subsection (b).

"(b) PAYMENT OF TAX BY EMPLOYEE STOCK OWNERSHIP PLAN.—

"(1) IN GENERAL.—An employee stock ownership plan—

"(A) which has acquired a qualified amount of employer securities from the decedent, or to which such securities have passed from the decedent or been transferred by the executor, and

"(B) with respect to which an agreement described in subsection (e)(1) is in effect,

shall pay that portion of the tax imposed by section 2001 with respect to the taxable estate of the decedent which is described in paragraph (2).

"(2) AMOUNT OF TAX TO BE PAID.—The portion of the tax imposed by section 2001 with respect to the taxable estate of the decedent that is described in this paragraph is equal to the lesser of—

"(A) the excess of—

"(i) the tax imposed by section 2001 with respect to such taxable estate, over

"(ii) the tax imposed by section 2001 with respect to such taxable estate determined by excluding employer securities from the gross estate of the decedent, or

"(B) the tax imposed by section 2001 with respect to such taxable estate reduced by the sum of the credits allowable against such tax.

"(c) INSTALLMENT PAYMENT.—If—

"(1) the executor of the estate of the decedent (without regard to this section) may elect to have the provisions of section 6166 (relating to extensions of time for payment of estate tax where estate consists largely of interest in closely held business) apply to payment of that portion of the tax imposed by section 2001 with respect to such estate which is attributable to employer securities, and

"(2) the plan administrator files the agreement described in subsection (e)(2).

then the plan administrator may elect, before the time prescribed by section 6075(a) for filing the return of such tax, to pay all or part of the tax described in subsection (b)(2) in installments under the provisions of section 6166.

"(d) GUARANTEE OF PAYMENTS.—Any employer—

"(1) whose employees are covered by an employee stock ownership plan, and

"(2) who has entered into an agreement described in subsection (e)(2) which is in effect,

shall guarantee the payment of any amount such plan is required to pay under subsection (b), including any interest payable under section 6601 which is attributable to such amount.

"(e) AGREEMENTS.—The agreements described in this subsection are as follows:

"(1) A written agreement signed by the plan administrator consenting to the application of subsection (b) to the plan.

"(2) A written agreement signed by the employer whose employees are covered by the plan described in subsection (b) consenting to the application of subsection (d).

"(f) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED AMOUNT OF EMPLOYER SECURITIES.—The term 'qualified amount of em-

ployer securities' means an amount of employer securities the value of which equals or exceeds that portion of the tax imposed by section 2001 with respect to the taxable estate of the decedent which is described in subsection (b)(2).

"(2) EMPLOYER SECURITIES.—The term 'employer securities' has the meaning given such term by section 409(1).

"(3) EMPLOYEE STOCK OWNERSHIP PLAN.—The term 'employee stock ownership plan' has the meaning given such term by section 4975(e)(7).

"(4) PLAN ADMINISTRATOR.—The term 'plan administration' has the meaning given such term by section 414(g).".

(b) EXEMPTION FROM TAX ON PROHIBITED TRANSACTIONS.—Subsection (d) of section 4975 of such Code (relating to exemptions from the tax on prohibited transactions) is amended—

(1) by striking out "or" at the end of paragraph (14),

(2) by striking out the period at the end of paragraph (15) and inserting in lieu thereof ", or", and

(3) by inserting after paragraph (15) the following new paragraph:

"(6) any transaction in which employer securities are transferred to an employee stock ownership plan and the plan (or the employer on behalf of the plan) pays that portion of the decedent's estate tax described in section 2210(b)(2)."

(c) CONFORMING AMENDMENTS.—

(1) Section 2002 of such Code (relating to liability or payment of estate tax) is amended to read as follows:

SEC. 2002. LIABILITY FOR PAYMENT

"Except as provided in section 2210, the tax imposed by this chapter shall be paid by the executor.".

(2) The table of sections for subchapter C of chapter 11 of such Code is amended by adding at the and thereof the following:

"Sec. 210. Liability for payment in case of transfer of employer securities to an employee stock ownership plan.".

(3) Section 6018 of such Code (relating to estate tax returns) is amended by adding at the end thereof the following new subsection:

"(c) ELECTION UNDER SECTION 2210.—In all cases in which subsection (a) requires the filing of a return, if an executor elects the application of section 2210—

"(1) RETURN BY EXECUTOR.—The return which the executor is required to file under the provisions of subsection (a) shall be made with respect to that portion of estate tax imposed by subtitle B which the executor is required to pay.

"(2) RETURN BY PLAN ADMINISTRATOR.—The plan administrator (as defined in section 414(g)) shall make a return with respect to that portion of the tax imposed by section 2001 which the employee stock ownership plan is required to pay under section 2210(b).".

(4) Subsection (j) of section 6166 of such Code (relating to cross references) is amended by adding at the end thereof the following new paragraph:

"(6) PAYMENT OF ESTATE TAX BY EMPLOYEE STOCK OWNERSHIP PLAN.—For provision allowing plan administrator to elect to pay a certain portion of the estate tax in installments under the provisions of this section, see section 2210(c).".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to those estates of decedents which are required to file returns on a date (including any extensions) after the date of enactment of this Act.

SEC. 7. CERTAIN CONTRIBUTIONS TO ESOP TREATED AS CHARITABLE CONTRIBUTIONS.

(a) IN GENERAL.—Subsection (c) of section 170 (defining charitable contribution) is amended by inserting after paragraph (5) the following new paragraph:

"(6) A tax credit employee stock ownership plan (as defined in section 409A) or an employee stock ownership plan (as defined in section 4975(e)(7)) but only if—

"(A) such contribution or gift consists exclusively of employer securities (within the meaning of section 409A(1));

"(B) such contribution or gift is allocated (over a period not in excess of three plan years), pursuant to the terms of such plan, to the employees participating under the plan in a manner consistent with section 401(a)(4);

"(C) no part of such contribution or gift is allocated under the plan for the benefit of—

"(i) the taxpayer or decedent,

"(ii) any person related to the taxpayer or decedent under the provisions of section 267(b), or

"(iii) any other person who owns more than 25 percent in value of any class of outstanding employer securities under the provisions of section 318(a);

"(D) such contribution or gift is made only pursuant to the provisions of such tax credit employee stock ownership plan or such employee stock ownership plan;

"(E) such plan treats such employer securities as being attributable to employer contributions; and

"(F) no deduction under section 404 and no credit under section 44G is allowed with respect to such contribution or gift.".

(b) PERCENTAGE LIMITATIONS.—Subparagraph (A) of section 170(b)(1) (relating to percentage limitations for individuals) is amended—

(1) by striking out "or" at the end of clause (vii),

(2) by inserting "or" at the end of clause (viii), and

(3) by inserting after clause (viii) the following new clause:

"(ix) a tax credit employee stock ownership plan or an employee stock ownership plan (as defined in section 4975(e)(7)),".

(c) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 2055 (relating to transfers for public, religious, and charitable uses) is amended—

(A) by striking out "or" at the end of paragraph (3),

(B) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; or", and

(C) by inserting after paragraph (4) the following new paragraph:

"(5) to a tax credit employee stock ownership plan (as defined in section 409A) or an employee stock ownership plan (as defined in section 4975(e)(7)) but only if the requirements of section 170(c)(6) are met.".

(2) Subsection (a) of section 2522 (relating to charitable and similar gifts) is amended—

(A) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; or", and

(B) by adding at the end thereof the following new paragraph:

"(5) a tax credit employee stock ownership plan (as defined in section 409A) or an employee stock ownership plan (as defined in section 4975(e)(7)) but only if the requirements of section 170(c)(6) are met.".

(3) Section 45 (relating to limitations on benefits and contributions under qualified plans) is amended by adding at the end thereof the following new subsection:

"(l) CHARITABLE CONTRIBUTIONS.—The limitations provided under this section shall not apply with respect to any contribution or gift described in section 170(c)(6) if the requirements of section 170(c)(6) are met.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of enactment of this Act.

SEC. 8. EMPLOYEE STOCK OWNERSHIP PLANS PERMITTED FOR S CORPORATIONS.

(a) IN GENERAL.—Subparagraph (A) of section 1361(c)(2) of the Internal Revenue Code of 1954 (relating to certain trusts permitted as shareholders of certain small business corporations) is amended by adding at the end thereof the following new clause:

"(v) A trust which is a part of a tax credit employee stock ownership plan (as defined in section 409A) or an employee stock ownership plan (as defined in section 4975(e)(7)). For purposes of subsection (a), stock distributed from such plans shall be disregarded.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of enactment of this Act.

SEC. 9. RECAPTURED OR REDETERMINED EMPLOYEE PLAN CREDITS USED TO REDUCE CONTRIBUTIONS REQUIRED UNDER EMPLOYEE STOCK OWNERSHIP CREDIT.

(a) IN GENERAL.—Subparagraph (A) of section 48(n)(4) of the Internal Revenue Code of 1954 (relating to adjustments in case of recaptured employee plan credit) is amended by inserting "or section 44G(o)(1)(B)" after "paragraph (1)".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1983.

SECTION-BY-SECTION ANALYSIS

Small business continuity

This bill proposes to remedy a severe disadvantage suffered by small businesses and by their employees. Under current law, when the owner of a business sells or liquidates his company, he must pay capital gain tax on the proceeds. If, on the other hand, ownership of that business is transferred to another company in exchange for stock in that company, the owner's tax liability is deferred until such time as that stock is sold.

This tax-free exchange provision of current law creates a strong incentive for a business owner to transfer ownership of his company to what is generally a larger, more established concern. This bill provides a "rollover" mechanism whereby the owner of a business can sell to his employees and enjoy the same tax deferral as is now provided by the tax-free exchange provisions of the law.

Present law not only stimulates economic concentration; it also hastens the disappearance of small and independent businesses, even though such businesses have been shown time and again to be the most innovative, job-creating, growth-inducing sector of the economy. This provision would help put an end to this unwise tax policy.

This provision could also prevent small, but profitable, companies from closing simply for lack of a buyer. It is a sad situation for all concerned when a small company finds itself forced to liquidate for just this reason (for example, in order to generate liquidity to pay estate taxes). By provid-

ing this employee ownership alternative, this provision will help to preserve the continuity of many small businesses.

This provision would also open up a new source of funds for small business because only that portion of the seller's proceeds reinvested in another small business would qualify for the tax deferral. This new "rollover" investment must be made within three months prior to the sale or within twelve months thereafter. The basis of the stock acquired would be reduced by the amount of the taxable gain deferred. Any amounts not reinvested would continue to be taxed as under current law.

This rollover or tax deferral would be permitted only on the sale to an ESOP or to a worker-owned cooperative. In order to qualify as a worker-owned cooperative, a majority of the members of the cooperative must be employees, a majority of the shares must be owned by employees, and a majority of the board of directors must be selected by the members on the basis of one person one vote.

In addition, a majority of the earnings and losses must be allocated to members on the basis of either their own patronage or their own investment in the venture (or on some combination of the two factors). For these purposes, it is intended that patronage be determined on the basis of either the number of house worked or on the basis of pay (or some combination). In determining whether an organization meets these criteria, the Internal Revenue Service should look to the bylaws of the cooperative.

There is no philosophical difference between a company that is owned by its employees through an ESOP and one that operates as a cooperative. I support both, and this legislation is intended to encourage both.

Promoting an ownership income

This bill also provides a tax deduction to ESOP companies for the amount of cash dividends that they pay on stock held in their ESOP, provided the dividends are either distributed currently to employees or used to repay an ESOP loan. The result is to convert corporate income either into dividend income for employees or into a more rapid rate of capital accumulation for employees. Because such dividends would be deductible at the corporate level, they would not qualify for the $100 partial exclusion from income ($200 on a joint return). Instead, all such dividends would be taxable at the individual level.

Numerous studies have shown a strong correlation betweeen employee ownership and employer profitability. This provision provides ESOP companies with a means by which such increased profitability can be made to reach employees in the form of an ownership income. If working Americans are to learn to truly understand and appreciate the value of capital ownership, that ownership should be designed to have some direct effect on their lives. As Ronald Reagan explained in advocating this tax policy in February of 1975: "An ever-increasing number of citizens thus would have two sources of income—a pay check and a share of the profits."

In effect, Government is a partnership in profit with the private corporation (to the extent of the corporate income tax). This provision suggests that as more working Americans become stockowning partners in the Nation's productive might, Government's stake in that profit should gradually be phased out and the income tax instead shifted to the individual level. This provision achieves that result to the extent that a corporation's stock is held for employees in an ESOP and the company either pays out its earnings on a current basis to its ESOP participants or applies those earnings to repay an ESOP loan.

This approach also helps to insure that the employees, on whose behalf the stock is being acquired, will receive a fuller payout of the earnings on the capital underlying their stock. During the period that the ESOP trust is paying for the stock, sponsor companies may wish to pay out only a portion of the dividends, utilizing the balance to repay the ESOP loan more rapidly.

By making more working Americans dividend-receiving stockholders, this provision will also help to foster a better appreciation for the function of productive property in our private enterprise system. That appreciation should, in turn, support a better understanding of the costs and the trade-offs of Government programs.

This provision should also have some effect on a company's ability to attract equity capital. Many small companies do not pay dividends, or pay them only on an irregular basis. Because an ESOP generally must hold the best class of common stock issued by the sponsoring corporation (including the best dividend rights), the deductibility of dividends on the stock held by the ESOP should be an inducement for the company to establish a policy of regularly declaring dividends. This policy not only should benefit existing stockholders (including those who shares are held by the ESOP) but also should make such stock a more attractive investment to others.

It should be noted that this provision limits deductibility to those dividends paid on ESOP stock held for employees. Although this tax incentive arguably could be extended to stock distributed from an ESOP and held by former employees or beneficiaries, this proposal does not go that far. By limiting deductibility solely to dividends paid on stock held for employees, it is anticipated that the modest amount of revenue lost by this provision will realize its maximum effect by generating more motivation and productivity among active employees.

Eliminating double taxation—an equitable approach

In 1980, the Carter Administration Treasury opposed this proposal on the grounds that it is a "piecemeal approach" to the overall issue of integration of corporate and personal income taxes (an issue constantly "under study" by the Treasury), and that ESOPs should not receive special treatment. Their position overlooks the ownership-broadening purpose of this provision. By limiting this proposal to ESOPs, this bill would provide an incentive for expanded ownership and would help to promote a policy which should be at the center of American economic policy.

Thus far, proposals, for overall integration have been of a type that would effectively perpetuate and promote the existing concentration of wealth (for example, by providing tax credits to individuals for dividends received). Any approach to integration that is not linked to expanded ownership is destined to favor an already well-favored minority of the U.S. population.

A more equitable approach might be to permit ESOP companies to deduct the expense of all dividends paid (versus those paid on stock in the ESOP, as this bill proposes). To qualify, an ESOP company could be defined as a company with a specified percentage of employee ownership, for example, 20 percent (or, perhaps, 20 percent in 1983, to be increased by 2 percent each year thereafter for the next 15 years). This approach would provide a strong incentive for existing owners to establish ESOPs in order for the corporation to qualify for dividend deductibility on their own stock.

Ironically, one side effect of our present populist-inspired system of double taxation is to discourage expanded ownership. This is due to the simple fact that current law encourages corporations to retain their earnings for reinvestment rather than pay them out as dividends to be taxed to the shareholder at unearned income rates (as high as 50 percent at the Federal level, plus whatever State tax rates apply). Instead, shareholders generally prefer to hope for an increase in value of their stock and, on sale, be taxed at the that time at lower capital gain rates. The corporation's retained earnings, in turn, are generally used to generate (or acquire) new capital—capital which, of course, will be owned by preexisting stockholders.

Similarly, the deductibility of interest encourages corporations to use either borrowed funds or various debt instruments for financing a substantial portion of the balance of their capital needs. As with the use of retained earnings, the previous owners become the new owners. The other principal source of corporate financing has been funds generated internally through the use of depreciation reserves, investment tax credits, and the like. For the most part, new capital is financed either with such internally generated cash or with borrowings repaid with such cash. From an ownership point of view, the result is the same.

New equity issues continue to play only a minor role in the financing of new capital. To the limited extent that equities do play a part, it seems likely that those new issues are acquired primarily either by institutional investors or by existing stockholders—that is, by those who have the purchasing power with which to make such acquisitions.

The expanded ownership approach to corporate financing suggests that this self-perpetuating cycle of concentrated ownership should be altered. The ESOP is the first of what will hopefully be many new methods of finance designed to broaden ownership and to make that broadened ownership a meaningful part of people's economic lives.

Financing incentives for employee ownership

This bill also permits a bank, an insurance company, or other institutional lender to exclude from income 50 percent of the interest received on loans to ESOP companies, provided the loan proceeds are used to finance an ESOP's acquisition of company stock.

Although the ESOP concept focuses on the use of the "leveraged ESOP" as a technique of corporate finance, unfortunately, the leveraged type of ESOP is not widely employed. To the sponsoring company, the tax attractiveness of ESOP financing stems from the ability to claim a tax deduction for contributions to an ESOP (as an employee benefit plan), with those contributions then applied to repay an ESOP loan (both interest and principal) used to acquire company stock for employees.

To the employees, the attractiveness of ESOP financing stems from the ESOP's ability to gain access to a block of stock at an early date, and thereafter to share in any appreciation in the stock's value. With a

non-leveraged type of ESOP (similar to many stock bonus or profit-sharing plans), an employer periodically contributes either cash (to buy company stock) or stock (with a deduction taken for the current value of the stock). With either non-leveraged approach, however, employees are denied the ESOP's ability to enable them to share in the full increase in value of the stock. This access to credit to acquire a block of company stock at an early date is at the heart of ESOP financing and should be encouraged.

To encourage companies to undertake ESOP financings, this provision provides an incentive to institutional lenders to extend loans to ESOP companies. By permitting lenders to exclude from income 50 percent of the interest received on ESOP loans, this provision should enable lenders to offer ESOP companies a lower rate of interest. This lower interest rate should encourage more employers to finance their growth and their transfers in ownership in such a way that employees will have an opportunity to share in the benefits of such financing.

Well-informed lenders will recognize that their clients with the foresight to embrace employee stock ownership are preferrred customers for a number of reasons, this tax incentive being but one of several. Research indicates that companies with employee ownership are survivors, with a built-in incentive system that promotes a spirit of cooperation, cohesion and compromise. In short, they are generally far more flexible and, thus, a far better risk from a lender's perspective.

In addition, the very nature of ESOP financing can have a dramatic impact on a company's ability to handle debt. By enabling a company to claim a deduction for its principal payments on a loan, ESOP financing puts a company in a far better position to service its debt obligations than a similarly-situated, conventionally-financed company. An ESOP company needs to generate far less revenue to repay its loan than a non-ESOP company.

It is anticipated that this combination of factors will attract the attention of the financial community to the many benefits of ESOP financing.

Attracting investors to employee-owned companies

This bill also increases the capital gains exclusion (from 60 percent to 80 percent) for investments that are held for at least three years in companies in which 50 percent of the stock is held by at least 50 percent of the non-management employees. Thus, the effect would be to reduce the maximum rate of tax on net capital gains on such investments from 20 percent to 10 percent.

In determining whether 50 percent of the stock is held by employees, stock held on behalf of employees, in an employee stock ownership plan would be included. Stock held by officers and members of the board of directors would be excluded from the computation. The term officer would mean an administrative executive who is in regular and continuous service.

A lack of investment capital continues to be a principal problem facing companies, and particularly new or small companies. Traditional lending institutions are generally wary of such companies. Loans to such firms are risky. In addition, the size of such loans, compared with the costs of processing and administration, makes them relatively unattractive. New companies, in particular, generally must turn to other sources for their financing.

This proposal would address this problem while also helping to accomplish several closely-related objectives. By providing a tax incentive to the investor, this provision would make it easier for individuals to obtain venture capital for new enterprises or to expand existing enterprises.

It is important to the encouragement of such businesses that the incentive be directed to investors rather than to the company itself. This is due to the simple fact that small, new companies are not very responsive to tax incentives because they often have little, if any, tax liability. However, if an investor in a new company can qualify for a reduced tax rate on his or her capital gain, then it becomes more attractive for such an individual to put money into such companies, despite the higher risks generally associated with them.

Thus, this bill provides a mechanism whereby a new firm or an ongoing company can attract investment capital to enable it to reach a position where it has more ready access to institutional sources of financing. In many cases, this incentive could make the difference in whether or not a fledgling business is able to get off the ground.

In addition, this provision, by requiring a substantial degree of employee ownership, should help a company attract and retain qualified, motivated employees—an essential ingredient in the launching of any new enterprise. Providing employees with "a piece of the action" will help to stimulate employee interest and productivity while also encouraging companies to provide employees with an opportunity to acquire stock at the outset of their employer's existence.

Under this proposal, employee ownership can be achieved in any of a number of ways. An ESOP is one obvious method; but stock could, for example, be distributed by giving shares as bonuses or by selling stock to employees at discounted prices.

Because of the sequence of the revenue flow of a new company, this provision should result in a net positive flow of funds to the Treasury. When an investor or a group of investors first invest in a company, they generally do so with the expectation that they will not be able to sell a portion of their shares in the company for several years. During this period the company hires personnel, invests in plant and equipment and research and development, and undertakes other activities that generate taxable revenues.

This economic activity must, of course, take place before any of the original investors can sell their shares at a profit, realize capital gain, and take advantage of this special tax treatment. In the interim, a chain of new economic activity has occurred which will contribute to the generation of additional tax revenues. Thus, this bill should result in a net revenue gain to the Treasury.

The presence of an ESOP should make a company attractive to investors for a number of reasons (in addition to that of the reduced capital gains tax). Employee stock ownership itself should be signal to investors that they are dealing with a forward-looking company, and one with a work force that is likely to be more highly motivated and committed than most.

In addition, one of the most difficult problems facing those who invest in non-publicly traded companies is how to get their funds back out of the company. Investors know that an ESOP, by serving as an "in-house market" for their stock, can often be ideally suited for this purpose. Any gain on the sale to an ESOP will generally qualify as a capital gain. The ESOP can also provide a tax effective alternative to the generally expensive and burdensome alternative of "going public".

In addition to these advantages, potential investors have the satisfaction of knowing that their interest is being acquired on behalf of the employees—without whose efforts their investment would not have succeeded. And, by encouraging ESOP buyouts, this provision should promote the continuity of small businesses.

This provision will help fill a void. It creates a strong new incentive for a company to share ownership with its employees at a point when employee motivation and dedication is most crucial to the company's success. And by enabling employees to acquire stock at the outset of the company's existence, employees will be well positioned to realize the maximum appreciation in the value of the company's stock.

This provision approaches the goal of employee stock ownership in a new way. Previous efforts to encourage employee ownership have focused primarily on ESOPs. This proposal, however, provides an incentive for investors and management to share stock ownership in any number of ways, including ESOPs.

Estate tax assumption

Another provision of this bill would also foster the continuity of small businesses by adapting ESOP financing to the current tax code provision permitting an extension of time for payment of estate tax where an estate consists largely of an interest in a closely-held business. Under present law, if the value of the interest in a closely held business exceeds 35 percent of the value of the adjusted gross estate, the estate taxes attributable to the value of that interest may be paid in installments for up to 14 years (annual interest payments for four years, followed by up to ten annual installments of principal and interest).

This provision would enable the liability for estate tax to be assumed by an ESOP in return for a transfer from the estate of stock of an equal value, provided the sponsor company guarantees payment of the tax and agrees to pay such tax over a period of years. As under current Internal Revenue Code section 6166, this provision would permit an initial period of deferral of payment of estate tax, with up to ten equal annual installments permitted after the deferral period. The special four percent interest rate of present law would apply to estate taxes on the first $1 million of value of an interest in a closely held business; on the balance, interest would be paid at the adjusted prime rate as determined under Code Section 6621. Similarly, the provisions of current law would apply to accelerate payment of any remaining unpaid tax in the event of a delinquent payment of either interest or tax.

The purpose of Code section 6166 is to make it possible to keep a business enterprise intact where the death of one of the owners results in the imposition of a relatively large estate tax. Without this provision permitting the payment of estate tax on an installment basis, heirs might otherwise be forced to break up a business or to sell it to some larger company in order to pay Federal estate taxes. This problem is particularly burdensome for estates in which a substantial portion of the assets consist of stock in a closely-held business.

By extending the period over which the estate tax must be paid, it becomes possible, in most cases, for the tax to be paid for out of the earnings of the ongoing business, or at least provides heirs with additional time to obtain funds to pay the estate tax without upsetting the operation of the business.

This provision adapts this sensible approach to the concept of employee ownership via ESOP financing by relieving the estate of tax liability to the extent that stock is transferred to an ESOP and the employer guarantees payment of the estate tax. Thus, this provision expands the laudable purposes of Code Section 6166 in such a way as to benefit the "employee family" of substantially closely-held companies.

In addition to providing a stimulus to employee ownership, this provision should be particularly helpful in enabling small businesses to continue in operation as independent enterprises. As the Committee on Ways and Means stated in their 1958 rationale for the original provision permitting deferral of tax and payment on an installment basis:

"This provision is particularly important in preventing corporate mergers and in maintaining the free enterprise system."

Strengthening the tax base

This bill also permits an ESOP to be treated as a charitable organization for income, gift and estate tax purposes, provided donated stock is not allocated to the donor, family members of the donor or 25 percent shareholders. This provision is intended to encourage affluent taxpayers to make gifts to qualified ESOP trusts in order to reconnect the ownership of capital with a broader base of private individuals.

At present, a wealthy stockholder who has built a substantial estate is faced with a dilemma. If he or she tries to give it away or leave it by bequest to anyone other than a spouse, the Federal Government ends up with a substantial part of it. Often, the most tax-wise alternative is to make a donation to a public purpose foundation. Even though this stockholder may wish to leave a substantial portion of his or her wealth to the employees who helped to create that wealth, our current tax laws make such an event highly unlikely.

Consequently, at a time when American capitalism desperately needs more capitalists, we find enormous amounts of private wealth being "institutionalized" in such foundations. Clearly these foundations provide a valuable public service. However, we should question the logic of a private property system that has so arranged its incentives that a taxpayer wishing to leave his business to the employees who helped to make him wealthy is instead forced by our tax laws to place the bulk of that great wealth either in Uncle Sam's coffers or in a public purpose foundation.

One of the best public purposes to which such wealth could be put is to connect more of our working population to productive, income-generating assets. At present, we provide a substantial tax incentive for disconnecting productive capital from private ownership by placing it in foundations; we should give that same tax incentive for individuals willing to donate their wealth, instead, to connect capital to a broad group of private individuals.

This is not meant to suggest that foundations do not perform an important function. Quite the contrary; they play a crucial role and, in many cases, fill a void that might otherwise need to be filled at taxpayer expense. What it is meant to suggest is that the options now open to a wealthy person are too limited. If he or she wishes to leave personal wealth to such a foundation, that is as it should be. We should applaud that decision, and our tax laws should continue to offer an incentive to make such gifts and bequests.

But the fact that a person is not encouraged to leave a business to those who helped to build it is not as it should be. That we force the institutionalization of such wealth is not as it should be. That is a shortsighted strategy from a tax philosophy point of view, and one that serves to further sap the already waning strength of capitalism—the same capitalism that has enabled such foundations to prosper all these years.

As for this Nation's many fine public purpose foundations, which hopefully will enthusiastically support this provision, they would do well to recall the advice of Henry Ford II on his retirement from the Ford Foundation in 1976. At that time, he observed:

"The Foundation exists and thrives on the fruits of our economic system. The dividends of competitive enterprise make it all possible. A significant portion of the abundance created by U.S. business enables the Foundation and like institutions to carry on their work. In effect, the Foundation is a creature of capitalism—a statement that, I'm sure, would be shocking to many professional staff people in the field of philanthropy. * * * Perhaps it is time for the trustees and staff to examine the question of our obligations to our economic system and to consider how the Foundation, as one of the system's most prominent offspring, might act most wisely to strengthen and improve its progenitor."

Certainly there can be no more logical successors to ownership of a company than the employees who helped to build and develop it. They generally have the experience, the interest, and the commitment to carry on the operation. This provision would encourage that type of succession.

The tax benefits would be denied, however, where any part of the contribution or bequest is allocated under the ESOP to the taxpayer, to members of his family, or to any person owning more than 25 percent of the company's stock. In addition, as with all tax-qualified employee benefit plans, allocations could not discriminate in favor of employees who are officers, shareholders, or highly compensated.

This provision is also designed to strengthen the tax base. The Federal Government would lose no tax revenues since contributions to charitable organizations are already exempt from tax and profits from donated income-producing property are generally accumulated tax-free within such organizations. In addition, assets left to charity are forever lost to our tax system.

By permitting an individual to leave his property to an ESOP, we are moving not only to strengthen the connection of working Americans to productive capital but also to insure that these amounts will remain within the Federal tax system. In addition, these amounts will be taxable to employees when they receive a distribution from the ESOP. Thus, in an era when most tax legislation results in a revenue loss, this provision should result in a revenue gain.

In addition, this provision would give expression to the best in charitable giving by providing the wealthy with an incentive to leave their holdings of capital in such a way that more individuals might become economically self sufficient. This approach corresponds with the ancient philosopher Maimonides' observation that:

"The most meritorious of all (methods of giving) is to anticipate charity, by preventing poverty * * * this is the highest step and the summit of charity's golden ladder."

Other ESOP amendments

This bill also makes the changes necessary to insure that an ESOP may be established by a Subchapter S corporation. Under current law, such a corporation could not establish an ESOP (due to the general prohibition against the stock of such corporations being held in trust). This bill provides an exemption from that general prohibition in the case of ESOP trusts. In addition, in order to insure that such a corporation will not lose its Subchapter S status due to distributions of stock to employees (thereby increasing the number of shareholders beyond permissible limits), stock distributed from ESOPs sponsored by such corporations would be disregarded in determining the number of shareholders.

The last provision of this bill permits recaptured ESOP investment tax credits to be used to reduce contributions to payroll-based tax credit ESOPs. The tax credit ESOP has been in the law since 1975, and since 1976 companies have been able to reduce their future contributions to such plans by the amount of any recaptured credits, thereby insuring that the plan could be funded solely with tax credits. At the sponsor company's election, it could instead claim a deduction for any contributions that were later recaptured, provided such deductions did not exceed the deduction limitations generally applicable to qualified plans.

In the Economic Recovery Tax Act of 1981, the Congress decided to switch the tax credit ESOP from one based on investment to one based on payroll, thereby eliminating the tax credit ESOP's bias in favor of capital-intensive companies over those that are people-intensive. This change went into effect at the end of 1982; thus, investments made after 1982 do not qualify for the ESOP credit. Instead, an ESOP tax credit of up to one-half percent of payroll applies for 1983 and 1984, increasing to three-quarters of one percent for payroll paid in 1985 through 1987.

In making that switchover, however, we did not provide for the offset of payroll-based ESOP credits with credits claimed but recaptured under the preexisting investment credit ESOP provisions. Thus, companies who, in good faith, claimed investment-based ESOP credits and now find themselves in the position in which those credits must be recaptured are discovering that the rules have changed. Whereas employers reasonably expected to be able to fund their ESOP with tax credits, they now find that only a deduction is allowed for recaptured amounts.

This provision not only provides a continuity of treatment for recaptured amounts, it will also reduce the potential revenue loss of the tax credit ESOP provisions. Without this amendment, an employer will claim both the maximum payroll-based ESOP credit and a deduction for any recaptured investment-based ESOP credit. If the offset is restored, the deduction for the recaptured amount would not be claimed.

By Mr. BAKER (for Mr. HATCH) (for himself, Mr. KENNEDY, Mr. DOMENICI, and Mr. BINGAMAN):

S. 2129. A bill to provide revised reimbursement criteria for small rural health clinics utilizing National

Health Service Corps personnel; placed on the calendar.

RURAL HEALTH CLINICS ACT OF 1983

Mr. HATCH. Mr. President, I am today once again joining with my friends, and colleagues, Senators KENNEDY, DOMENICI, and BINGAMAN, to introduce the "Rural Health Clinics Act of 1983." Last week, Senator DOMENICI and I introduced legislation to assist rural health clinics who are required to share in the cost of educating health professionals assigned by the National Health Service Corporation to their clinic.

This legislation represents a bipartisan agreement that rural health clinics play an important role in providing health care to areas in our country with manpower shortages. It will help them continue to provide needed health services to those areas, while solving the problems of repayment facing the rural clinics.

NHSC, originally created by the Emergency Health Personnel Act of 1970 established a program whereby Public Health Service members and other personnel could volunteer to practice their professions in areas of the country that were determined to be short of medical personnel.

In 1972, the act was actually implemented and a scholarship program established. These scholarship awards were granted to health professions students who agreed to serve 1 year in the Corps for every year of scholarship assistance. The NHSC, which was training doctors to practice in medically underserved areas had grown until it was in danger of becoming competitive with the private sector. Meanwhile, the numbers of medical students outside of the Corps was growing and an obvious glut of private physicians was looming.

All of these circumstances led to major revisions in the National Health Service Corps Program enacted by the Omnibus Reconciliation Act of 1981. This legislation led to greater efficiency in the delivery of health care in designated manpower shortage areas. I believe firmly that the National Health Service Corps Program is a good one.

Part of those 1981 changes included a site reimbursement policy. What this means simply is, that after a community has been designated as an NHSC site, they agree to share in the Federal Government's cost of paying for that corpsman's medical education. A site reimbursement procedure was developed by the Department of Health and Human Services to assist these sites in managing payback systems that allow a health delivery entity to meet its reasonable cost of operations as well as repay to the Corps a portion of that cost.

This bill would further assist small clinics in meeting their financial obligation to the Corps.

The Secretary of Health and Human Services will determine if the small clinics are eligible for waiver of all or any of the payback under a new system which would consider the primary and supplemental services provided by the clinics—primary and supplemental services include all health services which will generate revenues for the center—what services are needed in the area, costs the clinics may reasonably expect to incur and revenues raised from third party reimbursement.

This new formula for payback will prevent small clinics from curtailing service or closing completely. This change takes into consideration the clinic's ability to repay the Government rather than a strict formula of payback currently being enforced.

It is my hope that this legislation, designed to assist small clinics manage their payback systems and remain viable health service providers, will receive swift approval by my colleagues. This bill is supported by both the majority and minority of my committee and it is my understanding that the House will accept the Senate version of this legislation and so it is expedient that we act on this bill tonight. I would therefore ask unanimous consent that the bill be considered and I would ask for a voice vote to follow that consideration. I also ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2129

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rural Health Clinics Act of 1983".

FINDINGS

SEC. 2. Congress finds and declares that—

(1) rural health clinics are an important part of America's health care delivery system;

(2) National Health Service Corps personnel assigned to rural health clinics located in health manpower shortage areas have provided valuable and needed staffing help for such clinics;

(3) rural health clinics receiving assistance from National Health Service Corps personnel should be expected to reimburse the Federal Government for a reasonable share of the costs of such personnel; and

(4) the criteria which should be applied to reimbursement by such clinics for use of such personnel should be a fair and equitable one which reflects the needs of such clinics and the populations served by such clinics, as well as the value of the services rendered by such personnel.

ALTERNATIVE REIMBURSEMENT PROVISIONS

SEC. 3. (a)(1) Subsection (a) of section 334 of the Public Health Service Act (42 U.S.C. 245g) is amended—

(A) in the matter preceding subparagraph (A) of paragraph (3), by inserting ", if not a small health center," after "the entity";

(B) by striking out "and" at the end of subparagraph (C) of such paragraph;

(C) by redesignating paragraph (4) as (5); and

(D) by inserting after paragraph (3) the following new paragraph:

"(4) the entity, if a small health center, shall pay to the United States, in each calendar quarter (or other period as may be specified in the agreement) during which any Corps member is assigned to such entity, an amount determined by the Secretary in accordance with subsection (f); and".

(b) Subsection (b) of such section is amended—

(1) by inserting ", on a prospective or retrospective basis," after "in whole or in part" in paragraph (1);

(2) by inserting "which is not a small health center" after "for an entity" in such paragraph;

(3) by inserting ", on a prospective or retrospective basis," after "in whole or in part" in paragraph (2);

(4) by inserting "is not a small health center and which" after "for any entity which" in such paragraph;

(5) by inserting "and does not, pursuant to paragraph (5), require payment by the entity in the amount described in subsection (f)(1)," after "paragraph (1) or (2)," in paragraph (3); and

(6) by adding at the end thereof the following new paragraph:

"(5)(A) If the Secretary determines that an entity which is not a small health center is eligible for a waiver under paragraph (1) or (2), the Secretary may waive the application of subsection (a)(3) for such entity and require such entity to make payment in an amount equal to the amount described in subsection (f)(1) that would be payable by such entity if such entity were a small health center.

"(B) The Secretary may waive in whole or in part, on a prospective or retrospective basis, the application of the requirement of subparagraph (A) for any entity if the Secretary determines that the entity is financially unable to meet such requirement or that compliance with such requirement would unreasonably limit the ability of the entity to provide for the adequate support of the provision of health services by Corps members. Funds which would be paid to the United States but for a waiver under this subparagraph shall be used by an entity to—

"(i) expand or improve its provision of health services;

"(ii) increase the number of individuals served;

"(iii) renovate or modernize facilities for its provision of health services;

"(iv) improve the administration of its health service programs; or

"(v) to establish a financial reserve to assure its ability to continue providing health services.".

(c) Subsection (c) of such section is amended—

(1) by inserting "which is not a small health center" after "an entity";

(2) by inserting "or subsection (b)(5)(A)" before "shall be used by the entity".

(d) Such section is amended by adding at the end thereof the following new subsection:

"(f)(1) An entity which is a small health center shall pay to the United States, as prescribed by the Secretary in each calendar quarter (or other period as may be specified in the agreement) during which any Corps member is assigned to such entity, an

amount equal to the amount (prorated for a calendar quarter or other period) by which the revenues that the center may reasonably expect to receive during an annual period for the provision of health services exceeds the costs that the center may reasonably expect to incur in the provision of such services, except that the amount that an entity shall pay to the United States under this paragraph shall not exceed the amount such entity would pay to the United States under paragraph (3) of subsection (a) if such paragraph applied to such entity.

"(2)(A) To determine for purposes of paragraph (1) the revenues and costs which an entity that is a small health center may reasonably be expected to receive and incur in an annual period for the provision of health services, the entity shall submit to the Secretary before the beginning of such period a proposed budget which—

"(i) describes the primary and supplemental health services (as defined in section 330) which are needed by the area the entity serves in such period; and

"(ii) states the revenues and costs which the entity expects to receive and incur in providing such health services in such period.

"(B) From the submission under subparagraph (A) and other information available to the Secretary, the Secretary shall determine—

"(i) the primary and supplemental health services (as defined in section 330) needed in the area the entity serves;

"(ii) the fees, premiums, third party reimbursements, and other revenues the entity making the submission may reasonably expect to receive from the provision of such services; and

"(iii) the costs which the entity may reasonably expect to incur in providing such services.

The revenues and costs determined by the Secretary shall be the revenues and costs used in making the determination under paragraph (1).

"(3) The Secretary may waive in whole or in part, on a prospective or retrospective basis, the application of paragraph (1) for an entity which is a small health center if the Secretary determines that the entity needs all or part of the amounts otherwise payable under such paragraph to—

"(A) expand or improve its provision of health services;

"(B) increase the number of individuals served;

"(C) renovate or modernize facilities for its provision of health services;

"(D) improve the administration of its health service programs; or

"(E) establish a financial reserve to assure its ability to continue providing health services.

"(4) The excess (if any) of the amount of funds collectd by an entity which is a small health center in accordance with subsection (a) (2) over the amount paid to the United States in accordance with paragraph (1) of this subsection shall be used by the center for the purposes set out in subparagraphs (A) through (E) of paragraph (3) of this subsection or to recruit and retain health manpower to provide health services to the individuals in the health manpower shortage area for which the entity submitted an application.

"(5) For purposes of this section, the term 'small health center' means an entity other than—

"(A) hospital (or part of a hospital);

"(B) a public entity; or

"(C) an entity that is receiving a grant under section 329 or section 330, except that such term includes an entity whose grant is less than the total of the amounts, calculated on an annual basis, specified in subparagraphs (A) and (B) of subsection (a)(3).".

EFFECTIVE DATE AND APPLICABILITY

SEC. 4. The amendments made by section 3 shall apply with respect to agreements entered into under section 334 of the Public Health Service Act after the date of the enactment of this Act, but, to the extent feasible, the Secretary of Health and Human Services shall revise agreements entered into under such section 334 before such date to reflect the amendments made by section 3.

RURAL HEALTH CLINICS ACT OF 1983

Mr. KENNEDY. Mr. President, today, I join with my distinguished colleagues, Senators HATCH, DOMENICI, and BINGAMAN in introducing a bill that will remedy a predicament facing hundreds of National Health Service Corp clinics. These clinics find themselves unable, under the stringent criteria applied by the administration, to afford payback to the Federal Government for the placement of NHSC medical personnel.

Although the authorizing legislation for the NHSC is up next year, circumstances are such that an immediate legislative remedy is required on behalf of those clinics that depend predominately on patient revenue; that is, freestanding sites.

Because of recent inconsistent policies from the administration, these smaller freestanding clinics have been told that they will have to make higher payback to the Government. No consideration would be given to the high costs that are inherent in NHSC sites located in health manpower shortage areas. The most adversely affected are those clinics located in rural communities. The situation is exacerbated by the administration's position that no waiver will be granted except in the most extreme circumstances. The result is that clinics are in danger of closing.

In my State of Massachusetts I have 22 freestanding sites, with 21 doctors, 12 dentists, and 3 physician extenders that will be affected. I have long been an advocate for quality health care for all Americans and believe we are playing Russian roulette with these clinics when we let the current situation go unchecked.

The major feature of the bill sets forth a new reimbursement formula that shall apply to small clinics and may apply to large clinics who have an inability to pay or service a significant number of needy and elderly persons or those living in poverty. Thus the large clinics may follow the same reimbursement formula as the smaller clinics, which I feel is necessary since many larger clinics are similarly situated as small clinics with high costs and low revenue.

Overall, it has come to my attention that the small and larger clinics do favor prospective budgeting and prospective waivers as it assists them in planning for their clinic operations. The House report that accompanies H.R. 3649, a similar bill to the Rural Health Clinics Act provides the proper context of how we should proceed to implement this revised reimbursement system.

In conclusion, Mr. President, the intent of the bill we introduce today is to encourage accountability of our clinics, whether they be small, freestanding sites or the larger federally funded sites. The situation of our small clinics gave rise to this legislation but it may have established the framework to help improve the National Health Service Corps and bring attention to the larger clinics that in many respects would benefit from the reforms we make today.

Mr. DOMENICI. Mr. President, it is with great pleasure that I join my colleagues today to clear up a problem of vital significance to the financial future of small freestanding rural health clinics. Their financial stability was seriously threatened this summer when the Public Health Service issued a regulation requiring much higher "paybacks" for the services of National Health Service Corps personnel.

Several New Mexico clinics, including La Clinica del Norte in El Rito, La Clinica del Pueblo de Rio Arriba in Tierra Amarilla, the Ben Archer Health Clinic in Hatch, La Clinica de Familia in San Miguel, and the New Mexico Primary Care Association contacted me about their very valid concerns about this new payback regulation. My hope was to solve the problem with a better regulation or a clarification. The Public Health Service has responded with a clarification that allows supportive health personnel costs to be included in the payback calculations. While this is an improvement over the troublesome new regulation, it does not go the full distance to insure these small clinics of a reasonable hope of financial viability.

Our bill, written with the generous assistance of the Office of Management and Budget, and the able staff of the Senate Committee on Labor and Human Resources at the request of Senators HATCH and KENNEDY, takes the payback problem out of the hands of the regulators by proposing a legislative solution. I urge my colleagues to support this carefully constructed approach that has the full backing of the administration.

In simplest terms, we are creating a prospective negotiated budget for these clinics. Paybacks will not occur until the revenues of the negotiated budget exceed the costs. The provision of primary and supplemental health care services will proceed without the

fears engendered by an overly cost-conscious bureaucrat who might again ignore the fundamental purpose of Emergency Health Personnel Act of 1970. In this act, we established a cost-sharing partnership to encourage health care where it is most needed. This past summer's regulation ignored the health provision aspect of the act and focused on costs only. The result, if unchecked, will be to squeeze between $6 and $12 million out of some 500 small rural health clinics that are already struggling to survive. This bill reestablishes the full partnership and places emphasis on sound management practices.

In addition to stabilizing the day-to-day financial operations, our bill also allows a successful clinic—that is, one that is able to meet all costs—to obtain a waiver in whole or in part for expansion and improvement of health services, renovation or modernization of facilities, and other administrative improvements. This waiver applies to the payback that would otherwise kick in when revenues start exceeding costs as negotiated with the Public Health Service. Needed repairs, expansions, and medical equipment could be financed with the revenues generated by these clinics under the waiver provisions.

In New Mexico, the 24 rural clinics would have had to pay an additional 74 percent to the National Health Service Corps. Enactment of this legislation will save these clinics from such drastic increases, in some cases up to 300 percent. I believe that our bill will go a long way to stabilizing and improving the health care services available in these vital clinics where the populations would otherwise be medically underserved. With the support of my colleagues we can give new life to the original purpose of the National Health Service Corps.

THE RURAL HEALTH CLINICS ACT OF 1983

Mr. BINGAMAN. Mr. President, I am pleased to join as a cosponsor to the "Rural Health Clinics Act of 1983." I want to express my thanks to Senators KENNEDY, HATCH, and DOMENICI and their staffs for their efforts in crafting this important measure. Senator DOMENICI and I through separate bills have sought to help our rural clinics make a more reasonable payback to the Federal Government and to encourage fiscal responsibility and planning. This compromise bill implements the best of both bills and I am hopeful of its expeditious passage because the small clinics are required to make their first reimbursement payment in February 1984. The House has already passed a similar measure, H.R. 3649, introduced by Representative BILL RICHARDSON of New Mexico. The committee report accompanying H.R. 3649 is a detailed and thoughtful interpretation of the goals both the Senate and the House bills attempt to address and I commend it to my colleagues as a statement of the intent of this measure.

This bill makes necessary changes to the current formula in order to establish a more equitable payback system to small freestanding clinics, so that primary health care is not jeopardized in those communities financially unable to pay the Federal Government for placement of National Health Service Corps doctors, dentists, and nurses. Freestanding clinics are those that derive their income solely from patient revenues. Also, I am pleased that my colleagues concur that the larger health sites, such as the community health centers and migrant health centers, where Federal grants supplement the clinic revenue, also would benefit from the new payback system and prospective waivers. This would be within the Secretary's discretion but is an essential component if we want to help the most clinics nationwide.

As background, the NHSC provides medical personnel to health manpower shortage areas, HMSA's. These medical personnel, in return for scholarship money from the Government, make a commitment that upon completion of medical school, they will go to a HMSA. The basic intent of the NHSC is to provide health professionals to medically underserved communities. Communities which are assigned a NHSC member must then pay the Federal Government for the Government's cost of educating that individual and subsequent payment of salary at that NHSC site.

The current system works to the disadvantage of the smaller clinics in that their payment to the Federal Government is comparatively large given their size, costs, revenue, and service clientele. Also, the payback policy makes no allowance for encouraging a clinic to improve or expand its service to the community. There is usually no money left for such improvements after payment to the Government.

Mr. President, the smaller clinics in my State of New Mexico are predominantly located in rural areas where the clinic is the only primary health care provider. Also, the 100,000 people served in New Mexico by NHSC reside in parts of the State where there is high unemployment and low per capita income. A high percentage of the patients are older New Mexicans with chronic health problems, no means of transportation, and fixed incomes. Unless the reimbursement system is changed soon, these rural health clinics will be forced to cut back on needed support services intrinsic to rural care providers such as outreach and pharmaceutical services, laboratory and X ray testing, nutrition education, and transportation. Even more compelling is that these clinics may have to reduce primary health care and at the worst close down.

The administration's change in waiver policy and computation of payback last summer precipitated this controversy. Waivers, traditionally granted if clinics were having financial hardship, or serving large numbers of poor, elderly or other needy persons, would now only be granted if acts of God occurred causing large, unexpected expenditures, or because of poor financial management.

The outcry from the NHSC sites prompted HHS to reinstate its original policy and emphasize that the two new requirements would be in addition to the original law. However, the fact remains that payment is still required of these clinics and that the revised payback formula governs.

This bill would resolve an inconsistency in NHSC direction. On the one hand the goal of NHSC is to get health professionals out into medically underserved areas; yet at the same time, it declares that those communities are penalized for the fery status that makes them unable to payback the Government. The question cannot be phrased as an either/or proposition; that is, either you pay the Government or you lose your doctors. Rather, the Federal Government needs to clarify what it seeks to accomplish with NHSC personnel. If the purpose is producing revenue then the sites should be placed in high employment and high per capita income areas with favorable economic conditions to get the most return on the Government's investment. Communities without these characteristics would obviously be poor risks. The intent of NHSC, however, is to target health care to those in greatest need. That purpose must be maintained.

Although the bill is entitled the Rural Health Clinics Act, it is not intended to exclude those NHSC sites that meet the criteria of smaller clinics that are located in urban areas. For example, in New York many of the NHSC sites are located in New York City, hardly a rural area. Nevertheless, these sites meet the definition of medically underserved areas.

The overall goal of this bill is to amend the payback formula to encourage fiscal responsibility of NHSC sites so they will be able to reimburse the Federal Government, but not at the expense of their existence or vital operations.

Mr. President, this legislation will remedy confusion in several important areas. As I have explained, the current formula follows a complicated method that is disadvantageous to the smaller NHSC clinics. Nationwide there are 500 small/freestanding clinics and in New Mexico 23 of 28 clinics are freestanding. The new formula would look to each clinic and determine what

amount of payback, if any, should be waived. This would be accomplished using prospective budgeting.

The process would begin with the clinic submitting its proposed budget to HHS (NHSC) at the beginning of its fiscal year. The budget would include:

First, health care services needed in the NHSC served by the clinic. Health care services would include primary and supplemental health services as currently defined by HHS regulations;

Second, the costs the clinic anticipates will be incurred; and

Third, the revenue it expects will be collected from patients.

At the time of the budget submission to NHSC the clinic may request a partial or complete waiver. NHSC would then review the proposed budget and either approve or disapprove the application. The Secretary in making that determination would review several factors: Whether the money may be used to expand or improve a clinic's services; whether the clinic has an increase in patient population; whether the clinic needs to renovate or modernize its facilities—includes construction; or whether a clinic needs to improve its program or establish a necessary financial reserve. With the new basis for computation it is expected that the clinic will—because of prospective budgeting—be able to plan in advance for making the payment and at the same time have an opportunity to use its revenue to make necessary improvements if a waiver is granted.

The bill specifies that the new method will be used by clinics that have minimal or no Federal grant money. Large clinics would still use the present formula. Large clinics are hospital or public agency sponsored and migrant health clinics and community health centers. Two provisions in the bill allow large clinics an opportunity to use the new payback system or prospective waivers if the Secretary so determines.

Unless this legislation is enacted, it is estimated that in New Mexico some NHSC clinics will experience close to a 300-percent increase in payment to the Federal Government. A letter from New Mexico Secretary of Health and Environment, inserted in the RECORD at the end of my statement, documents the impact in New Mexico.

Nationwide, a poll taken by the National Association of Community Health Centers demonstrates an average payback increase of 230 percent for small clinics.

The Department of Health and Human Services has indicated support for this legislation; the Office of Management and Budget has estimated its cost to be minimal and has no objection. The freestanding clinics in my State of New Mexico and those nationwide are waiting anxiously to see whether the Senate will pass this act and alleviate a critical situation. I am hopeful of such action.

I ask unanimous consent that the following letters in support of this legislation be made part of the record at this point: letter from New Mexico Secretary of Health and Environment, Bob McNeil; letter from El Pueblo Health Services Director, Mr. Kenneth R. Pickard; and letter from State Senator Tito D. Chavez, chairman of the Human Services, Health and Aging Committee.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATE OF NEW MEXICO,
GOVERNOR'S CABINET,
Santa, Fe, July 7, 1983.

HON. JEFF BINGAMAN,
U.S. Senate, Washington, D.C.

DEAR SENATOR BINGAMAN: The Bureau of Health Care Delivery and Assistance National Health Service Corps (NHSC), of June 13, 1983, issued a policy regarding a change in the payback formula and process for all "integrated" and "freestanding" NHSC sites. The new policy and subsequent enforcement by regional office staff, will have a serious effect on the continuance of Primary Health Care Services to medically underserved New Mexicans.

Title 42—The Public Health And Welfare establishes the National Health Service Corps to "improve the delivery of health services in health manpower shortage areas". Section 254(g)(b) (1) and (2) states that bills for NHSC personnel may be waived under certain conditions: for example, in those areas "in which a significant percentage of the individuals are elderly, living in poverty, or have other characteristics which indicate inability to repay."

Previous NHSC policy rearding payback of NHSC personnel allowed for circumstance particular to the entity requesting a whole or partial waiver of NHSC payback to be a consideration in determining payback amounts. The HNSC has increasingly depended on fiscal "accountability" as the measure for deciding reimbursement levels for NHSC sites.

The most recent change in NHSC policy ignores demographic data, poverty status and other access issues in regard to payback waiver and insists that; (1) "Acts of God" and (2) "Sites inability to repay" are the rational for demanding payback. And, in the latter case "sites should realize that they are admitting their inability to provide effective financial management, are in noncompliance with the NHSC statute and are vulnerable for suspension of grant funds, reassignment of assignees, and/or termination" (see attached policy: bill waiver). It is obvious that according to the new policy, need is no longer the criteria for maintaining a NHSC program.

This change in policy will have an extreme negative impact on New Mexico clinics for three major reasons. First, unlike urban clinics where this policy was apparently site-tested, most New Mexico clinics are small, one or two physician practices which do not generate cash flow. In Hatch, for example, the new policy would require a change in payback from $17,421 (June-December 1982) to $60,555 (based on June-December 1982 data applied to new policy). That is a 248 percent increase which is also expected to be paid in full in one sum (see attached list of clinics). Second, if the intent of the new policy is not to close all clinics, the new policy assumes that clinics have alternative methods, such as grants, for hiring physicians. While this is true to some extent for Community Health Centers which receive grant awards as well as physician placement, 21 of the 29 clinics in New Mexico are freestanding sites, not Community Health Centers. The predominence of freestanding sites is a characteristic unique to New Mexico.

Third, access to medical services in rural New Mexico is significantly different than access to service in urban areas. While urban clincs may close and the patient population may be referred to other clinics or public hospitals, in the areas, if rural clinics close in New Mexico there are no alternative services.

The Anaya Administration has a strong commitment to primary health care in New Mexico and the Health and Environment Department is in the process of divising a plan to support and encourage these services statewide. However, a smooth and organized transition of Federal to State support is required and we need your assistance in maintaining those Federal services until the State Legislature can be presented with this issue.

Further, while the State is willing at this time to consider a change in its relationship with these clinics, the real issue is that the new NHSC payback policy is contrary to the legislative intent behind—and stated in—the Legislation which established the National Health Service Corps. We would appreciate your assistance on this problem as well.

Thank you.

Sincerely,

ROBERT MCNEILL, *Secretary.*

PRELIMINARY ESTIMATE OF IMPACT OF NEW NHSC POLICY ON NEW MEXICO CLINICS

[Based on June to December 1982 data]

Name	June 12, 1982		Percent change
	Approximately	New policy	
Pecos Valley Medical Center	1,707	4,064	138
La Clinica de La Gente (+24,000)	10,378	12,504	20
Dexter Dental Clinic	3,200	0	0
Clayton Health Center	11,900	16,000	34
Los Esteros Dental Clinic (Santa Rosa) (10,000 loan)	4,000	4,000	0
La Clinica del Pueblo de Rio Arriba (T.A.) 74,000 outstanding	28,518	37,048	30
Truchas Service Center	1,961	3,502	79
Hidalgo Medical Services, Inc. (Lordsburg)	2,818	4,914	74
Sacramento Mountains Medical Facility, Inc. (Cloudcroft)	3,760	5,612	49
Area Human Resources Council (Silver City)	1,520	2,533	67
Alamo Navajo Health Clinic	2,600	10,000	284
Hatch Area Health Clinic	17,421	60,555	248
El Pueblo Health Services (Bernalillo)	13,811	15,865	15
Carrizozo Health Center	2,827	19,193	579
Mora Valley Health Clinic	392	6,303	1,507
Hope Medical Center (Estancia)	15,582	18,000	16
La Clinica del Norte (El Rito)	5,277	6,136	16
Gallup Family Health Center	6,071	6,904	14
Jicarilla Apache Tribe (Dulce)	500	1,000	100
Los Lunas Hospital and Training School (Pay back in full, State facility)			
Total	134,243	234,138	[1] 74

[1] Increase.

Source: HED Health Planning and Development Division, June 1983.

EL PUEBLO HEALTH SERVICES, INC.,
Bernalillo, N. Mex., October 24, 1983.

DEAR SENATOR BINGAMAN: El Pueblo Health Services has been a National Health Service Corps site in Bernalillo, New Mexico since 1976 with Dr. Alan M. Firestone, M.D. as the physician provider. I have been associated with the clinic since 1978 as a physician assistant with the first four years being

employed by the National Health Service Corps and the period since 1982 by the clinic itself. Our clinic is the only primary care facility in the Bernalillo-Placitas-Algodones-Pena Blanca-San Ysidro area.

I know that you have heard much from rural National Health Services Corps clinics in New Mexico about their financial difficulties, especially with regard to the National Health Service Corps revised pay back procedures. For the past couple of years we have met our obligation to the Corps on the pay back, and currently we are paying to the Federal Government $2,300.00 per month towards the total bill of $13,811.00 based on the BCRR report of July-December 1982. This will be paid up in December 1983. However we have just received the bill for the BCRR reporting period of January-June 1983 in the amount of $10,675.00 which would mean approximately $1,780.00 per month on a payment plan. Unfortunately the revised National Health Service Corps pay back procedures call for the BCRR report for July-December 1983 to be done along with the computed bill in January 1984 with payment of that computed bill in February 1984. It is also apparent from the National Health Service Corps regional and central office that payment is expected in full. It is not difficult to see that such procedures put us in an untenable position—a Catch 22 situation. If we continue the monthly payments, then in February we will not have the funds to pay the Corps. Thus we will be delinquent. If we stop the monthly payments and put $2,300.00 into an escrow account toward the February payment, we are obviously delinquent also.

The goal of the community and of the community members who sit on the clinic's board of directors is to make El Pueblo Health Services into a private practice. The current pay back policies of the National Health Service Corps mitigate against a smooth transition from Federal to private. The Federal Government, specifically the National Health Service Corps, must realize that the new pay back procedures do not take into account the basic financial problems that rural clinics usually face—1) higher cost of health delivery and 2) poor community economic resources. Many sites will never be self-sustaining and will always require some subsidy. The pay back policies must reflect adequately these higher delivery costs and the communities limited ability to pay.

It is with all these concerns in mind that the board of directors of El Pueblo Health Services, Inc. decided at its October 5th meeting to reduce its monthly payment to $500.00 and put $1,800.00 in an escrow account toward the February BCRR bill. It is the board's contention that this decision demonstrates its good faith toward paying back the Federal Government and using sound financial management to plan for future payment of BCRR bills, all the while attempting to maintain an adequate cash flow that is a prerequisite for being able to continue to operate as a medical clinic. After all, the primary goal of El Pueblo Health Services, Inc. is to provide complete medical care to this community in a cost effective manner.

The purpose of this letter is not to ask for your intervention in this matter but rather to inform you of the constraining situation rural health clinics in New Mexico, especially this one, find themselves. Enclosed for your information is a copy of a letter sent to the National Health Service Corps Regional office in Dallas elucidating our course of action.

Thank you for your time.

Sincerely,

KENNETH R. PICKARD, Jr., PA-C.

EL PUEBLO HEALTH SERVICES, INC,
Bernalillo, N.Mex., October 24, 1983.

DEAR MS. RICHIE: The Community Board of El Pueblo Health Services, Inc. at its recent meeting October 5th discussed at great length its current BCRR payback status. As you know, we are currently paying the Federal Government $2,300.00 per month toward the July-December 1982 bill of $13,811.00. We have just received a bill for $10,675.00 for the period January-June 1983. Under the new revised BCRR reporting procedures, the bill for the period July-December 1983 will be computed along with the BCRR report, and payment must accompany the submission of the report in February 1984.

For our clinic this is a Catch-22 situation. If we continue to pay monthly installments, we will not have the funds to pay in February. Thus we will be delinquent. If we stop monthly payments and put $2,300.00 into an escrow account, we will obviously be delinquent. It is the decision of the El Pueblo Health Services, Inc. Community Board that we continue to pay the Federal Government $500.00 per month and put $1,800.00 in an escrow account toward the bill due February 1984. We feel this demonstrates our good faith and responsible financial management to meet future obligations.

Sincerely yours,

KENNETH R. PICKARD, Jr., PA-C.

NEW MEXICO LEGISLATIVE COUNCIL,
Santa Fe, N. Mex., September 21, 1983.

Senator JEFF BINGAMAN,
Hart Building, Room 502,
Washington, D.C.

DEAR SENATOR BINGAMAN: The human services, health and aging committee was created as a joint interim committee of the New Mexico legislature by Laws 1983, Chapter 332. The committee has a broad mandate to study the problems of New Mexico citizens in need of health and social services and to investigate how well these services are provided.

Of particular interest to the committee is the provision of medical care in the rural areas of the state. It has come to our attention that the health resources and services administration, an agency of the federal department of health and human services, has recently implemented policies that will have a severe impact on primary health care clinics, many of which function as the sole providers of medical services in rural areas.

Of course, you are aware of the unique demographics and topography of New Mexico which compound the problem of the provision of health care services. Geographically, we are in the fifth largest state in the United States, with mountainous terrain covering two-thirds of the state. Great distances must be traveled from one population center to another, and there are very few settlements between population centers. Almost 60 percent of New Mexico's population live outside urbanized areas; in fact, only four out of New Mexico's 33 counties contained an urbanized area. Seventy-six percent of New Mexico's counties have more than 30 percent of their population residing in rural areas. Over half of our counties do not have a city with at least 10,000 population. The state has an ethnic mix which includes 52.3 percent Anglos, 36.5 percent Hispanos, 8.1 percent Native Americans and 1.8 percent Blacks. This rurality of a nonhomogeneous population creates unique problems in health care delivery, not only in terms of access but also in consideration of cultural and linguistic differences. And, minorities tend to have higher infant mortality and lower birth weight statistics, which affect health status.

Two of the oldest and most simplistic indicators of the general health status of a population are life expectancy and infant mortality. Both of these elements in New Mexico point to a level of health below national norms. The life expectancy for a U.S. male is 69.5 years; for a New Mexican male it is 67.8 years. For females, the U.S. life expectancy is 77.2 years, contrasted with 76.0 years for New Mexico. New Mexico's birth rate is 27 percent higher than that of the U.S., but its infant mortality rate is 9 percent higher than the U.S. figure. As a matter of fact, the state's mortality rate exceeds the U.S. rates in the majority of age groups.

Another important factor in New Mexico demographics is our aging population. Although the median age is still lower than the national average, 10 percent of our population is elderly, and, from 1975 to 1980, the elderly population grew by 65 percent. An aging population creates a greater demand for health care services; 36 percent of the New Mexico elderly have chronic conditions which limit their ability to function and are, therefore, a group which demands primary health care.

Nor can we forget the impact of income on health care. New Mexico ranks 40th in per capita income in the nation at $7,841; the U.S. figure is $9,521, a difference of 21 percent. In relation to the surrounding states of Colorado, Arizona, Texas and Utah, New Mexico's per capita income is significantly below all of them except Utah. Tied to per capita income is the incidence of poverty within an area. It is estimated that 12.9 percent of our population live below the poverty level; 23 percent of Hispanics live below the poverty level, and one-third of Hispanics live on less than $10,000 a year. Thirty-two percent of New Mexico's counties have at least 30 percent of the population living below the poverty line, and 68 percent have poverty rates exceeding the state's rate of 18.5 percent. It is generally accepted that the lower the income, the poorer the health status; this is due to a number of factors such as poor nutrition, absence of health education and disease prevention, lack of available health care facilities and, simply, the inability to afford medical costs.

The importance of primary health care in New Mexico cannot be overstated. Since many small communities have difficulty in attracting and keeping private physicians, the presence of primary health care clinics helps to ensure that New Mexicans have access to health care. Such clinics serve approximately one-tenth of our population, consisting primarily of the elderly, minorities and those in remote areas of the state. Without national health service corps doctors and federal assistance, these clinics would be unable to function.

Especially in a tight economy, government must balance its commitment to enhance the quality of life for its citizens with the necessity of curtailing spiraling costs of service provision. Primary care clinics can strike that balance very effectively. Not only are clinics providing a vital service, but they should also be considered by government as a major investment in its goal of cost containment. Obviously, if someone

waits until a health problem becomes severe or acute enough to require hospitalization, the cost will be far greater than if the condition had been treated at the primary health care level.

However, federal regulations have already hindered the primary care clinics' ability to serve as health care cost-containment measures, and with the new policy of denying clinic waivers and increasing clinic payback, the health resources and services administration is further jeopardizing the goals of service provision and cost containment.

The new reimbursement policy for national health service corps provider services will, undoubtedly, force a number of freestanding sites to close, further reducing the quality of care and availability of services for needy clients. The 20 percent to 80 percent payback formula makes it impossible for these clinics to generate enough income to retain funds for operation, and they will be faced with the inability to purchase basic supplies and equipment, laboratory work and pharmaceuticals.

The committee is also concerned about the lack of notice given by the health resources and services administration in the implementation of its new policy. Without warning, the freestanding clinics were faced with not only the loss of waiver, but also a change in payment schedules which accelerated the payment process. While these clinics are now making monthly payments on past bills, they are also having to save an equal or greater amount to pay in full for the current billing cycle. These aspects of the new policy place an even greater burden on the ability of freestanding clinics to provide medical care to rural and disadvantaged populations in the state.

The human services, health and aging committee would appreciate your assistance in ensuring that health care services are available to all segments of the New Mexico population, particularly through the encouragement of the health resources and services administration to reconsider its new reimbursement policy and to continue allowing for a waiver on the payment of the payback. If the policy must be changed, it should take into consideration the unique problems and costs of operating rural clinics and should have less impact on freestanding primary care clinics. In addition, the committee urges and supports federal legislation which will help fund primary health care, particularly in rural areas.

Thank you for your kind attention to this matter. If the committee can be of assistance to you, please contact us.

Sincerely,

Senator TITO D. CHAVEZ,
Chairman, Human Services, Health and Aging Committee.

By Mr. WILSON:

S. 2130. A bill to provide home buyers equitable access to the national secondary mortgage market; to the Committee on Banking, Housing, and Urban Affairs.

SECONDARY MORTGAGE MARKET EQUITY ACT

Mr. WILSON. Mr. President, today I am introducing for myself and my colleagues, Senators CRANSTON, HAWKINS and RIEGLE, legislation to permit a modest increase in the single family mortgage ceilings that limit purchases by the Federal National Mortgage Corporation (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC).

Fannie Mae and Freddie Mac, as these two federally chartered institutions are more commonly known, provide liquidity to the primary mortgage market by buying mortgages from lenders, thereby providing new capital to meet the every growing demands of home buyers. They are essential links in the homeownership chain. Since capital market investors that buy both FNMA and FHLMC debt and mortgage-backed securities may not ordinarily invest in residential mortgages, FNMA and FHLMC activities serve to expand the total amount of funds available for housing.

FNMA and FHLMC largely serve the moderate income market. Current law prohibits FNMA and FHLMC from buying mortgages larger than $108,300.

While this standard may be a reasonable limit for moderate income housing nationally, it does not allow for the variation in housing costs which occur on an area-by-area basis.

Simply stated, what is moderate income housing in one part of our great country is not in others. With this legislation, I seek a flexible ceiling that would allow FNMA and FHLMC to buy larger mortgages in those communities which the Department of Housing and Urban Development consider high cost and in which it is more expensive to build moderate housing. To illustrate my point about housing cost disparity, let me offer the following prices for identical single family housing, which come from the Nationwide Relocation Service, a business which provides comparison home prices for people moving from one part of the country to another.

Albany, N.Y.	$66,000
Spokane, Wash.	78,000
Nashville, Tenn.	89,000
Atlanta, Ga.	93,500
Wichita, Kans.	102,500
Seattle, Wash.	110,000
Billings, Mont.	115,000
Miami, Fla.	126,000
New York, suburban	134,000
Dallas, Tex.	140,000
Anchorage, Alaska	156,000
Orange County, Calif.	160,000
Fairfield, Conn.	190,000
Honolulu, Hawaii	199,000
San Francisco/Oakland, Calif.	210,000

In testimony earlier this year before the House Banking Committee, the OMB stated that the current FNMA-FHLMC ceilings serve 80 percent of the national market, but only 58 percent of the high cost areas, which means that 42 percent of home buyers in these areas are denied the lower rates that FNMA and FHLMC bring to housing.

No single national mortgage limit is truly equitable. Thus, a flexible mechanism is needed which permits FNMA and FHLMC to buy larger mortgages in those communities where housing, as determined by the Department of Housing and Urban Development, is more expensive.

Specifically, my legislation would allow the FNMA-FHLMC mortgage ceiling to increase, only in areas designated by HUD as high cost, by the same percentage increase as HUD approved for its FHA section 203(b) program.

The request for an increase in Fannie and Freddie's mortgage ceilings comes from the thrifts, commercial bankers, mortgage bankers, real estate brokers, homebuilders and home buyers who have found that the current limitation does not permit equal access to FNMA and FHLMC credit for families buying moderate priced homes in high cost areas.

I have attached a table to my statement which shows the percentage increase in the FNMA-FHLMC limit and the corresponding dollar amount that would prevail in HUD-designated high cost areas, if my legislation is enacted. This table applies the current increases permitted in the 203(b) program to the $108,300 mortgage ceiling. Approval of my legislation would allow FNMA and FHLMC to serve all parts of the country rather than have these high cost areas virtually denied access to the national secondary mortgage market.

The role of the secondary market has grown dramatically in recent years as more and more individuals and families seek housing and as cost of that shelter goes up. Fannie Mae and Freddie Mac serve as conduits bringing billions of dollars and thousands of nontraditional investors into the real estate market. Much of the homebuilding and real estate financing community now relies on these corporations, plus a growing number of private concerns, to provide the needed credit to meet ever increasing demands. In fact, in 1982, 58 percent of all mortgage loans were financed by the secondary market.

Increasing the FNMA and FHLMC single family mortgage limits merely allows these corporations to keep in step with a market that some observers say will demand some $300 billion annually through the end of this decade. With deregulation the theme of depository institutions, it is the secondary market that more and more will be called on to provide mortgage credit for the public.

This legislation, which has more than 100 cosponsors in the other body, is supported by: The National Association of Homebuilders; the National Association of Realtors; the American Bankers Association; the National Council of Savings Institutions; the Credit Union National Association; the American Savings and Loan League, Inc.; the National Forest Products As-

sociation; and, the Mortgage Bankers Association.

Mr. President, there is no Federal budget impact whatsoever in this modest and highly equitable adjustment I seek. The beneficiaries of this proposal will be our Nation's homebuilding and homeselling sectors and the American families in need of better housing opportunities. I urge all of my colleagues to join me in supporting this legislation.

Mr. President, I ask unanimous consent that the table, "HUD High Cost Areas" and the text of my bill be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2130

Be it enacted by the Senate and House of Representatives of the United States to America in Congress assembled, That this Act may be cited as the "Secondary Mortgage Market Equity Act".

SEC. 2 Section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act is amended by adding at the end thereof the following new sentence: "Each maximum limitation set forth in this paragraph with respect to a one- to four-family residence (as adjusted in accordance with the annual adjustment required in this paragraph) shall be increased for any area, other than an area located in a jurisdiction referred to in the preceding sentence, by a percentage equal to the percentage by which the Secretary of Housing and Urban Development has increased the corresponding maximum limitation set forth in section 203(b)(2) of the National Housing Act for such area on account of limited housing opportunities due to high prevailing housing sales prices.".

SEC. 3. Section 302(b)(2) of the Federal National Mortgage Association Charter Act is amended by adding at the end thereof the following new sentence: "Each maximum limitation set forth in this paragraph with respect on a one- to four-family residence (as adjusted in accordance with the annual adjustment required in this paragraph) shall be increased for any area, other than an area located in a jurisdiction referred to in the preceding sentence, by a percentage equal to the percentage by which the Secretary of Housing and Urban Development has increased the corresponding maximum limitation set forth in section 203(b)(2) of the National Housing Act for such area on account of limited housing opportunities due to high prevailing housing sales prices.".

HUD high-cost areas

State and County	*Section increase*
Alabama:	
Montgomery City	11
Baldwin City	11
Montgomery	11
Autauga	11
Elmore	11
Arizona:	
Maricopa	29
Maricopa	29
Maricopa	29
Maricopa	29
Pima	14
Pima	14
Arkansas:	
Crittenden	11
California:	
Sonoma	33⅓
Butte	24
Colusa	24
Napa	33⅓
Shasta	24
Sutter	24
Tehama	24
Yuba	24
Sacramento	24
Sacramento	24
Solano	33⅓
Yolo	24
San Francisco	33⅓
San Francisco	33⅓
Marin	33⅓
San Mateo	33⅓
Solano	33⅓
Contra Costa	33⅓
Contra Costa	33⅓
Alameda	33⅓
Alameda	33⅓
Alameda	33⅓
Santa Clara	33⅓
San Mateo	33⅓
Santa Clara	33⅓
San Mateo	33⅓
Santa Clara	33⅓
Santa Clara	33⅓
Alpine	24
Amador	24
El Dorado	24
Lassen	24
Modoc	24
Nevada	24
Placer	24
Plumas	24
San Joaquin	24
Shasta	24
Sierra	24
Siskiyou	24
Fresno	31
Madero	31
Mariposa	31
Merced	31
Stanislaus	31
Monterey	33⅓
San Benito	33⅓
SanLuis Obispo	33⅓
Santa Cruz	33⅓
Fresno	31
Kern	31
Tulare	31
Kings	31
Calaveras	24
Tuolumne	24
Fresno	31
San Joaquin	24
Santa Barbara	33⅓
Ventura	33⅓
Kern	31
Los Angeles	33⅓
SanLuis Obispo	33⅓
Ventura	33⅓
Los Angeles	33⅓
Los Angeles	33⅓
Los Angeles	33⅓
Los Angeles	33⅓
Los Angeles	33⅓
Los Angeles	33⅓
Los Angeles	33⅓
Los Angeles	33⅓
Los Angeles	33⅓
Los Angeles	33⅓
Los Angeles	33⅓
Los Angeles	33⅓
Los Angeles	33⅓
Los Angeles	33⅓
Inyo	11
San Bernardino	33⅓
San Bernardino	33⅓
Riverside	33⅓
Riverside	33⅓
Orange	33⅓
Orange	33⅓
Orange	33⅓
San Diego	33⅓
Los Angeles	33⅓
Orange	33⅓
Orange	33⅓
San Diego	33⅓
San Diego	33⅓
Imperial	33⅓
San Diego	33⅓
Colorado:	
Entire state	6-13
Entire state	6-13
Entire state	6-13
Entire state	6-13
Entire state	6-13
Entire state	6-13
Connecticut:	
Fairfield	21
New Haven	21
Fairfield	21-33⅓
Fairfield	21-33⅓
Fairfield	33⅓
Litchfield	33⅓
All others	6
All others	6
Delaware: New Castle	4
District of Columbia: Washington	33⅓
Florida:	
Palm Beach	18
Broward	17
Palm Beach	18
Broward	17
Broward	17
Dade	21
Dade	21
Dade	21
Dade	21
Pasco	6
Hillsborough	6
Pinellas	6
Hillsborough	6
Pasco	6
Pinellas	6
Sarasota	6
Georgia:	
Butts	16
De Kalb	16
Fulton	16
Newton	16
Rockdale	16
De Kalb	16
Fulton	16
Clayton	16
Douglas	16
Fayette	16
Fulton	16
Henry	16
Paulding	16
Cobb	16
Cherokee	16
Forsyth	16
Gwinnett	16
Gwinnett	16
Walton	16
Idaho:	
Ada	11
Ada	11
Illinois:	
Cook	24
Cook	24
Cook	24
Kane	24
Will	24
Cook	24
Cook	24
Du Page	24
Cook	24
Cook	24

State and County	Section increase
Cook	24
Cook	24
Lake	24
Cook	24
Cook	24
Lake	24
McHenry	24
Cook	24
Du Page	24
Will	24
Cook	24
Du Page	24
Kane	24
McHenry	24
Clinton	4
Madison	4
St. Clair	4
Clinton	4
Monroe	4
St. Clair	4
Kansas:	
Johnson	21
Wyandotte	21
Louisiana:	
Orleans	13
St. Barnard	13
St. Tammany	13
Jefferson	13
Orleans	13
Jefferson	13
Bossier	12
Caddo	12
Webster	12
E. Baton Rouge	13
Livingston	13
Ascension	13
E. Baton Rouge	13
W. Baton Rouge	13
Maryland:	
Harford	11
Cecil	4
Charles	33⅓
Baltimore	11
Harford	11
Baltimore	11
Howard	11
Ann Arundel	22
Howard	22
Prince George	33⅓
Prince George	33⅓
Carroll	11
Howard	22
Montgomery	33⅓
Baltimore	11
Montgomery	33⅓
Massachusetts:	
Norfolk/Middlesex	8
Norfolk/Middlesex	8
Middlesex	8
Middlesex	8
Suffolk/Middlesex	8
Suffolk/Norfolk	8
Norfolk/Plymouth	8
Suffolk/Plymouth	8
Michigan:	
Wayne	12
Wayne	12
Livingston	12
Oakland	12
Lapeer	12
Oakland	12
Lapeer	12
St. Clair	12
Macomb	12
St. Clair	12
Wayne	12
Macomb	12
Oakland	12
Wayne	12
Wayne	12
Wayne	12
Oakland	12
Wayne	12
Livingston	12
Macomb	12
Oakland	12
Minnesota:	
Dakota	33⅓
Scott	33⅓
Wright	33⅓
Carver	33⅓
Dakota	33⅓
Hennepin	33⅓
Scott	33⅓
Dakota	33⅓
Ramsey	33⅓
Hennepin	33⅓
Anoka	33⅓
Carver	33⅓
Henepin	33⅓
Scott	33⅓
Sherburne	33⅓
Wright	33⅓
Washington	33⅓
Chicago	33⅓
Mississippi: De Soto	11
Missouri:	
St. Louis City	4
St. Louis Cnty	4
St. Charles	4
St. Louis	4
St. Louis City	4
St. Louis Cnty	4
Jefferson	4
Cass	21
Jackson	21
Jackson	21
Clay & Jackson	21
Platte	21
Ray	21
Franklin	4
Franklin	4
St. Charles	4
Montana:	
Entire state	11
Entire state	11
Nevada:	
Clark	33⅓
Clark	33⅓
Churchill	11
Douglas	11
Elko	11
Esmeralda	11
Eureka	11
Humboldt	11
Lander	11
Lincoln	11
Lyon	11
Mineral	11
Nye	11
Pershing	11
White Pine	11
Storey	11
Washoe	33
New Jersey:	
Atlantic	32
Salem	4
Middlesex	33⅓
Monmouth	33⅓
Middlesex	33⅓
Monmouth	33⅓
Bergen	33⅓
Morris	33⅓
Passaic	33⅓
Middlesex	33⅓
Union	33⅓
Middlesex & Union	33⅓
Monmouth	33⅓
Somerset	33⅓
Bergen	33⅓
Morris	33⅓
Passaic	33⅓
Bergen	33⅓
Essex	33⅓
Hudson	33⅓
Union	33⅓
Bergen	33⅓
Essex	33⅓
Hudson	33⅓
Morris	33⅓
Passaic	33⅓
Essex	33⅓
Morris	33⅓
Somerset	33⅓
Union	33⅓
Monmouth	33⅓
Hudson	33⅓
Bergen	33⅓
New Mexico:	
Benalillo	13
Sandoval	13
New York:	
Suffolk	33⅓
Suffolk	33⅓
Suffolk	33⅓
Nassau	33⅓
Nassau	33⅓
Nassau	33⅓
Queens	33⅓
Queens	33⅓
Queens	33⅓
Bronx	33⅓
Nassau	33⅓
Queens	33⅓
Kings	33⅓
Kings	33⅓
Kings	33⅓
Kings	33⅓
Kings & Richmond	33⅓
New York	33⅓
New York	33⅓
New York	33⅓
Bronx	33⅓
Bronx	33⅓
Bronx	33⅓
Westchester	33⅓
Westchester	33⅓
Westchester	33⅓
Putnam	33⅓
Westchester	33⅓
Rockland	33⅓
North Carolina: Currituck	13
Ohio:	
Lake	12
Medina	12
Cuyahoga	12
Lake	12
Cuyahoga	12
Cuyahoga	12
Madison	20
Pickaway	20
Fairfield	20
Delaware	20
Franklin	20
Franklin	20
Madison	20
Oklahoma:	
Creek	22
Osage	22
Tulsa	22
Creek & Tulsa	22
Mayes	22
Rogers	22
Wagoner	22
Osage	22
Oregon:	
Multnomah	21
Washington	21
Clackamas	21
Multnomah	21
Clackamas	21
South Carolina:	
Berkeley	19
Charleston	19
Dorchester	19
Pickens	8

State and County	Section increase
Greenville	8
Spartanburg	8
Berkeley	19
Tennessee:	
Shelby	11
Shelby	11
Tipton	11
Shelby	11
Texas:	
Liberty	8
Montgomery	8
Collin	26
Dallas	26
Collin	26
Kaufman	26
Dallas	26
Dallas	26
Ellis	26
Hood	26
Johnson	26
Montgomery	8
Harris	8
Harris	8
Montgomery	8
Harris	8
Hays	14
Travis	14
Williamson	14
Tarrant	26
Brazoria	8
Gaudalupe	14
Williamson	14
Nueces	4
San Patricio	4
Wise	26
Harris	8
Lubbock	4
Bexar	14
Bexar	14
Comal	14
Midland	4
Brazoria	8
Harris	8
Bexar	14
Tarrant	26
Dallas	26
Harris	8
Collin	26
Denton	26
Tarrant	26
Nueces	4
Utah:	
Davis	11
Tooele	11
Weber	11
Salt Lake	11
Salt Lake	11
Virginia:	
Charles City	1
New Kent	1
James City	13
Richmond	1
York	13
Norfolk	13
Virginia Beach	13
Chesterfield	1
Powahatan	1
Portsmouth	13
King William	33
Manassass	33⅓
Fairfax	33⅓
King William	33⅓
Arlington	33⅓
Loudoun	33⅓
Fairfax	33⅓
Washington:	
King	26
King	26
Snohomish	26
Pierce	5
Pierce	5
Yakima	7
Benton	7
King	26
Pierce	5
Spokane	7
Wisconsin:	
St. Croix	33⅓
Milwaukee	9
Waukesha	9
Milwaukee	9
Washington	9
Milwaukee	9
Ozaukee	9
Washington	9
Waukesha	9
Wyoming: Entire state	11

By Mr. DECONCINI (for himself and Mr. KENNEDY):

S. 2131. A bill to provide for the temporary suspension of deportation for certain aliens who are nationals of El Salvador, and to provide for Presidential and congressional review of conditions in El Salvador and other countries; to the Committee on Judiciary.

SUSPENSION OF DEPORTATION OF NATIONALS OF EL SALVADOR

Mr. DECONCINI. Mr. President, I send to the desk legislation which would temporarily suspend the deportation of nationals of El Salvador while the President and Congress investigate conditions in that strife-ridden country.

Since 1980, the Immigration and Naturalization Service (INS) has apprehended 41,780 Salvadorans who have fled from El Salvador to the United States, and it is presently sending over 600 of the nationals back to the war-torn country each month.

The refusal by the State Department to grant extended voluntary departure for Salvadorans until the political situation in that nation stabilizes is tantamount to this country burying its head under the sand in regard to the widespread accounts of atrocities, violence, and deliberate sabotage committed by both sides in the conflict in El Salvador.

The nation of El Salvador is plagued with widespread violence—both random and specifically directed. Conservative estimates report that at least 30,000 people have been killed, not including combat, since 1979. It is also estimated that 10 percent of the population of El Salvador is internally displaced.

The legislation would require that the President investigate and report to Congress the living and security conditions of displaced persons in El Salvador, including the availability of humanitarian assistance. The administration's investigation will also include such conditions in Mexico and other countries offering refuge to Salvadorans.

The President's report should pay particular attention to the fate and welfare of those aliens deported to El Salvador from the United States.

Subsequently to receipt of the report from the President, the Senate and House Judiciary Committees shall conduct hearings to determine appropriate steps to be taken by the U.S. Government to provide assurances of personal safety and equitable distribution of assistance to Salvadorans who are displaced in El Salvador or who have fled to countries in Central America, Mexico, or the United States.

During the period of the administration's investigation and Congress hearings, the bill would require the Attorney General to suspend deportation of Salvadoran nationals from the United States. The suspension of deportation would continue until the Congress and President had taken steps to alter or rescind the suspension or for a time period of 3 years, whichever comes first.

The United States has a responsibility to these distressed people to do all we can to protect them and provide them with at least the minimum living conditions necessary for survival.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2131

Be it enacted by the Senate and House of Representatives of the United States of America in the Congress assembled,

SEC. 1. That the President shall investigate and report to the Congress, not later than 18 months after the date of the enactment of this Act, concerning—

(1) displaced persons in El Salvador, including—

(A) the number of such persons;

(B) the living conditions of such persons, with particular attention to their personal safety and the availability of food and medical assistance;

(C) the resources available for humanitarian assistance for them, including the methods and policies respecting distribution of such assistance and obstacles which may prevent the efficient and equitable distribution of such assistance; and

(D) steps that can be taken to improve the status of such persons;

(2) Salvadoran nationals who are displaced persons outside El Salvador, including—

(A) the number of such nationals in Honduras, Guatamala, and Mexico, and

(B) the matters described in subparagraphs (B) through (D) of paragraph (1) with respect to such nationals; and

(3) the conditions and fates of aliens deported from the United States to El Salvador, with particular attention to those who have suffered violations of fundamental human rights upon their return to El Salvador.

SEC. 2. Upon Congress' receipt of the report described in the first section of this Act but in no case later than two years after the date of the enactment of this Act, the Committees of the Judiciary of the House of Representatives and of the Senate shall conduct hearings to consider—

(1) the availability of safe resettlement within El Salvador or neighboring countries of displaced nationals of El Salvador, and

(2) treaty obligations of the United States humanitarian considerations, and previous practice of the United States respecting the treatment of aliens in similar circumstances, in order to determine (A) the appropriate steps to be taken to provide assurance of personal safety and adequate, efficient, and equitable distribution of assistance with respect to Salvadorans who are displaced within El Salvador or who have fled to other countries in Central America, and (B) whether it is appropriate to extend, remove, or alter the restrictions contained in section 3 of this Act.

SEC. 3. (a) The Attorney General shall not detain or deport [to El Salvador] aliens described in subsection (b) during the three-year period beginning on the date of the enactment of this Act, except as may be provided by the Congress after its consideration under section 2 of the Presidential report submitted under the first section of this Act.

(b) The nationals referred to in subsection (a) are aliens who are nationals of El Salvador who are have been determined to be deportable only under—

(1) paragraph (1) of section 241(a) of the Immigration and Nationality Act (8 U.S.C. 1251(a)), but only as such paragraph relates to a ground for exclusion described in paragraph (14), (15), (20), (21), (25), or (32) of section 212(a) of such Act (8 U.S.C. 1182(a)), or

(a) under paragraph (2), (9), or (10) of section 241(a) of such Act (8 U.S.C. 1251(a)).

(c) With respect to an alien whose deportation is temporarily suspended under subsection (a) during a period, the period of such suspension shall not be counted as a period of physical presence in the United States for purposes of section 244(a) of the Immigration and Nationality Act (8 U.S.C. 1254(a)).

By Mr. DECONCINI:

S. 2132. A bill to authorize the Secretary of Agriculture to extend special use authorization to owners of recreation residences within the Coronado National Forest; to the Committee on Energy and Natural Resources.

SPECIAL-USE PERMITS TO CABIN OWNERS IN THE CORONADO NATIONAL FOREST

Mr. DECONCINI. Mr. President, I am sponsoring legislation today to extend for approximately 25 years the special use permits of cabin owners in the Mount Lemmon and Madera Canyon areas of the Coronado National Forest, Ariz. I had hoped that these cabin owners, approximately 51 in Madera Canyon, and 14 on Mount Lemmon, would have been successful in convincing the Forest Service to extend these special use permits which are under notice of termination. Unfortunately, up to this point, all efforts have failed and I believe the only avenue remaining to provide relief to the permittees is through legislation.

Mr. President, many of the individuals leasing parcels of Forest Service land for cabin sites in the Coronado National Forest have utilized these areas for many, many years and have invested substantial sums of money for improvements. The Forest Service, in the case of the Madera Canyon permittees, has decided to terminate leases to accommodate use changes in the management of the land and has expressed a desire to return the lands to a natural state. While I can understand the need for use changes and indeed support such changes if conditions justify, I am not convinced that due consideration was given the cabin owners in arriving at the resource management decision. Further, I do not believe that irreparable harm is being caused the environment by the cabins.

On Mount Lemmon, 14 permit holders have been given notice of use termination in an area where other leaseholders are being allowed to remain. These cabins have great historic value—some were built around the turn of the century and efforts are underway to place these structures on the National Register of Historic Places. For this reason alone, I do not believe the Forest Service's decision to terminate the leases and move or raze these structures is a wise or fair one. At the same time the Forest Service is forcing the termination issue, it is not willing to compensate these individuals for their cabins or other improvements.

It order to obtain more equitable treatment, I believe we ought to extend the existing permits to the year 2010 to afford the cabin owners sufficient time to enjoy their cabins and the forest, and to make the necessary adjustments for final termination of the leases. Mr. President, I believe this is a reasonable solution to this problem. It is my hope that this bill will be expeditiously considered by the Energy and Natural Resources Committee and action taken by the full Senate to mitigate any further harm to the individuals or cabins affected.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2132

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of this Act the term "Secretary" means the Secretary of Agriculture.

SEC. 2. The Secretary is authorized, when in the public interest, to extend existing special permits to December 30, 2010, to:

(a) Madera Canyon summer home tract permitholders (hereinafter referred to as holders) under notice of termination as of December 15, 1972.

(b) Holders for the following recreation residence sites as described in the authorizing documents:

(i) Soldier Camp summer home tract, lots 21C, 37A.

(ii) Upper Sabino summer home tract, lots 6, 10, 12, 15, 19, 20.

(iii) Middle Sabino summer home tract, lots 1, 2, 4, 5, 7, 13.

SEC. 3. These term permits will be nontransferable, and new permits will not be issued to any subsequent owner of the improvements or to any person holding any interest in the improvements.

SEC. 4. If any of the present holders cease to have personal need for, or to make personal use of, the site for the purpose for which the permit is issued, the permit will terminate and the improvements shall be disposed of as provided in the authorizing documents.

SEC. 5. No additional improvements shall be constructed without written approval of the Secretary.

SEC. 6. In the event a substantial portion of the existing improvements is destroyed by fire or other casualty so as to render the same untenable, the improvements will not be rebuilt; the permit will be terminated; and the proportioned amount of fees for the balance of the calendar year will be returned to the holder.

SEC. 7. The Secretary will assess fees based upon the fair market value of the rights and privileges authorized.

By Mr. HATFIELD:

S.J. Res. 201. Joint resolution to provide for the designation of the week of November 25 through December 1, 1984, as "National Epidermolysis Bullosa Awareness Week;" to the Committee on the Judiciary.

(The remarks of Mr. HATFIELD and the text of the joint resolution appear earlier in today's RECORD.)

By Mr. ARMSTRONG (for himself, Mr. ABDNOR, Mr. ANDREWS, Mr. BAKER, Mr. BAUCUS, Mr. BENTSEN, Mr. BINGAMAN, Mr. BOSCHWITZ, Mr. CHAFEE, Mr. DECONCINI, Mr. DENTON, Mr. DOMENICI, Mr. EAGLETON, Mr. GARN, Mr. GOLDWATER, Mr. HART, Mr. HATCH, Mrs. HAWKINS, Mr. HECHT, Mr. HELMS, Mr. LAXALT, Mr. LUGAR, Mr. MCCLURE, Mr. MOYNIHAN, Mr. NICKLES, Mr. PRESSLER, Mr. RANDOLPH, Mr. SIMPSON, Mr. THURMOND, Mr. TSONGAS, Mr. WALLOP, and Mr. ZORINSKY):

S.J. Res. 202. Joint resolution to designate 1984 as "The Year of Water"; to the Committee on the Judiciary.

THE YEAR OF WATER

Mr. ARMSTRONG. Mr. President, there is an old story from Colorado dustbowl days about a farmer who is asked if he thinks it is going to rain and replies, "Hope so. Not so much for my sake as for the children's. I have seen rain."

Oldtimers tell a lot of such stories about Colorado's perpetual shortage of water. And with good reason. My State has been blessed with extraordinarily talented people, matchless climate and scenery, mineral wealth and other resources. but our way of life and economic vitality depend on water, and it is scarce. We receive only about 16.5 inches of precipitation in an average year.

For these reasons, it gives me pleasure today to introduce a Senate joint resolution proclaiming 1984 as the "Year of Water." The identical meas-

ure is being introduced in the House by my colleague, Congressman KOGOVSEK.

I am certain that my colleagues here in the Senate share my belief that water quality, use and availability are issues of ever-increasing importance to the American people and the family of nations. Moreover, water experts are predicting a water crisis in the next decade caused, they say, by greater demands on water for industry, irrigation and energy development, coupled with increasing pollution of existing supplies. Therefore, disregard or indifference to the potential impact of water problems is an open invitation to disaster in the not too distant future.

Consequently, it is the intention of this resolution to enhance the awareness of the American people and to generate a constructive dialog about the importance of the water issues facing us in our daily lives and in our life as a nation. It is also the intention of this resolution to announce that the United States will be hosting representatives of 79 nations when the International Commission on Irrigation and Drainage convenes its Twelfth International Congress on Irrigation and Drainage in Fort Collins, Colo., next May and June. We in Colorado are indeed proud to welcome these dignitaries from across the United States and the many nations to our great State next year.

We are also proud that the United States leads the world in irrigation and drainage technology and scientific achievement. This fact is amply evidenced by our immense capabilities to produce food and fiber and to make agriculture the leading export trade industry in our national output. Colorado joins many other States in helping achieve these distinctions.

We would also like to recognize the contributions of the U.S. Committee on Irrigation and Drainage, which has undertaken to organize the proceedings of the 12th Congress and which is continuing a tradition of service in the irrigation and drainage fields, commenced in 1951.

It is my hope that this resolution will provide the needed stimulus for a national dialog on water problems facing each State in the Union. This is not an issue that should be cast in either regional or partisan political molds. The problems we face individually as States are problems for the Nation as a whole. I believe that the 12th International Congress on Irrigation and Drainage will reveal that it is a problem for the international community, as well.

It is my pleasure to have this opportunity to offer this resolution with so many distinguished cosponsors, and I hope we can act on this at the earliest possible date.

Thank you.●

By Mr. HUDDLESTON (for himself, Mr. FORD, Mr. MELCHER, Mr. RANDOLPH, Mr. ANDREWS, Mr. DOLE, Mr. GLENN, Mr. SARBANES, Mr. GRASSLEY, Mr. JEPSEN, Mr. STENNIS, Mr. NUNN, and Mr. LEAHY):

S.J. Res. 203. Joint resolution designating the week beginning April 8, 1984, as "National Mental Health Counselors Week"; to the Committee on the Judiciary.

NATIONAL MENTAL HEALTH COUNSELORS WEEK

● Mr. HUDDLESTON. Mr. President, I am pleased today to offer a resolution with Senators FORD, MELCHER, RANDOLPH, ANDREWS, DOLE, GLENN, SARBANES, GRASSLEY, JEPSEN, STENNIS, NUNN, and LEAHY on behalf of the American Mental Health Counselors Association, a professional division of the American Association for Counseling and Development.

Thousands of mental health counselors assist individuals in communities throughout our country in dealing with a variety of personal and adjustment problems. As part of the health care team, mental health counselors provide direct services to clients in a variety of public and private settings. Through their national association and 37 State branches, mental health counselors are striving to improve the quality of mental health counseling in the Nation.

I am pleased to offer this resolution designating April 8, 1984, through April 14, 1984, as "National Mental Health Counselors Week."●

ADDITIONAL COSPONSORS

S. 501

At the request of Mr. DOLE, the name of the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of S. 501, a bill to amend the laws of the United States to eliminate gender-based distinctions.

S. 905

At the request of Mr. EAGLETON, the names of the Senator from Oklahoma (Mr. BOREN) and the Senator from New Jersey (Mr. LAUTENBERG) were added as a cosponsors of S. 905, a bill entitled the "National Archives and Records Administration Act of 1983."

S. 1132

At the request of Mr. MCCLURE, the name of the Senator from Nevada (Mr. HECHT) was added as a cosponsor of S. 1132, a bill to amend the Federal Power Act to specify the annual charges for projects with licenses issued by the Federal Energy Regulatory Commission for the use of Federal dams and other structures.

S. 1159

At the request of Mr. HATFIELD, the name of the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 1159, a bill to amend the Export Administration Act of 1979 to extend the provisions relating to the export of domestically produced crude oil.

S. 1306

At the request of Mr. MATHIAS, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 1306, a bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product.

S. 1429

At the request of Mr. WEICKER, the name of the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S. 1429, a bill to amend the Small Business Development Act of 1980.

S. 1531

At the request of Mr. RIEGLE, the name of the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of S. 1531, a bill to encourage the use of public school facilities before and after school hours for the care of school-age children and for other purposes.

S. 1598

At the request of Mr. DOLE, the name of the Senator from Maine (Mr. COHEN) was added as a cosponsor of S. 1598, a bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for interest on home mortgages in cases where State and local authorities elect not to use mortgage subsidy bonds.

S. 1614

At the request of Mr. HEINZ, the name of the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 1614, a bill to amend title XIX of the Social Security Act to allow States to implement coordinated programs of acute and long-term care for those individuals who are eligible for both medicare and medicaid.

S. 1644

At the request of Mr. NUNN, the name of the Senator from Colorado (Mr. HART) was added as a cosponsor of S. 1644, a bill to improve Federal criminal sentencing by imprisoning dangerous and violent offenders and by diverting nonviolent offenders from imprisonment to restitution or community service programs.

S. 1676

At the request of Mr. DURENBERGER, the names of the Senator from Rhode Island (Mr. PELL), the Senator from Nebraska (Mr. ZORINSKY), the Senator from Hawaii (Mr. INOUYE), the Senator from Maryland (Mr. SARBANES), the Senator from Ohio (Mr. METZENBAUM), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from Michigan (Mr. RIEGLE), the Senator from New York (Mr. MOYNIHAN), the Senator from Oregon (Mr. HATFIELD), the Senator from South Dakota (Mr.

PRESSLER), the Senator from Vermont (Mr. STAFFORD), the Senator from Vermont (Mr. LEAHY), the Senator from Maine (Mr. COHEN), and the Senator from Arkansas (Mr. BUMPERS) were added as a cosponsors of S. 1676, a bill to provide that registration and polling places for Federal elections be accessible to handicapped and elderly individuals, and for other purposes.

S. 1680

At the request of Mr. HOLLINGS, his name was added as a cosponsor of S. 1680, a bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws.

S. 1756

At the request of Mr. DURENBERGER, the names of the Senator from Massachusetts (Mr. TSONGAS), the Senator from North Dakota (Mr. ANDREWS), and the Senator from Minnesota (Mr. BOSCHWITZ) were added as cosponsors of S. 1756, a bill to provide for assistance to State and local governments and private interests for conservation of certain rivers, and for other purposes.

S. 1913

At the request of Mr. HUDDLESTON, the name of the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 1913, a bill to provide for improvements in the school lunch and certain other child nutrition programs.

S. 1931

At the request of Mr. DURENBERGER, the name of the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S. 1931, a bill to amend the Internal Revenue Code of 1954 to revise the tax incentives for certain alcohol fuels.

S. 1978

At the request of Mr. DOLE, the name of the Senator from New Hampshire (Mr. HUMPHEY) was added as a cosponsor of S. 1978, a bill to amend the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to assure equality of economic opportunities for women and men under retirement plans.

S. 1980

At the request of Mr. MURKOWSKI, the names of the Senator from Indiana (Mr. LUGAR), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Illinois (Mr. DIXON), the Senator from Illinois (Mr. PERCY), the Senator from Ohio (Mr. METZENBAUM), and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of S. 1980, a bill to recognize the organization known as the Polish Legion of American Veterans, U.S.A.

S. 1991

At the request of Mr. SIMPSON, the name of the Senator from Colorado (Mr. ARMSTRONG) was added as a cosponsor of S. 1991, a bill to grant the consent of the Congress to the Rocky Mountain Low-Level Radioactive Waste Compact.

S. 2018

At the request of Mr. KENNEDY, the name of the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 2018, a bill to amend the Public Health Service Act to authorize financial assistance for organ procurement organizations, and for other purposes.

S. 2052

At the request of Mr. HELMS, the name of the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 2052, a bill to amend the Perishable Agricultural Commodities Act, 1930, by impressing a trust on perishable agricultural commodities and sales proceeds of such commodities for the benefit of the unpaid seller, and for other purposes.

S. 2078

At the request of Mr. HATCH, the name of the Senator from Indiana (Mr. QUAYLE) was added as a cosponsor of S. 2078, a bill to amend the Public Health Service Act to provide assistance to States to plan, develop, establish, expand, or improve State and local resource and referral systems for the dissemination of information concerning dependent care services.

SENATE JOINT RESOLUTION 97

At the request of Mr. BOSCHWITZ, the names of the Senator from Kansas (Mrs. KASSEBAUM) and the Senator from Wisconsin (Mr. KASTEN) were added as cosponsors of Senate Joint Resolution 97, a joint resolution to authorize the erection of a memorial on public grounds in the District of Columbia, or its environs, in honor and commemoration of members of the Armed Forces of the United States and the allied forces who served in the Korean war.

SENATE JOINT RESOLUTION 196

At the request of Mr. WARNER, the names of the Senator from Iowa (Mr. GRASSLEY) and the Senator from Iowa (Mr. JEPSEN) were added as cosponsors of Senate Joint Resolution 196, a joint resolution to designate January 16, 1984, as "Public Employees Appreciation Day."

SENATE JOINT RESOLUTION 197

At the request of Mr. HATCH, the names of the Senator from Nebraska (Mr. EXON), the Senator from Georgia (Mr. MATTINGLY), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from California (Mr. CRANSTON), the Senator from Indiana (Mr. LUGAR), the Senator from South Carolina (Mr. THURMOND), the Senator from North Dakota (Mr. ANDREWS), the Senator from North Dakota (Mr. BURDICK), and the Senator from Georgia (Mr. NUNN) were added as cosponsors of Senate Joint Resolution 197, a joint resolution to designate the week beginning November 20, 1983, as "National Adoption Week."

SENATE CONCURRENT RESOLUTION 80

At the request of Mr. DOLE, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of Senate Concurrent Resolution 80, a concurrent resolution expressing the sense of the Congress that the President should take all steps necessary to bring the question of self-determination of the Baltic States before the United Nations, and for the other purposes.

SENATE CONCURRENT RESOLUTION 85

At the request of Mr. PELL, the names of the Senator from Kansas (Mr. DOLE), the Senator from Indiana (Mr. QUAYLE), the Senator from Pennsylvania (Mr. SPECTER), and the Senator from Pennsylvania (Mr. HEINZ) were added as cosponsors of Senate Concurrent Resolution 85, a concurrent resolution expressing the sense of Congress on allowing Vladimir Feltsman freedom to travel.

SENATE RESOLUTION 127

At the request of Mr. MELCHER, the name of the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor to Senate Resolution 127, a resolution to make the Select Committee on Indian Affairs a permanent committee of the Senate.

SENATE RESOLUTION 183

At the request of Mr. CHAFEE, the names of the Senator from Connecticut (Mr. WEICKER), and the Senator from Massachusetts (Mr. TSONGAS) were added as cosponsors of Senate Resolution 183, a resolution dealing with the prevention of arson.

SENATE RESOLUTION 204

At the request of Mr. METZENBAUM, his name was added as a cosponsor of Senate Resolution 204, a resolution to express the sense of the Senate concerning Raoul Wallenberg.

SENATE RESOLUTION 268

At the request of Mr. CHILES, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of Senate Resolution 268, a resolution to express the thanks of the Senate to America's educators.

AMENDMENT NO. 2576

At the request of Mr. DANFORTH, the name of the Senator from Illinois (Mr. PERCY) was added as a cosponsor of Amendment No. 2576 intended to be proposed to S. 1715, an original bill to amend the Natural Gas Policy Act of 1978, to protect consumers from those price increases that would occur because of market distortions as a consequence of current regulation of natural gas prices, to permit natural gas contracts to reflect free market prices, to provide for a phased deregulation of natural gas prices in order to achieve a free market by a date certain, to eliminate incremental pricing requirements for natural gas, to eliminate certain re-

strictions on the use of natural gas and petroleum, and for other purposes.

SENATE RESOLUTION 283—RELATING TO A BAN ON CHEMICAL WEAPONS

Mr. COHEN (for himself and Mr. BIDEN) submitted the following resolution; which was referrred to the Committee on Foreign Relations:

S. RES. 283

Whereas chemical weapons are among the most terrible weapons in today's military arsenals;

Whereas it is the objective of the United States to eliminate the threat of chemical warfare through a comprehensive and verifiable ban on chemical weapons;

Whereas the United States is vigorously pursuing a multilateral agreement to ban chemical weapons;

Whereas the negotiation of a verifiable, bilateral agreement between the United States and the Soviet Union would be a significant step toward achieving a worldwide ban on chemical weapons;

Whereas negotiations between the United States and the Soviet Union to achieve such a ban ceased in 1980 and have not been resumed;

Whereas the resumption of these negotiations could serve the security interests of humankind: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President should be commended for his efforts to negotiate a multilateral agreement banning chemical weapons, that the President should continue to vigorously pursue such an agreement, and that the President should propose the resumption of bilateral negotiations between the United States and the Soviet Union to achieve a comprehensive and verifiable ban on chemical weapons.

NEGOTIATING A BAN ON CHEMICAL WEAPONS

Mr. COHEN. Mr. President, the Senate recently debated the future of a particularly terrible component of today's military arsenals: chemical weapons. The debate focused on whether to modernize our country's present stockpile of chemical weapons. Compelling arguments were raised on both sides of this issue. There was one major point on which there appeared to be full agreement: The United States should vigorously seek a comprehensive international agreement banning chemical weapons from the face of the Earth.

The United States has pursued such an agreement in multilateral talks and in bilateral negotiations with the Soviet Union. The United States has been an active participant in the deliberations of the 40-nation Committee on Disarmament in Geneva aimed at achieving a comprehensive ban on chemical weapons. Earlier this year, the United States tabled a document detailing the elements of a treaty designed to promote this objective. This very week, at the invitation of the United States, delegates of the Committee on Disarmament are visiting the Tooele facility in Utah to witness a demonstration on the effective verification of the destruction of chemical weapons. It is unfortunate that the Soviet Union opted not to send a delegate to witness this demonstration.

Mr. President, I commend the administration for its efforts to achieve a chemical weapons ban in the multilateral framework. I support these endeavors and believe that they should continue in earnest.

In 1976, the United States and the Soviet Union began meeting on a bilateral basis to discuss a comprehensive, verifiable ban on chemical weapons. These negotiations ceased in 1980 and have not resumed. In hearings conducted by the Senate Armed Services Committee earlier this year, a former U.S. negotiator at the Committee on Disarmament noted that a bilateral agreement with the Soviet Union is a prerequisite to a multilateral treaty. A similar view was expressed by the Defense Department official now responsible for chemical matters. I agree with this view and believe that the United States should propose to the Soviet Union the resumption of bilateral negotiations aimed at achieving a comprehensive and verifiable ban on chemical weapons.

I rise today with my colleague from Delaware (Senator BIDEN), to introduce a resolution urging President Reagan to take such an initiative. Senator BIDEN has long been in the forefront of efforts to promote meaningful arms control agreements. It is our hope that the resolution we are introducing today will attract broad, bipartisan support in the Senate.

One of the main obstacles to an agreement on chemical weapons has been the issue of verification. In the bilateral negotiations with the Soviet Union, the sides were unable to agree on mutually satisfactory verification measures to assure compliance with provisions of a chemical weapons agreement. In May of this year, at the United Nations Special Session on Disarmament, the Soviet Union made a proposal which included language on the possibility of onsite inspection to verify the destruction of stockpiles of chemical weapons. The motives and sincerity of the Soviet Union are subject to question. Reportedly, the United States has not been encouraged by discussions in the Committee on Disarmament. Nevertheless, it is this type of matter which should be vigorously pursued in bilateral as well as multilateral forums to insure that all possibilities for agreement have been thoroughly explored.

Mr. President, it is my belief that the United States can underscore its resolve and, hopefully, enhance the prospects for a verifiable ban on chemical weapons by engaging the Soviet Union in intensive bilateral negotiations, while we continue our efforts in the multilateral forum. The resolution Senator BIDEN and I are introducing today commends the administration for its efforts to achieve a multilateral arms control agreement on chemical weapons and urges that it propose to the Government of the U.S.S.R. the resumption of bilateral negotiations aimed at concluding a comprehensive, verifiable ban on chemical weapons.

Mr. President, regardless of where one stands on the question of how best to deter the use of chemical weapons, I believe that all share an abhorrence of these terrible weapons and a desire to achieve their worldwide elimination. This resolution proposes a means of moving toward that objective. I urge my colleagues on both sides of the aisle to join Senator BIDEN and me in this initiative.

● Mr. BIDEN. Mr. President, I am pleased to join with my distinguished colleague from Maine (Mr. COHEN) in cosponsoring this resolution calling for a resumption of United States-Soviet negotiations to achieve a comprehensive and verifiable ban on chemical weapons.

Thus far, the Congress has been involved in contentious debate over what kind of chemical weapons to have. Our proposal looks beyond that question to the day when all such terrible weapons have been eliminated from military arsenals.

Without waiting for a broad multilateral agreement banning chemical weapons, we believe that the United States and the Soviet Union should resume bilateral negotiations for a comprehensive and verifiable pact. An effective two nation agreement would eliminate the most significant chemical weapon threat we face and could then provide the basis for other nations to join in a global ban.

Mr. President, as a member of the Intelligence Committee, I am well aware of the difficulties of verifyng a ban on chemical weapons. And I do not believe that the United States should ever sign or ratify any such agreement, however desirable or well intentioned, which could allow secret Soviet cheating. Only a tough, cheatproof agreement would serve our national security interests.

I remain cautiously optimistic that a satisfactory verification plan is possible, however, because the Soviet Union has recently suggested onsite inspections to confirm the destruction of chemical weapons stockpiles. We should probe Soviet intentions in this regard when bilateral talks are resumed.

No one can be sure that negotiations will ever be successful. But we should try; and we should take the first step of proposing a resumption of the bilateral talks which were suspended in 1980. For the sake of humankind, we should spare no effort to reach a

mutual agreement to ban these terrible weapons.

Mr. President, I commend my good friend from Maine (Mr. COHEN) for his leadership on arms control issues and for his dedication to the particular cause of eliminating chemical weapons. I hope that the Senate will endorse our proposal and that the administration will heed our call for action.●

SENATE RESOLUTION 284—RELATING TO THE BANKRUPTCY CODE

Mr. DOMENICI (for himself, Mr. DECONCINI, Mr. HART, and Mr. BINGAMAN) submitted the following resoltuion; which was referred to the Committee on the Judiciary:

S. RES. 284

Whereas the purpose of the Bankruptcy Code is to provide a structural judicial setting within which the legal rights of creditors and debtors can be resolved that will (1) in an equitable fashion permit debtors to resolve their financial difficulties and (2) protect the interests of creditors;

Whereas the purpose of Chapter 11 of the Bankruptcy Code, which encourages reorganization of fanancially-troubed companies rather than their liquidation, is to protect the interests of creditors and to modify the obligations of a debtor which, due to its circumstances, it is unable to pay;

Whereas legitimate concerns have been raised regarding abuses of the Code in recent Bankruptcy filings in which financial insolvency was not a factor;

Whereas a number of companies, including a scheduled airline, which have resources to maintain operations have recently filed bankruptcy petitions, a primary effect of which is to abrogate obligations to consumers and to avoid other selective obligations;

Whereas recent bankruptcy filings have been conducted in a manner which greatly inconvenienced the public and left consumers and other with millions of dollars in unsatisfied claims; and

Whereas the Senate has passed bills dealing with bankruptcy issues, including the grain elevator proposal and the consumer credit industry amendments to the Bankruptcy Code;

Resolved, That the Senate finds that there has been and continues to be utilization of the bankruptcy laws for purposes for which they are not intended, and that the Congress should act immediately to enact legislation to remedy defects in the bankruptcy code that have encouraged such abuses of the law.

● Mr. DOMENICI. Mr. President, chapter 11 was designed to assist the restructuring of businesses in genuine difficulty. Its purpose is to encourage the reorganization of financially troubled companies rather than their liquidation, to protect the interests of creditors, and to modify the obligations of debtors which, due to their circumstances, they are unable to pay. It was never intended to allow a company to abrogate selectively its obligations to consumers and other legitimate creditors.

However, we have seen a pattern developing in which companies have been abusing the code at the expense of consumers. The most recent example, that of Continental Airlines, deprived consumers of millions of dollars. This, despite the fact that those consumers purchased their tickets in good faith with the full expectation that air service would be provided.

On September 24, Continental filed for bankruptcy, suspended all its domestic flights for 3 days and announced the termination of service to two-thirds of all the American cities it had previously served. On that day, Continental was a solvent company which had $5 million in the bank.

My concern, Mr. President, is that many passengers are stuck holding tickets which are paid for in full and which they can no longer use. This is simply not fair. The purpose of this resolution is to send a strong message to Continental that those tickets be honored.

The Bankruptcy Code was never intended to override the obligations of a common carrier to the general public to transport passengers to whom it has sold tickets and promised service. It was certainly not designed as a license to ignore those obligations and to force travelers to pay twice for the same ticket, as thousands of consumers had to do after Continental took its action.

The letter to the Civil Aeronautics Board that follows is from one of my constituents, Eva Lynn Rollins of Albuquerque, one of the cities to which Continental terminated service. The dilemma described in the letter is reflective of that which literally thousands of consumers in my State and others face today as a result of the action which Continental has taken, and I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Re Refund, Continental Airline tickets.

DEPARTMENT OF TRANSPORTATION,
Federal Aviation Agency.

SENATORS, BINGAMAN, DOMENICI, and REPRESENTATIVE MANUEL LUJAN.

I purchased two Continental Airline tickets during their Mothers Day special fare offer on May 7, 1983. One ticket (RT) destination was Washington, D.C., the second (RT) ticket destination was Tulsa, Okla.

I am unable to get refunds on these tickets from Imperial Travel Agency, 7710 Menaul N.E., Albuquerque, N.M., (where I purchased the tickets). They have received a mailgram from Air Traffic Conference, 1709 New York Ave., Washington, D.C. 20006 stopping all ticket refunds for Continental Airline's previously purchased tickets.

Surely there must be a Federal Agency who will protect citizens or consumer interests from such a fiasco? Either Imperial Travel Agency, Continental Airlines or the Air Traffic Conference has my money which should be refunded to me.

I am aware that Continental Airlines has filed for bankruptcy under Chapter 11. I am even more aware that I am a handicapped retired teacher receiving $397.00 per month in retirement pay. My loss is $210.50 which represents a large sacrifice to my financial status. Please help me with this problem?

Sincerely,

EVA LYNN ROLLINS,
Albuquerque, N. Mex.●

Mr. DECONCINI. Mr. President, I support the resolution of my friend and colleague from New Mexico. Over the past several years, I have addressed the full Senate on several occasions to share my concern over abuses of the bankruptcy law and to urge amendment of that law. The Senate has, indeed, acted responsibly in this area but we are unable to get action from the House.

Several recent filings have only pointed up the need for reform. Without reaching a final judgment on the merits of the case, I would like to discuss the adverse impact to the traveling public of the recent bankruptcy petition filed by Continental Airlines.

On September 24, Continental Airlines declared bankruptcy and was granted protection from its creditors under chapter 11 of the Bankruptcy Code. Three days later, the company promptly reopened its doors for business calling itself "The New Continental Airlines."

The new company resumed operations with the same old management, the same old aircraft, the same old headquarters, and the same old airport slots. The only new element at Continental was a drive to recruit pilots and flight attendants who would work for lower wages.

Obviously, what is occurring at Continental is the ultimate game of corporate hardball. What is not clear is the amount of time it will take the courts to sort out the issues and rule on the appropriateness of this tactic, but it will certainly take months and maybe years.

Meanwhile, there is a group of victims for whom no one is speaking. They are thousands of small consumers who purchased by cash or check Continental tickets, and then had their investment rendered worthless by virtue of the bankruptcy. This is a grave injustice, particularly since Continental continues to operate and enjoy profits from many international routes protected by governmental agreements.

Those who purchased Continental tickets by cash or check have not been repaid 1 cent of the $28 million they are owed. Nor is it clear how much of the $42 million charged by Continental customers has been credited.

In lieu of repayment, Continental announced that it would issue script which would allow these consumers equivalent flights. This script is of no use, however, to consumers who

bought their tickets at any of the 51 cities where "The New Continental" discontinued service. Nor does the script respond to the concern many consumers may have about flying on an airline that is operating without benefit of its most experienced pilots, flight attendants, and mechanics. Moreover, it would be unjust to force other airlines to honor Continental tickets because they would have to assume the Continental debt while their competitor continued to operate.

The resolution we are introducing today expresses the Senate's disapproval of bankruptcy abuses such as those that occurred concerning Continental. It is intended as a signal to all interested parties that the Senate will not sit idly by while thousands of small consumers and creditors are left holding the bag by debtors that hide behind the bankruptcy laws and then continue business as usual.

What has occurred at Continental Airlines is of questionable justification. This bankruptcy ploy has not only damaged the reputation of what was once a proud airline; it has raised fundamental issues of how the Congress can better protect the basic rights of the consumer. I hope that the bankruptcy court will act quickly to see that Continental's creditors are repaid. If not, the Congress will certainly reexamine the standards which permit use of the bankruptcy law.

I would also like to share a sampling of the many complaints by consumers registered at the Civil Aeronautics Board. I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CIVIL AERONAUTICS BOARD,
Washington, D.C.

DEAR SIR: I am holding a Continental Airlines ticket for a September 29, 1983, flight from Cleveland to Phoenix/Tucson. I was charged $245 on my American Express bill for this ticket yet I could not use it because:

(1) No airline would honor it.

(2) Continental quit flying to Tucson/Phoenix.

(3) No airline would let me fly stand-by.

(4) United, Republic, U.S. Air, and American all told me I'd have to purchase a new ticket and all of them quoted the same price, $373.

After an hour and a half of going from one airline to another, I finally purchased a ticket from American for $373 . . . The ticket agents all referred to a new sheet of instructions from their airlines effective September 29 which stated, "Cannot honor Continental tickets." Continental refuses to reissue tickets to anyone or to refund the old ones.

Yours truly,

R. D.—*Tucson, Ariz.*

SENATE RESOLUTION 285—RELATING TO REIMBURSEMENT FOR HOSPICE CARE

Mrs. HAWKINS (for herself, Mr. D'AMATO, Mr. MOYNIHAN, Mr. LEAHY, Mr. MATSUNAGA, and Mr. HEINZ) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 285

Whereas, the Senate of the United States recognizes that hospice care provides a compassionate and competent alternative to traditional care of many terminally ill patients and their families during the last weeks and months of life, and

Whereas, Congress recognized and established hospice as a unique and appropriate alternative form of care within the nation's health delivery system by enacting Section 122 of the Tax Equity and Fiscal Responsibility Act of 1982, allowing terminally ill Medicare beneficiaries to choose hospice as an optional benefit in lieu of more expensive and less humane approaches, and

Whereas, that statutory section requires the Secretary of Health and Human Services to publish final regulations implementing the Medicare hospice benefit no later than September 1, 1983, and

Whereas, final regulations have not yet been published although the effective date of the benefit was November 1, 1983, and

Whereas, hospice programs have been forced by the tardiness of the Department to rely upon proposed rates published in August, 1983, and

Whereas, the appropriate data base for setting final reimbursement rates can only be compiled from the experience of hospices participating in the Medicare program, and

Whereas, terminally ill Medicare beneficiaries relying upon the quality of care and levels of service mandated in the law have waived their Medicare Part A benefits in order to be admitted to hospice programs which have been surveyed for certification as Medicare providers, and

Whereas, hundreds of hospice programs and thousands of terminally ill persons are dramatically affected by the timely implementation of the intent of Congress; now therefore it is

Resolved, That it is the sense of the Senate that:

(1) Reimbursement rates for hospices not be lowered below those published in the August 22, 1983, Federal Register;

(2) Without delay, the Health Care Financing Administration begin to collect reliable data on cost experiences of hospices participating in the Medicare program in order that future rate changes will reflect the accurate cost of service which terminally ill patients require and which hospices are mandated to provide under the terms of the hospice legislation;

(3) No further delay in publishing the final regulations implementing the law will be tolerated.

● Mrs. HAWKINS. Mr. President, hospice organizations throughout the Nation have been working tirelessly during the last few months to conform to State and Federal regulations in order to qualify for medicare reimbursement. While many hospice organizations, upset at the low level of reimbursement decided not to seek medicare certification, many more have strived to achieve the quality of services mandated by the law in hopes of receiving some Federal funding to defray the costs of providing hospice services to medicare eligible patients. These organizations are upset at recent blockage of publication of the final regulations governing the medicare hospice benefit, and the insistence of the Office of Management and Budget to lower the per diem rates of reimbursement for hospice providers. This action could be devastating to the up to 31,000 dying Americans who are seeking an alternative to traditional hospital care. I am concerned that if the per diem rates are reduced by the 20 percent intended by the Office of Management and Budget, hospice care will cease to exist as an alternative method of caring for the terminally ill.

Therefore, I am submitting, with Senator D'AMATO, Senator LEAHY, Senator MATSUNAGA, Senator KENNEDY, and Senator HEINZ a sense of the Senate resolution that the reimbursement rates for hospitals not be lowered below the rates published in the August 22, 1983, Federal Register, that the final regulations be implemented as soon as possible and that the Health Care Financing Administration begin to collect reliable data on cost experience of hospices participating in medicare program so that future changes will be truly representative of accurate cost of hospice service.

Mr. President, I ask unanimous consent that a copy of a letter from the National Hospice Organization be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL HOSPICE ORGANIZATION,
Arlington, Va., November 15, 1983.

HON. PAULA HAWKINS,
Hart Senate Office Building,
Washington, D.C.

DEAR SENATOR HAWKINS: The National Hospice Organization has learned that the Office of Management and Budget intends to cut the Medicare hospice benefit by as much as twenty percent below the already minimal rates previously agreed to by the Administration and published in the Federal Register August 22.

These major cuts, coming even before the hospice benefit can be properly implemented, will virtually negate the intent of the Congress to allow terminally ill Medicare patients to choose hospice care in lieu of more expensive, inappropriate institutionalization.

In a meeting with NHO officials today, the Deputy Administrator of the Health Care Financing Administration, Dan Bourque, confirmed that the cuts are being very seriously considered. Bourque confirmed that the home care per diem would be reduced from $53.17 to $42.19 and inpatient per diem rates would be cut from $271 to $255.55.

Even with the rates published in August, hospice programs would have had to not only continue but intensify community fund-raising and the use of volunteer resources in order to subsidize Medicare and provide a similar level of services to non-Medicare patients. Based upon the response of our membership, it is our judgment that no hospice in the United States will be able to render the level and extent of services

mandated under the hospice legislation at the reduced rates proposed by the Administration.

The result, as is well-documented by both public and private studies, will be that persons who otherwise would be cared for in hospice programs will be institutionalized at much higher costs to Medicare.

As a justification for lowering hospice rates, the Administration says it is relying upon data from a HCFA hospice demonstration project. This data is inapplicable to the Medicare hospice benefit and should not be used to set prospective hospice per day rates, for the following reasons:

1. The HCFA demonstration project studied 26 sites, fewer than half of which have a service mix and range of services comparable to the definition of hospice in the hospice legislation. Yet, HCFA has relied on "averages" of data from complying and noncomplying sites in arriving at its statistical conclusions about the cost of care.

2. Patients entering the hospice demonstration project were not required to waive other Medicare benefits. This could well have had a significant effect on the lengths of stay achieved over time by hospice programs participating in the demonstration project. HCFA is stating that because the average length of stay in demonstration hospices has gone up, that per day rates should go down. However, under the Medicare benefit, it could be much more difficult to achieve long lengths of stay since a patient choosing hospice would be required to make an informed election to forego other Medicare benefits. Patients, families, and physicians will tend to make such "decisions to forego care" later than decisions were made to become demonstration project participants.

3. The HCFA demonstration project did not capture some costs from some services which, under the new benefit, hospices are supposed to be reimbursed to provide. These uncaptured costs were not reflected in the data on which HCFA has based its prospective rates. For example, outpatient ancillary services related to the management of the terminal disease, including any services billed to Medicare Part B through a carrier and not the Office of Direct Reimbursement, are not included in HCFA's data base. These services account for considerable cost for some patients, for instance, outpatient chemotherapy or radiotherapy.

4. Manipulation of the data by HCFA was clearly statistically inappropriate in some cases. For instance, HCFA used only hospital-based hospices in the demonstration project as data sources for setting the proposed inpatient rate. HCFA avoided the data from 15 of the 26 demonstration sites, even though patients in all 26 sites utilized inpatient care and generated inpatient cost data.

5. The demonstration project operated under a requirement that patients have a primary caregiver in the home. This requirement, which is not included in the Medicare hospice benefit, results in a substantial distortion of the demonstration data by understating the utilization of home care services (particularly nursing, counseling, aides, and homemakers) and thus skewing downward the home care cost data. In other words, terminally ill patients who do not have primary caregivers in the home but who would be eligible for the Medicare hospice benefit are likely to need more intensity and utilization of services than patients in the demonstration who all had primary caregivers living in the home. This is particularly significant considering that a substantially larger proportion of Medicare beneficiaries do not have persons in the home capable of caring for a dying person than the population, in general.

6. In arriving at the conclusion that increased utilization results in lower per day costs, HCFA has inappropriately compared demonstration project costs from fiscal 1982 (October 1, 1981–September 30, 1982) with utilization data from Medicare beneficiaries who entered demonstration hospices between October 1, 1980 and December 31, 1981 and who died or were discharged by February, 1983.

7. The costs of respite care furnished to HCFA by the National Hospice Study evaluators at Brown University were not fully reflected in the rates.

In meeting with Mr. Bourque today, we learned that he was unaware that virtually every hospice in America was having to undergo significant changes, expansions in service capacity, and organizational growth in order to qualify to provide the comprehensive range of benefits mandated under the law. Even if HCFA's faulty data base were to be relied upon in the setting of rates, the preliminary data being utilized does not reflect fully operational and comprehensive hospices, but, rather, hospices whose utilization of some services was understated simply because the services were not fully developed.

In an honest attempt to understand whether the results of the HCFA hospice demonstration project can be used to set prospective rates for the new hospice benefit, the National Hospice Organization has directly contacted Dr. David Greer, M.D., Dean of the School of Medicine at Brown University. Dr. Greer is the Principal Investigator for the evaluation of the HCFA hospice project. He reports to us that he agrees with the NHO position on this matter in that the National Hospice Study may not be an appropriate data base for the purpose to which it is being put by the Administration.

In good faith, hospice programs throughout the country have relied upon the Congress and the Administration for faithful implementation of the hospice legislation. However, in violation of the law, itself, the Administration failed to publish final regulations, as required, by September 1, 1983. In violation of the law, itself, a final report has not been provided by the Administration about the HCFA demonstration project and its findings. Therefore, neither the Congress nor the hospice community has had the opportunity to study these findings in detail. Although the law required that the hospice benefit be available to terminally ill Americans on November 1, 1983, the Administration has still not published final rules despite the fact that hospice patients are being admitted into programs which have already passed Medicare certification surveys.

Hospice programs have been forced by the Department's tardiness to rely upon the rates published in August and have negotiated contracts, expanded services, hired staff, and begun rendering care. Patients with only weeks or even days to live are relying upon a level of care which the new rates will not provide. These patients have signed election statements waiving their traditional Medicare Part A benefits believing in the promise of quality and adequacy explicit in the law.

The thousands of Americans who serve and are served by America's hospices earnestly solicit your immediate help and advocacy for hospice care. We have enclosed recommended report language which we urge be included in budget reconciliation provisions now before the Senate Finance Committee. We also request your direct personal assistance in appealing to Secretary Margaret Heckler, who has been responsive to the hospice issue previously, to maintain hospice payment rates at the levels agreed to in August until reliable data is collected from hospices participating in the Medicare benefit.

With thanks for all you have done and are doing,

Sincerely,

DONALD J. GAETZ,
Chairman of the Board.
CAROLYN FITZPATRICK,
President.
LOUISE BRACKNELL,
Executive Director.●

SENATE RESOLUTION 286—RELATING TO A COMMITTEE ON SECURITY AND COOPERATION

By Mr. BAKER (for Mr. DOLE) submitted the following resolution; which was placed on the calendar.

S. RES. 286

Resolved, That the President pro tempore of the Senate in consultation with the Majority Leader shall designate a Member of the Senate who is a member of the Commission on Security and Cooperation in Europe to serve as Chairman of the members of the Commission appointed from among Members of the Senate.

SEC. 2. (a) There is established on the effective date provided by subsection (j) a Special Committee of the Senate to be known as the Special Committee on Security and Cooperation in Europe (hereafter in this resolution referred to as the "Special Committee").

(b)(1) The Special Committee shall be composed of seven members appointed by the President pro tempore from the recommendations of the Majority and Minority Leaders of the Senate. Four members shall be appointed from the majority party and three members shall be appointed from the minority party.

(2) The President pro tempore shall designate a member of the Special Committee recommended by the Majority Leader to serve as Chairman.

(3) A majority of the members of the Special Committee shall constitute a quorum for the transaction of business, except that the Special Committee may fix a lesser number as a quorum for the purpose of taking sworn testimony.

(4) Vacancies in the membership of the Special Committee shall not affect the authority of the remaining members to execute the functions of the committee, and shall be filled in the same manner as original appointments are made.

(5) The Special Committee shall adopt rules of procedure not inconsistent with the rules of the Senate governing standing committees of the Senate.

(6) Service of a Senator as a member or as Chairman of the Special Committee shall not be taken into account for the purposes of paragraph 4 of rule XXV of the Standing Rules of the Senate.

(7) The Chairman may establish such subcommittees of the Special Committee as he considers appropriate, but each such sub-

committee shall be composed of not less than three members.

(c) The Special Committee is authorized and directed to monitor the acts of the signatories which reflect compliance with or violation of the articles of the Final Act of the Conference on Security and Cooperation in Europe, with particular regard to the provisions relating to Cooperation in Humanitarian Fields. The Special Committee is further authorized and directed to monitor and encourage the development of programs and activities of the United States Government and private organizations with a view toward taking advantage of the provisions of the Final Act to expand East-West economic cooperation and a greater interchange of people and ideas between East and West.

(d) For the purposes of this resolution, the Special Committee is authorized (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, (3) to hold hearings, (4) to sit and act at any time or place during the sessions, recesses, and adjourned periods of the Senate, (5) to take depositions and other testimony, (6) to procure the services of individual consultants or organizations thereof, in accordance with the provisions of section 202(i) of the Legislative Reorganization Act of 1946, and (7) with the prior consent of the department or agency of the Federal Government concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

(e) With the consent of the Chairman of any other committee of the Senate, the Special Committee may utilize the facilities and the services of the staff of such other committee of the Senate, or any subcommittee thereof, whenever the Chairman of the Special Committee determines that such action is necessary and appropriate.

(f) In carrying out this resolution, the Special Committee may require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as it deems necessary. Subpoenas may be issued over the signature of the Chairman of the Commission or any member designated by him, and may be served by any person designated by the Chairman or such member. The Chairman of the Commission, or any member designated by him, may administer oaths to any witness.

(g) In order to assist the Special Committee in carrying out its duties, the President shall submit to the Commission a semiannual report, the first one to be submitted six months after the date of enactment of this Act, which shall include (1) a detailed survey of actions by the signatories of the Final Act reflecting compliance with or violation of the provisions of the Final Act, and (2) a listing and description of present or planned programs and activities of the appropriate agencies of the executive branch and private organizations aimed at taking advantage of the provisions of the Final Act to expand East-West economic cooperation and to promote a greater interchange of people and ideas between East and West.

(h) The Special Committee is authorized and directed to report to the Senate with respect to the matters covered by this Act on a periodic basis and to provide information to Members of the Senate as requested.

(i)(1) Expenses of the Special Committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the Chairman of the Special Committee, except that vouchers shall not be required for the disbursement of salaries of employees paid an annual rate.

(2) Not to exceed $6,000 of the funds expended for a fiscal year may be used for official reception and representational expenses.

(j) The provisions of subsections (a) through (i) shall take effect on January 1, 1984, unless the Commission on Security and Cooperation in Europe (hereafter in this resolution referred to as the "Commission") has agreed to the following procedure:

(1) The chairmanship of the Commission shall rotate between the House and Senate membership beginning at the start of the 99th Congress. Subsequently, the chairmanship shall rotate between the Senate and the House at the beginning of the first session of each succeeding Congress; (2) The position of co-chairman of the Commission shall be formally created under law of effective January 1, 1984; (3) Both the Chairman and Co-Chairman shall each have the authority to hire and direct an equal number (at least five [5]) of professional staff members of the Commission. The Chairman and Co-Chairman shall each designate a senior staff person who shall serve as Staff Director during his sponsor's term as Chairman; and, (4) Either the chairman or the co-chairman shall have the authority to authorize foreign travel for Commissioners or staff. The chairman and co-chairman shall have joint control over the expenditure of Commission funds. A personnel and administration committee consisting of the senior republican and senior democrat from the House and Senate shall be created and shall have the authority to hire, fire and fix the pay of all Commission staff except the senior staff person appointed by the chairman and the senior staff person appointed by the co-chairman.

SEC. 3. It is the sense of the Senate that: Senate participation in monitoring the Helsinki Final Act shall be through the Senate Special Committee on Security and Cooperation in Europe.

AMENDMENTS SUBMITTED

CAPITAL IMPROVEMENT PROJECTS ON GUAM

WEICKER AMENDMENT NO. 2628

Mr. BAKER (for Mr. WEICKER) proposed an amendment to the amendment of the House to the bill (S. 589) to authorize $15,500,000 for capital improvement projects on Guam, and for other purposes; as follows:

(1) Section 5 of the amendment of the House is amended by adding at the end thereof the following new subsection:

"(d) Section 3 of the Revised Organic Act of the Virgin Islands (68 Stat. 498), as amended, is further amended by inserting 'article VI, clause 3;' after 'article IV, section 1 and section 2, clause 1; and before 'the first to ninth amendments'.".

Strike section 11 of the amendment of the House and insert in hereof the following:

"SEC. 11. Title III of the Clean Air Act is amended by inserting after section 324 the following new section and renumbering succeeding sections accordingly:

"'EXEMPTIONS FOR CERTAIN TERRITORIES

"'SEC. 325. (a)(1) Upon petition by the governor of Guam, American Samoa, or the Commonwealth of the Northern Mariana Islands, the Administrator is authorized to exempt any person or source or class of persons or sources in such territory from any requirement under this Act other than section 112 or any requirement under section 110 or part D necessary to attain or maintain a national primary ambient air quality standard. Such exemption may be granted if the Administrator finds that compliance with such requirement is not feasible or is unreasonable due to unique geographical, meteorological, or economic factors of such territory, or such other local factors as the Administrator deems significant. Any such petition shall be considered in accordance with section 307(d) and any exemption under this subsection shall be considered final action by the Administrator for the purposes of section 307(b).

"'(2) The Administrator shall promptly notify the Committees on Energy and Commerce and on Interior and Insular Affairs of the House of Representatives and the Committees on Environment and Public Works and on Energy and Natural Resources of the Senate upon receipt of any petition under this subsection and of the approval or rejection of such petition and the basis for such action.

"'(b) Notwithstanding any other provision of this Act, any fossil fuel fired steam electric power plant operating within Guam as of the date of enactment of this section is hereby exempted from:

"'(1) any requirement of the new source performance standards relating to sulfur dioxide promulgated under section 111 as of such date of enactment; and

"'(2) any regulation relating to sulfur dioxide standards or limitations contained in a State implementation plan approved under section 110 as of such date of enactment: *Provided,* That such exemption shall expire eighteen months after such date of enactment unless the Administrator determines that such plant is making all emissions reductions practicable to prevent exceedances of the national ambient air quality standards for sulfur dioxide.'."

(3) Strike section 14 of the amendment of the House and insert lieu thereof the following:

"SEC. 14. Effective with respect to milk marketed for commercial use during the period beginning on December 1, 1983 and ending on May 31, 1984, paragraphs (2) and (3) of section 201(d) of the Agricultural Act of 1949 shall apply only to milk produced in the 48 contiguous states.".

(4) At the end of the amendment of the House insert the following sections:

"SEC. 15. (a) Section 1839 of the Revised Statutes (48 U.S.C. 1451) is amended by adding at the end thereof: 'As used herein, the term "Territory" does not include the Virgin Islands, Puerto Rico, American Samoa, Guam, or the Northern Mariana Islands.'.

"(b) Section 1840 of the Revised Statutes (48 U.S.C. 1452) is amended by adding at the end thereof: 'As used herein, the term "Territory" does not include the Virgin Islands, Puerto Rico, American Samoa, Guam, or the Northern Mariana Islands.'.

"SEC. 16. The following provisions of law are repealed:

"(a) That portion of section 1 of the Legislative, Executive, and Judicial Appropriation Act for the fiscal year 1916 (March 5,

1915, c.141, Sec. 1, 38 Stat. 1021) which reads as follows: 'Hereafter, the accounts and vouchers relating to the expenditure of the appropriations for government in the Territories shall be transmitted to the Secretary of the Interior for administrative examination and by him passed to the Auditor for the Interior Department for settlement.';

"(b) Chapter 56 of the Act of April 16, 1880 (21 Stat. 74);

"(c) Section 1841 of the Revised Statutes (48 U.S.C. 1453);

"(d) Section 1873 of the Revised Statutes (48 U.S.C. 1453a);

"(e) Section 1843 of the Revised Statutes (48 U.S.C. 1454);

"(f) Section 1844 of the Revised Statutes (48 U.S.C. 1455);

"(g) Section 1855 of the Revised Statutes (48 U.S.C. 1457);

"(h) Section 1857 of the Revised Statutes (48 U.S.C. 1458);

"(i) Section 1858 of the Revised Statutes (48 U.S.C. 1459);

"(j) Section 1860 of the Revised Statutes as amended (48 U.S.C. 1460);

"(k) Section 1854 of the Revised Statutes as amended (48 U.S.C. 1460a);

"(l) Section 8 of the Act of March 22, 1882 (22 Stat. 31);

"(m) Section 1 of the Act of June 19, 1878 (20 Stat. 193);

"(n) Section 1868 of the Revised Statutes (48 U.S.C. 1463);

"(o) Section 1864 of the Revised Statutes (48 U.S.C. 1463a);

"(p) Section 1 of the Act of April 7, 1874 (18 Stat. 27);

"(q) Section 1878 of the Revised Statutes (48 U.S.C. 1465);

"(r) That portion of chapter 88 of the Act of May 1, 1876 (19 Stat. 43), which reads as follows: 'and hereafter payment of salaries of all officers of the Territories of the United States appointed by the President shall commence only when the person appointed to any such office shall take the proper oath, and shall enter upon the duties of such office in such Territory; and said oath shall hereafter be administered in the Territory in which such office is held.';

"(s) Section 1883 of the Revised Statutes (48 U.S.C. 1467);

"(t) Section 1884 of the Revised Statutes (48 U.S.C. 1468), as amended by section 304 of chapter 18 of the Act of June 10, 1921 (42 Stat. 24);

"(u) Section 1886 of the Revised Statutes (48 U.S.C. 1469) as amended by section 304 of chapter 18 of the Act of June 10, 1921 (42 Stat. 24);

"(v) Section 1888 of the Revised Statutes (48 U.S.C. 1470);

"(w) Section 1 of chapter 818 of the Act of July 30, 1886 (24 Stat. 170);

"(x) Section 4 of chapter 818 of the Act of July 30, 1868 (24 Stat. 171) as amended by chapter 43 of the Act of August 22, 1911 (37 Stat. 33);

"(y) Section 3 of chapter 818 of the Act of July 30, 1886 (24 Stat. 171);

"(z) Section 2 of chapter 679 of the Act of July 19, 1888 (25 Stat. 336);

"(aa) Section 2 of chapter 818 of the Act of July 30, 1886 (24 Stat. 171);

"(bb) chapter 35 of the Act of March 4, 1898 (30 Stat. 252);

"(cc) chapter 820 of the Act of June 6, 1900 (31 Stat. 683);

"(dd) Section 6 of chapter 818 of July 30, 1886 (24 Stat. 171);

"(ee) Section 7 of chapter 818 of the Act of July 30, 1886 (24 Stat. 171);

"(ff) chapter 235 of the Act of June 16, 1880 (21 Stat. 277);

"(gg) Section 1892 of the Revised Statutes (48 U.S.C. 1482);

"(hh) Section 1893 of the Revised Statutes (48 U.S.C. 1483);

"(ii) Section 1894 of the Revised Statutes (48 U.S.C. 1484);

"(jj) Section 1895 of the Revised Statutes (48 U.S.C. 1485); and

"(kk) Chapter 388 of the Act of June 22, 1874 (18 Stat. 135).

"SEC. 17. No provision of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States of America by the United States of America shall bar the United States of America from paying compensation to or employing any citizen of the Northern Mariana Islands.

"SEC. 18. No requirement of United States citizenship in any federal law which provides federal services or financial assistance and which is applicable to the Northern Mariana Islands by operation of section 502(a)(1) of the Covenant or, if enacted subsequent to March 24, 1976, by its own terms shall bar a citizen of the Northern Mariana Islands from receiving services or assistance pursuant to such law.

"SEC. 19. (a) The President may, subject to the provisions of section 20 of this Act, by proclamation provide that the requirement of United States citizenship or nationality provided for in any of the statutes listed on pages 63-74 of the Interim Report of the Northern Mariana Islands Commission on Federal laws to the Congress of the United States, dated January 1982 and submitted pursuant to section 504 of the Covenant, shall not be applicable to the citizens of the Northern Mariana Islands. The President is authorized to correct clerical errors in the list, and to add to it provisions, where it appears from the context that they were inadvertently omitted from the list.

"(b) A statute which denies a benefit or imposes a burden or a disability on an alien, his dependents, or his survivors shall, for the purposes of this Act, be considered to impose a requirement of United States citizenship or nationality.

"SEC. 20. (a) The President may issue one or more proclamations under the authority of this Act.

"(b) When issuing such proclamation or proclamations the President—

"(1) shall take into account:

"(i) the hardship suffered by the citizens of the Northern Mariana Islands resulting from the fact that, while they are subject to most of the laws of the United States, they are denied the benefit of those laws which contain a requirement of United States citizenship or nationality;

"(ii) the responsibilities, obligations, and limitations imposed upon the United States by international law;

"(2) may make the requirement of United States citizenship or nationality inapplicable only to those citizens of the Northern Mariana Islands who declare in writing that they do not intend to exercise their option under section 302 of the Covenant to become a national but not a citizen of the United States.

"(3) may make the requirement of a United States citizenship or nationality inapplicable only in the Northern Mariana Islands;

"(4) may retain the requirement of United States citizenship or nationality with respect to parts of a statute or portion thereof.

"SEC. 21. If the President does not issue any proclamation authorized by section 19 of this Act within a period of six months following the effective date of the Act, the requirement of United States citizenship or nationality as a prerequisite of any benefit, right, privilege, or immunity in any statute made applicable to the Northern Mariana Islands by the terms of that statute or by operation of the Covenant shall not be appliable to citizens of the Northern Mariana Islands: *Provided*, That the provisions of this section shall not be applicable to any requirements of United States citizenship or nationality contained in statutes relating to the political rights of citizenship, and to the diplomatic protection of, and services to, citizens or nationals of the United States in foreign countries: *Provided further*, That with respect to the statutes relating to the uniformed services, the requirement of United States citizenship or nationality shall remain in effect, except with respect to those citizens of the Northern Mariana Islands who declare in writing that they do not intend to exercise their option under section 302 of the Covenant to become a national but not a citizen of the United States.

"SEC. 22. Nothing in this Act shall be construced as extending to the Northern Mariana Island any statutory provision or regulation not otherwise applicable to or within the Northern Mariana Island, in particular the statutes relating to immigration and nationality and the regulations issued under them.

SEC. 23. The authority of the President to issue proclamations under section 19 of this Act shall terminate upon the establishment of the Commonwealth of the Northern Mariana Islands pursuant to section 1002 of the Covenant. Section 21 of this Act shall not become effective if the Commonwealth of the Northern Mariana Islands is established within the period of six months following the effective date of this Act.

"SEC. 24. As used in this Act:

"(a) 'Covenant' means the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, approved by the Joint Resolution of March 24, 1976 (90 Stat. 263, 48 U.S.C. 1681, note).

"(b) 'Citizen of the Northern Mariana Islands' means a citizen of the Trust Territory of the Pacific Islands and his or her children under the age of eighteen years, who does not owe allegiance to any foreign state, and who—

"(1) was born in the Northern Mariana Islands and is physically present in the Northern Mariana Islands or in the United States or any territory or possession thereof; or

"(2) has been lawfully and continuously domiciled in the Northern Mariana Islands since January 1, 1974, and, who, unless then under age, was registered to vote in an election for the Mariana Islands legislature or for any municipal election in the Northern Mariana Islands prior to January 1, 1975.

"(c) 'Domicile' means that place where a person maintains a residence with the intention of continuing such residence for an unlimited or indefinite period, and to which such person has the intention of returning whenever he is absent, even for an extended period.

"SEC. 25. Upon the establishment of the Commonwealth of the Northern Mariana Islands pursuant to section 1002 of the Covenant, the benefits acquired under this Act shall merge without interruption into those to which the recipient is entitled by virtue of his acquisition of United States citizen-

ship, unless the recipient exercises his privilege under section 302 of the Covenant to become a national but not a citizen of the United States.".

ADVANCES TO THE MIGRATORY BIRD CONSERVATION FUND

CHAFEE AMENDMENT NO. 2629

Mr. BAKER (for Mr. CHAFEE) proposed an amendment to the bill (S. 1284) to extend until October 1, 1985, the authority for advances to the migratory bird conservation fund; as follows:

On page 1, line 8, and on page 2, line 4, strike "1985" each place it appears and insert in lieu thereof "1984".

SMALL BUSINESS DEVELOPMENT CENTER PROGRAM

WEICKER AMENDMENT NO. 2630

Mr. BAKER (for Mr. WEICKER) proposed an amendment to the bill (S. 1429) to amend the Small Business Act to provide for the continuation of the Small Business Development Center program; as follows:

On page 5, line 4, strike "fiscal year 1984, $25,000,000, for".

PUERTO RICO NUTRITION ASSISTANCE PROGRAM

HELMS AMENDMENT NOS. 2631 AND 2632

Mr. BAKER (for Mr. HELMS) proposed two amendments to the bill (H.R. 4252) to suspend the noncash benefit requirement for the Puerto Rico nutrition assistance program, and for other purposes; as follows:

On page 1, lines 3 and 4, strike out "for the period beginning January 1, 1984, and ending July 31, 1985" and insert in lieu thereof "January 1, 1984".

AMENDMENT NO. 2632

On page 2, strike out lines 3 through 8 and insert in lieu thereof the following:

(1) by striking out "the limit of twelve months may be waived by the Secretary to improve the administration of the program" in the second sentence and inserting in lieu thereof "the foregoing limits on the certification period may, with the approval of the Secretary, be waived by a State agency for certain categories of households where such waiver will improve the administration of the program"; and

On page 2, line 10, strike out "12" and insert in lieu thereof "twelve".

On page 3, line 7, strike out "in person" and insert in lieu thereof "in-person".

On page 3, line 24, insert "or" after the semicolon.

On page 4, line 12, strike out the period before the quotation marks and insert in lieu thereof a semicolon.

SUPPLEMENTAL APPROPRIATIONS, 1984

GARN AMENDMENT NO. 2633

Mr. GARN proposed an amendment to the amendment of the House to the amendment of the Senate numbered 11 to the bill (H.R. 3959) making supplemental appropriations for the fiscal year ending September 30, 1984, and for other purposes; as follows:

AMENDMENT NO. 2633

In lieu of the matter proposed by said House amendment, insert the following:

For an additional amount for payment of expenses as authorized by the Emergency Veterans' Job Training Act of 1983 (Public Law 98-77), $75,000,000, to remain available until September 30, 1986.

SHORT TITLE AND TABLE OF CONTENTS

SECTION 1. (a) Titles I through XI of this Act may be cited as the "Domestic Housing and International Recovery and Financial Stability Act".

(b) Titles I through V of this Act may be cited as the "Housing and Urban-Rural Recovery Act of 1983".

TABLE OF CONTENTS

Sec. 1 Short title and table of contents.

TITLE I—COMMUNITY AND NEIGHBORHOOD DEVELOPMENT AND CONSERVATION

PART A—COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Sec. 101. Low and moderate income benefit objective.
Sec. 102. Definitions.
Sec. 103. Authorization of appropriations.
Sec. 104. Statement of activities and review.
Sec. 105. Eligible activities.
Sec. 106. Allocation and distribution of funds.
Sec. 107. Discretionary fund.
Sec. 108. Guarantee of loans.
Sec. 109. Use of grants to settle outstanding urban renewal loans.
Sec. 110. Transition provisions.

PART B—OTHER PROGRAMS

Sec. 121. Urban development action grants.
Sec. 122. Urban homesteading.
Sec. 123. Neighborhood development demonstration.
Sec. 124. Rehabilitation loans.
Sec. 125. Neighborhood Reinvestment Corporation.
Sec. 126. Repealers.

TITLE II—HOUSING ASSISTANCE PROGRAMS

Sec. 201. Allocation and use of assisted housing authority.
Sec. 202. Increase in single person occupancy limitation.
Sec. 203. Priority for housing assistance.
Sec. 204. Lease and grievance procedures.
Sec. 205. Reporting requirements.
Sec. 206. Amendments affecting tenant rents or contributions.
Sec. 207. Voucher demonstration.
Sec. 208. Renewal of section 8 contracts.
Sec. 209. Repeal of new construction authority.
Sec. 210. Single room occupancy housing.
Sec. 211. Shared housing for the elderly and handicapped.
Sec. 212. Payments for operation of lower income housing projects.
Sec. 213. Income eligibility.
Sec. 214. Demolition and disposition of public housing.
Sec. 215. Financing limitations.
Sec. 216. Emergency shelter program.
Sec. 217. Operating assistance for troubled multifamily housing projects.
Sec. 218. Section 236 assistance.
Sec. 219. Rent supplement program.
Sec. 220. Report regarding housing neighborhood strategy area program.
Sec. 221. Consideration of utility payments made by tenants in assisted housing.
Sec. 222. Public housing child care demonstration program.
Sec. 223. Housing for the elderly and handicapped.
Sec. 224. Congregate services.
Sec. 225. Demonstration project.
Sec. 226. Section 235 homeownership assistance.
Sec. 227. Pet ownership in assisted rental housing for the elderly or handicapped.

TITLE III—RENTAL HOUSING REHABILITATION AND PRODUCTION PROGRAM

Sec. 301. Rental rehabilitation and development grants.
Sec. 302. Conforming amendments to the Housing and Community Development Act of 1974.
Sec. 303. Conforming amendments to the National Housing Act.

TITLE IV—PROGRAM AMENDMENTS AND EXTENSIONS

PART A—FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS

Subpart 1—General Authorities and Requirements

Sec. 401. Extension of mortgage insurance programs.
Sec. 402. Amount to be insured under the National Housing Act.
Sec. 403. Authorization of appropriations to cover losses to the General Insurance Fund.
Sec. 404. Elimination of requirement that Federal Housing Administration interest rates be set by law.
Sec. 405. Minimum property standards.
Sec. 406. Time of payment of mortgage insurance premiums.
Sec. 407. Mortgage insurance for American Samoa.
Sec. 408. Assignment of section 221(g)(4) mortgages to Government National Mortgage Association.

Sec. 409. Termination of section 221 buy-back provision.

Subpart 2—Single-Family Mortgage Insurance Programs

Sec. 415. Title I insurance for existing manufactured homes.
Sec. 416. Increased title I loan limits for manufactured homes and lots.
Sec. 417. Refinancing manufactured homes under title I.
Sec. 418. Counseling for persons assisted under temporary mortgage assistance payments program.
Sec. 419. Cooperative housing.
Sec. 420. Mortgage insurance for condominium units.
Sec. 421. Single-family mortgage insurance on Hawaiian home lands.
Sec. 422. Single family mortgage insurance on Indian reservations.
Sec. 423. Treatment of Federal Housing Administration single family premiums.
Sec. 424. Change in maximum loan-to-value ratio for modestly priced single family homes.
Sec. 425. Nonoccupant single family mortgagors.
Sec. 426. Payment of claims without acquisition of title.
Sec. 427. Structural defects in Veterans' Administration—approved, Federal Housing Administration-insured new homes.
Sec. 428. Reinsurance demonstration program.

Subpart 3—Multifamily and Other Mortgage Insurance Programs

Sec. 431. Discretionary authority to regulate rents or charges.
Sec. 432. Removal of refinancing limitations on certain multifamily projects.
Sec. 433. Limitation on prepayment of mortgages on multifamily rental housing.
Sec. 434. Assumption of loss under multifamily co-insurance.
Sec. 435. Mortgage insurance for manufactured home parks for the elderly.
Sec. 436. Mortgage insurance for public hospitals.
Sec. 437. Mortgage insurance for board and care homes.

Subpart 4—Insurance of Alternative Mortgage Instruments

Sec. 441. Indexed mortgages.
Sec. 442. Graduated payment mortgages for multifamily housing.
Sec. 443. Adjustable rate mortgages for single family housing.
Sec. 444. Shared appreciation mortgages for single family housing.
Sec. 445. Shared appreciation mortgages for multifamily housing.
Sec. 446. Insurance of mortgages not providing for complete amortization.
Sec. 447. Premium charges for insurance of alternative mortgage instruments.
Sec. 448. Report on home equity conversion mortgages for the elderly.

PART B—FLOOD AND PROPERTY INSURANCE PROGRAMS

Sec. 451. Flood insurance.
Sec. 452. Crime and riot insurance.
Sec. 453. Study of sinkhole insurance.

PART C—REGULATORY AND OTHER PROGRAMS

Sec. 461. Real estate settlement procedures.
Sec. 462. National Institute of Building Sciences.
Sec. 463. Solar Energy and Energy Conservation Bank.
Sec. 464. Weatherization program.
Sec. 465. Counseling.
Sec. 466. Research authorization.
Sec. 467. National housing partnerships.
Sec. 468. Report regarding program changes.
Sec. 469. Periodic report on residential mortgage delinquencies and foreclosures.
Sec. 470. Public notice and comment regarding Department demonstration programs.
Sec. 471. Multifamily mortgage foreclosure.
Sec. 472. Alternative mortgage transactions.
Sec. 473. Due-on sale clause prohibitions.
Sec. 474. Cancellation of debt owed the Treasury and liquidation of new communities program.

PART D—SECONDARY MORTGAGE MARKET PROGRAMS

Sec. 481. Amount to be guaranteed under the Government National Mortgage Association mortgage-backed securities program.
Sec. 482. Government National Mortgage Association commitment extension.
Sec. 483. Special assistance and emergency mortgage purchase assistance functions of the Government National Mortgage Association.

TITLE V—RURAL HOUSING

Sec. 501. Short title.
Sec. 502. Definitions.
Sec. 503. Section 502 amendments.
Sec. 504. Rehabilitation loans.
Sec. 505. Technical services and research.
Sec. 506. Standards for adequate housing.
Sec. 507. General authority of the Secretary.
Sec. 508. Amendment to section 511.
Sec. 509. Repeal of section 512.
Sec. 510. Determination of need for housing under sections 514 and 516.
Sec. 511. Authorizations.
Sec. 512. Section 515 amendments.
Sec. 513. Farm labor housing.
Sec. 514. Insured rural housing loans.
Sec. 515. Definition of rural area.
Sec. 516. Shared housing for the elderly and handicapped.
Sec. 517. Rental assistance tenant contribution.
Sec. 518. Technical and supervisory assistance.
Sec. 519. Condominium housing.
Sec. 520. FHA insurance.
Sec. 521. Processing of application.
Sec. 522. Rural housing preservation grant program.
Sec. 523. Miscellaneous.

TITLE VI—EXPORT-IMPORT BANK ACT AMENDMENT OF 1983

Sec. 601. Short title.

PART A—EXPORT-IMPORT BANK ACT AMENDMENTS

Sec. 611. Extension of the Export-Import Bank Act.
Sec. 612. Competitive mandate.
Sec. 613. Advisory committee.
Sec. 614. Terms of directors.
Sec. 615. Report on authority.
Sec. 616. Exports of services.
Sec. 617. Competitive insurance.
Sec. 618. Small business needs.
Sec. 619. Special facilities in support of United States exports.
Sec. 620. Technical amendments.
Sec. 621. Capital level of the Bank.
Sec. 622. Medium-term financing.
Sec. 623. Report to Congress.

PART B—MATCHING CREDITS

Sec. 631. Matching credits.
Sec. 632. Report.
Sec. 633. Technical amendment.

PART C—TIED AID CREDIT EXPORT SUBSIDIES

Sec. 641. Short title.
Sec. 642. Statement of purpose.
Sec. 643. Negotiating mandate.
Sec. 644. Establishment of a tied aid credit program in the United States Export-Import Bank.
Sec. 645. Establishment of a tied aid credit program in the Agency for International Development.
Sec. 646. Implementation.
Sec. 647. Definitions.

TITLE VII—MISCELLANEOUS PROVISIONS

Sec. 701. Home Mortgage Disclosure Act Amendments.
Sec. 702. Members to serve until successors are appointed.
Sec. 703. Extension to March 1, 1984.

TITLE VIII—INTERNATIONAL MONETARY FUND

Sec. 801. Promoting conditions for exchange rate stability.
Sec. 802. Quota increase.
Sec. 803. Special drawing rights.
Sec. 804. Instructions to the United States Executive Director.
Sec. 805. Elimination of agricultural export subsidies.
Sec. 806. Sustaining economic growth.
Sec. 807. Opposing Fund bailouts of banks.
Sec. 808. Surplus commodities.

Sec. 809. International cooperation.
Sec. 810. IMF interest rates.
Sec. 811. Borrowing in United States credit markets.
Sec. 812. Trade provisions.
Sec. 813. Reports to Congress.
TITLE IX—INTERNATIONAL LENDING SUPERVISION
Sec. 901. Short title.
Sec. 902. Declaration of policy.
Sec. 903. Definitions.
Sec. 904. Strengthened supervision of international lending.
Sec. 905. Reserves.
Sec. 906. Accounting for fees on international loans.
Sec. 907. Collection and disclosure of certain international lending data.
Sec. 908. Capital adequacy.
Sec. 909. Foreign loan evaluations.
Sec. 910. General authorities.
Sec. 911. GAO audit authority.
Sec. 912. Equal representation for the Federal Deposit Insurance Corporation.
Sec. 913. Reports.
TITLE X—MULTILATERAL DEVELOPMENT BANKS
Sec. 1001. Inter-Americal Development Bank.
Sec. 1002. Asian Development Bank.
Sec. 1003. African Development Fund.
Sec. 1004. Human rights.
Sec. 1005. Study.
Sec. 1006. Personnel practices.
TITLE XI—IMF APPROPRIATION
Sec. 1101. IMF appropriation.
TITLE I—COMMUNITY AND NEIGHBORHOOD DEVELOPMENT AND CONSERVATION

PART A—COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM LOW AND MODERATE INCOME BENEFIT OBJECTIVE

SEC. 101. (a) Section 101(c) of the Housing and Community Development Act of 1974 is amended—

(1) in the first sentence, by inserting after "title" the following: "and of the community development program of each grantee under this title"; and

(2) in the second sentence, by inserting after the first comma the following: "not less than 51 percent of the aggregate of the Federal assistance provided under section 106 and, if applicable, the funds received as a result of a guarantee under section 108, shall be used for the support of activities that benefit persons of low and moderate income, and".

(b) Section 104(b)(3) of such Act is amended—

(1) by striking out the first semicolon and inserting in lieu thereof ", and"; and

(2) by inserting before the semicolon at the end thereof the following: ", except that the aggregate use of funds received under section 106 and, if applicable, as a result of a guarantee under section 108, during a period specified by the grantee of not more than 3 years, shall principally benefit persons of low and moderate income in a manner that ensures that not less than 51 percent of such funds are used for activities that benefit such persons during such period".

DEFINITIONS

SEC. 102. (a) Section 102(a)(4) of the Housing and Community Development Act of 1974 is amended—

(1) by striking out the semicolon and all that follows through "later"; and

(2) by adding at the end thereof the following new sentences: "In order to permit an orderly transition of each city losing its classification as a metropolitan city by reason of the population data of the 1980 decennial census or revisions in the designation of metropolitan areas or central cities, any city classified as or deemed by law to be a metropolitan city for purposes of assistance under any section of this title for fiscal year 1983 shall retain such qualification for purposes of receiving such assistance for fiscal years 1984 and 1985. Any unit of general local government that becomes eligible to be classified as a metropolitan city for fiscal year 1984, or 1985 while its population is included in an urban county for such fiscal year may, upon submission of written notification to the Secretary, defer its classification as a metropolitan city for all purposes under this title for fiscal year 1984, and 1985 and 1986 if such unit of general local government continues to have its population included in such urban county under subsection (d).".

(b) Section 102(a)(6) of such Act is amended by striking out the last sentence and inserting in lieu thereof the following new sentences: "In order to permit an orderly transition of each county losing its classification as an urban county by reason of a decrease in population, any county classified as or deemed to be an urban county under this paragraph for purposes of receiving assistance under any section of this title for fiscal year 1983 shall retain such qualification for purposes of receiving such assistance for fiscal year 1984 and 1985, or for such longer period covered by a cooperation agreement entered into during fiscal year 1984. Notwithstanding the combined population amount set forth in clause (B) of the first sentence, a county shall also qualify as an urban county for purposes of assistance under section 106 if such county (A) complies with all other requirements set forth in the first sentence; (B) has, according to the most recent available decennial census data, a combined population between 190,000 and 199,999, inclusive; (C) had a population growth rate of not less than 15 percent during the most recent 10-year period measured by applicable censuses; and (D) has submitted data satisfactory to the Secretary that it has a combined population of not less than 200,000.".

(c) Section 102(a) of such Act is amended by adding at the end thereof the following new paragraphs:

"(20) The terms 'persons of low and moderate income' and 'low- and moderate-income persons' have the meaning given the term 'lower income families' in section 3(b)(2) of the United States Housing Act of 1937. The term 'persons of very low income' has the meaning given the term 'very low-income families' in such section. For purposes of such terms, the area involved shall be determined in the same manner as such area is determined for purposes of assistance under section 8 of such Act.

"(21) The term 'buildings for the general conduct of government' means city halls, county administrative buildings, State capital or office buildings or other facilities in which the legislative or general administrative affairs of the government are conducted. Such term does not include such facilities as neighborhood service centers or special purpose buildings located in low- and moderate-income areas that house various nonlegislative functions or services provided by government at decentralized locations.".

(d) Section 102 of such Act is amended by striking out "Department of Commerce" each place it appears in paragraphs (3), (4), and (9) of subsection (a) and in subsection (b) and inserting in lieu thereof "Office of Management and Budget".

(e) Section 102(b) of such Act is amended by striking out the last sentence.

(f) The last sentence of section 102(d) of such Act is amended by inserting before the period at the end thereof the following: ", except where the unit of general local government loses the designation of metropolitan city".

AUTHORIZATION OF APPROPRIATIONS

SEC. 103. Section 103 of the Housing and Community Development Act of 1974 is amended by striking out the second sentence and inserting in lieu thereof the following: "There are authorized to be appropriated for purposes of assistance under sections 106 and 107 not to exceed $3,468,000,000 for each of the fiscal years 1984, 1985, and 1986.".

STATEMENT OF ACTIVITIES AND REVIEW

SEC. 104. (a) Section 104(a)(1) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new sentence: "In all cases, beginning in fiscal year 1984, the statement required in this subsection shall include a description of the use of funds made available under section 106 in fiscal year 1982 and thereafter (or, beginning in fiscal year 1985, such use since preparation of the last statement prepared pursuant to this subsection) together with an assessment of the relationship of such use to the community development objectives identified in the statement prepared pursuant to this subsection for such previous fiscal years and to the requirements of section 104(b)(3).".

(b) Section 104(a)(2) of such Act is amended—

(1) in the first sentence, by inserting "in a timely manner" after "shall";

(2) in subparagraph (A)—

(A) by inserting after "citizens" the following: "or, as appropriate, units of general local government"; and

(B) by inserting before the semicolon at the end thereof the following: ", including the estimated amount proposed to be used for activities that will benefit persons of low and moderate income and the plans of the grantee for minimizing displacement of persons as a result of activities assisted with such funds and to assist persons actually displaced as a result of such activities";

(3) by striking out "and" at the end of subparagraph (B);

(4) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon;

(5) by inserting after subparagraph (C) the following new subparagraphs:

"(D) provide citizens or, as appropriate, units of general local government with reasonable access to records regarding the past use of funds received under section 106 by the grantee; and

"(E) provide citizens or, as appropriate, units of general local government with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of funds received under section 106 from one eligible activity to another."; and

(6) by adding at the end thereof the following new sentence: "Any final statement of activities may be modified or amended from time to time by the grantee in accordance with the same procedures required in this paragraph for the preparation and submission of such statement.".

(c) Section 104(b) of such Act is amended—

(1) by inserting before the semicolon at the end of paragraph (2) the following: ", and the grantee will affirmatively further fair housing";

(2) by striking out "and" at the end of paragraph (3);

(3) by redesignating paragraph (4) as paragraph (6); and

(4) by inserting after paragraph (3) the following new paragraphs:

"(4) it has developed a community development plan, for the period specified by the grantee under paragraph (3), that identifies community development and housing needs and specifies both short- and long-term community development objectives that have been developed in accordance with the primary objective and requirements of this title;

"(5) the grantee will not attempt to recover any capital costs of public improvements assisted in whole or part under section 106 or with amounts resulting from a guarantee under section 108 by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (A) funds received under section 106 are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (B) for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the grantee certifies to the Secretary that it lacks sufficient funds received under section 106 to comply with the requirements of subparagraph (A); and".

(d) Section 104(c)(1)(A) of such Act is amended by inserting after "community" the first place it appears the following: "(including the number of vacant and abandoned dwelling units)".

(e) Section 104(d) of such Act is amended—

(1) by inserting "and evaluation" after "performance" in the first sentence;

(2) by inserting "and to the requirements of subsection (b)(3)" after "subsection (a)" in the first sentence; and

(3) by inserting after the first sentence the following: "Such report shall also be made available to the citizens in each grantee's jurisdiction in sufficient time to permit such citizens to comment on such report prior to its submission, and in such manner and at such times as the grantee may determine. The grantee's report shall indicate its programmatic accomplishments, the nature of and reasons for changes in the grantee's program objectives, indications of how the grantee would change its programs as a result of his experiences, and an evaluation of the extent to which, its funds were used for activities that benefited low- and moderate-income persons. The report shall include a summary of any comments received by the grantee from citizens in its jurisdiction respecting its program. The Secretary shall encourage and assist national associations of grantees eligible under section 106(d)(2)(B), national associations of States, and national associations of units of general local government in nonentitlement areas to develop and recommend to the Secretary, within one year after the effective date of this sentence, uniform recordkeeping, performance reporting, and evaluation reporting, and auditing requirements for such grantees, States, and units of local government, respectively. Based on the Secretary's approval of these recommendations, the Secretary shall establish such requirements for use by such grantees, States, and units of local government.".

(f) The second sentence of section 104(g)(1) of such Act is amended by inserting after "payment" the following: "and substantial disbursements from such fund must begin within 180 days after receipt of such payment".

(g) Section 104 of such Act is amended by adding at the end thereof the following new subsections:

"(i) Notwithstanding any other provision of law, any unit of general local government may retain any program income that is realized from any grant made by the Secretary, or any amount distributed by a State, under section 106 if (1) such income was realized after the initial disbursement of the funds received by such unit of general local government under such section; and (2) such unit of general local government has agreed that while the unit of general local government is participating in a community development program under this title it will utilize the program income for eligible community development activities in accordance with the provisions of this title. A State may require as a condition of any amount distributed by such State under section 106(d) that a unit of general local government shall pay to such State any such income to be used by such State to fund additional eligible community development activities, except that such State shall waive such condition to the extent such income is applied to continue the activity from which such income was derived.

"(j) Each grantee shall provide for reasonable benefits to any person involuntarily and permanently displaced as a result of the use of assistance received under this title to acquire or substantially rehabilitate property.".

ELIGIBLE ACTIVITIES

SEC. 105. (a) Section 105(a)(2) of the Housing and Community Development Act of 1974 is amended to read as follows:

"(2) the acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements;".

(b)(1) Section 105(a)(8) of such Act is amended—

(A) by striking out "10" and inserting in lieu thereof "15"; and

(B) by inserting before the semicolon at the end thereof the following: "unless such unit of general local government used more than 15 percent of the assistance received under this title for fiscal year 1983 for such activities (excluding any assistance received pursuant to Public Law 98-8), in which case such unit of general local government may use not more than the percentage or amount of such assistance used for such activities for such fiscal year, whichever method of calculation yields the higher amount".

(2) Section 303(b) of the Housing and Community Development Amendments of 1981 is amended by striking out ", 1983, and 1984" and inserting in lieu thereof "and 1983".

(c) Section 105(a)(14) of the Housing and Community Development Act of 1974 is amended by inserting after "public facilities" the following: "(except for buildings for the general conduct of government)".

(d) Section 105(a)(15) of such Act is amended by inserting the following before the semicolon at the end thereof: ", including grants to neighborhood-based nonprofit organizations, or other private or public nonprofit organizations, for the purpose of assisting, as part of neighborhood revitalization or other community development, the development of shared housing opportunities (other than by construction of new facilities) in which elderly families (as defined in section 3(b)(3) of the United States Housing Act of 1937) benefit as a result of living in a dwelling in which the facilities are shared with others in a manner that effectively and efficiently meets the housing needs of the residents and thereby reduces their cost of housing".

(e) Section 105 of such Act is amended by adding at the end thereof the following new subsection:

"(c)(1) In any case in which an assisted activity described in paragraph (14) or (17) of subsection (a) is identified as principally benefiting persons of low and moderate income, such activity shall—

"(A) be carried out in a neighborhood consisting predominately of persons of low and moderate income and provide services for such persons; or

"(B) involve facilities designed for use predominately by persons of low and moderate income; or

"(C) involve employment of persons, a majority of whom are persons of low and moderate income.

"(2) In any case in which an assisted activity described in subsection (a) is designed to serve an area generally and is clearly designed to meet identified needs of persons of low and moderate income in such area, such activity shall be considered to principally benefit persons of low and moderate income if (A) not less than 51 percent of the residents of such area are persons of low and moderate income; or (B) in any jurisdiction having no areas meeting the requirements of subparagraph (A), the area served by such activity has a larger proportion of persons of low and moderate income than not less than 75 percent of the other areas in the jurisdiction of the recipient.

"(3) Any assisted activity under this title that involves the acquisition or rehabilitation of property to provide housing shall be considered to benefit persons of low and moderate income only to the extent such housing will, upon completion, be occupied by such persons.".

ALLOCATION AND DISTRIBUTION OF FUNDS

SEC. 106. (a) Section 106(b) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new paragraph:

"(6)(A) Where data are available, the amount determined under paragraph (1) for a metropolitan city that has been formed by the consolidation of one or more metropolitan cities with an urban county shall be equal to the sum of the amounts that would have been determined under paragraph (1) for the metropolitan city or cities and the balance of the consolidated government, if such consolidation had not occurred. This paragraph shall apply only to any consolidation that—

"(i) included all metropolitan cities that received grants under this section for the fiscal year preceding such consolidation and that were located within the urban county;

"(ii) included the entire urban county that received a grant under this section for the fiscal year preceding such consolidation; and

"(iii) took place on or after January 1, 1983.

"(B) The population growth rate of all metropolitan cities referred to in section 102(a)(12) shall be based on the population of (i) metropolitan cities other than consolidated governments the grant for which is determined under this paragraph; and (ii) cities that were metropolitan cities before their incorporation into consolidated governments. For purposes of calculating the entitlement share of the balanace of the consolidated government under this paragraph, the entire balance shall be considered to have been an urban county.".

(b) Section 106(c)(1)(B) of such Act is amended to read as follows:

"(B) in reallocating amounts resulting from an action under section 104(d) or section 111, a city or county against whom any such action was taken in a fiscal year shall be excluded from a calculation of share for purposes of reallocating, in the succeeding year, the amounts becoming available as a result of such action; and".

(c) Section 106(c) of such Act is amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding the provisions of paragraph (1), the Secretary may upon request transfer responsibility to any metropolitan city for the administration of any amounts received, but not obligated, by the urban county in which such city is located if (A) such city was an included unit of general local government in such county prior to the qualification of such city as a metropolitan city; (B) such amounts were designated and received by such county for use in such city prior to the qualification of such city as a metropolitan city; and (C) such city and county agree to such transfer of responsibility for the administration of such amounts.".

(d)(1) Section 106(d)(2)(A) of such Act is amended—

(A) by striking out "the State" and inserting in lieu thereof "a State that has elected, in such manner and at such time as the Secretary shall prescribe; and

(B) by inserting after clause (ii) the following new sentence:

"Any election to distribute funds made after the close of fiscal year 1984 is permanent and final.".

(2) Section 106(d)(2)(B) of such Act is amended by striking out "where" and all that follows through the period at the end thereof and inserting in lieu thereof the following: "if the State has not elected to distribute such amounts.".

(e) Section 106(d)(2)(C) of such Act is amended by striking out clause (iii) and inserting in lieu thereof the following new clause:

"(iii) will not refuse to distribute such amounts to any unit of general local government on the basis of the particular eligible activity selected by such unit of general local government to meet its community development needs, except that this clause may not be considered to prevent a State from establishing priorities in distributing such amounts on the basis of the activities selected; and".

(f) Section 106(d)(2) of such Act is amended by adding at the end thereof the following new subparagraph:

"(D) To receive and distribute amounts allocated under paragraph (1), the Governor of each State shall certify that each unit of general local government to be distributed funds will be required to identify its community development and housing needs, including the needs of low and moderate income persons, and the activities to be undertaken to meet such needs.".

(g) The second and third sentences of section 106(d)(3)(A) of such Act are amended to read as follows: "The State shall pay from its own resources all administrative expenses incurred by the State in carrying out its responsibilities under this title, except that from the amounts received for distribution in nonentitlement areas, the State may deduct an amount to cover such expenses not to exceed the sum of $100,000 plus 50 percent of any such expenses in excess of $100,000. Amounts deducted in excess of $100,000 shall not exceed 2 percent of the amount so received.".

(h) Section 106(d)(3) of such Act is amended by striking out subparagraph (C) and inserting in lieu thereof the following:

"(C) Any amounts allocated for use in a State under paragraph (1) that are not received by the State for any fiscal year because of failure to meet the requirements of subsection (a) or (b) of section 104, or that become available as a result of actions against the State under section 104(d) or 111, shall be added to amounts allocated to all States under paragraph (1) for the succeeding fiscal year.

"(D) Any amounts allocated for use in a State under paragraph (1) that become available as a result of actions under section 104(d) or 111 against units of general local government in nonentitlement areas of the State or as a result of the closeout of a grant made by the Secretary under this section in nonentitlement areas of the State shall be added to amounts allocated to the State under paragraph (1) for the fiscal year in which the amounts become so available.".

(i) Section 106(d) of such Act is amended by adding at the end thereof the following new paragraphs:

"(5) No amount may be distributed by any State or the Secretary under this subsection to any unit of general local government located in a nonentitlement area unless such unit of general local government certifies that—

"(A) it will minimize displacement of persons as a result of activities assisted with such amounts;

"(B) its program will be conducted and administered in conformity with Public Law 88-352 and Public Law 90-284, and that it will affirmatively further fair housing;

"(C) it will provide for opportunities for citizen participation, hearings, and access to information with respect to its community development program that are comparable to those required of grantees under section 104(a)(2); and

"(D) it will not attempt to recover any capital costs of public improvements assisted in whole or part under section 106 or with amounts resulting from a guarantee under section 108 by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (i) funds received under section 106 are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (ii) for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the grantee certified to the Secretary or such State, as the case may be, that it lacks sufficient funds received under section 106 to comply with the requirements of clause (i).

"(6) Any activities conducted with amounts received by a unit of general local government under this subsection shall be subject to the applicable provisions of this title and other Federal law in the same manner and to the same extent as activities conducted with amounts received by a unit of general local government under subsection (a).".

(j) Section 106(f) of such Act is amended to read as follows:

"(f) If the total amount available for distribution in any fiscal year to metropolitan cities and urban counties under this section is insufficient to provide the amounts to which metropolitan cities and urban counties would be entitled under subsection (b), and funds are not otherwise appropriated to meet the deficiency, the Secretary shall meet the deficiency through a pro rata reduction of all amounts determined under subsection (b). If the total amount available for distribution in any fiscal year to metropolitan cities and urban counties under this section exceeds the amounts to which metropolitan cities and urban counties would be entitled under subsection (b), the Secretary shall distribute the excess through a pro rata increase of all amounts determined under subsection (b).".

DISCRETIONARY FUND

SEC. 107. (a) Section 107(a) of the Housing and Community Development Act of 1974 is amended by striking out the first sentence and inserting in lieu thereof the following: "Of the total amount approved in appropriation Acts under section 103 for each of the fiscal years 1984, 1985, and 1986, not more than $68,200,000 for each such fiscal year may be set aside in a special discretionary fund for grants under subsection (b).".

(b) Section 107(b)(4) of such Act is amended to read as follows:

"(4) to States, units of general local government, Indian tribes, or areawide planning organizations for the purpose of providing technical assistance in planning, developing, and administering assistance under this title; to groups designated by such governmental units to assist them in carrying out assistance under this title; to qualified groups for the purpose of assisting more than one such governmental unit to carry out assistance under this title; and to States and units of general local government for implementing special projects otherwise authorized under this title; and the Secretary may also provide technical assistance, directly or through contracts, to such governmental units and groups; and".

(c) Section 107(b) of such Act is amended—

(1) by striking out "and" at the end of paragraph (3); and

(2) by adding at the end thereof the following new paragraph:

"(5) to States and units of general local government for the purpose of allocating amounts to any such State or unit of general local government that is determined by the Secretary to have received insufficient amounts under section 106 as a result of a miscalculation of its share of funds under such section.".

GUARANTEE OF LOANS

SEC. 108. (a) Section 108(a) of the Housing and Community Development Act of 1974 is amended by inserting after the first sentence the following new sentence: "A guarantee under this section may be used to assist a grantee in obtaining financing only if the grantee has made efforts to obtain such financing without the use of such guarantee and cannot complete such financing consistent with the timely execution of the program plans without such guarantee.".

(b) Section 108(a) of such Act is amended by striking out the last sentence and inserting in lieu thereof the following: "Notwithstanding any other provison of law and subject only to the absence of qualified applicants or proposed activities, to the authority provided in this section, and to any funding limitation approved in appropriation Acts, the Secretary shall enter into commitments during fiscal year 1984 to guarantee notes and obligations under this section with an aggregate principal amount of $225,000,000.".

USE OF GRANTS TO SETTLE OUTSTANDING URBAN RENEWAL LOANS

SEC. 109. Section 112 of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new subsection:

"(c) Any unit of general local government may retain any program income that is realized from a grant made by the Secretary pursuant to subsection (a) or under title I of the Housing Act of 1949 if (1) such income was realized after the initial disbursement of the grant funds by such unit of general local government; and (2) such unit of general local government agrees to utilize the program income for eligible community development activities in accordance with the provisions of this title.".

TRANSITION PROVISIONS

SEC. 110. (a) Seciton 116(b) of the Housing and Community Development Act of 1974 is amended by—

(1) striking out "(in that fiscal year)"; and

(2) striking out "in that year" and inserting in lieu thereof "for that year".

(b) The amendments made by this section shall apply only to funds available for fiscal year 1984 and thereafer.

PART B—OTHER PROGRAMS

URBAN DEVELOPMENT ACTION GRANTS

SEC. 121. (a) Section 119(a) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new sentence: "There are authorized to be appropriated to carry out the provisions of this section not to exceed $440,000,000 for each of the fiscal years 1984, 1985, and 1986, and any amount appropriated under this sentence shall remain available until expended.".

(b) Section 119(b)(1) of such Act is amended—

(1) in the last sentence, by striking out "where data are available, the extent of unemployment and job lag" and inserting in lieu thereof the following: "the extent of unemployment, job lag, or surplus labor"; and

(2) by adding at the end thereof the following new sentences: "Any city that has a population of less than 50,000 persons and is not the central city of a metropolitan area, and that was eligible for fiscal year 1983 under this paragraph for assistance under this section, shall continue to be eligible for such assistance until the Secretary revises the standards for eligibility for such cities under this paragraph and includes the extent of unemployment, job lag, or labor surplus as a standard of distress for such cities. The Secretary shall make such revision as soon as practicable following the effective date of this sentence.".

(c) Subparagraphs (A) and (B) of section 119(b)(2) of such Act are each amended by inserting "neighborhood statistics areas," after "enumeration districts,".

(d) Section 119(c)(3) of such Act is amended—

(1) by striking out ", and (B)" and inserting in lieu thereof "; (B)"; and

(2) by inserting the following after "carried out" in clause (B): "; and (C) has made available the analysis described in clause (B) to any interested person or organization residing or located in the neighborhood in which the proposed activities are to be carried out".

(e) Section 119(d)(1) of such Act is amended in the first sentence by adding after the word "criteria" where it first appears: "for a national competition".

(f) Section 119(i) of such Act is amended by adding at the end theeof the following new sentence: "The Secretary shall encourage cooperation by geographically proximate cities of less than 50,000 population by permitting consortia of such cities, which may also include county governments that are not urban counties, to apply for grants on behalf of a city that is otherwise eligible for assistance under this section. Any grants awarded to such consortia shall be administered in compliance with eligibility requirements applicable to individual cities.".

(g) Section 119 of such Act is amended by adding at the end thereof the following new subsections:

"(p) An unincorporated portion of an urban county that is approved by the Secretary as an identifiable community for purposes of this section is eligible for a grant under subsection (b)(2) if such portion meets the eligibility requirements contained in the first sentence of subsection (b)(1) and the requirements of subsection (b)(2)(B) (applied to the population of the portion of the urban county) and if it otherwise complies with the provisions of this section.

"(q) Of the amounts appropriated for purposes of this section for any fiscal year, not more than $2,500,000 may be used by the Secretary to make technical assistance grants to States or their agencies, municipal technical advisory services operated by universities, or State associations of counties or municipalities, to enable such entities to assist units of general local government described in subsection (i) in developing, applying for assistance for, and implementing programs eligible for assistance under this section.

"(r) In providing assistance under this section, the Secretary may not discriminate among programs on the basis of the particular type of activity involved, whether such activity is primarily a neighborhood, industrial, or commercial activity.".

URBAN HOMESTEADING

SEC. 122. (a) The first sentence of section 810(h) of the Housing and Community Development Act of 1974 is amended by striking out "and (g)" and all that follows through "1983" and inserting in lieu thereof the following: ", (g), (h), and (i), there are authorized to be appropriated not to exceed $12,000,000 for fiscal year 1984, and such sums as may be necessary for fiscal year 1985".

(b) Section 810(a)(3) of such Act is amended by inserting "by a person legally entitled to reside there" before the semicolon.

"(b) Section 810(a)(3) of such Act is amended—

"(1) by striking out "three years" in subparagraph (A) and inserting in lieu thereof "5 years, except under such emergency standards as may be prescribed by the Secretary";

(2) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) repair all defects in the property that pose a substantial danger to health and safety within 1 year of the date of such initial conveyance;"; and

(3) by striking out "eighteen months after occupying the property" in subparagraph (C) and inserting in lieu thereof "3 years after the date of initial conveyance".

(d) Section 810(b) of such Act is amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

(7) an equitable procedure for selecting the recipients of such properties that—

"(A) gives a special priority to applicants—

"(i) whose current housing fails to meet standards of health and safety, including overcrowding;

"(ii) who currently pay in excess of 30 percent of their income for shelter; and

"(iii) who have little prospect of obtaining improved housing within the foreseeable future through means other than homesteading;

"(B) excludes applicants who are currently homeowners; and

"(C) takes into account the capacity of the applicant to contribute a substantial amount of labor to the rehabilitation process, or to obtain assistance from private sources, community organizations, or other sources.".

(e) Section 810(f) of such Act is amended—

(1) by inserting ", the Secretary of Agriculture," after "Secretary" each place it appears;

(2) by striking out "one- to four-family residences" and inserting in lieu thereof "residential properties"; and

(3) by adding at the end thereof the following new sentence: "such listing shall be accessible to the public during ordinary business hours at the offices of such unit of general local government or public agency.".

(f) Section 810 of such Act is amended—

(1) in subsection (c), by inserting "or (h)" after "subsection (b)";

(2) by redesignating subsection (h) as subsection (k); and

(3) by inserting after subsection (g) the following new subsections:

"(h)(1) The Secretary may, on a demonstration basis during fiscal years 1984 and 1985, convey to any unit of general local government or public agency designated by such unit of general local government any real property—

"(A) to which the Secretary holds title; and

"(B) that the Secretary determines to be suitable for a multifamily homesteading program that complies with the requirements of paragraph (2);

for such consideration, if any, as may be agreed upon between the Secretary and

such unit of general local government or public agency.

"(2) Any multifamily homesteading program carried out by any unit of general local government or public agency designated by any such unit of general local government shall be considered a multifamily homesteading program that complies with the requirements of this subsection if the Secretary determines that such program contains adequate assurances that—

"(A) the primary use of all homestead properties following conversion or rehabilitation shall be residential; and

"(B) not less than 75 percent of the residential occupants of homestead properties following conversion or rehabilitation shall be lower income families.

"(3) As used in this subsection and subsection (i) the term 'lower income familes' has the meaning given such term in section 3(b)(2) of the United States Housing Act of 1937.

"(i)(1) The Secretary shall use not more than $1,000,000 of the amounts appropriate under this section for each of the fiscal years 1984 and 1985 to undertake a program to demonstrate the feasibility of providing assistance to State or local governments or their agencies for the purchase of any real property that—

"(A) is improved by one- to four-family residence;

"(B) is not occupied by a person legally entitled to reside there;

"(C) is designated by a State or general unit of local government for use in a single family homestead program; and

"(D) will be conveyed to lower income families under such program upon condition that each such family agrees—

"(i) to occupy the property as a principal residence for a period of not less than 5 years, except under such emergency standards as may be prescribed by the Secretary;

"(ii) to repair all defects in the property that pose a substantial danger to health or safety within 1 year of the date of the initial conveyance; and

"(iii) to make such repairs and improvements to the property as may be necessary to meet applicable local standards for decent, safe, and sanitary housing within 3 years after the date of the initial conveyance.

"(2) The Secretary shall give a preference to demonstrations under this subsection involving the acquisition of properties that become available in satisfaction of public liens such as tax liens.

"(j) The Secretary shall conduct a continuing evaluation of the demonstration programs carried out under subsections (h) and (i) and shall transmit to the Congress a report not later than December 31, 1985, containing a summary of his evaluation of all such programs and his recommendations for the future conduct of such programs.".

NEIGHBORHOOD DEVELOPMENT DEMONSTRATION

SEC. 123. (a) For the purposes of this section:

(1) The term "eligible neighborhood development activity" means—

(A) creating permanent jobs in the neighborhood;

(B) establishing or expanding businesses within the neighborhood;

(C) developing, rehabilitating, or managing neighborhood housing stock;

(D) developing delivery mechanisms for essential services that have lasting benefit to the neighborhood; or

(E) planning, promoting, or financing voluntary neighborhood improvement efforts.

(2) The term "eligible neighborhood development organization" means—

(A) an entity organized as a private, voluntary, nonprofit corporation under the laws of the State in which it operates;

(B) an organization that is responsible to residents of its neighborhood through a governing body, not less than 51 percent of the members of which are residents of the area served;

(C) an organization that has conducted business for at least 3 years prior to the date of application for participation;

(D) an organization that operates within an area that meets the requirements for Federal assistance under section 119 of the Housing and Community Development Act of 1974; and

(E) an organization that conducts one or more eligible neighborhood development activities that have as their primary beneficiaries low- and moderate-income persons, as defined in section 102(a)(20) of the Housing and Community Development Act of 1974.

(3) The term "Secretary" means the Secretary of Housing and Urban Development.

(b)(1) The Secretary shall carry out, in accordance with this section, a demonstration program to determine the feasibility of supporting eligible neighborhood development activities by providing Federal matching funds to eligible neighborhood development organizations on the basis of the monetary support such organizations have received from individuals, businesses, and nonprofit or other organizations in their neighborhoods prior to receiving assistance under this section.

(2) The Secretary shall accept applications from eligible neighborhood development organizations for participation in the demonstration program. Eligible organizations may participate in more than 1 year of the program, but shall be required to submit a new application and to compete in the selection process for each program year. Not more than 30 percent of the grants may be for multiyear awards.

(3) From the pool of eligible neighborhood development organizations submitting applications for participation in a given program year, the Secretary shall select participating organizations in an appropriate number through a competitive selection process. To be selected, an applicant shall—

(A) have demonstrated measurable achievements in one or more of the activities specified in subsection (a)(4);

(B) specify a business plan for accomplishing one or more of the activities specified in subsection (a)(4); and

(C) specify a strategy for achieving greater long term private sector support.

(c)(1) The Secretary shall award grants under this section among the eligible neighborhood development organizations submitting applications for such grants on the basis of—

(A) the degree of economic distress of the neighborhood involved;

(B) the extent to which the proposed activities will benefit persons of low and moderate income;

(C) the extent of neighborhood participation in the proposed activities, as indicated by the proportion of the households and businesses in the neighborhood involved that are members of the eligible neighborhood development organization involved; and

(D) the extent of voluntary contributions available for the purpose of subsection (e)(4), except that the Secretary shall waive the requirement of this subparagraph in the case of an application submitted by a small eligible neighborhood development organization, an application involving activities in a very low-income neighborhood, or an application that is especially meritorious.

(d) The Secretary shall consult with an informal working group representative of eligible neighborhood organizations with respect to the implementation and evaluation of the program established in this section.

(e)(1) The Secretary shall assign each participating organization a defined program year, during which time voluntary contributions from individuals, businesses, and nonprofit or other organizations in the neighborhood shall be eligible for matching.

(2) Subject to paragraph (3), at the end of each 3-month period occurring during the program year, the Secretary shall pay to each participating neighborhood development organization the product of—

(A) the aggregate amount of voluntary contributions that such organization certifies to the satisfaction of the Secretary it received during such 3-month period; and

(B) the matching ratio established for such test neighborhoods under paragraph (4).

(3) The Secretary shall pay not more than $50,000 under this Act to any participating neighborhood development organization during a single program year.

(4) For purposes of paragraph (2), the Secretary shall, for each participating organization, determine an appropriate ratio by which monetary contributions made to participating neighborhood development organizations will be matched by Federal funds. The highest such ratios shall be established for neighborhoods having the smallest number of households or the greatest degree of economic distress.

(5) The Secretary shall insure that—

(A) grants and other forms of assistance may be made available under this section only if the application contains a certification by the unit of general local government within which the neighborhood to be assisted is located that such assistance is not inconsistent with the housing and community development plans of such unit, except that the failure of a unit of general local government to respond to a request for a certification within 30 days after the request is made shall be deemed to a certification; and

(B) eligible neighborhood development activities comply with all applicable provisions of the Civil Rights Act of 1964.

(6) To carry out this section, the Secretary—

(A) may issue regulations as necessary;

(B) shall utilize, to the fullest extent practicable, relevent research previously conducted by Federal agencies, State and local governments, and private organizations and persons;

(C) shall disseminate information about the kinds of activities, forms of organizations, and fund-raising mechanisms associated with successful programs;

(D) shall undertake any other activity the Secretary deems necessary to carry out this section, which shall include an evaluation and report to Congress on the demonstration and may include the the performance of research, planning, and administration, either directly, or when in the Secretary's judgment such activity will be carried out more effectively, more rapidly, or at less cost, by contract or grant; and

(E) may use not more than 5 percent of the funds appropriated for administrative or other expenses in connection with the demonstration.

(f) The Secretary shall submit to the Congress—

(1) not later than 3 months after the end of each fiscal year in which payments are made under this section, an interim report containing a summary of the activities carried out under this section during such fiscal year and any preliminary findings or conclusions drawn from the demonstration program; and

(2) not later than March 15 of the year after the end of the last fiscal year in which such payments are made, a final report containing a summary of all activities carried out under this section, the evaluation required in subsection (e)(6)(D) and any findings, conclusions, or recommendations for legislation drawn from the demonstration program.

(g) For purposes of carrying out this section, there are authorized to be appropriated not to exceed $2,000,000 for each of the fiscal years 1984 and 1985.

REHABILITATION LOANS

SEC. 124. (a) Section 312(d) of the Housing Act of 1964 is amended by adding the following new sentence at the end thereof: "The Secretary may not establish (1) any requirement that a certain proportion of assistance received under this section be utilized for any particular type of dwelling unit; or (2) any priority for the receipt of such assistance that is based on the receipt of use of funds by an applicant or area under any other program of Federal assistance for housing or community development, other than the urban homesteading program established in section 810 of the Housing and Community Development Act of 1974.".

(b) Section 312(h) of such Act is amended—

(1) by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1984"; and

(2) by striking out "December 1, 1983" and inserting in lieu thereof "October 1, 1984".

NEIGHBORHOOD REINVESTMENT CORPORATION

SEC. 125. Section 608(a) of the Neighborhood Reinvestment Corporation Act is amended by striking out "title" and all that follows through "1982" and inserting in lieu thereof the following: "title not to exceed $16,512,000 for fiscal year 1984, and such sums as may be necessary for fiscal year 1985".

REPEALERS

Sec. 126. (a)(1) Section 414 of the Housing and Urban Development Act of 1969 hereby is repealed.

(2) Notwithstanding paragraph (1), the Secretary of Housing and Urban Development and the Secretary of Agriculture may dispose of Federal surplus real property pursuant to the terms of section 414 of such Act if, prior to the date of the enactment of this Act, either Secretary had requested the Administrator of General Services to transfer such property for such disposition.

(3) Notwithstanding paragraph (1), section 414(b) of such Act shall continue to apply, where applicable, to all property transferred by either Secretary pursuant to section 414 of such Act, including properties transferred pursuant to paragraph (2).

(b)(1) Section 106(g) of the Housing Act of 1949 hereby is repealed.

(2) Section 703(d) of the Housing and Urban Development Act of 1965 hereby is repealed.

(3) Section 704, and the second sentence of section 706, of the Housing Act of 1961 hereby are repealed.

TITLE II—HOUSING ASSISTANCE PROGRAMS

ALLOCATION AND USE OF ASSISTED HOUSING AUTHORITY

SEC. 201. (a)(1) Section 213(a)(1) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following: "Upon receiving an application for such housing assistance, the Secretary shall assure that funds made available under this section shall be utilized to the maximum extent practicable to meet the needs and goals identified in the unit of local government's housing assistance plan.".

(2) Section 213(d) of such Act is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) The Secretary shall allocate assistance referred to in subsection (a) (other than assistance approved in appropriation Acts for use under sections 9, 14, and 17 of the United States Housing Act of 1937) the first time it is available for reservation on the basis of a formula which is contained in a regulation prescribed by the Secretary, and which is based on the relative needs of different States, areas, and communities as reflected in data as to population, poverty, housing overcrowding, housing vacancies, amount of substandard housing, and other objectively measurable conditions specified in such regulation. Any amounts allocated to a State or areas or communities within a State which are not likely to be utilized within a fiscal year shall not be reallocated for use in another State unless the Secretary determines that other areas or communities within the same State cannot utilize the amounts within that same fiscal year.

"(2) Not later than sixty days after approval in an appropriation Act, the Secretary shall allocate from the amounts available for use in nonmetropolitan areas an amount of authority for assistance under section 8(d) of the United States Housing Act of 1937 determined in consultation with the Secretary of Agriculture for use in connection with section 532 of the Housing Act of 1949 during the fiscal year for which such authority is approved. The amount of assistance allocated to nonmetropolitan areas pursuant to this section in any fiscal year shall not be less than 20 nor more than 25 per centum of the total amount of such assistance.".

(3) Not later than March 1, 1984, the Secretary shall report to the Congress on the impact of the last sentence of section 213(d)(2) of the Housing and Community Development Act of 1974.

(b) Section 5(c) of the United States Housing Act of 1937 is amended—

(1) by striking out the last sentence of paragraph (1);

(2) by striking out paragraphs (2) and (3) and redesignating the remaining paragraphs accordingly; and

(3) by adding at the end thereof the following:

"(5) During such period as the Secretary may prescribe for starting construction, the Secretary may approve the conversion of public housing development authority for use under section 14 or for use for the acquisition and rehabilitation of property to be used in public housing, if the public housing agency, after consultation with the unit of local government, certifies that such assistance would be more effectively used for such purpose, and if the total number of units assisted will not be less than 90 per centum of the units covered by the original reservation.

"(6) The aggregate amount of budget authority which may be obligated for contracts for annual contributions and for grants under section 17 is increased by $9,912,928,000 on October 1, 1983, and by such sums as may be approved in appropriation Acts on October 1, 1984.

"(7)(A) Using the additional budget authority provided under paragraph (6) and the balances of budget authority which become available during fiscal year 1984, to the extent approved in appropriations Acts, the Secretary may reserve authority to enter into obligations aggregating—

"(i) not to exceed $1,289,550,000 for public housing, of which not to exceed $389,550,000 shall be available for Indian housing;

"(ii) not to exceed $1,926,400,000 for assistance under section 8 in connection with projects developed under section 202 of the Housing Act of 1959;

"(iii) not to exceed $1,550,000,000 for comprehensive improvement assistance under section 14;

"(iv) not to exceed $2,217,150,000 for assistance under section 8(b)(1);

"(v) not to exceed $540,000,000 for assistance under section 8(e)(5);

"(vi) not to exceed $242,115,000 for assistance under section 8(o);

"(vii) not to exceed $150,000,000 for assistance under section 17 with respect to rental rehabilitation;

"(viii) not to exceed $200,000,000 with respect to rental development under section 17; and

"(ix) not to exceed $1,603,170,000 for additional assistance under section 8.

"(B) Using the additional budget authority provided under paragraph (6) and the balances of budget authority which become available during fiscal year 1985, to the extent approved in appropriations Acts, the Secretary may reserve authority to enter into obligations aggregating—

"(1) not to exceed such sums as may be approved in an appropriation Act for public housing, of which not to exceed such sums as may be approved in an appropriation Act shall be available for Indian housing;

"(ii) not to exceed such sums as may be approved in an appropriation Act for assistance under section 8 in connection with projects developed under section 202 of the Housing Act of 1959;

"(iii) not to exceed such sums as may be approved in an appropriation Act for comprehensive improvement assistance under section 14;

"(iv) not to exceed such sums as may be approved in an appropriation Act for assistance under section 8(b)(1);

"(v) not to exceed such sums as may be approved in an appropriation Act for assistance under section 8(e)(5);

"(vi) not to exceed such sums as may be approved in an appropriation Act for assistance under section 8(o);

"(vii) not to exceed $150,000,000 for assistance under section 17 with respect to rental rehabilitation;

"(viii) not to exceed $115,000,000 with respect to rental development under section 17; and

"(ix) not to exceed such sums as may be approved in an appropriation Act for additional assistance under section 8.

"(C) The specific authorities under this paragraph are subject to such adjustments as may be made under paragraph (5).".

"(c) Section 6 of such Act is amended by adding at the end thereof the following:

"(h) On or after October 1, 1983, the Secretary may enter into a contract involving new construction only if the public housing agency demonstrates to the satisfaction of the Secretary that the cost of new construction is less than the cost of acquisition or acquisition and rehabilitation, including any reserve fund under subsection (i), would be.

"(i) The Secretary may, upon application by a public housing agency in connection with the acquisition of housing for use as public housing, establish and set aside a reserve fund in an amount not to exceed 30 per centum of the acquisition cost which shall be available for use for major repairs to such housing.

"(j) On or after October 1, 1983, in entering into commitments for the development of public housing, the Secretary shall give a priority to projects for the constuction of housing suitable for occupancy by large families.".

INCREASE IN SINGLE PERSON OCCUPANCY LIMITATION

(SEC. 202. Section 3(b)(3) of the United States Housing Act of 1937 is amended by adding at the end thereof the following new sentence: "The Secretary may increase the limitation described in the second sentence of this paragraph to not more than 30 per centum if, following consultation with the public housing agency involved, the Secretary determines that the dwelling units involved are neither being occupied, nor are likely to be occupied within the next 12 months, by families or persons described in clauses (A), (B), and (C), due to the condition or location of such dwelling units, and that such dwelling units may be occupied if made available to single persons described in clause (D).".

PRIORITY FOR HOUSING ASSISTANCE

(Sec. 203. (a) Section 6(c)(4)(A) of the United States Housing Act of 2937 is amended by inserting "or are paying more than 50 per centum of family income for rent" after "under this Act".

(b)(1) Section 8(d)(1)(A) of such Act is amended by inserting ", are paying more than 50 per centum of family income for rent," after "substandard housing".

(2) Section 8 (e)(2) of such Act is amended by inserting ", are paying more than 50 per centum of family income for rent," after "substandard housing".

(3) Section 101 (e)(1)(B) of the Housing and Urban Development Act of 1965 is amended by inserting ", was paying more than 50 per centum of family income for rent," after "substandard housing".

LEASE AND GRIEVANCE PROCEDURES

SEC. 204. Section 6 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsections:

"(k) The Secretary shall by regulation require each public housing agency receiving assistance under this Act to establish and implement an administrative grievance procedure under which tenants will—

"(1) be advised of the specific grounds of any proposed adverse public housing agency action;

"(2) have an opportunity for a hearing before an impartial party upon timely request within any period applicable under subsection (1);

"(3) have an opportunity to examine any documents or records or regulations related to the proposed action;

"(4) be entitled to be represented by another person of his choice at any hearing;

"(5) be entitled to ask questions of witnesses and have others make statements on his behalf; and

"(6) be entitled to receive a written decision by the public housing agency on the proposed action.

An agency may exclude from its procedure any grievance concerning an eviction or termination of tenancy in any jurisdiction which requires that, prior to eviction, a tenant be given a hearing in court which the Secretary determines provides the basic elements of due process.

"(1) Each public housing agency shall utilize leases which—

"(1) do not contain unreasonable terms and conditions;

"(2) obligate the public housing agency to maintain the project in decent, safe, and sanitary condition;

"(3) require the public housing agency to give adequate written notice of termination of the lease which shall not be less than—

"(A) a reasonable time, but not to exceed 30 days, when the health or safety of other tenants or public housing agency employees is threatened;

"(B) 14 days in the case of nonpayment of rent; and

"(C) 30 days in any other case; and

"(4) require that the public housing agency may not terminate the tenancy except for serious or repeated violation of the terms or conditions of the lease or for other good cause.".

REPORTING REQUIREMENTS

SEC. 205. Section 6 of the United States Housing Act of 1937 is amended by adding at the end thereof the following:

"(m) The Secretary shall not impose any unnecessarily duplicative or burdensome reporting requirements on tenants or public hearing agencies assisted under this Act.".

AMENDMENT AFFECTING TENANT RENTS OR CONTRIBUTIONS

SEC. 206. (a) Section 3(a) of the United States Housing Act of 1937 is amended—

"(1) by inserting the following immediately after the first sentence: "Reviews of family income shall be made at least annually."; and

"(2) by inserting after "under this Act" in the final sentence the following: "(other than a family assisted under section 8(o))".

(b) Section 3(b) of such Act is amended by striking out the period at the end of paragraph (2) and inserting in lieu thereof the following: ", except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.".

(c) Section 3(b)(5) of the United States Housing Act of 1937 is amended to read as follows:

"(5) The term 'adjusted income' means the income which remains after excluding—

"(A) $480 for each member of the family residing in the household (other than the head of the household or his spouse) who is under 18 years of age or who is 18 years of age or older and is disabled or handicapped or a full-time student;

"(B) $400 for any elderly family;

"(C) medical expenses in excess of 3 per centum of annual family income for any elderly family; and

"(D) child care expenses to the extent necessary to enable another member of the family to be employed or to further his or her education.".

(d)(1) The following provisions of this paragraph apply to determinations of the rent to be paid by or the contribution required of a tenant occupying housing assisted under the authorities amended by this section or subsections (a) through (h) of section 322 of the Housing and Community Development Amendments of 1981 (hereinafter referred to as "assisted housing") on or before the effective date of regulations implementing this section:

(A) Notwithstanding any other provision of this section or subsections (a) through (h) of section 322 of the Housing and Community Development Amendments of 1981, the Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") may provide for delayed applicability, or for staged implementation, of the procedures for determining rents or contributions, as appropriate, required by such provisions if the Secretary determines that immediate application of such procedures would be impracticable, would violate the terms of existing leases, or would result in extraordinary hardship for any class of tenants.

(B) The Secretary shall provide that the rent or contribution, as appropriate, required to be paid by a tenant shall not increase as a result of the amendments made by this section and subsections (a) through (h) of section 322 of the Housing and Community Development Amendments of 1981, and as a result of any other provision of Federal law or regulation, by more than 10 per centum during any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to such amendments, law, or regulation.

(2) Tenants of assisted housing other than those referred to in paragraph (1) shall be subject to immediate rent payment or contribution determinations in accordance with applicable law and without regard to the provisions of paragraph (1), but the Secretary shall provide that the rent or contribution payable by any such tenant who is occupying assisted housing on the effective date of any provision of Federal law or regulation shall not increase, as a result of any such provision of Federal law or regulation, by more than 10 per centum during any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to such law or regulation.

(3) In the case of tenants receiving rental assistance under section 521(a)(1) of the Housing Act of 1949 on the effective date of this section whose assistance is converted to assistance under section 8 of the United States Housing Act of 1937 on or after such date, the Secretary shall provide that the rent or contribution payable by any such tenant shall not increase, as a result of such conversion, by more than 10 per centum during any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to such conversion or to any provision of Federal law or regulation.

(4)(A) Notwithstanding any other provision of law, in the case of the conversion of any assistance under section 101 of the Housing and Urban Development Act of 1965, section 236(f)(2) of the National Housing Act, or section 23 of the United States Housing Act of 1937 (as in effect before the date of the enactment of the Housing and Community Development Act of 1974) to assistance under section 8 of the United States Housing Act of 1937, any increase in

rent payments or contributions resulting from such conversion, and from the amendments made by this section of any tenant benefiting from such assistance who is 62 years of age or older may not exceed 10 per centum per annum.

(B) In the case of any such conversion of assistance occurring on or after October 1, 1981, and before the date of the enactment of this section, the rental payments due after such date of enactment by any tenant benefiting from such assistance who was 62 years of age or older on the date of such conversion shall be computed as if the tenant's rental payment or contribution had, on the date of conversion, been the lesser of the actual rental payment or contribution required, or 25 per centum of the tenant's income.

(5) The limitations on increases in rent contained in paragraphs (1)(B), (2), (3), and (4) shall remain in effect and may not be changed or superseded except by another provision of law which amends this subsection.

(6) As used in this subsection, the term "contribution" means an amount representing 30 per centum of a tenant's monthly adjusted income, 10 per centum of the tenant's monthly income, or the designated amount of welfare assistance, whichever amount is used to determine the monthly assistance payment for the tenant under section 3(a) of the United States Housing Act of 1937.

(7) The provisions of subsections (a) through (h) of section 322 of the Housing and Community Development Amendments of 1981 shall be implemented and fully applicable to all affected tenants no later than five years following the date of enactment of such amendments, except that the Secretary may extend the time for implementation if the Secretary determines that full implementation would result in extraordinary hardship for any class of tenants.

(e) Section 322(i) of the Omnibus Budget Reconciliation Act of 1981 is repealed.

VOUCHER DEMONSTRATION

SEC. 207. Section 8 of the United States Housing Act of 1937 is amended by adding at the end thereof the following:

"(o)(1) In connection with the rental rehabilitation and development program under section 17 or the rural housing preservation grant program under section 533 of the Housing Act of 1949, or for other purposes, the Secretary is authorized to conduct a demonstration program using a payment standard in accordance with this subsection. The payment standard shall be used to determine the monthly assistance which may be paid for any family, as provided in paragraph (2) of this subsection, and shall be based on the fair market rental established under subsection (c).

"(2) The monthly assistance payment for any family shall be the amount by which the payment standard for the area exceeds 30 per centum of the family's monthly adjusted income, except that such monthly assistance payment shall not exceed the amount by which the rent for the dwelling unit (including the amount allowed for utilities in the case of a unit with separate utility metering) exceeds 10 per centum of the family's monthly income.

"(3) Assistance payments may be made only for (A) a family determined to be a very low-income family at the time it initially receives assistance, or (B) a family previously assisted under this Act. In selecting families to be assisted, preference shall be given to families which, at the time they are seeking assistance, occupy substandard housing, are involuntarily displaced, or are paying more than 50 per centum of family income for rent.

"(4) The Secretary shall use substantially all of the authority to enter into contracts under this subsection to make assistance payments for families residing in dwellings to be rehabilitated with assistance under section 17 and for families displaced as a result of rental housing development assisted under such section or as a result of activities assisted under section 533 of the Housing Act of 1949.

"(5) If a family vacates a dwelling unit before the expiration of a lease term, no assistance payment may be made with respect to the unit after the month during which the unit was vacated.

"(6) A contract with a public housing agency for annual contributions under this subsection shall be for an initial term of sixty months. The Secretary shall require (with respect to any unit) that (A) the public housing agency inspect the unit before any assistance payment may be made to determine that it meets housing quality standards for decent, safe, and sanitary housing established by the Secretary for the purpose of this section, and (B) the public housing agency make annual or more frequent inspections during the contract term. No assistance payment may be made for a dwelling unit which fails to meet such quality standards, unless any such failure is promptly corrected by the owner and the correction verified by the public housing agency.

"(7)(A) The amount of assistance payments under this subsection may, in the discretion of the public housing agency, be adjusted as frequently as twice during any five year period where necessary to assure continued affordability. The aggregate amount of adjustments pursuant to the preceding sentence may not exceed the amount of any excess of the annual contributions provided for in the contract over the amount of assistance payments actually paid (including amounts which otherwise become available during the contract period.)

"(B) For the purpose of subparagraph (A), each contract with a public housing agency for annual contributions under this subsection shall provide annual contributions equal to 115 per centum of the estimated aggregate amount of assistance required during the first year of the contract.

"(C) Any amounts not needed for adjustments under subparagraph (A) may be used to provide assistance payments for additional families.

"(D) Before making such adjustments the public housing agency shall consult with the public and the general local government regarding the impact of such adjustments on the number of families that can be assisted.

"(8) A public housing agency may utilize not to exceed 5 per centum of the amount of authority available under this subsection to provide assistance with respect to cooperative or mutual housing which has a resale structure which maintains affordability for lower income families where agency determines such action will assist in maintaining the affordability of such housing for such families.".

RENEWAL OF SECTION 8 CONTRACTS

SEC. 208. Section 8(d)(2) of such Act is amended by adding at the end thereof the following: "A contract under this section may not be attached to the structure except where the Secretary specifically waives the foregoing limitation and the public housing agency approves such action, and the owner agrees to rehabilitate the structure other than with assistance under this Act and otherwise complies with the requirements of this section. The aggregate term of such contract and any contract extension may not be more than 180 months.".

REPEAL OF NEW CONSTRUCTION AUTHORITY

SEC. 209. (a) The United States Housing Act of 1937 is amended as follows:

(1) Section 8(a) is amended by striking out ", newly constructed, and substantially rehabilitated".

(2) Section 8(b)(2) is repealed.

(3) Section 8(e) of such Act is amended by striking out paragraphs (1), (2), and (3) and by redesignating paragraphs (4) and (5) as paragraphs (1) and (2), respectively.

(4) Section 8(i) of such Act is repealed.

(5) Section 8 of such Act is amended by striking out subsections (l) and (m).

(6) Section 8(n) of such Act is amended by striking out "(e)(5) and subsection (i)" and inserting in lieu thereof "(e)(2)".

(b) The amendments made by subsection (a) shall take effect on October 1, 1983, except that the provisions repealed shall remain in effect—

(1) with respect to any funds obligated for a viable project under section 8 of the United States Housing Act of 1937 prior to January 1, 1984; and

(2) with respect to any project financed under section 202 of the Housing Act of 1959.

SINGLE ROOM OCCUPANCY HOUSING

SEC. 210. Section 8(n) of the United States Housing Act of 1937 is amended—

(1) by inserting "subsection (b)(1)," before "subsection (e)(5)";

(2) by inserting a comma after "(e)(5)";

(3) by striking out "and" at the end of paragraph (1);

(4) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(5) by inserting after paragraph (2) the following new paragraph:

"(3) in the case of assistance under subsection (b)(1), the unit of general local government in which the property is located and the local public housing agency certify to the Secretary that the property complies with local health and safety standards.".

SHARED HOUSING FOR THE ELDERLY AND HANDICAPPED

SEC. 211. Section 8 of the United States Housing Act of 1937 is amended by adding the following new subsection at the end thereof:

"(p) In order to assist elderly families (as defined in section 3(b)(3)) who elect to live in a shared housing arrangement in which they benefit as a result of sharing the facilities of a dwelling with others in a manner that effectively and efficiently meet their housing needs and thereby reduces their cost of housing, the Secretary shall permit assistance provided under the existing housing and moderate rehabilitation programs to be used by such families in such arrangements. In carrying out this subsection, the Secretary shall issue minimum habitability standards for the purpose of assuring decent, safe, and sanitary housing for such families while taking into account the special circumstances of shared housing.".

PAYMENTS FOR OPERATION OF LOWER INCOME HOUSING PROJECTS

SEC. 212. Section 9(c) of the United States Housing Act of 1937 is amended—

(1) by striking out "and" after "October 1, 1980."; and

(2) by inserting before the period at the end thereof the following: ", not to exceed $1,500,000,000 on or after October 1, 1983, and by such sums as may be necessary on or after October 1, 1984,".

INCOME ELIGIBILITY

SEC. 213. Section 16(a) of the United States Housing Act of 1937 is amended by striking out "10 per centum" and inserting in lieu thereof "25 per centum".

DEMOLITION AND DISPOSITION OF PUBLIC HOUSING

SEC. 214. (a) The United States Housing Act of 1937 is amended by adding the following new section at the end thereof:

"DEMOLITION AND DISPOSITION OF PUBLIC HOUSING

"Sec. 18. (a) The Secretary may not approve an application by a public housing agency for permission, with or without financial assistance under this Act, to demolish or dispose of a public housing project or a portion of a public housing project unless the Secretary has determined that—

"(1) in the case of an application proposing demolition of a public housing project or a portion of a public housing project, the project or portion of the project is obsolete as to physical condition, location, or other factors, making it unusable for housing purposes, or no reasonable program of modifications is feasible to return the project or portion of the project to useful life; or in the case of an application proposing the demolition of only a portion of a project, the demolition will help to assure the useful life of the remaining portion of the project; or

"(2) in the case of an application proposing disposition of real property of a public housing agency by sale or other transfer—

"(A)(i) the property's retention is not in the best interests of the tenants or the public housing agency because developmental changes in the area surrounding the project adversely affect the health or safety of the tenants or the feasible operation of the project by the public housing agency, because disposition allows the acquisition, development, or rehabilitation of other properties which will be more efficiently or effectively operated as lower income housing projects and which will preserve the total amount of lower income housing stock available in the community, or because of other factors which the Secretary determines are consistent with the best interests of the tenants and public housing agency and which are not inconsistent with other provisions of this Act; and

"(ii) for property other than dwelling units, the property is excess to the needs of a project or the disposition is incidental to, or does not interfere with, continued operation of a project; and

"(B) the net proceeds of the disposition will be used for (i) the payment of development cost for the project and for the retirement of outstanding obligations issued to finance original development or modernization of the project, and (ii) to the extent that any proceeds remain after the application of proceeds in accordance with clause (i), the provision of housing assistance for lower income families through such measures as modernization of lower income housing, or the acquisition, development, or rehabilitation of other properties to operate as lower income housing.

"(b) The Secretary may not approve an application or furnish assistance under this section under this Act unless—

"(1) the application from the public housing agency has been developed in consultation with tenants and tenant councils, if any, who will be affected by the demolition or disposition and contains a certification by appropriate local government officials that the proposed activity is consistent with the applicable housing assistance plan; and

"(2) all tenants to be displaced as a result of the demolition or disposition will be given assistance by the public housing agency and are relocated to other decent, safe, sanitary, and affordable housing, which is, to the maximum extent practicable, housing of their choice, including housing assisted under section 8 of this Act.

"(c) Notwithstanding any other provision of law, the Secretary is authorized to make available financial assistance for applications approved under this section using available annual contributions authorized under section 5(c).

"(d) The provisions of this section shall not apply to the conveyance of units in a public housing project for the purpose of providing homeownership opportunities for lower income families capable of assuming the responsibilities of homeownership.".

"(b) Section 6(f) and section 14(f) of such Act are repealed.

FINANCING LIMITATIONS

SEC. 215. The United States Housing Act of 1937 is amended by adding at the end thereof the following:

"FINANCING LIMITATIONS

"SEC. 19. On and after October 1, 1983, the Secretary—

"(1) may only enter into contracts for annual contributions regarding obligations financing public housing projects authorized by section 5(c) if such obligations are exempt from taxation under section 11(b), or if such obligations are issued under section 4 and such obligations are exempt from taxation; and

"(2) may not enter into contracts for periodic payments to the Federal Financing Bank to offset the costs to the Bank of purchasing obligations (as described in the first sentence of section 16(b) of the Federal Financing Bank Act of 1973) issued by local public housing agencies for purposes of financing public housing projects authorized by section 5(c) of this Act.".

EMERGENCY SHELTER PROGRAM

SEC. 216. There are authorized to be appropriated not to exceed $60,000,000 for fiscal year 1984 for the Secretary to make grants to States, units of general local government, and Indian tribes, and nonprofit organizations which will operate programs on behalf of such units of general local government and Indian tribes, for the provision of shelter and essential services for individuals who are subject to life-threatening situations because of their lack of housing. Such grants shall be awarded on the basis of the extent of the need for emergency housing in the area where the project is, or will be, located, taking into account regional variations in the cost of providing shelter. Such grants may be used to rehabilitate existing structures in order to provide basic shelter, to maintain structures providing such shelter, to pay for utilities and the furnishing of such shelters, to provide for any health and safety measures that are required to protect the individuals using such shelter, and for any activity described in section 105(a) of the Housing and Community Development Act of 1974 that is consistent with the purposes of this paragraph. A structure which is rehabilitated with assistance under this paragraph shall be used for emergency housing for a period of not less than 3 years after such rehabilitation. In providing grants under this paragraph, the Secretary shall take into consideration the special needs of families and single woman.

OPERATING ASSISTANCE FOR TROUBLED MULTIFAMILY HOUSING PROJECTS

SEC. 217. (a)(1) Section 201 (a) of the Housing and Community Development Amendments of 1978 is amended by inserting before the period at the end thereof the following: ", without regard to whether such projects are insured under the National Housing Act".

(2) Section 201(b) of such Act is amended by inserting before the period at the end thereof the following: ", without regard to whether such projects are insured under the National Housing Act".

(3) Section 201(c)(1)(A) of such Act is amended by striking out the first semicolon and all that follows through "1979".

(b)(1) Section 201(a) of such Act is amended by striking out "or under" and inserting in lieu thereof ", the United States Housing Act of 1937, or".

(2) Section 201(c)(1) of such Act is amended—

(A) by striking out "or" at the end of subparagraph (A);

(B) by redesignating subparagraph (B) as subparagraph (C); and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) is assisted under section 8 of the United States Housing Act of 1937 following conversion to such assistance from assistance under section 236 of the National Housing Act or section 101 of the Housing and Urban Development Act of 1965; or".

(c) Section 236(f)(3) of the National Housing Act is amended by striking out "September 30, 1982" and inserting in lieu thereof "September 30, 1985".

SECTION 236 ASSISTANCE

SEC. 218. (a) Section 236 (f) of the National Housing Act is amended by adding at the end thereof the following:

"(4) To ensure that eligible tenants occupying that number of units with respect to which assistance was being provided under this subsection immediately prior to the date of enactment of this sentence receive the benefit of assistance contracted for under paragraph (2), the Secretary shall offer annually to amend contracts entered into under this subsection with owners of projects assisted but not subject to mortgages insured under this section to provide sufficient payments to cover up to 90 per centum of the necessary rent increases and changes in the incomes of eligible tenants, subject to the availability of authority for such purpose under section 5(c) of the United States Housing Act of 1937. The Secretary shall take such actions as may be necessary to ensure that payments, including payments that reflect necessary rent increases and changes in the incomes of tenants, are made on a timely basis for all units covered by contracts entered into under paragraph (2).".

(b) Section 236(i)(1) of such Act is amended by adding at the end thereof the following new sentence: "The Secretary shall utilize, to the extent necessary after September 30, 1984, any authority under this section that is recaptured either as the result of the conversion of housing projects cov-

ered by assistance under subsection (f)(2) to contracts for assistance under section 8 of the United States Housing Act of 1937 or otherwise for the purpose of making assistance payments, including amendments as provided in subsection (h), with respect to housing projects assisted, but not subject to mortgages insured, under this section that remain covered by assistance under subsection (f)(2).".

RENT SUPPLEMENT PROGRAM

SEC. 219. (a) Section 101 (g) of the Housing and Urban Development Act of 1965 is amended by adding at the end thereof the following: "To ensure that qualified tenants occupying that number of units with respect to which assistance was being provided under this section immediately prior to the date of enactment of this sentence receive the benefit of assistance contracted for under this section, the Secretary shall offer annually to amend contracts entered into with owners of projects assisted under this section but not subject to mortgages insured under title II of the National Housing Act to provide sufficient payments to cover up to 90 per centum of the necessary rent increases and changes in the incomes of qualified tenants, subject to the availability of authority for such purpose under section 5(c) of the United States Housing Act of 1937. The Secretary shall take such actions as may be necessary to ensure that payments, including payments that reflect necessary rent increases and changes in the incomes of tenants, are made on a timely basis for all units covered by contracts entered into under this section.".

(b) Section 101(l) of such Act is amended by adding at the end thereof the following new sentence: "The Secretary shall utilize, to the extent necessary after September 30, 1984, any authority under this section that is recaptured either as the result of the conversion of housing projects covered by assistance under this section to contracts for assistance under section 8 of the United States Housing Act of 1937 or otherwise (1) for the purpose of making assistance payments, including amendments as provided in subsection (g), with respect to housing projects assisted under this section, but not subject to mortgages insured under the National Housing Act, that remain coverd by assistance under this section; and (2) if not required to provide assistance under this section, and notwithstanding any other provision of law, for the purpose of contracting for assistance payments under section 236(f)(2) of the National Housing Act.".

REPORT REGARDING HOUSING NEIGHBORHOOD STRATEGY AREA PROGRAM

SEC. 220. Not later than the expiration of the 129-day period following the date of the enactment of this Act, the Secretary shall transmit to the Congress a report with respect to the program established by the Secretary to provide assistance under section 8 of the United States Housing Act of 1937 to units of general local government in areas where concentrated housing and community development block-grant assisted physical development and public service activities are conducted under title I of the Housing and Community Development Act of 1974. Such report shall include the following information for each unit of general local government selected to participate in such program:

(1) the total number of dwelling units located in such unit of general local government that have been initially reserved by the Secretary for assistance under such program, and any subsequent revision of such number;

(2) the total amount of funds pledged by such unit of general local government for all public improvements and services, and actual and future expenditures, in connection with such program;

(3) the status of the dwelling units located in such unit of general local government that have been initially reserved by the Secretary for assistance under such program, including the number of units completed and occupied;

(4) the total number of dwelling units required to complete each local program, as estimated by such unit of general local government; and

(5) the total number of local programs considered completed by such unit of general local government.

CONSIDERATION OF UTILITY PAYMENTS MADE BY TENANTS IN ASSISTED HOUSING

SEC. 221. Notwithstanding any other provision of law, for purposes of determining eligibility, or the amount of benefits payable, under chapter A of title IV of the Social Security Act, any utility payment, up to the utility allowance, made by a person living in a dwelling unit in a lower income housing project assisted under the United States Housing Act of 1937 or section 236 of the National Housing Act shall be considered to be a rental payment.

PUBLIC HOUSING CHILD CARE DEMONSTRATION PROGRAM

SEC. 222. (a) The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") shall carry out a demonstration program to determine the feasibility of using public housing facilities in the provision of child care services for lower income familes who reside in public housing. The Secretary shall design such program to determine the extent to which the availability of child care services in lower income housing projects facilitates the employability of the heads of such families and their spouses.

(b) To carry out the demonstration under this section, the Secretary shall authorize the use of public housing agency facilities located in areas where—

(1) the units of general local government have indicated that funds under title I of the Housing and Community Development Act of 1974 will be made available to make minor renovations to the facilities to make them suitable for use as child care facilities, and to support child care services in such facilities;

(2) the public housing agency does not have a child care services program in operation prior to the demonstration program under this section;

(3) the proposed child care services program will serve preschool children during the day, elementary school children after school, or both, in order to permit eligible persons who head the families of such children to obtain, retain, or train for employment;

(4) the proposed child care services program of such public housing agency is designed, to the extent practicable, to involve the participation of the parents of children benefiting from such program, and to employ in part-time positions elderly individuals who reside in the lower income housing project involved; and

(5) the proposed child care services program of such public housing agency will comply with all applicable State and local laws, regulations, and ordinances.

(c) The Secretary shall conduct periodic evaluations of each child care services demonstration carried out under this section for purposes of determining the effectiveness of such demonstration in providing child care services and permitting eligible persons who head lower income families and their spouses residing in public housing to obtain, retain, or train for employment.

(d) Nothing in this section may be construed as authorizing the Secretary to establish any health, safety, educational, or other standards with respect to child care services or facilities assisted with grants received under this section.

(e) Not later than the expiration of the 2-year period following the date of enactment of this Act, the Secretary shall prepare and submit to the Congress a detailed report setting forth the findings and conclusions of the Secretary as a result of carrying out the demonstration program established in this section. Such report shall include any recommendations of the Secretary with respect to the establishment of a permanent program of using public housing facilities to be used in providing child care services in lower income housing projects.

HOUSING FOR THE ELDERLY AND HANDICAPPED

SEC. 223. (a)(1) Section 202(a)(3) of the Housing Act of 1959 is amended by inserting the following before the period at the end thereof: ", except that such interest rate plus such allowance shall not exceed 9.25 per centum per annum".

(2) The amendment made by paragraph (1) shall apply only with respect to loan agreements entered into after September 30, 1982, and prior to October 1, 1984.

(b) Section 202(a)(4)(B)(i) of such Act is amended—

(1) by striking out "and" after "1980," in the first sentence; and

(2) by inserting ", to $6,400,000,000 on October 1, 1983, and to such sum as may be approved in an appropriation Act on October 1, 1985," after "1981".

(c) Section 202(a)(4)(C) of such Act is amended by striking out "$850,848,000" and "1982" in the second sentence and inserting in lieu thereof "$666,400,000" and "1984", respectively.

(d) Section 202(h) of such Act is amended—

(1) by striking out "1978" and inserting in lieu thereof "1983";

(2) by inserting before the period at the end of the first sentence the following: ", and persons described in subparagraphs (B) and (C) of subsection (d)(4) who have been released from residential health treatment facilities";

(3) in paragraph (1), by striking out "handicapped persons" and inserting in lieu thereof "persons described in the first sentence of this subsection";

(4) in paragraph (2), by striking out "handicapped persons" and inserting in lieu thereof "persons described in the first sentence of this subsection who are";

(5) in paragraph (1), by striking out "and" at the end thereof;

(6) in paragraph (2), by striking out the period at the end thereof and inserting in lieu thereof "; and".

(e) Section 202 of such Act is amended by adding at the end thereof the following new subsections:

"(i)(1) Unless otherwise requested by the sponsor, a maximum of 25 per centum of the units in a project financed under this section may be efficiency units, subject to a determination by the Secretary that such

units are appropriate for the elderly or handicapped population residing in the vicinity of such project or to be served by such project.

"(2) The Secretary may require a sponsor of a housing project financed with a loan under this section to deposit an amount not to exceed $10,000 in a special escrow account to assure the commitment and long-term management capabilities of such sponsor.

"(3) In establishing per unit cost limitations for purposes of this section, the Secretary shall take into account design features necessary to meet the needs of elderly and handicapped residents, and such limitations shall reflect the cost of providing such features. The Secretary shall adjust the per unit cost limitations in effect on January 1, 1983, not less than once annually to reflect changes in the general level of construction costs.

"(j)(1) The Secretary may not approve the prepayment of any loan made under this section, or transfer such loan, unless such prepayment or transfer is made as part of a transaction that will ensure that the project involved will continue to operate until the original maturity date of such loan in a manner that will provide rental housing for the elderly and future tenants as the terms required by the original loan agreement entered into under this section and any other loan agreements entered into under other provisions of law.

"(2) The Secretary may not sell any mortgage held by the Secretary as security for a loan made under this section.

"(k)(1) In the process of selecting projects for loans under this section, the Secretary shall assure the inclusion of special design features and congregate space if necessary to meet the special needs of elderly and handicapped residents.

"(2) The Secretary shall encourage the provision of small and scattered site group homes and independent living facilities for nonelderly handicapped persons and families.

"(l) The basis for selection of a contractor to be employed in the development or construction of a project assisted under this section shall be determined by the project sponsor or borrower if the development cost of the project is less than $2,000,000, if the project rentals will be less than 110 per centum of the fair market rent applicable to projects financed under this section, or if the sponsor of the project is a labor organization.

"(m) Nothing in this section authorizes the Secretary to prohibit any sponsor from voluntarily providing funds from other sources for amenities and other features of appropriate design and construction suitable for inclusion in such project if the cost of such amenities is (1) not financed with the loan, and (2) not taken into account in determining the amount of Federal subsidy or of the rent contribution of tenants.".

CONGREGATE SERVICES

SEC. 224. (a) Section 408 of the Congregate Housing Services Act of 1978 is amended by adding at the end thereof the following new subsection:

"(c) Not later than March 15, 1984, the Secretary shall prepare and submit to the Congress a report evaluating the effects of any changes in the administration of the congregate housing services program established in this title which have occurred since January 1, 1983. Such report shall include an evaluation by the Secretary of the reorganization or decentralization of the administration of such program, and any legislative recommendations of the Secretary for the establishment of a permanent congregate housing services program and the reasons for such recommendations.".

(b) Section 411(a) of the Congregate Housing Services Act of 1978 is amended—

(1) by striking out "and" at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4); and

(3) by adding the following at the end thereof:

"(5) for fiscal year 1984, not to exceed $4,000,000; and

"(6) for fiscal year 1985, such sums as may be necessary.".

DEMONSTRATION PROJECT

SEC. 225. (a) The Congress finds that—

(1) the Department of Health and Human Services spends in excess of $5,000,000,000 annually for housing in the form of allowances for shelter for public assistance recipients;

(2) States administering the Department of Health and Human Services public assistance program often specify shelter allowances that have little relationship to the cost or the quality of the housing in which public assistance recipients live;

(3) at least 30 per centum of public assistance recipients live in substandard housing;

(4) the older rental buildings in which many public assistance recipients live are in those neighborhoods that need the assistance of the programs of the Department of Housing and Urban Development for preservation and rehabilitation; and

(5) there is the potential for improving housing for many lower income families by coordinating State and local government efforts in order to assure that families receiving public assistance payments from the Department of Health and Human Services are able to live in decent, safe, and sanitary housing.

(b) The purpose of this section, therefore, is to provide assistance to units of general local government and their designated agencies in order to develop a program that will—

(1) encourage the upgrading of housing occupied primarily by lower income families, including families receiving assistance under the aid for families with dependent children program established under title IV of the Social Security Act; and

(2) provide for better coordination at the local level of the efforts to assist families receiving public assistance from the Department of Health and Human Services so that these families will be able to occupy affordable housing that is decent, safe, and sanitary and that, if necessary, is rehabilitated with funds provided by the Department of Housing and Urban Development.

(c) The Secretary of Housing and Urban Development (hereafter referred to in this section as the "Secretary") shall, to the extent approved in appropriation Acts, establish and maintain a demonstration project to carry out the purpose described in subsection (b).

(d) In carrying out such project, the Secretary shall make grants to units of general local government, or designated agencies thereof, to carry out administrative plans approved by the Secretary in accordance with subsection (e), and the Secretary may make grants to States to provide technical assistance for the purpose of assisting such units of general local government to develop and carry out such plans.

(e)(1) Grants may be made to States and units of general local government and agencies thereof that apply for them in a manner and at a time determined by the Secretary and that, in the case of units of general local government and their agencies, are selected on the basis of an administrative plan described in such application.

(2) No such administrative plan shall be selected by the Secretary unless it sets forth a plan for local government activities that are designed to—

(A) require or encourage owners of rental housing occupied by lower income families to bring such housing into compliance with local housing codes;

(B) provide technical assistance, loans, or grants to assist owners described in subparagraph (A) to undertake cost-effective improvements of such housing;

(C) work with the State to establish and implement a schedule of local shelter allowances for recipients of assistance under title IV of the Social Security Act based on building quality that will be applicable to buildings involved in this program' and

(D) coordinate local housing inspection, housing rehabilitation loan or grant assistance, rental assistance, and social service programs for the purpose of improving the quality and affordability of housing for lower income families.

(3) Funds received from any grant made by the Secretary to a unit of general local government shall be made available for use according to the administrative plans and may be used for—

((A) technical assistance or financial assistance to property owners to upgrade housing projects described in paragraph (2)(A) of this subsection;

(B) temporary rental assistance to families who live in buildings assisted under this program and who are eligible for, but are not receiving, assistance under section 8 of the United States Housing Act of 1937, except that such families shall not include families receiving assistance under title IV of the Social Security Act, and the amount of such rental assistance may not exceed 20 per centum of each grant received under this section;

(C) housing counseling and referral and other housing related services;

(D) expenses incurred in administering the program carried out with funds received under this section, except that such expenses may not exceed 10 per centum of the grant received under this section; and

(E) other appropriate activities that are consistent with the purposes of this section and that are approved by the Secretary.

(f) Any recipient of a grant from the Secretary under this section shall agree to—

(1) contribute to the program an amount equal to 15 per centum of the funds received from the Secretary under this section, and the Secretary shall permit the recipient to meet this requirement by the contribution of the value of services carried out specifically in connection with the program assisted under this section;

(2) permit the Secretary and the General Accounting Office to audit its books in order to assure that the funds received under this section are used in accordance with the section; and

(3) other terms and conditions prescribed by the Secretary for the purpose of carrying out this section in an effective and efficient manner.

(g) In making grants available under this section, the Secretary shall select as recipients at least 20 units of general local gov-

ernment (or their designated agencies). The selection of proposals for funding shall be based on criteria that result in a selection of projects that will enable the Secretary to carry out the purpose of this section in an effective and efficient manner and provide a sufficient amount of data necessary to make an evaluation of the demonstration project carried out under this section.

(h)(1) Not later than June 1, 1984, the Secretary shall transmit to the Congress an interim report on the implementation of the demonstration under this section.

(2) The Secretary shall transmit, not later than October 1, 1985, to both Houses of the Congress a detailed report concerning the findings and conclusions that have been reached by the Secretary as a result of carrying out this section, along with any legislative recommendations that the secretary determines are necessary.

(i) To carry out this section, there are authorized to be approporiated not to exceed $10,000,000 during fiscal year 1984, and not to exceed $15,000,000 during fiscal year 1985, to remain available until expended.

SECTION 235 HOMEOWNERSHIP ASSISTANCE

SEC. 226. (a) Section 235(c)(1) of the National Housing Act is amended—

(1) by striking out "The" in the first sentence and inserting in lieu thereof "Subject to the second sentence of this paragraph, the"; and

(2) by inserting after the first sentence the following new sentence: "Assistance payments pursuant to any new contract entered into after September 30, 1983, that utilizes authority approved in appropriation Acts for any fiscal year beginning after such date may not be made for more than a 10-year period.".

(b) Section 235(c) of such Act is amended by adding at the end thereof the following new paragraph:

(3)(A) There hereby is established in the Treasury of the United States a fund, which, to the extent approved in appropriation Acts, may be used by the Secretary for purposes of carrying out subparagraph (B). There shall be deposited into such fund (i) any amount recaptured under paragraph (2); (ii) any authority to make assistance payments under subsection (a) that is committed for use in a contract but is unused because the mortgage, loan, or advance of credit involved is refinanced or because such assistance payments are terminated or suspended for other reasons before the original termination date of such contract; and (iii) any amount received under subparagraph (C).

"(B) In the case of any homeowner whose assistance payments are terminated by reason of the 10-year limitation referred to in paragraph (1), and who is determined by the Secretary to assume the full payments due under the mortgage, loan, or advance of credit involved, the Secretary shall, to the extent of the availability of amounts in the fund established in subparagraph (A), contract to make, and make, continued assistance payments on behalf of such homeowner. Such continued assistance payments shall be made in an amount determined in accordance with the applicable provisions of paragraph (1) or subsection (a)(2)(B) and for such period as the Secretary determines to be appropriate.

"(C) Any amounts in such fund determined by the Secretary to be in excess of the amounts currently required to carry out the provisions of subparagraph (B) shall be invested by the Secretary in obligations of, or obligations guaranteed as to both principal and interest by, the United States or any agency of the United States.".

(c) Section 235(h)(1) of such Act is amended—

(1) by striking out "and" after "1971," in the second sentence;

(2) by inserting the following before the period at the end of such sentence: ", and by such sums as may be approved in an appropriation Act on or after October 1, 1983 (from the additional authority to enter into contracts made available on such date under the first sentence of section 5(c)(1) of the United States Housing Act of 1937)"; and

(3) by inserting the following new sentences after the second sentence: "The aggregate amount that may be obligated over the duration of the contracts entered into with the authority provided on or after October 1, 1983, may not exceed such sums of new budget authority as may be appropriated after the date of enactment of this sentence. The Secretary shall begin issuing new commitments and reservations to provide mortgage insurance and assistance payments under this section before the expiration of the 30-day period following the approval in any appropriation Act of budget authority for this section after the date of the enactment of this sentence.".

(d) Section 235(i) of such Act is amended—

(1) in paragraph (3)(A)—

(A) by striking the word "two-family" and inserting "three-family" in lieu thereof; and

(B) by inserting the words "or a two-family" before the word "dwelling" the first time it appears;

(2) in paragraph (3)(D)—

(A) by inserting the words "or three-family" before the word "dwelling";

(B) by striking the figure "$55,000" and inserting "$60,000" in lieu thereof; and

(C) by striking the figure "$61,250" and inserting "$66,250" in lieu thereof; and

(3) by adding at the end thereof the following new paragraphs:

"(4) In insuring eligible mortgages under this subsection, the Secretary may not deny insurance on the basis that a mortgage involves a two- to three-family dwelling or is to be used to finance substantial rehabilitation rather than new construction.

"(5) As a condition of insuring a mortgage on a two- to three-family dwelling, the Secretary shall require the mortgagor (A) not to discriminate against prospective tenants on the basis of their receipt of or eligibility for housing assistance under any Federal, State or local housing assistance program and (B) to agree that during the term of the mortgage each of the rental units shall be occupied by, or available for occupancy by, persons and families whose incomes do not exceed 100 per centum of the area median income.".

(e) Section 235(j) of such Act is amended—

(1) in paragraph (6) by striking out "two-family" and inserting "two- to three-family" in lieu thereof; and

(2) by adding at the end thereof the following new paragraph:

"(9) In insuring eligible mortgages under this subsection, the Secretary may not deny insurance on the basis that a mortgage involves a two- to three-family dwelling or is to be used to finance substantial rehabilitation rather than new construction.".

PET OWNERSHIP IN ASSISTED RENTAL HOUSING FOR THE ELDERLY OR HANDICAPPED

SEC. 227. (a) No owner or manager of any federally assisted rental housing for the elderly or handicapped may—

(1) as a condition of tenancy or otherwise, prohibit or prevent any tenant in such housing from owning common household pets or having common household pets living in the dwelling accommodations of such tenant in such housing; or

(2) restrict or discriminate against any person in connection with admission to, or continued occupancy of, such housing by reason of the ownership of such pets by, or the presence of such pets in the dwelling accommodations of, such person.

(b)(1) Not later than the expiration of the 12-month period following the date of the enactment of this Act, the Secretary of Housing and Urban Development and the Secretary of Agriculture shall each issue such regulations as may be necessary to ensure (A) compliance with the provisions of subsection (a) with respect to any program of assistance referred to in subsection (d) that is administered by such Secretary; and (B) attaining the goal of providing decent, safe, and sanitary housing for the elderly or handicapped.

(2) Such regulations shall establish guidelines under which the owner or manager of any federally assisted rental housing for the elderly or handicapped (A) may prescribe reasonable rules for the keeping of pets by tenants in such housing; and (B) shall consult with the tenants of such housing in prescribing such rules. Such rules may consider factors such as density of tenants, pet size, types of pets, potential financial obligations of tenants, and standards of pet care.

(c) Nothing in this section may be construed to prohibit any owner or manager of federally assisted rental housing for the elderly or handicapped, or any local housing authority or other appropriate authority of the community where such housing is located, from requiring the removal from any such housing of any pet whose conduct or condition is duly determined to constitute a nuisance or a threat to the health or safety of the other occupants of such housing or of other persons in the community where such housing is located.

(d) For purposes of this section, the term "federally assisted rental housing for the elderly or handicapped" means any rental housing project that—

(1) is assisted under section 202 of the Housing Act of 1959; or

(2) is assisted under the United States Housing Act of 1937, the National Housing Act, or title V of the Housing Act of 1949, and is designated for occupancy by elderly or handicapped families, as such term is defined in section 202(d)(4) of the Housing Act of 1959.

TITLE III—RENTAL HOUSING REHABILITATION AND DEVELOPMENT PROGRAM

RENTAL REHABILITATION AND DEVELOPMENT GRANTS

SEC. 301. The United States Housing Act of 1937 is amended by inserting before section 18 the following:

"RENTAL REHABILITATION AND DEVELOPMENT GRANTS

"SEC. 17. (a) PROGRAM AUTHORITY.—(1) REHABILITATION AND DEVELOPMENT GRANTS.—The Secretary is authorized—

"(A) to make rental rehabilitation grants to States and units of general local government to help support the rehabilitation of privately owned real property to be used for primarily residential rental purposes in accordance with subsection (c); and

"(B) to make development grants for new construction or substantial rehabilitation in accordance with subsection (d).

"(2) AUTHORITY TO RESERVE HOUSING ASSISTANCE.—In connection with a grant under this section, the Secretary may reserve authority to provide housing assistance under section 8(o) to the extent necessary—

"(A) to provide housing assistance to persons displaced by activities under this section; or

"(B) to support the grantee's program.

"(3) AUTHORIZATION.—To carry out the purposes of this section, the Secretary may utilize not to exceed $615,000,000, as provided in section 5(c) for fiscal years 1984 and 1985, of which amount—

"(A) not to exceed $150,000,000 shall be available in each such year for rental rehabilitation, of which $1,000,000 shall be available each year for technical assistance; and

"(B) not to exceed $200,000,000 for fiscal year 1984, and $115,000,000 for fiscal year 1985, shall be available for development grants.

"(b) DISTRIBUTION OF RENTAL REHABILITATION GRANT FUNDS.—(1) FORMULA ALLOCATION.—Of the amount available in any fiscal year for rehabilitation grants under this section, the Secretary shall allocate amounts for rehabilitation grants under subsection (c) to cities having populations of fifty thousand or more, urban counties, and States for use as provided in subsection (e), on the basis of a formula which shall be contained in a regulation proposed by the Secretary not later than sixty days after the effective date of this section. Such regulation shall be accompanied by the specific fund allocation for fiscal year 1984 for individual cities, urban counties, and States which would result from the proposed formula and any adjustments under paragraph (2). The formula contained in the regulation shall take into account objectively measurable conditions, including such factors as low income renter population, overcrowding of rental housing, the extent of physically inadequate housing stock, and such other objectively measurable conditions as the Secretary deems appropriate to reflect the need for assistance under this section, but excluding data relating to such factors which pertain to areas eligible for assistance under title V of the Housing Act of 1949.

"(2) ADJUSTMENTS.—Before an allocation determined under paragraph (1) for any fiscal year is made available for use, the Secretary may adjust the allocation as follows:

"(A) The Secretary is authorized to establish minimum allocation amounts for cities and urban counties, representing program levels below which, in the Secretary's determination, conduct of a rental rehabilitation program would not be feasible. The amount of any allocation which is below this minimum shall be added to the allocation for the State in which the city or county is located and shall be available in accordance with subsection (e).

"(B) Beginning with fiscal years after fiscal year 1984, the Secretary is authorized to adjust the allocation for a city, urban county, or State administering a rental rehabilitation program as provided in subsection (f), by up to 15 per centum above or below the amount of such allocation, based on an annual review of performance in carrying out activities under this section in a timely manner and in achieving the result that at least 80 per centum of the units rehabilitated with assistance under this section in all program years have rents which are and remain at a level which would be affordable by lower income families. The last sentence of subparagraph (A) shall not apply to an allocation which is below the minimum amount described therein by reason of an adjustment under this subparagraph. The Secretary shall establish by regulation performance criteria for purposes of this subparagraph.

"(3) REALLOCATION.—After the allocation of rehabilitation grant amounts, the Secretary is authorized to reallocate such amounts among grantees on the basis of the Secretary's assessment of the progress of grantees in carrying out activities under this section in accordance with their specified schedules. Reallocations under this paragraph shall be designed to encourage use of these resources expeditiously, consistent with the sound development and administration of the grantees' rental rehabilitation programs.

"(4) RECAPTURE.—Any rental rehabilitation grant amounts which are not obligated at the end of any fiscal year shall be added to the amount available for allocation for such grants for the succeeding fiscal year.

"(c) GRANTS FOR MODERATE REHABILITATION.—(1) PROGRAM DESCRIPTION.—A rehabilitation grant may be made under this section on the basis of satisfactory information provided in a program description which shall be submitted by the grantee at such time and in such manner as the Secretary may prescribe and which shall contain—

"(A) a description of the grantee's proposed rental rehabilitation program, which shall consist of the activities each grantee proposes to undertake for the fiscal year, including the grantee's anticipated schedule in carrying out those activities, or, in case of a State distributing resources as provided in subsection (e), its proposed method of distributing the resources, which shall have been made available to the public;

"(B) a certification that the grantee's program was developed after consultation with the public;

"(C) a statement of the procedures and standards which will govern selection of proposals by the grantee, which procedures and standards shall take into account the extent to which the proposal represents the efficient use of Federal resources and the extent to which the housing units involved will be adequately maintained and operated with rents at the levels proposed;

"(D) an estimate of the effect of the proposed program on neighborhood preservation;

"(E) evidence demonstrating the financial feasibility of the proposed program, including the availability of non-Federal and private resources and including evidence that the projects to be selected for rehabilitation will be located in neighborhoods where rents are generally affordable to lower income families and that character of the neighborhood indicates that such rents will not materially change over an extended period; and

"(F) such other information as the Secretary shall prescribe.

"(2) PROGRAM REQUIREMENTS.—A rental rehabilitation program assisted under this section shall provide that—

"(A) grant assistance shall only be used to rehabilitate real property to be used for primarily residential rental purposes;

"(B) grants shall only be used to assist the rehabilitation of real property located in neighborhoods where the median income does not exceed 80 per centum of the median income for the area;

"(C) grant assistance for any structure shall not exceed 50 per centum of the total costs associated with the rehabilitation of that structure, as determined by the Secretary, except that where the Secretary determines that refinancing costs and the special nature of the project require a greater amount of assistance, the grant amount shall be limited to not to exceed 50 per centum of the development costs including acquisition;

"(D) rehabilitation assisted under this section shall only be that which is necessary to correct substandard conditions, to make essential improvements, and to repair major systems in danger of failure;

"(E) the amount of rental rehabilitation assistance provided under this section for any structure shall not exceed $5,000 per unit except as otherwise determined by the Secretary in areas of high material and labor costs where the grantee demonstrates that every appropriate step has been taken by the grantee to contain the amount of assistance within the limit set by this paragraph and that an exception is necessary to conduct a rehabilitation program while not exceeding the rehabilitation standards of subparagraph (D);

"(F) a structure may be assisted under this section only if the rehabilitation of such structure will not cause the involuntary displacement of very low-income families by families who are not very low-income families;

"(G) the owner of each assisted structure agrees—

"(i) not to discriminate against prospective tenants on the basis of their receipt of or eligibility for housing assistance under any Federal, State, or local housing assistance program or, except for a structure for housing for the elderly, on the basis that the tenants have a minor child or children who will be residing with them; and

"(ii) not to convert the units to condominium ownership (or in the case of a cooperative, to condominium ownership or any form of cooperative ownership not eligible for assistance under this section);

for at least 10 years beginning on the date on which the units in the project are completed;

"(H) the State or unit of general local government that receives the assistance certifies to the satisfaction of the Secretary that the assistance will be made available in conformity with Public Law 88-352 and Public Law 90-284; and

"(I) 100 per centum of the amount of assistance provided under this section shall be used by the grantee for the benefit of lower income families, except that such requirement shall be reduced to (i) 70 per centum if the grantee certifies in accordance with standards prescribed by the Secretary that such reduction is necessary, and that the grantee cannot develop a proposed program which complies with such requirement, after consultation with the public regarding the inability to develop a program which complies with such requirement, and (ii) to not less than 50 per centum where the Secretary determines that such further reduction is necessary.

"(3) SECRETARIAL RESPONSIBILITY.—The Secretary shall assure that—

"(A) an equitable share of the rehabilitation grants under this section is used to assist in the provision of housing for families, including large families with children; and

"(B) a priority shall be given to projects containing units in substandard condition which are occupied by very low-income families.

"(d) GRANTS FOR NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION.—

"(1) TYPES OF ASSISTANCE.—Development grant funds may be used by the grantee to make grants or loans, provide interest reduction payments, or furnish other comparable assistance to support the construction or substantial rehabilitation of real property to be used primarily for residential rental purposes.

"(2) AREA ELIGIBILITY.—To be eligible for development grants under this subsection, a project must be located in an area that is experiencing a severe shortage of decent rental housing opportunities for families and individuals without other reasonable and affordable housing alternatives in the private market. The Secretary shall issue regulations, consistent with the preceding sentence, that set forth minimum standards for determining areas eligible for assistance. Such standards shall be based on objectively measurable conditions, and shall take into account the extent of poverty, the extent of occupancy of physically inadequate housing by lower income families, the extent of housing overcrowding experienced by lower income families, the level and duration of rental housing vacancies, the extent of the lag between the estimated need for and production of rental housing, and other objectively measureable conditions specified by the Secretary consistent with the first sentence of this subsection. The Secretary shall propose regulations under this paragraph not later than 60 days after the date of enactment of this section and shall promptly transmit to the Congress such proposed regulations accompanied by a list of those areas which meet the minimum standards contained in such regulations. Any unit of government located in an area which meets such minimum standards is eligible to submit an application for a rental housing development grant under this section. The Secretary may also consider an application for a project to be located in an area which is not eligible under such standards where the Secretary determines that a project involving assistance for other than moderate rehabilitation is necessary in order to meet special housing needs or to advance a particular neighborhood preservation purpose.

"(3) APPLICATION.—A development grant may be made under this section on the basis of information provided in an application which shall be submitted by the grantee at such time and in such manner as the Secretary may prescribe. In addition to information relating to the selection criteria set forth in paragraph (5), the application shall contain—

"(A) a description of the grantee's proposed rental development program, which shall consist of the activities the grantee proposes to undertake for the fiscal year, including a specification of the grantee's anticipated schedule in carrying out those activities;

"(B) a certification that the grantee's program was developed after consultation with the public;

"(C) a statement of the procedures and standards which will govern selection of proposals by the grantee, which procedures and standards shall take into account the extent to which the proposal represents the efficient use of Federal resources and the extent to which the housing units involved will be adequately maintained and operated with rents maintained at the levels proposed;

"(D) an estimate of the effect of the proposed program on neighborhood preservation; and

"(E) such other information as the Secretary shall prescribe.

"(4) PROGRAM REQUIREMENTS.—A rental development program assisted under this section shall provide that—

"(A) grant assistance shall be used to develop real property to be used for residential rental purposes only;

"(B) grant assistance for any structure shall not exceed 50 per centum of the total costs associated with the rehabilitation or development of that structure, as determined by the Secretary, except that where the Secretary determines that refinancing costs and the special nature of the project require a greater amount of assistance, the grant amount shall be limited to not to exceed 50 per centum of the development cost including acquisition;

"(C) a structure may be assisted under this section only if the development of such structure will not cause the involuntary displacement of very low-income families by families who are not very low-income families;

"(D) the owner of each assisted structure agrees—

"(i) not to discriminate against prospective tenants on the basis of their receipt of or eligibility for housing assistance under any Federal, State, or local housing assistance program or, except for a structure for housing for the elderly, on the basis that the tenants have a minor child or children who will be residing with them; and

"(ii) not to convert the units to condominium ownership (or in the case of a cooperative, to condominium ownership or any form of cooperative ownership not eligible for assistance under this section); during the 20-year period beginning on the date on which the units in the project are available for occupancy;

"(E) the owner of each assisted structure agrees that, during the 20-year period beginning on the date on which 50 per centum of the units in the structure are occupied or completed, at least 20 per centum of the units the construction or substantial rehabilitation of which is provided for under the application shall be occupied, or available for occupancy, by persons and families whose incomes do not exceed 80 per centum of the area median income;

"(F) the structure—

"(i) will have a value after rehabilitation or construction that is not more than the amount of a mortgage on the structure that could be insured under section 207 of the National Housing Act; and

"(ii) is secured by a mortgage which bears a rate of interest and contains such other terms and conditions as the Secretary determines are reasonable;

"(G) the grantee must commence construction or substantial rehabilitation activities not later than 24 months after notice of project selection; and

"(H) the State or unit of general local government that receives the assistance certifies to the satisfaction of the Secretary that the assistance will be made available in conformity with Public Law 88-352 and Public Law 90-284.

"(5) PROJECT SELECTION.—In selecting projects to receive development grants, the Secretary shall make such selection on the basis of the extent—

"(A) of the severity of the shortage of decent rental housing opportunities in the area in which the project or projects are to be located for families and individuals without other reasonable and affordable housing alternatives in the private market;

"(B) of non-Federal public and private financial or other contributions that reduce the amount of assistance necessary under this section;

"(C) to which the project or projects contribute to neighborhood development and mitigate displacement;

"(D) to which the applicant has established a satisfactory record of performance in meeting assisted housing needs and has the capacity to undertake the program in a timely manner;

"(E) to which the assistance requested will provide the maximum number of units for the least cost to the Federal Government, taking into consideration the extent to which assistance provided will be recaptured and cost differences among different areas, among financial alternatives, and among the types of projects and tenants being served;

"(F) to which the grantee will establish a mechanism to assure the maintenance of affordable rentals for lower income families;

"(G) to which the applicant has demonstrated the financial feasibility of the proposed program, including the availability of non-Federal and private resources; and

"(H) to which an equitable share of the development grant funds under this section will be used to assist in the provision of housing for families, including large families with children.

"(6) PRIORITIES.—In selecting projects for grants under this subsection, the Secretary shall give a priority to proposals involving projects—

"(A) which exceed the minimum requirements of paragraph (4)(E); and

"(B) in areas where the waiting lists for housing assistance are relatively long and where families holding certificates under section 8 require an excessive length of time to find housing.

"(7) ENFORCEMENT OF PROGRAM REQUIREMENTS.—(A) The grantee shall take appropriate legal action to enforce compliance with the requirements of this subsection by the owner of any assisted property or his or her successors in interest during the 20-year period beginning on the date on which 50 per centum of the units are occupied or are completed. For any violation of such agreements, the owner or his or her successors in interest shall make a payment to the grantee of an amount that equals the total amount of assistance provided under this title with respect to such project, plus interest thereon (without compounding), for each year and any fraction thereof that the assistance was outstanding, at a rate determined by the Secretary taking into account the average yield on outstanding marketable long-term obligations of the United States during the month preceding the date on which the assistance was made available. The amount of such assistance (and accrued interest) which is required to be repaid shall be reduced by 10 per centum for each full year in excess of 10 years which intervened between the commencement of the period and the violation. Any amounts recovered by the grantee shall be used to furnish assistance under this section.

"(B) Notwithstanding any other provision of law, any assistance provided under this subsection shall constitute a debt, which is payable in the case of any failure to carry out the agreements, and shall be secured by the security instruments provided by the owner to the grantee.

"(8)(A) RENT PROVISIONS.—Rents charged for units available for occupancy by lower income families in any project assisted

under this subsection shall be approved by the grantee. In approving such rents, the grantee shall provide that the rents of such units are not more than 30 per centum of the adjusted income of a family whose income equals 50 per centum of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families. Not less than 30 days prior written notice of any increase in rents shall be provided to such tenant.

"(B) Any schedule of rents submitted by an owner to the grantee for approval shall be deemed to be approved unless the grantee informs the owner, within 60 days after receiving such schedule, that such schedule is disapproved.

"(9) GRANT AMOUNT.—The amount of a development grant provided under this subsection shall not be more than that amount which will provide decent rental or cooperative housing of modest design which is affordable for families and individuals without other reasonable and affordable housing alternatives in the private market, including an amount necessary to achieve compliance with paragraph (8)(A).

"(e) STATE PROGRAM.—(1) Except as provided in paragraph (2), the State shall administer resources made available under subsection (b)(2) for any fiscal year. These resources shall only be used to carry out activities under this section in cities with populations of less than fifty thousand and in urban counties and cities whose allocations are less than the minimum allocation amount established under subsection (b)(2), but may not be used in areas which are eligible for assistance under title V of the Housing Act of 1949. The State may use all or part of these resources (A) to carry out its own rental rehabilitation program, or (B) to distribute them to units of general local government. A city with a population over fifty thousand may, with the agreement of the State government, elect to contract with the State to administer the grant program under this section in any fiscal year.

"(2) States may elect not to administer resources made available under subsection (b)(2) of this section. This election shall be made in such manner and before such times as the Secretary may prescribe. The Secretary shall administer the resources available to any State exercising such an election in accordance with regulations and procedures prescribed by the Secretary, including the administration of grant programs of cities with populations over fifty thousand which elect not to administer their own program. Such regulations shall, to the maximum extent practicable, be comparable to those for cities and urban counties receiving resources under subsection (b).

"(3) A State may apply for and receive, on behalf of a unit of local government located in that State and with the concurrence of that unit of general local government, a rental development grant to be used in accordance with the provisions of subsection (d).

"(4) In any case in which the State is a grantee under any provision of this section, the Secretary shall require that the State take such actions as may be appropriate to assure compliance with the program requirements, owner agreements, and other provisions of this section.

"(f) APPLICABILITY OF REQUIREMENTS OR AGREEMENTS.—Requirements imposed by or agreements made with States and units of general local government regarding rents in structures assisted under this section (including requirements relating to the rents which may be charged after rehabilitation) shall not apply to a structure assisted under this section unless (1) such requirements are imposed or agreements are entered into pursuant to a State law or local ordinance of general applicability which was enacted and in effect in that jurisdiction prior to the date of enactment of this section, and (2) such requirements or agreements would apply generally to structures not assisted under this section.

"(g) RELOCATION.—The Secretary shall by regulation establish such standards governing reasonable relocation payments and other related assistance as the Secretary determines to be appropriate.

"(h) ADMINISTRATIVE EXPENSES.—Grantees receiving assistance under this section shall not deduct therefrom any amounts to cover administrative expenses incurred by them in carrying out their responsibilities under this section.

"(i) PRESERVATION, ENVIRONMENTAL POLICY, AND LABOR STANDARDS.—(1) The Secretary shall establish procedures which support national historic preservation objectives and which assure that, if any rehabilitation or development proposed to be assisted under this section would affect property which is included on the National Register of Historic Places or which is eligible for inclusion on the National Register of Historic Places, such activity shall not be undertaken unless (A) it will reasonably meet the standards issued by the Secretary of the Interior and the appropriate State historic preservation officer is afforded the opportunity to comment on the specific rehabilitation or development program, or (B) the Advisory Council on Historic Preservation is afforded an opportunity to comment on cases for which the grantee of assistance, in consultation with the State historic preservation officer, determines that the proposed activity cannot reasonably meet such standards or would adversely affect historic property as defined therein.

"(2) The Secretary's award and grantee's use of resources made available under this section shall be subject to section 104(f) of the Housing and Community Development Act of 1974.

"(3) A structure assisted under this section shall be treated as a project subject to a mortgage insured under section 220 of the National Housing Act for the purpose of section 212 of such Act.

"(j) FINANCING.—Subject to terms and conditions that are prescribed by the Secretary and are consistent with the purpose and other provisions of this section, any obligation issued by a State or local housing agency for the purpose of financing the development of a project or projects assisted under this section is hereby deemed an obligation that meets the requirements of, and has the benefits (including the benefit of interest earned with respect to the obligation being exempt from Federal taxation) associated with, an obligation described in section 11(b).

"(k) DEFINITIONS.—For the purpose of this section—

"(1) the term 'rehabilitation grant' means a grant to finance moderate rehabilitation;

"(2) the term 'development grant' means a grant to finance new construction of substantial rehabilitation;

"(3) the Secretary shall use the same population data and rules for designating cities and urban counties as apply under title I of the Housing and Community Development Act of 1974;

"(4) the term 'real property to be used primarily for residential rental purposes' includes cooperative or mutual housing which has a resale structure which enables the cooperative to maintain affordability for lower income families; and

"(5) the term 'grantee' means—

"(A) any city or urban county receiving resources under this section;

"(B) any State administering a rental rehabilitation or development program as provided in subsection (f); and

"(C) any unit of general local government which receives assistance from the Secretary as provided in subsection (f)(2).

The Secretary shall encourage cooperation by units of general local government in the administration of grants under this section by permitting consortia of geographically proximate units of general local government to apply for assistance on behalf of their members, including establishment of eligibility under subsection (b) for consortia whose combined populations exceed fifty thousand and which can otherwise meet the requirements of such subsection. Any amounts made available to such a consortium shall be deducted from the allocation to the State in which the units of general local government are located.

"(l) REVIEW AND AUDIT.—The Secretary shall, at least on an annual basis, make such reviews and audits as may be necessary or appropriate to determine—

"(1) where the grantee is a unit of general local government or a State carrying out its own program as provided in subsection (f)(1), whether the grantee has carried out its activities in a timely manner and in accordance with the requirements of this section, and has a continuing capacity to carry out those activities in a timely manner; and

"(2) where the grantee is a State distributing resources made available under this section to units of general local government as provided in subsection (e)(2), whether the State (A) has distributed such resources in a timely manner and in accordance with the requirements of this section, and (B) has made such reviews and audits of the units of general local government as may be necessary or appropriate to determine whether they have satisfied the performance criteria described in paragraph (1).

In addition to the adjustments based on performance authorized by subsection (b)(2), the Secretary may adjust, reduce, or withdraw resources made available to States and units of general local government receiving assistance under this section, or take other action as appropriate in accordance with the findings of these reviews and audits, except that resources already expended on eligible activities shall not be recaptured or deducted from future resources made available to the grantee. Any amounts which become available as a result of actions under this paragraph shall be reallocated in the year in which they become available to such grantee or grantees as the Secretary may determine.

"(m) PERFORMANCE REPORT.—Prior to the beginning of fiscal year 1985 and each fiscal year thereafter, each grantee shall submit to the Secretary a performance report concerning the activities carried out pursuant to this section, together with an assessment by the grantee of the relationship of these activities to the objectives of this section. Such report shall contain an analysis of the program's cost effectiveness, the type and income levels of tenants who benefit from the rehabilitation program, any tenant displacement resulting from the program, and any other information the Secretary may

require. To facilitate this reporting requirement, each grantee shall require owners of property rehabilitated under this section to provide verfied income data and other pertinent tenant demographic information as prescribed by the Secretary (to include household size and race) or to otherwise arrange for the collection of such information on an annual basis. The Secretary shall stipulate the format for such data collection to assure that such information can be aggregated at the national level to allow congressional oversight.

"(n) REPORT TO CONGRESS.—Prior to the beginning of fiscal year 1985 and each fiscal year thereafter, the Secretary shall provide a report to the Congress as to the overall progress of grantees in meeting the objectives of this section. Such report shall include an analysis of program costs, services delivered, beneficiaries, and the extent to which lower income tenants have been displaced as a result of rehabilitation assisted under this section.".

CONFORMING AMENDMENTS TO THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

SEC. 302. (a) Section 105(a) of the Housing and Community Development Act of 1974 is amended—

(1) by striking out "and" at the end of clause (16);

(2) by striking out the period at the end of clause (17) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(18) the rehabilitation or development of housing assisted under section 17 of the United States Housing Act of 1937.".

(b) Section 107(d) of such Act is amended—

(1) by striking out "unless the applicant" in paragraph (1) and inserting in lieu thereof the following: "and no assistance may be made available under section 17 of the United States Housing Act of 1937 unless the grantee"; and

(2) by inserting "grantee or" before "applicant" in paragraph (3).

(c) Section 817 of such Act is amended—

(1) by striking out "and" after "1966,"; and

(2) by inserting after "and 1970" the following: ", and section 17 of the United States Housing Act of 1937".

CONFORMING AMENDMENTS TO THE NATIONAL HOUSING ACT

SEC. 303. (a) Section 244 of the National Housing Act is amended by adding at the end thereof the following:

"(h) Notwithstanding any other provision of this section, in the case of a mortgage insured under section 223(f) secured by property which is to be rehabilitated or developed under section 17 of the United States Housing Act of 1937, such coinsurance may include provisions that—

"(1) insurance benefits shall equal the sum of (A) 90 per centum of the mortgage on the date of institution of foreclosure proceedings (or on the date of acquisition of the property otherwise after default), and (B) 90 per centum of interest arrears on the date benefits are paid;

"(2) the mortgagee shall remit to the Secretary, for credit to the General Insurance Fund, 90 per centum of any proceeds of the property, including sale proceeds, net of the mortgagee's actual and reasonable costs related to the property and the enforcement of security;

"(3) payment of such benefits shall be made in cash unless the mortgagee submits a written request for debenture payment; and

"(4) the underwriter of coinsurance may reinsure 10 per centum of the mortgage amount with a private mortgage insurance company or with a State mortgage insurance agency.

No commitment for insurance pursuant to this subsection may be issued on or after October 1, 1985.".

(b) Section 223(f) of such Act is amended by adding at the end thereof the following:

"(5) In the case of any purchase or refinancing under this subsection involving property to be rehabilitated or developed under section 17 of the United States Housing Act of 1937, the Secretary may—

"(A) include rehabilitation or development costs of not to exceed $20,000 per unit except that the Secretary may increase such amount by not to exceed 25 per centum for specific properties where cost levels so require;

"(B) permit subordinated liens securing up to the full amount of mortgage financing provided by State or local governments or agencies thereof; and

"(C) pay such benefits in cash unless the mortgagee submits a written request for debenture payment.".

TITLE IV—PROGRAM AMENDMENTS AND EXTENSIONS

PART A—FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS

Subpart 1—General Authorities and Requirements

EXTENSION OF MORTGAGE INSURANCE PROGRAMS

SEC. 401. (a) Section 2(a) of the National Housing Act is amended by striking out "December 1, 1983" in the first sentence and inserting in lieu thereof "October 1, 1985".

(b) Section 217 of such Act is amended by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1985".

(c) Section 221(f) of such Act is amended by striking out "November 30, 1983" in the fifth sentence and inserting in lieu thereof "September 30, 1985".

(d)(1) Section 235(m) of such Act is amended by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1985".

(2) Section 235(q)(1) of such Act is amended by striking out "November 30, 1983" in the last sentence and inserting in lieu thereof "September 30, 1985".

(e) Section 244(d) of such Act is amended—

(1) by striking out "November 30, 1983" in the first sentence and inserting in lieu thereof "September 30, 1985";

(2) by striking out "December 1, 1983" in the second sentence and inserting in lieu thereof "October 1, 1985"; and

(3) by striking out the last two sentences.

(f) Section 245(a) of such Act is amended by striking out "November 30, 1983" in the last sentence and inserting in lieu thereof "September 30, 1985".

(g) Section 809(f) of such Act is amended by striking out "November 30, 1983" in the last sentence and inserting in lieu thereof "September 30, 1985".

(h) Section 810(k) of such Act is amended by striking out "November 30, 1983" in the last sentence and inserting in lieu thereof "September 30, 1985."

(i) Section 1002(a) of such Act is amended by striking out "November 30, 1983" in the last sentence and inserting in lieu thereof "September 30, 1985."

(j) Section 1101(a) of such Act is amended by striking out "November 30, 1983" in the last sentence and inserting in lieu thereof "September 30, 1985."

AMOUNT TO BE INSURED UNDER THE NATIONAL HOUSING ACT

SEC. 402. Section 531 of the National Housing Act is amended to read as follows:

"AMOUNT OF INSURED MORTGAGES

SEC. 531. Notwithstanding any other provision of law and subject only to the absence of qualified requests for insurance, to the authority provided in title II, and to any funding limitation approved in appropriation Acts, the Secretary shall enter into commitments during each of the fiscal years 1984 and 1985 to insure mortgages under title II with an aggregate principal amount of $50,900,000,000.".

AUTHORIZATION OF APPROPRIATIONS TO COVER LOSSES TO THE GENERAL INSURANCE FUND

SEC. 403. Section 519(f) of the National Housing Act is amended—

(1) by inserting "such sums as may be necessary" after "appropriated"; and

(2) by striking out "not" and all that follows through "1981".

ELIMINATION OF REQUIREMENT THAT FEDERAL HOUSING ADMINISTRATION INTEREST RATES BE SET BY LAW

SEC. 424. (a) The Act entitled "An Act to amend chapter 37 of title 38 of the United States Code with respect to the veterans' home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes", approved May 7, 1968 (Pub. L. 90-301) is amended by striking out sections 3 and 4.

(b)(1) Section 2(b)(5) of the National Housing Act is amended to read as follows:

"(5) No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it unless the obligation has such maturity, bears such insurance premium charges, and contains such other terms, conditions, and restrictions as the Secretary shall prescribe, in order to make credit available for the purpose of this title. Any such obligation with respect to which insurance is granted under this section shall bear interest at such rate as may be agreed upon by the borrower and the financial institution.".

(2) Section 203(b)(5) of such Act is amended to read as follows:

"(5) Bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(3) Section 203(k)(3)(B) of such Act is amended to read as follows:

"(B) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(4) The first sentence of the first undesignated paragraph of section 207(c)(3) of such Act is amended to read as follows: "The mortgage shall provide for complete amortization by periodic payments within such term as the Secretary shall prescribe, and shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(5) The first sentence of section 213(d) of such Act is amended to read as follows: "Any mortgage insured under this section shall provide for complete amortization by periodic payments within such term as the Secretary may prescribe but not to exceed 40 years from the beginning of amortization

of the mortgage, and shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(6) The second sentence of section 220(d)(4) of such Act is amended to read as follows: "The mortgage shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee and contain such terms and provisions with respect to the application of the mortgagor's periodic payment to amortization of the principal of the mortgage, insurance, repairs, alterations, payment of taxes, default reserves, delinquency charges, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other matters as the Secretary may in the Secretary's discretion prescribe.".

(7) Section 220(h)(2)(iii) of such Act is amended to read as follows:

"(iii) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(8) Section 221(d)(5) of such Act is amended by striking out "(exclusive" and all that follows through "mortgage market" and inserting in lieu thereof the following: "at such rate as may be agreed upon by the mortgagor and the mortgagee".

(9) Section 231(c)(6) of such Act is amended to read as follows:

"(6) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee; and".

(10) Section 232(d)(3)(B) of such Act is amended to read as follows:

"(B) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(11) The first sentence of section 234(f) of such Act is amended to read as follows: "Any blanket mortgage insured under subsection (d) shall provide for complete amortization by periodic payments within such terms as the Secretary may prescribe but not to exceed 40 years from the beginning of amortization of the mortgage, and shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(12) Section 235(i)(3) of such Act is amended—

(A) by striking out "and" at the end of subparagraph (D);

(B) by striking out the period at the end of subparagraph (F) and inserting in lieu thereof "; and"; and

(C) by adding the following new subparagraph at the end thereof:

"(F) bear interest at a rate not to exceed such percent per annum on the amount of the principal obligation outstanding at any time as the Secretary finds necessary to meet the mortgage market, taking into consideration the yields on mortgages in the primary and secondary markets.".

(13) Section 240(c)(4) of such Act is amended to read as follows:

"(4) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(14) Section 241(b)(3) of such Act is amended to read as follows:

"(3) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(15) Section 242(d)(3)(B) of such Act is amended to read as follows:

"(B) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(16) Section 1002(d)(2) of such Act is amended to read as follows:

"(2) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee, except that the Secretary may agree to a reasonable extension of the term of a mortgage, the maturity of which is limited by this paragraph to not more than 10 years, if the Secretary determines that unusual or unforeseen circumstances make such extension necessary to avoid undue hardship to the mortgagor;".

MINIMUM PROPERTY STANDARDS

SEC. 405. (a) Section 526 of the National Housing Act is amended—

(1) in the first sentence, by inserting ", other than manufactured homes," after "housing";

(2) by adding the following new sentence at the end thereof: "Following the effective date of this sentence, the energy performance requirements developed and established by the Secretary under this subsection for newly constructed residential housing, other than manufactured homes, shall be at least as effective in performance as the energy performance requirements incorporated in the minimum property standards that were in effect under this subsection on September 30, 1982."; and

(3) by inserting "(a)" after the section designation and adding at the end thereof the following new subsection;

"(b) The Secretary may require that each property, other than a manufactured home, subject to a mortgage insured under this Act shall, with respect to health and safety, comply with one of the nationally recognized model building codes, or with a State or local building code based on one of the nationally recognized model building codes or their equivalent. The Secretary shall be responsible for determining the comparability of the State and local codes to such model codes and for selecting for compliance purposes an appropriate nationally recognized model building code where no such model code has been duly adopted or where the Secretary determines the adopted code is not comparable.".

(b) The section heading of section 526 of such Act is amended to read as follows: "Minimum Property Standards".

TIME OF PAYMENT OF MORTGAGE INSURANCE PREMIUMS

SEC. 406. Section 530 of the National Housing Act is amended—

(1) by striking out "promptly upon their receipt from the borrower" and inserting in lieu thereof the following: (1) in the case of loans or mortgages respecting one- to four-family residences, promptly upon their receipt from the borrower, and (2) in any other case, promptly when due to the Secretary";

(2) by inserting "or due date, as appropriate," after "such receipt"; and

(3) by inserting "or after the due date, as appropriate," before "and ending".

MORTGAGE INSURANCE FOR AMERICAN SAMOA

SEC. 407. (a) Section 9 of the National Housing Act is amended by inserting "American Samoa," after "the Trust Territory of the Pacific Islands,".

(b) Section 201(d) of such Act is amended by inserting "American Samoa," after "the Trust Territory of the Pacific Islands,".

(c) Section 207(a)(7) of such Act is amended by inserting "American Samoa," after "the Trust Territory of the Pacific Islands,".

ASSIGNMENT OF SECTION 221(G)(4) MORTGAGES TO GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

SEC. 408. Section 221(g)(4) of the National Housing Act is amended by inserting "(A)" after the paragraph designation and by adding the following new subparagraph at the end thereof:

(B) In processing a claim for insurance benefits under this paragraph, the Secretary may direct the mortgagee to assign, transfer, and deliver the original credit instrument and the mortgage securing it directly to the Government National Mortgage Association in lieu of assigning, transferring, and delivering the credit instrument and the mortgage to the Secretary. Upon the assignment, transfer, and delivery of the credit instrument and the mortgage to the Association, the mortgage insurance contract shall terminate and the mortgagee shall receive insurance benefits as provided in subparagraph (A). The Association is authorized to accept such loan documents in its own name and to hold, service, and sell such loans as agent for the Secretary. The mortgagor's obligation to pay a service charge in lieu of a mortgage insurance premium shall continue as long as the mortgage is held by the Association or by the Secretary. The Secretary shall have the same authority with respect to mortgages assigned to the Secretary or the Association under this subparagraph as provided by section 223(c).".

TERMINATION OF SECTION 221 BUY-BACK PROVISION

SEC. 409. The first sentence of section 221(g)(4)(A) of the National Housing Act, as redesignated by section 408 of this Act, is amended by inserting after "this section" the following: "pursuant to a commitment to insure entered into before the effective date of this clause".

Subpart 2—Single-Family Mortgage Insurance Programs

TITLE I INSURANCE FOR EXISTING MANUFACTURED HOMES

SEC. 415. Section 2(a) of the National Housing Act is amended by inserting the following before the last undesignated paragraph thereof:

"The insurance authority provided under this section may be made available with respect to any existing manufactured home that has not been insured under this section if such home was constructed in accordance with the standards issued under the National Manufactured Housing Construction and Safety Standards Act of 1974 and it meets standards similar to the minimum property standards applicable to existing homes insured under title II.".

INCREASED TITLE I LOAN LIMITS FOR MANUFACTURED HOMES AND LOTS

SEC. 416. (a) Section 2(b)(1) of the National Housing Act is amended—

(1) in subparagraph (C), by striking out "$22,500" and all that follows through "modules)" and inserting in lieu thereof "$40,500";

(2) in subparagraph (D), by striking out "$35,000" and all that follows through "modules)" and inserting in lieu thereof "$54,000"; and

(3) in subparagraph (E), by striking out "such an amount as may be necessary, but not exceeding $12,500," and inserting in lieu thereof "$13,500".

(b) Section 2(b)(2) of such Act is amended by striking out the last sentence and inserting in lieu thereof the following: "In other areas, the maximum dollar amounts specified in subsections (b)(1)(D) and (b)(1)(E) may be increased on an area-by-area basis to the extent the Secretary deems necessary, but not to exceed the percentage by which

the maximum mortgage amount of a one-family residence in the area is increased by the Secretary under section 203(b)(2).".

REFINANCING MANUFACTURED HOMES UNDER TITLE I

SEC. 417. Section 2(b)(6) of the National Housing Act is amended by adding at the end thereof the following new subparagraph:

"(C) The owner-occupant of a manufactured home or a home and lot which was purchased without assistance under this section but which otherwise meets the requirements of this section may refinance such home or home and lot under this section if the home was constructed in accordance with standards established under section 604 of the National Manufactured Housing Construction and Safety Standards Act of 1974.".

COUNSELING FOR PERSONS ASSISTED UNDER TEMPORARY MORTGAGE ASSISTANCE PAYMENTS PROGRAM

SEC. 418. Section 230(c) of the National Housing Act is amended by striking out ", to the extent practicable,".

COOPERATIVE HOUSING

SEC. 419. Section 203(n) of the National Housing Act is amended—

(1) in paragraph (1), by inserting the following before the period at the end of the second sentence: "or the construction of which was completed more than a year prior to the application for the mortgage insurance"; and

(2) by striking out "nonprofit" in paragraph (2)(A).

MORTGAGE INSURANCE FOR CONDOMINIUM UNITS

SEC. 420. (a) The first sentence of section 234(c) of the National Housing Act is amended by striking out "(2)" and all that follows through the period at the end thereof and inserting in lieu thereof the following: "and (2) at least 80 percent of the units in the project covered by mortgages insured under this title are occupied by the mortgagors or comortgagors.".

(b) The third sentence of section 234(c) of such Act is amended by striking out "(A)" and all that follows through "$25,000" the second place it appears and inserting in lieu thereof the following: "(A) involve a principal obligation in an amount not to exceed the maximum principal obligation of a mortgage which may be insured in the area pursuant to section 203(b)(2)".

(c) Section 234 of such Act is amended by adding at the end thereof the following:

"(k) With respect to a unit in any project which was converted from rental housing, no insurance may be provided under this section unless (1) the conversion occurred more than one year prior to the application for insurance, (2) the mortgagor or comortgagor was a tenant of that rental housing, or (3) the conversion of the property is sponsored by a bona fide tenants organization representing a majority of the households in the project.".

SINGLE-FAMILY MORTGAGE INSURANCE ON HAWAIIAN HOME LANDS

SEC. 421. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"SINGLE-FAMILY MORTGAGE INSURANCE ON HAWAIIAN HOME LANDS

"SEC. 247. (a) The Secretary, subject to such conditions as the Secretary may prescribe, may insure under any provision of this title that authorizes such insurance, a mortgage covering a property upon which there is located a one- to four-family residence, without regard to any limitation in this Act relating to marketability of title or any other limitation in this Act that the Secretary determines is contrary to promoting the availability of such insurance on Hawaiian home lands, if—

"(1) the mortgage is executed by a native Hawaiian on property located within Hawaiian home lands covered under a homestead lease issued under section 207(a) of the Hawaiian Homes Commission Act, 1920, or under the corresponding provision of the Constitution of the State of Hawaii adopted under section 4 of the Act entitled "An Act to provide for the admission of the State of Hawaii into the Union", approved March 18, 1959 (73 Stat. 5);

"(2) the property will be used as the principal residence of the Mortgager; and

"(3) the Department of Hawaiian Home Lands of the State of Hawaii (A) is a comortgager; (B) guarantees to reimburse the Secretary for any mortgage insurance claim paid in connection with a property on Hawaiian home lands; or (C) offers other security acceptable to the Secretary.

"(b) Notwithstanding any other provision of this Act, the Secretary may, with respect to mortgages eligible for insurance under subsection (a), insure and make commitments to insure advances made during construction if the Secretary determines that the proposed construction is otherwise acceptable and that no feasible financing alternative is available.

"(c) For purposes of this section:

"(1) The term 'native Hawaiian' means any descendant of not less than one-half part of the blood of the races inhabiting the Hawaiian Islands before January 1, 1778.

"(2) The term 'Hawaiian home lands' means all lands given the status of Hawaiian home lands under section 204 of the Hawaiian Homes Commission Act, 1920, or under the corresponding provision of the Constitution of the State of Hawaii adopted under section 4 of the Act entitled "An Act to provide for the admission of the State of Hawaii into the Union", approved March 18, 1959 (73 Stat. 5).".

SINGLE FAMILY MORTGAGE INSURANCE ON INDIAN RESERVATIONS

SEC. 422. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"SINGLE FAMILY MORTGAGE INSURANCE ON INDIAN RESERVATIONS

"SEC. 248. (a) The Secretary, subject to such special conditions as the Secretary may prescribe, may insure under any provision of this title that authorizes such insurance, a mortgage covering a property upon which there is located a one- to four-family residence, without regard to any limitation in this Act relating to marketability of title or any other limitation in this Act that the Secretary determines is contrary to promoting the availability of such insurance on Indian reservations if the mortgage (1) is executed by an Indian tribe and the property is located on trust or otherwise restricted lands; or (2) is executed by a member of an Indian tribe who will use the property as a principal residence and the property is on trust lands or otherwise restricted land.

"(b) Notwithstanding any other provision of this Act, with respect to mortgages covering a property upon which there is located a one- to four-family residence—

"(1) the Secretary may insure and make commitments to insure under this title pursuant to this section advances made during construction where the Secretary determines that the proposed construction is otherwise acceptable and meets an applicable tribal or national model building code, and that no feasible financing alternative is available;

"(2) the applicable percentage limitation on the amount of the principal obligation of a mortgage based on the appraised value or replacement cost, a appropriate, of a one- to four-family owner-occupied residence contained in this title shall apply in the case of all mortgages insured pursuant to this section without regard to whether the residences are owner-occupied where the residences are owned by the tribe; and

"(3)(A) the Secretary may require an Indian tribe, only as a condition of insurance made under this title pursuant to this section, to pledge income from tribal resources or income from tribal assets not subject to a restriction by the Secretary of the Interior or pledge grants under title I of the Housing and Community Development Act of 1974 or any other Federal grant program administered by the Secretary of Housing and Urban Development to be used to reimburse the Secretary for any mortgage insurance claims paid in connection with residences insured pursuant to this section; or

"(B) in the case of an individual Indian mortgagor, the Secretary may require a pledge of his or her share of distributed income from tribal resources or income from tribal assets, excluding any Federal grants received by the tribe.

"(c) The Secretary may not refuse to insure a mortgage under this section to an individual home purchaser because there is no distributed tribal or trust fund income attributable to that purchaser.

"(d) Before making any commitment to insure a mortgage under this section with respect to property located on tribal or trust land, the Secretary shall require a showing by the tribe that it has adopted eviction procedures to be used in the event of a default.

"(e) A mortgage insured under this section may be assumed, subject to credit approval by the lender and the consent of the tribe to an assumption of the existing lease or the grant of a new lease, without an adjustment of the interest rate. Any other sale of a property subject to a mortgage insured under this section may be made only if a new lease is granted, except that a sale following a foreclosure may be accompanied by an assumption of the lease with the consent of the tribe.

"(f)(1) The Secretary shall make information regarding the status and payment history of loans insured under this section available to local credit bureaus and prospective creditors. Prior to accepting assignment of a mortgage, the Secretary shall require mortgagees to submit documentation that mortgagors have been counseled in a face-to-face interview, informed of the provisions of this subsection or other available assistance, and provided with the names and addresses of officials of the Department of Housing and Urban Development to whom further communications shall be addressed.

"(2) Notwithstanding the requirement for conveyance of title under section 204, a mortgagee under this section shall be entitled to receive the benefit of insurance under this section in the case of a mortgage which is more than 90 days in default upon conveyance of the lease agreement and the mortgage documents.

"(3) In the event that any default is cured, the Secretary shall seek to reinstate the loan with the mortagee or another mortgagee. For purposes of this paragraph, the Secretary may provide appropriate financial incentives to reinstate the loan commensurate with sound management of the insurance fund.

"(4) If the Secretary determines that a mortgagor is not making a good-faith effort to cure a default, and that trust fund or tribunal income is available under subsection (b)(3)(B), the Secretary shall commence proceedings for the garnishment of the mortgagor's distributed share of tribal or trust fund income in order to collect loan payments that are past due. Proceedings under this paragraph may be instituted in a tribal court, court of competent jurisdiction designated by the tribe, or Federal district court.

"(5) If the Secretary determines such action is necessary to protect the insurance fund from undue loss, the Secretary may initiate foreclosure proceedings with respect to any mortgage acquired under this subsection. Such proceeding may take place in a tribal court, a court of competent jurisdiction, or Federal district court. Any such court shall have jurisdiction to convey to the Secretary the remaining life of a lease on the real property and to order eviction of the delinquent mortgagor.

"(g) In the administration of this section, the Secretary shall establish a premium charge for insurance that will be sufficient to cover the full costs of the mortgage insurance program under this section, except that such charge may not exceed 3 percent per annum of the principal amount of the mortgage outstanding at any time. Not later than September 30, 1984, the Secretary shall determine and report to the Congress on the feasibility of eliminating any excess amount of the premium under this section over the premium under section 203. In the event such premiums are not sufficient to cover the full costs of the mortgage insurance program under this section, the Secretary shall make recommendations to the Congress about changes to the program.

"(h) For purposes of this section:

"(1) The term 'Indian tribe' means any Indian or Alaska native tribe, band, nation, or other organized group or community of Indians or Alaska natives recognized as eligible for the services provided to Indians or Alaska natives by the Secretary of the Interior because of its status as such an entity, or that is an eligible recipient under chapter 67 of title 31, United States Code.

"(2) The term 'trust or otherwise restricted land' means (A) that area of land, as defined by the Secretary of the Interior, over which an Indian tribe is recognized by the United States as having governmental jurisdiction; (B) land held in trust for the benefit of any Indian tribe or individual or held by any Indian tribe or individual subject to a restriction by the United States against alienation; or (C) land acquired by Alaska natives under the Alaska Native Claims Settlement Act or any other land acquired by Alaska natives pursuant to statute by virtue of their unique status as Alaska natives.".

TREATMENT OF FEDERAL HOUSING ADMINISTRATION SINGLE FAMILY PREMIUMS

SEC. 423. (a) Section 223 of the National Housing Act is amended by inserting the following new subsection after subsection (c):

"(d) Notwithstanding any provision of this title governing maximum mortgage amounts for insuring a mortgage secured by a one- to four-family dwelling, the maximum amount of the mortgage determined under any such provision may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured.".

(b)(1) The first sentence of section 203(b)(2) of such Act is amended by striking out the following: ": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

(2) Section 213(b)(2) of such Act is amended by striking out the following: ": *Provided further*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

(3) Section 221(d)(2)(A) of such Act is amended by striking out the following: ": *Provided further*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

(4) Clause (A) of the third sentence of section 234(c) of such Act is amended by striking out the following: ": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

(5) Section 235(i) of such Act is amended—

(A) by striking out in paragraph (3)(B) the following: ": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured";

(B) by striking out in paragraph (3)(C) the following: ": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured"; and

(C) by striking out in paragraph (3)(D) the following: ": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

(c) The amendments made by this section shall take effect only if the Secretary of Housing and Urban Development determines that the program of advance payment of insurance premiums, with specific regard to the effect of the provisions authorized by the amendments made by such sections, is actuarially sound.

CHANGE IN MAXIMUM LOAN-TO-VALUE RATIO FOR MODESTLY PRICED SINGLE FAMILY HOMES

SEC. 424. (a) Section 203(b)(2) of the National Housing Act is amended—

(1) by striking out "(except as provided in the next to the last sentence of this paragraph)" in the first sentence and inserting in lieu thereof the following: "(except as otherwise provided in this paragraph)"; and

(2) by inserting after the first sentence the following new sentence: "If the mortgage to be insured under this section covers property on which there is located a one- to four-family residence to be occupied as the principal residence of the owner, and the appraised value of the property, as of the date the mortgage is accepted for insurance, does not exceed $50,000, the principal obligation may be in an amount not to exceed 97 percent of such appraised value.".

(b) The amendment made by subsection (a) shall take effect only if the Secretary finds and reports to the Congress that such amendment, taking into account the higher loan-to-value ratio resulting from the advance payment of mortgage insurance premiums, will not adversely affect the actuarial soundness of the Federal Housing Administration mortgage insurance program.

NONOCCUPANT SINGLE FAMILY MORTGAGORS

SEC. 425. Section 203(b)(8) of the National Housing Act is amended by striking out all that follows "an amount equal to" through "subsection:" and inserting in lieu thereof the following: "the lesser of (A) the otherwise applicable maximum dollar amount prescribed under paragraph (2), or (B) 85 percent of the appraised value of the property as of the date the mortgage is accepted for insurance:".

PAYMENT OF CLAIMS WITHOUT ACQUISITION OF TITLE

SEC. 426. (a) Section 204(a) of the National Housing Act is amended—

(1) by striking out "Upon such conveyance and assignment" in the second sentence and inserting in lieu thereof the following: "The Secretary is also authorized, in accordance with such regulations as the Secretary may prescribe, to make the benefit of the insurance as hereinafter provided available to the mortgagee, notwithstanding any provision of this section requiring conveyance of title to the property to the Secretary, (1) upon sale of the insured property at foreclosure, where such sale is for at least the fair market value of the property (with appropriate adjustments), as determined by the Secretary, and (2) upon the assignment to the Secretary of all claims referred to in clause (2) of the preceding sentence. The payment of benefits under the preceding sentence may be made for any mortgage insured pursuant to a commitment to insure issued on or after the effective date of this sentence and, with the approval of the mortgagee, for any mortgage insured pursuant to a commitment issued before that date. Upon the conveyance and assignment referred to in the first sentence of this section or the sale and assignment referred to in the second sentence of this subsection,"; and

(2) by striking out "and any amount" and all that follows through the colon preceding the first proviso of the final sentence and inserting in lieu thereof the following: "any amount received as rent or other income from the property, less reasonable expenses incurred in handling the property, after either of such dates, and, in the case of insurance benefits paid in accordance with the second sentence of this section, any amount received upon the foreclosure sale of the property:".

(b) Section 204(j) of such Act is amended by inserting after "under section 203" the following: "(other than a mortgagee receiving insurance benefits under the second sentence of subsection (3))".

STRUCTURAL DEFECTS IN VETERANS' ADMINISTRATION-APPROVED, FEDERAL HOUSING ADMINISTRATION-INSURED NEW HOMES

SEC. 427. Section 518(a) of the National Housing Act is amended by striking out "approved for mortgage insurance prior to the beginning of construction which he finds" and inserting in lieu thereof the following: "that, before the beginning of construction, was approved for mortgage insurance under this Act or for guaranty, insurance, or a direct loan under chapter 37 of title 38, United States Code, and that the Secretary finds".

REINSURANCE DEMONSTRATION PROGRAM

SEC. 428. (a) Title II of the National Housing Act is amended by adding at the end thereof the following:

"REINSURANCE CONTRACTS

"SEC. 249. (a) The purpose of this section is to authorize a demonstration mortgage reinsurance program designed to test the feasibility of entering into reinsurance contracts with private mortgage insurers in order to reduce Government risk and administrative costs, and to speed mortgage processing. The Secretary shall limit the demonstration under this section to not more than two administrative regions of the Department of Housing and Urban Development, and shall assure that the program is in the financial interest of the Government and will not result in loss of employment by any employees of the Department of Housing and Urban Development. The aggregate number of mortgages insured under this section in any administrative region of the Department of Housing and Urban Development in any fiscal year may not exceed 10 percent of the aggregate number of mortgages and loans insured by the Secretary under this title in such region during the preceeding fiscal year.

"(b) Notwithstanding any other provision of this Act inconsistent with this section, the Secretary is authorized to provide mortgage insurance with respect to one- to four-family dwellings under sections 203(d), 234, and 245 through reinsurance contracts with private mortgage insurance companies which have been determined to be qualified insurers under section 302(b)(2)(C). Such contracts shall require private mortgage insurance companies to—

"(1) assure a percentage of loss on any mortgage insured pursuant to section 203(b), 234, or 245 covering a one- to four-family dwelling, which percentage of loss shall be set forth in the reinsurance contract; and

"(2) carry out (under appropriate delegation) such credit approval, appraisal, inspection, commitment, claims processing, property disposition, or other function as the Secretary pursuant to regulations, shall approve as consistent with the purposes of this section.

"(c) Any contract of reinsurance under this section shall contain such provisions relating to the sharing of premiums on a sound actuarial basis, establishment of insurance reserves, manner of calculating claims on such insurance, conditions with respect to foreclosure, handling and disposition of property prior to claim or settlement, right of assignees, and other similar matters as the Secretary may prescribe pursuant to regulations. Pursuant to a contract under this section, a private mortgage insurance company shall endorse loans for insurance and take such other actions on behalf of the Secretary and in the Secretary's name as the Secretary may authorize.

"(d) The Secretary shall require any private mortgage insurance company participating in the program under this section to provide reinsurance for those mortgages offered by the Secretary for inclusion in the program.".

(b) The Secretary of Housing and Urban Development shall evaluate the reinsurance program under section 249 of the National Housing Act and, not later than March 1, 1985, submit to the Congress a report setting forth the results of such evaluation. Such report shall include an evaluation of the possible effect of a reinsurance program on the characteristics of the pool of mortgages remaining wholly under the applicable insurance funds and the actuarial soundness of such funds under such conditions.

SUBPART 3—MULTIFAMILY AND OTHER MORTGAGE INSURANCE PROGRAMS

DISCRETIONARY AUTHORITY TO REGULATE RENTS OR CHARGES

SEC. 431. (a) Section 207(b)(2) of the National Housing Act is amended—

(1) by striking out "any other mortgagor approved by the Secretary" and all that follows through "reasonable return on the investment." and inserting in lieu thereof the following: "any other mortgagor approved by the Secretary. The Secretary may, in the Secretary's discretion, require any such mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation so as to provide reasonable rentals to tenants and a reasonable return on the investment. Any such regulations or restrictions shall continue for such period or periods as the Secretary, in the Secretary's discretion, may require, including until the termination of all obligations of the Secretary under the insurance and during such further period of time as the Secretary shall be the owner, holder, or reinsurer of the mortgage.";

(2) by striking out "render effective the regulations or restrictions" and inserting in lieu thereof "render effective any such regulations or restrictions"; and

(3) by striking out "and directed" in the second sentence of the first undesignated paragraph.

(b) Section 234(d)(2) of such Act is amended—

(1) by striking out "shall be regulated or restricted by the Secretary" and inserting in lieu thereof "may, in the Secretary's discretion, be regulated or restricted"; and

(2) by striking out "the regulation and restriction" and inserting in lieu thereof "any such regulation or restriction".

(c) The amendments made in this section shall not apply with respect to mortgages insured by the Secretary of Housing and Urban Development before the date of the enactment of this Act.

REMOVAL OF REFINANCING LIMITATIONS ON CERTAIN MULTIFAMILY PROJECTS

SEC. 432. (a) Section 220(d)(3)(B)(ii) of the National Housing Act is amended by striking out "*Provided further,*" the first time it appears and all that follows through "property or project:".

(b) Section 221(d)(3)(iii) of such Act is amended—

(1) by striking out "*Provided,* That" and all that follows through "property or project:"; and

(2) by striking out "*further*" the first time it appears.

(c) Section 221(d)(4)(iv) of such Act is amended—

(1) by striking out "*Provided,* That" and all that follows through "property or project:"; and

(2) by striking out "*further*" the first time it appears.

LIMITATION ON PREPAYMENT OF MORTGAGES ON MULTIFAMILY RENTAL HOUSING

SEC. 433. Title II of the National Housing Act is amended by adding at the end thereof the following.

"LIMITATION ON PREPAYMENT OF MORTGAGES ON MULTIFAMILY RENTAL HOUSING

"SEC. 252. (a) During any period in which an owner of a multifamily rental housing project is required to obtain the approval of the Secretary for prepayment of the mortgage, the Secretary shall not accept an offer to prepay the mortgage on such project unless—

"(1) the Secretary has determined that such project is no longer meeting a need for rental housing for lower income families in the area or that the needs of lower income families in such project can more efficiently and effectively be met through other Federal housing assistance taking into account the remaining time the project could meet such needs;

"(2) the Secretary (A) has determined that the tenants have been notified of the owner's request for approval of a prepayment; (B) has provided the tenants with an opportunity to comment on the owner's request; and (C) has taken such comments into consideration; and

"(3) the Secretary has ensured that there is a plan for providing relocation assistance for adequate, comparable housing for any lower income tenant who will be displaced as a result of the prepayment and withdrawal of the project from the program.

"(b) In the case of a project assisted under section 236 or the proviso to section 221(d)(5) of this title, section 101 of the Housing and Urban Development Act of 1965, or section 202 of the Housing Act of 1959 where the owner has the right to prepay the mortgage covering the assisted project without the Secretary's approval, the Secretary shall give a priority for additional assistance under section 8 of the United States Housing Act of 1937 and section 201 of the Housing and Community Development Amendments of 1978 to tenants and applicants to become tenants of the project, if—

"(1) funds to provide such additional assistance are available; and

"(2) the Secretary determines that making such additional assistance available to the project is necessary to prevent the owner from prepaying the mortgage.

"(c) Any owner of a multifamily rental housing project referred to in subsection (b) who receives additional assistance under section 8 of the United States Housing Act of 1937 under the priority established in subsection (b) shall—

"(1) fully utilize the assistance which is available;

"(2) grant a priority to applicants to become tenants who have the lowest incomes; and

"(3) maintain the low-income character of the project for a period at least equal to the remaining term of the project mortgage to the extent that assistance is provided.

"(d) For purposes of this section, the term 'lower income families' has the meaning given such term in section 3(b)(2) of the United States Housing Act of 1937.".

ASSUMPTION OF LOSS UNDER MULTIFAMILY CO-INSURANCE

SEC. 434. Section 244(g) of the National Housing Act is amended—

(1) in paragraph (1), by striking out "the mortgagee is a public housing agency or an insured depository institution and"; and

(2) by striking out paragraph (5) and inserting in lieu thereof the following new paragraph:

"(5) As used in this subsection, the term 'public housing agency' has the meaning given such term in section 3(b)(6) of the United States Housing Act of 1937.".

MORTGAGE INSURANCE FOR MANUFACTURED HOME PARKS FOR THE ELDERLY

SEC. 435. The first sentence of the second undesignated paragraph of section 207(b) of

the National Housing Act is amended by striking out "no mortgage shall be insured hereunder" and inserting in lieu thereof the following: "the Secretary may not insure any mortgage under this section (except a mortgage with respect to a manufactured home park designed exclusively for occupancy by elderly persons)".

MORTGAGE INSURANCE FOR PUBLIC HOSPITALS

SEC. 436. Section 242 of the National Housing Act is amended—

(1) by inserting "public facility," in subsection (b)(1)(C) after "which is a"; and

(2) by inserting the following before the period at the end of subsection (f): ", and, in the case of public hospitals, to encourage programs that are undertaken to provide essential health care services to all residents of a community regardless of ability to pay".

MORTGAGE INSURANCE FOR BOARD AND CARE HOMES

SEC. 437. (a) Section 232(a)(2) of the National Housing Act is amended by inserting "and board and care homes" after "intermediate care facilities".

(b) Section 232(b) of such Act is amended—

(1) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(2) by adding the following new paragraph at the end thereof:

"(4) the term 'board and care home' means any residential facility providing room, board, and continuous protective oversight that is regulated by a State pursuant to the provisions of section 1616(e) of the Social Security Act, so long as the home is located in a State that, at the time of an application is made for insurance under this section, has demonstrated to the Secretary that it is in compliance with the provisions of such section 1616(e).".

(c)(1) Section 232(d) of such Act is amended by inserting "or a board and care home" after "intermediate care facility" the second place it appears.

(2) Section 232(d)(4) of such Act is amended—

(A) by striking out "The" in the first sentence and inserting in lieu thereof the following: "(A) With respect to nursing homes and intermediate care facilities and combined nursing home and intermediate care facilities, the";

(B) by striking out "(A)" and "(B)" in the first sentence and inserting in lieu thereof "(i)" and "(ii)", respectively; and

(C) by adding the following new subparagraph at the end thereof:

"(B) With respect to board and care homes, the Secretary shall not insure any mortgage under this section unless he has received from the appropriate State licensing agency a statement verifying that the State in which the home is or is to be located is in compliance with the provisions of section 1616(e) of the Social Security Act.".

(d) Section 232(g) of such Act is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

(e) Section 232(h) of such Act is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

(f)(1) Section 232(i)(1) of such Act is amended—

(A) by inserting "or to board and care homes" after "intermediate care facilities";

(B) by inserting the following after "Association": "(or any subsequent edition specified by the Secretary of Health and Human Services)";

(C) by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services"; and

(D) by inserting the following before the period at the end thereof: "or as mandated by a State under the provisions of section 1616(e) of such Act".

(2) Section 232(i)(2) of such Act is amended—

(A) by striking out "and" at the end of subparagraph (D);

(B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof "; and"; and

(C) by adding the following new subparagraph at the end thereof:

"(F) in the case of board and care homes, be made with respect to such a home located in a State with respect to which the Secretary has received from the appropriate State licensing agency a statement verifying that the State in which the home is or is to be located is in compliance with the provisions of section 1616(e) of the Social Security Act.".

(c) The section heading of section 232 of the National Housing Act is amended to read as follows: "Mortgage Insurance for Nursing Homes, Intermediate Care Facilities, and Board and Care Homes".

SUBPART 4—INSURANCE OF ALTERNATIVE MORTGAGE INSTRUMENTS INDEXED MORTGAGES

SEC. 441. (a) Section 245(a) of the National Housing Act is amended—

(1) in the first sentence, by inserting after "income" the following: "or with monthly payments and outstanding balances adjusted by a percentage change in a selected price index"; and

(2) in the second sentence, by striking out "subsection (b)" and inserting in lieu thereof "subsections (b) and (c)".

(b) Section 245 of such Act is amended by redesignating subsection (c) as subsection (d) and by inserting the following new subsection after subsection (b):

"(c) Notwithstanding the provisions of subsection (a), the Secretary may insure under any provision of this title a mortgage or loan that meets the requirements of the first sentence of subsection (a) and that has provisions permitting adjustment of monthly payments and outstanding principal according to changes or percentages of changes in a selected price index if the Secretary determines—

"(1) the principal obligation of the mortgage or loan initially does not exceed the percentage of the initial appraised value of the property specified in section 203(b) as of the date the mortgage or loan is accepted for insurance; and

"(2) the monthly payments and principal obligation of the mortgage or loan thereafter will not at any time be increased at a rate greater than the percentage change in the price index stipulated in the initial mortgage or loan contract.

In carrying out this subsection, the Secretary shall give a priority to mortgages executed by mortgagors who, as determined by the Secretary, have not owned dwelling units within the preceding 3 years. The Secretary shall, not later than March 31, 1984, prescribe regulations establishing guidelines governing mortgages and loans described in this subsection and shall, to the extent practicable, conduct a demonstration program to insure mortgage and loans in accordance with this subsection during fiscal years 1984 and 1985. The aggregate number of mortgages and loans insured under this subsection, section 251, and section 252 in any fiscal year may not exceed 10 percent of the aggregate number of mortgages and loans insured by the Secretary under this title during the preceding fiscal year.".

(c) The section heading of section 245 of such Act is amended to read as follows: "Graduated Payment and Indexed Mortgages".

GRADUATED PAYMENT MORTGAGES FOR MULTIFAMILY HOUSING

SEC. 442. Section 245 of the National Housing Act, as amended in section 441, is amended by—

(1) redesignating subsection (d) as subsection (e); and

(2) inserting after subsection (c) the following new subsection:

"(d)(1) The Secretary may insure, under any provision of this title relating to multifamily housing projects, mortgages and loans with provisions of varying rates of amortization corresponding to anticipated variations in project income, to the extent the Secretary determines such mortgages or loans (A) have promise for expanding housing opportunities or meet special needs; (B) can be developed to include any safeguards for mortgagors, tenants, or purchasers that may be necessary to offset special risks of such mortgages; and (C) have a potential for acceptance in the private market.

"(2) Notwithstanding any other provision of this title, the principal obligation of a mortgage or loan insured pursuant to this subsection—

"(A) may not exceed initially the percentage of the initial appraised value or replacement cost of the property involved that is required by the provision of this title under which such property is insured; and

"(B) thereafter (including all interest to be deferred and added to principal) may not at any time be scheduled to exceed 100 percent of the projected value of such property.

"(3) for purposes of this subsection, the projected value of a property shall be calculated by the Secretary by increasing the initial appraised value of such property at a rate not in excess of 2.5 percent per annum.".

ADJUSTABLE RATE MORTGAGES FOR SINGLE FAMILY HOUSING

SEC. 443. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"ADJUSTABLE RATE SINGLE FAMILY MORTGAGES

"SEC. 251. (a) The Secretary may insure under any provision of this title a mortgage involving property upon which there is located a dwelling designed principally for occupancy by one to four families, where the mortgate provides for periodic adjustments by the mortgagee in the effective rate of interest charged. Such interest rate adjustments may be accomplished through adjustments in the monthly payment amount, the outstanding principal balance, or the mortgage term, or a combination of these factors, except that in no case may any extension of a mortgage term result in a total term in excess of 40 years. Adjustments in the effective rate of interest shall correspond to a specified national interest rate index approved in regulations by the Secretary, information on which is readily accessible to mortgagors from generally available published sources. Adjustments in the effective rate of interest shall (1) be made on an annual basis; (2) be limited, with respect to any single interest rate increase, to no more

than 1 percent on the outstanding loan balance; and (3) be limited to a maximum increase of 5 percentage points above the initial contract interest rate over the term of the mortgage.

"(b) The Secretary shall issue regulations requiring that the mortgagee make available to the mortgagor, at the time of loan application, a written explanation of the features of the adjustable rate mortgage, includng a hypothetical payment schedule that displays the maximum potential increases in monthly payments to the mortgagor over the first 5 years of the mortgage term.

"(c) The aggregate number of mortgages and loans insured under this section, section 245(c), and section 252 in any fiscal year may not exceed 10 percent of the aggregate number of mortgages and loans insured by the Secretary under this title during the preceding fiscal year.".

SHARED APPRECIATION MORTGAGES FOR SINGLE FAMILY HOUSING

SEC. 444. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"SHARED APPRECIATION MORTGAGES FOR SINGLE FAMILY HOUSING

SEC. 252. (a) Notwithstanding any provision of this title that is inconsistent with the section, the Secretary may insure, under any provision of this title providing for insurance or mortgages on properties upon which there is located a dwelling designed principally for occupancy by one to four families, a mortgage secured by a first lien on such a property or on the stock allocated to a dwelling unit in a residential cooperative housing corporation, which—

"(1) provides for the mortgagee to share in a predetermined percentage of the property's or stock's net appreciated value;

"(2) bears interest at a rate which meets criteria prescribed by the Secretary ;

"(3) provides for amortization over a period of not to exceed 30 years, but the actual term of the mortgage (excluding any refinancing) may be not less than 10 nor more than 30 years, and contains such provisions relating to refinancing of the principal balance of the mortgage and any contingent deferred interest as the Secretary may provide; and

"(4) meets such other conditions as the Secretary may require by regulation.

"(b) The mortgagee's share of a property's or stock's net appreciated value shall be payable upon sale or transfer (as defined by the Secretary) of the property or stock or payment in full of the mortgage, whichever occurs first. For purposes of this section, the term 'net appreciated value' means the amount by which the sales price of the property or stock (less the mortgagor's selling costs) exceeds the value of the property or stock at the time the commitment to insure is issued (with adjustments for capital improvements stipulated in the loan contract). If there has been no sale or transfer at the time the mortgagee's share of net appreciated value becomes payable, the sales price for purposes of this section shall be determined by means of an appraisal conducted in accordance with procedures approved by the Secretary and provided for in the mortgage.

"(c) In the event of a default, the mortgage shall be entitled to receive the benefits of insurance in accordance with section 204(a), but such insurance benefits shall not include the mortgage's share of net appreciated value. The term 'original principal obligation of the mortgage' as used in section 204 shall not include the mortgagee's share of net appreciated value.

"(d) Mortgages insured pursuant to this section which contain provisions for sharing appreciation or which otherwise require or permit increases in the outstanding loan balance which are authorized under this section or under applicable regulations shall not be subject to any State constitution, statute, court decree, common law, rule, or public policy limiting or prohibiting increases in the outstanding loan balance after execution of the mortgage.

"(e) In carrying out the provisions of this section, the Secretary shall encouraged the use of insurance under this section by low and moderate income tenants who would otherwise be displaced by the conversion of their rental housing to condominium or cooperative ownership.

"(f) The Secretary shall prescribe adequate consumer protections and disclosure requirements with respect to mortgages insured under this section, and may prescribe such other terms and conditions as may be appropriate to carry out the provisions of this section.

"(g) The aggregate number of mortgages and loans insured under this section, section 245(c), and section 251 in any fiscal year may not exceed 10 percent of the aggregate number of mortgages and loans insured by the Secretary under this title during the preceding fiscal year.".

SHARED APPRECIATION MORTGAGES FOR MULTIFAMILY HOUSING

SEC. 445. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"SHARED APPRECIATION MORTGAGES FOR MULTIFAMILY HOUSING

"SEC. 253. (a) Notwithstanding any provision of this title that is inconsistent with this section, the Secretary may insure, under any provision of this title providing for insurance of mortgages on properties including 5 or more family units, a mortgage secured by a first lien on the property that (1) provides for the mortgagee to share in a predetermined percentage of the property's net appreciated value; and (2) meets such other conditions, including limitations on the rate of interest which may be charged, as the Secretary may require by regulation.

"(b) The mortgagee's share of a property's net appreciated value shall be payable upon maturity or upon payment in full of the loan or sale or transfer (as defined by the Secretary) of the property, whichever occurs first. The term of the mortgage shall not be less than 15 years, and shall be repayable in equal monthly installments of principal and fixed interest during the mortgage term in an amount which would be sufficient to retire a debt with the same principal and fixed interest rate over a period not exceeding 30 years. In the case of a mortgage which will not be completely amortized during the mortgage term, the principal obligation of the mortgage may not exceed 85 percent of the estimated value of the property or project. For purposes of this section, the term 'net appreciated value' means the amount by which the sales price of the property (less the mortgagor's selling costs) exceeds the value (or replacement cost, as appropriate) of the property at the time the commitment to insure is issued (with adjustments for capital improvements stipulated in the loan contract). If there has been no sale or transfer at the time the mortgagee's share of net appreciated value becomes payable, the sales price for purposes of this section shall be determined by means of an appraisal conducted in accordance with procedures approved by the Secretary and provided for in the mortgage.

"(c) In the event of a default, the mortgagee shall be entitled to receive the benefits of insurance in accordance with section 204, but such insurance benefits shall not include the mortgagee's share of net appreciated value. The term 'original principal obligation of the mortgage' as used in section 204(a) shall not include the mortgagee's share of net appreciated value.

"(d) The Secretary shall establish by regulation the maximum percentage of net appreciated value which may be payable to a mortgage as the mortgagee's share. The Secretary shall also establish disclosure requirements applicable to mortgages making mortgage loans pursuant to this section, to assure that mortgagors are informed of the characteristics of such mortgages.

"(e) Mortgages insured pursuant to this section which contain provisions for sharing appreciation or which otherwise require or permit increases in the outstanding loan balance which are authorized under this section or under applicable regulations shall not be subject to any State constitution, statute, court degree, common law, rule, or public policy limiting or prohibiting increases in the outstanding loan balance after execution of the mortgage.

"(f) The number of dwelling units included in properties covered by mortgages insured pursuant to this section in any fiscal year may not exceed 5,000.".

INSURANCE OF MORTGAGES NOT PROVIDING FOR COMPLETE AMORTIZATION

SEC. 446. (a) The first sentence of the first undesignated paragraph of section 207(c)(3) of the National Housing Act is amended by inserting immediately after "periodic payments" the following: "(unless otherwise approved by the Secretary)".

(c) Section 220(d)(4) of such Act is amended by inserting after "periodic payments" the following: "(unless otherwise approved by the Secretary)".

(d) Section 221(d)(6) of such Act is amended by inserting after "periodic payments" the following: "(Unless otherwise approved by the Secretary)".

(e) Section 231(c)(5) of such Act is amended by inserting after "periodic payments" the following: "(Unless otherwise approved by the Secretary)".

(f) The aggregate number of dwelling units included in properties covered by mortgages insured pursuant to the authority granted in the amendments made by this section in any fiscal year may not exceed 10,000.

PREMIUM CHARGES FOR INSURANCE OF ALTERNATIVE MORTGAGE INSTRUMENTS

SEC. 447. The first proviso in section 203(c) of the National Housing Act is amended by inserting after "fixed for insurance" the following: "(1) under section 245, 247, 251, 252, or 253, or any other financing mechanism providing alternative methods for repayment of a mortgage that is determined by the Secretary to involve additional risk, or (2)".

REPORT ON HOME EQUITY CONVERSION MORTGAGES FOR THE ELDERLY

SEC. 448. The Secretary of Housing and Urban Development shall evaluate the existing use of home equity conversion mortgages for the elderly and, not later than the

expiration of the 1-year period following the date of the enactment of this Act, submit to the Congress a report setting forth the results of such evaluation. Such report shall include—

(1) an evaluation of whether the use of such mortgages improves the financial situation, or otherwise meets the special needs, of elderly homeowners;

(2) an evaluation of any risks incurred by mortgagors as a result of the use of such mortgages, and any recommendation of the Secretary for appropriate safeguards to be included in such mortgages to minimize such risks;

(3) an evaluation of the potential for acceptance of such mortgages in the private market; and

(4) any recommendations of the Secretary for the establishment of a Federal program of insuring such mortgages.

PART B—FLOOD AND PROPERTY INSURANCE PROGRAMS

FLOOD INSURANCE

SEC. 451. (a) Section 1319 of the National Flood Insurance Act of 1968 is amended by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1985".

(b) Section 1336(a) of such Act is amended by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1985".

(c) Section 1376(c) of such Act is amended—

(1) by striking out "and" after "1981,"; and

(2) by inserting the following before the period at the end thereof ", not to exceed $49,752,000 for the fiscal year 1984, and such sums as may be necessary for fiscal year 1985".

(d)(1) The National Flood Insurance Act of 1968 is amended by striking out "Secretary" and "Secretary's" each place they appear therein (other than as a reference to a Secretary other than the Secretary of Housing and Urban Development) and insering in lieu thereof) "Director" and "Director's", respectively.

(2) Section 1304(a) of such Act is amended by striking out "Secretary of Housing and Urban Development" and inserting in lieu thereof "Director of the Federal Emergency Management Agency".

(3) Section 1333 of such Act is amended by inserting "original exclusive" before "jurisdiction".

(4) Section 1340(a)(2) of such Act is amended by striking out "officers and employees of the Department of Housing and Urban Development, and".

(5) Section 1341 of such Act is amended by inserting "original exclusive" before "jurisdiction".

(6) Section 1360(a)(2) of such Act is amended by striking out "within fifteen years following such date" and inserting in lieu thereof "by September 30, 1985".

(7) Section 1360 of such Act is amended by adding at the end thereof the following new subsection:

"(d) The Director shall, not later than September 30, 1984, submit to the Congress a plan for bringing all communities containing flood-risk zones into full program status by September 30, 1987.".

(8) Section 1370(a)(6) of such Act is amended to read as follows:

"(6) the term 'Director' means the Director of the Federal Emergency Management Agency.".

(e)(1) The Flood Disaster Protection Act of 1973 is amended by striking out "Secretary" and "Secretary's" each place they appear therein (other than as a reference to a Secretary other than the Secretary of Housing and Urban Development) and inserting in lieu thereof "Director" and "Director's", respectively.

(2) Section 3(a)(6) of such Act is amended to read as follows:

"(6) 'Director' means the Director of the Federal Emergency Management Agency.".

(f) Section 15(e) of the Federal Flood Insurance Act of 1956 is amended by striking out "Secretary" the first and third places it appears therein and inserting in lieu thereof "Director of the Federal Emergency Management Agency".

(g)(1) The premium rates charged for flood insurance under any program established pursuant to the National Flood Insurance Act of 1968 may not be increased during the period beginning on the date of the enactment of this Act and ending on September 30, 1984.

(2) The Federal Insurance Administrator shall, not later than June 30, 1984, submit to the Congress a report with respect to the premium rate structure for flood insurance made available pursuant to the National Flood Insurance Act of 1968. Such report shall include an explanation of any increases in such premiums that the Administrator anticipates will be made before October 1, 1985.

CRIME AND RIOT INSURANCE

SEC. 452. (a)(1) Section 1201(b)(1) of the National Housing Act is amended by striking out "this title shall terminate on November 30, 1983," and inserting in lieu thereof the following: "part B shall terminate on November 30, 1983, and parts A, C, and D shall terminate on September 30, 1984,".

(2) Section 1201(b) of such Act is amended by adding at the end thereof the following new paragraph:

"(3) The Administrator shall notify participating insurers under part B that the reinsurance authority of the Administrator under such part shall terminate on November 30, 1983.".

(b)(1) Title XII of such Act is amended by striking out "Secretary" and "Secretary's" each place they appear therein (other than as a reference to a Secretary other than the Secretary of Housing and Urban Development) and inserting in lieu thereof "Director" and "Director's", respectively.

(2) Section 1203(a) of such Act is amended—

(A) by striking out "and" at the end of paragraph (15);

(B) by striking out the period at the end of paragraph (16) and inserting "; and" in lieu thereof; and

(C) by adding at the end thereof the following new paragraph:

"(17) 'Director' means the Director of the Federal Emergency Management Agency.".

(3) Section 1232(2) of such Act is amended by striking out "officers and employees of the Department of Housing and Urban Development, and".

(4) Section 1247 of such Act is amended by inserting "of the Secretary of Housing and Urban Development" after "regulations)".

STUDY OF SINKHOLE INSURANCE

SEC. 453. The Director of the Federal Emergency Management Agency may make a grant to a nonprofit organization, educational institution or affiliated agency or entity, or State or local agency to finance a study of the feasibility of expanding the national flood insurance program to cover damage or loss arising from sinkholes. There is authorized to be appropriated not to exceed $1,000,000 to carry out the provisions of this section.

PART C—REGULATORY AND OTHER PROGRAMS

REAL ESTATE SETTLEMENT PROCEDURES

SEC. 451. (a) Section 3 of the Real Estate Settlement Procedures Act of 1974 is amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof a semicolon; and

(3) by adding the following new paragraphs at the end thereof:

"(7) the term 'controlled business arrangement' means an arrangement in which (A) a person who is in a position to refer business incident to or a part of a real estate settlement service involving a federally related mortgage loan, or an associate of such person, has either an affiliate relationship with or a direct or beneficial ownership interest of more than 1 percent in a provider of settlement services; and (B) either of such persons directly or indirectly refers such business to that provider or affirmatively influences the selection of that provider; and

"(8) the term 'associate' means one who has one or more of the following relationships with a person in a position to refer settlement business: (A) a spouse, parent, or child of such person; (B) a corporation or business entity that controls, is controlled by, or is under common control with such person; (C) an employer, officer, director, partner, franchisor, or franchisee of such person; or (D) anyone who has an agreement, arrangement, or understanding, with such person, the purpose or substantial effect of which is to enable the person in a position to refer settlement business to benefit financially from the referrals of such business.".

(b) Section 8(c) of such Act is amended—

(1) by striking out "or" before "(3)";

(2) by redesignating clause (4) as clause (5);

(3) by inserting the following after "brokers," at the end of clause (3): "(4) controlled business arrangements so long as (A) at or prior to the time of the referral a disclosure is made of the existence of such an arrangement to the person being referred and, in connection with the referral, such person is provided a written estimate of the charge or range of charges generally made by the provider to which the person is referred, except that where a lender makes the referral, this requirement may be satisfied as part of and at the time that the estimates of settlement charges required under section 5(c) are provided, (B) such person is not required to use any particular provider of settlement services, and (C) the only thing of value that is received from the arrangement, other than the payments permitted under this subsection, is a return on the ownership interest or franchise relationship,"; and

(4) by inserting the following new sentence at the end thereof: "For purposes of the preceding sentence, the following shall not be considered a violation of clause 4(B): (i) any arrangement that requires a buyer, borrower, or seller to pay for the services of an attorney, credit reporting agency, or real estate appraiser chosen by the lender to represent the lender's interest in a real estate transaction, or (ii) any arrangement where an attorney or law firm represents a client in a real estate transaction and issues or arranges for the issuance of a policy of

title insurance in the transaction directly as agent or through a separate corporate title insurance agency that may be established by that attorney or law firm and operated as an adjunct to his or its law practice.".

(c) Section 8(d) of such Act is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) Any person or persons who violate the prohibitions or limitations of this section shall be jointly and severally liable to the person or persons charged for the settlement service involved in the violation in an amount equal to three times the amount of any charge paid for such settlement service.

"(3) No person or persons shall be liable for a violation of the provisions of section 8(c)(4)(A) if such person or persons proves by a preponderance of the evidence that such violation was not intentional and resulted from a bona fide error notwithstanding maintenance of procedures that are reasonably adapted to avoid such error.

"(4) The Secretary, the Attorney General of any State, or the insurance commissioner of any State may bring an action to enjoin violations of this section.

"(5) In any private action brought pursuant to this subsection, the court may award to the prevailing party the court costs of the action together with reasonable attorneys fees.

"(6) No provision of State law or regulation that imposes more stringent limitations on controlled business arrangements shall be construed as being inconsistent with this section.".

(d) Section 16 of such Act is amended to read as follows:

"JURISDICTION OF COURTS

"SEC.16. Any action pursuant to the provisions of section 8 or 9 may be brought in the United States district court or in any other court of competent jurisdiction, for the district in which the property involved is located, or where the violation is alleged to have occurred, within one year from the date of the occurrence of the violation, except that actions brought by the Secretary, the Attorney General of any State, or the insurance commissioner of any State may be brought within 3 years from the date of the occurrence of the violation.".

(e) Section 19 of such Act is amended by adding the following new subsection at the end thereof:

"(c)(1) The Secretary may investigate any facts, conditions, practices, or matters that may be deemed necessary or proper to aid in the enforcement of the provisions of this Act, in prescribing of rules and regulations thereunder, or in securing information to serve as a basis for recommending further legislation concering real estate settlement practices. To aid in the investigations, the Secretary is authorized to hold such hearings, administer such oaths, and require by subpena the attendance and testimony of such witnesses and production of such documents as the Secretary deems advisable.

"(2) Any district court of the United States within the jurisdiction of which an inquiry is carried on may, in the case of contumacy or refusal to obey a subpena of the Secretary issued under this section, issue an order requiring compliance therewith; and any failure to obey such order of the court may be punished by such court as a contempt thereof.".

(f) The amendments made by this section shall become effective on January 1, 1984.

NATIONAL INSTITUTE OF BUILDING SCIENCES

SEC. 462. Section 809(h) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new sentences: "In addition to the amounts authorized to be appropriated under the first sentence of this section, there is authorized to be appropriated to the Institute to carry out the provisions of this section not to exceed $250,000 for fiscal year 1984. Any amount appropriated under the preceding sentence shall be made available for expenditure or obligation by the Institute only to the extent of an equal amount received by the Institute after the effective date of this sentence from persons or entities other than the Federal Government.".

SOLAR ENERGY AND ENERGY CONSERVATION BANK

SEC. 463. (a)(1) Section 504(6) of the Solar Energy and Energy Conservation Bank Act is amended—

(A) by inserting after subparagraph (G) the following new subparagraphs:

"(H) air-conditioning systems having better than average energy efficiency ratings;

"(I) any residential energy audit;";

(B) by redesignating subparagraphs (H) and (I) as subparagraphs (J) and (K), respectively; and

(C) in subparagraph (K), as so redesignated in this paragraph—

(i) by striking out "any residential energy audit,"; and

(ii) by striking out "(H)" and inserting in lieu thereof "(J)".

(2) Section 504(7) of the Solar Energy and Energy Conservation Bank Act is amended—

(A) by inserting after subparagraph (I) the following new subparagraphs:

"(J) air-conditioning systems having better than average energy efficiency ratings;

"(K) any commerical energy audit;";

(B) by redesignating subparagraphs (J) and (K) as subparagraphs (L) and (M), respectively; and

(C) in subparagraph (M), as so redesignated in this paragraph—

(i) by striking out ", and any commerical energy audit,"; and

(ii) by striking out "(J)" and inserting in lieu thereof "(L)".

(b) Section 508(f) of such Act is amended by adding at the end thereof the following new sentence: "Each such advisory committee shall meet at the call of its chairperson or a majority of its members, and shall meet not less than twice during each year.".

(C)(1) Section 511(a) of such Act is amended—

(A) by striking out "and" at the end of paragraph (3);

(B) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

(C) by adding at the end thereof the following new paragraph:

"(5) in the case of a residential building with 2 to 4 dwelling units and an owner or tenant whose income exceeds 150 percent of the median area income, or in the case of a residential building that is available for rent and is owned by a person whose income exceeds 150 percent of the median area income—

"(A) an amount equal to 20 percent of the cost of the residential energy conservation improvements; or

"(B) the sum of $400 times the number of dwelling units in such building in the case of an owner, or $400 in the case of a tenant, whichever is less.".

(2) Section 511 of such Act is amended by adding at the end thereof the following new subsection:

"(d) The Board may not limit the amount of financial assistance that may be provided under this subtitle for the purchase or installation of residential or commercial energy conserving improvements on the basis of the projected amount of energy conserved as a result of such improvements.".

(c)(1) Section 514(a)(2) of such Act is amended to read as follows:

"(2)(A) the contractor who installs residential or commercial energy conserving improvements in a building shall, in connection with such improvements, warrant in writing that the owner or tenant receiving the proceeds of such loan shall (for those improvements found within 1 year of installation to be defective due to materials manufacture, design, or installation) at a minimum be entitled to obtain within a reasonable period of time and at no charge appropriate replacement parts, materials, or installation; and

"(B) in the case of energy conserving improvements installed by an owner or tenant without the assistance of a contractor, such owner or tenant shall certify to the financial institution that he or she has obtained warranties as appropriate from the supplier for the energy conserving measures;".

(2) Section 514(b)(4) of such Act is amended by inserting before the semicolon at the end thereof the following: "unless such residential energy conserving improvements are installed in a building which is either located in an area which is not served by a public utility described in section 211(a) of such Act or which is located in an area served by such a public utility but in which no list has been made public by the public utility under section 215(a)(3) of such Act or by the Secretary of Energy".

(3) Section 514(b)(5) of such Act is amended to read as follows:

"(5)(A) the contractor who installs residential or commercial energy conserving improvements in a building shall, in connection with such improvements, warrant in writing that the owner or tenant receiving the proceeds of such loan shall (for those improvements found within 1 year of installation to be defective due to materials manufacture, design, or installation) at a minimum be entitled to obtain within a reasonable period of time and at no charge appropriate replacement parts, materials, or installation; and

"(B) in the case of energy conserving improvements installed by an owner or tenant without the assistance of a contractor, such owner or tenant shall certify to the financial institution that he or she has obtained warranties as appropriate from the supplier for the energy conserving measures;".

(e) Section 520 of such Act is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end thereof the following new subsection:

"(b) Not later than 90 days after the effective date of this subsection, the Board shall issue regulations that—

"(1) permit the provision of financial assistance under this subtitle for the purchase and installation of solar energy systems of the active type, and the purchase and installation of passive and active type solar space heating and water heating in new and existing residential buildings and multifamily residential buildings;

"(2) do not prohibit the use of tax-exempt financing in connection with any pruchase or installation of residential or commercial energy conserving improvements or solar energy systems assisted under this subtitle;

"(3) provide that a residential energy audit shall not be required as a condition of the receipt of financial assistance by an owner or tenant of a residential building under this subtitle, except that such regulations may require such audit with respect to any such building located in an area in which an audit is available under the provisions of title II or VII of the National Energy Conservation Policy Act;

"(4)(A) establish a maximum limitation on the percentage or amount of any financial assistance provided under this subtitle that may be used for administrative expenses, which limitation shall be 12 percent (or such higher percentage as the Secretary may determine to be appropriate), or $20,000, whichever amount is greater; and

"(B) provide that not more than one-half of any such amount may be used by any State for its adminsitrative expenses, except that if any State is the sole adminstrative entity in such State with respect to financial assistance under this subtitle such State may use all of such amount for such expenses;

(5) establish criteria for the allocation of financial assistance under this subtitle among eligible financial institutions; and

"(6) provide that any amount of unexpended financial assistance under this subtitle that is recaptured by the Board shall be reallocated by the Board to eligible financial institutions under this subtitle.".

(f)(1) Section 1071 of the Omnibus Budget Reconciliation Act of 1981 is amended—

(A) by striking out "such fiscal year" and inserting in lieu thereof "of fiscal years 1982 and 1983"; and

(B) by inserting after "$50,000,000" the following: ", and for fiscal year 1984 not to exceed $35,000,000,".

(2) Section 522 of the Solar Energy and Energy Conservation Bank Act is amended—

(A) by striking out the hyphen before paragraph (1) in subsection (a) and all that follows through the period at the end of subsection (b) and inserting in lieu thereof the following: "and of solar energy systems such sums as may be necessary for fiscal year 1985."; and

(B) by redesignating subsection (c) as subsection (b).

WEATHERIZATION PROGRAM

SEC. 464. Section 422 of the Energy Conservation in Existing Buildings Act of 1976 is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 422. Of the funds authorized by section 1005(1) of the Omnibus Budget Reconciliation Act of 1981 for energy conservation for fiscal year 1984, not less than $190,000,000 is authorized to be appropriated to carry out the weatherization program under this part. There is authorized to be appropriated such sums as may be necessary for fiscal year 1985 to carry out such weatherization program. Any amount appropriated under this section shall remain available until expended.".

COUNSELING

SEC. 465. Section 106(a)(3) of the Housing and Urban Development Act of 1968 is amended—

(1) by striking out "1982" and inserting in lieu thereof "1984"; and

(2) by striking out "$4,000,000" and inserting in lieu thereof "$3,500,000".

RESEARCH AUTHORIZATION

SEC. 466. (a) Section 501 of the Housing and Urban Development Act of 1970 is amended by striking out the second sentence and inserting in lieu thereof the following: "There are authorized to be appropriated for activities under this title not to exceed $19,000,000 for fiscal year 1984, and such sums as may necessary for fiscal year 1985. Of the amount appropriated under the preceeding sentence for fiscal year 1984, not less than $2,000,000 shall be provided for implementation of a research program to be developed in consultation with public housing agencies, which program shall identify current problems of public housing management, specific solutions to such problems, and incentives to encourage implementation of such solutions.".

(b) Title V of the Housing and Urban Development Act of 1970 is amended by adding at the end thereof the following new section:

"BIENNIAL SURVEY OF ECONOMIC AND HOUSING MARKET CONDITIONS

"SEC. 512. The Secretary shall, not less than biennially, survey national, regional, and local economic and housing market conditions in a manner that provides data comparable to the data collected in such survey conducted in 1981.".

NATIONAL HOUSING PARTNERSHIPS

SEC. 467. Section 906(a)(1) of the Housing and Urban Development Act of 1968 is amended—

(1) by striking out "or" after "building" and inserting in lieu thereof a comma; and

(2) by inserting after "rehabilitation" the following ", acquisition, and financing".

REPORT REGARDING PROGRAM CHANGES

SEC. 468. The Secretary of Housing and Urban Development shall, not later than March 1, 1984, transmit a report to both Houses of the Congress that describes—

(1) the standards utilized by the Department of Housing and Urban Development to make determinations concerning whether program requirements and changes to those requirements later implemented through the use of regulations, handbooks, memoranda, telegrams, or other forms of formal or informal notices; and

(2) the system currently utilized by the Department to assure that changes in the operation of departmental programs that substantially affect the eligibility, rights, or benefits of persons applying for or receiving assistance under any such programs are subject to requirements of notice and publication, especially those requirements specified in subsections (b) thorugh (e) of section 553 of title 5, United States Code.

PERIODIC REPORT ON RESIDENTIAL MORTGAGE DELINQUENCIES AND FORECLOSURES

SEC. 469. As soon as practicable following the date of the enactment of this Act, the Secretary of Housing and Urban Development, with the cooperation of the Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and the Comptroller of the Currency, shall develop a method of accurately reporting to the Congress on a periodic basis with respect to residential mortgage delinquencies and foreclosures. Each such report shall include information with respect to the number of residential mortgage foreclosures, and the number of 60- and 90-day residential mortgage delinquencies, in the Nation and in each State.

PUBLIC NOTICE AND COMMENT REGARDING DEPARTMENT DEMONSTRATION PROGRAMS

SEC. 470. (a) No demonstration program not expressly authorized in law may be commenced by the Secretary of Housing and Urban Development until (1) a description of such demonstration program is published in the Federal Register, which description may be included in a notice of funding availability; and (2) there expires a period of 60 calendar day following the date of such publication, during which period the Secretary shall full consider any public comments submitted with respect to such demonstration program.

"(b) Nothing in this section may be considered to authorize the conducting of any demonstration program by the Secretary of Housing and Urban Development.

MULTIFAMILY MORTGAGE FORECLOSURE

SEC. 471. Section 364 of the Multifamily Mortgage Foreclosure Act of 1961 is amended by adding at the end thereof the following new sentence: "If the Secretary forecloses on any such mortgage pursuant to such other foreclosure procedures available, the provisions of section 367(b) may be applied at the discretion of the Secretary.".

ALTERNATIVE MORTGAGE TRANSACTIONS

SEC. 472. Section 805(a) of the Alternative Mortgage Transaction Parity Act of 1982 is amended by inserting after "transaction" the following: "(or to any class or type of alternative mortgage transaction)".

DUE-ON SALE CLAUSE PROHIBITIONS

SEC. 473. Section 341(b) of the Thrift Institutions Restructuring Act is amended by striking out "A lender" and inserting in lieu thereof the following: "With respect to a real property loan secured by a lien on residential real property containing less than five dwelling units, including a lien on the stock allocated to a dwelling unit in a cooperative housing corporation, or a dwelling unit in a cooperative housing corporation, or on a residential manufactured home, a lender".

CANCELLATION OF DEBT OWED THE TREASURY AND LIQUIDATION OF NEW COMMUNITIES PROGRAM

SEC. 474. (a) In order to provide for the management and orderly liquidation of the assets, and discharge the liabilities, acquired or incurred in connection with the new communities program authorized pursuant to title IV of the Housing and Urban Development Act of 1968 and title VII of the Housing and Urban Development Act of 1970 (hereafter referred to in this section as "title IV" and "title VII", respectively), the liquidation of the new communities program shall be carried out pursuant to the provisions of law applicable to the revolving fund (liquidating programs) established pursuant to title II of the Independent Offices Appropriations Act, 1955, upon the transfer by the Secretary of Housing and Urban Development (hereafter in this section referred to as the "Secretary") of the assets and liabilities of the fund authorized under section 717 of title VII to such revolving fund, as required in title I of the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1984. The Secretary shall report to the Congress not less than 60 days prior to taking any action with respect to the disposition of real property (other than a purchase money mortgage) which involves any further po-

tential liability of or assistance from the Department of Housing and Urban Development with respect to any property so transferred.

(b) In carrying out the purposes of subsection (a), all moneys in the revolving fund (liquidating programs) shall be available for necessary administrative and other expenses of servicing and liquidating obligations guaranteed pursuant to section 403 and section 713 of title IV and title VII, respectively, including costs of services (including legal services) performed on a contract or fee basis, and to discharge any other liability acquired or incurred in connection with the new communities program. Notwithstanding any other provision of law relating to the acquisition, handling, improvement, or disposal of real and other property by the United States, the Secretary of Housing and Urban Development shall also have power, for the protection of the interests of the revolving fund (liquidating programs), to pay out of any moneys in such fund all expenses or charges in connection with the acquisition, handling, improvement, or disposal of any property, real or personal, acquired by the Secretary either prior or subsequent to the date of the enactment of this Act as a result of recoveries under security, subrogation, or other rights in connection with the new communities program.

(c) After making the transfer required in title I of the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1984, the Secretary of Housing and Urban Development may issue obligations to the Secretary of the Treasury in an amount sufficient to enable the Secretary of Housing and Urban Development to satisfy any guarantee made pursuant to section 403 or 713 of title IV or title VII, respectively, and otherwise carry out the functions authorized by this section. The obligations issued under this subsection shall have such maturities and bear such rate or rates of interest as shall be determined by the Secretary of the Treasury. The Secretary of the Treasury is authorized and directed to purchase any obligations so issued, and for that purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, United States Code, and the purpose for which securities may be issued under such chapter are extended to include purchases of obligations issued under this subsection.

(d) Upon the transfer required in title I of the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1984, each obligation issued by the Secretary of Housing and Urban Development to the Secretary of the Treasury pursuant to section 407(a) or 717(b) of title IV or title VII, respectively, together with any promise to repay the principal and unpaid interest which has accrued on each obligation, and any other term or condition specified by each such obligation, is canceled.

(e) Title IV, except for sections 408, 411, 413, 414, and 416, and part B of title VII, except for sections 724, 725, 726, and subsections (b) through (e) of section 727, are hereby repealed. Section 717 of title VII shall remain in effect until completion of the transfer required in title I of the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1984. The Secretary may not implement the amendment to section 214 of the Housing and Community Development Act of 1980, made by section 329(a) of the Housing and Community Development Amendments of 1981, before the expiration of the one-year period following the date of the enactment of this Act. Any actions taken, prior to repeal, under the authority of any of the sections which are repealed by this section shall continue to be valid. Nothing in this subsection shall impair the validity of any guarantees which have been made pursuant to title IV or title VII and any such guarantees shall continue to be governed by the provisions of title IV or title VII, as applicable, as they existed immediately before the date of the enactment of this Act.

PART D—SECONDARY MORTGAGE MARKET PROGRAMS

AMOUNT TO BE GUARANTEED UNDER THE GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE-BACKED SECURITIES PROGRAM

SEC. 481. Section 306(g)(2) of the Federal National Mortgage Association Charter Act is amended to read as follows:

"(2) Notwithstanding any other provision of law and subject only to the absence of qualified requests for guarantees, to the authority provided in this subsection, and to any funding limitation approved in appropriation Acts, the Association shall enter into commitments for each of the fiscal years 1984 and 1985 to issue guarantees under this subsection for each such fiscal year in an aggregate amount of $68,250,000,000.".

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION COMMITMENT EXTENSION

SEC. 482. The commitment issued under section 305(b) of the Federal National Mortgage Association Charter Act, known as GNMA commitment numbered 926-984, to purchase a mortgage insured under such Act shall be granted for 43 months without the imposition of additional fees beyond the initial commitment fee.

SPECIAL ASSISTANCE AND EMERGENCY MORTGAGE PURCHASE ASSISTANCE FUNCTIONS OF THE GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

SEC. 483. (a) Sections 305 and 313 of the Federal National Mortgage Association Charter Act and section 3(b) of the Emergency Home Purchase Assistance Act of 1974 are hereby repealed.

(b) Any purchase or commitment to purchase any mortgage pursuant to section 305 or 313 of the Federal National Mortgage Association Charter Act made before the date of the enactment of this Act, and the servicing and disposition of any such mortgage, shall continue to be governed by the provisions of such sections as they existed immediately before the effective date of this section.

TITLE V—RURAL HOUSING

SHORT TITLE

SEC. 501. This title may be cited as the "Rural Housing Amendments of 1983".

DEFINITIONS

SEC. 502. (a) Section 501(b)(4) of the Housing Act of 1949 is amended to read as follows:

"(4) For the purpose of this title, the terms 'low income families or persons' and 'very low-income families or persons' means those families and persons whose incomes do not exceed the respective levels established for lower income families and very low-income families by the Secretary of Housing and Urban Development under the United States Housing Act of 1937.".

(b) Section 501(b)(5) of such Act is amended to read as follows:

"(5) For the purpose of this title, the terms 'income' and 'adjusted income' have the meanings given by sections 3(b)(4) and 3(b)(5), respectively, of the United States Housing Act of 1937.".

SECTION 502 AMENDMENTS

SEC. 503. (a) Section 502 of the Housing Act of 1949 is amended by adding at the end thereof the following:

"(d) On and after the effective date of the Rural Housing Amendments of 1983—

"(1) not less than 40 per centum of the dwelling units financed under this section shall be available only for occupancy by very low-income families or persons; and

"(2) not less than 30 per centum of the dwelling units in each State financed under this section shall be available only for occupancy by very low-income families or persons.

"(e)(1) A loan which may be made or insured under this section with respect to housing shall be made or insured with respect to a manufactured home or with respect to a manufactured home and lot, whether such home or such home and lot is real property, personal property, or mixed real and personal property, if—

"(A) the manufactured home meets the standards prescribed pursuant to title VI of the Housing and Community Development Act of 1974;

"(B) the manufactured home, or the manufactured home and lot, meets the installation, structural, and site requirements which would apply under title II of the National Housing Act; and

"(C) the manufactured home meets the energy conserving requirements established under paragraph (2), or until the energy conserving requirements are established under paragraph (2), the manufactured home meets the energy conserving requirements applicable to housing other than manufactured housing financed under this title.

"(2) Energy conserving requirements established by the Secretary for the purpose of paragraph (1)(C) shall—

"(A) reduce the operating costs for a borrower by maximizing the energy savings and be cost-effective over the life of the manufactured home or the term of the loan, whichever is shorter, taking into account variations in climate, types of energy used, the cost to modify the home to meet such requirements, and the estimated value of the energy saved over the term of the mortgage; and

"(B) be established so that the increase in the annual loan payment resulting from the added energy conserving requirements in excess of those required by the standards prescribed under title VI of the Housing and Community Development Act of 1974 shall not exceed the projected savings in annual energy costs.".

(b) Within 18 months from the issuance by the Secretary of Agriculture of regulations under section 502(e)(2) of the Housing Act of 1949, the Secretary of Energy, in consultation with the Secretary of Housing and Urban Development and the Secretary of Agriculture, shall conduct a study and transmit to the Congress a report that compares the increased construction costs, actual annual energy use, and the projected value of energy saved over the expected life of the home or the mortgage term, whichever is shorter, of manufactured homes which are financed under titles I and II of the National Housing Act, or under title V of the

Housing Act of 1949 and which are built according to national manufactured housing safety standards with other homes insured under either such Act.

(c) Section 527 of such Act is repealed.

(d) Section 502(a) of such Act is amended—

(1) by inserting "(1)" after the subsection designation;

(2) by striking out all after "making of the loan with interest" and inserting in lieu thereof a period and the following: "The Secretary may accept the personal liability of any person with adequate repayment ability who will cosign the applicant's note to compensate for any deficiency in the applicant's repayment ability. At the borrower's option, the borrower may prepay to the Secretary as escrow agent, on terms and conditions prescribed by him, such taxes, insurance, and other expenses as the Secretary may require in accordance with section 501(e).''; and

(3) by adding at the end thereof the following new paragraph:

"(2) The Secretary may extend the period of any loan made under this section if the Secretary determines that such extension is necessary to permit the making of such loan to any person whose income does not exceed 60 per centum of the median income for the area and who would otherwise be denied such loan because the payments required under a shorter period would exceed the financial capacity of such person. The aggregate period for which any loan may be extended under this paragraph may not exceed 5 years.".

REHABILITATION LOANS

SEC. 504. The first and second sentences of section 504(a) of the Housing Act of 1949 are amended to read as follows: "The Secretary may make a loan, grant, or combined loan and grant to an eligible very low-income applicant in order to improve or modernize a rural dwelling, to make the dwelling safer or more sanitary, or to remove hazards. The Secretary may make a loan or grant under this subsection to the applicant to cover the cost of any or all repairs, improvements, or additions such as repairing roofs, providing sanitary waste facilities, providing a convenient and sanitary water supply, repairing or providing structural supports, or making similar repairs, additions, improvements, including all preliminary and installation costs in obtaining central water and sewer service. The maximum amount of a grant, a loan, or a loan and grant shall not exceed such limitations as the Secretary determines to be appropriate.".

TECHNICAL SERVICES AND RESEARCH

SEC. 505. Section 506(b) of the Housing Act of 1949 is amended by adding at the end thereof the following: "In carrying out this subsection, the Secretary may permit demonstrations involving innovative housing units and systems which do not meet existing published standards, rules, regulations, or policies if the Secretary finds that in so doing, the health and safety of the population of the area in which the demonstration is carried out will not be adversely affected, except that the aggregate expenditures for such demonstrations may not exceed $10,000,000 in any fiscal year. The Secretary shall report to the Congress at the close of each fiscal year on the results of such demonstrations.".

STANDARDS FOR ADEQUATE HOUSING

SEC. 506. (a) Section 509(a) of the Housing Act of 1949 is amended by adding at the end thereof the following: "The Secretary shall approve a residential building as meeting such standards if the building is constructed in accordance with (1) the minimum standards prescribed by the Secretary, (2) the minimum property standards prescribed by the Secretary of Housing and Urban Development for mortgages insured under title II of the National Housing Act, (3) the standards contained in any of the voluntary national model building codes, or (4) in the case of manufactured housing, the standards referred to in section 502(e) of this Act. To the maximum extent feasible, the Secretary shall promote the use of energy saving techniques through standards established by such Secretary for newly constructed residential housing assisted under this title. Such standards shall, insofar as is practicable, be consistent with the standards established pursuant to section 526 of the National Housing Act and shall incorporate the energy performance requirements developed pursuant to such section.".

(b) Section 529 of such Act is repealed.

GENERAL AUTHORITY OF THE SECRETARY

SEC. 507. (a) Section 510(e) of such Act is amended by adding before the semicolon at the end thereof the following: "and the authority of the Secretary under this paragraph includes the authority to transfer section 502 inventory properties for use as rental or cooperative units under section 515 with mortgages containing repayment terms with up to fifty years to private nonprofit organizations or public bodies. Such a transfer may be made even where rental assistance may be required so long as the authority to provide such assistance is available after taking into account the requirements of section 521(d)(1). Where the Secretary determines the transfer will contribute to the provision of housing for very low-income persons and families, the transfer may be made at the lesser of the appraised value or the Farmers Home Administration's investment".

(b) Section 510 of such Act is amended by redesignating subsection (j) as subsection (k) and inserting after subsection (i) the following new subsection:

"(j) utilize the services of fee inspectors and fee appraisers to expedite the processing of applications for loan and grants under this title, which services shall be utilized in any case in which a county or district office is unable to expeditiously process such loan and grant applications, and to include the cost of such services in the amount of such loans and grants; and".

AMENDMENT TO SECTION 511

"SEC. 508. The second sentence of section 511 of the Housing Act of 1949 is repealed.

REPEAL OF SECTION 512

SEC. 509. Section 512 of the Housing Act of 1949 is repealed.

DETERMINATION OF NEED FOR HOUSING UNDER SECTIONS 514 AND 516

SEC. 510. Section 514 of the Housing Act of 1949 is amended by adding the following new subsection at the end thereof:

"(h) In making available assistance in any area under this section or section 516, the Secretary shall—

"(1) in determining the need for the assistance, take into consideration the housing needs only of domestic farm labor, including migrant farmworkers, in the area; and

"(2) in determining whether to provide such assistance, make such determination without regard to the extent or nature of other housing needs in the area.".

AUTHORIZATIONS

SEC. 511. (a) Section 513 of the Housing Act of 1949 is amended to read as follows:

"PROGRAM LEVELS AND AUTHORIZATIONS

"SEC. 513. (a) The Secretary may insure and guarantee loans under this title during fiscal years 1984 and 1985 in an aggregate amount not to exceed such sums as may be approved in an appropriation Act.

"(b) There are authorized to be appropriated for fiscal years 1984 and 1985—

"(1) such sums as may be necesary for grants pursuant to section 504:

"(2) such sums as may be necessary for the purposes of section 509(c);

"(3) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to (A) the aggregate of the contributions made by the Secretary on the form of credits on principal due on loans made pursuant to section 503, and (B) the interest due on a similar sum represented by notes or other obligations issued by the Secretary:

"(4) such sums as may be necessary for financial assistance pursuant to section 516;

"(5) such sums as may be necessary for the purposes of section 523;

"(6) such sums as may be necessary for purposes of section 525(a);

"(7) not to exceed $100,000,000 for each such year for grants under section 531, of which 5 per centum shall be available for technical assistance; and

"(8) such sums as may be required by the Secretary to administer the provisions of sections 235 and 236 of the National Housing Act and section 8 of the United States Housing Act of 1937.

"(c) The Secretary may enter into rental assistance contracts aggregating such sums as may be approved in appropriation Acts under section 521(a)(2)(A) during fiscal years 1984 and 1985.".

(b) Section 515(b)(5) of such Act is amended by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1985".

(c) Section 517(a)(1) of such Act is amended by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1985".

(d) Section 523(f) of such Act is amended—

(1) by striking out the first sentence; and

(2) by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1985".

(e) Section 523(g) of such Act is amended—

(1) by striking out "fiscal year 1982" in the second sentence and inserting in lieu thereof "fiscal year 1985"; and

(2) by striking out the first sentence.

SECTION 515 AMENDMENTS

SEC. 512. (a) Section 515 of the Housing Act of 1949 is amended by adding at the end thereof the following:

"(g) The Secretary shall limit increases in rents on or after the date of enactment of this subsection for newly constructed or substantially rehabilitated projects assisted under this section to the lesser of the actual operating cost increases incurred or the amount of operating cost increases incurred with respect to comparable rental dwelling units of various sizes and types in the same market area which are suitable for occupancy by families and persons assisted under this section. Where no comparable dwelling units exist in the same market area, the Secretary shall have authority to approve

such increase in accordance with the best available data regarding operating cost increases in rental dwelling units.

"(h) After approving a project involving newly constructed or substantially rehabilitated units under this section, the Secretary shall limit cost increases to those approved by the Secretary. The Secretary may approve those increases only for unforeseen factors beyond the owner's control, design changes required by the Secretary or the local government, or changes in financing approved by the Secretary.

"(i) For the purpose of achieving the lowest cost in providing units in newly constructed projects assisted under this section, the Secretary shall give a preference in entering the contracts under this section for projects which are to be located on specific tracts of land provided by States, units of local government, or others if the Secretary determines that the tract of land is suitable for such housing, and that affording such preference will be cost effective.

"(j) The Secretary shall assure that management fees are not excessive when a project developed under this section is managed by the developer or an affiliate of the developer.

"(k) For purposes of determining the market feasibility of any project to be assisted under this section—

"(1) in the case of any applicant whose project is expected to utilize rental assistance payments under section 521, the Secretary shall only require such applicant to demonstrate that a market exists for persons and families eligible for such rental assistance payments; and

"(2) in the case of any applicant whose project is expected to utilize any assistance under a program of a State, or political subdivision thereof, that is similar to such assistance payments under section 521, the Secretary shall only require such applicant to demonstrate that—

"(A) a market exists for persons and families eligible for such program of assistance;

"(B) such program of assistance will provide rental assistance for a period of not less than five years, and for the term of the loan remaining after the period of such assistance, that an adequate rental market exists for the project without such assistance; and

"(C) during the term of such rental assistance contracts, such State or political subdivision shall make available the amounts required for such rental assistance not less than annually.

"(l) The Secretary shall establish standards for housing and related facilities rehabilitated or repaired with amounts received under a loan made or insured under this section. Standards established by the Secretary under this subsection shall provide that except for substantial rehabilitation the particular items or systems repaired or rehabilitated must meet appropriate levels of quality or performance comparable to those levels prescribed by the Secretary of Housing and Urban Development for rehabilitation, but shall not require that such items or systems or the remainder of the property meet the standards which are applicable to new construction. The Secretary shall ensure that standards prescribed under this subsection provide decent, safe, and sanitary housing and related facilities.

"(m) The Secretary may not deny assistance under this section or section 521 on the basis that the project involved is to be located on more than one site.

"(n) The Secretary may not (1) deny assistance under this section on the basis that rental assistance payments under section 521 may be required unless the authority to provide such assistance is not available; or (2) promulgate any regulation that would have the effect of denying occupancy to eligible persons on the basis that such persons require rental assistance payments under section 521.

"(o)(1) To the extent assistance is available under section 521(a)(2), not more than 25 per centum of the dwelling units which were available for occupancy under this section prior to the date of enactment of this subsection, and which will be leased on or after such effective date shall be available for leasing by low income persons and families other than very low-income persons and families.

(2) To the extent assistance is available under section 521(a)(2), not more than 5 per centum of the dwelling units which become available for occupancy under this section on or after the date of enactment of this subsection shall be available for leasing by low income persons and families other than very low-income persons and families.

"(3) Units in projects financed under this section which become available for occupancy after the date of enactment of this subsection shall not be available for occupancy by persons and families other than very low-income persons and families if the authority to provide assistance for such persons is available.

"(p) In determining the income of a person or family occupying housing financed under this section, the Secretary shall consider the value of that person's or family's assets in the same manner as the Secretary of Housing and Urban Development considers such value for the purpose of the United States Housing Act of 1937.".

(b) Section 515(b) of such Act is amended—

(1) by striking out "and" at the end of clause (5);

(2) by striking out the period at the end of clause (6) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(7) loans may be made to owners who are otherwise eligible under this section to purchase and convert single-family residences to rental units of two or more dwellings.".

(c) Section 515 of such Act is amended—

(1) by striking out subsection (a)(2);

(2) by redesignating subsections (a)(3) and (a)(4) as subsections (a)(2) and (a)(3), respectively;

(3) by striking out subsection (b)(2); and

(4) by redesignating subsections (b)(3), (b)(4), (b)(5), (b)(6), and (b)(7) as subsections (b)(2), (b)(3), (b)(4), (b)(5), and (b)(6), respectively.

(d) Section 515(c) of such Act is amended by adding at the end thereof the following: "A loan may be made or insured under subsection (a) or (b) with respect to detached units, including those on scattered sites, for cooperative housing.".

(e) Section 515(d)(1) of such Act is amended by inserting before the first semicolon the following: ", and such term also means manufactured home rental parks where either the lots or both the lots and the homes are available for use by occupants eligible under this section".

FARM LABOR HOUSING

SEC. 513. Section 516 of the Housing Act of 1949 is amended by adding at the end thereof the following subsection:

"(i) The Secretary shall utilize not more than 10 per centum of the amounts available for any fiscal year for purposes of this section for financial assistance to eligible private and public nonprofit agencies to encourage the development of domestic and migrant farm labor housing projects under this title.".

INSURED RURAL HOUSING LOANS

SEC. 514. (a) Section 517 of the Housing Act of 1949 is amended—

(1) by striking out all after "insured" in subsection (a) and inserting in lieu thereof a period and the following: "The amount of such a loan to a low income person or family shall not exceed the amount necessary to provide adequate housing which is modest in size, design, and cost (as determined by the Secretary).."; and

(2) by striking out "(b)(4)" in subsection (b) and inserting in lieu thereof "(b)(3)".

(b) Section 517(j) of such Act is amended—

(1) by striking out "; and" at the end of paragraph (5) and inserting in lieu thereof a period; and

(2) by striking out paragraph (6).

(c) Section 517(o) of such Act is repealed.

(d) Section 517 of such Act is amended by adding at the end thereof the following:

"(o) The Secretary shall promulgate rules which encourage the rehabilitation or purchase of existing buildings for the purpose of providing housing which is economical in cost and operation.".

DEFINITION OF RURAL AREA

SEC. 515. Section 520 of the Housing Act of 1949 is amended by adding at the end thereof the following new sentence: "For purposes of this title, any area classified as 'rural' or a 'rural area' prior to the receipt of data from or after the 1980 decennial census and determined not to be 'rural' or a 'rural area' as a result of such data shall continue to be so classified through the end of fiscal year 1984, if such area has a population in excess of 10,000 but not in excess of 20,000.".

SHARED HOUSING FOR THE ELDERLY AND HANDICAPPED

SEC. 516. Section 521(a)(2) of the Housing Act of 1949 is amended by adding the following new subparagraph at the end thereof:

"(E) In order to assist elderly or handicapped persons or families who elect to live in a shared housing arrangement in which they benefit as a result of sharing the facilities of a dwelling with others in a manner that effectively and efficiently meets their housing needs and thereby reduces their cost of housing, the Secretary shall permit rental assistance to be used by such persons or families if the shared housing arrangement is in a single-family dwelling. For the purpose of this subparagraph, the Secretary shall prescribe minimum habitability standards to assure decent, safe, and sanitary housing for such families while taking into account the special circumstances of sharing housing.".

RENTAL ASSISTANCE TENANT CONTRIBUTION

SEC. 517. (a) Section 521(a)(2)(A) of the Housing Act of 1949 is amended by striking out the last two sentences.

(b) Section 521(a) of such Act is amended by adding at the end thereof the following:

"(3)(A) In the case of loans under sections 514 and 515 approved prior to the effective date of this paragraph with respect to which rental assistance is provided, the rent for tenants receiving such assistance shall not exceed the highest of (i) 30 per centum of monthly adjusted income, (ii) 10 per

centum of monthly income, or (iii) if the person or family is receiving payments for welfare assistance from a public agency, the portion of such payments which is specifically designated by such agency to meet the person's or family's housing costs.

"(B) In the case of a section 515 loan approved prior to the effective date of this paragraph with respect to which interest credits are provided, the tenant's rent shall not exceed the highest of (i) 30 per centum of monthly adjusted income, (ii) 10 per centum of monthly income or (iii) if the person or family is receiving payments for welfare assistance from a public agency, the portion of such payments which is specifically designated by such agency to meet the person's or family's housing costs, or, where no rental assistance authority is available, the rent level established on a basis of a 1 per centum interest rate on debt service.

"(C) No rent for a unit financed under section 514 or 515 shall be increased as a result of this subsection or other provision of Federal law or Federal regulation by more than 10 per centum in any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to this subsection or other law, or regulation.

"(4) In the case of a loan with respect to the purchase of a manufactured home with respect to which rental assistance is provided, the monthly payment for principal and interest on the manufactured home and for lot rental and utilities shall not exceed the highest of (A) 30 per centum of monthly adjusted income, (B) 10 per centum of monthly income, or (C) if the person or family is receiving payments for welfare assistance from a public agency, the portion of such payments which is specifically designated by such agency to meet the person's or family's housing costs.".

(C) Section 521 (a)(2)(A) of such Act is amended by striking out "25 per centum of income." and inserting in lieu thereof "the highest of (i) 30 per centum of monthly adjusted income, (ii) 10 per centum of monthly income; or (iii) if the person or family is receiving payments for welfare assistance from a public agency, the portion of such payments which is specifically designated by such agency to meet the person's or family's housing costs. Any rent or contribution of any recipient shall not increase as a result of this section or any other provision of Federal law or regulation by more than 10 per centum during any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unreleated to this subsection or other law or regulation.".

(d) Section 530 of such Act is amended by striking out "25" and inserting in lieu thereof "30".

(e) Section 521 of such Act is amended by adding at the end thereof the following:

"(d)(1)(A) In entering into contracts for assistance under this section and utilizing rental assistance authority which becomes available, the Secretary shall first assure that expiring contracts are extended for those units occupied by persons and families of low income, and that additional assistance is used where necessary to provide the full amount authorized pursuant to existing contracts.

"(B) Remaining funds shall be used for contracts which assist very low-income persons and families occupying projects receiving commitments under section 514, 515, or 516 after fiscal year 1983, except that up to 5 per centum of the units assisted may be occupied by persons and families of low income.

"(C) To the extent any funds are available after providing assistance in accordance with subparagraphs (A) and (B), the Secretary shall provide additional assistance to existing projects which would become occupied and affordable by very low-income persons and families, except that up to 5 per centum of the units assisted may be occupied by persons and families of low income.

"(2) The Secretary shall transfer rental assistance contract authority under this section from projects where such authority is unused after initial rentup and not needed because of a lack of eligible tenants in the area to projects where such authority is needed.

"(e) Any rent or contribution of any recipient shall not increase as a result of this section, any amendment thereto, or any other provision of Federal law or regulation by more than 10 per centum during any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to this subsection or other law or regulation.".

(f) The amendments made by this section shall take effect 6 months after the date of enactment of this Act, or upon the earlier promulgation of regulatons implementing this section by the Secretary.

TECHNICAL AND SUPERVISORY ASSISTANCE

SEC. 518. (a) The last sentence of section 525(b) of the Housing Act of 1949 is amended by striking out all after "sooner" and inserting in lieu thereof a period.

(b) Section 525(c) of such Act is repealed.

CONDOMINIUM HOUSING

SEC. 519. (a) Section 526 of the Housing Act of 1949 is amended—

(1) by striking out "in his discretion" in subsection (a); and

(2) by striking out "in his discretion" in subsection (c).

FHA INSURANCE

SEC. 520. Title V of the Housing Act of 1949 is amended by adding at the end thereof the following:

"FHA INSURANCE

SEC. 531. The Secretary is authorized to act as an agent of the Secretary of Housing and Urban Development to recommend insurance of any mortgage meeting the requirements of section 203 of the National Housing Act.".

PROCESSING OF APPLICATION

SEC. 521. Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"PROCESSING OF APPLICATIONS

SEC. 532. (a) The Secretary shall, in making assistance available under this title, give a priority to applications submitted by—

"(1) persons and families that have the greatest housing assistance needs because of their low income and their residing in inadequate dwellings;

"(2) applicants applying for assistance for projects that will serve such persons and families; and

"(3) applicants residing in areas which are the most rural in character.

"(b) In making available the assistance authorized by section 513 and section 521(a) with respect to projects involving insured and guaranteed loans and interest credits and rental assistance payments, the Secretary shall process and approve requests for such assistance in a manner that provides for a preliminary reservation of assistance at the time of initial approval of the project.".

RURAL HOUSING PRESERVATION GRANT PROGRAM

SEC. 522. Title V of the Housing Act of 1949 is amended by adding at the end thereof the following:

"HOUSING PRESERVATION GRANTS

"SEC. 533. (a) The purpose of this section is to authorize the Secretary to make grants to eligible grantees including private nonprofit organizations, Indian tribes, general units of local government, countries, States, and consortia of other eligible grantees, in order to—

"(1) rehabilitate single family housing in rural areas which is owned by low- and very low-income persons and families, and

"(2) rehabilitate rental properties or cooperative housing which has a membership resale structure that enables the cooperative to maintain affordability for persons of low income in rural areas serving low- and very low-income occupants.

The Secretary may also provide assistance payments as provided by section 8(o) of the United States Housing Act of 1937 upon the request of grantees in order to minimize the displacement of very low-income tenants residing in units rehabilitated with assistance under this section.

"(b) Rehabilitation programs assisted under this section shall—

"(1) be used to provide loans or grants to owners if single family housing in order to cover the cost of repairs and improvements;

"(2) be used to provide interest reduction payment;

"(3) be used to provide loans or grants to owners of rental housing, except that rental rehabilitation assistance provided under this subsection for any structure shall not exceed 75 per centum of the total costs associated with the rehabilitation of that structure;

"(4) be used to provide other comparable assistance that the Secretary deems appropriate to carry out the purpose of this section, designed to reduce the costs of such repair and rehabilitation in order to make such housing affordable by persons of low income and, to the extent feasible, by persons and families whose incomes do not exceed 50 per centum of the area median income;

"(5) benefit low- and very low-income persons and families in rural areas, without causing the displacement of current residents; and

"(6) raise health and safety conditions to meet those specified in section 509(a).

"(c)(1) The Secretary shall allocate rehabilitation grant funds for use in each State on the basis of a formula contained in a regulation prescribed by the Secretary using the average of the ratios between—

"(A) the population of the rural areas in that State and the population of the rural areas of all States;

"(B) the extent of poverty in the rural areas in that State and the extent of poverty in the rural areas of all States; and

"(C) the extent of substandard housing in the rural areas of the State and the extent of substandard housing in the rural areas of all States.

Any funds which are allocated to a State but uncommitted to grantees will be transferred to the State office of the Farmers Home Administration in a timely manner and be used for authorized rehabilitation activities under section 504.

"(2) Unless there is only one eligible grantee in a State, a single grantee may not receive more than 50 per centum of a State's allocation.

"(d)(1) Eligible grantees may submit a statement of activity to the Secretary at the time specified by the program administrator, containing a description of its proposed rehabilitation program. The statement shall consist of the activities each entity proposes to undertake for the fiscal year, and the projected progress in carrying out those activities. The statement of activities shall be made available to the public for comment.

"(2) In preparing such statement, the grantee shall consult with and consider the views of appropriate local officials.

"(3) The Secretary shall evaluate the merits of each statement on the basis of such criteria as the Secretary shall prescribe, including the extent—

"(A) to which the repair and rehabilitation activities will assist persons of low income who lack adequate shelter, with priority given to applications assisting the maximum number of persons and families whose incomes do not exceed 50 per centum of the area median income;

"(B) to which the repair and rehabilitation activities include the participation of other public or private organizations in providing assistance, in addition to the assistance provided under this section, in order to lower the costs of such activities or provide for the leveraging of available funds to supplement the rural housing preservation grant program;

"(C) to which such activities will be undertaken in rural areas having populations below 10,000 or in remote parts of other rural areas;

"(D) to which the repair and rehabilitation activities may be expected to result in achieving the greatest degree of repair or improvement for the least cost per unit or dwelling;

"(E) to which the program would minimize displacement;

"(F) to which the program would alleviate overcrowding in rural residences inhabited by low- and very low-income persons and families;

"(G) to which the program would minimize the use of grant funds for administrative purposes; and

"(H) to which the owner agrees to meet the requirement of subsection (e)(1)(B)(iv) for a period longer than 5 years;

and shall assess the demonstrated capacity of the grantee to carry out the program as well as the financial feasibility of the program.

"(4) The amount of assistance provided under this section with respect to any housing shall be the least amount that the Secretary determines is necessary to provide, through the repair and rehabilitation of such housing, decent housing of modest design that is affordable for persons of low income.

"(e)(1) Assistance under this section may be provided with respect to rental or cooperative housing only if—

"(A) the owner has entered into such agreements with the Secretary as may be necessary to assure compliance with the requirements of this section, to assure the financial feasibility of such housing, and to carry out the other provisions of this section;

"(B) the owner agrees—

"(i) to pass on to the tenants any reduction in the debt service payments resulting from the assistance provided under this section;

"(ii) not to convert the units to condominium ownership (or in the case of a cooperative, to condominium ownership or any form of cooperative ownership not eligible for assistance under this section);

"(iii) not refuse to rent a dwelling unit in the structure to a family solely because the family is receiving or is eligible to receive assistance under any Federal, State, or local housing assistance program; and

"(iv) that the units repaired and rehabilitated with such assistance will be occupied, or available for occupancy, by persons of low income;

during the 5-year period beginning on the date on which the units in the housing are available for occupancy;

"(C) the unit of general local government or nonprofit organization that receives the assistance certifies to the satisfaction of the Secretary that the assistance will be made available in conformity with Public Law 88-352 and Public Law 90-284;

"(D) the owner agrees to enter into and abide by written leases with the tenants, which leases shall provide that tenants may be evicted only for good cause; and

"(E) the unit of general local government or nonprofit organization will agree to supervise repairs and rehabilitation and will agree to have a disinterested party inspect such repairs and rehabilitation.

"(2) Assistance under this section provided with respect to any housing other than rental or cooperative housing may be provided only if the owner complies with the requirements set forth in subparagraph (E) of paragraph (1) and any other requirements established by the Secretary to carry out the purpose of this section.

"(3)(A) The Secretary shall provide that if the owner or his or her successors in interest fail to carry out the agreements described in subparagraphs (A) and (B) of paragraph (1) during the applicable period, the owner or his or her successors in interest shall make a payment to the Secretary of an amount that equals the total amount of assistance provided under this section with respect to such housing, plus interest thereon (without compounding), for each year and any fraction thereof that the assistance was outstanding, at a rate determined by the Secretary taking into account the average yield on outstanding marketable long-term obligations of the United States during the month preceding the date on which the assistance was made available.

"(B) Notwithstanding any other provision of law, any assistance provided under this section shall constitute a debt, which is payable in the case of any failure to carry out the agreements described in subparagraphs (A), (B), and (C) of paragraph (1), and shall be secured by the security instruments provided by the owner to the Secretary.

"(f) The Secretary shall provide for such advance payments of assistance under this section as the Secretary determines is necessary to effectively carry out the provisions of this section.

"(g) The Secretary shall, at least on an annual basis, make such review and audits as may be necessary or appropriate to determine whether the grantee has carried out its activities in a timely manner and in accordance with the requirements of this section, the degree to which the activities assisted benefitted persons of low income and very low income who lacked adequate housing, and whether the grantee has a continuing capacity to carry out the activities in a timely manner. The Secretary may adjust, reduce, or withdraw resources made available to grantees receiving assistance under this section, or take other action as appropriate in accordance with the findings of these reviews and audits. Any amounts which became available as a result of actions under this subsection shall be reallocated in the year in which they become available to such grantee or grantees as the Secretary may determine.

"(h) The Secretary is authorized to prescribe such rules and regulations and make such delegations of authority as he deems necessary to carry out this section within 90 days after the date of enactment of this section.

"(i) The Secretary shall establish procedures which support national historic preservation objectives and which assure that, if any rehabilitation proposed to be assisted under this section would affect property that is included or is eligible for inclusion on the National Register of Historic Places, such activity shall not be undertaken unless (1) it will reasonably meet the standards for rehabilitation issued by the Secretary of the Interior and the appropriate State historic preservation officer is afforded the opportunity to comment on the specific rehabilitation plan, or (2) the Advisory Council on Historic Preservation is afforded an opportunity to comment on cases for which the recipient of assistance, in consultation with the State historic preservation officer, determines that the proposed rehabilitation activity cannot reasonably meet such standards or would adversely affect historic property as defined therein.

"(j) Not later than 180 days after the close of each fiscal year in which assistance under this section is furnished, the Secretary shall submit to the Congress a report which shall contain—

"(1) a description of the progress made in accomplishing the objectives of this section; and

"(2) as summary of the use of such funds during the preceding year.

The Secretary shall require grantees under this section to submit to him such reports, and other information as may be necessary in order for the Secretary to make the report required by this subsection.".

MISCELLANEOUS

SEC. 523. Title V of the Housing Act of 1949 is amended by adding at the end thereof the following:

"REVIEW OF RULES AND REGULATIONS

"SEC. 534. (a) Notwithstanding any other provision of law, no rule or regulation pursuant to this title may become effective unless it has first been published for public comment in the Federal Register for at least 60 days, and published in final form for at least 30 days.

"(b) The Secretary shall transmit to the chairman and ranking Member of the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House, all rules and regulations at least 15 days before they sent to the Federal Register for purposes of subsection (a).

"(c) The provisions of this section shall not apply to a rule or regulation which the Secretary certifies is issued on an emergency basis.

"RECIPROCITY IN APPROVAL OF HOUSING SUBDIVISIONS AMONG FEDERAL AGENCIES

SEC. 535. The Secretary of Agriculture, the Secretary of Hosing and Urban Develop-

ment, and the Administrator of Veteran's Affairs shall each accept an administrative approval of any housing subdivision made by any of the others so that not later than January 1, 1984, there is total reciprocity for housing subdivision approvals among the agencies which they head.".

TITLE VI—EXPORT-IMPORT BANK ACT AMENDMENTS OF 1983

SHORT TITLE

SEC. 601. This title may be cited as the "Export-Import Bank Act Amendments of 1983".

PART A—EXPORT-IMPORT BANK ACT AMENDMENTS

EXTENSION OF THE EXPORT-IMPORT BANK ACT

SEC. 611. Section 8 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) is amended by striking out "November 18, 1983" and inserting in lieu thereof "September 30, 1986".

COMPETITIVE MANDATE

SEC. 612. (a) The second sentence of section 2(b)(1)(A) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)(A)) is amended—

(1) by inserting "in all its programs" after "objective"; and

(2) by inserting "fully" after "which are".

(b) The first sentence of section 2(b)(1)(B) of such Act (12 U.S.C. 635(b)(1)(B)) is amended by striking out "It is" and all that follows through "exports of other countries;" and inserting in lieu thereof the following: "It is further the policy of the United States that loans made by the Bank in all its programs shall bear interest at rates determined by the Board of Directors, consistent with the Bank's mandate to support United States exports at rates and on terms and conditions which are fully competitive with exports of other countries, and consistent with international agreements. For the purpose of the preceding sentence, rates and terms and conditions need not be equivalent to those offered by foreign countries, but should be established so that the effect of such rates, terms, and conditions for all the Bank's programs, including those for small businesses and for medium-term financing, will be to neutralize the effect of such foreign credit on international sales competition. The Bank shall consider its average cost of money as one factor in its determination of interest rates, where such consideration does not impair the Bank's primary function of expanding United States exports through fully competitive financing. It is also the policy of the United States".

(c) The first sentence of section 2(D)(1)(B) of such Act (12 U.S.C. 635(b)(1)(B)), as in effect on the day before the date of the enactment of this title, is amended by inserting "export trading companies," after "independent export firms,".

ADVISORY COMMITTEE

SEC. 613. Section 3(d) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(d)) is amended to read as follows:

"(d)(1)(A) There is established an Advisory Committee to consist of twelve members who shall be appointed by the Board of Directors on the recommendation of the Pesident of the Bank.

"(B) Such members shall be broadly representative of production, commerce, finance, agriculture, labor, services, and State government.

"(2) Not less than three members appointed to the Advisory Committee shall be representative of the small business community.

"(3) The Advisory Committee shall meet at least once each quarter.

"(4) The Advisory Committee shall advise the Bank on its programs, and shall submit, with the report specified in section 2(b)(1)(A) of this Act, its own comments to the Congress on the extent to which the Bank is meeting its mandate to provide competitive financing to expand United States exports, and any suggestions for improvements in this regard.".

TERMS OF DIRECTORS

SEC. 614. (a) Section 3(c) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(c)) is amended—

(1) by redesignating the first sentence through the seventh sentence of such section as paragraphs (1) through (7), respectively;

(2) in the fifth paragraph of such section, as so redesignated by paragraph (1), by striking out "Terms of the directors shall be at the pleasure of the President of the United States, and the" and inserting in lieu thereof "The"; and

(3) by adding at the end thereof the following:

"(8)(A) The terms of the directors, including the President and the First Vice President of the Bank, appointed under this section shall be four years, except that—

"(i) during their terms of office, the directors shall serve at the pleasure of the President of the United States;

"(ii) the term of any director appointed after the date of enactment of this paragraph to serve before January 20, 1985, shall expire on January 20, 1985;

"(iii) of the directors first appointed to serve beginning on or after January 21, 1985, two directors (other than the President and First Vice President of the Bank) shall be appointed for terms of two years, as designated by the President of the United States at the time of their appointment; and

"(iv) any director first appointed to serve for a term beginning on any date after January 21, 1985, shall serve only for the remainder of the period for which such director would have been appointed if such director's term had begun on January 21, 1985. If such term would have expired before the date on which such director's term actually begins, the term of such director shall be the four-year period, or remainder thereof, as if such director had been preceded by a director whose term had begun on January 21, 1985.

"(B) of the five members of the Board appointed by the President, not less than one such member shall be selected from among the small business community and shall represent the interests of small business.

"(C) Any person chosen to fill a vacancy shall be appointed only for the unexpired term of the director whom such person succeeds.

"(D) Any director whose term has expired may be reappointed.".

(b) In order to carry out the amendment made by subsection (a) regarding section 3(c)(8)(B) of the Export-Import Bank Act of 1945, the first member, other than a member who will serve as Chairman or Vice Chairman of the Bank, appointed by the President of the United States to the Board of Directors of the Export-Import Bank of the United States after the date of the enactment of this section shall be selected from among the small business community and shall represent the interests of small business.

REPORT ON AUTHORITY

SEC. 615. Section 7(a)(2) of the Export-Import Bank Act of 1945 (12 U.S.C. 635e(a)(2)) is amended to read as follows:

"(2)(A)(i) Not later than March 31 of each fiscal year, the President of the United States shall determine whether the authority available to the Bank for such fiscal year will be sufficient to meet the Bank's needs, particularly those needs arising from—

"(I) increases in the level of exports unforeseen at the time of the original budget request for such fiscal year;

"(II) any increased foreign export credit subsidies; or

"(III) the lack of progress in negotiations to reduce or eliminate export credit subsidies.

"(ii) Not later than April 15 of each year, the President of the United States shall transmit to the Congress a report on such determination.

"(B)(i) If the President of the United States finds that the amount of direct loan authority or guarantee authority available to the Bank for the fiscal year involved exceeds the amount which will be necessary to carry out the Bank's functions consistent with the availability of qualified applications and limitations imposed by law during such year, the President of the United States shall promptly transmit to the Congress a request for legislation to eliminate the amount of such excess direct loan, loan guaranty or insurance authority.

"(ii) The Bank shall continue to make remaining amounts of its authority available for the fiscal year involved, in accordance with its practices and the requirements of this Act, unless otherwise directed pursuant to law.".

EXPORTS OF SERVICES

SEC. 616. (a) Section 2 of the Export-Import Bank Act of 1945 (12 U.S.C. 635) is amended—

(1) in the second sentence of subsection (a)(1), by inserting "and services" after "exchange of commodities";

(2) in the second sentence of subsection (b)(1)(A), by inserting "of goods and services" after "exports"; and

(3) by inserting after subsection (b)(1)(C) the following:

"(D)(i) It is further the policy of the United States to foster the delivery of United States services in international commerce. In exercising its powers and functions, the Bank shall give full and equal consideration to making loans and providing guarantees for the export of services (independently, or in conjunction with the export of manufactured goods, equipment, hardware or other capital goods) consistent with the Bank's policy to neutralize foreign subsidized credit competition and to supplement the private capital market.

"(ii) The Bank shall include in its annual report a summary of its programs regarding the export of services.".

(b) Section 206 of the Export Trading Company Act of 1982 (Public Law 97-290) is amended—

(1) by striking out "or" after "export accounts receivable" and inserting in lieu thereof a comma; and

(2) by inserting after "exportable goods," the following: "accounts receivable from leases, performance contracts, grant commitments, participation fees, member dues, revenue from publications, or such other collateral as the Board of Directors may deem appropriate,".

COMPETITIVE INSURANCE

SEC. 617. Section 2 of the Export-Import Bank Act of 1945 (12 U.S.C. 635) is amended by adding at the end thereof the following:

"(d)(1) In carrying out its responsibilities under this Act, the Bank shall work to ensure that United States companies are afforded an equal and nondiscriminatory opportunity to bid for insurance in connection with transactions assisted by the Bank.

"(2) In furtherance of such effort, the Chairman of the Bank shall review Bank policies and programs in regard to this issue, and in coordination with the United States Trade Representative and the appropriate agencies of the Department of State, the Department of the Treasury, and the Department of Commerce, undertake actions designed to promote equal and nondiscriminatory opportunities to bid for insurance in connection with all aspects of international trade activities.

"(3) The Bank shall report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate not later than May 15, 1984, regarding—

"(A) the existing obstacles to equal and nondiscriminatory bidding for insurance related to transactions assisted by the Bank;

"(B) the efforts that the Bank has taken in addressing such problems; and

"(C) recommendations for such legislative or administrative actions as the Bank considers necessary.".

SMALL BUSINESS NEEDS

SEC. 618. (a) Section 2(b)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)) is amended—

"(1) in subparagraph (B), by striking out "that the Bank shall give due recognition to the policy stated in section 2(a) of the Small Business Act" and all that follows through "the Small Business Administration and other departments and agencies in matters affecting small business concerns;"; and

"(2) by adding at the end thereof the following:

"(E)(i)(I) It is further the policy of the United States to encourage the participation of small business in international commerce.

"(II) In exercising its authority, the Bank shall develop a program which gives fair consideration to making loans and providing guarantees for the export of goods and services by small businesses.

"(ii) It is further the policy of the United States that the Bank shall give due recognition to the policy stated in section 2(a) of the Small Business Act that 'the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small business concerns in order to preserve free competitive enterprise'.

"(iii) In furtherance of this policy, the Board of Directors shall designate an officer of the Bank who—

"(I) shall be responsible to the President of the Bank for all matters concerning or affecting small business concerns; and

"(II) among other duties, shall be responsible for advising small business concerns of the opportunities for small business concerns in the functions of the Bank and for maintaining liaison with the Small Business Administration and other departments and agencies in matters affecting small business concerns.

"(iv) The Director appointed to represent the interests of small business under section 3(c) of this Act shall ensure that the Bank carries out its responsibilities under clauses (ii) and (iii) of this subparagraph and that the Bank's financial and other resources are, to the maximum extent possible, appropriately used for small business needs.

"(v) To assure that the purposes of clauses (i) and (ii) of this subparagraph are carried out, the Bank shall make available, from the aggregate loan, guarantee, and insurance authority available to it, an amount to finance exports by small business concerns (as defined under section 3 of the Small Business Act) which shall be not less than—

"(I) 6 per centum of such authority for fiscal year 1984;

"(II) 8 per centum of such authority for fiscal year 1985; and

"(III) 10 per centum of such authority for fiscal year 1986 and thereafter.

"(vi) The Bank shall utilize the amount set aside pursuant to clause (v) of this subparagraph to offer financing for small business exports on terms which are fully competitive with regard to interest rates and with regard to the portion of financing which may be provided, guaranteed, or insured. Financing under this clause (vi) shall be available without regard to whether financing for the particular transaction was disapproved by any other Federal agency.

"(vii)(I) The Bank shall utilize a part of the amount set aside pursuant to clause (v) to provide lines of credit or guarantees to consortia of small or medium size banks, export trading companies, State export finance agencies, export financing cooperatives, small business investment companies (as defined in section 103 of the Small Business Investment Act of 1958), or other financing institutions or entities in order to finance small business exports.

"(II) Financing under this clause (vii) shall be made available only where the consortia or the participating institutions agree to undertake processing, servicing, and credit evaluation functions in connection with such financing.

"(III) To the maximum extent practicable, the Bank shall delegate to the consortia the authority to approve financing under this clause (vii).

"(IV) In the administration of the program under this clause (vii), the Bank shall provide appropriate technical assistance to participating consortia and may require such consortia periodically to furnish information to the Bank regarding the number and amount of loans made and the creditworthiness of the borrowers.

"(viii) In order to assure that the policy stated in clause (i) is carried out, the Bank shall promote small business exports and its small business export financing programs in cooperation with the Secretary of Commerce, the Office of International Trade of the Small Business Administration, and the private sector, particularly small business organizations, State agencies, chambers of commerce, banking organizations, export management companies, export trading companies, and private industry.".

(b) Section 9 of such Act (12 U.S.C. 635g) is amended—

(1) in the first sentence of subsection (b), by inserting before the period at the end thereof the following: "and of the activities of the member of the Board appointed to represent the interests of small business"; and

(2) by adding at the end thereof the following:

"(c)(1) The Bank shall include in its annual report to the Congress a report on the allocation of the sums set aside for small business exports pursuant to section 2(b)(1)(E).

"(2) Such report shall specify—

"(A) the total number and dollar volume of loans made from the sums set aside;

"(B) the number and dollar volume of loans made through the consortia program under section 2(b)(1)(E)(vii));

"(C) the amount of guarantees and insurance provided for small business exports;

"(D) the number of recipients of financing from the sums set aside who have not previously participated in the Bank's programs;

"(E) the number of commitments entered into in amounts less than $500,000; and

"(F) any recommendations for increasing the participation of banks and other institutions in the programs authorized under section 2(b)(1)(E).

"(3) For the purpose of this subsection, the Bank's report shall be transmitted to the Committee on Small Business of the Senate and the Committee on Small Business of the House of Representatives.".

(c) Section 2(b)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)) is amended by adding at the end thereof the following:

"(F) Consistent with international agreements, the Bank shall urge the Foreign Credit Insurance Association to provide coverage against 100 per centum of any loss with respect to exports having a value of less than $100,000.".

SPECIAL FACILITIES IN SUPPORT OF UNITED STATES EXPORTS

SEC. 619. (a) The Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.) is amended by adding at the end thereof the following:

"SPECIAL FACILITIES IN SUPPORT OF UNITED STATES EXPORTS

"SEC. 13. The Bank is authorized to establish general facilities consisting of guarantees and insurance in support of export transactions to Brazil in the aggregate amount of $1,500,000,000 and to Mexico in the aggregate amount of $500,000,000. No such guarantees may be made, or insurance issued, after March 31, 1985.".

(b) The first sentence of section 2(b)(3) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(3)) is amended by inserting "or general guarantee or insurance facility" after "no loan or financial guarantee".

(c) Section 2(b)(3)(A) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(3)(A)) is amended to read as follows:

"(A) in the case of a loan or financial guarantee—

"(i) a brief description of the purposes of the transaction;

"(ii) the identity of the party or parties requesting the loan or financial guarantee;

"(iii) the nature of the goods or services to be exported and the use for which the goods or services are to be exported; and

"(iv) in the case of a general guarantee or insurance facility—

"(I) a description of the nature and purpose of the facility;

"(II) the total amount of guarantees or insurance; and

"(III) the reasons for the facility and its methods of operation; and".

(d) Section 2(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 615(b)) is amended—

(1) by redesignating paragraph (8) as paragraph (9);

(2) by redesignating paragraph (7), the second time it appears therein, as paragraph (8); and

(3) by adding at the end thereof the following:

"(10)(A) The Bank shall not, without a specific authorization by law, guarantee, insure, or extend credit (or participate in the extension of credit) to—

"(i) assist specific countries with balance of payments financing; or

"(ii) assist (as the primary purpose of any such guarantee, insurance, or credit) any country in the management of its international indebtedness, other than its outstanding obligations to the Bank.

"(B) Nothing contained in subparagraph (A) shall preclude guarantees, insurance, or credit the primary purpose of which is to support United States exports.".

TECHNICAL AMENDMENTS

SEC. 620. (a) Section 2(b)(4) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(4)) is amended by striking out "he" wherever it appears and inserting in lieu thereof "the Secretary".

(b) Section 3(e) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(e)) is amended—

(1) by striking out "his" and inserting in lieu thereof "such individual's"; and

(2) by striking out "he" and inserting in lieu thereof "such individual".

(c) Section 4 of the Export-Import Bank Act of 1945 (12 U.S.C. 635b) is amended by striking out "he" and inserting in lieu thereof "the President".

(d) Section 7(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635e(b)) is amended by striking out "he" wherever it appears and inserting in lieu thereof "the President".

CAPITAL LEVEL OF THE BANK

SEC. 621. The Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.) is amended by adding at the end thereof the following:

"CAPITAL LEVEL OF THE BANK

"SEC. 14. After fiscal year 1983, if at the end of any fiscal quarter the value of the total capital stock and retained earnings of the Bank falls below 50 per centum of the value of the total capital stock and retained earnings of the Bank at the end of fiscal year 1983, the Board of Directors shall notify the Congress of the decrease in the level of the capital stock of the Bank not later than thirty days after the end of the fiscal quarter involved and the Congress shall take appropriate action.".

MEDIUM-TERM FINANCING

SEC. 622. Section 2(a) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(a)) is amended by adding at the end thereof the following:

"(2) In order for the Bank to be competitive in all of its financing programs with countries whose exports compete with United States exports, the Bank shall establish a program that—

"(A) provides medium-term financing where necessary to be fully competitive—

"(i) at rates of interest to the customer which are equal to rates established in international agreements; and

"(ii) in amounts up to 85 percent of the total cost of the exports involved; and

"(B) enables the Bank to cooperate fully with the Secretary of Commerce and the Administrator of the Small Business Administration to develop a program for purposes of disseminating information (using existing private institutions) to small business concerns regarding the medium-term financing provided under this paragraph.".

REPORT TO CONGRESS

SEC. 623. Section 9 of the Export-Import Bank Act of 1945 (12 U.S.C. 635g) is amended by adding at the end thereof the following:

"(d)(1) The report shall include a detailed description of all actions which have been taken by the Bank or which will be taken by the Bank—

"(A) to maintain the competitive position of key linkage industries in the United States;

"(B) to support industries which are engaged in the export of high value added products;

"(C) to support industries which are engaged in the development of new capital goods technology;

"(D) to preserve and create high skilled jobs in the United States economy; and

"(E) to enhance the opportunity for growth and expansion of small businesses and entrepreneurial enterprises.

"(2) Such report shall include the comments of the Advisory Committee regarding the objectives specified in paragraph (1).".

PART B—MATCHING CREDITS

MATCHING CREDITS

SEC. 631. Section 1912 of the Export-Import Bank Act Amendments of 1978 is amended—

(1) by adding at the end of subsection (a)(1) the following: "The inquiry, and where appropriate, the determination and authorization to the Export-Import Bank of the United States referred to in this section shall be completed and made within 60 days of the receipt of such information."; and

(2) in subsection (b)(1), by striking out "determining factor" and inserting in lieu thereof "significant factor".

REPORT

SEC. 632. Section 1911 of the Export-Import Bank Act Amendments of 1978 is amended by adding at the end thereof the following: "After October 1, 1983, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.".

TECHNICAL AMENDMENT

SEC. 633. (a) Section 1912(b) of the Export-Import Bank Act Amendments of 1978 is amended by striking out "he" and inserting in lieu thereof "the Secretary".

(b) Section 1912(a)(2) of the Export-Import Bank Act Amendments of 1978 is amended by striking out "he" and inserting in lieu thereof "the Secretary".

PART C—TIED AID CREDIT EXPORT SUBSIDIES

SHORT TITLE

SEC. 641. This part may be referred to as the "Trade and Development Enhancement Act of 1983".

STATEMENT OF PURPOSE

SEC. 642. The purpose of this part is—

(1) to expand employment and economic growth in the United States by expanding United States exports to the markets of the developing world;

(2) to stimulate the economic development of countries in the developing world by improving their access to credit for the importation of United States products and services for developmental purposes;

(3) to neutralize the predatory financing engaged in by many nations whose exports compete with United States exports, and thereby restore export competition to a market basis; and

(4) to encourage foreign governments to enter into effective and comprehensive agreements with the United States to end the use of tied aid credits for exports, and to limit and govern the use of export credit subsidies generally.

NEGOTIATING MANDATE

SEC. 643. The President shall vigorously pursue negotiations to limit and set rules for the use of tied aid for exports. The negotiating objectives of the United States should include reaching agreements—

(1) to define the various forms of tied aid credit, particularly mixed credits under the Arrangement on Guidelines for Officially Supported Export Credits established through the Organization for Economic Cooperation and Development (hereinafter in this part referred to as the "Arrangement");

(2) to phase out the use of government-mixed credits by a date certain;

(3) to set rules governing the use of public-private cofinancing, or other forms of mixed financing, which may have the same result as government-mixed credits of drawing or concessional development assistance to produce subsidized export financing;

(4) to raise the threshold for notification of the use of tied aid credit to a 50 per centum level of concessionality;

(5) to improve notification procedures so that advance notification must be given on all uses of tied aid credit; and

(6) to prohibit the use of tied aid credit for production facilities for goods which are in structural oversupply in the world.

ESTABLISHMENT OF A TIED AID CREDIT PROGRAM IN THE UNITED STATES EXPORT-IMPORT BANK

SEC. 644. (a)(1) The Chairman of the Export-Import Bank of the United States shall establish, within the Export-Import Bank of the United States, a program of tied aid credits for United States exports.

(2) The program shall be carried out in cooperation with the Agency for International Development and with private financial institutions or entities, as appropriate.

(3) The program may include—

(A) the combined use of the credits, loans, or guarantees offered by the Export-Import Bank of the United States with concessional financing or grants offered by the Agency for International Development, by methods including the blending of the financing of, or parallel financing by, the Bank and the Agency for International Development; and

(B) the combined use of credits, loans, or guarantees offered by the Bank, with financing offered by private financial institutions or entities, by methods including the blending of the financing of, or parallel financing by, the Bank and private institutions or entities.

(b) The purposes of the tied aid credit program under this section is to offer or arrange for financing for the export of United States goods and services which is substantially as concessional as foreign financing for which there is reasonable proof that such foreign financing is being offered to, or arranged for, a bona fide foreign competitor for a United States export sale.

(c) The chairman of the Bank is authorized to establish a fund, as necessary, for carrying out the tied aid credit program described in this section.

(d) Concessional financing or grants offered by the Agency for International Development for the purposes of the mixed financing program established under this section shall be made available in accordance with the provisions of subsections (c) and (d) of section 645 of this Act.

ESTABLISHMENT OF A TIED AID CREDIT PROGRAM IN THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SEC. 645. (a) The Administrator of the Agency for International Development shall establish within the Agency a program of tied aid credits for United States exports. The program shall be carried out in cooperation with the Export-Import Bank of the United States and with private financial institutions or entities, as appropriate. The program may include—

(1) the combined use of the credits, loans, or guarantees offered by the Bank with concessional financing or grants offered by the Agency for International Development, by methods including the blending of the financing of, or parallel financing by, the Bank and the Agency for International Development; and

(2) the combination of concessional financing or grants offered by the Agency for International Development with financing offered by private financial institutions or entities, by methods including the blending of the financing of, or parallel financing by, the Agency for International Development and private institutions or entities.

(b) These funds may be combined with financing by the Export-Import Bank of the United States or private commercial financing in order to offer, or arrange for, financing for the exportation of United States goods and services which is substantially as concessional as foreign financing for which there is reasonable proof that such foreign financing is being offered to, or arranged for, a bona fide foreign competitor for a United States export sale.

(c)(1) Funds of the Agency for International Development which are used to carry out a tied aid credit program authorized by subsections (a) and (b) shall be offered only to finance United States exports which can reasonably be expected to contribute to the advancement of the development objectives of the importing country or countries, and shall be consistent with the economic, security, and political criteria used to establish country allocations of Economic Support Funds.

(2) The Administrator of the Agency for International Development is authorized to establish a fund, as necessary, for carrying out a tied aid credit financing program as described in this section.

(d) The Administrator of the Agency for International Development may draw on Economic Support Funds allocated for Commodity Import Programs to finance a tied aid credit activity.

IMPLEMENTATION

SEC. 646. (a)(1) The National Advisory Council on International Monetary and Financial Policies shall coordinate the implementation of the tied aid credit programs authorized by sections 644 and 645.

(2) No financing may be approved under the tied aid credit programs authorized by section 644 or section 645 without the unanimous consent of the members of the National Advisory Council on International Monetary and Financial Policies.

DEFINITIONS

SEC. 647. For purposes of this part—

(1) the term "tied aid credit" means credit—

(A) which is provided for development aid purposes;

(B) which is tied to the purchase of exports from the country granting the credit;

(C) which is financed either exclusively from public funds, or, as a mixed credit, partly from public and partly from private funds; and

(D) which has a grant element, as defined by the Development Assistance Committee of the Organization for Economic Cooperation and Development, greater than zero percent;

(2) the term "government-mixed credits" means the combined use of credits, insurance, and guarantees offered by the Export-Import Bank of the United States with concessional financing or grants offered by the Agency for International Development to finance exports;

(3) the term "public-private cofinancing" means the combined use of either official development assistance or official export credit with private commercial credit to finance exports;

(4) the term "blending of financings" means the use of various combinations of official development assistance, official export credit, and private commercial credit, integrated into a single package with a single set of financial terms, to finance exports;

(5) the term "parallel financing" means the related use of various combinations of separate lines of official development assistance, official export credits, and private commercial credit, not combined into a single package with a single set of financial terms, to finance exports; and

(6) the term "Bank" means the Export-Import Bank of the United States.

SEC. 650. (a) Section 702 of the Tariff Act of 1930 as amended, is amended by adding after subsection 702(b)(2) a new subsection 702(b)(3) as follows:

"(b)(3) Petition based upon a derogation of an international undertaking on official export credits.

If the sole basis of a petition filed under subsection 702(b)(1) is the derogation of an international undertaking on official export credits, the Administering Authority shall immediately notify the Secretary of the Treasury who shall, in consultation with the Administering Authority, within fifteen days determine the existence and value of the derogation, if any, and shall publish such determination in the Federal Register.

(b) Section 703 of the Tariff Act of 1930, as amended, is amended by redesignating subsection 703(b) as subsection 703(b)(1) and adding a new subsection 703(b)(2) as follows:

"(b)(2) Notwithstanding subsection (b)(1), above, when the petition is one subject to subsection 702(b)(3), above, the Administering Authority shall, taking into account the nature of the subsidy concerned, make the determination required by subsection 703(b)(1) on an expedited basis and within 85 days after the date on which the petition is filed under section 702(b) unless the provisions of section 703(c) apply.

TITLE VII—MISCELLANEOUS PROVISIONS

HOME MORTGAGE DISCLOSURE ACT AMENDMENTS

SEC. 701. (a) Sections 304, 310, and 311 of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803, 3809, and 2810) are amended by striking out "standard metropolitan statistical area" wherever it appears and inserting in lieu thereof "primary metropolitan statistical area, metropolitan statistical areas, or consolidated metropolitan statistical areas that is not comprised of designated primary metropolitan statistical areas".

(b) Section 308 of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2807) is amended by striking out "standard metropolitan statistical areas" wherever it appears and inserting in lieu thereof "primary metropolitan statistical areas, metropolitan statistical areas, or consolidated metropolitan statistical areas that are not comprised of designated primary metropolitan statistical areas".

(c) Section 203(1) of the Depository Institutions Management Interlocks Act (12 U.S.C. 3202(1)) is amended by striking out "standard metropolitan statistical area" and inserting in lieu thereof "primary metropolitan statistical area, the same metropolitan statistical area, or the same consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas".

MEMBERS TO SERVE UNTIL SUCCESSORS ARE APPOINTED

SEC. 702. (a) Section 2 of the Federal Deposit Insurance Act (12 U.S.C. 1812) is amended by inserting after the third sentence the following: "Each such appointive member may continue to serve after the expiration of his term until a successor has been appointed and qualified.".

(b) Section 17(a) of the Federal Home Loan Bank Act (12 U.S.C. 1436(a)) is amended by adding at the end thereof the following: "Upon the expiration of the term of office of a member of the Board, such member may continue to serve until a successor has been appointed and qualified.".

DEFENSE PRODUCTION ACT EXTENSION

SEC. 703. The first sentence of Section 717(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166(a)) is amended by striking out "September 30, 1983" and inserting in lieu thereof "March 30, 1984".

TITLE VIII—INTERNATIONAL MONETARY FUND

PROMOTING CONDITIONS FOR EXCHANGE RATE STABILITY

SEC. 801. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"PROMOTING CONDITIONS FOR EXCHANGE RATE STABILITY

"SEC. 40. (a) In order to help assure that the resources provided under section 41 are used to support pro-growth policies which will help establish the economic conditions necessary for more appropriate financial and exchange rate alignment and stability, it is the sense of Congress that the Secretary of the Treasury shall—

"(1) in consultation with the Secretary of State and the United States Trade Representative, initiate discussions with other countries regarding the economic dislocations which result from structural exchange rate imbalances; and

"(2) instruct the United States Executive Director of the Fund to work for adoption of policies in the Fund, both within the framework of articles IV (of the Articles of Agreement of the Fund) consultations and with respect to the conditions associated with Fund-supported balance of payments adjustments programs, which promote conditions contributing to the stability of exchange rates and avoid the manipulation of exchange rates between major currencies. Among other initiatives, the Secretary of the Treasury shall propose strengthening the article IV consultation procedures of the Fund to attempt to ensure that countries which are artificially maintaining undervalued or overvalued rates of exchange agree to adopt market determined exchange rates.

"(b) In determining his vote on extensions of assistance to any Fund borrower, the United States Executive Director to any Fund borrower, the United States Executive Director of the Fund shall take into account whether such borrower's policies are consistent with the requirements of article IV of the Articles of Agreement of the Fund.".

QUOTA INCREASE

SEC. 802. (a) The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended—

(1) in section 17(a)—

(A) by striking out "decision of January 5, 1962," and inserting in lieu thereof "decisions of January 5, 1962, and February 24, 1983, as amended in accordance with their terms, "; and

(B) by striking out "not to exceed $2,000,000,000 outstanding at any one time," and inserting in lieu thereof "in an amount not to exceed the equivalent of 4,250,000,000 Special Drawing Rights, limited to such amounts as are provided in advance in appropriations Acts, except that prior to activation, the Secretary of the Treasury shall certify that supplementary resources are needed to forestall or cope with an impairment of the international monetary system and that the Fund has fully explored other means of funding,";

(2) in section 17(b), by striking out "$2,000,000,000," and inserting in lieu thereof "4,250,000,000 Special Drawing Rights, except that prior to activation, the Secretary of the Treasury shall certify whether supplementary resources are needed to forestall or cope with an impairment of the international monetary system and that the Fund has fully explored other means of funding,";

(3) by adding at the end of section 17 the following:

"(d) Unless the Congress by law so authorizes, neither the President, the Secretary of the Treasury, nor any other person acting on behalf of the United States, may instruct the United States Executive Director to the Fund to consent to any amendment to the Decision of February 24, 1983, of the Executive Directors of the Fund, if the adoption of such amendment would significantly alter the amount, terms, or conditions of participation by the United States in the General Arrangements to Borrow."; and

(4) by adding at the end thereof the following:

"QUOTA INCREASE

"SEC. 41. (a) The United States Governor of the Fund is authorized to consent to an increase in the quota of the United States in the Fund equivalent to 5,310,000,000 Special Drawing Rights, limited to such amounts as are provided in advance in appropriations Acts.

"(b)(1) The Secretary of the Treasury shall consult with the chairman and the ranking minority member of—

"(A) the Committee on Banking, Finance and Urban Affairs and the Committee on Appropriations of the House of Representatives, and any appropriate subcommittee of each such committee; and

"(F) the Committee on Foreign Relations, the Committee on Appropriations, and the Committee on Banking, Housing, and Urban Affairs of the Senate, and any appropriate subcommittee of each such committee, for purposes of discussing the position of the executive branch and the views of the Congress with respect to any international negotiations being held to consider any future quota increase for the International Monetary Fund which may involve an increased contribution, subscription, or loan by the United States.

"(2) Such consultation shall be made—

"(A) not later than thirty days before the initiation of such international negotiations;

"(B) during the period in which such negotiations are being held, in a frequent and timely manner; and

"(C) before a session of such negotiations is held at which the United States representatives may agree to such quota increase.

"COLLECTION AND EXCHANGE OF INFORMATION ON MONETARY AND FINANCIAL PROBLEMS

"SEC. 42. (a) It is the sense of the Congress that—

"(1) the lack of sufficient information currently available to allow members of the Fund to make sound and prudent decisions concerning their public and private sector international borrowing, and to allow lenders to make sound and prudent decisions concerning their international lending, threatens the stability of the international monetary system; and

"(2) in recognition of the Fund's duties, as provided particularly by article VIII of the Articles of Agreement of the Fund, to act as a center for the collection and exchange of information on monetary and financial problems, the Fund should adopt necessary and appropriate mesasures to ensure that more complete and timely financial information will be available.

"(b) To this end, the Secretary of the Treasury shall instruct the United States Executive Director of the Fund to initiate discussions with other directors of the Fund and with Fund management, and to propose and vote for, the adoption of procedures, within the Fund—

"(1) to collect and disseminate information, on a quarterly basis, from and to Fund members, and to such other persons as the Fund deems appropriate, concerning—

"(A) the extension of credit by banks or nonbanks to private and public entities, including all government entities, instrumentalities, and central banks of member countries; and

"(B) the receipt of such credit by those private and public entities of member countries, where such banks or nonbanks are not principally established within the borders of the member country to which the credits are extended; and

"(2) to disseminate publicly information which is developed in the course of the Fund's collection, and to review and comment on efforts which the Fund determines would serve to enhance the informational base upon which international borrowing and lending decisions are taken.

"(c) For purposes of this section, the term 'credit' includes—

"(1) outstanding loans to private and public entities, including government entities, instrumentalities, and central banks of any member, and

"(2) unused lines of credit which have been made available to those private and public entities of any member, where such loans or lines of credit are repayable in freely convertible currency.

"(d) The President is authorized to use the authority provided under section 8 of this Act to require any person (as defined in such section) subject to the jurisdiction of the United States to provide such information as the Fund determines to be necessary in order to carry out the provisions of this section.".

SPECIAL DRAWING RIGHTS

SEC. 803. Section 6 of the Special Drawing Rights Act (22 U.S.C. 286q) is amended—

(1) by inserting "(a)" after "Sec. 6."; and

(2) by adding at the end thereof the following:

"(b)(1) Neither the President nor any person or agency shall on behalf of the United States vote to allocate Special Drawing Rights under article XVIII, sections 2 and 3, of the Articles of Agreement of the Fund without consultations by the Secretary of the Treasury at least 90 days prior to any such vote, with the Chairman and ranking minority members of the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives, and the appropriate subcommittees thereof.

"(2) Such consultations shall include an explanation of the consistency of such proposal to allocate with the requirements of the Articles of Agreement of the Fund, in particular the requirement that in all its decisions with respect to allocation of Special Drawing Rights, the Fund shall 'seek to meet the long-term global need, as and when it arises, to supplement existing reserve assets in such manner as will promote the attainment of its purposes and will avoid economic stagnation and deflation as well as excess demand and inflation in the world'.".

INSTRUCTIONS TO THE UNITED STATES EXECUTIVE DIRECTOR

SEC. 804. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"INSTRUCTIONS TO THE UNITED STATES EXECUTIVE DIRECTOR

"SEC. 43. (a) The Congress hereby finds the Communist dictatorships result in severe constraints on labor and capital mobility and other highly inefficient labor and capital supply rigidities which contribute to balance of payments deficits in direct contradiction of the goals of the International Monetary Fund. Therefore, the Secretary of the Treasury shall instruct the United States Executive Director of the Fund to actively oppose any facility involving use of Fund credit by any Communist dictatorship, unless the Secretary of the Treasury certifies and documents in writing upon request and so notifies and appears, if requested, before the Foreign Relations and Banking, Housing and Urban Affairs Committees of the Senate and the Banking, Finance and Urban Affairs Committee of the House of Representatives, at least twenty-one days in advance of any vote on such drawing that such drawing:

(1) provides the basis for correcting the balance of payments difficulties and restoring a sustainable balance of payments position;

(2) would reduce the severe constraints on labor and capital mobility or other highly inefficient labor and capital supply rigidities and advances market-oriented forces in that country; and

(3) is in the best economic interest of the majority of the people in that country.

Should the Secretary not meet a request to appear before the aforementioned Committees at least twenty-one days in advance of any vote on any facility involving use of Fund credit by any communist dictatorship and certify and document in writing that these three conditions have been met, the

United States Executive Director shall vote against such a program.

"(b) The Congress hereby finds that the practice of apartheid results in severe constraints on labor and capital mobility and other highly inefficient labor and capital supply rigidities which contribute to balance of payments deficits in direct contradiction of the goals of the International Monetary Fund. Therefore, the President shall instruct the United States Executive Director of the Fund to actively oppose any facility involving use of Fund credit by any country which practices apartheid unless the Secretary of the Treasury certifies and documents in writing, upon request, and so notifies and appears, if requested, before the Foreign Relations and Banking, Housing and Urban Affairs Committees of the Senate and the Banking, Finance and Urban Affairs Committee of the House of Representatives, at least twenty-one days in advance of any vote on such drawing, that such drawing: (1) would reduce the severe constraints on labor and capital mobility, through such means as increasing access to education by workers and reducing artificial constraints on worker mobility and substantial reduction of racially-based restrictions on the geographical mobility of labor; (2) would reduce other highly inefficient labor and capital supply rigidities; (3) would benefit economically the majority of the people of any country which practices apartheid; (4) is suffering from a genuine balance of payments imbalance that cannot be met by recourse to private capital markets. Should the Secretary not meet a request to appear before the aforementioned Committees at least twenty-one days in advance of any vote on any facility involving the use of Fund credit by any country practicing apartheid and certify and document in writing that these four conditions have been met, the United States Executive Director shall vote against such program.".

ELIMINATION OF AGRICULTURAL EXPORT SUBSIDIES

SEC. 805. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"ELIMINATION OF AGRICULTURAL EXPORT SUBSIDIES

"SEC. 44. The Secretary of the Treasury shall instruct the United States Executive Director of the Fund to propose and work for the adoption of a policy encouraging Fund members to eliminate all predatory agricultural export subsidies which might result in the reduction of other member countries' exports.".

SUSTAINING ECONOMIC GROWTH

SEC. 806. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"SUSTAINING ECONOMIC GROWTH

"SEC. 45. (a)(1) The President shall instruct the Secretary of the Treasury, the Secretary of State, and other appropriate Federal officials, and shall request the Chairman of the Board of Governors of the Federal Reserve System, to use all appropriate means to encourage countries to formulate economic adjustment programs to deal with their balance of payment difficulties and external debt owed to private banks.

"(2) Such economic adjustment programs should be designed to safeguard, to the maximum extent feasible, international economic growth, world trade, employment, and the long-term solvency of banks, and to minimize the likelihood of civil disturbances in countries needing economic adjustment programs.

"(b) To ensure the effectiveness of economic adjustment programs supported by Fund resources—

"(1) the United States Executive Director of the Fund shall recommend and shall work for changes in Fund guidelines, policies, and decisions which would—

"(A) convert short-term bank debt which was made at high interest rates into long-term debt at lower rates of interest;

"(B) assure that the annual external debt service, which shall include principal, interest, points, fees, and other charges required of the country involved, is a manageable and prudent percentage of the projected annual export earnings of such country; and

"(C) provide that in approving any economic adjustment program the Fund shall take into account the number of countries applying to the Fund for economic adjustment programs and the aggregate effects that such programs will have or international economic growth, world trade, exports and employment of other member countries, and the long-term solvency of banks; and

"(2) except as provided in subsection (c) of this section, the United States Executive Director of the Fund shall oppose and vote against providing assistance from the Fund for any economic adjustment program for a country in which the annual external debt service exceeds 85 per centum of the annual export earnings of such country, unless the Secretary of the Treasury first determines and provides written documentation to the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives that—

"(A) the economic adjustment program converts high interest rate, short-term bank debt into long-term debt at significantly narrower interest rate spreads than the average interest rate spreads prevailing on bank debt reschedulings negotiated between August 1982 and August 1983 for countries receiving assistance from the Fund for economic adjustment programs in order to minimize the burdens of adjustment on the debtor nation, provided that such interest rate spreads are consistent with that nation's need to obtain adequate external private financing;

"(B) the annual external debt service required of the country involved is a manageable and prudent percentage of the projected annual export earnings of such country; and

"(C) the economic adjustment program will not have an adverse impact on international economic growth, world trade, exports, and employment of other member countries, and the long-term solvency of banks.

"(c) The provisions of subsection (b)(2) shall not apply in any case in which the Secretary of the Treasury first determines and provides written documentation to the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives that—

"(1) an emergency exists in a nation that has applied to the Fund for assistance that requires an immediate short-term loan to avoid disrupting orderly financial markers;

"(2) a sudden decrease in export earnings in the country applying to the Fund for assistance has increased the ratio of annual external debt service to annual export earnings, to greater than 85 per centum for a period projected to be no more than one year; or

"(3) other extraordinary circumstances exist which warrant waiving the provisions of subsection (b)(2).".

OPPOSING FUND BAILOUTS OF BANKS

SEC. 807. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"OPPOSING FUND BAILOUTS OF BANKS

"SEC. 46. The Secretary of the Treasury shall instruct the United States Executive Director of the Fund—

"(1) to oppose and vote against any Fund drawing by a member country where, in his judgment, the Fund resources would be drawn principally for the purpose of repaying loans which have been imprudently made by banking institutions to the member country; and

"(2) to work to insure that the Fund encourages borrowing countries and banking institutions to negotiate, where appropriate, a rescheduling of debt which is consistent with safe and sound banking practices and the country's ability to pay.".

SURPLUS COMMODITIES

SEC. 808. (a) Section 4(b) of the Bretton Woods Agreements Act (22 U.S.C. 286b(b)) is amended by adding at the end thereof the following:

"(8) The general policy objectives for the guidance of the United States Executive Director of the Bank shall take into account the effect that development assistance loans have upon individual sectors and international commodity markets—

"(A) to minimize projected adverse impacts; and

"(B) to avoid, wherever possible, government subsidization of production and exports of international commodities without regard to economic conditions in the markets for such commodities.".

INTERNATIONAL COOPERATION

SEC. 809. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"INTERNATIONAL COOPERATION

"SEC. 47. The Secretary of the Treasury shall instruct the United States Executive Director of the Fund to propose that the Fund adopt the following policies with respect to international lending:

"(1) In its consultations with a member government on its economic policies pursuant to article IV of the Articles of Agreement of the Fund, the Fund should—

"(A) intensify its examination of the trend and volume of external indebtedness of private and public borrowers in the member country and comment, as appropriate, in its report to the Executive Board from the viewpoint of the contribution of such borrowings to the economic stability of the borrower; and

"(B) consider to what extent and in what form these comments might be made available to the international banking community and the public.

"(2) As part of any Fund-approved stabilization program, the Fund should give consideration to placing limits on public sector external short- and long-term borrowing.

"(3) As a part of its annual report, and at such times as it may consider desirable, the Fund should publish its evaluation of the trend and volume of international lending as it affects the economic situation of lend-

ers, borrowers, and the smooth functioning of the international monetary system.".

IMF INTEREST RATES

SEC. 810. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"IMF INTEREST RATES

"SEC. 48. The Secretary of the Treasury shall instruct the United States Executive Director of the Fund to purpose and work for the adoption of Fund policies regarding the rate of remuneration paid on use of member's quota subscriptions and the rate of charges on Fund drawings to bring those rates in line with market rates.".

BORROWING IN UNITED STATES CREDIT MARKETS

SEC. 811. Section 5 of the Bretton Woods Agreements Act (22 U.S.C. 286c) is amended by adding at the end thereof the following: "Neither the President nor any person or agency shall, on behalf of the United States, consent to any borrowing (other than borrowing from a foreign government or other official public source) by the Fund of funds denominated in United States dollars, unless the Secretary of the Treasury transmits a notice of such proposed borrowing to both Houses of the Congress at least 60 days prior to the date on which such borrowing is scheduled to occur.".

TRADE PROVISIONS

SEC. 812. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"TRADE PROVISIONS

"SEC. 49. (a)(1) The Secretary of the Treasury shall instruct the United States Executive Director of the fund to initiate a wide consultation with the Managing Director of the Fund and the other directors of the Fund with regard to the development of Fund financial assistance policies which, to the maximum feasible extent—

"(A) reduce obstacles to and restrictions upon international trade and investment in goods and services;

"(B) eliminate unfair trade and investment practices; and

"(C) promote mutually advantageous economic relations.

"(2) The Secretary of the Treasury shall work closely in this effort with the Trade Policy Committee.

"(3) As part of this effort, the Secretary of the Treasury shall also instruct the United States Executive Director of the Fund to encourage close cooperation between Fund staff and the GATT Secretariat.

"(b)(1) The Secretary of the Treasury shall instruct the United States Executive Director of the Fund, prior to the extension to any country of financial assistance by the Fund, to work to have the fund obtain the agreement of such country to eliminate, in a manner consistent with its balance of payments adjustment program, unfair trade and investment practices with respect to goods and services which the United States Trade Representative, after consultation with the Trade Policy Committee, has determined to have a significant deleterious effect on the international trading system.

"(2) Such practices include—

"(A) the provision of predatory export subsidies, employed in connection with the exporting of agricultural commodities and products thereof to foreign countries;

"(B) the provision of other export subsidies, such as government subsidized below-market interest rate financing for commodities or manufactured goods;

"(C) unreasonable import restrictions;

"(D) the imposition trade-related performance requirements on foreign investment; and

"(E) practices which are inconsistent with international agreements.

"(c)(1) In determining the United States position on requests for periodic drawing under Fund programs, the Secretary of the Treasury shall take full account of the progress countries have made in achieving targets for eliminating or phasing out the practices referred to in subsection (b) of this section.

"(2) In the event that the United States supports a request for drawing by a country that has not achieved the Fund targets relating to such practices specified in its program, the Secretary of the Treasury shall report to the appropriate committees of the Congress the reasons for the United States position.".

REPORTS TO CONGRESS

SEC. 813. The Bretton Woods Agreement Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"REPORTS TO CONGRESS

"SEC. 50. (a) The National Advisory Council or International Monetary and Financial Policies shall include in its annual reports to the Congress.—

"(1) a statement listing all appraisal reports which have been circulated during the preceding year within the Bank for project assistance which would establish or enhance the capacity of any country to produce a commodity for export, if—

"(A) such commodity is in surplus on world markets or is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative; and

"(B) such project assistance will cause material injury to United States producers of the same, similar, or competing commodity;

"(2) a review of success in reducing or eliminating import restrictions and unfair export subsidies which have been determined to be inconsistent with international agreements, and which have a serious adverse impact on the United States, or any other member's exports or employment;

"(3) a study for the fiscal year 1984 export of the impact on the United States steel and copper industries of steel and copper subsidies by nations who are borrowers from the Fund;

"(4) a review for the fiscal year 1984 report regarding progress achieved in reaching the goal of eliminating all predatory agricultural export subsidies which might result in the reduction of other member countries' exports as set forth in section 44; and

"(5) copies of the analyses and any written documentation prepared by the Secretary of the Treasury pursuant to subsections (b)(2) and (c) of section 45 and a statement detailing the actions and progress made in carrying out the requirements of subsections (a) and (b) of section 45.

"(b) Not later than one year after the date of the enactment of this section, the Secretary of the Treasury shall transmit a report to the Congress on the operation of the international monetary and financial system, including—

"(1) findings of the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve, and the Secretary of State regarding consideration of United States membership in the Bank for International Settlements; and

"(2) proposals to improve the floating exchange rate system.

"(c) Not later than one year after the date of the enactment of this section, the Secretary of the Treasury shall transmit a report to the Congress with respect to strengthening the role and improving the operation of the International Monetary Fund, including—

"(1) ways to maintain realistic, market-determined exchange rates with other major currencies and recommendations regarding what can be done to avoid exchange rate manipulation. In particular, such report shall examine the policies of major trading partners which (A) maintain a substantial trade surplus with the United States, and (B) encourage export of capital to such an extent that exchange rates do not appear to reflect adjustments based on trade patterns alone;

"(2) a review and analysis of—

"(A) the ability of the Fund to promote real economic growth and sustained, noninflationary recovery, pursuant to its mandate in article I of the Articles of Agreement of the Fund, in countries which enter into stabilization programs with the Fund;

"(B) the feasibility of the Fund issuing securities in the private capital markets as a means of increasing its resources, either in lieu of, or in addition to, future quota increases, together with an evaluation of how such borrowing would affect the credit markets of the United States;

"(C) the feasibility of returning all or part of the Fund's gold reserves to Fund members or of selling the Fund's gold reserves in the private markets in an effort to raise capital;

"(D) the feasibility of establishing temporary, supplemental financing facilities at the Fund;

"(E) the feasibility of establishing a Gold Lending Facility whereby the Fund would lend gold to Fund members who would in turn use such gold as collateral for commercial loans;

"(F) recommendations for amendments to the Articles of Agreement of the Fund, if any, to improve the role of the Fund in the international monetary system; and

"(G) the effect on (i) the market price of gold, (ii) countries whose central banks maintain reserves in the form of gold, and (iii) credit markets of the United States as a result of taking any of the actions described in subparagraphs (C), (D), or (E) of this paragraph;

"(3) actions which have been taken to carry out the provisions of section 33 of this Act;

"(4) progress made in implementing section 48 of this Act;

"(5) a study on the past and potential impact of Fund loan quota extension on world oil prices, such study to be done in cooperation with the Secretary of State and the Secretary of Energy;

"(6) an assessment—

"(A) of whether under present circumstances a systematic restructuring and stretching out of developing country debt should be conducted;

"(B) regarding the role global recovery will play in solving the debt crisis and what interim financing measures may have to be taken for those countries which have no possibility of continuing to service their debts even in the event of a vigorous economic recovery;

"(C) of whether the Fund, which is increasingly being used as a source of credit to finance balance of payments deficits, has

adequate resources to cover all conceivable requests for credit extensions taking into account the quota increase consented to under section 41 of this Act;

"(D) regarding what role the United States Government sees for the Fund in providing finance and credit to the least developed countries who have such a limited capacity to borrow to finance payments deficits; and

"(E) pursuant to the agreement at the Williamsburg Summit, outlining what progress has been made in the consultations among finance ministers and the managing director of the Fund on the conditions for improving the international monetary system; and

"(7) establishing collection, review, comment, and reporting procedures within the Fund as provided in section 42 of this Act.".

TITLE IX—INTERNATIONAL LENDING SUPERVISION

SEC. 901. This title may be cited as the "International Lending Supervision Act of 1983".

DECLARATION OF POLICY

SEC. 902. (a)(1) It is the policy of the Congress to assure that the economic health and stability of the United States and the other nations of the world shall not be adversely affected or threatened in the future by imprudent lending practices or inadequate supervision.

(2) This shall be achieved by strengthening the bank regulatory framework to encourage prudent private decisionmaking and by enhancing international coordination among bank regulatory authorities.

(b) The Federal banking agencies shall consult with the banking supervisory authorities of other countries to reach understandings aimed at achieving the adoption of effective and consistent supervisory policies and practices with respect to international lending.

DEFINITIONS

SEC. 903. For purposes of this title—

(1) the term "appropriate Federal banking agency" has the same meaning given such term in section 3(g) of the Federal Deposit Insurance Act, except that for purposes of this title such term means the Board of Governors of the Federal Reserve System for—

(A) bank holding companies and any nonbank subsidiary thereof;

(B) Edge Act corporations organized under section 25(a) of the Federal Reserve Act; and

(C) Agreement Corporations operating under section 25 of the Federal Reserve Act; and

(2) the term "banking institution" means—

(A)(i) an insured bank as defined in section 3(h) of the Federal Deposit Insurance Act or any subsidiary of an insured bank;

(ii) an Edge Act corporation organized under section 25(a) of the Federal Reserve Act; and

(iii) an Agreement Corporation operating under section 25 of the Federal Reserve Act; and

(B) to the extent determined by the appropriate Federal banking agency, any agency or branch of a foreign bank, and any commercial lending company owned or controlled by one or more foreign banks or companies that control a foreign bank as those terms are defined in the International Banking Act of 1978. The term "banking institution" shall not include a foreign bank.

STRENGTHENED SUPERVISION OF INTERNATIONAL LENDING

SEC. 904. (a) Each appropriate Federal banking agency shall evaluate banking institution foreign country exposure and transfer risk for use in banking institution examination and supervision.

(b) Each such agency shall establish examination and supervisory procedures to assure that factors such as foreign country exposure and transfer risk are taken into account in evaluating the adequacy of the capital of banking institutions.

RESERVES

SEC. 905. (a)(1) Each appropriate Federal banking agency shall require a banking institution to establish and maintain a special reserve whenever, in the judgment of such appropriate Federal banking agency—

(A) the quality of such banking institution's assets has been impaired by a protracted inability of public or private borrowers in a foreign country to make payments on their external indebtedness as indicated by such factors, among others, as—

(i) a failure by such public or private borrowers to make full interest payments on external indebtedness;

(ii) a failure to comply with the terms of any restructured indebtedness; or

(iii) a failure by the foreign country to comply with any International Monetary Fund or other suitable adjustment program; or

(B) no definite prospects exist for the orderly restoration of debt service.

(2) Such reserves shall be charged against current income and shall not be considered as part of capital and surplus or allowances for possible loan losses for regulatory, supervisory, or disclosure purposes.

(b) The appropriate Federal banking agencies shall analyze the results of foreign loan rescheduling negotiations, assess the loan loss risk reflected in rescheduling agreements, and, using the powers set forth in section 908 (regarding capital adequacy), ensure that the capital and reserve positions of United States banks are adequate to accommodate potential losses on their foreign loans.

(c) The appropriate Federal banking agencies shall promulgate regulations or orders necessary to implement this section within 120 days after the date of the enactment of this title.

ACCOUNTING FOR FEES ON INTERNATIONAL LOANS

SEC. 906. (a)(1) In order to avoid excessive debt service burdens on debtor countries, no banking institution shall charge, in connection with the restructuring of an international loan, any fee exceeding the administrative cost of the restructuring unless it amortizes such fee over the effective life of each such loan.

(2)(A) Each appropriate Federal banking agency shall promulgate such regulations as are necessary to further carry out the provisions of this subsection.

(B) The requirement of paragraph (1) shall take effect on the date of the enactment of this section.

(b)(1) Subject to subsection (a), the appropriate Federal banking agencies shall promulgate regulations for accounting for agency, commitment, management and other fees charged by a banking institution in connection with an international loan.

(2) Such regulations shall establish the accounting treatment of such fees for regulatory, supervisory, and disclosure purposes to assure that the appropriate portion of such fees is accrued in income over the effective life of each such loan.

(3) The appropriate Federal banking agencies shall promulgate regulations or orders necessary to implement this subsection within 120 days after the date of the enactment of this title.

COLLECTION AND DISCLOSURE OF CERTAIN INTERNATIONAL LENDING DATA

SEC. 907. (a) Each appropriate Federal banking agency shall require, by regulation, each banking institution with foreign country exposure to submit, no fewer than four times each calendar year, information regarding such exposure in a format prescribed by such regulations.

(b) Each appropriate Federal banking agency shall require, by regulation, banking institutions to disclose to the public information regarding material foreign country exposure in relation to assets and to capital.

(c) The appropriate Federal banking agencies shall promulgate regulations or orders necessary to implement this section within 120 days after the date of the enactment of this title.

CAPITAL ADEQUACY

SEC. 908. (a)(1) Each appropriate Federal banking agency shall cause banking institutions to achieve and maintain adequate capital by establishing minimum levels of capital for such banking institutions and by such other methods as the appropriate Federal banking agency deems appropriate.

(2) Each appropriate Federal banking agency shall have the authority to establish such minimum level of capital for a banking instituion as the appropriate Federal banking agency, in its discretion, deems to be necessary or appropriate in light of the particular circumstances of the banking instituion.

(b)(1) Failure of a banking institution to maintain capital at or above its minimum level as established pursuant to subsection (a) may be deemed by the appropriate Federal banking agency, in its discretion, to constitute an unsafe and unsound practice within the meaning of section 8 of the Federal Deposit Insurance Act.

(2)(A) In addition to, or in lieu of, any other action authorized by law, including paragraph (1), the appropriate Federal banking agency may issue a directive to a banking institution that fails to maintain capital at or above its required level as established pursuant to subsection (a).

(B)(i) Such directive may require the banking institution to submit and adhere to a plan acceptable to the appropriate Federal banking agency describing the means and timing by which the banking institution shall achieve its required capital level.

(ii) Any such directive issued pursuant to this paragraph, including plans submitted pursuant thereto, shall be enforceable under the provisions of section 8(i) of the Federal Deposit Insurnace Act to the same extent as an effective and outstanding order issued pursuant to section 8(b) of the Federal Deposit Insurance Act which has become final.

(3)(A) Each appropriate Federal banking agency may consider such banking institution's progress in adhering to any plan required under this subsection whenever such banking instititon, or an affiliate thereof, or the holding company which controls such banking institution, seeks the requisite approval of such appropriate Federal banking agency for any proposal which would divert earnings, diminish capital, or otherwise

impede such banking institution's progress in achieving its minimum capital level.

(b) Such appropriate Federal banking agency may deny such approval where it determines that such proposal would adversely affect the ability of the banking institution to comply with such plan.

(c) The Chairman of the Board of Governors of the Federal Reserve system and the Secretary of the Treasury shall encourage governments, central banks, and regulatory authorities of other major banking countries to work toward maintaining and, where appropriate, strengthening the capital bases of banking institutions involved in international lending.

FOREIGN LOAN EVALUATIONS

SEC. 909. (a)(1) In any case in which one or more banking institutions extend credit, whether by loan, lease, guarantee, or otherwise, which individually or in the aggregate exceeds $20,000,000, to finance any project which has as a major objective the construction or operation of any mining operation, any metal or mineral primary processing operation, any fabricating facility or operation, or any metal-making operations (semi and finished) located outside the United States or its territories and possessions, a written economic feasibility evaluation of such foreign project shall be prepared and approved in writing by a senior official of the banking institution, or, if more than one banking institution is involved, the lead banking institution, prior to the extension of such credit.

(2) Such evaluation shall—

(A) take into account the profit potential of the project, the impact of the project on world markets, the inherent competitive advantages and disadvantages of the project over the entire life of the project, and the likely effect of the project upon the overall long-term economic development of the country in which the project is located; and

(B) consider whether the extension of credit can reasonably be expected to be repaid from revenues generated by such foreign project without regard to any subsidy, as defined in international agreements, provided by the government involved or any instrumentality of any country.

(b) Such economic feasibility evaluations shall be reviewed by representatives of the appropriate Federal banking agencies whenever an examination by such appropriate Federal banking agency is conducted.

(c)(1) The authorities of the Federal banking agencies contained in section 8 of the Federal Deposit Insurance Act and in section 910 of this Act, except those contained in section 910(d), shall be applicable to this section.

(2) No private right of action or claim for relief may be predicated upon this section.

GENERAL AUTHORITIES

SEC. 910. (a)(1) The appropriate Federal banking agencies are authorized to interpret and define the terms used in this title, and each appropriate Federal banking agency shall prescribe rules or regulations or issue orders as necessary to effectuate the purposes of this title and to prevent evasions thereof.

(2) The appropriate Federal banking agency is authorized to apply the provisions of this title to any affiliate of an insured bank, but only to affiliates for which it is the appropriate Federal banking agency, in order to promote uniform application of this title or to prevent evasions thereof.

(3) For purposes of this section, the term "affiliate" shall have the same meaning as in section 23A of the Federal Reserve Act, except that the term "member bank" in such section shall be deemed to refer to an "insured bank", as such term is used in section 3(h) of the Federal Deposit Insurance Act.

(b) The appropriate Federal banking agencies shall establish uniform systems to implement the authorities provided under this title.

(c)(1) The powers and authorities granted in this title shall be supplemental to and shall not be deemed in any manner to derogate from or restrict the authority of each appropriate Federal banking agency under section 8 of the Federal Deposit Insurance Act or any other law including the authority to require additional capital or reserves.

(2) Any such authority may be used by any appropriate Federal banking agency to ensure compliance by a banking institution with the provisions of this title and all rules, regulations, or orders issued pursuant thereto.

(d)(1) Any banking institution which violates, or any officer, director, employee, agent, or other person participating in the conduct of the affairs of such banking institution, who violates any provision of this title, or any rule, regulation, or order, issued under this title, shall forfeit and pay a civil penalty of not more than $1,000 per day for each day during which such violation continues.

(2) Such violations shall be deemed to be a violation of a final order under section 8(i)(2) of the Federal Deposit Insurance Act and the penalty shall be assessed and collected by the appropriate Federal banking agency under the procedures established by, and subject to the rights afforded to parties in, such section.

GAO AUDIT AUTHORITY

SEC. 911. (a)(1) Under regulations of the Comptroller General, the Comptroller General shall audit the appropriate Federal banking agencies (as defined in section 903 of this title), but may carry out an onsite examination of an open insured bank or bank holding company only if the appropriate Federal banking agency has consented in writing.

(2) An audit under this subsection may include a review or evaluation of the international regulation, supervision, and examination activities of the appropriate Federal banking agency, including the coordination of such activities with similar activities of regulatory authorities of a foreign government or international organization.

(3) Audits of the Federal Reserve Board and Federal Reserve banks may not include—

(A) transactions for, or with, a foreign central bank, government of a foreign country, or nonprivate international financing organization;

(B) deliberations, decisions, or actions on monetary policy matters, including discount window operations, reserves of member banks, securities credit, interest on deposits, or open market operations;

(C) transactions made under the direction of the Federal Open Market Committee; or

(D) a part of a discussion or communication among or between members of the Board of Governors of the Federal Reserve System and officers and employees of the Federal Reserve System related to subparagraphs (A) through (C) of this paragraph.

(b)(1)(A) Except as provided in this subsection, an officer or employee of the General Accounting Office may not disclose information identifying an open bank, an open bank holding company, or a customer of an open or closed bank or bank holding company.

(B) The Comptroller General may disclose information related to the affairs of a closed bank or closed bank holding company identifying a customer of the closed bank or closed bank holding company only if the Comptroller General believes the customer had a controlling influence in the management of the closed bank or closed bank holding company or was related to or affiliated with a person or group having a controlling influence.

(2) An officer or employee of the General Accounting Office may discuss a customer, bank, or bank holding company with an official of an appropriate Federal banking agency and may report an apparent criminal violation to an appropriate law enforcement authority of the United States Government or a State.

(3) This subsection does not authorize an officer or employee of an appropriate Federal banking agency to withhold information from a committee of the Congress authorized to have the information.

(c)(1)(A) To carry out this section, all records and property of or used by an appropriate Federal banking agency, including samples of reports of examinations of a bank or bank holding company the Comptroller General considers statistically meaningful and workpapers and correspondence related to the reports shall be made available to the Comptroller General, including such records and property pertaining to the coordination of international regulation, supervisor and examination activities of an appropriate Federal banking agency.

(B) The Comptroller General shall give each appropriate Federal banking agency a current list of officers and employees to whom, with proper identification, records and property may be made available, and who may make notes or copies necessary to carry out an audit.

(C) Each appropriate Federal banking agency shall give the Comptroller General suitable and lookable offices and furniture, telephones, and access to copying facilities.

(2) Except for the temporary removal of workpapers of the Comptroller General that do not identify a customer of an open or closed bank or bank holding company, an open bank, or an open bank holding company, all workpapers of the Comptroller General and records and property of or used by an appropriate Federal banking agency that the Comptroller General possesses during an audit, shall remain in such agency. The Comptroller General shall prevent unauthorized access to records or property.

EQUAL REPRESENTATION FOR THE FEDERAL DEPOSIT INSURANCE CORPORATION

SEC. 912. As one of the three Federal bank regulatory and supervisory agencies, and as the insurer of the United States banks involved in international lending, the Federal Deposit Insurance Corporation shall be given equal representation with the Board of Governors of the Federal Reserve System and the Office of the Comptroller of the Currency on the Committee on Banking Regulations and Supervisory Practices of the Group of Ten Countries and Switzerland.

REPORTS

SEC. 913. Not later than six months after the date of the enactment of this title, the Secretary of the Treasury, or the appropriate Federal banking agencies as specified below, shall transmit a report to the Con-

gress regarding changes to improve the international lending operations of banking institutions. Such report shall—

(1) review the laws, regulations, and examination and supervisory procedures and practices, governing international banking in each of the Group of Ten Nations and Switzerland with particular attention to such matters bearing on capital requirements, lending limits reserves, disclosure, examiner access, and lender of last resort resources, such report to be prepared by the Chairman of the Board of Governors of the Federal Reserve System;

(2) cutline progress made in reaching the goal specified in section 908(c), such report to be prepared by the Secretary of the Treasury and the Chairman of the Board of Governors of the Federal Reserve System; and

(3) indicate actions taken to implement this title by the appropriate Federal banking agencies, including a description of the actions taken in carrying out the objectives of the title and any actions taken by any appropriate Federal banking agency that are inconsistent with the uniform implementation by the appropriate Federal banking agencies of their respective authorities under this title, and any recommendations for amendments to this or other legislation, such report to be prepared by the appropriate Federal banking agencies.

TITLE X—MULTILATERAL DEVELOPMENT BANKS

INTER-AMERICAN DEVELOPMENT BANK

SEC. 1001. The Inter-American Development Bank Act (22 U.S.C. 283 et seq.) is amended by adding at the end thereof the following:

"SEC. 31. (a)(1) The United States Governor of the Bank is authorized to vote for resolutions—

"(A) which were proposed by the Governors at a speical meeting in February 1983;

"(B) which are pending before the Board of Governors of the Bank; and

"(C) which provide for—

"(i) an increase in the authorized capital stock of the Bank and subscriptions thereto; and

"(ii) an increase in the resources of the Fund for Special Operations and contributions thereto.

"(2)(A) Upon adoption of the resolutions specified in paragraph (1), the United States Governor of the Bank is authorized on behalf of the United States to—

"(i) subscribe to 427,396 shares of the increase in the authorized capital stock of the Bank; and

"(ii) contribute $350,000,000 to the Fund for Special Operations.

"(B) Any commitment to make such subscriptions to paid-in and callable capital stock and to make such contributions to the Fund for Special Operations shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(b) In order to pay for the increase in the United States subscription and contribution provided for in this section, there are authorized to be appoprated, without fiscal year limitation, for payment by the Secretary of the Treasury—

"(1) $5,155,862,744 for the United States subscriptions to the capital stock of the Bank; and

"(2) $350,000,000 for the United States share of the increase in the resources of the Fund for Special Operations.".

ASIAN DEVELOPMENT BANK

SEC. 1002. The Asian Development Bank Act (22 U.S.C. 285 et seq.) is amended by adding at the end thereof the following:

"SEC. 27. (a)(1) The United States Governor of the Bank is authorized to subscribe on behalf of the United States to one hundred twenty-three thousand three hundred and seventy-five additional shares of the capital stock of the Bank.

"(2) Any subscription to the capital stock of the Bank shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(b) In order to pay for the increase in the United States subscription to the Bank provided for in subsection (a), there are authorized to be appropriated, without fiscal year limitation, $1,322,999,476 for payment by the Secretary of the Treasury.

"(c)(1) The Congress hereby finds that—

"(A) the Republic of China (Taiwan) is a charter member in good standing of the Asian Development Bank;

"(B) the Republic of China has grown from a borrower to a lender in the Asian Development Bank; and

"(C) the Republic of China provides, through its economic success, a model for other nations in Asia.

"(2) It is the sense of the Congress that—

"(A) Taiwan, Republic of China, should remain a full member of the Asian Development Bank, and that its status within that body should remain unaltered no matter how the issue of the People's Republic of China's application for membership is disposed of;

"(B) the President and the Secretary of State should express support of Taiwan, Republic of China, making it clear that the United States will not countenance attempts to expel Taiwan, Republic of China, from the Asian Development Bank; and

"(C) the Secretary of the Senate and Clerk of the House shall transmit a copy of this resolution to the President with the request that he transmit such copy to the Board of Governors of the Asian Development Bank.

"SEC. 28. (a)(1) The United States Governor of the Bank is authorized to contribute on behalf of the United States $520,000,000 to the Asian Development Fund, a special fund of the Bank.

"(2) Any commitment to make the contribution authorized in paragraph (1) shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution to the Asian Development Fund provided for in this section, there are authorized to be appropriated, without fiscal year limitation, $520,000,000 for payment by the Secretary of the Treasury.".

AFRICAN DEVELOPMENT FUND

SEC. 1003. The African Development Fund Act (22 U.S.C. 290g et seq.) is amended by adding at the end thereof the following:

SEC. 213. (a)(1) The United States Governor of the Fund is authorized to contribute on behalf of the United States $150,000,000 to the Fund as the United States contribution to the third replenishment of the resources of the Fund.

"(2) Any commitment to make the contribution authorized in paragraph (1) shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution provided for in this section, there are authorized to be appropriated, without fiscal year limitation, $150,000,000 for payment by the Secretary of the Treasury.".

HUMAN RIGHTS

SEC. 1004. Section 701 of the International Financial Institutions Act (22 U.S.C. 262g) is amended—

(1) in subsection (a)(1), by striking out "consistent"; and

(2) in subsection (g)(1), by striking out "The Secretary of the Treasury, in consultation with the Secretary of State, shall report quarterly" and inserting in lieu thereof "not later than thirty days after the end of each calendar quarter, the Secretary of the Treasury, in consultation with the Secretary of State, shall report.".

STUDY

SEC. 1005. (a) It is the sense of Congress that—

(1) the multilateral development institutions serve an invaluable role in promoting development abroad;

(2) foreign direct investment, trade, and commercial lending make a contribution at least equal to that of development assistance in promoting development;

(3) United States economic interests are vitally affected by conditions in developing countries; and

(4) the multilateral development banks already play an important, although indirect, role in encouraging private investments flows.

(b)(1)(A) The Secretary of the Treasury shall conduct a study of how the multilateral development institutions could more actively encourage foreign direct investment and commercial capital flows and channel such investment and capital flows to developing countries for sound and productive development projects through the International Finance Corporation in cooperation with the multilateral development institutions or through a new investment banking facility at one or more of these institutions.

(B) In addition, such study shall evaluate whether the multilateral development institutions could help increase foreign direct investment and commercial capital flows by insuring that the interests of investors and host governments are adequately protected.

(2) The Secretary of the Treasury shall solicit comments on such study from the multilateral development institutions and shall incorporate such comments with the study in a report to be transmitted to both Houses of the Congress within one hundred and eighty days of the date of the enactment of this section.

PERSONNEL PRACTICES

SEC. 1006. (a) It shall be the policy of the United States that no initiatives, discussions, or recommendations concerning the placement or removal of any Inter-American Development Bank, Asian Development Park, or African Development Bank personnel shall be based on the political philosophy or activity of the individual under consideration.

(b) The Secretary of the Treasury shall consult with the Chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate and the relevant subcommittees prior to any discussions or recommendations by any official of the United States Government concerning the placement or removal of any principal officer of the Inter-American Development Bank, Asian Development Bank, or African Development Bank management.

TITLE XI—IMF APPROPRIATION

IMF APPROPRIATION

SEC. 1101. (a) Notwithstanding any other provision of this Act, there is appropriated for an increase in the United States quota in the International Monetary Fund, the dollar equivalent of 5,310,000,000 Special Drawing Rights, to remain available until expended.

(b) Notwithstanding any other provision of this Act, there is appropriated for an increase in loans to the International Monetary Fund under the General Arrangements to Borrow, the dollar equivalent of 4,250,000,000 Special Drawing Rights less $2,000,000,000 previously appropriated by the Act of October 23, 1962 (Public Law 87-872, 76 Stat. 1163), pursuant to the authorization contained in section 17 of the Bretton Woods Agreement act and merged with this appropriation, to remain available until expended:

ARMSTRONG (AND EXON) AMENDMENT NO. 2634

Mr. ARMSTRONG (for himself and Mr. EXON) proposed an amendment to the amendment No. 2633 proposed by Mr. GARN to the amendment of the House to the amendment of the Senate numbered 11 to the bill H.R. 3959, supra; as follows:

Insert at an appropriate place the following:

(a) The Congress finds and declares that—

(1) the international banking system is currently threatened by a series of national financial crises;

(2) the Congress is desirous of finding a solution to the current monetary crisis which will result in a stable monetary system and preservation of a liberal international economy;

(3) this solution must be found without placing inordinate pressures on United States credit markets;

(4) the breakdown in the Bretton Woods monetary system has contributed directly to these problems;

(5) the economic policies prescribed by the International Monetary Fund can be harmful to economic growth; and

(6) the International Monetary Fund currently holds approximately $40 billion of uncommitted assets in the form of gold bullion and has not utilized them fully to date.

(b) It is the sense of the Senate that—

(1) restoration of a stable monetary system is necessary to assure economic growth and to maintain a liberal international economic system;

(2) as a first step toward this restoration the Secretary of the Treasury should call for an international conference on the monetary system to investigate its systemic problems;

(3) in coping with the current financial crisis the International Monetary Fund should make fuller use of its current assets, including its gold holdings;

(4) the International Monetary Fund should revise the conditions placed on its loans so as to encourage economic growth.

ARMSTRONG AMENDMENT NO. 2635

Mr. ARMSTRONG proposed an amendment to the amendment No. 2633 proposed by Mr. GARN to the amendment of the House to the amendment of the Senate numbered 11 to the bill H.R. 3959, supra; as follows:

Title III. On page 6, line 24, after 'families,' strike through line 34.

HUMPHREY (AND OTHERS) AMENDMENT NO. 2636

Mr. HUMPHREY (for himself, Mr. ARMSTRONG and Mr. DECONCINI) proposed an amendment to amendment No. 2633 proposed by Mr. GARN to the amendment of the House to the amendment of the Senate numbered 11 to the bill H.R. 3959, supra; as follows:

In title VIII, Sec. 802, on page 33, line 2, strike "5,310,800,000" and insert "4,779,720,000".

ARMSTRONG AMENDMENT NO. 2637

Mr. ARMSTRONG proposed an amendment to amendment No. 2633 to the amendment of the House to the amendment of the Senate numbered 11 to the bill H.R. 3959, supra; as follows:

Strike out section 207 and redesignate succeeding sections accordingly.

ARMSTRONG AMENDMENT NO. 2638

Mr. ARMSTRONG proposed an amendment to amendment No. 2633 proposed by Mr. GARN to the amendment of the House to the amendment of the Senate numbered 11 to the bill H.R. 3959, supra; as follows:

Page 21, lines 13 through 15, delete "and will not result in loss of employment by any employees of the Department of Housing and Urban Development." This amendment will take effect on September 30, 1985.

LEVIN (AND OTHERS) AMENDMENT NO. 2639

Mr. LEVIN (for himself, Mr. COHEN, Mr. HEINZ, Mr. PRYOR, Mr. DURENBERGER, Mr. BINGAMAN, Mr. RIEGLE, Mr. RANDOLPH, Mr. MELCHER, Mr. SARBANES, Mr. LAUTENBERG, Mr. BOSCHWITZ, Mr. HEFLIN, Mr. PELL, Mr. SPECTER, Mr. GLENN, Mr. KENNEDY, Mr. DIXON, Mr. INOUYE, Mrs. HAWKINS, and Mr. RUDMAN), proposed an amendment to the amendment of the House to the amendment of the Senate numbered 12 to the bill H.R. 3959, supra; as follows:

At the end of the bill add the following title:

TITLE II—SOCIAL SECURITY DISABILITY PROVISIONS

SHORT TITLE

SEC. 201. This title may be cited as the "Social Security Disability Amendments of 1983".

PRETERMINATION NOTICE

SEC. 202. (a)(1) Section 221(i) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(4) In any case where the Secretary initiates a review under this subsection of the case of an individual who has been determined to be under a disability, the Secretary shall notify such individual of the nature of the review to be carried out, the possibility that such review could result in the termination of benefits, and the right of the individual to provide medical evidence with respect to such review.".

(2) Section 221(c) of such Act is amended by adding at the end thereof the following new paragraph:

"(4) In any case where the Secretary initiates a review under this subsection of a determination made by a State agency that an individual is under a disability, the Secretary shall notify the individual whose case is to be reviewed of the nature of the review to be carried out and the possibility that such review could result in the termination of benefits.".

(b) Section 1633 of such Act is amended by adding at the end thereof the following new subsection:

"(c) In any case in which the Secretary initiates a review under this title, similar to the continuing disability reviews or own motion reviews authorized for purposes of title II under sections 221(c) and 221(i), the Secretary shall notify the individual whose case is to be reviewed in the same manner as required under section 221(i)(4) or 221(c)(4), respectively.".

STANDARD OF REVIEW FOR TERMINATION OF DISABILITY BENEFITS AND PERIODS OF DISABILITY

SEC. 203. (a) Section 223 of the Social Security Act is amended by inserting after subsection (e) the following new subsection:

"STANDARD OF REVIEW FOR TERMINATION OF DISABILITY BENEFITS

"(f)(1) A recipient of benefits under this title or title XVIII based on the disability of any individual may be determined not to be entitled to such benefits on the basis of a finding that the physical or mental impairment on the basis of which such benefits are provided has ceased, does not exist, or is not disabling only if such finding is supported by—

"(A) substantial evidence which demonstrates that there has been medical improvement in the individual's impairment or combination of impairments so that—

"(i) the individual is now able to engage in substantial gainful activity, or

"(ii) if the individual is a widow or surviving divorced wife under section 202(e) or a widower or surviving divorced husband under section 202(f), the severity of his or her impairment or impairments is no longer deemed, under regulations prescribed by the Secretary sufficient to preclude the individual from engaging in gainful activity; or

"(B) substantial evidence which—

"(i) consists of new medical evidence and (in a case to which subclause (II) does not apply) a new assessment of the individual's residual functional capacity and demonstrates that, although the individual has not improved medically, he or she is nonetheless a beneficiary of advances in medical or vocational therapy or technology so that—

"(I) the individual is now able to engage in substantial gainful activity, or

"(II) if the individual is a widow or surviving divorced wife under section 202(e) or a widower or surviving divorced husband under section 202(f), the severity of his or her impairment or impairments is no longer deemed under regulations prescribed by the Secretary sufficient to preclude the individual from engaging in gainful activity; or

"(ii) demonstrates that, although the individual has not improved medically, he or she has undergone vocational thereapy so that the requirements of subclause (I) or (II) of clause (i) are met; or

(C) substantial evidence which demonstrates that, as determined on the basis of new or improved diagnostic techniques or evaluations, the idividual's impairment or combination of impairments is not as disabling as it was considered to be at the time of the most recent prior decision that he or she was under a disability or continued to be under a disability, and that therefore—

"(i) the individual is able to engage in substantial gainful activity, or

"(ii) if the individual is a widow or surviving divorced wife under section 202(e) or a widower or surviving divorced husband under section 202(f), the severity of his or her impairment or impairments is not deemed under regulations prescribed by the Secretary sufficient to preclude the individual from engaging in gainful activity; or

"(b) substantial evidence which demonstrates that, as determined on the basis of a new assessment of the individual's residual functional capacity and new vocational evaluations, the individual is able to return to his or her prior employment.

"(2) Nothing in this subsection shall be construed to require a derermination that a recipient of benefits under this title or title XVIII based on an individual's disability is entitled to such benefits if evidence on the record at the time any prior determination of such entitlement to disability benefits was made, or new evidence which relates to that determination, shows that the prior determination was either clearly erroneous at the time it was made or was fraudulently obtained, or if the individual is engaged in substantial gainful activity.

"(3) In any case in which there is no available medical evidence supporting a prior disability determination, nothing in this subsection shall preclude the Secretary, in attempting to meet the requirements of the preceding provisions of this subsection, from securing additional medical reports necessary to reconstruct the evidence which supported such prior disability determination.

"(4) For purposes of this subsection, a benefit under this title is based on an individual's disability if it is a disability insurance benefit, a child's, widow's, or widower's insurance benefit based on disability, or a mother's or father's insurance benefit based on the disability of the mother's or father's child who has attained age 16.".

(b) Section 216(i) of such Act is amended by adding at the end thereof the following new paragraph:

"(4)(A) A period of disability may be determined to end on the basis of a finding that the physical or mental impairment on the basis of which the finding of disability was made has ceased, does not exist, or is not disabling only if such finding is supported by evidence described in subparagraph (A), (B), (C), or (D) of section 223(f)(1).

"(B) Nothing in subparagraph (A) shall be construed to require a determination that a period of disability continues if evidence on the record at the time any prior determination of such period of disability was made, or new evidence which relates to such determination, shows that the prior determination was either clearly erroneous at the time it was made or was fraudulently obtained, or if the individual is engaged in substantial gainful activity.

"(C) In any case in which there is no available medical evidence supporting a prior disability determination, nothing in this paragraph shall preclude the Secretary, in attemping to meet the requirements of the preceding provisions of this paragraph, from securing additional medical reports necessary to reconstruct the evidence which supported such prior disability determination.".

(c) Section 1614(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(5)(A) A recipient of benefits based on disability under this title may be determined not to be entitled to such benefits on the basis of a finding that the physical or mental impairment on the basis of which such benefits are provided has ceased, does not exist, or is not disabling only if such finding is supported by—

"(i) substantial evidence which demonstrates that there has been medical improvement in the individual's impairment or combination of impairments so that the individual is now able to engage in substantial gainful activity; or

"(ii) substantial evidence (except in the case of an individual eligible to receive benefits under section 1619) which—

"(I) consists of new medical evidence and a new assessment of the individual's residual functional capacity and demonstrates that, although the individual has not improved medically, he or she is nonetheless a beneficiary of advances in medical or vocational therapy or technology so that the individual is now able to engage in substantial gainful activity, or

"(II) demonstrates that, although the individual has not improved medically, he or she has undergone vocational therapy so that he or she is now able to engage in substantial gainful activity; or

"(III) substantial evidence which demonstrates that, as determined on the basis of new or improved diagnostic techniques or evaluations, the individual's impairment or combination of impairments is not as disabling as it was considered to be at the time of the most recent prior decision that he or she was under a disability or continued to be under a disability, and that therefore the individual is able to engage in substantial gainful activity; or

"(iv) substantial evidence which demonstrates that, as determined on the basis of a new assessment of the individual's residual functional capacity and new vocational evaluations, the individual is able to return to his or her prior employment.

"(B) Nothing in this paragraph shall be construed to require a determination that a recipient of benefits under this title based on disability is entitled to such benefits if evidence on the record at the time any prior determination of such entitlement to benefits was made, or new evidence which relates to that determination, shows that the prior determination was either clearly erroneous at the time it was made or was fraudulently obtained, or if the individual (unless he or she is eligible to receive benefits under section 1619) is engaged in substantial gainful activity.

"(C) In any case in which there is no available medical evidence supporting a prior determination of disability, nothing in this paragraph shall preclude the Secretary, in attempting to meet the requirements of the preceding provisions of this paragraph, from securing additional medical reports necessary to reconstruct the evidence which supported such prior determination.".

CASE DEVELOPMENT AND MEDICAL EVIDENCE

SEC. 204. (a) Section 223(d)(5) of the Social Security Act is amended by inserting "(A)" after "(5)" and by adding at the end thereof the following new subparagraph:

"(B) In making any determination with respect to whether an individual is under a disability or continues to be under a disability, the Secretary shall consider all evidence available in such individual's case record, and shall develop a complete medical history of at least the preceding twelve months. In making such determination the Secretary shall make every reasonable effort to obtain from the individual's treating physician (or other treating health care provider) all medical evidence, including diagnostic tests, necessary in order to properly make such determination, prior to seeking medical evidence from any other source on a consultative basis.".

(b) Section 1614(a)(3) of such Act is amended by adding at the end thereof the following subparagraph:

"(G) In making determinations with respect to disability under this title, the provisions of section 223(d)(5) shall apply.".

EVALUATION OF PAIN

SEC. 205. (a) Section 223(d)(5)(A) of the Social Security Act (as amended by section 203 of this Act) is amended by inserting after the first sentence the following new sentence: "An individual's statement as to pain or other symptoms shall not alone be conclusive evidence of disability as defined in this section; there must be findings, established by medically acceptable clinical or laboratory diagnostic techniques, which demonstrate the pain or other symptoms alleged and which, when considered with all evidence required to be furnished under this paragraph (including statements of the individual and his treating physician as to the intensity and persistence of such pain or other symptoms which may reasonably be accepted as consistent with the findings), would lead to a conclusion that the individual is under a disability.".

(b)(1) The Secretary of Health and Human Services shall, in conjuction with the National Academy of Sciences, conduct a study of the issues concerning—

(A) the use of subjective evidence of pain, including statements of the individual alleging such pain as to the intensity and persistence of such pain and corroborating evidence provided by treating physicians, family, neighbors, or behavioral indicia, in determining under section 221 or title XVI of the Social Security Act whether an individual is under a disability, and

(B) methods of preventing, reducing, or coping with pain.

(2) The Secretary shall submit the results of the study under paragraph (1), together with any recommendations, to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate not later than April 1, 1985.

UNIFORM STANDARDS FOR DISABILITY DETERMINATIONS

SEC. 206. (a) Section 221 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(j)(1) The Secretary shall establish by regulation uniform standards which shall be applied at all levels of determination, review, and adjudication in determining whether individuals are under disabilities as defined in section 216(i) or 223(d).

"(2) Regulations promulgated under paragraph (1) shall be subject to the rulemaking procedures established under section 553 of title 5, United States Code.".

(b) Section 1614(a)(3)(G) of such Act (as added by section 204) is amended by striking out "section 221(b)(5)" and inserting in lieu thereof "section 221(b)(5) and 221(j)".

MULTIPLE IMPAIRMENTS

SEC. 207. (a)(1) Section 223(d)(2) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

"(C) In determining whether an individual's physical or mental impairment or impairments are of such severity that he or she is unable to engage in substantial gainful activity, the Secretary shall consider the combined effect of all of the individual's impairments without regard to whether any such impairment, if considered separately, would be of such severity.".

(2) The third sentence of section 216(i)(1) of such Act is amended by inserting "(2)(C)," after "(2)(A),".

(b) Section 1614(a)(3)(G) of such Act (as amended by section 206) is amended by striking out "and 221(j)" and inserting in lieu thereof ", 221(j), and 223(d)(2)(C)",

MORATORIUM ON MENTAL IMPAIRMENT REVIEWS

SEC. 208. (a) The Secretary of Health and Human Services (hereafter in this section referred to as the "Secretary") shall revise the criteria embodied under the category "Mental Disorders" in the "Listing of Impairments" in effect on the date of the enactment of this Act under appendix 1 to subpart P of part 404 of title 20 of the Code of Federal Regulations. The revised criteria and listings, alone and in combination with assessments of the residual function capacity of the individuals involved, shall be designed to realistically evaluate ability of a mentally impaired individual to engage in substantial gainful activity in a competitive workplace envirnment. Regulations established such revised criteria and listings shall be published no later then nine months after the date of the enactment of this Act.

(b) The Secretary shall make the revisions pursuant to subsection (a) in consultation with the Advisory Council on the Medical Aspects of Disability (established by section 208 of this Act), and shall take the advice and recommendations of such Council fully into account in making such revisions.

(c)(1) Until such time as revised criteria have been established by regulation in accordance with subsection (a), no continuing eligibility review shall be carried out under section 221(i) of the Social Security Act, or under the corresponding requirements established for disability determinations and reviews under title XVI of such Act, with respect to any individual previlously determined to be under a disability by reason of a mental impairment, if—

(A) no initial decision on such review has been rendered with respect to such individual prior to the date of the enactment of this Act, or

(B) an initial decision on such review was rendered with respect to such individual prior to the date of the enactment of this Act but a timely appeal from such decision was filed or was pending on or after June 7, 1983.

For purposes of this paragraph and subsection (d)(1) the term "continuing eligibility review", when used to refer to a review of a previous determination of disability, includes any reconsideration of or hearing on the initial decision rendered in such review as well as such initial decision itself, and any review by the Appeals Council of the hearing decision.

(2) Paragraph (1) shall not apply in any case where the Secretary determines that fraud was involved in the prior determination, or have an individual (other than an individual eligible to receive benefits under section 1619 of the Social Security Act) is determined by the Secretary to be engaged in substantial gainful activity.

(d)(1) Any initial determination that an individual is not under a disability by reason of a mental impairment and any determination that an individual is not under a disability by reason of a mental impairment in a reconsideration of or hearing on an initial disability determination, made or held under title II or XVI of the Social Security Act after the date of the enactment of this Act and prior to the date on which revised criteria are established by regulation in accordance with subsection (a), and any determination that an individual is not under a disability by reason of a mental impairment made under or in accordance with title II or XVI of such Act in a reconsideration of, hearing on, or judicial review of a decision rendered in any continuing eligibility review to which subsection (c)(1) applies, shall be redetermined by the Secretary as soon as feasible after the date on which such criteria are so established, applying such revised criteria.

(2) In the case of a redetermination under paragraph (1) of a prior action which found that an individual was not under a disability, if such individual is found on redetermination to be under a disability, such redetermination shall be applied as though it had been made at the time of such prior action.

(3) Any individual with a mental impairment who was found to be not disabled pursuant to an initial disability determination or a continuing eligiblity review between March 1, 1981, and the date of the enactment of this Act, and who reapplies for benefits under title II or XVI of the Social Security Act, may be determined to be under a disability during the period considered in the most recent prior determination. Any reapplication under this paragraph must be filled within one year after the date of the enactment of this Act, and benefits payable as a result of the preceding sentence shall be paid only on the basis of the reapplication.

ADVISORY COUNCIL ON THE MEDICAL ASPECTS OF DISABILITY

SEC. 209. (a) There is hereby established in the Department of Health and Human Services an Advisory Council on the Medical Aspects of Disability (hereafter in this section referred to as the "Council").

(b)(1) The Council shall consist of—

(A) 10 members appointed by the Secretary of Health and Human Services (without regard to the requirements of the Federal Advisory Committee Act) within 60 days after the date of the enactment of this Act from among independent medical and vocational experts, including at least one psychiatrist, one rehabilitation psychologist, and one medical social worker; and

(B) the Commissioner of Social Security ex officio.

The Secretary shall from time to time appoint one of the members to serve as Chairman. The Council shall meet as often as the Secretary deems necessary, but not less often than twice each year.

(2) Members of the Council appointed under paragraph (1)(A) shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. Such members, while attending meetings or conferences thereof or otherwise serving on the business of the Council, shall be paid at rates fixed by the Secretary, but not exceeding $100 for each day, including traveltime, during which they are engaged in the actual performance of duties vested in the Council; and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(3) The Council may engage such technical assistance from individuals skilled in medical and other aspects of disability as may be necessary to carry out its functions. The Secretary shall make available to the Council such secretarial, clerical, and other assistance and any pertinent data prepared by the Department of Health and Human Services as the Council may require to carry out its functions.

(c) It shall be the function of the Council to provide advice and recommendations to the Secretary of Health and Human Services on disability standards, policies, and procedures under titles II and XVI of the Social Security Act, including advice and recommendations with respect to—

(1) the revisions to be made by the Secretary, under section 208(a) of this Act, in the criteria embodied under the category "Mental Disorders" in the "Listing of Impairments"; and

(2) the question of requiring, in cases involving impairments other than mental impairments, that the medical portion of each case review (as well as any applicable assessment of residual functional capacity) be completed by an appropriate medical specialist employed by the State agency before any determination can be made with respect to the impairment involved. The Council shall also have the functions and responsibilities (with respect to work evaluations in the case of applicants for and recipients of benefits based on disability under title XVI) which are set forth in section 211 of this Act.

(d) Whenever the Council deems it necessary or desirable to obtain assistance in order to perform its functions under this section, the Council may—

(1) call together larger groups of experts, including representatives of appropriate professional and consumer organizations, in order to obtain a broad expression of views on the issues involved; and

(2) establish temporary short-term task forces of experts to consider and comment upon specialized issues.

(e)(1) Any advice and recommendations provided by the Council to the Secretary of Health and Human Services shall be included in the ensuing annual report made by the Secretary to Congress under section 704 of the Social Security Act.

(2) Section 704 of the Social Security Act is amended by inserting after the first sentence the following new sentence: "Each such report shall contain a comprehensive description of the current status of the disability insurance program under title II and the program of benefits for the blind and disabled under title XVI (including, in the case of the reports made in 1984, 1985, and 1986, and advice and recommendations provided to the Secretary by the Advisory Council on the Medical Aspects of Disability, with respect to disability standards, poli-

cies, and procedures, during the preceding year).".

(f) The Council shall cease to exist at the close of December 31, 1985.

SSI BENEFITS FOR INDIVIDUALS WHO PERFORM SUBSTANTIAL GAINFUL ACTIVITY DESPITE SEVERE MEDICAL IMPAIRMENT

SEC. 210. (a) Section 201(d) of the Social Security Disability Amendments of 1980 is amended by striking out "shall remain in effect only for a period of three years after such effective date" and inserting in lieu thereof "shall remain in effect only through June 30, 1986".

(b) Section 1619 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(c) The Secretary of Health and Human Services and the Secretary of Education shall jointly develop and disseminate information, and establish training programs for staff personnel, with respect to the potential availability of benefits and services for disabled individuals under the provisions of this section. The Secretary of Health and Human Services shall provide such information to individuals who are applicants for and recipients of benefits based on disability under this title and shall conduct such programs for the staffs of the District offices of the Social Security Administration. The Secretary of Education shall conduct such programs for the staffs of the State Vocational Rehabilitation agencies, and in cooperation with such agencies shall also provide such information to other appropriate individuals and to public and private organizations and agencies which are concerned with rehabilitation and social services or which represent the disabled.".

ADDITIONAL FUNCTIONS OF ADVISORY COUNCIL; WORK EVALUATIONS IN CASE OF APPLICANTS FOR AND RECIPIENTS OF SSI BENEFITS BASED ON DISABILITY

SEC. 211. (a) The functions and responsibilities of the Advisory Council on the Medical Aspects of Disability (established by section 209 of this Act) shall include—

(1) a consideration of alternative approaches to work evaluation in the case of applicants for benefits based on disability under title XVI and recipients of such benefits undergoing reviews of their cases, including immediate referral of any such applicant or recipient to a vocational rehabilitation agency for services at the same time he or she is referred to the appropriate State agency for a disability determination;

(2) an examination of the feasibility and appropriateness of providing work evaluation stipends for applicants for and recipients of benefits based on disability under title XVI in cases where extended work evaluation is needed prior to the final determination of their eligibility for such benefits or for further rehabilitation and related services;

(3) a review of the standards, policies, and procedures which are applied or used by the Secretary of Health and Human Services with respect to work evaluations, in order to determine whether such standards, policies, and procedures will provide appropriate screening criteria for work evaluation referrals in the case of applicants for and recipients of benefits based on disability under title XVI; and

(4) an examination of possible criteria for assessing the probability that an applicant for or recipient of benefits based on disability under title XVI will benefit from rehabilitation services, taking into consideration not only whether the individual involved will be able after rehabilitation to engage in substantial gainful activity but also whether rehabilitation services can reasonably be expected ot improve the individual's functioning so that he or she will be able to live independently or work in a sheltered environment.

(b) For purposes of this section, "work evaluation" includes (with respect to any individual) a determination of—

(1) such individual's skills,

(2) the work activities or types of work activity for which such individual's skills are insufficient or inadequate,

(3) the work activities of types of work activity for which such individual might potentially be trained or rehabilitated,

(4) the length of time for which such individual is capable of sustaining work (including, in the case of the mentally impaired, the ability to cope with the stress of competitive work), and

(5) any modifications which may be necessary, in work activities for which such individual might be trained or rehabilitated, in order to enable him or her to perform such activities.

PAYMENT OF COSTS OF REHABILITATION SERVICES

SEC. 212. (a) The first sentence of section 222(d)(1) of the Social Security Act is amended—

(1) by striking out "into substantial gainful activity"; and

(2) by striking out "which result in their performance of substantial gainful activity which lasts for a continuous period of nine months" and inserting in lieu thereof the following: "(i) in cases where the furnishing of such services results in the performance by such individuals of substantial gainful activity for a continuous period of nine months, (ii) in cases where such individuals receive benefits as a result of section 225(b) (except that no reimbursement under this paragraph shall be made for services furnished to any individual receiving such benefits for any period after the close of such individual's ninth consecutive month of substantial gainful activity or the close of the month in which his or her entitlement to such benefits ceases, whichever first occurs), and (iii) in cases where such individuals, without good cause, refuse to accept vocational rehabilitation services or fail to cooperate in such a manner as to preclude their successful rehabilitation".

(b) The second sentence of section 222(d)(1) of such Act is amended by inserting after "substantial gainful activity" the following: ", the determination that an individual, without good cause, refused to accept vocational rehabilitation services or failed to cooperate in such a manner as to preclude successful rehabilitation,".

(c) The first sentence of section 1615(d) of such Act is amended by striking out "if such services result in their performance of substantial gainful activity which lasts for a continuous period of nine months" and inserting in lieu thereof the following: "(1) in cases where the furnishing of such services results in the performance by such individuals of substantial gainful activity for continuous periods of nine months, (2) in cases where such individuals are determined to be no longer entitled to benefits under this title because the physical or mental impairments on which the benefits are based have ceased, do not exist, or are not disabling (and no reimbursement under this subsection shall be made for services furnished to any individual receiving such benefits for any period after the close of such individual's ninth consecutive month of substantial gainful activity or the close of the month with which his or her entitlement to such benefits ceases, whichever first occurs), and (3) in cases where such individuals, without good cause, refuse to accept vocational rehabilitation services or fail to cooperate in such a manner as to preclude their successful rehabilitation".

(d) The amendments made by this section shall apply with respect to individuals who receive benefits as a result of section 225(b) of the Social Security Act (or who are determined to be no longer entitled to benefits under title XVI of such Act because the physical or mental impairments on which the benefits are based have ceased, do not exist, or are not disabling), or who refuse to accept rehabilitation services or fail to cooperate in an approved vocational rehabilitation program, in or after the first month following the month in which this Act is enacted.

QUALIFICATIONS OF MEDICAL PROFESSIONALS EVALUATING MENTAL IMPAIRMENTS

SEC. 213. (a) Section 221 of the Social Security Act is amended by inserting after subsection (g) the following new subsection:

"(h) A determination under subsection (a), (c), (g), or (i) that an individual is not under a disability by reason of a mental impairment shall be made only if, before its issuance by the State (or the Secretary), a qualified psychiatrist or psychologist who is employed by the State agency or the Secretary (or whose services are contracted for by the State agency or the Secretary) has completed the medical portion of the case review, including any applicable residual functional capacity assessment.".

(b) Section 1614 (a) (3) (G) of such Act (as amended by section 207) is amended by inserting "221 (h)," before "221 (j)".

RESPONSE BY SECRETARY TO COURT DECISIONS

SEC. 214. (a) In the case of any decision rendered by a United States Court of Appeals which—

(1) involves an interpretation of the Social Security Act or any regulation issued thereunder;

(2) involves a case to which the Department of Health and Human Services or any officer or employee thereof is a party; and

(3) requires that such department or officer or employee thereof, apply or carry out any provision, procedure, or policy under such Act with respect to any individual or circumstance in a manner which varies from the manner in which such provision, procedure, or policy is generally applied or carried out.

the Secretary shall, within 60 days after the issuance of such decision or the last day available for filing an appeal, whichever is later, send to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives, and publish in the Federal Register, a statement of the Secretary's decision to acquiesce or not acquiesce in such court decision, and the specific facts and reasons in support of the Secretary's decision. Nothing in this section shall be interpreted as sanctioning any decision of the Secretary not to acquiesce in the decision of a United States Court of Appeals.

CONTINUATION OF BENEFITS DURING APPEAL

SEC. 215. (a)(1) Section 223(g)(1) of the Social Security Act is amended—

(A) in the matter following subparagraph (C), by striking out "and the payment of any other benefits under this Act based on

such individual's wages and self-employment income (including benefits under title XVIII)," and inserting in lieu thereof ", the payment of any other benefits under this title based on such individual's wages and self-employment income, the payment of mother's or father's insurance benefits to such individual's mother or father based on the disability of such individual as a child who has attained age 16, and the payment of benefits under title XVIII based on such individual's disability,"; and

(B) in clause (iii) by striking out "June 1984" and inserting in lieu thereof "June 1986".

(2) Section 223(g)(3)(B) of such Act is amended by striking out "December 7, 1983" and inserting in lieu thereof "January 1, 1986".

(b) Section 1631(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(7)(A) In any case where—

"(i) an individual is a recipient of benefits based on disability or blindness under this title,

"(ii) the physical or mental impairment on the basis of which such benefits are payable is found to have ceased, not to have existed, or to no longer be disabling, and as a consequence such individual is determined not to be entitled to such benefits, and

"(iii) a timely request for review or for a hearing is pending with respect to the determination that he is not so entitled,

each individual may elect (in such manner and form and within such time as the Secretary shall by regulations prescribe) to have the payment of such benefits continued for an additional period beginning with the first month beginning after the date of the enactment of this paragraph for which (under such determination) such benefits are no longer otherwise payable, and ending with the earlier of (I) the month preceding the month in which a decision is made after such a hearing, (II) the month preceding the month in whch no such request for review or a hearing is pending, or (III) June 1986.

"(b)(i) If an individual elects to have the payment of his benefits continued for an additional period under subparagraph (A), and the final decision of the Secretary affirms the determination that he is not entitled to such benefits, any benefits paid under this title pursuant to such election (for months in such additional period) shall be considered overpayments for all purposes of this title, except as otherwise provided in clause (ii).

"(ii) If the Secretary determines that the individual's appeal of his termination of benefits was made in good faith, all of the benefits paid pursuant to such individual's election under subparagraph (A) shall be subject to waiver consideration under the provisions of subsection (b)(1).

"(C) The provisions of subparagraphs (A) and (B) shall apply with respect to determinations (that individuals are not entitled to benefits) which are made—

"(i) on or after the date of the enactment of this paragraph, or prior to such date but only on the basis of a timely request for review or for a hearing, and

"(ii) prior to January 1, 1986.".

(c)(1) The Secretary of Health and Human Services shall, as soon as practicable after the date of the enactment of this Act, conduct a study concerning the effect which the enactment and continued operation of section 223(q) of the Social Security Act is having on expenditures from the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, and the Federal Supplementary Medical Insurance Trust Fund, and the rate of appeals to administrative law judges of unfavorable determinations relating to disability or periods of disability.

(2) The Secretary shall submit the results of the study under paragraph (1), together with any recommendations, to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate not later than July 1, 1985.

PERSONAL APPEARANCE DEMONSTRATION PROJECTS

SEC. 216. The Secretary of Health and Human Services shall, as soon as practicable after the date of the enactment of this Act, implement demonstration projects in which a personal appearance prior to a determination of ineligibility for persons reviewed under section 221(i) of the Social Security Act is substituted for the face to face evidentiary hearing required by section 205(b)(2) of such Act. Such demonstration projects shall be conducted in not fewer than five States, and shall include disability determinations with respect to individuals reviewed under title XVI of such Act. The Secretary shall report to the the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate concerning such demonstration projects, together with any recommendations, not later than April 1, 1985.

EFFECTIVE DATE

SEC. 217. Except as otherwise provided in this title, the amendments made by this title shall apply with respect to cases involving disability determinations pending in the Department of Health and Human Services or in court on the date of the enactment of this Act, or initiated on or after such date.

MAUDE R. TOULSON FEDERAL BUILDING

STAFFORD AMENDMENT NO. 2640

(Ordered to be referred to the Committee on Environment and Public Works).

Mr. STAFFORD submitted an amendment intended to be proposed by him to the bill (H.R. 4107) to designate the Federal Building in Salisbury, Md., as the "Maude R. Toulson Federal Building"; as follows:

At the end of the bill, add a new section as follows:

SEC. 2. Notwithstanding any other provision of law, none of the funds made available to the General Services Administration pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, shall be obligated or expended after the date of enactment of this Act for procurement by contract of any service which, before such date, was performed by individuals in their capacity as employees of the General Services Administration in any position of mechanic.

SUPPLEMENTAL APPROPRIATIONS, 1984

JOHNSTON (AND OTHERS) AMENDMENT NO. 2641

Mr. JOHNSTON (for himself, Mr. PACKWOOD, Mr. BAUCUS, Mr. BENTSEN, Mr. BINGAMAN, Mr. BOSCHWITZ, Mr. BRADLEY, Mr. BUMPERS, Mr. CHILES, Mr. CRANSTON, Mr. DIXON, Mr. DURENBERGER, Mr. EAGLETON, Mr. EXON, Mr. FORD, Mr. GLENN, Mr. HART, Mr. HOLLINGS, Mr. HUMPHREY, Mr. KENNEDY, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. MATSUNAGA, Mr. METZENBAUM, Mr. MITCHELL, Mr. PELL, Mr. PROXMIRE, Mr. PRYOR, Mr. RIEGLE, Mr. SARBANES, Mr. TSONGAS, Mr. ZORINSKY, Mr. MOYNIHAN, Mr. DODD, Mr. HUDDLESTON, Mr. STENNIS, Mr. SASSER, Mr. RANDOLPH, Mr. BIDEN, and Mr. INOUYE) proposed an amendment to the amendment of the House to the amendment of the Senate numbered 36 to the bill H.R. 3959, supra; as follows:

Strike all after "Operation" and insert in lieu thereof the following:

THE NATIONAL PARK SYSTEM

Funds appropriated to the National Park Service under this head in Public Law 97-394 shall be available to reimburse the Estate of Bess W. Truman for operation expenses, including maintenance and protection, of the Harry S Truman National Historic Site incurred during the period October 18, 1982 through December 27, 1982. For the Washington Tourist Information Facility in the Great Hall of the Herbert Clark Hoover Building, $500,000.

SEC. — (a) The United States Senate, having under consideration the nomination of Mr. William P. Clark of California to be Secretary of the Interior, finds and declares that—

(1) the Department of the Interior under the leadership of Secretary James Watt and his subordinates has pursued policies that have significantly altered well-established programs which had enjoyed long-standing, bipartisan congressional support and broad public acceptance; and

(2) these policies have generated unprecedented public controversy, led to an unusual volume of litigation in which courts have frequently held that the Department was not acting in accordance with the law, and have caused the Congress to constrain the Department from pursuing many of these policies;

(b) The United States Senate further finds and declares that, as examples of these policies—

(1) wilderness study lands have been dropped from congressionally mandated study inventories without regard for congressional requests that such lands continue to be studied fairly;

(2) purchases of congressionally authorized lands for inclusion within the National Park System have been delayed or halted; and

(3) plans have been prepared for extensive sales of public lands with insufficient regard for congressionally mandated planning requirements.

Therefore, it is the sense of the Senate, that, upon confirmation, the new Secretary

of the Interior should undertake immediate actions to insure that the policies and programs of the Department of the Interior conform with the expressed will of Congress and regain general public support and confidence. Such actions should include—

(1) an end to efforts to lease for energy development lands under study for possible Congressional designation as wilderness or to eliminate such lands altogether from the wilderness study program;

(2) prohibition within wildlife refuges, of intensified commercial development or other actions inconsistent with the purposes for which they were established;

(3) rejection of plans for the sale and disposal of millions of acres of public lands;

(4) resumption of urgently needed purchases of lands within authorized units of the National Park System, the National Wildlife Refuge System, the National Forest System, and the National Wild and Scenic Rivers System, and of funding for state and local acquisition of park and recreational lands; and

(5) establishment of policies of leasing public mineral resources under conditions of careful environmental protection.

JOHNSTON (AND OTHERS) AMENDMENT NO. 2642

Mr. JOHNSTON (for himself, Mr. PACKWOOD, Mr. BAUCUS, Mr. BENTSEN, Mr. BINGAMAN, Mr. BOSCHWITZ, Mr. BRADLEY, Mr. BUMPERS, Mr. CHILES, Mr. CRANSTON, Mr. DIXON, Mr. DURENBERGER, Mr. EAGLETON, Mr. EXON, Mr. FORD, Mr. GLENN, Mr. HART, Mr. HOLLINGS, Mr. HUMPHREY, Mr. KENNEDY, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. MATSUNAGA, Mr. METZENBAUM, Mr. MITCHELL, Mr. PELL, Mr. PROXMIRE, Mr. PRYOR, Mr. RIEGLE, Mr. SARBANES, Mr. TSONGAS, Mr. ZORINSKY, Mr. MOYNIHAN, Mr. DODD, Mr. HUDDLESTON, Mr. STENNIS, Mr. SASSER, Mr. RANDOLPH, Mr. BIDEN, and Mr. INOUYE) proposed an amendment to amendment No. 2641 proposed by him to the amendment of the House to the amendment of the Senate numbered 36 to the bill H.R. 3959, supra; as follows:

Strike all after "of" and insert in lieu thereof the following:

THE NATIONAL PARK SYSTEM

Funds appropriated to the National Park Service under this head in Public Law 97-394 shall be available to reimburse the Estate of Bess W. Truman for operation expenses, including maintenance and protection, of the Harry S Truman National Historic Site incurred during the period October 18, 1982 through December 27, 1982. For the Washington Tourist Information Facility in the Great Hall of the Herbert Clark Hoover Building, $505,000.

SEC. —. (a) The United States Senate, having under consideration the nomination of Mr. William P. Clark of California to be Secretary of the Interior, finds and declares that—

(1) the Department of the Interior under the leadership of Secretary James Watt and his subordinates has pursued policies that have significantly altered well-established programs which had enjoyed long-standing, bipartisan congressional support and broad public acceptance; and

(2) these policies have generated unprecedented public controversy, led to an unusual volume of litigation in which courts have frequently held that the Department was not acting in accordance with the law, and have caused the Congress to constrain the Department from pursuing many of these policies;

(b) The United States Senate further finds and declares that, as examples of these policies—

(1) wilderness study lands have been dropped from congressionally mandated study inventories without regard for congressional requests that such lands continue to be studied fairly;

(2) purchases of congressionally authorized lands for inclusion within the National Park System have been delayed or halted; and

(3) plans have been prepared for extensive sales of public lands with insufficient regard for congressionally mandated planning requirements.

Therefore, it is the sense of the Senate that, upon confirmation, the new Secretary of the Interior should undertake immediate actions to insure that the policies and programs of the Department of the Interior conform with the expressed will of Congress and regain general public support and confidence. Such actions should include—

(1) an end to efforts to lease for energy development lands under study for possible Congressional designation as wilderness or to eliminate such lands altogether from the wilderness study program;

(2) prohibition within wildlife refuges, of intensified commercial development or other actions inconsistent with the purposes for which they were established;

(3) rejection of plans for the sale and disposal of millions of acres of public lands;

(4) resumption of urgently needed purchases of lands within authorized units of the National Park System, the National Wildlife Refuge System, the National Forest System, and the National Wild and Scenic Rivers System, and of funding for state and local acquisition of park and recreational lands; and

(5) establishment of policies of leasing public mineral resources under conditions of careful environmental protection.

METZENBAUM AMENDMENT NO. 2643

Mr. METZENBAUM proposed an amendment to the amendment of the House to the amendment of the Senate numbered 36 to the bill H.R. 3959, supra; as follows;

At the end of the amendment, add the following:

"Notwithstanding any provisions of H.R. 3959, or any other Act, no funds shall be available to the Securities and Exchange Commission to implement the amendments adopted on September 23, 1983 (48 F.R. 44467), with respect to forms and regulations pertaining to the disclosure of executive remuneration, or to otherwise amend or revise the forms and regulations pertaining to the disclosure of executive remuneration which were in effect immediately prior to such amendments.

"This provision shall remain in effect through September 30, 1984."

JOHNSTON AMENDMENT NO. 2644

Mr. JOHNSTON proposed an amendment to the amendment of the House to the amendment of the Senate numbered 45 to the bill H.R. 3959, supra; as follows:

In lieu of the language proposed to be added by the amendment numbered 45, insert the following:

"No funds may be expended by the Department of Interior for the lease-sale of tracts in Lease Sale numbered 79 within the Eastern Gulf of Mexico planning area listed below:

"All tracts in the Federal Outer Continental Shelf area between 28 degrees north latitude and 26 degrees north latitude extending from the 10 mile Federal-State boundary seaward 40 miles.

"This section shall not affect the authority of the Secretary of the Interior to approve any plan, or to grant any license or permit, which is restricted to scientific exploration or other scientific activities, or other preleasing activities necessary up to the point of sale."

EXTENSION OF ENERGY POLICY AND CONSERVATION ACT

McCLURE (AND OTHERS) AMENDMENT NO. 2645

Mr. McCLURE (for himself, Mr. METZENBAUM, and Mr. RANDOLPH) proposed an amendment to the bill (H.R. 4194), to extend the expiration date of section 252 of the Energy Policy and Conservation Act; as follows:

That subsection (j) of section 252 of the Energy Policy and Conservation Act (49 U.S.C. 6272(j)) is amended by striking out "December 31, 1983" and inserting in lieu thereof "June 30, 1985," *Providing, however,* That such provision shall terminate on June 1, 1984, unless a statute has been signed into law to authorize standby authorities to the President to allocate crude and petroleum products for essential domestic use during an international oil shortage.

AUTHORIZATION FOR CERTAIN WILDLIFE REFUGES

CHAFEE (AND OTHERS) AMENDMENT NO. 2646

Mr. BAKER (for Mr. CHAFEE, Mr. DURENBERGER, and Mr. STAFFORD) proposed an amendment to the bill (H.R. 1723), to authorize appropriations through fiscal year 1986 for the Great Dismal Swamp, Minnesota Valley, and San Francisco Bay National Wildlife Refuge; as follows:

On page , line , insert the following:

Amendments to section 1. Great Dismal Swamp National Wildlife Refuge.

On page 1, line 7, insert "as amended," immediately before "is".

On page 2, line 1, strike "$34,100,000".

On page 2, line 2, strike "and ending September 30, 1986" and insert in lieu thereof "$34,100,000, to remain available until expended".

Amendments to section 2. Minnesota Valley National Wildlife Refuge.

On page 2, line 7, strike all through line 19, and insert in lieu thereof the following:

"(a) Section 4(a)(1) of the Act entitled the 'Minnesota Valley National Wildlife Refuge Act', approved October 8, 1976 (Public Law 97-466, 90 Stat. 1993), is amended by—

"(1) striking '9,500' and inserting in lieu thereof '12,500'; and

"(2) striking "November 1975" and inserting in lieu thereof 'October 1983'.

"(b) Section 4(b)(1) of such Act of October 8, 1976 (90 Stat. 1993), is amended by—

"(1) striking ', within 6 years after the date of enactment of this Act,'; and

"(2) adding at the end thereof the following new sentence: 'Notwithstanding any "least interest" policy, the Secretary shall accept and acquire by donation any lands, water, and interests therein, within the boundaries of the refuge, which are offered as a donation by any State or local government agency, person, or private organization.'.

"(c) Section 10(a) of such Act of October 8, 1976 (90 Stat. 1996), is amended by striking out '$14,500,000 for the period beginning October 1, 1977, and ending September 30, 1983' and inserting in lieu thereof '$29,500,000, to remain available until expended'.

"(d) Section 10(b) of such Act of October 8, 1976 (90 Stat. 1996), is amended by striking out '$6,000,000 for the period beginning October 1, 1977, and ending September 30, 1986' and inserting in lieu thereof '9,800,000, to remain available until expended'."

Amendments to Section 3. San Francisco Bay National Wildlife Refuge.

On page 3, line 1, insert "as amended," immediately before "is" and insert "the close of" immediately after the quotation mark following "out".

On page 3, line 2, strike "September 30, 1986" and insert in lieu thereof "expended".

OCEAN AND COASTAL PROGRAMS OF THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

PACKWOOD AMENDMENT NO. 2647

Mr. BAKER (for Mr. PACKWOOD) proposed an amendment to the bill (S. 1098) to consolidate and authorize certain ocean and coastal programs and functions of the National Oceanic and Atmospheric Administration within the Department of Commerce; as follows:

On page 2, strike all from line 1 through line 22 and insert in lieu thereof the following:

TITLE I—POLYMETALLIC SULFIDE ANALYSES AND RESEARCH

AUTHORIZATION

SEC. 101. There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its polymetallic sulfide analyses and research duties under the Act entitled "An Act to define the functions and duties of the Coast and Geodetic Survey, and for other purposes", approved August 6, 1947 (33 U.S.C. 883a), and any other law involving such duties, $1,200,000 for fiscal year 1984, and $2,500,000 for fiscal year 1985. Such duties include research, development and licensing responsibilities pertaining to polymetallic sulfide analyses and research, and are in addition to moneys authorized under any other provision of law for carrying out such duties.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, November 17, to hold a hearing on a national security policy formulation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, November 17, in order to receive testimony concerning the organization and decisionmaking procedures of the Department of Defense.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the permanent Subcommittee on Investigations, of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Thursday, November 17, at 10 a.m., to continue hearings on the Hotel Employees and Restaurant Employees International Union.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Education, Arts and Humanities of the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Thursday, November 17, in order to receive testimony concerning oversight of Federal arts policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Thursday, November 17, to consider legislation regarding deficit reductions.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, November 17, at 5 p.m., to receive a briefing on the President's trip to Asia.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

IN SUPPORT OF ARGENTINA'S PRESIDENT-ELECT RAUL ALFONSIN

● Mr. KENNEDY. Mr. President, on October 30, 1983, the people of Argentina reaffirmed their commitment to democracy and human rights through an electoral process ending 7 years of military rule. President-elect Raul Alfonsin will need continued support of the United States as he and his people work to restore democracy and improve the economic situation in Argentina. At this crucial point in Argentine history, it is more important than ever that the Reagan administration demonstrate clearly its commitment to democracy and human rights in Argentina. As Mr. Robert Cox states in his New York Times commentary of November 3:

> It is in the United States interest to make a special effort to help Mr. Alfonsin consolidate a country . . . Argentina needs time to pay for the mistakes of the past as well as time to repair them and for the wounds of tow terrorism—of the state and of subversives—to heal.

I fully concur in this judgment and I request that the full text of Mr. Cox's article appear at this point in the RECORD.

Mr. Cox, who is now assistant editor of the News and Courier, Charleston, S.C., and a member of the board of the International League for Human Rights, lived in Argentina for 20 years and was editor of the Buenos Aires Herald until he left in 1979.

The article follows:

NEW ARGENTINE CHIEF NEEDS REAGAN'S HELP

(By Robert Cox)

CHARLESTON, S.C.—Raúl Alfonsín, leader of the Radical Civil Union, whose stunning victory in Sunday's elections has restored democracy to Argentina, acknowledges an enormous debt of gratitude to the United States. He is gravely concerned—and rightly so—that President Reagan will fail to live up to the standards set by his predecessor in protecting Argentina's human rights.

Mr. Alfonsín believes that Jimmy Carter's human rights policy saved thousands of lives in Argentina. It is even possible that he himself owes his life to the unsilent diplomacy of Mr. Carter's human rights team in the State Department during the three years after the Argentine military coup of March 1976—years in which at least 6,000 people were abducted, routinely tortured and secretly murdered by the military.

Mr. Alfonsín was one of the few political leaders to speak out during those dangerous years and was the only one to play an active role in a tiny human rights commission composed almost entirely of relatives of victims of the military's repression.

Mr. Alfonsín will never forget the American Scarlet Pimpernels, like "Tex" Harris, the incredibly brave and hardworking human rights officer in the United States Embassy in Buenos Aires, whose office was a haven for relatives of disappeared people and whose secretary was recording angel.

If American eyes, and, more important, the eyes of the United States Government had not been trained on Argentina in 1976 when the military adopted terrorist techniques to fight terrorism, there is no knowing when the slaughter would have stopped.

When the armed forces commanders decided to unleash their own terrorist groups, they apparently relinquished all control over them. It is still unclear whether the paradoxically named Security Forces were required to account for their actions, whether there were simulacrums of trials and whether anyone was held responsible for acknowledged "excesses." The euphemism "excesses" was applied to the murder of known innocents—of priests slaughtered in cold blood, nuns who were made to disappear and children who were given away and whose whereabouts, with the exception of a handful who have been traced to foster parents, are still unknown today.

United States concern over the counterterrorist tactics being used by the armed forces expressed openly, sometimes aggressively, by Patricia M. Derian, then Assistant Secretary for Human Rights and Humanitarian Affairs, and her staff stopped the "excesses" from becoming routine.

In a country numbed into silence by terror for both sides of the political spectrum, thousands of lives were saved by United States diplomacy.

Mr. Alfonsin's election holds out the hope of a new beginning for Argentina's relations with the United States. But renewed friendly relations could founder if President Reagan's commitment to human rights is not as clearly demonstrated toward Latin America as it is toward Poland and the Eastern Bloc countries. Mr. Alfonsin says he believes that President Reagan is more concerned about defending "cruel capitalism" than about human rights.

Still, this is a chance for the Reagan Administration to demonstrate its commitment to democracy. Although the scenario has not been written quite the way that Jeane J. Kirkpatrick, the United States delegate to the United Nations, imagined, a truly democratic government has emerged from the ruins of an appalling authoritarian regime. Because the new government is slightly to the left of center, economically and philosophically, Mr. Reagan will be called upon to demonstrate with actions and not merely words that it is really democracy that he cares about and not ideology. Mr. Reagan may take some persuading, but it is in the United States' interest to make a special effort to help Mr. Alfonsin consolidate a country that was until half a century ago, when the first military coup in its modern history took place, an exemplary democracy. Perhaps an even more practical gesture would be to send Mr. Harris back to Argentina as ambassador.

With democracy restored to Argentina, Mr. Alfonsin will be looking to America for a helping hand in another matter. With a $40 billion foreign debt caused largely by lavish spending on arms and squandered on other projects dear to the military, Argentina needs time to pay for the mistakes of the past as well as time to repair them and for the wounds of two terrorisms—of the state and of subversives—to heal.●

SPEECH BY SENATOR HEINZ BEFORE CONFERENCE OF STATE BANK SUPERVISORS

● Mr. GORTON. Mr. President, I would like to call my colleagues' attention to a recent speech given by the distinguished Senator from Pennsylvania, Mr. HEINZ, to the Conference of State Bank Supervisors. As many of my colleagues are aware, the financial services industry in the United States has been swept up in a whirlwind of change in the last few years. Senator HEINZ has been in the forefront of those working to insure the continued safety and soundness of our financial system, and to promote an orderly flow of investment capital into the Nation's industries.

Although I do not agree with the conclusions drawn by the Senator from Pennsylvania about just what legislation is appropriate at this time, I nevertheless commend his remarks to my colleagues as a thoughtful discussion of the present state and possible future of the financial services industry in America.

Mr. President, I ask that Senator HEINZ' speech be printed in the RECORD.

The speech follows:

REMARKS OF SENATOR JOHN HEINZ

I am honored to have the privilege of addressing this distinguished group at such an important time in this nation's finacial history. It is an ancient Chinese curse to say to someone "may you live in interesting times." And you, ladies and gentlemen, as bank regulators and members of the banking industry, are playing critical roles in a most interesting era of financial history.

One cannot open a daily paper without finding something interesting—a new acquisition, a new state law, international lending on the ropes, soaring energy losses, banks suing regulators, regulators suing banks, withholding, back-up withholding, repealed withholding, financial networks collapsing amidst criminal accusations and last but not least, a new record in annual bank failures.

Never a dull moment for those of us who are trying to keep laws in step with reality.

Fifty years ago this nation forced the deconcentration of financial services conglomerates and created by a law a financial system that seemingly is a contradition.

On the one hand, our financial system is the world's most dynamic. On the other, it is also the world's most stable. Nowhere in the world is the depositor and the investor offered greater protection or is there greater competition among institutions.

A simple testimonial to our unique dynamism is the existence of less than 150 competing banks in West Germany, France and Great Britain combined, less than the number of banks in my home state of Pennsylvania alone.

Yet once again, state bank supervisors, state legislatures, and Congress are under intense pressure to abandon this tried and true system, pressure from the very institutions that have prospered under structured competition and from those who seek to root out government regulation as an evil in and of itself.

Neither expanded bank services nor the push for them is a new phenomenon.

In the 1930's, the name of J. P. Morgan was synonymous with the term "financial supermarket." Morgan's bank, like other large institutions, underwrote and sold securities and mutual funds, and furnished full brokerage services to their customers. When Congress tried to pick up the pieces of the failed banking system in the aftermath of the crash, it discovered the degree to which speculative securities activities contributed to the depression. Congress reacted by erecting a legislative wall between the banking and securities and commerce generally.

Ever since this separation there has been a continuous effort by various individual institutions and trade associations to recapture the prohibited powers. I would point out that one man's "deregulation" is another man's "reconcentration." Reconcentrating would mean abandoning our carefully segmented financial system of the past 50 years for a return to the interwoven precrash financial conglomerates that dominated U.S. financial markets until the bank holiday of 1933.

Over the years, dozens of arguments for reconcentrating non-banking financial services back into depository institutions have been tried out on Congress: everything from increased capital formation to better financing for small business or local government. Now we are told that there is a competitive imbalance that threatens the depository industry, that the separation of depository and non-depository institutions has irrevocably broken down, and that there is a customer-led revolution that Congress must embrace.

Although the term "deregulation" has become a catch phrase for winning voter approval, Congress is skeptical of arguments that equate reforming the competitive balance between banks and non-banks with the repeal or radical revision of the basic separation of the two. Lingering impressions of bank failures and their role in the Depression remain important political factors.

And representatives are wary that changes in fundamental financial services legislation can become a symbolic, potentially emotional, populist issue. As a result, no significant revisions will be enacted without a broad bi-partisan consensus as to what should be done.

I would like to discuss in more depth my impression of the assumptions and thought processes of my Congressional colleagues that will guide the formation of that consensus.

The first reaction Congress will have in its search for a new consensus is "if it ain't broke don't fix it." In part, that's because you'll get the blame if it does break. A corollary is that "if it can be patched up, it ain't broke."

The measure of whether the system is broken is neither the number of banks in existence nor their profitability. For Congress, the measure must be the level of the system's safety and soundness, that is, whether our capital markets are orderly and the saving public is protected.

Congress strongly believes that it must ensure that when a person places his or her life savings in a bank, he will be 100% sure that his money will be there when he needs it. This is essential if we are to avoid a loss of public confidence and if the nation's pool of savings is to be tapped and converted to the long term credit on which our nation's businesses depend.

If Congress does not find the system to be broken, there is only one other standard on which a consensus favoring a reconcentra-

tion of deposit and non-deposit investment functions can be based. That is if it can be shown "beyond a reasonable doubt" that the public can be provided better services with at least the same level of security.

To support this interpretation of Congressional behavior, I offer you the Garn/St. Germain Act.

During the Act's consideration, Congress was continually told that there was a competitive imbalance between banks and nonbanks that could only be redressed by breaking down the socalled Glass/Steagall wall. However, Congress rejected the contention that this legislative separation was the root of the problem.

Instead, Congress made the necessary adjustments to restore the competitive balance of powers without integrating mutual funds, real estate or other non-bank functions into depository institutions. Money Market deposit accounts and super NOWs were authorized to "compete directly" with Money Market funds. Anyone who thinks a competivie imbalance still exists should note that within three months, those two accounts surpassed the assets invested in the Money Market industry.

I would also take issue with those who argue that the system is broken because a Money Market fund is in their view a deposit. I would remind them that neither a deposit nor an investment is defined by its maturity or the manner in which the investment can be liquidated. The key distinction between an investment, such as a Money Market fund, and a deposit, is the level of risk accepted.

When Congress divided the financial services industry into components, Congress recognized that our citizens have different expectations when making a deposit as opposed to an investment. When a person deposits his money with a bank, he does so with the expectation that it will be there tomorrow. In other words, he does not deposit his funds with any expectation of risk.

However, when one chooses to make an investment, the expectation is quite different. An investor knows that the continued existence of his money depends upon the success or failure of the company to which he has either lent money or purchased part ownership.

In dividing the financial services industry into these two components—risk and no-risk—Congress then fashioned a regulatory structure that preserved and enhanced this key distinction in expectations. While federal and state securities laws seek only to protect the investor from self-dealing fraud or misrepresentation by ensuring that he has the information to make an informed investment decision—our federal and state banking systems, which importantly include deposit insurance, are based upon the principle of ensuring the safety and soundness of those deposits and the institutions in which they are placed by restraining banks from making more risky, speculative or highly leveraged investments. Without this necessary standard of "investment underwriting," federal deposit insurance would become either unaffordable or a huge, unjustifiable subsidy to financial conglomorates.

In sum, because the securities industry has found a better way to package an investment so that it competes more attractively with a deposit does not mean that securities firms have invaded the banking industry.

Alternatively, it has been argued that a securities industry invasion of the banking business has occurred through the non-bank bank loophole in the bank holding act.

The statistics seem to speak for themselves on this point: 99 percent of all deposits are held in institutions that have no affiliation with non-depository companies.

The horse isn't out of the barn yet, and at this point in time, a reassertion of the fundamental separation of banks and nonbanks could be done without significant disruption.

In recent months mergers of non-banking financial services firms may have enhanced their ability to compete with banks through offering packages of non-depository services. But the alleged "revolution" has only resulted in a minimal erosion of the Glass/Steagall wall. This fact puts to the test the assertion by banks that the ability to package services successfully creates a significant competitive advantage. One might remember that during the sixties and seventies, the insurance industry gobbled up one third of the nation's mutual funds and the banks still continued to prosper.

Indeed, if one looks at market share, the only true measure of competitive balance, one finds that the banking industry's share of invested assets has remained constant-within a range between 36.5 and 39.5 percents—throughout the sixties, seventies and to date, the eighties.

What I have outlined to this point is why Congress has not been convinced that the system has broken under either the strain of competitive imbalance or from significant recombination of depository and nondepository functions. Admittedly, the competition is fierce and getting more so every day. Over time, less efficient firms will be forced out of the market especially now that cheap "reg Q" capped money is getting scarce and interest on corporate checking is imminent. But the orderly coming and going of firms in a free market is a natural process and not sufficient cause to scrap a proven system that protects the public.

Now let's look at the contention that recombining nonbank services into a depository institution or its holding company can be achieved without sacrificing the ability of the regulators to achieve safety and soundness. I need not remind you, as banking regulators, that to achieve safety and soundness our regulatory system must keep banks in familiar territory, and at the same time, minimize bank exposure to risk.

The reasons Congress divided the financial services industry into separate depository and non-depository components in the 1930s was to ensure:

1. That the investment portfolios of regulated firms—member depository institutions—would be sufficiently understandable and comparable to enable adequate supervision by federal and state authorities;

2. That conflicts of interest sufficient to motivate evasion of regulation could not occur;

3. That financial and economic power would not become unduly concentrated; and

4. That extention of credit could not be tied into acceptance of other services.

These concerns still trouble Congress, as no one believes human nature has changed or that the growth of expertise of our regulators has been faster than the innovations and techniques of modern financial entrepreneurs.

For any concensus to develop favoring a return of financial conglomerates, Congress must be confident that the regulatory framework governing the new multifunctional companies will be adequate. But first, proponents of reconcentrating services must dispel doubts about the capacity of the existing framework to govern the current functionally separate sets of financial intermediaries.

Look at the recent record.

The Penn Square debacle sent shockwaves through the whole banking system, reaching as far as the House of Representatives credit union and the Seattle First Bank. Was our regulatory system unable to detect the early warning signs or was someone asleep at their post.

When the Butcher Banks collapsed in Tennessee, it took a simultaneous examination by 200 Federal bank examiners looking at the books of 14 inactive banks to figure out the rather simple scheme of kiting bad assets.

In the aftermath of the Chase Manhatten/Drysdale securities affair, the F.D.I.C. has accused one of the nation's most respected banks of abuse of market power.

In 1975, Citicorp's collective fund for Keogh management was found to have 40% of its assets invested in Citibank C.D.s.

It must also be candidly stated that the IMF authorization, which I strongly support, is necessary because federal regulation was not sufficient to keep leading banks from becoming over extended in LDC debt.

Given these incidents and many others, it is hardly likely that Congress will empower vast new multi-functional financial conglomerates to run rings around a regulatory system already stretched too close to its limits. Nor will Congress expand powers first and come back to reform the regulatory system later. Congress' top priority is the protecton of the public, and to put powers before regulation is to put the cart before the horse.

I would raise one more question about regulation. If Congress rejects the contention that segregated regulators can oversee an integrated company, what is the alternative? Constructing a monolithic integrated financial regulator? Could Congress ever reach a consensus on an integrated federal bank, securities, insurance, commodities, real estate regulator? What would happen to state banking and insurance regulation, for example?

You can judge for yourself what the chances are that Congress will reach a consensus on a financial services regulatory system that it believes "beyond a reasonable doubt" will preserve adequate safety and soundness.

I believe that the path which the consensus in Congress is likely to follow is toward a reassertion of the absolute separation of banking from other financial services.

Congress knows, however, that this option is quickly slipping away.

There have been more applications for so-called non-bank bank charters in the last 18 months than in all prior years combined. In addition, the Comptroller of the Currency's administrative moratorium on processing applications will end before the Congress reconvenes in 1984. Furthermore, it is clear that several states intend to take up "beggar thy neighbor" financial services legislation of the kind passed by South Dakota when their legislatures return in January.

If the FDIC gives the green light to state legislatures and to financial institutions by the finalization of proposed regulations, Congressional imperatives as the final arbitor will be trampled in the stampede through the loophole. To protect its prerogatives and ultimately the public Congress must act this year.

There are those of my colleagues on the Senate Banking Committee who advocate

that we in Congress and the state legislatures should simply get out of the way. Rather, we must let our financial industries chart their own course with lawmakers simply ratifying what industry has already done.

I think most of my Congressional colleagues would disagree with this role. Particularly in the field of financial regulations which, after all, is the backbone of our great yet still vulnerable economy.

We lawmakers do have a responsibility to lay the groundwork by which industry can proceed. It was for this reason that I cosponsored S. 1532, which your organization supports. This bill temporarily imposes a moratorium on the steamrolling de facto integration of the financial services industry. Such a proposal would arrest this trend, and give Congress the time it needs to determine whether the Glass/Steagall wall should be reconstructed, reconfigured, or blasted apart.

Unfortunately, the "moratorium," as it has erroneously become known, has been touted by those who favor liberalization of the Glass/Steagall Act as only a delay tactic. Rather than enact a temporary solution, they assert, let's put all the issues on the table, debate them in the open, and come up with a final solution.

Under normal circumstances I would agree with this course of action. But as we in Congress and the states debate and ponder these global issues, industry and some regulators have been deciding these questions for themselves.

I must also make one other point about the moratorium. I cannot emphasize enough that freezing cross-industry integration is not a stall tactic. Rather, it is the second step in a three step process in the review of federal financial regulation.

Step one in this process was the Garn/St Germain Act, which addressed the problem of competition, the so-called "level playing field." For example, and I might add with my strong and vocal support, Garn/St. Germain created an instrument equivalent to and directly competitive with money market funds.

As I mentioned, the moratorium is the second step in this process because it freezes the industries as they are on the date the bill becomes effective, and thereby permits Congress to move on to step 3—resolution of the Glass/Steagall question in an orderly, reasonable manner, without having to hurry to prevent full scale de facto deregulation.

S. 1532—my first legislative proposal—contains an expiration date of December 31, 1983. As this date is soon upon us and it is not likely that Congress will act on this proposal, I would like to take this opportunity to announce that I am introducing legislation to extend the deadline originally proposed. This date will tie in with the timetable set by the Senate Banking Committee for passage of a major banking bill.

Observers of the Senate Banking Committee predict that this bill may not succeed. Accordingly, while I favor only a temporary solution, I am also introducing two more bills which are intended to stablilize the current financial structure.

The first measure will close the so-called "non-bank bank" loophole in the Bank Holding Company Act. This bill redefines the term bank so as to prohibit non-banking firms from acquiring a bank and then divesting themselves of their commercial lending or deposit taking functions. I am aware that this legislation is of particular interest to the Conference of State Bank Supervisors because certain firms are using this loophole to evade the geographic restrictions on banks imposed by the McFadden Act and the Douglas Amendment.

To make it clear that my approach is a balanced one, and to ensure that this package is a two-way street, I also will introduce companion legislation to plug the other leak in the dike, the state-chartered non-member bank loop-hole. This bill would effectively preclude states from following in the footsteps of South Dakota. As you know, South Dakota now permits out-of state banks to purchase state-chartered banks which in turn can sell insurance—that is as long as it doesn't do so in South Dakota! I must admit, I had a little difficulty figuring that one out.

I must emphasize that my legislative package is not intended to step on the toes of state regulators. I have repeatedly stated, and, as my record in Congress clearly demonstrates, I am fully committed to the dual banking system, and preserving the rights of states to regulate states doing business within their borders.

My legislative preference would be the enactment of the so-called Moratorium Bill, a proposal which CSBS wholeheartedly supports. Yet, if Congress refuses to act, I will be compelled to urge my colleagues to act upon my two additional bills which address the two most imminent threats to the safety and soundness of the banking system.

In closing, let me read to you a quote that was recently brought to my attention: "I lean over backwards in my philosophy of what a commercial bank should confine itself to in the way of financial services. I am absolutely opposed to a commercial bank engaging in the investment business in any way. I don't think the two mix."

Spoken by a securities industry lobbyist? A mutual fund advisor? No. These words were uttered in 1940 by the President of a bank that failed in the early 30's as a result of its speculative and ill-conceived securities activities.

Let us listen to this voice from the past.

Let us not get swept up and away by rhetoric, fad or fashion.

Let us not revisit the calamity of the crash.

Instead, let us as regulators and legislators approach this vital review of banking law with cool heads, a clear understanding of the true cause of our present difficulties, a keen awareness of the lessons of history, and the time to do our job properly.

Only thus can we guarantee this country a safe, sound, and stable banking system.

I invite you to work with us in this endeavor.

Thank you.●

DISPARITIES IN EDUCATIONAL OPPORTUNITY

● Mr. LAUTENBERG. Mr. President, the use of computers in classrooms is an issue of great interest to many educators, parents, and policymakers. With proper planning and creative curriculum development, computers can offer a valuable enhancement to education in this country. Some school districts are already acquiring computers and putting them to good use. But as the educational use of computers spreads, a concern is growing among educators and others, that their benefits are not being evenly distributed—that poor districts are losing behind. School computers are being seen as one more example of the kind of program in which children attending schools in less affluent areas lose out. A recent article in the Christian Science Monitor describes some of the disparities which can be seen in different school districts.

Mr. President, I ask that the text of the article be printed in the RECORD so that this information can be shared with my colleagues.

The text follows:

[From the Christian Science Monitor, Nov. 10, 1983]

THE HAVES VS. THE HAVE-NOTS IN CLASSROOM COMPUTERS

(By Craig Savoye)

In the affluent Chicago suburbs of LaGrange and Western Springs, the local two-campus high school has acquired 150 personal computers for its student body of about 3,700.

More than half a dozen computer science courses are offered at the school; there are seven computer labs; all incoming freshmen are required to take a four-hour computer literacy course; and 98 percent of teachers have taken a voluntary training course in computers.

Eight hundred miles south, rural Tuskegee Institute High School in Tuskegee, Ala., had no computers until a Ford Foundation grant provided it with two.

Teachers at the school have fashioned a 6-by-10-feet cubicle between double classrooms to house the two computers. A few teachers have had computer training, but there isn't enough money to design a computer course for the 950 students enrolled there.

Through no fault of their own, poorer school districts like Tuskegee are lagging behind their more affluent neighbors in the nationwide race to put computers in the classroom. Educators and others are concerned that this discrepancy is widening the gap between the haves and have-nots in American education, and further exacerbating racial and class stratification in the United States.

A just completed survey of US school districts has determined that 55,765 public schools now use computers in instruction, more than double the number using them one year ago. This year's survey, by Market Data Retrieval of Westport, Conn., found that more schools began using computers during the past year than in all previous years combined.

At the same time, the survey showed that 96.5 percent of the richest school districts in the country had used computers in instruction, while only 66.8 percent of the poorer districts employed them.

A University of Minnesota study sponsored by the National Science Foundation and released this fall found that students in the nation's 12,000 most affluent school districts were four times as likely to be exposed to computers as students in the 12,000 poorest districts.

"To the extent that computer literacy and computer expertise are necessary for success in getting and keeping jobs, computer inequity is a serious problem," says Ronald E. Anderson, an associate professor at the University of Minnesota and director of the Minnesota Center for Social Research.

Why the concern over an unproven educational tool?

Some educators believe the computer revolution represents something of a fresh start for disadvantaged children, a whole new area of learning where students in less affluent districts can begin on an equal footing with their wealthier neighbors.

Few are really surprised that inequities have developed. They have existed for years in other aspects of education, such as teacher salaries, and are a natural outgrowth of a nationwide school system funded primarily by local property taxes.

The fear is that the computer revolution is so central to the economy and the future job market that the lack of computer instruction in poorer districts is not just perpetuating discrepancies, but actually widening the gap between rich and poor.

"The concept of computer literacy defines a new type of illiteracy and the potential for new and distressing divisions in our society," says U.S. Senator Frank R. Lautenberg, Democrat of New Jersey. "In an age that demands computer literacy, a school without computers is like a school without a library."

That concern is echoed in the trenches. "Some of the kids skip the bus after school to work on the computers," says Marilyn Jones, a teacher at Tuskegee Institute High School. "With only two, though, I wonder how much we're really accomplishing."

The equity question goes beyond the acquisition of computers. Federal block-grant funding has ensured that many inner-city schools had money with which to purchase at least a few.

But the pressure on those schools to improve basic skills has forced instructors to use the computers to teach remedial skills, turning the machines into "very expensive flashcard systems," in the words of A. Daniel Peck, professor of educational technology at San Francisco State University. At the same time, many suburban schools are teaching computer programming and other advanced concepts.

Not everyone sees the situation as serious.

Speaking at an education conference at Stanford University in September, research director Richard Johnston of the Exxon Education Foundation predicted that current concern over inequities in the distribution of computers in schools and colleges will prove transient.

Mr. Johnston cites computer costs that are dropping much faster than the cost of other electronic items did when they were introduced—items such as televisions and calculators.

In fact, the Market Data Retrieval study indicates the gap between rich school districts and poor has already begun to close. Poorer schools have made dramatic gains in just the last year. The differential between the number of rich schools and poor schools that have computers has dropped from 40 percent in 1982 to roughly 30 percent this year.

Simply comparing numbers of computers may be misleading, however.

Some schools offer vocational computer training to a selected few rather than computer literacy courses to all, or they use mainframe computers with terminals to instruct a number of students simultaneously, instead of providing each student with a microcomputer for individualized instruction.

Only a few miles away from the La Grange and Western Springs High Schools, with their 150 computers, are several inner-city Chicago high schools, with only three or four terminals hooked into a larger mainframe computer.

But within Chicago's sprawling school district all students have the opportunity to attend six or seven magnet high schools with computer equipment and capabilities "that far exceed what the suburban schools are offering" and "make the colleges jealous," according to an administrator.

These students are receiving vocational training in preparation for jobs, not computer literacy courses designed to familiarize a student with computers or teach basic programming.

Congress is considering several bills that would give tax breaks to businesses for donating equipment to schools, although no action has been taken on those pieces of legislation.●

VOA REPORTING

● Mr. McCLURE. Mr. President, in the exercise of our duty to monitor the overall performance of our Government, we in Congress have often found it necessary to censure this particular official or take that particular agency to task for an egregious offense or chronic deficiency.

It behooves us all, therefore, to be equally forthcoming with expressions of commendation whenever an agency or Government official performs exceptionally well.

I call your attention to a letter published in the Financial Times on October 20, 1983. The correspondent's observations concerning the improved quality of broadcast reports from the Voice of America reflects great credit upon the VOA and its capable director, Mr. Kenneth Tomlinson.

The enhanced objectivity and professional quality of VOA reporting can be ascertained from the aforementioned letter to the Financial Times for which I ask to be printed in the RECORD.

The letter follows:

THE VOICE OF AMERICA

SIR,—Mr. Jurek Martin, writing from Tokyo (Lombard, October 7), has demonstrated that impartiality in radio broadcasting is in the ear of the listener just as beauty is in the eye of the beholder. His personal bias against the "current American regime" is clear to see. He might have referred to the government headed by the present occupant of No. 10 as the "current British regime" but he didn't.

I have been listening to the English broadcasts of the Voice of America (mostly African Service) and the BBC World Service for the past 20 years, whether here at home or traveling in various places. I find that the left-wing, anti-business, anti-free-market bias that pervaded the news and features of the VoA during the Ford and, particularly, the Carter periods, has now largely disappeared. To me, the VoA has become approximately as neutral as the BBC usually is. I have heard many of the editorials "purporting to represent the views of the U.S. Government" which are a new feature of the VoA. Mr. Martin may be right when he suggests that these things do not need to be said to the Japanese but they clearly need to be said to many people in other parts of the world and I am pleased that the "current American regime" is saying them.

Although Mr. Martin is to be congratulated on his ability to recognize that Radios Moscow and Pyongyang "truly are awful," he clearly needs help, not only with his thought processes but also with his portable. While in Japan for a week in early August, I was able to receive the BBC every day, morning and night, on my portable without any difficulty. I suggest that he try 11955 KHz at 7 a.m. Japanese time and 11750, 15280, or 15360 at 6 p.m. and 9740 at 8 p.m. for the BBC. Then he won't have to listen to those "opinions of the U.S. Government (that) would terrify any self-respecting State Department official."

DEAN A. WATKINS.●

BANKING AND COMMERCE

● Mr. HEINZ. Mr. President, as many of my colleagues are aware, I am deeply concerned with the steamrolling, unauthorized breakdown of the congressionally mandated separation of banking and commerce that has beset our financial community in the past year. It was for this reason that I have been a vocal supporter of a moratorium on the recombination of banking and commerce functions, and why last week I introduced two measures which address the two most imminent threats to the safety and soundness of our banking system. These two bills, S. 2071 and S. 2072, would close the so-called nonbank bank and South Dakota loopholes in Federal banking law, and would establish once and for all, congressional preeminence in determining national banking policy.

It was my intention to urge Congress to take legislative action before its adjournment. However, because of Senate Banking Chairman GARN's statement for the record of November 10, and the concurrent action by Comptroller of the Currency Conover, I have decided not to pursue this course of action.

I commend Senator GARN for his statement, which makes clear to both industry and Government regulators that it is Congress intent to take up these issues in 1984, and that further attempts to undermine congressional authority in this area will be engaged in with the knowledge that such activities are highly unlikely to be grandfathered.

Senator GARN also endorsed the underlying principle of S. 2072, and requested and received an extension of the Comptroller of the Currency's moratorium on the chartering of nonbank banks. Furthermore, while Senator GARN did not endorse a statutory moratorium, he stated that he could endorse such a proposal if attempts to enact a broader package of banking reform failed next year.

Senator GARN's statement should be heeded by those in industry and at the regulatory helm at both the State and Federal levels. As the Senator implied,

and as I have stated strongly on several occasions, Congress will not sit back and watch as its authority in determining national banking policy is whittled away. Nor will we, as the final arbiters of this policy permit the philosphy incorporated in Federal banking law—that of a stable banking system guaranteed by the safeguards inherent in separating banking and commerce—to be destroyed by overeager players.

While it is now clear that a de facto moratorium has been established on future nonbank bank chartering, and also appears that the Federal Reserve Board will not approve the applications filed by bank-holding companies to sell insurance pursuant to the South Dakota statute, three other loopholes remain unplugged. First, the FDIC's proposed regulations that would permit the sale of securities and insurance by insured banks remain in limbo, and Congress has not received any assurances that the FDIC will delay their issuance until Congress has addressed the broader issues in Chairman GARN's omnibus banking bill.

Second, certain applications that were filed with the Comptroller will escape even his extended moratorium because they were filed prior to April 6, the date on which that moratorium first went into effect. This includes the controversial application filed by the Dimensions Financial Corp., which if approved, would permit the establishment of an interstate network of 31 banks.

Third, when State legislatures reconvene in January while Congress is in adjournment, many will be tempted to immediately take up South Dakota-type legislation that would clearly fly in the face of the congressionally erected wall which surrounds the banking industry.

Accordingly, I echo Senator GARN's warning. From this point until at least mid-1984, a date by which Senator GARN has announced that the markup on a bill will hopefully be completed, banking and nonbanking organizations alike are on notice that they will assume the risk that Congress may invalidate any unauthorized activities. To buttress this warning, I, along with several of my colleagues on the Banking Committee, intend to send a letter to the Comptroller of the Currency and the Chairman of the FDIC requesting that they take no further actions toward breaking down the congressionally established financial structure until such time as Congress enacts legislation that addresses these questions.

Once again, Mr. President, I commend Senator GARN for his pronouncement that a de facto moratorium is necessary so that Congress can address the questions of banking reform in an orderly, reasonable manner. As I have stated repeatedly, it is only then that we can assure a safe, sound, and stable banking system.●

NEW ENVIRONMENTAL POLICY GROUP

● Mr. LEAHY. Mr. President, I should like to bring to the attention of my colleagues the formation of an important new organization, the Environmental and Energy Study Institute.

As Senate chairman of the Congressional Environmental and Energy Study Conference, I have worked with our Senate vice chairman, SLADE GORTON, other leaders of the conference, and national environmental and energy leaders in the private sector to launch this new group.

A nonprofit, nonpartisan, tax-exempt corporation, the institute is dedicated to better informing the national debate on environmental, energy, and natural resources policy with objective policy research and analysis.

The Institute has been fortunate to assemble a truly outstanding board of directors. The board recently elected Congressman RICHARD L. OTTINGER as chairman and former Congressman Thomas B. Evans as vice chairman. Senator JOHN HEINZ also serves on the board of directors. Congressman OTTINGER and Senator HEINZ founded the Congressional Conference in 1975, and Mr. Evans served as an officer in the last Congress.

Russell E. Train will be serving as honorary chairman.

The institute's diverse, bipartisan board is composed of leaders from the corporate sector, legal community, labor, science, and environmental community.

Although the new institute will have the Congressional Conference's more than 380 Members among its key clients and share similar goals, it is a private group controlled by a separate governing body.

The institute was formed in part to take over some of the Study Conference's functions, including the outside publication of its weekly legislative report, in the wake of new congressional rules governing legislative service organizations.

Perhaps more importantly, the institute was organized to expand and strengthen proven public policy services and initiate needed new services on these increasingly important issues, providing them not only to the Congress, but also to other policymakers.

The institute will work to inform the debate with independent analysis and creative policy options in an effort to reduce polarization and build consensus.

The institute will be finalizing an agenda and fundraising in the next few months and hopes to become fully operational by mid-1984. It will be seeking foundation grants initially to establish its independence.

I want to commend the officers and directors of the new institute for their leadership. The directors are Cecil D. Andrus, H. Lewis Batts, Robert O. Blake, John H. Buchanan, Carleton D. Burtt, Jack T. Conway, Ralph F. Cox, Gerald Decker, Cathleen H. Douglas, Thomas B. Evans, Joseph L. Fisher, JOHN HEINZ, John P. Holdren, James A. Joseph, Paul N. McCloskey, Jr., Edmund S. Muskie, RICHARD L. OTTINGER, Ruth Patrick, Esther Peterson, John R. Quarles, Nathaniel P. Reed, Roger W. Sant, John J. Sheehan, Harlan T. Snider, James Gustave Speth, Elvis J. Stahr, and William W. Warner.●

INTERNATIONAL FINANCE

● Mr. SYMMS. Mr. President, I ask to have printed in the RECORD two articles by Robert Wesson who is a senior research fellow at Stanford University's Hoover Institute and a professor of political science at the University of California at Santa Barbara.

Professor Wesson addresses the need to face reality and realize that we must begin the painful process of writing down these loans, instead of continuing the present system of extending ever-increasing amounts of credit.

I invite my colleagues to review his remarks in view of the legislation that we are considering today.

The article follows:

NEED FOR CHANGE IN THE INTERNATIONAL FINANCIAL SYSTEM

(By Robert Wesson)

Countless articles have been written about the gigantic debts of Third World, especially Latin American nations, but there has been hardly a word to suggest the need for basic change in the system that has generated the $600 billion problem. The troubles are not accidental. They have been brought to a head by recession coming on top of the gyrations in the price of the biggest commodity in international trade, petroleum. But these were only incidental. Difficulties are not cured by recovery from recession and stabilization of oil prices, and these contingencies only hastened the crisis that was sure to ripen in any case.

Basic facts operate to create overlending and instability. They are (1) Banks like to lend money on favorable conditions, as is their business, and they have been enthralled by easy earnings in foreign loans, which they assumed could not be defaulted. They hence became carelessly openhanded. (2) The governments of major lending countries, led by the United States, encourage lending, especially to Latin America, for both political and economic reasons. Loans have something of the diplomatic value of foreign aid without budgetary cost, serving to keep elites happy and pro-Western. They also increase exports and stimulate the domestic economy. The more that was loaned, it seemed, the more jobs, without the costs of financing public works at home. (3) The Western economic world has a strong interest in the international flow of capital and investments, stable exchange rates, and fi-

nancial good order. Hence international agencies want to keep up credit standing and prevent default, and are prepared to step in to keep any failing nation from disrupting the system. Moreover, it is assumed that governments cannot allow major financial institutions to be bankrupted. Hence, foreign loans appear, or have appeared, nearly riskfree. (4) Governments of developing countries have many compelling reasons to borrow without much regard for their ability to repay. They like to spend more than they take in. They can cover the difference by printing money (a common practice despite the resulting inflation) or by borrowing. They try to sell bonds at home, but there is not enough available capital; it is more satisfactory to look abroad. Moreover, they tend to run chronic deficits in their balance of payments and need hard currency to compensate. At the same time, they usually overvalue the national currency, or it becomes overvalued because it is eroded by inflation while the exchange rate is fixed. Hence people buy dollars either for imports (in effect subsidized) or to place their money in a safer location. The more artificial the exchange rate, the more need to borrow. The urge to enjoy today at the expense of tomorrow is even greater for governments, of course, than for individuals, because those who get the benefit of the loan can leave the headache of repayment to their successors.

In view of these multiple pressures for lending money without much concern for how it is to be repaid, it is not surprising that the debt load has been growing steadily for many years. All parties have wanted it to grow, or at least have been complacent about it. Everyone gains. The banks and international financial managers reap excellent profits with minimal effort and (supposedly) minimal risk; exporters have markets fertilized by the abundance of dollars; foreign governments can keep on spending gloriously; and influential people can get cheap dollars for luxury purchases in New York or for deposit in Panama or Zurich. Everyone wins, and nobody has to pay, as the debits pile up on the books.

The banks don't even want the loans repaid, only to keep collecting interest and fees. The U.S. government does not want to see any halt to the outflow, because it would hurt American exports and cause grave economic and political problems in debtor countries. The professional community of international finance wants the merry-go-round to keep going because that is their way of life. It is also the way of life of the debtor countries. They have grown accustomed to a continued inflow of easy money and are terrified of the idea of being unable to keep on borrowing. For this reason they beg for ever more loans to keep up payment of otherwise unpayable charges to, maintain their credit in order to be able to borrow still more.

This cannot work indefinitely, of course, unless inflation keeps reducing the real value of the debts and interest rates are kept below inflation rates. It is like a perpetual motion machine to make useful energy out of air. Bubbles bust when they get too big, and this one is probably not far from the bursting point. It is impossible for exports to grow fast enough in real terms to keep up with exponentially growing obligations. Austerity programs mandated by the IMF cannot possibly secure a sufficient surplus of dollars, and only a totalitarian government could really try to shrink its economy sufficiently, to repay its debts. Reality is catching up with the fictions, as various countries suspend payment on principal or even interest and come to the edge of default. Bigger and bigger bailout loans are necessary to keep the structure from collapsing. The taxpayers are called to the rescue—not really to rescue, only to postpone the reckoning—by adding $8 billion to the IMF funds—an amount effectively added to the federal deficit.

Even while breakdown is postponed, the overshadowing burden has a heavy cost. It preempts loanable funds from productive enterprises to meeting old obligations; banks use of their lending capacity recirculating funds, so to speak, with a good deal siphoned off as they circulate, and there is little left over for worthy projects. Private capital is also deterred from going into countries overloaded with debt, and native capital is stimulated to go abroad. There can be no confidence in the national currency. And so far as there is any serious effort to meet obligations, the Western economic system is certain to be blamed, and any political reaction is almost sure to be of the left.

It consequently becomes imperative to speak of the unspeakable in banking circles, the horrifying prospect of writing off, in one way or another, quickly or gradually, hundreds of billions of dollars of valueless assets on the books. The present system has amounted to a gigantic system of foreign economic aid, uncontrolled, unauthorized, and irresponsible. It has certainly aided the expansion of Third World economics, but has certainly distorted them and probably has been injurious in total effect. It should be replaced by a better planned system to enable the credit capacities of the West really to serve the development of the needier nations.

A FUTURE FOR INTERNATIONAL LENDING

(By Robert Wesson)

(EDITOR'S NOTE: Robert Wesson is a senior research fellow at Stanford University's Hoover Institution and a professor of political science at the University of California at Santa Barbara.)

The present mass of debt overhanging the Third World is an absurdity not usually recognized as absurdity because everyone has seemed to profit by it. But it is nonetheless ridiculous to maintain that the less developed countries should be obligated to transfer some $80 to a $100 billion annually to the rich countries, and it is equally ridiculous to keep furnishing them more money to keep up payments and so to keep increasing the debt. Dozens of countries have failed to meet payments. The bankers choke on the word "default" and struggle to put new packages together.

Lending money is a normal economic transaction, and it should cause no particular problem. One party pays a fee, called interest, for the use of capital during a certain time and engages to return the amount used, like a rented car, at a certain date or under agreed conditions. Banks thus make domestic loans at their commercial discretion and count on the fulfillment of contracts, like renters of houses. If the contract is broken, the lender can call upon civil authorities to enforce it, as by foreclosing a mortgage or attaching wages.

The loaning of money to foreign countries, especially to foreign government, is such a different matter that there ought to be a special word for it. Repayment is to be made in a different currency from that of the borrower, and this raises difficulties sometimes beyond the will of the parties, as changing exchange rates may make repayment practically impossible. Pressure to repay only worsens the situation as debtors bid up the price of dollars. Moreover, exchange rates are subject to speculative movements and to political controls, making the amount to be repaid quite different—perhaps much larger in real terms—than the amount borrowed.

Even more serious is the fact that the international loans are not foreclosable, and foreign incomes cannot be attached. In the 19th century and the first years of this country, it was possible for creditors to take control of customhouses—as in China or the Dominican Republic—to settle accounts, and this worked tolerably well from the point of view of the lenders. Whatever the political cost, in many cases the creditors got their money back, and the threat of such action was a strong incentive for weak countries to keep their accounts in order. But this practice is contrary to principles of independent sovereignty, and now it is considered inadmissible to threaten any kind of reprisals against delinquent debtors. The only real compulsion to pay is the threat that defaulters will get no more credit. In other words, badly indebted Third World states keep up payments mostly in hopes of getting farther in debt. It becomes an addiction. The more that is borrowed, the more is needed, first to keep up the standard of living then and even more to keep up the appearance of meeting obligations.

In a third way, foreign lending is different from domestic, namely that it is politically supported. The lending banks are compensated for the lack of debt collection mechanisms by something like guarantees by their governments, which have a political interest in the outflow of money. Dollars shipped out will mostly come back as payment for American goods and services; abundant lending has been largely responsible for raising to about 40 percent the proportion of American exports going to the Third World. To cut it off would be very painful for many influential persons and might have a disastrous deflationary effect on the economy. There are also foreign policy benefits. A major reason for political affiliation of Third World countries with the West is the desirability of benefiting from Western financial systems. Loans have something of the value and effect of foreign aid, without requiring congressional approval or appearing as red ink in the budget. Hence governments, particularly that of the United States, have encouraged banks to lend and then to keep on lending to cover payment difficulties, and have given implied guarantees of the debts. Now the amounts outstanding have grown to a large fraction of the assets of major banks, so it is assumed that, come to the crunch, the government could not possibly let vital financial institutions go under due to uncollectable loans.

For a long time, the whole system was quite delightful for the banks, which got big profits on their books; for the borrowers, who received amounts of money undreamed of 20 years ago; and for the government, which reaped the benefits of extending immense amounts of foreign aid without costs. But it is impossible to generate indefinite domestic prosperity by simply lending with abandon and covering arrears with new loans. Sooner or later, all parties that have profited so blithely will have to pay for the seemingly free lunch. Banks will have to take losses, as assets on the books become too obviously fictitious or must be frankly

written off. The borrowers will suffer shrunken economies and will have to learn to live on much reduced credit diets. And the government will face the opposite of the benefits received, reduced exports and antagonism instead of benevolence on the part of states being starved instead of fattened.

It is hard for the people of Mexico or Brazil to understand why they should go hungry because of the greed and errors of a few, and they are likely to be persuaded that the bloated capitalists are to blame. It is the worse as the International Monetary Fund demands wage reductions and an end to subsidies on necessities, not profit limitations, an end to executive perks, or return of capital that has taken flight.

It is axiomatic that unpayable loans ultimately must have the same cost as grant aid. It is bound to be the same as though the Congress had voted equivalent billion dollars of foreign aid, and the results are certainly worse for the recipient countries. Overt foreign aid can be controlled and managed much better than monies so thoughtlessly loaned; and the gifts earn at least a little gratitude, whereas the loans reap resentment when the bill collectors try to squeeze out their due. It is a much cultivated myth that the amounts placed at the disposal of Third World countries have aided mightily in their development. There have been built many worthy and remunerative projects, but there have also been many white elephants to consume billions. Worse, a large part of the sums lent out has gone to no productive purpose but to covering the deficits of careless governments and state enterprises. The loans have thus encouraged profligacy and waste. They have also nourished corruption; when so much money comes so easily, everyone feels entitled to a little slice.

If the money managers had given the subject serious thought, they would have considered how much harm, as well as benefits, has come from similarly easy income from oil. In country after country, big petroleum revenues have brought overspending, injured or eliminated all other exports, hurt agriculture, caused inflation, encouraged corruption, and brought economic dislocation. Oil exporters, from Nigeria to Mexico, have regularly fallen prey to this sickness. Oil wealth is a windfall, for which the national government does not need to exert itself; its effects are simply those of easy money. The loans freely extended have been on a smaller scale relative to the total economy, but there was no reason to expect their effects to be basically different.

It is right and proper that capital should flow from relatively rich countries to those with a shortage of capital but relative abundance of labor and/or resources. Foreign investment should be beneficial for both sides. But if funds are handed over with the understanding that they are to be repaid, it should be in such a way that they will be repayable. That is, there should be reasonable certainty that they will add sufficiently to export revenues that there will be no additional strain on the balance of payments when obligations are to be met. This would seem elementary for intelligent financiers, and it would be, if governments would only remove their hands and political aims from the business of international lending. If international lending were placed on a strictly commercial basis, the world would avoid the current ridiculous situation in which rich countries claim huge amounts that the poor cannot repay—and should not try, lest they choke their economies.●

NEW NATIONAL FFA PRESIDENT

● Mr. DOLE. Mr. President, last weekend at the National Convention of the Future Farmers of America in Kansas City, Mo., six young individuals were selected as new national officers for the 1983–84 year. These highly motivated young leaders will direct the activities of 469,000 members in 8,350 FFA chapters across America. The primary aim of the FFA is the development of agricultural leadership, citizenship, and cooperation.

I am especially pleased to report that Ron Wineinger, from Marion, Kans., has been selected as the new national FFA president. Ron is only the second Kansan ever to be selected to the FFA's highest office.

I would like to include in the RECORD the following article from the Kansas City Star which captures part of the convention mood:

MISSOURIAN, KANSAN AMONG FFA OFFICERS

The waiting is over for six youths, including one from Kansas and one from Missouri, who were selected as national officers of the Future Farmers of America Saturday.

The new officers were picked from a field of 30 candidates who had undergone intensive interviews and testing since Tuesday. As each took the stage when his or her name was announced, the arena shook with the screams and applause of thousands of colleagues clad in blue corduroy jackets.

"I was absolutely in the dark until the announcement was made," said Ron Wineinger, 20, of Marion, Kans., who was elected national president. "I was about to panic, to be honest. But the feeling was incredible after the announcement came."

Rhonda Scheulen was in tears as she placed a call to Loose Creek, Mo., which is about 12 miles east of Jefferson City, to tell her parents that she had been selected central region vice president.

"Mom, I made it," the 20-year-old said when the call was connected. "I can't stop crying."

The tears marked the release of tension that mounted steadily throughout the morning but had been bottled up by the 30 candidates as they sat quietly in two rows of chairs on the main floor of the Municipal Auditorium Arena.

As country-music singer Charley Pride entertained the crowd with anecdotes from his childhood on a Mississippi farm, Todd Knobel shifted nervously in his seat as he discussed his hopes of being selected.

"The tension is real high," said the 20-year-old candidate from Fairbury, Nebr. "In the past, certain candidates had an idea of their chances by the number of times they were called in (for interviews). But this year, it seems like everyone's been called in an equal number of times."

Mr. Knobel was not one of the six officers selected, but he said he was pleased just to be in the running. He said his candidacy was "a unique experience. A lot of people have found out a lot about themselves, about life and about the uncertainties of fate."

The newly chosen officers now begin a year of leadership training and travel throughout the United States and overseas. As the new president, Mr. Wineinger said his foremost goal is to develop a "teamwork code of ethics" among new officers.

Mr. Wineinger is a student of agricultural education and agricultural economics at Kansas State University in Manhattan. Ms. Scheulen is studying agricultural journalism at the University of Missouri-Columbia.

Other officers elected were: Bill Caraway, 19, Clovis, N.M., national secretary; Carol Irvine, 19, Gaithersburg, Md., eastern region vice president; Charles Duggar, 20, Marianna, Fla., southern region vice president; and Melody Lawson, 20, Peoria, Ariz., as western region vice president.

KEEPING AMERICA ON THE GROW

Mr. President, the theme for the FFA during the next year will be: "Vocational Agriculture and FFA, Keeping America on the Grow." Indeed, the future of the agriculture prosperity of the Nation will depend upon the training and initiatives of today's youth.

Mr. President, the State of Kansas has had several FFA members receive a national office in recent years. Dee James was a vice president in 1979–80, Sam Brownback was a vice president in 1976–77, Ron Wilson who now works for the Senate Agriculture Committee was a vice president in 1975–76, and Mark Mayfield was Kansas first president in 1973–74.

Mr. President, I congratulate the State of Kansas on their fine FFA tradition and extend to the FFA our best wishes during the coming year.●

LATVIAN INDEPENDENCE DAY

● Mr. DOLE. Mr. President, on November 19, 1983, Latvians throughout the world will celebrate the 65th anniversary of the formation of an Independent Latvian Republic. Although this period of independence lasted for only 22 years, during this time, the Latvian people demonstrated successfully what a small nation can achieve in all fields of life when it enjoys peace, freedom, and the ability to develop its cultural and national identity. In 1940, however, with flagrant disregard for Latvian sovereignty and in violation of international law, the Soviet Union forcibly annexed Latvian territory in accordance with the secret protocols of the notorious Ribbentrop-Molotov Pact that Hitler and Stalin had agreed upon. Although 44 out of the last 65 years have been marred by the oppressive rule of Moscow, Latvian national feelings, nurtured in the relatively brief period of independence, continue to inspire these people to regain their right to self-determination.

DESPITE REPRESSION, RESISTANCE CONTINUES

Soviet oppression of the Latvian people continues today. Since January of this year, a wide-ranging Soviet crackdown on Latvian dissidents has resulted in the arrest of a number of freedom-loving Latvians including Janis Veveris, Gunars Freimanis, and Janis Rozkalns. Other Latvians have been sentenced to labor camps for their activities on behalf of human rights and religious freedom. These include Lidija Doronina, currently serv-

ing a 5-year sentence with 3 additional years exile; Gederts Melngailis, serving a 3-year sentence after having been committed to a psychiatric hospital at the time of his arrest; and Ints Calitis, serving a 6-year sentence in a labor camp for lending his support to a protest by Balts against the 1939 Molotov-Ribbentrop Pact on the occasion of its 40th anniversary. Still other Latvian dissidents continue to languish in prisons and the notorious special psychiatric hospitals which are run by the KGB.

It is clear that despite the repression, Latvian resistance to Soviet domination and russification continues. Indeed, Latvian resistance, partially the result of a genuine fear that Latvians are in danger of becoming a national minority in their own country, takes on more subtle forms. Youths can be seen walking down the streets of Riga wearing T-shirts with the slogan "Latvian Power." Many people still sing the old national anthem and maintain cultural traditions. Even at the Communist Party level, there has been criticism about the increasing use of Russian instead of Latvian.

BALTIC SELF-DETERMINATION RESOLUTION

Mr. President, as Americans, it is important for us to support the Latvian people in their continuing efforts at independence and remember that it was this same spirit which led to the establishment of our own Nation. Our Government has never recognized the illegal Soviet incorporation of Latvia and the other Baltic States of Lithuania and Estonia. With this in mind, Senator LEAHY and I have recently introduced Senate Concurrent Resolution 80, which requests that the President, through our diplomatic representatives in the United Nations, take all necessary steps to bring the question of self-determination for the Baltic States before all appropriate fora of the United Nations, especially before the next session of the Human Rights Commission. It is my hope that this resolution, along with continuing efforts by the Helsinki Commission on Behalf of Baltic Rights Activists, will serve as clear demonstrations of our firm support of the Baltic peoples in their aspiration for freedom and self-determination.●

WITH KEN DUBERSTEIN'S DEPARTURE, WE HAVE LOST A TRUSTED PARTNER

● Mr. DOLE. Mr. President, the Senator from Kansas wishes today to offer a few thoughts about a trusted friend, and respected colleague. Surely, all Members of this body would agree that the departure of Ken Duberstein as President Reagan's Congressional Liaison Director is a tremendous loss.

When President Reagan first came to office, he appointed Max Friedersdorf as his congressional representative. It is a difficult job—but Max proved to be one of the best congressional liaison officers ever. We in the Senate appreciated his sincere, honest approach, and he too has been sorely missed.

Luckily, his deputy, Kenneth Duberstein, was able to take over his duties with similar success.

As chairman of the Finance Committee, this Senator has had the pleasure of dealing with Ken on an almost daily basis. He is tough, believe me. But he is also responsible, and he tells it to you straight. In my opinion, Ken has played no small part in this administration's many legislative achievements.

The Senator from Kansas wishes Ken and Sydney Duberstein the best of luck as Ken ventures into private enterprise. In his new position as vice president of Timmons & Co., he joins two other excellent former congressional liaison officers, Bill Timmons and Tom Korologos.

This Senator also offers his best wishes to Mr. Duberstein's successor, M. B. Oglesby.●

HUMAN RIGHTS BEHIND THE IRON CURTAIN

● Mr. DOLE. Mr. President, Senator PERCY, my friend and chairman of the Foreign Relations Committee, recently held a hearing in Chicago to bring attention to the human rights problems behind the Iron Curtain. Senator PERCY has a longstanding involvement in the area of human rights and a personal concern for the plight of the peoples behind the Iron Curtain, and his views on this important matter are thoughtful and clear. I commend Senator PERCY's speech to my colleagues, and ask that it be included in the RECORD at this point.

The statement follows:

HUMAN RIGHTS BEHIND THE IRON CURTAIN

Today, the Senate Foreign Relations Committee meets in Chicago, Ill. This is the first time that the committee has convened in Chicago. The purpose of a Senate field hearing is to tap sources of information and expertise about an issue of great importance. This morning we examine an issue of long-standing concern to me: The protection and promotion of human rights in the Soviet Union and Eastern Europe. There is no city in the United States with more residents whose collective history is so closely tied to the peoples of Eastern Europe and the Soviet Union than Chicago. Chicagoans care deeply about the well-being of their friends and relatives behind the Iron Curtain and monitor closely the course of events in those countries. So I believe the testimony of their representatives will be a source of accurate information and advice for the committee and the Senate on this important subject.

The committee is meeting here now because the human rights situation in the Soviet Union and in most of the other countries of the region is growing worse. Sadly, it is also true that human rights are seriously abused by non-communist regimes in our own hemisphere and elsewhere. We should not and do not close our eyes to such abuses, for all people have basic rights and it matters not at all to the victims whether they are abused by totalitarians, by authoritarians, or by self-described liberators. However, we are focusing this hearing on the human rights problems behind the Iron Curtain because the situation is worsening there every day. In the Soviet Union and Eastern Europe, today, civil and political rights, freedom of emigration, freedom of religion, and freedom of the press are systematically violated.

Yet there are rare cases, such as the release of the Siberian Seven from the Soviet Union, which bring renewed hope to millions that their long struggle for freedom will some day be rewarded.

But this should not be exception. In a world where nations have openly pledged to respect their international commitments, emigration should be freely permitted, and so should freedom of the press and freedom of assembly. In a small way, I hope that this hearing will help to expose the real human rights situation behind the curtain to as many Americans as possible. I am pleased to note that Radio Free Europe, Radio Liberty, and the Voice of America are here so that our proceedings will be broadcast throughout Eastern Europe and the Soviet Union.

Let me take this opportunity to announce that today I will chair the inaugural meeting of a new, private group called the "Advisory Council on Religious Rights in Eastern Europe and the Soviet Union." The situation for religious believers behind the Iron Curtain is deteriorating. Recognizing the seriousness of the situation, I have—consulted with many religious and political leaders over the past year and the advisory council is the result of those consultations.

Several prominent political and religious leaders have joined the advisory council. Former Presidents Jerry Ford and Jimmy Carter are serving as honorary national co-chairmen, and they will provide advice to the council. Former Secretaries of State Rusk, Rogers, Vance and Haig have joined as founding honorary sponsors. Dean Rusk, in his letter accepting my invitation, said: "I have long felt that volunteer organizations and their expressed interest can make much more of an impact upon the Soviet Union than can be made by foreign office to foreign office communication. In the latter case, the Soviet Union automatically resists such pressures as an unacceptable intrusion of another government into their internal affairs." Those are indeed words of wisdom. And Joseph Cardinal Bernardin has said that he, too, is "deeply interested in and concerned about the issues which the advisory council will address."

Also, Archbishop Iakovos of the Greek Orthodox Church of North and South America has promised to "do all in my power for the success of this noble effort." His eminence goes on to say: "It is my hope and prayer that the interfaith effort which you envision will become a reality and will bring to the forefront the harassment and discrimination endured by so many religious believers in Eastern Europe and the Soviet Union." So we have inspiration from many, many people as we begin this work.

Quiet diplomacy also has its place in helping to achieve this goal. So I repeat today what I have said before, just as I said at the University of Chicago's International House last week: President Reagan should hold a summit meeting with the Soviet Leader

Andropov. Of course their agenda would include nuclear arms control, which is the paramount challenge to the survival of humankind. But I have confidence that in a face-to-face meeting with Andropov, President Reagan would express decisively his resolve that there must be improvements in the human rights situation in the Soviet Union. It is important that the Soviets hear this from the highest officials of the U.S. Government. A summit meeting would be an opportunity for constructive engagement on these issues.

The situation in the Soviet Union is by all accounts worse today than at any time in the past decade. The emigration of Soviet Jews and other national minorities, including ethnic Germans and Armenians, has been curtailed so terribly that only a handful is allowed to emigrate. The persecution of Catholic priests in Lithuania is increasing. We all know about the continuing persecution of prisoners of conscience and refuseniks—people like Anatoliy Scharansky, Ida Nudel, Alexander Paritsky, Josef Begun, Vytautas Skuodis and Abe Stolar—both Chicagoans by birth—Alexei Murzhenko and Yuri Federov and so many others. Though the Siberian Seven were allowed to emigrate, 70 other Pentecostalists have gone on a hunger strike in Siberia because they, too, want to emigrate.

The situation in Czechoslovakia with respect to the churches is also worsening, and political dissent is repressed forcibly and with unending harassment. In Poland, press reports late last week showed concern for Lech Walesa's priest, whom the Government is attempting to intimidate. In Romania, the Government has on several occasions made gestures toward greater respect for religious rights and then has retracted the promises and cracked down on religious believers. And while emigration is permitted in sizeable numbers, still there are many more in Romania who would like the opportunity to emigrate. In Hungary, there have been signs that official attitudes toward dissenters have hardened. I understand that Mr. Tibor Tollas, a prominent Hungarian poet, is attending today. Mr. Tollas, would you please stand so we can warmly welcome you to Chicago?

In Yugoslavia, four American citizens or American permanent residents were arrested and jailed recently not for what they did in Yugoslavia, but most likely for allegedly participating in demonstrations against Yugoslavia while they were in the United States. I strongly criticized this clear infringement on free expression, and three of the four of the prisoners have now been released and have returned to Illinois.

Fortunately, there have been some successes in obtaining greater respect for human rights behind the Iron Curtain. I believe, however, that new approaches are needed now. In this regard, I believe that the following four actions should be considered:

(1) Following this hearing, I will chair the inaugural meeting of the Advisory Council on Religious Rights in Eastern Europe and the Soviet Union. At our meeting today, we will discuss concrete actions to promote religious rights behind the Iron Curtain.

(2) In 1978, the United States and the Soviet Union exchanged prisoners and that is how pastor Vins, the Baptist pastor, obtained his freedom. Today, there are no Soviets held on espionage charges, but if there are in the future I will urge the President to consider a prisoner exchange with the prisoners of conscience in the U.S.S.R. Currently, there are two East European prisoners, one from Poland and one from Bulgaria. I believe that there should be serious consideration given now to discussing a prisoner exchange with these East European nations.

(3) I have always been a strong supporter of our broadcasting efforts. The Voice of America, Radio Free Europe and Radio Liberty are absolutely essential in getting the news through the Iron Curtain. Therefore, I proposed an amendment to the State Department Authorization bill which passed the House-Senate conference last week that will establish a Baltic States Service in Radio Liberty. This service will clearly reflect the fact that no U.S. Government has ever recognized the illegal incorporation of the Baltic States into the Soviet Union. And I will urge that the Baltic service programming include a significant amount of material on the human rights situation which is particularly troubling in the Baltic States. I hope that President Reagan signs the bill as soon as possible, and I know that our State Department witnesses will concur.

(4) Finally, I believe that the United States should seek to open a consulate in Kiev. As part of a reciprocal arrangement with the Soviet Union, this would permit a Soviet office in New York. But more importantly, a U.S. consulate in Kiev, Ukraine, will yield tremendous benefits for the United States. Our ability to provide services in Ukraine will increase dramatically. We ought to have a U.S. consulate in Kiev, and the advantage of having it will far outweigh any disadvantage of having a Soviet consulate in New York. Of course, I will want to ask our witnesses to comment on the suggestion.

Fundamentally, the people of the United States want better relations with the people of Eastern Europe and the Soviet Union. But that will not be possible until the Governments of Eastern Europe and the Soviet Union realize that their policies cause distrust, disharmony and great suffering. Those policies make it difficult for the United States and our allies to believe that they really want to reduce international tensions.

Congressman Derwinski—Counselor Derwinski—I would welcome your opening statement. Welcome back to Chicago, and welcome to Charles Fairbanks, Deputy assistant Secretary of State for Human Rights, who joins you at the witness table.

Then we will convene two panels of witnesses. The first includes Aloysius Mazewski, president of the Polish National alliance; next is Myron Kuropas, vice president of the Ukrainian National association; next is Thomas Remeikis, of Baltics Republic issues; next is Vlastislav Chalupa, vice president of the Czechoslovak National Council. The second panel includes Father Frank Kane of the archdiocese of Chicago; next is Pamela Cohen, co-chair of Chicago action for Soviet Jewry; next is Joel Sprayregen, chairman of Chicago conference on Soviet Jewry; next is Father Victor Potapov, chairman of the committee for the defense of persecuted orthodox christians; and we will conclude with Jerry Rose, president of Christian Communications of Chicagoland.●

GRENADA ANALYSIS

● Mr. LAXALT. Mr. President, I ask to have printed in the RECORD the following column written by Mr. Hank Greenspun, publisher of the Las Vegas Sun.

Mr. Greenspun's comments concerning the President's action vis-a-vis Grenada is a penetrating analysis that deserves widespread recognition.

The article follows:

[From the Las Vegas Sun, Nov. 4, 1983]

WHERE I STAND—"GUNBOAT DIPLOMACY"

(By Hank Greenspun)

The highly publicized slobbering and sniveling by a handful of self-righteous editorial writers and columnists over the American invasion of Grenada has obscured a fundamental truth.

The United States has, for the first time since the Cuban missile crisis in 1962, taken decisive action to protect legitimate U.S. interests in the Caribbean.

A recent editorial in a local newspaper has proclaimed that the U.S. is now showing the world another face. It goes on to say that American principles have long purported that might is not right and that we have denounced other nations for bullying their way into countries.

And now, "while President Reagan and his associates were playing golf in Georgia, they planned the invasion of Grenada." The opposition newspaper also asks: "How can the United States ever again decry the assaults of the Soviets on their neighbors when Americans have now made a mockery of international law?"

It appears the Review-Journal would prefer a different face for the United States than that of President Reagan when he shows an effective and aggressive determination for our own rights and for the rights of humanity and civilization everywhere in the world.

Perhaps the face of Jimmy Carter sending his brother Billy to Libyan madman Muammar Khadafy, to ransom American hostages in the hands of the mad butcher of Iran, would be more to the R-J's liking.

The whimpering we now hear from nincompoops and mollycoddles deceive no one with a thimbleful of sense. It is the dunderhead and not the courageous diplomacy of the past that has brought the problems for our nation to the Americas.

War is not a spontaneous thing. It requires long preparation and carefully thought out plans.

Under Reagan's courageous diplomatic policy, the American continent must not be considered as targets for future colonization by any Asian, European or foreign power.

With existing states we should never interfere, unless it is their express motive to inject their oppressive force with manpower and ideologies that manifest an aggressive and unfriendly disposition toward our nation.

What was the purpose in the U.S. invasion of Grenada?

For 20 years, ever since President John Kennedy demanded that the Soviet Union stop its buildup of strategic missile systems on an island 90 miles from U.S. shores, Moscow has been attempting to gain a strategic foothold in the Western Hemisphere.

The Kremlin knows it cannot counter U.S. military strength in this part of the world because it cannot sustain military action here due to our ability to disrupt crucial supply lines.

The Russians also know that our ability to ship massive amounts of military supplies to allies in Europe, Africa or the Middle East could be seriously threatened by well-armed, Marxist-oriented nations in the Caribbean area.

In the event of a Soviet move against NATO forces, 75 percent of U.S. men and material headed for Europe aboard ships would transit the Straits of Florida—within easy reach of any Soviet or Cuban warplanes based in the Caribbean.

Furthermore, 44 percent of all foreign tonnage shipped to the U.S. moves through the Caribbean.

By formenting violent revolution in our neighbors to the South and then supplying the resultant governments with massive amounts of arms, the Soviets serve their long-term goals through brutal, oppressive surrogate states.

Cuba is a surrogate state. Fidel Castro has built a military complex of 227,000 active troops from a nation populated by 10 million people. It amounts to one soldier for every 44 men, women and children in Cuba. By contrast only one of every 113 Americans is an active military member.

Castro has not built up such a massive military machine for self-defense. He sent 20,000 combat troops to fight in Angola, 12,000 to Ethiopia, an unlisted amount to Yemen and other African and Middle East countries. And this is from documented reports.

Transportation or replacement troops and arms from Cuba to the African nations would even have been facilitated by the airfield Castro's forces were building in Grenada, which is almost a thousand miles closer to Africa.

The large supply depots and army barracks built near Grenadian airfields were capable of housing more troops than Grenada had in its entire army.

It must be obvious to even the most groveling of American apologists that Cuba and Moscow intended Grenada as a staging point for military incursions in other Caribbean states. To believe otherwise is senseless and a total disregard of facts.

Another Soviet client is the Sandinista regime in Nicaragua. Prior to the revolution in that country, the repressive dictator Somoza had 9,000 men under arms. But the new Marxist rulers have boosted that force to more than 25,000 troops in just four years.

In addition, 4,000 military "advisers" from Cuba, Russia, East Germany, Libya and the PLO are at work in Nicaragua. That works out to one "adviser" for each 675 Nicaraguans.

An equivalent ratio would bring more than 335,000 such Communist "military advisers" to the U.S.

War is not a spontaneous thing. It takes long preparation and adversaries that are divided and uncertain of their purposes and goals.

This is the national program of the Soviets through their surrogates in Cuba, Libya, Syria and other hot spots around the earth.

The American people must be united behind a president who has shown an awareness of history and reality. It is the only hope of a free world that has no other place than the U.S. to turn to for leadership.●

COMMISSION ON WARTIME RELOCATION

● Mr. MURKOWSKI. Mr. President, I am pleased to join Senators STEVENS, MATSUNAGA, and INOUYE in authoring a bipartisan bill to implement the recommendations of the Commission on Wartime Relocation and Internment of Civilians.

As my colleagues will recall, the independent Commission was established by act of Congress in 1980 to investigate the circumstances surrounding the relocation and internment of Japanese-American and Aleut citizens during World War II. The Commission's reports were presented to Congress in January and June of this year. Those reports document fully the injustices suffered by those who were relocated to camps far from their homes in early 1942 for the duration of the war.

In the case of the Aleuts, who inhabited a number of small, remote villages on the Aleutian Island chain and the Pribilofs, the Commission determined that the military decision to relocate the people was justified under the circumstances. The Japanese enemy forces captured Attu and Kiska in early June 1942, and about 881 Aleut villagers were removed from their home villages by Army and Navy forces within the following 60 days.

Unfortunately, the relocation of the Aleuts to abandoned fish canneries and mining camps in southeastern Alaska resulted in widespread disease and death among the residents of the camps. The Commission found that medical care was inadequate, shelter and food were below standard, sanitary facilities were virtually nonexistent, and the drinking water was unhealthful. At least 10 percent of all the Aleuts relocated to the camps perished before their villages were restored on the Aleutian and Pribilof Islands.

Upon their return after 2 to 3 years in the camps, the Aleuts found their personal and community property had been converted without compensation for military use, destroyed, or taken by those who occupied the villages in the Aleuts' absence. They were never fully compensated for these losses. In addition their churches were burned, desecrated, or stripped of invaluable religious icons dating from 18th and 19th century Imperial Russia. There was never any effort by our Government to replace or rehabilitate the churches and church properties destroyed or severely damaged while under U.S. control during the war.

Mr. President, the populated areas of the Lower Alaska Peninsula and the Aleutians are still littered with the debris and abandoned structures from the U.S. military occupation of the islands. In recent years at least one child, who lived with his family in Cold Bay, lost the use of his hand when a World War II fuse exploded. He had been playing in an area where live ammunition still litters the lands outside the town. The Commission has recommended that this debris be cleaned up, as the debris from World War II has been cleaned up in Japan, Europe, and elsewhere, often with substantial American assistance.

Mr. President, our legislation implements the five recommendations of the Commission to provide restitution to the Aleut people for the losses they suffered as a consequence of Government operations during the war years. In addition the bill implements the Commission's recommendations for restitution of Japanese-American losses. I know that Senators MATSUNAGA and INOUYE will be addressing the Japanese-American issues in connection with the introduction of this legislation. Thus I have limited my remarks to the Aleut issues at this time.

Mr. President, 40 years and more have passed since the Aleuts were relocated to unimaginably inadequate camp facilities in southeastern Alaska. A number of those who suffered the most are quite elderly—an even greater number have already passed away. I urge the Senate to consider this legislation promptly, as substantial justice to the Aleut people demands compensation for losses sustained as a result of U.S. Government activities in World War II. The restitution provided in our bill should not be unreasonably delayed any longer.●

THE RESPONSIBILITY OF THE MEDIA TO THE AMERICAN PEOPLE

● Mr. GOLDWATER. Mr. President, several days ago I inserted in the RECORD, a brief study by my attorney, Mr. Terry Emerson, relative to the history of the first amendment and its application to the news media.

Today, I have another study on the same subject prepared for Vickie Toensing of my staff which points up, a little more, the interesting aspects of the first amendment. This study stresses, even more strongly than I have expressed, the responsibility that the media have to the American people. I repeat what I have said before, it is just wanton disregard of responsibility that has caused the public confidence in the media to go down.

I ask that this article be printed in the RECORD.

EXCLUSION OF THE PRESS FROM AREAS OF MILITARY ACTIVITY

This brief report will recount past instances of exclusion of the press from areas of military activity similar to that which occurred in the early days of the invasion of Grenada in October, 1983.

During the Cuban Missile Crisis, reporters were not allowed to go on ships or planes deployed for purposes of the quarantine of Cuba. The United States Naval base on Guantanamo was also closed to newsmen for over two weeks during the period of the crisis in October and November, 1962. See, Hearings Before a Subcommittee of the House Committee on Government Operations on Government Information Plans and Policies, 88th Cong., 1st Sess. 15, 32, 34,

61 (part 1), 269 (Part 2) (1963) (hereinafter, Hearings).

The press was also excluded from certain nuclear weapons tests conducted in the Pacific and South Atlantic in the period 1948-1962. Hearings 172. A decision by the Defense Department not to permit news media to cover a May 1962 nuclear test in the Pacific was specifically discussed at the above hearing, with the Department responding that historically "those test were regarded as weapons tests, and very seldom do we have weapons test covered." Id.

Finally, the early years of United States involvement in Vietnam saw some restrictions on press coverage of military operations. An incident in November 1962 when correspondents were not permitted in an area of intense combat by order of South Vietnam's military leaders was recounted in the above hearings. The United States, viewing its role as advisory only at that point in time, apparently felt constrained not to countermand such military orders. Hearings 390-1. Problems of both press access and censorship apparently occurred with more frequency in this early period of United States military operation in Vietnam. See, United States Information Problems in Vietnam, H. Rept. No. 797, 88th Cong., 1st Sess. (1963).

PLUS: NO PRESS ON IRANIAN HOSTAGE RESCUE MISSION

The foregoing have been examples of restrictions on access by the media to areas of military operation. This is to be distinguished from censorship of news reporting by those already present in the area, a practice which has traditionally occurred in war time and frequently with the voluntary cooperation of the press. See, Gottschalk, "Consistent with Security" * * * A History of American Military Press Censorship, 5 Communications and the Law 35 (Summer 1983); Note, Developments in the Law—The National Security Interest and Civil Liberties, 85 Harv. L. Rec. 1130, 1192-8 (1972). The constitutional question posed by restrictions on press access would also seem to be different than those raised by direct restraints on publication. See, *Houchins* v. *KQED, Inc.*, 438 U.S. 1 (1978); *Zemel* v. *Rusk*, 381 U.S. 1 (1965); *Worthy* v. *Herter*, 270 F. 2d 905 (D.C. Cir. 1959), cert. den., 361 U.S. 905 (1960); Note, The Rights of the Public and the Press to Gather Information, 87 Harv. L. Rev. 1506, 1517 (1974).

RICHARD EHLKE,
Specialist in American Public Law,
American Law Division.

FIRST AMENDMENT ISSUES RAISED BY A HYPOTHETICAL ORDER BY THE PRESIDENT PROHIBITING THE PRESS FROM TRAVELING TO A FOREIGN COUNTRY TO REPORT ON MILITARY ACTION BY THE UNITED STATES

This report briefly considers the First Amendment issues that would be raised by an order by the President prohibiting the press from traveling to a foreign country to report on military action by the United States. It does not express a conclusion as to the constitutionality of what the Washington Post (Oct. 27, 1983, p. A1) described as "the Pentagon refusal to let journalists accompany the invasion force or allow any journalist to travel to" Grenada.

The First Amendment to the United States Constitution provides "Congress shall make no law * * * abridging the freedom of speech, or of the press. * * *" This limitation applies to all government agencies. *Herbert* v. *Lando*, 441 U.S. 153, 168, n. 16 (1979). Therefore, a restriction by the President (or by the military, of which the President is Commander in Chief under the Constitution, Art. II, § 2, cl. 1) on press coverage would appear to be a prima facie violation of the First Amendment.

The First Amendment, however, is not absolute, and prior restraint of the press may be permissible in extraordinary situations. For example, the Supreme Court wrote, "No one would question but that a government might prevent actual obstruction to its recruiting service or the publication of the sailing dates of transports or the number and location of troops." *Near* v. *Minnesota*, 283 U.S. 697, 716 (1931) (dictum). This decision was cited by a federal district court in 1979 when it granted a preliminary injunction against the publication of information concerning the manufacture of the hydrogen bomb. *United States* v. *Progressive, Inc.*, 467 F. Supp. 990 (W.D. Wis.), dismissed mem. 610 F. 2d 819 (7th Cir. 1979). The court acknowledged that its order would "constitute the first instance of prior restraint against a publication in this fashion in the history of this country, to this Court's knowledge." 467 F. Supp. at 996. Nevertheless, the court concluded "that publication of the technical information on the hydrogen bomb contained in the article is analogous to publication of troop movements or locations in time of war and falls within the extremely narrow exception to the rule against prior restraint." Id.

The narrowness of this exception was emphasized by the Supreme Court when, by a vote of 6 to 3, it denied an injunction against publication of the Pentagon Papers:

"Any system of prior restraints of expression comes to this Court bearing a heavy presumption against its constitutional validity." The Government "thus carries a heavy burden of showing justification for the imposition of such a restraint."

New York Times Co. v. *United States*, 403 U.S. 713, 714 (1971) (per curiam) (citations omitted). Although the Court's opinion said little more than this, each of the Justices wrote a concurring or dissenting opinion. As for the six concurring opinions, Justices Black and Douglas believed that prior restraint was never permissible. Justice Brennan thought prior restraint permissible to the extent described in *Near* v. *Minnesota*, but added that "the First Amendment tolerates absolutely no prior judicial restraints of the press predicated upon surmise or conjecture that untoward consequences may result." Id. at 725-726. Justices Stewart and White would permit prior restraint only if necessary to prevent "direct, immediate, and irreparable damage to our Nation or its people." Finally, Justice Marshall found prior restraint impermissible in the case of the Pentagon Papers because it had not been authorized by Congress.

Thus, for prior restraint to be justified, it apparently must be for the purpose of preventing imminent and grave consequences. In addition, it may not be broader than is necessary to prevent such consequences. In *Shelton* v. *Tucker*, 364 U.S. 479, 488 (1960), the Supreme Court wrote:

In a series of decisions this Court has held that, even though the governmental purpose be legitimate and substantial, that purpose cannot be pursued by means that broadly stifle fundamental personal liberties when the end can be more narrowly achieved. The breadth of legislative abridgment must be viewed in light of less drastic means for achieving the same basic purpose.

Thus, if the purpose of a prior restraint is to prevent disclosure of troop movements, then to prohibit all coverage of a war would appear to be impermissible.

On the other side, one might argue that an order prohibiting the press from traveling does not constitute a prior restraint on publishing so much as a denial of the right to travel, and, as such, is easier to justify under the Constitution. In *Zemel* v. *Rusk*, 381 U.S. 1 (1965), the Supreme Court upheld the constitutionality of a statute that authorized the Secretary of State to refuse to validate passports of United States citizens for travel to Cuba. The Court acknowledged that the "right to travel is a part of the 'liberty' of which the citizen cannot be deprived without due process of law under the Fifth Amendment." Id. at 14. However, the Court held "that the Secretary has justifiably concluded that travel to Cuba by American citizens might involve the Nation in dangerous international incidents, and the Constitution does not require him to validate passports for such travel." Id. at 15.

The plaintiffs in *Zemel* v. *Rusk* asserted another argument:

the "travel ban is a direct interference with the First Amendment rights of citizens to travel abroad so that they might acquaint themselves at first-hand with the effects abroad of our Government's policies. * * * [id. at 16]."

The Court responded:

We must agree that the Secretary's refusal to validate passports for Cuba renders less than wholly free the flow of information concerning that country. While we further agree that this is a factor to be considered in determining whether appellant has been denied due process of law, we cannot accept that it is a First Amendment right which is involved. For, to the extent that the Secretary's refusal to validate passports for Cuba acts as an inhibition (and it would be unrealistic to assume that it does not), it is an inhibition of action. There are few restrictions on action which could not be clothed by ingenious argument in the garb of deceased data flow. . . . The right to speak and publish does not carry with it the unrestrained right to gather information [id. at 16-17].

There appear to be two reasons why the Supreme Court today might give more weight to a First Amendment argument in the case of prohibiting journalists from traveling than it did in the case of denials of passports to Cuba. First, the fact that the limitation is aimed specifically at journalists makes it far more likely that its intention is to restrict news gathering. An "ingenious argument" would not seem necessary to clothe the travel restriction "in the garb of decreased data flow." Second, since 1965, when *Zemel* v. *Rusk* was decided, the Supreme Court has recognized increased First Amendment protection for news gathering. In *Branzburg* v. *Hayes*, 408 U.S. 665, 707 (1972), the Court said that "news gathering is not without its First Amendment protections," and noted that a journalist might have a constitutional right to withhold information from a grand jury investigation that was instituted or conducted in bad faith. In addition, in *Richmond Newspapers, Inc.* v. *Virginia*, 448 U.S. 555, 575-576 (1980), the Court, upholding the right of the public to attend criminal trials absent an overriding interest, wrote:

"[T]he First Amendment goes beyond protection of the press and the self-expression of individuals to prohibit government from limiting the stock of information from

which members of the public may draw." Free speech carries with it some freedom to listen. "In a variety of contexts this Court has referred to a First Amendment right to 'receive information and ideas'" [citations omitted].

On the other hand, even though news gathering "is not without its First Amendment protections," these protections may be overridden more readily than may the freedom from prior restraint. This is evidenced by the fact that the holding in *Branzburg* was that journalists ordinarily have no constitutional right to withhold information from grand juries. In addition, one might compare *Richmond Newspapers*, which concerned access to criminal trials, with *Nebraska Press Association* v. *Stuart*, 427 U.S. 539 (1976), which concerned a court order restraining the reporting of information concerning a criminal trial. In *Richmond Newspapers*, the Court indicated a willingness to approve "reasonable limitations on access to a trial * * * in the interests of the fair administration of justice." 448 U.S. at 581, n. 18. In *Nebraska Press*, on the other hand, the Court, in the view of one commentator, "announced a virtual bar to prior restraints on reporting of news about crime." L. Tribe, *American Constitutional Law* (1978) at 627.

It appears that an order by the President prohibiting the press to travel to a foreign country to report on military action by the United States is closer to a denial of access than it is to a prior restraint. Therefore, although it would be entitled to First Amendment protection, such protection apparently could be overridden if the order were justified by a substantial governmental interest, even if such interest fell short of the need to prevent the type of grave and imminent harm that might result from the disclosure of the location of troop movements in time of war. A justifiable interest arguably might be that asserted in connection with Grenada, where "[t]he formal explanation given by both the White House and Gen. John W. Vessey Jr., chairman of the joint chiefs, was that reporters were barred for their safety." Washington Post, Oct. 27, 1983, p. A14. However, if the purpose of an order is not to restrict the flow of information, then it may be questioned why the order would be limited to journalists. This limitation may suggest that the purpose of the order was at least in part to restrict the flow of information. This possibility would seem even stronger, if, as in Grenada, four journalists, but apparently no non-journalists, reportedly "were held incommunicado," with the three of them who were Americans transported offshore. Washington Post, Oct. 27, 1983, p. A1. Although "the First Amendment does not guarantee the press a constitutional right of special access to information not available to the public generally," it does guarantee the press at least as much access as the public generally. *Pell* v. *Procunier*, 417 U.S. 817, 833 (1974).

In conclusion, it appears that an order by the President prohibiting the press to travel to a foreign country to report on United States military would be a violation of the First Amendment if not justified by a substantial governmental interest other than a desire to restrict the flow of information. Such an interest, however, apparently need not be as great as that which would be required to justify a prior restraint on publication. A determination of the constitutionality of the particular restriction on the press that occurred in connection with Grenada would require information, which at this time is not readily available, concerning the factual circumstances surrounding the restriction.

HENRY COHEN.
Legislative Attorney.●

DEBATE ON THE JEPSEN RESPECT HUMAN LIFE AMENDMENT TO THE CIVIL RIGHTS COMMISSION BILL, H.R. 2230

● Mr. HELMS. Mr. President, on Monday, November 14, during the debate on the Jepsen respect human life amendment to the Civil Rights Commission bill, the able Senator from Oregon (Mr. PACKWOOD) made some derogatory remarks about those of us in Congress who seek to restore legal protection for the unborn.

The Senator compared our efforts to what he called aggressive countries nibbling away at their neighbors, adding that these efforts:

Have not been unlike the nibbles of the Axis powers in World War II toward Czechoslovakia, Sudetenland, or Austria, or the occupying of the disputed land between France and Germany in the mid-thirties.

My colleague from Oregon also said:

It is not unlike the crossing of the Polish border in 1939. (Congressional Record of November 14, 1983, page S 16068.)

Mr. President, the clear implication of these unfortunate statements is that congressional pro-life efforts and Nazi war conduct have something in common. Where my friend from Oregon got such an utterly bizarre idea is anybody's guess. It leads one to wonder how he knows about the history of abortion law in the United States and Western civilization generally, or about the contemporary pro-life movement in this country and the Members of Congress who support it, or about Nazi war policy in World War II and Nazi involvement in promoting abortion. I doubt whether anyone even remotely familiar with these topics could have drawn the comparison Senator PACKWOOD drew.

But, Mr. President, because the comparison has been drawn, it seems appropriate to offer a brief response. One of the constant problems in debating abortion is to overcome the distortions, both in language and argument, employed by those who want to portray abortion as a basic legal right.

Mr. President, the history of abortion law in the West is to a large extent the history of the Christian conversion of Europe. A summary of this history is contained in the report on the human life bill by the Judiciary Subcommittee on Separation of Powers:

Ancient civilizations differed in their views on the value of human life and, consequently, on their views of abortion. The oath of Hippocrates, which we trace to ancient Greece, and which, until recently, set the standard for the medical profession, affirms the value of all human life. It required physicians entering the practice of medicine to swear that they "will not give to a woman an abortive remedy."

On the other hand, the Romans, with some exceptions, not only allowed abortion but practiced it extensively. A reason is that the Roman government imposed a narrow definition of citizenship and permitted a general disregard for the value of human life in non-citizens. The result was widespread practice of slavery, infanticide, killing for sport, torture and other forms of barbarity, along with abortion.

The principle of the intrinsic value of human life entered the Western world as the new Judeo-Christian ethic clashed with this Roman and pagan view which awarded rights only to select individuals.

Significantly, the earliest Christian writing outside the New Testament, the Didache (Teaching of the Twelve Apostles), clearly prohibits abortion and infanticide, stating that, "You shall not slay the child by abortions. You shall not kill what is generated" and this teaching accords with that of other leading Christians of the time.

The triumph of this Judeo-Christian sanctity-of-life ethic established in Western civilization a principle of protecting all individuals, not merely a select category of persons defined arbitrarily by the state. (Human Life Bill Report at 25-26 (December 1981).

In his book "Abortion: The Myths, the Realities, and the Arguments," Germain Grisez provides more specifics about the development of anti-abortion laws in Europe. He writes:

We could trace the influence of Christian thought upon the laws of converted barbarians after the fall of Rome. As early as the sixth century, the law of the Visigoths provided a death penalty for anyone who gave a potion to cause abortion. The woman herself was beaten if she was a slave or degraded if she was a gentlewoman. In the seventh century, the Chindasvinto Visigoth law provided death or at least blinding both for the abortionist and for the woman's husband, if he ordered or permitted the crime. Anti-abortion legislation developed refinements following those in canon law as the Visigoths became Spaniards.

The same pattern could be traced in France. Civil law followed canon law; abortion (at least of the animated fetus) was regarded as homicide until the French Revolution and was punished as such. French parliaments during the Bourbon period still condemned physicians, surgeons, and midwives to be hanged for this crime. However, under the impact of rationalism in the revolutionary period, the punishment under a French law of 1791 was reduced to twenty years in prison. The Napoleonic code of 1810 did not distinguish between the abortion of the animated and that of the non-animated fetus, but the term of punishment was an indefinite "limited time." Austria in 1787, under Joseph II, also ended the death penalty for abortion. Similar developments occurred in other continental European countries.

Anglo-Saxon law before the Norman conquest (1066) provided for abortion both civil penalties, in the form of heavy fines, and ecclesiastical penalties, in the form of penances. The earliest compilations of English law reflect the fact that abortion was regarded as homicide. Bracton, who actually administered the king's law in mid-thirteenth century, includes in his list of provisions concerning homicide: "If there be some one, who has struck a pregnant woman, or has given her poison, whereby he has caused abortion, if the foetus be already

formed or animated, and particularly if it be animated, he commits homicide." (Germain Grisez, "Abortion: the Myths, the Realities, and the Arguments" at 186-187 (Corpus Books 1970)).

In the United States the history of abortion law is relatively familiar. It is intimately tied to English common law which we inherited after the American Revolution. That common law on abortion was well-stated by the great 18th century English jurist William Blackstone:

Life is the immediate gift of God, a right inherent by nature in every individual; and it begins in the contemplation of law as soon as an infant is able to stir in the mother's womb. For if a woman is quick with child, and by a potion, or otherwise, killeth it in her womb; of if anyone beat her, whereby the child dieth in her body, and she is delivered of a child; this, though not murder, was by the antient law homicide or manslaughter. But at present it is not looked upon in quite so atrocious a light, though it remains a very heinous misdemeanor. An infant en ventre sa mere, or in the mother's womb, is supposed in law to be born for many purposes. (William Blackstone, "Commentaries on the Laws of England," vol. 1, at 125-126 (Oxford: Clarendon Press 1765-1969)).

Subsequent development of both common and statutory law in England and the United States followed the principles articulated by Blackstone but was enlightened by a better understanding of the facts of prenatal life brought on by advances in medical science. Grisez again renders a good summary of this development:

SUMMARY

In 1803 the first British statute law against abortion condemned as felony attempts to procure abortion. The act had to be willful, malicious and unlawful, but not necessarily effective or harmful to the mother. If the attempt were made after quickening, the punishment could be death; if before, the punishment could be whipping, pillory, imprisonment, or exile to a penal colony for up to fourteen years.

In 1828, a consolidated Offenses Against the Person Act set as penalties for aborting before quickening imprisonment for no more than three years and exile for seven. An 1837 amendment eliminated all reference to quickening (or even actual pregnancy), and increased the term of punishment to not less than fifteen years up to life, while eliminating the death penalty. In none of these early statutes was self-abortion expressly prohibited, but since no distinction was made in the general prohibition, self-abortion seemed to be implicitly condemned.

These statutes were more and more inclusive in their prohibition, but even the first of them revealed a determination to end the laxity that had been introduced into the common law over the centuries. All abortion was held a felony. The earlier laws maintained as significant the old distinction between the fetus that had not quickened and the one that had. But by 1837 this distinction was eliminated. The purpose of all these laws clearly was to protect the life of the unborn. The earlier statutes were following the common law doctrine of Blackstone that life begins at quickening and that from then on there is an absolute, personal right to its "uninterrupted enjoyment." The statute of 1837 embodied a practical compromise between those who wished to get rid of the death penalty for as many crimes as possible and those who wished to strengthen the abortion law so far as it pertained to early pregnancy—when most abortions probably were done.

In 1861 British statute law against abortion reached the form in which it remained until the abortion law of 1967. The 1861 act again was a consolidation of English and Irish criminal law concerning Offences Against the Person. Any act intended to cause abortion, whether induced by the woman herself or by others, by whatever method, and whether successful or not, was treated as a felony. The law did make the distinction that attempted self-abortion would not be a crime unless the woman was "with child"—that is, actually pregnant. The same law made traffic in abortifacients a misdemeanor, punishable by up to three years of penal servitude. The punishment for abortion itself was penal servitude up to life or prison for two years. A series of changes in this penalty occurred over the years; after 1948 the maximum penalty was simply life in prison.

The statute of 1861 was interpreted in such a way that non-pregnant women who believed themselves pregnant and sought abortion could be—and were—convicted of conspiring with others, though they were not guilty of self-abortion. When the defense was offered that such women could not be guilty of conspiracy against themselves, the court rejected the argument, thus showing that the person protected by British law was the unborn child, not the mother.

This point also was brought out by the fact that the 1929 Infant Life (Preservation) Act, which supplemented the abortion act, specifically prohibited "child destruction." This act concerned the unborn who could have been born alive, and the law was written in such a way that, if it were decided by the jury that the child would not have been born alive, persons indicted for violating it could be convicted of abortion instead, and vice versa.

This 1929 law included a specific provision permitting the killing of the unborn if necessary to save the mother's life. The laws against abortion contained no such exception, though it was thought by some to be implicit in the word "unlawfully"—only an attempt "unlawfully" to procure miscarriage was considered a crime.

We know that Thomas Percival, whose influential medical ethics appeared in 1803, and who could even have influenced the anti-abortion legislation, allowed for therapeutic abortion while sharply condemning abortion in general and insisting on the inviolability of even "the first spark of life." The prosecutor of the 1938 Bourne case, which we shall consider later in relation to the abortion law relaxation movement, expressed his understanding that British law permitted abortion to save either the mother's or the child's life. This may sound odd to us, but the words "abortion" and (the word actually used in the 1861 statute) "miscarriage" often were taken to include induced labor. A mother who might not be able to deliver safely at term may be stimulated to a premature delivery, precisely for the child's own safety.

It has been important to follow with some care the development of British law against abortion because American law developed in close relationship to it. In the United States, abortion is a matter for legislation at the state level, not at the national or local levels. Generally, even after independence, the old provisions of common law applied in the United States until the situation was clarified by the passing of statutes in each state.

In any case, neither movement, nor completeness of anatomic development, nor full organic function is a necessary condition of genuine life. The conclusion:

"However objectionable such an opinion may be, yet the fact is certain, that the foetus enjoys life long before the sensation of quickening is felt by the mother. Indeed, no other doctrine appears to be consonant with reason or physiology, but that which admits the embryo to possess vitality from the very moment of conception.

"If physiology and reason justify the position just laid down, we must consider those laws which treat with less severity the crime of producing abortion at an early period of gestation, as immoral and unjust." (Grisez, supra, at 188-191).

Mr. President, the above brief history of abortion law prior to the Supreme Court's radical break with the past in its 1973 Roe against Wade decision shows that the traditional concern of the law in the Christian West was protecting God-given human life. The same concern is what animates the modern pro-life movement as evidenced by the fact that it is largely made up of Christians espousing traditional beliefs.

One of the clearest aberrations in the development of abortion law in the West was the activity that occurred in pre-Nazi and Nazi Germany earlier this century. The policies during this time demonstrated a profound lack of respect for the value and dignity of human life, as traditionally taught by the Christian religion. Grisez describes the Nazi period as follows:

The common law position on abortion was held in Massachusetts cases in 1812 and 1845 to require that the woman be "quick with child"—that is, that the child, as Blackstone had it, "is able to stir in the mother's womb." On the other hand, a Pennsylvania judge in 1850 held that despite rulings in other states to the contrary abortion as a common law offense was possible "the moment the womb is instinct with embryo life." Citing Coke, the judge argued that "the civil rights of an infant en ventre sa mere are fully protected at all periods after conception." But a Kentucky court in 1879 denied that abortion before quickening was a common law offense. The following year a North Carolina court accepted the Pennsylvania precedent.

Since common law was so unclear, and in many respects rather lax, the various states enacted statutes on abortion. The first of these was Connecticut's in 1821; it was similar to the British statute of 1803 in treating abortion by drug after quickening as a felony. But Connecticut did not deal in 1821 with abortion before quickening, nor with all methods of abortion, and the penalty was life in prison rather than death. The statute was several times amended; in 1860 it included all attempts at abortion by whatever means and by whomever undertaken,

unless necessary to preserve the life of mother or child.

As the years passed, various states and territories legislated against abortion. There were certain general trends in this legislation. The earlier statutes were usually severe with abortion after quickening, but lenient or silent concerning abortion before that event. Amendments gradually eliminated the silence and even removed the distinction from the law of all but ten states, where in 1965 it still was used as a criterion for differentiation of punishment.

The reason for this development of the statutes is not to be found in any religious doctrine but in the progress of scientific knowledge. As early as 1823, the standard American work on medical jurisprudence, the treatise of Theodoric and John Beck, presented a cogent argument against accepting animation as a significant dividing line. First the discordant opinions about animation were summarized; then the "no less absurd" error concerning quickening was treated.

The fetus surely is not dead before quickening; hence it must be alive. Its distinctness from the maternal organism is demonstrated by the fact that the fetus can die while she continues to live. The mother may not feel movement as soon as it is present, because of the amniotic fluid and the relatively small size of the fetus.

One of the bitterest battles concerning abortion law relaxation was fought in Germany between 1920-1933. Proponents of a relaxed law did not succeed in winning official acceptance for their position until the Nazis came to power. Then the Law for the Prevention of Hereditary Diseases in Posterity, 1933, was passed (amended 1935).

Under this law, a pregnant woman selected for sterilization might also be aborted provided she consented, if there were no medical contraindications and if the fetus were not already viable.

Also under this law, a physician might induce abortion (as well as sterilize a woman) to avert serious danger to a woman's life or health. In this case also the woman's consent was required. Except in emergency cases, each operation had to be reviewed in advance by a court of referees, which consisted of medical practitioners. The abortionist and the review court of referees were supposed to be independent of one another both in judgment and in action. All induced and spontaneous abortions were to be reported to the Medical Officer of Health.

At first glance it might seem that the Nazi legalization of abortion was minimal. To begin with, the law required the woman's consent—abortion was voluntary, not imposed. However, William Russell, a member of the American diplomatic corp in Berlin prior to World War II, wrote:

"The Nazis laid great stress on the fact that everything the nation did at their command was "voluntary." Even the compulsory two-year period of service in the army is "voluntary." Every boy is required by law to serve, so the Nazis call it volunteering. I have no doubt but that even those unfortunates who were slaughtered in the 1934 purge died "voluntarily."

The essence of the Nazi law was not, then, that it required the woman's consent. One distinctive feature of this law was the fact that it used the viability of the fetus as a significant dividing line. So far as I know, this was the first law to use this criterion, and thus many current proponents of abortion law relaxation follow in the Nazis' footsteps at least to this extent.

The Nazi law fit into the National Socialist outlook just as the Soviet law fit into the Communist outlook. The Soviets liberated woman from traditional morality in order to use her in the work of the triumphant social-economic revolution. But the Nazis aimed at quality—the reign of the supermen—the purified master race. Thus their program depended upon getting rid of weak and inferior specimens, while keeping the stronger and purer ones. Of course, the Soviet decree of 1936 adopted a position on abortion not far different from that which the Nazis had put into effect in 1933.

So far as we know, however, the Soviet program never led to the consequences that developed in Germany. There the program of selective sterilization and abortion was developed by the medical men themselves into a large-scale program of "euthanasia"—that is, murder of mental patients and others, even German soldiers mutilated in the war. The euthanasia program blazed the trail for the even more extensive mass murders of Jews, gypsies, and other so-called "contaminants of Aryan purity."

Thousands of German, non-Jewish children were disposed of in the euthanasia program, many for a social reason rather than because of any inherent defect. This murderous project was not initiated by Nazi officials but by the medical profession itself; in fact, no law ever gave it formal sanction. Killings were done under the supervision and by the direct acts of psychiatrists and pediatricians. Euthanasia murders were passed upon by independent medical consulting boards, similar to those required in the 1933 act to approve abortion. The murders of the children were accomplished mainly by starvation or by overdoses of drugs. In the early stages only infants suffering serious defects were murdered. But this project did not end until the allied troops overran the institutions concerned, and as time passed the infants became older and the indications slimmer—for example, "badly modeled ears," bed wetters, and children "difficult to educate."

Certainly one cannot say that the Nazi sterilization and abortion law would have led to these consequences if the Nazi regime had not been what it was as a whole. On the other hand, one cannot dismiss the whole affair as mere Nazi insanity. The vast majority of participants in the affair were no less sane and no less upright than the members of any modern nation's medical profession. (Grisez, supra, at 202-203).

The Nazi connection to abortion was also evident at the Nurenburg trials after World War II. There the promotion of abortion by the Nazis among minority populations, especially the denial of legal protection to the unborn children of Russian and Polish women, was considered a crime against humanity. RuSHA was the SS race and settlement main office. At Nurenburg RuSHA officials were charged with crimes against humanity including among others the following:

COUNT ONE—CRIMES AGAINST HUMANITY

1. Between September 1939 and April 1945, all the defendants herein committed crimes against humanity as defined by Control Council Law No. 10, in that they were principals in, accessories to, ordered, abetted, took a consenting part in, were connected with plans and enterprises involving, and were members of organizations or groups connected with—atrocities and offenses, including but not limited to murder, extermination, enslavement, deportation, imprisonment, torture, persecutions on political, racial, and religious grounds, and other inhumane and criminal acts against civilian populations, including German civilians and nationals of other countries, and against prisoners of war.

2. The acts, conduct, plans and enterprises charged in paragraph 1 of this count were carried out as part of a systematic program of genocide, aimed at the destruction of foreign nations and ethnic groups, in part by murderous extermination, and in part by elimination and suspension of national characteristics. The object of this program was to strengthen the German nation and the so-called "Aryan" race at the expense of such other nations and groups by imposing Nazi and German characteristics upon individuals selected therefrom (such imposition being hereinafter called "Germanization"), and by the extermination of "undesirable" racial elements. This program was carried out in part by—

* * * * *

b. Encouraging and compelling abortions on Eastern workers for the purposes of perserving their working capacity as slave labor and of weakening Eastern nations.

* * * * *

4. Heinrich Himmler, Reich Leader of the SS and Chief of the German Police, was also the RKFDV. In his capacity as RKFDV he established the Staff Main Office (Stabshauptamt) with the defendant Ulrich Greifelt in charge. The Staff Main Office was responsible, among other things, for bringing "ethnic Germans" into Germany, for evacuating non-Germans from desirable areas in foreign lands, and for establishing new settlements of Germans and "ethnic Germans" in such areas. these activities involved transfer of populations, Germanization of citizens of other countries, deportation of Eastern workers, deportation to slave labor of members of other countries eligible for Germanization, kidnaping of so-called "racially valuable" children for Germanization, participation in the performance of abortions on Eastern workers, murder, and plunder of property.

* * * * *

12. Abortions. All known cases of pregnancy among deported eastern slave workers were submitted to RWSHA. Examinations were conducted of the racial characteristics of the expectant mother and father. In the majority of instances, where the racial examinations yielded negative results showing that the expected child was not of "racial value" it was taken shortly after birth, as described below in paragraph 13. The desired results of this systematic program of abortions were immediately to keep the women available as labor, and ultimately to reduce the populations of the Eastern nations. Abortions on Polish women in the General Government were also encouraged by the withdrawal of abortion cases from the jurisdiction of the Polish courts. The defendants Greifelt, Creutz, Meyer-Hetling, Schwarzenberger, Hofmann, Hildebrandt, Schwalm, Huebner, Lorenz, and Brueckner are charged with special responsibility for and participation in the crimes. (4 Trials of War Criminals at 609-11, 613-14 (U.S. Government Printing Office 1950)).

Mr. President, the above matters clearly reveal the inappropriateness of likening congressional pro-life efforts

to the war activities of the Nazis. On the contrary, it was the Nazis themselves who became entangled in a pernicious antilife mentality—the same mentality that millions of Americans believe underlies the action of the U.S. Supreme Court in its legalization of abortion on demand. In addition, congressional pro-life activity plainly takes place in the bosom of the democratic process while Nazi brutality occurred in an atmosphere of cruel tyranny.

Mr. President, the history of Christianity, the record of the development of abortion law in Western civilization, and the record in Great Britain and the United States prior to recent years—in short the record of our heritage—all attest to a revulsion to abortion. It is considered something most foul and unnatural and unjust. As we debate abortion, I hope that we can hereafter face squarely our own history on this matter—not engage in what could border on slanderous comments about those who have a genuine respect for human life.●

NUCLEAR ARMAMENTS AND NUCLEAR DETERRENCE

● Mr. TOWER. Mr. President, as the date for initial deployment of Pershing II and ground-launched cruise missiles in NATO nears, the issue of nuclear armaments and nuclear deterrence will receive heightened public attention. In certain instances, gruesome characterizations of the potential consequences of a nuclear war will be used to undermine confidence in our strategy of deterrence—a strategy which has been successful in preventing a major war for almost 40 years.

In the midst of this emotional, and at times, irrational debate about our defense policy, columnist David Broder has injected a very thoughtful and lucid article about our deterrent strategy. This article appeared in the Washington Post on November 16. I commend this article to my colleagues in the hope that it will encourage an objective, rational assessment of our strategy of deterrence and the role it has played in maintaining peace and preserving the freedom which we all cherish. I ask that this article be reprinted in the RECORD.

The article follows:

[From the Washington Post Nov. 16, 1983]

. . . OR DETERRENCE?

(BY DAVID S. BRODER)

Here is a snap quiz with a surprise answer. In the years following World War II, the United States joined in a number of arrangements aimed at stabilizing the international scene. Which one has worked best?

Think for a moment. the United Nations was the most ambitious of those undertakings. It has been useful in some cooperative humanitarian and scientific efforts and some (but not all) efforts at mediating conflict. But it has fallen far short of its goal of providing a neutral forum to which nations can turn for the resolution of disputes, while renouncing the use of war.

Most of the regional security pacts have fared no better. Allies have quarreled among themselves or failed to provide effective common measures of defense. The NATO alliance probably has been the most successful, but it was unable to prevent Soviet repression on its borders in Poland, East Germany, Hungary or Czechoslovakia—or even to keep its Greek and Turkish members from battling each other.

Serious problems also have afflicted the international finance system created after the war. While a worldwide depression has been averted and many nations have made spectacular gains, inflation has been endemic; trade and currency imbalances have sent dozens of countries reeling into recession; and the gap between have and have-not nations has grown worse.

Remembering all this, it is accurate to say that the single most effective creation of the postwar world has been the system of nuclear deterrence enforced by the United States and the Soviet Union against each other and, implicitly, against all other nuclear powers in the world.

That system was designed for one purpose only: to prevent the outbreak of nuclear war. As we approach the end of the fourth decade of the nuclear age, a period in which there have been hundreds of other wars, it has worked to perfection. That is a statement that can be made about few other institutions or arrangements.

The point is pertinent now, because it is evident that we are about to go through a period of highly emotional talk about the horrors of nuclear weapons and the terror of nuclear war.

As we near next month's start for the deployment of a new generation of nuclear weapons in Western Europe and the inevitable Soviet decision to retaliate by deploying new weapons of its own, Americans are getting a total immersion course on dangers in the nuclear age.

In the last few weeks, I have read two hair-raising books on the subject: "S.I.O.P. The Secret U.S. Plan for Nuclear War," a nonfiction account by Peter Pringle and William Arkin, and "Trinity's Child," a novel about nuclear war by my colleague at The Post, William Prochnau.

A couple of weeks ago, a group of scientists held a conference here on "The World After Nuclear War," presenting chilling evidence that a nuclear exchange would "destroy civilization as we know it, at least in the northern hemisphere."

Dramatizations of the tragic consequences of nuclear war can be seen at the movie theaters in the film, "Testament," and on the home screen Sunday night with the much-publicized program, "The Day After."

All of this is designed to produce a spasm of revulsion among Americans at the consequences of nuclear war. It will almost certainly have that effect. Coming at the start of a presidential campaign where the Democratic challengers have been steadily increasing the rhetoric of their commitment to "end the nuclear arms race," the impact on policy decisions—both here and in Moscow—cannot be exaggerated.

So it behooves us now to think clearly and calmly about the most important issue in the world. The potential of death and destruction on an unprecedented, almost unimaginable, scale has been there since we and the Soviets exploded our first nuclear weapons. That is why American presidents of both parties, over a period of more than 30 years, have accepted as an imperative both the maintenance of the nuclear deterrent and the pursuit of nuclear arms control. As Dwight D. Eisenhower said in a letter I was privileged to quote a few months ago, the nuclear weapon forced us to see that the essential struggle is not nation against nation, but man against war.

The response I received to the publication of that letter testifies that Americans understand we must continue our effort to control the costs and the destabilizing effects of the nuclear arms race. It is equally important that our rightful revulsion at the consequences of nuclear war does not blind us to the fact that the system of mutual deterrence has prevented that war from occurring.

Edward Hume, the scriptwriter of "The Day After," is quoted in The New York Times as saying, "I would like to see people start to question the value of defending this country with a nuclear arsenal." That attitude is dangerously wrong. It can bring on the catastrophe all national beings want to prevent.

THE POLITICIZATION OF UNESCO: A REAGAN RESPONSE

● Mr. HATCH. Mr. President, with the events surrounding the restoration of peace and order in Grenada, and the subsequent condemnation of the United States for their role in these events by members of the United Nation, very little notice has been paid to the convening of another U.N. organization, the United Nations Educational, Scientific and Cultural Organization [UNESCO]. Established to promote international cooperation in education, science, communications and culture, UNESCO has in recent years fallen prey to that same fatal flaw common to many other international organizations: Politicization. The convening of the 22d General Conference of UNESCO was not exception to this disturbing trend.

The opening days of the UNESCO conference at the end of October were dominated by two themes: The condemnation of the United States for its intervention in Grenada, and the promotion of a Soviet-designed proposal for a "New World Information and Communication Order," a sophisticated effort to abolish freedom of the press through restrictive, internationally imposed UNESCO guidelines.

This conference represents the first UNESCO General Conference participated in by the Reagan administration. Thus, it was with particular pleasure that I learned that the U.S. delegation was led by the Honorable Edmund P. Hennelly. During those opening days of the conference, Ed responded to the charges of our international critics in a powerful manner. And to the attempts to further politicize this U.N. agency, Ed firmly redirected the attention of the delegates to the important matters at hand: reconfirming the original mission of the

organization and containing the growth of its budget.

Mr. President, I would like to commend Ed for his firm and impressive representation of the United States at this UNESCO General Conference; I would like to commend President Reagan for his selection of Ed Hennelly to provide this critical leadership; and, finally, I would like to call to the attention of my colleagues the remarks of the chairman of the U.S. delegation to the UNESCO General Conference, Ed Hennelly, to the UNESCO delegates in the hectic opening days of the Conference.

The remarks follow:

RIGHT OF REPLY GIVEN BY AMBASSADOR HENNELLY, OCTOBER 27, 1983

Thank you, Mr. Chairman, for giving me this right of reply. My delegation profoundly objects to the direct verbal assaults on my Government and on my President which were made by the delegates of Cuba, the Soviet Union, and Nicaragua and the Democratic Republic of Korea in regard to the situation in Grenada. The intemperance and discourtesy of their remarks are particularly inappropriate in a forum dedicated to civilized discourse on questions of science, culture and education. Indeed, the remarks of the delegate from Nicaragua in regard to the United States were so intemperate and distorted the truth to such a great extent that I shall not dignify them with a reply except as they touch on Grenada. The same can be said for the remarks of the delegate from the democratic republic of Korea.

As my Government has publicly announced, and as we have stated in this assembly, the United States joined with other Caribbean countries, at the invitation of the organization of East Caribbean States, to restore peace and security to the people of Grenada.

The world is aware that the current situation is rooted in the 1979 coup d'etat which deprived the people of Grenada of their basic right of democratic self-determination. Several weeks ago, the situation deteriorated dramatically when the former Prime Minister of Grenada, Mr. Maurice Bishop, several of his cabinet members and a number of his supporters were brutally assassinated by a handful of military renegades. In this situation, the 1,000 Americans living on the island, of which 600 are students at St. George University, were perceived to be in grave danger. The Soviet Union and Cuba are well aware of these facts and we wonder, Mr. Chairman, where they were when Mr. Bishop and his associates were so brutally murdered.

Moreover, Mr. Chairman, I am surprised that the U.S.S.R., a country that invaded and occupied Afghanistan, and that still has some 100,000 troops in Afghanistan, would raise its voice in regard to Grenada. Their's was a totally unilateral invasion. There is no indication that their forces intend to withdraw. Moreover, the invasion of Afghanistan has created the world's largest refugee population, a sad fact of concern to us all.

It is also well known that the U.S.S.R. has something of a world record in utilizing its military might and applying pressure to maintain and extend its totalitarian control over the governments and peoples of other states.

This morning, the Soviet delegate also raised the subject of disarmament. The United States Government is firmly committed to mutual and balanced reductions of armaments, and we continue to pursue this goal vigorously in appropriate fora. It is in the interest of us all that these negotiations succeed, and that success contribute to the end of the wide variety of arms races around the globe. These matters are, of course, under discussion in forums much more appropriate than UNESCO, and it is in such forums that the United States is prepared to discuss and debate these issues in detail. I would only note that, faced with a massive Soviet increase of medium-range nuclear missiles capable of reaching Europe as well as significant parts of Asia and North America, our European allies and we decided in 1979 that we would deploy a countervailing force if no progress had been made in negotiating a reduction of the unilateral Soviet increase by the end of this year. We urge the Soviet Union to join us, while there is still time, to reach an agreement which will eliminate the need for further arms increases, and lead to overall reductions. President Reagan made this point very clearly in his recent U.N. General Assembly speech where he laid out a detailed plan for arms reductions.

I would add that is is not the United States which is threatening to break off disarmament negotiations. Nor is it the United States which has engaged in the most massive arms build-up in world history. Nor is it the United States that has established a vast empire of vassal states, the continuing domination of which appears to be its highest policy goal. It is the Soviet Union which has done, and continued to do these things, and it is the policies of that country which represent the real threat to peace in our world. For these reasons, Mr. Chairman, my government and my delegation categorically rejects the remarks of the Soviet, Cuban and Nicaraguan delegates.

U.S. DELEGATION PLENARY SPEECH—UNESCO 22D GENERAL CONFERENCE, HON. EDMUND P. HENNELLY

Mr. President, Mr. Director-General. Distinguished Delegates, Ladies and Gentlemen.

It is a privilege to address this distinguished audience on behalf of the President. The Government and people of the United States. I bring you their best wishes for the success of this 22nd General Conference of Unesco.

Whoever thinks about the challenges we face at this conference will. I believe, be struck by a sense of irony. Never has there been a greater need for international cooperation in UNESCO's legitimate sphere of activities. But never has UNESCO's role been so clouded in controversy. I would like to reflect on this observation from the perspective of my Government and delegation, and suggest what we believe should be done.

For many of my generation, for those who fought in and lived through the second World War, the birth of international organizations in the early post-war years was a source of profund hope.

The terrible lessons of war were, we thought, so clear, so tragic, that men would be forced to find ways of settling their disputes peacefully.

We recognized, then as now, that the cornerstone of a peaceful world had to be human dignity, social justice, racial equality and material progress for all people, not just a privileged few. And we were not naive. We understood that history largely records the failure of men to achieve precisely those ends. We put our faith in international cooperation, In dialogue among people and in the new international institutions, such as UNESCO, then being forged by men of goodwill from all over the world.

But today, the dream that inspired those hopes is fading. President Reagan asked, in his September 26 speech to the United Nations General Assembly, and I quote. "What has happened to the dream of the United Nations' founders?" The President continued, "The answer is clear. Government got in the way of the dreams of the people. Dreams became issues of east vs. west. Hopes became political rhetoric, progress became a search for power and domination."

In many respects, the founders reserved their greatest hope and aspirations for UNESCO. Certainly, the stirring words in UNESCO's constitution seemed self-evident to my generation: "Since wars begin in the minds of men, it is in the minds of men that the defenses of peace must be constructed."

The disappointment we feel is, no doubt, partially a result of those early expectations, and yet there is genuine cause for disappointment when we survey the world today.

Instead of peace, we see conflict: in Lebanon, as in much of the Middle East, in Afghanistan, in Central America, in Southeast Asia, in Chad, in southern Africa. Instead of cooperation among people, we see terrorists acting against combattants and now-combatants alike to achieve the fanatical ends of a few. In this respect, at the conclusion of my speech I will say a few words about some recent event not really germane to UNESCO's work, which others have brought into this Conference.

Clearly, responsibility for all the problems of the world cannot be laid at Unesco's doorstep. But the fact that we who make up Unesco's membership have not done more to achieve Unesco's noble objectives takes on tragic dimensions.

My country refuses however, to concede that those objectives are forever beyond man's reach. We believe Unesco can and must strive towards the goals set forth in its constitution, and I quote, "To contribute to peace and security by promoting collaboration among the nations through education, science and culture, in order to further universal respect for justice, for the rule of law, for human rights and fundamental freedoms, which are affirmed by the people of the world without distinction of race, sex, language or religion."

If we didn't remain convinced that Unesco can contribute to those ends, we would not be so critical of its shortcomings.

How does my Government believe Unesco can better realize its potential? How do we believe it can better serve the interests of peace, human dignity and material well being?

Those are fair questions, which deserve an honest and frank answer. But, before responding, I want to make two points very clear.

First, my Government and the American people are well aware of the many good things Unesco does, often under difficult circumstances. Unesco has many excellent programs to promote education at all levels, to advance the methods and spirit of science throughout the world, to preserve the rich cultural heritage of mankind. We support and applaud those activities. They do make a difference in the struggle against illiteracy, ignorance and intolerance. They can contribute to the intellectual and moral well being of men and women everywhere. They

do provide a better framework for the pursuit of peace.

Secondly, we do not blame Unesco's problems on the many splendid men and women who work in Unesco. Through all the ranks of Unesco officials at headquarters and abroad, one can find a high level of intelligence, competence and dedicated professionalism. If Unesco has problems in the sphere of administration, they are caused, in our view, by the nature of a bureaucracy that has grown very large and very centralized—and which is asked to respond to too many competing priorities, to meet too many needs with too little unifying sense of purpose.

These two positive points should not obscure the fact that the government and people of the United States perceive serious, and growing, flaws in some of the organization's activities—flaws which could cripple the organization. These flaws are perceived in the United States as undermining principles which we believe must be the foundation of Unesco's activities, principles which are clearly stated in the constituion.

Perceptions in the U.S. that these principles are being forgotten or diluted in Unesco are so pervasive and so deep seated that Congress has already passed measures, and is seriously considering others, which would compel my Government, under certain conditions, to withhold its construction to Unesco's budget. This, in part, has caused the Executive Branch to undertake a thorough review of U.S. relations with Unesco.

I will briefly summarize our concerns:

First, we are increasingly distressed by the philosophical underpinnings of many Unesco programs which emphasize the power and welfare of the state rather than the rights and welfare of the individual.

Second, the work of Unesco is at times compromised by extraneous political considerations which have nothing to do with concrete programs to reduce illiteracy, preserve the world's cultural heritage and foster scientific exchanges.

Certainly, Unesco is an organization of governments, and it must, almost by definition, be a political organization. But the impact of the political disagreements that inevitably arise could be contained and muted if the Member States recognize that Unesco can only carry out a limited number of objectives well. Unesco cannot and should not attempt to resolve the entire range of political and economic problems that beset the world—problems, which in any case, are the legitimate concerns of the United Nations or other specialized agencies. By trying to do too much, Unesco risks failing to do anything well.

As a political organization, we must take political events and realities into account in what we as Member States discuss. But we must not let the organization become an instrument for political purposes of a few. This distinction between what we as governments discuss, and what we expect the organization to do, is a critical one, too often neglected.

We believe, too, that every Member State must enjoy an equal right to participate in all Unesco forums and activities. We must respect the principle of universality.

As a parliamentary forum, Unesco should also be conscious of the warning of the great French philosopher, Alexis de Tocqueville, about the tyranny of the majority. We need to arrive at decisions, but we also need to follow an established and fair set of rules and procedures. We have witnessed increasingly in Unesco a cavalier disregard for established procedures.

We believe, in short, that Unesco:

Must respect the rule of universality;

Must limit its activities and concerns to its mandated functions;

Must scrupulously follow its established rules and procedures;

Must seek a wide consensus on policies and programs but must always respect minority views.

Another area of concern to the United States is Unesco's increasing tendency to try to deal with problems of immense complexity through rigid, often ideologically biased, international norms and standards. This tendency is, perhaps, most evident in the communications sector, but it is found in other sectors as well.

The United States has often expressed its support for programs that would broaden the dissemination of information throughout the world: That would provide training for communications: That would help develop national and international communications infrastructures. This is why we support programs such as the International Program for the Development of Communications.

But we vigorously oppose any measures which would attempt to harness the free press in the name of any goal or objective, which would increase state control and censorship of the media, which would impose codes of conduct on journalists and communicators. We shall set forth in more detail our specific reservations and suggestions about the communications sector in the appropriate commission. However, I must say to you in all candor, that my Government is not prepared to endorse ideologically biased programs which focus on the activities of the independent media while ignoring the flagrant abuses of the state-owned and controlled media in so many countries.

If Unesco seeks to discover and root out real obstacles to the free flow and better balance of information throughout the world, let it look at the controls and censorship imposed by totalitarian regimes.

Another Unesco activity which gives us difficulty is the constant effort to redefine basic human rights and make them contingent on some level of material well being.

We see the muddying of past consensus on human rights by vague, ill-defined concepts such as the "right to solidarity." What is the corresponding duty of this so-called right? The duty not to dissent? The duty not to think independently?

Such concepts are of concern because they could be used to promote the rights and prerogatives of states over the rights of individuals. Indeed, it is hard to apply them in any meaningful way to the integrity of the person, particularly when compared to time-honored, concrete protections for the individual embodied in the right to a fair trial, freedom from unjust arrest and imprisonment, freedom from torture and harassment, the freedom to practice one's religion, freedom of movement including immigration, freedom to associate with whomever one chooses, and freedom of speech.

Again, speaking with the frankness and candor which the seriousness of the subject warrants, I must tell you that my Government and my delegation will not agree to elevate new formulations of human rights concepts to the stature of those enshrined in the Universal Declaration of Human Rights.

We are prepared to discuss new concepts, and we will listen attentively to those who believe they can add to the sum total of freedom and human dignity in the world, but we will not compromise our commitment to traditional human rights in the process.

Finally, I would point to an area where there may be some confusion about the position and motivation of the United States. Our delegations at previous Executive Boards and the Extraordinary General Conference on the Medium-Term Plan have stated as clearly as it is possible that the United States does not accept a growth rate for Unesco which is out of line with other United Nations Agencies, and which is in profound disharmony with economic conditions prevailing in most Member States.

That an accident of exchange rates affects Unesco's budget is not important. That Unesco's budget has grown and continues to grow at an unacceptable rate is vitally important.

Other international organizations have taken account of world economic conditions in streamlining their activities, and in establishing meaningful priorities. For example, the Food and Agriculture Organization proposes a real growth rate of 0.5 percent for the next budget period; the World Health Organization, a real growth rate of minus a fraction of one percent; the International Atomic Energy Agency, a real growth rate of 2.25 percent; the World Meteorological Organization, a real growth rate of 0 percent; the International Labor Organization, a real growth of 1.92 percent. The United Nations itself, a real growth rate of 0.7 percent.

We believe it is necessary, indeed healthy, for Unesco, to follow suit and to develop a program and budget which reflect "0" real growth, with significant absorption of inflationary costs. Programs of marginal value can be cut. Obsolete programs can be abandoned. Other programs can be delayed without serious damage until a more propitious time.

As the head of my delegation, however, and on instructions from the highest levels of my Government, let me state that our problem with the budget is one of principle rather than with the specific dollar figures of our contributions. As a major contributor to Unesco, we believe we have the right and the responsibility to make this point crystal clear, because we believe so strongly that this conference offers a chance, perhaps the last chance for Unesco to put its fiscal house in order.

Mr. Chairman, distinguished delegates, I have spelled out candidly our deep concerns about Unesco because I am convinced that this conference can lay those concerns to rest. I am at your disposal, as are the members of my delegation to discuss these issues. I am at your disposal, as are the members of my delegation, to listen to your points of view. I pledge that my delegation will make every effort to reach consensus on the items on our agenda. We come to this General Conference to consult with you, to debate the issues, to reason together. We ask that Unesco adopt principles that everyone—including the U.S.—agrees are fundamental to individual freedom, development and growth.

If we at this conference succeed, we can set Unesco once again in a course consistent with man's noblest sentiments and ambitions. We can rekindle the dream of our founders. It is still possible—we can make it possible—or Unesco to play its part in fulfilling their great goals of peace, security and prosperity for all mankind.

Now, I would like to make some comments in reply to the extraordinary statements made by some delegations.

The United States Government agreed to an urgent and formal request from the Organization of Eastern Caribbean States (OECS) and joined in a collective security effort to restore peace and order in Grenada. As we are all aware, the events on that island since October 13, which led up to this decision, included the execution of Prime Minister Bishop, five Cabinet members and other political and prominent leaders. The continuing deterioration of authority in Grenada. The threat that this posed to peace and security in the Eastern Caribbean, the actual and potential danger to approximately 1000 U.S. Citizens and the existence of a shoot-on-sight curfew which threatened anyone who was seen in the street in Grenada.

The OECS took action under the 1981 treaty creating that organization, consistent with its provisions on collective security. As you may recall, OECS Member States are not a party to the Rio Treaty and are not governed by its provisions. The OECS, after careful deliberations, determined that a dangerous vacuum of authority on the Island of Grenada constituted an unprecedented threat to the peace and security of the Eastern Caribbean and transmitted its concern to the USC. We concurred with that analysis and agreed to provide the transportation. Logistics and necessary military resources requested by OECS member states. In order to enable the OECS to undertake the necessary actions to restore order in Grenada. The United States objectives are clear. The purpose of U.S. involvement is to protect U.S. citizens and facilitate the evacuation of all U.S. citizens and foreign nationals who may wish to leave; and further to provide support for the Eastern Caribbean forces as they assist the people of Grenada in restoring order.

The United States anticipates that the OECS will seek to work with prominent Grenadians to establish a provisional government capable of restoring functioning institutions and permitting early elections. We do not at this point prejudge just what constitutional steps the provisional government will take. This is for the Grenadians themselves to determine.

While understanding the concerns of member states of this unsettled situation, the most appropriate regional organizations. The Organization of American States (OAS) and the OECS, are now formally seized with the matter; and it has also come before the United Nations Security Council. We do not believe that Unesco is an appropriate forum for discussing this political issue and urge member states to allow the proper organizations to discharge their mandated responsibilities without interference. Finally, we urge that Unesco not allow itself to be used by some as a platform for ideological, political debate and to resume its mandated responsibilities.

Thank you.●

MEMORIAL HYMN

● Mr. PELL. Mr. President, last month the Senate approved legislation designating the third Monday in January as a legal public holiday honoring the late Dr. Martin Luther King, Jr. I was pleased to join in supporting this important legislation honoring an outstanding American who contributed greatly to the advancement of civil rights for the benefit of all of our citizens.

One of my constituents, Virginia Louise Doris, has composed a beautiful poem commemorating the late Dr. King. Her inspiring language recalls the vision of a better America summoned forth by Dr. King, and I would like to take this opportunity to share Virginia Doris' poem, entitled "Memorial Hymn," with my colleagues. I ask that the text of the poem be printed in full in the RECORD at this point:

The poem follows:

"MEMORIAL HYMN"—THE MARCH ON WASHINGTON—THE REVEREND MARTIN LUTHER KING, JR.

Dream—like those years of conflict, not a dream!
No dream, but truth that turns a nation pale!
Twenty winters wear the shroud the tempest wove.
The "noise of God" throughout the land!
His was a pillard flame to show The midnight snare, the silent foe;
And when the battle thunders loud, Still guides us in its moving cloud.
Our hearts lie buried in the dust With him so true and tender,
The patriot's stay, the people's trust, The shield of the offender;
Yet every murmuring voice is still,
As, bowing to thy sovereign will Our best-loved we surrender.
Dear Lord, with pitying eye behold This martyr generation,
Which thou, through trials manifold, Art showing thy salvation!
Oh let the blood by murder spilt
Wash out thy stricken children's guilt And sanctify our nation!
Be thou thy fervent dreamer's friend, Forsake thy people never,
In one our broken many blend, That none again may sever!
Hear us, O Father, while we raise
With trembling lips our song of praise, And bless thy name forever!
His was a hallowed cause to show The starless snare, the silent foe;
And when the combat thunders loud, Still guides us in its moving cloud.
Dream—like those times of conflict, not a dream!
No dream, but faith that turns a nation pale!
The "noise of God" throughout the land!
Twenty winters wear the shroud the tempest wove.

Born: 15 January 1929—Died: 4 April 1968

BILL CLARK RETIRES

● Mr. RIEGLE. Mr. President, I rise today to salute William E. Clark who has recently retired after having served the State of Michigan for the past 17 years as assistant to the chief sergeant at arms in the Michigan House of Representatives. Bill Clark is an outstanding community leader as well as a devoted public servant. He was the first black to graduate from Detroit's Northwestern High School in the ROTC program as a sergeant major. During World War II, the U.S. Department of Treasury recognized and awarded his significant contribution in the promotion and sales of war bonds while with the Ford Motor Co. He was the organizing secretary and past president of the NAACP in his hometown of Inkster, Mich., while also serving as chairman of the life membership committee of the State NAACP. From 1968 through 1983, Bill hosted his own radio show, "The Law and You," on WCHB in Inkster. In 1970 and 1980 he received citations from the Department of Commerce for his promotion of the census through his radio program. In addition to these accomplishments, he served 10 years on the Inkster Board of Education in positions ranging from trustee to president.

Prior to his service with the Michigan Legislature, Bill worked for 3 years with the Michigan State Liquor Commission, the Racing Commission, and the Highway Department.

His accomplishments as a loyal public servant and concerned community leader are an inspiration to us all. I wish him well in his retirement and want to thank him personally for his service to the people of the State of Michigan.●

ASSASSINATION IN ATHENS

● Mr. PELL. Mr. President, on the morning of November 15, a hideous and tragic crime was committed in Athens. The U.S. naval attaché stationed at the American Embassy there, and his driver, were shot down in cold blood on their way to work. As yet, no clearcut evidence has surfaced as to the perpetrators of this brutal act. But the act itself does serve as evidence of those real and constant dangers surrounding the men and women who serve our Nation in the diplomatic arena.

In one sense, these deaths occurred in vain. Because American foreign policy will not be altered by terrorism, those who committed this barbaric act will be granted no measure of success. Indeed, it is precisely for that reason that, in a much more important sense, these deaths—of Capt. George Tsantas, Jr., and Nikos Voutsos—did not occur in vain. These two men were murdered in the act of doing a duty that must be done, despite the prevailing risks. They have therefore joined the ranks of other martyrs whose lives were taken as they served the processes of peaceful international diplomacy. It is thus that a primitive act of barbarism moves us to remember the continuing contribution—and all-too-frequent sacrifice—of those many who uphold the international institutions upon which modern civilization depends.

Mr. President, within hours of this crime, the Foreign Relations Committee reported Senate Resolution 279, an original resolution by which the Senate may express its condemnation of what occurred and its support for all efforts by the Government of Greece necessary to apprehend and punish those responsible. I urge the Senate to act on this resolution by a unanimous vote and without delay.●

EXTENDING THE USE OF ELEMENTARY SCHOOLS: AFTER-SCHOOL SERVICES AND YOUNGER CHILDREN

● Mr. PELL. Mr. President, a subject receiving broad attention at this time is that of extended primary school use. Proposals exist to extend the entry age to 3- and 4-year-olds, to extend classroom hours, and to make use of schools for purposes beyond classroom education. In the latter regard, the Senator from Michigan (Mr. RIEGLE) and I have introduced a bill to encourage the use of public school facilities for before- and after-school child care.

Earlier this week, a thoughtful article on the reasons and validity for these proposals appeared in the New York Times. The article, by Times education writer Fred M. Hechinger, provides useful insights on these issues, and I ask unanimous consent that the article be reprinted in full following my remarks. The bill described in the article is the version of our bill introduced in the House of Representatives, and it contains a higher level of funding than the bill sponsored by the Senator from Michigan and myself.

The article follows:

[From the New York Times, Nov. 15, 1983]

TIME TO USE SCHOOLS FOR THE VERY YOUNG

(By Fred M. Hechinger)

Schools are under pressure to offer their services to 3- and 4-year-olds and to provide a safe haven beyond the normal school day for older children. Debate is heating up whether the schools are ready and able to extend their reach and whether such an extension is in the best interests of children and families.

Seen through nostalgia's lens, America's tots are playing safely under mother's watchful eye. Mention institutionalized child care, and conservatives sputter that a mother's place is in the home. If they know the term "latchkey kids" at all, it makes them think of little hoodlums from the slums. This was why conservatives cheered when President Nixon vetoed the Child Development Act, which tried to help the country catch up with reality.

The reality is that more than half of all women with young children have jobs; that from two to four million little children are left unattended for long periods each day, and that the majority even of affluent families send their 4-year-old children to organized programs. Last month, a bill was introduced in Congress to provide $30 million a year for the education and supervision of latchkey children. The money would go to schools and community agencies. Families would be charged on an ability-to-pay schedule.

Two questions spark much controversy. The first is educational: Should very young children, beginning at the age of 3 or even younger, be introduced to real learning, to reading, writing and numbers? The second is whether the schools, which current critics say are already asked to do too many things, can assume additional after-school responsibilities without further dulling the edge of academic quality.

On the question how early is too early for formal education, experts have long been divided. In a report in the November 2 issue of Education Week, David Elkind, a professor of child study at Tuffs University who is the author of "The Hurried Child," a study of day care, warns: "Education in the narrow sense has no place in early childhood education."

Yet some forms of learning are appropriate even at an early age. Project Head Start, begun in 1965 to give deprived children a chance to catch up with more affluent youngsters, did include educational components. Edward F. Zigler, a professor of psychology at Yale University who is an expert on child development, has analyzed Head Start's accomplishments. He now finds that schools are trying to recapture the benefits of a movement in the 1930's that kept schools open all day to provide supervision for children.

The controversy may well spring from too rigid an interpretation of learning. Formal teaching of the three R's at nursery-school age does undercut childhood; but childlike activities can nevertheless be educational. For example, reading interesting stories to children even at an earlier age, effectively prepares them for reading. Scribbling, drawing and painting pave the way to writing, just a crawling leads to walking. Dealing with numbers is a natural introduction to mathematics.

An invaluable benefit of sound day care or nursery school should be exposure to civilized speech and listening; the most retarding early childhood experience is supervision by preoccupied or illiterate people who lack either the time or the capacity to converse with youngsters and to respond to them. This happens in poor and affluent homes alike. The latter, in the parents' absence, often rely on semi-illiterate household help or baby sitters.

Low-key education of the proper kind does not treat little children as miniature adults; neither does it minimize their capacity to learn. It teaches certain skills without one eye on the Scholastic Aptitude Tests and college admission.

The second issue, the provision of after-school care for growing numbers of children of working parents, raises the question of whether it would overburden the schools and interfere with the search for better quality. The answer will depend on how the extra time in school is to be used. Supervised homework, plus independent academic exploration with access to experts, could lead to greater achievement. If teachers are to be responsible for some of this work, they must be paid for it. Qualified volunteers could help. The schools' critics, especially those in business and the professions, could also put their services where their mouths are. And bright older students could teach and learn a great deal by being part of the after-school staff.

The time is right both for the extension of school services to younger children and, as an antidote to the latchkey problem, to many older ones. Declining enrollments make space available. Instead of rushing to shut schools, community services could move in. For example, unneeded space could be used for centers for the elderly, who, in turn, could provide talent needed for day care and for after-school programs.

Hostility to child care or afterschool services springs from fear of institutionalization. But in fact, participation would be voluntary. The reality is that more than 70 percent of families with incomes over $25,000 currently enroll their children in organized programs at the age of 4 or younger, compared with only 37 percent of less affluent families.

This year, when Anthony Alvarado, New York's new School Chancellor, offered all-day kindergarten sessions, parents rushed to take advantage of the service. With more than 22,000 day-care centers already in operation across the country, the trend is obvious and questions about need seems irrelevant. So, in the face of armies of latchkey kids, is the question whether children need safe and congenial places to spend their after-school hours. Those who denounce organized day care and after-school programs as a usurpation of the home's obligation are out of touch with the realities of today's home.●

TREATING SYMPTOMS—NOT PROBLEMS

● Mr. HELMS. Mr. President, we hear a great deal about reducing Federal deficits—much of it from the very people who, by their votes in Congress for excessive Federal spending, caused the deficits. And I suspect we will hear even more such rhetoric in the weeks and months ahead.

All the self-proclaimed economics experts have a panacea for the deficit disease; but upon examination, there is scant substance to what they are saying.

But ever so often, I run across someone who makes sense. Take, for example, a recent article by the noted economist, Arthur B. Laffer, in the Los Angeles Times on October 26, 1983. Mr. Laffer's article is a most cogent and concise analysis of the economic problems facing our country today. He points out, for instance, that the high levels of Federal spending and Federal taxation are mere symptoms of an economic disease that runs as deep as our general economic policies. He stresses that to cure the disease will require first a better understanding of its causes, and second, more significant reforms than minor spending cuts or still tax increases.

Mr. President, Art Laffer is right—we do need a better understanding of the economic disease with which we are confronted, and more drastic remedies must be prescribed than those actively being talked about today.

I hope that everyone interested in today's economic debates will seriously ponder Mr. Laffer's evaluation of the situation. To that end, I ask that his article be printed in the RECORD.

The article follows:

REMARKS BY ARTHUR B. LAFFER

In an accounting or arithmetic sense, it is obviously true that to balance a budget which is deep in the red, either spending must fall and/or revenues must rise. In Washington the mental set is such that every would-be expert has a list of his or her expenditure items to cut and specific taxes to raise. But, to know the components to a total is a far cry from understanding how that total comes to be. Budget deficits are far more the symptom of errant domestic, fiscal and monetary policies than they are the cause of bad economics. As a consequence, piecemeal efforts to cut this, that or the other program are doomed to fail. It is equally as futile and undoubtedly mischievous to attempt to balance our federal budget by erratic tax hikes.

To understand the budget deficit and thereby make the first step toward rectifying the revenues deficiency, one must realize that the deficit results from an entire confluence of interrelated events. Welfare spending, for example, depends as much on the overall state of the economy as it does on nitpicking debates as to whether catsup is to be designated a vegetable in the school lunch program. The number of unemployed, the pervasiveness of poverty and other quantitative measures of the state of the economy are not subject to the whims of budget cutters, but require a much deeper understanding of the overall economic process. They, far more than congressional actions, are the cause of excessive spending.

On the tax side of the equation the unduly narrow vision of self-appointed budget experts once again fails the test. The total revenues generated by our arcane tax codes are almost unrelated to an accountant's prognostications. In truth, tax revenues depend far more on the state of the economy than they do on some joint effort of Senator Robert Dole and Congressman Dan Rostenkowski.

By contrast, budget deficits are related, and in a major way, to the monetary policy of the Federal Reserve. Through its regulation of monetary policy, the Fed has a direct effect on inflation, interest rates, and the like, and an indirect but very powerful impact on deficits.

Entitlement Programs: The big debate here is—to what extent should programs such as Social Security, food stamps and Aid to Families with Dependent Children be indexed. Today, transfer payments to persons are 45 percent of Federal expenditures, compared to 33 percent in 1971. Over these years, transfer payments have increased their share of GNP by 3.4 percentage points to 12.2 percent.

A major cause of this explosion in transfer payments was the imperfect construction of various indexing formulas designed to adjust automatically benefits for changes in the price level. For much of this time, for example, Social Security benefits rose more rapidly than prices because they were doubly increased to reflect both the change in the price level and the increase in wages. As a result, the high inflation of the past decade contributed directly to the enormous increase in expenditures on Social Security and other entitlement programs. By contrast, if monetary order and price stability had prevailed, indexing would never have had to occur.

The "demand" for more government expenditure: When the economy is performing poorly, there is a greater constituency for more generous welfare, public works and aid to state and local governments. Higher levels of economic activity and lower levels of unemployment would reduce much of the political pressure for spending. Lower interest rates would initially boost durables and housing. There is little academic debate about the long-term stimulative effect—more jobs, less welfare and a greater tax base.

Debt-servicing costs: The net interest paid by the Federal government now is in excess of $90 billion per year. Since interest rates are outside the purview of Congress, these expenditures are deemed "uncontrollable." Yet, net interest expenditures are the third largest item in the budget and, taken alone, are equivalent to about half the deficit.

Here too, errant money policy has contributed directly to our deficit problems. Since 1977, federal debt securities held by the public have increased 91 percent to $1 trillion. Yet, during this same period, net interest expenditures have increased 160 percent! The difference is the unbelievable increase in interest rates. In 1977, three-month Treasury bill rates were 5.3 percent. Today, they are a 8.6 percent, a 62 percent increase. In recent years, the government has had to pay 10, 12 and even 14 percent to borrow money for 30-year periods. Historically, U.S. Treasury bill rates rarely have exceeded 3 percent, and long-term government bond yields typically have been below 5 percent. The difference is that during most of its existence, the U.S. was on a monetary standard; something lacking since 1971. At historical interest rates, the cost of financing our trillion dollar deficit today would, in short order, fall to about $30 billion.

The ability to inflate: Which came first, ease of monetizing big debts or big debts? The record shows a rather marked change in interest and inflation rates about 1971 when the last links between the dollar and gold were severed. That year, consumer price inflation averaged 4.3 percent. Three years later, it was 11.0 percent. Between 1971 and 1974, three-month Treasury bill rates climbed from 3.4 percent to a then-record 9.0 percent. Big deficits followed: $69 billion of red ink in 1975, $47 billion more than in 1971.

Imagine for a moment that you knew with perfect certainty that a dollar 30 years from now and all intervening periods would purchase the same amount of goods and services as a dollar today. Where would interest rates be? If such confidence were to replace today's uncertainty, short-term Treasury bill rates once again would be at 3 percent, the prime rate at 4 percent, and mortgage rates for individuals at 7 percent. Such a decline in interest rates alone would eliminate some $60 billion in federal interest expenditures. The effects would not stop there. Auto sales, housing construction, investment and employment would soar, creating additional tax revenues and reducing unemployment and the need for government services.

In general, for every one percentage point reduction in the unemployment rate the deficit falls by more than $25 billion. By reducing unemployment to 4 percent, between $125 billion and $150 billion of the deficit would be erased, again with no change in current expenditure or entitlement programs. Finally, with prices stabilized, the distortions and inequities of the current indexing formulas would become moot.

The beneficial effects of lower interest rates and higher economic growth already are evident. according to Treasury Secretary Donald Regan, the stronger than expected recovery means that budget deficits could be reduced to $100 billion by 1985, a level not thought possible before the end of the second millenium in the slow growth scenario provided in earlier budget documents.

To come to grips with deficits requires a broad understanding of monetary policy as well as fiscal policy, for deficits are the product of imprudent monetary actions as well as fiscal actions. If Congress could only elevate itself out of the quagmire of partisan rhetoric and arrogantly false self-confidence, perhaps it could then be a positive force in reducing deficits.

Congress clearly is "polarized." It is trying to treat symptoms, not problems. As long as certain subjects are taboo, alternatives ignored, or debate circumscribed, Congress will be impotent. Its members are like medieval physicians debating whether to bleed the patient or apply poultices. We wouldn't tolerate diseases like cholera, typhus and malaria that killed our great-grandparents, and yet we are asked to tolerate an economic disease—monetary disorder—that our great-grandparents would not.●

HARRY PRYDE

● Mr. GORTON. Mr. President, during the past year, the National Association of Home Builders has been led by Mr. Harry Pryde, a builder from my home State of Washington. Congress is preparing to adjourn soon, and will not reconvene before Mr. Pryde's term of office expires in January. I want, therefore, to take this opportunity to congratulate Mr. Pryde on his able and effective stewardship of the National Association of Home Builders, and on the leadership he and his organization are providing in public policy areas of significance to the entire country.

Mr. Pryde's tenure as president of the National Association of Home Builders caps a long and distinguished record of service to his industry and to the community at large. He has served his industry as president of the Seattle Master Builders Association and the Washington State Home Builders Association, before presiding over the national organization. He has served the national organization as a director or officer for almost two decades.

To his credit, Mr. Pryde has also established a record of public service outside of his industry. In my home State, he has been on the boards of directors of the Washington State International Trade Commission and the chamber of commerce, and has also served on the local economic development council and the Seattle Environment Review Council.

Under Mr. Pryde's leadership, the National Association of Home Builders has taken an active role in seeking ways to reduce the Federal Government deficit, and in educating the public about the consequences of unrestrained Federal deficits. This is an excellent example of an industry association taking a leadership role in an area of broader public significance.

In all, Mr. President, Mr. Pryde's record demonstrates an involvement and responsibility that is in the best tradition of American activism. I congratulate him on another year of distinguished public service.●

UNITY ON CYPRUS: A QUESTION OF WILL

● Mr. PELL. Mr. President, on November 15, the so-called Turkish Federation of Cyprus, an internationally unrecognized entity purporting to be the legitimate government of the island sector occupied by Turkish forces, proclaimed the creation of a Turkish Republic of Cyprus.

Mr. President, this brazen effort to formalize the division of Cyprus must be opposed urgently and with determination. Not surprisingly, the ruling junta in Ankara—presumably in one of its final acts before the recently elected Turkish Government assumes power—granted official recognition to this unilateral declaration of independence. But, as I speak, no other nation has done so. It, thus, falls upon those concerned for the unity and integrity of the Cypriot republic to undertake a full-scale diplomatic effort to reverse the illegal step that has been taken and to uphold bicommunal negotiations as the one effective means by which the institutions of a politically and economically harmonious Cyprus may still be constructed.

Initial reports indicate that the United Kingdom, in its role as a guarantor of the 1960 treaty that created an independent Cyprus, will seek to mediate in the current crisis. Such participation by an effective, diplomatically neutral power is to be welcomed. But the U.S. Government must also play its role—by making unmistakably clear to Turkey's newly elected leaders that their sanction of illegality in Cyprus threatens stability in the eastern Mediterranean and jeopardizes both the integrity of the North Atlantic Alliance and a sound bilateral relationship between Turkey and the United States.

Mr. President, it is premature to issue threats as to where continued irresponsibility among the Turkish Cypriots and their supporters in Ankara could lead. But the dangerous implications are obvious. Turkey's new democratic leaders should, in a constructive atmosphere of firm negotiation, be made promptly to understand that the paths of just international behavior and Turkish self-interest coincide.

Accordingly, I urge immediate adoption of Senate Resolution 278, an original resolution reported by the Foreign Relations Committee, by which the Senate may call for urgent U.S. action on this crucial issue, which now weighs heavily in the scales of both justice and international stability.●

PROMOTING INNOVATION IN THE PHARMACEUTICAL INDUSTRY

● Mr. LAUTENBERG. Mr. President, in an increasingly competitive world economy, our Nation's success depends in large part on its ability to innovate. We must find ways to promote our people's inventiveness, which can lead to new processes and products that increase productivity, enhance the quality of life, and create prosperity for our businesses and jobs for our workers.

There are few industrial sectors whose vitality is as closely tied to their innovation as is the pharmaceutical, biotechnology, and health care products industry. It truly is a "high tech" industry. Research and development expenditures equal roughly 6 percent of the amount of total sales, more than many other research oriented sectors. Research and development expenditures in pharmaceuticals in the United States topped $1.5 billion, according to a 1980 survey.

Mr. President, roughly $1 out of every $4 of pharmaceutical research in our country is conducted in New Jersey. My State is a leader in the industry. It is home to 5 of the Nation's top 20 pharmaceutical and health care products firms and many firms in a range of sizes, including some of the new startup firms in the existing field of biotechnology. While other manufacturing sectors have lagged, this industry has continued to grow in New Jersey, accounting for more than 50,000 jobs in 1982, up 6 percent, over a 2-year period.

Mr. President, there are disturbing signs that despite its apparent prosperity, the industry's international leadership is threatened. Over a recent 15-year period, the U.S. share of worldwide pharmaceutical research and development was cut by more than half, from 60 percent down to 28 percent. During roughly the same period, the percentage of drug and medicine patents filed in the United States by American firms dropped by one-third, while the share held by Japanese, British, French, and West German firms increased.

Mr. President, we cannot afford to take our leading high technology industries for granted. We must continue to provide the incentives they need to continue to grow and meet increasingly vigorous competition from abroad. Competition in the pharmaceutical industry occurs in the laboratories, where scientists vie for the breakthrough that will mean longer and healthful lives for consumers, and increased profits and jobs for their companies.

Mr. President, I am joining several of my colleagues in cosponsoring two bills that I believe will help encourage our industry to continue to take risks, and to commit resources not merely to reworking old ideas, but also to seeking new and higher ground. The first bill, S. 738, would make permanent the tax credit on research and development expenditures. The second S. 1306, would restore the life of a patent on drugs whose effective term had been shortened by lengthy, albeit necessary, regulatory review.

S. 738 embodies an idea endorsed recently by a Senate task force on jobs and economic development on which I was pleased to serve. It is Government's critical role to provide the incentives to promote the productive forces in the private sector. The research and development tax credit—as opposed to broad scale supply-side tax cuts—has succeeded in encouraging increased expenditures in research and development despite a deep recession. It should be made permanent.

S. 1306 is an attempt to restore the effective term of patents shortened by regulatory review. As pharmaceutical products become more complex, lengthier and more involved testing is required. Meanwhile, the term of the 17-year patent runs. As the costs of basic and developmental research increase, the length of a patent is critical to a firm's decision as to whether it will have an opportunity to recoup its substantial investment in research and development. Mr. President, in the final analysis, the question involving patent term is whether we are providing sufficient incentives to innovate. I am disturbed by the apparent trends in our domestic industry. S. 1306 is an important step in reversing that trend.

American innovation is critical to our ability to compete in an increasingly international economy. Our pharmaceutical industry has prospered on the basis of its leadership in innovation. We must be watchful of the warnings. In the fast-paced world economy, one misstep can leave us well behind, two can make recovery almost unattainable. Mr. President, I am hopeful that S. 738 and S. 1306 will contribute to the continued vitality of our pharmaceutical industry, our economy and our role in international trade. We must continue to search for ways to promote the inventiveness that has been the key to American industrial competitiveness.●

THE EXTENSION OF THE CERTIFICATION FOR EL SALVADOR

● Mr. PELL. Mr. President, the legislation to extend the certification requirements for El Salvador enjoys bipartisan support because the certification has been the basis for the congressional role in U.S. policy toward that country. Unless it is passed by the Senate, the certification process will end. The measure before us is the very same one passed by the House on September 30, and in the Foreign Rela-

tions Committee on October 5. It simply extends the law that has been on the books for the past 2 years to insure that the current conditions on military assistance to El Salvador continue.

With all its flaws, the certification process has provided the Congress with a mechanism to maintain its interest in monitoring the human rights situation in El Salvador. Through it, the Congress has demonstrated its desire that cases involving the deaths of the American citizens be adjudicated and that political reform as well as land reform be carried out. Furthermore, it has provided the administration with a certain degree of leverage in its dealings with the Government of El Salvador to insure that progress is made in these areas. At the time that this extension of the certification passed the House and the Foreign Relations Committee the Department of State did not object.

In the past weeks, the U.S. Embassy in San Salvador has increased its efforts on behalf of substantive progress, especially in pressuring the Salvadoran Government to remove officials linked to the activities of the death squads. The extension of the certification by the Congress, symbolically and strongly would serve to support these efforts by our Embassy. I urge my colleagues in these final days of the session to underline that the Congress indeed believes that real improvement must be achieved in El Salvador.●

NEW JERSEY TOWNSHIP CELEBRATES SESQUICENTENNIAL

● Mr. LAUTENBERG. Mr. President, today I am proud to announce that Ewing Township, in Mercer County, N.J., will be celebrating its sesquicentennial. The celebration will begin on December 26, 1983, with a parade that will launch an entire year of anniversary events.

The township was given its name in honor of Charles Ewing on the day of its founding in February 1834. The Ewing family history traces its origins to a line of Scotch Presbyterians that immigrated to America as early as 1718. Charles Ewing, a graduate of Princeton College in 1798, was admitted to the bar 4 years later and appointed chief justice of New Jersey in 1824.

Today, Ewing Township is organized by a committee form of government headed by Mayor David C. Evans. The committee form has been its organization since its founding. Ewing has a well equipped police force and two volunteer fire companies as well as over 100 clubs and community organizations.

The township has a population of 32,000 and occupies an area of 15 square miles. It is situated north and west of the State capital with its western border on the Delaware River. Historically, Ewing's economy has been predominantly agricultural. However, since World War II the community's economy has become both more service and industrial based. Also located in Ewing is Trenton State College and the Katzenbach School for the Deaf.

Thus it is with pleasure that I announce Ewing Township's 150-year anniversary and recognize the valuable historic and community contributions it has made to the State of New Jersey.●

TUITION TAX CREDIT TABLING MOTION

● Mr. BIDEN. Mr. President, I have always supported the concept of tuition tax credits. I voted for tuition tax credit legislation in 1978, and plan on voting for it again. I continue to hope that such legislation will eventually be passed into law.

With regard to the vote earlier this week, however, I am required to vote to table the proposal for two reasons. The first relates to my rationale for supporting tuition tax credits in the first instance. That is, I believe that tuition tax credits could have a beneficial effect on the overall educational effort in this country, and that they would provide a healthy and needed competition for the public education process in America. But, this assumes that we have continued healthy support for public education in America. Since President Reagan has become President of the United States, there has been a consistent assault upon the commitment to public education, making it increasingly difficult to justify adding money out of tax expenditures for private education while we are cutting funds for public education. In order for public education to be competitive, it must be funded. Therefore, I said at the outset of this year that I would vote for tuition tax credit only if we are able to push back up our financial commitment to public education. In the context in which this debate was taking place, there was not going to be an opportunity to offer additional money to fund public education, which I plan on doing at the appropriate time and which will, if adopted, allow me to vote for tuition tax credits in this present environment.

The second reason for my voting to table the tuition tax credit proposal relates to timing. In the waning moments of this congressional session, there are a number of measures that face certain filibuster if subjected to full debate. Faced with the apparent certainty of filibuster on this measure as well as others which I support like the Biden-Thurmond crime package, it makes little sense to go forward at this time if, in fact, we are going to be filibustered. It was clear to everyone that had a tabling motion failed, there would have been a filibuster, and that I think does not inure to the benefit of the legislative process.

It is my sincere hope that the tuition tax credit question will be brought up again in calendar year 1984, and assuming we are able to increase, even incrementally, support for public education, I plan on supporting the tuition tax credit proposal. It should be noted that many of the same groups, who support the tuition tax credit proposal strongly as I do, also deplore the significant reduction in support for public education in America. That is to their credit, and it is unfortunate that they should find themselves in the position of being, in effect, punished for something failing to happen that they could not control.

To sum it all up, I believe tuition tax credits should not continue to be held hostage to this administration's posture on public education, but I do believe that they should come up for debate in the context of additional aid for public education. I am hopeful that when tuition tax credits are considered next year it will be in that context, whatever form that aid may take. It is in that context that I will support the idea.●

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business it stand in recess until the hour of 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS ON TOMORROW

Mr. BAKER. Mr. President, I further ask unanimous consent that, after the recognition of the two leaders under the standing order, five Senators be recognized on special orders of not to exceed 15 minutes each in this order: Senators GRASSLEY, WILSON, METZENBAUM, DECONCINI, and LEAHY.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE SCHEDULE

Mr. BAKER. Mr. President, on tomorrow, when the Senate convenes and after the execution of the special orders, it is anticipated that there will be a very brief period for the transaction of routine morning business. After that, the Senate may return to the consideration of the reconciliation bill or the natural gas bill or to the Clark nomination.

11-059 O-87-21 (Pt. 24)

Mr. President, it does look like we are going to be able to make tomorrow as an adjournment date. The one big item, other than the ones I have just mentioned, that has to be dealt with is the conference report making appropriations for the Department of Defense. That report is finished. The House, of course, must act first and we will take that up when it reaches us.

In the meantime, I expect tomorrow to be a full day, with votes. We will try very hard to try to finish tomorrow and as early as possible.

Mr. DECONCINI. Mr. President, will the Senator yield for 2 minutes?

Mr. BAKER. Yes; I yield.

Mr. DECONCINI. I thank the Senator.

DRUG CZAR/DRUG COMMISSION AMENDMENT DROPPED IN CONFERENCE

Mr. DECONCINI. Mr. President, I want to take just a moment to express my disappointment that the so-called Drug Czar/Drug Commission amendment to the supplemental appropriation bill (H.R. 3959), which passed the Senate, did not survive conference with the House.

After many hours of attempting to find an amendment which was palatable to the House and to the administration, it became clear that the only amendment that would be acceptable to both the House and the administration was essentially a watered down, toothless tiger, or no amendment at all. For those of us on the conference committee and those in this Chamber who support the drug czar concept, I believe that a watered-down drug czar provision was worse than no drug czar provision at all, so the Senate receded from its amendment.

Mr. President, I intend to continue to pursue this matter as long as I am a Member of the Senate. There is overwhelming evidence that we need a tough, centralized drug coordinator who can direct the Cabinet to respond swiftly and without dissension to the drug problem and to mobilize resources quickly and force fully on specific drug activities without the infighting that has and will now continue to plague our Federal antidrug effort. Right now, we do not have such a coordinator. The Vice President has made a herculean effort to attempt to revise the structure of our Federal drug interdiction effort, but he cannot do it alone, nor can we expect him to be able to devote the full-time effort to this critical national matter that it will take. The Attorney General continues to strongly object to any centralized drug coordinator for reasons that I can only assume relate to the age-old battle for turf in this town. No one has been able to make any type of serious, plausible, rational case for why a drug coordinator is not needed. It all boils down to turf. The Attorney General knows it. The Vice President knows it. The President knows it. And certainly the Congress knows that the "smoke" pouring out of the typewriters at the Justice Department in response to our amendment was merely a "smokescreen" for the real concern downtown—and that is that the Attorney General does not want anyone in charge of the drug effort who can tell the various agencies and his department what to do in the drug interdiction and enforcement field.

Mr. President, if I sound disappointed, I am. Frustrated would probably be a better term. At a time when the Defense Department, the civilian law enforcement agencies, and the Congress have joined forces to wage war on the drug trafficker and when the President of the United States and his Vice President have concurred on the need to mobilize the entire Federal establishment to combat drugs, we have one department head and a handful of others who are promoting the status quo in the drug effort. The status quo is no full-time drug coordinator, no central authority, accountable to the President, who can oversee, coordinate, and implement our national drug strategy, and no commander-in-chief at the helm of drug interdiction, organized crime investigation, or drug eradication in source countries.

Mr. President, while we remain embroiled in turf battles and ego trips, the drug smuggler continues to build up his arsenal of assets to use in his insidious drug trade. While Nero fiddles, Rome burns, Mr. President, and it is high time we stopped fiddling around with the drug problem, rolled up our sleeves, shelved our petty turf hangups, and got serious about waging a national and international war on the drug trafficker. I will continue to work with the House, the Armed Services Committees, the Appropriations Committees, and, yes, the Justice Department to provide the necessary resources to combat the drug smuggler and I ask for the help of my colleagues in the Senate. I also hope that in the very near future the Attorney General and others in the administration will recognize the need for a drug coordinator and work with us—not against us to establish a full-time person in charge of our national drug effort.

THE GRAY MARKET GOODS PROBLEM—REBUTTAL OF SPECIOUS ARGUMENT RELATING TO RESALE PRICE MAINTENANCE

Mr. DECONCINI. Mr. President, I rise today to correct certain misunderstandings about the need to enforce this country's laws relating to the importation of so-called gray market goods, trademarked goods that are imported into the United States and sold through unauthorized channels. As many of my colleagues are aware, I am quite concerned about the serious injury that U.S. trademark owners and consumers are suffering by reason of the illegal importation of gray market goods. This injury continues, in large measure, from the failure of the Treasury Department to publish regulations being proposed by the Customs Service to correct Customs' present practice and enforce section 526 of the Tariff Act of 1930.

Section 526 of the Tariff Act explicitly protects all U.S. individuals and businesses that own properly registered and filed trademarks from the unauthorized importation of goods manufactured abroad that bear these trademarks. Section 526 provides in relevant part as follows:

"[I]t shall be unlawful to import into the United States any merchandise of foreign manufacture if such merchandise . . . bears a trademark owned by a citizen of, or by a corporation or association created or organized within the United States, and registered in the Patent and Trademark Office by a person domiciled in the United States . . . and if a copy of the certificate of registration of such trademark is filed with the Secretary of the Treasury, . . . unless written consent of the owner of such trademark is produced at the time of making entry.

Unfortunately, Mr. President, since 1972, customs has failed to enforce this statute in the following three cases: First, where the foreign and U.S. trademarks are owned by the same person; second, where the foreign and domestic trademark owners are subject to common ownership or control; or third, where the U.S. trademark owner authorizes manufacture of the trademarked good abroad.

The failure of the Treasury Department to allow customs to amend its regulations and to enforce this statute as it is written permits the perpetration of a continuing fraud upon American consumers and an unlawful infringement of U.S. registered trademarks. Gray market goods are frequently not produced by the manufacturer for consumption in the United States and, as such, often fail to meet the same high quality, and in some cases safety, standards imposed upon merchandise manufactured for authorized importation into the United States. Moreover, gray market goods often are not subject to the same care in shipment and do not carry the usual warranties entitling the consumer to service his purchase at authorized service centers in the United States.

Nevertheless, Mr. President, when a consumer is lured into buying gray market goods, the consumer is not told that he or she may be buying inferior merchandise. On the contrary, the consumer is misled into believing that he or she is buying an article identical

in all respects to the goods sold through authorized distribution channels. The resulting consumer dissatisfaction causes substantial harm to the reputation and good will associated with the trademarks of U.S. registered trademark owners, thereby diminishing and infringing such trademarks.

Mr. President, our laws, and I speak specifically of section 526 of the 1930 Tariff Act, have been clearly written by Congress to deal with this problem. The trouble has been that the Customs Service is not enforcing this law. However, I understand that, after a great deal of study, the Customs Service has drafted a proposed change of practice to amend its regulations in order to enforce section 526 as it is written. These regulations would have been published for public comment but for the fact that the Treasury Department has been dragging its feet on this matter for months and months. As many of my colleagues know, I believe that these delays should stop. I believe the public has a right to comment on this much needed change of practice. Moreover, I feel strongly that both as a strict legal matter and for a number of policy reasons, some of which I have just enumerated, it is in the public interest for the Customs Service's rulemaking to go forward to completion.

Mr. President, there is a particular aspect of the gray goods problem about which, I believe, many of my colleagues have been misinformed. Enforcement of section 526 as it is written will not alter our laws regarding resale price maintenance. As my colleagues know, I am on record as supporting our laws that make resale price maintenance a per se violation under the antitrust laws, and I believe that anyone violating these laws should be appropriately penalized. Indeed, I voted in favor of the censuring of Assistant Attorney General Baxter for disregarding clear court precedent in this area.

It must be recognized, however, that enforcement of section 526 does not alter this situation. The rights arising under section 526 deal with a U.S. person's trademark rights and the ability of others to misappropriate those rights; it does not deal with the price at which goods are sold, and it provides no protection whatever to a trademark owner who might seek to impose resale price controls on any distributor selling the trademarked product. The situation is exactly parallel to our laws relating to patent protection. A patent holder can legitimately prevent the importation of infringing products, but no one has ever suggested that this creates any right for the patent holder to control resale prices of patented products, and indeed the law is directly to the contrary.

In this regard, it should be emphasized that while the Supreme Court itself has clearly prohibited resale price maintenance, it has at the same time made clear that a U.S. person has the right to prevent the importation and sale of goods bearing its trademark that have been imported through unauthorized means.

Moreover, I must point out that enforcement of section 526 is nothing new. Prior to adopting Customs current regulations and interpretations, Treasury regulations did provide for the enforcement of section 526 as it is written. Moreover, Customs continues to enforce section 526 for many U.S. persons, including U.S. persons that have no manufacturing facilities in the United States. The line that Customs has drawn between those U.S. persons for which it will enforce section 526 and those U.S. persons for which it will not enforce section 526 makes no policy sense and finds no support in the statute or the legislative history.

To my mind, the one similarity in the resale price issue and the gray market goods issue is the question of whether our laws should be enforced the way Congress intended. Just as we have instructed the Justice Department not to fail to enforce the antitrust laws, so we should instruct the Treasury Department and the Customs Service that until Congress decides otherwise, the administration has an obligation to enforce section 526 as it is written.

Finally, I wish to emphasize that section 526 does not prevent any person from importing goods manufactured abroad and selling them at whatever price that person wants, even if these goods are identical in content to goods sold by U.S. trademark owners, provided that such goods, imported by the nontrademark owners, do not bear the U.S. trademark owner's properly registered and filed trademark. That is, while enforcement of section 526 would prevent a gray marketeer from the unauthorized importation of goods, for example, a watch, bearing a U.S. person's trademark, it would not prevent this same gray marketeer from buying the very same watch abroad, removing the trademark and importing and selling the watch with a gray marketeer's own trademark. And, let me emphasize that the right to remove a trademark and sell the identical goods in this country with a different trademark is not an illusory right. Many companies, for example, Sears & Roebuck, sell goods made by a U.S. trademark owner or an affiliate of a trademark owner under their own brand name at whatever price they choose.

What the use of such a proprietary trademark does is put the consumer on notice as to who is responsible for the sale and service of the goods in question. And, this is a very important consumer protection indeed. It is one of the major benefits of our trademark laws. It is a benefit of which the consumer is deprived if section 526 is not enforced as Congress intended.

Accordingly, Mr. President, I strongly urge the Treasury Department and Customs Service to amend Customs regulations as Customs has proposed so that section 526 can again be enforced fully for the benefit of the consumer and the trademark owner. If section 526 of the Tariff Act needs amending, Congress will do it. It is up to the Congress, and not administrative agencies to legislate, whether the issue be resale price maintenance or trademarks.

TRIBUTE TO SENATORS HATFIELD AND STENNIS FOR THEIR HANDLING OF APPROPRIATIONS BILLS IN 1983

Mr. DECONCINI. Mr. President, as the Senate scurries around wrestling with the last few legislative items before adjournment, I would ask my colleagues in the Senate to pause just a moment to pay special tribute to the chairman of the Senate Appropriations Committee, Senator MARK HATFIELD, and the ranking minority member, Senator JOHN C. STENNIS.

Mr. President, if anyone had told me 10 months ago that on November 18 we would have passed 11 of the 13 regular appropriation bills through both Houses of Congress, had 8 of those bills signed into law without a veto and the 2 others assured of Presidential signature, 1 of which is the Commerce, Justice, State, and Judiciary bill, 1983, passed and signed into law an emergency jobs supplemental and a regular supplemental for 1983, had 2 continuing resolutions passed and signed into law, and the first fiscal 1984 supplemental bill only 48 hours away from the President's pen, I would have questioned that person's state of mind and probably wagered some very large sums of money.

But, Mr. President, that is exactly what has been accomplished since March of this year as a result of the truly remarkable job of guiding these measures through this Chamber by our distinquished colleagues, Senators HATFIELD and STENNIS of the Appropriations Committee. Add to this the fact that the defense appropriation bill, a massive, complex and controversial appropriation bill, is nearly through conference action and should be passed and sent to the President before we adjourn sine die.

Mr. President, I have seen firsthand the effort by Chairman HATFIELD and Senator STENNIS to move these important and often controversial bills through some stormy shoals in committee, with firmness, but always with

complete fairness to all committee members. I would be deceiving my colleagues if I were to stand here today to say Chairman HATFIELD and I or Senator STENNIS and I always agreed on every bill or every amendment offered in committee. There have been times when we have gone nose to nose on major issues of importance to this Senator, but never did I ever feel that my rights were not protected or my interests given anything but the fairest of treatment by both Senators.

Mr. President, there is no question that the budget process has had some rocky moments over the past few years and I still believe that improvements can and should be made in the process. However, the performance of Senators HATFIELD and STENNIS this year and, frankly, since both have taken over the leadership roles on the committee, has been extraordinary. If there are problems with the budget process, it is not because the Committee on Appropriations has fallen down on the job. If there are stops and starts in the budget cycle, it is not because the chairman and ranking member were not relentless in moving all 13 of the regular appropriations bills through committee and to the Senate floor. With the exception of Defense, every regular appropriation bill was reported to the Senate before the start of fiscal year 1984, and every one of those bills was within the committee's section 302(b) budget allocation ceilings imposed by the budget resolution.

Mr. President, at a time when the Congress is criticized more and more for its perceived lack of progress in moving important legislation through the House and Senate, this Chamber can take great pride in the accomplishment of the chairman and ranking member of the Appropriations Committee in the job they have done this year to move these important spending measures to the floor, through conference and downtown to the President. The chairman and ranking member and I will undoubtedly have our differences over the next several years on a number of individual spending issues. But there will never be a disagreement from this Senator as to the remarkable ability of our two committee leaders to bring these appropriation bills through difficult times in a fair, effective, and expeditious manner. I applaud their efforts.

DAIRY AND TOBACCO ADJUSTMENT ACT OF 1983—CONFERENCE REPORT

Mr. BAKER. Mr. President, I submit a report of the committee of conference on H.R. 3385 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 3385) to provide equity to cotton producers under the payment in kind program, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of today, November 17, 1983.)

Mr. HELMS. Mr. President, the House and Senate conferees on H.R. 3385, the Dairy and Tobacco Adjustment Act of 1983, have completed their work and have produced a product faithful to the bill which passed the Senate on October 7. Indeed, every opportunity was taken to make technical and substantive adjustments that clarify the intent and purpose of the legislation. I strongly recommend the Senate approve the conference report without delay.

The dairy provisions of the bill lower the milk support price from $13.10 per hundredweight to $12.60, and provide for additional reductions in 50-cent increments to a level as low as $11.60 over the next 2 years if the surplus milk production does not decline in incremental amounts. According to the Congressional Budget Office, this will result in a savings to consumers of some $3.74 billion over what they would spend for milk if the conference report fails and current law is maintained.

In addition, the bill establishes a 15-month paid diversion program to reduce milk production so as to bring the burgeoning dairy surpluses under control in a way that protects the interests of consumers and taxpayers, and in a way that does not pull the rug out from under the Nation's over 300,000 dairymen. The dairy provisions are cost effective, and will result in savings to the taxpayers of more than $1 billion over the next 4 years when compared to present law.

Further, present law provides for a $1 per hundredweight assessment on dairy farmers, and has no provision for reductions in the milk price support level. The present law is simply not working in view of the fact that milk production continues to increase at a rapid rate despite the massive surpluses. And, it is no wonder. Dairy farmers are simply responding to the economic inducements offered by Congress. The dollar fee has not worked to reduce surplus production, and, in fact, many analysts believe it has actually encouraged greater production as farmers try to increase their cash flow to pay the heavy fee. The inducements to production through the price support are still there, and are the driving force of the current law this legislation replaces. This legislation reduces the $1 per hundredweight fee to 50 cents, with the proceeds used to finance the 15-month paid diversion of $10 per hundredweight, and it provides for an additional 15-cent fee per hundredweight to be used for a promotional program for milk and other dairy products.

In short, the compromise plan passed by both the House and the Senate and improved in the conference moves us back toward market sensitive programs—and it does so without pulling the rug out from farmers who are simply doing what the Government induced them to do in the first place.

The bill also addresses the concerns of our Nation's livestock and poultry producers that the paid diversion program could have an adverse impact on the prices of beef, pork, and poultry. The conferees retained the provision added in the Senate by an amendment offered by the distinguished Senator from Iowa (Mr. JEPSEN). This provision directs the Secretary of Agriculture to take all feasible steps to minimize the impact of the cull cow marketing on beef, pork, and poultry producers that would take place under the diversion program. Several other provisions were added by the conferees to help the Secretary obtain the information necessary to make this program work and to give the Secretary the necessary authority to modify contracts with producers to minimize any adverse impact.

The point is, Mr. President, that the dairy provisions are fair, they promise to be far more effective than the only other alternative we now have—that is, current law—and they save the taxpayers and consumers many billions of dollars over current law.

Mr. President, the dairy title of this bill is complex and contains many very important features. However, there is one aspect of the bill that does not jump right out as being very significant but which may be critical for many producers who want to participate in the diversion program. I am referring to the provision of the bill that establishes November 8, 1983—let me repeat that for emphasis—November 8, 1983, as the date after which producers can no longer sell their dairy cattle, except for slaughter, or to another producer who is participating in the diversion program, and under certain other limited conditions, and still participate in the diversion program. This provision was adopted to close an otherwise growing loophole to the potential effectiveness of the diversion program if the cutoff date for sales of dairy cattle had remained the date of enactment of the bill.

The No Net Cost Tobacco Program Act of 1982 made adjustments in the

price support for tobacco loan levels so U.S. tobacco would become more competitively priced. But even with those changes, a substantial amount of tobacco has continued to be taken under loan by the loan associations.

H.R. 3385 makes further adjustments in the price support loans by freezing the 1984 loans at the 1982 level—the 1983 loans were frozen at the 1982 level by legislation enacted earlier this year. Also, the bill will freeze the 1985 price support loans at the 1982 level if the increase in the cost of production is less than 5 percent.

The above adjustments apply to Flue-cured tobacco only, but the bill also makes provision for adjustments in the support rates for the 1984 crop of burley, Fire-cured, dark Air-cured, Sun-cured, and cigar and binder tobaccos, so as not to narrow the normal price support differential between Flue-cured and such other kinds of tobacco.

The conference retained with slight modification, the amendment offered by Senator NUNN to authorize the Secretary, if requested by the board of directors of the Flue-cured Loan Association to make further downward adjustments in the support level for certain designated grades of Flue-cured tobacco of up to 12 percent per grade that represent not more than 25 percent of the estimated quantity of the Flue-cured crop.

Now, these are reductions in price supports in addition to the freeze in 1983, 1984, and possibly 1985 price support loans. Without question, the U.S. tobacco farmers want to have their crops priced competitively, and are to be commended, in my judgment, for asking Congress to give them the opportunity to earn their profits in the marketplace.

The bill will eliminate lease and transfer of Flue-cured allotments and quotas beginning with the 1987 crop. This 3-year period would give both owners and growers of tobacco allotments sufficient time to make arrangements to have the allotment grown on the farm to which it is assigned or sold to someone who is an actual producer. This addresses the concern that the tobacco program benefits allotment owners and who are not actively involved with the growing of tobacco.

The mandatory sale of Flue-cured and burley tobacco allotments and quotas by nonfarming entities was included in the 1982 act. H.R. 3385 extends for 1 year the required sale or forfeiture date and seeks to clarify the original intent of Congress by changing the listing of those who would not be subject to the requirements so as to operate more equitably and in line with the original intention of Congress.

The other major portion of the bill deals with the imported tobacco amendment offered by Senator METZENBAUM and adopted by the Senate. It provided that all tobacco imported into the United States be inspected for grade and quality in a manner similar to domestic tobacco marketed through a warehouse. And, it provides that imported tobacco be accompanied by a written certification that no pesticide prohibited for use under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) had been used in the production of the imported tobacco.

Because of strong objections from the House conferees appointed from the Ways and Means Committee and from the Special Trade Representative and other administration agencies which deal in international trade policy, that the reference to certification for pesticides was not consistent with the international trade agreements entered into by the United States—that in short, it was GATT inconsistent—reference to pesticide use certification was dropped in conference. However, the conference retained and clarified the provisions relating to inspection for grade and quality. The inspection is to be carried out in a manner that is reasonably fashioned to ascertain the grade and quality of the tobacco, but to do so in a manner that recognizes the differences between imported and domestic tobacco, which would not impede the expeditious movement of the commodity in commerce.

The Secretary is to use all reasonable means available to him to perform inspection of imported tobacco similar, but certainly not identical, to that employed in the United States for domestic tobacco. The collection of reliable and accurate information on tobacco trade will be used by Congress in overseeing the no net cost tobacco program and for enhancing the effectiveness of Customs operations, including the drawback provisions, and other Government activities relating to tobacco.

The bill retains provisions adopted by the Senate offered by Senator MATTINGLY, with certain clarifying and technical changes, relating to the manner of payment for the leasing and rental of tobacco allotments and quota so as to provide for a sharing in the risks of Flue-cured tobacco growing by allotment holders who lease this quota for growing on their own farm. The conferees decided, however, that these provisions would not be applicable until the 1985 crop since many people are already entering into arrangements for leasing of quota for next year's crop.

Finally, there are certain other technical amendments, such as changing dates for program announcements and crop estimates, and Flue-cured acreage determinations for better administration of the program in general.

Mr. President, the conference report contains a provision to provide emergency feed assistance to our livestock producers who are suffering from the high cost of livestock feed resulting from this year's drought. The provision calls for the sale, at 75 percent of the basic country support rate, of Commodity Credit Corporation corn that is graded U.S. grade 4, or 5, or lower. In practical terms, corn that is graded 4 or lower is marketable only as feed. The Government presently holds 83 million bushels of such corn. This assistance would be for foundation herds of livestock only. In line, with the colloquy I had with the distinguished Senator from Texas (Mr. BENTSEN) when this measure was considered by the Senate, producers would be responsible for the transportation costs of this corn.

This provision will provide assistance to our livestock industry without incurring a high taxpayer's expense that could put enactment of the bill in jeopardy.

The bill also provides authority for the possible development of a marketing order relating to eggs or poultry used to produce commercial eggs. Provisions relating to curtailing the importation of beef, adopted by amendment in the Senate, were dropped as inconsistent with our international trade agreements under the General Agreements on Tariff and Trade (GATT).

Mr. President, so that Senators might have a precise explanation of the legislation, I ask unanimous consent that a brief and informal explanation of the provisions be printed immediately following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF DAIRY AND TOBACCO ADJUSTMENT ACT

DAIRY

Price support: The federal support price for manufacturing-grade milk (used in making butter, cheese and nonfat powder) would be reduced, on the first day of the first month following enactment of the bill, from the current level of $13.10 per hundredweight to $12.60. If the bill becomes law during November, 1983, the reduction would take effect Dec. 1, 1983. The price support would be held at $12.60 until April 1, 1985. At that time, if the Secretary of Agriculture estimates that government price support purchases of surplus dairy products in the following 12 months would exceed the equivalent of 6 billion pounds of milk, the Secretary of Agriculture would have discretionary authority to cut the support by another 50 cents, down to $12.10 per hundredweight. Finally, on July 1, 1985, if the Secretary estimates that surplus purchases in the following 12 months would exceed the equivalent of 5 billion pounds of milk, the Secretary would have discretionary power to make a third 50-cent reduction in the price support, bringing the level down to $11.60. If at that time production had dropped so far that action was needed to

assure adequate consumer supplies, the Secretary would have the authority to increase the price support.

Paid diversion program: The Agriculture Department would offer dairy producers a chance to participate voluntarily in a 15-month program, effective from Jan. 1, 1984 to March 31, 1985, under which farmers who agree to cut production by between 5 and 30 percent would receive federal diversion payments. The payments would amount to $10 for each hundredweight of milk production that a farmer reduces below his base level, which would be based on 1982 production, or, if the producer chooses, the average production during 1981 and 1982.

To prevent circumvention of the intent of the programs, the legislation includes features such as a ban on sales, leases or transfers of dairy cows from farmers participating in the program to any other person beginning November 8, 1983. Participating farmers would not be prohibited from selling cull cows for slaughter, or from selling breeding cattle under certain circumstances.

The legislation also includes several safeguards to soften the impact of that potential extra meat supply on prices for beef cattle, pork and poultry. The bill directs the Secretary of Agriculture to take all feasible steps to minimize the impact of cow marketing on beef, pork and poultry producers. To help the government gauge the potential impact of additional dairy cow marketing, producers enrolling in the program would be required to file a plan estimating how much of their milk cutback would be achieved by selling off cows for slaughter. The bill also makes it possible for the Secretary to verify (within specified limits) the depth of producers' milk cutbacks on a quarterly basis if this is needed to avoid a concentration of cull cow marketing in a short period. The Secretary would also be directed to make the maximum practicable use of regular government surplus removal programs for beef, pork and poultry while the diversion program is in effect. Further, the bill urges the Defense Department and other federal and state agencies to use more beef, pork and poultry to meet the food needs of programs they administer.

To fund the diversion program, 50 cents would be deducted from the proceeds of each hundredweight of milk marketed by producers and paid to the Secretary of Agriculture, beginning with the start of the first month after enactment of the bill. At the same time, the current $1 per hundredweight assessment collected from dairymen would be eliminated. The new 50 cent collection would end on March 31, 1985, at the same time the diversion program ends.

Dairy promotion program: The bill directs the creation of a farmer-financed national program for milk promotion and research. To fund the program, farmers would contribute an assessment amounting to 15 cents for every hundredweight of milk they market. In cases where farmers are already making contributions to local or regional promotion programs, however, they would get credit for these assessments—up to 10 cents per hundredweight—as an offset against the national assessment. For example, a farmer who already pays 10 cents into a state program would owe only 5 cents to the new national program. (For the first six months, however, farmers could get credit for offsets up to the full 15-cent level.) The new program would be conducted by a National Dairy Promotion and Research Board made up of dairy farmers. During the two-month period which ends on Sept. 30, 1985, the Secretary of Agriculture would conduct a referendum among dairy farmers to determine whether they want to continue the promotion program, and assessments would have to end within six months unless a majority of producers approve continuation of the program.

Other dairy features: The Secretary of Agriculture is required to report to Congress by July 1, 1984, on the potential impact of any future action to set a higher national standard for the amount of nonfat solids in fluid milk.

EMERGENCY FEED ASSISTANCE

Feed grain sales: The bill requires the Secretary of Agriculture to offer government-owned stocks of No. 4 grade, No. 5 grade, and Sample grade corn for sales at 75 percent of the current price support loan rate to farmers and ranchers in drought-stricken areas. To qualify for the reduced-price grain purchase, a farmer or rancher must show that he 1) suffered enough drought damage to make him eligible for a Farmers Hom Administration emergency disaster loan and 2) is not able to get enough feed for his livestock through normal trade channels without undue financial hardship. The grain would be available only for maintaining foundation herds of livestock and poultry. Assistance could continue only until Sept. 30, 1984, or any earlier date on which the Secretary decides that the drought emergency has ended.

TOBACCO

Price support adjustments: The 1984 support price for Flue-cured tobacco would be frozen at the 1982 level. For the 1984 Burley tobacco crop, the Agriculture Department would be required to maintain the traditional price support differential between Burley and Flue-cured. For Flue-cured, the freeze would continue in 1985 unless there is a sharp increase in farm production costs, and in that case the price support rise would reflect the cost increase. For 1986 and future years, supports for Flue-cured tobacco would go up or down (from the 1985 base levels) by the amounts determined by formulas contained in existing law. In the case of Burley, supports for 1985 and future years would go up or down (from the 1984 base levels) by amounts determined by the formulas in existing law. A further Flue-cured provision gives the Secretary of Agriculture the authority to reduce (by no more than 12 percent) the support prices for designated grades which "are of such quantity or quality as to impair their marketability." These special reductions could not affect more than 25 percent of the volume of any year's crop and would not be built into the computation of supports in any future year.

Lease and transfer of allotments and quotas: The current price under which owners of Flue-cured quotas can lease and transfer these marketing rights to other farmers would end after the 1986 crop. For the 1985 and 1986 crops, lease and transfer agreements must provide that payment for the lease cannot be made until after the crop has been marketed. For Burley tobacco, the bill reduces from the current 30,000 pounds to a new ceiling of 15,000 pounds the amount of quota which can be leased and transferred to any farm. Also, so-called "fall leasing" of Burley quotas is banned by requiring that any leases be filed by July 1 of the year in which the lease is effective.

Imported tobacco inspection: Under existing law, virtually all domestic tobacco is inspected for grade and quality, and the bill provides that, insofar as practicable, all imported tobacco, except for cigar tobacco and oriental-type tobacco, must also be inspected for grade and quality. Imported cigar and oriental tobaccos would have to be accompanied by a certificate stating the kind and type of the tobacco and, in the case of cigar tobacco, the intended end use of the product.

Other tobacco provisions: The bill eliminates the current so-called "double assessment" practice under which the contributions to the existing "no net cost" tobacco fund for Flue-cured must be made by both the quota owner who rents his quota to another farmer, and by the person who actually grows the crop. (The "no net cost" fund is collected from producers to avoid taxpayer costs in the operation of the price support program.) The bill reserves 3 percent of each year's national Flue-cured acreage allotment (instead of the current 1 percent) for correcting errors and inequities and for the distribution to new growers, with two-thirds of the reserve earmarked for new growers. The bill gives non-farmer owners of Flue-cured and Burley quotas until Dec. 1, 1984 (rather than Dec. 1, 1983 as required by existing law) to sell their quotas or forfeit them; and it expands exemptions from the mandatory sales provision to include entities such as partnerships, and family farm corporations, and trusts and estates, where individuals are the beneficiaries, and further to include educational institutions which use Flue-cured or Burley allotments for instructional or demonstration purposes. Beginning Jan. 1, 1986, the bill requires forfeiture of any Flue-cured quota assigned to a farm on which tobacco has not been planted or considered planted during at least two of the past three years.

EGGS

Marketing order: The bill authorizes the development and adoption by producers, subject to the approval of the Secretary of Agriculture, of marketing orders under the terms of the Agricultural Marketing Agreement Act of 1937 for eggs, and for poultry which produce commercial eggs. Such orders could limit marketings of the products by grade, size, quality and quantity, and could set up methods for disposing of surpluses by specific grades, sizes and qualities, In addition, the bill authorizes the development of a marketing order to provide for research and promotion, including paid advertising, for eggs.

Mr. HUDDLESTON. Mr. President, the conference report on H.R. 3385 makes urgently needed changes in the dairy program and the tobacco program. In addition, the conference report contains a number of other provisions, including authority for egg marketing orders and the making of feed available for livestock producers in drought areas, that will be beneficial to our Nation's farmers.

NEED FOR CHANGES IN THE DAIRY PROGRAM PROVISIONS

Mr. President, the conference substitute makes prudent changes in the dairy program. Such changes are necessary because the current milk support program has proven to be unsatisfactory. The program has had little success in reducing dairy surpluses or stimulating consumption of dairy products.

The program under the conference substitute will remedy the short-term surplus problem while maintaining the long-term ability of our dairy farmers to meet consumer needs.

We in Congress have worked hard to develop a workable and equitable solution to the complicated production and marketing problems surrounding the Federal dairy program. The conference substitute represents a balanced compromise that will make the dairy program more effective.

As with any compromise, the provisions of the conference report on H.R. 3385 may not be entirely acceptable to everyone, but I hope my colleagues will support the conference report.

CHANGES IN THE DAIRY PROGRAM

The conference substitute will repeal the dairy provisions of the Omnibus Budget Reconciliation Act of 1982. Collection of the two 50 cent assessments authorized by that act would halt.

The minimum milk support price will be reduced by 50 cents, from $13.10 to $12.60 per hundredweight beginning on the first day of the first month following enactment; and further reductions will be authorized if Government purchases are projected to exceed specified amounts. On April 1, 1985, if annual net Government purchases for the next succeeding 12 months are estimated to exceed 6 billion pounds—milk equivalent—the milk support price can be reduced to $12.10. Again, on July 1, 1985, if net Government purchases during the next succeeding 12 months are estimated to exceed 5 billion pounds—milk equivalent—the milk support price can be lowered to $11.60 per hundredweight.

On the other hand, if on July 1, 1985, the Secretary of Agriculture estimates that net CCC purchases for the next succeeding 12 months will be 5 billion pounds—milk equivalent—or less, and determines it necessary to insure an adequate supply of milk, the milk support price could be increased.

The bill will also require the Secretary of Agriculture to offer dairy producers a temporary paid diversion program as an incentive to reduce milk production. Producers who participate in the program will be eligible to receive diversion payments of $10 per hundredweight for reductions of from 5 percent to 30 percent of their recent milk production base.

The milk diversion program should not impose an added burden on taxpayers. Most, if not all, of the cost of diversion payments will be funded by a 50-cent-per-hundredweight fee on all milk marketed during the period ending at the time the diversion program ends.

The conference substitute establishes certain safeguards against the possibility of substantial economic hardship to livestock producers that could occur as a result of any sharp increase in the slaughter of dairy cattle.

Under the conference substitute, each producer who desires to participate in the paid diversion program, prior to entering into a diversion contract, will provide the Secretary of Agriculture with a plan that describes the manner in which the producer intends to achieve the required reduction in milk marketings. The plan will include an estimate of the amount of the reduction to be achieved through increased slaughter of dairy cattle—with the estimated number to be sold each month.

Based on information received through such reports and through other means, the Secretary must set the terms of the diversion contracts so as to minimize any adverse effects on beef, pork, and poultry producers caused by the reduction in milk production under the diversion contracts.

Also, the Secretary will be authorized to modify diversion contracts to specify a lower diversion if the Secretary determines that an excessive reduction in milk production would result, or if he determines that a substantial hardship on the livestock or poultry industry has occurred. However, if the contracts are changed to remedy a hardship on the livestock or poultry industry, the modification may not be so great as to require the milk producer to make a reduction in production, in any succeeding quarter, in excess of 150 percent of the contracted-for reduction.

DAIRY PROMOTION PROGRAM

The conference substitute requires that a producer-funded program for dairy promotion and research be established. Because dairy products are a basic and vital component of human diets, the development of markets for dairy products is important to consumers, as well as milk producers.

Under the conference report, an assessment of 15 cents per hundredweight of milk marketed will be collected from producers to fund the research and promotion activities authorized under the program. A referendum will be required to determine if dairy farmers favor continuation of the promotion and research program beyond fiscal year 1985.

The conference substitute is drafted so that the new program will not adversely affect on-going State and regional programs. The substitute provides that, for the first 6 months after enactment, producers can receive credit against the assessment for contributions to a State or regional dairy product promotion or nutrition education program. Initially, the amount of the credit will be the aggregate assessment rate in effect for the State or regional program on the date of enactment of the bill, but not to exceed 15 cents per hundredweight of milk marketed. After 6 months, a milk producer will receive up to 10 cents credit against the assessment for such contributions.

The national promotion program will provide for appropriate plans or projects for advertisement and promotion of dairy products, including research and nutrition education projects that relate to the expansion of the demand for dairy products.

EMERGENCY FEED ASSISTANCE

The conference substitute includes a provision for livestock feed assistance to farmers hurt by the drought. The provision was added to the Senate-passed bill by a floor amendment offered by Senator BENTSEN. The conference substitute makes one modification to the Senate-passed provision to limit the application of the provision to foundation herds.

Under the conference report, the Secretary of Agriculture must make Commodity Credit Corporation stocks of low grade corn available to farmers and ranchers who are in areas adversely affected by this summer's drought. To be eligible to purchase the corn, a farmer or rancher must be eligible to receive Farmers Home Administration emergency disaster loans and be unable to obtain sufficient feed through normal channels of trade without undue financial hardship.

The assistance would be made available to help farmers and ranchers to preserve and maintain foundation herds of livestock and poultry, including their offspring. The corn would be made available at a price equal to 75 percent of the current basic county loan rate—or a comparable price if no such rate has been established—until September 30, 1984, or an earlier date if the Secretary determines that the emergency caused by the drought no longer exists.

EGG INDUSTRY MARKETING ORDERS

The conference substitute will enable farmers to work with the Secretary of Agriculture to establish a marketing order for eggs and poultry that produce commercial eggs. This provision was added by Senator HEFLIN during floor debate of the legislation. I am hopeful that the Secretary will begin discussions with egg and poultry producers as soon as possible concerning the scope of a possible marketing order.

CHANGES IN THE TOBACCO PROGRAM

Since enactment of the No Net Cost Tobacco Program Act of 1982, tobacco farmers have been responsible for paying the costs of the tobacco price-support program.

With the current recession in the domestic and world economies, the demand for U.S. leaf and tobacco products has declined. The softening of markets had led to increased pressure on the price-support program. Furthermore, the doubling of Federal excise taxes on tobacco products and

increases in State tobacco taxes have adversely affected the demand for tobacco products.

In order to keep the producer contributions to the No Net Cost reserve within reason, we must improve our market position. To do this, we must recognize the need to keep the price of U.S. tobacco at a level attractive to purchasers.

Congress took action in July to make U.S. tobacco prices more attractive by passing H.R. 3392, to freeze the price-support levels for the 1983 crops of tobacco at 1982 levels.

This legislation, which was signed into law as Public Law 98-59, also includes amendments that I offered to increase the downward adjustment the Secretary of Agriculture can make in the quota for burley tobacco, and to require review of tobacco imports under section 22 of the Agriculture Adjustment Act. The review—to determine whether tobacco imports are interfering with the domestic price-support program—is required when a price-support freeze, or a downward adjustment of a price-support increase by more than 35 percent, is imposed by burley tobacco or when CCC stocks of burley tobacco are in excess of 20 percent of the basic quota for burely tobacco. The Department of Agriculture has indicated that such a review is underway.

Public Law 98-59—while important and necessary—is not a substitute for the additional program improvements contained in the conference report on H.R. 3385.

The provisions of the conference report are needed to insure that the competitive market position of U.S.-grown burley tobacco can be maintained.

The changes in the tobacco program contained in the conference report have been discussed at some length in meetings held in Kentucky and at hearings held here in Washington and in other States. The testimony of the Kentucky burley producers and their representatives indicate support for the changes in the program. Kentucky tobacco growers have continued to express their desire to help this Nation remain the world's most reliable supplier of quality burley tobacco. The provisions of the conference report will facilitate this effort.

The conference report freezes the price support level for the 1984 crop of Flue-cured tobacco at the 1982 level. Further, it requires the Secretary of Agriculture, for the 1984 crop of burley tobacco and the 1984 and 1985 crops of other quota tobacco—except Flue-cured tobacco—to establish the price support rates for each of such crops at a level that will not narrow the normal price support differential between Flue-cured and the other kind of tobacco.

However, before establishing the price support level for the 1984 crops of non-Flue-cured tobacco, the Secretary will be required to give notice of the proposed level, receive public comment on the notice, and take into consideration changes in the costs of producing the kind of tobacco involved and such other relevant factors as the Secretary determines appropriate.

With respect to the provision in the conference substitute authorizing reductions in the support rates for lower grades of Flue-cured tobacco, the statement of managers clarifies that the Secretary is expected to take into consideration the effect of such reductions on the marketings of other kinds of tobacco, including burley, before making the reductions.

The conference report includes the provision of the Senate-passed bill that reduces the amount of burley tobacco that can be leased and transferred to any farm, from 30,000 pounds to 15,000 pounds.

The conference substitute includes the provision of the Senate-passed bill that provides that a lease and transfer of burley tobacco quota will not be effective for any crop year unless a record of the transfer is filed with the County ASC Committee not later than July 1 of that crop year.

The conference substitute includes the provision of the Senate-passed bill that will modify the prohibition against the lease and transfer of burley quotas across county lines so as to permit the Secretary of Agriculture to combine, as one farm, tracts of land in contiguous counties that are owned and operated by a producer as a single unit.

Also, the conference substitute extends, from December 1, 1983, to December 1, 1984, the date by which nonfarming entities must sell their Fluecured and burley quotas, and makes clear that the mandatory sale provision—with respect to burley tobacco—does not apply to farms where the land is being used for agricultural purposes.

The conference substitute includes a provision that I proposed to clarify that the mandatory sale provision does not apply to burley quotas used for educational, instructional, or demonstration purposes. Such use would include, for example, use of quotas by Future Farmers of America chapters to grow tobacco for instructional purposes.

The conference substitute also contains my proposal to give a person who owns a burley tobacco quota and who would have been required to sell the quota under the provisions of current law, but who, under the conference substitute, will become ineligible to sell the quota, the option to go ahead with the sale after the legislation is enacted. A record of the transfer would have to be filed with the County ASC Committee by February 1, 1984.

CONCLUSION

Mr. President, I believe that the provisions of the conference report will improve the operation of two Federal commodity programs on which hundreds of thousands of our Nation's farmers rely. I urge my colleagues to join me in voting for its adoption.

Mr. THURMOND. Mr. President, today we are considering the conference report to S. 1529, the Dairy Production Stabilization and Tobacco Adjustment Act of 1983.

When this bill initially came before the full Senate, I strongly opposed the dairy portion of this legislation. I felt it was wrong to continue a 50 cents per hundredweight assessment on commercially marketed milk, and to pay dairy farmers $10 per hundredweight not to produce milk. It was my belief then, as it is now, that the most effective and simplest method of addressing our current dairy surplus problem is through a greater reduction in the milk price-support level. I am pleased, however, that the conferees have maintained in this bill some curtailment in the dairy price-support level.

Mr. President, while I remain opposed to the 50-cents assessment and the paid diversion, I feel it is necessary to move forward with this bill in order to cut in half the $1 assessment, which is bankrupting our dairy farmers, and in order to achieve a price-support cut as soon as possible. If we do not take this step, I fear that the cost of the present dairy program will continue to balloon out of control, and many fine dairy producers throughout the United States who do not overproduce will be driven out of business by the punitive $1 assessment. In other words, Mr. President, while this bill does not contain the kind of changes in the dairy program which I, and the vast majority of milk producers in the Southeast, would desire, clearly it is superior to continuing under the present unbearable combination of both an excessive assessment and an excessively high price support.

Mr. President, in addition to this important change in the dairy program, this bill also makes several fine tuning adjustments in the tobacco price support program. The bill freezes the price support for the 1984 crop of fluecured tobacco at the 1982 level. It ends the double assessment for tobacco growers who are required to contribute to a no-net-cost—to the Government—fund. The bill eliminates the practice of lease and transfer of Fluecured tobacco allotments by 1987, while allowing agricultural corporations directly involved in tobacco production to keep their allotments.

Mr. President, it is very important that these changes in the tobacco program take place so as to insure the

continuation of a stable, dependable tobacco production program at no net cost to the taxpayers.

Tobacco is extremely vital to the economy of my State. It is the leading cash crop and the tobacco industry employs over 27,000 South Carolinians. Last year South Carolina received $29 million in taxes from the sale of tobacco products. In my State, as well as in other Flue-cured tobacco producing States, the tobacco producer typifies the family farmer.

Nationally, tobacco is a $3.5 billion boon to the U.S. economy. It also improves our balance of trade, with the value of U.S. tobacco exports amounting to over $2.8 billion in 1982. It is imperative that we stand behind the tobacco program to insure that tobacco continues to make a vital contribution to the health of our economy.

Mr. President, I do not support all the provisions in either the dairy or the tobacco portions of this bill. However, I do believe that this bill contains much-needed changes in both programs that are necessary to correct the problems that affect tobacco and dairy producers. In addition, this bill activates the emergency feed program for ranchers and livestock producers that have had difficulty obtaining adequate amount of grain at reasonable prices due to the recent drought and cutbacks in production. I will support this conference report, and I encourage my colleagues to do the same.

Mr. LEAHY. Mr. President, I rise today in support of the conference report on H.R. 3385, which contains the dairy compromise legislation.

This bill is the product of months of hard work on the part of Members of the Senate and House of Representatives, both Republican and Democrat, and the administration. Negotiations on the Senate version of this legislation began in April in my office. Today, the bill will begin to take its last steps toward enactment.

Mr. President, the dairy compromise is a fair, workable, and effective plan to reduce the size and cost of the dairy surplus. The Department of Agriculture has estimated that this bill will save $1.4 billion next year and cut surplus purchases by nearly 90 percent.

It is clearly superior to either a straight price support cut—which was soundly defeated in both Houses of Congress—or the current unfair, ineffective assessment program.

Assessments or straight price support cuts serve only to penalize family dairy farmers in Vermont and the Nation for being some of the best business men and women in this country.

The compromise bill before us today offers an incentive to farmers to reduce production—not a system of penalties designed to cut the milk supply by driving family dairy farmers out of business.

Mr. President, the bill also establishes a farmer-financed nationwide milk promotion program. The importance of this element of the legislation cannot be overstated.

The dairy industry is currently outspent on promotion activities on the order of 49 to 1 by other beverage manufacturers. The promotion program contained in this legislation will enable dairy farmers to recapture some of the markets lost to other beverages over the years.

Mr. President, this bill is a compromise, and as such, there are provisions in it which I do not wholeheartedly embrace, particularly the price support reductions at the end of the bill.

I also regret the lack of a payment limitation in the incentive provisions of the compromise. This program is designed to reduce milk production, not create millionaires.

Mr. President, the dairy compromise plan will provide family dairy farmers in Vermont and the Nation with almost 2 years of stability in a program they have seen changed about every 6 months since 1981.

This part of the legislation should not be overlooked. Congress has debated the dairy program too many times these past 3 years.

We have negotiated, we have debated, we have considered many, many different alternatives and ideas. After many months, a bipartisan majority of both Houses of Congress has approved this bill.

A conference of the two Houses has been held and the final product is before us today.

Mr. President, it is time to put the dairy program back on the road to stability and effectiveness, to end the constant tinkering with a program so vital to the well-being of family dairy farmers in Vermont and the Nation.

If this conference report is approved today, and I expect that it will be, the President must sign it into law.

The debate has been held, the work has been done, and family dairy farmers across this Nation deserve no less.

Mr. BENTSEN. Mr. President, I commend the conferees on the dairy and tobacco bill for including my emergency livestock feed amendment in this conference report, and I urge its adoption by the Senate.

This emergency livestock feed section is the amendment which I offered, and which the Senate adopted unanimously, when this bill was on the Senate floor.

This provision is a simple one. First, it requires the Secretary of Agriculture to make available to drought-stricken livestock producers emergency feed assistance that should have been provided months ago. Second, it requires him to do this by selling, not giving, them damaged grain that is useless for any purpose except livestock feed and which the taxpayers should not be paying to keep in storage.

Mr. President, USDA should have done months ago what we are now requiring them to do. Last June the need for livestock feed assistance due the drought in West Texas was apparent to everyone except the U.S. Department of Agriculture. I asked, along with others from Texas, for the feed assistance which USDA can by law provide. That request was refused, and these ranchers were instead offered Farmers Home Administration disaster loans. There were few if any takers. Then USDA lowered the interest rates and changed the eligibility criteria on these FmHA loans. Still there were no takers.

Ranchers told me that they had too much debt already. These ranchers needed something a cow could eat, not another note at the bank.

At the same time, the Commodity Credit Corporation had, and still has, in its inventory in Texas about 21 million bushels of damaged grain—No. 4, No. 5, and Sample grade corn—that cannot be used for export or for the payment-in-kind program. This damaged corn is costing the taxpayers about $11 million per year to keep in storage, and most of it is in or near those areas which were hit hardest by this drought.

Other livestock producers in other States are in similar circumstances. The CCC has 83 million bushels of this damaged grain in storage in 27 States, and it is costing taxpayers about $48 million per year to store it.

Why, Mr. President, should the American taxpayer loan money to a rancher and yet deny him the feed he needs to preserve his herd so that he can repay that loan? West Texas ranchers have had rains recently. In many cases they got their first major rain in over a year. But it came too late in the season to grow any grass this year. Without affordable livestock feed they must move out, sell out, or starve out.

Mr. President, I do not think the taxpayers should have to pay for storing damaged grain. We should get rid of it instead of paying to store it. This livestock feed provision is good business for the American taxpayer and for the American livestock producer.

I might add that serious questions have arisen concerning the quality of some of this corn which the CCC has in storage. After initially refusing my request to Secretary Block to look into this problem, the USDA last week initiated a long-overdue inspection of the PLB Grain Storage Corporation in Plainview, Tex. This was done only after I furnished the Senate Agriculture Committee with copies of the USDA file on this elevator showing past quality problems and asked for an investigation by the committee.

It is important that the USDA grain inventory be accurate so that this grain can be made available to ranchers in a condition usable for livestock feed. Quality questions such as I have raised must be resolved quickly so that help can be gotten to these ranchers as soon as possible. That help is already about 6 months overdue.

Mr. President, I want to express my appreciation to the conferees on the diary and tobacco bill, and to the staff of the Senate Argiculture Committee, for their help and cooperation in seeing that the emergency livestock feed section was included in this conference report. I also want to recognize the important contribution which was made on the House side by the chairman of this conference, my distinguished colleague from Texas, Congressman KIKA DE LA GARZA. The chairman of the House Agriculture Committee has always been a strong supporter of the livestock industry, and his support was most appreciated in seeing this amendment through the conference.

The administration has opposed my amendment throughout its consideration. Secretary Block has, however, stated that he would implement this immediately if it was passed and signed into law by the President. It is my hope that this will become law very soon and that USDA will make this feed assistance available to ranchers in Texas and other States as soon as possible. I urge the Senate to again approve this legislation.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEADERSHIP POLICY REGARDING MEASURES ON THE CALENDAR

Mr. BAKER. Mr. President, there may be some other routine matters—I think there are—that need to be taken care of before we go out tonight.

I remind Senators that it is the announced policy of the leadership on this side not to take up bills or resolutions unless they are printed on the calendar. That will get to be a problem tomorrow. I urge Senators to consider that that is the policy. There will be a few items that we will put on the calendar tonight, I hope, by unanimous consent, and those will be eligible at least to be considered tomorrow.

However, I say now for the benefit of Members, as a reminder, that we have published in the RECORD that the leadership on this side has a policy that it is not our intention, absent extraordinary circumstances, to take up measures that have not been printed on the calendar. This is not a 1- or 2- or 3-day rule. It is just a matter of providing some modicum of notice to Members before matters are addressed.

Mr. President, for the moment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, a few routine matters, what appear to be routine matters, are marked cleared in my folder, and I should like to go through them now, if the minority leader is agreeable.

Mr. BYRD. Yes.

VETERANS AFFAIRS COMMITTEE DISCHARGED FROM CONSIDERATION OF H.R. 4294

Mr. BAKER. Mr. President, I ask unanimous consent that the Veterans' Affairs Committee be discharged from further consideration of H.R. 4294, a bill designating the Veterans' Administration medical center in Dublin, Ga., as the "Carl Vinson Veterans' Administration Medical Center," and the Veterans' Administration medical center in Altoona, Pa., as the "James E. Van Zandt Veterans' Administration Medical Center" and that it be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PLACE H.R. 2196 ON THE CALENDAR

Mr. BAKER. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be discharged consideration of H.R. 2196, a bill to extend the authorization of appropriations for the National Historical Publications and Record Commission for 5 years, and I ask that that bill be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR THE SECRETARY OF THE SENATE TO TAKE CERTAIN ACTION

Mr. BAKER. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to request the House to return the official papers on S. 2040.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. BAKER. Mr. President, may I say to the minority leader that there are seven items on the calendar of business for today that are cleared on this side for action by unanimous consent. I refer to Calendar Order Nos. 507, 508, 552, 577, 578, 579, and 580.

Could I inquire of the minority leader if he is prepared to consider all or any part of those items?

Mr. BYRD. If the majority leader will allow me just a moment.

Mr. President, there is no objection to proceeding to the items that have been set forth by the majority leader.

Mr. BAKER. I thank the minority leader.

Mr. President, in view of the lateness of the hour, I ask unanimous consent that the several items be considered and adopted en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

RELEASE OF REVERSIONARY CLAUSE OF LAND CONVEYED TO DELAWARE

The Senate proceeded to consider the bill (S. 1503) to release the reversionary clause by the Federal Government on 6.21 acres in the deed to the land conveyed to the State of Delaware September 24, 1954, which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment to strike all after the enacting clause and insert:

That subject to section 2, the Secretary of Agriculture shall release, on behalf of the United States, with respect to the land described in section 3, the condition contained in the deed dated September 24, 1954, recorded June 30, 1955, in deed book 447, page 595, in the Office of the Sussex County Recorder of Deeds, Georgetown, Delaware, between the United States of America and the State of Delaware, conveying certain tracts of land to the State of Delaware, which condition requires that the land conveyed be used for public purposes and if at any time such land ceases to be so used, it shall immediately revert to and become revested in the United States.

SEC. 2. The condition referred to in section 1, with respect to the land described in section 3, shall be released only upon certification by the Secretary of the Delaware Department of Natural Resources and Environmental Control to the Secretary of Agriculture that an area of wetlands, marsh, or shore lands within the State of Delaware containing at least 6.21 acres has been dedicated to public purposes. Such certification shall specify the location and set forth a legal description of the dedicated area, and shall be accompanied by a legal opinion establishing that title to the dedicated property is vested in the State of Delaware and that a restriction of public purpose applies to the dedicated property.

SEC. 3. The land referred to in section 1 is a tract of land, being a portion of tract num-

bered 24 of those lands conveyed by James Leslie Ford, marshal of the United States for the District of Delaware, to the United States of America in the deed dated September 16, 1939, recorded November 20, 1939, in deed book 322, page 125, in the Office of the Sussex County Recorder of Deeds, Georgetown, Delaware, containing 6.21 acres of land, more or less, more particularly described as follows:

Beginning at the point of intersection of the northeasterly side of Hassell Street (at 30 feet wide) with the northeasterly side of a 50-foot wide right-of-way known as Assawoman Street,

thence with said point of beginning and along the said northeasterly side of Hassell Street, and crossing the said 50-foot wide right-of-way known as Assawoman Street, south 05 degrees 20 minutes 55 seconds east, 297.80 feet to a point in the low water line of Little Bay;

thence by the various meanderings thereof, generally in a northwesterly and northeasterly direction, and the westerly limits of lands known as Bay View Park and Bay View Park first addition, 1,666 feet, more or less, to a point, said point being distant by the seventeen following tie lines connecting points in or near the said low water line from the last described point:

(1) south 39 degrees 04 minutes 05 seconds west, 45.00 feet to a point;

(2) north 68 degrees 30 minutes 00 seconds west, 40.00 feet to a point;

(3) north 30 degrees 50 minutes 00 seconds west, 72.00 feet to a point;

(4) north 66 degrees 10 minutes 00 seconds west, 114.00 feet to a point;

(5) north 62 degrees 34 minutes 00 seconds west, 178.00 feet to a point;

(6) north 41 degrees 07 minutes 35 seconds west, 180.00 feet to a point;

(7) north 22 degrees 10 minutes 50 seconds east, 138.00 feet to a point;

(8) north 79 degrees 25 minutes 00 seconds east, 120.00 feet to a point;

(9) north 47 degrees 20 minutes 00 seconds east, 87.00 feet to a point;

(10) north 27 degrees 20 minutes 00 seconds east, 67.00 feet to a point;

(11) north 48 degrees 40 minutes 00 seconds east, 121.00 feet to a point;

(12) north 66 degrees 50 minutes 00 seconds east, 23.00 feet to a point;

(13) north 04 degrees 00 minutes 00 seconds west, 100.00 feet to a point;

(14) north 25 degrees 52 minutes 00 seconds west, 74.00 feet to a point;

(15) north 77 degrees 25 minutes 00 seconds west, 96.00 feet to a point;

(16) north 02 degrees 00 minutes 00 seconds east, 145.00 feet to a point; and

(17) north 81 degrees 52 minutes 00 seconds west, 66.00 feet to a point;

thence by a line through Bay View Park the first and second additions, crossing Hassell Street and Todd Drive and through lots numbered 8, 10, 12, 14, 16, 18 and a portion of 20, north 09 degrees 57 minutes 20 seconds west, 650.30 feet to a point;

thence continuing thorugh a portion of lot numbered 20 and recrossing a portion of said Todd Drive, north 40 degrees 04 minutes 20 seconds west, 115.00 feet to a point in the low water line of Jefferson Creek;

thence thereby the two following described courses and distances:

(1) south 77 degrees 36 minutes 45 seconds east, 68.63 feet to a point; and

(2) north 75 degrees 50 minutes 00 seconds east, 30.90 feet to a point;

thence along the northeasterly line of lots numbered 2, 4, 6, 8, 10, 12, 14, 16, 18, and 20 of Bay View Park second addition, south 15 degrees 24 minutes 53 seconds east, 698.18 feet to a point in the line dividing Bay View Park first addition from Bay View Park second addition and the northeasterly side of Hassell Street;

thence by new lines along the said northeasterly side of Hassell Street the three following described courses and distances:

(1) south 85 degrees 30 minutes 00 seconds east, 53.72 feet to a point;

(2) south 15 degrees 24 minutes 53 seconds east, 295.00 feet to a point; and

(3) south 05 degrees 20 minutes 55 seconds east, 469.20 feet to a point on the northeasterly side of said Assawoman Street and the point and place of beginning.

Amend the title so as to read: "A bill to direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain land in the State of Delaware.".

Mr. HELMS. Mr. President, S. 1503, as reported by the Committee on Agriculture, Nutrition, and Forestry, requires the Secretary of Agriculture, on behalf of the United States, to release a condition applicable to 6.21 acres of land in the State of Delaware. The condition that will be released provides that the land must be used for public purposes, and if it ceases to be so used, the land will revert to the United States.

The 6.21 acres of land that is the subject of S. 1503 is land that accreted to a 104-acre parcel that was transferred by the United States to the State of Delaware in 1954. Under the Delaware State law of accretion, the 6.21 acres became State land. This 6.21-acre tract was developed into 39 lots by a developer who is now deceased. Thus, the 6.21 acres represent an encroachment by an adjoining private subdivision onto the State land.

The encroachment occurred as a result of an October 1953 private survey for a subdivision—that plat for which was recorded in 1961. The encroachment became apparent as a result of a comprehensive survey of public lands along the Atlantic Coast in Delaware and Maryland. The plat of the comprehensive survey was filed in the Sussex County Office of the Recorder of Deeds and created a cloud on the titles of the lot owners. Of the 39 lots on the 6.21 acres, a majority have been improved with dwellings.

Because innocent persons had purchased the 39 lots, and while some had purchased title insurance, others had not, the State of Delaware sought an equitable solution to the problem of the encroachment. Discussions were held with officials of the State of Delaware, the U.S. Department of Agriculture, the Delaware congressional delegation, representatives of the developer, and local residents.

The solution agreed upon was for the widow of the developer to transfer an 8-acre parcel of land to the State of Delaware to replace the encroached land. This was done in a deed dated March 1, 1983, which is recorded in deed book 1106, page 3, in the Office of the Recorder of Deeds for Sussex County, Delaware. This transfer, however, is contingent on the passage of Federal legislation releasing the reversionary clause applicable to the 6.21 acres. S. 1503, introduced by both Delaware Senators, accomplishes this release. Since the State will be made whole, the present holders of the 39 lots can have their titles cleared by the State. All interested parties are in agreement with this solution. The committee is not aware of any opposition to this legislation.

Mr. President, I urge that this bill be adopted.

Mr. HUDDLESTON. Mr. President, the legislations directs the Secretary of Agriculture to release a reversionary interest in about 6.2 acres of land conveyed to the State of Delaware by the Secretary in 1954. An unintentional encroachment resulting from an inaccurate survey conducted in 1953 has created a cloud on the titles of 39 lots. An 8-acre parcel of similar land will be dedicated to public purposes to offset the loss of 6.2 acres.

The Senate Agriculture Committee has held hearings on the legislation and favorably reported the bill.

I support its adoption by the Senate.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INCLUSION OF CERTAIN LANDS IN GREEN MOUNTAIN NATIONAL FOREST

The Senate proceeded to consider the bill (H.R. 24) to make certain land owned by the United States in the State of New York part of the Green Mountain National Forest.

Mr. HELMS. Mr. President, on October 31, H.R. 24 was reported by the Committee on Agriculture, Nutrition, and Forestry without amendment.

This bill provides that a tract of 13,232 acres of land in the State of New York, identified as the Hector Land Utilization project, shall be incorporated into the Green Mountain National Forest. The land comprising the Hector Land Utilization project was purchased in the 1930's in connection with the Federal Agricultural Adjustment program.

In 1954, the Hector Project was placed under the administration of the United States Forest Service. The area has since been managed under the multiple-use concept as a Ranger District of the Green Mountain National Forest, which is located in the State of Vermont. Although the Hector area has been administered as a part of the Green Mountain National Forest, it has retained its legal status as a land utilization project and has never officially been included within a national forest or national grassland. Because

of this, the Hector unit is subject to sale by the Federal Government without congressional approval.

In November 1982, as a part of the administration's asset management program, the administration announced that it was going to study whether to make the Hector Land Utilization project a candidate for sale. Consequently, a series of three public meetings was held in the fall of 1982 at locations near the Hector unit. A total of 520 written and oral public comments, plus 7 petitions with more than 8,200 signatures, were received. These comments and petitions overwhelmingly opposed the sale of the Hector Land Utilization project. The concerns expressed included the possible loss of public benefits such as outdoor recreation, wildlife habitat, the availability of grazing and firewood, and environmental education. Proponents of retention argued that the area supports tourism and the local economy, the area attracts people to visit or move to the region, the area is valued for environmental education and for demonstration purposes, and that the area is one of the larger holdings of public land in the State of New York.

In view of the special circumstances that surround the Hector project, the committee believes that it should be made a part of the national forest system. H.R. 24 does that, merely establishing as law that which is already established in fact.

Mr. President, I urge my colleagues to vote for this bill.

Mr. HUDDLESTON. Mr. President, the legislation would make the Hector Land Utilization project, consisting of 13,232 acres, part of the Green Mountain National Forest. The land is currently under Forest Service management.

The Agriculture Committee has held hearings on the legislation and favorably reported the bill.

I support its adoption by the Senate.

The bill was ordered to a third reading, read the third time, and passed.

ESTABLISHMENT OF A NATIONAL HISTORICAL INTELLIGENCE MUSEUM

The Senate proceeded to consider the resolution (S. Res. 267) to support the establishment of a National Historical Intelligence Museum.

Mr. GOLDWATER. Mr. President, I rise in support of Senate Resolution 267. The purpose of this resolution is to support the establishment of a National Historical Intelligence Museum.

This is not a controversial subject. To my knowledge, there have been no objections to this resolution. It does not request that any public money be spent. It will not cost the American taxpayer a single dollar. Instead, it shows congressional support for a museum which allows the American people to have insight into a complicated subject that is often misunderstood and unfairly criticized.

Mr. President, on November 1, 1983, I introduced this resolution. It was cosponsored by every Member of the Senate Select Committee on Intelligence. As well, Mr. HECHT, the distinguished Senator from Nevada, is a cosponsor of this resolution.

On November 3, 1983, the Intelligence Committee held a public hearing on this resolution. A variety of witnesses voiced their support for this idea including: Mr. Casey, the Director of Central Intelligence and Director of CIA; William Colby, a former Director of Central Intelligence; Gen. William Quinn, one of the early organizers of the intelligence community as we know it today; and a panel of experts drawn from the American intelligence community. None of these witnesses spoke against the National Historical Intelligence Museum.

Mr. President, the idea of a National Historical Intelligence Museum is endorsed by the National Historical Intelligence Museum Association. This nonprofit organization was established in close cooperation with the Donovan Memorial Foundation, which itself is organized as a public foundation to honor the name and memory of General Donovan. The Directors of the Donovan Memorial Foundation also support the establishment of this Museum.

This Museum is something for the American people. Our support will give its backers the message that we think it is a good idea. It will encourage them to proceed with this important historical project.

I believe that this Museum would be an interesting place for the public to visit. It would give them a better understanding of what intelligence is all about, and why it is important to the preservation of American freedoms. Therefore, Mr. President, I ask my colleagues to support passage of Senate Resolution 267 now, before the Senate goes out of session.

The resolution was considered and agreed to.

The preamble was agreed to.

The resolution, and the preamble, are as follows:

S. RES. 267

Whereas intelligence activities have played a crucial role in the history of the United States;

Whereas intelligence activities were employed by George Washington at the outset of the American Revolution;

Whereas it is important that the citizens of the United States understand the role of intelligence in not only military achievement in wartime, but also in maintaining stability in peacetime;

Whereas the sacrifices and contributions to intelligence by thousands of men and women should be commemorated; and

Whereas the understanding of the importance which intelligence activities have played in the history of the United States and the acknowledgement of the people who have contributed to such activities can best be achieved by the collection, preservation, and exhibition of intelligence objects of historical significance: Now, therefore, be it

Resolved, That the Senate supports the establishment of a National Historical Intelligence Museum.

BALTIC STATES SELF-DETERMINATION

The concurrent resolution (S. Con. Res. 80) expressing the sense of the Congress that the President should take all steps necessary to bring the question of self-determination of the Baltic States before the United Nations, and for other purposes was considered and agreed to.

The preamble was agreed to.

The concurrent resolution, and the preamble, are as follows:

S. CON. RES. 80

Whereas the United States, since its inception, has been committed to the principle of self-determination;

Whereas the United States has adhered to the principles of the Charter of the United Nations, the Universal Declaration of Human Rights, and other relevant instruments relating to human rights;

Whereas the United States has supported the Declaration of Granting of Independence to Colonial Countries and Peoples, adopted by the United Nations General Assembly in Resolution 1514 (XV) of December 14, 1960, and has taken note of the resolution on the question of the Baltic States, adopted by the European Parliament in its session on January 13, 1983, in Strassbourg, France;

Whereas the three Baltic republics, Estonia, Lativa, and Lithuania, did not become member republics of the Soviet Union voluntarily, but rather were occupied militarily and subsequently incorporated by force into the Soviet Union and have since been governed by governments approved by, and subservient to, the Government of the Soviet Union; and

Whereas the United States has consistently refused to recognize the unlawful Soviet occupation of the Baltic States and has continued to maintain diplomatic relations with representatives of the independent republics of Estonia, Lativa, and Lithuania: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That is is the sense of the Congress that—

(1) the United States, as a member of the United Nations, should fulfill its obligations, on the basis of the appropriate international instruments, to promote and encourage respect for human rights and fundamental freedoms in Estonia, Latvia, and Lithuania;

(2) the President, acting through the Secretary of State and the Permanent Representative of the United States to the United Nations, should take all necessary steps to bring the question of self-determination of the Baltic States before all appropriate forums of the United Nations, especially before the next session of the United Nations Human Rights Commission as a priori-

ty topic under agenda item 9 entitled "The Rights of Peoples to Self-Determination and its Application to Peoples Under Colonial or Alien Domination" and to discuss specifically in those forums—

(A)(i) the continued reports of widespread violations of human rights and fundamental freedoms in Estonia, Latvia, and Lithuania, including the freedom of expression, the freedom to worship according to the dictates of one's own conscience, the freedom to celebrate one's cultural heritage, and the freedom to choose one's place of residence; and

(ii) the persecution of persons seeking to exercise such rights;

(B) the United States most profound concern that the people of Estonia, Latvia, and Lithuania be granted the right to self-determination, to choose their own form of government, their own economic, political, and social system without any outside intervention, subversion, coercion, or constraint of any kind; and

(C) a political resolution of the situation in Estonia, Latvia, and Lithuania on the basis of—

(i) the withdrawal of Soviet troops from these states,

(ii) respect for the independence, sovereignty, and territorial integrity of Estonia, Latvia, and Lithuania, and

(iii) strict observance of the principle of nonintervention by one sovereign state in the internal and external affairs of another sovereign state.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

FREEDOM TO TRAVEL FOR VLADIMIR FELTSMAN

The concurrent resolution (S. Con. Res. 85) expressing the sense of Congress on allowing Vladimir Feltsman freedom to travel, was considered, and agreed to.

The preamble was agreed to.

The concurrent resolution, and the preamble, are as follows:

S. CON. RES. 85

Whereas Vladimir Feltsman is an internationally acclaimed award winning pianist;

Whereas Mr. Feltsman has been invited to perform in the United States on December 30, 1983, at the John F. Kennedy Center for the Performing Arts in Washington, District of Columbia;

Whereas Mr. Feltsman, in direct consequence of his expressed desire to emigrate to Israel with his family, has had his basic human rights of freedom of travel and cultural expression routinely violated and suppressed by the Soviet Union;

Whereas Mr. Feltsman's basic human rights, as guaranteed by the Final Act of the Conference on Security and Cooperation in Europe signed at Helsinki, August 1, 1975, to which the Soviet Union is a party, have consistently been violated;

Whereas Mr. Feltsman and his family have continually been harassed as a result of their having applied for exit visas from the Soviet Union, which have been denied each time;

Whereas the United States was born with a tradition of respect for human rights and freedom of cultural exchange: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the Government of the Soviet Union should allow Vladimir Feltsman freedom to travel, with his family, to the United States to perform.

RAOUL WALLENBERG

The resolution (S. Res. 204) to express the sense of the Senate concerning Raoul Wallenberg, was considered, and agreed to.

The preamble was agreed to.

The resolution, and the preamble, are as follows:

S. RES. 204

Whereas Raoul Wallenberg accepted the request of the United States War Refugee Board and went to Hungary in the summer of 1944 as a Secretary of the Swedish legation;

Whereas Raoul Wallenberg, with unparalleled courage and selflessness, took creative and daring actions in rescuing nearly one hundred thousand Hungarian Jews from extermination at the hands of the Nazis;

Whereas the Soviet Union, after occupying Hungary, arrested Wallenberg on January 17, 1945, in violation of international law and the diplomatic immunity of Wallenberg, and without an explanation of the seizure and subsequent incarceration;

Whereas there is substantial evidence contradicting Soviet claims that Wallenberg died in 1947;

Whereas report from former prisoners in the Soviet Union, suggest that Raoul Wallenberg is still alive; and

Whereas Raoul Wallenberg, on October 5, 1981, was only the second person ever granted honorary United States citizenship: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President, acting directly or through the Secretary of State should take all possible steps at all appropriate items to ascertain the whereabout of Raoul Wallenberg and to secure his return to freedom.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President with the request that the President further transmit such copy to the Ambassador of the Union of Soviet Socialist Republics to the United States.

OFFERING CONDOLENCES TO FRANCE

The resolution (S. Res. 272) offering condolences to France, was considered, and agreed to.

The preamble was agreed to.

The resolution, and the preamble, are as follows:

S. RES. 272

Whereas the American and French peoples have long been bound by friendship and shared regard for democratic principles and institutions; and

Whereas the United States and France are allies; and

Whereas France has joined with the United States, Great Britain, and Italy, in a multinational force which at the invitation of the Government of Lebanon has endeavored to aid in the restoration of peace and democracy in Lebanon; and

Whereas, on October 23, 1983, fifty-eight French soldiers were killed in Beruit in an attack by terrorists; and

Whereas the President of the Republic of France has reaffirmed the determination of his country to continue to work for the reestablishment of a free and independent Lebanon, as has the President of the United States; Now, therefore, be it

Resolved, That the Senate of the United States offers its condolences to the families of the slain French soldiers and to the people of France.

SEC. 2. The Secretary of State is requested to convey to the Government of France this message of condolence.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the several items were dealt with.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INTELLIGENCE INFORMATION ACT OF 1983

Mr. BAKER. Mr. President, next I propose that the Senate proceed to the consideration of Calendar Order No. 553, if the minority leader has no objection.

Mr. BYRD. No objection.

Mr. BAKER. Mr. President, I make that request.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1324) to amend the National Security Act of 1947 to regulate public disclosure of information held by the Central Intelligence Agency.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Select Committee on Intelligence, with an amendment in the nature of a substitute to strike all after the enacting clause and insert:

That this Act may be cited as the "Intelligence Information Act of 1983".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) the Freedom of Information Act is providing the people of the United States with and important means of acquiring information concerning the workings and decision-making processes of their Government, including the Central Intelligence Agency;

(2) the full application of the Freedom of Information Act to the Central Intelligence Agency is, however, imposing unique and serious burdens on this Agency;

(3) the processing of a Freedom of Information Act request by the Central Intelligence Agency normally requires the search of numerous systems of records for information responsive to the request;

(4) the review of responsive information located in operational files which concerns sources and methods utilized in intelligence operations can only be accomplished by senior intelligence officers having the necessary operational training and expertise;

(5) the Central Intelligence Agency must fully process all requests for information, even when the requester seeks information which clearly cannot be released for reasons of national security;

(6) release of information out of operational files risks the compromise of intelligence sources and methods;

(7) eight years of experience under the amended Freedom of Information Act has demonstrated that this time-consuming and burdensome search and review of operational files has resulted in the proper withholding of information contained in such files, and, therefore, the Central Intelligence Agency should no longer be required to expend valuable manpower and other resources in the search and review of information in these files;

(8) the full application of the Freedom of Information Act to the Central Intelligence Agency is perceived by those who cooperate with the United States Government as constituting a means by which their cooperation and the information they provide may be disclosed;

(9) information concerning the means by which intelligence is gathered generally is not necessary for public debate on the defense and foreign policies of the United States, but information gathered by the Central Intelligence Agency should remain accessible to requesters, subject to existing exemptions under law;

(10) the organization of Central Intelligence Agency records allows the exclusion of operational files from the search and review requirements of the Freedom of Information Act while leaving files containing information gathered through intelligence operations accessible to requesters, subject to existing exemptions under law; and

(11) the full application of the Freedom of Information Act to the Central Intelligence Agency results in inordinate delays and the inability of the Agency to respond to requests for information in a timely fashion.

(b) The purposes of this Act are—

(1) to protect the ability of the public to request information from the Central Intelligence Agency under the Freedom of Information Intelligence Agency under the Freedom of Information Act to the extent that such requests do not require the search and review of operational files;

(2) to protect the right of individual United States citizens and permanent resident aliens to request information on themselves contained in all categories of files of the Central Intelligence Agency; and

(3) to provide relief to the Central Intelligence Agency from the burdens of searching and receiving operational files, so as to improve protection for intelligence sources and methods and enable this Agency to respond to the requests of the public for information in a more timely and efficient manner.

SEC. 3. (a) The National Security Act of 1947 is amended by adding at the end thereof the following new title:

"TITLE VII—RELEASE OF REQUESTED INFORMATION TO THE PUBLIC BY THE CENTRAL INTELLIGENCE AGENCY

"DESIGNATION OF FILES BY THE DIRECTOR OF CENTRAL INTELLIGENCE AS EXEMPT FROM SEARCH, REVIEW, PUBLICATION, OR DISCLOSURE

"SEC. 701. (a) In furtherance of the responsibility of the Director of Central Intelligence to protect intelligence sources and methods from unauthorized disclosure as set forth in section 102(d)(3) of this Act (50 U.S.C. 403(d)(3)) and section 6 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403g), operational files located in the Directorate of Operations, Directorate for Science and Technology, and Office of Security of the Central Intelligence Agency shall be exempted from the provisions of the Freedom of Information Act which require publication or disclosure, or search or review in connection therewith, if such files have been specifically designated by the Director of Central Intelligence to be—

"(1) files of the Directorate of Operations which document foreign intelligence or counterintelligence operations or intelligence or security liaison arrangements or information exchanges with foreign governments or their intelligence or security services; or

"(2) files of the Directorate for Science and Technology which document the means by which foreign intelligence or counterintelligence is collected through scientific and technical systems; or

"(3) files of the Office of Security which document investigations conducted to determine the suitability of potential foreign intelligence or counterintelligence sources:

Provided, however, That nondesignated files which may contain information derived or disseminated from designated operational files shall be subject to search and review. The inclusion of information from operational files in nondesignated files shall not affect the designation of the originating operational files as exempt from search, review, publication, or disclosure: *Provided further,* That the designation of any operational files shall not prevent the search and review of such files for information concerning any special activity the existence of which is not exempt from disclosure under the provisions of the Freedom of Information Act or for information reviewed and relied upon in an investigation by the intelligence committees of the Congress, the Intelligence Oversight Board, the Office of General Counsel of the Central Intelligence Agency, the Office of Inspector General of the Central Intelligence Agency, or the Office of the Director of Central Intelligence for any impropriety, or violation of law, Executive order, or Presidential directive in the conduct of an intelligence activity.

"(b) The provisions of this section shall not be superseded except by a provision of law which is enacted after the date of enactment of this section and which specifically cites and repeals or modifies its provisions.

"(c) Notwithstanding subsection (a) of this section, proper requests by United States citizens, or by aliens lawfully admitted for permanent residence in the United States, for information concerning themselves, made pursuant to the Privacy Act of 1974 (5 U.S.C. 552a) or the Freedom of Information Act (5 U.S.C. 552), shall be processed in accordance with those Acts.

"(d) The Director of Central Intelligence shall promulgate regulations to implement this section.

"(1) Such regulations shall require the appropriate Deputy Directors or Office Head to—

"(A) specifically identify categories of files under their control which they recommend for designation;

"(B) explain the basis for their recommendations; and

"(C) set forth procedures consistent with the statutory criteria in subsection (a) which would govern the inclusion of documents in designated files. Recommended designations, portions of which may be classified, shall become effective upon written approval of the Director of Central Intelligence.

"(2) Such regulations shall further provide procedures and criteria for the review of each designation not less than once every ten years to determine whether such designation may be removed from any category of files or any portion thereof. Such criteria shall include consideration of the historical value or other public interest in the subject matter of the particular category of files or portion thereof and the potential for declassifying a significant part of the information contained therein.

"(e)(1) On the complaint under section 552(a)(4)(B) of title 5, United States Code, that the Agency has improperly withheld records because of improper designation of files or improper placement of records solely in designated files, the review of the district court, notwithstanding any other provision of law shall be limited to a determination whether the Agency regulations implementing subsection (a) conform to the statutory criteria set forth in that subsection for designating files unless the complaint is supported by an affidavit, based on personal knowledge or otherwise admissable evidence, which makes a prima facie showing that—

"(A) a specific file containing the records requested was improperly designated; or

"(B) the records requested were improperly placed solely in designated files.

If the court finds a prima facie showing has been made under this subsection, it shall order the Agency to file a sworn response, which may be filed in camera and ex parte, and the court shall make its determination based upon these submissions and submissions by the plaintiff. If the court finds under this subsection that the regulations of the Agency implementing subsection (a) of this section do not conform to the statutory criteria set forth in that subsection for designating files, or finds that the Agency has improperly designated a file or improperly placed records solely in designated files, the court shall order the Agency to search the particular designated file for the requested records in accordance with the provisions of the Freedom of Information Act and to review such records under the exemptions pursuant to section 552(b) of title 5, United States Code. If at any time during such proceedings the Agency agrees to search designated files for the requested records, the court shall dismiss the cause of action based on this subsection.

"(2) On complaint under section 552(a)(4)(B) of title 5, United States Code, that the agency has improperly withheld records because of failure to comply with the regulations adopted pursuant to subsection (d)(2), the review of the court shall be limited to determining whether the Agency considered the criteria set forth in such regulations.".

(b) The table of contents at the beginning of such Act is amended by adding at the end thereof the following:

"TITLE VII—RELEASE OF REQUESTED INFORMATION TO THE PUBLIC BY THE CENTRAL INTELLIGENCE AGENCY

"Sec. 701. Designation of files by the Director of Central Intelligence as exempt from search, review, publication, or disclosure.".

SEC. 4. The amendments made by section 3 shall be effective upon enactment of this Act and shall apply with respect to any request for records, whether or not such request was made prior to such enactment, and shall apply to all cases and proceedings

pending before a court of the United States on the date of such enactment.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute.

The amendment in the nature of a substitute was agreed to.

Mr. GOLDWATER. Mr. President, I rise in support of S. 1324, a bill amending the National Security Act of 1947. This legislation will relieve the CIA from the overwhelming burden of searching and reviewing certain operational files under the Freedom of Information Act. In turn, this relief will enable the Agency to become more efficient so that other FOIA requests may be answered speedly.

S. 1324 was reported from the Senate Select Committee on Intelligence earlier this month with every single Senator on the committee voting in favor of it. And the reason this legislation was supported by all 15 Members of our committee was because we took great care drafting this legislation and its accompanying report.

On June 21 and June 28, we held open hearings on S. 1324. The Central Intelligence Agency, American Bar Association, American Civil Liberties Union, Association of Former Intelligence Officers, newspaper publishers, historians, and journalists were all here to provide comment. And we listened. And then we went back and discussed some more how we could address all these interests.

These negotiations and discussions were very successful because everyone went away with most of what they needed. Reaching unanimous agreement on this bill is a good example of how our democratic process should work. Everyone gave a little and in the long run got a lot more in return.

The CIA is getting relief from the almost impossible burden the FOIA has placed on it, burdens which I do not think Congress really contemplated when it passed the 1974 amendments.

Presently, FOIA mandates that if someone requests all the information on a certain subject, all the files have to be located. In an intelligence agency, most of the information is classified. But that does not end the agency's job. As experienced person must go through stacks and stacks of these papers—sometimes they are many feet tall—to justify why almost every single sentence should not be released. If this is not done well, a court could order the information released.

However, very little information, if any, is ever released from operational files when the requestor seeks information concerning the sources and methods used to collect intelligence. Even then, the information released is usually fragmented.

Also, there is always the risk that there will be a mistaken disclosure or that some court may order the release of information which could reveal a source's identity or a liaison relationship. That is why only these most sensitive operational files would be exempt from search and review under the provisions of my bill.

The FOIA requestors will get something in return. They are going to get better service. I have talked with the CIA and they have agreed not to reduce the budgetary and personnel allocation for FOIA processing for 2 years immediately following passage of this bill. This means that, to the extent that resources are freed up as a result of S. 1324, the Agency will utilize those resources for FOIA processing.

I particularly want to thank Senators DURENBERGER, LEAHY, and HUDDLESTON for their time and interest in helping the committee reach agreement on this bill. I thank all 15 committee members for their support of S. 1324 and ask my colleagues to support its passage at this time.

Mr. MOYNIHAN. Mr. President, I support S. 1324, the Intelligence Information Act of 1983. I wish to commend the chief sponsor of S. 1324, the senior Senator from Arizona (Mr. GOLDWATER), the distinguished chairman of the Select Committee on Intelligence. The committee is grateful for his leadership in bringing to fruition our longstanding effort to formulate legislation which strikes a proper balance between the security requirements of the Central Intelligence Agency and the public's right to know. This undertaking began in earnest in 1980 when the distinguished Senator from Kentucky (Mr. HUDDLESTON) introduced the Intelligence Charter bill, which included additional exemptive relief from the Freedom of Information Act for the CIA (S. 2284, 96th Congress). At the same time, I offered a bill providing a similar exemption for all intelligence agencies (S. 2216). Unfortunately, the press of time on other matters prevented the committee from taking any action.

In the last Congress, Senator CHAFEE introduced S. 1273, which provided an exemption essentially the same as the one in my earlier bill. The committee held hearings in July 1981, but we encountered an impasse. The CIA rejected the limited relief provided in that bill, asserting that FOIA was fundamentally incompatible with the Agency's mission and insisting on nothing less than a virtually complete exemption from the act.

On that occasion, I noted that I was not prepared to accept the suggestion that subjecting the CIA to a public disclosure statute was an absurdity. Rather, I offered this alternative thesis: That the application of the freedom of information concept to the Agency is a paradox; that is to say, while seemingly a contradiction in terms, in reality it expresses a great truth. It is a truth reflected in our constitutional tradition of balancing the requirements of secrecy in national security matters with other values including those of free speech and press. We see this manifested in the extent of congressional oversight of our intelligence community, which is unique in the world. The accountability of our intelligence agencies to standards of conduct stipulated in statutes and in a public Executive order is equally singular.

The Freedom of Information Act is in keeping with this tradition. In large measure, it is an attempt—perhaps an imperfect one—to find a prudent way to reconcile the need for people to know about the workings of their Government, which is implicit in the first amendment, and the need for secrecy in certain national security matters, which is vital to the survival of our country. Thus, Congress exempted our intelligence agencies from the act, but only to the extent thought necessary to protect sources and methods and properly classified information.

So I then urged my colleagues to keep the American character of our intelligence service in mind as we studied the important issues raised in the FOIA debate. I further suggested that any broadening of current exemptions should be commensurate to the need as demonstrated by the evidence.

The Intelligence Information Act of 1983 (S. 1324) was drafted in this spirit. And it was in this spirit that our chairman, the Senator from Arizona, worked so diligently to accommodate the legitimate concerns of the witnesses at our public hearings and our colleagues on the committee. Thus, several amendments were incorporated in the substitute bill which we ordered reported to the Senate. Three of these are of especial importance:

First, the amended bill assures that the CIA's new exemptive authority will be subject to judicial review. A court will have jurisdiction to determine whether implementing regulations conform to statutory criteria; that is to say, whether they have a rational basis. Broader review is required if a plaintiff makes a prima facie showing that a specific file was improperly designated or that a document was improperly placed in a designated file. This preliminary threshold was considered appropriate in light of the special source and method sensitivity of operational files. Upon a proper showing, the court must order the Agency to file a sworn response, which may be in camera and ex parte if it contains classified information, and must order an appropriate search if it finds against the Agency.

Second, the amended bill makes it clear that any information reviewed and relied upon in an official investi-

gation of any alleged improper or illegal intelligence activity will remain subject to search and review under FOIA, even if found exclusively in an exempt designated file. It is understood and agreed that any record in such a file which is relevant to an investigation, but was overlooked or deliberately withheld, would be accessible through the judicial review provisions of the bill. Such a record would be deemed improperly placed in an exempt designated file.

The third amendment requires that implementing regulations provide procedures and criteria for the review of each exemption designation not less than once every 10 years. The criteria will include the historical or other public interest value of the subject matter of the file and the potential for declassifying a significant part of the contents. In this connection, the Director of Central Intelligence, Mr. Casey, has indicated his willingness to expand the CIA's rather limited program for reviewing and declassifying historical intelligence files. I certainly will join in efforts to assure that adequate resources are provided.

I am pleased that the CIA has expressed its support for the measured approach to the Freedom of Information Act represented by S. 1324, as amended. The Agency's cooperation with the committee in finding compromises on difficult issues has resulted in a bill which should serve the public interest in more efficient processing of FOIA requests, while giving better protection to intelligence sources and methods. I wish also to thank my distinguished colleagues, the Senator from Vermont (Mr. LEAHY), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from Hawaii (Mr. INOUYE) for the suggestions we incorporated in this legislation.

Mr. President, I believe that the amendments to this legislation constitute significant improvements. The committee shares this view as evidenced by its unanimous vote to report S. 1324 favorably to the Senate. I urge that our colleagues join us in supporting passage of this bill.

Mr. DURENBERGER. Mr. President, the bill before us today is a clear signal that the system works. It demonstrates a strong oversight role by the Senate in matters of intelligence; it validates the principles which underlie the Freedom of Information Act; and it recognizes the compelling need to provide security for those matters which must remain secure, while insuring the maximum possible public understanding of the role which our intelligence agencies play in policy. In short, the bill is a sound balancing of the need for information and the need for security.

I'd like briefly to remind my colleagues of just how far we have come with this measure. I clearly recognize that there are legitimate limits on, and exemptions from, the FOIA when we are dealing with intelligence matters. However, as introduced, S. 1324 did not adequately address certain important concerns.

In a statement before the committee on June 28, I expressed my reservations about these specific issues. I felt that the initial proposal could have denied to historians and other analysts needed information which could inform future generations; that it could have been misinterpreted, ironically, to prevent the release of information already declassified; and that it could have been construed as an absolute claim of exemption from judicial review.

I was not alone in these and other concerns. As a result, several of us on the committee spent many hours discussing these important issues. The result, after prolonged discussions with Director Casey and others, is the bill before us today. I think it is a good piece of work, and that it deserves our support.

Let me close by noting one aspect of this bill which I feel merits special attention—the procedures created to permit the maximum possible research by historians and others.

Policymakers assume office with a fixed amount of intellectual capital. They draw on that capital over time when making crucial decisions. If they lack a sufficient understanding of how the processes of government have failed in the past, they are likely to make avoidable mistakes. It is imperative for sound Government that those who serve have the best possible understanding of history and policy. The better the understanding, the better the performance on the job.

Persons who devote an entire career to one agency or bureaucracy are likely to develop that kind of understanding over time. But senior officials of the Government, who are appointed from other positions, must bring that knowledge with them. They can only get it through a lifetime of study, reading, education, and reflection.

I do not want to suggest that history always repeats itself. It does not. But patterns of behavior can often reoccur. That is why for instance, scholars and others spend so much time comparing and contrasting such things as the crises which led to World War I and World War II. The differences among these crises are important, and they inform much of our ongoing debate about things like deterrence, crisis management, and defense budgets. We all benefit from the massive research which has gone into those and other major events.

When a vital policy area is potentially exempt from all study, however, regardless of specifics, nobody benefits. Who among us does not wish that the senior officials charged with final authorization for the Bay of Pigs fiasco had spent a little more time reading and thinking about the limits of paramilitary operations? And who among us does not think that the decision to declassify sensitive information during the Cuban missile crisis was a major factor in both resolving that crisis and contributing to greater public understanding of the importance of good intelligence?

Had this legislation continued to deny access to selective historical files, nobody would have been well served. But in early October, Director Casey made an important concession when he wrote to me stating that the CIA would cooperate with the Archivist and other historicans in the selective declassification of older files which are historically significant. Director Casey asked only for the extra money to hire more historians to assist in that matter. He is entitled to that funding, and this bill provides for it. It is money which is truly spent in the public interest, and I want once again to congratulate Bill Casey for his willingness to work with us on this and other matters.

Mr. President, I believe that the work which went into this bill shows that the public can continue to have full faith and confidence in its intelligence agencies and in the committees which oversee those agencies. I hope that we will pass the bill quickly.

Mr. THURMOND. Mr. President, I rise in strong support of S. 1324, the Intelligence Information Act of 1983, as reported by the Select Committee on Intelligence. I was pleased to join the distinguished Senator from Arizona, Chairman GOLDWATER, as an original cosponsor of this measure when it was introduced last spring.

S. 1324 minimizes the expensive and burdensome task currently imposed on the Central Intelligence Agency, of searching reams of documents in response to requests under the Freedom of Information Act, where virtually no useful information would be subject to disclosure under that act. After receiving testimony from a variety of witnesses, the Intelligence Committee developed amendments which address certain concerns, while preserving the original goals behind the bill. The fact that it was reported by the committee unanimously indicates that it satisfies a wide variety of views and appropriately balances the universal interests in encouraging open Government, the national security, and efficiency.

I commend the chairman of the committee and his staff for the excellent work that they have done on this legislation. Through their diligence, work on this bill has been expeditious. It is my hope that the Senate will also

be able to act on the Freedom of Information Reform Act reported by the Judiciary Committee, in the very near future.

In the interest of reducing unnecessary administrative burdens on the Central Intelligence Agency, while preserving open Government, I urge my colleagues to give this important measure their full support.

Mr. HUDDLESTON. Mr. President, before I discuss the bill as a whole, I would like to address a question to the sponsor (Mr. GOLDWATER), the chairman of the Select Committee on Intelligence. There is a provision in the bill which states that "the designation of any operational files shall not prevent the search and review of such files for information concerning any special activity the existence of which is not exempt from disclosure under the provisions of the Freedom of Information Act." My question deals with the legal requirements under the provisions of the Freedom of Information Act for determining whether the existence of a special activity is or is not exempt from disclosure. I understand that this is an issue in pending litigation and that various arguments may be made in these and future cases. It is correct that neither this bill nor the report of the Select Committee attempts in any way to address or resolve these issues, except to note that "[c]ourts have held that where an authorized executive branch official has officially and publically acknowledged the existence or nonexistence of a specific special activity the existence of that special activity is no longer a classified fact exempt from disclosure under the provisions of the FOIA."

Mr. GOLDWATER. That is correct.

Mr. HUDDLESTON. Mr. President, I want to express my full support for enactment of the Intelligence Information Act, as reported by the Intelligence Committee, and my gratitude to the sponsor, Senator GOLDWATER, for taking into account the concerns expressed by representatives of the news media, historians, and civil liberties groups, as well as others interested in public access to Government information.

In 1980 I introduced one of the first bills to exempt the CIA's operational files from search and review under the Freedom of Information Act. That bill was the National Intelligence Act of 1980, the comprehensive intelligence charter legislation developed in consultation with the intelligence community. It would have been better, in my view, to consider this issue as part of an intelligence charter that laid down clear legislative standards for intelligence operations, especially those that might affect the rights of Americans.

The CIA relies for its legal authority on the sketchy provisions of the National Security Act of 1947. In recent years we have added two new significant provisions to the 1947 act, and this bill will be a third. These additions to the 1947 act implement key recommendations from the charter legislation.

The first provision dealt with congressional oversight. In 1980 the Senate passed the Intelligence Oversight Act, which was subsequently enacted as part of the Intelligence Authorization Act for Fiscal Year 1981. It amended the National Security Act of 1947 to add a new section setting forth the duties and responsibilities of the intelligence agencies to keep the House and Senate Intelligence Committees "fully and currently informed of all intelligence activities" and to provide prior notice of "any significant anticipated intelligence activity" such as covert action operations.

In 1982, the Congress adopted the Intelligence Identities Protection Act, which amended the 1947 act to provide criminal penalties for disclosure by current and former government employees of the identities of covert intelligence agents. The new criminal penalties also applied to such disclosures by other persons under very stringent standards requiring proof of "a pattern of activities intended to identify and expose covert agents."

The bill before us today would continue this process of expanding the 1947 act to include important provisions from the charter legislation. The new provisions on release of requested information to the public by the Central Intelligence Agency are designed to serve both the CIA's desire for some relief from current requirements to search and review highly sensitive operational files in response to requests under the Freedom of Information Act and the public's need for more timely release of information from CIA files.

The report on the bill filed by the Select Committee on Intelligence, and the additional views of Senators DURENBERGER, INOUYE, LEAHY, and myself explain in detail how the bill is intended to work. I urge everyone concerned about this problem to look at the report and to consider as well the assurances and commitments made by the CIA and the select committee.

The basic point we have tried to make is that the bill should preserve public access for search and review of those CIA files that are likely to contain releasable information. Specific provisions of the bill insure continued search and review for information about certain CIA covert action operations, illegal or improper intelligence activities, other historically significant matters, and U.S. citizens or resident aliens who request information on themselves. Moreover, the procedures for judicial review guarantee that the CIA will not be the sole judge of whether its decisions comply with the requirements of the law.

Finally, we have stressed importance of this bill for enhancing the CIA's responsiveness to FOIA requests information in its files that remains accessible for search and review under the bill. Because of the assurances given by the CIA and the commitments made by the select committee in its report, this bill should be a positive gain for the principles of freedom of information.

This kind of balanced and constructive legislation strengthens the statutory framework for our intelligence agencies. It demonstrates that the Congress has the ability to follow through on the intelligence charter agenda that was developed by 1980. There is, however, more on that agenda that should be considered by the Congress.

I support the Intelligence Information Act, therefore, as part of a continuing process of building a complete and up-to-date statutory framework for the conduct of U.S. intelligence activities. And I look forward to joining with other members of the select committee in examining other areas where legislation can clarify the authority and enhance the legitimacy of our intelligence community.

Mr. LEAHY. I would like to ask the sponsor of the bill, Senator GOLDWATER, a question about the section of the report of the Select Committee on Intelligence that deals with actions to improve CIA responsiveness to FOIA requests. In that section, the select committee states that it "has requested the CIA to provide a specific program of administrative measures the Agency will take to improve processing of FOIA requests following enactment of this legislation" and that "this program should include a detailed plan for eliminating the present backlog of FOIA requests and a description of the bill's impact on the Agency's ongoing efforts to process promptly those requests that do not require extensive search, review, and coordination and to expedite other requests under criteria established by the Justice Department."

The report also states: "With respect to the allocation of resources and personnel freed by the bill's impact on search and review requirements, the committee requests the Agency to appropriately apply such resources and personnel to the task of eliminating the present backlog. To accomplish this, the committee expects the Agency not to reduce its budgetary and personnel allocation for FOIA during the period of 2 years immediately following enactment of this legislation."

Is it correct that the CIA has agreed to these requests for a program and for resource allocations?

Mr. GOLDWATER. That is correct, after the bill is enacted.

Mr. LEAHY. I thank the chairman, and I want to stress the importance of these commitments by the CIA.

The PRESIDING OFFICER. Is there any further discussion?

Without objection, the bill is ordered to be engrossed for a third reading and to be read the third time.

The bill (S. 1324) was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN WILDLIFE REFUGES

Mr. BAKER. Mr. President, if the minority leader does not object, I ask unanimous consent that the Senate turn to consideration of Calendar Order No. 148 H.R. 1723.

Mr. BYRD. Mr. President, there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate proceeded to consider the bill, H.R. 1723, to authorize appropriations through fiscal year 1986 for the Great Dismal Swamp, Minnesota Valley, and San Francisco Bay National Wildlife Refuges.

AMENDMENT NO. 2646

(Purpose: To make authorized funds available until expended and to expand boundaries of Minnesota Valley National Wildlife Refuge)

Mr. BAKER. Mr. President, I send an amendment to the desk on behalf of Senator CHAFEE for himself, Mr. DURENBERGER, and Mr. STAFFORD, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER), for Mr. CHAFEE, Mr. DURENBERGER, and Mr. STAFFORD, proposes an amendment numbered 2646.

Mr. BAKER. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Amendments to Section 1. Great Dismal Swamp National Wildlife Refuge.

On page 1, line 7, insert "as amended," immediately before "is".

On page 2, line 1, strike "$34,100,000".

On page 2, line 2, strike "and ending September 30, 1986" and insert in lieu thereof "$34,100,000, to remain available until expended".

Amendments to Section 2. Minnesota Valley National Wildlife Refuge.

On page 2, line 7, strike all through line 19, and insert in lieu thereof the following:

"(a) Section 4(a)(1) of the Act entitled the 'Minnesota Valley National Wildlife Refuge Act', approved October 8, 1976 (Public Law 97-466, 90 Stat. 1993), is amended by—

"(1) striking '9,500' and inserting in lieu thereof '12,500'; and

"(2) striking 'November 1975' and inserting in lieu thereof 'October 1983'.

"(b) Section 4(b)(1) of such Act of October 8, 1976 (90 Stat. 1993), is amended by—

"(1) striking ', within 6 years after the date of enactment of this Act,'; and

"(2) adding at the end thereof the following new sentence: 'Notwithstanding any "least interest" policy, the Secretary shall accept and acquire by donation any lands, water, and interests therein, within the boundaries of the refuge, which are offered as a donation by any State or local government agency, person, or private organization.'.

"(c) Section 10(a) of such Act of October 8, 1976 (90 Stat. 1996), is amended by striking out '$14,500,000 for the period beginning October 1, 1977, and ending September 30, 1983' and inserting in lieu thereof '$29,500,000, to remain available until expended'.

"(d) Section 10(b) of such Act of October 8, 1976 (90 Stat. 1996), is amended by striking out '$6,000,000 for the period beginning October 1, 1977, and ending September 30, 1986' and inserting in lieu thereof '$9,000,000, to remain available until expended'."

Amendments to section 3. San Francisco Bay National Wildlife Refuge.

On page 3, line 1, insert "as amended," immediately before "is" and insert "the close of" immediately after the quotation mark following "out".

On page 3, line 2, strike "September 30, 1986" and insert in lieu thereof "expended".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2646) was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time. The bill was read the third time and passed.

Mr. BAKER. I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BILL HELD AT DESK—H.R. 4336

Mr. BAKER. Mr. President, I ask unanimous consent that once the Senate receives from the House, H.R. 4336, a bill to make certain miscellaneous changes in laws relating to the civil service, it be held at the desk pending further disposition.

Mr. BYRD. I have no objection, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION OCEAN AND COASTAL PROGRAM AUTHORIZATION ACT

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1098.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1098) entitled "An Act to consolidate and authorize certain ocean and coastal programs and functions of the National Oceanic and Atmospheric Administration under the Department of Commerce", do pass with the following amendment:

Strike out all after the enacting clause and insert: *That this Act may be cited as the "National Oceanic and Atmospheric Administration Ocean and Coastal Program Authorization Act".*

TITLE I—NONLIVING MARINE RESOURCES

AUTHORIZATION

SEC. 101. There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its nonliving marine resource duties under law, $800,000 for fiscal year 1984. Moneys appropriated pursuant to this authorization shall be used to fund those duties relating to nonliving marine resources specified by the Act entitled "An Act to define the functions and duties of the Coast and Geodetic Survey, and for other purposes", approved August 6, 1947, as amended (33 U.S.C. 883a), and any other law involving such duties. Such duties include, but are not limited to, polymetallic sulfide analyses and research.

TITLE II—NATIONAL SEA GRANT COLLEGE PROGRAM

AUTHORIZATION

SEC. 201. (a) Section 212 of the National Sea Grant Program Act (33 U.S.C. 1131) is amended by inserting immediately after paragraph (3) the following new paragraph:

"(4) Not to exceed $42,000,000 for fiscal year 1984 and not to exceed $46,000,000 for fiscal year 1985.".

(b) Section 3(c) of the Sea Grant Program Improvement Act of 1976 (33 U.S.C. 1124a(c)) is amended by inserting immediately after paragraph (3) the following new paragraph:

"(4) For fiscal years 1984 and 1985, not to exceed $1,000,000 in each fiscal year appropriated pursuant to section 212 of the National Sea Grant Program Act may be available to carry out this section.".

TITLE III—OCEAN THERMAL ENERGY CONVERSION ACT

AUTHORIZATION

SEC. 301. Section 406 of the Ocean Thermal Energy Conversion Act of 1980 (Public Law 96-320) is amended—

(1) by striking out "and"; and

(2) by striking out "1983." and inserting in lieu thereof "1983, not to exceed $620,000 for the fiscal year ending September 30, 1984, and not to exceed $800,000 for the fiscal year ending September 30, 1985.".

MISCELLANEOUS

SEC. 302. (a) The Ocean Thermal Energy Conversion Act of 1980 (Public Law 96-320) is amended—

(1) in section 2(a)(1) by striking out "located in the territorial sea" and inserting in lieu thereof "located in whole or in part between the highwater mark and the seaward boundary of the territorial sea";

(2) in section 3(11) by striking out "standing or moored in or beyond the territorial sea of the United States" and inserting in lieu thereof "standing, fixed or moored in whole or in part seaward of the highwater mark";

(3) in the first sentence of section 101(a) by striking out "located in the territorial sea" and inserting in lieu thereof "located in whole or in part between the highwater mark and the seaward boundary of the territorial sea";

(4) in section 101(b)(2) by striking out "located in the territorial sea" and inserting in lieu thereof "located in whole or in part between the highwater mark and the seaward boundary of the territorial sea";

(5) in section 101(c)(7) by striking out "will not be documented under the laws of the United States;" and inserting in lieu thereof "will be documented under the laws of a foreign nation;";

(6) in section 108(e)(2)(C)(ii) by striking out "moored or standing" and inserting in lieu thereof "moored, fixed or standing";

(7) in section 108(e) by adding a new paragraph (4) to read as follows:

"(4) For the purposes of this subsection the term 'ocean thermal energy conversion facility' refers only to an ocean thermal energy conversion facility which has major components other than water intake or discharge pipes located seaward of the highwater mark.";

(8) in section 110(1) by striking out "aboard" and inserting in lieu thereof "in or aboard";

(9) in section 301 by striking out "on board" and inserting in lieu thereof "in or on board", by striking out "or other" and inserting in lieu thereof "or on board any", and by striking out in paragraph (2) thereof "to board" and inserting in lieu thereof "to enter or board";

(10) in section 303(b) by striking out "on board" and inserting in lieu thereof "in or on board", by striking out "or other" and inserting in lieu thereof "or any", and by striking out in paragraph (1) thereof "board and inspect" and inserting in lieu thereof "enter or board, and inspect, any ocean thermal energy conversion facility or plantship or";

(11) in the first sentence of section 403(a)(1) by inserting "in all of which is located seaward of the highwater mark," immediately after "licensed under this Act"; and

(12) in the first sentence of the section 403(c)(2) by inserting "documented under the laws of the United States and" immediately after "ocean thermal energy conversion facility or plantship".

(b) Such Act is further amended—

(1) in section 101(c)(1) by striking out "cannot and will not" and inserting in lieu thereof "cannot or will not";

(2) in section 101(c)(5) by striking out "has expired;" and inserting in lieu thereof "has not expired;";

(3) in section 101(c)(10) by striking out "each" and inserting in lieu thereof "any";

(4) in section 101(c)(13) by striking out "and" after the semicolon and inserting in lieu thereof "or"; and

(5) in section 101(c)(10) by striking out "(33 U.S.C. 1451 et seq.)" and inserting in lieu thereof "(16 U.S.C. 1451 et seq.)".

(c) Section 405 of such Act is amended by striking out "3" and inserting in lieu thereof "five".

(d) Such Act is further amended by adding the following new section:

"SEC. 408. Within 18 months after the date of enactment of this provision, the Administrator shall submit to the President of the Senate and the Speaker of the House of Representatives a report detailing what steps the United States Government is taking and plans to take to promote and enhance the export potential of ocean thermal energy conversion components, facilities, and plantships manufactured by United States industry. Such report shall include—

"(1) the relevant views of the National Oceanic and Atmospheric Administration, International Trade Administration, Maritime Administration, Department of Energy, Small Business Administration, United States International Development Cooperative Agency, the Office of the Special Trade Representative, and other relevant United States Government agencies;

"(2) the findings of studies conducted by the Administrator to fulfill the intent of this section;

"(3) a summary of activities, including consultations held with representatives of both the ocean thermal energy conversion and financial industries conducted by the Administrator to fulfill the intent of this section; and

"(4) such recommendations as the Administrator deems appropriate for amending the Ocean Thermal Energy Conversion Act of 1980 (Public Law 96-320) or other relevant Acts to better promote and enhance the export potential of ocean thermal energy conversion components, facilities and plantships manufactured by United States industry.".

(e) Such Act is further amended—

(1) in the first sentence of section 108(d)(1) by striking out "reorganizational safety" and inserting in lieu thereof "navigational safety";

(2) in section 109(b)(2) by striking out "natural" and inserting in lieu thereof "national";

(3) in section 112(b) by striking out "confidential commercial and financial information)" and inserting in lieu thereof "commercial or financial information which is privileged or confidential)";

(4) in section 116(a) by striking out "facility or platform" and inserting in lieu thereof "facility or plantship";

(5) in section 302(b)(1) by inserting "to halt" immediately after "injunction,";

(6) in the first sentence of section 403(c)(2) by striking out "Treasury" and inserting in lieu thereof "Treasury, including the provisions of the Tariff Act of 1930, as amended (19 U.S.C. 1202), and other laws codified in title 19, United States Code,";

(7) in section 3(11) by striking out "freshwater," and inserting in lieu thereof "fresh water,";

(8) in section 101(c)(4) by striking out "enforcement" and inserting in lieu thereof "regulatory";

(9) in section 101(c)(6) by striking out "for license" and inserting in lieu thereof "for a license";

(10) in section 101(c)(14) by striking out "when" and inserting in lieu thereof "if";

(11) in section 101(d)(2) by striking out "licensee" and inserting in lieu thereof "applicant, licensee";

(12) in the first sentence of section 105(a)(2) by striking out "that (A)" and inserting in lieu thereof "(A) that";

(13) in the first sentence of section 105(b)(1) by striking out "of adjacent" and inserting in lieu thereof "of an adjacent";

(14) in the third sentence of section 105(b)(1) by striking out "is" and inserting in lieu thereof "are";

(15) by inserting the text of section 109(b)(3) as a new paragraph (3) immediately after the end of paragraph (2) of section 108(d), and by repealing section 109(b)(3);

(16) in section 109(c) by striking out "such of" and inserting in lieu thereof "of such", and by striking out "impingment" and inserting in lieu thereof "impingement";

(17) in section 111(b) by striking out "environment established by any treaty or convention," and inserting in lieu thereof "environment,"; and

(18) in section 112(b)(2)(B) by striking out "administrator" and inserting in lieu thereof "Administrator".

(f) Section 102(h) of such Act is amended to read as follows:

"(h) The Administrator shall not take final action on any application unless the applicant has paid to the Administrator a reasonable administrative fee, which shall be deposited into miscellaneous receipts of the Treasury. The amount of the fee imposed by the Administrator on any applicant shall reflect the reasonable administrative costs incurred by the National Oceanic and Atmospheric Administration in reviewing and processing the application.".

TITLE IV—NATIONAL ADVISORY COMMITTEE ON OCEANS AND ATMOSPHERE ACT OF 1977

AUTHORIZATION

SEC. 401. Section 8 of the National Advisory Committee on Oceans and Atmosphere Act of 1977 (33 U.S.C. 857-18) is amended—

(1) by striking out "and" immediately after "1981,"; and

(2) by striking out the period after "1982" and inserting in lieu thereof ", $630,000 for the fiscal year ending September 30, 1984, and $630,000 for the fiscal year ending September 30, 1985.".

TITLE V—PAY INCREASE AUTHORIZATION

MISCELLANEOUS

SEC. 501. There are authorized to be appropriated to the Department of Commerce, to enable the National Oceanic and Atmospheric Administration to carry out its duties indicated under this Act, such additional sums as may be necessary for increases in salary, pay, and other employee benefits authorized by law.

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendment with a further amendment which I send to the desk on behalf of Mr. PACKWOOD.

AMENDMENT NO. 2647

(Purpose: Make amendment regarding polymetallic sulfide analyses and research)

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER), for Mr. PACKWOOD, proposes an amendment numbered 2647.

On page 2, strike all from line 1 through line 22 and insert in lieu thereof the following:

TITLE I—POLYMETALLIC SULFIDE ANALYSES AND RESEARCH

AUTHORIZATION

SEC. 101. There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its polymetallic sulfide analyses and research duties under the Act entitled "An Act to define the functions and duties of the Coast and Geodetic Survey, and for other purposes", approved August 6, 1947 (33 U.S.C. 883a), and any other law involving such duties, $1,200,000 for fiscal year 1984, and $2,500,000 for fiscal year 1985. Such duties include research, development and licensing responsibilities pertaining to polymetallic sulfide analyses and research, and are in addition to money authorized under any other provision of law for carrying out such duties.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. BAKER. I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

H.R. 2898 PLACED ON THE CALENDAR

Mr. BAKER. Now, Mr. President, I will state for the consideration of the minority leader and other Members a final request in my series of general order business. I ask unanimous consent the Indian Affairs Committee be discharged from further consideration of H.R. 2898, to establish a fund for economic development of Paiute Indian Tribe of Utah, and I ask that that measure be placed on the calendar.

Mr. BYRD. There is no objection on this side, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

H.R. 724 PLACED ON THE CALENDAR

Mr. BAKER. I thought I was at the end, but I am not, Mr. President. I now will state two other items for consideration of the minority leader.

Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of H.R. 724, a private relief bill for Carlos M. Gatson and that that item be placed on the calendar.

Mr. BYRD. No objection, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I thank the minority leader.

S. RES. 286 PLACED ON THE CALENDAR

Mr. BAKER. Mr. President, one other item. I ask unanimous consent that a resolution introduced by the distinguished Senator from Kansas (Mr. DOLE), which I now send to the desk, be placed on the calendar.

Mr. BYRD. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, this resolution is the only way I see to resolve the impasse that has developed with regard to the chairmanship of the Helsinki Commission. The House and the Senate created the Helsinki Commission in 1976 as a bipartisan Commission. It was understood that the chairmanship would rotate between a House Member and a Senate Member. It has never rotated. The Senate unanimously approved a measure on the State Department authorization bill which would rotate the chairmanship beginning January 1, 1984. Members of the Senate have properly expressed their views that this is a matter of comity between the House and the Senate. We have waited over 7 years for someone in this body to be Chairman of this bicameral bipartisan Commission.

During conference consideration of the State Department authorization bill, it became apparent that the impasse could not be resolved. There were flickers of hope, but they have died.

Rather than let the State Department authorization bill languish permanently in conference, the next best step is to create a special committee within the Senate which will enable the Senate to truly have an effective voice in monitoring the Helsinki final accords. Senate Members of the Commission will hereafter participate in the special committee as opposed to the bipartisan Commission we established in 1976.

Embodied in this resolution is an escape clause. It provides that the special committee will not be created if the following procedure is agreed to by the members of the current Commission on Security and Cooperation in Europe: First, the Chairman during the 99th Congress shall be a Member of the Senate. Subsequently, the chairmanship shall rotate between the Senate and the House at the beginning of the first session of each succeeding Congress; second, the position of Cochairman of the Commission shall be formally created under law, effective January 1, 1984; third, both the Chairman and Cochairman shall each have the authority to hire and direct an equal number of professional and clerical staff members of the Commission. The Chairman and Cochairman shall each designate a senior staff person who shall serve as staff director during his or her sponsor's term as Chairman; and fourth, either the Chairman or the Cochairman shall have the authority to authorize foreign travel for Commissioners or staff. The Chairman and Cochairman shall have joint control over the expenditure of Commission funds. A Personnel and Administration Committee consisting of the senior Republican and senior Democrat from the House and Senate shall be created and shall have the authority to hire, fire, and fix the pay of all Commission staff except the senior staff person appointed by the Chairman and the senior person appointed by the Cochairman.

This is the position the Senate insisted on in conference. It is a reasonable position. It should have been accepted. But it was not, Mr. President, and we must go forward because all of us understand that we must complete action on the State Department authorization bill this week.

Creation of this special committee will allow everyone to participate in the Helsinki process to the extent they desire. Mr. President, I urge the adoption of this resolution.

EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, there are some items on the executive calendar, I believe, which are cleared for action on this side.

Mr. President, may I ask the minority leader if he would be in a position to consider certain items on the calendar today under the heading of Nominations beginning on page 1, under the Department of the Interior, Calendar Order No. 312; under the Department of State, Calendar Order No. 355; on page 2 under Department of Transportation, Calendar Order No. 367; under Department of State, 372, 373, and 379; under Department of State on page 3, 407, 408, 409, 411, and 412, and on page 4, Calendar Order No. 413, 414 under Department of State, and under the Board for International Broadcasting, Calendar Orders No. 415 and 416.

Mr. BYRD. Mr. President, there is no objection to proceeding with Calendar Order No. 355, Calendar Order Nos. 367, 372, 373, 379 on page 2; Calendar Orders No. 407, 408, 409, 410, 411, and 412 on page 3; 413, 414, 415, and 416 on page 4.

Mr. BAKER. I thank the minority leader.

Mr. President, there is a little bit of a mismatch between what the distinguished minority leader can clear and what I can clear, so let me state now what appears to be those items on which we can agree.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the following nominations: Calendar Nos. 355, 367,

372, 373, 379, 407, 408, 409, 411, 412, 413, 414, 415, and 416.

Mr. BYRD. There is no objection, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the nominees so identified be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

The nominations confirmed en bloc are as follows:

DEPARTMENT OF STATE

Ronald I. Spiers, of Vermont, a career member of the Senior Foreign Service, Class of Career Minister, to be Under Secretary of State for Management.

DEPARTMENT OF TRANSPORTATION

John H. Riley, of Virginia, to be Administrator of the Federal Railroad Administration.

DEPARTMENT OF STATE

Frank V. Ortiz, Jr., of New Mexico, a career member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Argentina.

Thomas P. Shoesmith, of Virginia, a career member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Malaysia.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

Lewis A. Dunn, of Virginia, to be an Assistant Director of the United States Arms Control and Disarmament Agency.

DEPARTMENT OF STATE

Clayton E. McManaway, Jr., of the District of Columbia, a career member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Haiti.

Edmund Stohr, of Illinois, for the rank of Minister during the remainder of the tenure of his service as the Representative of the United States of America on the Council of the International Civil Aviation Organization.

Joan M. Clark, of New York, a career member of the Senior Foreign Service, Class of Career Minister, to be Assistant Secretary of State for Consular Affairs.

Sol Polansky, of the District of Columbia, a career member of the Senior Foreign Service, Class of Minister-Counselor, for the rank of Ambassador during his tenure of service as Vice Chairman of the United States Delegation to the Strategic Arms Reductions Talks (START) and Department of State Representative.

Alfred L. Atherton, Jr., of Florida, a career member of the Senior Foreign Service, with the personal rank of Career Ambassador, to be Director General of the Foreign Service.

Geoffrey Swaebe, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Belgium.

William Caldwell Harrop, of New Jersey, a career member of the Senior Foreign Service, Class of Career Minister, to be Inspector General of the Department of State and the Foreign Service.

BOARD FOR INTERNATIONAL BROADCASTING

Ben J. Wattenberg, of the District of Columbia, to be a Member of the Board for International Broadcasting for a term expiring April 28, 1986. (Reappointment)

Frank Shakespeare, of Connecticut, to be a Member of the Board for International Broadcasting for a term expiring May 20, 1986. (Reappointment)

RONALD IAN SPIERS

Mr. LEAHY. Mr. President, I am pleased and honored to pay tribute to a distinguished fellow Vermonter, Ambassador Ronald Ian Spiers. Ambassador Spiers had recently been nominated to be the next Under Secretary of State for Management—a job as difficult as it is prestigious. He is one in a long line of Windham County residents who have served, and continue to serve, our country in the diplomatic corps.

Ambassador Spiers' illustrious career is made up of a succession of important assignments. He has served as our Ambassador to the Bahamas, Turkey, and most recently, Pakistan. I had the pleasure of working with Ambassador Spiers when he was Director of the Bureau of Intelligence and Research at the State Department. As a member of the Senate Select Committee on Intelligence, I found his stewardship of such an important bureau extraordinary.

I commend the State Department for recognizing and rewarding the contribution of such a dedicated, hard-working Vermonter. While his presence will be greatly missed overseas, I am confident that his contribution to furthering the goals of our Nation will continue to grow as he begins yet another chapter in his exemplary career.

JOHN RILEY

Mr. DURENBERGER. Mr. President and colleagues, it is with great pride, and pleasure that I ask you to confirm the appointment of President Reagan's nominee to the Federal Railroad Administration, John Riley.

For all the long hours, pressures and family sacrifices, there are occasions when being a U.S. Senator brings great personal rewards. This is one of those occasions. Although I have known John and Karen Riley for only a relatively short period of time—5 years—in that time they have become dear friends of Penny and me.

It is a special thrill to see someone who came into public service through his association with me now being called upon by the President of the United States for a position of such importance and significance. And, I should add, a position for which he is so eminently qualified.

I first came to know John when I was an unknown lawyer campaigning for the U.S. Senate in 1978. At that time John was even more unknown than I was. In fact, it took his wife Karen, who was a reporter for a Twin Cities radio station, to bring us together.

Throughout those long days of campaigning I was vaguely aware of this unknown lawyer volunteering his time and talents to my campaign. But I can not say that I really came to know John until late one night when I walked into my volunteer office after one of those 18-hour campaign days that are all too familiar to the members of this committee. There was John, busily sketching out plans to coordinate a card section at a Minnesota Gophers football game.

And believe it or not John pulled off that card section. The only problem is that even John could only get a card section large enough to spell out "Dave" which elicited a puzzled "Dave who?" from the other 50,000 people at Memorial Stadium. Of course, in fairness to John, it may have taken all of the other 50,000 people to spell out "Durenberger."

With that kind of an auspicious start to our relationship, both John and I knew that it would not be long before we would hook up again. Sure enough, by April of 1979 John had accepted my offer to come to Washington and serve as my legislative assistant to the Finance Committee. And since that first day, I do not think John has slowed down enough to ever catch his breath.

Each of us has a different measure against which we judge the contributions of a staff member. My yardstick is a "statement of purpose" I wrote shortly after my election in 1978 to the Senate. In it I said:

> In responding to constituents problems, either of an individual or an institutional or representative character, we must see our responsibility to be responsive to that problem. My definition of 'responsive' will always be a resolution, not just a reply. The test in each case will be, 'If it were my problem, would I be happy with this resolution?

More than any other public servant, elected or nonelected, John has consistently fulfilled and surpassed that criterion.

In 1980, when a group of shippers asked for our help to save a small and dilapidated rail line in southern Minnesota, it was John Riley who leaped at the opportunity. John not only played a key role in saving the line, but helped design an innovative package of private and local, State and Federal Government financing to renovate the line. Last summer John and I attended the ceremonies marking the completion of that renovation project and I can tell you that John deservedly received a lot more applause than I did.

In 1981 and 1982 another group of shippers—this time in western Minnesota—came to our office asking for help. The mainline of the Milwaukee Road was about to go under, leaving hundreds of Minnesota farmers without their economic lifeline. Once

again, it was John Riley to the rescue. His first step was to spearhead a first-hand inspection tour of the line for his predecessor at FRA, Bob Blanchette. At each stop along the way John made sure that the people assembled were the ones who could best demonstrate the overwhelming local commitment to saving the Milwaukee Road.

From there it was literally hundreds of hours of work—most of it on his own time—that John devoted to saving the Milwaukee Road mainline for farmers in western Minnesota. John was the one person who kept bringing together all the parties involved—the States, the FRA, the Milwaukee Road, the bankruptcy court and the shippers themselves. The times when negotiations were at a standstill and the package in jeopardy were the times when John reached into his imagination and found the right compromise to keep things moving forward.

Last summer John and I helped open the Milwaukee Road's gateway to the West and once again it was John—and also once again, deservedly so—who received most of the accolades.

I do not know of a person in the legislative branch who is more committed to the future of rail transportation in our country. His creation of the Senate Rail Caucus is testimony to his dedication to our Nation's railroads.

Mr. President, John Riley has been with me as a campaign volunteer, a legislative assistant and, since 1980, chief legislative counsel. In each of those positions he has also been my friend. In that capacity, I could not be happier for him; in my capacity as a U.S. Senator, I could not be happier for the future of rail transportation in this country knowing that John is able and willing to take on this vital position.

JOHN RILEY

Mr. BOSCHWITZ. Mr. President, it is with great pleasure that I am here today to speak on behalf of John Riley, the nominee for the position of Administrator of the Federal Railway Administration.

I have known John for many years—longer in fact than Senator DAVE DURENBERGER, his boss here in the Senate for the past 5 years. And during these last 5 years my staff and I have had the opportunity to work with and rely on John in many legislative areas—but especially in the area of railroad legislation.

While John worked for Senator DURENBERGER he organized and began the Senate Rail Caucus, a bipartisan group of Senators who are interested in rail issues. He was also very involved in the bankruptcy and subsequent reorganization of the Milwaukee Road. His efforts and hard work led to his being honored by both the Milwaukee Road employees and the Great Plains Rail Employees and Shippers Association. I think these commendations by private groups speak very highly about John's dedication and skills.

His expertise in railroad matters certainly led to his present position, that of special assistant for rail matters to Secretary of Transportation Dole. Clearly, this nomination to head the Federal Railroad Administration is a logical next step, and is fair recognition of the special knowledge and abilities John possesses.

Although I could certainly site many more examples of John's work with Minnesotans and the rail community on the issues of abandonment, rail line rehabilitation, and railroads' unique financial problems, I think I will simply sum up.

I am confident John Riley will be an excellent Administrator of the FRA and I feel very comfortable giving him my wholehearted support.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, on tomorrow the Senate will convene at 9:30 a.m., pursuant to the order to recess. After the recognition of the two leaders under the standing order, five Senators will be recognized on special orders of not to exceed 15 minutes each.

After the execution of the special orders, it is anticipated that a brief period will be provided for the transaction of routine morning business, at the conclusion of which the Senate will resume the consideration of the reconciliation bill or the natural gas bill or other matters, including the possibility of the Clark nomination.

During the day matters will be dealt with from time to time as they can be cleared, and the Senate will turn to the consideration of the Department of Defense appropriations conference report as soon as it is received from the other body.

Mr. President, as things look now we will be able to complete action barring unforeseen circumstances on the adjournment resolution and complete our work before the day is out.

Mr. President, it is late, and I thank all Members for their cooperation and patience.

I once again thank the minority leader for his cooperation and help and if he has nothing further to add at this point I intend to ask the Senate to recess.

Mr. BYRD. Mr. President, I have nothing to add at this point except to congratulate the majority leader and to say that the prayer that was given this morning for the Senate was given by a member of my staff, Mr. J. Hampton Rector, who comes from Bluefield, W. VA., who has studied for the ministry. He is a good man, and I am very proud that he had the opportunity to open the Senate today.

Mr. BAKER. Mr. President, I may say he comported himself very well indeed.

VISIT TO THE CAPITOL BY FORMER PRESIDENTS CARTER AND FORD

Mr. BAKER. Mr. President, I might also add for 15 seconds that the minority leader and I, together with the Speaker of the House of Representatives and the minority leader of the House of Representatives, had a very great honor today, and that was the privilege of meeting with two former Presidents of the United States. President Carter and President Ford were here in the Capitol and gave us time to consult and to confer with them on a range of issues.

I wish to report to the Senate that they both appear to be in good health and in good spirits and appear to be enjoying their membership in what is easily the world's most exclusive club, and that is the club of former Presidents of the United States.

Mr. BYRD. Mr. President, I share the sentiments that have been expressed by the distinguished majority leader concerning the two former Presidents who met with us today.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BAKER. Mr. President, if there is nothing further, I move in accordance with the order previously entered that the Senate now stand in recess until 9:30 a.m. tomorrow.

The motion was agreed to; and at 11:28 p.m., the Senate recessed until tomorrow, Friday, November 18, 1983, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate November 17, 1983:

MARINE MAMMAL COMMISSION

William Evans, of California, to be a member of the Marine Mammal Commission for the term expiring May 13, 1985, vice James C. Nofziger, term expired.

IN THE AIR FORCE

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of sections 593, 8218, 8373, and 8374, title 10, United States Code:

To be major general

Brig. Gen. Carl D. Black, xxx-xx-xxxx FG, Air National Guard of the United States.

Brig. Gen. Harold G. Holesinger, xxx-xx-x... FG, Air National Guard of the United States.

Brig. Gen. Charles A. Sams, xxx-xx-xxxx FG, Air National Guard of the United States.

Brig. Gen. James D. Shepherd, xxx-xx-xx... FG, Air National Guard of the United States.

To be brigadier general

Col. Thornton E. Becklund, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Boyce O. Cranford, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Donald J. David, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Frank E. Dougherty, Jr., 216-24-9423FG, Air National Guard of the United States.

Col. Harold C. Earnhardt, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Dale F. Egide, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Cecil W. Greene, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. James J. Hourin, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Hoyal B. Kye, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. John N. Olson, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Robert E. Preston, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. James R. Roberts, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. William G. Work, xxx-xx-xxxx FG, Air National Guard of the United States.

DEPARTMENT OF THE INTERIOR

Richard Thomas Montoya, of Texas, to be an Assistant Secretary of the Interior, vice Pedro A. Sanjuan, resigned.

U.S. INFORMATION AGENCY

Leslie Lenkowsky, of New York, to be Deputy Director of the U.S. Information Agency, vice Gilbert A. Robinson, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 17, 1983:

DEPARTMENT OF STATE

Ronald I. Spiers, of Vermont, a career member of the Senior Foreign Service, class of Career Minister, to be Under Secretary of State for Management.

Frank V. Ortiz, Jr., of New Mexico, a career member of the Senior Foreign Service, class of Career Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Argentina.

Thomas P. Shoesmith, of Virginia, a career member of the Senior Foreign Service, class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Malaysia.

Clayton E. McManaway, Jr., of the District of Columbia, a career member of the Senior Foreign Service, class of Career Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Haiti.

Edmund Stohr, of Illinois, for the rank of Minister during the remainder of the tenure of his service as the Representative of the United States of America on the Council of the International Civil Aviation Organization.

Joan M. Clark, of New York, a career member of the Senior Foreign Service, class of Career Minister, to be Assistant Secretary of State for Consular Affairs.

Sol Polansky, of the District of Columbia, a career member of the Senior Foreign Service, class of Career Minister-Counselor, for the rank of Ambassador during his tenure of service as Vice Chairman of the U.S. Delegation to the Strategic Arms Reductions Talks (START) and Department of State Representative.

Alfred L. Atherton, Jr., of Florida, a career member of the Senior Foreign Service, with the personal rank of Career Ambassador, to be Director General of the Foreign Service.

Geoffrey Swaebe, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Belgium.

William Caldwell Harrop, of New Jersey, a career member of the Senior Foreign Service, class of Career Minister, to be Inspector General of the Department of State and the Foreign Service.

BOARD FOR INTERNATIONAL BROADCASTING

Ben J. Wattenberg, of the District of Columbia, to be a member of the Board for International Broadcasting for a term expiring April 28, 1986.

Frank Shakespeare, of Connecticut, to be a member of the Board for International Broadcasting for a term expiring May 20, 1986.

DEPARTMENT OF TRANSPORTATION

John H. Riley, of Virginia, to be Administrator of the Federal Railroad Administration.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

Lewis A. Dunn, of Virginia, to be an Assistant Director of the U.S. Arms Control and Disarmament Agency.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

BEHIND THE SCENES, PERHAPS A COUP

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 16, 1983

● Ms. OAKAR. Mr. Speaker, the Committee on Banking, Finance, and Urban Affairs, a committee on which I proudly serve, has been working for many months on a legislative package authorizing funds for the International Monetary Fund, the Export-Import Bank, Multilateral Development Banks, and most especially, funding for desperately needed housing programs.

When the 98th Congress convened, prospects for comprehensive housing legislation were remote. As a result of the Herculean efforts of the chairman of the Banking Committee, FERNAND J. ST GERMAIN, the Congress will be able to pass a meaningful housing program which recognizes the needs of low- and moderate-income families.

In yesterday's New York Times, Jonathan Fuerbringer reports in an article entitled "Behind the Scenes, Perhaps a Coup" on Chairman ST GERMAIN's masterful leadership. I commend this article to my colleagues attention.

[From the New York Times, Tuesday Nov. 15, 1983]

BEHIND THE SCENES, PERHAPS A COUP

(By Jonathan Fuerbringer)

WASHINGTON, Nov. 14—Representative Fernand J. St Germain of Rhode Island looks like the shrewd, inside politician he is. The son of a millworker from Woonsocket, R.I. is not slick and telegenic but short and stocky with a ruddy face and a walk that is almost pugnacious.

What is more, he prefers to work behind the scenes. "He dosen't believe in sunlight," said a fellow Congressman who knows him well.

At the moment, Mr. St Germain has an opportunity to pull off a coup that many other Democrats have not been able to. He may be able to force President Reagan to swallow a Democratic housing bill that means more spending.

Mr. St Germain has played a cagey game with the Administration all year, using its need to win approval of an $8.4-billion increase in the United States contribution to the International Monetary Fund to open the way for voting on the first housing bill in three years.

He managed to get the original I.M.F. bill through the House on a vote of 217 to 211 in August and then linked it to his $15.6-billion housing bill. He had gotten the housing bill through the House earlier by saying that it had to pass before a vote would be taken on the I.M.F. bill.

The Senate approved the I.M.F. bill earlier last summer and the entire package is now being hammered out by the Administration, the Senate Banking Committee and Mr. St Germain.

"AN UPHILL BATTLE"

"We still have an uphill battle," the Congressman said in an interview, relishing the strategic victories he has won so far. Mr. St Germain still needs final agreement on the housing bill from the chairman of the Senate Banking Committee, Jake Garn, a Utah Republican. But Mr. Garn said today, "We have most of the major provisions worked out."

Mr. St Germain, who is chairman of the House Committee on Banking, Finance and Urban Affairs, is hoping to being the final package to the House floor this week where he figures the votes for housing will be enough to offset the strong opposition among Republicans and Democrats to the increase in the I.M.F. funding.

"He's one of the smartest political operatives in this place," said Representative Charles E. Schumer, a Brooklyn Democrat and a member of the Banking Committee. Representative Barney Frank of Massachusetts, another Democratic member of the committee, said Mr. St Germain's strategy worked so well that "he played more the role of a broker rather than the extortionist."

Mr. St Germain, a 53-year-old lawyer, has a special interest in housing. He points with pride to the fact that his district has the highest concentration of housing for the elderly in the nation. His voting record is liberal and pro-labor.

WORKING AT THE AGE OF 12

While seen as a supporter of the savings and loan industry, Mr. St Germain is not though to be a fan of commercial banks, especially the big ones. But he says that is "a fiction."

"Being from the background I'm from—my father was a millworker and I started to work when I was 12 years old—intially I had a tendency to favor the thrifts."

The Banking Committee, with 47 members the third largest standing committee in Congress, has had its share of famous chairmen, including Wright Patman, the late Texas Congressman. After 20 years in the House, Mr. St Germain succeeded Representative Henry S. Reuss of Wisconsin in 1981.

He is a loner and can be rough or curt, but he appears to be liked by committee members, both liberal and conservative, because he takes care of them.

"He gives me enough room," said Representative Buddy Roemer, a conservative Democrat from Louisiana who opposes both the monetary fund bill as it stands and the housing measure. "he lets me know early enough where he is going and he allows me to develop some positions. Then he lets me lose."

"NOT A MAN TO CROSS"

"I'd rather than a chairman who was strong than one who lets me get in too deep and finds out I'm all alone, said Mr. Roemer, whose only complaint is that Mr. St Germain has not moved ahead on new legislation to deregulate banking and other financial institutions.

Some lobbyists, however, have a slightly different view. But those who criticize Mr. St Germain do it off the record, saying he is "not a man to cross" or that he is heavy-handed. But even these critics acknowledge that the bills he has produced are generally good ones.

The I.M.F. bill shows how the Congressman works. When Mr. St Germain went to the White House earlier this year to say that the housing bill would have to be voted on before he would move the I.M.F. bill to the floor, he had already decided that he would tie both measures together for a final vote. But he told nobody, not even his staff.

"In the legislative process I've found that I have to play it very close to the vest for a period of time," he said. "Because the minute you telegraph your punch you've lost your potential impact."

Then when the housing bill got through, Mr. St Germain went to work on the I.M.F. bill, which narrowly passed after several last minute compromises to attract Democratic votes. "You can call me landslide Freddy," said Mr. St Germain.

THE PRESIDENT APOLOGIZED

Then he got some help from an unexpected quarter. The National Republican Congressional Committee attacked Democrats who had voted for the I.M.F. bill but opposed an amendment that would block loans to "Communist dictatorships." The attack infuriated Democrats who pointed out that the Republican leadership in the House and the Administration also opposed the amendment. They said they would withhold support for the I.M.F. bill until they got an apology from the President.

Mr. Reagan did apologize, but the episode left Mr. St Germain in a better position to win Administration concession on the housing bill.

"When they did that," said Mr. St Germain, referring the attack on Democrats, "they played into my hands even further because they made the I.M.F. bill even more difficult to sell."

Mr. St Germain chuckles when asked about his methods. To the suggestion that he has broken the arms of a few Congressmen in his day, he said, "I usually talk to them and make them aware of what the ultimate goal is and what the ultimate good is."●

PARKINSON'S DISEASE AWARENESS WEEK

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 16, 1983

● Mr. WAXMAN. Mr. Speaker, today I am pleased to introduce House Joint Resolution 432, designating the week of April 8 through April 14, 1984, as

"Parkinson's Disease Awareness Week."

Parkinson's disease is a neurological disorder affecting the centers of the brain which control movement. Its cause is unknown. There is no known cure. Because the disease is not reported, we do not even know for certain how many Americans are afflicted.

We do know that the incidence of Parkinson's Disease increases with age, and that as our population ages more Americans will become its victims. Additional research is necessary to find a cure and improve treatment for Parkinson's disease. Programs are needed to help the victims of Parkinson's and their families better understand this disease and cope with its disabling effects.

Mr. Speaker, passage of House Joint Resolution 432 will promote the public awareness necessary to spur such actions.

I urge all Members to join with me in supporting this important legislation.

I insert a copy of House Joint Resolution 432 in the RECORD at this point:

H.J. RES. 432

Whereas Parkinson's Disease is a progressive and as yet incurable neurological affliction that affects 1 out of every 100 citizens over the age of 60 and whose cause is still unknown;

Whereas with improved methods of diagnosis, the onset of the disease is now being diagnosed as early as the age of 40 and younger;

Whereas with earlier diagnosis and the aging of our entire population, more and more of our citizens will be afflicted with Parkinson's Disease;

Whereas it is important to educate the public about the need for research into the cause and cure of this disabling disorder; and

Whereas only public awareness of the terrible toll taken by this neurological affliction can spur Federal, State, and local government agencies, and the private sector to establish the programs necessary to find a cure, improve treatment, and help those afflicted and their families to cope with this disabling disease: Now, therefore, be it.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the week of April 8 through 14, 1984, as "Parkinson's Disease Awareness Week", and to call upon Federal, State, and local government agencies, and the people of the United States to observe this week with appropriate programs, ceremonies, and activities.●

WINDOW OF OPPORTUNITY

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 16, 1983

● Mr. LEACH of Iowa. Mr. Speaker, the last several months have witnessed the greatest escalation of direct United States-Soviet tension since the Cuban missile crisis and the most hostile indirect confrontation in the Third World since the Vietnam war. American Armed Forces are now engaged in conflicts on two continents, with tensions mounting in the Strait of Hormuz, Korea, and at least two parts of Africa.

With proper alarm, we view the massive Soviet military buildup, the invasion of Afghanistan, the suppression of Solidarity in Poland, and the supply of arms to leftists in such disparate parts of the globe as Laos, Kampuchea, Angola, Ethiopia, Nicaragua, and El Salvador. The Russians, in turn, perceive President Reagan as a "hardliner" and object strenuously to his recent categorization of Soviet society as the "focus of evil in the modern world." The President's criticisms of the Soviet Union have sparked a reaction in the Kremlin similar to that evoked in this country by Khrushchev's oft-remembered threat: "We shall bury you." From the Soviet perspective, U.S. intent to deploy Pershing and ground-launched cruise missiles in Europe represents an ominous escalation of the arms race. From ours, there is no responsible rationalization for the placement and upgrading of Soviet missiles in Eastern Europe.

But at the very moment when the prospect of direct confrontation seems to be growing, when warships are being sent ominously on maneuvers in the Caribbean and Mediterranean Seas, when new generations of missiles are about to be deployed and a new arms race started in space, significant factors for accommodation are also coalescing. The overkill redundance of United States and Soviet weaponry is now firmly established. Both sides possess a retaliatory capacity to annihilate most of the population of the other. This strategic parity which exists between the United States and the Soviet Union is unlikely to be broken in the next several generations. Accordingly, both powers have a self-interest in accommodation, that is, survival.

At this juncture in history the frailty of Yuri Andropov may be advantageous to the United States. Ever since Kennedy, American Presidents have been obsessed with the judgment of history. It would be naive to assume that Soviet leaders are immune from personal concern for historical assessment. Whether one be a liberal, a moderate, or a conservative in the American political context, a Communist, a Socialist, or capitalist in an international setting, the logic of our times dictates enhanced concern for arms control.

The Soviets may not like President Reagan; they may not want to reward him politically with arms control accords; but so many issues such as weaponization of space are so time-sensitive that we and they cannot afford to dally. Serious arms control cannot be put off for another decade, or perhaps even another administration, without risking a confrontation that may not be controllable. As an aging leader, Andropov is confronted with the historical opportunity to be a peacemaker rather than caretaker. Given the time difficulties the Soviet Union has in producing its Chief of State in succession struggles, American policymakers make a mistake not to press for decisions with a Soviet leader who, however ill, appears to be forthrightly empowered to act for the Politburo. Otherwise, the internal dynamics of Soviet decisionmaking may not allow decisive decisions of any nature, particularly for restraint, to be taken until a new leader emerges and consolidates authority.

Accordingly, at the risk of presumption, the advice I would give the administration is threefold:

(a) Give highest priority to articulating a more flexible position in the INF talks in Geneva, and be prepared to defer deployment of the Pershing II for 6 to 12 months if the Soviets signal a meaningful willingness to compromise. The United States has little choice except to reflect basic support for the NATO deployment decision. The increasingly dangerous action-reaction cycle of missile deployments must be broken. Neither security requirements nor NATO's desire not to appear indecisive can justify the acceleration of the arms race that a hasty deployment would entail.

(b) Amidst the concerns for an INF accord, do not forget the oldest arms control issue of them all, a comprehensive test ban. There is not an issue more in the national interest of both countries, nor one more capable of setting a new tone in East-West relations.

(c) Deescalate the confrontational rhetoric. While schoolboy wisdom teaches that words, unlike sticks and stones, do not hurt anybody, international politics they frequently lead to a hardening of positions and the ensconcing of national pride that makes accommodation irrationally difficult. It is time for American politicians to stop talking about windows of vulnerability and start emphasizing windows of opportunity.

In the three principal NATO countries—West Germany, Great Britain, and the United States—center/right parties have recently gained control of the executive. By narrow margins, the arguments for military preparedness have proven persuasive to the electorate. Today, the three principal center/right parties of the alliance—the CDU in Germany, the Conservatives in the United Kingdom, and the Republicans in the United States—have an opportunity to preempt for decades the opposition on foreign policy issues, but

only if they prove capable of matching a willingness to sacrifice resources for preparedness with a capacity to demonstrate professional flexibility in arms control. It is time for Ronald Reagan to go to Leningrad.

Summitry has its disadvantages, but the world is ill-served by great power polemics and less by great power rivalries. World War I was begun with a terrorist act of destabilization in a small country. Far better it is to restrain the weaponry and reduce through negotiations the likelihood of confrontation in remote areas of the world. Détente is not a choice; in the nuclear age it is a necessity.●

PRESIDENT KENNEDY'S LEGACY ON ENDING THE NUCLEAR ARMS RACE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 16, 1983

● Mr. MILLER of California. Mr. Speaker, a series of events this week forces many Americans to consider solemnly the most critical issue of our time: The real and growing threat of nuclear war.

Earlier this week, the House passed the biggest appropriations bill in the history of this Nation—a quarter of a trillion dollars for the most awesome assortment of weaponry ever conceived by mankind. Later this week, millions of Americans will watch a film, "The Day After," which chronicles the aftermath of a world in which those kinds of terrible weapons of destruction have been loosed on the United States.

On Wednesday, in the great rotunda of the Capitol, we conducted a memorial service to commemorate our late President, John Fitzgerald Kennedy, who was assassinated 20 years ago next Tuesday.

The world is very different today from the world President Kennedy knew. And the dangers of nuclear weapons, and the threats of nuclear annihilation—whether intentional or by accident—are more real today than they were in 1963.

When President Kennedy issued his warnings about the dangers of nuclear warfare, there were no MX missiles or B-1 bombers. There was no Pershing II, no neutron bomb, no SS-20. The nuclear weapons which frightened President Kennedy are only a fraction of the nuclear arsenal which exists today, an arsenal equivalent to 5,000 times the explosive power of all the munitions of all sides in World War II.

President Kennedy did not shy away from military spending, or even from military confrontation. Within his brief administration, we endured serious military crises at the Bay of Pigs, Berlin, Vietnam, and the Cuban blockade. While President Kennedy felt his failures deeply, he did not respond to his successes with strident bravado or confrontational arrogance.

Instead, President Kennedy's brushes with nuclear conflict made him recognize the need to pursue simultaneously a strong defense and efforts to reduce the likelihood of war. After having stared down our Soviet adversaries, he was willing to sit down with those same adversaries to seek ways of preventing military conflict.

"Let us never negotiate out of fear," he said in his inaugural address in 1961, "but let us never fear to negotiate."

Today, I fear, we have lost the inclination to negotiate for peace because our administration is flushed with the success of military victory. But thoughtful men and women, in this House and throughout the Nation, understand all too clearly that neither powerful weapons nor successful maneuvers diminish the need to reduce the nuclear threat through serious negotiations with the Soviet Union.

His words are more appropriate today than they were in 1963, because the threat of global nuclear war is greater today. During the last 20 years, there has been an enormous expansion in nuclear weaponry, and in the last several years, a disturbing deterioration in our relations with the Soviet Union.

President Kennedy acknowledged the need to expend "billions of dollars every year on weapons acquired for the purpose of making sure we never need to use them." But he noted, "the acquisition of such idle stockpiles * * * is not the only, much less the most efficient, means of assuring peace."

He challendged the notion that in a world as riddled with conflict as our own, it is fanciful to speak of controlling nuclear weapons.

"Some say it is useless to speak of world peace or world law or world disarmament. But I am not referring to the absolute, infinite concept of universal peace and good will of which some fantasies and fanatics dream.

"Let us focus instead on a more practical, more attainable peace—based not on a sudden revolution in human nature but on a gradual evolution in human institutions.

"Peace need not be impracticable, and war need not be inevitable."

In an era when East-West tensions were as strained as today, Kennedy asserted that the people of both the United States and the Soviet Union yearned for a reduction in the threat of conflict between our two great nations.

"Both the United States and its allies, and the Soviet Union and its allies, have a mutually deep interest in a just and genuine peace and in halting the arms race.

"So let us not be blind to our differences, but let us also direct attention to our common interests and to the means by which those differences can be resolved. And if we cannot end now our differences, at least we can help make the world safe for diversity."

If President Kennedy's words made sense in the aftermath of the Bay of Pigs, the Cuban missile crisis, and the Berlin crisis, then they make sense in the wake of KAL 007 and Poland.

Yet today, I fear that on both sides, we are moving toward leaderships which gloat on their military successes rather than recognizing, as did John Kennedy, that each "success" is one further step toward the unthinkable, but not impossible, nuclear holocaust.

Do not misunderstand my words: the Soviet leaders are wary of our intentions, committed to ther political system, and confrontational in their style. Surely they regard us in precisely the same fashion. So if we are to move beyond this diplomatic gridlock, it will require a greater degree of trust and a greater commitment to peace than either side has exhibited in recent years.

And if assuring peace requires risks, what then are the risks of continuing a buildup in nuclear weapons and international confrontation which daily enhances the likelihood of nuclear accident, if not nuclear war? Is it not in the Soviet interest, as much as our own, to avert that tragedy?

"For in the final analysis," President Kennedy said, "our most basic common link is that we all inhabit this small planet.

"We all breath the same air. We all cherish our children's future. And we are all mortal * * * All we have built, all we have worked for, would be destroyed in the first 24 hours of a nuclear exchange."

Those words took courage to utter in 1963, and they will require courage to act upon in 1983. But the stakes are the future of this planet and all the people of every country on it.

So as we recall President Kennedy, let us remember his most timely message: "We can seek a relaxation of tensions without relaxing our guard. And, for our part, we do not need to use threats to prove that we are resolute."

Surely we must be prepared to defend ourselves and our interests. But the world has grown too strong, our weapons too awesome, and the margin of error too minuscule to allow rhetoric and ideological rigidity to jeopardize our efforts to remove the nuclear threat.●

SUPPORT FOR STATE MINING AND MINERAL INSTITUTE PROGRAMS

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 16, 1983

● Mr. RICHARDSON. Mr. Speaker, State mining and mineral institutes across the country have proven to be very effective in training people for careers in mineral and mining industries and in improving our mineral research capabilities. However, we must continue to improve our mining techniques in order to remain competitive in the world marketplace. The mining and mineral industry is essential to the economic well-being and the security of our Nation. But without a strong mining and mineral resources research institute program, we will come to rely more on foreign mineral supplies and our domestic mining industry will suffer. According to Arpad E. Torma, professor of metallurgy and director of the State Mineral Resources Research Institute at New Mexico Tech, our lack of improved technology in the mining field has already become a serious problem. The United States is being forced to purchase an everincreasing amount of mining technology from other nations. We must put a stop to this dangerous trend.

I am an original cosponsor of legislation introduced by Congressman JAMES MCNULTY, H.R. 4214, to reauthorize and improve the State mining and mineral resources research institute program. This bill would authorize $7.5 million for fiscal year 1985, to be increased $1 million each year through fiscal year 1990. H.R. 4214 would also strengthen the eligibility requirements an institute must meet to qualify for assistance under the mineral institute program and it would increase the non-Federal matching requirements in order to force additional community and industry support.

One of the current problems with the mineral institute program is the lack of coordination between educational facilities, industry, and government. This legislation is designed to bring some order and direction to the program. First, H.R. 4214 would modify the existing advisory committee to include representativies from the industry and the academic community as well as the Federal Government. Second, the bill calls on the committee to develop a national plan for research and development in mining and mineral resources. The committee would also make recommendations on the implementation of this national plan.

Mr. Speaker, I am confident this legislation will revitalize the mining and mineral institute program and make certain that our mining industry is supplied with the best technology and the most talented employees possible. I urge members to support this important legislation.●

A JOINT RESOLUTION TO DESIGNATE 1984 AS THE "YEAR OF WATER"

HON. RAY KOGOVSEK

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 16, 1983

● Mr. KOGOVSEK. Mr. Speaker, several of my colleagues and I are today introducing a joint resolution to designate 1984 as the "Year of Water." As we are all aware, this very precious resource is possibly the most sought after commodity in the history of humankind, and will continue to hold this status. Although not a rare commodity, it is nonetheless, a fragile and precious resource, because without water, all life ceases to exist. Over the years, this country has developed unique systems of water management which have not only expanded the usable supply of annual yield, but also protected the users' interests and the quality of the resource.

Let me make it very clear, that I am not suggesting our water problems have been resolved to the extent that we can now sit back and watch the system in operation. At the very least, our work has just started. We are currently entering the critical times our predecessors forewarned would occur. Like it or not, we are facing a definite shortage of water in this Nation. Demands for available water supplies are increasing in the areas of agriculture, industries, and municipalities. Furthermore, as these demands increase, the availability of quality water supplies tends to decrease because of irrigation return flows in saline areas, effluent discharges, and municipal and industrial wastes returned to our rivers and streams.

I think you will agree that the subject of water—quality and quantity—is with us everyday of our lives. Yet, we must do more than simply recognize its existence, we must also recognize its importance. We must recognize what we have achieved in the area of water resource management, as well as closely examine the mistakes we have made in order to avoid making them again in the future. Most important, we must acknowledge that the quantity and quality of our water resources help to determine the progress we make in our daily lives.

In 1984, the U.S. Committee on Irrigation, Drainage and Flood Control will host the forthcoming 12th International Congress on Irrigation and Drainage in Fort Collins, Colo. The ICID will bring together water management professionals throughout the world to discuss new ideas and methodologies for controlling and putting our water resources to beneficial use. Therefore, we as a nation should join together in welcoming the International Congress on Irrigation and Drainage to this country, and demonstrate our strong commitment to heightened public awareness and concern for productive use of water resources. Mr. Speaker, I strongly urge my colleagues to join with me by enacting this most important joint resolution to designate 1984 as the "Year of Water."

H.J. RES. 424

Whereas water is a vital resource essential to all life; and

Whereas the quality, conservation and productive use of water are matters of immediate national and international concern; and

Whereas worldwide agriculture is the largest single user of water; and

Whereas the development of water management systems and technologies has contributed to America's leadership in agricultural production; and

Whereas in 1984 the United States will welcome the 12th International Congress on Irrigation and Drainage to Ft. Collins, Colorado, bringing together water management professionals from throughout the world; and

Whereas the United States Committee on Irrigation, Drainage and Flood Control will host the forthcoming 12th International Congress on Irrigation and Drainage, thereby continuing its distinguished tradition of national service begun in 1952; and

Whereas heightened public awareness and concern for the beneficial and productive use of water resources is deemed to be in the nation's interest: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the year 1984 is hereby designated as "The Year of Water" and the President of the United States is authorized and requested to welcome the delegates from the 78 member nations of the International Congress on Irrigation and Drainage as they assemble for their 12th International Congress in Ft. Collins, Colorado, and to issue a proclamation calling upon the people of the United States and all interested groups and organizations to observe the Year of Water with increased awareness of, and dedication to, the interests of worldwide water resources and their immense importance to the welfare and well-being of humankind.●

ROUKEMA LAUDS MUSCARELLE FAMILY

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 16, 1983

● Mrs. ROUKEMA. Mr. Speaker, I want to bring to the attention of this House for distinction the outstanding achievments and service to God and man of two of my fellow New Jer-

seyites, Joseph and Margaret Muscarelle.

Jesus taught us in Mark 10:14, "Suffer the little children to come unto me, and forbid them not; for of such is the kingdom of God."

In the spirit of this great Christian teaching, I want to bring to my colleagues' attention the efforts of two outstanding citizens, and two dear friends of mine, from the Fifth District of New Jersey. On Sunday, November 20, Mr. Muscarelle will be named "Man of the Year" and Mrs. Muscarelle will receive the "Humanitarian Award." They receive these awards from the Boys' Towns of Italy Committee of Bergen County.

Mr. Muscarelle knows firsthand the awful burden that fate can place on a person's shoulders. He was studying to join the medical profession at William and Mary College when he was forced to leave to support his family after a tragic accident placed that responsibility squarely on his shoulders. This would have left a lesser man despondent and broken as his life's dream escaped his grasp. He gained a new skill—carpentry. His continued hardwork and determination built not only survival for his family but eventually prosperity as he built a world-renown business from which the Muscarelle name has become the hallmark of excellence.

Yet he never forgot the avenues that education provided him even when his ambitions were interrupted. And he became determined to provide those avenues to others.

Over the years, Joseph and Margaret have selflessly provided to various educational, philanthropic, and professional organizations. The Joseph L. Muscarelle Foundation has since 1953 awarded 250 scholarships to college-bound students. Joseph had built, then endowed, the Joseph L. Muscarelle Center for Building Construction Studies at Fairleigh-Dickinson University in Hackensack, N.J.

In July 1983, Margaret established the Margaret Muscarelle Child Development Center in her hometown of Garfield. N.J. She is very active in child care programs at Hackensack Hospital, with the Italian Welfare League, and other organizations throughout the metropolitan New York area and across the United States.

Another shining example of the Muscarelles' "humanity to man" is their devotion to Boy's Towns of Italy. The Boys' Town began as schools for orphaned or deprived boys in Italy who has no other opportunity to attend regular schools. Through the care and concern they were given, these children had opportunities to develop into fine young men confident to face the future. Over the years, Boys' Towns have expanded and now included two Girls' Town.

Only the time limitations of the House prevent me from continuing the magnificent list of the fine accomplishments of these dear friends and fellow Italian Americans. I believe that it is a tribute that my colleagues honor Mr. and Mrs. Muscarelle today.●

EQUAL RIGHTS AMENDMENT

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 16, 1983

● Mrs. SCHNEIDER. Mr. Speaker, I rise today in total, unequivocal support of the equal rights amendment to the U.S. Constitution. This amendment is needed as much now, if not more so, than when it was first sent out to the States for ratification in 1972. We here in the Congress took a bold and courageous step then, and I call on all of my colleagues, on both sides of the aisle, to do the same today.

However, duty impels me to object to the manner and atmosphere in which this debate is being conducted today. First, I am upset by the shabby way in which the Democratic leadership of the House has chosen to deal with such an important piece of legislation. Pulling the measure out of the Rules Committee and then scheduling it at the last minute under the Suspension Calendar, removes the possibility of informed debate, which is the hallmark of the Democratic process. Riding roughshod over this piece of legislation is not the way to instill respect and support for this measure throughout the country.

Second, I want all Members to understand the reason why we have to vote again on the ERA. This is because the amendment fell three States short of ratification, and that the burden for failure of passage lies with the State legislators in those five States which could have provided women with the rights we so urgently need. In 1982, five States were targeted for ratification—Florida, Illinois, Missouri, North Carolina and Virginia. In each one of these States the legislature was controlled by the Democratic Party. Let me repeat—the failure of the ERA was due to the inaction and insensitivity of the Democrats in each of those five States. I was hesitant to bring this up, as I prefer to work in an atmosphere of bipartisanship, but the Democratic leadership has already clouded what should be a nonpartisan issue by making it appear to be a referendum on the GOP and its relationship with women in this country. I want to ask my Democratic colleagues in this room from those five States, where were you when the ERA was facing its most important test? I know where I was—down in Florida working to change the minds of State legislators. But where was the congressional leadership then—if they had wanted, they could have exerted the much needed pressure to pass this amendment in those various States.

Let us be fair, Mr. Speaker. I will grant you that the GOP has not been as strong on the national level for the ERA as it should be and I am working hard to change that. But at that crucial moment, when the ERA could have been passed by the States, this Nation was let down by a small group of Democrats in those five States. I mention this only to set the record straight.

Once again, I call on my fellow colleagues to do the right thing as this Congress did over a decade ago—pass the equal rights amendment. Thank you.●

INTERACTIVE TELECOMMUNICATIONS

HON. VIN WEBER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. WEBER. Mr. Speaker, one of the great advances for education has been the use of interactive telecommunications. This prospect is especially important for my district which is largely rural. An effort is being made to link 18 counties into such a system. The great advantage is to use technology to bring education and educational services to a greater and diverse audience.

On Saturday, November 12, 1983, a public forum was held in my district at Southwest State University at Marshall, Minn., to explore the whole question of interactive telecommunications. This conference attracted sponsorship from Southwest State University, Southwest/West/Central Educational Cooperative Service Unit, Minnesota Tele-Media, the American Association of School Administrators, the Minnesota Association of School Administrators, and the Minnesota Federation of Teachers. It was a very interesting and productive session and I believe will be a major step toward bringing an interactive telecommunication system to my district.

The public forum was fortunate to have as its keynote speaker, Dr. Donald J. Senese, Assistant Secretary for the Office of Educational Research and Improvement, U.S. Education Department. He provided some perceptive insights into the benefits of technology and how it will affect jobs in the future. I would like to enter in the CONGRESSIONAL RECORD Assistant Secretary Senese's talk "Our Future Growth Is Tied to Educational Technology."

OUR FUTURE GROWTH IS TIED TO EDUCATIONAL TECHNOLOGY

(By Dr. Donald J. Senese)

Good Morning.

It is a pleasure to be here on the campus of Southwest State University on this cold, crisp and snowy morning. It is especially exciting to be part of a public forum here in Marshall, Minnesota on "Interactive Telecommunications."

I do want to acknowledge the leadership of Dr. Robert Carothers, President of Southwest State University, Glen Shaw, Executive Director of the Southwest/West Central Educational Cooperative Service Unit, and Penny Dickhudt of the staff of the Minnesota Tele-Media Board and others who worked so hard to put together this public forum today. It is also a pleasure to see the Governor's Office is represented by a member of the Governor's Science and Technology Staff, Ms. Cindy Crist.

Your hard work is especially evident by the sponsorship of this conference by Representative Vin Weber, Southwest/West Central Educational Cooperative Service Unit, Southwest State University and Minnesota Tele-Media as well as its endorsement by Senators Dave Durenberger and Rudy Boschwitz, the American Association of School Administrators, the Minnesota Association of School Administrators and the Minnesota Federation of Teachers.

Let me mention, you are indeed fortunate to have one of the brightest and hardest working congressman as your representative in Washington, D.C. Representative Vin Weber is one of those dynamic young representatives who has a great interest in education and he was one of the first members of Congress to hold hearings in his district to get reaction to the report of the National Commission on Excellence in Education. Our acquaintanceship goes back to the days when we both worked on Capitol Hill and it is unfortunate that Congressional business kept him from being with us today. He has always been diligent to his duties as a U.S. Representative and he provides all of you with outstanding representation in our nation's capitol.

I am delighted to speak with you about a matter of vital concern to everyone—not just those of us present today but to everyone in our nation, indeed, the world. The matter to which I am referring is the advent of the new and exciting technologies which is not being referred to as the technological revolution.

The Random House College Dictionary defines a revolution as "a complete, pervasive, usually radical change in something, often one made relatively quickly."

And this does describe the situation as it pertains to the technological advances being made today. Changes are taking place and they are taking place rapidly. It is imperative that those who are associated with educating our youth prepare themselves to incorporate, in an appropriate manner, the new technologies into the educative process.

There are many aspects to this revolution and many dimensions to the way in which it will affect education as well as our society as a whole. One aspect which has caught the fancy of futurists, and one which should in fact be a vital concern of educators, is how the computer will affect the world of work—both in the near future as well as in the decades to come. Interactive communication will be playing a greater role in urban as well as rural areas.

There are many questions raised by this particular issue. For example:

How can the computer enhance a workers ability to perform various tasks? How can it improve upon existing jobs?

How and will it affect the existence of many jobs?

Will the workday pattern of 9 to 5 at an office still exist or will going to an office become passe as a network of cottage industries with everyone working out of his or her own home, communicating with colleagues and clients by machine?

I, of course, cannot give you a definitive answer to any of these questions but I can share with you some of the developments and information which can offer a perspective on the subject.

The advent of high technology has already begun to affect the job market. It has been pointed out that one of the reasons that its impact is so dramatic as far as the workplace is concerned is that it affects a large number of occupations at once. Many times the development of a new technology might affect only one or a few related job areas. Today's high technology is affecting or will eventually affect almost every job area.

An analogy might be the advent of the automobile. Not everyone needs to be an automobile mechanic or know how to design automobiles but it is the rare individual in today's society who does not know how to drive an automobile. The invention of the automobile opened many areas of work. These included bridge engineers, design and manufacture of automobiles, design and repair of roadways, those connected with new industries such as fast food and motor inns, as well as many other jobs peripherally related to the auto. It also changed dramatically patterns of work by improving the speed of transport. People were now able to get to an office some distance from their home and to return in the same day.

So, while we don't all have jobs that are directly related to the automobile, it is more than likely that what we do is at least indirectly affected by the invention of what was less than a century ago an unheard of means of transportation.

Experts differ on how much the new technologies will affect the job market—some even say very little—but educators would be remiss to ignore this growing area.

In the area of high technology employment, predictions from the Bureau of Labor Statistics show high levels of growth during the 1980s for data processing mechanics, computer operators, and computer analysts with their respective levels of growth in employment being 92.3%, 71.6%, and 67.8%.

Not all jobs directly involving high technology necessarily involve a college education but almost all involve specialized training, and most likely, at some point, re-training.

And, additional training will become necessary for some occupations. For example, Gene Maeroff points out in the September 4 issue of the New York Times that: "The use of computers may make them matter more as health technicians, for example, use more sophisticated diagnostic tools that have more complex instructions and yield more detailed data. For most young people then, movement up the career ladder will mean taking continuing education programs."

The new technologies can vastly improve a workers ability to perform a job. For example, take the job of a farmer operating a farm. The farmer to many people would seem far removed from the world of high-tech. And yet, he is not. The computer can provide many time-saving services for the farmer. It can assist him in recordkeeping. It can provide information which will tell him the optimum time of the year for planting each crop and in doing so it can take into account variables such as weather conditions which could ultimately improve the harvest or even save a crop. Computers can talk to other computers so that an isolated farmer could be provided with a valuable means of communication.

Along those lines, and with far-reaching significance for not only the farmer but for almost everyone, is the introduction by a commercial firm of the Electronic University. An educational telecommunications system that requires no computer experience to use, it connects personal computers of students with personal computers of teachers. It can be used by anyone, anywhere in the world, to communicate with another person anywhere in the world. It has no geographical barriers. The technology which has made this possible is significant because it has eliminated the barrier of getting two computers together for communication.

The student and instructor will be able to communicate back and forth, in person, on the computer. Messages can be left through electronic mail.

It removes tremendous barriers to education. A handicapped person can learn or teach from his or her own home. People in remote areas will be able to take or offer classes.

The announcement launching the Computer University took place on September 12 of this year. Initially, 170 courses are being offered with many more in the developmental stage.

U.S. Secretary of Education, Terrel Bell, praised the electronic university for its potential to reach "all learners on all levels." This concept can open the doors of learning to virtually everyone.

It is also an exciting prospect as a means of retraining workers. Training for a career, until now, usually lasted a lifetime. It is likely that a person starting a career today may need as many as 3 or 4 re-trainings during their productive years.

The displaced worker is becoming a problem and could perhaps become an even greater problem in the future. It is a problem for which President Reagan has shown great concern. The Job Training Partnership Act, which began full operation on October 1, is an example of the type of program that could be of assistance in dealing with the problem of those who need additional job training or job re-training.

We can not say precisely at this time how the job market is going to change but we know that it will be changing. The Job Training Partnership Act is one of the types of steps that can be taken to deal with the problem of displaced workers that such changes are likely to bring about. This Act should be helpful to those who are facing troubles brought about by a changing job market.

The Job Training Partnership Act focuses on assisting people to obtain the skills needed in order to obtain a job. The emphasis is on helping them to get a job so that they can be less dependent on the government.

If large numbers of people are going to need job training or re-training to obtain a job it could create great demands and strain on government, if, instead of obtaining these skills, these individuals become dependent on the government for support. It

is a problem that concerns all levels of government—federal, state, and local—and the new law is designed to encourage all levels of government to work with the private sector on a problem that concerns them all.

Following the philosophy of President Reagan the program uses a block grant approach. Most of the control of the program is in the hands of local rather than federal officials.

Money allocated for the JTPA is money which is to be spent for training, unlike its predecessor, CETA, which emphasized paying wages rather than training for employment. There is no public sector job funding under the Act which stresses instead partnership with the private sector.

The programs for training participants will last from six to twleve months depending on the area of training for the participant. There will be an emphasis on skills training in high technology areas as well as other critical areas. Business and industry are full-partners in the program which cuts down on government cost.

Because of the block grant approach implementation will vary according to the approach of the local decision-makers.

The new technologies are important to educators. They will affect not only what we teach but how we teach it. More and more educators are beginning to recognize the great potential of technology to enhance learning of students, increase teacher productivity, and produce more effective schools.

The recently released report by the National Commission on Excellence in Education, A Nation at Risk: The Imperative for Educational Reform, has done much to focus national attention on education.

The Commission was appointed by U.S. Secretary of Education, Terrel H. Bell. The job of the Commission was to review and report on the status of education throughout the United States.

The report which resulted has alarmed many educators. It presented documented evidence that shows many aspects of our educational system to be in serious trouble. We cannot afford to be complacent about our schools; we cannot accept the status quo.

Allow me to quote from the report: "Our nation is at risk. Our once unchallenged preeminence in commerce, industry, science and technological innovation is being overtaken by competitors throughout the world . . . the educational foundations of our society are presently being eroded by a rising tide of mediocrity that threatens our very future as a Nation and a people. What was unimaginable a generation ago has begun to occur—others are matching and surpassing our educational attainments. . . We have, in effect, been committing an act of unthinking, unilateral educational disarmament.

The findings of the Commission were hardly a surprise to educators who have perceived these trends over the past few years. The same alarming trends were confirmed by other reports which were issued subsequently: The Action for Excellence report of the Task Force on Education for Economic Growth by the Education Commission of the States, the Report of the Twentieth Century Fund Task Force on Federal Elementary and Secondary Education Policy, and America's Competitive Challenge: The Need for a National Response, of the Business-Higher Education Forum.

These reports issue a clarion call to all of us to assess where we have been in education where we are presently, and where we should be going. It is important to realize that money alone will not resolve our problems in education. We are already spending a total of $230 billion per year on education—public and private. An excessive infusion of money could result in more problems if it is used to make the same mistakes but with more resources.

Obviously, some things are right with American education and some things need improving. The report by the National Commission on Excellence in Education provides an impetus for not only those who have careers in education but the public at large to focus on improving education.

There has been a lot of interest generated by the report and the recommendations of the Commission. If it has done nothing else, it has created a renewed interest in education and brought it to the forefront of issues facing us today.

This is very positive for education. Given time, I believe the interest will generate some very beneficial results in the education of our young people.

One recommendation of the Commission which is pertinent to our discussion here today is related to State and local high school graduation requirements. The Commission is calling for the strengthening of these requirements and states: "at a minimum, all students seeking a diploma be required to lay the foundations in the Five New Basics by taking the following curriculum during their 4 years of high school: (a) 4 years of English; (b) 3 years of mathematics; (c) 3 years of science; (d) 3 years of social studies; and (e) one-half year of computer science. For the college-bound, 2 years of foreign language in high school are strongly recommended in addition to those taken earlier."

I believe it is especially significant that a recommendation is made for computer science. Computers are beginning to have a vital role in the educational arena; it is inevitable that that role will continue to grow at an ever increasing rate. It is significant to note that the Commission feels that it is already important enough for every student receiving a high school diploma to have at least one half year of computer science. Even those of us who have championed the liberal arts recognize that there is such a thing as a "new liberal arts". The concept of a liberal education has focused on education as serving the inner being of the individual and the spirit of society rather than just material needs; it caters to the human urge to understand the world in which the individual finds himself rather than give in to an animal need to exert some control over the world. Stephen White, Director of Special Projects for the Alfred P. Sloan Foundation, notes that the computer is beginning to do for the mind of man what the engine did for the muscle of man: "The engine permitted man to manipulate matter in great bulk and at great speed; the computer permits man to manipulate data with the same extraordinary facility."

Thus the "new liberal arts" require a knowledge of "technology" and "analytical skills". For the teacher in any field, as well as the poet, the artist and the philosopher, live in a world in which they must deal with data during the dawning of an "information society". And such innovative institutions as Carnegie-Mellon University expect that almost every one of their students by 1986 will be working on a computer not just in math and engineering but in drama, music, history and writing. We all know that the technology revolution is not the future; it is here now.

Instructional technology offers us a great opportunity to improve education. We must not treat it as a fad or game but as a tool tied to quality and excellence in education.

During a National Teleconference on Educational Technology held on June 22, 1982, in Washington, D.C., Secretary Bell announced that technology would be one of his lead initiatives in education. There were over forty-five State sites, including the one in D.C., that participated in two days of activities highlighting technology in education.

The Office of Educational Research and Improvement was selected by the Secretary to take the lead in implementing his initiative on technology. OERI has become involved with a number of interesting and exciting educational programs.

Our Center for Libraries and Educational Improvement is monitoring several contracts which utilize technology to improve the teaching of the basic skills. One of these is a communication program known as Project Quill. It uses a set of microcomputer-based programs around which several instructional activities have been developed. The activities are geared to young writers in grades 3 to 6. Quill utilizes the microcomputer's technological capabilities to help teachers teach writing. The youngster's natural enthusiasm for anything connected with the computer strongly motivates them to write and to perform the various tasks which are a part of the program. It has helped to eliminate the drudgery of rewriting compositions by hand. Corrections and rewrites can be made quickly on the word processor and a print-out secured. In addition we are also supporting studies focusing on the use of computers to teach math and science.

We are also using technology, educational television, to teach science through such programs as the "Voyage of the Mimi" and, in cooperation with the National Science Foundation, "3-2-1 Contact".

Our National Center for Education Statistics has completed surveys showing the growing use of computers in the schools.

The National Diffusion Network, also under OERI, identifies exemplary programs and assists schools to implement them. Under Secretary Bell's leadership, the NDN initiated "Lighthouse Projects". As a result of the current emphasis on technology, the National Diffusion Network has awarded grants to ten "Lighthouse Projects" in Technology. The Lighthouse Projects are designated as such because they are using technology to enhance education in an outstanding way. The federal grants will enable those schools to host visitors from all over the country and to provide material on their adaptations of technology to school use.

The programs are:

Project C.O.F.F.E.E. or the Cooperative Federation for Educational Experiences located in Oxford, Massachusetts. It offers a regional alternative occupational education program in high technology to secondary school age youth, some of whom were previously school dropouts. C.O.F.F.E.E. is noteworthy for the exemplary school/business partnership which it has formed with the Digital Equipment Corporation of Bedford, Massachusetts and for which it received a Presidential Commendation. Digital has been extremely supportive of school efforts to learn about and use computers.

The Merrimack Education Center in Chelmsford, Massachusetts. It is a computer

assisted instruction program developed to assist in the improvement of basic skills instruction for compensatory education populations. The program staff includes professional educators who are available to provide technical assistance in introducing successful computer applications to the schools. The Project consists of four main components: (1) Computer Assisted Instruction, (2) School System Computer Support, (3) Computer Training and (4) Computer Software Exchange Library.

In Asbury Park, New Jersey, the Board of Education offers a course which utilizes computer assisted instruction for secondary mathematics courses in grades 9-12. Educational software designed for the purpose of integrating computer-assisted instruction with traditional techniques utilized in teaching Algebra I, Alegra II, Geometry, Trigonometry, Calculus, and Applied Mathematics has been developed and field tested for purposes of the program.

The Evaluation Center, located here in Minnesota in the Hopkins Public Schools, Hopkins, Minnesota is involved in the implementation and utilization of data processing systems in the administrative, management, and instructional functions of schools. Most recently, it is concentrating on the utilization of microcomputers.

Project READ:S or the Reading Education Accountability Design: Secondary (Idaho) is a comprehensive secondary level reading program (grades 7 to 12) with a computer assisted component. It utilizes motivations and technological advantages of the microcomputer in the direct instruction, reinforcement, inservice training of teachers, and the management processes which are integral to the reading program itself.

Project CUE or Computer Utilization in Education (New York) is a criterion-referenced reading and mathematics curriculum offered in a laboratory setting which utilizes computer assisted instructional applications as the primary instructional methodology by which remedial services are provided.

MATH/TECH (California) is a mathematics project which systematically integrates the microcomputer into the 7th-12th grade classroom utilizing an easy-to-use curriculum which supplements and parallels the traditional 7th-12th grade mathematics curriculum.

RECIPE or Research Exchange for Computerized Individualized Program for Education (Florida) is a program for learning disabled children in grades K-6. It is an objective based instructional and computer management system that assists these students in mastering specific objectives in the basic skills areas of reading, mathematics, and writing.

Project CAISH or Computer Assisted Instruction and Support for the Handicapped (Arkansas) is targeted at ninth grade students. It is an approach which attempts to provide a basic level of literacy and competency in computer science through hands-on experience, as well as providing students who have the aptitude and interest the opportunity to develop higher level skills in computer science and programming.

Project HOSTS, Helping One Student to Succeed, of Vancouver, Washington, which covers computer-assisted instruction and literacy programs (electronics, physics, chemistry, math, music, word processing, gifted program, summer computer camps, and telecommunications).

In order to better focus on the potential of the computer, the Office of Educational Research and Improvement in November of 1982 convened a Research Conference in Pittsburgh, Pennsylvania. The conference participants were asked to examine the future of computers in education as well as examining what research is needed in order to realize the potential of the computer.

A number of education related occupations were represented among the forty experts invited to participate. These included: scientists, psychologists, educational researchers, teachers, and school administrators. A two volume work entitled "Computers in Education: Realizing the Potential" resulted from that conference. In the Chairmen's report, computers are acknowledged as "tools of education"—for both students and teachers. The report states:

"Computers can be powerful intellectual tools. They can perform arithmetic calculations and are becoming able to manipulate equations; they can facilitate the writing process and expedite formatting and revision; they can retrieve information from large data bases. These capabilities can be used to shift educational emphasis from the teaching of routine skills to the teaching of the more sophisticated thinking skills needed in our technological society. They can also be used to improve learning in non-technology areas."

There has been growing concern recently throughout the nation, about the poor showing of students in the basics. Standardized scores verify that colleges and employers concerns regarding students poor performance in reading, writing, mathematics, and science is indeed a fact. Performance in these areas has been on the decline for the past two decades. With proper application there is no reason why computers can not serve as a tool to improve teaching and learning in these very important areas. Interest is being focused on the Hempstead model. The Hempstead School district in New York state, serving largely a disadvantaged student group, has demonstrated that microcomputer aided preparation can be an effective and relatively inexpensive way of helping students raise their SAT scores.

We have an obligation to educate American students to the best of their academic ability. President Reagan has noted that while the role of the federal government is limited in the area of education, nevertheless, there is much the federal government can do to "help set a national agenda for excellence in education, a commitment to quality that can open new opportunities and new horizons for young people."

We must educate a generation of Americans with the understanding and skills to fully participate in the technological world in which they must function.

We Americans have a bright and optimistic future, and we cheat our youth if we paint a picture of the future which is grim and despairing.

We have had too much emphasis on the negatives—energy resources drying up, pollution of the environment, and burdens of the "have not" nations supposedly imposed by the "have" nations. Dr. Herman Kahn, who died suddenly earlier this year, noted that even more significant that what our children are being taught is what they are not being taught. The lessons unlearned in our classrooms are that the wealthy nations play a constructive and essential role in furthering world economics, that rapid economic growth has changed many non-Western nations from poor to middle-income status, and that most resources are more accessible and less costly today than ever before. In addition, he noted that all these forms of progress are likely to proceed even more effectively in the future.

In his last great work, The Coming Boom, Dr. Kahn reminded us that high technology promises to bring back "a sense of excitement, achievement, and progress which even astronauts and outer space no longer elicit."

I commend you in Minnesota for the excellent work you are doing. As you can see, many exciting programs are already in place. These are exciting times for educators. This 18 county interactive telecommunications is such a program. As pioneers for education we are in a position to open new frontiers as we chart a course for the future. We can, and I am sure will, improve and adapt education in America to meet the needs of today's student, tomorrow's citizen.●

WELCOME HOME, NICKY

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. HOYER. Mr. Speaker, this past Saturday was a joyous occasion for many people in my Fifth Congressional District, for it was the day that Nicky Goode came home from the hospital, looking, at last, a bit more like the 2-year-old that he is. For Nicky Goode is one of the most recent recipients of a liver transplant, and I am very happy to report he is doing very well.

This happy homecoming, surrounded by his family and friends, opens a new chapter in Nicky Goode's life. Since birth, he has suffered from a rare birth defect that prevented the excretion of bile from his liver. Without the transplant, he may not have lived beyond his third year of life.

Today he is learning to walk and is gaining weight. His skin is a color more characteristic of young children rather than the greenish color of before. He enjoys being around people, and proudly wears his t-shirt emblazoned with the words, "I love my new liver." Says his mother, Ginger, "He's the baby I really always wanted."

But Nicky is not out of the woods yet. His mother and father, Ginger and Michael Goode, must continue to monitor his health. Daily he must take two doses of needed anti-rejection medication, and he goes on weekly doctor visits.

Because of the concern of the community, the Goodes can rest a bit easier. They are surrounded by friends, neighbors, and people who may not know the Goodes directly, but are moved by Nicky's plight—all who offer support and help.

Since the Goodes first learned about the possible operation, people have come to their aid. The Morningside Volunteer Fire Department held auctions, fundraisers, and bake sales on

their behalf, and raised more than $135,000 for hospital bills and expenses incurred by the family. The chief at Morningside, Les Hedrick, and the many others who devoted hundreds of hours of their time on behalf of the Goodes are to be commended.

One of the first to greet Nicky on his return home was Danny Butler, 19, of Laurel. He was one of the first children in the United States to receive a liver transplant. While that day, Thanksgiving in 1974, may seem far away to most of us, to Danny it too marked a new beginning. We are so happy he is with us today to share in the joy of the Goode family and to provide the kind of moral support they so vitally need during this time.

Mr. Speaker, I would like to extend my sincere good wishes and those of my colleagues here in the House to the Goode family and our greatest hopes for Nicky for a happy and productive life.●

KIND WORDS FROM ITALY

HON. JOHN HILER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. HILER. Mr. Speaker, I was very honored recently to have provided a U.S. flag which was flown over the Capitol building as a gift to the Imperial Naval Museum of Italy. This was presented at the request of Mr. Frank Rizzo of Elkhart, Ind., on behalf of the 39th World Congress of the A.I.C.H., or International Association of Cape Horners.

The A.I.C.H. is a reknown organization of individuals from all over the world who hold a master mariner's license and have sailed around Cape Horn. Mr. Rizzo, a highly-respected businessman from northern Indiana, is himself a native of Genoa, Italy, and retired captain in the U.S. Navy. His active participation in the A.I.C.H. has succeeded in spreading American good will throughout the world.

Mr. Speaker, I ask my colleagues to join me in honoring Mr. Rizzo and extending our appreciation to Claudio Scajola, who responded in behalf of the Imperial Naval Museum and Communal Administration of the Government of Italy. I submit the letter from Mr. Scajola and commend it to my colleagues. I deeply appreciate the translation of the letter, which was provided by Mr. Anthony Panzica of South Bend, Ind., who like Mr. Rizzo, is a highly respected Hoosier businessman of Italian heritage.

MAY 26, 1983.

HONORABLE SIR: In the name of the Communal Administration and myself, we thank you for your sensitivity and your interest on behalf of the United States of America, on your gift to the Imperial Naval Museum of the flag of the U.S.A., on the occasion of the 39th World Congress of the A.I.C.H., the International Association of Cape Horners.

The gift comments (rivets) the sincere friendly sentiments operating between Italy and the United States of America.

Please convey to your government my thanks plus our message of sincere congeniality from my colleagues of the Congress.

Our accolade, Honorable Sir, is a medal recording our city together with my friendly and cordial salute.

CLAUDIO SCAJOLA.●

THE HANDICAPPED INDEPENDENCE ASSISTANCE ACT OF 1983

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. BROWN of California. Mr. Speaker, I am introducing today companion legislation to Senator MATSUNAGA's S. 1115, the Handicapped Independence Assistance Act of 1983. Congressmen HEFTEL, MATSUI, and ZSCHAU are cosponsors of this legislation, which treats certain sensory and communication aids as medical and health services, reimbursable under medicare and medicaid.

Sensory and communication aids increase the communication capabilities of those with sensory impairments—hearing, speech, and sight. Advanced technologies have enabled sensory aids produced to develop increasingly effective tools for the disabled. For instance, Phonic Ear developed an FM radio transmission system for use in educating the hearing impaired in the 1970's. Other devices include a speech synthesizer specifically developed for use by non-oral individuals.

Unfortunately, most handicapped people have already used their insurance money and private resources on basic medical needs, and cannot afford any further expenses. Third-party insurers, including medicare and medicaid, generally do not deem sensory aids as medically necessary and reimbursable as durable medical equipment. However, other nations do. For instance, Scandinavian nations consider sensory aids medically necessary. In addition, Italy began a few years ago paying for personal sensory aids for children when the child could be integrated and mainstreamed into regular classrooms. Other European nations provide similar support.

Some raise questions about the cost of this proposal. I am also concerned about increased demands on our already burdened medicare and medicaid systems. However, increasing the communication capabilities of the sensory disabled will give them greater employment and educational opportunities. Greater independence and potential for productive employment among the handicapped will reduce welfare and disability payments, reduce the number of hours necessary for attendant care and special school services, and increase Federal, State, and local tax revenues.

The Rehabilitation Institute of Chicago estimates that one electronic communication aid provided to one child at school for 8 hours a day pays for itself in 148 days. Preliminary cost analysis figures provided by Bob Humphreys, former Commissioner of the Rehabilitation Services Administration, demonstrate that by the third year of medicare coverage of sensory aids, benefits could reach $31 million from reduced social welfare payments and increased tax revenues. During committee consideration of the bill, we hope to develop definite cost-and-benefit projections.

With medicare and medicaid recognizing the need for and benefits of sensory aids coverage, other third-party insurers will begin providing coverage. Sensory aids companies will find an increased market for their devices, and greater returns from their capital investments. More resources will be invested in research and development, further increasing technological developments to replace lost sensory abilities.

In addition to the fiscal benefits of having a more employable and independent handicapped population, the personal rewards implied are promising. A child with a severe speech impairment would communicate more easily and readily with his friends and teachers, bridging the gap between what he knows and what he can express. A severely physically disabled adult unable to use his head or arms for functional tasks, entirely dependent on another to control his environment, may use an environmental control unit to operate electrical devices, an emergency call system and a telephone. This legislation answers basic human needs for the sensory impaired. It also strives to meet the test of progress, according to Franklin D. Roosevelt:

> The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.

In September 1982, the Science and Technology Committee, on which I serve, received a report from the Office of Technology Assessment (OTA), where I serve on the Board. OTA's report, "Technology and Handicapped People," concluded that the most important issues to be addressed relate to financing, distributive justice, and coordinating programs and goals. This report clearly indicates the need for Government support of developing technologies to aid the handicapped. I believe this legislation would answer some of the questions raised in the OTA report.

Bob Humphreys spoke before the executive committee of the President's Committee on Employment of the Handicapped in May of this year. In his words:

We spend many billions of dollars on disability payments which foster and entrench dependence, while inadequately supporting independence-generating rehabilitation, special education, independent living, and other community based services.

This legislation strives to generate independence and rehabilitation. I look forward to working with my colleagues on this and similar legislation to improve the Federal Government's role in helping the disabled acquire employment and achieve independence.

The text of the bill follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Handicapped Independence Assistance Act of 1983".

SECTION 2. The Congress finds that—

(1) the increased availability and use of technologically advanced sensory and communication aids, equipment, and devices by individuals who are blind, severely visually impaired, deaf, severely hearing impaired, or vocally impaired would reduce the handicaps of such individuals with respect to employment, education, and self-care;

(2) such sensory and communication aids, equipment, and devices would open many new job opportunities for their users, but are beyond the financial means of many such individuals;

(3) although payment for such aids, equipment and devices is not expressly prohibited by statutes authorizing Federal health insurance programs, regulations of both Federal and State agencies result in widespread denials of such payments; and

(4) Wider acquisition of such aids, equipment, and devices by persons with disabilities would benefit the national economy, disabled persons, and their families through increased employment, independence, and improved education for such persons, and is therefore in the national interest.

AMENDMENTS TO SOCIAL SECURITY ACT

SEC. 3. (a)(1) Section 1861(s) of the Social Security Act is amended—

(A) by redesignating paragraphs (11) through (14) as paragraphs (12) through (15) respectively;

(B) by striking out "and" at the end of paragraph (9);

(C) by striking out the period at the end of paragraph (10) and inserting in lieu thereof "; and"; and

(D) by inserting after paragraph (10) the following new paragraph:

"(11) sensory and communication aids designed to substantially reduce or eliminate handicaps to employment and education caused by blindness, deafness, a severe hearing or visual impairment, or the inability to communicate vocally, including training in the use of such aids.".

(2) Section 1864(a) of such Act is amended by striking out "paragraphs (11) and (12)" and inserting in lieu thereof "paragraphs (12) and (13)".

(b) Section 1862(a)(1) of such Act is amended—

(1) by striking out "and" at the end of subparagraph (B);

(2) by striking out the semicolon at the end of subparagraph (C) and inserting in lieu thereof ", and"; and

(3) by adding at the end thereof the following new subparagraph:

"(D) in the case of items and services described in section 1861(s)(11), which are not reasonable and necessary for reducing or eliminating handicaps caused by blindness, deafness, a severe hearing or visual impairment, or the inability to communicate vocally;".

(c) Section 1833 of such Act is amended by adding at the end thereof the following new subsection:

"(k) With respect to expenses incurred for items and services described in section 1861(s)(11), no more than $5,000 in any calendar year, and no more than $15,000 in any five consecutive calendar years, shall be considered as incurred expenses for purposes of subsections (a) and (b).".

(d) Section 1905(a)(12) of such Act is amended by inserting after "devices" the following: ", including sensory and communication aids described in section 1861(s)(11)".

(e) The amendments made by this Act shall be effective with respect to items and services furnished on or after January 1, 1985.●

THE DEFICIT IS NOT OUR ONLY ECONOMIC PROBLEM

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. LAFALCE. Mr. Speaker, 2 years ago I wrote a series of columns commenting on the Reagan tax package of 1981. Utilizing Senator HOWARD BAKER's description of the President's supply-side polices as a "riverboat gamble," I expressed the opinion that the administration's economic forecasts were at best questionable and at worst potentially disastrous.

Of particular concern to me at the time was the assertion that reduced taxes would generate enough corporate and household savings to finance a growing deficit. I also questioned the notion that a tax cut would stimulate corporate fixed investment. We now face unprecedented Federal deficits which, combined with our plummeting savings rate, threaten our long-term economic solvency. Put simply, Mr. Speaker, we a Nation are borrowing and consuming at such a pace that we risk aborting the economic recovery, and virtually insure that we will not have the financial resources to retool for operating in an increasingly competitive international market.

MIT economist Lester Thurow says it this way:

To be competitive on international markets and to break out of the stagnation in our standard of living, Americans needed the latest equipment and technology. But that requires investment and if someone is to invest, someone else must save to provide the necessary funds.

But Americans are not saving. The level of savings has, in fact, taken a nosedive in 1983 after a decline that began when the first tax cut was enacted. In 1981 the savings rate as a percentage of disposable income was 6.6 percent annually. Last year the rate fee to 5.8 percent, and the second quarter of this year showed only a 4.4-percent rate. The 4.4-percent rate was the lowest in 33 years.

Thurow, who expresses the savings rate as a percentage of GNP—under this interpretation, personal savings accounted for only 3.3 percent of GNP for the first 9 months of 1983—notes that our deficit, now 5.7 percent of GNP, represents "negative savings." When you combine the "negative savings," or loss, in the Federal budget with the low personal savings rate, you find that we are not only eating up all of the country's personal savings but taking a large proportion of business savings as well.

What can we do to cure this problem? The intellectually simple answer seems to be to manage the deficit, either through reduced spending or higher taxes. Managing the deficit is essential, because until the deficit is reduced I fear that the Nation's markets will anticipate credit shortages, thus keeping interest rates high.

But even after we reduce the deficit, the problem of a low savings rate remains. Over the long term, reduced savings are going to reduce investment opportunities, or make investment prohibitively costly. In addition to managing our deficit problems, we must plan for economic growth. We must learn to save now rather than mortgaging our economic future.

Americans have been consumers for the last four decades, and that pattern of consumption has brought us great wealth. But it is a transient kind of wealth—a material surplus that we will not be able to replace as our factories grind down to the useless ash of aged and technologically surpassed ruin.

In the United States, consumption is promoted; savings and investment is not. As Thurow points out "we have built a society where it is possible to get almost anything without having to save." Easy credit, low down payments, and the tax deductibility of interest make us the ultimate in the modern consumption-oriented society. In 1982, for example, 66 percent of gross personal savings went directly back into the market as loans for the purchase of consumption goods. The remainder represents that very low figure from which we draw funds to pay for the Federal deficit and finance investment.

Mr. Speaker, this Congress needs to act not only to address the deficit problem, but to encourage savings, for that is where we can guarantee our

11-059 O-87-22 (Pt. 24)

economic future. Tax cuts alone will not encourage savings—the Reagan plan has demonstrated that. Perhaps restricting incentives to consume would be more effective in making us a Nation of savers.

For the interest of my colleagues, Mr. Speaker, I am inserting at this time a recent article by Lester Thurow in the November 21 issue of Newsweek that makes that point very well.

WHERE CREDIT IS NOT DUE

(By Lester C. Thurow)

In the 1980 election campaign President Reagan rightly charged that Americans saved too little. To be competitive on international markets and to break out of the stagnation in our standard of living, Americans needed the latest equipment and technology. But that required investment and if someone is to invest, someone else must save to provide the necessary funds.

Under President Carter, personal savings was 4.1 percent of the GNP. But during those same four years the federal deficit amounted to 1.7 percent of the GNP. Since deficits represent funds borrowed from private savings but used to finance public consumption, any deficit represents negative savings. If the negative savings of the federal government are added to personal savings, only 2.4 percent of the GNP was being saved under President Carter. This was, and is, inadequate.

What has happened since then?

BIAS

In 1981 President Reagan proposed and enacted a personal-income-tax cut biased toward high-income groups on the ground that such a bias would provide more disposable income to those able and willing to save. But the strategy did not work. With the tax cut fully in place in 1983, personal savings was down to 3.3 percent of the GNP in the first nine months of the year.

The large tax cuts in conjunction with the big buildup in defense also raised the federal deficit to 5.7 percent of the GNP. As a result the net federal- plus personal-savings rate was actually negative—minus 2.4 percent the GNP. Not only was the federal government diverting all of personal savings to public consumption, it was diverting a large fraction of business savings as well.

No country can compete and grow with a federal-plus personal-savings rate of minus 2.4 percent. That is simply a route to long-run economic failure.

If you look at personal-savings rates abroad (both West Germany's and Japan's are nearly three times higher), there is a simple explanation: less consumer credit.

For there are only three reasons why anyone saves—you are a miser, you want to die rich or you want to buy something that you cannot afford without saving. While there are a few misers and a few whose only goal is to die rich, most saving occurs because people want to buy something that they cannot afford out of current income. But if it is possible to get what you want without saving, that is precisely what most people will do. And it is here that Americans have been geniuses. For we have built a society where it is possible to get almost anything without having to save.

But when I borrow $30,000 to buy the recreational vehicle that I want, not only don't I save, I subtract $30,000 from the pool of savings available for industrial investment. Someone else's $30,000 savings must be used to finance my consumption purchase.

What is officially measured as personal savings is not the gross amount individuals save, but net savings—personal savings minus personal borrowings to buy consumption goods. And the difference between low American savings rates and high German or Japanese savings rates is not so much in the differences in our gross personal-savings rates but in the amounts that we borrow back for consumption purposes. In 1982 consumption lending absorbed 66 percent of our gross personal savings.

ECONOMIC CARROT

The rest of the industrial world is simply much more restrictive when it comes to consumer credit—demanded down payments are larger, repayment must be faster, interest charges are not tax-deductible. Our industrial competitors simply don't allow consumer credit to eat up 66 percent of their gross personal savings. And if we are to raise America's savings rates we will have to do likewise.

When it comes to high personal-savings rates the key is not the economic carrot of lower taxes (people will simply consume their higher disposable incomes) but the economic stick of less consumer credit. If you cannot get what you want without saving, you will save. It's that simple.

Reducing the negative savings implicit in the federal deficit is as technically easy, and as politically unattractive, as raising the personal-savings rate. It will require a large tax increase. for whatever you believe about expenditure reductions, no one, and certainly not President Reagan, can devise $200 billion in expenditure reductions.

Thus, if we are serious about the need for more savings, we will have to start talking seriously about less consumer credit and more consumer taxes.●

TEMPORARIES FOOD FOR CHRISTMAS FOUNDATION

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. HOYER. Mr. Speaker, I take this opportunity to bring to the attention of my colleagues the efforts of the Temporaries Food for Christmas Foundation, a nonprofit foundation whose sole aim is to help the elderly and needy families during the Christmas holiday season and all year long.

Temporaries, Inc. is a national temporary help service with 29 offices in 21 major marketplaces throughout the United States. Founded in Washington, D.C. in 1969, Temporaries, Inc. and the people behind it believe that businesses should return resources and energy to the community in which they operate. This belief led to the founding of the Temporaries Food for Christmas Foundation. Since its inception in 1974, the foundation has raised hundreds of thousands of canned food items through its food drives. The foundation has grown to serve the Nation, as it is funded and supported through every office in every city of Temporaries, Inc.

The foundation's ninth annual Food for Christmas Drive will be held December 6 to 11 in the Metropolitan Washington area. Gifts of canned food go directly to the recipients of the program and other community service groups such as the Senior Citizens Counseling and Delivery Service, HELP/FISH Volunteer Groups of Maryland, and United Communities Ministries, Inc. The Food Drive is important to the happiness and well-being of many people this Christmas season, and I am hopeful that this year's drive is the most successful to date.

The Food for Christmas Foundation is supported by various fundraisers and businesses in the Maryland-Washington area. Their annual Food for Christmas Ball, to be held this year on December 2, is a major vehicle for charitable donations to this worthy cause. The ball draws many corporate sponsors and patrons from a wide variety of business fields—major sports teams such as the Washington Capitals and Bullets, radio stations such as WKYS-FM and WRC-AM, TV stations, such as WRC and WJLA, restaurants, and more. I recognize and commend the philanthropic efforts of all the supporters of this noble and needed foundation.

As the holiday season draws nearer, and we each begin to count our blessings for the many rewards that have been bestowed upon us, we must also take care to remember that we are not the rule but the exception to it. It is sad that there is even a need for organizations such as the Temporaries Food for Christmas Foundation, yet in a never-perfect world such as our own we are grateful that such organizations do exist.

In a time of year when we celebrate and honor man's decency, compassion, and capacity for joy and love, the altruistic efforts of all the honest, caring people associated with the Temporaries Food for Christmas Foundation serve as shining examples of the holiday spirit and man's humanity to man.●

THE SOVIETS AND HUMAN RIGHTS

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. YATES. Mr. Speaker, all of us are aware of the dark and cruel record of the Soviet Government in the treatment of its citizens. The true dimensions of the Soviet human rights tragedy is, however, made tangible and very personal when we become involved in efforts to assist individuals and families who are being oppressed and hurt by that Government.

For a number of months, I have been trying to help reunite a young

woman, Sandra Gubin, with her husband, Aleksei, who lives in Kiev. There is nothing political or complex about the case. It is as simple as two young married people wanting to spend their lives together. The Chicago Sun-Times printed an excellent article about this couple. I ask that the article be printed in the RECORD and I hope Members will take a moment to read it.

The article follows:

[From the Chicago Sun-Times, Sept. 25, 1983]

PAIR HOPES FOR REUNION DESPITE U.S.-SOVIET CHILL

ANN ARBOR, MICH.—Aleksei Pavlovich Lodisev, Russian husband of American Sandra Gubin, went from his home in Kiev to Moscow this week to plead for compassion at a particularly angry time in American-Soviet relations.

His goal was the same as the reason for the five letters Gubin writes to Soviet President Yuri V. Andropov in Moscow every week—the husband and wife want to be reunited.

"All I want is to have Aleksei here with me and to begin having children," or a paraphrase of that thought is in every one of those letters she has written since May 23.

Included in the blizzard of paperwork she has sent to congressmen, diplomats, government officials and people who are just interested parties, is a letter that expresses Gubin's case simply.

"In September, 1980, I went to the Soviet Union as the recipient of a Fulbright Hays Fellowship and a participant in the International Research and Exchanges Board [IREX] scholarly exchange program.

"During the course of the 9½ months I spent in the Soviet Union, I met, fell in love with and married Aleksei Pavlovich Lodisev.

"We were married in Kiev on April 17, 1981. My husband has three times been denied permission to come live with me in the United States."

Since that letter, her Russian husband has applied and been turned down a fourth time, but was told he was eligible to reapply next year.

"Most couples receive approval after the first or second application," according to the American woman's experience. "Even the U.S. State Department is flabbergasted at our situation."

Gubin, who is with the Institute for Public Policy Studies at the University of Michigan in Ann Arbor, cannot fathom the delay, even with her 10 years as a scholar of Russian affairs.

"It makes no sense to me," she said of the rejections, which the Soviet authorities do not bother to explain to Aleksei at the office in Kiev.

"Our case is in accordance with their law. My husband is a computer specialist, but he doesn't know of anything connected with his job that could make him a security problem.

"The Soviet Union has approved of the Madrid Human Rights Agreements and is scheduled to sign them this month. Certainly it is in the interest of the Soviet state to project an image which adheres to its own constitution and laws . . ."

Soviet law does not forbid marriages such as theirs and the Soviet constitution states "each of the spouses is free to select his or her occupation, profession and place of residence."

Gubin also doubts dismay about the South Korean airliner incident and U.S. reaction came quickly enough to cause the refusal Soviet officials handed her husband in the first week of September.

"Maybe there is something in Kiev . . .," she muses aloud.

Lodisev has gone to Moscow hoping to determine whether things are different in the capital.

As for his wife, she writes letters to Andropov that are elegant in their straightforward appeal.

"While I believe very strongly that the reunification of divided spouses is in the interests of the Soviet Union, I have deliberately avoided introducing politics into these letters, she wrote on Aug. 4.

Since there has been no hint of a response to any of her correspondence to the Kremlin, Gubin has no way of knowing whether those brief daily letters of hers are even read.●

CONGRESSMAN TONY P. HALL INTRODUCES HUMAN NEEDS AND WORLD SECURITY ACT

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. HALL of Ohio. Mr. Speaker, a bipartisan group of my colleagues and I are introducing today the Human Needs and World Security Act.

The objective of the legislation is to reform and to reorder foreign assistance spending priorities. The Human Needs and World Security Act proposes to cap or freeze spending for security assistance for fiscal 1985, while making modest increases in selected development and humanitarian aid programs.

I. BACKGROUND

Since 1980, U.S. foreign aid has shifted sharply toward military aid and security-related aid under the economic support fund. Military aid has grown by over 100 percent, and total security assistance—military and ESF combined—has grown 73 percent. In contrast, humanitarian and development aid programs have increased 6 percent, which has been less than the rate of inflation.

In fiscal 1981, a total of $5.3 billion was spent on security assistance, which represented 50.2 percent of all foreign aid. In fiscal 1982, the amount spent on security aid jumped to $7 billion, or 56 percent of total foreign aid. In fiscal 1983, the total rose to $8.5 billion, or 60 percent of all U.S. foreign assistance.

In the recently passed continuing appropriations legislation for fiscal 1984, funding for security assistance totals $9.2 billion, which represents about 63 percent of all U.S. foreign aid.

It is clear that U.S. foreign aid spending is increasing, and a larger and larger portion of that increase is for military-related assistance.

Our citizens are rightly concerned about the need to critically examine all areas of Federal spending in order to reduce the massive deficits projected for the next several years. According to most opinion polls, the average American would select foreign aid as a category which deserves special budgetary scrutiny. Yet that citizen might be surprised to learn that the bulk of foreign aid spending is for military purposes.

Currently, the world spends $22 on military purposes for every $1 it spends on development aid to poor countries. According to the U.N. Center for Disarmament, the money required to provide adequate food, water, education, health, and housing for everyone in the world has been estimated at about $18.5 billion per year. The world spends this much on arms every 2 weeks. In the developing world, 10 times more is spent on arms than on health, education, and welfare combined.

On the average, arms imports account for 59 percent of total Third World imports. In some countries, this has been an important contribution to the debt that is dragging down their economies—which, in turn, affects the industrialized lending nations.

From the perspective of the United States as an arms supplying nation, a General Accounting Office report this year noted that a dozen countries were receiving guaranteed loans, even though they already were in default on prior loans for military assistance.

In 1982, over 43 billion dollars' worth of arms transfer agreements were concluded by arms selling nations to the Third World. Between 1975 and 1982, the value of these transfer agreements was $236.7 billion. Consider the impact on development if just half of this amount, or $118.4 billion, had been channeled to meet basic human needs in recipient countries.

In 1980, 30 developing countries spent more on their military budgets than on health and education combined. In developing countries today, there is one soldier for every 250 people—and 1 doctor for every 3,700. Moreover, the military forces in the Third World are often used to repress poor people and others working in their behalf. Of the 41 military governments identified by the Center for Defense Information as having records of violating their citizens' basic human rights, the United States has supplied arms to 28.

It further should be noted that militarization, war, and famine are closely linked. The famines and food shortages in Bangladesh, 1972; Cambodia, 1979; East Timor, 1979; Somalia, 1980; and Ethiopia, 1983 have all been associated with warfare. In each case, major weapons supplying nations and

the United States helped to arm the combatants.

There is, of course, a legitimate need for international security assistance. However, in recent years U.S. foreign aid has emphasized the military component of security assistance to the detriment of the other aspect of the recipient nations' security: the fulfillment of essential human needs. Clearly, hunger, disease, and subhuman living conditions threaten a developing country's stability as much as any real or imagined external military threat.

It is time to reallocate the billions of dollars spent on military aid to address basic human needs in the developing world. Certainly, this is as much in our own security interests as in the recipient nations'. It is the human misery in the Third World that gives rise to the instability and conflict into which the United States is increasingly being drawn militarily.

If it is not possible to shift billions of dollars from security assistance to development assistance, let us at least start in the next fiscal year to limit the unchecked growth in security assistance spending and direct a modest increase—totaling $220 million—to certain essential development programs.

II. SUMMARY OF THE HUMAN NEEDS AND WORLD SECURITY ACT

The Human Needs and World Security Act contains two principal portions. The first objective of the bill is to limit security assistance spending in fiscal 1985 to amounts spent in fiscal 1984. To implement this freeze in the growth of security assistance, the bill places an overall cap on military assistance of $6,261,500,000. This reflects the funding in the continuing appropriations for fiscal 1984 for the combination of foreign military sales credits, foreign military sales guarantees, grant military assistance, and international military education and training. In addition, the bill places a separate cap on economic support fund (ESF) spending, the second component of security assistance, at the continuing appropriations for fiscal 1984 level of $2.9 billion.

The second objective of the bill is to provide small increases over the fiscal 1984 level—as contained in the continuing appropriations legislation—for selected humanitarian and development aid programs. The bill provides an increase of $50 million for the U.N.'s Children's Fund (UNICEF) for the provision of low-cost preventive health measures associated with the "child health revolution" developed by UNICEF and other U.N. agencies. Another $50 million increase is directed to the Agency for International Development's (AID) health care activities for preventive health care, including the provision of safe potable water. The bill directs $40 million for the International Fund for Agricultural Development and $50 million for title II of the Public Law 480 program. Finally, $10 million is to be provided for the Inter-American Development Bank's program for the financing of small projects and an extra $20 million is directed for the activities of the Peace Corps. The total amount of all the increases for humanitarian and development aid programs is $220 million—less than $1 for every person in the United States.

III. EXPLANATION OF THE HUMAN NEEDS AND WORLD SECURITY ACT

Security assistance provisions: It should be emphasized that the bill does not cut security assistance spending. Rather, it limits the amount to be spent in fiscal 1985 to the current fiscal 1984 limits. Security assistance spending already has grown from $5.3 billion in fiscal 1981 to $9.2 billion in fiscal 1984. This legislation requires security assistance to forego an increase in fiscal 1985. At a time when so many other programs are required to sustain cutbacks, it is not unreasonable to not grant an increase next year for security assistance.

The bill does not earmark funding for security assistance to any specific nations. Instead, it provides lump sums of $6.3 billion for military aid and $2.9 billion for economic support fund spending. While it is the intent of the sponsors that funds could not be shifted out of economic support fund spending and into military aid, it would be possible to transfer funds among the military aid categories of foreign military sales credits, foreign military sales guarantees, grant military assistance, and international military education and training.

With respect to grant military assistance, it should be noted that the legislation does not interfere with the President's emergency "draw down" authority in the case of unforeseen needs.

In summary, the bill sets a ceiling for overall security assistance—a very high ceiling based on the increases in recent years—and requires specific funding allocations to be determined within the limits set for military aid and economic support fund spending—the two blocks of total security assistance.

Humanitarian and development aid provisions: Based on current projections, unless limiting legislation is enacted, spending for security assistance in fiscal 1985 will increase by another $900 million.

Under the first portion of the Human Needs and World Security Act, there would be no net increase in overall security assistance spending. Thus, there would be an estimated saving of $900 million—the money that would have been spent without a cap on security assistance, according to some projections.

The bill proposes to reinvest a part of the money saved in programs with a record of benefiting and involving directly poor people within developing countries. That portion would total $220 million. The balance of the money would amount to a savings in the foreign affairs function for the budget—and the taxpayer.

The additional $220 million would be a first step toward a more balanced approach to long-term security in the developing world. It would acknowledge that military assistance alone cannot guarantee a nation's security in the midst of poverty, hunger, and disease.

The $220 million for humanitarian and development aid programs would be allocated as follows:

UNICEF CHILD HEALTH REVOLUTION

The bill proposes an additional $50 million for UNICEF for the provision of low-cost preventive health measures associated with the "child health revolution" developed by UNICEF and other U.N. agencies. Most of the 40,000 children who die every day throughout the world die of the effects of malnutrition, infections, and repeated bouts of diarrhea. It has been estimated that perhaps 20,000 of these children's lives could be saved every day by following the procedures proposed under the child health revolution. Oral rehydration therapy, using a solution of sugar and salt to treat children suffering from diarrhea, is an example of one of these procedures. In Narangwal, India, community health workers using oral rehydration therapy and penicillin have reduced the death rate among young children by half. A $50 million increase in the U.S. contribution to this program could directly result in literally thousands of children's lives being saved. This certainly would be a worthy foreign aid expenditure.

AID HEALTH ACCOUNT

The bill would add $50 million for AID health care activities for preventive health care measures, including the provision of safe potable water. Health spending is perhaps AID's most effective account, delivering direct and lasting benefits to poor people in developing nations. The AID program supports primary health care systems which provide training and supplies to grassroots networks of health volunteers in developing countries. Funding also is used for biomedical research, particularly with respect to malaria and other tropical diseases. It should be noted that an American Public Health Association study of 52 AID-supported health projects in 1982 found changes in the health status of target groups. For example, in some Egyptian villages, infant mortality was reduced by half.

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

The International Fund for Agricultural Development (IFAD) is the only international organization that fo-

cuses solely on increasing food production in the poorest food deficient countries. The encouraging work it has been performing, merits the additional $40 million proposed in the Human Needs and World Security Act. The International Fund for Agricultural Development is funded primarily by the OECD countries and the OPEC nations. Contributions by OPEC account for 43 percent of IFAD funding, while U.S. contributions account for 17 percent of all funds. After 3 years, the United States has provided only $90 million of a $180 million commitment to IFAD. Since $50 million is scheduled to be contributed by the United States in 1985, the additional $40 million would enable the United States to finally meet its contribution pledge.

PROGRAM FOR THE FINANCING OF SMALL PROJECTS OF THE INTER-AMERICAN BANK

The Inter-American Development Bank's (IDB) program for the financing of small projects is aimed at groups of people who have little or no access to credit and who are usually in the lower half of the population. Loans have been made in 21 countries in Latin America and the Caribbean, with 75 percent of the loans going to the poorest nations. An earmarked U.S. contribution of $10 million would help to move this program from the experimental stage. This is the type of self-help program that can generate many positive spinoffs in the poorest countries of this hemisphere. For example, the 4-H Club of Costa Rica has established a program of credits to sons and daughters of farmers in the Costa Rican countryside. Each $1 of loans has generated over $2 of income. The agricultural and loan experience has helped these young people to develop their farming skills.

PEACE CORPS

The Human Needs and World Security Act proposes an increase of $20 million for the Peace Corps. As a former Peace Corps volunteer in Thailand, I can attest to the many benefits of the Peace Corps program. Through the Peace Corps, we provide developing nations with our most important resources: our own people. I know that both our own country and the recipient countries reap benefits from this people-to-people program. The returning volunteers bring back much to share with their fellow Americans, while sharing their expertise and American values with the host countries.

TITLE II OF PUBLIC LAW 480

This legislation would add $50 million for title II of Public Law 480. Under title II, U.S. agricultural commodities are distributed in developing countries by private and church agencies. Most assistance is either for emergencies or used in institutional settings such as health clinics or school lunch programs. Since title II assistance is managed and distributed by private voluntary organizations, they are in a position to minimize the potential negative effects on native farmers' prices, and to maximize the nutritional benefit to the most vulnerable groups like women and small children. According to the U.N.'s Food and Agriculture Organization, 22 African countries are facing catastrophic food shortages in what may be "the worst drought of the century." The FAO is requesting food aid, in addition to already scheduled commercial purchases and aid pledges, that equals nearly half of the present title II program. Food aid will not solve Africa's long-term nutritional problems. However, it can save the lives of people in immediate need, and help affected countries to rebuild their own grain reserves, creating a buffer against further shortages.

IV. CONCLUSION

The time has come to check the unchallenged growth of the security assistance component of foreign aid. The Human Needs and World Security Act proposes to cap security assistance funding in fiscal 1985 at the fiscal 1984 levels, and to make selected increases in worthy and promising humanitarian and development aid programs. These increases, totaling $220 million or less than $1 for every person in the United States, would represent a strong step in the direction of reordering foreign aid spending priorities and promoting the security and stability of developing nations. The real security threat in most of the countries arises from the problems of hunger, poverty, and disease. World security may be best served by efforts to address basic human needs in the Third World.

This legislation, a project of bread for the world, should be studied and considered by all my colleagues. I seek and urge wide cosponsorship so that the provisions of the Human Needs and World Security Act will receive favorable action during consideration of the foreign aid budget for fiscal 1985.

For the benefit of my colleagues, the text of the legislation follows:

H.R. 4440

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Human Needs and World Security Act".

FINDINGS REGARDING FOREIGN ASSISTANCE, HUMAN NEEDS, AND WORLD SECURITY

SEC. 2. The Congress finds that—

(1) over 800 million people in the developing countries live in conditions of absolute poverty which deny them the opportunity to work productively or to obtain adequate nutrition, health care, education, and other basic human needs;

(2) because of the suffering that this entails, and because countries where poverty, hunger, and inequality are the greatest have often been the most vulnerable to violent political and social upheaval, it is both a moral responsibility and in the interest of the United States to support programs and activities that provide direct and lasting benefit to hungry and impoverished people in the developing countries;

(3) spending for security assistance to the developing countries has grown rapidly in recent years without corresponding investments in the long term development of the people of these countries; and

(4) in a period of rising budget deficits, more modest foreign aid spending and a more balanced approach to security assistance and development assistance are both in the interest of the United States.

INCREASED DEVELOPMENT ASSISTANCE

SEC. 3. (a) For the fiscal year 1985—

(1) not less than $102,000,000 shall be provided under chapter 3 of part I of the Foreign Assistance Act of 1961 to the United Nations Children's Fund, with the funds which are in excess of the funds provided under that chapter to that organization for the fiscal year 1984 to be devoted to the provision of low-cost preventive health measures associated with "the child health revolution" developed by the United Nations Children's Fund and other United Nations agencies;

(2) not less than $90,000,000 shall be provded under section 103(g) of the Foreign Assistance Act of 1961 for the International Fund for Agricultural Development; and

(3) not less than $175,000,000 shall be provided under section 104(c) of the Foreign Assistance Act of 1961 for health care activities, with the funds which are in excess of the funds provided for such purpose for the fiscal year 1984 to be devoted to preventive health care activities, including the provision of safe potable water, directly benefiting the poor majority.

(b) For the fiscal year 1985, there is authorized to be appropriated not less than $135,000,000 for the Peace Corps.

(c) For the fiscal year 1985, not less than $700,000,000 shall be available for expenses of carrying out title II of the Agricultural Trade Development and Assistance Act of 1954.

(d) For the fiscal year 1985, there is authorized to be appropriated not less than $10,000,000 for payment to the Inter-American Development Bank for use for assistance under the Bank's Program for the Financing of Small Projects.

LIMITATION ON SECURITY ASSISTANCE

SEC. 4. (a) Notwithstanding any other provision of law, the aggregate of—

(1) the total amount of credits (or participation in credits) extended under section 23 of the Arms Export Control Act (foreign military sales credits); and

(2) the total principal amount of loans guaranteed under section 24(a) of the Arms Export Control Act (foreign military sales guarantees); and

(3) the total funds used for assistance provided under chapter 2 of part II of the Foreign Assistance Act of 1961 (grant military assistance); and

(4) the total funds used for assistance provided under chapter 5 of part II of the Foreign Assistance Act of 1961 (international military education and training);

shall not exceed $6,261,500,000 for the fiscal year 1985.

(b) Notwithstanding any other provision of law, assistance provided under chapter 4 of part II of the Foreign Assistance Act of 1961 (economic support fund) shall not exceed $2,900,000 for the fiscal year 1985.●

JACOBS SPARED PANEL DEMOTION

HON. FRANK McCLOSKEY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. McCLOSKEY. Mr. Speaker, our colleague, ANDY JACOBS, knows firsthand the horrible price of war. He is a disabled combat veteran of Marine infantry service.

Though he favors ferocious combat to protect the United States from actual danger of armed attack, he disagreed with both Presidents Johnson and Nixon over U.S. participation in the Vietnam war. He also disagreed with President Carter over the illfated raid in Iran. And he disagrees with President Reagan over American combat commitment in Lebanon and over the armed invasion of Grenada. Whether one agrees with ANDY JACOBS or not, the last thing people who know him would accuse him of is blind partisanship. No one knows this better than the Democratic leadership. As can be seen in the following Indianapolis Star article, he goes further than some Democratic leaders might think reasonable in being fair with Republican Members in floor proceedings.

Because of this, it is unfortunate, uninformed, and unfair for anyone to question ANDY JACOBS' motives and suggest anything less than an honest disagreement with the administration over contemporary U.S. military combat in other countries.

Most people, including our Republican colleague, ELWOOD HILLIS, would say that ANDY JACOBS is one of the least partisan Members of Congress.

I insert the following articles from the Indianapolis Star of January 9, 1981, and the Indianapolis News article of November 9, 1983.

[From the Indianapolis Star, Jan. 9, 1981]

JACOBS SPARED PANEL DEMOTION

WASHINGTON.—The Democratic Steering and Policy Committee of the House of Representatives decided Thursday not to punish Rep. ANDREW JACOBS (D-Ind.) for jumping the party line on a procedural vote during the opening day of Congress.

JACOBS was one of only three Democrats who voted with Republicans on a motion to "order the previous question"—thereby ending amendment and debate on the adoption of the House rules for the 97th Congress.

Rep. RICHARD BOLLING (D-Mo.), chairman of the Rules Committee and a member of the Steering and Policy Committee, urged the panel to recommend to the Democratic Caucus that JACOBS and Rep. LARRY MCDONALD (D-Ga.) be deprived of their committee seniority and relegated to the House District Committee, a kind of limbo reserved for the lowest-ranking freshmen.

The third errant Democrat, Rep. CHARLES ROEMER (D-La.), a freshman who pleaded ignorance and promised not to stray again, was forgiven by the policy group.

JACOBS, on the recommendation of Rep. DAN ROSTENKOWSKI (D-Ill.), chairman of the Ways and Means Committee, wrote an explanation of his position to Speaker THOMAS P. (TIP) O'NEILL, JR. (D-Mass.), who was not keen about disciplining JACOBS.

Learning that the Steering and Policy Committee will recommend to the Democratic Caucus that he be accorded his seniority and seat on the Ways and Means Committee, JACOBS said, "Evidently being in favor of democracy does not violate Democratic principles after all."

He said he voted out of conscience against ordering the previous question because he thought the Republicans had a right to be heard on their demand for a better ratio of memberships on standing committees.

[From the Indianapolis News, Nov. 9, 1983]

GOP ASKS ANDY

(By David Mannweiler)

Indiana congressman ANDY JACOBS, JR., wasn't on the election ballot yesterday, but that didn't matter to the National Republican Congressional Committee.

It took a swipe at JACOBS last week, anyway.

The NRCC, which is working to promote the election of Republican congressional candidates across the country, took exception to comments JACOBS made on the floor of the House of Representatives after the Grenadian invasion/rescue mission.

The NRCC cranked up its news press machinery and slapped this headline on a release: "JACOBS Says American Lives Were Not Endangered In Grenada; Student Says, 'God Bless America.'"

The release repeated JACOBS' comments that "the American lives that were in danger in Grenada apparently were not the ones who were already there (meaning the American medical students at St. George's School of Medicine). The American lives endangered on Grenada were those who were sent there to die, and did die (meaning the American soldiers)."

After quoting JACOBS' comments, the NRCC then quoted an unnamed rescued student as saying, "God bless America, God bless Reagan, God bless our military."

Rep. THOMAS HARTNETT, R-S.C., jumped into the act, and the news release, at this point.

"Perhaps a little less partisanship might be in order for Rep. JACOBS," HARTNETT said.

"Here we have American soldiers, sailors and Marines engaging heavily-armed Cubans in combat and Rep. JACOBS directs his comments at the President of the United States rather than the role being played by the Cubans and their cohorts who took over the island a week ago," HARTNETT continued.

"The students themselves, upon their safe return to U.S. soil, have said that this action was necessary to protect their safety. If anyone had asked the employes of the U.S. Embassy in Tehran 24 hours before the students came over the wall if they were in physical danger, they might have said no.

"But if President Carter had acted in a similar, decisive fashion, we might not have had to endure the humiliation of having State Department professionals held hostage for 444 days.

"I hope," HARTNETT added, "this will serve as a lesson to Rep. JACOBS, but I doubt it. Perhaps, though, Rep. JACOBS' comments in a time of national crisis will be remembered by the voters next November."

A little less partisanship, Mr. HARTNETT?

SALUTE TO VINCENT ARLOTTA, PATRIOT, LEADER, AND HUMANITARIAN

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. BIAGGI. Mr. Speaker, on January 1, 1984, in New York, the very distinguished executive director of the Queens Chapter American Red Cross in Greater New York, who is the warm and loving humanitarian Vincent Arlotta, will be retiring his post, after 46 years of service to the people of the city of New York, 20 years as a member of the New York City Police Department's Mounted Division, and 26 years as a volunteer and staff member of the American Red Cross. His devotion to civic duty and his dedication to the causes of the needy have been extraordinary in the annals of New York public service. In light of his exceptional direction and accomplishment, Vincent Arlotta will be specially honored, and his work acknowledged, at the Queens Chapter Gala Dinner Ball on December 7. I believe it very fitting that we, as the Congress of the United States, join in saluting Vincent Arlotta on that date, as a great American, a proud New Yorker, and distinguished public servant.

Only an outstanding individual like Vincent Arlotta could give so much of himself for the American Red Cross for over a quarter century. It is that special brand of personal and public service for the beneficiaries of the American Red Cross that we honor here today. Vincent Arlotta began as a hard-working volunteer, and served in that capacity for 10 years with the Queens and Manhattan chapters from 1957 to 1967. In October 1967, he was appointed as supervisor of the Bronx chapter, a special recognition of his leadership talents, and led the Bronx Service Center until his appointment as manager of the Queens North Shore chapter in December 1969. He became director of the Central Queens chapter in November 1973, while remaining director of the North Shore chapter; 1977 saw him assume the executive directorship of the Queens chapter, where he has served so admirably at the helm until the present day.

Vincent Arlotta's service for his community also includes achievements with organizations concerned for our youth, our elderly, and social, civic, fraternal, and religious concerns. He has served as vice chairman of the Southeast Queens Consortium of Aging Services, as board member and financial secretary of the Queens Council for Social Welfare, and as a member of the Queens Chamber of Commerce Health and Safety Commit-

tee. He is a past distinguished president and distinguished secretary of the Kiwanis Club of Flushing, and a board member of the Flushing Boys Club, the Jamaica Service Program for Older Adults, and a member of the Advisory Council Queensborough Public Library and the Queens Interagency Council on Aging. Additionally, Vincent Arlotta has been a past president of the Flushing First Friday Group, and is a lector and Eucharistic minister of his church. Almost too numerous to mention, our honoree has helped and worked with many other Queens organizations.

Born in Manhattan, New York City, on November 18, 1921, and educated at New York schools, Guardian Angel Grammar School, the High School of Commerce, City College of New York, and Fordham University, Vincent Arlotta also had a long and meritorious 20-year career with New York's finest, the New York City Police Department. Briefly assigned as a probationary officer with the 34th precinct in 1947, he was to spend his police career as a member of the Mounted Division, working out of troop B in the Times Square, Waterfront, and Village areas.

Vincent Arlotta is a U.S. Army veteran, having served our country for 4 years during World War II with the 102d Infantry Division in the United States and Europe. He was honorably discharged in January 1946 as a staff sergeant.

Our congratulations go out to Vincent Arlotta on the culmination of his distinguished career for the Red Cross, our country, and the community. To him, and his wonderful family, wife, Josephine, children, Darlene, Vincent, and Francine, and grandchildren, Matthew, Jeffrey, Vincent, Gregory, Adrienne, and Jessica, we extend our best wishes for continued success, and happy, productive lives.●

CELEBRATING GREENPOINT: ITS PAST, ITS FLAG AND ITS FUTURE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. SOLARZ. Mr. Speaker, earlier this year, when the House of Representatives passed my resolution commemorating the 100th anniversary of the opening of the Brooklyn Bridge, many of my colleagues who spoke in favor of the resolution, talked about the enduring qualities of the bridge—its solidity, its workmanship, the innovation which, in its time, the construction of the bridge represented. The celebration which the borough and New York City sponsored, which so many of my colleagues attended, was truly one of the great events of the year.

However, another anniversary was celebrated in the Greenpoint community of Brooklyn, which symbolized many of the same attributes the bridge has come to represent. Greenpoint, on June 6, paused to remember the 16th anniversary of the official dedication of the Greenpoint flag, the first community flag of the United States.

Family, tradition, love of neighborhood—these are the enduring qualities of Greenpoint which the flag symbolizes. I like to think that Brooklyn generally, and the community of Greenpoint specifically, is an area which honors, pays tribute and, most importantly, keeps alive these kinds of values. This is particularly noteworthy because, as we all know too well, these are values which are so often lost in a society which is buffered, as ours is, by rapid change, technological advancement, and the mobility of population that often means rootlessness in today's world.

Because Greenpoint continues to hold these values dear, I wanted to share some information with my colleagues about this remarkable community—its past, its flag, and its future.

Greenpoint, which is located in the section of Brooklyn directly across the East River from Manhattan's Lower East Side, was purchased in 1638 by the Dutch West India Co. from a tribe known as the Canarsie Indians.

By the time of America's revolution, Greenpoint was settled by five prominent families of Dutch descent, who maintained active farms there.

In 1840, the ferry to Manhattan was instituted, and the shipbuilding industry was organized there. Until 1880, shipbuilding employed half the local population which numbered about 30,000. On Greenpoint's docks, such famous ships as the *Grand Republic*, the *Adirondeck*, and *Henrik Hudson*, were built. Iron ships were fabricated, including the forerunners of the famed *Monitor*.

Besides ships, Greenpoint became known, in the 19th century, as the "Carousel Capitol" of the world. The first U.S. patent for a carousel was awarded to a Greenpoint resident named E. S. Scripture.

As technology, and the routes on which ships carried cargo, changed, Greenpoint's industrial base became dominated by fine pottery works, glass works, and oil refineries. The largest oil and gas storage depots in the city are located there. Ironworks, the remaining firms which deal in the shipbuilding trade, manufacturers and other companies now enliven its industrial area. Several industries, taking advantage of the assistance provided by the North Brooklyn Development Corp., are relocating to Greenpoint.

But traditional elements have not been swept away by progress. Greenpoint's streets are still lined with brick and brownstone row houses built after the Civil War. Its churches, many built in the late 19th century, present fine examples of Romanesque Revival style architecture. But, tradition in the best sense—that is represented in the lifestyle and customs of the community—is Greenpoint's most important asset.

The story behind the Greenpoint flag demonstrates this point.

On February 10, 1967, the Greenpoint Weekly Star carried a story titled "Flag Entry Deadline March 30." The newspaper reported that the Greenpoint Civic Council Flag Committee had set a deadline for a contest they had planned: They were soliciting applications and designs for a flag that, once chosen, would be the first community flag in America. The council members—Joseph Savino, Ralph Carrano, Cathy Meyers, Ray Mizgalski, Hyman Shiffer, Mary Driscoll, Frank J. Waskiewicz, and Edwin Duffy—appealed to the community for their entries.

Rather than selecting the winning design in some backroom, the council, with cooperation from the newspaper, proposed a typically democratic procedure—the community would vote by submitting ballots printed in the Greenpoint Star. Four proposed designs, each of which pictured in editions of the paper, appeared on the ballot.

The top vote getter was submitted by a young woman named Ann Kandratino, the granddaughter of Russian immigrants, and she was heralded in the community as "Greenpoint's 'Betsy Ross'."

On June 7, 1967, the flag—depicting a scene on the East River, with the buildings of Greenpoint in silhouette, pictured on a white background—was raised for the first time. It was an extraordinary celebration. Our former colleague, Mayor John V. Lindsay, spent the afternoon touring the neighborhoods of Greenpoint. It was a remarkable and memorable day for the community.

Ten years later, Brooklyn Borough President Howard Golden signed a proclamation commemorating the 10th anniversary of the Greenpoint flag. He said, in part, that the concept behind the process to design the flag was "to provide motivation to stabilize and unite all community residents of all ethnic backgrounds harmoniously under a single standard to perpetuate the ideal of safeguarding democracy and freedom for all American communities."

That is exactly what has happened. The flag is still flying. And this wonderful community remains united. It contains a marvelous diversity of individuals from varying ethnic backgrounds, with their own traditions and customs. But when all is said and

done, it is a tightly knit community, working to preserve, protect, and improve its quality of life, for now and for the future.

In this the 16th year of the Greenpoint flag, as the Congressman representing the community, I salute Greenpoint and the strength of its commitments to the values which make our people and our Nation great.●

FEDERAL SPENDING AND FEDERAL DEFICIT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. HUBBARD. Mr. Speaker, I have received a timely letter from Paul J. Martin, president of Martin-Thompson Inc., Owensboro, Ky., with regard to his concern about the Federal spending policies and the rising Federal deficit.

Mr. Martin is supportive of efforts to establish a bipartisan commission to reduce the deficit. I believe my colleagues will be interested in his comments, and the letter follows:

MARTIN-THOMPSON, INC.,
Owensboro, Ky., October 26, 1983.

CARROLL HUBBARD, JR.,
Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN HUBBARD: They tell me you haven't heard from the public so you don't think we are worried over the reckless federal spending and massive deficits.

Wrong!

I, for one, am fed up with the inactivity, the partisan politics and the finger pointing on the deficit issue. I want you to vote for the establishment of a bipartisan commission to reduce the federal deficit. That commission must make its recommendations no later than the beginning of the year. Then I want you to vote to reduce the deficit before the election.

You must act now to defuse the deficit time bomb!

Sincerely yours,

PAUL J. MARTIN,
President.●

COMMENDING THE JUVENILE JUSTICE CONNECTION PROJECT

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. BERMAN. Mr. Speaker, I would like to take this opportunity to commend the staff and the board of directors of the Juvenile Justice Connection Project.

The JJCP is performing vitally needed community work with juveniles who are in trouble with the law in the San Fernando Valley of Los Angeles. The project is extremely successful in that it involves the entire community in diverting youths from lives of crime to lives of useful citizenship.

By bringing youth serving programs, agencies, and individuals with special expertise into the juvenile justice system to work with the courts, probation officials, and the schools, JJCP is making a difference in the San Fernando Valley. JJCP provides support for young people, giving them the strength to change their ways before they become a threat to themselves and society.

JJCP is making our community safer from youthful offenders. The staff directs young people in need of help to the appropriate program to solve their problems. In so doing, they help to eliminate the tremendous potential that is wasted when a juvenile is allowed to continue to break the law and is eventually incarcerated. They help to return these individuals to society as productive, contributing citizens. Finally, the JJCP also saves us tax dollars by seeking ways to keep juveniles at home while they are receiving help or are on probation, rather than having us pay to place the offender in juvenile hall or some other tax-supported facility.

Mr. Speaker, the Juvenile Justice Connection Project is focusing national attention on the San Fernando Valley. I am proud of the work that they are doing for our community, and I would like to call the other Members' attention to this outstanding project.

I wish the staff and board of directors of the JJCP the best of luck and continued success in the future.●

TVI ENERGY CORP.

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. HOYER. Mr. Speaker, I would like to bring to the attention of my colleagues the TVI Energy Corp., a small, young technology company which has just turned its first profit, after a 5-year research and development stage. TVI is located in Beltsville, Md., in the northern part of my Fifth Congressional District.

TVI is a leading designer and manufacturer of Energy-Kote radiant heating panels. By using these panels, thermostats can be set an average of 6° to 8° lower than required with conventional central hot air systems and produce equivalent comfort levels in rooms. According to the company, the panels can be used with existing heating systems, or as the prime heating source, without costly plumbing or ductwork alterations, and reduce heating bills from 30 to 50 percent for both residential and commercial use.

TVI has developed a micro-thin composition of lamellar graphite and copper conductors, laminated between two layers of "Mylar" polyester and bonded to rigid, nonflammable insulation board to form a continuous heating element. The panels use low amperage to generate radiant heat directly to room occupants in less than 4 minutes from initial startup, and enables users to reduce wasteful heating of unoccupied rooms or areas when not in use.

These panels have already been ordered for two HUD-sponsored projects, one in Baltimore. The company has entered into an agreement with Mitsui & Co., Ltd. of Japan to conduct a marketing feasibility study of the panels in Japan and Korea.

In addition, TVI manufactures infrared thermal signature targets used by the military. They are the major supplier to the U.S. Army, and have appointed Saab-Scania of Sweden to sell and distribute their signature targets and related equipment for military use in certain NATO countries.

TVI employs approximately 52 people in the Beltsville plant, and it is actively involved in efforts to improve its operating procedures and its management to increase its marketing effort.

Mr. Speaker, it is often said that small business is the real backbone of the American economy. Its struggles, its challenges, its successes and failures are a reflection of all our efforts as this Nation works to build and expand its economic base. Through perserverance, hard work and some tough management decisions, TVI has come to a point of positive return. This young company has a bright future ahead of it, and I look forward to TVI playing a leading role in its effort to provide real answers to the energy problems we face today.

SUBSIDIZED HOUSING: THE NEED IS GREAT

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. HAWKINS. Mr. Speaker, now that the logjam has apparently been broken, and the reauthorization of our Nation's housing and community development programs is imminent, I feel it is imperative that I speak out on an issue of great concern to the residents of my district in south central Los Angeles, concentrations of subsidized housing in certain portions of a community.

Shortages of subsidized housing are not unique to my area. The problem is one that confronts most of our country's urban areas. Thousands of eligible citizens have been unable to obtain affordable housing simply because the need far outstrips the availability.

Currently only about one-tenth of those deemed eligible have been lucky enough to be placed in subsidized housing units. In Los Angeles, the vacancy rate hovers between 1 and 2 percent. Because of budgetary constraints, the situation is not expected to improve dramatically in the foreseeable future.

Citizens of my district believe HUD should insure, through regulations, that proper planning and advance notice is given to the community when a project is proposed for the area. Citizen input must be solicited in order to provide the best possible location of a project.

Low-income housing projects should not be concentrated in any one particular neighborhood or community. Planning assistance grants should be revived. I call on HUD to address this problem in a timely and equitable fashion.●

CONGRATULATING DR. MOZAFFAR BAKHCHI

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. ACKERMAN. Mr. Speaker, I would like to invite my colleagues to join me in congratulating Dr. Mozaffar Bakhchi, who will receive the Humanitarian Award of the National Committee for Furtherance of Jewish Education on this Sunday, November 20. Dr. Bakhchi is being honored for his tireless volunteer efforts on behalf of countless disadvantaged individuals in medical need.

This selection of Dr. Bakhchi comes as no surprise to me. I have known him for many years. He has been the pediatrician for my three children, and I have watched with admiration and gratitude as he catered to their medical needs. Dr. Bakhchi's story is a remarkable one, which I would like now to relate to you.

Mr. Speaker, Mozaffar Bakhchi was born in Tehran, Iran, and received his medical education at the renowned Sorbonne in Paris, France, from which he was graduated in 1957. After getting his degree, Dr. Bakhchi quickly established himself as a dedicated medical practitioner and a compassionate and caring citizen of the United States. Dr. Bakhchi opened his private practice in Forest Hills, N.Y., in 1965, but has also found time to be a clinical instructor in pediatric medicine at Downstate Medical School of the State University of New York, in Brooklyn. Although his practice and his academic obligations required a significant amount of his valuable time, Dr. Bakhchi has demonstrated his dedication for those in medical need and moral support by being a true "tzadik"—a man of charity. In 1979, when the Shah of Iran was overthrown, Dr. Bakhchi was instrumental in evacuating over 1,000 Iranian children, helping them adjust to life in the United States, and providing them with free medical care. Dr. Bakhchi has also donated medical equipment to the infirmaries at the two schools sponsored by the National Committee for Furtherance of Jewish Education, Hadar Hatorah and Machon L'Yadus, both in Brooklyn.

Just a few short weeks ago, I was in need of an interpreter as well as a physician in order to assist Iranian twin brothers who were beaten in an anti-Semitic attack while being kept in detention by the Immigration Service. Dr. Bakhchi filled both roles. He immediately rescheduled patients and rushed with me to the Federal detention facility to help correct a great injustice.

Mr. Speaker, Dr. Mozaffar Bakhchi is a fine example of an individual who makes his community and Nation a strong, healthy and compassionate place in which to live, work, play, and raise a family. Mozaffar is an asset to his community and the medical profession. He is a person of outstanding dedication whose praiseworthy contributions serve as an inspiration to all of us. I ask the Members of the Congress of the United States to join me in lauding Dr. Mozaffar Bakhchi for his outstanding efforts on behalf of his community and the Nation.●

THE EUROPEAN NUCLEAR NEGOTIATIONS: PATHS TO WAR OR PEACE?

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. MARKEY. Mr. Speaker, I would like to recommend to my colleagues an excellent legal brief entitled "The European Nuclear Negotiations: Paths to War or Peace?" prepared by Mr. Alan B. Sherr, President of the Lawyers Alliance for Nuclear Arms Control.

Mr. Speaker, we are headed for a disasterous situation in Europe.

Both the United States and the Soviet Union are in a hole over the INF question—and the only solution either side has come up with so far is to keep digging.

Everybody in this town just assumes that once the United States begins deploying the Pershing II and cruise missiles in Europe, the Soviets are going to come meekly crawling to the negotiating table and bargain for reductions.

I would like for the movie to end that way—I really would. But I do not think the Soviets are going to follow the script, because it assumes that Yuriy Andropov's spine is weaker than Ronald Reagan's spine.

Now I do not know what Mr. Andropov's ailment is, but you can be darn sure it is not going to cause him to cave in on the Euromissiles.

No, when the United States begins deploying the Pershing II and cruise missile, the Soviets have all but taken a blood oath to walk out of the INF talks for good and to put the United States under the same quick-strike threat that the Pershing's pose for the Soviets.

They may put SS-22's in East Germany and Czechoslovakia. Those missiles would be 2½ minutes from their targets in the West. Our Pershings would be 8 minutes from their targets.

If that happens, we are really going to enter the Atari generation. We will have to rely more on computerized early warning systems because reaction times would be too short for human decisions.

I do not think this is a situation anybody wants.

I am worried we are entering into an era of confrontation with the Soviet Union when we desperately need to be entering an era of negotiation.

If Mr. Reagan continues this confrontation the way he has in the past he will go down in history as the first President not to meet with the Soviet leadership since Herbert Hoover.

And if the INF and START talks blow up in our face as they may well do with this deployment, Mr. Reagan may also have the dubious distinction of being the first post-World War II President not to sign an arms limitation agreement with the Soviets.

Mr. Speaker, at this point I would like to insert in the RECORD the introduction and conclusion to the superb legal argument prepared by the Lawyers Alliance for Nuclear Arms Control. This organization under the leadership of Mr. Alan Sherr is based in Boston, Mass., and in my opinion will go down in history as one of the most effective voices for rational analysis of the nuclear arms race in this country.

INTRODUCTION

At the outset of a recent major trial involving automobile insurance rates, the judge confessed to counsel that she was already suffering the initial stages of the "ME-GO" syndrome. The reference was to the "my eyes glaze over" phenomenon. It is a common affliction in matters of great technical complexity in which opposing arguments are couched primarily in terms of "facts and figures."

Many people approach the issue of nuclear forces in Europe with similar trepidation. Treatments of the issue too frequently become mired in numbers—for example, comparisons of NATO and Warsaw Pact force levels—without adequately establishing how the figures came to be, why they are important, and what they imply for the future. Such analyses and arguments encourage the belief, shared by many in the United States, that the question of Europe-

an nuclear deployments is too technical and fact-oriented to be judged by non-experts. Many Americans also appear to believe that this question is not so directly linked to their interests as are "domestic" arms issues, such as whether to build the MX missile.

Both beliefs are incorrect. Moreover, they are dangerous. Although the European issue is admittedly a complex one, it is possible for non-experts both to understand it and to develop informed, independent conclusions. It is essential that we in the United States make these efforts because, in the nuclear age, America would inevitably be an extension of any "European nuclear battlefield." The Atlantic insulates us more from the debate than from the military reality; we can ignore this reality only at our own peril.

This brief—one in a series on nuclear arms control issues published by the Lawyers Alliance—surveys the history of nuclear arms deployments and nuclear arms negotiations in Europe. The reader is likely to reach two basic conclusions based on this history: (1) the nuclear arms race in Europe is accelerating; and (2) negotiations have thus far failed to move much beyond the stage of public posturing. But the failure of negotiations is due to a lack of serious commitment by the superpowers, not to unavoidable obstacles. As the concluding sections of the brief argue, the self-interests of the parties are not irreconcilable—to the contrary, there is sufficient overlap of interests to support an effective and lasting agreement. This brief will describe those interests and suggest some approaches for breaking out of the current impasse. Time is running out, however. Unless informed public opinion succeeds in forcing a reassessment of present NATO and Soviet policies, Europe and the world will be carried closer to nuclear catastrophe.

RECOMMENDATIONS AND CONCLUSIONS

There is no magic formula that all interested parties could instantly recognize as a solution to the complex problem of nuclear arms in Europe. Even under the best of circumstances, it will take time to work through a number of tough issues: how to count dual-capable weapons which could deliver either nuclear or conventional explosives; how to guard against rapid conversion of intermediate-range missiles into intercontinental-range ones; how to control shorter-range nuclear missiles that could be moved into range of Western Europe; where to draw the line between medium-range bombers and shorter-range aircraft that could deliver nuclear bombs; how to verify compliance—to give just a few examples.

But it is not necessary to agree on an end point in order to make a beginning. What is needed at this stage is agreement on general approaches or, even more fundamentally, on principles that should guide the general approaches. The following three principles could put the superpowers back on the path to productive negotiations and peace rather than the present road to conflict.

Principle No. 1: Take off the pressure.

Principle No. 2: Move toward stability.

Principle No. 3: Remove artificial obstacles.

1. Take off the pressure

Time is now working against agreement. Once the Soviets are faced with the deployment of a significant fraction of the planned 108 Pershing II missiles, the political benefits to them of allowing dissension in Western Europe to grow may well outweigh the marginal military cost of additional Pershing II deployments. If, as they have warned, the Soviets retaliate in some way for the new NATO weapons, the NATO allies will be reluctant to take steps which might be interpreted as backing down. This does not mean that negotiations will not be possible. It does mean that talks will become even more complex and that momentum will shift decidedly in favor of a renewed nuclear arms race in Europe.

There is time, even after initial deployments in late 1983 but before both sides have dug themselves in too deeply, to avoid this mutually destructive result. If both sides were committed to finding common ground, a framework of an agreement might be reached based on the "walk-in-the-woods" compromise with which both parties are already familiar—and which each accuses the other of rejecting. A better alternative would be to defer NATO deployments, or freeze and then remove those weapons already in place, in return for commencement of Soviet reductions. This approach could be implemented without giving the Soviets an incentive to drag out negotiations indefinitely.

NATO could defer or freeze deployments during a two-year period of negotiations in return for a Soviet agreement to freeze all of its nuclear weapons in Europe and to destroy a set number of intermediate-range missiles (or warheads) per month. Because the older SS-4s and 5s are already being eliminated, the agreement should require that at least half of the missiles destroyed be SS-20s. NATO could agree that, in the event a final settlement was not reached after this two-year period, its planned deployment of 572 missiles would nonetheless be reduced by the number of SS-20 missiles that the Soviet Union had destroyed. If the Soviets refuse such an interim plan on the ground that they cannot accept *any* American missiles in Europe, even potentially, they may find acceptable a variant of this plan after initial NATO deployment have become a fact of life. NATO could propose the destruction of deployed Pershing IIs and GLCMs as Soviet missiles are destroyed and, after all the deployed Pershing IIs and GLCMs were gone, Soviet reductions would continue until they were down to the agreed-upon level.

2. Move toward stability

Both superpowers have much to gain in reaching agreement on the nature and number of intermediate-range nuclear forces in Europe. The worst thing that either side can do is to take actions which could undermine the future potential for agreement. Unfortunately, deployment of ground-launched cruise missiles in Europe will have just that effect. Relatively large mobile missile systems, such as the SS-20 and its launcher, or even the Pershing II complexes, can still be located and counted with "national technical means" of verification, such as satellite photography. Cruise missiles, however, greatly increase the problem of verification because of their extremely small size (they are about 20 feet long) and high mobility. Even though cruise missiles also require launchers and support equipment, there is a substantial chance that a nation intent on hiding them could do so successfully unless the parties agreed on far more intrusive measures of verification than they now employ. NATO may not be concerned about this problem now, but it will likely have a different view when the Soviets respond with their own strategic nuclear GLCMs. Once GLCMs are deployed by the hundreds or thousands throughout Europe, it will be very difficult to reach a verifiable agreement recalling them. In a manner of speaking, deployments of GLCMs thus undermine the "stability" of nuclear arms control.

Just as the United States belately discovered that multiple-warhead missiles are destabilizing, it will someday realize the destabilizing nature of GLCMs (in relation to arms control) and Pershing IIs (in relation to a first-strike potential). It is hoped that the Soviet Union will come to the same conclusions regarding GLCMs and missiles such as the SS-20. Both superpowers would be well served to adopt as a negotiating principle the desirability of eliminating this dual threat to stability and security.

3. Remove artificial obstacles

When NATO made its dual-track decision in 1979, the allies expected that the INF negotiations would be made "in the framework" of SALT II. It was only because of the collapse of the SALT process that the INF negotiations were undertaken as a separate enterprise. Based on recent history, NATO should now appreciate that keeping INF issues separate from the general context of strategic nuclear arms negotiations will probably cause problems. The experience of allowing, or even encouraging, the Soviets to deploy SS-20 missiles because they did not count against the missile ceilings established in SALT (the "SALT/SS-20 connection") should serve as a warning of the dangers of piecemeal arms control. Similarly, Western leaders' fears of "de-coupling" from the U.S. based on the potential for a "separate peace" between the superpowers (the "SALT/Euromissile connection") should be a reminder of the potentials for intra-alliance tensions due to artificial separation of "strategic" and "theater" issues. It is not too late to learn these lessons. If an interim INF agreement is not quickly forthcoming, the superpowers should agree on the principle of merging INF and SALT.

Merger would provide important advantages to both sides. The Soviets could directly address their concern that NATO's INF modernization is merely another route to achieving strategic nuclear superiority otherwise foreclosed by SALT. West Europeans could feel more secure that their interests would not be "de-coupled" from those of the United States. An even more important benefit would be the possibility of neutralizing the divisive issue of how British and French forces shoud be counted. In a purely European context, these weapons are a significant factor. They are presently a very small factor, however, when compared to the overall balance of American and Soviet forces. If British and French weapons were taken into account in an expanded START negotiation, the U.S. would not need to be concerned about allowing the Soviets parity with all the Western powers. The American contribution would be so dominant that British and French forces would be a minor issue. Even so, the Soviets could not complain that the British and French forces were not being taken into account. Neither side would lose face and both would gain.

The importance of these three principles is that they present real opportunities for progress without requiring the fact or appearance of major concessions. Responsible people have proposed a number of specific and well-thought-out plans for controlling and reducing nuclear arms in Europe. The immediate task of the parties involved in the INF negoitiations is to create a environ-

ment in which these plans have a chance to bear fruit.●

CONGRESSIONAL MEMORIAM TO THE HONORABLE C. WILLIAM HOFMANN, JR. OF NEW JERSEY UPON THE DEDICATION OF THE C. WILLIAM HOFMANN, JR. RECREATION COMPLEX, RINGWOOD, N.J.

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. ROE. Mr. Speaker, on Wednesday, September 21, 1983 an esteemed mayor, outstanding community leader and good friend, the Honorable C. William Hofmann, Jr. of Ringwood, N.J., went to his eternal rest. During the forthcoming weekend of observance of our national holiday of Thanksgiving, on Saturday, November 26, the people of the Borough of Ringwood, N.J. in testimony to his personal commitment, hard work, and unselfish dedication that he so willingly and ably devoted to the quality of life and way of life in their community will formally dedicate their new Borough Hall Park in his honor with the commemorative inscription: "The C. William Hofmann, Jr. Recreation Complex."

Mr. Speaker, it is indeed my privilege to join with the Honorable Mayor Peter Cannici and all of the citizens of Ringwood in seeking this congressional memoriam to Bill Hofmann and I know that you and our colleagues here in the Congress will want to join in extending our most sincere condolences to his family: his good wife, Mary; son, C. William III; daughters, Patricia, Jennifer, Kathleen, and Ann Marie; and sisters, Patricia Lee of Iselin, N.J.; Shirley Hofmann of Clearwater, Fla.; Candace Kennedy of Vincentown, N.J., and Barbara DeVita of Newark, N.J.

Bill Hofmann can truly be lauded and held in the highest esteem for his lifetime of outstanding accomplishments and good deeds in service to people. His being called to his eternal rest at the young age of 46 years culminated a lengthy scroll of good works and devotion to the needs of people that will forever serve as an inspiration to all of us in his life's purpose and fulfillment. He was labeled a giant in the community by his peers and colleagues and all of us who had the good fortune to know him.

Charles William Hofmann was born in Orange, N.J. and resided in Livingston, N.J. before moving to Cupsaw Lake, Ringwood 15 years ago. He was an administrator for the IBM Corp. for the last 23 years. He served as a borough councilman from 1976 to 1978 and as mayor from 1979 to 1981. Since the early 1970's he served on the Planning Ringwood Board of Education and also served on the Planning Board, Environmental Commission, and was chairman of the Homesteading Committee actively involved in rehabilitation programs throughout the borough.

Just prior to his passing, Bill received the Ringwood Chamber of Commerce's first honorary life membership for his leadership efforts in the business community. He was a member and eucharist minister of St. Catherine's Roman Catholic Church, a charter member of St. Catherine's Knights of Columbus Council 6212 and a member of the Cupsaw Lake Improvement Association. He was also a legislative aide to State Assemblypersons Dean Gallo and Leanna Brown. He will also be long remembered for his compassionate and benevolent efforts on behalf of our Cub Scouts in Cupsaw Lake.

Mr. Speaker, the C. William Hofmann, Jr. Recreation Complex was made possible through a New Jersey State Green Acres grant and a matching local bond. It is surely identified with, and a fitting memorial to, Bill Hofmann who was active in pursuing recreational improvements for the Borough of Ringwood and was instrumental in initiating the Green Acres State grant process and development of the Borough Hall complex as well as other recreational facilities.

The C. William Hofmann, Jr. Recreation Complex consists of the following facilities:

The former little league and major league fields at Borough Field have been upgraded to tournament standards with new lighting and fencing;

Four asphalt tennis courts;

New softball field;

New football-soccer field, with bleachers;

Practice football field, with playing field turf;

Cedar wood jungle gym type playground construction, with playground facilities for the handicapped;

Four wooden checkerboard tables with benches; and

Two boccie ball courts.

Mr. Speaker, there is so much that can be said of Bill Hofmann, his quality leadership, richness of wisdom, and warmth of friendship and with your permission I would like to insert at this point in our historic journal of Congress a beautiful endowment of these attributes authored by one of Bill's colleagues, Councilman John J. Brooks, and published by the mayor and council of Ringwood, as follows:

EULOGY TO C. WILLIAM HOFMANN

I always viewed Bill as a simple man; gentle, sensitive and generous of himself to a fault; a man of deep convictions and an extraordinarily highly developed sense of right and wrong grounded in strong religious beliefs. Many people have these qualities, very few have the courage to translate them into the guiding principles of their lives. Bill was one of those few people.

Bill believed that contributing to the betterment of the community was an obligation and that belief coupled with an incredible capacity for hard work, translated into years of dedicated public service. To the school board, the planning board, the environmental commission, the council, as Mayor, to the HUD committee and again to the council—he always gave 110%. Whether it was having fun playing softball or doing the job as Mayor—if it was worth doing, it was worth a total effort.

Bill possessed an inner strength which came through and affected people around him. One intuitively knew that he would be the point of calm in any storm, a person who could be depended on, one who would come to grips with the difficult decision or perform the unpleasant task. Bill was willing to step up to the hard part of the job.

He was not one to casually share his innermost feelings, but when he did, it became quite evident that he believed that his religion and his family were the foundation stones of any success he achieved. His family was the most important element in his life. Bill freely admitted how much he needed Mary and made no effort to hide the love and affection he felt for her and their children.

It is easy to see why Bill was so respected, but respect does not explain the collective sense of loss that came over Ringwood at the news of his death. His dedication and conviction were filtered through a screen of sensitivity and gentleness that caused people to add genuine affection to the respect they felt for him. Bill contributed so much that we should temper our sense of loss with the realization of how poor we would be if he had never been here at all.

I think that those who knew Bill well will not object if I quote from someone far more eloquent than I:

"His life was gentle, and the elements so mixed in him that Nature might stand up and say to all the world, 'This was a man'."—Councilman John J. Brooks.

Mr. Speaker, I know that you and our colleagues here in the Congress will want to join with me now in silent prayer to the memory of an outstanding community leader and great American, the Honorable C. William Hofmann, Jr., whose record of exemplary public service which is now memorialized in the C. William Hofmann, Jr. Recreation Complex of Ringwood, N.J., has truly enriched our community, State, and Nation. May his wife Mary and family soon find abiding comfort in the faith that God has given them and in the knowledge that their beloved, C. William Hofmann, Jr., is now under His eternal care. May he rest in peace.●

THE FURTHER DETERIORATION OF FEDERAL EMPLOYEE WAGES AND WORKING CONDITIONS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. BROWN of California. Mr. Speaker, yesterday the House passed

the conference report for H.R. 2077, legislation providing temporary retirement contribution adjustments for civil service employees. I am pleased that both the House and Senate took action regarding this serious matter. However, during the past 2 years, Federal employees have been one of the primary scapegoats for the U.S. financial difficulties. We must continue to make reparations for the deterioration of Federal employee wages and working conditions.

Federal employees' salaries are not keeping pace with those in private employment, and their health and retirement benefits are being systematically reduced. In time, the public will suffer due to the continued deterioration of the conditions of employment of the Federal worker. Qualified individuals will no longer work for the Government when they could be more financially secure working in the private sector. I think that perhaps some individuals still believe that the typical Federal employee fits into an old stereotype which depicted Federal employees as shiftless, dull, and disinterested workers. This is hardly the case today.

However, the Reagan administration apparently still perceives Federal employees according to this stereotype. The administration has made policy decisions that have a negative impact on the financial well-being of Federal employees, justifying its policies with the old canard that Federal workers are overpaid, underworked, and given too many benefits. The administration seeks to reduce the Federal Government's budget and scope by slashing away at Federal workers. The most recent example is the White House proposal to downgrade 40,000 jobs in the GS-11 through GS-14 range over the next 4 years through attrition. Consolidation, improved organization, and a smaller Federal Government role have not resulted from the administration's civil service policies. The administration has alienated the Federal worker, severely damaged morale, and made difficult the consistent implementation of Federal law.

Comprehension of the problem begins upon consideration of the fact that Federal employees will probably get a mere 4 percent pay adjustment in January of next year. This increase, which appeared in the reconciliation bill, was delayed from the regular October pay increase date in the hope that some additional money could be saved. I voted against this delay. It is important to note that $8.4 billion of the $10.3 billion that was saved in the reconciliation bill came directly from civil service. Even the current pay raise appears more as an insult than a meaningful increase when compared to the inflation rate. How can a Federal employee expect to improve his living situation when his salary adjustment consistently lags behind the rise in inflation?

The notion that Federal workers are compensated far better than the private sector worker is dispelled by the facts: according to every estimate, the average Federal worker's current compensation—taking pay, retirement and health benefits together—is 20 percent below that of a comparable private worker. A 4-percent pay increase will not close the financial gap between private and Federal employees. Rather, it will continue to make private sector employment more attractive than Federal employment to the most capable people.

Even though Federal pay has traditionally lagged behind private sector pay, some have been attracted to civil service because of the civil service retirement system. Yet even this incentive has been reduced. The Reagan administration proposed drastic cuts in retirement benefits for Federal employees for the 1984 budget, including plans to cancel the 1984 cost-of-living adjustment (COLA) for retirees under the age of 62; increase employees' contribution from the current 7 to 9 percent in 1984, and 11 percent in 1985; and raise the retirement age for full benefits from 55 to 65. Although the House rejected the administration's proposals, this clearly demonstrates the executive branch's attitude toward Federal employees. Additionally, Federal employees now pay 1.3 pecent of their salaries to medicare.

I voted against the social security bill both times it came to the House floor, in large part because Federal workers were being brought in without a clear guarantee that their current retirement benefits would be protected. This law requires that as of January 1984 new Federal employees must contribute to the social security program, forcing new Federal employees to pay into two retirement programs, the civil service retirement program and social security. This dual payment, accounting for about 14 percent of employees' income, provides additional discouragement to those individuals considering Federal Government employment opportunities. Realizing the significance of this dual contribution, the House and Senate recently agreed to conference reports for H.R. 2077, a bill that provides a 2-year transition period where newly hired Federal employees will pay the full social security tax, but only contribute 1.3 percent to the civil service retirement program. The legislation now awaits President Reagan's approval. Our colleagues from the House Post Office and Civil Service Committee have contracted with an actuarial service to analyze additional solutions beyond the 2-year transition period. They will report on the issue early next year. I commend my colleagues for their active role in resolving this dilemma.

Federal workers' health benefits have suffered a similar fate. In the past 2 years, health care costs have risen 56 percent as benefits have been cut an average of 12 percent. The Office of Management and Budget reported on September 20, 1983, in the Washington Post that premiums for Federal workers' health insurance programs will go up 18 percent to 25 percent in January. In addition to higher premiums, some health programs will increase deductibles for treatment of mental and nervous disorders. In response, I cosponsored H.R. 656, the Federal Employee Health Benefits Reform Act of 1983. This legislation would improve Federal employees' health coverage. The Post Office and Civil Service Committee's Subcommittee on Compensation and Employee Benefits has held hearings throughout the year, but the bill is still pending in the subcommittee.

I support civil service workers and retirees because I believe that the capabilities and overall quality of Federal employees, as well as morale, will decline if the trends continue. An individual who considers working for the Federal Government will realize that private sector employment will mean a higher salary, and probably smaller employee contributions for health and retirement benefits. In time, the Federal employee will simply not be as efficient as he or she once was. Employees will not possess the capabilities to implement law according to today's standards. In the long run, the public will pay the price for budget cuts in this area.

I cannot overemphasize the gravity of this matter. In President Reagan's October 27, 1983, speech regarding the Lebanon and Grenada military situations, he stated that he fully supports the U.S. military. I, too, support our military personnel. But in order to maintain an efficient, well-run Government, the President must also demonstrate his appreciation for the civil service. I suspect that the President is aware of the present civil service situation. If qualified individuals do not remain in Government, Federal laws will not be implemented as effectively or efficiently. I urge President Reagan to support and encourage improved compensation and benefits for Federal workers and retirees. The administration's failure to recognize the needs of this group today will prove costly to the Nation in the future.●

CONGRATULATING VINCENT ARLOTTA

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. ACKERMAN. Mr. Speaker, I would like to invite my colleagues to join with me in congratulating Mr. Vincent Arlotta on his retirement as executive director of the Queens Chapter of the American Red Cross.

Together with his wife, Josephine, Vinny Arlotta has been a concerned community activist for almost half a century. He has always been uniquely involved in civic affairs, and has demonstrated an acute commitment to the quality of life in Queens County and New York City. I have admired Vincent Arlotta's unusual stamina as he took a leading role in projects that affect every member of our community. As a 20-year veteran of the New York City Police Department's Mounted Division, Vinny demonstrated his dedication to the safety of the streets of the Big Apple. In addition, he has shown his devotion to the health and welfare of his city by serving for the past 26 years as an active member of the American Red Cross. There, Vince has been supervisor of the Bronx Service Center, and manager of the North Shore and the Central Queens Chapters of the American Red Cross, before he culminated his career as executive director of the Queens Chapter.

Vincent Arlotta's devotion to the youth of our community is exemplified by his commitment to programs serving the future leaders of this country. He has been a board member of the Flushing Boys' Club, and a member of the advisory council of the Queens Borough Public Library. In addition, Vinny has been active in organizations that improve the quality of life of our senior citizens. He has served as a board member of the Jamaica Services Program for Older Adults, vice chairman of the Southeast Queens Consortium of Aging Services, board member and financial secretary of the Queens Council for Social Welfare, and member of the Queens Interagency Council on Aging. He has also remained active in the Kiwanis Club as a past distinguished president and secretary.

Mr. Speaker, Vincent Arlotta is a fine example of an individual who makes his community a strong, healthy and safe place in which to live, work, and play. Vinny is an asset to the people of Queens as a leader of outstanding character whose praiseworthy contributions serve as an inspiration to all of us. I ask that the Members of the House of Representatives join me in congratulating Vincent Arlotta for his years of dedicated service to his community, and in extending to him our very best wishes on his retirement.●

FIFTH ANNIVERSARY OF THE FULL EMPLOYMENT AND BALANCED GROWTH ACT

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. HAWKINS. Mr. Speaker, 5 years ago last month, the Full Employment and Balanced Growth Act was signed into law. With its enactment, our Nation made a commitment to conduct a coordinated economic policy designed to achieve full employment and balanced growth. Unfortunately, our actions to date reveal a dismal record of accomplishments. Indeed, we are now further away from the worthy goal of full employment and balanced growth than ever before in our post depression history. If our Nation is to succeed in an increasingly competitive world economy, we must recommit ourselves to reaching the goal of full employment and balanced growth.

Then, as now, the Full Employment Act offers fulfillment of the promise of opportunity symbolized by our Nation. It expresses our deep commitment to economic progress and social justice, and unequivocally identifies full employment and a productive, expanding economy as the bedrock to the achievement of these goals. It suggests that only by putting to work all Americans who are able, willing, and searching for jobs, can we possibly fulfill our domestic priorities in education, health, housing, urban renewal, the elimination of poverty, and a host of other concerns of our Nation.

The Full Employment Act, however, is much more than a philosophical treatise. It establishes goals and a timetable for the reduction of unemployment and inflation, and it specifically outlines a package of monetary and fiscal policy alternatives, national priority programs, and structural economic programs designed to aid the President and the Congress in moving our economy closer to full, low inflationary, production.

Specifically, the act established interim goals of 4-percent unemployment and 3-percent inflation. It outlines countercyclical employment policies to combat sharp fluctuations in the health of the economy; establishes policies to cope with immorally high rates of youth unemployment and regional and structural unemployment in economically depressed areas; and it establishes policies designed to insure coordination of government activity at all levels with private sector economic activity.

The most important feature of the law, however, concerns the use of monetary and fiscal policy tools. The act requires that these tools be used to simultaneously bring the economy to full employment and a low rate of inflation. In the event that it is impossible to achieve both goals, reducing unemployment is to be viewed as the top priority of monetary and fiscal policy.

In addition, monetary policy is at all times to be consistent with achieving the specific goals outlined by the act. Federal Reserve Board policy objectives are to consider past and prospective developments in employment, unemployment, production, investment, real income, productivity, international trade and payments, and prices. By coordinating these two aspects of economic policy, our economy would best be able to provide employment opportunities for the largest number of Americans in the most resource efficient manner.

Had the economic policy approach outlined by the Full Employment Act been implemented, the past 3 years of misery experienced by millions of American citizens could have been avoided. Unfortunately, the Reagan administration made no effort to formulate economic policies that were consistent with the goals and objectives of the Full Employment Act. The monetary and fiscal policy mix employed by this administration has thrown our economy into the worst recession since the Great Depression. Its priorities are sufficiently skewed that tax breaks go to the rich, while essential welfare and emergency assistance programs are slashed beyond recognition. Home ownership has become virtually impossible for middle-income families in the face of high interest rates, and health care is rapidly becoming unaffordable to the bulk of our society. Beyond a shadow of a doubt, poverty, hunger, crime, and a host of other social problems have become increasingly prominent features of American life since this administration took office. Reaganomics represents a clear and determined step away from the goal of full employment and balanced growth. The lives of millions of Americans, and the future of our Nation, is in jeopardy as a result of these misguided policies.

For our country to remain competitive in an increasingly intertwined world economy, for us to reduce inflation, budget deficits and most importantly, immorally high rates of unemployment, we must implement the coordinated monetary and fiscal policy approach outlined by the Full Employment Act.

Expansionary monetary and fiscal policy must be utilized to promote growth and full employment. In lieu of reductions in Government funded public investment projects, we should

be increasing spending in order to stimulate aggregate demand as required by the Full Employment Act. Futhermore, monetary policy should be geared to assist in this general economic expansion, unlike the recession causing monetary policies implemented over the past 3 years. Rather than restricting the growth of the money supply, which drives up interest rates and chokes off private investment, monetary controls should be relaxed so that interest rates will fall. The resulting increase in private sector investment would provide jobs for millions of our currently unemployed, and help lift us from our current depressed economic state.

Opponents of the Full Employment Act argue that inflation will reignite and budget deficits will grow enormously if expansionary economic policies are used. However, current underutilization in the labor and capital markets renders inflation highly unlikely during the recovery stage. While fiscal spending may increase the deficit in the short run, the long-run benefits of an economy producing at full capacity far outweigh this temporary cost. Our Nation stands to gain as much as $250 billion more a year in total output it we are at full production. Budget deficits would be easily erased if the Full Employment Act was implemented.

While much of the full employment debate concerns specific policies and programs, the underlying philosophy of a nation offering prosperity and opportunity to its citizens has been an idea warmly embraced by every generation of Americans. The policies and programs instituted by the Reagan administration have, in effect, been inconsistent with this basic tenet of American society. By implementing the provisions of the Full Employment and Balanced Growth Act of 1978, we can insure that this belief will become a reality. Although its first 5 years of existence have been characterized by disgraceful violation and neglect, the act is the solution to our economic woes that is the most viable, the most equitable, and the most consistent with the founding principles of our great Nation. As an American citizen who has pledged his life to upholding the very fabric of our great Nation, I will fight vigorously to see that noble dream of all Americans become a reality. However, only with the help of my fellow Members of Congress, the President, and most importantly, the citizens of this Nation, can victory be achieved.●

THE INTERNATIONAL TELECOMMUNICATIONS ACT OF 1983

HON. EDWARD J. MARKEY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. MARKEY. Mr. Speaker, today I am introducing the International Telecommunications Act of 1983, a bill to promote full and effective competition in international telecommunications, and to assure that American industries can compete on an equal footing with their foreign counterparts.

Congress created the Communications Satellite Corp., Comsat, two decades ago to meet national and world needs at a time when we were just entering the space age. Today, with the information age in full swing, we cannot afford to find our Nation's high tech industries struggling to cope with an outdated structure while facing stiff competition from abroad.

This bill addresses three major problems:

First, Comsat—private entity—currently represents the United States before the international satellite organizations, Intelsat and Inmarsat. As our representative at these organizations, Comsat has advance access to crucial information relating to Earth station standards and satellite designs.

In other nations, a government controlled entity represents the country at Intelsat and Inmarsat. In many cases, they turn over the documents they receive to their manufacturers. As a result, only Comsat in the United States has the timely access to these important documents, while in foreign countries, numerous manufacturers have these lead time advantages in the development of equipment used in the provision of international communications services. American industries are left behind, and American jobs are lost to foreign shores.

Second, as AT&T did prior to its divestiture, Comsat is engaged in both monopoly and competitive activities. This corporate structure creates the potential for cross-subsidization that unfairly increases costs to telecommunications users and to the American public at large. In addition, these cross subsidies place the industry at an unfair disadvantage in competition with Comsat's subsidiaries.

Third, there is presently no method to assure that Comsat complies with the instructions of our Government when it represents the United States at Intelsat or Inmarsat. Indeed, we allow this company, with its own agenda that may or may not be the same as the public interest, to be our official spokesman with no effective supervision.

The International Telecommunications Act offers answers to all three of these problems.

It requires timely public disclosure of the documents Comsat receives in connection with its Intelsat/Inmarsat activities. This should put American firms back in a fair competitive position with respect to foreign manufacturers.

It requires the divestiture of Comsat's competitive ventures, returning the corporation to the original activities that Congress envisioned for it. This would also eliminate the possibility of unfair and anticompetitive cross-subsidization of monopoly and competitive endeavors.

It authorizes the President to appoint a representative to Comsat's delegations to Intelsat and Inmarsat in an effort to monitor the corporation's compliance with our Government's instructions. This provision should help insure that the policies which are pursued in our name really represent the best interests of our country, and not just the interests of one company within our country.

I urge my colleagues to join me in supporting this bill, and in moving it to full consideration as soon as possible.

A factsheet and section-by-section analysis follow for inclusion.

FACTSHEET ON THE INTERNATIONAL TELECOMMUNICATIONS ACT OF 1983

DISCLOSURE OF INTELSAT/INMARSAT DOCUMENTS

Requires Comsat to place in a public file on a timely basis all Intelsat/Inmarsat documents circulated to Intelsat/Inmarsat signatories.

This allows U.S. high tech firms to have the same prompt access to important technical information that their foreign competitors receive from their Intelsat/Inmarsat representatives, eliminating foreign lead time advantages.

Exempts those documents which contain Intelsat/Inmarsat personal information about Intelsat/Inmarsat participants or other inappropriate information.

COMSAT DIVESTITUTE

Requires divestiture of Comsat competitive activities within 18 months of enactment. Restricts Comsat to (1) investing in Intelsat/Inmarsat (2) representing U.S. before Intelsat/Inmarsat (3) furnishing Intelsat/Inmarsat services as a common carrier (4) related activities.

Allows Comsat to propose a plan for this divestiture to be approved by the F.C.C.

Effectively prevents cross-subsidization between competitive and monopoly activities by separating those activities.

INSTRUCTIONAL PROCESS

Mandates that the instructions of the F.C.C. and the President bind Comsat in all policy questions before Intelsat/Inmarsat. In the event of conflict, Presidential instructions take precedence.

President may appoint a representative to Comsat delegations to Intelsat/Inmarsat to insure that these instructions are obeyed.

OTHER PROVISIONS

Classification of Carriers: Gives the F.C.C. the authority and the guidelines for designating international telecommunications carriers as "dominant carriers."

Forbear From Regulation: Allows F.C.C., after transitional period, to forbear from

regulation non-dominant international carriers under the market power test.

Interconnection: Requires fair access to interconnection to international carriers for all telecommunications carriers.

Penalties: Prescribes penalties for violations of the Act.

MAJOR PROVISIONS OF THE INTERNATIONAL TELECOMMUNICATIONS ACT OF 1983

Section 1. Title.

Section 2. Statement of Findings: It is in the public interest to foster full and effective competition in international telecommunications markets and to assure that American corporations can compete on an equal footing with their foreign counterparts. Comsat however, can use its monopoly position at Intelsat and Inmarsat to gain unfair advantages in competitive markets. Furthermore, although other countries disclose Intelsat and Inmarsat documents to their manufacturers, American industries are at a serious disadvantage because they do not have access to that information.

Section 3. Purpose: The purpose of the bill is to promote full and fair competition in international telecommunications markets and to assure that American corporations are not disadvantaged in competition abroad.

Section 601. Definitions: The bill defines certain specialized terms. International telecommunications includes transmissions between any place in the U.S. and a foreign country. Dominant international carriers are carriers that are found by the FCC to have market power based on criteria specified in the bill. Essential facility means a telecommunications facility owned or controlled by a single carrier or a group of carriers, the use of which is essential to competing carriers in the provision of a telecommunications service.

Section 602. Statement of Policy: It is the policy of the U.S. (1) to rely whenever possible on marketplace competition and the private sector to provide international telecommunications services, to reduce unnecessary regulation and to encourage entry by new carriers into the international telecommunications marketplace; (2) to consider the interests of other nations in implementing its own policy with regard to international telecommunications services; and (3) to promote the interconnection of international telecommunications facilities based upon the cost of providing such facilities.

Section 603. Authority of the FCC: The FCC shall revise, reduce or eliminate any rule or regulation and exempt any carrier from the requirements of the Act as competition develops unless such revision, reduction or elimination may result in a significant and adverse impact on national security or on the economic competitiveness and viability of United carriers. The FCC shall have continuing authority over the provision of international telecommunications services by dominant international carriers.

Section 604. Regulation of Dominant Carriers: The bill provides for the continuing regulation of dominant carriers and authorizes the FCC to classify or reclassify as a dominant international carrier any international telecommunications carrier that has market power. The bill specifies five factors that the FCC must consider in determining whether a carrier has market power.

Section 605. Transitional Provisions: The bill requires the FCC to deregulate non-dominant carriers and provides transitional mechanisms. International telecommunications carriers that provide service under tariff will be continued to be regulated for a period of six months. Within six months, the FCC must hold hearings to determine which of the international telecommunications carriers are dominant and must continue to be regulated. The FCC must revise at least once every two years any determination that an international telecommunications carrier is dominant. If it finds that a carrier is non-dominant, the FCC must deregulate it.

Section 606. Interconnection: The bill requires any carrier providing regulated international telecommunications service to interconnect with any carrier, facility equipment or private system upon reasonable request and pursuant to nondiscriminatory terms and conditions. Charges, terms or conditions for interconnection must be based on the cost of such services or facilities provided for interconnection.

Subsection (b) requires the FCC to treat any carrier that provides both international and domestic services as a separate domestic telecommunications carrier and a separate international telecommunications carrier for purpose of the interconnection requirements. Such carriers must not unjustly discriminate against any other carrier with respect to interconnection terms and conditions.

Subsection (c) subjects any carrier that refuses to provide equal interconnection on a reasonable request to a fine of up to $250,000.

Section 201. Communications Satellite Act of 1962: The bill revises the instructional process, requires Comsat to disclose Intelsat and Inmarsat documents, and requires Comsat to divest its affiliates that engage in competitive activities. The bill amends sections 201 and 504 of the Communications Satellite Act of 1962, as amended, and it adds new sections 758 and 759.

The bill authorizes the President to issue instructions to Comsat on the positions to take at Intelsat. It also provides that any instructions that he issues either with regard to Intelsat or Inmarsat must be made public. In addition, the legislation authorizes the President to appoint a Government representative to participate in all of Comsat's activities with respect to both Intelsat and Inmarsat.

As for the FCC, the bill requires the agency to provide public notice of the agendas of Intelsat and Inmarsat meetings and a reasonable opportunity for public comment and reply comment. It also authorizes the FCC to make recommendations to the President in order to assist him in his issuance of instructions to Comsat and requires that any such recommendations be made public.

With respect to matters within its regulatory jurisdiction, the FCC may itself issue instructions to Comsat but any such instructions must also be made public. In the event that there is a conflict in the instructions issued by the FCC and the President, the President's shall prevail. The bill specifically provides that instructions issued by the President and those issued by the FCC which do not conflict with the President's shall be binding.

With regard to document disclosure, the bill states that the FCC must require Comsat to place all Intelsat and Inmarsat documents which are circulated to the foreign signatories in a public file. The only documents that are exempt from that requirement are those which contain personal information about Intelsat or Inmarsat participants and contractor evaluation reports.

The bill also adds two new sections to the Communications Satellite Act of 1962. Section 758 requires Comsat to divest all of its affiliates that engage in competitive activities. Under this section Comsat must submit a plan for divestiture to the FCC within 180 days. The FCC then has 60 days to either approve or disapprove the plan. If the FCC disapproves the plan, Comsat may file an amended plan. However, if Comsat fails to file an amended plan within 30 days of the issuance of the FCC's order, the FCC must prescribe a plan.

Following divestiture, Comsat will be limited to the following activities: (1) investing in Intelsat and Inmarsat; (2) representing the United States on the Intelsat Board of Governors and the Inmarsat Council; (3) furnishing Intelsat services as a common carrier to authorized carriers; (4) furnishing Inmarsat services as a participating carrier; and (5) researching and developing new technologies for the Intelsat and Inmarsat satellite systems.

Section 759 imposes penalties in the event that Comsat fails to comply with the instructions issued by the FCC or the President. It also provides penalties for failure to comply with the divestiture requirement. Failure to comply with the instructions on the positions to take at Intelsat or Inmarsat is subject to a civil penalty of up to $250,000. Violations of the divestiture requirement are also subject to a civil penalty of up to $250,000. In the case of a violation of the divestiture requirement however, a separate penalty must be imposed for each day on which the offense occurs.●

ARGENTINA AND NUCLEAR PROLIFERATION

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. WOLPE. Mr. Speaker, during consideration of the Export Administration Act, the House passed an amendment I offered which prohibited the export or retransfer of any U.S.-origin nuclear technology to nations that have not accepted internationally recognized "full-scope safeguards" on all their nuclear facilities.

One of the recent administration actions which illustrated the pressing need for restrictions of this kind was the decision to approve the retransfer of 143 tones of U.S.-origin heavy water to Argentina. The Argentine sale was approved even though that country has not disavowed an interest in nuclear weapons and is widely suspected of seeking nuclear capability.

To fully portray the potential nuclear proliferation risk that Argentina represents, I want to commend to my colleagues the following article by Paul Buchanan, a research fellow with the Washington-based Council on Hemispheric Affairs. I believe the article adds further credence to the argument that the United States can and should cut off nuclear trade with Argentina and the handful of other nations that have not renounced nuclear arms; to do so is essential to our own

national security and to the cause of world peace.

The article follows:

ARGENTINA MOVES TOWARD THE BOMB WITH AN ASSIST FROM WASHINGTON

The administration's recent decision to permit the sale of U.S.-produced, but West German-owned, heavy water to Argentina is very likely to bring grave global consequences. If, as some White House advisers have argued privately, this move primarily was intended to create U.S. leverage over the Argentina military, so that it will be less likely to interfere in the restoration of civilian rule in the coming weeks, then the Reagan administration displays a remarkable ignorance of the realities present in that troubled South American nation.

Although the heavy water sale is formally destined for use in commercial reactors under international safeguards, much of Argentina's nuclear program (including a reprocessing plant that is said to have already produced 200kg of plutonium) remains outside international scrutiny. More importantly, even the commercial reactors are under outright military control, which allows the armed forces the opportunity to interfere and screen out many safeguard requirements.

Moreover, Argentina has steadfastly maintained its right to "peaceful" nuclear explosives, and has not ratified either the Non-Proliferation Treaty (NPT) or the Treaty of Tlatelolco (which created a nuclear-freeze zone in Latin America). In the wake of its Falklands defeat, there are persistent reports from both Argentine and U.S. sources that the military has set itself the goal of having an operational nuclear weapons program within two years. It could then use nuclear capability as a shield under which another attempt might be made to alter the Falkland Islands status quo through diplomacy or force.

Before the war, Argentina was a nuclear threshold state with a diplomatic stance and technological capability to aggressively press an expansionist strategic doctrine that included a pro-nuclear weapons policy. Aside from refusing to ratify Tlatelolco and the NPT, Argentina is also not a signatory of the Seabed Arms Control Agreements or the Bilogical Weapons Convention. But it is the drive to become an autonomous nuclear power which has become the centerpiece of the country's strategic doctrine.

From its creation in 1950, the Argentine National Atomic Energy Commission (CNEA) has been under the exclusive control of the Navy, perhaps the most bellicose of the nation's military services. While insulating the nuclear program from the country's chronic political turmoil, military control has also removed it from civilian scrutiny. Thus, it should come as no surprise that Vice Admiral Carlos Castro Madero, an active duty officer, is only the third person (all naval officers) to hold the director's post at CNEA, a remarkable feat of longevity in Argentina's merry-go-round political scene. National elections held in October are therefore unlikely to seriously alter the character or orientation of Argentine nuclear policy.

Irrespective of upcoming political developments, the nuclear program will remain under Navy control, and military requirements and perceptions will thus continue to dominate nuclear policymaking. In the wake of the Falklands, with all of its damaging impact on the prestige of the armed forces, there is little doubt that a new emphasis has been placed on the quest for a nuclear weapons capability.

Argentina's nuclear program has always been the most advanced in Latin America, and today the country is virtually self-sufficient in nuclear physics, technology, and fuel. This includes two operational commercial reactors generating a projected total of 960 Mw (Atucha II), two reprocessing laboratories, an enrichment plant, several research reactors, and ample domestic uranium reserves.

The secrecy surrounding some of the facilities—particularly the research reactors—is impressive. There have even been reports of civilian scientists being held against their will in facilities near Bariloche, hundreds of miles from Buenos Aires, in order to ensure their silence and cooperation with the project.

The Argentines, although not ratifying the NPT, have accepted International Atomic Energy Association (IAEA) safeguards, which ostensibly include on-site inspection for all of their research and power reactors. However, they steadfastly refuse to accept "full scope" safeguards that govern nuclear items produced domestically. This includes spent fuel, from which weapons grade plutonium is derived. Thus, although IAEA safeguards govern international transfers of plutonium and other nuclear materials, the Argentine government is not bound by them. It has also been less than candid about operations in several of its plants, particularly its reprocessing laboratory and uranium mining and conversion facilities. In defending the heavy water sale, State Department officials contended that plutonium could not be routed out of the safeguarded facilities to those without safeguards. The fact is most of the plutonium manufactured in Argentina is produced in the unsafeguarded reprocessing laboratory. Even if it were not, the State Department's contention rests on the assumption that the Argentine military establishment will demonstrate prudence and restraint, which they have not done to date.

There are additional problems with Washington's argument that it is safe to provide heavy water to the Argentine government because its commercial reactors are safeguarded. Many experts contend that IAEA safeguards on heavy water technology need updating, in order to keep pace with innovations in the field. If this is true, it remains an open question whether the Atucha II reactor is under adequate safeguards despite Sate Department assertions to the contrary. In any event, it is clear that monitoring the Argentine nuclear program is difficult at best, particularly since it is oriented towards achieving self-sufficiency that also will free it from most international safeguard mechanisms.

Whatever the rationale for doing so, Argentina's increasingly clear decision to "go nuclear" in a weapons sense is sure to create consternation in the area and elsewhere. Regional rivals, especially Brazil and Chile, certainly will feel obliged to keep pace, and other nations with similar problems outside of Latin America may feel encouraged to follow the same course of action. Only prompt negotiations by the British over the future of the Falklands with a successor civilian Argentine government will prevent that country from developing its nuclear threat. But in light of the resounding Thatcher victory in the June elections, such an outcome appears unlikely to happen in the near future, thereby opening the way for Argentina's entry into the nuclear weapons club.

The Reagan administration's rush decision to authorize the sale of heavy water to Argentina served not only to sanction the role of West Germany as a major supplier of weaponry and other controversial exports to several Latin American dictatorships, but also to fuel an already volatile domestic situation in Argentina. In bypassing the Nuclear Regulatory Agency, the White House revealed an unbecoming sense of haste in an extremely sensitive area.

If anything, approval should have been put off several months—until the democratically-elected civilian government had come into power in Argentina. It also should be contingent on Argentine ratification of nonproliferation agreements and acceptance of international safeguards over its entire nuclear program. Since incoming Radical President Raul Alfonsin was elected on a platform that included a strong anti-militarist stance, it is likely that he would be more willing to renounce the nuclear weapons option once in office.

Until such a time, however, any nuclear component sale to Argentina is another step toward nuclear weapons status. It already has the plutonium weapons option thanks to the stockpile of plutonium produced at the safeguarded reprocessing plant. The sale of heavy water now provides them with an essential ingredient for the enriched uranium route, as an offshot of commercial power production, by diverting the by-products of the commercial reactors to the nuclear weapons program. Based on reliable calculations, it can thus be argued that the heavy water sale is a decisive move toward doubling the nuclear weapons potential of Argentina. The implications are ominous. Only public outcry and Congressional opposition can prevent completion of the sale until a time when Argentina is more favorably disposed toward nuclear restraint.●

SITUATION IN CENTRAL AMERICA

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. CORRADA. Mr. Speaker, the importance of a negotiated, peaceful settlement in Central America again needs to be underscored. The countries of the region continue to be the victims of disarray and violence at the expense of their economic and political development. The toll in terms of human lives, particularly in Nicaragua and El Salvador, continues to be high and the prospects for a prompt resolution are dim.

The United States has clear and well-defined interests to protect in Central America. Not only are they our neighbors and their political integrity and security are of importance to us but we also share common interest and aspirations for the welfare of our respective citizens. We must spare no efforts in order to bring about peace to that region.

Before lasting peace can be achieved, however, we must always keep in mind two things: First, there are legitimate

concerns of the people in the region in their search for political and human dignity. The people will not stand idly by and tolerate a perpetuation of a system that does not recognize their basic rights to liberty and a chance to educate their children and improve their opportunities for a better life. For too long, the people of Central America have struggled against the oppression and injustice that have prevented them from exercising their full rights and responsibilities as members of the society. It is the basic lack of equality that provides fertile ground for exploitation by the Cubans and the Soviets. We must insure that these basic concerns are addressed and resolved to prevent this exploitation.

A second issue to be kept in mind is the fact that the United States cannot act alone. We must join forces with other governments in the region in order to reach a lasting settlement that will bring about the peace we all desire. In that regard, the efforts of the Contadora group—Mexico, Colombia, Venezuela, and Panama—should become the basis of negotiations. For almost a year, the governments of those countries have been relentless in meetings and talks to define the issues and to offer solutions that will uphold and further the democratic principles they espouse.

At their most recent meeting in September, the Foreign Ministers of the Contadora group, together with the Foreign Ministers of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua, agreed on the following objectives:

1. To promote détenté in the area while avoiding any action that jeopardizes the political trust needed for an effective, peaceful dialog.

2. To put an end to conflicts by making a political commitment to the achievement of regional peace and stability by avoiding any action that might hinder these objectives.

3. To resolve controversies by peaceful means on the basis of mechanisms commonly agreed on.

4. To curb the arms race in all its forms and to initiate negotiations on the control and reduction of the current arms inventory and the number of armed troops.

6. To ban in their territories the presence of foreign forces, facilities, or military bases.

7. To reach agreements in order to reduce, with an eye to eliminating, the presence of foreign military or other advisers who might be used for military and security purposes.

8. To eliminate the arms traffic for persons, groups, or organizations trying to destabilize the Governments of Central America, and to establish control mechanisms for this purpose.

9. To prevent the use of their territories and to abstain from either lending or permitting either military or logistical support to those individuals, groups, or organizations trying to destabilize Central American governments.

10. To organize mixed security commissions and coordinate direct communications systems to prevent and, if needed, resolve incidents between bordering and nonbordering states.

11. To respect and guarantee the exercise of human, political, civilian, economic, social, religious, and cultural rights.

12. To adopt measures guaranteeing the improvement of popular consultation methods and the peopls's effective participation in the decision-making process as regards the political conduct of the states; also, to guarantee the free access of the various political currents to the electoral processes.

13. To promote national reconciliation actions in those cases where profound divisions have taken place within society by establishing representative and pluralistic systems.

14. To foster suitable conditions for the voluntary repatriation of Central American refugees or, if such were the case, to offer the necessary facilities for their integration or relocation under the supervision of the United Nations High Commissioner for Refuges or other similar international organizations.

15. To endorse actions undertaken to obtain material aid for Central American refugees.

16. To set in motion economic and social development programs to achieve greater welfare and an equitable distribution of wealth.

17. To revitalize and normalize economic integration mechanisms to achieve sustained development based on solidarity and mutual benefit.

18. To make joint efforts to obtain foreign monetary resources to insure additional resources with which to finance the reactivation of intraregional trade, to overcome the serious balance of payment problems, to attract funds for working capital, to endorse programs for expanding and restructuring productive systems, and to foment medium and long-term investment plans.

19. To make joint efforts to obtain better and broader access to international markets in order to expand the trade flow between Central American countries and the rest of the world, especially the industrialized countries, through a revision of the commercial practices, the elimination of tariff and nontariff barriers, and the guarantee of profitable and just prices for regional exports.

20. To make joint efforts toward obtaining technical cooperation mechanisms for the planning, programming, and execution of varied plans for commercial investment and promotion.

21. To begin immediate negotiations to conclude the treaties and other international documents needed to formalize the commitments included in this document and to guarantee the establishment of suitable systems for control and verification.

These principles, which have become known as the Twenty One Points, deserve the strong endorsement and support of the U.S. Government and the rest of the world community. Negotiations should lead to free elections that will relfect the wishes of the people and will further their human rights.

The people of Puerto Rico share with the nations of Central America a common language, culture, and many traditions. We also share in the suffering of its citizens and it is my hope that the efforts of the Contadora group will prove fruitful and will result in peace and prosperity for all the countries of Central America.●

STEVEN B. LA RIVIERE, SERGEANT, USMC

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. BOLAND. Mr. Speaker, on November 12 the people of Chicopee, Mass., bade farewell to one of their own, Sgt. Steven Breck La Riviere, USMC.

Sergeant La Riviere lost his life, with 238 of his comrades, in the terrorist bombing of the marine barracks in Beirut, Lebanon, on October 23. He had been assigned to the reconnaissance detachment of the battalion landing team that was headquartered in the building destroyed in that terrible and senseless act of violence. Steven had been scheduled to leave Lebanon on November 11.

Steven La Riviere was an exceptional young man. An accomplished athlete and avid photographer, he volunteered for the Marine Corps after his graduation from Chicopee High School in 1980. His decision to join the Marines was, like so many others in his life, a product of his desire to be of service to others. He was attracted to the Marine Corps because the spirit of that organization so closely matched his own. He was proud to be a marine and the Marine Corps and his country, are proud of and grateful to him.

The bombing in Beirut has deeply touched our Nation. As we mourn the deaths of so many of our finest men, we share in the grief being experienced by each of their families. I hope that Steven's parents, Richard and Janet La Riviere, his four brothers, Keith, Robert, Michael, and John, and his five sisters, Cheryl, Linda, Joanne, Nancy Jean, and Lesley Anne, can take some comfort in the fact that we have all been diminished by the loss they have suffered. Steven represented what is good about America: its sense of optimism and exuberance, and its willingness to come to the aid of those in need. The memory of Steven's life will burn brightly in all who knew him and the record of his service, and his sacrifice, will never be forgotten by the country that he loved.

Mr. Speaker, the most Reverend Joseph F. Maguire, bishop of the Catholic diocese of western Massachusetts, delivered a beautiful eulogy at St. George's Church in Chicopee last Saturday. I would like to include Bishop Maguire's remarks at this point in the RECORD:

FUNERAL MASS FOR STEVEN LA RIVIERE, ST. GEORGE'S CHURCH—CHICOPEE

November is a time for memories—So often memories that are somber, soul-stir-

ring and sad. It was twenty years ago, on a gray November day, that a young, exciting and promising President was shot to death in Dallas.

It is every November 11—on Veterans Day—that the clarion call of taps resounds all over this valley—reminding us of those who have given their last full measure of devotion—in the cause of freedom—and for the preservation of liberty. Today, we are stunned once again by the suddenness of this sorrow—A vital, sparkling, bright, intelligent, beloved young man—taken from his family and friends by a futile and senseless act of violence.

Sergeant Steven La Riviere was admired and respected in this parish and in this community. As a Marine, he stood out among his comrades. He was a leader, a man among men, humorous, happy, a gentleman of honor and principle.

What he did for others by way of thoughtfulness and courtesy—was done in a quiet, unpretentious manner. He was not self-seeking, not interested in publicizing his acts of kindness and generosity. In so many ways, he was a man for others.

In a sorrow like this—when the love that has bound this family together—is so cruelly interrupted, when the bonds and ties of affection appear to be broken and torn apart—in our frustration and confusion we can fear that we have nowhere to go—nowhere to turn. But in our calmer and quieter moments, we understand once again that we do have a place to go. There is a way to turn—and that is to the embrace of a loving Father who is the source of all life—the inspiration of all love—the alpha and omega—the beginning and the end of our existence.

The love of Steven La Riviere for his parents—and his brothers and sisters—is fixed and suspended now. It has moved to a higher level of existence. It has changed from a human, an earth-bound love—to a love that is eternal, transforming, unending, overflowing, forever. It is faith in the words of Scripture. "God is love"—that makes it possible for us to look up and lift up our hearts and to be reassured in this conviction. Steven has been welcomed by the God of all love—and his relationship with his parents and sisters and brothers is blessed now with a new kind of intimacy. God is love—and because Steven abides in God—and God in him—his influence will continue to play a wondrous, supernatural and significant role in the lives of all who knew and loved him in the years of his earthly journey.

I thought of Steven—and his fellow Marines—and so many of our courageous young men and women in military service—when I listened to this morning's gospel—"Blessed are the peacemakers—they shall be called Sons of God." What is strong and heroic and courageous and worthy of imitation in young men like Steven La Riviere—is their sense of justice, their appreciation of human dignity, their dedication to the search and the striving for peace. When an act of terrorism abruptly and unjustly ends the lives of innocent and upright young men—the temptation is to strike back—to resort to similar tactics of violence—to demand an eye for an eye—and a tooth for a tooth. But this is not the way to peace—this is the perpetuation of atrocity—and the justification for revenge.

The character of Steven La Riviere—and so many like him—rises above and beyond this kind of behaviour—and challenges us and our leaders in government to continue to walk the high road—to probe every available and reasonable avenue for resolving the differences and disputes that tear people apart—and that make a battleground of a world God meant to be beautiful and serene.

The nobility of Steven La Riviere and the sense of dedication that prompted him to risk and to offer his life as an instrument and a defender of peace—is incentive for us to overcome enmity, to resist the temptation to hurt and to hate—and in moments when we are persecuted and reviled unfairly to pray as Jesus did when he hung helpless and dying on Calvary's Cross—"Father, forgive them, for they know not what they do."

What we sense, what we experience on this day is that Steven La Riviere has merited our esteem not only while he has walked among us. In his death, he continues to motivate and move us. It is he who has brought us together this morning; he in recent days who has prompted our expressions of sympathy and our gestures of heartfelt compassion; he whose passing reminds us how fragile and how fleeting is the gift of life—and how appreciative and considerate of one another we should be as we travel life's road together. It is Steven who has brought out the best in us—who has drawn us to his parents and sisters and brothers so that somehow we might share in their sorrow—and lighten and make more bearable the burden of grief so swiftly and unexpectedly thrust upon their shoulders.

Finally, because the torch of virtue and good example has fallen from his hands—it is Steven who speaks to us—who signals and sounds the call to pick up that torch—to carry it faithfully in his name and in his memory. This is his legacy to us—this is our pledge and our gift to him. So long as we cherish and hold fast to the values and ideals that marked his short but sterling span of years—then his goodness will go on and endure and he will not have died in vain.

Dick and Janet La Riviere—your son was proud to be a United States Marine. Though your loss is great—and your sorrow deep—forever you will have this consoling memory. He became what he wanted to be. As we join in the prayer of this eucharistic sacrifice today, we can almost hear Steven echoing the words of Saint Paul: "I have fought the good fight to the end; I have run the race to the finish; I have kept the faith." And because you, his parents, were the first teachers and the root source of your son's faith, hope and love—you are able to say on this day: "The Lord gives and the Lord takes away. Blessed be the name of the Lord."

May he rest in peace. Amen.●

SPEECH BY NOEL C. KOCH

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. WHITEHURST. Mr. Speaker, my attention has been called to a speech delivered by Noel C. Koch, Principal Deputy Assistant Secretary of Defense, International Security Affairs. Mr. Koch is a distinguished scholar and brings considerable insight into this most complex area of our foreign and military policy. I believe it is a very clear statement of this country's security assistance policy toward Third World nations. My colleagues should know that this speech contains some startling statistics about the size of the Soviet presence in the Third World as compared to U.S. presence as well as the manner in which the Soviet Union uses security assistance in order to control Third World nations.

The speech follows:

SPEECH BY NOEL C. KOCH

I appreciate this opportunity to discuss with you a matter which is frequently the subject of demagoguery from both extremes of the political spectrum, and one which deserves more of the sort of attention which you bring to this occasion.

Let me go first to that failure of understanding which seems centered chiefly in the Congress, and finds its way from there to opinion-makers in the media, and from there to the American public at large.

Each year the Executive Branch goes to the Congress with a foreign assistance budget request. That request is one of the battlegrounds upon which the nation's priorities are thrashed out.

Part of that budget goes to foreign aid, and some of that aid is just that. Out of the pockets of the taxpayer it goes to nations which need and want our help, and it is given freely in the sense that the recipient doesn't have to pay it back.

That part of the total budget comes to about two percent of federal expenditures in any given year, and reflects the singular political fact, often stated in Washington, that "There is no consistency for foreign aid." Providing money, food or technical assistance to a developing country doesn't produce the votes that a clover-leaf or a dam or a defense contract back home produces. I don't say that cynically; it's a simple fact of our democratic process.

There are other mechanisms that provide assistance in one form or other—the International Monetary Fund, the World Bank and others are instrumentalities in which we also play a role, though that role is much more convoluted than it is in the assistance we provide directly.

One major component of foreign aid is security assistance. I think it is fair to say that the most benign perception of security assistance is that it goes to help others defend themselves. A less generous and more suspicious view is that it enables its recipients to make war on others—both outside and within their own borders.

Part of this notion has it that beneath this umbrella of security assistance "America, the munitions merchant" goes about arming the world—seeking, by its own lights, to make the world safe for democracy, and succeeding only in making it unsafe for humanity. And doing all this with the taxpayers' dollars—dollars which, by the way, could be far better spent on cloverleafs and dams and housing projects.

There is a programmatic misunderstanding here, to begin with. The next time you hear a Senator or Congressman inveighing against security assistance and how much money it costs, you should know that most of the money involved is off-budget. It goes to recipients not in the form of grant aid, but largely as loans. More than half of the Administration's security assistance request currently before the Congress is on a loan basis. These loans are made at the prevailing interest rate, with a few notable excep-

tions, and they must be repaid—and, I might note, again with a few notable exceptions, they are repaid.

So, in other words, the term "security assistance" is in large part a misnomer. It is no more assistance than that which the bank provides when it gives you a mortgage. The bank benefits. So do we. Security assistance, far from being a drain on the taxpayer, is a revenue-producer. We charge a three percent surcharge to defray our management costs, and virtually without exception all goods and services are procured from the U.S. This creates jobs throughout the country—in Iowa, in my home state of Pennsylvania and here in Minnesota. This is also true of Foreign Military Cash Sales which are a straight buy, without credit.

There are various kinds of security assistance. The largest is Foreign Military Sales Credits, or FMSCR, which reflect most of the features I have been discussing.

There are also three forms of security assistance that are provided largely or totally as a grant. The first of these is the Economic Support Fund or ESF. In fiscal year 1984 we are requesting almost $3 billion in ESF, about 85 percent of which would be grant. ESF, which is administered by the Agency for International Development, provides balance of payments assistance, project aid or commodity import assistance and other improvements to a country's civilian infrastructure. Although ESF is an important element of the overall security assistance program, I should like to emphasize that ESF funds may not be used to buy military goods and services.

The second of these is International Military Education and Training, or IMET. All IMET is grant aid. This is just what the name implies. We teach military personnel from other countries various skills. Some of this is done abroad, but most of it is done here. Along with the training, it allows us to inculcate certain values of democratic consequence—such as the subordination of the military to the common good of the nation. It also allows us to form friendly personal relationships which often pay off as the student goes home and ascends through the ranks of his own military structure.

And there is the Military Assistance Program, or MAP, which this Administration revived in fiscal year 1982 to assist economically hard-pressed countries meet their debt burdens. Until recently, these funds were used only for spare parts and supplies for major equipment provided in the past, but funds to cover new purchases are once more being appropriated by Congress.

Before moving on, there are two points that need to be made.

The first is that there are constraints on our assistance. There are types of assistance that we do not provide at all. For example, I was approached recently to provide silencers for weapons. We don't do it; we are not allowed to do it. Nor do we provide aid under security assistance for civilian law enforcement entities.

Recipients of materiel under security assistance are not permitted to transfer that materiel—even though, technically, they own it—to third parties without the express permission of the United States Government or to use it for aggressive purposes.

Finally, the Administration does not unilaterally decide the level and contents of country programs. Congress must appropriate all program resources, and must be notified in advance of proposed major weapons systems sales (over $14 million). Congress exerts a strong hand and makes its views known in detail. For example, Congress generally votes more money for Israel and Egypt than the Administration requests, while slashing other programs. Indeed, about half of all our security assistance goes to just those two countries. The remaining will be spread in various forms over almost 100 countries.

But there are larger questions, and I believe these are what most engage your interest.

Should we have a security assistance program at all; does it work, or might it be counter-productive and, if so, what do we do about it?

The temptation always is to try to explain all this in Manichean terms, as a struggle between the forces of light and the forces of dark, with only one, conclusive outcome possible.

It is surprising how difficult it is to step back from what may seem at first glance a compulsion. One says, I'm a reasonable person; I'm talking to reasonable people; the Manichean proposition is not reasonable; therefore. * * *

Therefore, the terms of reference become highly problemmatical, and the resulting argument may tend to become specious.

You either accept or you do not accept the view that the Soviet Union is an expansionist power. You accept or reject the contention that the projection of Soviet power is a threat to Western nations and their shared values and is intended to be. And you acknowledge or you don't that the position of the West is fundamentally reactive and defensive in the face of all this. The alternative is, it seems to me, that we are ourselves an expansionist, aggressive power: in which case, how to explain our lack of success, of territorial aggrandizement, of domination over the societies and economies of other nations.

I know it is considered gauche to call attention to differences of gender in public discourse today, but I think a difference needs to be recognized. Long ago I read my Lysistrata, and more recently I have read enough private campaign polls to know that a constant in the difference between men and women is that women don't like war. Or, at least, of the two sexes, they're the ones least afraid to acknowledge that they don't like it. Close behind them in this attribute are men who have actually engaged in it.

The point being that all this talk about the Soviets being an expansionist power is often met by women with a resounding "So what!" I'm never sure what is the proper response to that. "What" usually seems to me self-evident, and so if it doesn't seem evident to others, the exchange seems to break down.

We do, however, have some fairly contemporary evidence, and some not so contemporary, to suggest that aggression feeds on itself, and that when it's been fed sufficiently it frequently visits itself upon people who thought they could avoid it by ignoring it.

In a nutshell, and expressing the proposition purely in terms of self-interest, if we can thwart the appetite of aggression by providing others the means to defend themselves, rather than by going to war ourselves, then we think that's a pretty good investment.

It seems to me that argument makes sense when we single out countries such as Thailand which faces a threat from Vietnam, which occupied Laos and Kampuchea, in spite of the peace-loving intentions ascribed to Hanoi by some in America in the late 1960's and early 1970's after we'd been led into a war there in the very early 1960's.

Or when we single out El Salvador or Honduras facing a country like Nicaragua, which has far and away the largest military force in all of Latin America, for reasons which remain obscure if we believe Nicaragua has no ambition but to be a peaceful, independent, pluralistic nation.

But the issues become more complicated, and thus more interesting, when we look at a place like Africa.

Here the question of the efficacy of security assistance needs to be carefully considered.

Africa is a continent in turmoil. It has still to emerge from the problems of colonialism, and post-colonialism—which are not the same, and not even always related.

Africa has terrific economic difficulties. Nations which had inched themselves toward that mystical posture which Barbara Ward called "the economic take-off point" were virtually destroyed economically by the Arab oil embargo of 1973, and subsequent oil price increases, and the concomitant collapse of markets for Africa's resources.

It has its full share of Soviet adventurism with which to contend. But, is it fair to single out the Soviets for their activities in Africa and not to consider what the United States is doing? I think it is. I think we have to, because there is a body of thought in the United States which has it that we are striving somehow to make Africa a new cockpit of great power rivalry.

I want to put the alleged "striving" in perspective. As of today, Soviet and Soviet surrogate forces, Cuban and Eastern bloc forces, in Africa total in excess of 40,000 people. These are chiefly combat and combat-advisory forces. At any given time, the number of American military personnel in Sub-Saharan Africa, exclusive of Embassy Marine guards, runs to maybe one hundred fifty, usually less, and these are a fluctuating population composed in part of temporary training teams. One hundred fifty as opposed to 40,000. I might also note that our offices of military cooperation are limited by statute to no more than six people; in all of Sub-Saharan Africa, Congress has so far refused to authorize an exception to that limitation.

In terms of money for what we call security assistance, the numbers look like this: Since the mid-1950's both Soviet agreements to provide equipment and actual deliveries have outstripped the U.S. by a factor of ten. In that period we offered to provide about $750M in equipment and delivered about $500M while the Soviets have promised close to $8B of which they have already delivered almost $6B.

Having said all this, I should tell you that I am not content as I assess the utility of our security assistance programs in a place like Africa.

One always approaches different cultures, different political constraints, with a sense of trepidation. Having traveled to every continent except Antarctica, one has a sense of being part of a minority—and a small minority, at that—which cherishes values that, having evolved over centuries, and having been fought and died for, and having produced wealth and choice and liberty, seem preferred almost by nature in a kind of natural political selection. And yet, we are a minority for all that. Which leads one to ponder this question of preference.

If we're right, why don't others acknowledge it by adopting our conventions? I don't know; I only know they mostly do not.

So we see nations which apparently choose to maintain themselves outside the communist orbit, yet not within our own. And we fall into a cultural, political and economic crack between communism and the free world. Here we have a dilemma.

The primary purpose of security assistance is to help friendly governments challenged by external threats. Frequently, however, internal pressures stemming from domestic tensions—ethnic, religious, regional, racial—also threaten these governments. And these internal problems are not helped by purchasing expensive weapons or otherwise burdening fragile economies with defense expenditures. Such situations are further aggravated when the ruling group feels it necessary to reward or appease the military with excessive salaries or extravagant military purchases not truly required by the threat to national security, and which drain off scarce resources which could be used for development. Thus, we need to avoid a process of circular causation in which the effort to provide security ironically produces economic problems which contribute to greater instability.

Our challenge is to tailor our security assistance so that it is sufficient to the requirements of any real external threat, and yet conducive to a peaceful and productive amelioration of internal instabilities. We are looking at a number of ways to meet this challenge.

By the end of the Carter Administration, there were no MAP funds for Africa. Our fiscal year 1984 request is more than four-fifths MAP. We have sharply reduced, and plan to eliminate entirely, FMS credit for countries, such as those in Africa, which cannot afford it. We seek legitimate needs through the Military Assistance Program.

There are proposals being readied to move security assistance on-budget and thus to inflict the discipline of the budget on ourselves, rather than creating credit card armies that are an unaffordable luxury to those who purchase them.

In the Pentagon, we are looking very closely at how we can direct security assistance toward civic action: nation-building by the military elements of our assistance recipients. This would mean less emphasis on lethal systems and more on the hardware and the skills that can build roads, dig wells, clear land for planting, rebuild ports and harbors and generally contribute to the economic infrastructure of the nation, all within the service of its real security. Out of this should come skills transferable to civilian employment. Out of it should come a new sense of the relationship between the military and the people—so they are seen truly as protectors and contributors rather than as privileged parasites.

I discussed this recently with our Ambassadors to Africa, and there was immediate, universal enthusiasm.

We are looking for ways to help our friends take the equipment they have and restore it, rather than buying new equipment. This increasingly finds us in the seemingly fantastic situation of saying, why don't we see if we can fix those East German trucks you bought when you were cozy with the Soviets, rather than buying nice, shiny new, expensive American trucks. They don't believe what they are hearing. Some of our defense contractors probably wouldn't believe it, either.

But the point is we do not fit the stereotyped image of the arms merchant, and we are trying to help our friends defend themselves and not to help them destroy themselves.

We must, all of the above notwithstanding, acknowledge that many nations are threatened and, being threatened, deserve and ought to have the means to defend themselves.

So the real issue is how those means are provided. We believe, in spite of the criticism—much of which is well-founded, and all of which is well-intentioned—that on balance our record, America's record, in this arena is a good one.

To put that record in perspective, we must see that we are dealing with nations that most frequently want genuinely to remain non-aligned, nations which are understandably touchy about matters of sovereignty, and nations which are not always well-equipped to manage all those elements of a security assistance relationship which they would like to have.

Many see a modern, heavily-equipped military not merely as a defense requirement, but as a symbol of nationhood—like a national airline, for example, and just as costly. To argue against acquiring such a symbol is often seen as an argument against the country's very right to nationhood, and in the third world this is a delicate thing.

One of the standard arguments we hear in favor of providing security assistance, where objective considerations seem to mitigate against it, is that if we don't provide it, the nation will go to the Soviets for help. I'm frequently skeptical of this argument and its implicit threat, but taking it at face value, and looking at the matter outside the parameters of East-West competition, looking at it in terms of the interests of the aid recipient, we can ask why is it better for us to provide assistance than to abandon the ground to the Soviets.

There are distinct differences in the objectives of the two powers, and the way they run their assistance programs. Those differences go to the heart of the question of nonalignment, or neutrality.

The Soviet objective is to create through security assistance a profound degree of dependence on the part of the aid recipient. This is accomplished in several ways. One is by not teaching the recipients how to maintain the equipment provided to them. Thus, maintenance can only be carried out by Soviet technicians, and this in turn requires that a large number of technicians be permitted into the country. These come with the hidden mission of exerting their influence throughout the recipients' military, political, and social affairs, and by sheer force of numbers, they frequently succeed.

Another method of maintaining dependence is to stock in-country only the most limited supplies of spare parts and repair items. Major maintenance requires requisitioning on a case by case, as-needed basis, or returning the equipment to the Soviet Union or Eastern bloc nations. The result of this approach is that should the relationship be broken, the departing Soviets leave behind them a military force whose equipment is almost immediately useless. Africa is a virtual junkyard of Soviet equipment resulting from this doctrine. So while the host government may become disenchanted with their relationship with the Soviets, it takes a considerable measure of courage to get them to leave. It means going back and beginning again the effort to build their forces.

Finally, I noted earlier that the U.S. usually requires payment for its hardware and other assistance. So do the Soviets, but their approach is insidious. They often offer long grace periods with seemingly low rates of interest. But in, say, eight or ten years when the bills come due for equipment that often by then is obsolete or obsolescent (and may have been when it was initially transferred), the Soviets demand cash on the barrel head. Unlike Western nations which will roll over debts or provide bridging loans, the Soviets demand hard currency or quid pro quos such as recasting the debtor's governmental system along the Soviet model, access to natural resources, fishing rights, disadvantageous trade arrangements, or allowing the establishment or expansion of Soviet military bases. The relationship rapidly becomes analagous to that which obtains between migrant workers and the company store. The end result is de facto slavery.

Let me briefly describe the plight of Ethiopia and Angola, two of the major beneficiaries of Soviet assistance. Both nations are plagued by civil wars that scream out for diplomatic resolution. Were the U.S. the benefactor of these nations, I can assure you we would be limiting military aid while pushing hard for meaningful negotiations were the opposition willing. We do this routinely; indeed, it is what we did in the 1960's and 1970's when Haile Selassie ruled Ethiopia.

The Soviets, on the other hand, have turned the military aid spigot wide open, leading their clients in Luanda and Addis Ababa to seek spectral military victories. In point of fact, the military situation is steadily worsening in both countries.

The Angolans pay for this equipment and the well-fed Cubans who accompany it with much of their oil revenues while normal municipal services are becoming a thing of the past and people literally fight for scraps of food in the street. Ethiopia is not blessed with oil; it is saddled with an evergrowing debt to the Soviets that will take generations to pay off. However, this is a burden that many Ethiopian children will never have to bear since dozens of them starve to death every day.

Meanwhile the Soviets are ensconced along the Red Sea and in the South Atlantic, the two main routes for Persian Gulf oil to flow to Western Europe and the United States. And should Angolan or Ethiopian leaders decide that the price isn't worth the candle and try to oust the Soviets as Sadat and Nimieri courageously did in the past? Well, they will look around them and see thousands upon thousands of Cuban combat troops and remember the fate of Maurice Bishop.

The United States doctrine is almost a reverse mirror image of the Soviets. We have no interest in dictating a country's governmental system nor in replacing its religious beliefs with an alien ideology.

We have no difficulty with the concept of non-alignment or neutrality, noting that there are many neutral countries in the free world; there are none in the communist world. So we are interested not in creating dependence among those who turn to us for assistance, but rather in fostering independence.

The lion's share of our assistance goes to teaching aid recipients how to function independently. We place the highest emphasis on training in maintenance, on providing equipment that is easily maintained so as not to overload local capabilities. We emphasize the importance of logistics, so that equipment and uses are properly supported.

We emphasize commonality and interoperability of systems to keep support and maintenance as uncomplicated as possible. We teach such things as how to inventory parts and to run supply systems—which is the unglamorous backbone of every military, as it is of virtually any other organization. And we provide adequate spare parts and backup systems so that the desired self-reliance can be achieved and sustained.

As we compare the overall results and consequences of our approach to that of the Soviets, I think it is defensible, creditable, and consistent with those very values which raise legitimate questions about our security assistance programs. I hope I have been able to answer some of those questions today.●

METRIC EVALUATION ACT OF 1981

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. BROWN of California. Mr. Speaker, a few months ago I received in the mail a publication entitled "What do Brunei, Burma, and the United States Have in Common?" The publication was issued by the American National Metric council, a private sector membership organization, and on the inside pages the answer was provided: Brunei, Burma, and the United States are the only countries in the world not committed to using metric measurements.

Over the last 35 years all the countries in the world which formerly used the English system of weights and measures have committed themselves to the metric system. For example, most of the countries of the British Commonwealth are in this category, and many have already completed the changeover, including such important trading partners of the United States as Canada, Australia, and New Zealand.

The bill I am introducing today would authorize the conduct of a comprehensive, one-time study of the current status of metric use in the United States. It would analyze the extent and impact, both present and prospective, of conversion to metric in American industry, including such important factors as costs, import and export implications, and the effect of not making the changeover to metric. The bill would direct the Science and Technology Adviser to the President to appoint a small, seven-member panel to define the specific scope of the study and to select a contractor to conduct the study on an impartial basis. At the end of a 2-year period a report on the study would be submitted by the President to the Congress.

Mr. Speaker, the metric system is now being taught in many of the school systems around the country. Many industries, including the automobile industry, the farm implement industry, and others are in the process of changing to metric. But we have little hard data on which to base specific conclusions about whether there is a need for stronger leadership and commitment by the Government in this area. Brunei and Burma, unlike the United States, are not major factors in world trade, and it is timely that we obtain a factually based study on the implication for our future arising from the lack of a clear policy in this field.

H.R. 4490

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Metric Evaluation Act of 1981".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) the use of the metric system of measurement was recommended by Thomas Jefferson and John Quincy Adams at the time of the founding of the United States;

(2) in 1866 the Congress of the United States stated it was lawful to employ the metric system in the United States;

(3) the 1971 Report on the United States Metric Study conducted by the Department of Commerce at the request of the United States Congress recommended a ten-year period of changeover in which the United States should become predominantly, though not exclusively, metric;

(4) in 1975 the Congress of the United States passed and the President signed Public Law 94-168 (the Metric Conversion Act of 1975) which declared that "the policy of the United States shall be to coordinate and plan the increasing use of the metric system in the United States, and to establish a United States Metric Board to coordinate the voluntary conversion to the metric system";

(5) in 1978 a report by the United States General Accounting Office raised doubts with regard to the economic need for and the feasibility of converting to the SI metric system;

(6) the majority of the trading partners of the United States, including the members of the European Economic Community, Japan, Canada, and Mexico either currently use or are committed to the SI metric standard of measurement; and

(7) there is a need to objectively evaluate the data bearing on conversion to the SI metric standard of measurement in the United States.

(b) It is the purpose of this Act to authorize an independent study of all factors relating to the conversion to the SI metric standard of measurement in the United States.

AUTHORIZATION OF STUDY

SEC. 3. (a) The President is authorized to have conducted a comprehensive study of the extent of conversion to the Metric system of weights and measurements in the United States.

(b) The President shall appoint a panel of not to exceed 7 persons to establish criteria for eligible bidders to perform the study authorized by this Act and to act in an advisory capacity to the selected study contractor. Among persons appointed to the panel the President shall include representatives from the public sector and the private sector. Such panel shall report to the Science and Technology Adviser to the President.

(c) Members of such panel, other than full-time employees of the Federal Government, while attending meetings of such panel shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for individuals in the Government serving without pay.

(d) Not later than 90 days after the date of enactment of this Act, the President, through the Science and Technology Adviser to the President, shall promulgate the criteria for eligible bidders to conduct the study described in section 4.

(e) Not later than 120 days after the date of enactment of this act, the President, through the Science and Technology Adviser of the President, shall enter into a contract with a qualified nongovernmental entity to conduct the study described in section 4.

STUDY AND REPORT

SEC. 4. (a) The study authorized by this Act shall include—

(1) an analysis of the extent and impact, present and prospective, of conversion to the SI metric system in the materials industry, including the minerals industry (ferrous and nonferrous), the nonmetallic materials industry, the forest product industry, the petrochemical industry, and the agricultural materials industry;

(2) an analysis of the extent and impact, present and prospective, of conversion to the SI metric system in the machinery industry including motors, complex machine tools, instruments, and other similar items;

(3) a cost/benefit analysis, to include the cost of not converting to the predominant use, of the SI metric system;

(4) an analysis of potential export opportunities if United States suppliers use the SI metric system of measurement;

(5) an analysis of the benefits and problems which the conversion to the SI metric system of measurement in the materials and machinery sectors would have upon small business; and

(6) any other topics which may be pertinent to such study as may be determined by the panel.

(b) In conducting such study the contractor shall conduct indepth discussions with corporate executives and labor movement officials in both large and small enterprises, and other appropriate individuals to obtain a clear picture of the attitudes towards and effects of metrication.

(c) Not later than 2 years after the date of enactment of this Act the President shall submit a report to the Congress on the results and conclusions of the study conducted pursuant to this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 5. There are authorized to be appropriated $700,000 to carry out the purposes of this Act, such sums to remain available until expended.●

A YOUNG MAN'S DESIRE FOR PEACE

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mrs. SCHNEIDER. Mr. Speaker, I would like to share with my colleagues a letter sent to my office by Mr. James Findlay of Peace Dale, R.I. Mr. Findlay forwarded to me a copy of a letter

to President Reagan that was written by his son, Peter. Peter Findlay died of leukemia on October 31, 1983. I believe that Peter's letter speaks eloquently of a young man's desire for peace in the world, even at a time when he knew his own death was near.

The letter follows:

NOVEMBER 4, 1983.

Congresswoman CLAUDINE SCHNEIDER,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSWOMAN SCHNEIDER: My son was one of your constituents. He wrote this letter at Brown, a week before he entered the hospital for the final time. In the confusion of the last eight weeks the letter never got mailed immediately to President Reagan. Now we are doing so. I am sending a copy of his letter to you so his concerns and commitments are known to a politician who cares very much about the same things.

With kindest regards, I am

Sincerely yours,

JAMES FINDLAY.

Enclosures.

DEAR PRESIDENT REAGAN: For the past three years of my life I have been fighting the lethal disease Leukemia. I am twenty years old and have had every tested chemotherapeutic drug on the market pumped into my veins. Dealing with Leukemia, every day, is often "living hell," combining long stretches of nausea, vomiting, pain, and the constant knowledge that you will die. This situation exists even with the finest medical care available. I fear and know death as a reality every day. This knowledge would surely have made me insane if not for my Christian faith and the love given to me by my family and friends.

As one may expect, I have learned many things not usually shown people in a normal lifetime. I have realized that life is precious. Life should be nurtured and sustained at all costs. Nothing is more sacred than life and God's love within it and all humanity.

With my very life, experience of love, and the teachings of Jesus as testament, I witness that your stance on Arms Reduction and Disarmament is deplorable. I understand that Arms Control is a technical subject and that no easy answers are available. However, since you call yourself a Christian, I can only condemn your policies of a nuclear arms buildup and cold relations with the Soviet Union as un-christian and spiritually wrong. As a Christian leader of the most powerful nation in the world, you can show the world the blessings of love and understanding by having faith in what Jesus taught us, to love our neighbors and to love and pray for our enemies. Love and understanding are the answers, not uncompromising rhetoric or increased stockpiles of nuclear weapons. The Russians may be untrustworthy, but so also were the Jewish priests and scribes when Jesus did his work. Mr. President, you must be like Jesus, listening not to your advisors, be they conservative or liberal, republican or democrat. You must be guided solely by the love of God and your Christian faith. This faith is not one of strength or numbers, but of humble and firm knowledge that for life to continue, love must preside over all people and things.

I pray, in Jesus' name, that you will be guided in love, truth, and a disregard for ideology. As Jesus said in the Sermon on the Mount, "blessed are the peacemakers." May the Lord guide you with the greatest of speed in this direction. The very existence of all creatures on Earth depends upon your decisions. I have lived with Leukemia. I know what millions of people will experience if a nuclear war does occur. Those living will truly envy the dead. I am calling on you from deep within my heart to leave no stone unturned in an attempt to end the arms race and disarm the nuclear nations of Earth. There seem to be many unturned stones as of yet. I have faith in you and humanity.

With unending hope for peace.

PETER F. FINDLAY.●

ANDROPOV IS ALREADY FIGHTING THE BIG WAR

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. PORTER. Mr. Speaker, when Yuri Andropov emerged as the leader of the Soviet Union, the Western media initially depicted him as one with whom Western governments might enter into serious peace negotiations. Remember his reported eye for western jeans, alcohol, and movies. Unfortunately, Yuri Andropov, the exhead of the KGB, is responsible for gross violations of human rights in the Soviet Union as well as the brutal invasion of Afghanistan and possibly the assassination attempt on the Pope, according to Vladimir Solovyov and Elena Klepikova, a husband and wife team born in the Soviet Union. The following piece suggests that Andropov is not at all committed to world peace, but in fact he is already at war with the world to increase the fortunes of the Soviet Empire:

ANDROPOV IS ALREADY FIGHTING THE BIG WAR

(By Vladimir Solovyov and Elena Klepikova)

The trouble with many predictions is not that the events that follow refute them, but that they outstrip them.

George Orwell wrote his anti-Utopia about a totalitarian society and dated it "1984." A quarter of a century later, the Soviet dissident Andrei Amalrik published abroad a Cassandralike essay "Will The Soviet Union Exist Until 1984?" Only several months remain until the appointed date. But the last empire on earth hasn't shown any signs of collapse, although it now exists in somewhat different condition than was described by Mr. Orwell and witnessed by Mr. Amalrik. For the last few years, its political structure has been changing radically. One may risk saying that the Soviet Union whose inevitable destruction Mr. Amalrik predicted has indeed ceased to exist—several years prior to the appointed date.

This happened with the coming of new leadership to the Kremlin—not the day after Leonid Brezhnev's death but in the last years of his nominal rule when the military-police apparatus, with Yuri Andropov as its head, gradually drove back and ultimately replaced the former party-bureaucratic ruling clique.

As a landmark of this historical displacement, a watershed between two epochs in the life of the Soviet empire, we can consider Christmas Eve 1979 when the Red Army assaulted and annexed the neighboring state of Afghanistan. This event was unprecedented in the post-Stalin era in two respects. First, Afghanistan, unlike Hungary and Czecholovakia, had been outside the Iron Curtain. Then, the decision to occupy Afghanistan was made without the Politburo's sanction, bypassing the opinion of the majority of its members. These included the main Soviet leaders—General Secretary Brezhnev, Premier Alexei Kosygin and Mikhail Suslov (a party ideologue), who were all seriously ill at the time in the "Kremlyovka" (a VIP Kremlin hospital).

The main architect of the blitzkrieg in Afghanistan was Gen. Aleksei Epishev, chief of the Armed Forces Political Administration, who went on official visits to Afghanistan with a group of military specialists several times during 1979. He worked out on the spot a detailed plan of the invasion, which was subsequently approved by Mr. Andropov, then chief of the KGB, and Marshal Nikolai Ogarkov, chief of the general staff. Mr. Ogarkov was and is now de facto minister of defense in the shadow of the aged and strictly ceremonial Dmitri Ustinov. (You may recall Mr. Ogarkov's unflappable performance on the live televised news conference from Moscow after the downing of the Korean airliner.)

The occupation of Afghanistan was a decisive factor in the struggle for power. Although the well-planned blitzkrieg turned into a protracted war, Mr. Andropov's political fortunes rose sharply, he easily outstripped all his rivals from Mr. Brezhnev's retinue and in the beginning of 1982 carried out his police coup, removing the Party Areopagus that ruled the country for almost three decades in a row since Nikita Khrushchev.

It's only natural that all of Mr. Andropov's actions—first, as an all-powerful regent while Mr. Brezhnev was still alive, and now as an official Soviet leader (beginning with the assault on Afghanistan up to the shooting down of an unarmed Korean airliner with 269 passengers aboard)—were exactly opposite to what Mr. Brezhnev had done.

Mr. Andropov eradicated dissent inside the country, tightened the screws on all levels of Soviet life, stopped the Jewish emigration, broke off the policy of detente, adopted a harsh, aggressive tone in his talks with the West and increased expenditures for the country's growing militarization. He also strengthened ties with world terrorism and even tried to make use of it in solving the Polish crisis (the attempt on the Polish pope's life). Mr. Andropov undertook an adventurous and expansionist program in Southeast Asia and the Middle East—in the first instance, with the help of Vietnam, in the second, with the help of Syria and Libya. (Let us avoid the temptation of false analogy and not ascribe to Mr. Andropov the Central American conflicts with their quite internal, social causes; of course, the possibility of their exploitation by the Soviet Union and Cuba is not ruled out.)

It's time to call things by their proper names: What we see now is not simply the second round of the Cold War after prolonged intermission, but a direct confrontation between two superpowers that includes military confrontation although for now it takes place in separate arenas. It is hardly probable that the Middle East will become a second Vietnam for America.

But in other respects, its theater of military operations may turn out to be much more dangerous than Vietnam, since it is difficult to contain it geographically and the fires of war spread easily from one place to another. In addition, since the Soviet Union obviously wants to make the Middle East a proving ground where it can test its strength, it hampers in every way possible the peaceful settlement of local conflicts.

Peace is a tactical ruse for the current Soviet leader and not his goal at all. The U.S., to be sure, isn't ruled by Nobel Peace Prize laureates, either, but it doesn't shoot down civilian airplanes, doesn't seize other countries, doesn't set one nation against another and doesn't direct the activity of terrorists. Compared to the chess-player Andropov, President Reagan seems politically naive and infantile, and his rhetorical philippics against communism are like the Chinese "paper tigers."

The point is not whether the U.S. is capable of standing up to Mr. Andropov's Russia but whether America, its leaders and people are capable of realizing that the war with Russia is already under way.●

REPORT OF REPUBLICAN STUDY COMMITTEE

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. GINGRICH. Mr. Speaker, the majority party has spent the last 2 years trying to blame triple-digit deficits on President Reagan. Yet they are in charge of a House constitutionally given the power of the purse, and they have allowed no serious consideration of spending control legislation since the June 1981 reconciliation bill.

So far during the 97th Congress the majority party has consistently tried to raise both taxes and spending—the latter more than the former, making their concern about deficits ring hollow indeed.

The Republican Study Committee's economist, Michael J. Solon, has prepared a masterly report that presents the evidence of Democratic irresponsibility.

But the forces on my side of the aisle, while consistently pointing out that Democratic overspending is the biggest part of the deficit problem, have not exactly been offering the solution. Solon's report notes:

While this data provides us a more than adequate defense against the Democrats' charge of cruel budget cuts, it can also be used for self-criticism. President Reagan and his allies in Congress have done too little to bring spending under control. The job remains undone. The Democrats are still controlling the spending spigot.

In short, this new RSC paper has the potential to quiet down the majority and wake up the minority. It follows:

EVERYTHING THE DEMOCRATS "DON'T" WANT YOU TO KNOW ABOUT THE DEFICIT

The intent of this package is to provide Republican Members with information which may be helpful to them in confronting the Democrats on the deficit issue. This package includes:

(1) Examples of how Democrats have voted numerous times to increase the deficit;

(2) The long-term projections of deficit growth and revenues need to offset that growth;

(3) Examples of how Democrats use the deficit to gut defense, raise taxes and increase social welfare spending;

(4) Inconsistencies and illogical policies resulting from the uncontrolled growth in social welfare spending programs; and

(5) Information on how President Reagan's spending cuts only reflect lower inflation adjusted spending and that the President's policies have been more than fair to those supporting themselves as well as those on social welfare payments.

DEMOCRATS VOTE FOR DEFICITS

(1) House Concurrent Resolution 91, June 23, 1983. This bill raised taxes by $10 billion, cut defense by $12 billion, increased the deficit by $13 billion above the President's requested level (CBO estimates $8.5 billion), and added social welfare expenditures of $29 billion. Passed 239-186. Congressional Record, Page 17103. Only 29 Democrats voted against H. Con. Res. 91, those being Applegate, Barnard, Bennett, Breaux, Chappell, Dellums, Dyson, S. Hall, R. Hall, Huckaby, Hutto, Ireland, Jacobs, Kastenmeier, Leath, McDonald, Montgomery, Neal, Ray, Roemer, Shelby, Skelton, Smith (IA), Stark, Stenholm, Tauzin, Vandergiff and Wilson.

Those Democrats not voting were Alexander, Heftel and Martinez.

(2) H.R. 1183, June 23, 1983. Unwilling to lower the deficit by cutting spending, Democrats attempted through this bill to cap the tax cut and raise revenues of $6.2 billion in 1984 and an additional $39 billion through 1988. Passed 267-155. Congressional Record, Page 17146. Only three Democrats voted against capping the tax cut, those being Frank, Mazzoli and Studds. Those Democrats not voting were Gore, Heftel, Jacobs, Leland, Martinez and Rose.

(3) H.R. 1183, June 23, 1983 (Frenzel Amendment). A motion was made to recommit and amend the bill with a specific limit lowering outlays by $12 billion. This was a $12 billion spending cut with no increase in taxes. Defeated 181-241. Congressional Record, Page 17148. Only 17 Democrats voted for the spending cut, those being Byron, English, S. Hall, R. Hall, Hightower, Hutto, Ireland, Leath, Long (MD), McDonald, Ray, Roemer, Shelby, Stenholm, Tauzin, Vandergriff and Young (MO). Those Democrats not voting were Gore, Heftel, Jacobs, Leland, Martinez and Rose.

(4) H.R. 3913, September 22, 1983 (Wright Amendment). This amendment added $300 million to an already overbudget Labor, HHS and Education Appropriations bill. Passed 302-111. Congressional Record, Page 25424. Only 9 Democrats voted against this bill, those being Bennett, Breaux, Huckaby, Ireland, Montgomery, Roemer, Slattery, Stenholm and Tauzin. Those Democrats not voting were Daniel, Hance, Heftel, Howard, Martinez, Rahall, Sharp, Simon and Waxman. Note: During debate, Majority Leader Wright stated "Now they (the proposed amounts) may be in excess of certain amounts requested by the President in his budget request last January. But that, of course, is not the budget. Congress makes the budget; the President does not. That is a very important distinction."

(5) H.R. 1036, September 21, 1983. (Gekas Amendment) This pay-as-you-go amendment would have ensured that the $3.5 billion needed for this bill would have to be funded by some other method rather than increasing the deficit. Defeated 166-258. Congressional Record, Page 25110. Only thirty-two Democrats voted for this amendment, those being Andrews, Breaux, Britt, Coleman, Daniel, English, Erdreich, Gibbons, Glickman, R. Hall, S. Hall, Hightower, Hubbard, Ireland, Kazen, MacKay, Miller, Montgomery, Nelson, Penny, Reid, Roemer, Rowland, Sharp, Shelby, Stenholm, Tauzin, Thomas, Valentine and Vandergriff. Those Democrats not voting were Barnard, Crockett, Daschle, Ferraro, Heftel and Morrison. Note: Ex-CBO chief Alice Rivlin noted that Government job programs made limited overall improvement in unemployment rates while tending to increase the deficit which in turn stifled economic recovery. She also noted that these programs create fewer net new jobs because they usually pay for high skill, high wage construction jobs on roads. She referred to a 1978 jobs programs that cost $38,000 per created job in 1978 dollars. Her solution: "Get the economy moving again".

(6) H.R. 3133, June 2, 1983. This appropriation bill as passed was $4.84 billion over the levels requested by the President. Passed 216-143. Congressional Record, Page 14337. Thirty-nine Democrats voted against this bill, those being Applegate, Barnard, Breaux, Byron, Daniel, Dorgan, Dyson, Eckart, English, Feighan, Fowler, S. Hall, R. Hall, Hance, Hubbard, Huckaby, Hughes, Hutto, Ireland, Jenkins, LaFalce, Levitas, Lowry, Lundine, McCurdy, McDonald, Montgomery, Moody, Mrazek, Neal, Nichols, Patterson, Ray, Roemer, Russo, Slattery, Stenholm, Tauzin and Vandergriff. Those Democrats not voting were AuCoin, Berman, Boner, Bonker, Clay, Collins, Conyers, Crockett, Derrick, Dixon, Florio, Foglietta, Frost, Harkin, Hawkins, Heftel, Jones, Kazen, Kolter, Kostmayer, Lehman, Levine, Lloyd, Martinez, McNulty, Mica, Nelson, Panetta, Price, Rahall, Rowland, Sabo, Simon, Sisisky, Skelton, Smith (Fla), Stratton, Torres, Traxler, Weiss and Wilson.

NATIONAL TAXPAYERS UNION'S CONGRESSIONAL SPENDING STUDY

With the understanding that big spending requires heavy taxation, the National Taxpayers Union has studied the spending patterns of the U.S. Congress to see who has actually held spending down. The study is based on votes from the first and second sessions of the 97th Congress.

Of those who had the best record for spending restraint during the first session of the 97th Congress, only 3 of the 35 were Democrats, of which two, Congressmen Gramm and Stump, have switched parties while the other, Congressman McDonald, died in the K.A.L. 007 incident. All of those rated as worst of the big spenders were Democrats including Gonzalez, Pepper, Fazio, Wright, Zablocki, Boggs, Murtha, Price, Matsui, Zeffretti, Mollohan, Akaka, Perkins, Gore, Bailey, Stratton, Foley, Dixon, Annunzio, Bowen, Florio, Natcher, Bollings, Boland, Alexander, Whitten, W. Coyne, G. Long, Fary, Coelho, Rostenkowski, J. Smith, Simon, Anthony, Dicks, McHugh, Dymally, and Frost.

The N.T.U. study of the second session of the 97th showed the same pattern. Only 5 Democrats, McDonald, Gramm, Stump, Roemer, and Stenholm, were in the group of 38 rated as spending less while no Repub-

licans were in the group rated as big spenders. The worst of the big spenders were Bailey, Wright, Price, Pepper, Mollohan, Fary, St Germain, Akaka, Zablocki, Katie Hall, J. Smith, Hoyer, Boggs, W. Coyne, Dwyer, Matsui, G. Long, Bowen, G. Brown, Simon, Dicks, Fazio, Dingell, Foley, Frost, Annunzio, Martinez, Murtha, Gejdenson, Kennelly, Roe, Foglietta, Gore, and Mineta.

After reviewing the record and how the Democrat leadership has treated those Democrat Members who voted for less spending, there should be no doubt as to which party is the party of big spenders and, ultimately, big taxers.

$200 BILLION DEFICITS OR $200 BILLION TAX INCREASES

Projections based on the relation between federal revenues and outlays indicate that we could be experiencing deficits of $565 to $615 billion by 1990 and up to $2 to $2.5 trillion by the year 2000. This projection is based on the growing ratio of outlay as a multiple of revenues.

In 1975, outlays were 116 percent of revenues leaving a deficit of $45 billion. 1983 estimates show outlays being 135 percent of revenues.

Since 1975, the average annual increase in outlays has been 12.0 percent while revenues have grown at a 10.0 percent rate. Based on that growth projection, 1990 outlays will be $1.78 trillion while revenues should be $1.164 trillion leaving a deficit of $615 billion!

Revenues grew at a 10 percent average annual rate from 1975 to 1983. If we decided to increase revenues at a 12 percent average annual rate for the next ten years, we would still have to hold outlay increases to an average annual growth rate of 8.7 percent in order to have no deficit at the end of those ten years. That is 3.3 percent lower than the outlay trend since 1975. If we did not want to increase the tax burden and keep revenue growth at the current 10 percent average annual rate, then outlay growth would have to be cut from the current 12 percent rate to 6.8 percent average annual growth, almost by half.

What does this mean to the average family? The average family having an annual income of $24,100 pays $2,218 or 9.2 percent of their income in taxes. If they paid enough taxes to balance the budget, the average family would have to pay $3,832 or 15.9 percent of their income in taxes, an increase of 72.8 percent.

By ranking 1983 as a multiple of 1958, we see that: Defense spending has grown by a factor 4.9, personal income minus federal outlays has grown 6.9 times, personal income rose by 7.56 times, personal income taxes by a factor of 8.31, total federal outlays by 9.25 times and total transfer payments by 19.34 times.

This data clearly shows what is causing the deficit and what is not. As a percentage of Gross National Product, defense is 33.3 percent lower than the 1958 level but federal outlays overall are 33.9 percent higher.

Some Members look to national industrial policies to allow us to compete with countries like Japan. The facts are that government spending in Japan is 9.7 percent of GNP, 46 percent lower than the 18.1 percent here in the U.S. and average investment as a percentage of GNP in Japan is 32.1 percent while here in the U.S. the average is 18.3 percent.

Federal spending growth is due mostly to entitlements and the fact is that after we pay all our entitlement obligations, we have only $100.6 billion to run the government. With defense and other needs, it simply can't be done. Take the estimated revenues for the government in 1983 of $597.5 billion, then subtract $210.3 for revenues collected for transfer programs, take away another $61.1 billion for the deficit from the lack of revenues collected for these transfer programs, subtract $136.6 billion for all other transfer payments and another $88.9 billion for interest and it leaves the Federal Government with some $100.6 billion to run all other functions. You can't run the government on $100 billion.

BALANCED APPROACH TO THE DEFICIT

A number of Members are calling for a balanced approach to reducing the deficit involving lower defense spending, higher revenues and cutting entitlements. This sort of balanced approach has been attempted before in the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). TEFRA raised taxes $100 billion over three years. The 1983 First Budget Resolution reflected $280 billion in outlay reductions, supposedly cutting outlays nearly $3 for every one dollar in higher taxes ($280 billion/$100 billion).

Last year, Congress agreed to cut $53 billion in non-defense spending, reduced defense spending $26 billion, and raised taxes for fiscal year 1983, fiscal year 1984, and fiscal year 1985. Since then non-defense spending estimates have been revised upward by $167 billion (exclusive of interest payments reductions), for a net increase of $114 billion ($167 billion-$53 billion) of expected outlays in excess of the baseline used in the fiscal year 1983 Resolution. Far from achieving a $3 cut in non-defense spending for every $1 in tax increases in TEFRA, or even 53 cents per $1 in tax increases, we may end up with a $1.14 increase in non-defense spending for each each $1 of tax increase in TEFRA ($114 billion/$100 billion).

Balanced approaches like this lead to deficits because Democrats refuse to control or limit constantly rising social spending, the real cause of deficits. The deficit results from the inability of taxes to keep up with uncontrolled growth in spending.

WORK OR WELFARE: CLEAR CHOICES

There is no doubt that we need to help those incapable of supporting themselves, but should we encourage able bodied people not to work and join welfare programs? The combination of our policies clearly indicate that we reward people not to work and punish them with high taxes if they do work.

A 1981 study in New York State showed that a family of 4 received $8,333 in benefits (AFDC=$3,096, Shelter Allowance=$2,580, Food Stamps=$948, Medicare=$1,709). For a worker to come up with that same amount after taxes, he would have to earn $9,731 per year. When you divide this $9,731 by the standard hours worked per year of 2,000, you end up with that worker having to earn $4.87 per hour to match what he could receive under welfare payments. That is 145 percent of the $3.35 minimum wage. In addition, entitlements are indexed to inflation, but the minimum wage has not increased since that time, therefore by now the welfare payments are probably somewhere in the range of 160-165 percent of the minimum wage. We give people an obvious choice: if you work we will pay you $3.35 per hour and then tax the income, but if you decide not to work, we will give you $4.87 per hour for the forty hours a week you don't work.

FAIR TO ALL CONCERNED

Reagan's economic policies have been fair to all those involved. For the elderly, lower inflation has allowed senior citizens to maintain the value of their savings and pensions that were ravaged by inflation during the late 1970's. For the average family, lower inflation has added $2,500 a year of purchasing power to what it would have been if the 1980 rate had continued. Combined with the tax cuts, the average family has about $3,200 a year more in purchasing power than it would have.

But what about the poor? Have they not suffered from the massive spending cuts imposed under President Reagan. No, they are in fact better off than under Carter. Under Carter's first two fiscal years, payments to individuals adjusted for all important inflation increased 0.79 percent from 1977-78 and increased 1.4 percent the following year. Under Reagan's first two fiscal years, real payments to individuals grew 3.3 percent from 1981-82 and an estimated 7.0 percent in 1983. So under President Reagan, payments to individuals, when adjusted for lower inflation, grew over 10.0 percent in his first two years, almost five times as much as the growth during President Carter's first two years.

While this data provides us a more than adequate defense against the Democrats' charge of cruel budget cuts, it can also be used for self-criticism. President Reagan and his allies in Congress have done too little to bring spending under control. The job remains undone. The Democrats are still controlling the spending spigot.●

THE AUBURN DAM

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. SHUMWAY. Mr. Speaker, today I am introducing a legislative package consisting of two bills designed specifically to address those problems which have prevented the completion of a sorely needed water project in the State of California.

This project, the Auburn Dam, is located on the north fork of the American River near the community of Auburn. It was originally authorized in 1965 as part of a network of federally built dams and canals known as the central valley project. As part of the central valley project, the Auburn Dam was designed to help meet California's demanding water needs. Among this project's many features is the ability to provide a supplemental water supply for irrigation, municipal and industrial use, and to alleviate badly depleted ground water conditions. Additionally, the project is designed to provide environmentally clean hydropower generation, flood control, recreational facilities, and fish enhancement and protection.

In California over 70 percent of the water runoff takes place in the north during the winter and spring seasons. Conversely, more than 80 percent of that water is consumed months later in

the southern regions during the summer and fall. Mr. Speaker, I submit that there can be no doubt of the necessity for projects in California which provide efficient water storage and transportation provided that they are environmentally safe and fiscally responsible.

To date nearly $320 million has been spent preparing the dam site's foundation. However, all construction ceased after concerns were raised over the dam's safety when an earthquake occurred in nearby Butte County. Subsequent questions of the dam's effects on the American River flow levels were raised as well. Fortunately, the Bureau of Reclamation, under whose auspices this project lies, has since been able to account for these problems, insuring both seismic safety and proper minimum flow levels.

Although solutions to these two major problems which have caused lengthy delays for the Auburn project in the past have been reached, one major obstacle has yet to be addressed: The cost. In the 18 years since Auburn's original authorization, delays and inflation have pushed the project's price up almost $600 million. Existing law allows for $1.6 billion of authorization; however, present cost of completion has been estimated at $2.2 billion. Although I am wholeheartedly committed to the completion of this project and realize the unquestionable need for the contributions it will make to the agricultural and economic well-being of California, I also realize the serious consequences of unrestrained Federal spending as illustrated by the size of our current Federal budget deficit. I, therefore, share the administration's position that Auburn and projects like it can no longer be funded entirely by the Federal Government. In the first Auburn Dam bill that I am introducing today, I recognize that non-Federal entities must share in the cost and services of the project if it is ever to be constructed. Although cost-sharing approaches for public works projects have been used before, no applicable precedent exists for water projects. Without clear-cut funding commitments Congress has had no assurance in the past that appropriate agreements defining equitable and proportionate funding roles could be reached. As a result, I believe Members of this body have been hesitant to consider cost sharing as a fiscal panacea for water projects in the past. The first of these two Auburn Dam bills focuses on this funding problem specifically.

This bill amends the original authorization, directing the Secretary of the Interior to enter into negotiations with non-Federal entities interested in sharing in the costs and services of the project and subsequently to consummate cost-sharing agreements. It then goes a step further and mandates that the Secretary report back to Congress the resluts of the negotiations and submit any agreements he may have reached. This will give Congress the opportunity to examine the specifics of any cost-sharing contracts for the Auburn project before the dam's reauthorization ever occurs. There is every reason to believe that more than adequate non-Federal interest exists. At least nine entities have contacted the Bureau of Reclamation expressing interest in contributing to the project's cost.

The second part of this legislative package is a bill to amend the original authorization, raising the cost figures up to current cost estimates. It will also insure environmentally safe minimum flow levels for the American River. Other technical changes relating to water rights and the construction site have been made upon recommendation by the Bureau. Again, Mr. Speaker, I would like to stress that it is my intention to have consideration of this reauthorizing measure take place after the Secretary has reported his findings and cost-sharing agreements to Congress. In an effort to make the Federal Government's funding role both clear and responsible, we as a body will have an opportunity to carefully and satisfactorily review this necessary information before considering this reauthorizing bill.

Mr. Speaker, my constituents have patiently endured the unenviable position of having a half-built dam in their backyards for nearly 15 years now. The need for this project is clear. This legislation endeavors to make funding roles equitable and clear. Finally, I believe it is clear that the time for the Federal Government to stop spinning its wheels and act in a responsible fashion on a project it started in 1965 is now—before costs rise any further.●

PRESIDENT KENNEDY ON ENDING THE NUCLEAR ARMS RACE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. MILLER of California. Mr. Speaker, a series of events this week forces many Americans to consider solemnly the most critical issue of our time: the real and growing threat of nuclear war.

Earlier this week, the House passed the biggest appropriations bill in the history of this Nation—a quarter of a trillion dollars for the most awesome assortment of weaponry ever conceived by mankind. Later this week, millions of Americans will watch a film, "The Day After," which chronicles the aftermath of a world in which those kinds of terrible weapons of destruction have been loosed on the United States.

Yesterday, in the great rotunda of the Capitol, we conducted a memorial service to commemorate our late President, John Fitzgerald Kennedy, who was assassinated 20 years ago next Tuesday.

The world is very different today from the world President Kennedy knew. The dangers of nuclear weapons, and the threats of nuclear annihilation—whether intentional or by accident—are more real today than they were in 1963.

When President Kennedy issued his warnings about the dangers of nuclear warfare, there were no MX missiles or B-1 bombers. There was no Pershing II, no neutron bomb, no SS-20. The nuclear weapons which terrified President Kennedy are only a fraction of the nuclear arsenal which exists today, an arsenal equivalent to 5,000 times the explosive power of all the munitions of all sides in World War II.

President Kennedy did not shy away from military growth or from military confrontation. Within his brief administration, we endured serious military crises at the Bay of Pigs, Berlin, Vietnam, and the Cuban blockade. While President Kennedy felt his failures deeply, he did not respond to his successes with strident bravado or confrontational arrogance.

Instead, President Kennedy's brushes with nuclear conflict made him recognize the need both to pursue a strong defense and to seek ways of reducing the likelihood of war. After staring down our Soviet adversaries, he was willing to sit down with those same adversaries to seek ways of preventing nuclear conflagration.

"Let us never negotiate out of fear," he said in his inaugural address in 1961, "but let us never fear to negotiate."

Today, I fear, we have lost the inclination to negotiate for peace because our administration is flushed with the success of military victory. But thoughtful men and women, in this House and throughout the Nation, understand all too clearly that neither powerful weapons nor successful maneuvers diminish the need to reduce the nuclear threat through serious negotiations with the Soviet Union.

Five months before he died, President Kennedy delivered one of his most important speeches at the graduation ceremony of the American University. His words are more appropriate today than they were in 1963, because the threat of global nuclear war is greater today. During the last 20 years, there has been an enormous expansion in nuclear weaponry, and in the last several years, a disturbing deterioration in our relations with the Soviet Union.

President Kennedy acknowledged the need to expend billions of dollars every year on weapons acquired for the purpose of making sure we never need to use them. But he noted, "the acquisition of such idle stockpile * * * is not the only, much less the most efficient, means of assuring peace."

He challenged the notion that it is fanciful to speak of world peace and the control of nuclear weapons in a world which is riddled with conflict.

"Some say it is useless to speak of world peace or world law or world disarmament. [But] I am not referring to the absolute, infinite concept of universal peace and good will of which some fantasies and fanatics dream.

"Let us focus instead on a more practical, more attainable peace—based not on a sudden revolution in human nature but on a gradual evolution in human institutions.

"Peace need not be impracticable, and war need not be inevitable."

In an era in which East-West tensions were as strained as they seem today, Kennedy asserted that the people of both the United States and the Soviet Union yearned for a reduction in the threat of conflict between our two great nations.

"Both the United States and its allies, and the Soviet Union and its allies, have a mutually deep interest in a just and genuine peace and in halting the arms race.

"So let us not be blind to our differences, but let us also direct attention to our common interests and to the means by which those differences can be resolved. And if we cannot end now our differences, at least we can help make the world safe for diversity."

If President Kennedy's words made sense in the aftermath of the Bay of Pigs, the Cuban missile crisis, and the Berlin crisis, then they surely make sense in the wake of KAL 007 and Poland.

Yet today, I fear that on both sides, our political leaders prefer to gloat on their military successes rather than recognizing, as did John Kennedy, that each success is one further step toward the unthinkable, but not impossible, nuclear holocaust.

Do not misunderstand my words: The Soviet leaders are wary of our intentions, committed to their political system, and confrontational in their style. Surely they regard us in precisely the same fashion. So if we are to move beyond this diplomatic gridlock, it will require a greater degree of trust and a greater commitment to peace than either side has exhibited in recent years.

And if assuring peace requires risks, how do they compare to the risks of a continued buildup in nuclear weapons and international confrontation which daily enhances the likelihood of nuclear accident, if not nuclear war? Is it not in the Soviet interest, as much as our own, to avert that tragedy?

"For in the final analysis," President Kennedy said, "our most basic common link is that we all inhabit this small planet.

"We all breathe the same air. We all cherish our children's future. And we are all mortal * * *. All we have built, all we have worked for, would be destroyed in the first 24 hours" of a nuclear exchange.

Those words took courage to utter in 1963, and they will require courage to act upon in 1983. But the stakes are the future of this planet and all the people of every country on it.

So as we recall President Kennedy, let us remember his most timely message: "We can seek a relaxation of tensions without relaxing our guard. And, for our part, we do not need to use threats to prove that we are resolute."

Unquestionably, we must be prepared to defend ourselves and our interests. That is one price of world leadership. But the world has grown too strong, our weapons too awesome, and the margin of error too minuscule to allow rhetoric and ideological rigidity to jeopardize our mutual efforts to remove the nuclear threat.●

ROLLA HIGH SCHOOL MARCHING BULLDOGS BAND

HON. BILL EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. EMERSON. Mr. Speaker, I would like to take this opportunity to commend and recognize the great achievement of the Rolla High School Marching Bulldogs Band of Rolla, Mo. Indeed, it is quite an achievement that this band, the Rolla Marching Bulldogs Band, has earned the privilege of representing the great State of Missouri, as well as the States of Kansas, Nebraska, Colorado, and Iowa, in the great bands of the Orange Bowl field competition and in the Orange Bowl Parade this year. Mr. Speaker, I am very proud of this achievement, and I know that Missouri's fine citizens are equally pleased and join me in applauding this accomplishment. I am pleased to insert into the RECORD, the following proclamation by the Governor of the great State of Missouri, Christopher S. Bond, who has proclaimed the week of December 25 to 31, 1983, as "Rolla Marching Bulldogs Week."

PROCLAMATION

Whereas, music reflects the higher values of civilization; and

Whereas, the high school music programs of our state reflect these values, offering young people a chance to achieve a high degree of competence in the musical arts; and

Whereas, Rolla High School, Rolla, Missouri, has maintained an excellent music program over many years; and

Whereas, the Rolla High School Marching Bulldogs Band earned the privilege of representing the Great State of Missouri—as well as the States of Kansas, Nebraska, Colorado, and Iowa—in the Great Bands of the Orange Bowl Field Competition and in the Orange Bowl Parade this year;

Now, therefore, I, Christopher S. Bond, Governor of the State of Missouri, do hereby proclaim the week of December 25 to 31, 1983, as "Rolla Marching Bulldogs Week" in Missouri and extend congratulations to the band and urging others to join in applauding and supporting this accomplishment.●

IMMEDIATE SUPPORT OF THE PRESIDENT IN GRENADA

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. HUBBARD. Mr. Speaker, I have received a letter from my friend and fellow Kentuckian, Dr. John C. Redman, of the University of Kentucky's Department of Agricultural Economics in Lexington, Ky. I believe my colleagues will be interested in reading Dr. Redman's comments about the need of support of the President's decision to send troops to the island of Grenada.

Dr. Redman urges the Congress to stand behind the President in this regard. Furthermore, he is deeply concerned that anyone would "sit idly by and let Grenada develop into a strong Soviet naval base," particularly after his having visited Poland this past summer. His October 28 letter to me follows:

UNIVERSITY OF KENTUCKY,
COLLEGE OF AGRICULTURE,
Lexington, Ky., October 28, 1983.

Congressman CARROLL HUBBARD,
Rayburn House Office Building,
Washington, D.C.

DEAR CARROLL: I want to congratulate you on your instant support of President Reagan for sending the troops to kick the Cubans and the Soviets out of Grenada. Having returned from my second trip to Poland seeing how Russia restricts the freedom loving Poles, then the Korean air massacre and the Beirut bombings, and the many other infiltrations, I can't see how any responsible leader could sit idly by and let Grenada develop into a strong Soviet naval base. President Reagan could have been criticized severely if he had not acted.

The impression many of your colleagues, both Democrats and Republicans, have given is to wait and see how the public sentiment develops before taking a position. I think you are very perceptive about Russia's intentions. As a former Marine officer, I appreciate your continued support of a strong tough policy toward Russia.

Sincerely yours,

Dr. JOHN C. REDMAN,
Professor.●

MASSACHUSETTS SENATE RESOLUTION ON ETHIOPIAN JEWS

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. MARKEY. Mr. Speaker, last month, the Massachusetts Senate adopted resolutions urging the Congress of the United States to assist in the tragic situation of Ethiopian Jews. I believe that these sentiments are important, and I would like to submit the text of the resolution for the RECORD:

RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ASSIST ETHIOPIAN JEWS THROUGH EVERY AVAILABLE MEANS

Whereas, the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights guarantees to all persons the right of freedom of religion, the right to hold opinions without interference, the right to freedom from expulsion and the right to emigrate; and

Whereas, Ethiopian Jews are among the oldest continuous Jewish communities in existence, their history extending back for three thousand years; and

Whereas, the American people are becoming increasingly aware of the difficulties facing Ethiopian and are seeking ways to assist them; and

Whereas, the plight of Ethiopian Jews demand that the American people and all people of good will do everything possible to alleviate their suffering; now therefore be it

Resolved, that the Massachusetts Senate hereby urges the Congress of the United States to express to relevant foreign governments, our own country's concern for the welfare of the Ethiopian Jews and, in particular, their rights to emigrate freely and be it further

Resolved, that copies of these resolutions be transmitted forthwith by the clerk of the Senate to the presiding officer of each branch of Congress of the United States and to each member thereof from this Commonwealth.

The resolutions were adopted on October 24, 1983, and signed by William M. Bulger, President of the Senate; Edward B. O'Neill, Clerk of the Senate, and Jack H. Backman, who had offered the amendment.

In my opinion, the action of the Massachusetts Senate is well taken, and this body should follow up on the letter to the Secretary of State cosigned by many of the Members.●

RESIGNATION OF MR. RICHARD O. HAASE, COMMISSIONER OF PUBLIC BUILDINGS SERVICE, GSA

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. YOUNG of Missouri. Mr. Speaker, the Federal Government is losing a capable and dynamic Commissioner of Public Buildings of the General Services Administration. Richard O. Haase has announced his resignation, effective December 2, to return to the private sector where he will be the director of a real estate investment trust. Dick has been Commissioner for 2 years, and in that period has injected an enthusiasm and spirit in the Public Buildings Service of GSA.

Dick brought to PBS business acumen acquired from 20 years experience in real estate appraisal and investing. Dick is a highly respected expert on real estate matters and has served on the board of a title insurance company and a savings and loan institution. He currently holds the designation of MAI—member, Appraisers Institute. Dick is a graduate of the Naval Academy and served in the Strategic Air Command, reaching the rank of captain.

I first met Dick when I became chairman of the Subcommittee on Public Buildings in the 98th Congress. Dick made an extra effort to bring me up to speed on the Public Buildings Service (PBS) activities and programs. Dick was always available to me and my staff and, although we disagreed on certain issues, he kept his word whenever he gave it. His many appearances this year at subcommittee hearings were always a pleasure, for Dick brought professionalism and a sense of personal interest in subcommittee activities.

Dick's accomplishments at PBS are many. He initiated a successful program to outlease vacant, uncommitted space, currently earning the Government $5 million annually. Dick also initiated an opportunity purchase program to buy commercial buildings for use as Federal office buildings. This program was designed to reduce the Government's reliance on leased space for Federal office workers, while taking advantage of favorable prices for office buildings. PBS has purchased one building in Dallas, Tex., for $7 million, and is currently analyzing over 200 proposals received following public advertising of the program. Dick instituted challenges to local tax assessments of buildings leased by GSA where the Government would otherwise automatically pay property tax increases, and saved $500,000 in Washington, D.C., leased locations alone. This program will be applied nationwide in fiscal year 1984. Dick was instrumental in initiating a long-term lease for the commercial space at the Old Post Office, or Nancy Hanks Center, in Washington. This project, the first of its kind to open under the Cooperative Use Act, has brought life to an aging Federal building, while preserving the grandeur of this splendid 19th century structure. Currently, the National Endowment of the Arts and the National Endowment for the Humanities are housed in refurbished offices, and several shops, foodstands and restaurants serve office workers from nearby Federal, city, and private office buildings as well as a growing number of tourists. The bell tower of the Old Post Office could well one day become a premier tourist attraction, since the tower is the second highest structure in Washington.

PBS, with the concurrence of Administrator Gerald Carmen, was reorganized to streamline the bureaucratic process. Dick set tough goals for his managers to meet, but the Government is better for it. Lower costs to clean buildings, reduced time to lease office space, and reduced time to design a Federal building have been accomplished with no decline in service.

I will miss Dick, but I wish him the best in his future endeavors.●

LATVIAN INDEPENDENCE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 16, 1983

● Mr. LAGOMARSINO. Mr. Speaker, I would like to join with my colleagues in commemorating the 65th anniversary of Latvian independence. It is our hope that this action will serve to remind the Soviets that the plight of the illegally occupied Latvian nation has not been forgotten.

Between the two world wars, this tiny country and its neighbors, Estonia and Lithuania, enjoyed a period of independence. However, they were soon to be absorbed by the Soviet Union just prior to World War II. Approximately 200,000 Latvians escaped at that time and about 100,000 of them settled in the United States. It is their efforts that have brought public awareness to the Latvian situation.

The citizens of Latvia lost not only their independence but also many of their rights. The Soviets embarked upon a campaign of cultural genocide. This began with a series of mass deportations in an attempt to destroy national unity. Preference for jobs and housing is given to non-ethnics as Latvians have become second-class citizens in their own country. By 1979, only 55 percent of the Latvian population was ethnically Latvian. The conditions which exist in Latvia are much worse than those in other eastern block states, such as Hungary and Poland which are allowed to retain their cultural identity.

During its 22 years of independence, the Latvian state was a responsible member of the world community and the League of Nations. Its incorporation into the Soviet Union was never recognized by the United States and

diplomatic representatives of Latvia still receive full diplomatic recognition in Washington, D.C.

Americans must insist that their leaders continue to act in this courageous manner and work toward the freedom of the Latvian people. We must remind the Soviets that we will not forget their vicious act of aggression against the Baltic States and that we will not tolerate any further such aggression. Because freedom is a right given to man by God, it is imperative that the United States continue to be its champion.

GOLD STAR MOTHER

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. DASCHLE. Mr. Speaker, the mother of a young South Dakota soldier killed during the Vietnam war recently sent me a poem she has written describing the loss a mother feels when her son goes to war and does not return.

It is a very beautiful and poignant poem that is especially appropriate in light of the recent tragedy in Beirut and the loss of American lives in Grenada. I would like to share the poem with my colleagues.

GOLD STAR MOTHER

Wasn't it only yesterday
You held him to your breast?
You thanked the Lord in Heaven,
For being so greatly blessed.

As soon as you were left alone,
You removed his infant clothes,
With fear and pride you counted
All the little fingers and toes.

Yesterday those fingers etched
Paths in the fresh-iced cake,
Left telltale frosting on his cheek
From the prize cake you had baked.

Yesterday tabby hadn't a chance,
His tail was so inviting,
Though admonished, "Now, don't pull his tail,"
He still found it exciting.

Then yesterday you saw him,
A boy become a man,
Straight and proud in the uniform
Of dear old "Uncle Sam".

"Don't worry, Mom, I'll be OK,
And I'll write every day."
and he did write and photos send,
You treasure these today.

Then a Gold Star Mother you became,
And yesterday you did sorrow;
But yesterday isn't so long ago.
It's the day before tomorrow.

—MARGARET M. BARROW.●

SORROW FOR OUR YOUNG MEN KILLED IN BEIRUT AND GRENADA

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. DOWNEY of New York. Mr. Speaker, I and many of my colleagues recently returned home to our respective districts to attend the funerals and memorial services for the brave young men who died in the invasion of Grenada and the attack on our Marine headquarters in Beirut, Lebanon.

I attended two such services in my district. One was a funeral service for Jeffrey Boulos of Islip and the other was a memorial service for Kenneth John Butcher, a 27-year-old from my hometown, West Islip. These two deaths have touched my district, but all of the deaths of our servicemen have touched us as a nation. There are many families grieving, as a nation is grieving. From the outpouring of emotion which I have witnessed by the many calls and letters I have received, it is obvious that they are deeply sorrowful, yet proud of these young Americans who deserve our tribute; they deserve to be honored.

I am deeply saddened at the recent loss of so many young Americans who gave of themselves so unselfishly to serve this Nation. It is the first time in quite some time that we have lost so many American lives through service duty. It is tragic, since one loss is one too many.

There are few words of comfort that we can offer the families of those who recently died. Too often we take for granted the young men and women who serve to protect our freedom and liberty. Freedom and liberty are not free. We are forced to guard them in order to protect the way of life we hold so dear. We are a great nation because we are a great people.

On behalf of the House of Representatives, I would like to express the grief we feel and extend our deepest condolences to all of the families who are grieving at this time. it is a time of sorrow. It is a time of reflection. It is a time to remember.●

HOUSE OF REPRESENTATIVES—*Friday, November 18, 1983*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We give thanks, O God, for good people who have gone before us, those heroes of faith and custodians of truth. We are grateful for men and women who were not so worried about their own welfare, but ever were faithful and committed to the trust given them. Bless parents and grandparents and all the saints of old, whose lives were a witness to the enduring traditions of righteousness and, justice. Even as we give praise for the solid foundations on which they built, may we be faithful to justice and truth in our day and time.

We pray, O God, that Your spirit will be with the Members, and the staff of this assembly in the days ahead. May Your providence be upon them, may Your benediction never leave them, and may Your love surround them day by day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. SOLOMON. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 335, nays 33, answered "present" 3, not voting 63, as follows:

[Roll No. 527]

YEAS—335

Addabbo	AuCoin	Bennett
Akaka	Badham	Bereuter
Anderson	Barnard	Bethune
Andrews (NC)	Barnes	Bevill
Andrews (TX)	Bateman	Biaggi
Annunzio	Bates	Bilirakis
Archer	Bedell	Bliley
Aspin	Beilenson	Boehlert
Boland	Hall, Sam	McHugh
Boner	Hamilton	McKernan
Bonior	Hammerschmidt	McKinney
Bonker	Harrison	McNulty
Borski	Hartnett	Mica
Bosco	Hatcher	Michel
Boucher	Hayes	Miller (CA)
Boxer	Hefner	Mineta
Britt	Hertel	Minish
Brooks	Hightower	Moakley
Brown (CA)	Hiler	Molinari
Brown (CO)	Hillis	Mollohan
Broyhill	Hopkins	Montgomery
Burton (CA)	Horton	Moody
Burton (IN)	Howard	Moore
Byron	Hoyer	Moorhead
Carney	Hubbard	Morrison (CT)
Carr	Huckaby	Morrison (WA)
Chandler	Hughes	Murtha
Chappell	Hunter	Myers
Cheney	Hutto	Natcher
Clarke	Hyde	Neal
Clinger	Ireland	Nelson
Coats	Jeffords	Nielson
Coelho	Johnson	Nowak
Coleman (MO)	Jones (NC)	Oakar
Coleman (TX)	Jones (OK)	Obey
Conte	Jones (TN)	Olin
Cooper	Kaptur	Ortiz
Coyne	Kasich	Owens
Craig	Kastenmeier	Oxley
Crane, Daniel	Kazen	Packard
Crockett	Kemp	Panetta
D'Amours	Kennelly	Parris
Daniel	Kildee	Patman
Darden	Kindness	Patterson
Daub	Kogovsek	Paul
Davis	Kolter	Pease
de la Garza	Kostmayer	Penny
DeWine	Kramer	Pepper
Dicks	LaFalce	Perkins
Donnelly	Lagomarsino	Petri
Dowdy	Lantos	Pickle
Downey	Latta	Porter
Dreier	Leach	Price
Duncan	Leath	Pursell
Dwyer	Lehman (CA)	Quillen
Dyson	Lehman (FL)	Rangel
Early	Leland	Ratchford
Eckart	Lent	Ray
Edgar	Levin	Regula
Edwards (CA)	Levine	Reid
English	Levitas	Richardson
Erdreich	Lewis (FL)	Ridge
Erlenborn	Livingston	Ritter
Evans (IL)	Lloyd	Robinson
Fascell	Loeffler	Rodino
Fazio	Long (LA)	Roe
Feighan	Long (MD)	Rogers
Ferraro	Lott	Rose
Fiedler	Lowery (CA)	Rostenkowski
Fields	Lowry (WA)	Roth
Fish	Lujan	Roukema
Flippo	Luken	Rowland
Florio	Lundine	Roybal
Foley	Lungren	Russo
Frank	Mack	Savage
Franklin	MacKay	Sawyer
Frost	Madigan	Scheuer
Fuqua	Markey	Schneider
Gekas	Marriott	Schulze
Gephardt	Martin (IL)	Schumer
Gilman	Martin (NC)	Sensenbrenner
Gingrich	Martin (NY)	Shannon
Glickman	Matsui	Sharp
Gonzalez	Mavroules	Shumway
Gore	Mazzoli	Shuster
Gradison	McCain	Siljander
Gray	McCandless	Sisisky
Green	McCloskey	Skelton
Gregg	McCollum	Slattery
Gunderson	McCurdy	Smith (FL)
Hall (IN)	McDade	Smith (IA)
Hall (OH)	McEwen	Smith (NE)
Hall, Ralph	McGrath	Smith, Robert
Snowe	Taylor	Whitley
Snyder	Thomas (CA)	Whitten
Solarz	Thomas (GA)	Williams (OH)
Spence	Torres	Winn
Spratt	Torricelli	Wirth
Staggers	Towns	Wise
Stangeland	Traxler	Wolf
Stark	Valentine	Wolpe
Stenholm	Vander Jagt	Wortley
Stokes	Vandergriff	Wright
Stratton	Vento	Wyden
Studds	Vucanovich	Wylie
Stump	Walgren	Yates
Sundquist	Watkins	Yatron
Swift	Waxman	Young (FL)
Synar	Weaver	Young (MO)
Tallon	Weiss	Zablocki
Tauke	Wheat	Zschau
Tauzin	Whitehurst	

NAYS—33

Broomfield	Forsythe	Roberts
Chappie	Frenzel	Roemer
Conable	Gejdenson	Sabo
Coughlin	Goodling	Schaefer
Courter	Guarini	Schroeder
Dannemeyer	Harkin	Sikorski
Dickinson	Lipinski	Skeen
Durbin	Marlenee	Solomon
Edwards (OK)	Mitchell	Walker
Emerson	Murphy	Weber
Evans (IA)	Pashayan	Whittaker

ANSWERED "PRESENT"—3

Jacobs	Ottinger	St Germain

NOT VOTING—63

Ackerman	Dixon	Mikulski
Albosta	Dorgan	Miller (OH)
Alexander	Dymally	Mrazek
Anthony	Edwards (AL)	Nichols
Applegate	Foglietta	O'Brien
Bartlett	Ford (MI)	Oberstar
Berman	Ford (TN)	Pritchard
Boggs	Fowler	Rahall
Breaux	Garcia	Rinaldo
Bryant	Gaydos	Rudd
Campbell	Gibbons	Seiberling
Carper	Gramm	Shaw
Clay	Hance	Shelby
Collins	Hansen (ID)	Simon
Conyers	Hansen (UT)	Smith (NJ)
Corcoran	Hawkins	Smith, Denny
Crane, Philip	Heftel	Udall
Daschle	Holt	Volkmer
Dellums	Jenkins	Williams (MT)
Derrick	Lewis (CA)	Wilson
Dingell	Martinez	Young (AK)

□ 1010

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 24. An act to make certain land owned by the United States in the State of New York part of the Green Mountain National Forest.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

the amendment of the Senate to the bill (H.R. 2780) entitled "An act to extend and amend the provisions of title 31, United States Code, relating to the general revenue sharing program."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3385) entitled "An act to provide equity to cotton producers under the payment-in-kind program."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 308) entitled "Joint resolution increasing the statutory limit on the public debt."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 726) entitled "An act to amend and extend the Tribally Controlled Community College Assistance Act of 1978, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3959) entitled "An act making supplemental appropriations for the fiscal year ending September 30, 1984, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 6, 12, 19, 23, 27, 36, 39, 45, 55, 60, 61, 62, 65, and 67 to the above-entitled bill.

The message also announced the Senate agrees to the amendment of the House to the amendment of the Senate numbered 11, to the above-entitled bill, with an amendment.

The message also announced that the Senate agrees with an amendment to the amendment of the House to a bill of the Senate of the following title:

S. 1098. An act to consolidate and authorize certain ocean and coastal programs and functions of the National Oceanic and Atmospheric Administration under the Department of Commerce.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 1723. An act to authorize appropriations through fiscal year 1986 for the Great Dismal Swamp, Minnesota Valley, and San Francisco Bay National Wildlife Refuges, and

H.R. 4194. An act to extend the expiration date of section 252 of the Energy Policy and Conservation Act.

The message also announced that the Senate had passed bills and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 1324. An act to amend the National Security Act of 1947 to regulate public disclosure of information held by the Central Intelligence Agency;

S. 1503. An act to direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain land in the State of Delaware;

S. Con. Res. 80. Concurrent resolution expressing the sense of the Congress that the President should take all steps necessary to bring the question of self-determination of the Baltic States before the United Nations, and for other purposes; and

S. Con. Res. 85. Concurrent resolution expressing the sense of the Congress on allowing Vladimir Feltsman freedom to travel.

The message also announced that the Secretary is directed to request the House to return to the Senate the bill (S. 2040) entitled "An act to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 with respect to the treatment of mortgage backed Securities, to increase the authority of the Federal Home Loan Mortgage Corporation, and for other purposes."

□ 1020

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. RATCHFORD). The Chair would like to make an announcement. This relates to the schedule.

For the benefit of the Members, there will be no 1-minute speeches until later in the day.

We have two uncompleted votes from last night and then we will go to the conference report on defense appropriations.

Pursuant to clause 5, rule I, the Chair will now put the question on which further proceedings were postponed on Thursday, November 17, 1983.

Votes will be taken in the following order:

The conference report on H.R. 2915, State Department Authorization; and then the vote on House Concurrent Resolution 100, which is the resolution calling on the Soviet Union to end forced labor and exploitation.

CONFERENCE REPORT ON H.R. 2915, DEPARTMENT OF STATE AUTHORIZATION ACT, FISCAL YEARS 1984 AND 1985

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the conference report on the bill, H.R. 2915, to authorize appropriations for fiscal years 1984 and 1985 for the Department of State, the United States Information Agency, the Board for International Broadcasting, the Inter-American Foundation, and the Asia Foundation, to establish the National Endowment for Democracy, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. KASICH. Mr. Speaker, on that I ask for the yeas and nays.

The SPEAKER pro tempore. The gentleman from Ohio asks for the yeas and nays.

An insufficient number has risen.

The conference report is agreed to.

The SPEAKER pro tempore. The question is on the concurrent resolution (H. Con. Res. 100), calling on the Soviet Union to end forced labor and exploitation.

All in favor indicate by saying aye; opposed, no.

The Chair recognizes the gentleman from Georgia.

PARLIAMENTARY INQUIRIES

Mr. LEVITAS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. LEVITAS. Mr. Speaker, was a motion to reconsider laid on the table?

The SPEAKER pro tempore. Yes, it was. The Chair had announced the vote.

Mr. DANNEMEYER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. DANNEMEYER. Mr. Speaker, the question is, Was a motion to reconsider laid on the table?

The SPEAKER pro tempore. It was not. Without objection, the Chair will again ask Members desiring the yeas and nays on the conference report to stand and be counted.

If Members want to be counted, please stand; if not, please be seated.

The question again is on agreeing to the conference report, H.R. 2915. Those in favor of taking this vote by the yeas and nays will please stand.

A sufficient number have arisen. The yeas and nays are ordered.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 254, nays 146, answered "present" 1, not voting 33, as follows:

[Roll No. 528]

YEAS—254

Ackerman	Biaggi	Burton (CA)
Addabbo	Boehlert	Carper
Akaka	Boggs	Carr
Albosta	Boland	Chandler
Alexander	Boner	Clarke
Anderson	Bonior	Clinger
Annunzio	Bonker	Coats
Aspin	Borski	Coelho
AuCoin	Bosco	Coleman (MO)
Barnes	Boucher	Coleman (TX)
Bartlett	Boxer	Collins
Bateman	Britt	Conable
Bates	Brooks	Conte
Bedell	Broomfield	Cooper
Beilenson	Brown (CA)	Coughlin
Bereuter	Bryant	Courter

Coyne	LaFalce	Ratchford
Crockett	Lagomarsino	Reid
D'Amours	Lantos	Richardson
Darden	Latta	Ridge
Davis	Leach	Rinaldo
de la Garza	Lehman (FL)	Rodino
Dellums	Leland	Roe
DeWine	Lent	Rose
Dicks	Levin	Rostenkowski
Dingell	Levine	Roth
Downey	Levitas	Roukema
Dreier	Lipinski	Rowland
Dwyer	Livingston	Roybal
Edgar	Long (LA)	Sabo
Edwards (AL)	Long (MD)	Sawyer
Edwards (CA)	Lowery (CA)	Scheuer
Erlenborn	Lujan	Schneider
Evans (IL)	Lundine	Schumer
Fascell	Madigan	Seiberling
Fazio	Markey	Sharp
Ferraro	Marlenee	Siljander
Fiedler	Marriott	Skeen
Fish	Martin (NY)	Smith (FL)
Florio	Martinez	Smith (IA)
Foley	Matsui	Smith (NJ)
Forsythe	Mazzoli	Snowe
Frost	McCandless	Solarz
Fuqua	McCloskey	Spratt
Garcia	McCollum	St Germain
Gaydos	McDade	Staggers
Gejdenson	McGrath	Stokes
Gephardt	McHugh	Stratton
Gibbons	McKernan	Studds
Gilman	McKinney	Sundquist
Gingrich	McNulty	Swift
Goodling	Mica	Tallon
Gore	Michel	Taylor
Gradison	Mineta	Thomas (CA)
Gray	Minish	Thomas (GA)
Green	Moakley	Torricelli
Gregg	Molinari	Towns
Hall (IN)	Mollohan	Traxler
Hall (OH)	Moody	Udall
Hamilton	Moore	Vander Jagt
Hammerschmidt	Moorhead	Vandergriff
Harkin	Morrison (WA)	Vento
Harrison	Mrazek	Vucanovich
Hatcher	Murtha	Walgren
Hayes	Myers	Waxman
Hiler	Neal	Weiss
Hillis	Nowak	Wheat
Horton	O'Brien	Whitehurst
Howard	Oberstar	Whitten
Hoyer	Olin	Williams (OH)
Hunter	Ortiz	Wilson
Hutto	Ottinger	Winn
Hyde	Owens	Wirth
Ireland	Oxley	Wise
Jeffords	Packard	Wolf
Johnson	Parris	Wolpe
Jones (NC)	Pashayan	Wortley
Jones (TN)	Patterson	Wright
Kaptur	Pease	Wylie
Kasich	Pepper	Yates
Kemp	Pickle	Yatron
Kennelly	Porter	Young (MO)
Kindness	Price	Zablocki
Kostmayer	Pursell	Zschau
Kramer	Rangel	

NAYS—146

Andrews (NC)	Daub	Gunderson
Andrews (TX)	Dickinson	Hall, Ralph
Applegate	Donnelly	Hall, Sam
Archer	Dowdy	Hartnett
Badham	Duncan	Hefner
Barnard	Durbin	Hertel
Bennett	Dyson	Hightower
Bethune	Early	Hopkins
Bevill	Eckart	Hubbard
Bilirakis	Edwards (OK)	Huckaby
Bliley	Emerson	Hughes
Brown (CO)	English	Jacobs
Broyhill	Erdreich	Jones (OK)
Burton (IN)	Evans (IA)	Kastenmeier
Byron	Feighan	Kazen
Carney	Fields	Kildee
Chappell	Flippo	Kogovsek
Chappie	Frank	Kolter
Cheney	Franklin	Leath
Craig	Frenzel	Lehman (CA)
Crane, Daniel	Gekas	Lewis (FL)
Crane, Philip	Glickman	Lloyd
Daniel	Gramm	Loeffler
Dannemeyer	Guarini	Lott
Lowry (WA)	Penny	Smith (NE)
Luken	Perkins	Smith, Denny
Lungren	Petri	Smith, Robert
Mack	Quillen	Snyder
MacKay	Ray	Solomon
Martin (IL)	Regula	Spence
Martin (NC)	Ritter	Stangeland
Mavroules	Roberts	Stark
McCain	Robinson	Stenholm
McCurdy	Roemer	Stump
McEwen	Rogers	Synar
Mikulski	Russo	Tauke
Miller (CA)	Savage	Tauzin
Mitchell	Schaefer	Valentine
Montgomery	Schroeder	Volkmer
Morrison (CT)	Schulze	Walker
Murphy	Sensenbrenner	Watkins
Natcher	Shannon	Weaver
Nelson	Shelby	Weber
Nielson	Shumway	Whitley
Oakar	Shuster	Whittaker
Obey	Sikorski	Wyden
Panetta	Sisisky	Young (AK)
Patman	Skelton	Young (FL)
Paul	Slattery	

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—33

Anthony	Dymally	Jenkins
Berman	Foglietta	Lewis (CA)
Breaux	Ford (MI)	Miller (OH)
Campbell	Ford (TN)	Nichols
Clay	Fowler	Pritchard
Conyers	Hance	Rahall
Corcoran	Hansen (ID)	Rudd
Daschle	Hansen (UT)	Shaw
Derrick	Hawkins	Simon
Dixon	Heftel	Torres
Dorgan	Holt	Williams (MT)

□ 1040

The Clerk announced the following pair:

On this vote:

Mr. Berman for, with Mr. Campbell against.

Messrs. MACKAY, LEHMAN of California, FRENZEL, DURBIN, DUNCAN, MAVROULES, SYNAR, SIKORSKI, PENNY, CARNEY, and NELSON of Florida changed their votes from "yea" to "nay."

Mr. LATTA changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. CAMPBELL. Mr. Speaker, I wish to have the record reflect that the reason I missed the vote on rollcall No. 528 and the preceding vote was that I stopped to help a stranded motorist and did not make it in time.

PARLIAMENTARY INQUIRY

Mr. SMITH of New Jersey. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. SMITH of New Jersey. I would ask if the Chair would indicate whether or not the next vote will be on House Concurrent Resolution 100, my resolution calling on the Soviet Union to end its exploitation of its work force through slave labor and forced labor.

The SPEAKER pro tempore. The gentleman is correct and the Chair is about to state the next item of business.

CALLING UPON THE SOVIET UNION TO END FORCED LABOR AND EXPLOITATION OF WORKERS

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the concurrent resolution, House Concurrent Resolution 100 calling upon the Union of Soviet Socialist Republics to end the current repressive policies of forced labor and expressing the sense of the Congress that the exploitation of workers in forced-labor camps by the Union of Soviet Socialist Republics is morally reprehensible.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the concurrent resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SMITH of New Jersey. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 402, nays 0, not voting 32, as follows:

[Roll No. 529]

YEAS—402

Ackerman	Boxer	Daniel
Addabbo	Britt	Dannemeyer
Akaka	Brooks	Darden
Albosta	Broomfield	Daub
Alexander	Brown (CA)	Davis
Anderson	Brown (CO)	de la Garza
Andrews (NC)	Broyhill	Dellums
Andrews (TX)	Bryant	DeWine
Annunzio	Burton (CA)	Dickinson
Anthony	Burton (IN)	Dicks
Applegate	Byron	Dingell
Archer	Campbell	Donnelly
Aspin	Carney	Dowdy
AuCoin	Carper	Downey
Badham	Carr	Dreier
Barnard	Chandler	Duncan
Barnes	Chappell	Durbin
Bartlett	Chappie	Dwyer
Bateman	Cheney	Dyson
Bates	Clarke	Early
Bedell	Clinger	Eckart
Beilenson	Coats	Edgar
Bennett	Coelho	Edwards (AL)
Bereuter	Coleman (MO)	Edwards (CA)
Bethune	Coleman (TX)	Edwards (OK)
Bevill	Collins	Emerson
Bilirakis	Conable	English
Bliley	Conte	Erdreich
Boehlert	Cooper	Erlenborn
Boggs	Coughlin	Evans (IA)
Boland	Courter	Evans (IL)
Boner	Coyne	Fascell
Bonior	Craig	Fazio
Bonker	Crane, Daniel	Feighan
Borski	Crane, Philip	Ferraro
Bosco	Crockett	Fiedler
Boucher	D'Amours	Fields

Fish
Flippo
Florio
Foley
Forsythe
Frank
Franklin
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Gregg
Guarini
Gunderson
Hall (IN)
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hansen (ID)
Harkin
Harrison
Hartnett
Hatcher
Hayes
Hefner
Hertel
Hightower
Hiler
Hillis
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kaptur
Kasich
Kastenmeier
Kazen
Kemp
Kennelly
Kildee
Kindness
Kogovsek
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach
Leath
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin
Levine
Levitas
Lewis (FL)
Lipinski
Livingston
Lloyd
Loeffler
Long (LA)
Long (MD)
Lott
Lowery (CA)
Lowry (WA)
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Markey
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKernan
McKinney
McNulty
Mica
Michel
Mikulski
Miller (CA)
Mineta
Minish
Mitchell
Moakley
Molinari
Mollohan
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nielson
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Ottinger
Owens
Oxley
Packard
Panetta
Parris
Pashayan
Patman
Patterson
Paul
Pease
Penny
Perkins
Petri
Pickle
Porter
Price
Pursell
Quillen
Rangel
Ratchford
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sabo
Savage
Sawyer
Schaefer
Scheuer
Schneider
Schroeder
Schulze
Schumer
Sensenbrenner
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Siljander
Sisisky
Skeen
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stangeland
Stark
Stenholm
Stokes
Stratton
Studds
Stump
Sundquist
Swift
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traxler
Udall
Valentine
Vander Jagt
Vandergriff
Vento
Volkmer
Vucanovich
Walgren
Walker
Watkins
Weaver
Weber
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Williams (OH)
Wilson
Winn
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zablocki
Zschau

NOT VOTING—32

Berman
Biaggi
Breaux
Clay
Conyers
Corcoran
Daschle
Derrick
Dixon
Dorgan
Dymally
Foglietta
Ford (MI)
Ford (TN)
Fowler
Hance
Hansen (UT)
Hawkins
Heftel
Holt
Jenkins
Lewis (CA)
Lujan
Miller (OH)
Nichols
Pritchard
Rahall
Rudd
Seiberling
Simon
Waxman
Williams (MT)

□ 1050

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. RATCHFORD). Without objection, a motion to reconsider is laid on the table.

Mr. LEVITAS. Mr. Speaker, I object.

□ 1100

The SPEAKER pro tempore. The gentleman from Georgia (Mr. LEVITAS) objects to the motion to reconsider being laid upon the table.

Objection is heard.

Mr. LEVITAS. Mr. Speaker, having voted in the affirmative, I move to reconsider the vote just taken.

Mr. FOLEY. Mr. Speaker, I send a privileged motion to the desk.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. FOLEY moves to lay the motion to reconsider on the table.

The SPEAKER pro tempore. The question is on the motion to table.

The question was taken, and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LEVITAS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 390, nays 0, not voting 44, as follows:

[Roll No. 530]

YEAS—390

Ackerman
Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews (NC)
Andrews (TX)
Annunzio
Anthony
Archer
Aspin
AuCoin
Badham
Barnard
Barnes
Bartlett
Bateman
Bates
Bedell
Beilenson
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bilirakis
Bliley
Boehlert
Boggs
Boland
Boner
Bonior
Bonker
Borski
Bosco
Boucher
Boxer
Britt
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Bryant
Burton (CA)
Burton (IN)
Byron
Campbell
Carney
Carper
Carr
Chandler
Chappell
Chappie
Cheney
Clarke
Clinger
Coats
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conable
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Craig
Crane, Daniel
Crane, Philip
Crockett
D'Amours
Daniel
Dannemeyer
Darden
Daub
Davis
de la Garza
Dellums
DeWine
Dickinson
Dicks
Dingell
Donnelly
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dyson
Early
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Erlenborn
Evans (IA)
Evans (IL)
Fascell
Fazio
Feighan
Ferraro
Fiedler
Fields
Fish
Flippo
Florio
Foley
Forsythe
Frank
Franklin
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Gregg
Guarini
Gunderson
Hall (IN)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hansen (ID)
Harkin
Harrison
Hartnett
Hatcher
Hayes
Hefner
Hertel
Hightower
Hiler
Hillis
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kaptur
Kasich
Kastenmeier
Kazen
Kemp
Kennelly
Kildee
Kindness
Kogovsek
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach
Leath
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin
Levine
Levitas
Lewis (FL)
Lipinski
Livingston
Lloyd
Loeffler
Long (LA)
Long (MD)
Lott
Lowery (CA)
Lowry (WA)
Luken
Lundine
MacKay
Madigan
Markey
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McKernan
McKinney
McNulty
Mica
Michel
Mikulski
Miller (CA)
Mineta
Minish
Mitchell
Moakley
Molinari
Mollohan
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nielson
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Ottinger
Owens
Oxley
Packard
Panetta
Pashayan
Patman
Patterson
Paul
Pease
Penny
Perkins
Petri
Pickle
Porter
Price
Pursell
Quillen
Rangel
Ratchford
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sabo
Savage
Sawyer
Schaefer
Scheuer
Schroeder
Schulze
Schumer
Sensenbrenner
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Siljander
Sisisky
Skeen
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stangeland
Stark
Stenholm
Stokes
Stratton
Studds
Stump
Sundquist
Swift
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)

Thomas (GA)	Watkins	Wolf
Torres	Weaver	Wolpe
Torricelli	Weiss	Wortley
Towns	Wheat	Wright
Traxler	Whitehurst	Wyden
Udall	Whitley	Wylie
Valentine	Whittaker	Yates
Vander Jagt	Whitten	Yatron
Vandergriff	Williams (OH)	Young (AK)
Vento	Wilson	Young (FL)
Volkmer	Winn	Young (MO)
Walgren	Wirth	Zablocki
Walker	Wise	Zschau

NOT VOTING—44

Applegate	Gingrich	Nichols
Berman	Hall (OH)	Parris
Breaux	Hance	Pepper
Brooks	Hansen (UT)	Pritchard
Clay	Hawkins	Rahall
Corcoran	Heftel	Rostenkowski
Daschle	Holt	Rudd
Derrick	Hunter	Schneider
Dixon	Jenkins	Seiberling
Dorgan	Lewis (CA)	Simon
Dymally	Lungren	Vucanovich
Foglietta	Mack	Waxman
Ford (MI)	McCain	Weber
Ford (TN)	McHugh	Williams (MT)
Fowler	Miller (OH)	

□ 1110

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. BIAGGI. Mr. Speaker, I wish to have the RECORD indicate, with relation to House Concurrent Resolution 100, on which I was absent, that if I were here, I would have voted in the affirmative.

REQUEST TO CONSIDER S. 1046, PRODUCT LIABILITY RISK RETENTION ACT AMENDMENT

Mr. FLORIO. Mr. Speaker, I ask unanimous consent that it be in order to consider the Senate bill (S. 1046) to clarify the applicability of a provision of law regarding risk retention.

The Clerk read the title of the Senate bill.

The SPEAKER. pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. LENT. Mr. Speaker, reserving the right to object, I would like to ask the chairman, the gentleman from New Jersey, a few questions about the intent and effect of this legislation.

As I understand it, the bill, S. 1046, is merely a technical clarifying amendment to the Risk Retention Act. It is not intended to expand the exemption from State regulation. Is my understanding correct?

Mr. FLORIO. Mr. Speaker, if the gentleman will yield, the gentleman is correct.

Mr. LENT. I thank the gentleman.

And just to clarify my understanding further, we are simply reaffirming that the terms of the Federal Act define the scope of the activities that a risk retention group may engage in, but we are not by our action today expanding the scope of exemption from State regulation. Is my understanding correct?

Mr. FLORIO. Mr. Speaker, the gentleman once again is correct.

Mr. LENT. Mr. Speaker, I have just one more question.

The gentleman mentioned that the "primary activity" of the risk retention group must be the assuming and spreading of the product liability or completed operations risk exposure of its group members. Do I understand the gentleman correctly to mean that if a risk retention group engages in a subsidiary activity such as the sale of other lines of insurance, such as life, health, automobile liability, or workers' compensation insurance, or any other line of insurance not related to product liability or completed operations insurance, such activity would be subject to State regulation?

□ 1120

Mr. FLORIO. The gentleman's interpretation is exactly correct.

Mr. Speaker, S. 1046 is a technical amendment to the Product Liability Risk Retention Act. This amendment is offered because the definition of "product liability" in model State legislation drafted to implement the Risk Retention Act could frustrate the implementation of the act. S. 1046 will clarify that, as originally intended, risk retention groups may provide product liability coverage as defined in the act, regardless of the definition of "product liability" under State law. This amendment will not change the existing tort or contract law. The bill has already been approved by the Senate, and I hope in light of its technical nature it will receive prompt consideration by the House as well.

Congress enacted the Risk Retention Act (Public Law 97-45 (15 U.S.C. 3901 et seq.)), in 1981. The act was passed to address an insurance problem of an interstate nature: The availability of product liability insurance. The Risk Retention Act permits product manufactures to self-insure against product liability risks through insurance cooperatives called risk retention groups. It also permits product manufacturers to purchase product liability insurance, completed operations liability insurance, and comprehensive general liability insurance on a group basis. In order to allow interstate operation of self-insurance and group insurance organizations, it was necessary for the act to preempt certain State laws which restrict the formation of risk retention groups and the sale of insurance on a group basis.

As noted in the House committee report on the act, preemption is central to the act's objective of facilitating the efficient operation of risk retention groups. Preemption eliminates the need for compliance with numerous State statutes that, in the aggregate, would thwart the interstate operation of risk retention groups. The scope of preemption under the act is delineated in part by the term "product liability," which the Risk Retention Act defines more broadly than does the existing product liability law of many jurisdictions. The broad uniform definition is necessary in order to permit risk retention groups to operate nationally.

The National Association of Insurance Commissioners (NAIC) has developed a model State bill to assist States in implementing the act. The model legislation is inconsistent with the Risk Retention Act in at least one crucial respect. The NAIC model State bill defines product liability as being determined by the laws of individual States. Thus, contrary to the uniform definition of product liability under the Risk Retention Act, under the model State bill, the definition of product liability will vary from State to State. For example, the definition of product liability in the Risk Retention Act allows risk retention groups to provide product liability coverage as defined in the act, including coverage for damage for loss of use of property. House Report 97-190, at 9. This is so even if State definitions do not include damage to such property.

If litigation were ever to arise on this point, the Federal definition of "product liability" would of course prevail in any construction of the scope of application of the Risk Retention Act. Nevertheless, the prospect of litigation itself could deter formation of risk retention groups and frustrate congressional intent. It therefore appears appropriate to clarify the law to remove any confusion which may have given rise to the inconsistent provision in the model State law.

Section 2(b) of the Risk Retention Act states that the act's definition of product liability "shall not be construed to affect either the tort law or the law governing the interpretation of insurance contracts of any State." Contrary to the apparent NAIC view, however, section 2(b) does not allow State law to control the scope of coverage authorized under the Risk Retention Act. Section 2(b) was included in the act only to make clear that the definition of product liability under the Risk Retention Act does not affect a State's definition of product liability for purposes of State tort suits, but only the scope of coverage that may be provided by risk retention groups. (H. Rept. 97-190, at 9, 12.)

This technical amendment revises section 2(b), reaffirms our original intent and makes it absolutely clear that for purposes of coverage authorized by the Risk Retention Act the Federal definition of "product liability" is controlling and preempts any definition of that term under State law.

Section 2(a)(4)(A) of the act, which defines a risk retention group, requires that the "primary activity" of a group must be the "assuming and spreading all, or any portion, of the product liability or completed operations liability risk exposure of its group members." To the extent that a risk retention group engages in a subsidiary activity other than assuming and spreading of such risk among its members (or providing coverage that is an integral part of coverage for such risks or providing claims services for such risks), that activity does not fall within the exemption from State regulation set forth in section 3(b) of the act. Therefore, for example, the sale by a risk retention group of any other line of insurance such as life, health, automobile liability, or workers' compensation insurance, which are not related to product liability or completed operations liability insurance, would be subject to State regulation.

The exemption set forth in section 3(b) defines the exemption from State regulation as set forth in the act. That provision, however, should not be so narrowly construed as to frustrate the act's purposes. On the other hand, neither should a group by merely labeling some coverage "product liability" obtain an exemption from State regulation for risks which do not arise out of, or are not related to, a manufacturer's, builder's, or seller's liability for damages arising out of the manufacture, design, distribution, or sale of a product.

Similarly, nothing in the act should be construed to apply the exemption from State law, rule, regulation, or order contained in this act to the activities of a purchasing group beyond the scope of the exemption set forth in section 4(b). If any other unrelated coverage is offered to such a group, it must be offered in accordance with all applicable State insurance regulations.

Mr. Speaker, I urge the House to adopt this clarifying amendment.

Mr. LENT. Mr. Speaker, I also rise in support of S. 1046.

This bill makes a clarifying amendment to the Product Liability Risk Retention Act of 1981.

Briefly, the Product Liability Risk Retention Act was enacted into law on September 25, 1981. I would point out to my colleagues that the House overwhelmingly supported this legislation.

The first House vote on risk retention legislation occurred on March 10, 1980. That vote was 332 to 17 in favor of the bill.

When this legislation was taken up again in 1981, it was reported unanimously by the Energy and Commerce Committee in July of that year and adopted on the floor of the House by a voice vote.

As enacted, the Risk Retention Act sought to address the serious problems being experienced by businessmen in the mid-1970's in obtaining product liability insurance. Specifically, the act promotes the availability of such insurance by allowing product sellers to:

First, establish risk retention groups for the purpose of self-insurance; and

Second, purchase such insurance on a group basis.

In order to do so, it was necessary to define "product liability" broadly. This would allow for the formation of these groups under the act despite the differences in State law.

Some question has arisen recently as to our intent with respect to the definition of "product liability."

This amendment simply reaffirms the original intent of the Risk Retention Act and makes clear that the definition of "product liability" in the act is controlling and preempts State law.

Mr. Speaker, I withdraw my reservation of objection, and I rise in support of this legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. FRENZEL. Mr. Speaker, reserving the right to object; it is not my intention to object to this bill, but I reserve that right to object only to serve notice that on this, which we hope will be the last day of the session, there will be many unanimous-consent requests. All Members should be advised that many unanimous-consent requests are likely to be objected to unless they are in clear and unambiguous form and have been cleared with all of the interested parties, not merely the subcommittee chairman and ranking member.

It has been a long and difficult week. It is going to be a difficult day. I just want to be sure that we maintain some tiny modicum of discipline around here. So because there are likely to be some objections, I would like all Members to be advised.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. WRIGHT). Is there objection to the request of the gentleman from New Jersey?

Mr. DANNEMEYER. Mr. Speaker, reserving the right to object, I would like to advise, in connection with this reservation, that our side has been advised that the leadership on the Democratic side is not affording any time to its Members in consideration of House Resolution 379 who are opposed to the IMF.

This Member intends to object because we Republicans believe that there should be full debate on the issue and if the Democrat leadership will not give any time to its Democratic Members, this Member on the Republican side is going to assist our Democratic colleagues in getting time, and I, therefore, do object.

The SPEAKER pro tempore. Objection is heard.

ANNOUNCEMENTS BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce two things, first of a parliamentary but necessary character, and that is, contrary to rumor which should not be repeated on the microphones of the House, the Chair wants to assure the membership what the membership should have known without that assurance: that there will be a full and fair debate upon the rule accompanying the supplemental appropriation bill, just as there will be upon every rule that appears before the floor.

The Chair desires to announce at this time that we will take 30 minutes of 1-minute speeches. The Chair will alternate between the Democratic and the Republican side in order to make abundantly clear that no favoritism is being exhibited.

Mr. FLORIO. Mr. Speaker, in light of that announcement, I would renew my unanimous-consent request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. DANNEMEYER. Mr. Speaker, reserving the right to object, this Member from California indicated, or suggested, to the leadership on the Democratic side that they can help expedite the proceedings of the House if they will fairly give time to those on the Democratic side who are opposed to the IMF bill, the opportunity to speak on the floor of the House.

If they do not choose to do that, this Member from California continues to object, and I do object.

The SPEAKER pro tempore. The Chair is giving this opportunity at this very moment as an abundant assurance to the gentleman that any Member desiring to be heard may seek that opportunity under this 1-minute rule.

If the gentleman insists upon his objection, then objection will be heard. If the gentleman withdraws his objection, then the Chair will recognize the gentleman's unanimous-consent request.

Mr. DANNEMEYER. Mr. Speaker, at this time I insist on my objection.

The SPEAKER pro tempore. Objection is heard.

CONFERENCE REPORT ON H.R. 4185, DEPARTMENT OF DEFENSE APPROPRIATIONS, 1984

Mr. ADDABBO submitted the following conference report and statement on the bill (H.R. 4185) making appropriations for the Department of Defense for the fiscal year ending September 30, 1984, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 98-567)

The committee of conference on the disagreeing votes of the two Houses on the

amendments of the Senate to the bill (H.R. 4185) making appropriations for the Department of Defense for the fiscal year ending September 30, 1984, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 8, 9, 10, 12, 16, 22, 24, 31, 32, 38, 44, 47, 48, 51, 56, 58, 59, 62, 76, 78, 82, 84, 87, 95, 96, 100, 108, 113, 116, 117, 120, 121, 127, 128, 140, 144, 147, 162, 164, 165, 166, 171, 195, 204, 209, 210, 212, and 213.

That the House recede from its disagreement to the amendments of the Senate numbered 13, 14, 18, 19, 20, 23, 25, 26, 27, 28, 29, 33, 34, 35, 36, 40, 41, 43, 49, 52, 54, 60, 63, 66, 68, 79, 81, 83, 89, 94, 97, 98, 99, 102, 104, 114, 123, 126, 129, 131, 132, 135, 154, 155, 159, 160, 174, 175, 177, 182, 187, and 188, and agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,361,150,000*; and the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,882,980,000*; and the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment insert: *$17,054,846,000, of which*; and the Senate agree to the same.

Amendment numbered 17:

That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$388,600,000*; and the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment insert: *$21,943,818,000, of which*; and the Senate agree to the same.

Amendment numbered 30:

That the House recede from its disagreement to the amendment of Senate numbered 30, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment insert: *$1,524,600,000, of which*; and the Senate agree to the same.

Amendment numbered 37:

That the House recede from its disagreement to the amendment of Senate numbered 37, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment insert: *$17,573,895,000, of which*; and the Senate agree to the same.

Amendment numbered 39:

That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,288,725,000*; and the Senate agree to the same.

Amendment numbered 42:

That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment insert: *$6,446,652,000, of which*; and the Senate agree to the same.

Amendment numbered 45:

That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

DEFENSE INDUSTRIAL FUND

For the Defense industrial fund; $150,000,000.

And the Senate agree to the same.

Amendment Numbered 46:

That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows:

In lieu of the the matter striken by said amendment insert: , *$683,850,000, of which*; and the Senate agree to the same.

Amendment numbered 50:

That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows:

In lieu of the the matter inserted by said amendment insert: *$634,500,000. of which*; and the Senate agree to the same.

Amendment numbered 53:

That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows:

In lieu of the the matter striken by said amendment insert: *$52,129,000, of which*; and the Senate agree to the same.

Amendment numbered 55:

That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment insert: *$781,600,000, of which*; and the Senate agree to the same.

Amendment numbered 57:

That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows:

In lieu of the matter stricken by said amendment insert:, *$1,170,190,000, of which*; and the Senate agree to the same.

Amendment numbered 61:

That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment insert: *$1,789,300,000, of which*; and the Senate agree to the same.

Amendment numbered 67:

That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$3,214,048,000*; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$4,594,103,000*; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert: *$1,980,100,000, of which $1,200,000 shall be available only for procurement of 9mm handgun ammunition,* ; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$4,680,528,000*; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$10,174,608,000*; and the Senate agree to the same.

Amendment numbered 88:

That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,704,900,000*; and the Senate agree to the same.

Amendment numbered 90:

That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$2,018,000,000*; and the Senate agree to the same.

Amendment numbered 93:

That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$3,285,000,000*; and the Senate agree to the same.

Amendment numbered 105:

That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$230,000,000*; and the Senate agree to the same.

Amendment numbered 106:

That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$180,000,000*; and the Senate agree to the same.

Amendment numbered 109:

That the House recede from its disagreement to the amendment of the Senate numbered 109, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,056,400,000*; and the Senate agree to the same.

Amendment numbered 110:

That the House recede from its disagreement to the amendment of the Senate numbered 110, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$11,215,400,000*; and the Senate agree to the same.

Amendment numbered 115:

That the House recede from its disagreement to the amendment of the Senate numbered 115, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$699,405,000*; and the Senate agree to the same.

Amendment numbered 118:

That the House recede from its disagreement to the amendment of the Senate numbered 118, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$275,601,000*; and the Senate agree to the same.

Amendment numbered 119:

That the House recede from its disagreement to the amendment of the Senate numbered 119, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$4,308,543,000*; and the Senate agree to the same.

Amendment numbered 122:

That the House recede from its disagreement to the amendment of the Senate numbered 122, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,741,306,000*; and the Senate agree to the same.

Amendment numbered 124:

That the House recede from its disagreement to the amendment of the Senate numbered 124, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$21,080,110,000*; and the Senate agree to the same.

Amendment numbered 136:

That the House recede from its disagreement to the amendment of the Senate numbered 136, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$7,747,838,000*; and the Senate agree to the same.

Amendment numbered 139:

That the House recede from its disagreement to the amendment of the Senate numbered 139, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$6,914,232,000*; and the Senate agree to the same.

Amendment numbered 148:

That the House recede from its disagreement to the amendment of the Senate numbered 148, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$12,227,706,000*; and the Senate agree to the same.

Amendment numbered 150:

That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$2,703,620,000*; and the Senate agree to the same.

Amendment numbered 170:

That the House recede from its disagreement to the amendment of the Senate numbered 170, and agree to the same with an amendment, as follows:

In lieu of the section number proposed by said amendment insert: *779A*; and the Senate agree to the same.

Amendment numbered 189:

That the House recede from its disagreement to the amendment of the Senate numbered 189, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to change section number 785 as follows: *789*; and the Senate agree to the same.

Amendment numbered 190:

That the House recede from its disagreement to the amendment of the Senate numbered 190, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to change section number as follows: *790*; and the Senate agree to the same.

Amendment numbered 214:

That the House recede from its disagreement to the amendment of the Senate numbered 214, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$17,323,000*; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 2, 3, 4, 5, 6, 64, 65, 69, 71, 72, 75, 80, 85, 86, 91, 92, 101, 103, 107, 111, 112, 125, 130, 133, 134, 137, 138, 141, 142, 143, 145, 146, 149, 151, 152, 153, 156, 157, 158, 161, 163, 167, 168, 169, 172, 173, 176, 178, 179, 180, 181, 183, 184, 185, 186, 191, 192, 193, 194, 196, 197, 198, 199, 200, 201, 202, 203, 205, 206, 207, 208, and 211.

JOSEPH P. ADDABBO,
BILL CHAPPELL, Jr.,
JOHN P. MURTHA,
NORMAN DICKS,
CHARLES WILSON,
W. G. HEFNER,
JACK HIGHTOWER,
JAMIE L. WHITTEN,
JACK EDWARDS,
J. K. ROBINSON,
JOSEPH M. McDADE,
BILL YOUNG,
SILVIO O. CONTE,

As additional conferees on amendment No. 167 to the House bill and modifications thereof committed to conference:

EDWARD P. BOLAND,
LOUIS STOKES,
RALPH REGULA,

Managers on the Part of the House.

TED STEVENS,
LOWELL P. WEICKER, Jr.,
JAKE GARN,
JAMES A. McCLURE,
MARK ANDREWS,
BOB KASTEN,
ALFONSE D'AMATO,
WARREN B. RUDMAN,
THAD COCHRAN,
MARK O. HATFIELD.
(except amendment No. 167),
JOHN C. STENNIS,
DANIEL K. INOUYE,
TOM EAGLETON,
LAWTON CHILES,
J. BENNETT JOHNSTON,
WALTER D. HUDDLESTON,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the Part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4185), making appropriations for the Department of Defense for the fiscal year ending September 30, 1984, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—MILITARY PERSONNEL

The following language items represent the agreement of the conferees. Specific dollar amounts by military service are reflected under each summary table. Language contained in the report of only one body and not addressed below should be considered the agreement of the conferees.

Retention improvements

The conferees agree, with one addition, to the Senate Report language concerning use of the funds appropriated due to improved retention of military personnel. These funds may be used only for increased requirements in basic pay, basic allowance for subsistence, basic allowance for quarters, variable housing allowance, and overseas station allowances. These funds are not available to pay bonuses or other discretionary programs.

Fiscal year 1984 pay raise

The conferees support providing a pay raise to civilian and military personnel; however, because of the uncertainty of the amount of the civilian pay raise, the conferees have not provided funds in the bill. Once the amount of the civilian pay raise has been determined, the Department should expeditiously forward a supplemental appropriation request to fund the full amount of the pay raise required, except for civilian personnel funded in the Research, Development, Test and Evaluation (RDT&E) appropriations. As in previous years, the bill contains a general provision (Sec. 772) which allows the Department to meet increased RDT&E pay costs by transfer of available funds.

Legislative provisions

The 1984 Defense Authorization Act included several new discretionary programs. While generally supportive of these new programs, the House was concerned about the accuracy of cost estimates and also about how they would be administered. The House directed the Department to request funds through a supplemental or reprogramming request and to present administrative plans for approval prior to implementing the programs. The Senate had similar language concerning these new programs except for Dependent Student Travel and Individual Ready Reserve (IRR) Bonuses, which the Senate funded.

The conferees have agreed to the House position on these legislative provisions, except for Department Student Travel. The conferees have accepted the Senate general provision (Sec. 799B) which allows the Department to initiate Dependent Student Travel within funds available under title III. The conferees still expect the Department to forward plans on how the Dependent Student Travel program will be administered.

(Civilian) military technicians

The conferees agree to the House general provision (Sec. 770) which continues the fiscal year 1983 floor on (civilian) military technicians for the Air Force Reserve at 7,283 and the Air National Guard at 21,834, and raises the floor on technicians for the Army Reserve to 7,585 and the Army National Guard to 24,119.

The managers direct that there be no conversions of (civilian) military technician positions to Active Guard/Reserve (AGR) positions within any Guard or Reserve Components' troop program units or squadrons. This will enable the troop program and squadron units to retain the civilian techni-

cian positions within each Component's troop program and squadron units and will not cause shifting of positions to support activities such as maintenance facilities and State headquarters.

Furthermore, the managers have been made aware of management problems regarding the Active Guard/Reserve (AGR) force and the civilian technicians. The conferees are aware that the introduction of Active Guard/Reserve (AGR) into areas where civilian technicians are already employed has created a chain of command problem. Supervisory responsibilities of civilian technicians have been altered and job descriptions have been changed due to the addition of AGRs without justification or regard to actual changes in duties. The managers direct that supervisory responsibilities and job descriptions of civilian technicians not be changed when AGRs are brought into units.

It has come to the managers' attention that Civilian Recruiter positions have been converted to AGR. The conferees direct that Civilian Recruiter positions throughout District Recruiting Commands not be converted to AGR positions. The managers can see no advantage in converting these positions.

Full-time support (AGR)

The conferees agree to a reduction of $15,100,000 associated with the authorization reduction of 1,186 Active Guard and Reserve (AGR) full-time support personnel below the budget. A reduction of $10,300,000 is associated with the authorization reduction of 750 personnel in the Army Reserve and a reduction of $4,800,000 associated with the authorization reduction of 436 personnel in the Army National Guard.

AGR—conversion program

The conferees agree to a reduction of $5,000,000 instead of the $10,000,000 reduction recommended by the House. This reduction is made to encourage better management of this program, which is estimated to have 58 percent of its 5,691 personnel overgraded, when AGR and (civilian) military technician annual life cycle costs are compared.

Civilian technicians, active Guard and Reserve mix

The conferees agree to a reduction of $26,070,000 to reflect the reduction of 2,394 personnel associated with the full-time (AGR) manning program. A reduction of $9,950,000 is associated with the 832 personnel reduction in the Army Reserve, and the reduction of $16,120,000 associated with the 1,562 personnel reduction in the Army National Guard.

The conferees agree to the increase of 2,394 civilian technicians—832 to the Army Reserve and 1,562 to the Army National Guard, and agree to the additional funding of $30,140,000 to reflect the increased levels for the civilian technician program—$9,850,000 to the Operation and Maintenance, Army Reserve and $20,290,000 to the Operation and Maintenance, Army National Guard appropriations.

Navy Selected Reserves Sea Air Mariner Program

The House Report instructs the Department of the Navy to limit accessions in the Sea Air Mariner Program (SAM) to 5,000 spaces. This is only half of the requested level. The House also directs the Navy to use the excess funds made available by this limitation to increase the average strength of the Navy Reserve to 105,000 in fiscal year 1984. The conferees agree that raising the average strength should have a higher priority than inducting the fully requested level of 10,000 SAMs. However, the conferees also agree that if the Navy Reserve meets the 105,000 average strength levels included in the House Report within the funds appropriated, and has funds available to increase the SAM's above the House level, the Sea Air Mariner program may be increased to the requested 10,000 level in fiscal year 1984.

MILITARY PERSONNEL, ARMY

Amendment No. 1: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$15,048,533,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement on items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Rentention improvements		79,400	78,900	79,400
Unemployment compensation	71,600	73,300	73,300	73,300
SEL Reenlistment bonus	136,698	85,966	85,966	85,966
Overseas station allowance—new index	6,800	6,800		
Classified programs (end strength)		−410	−5,432	
Classified programs (non-end strength)		−10,000		
European troop strengths—overseas allowances	138,259	136,459	138,259	136,459
PCS—Temporary lodging expense		−55,700	−55,735	−55,735
PCS—European troop strength rotational moves		−18,500	−10,000	−10,000
PCS—Grace commission			−38,000	−19,000
PCS—Improved retention/limitation		−20,400	−21,400	−20,400
PCS—Household goods weight allowance		−38,000	−38,000	−38,000
PCS—Inflation		−3,100	−3,100	−3,100
PCS—Shippers association		−800		−800
VHA—Rate freeze	212,956	212,956	187,956	187,956
Subsistence inflation	12,300	10,900	10,900	10,900
Active Army end strength	11,847,565	11,820,765	11,816,365	11,820,765
Hawk missile maintenance		−10,000		−5,000
Physicians special pay	78,633	68,633	78,633	78,633
Recruiting and advertising—Enlistment bonus	125,200	123,600	123,600	123,600
Recruiting and advertising—Military pay	158,500	157,800	158,500	158,500
New food cost index	329,207	325,007	329,207	325,007
Fiscal year 1984 pay raise			372,900	
All other items	2,120,082	2,120,082	2,120,082	2,120,082
Total, military personnel, Army	15,237,800	15,074,758	15,402,901	15,048,533

MILITARY PERSONNEL, NAVY

Amendment No. 2: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$11,171,278,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement on items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Retention improvements		118,000	117,600	117,600
European troop strengths—Overseas allowances	104,661	101,761	104,661	101,761
Unemployment compensation	56,000	39,200	39,200	39,200
Fiscal year 1964 pay raise			270,600	
SEL reenlistment bonus	275,534	206,812	206,812	206,812
Overseas station allowance—New index	7,600	7,600		
Aviation officer continuation bonus (AOCB)	38,800	35,400	38,800	38,800
PCS—Temporary lodging expense		−23,800	−23,800	−23,800
PCS—European troop strength rotational moves		−5,600	−3,000	−3,000
PCS—Improved retention/limitation		−47,201	−30,300	−39,500
PCS—Grace Commission			−21,000	−10,500

	Budget	House	Senate	Conference
PCS—Inflation		−2,700	−2,700	−2,700
PCS—Shippers associations		−100		−100
VHA—Rate freeze	304,107	304,107	269,107	269,107
Subsistence inflation	13,000	11,500	11,500	11,500
Active Navy end strength	8,372,083	8,322,683	8,341,383	8,341,383
Classified programs			−2,606	
Physicians spec pay	60,585	55,585	60,585	60,585
Recruiting and advertising—Enlistment bonus	16,500	11,100	11,100	11,100
Recruiting and advertising—Military pay	120,900	115,000	120,900	120,900
New food cost index	287,466	279,566	287,466	279,566
All other items	1,652,564	1,652,564	1,652,564	1,652,564
Total, military personnel, Navy	11,309,800	11,181,477	11,448,872	11,171,278

Aviation officer continuation bonus

Amendment No. 3: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which approves payment of an Aviation Officer Continuation Bonus (AOCB) to all aviation specialties where shortages exist.

The conferees agree to the Senate proposal which provides AOCB to Naval Flight Officers (NFOs). The conferees were reluctant to grant this approval because the 1984 Authorization Act specifically denied the bonus to NFOs. The Secretary of the Navy convinced the conferees that denial of this bonus to NFOs could ultimately result in degradation of readiness and safety.

The conferees further agree that the Department of the Navy must document improved retention in the aviation specialties which were paid the bonus in order for this program to be continued past fiscal year 1984.

MILITARY PERSONNEL, MARINE CORPS

Amendment No. 4: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$3,433,859,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement on items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Retention improvements		7,100	7,100	7,100
Fiscal year 1984 pay raise			81,700	
Unemployment compensation	25,340	23,940	23,940	23,940
SEL reenlistment bonus	77,732	71,856	71,856	71,856
Overseas station allowance—New index	500	500		
PCS—Temporary lodging expense		−9,000	−8,965	−8,965
PCS—European troop strength rotational moves			−300	−300
PCS—Inflation		−500	−500	−500
PCS—Grace Commission			−7,000	−3,500
VHA—Rate freeze	80,942	80,942	70,942	70,942
Subsistence inflation	5,700	5,100	5,100	5,100
Active Marine Corps end strength	2,640,712	2,633,712	2,636,312	2,634,312
Aviation officer continuation bonus (AOCB)	12,300	12,100	12,300	12,300
New food cost index	88,896	87,296	88,896	87,296
Recruiting and advertising—Enlistment bonus	12,700	11,800	11,800	11,800
All other items	522,478	522,478	522,478	522,478
Total, military personnel, Marine Corps	3,467,300	3,447,324	3,515,659	3,433,859

Aviation officer continuation bonus

Amendment No. 5: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which approves payment of an Aviation Officer Continuation Bonus (AOCB) to all aviation specialties where shortages exist.

The conferees agree to the Senate proposal which provides AOCB to Naval Flight Officers (NFOs). The conferees were reluctant to grant this approval because the 1984 Authorization Act specifically denied the bonus to NFOs. The Secretary of the Navy convinced the conferees that denial of this bonus to NFOs could ultimately result in degradation of readiness and safety.

The conferees further agree that the Department of the Navy must document improved retention in the aviation specialties which were paid the bonus in order for this program to be continued past fiscal year 1984.

MILITARY PERSONNEL, AIR FORCE

Amendment No. 6: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$12,577,203,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement on items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Retention improvements		123,200	120,900	120,900
Fiscal year 1984 pay raise			326,500	
Unemployment compensation	46,206	42,206	42,206	42,206
SEL reenlistment bonus	134,031	104,306	104,306	104,306
Overseas station allowance-new index	15,100	15,100		
European troop strengths—overseas allowances	157,871	153,371	157,871	153,371
PCS—temporary lodging expense		−32,000	−32,000	−32,000
PCS—European troop strength rotational moves		−14,000	−15,000	−15,000
PCS—Inflation		−2,600	−2,600	−2,600
PCS—Grace Commission			−34,000	−17,000
PCS—Improved retention/limitation		−42,684	−36,600	−42,684
PCS-shippers associations		−300		−300
VHA—Rate freeze	258,519	258,519	228,519	228,519
Subsistence inflation	7,000	6,200	6,200	6,200
Active Air Force End strength	9,990,664	9,830,464	9,873,464	9,863,776
Classified programs			−5,572	

	Budget	House	Senate	Conference
Physicians special pay	59,056	54,056	59,056	59,056
New food cost index	101,651	99,551	101,651	99,551
Recruiting and advertising—Military pay	64,800	63,900	64,800	64,800
All other items	1,944,102	1,944,102	1,944,102	1,944,102
Total, military personnel, Air Force	12,779,000	12,603,391	12,903,803	12,577,203

RESERVE PERSONNEL, ARMY

Amendment No. 7: Appropriates $1,361,150,000 instead of $1,346,850,000 as proposed by the House and $1,426,600,000 as proposed by the Senate.

The conference agreement on items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Full time support	87,300	70,300	81,000	77,000
VHA for reservists	22,156	15,256	15,256	15,256
Fiscal year 1984 pay raise			30,500	
Average strength adjustment	821,394	821,394	832,594	821,394
AGR/technician mix	35,100	17,550	35,100	25,150
Individual ready Reserve bonuses			9,800	
All other items	422,350	422,350	422,350	422,350
Total, Reserve personnel, Army	1,388,300	1,346,850	1,426,600	1,361,150

RESERVE PERSONNEL, NAVY

Amendment No. 8: Appropriates $739,800,000 as proposed by the House instead of $758,600,000 as proposed by the Senate.

The conference agreement on items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
VHA	17,603	13,403	13,403	13,403
Fiscal year 1984 pay raise			17,900	
Individual ready reserve bonuses			900	
All other items	726,397	726,397	726,397	726,397
Total, Reserve personnel, Navy	744,000	739,800	758,600	739,800

RESERVE PERSONNEL, MARINE CORPS

Amendment No. 9: Appropriates $176,200,000 as proposed by the House instead of $180,100,000 as proposed by the Senate.

The conference agreement on items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
VHA	2,766	1,566	1,566	1,566
Fiscal year 1984 pay raise			3,600	
Individual Ready Reserve bonuses			300	
All other items	174,634	174,634	174,634	174,634
Total, Reserve personnel, Marine Corps	177,400	176,200	180,100	176,200

RESERVE PERSONNEL, AIR FORCE

Amendment No. 10: Appropriates $380,000,000 as proposed by the House instead of $389,400,000 as proposed by the Senate.

The conference agreement on items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
VHA	5,775	2,175	2,175	2,175
Fiscal Year 1984 pay raise			8,400	
Individual ready reserve bonuses			1,000	
All other items	377,825	377,825	377,825	377,825
Total, Reserve personnel, Air Force	383,600	380,000	389,400	380,000

NATIONAL GUARD PERSONNEL, ARMY

Amendment No. 11: Appropriates $1,882,980,000 instead of $1,857,950,000 as proposed by the House and $1,977,600,000 as proposed by the Senate.

The conference agreement on items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Full time support	80,300	72,300	76,600	75,500
VHA for reservists	122,581	114,381	114,381	114,381

	Budget	House	Senate	Conference
Fiscal year 1984 pay raise			47,800	
Active guard/reserve conv. prog	140,300	130,300	140,300	135,300
AGR/technician mix	65,900	32,950	65,900	49,780
Average strength adjustment	1,250,830	1,250,830	1,275,430	1,250,830
All other items	257,189	257,189	257,189	257,189
Total, National Guard personnel, Army	1,917,100	1,857,950	1,977,600	1,882,980

NATIONAL GUARD PERSONNEL, AIR FORCE

Amendment No. 12: Appropriates $589,100,000 as proposed by the House instead of $604,400,000 as proposed by the Senate. The conference agreement on items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
VHA	12,573	8,173	8,173	8,173
Fiscal year 1984 pay raise			15,300	
All other items	580,927	580,927	580,927	580,927
Toal, National Guard personnel, Air Force	593,500	589,100	604,400	589,100

TITLE III—OPERATION AND MAINTENANCE

The following items addressed by the conferees apply to more than one operation and maintenance appropriation of the Department of Defense:

APPROPRIATION BY BUDGET ACTIVITIES

The authorization conference recommended O&M authorization levels at the budget activity within each appropriation but specified that the Department of Defense should retain certain flexibilities for transfers. The Appropriations Bill as passed the House recommended specific budget activity amounts within each appropriation while the Senate version recommended appropriation at the O&M account level as historically has been the case.

The conferees agree that appropriation at the budget activity level would unnecessarily inhibit the required flexibility in the Department of Defense for executing a complex operating budget during the course of the fiscal year. As a result, the conferees agree to appropriate at the account level rather than by specific budget activity. The conferees have worked diligently to ensure that each of the individual items being addressed in the conference are within the authorized limits.

ADP equipment acquisition

Both the House and the Senate criticized the management of ADP equipment acquisition in DOD. The House recommended a reduction of $680,000,000 in the operation and maintenance accounts and provided $150,000,000 for establishment of a special fund to buy ADP equipment currently being leased.

The conferees agree to a reduction of $150,000,000 to the operation and maintenance accounts to reflect savings from increased competition and reduced leasing, and to provide $150,000,000 to the Defense Industrial Fund to buy out existing leases as recommended by the House. The Conferees recognize that the revolving fund allowance is sufficient to begin a modest buy-out program. It is expected that the fiscal 1985 request will include additional funding to accelerate the purchase of leased ADP equipment where it is cost efficient to do so. As a means to replenish the revolving fund, the Department may wish to use an amortization schedule to annually reimburse the Defense Industrial Fund for a portion of the purchase value of the ADP equipment. This formula should assure the buy-out of most ADP equipment within five years.

The Department is expected to adhere to the following ADP management procedures:

1. All acquisition of ADP components will be purchased outright, unless cognizant ADP and contracting officials can justify a method of acquisition and financing that will produce the lowest total overall cost to the Government.

2. Consistent with longstanding guidance from the Congress, all acquisition of ADP equipment in DOD will be done in a manner that will achieve lowest total overall costs to the government; normally this will be accomplished through competition, unless warranted by a national exigency to support a time-sensitive program of the highest national priority; acquisition is not to be considered competitive solely on the basis of inclusion on the GSA ADP schedule.

3. A comprehensive audit of all ADP equipment in DOD will be performed to ensure that DOD is not continuing to pay rent on equipment already owned, to determine accrued purchase credits on existing leased systems, and to form an inventory baseline so that ADP equipment excess to requirements in one activity can be transferred to another activity with an existing deficiency, provided that doing so does not perpetuate obsolescence. Leased ADP equipment that is obsolete will not be purchased if replacement is planned within two years and resources have already been identified in the Five Year Defense Plan.

4. A comprehensive and immediate training and advisory program is to be implemented to ensure that DOD contracting officers have sufficient ADP expertise to protect that Government's interest and to better understand internally developed ADP requirements in order to perform the most effective acquisitions.

5. A program is to be initiated to provide for the economic buyout of existing ADP equipment in use by DOD but not owned by DOD. By April 1, 1984, the Defense Department will submit to the Congress an action plan for implementing and resourcing this initiative.

6. Finally, no exceptions are to be made for competitive acquisition or outright purchase except with the specific case-by-case approval of the component Senior Information Resource Management (IRM) officials or their designees. These exceptions, however, are not to be justified by lack of necessary procurement funds or time-sensitivity. The exceptions will be reported to Military Department Senior ADP officials (OSD for Defense Agencies) on a quarterly basis. The department's Senior ADP Officials will be prepared to justify exceptions to the Congress when requested.

Stock fund accounting change

Both the House and the Senate directed DOD to record obligations at the time customer orders are placed against the stock fund. However, the House directed implementation on September 1, 1984, while the Senate directed implementation prior to the end of the fiscal year. Conferees agree that the Department should implement this accounting change prior to the end of the fiscal year as directed by the Senate.

Industrial plant equipment

The conferees agree to permit the Department of Defense to budget for industrial plant equipment in the customer operation and maintenance accounts as recommended by the Senate, and agree to provide a total of $414,500,000 instead of $364,500,000 as recommended by the House and $564,500,000 as recommended by the Senate.

The conferees fully support the modernization of the industrial plants of the Department of Defense. However, the many layers of bureaucracy between these industrial activities and the Congress have provided poor justification for such an important and expensive program. A significantly better job must be done by the Department of Defense in fiscal year 1985 of supporting the request for these funds. Since DOD has testified that the individual industrial activities each have a plan and are free to allocate these resources based upon the critical needs of that individual activity, in conjunction with submission of the fiscal year 1985 budget request the Department will present the plan for each activity identifying major equipment problem areas; expected productivity improvements from a strengthened equipment replacement and improvement programs; funding levels for fiscal years 1983, 1984, and 1985; and the estimated funding requirement to modernize industrial plant equipment at each activity over a ten year period starting in fiscal year 1985. The conferees agree that funds provided for fiscal year 1984 are to be managed and expended by the industrial activity without further review of higher authority.

Spare and repair parts procurement management

The conferees agree that management of spare and repair parts procurement in the Department of Defense needs to be strengthened, and agree to provide

$15,000,000 for 700 additional manyears. However, the conferees agree to allocate this amount equally across the military departments rather than only to the Air Force as recommended by the Senate. The conferees also agree that this increase is to be used to strengthen supply system procurement management at the inventory control points in the supply systems of each military service. The increase being provided by the conferees is to be considered a minimum with additional resources to be realigned, as required, within funds available.

Drug interdiction programs

The Conferees agree to the Senate language pertaining to DOD assistance to Federal, State and local law enforcement in the interdiction of drug smuggling in the United States. Further, the Conferees agree to the addition of $10,000,000 for Navy reconnaissance flying hours, the joint Coast Guard-Navy test program for PHM hydrofoil operations, and the transfer of four Black Hawk helicopters to the U.S. Customs Service with inventory replacement expected to be budgeted in the fiscal year 1985 request.

The Senate language is modified to direct the Air Force to provide one F-15 radar unit, in addition to the test radar, for modification of P-3A aircraft to be transferred to the U.S. Customs Service. The Department is expected to provide radar units and modifications for three P-3A aircraft in fiscal year 1985, and two additional aircraft will be modified in fiscal year 1986, one with an Air Force provided F-15 radar and one with a U.S. Customs Service provided radar. Replacement of equipment inventory and modification costs may be budgeted in the fiscal year 1985 Air Force budget request. The Navy is expected to provide technical and contract management as necessary for the P-3A aircraft F-15 radar modifications program. DOD should continue to provide technical assistance in the establishment of a Customs Service funded maintenance program capable of long term program support.

Shelter for the homeless

The conferees understanding is that use of Guard and Reserve centers for the homeless shall in no way interfere with training, operations, or meetings associated with any military requirements.

OPERATION AND MAINTENANCE, ARMY

Amendment Nos. 13 and 14: Deletes House language providing each appropriation at the budget activity level. The conferees agree to provide each Title III appropriation as a lump sum as recommended by the Senate.

Amendment No. 15: Appropriates $17,054,846,000 instead of $17,377,771,000 as proposed by the Senate. In amendment number 13, the House had proposed an appropriation of $16,776,984,000. The conferees also agree to include the words "of which" as proposed by the Senate.

Amendment No. 16: Provides $1,247,000,000 only for the maintenance of real property as proposed by the House in lieu of $1,260,200,000 as proposed by the Senate.

Army lease of German rug and shoe factory

The conferees recognize the importance of providing support for U.S. Army forces deploying to Northern Germany in the early days of a NATO conflict. However, the conferees believe that it would be inappropriate to permit the Army to lease a former West German rug factory currently being used for the production of shoes as a means to avoid complying with congressional action denying funds to acquire this very same facility. The conferees believe that the Army should have an opportunity to respond to the concerns raised in the Military Construction appropriation process without expanding the current presence at the rug and shoe factory. Consequently, of the $7,700,000 being requested, the conferees agree to provide $2,800,000 as recommended by the House. This will enable the Army to continue operations at this facility at the same level provided in fiscal year 1983. To the extent that the acquisition strategy for the facility is resolved, a reprogramming or supplemental request would be entertained to restore necessary funding.

Summary—operation and maintenance, Army

The conferees agree to the following adjustments to the amended budget request of $17,655,800,000:

[In thousands of dollars]

	House	Senate	Conference
Military end strength	−3,300	−3,300	−3,300
Recruiting and advertising	−10,000	−10,000	−10,000
Force modernization	−25,000	−25,000	−25,000
Stock fund accounting change	−75,000	−75,000	−75,000
Specialized training	−5,000	−5,000	−5,000
Civilian pay raise		+170,900	
Classified program	−5,895	−4,820	−5,895
Bachelor housing furniture		−8,000	−8,000
Commercial activities	−10,000	−10,000	−10,000
Method and standards program	−4,400	−4,400	−4,400
Supply, maintenance and transportation activity	−8,600	−8,600	−8,600
Rug factory (Northag Army facility)	−4,900		−4,900
Real estate leasing	−5,000	−5,000	−5,000
Telephone system	−4,300	−4,300	−4,300
Defense data network	−5,000	−5,000	−5,000
Tactical vehicle repair	−7,500	−7,500	−7,500
Base operations consolidations	−21,400	−2,000	−11,700
Civilian end strength	−76,500	−76,500	−76,500
Hazardous cargo shipments		−1,000	−1,000
Civilian personnel office consolidation		−6,000	−1,000
Maintenance of real property	+3,000		+3,000
Industrial plant equipment	−162,500		−42,500
Foreign currency	−116,442	−82,759	−116,442
Consultants, studies, and contract services	−7,100	−7,100	−7,100
Leasing of vehicles	−2,100		−2,100
Legislative liaison	−200	−200	−200
Public affairs	−1,100	−1,100	−1,100
Audiovisual	−2,950	−2,950	−2,950
MSC cargo rates	−5,000	−5,000	−5,000
Federal employee compensation fund	−12,200	−12,200	−12,200
Maintenance of fielded systems	+50,000		+25,000
Year-end spending	−18,000		−9,000
CINC headquarters transfer	−10,129		
Interservice depot maintenance	−5,000		−5,000
ADP program	−138,000	−15,000	−30,867
Payment discounts	−3,000	−3,000	−3,000
Hawk missile training	−10,000	−10,000	−10,000
Excess/surplus property	−98,500		−59,400
European troop strength	−2,000	−2,000	−2,000
Improved military retention	−34,000		−5,000
Shippers association	−800		−800
Army continuing education (ACE)	−1,000		−1,000
Repair tactical radios	−8,000	−8,000	−8,000
Transportation, Europe	−7,000	−7,000	−7,000
Coal operations, Europe	−10,000	−10,000	−10,000
Postal service, Europe	−3,000	−3,000	−3,000
Family advocacy program		−1,500	−1,500
Environmental fund transfer		−13,700	−13,700
Parts procurement management			+5,000
Base transportation	−3,000	−3,000	−3,000
C-12 leasing	+1,000		
Total, operation and maintenance, Army	−878,816	−278,029	−600,954

ARMY STOCK FUND

Amendment No. 17: Appropriates $388,600,000 instead of $379,400,000 as proposed by the House and $408,600,000 as proposed by the Senate.

ARMY INDUSTRIAL FUND

Amendment No. 18: Provides no appropriation as proposed by the Senate instead of $99,400,000 as proposed by the House.

OPERATION AND MAINTENANCE, NAVY

Amendment Nos. 19 and 20: Deletes House language providing each appropriation at the budget activity level. The conferees agree to provide each Title III appropriation as a lump sum as recommended by the Senate.

Amendment No. 21: Appropriates $21,943,818,000 instead of $22,317,308,000 as proposed by the Senate. In amendment number 19, the House had proposed an appropriation of $21,355,774,000. The conferees also agree to include the words "of which" as proposed by the Senate.

Amendment No. 22: Provides $605,000,000 only for the maintenance of real property as proposed by the House in lieu of $670,700,000 as proposed by the Senate.

Amendment No. 23: Deletes House language providing each appropriation at the budget activity level. The conferees agree to provide each Title III appropriation as a lump sum as recommended by the Senate.

Amendment No. 24: The conferees agree to provide no more than $3,100,000,000 for alteration, overhaul, and repair of vessels in Navy yards as proposed by the House instead of $3,150,000,000 as proposed by the Senate.

Amendment No. 25: Deletes House language providing each appropriation at the budget activity level. The conferees agree to provide each Title III appropriation as a lump sum as recommended by the Senate.

Amendment No. 26: The conferees agree to delete language dealing with TAKX and T-5 ship termination liabilities as proposed by the Senate. The language proposed by the House was made permanent law in the fiscal year 1983 supplemental appropriations act.

Navy ship overhauls

Both the House and Senate included report language recommending an expanded ship overhaul program in fiscal year 1984 above levels included in the President's budget. The conferees agree that five additional overhauls should be awarded to private shipyards in fiscal year 1984, with three to be competed coast-wide on the east and gulf coasts and two to be competed coast-wide on the west coast. The conferees do not agree that potential savings will cover the cost of these additional overhauls and therefore do not agree to the $100,000,000 reduction effectively recommended by the House.

Auxiliary crane ship (TACS)

The conferees agree to provide $10,800,000 for the Auxiliary Crane Ship as recommended by the House. However, the conferees share the concern expressed by the Senate and direct that the Navy must notify the House and Senate Appropriations Committees of the test results on the first TACS ship prior to obligation of these O&M funds for the second ship.

Accounting for Navy sealift programs

The House directed that sealift programs be accounted for as a part of "Airlift and Sealift" as opposed to the current "General Purpose Forces". The Senate did not address the issue. The conferees agree that the Navy should properly account for its sealift programs in the Five Year Defense Plan program entitled "Airlift and Sealift".

TAVB aviation logistics ship

The conferees agree to an allowance of $3,600,000 to design and plan two TAVB ships to transport a Marine Corps Intermediate Maintenance Aviation capabiity to the

theater of operations. The House and Senate language agreed to the concept, but the Senate recommended deletion of funds based on the overall program costs of nearly $40,000,000 per ship. The approved funding level permits the examination of more austere designs for ship conversion, modification or, alternatively, new construction without delaying the program. The Navy is expected to submit a firm plan for this program to accompany the fiscal year 1985 budget request.

Navy Material Command

The conferees agree to a reduction of $2,500,000 for the headquarters of the Navy Material Command. To the extent that the Chief of Navy Material is unable to accommodate this reduction, functions should be eliminated or personnel transferred to other Commands.

Summary—operation and maintenance, Navy

The conferees agree to the following adjustments to the amended budget request of $22,601,600,000:

[In thousands of dollars]

	House	Senate	Conference
Military end strength	−14,800	−14,800	−14,800
Recruiting and advertising	−5,000	−5,000	−5,000
European troop strength	−400	−400	−400
Fleet commands and staff	−10,000	−10,000	−10,000
CNO staff offices	−1,000	−1,000	−1,000
Secretary of the Navy staff offices	−1,000	−1,000	−1,000
Air staffs	−1,000	−1,000	−1,000
ADHDC administrative functions	−5,000	−5,000	−5,000
Navy military personnel command	−10,000	−10,000	−10,000
Specialized skill training		−5,000	−5,000
Consultants, studies, and contract services	−18,300	−38,300	−38,300
Aircraft depot maintenance	−90,000	−50,000	−90,000
Ship overhaul and repair	−31,000	−31,000	−31,000
Ship overhaul contract savings	−100,000		
Ship overhaul backlog	+100,000		+100,000
Base operations	−15,000	−15,000	−15,000
Other communications	−10,000	−10,000	−10,000
Other training support	−10,000	−10,000	−10,000
Tactical flying hours	+30,000	+20,000	+20,000
Reconnaissance flying hours		+10,000	+10,000
Civilian pay raise		+212,700	
Classified program	−15,430	−5,592	−15,430
Civilian end strength	−38,100	−38,100	−38,100
Tactical flag command center	−5,900	−5,900	−5,900
Training equipment maintenance	−8,000	−8,000	−8,000
Medical care end strength	−5,000	−5,000	−5,000
Administration	−15,000	−15,000	−15,000
Facilities Engineering Command	−15,000	−15,000	−15,000
Sea Systems Command	−40,000	−40,000	−40,000
Electronic Systems Command	−25,000	−25,000	−25,000
Trident-C3 systems	−8,000	−8,000	−8,000
Cruise missile programs	−8,000	−8,000	−8,000
Shipyard security	+2,500	+2,500	+2,500
LSD–28 operations	+18,300	+18,300	+18,300
JUX project office	−2,050		
USS New Jersey–industrial fund rates	−9,400	−9,400	−9,400
Auxiliary crane ship-tacs	−10,800		
Aviations logistics SPT Ship–TAVB		−10,000	−6,400
Overseas banking	−2,500	−2,500	−2,500
Industrial plant equipment	−265,100	−10,000	−70,100
Manufacturing methods and technology	−3,147		−3,147
Foreign currency	−19,905	−35,000	−19,905
Base operations consolidation	−10,600	−5,000	−7,800
Leasing of vehicles	−1,300		−1,300
Legislative liaison	−200	−200	−200
Public affairs	−500	−500	−500
MSC cargo rates	−15,000	−15,000	−15,000
Finance centers	−5,000	−5,000	−5,000
Parts procurement management			+5,000
Real property maintenance		+10,000	+10,000
Federal employees compensation fund	−33,800	−33,800	−33,800
Navpro/Minneapolis	−1,000	−1,000	−1,000
Telephone service	−5,000	−5,000	−5,000
Okinawa overstaffing	−200	−200	−200
Computerized flight plans	−15,000		−15,000
Year-end spending	−23,600		−11,800
Improper O&M buys	−25,000		−20,000
CINC headquarters transfers	−30,194		
Real estate lease	−5,000	−5,000	−5,000
Interservice depot maintanance	−10,000		−10,000
ADP program	−182,000	−10,000	−42,000
Leasing commercial property	−6,000	−6,000	−6,000
Environmental health center	−1,000	−1,000	−1,000
Base closure	−1,000	−1,000	−1,000
Payment discounts	−5,000	−5,000	−5,000
Excess/surplus property	−178,400		−77,700
Improved military retention	−22,000		−3,000
Shippers association	−300		−300
Tuition assistance	−700		
CNM headquarters		−5,000	−2,500
Off-duty volunteer education		−1,000	−1,000
Family advocacy program		−2,000	−2,000
Environmental fund transfer		−8,100	−8,100
Total, operation and maintenance, Navy	−1,245,826	−284,292	−657,782

NAVY STOCK FUND

Amendment No. 27: Appropriates $632,869,000 as proposed by the Senate instead of $634,069,000 as proposed by the House.

NAVY INDUSTRIAL FUND

Amendment No. 28: Provides no appropriation as proposed by the Senate instead of $181,900,000 as proposed by the House.

OPERATION AND MAINTENANCE, MARINE CORPS

Amendment No. 29: Deletes House language providing each appropriation at the budget activity level. The conferees agree to provide each title III appropriation as a lump sum as recommended by the Senate.

Amendment No. 30: Appropriates $1,524,600,000 instead of $1,547,050,000 as proposed by the Senate. In amendment number 29, the House had proposed an appropriation of $1,510,950,000. The conferees also agree to include the words "of which" as proposed by the Senate.

Amendment No. 31: Provides $231,000,000 only for the maintenance of real property as proposed by the House in lieu of $237,100,000 as proposed by the Senate.

Summary—Operation and maintenance, Marine Corps

The conferees agree to the following adjustments to the amended budget request of $1,554,900,000:

[In thousands of dollars]

	House	Senate	Conference
Military end strength	−4,200	−4,200	−4,200
Recruiting and advertising	−2,000	−2,000	−2,000
Civilian pay raise		+9,500	
Civilian end strength	−2,300	−2,300	−2,300
Base operations	−5,000	−5,000	−5,000
Okinawa overstaffing	−3,000	−3,000	−3,000
Industrial plant equipment	−4,000		−1,000
Base operations consolidation	−1,400		−700
Consultants, studies, and contract services	−1,700		−1,700
Audiovisual	−250	−250	−250
Federal Employees Compensation Fund	−600	−600	−600
Excess surplus property	−12,100		−8,000
Year-end spending	−1,500		−750
Improved military retention	−2,800		
Shippers association	−100		−100
ADP program	−3,000		−700
Total, operation and maintenance, Marine Corps	−43,950	−7,850	−30,300

MARINE CORPS STOCK FUND

Amendment No. 32: Appropriates $20,780,000 as proposed by the House instead of $22,280,000 as proposed by the Senate.

MARINE CORPS INDUSTRIAL FUND

Amendment No. 33: Provides no appropriation as proposed by the Senate instead of $2,300,000 as proposed by the House.

OPERATION AND MAINTENANCE, AIR FORCE

Amendment Nos. 34, 35, and 36: Deletes House language providing each appropriation at the budget activity level. The conferees agree to provide each Title III appropriation as a lump sum as recommended by the Senate.

Amendment No. 37: Appropriates $17,573,895,000 instead of $17,851,756,000 as proposed by the Senate. In amendment number 34, the House had proposed an appropriation of $17,080,246,000. The conferees also agree to include the words "of which" as proposed by the Senate.

Amendment No. 38: Provides $1,217,200,000 only for the maintenance of real property as proposed by the House in lieu of $1,243,600,000 as proposed by the Senate.

Strategic lift mission for the Air Guard and Reserve

Both the House and the Senate directed increased strategic lift missions for the Air Guard and Air Force Reserve. The conferees agree with the Senate language supporting the transfer of one squadron of C–141 aircraft to the Air Guard and one squadron of C–141 aircraft to the Air Force Reserve, or a total of 36 aircraft. The transfer shall be completed no later than the end of fiscal year 1984.

The conferees agree that, no later than June 1, 1984, the Department should submit a milestone schedule for such transfers including sites and requirements for personnel, training, and funding, together with a plan for additional transfer of strategic airlift aircraft to Guard and Reserve units as requested by the House.

McConnell Air Force Base real property maintenance

The conferees direct that, within funds available to the Air Force, not less than $6,600,000 of additional repairs as identified in the House and Senate reports will be accomplished during fiscal year 1984.

Summary—Operation and Maintenance, Air Force

The conferees agree to the following adjustments to the amended budget request of $18,250,100,000:

[In thousands of dollars]

	House	Senate	Conference
Military end strength	−39,900	−39,900	−39,900
Recruiting and advertising	−7,000	−7,000	−7,000
MX facility design	−1,200	−1,200	−1,200
Tactical flying hours	−15,000	−79,400	−72,400
Third country block		−1,800	
Facility projects by contract	−14,400	−14,400	−14,400
F–111 damage repair	+15,000		+15,000
Special operations helicopters	+800		+800
Civilian pay raise		+132,000	
Classified program	−15,452	−13,352	−15,452
Civilian end strength	−10,300	−10,300	−10,300
Weather service	−8,000	−8,000	−8,000
ADP program	−274,000	−50,000	−50,919
Space programs	−15,000	−15,000	−15,000
Travel	−5,800	−5,800	−5,800
Audiovisual services	−5,000	−5,000	−5,000
Base operations	−25,000	−25,000	−25,000
CT–39 replacement program		−1,000	−1,000
Real Estate Leasing	−5,000	−5,000	−5,000
Base closing	−3,500	−3,500	−3,500
Federal catalog	−500	−500	−500
Base transportation	−3,000	−3,000	−3,000
Central supply	−15,600	−15,600	−15,600
European distribution aircraft	−3,400	−3,400	−3,400
No-show passengers for MAC flights	−15,000	−15,000	−15,000
Stratetic force personnel GPT	−2,200	−2,200	−2,200
Paris procurement management		+15,000	+5,000
McConnell AFB runway repairs		+6,600	
Industrial plant equipment	−123,600	−5,100	−33,600
Manufacturing methods and technology	−3,400		−3,400
Foreign currency	−53,053	−33,780	−53,053
Base operations consolidation	−13,800	−2,000	−7,900
Consultants, studies, and contract services	−86,700	−86,700	−86,700
Leasing of vehicles	−900		−900
Legislative liaison	−200	−200	−200
Public affairs	−200	−200	−200
Miscellaneous cargo rates	−5,000	−5,000	−5,000
Federal employees compensation fund	−9,900	−9,900	−9,900
Computerized flight plan	−35,000		−15,000
Year-end spending	−19,000		−9,500
CINC headquarters transfer	−71,649		

	House	Senate	Conference
Stock fund accounting change	−95,000	−95,000	−95,000
Interservice depot maintenance	−10,000		−10,000
Civilian work-years	−900	−900	−900
Minor construction threshold	−3,100		−3,100
Excess/surplus property	−154,000		−45,400
European end strength	−3,900	−3,900	−3,900
Improved military retention	−11,500		−2,000
Shippers associations	−600		−600
Logair Alaska		+8,000	+8,000
Family advocacy program		−1,500	−1,500
Environmental fund transfer		−21,000	−21,000
Air Force Systems Command		+30,588	+23,319
Total, operation and maintenance, Air Force	−1,169,854	−398,344	−676,205

AIR FORCE STOCK FUND

Amendment No. 39: Appropriates $1,288,725,000 instead of $1,241,255,000 as proposed by the House and $1,353,325,000 as proposed by the Senate. The conferees agree to a reduction of $117,100,000 for savings due to spare parts pricing adjustments, and a reduction of $232,500,000 for logistics initiatives and force expansion.

AIR FORCE INDUSTRIAL FUND

Amendment No. 40: Provides no appropriation as proposed by the Senate instead of $80,600,000 as proposed by the House.

OPERATION AND MAINTENANCE, DEFENSE AGENCIES

Amendment No. 41: Deletes House language providing each appropriation at the budget activity level. The conferees agree to provide each Title III appropriation as a lump sum as recommended by the Senate.

Amendment No. 42: Appropriates $6,446,652,000 instead of $6,583,344,000 as proposed by the Senate. In amendment number 41, the House had proposed an appropriation of $6,503,738,000. The conferees also agree to include the words "of which" as proposed by the Senate, but to delete bill language making $10,000,000 available only for the hiring of 400 auditors in the Defense Contract Audit Agency.

Amendment No. 43: The conferees agree to provide no more than $8,571,000 for emergencies and extraordinary expenses as proposed by the Senate instead of $9,360,000 as proposed by the House.

Inpatient mental health care

House Report directed CHAMPUS to develop subsequent definition of extraordinary circumstances governing waivers of the 60 day limit under its current peer review contract with the American Psychiatric Association to allow waivers in those cases where the condition is serious enough to justify continued hospitalization. The Senate Report directed CHAMPUS to continue working with peer review in issuing waivers.

The Conferees agree that CHAMPUS should continue working with the peer review process because it retains the valuable involvement of professional psychiatrists and psychologists. The Conferees agree that CHAMPUS, in working with peer review professionals, should develop a clear definition of the extraordinary circumstances governing waivers of the 60 day limit. The Conferees also agree that there should be no automatic exemption based solely on age, although special consideration should be given to children and adolescents.

Coordination of other health insurance benefits by military facilities

The House Report directed the Department to proceed with what action is necessary to implement a policy by October 1, 1984, which requires those military retirees and dependents who have private insurance coverage to charge these companies for care received in military treatment facilities. The Senate Report directed the Department of Defense to identify the necessary steps to implement such a proposal and report to the Congress by June 1, 1984. The Senate Report added that it will address this proposal in fiscal year 1985 deliberations.

The Conferees agree that additional study of the merits of this issue is not necessary, but that private insurers will need time to adjust existing contracts and premium schedules to reflect this change. The Conferees fully support this proposal and direct the Department to move toward implementation as soon as possible. The Committees on Appropriations will review this matter during fiscal year 1985 deliberations.

Role of the JCS in resource allocation

The House transferred $111,972,000 from the request of the military services to the O&M defense agencies appropriation and directed that the Organization of the Joint Chiefs of Staff (OJCS) be responsible for funding the headquarters of the various Unified and Specified Commands. The conferees agree that placing the OJCS in the day-to-day role of resource allocation to the CINCs would detract from the more important responsibilities of that office. The conferees therefore agree that the military services will continue to provide resources for these headquarters.

Both the House and the Senate expressed concern that the Chairman and the OJCS do not presently fulfill their statutory responsibilities to "review the major material and personnel requirements of the Armed Forces in accordance with strategic logistic plans." The conferees therefore agree that the Secretary of Defense will make available to the OJCS an additional 20 civilian and 20 military positions in order to have the necessary staff expertise at the Chairman's disposal to support his independent judgement on the readiness, logistics, and doctrinal impact of budgetary and programmatic proposals. The conferees direct that the Chairman notify the House and Senate Appropriations Committees on the steps being taken to strengthen his capability in this area. This review should identify the additional resources necessary to execute properly the statutory OJCS responsibility for reviewing the material, logistics, and personnel programs of the Department of Defense.

DOD audit functions

The House approved an increase of $6,000,000 and 400 additional auditors above the budget request to strengthen the contract audit function of the Defense Contract Audit Agency (DCAA). The Senate, however, approved an increase of $10,000,000 for the same 400 auditors. The conferees agree to an increase of $6,000,000 and 400 DCAA auditors as recommended by the House.

The new Office of the Inspector General also has a responsibility to oversee the effectiveness and review the work of the DCAA, and to audit entire procurements—the performance of defense contractors as well as the performance of defense personnel. Therefore, the conferees agree that $750,000 of the additional amount recommended by the Senate should be allocated for 50 additional auditors for the DODIG. This allocation will help to ensure that the IG organization can accomplish its workload in all aspects of major weapons procurement and acquisition management.

Air and space bicentennial

Of the amount appropriated, not less than $250,000 shall be available to offset the costs of the "Air and Space, USA" activities at the discretion of the U.S. Air and Space Bicentennial Committee.

Summary—operation and maintenance, defense agencies

The conferees agree to the following adjustments to the amended budget request of $6,818,900,000:

[In thousands of dollars]

	House	Senate	Conference
Civilian end strength	−14,400	−14,400	−14,400
ADP programs	−83,000	−9,300	−25,514
CINC readiness fund	−100,000	−100,000	−100,000
CHAMPUS	−110,000	−110,000	−110,000
Civilian pay raise		+97,300	
Classified program	−51,584	−36,568	−42,584
Stock fund accounting change	−1,000	−1,000	−1,000
Washington Headquarters Service	−5,000	−5,000	−5,000
Base operations	−20,000	−20,000	−20,000
DCAA auditors	+6,000	+10,000	+6,750
Base operations consolidations	−900		−450
Consultants, studies, and contract services	−14,700	−26,100	−26,100
Leasing of vehicles	−400		−400
Foreign currency	−10,600	−8,288	−10,600
Legislative liaison	−200	−200	−200
Audiovisual	−1,800	−1,800	−1,800
Federal Employees Compensation Fund	−4,000	−4,000	−4,000
Excess/surplus property	−6,850		−3,000
Shippers association	−1,800		−1,800
Year-end spending	−6,900		−3,450
CINC Headquarters transfer	+111,972		
Family advocacy program		+10,000	+7,500
Environmental fund transfer		−16,200	−16,200
Total, operation and maintenance, defense agencies	−315,162	−235,556	−372,248

DEFENSE STOCK FUND

Amendment No. 44: Appropriates $43,600,000 as proposed by the House instead of $47,000,000 as proposed by the Senate.

DEFENSE INDUSTRIAL FUND

Amendment No. 45: Appropriates $150,000,000 instead of $150,300,000 as proposed by the House and no appropriation as proposed by the Senate. The conferees agree that the $150,000,000 is only to be available to buy-out uneconomical ADP leases as recommended by the House.

OPERATION AND MAINTENANCE, ARMY RESERVE

Amendment No. 46: Appropriates $683,850,000 instead of $688,350,000 as proposed by the House. In amendment number 47, the Senate had proposed an appropriation of $677,100,000. The conferees also agree to include the words "of which".

Amendment No. 47: Deletes Senate language providing $677,100,000. The conferees agree to provide $683,850,000 in amendment number 46.

Amendment No. 48: Provides $39,000,000 only for the maintenance of real property as proposed by the House in lieu of $39,500,000 as proposed by the Senate.

Summary—operation and maintenance, Army Reserve

The conferees agree to the following adjustments to the amended budget request of $654,800,000:

[In thousands of dollars]

	House	Senate	Conference
Stock fund accounting change	−4,500	−4,500	−4,500
Unit equipment	+20,000	+20,000	+20,000
Civilian pay raise		+7,700	

	House	Senate	Conference
Civilian end strength	−900	−900	−900
Year-end spending	−600		−300
Industrial plant equipment	−700		
Base operations consolidation	−400		−200
Civilian technicians	+17,550		+9,850
Excess/surplus property	−4,900		−2,900
Shelter for the homeless	+8,000		+8,000
Total, operation and maintenance, Army Reserve	+33,550	+22,300	+29,050

OPERATION AND MAINTENANCE, NAVY RESERVE

Amendment No. 49: Deletes House language providing each appropriation at the budget activity level. The conferees agree to provide each Title III appropriation as a lump sum as recommended by the Senate.

Amendment No. 50: Appropriates $634,500,000 instead of $639,500,000 as proposed by the Senate. In amendment number 49, the House had proposed an appropriation of $658,900,000. The conferees also agree to include the words "of which" as proposed by the Senate.

Amendment No. 51: Provides $29,500,000 only for the maintenance of real property as proposed by the House in lieu of $30,000,000 as proposed by the Senate.

Summary—operation and maintenance, Navy Reserve

The conferees agree to the following adjustments to the amended budget request of $662,000,000:

[In thousands of dollars]

	House	Senate	Conference
Aircraft depot maintenance	−4,400	−4,400	−4,400
SIMA repair equipment	+500	+500	+500
C–9 leasing	+21,000	−21,300	−21,300
Special warfare/UDT/seal equipment	+1,000	+1,000	+1,000
Civilian pay raise		+1,700	
Year-end spending	−700		−350
Industrial plant equipment	−2,300		
Excess/surplus property	−8,500		−2,600
Base operation consolidation	−700		−350
Total, operation and maintenance, Navy Reserve	−3,100	−22,500	−27,500

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

Amendment No. 52: Deletes House language providing each appropriation at the budget activity level. The conferees agree to provide each Title III appropriation as a lump sum as recommended by the Senate.

Amendment No 53: Appropriates $52,129,000 instead of $52,879,000 as proposed by the Senate. In amendment number 52, the House had proposed an appropriation of $52,029,000. The conferees also agree to include the words "of which" as proposed by the Senate.

Summary—operation and maintenance, Marine Corps Reserve

The conferees agree to the following adjustments to the amended budget request of $52,629,000:

[In thousands of dollars]

	House	Senate	Conference
Civilian pay raise		+250	
Excess/surplus property	−600		−500
Total, operation and maintenance, Marine Corps Reserve	−600	+250	−500

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

Amendment No. 54: Deletes House language providing each appropriation at the budget activity level. The conferees agree to provide each Title III appropriation as a lump sum as recommended by the Senate.

Amendment No. 55: Appropriates $781,600,000 instead of $790,900,000 as proposed by the Senate. In amendment number 54, the House had proposed an appropriation of $774,150,000. The conferees also agree to include the words "of which" as proposed by the Senate.

Amendment No. 56: Provides $19,000,000 only for the maintenance of real property as proposed by the House in lieu of $20,000,000 as proposed by the Senate.

Summary—operation and maintenance, Air Force Reserve

The conferees agree to the following adjustments to the amended budget request of $787,000,000:

[In thousands of dollars]

	House	Senate	Conference
Stock fund accounting change	−4,500	−4,500	−4,500
Civilian pay raise		+7,400	
Aircraft battle damage	+2,000	+2,000	+2,000
Civilian end strength	−1,000	−1,000	−1,000
Year-end spending	−800		−400
Industrial plant equipment	−1,500		
Excess/surplus property	−6,850		−1,400
Base operations consolidation	−200		−100
Total, operation and maintenance, Air Force Reserve	−12,850	+3,900	−5,400

OPERATION AND MAINTENANCE ARMY NATIONAL GUARD

Amendment No. 57: Appropriates $1,170,190,000 instead of $1,177,350,000 as proposed by the House. In amendment number 58, the Senate had proposed an appropriation of $1,169,800,000. The conferees also agree to include the words "of which."

Amendment No. 58: Deletes Senate language providing $1,169,800,000. The conferees agree to provide $1,170,190,000 in amendment number 57.

Amendment No. 59: Provides $40,000,000 only for the maintenance of real property as proposed by the House in lieu of $41,000,000 as proposed by the Senate.

Summary—operation and maintenance, Army National Guard

The conferees agree to the following adjustments to the amended budget request of $1,118,000,000:

[In thousands of dollars]

	House	Senate	Conference
Stock fund accounting change	−1,600	−1,600	−1,600
Repair parts	+3,500	+3,500	+3,500
Organizational clothing and equipment	+7,500	+7,500	+7,500
Civilian pay raise		+14,800	
Federal employees compensation fund	−400	−400	−400
Industrial plant equipment	−1,100		
Year-end spending	−1,100		−550
Base operations consolidation	−300		−150
Excess/surplus property	−8,100		−4,400
Civilian technicians	+32,950		+20,290
End strength increase support	+28,000	+28,000	+28,000
Total, operation and maintenance, Army National Guard	+59,350	+51,800	+52,190

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

Amendment No. 60: Deletes House language providing each appropriation at the budget activity level. The conferees agree to provide each Title III appropriation as a lump sum as recommended by the Senate.

Amendment No. 61: Appropriates $1,789,300,000 instead of $1,807,300,000 as proposed by the Senate. In amendment number 60, the House had proposed an appropriation of $1,769,350,000. The conferees also agree to include the words "of which" as proposed by the Senate.

Summary—operation and maintenance, Air National Guard

The conferees agree to the following adjustments to the amended budget request of $1,740,700,000:

[In thousands of dollars]

	House	Senate	Conference
Stock fund accounting change	−13,000	−13,000	−13,000
Civilian pay raise		+16,800	
Civilian end strength	−300	−300	−300
Year-end spending	−1,800		−900
Industrial plant equipment	−3,700		
Excess/surplus property	−21,200		−4,000
Base operations consolidation	−300		−150
Strategic airlift	+3,850		+3,850
C–12 leasing	+1,000		
KC–135 reengining	+64,100	+63,100	+63,100
Total, operation and maintenance, Air National Guard	+28,650	+66,600	+48,600

CLAIMS, DEFENSE

Amendment No. 62: Appropriates $160,400,000 as proposed by the House instead of $172,900,000 as proposed by the Senate.

SUMMER OLYMPICS

Amendment No. 63: Appropriates $45,000,000 as proposed by the Senate instead of $50,000,000 as proposed by the House.

Amendment No. 64: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides authority to the Department of Defense to provide support to the Los Angeles Olympic Organizing Committee on a reimbursable basis.

ENVIRONMENTAL RESTORATION, DEFENSE

Amendment No. 65: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

ENVIRONMENTAL RESTORATION, DEFENSE

For expenses, not otherwise provided for, for environmental restoration programs, including hazardous waste disposal operations and removal of unsafe or unsightly buildings and debris of the Department of Defense, and including programs and operations at sites formerly used by the Department of Defense; $150,000,000.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The Conferees agree to an appropriation of $150,000,000 for an Environmental Restoration account to design and fund hazardous waste disposal projects, and demolition and debris removal from abandoned military installations, including installations

transferred to other governmental and private organizations, which pose a threat to public safety. The House made no provision for this fund, whereas the Senate recommended $300,000,000 to remain available until expended.

The allowance is sufficient to fund those projects which may be obligated on an annual account basis. The Department is directed to continue this account in future budget requests for specific projects which may be obligated within a given fiscal year. Concurrently, the conferees agree to the transfer of funds as specified by the Senate to centralize funds for this effort.

TITLE IV PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

Amendment No. 66: Deletes "(Including Transfer of Funds)" as proposed by the Senate.

Amendment No. 67: Appropriates $3,214,048,000 instead of $3,198,448,000 as proposed by the House and $3,255,530,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Airplane, cargo, C–12		11,800	19,800	11,800
Helicopter elec EH–60A (Quickfix) (MYP)	122,800	122,800	122,000	122,000
Helicopter elec EH–60A (Quickfix) (MYP) (AP–CY)	32,000	32,000	30,900	30,900
UH–60A Blackhawk (transfer)		(14,500)		
UH–60A (Blackhawk) (MYP) (AP–CY)	133,900	133,900	131,100	131,100
Helicopter, cargo, CH–47 (Chinook)	360,500	325,500	333,500	333,500
Helicopter, cargo, CH–47 (Chinook) (transfer)		(8,000)		
General reduction (modification)		−25,000		−12,500
Avionics support equipment	35,700	35,700	33,500	33,500
Common ground equipment	176,300	144,800	156,300	144,800
Industrial facilities	30,200	18,718	30,200	20,718

AH–64 attack helicopter

The conferees agree that there is a need to provide modern antiarmor helicopters for the Army National Guard. The conferees further agree that the Department should plan to procure the Apache for the Guard beginning in fiscal year 1987 rather than 1986 so as to dovetail with the phase down of the currently planned production which ends in 1987. Accordingly, the Department should provide initial advance procurement funding in fiscal year 1986.

Amendment No. 68: Deletes transfer language included in the House bill, as proposed by the Senate.

MISSILE PROCUREMENT, ARMY

Amendment No. 69: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert: , *as follows: For Other Missile Support, $9,200,000; for the Patriot program, $885,000,000; for the Stinger program, $105,200,000, and in addition, $32,600,000 to be derived by transfer from "Missile Procurement, Army, 1983/1985"; for the Laser Hellfire program, $218,800,000; for the TOW program, $189,200,000; for the Pershing II program, $407,700,000; for the MLRS program, $532,100,000; for modification of missiles, $123,300,000; for spares and repair parts, $271,000,000; for support equipment and facilities, $109,200,000; in all: $2,822,700,000, and in addition $32,600,000 to be derived by transfer, to remain available until September 30, 1986: Provided, That within the total amount appropriated, the subdivisions within this account shall be reduced by $28,000,000 for revised economic assumptions*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendment appropriates $2,822,700,000 and $32,600,000 in transfers for Missile Procurement, Army instead of $2,845,002,000 as proposed by the House and $2,857,500,000 and $32,600,000 in transfers as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Stinger	137,800	137,800	105,200	105,200
Stinger (transfer)			(32,600)	(32,600)
Joint tactical missile (AP–CY)			20,000	
Spares and repair parts	316,600	261,702	281,400	271,000
Production base support	61,600	56,200	61,600	57,200

Stinger

The conferees agree that production of the basic Stinger missile may continue in the fiscal years 1983 and 1984 programs, provided that 1984 production of the basic Stinger is no more than necessary to keep the production level at the minimum sustaining rate. The conferees direct that production of the basic Stinger be stopped as soon as possible.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

Amendment No. 70: Appropriates $4,594,103,000 for Procurement of Weapons and Tracked Combat Vehicles, Army instead of $4,542,196,000 as proposed by the House and $4,636,744,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Carrier, personnel, ft, arm, M113A2	73,200	46,000		23,000
Bradley fighting vehicles (MYP)	766,000	759,800	799,000	792,800
M1 Abrams tank (MYP)	1,361,200	1,351,300	1,343,900	1,313,900
M1 Abrams tank (transfer)		(83,800)	(111,600)	(149,000)
Light armored vehicle (LAV–25) (MYP)	132,400	33,000	8,984	8,984
Production base support (TCV–WTCV)	65,600	58,000	61,944	58,500
Sergeant York Divad gun (AP–CY)	38,700		23,100	23,100
(Pivads) product improved Vulcan ads	9,300		38,300	38,300
Production base support (WOCV–WTCV)	111,200	100,703	111,200	102,203
General reduction		−19,816		
General reduction, spares		−37,107		−17,000

Mortar programs

The conferees are in agreement that the Army shall determine its total long range mortar requirements and provide a report to the Committee on Appropriation of the House of Representatives as soon as possible. The conferees agree that mortar ammunition production rates shall remain at minimum sustaining rates pending receipt of this report. The Army is directed to report to the Committee on the improved 81mm mortar prior to contract award. Such report shall include results of testing and procurement strategy and may be submitted prior to completion of the long range mortar requirement study.

M113 personnel carrier

The conferees agree with the Senate recommendation to henceforth produce more survivable M113A2 armored personnel carriers. However, to insure that the production line is kept warm, the conference agreement includes $23,000,000. The conferees agree that only the minimum number of vehicles required to keep the line warm shall be procured. The conferees direct that the Army submit a reprogramming to transfer the remaining funds to RDT&E to accelerate the survivability enhancement program.

Amendment No. 71: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$65,200,000, to be derived by transfer from "Procurement of Weapons and Tracked Combat Vehicles, Army, 1982/1984" and $83,800,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The House bill included a transfer of $83,800,000 from the fiscal year 1983 appropriation; the Senate bill included a transfer of $111,600,000 from the fiscal year 1983 appropriation. The conference agreement transfers $83,800,000 from fiscal year 1983, as proposed by the House, and $65,200,000 from fiscal year 1982. The total transfers of $149,000,000 will fund procurement of 840 tanks as provided in the authorization.

Amendment No. 72: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *:Provided, That notwithstanding any other provision or law, within three months after enactment of this Act the Secretary of Defense shall complete and submit to the Committees on Appropriations and Armed Services of the House and Senate a study on the feasibility and cost effectiveness of establishing a second production source or multiyear procurement of the AGT 1500 engine for the M-1 tank, together with the Secretary's determination, based on the findings of such study, whether a second production source or multiyear procurement contract is in the national interest: Provided further, That current production of the AGT 1500 engine shall not be interrupted or reduced in the interim.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement directs the Secretary of Defense to conduct an independent study of the feasibility and cost effectiveness of establishing a second source or a multiyear procurement contract for the M-1 tank engine. The study shall be reviewed and analyzed by the Cost Analysis Improvement Group (CAIG) within OSD, to validate the projected savings of the alternative procurement strategies. The study should evaluate all options and alternatives. Based on the results of the study, the Committees will consider multiyear procurement proposals for the engine in the context of the fiscal year 1985 budget or the fiscal year 1984 supplemental.

Amendment No. 73: Appropriates $1,980,100,000 for Procurement of Ammunition, Army, instead of $1,965,989,000 as proposed by the House and $2,067,900,000 as proposed by the Senate, deletes Senate language concerning binary chemical weapons, and reinserts House earmarking of $1,200,000 for procurement of 9mm handgun ammunition.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Cartridge, cal. .45, all types	1,700		2,900	2,900
Cartridge 9MM Ball (hand gun)	1,200	1,200		1,200
Cartridge, 81MM (conventional), all types	22,400	12,100	22,400	12,100
Projectile, 155MM, HE, Copperhead (ea)	75,000	75,000		75,000
Chemical munitions	18,100		18,100	
Light antitank system			9,850	9,850
Stockpiling of explosives/propellants	7,900		7,900	
Provision of industrial facilities	251,639	136,439	241,100	134,800
(Mortar increment container facs)	(1,639)	(1,639)		
(QL production facilities (Bigeye))	(34,500)		(34,500)	
(Bigeye load, assemble, and pack)	(30,600)		(30,600)	
(DC production facilities—GB–2)	(25,200)		(25,200)	
(Bigeye metal parts facilities)	(16,000)		(16,000)	
Manufacturing technology program	24,400		24,400	3,000

Copperhead

The conferees express their concern over the high cost of the Copperhead round and question that the Army's improved reliability claims are warranted. Moreover, the conferees have seen little evidence of a coherent Army acquistion strategy which emphasizes realistic quantities and competitive procurement as the most effective means for reducing costs and ensuring that performance requirements are satisfied.

Accordingly, while approving the Fiscal Year 1984 budget request of $75,000,000, the conferees direct the Army to submit to the Committees on Appropriations of the House and Senate by February 1, 1984 a comprehensive report on Copperhead test procedures and the basis for determining reliability standards. The conferees accept the fact that, at present quantities, second sourcing would not provide any economic benefits to the government; however, if the quantities are increased to the point that there are potential savings to be gained, the Army is directed to develop a detailed plan for developing and qualifying a second source for Coperhead production. In light of the conferees' concerns, the Army is further instructed that all future Precision-Guided Munitions programs, including major components, shall provide an option for dual source acquisition.

Light antitank weapon

The conferees agree with the Senate allowance of $9,850,000 to procure the current M72A3 LAW to satisfy immediate readiness requirements.

The conferees agree with Senate language concerning actions to be taken now that the Viper/Viper variant has been eliminated from further consideration in the competitive evaluation of alternative light anti-tank weapons. Specifically, the Army is directed to (a) terminate the expenditure of funds used to maintain a warm production base, including the presence of technical experts, for the Viper/Viper variant, and (b) divert Viper/Viper variant production equipment to another use or dispose of this equipment if no alternative use exists.

The conferees also agree that the winner of the recent testing program, the AT-4, be further tested and evaluated for possible use by the Department of Defense, even though it may be more than twice the cost of the current M72A3. Such a testing program shall not preclude additional development of the AT-4 if this is deemed desirable by the Department, nor shall it preclude product-improvement efforts for the M72A3. However, no product-improved M72A3 rounds may be procured without prior approval of the Committees on Appropriations of the House and Senate.

RDX/HMX explosive manufacturing facilities

The conferees have been advised that the Army's plan for the construction of facilities for RDX/HMX production has been significantly revised by the Department of Defense. The conferees note that this project was not forecast or budgeted in fiscal years 1983 or 1984 and had no prior review by the Congress.

While the conferees recognize that additional RDX/HMX manufacturing facilities are required, they direct that no further efforts be undertaken until the Department of Defense submits to the Committees for review a master plan to include funding profiles for this project. The conferees further direct that neither the Department of Defense nor the Army reprogram any prior year or fiscal year 1984 funds to verify the new HMX chemistry production process without the consent of the Committees.

OTHER PROCUREMENT, ARMY

Amendment No. 74: Appropriates $4,680,528,000 instead of $4,604,616,000 as proposed by the House and $4,753,077,000 as proposed by the Senate. The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
High mobility multi-purpose wheeled vehicle (MYP)	135,700	119,600	135,700	127,600
Fast attack vehicle, ABT	4,700	2,000	1,000	2,000
Production base support (TAC)	6,200	100	6,200	1,100
Comm nodal cntl elmt AN/TSQ111	63,800	63,800		
Comm nodal cntl elmt AN/TSQ111 (AP-CY)	33,000	5,000		
HOD RCRD TFC term (HRTT)	28,900	28,900		
Rptr/term assmblgs	60,100	60,100	31,600	31,600
Unit level switches	15,900	15,900		
Mod of in-svc eq (TRI-TAC)	8,500	8,500	46,500	46,500
AN/TRQ-35 Chirp sounder	7,600	7,600		
Antenna group OE-254	3,200	3,200		
Log periodic ant, OE-314 ( )/ GRC	2,500	2,500		
Joint crisis mgmt capability	35,700	35,700	28,700	28,700
Digital equipment (DSCS)	20,800	20,800	15,800	15,800
Interconnect facility (DSCS)	16,600	16,600	12,000	12,000
Jam resistant secure com (JRSC)	53,100	53,100	48,100	48,100
DSCS operations control sys (DOCS)	48,200	48,200	37,100	37,100
Mod in/svc equip (Tac Sat)	43,000	43,000	29,900	29,900
Eucom C3 (NWS)	66,600	66,600	58,100	58,100
Comsec equipment			−2,000	−2,000
Mod in ser eq (int spt)	69,100	52,000	69,100	65,512
Items less than $900,000 (A/V-C-E)	9,800	9,800	8,800	8,800
Items less than $900,000 (Tact A/V-C-E)	4,200	4,200	3,200	3,200
Piranha applique jammer mod kit	4,200	4,200	1,500	1,500
Hand held laser rangefinder AN/GVS-5	10,100	10,100	5,800	5,800
Bottle cleaning charging sta AN/TAM-4	6,900	6,900		
Night vision goggles AN/PVS-5	13,300	13,300	7,900	7,900
Rembass	20,400		20,400	
Tac elec surv sys	8,900		5,400	
Modification of in-service eq (Tac El)	31,300	31,300	27,300	27,300
Items less than $900,000 (Tact Elec-C-E)	6,200	6,200	5,200	5,200
Productivity investment funding	37,900	37,900	32,800	32,800
Spares and repair parts (telecon)	189,800	189,800	174,300	174,300
Spares and repair parts (other)	178,100	178,100	172,000	172,000
War reserve spares	28,200	28,200	17,400	17,400
Production base support (C-E)	19,600	5,700	17,000	6,700
Jstars ground station (AP-CY)			7,000	7,000
Classified programs	119,107	117,107	119,107	117,107
General reduction		−265,000	−27,700	−29,800
Decontaminate app pwr dr lt wt XM17	4,500		4,500	4,500
Items less than $900,000 (bridging)	1,800	1,800	1,300	1,300
Items less than $900,000 (eng non constr)	3,600	3,600	2,600	2,600
Air-conditioners various size/capacities	13,100	13,100	11,600	11,600
Heater duct type, 250,000/400,000 Btu	5,500	5,500	4,500	4,500
Items less than $900,000 (CSS-Eq)	10,300	10,300	7,300	7,300
Hoseline outfit fuel handling	1,600	1,600		
Items less than $900,000 (pol)	3,700	3,700	2,600	2,600
Items less than $900,000 (water eq)	2,300	2,300	1,300	1,300
CBT SOP equip medical	45,000	45,000	35,000	35,000
Medical support equipment	85,800	85,800	75,800	75,800
Shop eq elec repair semi-trl mtd	19,800	19,800		
Shop equipment, gp repair, semi-trl mtd	10,200	7,300	10,200	7,300
Items less than $900,000 (main equip)	9,900	9,900	7,000	7,000
Grader, road motorized, hvy, 6x4 (CCE)	51,200	51,200	48,200	48,200
Scraper, earthmoving, 14-18 cu yd	66,600	66,600	65,000	65,000
Loader, scoop type, DD 4whl, 2½ cu yd	54,500	54,500	47,800	47,800
Tractor full tracked low speed DD hed	53,000	53,000	12,500	12,500
Crane, whl mtd, hydraulic 7½ ton	30,000	30,000	17,000	17,000
Crane mbl trk mtd container handle 14ot	7,300	7,300		
Items less than $900,000 (construction)	5,600	5,600	4,000	4,000
Shipping container	3,300	3,300		
Items less than $900,000 (float and rail)	2,100	2,100	1,500	1,500
Truck, fork lift, de, pt, rt, 50,000 lb	15,900	15,900		
Items less than $900,000 (MHE)	3,400	3,400	2,800	2,800
Spares and repair parts	40,600	40,600	36,600	36,600
Base level com'l equipment	78,665	63,665	71,365	71,365
Production base support (oth)	29,400	4,800	18,200	6,800
Training devices, nonsystem	77,900	91,139	93,400	91,139
General reduction		−185,000		

FAST ATTACK VEHICLE

The conferees agree to provide $2,000,000 for the purchase of the integrated logistics support package for the current fleet of leased fast attack vehicles which the Army expects to buy at the end of the lease. The conferees understand that there are no funds currently budgeted for further procurement of this fast attack vehicle. Accordingly, no funds are provided for 1984 procurement or for the initiation of a multiyear contract. The Army should assess its total requirements for this vehicle—for all Army units—and formulate a budget to support such a requirement. If a multiyear program is funded in the fiscal year 1985 five year plan, the Committee will consider a reprogramming to initiate procurement in fiscal year 1984.

Amendment No. 75: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which earmarks $24,400,000 for multiyear procurement of the M9 Armored Combat Earthmover.

AIRCRAFT PROCUREMENT, NAVY

Amendment No. 76: Deletes heading "(Including Transfer of Funds)" which was proposed by the Senate.

Amendment No. 77: Appropriates a total of $10,174,608,000 instead of $9,994,245,000 as proposed by the House and $10,396,601,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
EA-6B (electronic warfare) Prowler	382,000	435,100	382,000	435,100
EA-6B (electronic warfare) Prowler (AP-CY)	17,600	23,600	17,600	23,600
AV-8B (V/STOL)	810,100	710,000	715,100	710,000

	Budget	House	Senate	Conference
AV–8B (Y/STOL) (AP–CY)	98,400	65,600	98,400	98,400
F/A–18 Hornet	2,150,900	2,066,300	2,135,800	2,100,000
F/A–18 Hornet (transfer)			(22,100)	
CH–53E (helicopter) Super Stallion	221,800	183,100	196,800	183,100
CH–53E (helicopter) Super Stallion (AP–CY)	7,300	2,900	6,600	6,600
SH–60B (ASW HELO) Seahawk	446,900	397,900	427,900	397,900
P–3C (patrol) Orion	215,100	205,100	215,100	215,100
P–3C (patrol) Orion (AP–CY)	67,700	50,000	56,400	50,000
EP–3	77,100		70,000	
E–2C (early warning) Hawkeye	309,600	259,900	304,600	281,000
SH–2F (ASW HELO) Seasprite	109,800	44,700	58,700	58,700
VTXTS (FCLP) (AP–CY)	4,900		4,900	
ECX (AP–CY)	107,700	95,700	107,700	97,700
A–4 series	14,824	9,050	14,824	14,824
A–6 series	149,464	148,968	149,464	148,968
A–7 series	138,497	131,879	138,497	131,879
AV–8A	7,063	3,333	7,063	3,333
F–14A	170,417	169,258	170,417	169,258
H–46 series	117,602	117,575	117,602	117,575
S–3	39,678	32,733	37,078	35,333
E–2 series	63,695	63,006	63,695	63,006
T–34	1,135	257	1,135	257
T–39	2,540	437	2,540	437
C–2A	1,142	660	1,142	660
C–130 series	23,139	14,842	23,139	14,842
Spares and repair parts	2,139,569	1,988,311	2,098,369	2,043,000

EP–3 aircraft

The conferees agree that the EP–3 modification funds provided be used to modify new or existing P–3 aircraft which still have a significant amount of service life remaining.

SH–2F antisubmarine helicopter (seasprite)

The conferees agree that surplus fiscal year 1983 SH–2F advance procurement funds be used to support the Department of the Navy's fiscal year 1985 SH–2F program, as proposed by the Senate.

Marine Corps reserve tanker aircraft

The conferees agree that the Navy shall review all tanker alternatives to satisfy the Marine Corps Reserve tanker requirements, as proposed by the House.

P–3 tactical navigation modification kits

The Senate provided for the procurement of 27 Tactical Navigation Modification kits within existing funds. The House directed that 36 be procured within existing P–3 modification program funds. The conferees agree that the Navy should continue accelerating the transfer of P–3 aircraft from the active force to the Naval Reserve. The conferees also direct the Navy to procure no less than 27 Tactical Navigation Modification kits, and if additional modification funds are available, the conferees encourage the Department to pursue procuring 36 Tactical Navigation Modification kits.

Amendment No. 78: Deletes language proposed by the Senate which would have provided authority to transfer $22,100,000 from "Aircraft Procurement, Navy, 1983/1985."

WEAPONS PROCUREMENT, NAVY

Amendment No. 79: Inserts heading "(Including Transfer of Funds)" as proposed by the Senate.

Amendment No. 80: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert *$2,962,600,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendment appropriates $2,962,600,000 for missile programs instead of $2,977,900,000 as proposed by the House and $2,994,500,000 as proposed by the Senate.

Trident I (C–4) missile

The conferees agree to provide $555,300,000 for Trident I (C–4) missiles instead of $523,400,000 as proposed by the House and $587,200,000 as proposed by the Senate. The conferees direct that the Navy procure all 52 missiles as requested, and that any funding shortfall be covered by making funding adjustments in the production continuity program.

HARM

The conferees agree to provide $152,900,000 for High Speed Anti-Radiation Missile (HARM) as proposed by the Senate, instead, of $192,900,000 as proposed by the House, and to transfer $40,000,000 of fiscal year 1983 funds as proposed by the Senate.

The House directed the Navy to procure competitively from a second prime vendor HARM missiles built to the current design. The House repeated its support for development of an alternate low cost seeker which can form the basis of a cost-cutting block change in the missile in the near future. The Senate stated its reluctant support of sole source procurement, based on recent Department of Defense indications that total procurement of the current missile may be reduced significantly. The Senate proposed the transfer forward of $80,000,000 of fiscal year 1983 Navy and Air Force funds which had been provided to establish a second source.

A letter to the Committees on Appropriations from the Deputy Secretary of Defense dated November 8, 1983, stated that establishing a second source at the prime level for the current HARM design will be counterproductive, that a vigorous effort to develop an alternate seeker will be made by the Naval Weapons Center, China Lake, California, and that this OSD approach has the full support of the Secretary of the Navy and the Secretary of the Air Force.

The conferees agree that HARM procurement for fiscal year 1984 shall be made sole source from the current prime vendor, with the specific proviso that development of an alternate seeker will be accelerated in order that a block change can be made at the earliest possible date. The conferees agree that $30,200,000 required to support this acceleration in fiscal year 1984 shall be reprogrammed from funds budgeted for establishing a second prime source, and direct the Department to budget adequate funds to support this acceleration in future years. This $30,200,000 for fiscal year 1984 is in addition to the $20,000,000 which the conferees agree be provided in the RDT&E, Navy account for alternate seeker development. The conferees direct the Department to submit a reprogramming in the amount of $30,200,000 and a program plan not later than February 15, 1984 which provides technical goals, schedules, and funding profiles for the accelerated development of an alternate seeker and its rapid transition into production.

Amendment No. 81: Appropriates $212,900,000 for the MK–46 torpedo program as proposed by the Senate instead of $243,000,000 as proposed by the House.

Amendment No. 82: Appropriates $73,900,000 for the MK–60 Captor mine program as proposed by the house instead of $78,500,000 as proposed by the Senate.

Amendment No. 83: Appropriates $17,600,000 for the MK–30 mobile target program as proposed by the Senate instead of $14,700,000 as proposed by the House.

Amendment No. 84: Appropriates $500,000 for the 9mm handgun program as proposed by the House instead of no funds as proposed by the Senate.

Amendment No. 85: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$3,725,332,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendment appropriates $3,725,332,000 for Weapons Procurement, Navy instead of $3,767,832,000 as proposed by the House and $3,769,900,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
UGM–96A (C–4) Trident I	587,200	523,400	587,200	555,300
BGM–109 Tomahawk (AP–CY)	22,700	22,700	15,500	15,500

	Budget	House	Senate	Conference
AGM–88A Harm	192,900	192,900	152,900	152,900
AGM–88A Harm (transfer)			(40,000)	(40,000)
TORPEDO MK–46 (MYP)	218,100	213,100	183,000	183,000
MK–60 Captor	105,400	73,900	78,500	73,900
MK–60 Captor (transfer)			(26,900)	(31,500)
Mobile target MK–30	14,700	14,700	17,600	17,600
MK–15 close in weapons system (transfer)			(6,300)	(6,300)
SMM handgun	500	500		500
General reduction, spares		−8,568		−8,568

Amendment No. 86: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *and in addition, $77,800,000, to be derived by transfer from "Weapons Procurement, Navy, 1983/1985",*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes the following transfers:

Program	House	Senate	Conference
Harm	0	$40,000,000	$40,000,000
MK–60 Captor	0	26,900,000	31,500,000
MK–15 Close-in weapon system	0	6,300,000	6,300,000

Amendment No. 87: Provides for a reduction of $44,568,000, which includes a general reduction of $8,568,000, for weapons spares and repair parts as proposed by the House, instead of a reduction of $36,000,000 as proposed by the Senate.

SHIPBUILDING AND CONVERSION, NAVY

Amendment No. 88: Appropriates a total of $1,704,900,000 for the Trident submarine program instead of $1,398,400,000 as proposed by the House and $1,709,000,000 as proposed by the Senate.

Amendment No. 89: Deletes language proposed by the House which would have earmarked $306,500,000 for Trident submarine program advance procurement.

The conferees agree to establish a single line item entitled Trident submarine program as proposed by the Senate instead of an additional line item for Trident advance procurement as proposed by the House.

Amendment No. 90: Appropriates $2,018,000,000 for the SSN–688 attack submarine program instead of $1,988,000,000 as proposed by the House and $2,042,400,000 as proposed by the Senate.

Amendment No. 91: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides for the reactivation of the battleship U.S.S. *Missouri.*

Amendment No. 92: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that none of the appropriated battleship reactivation program funds are to be obligated until the Secretary of the Navy reports to the Committees on appropriations on the decision to implement the phase II battleship modernization, and if the Department of Navy decides to proceed with phase II, submit a plan for implementation, including cost and schedule data.

Amendment No. 93: Appropriates $3,285,000,000 for the AEGIS cruiser program instead of $3,200,550,000 as proposed by the House and $3,360,000,000 as proposed by the Senate.

Amendment No. 94: Appropriates $79,000,000 for the DDG–51 guided missile destroyer program as proposed by the Senate instead of $53,000,000 as proposed by the House.

Amendment No. 95: Appropriates $405,500,000 for the LSD–41 landing ship dock program as proposed by the House instead of $406,900,000 as proposed by the Senate.

Amendment No. 96: Deletes the Senate language which stated that an LSD–41 multiyear contract may be awarded only after the Secretary of the Navy certifies that real savings of at least 10 percent over competitive annual procurement are available under such multiyear contract.

The conferees agree to adopt the LSD–41 Landing Ship Dock report language as proposed by the Senate.

Amendment No. 97: Deletes House language which provides authority to transfer funds within the Shipbuilding and Conversion, Navy paragraph to support the procurement of an FFG–7 guided missile frigate.

Amendment No. 98: Appropriates $116,400,000 for the FFG–7 guided missile frigate program as proposed by the Senate instead of transferring $218,000,000 within the Shipbuilding and Conversion, Navy, paragraph as proposed by the House.

Amendment No. 99: Deletes House language which provides authority to transfer $100,000,000 for the FFG–7 guided missile frigate program from other subdivisions of this account.

Amendment No. 100: Restores House language which provides that the FFG–7 guided missile frigate be constructed with an upgraded MK–92 fire control system, and an X-Band phased array radar.

Amendment No. 101: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides for the transfer of $183,600,000 in unobligated funds from prior year Shipbuilding and Conversion, Navy, appropriations.

Amendment No. 102: Appropriates $335,500,000 for the T–AO fleet oiler program as proposed by the Senate instead of $349,900,000 as proposed by the House.

Amendment No. 103: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum stricken and inserted by said amendment, insert: *$301,000,000, Provided, That funds appropriated or made available in this Act for the MCM Mine countermeasures ship program may be obligated or expended only under a firm fixed price contract, Provided further, That none of the funds appropriated or made available in this Act for the MCM mine countermeasures ship program may be obligated or expended until such time as the Department of the Navy develops electromagnetic interference specifications for the MCM–1 class of ships, and the Secretary of the Navy certifies to the Committees on Appropriations that the electromagnetic interference specifications developed will result in a design that will be free of electromagnetic interference in the context of the approved electromagnetic interference and electromagnetic compatibility specifications*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 104: Appropriates $17,000,000 for the T–AGS surveying ship program as proposed by the Senate instead of $34,500,000 as proposed by the House.

Amendment No. 105: Appropriates $230,000,000 for the T–AKR fast logistics ship program instead of $219,000,000 as proposed by the House and $236,40,000 as proposed by the Senate.

Amendment No. 106: Appropriates $180,000,000 for the T–AH hospital ship program instead of $176,000,000 as proposed by the Senate and $210,000,000 as proposed by the House.

The conferees agree that the House conferees did not concur with the Senate report language which requested the Navy to seriously consider the cost effectiveness of recompeting the conversion of the second hospital ship.

Amendment No. 107: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides for the transfer of $44,000,000 of unobligated balances from the "T–AH hospital ship program" of "Shipbuilding and Conversion, Navy, 1983/1987" to be used to offset fiscal year 1984 program costs.

Amendment No. 108: Appropriates $1,365,700,000 for the LHD–1 amphibious assault ship program as proposed by the House instead of $1,379,700,000 and proposed by the Senate.

Amendment No. 109: Appropriates $1,056,400,000 for craft, outfitting, post delivery, cost growth, and escalation on prior year programs instead of $1,040,600,000 as proposed by the House and $1,071,900,000 as proposed by the Senate.

Landing craft air cushion (LCAC) program

The conferees agree to provide $127,600,000 for the LCAC program as proposed by the House instead of $131,600,000 as proposed by the Senate. Additionally, the conferees agree to provide $23,000,000 for LCAC advance procurement instead of $29,500,000 as proposed by the Senate and no funds as proposed by the House.

The Navy requested LCAC advance procurement funds this year due to a fixed price option that expired in July, 1984. Had this July, 1984 fixed price option not been a factor, the LCAC failed to meet the requirements for advance procurement funding. Accordingly, the conferees believe this contractual arrangement does not constitute adequate justification for any future LCAC advance procurement funding requests.

In light of current LCAC cost estimates and the overall procurement profile for this program, the conferees believe that the Navy, prior to obligating any LCAC advance

procurement funds, should evaluate both the feasibility and cost effectiveness of developing a second source to compete future contracts. This should include developing the necessary technical support data package which would form the core material to conduct competition.

Wing wall cranes

The conferees agree to the Senate allowance of $6,000,000 for replacement of two wing wall cranes for the floating dry dock at the FBM submarine facility at Holy Loch, Scotland. The Navy is expected to reprogram these funds from the Service Craft account to the appropriate line item in the other procurement account.

Amendment No. 110: Appropriates a total of $11,215,400,000 instead of $10,913,650,000 as proposed by the House and $11,352,200,000 as proposed by the Senate.

Amendment No. 111: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides for the transfer of $227,600,000 of unobligated prior year Shipbuilding and Conversion, Navy appropriations which are to be used to offset fiscal year 1984 program costs.

Amendment No. 112: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides authority to obligate funds after September 30, 1988 for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Trident (nuclear)	1,525,600	1,398,400	1,402,500	1,398,400
SSN–688 class submarine (nuclear)	1,706,400	1,652,000	1,706,400	1,682,000
CG–47 Aegis cruiser (MYP)	3,431,400	3,196,950	3,356,400	3,281,400
DDG–51 (AP–CY)	99,500	53,000	79,000	79,000
LSD–41 landing ship dock (MYP)	326,900	325,500	326,900	325,500
LHD–1 amphibious assault ship	1,379,700	1,365,700	1,379,700	1,365,700
FFG guided missile frigate			116,400	116,400
FFG guided missile frigate (transfer)			(183,600)	(183,600)
FFG guided missile frigate (transfer within account)		(318,000)		
MCM mine countermeasures ship	381,000	221,000	301,000	301,000
TAO fleet oiler	524,600	349,900	335,500	335,500
TAGS (CONV) surveying ship (AP–CY)	34,500	34,500	17,000	17,000
Fast logistics ship (TAKR) (CONV)	246,500	219,000	236,400	230,000
TAH (CONV) hospital ship	260,000	210,000	176,000	180,000
TAH (CONV) hospital ship (transfer)			(44,000)	(44,000)
Service craft	119,300	114,300	119,300	119,300
LCAC landing craft	131,600	127,600	131,600	127,600
LCAC landing craft (AP–CY)	29,500		29,500	23,000
Post delivery	124,200	114,200	124,200	119,200
Cost growth	674,700	475,300	458,100	458,100

OTHER PROCUREMENT, NAVY

Amendment No. 113: Appropriates $673,909,000 for ship support equipment as proposed by the House instead of $677,007,000 as proposed by the Senate.

Amendment No. 114: Appropriates $1,555,233,000 for communications and electronics equipment as proposed by the Senate instead of $1,562,750,000 as proposed by the House.

Amendment No. 115: Appropriates $699,405,000 for aviation support equipment instead of $686,757,000 as proposed by the House and $715,928,000 as proposed by the Senate.

Amendment No. 116: Restores House language earmarking $698,000 for procurement of 9mm handgun ammunition.

Amendment No. 117: Appropriates $112,474,000 for supply support equipment as proposed by the House instead of $113,662,000 as proposed by the Senate.

Amendment No. 118: Appropriates $275,601,000 for personnel/command support equipment instead of $267,601,000 as proposed by the House and $323,091,000 as proposed by the Senate.

Amendment No. 119: Appropriates a total of $4,308,543,000 instead of $4,295,412,000 as proposed by the House and $4,393,705,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Other propulsion equipment	13,198	10,100	13,198	10,100
AN/BQQ–5	109,617	109,617	102,100	102,100
2.75 inch rocket	15,348	2,700	15,348	15,348
Miscellaneous. survival equipment	16,823	300	16,823	300
Supply test equipment	25,688	21,000	22,188	21,000
Manufacturing technology	55,490		55,490	8,000
General reduction, spares		−16,863		−16,863

SEALIFT SUPPORT EQUIPMENT

The conferees agree that the Navy should utilize the funds originally budgeted for the Merchant Ship UNREP Consolidation System program be used to procure sea sheds as proposed by the House.

The conferees also agree that the Navy should delay modification of the T-AC ships until the J-LOTS II exercise is completed and that future funding requests for the T-AC conversion program should be requested in the Shipbuilding and Conversion appropriation.

Amendment No. 120: Reduces the appropriation by a total of $130,863,000 as proposed by the House instead of $114,000,000 as proposed by the Senate.

Amendment No. 121: Provides a specific reduction of $16,863,000 for spares and repair parts as proposed by the House. The Senate struck the House reduction.

PROCUREMENT, MARINE CORPS

Amendment No. 122: Appropriates $1,741,306,000 instead of $1,694,793,000 as proposed by the House and $1,765,161,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Small arms ammo, all types	27,704	27,704	27,404	27,704
Light armored vehicle (HYP)	78,472	88,472	123,550	123,550
Machine gun, light, squad auto SAW 5.56mm	3,788	3,380	3,788	3,380
Vehicle mtd radios and equipment	26,899	4,567	4,938	4,938
Unit level circuit switch USMC	28,530		12,000	
TDCC AN/TYQ–3A (non-tel)	2,414		2,414	2,414
Night vision goggles AN/PVS–5 (non-tel)	2,556	2,556	1,556	2,556
Truck, HMMWV ¾ ton (MYP)	91,743	82,743	91,743	87,243
Logistics vehicle system	30,500	29,000	30,500	29,000

	Budget	House	Senate	Conference
Tractors, all types	13,387	10,000	13,387	10,000
Shop set -3	750		750	750
Command spt equip	17,473	13,473	17,473	17,473
Position azimuth determination system	4,408	4,408	3,808	3,808
General reduction, spares		−3,360		−3,360

UNIT LEVEL CIRCUIT SWITCH

The conferees recommend deferring all funding for this program based on a review of recent test results. In light of the recent Army withdrawal from the program and the remaining technical problems, any procurement funding is considered premature. If subsequent test results permit, the Marine Corps may submit a reprogramming requests to start this program.

PROCUREMENT OF ADDITIONAL WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

Amendment No. 123: Deletes House appropriation language for "Procurement of Additional Weapons and Tracked Combat Vehicles, Army".

AIRCRAFT PROCUREMENT, AIR FORCE

Amendment No. 124: Appropriates $21,080,110,000 instead of $21,070,610,000 as proposed by the House and $21,117,400,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
KC–10A (ATCA) (MYP)	334,000	311,000	334,000	317,000
C–130H		173,000	163,000	163,000
C–12A			11,800	11,800
TR–1/U–2	202,800	130,100	162,000	162,000
B–52	607,000	460,000	460,500	460,500
A–7	50,800	102,800	102,300	102,300
A–10	129,100	129,100	125,200	129,100
F/RF–4	225,300	241,300	247,000	247,000
F–5	2,600	2,600		2,600
F–15	63,400	63,400	51,400	56,400
F–111	91,900	91,900	90,300	90,300
C–5	259,300	259,300	251,800	251,800
C–141	20,600	20,600	18,500	18,500
T–38	2,200	2,200	900	900
C–130	171,600	171,600	163,200	168,200
C–135	741,200	635,800	660,400	646,400
C–135 (prior year transfer)		(61,700)		(14,000)
E–3	167,600	167,600	166,700	166,700
E–4	11,700	11,700	8,100	8,100
Other aircraft	84,400	84,400	74,700	74,700
Civil reserve airlift fleet (CRAF) (transfer)			(12,900)	(12,900)
Spares and repairs parts	5,128,800	4,666,700	4,659,200	4,659,200
Industrial responsiveness	169,500	123,210	169,500	131,210
Other production charges	1,416,590	1,429,100	1,413,600	1,429,100
Other produciton charges (transfer)			(7,900)	
Undistributed reduciton		−278,300	−288,200	−288,200
Prior year transfer		(278,300)	(288,200)	(288,200)

Air National Guard C–130's

The conferees agree with the Senate position on the funding for 10 C–130's for the Air National Guard. The conferees direct that 10 aircraft be fully funded using the $163,000,000 provided and the $8,000,000 in prior funds plus any additional funds required from within the 1984 Air Force aircraft procurement appropriation.

C–140A/T–39A replacement aircraft

The conferees agree with the House on the need to study and report on the feasibility of replacing the current C–140A/T–39A. Further, the conferees agree with the Senate position that this replacement program need not start in 1985 and that candidate mission capable replacement aircraft should be evaluated on a total life cycle cost basis.

B–52 modifications

The conferees agree to the funding level proposed by the Senate with the provision that one Common Strategic Rotary Launcher (CSRL) may be purchased with available funds.

Amendment No. 125: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$310,200,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendment transfers a total of $310,200,000 from "Aircraft Procurement, Air Force, 1983/1985" instead of $300,300,000 as proposed by the House and $304,100,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

	House	Senate	Conference
C–135 modification	$14,000,000	0	$14,000,000
A–10	278,300,000	$288,200,000	288,200,000
C–130H	8,000,000	8,000,000	8,000,000
30mm gun pod	0	7,900,000	0

Amendment No. 126: Transfers $288,200,000 from the A–10 program as proposed by the Senate instead of $278,300,000 as proposed by the House.

Amendment No. 127: Restores House transfer of $14,000,000 from the C–135 modification program. The Senate amendment struck the House transfer.

Amendment No. 128: Deletes Senate transfer of $7,900,000 from the 30mm Gun Pod program.

Amendment No. 129: Transfers $12,900,000 from the Civilian Reserve Airlift Fleet modification program as proposed by the Senate instead of $47,700,000 as proposed by the House.

Amendment No. 130: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that funds transferred from "Aircraft Procurement, Air Force, 1982/1984" be used for the Civilian Reserve Airlift Fleet program as proposed by the Senate instead of the C–135 modification program as proposed by the House.

Amendment No. 131: Deletes House language "to remain available for obligation until September 30, 1986", as proposed by the Senate.

Amendment No. 132: Inserts "to remain available for obligation until September 30, 1986", as proposed by the Senate.

Amendment No. 133: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which prohibits obligation of procurement funds for the alternate fighter engine until the Secretary of Defense notifies Congress of his approval of the source selection.

Amendment No. 134: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which exempts procurement of long lead items from the prohibition imposed by amendment number 133.

Alternate fighter engine

Because of the magnitude of the Alternate Fighter Engine Program, the conferees agree that the Secretary of Defense should review the decision of the Secretary of the Air Force and that the actual contract award resulting from source selection should not be made until the Secretary of

Defense has advised the Appropriations Committees of both the House and Senate in writing of his approval of the decision.

It is the intent of the conferees in rendering this clear direction that Congress extricate itself from the source selection process so that this competition can be carried out fairly, and without delay. The FY 84 funds being approved by the conferees are essential to timely completion of the competitive plan. In order that their expenditure in part for separate long lead contracts for essential parts and components not prejudice source selection, the conferees direct that these monies shall be spent only on those items which are recoverable to other engine programs.

MISSILE PROCUREMENT, AIR FORCE

Amendment No. 135: Inserts "(Including Transfer of Funds)" as proposed by the Senate.

Amendment No. 136: Appropriates $7,747,838,000 instead of $7,787,112,000 as proposed by the House and $7,553,417,000 as proposed by the Senate.

Amendment No. 137: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *of which $81,600,000 shall be available for the purchase of the phase III Defense Satellite Communications System (DSCS III) under a multiyear contract: Provided, That after the Secretary of the Air Force gives written notification of a proposed multiyear contract for the Defense Satellite Communications System to the Committees on Appropriations of the Senate and House of Representatives, such contract may not then be awarded until 45 days after such notification; and of which $200,000,000 for cooperative NATO air base defense shall not be available to support implementing an agreement with any foreign government until 45 days after such agreement, together with supporting data including total program cost estimates, has been submitted to the Congress;*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Air launch cruise missile	422,176	422,176	392,000	392,000
Air launch cruise missile (transfer)			(15,000)	(15,000)
Air launch cruise missile (AP–CY)		8,000		7,000
NATO air and airbase defense		200,000		200,000
AGM–65D Maverick	346,665	277,665	300,000	300,000
AGM–88A Harm	177,964	177,964	137,964	137,964
AGM–88A Harm (transfer)			(40,000)	(40,000)
AMRAAM (AP–CY)	33,800	33,800	29,800	29,800
Stinger	4,901	4,901		4,901
Air launch cruise missile	5,842	5,842		
Spares and repair parts	366,009	336,009	346,009	336,009
Space defense ops	19,409		19,409	19,409
Industrial facilities	33,495	26,015	33,495	26,015

Defense Satellite Communications System (DSCS III)

The conferees have included language in the bill which would permit the Secretary of the Air Force to submit a DSCS III (Defense Satellite Communications System III) multi-year procurement package for approval as a fiscal year 1984 start. The multi-year justification proposal would be submitted to the Committees on Appropriations and Armed Services of the House and Senate for their approval, and none of the funds may be expended for multi-year procurement until all four committees have approved multi-year procurement.

The conferees note that the proposal for multi-year funding for the DSCS III program was not submitted with the fiscal year 1984, budget, but rather, Congress was informed of potential savings associated with advance procurement of DSCS III components being "tied in" to a multi-year procurement package, as it was concluding its action on the fiscal year 1984 budget.

The conferees note that the above recommendation is not to be interpreted as being a precedent and in the future, all multi-year proposals are to be submitted in concert with the official budget submission.

NATO air and air base defense

The conferees agree to provide $200,000,000 for NATO air and air base defense as proposed by the House, instead of no funds as proposed by the Senate. The conferees understand that a final agreement concerning this program has yet to be negotiated. The conferees further agree that none of these funds may be obligated until 45 days after the Secretary of Defense provides a comprehensive report to the Committees on Appropriations of the Senate and House which provides full and complete details of the negotiated agreement. At a minimum, the following should be provided for the term of the agreement: the total funding requirements by year for both parties, delivery schedules for goods and services to be provided by both parties; details of off-set arrangements; details of any waivers of R&D recoupment costs required by law; arrangements for fluctuations in exchange rates. Further, the Department is directed to identify any changes in funding and manpower in existing Service programs which can be made as a result of this agreement to include any reductions in European troop levels. Further, the conferees direct that all future funding requirements be budgeted by the Department, and that this program be designated an item of special Congressional interest.

Air-launched cruise missile (advance procurement)

The conferees agree to provide $7,000,000 for Air Launched Cruise Missile (Advance Procurement) for the ALCM–B, instead of $8,000,000 as proposed by the House and no funds as proposed by the Senate. The conferees agree that these funds shall be used only for the fully funded purchase of items which can be used as spare parts for operational missiles. This restriction is intended to avoid buying items which will be unneeded if production of ALCM–B is not funded beyond fiscal year 1984.

HARM

The conferees agree to provide $137,964,000 for High Speed Anti-Radiation Missile (HARM) as proposed by the Senate, instead of $177,964,000 as proposed by the House, and to transfer $40,000,000 of fiscal year 1983 funds as proposed by the Senate. The conferees agree that the language concerning the HARM program in the Weapons Procurement, Navy section of this report is also binding on the Air Force.

Space defense operations

The conferees agree to provide $19,409,000 for advance procurement for the Antisatellite (ASAT) program as proposed by the Senate, instead of no funds as proposed by the House. However, the conferees direct that these funds not be obligated or expended until 45 days following submission to the Congress of a comprehensive report on U.S. policy on arms control plans and objectives in the field of ASAT systems. In no event shall such report be submitted later than March 31, 1984. Such report should include specific steps the Administration contemplates undertaking, within the context of U.S.-Soviet negotiations, to seek a verifiable agreement with the Soviet Union to ban or strictly limit existing and future ASAT systems. The report should be unclassified, with classified addenda as required, and suitable for general release.

Amendment No. 138: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which transfers $55,000,000 from "Missile Procurement, Air Force, 1983/1985".

OTHER PROCUREMENT, AIR FORCE

Amendment No. 139: Appropriates $6,914,232,000 instead of $6,793,265,000 as proposed by the House and $6,982,231,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
30 MM training (MYP)	96,143	92,943	91,900	92,943
30 MM API (MYP)	68,992	68,992	56,000	68,992
GBU–15	50,216	50,216	60,216	60,216
CBU–87 (combined effects munition)	90,019	83,019	90,019	86,519
FMU–81	10,355		10,355	5,000
9MM handgun	994	994		994
General reduction—vehicular equipment		−10,000		−10,000
OTH–B radar	176,039		96,000	96,000
TAC sigint support	18,113	17,000	18,113	18,113
Joint tactical comm program	114,692	114,692	103,292	103,292
Joint tactical comm program (AP–CY)	30,127	5,127		
Spares and repair parts	224,481	206,200	215,181	215,181
Chemical/biological def prog	28,136	9,800	28,136	11,800
Generators—mobile electric	12,075	10,975	12,075	12,075
Base procured equipment	38,380	33,700	38,380	33,700
Medical/dental equipment	39,546	38,146	39,546	39,546
Selected activities	3,026,117	2,936,254	2,975,584	2,944,654
Industrial preparedness	6,119	2,099	6,119	2,099
General reduction, spares		−8,207		−8,207
Transfer from other accounts				

FMU–112/139 fuzes

The conferees agree that the funds provided for the FMU–112/139 fuzes may be used to procure FMU–112 fuzes, but only to meet immediate readiness requirements in the event of unanticipated delays in production start-up of the FMU–139 fuze. If more FMU–112 fuzes are to be procured, the Air Force shall submit justification for such an action to the Committees on Appropriations of the House of Representatives and the Senate prior to contract award.

Chemical/biological defense program

The conference agreement provides $2,500,000 for procurement of chemical masks (including the XM–30 series if desired). $5,300,000 for decontamination equipment, $2,000,000 for commercial cooling vests, and $2,000,000 for liquid agent detectors. The $13,900,000 budgeted for collective protective shelters is deferred without prejudice pending further review and justification for this program, including program costs, funding profile, and relationship to similar efforts of our allies.

Amendment No. 140: Restores language proposed by the House which earmarks funds for procurement of 9mm handguns and ammunition.

NATIONAL GUARD AND RESERVE EQUIPMENT

Amendment No. 141: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $176,000,000 for National Guard and Reserve equipment instead of $125,000,000 as proposed by the House.

Amendment No. 142: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate earmarking $51,000,000 for Naval Reserve equipment.

Reserve component equipment procurement

The conferees agree that there is a need for increased visability into what is budgeted for procurement of equipment for the reserve components by the Department. To ease the administrative burden on the Department, the conferees agree that the Senate approach of adding "memo" entries to the current P–1 budget display showing the funds in each line for the reserve components, and providing a summary by appropriation of these memo entries, will be sufficient as a first step towards providing the needed visibility in 1985. The conferees further agree that the establishment of separate appropriations may be needed if the prescribed approach is not satisfactory.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS, COAST GUARD

Amendment No. 143: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $300,000,000 for acquisition, construction, and improvements, Coast Guard.

The conferees agree to the appropriation of $300,000,000 as proposed by the Senate for transfer to the Coast Guard for construction, acquisition and improvements. Further, the conferees direct the Department of Defense to budget and separately identify the total cost to procure and install items required by military specifications for all Coast Guard equipment beginning with the fiscal year 1985 request.

PROCUREMENT, DEFENSE AGENCIES

Amendment No. 144: Appropriates $942,657,000 for Procurement, Defense Agencies as proposed by the House instead of $957,646,000 as proposed by the Senate.

GENERAL PROCUREMENT REPORT LANGUAGE ITEMS

Multiyear procurement

Both the House and Senate included report language which directed that specific issues be addressed with respect to future multiyear procurement requests.

The conferees agree with the House position that required all multiyear requests be prioritized; that budget justification material provide a more detailed account of the specific actions that will be taken to enhance the industrial base if a multiyear procurement is approved; and that all multiyear candidates meet the established legislative criteria.

The Senate report and bill provided additional multiyear procurement authority and established reporting requirements. The most significant revision involves providing the authority to proceed to economic order quantity (EOQ) multiyear procurement under $20,000,000 without prior Congressional notification. The conferees agree to adopt the Senate's bill and report language on a one year test basis. Additionally, the conferees direct the Department to provide, on a quarterly basis, a report outlining the EOQ multiyear contracts under $20,000,000 that are awarded, the contract value, and the savings obtained. The conferees agree to revisit this issue in considering the fiscal year 1985 Defense bill.

The conferees also agree that a two track submission of multiyear proposals is needed. The first shall be in the budget submission. The second shall be at the time of contract award and reflect the actual contract details. Further, the conferees agree that no multiyear contract shall be awarded if the savings are less than in the budget justification material submitted to Congress.

Manufacturing methods and technology

The budget included $233,000,000 for manufacturing methods and technology programs, funded in a variety of operation and maintenance, procurement, and research, development, test, and evaluation (RDT&E) appropriations. The House bill funded the program in the RDT&E appropriations at a total level of $173,000,000, a reduction of $60,000,000. The Senate bill funded the program as budgeted.

The conference agreement provides $173,000,000 in the R&D appropriation as proposed by the House. This is done in recognition that most, if not all, of the projects undertaken in this program are engineering in nature and, therefore, properly funded in RDT&E. However, the conference agreement also includes $28,000,000 in selected procurement appropriations. The conferees agree that where an MM&T project has successfully passed the engineering, testing, and evaluation phase, actual hardware procurement may be appropriate. The cost of such hardware procurement is legitimately funded in the procurement appropriations. As such, it shall be funded as a separate MM&T procurement line.

The conferees agree that all MM&T should be funded on separate lines in the budget, whether in procurement or RDT&E. Furthermore, future RDT&E budget submissions for MM&T shall show an allocation of proposed funding by related procurement appropriation, i.e., MM&T funding to support the Weapons Procurement, Navy end items.

The conferees agree that the Department shall proceed with management improvements as discussed in the House report. The conferees agree that all MM&T budget lines are special interest items and may not be subject to reprograming without prior approval.

Industrial modernization incentives program

The conferees agree that this test program should be implemented cautiously. While not limiting the "business arrangements" to two per service, the conferees direct that the details and justification for each agreement be submitted to the Committees on Appropriations of the House of Representatives and the Senate as it is executed. The conferees further direct the Department to notify the committees in advance if any contingent liability or contractor investment protection is proposed.

Full funding

The conferees continue to agree with the principle of full funding and the Department's guidelines previously established for the use of advance procurement funding. The conferees agree with the criteria proposed by the House for the use of non-multiyear advance procurement with one exception. The conferees agree that, generally, advance procurement should not be used in ammunition procurement, modification programs, spares, other procurement, or procurement of support equipment and facilities. But, the conferees agree that advance procurement in these areas can, on an exception basis, be used when lead times justify its use. Any such use shall be identified in the P-1 document and fully justified in budget backup material.

Handgun standardization

The House bill earmarked all authorized 9mm handgun and/or related ammunition procurement funding. The House also denied funding for Army procurement of additional ammunition for the current .45 caliber guns. The Senate bill denied all 9mm handgun and ammunition procurement funding but provided $2,900,000 for Army procurement of .45 caliber ammunition.

The conferees are aware that the Department of Defense has recently approved an acquisition plan for the 9mm handgun. This plan could lead to initial contract award as late as the first quarter of fiscal year 1985. The conferees believe that procurement funding should be available in the event that the acquisition is accelerated or constraints are placed in an early fiscal year 1985 continuing resolution. Accordingly, the conference agreement provides all authorized funding for procurement of 9mm handguns and ammunition, earmarked in the bill as proposed by the House. The conference agreement also includes the budgeted funding for Army procurement of .45 caliber ammunition in recognition of immediate readiness requirements. The conferees agree that procurement of .45 caliber handgun components should be kept to an absolute minimum during the transition to the new standard handgun.

TITLE V—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

Amendment No. 145: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$4,199,125,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendment appropriates $4,199,125,000 for RDT&E, Army instead of $4,141,624,000 as proposed by the House and $4,175,439,000 as proposed by the Senate.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Defense research sciences	199,158	199,158	194,158	199,158
Materials	12,298	11,000	11,551	11,000
Fuze/nuclear wpns effects/fluidics	9,923	7,500	9,923	8,500
Tank and automotive technology	24,662	20,000	24,662	22,000
Communications tech	16,339	16,339	12,639	12,639
CSTA and identification	5,391	4,391	5,391	4,391
CB def and gen invest	34,833	31,833	34,833	33,500
Mapping—geodesy	8,336	7,000	8,336	7,500
Night vision investigations	19,942	14,942	19,942	17,500
Human factors engr in sys dev	11,226	10,000	11,226	10,000
Human performance effect/simulation	4,496	4,000	4,496	4,496
Mobility and weapons effects tech	8,918	8,418	8,918	8,418
Manpower/personnel/training	7,923	6,923	7,000	7,000
Cold regions engineering technology	7,058	7,058	6,600	6,600
Med defense against chem agents	30,612	28,612	30,612	29,612
Tactical ADP tech	7,508	7,508	6,003	6,003
General reduction		−31,000	−20,000	−20,000
Fuels and lubricants advanced development	3,073	2,073	3,073	2,073
Aircraft avionics equipment	4,945	3,445	4,945	4,200
Terminally guided projectiles	18,849		9,000	3,000
MSL/rocket components	20,568	12,333	14,264	12,333
Army devel and employment activity—ADEA	38,620	30,820	38,620	34,720
Adv propulsion/launch sys for mun	628	4,628	628	4,628
Adv software tech	19,293		10,500	1,000
General reduction		−20,500		
Prod impr Vulcan air def sys	5,320	3,820	5,320	3,820
Jt tactical comm prog	46,766	46,766	72,566	72,566
JVX-joint svcs vertical lift A/C devel prog	36,497	29,197		
Antitactical missile system	33,275	25,000	10,000	17,500
Lethal chemical munitions concepts	15,527		15,527	15,527
Soldier support/survivability	4,506	2,506	4,506	3,506
Medical defense against chem warfare	47,772	40,000	47,772	43,000
Medical chem defense life support mat	38,938	18,938	38,938	28,938
UH–60A Blackhawk		15,000		15,000
General reduction		−15,000		−15,000
Mobility (H)	4,437		4,437	4,437
Unattended ground sensors		5,000		5,000
Jt interoperability tac comd/cntrl	33,580	33,580	28,803	28,803
Classified programs	235,906	226,763	232,406	226,763
General reduction			−3,525	−3,525
Classified programs	14,860	13,110	14,860	13,110
MM and T/MACI		75,000		75,000
Consultants, studies and analyses		−2,546	−3,600	−3,600
Civilian pay raise			12,100	

Terminally guided projectiles

The conferees agree to provide $3,000,000 for Terminally Guided Projectiles, instead of no funds as proposed by the House and $9,000,000 as proposed by the Senate. All of the funds provided are to be used for the 155-millimeter Fire-and-Forget (FAF) Projectile.

The conferees agree with the concerns expressed by the House over the justification, planning and affordability of the many anti-armor systems in being and in development. The House noted that the Department has undertaken the development of a single coordinated anti-armor master plan. The conferees direct that none of the funds provided for Terminally Guided Projectiles are to be obligated or expended until the Committees on Appropriations have received and responded to an approved Department of Defense anti-armor master plan.

Advanced software technology

The conferees agree to provide $1,000,000 for Advanced Software Technology, instead of no funds as proposed by the House and $10,500,000 as proposed by the Senate.

The conferees agree that much better justification must be provided for this new program, to include specific explanation of why this work cannot be carried out by DOD in-house laboratories, and that future support depends on receipt of that justification. A reprogramming request will afford a suitable vehicle for submitting such justification.

Anti-tactical missile system

The conferees agree to provide $17,500,000 for Anti-Tactical Missile (ATM) System, instead of $25,000,000 as proposed by the House and $10,000,000 as proposed by the Senate.

The conferees express concern that the ATM program does not now have firm inventory objectives and cost estimates by which to gauge the scope of this program. Moreover, the conferees are concerned over the slow rate at which funds have been expended on ATM, indicating a lack of agreement between OSD and the Army over the direction of the program. The conferees will entertain a reprogramming proposal to fund ATM up to the fully authorized level for fiscal year 1984 if the Army's ATM requirements report resolves the concerns addressed here. A copy of the report should be submitted to the Appropriations Committees of both the House and Senate.

Medical chemical defense life support materiel

The conferees agree to provide $28,938,000 for Medical Chemical Defense Life Support Materiel, instead of $18,938,000 as proposed by the House and $38,938,000 as proposed by the Senate.

The conferees note that of $36,189,000 appropriated for this program for fiscal year 1983, the Army reprogrammed $21,900,000 to other higher priority programs. The conferees emphasize that continued support for this program will be contingent upon more complete justification, to include specific details on future plans and costs of the program, its relative priority, and its cost-effectiveness.

Mobility

The conferees agree to provide $4,437,000 for Mobility to begin development of a new medium tactical truck as proposed by the Senate, rather than no funds as proposed by the House.

The conferees direct that none of the funds provided may be obligated or expended until the Committees on Appropriations have received and responded to an Army long-range plan for its total truck program.

Joint interoperability tactical command and control

The conferees agree to provide $28,803,000 for Joint Interoperability Tactical Command and Control as proposed by the Senate, instead of $33,580,000 as proposed by the House. The conferees agree that within this amount, no more than $500,000 is provided to continue the JINTACCS (NATO) project. The conferees express the concerns articulated by the Senate as to lack of progress in developing JINTACCS standards which insure compatibility and interoperability among NATO and U.S. tactical command and control systems. The conferees would agree to entertain a reprograming proposal to re-examine the JINTACCS (NATO) project if the Army can provide a firm indication that our NATO allies are firmly committed to this program.

Rotary ceramic valves

The conferees agree that $500,000 of the funds provided for Army Development and Employment Activity are to be used for development of ceramic elements of rotating valves.

UH-60A Black Hawk

The conferees agree to provide $15,000,000 for qualification and integration of the Hellfire missile with the Black Hawk helicopter, and to an offset of $15,000,000 by means of a general reduction, as proposed by the House rather than no funds as proposed by the Senate.

Both the House and Senate provided bill language earmarking $15,000,000 within the RDT&E, Army appropriation for this purpose. The Senate report stated that this bill provision need not be construed as a congressional mandate. The Senate recedes.

DOD high energy laser systems test facility

Both the House and Senate recommended the budgeted and authorized amount of $36,880,000 for the DOD High Energy Laser Systems Test Facility (HELSTF). The principal justification for this request was continuation of the development of the Multi-Purpose Chemical Laser (MPCL), which was put on contract in fiscal year 1983, and it was with this understanding that funds were recommended. However, the conferees are informed of recent suggestions that the MPCL be discontinued and that fiscal year 1984 funds appropriated for that system be diverted to other uses. The conferees observe that the House in its report recommended a review of the MPCL compared with other lasers of higher power levels. The conferees direct that funds provided for the DOD HELSTF be used to continue the MPCL program in fiscal year 1984, and that a report on the review recommended by the House be submitted to the Committees on Appropriations not later than April 30, 1984.

Energy conservation technology

The conferees agree to the language concerning a coal gasification cogeneration program found on page 212 of House Report No. 98-427.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

Amendment No. 146: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$7,559,818,000.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendment appropriates $7,559,818,000 for RDT&E, Navy instead of $7,473,937,000 as proposed by the House and $7,497,554,000 as proposed by the Senate.

Amendment No. 147: Restores the language proposed by the House which earmarks $72,593,000 for the Mark 92 fire control system and $61,165,000 for the Marine Corps Assault Vehicle program.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Defense research sciences	300,840	300,840	296,840	300,840
A/A MSL tech demo	10,022	9,000	4,022	4,022
Adv computer tech	9,900	9,900	3,272	5,000
Electric drive	18,339	13,353	18,339	13,353
Nav tech info present sys	3,257	1,697	2,000	1,697
Manufacturing tech	7,827	6,000	7,827	7,827
Navy strategic comm	88,889	84,146	88,889	85,146
Trident II	1,496,406	1,496,406	1,506,406	1,501,406
Surtass	3,478	478	1,000	478
Harm improvement	11,793	4,963	11,793	8,663
JTIDS	121,200	121,200	106,454	111,454
F-14 A	42,705	42,705	35,000	42,705
Grd combat/sup arms sys	22,538	20,182	22,538	22,538
Combat services sup	1,382	1,182	1,382	1,382
VTX-TS	30,261	26,200	30,261	26,200
Airborne infrared cm	14,668	10,000	12,668	11,000
JVX	53,431	43,431	88,600	88,600
A-6E Stol demonstrator	31,029	14,634		14,634
Tac air recon	10,485	5,000	10,485	7,750
Surface ship torp def	10,259	8,000	10,259	8,000
Catapults	2,645	888	2,645	888
Nonacoustic asw	13,375	12,000	13,375	12,600
Ship sys engr studs	4,565	5,500	4,565	4,565
Link cedar	9,756	5,000		
Grd combat/supp arms sys	5,445	4,957	5,445	4,957
Itss	30,181	8,000	20,334	12,000
Asw surveillance	11,093		5,593	
Deployable surveillance systems	21,076	15,000	21,076	18,500
Avionics dev	9,659	8,000	9,659	8,000
Helicopter development	24,559	32,441	35,000	33,000
Support equipment	9,836	8,000	9,836	9,000
SH 60 CV variant	19,711	17,711	19,711	18,711
C/MH-53E	32,880	30,000	32,880	32,880
Acoustic srch sensrs (eng)	23,648	22,000	23,648	23,000
MK92 FCS upgrade	35,593	72,593	35,593	72,593
5" rolling air frame msle	4,635	3,171	3,900	3,900
Ship subsys dev/lbts	110,217	80,000	79,700	79,700
Unguided convent A/L wpns	16,698	16,508	16,698	16,508
Intell/Elect W/F sys	5,411	2,800	4,411	4,411
Advanced mine development			4,000	4,000
Navy gunfire support improvements		500		500
Anti-radiation projectile		20,000		20,000
Common ejection seat			1,000	1,000
Autec	49,197	44,893	44,968	44,893
Joint advanced systems		79,000	129,000	114,000
Civilian pay raise			1,600	
Professional management services adjustment		-12,859	-21,000	-21,000
Manufacturing methods and technology transfer		42,635		42,635

High energy laser technology

The conferees agree that the comprehensive mission analysis for the Navy's SEA LITE high energy laser program to be submitted to the House Appropriations Committee by March 1, 1984 shall also be submitted to the Senate Appropriations Committee by March 1, 1984.

High speed anti-radiation missile (HARM) improvement

The conferees agree to provide $8,663,000 for the HARM missile improvement program instead of $4,963,000 as proposed by the House and $11,793,000 as proposed by the Senate. The conferees agree that if additional funds are required to correct deficiencies and to bring about cost reductions in the program, both Appropriations Committees are willing to entertain a reprogramming action to accomplish these purposes.

Undergraduate jet flight training system (VTX-TS)

The conferees agree to provide $26,200,000 for the VTX-TS program as proposed by the House instead of $30,261,000 as proposed by the Senate. The conferees are of the opinion that the all carrier capable trainer option will be less costly in the long run. The conferees therefore direct the Navy to proceed with plans to procure only fully carrier capable trainer aircraft and to prohibit the addition of sophisticated systems which will add to the aircraft cost but are not necessarily needed to train aviation students. If additional funds are needed to proceed with the all carrier capable trainer option, both Appropriation Committees are willing to entertain a reprogramming action to accomplish this purpose.

Joint services advanced vertical lift aircraft (JVX)

The conferees agree to provide $88,600,000 for the JVX program as proposed by the Senate instead of $43,431,000 as proposed by the House. The services requested and there was authorized, a total of $104,279,000 for this program as follows: Navy—$53,431,000; Army—$36,497,000; Air Force—$14,351,000. The House appropriated a total of $84,109,000, spread among the three services as follows: Navy—$43,431,000; Army—$29,197,000; Air Force—$11,481,000. The Senate appropriated $88,600,000 for the program, and consolidated all the funding within Navy, RDT&E. The Senate indicated the funding consolidation was intended to strengthen the program by assigning control of the funds directly to the service with executive responsibility for the program. The conferees accept this approach but wish to make clear that this method of funding may require additional authorization action.

Ship systems engineering standards

The conferees agree to provide $4,565,000 for the Ship Systems Engineering Standards program as proposed by the Senate instead of $5,500,000 as proposed by the House.

The conferees have supported this program over the years, and continue to support the program. However, the conferees are concerned over the Navy's commitment to the program. Therefore, the conferees direct the Navy to submit a report to both Appropriations Committees by March 1, 1984, outlining the specific accomplishments of this program to date, the applications of this development effort to specific ship designs and construction, and the Navy's plans for future research and development efforts in this program.

Deployable surveillance systems

The conferees agree to provide $18,500,000 for Deployable Surveillance Systems instead of $15,000,000 as proposed by the House and $21,076,000 as proposed by the Senate.

The conferees are concerned that the Rapidly Deployable Surveillance System has experienced certain problems relating to the deployment of the test system. The conferees would hope that the Navy would not proceed to full scale engineering development until these advanced development problems are properly corrected. If additional funds are needed to correct these problems, both Appropriation Committees are willing to entertain a reprogramming action addressing the corrective measures.

Support equipment

The conferees agree to provide $9,000,000 for the Support Equipment program instead of $8,000,000 as proposed by the House and $9,836,000 as proposed by the Senate.

The conferees direct that when applying this reduction, the Navy will not allocate any of the reduction against the Aviation Automatic Test Equipment subproject.

CH/MH-53E

The conferees agree to provide $32,880,000 for the CH/MH-53E helicopter program as proposed by the Senate instead of $30,000,000 as proposed by the House.

The conferees recommend that $2,000,000 of the $32,880,000 provided for the program should be used to initiate development of the composite main rotor blade. Total development costs are estimated to be $14,500,000 in 1983 dollars for this effort. Both Appropriation Committees would expect to be informed should these total development cost estimates increase over current projections.

Unguided conventional air launched weapons

The conferees agree to provide $16,508,000 for the Unguided Conventional Air Launched Weapons program as proposed by the House instead of $16,698,000 as proposed by the Senate.

The conferees direct the Navy to submit a report to both Appropriation Committees by March 1, 1984, outlining the needs for the Air Delivered Depth Bomb, the possible alternatives to the depth bomb, and the time schedule for completion of the depth bomb and the various alternatives.

Alternate HARM seeker

The conferees agree to provide $20,000,000 for the Alternate HARM Seeker as proposed by the House, rather than no funds as proposed by the Senate.

The conferees emphasize their full suport of this program, and direct that the funds provided be used only by the Navy for work specifically pertinent to development of a missile seeker, and not be diverted to any other purpose. The Deputy Secretary of Defense recently confirmed to the Congress that this development will be carried out by the Naval Weapons Center (NWC) at China Lake, California. The conferees agree that NWC shall manage and control the program, and shall let such contracts as NWC deems appropriate for assistance from one or more associate support contractors, whose work assignments shall be made, controlled and directed by NWC.

Common ejection seat

The conferees agree to provide $1,000,000 for the Common Ejection Seat as proposed by the Senate. The House did not address this appropriation issue.

The Senate added these funds to accelerate a common ejection seat development program for the Navy which will initiate a meaningful and necessary ejection seat competition.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

Amendment No. 148: Appropriates $12,227,706,000 instead of $12,121,001,000 as proposed by the House and $12,303,026,000 as proposed by the Senate.

Amendment No. 149: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which restricts obligation of $23,500,000 for visible/ultraviolet laser technology prior to submission of a report by the Department of Defense Defensive Technologies Study Team recommending a plan for the expenditure of laser technology funds.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Defense research sciences	180,888	180,888	176,000	180,888
Training/simulation tech	22,477	20,477	22,477	22,477
DOD common prog language (ADA) adv dev	7,801	6,801	7,801	7,801
Lincoln Laboratory	25,070	24,070	25,070	24,070
Adv msle propulsion	3,333	3,333	1,279	1,279
Conventional weapons	32,032	25,532	18,500	18,500
Advanced radiation technology	82,530	42,530	62,530	52,530
Advanced computer technology	6,892	6,892	5,621	6,892
Counter/countermeasures—adv dev	10,559	7,359	9,000	8,000
Comd/cntrl/comm adv dev	16,715	14,515	15,715	14,515
Strat laser sys tech		40,00	60,000	51,500
KCKC–135 squadrons	11,300	11,300	7,301	9,300
Post attack cond/cntrlsys	6,869	3,000	6,869	4,500
SAC communications	15,256	10,000	15,256	12,500
WWMCCS ADP–Norad/Adcom	31,257	31,257	23,649	23,649
Comd ctr process/display sys	4,874	2,874	4,874	3,874
Minimum essential emer comm network	132,294	107,751	132,294	107,751
Common strategic rotary launcher	41,473	41,473	65,000	65,000
M–X follow-on technology	604,000	354,000	584,000	479,000

	Budget	House	Senate	Conference
(Follow-on silo—hardness)	(210,000)		(210,000)	(105,000)
(Follow-on deep basing)	(40,000)		(20,000)	(20,000)
F–111 squadrons	84,358	80,358	70,000	76,000
F–15 squadrons	117,774	117,774	105,000	110,000
Tactical AGM missiles	6,124	4,124	6,124	4,124
Joint service advanced vertical lift A/C(JVX)	14,351	11,481		
Engine model derivative prog	13,853	13,853	63,853	63,853
F100 durability		35,000	34,000	34,000
Acft engine component improve prog	142,031	117,031	137,000	127,000
Standoff attack weapon (T)	16,373	8,373		
Wide-area anti-armor munition	52,159	22,159	35,000	24,000
Jstars	90,534	21,534	41,534	41,534
DOD physical security eo-exterior	17,955	17,955	15,120	15,120
Surface def supression	1,916		10,289	9,500
Appl for info processing tech	7,860	7,860	6,360	6,360
Intelligence equipment	15,403	12,803	14,000	12,803
Jt tac info dist sys	49,334	49,334	37,957	46,000
Concept development	960	960		500
Inventory control point operations	946	946		
Industrial preparedness	4,806		4,806	
Manufacturing methods and technology transfer		49,500		49,500
Product/reliable/avail/maintain prog	14,472	14,472	12,773	12,773
Joint advanced system		50,000		15,000
Civilian pay raise			12,100	
Overhead transfer to operations and maintenance			−37,558	−25,819
General reduction			−40,000	−20,000
Consultants, studies and analyses			−20,000	−20,000

Directed energy programs

The conferees agree to provide $52,530,000 for Advanced Radiation Technology, instead of $42,530,000 proposed by the House and $62,530,000 proposed by the Senate.

The conferees agree to provide $51,500,000 for Strategic Laser Systems Technology, instead of $40,000,000 proposed by the House and $60,000,000 proposed by the Senate. Of the sum provided, $28,000,000 is for space laser systems and $23,500,000 for visible/ultraviolet laser technology.

MEECN

The conferees agree to provide $107,751,000 for Minimum Essential Emergency Communications Network (MEECN) as proposed by the House, instead of $132,294,000 as proposed by the Senate. Of this sum, $50,000,000 is to be allocated to the Ground Wave Emergency Network (GWEN) project, a reduction of $24,543,000 from the budget request for GWEN. This reduction is made without prejudice. If this reduction necessitates a renegotiation of present GWEN contracts, the Committees on Appropriations of the House and Senate will be willing to entertain a reprogramming action. It is the intent of the conferees to retain competition on GWEN development contracts.

ICBM modernization program

On April 19, 1983, the President announced his endorsement of the recommendations of the Scowcroft Commission, and restructured the ICBM modernization program. This program, subsequently approved by Congress, included (1) the deployment of 100 Peacekeeper missiles in existing Minuteman silos; (2) the engineering design of a small single warhead ICBM suitable for mobile deployment; and (3) follow-on technologies to develop potential basing modes for the small missile and to continue development of promising basing concepts that might have applicability to both the Peacekeeper missile and the small missile.

Since the President's budget for fiscal year 1984 had already been submitted and the Congressional authorization cycle was underway, the DOD portion of the budget had to be hurriedly revised. The Peacekeeper program, being on-going, much further along in the development stage and representing the near-term portion of the Scowcroft recommendations kept its separate identity. Funds requested for the remaining programs were removed from the Peacekeeper program and combined under small missile systems. This approach, while understandable, nevertheless tended to obscure the applicability of the individual technology programs.

To facilitate consideration of these programs in the future, beginning with the fiscal year 1985 DOD budget submission, the conferees hereby direct that the ICBM modernization program be divided into the following categories: (1) the Peacekeeper missile system, (2) the small missile system, including the hardened mobile launcher, and (3) ICBM follow-on basing technology programs with generic applicability to either the Peacekeeper or the small missile such as the hardened silo and deep basing programs.

Silo hardening

The conferees agree to provide $105,000,000 for Silo Hardening, rather than no funds as proposed by the House and $210,000,000 as proposed by the Senate. The conferees agree with the concerns expressed by the Senate over the lack of sufficiently detailed information, particularly of development cost estimates. The conferees direct that a complete breakdown of costs be submitted with the fiscal year 1985 budget. The conferees note that recent tests of scale model superhardened silos indicate that this technology appears promising.

Deep basing

The conferees agree to provide $20,000,000 for Deep Basing as proposed by the Senate, rather than no funds as proposed by the House. The conferees agree with the concerns expressed by the Senate that there is only limited indication that deep basing is being seriously considered for either the small ICBM or the MX. Absent a firm commitment, there is little justification for embarking on a long and costly development. The conferees agree that future funding for deep basing, to include consideration of reprogramming actions, will be provided only upon receipt of evidence of such a firm commitment on the part of the administration and the Department.

Wide area antiarmor munitions

The conferees agree to provide $24,000,000 for Wide Area Antiarmor Munitions, instead of $22,159,000 as proposed by the House and $35,000,000 as proposed by the Senate.

The conferees agree that no funds are provided for the Wasp minimissile project or for the ERAM project, and that the $24,000,000 provided is to be used only for the Sensor Fuzed Weapon project.

JSTARS

The conferees agree to appropriate $41,534,000 as recommended by the Senate, instead of $21,534,000 as recommended by the House for the Air Force JSTARS program.

The conferees also agree that the C–18 aircraft may be utilized as the JSTARS testbed if the authorization committees concur, and if the Army, Air Force, and the Office of the Secretary of Defense jointly agree to such utilization. However, this action by the conferees is not to be construed as approval of the C–18 aircraft as the operational platform for the Air Force JSTARS program; it was agreed to with the expressed understanding that the C–18 aircraft is to be utilized only as the testbed for the JSTARS demonstration. Additionally, the JSTARS radar and data link utilized in the demonstration are to be totally compatible with the requirements for deployment on, and integration with, the Army's OV–1 aircraft and the Air Force's TR–1 aircraft. The agreement of the conferees is also with the understanding that the production model JSTARS will be deployed on the OV–1 and TR–1 aircraft, and not on the C–18.

JSTARS data link

The conferees concur in the language of the House report concerning acquisition of a single, common data link for JSTARS, with the understanding that the use of existing equipment on an interim basis will not be adversely affected.

Surface defense suppression

standoff attack weapon

The conferees agree to provide $9,500,000 for Surface Defense Suppression instead of no funds as proposed by the House and $10,289,000 as proposed by the Senate.

The conferees agree with the Senate position that the Standoff Attack Weapon (SAW) program, because it has been proposed as a product improvement of the GBU–15, should be carried in the Surface Defense Suppression line. The conferees agree that $8,373,000 of the funds provided are to be used for the SAW program, and the balance for other efforts in Surface Defense Suppression. The conferees agree with the House position that none of the funds for the Standoff Attack Weapon are to be obligated or expended until the Committees on Appropriations have received and replied to a report which provides details on the

cost, schedule and competitive aspects of the program.

Air Force Systems Command

The conferees agree to the transfer of $23,319,000 to the operating account for AFSC headquarters costs from the research and development account. The recommended allowances permit the retention of $11,739,000 for product divisions personnel within the R&D account. These actions result in the net reduction of $2,500,000 which should be accommodated by the transfer of personnel or realignment of functions to other Air Force commands which may be accomplished by reprogramming.

Joint tactical information distribution system

The conferees agree to provide $46,000,000 for the Joint Tactical Information Distribution System (JTIDS), instead of $49,334,000 as proposed by the House and $37,957,000 as proposed by the Senate.

The conferees direct the Air Force to provide to the Committees on Appropriations of the House and Senate a report, not later than May 1, 1984, outlining the Air Force requirement for both JTIDS/TDMA and enhanced JTIDS, and the development plans for each.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE AGENCIES

Amendment No. 150: Appropriates $2,703,620,000 instead of $2,680,153,000 as proposed by the House and $2,736,728,000 as proposed by the Senate.

Amendment No. 151: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which prohibits the obligation of $20,000,000 for short wavelength laser technology prior to the submission of a report by the Department of Defense Defensive Technologies Study Team recommending a plan for the expenditure of laser technology funds.

The conference agreement on items in conference is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Defense research sciences	108,600	108,600	105,000	108,600
Materials processing technology	25,700	20,000	23,700	23,700
DARPA/DOE third generation weapons			22,000	8,000
Defense Nuclear Agency	330,500	327,500	330,500	327,500
Classified programs	1,560,758	1,341,579	1,397,838	1,366,587
Technical support to USDR/E	15,932	47,700	15,932	31,200
Support to policy	4,858	2,429	4,000	3,000
General support for net assessment	4,337	2,168	4,337	3,800
General support for MRA/L	2,688	1,344	2,688	2,400
Civilian pay raise			1,900	

Strategic technology

The conferees provide the total authorization of $220,500,000 for the DARPA strategic technology program which was proposed by both the House and the Senate. The conferees agree that at least $10,000,000 of the additional funding provided for short wavelength technology programs be made available solely for the blue-green laser communications program.

Strategic computing and survivability

The conferees agree to provide $50,000,000 for the Strategic Computing and Survivability program and intend that the $50,000,000 be spent on the Strategic Computing program. The conferees strongly encourage the Department of Defense to pursue the possibility and potential of developing a highly effective supercomputer.

Technical support to USDR&E

The conferees agree to provide $31,200,000 for Technical Support to USDR&E instead of $47,700,000 as proposed by the House, and $15,932,000 as proposed by the Senate. Of the amount provided, $4,700,000 are to establish a Joint Special Operations Technology project as recommended by the House, and $12,500,000 are for a classified project, the details of which are explained in the classified annex to the statement of managers.

DARPA/DOE third generation weapons

The conferees agree to provide $8,000,000 for DARPA/DOE Third Generation Weapons, instead of $22,000,000 proposed by the Senate and no funds proposed by the House.

DIRECTOR OF TEST AND EVALUATION, DEFENSE

The conferees provide $49,000,000 for the Director of Test and Evaluation which was proposed by both the House and the Senate.

The conferees agree that of the $49,000,000 provided for Director of Test and Evaluation, Defense, $10,800,000 shall be used for the Foreign Weapons Evaluation program.

TITLE VII—GENERAL PROVISIONS

Amendment No. 152: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which (a) prohibits the procurement of certain items from foreign countries, (b) allows an exception for specialty metals and chemical warfare protective clothing if such procurement is necessary to comply with existing agreements or if such procurement is necessary in furtherance of the standardization and interoperability of equipment within NATO, and (c) prohibits the payment of a price differential on contracts for the purpose of relieving economic dislocations except for certain contracts not involving fuel made on a test basis by the Defense Logistics Agency.

Amendment No. 153: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which requires that the proceeds from the foreign military sales of defense articles not intended to be replaced be deposited in the Treasury as miscellaneous receipts.

Amendment Nos. 154 and 155: Deletes House language which proposed reconstituting the Central Intelligence Agency's Reserve for Contingencies into the Contingency Reprogramming Fund.

Amendment No. 156: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which prohibits funds for a contract for studies, analyses, or consulting services over $25,000 entered into without competition on the basis of an unsolicited proposal unless the head of an activity determines it meets certain criteria.

Amendment No. 157: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which deletes House language on multiyear contracts, then restores the substance of that language and further expands on it.

House language prohibits funds to execute a multiyear contract which employs any economic order quantity procurement or which includes an unfunded contingent liability in excess of $20,000,000 unless the Armed Services and Appropriations Committees are notified in advance and prohibits funds to initiate multiyear procurement contracts for major weapons systems if not specifically approved in an appropriation bill.

The Senate language further expands the House language to include a 30-day notification to Congress of any multiyear contract using economic order quantity procurement over $20,000,000 in any one year or involving an unfunded contingent liability in excess of that amount. It further defines a major multiyear contract subject to review and authorization in an appropriation as one involving any total development expenditures over $200,000,000 or total procurement cost of more than $1,000,000,000.

A more detailed explanation of this issue can be found in the Procurement section of this report.

Amendment No. 158: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which requires that the Appropriations Committees be notified in advance of proposed waivers of non-recurring cost recoupment surcharges on foreign military sales of major defense equipment under section 21(e)(1)(C) of the Arms Export Control Act.

Amendment No. 159: The conferees agree to Senate language which allows funds to "continue" vice "establish" a program to provide child advocacy and family counseling services to deal with problems of child and spouse abuse.

Amendment No. 160: The House recedes to a technical amendment proposed by the Senate to add a "colon" after the word "sets".

Amendment No. 161: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which states that the Department of Defense should not make any commitments to establish additional POMCUS sites without the prior approval of the Congress.

Amendment No. 162: Restores House language which prohibits funds for the sale of or otherwise providing the AN/SQR-19 Towed Array Sonar to a foreign country.

Amendment No. 163: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which prohibits funds to purchase coal or coke from foreign nations for use at United States defense facilities in Europe when coal from the United States is available.

Amendment Nos. 164, 165, and 166: Restores the House provisos which provide that none of the funds appropriated by this Act shall be available to support more than 28,108 positions in support of the Army Reserve or Army National Guard occupied by, or programmed to be occupied by, persons in an active Guard or Reserve status, and provide that none of the funds appropriated by this Act shall be available to support more than 25,714 positions occupied by, or programmed to be occupied by, persons in an active Reserve or Guard status in support of the Army Reserve or Army National Guard after February 1, 1984, and further provide that none of the funds appropriated by this Act may be used to include military technicians in computing civilian personnel ceilings, including statutory or administratively imposed ceilings, on activities in support of the Army Reserve, Air Force Reserve, Army National Guard, or Air National Guard.

Amendment No. 167: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken by said amendment, insert:

SEC. 775. During fiscal year 1984, not more than $24,000,000 of the funds available to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 168: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 775A. So far as may be practicable, Indian labor shall be employed, and purchases of the products of Indian industry may be made in open market in the discretion of the Secretary of Defense: Provided, That the products must meet pre-set contract specifications.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree with the intent of using Indian labor and products when possible. However, the conferees want to be sure that these contracts meet pre-set contract specifications in order to ensure that all small companies are treated fairly.

Amendment No. 169: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which prohibits funds to carry out the requirement that small business concerns must be in the business of selling the product to the general public or must satisfy any other prequalifications to submit a bid.

Amendment No. 170: Changes section number to 779A.

Amendment No. 171: The conferees agree to the House bill language limiting to 247 the number of commissaries in the contiguous United States which operate with direct subsidy funds made available by this Act. This ceiling is sufficient to permit the continued operation of commissaries planned by the Department through fiscal year 1985. The Department is instructed to report on the recommendations of the Grace Commission pertaining to funding for commissaries in metropolitan areas in the continental United States.

Amendment No. 172: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which restricts procurement of aircraft ejection seats manufactured in a foreign nation that does not permit United States manufacturers to compete for ejection seat procurement requirements in that foreign nation. The conferees agree that this provision does not apply to existing competitively awarded contracts and the extensions thereof but does apply to all future competitive ejection seat procurements.

Amendment No. 173: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate.

The conferees agree that a limitation should be placed on the amount available to the Department of Defense for the payment of unemployment compensation benefits.

Amendment No. 174: Changes the section number as proposed by the Senate.

Amendment No. 175: Adds language, proposed by the Senate, which defines the type of units that require civilian technician employees of an Army Reserve unit to also be military members of the same Army Reserve unit.

Amendment No. 176: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which states that technicians employed by the Army Reserve in areas other than troop program units, such as Area Maintenance Support Activity (AMSA), need only be members of the Selected Reserve.

Amendment No. 177: Changes section number as proposed by the Senate.

Amendment No. 178: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken by said amendment, insert: *specifically for the Air National Guard, if requested,*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree that if these aircraft are not requested by the Air National Guard, the Air Force may program the aircraft for any required missions, but not for the Executive Fleet.

Amendment No. 179: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which denies funds from being obligated or expended to adjust a base period of individual provider fee profiles to determine CHAMPUS reimbursement from the present once a year requirement. The new provision will give the Secretary of Defense authority to determine frequency of base period.

Amendment No. 180: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate.

The conferees agree that total housing compensation for military personnel in fiscal year 1984 should be no higher than that paid on September 30, 1983. This freeze in payments is consistent with the recommendations made by the President in the budget request.

Amendment No. 181: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 787. None of the funds available to the Department of Defense shall be used to adjust any contract price for amounts set forth in any shipbuilding claim, request for equitable adjustment, or demand for payment or incurred due to the preparation, submission, or adjudication of any such shipbuilding claim, request, or demand under a contract entered into after the date of enactment of this Act, arising out of events occurring more than eighteen months prior to the submission of such shipbuilding claim, request, or demand. For the purposes of this Act, the requirement for "submission" of a shipbuilding claim, request, or demand is met only when the certification required in section 6(c)(1) of the Contracts Disputes Act of 1978 is provided and the shipbuilding claim, request, or demand is fully documented and substantiated in accordance with regulations to be promulgated by the Secretary of Defense.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree to amend the Senate language to limit the 18-month time limitation for the submission of contract claims to shipbuilding contractors.

Amendment No. 182: Changes section number as proposed by the Senate.

Amendment Nos. 183, 184, 185, and 186: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate.

The conferees agree that both the Department of the Air Force and the Defense Logistics Agency should be allowed to test the flat rate per diem system for both military and civilian personnel. The conferees request that the General Services Administration approve, as expeditiously as possible, any proposed civilian per diem regulation changes required to implement this test.

Amendment No. 187: Deletes House language requiring a notification to the House and Senate Armed Services Committees before the initiation of the test.

Amendment No. 188: Deletes House language which prohibited funds to purchase animals to train Department of Defense personnel in surgical or other medical treatment of wounds produced by any type of weapon. Section 791 reflects the conferees' full agreement on this issue.

Amendment No. 189: Restores House language which prohibits funds from being used for the transfer of the Department of Defense Dependents Schools to the Depart-

ment of Education, and changes the section number to 789.

Amendment No. 190: Restores House language which specifies that 50 percent of certain cable assembly business be set aside for private industry, and changes the section number to 790.

Amendment No. 191: Report in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 791. None of the funds appropriated by this Act shall be used to purchase dogs or cats or otherwise fund the use of dogs or cats for the purpose of training Department of Defense students or other personnel in surgical or other medical treatment of wounds produced by any type of weapon: Provided, That the standards of such training with respect to the treatment of animals shall adhere to the Federal Animal Welfare Law and to those prevailing in the civilian medical community.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 192: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 792. Beginning on April 1, 1984, or on the effective date of the next adjustment in the General Schedule of compensation for Federal classified employees, whichever occurs first, none of the funds appropriated by this Act shall be available to pay Variable Housing Allowance to a member pursuant to section 403(a), title 37, United States Code, in an amount that exceeds the differences between $800 and the amount of Basic Allowance for Quarters such member receives pursuant to section 403, title 37, United States Code, in the case of members with dependents, or the difference between $600 and the amount of Basic Allowance for Quarters such member receives pursuant to section 403, title 37, United States Code, in the case of a member without dependents.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree to place this limitation on the maximum amount to be paid to military members for housing compensation. This limitation is an attempt to place some control on the Variable Housing Allowance program which has experienced a trebling of costs since it was proposed 3 years ago.

The conferees agree that the Department of Defense must take the initiative to place some controls on the Variable Housing Allowance program. Concerns over the increasing cost of this program, especially when total military compensation improvements are considered, point out the need for reform. The conferees further agree with the Senate report language.

Amendment No. 193: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the section number named in said amendment, insert: *793*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendment simply renumbers the section added by the Senate which transfers a military recreation site from Federal ownership to the City of Fairbanks, Alaska.

Amendment No. 194: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 794. (a) Except as otherwise provided in this section, none of the funds appropriated by this or any other Act may be obligated or expended for the procurement of a weapon system unless the prime contractor or other contractors for such system provides the United States with written guarantees—

(1) that the system and each component thereof were designed and manufactured so as to conform to the Government's performance requirements as specifically delineated (A) in the production contract, or (B) in any other agreement relating to the production of such system entered into by the United States and the contractor;

(2) that the system and each component thereof, at the time they are provided to the United States, are free from all defects (in materials and workmanship) which would cause the system to fail to conform to the Government's performance requirements as specifically delineated (A) in the production contract, or (B) in any other agreement relating to the production of such system entered into by the United States and the contractor; and

(3) that, in the event of a failure of the weapon system or a component to meet the conditions specified in clauses (1) and (2)—

(A) the contractor will bear the cost of all work promptly to repair or replace such parts as are necessary to achieve the required performance requirements; or

(B) if the contractor fails to repair or replace such parts promptly, as determined by the Secretary of Defense, the contractor will pay the costs incurred by the United States in procuring such parts from another source.

(b) A written guarantee provided pursuant to subsection (a) shall not apply in the case of any weapon system or component thereof which has been furnished by the Government to a contractor.

(c) The Secretary of Defense may waive the requirements of subsection (a) in the case of weapon system if the Secretary—

(1) determines that the waiver is necessary in the interest of the national defense or would not be cost-effective; and

(2) notifies the Committees on Armed Services and Appropriations of the Senate and the House of Representatives in writing of his intention to waive such requirements with respect to such weapon system and includes in the notice an explanation of the reasons for the waiver.

(d) The requirements for written guarantees provided in subsection (a) hereof shall apply only to contracts which are awarded after the date of enactment of this Act and shall not cover combat damage.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree to put the Department of Defense on notice that both committees plan to hold in-depth hearings on this subject during consideration of the fiscal year 1985 budget.

Amendment No. 195: Deletes Senate language concerning the procurement and use of chemical weapons.

Amendment No. 196: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the section number named in said amendment, insert: *795*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees direct the Defense Inspector General to make some specific recommendations concerning the Military Traffic Management Command's proposal to include Alaska and Hawaii under the so-called competitive rate program. The conferees agree with the Senate report language that these findings be implemented in the fiscal year 1985 budget request.

Amendment No. 197: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the section number 795 named in said amendment, insert: *796*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendment simply renumbers the section added by the Senate restricting the obligation of appropriated funds for architectural and engineering services and construction design contracts above $85,000 unless there is open competition under provisions of the Brooks Act. The provision will reserve for small business those contracts of $85,000 or less, but allows all firms, regardless of size, to compete for contracts above $85,000.

Amendment No. 198: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the section number named in said amendment, insert: *797*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 199: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by the said amendment, insert:

SEC. 798. Funds appropriated by this Act shall be available for such studies and analyses contracts with federally established nonprofit corporations which operate Federal Contract Research Centers as the Secretary of Defense may determine in accordance with procedures in effect on June 1, 1983, notwithstanding any other provisions of law: Provided, That this section shall expire on April 30, 1984.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 200: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 799. It is the sense of the Congress that the Secretary of Defense should formulate and carry out a program under which contracts awarded by the Department of Defense in fiscal year 1984 would, to the maximum extent practicable and consistent with existing law, be awarded to contractors who

agree to carry out such contracts in labor surplus areas (as defined and identified by the Department of Labor).

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree to the Senate language encouraging, within existing law, the Department of Defense to consider labor surplus areas in awarding contracts. The conferees also agree to change the section number and modify the Senate language to make the provision a sense of the Congress rather than only a sense of the Senate.

Amendment No. 201: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 799A. The Administrator of General Services shall transfer to the State of Washington for educational correctional facility use and in accordance with provisions of law relating to the disposal of Federal property, that part of the real property, including all improvements and related personal property thereon, which was administered by the Department of Justice, located in Pierce County, Washington, known as the former McNeil Island Federal Penitentiary. Such transfer shall not include that part of McNeil Island comprising the wildlife refuge area.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

On November 2, 1983, the Department of Education requested the assignment of approximately 1,325.83 acres and improvements at McNeil Island for conveyance to the State of Washington for educational correctional facilities use, at public benefit discount conveyance, pursuant to Section 203(k)(1) of the Federal Property and Administrative Services Act of 1949 as amended. The committee has reviewed the application and finds that educational correctional use has been appropriately determined by the Department of Education. The remaining property consisting of the wildlife refuge area is to be transferred by GSA pursuant to authority contained in 16 U.S.C. 667b.

Amendment No. 202: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of section number 799A named in said amendment, insert: *799B*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree with the Senate language which allows the Department of Defense to initiate the Dependent Student Travel program within funds available under the Operation and Maintenance appropriations. This provision will allow the Department to initiate this program in time for the Christmas holidays.

The conferees further agreed to the $2,300,000 limitation placed on appropriated funding of this program. The conferees believe the limitation is required because of the apparent lack of controls over the program.

Amendment No. 203: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of section number 799B named in said amendment, insert: *799C*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree to the Senate provision providing free mailing privileges for members of the Armed Forces serving in the multinational peacekeeping force in Lebanon and members of the Armed Forces serving in Grenada. The conferees also agree to a new section number for the provision.

Amendment No. 204: Deletes Senate language which required a comprehensive Presidential report to Congress by May 15, 1984, on the new multilayered strategic defense systems.

Amendment No. 205: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which prohibits the use of funds in any country for a 3-month period following a certification by the President that the country is not taking adequate steps to prevent the production, sale, and distribution of illegal narcotic drugs or their sale to U.S. Government personnel nor preventing such drugs from entering the United States unlawfully.

Amendment No. 206: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 799E. Within funds available under title III of this Act, but not to exceed $100,000, and under such regulations as the Secretary of Defense may prescribe, the Department of Defense may, in addition to allowances currently available, make payments for travel and transportation expenses of the surviving spouse, children, parents, and brothers and sisters of any member of the Armed Forces of the United States who dies as the result of an injury or disease incurred in line of duty to attend the funeral of such member in any case in which the funeral of such member is more than 200 miles from the residence of the surviving spouse, children, parents or brothers and sisters, if such spouse, children, parents or brothers and sisters as the case may be are financially unable to pay their own travel and transportation expenses to attend the funeral of such member.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree to the Senate language that allows the Department of Defense to make payments for travel and transportation expenses for surviving family members to attend the funeral of members of the Armed Forces of the United States, who die in the line of duty. The conferees further agree that the funds made available for this purpose should be under Title III, Operation and Maintenance appropriations.

Amendment No. 207: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which requires the Office of Federal Procurement Policy to review the procurement policies and practices for the acquisition of spare parts by the Department of Defense and to report its findings, conclusions, and recommendations to the Congress.

Amendment No. 208: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 799G. It is the sense of the Congress that competition, which is necessary to enhance innovation, effectiveness, and efficiency, and which has served our Nation so well in other spheres of political and economic endeavor, should be expanded and increased in the provision of our national defense.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 209: The conferees agree to delete the Senate provision requiring additional matters to be included in the 1984 report on the test program providing for the payment of price differentials to relieve economic dislocation under contracts awarded by the Department of Defense.

Amendment No. 210: The conferees agree to delete Senate language urging the President to take certain actions to reduce nontariff barriers to the export of products from the United States to Japan. However, the conferees agree that the Secretary of Defense, in conjunction with the Secretary of State, should request the Japanese government to remove their restrictions on importation of automobiles imported solely for the personal use of U.S. military personnel stationed in Japan. The conferees request that a report be made to the House and Senate Committees on Appropriations of the progress being made in this area.

Amendment No. 211: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the section number named in said amendment, insert: *799H*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This provision prohibits funds from being expended for RDT&E or procurement for integration of a nuclear warhead into the Joint Tactical Missile System.

Amendment No. 212: Deletes Senate language which required the Office of Federal Procurement Policy to review certain procurement practices and procedures of the Department of Defense during the one-week period ending September 30, 1983.

The conferees remain concerned that the Department of Defense just as the 1983 fiscal year came to an end entered into a hurry-up, last-hour spending spree obligating many millions of dollars. However, they feel that the two current investigations by the General Accounting Office and the Inspector General of the Department are sufficient at this time and encourage the Defense Department to cooperate with these investigations.

The conferees agree to put the Department of Defense on notice that both committees plan to hold hearings on this issue after reviewing the above reports.

Amendment No. 213: Deletes Senate language which amends a previous section of the report. The corrections have been included in section 792.

TITLE VIII—RELATED AGENCIES

INTELLIGENCE COMMUNITY STAFF

Amendment No. 214: Appropriates $17,323,000 for the Intelligence Community Staff instead of $17,083,000 as proposed by the House and $18,440,000 as proposed by the Senate.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1984 recommended by the Committee of Conference, with comparisons to the fiscal year 1983 amount, the 1984 budget estimates, and the House and Senate bills for 1984 follow:

New budget (obligational) authority, fiscal year 1983	$232,073,331,000
Transfer from other accounts, fiscal year 1983	(423,163,000)
Total funding available	232,496,494,000
Budget estimates of new (obligational) authority, fiscal year 1984	260,926,119,000
House bill, fiscal year 1984	246,608,491,000
Transfer from other accounts	(454,300,000)
Total funding available	247,062,791,000
Senate bill, fiscal year 1984	252,206,037,000
Transfer from other accounts	(839,100,000)
Total funding available	253,045,137,000
Conference agreement, fiscal year 1984	248,955,775,000
Transfer from other accounts	(865,100,000)
Total funding available	249,820,875,000
Conference agreement compared with:	
New Budget (obligational) authority, fiscal year 1983	+16,882,444,000
Transfer from other accounts	(+441,937,000)
Total funding available	(+17,324,381,000)
Budget estimates of new (obligational) authority, fiscal year 1984	−11,970,344,000
Transfer from other accounts	(+865,100,000)
Total funding available	(−11,105,244,000)
House bill, fiscal year 1984	+2,347,284,000
Transfer from other accounts	(+410,800,000)
Total funding available	(+2,758,084,000)
Senate bill, fiscal year 1984	−3,250,262,000
Transfer from other accounts	(+26,000,000)
Total funding available	(−3,224,262,000)

JOSEPH P. ADDABBO,
BILL CHAPPEL, JR.,
JOHN P. MURTHA,
NORMAN DICKS,
CHARLES WILSON,
W. G. HEFNER,
JACK HIGHTOWER,
JAMIE L. WHITTEN,
JACK EDWARDS,
J. K. ROBINSON,
JOSEPH M. MCDADE,
BILL YOUNG,
SILVIO O. CONTE,

As additional conferees on amendment No. 167 to the House bill and modifications thereof committed to conference:

EDWARD P. BOLAND,
LOUIS STOKES,
RALPH REGULA,
Managers on the Part of the House.

TED STEVENS,
LOWELL P. WEICKER, JR.,
JAKE GARN,
JAMES A. MCCLURE,
MARK ANDREWS,
BOB KASTEN,
ALFONSE D'AMATO,
WARREN B. RUDMAN,
THAD COCHRAN,
MARK O. HATFIELD
(except amendment No. 167),
JOHN C. STENNIS,
DANIEL K. INOUYE,
TOM EAGLETON,
LAWTON CHILES,
J. BENNETT JOHNSTON,
WALTER D. HUDDLESTON,
Managers on the Part of the Senate.

GENERAL LEAVE

Mr. ADDABBO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report and amendments reported in disagreement on the bill (H.R. 4185), making appropriations for the Department of Defense for the fiscal year ending September 30, 1984, and that I may include extraneous and tabular matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

INCREASING IMF COMMITMENT INTENSIFIES FINANCIAL PERIL

(Mr. PATMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PATMAN. Mr. Speaker, I join with others in the concern they have expressed about the rule and what it will do with respect to the appropriation and the actions we take for the IMF.

With the massive Federal deficit causing increasing concern about its impact on our economy and, ultimately, on the American taxpayer, I urge that we not increase our financial peril by adding $8.4 billion to the IMF commitment to our spending burden.

Let me cite an example of how our IMF involvement is undercutting the best interests of the American people.

On May 3, 1983, during the Falkland Islands battle, the British destroyer *Sheffield* was struck by a French-built Exocet Am-39 missile. Twenty British sailors were killed, and 24 were wounded. The *Sheffield* sank that day.

Argentina paid about $200,000 for that missile. It came from a French-built fighter that was purchased by Argentina. That money came to Argentina through loans from some of America's largest banks.

Because of that foolish, costly invasion and other foolish expenditures, Argentina has run up a $40 billion debt it is unable to repay. Thus, through the IMF, we are, in effect, indemnifying that Government for its foolish acts. I urge rejection of this unwise $8.4 billion commitment.

Mr. Speaker, this is a most serious issue to the people of America. By this vote, we are committing America not only to the $8.4 billion, but to a large extension of funds in the future that ultimately will go to bail out some of our largest banks.

□ 1130

THE FAIRNESS DOCTRINE FOR DETERMINING SPENDING CUTS

(Mr. PURSELL asked and was given permission to address the House for 1 minute.)

Mr. PURSELL. Mr. Speaker, while all our Members are home I ask they consider with their constituents a fair way to reduce Federal spending.

I recommend a fairness doctrine where every category, every line item be reduced on a fair percentage basis to achieve a balanced budget. That means a percentage reduction for the defense budget, entitlements, and nondefense expenditures. That way—through fairness—the American taxpayer would accept this approach as practical, reasonable, and politically achievable.

Our fiscal crisis must be addressed by this Congress and the President.

PRODUCT LIABILITY RISK RETENTION ACT AMENDMENT

Mr. FLORIO. Mr. Speaker, as the result of an accommodation reached through discussion with the gentleman from California (Mr. DANNEMEYER), the gentleman from New York (Mr. LENT), and other interested parties, I renew my unanimous-consent request that it be in order to consider the Senate bill (S. 1046) to clarify the applicability of a provision of law regarding risk retention, in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey for consideration of the Senate bill?

Mr. LENT. Mr. Speaker, reserving the right to object, I would just like to ask the gentleman from New Jersey (Mr. FLORIO) if this is the same bill on which we just had a full colloquy?

Mr. FLORIO. Mr. Speaker, if the gentleman will yield, that is correct,

we have just concluded a colloquy on that bill.

Mr. LENT. Mr. Speaker, I thank the gentleman for his response.

Mr. LENT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1046

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2(b) of the Product Liability Risk Retention Act of 1981 (15 U.S.C. 3901(b)) is amended to read as follows:

"(b) Nothing in this Act shall be construed to affect either the tort law or the law governing the interpretation of insurance contracts of any State, and the definitions of product liability insurance under any State law shall not be applied for the purposes of this Act, including recognition or qualification of risk retention groups or purchasing groups.".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

"THE DAY AFTER" AND THE REVEREND JERRY FALWELL

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEAVER. Mr. Speaker, the Reverend Jerry Falwell as quoted on the Associated Press wire assaying the ABC-TV movie "The Day After" is a "pre-emptive strike" in the debate over nuclear arms. I cannot believe Reverend Falwell is a fool, so his attack on this movie must come from the Devil.

I have seen the movie. It is a powerful rendition of what the world now faces: The end of civilization and most of life itself if a nuclear exchange occurs between the United States and the Soviet Union. ABC has done all of us a great service and is to be greatly commended for this dramatization, a needed warning of what will happen to us if we do not strive for peace.

But Reverend Falwell sees the striving for peace as some kind of surrender. He is quoted as saying: "The movie says we'd be better off just to disarm and trust the Russians to treat us nicely."

This is claptrap. The movie says no such thing. So long as any nation, particularly the Soviet Union and most emphatically the Soviet Union, has the ability to attack with nuclear weapons, all the world and all life is in peril. The movie makes this abundantly clear. It is a straight, scientifically correct as best we know it dramatization. It is the Reverend Falwell who insinuates politics into the matter.

Most of us whose Christian faith is accompanied by the realization we must be prepared to defend ourselves still follow Christ in His wish for peace on Earth. Reverend Falwell speaks for the Devil when he asks Christ to give us more nuclear weapons.

What would Jesus Christ tell us about the nuclear arms race? Would He speak for these weapons of holocaust which threaten all life? I cannot believe a Christian would say the things Falwell has said. I know as a matter of deep faith that Jesus Christ would not say them.

ECONOMIST MILTON FRIEDMAN ON THE IMF

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute.)

Mr. DANNEMEYER. Mr. Speaker, Milton Friedman, a Nobel prize winner in Economics has written a column in Newsweek that very eloquently, I think, sets forth the problem with the IMF. He asks the question whether or not it is desirable to strengthen the IMF's resources, and he answers that by saying, No. He says this:

The IMF is a governmental institution. It operates by lending money to governments, not private enterprises. It imposes conditions on governments, not private enterprises. In the process it strengthens the government relative to the private sector. But the key problem with the debtor countries is that government has played too large a role, private enterprises and free markets too small a role. IMF assistance will, at best, postpone the day of reckoning while making the long-run problem worse.

He continues by saying this:

The debt crisis is a heaven-sent opportunity, creating the possibility that the IMF can become a world central bank.

That thought should warm the cockles of our hearts.

He goes on to say—

If the danger is so grave, it will take more than the Band-Aid of an IMF-quota increase to avert it.

We should defeat the rule and the IMF.

A VOTE FOR RULE ON SUPPLEMENTAL APPROPRIATIONS IS A VOTE FOR CONFERENCE REPORT

(Mr. LEVITAS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. LEVITAS. Mr. Speaker, I had intended to take 1-minute today to discuss the tragedy unfolding in Tripoli, Lebanon, and to point out the double standard as compared to 1982. The world today is silent as innocent civilians are being killed to protect the PLO. A year ago, when Israelis were trying to remove the PLO from Beirut, there were loud outcrys from Members of Congress and the world community. Where are they today?

However, time will not permit that speech today. My point today is that the voting procedures we have exercised so far are simply to get the attention of Members of the House to realize that when they vote on the rule on the supplemental appropriations conference report, they will be voting on passage of the conference report. There will be no separate vote on the conference report. The vote on the rule is a vote on the conference report, and I would hope that Members, when they come in and inquire what it is we are voting on and are told it is the rule, will realize that it is the conference report and passage of the IMF that will be voted on at that time.

That outrageous parliamentary gag is an affront to the democratic process and is the last straw as far as I am concerned.

INTRODUCTION OF FOOD IRRADIATION BILL

(Mr. MORRISON of Washington asked and was given permission to address the House for 1 minute.)

Mr. MORRISON of Washington. Mr. Speaker, today along with 17 other Members, I am introducing legislation which promotes public understanding of an exciting innovation in agriculture and science: the use of radiation as a postharvest treatment for food commodities.

This food irradiation technology is not new. But because the implications of the technology were not fully understood until recently, we have not effectively utilized it as a substitute for postharvest pesticides like ethylene dibromide. A generation ago, the Congress amended the Food, Drug and Cosmetic Act so that sources of radiation were defined as a food additive. In my view, this erroneous definition has resulted in restrictive regulatory interpretations which have prevented wide-scale use and acceptance of food irradiation. The major objective of my bill is to change the definition of irradiation so that it would be defined as a process or a treatment.

Food irradiation, Mr. Speaker, is a process much like boiling, freezing, or cooking in a microwave oven. Foreign radioactive contaminates are not added to food when the food is treated with radiation. The food does not become radioactive. As long as the statutory definition of food irradiation implies that radiation is somehow added to food, consumer acceptance of this treatment will be difficult to achieve.

The Canadian Government recently changed their regulations to reflect the fact that radiation is a process, not an additive. Several international or-

ganizations and most of the world's countries allow the use of food irradiation at dose levels 10 times higher than the level now being contemplated by FDA.

Mr. Speaker, I hope this bill will promote open discussion of food irradiation so that public concerns about using radiation can be addressed. No matter how successful and safe food irradiation proves to be, it will never obtain large-scale commercial application unless there is consumer acceptance. This bill's purpose is to start the public education process by acknowledging in Federal statute that food irradiation is a process, not an additive.

SUPPORTING A FAMILY

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, the Task Force on Economic Security of the Select Committee on Children, Youth, and Families recently held its first hearing, entitled "Supporting a Family: Providing the Basics."

At the time the select committee was established, members expressed their concern over the impact certain social and economic trends are having on our families and the well-being of our children.

We know, for example, that the economics of family life have changed fundamentally, with both parents now working in the majority of families. We know that the financial resources available to a family have a great deal to do with its quality of life, especially with regard to providing a productive environment for children. And, we know that the costs of housing, food, transportation, health care and education, combined with the two recessions we have suffered, have caused even the most comfortable families to adjust their goals. This hearing was our first opportunity to learn first hand of the economic pressures and prospects American families face as they try to balance the family budget.

Our first panel focused on the changes in family structure, the economy, and the labor market which have so greatly affected the earning power of families. Dr. Isabel V. Sawhill, senior fellow at the Urban Institute, was our leadoff witness.

She, more graphically than I have ever heard it done, described the truly devastating effects the most recent recession has had on family income. Families have lost over $170 billion in purchasing power just since 1980. This averages out to $1,400 for each family in the country. Of course, even adjusting for lowered taxes and income transfers, some families have been hurt worse than others. Lower income families have lost more than higher income families, male-headed families more than female-headed families, and blacks more than whites.

Dr. Sawhill then projected current economic trends into the next decade. We learned that although technically the recession appears to have ended, it will be a long time before families recover lost resources. For example, Dr. Sawhill estimates if real GNP were to grow at an average rate of 3.5 percent starting in 1983, unemployment would not fall below 6 percent until 1990. This would mean a loss in family income of $235 billion, or $2,647 per family, after taxes and transfers. On the other hand, if real GNP were to grow at 5.5 percent, the average family would lose $665. It is clear that unless there is both a strong recovery and declining unemployment, the erosion of economic resources available to the American family will continue.

Dr. Diana Pearce, the director of research at the Center for National Policy Review, Catholic University, followed Dr. Sawhill. Dr. Pearce is a nationally respected expert, known for having coined the phrase "feminization of poverty." She explained to the task force why more children are destined to spend part or all of their childhood in poverty, and how they are increasingly dependent upon their mothers' incomes, at a time when that income is stagnating, even declining.

According to Dr. Pearce, the rise in the number of single-parent families has contributed to the increasing number of children in poverty. However, she added, the rise in the number of children in poverty is more fundamentally a consequence of the disadvantaged economic status of all American women.

The inequities are not subtle. For starters, women earn much less than men. The median weekly gross earnings of women workers was $190 in 1978, compared with $324 for men. One consequence of this differential in earnings is that women, even those with full-time jobs, often cannot earn enough money to keep their families out of poverty. Dr. Pearce reported that families maintained by men who did not work often are able to remain above poverty levels, while families headed by working women quite often cannot. That there will be more working women, in absolute terms, is a certainty. By the year 2000, 72 percent of prime age women will be in the workforce, as compared to 40 percent in 1950.

She characterized the labor market as a dual system, with two separate and unequal tracks. This is one reason why there is such a large earning differential between men and women. One track includes primary sector jobs, which pay well and have good fringe benefits, fair work rules, and job security. Federal support programs for this group of workers include entitlements like unemployment compensation, social security, and veteran's benefits. The other, which she called secondary sector jobs, pay poorly and lack benefits. A disproportionate number of those in the secondary sector are women and minorities. Federal support programs for this group are means-tested, pay low benefits, and include a range of public assistance programs. As a result, two-thirds of those receiving secondary sector benefits are poor, while only 5 percent of those receiving primary benefits are.

For the growing numbers of low-income single mothers entering the labor force, welfare is increasingly becoming their unemployment insurance. However, to obtain welfare, a woman must have very little income. She is also going to be under a great deal of pressure to find a job as quickly as possible. As a consequence, these women often get caught in a cycle of secondary jobs and public assistance, with no way to escape. In contrast, while primary sector benefits are hardly munificent, they do provide a worker the means to continue looking a little longer for a suitable job.

Yet, other forces are leaving thousands of single mothers little choice but to risk this system. The recession has made jobs for those at the bottom more difficult to obtain and hold; child support by absent fathers is actually decreasing, in constant dollars; and cuts in housing and day care subsidies and the limitation on work incentives in AFDC have combined to place families headed by women at greater risk.

At the conclusion of her testimony, Dr. Pearce presented data which shocked many of the Members, and proved beyond a doubt the increased level of risk being experienced by many low-income families. She estimates from available data that for 1982, foster care payments per child averaged $199, while AFDC payments per child averaged $49. In some States—Texas and Arkansas—AFDC payments are 12 percent of what foster care payments are.

In short, Dr. Pearce testified, we are in danger of returning at least in part to the 1900's, when orphanages were full of "half-orphans," children whose mothers could not support and take care of them. The mother's pension movement grew out of that condition, and culminated in the enactment of the AFDC program. The goal was to insure that no viable family would be broken up because of poverty alone. "Today," she said, "we have foster care instead of orphanages for children, and shelters instead of workhouses for mothers, but otherwise the phenomenon is similar."

Leaving the area of family income and economics, the committee next

called upon a panel of experts to discuss health and education expenses. These are two areas every family must provide for, and each has presented policy makers with major challenges in recent years.

Dr. Karen Davis, professor and chairman of the Department of Health Policy and Management at Johns Hopkins University, described how rapidly health expenditures have increased. Overall, health spending has increased 50 percent in the last 3 years. By 1982 it had grown to 10.5 percent of the GNP. Two factors, in addition to the rapid rise of inflation in the health sector, have exacerbated the capacities of families to provide adequate health care. These are increased unemployment, which often brings with it the loss of health insurance coverage, and cutbacks in Federal, State, and local health benefits and programs, which have reduced the availability of free or reduced cost health care for those without health insurance. Since the United States stands nearly alone among industrialized countries in failing to protect families against potentially crushing health care costs, these developments have been particularly harsh for millions of families.

Under normal circumstances, there are over 25 million uninsured people in this country. At times, it is estimated that as many as 34 million people are uninsured for some period during the year. While most of the elderly are now covered by medicare, nearly one-fifth of the nonaged population is uninsured at some time each year. Low-income persons, young adults, and rural residents are more likely to be uninsured than others. The same is true for blacks and other minorities, who are uninsured at a rate one and one-half times that of whites.

Medicaid, we learned, does not protect tens of thousands of low-income families and children from the devastation of major illness. Only 40 percent of the poor are covered by medicaid. They are excluded either by low State income eligibility levels or categorical restrictions that exclude many two-parent families, single individuals, and childless couples. In addition, unemployed families frequently cannot meet the asset restrictions set by medicaid. As a result, many low-income families simply go without coverage, or purchase costly and inadequate individual private health insurance coverage.

These families end up paying slightly more in absolute terms for health care out-of-pocket than do other families, and considerably more as a fraction of their income. In 1977, health care costs families with incomes below $3,000, 10.2 percent of their incomes, compared with an average payment of 1.7 percent for families with incomes in excess of $15,000.

The inescapable conclusion is that the problem of high health care costs has been greatly exacerbated by inadequate health insurance coverage, high unemployment, and cuts in various programs, to the extent that millions of families will not be able to adequately cover the costs of a major illness in the family. In addition, later health problems can be anticipated as families postpone or forgo preventive care or early treatment. Ironically, once an individual is ill enough to require hospitalization, our insurance systems will often be able to assist the family in paying its medical bills.

It is hard to see where families will find relief from the pressures created by constantly shrinking health resources. The private sector cannot be expected to bridge this gap, as we have learned at hearings held before our Crisis Intervention task force. The administration plans further program reductions. Unemployment will be high for several more years. Fiscal pressures on State and local governments are continuing to grow. It seemed for many members of the committee that there is really no choice but for policymakers to rethink the current approach. Dr. Davis concluded her testimony by offering several possible approaches we might take to meeting the future health care needs of families. She suggested that:

First. Medicaid coverage could be expanded to include basic insurance coverage for all low-income individuals. Given budget restraints, initial measures might be limited to expand coverage to the most vulnerable of the uninsured—low-income mothers and infants and the unemployed.

Second. Both public and private insurance coverage could be designed to include greater incentives for preventive services and improved access to primary care services.

Third. Existing primary care programs such as community and migrant health centers and the Natonal Health Service Corps, could, if maintained at current levels, help insure the availability of health care for residents of high poverty, medically underserved communities.

Fourth. Experimentation with cost control techniques, especially with the prospective payment methods to encourage greater efficiency in the health care system, could be stepped up.

Dr. Davis' findings and recommendations were largely echoed by Dr. Jack Meyer of the American Enterprise Institute for Public Policy Research. I found it interesting, as I am sure other committee members did, to see that traditional liberals and conservatives agree that cuts in health programs have disproportionately impacted on the poor.

Dr. Meyer also recommended greater incentives for cost control, but against more regulatory reform of the health care industry.

The task force moved on at that point to a consideration of the costs of higher education. Sending one's children to college has been, for many American families, a standard of success. It has become one of the fundamental collective goals for families in America. We learned that for many families it will remain a dream deferred.

Dr. Carol Frances, chief economic adviser of the National Education Industry Group of Coopers & Lybrand, described the extent to which the discretionary income of families, the traditional source of education expenses, has been eroded in recent years. Her calculations suggest funds spent for tuition have gone from less than one-third to over two-thirds of discretionary income in the last decade. Inflation, cuts in student aid, and increases in the social security payroll tax, which tripled between 1973 and 1983, have all contributed to the loss of funds for education. In her view, these factors, plus the two deep recessions which have pushed millions into poverty, may have cut the rate of college entrance for low-income students.

While the funding levels for student aid have increased from $1 billion in the early 1970's to more than $6 billion in the early 1980's, the growth is due in part to the fact that successive classes of students have become eligible, not because each student's share of aid has gone up. While student aid programs have grown, however, veteran's educational benefits have shrunk by billions of dollars. In addition, a substantial share of the apparent increase in student aid has actually been due to increases in the special allowance in federally guaranteed student loans which are pegged to the Treasury bill rate. Tight money policies, not an increased commitment to educational opportunity, have bloated student aid figures.

The education picture may not improve in the next 5 years, even if the economy recovers. Dr. Frances predicted that tuitions will rise 8 to 10 percent, while the overall price index is likely to rise at less than half that rate. Ironically, tax policies intended to reduce the burden on the private sector have reduced incentives for private giving to colleges and universities. That leaves tuition as the only major revenue source remaining for colleges and universities, and it will continue to go up. Dr. Frances concluded, looking at the entire range of factors, that accessibility to higher education for children of low and lower middle income families will continue to be a problem into the foreseeable future, regardless of macroeconomic trends. For middle and upper income youth, the issue will continue to be affordability, also large-

11-059 O-87-24 (Pt. 24)

ly in spite of macroeconomic improvements.

The task force then moved on, from education and health, to consideration of housing, surely one of the most basic of family needs. Our panelists were asked to address availability and affordability questions, both for renters and owners. They were also asked to evaluate Federal housing programs, looking in particular at future needs of families.

Our leadoff witness was Joseph C. Scully, representing the Home Ownership Task Force of the United States League of Savings Institutions. Mr. Scully's presentation drew on a just completed study, "The Challenge to Homeownership in the 1980's." His conclusion, and that of the study, is that the housing situation is in a period of rapid change and that this change will effect the way American families house themselves in the future. He made the following major points in describing the situation:

First, the percentage of homeownership is declining in America. After growing for 40 years, it has declined almost one full percentage point this decade to 64.8 percent.

Second, the affordability gap is real and holding steady, despite some small improvement in interest rates. The increasing cost of new homes—a median of $69,300 in 1982—the cost of available housing, and the price a prospective homeowner can realistically pay are about $14,000 apart. That is the affordability gap. The income of families headed by persons under 35 would have to jump 22 percent, and mortgage rates remain at 12.5 percent, to reduce the affordability gap.

Third, the number of Americans between 25 and 44—the age when people borrow most heavily for housing, education, and so forth—is increasing. At the same time, the number of Americans aged 44 to 65 years is declining. This is the period when people save most heavily. This means that the pool of savings needed for housing is declining and will continue to decline in the years ahead.

Finally, although economists may sometimes disagree as to the degree deficits and interest rates are connected, when deficits are this high there is little disagreement that interest rates are adversely affected. The Federal Government will be first in line to borrow, and interest rates will rise for everyone else. Under current projections, families are just going to get continually frightened, and put off their plans to purchase a home, until interest rates come down.

For low-income families, however, affordability is only part of the housing problem. The other is availability.

Cushing Dolbeare, president of the National Low Income Housing Coalition summarized the situation for lower-income families that rent, not own, housing. Among other things, her testimony documented the overwhelming level of need among low-income families for adequate housing. There are 20 million American households with incomes below 50 percent of the median, half of whom rent. Yet, after nearly 50 years of providing assisted housing for low-income people, there are still fewer than 4 million occupied, subsidized housing units in the entire country. Obviously, that leaves many millions more low-income renting families than there are available low rent units. Only 19 percent of the renter households with incomes below $3,000 lived in subsidized housing in 1980. Large, low-income renting families have additional burdens, since there are 2.4 million renter households with 5 persons or more, but only 1 million large rental units—with four or more rooms. Indeed, we learned that large families from any income level face difficulties renting housing.

Ms. Dolbeare presented irrefutable evidence of the affordability gap that low-income families face. The vast majority pay more than one-half their income for housing while over 90 percent of renter families with incomes over $20,000 pay less than one-fourth of their income for shelter. At the same time, housing costs have risen far more rapidly than incomes. In 1970, median renter income was $6,300 and median rent was $108. By 1980, median renter income had risen to $10,500, a 67-percent increase, but median rent was $241 per month, a 123-percent jump.

Increases in homelessness, which have been described in detail before our other task forces, have been enormous. But, as Ms. Dolbeare made clear, this has been due much to the recession and to cuts in programs other than housing programs. In fact, although there have been very large public housing cuts the last 3 years, they will not be felt until the next administration because of the number of units that are already in the housing pipeline. One wonders what low-income families will do for housing in 1986. One wonders whether, 20 years down the road, we'll have one well-housed America, and one poorly housed America, living side by side.

Ms. Dolbeare concluded by setting forth for the committee elements of a housing program that would better meet the needs of millions of American families. I will not go into them in detail here, except to say that it is clear we subsidize the homeownership of middle and upper income families to a much greater extent than we do for low-income families, where the need is greater. We do not now, or have we ever had, a homeownership program in this country for low-income families.

Mr. Speaker that concludes my summary of the first hearing of our Task Force on Economic Security.

I would particularly, in summarizing, like to point out that the witnesses at this hearing, whether called by the majority or minority, concurred that in the area of basic family needs, the means tested programs have been much more harshly treated. It is now clear that huge subsidies for health and housing for upper and middle-income families remain intact, while the safety net for low-income families is being substantially shredded.

Surely, one must be sobered by the economic plight of our families. The American family, it is true, is changing. So are the conditions, particularly the economic conditions, in which we all live. It is my hope that, as the work of our committee continues, the economic pressures facing today's families will come into clearer focus. I am certain that as that happens our policy debate and programs will benefit greatly. I am equally certain that if health care, housing, and college grow less available to the average American family, instead of more available, we will have failed in our roles as policymakers. The challenge before us is to expand the opportunities for families in the face of today's changing realities.

APPROVAL OF RULE ON CONFERENCE REPORT AMOUNTS TO A VOTE FOR THE IMF

(Mr. BETHUNE asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. BETHUNE. Mr. Speaker, I would just like to reiterate the point that has been made here and caution Members that the vote on the rule is the vote on the IMF bill. Members should not be caught in the trap of believing that they can vote for the rule and then later somehow distinguish themselves from that vote by voting against the IMF bill, if that would be their inclination.

The record that will be made is the vote on the rule. This bill, unfortunately, comes to the floor after having been prepared by a handful of elitists who presume to enforce their view of this problem of the International Monetary Fund on the people of this country. Debate was cut off here in the House of Representatives. Many good amendments were not considered. Those amendments which were good and which were included in our bill have now been tossed out on the Senate side, and I will speak more to that point when the rule comes up for consideration.

Mr. Speaker, I want to emphasize for the Members that there will be the vote on the rule, and that is it. If

Members are opposed to the IMF, they are going to have to express themselves when the rule is under consideration.

□ 1140

A VITAL HOUSING BILL

(Mr. PATTERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PATTERSON. Mr. Speaker, as others have said in their 1 minute speeches today, we are going to vote today on the Housing, IMF, MDB, Export-Import Bank supplemental appropriations bill as a package bill with one vote on a rule which will upon passage of the rule be deemed adopted with the vote on the rule. This is a very complex and a very important matter. Some say that we should have separate votes.

Let me indicate that in this supplemental appropriations bill there is $8.3 billion for the IMF. The President has cited this legislation essential, not only for economic recovery from worldwide recession, but also essential to our recovery here in the United States, and continuing that recovery.

There is $1.1 billion for multilateral development banks, assisting the less developed countries in this world in maintaining peace, we hope, throughout Africa, Asia, and Latin America.

There also is an Eximbank authorization at no net cost to the taxpayer, but promoting and assisting vital exports from U.S. business.

Finally there is $16 billion for housing programs. We have not had a housing bill in 3 years now. It is vital that we have this housing bill.

All of these legislative matters have been packaged together on the Senate side. They have been sent here. We will have only one vote, but it is neither improper, nor inappropriate. All of these matters in the bill come from the Banking Committee. We have passed each one of these subject items separately on the House floor. We passed the housing bill overwhelmingly. We passed the multilateral banks. We passed the Eximbank. We passed the International Monetary Fund.

All we are doing here on the last day of our session is bringing these together in one final vote.

I urge adoption today. If we do not adopt it today, do not pack your suitcases. We will be here until there is a bill passed and our President will call us bask to special session, if necessary.

GIFT OF LOVE

(Mr. LEWIS of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Florida. Mr. Speaker, sometime next month you and the other Members of the House will receive a beautiful Christmas ornament from a group of special men and women who live in my district at the T&M Ranch in Indiantown, Fla.

The T&M Ranch is the group home of these bright and talented but mentally handicapped adults. At the ranch, they learn the necessary vocational and individual skills that will enable them to move out into the community and work full time.

The "Angels of the World" Christmas ornament project is only one of the many programs in which these adults participate to learn specific skills, earn and manage their own money, and take care of their personal needs.

The Angel ornament was designed by Laszlo Ispanky, an internationally known sculptor, and crafted with much love and painstaking care by these special men and women.

I hope you will cherish, with me, this holiday season gift of love.

ONE IMPORTANT VOTE FOR HOUSING

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, today we will vote on the IMF, housing, Exim, multilateral development banks bills all wrapped.

I would ask people of my philosophical persuasion to bear in mind two important points. First, we do have a housing bill in this package. We can talk all we want about millions of homeless Americans, but until we build housing, those Americans will remain homeless. That has been added to this package and without the engine of the IMF, quite frankly, we would not have any new housing program. We would not have a housing bill.

I would ask people who fight for housing and believe in housing to bear that in mind.

Second, the so-called Schumer amendment is in the IMF part of this bill.

It made me sick to my stomach that our banks were making record spreads of interest on the loans that they were making under IMF auspices. That was not a fair way or a correct right way to handle this problem. Most important, high interest rate spreads hurt the world economy and our economy which depends on the world economy. But the amendment that is in the bill requires those spreads to be lower. I would urge Members to bear that in mind when they vote on this bill.

FAIRNESS IS FAIRNESS

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I want to remind Members on my side particularly that we would not be in this kind of a situation today under a rather unique parliamentary procedure were it not our Secretary of the Treasury, our President, asking that we get this matter behind us before we adjourn.

Now, I would like to build upon the good recitation of what is involved in the housing bill given by the gentleman from California (Mr. PATTERSON).

We all know that that IMF bill passed here with only 71 or 72 votes on our side and probably 90 or some against it. I understand the hurt there. It is not the best thing to front for, frankly, back home; but I want to remind our Members again that the only procedure we have here if we are to get out this Friday or this Saturday is to utilize the mechanism of a conference report on the supplemental. There were negotiations that took place behind the scenes leading up to this day.

Now, if, for example, it would have come in some normal procedure by which we would have had a conference report on its own on IMF, you would only have had 1 hour of debate anyway.

What we are simply doing here is putting two votes in one. If Members were given an opportunity to vote one way on the authorization and one on the appropriation, there would not be any difference in that vote. It is either up or down, and I respect the views of Members on that particular issue, whether you are for or against it, but let the procedure go forward.

We cannot blame our Democratic adversaries for the procedure in this case, when it was our administration using the mechanism to try to bring this thing to the floor.

Now, fairness is fairness and people always like to have a bit of confrontation once in a while and it never ceases to amaze me that it has got to come on the last day when we are trying to get out of here.

It seems to me that we have got a long time next year in the second session to make all kinds of confrontations and political speeches and one thing and another.

I would like to see the process move forward today and let the chips fall where they may. You can all make your arguments in the time you would normally have been given otherwise.

FOR THE EXPORT-IMPORT BANK

(Mr. LOWRY of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOWRY of Washington. Mr. Speaker, I rise in support of the rule on the supplemental, in support of our President's position for the IMF and in support of the need for the International Monetary Fund in the world economy, and in support of an excellent housing bill, in support of the responsibilities of this country to keep our treaties and our commitments to other countries through the multinational development banks and in support of a great improvement in the Export-Import Bank.

The Export-Import Bank portion of this bill that went through the Banking Committee has now, for the first time, put our Export-Import Bank in the position of providing a level playing field for our businesses when competing against predatory financing by businesses that are subsidized by the treasuries of other countries. If we are to get jobs and the economy going again in this country, we have to get our exports going again in this country and the improvement of the Export-Import Bank in this bill is vital.

So I hope people will vote for the rule on the supplemental. It is a very important vote.

COUNTERVAILING DUTY PROCEDURES

(Mr. FRENZEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, I would like to associate myself with the remarks of the last two speakers from this well.

It is going to be a long day today and tempers are already somewhat ruffled. I hope that we will approach the IMF task equanimity, and I hope we will pass it.

Mr. Speaker, one of the items in conference was an amendment in the other body by the senior Senator from Wisconsin dealing with countervailing duty procedures. The intention was to make them tighter. The managers in both bodies were extremely cooperative in dealing with those of us on the Trade Subcommittee with respect to the language.

In my judgment, it does tighten up the countervailing duty laws, but does not make them contrary to our international obligations, as in my opinion the original amendment did.

□ 1150

I want to thank the committee members for their cooperation in working out an agreement on this matter.

REPUBLICAN PARTY IS WITHOUT A PROGRAM FOR DEFICITS

(Mr. LEVIN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN of Michigan. Mr. Speaker, I would like to associate myself with the remarks of the Republican leader on the supplemental bill. I also want to express my disappointment over the vote last night on the Tax Reform Act.

By the Republicans overwhelming vote against the rule to take up the Tax Reform Act, they demonstrated again that they are a party without a program regarding this country's unprecedented $200 billion deficit. They said that they will worry about the deficit tomorrow; that is, after the November 1984 election.

When the budget resolution was brought up earlier this year in the House, Republicans here said they did not like this first step to get a handle on the deficit but they proposed no alternative.

By voting "no" last night, House Republicans were saying that they did not like the revenue measures to be voted on but again proposed no alternative.

This Nation was blind-sided by supply-side economics in 1981, and Republicans in the House showed last night that their remedy for a $200 billion deficit is to keep their fingers crossed.

I am proud that the vast majority of Democrats, old Members and new Members, indicated last night a willingness to begin to tackle the tough, tough issue of the budget deficit.

VOTE DOWN SUPPLEMENTAL APPROPRIATION

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, it has been said that politics is the art of compromise, and I think at the end of a session, we discover that there are a lot of artists here in the Congress.

We have a Rembrandt coming up today when we find out that in the midst of just voting for a rule we are going to pass a supplemental bill which will include the IMF.

It is a shame that the IMF will not see the light of day. We are literally passing a bailout for the banks without even a general debate on that particular bill, only on the rule for a supplemental appropriation bill. It has been said that we have a commitment internationally to other nations and to those overseas. I say we have a commitment to the people of this country and by passing this legislation, I think we violate that commitment to our people. The fact that we impose taxes and that we will inflate even more so to patch up a system that is doomed to fail in the long run, I think is wrong.

The IMF bailout is nothing more than welfare for the rich. It is time that we straighten out the international banking situation by once again addressing the fundamental problems. But as long as we legislate as we are here today, we are going to compound our problems.

I believe sincerely that we must vote no on that rule for the supplemental appropriation and stop the bankers welfare bill.

CENTRAL AMERICA

(Mr. BONIOR of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONIOR of Michigan. Mr. Speaker, the New York Times has recently reported that at a secret meeting of Condeca, the Central American Defense Council, the military chiefs of El Salvador, Honduras, Guatemala, and Panama, discussed plans for joint military action against Nicaragua. The military leaders are studying the possible legal justifications for such action and have recommended a range of U.S. military support for the alliance, including full U.S. military participation.

The revival of the Condeca alliance not only may pave the way for direct U.S. military intervention in the region, but threatens the future of democracy among our allies. This was made clear this week when Panama's Vice President, also the President of the U.N. General Assembly, spoke against his country's involvement in Condeca, and was promptly removed from office by the nation's national guard.

I have inserted a copy of the Panamanian Vice President's remarks in yesterday's RECORD, in the hopes that my colleagues will be fully apprised of the new direction our military involvement is now taking in Central America.

WE MUST BE STRONG TO DISCOURAGE AGGRESSION

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, Patrick Henry said:

> Is life so dear, or peace so sweet, as to be purchased at the price of chains and slavery? Forbid it, Almighty God! I know not what course others may take, but as for me, give me liberty or give me death!

We run the risk of chains and slavery if we ever become so weak as to invite aggression from the Soviet Union. We know what they are capa-

ble of: Remember the Korean 007 air liner, Afghanistan, Poland, Kampuchea. We must be strong to discourage aggression.

This week a nuclear freeze propaganda film is going to be shown in this country. It is designed to discourage our building a strong nuclear deterrent capability. Nobody wants nuclear disarmament more than I, but unilateral disarmament would be absolutely suicidal. If we truly want nuclear disarmament, we must give President Reagan the support he needs to negotiate a meaningful disarmament treaty at Geneva, and we must remain strong.

We should not allow this movie to instill fear and hysteria into the lives of the American people. We should not allow scare tactics, designed to bring scores of panic-stricken Americans into the nuclear freeze movement, to make our foreign policy and defense decisions for us. Rather, we should make Americans familiar with the facts—and then they will know that a free America can only exist if we have a strong America.

TIME IS NOW FOR LEGISLATION DEALING WITH OCEAN WASTE DISPOSAL

(Mr. CARPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARPER. Mr. Speaker, we have reached a critical crossroads in our national policy regarding the use of our oceans for waste disposal. The U.S. Environmental Protection Agency is moving forward on plans to designate a site off the mid-Atlantic coast for the purpose of municipal sewage sludge disposal—a move which, I am afraid, will give a clear sanction to the dumping of municipal sludges in the future.

Unfortunately, many of these sludges are highly contaminated with a variety of hazardous materials, which have contributed to the creation of one of the most degraded ocean areas in the world outside of New York Harbor.

The EPA's solution to our problem is to move this practice further out to sea—out of the financial reach of our monitoring and environmental protection agencies, and beyond the Coast Guard's meager surveillance capabilities.

The time has come to stop the "Out-of-sight, out-of-mind" mentality which has cost us so dearly on land.

I plan to introduce two bills today with bipartisan support to address this problem. The first bill would ban the disposal of highly contaminated sewage sludges in the ocean by the end of 1988, and would bar any new municipalities from using the ocean for sludge disposal in the interim.

Adoption of this legislation would force a serious look at environmentally safe and economically feasible land disposal options, and would provide an incentive for municipalities to move expeditiously on efforts to clean up sludges through industrial pretreatment.

A second bill would impose a special fee on ocean dumpers to recover Federal cost associated with ocean dumping activities, such as site designations, monitoring, and surveillance. The need for this source of funds is critical. In recent years, budget requests from the EPA and the National Oceanic and Atmospheric Administration for ocean pollution programs have gone down despite ever-increasing pressure to increase ocean dumping activities. Furthermore, imposition of this fee would reflect the fact that use of the oceans for waste disposal is not free. Those selected few who are allowed to take advantage of this valuable common resource should bear the cost of insuring its continued health.

I invite all my colleagues to join me as cosponsors of these important environmental initiatives.

ANTIRAPE BILL

(Mr. KASICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KASICH. Mr. Speaker, today I am introducing legislation which greatly reduces the possibility of convicted rapists receiving parole or other reductions in their prison sentences. Under my proposal, convicted rapists would be ineligible for parole unless the sentencing judge or jury state that this prohibition does not apply to a specific case.

Although the Federal Government only prosecutes about 90 rape cases per year, this bill should be adopted to reassure rape victims that their attackers will serve a full prison sentence. In Ohio, there was a recent multiple-rape case in which the defendant was sentenced to over 200 years, yet under Ohio law, the convicted rapist will be eligible for parole in 9 years. It is a travesty of justice for rape victims to carry the emotional and physical scars of a brutal attack for the rest of their lives, while convicted criminals serve reduced prison terms.

More important, the enactment of this bill will serve as a model for the individual States. As the Ohio multiple-rape case shows, current State laws concerning parole are inadequate and unjust. Congressional approval of my proposal will send a clear signal to the States that the American public demands convicted rapists remain in jail for the full term of their sentences.

I firmly believe persons convicted of such heinous acts do not deserve parole or time off for good behavior. It is that simple.

I urge my colleagues to cosponsor my legislation.

IMF BILL IS NOT A BAILOUT OF WORLD'S BIGGEST BANKS

(Mr. ROEMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROEMER. Mr. Speaker, how much can one mind take? Yesterday, for example, Member after Member stated that although the tax rule was terrible, we had to vote for it. That is tough logic for my mind to follow.

Today we are asked to endorse $8.4 billion for the IMF. The proponents say that we can increase American exports and jobs by contributing to an organization whose announced goal is to reduce imports by our best customers.

A jobs bill? My mind says be careful.

The proponents claim that although the most insistent lobbyists for the bill are the 10 largest banks in America, that this is not a bailout of the biggest and richest banks on Earth. My mind says grab your billfold.

□ 1200

Finally, the proponents ask us to give up most of the reforms we gained 2 months ago in the original IMF, to ignore the opportunity to demand a new Bretton Woods Conference, to refuse to require IMF to use its gold and to forego regulation of the big banks to prevent a recurrence of this fiasco.

My mind says, "Boy, if you do that, you will be buying property from the Rules Committee next."

Vote no on the rule. We can do better. We have to do better.

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT INVESTIGATION INTO TRANSCRIPT ALTERATIONS

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, I want to commend Congressman LOUIS STOKES, the chairman of the Committee on Standards of Official Conduct, Congressman FLOYD SPENCE, the ranking minority member, and the other members of the committee for the thorough, fair, and expeditious manner in which the committee conducted its investigation into alleged improper alterations of hearing transcripts. As soon as I became aware that alterations had been discovered in the printed record of a joint hearing which had been held by subcommittees of the Government Operations Committee, the Energy and Commerce

Committee, and the Science and Technology Committee, I joined chairmen DON FUQUA and JOHN DINGELL in requesting an investigation of the matter. The incident reflects seriously on the integrity of the House and its records, and I wanted it resolved as quickly as possible.

I am particularly pleased at the diligence with which the Committee on Standards went about determining who was responsible for the one known incident and whether there were other incidents of improper alteration of records of the House. I am relieved at the committee's finding that "only one (incident) has been supported by evidence." For weeks after I took the floor of the House to inform the Members of the incident of unauthorized alterations, we were bombarded in floor statements and in the press with allegations that this isolated event was part of some sort of sinister conspiracy of abuse.

The Ethics Committee's objective and thorough investigation and subsequent report effectively demonstrate the nonsense of the charges. The actions of one employee, since fired, gave a few the opportunity to indulge in the hyperbole and hypocrisy we have witnessed since the incident was discovered.

As for me, I consider the investigation conducted by the Committee on Standards of Official Conduct and the subsequent report to be outstandingly professional.

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my 1-minute speech today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

● Mr. DINGELL. Mr. Speaker, I would like to commend the Committee on Standards of Official Conduct for its thorough, probative, and fair investigation into allegations of improper alteration of House documents and for its excellent report (Rept. No. 98-544) filed earlier this week—a report I might note that is bipartisan.

On June 30, 1983, by a recorded vote of 409-0, the House passed House Resolution 254 which authorized and directed that committee to conduct a full and complete inquiry into all allegations of document alterations including, but not limited to, the transcripts of joint hearings on the Environmental Protection Agency held in July of 1982 before five subcommittees of the Committees on Government Operations, Science and Technology, and Energy and Commerce. This was a difficult and sensitive assignment which I believe the committee has completed in an expeditious and exemplary fashion.

The committee investigated 10 allegations of improper alterations and found only one supported by evidence—that involving the five-subcommittee joint hearing in July 1982. In that case, the committee, after an exhaustive examination of the manner in which the transcript was prepared for printing, determined the circumstances under which the hearing record had been improperly altered.

It was essential for the committee to get to the bottom of that mess. It was also important to learn that the remaining nine allegations did not involve improper alterations.

The committee made two additional findings which I would note. The committee found that the procedures by which committees edit and prepare their published documents are generally sound.

The committee also found that several persons who made strongly worded statements regarding a pattern of alteration, did so without sufficient verification or documentation to support their allegations. The committee does not identify who these persons are but presumably they are Members of Congress. I am aware that one unfounded allegation, investigated by the committee, was prompted by the gentleman from Pennsylvania, Mr. Walker. This particular allegation involved a hearing record of my Subcommittee on Oversight and Investigations. The committee investigated. It found no improper alteration because there was no alteration.

I would hope that the committee's report will bring this entire and unnecessarily partisan dispute to an end so that the House will not be further distracted from addressing the serious problems facing this Nation.●

● Mr. FUQUA. Mr. Speaker, I am hopeful that the careful and thorough report of the Committee on Standards of Official Conduct, under the able leadership of the gentleman from Ohio will resolve the serious problem faced by this House when it was learned that a hearing record had been substantially altered.

I applaud the workmanlike approach taken by the committee in seeking to investigate everything about the incident that it could. The lesson to be learned from all of this, it seems to me, is that our records in the House are sound, and that a high degree of integrity and professionalism is the common practice.

To achieve this conclusion all of those involved in the altered EPA hearing transcript have had to be subjected to the necessary investigation of the practices that took place at that time. I know that those on the staff of the Science and Technology Committee were as cooperative as they could be during the entire investigation, and that all of us have learned a great deal during this painful but necessary process. For example:

The Science and Technology Committee has amended its own rules of procedure to require verbatim transcripts, and also requires that a recording of each proceeding be provided by the reporters which is maintained in a tape library by the legislative clerk. In addition, a hearing docket is maintained for each hearing that is conducted.

As I said at the beginning of my remarks, the Ethics Committee report is complete and very professional. I very much appreciate the committee's work on behalf of the entire House, and I think they are to be highly commended for both the way they went about their work, and for the product of their work.●

VOTE "NO" ON SUPPLEMENTAL APPROPRIATION RULE

(Mr. PACKARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PACKARD. Ladies and gentlemen, there are Members of this body that strongly oppose the IMF issue, as I do; and there are Members of this body that strongly support a good housing bill, as I do.

Yet, by virtue of the rule we are placed in a position where we either have to vote for something that we strongly oppose or against something that we strongly support.

To me that is unconscionable, and I recommend the Members of this body vote "no" on the rule.

VOTING AGAINST CONSIDERATION OF TAX REFORM BILL IS A VOTE FOR BIG DEFICITS

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. ALEXANDER. Mr. Speaker, this weekend many of us will be tuned to "The Day After," a timely and, by advance preview, haunting film about the horrors of nuclear war.

Today—Friday, November 18, is also a day after. It is the day after we in the House of Representatives failed to take a significant step toward the reduction of the monstrous Federal deficit. And we can only hope that no historian or filmmaker is ever required to document the dangerous consequences of that inaction.

We cannot say that we have not been warned. Democrats and conscientious Republicans and responsible economists of all stripes have pointed out possible horrors ranging from inflation to trade deficits to renewed recession. But President Reagan has

chosen to disregard all this handwriting on the wall as so much graffiti.

It was what the Washington Post yesterday called intransigence from the White House"—for reasons of political expediency rather than economic principle—that doomed deficit-reduction measures in this session of Congress.

Next year we have another chance. And let us hope that 1984 does not become an Orwellian year of economic devastation.

RULE ON THE TAX BILL IS PURE POLITICS

(Mr. THOMAS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS of California. Mr. Speaker, I cannot let the comments of the gentleman from Arkansas or previously the gentleman from Michigan pass without rebuttal. Neither of those individuals, based upon the way in which they approached the legislative process, normally show such simplistic attitudes.

Let us understand the rule of yesterday. The Democrat-controlled Rules Committee required the Ways and Means Committee to take material which was outside its jurisdiction, which increased spending which normally is the process under which the Budget Committee under reconciliation operates, and dared the House to swallow that.

Above and beyond that, Rules put amendments into the bill which were the work product of another policy committee as though it had been passed by the House.

But, most importantly, the only "Dear Colleague" I received asking for a "no" vote on the rule came from a Democrat member of the Rules Committee. The Rules Committee is the Speaker's committee and it was the Rules Committee that was playing politics.

The gentlemen from Arkansas and Michigan know their responses are simplistic. But the answer is simple. It was pure politics.

BILL TO REFORM THE DAVIS-BACON REFORM ACT (H.R. 3846)

(Mr. STENHOLM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, we have heard much during this session of Congress about the staggering size of the Federal deficit and the dangers which that deficit hold for the economy of our entire Nation. I know that I echo the words and thoughts of most of my colleagues when I say there are many ways in which we can reduce this deficit. Because I believe that most of my colleagues are serious about reducing the deficit, I want to ask this question: What if we had a bill before us that could reduce the deficit by $1 billion or more every year, simply by making the Government do its business more efficiently?

Conversely, Mr. Speaker, during these times of unacceptably high unemployment, what if we could pass a bill that would take that $1 billion-plus in savings I just mentioned and, by allocating it more efficently, create, by some estimates, up to 100,000 new jobs?

Or, what if we could pass a bill that allowed some combination of these—saving the Nation's taxpayers hundreds of millions of dollars each year while creating tens of thousands of new jobs?

We do have such legislation before this House. I am referring to H.R. 3846, the Davis-Bacon Reform Act of 1983. I stress that this is reform, not repeal legislation. H.R. 3846, which Congressman STANGELAND and I have introduced, now has 95 cosponsors and I am confident that, in the near future, we will be getting the committee hearings on this bill that it so strongly deserves.

I have always believed, Mr. Speaker, that when the experts are on your side, it is best to let them talk. In October of this year, Congressman STANGELAND and I hosted a briefing of our colleagues on H.R. 3846. One of the presentations made was by the objective and highly respected General Accounting Office staff. The GAO has studied the Davis-Bacon Act for more than 20 years now, and at this time, I would like to provide, for the RECORD, excerpts of these comments offered by the GAO at our October briefing.

STATEMENT OF FACTS ON THE DAVIS-BACON ACT, PREPARED BY THE STAFF OF THE U.S. GENERAL ACCOUNTING OFFICE, OCTOBER 1983

Mr. Stenholm, Mr. Stangeland, and other guests: We are pleased to appear here today to discuss our report "The Davis-Bacon Act Should Be Repealed" and your bill H.R. 3846 which, if enacted by the Congress, would correct some of the problems identified in our report.

The Davis-Bacon Act, passed in 1931, requires that each contract for the construction, alteration, or repair of public buildings or works in excess of $2,000 to which the United States is a party state the minimum wages contractors must pay to various classes of laborers and mechanics. Initially, the act applied only to construction projects constructed under direct contract with federal agencies. However, since 1937 the Congress has extended coverage of the act under about 77 statutes to federally assisted construction projects including federal programs for housing, health, water and air pollution, transportation and revenue sharing.

Because of the extensive involvement of the federal government in the U.S. economy, Davis-Bacon Act requirements cover a substantial portion of all new construction. For example, at the time of our review in calendar year 1977 about $172.5 billion was spent on new construction projects. About 21.9 percent or $37.8 billion was covered by the act. The remaining 78.1 percent ($134.7 billion) was performed on privately financed projects not covered by the act. In 1981, the total new construction had increased to $238 billion and the amount covered by the act was about 22 percent or $53 billion.

From the early 1960s to the late 1970s—over almost 20 years—the General Accounting Office made numerous reviews of the Department of Labor's administration of the Davis-Bacon Act. In a series of eight reports issued to the Congress between June 1962 and July 1971, we commented on how Labor had made minimum wage rate determinations for selected major construction projects. These earlier reports pointed out that the (1) prevailing rates prescribed by Labor were significantly higher than wage rates prevailing in the areas, and (2) higher rates that resulted from the inappropriate minimum wage determinations not only increased the costs borne by the federal government but also had an adverse and inflationary effect on the economic and labor conditions in the area of the project and in the country as a whole.

We made numerous recommendations to the Secretary of Labor for improving data collection and compilation, and issuing wage rates. We also recommended that the Congress amend the act to raise the threshold of contracts covered from $2,000 to at least $25,000.

Because of continuing interest by the Congress and others, in the late 1970s we made an in depth review to assess the extent that Labor had implemented the recommendation we made in our prior reports. We also evaluated whether the original purpose fo the Davis-Bacon Act was being implemented and whether it was still needed in view of the vast socioeconomic changes in the Nation since the act was passed in 1931.

The results of our review are presented in our report to the Congress issued on April 27, 1979, entitled "The Davis-Bacon Act Should be Repealed" (HRD-79-18). In the report we stated our belief that the Congress should repeal the Davis-Bacon Act because:

Significant changes in economic conditions and in the economic character of the construction industry since 1931, plus the passage of other wage laws, make the act unnecessary;

After nearly 50 years, Labor has not developed an effective program to issue and maintain current and accurate wage determinations and it may be impractical to ever do so; and

The act results in unnecessary construction and administrative costs of several hundred million dollars annually, and has an inflationary effect on the areas covered by inaccurate wage rates and the economy as a whole.

I would like to briefly discuss our findings and conclusions.

CONCLUSIONS AND RECOMMENDATIONS

After nearly half a century Labor has not developed an effective program to maintain and issue current and accurate prevailing wage rates for every classification of mechanic and laborer working on the varying types of federal or federally assisted construction in every city, town, village, and other civil subdivision in the United States and the District of Columbia. We believe that the concept of issuing prevailing wages

as stated in the act is fundamentally unsound.

Given the diverse characteristics of the construction industry, the differing wage structures on the varying types of construction, and the voluntary aspects of collecting wage data from contractors in every county throughout the Nation, we do not believe that the act can be effectively, efficiently, and equitably administered. The Secretary of Labor's comments in the President's veto message in 1932 (concerning an amendment providing for the predetermination of prevailing wages) are still relevant today. He stated that:

"It is impracticable of administration:" it would "stretch a new bureaucracy across the country; and unless * * * wages were based on a thorough investigation in the locality, the rate stated * * * would only provoke dissatisfaction and controversy."

The conditions of depression and deflation which existed in the 1930s when the Davis-Bacon Act was passed have not recurred since that time. In fact, the economy and the construction industry have experienced tremendous growth (particularly in the private sector) so that the act now affects about 22 percent of the 3.8 million construction workers and only 1 percent of the Nation's total work force.

Also, the Congress has enacted other laws to protect construction workers against wage losses, contractor exploitation, or adverse economic conditions. Moreover, the legislative intent of the Davis-Bacon Act—not to disturb local wage standards—has seldom been carried out. Government contractors' costs have been inflated by rates prescribed by Labor that are higher than those prevailing in the locality. However, when the rates were too low the legislative intent was generally achieved—local contractors were successful with contract awards and paid their workers at prevailing wages which were higher than those prescribed by Labor.

Since the act's intent is best met when wages become a competitive bidding factor in construction contracting, we believe that Davis-Bacon Act wage determinations could be eliminated with the same success that has been achieved with the elimination of wage determinations for workers on federal contracts for supplies and materials under the Walsh-Healy Public Contracts Act. For over 14 years no determinations have been issued by Labor for this, the largest segment of federal contractor employees, and no adverse impact on wage standards of the workers involved has been evident.

We recommended that the Congress repeal the Davis-Bacon Act and rescind the weekly payroll reporting requirement of the Copeland Anti-Kickback Act. In addition, we recommended that the Congress repeal the provisions in the estimated 77 related statutes which require use of Davis-Bacon wage rates on federally assisted construction projects.

ACTION BY THE CONGRESS

In the 97th and 98th Congresses various members of both the Senate and House introduced bills to either repeal, amend, waive, or delete the Davis-Bacon and related Copeland Anti-Kickback Act payroll record keeping requirements and certain of the estimated 77 related statutes. Although the Congress has not acted on most of the proposed legislation, it did remove the Davis-Bacon Act requirements from one of the related statutes. As part of the Omnibus Budget Reconciliation Act of 1981, the 97th Congress deleted the Davis-Bacon Act requirement from the Head Start Program (one of the related statutes is the—Head Start, Economic Opportunity, and Community Partnership Act of 1974).

H.R. 3846

H.R. 3846 would amend the Davis-Bacon Act by revising the procedures Labor uses for determining and enforcing prevailing wage rates under the act. Some of the proposed changes in the bill, if enacted by the Congress, would correct significant problems we discussed in our April 1979 report. H.R. 3846 would:

1. Exclude the use of federal projects in determining projects of a similar character and prevailing wages. This change would curtail Labor's current practice of using wage rates paid on federal projects when determining wage rates.

2. Prohibit the use of wage rates in nearby metropolitan area in issuing a wage determination for a rural area and vice versa. This would curtail Labor's current practice of extending wage rates to adjacent and nonadjacent areas.

3. Permit Labor to use the helper job classifications and require it to determine prevailing wages for helpers. Labor presently does not generally issue a rate for helpers.

4. Reduce the reporting requirements under the Copeland Anti-Kickback Act by eliminating the requirement that the contractors weekly send copies of all payrolls to the contracting agency. Instead the proposed bill would allow the contractor to furnish, at the beginning and end of the contract period, a statement on the weekly wages paid each employee during the contract period.

5. Eliminate the controversial 30-percent rule. Under this rule, Labor can determine that the prevailing wage is the prevailing wage paid to 30 percent of the workers, in the absence of a rate paid to a majority of a class of workers in the trade. Under the proposed bill if more than a single wage is being paid to a class of workers, the Secretary shall establish as the prevailing wage the entire range of wages being paid to the class of workers.

6. Increase the threshold of contracts covered by the act from $2,000 to $1,000,000.

H.R. 3846's proposed changes will not eliminate all of the problems identified in our April 1979 report. For example, they do not (1) eliminate multiple counting of employees working on more than one project, (2) change the fact that wage rate surveys are not made for most area determinations, (3) increase in limited data received during wage rate surveys, and (4) require verification of wage rate data received. Nevertheless, the proposals will correct several of the significant program administrative problems we identified and, if properly implemented, should result in substantial savings.

IMPROVING DEFENSE PROCUREMENT PRACTICES

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, on June 10, 1983, the Inspector General of the Defense Department released a report and an audit on procurement practices dealing with aircraft spare parts. This report outlines a number of things that ought to be done to make the procurement process more efficient.

We are all aware of the horror stories in the last several weeks describing instances wherein the Defense Department is paying an excessive amount for spare parts. It is absolutely essential that we address this problem so that people can have confidence that their tax dollars are being used wisely.

Today I am introducing a bill that embodies the recommendations of the inspector general's report. By passing this type of legislation we could improve the procurement process and give people confidence that their Government is operating in a cost-effective manner.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BROWN of California). The Chair would like to announce that in accordance with the previous announcement of the Chair, he will recognize three more Members for 1-minute speeches.

IN MEMORY OF CONGRESSMAN LEO J. RYAN

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANTOS. Mr. Speaker, today is the fifth anniversary of the tragic death of my distinguished predecessor, Congressman Leo J. Ryan.

The House and Senate have recognized Leo's great contribution to our Nation by the passage of legislation awarding him the Congressional Gold Medal—the highest honor we can confer on any individual.

Leo's memory as a courageous, independent, and dedicated public servant will live in the hearts of tens of thousands of his friends and neighbors in San Mateo, Calif.

In order to create a physical memorial to this great American and dedicated public servant, I am today introducing legislation that the Federal Archives and Record Center in our county be designated henceforth as the Leo J. Ryan Memorial Federal Archives and Record Center. Leo played a key role in bringing this Center to our congressional district.

It is particularly appropriate and fitting that a place of learning and scholarship should be named after Leo. Throughout his life he was both a student and teacher of American Government. The official records of his accomplishments as a public servant will now be preserved in a building bearing his name.

□ 1210

AT&T CREDIT RATING

(Mr. BLILEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BLILEY. Mr. Speaker, last week when we were debating the phone bill, several of us on this side of the aisle warned that the proposed legislation would mean higher, not lower, rates for phone consumers, particularly long-distance consumers. Our objections were ridiculed and we were told that AT&T, one of the largest and most profitable corporations in America could simply eat the proposed surcharges, and that the consumers of long-distance service would not know the difference.

Well just yesterday Standard and Poor's placed AT&T on its credit watch, stating that AT&T's AAA bond rating was threatened by negative implications of proposed Federal legislation. S&P stated that the proposed legislation would institutionalize a competitive advantage for AT&T's competitors. S&P is also considering lowering Western Electric's AAA rating.

On another front, the Nation's largest office developer, Olympia and York, is building a private phone system. This is a direct result of the continuation of overpricing AT&T's long-distance services under H.R. 4102. This bypass of the local network will inevitably result in higher residential local rates.

Mr. Speaker, those of us who opposed H.R. 4103 because it is anticonsumer were right, and it has only taken a week to prove it. I hope the rest of the Members will consider this evidence.

Under my unanimous consent to include extraneous matter the Standard and Poor press release and a newspaper article relating to the Olympia and York proposal are included for printing in the RECORD, as follows:

AT&T, WESTERN ELECTRIC RATINGS PLACED ON CREDITWATCH BY S&P

NEW YORK.—The 'AAA' senior debt ratings of American Telephone & Telegraph Co. and its manufacturing subsidiary, Western Electric Co., are placed on CreditWatch with negative implications in the wake of proposed federal legislation. The "Universal Telephone Service Preservation Act" was passed by the U.S. House of Representatives on November 10. If enacted in its current form, the bill would continue the system of local rate subsidy by long distance charges. This is contrary to the principles embodied in the Modified Final Judgment and the Federal Communications Commission's (FCC) access order, which are structural assumptions underlying S&P's current ratings. Under the present system, AT&T's long distance competitors pay only 55% of the subsidy borne by AT&T. In S&P's opinion, the proposed bill would institutionalize a competitive disadvantage for AT&T by creating additional costs and limiting long distance rate reductions the company might otherwise have offered to protect its market position. Such limitations on AT&T's ability to compete will likely result in an accelerated erosion of AT&T's long distance market share and jeopardize the profitability of communications operations that had been expected to support the 'AAA' rating.

Western Electric's 'AAA' rating has reflected its position as primary supplier to the Bell System. Following divestiture next January 1, that relationship will cease. Western Electric's business is decidedly cyclical. Also, its ability to succeed in competitive markets has not been demonstrated. Western Electric's rating is tied to AT&T's and would be lowered if AT&T's rating is downgraded.

While the creditworthiness of AT&T and Western Electric is immediately vulnerable to the Federal legislation, S&P is also concerned with the potential long-term negative impact on the regulated local telephone industry, including Bell operating companies. The bill would also grant State regulatory commissions sole authority to set depreciation rates and methods of capital recovery for local telephone companies, removing that authority from the FCC. This could lead to adversely low depreciation rates, reduced cash flow and retention of obsolete plant as State regulators strive to hold down local telephone rates.

The short-term effects of the bill would be to keep local residential rates low by mandating continued subsidization through AT&T's long distance rates and the imposition of access fees on multi-line business customers. This would tend to maintain local company revenues and profits near term. However, subsidization can only result in large customers using readily available technology to bypass local telephone systems, depriving them of substantial revenues. Residential customers would thus be forced to bear a rising proportion of the costs of operating the local system, and rates would be forced much higher than under the FCC's access charge plan. In that event, maintenance of superior service and strong credit quality by local exchange companies would be open to serious question.

S&P will monitor the evolution of telecommunications legislation in Congress and will assess the impact of any bill enacted on all regulated telecommunications carriers.

[From the New York Times, Nov. 16, 1983]

LANDLORD TO START A PHONE NETWORK

(By Andrew Pollack)

Olympia & York, the largest office developer in North America and a major landlord in New York, said yesterday that it would tie together its buildings with a satellite communications network and would offer telephone equipment, long-distance service and other communications services to its tenants.

The private network for Olympia & York buildings would apparently be the largest example to date of a landlord's providing communications services for tenants. Some landlords are beginning to say that, in the electronics age, providing communications services to a building's tenants is as important as providing air-conditioning.

The development could deal a blow to the New York Telephone Company, which faces a potentially huge loss of revenues if substantial numbers of Olympia & York tenants use the new network instead of phone company facilities for such things as phone calls, teleconferencing and transmission of data from computer to computer.

Such "bypassing" of the telephone company facilities could cause rates to rise for remaining customers. It has become an increasing concern of telephone company officials and of state and Federal regulators.

Olympia & York, based in Toronto, is the second-largest landlord for office space in New York, after Rockefeller Center. It owns 11 large office buildings in Manhattan, housing many leading corporations, and has several more buildings under construction. Those buildings, plus others in eight other cities, will be tied into the new network, which is called Olympianet.

The real estate company said it had formed a joint venture to offer communications with United Telecommunications, the nation's third-largest telephone company after the American Telephone and Telegraph Company and the GTE Corporation. United Telecom, based in Westwood, Kan., will have the majority ownership in the venture, which intends to invest $100 million in the next several years. United Telecom's subsidiary, Isacomm, will offer satellite services to the venture.

Office park landlords are beginning to provide communications facilities as a way of luring new tenants and increasing their own profits. By aggregating the buying power of many smaller tenants, landlords hope to offer a savings to tenants on communications costs and to offer services that individual tenants cannot afford on their own.

TELECONFERENCING PLANNED

Olympia & York, for instance, intends to offer video teleconferencing, allowing tenants to have televised meetings with people in other cities. Such teleconferencing systems are too expensive for smaller companies, but an entire office building could afford such a system if all the tenants shared the costs. A company in an Olympia & York building in New York could thus have a televised meeting with its branch office in an Olympia & York building in Los Angeles.

Olympia & York also plans to offer data transmission between its buildings as well as discount long-distance phone service. It will also let tenants share the cost of a switchboard that offers such features as automatic forwarding of unanswered calls to another number. Tenants will not be required to take any of the services.

Arthur L. Harper, assistant vice president for service costs at New York Telephone, said Olympianet was the largest and most immediate example of the threat that the local telephone company will be bypassed by big customers who opt to build their own facilities.

New York Telephone is especially vulnerable to having the cream of its business skimmed away because of the high concentration of big communications users in a small area of Manhattan.

ENVIRONMENTAL PROTECTION POLICIES

(Mr. SMITH of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Florida. Mr. Speaker, the Loxahatchee National Wildlife Refuge in Florida shelters a myriad of wildlife from the encroachment of civ-

ilization. Now, for the first time in more than 30 years, the peace of Loxahatchee has been shattered. A deer hunt sanctioned by the Interior Department was held there this past weekend.

It was a memorable sporting event. In only 2 days, less than a third of the 100 hunting permits issued were used, two healthy, pregnant does were killed, and the Federal Government spent more than $100,000. The estimated cost of the hunt—some $1,500 per pound of venison.

Because of the Reagan administration's wildlife management philosophy, the Loxahatchee is no longer a quiet home to hundreds of endangered plant and animal species. The precedent has been set. Next year, the fight will not be over whether to hunt, but over the use of airboats.

Unfortunately, Loxahatchee is a symptom of a much larger problem. Thirty-five sanctuaries have been opened to hunting in the last 2 years, and the administration is further invading the sanctity of America's wildlife refuge system by increasing resource and commerical development.

These fragile refuges must be protected from the administration's short-sighted policies. If wildlife has a right to exist anywhere and if we have an obligation to preserve wildlife it must exist undisturbed on wildlife sanctuaries.

WOMEN'S GAINS IN SPORTS

(Mr. WINN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WINN. Mr. Speaker, several weeks ago I had the privilege of attending the New Agenda on Women's Sports, a first-ever gathering of athletes, educators, and legislators.

Sponsored by the U.S. Olympic Committee and the Women's Sports Foundation, 135 panelists met with 500 delegates who are interested in retaining the gains that have been made by women in sports and to find ways to insure that these gains are not diminished.

Tangible results besides the enthusiasm for continuing women's gains in sports came the last day of the convention with a series of objective and constructive resolutions.

Donna De Varona, a former Olympic swimming champion and president of the Women's Sports Foundation, admitted to us legislators in attendance that the purpose of the conference was in large part political, to allow the athletes, coaches, and educators the chance to establish contacts on Capitol Hill and a presence that legislators must reckon with the visibility of women's problems in sports.

Obviously the title IX provisions of the Education Act was among the main subject matters discussed. Since then as you know, Wednesday night the House, by a 414 to 8 vote passed a resolution opposing the administration's attempts to limit the application of title IX of the Education Act of 1972.

A case, Grove City College against Bell, will be heard by the Supreme Court November 29.

One of the panelists, a world-class marathoner, Katherine Switzer, said "We need better programs in the schools and communities. Kids see that they can become good at individual sports, but team sports have not gone as far as possible."

Other panelists urged more acceptance and support for women's physical education teachers declaring that a shortage of women's physcial education teachers exist all over the country.

As a legislator I can only urge the Women's Sports Foundation and the U.S. Olympic Committee to keep up the "full court press."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BROWN of California). The Chair is under tremendous pressure from additional requesters for 1 minutes and will relant on his previous announcement in order to recognize a few more.

MEDICARE REFORM

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, as we prepare to adjourn the 1st session of the 98th Congress sine die, let me indulge in a bit of clairvoyance about what must be our most important policy consideration for the second session—medicare reform.

This session did take several important steps toward achieving medicare reform including the adoption of the new "prospective reimbursement" method of reimbursing hospitals participating in medicare. Yet in the grand scheme of things, it is only a drop in the bucket compared to the massive degree of provider reforms we must make if we are to lower the massive deficit of medicare and put it back on more healthy fiscal footing.

Between the sessions the final report of the President's Advisory Council on Social Security will be issued and may form the foundation for medicare reform legislation we will consider. I wish to state in advance—that I will oppose all efforts which seek to reform medicare by either cutting back further on benefits or by massive increases in the premiums which elderly people must pay. As it is now, medicare covers less than 40 percent of the average health care costs of a senior citizen. Meanwhile the amount of out-of-pocket expenses an older person must pay is higher now than when medicare was established. It is time to make the program a better investment for the elderly.

HEARINGS ON ENTERPRISE ZONE LEGISLATION

(Mr. SILJANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SILJANDER. Mr. Speaker, congratulations to our chairman, DAN ROSTENKOWSKI.

Finally, long-awaited hearings on enterprise zone legislation have finally occurred, yesterday.

They were positive, encouraging, and the long-awaited enterprise zone hearings have finally taken place.

I would like to give him a hearty "thank you" and a pat on the back. The hope of many, many Americans living in blight, and in destroyed families, those suffering from long-term unemployment, cities which have collapsed because of economic decay now have an opportunity, a glimmer of hope for the great American dream of prosperity and success.

I would also like to congratulate Benton Harbor, Mich., for their fine testimony yesterday before the Committee on Ways and Means and their hope to bring Benton Harbor, a city that was totally destroyed by economic downturns, where they have finally seen in their opinion light at the end of the tunnel, hope for America, hope for their people, and hope for Benton Harbor.

Again, Mr. ROSTENKOWSKI, we say "thank you" and may the committee move on with great vigor in passing this much-needed legislation.

ENFORCEMENT ACTION ON LOOK-ALIKE PILLS AND DIET PILLS

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, in today's Federal Register, FDA has announced immediate enforcement action toward look-alike pills and commonly purchased diet pills.

No longer will pharmaceutical companies be able to manufacture diet pills which contain a substance known as ppa and caffeine. Most over-the-counter diet pills contain these two substances.

Four million Americans yearly buy these pills, and last summer I conducted hearings with witnesses who had taken diet pills and had had strokes, been permanently paralyzed, had hy-

pertension, hallucinations from these pills, et cetera.

Many teenagers purchase diet pills and use them for a quick high, for a form of speed.

So I applaud the FDA in using its discretionary power in removing look-alikes and certain diet pills.

They have had that discretionary power all along and some of us do not understand why they do not use it more often when drugs are unsafe and ineffective.

But I will not be satisfied until they are all removed. The least that should happen is that diet pills containing ppa be used under a prescription.

The FDA should only allow drugs that are safe and effective. Commonly bought diet pills are certainly not effective and they are definitely not safe.

THE DAY AFTER

(Mr. MARKEY asked and was given permission to address the House for 1 minute.)

Mr. MARKEY. Mr. Speaker, according to this morning's Washington Post, the Reagan administration is bracing itself for a public relations disaster when "The Day After" is aired Sunday night.

I mean, what is the White House going to do?

Spending on nuclear weapons has more than doubled since Ronald Reagan became President.

During his first 2 years in office, Mr. Reagan cut the Arms Control and Disarmament Agency's budget by 30 percent.

And, if Mr. Reagan continues the same confrontational policies with the Soviets, he will go down in history as the first American President not to meet with the Soviet leadership since Herbert Hoover.

Why is the administration so scared of "The Day After"?

Because, after 50 million people see the film on the effects of nuclear war, they will begin asking the White House some hard questions about what it has done in the way of arms control.

And right now the Reagan arms control record for the American people is a blank page.

Mr. Speaker, 50 million people may watch that movie Sunday night.

But there are two persons who need to watch it the most—Ronald Reagan and Yuriy Andropov.

□ 1230

PARLIAMENTARY INQUIRY

Mr. FRENZEL. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. FRENZEL. The Speaker indicated that he was going to have three more 1-minute speeches. And we have had a few more than that.

Can the Speaker tell us what his intentions are for the next few minutes?

The SPEAKER pro tempore. The Chair will be pleased to inform the gentleman that there are five more after the present speaker. And the Chair indicated he would take only those who were currently here, and that exhausts the list.

Mr. FRENZEL. I thank the Chair.

LAST CHANCE THIS YEAR TO ADDRESS THE DEFICIT

(Mr. MOODY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOODY. Mr. Speaker, last evening the House missed a crucial chance to address the deficit—the last chance for 1983.

The vote was not on the merits of the bill, but on whether or not the House should even consider fulfilling its mandate to reduce deficits by $85 billion over 3 years.

This failure reduced our deficit-cutting batting average to only 10 out of $85 billion, or 118 percent—strictly bush league.

If we continue to spend but not tax, deficits will rise to $280 billion by 1989. The 3 percent of GNP now absorbed by the deficit will rise to 4½ percent of GNP—a 50-percent increase in only 5 years.

Interest costs alone will rise from 54 percent of the deficit to 64 percent of the deficit by 1989, which is an extremely ominous trend.

Who bears the responsibility for last night's fiasco?

I personally do not like partisan hyperbole, but the partisan difference is striking. Democratic Members voted 3 to 1 in favor of considering a tax bill; Republican Members voted 11 to 1 against.

I think that the GOP Members of this House who helped lead the way in 1981 to destroying our Nation's revenue base now bear a heavy responsibility to explain last evening's vote.

A SECURE WORLD—THE BEST HOLIDAY PRESENT

(Mrs. BOXER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOXER. Mr. Speaker, many of us will leave Congress today with disappointments—the failure to pass ERA and the failure to take action on the deficit. Democrats voted overwhelmingly for these measures, Republicans overwhelmingly against. Not surprising since the President opposes ERA and opposes taking action on the deficit.

But even more distressing, Mr. Speaker, is that right now the White House is preparing a defense to be presented after the showing of "The Day After" which will depict the aftermath of nuclear war.

I ask the President rather than defend his administration to finally do something for peace, to endorse a verifiable mutual nuclear freeze; to stop pushing nerve gas and destabilizing nuclear weapons.

These steps, Mr. President, will move us toward a secure world, the best holiday present you could ever give America.

A NEW DEFINITION TO LOGROLLING

(Mr. ECKART asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ECKART. Mr. Speaker, the attempt to combine the IMF and housing bill into a single package and to gag us with a single vote without discussing the substances gives a new definition to logrolling.

According to the Speaker's dictionary on the rostrum over there, logrolling is described as taking logs to a place to be cut or burned, using friends, neighbors, coworkers to move the logs or a sport to retain balance while standing on a log.

Well, what is taking place this afternoon on the floor gives a new meaning to logrolling, because we are burning, we are burning the constituents and the taxpayers of this Nation. And it truly is a sport to watch us try to dance our way around and hiding behind the procedure like some tried to do on the ERA or the deficit yesterday to explain a very bad vote.

Somebody says, "Vote for it so we can adjourn and go home." If that is truly the goal, then let us save the taxpayers of this Nation $8½ billion and go home right now.

The fact of the matter is that it is a single vote, designed to avoid discussion, to try to hide the odious nature of what they seek to foist on the American people. Indeed, it is an attempt to gag the American people with $8½ billion in more taxes to bail out the big banks for their bad business decisions.

THE FAILURE TO PAY FOR WHAT WE SPEND

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, the defeat of the rule on the tax bill yesterday was a clear signal to the Ameri-

can people that the President does not have the guts to pay for spending and neither does the Congress.

There will be a lot of finger pointing about who really is responsible for additional spending. But make no mistake about it. There is enough blame to go around for everybody.

The Congress and the President have no problem implementing the spending under the budget resolution, some $845 billion. The President has not vetoed one appropriations bill. We have passed eight appropriations bills that have been passed by the Congress and signed by the President, totaling $224 billion. A continuing resolution, totaling $340 billion, has been passed by the Congress and signed by the President.

Yesterday it was time to pay for a small part of what has been passed and adopted by the Congress and signed by the President. And it did not happen.

The bottom line is that without the leadership of the President and without the help of those who scream the loudest about the deficit, the budget process, the deficit, and the economy are in deep trouble.

IMF BILL SHOULD BE DEFEATED

(Mr. DORGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN. Mr. Speaker, today we have the IMF bill again. This time it is with frosting. It is the last day of Congress. We have a $200 billion Federal deficit, and we have a request again for an $8.4 billion bailout to the big banks.

Now, the carrot on the stick this time is that they added money for housing, to bank bailout bill. Well, putting housing money in the bank bailout bill is like putting earrings on a hog. You might try and dress it up a little bit, but it frankly is not going to change the smell very much.

The fact is this IMF bill has been stripped of all of the major amendments that we added in the House that would have administered the necessary dose of regulatory medicine to those banks that are lending money around the world and have done so imprudently.

There is a right way to do things and a wrong way to do things. Passing this bill, this way, is the wrong way to do things.

Those who offer it will say, it is no bank bailout. Those who offer it will say, there are protections in this bill.

Well, as Will Rogers once said, "It just ain't so."

Do not expect the American people to believe the nonsense that has been used to support this bill. Let us defeat this irresponsible bill.

JUDGE VACATES WORLD WAR II CONVICTION

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. VENTO. Mr. Speaker, I rise to call attention to a recently reported Federal court decision in which the Federal judge in San Francisco vacated the conviction of a Japanese American, Fred Korematsu, one of 120,000 Japanese Americans ordered interned during World War II.

This is a historically important court case which is a major step in reconciling the violation of civil rights experienced by Japanese Americans during World War II.

Mr. Speaker, I hope that the Congress will respond to this issue and recognize the violation of civil rights that did exist at that time and redress the damages to U.S. citizens as a consequence for our National Government actions.

The article follows:

[From the Washington Post, Nov. 11, 1983]

JUDGE VACATES WORLD WAR II CONVICTION

SAN FRANCISCO.—A federal judge yesterday vacated the conviction of a Japanese American who evaded internment in World War II, saying the government relied on unsubstantiated material, distortions and the racist views of a military commander to justify the detentions.

"This is a day we've waited for for 40 years," said Dale Minami, attorney for Fred Korematsu, one of 120,000 Japanese Americans ordered interned during World War II.

"Up until now, there has not been a judicial declaration that what was done to Japanese Americans was wrong and unconstitutional," he said.

The court also accepted Korematsu's petition, in which he said the military fabricated evidence of Japanese-American espionage and sabotage and kept that knowledge from the Supreme Court, which subsequently upheld the convictions of Korematsu and two others for resisting the wartime order. The court said the government's "meek" response to the petition "amounted to an admission of error."

HIGH TECHNOLOGY RESEARCH AND SCIENTIFIC EDUCATION ACT

(Mr. SHANNON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHANNON. Mr. Speaker, today I am introducing along with several of my colleagues a very important piece of legislation. This bill will help insure the continuation of America's position of technological leadership in the world, which is so important to the growth of our economy, by addressing two critical needs: Constant growth in research and innovation, and a supply of workers with the knowledge and skills needed in today's high technology industries.

This bill, the High Technology Research and Scientific Education Act of 1983, will improve the R&D tax credit and make it permanent, so that companies can plan their long-term R&D projects in an atmosphere of certainty. And through expansion of the special charitable deduction for donations of scientific equipment to colleges and universities, it will further encourage corporations to assist educational institutions in acquiring the high quality faculty and up-to-date equipment that they now have such trouble obtaining and which they must have to adequately train our future work force.

The provisions of this bill, many of which have appeared in legislation previously introduced, have been refined in consultation with the Treasury Department and interested groups. The Treasury Department agrees with the general thrust of the legislation and has agreed to work closely with us on specific provisions. Thus, this bill is our chance to enact bipartisan, administration-supported legislation to encourage research, innovation, and scientific education. I urge my colleagues to join me in cosponsoring it.

□ 1230

CONFERENCE REPORT ON H.R. 4185, DEPARTMENT OF DEFENSE APPROPRIATIONS, 1984

Mr. ADDABBO. Mr. Speaker, pursuant to the order of the House of Tuesday, November 15, 1983, I call up the conference report on the bill (H.R. 4185) making appropriations for the Department of Defense for the fiscal year ending September 30, 1984, and for other purposes.

The Clerk read the title of the bill.

(For conference report and statement, see prior proceedings of the House of today.)

The SPEAKER pro tempore. Pursuant to the order of the House of November 15, 1983, the conference report is considered as having been read.

The gentleman from New York (Mr. ADDABBO) will be recognized for 30 minutes and the gentleman from Alabama (Mr. EDWARDS) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York (Mr. ADDABBO).

Mr. ADDABBO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I bring to the floor the conference report which provides funding for fiscal year 1984 for the Department of Defense.

Mr. Speaker, I wish to thank the ranking minority member of the Defense Appropriations Subcommittee, the gentleman from Alabama (Mr. EDWARDS), and all the conferees for their cooperation and work in this conference.

Mr. Speaker, I wish to also publicly commend our Defense Subcommittee staff, Mr. Peter J. Murphy and all the other members of our outstanding staff, for their untiring efforts and

dedication, without which we could not bring this conference report to the floor today.

The conference report (H. Rept. 93-567) includes a total of $249.8 billion.

This total is an increase of $2.8 billion from the House bill, a decrease of $3.2 billion from the Senate bill, a decrease of $11.1 billion from the amended fiscal year 1984 budget, and it is $17.3 billion above the fiscal year 1983 level.

Mr. Speaker and my colleagues, this was a long and arduous conference. The House and the Senate had 831 issues in 214 separate amendments to resolve in the conference. Obviously with that number of outstanding issues, it is impossible to bring back a conference report which will be totally satisfactory to all Members of the House.

I am very pleased to report to the Members that the House position prevailed on many items in conference. I note for example that the Senate receded to the House position that no procurement funds be provided for certain chemical munitions programs to which the House objected.

I am pleased that the funding level in the final conference report is substantially below the amended budget request, although in all candor I must admit I have fought some losing battles to make the reduction much larger through the deletion of certain major weapon systems.

However, as you all know, when the number of open issues in a conference is over 800, it is simply impossible to return to the House with a conference report that does not include items which will be controversial to various Members of the House, including myself I might add, but which were insisted upon by the other body, and necessitated compromise.

For example, with regard to the House's original position to delete funds to initiate the procurement of an antisatellite system, the conferees agreed to include the funds, but those funds were fenced and cannot be spent until 45 days after the administration has submitted a report outlining its plans to reach an international agreement limiting antisatellite weapons. My committee will be holding hearings on this issue in concert with the fiscal year 1985 budget.

With regard to the sensitive issue of funding for certain activities in Nicaragua, the Senate was extremetly adamant. In the Defense appropriations bill passed earlier this year, the House included a provision prohibiting certain activities in Nicaragua. This prohibition was to take effect:

Upon the enactment of authorizing legislation for intelligence programs in fiscal year 1984, unless the prohibition was not included in the authorizing legislation; or

On April 1, 1984, if no authorizing legislation was enacted by that date.

The Senate had no restrictions or prohibitions.

Fellow Members of the House, although there were 831 issues to be resolved in this conference, about 25 percent of the time of the conference was spent on this one issue.

The simple fact is that the House and Senate conference on the fiscal year 1984 Defense appropriations bill would not have been concluded unless some sort of compromise on the Nicaraguan issue was worked out.

I personally do not agree with the compromise, and would have preferred to stick with the House position.

The conferees set a limitation of $24,000,000 that could be expended for support of paramilitary and military activities in Nicaragua.

This compromise, in effect, establishes a funding cutoff, and provides the Congress with a funding veto power over the continuance of activities in Nicaragua beyond the funding limitation set in this conference report.

I would make a number of other points:

Although the funds have not been included for the fiscal year 1984 pay raise, and, I might add, have not been officially requested at this time, the conferees have agreed to provide these funds in a future supplemental bill;

The conferees recommended a $5.3 billion increase over the fiscal year 1983 Defense bill for the operations and maintenance account;

The conferees included an increase of almost $1.3 billion for a wide variety of equipment for the Guard and Reserve;

No funds are included in the conference report for providing funds to equip a Jordanian Rapid Deployment Force;

The conference report does not contain any language which would close commissaries.

Mr. Speaker, this conference report represents the culmination of many months of exhaustive, detailed work.

This conference report represents the best effort of the conferees to resolve 831 issues that had been unresolved between the House and Senate.

I wish I could say, "This conference report represents and embodies a fiscally prudent plan to provide for the national security."

I wish I could say, "This conference report includes only weapon systems which are essential to the national security." Unfortunately, I cannot.

I would like to turn, for a moment, to the question of the affordability of the many large and expensive weapons systems requested by the Pentagon, and which, unfortunately in my view, are included in the conference report.

Mr. Speaker, earlier this year in both the House and Senate, the majority of the Members of each House decided to fund every major weapon system requested by the Pentagon. These actions were taken despite attempts by me and others to delete certain major weapon systems.

Thus, these major systems were not an issue in the conference since both the House and Senate had already funded them in their respective bills.

Mr. Speaker, the fiscal impact of those imprudent decisions to approve these expensive and unnecessary weapon systems is beginning to be realized and will impact dramatically in future years.

The total funding provided for Defense in this conference report is $249.8 billion;

Earlier this year, the Congress approved $7.1 billion for military construction;

Thus, the total for Defense provided by Congress for fiscal year 1984 will be $256.9 billion.

I would hope the Members present in the Chamber would listen closely to the statistics I am about to cite.

According to the reports in the trade press and the media, the Pentagon has submitted to the President a fiscal year 1985 budget request of $322.5 billion.

Fellow Members of Congress, that is an increase of $65.6 billion over the final congressional action on the fiscal year 1984 bill.

Fellow Members of Congress, that is an increase of over 25 percent.

Where is the money going to come from?

How is the administration going to formulate a budget next year that makes further reductions in the social programs while providing over a $65 billion increase for Defense?

Is the administration going to continue apace in its drive to get the total stockpile of just strategic nuclear missiles up to a total of 14,000 warheads?

Is the administration going to try to lock in even more high cost weapon systems into multiyear contracts, thus denying budgetary flexibility to future administrations and Congresses?

I recognize that my comments are straying from the path of explaining what is contained in the conference report, but I believe that I must continue to make the points I have made in innumerable debates in this Chamber and in committee hearings.

We cannot afford the Defense buildup planned by the administration;

Too much emphasis is placed on strategic nuclear weapons by the administration;

Many unneeded weapon systems are included in the Pentagon budget;

There is too much fraud, waste, and abuse in the Defense Department.

I wish I could say, "This conference report has the wholehearted support

of me personally and all of the House conferees."

Mr. Speaker, I cannot make that statement, since it would be untrue.

But despite all of the reservations I have outlined, we face some simple facts of life:

The hour is late;

The majority of the House and Senate have worked their respective wills on the funding of major weapon systems;

Our bicameral legislature has majorities from differing parties who have a different view of priorities in the Federal budget;

The House conferees struck the best bargain they could with the Senate conferees.

We must provide funds for the Department of Defense.

Mr. Speaker, I recommend that the Members adopt House Report No. 93-567 providing funds for the Department of Defense for fiscal year 1984.

Mr. Speaker, I shall insert in the RECORD at this point a comparative statement showing the totals embodied in the conference agreement.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

	Fiscal year 1983 enacted	Fiscal year 1984 estimates	House	Senate	Conference	Conference compared with—			
						Enacted	Estimates	House	Senate
RECAPITULATION									
Title I—Military personnel	45,066,808,000	47,997,800,000	47,396,850,000	48,607,935,000	47,360,103,000	+2,293,295,000	−637,697,000	−36,747,000	−1,247,832,000
Title II—Retired military personnel	16,154,800,000	16,772,800,000	16,592,600,000	16,592,600,000	16,592,600,000	+437,800,000	−180,200,000		
Title III—Operation and maintenance	67,285,510,000	74,972,674,000	71,396,066,000	73,800,953,000	72,539,625,000	+5,254,115,000	−2,433,049,000	+1,143,559,000	−1,261,328,000
(Liquidation of contract authority)	(25,000,000)					(−25,000,000)			
Title IV—Procurement	80,749,473,000	92,594,655,000	84,650,827,000	86,335,012,000	85,617,505,000	+4,868,032,000	−6,977,150,000	+966,678,000	−717,507,000
(Transfer from other accounts)	(423,163,000)		(454,300,000)	(839,100,000)	(865,100,000)	(+441,937,000)	(+865,100,000)	(+410,800,000)	(+26,000,000)
Title V—Research, development, test, and evaluation	22,705,784,000	28,498,840,000	26,465,715,000	26,761,747,000	26,739,269,000	+4,033,485,000	−1,759,571,000	+273,554,000	−22,478,000
Title VI—Special foreign currency program	3,800,000	3,050,000	3,050,000	3,050,000	3,050,000	−750,000			
Title VII—General provisions (additional transfer authority, sec. 730)	(1,700,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(−500,000,000)			
Title VIII—Related agencies	107,156,000	86,300,000	103,383,000	104,740,000	103,623,000	−3,533,000	+17,323,000	+240,000	−1,117,000
Total, Department of Defense (NOA)	232,073,331,000	260,926,119,000	246,608,491,000	252,206,037,000	248,955,775,000	+16,882,444,000	−11,970,344,000	+2,347,284,000	−3,250,262,000
(Transfer from other accounts)	(423,163,000)		(454,300,000)	(839,100,000)	(865,100,000)	(+441,937,000)	(+865,100,000)	(+410,800,000)	(+26,000,000)
Total funding available	232,496,494,000	260,926,119,000	247,062,791,000	253,045,137,000	249,020,875,000	+17,324,381,000	−11,105,244,000	+2,758,084,000	−3,224,262,000
(Transfer authority)	(1,700,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(−500,000,000)			
(Liquidation of contract authority)	(25,000,000)					(−25,000,000)			
Distribution by organizational component:									
Army	55,306,736,000	62,063,581,000	58,809,816,000	60,187,461,000	59,081,652,000	+3,774,916,000	−2,981,929,000	+271,836,000	−1,105,809,000
(Transfer from other accounts)	(198,200,000)		(106,300,000)	(144,200,000)	(181,600,000)	(−16,600,000)	(+181,600,000)	(+75,300,000)	(+37,400,000)
Navy	80,207,994,000	83,663,771,000	78,101,372,000	80,290,238,000	79,054,840,000	−1,153,154,000	−4,608,931,000	+953,468,000	−1,235,398,000
(Transfer from other accounts)	(35,000,000)			(227,600,000)	(227,600,000)	(+192,600,000)	(+227,600,000)	(+227,600,000)	
Air Force	71,490,462,000	86,983,954,000	82,290,050,000	83,656,958,000	82,949,709,000	+11,459,247,000	−4,034,245,000	+659,659,000	−707,249,000
(Transfer from other accounts)	(189,963,000)		(348,000,000)	(372,000,000)	(378,100,000)	(+188,137,000)	(+378,100,000)	(+30,100,000)	(+6,100,000)
Defense agencies/OSD	9,067,183,000	11,355,713,000	10,586,270,000	10,598,040,000	10,547,351,000	+1,480,168,000	−808,362,000	−38,919,000	−50,689,000
Reserve and National Guard (procurement)	125,000,000		125,000,000	176,000,000	176,000,000	+51,000,000	+176,000,000	+51,000,000	
Retired military personnel	16,154,800,000	16,772,800,000	16,592,600,000	16,592,600,000	16,592,600,000	+437,800,000	−180,200,000		
Related agencies	107,156,000	86,300,000	103,383,000	104,740,000	103,623,000	−3,533,000	+17,323,000	+240,000	−1,117,000
General reduction	−386,000,000					+386,000,000			
Total, Department of Defense (NOA)	232,073,331,000	260,926,119,000	246,608,491,000	252,206,037,000	248,955,775,000	+16,882,444,000	−11,970,344,000	+2,347,284,000	−3,250,262,000
(Transfer from other accounts)	(423,163,000)		(454,300,000)	(839,100,000)	(865,100,000)	(+441,937,000)	(+865,100,000)	(+410,800,000)	(+26,000,000)
Total funding available	232,496,494,000	260,926,119,000	247,062,791,000	253,045,137,000	249,820,875,000	+17,324,381,000	−11,105,244,000	+2,758,084,000	−3,224,262,000
(Transfer authority)	(1,700,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(−500,000,000)			
(Liquidation of contract authority)	(25,000,000)					(−25,000,000)			

Mr. EDWARDS of Alabama. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I saw in the Washington Post this morning that bleary-eyed members of the committee came out of the conference room yesterday afternoon late, and I guess that was probably a fair way to describe the way we all felt. We worked very hard and long for two straight days in this conference with the Senate.

I want to pay my great respects to our chairman, the gentleman from New York (Mr. ADDABBO), for his leadership in this bill, and to the staff and to all of the Members on the subcommittee both in our body and in the other body. I think what we were able to do in 2 days is a credit to the willingness of the Members to stay there and to see this through until we could complete it.

As the chairman said, it is certainly not a conference report that pleases everybody in every instance. But I do believe that we bring to you a conference report that will provide for the needs of this country, a conference report that is signable, a conference report that, for all practical purposes, tackled head on the issues that were before us and dealt with them forthrightly.

So I think the conference report does deserve the support and positive vote of the Members of this House.

For those who like to keep records of things, I can tell you that we are about 3.6 percent real growth over last year, somewhat under the budget resolution which calls for 5 percent real growth, substantially under the President's budget calling for real growth.

If we, as I am sure we will do, provide $1.8 billion for the pay in the supplemental, we will probably be around 4.3 percent real growth by the time we finish the work having to do with the Defense Department for fiscal year 1984.

So, Mr. Speaker, I urge the Members to vote for the conference report. I think you can do it in good conscience. This will be a bill that can provide properly for the defense of the country.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, I did not hear the gentleman say how much the bill was over the original House-passed version. Could the gentleman inform me as to that approximate number?

Mr. EDWARDS of Alabama. Yes. The chairman stated that it is $2.8 billion over the House-passed version, some $3 billion under the Senate version. We came in at $249.8 billion.

Mr. FRENZEL. I thank the gentleman.

Mr. BETHUNE. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Arkansas.

Mr. BETHUNE. I thank the gentleman for yielding.

Mr. Speaker, I take this time to compliment the distinguished chairman, the gentleman from New York (Mr. ADDABBO), and the ranking minority member, the gentleman from Alabama (Mr. EDWARDS), for honoring the motion to instruct with respect to chemical weapons, which was passed here in the House earlier this week, and I particularly single out the gentleman from New York (Mr. ADDABBO)

because I believe the reason that that motion to instruct to block the funding for chemical weapons carried in the House is because he, as chairman, rose to the occasion and invited Members to instruct the conferees. This is very much unlike the situation that occurred earlier this year when the authorization process was underway and the authorization committee ignored the expressed will of the people in the House and in the Senate by including in the authorization package the chemical weapons program.

So the process does work. We now know that the expressed will of the people, through the Representatives here, does carry through in spite of parliamentary tactics and carefully planned activities to overcome the strong votes that we have had in opposition to the production of chemical weapons.

So I just wanted to thank the gentlemen on this committee, because it is a very unusual process when anything gets dropped out after the steamroller gets started.

□ 1240

Mr. EDWARDS of Alabama. I thank the gentleman for his comments. Obviously, the provision that he referred to on chemical weapons, some of us had to swallow pretty hard on the instructions of the House. But I think the conferees did understand the clear vote that we had here in the House earlier this week and I can say that there was very little major discussion on the subject in the conference because it was rather clear not only to our conferees but to the Members of the other body as well.

I would have had it otherwise, but you cannot win them all.

Mr. Speaker, I yield 5 minutes to the very able ranking member of the Committee on Appropriations, the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. I want to thank my good friend from Mobile, JACK EDWARDS.

At the outset, I want to commend the chairman, JOE ADDABBO, and the ranking minority member, JACK EDWARDS. I think they have done a very, very commendable job with a very difficult subject and a very massive bill. I sat in 1 full day of the conference. Unfortunately, I was tied up yesterday but I sat in 1 full day of the conference. I believe there were something like 814 amendments in dispute with the Senate, and they ironed all those things out. They are really masters of the trade and I am proud of both of them.

The gentleman from Alabama (Mr. EDWARDS) has announced to his constituency that he is not going to seek reelection. I have urged him time and time again to reconsider, and I ask him to reconsider again today, because he is going to leave a large void in this House and some big shoes to fill.

Let me just, for a moment, talk about something that I am interested in. I am pleased that this conference agreement includes $300 million for the Coast Guard's acquisition, construction, and improvement account. These funds, when added to the $360 million provided for this program in the fiscal year 1984 Department of Transportation appropriation bill, will enable the Coast Guard to procure the items it needs to fulfill its many critical missions.

Mr. Speaker, Congress has continued to heap responsibilities upon the Coast Guard without giving this service the resources it needs to adequately do its job.

The Coast Guard's responsibilities today include:

First, search and rescue operations, 24 hours a day;

Second, aids to naviation, including buoys, lights, and loran stations;

Third, marine safety;

Fourth, marine environmental protection and pollution control;

Fifth, enforcement of laws and treaties, including fisheries and drug law enforcement;

Sixth, icebreaking operations, for both military and civilian needs;

Seventh, military readiness—the Coast Guard operates as a service of the Navy in time of war or national emergency at the direction of the President.

That last function, the ability of the Coast Guard to serve in a military capacity, is what concerns us here. In my opinion, the provision of this $300 million is critical to insuring the Coast Guard's ability to assume that military responsibility.

I have had the opportunity to visit every Coast Guard station in the world. I visited the Coast Guard stations last year in Florida, down in the keys, along the gulf coast, where the drug effort is centered. This is a service that has stretched the Coast Guard thin, almost to the breaking point.

These men and women are doing a terrific job with the meager resources they have, but frankly, they are having to run some of their boats and planes into the ground. Under these conditions, I have serious doubts about what kind of shape these systems would be in if called on for military service.

Many of the items on the $300 million list would help ease this equipment shortage, and would help insure that adequate maintenance and overhaul could be performed so that all units are in fact ready to be mobilized in case of war. The additional patrol boats—$60 million, patrol boat rehabs—$21 million, and high speed craft—$50 million, are all directed toward this objective.

The Air-Eye radar system—$40 million for 10 units—is the leading edge of technolgy as far as surveillance radar is concerned. Not only is this equipment going to revolutionize the Coast Guard's ability to enforce pollution and drug laws, but it has practical military applications as well, for any type of naval or air surveillance. The system can be mounted on either C-130's or the new HU-25 jets, and can enable wider surveillance with fewer aircraft and in less time.

Also included in this $300 million would be the acquisition of an additional four C-130's at $20 million per copy.

I see that JOE ADDABBO is shaking his head, but I do not get this opportunity often to come on this floor and talk about my favorite service, the Coast Guard. I know how tough it was for both gentelmen to agree on this in conference. It is setting a precedent. This is the third time we have done it now, and I hope it will be the last time, but it is for a good cause.

Mr. EDWARDS of Alabama. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to my good friend from Mobile.

Mr. EDWARDS of Alabama. I thank the gentleman for yielding.

Mr. Speaker, I certainly will not try to redebate the issue here. I just want to say that I agree with everything the gentleman said in the well except his conclusion that it should have been in this bill. There is a Department of Transportation bill, there is a Transportation Subcommittee on Appropriations, and that committee should be dealing with this, and I would hope that between now and next year that we can find some way to accommodate this thing that has now become a precedent for the third time.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts (Mr. CONTE) has expired.

Mr. ADDABBO. Mr. Speaker, I yield 1 additional minute to the gentleman from Massachusetts.

Mr. CONTE. I yield to my good friend from New York, (Mr. ADDABBO), the chairman.

Mr. ADDABBO. I thank the gentleman for yielding.

Mr. Speaker, I agree with my colleague, the gentleman from Alabama and I commend the gentleman from Massachusetts for his work in this area. As I said in the conference committee when we accepted his amendment, I fully agree that the Coast Guard should have all this equipment but, again, it should be funded in the Department of Transportation appropriation bill, or the Coast Guard should properly be moved over to the Department of Defense. In time of war, it is administered under the Department of Defense. If it was located within DOD, we could properly fund it

so it could continue its battle against drug interdiction and defend us wherever necessary.

Mr. CONTE. I have said many, many time I would like to see the Coast Guard under Defense. They would have made out a heck of a lot better than they are making out under DOT or some other agency.

Mr. ADDABBO. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. I thank the gentleman for yielding this time to me.

Mr. Speaker, I want to commend my chairman and the ranking Republican member, the gentleman from Alabama (Mr. EDWARDS) and our fine staff for the job that they have done in the last days of this session to bring about a conference report on the Defense appropriation bill.

I was one of those who was very concerned last year that we did not get a Defense appropriation bill enacted, and I want to commend all of those who have worked hard to get this bill before the House. I think we have made appropriate cuts in this bill to meet the budget resolution requirements, and I think the bill also does a good job of providing for our overall national defense and national security.

I also hope that, because we have held the House position and deleted the nerve gas program that we will continue to do the best we can to improve our chemical defensive capabilities. I think this is an important step.

We also made a very important major step forward in convincing the conference to demand from this administration a report on their arms control plans and objectives as they relate to antisatellite weapons, the first phase of the so-called space wars effort. I believe that amendment which requires a report to be sent back to the Congress no later than March 31 and which withholds advance procurement funds until 45 days after receipt of that report will be very important in our deliberations next year on that very important subject.

So I again want to recommend this conference report to my colleagues on both sides of the aisle. I think we have made the cuts that are necessary. I think it is a good bill and, again, I want to commend the chairman and the staff for the outstanding job that they have done.

Many in this House are deeply concerned about the prospects of nuclear war and what we can do to minimize them. I have just had an opportunity to view the television movie, "The Day After." This dramatic production graphically brings home the horrors that would accompany any nuclear conflict. It is a sobering reminder that efforts to minimize the chance of nuclear conflict must be our top priority.

The central focus for these efforts has been on the START and INF negotiations, which are of course of critical importance. But there are additional initiatives we can pursue to reduce the prospect of nuclear conflict that in my judgment can be achieved in the near-term with a concerted effort.

One initiative is the establishment of a permanent joint United States-Soviet Communications Center to provide an additional channel for communications in order to reduce the threat of an accidental nuclear war. The late Senator Jackson with Senator NUNN urged this initiative shortly before his death, and in the House, Congressman STARK, myself, and others have sponsored legislation, H.R. 408, urging the President to seek negotiations with the Soviets to establish such a center. The recent Korean airliner incident is a stark reminder of the miscalculations that can result from lack of emergency communication. The dangers of nuclear conflict are fearful enough without the risk of accidentally entering into Armageddon.

A second step we could take to reduce the danger of nuclear war is to ratify the threshold test ban and peaceful nuclear explosion treaties which were signed in 1976, but never submitted to the Senate for its advise and consent. This treaty, whose goals have been supported by the past five Presidents could substantially reduce the risk of nuclear proliferation and build on the limited test ban negotiated by President Kennedy.

A third step that could help promote peace is the establishment of a National Academy of Peace and Conflict Resolution. All too often nations have resorted to military threats and conflict to resolve their differences. We have three military academies studying the art of war, but no center for an aggressive effort to develop the art of peaceful conflict resolution. This academy, which has been aggressively pursued by the gentleman from Kansas (Mr. GLICKMAN), would include scholars not only from the United States but from around the world. If we could gain Soviet participation it would be an especially important step toward reducing the danger of nuclear war.

A fourth step toward this goal would be the opportunity for the people of the Soviet Union to be exposed to films like "The Day After." An informed public is a critical element in continuing pressure on American administrations to pursue efforts to reduce the chance of nuclear war, and a counterbalancing pressure on the Soviets would strengthen the prospects for negotiation. That is why I have joined as a cosponsor of a resolution to be introduced shortly by the gentleman from Massachusetts (Mr. MARKEY), expressing congressional support for the right of independent peace movements in the Soviet Union such as the "Group to Establish Trust Between the U.S.S.R. and the United States" in accordance with the Soviets' obligations under the World Disarmament Campaign Resolution adopted by the United Nations.

Finally, I believe that we need to place greater emphasis on the upgrading of conventional capabilities, especially in Europe. In my view the greatest danger of entering into nuclear conflict is in Europe in the event of a Soviet conventional attack on NATO that could not successfully be stopped by conventional means. In this regard, the administration should renew the efforts of the Carter administration to hold our NATO allies to their 3 percent real growth in defense spending commitments as well as to pursue initiatives like the present cooperative airbase air defense initiatives that can reduce the prospect to escalate to battlefield nuclear weapons.

Mr. Speaker, the challenge of maintaining peace is great. But there are opportunities to make certain that the horrors of "The Day After," remain in the realm of fiction. We must rededicate ourselves to the cause of peace to avoid the horrors of nuclear war.

□ 1250

Mr. ADDABBO. Mr. Speaker, I thank the gentleman from Washington (Mr. DICKS), who is an outstanding member of the conference committee.

Mr. Speaker, I yield 1 minute to the gentleman from Oregon (Mr. AUCOIN), another outstanding member of the conference committee.

Mr. AUCOIN. Mr. Speaker, I want to compliment the chairman of the subcommittee for his work and thank him for all the courtesies he has shown me in my first year on this subcommittee. I wish to express to him and to the ranking Republican member of the subcommittee what a pleasure it is for me in a personal sense to serve with them.

This bill, in my judgment, is excessive. It is the largest spending bill in history. It is way more than what is needed for a strong deterrence against aggression. There are many things in this bill that I am opposing.

But notwithstanding this, I do compliment the committee for its hard work—specifically, the cutting of the funds for nerve gas. I am very pleased with this result. I do not believe that nerve gas makes military sense. It certainly is wrong from a moral standpoint.

In an otherwise dismal year for those of us who have been trying to cut that which is unnecessary the fact that we can point to a victory in the case of nerve gas is cause for celebration.

Mr. Speaker, I cannot support this conference report but I do want to say that the Democratic and Republican leaders of this subcommittee are out-

standing legislators and I enjoy serving with them.

Mr. ADDABBO. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. MILLER).

Mr. MILLER of California. Mr. Speaker, I rise to commend the committee for the work it did with respect to the "Secret War" in Nicaragua. Understanding that the options that the Members had were very limited and understanding that the continuing resolution provided for $50 million to continue to prosecute this war. The committee was fit to limit that amount of money to $24 million, with very, very tough language to insure that that is all the money that will be available.

I must say, however, that I continue to oppose any money being available for the prosecution of the war in Nicaragua. This is not to support the "Freedom Fighters." This is going to the U.S. intelligence community and the defense community gathering together various mercenaries and propping up people who were thrown out of their own country in a popular revolution, and now we will see the U.S. Government in the next fiscal year spending at least $24 million to prosecute that war.

Mr. Speaker, I must oppose that effort.

Mr. ADDABBO. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Speaker. I rise in opposition to this Department of Defense appropriation conference committee report. I would like, at the same time, to state my appreciation to the gentleman from New York (Mr. ADDABBO) and others in the conference committee who did uphold the House position on binary nerve gas and other chemical weapons.

Nevertheless, this DOD appropriation is a quarter of a trillion dollar price tag characterized by excessive spending and faulty defense policy. It is certainly the chief contributor to the spending side of the out-of-control, bloated Federal deficit. While this House has worked to cut Federal defense spending, the fact is that this measure represents a $17 billion increase, approximately a 7.5-percent boost, in Department of Defense spending.

The major problem with this defense spending policy stems from the unrealistic budget increase demands from the Reagan administration. President Reagan, with his allies in the House and Senate, have acted to raise defense spending to irresponsible levels.

This DOD appropriation is built upon a faulty framework which simply follows a policy path of more and more spending. There is little or no spending discipline or control exercised by this Congress or President in this document. Mr. Speaker, even under the best of circumstances, with a responsible, balanced administration and a critical analysis by Congress, it is difficult to fend off the DOD programs and the spending requests of special interests or those whose districts benefit from such programs. Indeed, the triangle of the Pentagon, contractors and beneficiaries is alive and never better. This measure represents the utter failure of the budget process, yet is just one chapter in the 1984 budget saga.

Yesterday, this House refused to address the revenue side of the equation; another lost opportunity to face some of the deficit problems. In essence we have failed to adequately address the spending in this measure before us and in other appropriation bills or to address the revenue side of the 1984 budget equation. The final chapter will likely come later today when the House considers raising the debt ceiling to $1½ trillion. I wonder how many of my colleagues who will eagerly vote for this DOD conference report of one-quarter trillion dollars yesterday railed against even the consideration of tax changes, admittedly designed to enhance revenue collections. Indeed it will be curious to note how many who vote for this conference report will as easily and proudly proclaim their support for the substantial debt ceiling increase necessary to accommodate the borrowing caused by this spending and the lack of tax revenues to pay for these programs.

This DOD appropriation is, of course, important for its fiscal and economic impact, but it is even more important from the national defense policy standpoint.

The military policy path that we are following is filled with great risk. Our conventional forces have, especially in recent years, taken a back seat to the development of intermediate and strategic nuclear arms. In 3 years, the Reagan administration has nearly doubled the amount we spend on nuclear weapons. these so-called, bargaining chips, the nuclear weapons suggested as a means to negotiate a reduction in nuclear arms, are today being deployed in Western Europe for real, not just as a bluff.

Mr. Speaker, again, the promise to attain reduced nuclear arms by increasing them qualitatively and quantitatively has failed miserably and blossomed into a full-fledged escalation of the nuclear arms race by the East and West.

The policy path that we are following is of great concern to the people we represent and for the future of mankind. Indeed, Mr. Speaker, if we want to prevent the scenes of the film, The Day After, from becoming a reality, Congress, you, I, and other public decisionmakers, must begin to do something in the "days before."

Today, for instance, would be a good start.

Mr. ADDABBO. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. BOLAND), a member of the conference committee.

Mr. BOLAND. Mr. Speaker, I thank the chairman of the Subcommittee on Defense Appropriations for yielding time to me, and I want to express my appreciation to both the chairman and the ranking minority member for the courtesies they extended to me, and also to the gentleman from Ohio (Mr. STOKES) and the others who were added as conferees on the defense bill, particularly with reference to Item 167, the war in Nicaragua. I also want to compliment the distinguished gentleman from California (Mr. MILLER) and state that I share his concern and I share his opinions. In fact, Mr. Speaker, I would like to pay tribute to a great number of Members of the House who have worked so hard on the basis of deep conviction to oppose the covert action in Nicaragua.

That expression has been deep felt. It has been sustained and it has been bipartisan. As the votes taken in this body in both July and October indicate.

Mr. Speaker, one of the most important Members in this effort has been the gentleman from California. Mr. MILLER.

He has worked hard to support the position taken by the intelligence committee despite what I know to be reservations about some aspects of this position. But he has been practical as well as concerned.

In no small part the compromise which the Appropriations conferees where able to secure on the covert action in Nicaragua is a tribute to Members like GEORGE MILLER, who are willing to take the long view and realize that not every war is won by only one or even two skirmishes.

You have to incur some losses on the road to success in this body and were it not for Members like GEORGE MILLER, we would have few successes.

This has been a long and a tortuous path which involved both the House and the Senate, not alone on the Appropriations Committees but also in the intelligence community. It has not been an easy task, and it has not been a very pleasant one.

The House position going into the conference was that only funds sufficient to continue the covert action until April 1, 1984, would be approved. The Senate stuck to its position and would not accept a date certain for ending the program. This Appropriations conference agreed to a provision which caps expenditures for the covert action in Nicaragua at $24 million in fiscal year 1984. The $24 million figure to which the conferees agreed to will

take the program beyond the April 1 date, but not much beyond it, at the current rate of expenditures. No additional funds can be made available for this covert action unless the administration comes back to both Houses of Congress and requests additional funds which must be authorized and appropriated by both the House and the Senate.

So, Mr. Speaker, the House of Representatives will have the opportunity for an up-or-down vote on any additional funding. The bottom line to the conference compromise may not mean the end of the covert action, as I would have wished and as many Members of this House have wished, including the gentleman from California (Mr. MILLER), but it will force either a significant phase-down of the covert actions or a situation where the administration will have to come back and request additional funds if the covert action is to continue. That is the best we could get.

Mr. Speaker, we think this is a major step in the direction in which we are headed to try to end the secret war in Nicaragua, and I compliment the members of the Appropriations Subcommittee for joining with the members of the Intelligence Committee in striking this compromise.

Mr. EDWARDS of Alabama. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, when this bill was before the House, a number of items which were determined to be legislating in an appropriations bill were stricken by points of order.

I would like to ask the distinguished ranking minority member of the Defense Subcommittee whether or not section 721(a) restores all those points of order with respect to "buy American" provisions for textiles and specialty metals and hand or measuring tools and whether or not section 767(a) restores the "buy American" position for coal or coke in Europe? It seems to me we are now required to buy coal from America exported to Europe rather than to buy from a pile of coal which may be standing a few miles from the defense facility where we need to use it.

Is that in fact the case? Was the House obliged to yield to the overpowering strength of the Senate on these items?

Mr. EDWARDS of Alabama. Mr. Speaker, if the gentleman will yield, in both cases the answer to the gentleman's question is "yes."

Mr. FRENZEL. Mr. Speaker, I thank the gentleman from Alabama (Mr. EDWARDS), and I am pleased that the House managers defended the House position so stoutly. We will have to look for other measures to shore up the managers' capabilities and their enthusiasm in the future.

It is a great disappointment to me, Mr. Speaker, to see the House bill so warped in conference. I regret that I will not be able to support it.

Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. EDWARDS of Alabama. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I regret that the gentleman from Minnesota (Mr. FRENZEL) cannot support the bill. I think the gentleman, having been on conferences himself, must understand that we cannot come back with 100 percent of the House position. There was a lot of give and take in this conference, and it happens that with respect to the two issues about which the gentleman inquired we did not succeed. But I would say by and large that we stuck with the House position on a great majority of the items before us.

Mr. Speaker, I again urge the Members to support this conference report.

Mr. ADDABBO. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. FAZIO).

Mr. FAZIO. Mr. Speaker, I would just like to thank the subcommittee chairman and the ranking minority member for including in this bill for the first time a very significant amount of money, $150 million, to begin the toxic waste cleanup process that will become so important to our military facilities and other Federal installations across the land. It is a very significant decision that you have made, and I know my constituents around McClellan Air Force Base are very appreciative of this initiative for which the committee is responsible.

This "military superfund" created by this legislation is a major step in addressing the massive national problem of toxic waste cleanup at our military bases. The problems at these installations has only come to light in the last several years. Thus, virtually all of the real work lies ahead.

With the establishment of this special account, we have not only recognized the extent of the problem, but we have now provided a means of funding that will be readily available as needed.

Thus, we can address this problem in an organized manner and in an expeditious fashion.

Mr. EDWARDS of Alabama. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. REGULA), a special member of the conference committee, who worked very hard in this process.

□ 1300

Mr. REGULA. Mr. Speaker, I thank the gentleman for yielding.

I would point out to my colleagues that one of the strong features of this conference agreement is the fact that there is an increase of about 8 percent in O&M. This is very vital to the maintenance and operation of a strong deterrent force. Adequate parts and careful maintenance of defense facilities are an essential component of a cost-effective operation.

The fact that there was a substantial increase in the O&M account is very important and one of the features that commends this conference agreement to our colleagues.

Mr. ADDABBO. Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Speaker, I rise in support of the conference report.

I would like to thank the chairman of the subcommittee (Mr. ADDABBO) and also the ranking minority member, the gentleman from Alabama (Mr. EDWARDS) and the subcommittee members for being fair to the Reserve Forces.

We know now that the Air Guard, the Naval Air Reserve and the Air Reserve, are the finest Reserve Forces in the world, thanks to the gentleman's committee and our Armed Service Committee.

We want to make the Army Reserve, the Navy Reserve, and the Army National Guard as fine as any in the world. Also, if we continue to give proper support to the Reserves they will come through.

I thank the chairman for this conference report. It will help the Reserve.

● Mr. BROWN of California. Mr. Speaker, I rise in protest to the action taken by the conferees in restoring $19.4 million to the Defense appropriations bill for procurement of antisatellite (ASAT) weapons. The House Appropriations Committee voted to delete funding for ASAT's, a move approved by the full House when it passed the fiscal year 1984 Defense appropriations bill. But funding was restored in conference.

Mr. Speaker, this $19.4 million represents the first time Congress has approved funding for space weapons. I doubt many in this body even realize what we have done. We are at a critical juncture with regard to the use of space; with the action taken today, we have agreed to the concept of combat in space. We have turned our backs on the hope expressed so eloquently by President Eisenhower to keep space free of weapons. In 1960 he asked, "Will outer space be preserved for peaceful use and developed for the benefit of mankind? Or will it become another focus for the arms race—and thus an area of dangerous and sterile competition?" I am afraid that we have given our answer to the President today, and certainly with less thought than he gave the matter 20 years ago. I am deeply disappointed, Mr. Speaker.

I commend my colleagues who have worked diligently on this issue, and thank them for their support. I would like to insert for the record a letter signed by 65 Members of this body to the House appropriations conferees urging them to stand by the House position deleting procurement funds for ASAT's. But procurement of ASAT's is just the beginning of the arms race in space—the President is said to be preparing a request for $26 billion over the next 5 years for R&D on space weapons, including antisatellite weapons, laser and particle-beam weapons, and ballistic missile defense systems—we will have much to debate in the 2d session of the 98th Congress. The following article outlines the concerns of some of our most distinguished scientists with the concept of Star Wars—I hope we begin to listen to them.

CONGRESS OF THE UNITED STATES,
Washington, D.C., November 14, 1983.

House Conferee,
Defense Appropriations Conference Committee, Washington, D.C.

DEAR CONFEREE: We wish to express our support for action taken by the Appropriations Committee and passed by the House in the FY '84 Defense Appropriations bill to delete $19.4 million for procurement of the new U.S. anti-satellite (ASAT) weapon. While retaining nearly $200 million in R&D on the ASAT system for FY '84, this action provides Congress with the opportunity to examine the role of ASATs in U.S. military space strategy before committing to procurement of the weapon. For this reason, the Committee's request for an Administration report to Congress on ASATs, due on March 31, 1984, is critical.

We urge you and the other House conferees to stand firm with the Senate conferees with regard to the deletion of advance procurement funds for the ASAT. We also urge you to stand firm on the March 31st deadline for the ASAT report. A timely report will be important to consideration of FY '85 appropriations for ASATs.

Sincerely,

John Joseph Moakley, Lawrence Coughlin, George E. Brown, Jr., Nicholas Mavroules, Gary L. Ackerman, Vic Fazio, Howard L. Berman, James H. Scheuer, Doug Walgren, Lawrence J. Smith, Anthony C. Beilenson, Lane Evans, William R. Ratchford, William Lehman, Mel Levine, Edward F. Feighan, Dan Glickman, Claudine Schneider, James L. Oberstar, Mike Lowry, Tom Harkin, Don Edwards,

Bob Edgar, Dennis E. Eckart, John F. Seiberling, James R. Olin, Parren J. Mitchell, Bruce F. Vento, Sander M. Levin, Louis Stokes, Robert J. Mrazek, Marcy Kaptur, James Weaver, Barbara A. Mikulski, Richard L. Ottinger, Norman Y. Mineta, William F. Goodling, Edward J. Markey, Matthew G. Martinez, Berkley Bedell, Joel Pritchard, Michael D. Barnes, James M. Jeffords, Thomas M. Foglietta,

Barney Frank, Dale E. Kildee, Douglas H. Bosco, James McClure Clarke, Bruce A. Morrison, Ronald V. Dellums, Gus Savage, Stewart B. McKinney, Jim Leach, Robert Garcia, Henry A. Waxman, Matthew F. McHugh, Peter W. Rodino, Robert W. Kastenmeier, Thomas J. Downey, John Conyers, Jr., Timothy E. Wirth, Barbara B. Kennelly, Edwin B. Forsythe, John J. LaFalce, Frederick C. Boucher, Don Bonker.

[From the New York Times, Nov. 16, 1983]

GROUP OF TOP SCIENTISTS CLOSE TO GOVERNMENT FIGHTING SPACE WEAPONS PLAN

(By John Noble Wilford)

Almost any time now, most arms-control experts say, the arms race may well expand from the land and sea and air into near-earth space, the frontier of the rest of the universe.

This prospect has galvanized a small fraternity of independent arms experts into increasingly vocal opposition to the Reagan Administration's wish to develop space weapons. The experts, who operate as a shadow government, have already gained influence in Congress and, indirectly, may have stalled the first testing of an American antisatellite weapon.

The White House says that these critics may be well meaning but contends that they are both politically naive and blind to the realities of the nuclear-age strategy.

The outside technology experts are familiar with the complex arms issues and have even served as advisers to the Government. They speak of themselves, as one physicist said, as a "scientific countervoice" on strategic weapons. They are not organized, but are united in a belief that the proposed space weapons would be extraordinarily expensive and possibly unworkable, and probably would threaten to start the nuclear war they are supposed to prevent.

NUCLEUS IS FEWER THAN 20

The nucleus of this group numbers fewer than 20. They are physicists, engineers and political scientists at institutions such as Harvard, the Massachusetts Institute of Technology, Cornell, Stanford, I.B.M. and the Brookings Institution. They learned the intricacies of political policymaking and nuclear-age weapons as advisers or officials in Government going back, in some cases, to the Eisenhower Administration.

One of the most active is Richard L Garwin, the peripatetic I.B.M. nuclear physicist who also has part-time posts at Harvard, Cornell and Columbia and has had close ties to the Pentagon in earlier Republican and in Democratic administrations.

Dr. Bowman said of the President's "star wars" technologies: "All have staggering technical problems. All are likely to cost on the order of a trillion dollars. All violate one or more existing treaties. All are extremely vulnerable. All are subject to a variety of counter-measures. All could be made impotent by alternative offensive missiles and therefore would be likely to reignite the numerical arms race in offensive weapons. All would, if they worked, be more effective as part of a first strike than against one.

"Most importantly, all would be extremely destabilizing, probably triggering the nuclear war which both sides are trying to prevent."

George Keyworth 2d, the President's science adviser, said he was "disappointed, but not surprised, at the vehement reaction" from "traditional arms control activists."

Speaking of these Administration critics, Maj. Michael E. Havey, an Air Force officer on Dr. Keyworth's staff, said: "There is nothing immoral or dishonorable about them. They have in their own minds a path to peace. Many physicists out there, especially those associated with the early development of the bomb, have tremendous guilt feelings. They're absolutely decent human beings and because of that fact, they feel badly about the nuclear work, and they are trying desperately to stop the arms race."

MAJOR GIVES REAGAN VIEW

Nevertheless, he said, limiting or even substantially reducing the weapons of the major powers would not by itself reduce the risk of nuclear war unless there was a demonstrated ability to defend against intercontinental ballistic missiles. This, Major Havey emphasized, is the thinking behind the "star wars" proposals to build a defensive shield in space.

In Congressional testimony last week, Richard D. DeLauer, Under Secretary of Defense for research, acknowledged that the directed-energy weapons for President Reagan's proposed space defense system posed eight serious technical problems and would involve "staggering costs." Each problem, he said, would require a mobilization of science and engineering as great or greater than that required to land men on the moon.

The costs and difficulties are causing many military leaders and scientists in Government laboratories to have doubts about the program, according to several of the shadow-government experts and their political allies. But they cannot speak out.

"There's a silent group there, I'll not say it's a majority," Dr. Ruina said in an interview, "that says, 'We're working for a living here, but we think that what's going on is crazy.' I know a lot of them. They may think their own little project is fine. They like the idea of working on a laser that's going to get so many milliwatts or a lens that's going to do something or other. But they say, 'You're not seriously thinking of making a system out of all this.' "

FEW ABLE TO RAISE THE ISSUE

No one in Government, Dr. Ruina said, is "willing to say the emperor has no clothes." And there are few outsiders who have the experience and the willingness to raise these issues for public discussion. "I think it's some kind of national tragedy that there are only 12 or maybe 20 of us," Dr. Ruina said. Their research is often supported by the Ford and Rockefeller Foundations, which are primary sources of non-Government money for arms studies.

They share what they learn or surmise with other arms-control advocates. Sometimes this is done through the Arms Control Association, a sort of trade association with 2,500 members that serves as a clearinghouse. Other links between scientists and activists are people like John Pike, a political analyst at the Federation of American Scientists, or Daniel Deudney, a spacearms expert at the Worldwatch Institute in Washington, an independent research organization.

Every Tuesday morning, some of the scientists and their political allies meet on Capitol Hill at the office of Representative Joe Moakley, Democrat of Massachusetts. Out of these informal contacts the influence of the scientific shadow government has increased in Congress. This was shown in recent developments on possible curbs on the antisatellite weapons, known in arms jargon as ASAT's.

PERCY SUPPORTS RESOLUTION

Resolutions have been introduced in both houses calling on the Administration to negotiate a moratorium on ASAT tests that would be followed by a "mutual and verifiable ban." Senator Charles H. Percy, Repub-

lican of Illinois, said, "This is a unique opportunity to halt a major arms race before it gets off the ground."

But the Administration showed little or no interest in a draft treaty to ban ASAT's that the Soviet Union presented to the United Nations in August. Yuri V. Andropov, the Soviet leader, announced then a unilateral suspension of Soviet testing. The Soviet system is said to be much less advanced that the American one, and half of its 20 tests so far have been failures.

Although Congress rejected attempts to delay testing, opponents of the test did attach a proviso to the military spending legislation that requires President Reagan, before starting the test, to certify that the United States is endeavoring good faith to negotiate a ban and that the initial test is "necessary to avert clear and irrevocable harm to the national security."

This proviso, as well as the entreaties of European allies, may be holding up the test, which was originally scheduled for September, according to sources in the military community. An F-15 jet fighter is poised somewhere now, presumably ready to ascend to a high altitude and launch a missile designed to carry a homing device that could destroy enemy satellites out as far as 1,200 miles in space. The first test would not involve the homing device.

CONJECTURE ON DELAYS

The Pentagon reports "technical problems," though some observers in and out of the Government suspect that political pressures are also a factor.

But, apparently reflecting an attitude widespread in the Administration, one military officer attached to the Arms Control and Disarmament Agency said the outside scientific experts, in their advocacy of halting testing, "don't seem imbued with street sense." They did not seem to be sufficiently concerned, he said, with the "practical aspects of military strategy and the problems of verifying a treaty ban."

The critics believe, however, as Dr. Tsipis said, that space is now free of weapons and "this is our last chance to keep it that way."

Others in the group include George Rathjens, an M.I.T. political scientist, and Jack Ruina, and M.I.T. electrical engineer, who worked together in the fight against the proposed antiballistic missile program in 1969, arguing that the system would not work. Another is Kosta Tsipis, an M.I.T. physicist who has made critical assessments of exotic laser and particle-beam weaponry. Still others are Paul Doty, a Harvard biochemist; Sindey Drell and Wolfgang K. H. Panofsky, Stanford physicists, and John Steinbrunner, head of international relations at the Brookings Institution, a research institute in Washington.

THEY AID ARMS-CONTROL GROUPS

Their influence is extended through the technical analysis they provide to public-interest organizations such as the Federation of American Scientists and the Union of Concerned Scientists, which support arms control, and by the broadcasting of their opinions to the media and politicians who will listen.

Their assessments are likely to be ammunition in next year's Presidential campaign, if arms control becomes a major issue.

Besides winning a significant following in Congress, they are said to be gaining some support from military officials.

There are signs that pressure from these experts, working through members of Congress, has spurred the Administration to relax somewhat its adamant resistance to demands for a ban on antisatellite weapons. The Arms Control and Disarmament Agency recently asked William Durch, a research fellow at Harvard who was a member of the agency's staff in the Carter Administration, to make a study of options for controlling antisatellite weapons. His report, due Feb. 1, is likely to reflect the thinking of this group of outside experts, because he is working closely with Dr. Ruina, among others.

Still, the group has made no headway with the highest echelons of the Reagan Administration. And time, they feel, is fast running out if the Soviet-American arms race is to be prevented from crossing the fateful threshold into space.

PRESIDENT IS SO DISCONNECTED

Dr. Garwin says: "The highest urgency is to ban all weapons from space. I'm sure that people who think about this in the Government have probably come around to this point of view. But it's just awfully hard to do anything because the President is so disconnected from any real workers in arms control, and this Administration has so few of these workers left."

This sense of urgency was heightened last March when President Reagan, in what became known as the star wars speech, advocated a new defense strategy with a heavy reliance on space weapons, from antisatellite weapons to exotic laser and particle-beam devices to attack satellites and ballistic missiles in flight. Following up on the speech, an Administration panel composed mostly of Government and industry scientists recently recommended an expansion of research and development of such weaponry. The Pentagon is understood to be preparing a five-year program that could cost at least $26 billion.

Opposition to this initiative comes not just from the small fraternity of arms-control experts but from many scientists and former Defense Department officials. They contend that the technology is probably unworkable and a threat to the delicate balance of terror that restrains the superpowers from nuclear war.

ARGUMENTS AGAINST PLAN

Their arguments are summarized by Robert Bowman, a retired lieutenant colonel with a doctorate from the California Institute of Technology who once headed the Air Force's advanced space programs development but has now joined the battle to forbid space weapons. He has set up the Institute for Space and Security Studies, which he operates out of his home in suburban Washington with contributions from foundations and private contributors, including the Rockefeller family.●

● Mr. OBERSTAR. Mr. Speaker, I will vote no on passing the conference report to accompany the fiscal 1984 Defense Appropriations Act.

I cannot support the conference report because the appropriation is excessive and because it does not provide the best security for the American people.

Rather, it funds the unnecessary and exorbitantly expensive MX missile and B-1 bomber. Furthermore, by providing military assistance to guerrillas fighting the Government of Nicaragua, the appropriations bill draws the United States deeper into the conflict in Central America.

The cumulative effect of the size of the appropriation, the weapons systems funded, and the approval of funds for Central America is destabilizing and detrimental to our national interests. It will not contribute to the essential process of reducing the nuclear arms race.

This legislation will appropriate $249.5 billion, double the amount we appropriated only 4 years ago. This legislation is the single largest spending bill in our Nation's history. It is $17 billion higher than last year's appropriations bill.

We do not need, nor can we afford, an appropriation at this level.

The question is not whether we provide for the military security of our country. The question is: How much should we spend, and on which weapons systems. This legislation does not provide maximum security—it merely gives the appearance of increased security by throwing away billions of dollars.

The conference, however, did produce the very commendable result of deleting the funds for the production of nerve gas weapons which the Senate had approved last week. As a long-time opponent of these undependable and humane weapons, I am pleased that the House position in opposition to nerve gas weapons has prevailed.

It would have been a mistake for Congress to approve production of chemical nerve gas weapons, ending the moratorium on their production imposed by former President Nixon in 1969.

The House clearly does not want to fund nerve gas weapons. Twice this year, the funds have been included by the Senate only because Vice President BUSH cast tie-breaking votes. Congress does not support the production of nerve gas weapons. This conference report reflects the will of Congress, and, I believe, the will of the people, at least as far as nerve gas weapons are concerned.

A "no" vote on the fiscal 1984 appropriations bill would be a vote for commonsense, budgetary restraint, and efficiency in the spending of taxpayer dollars.●

● Mrs. SCHNEIDER. Mr. Speaker, the Defense appropriation that is before us for consideration reflects some important changes over the Senate version—most notably the deletion of funds for the production of binary nerve gas weapons. Nevertheless, the appropriation still contains $250 billion—nearly $17 billion more than any single spending bill in our history.

At a time when Congress is justifiably concerned about the Nation's growing deficits, I would be remiss if I failed to ask whether each and every dollar included in this appropriation

adds to our national security. Are we facing dangers today that require us to spend twice as much to provide for the common defense as we spent 4 years ago? I am not convinced that this is the case.

Undoubtedly, nearly every Member of the House could find some item in the budget to complain about. Among my own concerns are funds for the MX missile, the B-1 bomber, the cruise and Pershing missiles, and covert aid to guerrillas in Nicaragua. Each of these matters has been considered on the floor of the House and voted on, and I am not questioning the outcome of those votes. What I am questioning is the wisdom of such a massive growth in our military spending at a time of unparalleled growth in our deficit.

Therefore, my vote against the Defense appropriation is not a vote against a strong defense. Rather, it is a vote against an unparalleled expense, a vote against a massive arms buildup that intensifies rather than reduces the arms race, a vote against providing the Pentagon with a carte blanche to buy spare parts for hundreds of times their retail value or to purchase weapons that are tested by the manufacturers. What our Nation needs is a lean-and-mean, cost-effective defense system that recognizes our genuine national security needs.

Mr. Speaker, I readily admit that we live in a dangerous world, a world that requires vigilance and preparation for the defense of our country. But I must ask how much of the budget we are voting on today is necessitated by threats our own making, by our own adventurism into the affairs of other countries, by our own failures to create a less threatening world. Mr. Speaker, I feel that an end must come to our ever growing defense budgets and that the same constraints must be shown for this appropriation as must be shown for those in all other categories. I cannot in good faith vote for this massive increase, and will cast my vote with my colleagues who oppose this measure.●

● Mr. RAHALL. Mr. Speaker, today I would like to express my strong support for two provisions in the Senate Department of Defense appropriation bill, S. 2039. Both of these provisions were not included in the House bill, but were agreed to by our conferees.

The first provision is found in the report which accompanies the Senate bill. In title VII of that report, the conferees accepted language directing "the Secretary of Defense to prepare a final report to the Congress by November 1, 1984, and an interim report by April 1, 1984" on the Department's purchases of foreign specialty metals products. In that report the Secretary "shall state the product purchased, the dollar value of the purchase, the foreign sources of the specialty metals contained in the product, and the reason the procurement was made from a foreign source."

Several weeks ago when the House debated H.R. 4185, the House Department of Defense appropriations bill, I intended to offer an amendment that would have strengthend the "Buy American provision for specialty metals by deleting the Department of Defense's waiver authority. However, the section of the bill I was to offer my amendment to was deleted on a point of order thus preventing me from offering the amendment.

While this language in the report will not provide direct relief to our domestic specialty metals industry, it does instruct the Department of Defense to inform Congress of how much specialty metals it purchases from foreign sources and the reasons why. many in the specialty metals industry feel that the Department has abused the waiver authority Congress provides to it for the purchase of foreign sources of specialty metals. In August, the General Accounting Office completed a report for the Congressional Steel Caucus on the use of the waiver provisions by the Department of Defense. In that report the GAO stated that the Department of Defense could provide information only on the specialty metals products it purchased overseas that are not made in the United States. The Department of Defense did not have records on the specialty metals products it buys from foreign sources which are available from domestic manufacturers.

At a time when our industry faces problems with closed foreign markets—that is, our companies are not even allowed to bid on contracts that originate with certain foreign defense departments—and subsidies by foreign governments for their specialty metals industries Congress must do all it can to see that our domestic specialty metals industry is not destroyed. Our industry is recognized as the world leader in developing new products. We cannot afford to stand by and watch this vital segment of our industrial base erode by the same cancer that has afflicted so many of our industries. This report language will give Congress the data it needs to determine whether or not our Department of Defense is establishing its own trade policy that is detrimental to our specialty metals industry which supplies important component parts for airplanes, nuclear reactors, and other advance weapons systems.

Second, I support a section in the Senate bill, again agreed to by our conferees, which prohibits the Department of Defense from purchasing foreign sources of coal and coke for use at our defense facilities in Europe. This provision will help prevent the economic loss and hardship that would be associated with these contracts being awarded to foreign firms.

These two provisions, which were accepted during conference, are very important to West Virginians because they help assure jobs for Americans. We must do all we can to protect jobs for our constituents. My State, West Virginia, still leads the Nation in unemployment with 15.1 percent of its workers without jobs. Since such a large portion of our Federal budget is spent for our Nation's defense it is important during these times of high unemployment that our tax dollars be spent on American products which put Americans back to work.

I wish to express my support for this conference agreement on the Department of Defense appropriations bill. I would also like to add that I am pleased that the conferees rejected efforts to begin producing a new arsenal of nerve gas weapons.●

● Mr. JEFFORDS. Mr. Speaker, I rise in support of the conference report. It represents the final deliberative stage in a process that has finally brought the farmers and the Congress of this Nation to a workable consensus on needed changes in the dairy and tobacco programs. Three long, hard years have passed since Congress, in early 1980, first acted in an attempt to control burgeoning dairy surpluses. Along the way, we wielded the proverbial blunt instrument by first freezing the farm price of milk and, in so doing, not distinguishing between those who were adding to our problem and those who were trying to help us hold the line. That approach having failed, we levied an across-the-board assessment on our dairy farmers, again refusing to distinguish in an meaningful way between those increasing their production and those helping us out. Neither approach was fair, particularly to our family farmers, but perhaps more importantly, neither approach was effective.

The bill that the House and the other body have now passed and are recommending today is fair. It will reward those who will actively help us get our surplus of milk under control. It will not judge them, as have our previous actions, according to what their neighbor, their State, or their region does. It will reward them if they reduce their production and it will penalize them if they do not. This ability to choose one's own fate is, to my mind, what makes this bill special and is, I might add, what the other plans, including the price cut rejected last week, sorrily lacked.

I will not replow the ground that we worked last week during the debate on this bill, but I want to make two comments before I close. Despite all the confusion that some parties to this issue have created, I believe that the great majority of our dairy farmers

are very pleased with what we have passed. I want to thank all of those who wrote, called, and visited us during our deliberations on this bill.

I want to offer my special thanks to Members on my side of the aisle that have been of such help in passing this bill. I hesitate to name Members as so many have helped. But of special note are: Mr. GUNDERSON Mr. FRENZEL, Mr. STANGELAND, Mr. WEBER, Mr. REGULA, Mr. LOTT, Mr. QUILLEN, Mr. TAYLOR, Mr. DAUB, Mr. PETRI, and Mr. ROTH. I, of course, want to thank Chairman DE LA GARZA for his most helpful efforts, and Subcommittee Chairmen ROSE and HARKIN for their extraordinary help.

Last, but not least, I want to thank the Vermont Farm Bureau for its support of the committee's bill. I know that there are thousands of farm families out there whose future looks a lot brighter today than it has for quite a while because of the work of all those who were able to see through the rhetoric of those who tried to scuttle this bill.

One of those with whom we worked closely in bringing this conference report to the floor was the Secretary of Agriculture. Just before the conferees met, he sent us a list of eight concerns that he had over this bill. Four of those were "must" concerns: The Abdnor amendment, some tobacco regulations involving pesticides, the Harkin amendment and a provision regarding the continuity of the 50 cent assessment now in effect. All of these were resolved to his satisfaction. Of the remaining four, two—the base period to be used and some regulations regarding the grading of imported tobacco—were also resolved satisfactorily.

One of the remaining two concerns—a cap on the amount of the diversion payment that could be made to any one individual—was nearly resolved. This and the remaining item—the value of the incentive payment itself—could not be managed because they were outside the scope of the conference.

I am committed to resolving the issue regarding a payment limitation. Although this program is financed almost entirely by the dairy farmers themselves—the first time that we have ever, to my knowledge, had such an arrangement—I am worried that large payments may cause the public to wonder about its intent. We have designed this program with the primary intent to reduce milk production and the cost that excessive milk production has placed on our dairy farmers and the taxpaper. Putting a reasonable cap on incentive payments will not impair the effectiveness of the program with respect to its ability to reduce production. The cap that I have proposed in H.R. 4391 is one which will allow all farmers to participate in this effort to stabilize the supply and demand for milk, but will avoid the problems that may be cause by large payments that will most likely be misunderstood. I am hopeful that we can resolve this matter when we return next January so that an appropriate cap will be in place before the Secretary must sign diversion contracts under H.R. 3385.

Mr. Speaker, I want to add one more thing before I close. The following is an op-ed piece that I jointly wrote with a Member of the other body. It has been sent to the Washington Post with the hopes that they will see fit to publish it. To this point they have not.

HEROES, NOT VILLAINS

If you strip away the rhetoric, there was only one significant argument raised in the Post's Monday editorial recommending a veto of the compromise dairy legislation that passed the House last week and the Senate last month. The bill is supported by the (gasp!) dairy lobby.

Never mind that the only alternative presented, the Conable amendment, would cost $1.1 billion more than the compromise in fiscal years 1984 and 1985. Never mind the added pressure this would place on our staggering deficits, or the additional squeeze on food stamps and other social programs.

Never mind that without the dairy bill, we would perpetuate the huge national surplus during the next couple of years. Never mind the 30,000 struggling family farmers who would be put out of business, and the costs we would incur in our various social programs in an effort to take care of them and their families. Or the regional imbalances in dairy production that would be created. Or the destruction of a system that, according to Secretary of Agriculture Block, "until 1979 worked well for nearly 30 years," and that has held the retail price of dairy products 40 points below the consumer price index.

To critics of the dairy compromise, it makes no difference that the legislation helps taxpayers and consumers, as well as farmers. Or that the history of the program indicates a very low average cost before the last 3 years. The dairy industry has long served as a convenient target. If the dairy industry supports the bill, albeit grudingly, then it must be bad.

But in case anybody would like to take an objective look at the bill, here is what it does:

(1) It cuts the support price 50 cents per hundredweight immediately, with two more 50 cent cuts within 21 months unless production falls dramatically.

(2) It establishes a temporary, farmer-financed diversion program. The bulk of the funding for this program will come out of farmers' pockets, with the remainder supplied by savings on reduced government purchases.

(3) It sets up a promotion program to increase consumption of dairy products at home and abroad, the entire cost of which is assumed by the farmers.

This bill marks the first time that there has been a meaningful national promotion program, though local efforts have been very successful. For years, dairy has been out-advertised. During the advent of the Pepsi generation, dairy consumption went down 23%. Consumption, not production, is the real problem. The dairy compromise will do something about it.

There is virtually no dispute that the compromise is cheaper than the straight price cut alternative. The Congressional Budget Office estimates taxpayer savings at $1.1 billion over FY84-85. Even USDA, which at the last minute decided to oppose the compromise, found it would save the Treasury $700 million.

What of the cost to the consumer? On this question there is less certainty. But any claim that price cuts to farmers are passed on to consumers is wishful thinking in the face of our considerable experience to the contrary.

Price cuts have been great for the middlemen, but just about as lousy for the consumer as for the farmer. Seldom has more than a slim fraction of a farm price cut been passed through to the store price. Using our most recent and most analogous experience, the Congressional Research Service estimated that consumers would save some $277 million during FY84-85 under a straight price cut versus the compromise—about a quarter what they would have to pay to fund the additional cost to the Treasury of a straight price cut.

Recall, if you will, the 1972 attack on the dairy industry by President Nixon. Using the industry as a scapegoat for inflation, a flood of dairy imports was allowed into this country, resulting in a 22% drop in farmers' prices. Consumer prices did drop temporarily, by 3%. But within a few months, consumer prices skyrocketed. The price of butter rose 38%, cheese by 18%, and ice cream by 16%.

The dairy price support has not risen since 1980, despite significant increases in production costs. In fact, the farm price for milk has actually fallen by 8%.

The surplus is an albatross around the necks of taxpayers and farmers alike. The Reagan administration issued a challenge to the dairy industry. It was a tough challenge. Find an acceptable way to bring the surplus under control. Do it in a way that will benefit taxpayers and consumers. And do it fast.

The compromise dairy bill is the response to that challenge. Despite the conflicting interests within the industry, by working with the Administration and the Congress it came up with an excellent piece of legislation. Since it is a compromise, nobody is entirely happy with it. But nobody has been able to come up with a better solution.

The arguments, the facts, and the economic analyses will continue to be lost on many Americans, including the major news media here in Washington, who love to hate the dairy industry.

The dairy lobby has image problems, including some of its own making. The industry has some in-house work to do to improve its image.

The dairy farmers want nothing more than a chance to pull themselves out of a disastrous situation they did not create. That is not an outrageous request.

This country's 300,000 dairy farmers should be acclaimed as heroes, not villains. The increase in their productivity has been incredible over the past few years, second only to that of the high technology industry. No sector of the food industry has better combatted inflation. Their willingness to use their own money to get the dairy program under control is unprecedented.

Congress listened to the needs of the dairy farmer. It looked beyond the knee-jerk suspicion of the dairy industry, and passed the bill on its merits. Is it too much too ask the news media and the Reagan Administration to impose a similar moratorium on their

deeply-rooted prejudice in this time of crisis?

I want to say again what I said in that last paragraph. I feel that some of the stories that the press has been running lately are unfair. If you are to believe them, our dairy farmers are somewhat lazy, certainly greedy, completely insensitive. Well, I resent such a characterization. I have lived my life in a State where dairy farmers literally work sunup to sundown for wages that most of us here could not live on. They bust their butts to put food on our tables and ask their Government for a hang of a lot less than most groups who come to this town. For their sake I hope you approve this conference report.●

Mr. ADDABBO. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. VENTO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 311, nays 99, not voting 24, as follows:

[Roll No. 531]

YEAS—311

Addabbo	Carr	Evans (IL)
Akaka	Chandler	Fascell
Albosta	Chappell	Fazio
Alexander	Chappie	Feighan
Anderson	Cheney	Fiedler
Andrews (NC)	Clarke	Fields
Andrews (TX)	Clinger	Fish
Annunzio	Coats	Flippo
Anthony	Coelho	Foglietta
Archer	Coleman (MO)	Foley
Aspin	Coleman (TX)	Franklin
Badham	Conte	Frost
Barnard	Cooper	Fuqua
Barnes	Courter	Gaydos
Bartlett	Coyne	Gejdenson
Bateman	Craig	Gekas
Bennett	Crane, Daniel	Gephardt
Bereuter	Crane, Philip	Gibbons
Bethune	D'Amours	Gilman
Bevill	Daniel	Gingrich
Biaggi	Dannemeyer	Glickman
Bilirakis	Darden	Gonzalez
Bliley	Daschle	Goodling
Boehlert	Daub	Gore
Boggs	Davis	Gradison
Boland	DeWine	Gramm
Boner	Dickinson	Guarini
Bonker	Dicks	Gunderson
Borski	Dingell	Hall, Ralph
Boucher	Dowdy	Hall, Sam
Breaux	Downey	Hamilton
Britt	Dreier	Hammerschmidt
Brooks	Duncan	Hansen (ID)
Broomfield	Durbin	Harrison
Broyhill	Dwyer	Hartnett
Bryant	Dyson	Hatcher
Burton (IN)	Edwards (AL)	Hayes
Byron	Edwards (OK)	Hefner
Campbell	Emerson	Heftel
Carney	English	Hightower
Carper	Erdreich	Hiler
Hillis	McEwen	Shelby
Hopkins	McGrath	Shumway
Horton	McKernan	Shuster
Howard	McNulty	Siljander
Hoyer	Mica	Sisisky
Hubbard	Michel	Skeen
Huckaby	Mikulski	Skelton
Hunter	Molinari	Slattery
Hutto	Mollohan	Smith (FL)
Hyde	Montgomery	Smith (NE)
Ireland	Moore	Smith (NJ)
Jacobs	Moorhead	Smith, Denny
Jeffords	Morrison (WA)	Smith, Robert
Jenkins	Mrazek	Snowe
Johnson	Murphy	Snyder
Jones (NC)	Murtha	Solarz
Jones (OK)	Myers	Solomon
Jones (TN)	Natcher	Spence
Kasich	Neal	Spratt
Kazen	Nelson	St Germain
Kemp	Nichols	Staggers
Kennelly	Nielson	Stangeland
Kindness	Nowak	Stenholm
Kolter	Olin	Stratton
Kostmayer	Ortiz	Stump
Kramer	Oxley	Sundquist
LaFalce	Packard	Synar
Lagomarsino	Parris	Tallon
Lantos	Pashayan	Tauzin
Latta	Patman	Taylor
Leath	Patterson	Thomas (CA)
Lehman (CA)	Pepper	Thomas (GA)
Lent	Perkins	Torres
Levine	Petri	Torricelli
Levitas	Pickle	Traxler
Lewis (FL)	Porter	Udall
Lipinski	Price	Valentine
Livingston	Pritchard	Vander Jagt
Lloyd	Pursell	Vandergriff
Loeffler	Quillen	Volkmer
Long (LA)	Ratchford	Vucanovich
Long (MD)	Ray	Walker
Lott	Regula	Watkins
Lowery (CA)	Reid	Weber
Lujan	Richardson	Whitehurst
Lungren	Ridge	Whitley
Mack	Rinaldo	Whittaker
MacKay	Robinson	Whitten
Madigan	Roe	Williams (OH)
Marlenee	Roemer	Wilson
Marriott	Rogers	Winn
Martin (IL)	Rose	Wise
Martin (NC)	Rostenkowski	Wolf
Martin (NY)	Roth	Wolpe
Matsui	Roukema	Wortley
Mavroules	Rowland	Wright
Mazzoli	Sawyer	Wylie
McCain	Schaefer	Yatron
McCandless	Scheuer	Young (AK)
McCloskey	Schulze	Young (FL)
McCollum	Sensenbrenner	Young (MO)
McCurdy	Sharp	Zablocki
McDade	Shaw	

NAYS—99

Ackerman	Garcia	Oberstar
Applegate	Gray	Obey
AuCoin	Green	Ottinger
Bates	Gregg	Owens
Bedell	Hall (IN)	Panetta
Beilenson	Hall (OH)	Paul
Berman	Harkin	Pease
Bonior	Hertel	Penny
Bosco	Hughes	Rangel
Boxer	Kaptur	Ritter
Brown (CA)	Kastenmeier	Roberts
Brown (CO)	Kildee	Rodino
Burton (CA)	Kogovsek	Roybal
Collins	Leach	Russo
Conable	Lehman (FL)	Sabo
Conyers	Leland	Savage
Coughlin	Levin	Schneider
Crockett	Lowry (WA)	Schroeder
Dellums	Luken	Schumer
Donnelly	Lundine	Seiberling
Dorgan	Markey	Shannon
Early	McHugh	Sikorski
Eckart	McKinney	Smith (IA)
Edgar	Miller (CA)	Stark
Edwards (CA)	Mineta	Stokes
Evans (IA)	Mitchell	Studds
Florio	Moakley	Swift
Forsythe	Moody	Tauke
Frank	Morrison (CT)	Towns
Frenzel	Oakar	Vento
Walgren	Weiss	Wyden
Waxman	Wheat	Yates
Weaver	Wirth	Zschau

NOT VOTING—24

Clay	Ford (MI)	Martinez
Corcoran	Ford (TN)	Miller (OH)
de la Garza	Fowler	Minish
Derrick	Hance	O'Brien
Dixon	Hansen (UT)	Rahall
Dymally	Hawkins	Rudd
Erlenborn	Holt	Simon
Ferraro	Lewis (CA)	Williams (MT)

□ 1310

The Clerk announced the following pairs:

On this vote:

Mr. Derrick for, with Mr. Clay against.

Mr. Minish for, with Mr. Dixon against.

Mr. Ford of Michigan for, with Mr. Dymally against.

Mr. Rahall for, with Mr. Hawkins against.

Mr. MINETA and Mrs. BURTON of California changed their votes from "yea" to "nay".

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4040

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that my name be removed from the list of cosponsors of H.R. 4040.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

□ 1320

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1984

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

Mr. ADDABBO. Mr. Speaker, I ask unanimous consent that Senate amendments numbered 3, 5, 64, 75, 91, 92, 101, 107, 111, 112, 130, 133, 134, 138, 141, 142, 143, 149, 151, 152, 153, 156, 157, 158, 161, 163, 169, 172, 173, 176, 179, 180, 183, 184, 185, 186, 205, and 207 be considered en bloc, be considered as read, and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The Clerk will designate the amendments in disagreement.

The amendments offered en bloc are as follows:

Senate amendment No. 3: Page 2, line 18, after "$11,181,477,000" insert ": *Provided*, That notwithstanding any other provision of law, funds made available by this Act

shall be available for payment of the Aviation Officer Continuation Bonus pursuant to agreements accepted from officers of all aviation specialties where shortages exist".

Senate amendment No. 5: Page 3, line 2, after "$3,447,324,000" insert ": *Provided*, That notwithstanding any other provision of law, funds made available by this Act shall be available for payment of the Aviation Officer Continuation Bonus pursuant to agreements accepted from officers of all aviation specialties where shortages exist".

Senate amendment No. 64: Page 17, line 15, after "$50,000,000" insert ": *Provided*, That the Department of Defense may also provide support to the Los Angeles Olympic Organizing Committee on a reimbursable basis, with such reimbursements to be credited to the current applicable appropriation accounts of the Department".

Senate amendment No. 75: Page 22, line 2, after "$4,604,616,000." insert "of which $24,400,000 shall be available for the M9 Armored Combat Earthmover under a multiyear contract,".

Senate amendment No. 91: Page 24, line 20, strike out "U.S.S. Wisconsin" and insert "U.S.S. Missouri".

Senate amendment No. 92: Page 24, line 20, after "$57,700,000" insert ": *Provided*, That none of these funds shall be available for obligation until the Secretary of the Navy reports to the Committees on Appropriations on the decision whether to implement the phase II battleship modernization, and any decision to proceed with phase II shall be accompanied by a plan for implementation to include cost and schedule data".

Senate amendment No. 101: Page 25, line 7, after "radar" insert ", the following amounts shall be derived by transfer: from the FFG-7 guided missile frigate program of "Shipbuilding and Conversion, Navy, 1980/1984", $26,500,000; from the FFG-7 guided missile frigate program of "Shipbuilding and Conversion, Navy, 1981/1985", $19,100,000; from SSN-688 nuclear attack submarine, FFG-7 guided missile frigate, T-AGOS ocean surveillance ship, and escalation programs of "Shipbuilding and Conversion, Navy, 1982/1986", $66,000,000; and from the Trident submarine, SSN-688 nuclear attack submarine, FFG-7 guided missile frigate, CVN aircraft carrier, and escalation programs of "Shipbuilding and Conversion, Navy, 1983/1987", $72,000,000; in all, $183,600,000 to be derived by transfer".

Senate amendment No. 107: Page 25, line 13, $210,000,000; insert ", and in addition, $44,000,000 to be derived by transfer from the T-AH hospital ship program of "Shipbuilding and Conversion, Navy, 1983/1987" ".

Senate amendment No. 111: Page 25, line 18, after "$10,913,650,000," insert "and in addition, $227,600,000 to be derived by transfer".

Senate amendment No. 112: Page 25, line 19, after "*Provided*," insert "That additional obligations may be incurred after September 30, 1988, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction; and each Shipbuilding and Conversion, Navy, appropriation that is currently available for such obligations may also hereafter be so obligated after the date of its expiration: *"Provided further,"*.

Senate amendment No. 130: Page 30, line 1, strike out "C-135" and insert "Civilian Reseve Airlift Fleet".

Senate amendment No. 133: Page 30, line 10, after "dollars" insert ": *Provided further*, That none of the funds appropriated by this Act may be obligated for procurement of the alternate fighter engine until the Secretary of Defense notifies the appropriations committees of both the House and the Senate of his approval of the decision made by the source selection authority".

Senate amendment No. 134: Page 30, line 10, after "dollars" insert ": *Provided further*, That nothing in this paragraph shall prohibit award of separate long lead contracts for essential parts and components necessary to meet the required delivery schedule for the alternate fighter engine".

Senate amendment No. 138: Page 31, line 1, after "$7,787,112,000," "and in addition, $55,000,000, to be derived by transfer from "Missile Procurement, Air Force, 1983/1985",".

Senate amendment No. 141: Page 32, line 6, strike "$125,000,000" and insert "$176,000,000".

Senate amendment No. 142: Page 32, line 9, after "$25,000,000" insert "; Naval Reserve, not to exceed $51,000,000".

Senate amendent No. 143: Page 32, after line 9, insert:

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS, COAST GUARD

For acquisition, construction, and improvements, not otherwise provided for; $300,000,000, to be transferred to the Coast Guard: "Acquisition, Construction, and Improvements", to remain available for obligation until September 30, 1986.

Senate amendment No. 149: Page 34, line 10, after "$12,121,001,000," insert "of which $23,500,000 shall not be made available for obligation on visible/ultraviolet laser Technology prior to the submission of a report by the Department of Defense Defensive Technologies Study Team recommending a plan for the expenditure of laser technology funds,".

Senate amendment No. 151: Page 34, line 21, after "$2,680,153,000," insert "of which $20,000,000 shall not be made available for obligation on short wavelength laser technology prior to the submission of a report by the Department of Defense Defensive Technologies Study Team recommending a plan for the expenditure of laser technology funds,".

Senate amendment No. 152: Page 48, after line 3, insert:

SEC. 721A. No part of any appropriation contained in this Act, except for small purchases in amounts not exceeding $10,000 shall be available for the procurement of any article of food, clothing, cotton, woven silk or woven silk blends, spun silk yarn for cartridge cloth, synthetic fabric or coated synthetic fabric, or wool (whether in the form of fiber or yarn or contained in fabrics, materials, or manufactured articles), or specialty metals including stainless steel flatware, or hand or measuring tools, not grown, reprocessed, reused, or produced in the United States or its possessions, except to the extent that the Secretary of the Department concerned shall determine that satisfactory quality and sufficient quantity of any articles of food or clothing or any form of cotton, woven silk and woven silk blends, spun silk yarn for cartridge cloth, synthetic fabric or coated synthetic fabric, wool, or specialty metals including stainless steel flatware, grown, reprocessed, reused, or produced in the United States or its possessions cannot be procured as and when needed at United States market prices and except procurements outside the United States in support of combat operations, procurements by vessels in foreign waters, and emergency procurements or procurements of perishable foods by establishments located outside the United States for the personnel attached thereto: *Provided*, That nothing herein shall preclude the procurement of specialty metals or chemical warfare protective clothing produced outside the United States or its possessions when such procurement is necessary to comply with agreements with foreign governments requiring the United States to purchase supplies from foreign sources for the purposes of offsetting sales made by the United States Government or United States firms under approved programs serving defense requirements or where such procurement is necessary in furtherance of the standardization and interoperability of equipment requirements within NATO so long as such agreements with foreign governments comply, where applicable, with the requirements of section 36 of the Arms Export Control Act and with section 2457 of title 10, United States Code: *Provided further*, That nothing herein shall preclude the procurement of foods manufactured or processed in the United States or its possessions: *Provided further*, That no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocations other than certain contracts not involving fuel made on a test basis by the Defense Logistics Agency with a cumulative value not to exceed $4,000,000,000, as may be determined by the Secretary of Defense pursuant to existing laws and regulations as not to be inappropriate therefor by reason of national security considerations: *Provided further*, That the Secretary specifically determines that there is a reasonable expectation that offers will be obtained from a sufficient number of eligible concerns so that awards of such contracts will be made at a reasonable price and that no award shall be made for such contracts if the price differential exceeds 2.2 per centum: *Provided further*, That none of the funds appropriated in this Act shall be used except that, so far as practicable, all contracts shall be awarded on a formally advertised competitive bid basis to the lowest responsible bidder.

Senate amendment No. 153: Page 56, after line 24, insert:

SEC. 743A. None of the funds provided in this Act shall be available for the planning or execution of programs which utilize amounts credited to Department of Defense appropriations or funds pursuant to the provisions of section 37(a) of the Arms Export Control Act representing payment for the actual value of defense articles specified in section 21(a)(1) of that Act: *Provided*, That such amounts so credited shall be deposited in the Treasury as miscellaneous receipts as provided in section 3302(b) of title 31, United States Code.

Senate amendment No. 156: Page 61, after line 25, insert:

SEC. 755A. None of the funds appropriated by this Act shall be available for contract for studies, analyses, or consulting services entered into without competition on the basis of an unsolicited proposal unless the head of the activity responsible for the procurement determines:

(a) as a result of thorough technical evaluation, only one source is found fully qualified to perform the proposed work, or

(b) the purpose of the contract is to explore an unsolicited proposal which offers significant scientific or technological promise, represents the product of original think-

ing, and was submitted in confidence by one source, or

(c) where the purpose of the contract is to take advantage of unique and significant industrial accomplishment by a specific concern, or to insure that a new product or idea of a specific concern is given financial support:

Provided, That this limitation shall not apply to contracts in an amount of less than $25,000, contracts related to improvements of equipment that is in development or production, or contracts as to which a civilian official of the Department of Defense, who has been confirmed by the Senate, determines that the award of such contract is in the interest of the national defense.

Senate amendment No. 157: Page 63, strike out lines 13 to 22, inclusive, and insert:

SEC. 760. None of the funds provided in this Act shall be available to initiate (1) a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year of the contract or that includes an unfunded contingent liability in excess of $20,000,000 or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year, unless the Committees on Appropriations and Armed Services of the Senate and House of Representatives have been notified at least thirty days in advance of the proposed contract award: *Provided*, That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for major systems unless specifically provided herein. For purposes of this provision, a major system is defined as a system or major assembly thereof whose eventual total expenditure for research, development, test, and evaluation is more than $200,000,000, or whose eventual total expenditure for procurement is more than $1,000,000,000.

Senate amendment No. 158: Page 65, after line 10, insert:

SEC. 762A. None of the funds appropriated by this Act shall be available to approve a request for waiver of the costs otherwise required to be recovered under the provisions of section 21(e)(1)(C) of the Arms Export Control Act unless the Committees on Appropriations have been notified in advance of the proposed waiver.

Senate amendment No. 161: Page 66, line 2, after "materiel" insert ": Provided further, That no additional commitments to the establishment of POMCUS sites shall be made without prior approval of Congress".

Senate amendment No. 163: Page 67, after line 10, insert:

SEC. 767A. None of the funds available to the Department of Defense during the current fiscal year shall be used by the Secretary of a military department to purchase coal or coke from foreign nations for use at United States defense facilities in Europe when coal from the United States is available.

Senate amendment No. 169: Page 71, after line 10, insert:

SEC. 779. None of the funds appropriated by this act may be obligated or expended to formulate or to carry out any requirement that, in order to be eligible to submit a bid or an offer on a Department of Defense contract to be let for the supply of commercial or commercial-type products, a small business concern (as defined pursuant to section 3 of the Small Business Act) must (1) demonstrate that its product is accepted in the commercial market (except to the extent that may be required to evidence compliance with the Walsh-Healey Public Contracts Act), or (2) satisfy any other prequalification to submitting a bid or an offer for the supply of any such product.

Senate amendment No. 172: Page 71, after line 17, insert:

SEC. 781. None of the funds provided in this Act shall be used to procure aircraft ejection seats manufactured in any foreign nation that does not permit United States manufacturers to compete for ejection seat procurement requirements in that foreign nation.

Senate amendment No. 173: Page 71, after line 17, insert:

SEC. 782. No more than $203,322,000 of the funds appropriated by this Act shall be available for the payment of unemployment compensation benefits.

Senate amendment No. 176: Page 71, line 25, after "support," insert "Those technicians employed by the Army Reserve in areas other than Army Reserve troop program units need only be members of the Selected Reserve.".

Senate amendment No. 179: Page 72, line 6, insert:

SEC. 785. None of the funds appropriated by this Act may be obligated or expended to adjust a base period under section 1079(h)(2) of title 10, United States Code, more frequently than the Secretary of Defense considers appropriate.

Senate amendment No. 180: Page 72, line 6, insert:

SEC. 786. None of the funds appropriated by this Act shall be available to pay Variable Housing Allowance pursuant to section 403(a) title 37, United States Code, in amounts that exceed the amount of Variable Housing Allowance to which the member would otherwise be entitled under section 403(a), title 37, United States Code, minus the difference between the amount of Basic Allowance for Quarters such member is receiving and the Basic Allowance for Quarters payable to a member of the same rank and grade on September 30, 1983.

Senate amendment No. 183: Page 72, line 8, after "Force" insert ", and Defense Logistics Agency".

Senate amendment No. 184: Page 72, line 9, after "military" insert "and civilian".

Senate amendment No. 185: Page 72, line 12, strike out "the Air Force" and insert "Defense".

Senate amendment No. 186: Page 72, line 19, after "military" insert "and civilian".

Senate amendment No. 205: Page 73, after line 15, insert:

SEC. 799D. None of the funds appropriated or otherwise made available under this Act may be available for any country during any three-month period beginning on or after November 1, 1983, immediately following a certification by the President to the Congress that the government of such country is failing to take adequate measures to prevent narcotic drugs or other controlled substances (as listed in the schedules in section 202 of the Comprehensive Drug Abuse and Prevention Control Act of 1971 (21 U.S.C. 812)) which are cultivated, produced, or processed illicitly, in whole or in part, in such country, or transported through such country from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from entering the United States unlawfully.

Senate amendment No. 207: Page 73, after line 15, insert:

SEC. 799F. (a) Not later than June 1, 1984, the Office of Federal Procurement Policy (hereinafter in this section referred to as the "Office") shall review the procurement practices, regulations, and reform proposals and programs of the Department of Defense relating to the procurement of spare parts for weapons systems and shall transmit to the Congress a report on the findings, conclusions, and recommendations of the Office relating to such matters. The report shall include (1) an evaluation of the adequacy of the reform proposals and programs to promote practices and the development of directives which will achieve control of costs, economy, and efficiency in the procurement of such spare parts and (2) such recommendations for legislation with respect to the procurement of such spare parts as the Office considers appropriate.

(b)(1) The Secretary of Defense shall furnish to the Office such information of the practices, regulations, and reform proposals and programs of the Department of Defense relating to the procurement of spare parts for weapon systems as the Office considers necessary to carry out subsection (a).

(2) The Inspector General of the Department of Defense shall furnish to the Office such Information on the practices of the Department of Defense in procuring spare parts for weapon systems as the Inspector General acquires during his audits of such practices and the Office considers necessary to carry out subsection (a).

(c) The Inspector General of the Department of Defense shall have reasonable opportunity to review and comment on the report required by subsection (a) before the report is transmitted to the Congress. The comments of the Inspector General shall be included in such report.

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendments of the Senate numbered 3, 5, 64, 75, 91, 92, 101, 107, 111, 112, 130, 133, 134, 138, 141, 142, 143, 149, 151, 152, 153, 156, 157, 158, 161, 163, 169, 172, 173, 176, 179, 180, 183, 184, 185, 186, 205, and 207, and concur therein.

Mr. ADDABBO (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 1: Page 2, line 10, strike out "$15,074,758,000" and insert "$15,402,901,000".

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 1 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$15,048,533,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 2: Page 2, line 18, strike out "$11,181,477,000" and insert "$11,448,872,000".

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 2 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$11,171,278,000".

The motion was agreed to.

The SPEAKER pro tempore. The clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 4: Page 3, line 2, strike out "$3,447,324,000" and insert "$3,515,659,000".

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$3,433,859,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 6: Page 3, line 10, strike out "$12,603,391,000" and insert "$12,903,803,000".

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 6 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$12,577,203,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 65: Page 17, after line 15, insert:

ENVIRONMENTAL RESTORATION, DEFENSE

For expenses, not otherwise provided for, for environmental, restoration programs, including hazardous waste disposal operations and removal of unsafe or unsightly buildings and debris of the Department of Defense, and including programs and operations at sites formerly used by the Department of Defense; $300,000,000 to remain available until expended.

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 65 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert:

ENVIRONMENTAL RESTORATION, DEFENSE

For expenses, not otherwise provided for, for environmental restoration programs, including hazardous waste disposal operations and removal of unsafe or unsightly buildings and debris of the Department of Defense, and including programs and operations at sites formerly used by the Department of Defense; $150,000,000.

Mr. ADDABBO (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 69: Page 19, line 2, strike out all after "purposes" down to and including "assumptions" in line 15 and insert "; $2,857,500,000, and in addition, $32,600,000 to be derived by transfer from 'Missile Procurement, Army, 1983/1985', to remain available until September 30, 1986".

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 69 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert: ", as follows: For Other Missile Support, $9,200,000; for the Patriot program, $885,000,000; for the Stinger program, $105,200,000, and in addition, $32,600,000 to be derived by transfer from 'Missile Procurement, Army, 1983/1985'; for the Laser Hellfire program, $218,800,000; for the TOW program, $189,200,000; for the Pershing II program, $407,700,000; for the MLRS program, $532,100,000; for modification of missiles, $123,300,000; for spares and repair parts, $271,000,000; for support equipment and facilities, $109,200,000; in all: $2,822,700,000, and in addition $32,600,000 to be derived by transfer, to remain available until September 30, 1986: *Provided*, That within the total amount appropriated, the subdivisions within this account shall be reduced by $28,000,000 for revised economic assumptions".

Mr. ADDABBO (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 71: Page 20, line 8, strike out "$83,800,000" and insert "$111,600,000".

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from it disagreement to the amendment of the Senate numbered 71 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$65,200,000, to be derived by transfer from 'Procurement of Weapons and Tracked Combat Vehicles, Army, 1982/1984' and $83,800,000".

Mr. ADDABBO (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 72: Page 20, line 11, after "1986" insert ": *Provided*, That notwithstanding any other provision or law, within three months after enactment of this Act the Secretary of the Army shall complete and submit to the Committees on Appropriations and Armed Services of the House and Senate a study on the feasibility and cost effectiveness of establishing a second production source for the AGT 1500 engine for the M-1 tank, together with the Secretary's determination, based on the findings of such study, whether a second production source contract is in the national interest. The Secretary may implement his determination sixty days after the submission of the findings and determination: *Provided*, That current production of the AGT 1500 engine shall not be interrupted or reduced by the establisnment of a second production source".

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 72 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert ": *Provided*, That notwithstanding any other provision of law, within three months after enactment of this Act the Secretary of Defense shall complete and submit to the Committees on Appropriations and Armed Services of the House and Senate a Study on the feasibility and cost effectiveness of establishing a second production source or multiyear procurement of the AGT 1500 engine for the M-1 tank, together with the Secretary's determination, based on the findings of such study, whether a second production source or multiyear procurement contract is in the national interest: *Provided further*, That current production of the AGT 1500 engine shall not be interrupted or reduced in the interim".

Mr. ADDABBO (during the reading). Mr. Speaker, I ask unanimous

consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 80: Page 23, line 4, strike out "$2,977,900,000" and insert "$2,994,500,000".

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 80 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$2,962,600,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 85: Page 23, line 20, strike out : "$3,767,832,000" and insert "$3,769,900,000".

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 85 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$3,725,332,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 86: Page 23, line 20, after "$3,767,832,000," insert "and in addition, $73,200,000, to be derived by transfer from "Weapons Procurement, Navy, 1983/1985",".

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 86 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert "and in addition, $77,800,000, to be derived by transfer from "Weapons Procurement, Navy, 1983/1985",".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 103: Page 25, line 9, strike out "$221,000,000" and insert "$301,000,000".

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 103 and concur therein with an amendment, as follows: In lieu of the sum striken and inserted by said amendment, insert: "$301,000,000, *Provided*, That funds appropriated or made available in this Act for the MCM mine countermeasures ship program may be obligated or expended only under a firm price contract, *Provided further*, That none of the funds appropriated or made available in this Act for the MCM mine countermeasures ship program may be obligated or expended until such time as the Department of the Navy develops electromagnetic interference specifications for the MCM-1 class of ships, and the Secretary of the Navy certifies to the Committees on Appropriations that the electromagnetic interference specifications developed will result in a design that will be free of electromagnetic interference in the context of the approved electromagnetic interference and electromagnetic compatibility specifications".

Mr. ADDABBO (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 125: Page 29, line 17, strike out "$300,300,000" and insert "$304,100,000".

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 125 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$310,200,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 137: Page 31, line 1, after "$7,787,112,000," insert "of which $81,600,000 shall be available for the purchase of the phase III Defense Satellite Communication System (DSCS III) under a multiyear contract: *Provided*, That this authority shall be available only after the Secretary of the Air Force certifies to Congress that at least 10 per centum savings is available under multiyear contracting;".

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 137 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert "of which $81,600,000 shall be available for the purchase of the phase III Defense Satellite Communications System (DSCS III) under a multiyear contract: *Provided*, That after the Secretary of the Air Force gives written notification of a proposed multiyear contract for the Defense Satellite Communications System to the Committees on Appropriations of the Senate and House of Representatives, such contract may not then be awarded until 45 days after such notification; and of which $200,000,000 for cooperative NATO air base defense shall not be available to support implementing an agreement with any foreign government until 45 days after such agreement, together with supporting data including total program cost estimates, has been submitted to the Congress;".

Mr. ADDABBO (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 145: Page 33, line 13, strike out "$4,141,624,000" and insert "$4,175,439,000".

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO. Moves that the House recede from its disagreement to the amendment of the Senate numbered 145 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$4,199,125,000".

The motion was agreed to.

The SPEAKER. pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 146: Page 33, line 22, strike out "$7,473,937,000" and insert "$7,497,554,000".

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 146 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$7,559,818,000".

The motion was agreed to.

□ 1330

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 167: Page 69, strike out all after line 20 over to and including line 9 on page 70.

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of

the Senate numbered 167 and concur therein with an amendment, as follows:

In lieu of the matter stricken by said amendment, insert:

SEC. 775. During fiscal year 1984, not more than $24,000,000 of the funds available to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended for the purpose of which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual.

The SPEAKER pro tempore. The gentleman from New York (Mr. ADDABBO) is recognized for 30 minutes.

Mr. ADDABBO. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. MILLER).

Mr. MILLER of California. Mr. Speaker, a number of my colleagues have asked me my opinions with respect to the Senate amendment No. 167 which provides $24 million for the continued prosecution of the war against the country of Nicaragua by the Central Intelligence Agency and the Department of Defense.

I think it is very important for Members in the Chamber to understand the situation which the Conference Committee found itself in.

Had not this agreement been worked out, the continuing resolution would have provided for up to $50 million for the prosecution of that war during the next fiscal year and would have left intact the ability of the Central Intelligence Agency and the Department of Defense to tap additional contingency funds for the prosecution of that war against the country of Nicaragua.

So I think that we must understand that had this amendment not been made a part of the conference report and had this bill not been adopted, that we would have found ourselves in a much more serious situation, with the ability of both the CIA and the Department of Defense to draw that money down much more rapidly for this war than they are allowed to do under this amendment.

I think Members ought to also understand that there is an absolute cap on the amount of money that will be allowed. The $24 million for supporting directly or indirectly military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual.

So I would hope that those who share the concern of the majority of this House, those who voted for the Boland-Zablocki amendment, those who voted for the Harkin amendment early on last year, to try to stop our Government's involvement in war in Nicaragua against the people of Nicaragua, will understand that unfortunately this is the best we can do at this time because, when the continuing resolution left this House, the ability to continue this war unfettered was given to the CIA and to the Department of Defense.

I think in that regard it is important that we commend the members of this conference committee for the work which they engaged in.

They have already mentioned that it took better than 30 to 40 percent of the time of the conference committee to hammer out this compromise, to try to move the Senate off of their original position which was basically the continuing resolution position or the $29 million in their bill.

I want to thank the chairman of the subcommittee, Mr. ADDABBO, the ranking member, Mr. EDWARDS, Mr. BOLAND, and others for their help in this matter.

I must say, however, that I continue to oppose this money or any money for the prosecution of that war. I think we must understand that what we are doing is that the United States is at a state of war with the country of Nicaragua and that we have been at a state of war with the country of Nicaragua for better than 2½ years and that we are providing the training and the financing for the overthrow of that sovereign Government.

I think it is rather unfortunate that this country finds itself in that position. I dare say that I am very disturbed when you hear all of the rumors that have been brought forth to this House since the Grenada invasion that somehow we can believe that Nicaragua will be next, that because of the reasons that we do not like that Government we will attempt to overthrow them. I am very disturbed that this administration continues on that path.

I would like to ask the chairman of the subcommittee one question, if I might: With the wording of the cap that talks about directly or indirectly, and the agencies of the Federal Government, would this also preclude the routing of money through third countries, the allowing of money to be sent to another country and that would come back to Nicaragua?

My understanding is that this language would preclude that and that would not be allowed under the cap.

Mr. ADDABBO. I would hope that the administration would take that as its direction under the word "indirectly," and I would oppose any indirect funding through third countries.

Mr. MILLER of California. May I also ask the gentleman if a request is made, if this money should run out in June and a request is made, is a request for reprograming available to the administration if the $24 million runs out? Could they then reprogram additional money?

Mr. ADDABBO. No; this is the most that they can spend; in the language of the conference report they must come back to the Congress for additional authorization and funding for Nicaragua.

Mr. MILLER of California. Would they have to come back for legislative authorization for that purpose?

Mr. ADDABBO. In either a supplemental budget request or in the 1985 DOD appropriation budget; yes.

Mr. MILLER of California. I thank the gentleman for his answer.

Again I thank the Members of the House conference committee, recognizing the very difficult job that they had, caught between the positions of the Senate and the recorded votes in the House.

I still wish that perhaps we had been able to eliminate the funding for this war as the House voted to do.

Mr. ADDABBO. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Speaker, first of all I want to compliment the gentleman from California on a very excellent statement. I know of no one in this House who has been more supportive of the position of the majority of the Members of the House of Representatives who have voted three times on the covert action in Nicaragua. No one had been more supportive that the distinguished gentleman from California (Mr. MILLER).

I think he points to something about which all of the Members of the House ought to be concerned: Item 167 in this bill carries absolute cap of $24 million for the covert action in Nicaragua. Failure to agree to that particular number would result in expenditures for the war in Nicaragua based on the continuing resolution.

The continuing resolution carries more than sufficient funds for this operation. A failure to back the Defense Subcommittee on the $24 million would mean no limitation on this program. Funds would be available from their line item, from the fiscal year 1984 reserve for contingencies and from some carryover from the reserve for contingencies from 1983.

I think the Members who are here, who have supported the position of the Intelligence Committee, the majority of the members of the Intelligence Committee and the majority of the Members of this House, should be aware that not agreeing with the position taken by the conference committee, would mean that the total amount of dollars that would be available in the continuing resolution would be considerably more than the $24 million and there would be no cap on the expenditure of funds for this program in Nicaragua.

□ 1340

I am delighted that the gentleman from California has raised this question. And let me say that to nail it down precisely, the only amount of

money that can be expended under this appropriation bill is $24 million and that is it. That would take the expenditure probably through June of next year, 1984. And it would result, I think, in the administration, if it wants to continue this operation, coming back to the Congress, looking for additional funds and it would have to be done under the regular procedure, under a supplemental appropriation bill, where the House and the Senate could work its will on whether or not it would want to provide additional funding for that operation.

It is that simple. If you do not take the recommendation of the committee chaired by the gentleman from New York (Mr. ADDABBO) and the ranking minority member, the gentleman from Alabama (Mr. EDWARDS), then you face the proposition of allowing expenditure of a great deal more for this operation than that which is carried in this bill.

Mr. ADDABBO. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Speaker, I would like to point out that while some of my colleagues really did not want to provide this much in support of the freedom fighters in Nicaragua, there were others who wanted to provide more.

So, basically, what you have here is a true compromise. No one is really happy with it, but it is somewhere in the middle.

If you are concerned about this little bit of additional assistance, let me remind my colleagues of just a couple of points.

When the Sandinista government was installed in Nicaragua, with the help of the U.S. Government and the Organization of American States, our taxpayers, through this Congress, provided them with about $130 million to help them get established. We helped the Sandinistas and we did so based on their promise that they were going to hold elections, and have a free government, have a free press, have a free enterprise system, and have freedom of religion. And it was based on those promises that we gave our $130 million and others helped them become established.

Well, they reneged on the promise. They kicked all of the Jews out of Nicaragua and they confiscated all of their property. Now they are at war almost with the Catholic Church. And we know they have not held elections. And we know they do not have a free press. And, as a matter of fact, Mr. Speaker, we know that the leaders of the freedom fighters are actually some of the very same people who were involved in the original Sandinista revolution itself, who were displeased because the promises weren't kept.

This $24 million is not a lot of money when the Members consider we gave the Sandinistas $130 million to help them get established. If the Members are worried about overthrowing the government of the Sandinistas, well, if my colleagues will compare the $24 million we are talking about here to the hundreds of millions of dollars' worth of guns and ammunition and training and things of this type that the Sandinistas have gotten from the Cubans and the Soviets, there is no comparison. There is no way to measure what we have done against what the other side has done to help the Sandinistas build a military capability far beyond whatever their needs might be to defend their own national interest.

We do not want them messing around in El Salvador, Guatemala, Honduras, Costa Rica, Panama, Mexico, or anywhere else.

So let us go ahead and approve this compromise that the House and the Senate have agreed to and see if we can do a little to stop Fidel Castro's communization of the Caribbean Basin.

Mr. ADDABBO. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. RITTER).

Mr. RITTER. Mr. Speaker, I would just like to point out the supreme irony we are witnessing here on this floor. Moments ago this House voted for $249 billion of American taxpayers money to defend out country and the cause of freedom in the world. That is not what the American defense budget is for? Or is it becoming some kind of corporate welfare? This conference report item amounts to cutting the rug out from under the Nicaraguan freedom fighters when $25 or so million is at stake—a small piece of a large airplane—while 15,000 Nicaraguans have gotten together to try and fulfill the dreams of the original Sandinista revolution. Doesn't that contradict the expenditure of so much national treasure on defense. They are fighting for their freedom. And because they are fighting that battle, we may not have to fight it at some later date. Isn't that part of a meaningful defense?

Are we to cut them off at the pass as they become more successful . . . which is what this bill does. The Nicaraguan Marxist-Leninists are iron bound to Cuba and the Soviet Union, the same people our 249 billion dollars' worth of defense expenditures are supposed to be protecting the American people from.

I think my colleagues should think twice about what we have done here in this conference.

Mr. ADDABBO. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion.

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. ADDABBO).

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 168: Page 70, after line 9, insert:

SEC. 775. So far as may be practicable, Indian labor shall be employed, and purchases of the products of Indian industry may be made in open market in the discretion of the Secretary of Defense.

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 168 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert:

SEC. 775A. So far as may be practicable, Indian labor shall be employed, and purchases of the products of Indian industry may be made in open market in the discretion of the Secretary of Defense: *Provided*, That the products must meet pre-set contract specifications.

Mr. ADDABBO (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disgreement.

The amendment reads as follows:

Senate amendment No. 178: Page 72, lines 3 and 4, strike out "specifically for the Air National Guard,".

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 178 and concur therein with an amendment, as follows: In lieu of the matter stricken by said amendment, insert "specifically for the Air National Guard, if requested,".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 181: Page 72, line 6, insert:

SEC. 787. None of the funds appropriated by this Act shall be used to adjust any contract price for amounts set forth in any claim, request for equitable adjustment, or demand for payment or incurred due to the preparation, submission, or adjudication of any such claim, request, or demand under a contract entered into after the date of enactment of this Act, arising out of events occurring more than eighteen months prior to

the submission of such claim, request, or demand. For the purposes of this Act, the requirement for "submission" of a claim, request, or demand is met only when the certification required in section 6(c)(1) of the Contracts Disputes Act of 1978 is provided and the claim, request, or demand is fully documented and substantiated in accordance with regulations to be promulgated by the Secretary of Defense.

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 181 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert:

SEC. 787. None of the funds available to the Department of Defense shall be used to adjust any contract price for amounts set forth in any shipbuilding claim, request for equitable adjustment, or demand for payment or incurred due to the preparation, submission, or adjudication of any such shipbuilding claim, request, or demand under a contract entered into after the date of enactment of this Act, arising out of events occurring more than eighteen months prior to the submission of such shipbuilding claim, request, or demand. For the purposes of this Act, the requirement for "submission" of a shipbuilding claim, request, or demand is met only when the certification required in section 6(c)(1) of the Contracts Disputes Act of 1978 is provided and the shipbuilding claim, request, or demand is fully documented and substantiated in accordance with regulations to be promulgated by the Secretary of Defense.

Mr. ADDABBO (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 191: Page 73, after line 15, insert:

SEC. 789. None of the funds appropriated by this Act shall be used to purchase dogs or cats or otherwise fund the use of dogs or cats for the purpose of training Department of Defense students or other personnel in surgical or other medical treatment of wounds produced by any type of weapon: *Provided*, That the standards of such training with respect to the treatment of laboratory animals shall adhere to the Federal Animal Welfare Law and to those prevailing in the civilian medical community.

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 191 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert:

SEC. 791. None of the funds appropriated by this Act shall be used to purchase dogs or cats or otherwise fund the use of dogs or cats for the purpose of training Department of Defense students or other personnel in surgical or other medical treatment of wounds produced by any type of weapon: *Provided*, That the standards of such training with respect to the treatment of animals shall adhere to the Federal Animal Welfare Law and to those prevailing in the civilian medical community.

Mr. ADDABBO (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 192: Page 73, after line 15, insert:

SEC. 790. Beginning on April 1, 1984, or on the effective date of the next adjustment in the General Schedule of compensation for Federal classified employees, whichever occurs first, none of the funds appropriated by this Act shall be available to pay Variable Housing Allowance to a member pursuant to section 403(a), title 37, United States Code, in an amount that exceeds the difference between $700 and the amount of Basic Allowance for Quarters such member receives pursuant to section 403, title 37, United State Code, in the case of members with dependents, or the difference between $475 and the amount of Basic Allowance for Quarters such member receives pursuant to section 403, title 37, United States Code, in the case of a member without dependents.

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 192 and concur therein with an amendment, as follows: in lieu of the matter inserted by said amendment, insert:

SEC. 792. Beginning on April 1, 1984, or on the effective date of the next adjustment in the General Schedule of compensation for Federal classified employees, whichever occurs first, none of the funds appropriated by this Act shall be available to pay Variable Housing Allowance to a member pursuant to section 403(a), title 37, United States Code, in an amount that exceeds the difference between $800 and the amount of Basic Allowance for Quarters such members receives pursuant to section 403, title 37, United States Code, in the case of members with dependents, or the difference between $600 and the amount of Basic Allowance for Quarters such member receives pursuant to section 403, title 37, United States Code, in the case of a member without dependents.

Mr. ADDABBO (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 193: Page 73, after line 15, insert:

SEC. 791. The land and building located on the parcel described as lot four (4), block four (4), Fairbanks Original Townsite, section 10, townsite 1 south, range 1 west, Fairbanks meridian, shall be transferred to the city of Fairbanks.

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 193 and concur therein with an amendment, as follows: In lieu of the section 791 named in said amendment, insert: "793".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 194: Page 73, after line 15, insert:

SEC. 792. (a) Except as provided in subsection (b), none of the funds appropriated by this or any other Act may be obligated or expended for the procurement of a weapon system unless the prime contractor of such system provides the United States with a written guarantee—

(1) that the system was designed, manufactured, and equipped so as to conform to the Government's performance requirements as specifically delineated (A) in the production contract, or (B) in any other agreement relating to the production of such system entered into by the United States and the contractor;

(2) that the system, at the time it is provided to the United States, is free from all defects (in materials and workmanship) which would cause the system to fail to conform to the Government's performance requirements as specifically delineated (A) in the production contract, or (B) in any other agreement relating to the production of such system entered into by the United States and the contractor; and

(3) that, in the event of a failure of the weapon system to meet the conditions specified in clauses (1) and (2)—

(A) the contractor will bear the cost of all work including repairing or replacing all parts promptly that are necessary to achieve the required performance requirements; or

(B) if the contractor fails to repair or replace such parts promptly, as determined by the Secretary of Defense, the contractor will pay the costs incurred by the United States in procuring such parts from another source.

(b) The Secretary of Defense may waive the requirements of subsection (a) in the case of a weapon system if the Secretary—

(1) determines that the waiver is necessary in the interest of the national defense; and

(2) notifies the Committees on Appropriations of the Senate and House of Representatives in writing of his intention to exercise

such waiver with respect to such weapons system.

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 194 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert:

SEC. 794. (a) Except as otherwise provided in this section, none of the funds appropriated by this or any other Act may be obligated or expended for the procurement of a weapon system unless the prime contractor or other contractors for such system provides the United States with written guarantees—

(1) that the system and each component thereof were designed and manufactured so as to conform to the Government's performance requirements as specifically delineated (A) in the production contract, or (B) in any other agreement relating to the production of such system entered into by the United States and the contractor;

(2) that the system and each component thereof, at the time they are provided to the United States, are free from all defects (in materials and workmanship) which would cause the system to fail to conform to the Government's performance requirements as specifically delineated (A) in the production contract, or (B) in any other agreement relating to the production of such system entered into by the United States and the contractor; and

(3) that, in the event of a failure of the weapons system or a component to meet the conditions specified in clauses (1) and (2)—

(A) the contractor will bear the cost of all work promptly to repair or replace such parts as are necessary to achieve the required performance requirements; or

(B) if the contractor fails to repair or replace such parts promptly, as determined by the Secretary of Defense, the contractor will pay the costs incurred by the United States in procuring such parts from another source.

(b) A written guarantee provided pursuant to subsection (a) shall not apply in the case of any weapon system or component thereof which has been furnished by the Government to a contractor.

(c) The Secretary of Defense may waive the requirements of subsection (a) in the case of a weapon system if the Secretary—

(1) determines that the waiver is necessary in the interest of the national defense or would not be cost-effective; and

(2) notifies the Committee on Armed Services and Appropriations of the Senate and the House of Representatives in writing of his intention to waive such requirements with respect to such weapon system and includes in the notice an explanation of the reasons for the waiver.

(d) The requirements for written guarantees provided in subsection (a) hereof shall apply only to contracts which are awarded after the date of enactment of this Act and shall not cover combat damage.

Mr. ADDABBO (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 196: Page 73, after line 15, insert:

SEC. 794. None of the funds appropriated by this Act shall be obligated under the competitive rate program of the Department of Defense for the transportation of household goods to or from Alaska and Hawaii.

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 196 and concur therein with an amendment, as follows: In lieu of the section number named in said amendment, insert "795".

The motion was agreed to.

□ 1350

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 197: Page 73, after line 15, insert:

SEC. 795. No funds appropriated for the Departments of Defense, Army, Navy, or the Air Force shall be obligated by their respective Secretaries for architectural and engineering services and construction design contracts for Military Construction projects in the amount of $85,000 and over, unless competition for such contracts is open to all firms regardless of size in accordance with 40 U.S.C. § 541, et seq.

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 197 and concur therein with an amendment, as follows: In lieu of the section number 795 named in said amendment, insert "796".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 198: Page 73, after line 15, insert:

SEC. 796. None of the funds made available by this Act shall be used to initiate full-scale engineering development of any major defense acquisition program until the Secretary of Defense has provided to the Committees on Appropriatoins of the House and Senate—

(a) a certification that the system or subsystem being developed will be procured in quantities that are not sufficient to warrant development of two or more production sources, or

(b) a plan for the development of two or more sources for the production of the system or subsystem being developed.

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 198 and concur therein with an amendment, as follows: In lieu of the section number named in said amendment, insert "797".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 199: Page 73, after line 15, insert:

SEC. 797. Funds appropriated by this Act shall be available for such studies and analyses contracts with federally established nonprofit corporations which operate Federal Contract Research Centers as the Secretary of Defense may determine in accordance with procedures in effect on June 1, 1983, notwithstanding any other provisions of law.

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 199 and concur therein with an amendment, as follows: in lieu of the matter inserted by the said amendment, insert:

SEC. 798. Funds appropriated by this Act shall be available for such studies and analyses contracts with federally established nonprofit corporations which operate Federal Contract Research Centers as the Secretary of Defense may determine in accordance with procedures in effect on June 1, 1983, notwithstanding any other provisions of law: *Provided*, That this section shall expire on April 30, 1984.

Mr. ADDABBO (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 200: Page 73, after line 15, insert:

SEC. 798. It is the sense of the Senate that the Secretary of Defense should formulate and carry out a program under which contracts awarded by the Department of Defense in fiscal year 1984 would, to the maximum extent practicable and consistent with existing law, be awarded to contractors who agree to carry out such contracts in labor surplus areas (as defined and identified by the Department of Labor).

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 200 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert:

SEC. 799. It is the sense of the Congress that the Secretary of Defense should formulate and carry out a program under which contracts awarded by the Department of Defense in fiscal year 1984 would, to the maximum extent practicable and consistent with existing law, be awarded to contractors who agree to carry out such contracts in labor surplus areas (as defined and identified by the Department of Labor).

Mr. ADDABBO (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 201: Page 73, after line 15, insert:

SEC. 799. Notwithstanding any other provision of law, the Administrator of General Services is directed, for and on behalf of the United States, to transfer by quitclaim deed and without consideration, to the State of Washington, all right, title, and interest of the United States in real property, formerly administered by the Department of Justice, located in Pierce County, Washington, known as the former McNeil Island Federal Penitentiary, consisting of approximately four thousand four hundred and forty-five acres of land, all improvements thereon, and all related personal property associated therewith.

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 201 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert:

SEC. 799A. The Administrator of General Services shall transfer to the State of Washington for educational correctional facility use and in accordance with provisions of law relating to the disposal of Federal property, that part of the real property, including all improvements and related personal property thereon, which was administered by the Department of Justice, located in Pierce County, Washington, known as the former McNeil Island Federal Penitentiary. Such transfer shall not include that part of McNeil Island comprising the wildlife refuge area.

Mr. ADDABBO (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 202: Page 73, after line 15, insert:

SEC. 799A. Within the funds made available under title III of this Act, the military departments may use such funds as necessary, but not to exceed $2,300,000, to carry out the provisions of section 430 of title 37, United States Code.

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 202 and concur therein with an amendment, as follows: In lieu of section number 799A named in said amendment, insert "799B".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 203: Page 73, after line 15, insert:

SEC. 799B. Within funds available under title III of this Act, Department of Defense shall provide free mailing privileges to members of the Armed Forces of the United States assigned to duty as part of the multinational peacekeeping force in Lebanon and to members of the Armed Forces of the United States assigned to duty in Grenada in the same manner and to the same extent such privileges would be accorded under section 3401 of title 39, United States Code, to members of the Armed Forces of the United States serving on active duty in an overseas area, as designated by the President, when the Armed Forces of the United States are engaged in military operations involving armed conflict with a hostile foreign force.

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 203 and concur therein with an amendment, as follows: In lieu of section number 799B named in said amendment, insert "799C".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 206: Page 73, after line 15, insert:

SEC. 799E. Within funds available under title I of this Act, but not to exceed $100,000, and under such regulations as the Secretary of Defense may prescribe, the Department of Defense shall, in addition to allowances currently available, make payments for travel and transportation expenses of the surviving spouse, children, parents, and brothers and sisters of any member of the Armed Forces of the United States who dies as the result of an injury or disease incurred in line of duty to attend the funeral of such member in any case in which the funeral of such member is more than 200 miles from the residence of the surviving spouse, children, parents or brothers and sisters, if such spouse, children, parents, or brothers and sisters as the case may be are financially unable to pay their own travel and transportation expenses to attend the funeral of such member.

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 206 and concur therein with an amendment, as follows: in lieu of the matter inserted by said amendment, insert:

SEC. 799E. Within funds available under title III of this Act, but not to exceed $100,000, and under such regulations as the Secretary of Defense may prescribe, the Department of Defense may, in addition to allowances currently available, make payments for travel and transportation expenses of the surviving spouse, children, parents, and brothers and sisters of any member of the Armed Forces of the United States, who dies as the result of an injury or disease incurred in line of duty to attend the funeral of such member in any case in which the funeral of such member is more than 200 miles from the residence of the surviving spouse, children, parents or brothers and sisters, if such spouse, children, parents or brothers and sisters as the case may be are financially unable to pay their own travel and transportation expenses to attend the funeral of such member.

Mr. ADDABBO (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 208: Page 73, after line 15, insert:

SEC. 799G. It is the sense of the Senate that competition, which is necessary to enhance innovation, effectiveness, and efficiency, and which has served our nation so well in other spheres of political and economic endeavor, should be expanded and increased in the provision of our national defense.

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 208 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert:

SEC. 799G. It is the sense of the Congress that competition, which is necessary to enhance innovation, effectiveness, and efficiency, and which has served our Nation so well in other spheres of political and economic endeavor, should be expanded and increased in the provision of our national defense.

Mr. ADDABBO (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the last amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 211: Page 73, line 15, insert:

SEC. 799J. Notwithstanding any other provision of this Act, no funds appropriated by this Act shall be expended for the research, development, test, evaluation or procurement for integration of a nuclear warhead into the Joint Tactical Missile System (JTACMS).

MOTION OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ADDABBO moves that the House recede from its disagreement to the amendment of the Senate numbered 211 and concur therein with an amendment, as follows: In lieu of the section number named in said amendment, insert "799H".

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions and the conference report was laid on the table.

PROVIDING PROCEDURES DURING CONSIDERATION OF H.R. 3959, SUPPLEMENTAL APPROPRIATIONS, 1984

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 379 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 379

Resolved, That during the consideration of remaining amendments in disagreement to the bill (H.R. 3959) making supplemental appropriations for the fiscal year ending September 30, 1984, and for other purposes, the Senate amendment to the House amendment to Senate amendment number 11 shall be considered to have been read and considered to have been agreed to.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield the customary 30 minutes, for purposes of debate only, to the gentleman from Tennessee (Mr. QUILLEN). Pending that, I yield myself such time as I may consume.

Speaker, on Wednesday the House adopted the conference report on H.R. 3959, the supplemental appropriations bill for fiscal year 1984 by a vote of 372 to 51. There were 34 amendments in technical disagreement which were all disposed of as agreed upon by the House and Senate conferees. Fifteen of those amendments were House amendments to Senate amendments to House amendments and, therefore, required subsequent action by the Senate.

Yesterday, the Senate further amended the amendment numbered 11, dealing with veterans job training programs and added to it the so-called Garn amendment which contains the following six items:

The housing authorization;

The IMF authorization;

The IMF appropriation;

The authorizations for the Export-Import Bank;

The authorization for the multilateral development banks; and

The extension of the Defense Production Act.

The rule provides that during the consideration of the remaining amendments in disagreement, the Senate amendment to the House amendment to Senate amendment number 11 shall be considered to have been read and shall be considered to have been agreed to.

Mr. Speaker, in plain English let me explain to my colleagues what this rule does. It is somewhat unusual, and a procedure which the Rules Committee employs only sparingly. This procedure is not unprecedented, however, and has been used to expedite the consideration of very important legislative matters, such as the nuclear waste legislation of the last Congress.

This rule is what we term a "self-executing" rule. Basically, House Resolution 379 provides that, upon adoption of the rule, the House will be deemed to have agreed to the Senate amendment. All of the debate will occur, therefore, on the rule, and the vote on the rule is, in essence, a vote on the substance of the legislation.

As my colleagues know, a special order, or rule, is considered in the House under the hour rule. The floor manager controls the full hour and, by custom, yields 30 minutes of that time to the minority floor manager. The rule is not amendable.

Let me also explain, Mr Speaker, that should the previous question be defeated, then it would not be possible to amend the text of the substantive legislation. I emphasize again, therefore, that the vote on the rule is in effect the vote on the legislation.

Mr. Speaker, House Resolution 379 allows the House to complete action, in an expedited manner, on several vitally important matters that have been unresolved for many months: extension of the Federal housing program, and authorization of the IMF, the Exim Bank, and the multilateral development banks. I am pleased that the principal parties in dispute have reached agreement, and that the matters have been resolved to their satisfaction. I urge my colleagues to approve the rule, thus approving the amendment in disagreement.

□ 1400

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Louisiana is absolutely correct. When this rule is adopted, the supplemental appropriation amendment in disagreement is adopted, embracing several measures that have already been passed by the House, a very important housing bill, the IMF authorization and other components.

I say that it is mandatory that we get this measure behind us at the 11th hour so that we can adjourn. However we might feel about IMF, however we might feel about housing, however we might feel about the Export-Import Bank, the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund, lay those differences aside, if you have any, and vote for the package because it is mandatory that this legislation pass before adjournment.

I supported IMF when it was on the floor for consideration the first time. I talked to the Secretary of the Treasury yesterday and he assured me that the measure had been amended to prevent the bailout of big banks. I am gratified at that because the criticism I had on my vote was that we were bailing out the big banks.

I think that for the economic progress of this Nation the international loan situation is critical. We do not want to go back into further recession when we are on the road now to a speedy and sure recovery.

Mr. Speaker, I rise in support of the rule and I urge my colleagues to vote for it so that we can get on with the business of the House, the debt ceiling which also must be passed before we adjourn, and other important matters.

Mr. LONG of Louisiana. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. PATTERSON).

Mr. PATTERSON. I thank the chairman for yielding me this time.

Mr. Speaker, we have a very complex bill to vote on today. One vote will adopt both the rule and the bill. However, we have had time to study and vote on each of these matters, the Export-Import Bank bill, the multilateral development banks, the International Monetary Fund and the housing bill. We had these bills before this body for a number of days in prevous months.

We adopted the bills and they went to the Senate. The Senate has taken our legislation, somewhat modified it and reduced spending amounts, and attached it to the supplemental appropriations bill before us today. Today is our opportunity to pass that legislation. It is a very important bill. The President indicated in his speech at the Williamsburg summit that this is the linchpin of economic recovery not only for the United States but for the rest of the world.

I think it is very important that we cast "aye" votes for it and I call upon my colleagues on the other side of the aisle, the side of the aisle of the President's own party, to support your President, because without your bipartisan support, without your votes, this bill cannot be passed today, and we must pass it; if not today, we must pass it prior to September 30 or you can rest assured the President of the United States will call this House, the Congress, back in special session.

Therefore, Mr. Speaker, I rise in strong support of the rule on today's legislation covering housing, the Export-Import Bank, the IMF and the multilateral development banks. As chairman of the International Finance Subcommittee, I want to stress the importance of this legislation to the economic health of the world at large and, especially to the United States. Passage of this legislation is very much in our own self-interest.

I want to first thank the chairman of the Appropriations Committee, Mr. WHITTEN, for the help he has provided in enabling this legislation to be considered by the House today. I also want to praise the chairman of the Banking Committee, Mr. ST GERMAIN, for the outstanding job he has done during the many months he has shepherded this bill through committee, through House passage, and through intricate negotiations with the Senate.

During this process, he encountered more legislative pitfalls than anyone deserves and yet he came through it all with a bill that will provide desperately needed resources enabling the IMF to continue its indispensable role in the world economy and thereby, as the President himself has repeatedly emphasized in correspondence with me and with other Members, safeguard our own national security. At the Williamsburg Economic Summit, the President called the IMF "the linchpin of world economic recovery."

This measure also reaffirms the Federal Government's committment to safe and affordable housing for all Americans. A bill that renews the charter of the Export-Import Bank, thus enabling a continued competitive position for U.S. exports. A bill strongly supported by President Reagan, that will also authorize continued U.S. participation in the Asian Development Bank, the Inter-American Development Bank, and the African Development Fund. These institutions fulfill a critical role in the development of the economies of our most important trading partners, the developing countries. Finally, this legislation takes a realistic approach toward the future lending practices of the commercial banks without being so restrictive that overseas financing becomes inadequate to sustain U.S. exports.

I believe President Reagan was absolutely accurate in stating that the IMF is the key to avoiding worldwide economic chaos and disruption of the flow of U.S. exports abroad. I am convinced, by what I am told by our President, our Secretary of State, our Secretary of Treasury, the lengthy and thorough-going hearings which our Committee on Banking has held over the past two years on the President's IMF request, and by what I know about the needs of the employers and employees who live in my own district, that this bill must pass. The President has stated that failure to approve this legislation will substantially increase the chances for an economic calamity that will affect this country for generations to come. The costs of such a calamity would be far more serious than simply endangerment of the U.S. economic recovery.

Passage of this legislation is crucial to the 5 million Americans who are employed as a direct result of the exports we sell overseas. It is not difficult to envision the harsh economic consequences for the United States if there was a serious contraction in world trade. I know for example, that in my home State of California, five of the six largest importers of California products were developing countries, some of whom are currently receiving IMF assistance and policy advice. Those five countries, including Mexico, accounted for $8.4 billion in purchases from California—almost 30 percent of the $28.6 billion in exports from California in 1982. It is estimated that 720,000 jobs resulted from these exports in California. So, for me, the IMF issue is a jobs issue and an issue of jobs for the people of my own home State and district.

Yesterday, the Senate passed its own language requiring the U.S. Executive Director at the IMF to oppose loans to all countries which are Communist dictatorships or which practice apartheid. The Gramm amendment, which passed the House, required the United State to oppose all loans to countries characterized as communist dictatorships. As we all know, the President of the United States himself opposed this language and it was eliminated from the legislation by the Senate at the express request of President Reagan. The legislation before us, however, contains a newly drafted provision which gives the President the flexibility he must have if he is to conduct U.S. foreign policy. The Senate's language is stronger than the House language and it is, by far, more workable. It requires opposition to all loans to communist countries except where the administration certifies that numerous tough conditions have been met, including the requirement that our national security is best served.

The Secretary of the Treasury must personally testify to us on these conditions and document that they have been fully met. I wholeheartedly support the Senate's action in rejecting the Gramm amendment, because it provides the President flexibility to work in the best interests of our country without allowing U.S. taxpayers' money to be sent to Communist debtors, without a strong showing by the President as to why this is in the national interest.

The apartheid provision now contains similar stringent conditions, generally requiring U.S. opposition to such loans, but allowing the possibility that the administration may be able to make a case that a long list of conditions have all been met. Thank you, Mr. Speaker.

Mr. MITCHELL. Mr. Speaker, will the gentleman yield?

Mr. PATTERSON. I would be delighted to yield to the gentleman from Maryland.

Mr. MITCHELL. I thank the gentleman for yielding.

Mr. Speaker, I asked the gentleman to yield for the purpose of raising at least three questions, one of which might better be directed to someone from the Committee on Rules.

I have only been here 14 years and this is the first time I have ever been in a procedure where a vote for the rule is a vote for the bill.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. I thank the gentleman for yielding this time to me.

Mr. Speaker, I urge adoption of the rule and an affirmative vote on this legislation which, in addition to providing supplemental appropriations, provides for the necessary funding for the domestic housing programs, the Export-Import Bank, the multilateral development banks, and the International Monetary Fund.

It has been a most difficult undertaking to bring this bill to a vote on the housing and IMF authorizations, but I would submit that there were 20 hours of floor debate on the IMF quota increase alone, and the housing issues have been debated extensively.

Speaking to the increase in the funding for the IMF, in his speech at last month's annual meeting of Finance Ministers, President Reagan reaffirmed his unbreakable commitment to increase funding for the IMF. In his speech he noted:

> The legislation is not only crucial to the recovery of America's trading partners abroad and to the stability of the entire international financial system, it is also necessary to a sustained recovery in the United States.

I join in that assessment, Mr. Speaker.

Let me quote from the President again about what might happen if the Congress fails to enact this legislation:

> If the Congress does not approve our participation, the inevitable consequences will be a withdrawal of other industrialized

countries from doing their share. At the end of this road could be a major disruption of the world trading and financial system, an economic nightmare that could plague generations to come.

□ 1410

The President has been in discussions, may I submit, with other world leaders on this subject, and I am sure he knows whereof he speaks. He has just sent me another letter which says, in part:

Failure to pass this legislation would undermine our efforts to ensure to a sound world economy necessary for the continued prosperity of all nations. It is essential that our country now follow through to strengthen this vital institution.

The IMF has made a contribution to the United States by reinforcing the trend toward an open international system where free markets and free enterprise can thrive.

Mr. Speaker, I have called it a jobs bill. I think it is very important for our own economy and for jobs in our country, and I submitted some statistics during the debate as to how it impacts on our own jobs market.

Adoption of the rule would also authorize the housing programs administered by HUD and the Farmers Home Administration. This is good housing authorizing legislation, and I am happy to say that these authorizations are not budget busters. The total budget authority falls within the budget resolution and is in line with previously appropriated amounts.

It is fair to say that with the help of Mr. Stockman, Secretary Pierce, Chairman ST GERMAIN, and Senator GARN, this bill makes many improvements in existing housing law.

In most instances this is the first time in 3 years there has been comprehensive legislation on housing programs. That in and of itself could justify consideration of this legislation, for as we all know, Government programs work best when they are modified to meet changing circumstances.

Mr. MITCHELL. Mr. Speaker, will the gentleman yield briefly for a question on housing?

Mr. WYLIE. I will yield to the gentleman when I finish.

Mr. Speaker, in those situations where programs have outlived their usefulness, the programs are terminated as we did in the case of the riot reinsurance and the section 8 new construction.

In addition, this legislation includes several innovative changes such as the negotiated FHA rate provision, the so-called Bartlett amendment, and the demonstration voucher program. Both of these are administration initiatives, and, I believe, will be beneficial to home buyers in the first instance and helpful to low-income renters in the second. All in all, I feel the housing and community development titles, standing on their own merit, justify speedy approval of the requested rule and enactment of this legislation.

The administration supports the IMF and housing provisions.

Mr. Chairman, the Congress needs to act expeditiously to authorize the IMF quota increase so the fund can continue to safeguard our economic interests. We respectfully ask for an affirmative vote on the rule.

Mr. Speaker, I rise in strong support of the Senate amendment, the Domestic Housing and International Recovery and Financial Stability Act, to H.R. 3959, providing supplemental appropriations for fiscal year 1984. As you know, the House approved the omnibus IMF authorization last August and a housing authorization last July. Together with the appropriations for the IMF, these are the major component parts of the Senate amendment. I have been working closely with the White House, the gentleman from Rhode Island, Chairman ST GERMAIN, Senate Banking Committee chairman, GARN, and Senator PROXMIRE, and I am fully confident that the legislation before the House today represents a carefully balanced package which truly is in our Nation's best interests.

After many hours of hearings and debate, it is clear to me that this legislation is important for our international responsibilities as the leading power in the free world, for our own economic recovery, for private sector jobs, and for legitimate housing needs in this country. Like it or not, we live in an interdependent world where economic growth and recovery at home are dependent upon economic growth and recovery throughout the world.

The recent full-page ad in the Washington Post sponsored by the Ad Hoc Coalition of IMF supporters underscores my point. Groups as diverse as the National Association of Wheat Growers, Levi Strauss & Co., Johnson & Johnson, the Goodyear Tire & Rubber Co., the Colgate-Palmolive Co., the American Association of Exporters and Importers, the American Retail Federation, and many, many others support this legislation because it is in our own domestic economic self-interest.

Quite frankly, Mr. Speaker, financial stability throughout the world, aided by the valuable work of the IMF, means trade opportunities overseas and jobs here at home. In my home State of Ohio, nearly 8 percent of all jobs have been identified as being directly related to exports.

Let me respectfully remind my colleagues that President Reagan has made the IMF legislation a key element in his legislation strategy. At last month's annual meeting of the IMF, President Reagan reaffirmed his "unbreakable commitment" to increase funding for the IMF. He told us bluntly:

I urge the Congress to be mindful of its responsibility and to meet the pledge of our government.

He told us that the stakes are great. Quoting again from the President's speech, he said:

This legislation is not only crucial to the recovery of America's trading partners abroad and to the stability of the entire international financial system it is also necessary to a sustained recovery in the United States.

Let me quote the President one last time about what might happen if Congress fails to enact the IMF authorization and appropriation this session:

If the Congress does not approve our participation, the inevitable consequence would be a withdrawal by other industrialized countries from doing their share. At the end of this road could be a major disruption of the entire world trading and financial systems—an economic nightmare that could plague generations to come. No one can afford to make light ot the responsibility we all share.

I urge all of my colleagues to rise to our responsibilities, responsibilities in my opinion which are clearly in our national interest, and support the Senate amendment. In this way, we will fulfill the President's unbreakable commitment to the IMF and to financial stability around the world.

Turning now to other key component parts of this carefully balanced package, let me point out the highlights of this legislation.

This legislation extends the charter of the U.S. Export-Import Bank for 3 years. Among other things, we improve Eximbank's capacity to support and finance U.S. exports, which as we all know are a growing percentage of our GNP and thus, private sector jobs in this country. Changes we make include:

We provide for greater attention to the needs of small business as well as minimum financing levels for the aggregate of small business loans, guarantee and insurance authority of 6 percent in fiscal year 1984, 8 percent in fiscal year 1985 and 10 percent in fiscal year 1986.

We require that at least one member of the Board of Directors represent the interests of small business.

Eximbank will now provide for medium-term financing up to 85 percent of the cost of the exports, and Eximbank also will set up a program to help advise small business on this financing.

We specify that Eximbank can provide financing to all export trading companies dealing in services.

We insure that U.S. insurance companies will have an equal opportunity to bid for insurance contracts on Eximbank's transactions.

We provide for a 12-member advisory committee with at least 3 members representing small business.

Many new watchdog restrictions will be added by title VIII of this legislation. For example these restrictions include:

For the first time, we provide for the Secretary of the Treasury to certify that the general arrangements to borrow resources are needed to forestall an impairment of the international monetary system, before the funds can be used.

I support the inclusion of this provision in the bill in order to insure that these resources are used primarily in those cases that present serious difficulties for the international monetary system. The Secretary of the Treasury is authorized to allow U.S. resources to be activated for those cases where use of these resources is necessary to forestall a serious threat to the international financial system and where the Fund has fully explored alternative means of financing. These standards are, in their essence, similar to those contained in the agreement on the general arrangements to borrow. As a participant in the general arrangement to borrow, the United States is committed to this international obligation. We want to note our desire to maintain our prior international commitments as well as our desire to allow the Secretary of the Treasury to be able to respond quickly when such a need arises.

We instruct the U.S. Director to oppose the use of Fund resources to repay loans imprudently made by private banks.

We instruct the U.S. Executive Director to work to bring the interest rates on Fund drawings into line with market interest rates.

We direct the U.S. Executive Director to avoid the subsidy of the production of international commodities without taking into account the market for these commodities.

We instruct the U.S. Executive Director to work for Fund policies which reduce restrictions on international trade, promote improved economic relations, and eliminate unfair trade practices.

We require prior consultation with Congress before the next creation of special drawing rights. I welcome this provision, since I believe it is important that the executive branch consult with Congress on this important matter. The requirement for 90-day consultation prior to any vote, however, could pose some difficulties. Since international events can unfold rapidly, we must be sensitive to the possible need to respond quickly and effectively to such events and to accompanying international negotiations. The 90-day consultation provision includes specific explanations and standards the Secretary of the Treasury must meet. Since such an extended period may, in certain cases, preclude the Secretary of the Treasury from fully meeting these consultation standards, we note our expectation that the 90-day consultation requirement be realistically applied and met. We will need to be flexible both with respect to the timing of such consultations and the substance on a case-by-case basis.

We direct the Secretary of the Treasury to make all kinds of necessary reports including:

First, proposals to improve the floating exchange rate system;

Second, the ability of Fund to promote real economic growth in countries undergoing Fund stabilization programs;

Third, the feasibility of Fund issuing securities in private capital markets;

Fourth, the feasibility of selling Fund's gold reserves; and

Fifth, the feasibility of establishing temporary supplemental financing facilities.

Mr. Speaker, section 804 provides instructions to the U.S. Executive Director regarding IMF loans to Communist dictatorships and countries pursuing a policy of apartheid. I know of no Member in the House who favors either apartheid or communism. As Members are aware, however, this is a highly controversial issue. The proposed provision is the product of extended discussion. I believe that it represents a balanced and constructive approach which responds to the concerns that have been raised while preserving the apolitical character of the IMF. I want to thank all those involved for their cooperation in this effort.

Under the terms of this amendment, the United States would be required to actively oppose IMF loans to Communist dictatorships and countries practicing apartheid unless the Secretary of the Treasury certifies and documents at least 21 days in advance of an IMF vote that certain criteria had been met.

The 21-day requirement is based on current IMF procedures which normally provide that the documentation relating to a request for use of IMF resources be presented to the Executive Board at least 4 weeks prior to a decision. However, it is often not possible to meet this schedule and decisions on loans can be made within a shorter period. Consequently, there may be situations in which it would not be possible for a Secretary of the Treasury to satisfy the 21-day requirement.

It is not the intention of the sponsors to have a provision which cannot reasonably be expected to be met. Clearly, the 21-day requirement will have to be interpreted realistically to take account of the IMF loan negotiations; the other factors that may affect the ability of the Secretary of the Treasury to provide the necessary certification and to testify before the appropriate committees. The 21-day requirement represents an expectation, but adherence to that goal would take into account reasonable variations due to the circumstances at the time.

Under title IX private banks will behave in the future with closer supervision and tighter regulation. For example,

We direct the appropriate Federal banking agency to evaluate a foreign country's exposure in evaluating capital adequacy standards.

For the first time, we instruct each appropriate Federal banking agency to require banks to maintain adequate capital levels.

We direct the Federal banking agencies to require banks to establish reserves whenever the agency determines that the public or private borrowers are unable to make their plan payments.

We require that no banking institution shall charge any fee for loan restructuring exceeding its administrative cost, unless this fee is amortized over the life of the loan.

We provide for evaluation of foreign loans in excess of $20 million in mining or metal-making operations with regard to their impact on world markets and the degree of subsidy involved.

We provide for audit authority of international bank supervision by the GAO.

We direct the Secretary of the Treasury to report on changes needed to improve the foreign lending operations of U.S. banks.

Mr. Speaker, we also include the authorization for the multilateral development banks negotiated by this administration. Furthermore, we provide for a study on how the Multilateral Development Bank can help to more effectively channel private direct investment to developing countries.

Let me now turn to the housing component of this compromise legislation.

There have been comments to the effect that the housing legislation is a hostage for the IMF bill and that housing would not have been considered had it not been so linked. The implication is that the housing portion is not worthy of being considered in its own right.

I do not believe that is correct.

The housing and community development provisions are, on the whole, good provisions. I am not saying I support everything that is in the bill and there are program changes—notably secondary market amendments—that I support which are not included. As I said, however, on the whole the compromise is a good one. I can assure my colleagues that, if we were considering only the housing portion, and, if it were a question of an up or down vote, I would urge a "yea" vote.

I would do so for these reasons.

It is a fiscally responsible piece of legislation. Much more so than H.R. 1 was, which I opposed when it was reported from the Banking Committee. This compromise is $8 billion less than H.R. 1, as reported. The total new budget authority of $15.627 billion is well within the limits of our congressionally adopted budget resolution. It mirrors almost exactly the funding contained in the appropriation bills. It is definitely not a budget buster.

It contains many provisions that are necessary if the programs that are administered by HUD and the Farmer's Home Administration are to function efficiently and equitably. As an example of that, let me cite the 3-year authorization for the community development block grant program. This will give the mayors of our cities an indication as to how much Federal assistance they can expect in the years ahead so they can plan their budgets accordingly. Another example would be the statutorily established 9¼ percent interest rate for our 202 elderly projects. Without this, it is estimated that 80 percent of the projects presently in the pipeline would fall out.

It contains many innovative provisions. The negotiated FHA rate is an example of this. Originally added by our colleague from Texas (Mr. BARTLETT) this should have a beneficial effect on overall mortgage costs. Other examples of innovative proposals include the demonstration voucher program and FHA insurance for alternative mortgage instruments.

It contains many cost cutting features for both the Government and private enterprise. Section 202 projects of over $2 million must be subject to competitive bidding and all 202 projects are required to be modestly designed. The contract term for the existing housing program that will be part of the voucher demonstration has been cut to 5 years, reducing the budget authority cost from an estimated $68,000 per unit to $16,000 per unit. Builders would only have to meet one acceptable building code. Costly and outdated programs are repealed.

Mr. Speaker, there are many, many more positive features to this legislation, and I will cover some of them in more detail in my prepared remarks, but I believe I have made my point. The housing portion of this compromise is no drawback—it is a plus. It should be supported.

In closing, Mr. Speaker, this is a solid package which fulfills our Nation's domestic housing needs and our international financial responsibilities. This legislation is strongly supported by the Reagan administration. To my Republican colleagues, I encourage you to join me and vote in favor of this package. As our former Republican leader and former President, Jerry Ford, stated recently:

The IMF needs the full backing and support of the Congress of the United States in order for it to carry out the tremendous responsibilities that it has on a global basis.

Mr. SPEAKER, I would like to discuss in some depth the provisions in this compromise as they relate to programs administered by HUD.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The community development block grant program is modified in a number of ways through this bill. Section 101 clarifies the primary objective of this program to benefit persons of low- and moderate-income. Each State and unit of general local government must certify that, over a period of not more than 3 years, not less than 51 percent of a grantee's CDBG funds are used for activities that benefit low- and moderate-income persons. This is a compromise from the language of H.R. 1 and is a fair and equitable method of measuring this assistance.

Section 102 contains various provisions relating to the designation of entitlement grantees. For example, the bill permits all cities designated as metro cities in 1983 to retain such designation for 1984 and 1985. It allows cities in an urban county that gain metro city designation to forego such designation if they remain a part of the urban county. The bill also provides a transition for counties that lose urban county designation because of population decline.

The bill also authorizes $3,468,000,000 for the basic community development block grant program for each of fiscal years 1984, 1985, and 1986.

Section 104 includes several significant provisions relating to HUD's CDBG programs. It requires grantees' statements to include a description of how it has used CDBG funds in previous years, to identify estimated amounts that will be used for activities benefiting low- and moderate-income persons, to submit plans for minimizing displacement of low- and moderate-income persons and provide assistance to persons displaced. This section also requires grantees to provide citizens reasonable access to records showing past use of grant funds and to provide citizens an opportunity to comment on any substantial change in the use of their funds. It requires grantees to further fair housing and requires grantees to certify that they have developed a plan identifying community development and housing needs and objectives.

Also in section 104, grantees will not assess low-income residents to recover local funds used jointly with block grant funds on public facilities projects unless they use block grant funds to pay the assessment in behalf of the low income residents. Moderate-income residents cannot be assessed to recover local and block grant funds unless the grantees can certify they have insufficient CDBG funds.

The section also requires grantees to make performance reports available to citizens. These reports must contain an evaluation of the grantees' accomplishments against its objectives and identify the amount of funds used to support activities that benefit low and moderate income persons.

In addition, section 104 directs the Secretary to work with interest groups in developing uniform, recordkeeping, evaluation reporting, performance reporting, and auditing requirements to be used by States and requires that substantial disbursements from lumpsum drawdowns for rehabilitation begin within 180 days of receipt.

The bill in section 105 authorizes each unit of government to use up to 15 percent of its grant for public services, or if a higher amount was used in fiscal year 1984, that amount may be spent on public services. It authorizes grants to be made available to nonprofit organizations to assist in the development of shared housing opportunities for elderly persons.

It also prescribes that at least 51 percent of residents served by an "area benefit" activity be low- and moderate-income persons before that activity can be counted as benefiting low- and moderate-income persons but provides an exception when a community has no areas occupied predominantly by low- and moderate-income persons.

Section 106 makes several provisions relating to the administration of the CDBG program. It allows, for example, HUD to administer the small cities CDBG program in those States that elect not to administer it, but States should determine by the beginning of October whether or not they wish to operate the program for their own small cities.

The bill requires the Governor of each State to certify that for the small cities program, its recipients have identified community development and housing needs, including the needs of low- and moderate-income persons and the activities to address those needs. It also applies requirements for minimizing displacement furthering civil rights and fair housing objectives and providing opportunities for public participation to the small cities receiving CDBG funds. For administrative costs, States may use $100,000 plus up to 2 percent of its CDBG allocation, provided it matches each CDBG dollar with State resources.

Section 107 authorizes $68,200,000 for the Secretary's discretionary fund for 1984, 1985, and 1986.

The bill restricts the use of section 108 loan guarantees to those grantees which cannot complete the financing of an activity in a timely manner without the guarantee. It requires the Sec-

retary to honor requests for such guarantees up to the limits contained in Appropriations Acts.

Section 109 is modified to insure that communities may use surplus funds generated by urban renewal projects for eligible community development activities in their jurisdiction.

URBAN DEVELOPMENT ACTION GRANTS

Section 121 authorizes $440,000,000 per year for fiscal years 1984, 1985, and 1986 for urban development action grants. It expands the number of cities that can participate by adding the extent of unemployment, job lag, or labor surplus as a criteria for eligibility.

Eligibility to compete for action grants is retained for any small city that had eligibility during fiscal year 1983 and subsequently lost it, until the Secretary revises eligibility criteria to include unemployment, job lag, or labor surplus as a standard.

Beginning in fiscal year 1984 the bill requires a neighborhood impact analysis be made available to any interested person or organization residing or located in the neighborhood in which the proposed activities are to be carried out.

The Secretary is directed to establish selection criteria for a national competition for action grants and states that the Secretary may not discriminate among UDAG applications on the basis of the particular type of activity involved, whether such activity is primarily a neighborhood, industrial, or commercial activity.

This section also encourages cooperation by close small cities to apply for action grants and provides up to $2,500,000 annually for technical assistance grants to assist small cities develop, apply for and implement UDAG programs.

URBAN HOMESTEADING

Section 122 authorizes $12 million for fiscal year 1984 and $8 million for fiscal year 1985 in urban homesteading funding. This section extends the required occupancy of a homesteaded property from 3 to 5 years prior to a homesteader's receipt of fee simple title to the property and extends time limits for completion of required repair work. A number of changes in homesteader selection criteria are made.

A multifamily demonstration is created for Secretary-held multifamily properties, requiring that not less than 75 percent of residential occupants shall be lower income families after rehab or conversion. This section authorizes a set-aside of $1 million in each of fiscal year 1984 and fiscal year 1985 for a demonstration of the use of locally owned properties for homesteading.

NEIGHBORHOOD DEVELOPMENT DEMONSTRATION

Section 123 authorizes HUD to carry out a neighborhood development demonstration program. Eligible neighborhood activities include: Creating permanent jobs in the neighborhood, establishing or expanding businesses within the neighborhood, developing, rehabilitating, or managing neighborhood housing stock, developing delivery mechanisms for essential services that have lasting benefit to the neighborhood, or planning, promoting, or financing voluntary neighborhood improvement efforts. Eligible neighborhood organizations must be responsible to residents through a governing board that consists of a majority of resident members. Primary beneficiaries must be low- and moderate-income persons.

The Secretary is authorized to provide matching funds to eligible groups for conducting this program and up to $50,000 may be provided to any neighborhood group in a program year. Neighborhood groups must have demonstrated achievement in an eligible activity; $2,000,000 for each of the fiscal years 1984, and 1985 is authorized to be set-aside from the Secretary's discretionary fund.

SECTION 312 REHAB LOAN PROGRAM

Section 124 authorizes continuation of the section 312 rehabilitation loan program for fiscal year 1984 and precludes the Secretary of HUD from mandating the types of dwellings to be assisted with rehabilitation loans.

The rental rehabilitation portion of the rental housing and production grant program offers a new, cost-effective approach to housing lower income households. The program supports a basic affordability strategy for lower income persons by assuring that decent units are available for persons receiving housing assistance. The rehabilitation grants will make repairs to lower income housing both affordable and feasible. The availability of tenant housing assistance means that lower income tenants in the buildings being rehabilitated are not displaced and that other lower income tenants have the opportunity to move into vacant units.

Because the program is designed for projects needing modest levels of repairs and because private funds are required in all projects, the program is capable of assisting many units. In fact, the rehabilitation program will provide as many as 30,000 rehabilitated units each year. Because the program will be operated by State and local governments, it can be tailored to the special needs, housing markets, and problems of various parts of the country. Local flexibility and control is maximized and Federal redtape and intervention minimized.

This is a program not just to rehabilitate housing but to provide affordable housing for lower income households. While the rental rehabilitation portion of the program prohibits burdensome project rent regulations, it includes very strong provisions targeting benefits to lower income households. Projects must be in areas where rents are generally affordable to lower income families and where rents are expected to remain affordable. All programs must be designed so that funds are used to benefit lower income families.

Section 301 of title III authorizes $150,000,000 in 1984 and $150,000,000 in 1985 for rehabilitation grants. Development grants—new construction and substantial rehabilitation—have authorization levels of $200,000,000 in 1984 and $115,000,000 in 1985.

A rental rehab application is required to address targeting of funds through neighborhood selection to low-income households.

One hundred percent of funds must be spent to benefit lower income; however, the grantee may reduce that to 70 percent per HUD standards. With specific approval of the Secretary, low income benefits may be reduced to 50 percent.

Other program rules provide limits on the amount of subsidy that may be provided; permit rehabilitation only in neighborhoods not exceeding 80 percent of median income for area; limit rehabilitation to essential improvements; prohibit involuntary displacement of very low-income families by higher income families; prohibit rent restrictions except by laws predating this act; forbid conversion to condominiums for 10 years; prevent discrimination against subsidized tenants; insure an equitable share of funds for large families and afford priority for substandard units occupied by very low-income families.

FUNDING

For the subsidized housing program, this bill conforms in total to the actions of the Congress in providing appropriation for this program. The total budget authority provided amounts to $9,912,928,000.

Within that total, consistent with amounts already specified in appropriations acts, this bill sets forth the following: $1,289,550,000 to provide for 7,500 public housing units including 2,500 units specifically for Indian families; $1,926,400,000 for section 8 subsidies in connection with 14,000 section 202 units; $1,550,000,000 for public housing modernization; $2,217,150,000 to provide for 32,500 section 8 existing certificates; and $540,000,000 to provide for 7,500 section 8 moderate rehabilitation units.

The total number of units thus far is 61,500 additional incremental units. The bill is otherwise in conformity with the use of assisted housing budget authority described in the table accompanying the recently enacted continuing resolution.

In addition to the above, the bill provides authorization for appropriations

for a number of additional purposes. This includes $242,115,000 for an experimental voucher program. This amount would provide for assistance to an additional 15,000 families.

The bill also provides authorization for $1,603,170,000 for 23,500 more section 8 existing certificates. In total, the bill would provide for 100,000 more families to be assisted as was stated in the conference report on HUD's 1984 appropriation.

The bill also provides for funding the new rental rehabilitation and production programs out of the amount of budget authority available in the subsidized housing account. There is sufficient budget authority available in the account to finance all of the above activities, although the Appropriations Committee may have to determine a reallocation of carryover and recapture amounts prior to their acting upon these authorizations.

ASSISTED HOUSING

Let me now describe the bill's provisions with regard to assisted housing. The bill will maintain almost all basic assisted housing authorities, and it will fund them consistent with appropriations actions. However, two important changes should be emphasized.

First, the section 8 new construction program is repealed by section 209 of the bill, except for funds appropriated prior to January 1, 1984, and except for funds used in connection with section 202 housing for elderly. Congress has recognized that this extremely costly production program is simply not efficient, and this bill ensures that this intent is not violated.

Second, the bill authorizes a new demonstration program for housing vouchers. The program will incorporate a subsidy based upon a payment standard rather than a fair market rent, and thus will contain a "shopping incentive," which is not present under other comparable programs. In addition, the program will provide for discretion on the part of local public housing agencies (PHA's) to adjust assistance payments twice over the 5-year term of the assistance contract. The authorization of this demonstration represents an excellent start in establishing more efficient assistance programs for lower income households.

The bill before you also contains essential provisions regarding the tenant rent contributions of assisted households. The bill retains the basic contribution levels established by the Omnibus Budget Reconciliation Act of 1981. Generally, tenants of assisted housing will contribute 30 percent of adjusted income toward rent. However, this bill defines adjusted income, and includes certain exclusions from income. Under the deductions allowed in the bill $480 is allowed for each family member under age 18—other than the head of the household or spouse—or who is handicapped, disabled, or a full-time student; $400 for any elderly or nonelderly handicapped family; medical expenses of an elderly family in excess of 3 percent of income; and certain child care expenses. I should note also that the bill retains the current tenant protection in the form of a 10-percent limitation on rent increases from the phasing in of the rent contribution level. These adjustments provide some relief to the most needy HUD subsidized tenants while, at the same time, meeting congressional desires to preserve equity among HUD tenants and reduce some of the disparity between rents paid by subsidized and unsubsidized low income households.

As I have mentioned, the compromise legislation maintains basic assisted housing authorities, including authority for the section 202 program for elderly and handicapped households. In addition, section 223 of the bill makes a number of amendments to section 202. Some are strictly programmatic, in that they define certain technical aspects of the program. These include: establishing the loan rate at 9.25 percent; limiting sponsor contribution to $10,000; limiting the number of efficiency units in a project to 25 percent, unless a greater number is requested by the sponsor; and, establishing certain conditions under which the sponsor may exercise discretion to curtail the development costs of the project or use the least costly developer through a competitive bidding process.

Other amendments, also made under section 223 of this bill, provide special emphases within the section 202 program, such as: taking into account special design features or congregate space necessary to meet elderly and handicapped needs; accommodating handicapped persons who have been released from residential health facilities; or encouraging group homes and independent living facilities for nonelderly, handicapped households. Finally, subsection 223(j) limits the Secretary of HUD in his ability to approve prepayments of section 202 loans and is prohibited from selling any section 202 mortgage.

The bill contains two other noteworthy provisions with respect to elderly housing. Under section 211, the Secretary of HUD is direced to permit assistance under the section 8 existing housing and moderate rehabilitation programs for elderly families who elect to live in shared housing. Shared housing is a concept that has broad support. Shared housing arrangements can contribute to reduced housing costs, companionship, and security for elderly persons. It is time we saw this concept realized under the assisted housing programs. Under the provision, HUD also is to issue minimum habitability standards for shared housing.

Also, under section 224 of the bill, congregate housing services are authorized for fiscal year 1984 at a level of $4 million.

This bill takes deliberate steps to protect the status of assisted housing is not insured under the National Housing Act. For example, section 217 of the bill extends troubled project operating subsidy to projects which are not insured but are assisted by HUD and sections 218 and 219 provide for amendments for these projects receiving rental assistance payments and rent supplement assistance.

I also want to mention that under the assisted housing provisions of the bill, the special needs of certain lower income households are recognized.

First, the bill, under section 210, extends assistance under the section 8 existing housing program to single room occupancy housing. This, of course, would be subject to local demand for such housing.

Second, section 216 authorizes up to $60 million for fiscal year 1984 for grants to States, local governments, Indian tribes, and nonprofit organizations to provide shelter for the homeless who face life-threatening circumstances.

Third, a special demonstration project is authorized under section 225 of the bill to provide assistance to local governments to encourage the upgrading of housing occupied by lower income families, and to provide coordination at the local level so that families assisted under HHS programs can find and occupy decent housing. Grant funds could be used for a variety of housing services, including housing assistance.

Fourth, homeownership assistance under section 235 is authorized, subject to appropriation acts. New assistance contracts would be for 10 years, although provision is made for extension of such contracts, should the homeowner be unable to make full mortgage payments at the end of the 10-year term.

Fifth, section 203 of the bill provides a priority in the section 8 and public housing programs for families paying more than 50 percent of income for rent. This priority recognizes the affordability problem faced today by renters, and targets assistance at the most needy—those with the highest rent burden.

And sixth, under this bill, the Secretary is authorized to carry out a demonstration to determine the feasibility of using public housing facilities for child care services for lower income families. Funding for this demonstration will be provided through CDBG funds.

I do have concerns with the spending implications of the proposals I have described; but, they do reflect a creditable job at identifying those

areas where special efforts need to be taken on behalf of lower income families.

In summary, the assisted housing provisions respond both to the needs of lower income families and the reality of fiscal discipline. In this regard, the bill is positive in providing the programs needed and positive in its reflection of a continuing bipartisan commitment to lower income housing.

FHA

This legislation contains important changes in FHA programs. These changes are designed to better serve first-time home buyers, to make FHA more effective as a provider of credit, and to improve basic program operations. I would like to note first that basic insuring authorities, including those for nursing homes and hospitals, are extended for 2 years, as opposed to the historical 1-year extension. Also, the credit ceiling for fiscal year 1984 is set at $50.9 billion.

An important provision applicable to most insuring authorities is contained in section 404. This section eliminates the requirement that FHA interest rates be set by law, and allows FHA to operate under a negotiated interest rate structure. In this way, FHA will operate under normal market practices, where rates are agreed to by the lender and the borrower. As a result, points normally associated with FHA transactions can be minimized.

In the general area of single-family housing, some very creative changes are being made.

First, a number of alternative mortgage instruments will be permitted by the bill. These include: a principal indexed mortgage, where monthly payments and the outstanding balance on the loan can be adjusted for inflation according to an index; an adjustable rate mortgage for single-family housing, under which periodic adjustments to the interest rate can be made; and a shared appreciation mortgage, under which the lender can assume a share of prospective property appreciation in return for a lower interest rate. These mortgage instruments will have the potential of making mortgage credit more available and more affordable to home buyers, and because FHA now will be able to offer them, will extend these financing options to the first-time home buyers that FHA serves. The bill addresses consumer concerns raised by such loans and limits activity under these mortgage instruments to 10 percent of the aggregate number of mortgages insured under title II of the National Housing Act during the previous fiscal year.

Second, in addition to providing new mortgage financing options, the bill emphasizes homeownership opportunities of all varieties, including cooperatives, condominiums, and manufactured homes. Sections 419 and 420 of the bill ease certain restrictions with regard to insuring cooperative and condomium units, respectively. The latter provision also raises the maximum mortgage amount for condominiums. In addition, a series of amendments improves manufactured home financing. Section 415 permits the insurance of an existing manufactured home which previously did not have insured financing, and section 417 authorizes the refinancing of a manufactured home or a manufactured home and lot. In both cases the home must have been constructed in accordance with the national manufactured housing construction and safety standards. Finally, section 416 raises the loan limits for insurance of a manufactured home and lot, combined—a long overdue adjustment.

Third, this legislation contains provisions to make FHA insurance more widely available to areas which may not have received the benefit of FHA insuring activity in the past. The bill extends FHA insurance to American Samoa, to Hawaiian homelands, and to Indian reservations. In the last two cases, the bill's provisions extend insurance authority without regard to marketability of title, and this reflects a special effort on the part of the administration and Congress to extend home financing opportunities fairly to these underserved people.

Fourth, section 424 of the bill provides that for buyers of modestly priced houses—those with a value of $50,000 or less—lower downpayments than normal will be required. Loans of 97 percent will be available for these cases. This provision clearly will permit more first-time home buyers with a modest income to participate in FHA programs, and is an example of the targeting which FHA is trying to achieve throughout its activities.

I firmly believe that because of the provisions I have just described, FHA will be a better position to meet its market and to offer a wide range of homeownership options to those who may be underserved in the conventional market. Let me emphasize, in addition, that the bill treats multifamily housing in the same positive way that it addresses single-family housing.

In the first place, the extender provisions of the bill make an important change to the coinsurance program authorized under the National Housing Act. This change relaxes the limitation on the volume of activity which can be insured under coinsurance provisions. The bill eliminates the individual 20-percent caps for single- and multi-family insurance, and raises the aggregate cap on coinsurance activity to 40 percent of all insured loans. This is vitally important because HUD's multifamily programs will soon begin to employ a coinsurance format to a much greater extent, and should not be restrained by the previous arbitrary limitation. The benefits of coinsurance are compelling: It maximizes the role of the private sector; it reduces processing time through lender processing; and, it reduces HUD's exposure to losses through risk sharing. Increased cooperation and direct involvement of the private sector in multifamily program will be facilitated through this change.

A second area of improvement involves rent deregulation. Section 431 of the bill provides the Secretary of HUD discretion as to rent regulation. This affects section 207 and 234 of the National Housing Act, authorities which do not now provide for this discretion. I believe it is important for unsubsidized FHA programs to parallel conventional market practices, and the deregulation of rents contributes to this objective. I am sorry, however, that this provision will apply only to prospective insurance.

I am concerned, also, with section 433 of the bill. This provision limits the ability of the Secretary to approve prepayments of mortgages—for assisted housing—and to forestall requests for prepayment of multifamily mortgages which receive assistance but which do not require Secretarial approval of prepayment requests. I believe HUD now exercises adequate oversight of such situations, and has adequate procedures to handle such cases, and that a legislative mandate in this regard probably is not needed.

A third area of innovation regarding multifamily insurance involves the provision of new mortgage instruments and new insuring authorities. Subpart 4 of title IV of the bill provides for: a graduated payment mortgage for multifamily housing, to reduce debt service costs in the early years of a project's life; a shared appreciation mortgage for multifamily housing—limited to 5,000 units in any fiscal year—and partially amortizing mortgages for multifamily housing—limited to 10,000 units in any fiscal year. These new instruments will enhance FHA's ability to provide financing for unsubsidized rental housing development. Income properties in many cases require innovative financing techniques, and the bill extends such techniques to FHA.

In addition, section 437 of the bill adds insuring authority for board and care homes to section 232 of the National Housing Act. In addition to nursing homes and intermediate care facilities, HUD now will be able to insure a residential facility which provides room, board, and continuous protective oversight. The aging of our population, and the need for noninstitutional alternatives for elderly living, make this provision particularly timely and wise.

Finally, I want to point out that the provisions of the bill affecting FHA have been concerned with the sound-

ness of FHA programs. In light of the new thrusts in mortgage financing contained in the bill, and the extension of mortgage insurance programs to underserved areas, the bill allows mortgage insurance premiums for the alternative mortgage instruments and for insurance on Hawaiian homelands to exceed the regulatory limits for other programs, subject to the statutory 1-percent limitation. In addition, the provision for insurance of single-family housing on Indian reservations allows a premium of up to 3 percent. The bill also requires the Secretary to assess the actuarial risk involved with the low downpayment loan I described previously. These provisions are designed to insure that the new programs operate with an adequate premium and not endanger the current status of the insurance funds.

I should add that the bill also addresses minimum property standards for insured housing. Section 405 of the bill requires that, for other than manufactured homes, energy performance standards required by the Secretary be at least as effective in performance as those contained in the MPS on September 30, 1982, and that health and safety requirements for insured properties comply with a nationally recognized model code or with a State or local code based upon a national code or its equivalent.

In two areas, the bill calls for further evaluation, or for a demonstration project, before pure authorization is extended. These are: an evaluation of the existing use of home equity conversion mortgage; and a demonstration in two regions of a reinsurance program with private mortgage insurers.

In summary, the FHA portion of this bill represents a giant step forward. There is no question in my mind that FHA will become more effective in providing single-family and multifamily mortgage credit more effective in serving modest income home buyers—including first-time home buyers—and innovation in mortgage finance.

CONCLUSION

Mr. Speaker, in conclusion, this legislation deserves our support. We need a bill such as this, not only because of the international aspects, but also because we have not had a comprehensive housing and community development package since the 1981 Omnibus Budget Reconciliation Act.

The budget authority costs for the housing and community development portions of the bill are essentially the same as the levels appropriated for 1984 for HUD and FmHA programs. HUD's new assisted housing programs are funded within the $9.9 billion of budget authority contained in the HUD-Independent Agencies Appropriations Act (Public Law 98-45). Budget outlays in the bill for housing and community development programs are within 2 percent of those estimated for HUD and the FmHA rural housing programs at their 1984 enacted levels. The bill authorizes HUD's major housing credit programs to operate in 1984 at the enacted appropriation levels of $50.9 billion for FHA and $68.25 billion in GNMA.

The bill allows the administration to continue efforts to reduce excessive costs of some housing subsidy programs while preserving the benefits received by eligible low-income households. It also authorizes major structural reforms to make homeownership more readily available, especially for first-time home buyers and those who purchase lower priced homes through FHA.

Mr. Speaker, finally I wish to thank the Members and their respective staff for the excellent cooperation displayed in developing this most complex legislative package.

The bill represents a balanced approach for providing housing subsidies to low-income households, housing credit assistance to American home buyers not served by the private market, and community and economic development support for local communities within the resources Congress has made available for those in 1984 appropriations actions for HUD and the FmHA rural housing programs.

Mr. LEACH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Iowa.

Mr. LEACH of Iowa. I thank the gentleman for yielding and urge support for the IMF legislation. We simply cannot afford to play Russian roulette with the international monetary system and dominoes with the American economy.

Mr. Speaker, the cloud over this vote on the IMF is the question of whether it represents a banking bailout. This is a fair question. But the fair answer is that the legislation represents a bailout of the monetary system, not the banking system.

Prior Congresses have voted contingency legislation that could have the effect of bailing out the banks. That is what the FDIC and Federal Reserve Acts are all about.

Hopefully, no bailout of banks will be necessary. But if such dire circumstances come to pass, it should be noted that 82 percent of the funds to be obligated in this replenishment for the IMF come from foreign countries, whereas 100 percent of any other approach to aiding the banking system will come from the U.S. taxpayer, directly or indirectly.

In addition, it should be stressed that the countries in trouble today are not only important U.S. trading partners but anchors of the free world—countries like Mexico, Brazil, Argentina, Nigeria, and Indonesia. Just as no American President will allow the banking system to collapse, no American President will allow these countries to fall into economic anarchy. The alternative to modest lending support to the IMF is massive direct foreign aid and an indeterminate but certainly very large increase in military spending. It is thus far more costly to vote against than for the IMF.

The issue is whether trade or aid has the best chance to pull us out of the mess we are in.

To my Democratic colleagues, it should be noted that a vote to turn our back on the international monetary problem increases the likehhood of conflict in the world: It is both cheaper and safer to concern ourselves with building rather than destroying.

To my Republican colleagues, let me stress that the word of the President of the United States is at stake. Our President has worked for 2 years to defer and restrain the U.S. financial obligation to the IMF. He has struck a very prudent deal, involving the lowest percentage contribution ever negotiated by an American President to a similar international institution. Instead of being on the line for 30 percent or more of total international funding, which has been the postwar norm, President Reagan has committed our country to an 18-percent contribution, which is less than our total percentage of the world's GNP.

This legislative package represents a conservative deal to conserve the world economy. It includes stricter controls on U.S. participation in the IMF and tighter regulation and supervision of private lending overseas.

Last month at the IMF's annual meeting, President Reagan described the IMF as the "linchpin of the international financial system," and he declared before the assembled finance ministers that this legislation has his complete support.

I urge my colleagues, especially those on this side of the aisle, to follow the lead of our President and pass this legislation which is so essential to the continued economic recovery of this country. This is not a bailout of the big banks or a foreign aid giveaway. It is a carefully crafted piece of legislation which will place curbs on the lending excesses of the big banks.

Many critics of U.S. involvement in the Fund have the impression that the majority of IMF's resources go to overextended Third World countries. Quite the contrary, the vast majority of IMF resources have been used to provide temporary balance-of-payments support to Western European countries such as Great Britain, France, and Italy as well as the United States.

The United States has been the second largest borrower from the Fund over its history. Only Great Brit-

ains' drawings have exceeded ours. We have drawn from the Fund on 24 separate occasions for a total exceeding $7.5 billion. In November, 1978 for example, we borrowd $3 billion in German marks and Japanese yen to help slow the rapid fall of the dollar.

Critics have also failed to appreciate the fact that payment of the U.S. quota to the IMF has no direct impact on the Federal budget because it entails no net outlay from the Treasury. When the IMF draws on the U.S. quota we are credited with an increase in our reserve position in the Fund. This reserve position is an international monetary reserve asset. Contributing to the Fund is analagous to puting money in a bank account. The Fund pays interest, so over the years we have made money as we loan it out and been required to pay interest when we have ourselves been borrowers.

Some have charged that this legislation is nothing more than a big give-aaway program. I wholeheartedly concur: Any Member who votes against this bill will be giving away jobs and opportunites for increased exports from his district and State.

Not even the strongest industrial power will be able to sustain reasonable growth if the markets in the developing countries remain depressed for lack of credit and financing. Third World countries have been the fastest growing markets for U.S. exports. These countries, which have tripled their output of goods from 1955 through 1980, now buy 40 percent of our exports—more than all of Europe, the U.S.S.R., and China combined.

One fifth of all U.S. jobs depend on foreign trade and about one third of corporate profits come from international operations. One out of every three acres now in cultivation produces crops for export. Two-fifths of our agricultural production is sold abroad. For the United States as a whole, agricultural exports account for approximately $40 billion in income and some 4 million jobs. With the IMF's role in supporting and encouraging the growth of international trade, it may well be that this quota increase is the most important piece of farm legislation in the 98th Congress.

Simply put, failure to support the IMF implies the likelihood of failure to halt a collapse in the world's monetary system. Without the ability to transfer credit and currency, international trade will plummet. All of the peoples of the world, particularly those like farmers who depend on foreign trade, will be the poorer.

The IMF is crucial to U.S. economic recovery. It safeguards and strengthens those parts of the international economic system where free markets and free enterprise thrive.

To underline our vulnerability to the taking of protectional steps in international finance. Data Resource Inc. (DRI) has estimated that if South American countries stopped payments in 1984 on their debts to the United States, our GNP would fall by some $70 billion, unemployment would rise by 10 percent and interest rates would climb by more than 2 percentage points.

But there is no need to refer to futuristic scenarios or hypotheses in making the case for this quota increase. It is needed here and now, and agriculture is a case in point. Directly and indirectly, the IMF helps developing countries purchase American farm products. The IMF's special cereal facility alone has financed the sale of more than $330 million in farm products, mostly from the United States, to developing countries which have experienced severe balance-of-payments difficulties.

From 1981 to 1982, Argentina, Mexico, South Korea, and Brazil cut back the purchases of our agricultural products from $6 to $3.2 billion. With IMF programs in place in several of these countries their purchases from the United States are now climbing back to pre-1981 levels.

Above anything else, at issue with the IMF is the problem of priorities. It simply makes no sense whatsoever for this country on the one hand to provide hundreds of millions of dollars in security assistance to our allies while on the other hand we deny them any resources from the one institution which can best protect their long-range economic security.

From Franklin Roosevelt through Ronald Reagan, the United States has given strong bipartisan support to the IMF. This institution has been a remarkable success. It cannot solve all the world's economic problems, but we can be sure that these problems would be a lot worse without the IMF. It is simply too callous for our friends abroad and too risky for our economy at home to turn our backs on the IMF. It should be passed, forthwith.

Mr. PAUL. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Texas.

Mr. PAUL. Mr. Speaker, I thank the gentleman for yielding, and I rise in strong opposition to the rule.

Mr. Speaker, the way this rule on the supplemental appropriation has been written absolutely prevents any democratic or parliamentary due process. None of the amendments that are supported by a majority of the American people can be considered. The Members of this House who oppose giving additional money to the International Monetary Fund cannot even have a separate vote on that question. This is a travesty. It is an example of the Big Fix, and the losers are the American taxpayers.

The process we are being forced to follow here today is the strongest proof that the American people do not support the bailout of the banks and their bad loans. They do not support the IMF bureaucrats who have transformed that institution into a foreign-aid agency and want to make sure that it keeps expanding its power and influence. If the American people supported this discredited policy of throwing bad money after good, this legislation would have been passed early last summer. But because a majority of the American people oppose this IFM bailout, we find the rules of the game are rigged so that the vested interests can get their money without an open vote.

Look how desperate these vested interests are to get this IMF bailout through the Congress: Look at the housing bill that would never have been considered by the Senate if they had not been forced to swallow it in order to get this precious funding for the IMF. The new spending authority for subsidies to housing amounts to $15.6 billion—and when all of the loan guarantees are figured in, it comes to more than $20 billion. All of this for a puny IMF quota increase of $5.6 billion and a couple of billion dollars for the GAB. They do not care if the budget jumps $20 billion further out of balance, just so long as the IMF gets the money it wants to keep itself in power and pay off its client States and their bankers. Maybe the whole idea is to put the United States itself into such sad budgetary shape that we will have to apply to the IMF for our own conditionality agreement to rescue our economy in a couple of years.

I sincerely trust that the Members of this House who have defended the American people against these powerful international bureaucrats may have them on notice that this money will be the last they dare ask for. There have been rumors, based on some internal staff memoranda from the IMF that they were planning to come back next year for still more money. Let them pay attention this time—if they think they have rolled over Congress and the American people and taken their money in spite of our resistance—do not come back next year, or the year after that. These are enough respectable economists who have called for abolishing the International Monetary Fund instead of increasing its size that next time we will stop them before they can even get to the point of buying their subsidy with pork-barrel politics and more excessive spending.

Mr. MITCHELL. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. I am glad to yield to the gentleman from Maryland.

Mr. MITCHELL. Mr. Speaker, I asked the gentleman to yield because I

do want to compliment him and our chairman on fashioning and getting accepted a very significant housing bill.

Mr. WYLIE. Mr. Speaker, I thank the gentleman.

Mr. MITCHELL. Many of us had almost given up in despair.

We now have a 2-year appropriation for housing, is that correct?

Mr. WYLIE. It is a 2-year authorization.

Mr. MITCHELL. A 2-year authorization.

Mr. WYLIE. That is correct.

Mr. MITCHELL. And there was an increase of $1.5 billion added on in our housing bill, is that not right, moving it up to 16?

Mr. WYLIE. There was an increase over the House figure. It was under the Senate figure, but it was within the figure in the appropriation bill.

The SPEAKER pro tempore (Mr. HARRISON). The time of the gentleman from Ohio (Mr. WYLIE) has expired.

PARLIAMENTARY INQUIRY

Mr. MITCHELL. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MITCHELL. Mr. Speaker, I had sought earlier to find out whether or not this was a usual procedure under which a vote for the rule is a vote for the bill, and I would like to get some clarification on that. It seems to me to be a very unusual circumstance, one that I do not recall having encountered during my period of service.

Could we get some clarification on precedents for this?

The SPEAKER pro tempore. The Chair would request the gentleman to direct that question to the managers on behalf of the Rules Committee.

Mr. MITCHELL. Mr. Speaker, I would be delighted to direct the question to the gentleman from Louisiana (Mr. LONG).

Mr. LONG of Louisiana. Mr. Speaker, as I said in the opening statement, the Rules Committee well recognizes that it is an unusual procedure. It has been used before. It was used on the nuclear waste bill.

In the memorandum that I gave to the gentleman from Maryland, under House Resolution 636 it provided that the Senate amendments to H.R. 3809, which was the Nuclear Waste Policy Act of 1981, be considered as adopted by the House, and the procedure was the same. By the adoption of the rule itself, House Resolution 636, it constituted the approval of the program that was set forth in the nuclear waste bill and that was the same procedure that is followed here.

Mr. MITCHELL. Mr. Speaker, I thank the gentleman.

I would like to ask one other question on precedents.

Where we are dealing with this supplemental appropriation, with a number of bills included in it, some of which apparently have little or no relationship one to the other, IMF and housing, I was wondering whether that was taken into consideration when the gentleman was guided by those precedents.

Mr. LONG of Louisiana. Mr. Speaker, it was taken into consideration, and, frankly, the Rules Committee was not very happy with following this procedure.

Mr. MITCHELL. May I add to the gentleman, nor am I.

Mr. LONG of Louisiana. I am sorry, I did not understand the gentleman.

Mr. MITCHELL. I said, nor am I very happy with it.

Mr. LONG of Louisiana. Certainly the Rules Committee was not very happy with it.

The SPEAKER pro tempore. The Chair must observe that the gentleman had been attempting to proceed under a parliamentary inquiry, and at this point it is no longer a valid parliamentary inquiry.

Mr. MITCHELL. Mr. Speaker, the second part of the parliamentary inquiry was whether or not there was a precedent or whether the precedents cited were applicable of this kind of situation that we confront.

The SPEAKER pro tempore. The point that the Chair wishes to make is that all time is controlled, and unless the gentleman from Louisiana (Mr. LONG) is prepared to yield time, the gentleman from Maryland cannot proceed further.

Mr. MITCHELL. All right. I thank the Chair.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Tennessee (Mr. QUILLEN).

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas (Mr. BETHUNE).

Mr. BETHUNE. Mr. Speaker, I thank the gentleman from Tennessee for yielding time to me.

Mr. Speaker, I would like to begin by inquiring of the distinguished gentleman from Louisiana (Mr. LONG) on a matter concerning the Defense Production Act.

Last evening I appeared before the Rules Committee. I was concerned that we were including in this basket of measures a reenactment of the old Defense Production Act when in fact this House and the Senate have enacted bills that are much tighter and have criteria for lending programs. Accordingly, I was seeking permission to do something about that.

In the course of the presentation before the Rules Committee, we discovered mutually that there is a letter from the Defense Department saying they would not spend the $50 million that has been appropriated between now and March 1, and I understand that in this bill the old Defense Production Act would be renewed only until March 1 next year. I want to get that in the RECORD.

Is that the gentleman's understanding?

Mr. LONG of Louisiana. Mr. Speaker, if the gentleman will yield, the gentleman is absolutely correct.

There was a letter delivered to the Rules Committee. It is addressed to the Honorable FERNAND J. ST GERMAIN, that is signed on the stationery of the Under Secretary of Defense for Research and Engineering by R. D. DeLauer, who I assume is the Under Secretary. And it does so state.

Mr. BETHUNE. Mr. Speaker, I thank the gentleman from Louisiana (Mr. LONG), and I include that letter in the RECORD at this point, as follows:

THE UNDER SECRETARY OF DEFENSE,
Washington, D.C., November 17, 1983.

Hon. FERNAND J. ST GERMAIN,
Chairman, Committee on Banking, Finance and Urban Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I would like to confirm the Department of Defense position on the use of the fiscal year 1983 appropriations authorized under title III of the Defense Production Act (DPA). The title III projects are now sufficiently defined nor are the requests for proposals finalized to allow for obligation of the fiscal year 1983 appropriations. Under these circumstances, the Department of Defense will not finalize any contracts utilizing the appropriations authorized under section 799, Public Law 97-377, DOD Appropriations Act, 1983, prior to April 1, 1984.

I am sending a duplicate of this letter to Jake Garn, Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate.

Sincerely,

R. D. DELAUER.

Mr. Speaker, everyone has heard me speak, I presume, at some length about the fact that lending programs are growing faster than spending programs. At the present time credit assistance programs are growing at an exponential rate. We have over $600 billion in credit assistance programs out there right now, and we have got to do something about it because it crowds people out of the marketplace and we substitute political decisions for the decisions of the marketplace.

I raise that point because that is precisely what we do in a larger context when the IMF makes loans throughout the world. We are actually allocating credit now through a super mechanism known as the IMF. That was not the original intention of IMF as an institution. Everyone recognizes there are systemic problems with the IMF, and they have been discussed at great length. What I want to mention today is that it seems to me the heartburn on this particular issue insofar as the House is concerned is the bailout-of-the-banks allegation. This House passed an amendment when we considered the bill here. It was not debated much, but we passed an amendment

which would have done something about that.

I introduced the amendment and I labeled it: "They may have ripped us off, but we get the money back." The reason I called it that is that the banks did, in the course of making these improvident loans around the world, charge interest rates and fees that were way in excess of what they should have charged. They contended that they were exposed to a great risk, and, therefore, it justified the interest charge that they made in the so-called world marketplace.

The fact of the matter is that if this bill goes through, they had no risk because we are bailing them out. We are extinguishing whatever risk they had. If we are going to extinguish whatever risk they had, it seems to me that we ought to recover from them the excess profit they made, because if we do not, they have been unjustifiably enriched. And that is all the amendment that this House put in the bill and that I offered would do.

My amendment was as follows:

REIMBURSEMENT FROM BENEFICIARIES OF QUOTA INCREASES

SEC. 308. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"REIMBURSEMENT FROM BENEFICIARIES OF QUOTA INCREASES

"SEC. 56. (a) The Congress hereby finds—

"(1) despository institutions have charged excessive rates of interest on loans made to foreign countries;

"(2) such excessive rates of interest were often imposed in order to compensate for the declared high-risk rate of lending to such countries;

"(3) the United States Government, by increasing its quota contribution to the International Monetary Fund, has substantially eliminated the risk of lending to those foreign countries which benefit from the increased resources of the International Monetary Fund;

"(4) such quota contribution by the United States Government will result in a considerable financial burden to the American taxpayer; and

"(5) permitting depository institutions to retain the profits earned from the excessive interest rates charged to such foreign countries would result in unjust enrichment to such depository institutions in light of the increase in the United States quota contribution.

"(b) Each depository institution shall transmit a report to the Secretary of the Treasury specifying—

"(1) all loans made by such depository institution to any foreign country;

"(2) with respect to each such loan—

"(A) the rate of interest charged on such loan;

"(B) all service fees imposed on such loan;

"(C) the unpaid balance on such loan;

"(D) the total amount of interest collected on such loan; and

"(E) such other information as may be requested by the Secretary.

"(C)(1) The Secretary may examine the books and records of any depository institution in order to insure compliance with the provisions of this section.

"(2) The Secretary shall consult with the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and other appropriate Federal and State regulatory agencies in order to obtain information on foreign loans by depository institutions which may have been reported to such agencies.

"(d)(1) The Secretary shall determine which loans made by depository institutions or subsidiaries thereof have been extended, refinanced, or made more secure, or in any other manner affected by the increased United States quota contribution to the International Monetary Fund made pursuant to section 40.

"(2) The Secretary shall determine the interest rate charged, and the interest rate earned, on such loans. All such interest rates shall be determined in accordance with provisions of the Truth in Lending Act and the regulations issued pursuant to such Act.

"(e)(1) With respect to loans identified in subsection (d), the Secretary shall determine which loans have earned for the depository institution involved a rate of return which is greater than the rate of return which would have been earned by such depository institution if the principal amount involved had been lent in the United States to a corporate borrower with a rating of AAA for a similar maturity.

"(2) The amount determined by the Secretary to have been earned in excess of the amount which would have been earned from a domestic loan (as determined under paragraph (1)) shall be paid to the Treasury as a reimbursement for the increased quota contribution made pursuant to section 40 of this Act.

"(f) For purposes of this section—

"(1) the term 'depository institution' shall have the same meaning given such term in section 19(b)(1)(A) of the Federal Reserve Act;

"(2) the term "loan" means any extension of credit to—

"(A) a foreign government or any agency or instrumentality thereof;

"(B) any entity owned in whole or in part by a foreign government unless United States persons own at least 10 percent of such entity;

"(C) any entity which is not more than 10 percent owned by United States persons.".

□ 1420

Under my amendment we simply would calculate the amount of interest and fees that the banks charged, then we would determine what the triple A corporate loan rate for that same period of time was and the Treasury Secretary would seek reimbursement of the difference from the banks if they are now being benefited by this bailout. A very simple proposition, restrospective in its operation, to try to recover for the people the amount of money that the banks gained as a result of this action of the Congress.

Now, because debate was limited here in the House and because of this convoluted process in which we now find ourselves, a handful of elitists on the Banking Committee on the Senate side and on the Banking Committee here and down at the Treasury Department and from the IMF and from the bowels of other agencies scattered about this town have come in and written a bill for us, and they have routinely knocked that provision out.

Well, I assure you that every time I talk about this, I see the ears perk up on the lobbyists around who are from the big banks. They do not want this amendment in the bill. If we defeat this rule today and this bill goes down, I assure you the only way they will ever be able to get it through this institution is to include some provision such as mine to try to recover the unjust enrichment that the banks made at the expense of the American taxpayer. That is why I hope we will defeat the rule and get this amendment in the bill.

Mr. LONG of Louisiana. Mr. Speaker, I yield such time as he may consume to the gentleman from Hawaii (Mr. AKAKA).

Mr. AKAKA. Mr. Speaker, I rise in strong support of this rule and the legislation that will be enacted upon its passage. I ask unanimous consent to revise and extend my remarks.

I want to pay tribute to the chairman of the House Committee on Banking, Finance and Urban Affairs and the chairman of the Housing Subcommittee, the gentleman from Texas, for all of their diligent efforts that allow consideration of the housing bill on the floor today. As you know, only a few weeks ago it seemed that we might never pass a housing bill this year. Today, however, we have the opportunity to act on vitally important housing legislation. It is due to the many, many hours of negotiations between the House and Senate committees that have produced this legislation. I commend the committee and their staff for all their hard work.

In particular, I want to thank the committee for insisting that an amendment I offered when the bill was considered on the House floor be included in the compromise legislation. My amendment would require the Federal Housing Administration to insure mortgages of Native Hawaiians who wish to obtain mortgages on property located on Hawaiian homeland. Up to now, individuals living on Hawaiian homelands have been unable to obtain FHA insured mortgages.

Under this legislation, individuals owning homes located on the approximately 200,000 acres of Hawaiian homelands may obtain insured mortgages from FHA. My amendment will remove an existing impediment and open the door to insured mortgages for Hawaiin homestead leases.

Perhaps nowhere else do we find such a pressing call for access to an established Federal program that has gone unanswered. The cost and availability of housing for Native Hawaiians is especially acute. In Hawaii, the cost of a home is 2½ times greater than the national average. By con-

trast, income levels of Native Hawaiians are the lowest in the State.

Under my amendment, the restrictions against attachment, levy, or sale that are contained in leases under the Hawaiian Homes Commission Act will no longer prevent homeowners living on Hawaiian homelands from receiving FHA insured mortgages. It will mean greater access to much needed housing for Hawaiians.

Mr. LONG of Louisiana. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. LUNDINE).

Mr. LUNDINE. Mr. Speaker, I wish to speak in support of House action to amend H.R. 3959, the supplemental appropriation for fiscal 1984, with the compromise provisions of both H.R. 2957, the International Recovery and Financial Stability Act, and H.R. 1, the Housing and Urban-Rural Recovery Act.

I recognize that some dissatisfaction exists with the necessity of combining a major housing reauthorization bill with legislation to increase the U.S. quota contribution to the International Monetary Fund, as well as with the need to bring both measures before the House as amendments to the conference report on the supplemental appropriation. I think this is unfortunate, but strongly believe that we have no other alternative to this procedure. Given the narrow House vote in support of the international financial provisions, and the administration's strong opposition to the needed housing provisions in H.R. 1, this process has become absolutely necessary.

I wish to commend the chairman of the Banking Committee (Mr. St Germain) for his foresight in recognizing this necessity and for his leadership and dogged determination to forge a compromise package that is acceptable not only to this body, but to the Senate and the administration.

Let me point out that while I support this broad package of housing and international financing provisions, I also supported each part of the package separately when they were considered by the House. I continue to endorse each of the separate proposals.

The housing provisions in the legislation are absolutely essential. Without their enactment, we will go 3 years without approving any major housing legislation. This period coincides with the worst recession in housing since the Great Depression and a period in which an increasing number of Americans were either forced into poverty or forced to give up their dreams of home ownership.

While the compromise housing provisions incorporated in the legislation are not all I would like them to be, they do address many of the critical housing policy questions the House sought to address. They provide needed clarifying and technical changes to improve the operation of our community development programs and our public housing and elderly housing programs, while offering important new assistance for rental housing construction and housing rehabilitation.

In the area of rural housing, the legislation contains numerous provisions to continue our current single-family and multi-family housing programs and make them work more effectively. While I am disappointed with some of the Senate provisions incorporated into the legislation, I must acknowledge the Senate's support and increased funding for a new housing preservation program which I sponsored that will greatly enhance the ability of local communities to improve their housing stock. I believe this legislation offers the strongest rural housing bill we have seen in many years and constitutes a major victory over the administration's effort to eliminate the Nation's rural housing effort.

I also strongly support increasing our Nation's quota contribution to the International Monetary Fund by $8.4 billion. I cannot agree with those Members who term this measure a "bail out" for the large international banks. On the contrary, the adjustment programs negotiated by the IMF with debtor nations require commercial banks to make new loans and actually increase their involvement and exposure in third-world lending. These programs do not seek to replace private debt with public money, but provide the stimulus to keep commercial banks from merely writing off these enormous debts at the taxpayers expense and at the risk of raising interest rates both here and abroad.

I would also emphasize that the legislation has served as a vehicle to impose new reserve and operational requirements on the commercial banks in order to restrict their questionable lending practices and expose their operations to greater public scrutiny.

The cost of increasing the Nation's line of credit to the IMF is certainly insignificant when you consider the possible alternative—a collapse of international trade and finance. A default by one or more of the major debtor countries would have disastrous consequences for world trade, particularly for the United States. Since the onset of the debt crisis, U.S. export sales to Latin America have declined by 22 percent. A default by Mexico, Argentina, or another major Latin American trading partner would further cut U.S. sales abroad and force thousands of Americans out of work.

This strong link between U.S. trade and domestic economic recovery also forms the basis for my continued support for the provisions extending the charter for the Export-Import Bank. I believe a strong and fully competitive Export-Import Bank is essential if the United States is to meet the challenge of foreign competition and sustain our economic recovery.

There are a number of provisions in this portion of the legislation which I believe will contribute to improving the operation of the Exim Bank. First, the mandate that the Bank be fully competitive in all its programs will insure that our firms remain on a level playing field with their competitors. Second, the creation of an advisory committee to the Board of the Bank will help forge a closer working relationship between Government and private industry on the question of international trade and competitiveness.

Also important are new provisions establishing a medium-term credit program and setting aside Exim assistance for small business. These changes will insure that aggressive efforts are being made to assist our small businesses that are the Nation's primary job creators and innovators of new products to market abroad.

Finally, as the original House sponsor of the matching credit provision in the Exim Bank provisions, I am obviously pleased with its inclusion in the compromise and am convinced that it is essential for improving the position of U.S. firms in our own domestic market. In recent years, jobs have been lost as vital contracts have gone abroad due to foreign subsidies and other assistance provided to foreign firms. The requirement that heretofore matching credit will be made available to U.S. firms facing subsidized foreign competition should put an end to the ability of foreign governments and firms to capture American contracts and jobs in this manner.

Mr. Speaker, I believe this legislation is vital not only for sustaining our own domestic recovery, but for preserving the stability of world trade and finance. Failure to adopt it would mean loss of American jobs and further frustration of the hopes for decent housing and jobs of millions of our citizens.

I urge incorporation of this legislation in the Supplemental Appropriation and support its adoption.

Mr. LONG of Louisiana. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. PATMAN).

Mr. PATMAN. Mr. Speaker, it is very difficult to describe an issue or to discuss it in the short length of time that we have here today.

This rule should be defeated. It is ironic that housing would be included with the IMF on this, because if anything will ruin housing, it is high interest rates. By having this drain of $8.4 billion from the U.S. Treasury, we will insure higher interest rates. Not only will that $8.4 billion be devoted to world debt, but we will have the banks bailed in, as my colleague, the gentleman from New York, has said, by the

requirement that certain banks loan an additional $4 for every dollar in the IMF loans.

That is a new program that should be stopped. It is a new program of the IMF that causes increased pressure on interest rates in this Nation. Those pressures will result in higher and higher interest rates that American borrowers will have to pay.

Our country is striving to pull out of a recession. Congress should defeat this IMF proposal which could deal a very severe blow to that recovery.

The ones who stand to profit from the $8.4 billion commitment are a few of our biggest urban banks. For them, the IMF deal offers a partial bailout if any of their high-interest, risky loans to shaky foreign countries go sour. These big banks, like Chase Manhattan and Citicorp, have realized they may be in deep trouble if debtor countries renege on repayment of their loans.

There is no question that big banks are at heavy risk on many of their foreign loans. The nine largest banks in the United States have loaned 222 percent of their total capital to nonoil-producing developing countries. These are countries with very weak, highly inflationary economies.

A heavy concentration of capital exposure is potentially riskier, even, than the actual amount of exposure on all loans. The same nine banks that I mentioned have 112.5 percent of their capital exposed in loans to just three countries—Argentina, Brazil, and Mexico.

The importance of the $8.4 billion U.S. commitment to the big American banks is that it bolsters the banks' willingness to continue lending and to renegotiate old loans to foreign countries on stretched-out terms.

The purpose for which the IMF was established after World War II is being subverted. Its primary purpose, originally, was to help countries with temporary cash flow problems, thereby contributing to international stability by averting short-term crises. The thrust of the IMF now has been changed to turn it into what amounts to a foreign aid office.

Most Americans are adversely affected by this $8.4 billion commitment. When these weak, unstable foreign governments allocate their IMF credit inefficiently—or even use the money to subsidize their own exporters, who can compete in the international market with an unfair trade advantage over our exporters—it hurts the U.S. domestic economy.

When $8.4 billion more is siphoned out of the U.S. Treasury the American domestic money supply will grow tighter. That means there will be less money available for domestic borrowing for capital equipment, for home building and home buying, for new cars and for many other purposes.

There will be less money available for farm equipment, for small businesses trying to grow—or trying simply to weather the recession.

When you tighten the money supply—with the U.S. Government the heaviest borrower of all—you tend to drive up interest rates and tighten credit for private borrowers. The economic recovery that we all want will be dampened, and we may be driven back into a recession that still finds about 9 million people unemployed.

These are some of the reasons I have opposed this $8.4 billion IMF bail out for the big banks. I will continue to oppose this dangerous kind of threat to American taxpayers.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Connecticut (Mr. McKINNEY).

Mr. McKINNEY. Mr. Speaker, I have never in my 14 years in this body voted for a closed rule, and yet I would say to you that I support this rule, House Resoultion 379, because in essence it is not a closed rule. Every single issue that the House is going to package together today has been debated in this House, has been debated, and those Members who care have had their chance to add their will to the legislation.

To my Republican colleagues I would like to point out that a similar rule was proposed and adopted by the House last December in the closing days of the 97th Congress. On that occasion 121 Republicans voted for the rule and only 6 voted against it. If you are opposed to the substance of the legislation, vote accordingly. But don't try to hide behind the parliamentary argument. The record is clear.

Since I raised the question of voting on the substance of this supplemental appropriations bill, I would like to tell my colleagues that the merits of the package deserve our support. The Senate amended in consultation with appropriate representatives of the House, Treasury, HUD, and OMB, bills that had been passed by the House. The version that we will vote on today is a better version in almost every respect. Some concessions have been made, but on balance I think the administration is getting a good deal. Believe me, David Stockman would not have agreed to these terms if that were not the case.

The Housing authorization legislation contains a funding level within the budget level adopted by the House. Several programs that had been included in H.R. 1 have been scaled back or deleted, but still the bill addresses some of the major weaknesses in the Federal housing programs.

The amended legislation also improves on the IMF bill that the House passed. It continues to require more prudent lending practices by the banks as well as continued bank participation. It will allow the United States to continue to play a dominant role in shaping the economic and political policies of many developing nations. The Secretaries of Treasury and State have given this legislation their approval.

In my opinion, H.R. 3959 contains legislation which is in the best interest of the people of the United States. I, too, have heard from a number of constituents who oppose communism, unsound bank practices and several other issues involved in this legislation. I have weighed those arguments against the points made by President Reagan and his cabinet as well as numerous other supporters of the IMF and housing bills. The answer is clear.

I do not believe that we can abdicate our responsibility either to help provide a stable international financial system or to help provide better housing for Americans. This legislative package is necessary to meet those responsibilities. I intend to support my President and the American people by voting for House Resolution 379.

We have a whole entire world economy standing on the brink of watching what this Nation does and how responsible it can be to its world commitment.

I would love to walk through the city of Bridgeport where I have lost Dictaphone and Bridgeport Brass and Singer Sewing Machine and everything else and say, "Oh, boy, I voted against all that sort of stuff," but the fact of the matter is that Bridgeport would have lost them sooner if it had not been for the International Monetary Fund, which we started.

We have a reasonable housing bill. We have a reasonable supplemental appropriations bill. We have a reasonable continuation of the International Development Banks, which we voted for and which we all need, it we in fact decide to remain a part of the world community.

Most of us, and I look at my good friend from Baltimore sitting there, know of my voting record.

I would just end by saying, Mr. Chairman, what I said with regard to Grenada. We can either be a world leader or we can go back to the make believe world of Peter Pan.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. Conte).

Mr. CONTE. Mr. Speaker, I rise in strong support for this rule and for this Senate amendment authorizing and appropriating funds for the International Monetary Fund, authorizing the export-promotion activities of the Export-Import Bank, authorizing continued U.S. participation in the Inter-American Development Fund, and authorizing previously appropriated funds for domestic housing programs.

I also rise in support for the unusual procedure which brings this diverse

package to the floor on what we hope will be the final day of this session. The timing is most critical in regard to the International Monetary Fund.

IMF rules require that a country pay its increased quota subscription before the new quota can become effective. Most major industrial countries are waiting for the United States to act before approving the quota increase. There is nothing wrong with that; we started the IMF back with the Bretton-Woods Agreement, and we are one of the major beneficiaries of its operations which stabilize the international financial system.

A further delay in this authorization and appropriation for the IMF will mean that the quota increase will not become effective, and the IMF will not have the resources needed to deal with the global debt problem. The Fund's loanable resources are virtually exhausted, forcing the IMF to suspend completion of negotiations on new lending commitments.

Delay in implementing the quota increase will mean that countries of vital interest to the United States will be unable to obtain support necessary to correct their economic problems.

Mr. Speaker, these countries include Israel, Egypt, the Philippines, Jamaica, Venezuela, El Salvador, Costa Rica, Honduras, Nigeria, Ivory Coast, Sudan, Liberia, and Senegal, among others. Several of the countries receive significant bilateral foreign assistance from the United States, but we cannot provide all the resources needed to bring about full economic recovery from the worldwide recession. They must receive this assistance from the IMF. If they do not, we may be forced to provide far more in the way of bilateral assistance to keep some of these friends afloat.

For my friends on the Republican side of the aisle, I want to remind you of President Reagan's stong and unwavering support for this IMF quota increase.

That is President Ronald Reagan, our staunch conservative leader. The President has stated his support in blunt terms, and I quote:

> No legislation now before the Congress is more important to a healthy world economy and to a continuing economic recovery here in the United States.

Later in an address before the Board of Governors of the World Bank and the IMF, President Reagan repeated his commitment. Again, I quote:

> My administration is committed to do what is legitimately needed to help ensure that the IMF continues as the cornerstone of the international financial system. Let me make something very plain: I have an unbreakable commitment to increased funding for the IMF * * *. I urge the Congress to be mindful of its responsibility and to meet the pledge of our Government.

That is our leader, Republicans.

The President predicted dire consequences if the Congress does not meet this responsibility, in stating:

> At the end of this road could be a major disruption of the entire world trading and financial systems—an economic nightmare that could plague generations to come. No one can afford to make light of the responsiblity we all share.

That was our President, JACK KEMP. That was our President, President Reagan, the arch conservative.

I can see that some on our side are still skeptical. Well, if Ronald Reagan is not conservative enough for you on this issue, let us hear what Gen. Alexander Haig says about this IMF increase. In an op-ed article submitted to the Washington Post this week, General Haig wrote:

> We have just devoted increased resources for our military defense. Now we must do the same for our international economic defenses.

General Haig continued:

> The IMF, armed with adequate resources, is the linchpin in the strategy to avert politically catastrophic consequences. Without it, the financial problems confronting a number of our key Latin American and other friends could also generate dangerous political and social instability extremely detrimental to our interests.

There are mixed opinions in this body about Al Haig, but nobody has ever questioned his devotion to the security interests of this country. I would also mention that he argues strongly and persuasively against attaching political limitations on the IMF in this authorization. Specifically, he points out that countries such as Yugoslavia, Hungary, and Romania have been able to seek an alternative to total dependence on the Soviet Union through such mechanisms as the IMF. He also states that the IMF is not the proper forum for moderating South African racial policies, as disgusting as those policies are, with the admonition:

> If we politicize the IMF, what arguments will we have when others do the same?

Perhaps some others in this House are laboring under the assumption that there is no constituency for the IMF, other than big banks. That is clearly not the case. In case you missed it, a large ad appeared recently with the headline: "Pass the IMF legislation." That Ad continued to state that the IMF protects existing jobs in the United States and in the long run promotes new ones, and that interest rates and our economic recovery are at stake. Who sponsored that Ad? No, it was not the big banks. It was the big employers in your districts and in mine. Somewhat belatedly, these companies which employ millions of Americans have recognized the important stake they have in this legislation. I will read off just a few of these IMF supporters:

American Association of Exporters and Importers, Allis-Chalmers Corp., the Boeing Co., Cargill, Inc., Caterpillar Tractor Co., the Chamber of Commerce of the United States, Chrysler Corp., the Coalition for Employment Through Exports, Colgate-Palmolive Co., Continental Grain Corp., Corning Glass, Works, Dresser Industries, Inc., Emergency Committee for American Trade, Ford Motor Co., General Mills, Goodyear Tire & Rubber Co., International Engineering & Construction Industries Council, Johnson & Johnson, Land O'Lakes, Inc., Levi Strauss & Co., Lockheed, Corp., McDonnell Douglas Corp., Monsanto Co., Motor Vehicle Manufacturers Association, National Association of Manufacturers, National Association, of Wheat Growers, National Rural Electric Cooperative Association, Owens-Illinois, Inc., Ralston Purina Co., Rockwell International Corp., the Singer Co. United States Council for International Business, Westinghouse Electric Corp., and the Weyerhaeuser Co.

These companies and their associations, together with the thousands of subcontractors and suppliers, represent significant employers in many of your districts, and they all support this increase in the IMF. This is not a risky vote, this is a vote for jobs and for continued economic recovery in this country.

It is also a vote for the economic recovery of the agricultural sector of our economy. The Secretary of Agriculture, John Block, recently wrote to me and to other Members expressing again his strong support for the IMF. He pointed out that

> The best potential areas for expanding agricultural exports are the less developing countries. These are also the countries facing the most severe short-term liquidity problems and extraordinary debt burdens.

He continued:

> The IMF provides the linchpin to manage this current difficult situation. Consequently, if we are to realize the full potential for agricultural exports, we must provide this crucial short-term financing.

Our former colleague and now Senator from North Dakota, MARK ANDREWS, who is a farmer himself, recently reversed his earlier opposition to the IMF and stated simply in an oped article in the New York Times that: "American agriculture need the IMF." MARK notes that from 1981 to 1982, Argentina, Mexico, South Korea and Brazil—the four largest debtors among the less-developed countries—cut back purchases of U.S. agricultural products from $6 to $3.2 billion, a reduction of 47 percent. Agriculture exports to Mexico alone fell by $1.3 billion in 1982. This is estimated to have cost 31,000 jobs in the United States.

Farmers know what exports mean to their income. This is a good vote for

those of you with large farmer constituencies.

Mr. Speaker, I have attempted to bring out some of the reasons for supporting this Senate amendment. We should vote for the amendment to support the President, to help our friends abroad, and we should vote for it to help our own economy, companies and workers, In fact, I cannot think of any reason not to vote for it.

But in the slight case that any of you are still not convinced that this is a good vote, let me give you one more reason: vote yes for me.

I hope this does not look like a conflict of interest, but as I reviewed the Secretary of Agriculture's reasons for a yes vote on this amendment, I become even more convinced that agriculture exports are the most promising weapon we have in this tough economic world.

My mind turned toward that little tomato pach in my backyard, as it often does. I began to think about how I am going to support my family after I leave this hall someday. There must be people in Brazil and Mexico and South Korea who have never tasted my tomatoes, and who, if they had the foreign exchange, would love to import some of my produce. I might even expand into a few pepper plants.

So, if you are still looking for a reason to support this amendment, think of a small enterpreneur of Italian-American parentage who would like to get into the export market someday, maybe even employ a few unemployed veterans if business picks up.

Let us pass this amendment by unanimous consent.

The housing authorization provisions of this amendment to the conference report on the supplemental have appeared very suddenly on this floor. But, as many of my colleagues are well aware, these proposed authorizations for housing and community development programs represent many months—in fact, many years—of effort and negotiation,

It is a good compromise, one which has had the input of the: House and Senate Banking, Housing and Urban Affairs committees, the House and Senate appropriations committees, the Department of Housing and Urban Development, the Farmers Home Administration, and the Office of Management and Budget.

Some Members may wonder why there is such an urgent need for a housing authorization at this time. I would like to emphasize to my colleagues the fact that there has been no housing authorization enacted into law since 1980. No Member can persuasively argue that our Nation's economy has remained stable over the course of the past 3 years. Our changing economy has affected renters, homeowners, prospective homeowners, builders, developers, realtors and every segment of the population.

But, particularly for those who come to the Federal Government for housing and community development assistance, we need to bring our authorizations up to date to reflect the economic and social changes which have occurred in the past 3 years.

I do not often find myself in the position of supporting authorizing legislation on an appropriations bill. I have, however, found altogether too many occasions whereon the authorizing committees have failed to act in timely manners.

The fact that we have had no new housing authorization since 1980 has made the work of the appropriations committee most difficult. We have, however, managed to continue funding those progams which are authorized through regular, annual appropriations bills.

The fiscal year 1984 appropriations bill for the Department of Housing and Urban Development and Independent agencies was enacted into law on July 12, 1983. I served as a manager on the conference committee, and recommended new budget authority for fiscal year 1984 in the amount of $55.8 billion. Of this amount, $1.5 billion was placed in a reserve fund, and made unavilable to the Department until January 1, 1984, pending enactment of a housing authorization bill in this session of the 98th Congress.

Last week, in the act making further continuing appropriations for fiscal year 1984, the so-called second continuing resolution, the Congress took further action on the disposition of this reserve. In the event that this housing authorization is enacted, $1.5 billion will be made available to the Department of Housing and Urban Development on March 31, 1984, in accordance with the provisions of the second continuing resolution.

The enactment of this supplemental conference report, as further amended by the Senate, will reauthorize many important housing and community development programs for 2 years. Community development block grant and urban development action grant programs would be authorized for 3 years.

Many authorizations for these programs were considered and approved by the House on July 13, 1983, when we passed H.R. 1, the Housing and Urban Rural Recovery Act of 1983, Included among these are:

Adjustments in the form of allowable deductions to the annual gross income formula for tenant rent contributions.

A 3-year reauthorization for the CDBG and UDAG programs.

The new construction component of the rental rehab and development grants program.

The elimination of the requirement that the HUD Secretary set the FHA maximum mortgage rate, thereby allowing this rate to be set more flexibly by the market.

And several important Farmers Home Administration programs.

The authorization for several other programs has been included in an effort to effect a compromise with the Senate and the administration. These include:

A voucher demonstration program for an initial contract term of 5 years, establishing a limited 15,000-unit housing certificate program.

Authorization for HUD to promulgate regulations establishing lease and grievance procedures for public housing in those areas where local eviction procedures do not require a judicial proceeding.

FHA insurance to be provided for a number of new alternative mortage intruments, permitting HUD to offer insurance which is not presently available in the marketplace for the financing of single and multifamily housing.

The level of budget authority contained within this amendment is essentially the same as the levels appropriated for HUD and the Farmers Home Administration in fiscal year 1984.

HUD assisted housing programs including public housing, section 8 existing and moderate rehab are funded within the $9.9 billion of budget authority contained in the fiscal year 1984 appropriation. Community development block grant and urban development action grants are also maintained at their appropriated levels of $3.5 billion and $440 million respectively.

Public housing modernization and operating subsidy programs are not changed. These programs can be run in fiscal year 1984 with available funds. Rural housing programs as administered by the Department of Agriculture would be authorized at levels appropriated in the continuing resolution with the exception of an additional authorization for rural housing grants in the amount of $100 million.

In this amendment, 1984 budget outlays would be authorized at a level which would be 2 percent above the fiscal year 1984 enacted appropriation levels for HUD and FmHA rural housing programs. The increase of $300 million in authorized outlays is due to an increase in the number of allowable deductions to tenant income. The deductions would include: $480 per minor and handicapped person; $400 per elderly household; elderly household medical expenses in excess of 3 percent of income; and child care expenses.

Such deductions would be used in the determination of tenant rent payments in HUD-subsidized housing programs.

As is the case with any bill or amendment, there will always be Members who oppose certain of its provisions or the process by which it is considered.

In this case, I ask my colleagues to consider the efforts which have been made on both sides of the aisle, and in both Chambers, to have an authorization enacted before we adjourn. Unfortunately, the only remaining vehicle for this legislation is the conference report to the supplemental.

I am not proud of this method of legislating. I believe in keeping unauthorized projects and authorizing legislation off of appropriations bills.

But, in light of the agreements which have finally been reached on these issues, and the time pressures that we are under, I will support this housing amendment, and the rule which provides for its adoption, and I ask my colleagues to do the same.

□ 1430

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

Mr. Speaker, I support the rule, and I associate myself with the remarks the gentleman from Massachusetts is likely to make and the fervor with which he is likely to make them.

The SPEAKER pro tempore. The Chair would inform the House that the gentleman from Louisiana (Mr. LONG) has 21 minutes remaining and the gentleman from Tennessee (Mr. QUILLEN) has 10 minutes remaining.

Mr. LONG of Louisiana. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana (Mr. ROEMER).

Mr. ROEMER. I thank the gentleman for yielding me this time.

Mr. Speaker, what do Ralph Nader and Milton Friedman have in common? Opposition to the IMF bill.

We should join in opposition to IMF because of what it does not do. It does not call for a new Bretton Woods meeting on monetary exchange rates; it does not regulate the big banks so as to prevent a reoccurrence of this financial fiasco; it does not require the IMF to use its $44 billion in gold; and it does not force the IMF to emphasize growth rather than the limitation of the international economic system.

We should join in opposition to IMF because this bill eliminates a number of the reforms we placed in the original IMF bill that barely passed the House.

The following reforms have been eliminated:

A requirement for prior congressional approval before the U.S. Executive Director commits the Congress to the next permanent increase in quotas.

A provision preventing U.S. banks from collecting profits above what they could earn on domestic loans on the very loans requiring IMF assistance to pay back.

A requirement that IMF salaries not exceed our current Federal employee executive IV level salaries of $67,200 a year and that IMF employee home loans at less than half the interest payments that average American taxpayers are currently paying be discontinued.

A provision preventing U.S. banks from continuing to charge fees due immediately for loan rescheduling far in excess of administrative costs.

A requirement that future payments to the IMF be made with greater portions of convertible currencies so that countries perpetually receiving IMF loans will start financing more of the real costs.

Do not be fooled. Passage of this bill will cost American jobs, will keep interest rates high, and will bail out the biggest, richest bank on Earth.

Mr. LONG of Louisiana. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. ECKART).

Mr. ECKART. I thank the gentleman for yielding me this time.

I am indeed chagrined that the snout and ears of my friend from Massachusetts appear to have been replaced by turkey feathers.

We ought to reject this Thanksgiving turkey that comes to us stuffed and gagged, filled with more giblet than goodies.

Under the most unusual type of rule that my friend usually rejects, because this turkey cannot stand the light of day, cannot stand to be seen in public, cannot stand to have its contents examined because, like a good friend of mine once said, if you like sausage and laws, do not watch either one being made.

Well, this is a lot of sausage and not very good law. It takes logrolling and turkey stuffing to a new height.

This unusual rule defines gag rules in the newest way possible. Reject the rule, restore some sanity to the process. If you are a small businessman and your partner cannot get a loan, try to explain to them why we gave $8.5 billion of taxpayers' dollars away to some of the richest banks in America. Reject the rule.

Mr. LONG of Louisiana. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN of Michigan. I thank the gentleman for yielding me this time.

Mr. Speaker, I come from a very hard hit State, economically, and that is why I favor this bill

First, we need the housing in it. Second, we are struggling to get back on our feet economically and so we have the greastest stake in avoiding a collapse of international economic system and IMF is a key in this. The proof is in the pudding. I suggest we look at results. Mexico is now moving back on its feet. A hard but necessary bargain has been struck by the IMF with Brazil.

This allegation of elitism is poppycock. A hardnosed judgement, I am sure, is that this bill is mainly necessary for the people of Michigan, not for the banks of Michigan, and I urge its support by everyone on this floor.

Thank you very much.

Mr. LONG of Louisiana. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. SCHUMER).

Mr. SCHUMER. I thank the gentleman for yielding me this time.

Mr. Speaker, I too rise in support of this bill for two reasons: First, it is a housing bill. It has in this bill for the first time a rental production program, the so-called Dodd-Schumer program, part of the bill, which will finally build rental housing in our cities, our suburbs, and our rural areas. There are homeless in America. They are homeless because they do not have housing.

If we turn our backs on them, we cannot say we are doing something for the homeless. This is our last opportunity to do that, gentlemen.

Many Members, when they think of federally subsidized housing, think of past programs like section 8 new construction, and get a bad taste in their mouths. But the Dodd-Schumer program represents a dramatic break from previous housing programs. This program has received strict scrutiny in the 2½ years since it was first introduced by Senator CHRIS DODD of Connecticut and I, and it has emerged substantially the same as we introduced it. The program recognizes that while the section 8 program produced some extremely valuable housing units, it was also marred by fatal flaws, and tries to correct many of those mistakes.

First, section 8 committed the Government to pay rental subsidies far into the future. Assistance under the Dodd-Schumer program comes in the form of a one-shot, upfront subsidy to help reduce the project's debt service costs.

Second, section 8 construction is extremely expensive, because it provided a deep subsidy over a long term. Dodd-Schumer, by utilizing a shallow subsidy up front, produces far more units for the same amount of money. For example, in this bill, we authorize $315 million over 2 years, and expect that it will assist in the production of over 20,000 units, at least 4,000 of which will be set aside for lower income families for 20 years. By contrast, if the same amount was invested in section 8 new construction units, we could produce, according to figures used by the Appropriations Committee, only 2,300 units. Thus, under Dodd-Schumer we will produce more lower income units. In addition, the non-

lower income units added to the housing stock will put some slack into tight urban rental markets, which should alleviate some of the pressure driving up all rents, which hits lower income families the hardest.

Third, under section 8, developers had every incentive to build units up to the maximum allowable cost, because HUD guaranteed their rental income. The Dodd-Schumer program contains incentives to minimize development costs by selecting projects according to competitive criteria, which heavily weight the degree to which private contributions and local governmental contributions to the project are maximized, and Federal contributions are minimized.

Fourth, section 8 was distributed to areas of the country by a formula, which was designed to measure need, but which frequently ended up providing funds where they were not necessarily needed. Assistance under the Dodd-Schumer program is highly targeted. Only communities suffering from a severe shortage of rental housing will be eligible for assistance, and those communities with the most severe shortages will be favored in the competitive selection process.

Many Members here are well acquainted with the highly successful UDAG program, which is designed to develop public-private partnerships in economic development projects, with local governments leading the way and shaping their own strategy according to their priorities. The Dodd-Schumer program is best viewed as a UDAG for housing.

The second reason I am for this bill is, that in the IMF portion of the bill safeguards have been added in the form of the amendment that I had introduced when the bill was first considered. That amendment had lost on the floor, but had been restored to the bill. It tells the banks that they can no longer make excessive profits on their IMF loans profits that hurt both the economies of our country and of the later American borrowers. The language of the amendment limits the spreads that banks charge on their loans restores some balance of funds between the creditors, debtors, and the world economy.

□ 1440

Mr. LONG of Louisiana. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, I wish we had more time on this but we are improving. We have 50 percent more time to debate this today than we had for the Constitution on Tuesday, so we march toward democracy.

This bill is not perfect in either regard—either for housing or the IMF. And it would be better if they could come up separately. But in these peculiar circumstances, this bill has to be together, although I usually do not like that procedure, to make the housing part veto proof. It is the only way to help provide housing for the elderly and other needy people without a veto. It is an imperfect attempt to deal with IMF, but a satisfactory one. And it is an imperfect housing bill, but it is definitely an advance with regard to housing.

The IMF part does restrict the ability of the banks to make profits off of their mistakes. The housing part does provide some relief to the poorest people in this country, the residents of public housing who were unfairly, in my judgment, damaged some time ago.

We do not get perfection in this great, sprawling, multichambered Government, but this bill does represent the best compromise we are going to get. Vote this down today and you will not have another IMF bill, and there will not be another housing bill. This represents the most we can get, given the forces at work here and at the White House.

All sides have gone as far as they can and this is the result. Sometimes, compromise is essential if we are to govern fairly and effectively.

On one specific point, Mr. Speaker, I would like to ask the distinguished chairman of the Banking Committee the following questions with respect to the Real Estate Settlement Procedure Act provisions contained in the legislation. Am I correct that the legislation has been modified from the text of H.R. 1 with respect to disclosures made to consumers and that the new language is based upon similar language found in the Truth-in-Lending Act which provides a defense to alleged violations of the disclosure requirements?

Mr. ST GERMAIN. The gentleman is correct.

Mr. FRANK. Would the chairman agree that although this language is based upon the Truth-in-Lending Act, it is not intended that judicial or other interpretations of the defense contained in that act would necessarily be applicable under this legislation?

Mr. ST GERMAIN. Yes, I would agree with that assessment.

Mr. FRANK. Furthermore, would the chairman agree that since the disclosures which are to be made under this legislation are likely to be much simpler than those required under the Truth-in-Lending Act, it is intended that the error avoidance procedures necessary to establish a valid defense to an alleged controlled business violation would also be simpler?

Mr. ST GERMAIN. Once again, I would agree with the gentleman.

Mr. FRANK. Finally, would the chairman agree that it is intended under this legislation that error avoidance procedures be adopted which reflect the nature of customer dealings in the settlement services industry in which the referring party is engaged?

Mr. ST GERMAIN. That is correct.

Mr. FRANK. I thank the chairman for his clarification of the legislative intent of this provision.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. HARTNETT).

Mr. HARTNETT. I thank my colleague for yielding.

Mr. Speaker, one of the most frustrating parts of being a Member of this body, I think, is seeing things that are wrong and being unable to correct those things.

I think it is terribly poor that once again we are faced with what is a gag rule. We are taking what is a necessary housing bill and tying on to it something that I do not think is good for the American taxpayer.

We are attempting to bail out the IMF when we are $1.2 trillion in debt and they are $20 billion in debt. How can this country and my colleagues on the other side of the aisle say they want to reduce our deficits when they brought a tax bill before us yesterday which would have, in effect, done that, and here today we are going to vote to give away $8 billion which the U.S. Treasury does not have and which will only add another $8 billion to our deficit.

Mr. Speaker, this is improper. It is one of those things that is wrong and people like myself are unable to correct. But I would urge my colleagues on both sides of the aisle not to vote for this rule.

You have heard here this afternoon that this is the only housing bill we will ever get. I do not understand why the tremendous leadership on the other side of the aisle could not bring before us what I would call a clean housing bill when we return in late January or early February.

They are using it as a blackmail to get our votes for the IMF, to get 8 billion dollars' worth of tax dollars that the Treasury does not have and which will add $8 billion more to our deficit.

I urge my colleagues on both sides of the aisle to vote against this rule and I yield back whatever time I have remaining.

Mr. LONG of Louisiana. I yield 2 minutes to the distinguished gentlement from Maryland (Mr. LONG).

Mr. LONG of Maryland. Mr. Speaker, this is a gag rule of the worst order, with hundreds of pages of amendments which have been almost impossible to get copies of and, an amendment which includes $25 billion for IMF and housing.

Let me tell you. Mr. Speaker, as chairman of the subcommittee that deals with the IMF issue, I have been given 2 minutes to speak, and that is part of the gag rule.

Three or four years ago President Reagan promised if elected to stop deficits by 1984, even by 1983. What has happened?

In 1983 alone there is a deficit of $195 billion, which equals the deficits of all 4 years of the Carter administration. This deficit will grow to $208 billion in 1984 even without this amendment.

Nobody can deny that they are going to have to borrow $8.5 billion to give to the IMF if this amendment passes. Why should we increase the deficit in this manner? The IMF has 20 times as much gold, per billion dollars of debt as the United States. Yet the United States is being asked to borrow or print money to bail out the IMF.

Why? They have plenty of money to deal with their present problems. What they are planning to do is bail out the big banks that loaned $350 billion to foreign countries. Many of these have nations close to default and most have in one way or another indicated that they cannot possibly pay it back. And, we know from history they will not pay it back.

I am not one to look under the bed for Communists. The administration has stretched the Communist threat in many places where that threat is only tenuous. But, if communism is a threat, why are we proposing to bail out Communist economies so that they can concentrate on their military buildup?

Certainly we ought not to do it when we are asking American boys to fight and die against communism.

Like it or not this will be an issue in the next election. Make no mistake, IMF is an economic Lebanon or Vietnam. The deeper we get, the further in we are going to have to get, and the more difficult it is going to be to withdraw.

Vote "no" on this bank bailout package. It is a vote you will never have to explain.

Mr. LONG of Louisiana. Mr. Speaker, I yield 1 minute to the gentleman from North Dakota (Mr. DORGAN).

Mr. DORGAN. Mr. Speaker, the question is why this procedure? Why the time limit?

I think the procedure and time limit are necessary because this bill cannot be defended or explained in an afternoon. If we had more time to talk about this we would talk about the things that have been said by the gentlemen that preceded me.

They said there are safeguards in this bill. That is absolute nonsense. They are toothless tigers. There are no safeguards in this bill.

This bill has been stripped of the safeguards. The safeguards are gone, and that is why we ought to vote against this rule.

The only way they could get this bill passed is to sweeten it with housing, and that talks about the merits of the legislation.

People say this is not a bailout of the big banks. Of course it is a bailout to the big banks. What do you think it is? If you do not want to call it a bailout, call it a cave-in, caving in to the big banks for $8.5 billion, a bill that is going to be footed by the taxpayers in this country, and on the final legislative day of the session when we have a $197 billion Federal deficit.

Some say you need to see the higher truth. I see the higher truth. The truth is we ought to do things the right way and this is the wrong way, and I say you ought to vote against the rule.

Mr. LONG of Louisiana. I yield 2 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I know that my chairman, Mr. LONG, does not like the fact that our subcommittee is bypassed on this matter and I do not, either.

I joined him in opposing the President on Lebanon and in opposing the President's policy in El Salvador. But on this one the President is right. I do not happen to agree with Ronald Reagan's economic approach to life. I do not happen to agree with what I see as his favoritism to big business or his favoritism to the wealthy.

I do not even like a lot of the parts of this bill.

But the fact is that in this instance the President is simply trying to keep the economic system of the world afloat and we owe him our support.

The idea that some people seem to have, including the hard rightwing, that somehow the President is going to lavish loans on Communist countires is, frankly, so much baloney. If some groups really feel that the President is not sufficiently anti-Communist to be trusted with maximum authority to decide which loans are in our national interest and which loans are not, then I would simply suggest to you that is not the Ronald Reagan I know.

You bet this bill is not perfect. There are part of this bill that I would like to vote against, but the fact is that people ought to quit blaming the President and quit blaming the Congress for the fact that the world is complicated and sometimes you have to do some things that are not perfect.

I have opposed the President on many things. But I will support him on this one because the stakes are simply too high if we do not. The stability of the world's economic system is at stake, and the security of our own economic recovery is at stake.

If we fail to support him on this issue today we risk both of those things, and I do not think we can afford to do it.

I also ask you to remember we Americans started the IMF. It is the United States and Great Britain who have drawn on it more greatly than any other country. The Soviets do not even like the IMF. They think it is too capitalistic for their own good.

I ask you to support the President on this today and I ask you to vote yes today. A vote yes will help to stabilize the world economic system, strengthen U.S. export opportunities and build some houses for Americans.

Mr. LONG. of Louisiana. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Mr. OAKAR).

□ 1450

Ms. OAKAR. I thank the chairman for yielding. I would like to rise in support of the rule.

Mr. Speaker, I yield briefly to my friend (Mr. MARRIOTT).

Mr. MARRIOTT. I thank the gentlewoman for yielding.

Mr. Speaker, I will ask if the gentlewoman would clarify some things on section 409.

Am I correct in that the terms "construction" and "operation" as used there in section 409 include the word "expansion"?

Ms. OAKAR. That is correct. As the original sponsor of the foreign loan evaluation section which included the words "construction or operation" it is the intent that loans in excess of $20 million at existing facilities be interpreted as loans for construction of operation.

Mr. MARRIOTT. Also in terms of the word subsidy, I assume that the phrase is intended to cover all material or significant subsidies that may be provided by a foreign government even though it is not specifically mentioned.

Ms. OAKAR. Yes. I thank the gentleman for his question. Let me reclaim my time and say that international agreements do include material subsidies. I appreciate the gentleman's concern for the economic distress our industries are facing and his support for this measure.

I was very pleased with my chairman for preserving that section. If we get another IMF bill, I guarantee it will not have this section in and our industries will not be protected.

So I hope you will support the bill.

The SPEAKER pro tempore. The Chair will observe that at this point the gentleman from Louisiana (Mr. LONG) has 10 minutes remaining and the gentleman from Tennessee (Mr. QUILLEN) has 8 minutes remaining.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. I thank the gentleman from Tennessee.

Mr. Speaker, I rise in opposition to this rule, most particularly to the inclusion of the IMF funding or the bank bailout provision of the bill.

For a person in my posture I think it is appropriate to ask: Well, what if it goes down? What then? How will the IMF meet, truly, the international crisis, the monetary crisis that is facing our world? That is a fair question.

We should understand that the IMF today has $44 billion in gold, current value, in its coffers.

At one of the hearings, the head of the IMF was asked by a Member of Congress: "Mr. Chairman, under what circumstances would you use the gold to bail yourself out of this problem?" And his response was, "Well, in case of an emergency we would use that gold."

Well, now if this is not an emergency, I suggest that the IMF people do not know how to define it because if they are truly in a mess they should use that resource rather than to come to us to bail them out.

This problem with the IMF is not the cause, it is a symptom, the symptom of an underlying fiscal and monetary discord that exists in the whole world. And when this IMF bill came up earlier I sought to attach an amendment to the IMF bailout that would condition the U.S. contribution on the United States declaring a fixed relationship between the dollar and gold by January 1, 1985, because only by getting honest money in the United States, a dollar backed by something solid such as gold which has proved historically the way to rein in runaway politicians in our world, until we get that honest money we are not going to solve the international monetary crisis. I was denied that opportunity on a point of order. We need a full debate in this House on the problem of paper money, which is at the root of our problems.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I yield to my colleague from New York.

Mr. KEMP. I thank my friend for yielding.

Mr. Speaker, I rise to agree with the gentleman from California and to speak against the rule and the bill.

A few moments ago, my friend the gentleman from Massachusetts, quoted President Reagan's statement that this International Monetary Fund bill is the linchpin of the international monetary system. Regretfully, I must disagree, for as Aristotle put it so well, "Plato is dear to me but the truth is dearer." The President is dear to me but the truth is dearer, and the truth is that there is no international monetary system and that is the problem with the IMF today.

There is no international monetary system for which the IMF or any other body may act as linchpin. Since we abandoned the fundamentals on which the Bretton Woods agreement was based we have destabilized all phases of international trade and finance and the floating rate system is causing international economic contraction, austrity, and unemployment.

To understand the true situation, I ask my colleagues and our President to remember the words of another great President, John F. Kennedy, who said, "We shall continue policies designed to stimulate growth here at home—the well-being of all free peoples is inextricably entwined with the progress achieved by our own people. I want to make it perfectly clear that this Nation will maintain the dollar as good as gold * * * the foundation stone of the world's trade and payment system."

Mr. Speaker, this is the potential linchpin for a monetary system rebuilt on the principles of stable exchange rates, free movement of capital, restoration of a liberal trading order and a new Bretton Woods type system with an international unit of account "as good as gold."

I do not oppose this bill out of isolationism but out of my belief that a systemic change is called for in international and domestic monetary policy of this bill as I want to explain, will compound not cure our difficulties.

I want to briefly address the substance of the compromise which has caused such division in this House and to point out a few of the reasons why the authors of this compromise, a compromise completed far from public view and without consultation with the minority in this body, refuse to allow the close scrutiny which would normally be applied.

When the IMF quota increase was first before us, I opposed it as an inappropriate response to a serious international monetary problem. Nothing has changed to alter that opposition.

The monetary problems we face are not limited to a handful of developing and Eastern bloc nations. They extend throughout the monetary system and are endemic to it. Under the current regime, money is a hodgepodge of paper currencies crawling, sinking or floating against other currencies, baskets of currencies or constantly fluctuating, abstract, trade-weighted averages. Even nominally fixed currencies are pummeled by the actions of central bankers; they control the reserve currencies with no standard by which to measure actions or anticipate them until the relationship of monetary and real values forces a devaluation.

Without a monetary standard, credit markets become agents of damage control rather than allocators of resources. Protectionist pleas are in large part reactions to these constantly shifting currency values.

Therefore, Mr. Speaker, a precipitous move to expand the resources of the IMF without addressing the system's underlying weaknesses will simply worsen the hemorrhage as current borrowing is diverted to interest payments on old debt. Potentially productive resources will be transferred by political fiat to those bankrupted by the lack of monetary standards. Rather than providing assistance to developing nations we will just be postponing inevitable policy adjustments.

Let us look for a minute at what would happen without IMF quota increase.

First, as has been pointed out by Fred Smith of the Council for a Competitive Economy, the IMF does not require funding to act as financial arbitrator between the private banks and the debtor nations. It can easily take the role of Moody's or Standard & Poor, providing guidance and evaluations.

Second, the banks continue to have the same incentives to restructure loans and avoid defaults whether the IMF has additional lending authority or not. Working through the Bank for International Settlements, the Paris Club and through their own individual channels, the international banks will continue to seek solutions to the problems they share with the debtors.

It should also be remembered that our Government is not impotent to act if some of these efforts fall short. The Federal Reserve System stands ready to assist as it did in Mexico by making additional exchange available in support of the banking system. The Exchange Stabilization Fund at Treasury is similarly available to help those who are in real danger.

I am sure that supporters of the legislation will respond that this is too much for us to do alone, that we must leverage other nations to support our efforts and that we can only do that through the IMF. To this I say, nonsense. Other nations do have the same incentives we have to seek solutions. These are not dependent on the IMF any more than the incentives of the banks are dependent on outside forces. Moreover, we should keep in mind that the only usable resources which flow into the IMF or any international institution are those of the industrialized nations, basically the G–10. There is not a member of this group which would fail to support its trading partners in an effort to maintain trade relationships and avoid crisis.

I believe that these mechanisms will forestall any panics, failures or crises. But, for the sake of debate, let us ask the question, "What would happen in the event of a default by a major debtor?"

The dire warnings from Treasury indicate that U.S. banks would fail, that a major deflation would occur and that interest rates would skyrocket. Where is the truth?

To begin with, a major default, or even writing off the bad loans being

held by some banks, will indeed cause problems for those banks. Their stockholders will probably lose money. But that is the risk which they accepted in making capital available for adventurous foreign lending. It is not the responsibility of the taxpayer.

We should keep in mind that it is the stockholders who are at risk, not the depositors. The Federal Deposit Insurance Corporation stands ready to protect depositors. Even if this requires additional funding, it results in the economic damage being placed on the appropriate risk takers.

Just as the FDIC protects depositors, the Federal Reserve System has the authority to prevent any spread of defaults or a deflation. If bank assets are wiped out by default to such a degree that the banking system itself is endangered, the Fed can step in with additional reserves in an amount identical to the lost assets. This injection of reserves would protect the system without bailing out irresponsible bankers. Moreover, since the Fed can replace the exact amount of assets lost, there is no domestic deflationary or inflationary impact.

The notion that interest rates would rise is simply a ruse. The Chairman of the Federal Reserve Board scored the Congress recently for high deficits, increased borrowing and the pressures these bring on interest rates. He now tells us that if we do not borrow additional funds for the IMF rates will rise. I have been told by some supporters of this legislation that funding the IMF will not cause rates to fall but not funding it will cause them to rise. What logic is this?

Interest rates in international lending are set, as those for domestic lending, based on risk of inflation or deflation and the quality of the investments undertaken. The only possible increase in rates if we do not fund the IMF will be due to making banks responsible for their risks, that is, if the bankers perceive that a Government guarantee of their loans has been withdrawn. What effect would this have domestically? It is very simple. Domestic lending opportunities—unguaranteed loans for houses, automobiles, college educations and small businesses—will move up the list of desirable risks as the Government subsidy to foreign lending is removed.

As I have shown above, the Fed can forestall any inflationary or deflationary effects of defaults, so there is no pressure on interest rates from that source.

The only pressure for increased interest rates comes from the determined position of Federal Reserve Board Chairman Paul Volcker to join with the IMF in a program of stifling austerity.

When we debated the IMF quota increase in July, I made the following statement:

My question is that the Federal Reserve Board in the last three months has raised the federal funds rate from 8.2 to 9.4 percent. They are raising interest rates right now, and the gentleman suggests that by spending more abroad we can lower interest rates in the United States. The gentleman should be directing his attention at Paul Volcker and the Federal Reserve Board to bring down those interest rates because that would do more for Mexico and Brazil than the so-called quota increase for the IMF.

Since I made that statement, the situation has only worsened. The growth of the money supply as measured by the Fed's revered M1 has slowed dramatically in the second half of the year. It has risen at an economically crippling rate of 1.1 percent over the last 3 months, leaving growth for the Fed's main monetary target at or below the bottom of its target range. The results are clear.

Interest rates continue to move upward. The dollar remains strong with even the Soviet Union joining in the rush to the dollar by selling major shares of its holdings of German marks and buying dollars. Key commodity spot and futures prices remain at or below the deflated values prevalent at the beginning of the year while key measures of inflation show stable prices for both consumer and producer goods despite the strong recovery.

The most telling result of all, Mr. Speaker, is that unemployment, while falling, remains far above normal and at levels far too high.

Adding to the burden already being carried by American workers by shifting resources from productive activities to support austerity and incentive-destroying fiscal policy changes in developing nations will not change this situation. Only the actions of the Federal Reserve Board in reversing its policies will provide the respite in domestic and international financial markets required for movement toward reestablishment of a monetary standard and the economic growth and stability which would emerge.

But what do we see instead? The Fed, not content to support the austerity preached by the IMF, has taken to the domestic pulpit. While staunchly maintaining its all of independence of the Congress and the President when it comes to monetary matters, the Fed, through Chairman Volcker, is attempting to take an increasing role in the setting of fiscal policy. While obstinately continuing the policy of unreasonably high interest rates, Mr. Volcker has undertaken to try to influence fiscal policy in closed meetings with Members of the Congress. According to reports in the press and from the Senate, the offer before us is slight monetary ease and slightly lower interest rates in return for a fiscal policy of higher taxes which is to the liking of the Fed Chairman.

Mr. Speaker, I find this intervention in the duties of the Congress by a body which considers itself beyond our control and which has steadfastly refused to enter a dialog with us on monetary policy to be intolerable.

This is the same tactic used by the IMF. The IMF does not impose austerity in the strictest sense of the word. What happens is that they go into a country with their team of economists and work with the finance minister, or the chancellor of the exchequer, and they end up saying, "In exchange for the help we are going to give you, you have got to impose budget austerity as the means of correcting your current account imbalance."

As I have often stated before, the austerity being practiced in the world today is to raise consumption taxes on the poor, to raise taxes on savings and investment and channel these resources into the central government. Credit is then allocated through the national policy board or the development bank or whatever government agency has been established to make political decisions on the allocations of credit.

The parallels of the actions of the international monetary body and our own Fed are exact. Fortunately for American taxpayers the Congress rejects this approach. Yesterday, by defeating the rule on the Ways and Means Committee tax bill we killed the issue of tax increases for this year.

Just as we have rejected the misguided policy of incentive-destroying tax increases and austerity for our constituents, we should reject the imposition of those policies on the poor of developing nations by the IMF and its allies in the Fed.

I urge my colleagues to join me in voting no on this legislation and send an unmistakable signal to those who would stymie the pace of global economic growth which is just now beginning and is more threatened by the Federal Reserve Board and IMF economists than any other cause.

Mr. LONG of Louisiana. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. NEAL).

Mr. NEAL. Mr. Speaker, the world financial crisis is still with us, and far from being resolved, even though it has been somewhat contained through the cooperative efforts of the large industrial countries and the debt-burdened developing countries.

Mr. Speaker, the IMF desperately needs additional funds to help debtor countries weather the recession and get their finances in order. At stake here is the survival of the world trading and financial systems, from which the United States benefits perhaps more than any other country. This IMF bill is really about jobs and a future for many of our people.

Mr. Speaker, despite months of delay, the IMF and most of the free world nations are counting on the

United States to come through with its share of the increase in IMF lendable funds. When we do, the other 145 member nations will continue to follow our lead.

It is fortunate that the IMF exists, because we have no other vehicle to provide the discipline and the coordination needed to resolve the debt problem. Every U.S. President from Franklin Roosevelt through Ronald Reagan has recognized the importance of the IMF and given it full support. In recent years, the IMF has rescued Great Britian, Turkey, Portugal, and other countries from economic calamity, and today dozens of developing countries are depending on it for temporary assistance and advice in the worst worldwide recession since the Great Depression.

Mr. Speaker, even though the IMF has a remarkable record of success, its work and mission are poorly understood. Let us correct some of the common misperceptions about the IMF:

The IMF does not bail out banks. IMF loans are a small percentage of a country's debt. For example, Mexico owes nearly $90 billion, but is borrowing from the IMF $3.5 billion spread over 3 years. Mexico could not even begin to pay the interest on its debt with less than $1.2 billion a year from the IMF. Furthermore, the IMF's total resources—even with the proposed increase—are but a small fraction of the $700 billion of Third World debt. Banks and everyone else benefit primarily from the IMF—approved economic reform plans required of borrowing countries. IMF programs improve debtor countries' financial stability and make them better credit risks. This helps assure a more stable international trade environment from which we all derive enormous benefit.

The IMF does not create austerity conditions in borrowing countries. Countries seeking IMF loans already are in such desperate circumstances that austerity is inevitable. With the help of IMF loans and advice, countries can institute belt-tightening measures with as little pain and disruption as possible. Countries with IMF programs usually attract private capital and keep their economies working toward recovery. Without the IMF, some countries would face bankruptcy and collapse; in that event, the austerity required would be much worse.

Our IMF participation is not a contribution or a giveaway, nor is it foreign aid. It constitutes a loan, on which we earn interest at near-market rates. Our only cost is the difference between the interest the IMF pays us and our Government's cost of borrowing the funds we invest. Over the years, the cost has been nominal. In some years, we have actually made money on our IMF investment. The IMF is like a big credit union: Members deposit money and members—if qualified and in need—may borrow. Our deposits are safe. No country has ever defaulted on an IMF loan.

Few Communist countries are IMF members. Of the Eastern bloc, only Hungary, Romania, and Yugoslavia have current IMF programs, and their borrowings are a small percentage of total IMF lending. These three countries, as you know, are more market-oriented than other Communist nations, and we have always tried to encourage their departures from the Soviet line. Most Communist nations shun the IMF because it requires free market solutions to economic problems. Nothing would please the Soviet Union more than to see the IMF run out of funds and become ineffective. From the U.S. perspective, consider the political dangers of a Third World bankrupt, in turmoil and ripe for takeovers.

Mr. Speaker, after months and months of hearings, debates, amendments, and votes on the proposed increase in the U.S. quota in the International Monetary Fund, it is time for us to approve it.

Mr. Speaker, while the IMF quota increase is at the heart of this package, the package also contains quite a bit of additional legislation on important issues which have not commanded all the attention they deserve. Due to the extraordinary circumstances out of which this bill has evolved, there has been little legislative history clarifying some of these matters.

In this package, we have essentially accepted the Senate's version of the Export-Import Banks "competitiveness mandate." This language requires that Exim should be "fully competitive" in all its programs, but it should also try, to the extent possible, to honor its longstanding tradition as a "self-sustaining" financial institution. The Senate language speaks of being "fully competitive," and not permitting a concern with the Bank's own cost to impair this primary function. But the language also makes clear that being "fully competitive" does not require an exact matching of the rates and terms offered by foreign governments. Moreover, the Bank will henceforth be required, by this legislation, to report to the Congress any cumulative losses which result in wiping out half its capital, at which point the Congress would "take appropriate action." Obviously this language establishes a clear congressional concern that Exim's losses not be excessive. I could well imagine that the quickest way for Exim to impair its primary function would be to run up losses so heavy that Congress and the American people would no longer support what has historically been one of the most effective and efficient and valuable of all Government programs.

Mr. Speaker, this legislation also mandates the establishment of a medium-term financing program within the Export-Import Bank. While the language in the bill concerning this may make it appear to be an entitlement program, it is clear from a reading of the entire section that medium term financing need be offered only on whatever terms are necessary to be fully competitive. The language does not automatically require such financing to be offered, even if genuine foreign competition at the stipulated interest rates can be documented. Exim still has to allocate its resources among all claimants, and this language does not create any privileged position for any class of claimants. In other words, it does not preclude Exim's Board from exercising its independent judgment as to how its budget resources can be most efficiently utilized to promote U.S. exports as such.

Finally, Mr. Speaker, I would like to note one of the striking innovations contained in this legislation: The establishment of tied aid credit programs in the Eximbank and in the Agency for International Development. The National Advisory Council on International Monetary and Financial Policies is designated to coordinate these programs, and will be able to effectively control their use. I think this clearly indicates a congressional desire to rationalize the granting of tied aid credits within a coherent Government-wide program, so that independent agencies can no longer operate on their own in this highly sensitive and expensive form of quasi-aid, quasi-export financing. Moreover, the purpose of the whole scheme, as clearly spelled out in the legislation, is to support our negotiating efforts to reduce and control the worldwide practice of granting tied aid credits. The exact mechanics of the programs—what terms to offer, what sales to target—should be determined in light of our negotiating objectives. To offer credit "substantially as competitive" as that offered by foreign governments, as required by this act, is simply a restatement of Exim's competitiveness mandate, that is, to offer "fully competitive financing." As I have already mentioned, that mandate does not require an exact matching of rates and terms. Hence, neither does the tied aid credit program.

Mr. Speaker, with these clarifications, I think the entire Export-Import Bank reauthorization package is a workable and worthwhile compromise. I must reemphasize, however, that it was a compromise hammered out in haste, and subordinated to the overriding necessity of completing action on the IMF quota increase. The result, though workable, is far from optimal. Vigilant oversight of Exim

programs and policies will be required over the next 3 years.

Mr. Speaker, approval of this rule will authorize our continued support of the IMF and the Eximbank and I urge its adoption.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I want to associate myself with what I think are the very thoughtful and compelling remarks of the gentleman from North Carolina.

Mr. Speaker, there is not much controversy over this bill with the exception of the IMF portion, and unfortunately that appears to be hip deep in controversy.

I would like to say to those in this body who are interested in exports and the opportunity to advance American employment opportunities through exports, that there is no more important export bill that this House will vote on this year.

There is no other way to ensure the short-term growth of American markets abroad quite as effectively as through the passage of this particular bill.

So for those who are interested in export jobs, I say that I hope you will help pass this bill.

There has been a lot of talk about who this bill is going to help. It is going to help everybody. It will help us and other countries around the world whose continued financial health is enormously important to us and to the jobholders of this country.

Yes, if it is successful, it is going to help some banks, too.

But if this bill does not work we will spend a good deal more, propping up the banks of this country, than $8.5 billion.

Let us suppose that Mexico goes broke. That financial distress will be accompanied by shrinking food supplies and higher prices and soon our security interests will be involved.

I assure you that our ultimate cost would vastly exceed the $8.5 billion which is put in this bill.

The decision comes simply down to this: Either we can pay $8.5 billion today and hope to help world recovery, or we can deny this bill and then later be forced to pay a good deal more for both security and economic interests.

I believe the first choice, passage of this IMF bill, is the right one. I hope it will be swiftly passed.

Mr. LONG of Louisiana. Mr. Speaker, I yield 1 minute to the gentleman from Connecticut (Mr. MORRISON).

□ 1500

Mr. MORRISON of Connecticut. Mr. Speaker, I rise in support of this rule. We need to pass it for two reasons.

First, the United States has not had a housing authorization program in force for the past 3 years. Enactment of this rule will incorporate into the supplemental appropriation bill comprehensive housing legislation that will make a substantial contribution to the production of new housing and to the renovation of existing housing units.

The bill improves the targeting of the community development block grant program so that those funds will go to the benefit of low- and moderate-income people. The bill also expands the section 235 homeownership program from single-family to two- and three-family homes based on an amendment I offered when H.R. 1 was considered in the House.

Finally, the housing provisions will significantly reduce the rents paid by individuals living in publically operated or subsidized housing units by allowing tenants deductions from income before applying the 30-percent rent-to-income formula. If this rule is adopted, tenants will be entitled to deductions of $480 per child, $400 per handicapped or elderly household, child care expenses and medical expenses in excess of 3 percent of income for elderly and handicapped persons.

These are substantial improvements for which we can be justly proud.

Second, passage of the rule will result in a needed funding increase for the International Monetary Fund. In truth, the provisions restricting the authority of the U.S. representative to the IMF are not all that they should be.

But the message being sent by this bill is still clear. The IMF must change its approach by moving to stretch out short-term loans at lower rates of interest and by adopting a more growth-oriented approach to the Third World countries.

I want to thank and to commend the chairman of the Committee on Banking, Finance and Urban Affairs, FERNAND J. ST GERMAIN, who conceived the strategy of linking the housing and IMF provisions of this bill to insure their enactment.

It is no secret that the White House had no interest in the Democrats' housing program. Mr. ST GERMAIN found a way to spark their interest and for that we are all in his debt.

I urge my colleage to pass this important rule.

Mr. LONG of Louisiana. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Speaker, I support the rule and I support the legislative proposals embraced by the rule.

Mr. Speaker, I know that many of the Members here are concerned with the procedure being used to pass these substantial pieces of legislation. I share that concern—but I believe that if we are going to be successful in getting a housing authorization bill enacted—we need to support the elements of the Garn amendment. That amendment includes the housing authorization bill—the International Development Banks authorization—the IMF authorization and appropriation—the Export-Import Bank authorization—and the Defense Production Act extension.

Let me take just a moment to discuss one element of the package, the housing authorization bill. Fundamentally, it has authorized the amounts already appropriated for existing HUD programs. These programs include such activities as urban development action grants, community development block grants, public housing, section 8 existing and moderate rehabilitation, urban homesteading, section 202 housing for the elderly or handicapped, and operating subsidies. The housing bill simply reflects the amounts already appropriated for these programs.

There are also a number of new programs in this authorization bill. These include the neighborhood development demonstration program, a voucher demonstration program, a new emergency shelter program, a public housing child care demonstration program, additional authorization for section 235 homeownership assistance, and a major new rental housing rehabilitation and production program.

As has been stated here before, and I know the gentleman from Rhode Island is familiar with this fact, what the Appropriations Committee did when the 1984 appropriation was enacted was to set aside $1.5 billion to fund parts or all of these new programs. That $1.5 billion is still in reserve and it will remain in reserve at least until January 1, 1984.

However, in the second continuing resolution, language was included which provides that if no authorization bill is enacted by January 1, 1984, the $1.5 billion held in reserve is automatically available for the section 8 existing housing program. On the other hand, if an authorization bill is enacted as part of this package, the $1.5 billion of funds in reserve continues in reserve until March 31, 1984.

That means that after we come back on January 23, the Appropriations Committee will report a vehicle that will allocate the $1.5 billion. Of course, we will be guided by the Authorization Act in our efforts to allocate that $1.5 billion.

But the important point to keep in mind is that unless this housing authorization is enacted before we go home, unless we do that before January 1, 1984, the total $1.5 billion now in reserve will automatically be used for the section 8 existing program.

There is nothing wrong about that because additional section 8 units provide subsidized housing for more families. But the Appropriations Committee has made an effort to hold that $1.5 billion in reserve as long as possible so that there would be new funds available for implementation of whatever new thrusts were adopted in a housing authorization bill.

Therefore, I would urge that you support this rule and the housing authorization bill—even though the procedure is clearly extraordinary. The point is that if we are going to have a housing authorization bill for 1984—this package must hang together.

Mr. Speaker, in summary, this is not the best way to legislate. We all know that. But what it represents is both a compromise and a trade. Our history is replete with trades and compromises that have achieved major pieces of legislation. That is what this is—pure and simple—and I urge you to support it.

Mr. LONG of Louisiana. Mr. Speaker, I yield 30 seconds to the gentleman from New York (Mr. GARCIA).

Mr. GARCIA. Mr. Speaker, I rise in support of this rule. And I also rise to comment the chairman of the full committee for working out with the chairman of the full committee in the Senate this compromise. It is not perfect, but it is the best we can get.

And I would hope that everbody will support the rule today.

Mr. QUILLEN. Mr. Speaker, to close debate, I yield the remainder of my time to the distinguished gentleman from Illinois (Mr. MICHEL), our minority leader.

Mr. MICHEL. Mr. Speaker, I rise in support of the rule. I think every one of us knows the arguments, pro and con, about IMF. Experts on both sides have spoken at length. I want to speak particularly to Members on our side, who said we were shortchanging the process here by bringing this up in this form under this procedure. As I recall, there were 14 days of hearings on IMF in the committee, there were 20 hours of debate on the floor of this House, with 32 amendments being offered before it ever went over to the other body.

It is my understanding also in the housing bill we had an extensive debate here. You remember initially how we were opposed to the magnitude of that bill, but it was pared down as it left the House and improved even more in conference so that it is acceptable to the administration on all counts.

We have as a matter of fact already provided for the funding in the HUD appropriation bill.

This will be the first authorization for housing in 3 years.

So, frankly, we have had a full airing and debate in both bodies and this is the time now for completing action on both the housing and IMF measures.

I have two overriding concerns that I have got to make mention of here.

The President of the United States, our President, is on the line here today. And I address my remarks primarily again over here on my side. Our President has had the courage to set a course for us and act upon it. At Williamsburg he told other industrial democracies that the United States would remain a partner with them in international development. He faced them eyeball to eyeball and put his credibility and our credibility on the line. He did the same in his efforts to reestablish our friendship and allegiance with our Caribbean neighbors, who are struggling to preserve democracy and freedom right at our doorstep.

The IMF is very much a part of that effort. It is critical to Jamaica, Costa Rica, Haiti, and others. What they now expect from us is the measure of what we can expect from them in the future.

This has not been an easy decision for me. We have folks on our side who feel strongly on both sides of the IMF issue. We are split right down the middle. But somewhere along the line, the President has to make tough decisions that the same President could have avoided as a candidate or simple observer of international occurrences. When you are in the hot seat, realities of life hit home and we have to appreciate that here today.

May I say further that my steadfastness on this thing ought not to be mistaken for simple political loyalty to the President. My support for his efforts extends well beyond political boundaries. To me it is a matter of national interest and not political interest.

And when I talk about national interests, I am not only talking about credibility abroad, but concern for our people at home, average American families, all across this country. The Department of the Treasury says that inadequate funding of the IMF could result in export losses to the United States of $12 billion. And my colleagues know what that means, it means a loss of 300,000 American jobs. Let me repeat that number, 300,000 or more.

And so I look at this as very much of a jobs bill. The gentleman from North Carolina made the point very well that we are loaning the money—not giving it away. It does not really have any budget impact. What we really are providing for in effect is a letter of credit.

As I recall, in the past we actually made money from our contribution to IMF. And even though we have been in a worldwide recession for the last several years, that net cost in interest to the United States has only been $42 million a year, for each of the last 5 years. That is a miniscule amount when you think in terms of what it has done out there in the Third World to prop up those governments, which in turn can purchase from us.

I have a dominant industry in my district where 50 percent of the people working for it depend upon an export market for their products. And that export market will not be there unless we keep those Third World countries alive. In my district, there are 7,000 families whose income depends upon the export market for Caterpillar products. I am talking about their jobs, their livelihood. True, many countries in the Third World have had serious troubles within these past several years, but in my judgment, the long-range implications here are very profound. We ought to do the right thing here today. Even though some may quarrel with the parliamentary procedure as a means of tearing the compromise agreement apart, we ought to do the right thing and support this rule today.

Mr. LONG of Louisiana. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. LEHMAN).

Mr. LEHMAN of California. Mr. Speaker, I rise today to urge my colleagues to join me in supporting the passage of H.R. 3959. Embodied in this bill is the housing authorization bill, H.R. 1, which represents countless hours of work by the House Subcommittee on Housing and Community Development and the House Banking Committee. The bill comes before us for a vote today due primarily to the perseverance and negotiating skill of the chairman of the Housing Subcommittee, Mr. GONZALEZ, and the chairman of the full Banking Committee, Mr. ST GERMAIN. I would like to offer my sincere congratulations to both of these gentlemen and their staffs for shepherding this measure through both Houses of Congress with obvious success.

This past April I was fortunate enough to chair a hearing of the Housing Subcommittee in my district in Stockton, Calif., where witness after witness testified to the effectiveness of current housing programs, and provided evidence of the urgent need for the continuation and expansion of these programs. After suffering substantial cutbacks on funding for housing programs during the last session of Congress, this measure will be the first housing reauthorization bill to pass the House in over 2 years.

The bill will reauthorize a long list of programs that provide housing for many low-income Americans, assist first time home buyers is purchasing their first homes, and give sorely needed assistance to our cities through the use of community development block grants, urban development action grants, and other programs

that I know are effective because I have seen firsthand the results produced by these programs in my district, as well in communities across the country.

The $15.6 billion in this bill will not only provide housing for thousands of Americans, it will provide jobs for construction workers, much needed business for homebuilders, and a restored sense of civic pride for many of our communities. The bill has received bipartisan support in both Houses of Congress, and I know that my colleagues in the House will see fit to approve this measure today.

Mr. Speaker, if we are to keep our commitment to provide decent, affordable housing for all of our citizens, we need to pass this bill.

Mr. LONG of Louisiana. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL. Mr. Speaker, I would like to raise some questions to the apartheid language that is in the IMF bill.

From the way I read this language, it appears that it is not mandatory that the Secretary of the Treasury certify in writing to the committee.

Could the gentleman give me some clarification on that?

Mr. ST GERMAIN. Mr. Speaker, will the gentleman yield?

Mr. LONG of Louisiana. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. I thank the gentleman.

I would like to state in our discussions and in my deliberations with Treasury on this, I come away and my understanding of the language is the Secretary has to, must certify and notify the committees of the House.

I shall make sure he does in every instance. But in addition to that, at the beginning of each year I will put in a blanket request that the Secretary of Treasury to appear in each and every instance on these.

Mr. MITCHELL. I thank the gentleman. That clarifies it. It is an awful price to pay for housing. But we desperately need housing. We have got to pay a price for the IMF bill and language not as strong on apartheid as I would want it to be, but I am going to support the rule, only because we desperately need housing.

Mr. LONG of Louisiana. Mr. Speaker, I yield 3 minutes to the distinguished chairman of the committee, the gentleman from Rhode Island (Mr. ST GERMAIN).

□ 1510

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Speaker, I rise in strong support of the rule, particularly because of the outstanding work done on the Export-Import Bank and on the housing bill.

Mr. ST GERMAIN. I thank the gentleman.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Ohio (Mr. WYLIE), the distinguished ranking minority member.

Mr. WYLIE. I thank the distinguished chairman for yielding.

Mr. Speaker, I have a point of clarification.

I would like to ask the chairman whether he agrees with my interpretation relative to commitment as stated in the paper which I handed him a little while ago.

Mr. ST GERMAIN. Mr. Speaker, I would say to the gentleman that yes, indeed, I agree. The gentleman's understanding is correct. The term "commitment" then should refer to and include conditional commitments.

Mr. WYLIE. I thank the gentleman.

Mr. ST GERMAIN. Mr. Speaker, the legislation before us represents the work product of so many Members that it would take too much time to mention them all and thank them for their contributions. However, I would like to state for the record that the proposal before us would not be here without the efforts of the House leadership on both sides of the aisle; my good friend and associate, CHALMERS P. WYLIE, ranking minority member of the committee; HENRY B. GONZALEZ, chairman; and STEWART B. MCKINNEY, ranking minority member of our Housing and Community Development Subcommittee; JERRY M. PATTERSON, chairman; and DOUG BEREUTER, ranking minority member of our Subcommittee on International Development Institutions; and STEPHEN L. NEAL, chairman; and JIM LEACH, ranking minority member of our Subcommittee on International Trade. In addition, I want to commend the efforts of all of my colleagues on the committee for their intense interest, valuable contributions, and total support.

The process and procedure in which we are engaged in bringing this legislation to the floor is somewhat unique. For those who feel oppressed by this unique procedure, I apologize. I feel, however, that the importance of the items contained in the legislation; such as, new housing authorization programs for 2 years; new authorization for U.S. participation in the International Monetary Fund; new authorization for the Export-Import Bank; new authorization for the Inter-American Development Bank, the Asian Development Bank and Asian Development Fund, and the African Development Fund; new bank regulatory provisions to be used by the regulatory agencies concerning U.S. bank lending to lesser developed countries; and other important matters justify the process. As most, if not all, of the Members know, the authorizing legislation before us today has traveled a circuitous and tortuous route. This House initially passed a housing and community Development bill, H.R. 1, on July 13, 1983, by a vote of 263 to 158. The Senate called up their housing authorization legislation on June 21, 1983, and debated for approximately 1 hour and then withdrew the legislation. It was understood the other body would subsequently return to consideration of the housing and community development legislation. It never happened.

On August 4, 1983, the House passed H.R. 2957 which provided new authorizations for the IMF, Export-Import Bank, and the multilateral development banks. The Senate has passed authorizing legislation for the IMF and Export-Import Bank but has not yet considered authorizing legislation for the multilateral development banks.

Mr. Speaker, I relate a little bit of the history concerning these legislative matters, in part, to justify the unique procedure in which we are engaged today. Without the authorization and appropriation of funds for the IMF there would be no housing and urban development bill. Also, I am convinced that the housing component of this package will help obtain the necessary votes. We are faced with the necessity of both authorizing and appropriating funds for the International Monetary Fund in a single piece of legislation. To my colleagues who may feel that their jurisdiction has been violated, I apologize. The lateness of the hour, the insistence of the administration, left me no alternative. On balance, the substance of the legislation before us as regards its domestic importance and the provisions for our necessary continued U.S. participation in the international arena overwhelmingly justify the procedure we have before us.

Mr. Speaker, I would now like to describe some of the major provisions contained in the various titles of this legislation.

The first five titles of this legislation are the housing and community development provisions that were resolved based on agreements between both the House and Senate and the administration.

Title I contains the $3.4 billion reauthorization of the community development block grant and $440 million for the urban development action grant program. As part of the reauthorization of these two important programs, this legislation makes a number of policy changes with regard to both the CDBG and UDAG programs. The principal policy change deals with the so-called "principally benefit" issue. This legislation states that not less

than 51 percent of CDBG funds are to be used for activities to benefit low and moderate income persons for a period of not more than 3 years. There are a number of other changes in this title including grandfathering provisions that would keep entitlement cities and urban counties that have fallen below the population threshold as entitlement communities for an additional 2 fiscal years. The section 312 rehabilitation loan program, of which I was one of the principal authors back in 1964, was extended for 1 additional fiscal year.

In title II we have authorized $9.9 billion for the assisted housing programs at levels set forth in appropriations acts for fiscal year 1984, and have authorized such sums as may be necessary for fiscal year 1985. We have retained the assisted housing delivery system after a lengthy struggle with the administration who wanted to replace such programs as section 8 and public housing with a housing voucher program. The very difficult issue of the tenant rental rollback is resolved not entirely satisfactorily to the House provision, but provides for increased deductions of $480 per child, child-care expenses, $400 for elderly or handicapped households, and medical expenses in excess of 3 percent of income for elderly and handicapped persons. By providing for these additional deductions we will substantially reduce tenant rents for people living in assisted housing. I regret that in our negotiations with the administration, we were unable to maintain the changes made in the public housing comprehensive moderinzation program and the Performance Funding System of the public housing operating subsidies program. Simply put, the administration wanted no statutory changes in these programs, but OMB Director Stockman has sent me a letter stating that the administration will make no fundamental changes or structural program reforms absent seeking authorizing legislation.

Title III provides a $350 million program for rental housing rehabilitation and production. It is modeled along the lines developed by our distinguished colleague from New York CHUCK SCHUMER. This program will provide $615 million to be made available over the next 2 fiscal years. This new rental program provides for upfront grants rather than long-term subsidies as our previous assisted housing programs had been carried out.

Title IV extends all of the FHA insurance programs through fiscal year 1985, including the section 235 homeownership assistance program. A demonstration of the FHA insurance for alternative mortgage instruments is provided for with various limits as to the total amount of its activities. The flood insurance program is extended for the next 2 fiscal years. The crime insurance program is extended for 1 additional year and the riot reinsurance program will be terminated.

The secondary mortgage market provisions were deleted from this legislative package, since the Senate insisted that without its securities legislation they could not consider the other secondary market provisions that were contained in H.R. 1; but the Housing Banking Committee's Housing Subcommittee will be conducting hearings on the secondary market issues early in the next session and, hopefully, we can get this legislation moving early next year.

Title V retains the essential structure of the $3.2 billion Farmers Home Administration's rural housing programs for both fiscal years 1984 and 1985. A new rural housing preservation program targeted at the low and very low income population is established in this title, and I would like to commend our distinguished colleague from New York, (STAN LUNDINE), who is the principal proponent of this program.

Mr. Speaker, I am pleased to report that the International Monetary Fund provisions in title VIII and the International Lending Supervision Act of 1983 in title IX, are virtually identical to the major provisions of H.R. 2957 which passed the House on August 3, 1983. While this final result, like the rest of this legislation, is a compromise between House and Senate positions, it is a compromise that retains essentially all the tough international finance reforms adopted by the House. It is a compromise that will insure that the foreign loan activities of our money center banks will be monitored by Congress, the public, the Federal bank regulators and the General Accounting Office, more closely than ever before.

Thorough audit and accountability is provided for by specific statutory instructions to the Secretary of the Treasury, the U.S. IMF representative, and to the Federal banking agencies in furtherance of the Declaration of Policy contained in the International Lending Supervision Act. That declaration states, and I quote, "It is policy of the Congress to assure that the economic health and stability of the United States and the other nations of the world shall not be adversely affected or threatened in the future by imprudent lending practices or inadequate supervision."

The provisions of title VII will require the U.S. representative to the IMF to vote against IMF loans which would bailout banks for their imprudent loans. Congressional control over the IMF has been increased by consultation requirements before they increase SDR allocations and directives to work for greater monitoring and disclosure by the IMF of foreign loan trends and increases in the maturity and lower interest rates on the debts owed by developing nations. Specific instructions to the U.S. representative to the IMF will result in comprehensive reports that will enable the appropriate committees of the Congress to discharge satisfactorily their oversight responsibilities. In the future, the IMF will be a greater participant in the effort of preventing financial crises.

Title IX mandates far more intensive supervision by the regulatory agencies than has been the case in the past. Several provisions, each of which reflect the House position, should be emphasized.

The provision on capital adequacy—section 908—is of utmost importance. The Senate receded to the tough House language requiring for the first time that regulators establish fixed standards of adequate capital for "multinational" banks. Failure to maintain established capital levels is explicitly made an "unsafe and unsound practice" within the meaning of Section 8 of the Federal Deposit Insurance Act. A penalty of $1,000 a day for violation of regulations promulgated under this authority is provided.

In addition, the banking agencies are required to impose loan-loss reserves on bank loans in which countries are facing protracted repayment difficulties. This section—sec. 905—a merger of Senate and House provisions also requires the banking agencies to analyze each foreign loan rescheduling, assess the loan-loss risk reflected in rescheduling agreements, and insure that bank capital and reserve positions are adequate to accommodate potential losses of foreign loans.

To address the deeply troublesome problem of banks charging excessive fees for rescheduling imprudent and unjustifiably short-term loans, the Senate has accepted the House provision which will prevent excessive fees by requiring agency regulation of such fees and prohibiting banks from charging any fees over the administrative costs of the rescheduling unless they are paid by the borrowing country in equal installments over the life of the loan, rather than in one burdensome, up front, lump sum payment.

The Senate and the House also agreed on the need for more bank disclosure. The International Lending Supervision Act mandates an unprecedented increase in the distribution of international lending information, and will assure that we will never again be kept in the dark by the international banks regarding the true size and growth of international lending.

In addition to disclosure, the House and Senate agreed that there is a need for banks to analyze much more carefully the repayment capacity of the recipients of foreign loans. To address this problem, the Senate has accepted,

with only slight modification, the tough House requirement that commercial banks conduct a thorough repayment analysis of every foreign loan above $20 million in size.

To clearly demonstrate congressional intention to monitor closely the international lending supervision activities of our banking agencies, the Senate agreed to the House provision clarifying and providing the authority the GAO needs to fully audit international lending activities.

To assure that the agency with ultimate insurance responsibility—the FDIC—is a full participant in international supervision, the Senate accepted the House provision directing that the Federal Deposit Insurance Corporation will be given equal representation on the International Committee on Banking Regulations and Supervisory Practices. Over time, the FDIC perspective will strengthen international regulation and supervision.

Of great importance is the fact that both titles VIII and IX require significant reports which will assure public disclosure and continued congressional participation. Both are essential if we are to improve the existing system of IMF funding and regulatory supervision. Both House and Senate versions contained reporting requirements with appropriate public disclosure.

Mr. Speaker, this legislation would also extend the Eximbank, so vital to U.S. exports, until September 30, 1986, improve Exim's support of small business exports, expand Exim's programs to include exports of services as will as goods, and restructure the terms of the Exim board members to make them more responsive to Congress. To offset the effects of unfair foreign subsidies, it would authorize Exim to grant lump sum assistance to injured companies. To increase U.S. exports, the Eximbank, and the Agency for International Development would be required to establish tied aid credit programs for U.S. exports.

Mr. Speaker, title X of this legislation would provide U.S. funding for the Inter-American Development Bank, the Asian Development Bank and Development Fund, and African Development Fund.

Mr. Speaker, the "apartheid" and "Communist dictatorship" amendment before us does contain an amendment to the House-passed language on apartheid and Communist dictatorship language.

While some of our Members might not approve of the Senate amendment, I believe when the amendment is looked at as a whole, the Senate amendment in this instance is acceptable. The Senate amendment provides, in the instance of apartheid, that the Secretary of the Treasury must appear before the committees of Congress having made certain findings, before the Executive Director to the IMF can vote for a resolution providing credits to a country which engages in apartheid. These findings must state that the credits are made available only if the majority of the people in the nation will be benefited. There are other criteria which must be met before a positive vote can be made concerning the granting of credits to a country which practices apartheid, all equally stringent as the one just mentioned.

It is my intention at the beginning of every congressional session to ask for a blanket request—the Secretary of the Treasury will have to appear before our committee in each and every instance where an IMF credit is being considered to a country which practices apartheid.

The Secretary of the Treasury will have to notify us and certify to the criteria in this amendment. I shall make sure he does it in each and every instance.

Mr. Speaker, this is a good amendment which will evidence to the world our commitment to do whatever we can to stamp out this repugnant form of economic, social and racial prejudice.

The Senate amendment concerning Communist dictatorships as insisted on by the Senate would allow our Executive Director to the IMF to vote in favor of the granting of a credit to such nations, again after the Secretary of the Treasury appears before the committees of the Congress. In those cases where, among other things, it can be shown the majority of the people in that country would benefit from an IMF credit, we can vote in the affirmative.

For Hungary and Yugoslavia and other countries which we are trying to assist in breaking away from their Communist leanings this is, in my opinion, a good amendment. Therefore, Mr. Speaker, I believe the "apartheid" and "Communist dictatorship" amendment is a good amendment and should be supported by the Members of the House.

Mr. Speaker and Members of ths House, I repeat, in the spirit of compromise and in order to get the best result possible, there are some items contained in this rather weighty package that may not totally satisfy all Members. By the same token, it seems clear to me for anyone interested in housing and community development as well as the plight of our low-income people, for those who are concerned about the present and future economic well-being of this Nation; for those who are interested in a continued commitment to our multilateral development banks; for those who subscribe to the philosophy that the Ex-Im Bank is needed to create jobs; and that the amendments contained herein will create even more jobs, particularly in the small business sector—I say that we have brought a legislative package that is worthy of your support.

Mr. Speaker, I include in the RECORD at this point a letter from the Director of the Office of Management and Budget, David Stockman, which states the administration will make no fundamental or structural program changes to the public housing operating subsidy and modernization programs in 1985 without first seeking authorizing legislation:

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., November 6, 1983.

HON. FERNAND ST GERMAIN,
Chairman, Banking, Finance and Urban Affairs Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is intended to clarify the Administration's position concerning fundamental structural program reforms for the Public Housing Operating Subsidy and Modernization Programs in 1984 and 1985.

As you know, the Department of Housing and Urban Development has developed, through published regulations and other administrative procedures, a complex, technical system for allocating operating subsidies and modernization funds among more than 2,600 local public housing authorities. The Department will administer these programs in 1984 with the funding provided in the HUD-Independent Agencies Appropriations Act of 1984 (P.L. 98-45) pursuant to regulations and policies in effect as of November 15, 1983, except prescient to the pending authorization bill. The Administration has agreed that it would seek authorizing legislation for any fundamental changes or structural program reforms it might wish to make for these programs in 1985.

I hope these clarifications will remove any concerns Members of Congress may have concerning the Administration's position on this matter.

Sincerely,

DAVID A. STOCKMAN,
Director.

Mr. ST GERMAIN. I would like to explain several of the major provisions of the Housing and Urban-Rural Recovery Act of 1983 as provided by this amendment.

TITLE I—COMMUNITY DEVELOPMENT PROGRAMS

COMMUNITY DEVELOPMENT BLOCK GRANTS

The amount of $3.468 million is authorized for each of the fiscal years 1984, 1985, and 1986. It was almost exactly 2 years ago that the administration first proposed regulatory changes to the community development block grant program that threatened to weaken the emphasis this program has historically placed on community development activities that principally benefit low- and moderate-income families. Since HUD was unwilling to retain the existing regulations that assured the majority of the funds spent under the program would be used to benefit the less economically fortunate members of a community, Congress has been forced through this legislation to clarify the basic intent of the program. States and entitlement

communities may propose 1, 2, or 3 year community development plans; 51 percent of all funds spent in a State or in an entitlement community over the period specified in such plans must principally benefit low- and moderate-income families. If CDBG funds are used to finance public improvements in whole or in part, families of 50 percent of median or below may not be assessed for their share of the cost and families between 50 and 80 percent of median may be assessed for the non-CDBG share of the cost only if the community's CDBG grant is insufficient to cover the assessment. Low- and moderate-income families are defined for both the States and the entitlement communities similarly to the assisted housing definition as families of 80 percent of area median income or below.

The statute defines eligible activities and how certain activities are to be considered to principally benefit low- and moderate-income families; these provisions apply both to entitlement communities and to small cities receiving funds from either HUD or the State. Although States may establish criteria and priorities relevant to selecting small city applications on a competitive basis, they may not forbid the use of CDBG funds for any activities defined as eligible under the statute.

The bill clarifies the responsibility of each small city receiving funds to identify its housing and community development needs—including the needs of low and moderate income residents—and the activities designed to meet those needs. This provision should be implemented in a simple and reasonable manner, taking into account the limited resources and personnel available to small cities. Like entitlement grantees, small cities must also agree to minimize displacement, affirmatively further fair housing and provide citizens the opportunity to assist in the development of the grant proposal. While each small city is not required to meet the 51 percent low income benefit test, States should encourage or give priority to applications that will meet or exceed that test in order to assure that the State as a whole will be able to comply with the principal benefit requirement over the 1-, 2-, or 3-year period of the State's plan.

The bill contains various provisions designed to assure that entitlement communities that have lost population according to the 1980 census or lost their classification as central cities continue to be considered entitlement communities for an additional 2 years. Any unit of general local government that becomes eligible to be classified as a metropolitan city for fiscal year 1984 or 1985 while its population is included in an urban county may continue to be considered part of the urban county for fiscal years 1984 and 1985 and if a new 3-year cooperation agreement pursuant to section 102(d) is entered into during those fiscal years, it will continue to be classified as an urban county for the period of such agreement.

URBAN DEVELOPMENT ACTION GRANT

The amount fo $440 million is authorized for each of the fiscal years 1984, 1985, and 1986 for the urban development action grant program and the extent of unemployment, job lag, or surplus labor will be included in the UDAG eligibility criteria for small cities just as the extent of unemployment has been considered for entitlement communities. No small city that was eligible for a UDAG in fiscal year 1983 shall lose its eligibility until it is determined whether it will qualify for assistance when the unemployment, job lag, or surplus labor criteria are issued.

URBAN HOMESTEADING AND 312 REHABILITATION PROGRAMS

The single family urban homesteading program has been revised to assure that the benefits of this program will accrue to low- and moderate-income families whose primary opportunity for homeownership lies in homesteading this program. By requiring the property to be transferred for free, by providing up to 3 years for all repairs other than those posing a substantial danger to be completed, and by giving priority to applicants whose current housing is inadequate and who pay over 30 percent of their income for shelter, low- and moderate-income families whose primary resource is their own and their friends' labor, will be offered the opportunity to become homeowners. The multifamily urban homesteading is also structured to assure that not less than 75 percent of the occupants following rehabilitation or conversion will be lower-income families. While $12 million is authorized for this program in fiscal year 1984, it is expected that funds for the rehabilitation of these buildings will be available from the section 312, CDBG, the new rental rehabilitation grants and private resources. By extending the section 312 program for fiscal year 1984, Congress explicitly permitted HUD to establish a priority only for the use of these funds in conjunction with the urban homesteading program. HUD is not permitted to require the linkage of 312 loan funds with any other Federal program. Participating communities may in their discretion use 312 loan program for single family or multifamily rehabilitation.

TITLE II—ASSISTED HOUSING PROGRAMS

BUDGET AUTHORITY

The bill provides that the amount of budget authority which may be obligated for all of the HUD assisted housing programs, including the new rental rehabilitation and production program, is increased by $9.9 billion on October 1, 1983, and by such sums as may be approved in appropriation acts for fiscal year 1984.

ASSISTED HOUSING TENANT RENTS

One of the major items directly related to the issue of affordability of assisted housing is the tenant rent contribution. In an effort to reduce Federal spending in 1981, the administration raised the contribution requirement from 25 to 30 percent of adjusted income. Regulations proposed in 1983 would have limited deductions from income to $400 per child and $300 per elderly household. The concern of the House has been that these increases place an unwarranted financial burden on families and individual's who can least afford it.

While the agreement retains the 30 percent to income ratio, it establishes more equitable adjustments to income: $480 per family member under 18 years of age or who is 18 years or older and is either disabled or a full time student; $400 per elderly and handicapped family; medical expenses in excess of 3 percent of annual family income for each elderly and handicapped family; and child care expenses to the extent necessary to enable another family member to be employed or pursue an education.

OPERATING SUBSIDIES

It is the intent of Congress that the Department of Housing and Urban Development (HUD) shall continue to use a performance funding system in establishing public housing operating subsidy levels, and that the system shall be based upon the current PFS. In addition to taking into account the character of projects, local conditions and the character of households served, Congress expects that HUD will consider the impact of distressed local conditions on operating costs and should adjust operating subsidies to account for the impact of such distressed conditions. It is also intended that HUD make such adjustments as are necessary to account for under- and over-prediction of inflation in operating costs in making annual adjustments to PFS, and that such adjustment shall be made in such a way as to minimize disruptions to the PHA budget planning process. In addition, there is a need to provide incentives to housing authorities to increase their operating income. HUD regulations and policies reflect an intent to maintain or increase incentives in this area. It is not the intent of the committee that HUD penalize efficient management recapturing income received by PHAs in excess of the amounts contained in their approved budgets, unless explicitly provided for in regulations that include definitions of "excess income, procedures for calculating such "excess," and methods

and timetables for recapturing such "excess." Several PHAs have been very aggressive in making timely investments in pursuing utility rate adjustments from their States and succeeding in court suits that add to their income. Given the precarious state of the operating budgets of many PHA's these aggressive management steps should be rewarded and should not be penalized through the manipulation of the PFS system, of regulations or of policy directives to the field.

COMPREHENSIVE MODERNIZATION

The bill does not change existing statutory provisions concerning the comprehensive improvements assistance program (CIAP), since Congress continues to support the provisions of the current statute which emphasize the intent of the program to assist local public housing authorities (PHA's) in carrying out comprehensive programs of modernizing their public housing developments, in order to guarantee the long-term social and physical viability of public housing developments. To this end, we expect comprehensive modernization to be given the highest consideration for funding by HUD, after emergencies are funded, wherever this is the expressed priority of the local PHA. In all cases, HUD should give clear recognition to the modernization on needs identified by local PHAs when making funding decisions under CIAP, whether the needs be emergency, special purpose or comprehensive modernization. It was not the intent of Congress at the time of enactment of the CIAP statute, nor is it now, to limit special purpose modernization funds solely to energy conservation improvements, not to give priority to items which only produce reductions in PHA operating costs and operating subsidies. Because of the usual nearly year-long delay in funding emergency items, such items should be interpreted by HUD to mean not only those produced by an immediate, already-existing crisis, but also those work items which are considered necessary by the PHA in order to prevent such a crisis from occurring within the very near future. Any evaluation of the proposed benefits of CIAP expenditures, for purposes of prioritizing HUD allocation's shall be carried out in accord with the purpose of long-term project viability, safety and habitability not solely in terms of short-term cost-savings. Comprehensive applications should be ranked against other comprehensive applications in making funding determinations, rather than against special-purpose applications.

In this bill, we are continuing the public housing development program but, as an accommodation to Senate concerns, we have provided that additional public housing units can be developed by new construction only where such is "less costly than acquisition or acquisition and rehabilitation would be." This assessment must include the cost of the fund that will be established to finance major repairs that may not be necessary when the building is acquired, but will be necessary within 5 years of acquisition in order to assure the long-term viability and habitability of the project. Plainly, the bill means that any existing structures to which the Secretary refers in determining whether or not proposed new construction is less costly, must be in the same general neighborhood as the proposed new construction, be available for purchase and be capable of getting local approval. Moreover, these provisions shall not apply to any project for which a PHA has, prior to January 1, 1984, in any way applied to HUD for funds or initiated any local process leading to an application to HUD for funds.

Other provisions in the bill allow the Secretary to increase the amount of single person occupancy in any public housing authority's inventory of assisted housing to 30 percent of the units. Priority for housing assistance is given to families paying more than 50 percent of family income for rent.

Provisions in the House and Senate housing bills concerning pet ownership in assisted rental housing are included in this agreement. An elderly or handicapped tenant may not be prohibited from owning a pet or be denied occupancy because of pet ownership in assisted housing. Regulations will be issued outlining rules for keeping pets and types of pets allowed.

DEMOLITION AND DISPOSITION OF PUBLIC HOUSING

With regard to the demolition and disposition of public housing, the committee does not intend to encourage the sale of public housing projects. The committee intends for public housing to continue to serve those who are most in need—low-income families and elderly persons. The demolition or disposition of these extremely vital housing units should only be undertaken as a last resort and only if each and every condition for such transactions have been met.

The bill authorizes the Secretary of HUD to approve the sale of a public housing project if the property's retention is not in the best interest of the tenants or the public housing agency, or because the disposition allows the acquisition, development, or rehabilitation of other properties for low-income persons. It is expected that the sale of a project not be approved unless there is an assurance that there is a strong possibility replacement units will in fact be made available and plans for such replacement housing are established. Funds must be available, commitments made and local government approval obtained prior to the approval of a sale.

The bill provides that proceeds from the sale of a public housing project be used to retire the debt incurred for the development or modernization of the project. Any funds remaining from the sale may be used for the acquisition, construction, or modernization of other public housing projects. The committee does not intend for the proceeds of a sale to be a substitute for CIAP modernization funds. The committee is also of the opinion that the modernization of vacant public housing units does not satisfy the one-for-one replacement requirement in the current regulations or should the modernization of public housing units be considered to meet the housing authority's obligation in this new statue to maintain the same total amount of low-income housing stock.

Again, it must be emphasized that the demolition or sale of any public housing project in this country should only be permitted as a last resort. This bill is intended to set standards limiting the circumstances under which public housing can be demolished or otherwise disposed. It is our intention that the standards in this bill be fully enforceable by tenants, tenants councils and through certification by local government officials.

Recognizing the particular dilemma of many individuals who are homeless and the demands placed upon local governments to meet their needs, there is $60 million for emergency shelter grants. These grants will be used to provide shelter and essential services for individuals facing life-threatening situations due to the lack of housing. Awards will be made on the basis of the extent of need, taking into consideration the special needs of families and single women.

The HUD Secretary is authorized to carry out a child care demonstration program in lower income housing projects. The program will operate in areas where units of local government have provided community development block grant funds for the renovation of public housing facilities and the operation of child care services. The program shall be designed to determine the extent to which these services facilitate the employability of public housing residents. The program will operate in public housing agencies where child care services do not exist, should involve the parents of children benefiting from the program, and should employ in part-time positions elderly individuals living in the project. At the end of 2 years, the Secretary shall report to the Congress on the demonstration program with recommendation for a permanent program.

SECTION 202 ELDERLY OR HANDICAPPED HOUSING

The section 202 loan program is amended to include a 9.25 percent in-

terest rate limitation for fiscal year 1984. A project financed under this section may contain a maximum of 25 percent efficiency units. Nonprofit sponsors of 202 housing projects for the elderly and handicapped would be permitted to determine the basis of contractor selection if the loan amount is less than $2 million, or the project rentals will be less than 110 percent of the fair market rentals applicable to projects for the elderly and handicapped, or the sponsor is a labor organization. The fair market rentals for projects for the elderly and handicapped assisted under section 202 are 105 percent of the fair market rentals applicable to other projects. The terms of this provision in the bill are predicated on the continuance of a differential in fair market rentals between elderly and nonelderly projects at least as great as the differential that currently is in effect.

HUD/HHS HOUSING QUALITY DEMONSTRATION

The Secretary of HUD is authorized to carry out a demonstration program to encourage the upgrading of housing occupied by lower-income families, especially those receiving public assistance, and to provide better coordination between the Departments of HHS and HUD at the local levels to provide decent, affordable housing. Grants will be made to states, local governments, and agencies. Funds may be used to provide technical or financial assistance to property owners to upgrade housing projects, temporary housing assistance to families currently not receiving it, housing counseling and referral and other housing related services, and administrative expenses. The Secretary shall transmit an interim report on the implementation of the demonstration program and a final evaluation report to Congress.

PUBLIC HOUSING LEASE AND GRIEVANCE PROCEDURES

The bill establishes in statute the standards that must be implemented in any public housing lease and grievance procedures. The intent of these provisions is to require each public housing agency to establish an administrative procedure under which tenants will be advised of the specific grounds of any proposed adverse action; have an opportunity for a hearing before an impartial party; have an opportunity to examine documents related to the proposed action; be entitled to representation of their choice; be entitled to ask quesitons of witnesses and have others make statements on his or her behalf; and be entitled to receive a written notice in a time specified on the proposed action. These actions are aimed at providing individuals with basic due process protections. For more than a decade, HUD has required that PHA's conduct fair administrative hearings before going to court to evict a tenant. This HUD requirement was based on Supreme Court and other Federal appellate court decisions interpreting the due process clause of the Constitution. HUD recently proposed regulations that would exempt the PHA's from this obligation. The purpose of this section is to make clear that a PHA may be exempted from that obligation only where HUD has determined that the court hearing which the tenant would be given would provide the basic elements of due process. These basic elements have been identified by the courts and by HUD regulations—*Goldberg* v. *Kelly*, 397 U.S. 254 (1970); *King* v. *Housing Authority*, 670 F. 2d 952 (11th Cir., 1982); 24 CFR 866.53(c)—and have been included in the standards specified in the statute for PHA administrative hearings.

If a housing authority considers that it should be allowed this exemption, the authority must make a request of HUD giving notice of the request to its tenants and other interested persons. HUD should provide tenants and others with an opportunity to be heard with respect to the propriety of granting the request. HUD must make these decisions with respect to each court system or level in each State, scrupulously ascertaining whether the due process elements are provided in each court. State-by-State determinations will not suffice, because urban courts often provide protections that are not available in rural areas.

SECTION 235 HOMEOWNERSHIP

The section 235 homeownership program is extended through fiscal year 1985. Any new contracts entered into after September 30, 1983, under this section may not be made for more than a 10-year period. If a family continues to need assistance beyond the 10-year limitation, the Secretary may continue assistance payments from a revolving fund established in this bill.

SECTION 236 AND RENTAL SUPPLEMENT PROGRAMS

The bill contains provisions to assure continued adequate funding for State-financed, non-FHA insured projects assisted with section 236 rental assistance payments and section 101 rent supplement payments for the remainder of their assistance contract terms by mandating sufficient payments by HUD each year to cover fully 90 percent of necessary rental increases and changes in tenant incomes for all units in each project covered by the assistance contract. These actions, where applicable, should be made on a timely basis for all units covered by contracts under these sections. The Secretary shall use any recaptured authority under these sections due to conversion of contracts to section 8 assistance for the purpose of providing assistance under existing section 236 and section 101 contracts. In the case of recaptured section 101 authority not being required to cover assistance under that section, it should be used to cover assistance under the section 236 program.

SECTION 8 NEW CONSTRUCTION PROGRAM

As of January 1, 1984, the bill repeals the authority for section 8 new construction and substantial rehabilitation assistance that is not used in conjunction with the section 202 program. Any funds appropriated for the section 8 new construction and substantial rehabilitation program prior to that date are to be used pursuant to those authorities and the requirements of those sections will, of course, continue to apply to any units already constructed or rehabilitated pursuant to those authorities.

SECTION 8 FAIR MARKET RENTS

The bill does not contain a statutory description of the rents that must be taken into account in establishing the fair market rents for the existing section 8 program since regulations have recently been issued which reflect a compromise between HUD's initial fair market rent proposal and the language included in H.R. 1. The present formula establishes fair market rents at the 45th percentile of all rents for decent, safe, and sanitary housing occupied by recent movers, excluding public housing and units built within the last 2 years. It is with the understanding that the Secretary will not deviate from the present formula in a way that results in lower fair market rents, the House agreed to eliminate statutory language. However, it is expected that the Secretary will revise these rents annually so that they reflect accurately current rental market conditions.

SECTION 8 VOUCHER DEMONSTRATION

The amount of $242 million is authorized for a demonstration of approximately 15,000 housing vouchers to be provided to families whose income is 50 percent of median or below, or have previously lived in federally assisted housing. The Secretary shall establish a payment standard based on the fair market rent established for the existing section 8 program. The monthly assistance payment for any family is the amount by which the payment standard for the area exceeds 30 percent of the family's monthly adjusted income or 10 percent of the family's gross income.

Substantially all of the authority is to be used in conjunction with the new rental rehabilitation program, for families displaced by the new rental construction program or in conjunction with the new FmHA rural housing preservation grant program.

The assistance payment may, at the discretion of the public housing authority, be adjusted twice in 5 years to assure that the low-income family participating in the program can continue to afford the rental unit. To cover the cost of such adjustments, each annual contributions contract with the public

housing authority will provide annual contributions equal to 115 percent of the estimated aggregate amount of assistance needed during the first year of the 5-year contract. The total amount of any adjustments that are made within the 5-year period plus the assistance payments actually paid may not exceed the total annual contributions provided in the contract for the 5-year period. Any amounts not needed for adjustments may be used by the public housing authority for additional vouchers.

It is expected that HUD will closely monitor this program and report regularly to Congress on its impact. Of particular concern is whether low-income families will have to pay more for decent shelter and whether large families, in particular, will have greater difficulty in finding such shelter than under the existing section 8 program. Of importance also is the extent to which the vouchers provide mobility to families to locate adequate shelter outside areas in which they presently reside. Any reports should provide comparison between the two programs in communities that contain varying proportions of low-income residents and differing vacancy rates for moderately priced rental housing.

TITLE III—RENTAL REHABILITATION AND DEVELOPMENT GRANTS

The rental housing rehabilitation and development program has two components. One component is designed to make rental rehabilitation grants to units of general local governments and States to aid in rehabilitation privately owned rental housing stock. The other component is to make available to certain areas of the country that have a severe shortage of affordable rental housing, development grants to subsidize the cost of new construction and substantial rehabilitation.

A total of $165,000,000 is authorized for this new program in 1984 and 1985. Out of this total $150,000,000 will be spent on the rehabilitation component of the program for both 1984 and 1985, while $200,000,000 will be available for the development grant component in 1984 and $115,000,000 will be available in 1985. These amounts are expected to assist approximately 60,000 units of rental rehabilitation—30,000 in 1984 and 30,000 in 1985—and a total of 26,249 units with development grants—16,666 units in 1984 and 9,583 units in 1985.

In order to assure very low-income tenants the opportunity to be housed under the rental rehab program, 15,000 housing certificates are provided. It is expected that these certificates will be used primarily to support the rehabilitation program developed by the grantee by enabling many very low-income tenants to remain in a structure that is improved, as well as to provide housing assistance to those who for any reason may be displaced by either the rehabilitation or development program.

RENTAL REHABILITATION PROGRAM

The program structure for the rental rehabilitation component is similar to a block grant. Allocations will be made by formula to cities over 50,000, urban counties and States, all of which will administer the program and distribute the grants.

A formula designed by the Secretary will take into consideration such factors as low-income renter population, overcrowding of rental housing, the extent of physically inadequate housing stock and other objectively measurable criteria that the Secretary determines may be useful in accurately determining the needs for rehabilitation funds around the country.

The rehabilitation program provides for establishing a minimum allocation level below which the conduct of a local program would not be feasible. If a city or urban county is by formula allocated less than a minimum amount, these amounts would be added to the allocations for the States where the relevant cities and counties are located.

After 1984 an annual performance adjustment will be made by the Secretary up to 15 percent above or below the prior year's allocation, depending on the grantee's progress in meeting program requirements and in achieving the goal that at least 80 percent of the units rehabilitated must have rents that would be affordable by lower income families. Affordable rents are those which lower-income families can pay with 30 percent of their adjusted incomes.

While the grantee will not be required to submit an application for approval, the grantee will be required to provide a program description to the Secretary that will contain a description of their rental rehabilitation program, including a proposed schedule of carrying out these activities, a certification that the public was involved in developing the program, a statement of procedures and standards that govern the selection of the projects and other information necessary to assure that the rehabilitation program is achieving its goal.

The rehabilitation program requires that a number of key requirements be met. The grants can only be used in areas where the median income is 80 percent of the community's median income or below. Rehabilitation is limited to correcting substandard conditions, to make essential improvements, and to repair major systems in danger of failure; 100 percent of the funds must be used for the benefit of low-income families, except in some cases this requirement could be reduced in order to enable the project to be feasible; the maximum amount of assistance per unit is $5,000 but may increase in high cost areas with the Secretary's approval; and the grant assistance cannot exceed 50 percent of the total cost to rehabilitate a structure. In addition, the owner of each building receiving assistance must agree not to: First, discriminate against families because they receive or are eligible for any housing assistance or second, convert the building to a condominium or a cooperative that is not a limited dividend cooperative for 10 years after the rehabilitation is complete.

Because one of the greatest needs in many areas of the country is the lack of decent and safe housing for families, and in particular large families, it is expected that the Secretary in distributing funds in both the rehabilitation and the development program will assure an equitable distribution to these families. Since many of the substandard units in our Nation are occupied by very low-income families, projects containing such units will be given a priority in the rehabilitation program.

DEVELOPMENT GRANT PROGRAM

The need for new or substantially rehabilitated rental units in many parts of the country is severe and the development grant component is intended to aid these areas of the country experiencing such a shortage. The Secretary is required to set these standards for area eligibility based on such factors as the extent of poverty, the extent of occupancy of physically inadequate or overcrowded housing by lower-income families and other housing distress factors. Since some areas may not be eligible for development grants because they do not meet the housing distress standards but have a particular project that cannot be carried out through moderate rehabilitation, the Secretary may consider an application from these areas in order to meet special housing needs or to support a special neighborhood preservation purpose.

A grant application must contain certain information, including a description of the project and its production timetable, certification that the public was consulted about the project, a statement as to how the grantee will select the project taking into account the extent to which Federal funds will be efficiently used, how the units will be maintained and the rents will be maintained at levels that are affordable for the low-income tenants and other criteria the Secretary may prescribe.

In order to assure that low-income families are assisted under this program and to assure an adequate leveraging of private investment with Federal funds, certain requirements must be met under the rental development program. These include: Requiring that for at least 20 years, at least 20 percent of the units in a structure must be occupied or available for occu-

pancy by families whose incomes do not exceed 80 percent of the area medium; using grant assistance only to develop real property for residential purposes; limiting grant assistance to 50 percent of the total costs of the development, acquisition, or rehabilitation; and prohibiting assistance if it involves involuntary displacement of very low-income families by moderate-income families. The landlord may not discriminate against tenants who are eligible for or are receiving other housing assistance—such as existing section 8 or vouchers—or those with children and may not convert units to condominium or coop ownership cations to HUD, the Secretary then initial occupancy.

Once eligible areas are designated and the grantee submits project application to HUD, the Secretary then must select the projects to be funded. The selection criteria include: The extent of the severity of the shortage of decent rental housing opportunities in the project area; the extent to which non-Federal public and private funds reduce the amount of development grant money needed; how projects contribute to neighborhood development and mitigate displacement; the past performance of the applicant community in meeting assisted housing needs; the number of units developed for the least cost to the Federal Government, taking into account a number of factors, including cost differences among areas, among financial alternatives and among types of projects and tenants being served.

A critical selection criteria is the extent to which a mechanism is established to assure the maintenance of affordable rents for lower-income families for the required 20-year period. Possible mechanisms include establishing a reserve account with part of the capital grant or with excess rents collected from unsubsidized tenants, or any other means to accummulate sufficient funds to lower rents for the subsidized tenants. An affordable rent is a rent that does not exceed 30 percent of a family's adjusted income. This criterion is intended to establish Congress' preference for projects which provide that the lower-income units are affordable to a range of lower-income families, including very low-income families, insuring that no lower-income family pays more than 30 percent of its adjusted gross income for rent. Although the amount of subsidy provided should be enough to make the rents for the lower-income units affordable by a family earning 50 percent of the median income, Congress does not anticipate that the rents of all of the lower income units will be at this level, regardless of whether the family's income is 35 percent of median income or 75 percent of median income. Rather, Congress believes that the 30 percent rent to income ratio established for other lower-income housing programs should apply to the lower-income units produced by this program as well. The selection criteria are designed to reward proposals which provide for such a rent structure, and which will set aside more than 20 percent of the units in any project for low-income families. The financial feasibility of the project must be considered in the selection process and the Secretary must also consider in selecting projects the equitable distribution of the assistance to assure that families including large families are housed under this program. The ability of large families to find adequate shelter is a serious national problem and the intent of this new program is directed to this situation.

From among the projects selected by the Secretary based on these criteria the Secretary shall give a priority to projects that will provide more than 20 percent of the units for occupancy by low-income families, as well as a priority for projects in areas with lengthy waiting lists for those in need of housing assistance, and for projects in areas where families may have section 8 certificates but must look for an excessive length of time to locate suitable housing.

There is no fair market rent established for the units expected to be occupied by families below 80 percent of the area median income but the rent provision requires that the grantee must approve the project rents for those families and these rents cannot be more than 30 percent of the adjusted income of a family whose income equals 50 percent of the median income for the area. It is expected that a project will have a mechanism as described in the selection criteria to help house those families whose income may be below 50 percent of median as well as to assure that these lower-income families pay no more than 30 percent of their adjusted gross income for rent.

If the program requirements are violated during the 20-year period beginning on the date on which 50 percent of the units are occupied or completed either the owner or his or her successor must repay to the grantee the assistance provided plus the simple interest thereon except that after the 10 years the amount to be repaid shall be reduced 10 percent per year for each full year after year 10. The grantee is expected to use any money recovered because of the enforcement provision to provide additional assistance for low-income families.

The bill provides that the assistance provided under the program shall constitute a debt, payable if the owner fails to carry out the agreements, and shall be secured by security instruments provided by the owner to the grantee. It is not intended to imply that the assistance provided for these projects shall be considered recourse loans. A provision requiring that assistance for moderate rehabilitation be in the form of recourse loans was contained in the original Senate bill, but was dropped after extensive discussions on the present bill. Having dropped it for moderate rehabilitation, it was not intended to reconstitute that requirement in the development program. Congress intends that the advance of the subsidy to the owner can be secured by a security device such as a subordinate lien on the project. It is not intended that this lien would have a priority over the primary security instruments for the financing of the project.

The amount of assistance to be provided would be the least amount needed to provide affordable and modestly designed housing for families that are unable to find other reasonable and affordable housing in the private market.

The bill provides for a State rental rehabilitation program but the States can only carry out the activities under this program in cities with populations of less than 50,000 and in urban counties and cities that receive less than the minimum allocation. The State has the option to run its own rental rehabilitation program or may distribute funds to units of general local government. If a State opts not to run a rehabilitation program the Secretary has the authority to do so.

When the State is administering such a program the State must comply with the program requirements, as well as any other criteria of the program, and units of general local government that run a program must certify to the States that they are in compliance with the requirements.

A provision contained in the rental rehabilitation and development program would prohibit the imposition of any rent requirements on structures assisted under these programs except where such requirements or other agreements, were entered into pursuant to a State or local law enacted prior to the effective date of this program.

The Congress has debated rent control extensively in the past several years. The bill reported out of the Senate Banking Committee contained a provision prohibiting the imposition of rent controls on any unit assisted under the rental rehabilitation and development program. An attempt to replace this provision with a grandfather provision was narrowly defeated, on an 8 to 8 tie, and the provision was not debated on the Senate floor.

In the House, the Banking Committee has a long history of rejecting antirent control proposals, and this year an antirent control amendment was defeated twice on the House floor. The

compromise provision contained in the bill recognizes the autonomy of those jurisdictions which have enacted rent regulations over their local markets. It adopts the language contained in the Senate program, but grandfathers jurisdictions with State or local laws providing for the imposition of some form of rent regulation.

In adopting this provision, communities have been grandfathered and not just specific statues. The grandfather provision is intended to cover not simply existing statues, but also extensions, reenactments, or amendments to these statutes which occur after the effective date of this program.

In order to assure the modest design of the project, the maximum mortgage amount for the project may not exceed the amount insurable under section 207 of the National Housing Act. State and local bonds issued to finance eligible projects could qualify as section 11(b) tax-exempt bonds. Davis-Bacon wage standards will also apply to projects developed with assistance from this program.

The Secretary is required to undertake a review and audit annually to determine that the grantee is carrying out its activities in a timely manner and the grantee must provide a performance report annually to the Secretary including information dealing with the program's cost effectiveness, the type and income levels of tenants who benefit from the program, any tenant displacement and any other information the Secretary may require. While this provision requires owners to supply verifiable data to the grantee with regard to tenant income, household size, and other pertinent demographic information, the intent of the performance report is to facilitate congressional oversight and we would not want these requirements so stringent that they could in any way hamper the effective functioning of this program. If the owner shows the Secretary that his ability to obtain the information is not practical, the Secretary may consider other data useful in providing information for effective congressional oversight of this program. And third the Secretary must provide a report to Congress as to the grantee's progress under this program.

If a mortgage on a property which is rehabilitated or developed under this program is insured under 223(f) of the National Housing Act, it may also be governed by the coinsurance requirements established by section 244 of the National Housing Act, which is amended for this purpose to provide that: First, insurance benefits shall equal the sum of: 90 percentum of the mortgage on the date of institution of foreclosure proceedings—or on the date of acquisition of the property otherwise after default—and 90 percentum of interest appears on the date benefits are paid; second, the mortgagee shall remit to the Secretary, for credit to the general insurance fund, 90 percentum of any proceeds of the property, including sale proceeds, net of the mortgagee's actual and reasonable costs related to the property and the enforcement of security; third, payment of such benefits shall be made in cash unless the mortgage submits a written request for debenture payment; and fourth, the underwriter of coinsurance may reinsure 10 percentum of the mortgage amount with a private mortgage insurance company or with a State mortgage insurance agency. In the case of any purchase or refinancing of a property eligible for rental rehab grants under section 223(f) of the National Housing Act, the Secretary may include rehab or development costs up to $20,000 per unit, but this may be increased by 25 percent by the Secretary and subordinated liens securing up to the full mortgage financing provided by State or local governments or agencies thereof and pay benefits in cash unless the mortgage submits a written request for debenture payment.

TITLE IV—PROGRAM AMENDMENTS AND EXTENSIONS

The authority for the Federal Housing Administration mortgage insurance programs is extended for 2 years. This is not in keeping with the practice of prior years, but because of the complexities involved in developing a multifaced housing bill and in view of the difficulties involved in passing such a bill, a 2-year extension as proposed in the Senate bill was adopted. The adoption of this provision is not intended to signal either a lack of concern or a retreat in the Congress' commitment to housing and community development programs, but rather a recognition that consistency and stability are needed and a 2-year extension is the best policy at this time.

The FHA insurance limit is set at $50,900,000,000 for both 1984 and 1985.

The provision to eliminate the requirements that FHA interest rates be set by law is included in this title as identical provisions on this issue were in the Senate and House bills.

FHA MINIMUM PROPERTY STANDARDS

The bill provides the Secretary of HUD the discretion to insure single and multifamily buildings if they meet standards established in nationally recognized building codes or local codes that the Secretary has determined are comparable to the nationally recognized codes. It is essential that the Secretary carefully review local codes to determine that standards affecting health and safety are as effective as those assured through nationally recognized model codes. Since the existing FHA minimum property standard is clearly equivalent to a nationally recognized model building code, if builders choose to build according to that standard, they may do so. In any case, the Secretary retains the discretion to require that all buildings insured by FHA meet minimum property standards established by the Secretary.

MANUFACTURED HOMES

The insuring authority for manufactured homes is expanded in this bill and the title I loan limits for manufactured homes are increased.

SINGLE-FAMILY MORTGAGE INSURANCE ON HAWAIIAN HOMELANDS AND INDIAN RESERVATIONS

The requirements for single-family mortgages under the National Housing Act are modified to permit such mortgages on Hawaiian homelands and Indian reservations.

DISCRETIONARY AUTHORITY TO REGULATE RENTS OR CHARGES

Secretarial authority to regulate rents under section 207 of the National Housing Act is eliminated, but only for those mortgages insured by the Secretary after the date of the enactment of this act. The mandate of the Secretary to regulate rents will remain on those mortgages presently insured as landlords were aware of this provision when entering the program and those tenants presently residing in such housing entered into leases with the understanding that rent levels would be reviewed by the Secretary.

INSURANCE OF ALTERNATIVE MORTGAGE INSTRUMENTS

A demonstration program for alternative mortgage instruments is included in this bill. The alternative mortgage instruments included in this program are indexed mortgages, adjustable rate mortgages and shared appreciation mortgages. While the Secretary will have the authority to insure such mortgages, the aggregate amount of these instruments cannot exceed 10 percent of the aggregate number of mortgages insured by the Secretary in the previous fiscal year. While the committee still believes that it is imperative that the FHA program retain the long-term fixed rate mortgage as an anchor of stability in the ever changing and complex financial market for homebuyers there appears to be a need to permit prospective homeowners to utilize, on a limited basis, some of the new mortgage instruments being offered. The bill also creates a new insurance program for multifamily housing shared appreciation mortgages, but sets a limit under this section to 5,000 units in each fiscal year.

The idea of including the home equity conversion mortgage for the elderly under the FHA programs was rejected for a number of reasons, but mainly because there is no evidence to show that this type of mortgage is in the best interest of the elderly homeowner nor that the Federal Government should be in a position of en-

couraging or supporting such mortgages at this time. A number of demonstration programs are being conducted around the country and the Secretary is directed to evaluate the use of this type of mortgage and to report back to Congress in 1 year.

FLOOD AND PROPERTY INSURANCE PROGRAMS

The flood insurance program has been continued for 2 years until September 30, 1985, and there are to be no premium increases on flood insurance from the date of enactment of this act until after September 30, 1984.

The crime insurance program has been continued for 1 year while the riot insurance program will expire November 30, 1983.

SECONDARY MORTGAGE MARKET

The absence of the provisions approved by the House in H.R. 1 for FNMA and FHLMC in no way reflect a lessening of support for these charges but rather a decision by the Senate not to accept any secondary market provisions unless the changes in the securities laws for private mortgage backed securities were included. However, the securities law changes are not within the jurisdiction of the House Banking Committee and this could not be included.

FNMA and FHLMC are vitally important to housing, especially for low- and moderate-income families and it is intended that they continue to play the critical role of providing credit for our Nation's homebuyers. Any attempt to curtail this role for either FNMA or FHLMC will not be entertained and their role may well increase in the coming years.

TITLE V—RURAL HOUSING

The Rural Housing Amendments of 1983 extend the rural housing assistance programs for 2 years and provide for 2-year funding authorizations in amounts necessary as approved in appropriations acts, except for the new rural housing preservation grant program which contains a specific 2-year authorization for appropriation of $100 million for each year. In providing for these authorizations and extending the existing rural housing assistance programs in this manner, the Congress has recognized that several of the alternatives for providing such assistance through the States at far lower levels are not appropriate to meet the nature and extent of the need in the rural areas of the Nation. This level of assistance is critical to very low-income rural families and in the areas of the Nation that are most rural in character. Thus, provisions are included throughout these amendments to more effectively target and give priority to very low-income persons and families in making the housing assistance available in rural areas.

Other provisions included in these amendments make the Farmers Home Administration rural low- and very low-income housing assistance provisions more uniform with those operated by the Department of Housing and Urban Development; streamline and expedite application processing and provide new authority to use cost-effective approaches in meeting the rural housing needs, including the use of energy efficient manufactured housing.

This amendment provides that the definition of rural low- and very low-income families and persons is the same as that used for the purposes of the United States Housing Act of 1937, which is respectively 80 percent or less and 50 percent or less of the area median income. In addition, the terms income and adjusted income as used in the rural housing programs are revised to mean the same as those terms mean in that act. In addition provisions are included to conform to the Department of Housing and Urban Development requirements, the amounts required to be contributed by tenants for rent in housing assisted by FmHA with respect to amount of income, deductions, and limitations on rental increases. These provisions are designed to make uniform the low- and very low-income and related criteria utilized for Federal housing assistance purposes in both rural and urban areas of the Nation.

The section 502 Rural Homeowner Assistance Program is amended to provide that not less than 40 percent of the homes assisted nationally and 30 percent in each State shall be for persons and families having incomes of 50 percent or less of the area median income. The Congress expects that with such strict targeting requirements the FMHA will utilize its subsidy authority to the fullest extent to meet these targets but not ignore the serious housing needs of persons and families above these income levels but below 80 percent of the area median income.

Given the concern of FmHA that homes financed for low-income families cost as little as possible to operate, particularly with respect to utility use, the bill permits manufactured homes to be financed only if they meet energy conserving requirements established by FmHA that take into account the geographical location of the home and are cost effective over the life of the building or the loan, whichever is shorter. Until the FmHA issues regulations that are specifically designed for manufactured homes, such homes may be financed if they meet the energy conserving requirements FmHA has already established for site-built homes. More specifically, section 502 and section 515 loans or insurance are extended to manufactured housing units including the lots on which they are located which meet the basic title VI Federal manufactured housing standards, the FHA insurance requirements of the Department of Housing and Urban Development with respect to installation, stuctural and site standards and which meet the Farmers Home Administration energy conservation requirements for site-built housing until such requirements are established by the FmHA for manufactured housing.

Also, this provision directs the Secretary of Agriculture to establish energy conservation requirements that minimize operating costs and which are cost effective over the life of the manufactured home or the term of the loan, whichever is shorter. Increases in annual loan repayments resulting from added energy conservation requirements shall not exceed the savings in annual energy costs. The Secretary of Energy, in consultation with the Secretaries of HUD and Agriculture, is directed to conduct a study and report to Congress within 18 months from the time the Secretary of Agriculture issues regulations governing the energy efficiency of manufactured homes. This study shall compare increased construction costs, actual energy use, and projected energy savings of manufactured housing financed by HUD or by FmHA with other homes that are insured by both agencies.

In order to make assistance available under section 502 to families whose incomes are below that necessary to qualify for a section 502 loan with full interest credit subsidy but who otherwise could meet the financial and related requirements, the Secretary of Agriculture is authorized to extend the period of the loan up to 5 years and thereby reduce the monthly payment to within the means of these low-income borrowers. Only persons whose incomes do not exceed 60 percent of the media income are made eligible for such an extension. The Congress directs the Secretary to implement this new authority with dispatch. It can benefit many rural very-low-income families without adding to the cost of the Federal Government for subsidies.

Provisions are included to amend the section 504 home repair loan and grant program targeting loans and grants to very low-income families and clarifying the repairs and improvements that may be financed, including those necessary for sanitary water and waste disposal facilities.

Technical services and research activities are strengthened by permitting the Secretary to undertake innovative demonstrations of housing and building systems under standards that may differ from the FmHA minimum property standards. An annual amount of not to exceed $10 million is authorized for such demonstrations and a report to Congress is required annually on the results of the demonstrations undertaken.

FmHA may provide loans for properties meeting FmHA minimum property standards, HUD minimum property standards, standards contained in any voluntary national code or, in the case of manufactured housing that meets HUD's title VI standards, the properties also meet FmHA energy requirements as provided by this title. For the purpose of approving applications for loans, grants, and rental assistance payments, the Secretary may only require that a market exists for the persons and families the projects are intended to serve. These measures will clarify that Congress intends applications for FmHA rental housing assistance must be approved when they meet all other requirements if the need for the specific housing project is demonstrated, without regard to other housing needs in an area.

In addition to the above-mentioned rental housing assistance program amendments, the amendment limits rent increases to the lesser of the amounts necessary for increases in actual operating costs or comparable operating costs of other similar housing in the area. Increases in approved construction costs are limited by the Secretary to only those resulting from factors beyond the owners' control, design changes required by the Secretary or approved changes in the financing of the project. For new construction, a preference shall be given to projects located on donated land where the Secretary finds the site suitable and where a project will be more cost-effective by locating it on the land donated. In giving preference to donated lands, it is not the intention of the Congress to ignore the relative housing needs of rural communities. Preference for donated lands should be provided after analyzing and ranking the housing applications based on need. The Secretary is required to assure that the management fees charged by a developer of an affiliate of a developer are not excessive.

Moderate rehabilitation activities under section 515 rental housing is permitted at a lesser standard than that applicable to new construction and substantial rehabilitation and items and systems not included in the proposed rehabilitation need not be required to meet FmHA minimum property standards but are required only to meet appropriate quality and performance standards. Congress expects that the Secretary will administer this provision so that moderate rehabilitation includes all rehabilitation activities except those which involve substantial alternatives of the structural components of a unit. Moderate rehabilitation is expected to be permitted to be carried out in units which substantially meet the structural requirements of the FmHA minimum property standards. The Congress has taken this action to assure that moderate rehabilitation activities will be undertaken in rural areas without requiring owners to improve an entire existing building to new construction standards when only parts of the building may be in need of repair. In setting forth these amendments, Congress maintains its intention to see that decent, safe, and sanitary units are produced as a result of the rehabilitation activities without unnecessary added costs to the government or the owner. The amendments also permit FmHA to approve rental housing projects to be located on scattered sites. The Secretary is prevented from denying directly or though other regulations FmHA rental housing loans on the basis that rental assistance payments may be required in a proposed project.

In permitting the Secretary to make rental housing loans available in projects which will receive assistance from a State or local government similar to FmHA rental assistance payments, the Congress intends to encourage the participation of the States and local governments in meeting the needs of low- and very-low income rural families. For this reason, it has provided that the assistance need only be pledged for a 5-year term and appropriated by the States or local governments annually. However, the amendment also requires that these jointly assisted projects be determined by the Secretary to be marketable without the rental subsidy after the term of the initial subsidy and for the remainder of the term of the loan. This is to assure that a project will not become bankrupt without Federal rental assistance subsidies if the State or locality fails to provide the required subsidy after the initial period. In implementing this requirement, the Secretary should assure that it only be used in approving specific State or locally aided section 515 loan applications and not extended to the determinations of regular section 515 loan applications thus nullifying other provisions included in these amendments with respect to section 515 and section 521 application approval requirements.

In requiring that an applicant demonstrates that an adequate rental housing market exists after the initial period of assistance, the Congress directs the Secretary not to require a full market survey but to accept other reasonable estimates of the future rental housing market taking into account that the basic intent of the Congress is to encourage the joint participation of the States and local governments with the Federal Government in providing rural rental housing for low- and very low-income rural families.

A provision is included limiting to not more than 25 percent the units in section 515 rental projects that may be occupied by persons and families requiring rental assistance payments other than those whose incomes are at or below 50 percent of the area median income. However, after the date of enactment of these amendments, only 5 percent of the units that become available in new projects in which rental assistance payments are provided may be occupied by low income persons or families having incomes between 50 and 80 percent of the area median income. All of the remaining units that become available for occupancy after such date must be available only for very low-income persons and families with incomes of 50 percent or below the area median income so long as rental assistance payments funds are available.

Section 515 is amended to include projects involving scattered site and detached units; single family residences that may be purchased or converted for rental housing; and manufactured home rental parks where either the lots or the lots and the homes are available for low- and very low-income persons and families.

Not more than 10 percent of the funds available for section 516 farm labor housing grants are made available to nonprofit organizations and public agencies that will encourage the development of farm labor housing, including housing for migrant farmworkers. These farmworkers lack the capacity to package, develop and promote housing projects, and local governments in areas in which decent farmworker housing is needed have limited resources with which to carry out such activities as congressional hearings and inquiries have shown. For this reason, the funds available from FmHA for farmworker housing are often left unspent due to an insufficient number of quality applications, despite the overwhelming need for such housing. Therefore, the Congress directs the Secretary to utilize this assistance fully and without delay so that the disgraceful and inhuman housing conditions of these persons and families may be appreciably improved.

Other amendments are included to limit the amount of FmHA housing loans to that necessary to provide housing of modest size, design, and cost without impairing the adequate livability of the units financed; and to encourage through rehabilitation or purchase the use of existing housing which is economical in acquisition and rehabilitation cost, as well as the cost of operating such housing by promulgating rules for such purpose.

The amendments include a provision that permits any area classified as a rural area eligible for FmHA assistance to retain such classification for fiscal year 1985.

Provisions are included that require the Secretary to prioritize the interest credits and rental assistance payments made available for contracts for assist-

ance. First, the priority should be to renew expiring contracts and to add the amounts necessary for contracts that have run out of the amounts prior to the end of their terms; second, to assist very low-income persons and families in projects receiving commitments after fiscal year 1983, except that in such projects up to 5 percent of the units may be occupied by low-income families; and third, for units which become available in existing projects, except that 95 percent of such units must be for very low-income persons and families and 5 percent for low-income persons and families. Along with other related provisions these provisions are designed to assure that the most needy persons and families in the most rural areas are first served with the limited Federal financial resources available.

In addition, provisions are included to make more effective the FmHA application processing system, to permit the FmHA to process applications for HUD single family housing insurance, to provide that housing subdivision applications for Veterans' Administration, HUD or FmHA purposes shall be mutually acceptable so that by January 1, 1984, there will be total reciprocity of subdivision applications among these agencies. It is the intent of the Congress that the Secretary of Agriculture ensures that any subdivision approved under the reciprocity provisions have adequate facilities for potable water and for waste disposal and will meet cost-effective energy conservation standards.

The amendments establish a new program of housing preservation grants to private nonprofit organizations, Indian tribes, units of general local government, counties, States, and consortia of other eligible grantees to rehabilitate single and multifamily housing for rural low- and very low-income persons and families. In addition, to such grants, housing certificates under the HUD Section 8 Program may be provided to eligible tenants assisted as a result of this program. The grants may be utilized by the grantees through a variety of methods to reduce the cost of the repairs and rehabilitation so that the units provided are affordable by low-income families, and to the extent feasible, very low-income persons and families. Provisions require that there be no displacement of the residents occupying the housing to be assisted and that the repairs and rehabilitation result in FmHA health and safety requirements.

Housing preservation grants must be allocated among the States on the basis of a formula that takes into account the population, the extent of poverty, and the extent of substandard housing. Allocated but uncommitted funds in a State must be transferred to the FmHA State office and then may be used for section 504 very low-income repair grants or loans. No single grantee in any State may be allocated more than 50 percent of the funds allocated to that State unless there is only one applicant.

In order to receive grants, otherwise eligible applicants must submit a statement describing its proposed rehabilitation program and the activities it proposes to undertake each year and shall make the statement available for public comment. Such statements must be prepared in consultation with and in consideration of the views of appropriate local officials.

The Secretary is required to evaluate the statements submitted and approve applications on the basis of the criteria prescribed by the Secretary, including the extent to which the activities will assist low-income persons lacking adequate shelter with a priority for very low-income persons; the extent to which other public and private contributions are involved to lower the costs of the repairs or rehabilitation undertaken or supplement the Federal assistance involved in order to maximize the averaging of these Federal funds; the extent to which the prposed activities will be undertaken in small rural communities or in remote parts of rural areas; the extent to which the most repair or rehabilitation may be expected for the least cost; the extent to which displacement is minimized; the extent to which overcrowding is reduced, the extent to which the least amount of administrative funds are required; the extent to which the owner agrees to make the units in a building receiving this assistance for more than 5 years; and the capacity of the grantee to carry out the program and the financial feasibility of the proposed program. Assistance under the program is limited to the least amount necessary to carry out the program. Owners of rental or cooperative housing must enter into agreements with the Secretary with respect to the Secretary's requirements and the financial feasibility of the program and must agree to pass to tenants any reductions in debt service savings; not to convert the project to a condominium, not to refuse to rent to persons or families because they require Federal, State, or local housing assistance; and, that the units repaired or rehabilitated will be occupied or available to be occupied by low-income persons or families for at least 5 years.

In addition, owners must agree to provide written annual leases that prohibit eviction of tenants without good cause and local governments and nonprofit organizations must certify to meet fair housing laws, supervise repairs and rehabilitation, and have an impartial party inspect the repairs and rehabilitation. Other provisions regarding annual audits and reviews, nonconformance and historic preservation elements are included, as well as the requirement of a report to Congress 180 days after the close of each fiscal year containing a description of the progress made by the grantee in accomplishing the program's objectives and a summary of the use of funds. In establishing this program, Congress recognizes the limitations of the existing FmHA repair and rehabilitation programs. They are not structured nor funded adequately to meet the housing rehabilitation needs of rural areas so that the existing rural housing supply might better be utilized for the vast, unmet housing needs of the rural poor and with the participation of the States and local governments, as well as capable nonprofit organizations dedicated to assisting these rural families. In this respect, it is the intention of the Congress that all eligible applicants be given equal standing by the Secretary and that only the specified criteria be used in selecting applications from among the several grantees. While this new program encourages the participation of the States, the clear intent of the Congress is that the Secretary not delegate the authority provided under the program to a non-Federal entity.

The amendments established a congressional review of FmHA rules and regulations which provides that no rule or regulation may become effective until it has been published in the Federal Register and available for public comment at least 60 days prior to its effective date and shall not be published as final for at least 30 days thereafter. The Secretary is required to provide the appropriate committees of the Congress all rules and regulations at least 15 days before being submitted to the Federal Register for publication. Rules or regulations the Secretary certifies to the Congress as necessary for an emergency may be exempt from the requirements of the applicable provisions of this amendment. In providing for this exemption, the Congress is concerned that it not be used to circumvent the Administrative Procedure Act and expects that these provisions will be implemented in full conformance with that act.

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Speaker, I rise in support of this amendment to H.R. 3959 and commend the chairman, Mr. ST GERMAIN, of the Banking, Finance and Urban Affairs Committee for the good work that he has done to bring this matter before us today.

Indeed, this amendment includes the culmination of a great deal of work in the Banking, Finance and Urban Affairs Committee and subcommittees on which I serve.

These matters have been debated and discussed for many hours in the full House as well as in our committee and have been repackaged in this manner to insure the Reagan administration's support when this measure reaches the President's desk.

This administration has successfully undermined or resisted any housing and community development legislation the past 2 years. Hopefully, this will not be the case in the future.

This measure continued the authorization of assisted and public housing, both urban and rural, community development block grants, FHA and GNMA programs, and urban development action grants.

Some new programs including rental rehabilitation, rental construction program and emergency shelter are also contained in this package along with many substantive changes in the existing law. This is a major victory for those of us who feel that the National Government must play a key role in helping create the environment and housing that American families need.

The other titles of this amendment before us are equally important and some are controversial.

Mr. Speaker, members are right to be concerned about the IMF, but should be aware that this measure for the quota increase for the International Monetary Fund and general agreement to borrow, special drawing rights amounts to the United States borrowing about $8.4 billion to fund these programs, which is only about 20 percent of the total IMF new resources. The remainder comes from other member nations.

The importance of this program to help achieve stability in the international economy are extremely important. Even the United States itself from time to time has utilized the IMF program to deal with liquidity problems.

Nevertheless, major reforms are needed within the context of the existing IMF/GAB program. This measure before us provides for new regulation and reporting requirements for U.S. financial institutions, limitations on the ability of the IMF to borrow in U.S. dollars and notification to the committees of Congress. It specifically states objectives and concerns important to U.S. economic policy and the interrelationship of the IMF activities to our economy. Finally, the amendment contains the language which I and others strongly supported to insure that the excessive bank and broker charges will not be permitted and that the IMF will strive to participate in loans to Third World nations at limited rates of interest and stretch out the term so that reasonable time and cost would prevail to permit a realistic prospect for these nations to successfully manage these enormous debts.

The Export/Import Bank authorization is also included and is an extremely important tool to assist our U.S. exports. The multilateral development banks are authorized to permit us to reach out in coordinated manner with other nations and offer real assistance to the underdeveloped Third World nations.

These measures all reflect the strong imprint of the legislative process. Frankly I think we have made substantial progress under difficult circumstances to meet our responsibilities and urge my colleagues in the House to support this measure.

Mr. BONKER. Mr. Speaker, I rise in support of the rule (H. Res. 379) and the conference report on H.R. 3959 as amended by the Senate, containing among other provisions replenishment of the International Monetary Fund, extension of the Export-Import Bank, and establishment of a program of mixed credit for U.S. exports to developing nations. I congratulate particularly the leaders of the House and Senate Banking Committees, the Ways and Means Committee, and the Finance Committee for developing the compromise package which is now before the House. I believe it is a package which will contribute greatly to international financial stability and will improve the competitiveness of American firms in foreign markets. Since four out of five new jobs in the United States in recent years are attributable to export markets, it is essential that the world trading system be maintained and improved. This legislation makes a major contribution to international trade, and therefore to employment in this country, and I strongly support it.

The program authorizing the use of mixed credits to facilitate and increase U.S. exports to developing countries is an especially important and welcomed element of this legislation. Such a program is long overdue. As my colleagues will recall, mixed credit provisions were deleted from the House version of this legislation when it was considered last August. The mixed credits proposal now before us consists mostly of provisions adopted by the Senate. In my judgment, it is a far more constructive and workable proposal than the one previously considered and rejected by the House.

In the aggregate, Mr. Speaker, the developing world constitutes both our largest and most rapidly expanding export market. One of the major competitive obstacles U.S. exporters have encountered in that market is the ability of other exporting nations to offer relatively low-cost financing for projects and export goods by mixing in various ways concessional government credits with market-rate commercial credits while the United States has had no mechanism for mixing of credits. As a result, many contracts have been lost to our competitors even where the direct cost of our goods has been highly competitive. By using mixed credits, our competitors have been able to provide cheaper financing which has offset the higher cost and sometimes lower quality of their goods and services.

The fact is that financing is a crucial element in the purchasing decisions of developing countries. In order to continue to compete in those markets, we simply must be able to meet the financing terms offered by our competitors.

Progress has been made, Mr. Speaker, to reach agreements with our competitors to set common limits on export financing. In particular, an agreement, known as the Arrangement on Export Credits has been reached and is in force among members of the Organization for Economic Cooperation and Development. That agreement, however, does not fully cover the use of mixed credits. As a result, the use of mixed credits by our export competitors continues to pose a problem for U.S. industries seeking to maintain and expand business in the developing nations.

Mr. Speaker, I favor continued efforts to expand the scope and improve the procedures of the OECD agreement so as to neutralize the effects of mixed credits upon export competition. In the meantime, however, we need the ability to mix credits ourselves where necessary to meet foreign competition. The proposal now before the House, which I urge my colleagues to join me in supporting, would provide that ability. In general terms, it directs the Export-Import Bank and the Agency for International Development to work together to combine concessional and commercial credits tied to the purchase of U.S. goods and services. It authorizes mixing of governmental credits and public-private cofinancing, as well as parallel financing. Financing may be integrated into single packages subject to a single set of financial terms, or may be a combination of separate lines of credit.

To the extent that this program draws upon funds administered by the Agency for International Development, authorized by the Foreign Assistance Act, it falls within the jurisdiction of the Committee on Foreign Affairs. To the extent that it directly affects U.S. exports and export competitiveness, it also comes within the jurisdiction of the Subcommittee on International Economic Policy and Trade, which I have the honor to chair. Because of the press of other business, Mr. Speaker, and the defeat of the mixed credits program originally recommended by the Committee on Banking, the Committee on Foreign Affairs did not have an opportunity to consider or act upon proposals pend-

ing before it to establish a mixed credits program. The proposal now pending before the House, however, is very similar to the proposals referred to the Foreign Affairs Committee on the basis of the role of the Agency for International Development and the use particularly of economic supporting assistance funds authorized by the Foreign Assistance Act.

Mr. Speaker, I am certain that the Committee on Foreign Affairs, and the subcommittee which I chair, will take an active role and will fully exercise its jurisdiction in providing for any necessary refinement and for the funding and implementation of the mixed-credit program established by the bill before the House. I was glad to work with the distinguished chairman of the Committee on Foreign Affairs, Mr. ZABLOCKI, in assuring the Committee on Banking of our support for the establishment of a mixed-credit program along the lines approved by the Senate despite its effect on existing programs within the jurisdiction of the Foreign Affairs Committee. I want to thank and commend Chairman ZABLOCKI for recognizing the need to establish a mixed-credit program in the interest of U.S. export competitiveness and foreign development, and his readiness to exercise the jurisdiction of the Foreign Affairs Committee over this program through future authorization of foreign assistance funds and other measures rather than delay the establishment of a mixed credits program at this time. I think this is a wise and most responsible approach in which I intend to take part actively.

With respect to the $8.4 billion increase in U.S. participation in the International Monetary Fund provided by this bill, Mr. Speaker, I believe this further U.S. commitment, which will be matched by the other developed nations of the world, is in the best interests of the American people. As I have already noted, we benefit enormously from trade with poorer nations who bear heavy debt burdens in their continuing efforts to meet the needs of their own people and to modernize. Many of those countries have been hard hit by the energy crisis and the world economic recession of recent years. A default by one or more major debtor nations could set off a chain reaction that would drastically depress world trade and prosperity. In short, we have much more to lose if these nations are not helped cope with their debt problems than the cost of providing that help. Funds provided to the International Monetary Fund are loans not grants. In reloaning those funds to countries with faltering economies, the IMF imposes strict conditions and provides major incentives which, in the long run, help to avert future economic problems.

I do not necessarily agree, Mr. Speaker, with all of the conditions imposed by this legislation upon U.S. participation in the IMF. I believe, however, that the provisions designed to impose greater discipline upon lending to developing nations by large private banks are useful and balanced. We must encourage and assure continued lending by such banks because the IMF alone cannot provide all of the financing needed to achieve growth and development throughout the developing world. At the same time, however, we must assure that private banks do not engage in irresponsible lending or utilize IMF funds to recover from irresponsible lending practices. I believe the bill before us strikes the proper balance between encouraging and better regulating private bank lending to the developing world.

Finally, Mr. Speaker, the Export-Import Bank since 1945 has provided direct loans and loan guarantees to finance the export of major capital equipment from the United States. It has contributed substantially to our export competitiveness. When commercial interest rates were relatively low, it was able to accomplish its legislative mandate to facilitate exports while operating on a self-sustaining basis. As U.S. interest rates have risen, however, it has become less and less able to meet foreign export financing competition. In order to continue to perform its principle function of facilitating exports, the Export-Import Bank's authorities must not only be extended and its funds replenished, but it must be authorized to give greater weight to matching the financing terms being offered by our competitors, and somewhat less weight to making a profit on its own operations. Again, I believe this bill provides these needed changes in the Export-Import Bank charter.

The United States, Mr. Speaker, through the Export-Import Bank helps to finance only about 13 percent of all of our manufactured exports, while Government of France helps finance more than 25 percent of its exports, Great Britain more than 50 percent and Japan more than 40 percent. The Eximbank is an essential element of our national export competitiveness effort whose continuation under more liberal lending terms is needed to counter the even more aggressive programs by our competitors.

Mr. Speaker, for all of these reasons I urge my colleagues to support House Resolution 379 and the amended conference on H.R. 3959.

● Mr. PORTER. Mr. Speaker, today we are considering legislation to increase the U.S. quota in the International Monetary Fund (IMF) by $8.4 billion. The requested increase would provide $5.8 billion to supplement the basic resources of the IMF and $2.6 billion to the General Agreement To Borrow.

This legislation comes only after a compromise was struck to include the authorization for the Nation's housing programs with the IMF's quota increase. It is important to point out that the $16 billion authorized for the housing programs in this bill is not new spending authority. The bill simply determines how the money already appropriated by this House and signed into law by the President will be spent for the Nation's housing program.

The issue then turns to the IMF portion of the bill. As I said in my statement on August 3, the last time the House debated this bill, my support for the requested quota increase hinges on provisions of the legislation that will instill discipline in international lending practices of U.S. banks. Today, I support this compromise legislation because its provisions are very similar to the House's original tough provisions to strengthen bank lending practices in four important areas.

First, the bill explicitly instructs the U.S. Director at the IMF to oppose and vote against requested fund drawings where, in the opinion of the Director, the fund resources will be used to pay for loans which have been imprudently made by banking institutions. This language specifically precludes the possibility of using this new quota increase to bail out U.S. banks which overextended themselves and now experience great difficulty in collecting debts owed to them.

Second, the compromise includes two provisions to clamp down on the banks' capital and reason requirements. The appropriate Federal bank supervisors will now establish a reserve level for financial institutions whenever the agency determines that the public or private borrowers are unable to meet their loan obligations, and will require banks to maintain adequate capital levels. These provisions are fundamentally necessary to encourage banks to return to prudent bank practices. The establishment of reserves will provide coverage on a country-by-country basis when it appears likely that an individual country will not be able to repay its loans.

Capital requirements will assure that financial institutions are not making large loans that will endanger their overall capital situation. Previously, large banks were making loans that were of a higher percentage of their capital than smaller banks could make. The result was that large banks were imprudently making huge loans that, if defaulted, could have seriously jeopardize the banks' overall capital strength. Smaller banks had been closely monitored to assure that their loans could not endanger the institutions' overall health. The equalization of capital ratios mandated by this legislation would require all banks, re-

gardless of size, not to make loans greater than a certain percentage of their capital.

The compromise also directs the appropriate Federal banking agency to evaluate a foreign country's exposure when evaluating capital adequacy standards. Again, this is basically the tougher House language. The Senate's provisions simply established capital adequacy requirements, but the House went further to require banks that now do not meet the standard, to establish a plan to meet the capital requirements. If after establishing the plan, a bank does not meet the plan's outline, Federal agencies will use their full enforcement powers, including the levying of heavy fines, to bring the offending institutions into compliance.

Finally, this bill provides for the collection and disclosure of certain international lending information for dissemination to the public. It is vitally important, in my judgment, to provide adequate information to potential bank investors so that they understand the institutions' commitment to international lending before making an investment.

Mr. Speaker, the Congress must approve the requested increase in the U.S. contribution to the IMF to assist the world economy as well as the U.S. economy. Without the IMF loans, lesser developed countries (LDC's) would not have access to the capital necessary to improve their economies. These LDC's use a substantial percentage of their IMF loans to purchase American goods. When we realize that some 20 percent of all U.S. jobs can be directly attributed to exorting, the importance of assuring export opportunities for LDC's becomes apparent. Further, it is important to the world's economic stability that the United States join the other 145 IMF member nations in increasing its shares of IMF funding. If we do not provide these funds, other member nations will withdraw support from the IMF and further imbalance world economic growth and the possibility of international monetary collapse could result. I urge my colleagues to support this legislation.●

● Ms. KAPTUR. Mr. Speaker, the reauthorization of the Export-Import Bank includes a new provision which my colleague from Louisiana, Mr. ROEMER, and I offered in the Banking Committee to aid small business. This provision will give small businesses improved access to the export financing programs of the Export-Import Bank.

All of us are aware of the important contributions small business makes to our economy in terms of jobs and innovative technology. Small business can also become a leading contributor in exporting if competitive export financing is made available. Indeed, the Commerce Department estimates that at least 20,000 businesses in this country would export, but currently do not. In fact, only 1 percent of American manufacturers account for over 80 percent of our exports. As we face record trade deficits, it is imperative that small businesses become more active in exporting. Without question, increasing exports will improve both our balance of trade posture and our employment situation. Small businesses, as the creators of the largest number of jobs in this country, are in the best position to achieve those goals.

The new Exim provisions call for the establishment of a small business set-aside for fiscal year 1984 equal to 6 percent of the total direct loan, guaranteed loan and insurance levels provided in appropriations acts. The percentage would increase to 7 percent in fiscal year 1985, 8 percent in fiscal year 1986 and 10 percent in fiscal year 1987, the final year of the reauthorization. This set-aside would increase small business export financing by over $2.3 billion in the next 4 years without increasing Exim's budget. This provision will insure that Exim's funds are utilized more productively.

Second, the provisions also direct Exim to establish a program to provide lines of credit or guarantees to consortia of local banks, export trading companies, small business investment companies, State financing companies, and export financing cooperatives. These lines of credit or guarantees would be used by the consortia to finance small business exports.

Third, Exim would be required to promote small business exports and its export financing programs in cooperation with the Department of Commerce, the Small Business Administration, and especially the private sector. This is critical to enable small business to be aware of the financing to take advantage of it.

Fourth, at least three members of the Advisory Committee established in the bill must be chosen from the small business community. In addition, at least one of the five members of the board of directors must be appointed from the small business community to represent small business.

Fifth, Exim is also directed to urge the Foreign Credit Insurance Association (FCIA) to provide insurance against 100 percent of the loss of export sales up to $100,000.

Last, Exim must report annually to Congress on the effectiveness of the set-aside, the small business programs, and Exim's efforts in promoting small business exports. This is an important provision for it will enable Congress to monitor Exim's efforts in fulfilling the mandate of these new provisions.

These provisions will make more financing available to small business exporters. The program will only be successful, however, if Exim aggressively implements this legislation. It is incumbent upon Exim to reach out into the small business community in a positive way.

I would like to include in the RECORD an editorial which appeared in the Toledo Blade on May 9, 1983, after passage of the Exim reauthorization by the House Banking Committee. The amendment was later modified. The editorial follows:

PRACTICAL AMENDMENTS

That was a substantial contribution that Congresswoman Marcy Kaptur made to legislation authorizing new Import-Export Bank loan programs for fiscal 1984 and 1985. She achieved agreement in a House subcommittee on her amendments aimed at giving small businesses—those with less than $25 million a year in annual sales—a larger slice of the loan pie.

This would be a forward-looking change, reflecting an awareness of the need to encourage and broaden foreign trade opportunities in a world growing increasingly interdependent. One of the amendments would raise the amount of loan money going to small businesses from the current 3 percent to 9 percent in the first year and 19 percent in the second. Inasmuch as nearly $14 billion a year is involved in direct loans by the bank and in loan guarantees for other financial institutions to help American businesses operate on the international scene, the amount diverted to small firms would be substantial.

Many communities benefit from the global business done by large firms, such as those here in the Toledo area. But figures cited by Congresswoman Kaptur indicate that only a relatively few firms handle 70 percent of the exports from this country, so there is a need for financial help to the many smaller companies.

The second amendment calls on President Reagan to fill the next vacancy on the bank's five-member board with a person representing small business. The overall authorization measure, of course, still has to clear the Banking Committee and win the approval of the full House and Senate, not to mention receiving the President's signature. But, given the logical and reasonable nature of the Kaptur amendments, the legislation merits approval all down the line.●

● Mr. DICKS. Mr. Speaker, I commend my colleagues for adopting the Senate amendment to this supplemental appropriations conference report, and in particular, would like to emphasize the importance of the international financing institutions to American employment.

As my colleagues know, I have been a strong supporter of the Export-Import Bank during my career in Congress. The legislation we considered today provides a 3-year reauthorization for this institution, expands the Bank's coverage to enhance access for small business, and will assist American industry in competing on equal terms with our world trading partners. Eximbank's most recent annual report shows that every dollar authorized for Eximbank loans, guarantees, and insurance generates $1.45 in export sales. That means that Exim's current authorization of $4.4 billion in direct

loans and $9 billion in guarantees generates $19 billion in export sales. Using the Commerce Department's estimates, which indicate that $1 billion in export sales supports 25,000 man-years of employment, that $19 billion in sales backed by the Eximbank will support 475,000 man-years of employment.

I am pleased that the Congress has clarified the Bank's mandate, emphasizing that the Bank is to provide competitive financing as its primary goal. Recently, the Bank has been reluctant to match competitive financing provided by other nations. This has effectively disarmed the strongest weapon in our trade arsenal. The action taken by the Congress today will make that mandate clear to the Director of the Bank.

On the housing issues, I commend Chairman ST GERMAIN for his perseverance in dealing with the administration and the Senate. When the issue appeared deadlocked, the chairman did not give up, but continued to press for Senate action. We have not had a housing authorization bill for several years; enactment of this legislation is a real achievement for both the Congress and the administration.

Finally, Mr. Speaker, I am pleased to see that this bill breaks the impasse that has occurred over the extension of the Defense Production Act. As you may recall, the Committee on Appropriations voted to approve a modest DPA program for fiscal year 1984. The administration had requested $200 million in the 1984 budget for procurement of domestically produced strategic metals and other materials, and although we did not feel there was enough information about the program to justify that amount, we did feel it was time to reopen this important authority and to finally do something about this country's dangerous reliance on foreign sources of strategic and critical minerals, metals, and other materials.

Unfortunately, the committee's proposal for $50 million in DPA funding for 1984 came to the floor after the basic authorization had expired on September 30, and the proposal was deleted on a point of order.

The parliamentary difficulty that occurred does not alter our desire to see this program go forward. Certain preliminary assessments are currently being made by the Department of Defense concerning the potential for our country to produce some of the minerals and metals we now buy almost exclusively in Central and Southern Africa. Since we need to know this information in order to assess the desirability of producing these materials in this country, we would hope that these assessments will continue and that the Department will be ready early next year to provide us with the information we will need to act on this matter.

Again, I commend my colleagues for adopting this amendment. Thank you, Mr, Speaker.●

● Mr. BIAGGI. Mr. Speaker, I rise today with a mixed reaction to the proposal before us this afternoon. As has been discussed, this vote if approved will mean not only that the very fine housing bill which was H.R. 1 will be passed—but also the highly controversial funding for the International Monetary Fund (IMF) will also be approved.

Simple fact of life is—I am a firm supporter of the housing portion of this conference report largely because it does provide for some increases in funds for public housing both in terms of housing starts and assistance to those in need. Further the bill will provide for increases in funds reserved for the section 202 program for the elderly and handicapped.

I am especially pleased that an amendment I authored to the House passed bill has been retained in this final legislation. This amendment would allow elderly and disabled residents of federally funded and subsidized housing to own and keep pets.

I authored this legislation as the chairman of the Subcommittee on Human Services of the House Select Committee on Aging when it was brought to my attention that many elderly and disabled citizens were being threatened with eviction simply because of pet ownership. Studies have shown, and statistics have proven, that pet ownership can be beneficial to the psychological, emotional, and physical well-being of elderly and disabled people. For many, a pet is the only companion they have, the only protection and the only link to the outside world.

My amendment is not one without responsibilities, however. Realizing that landlords have a right to act in the case of destruction of property or in the case of any disturbances to other tenants in the building, my amendment provides a necessary balance of responsibility. The landlord has the right to remove the pet should it become a threat to the health or safety of occupants in the building. The landlord also has the right to set up guidelines, upon consultation with the tenants, that takes into consideration such factors as size of pet, financial obligations of the pet owners, density of population of the building and the standards of pet care. My amendment seeks to bring together the responsible pet owner and the reasonable landlord.

Let me conclude with the observation that I remain opposed to the inclusion of both the authorization and appropriations necessary to increase the U.S. contribution to the International Monetary Fund. I consider this to be an unwise and excessive investment of funds—an amount which could exceed $8.4 billion at a time when we are struggling to correct problems at home caused by massive cutbacks in spending—and while we tackle a Federal deficit problem which has grown quite severe.

The simple fact is that in the eyes of our constituents, whether they be from the Bronx or anywhere, I do not see the wisdom of us spending this money at this time in this way. I am inclined to agree at this time not only because of the amount we are spending, but because of the occasional poor investment decisions made by the IMF.

I will vote for this bill because I believe the good in it does outweigh the bad. Housing is a desperate need in many areas of our Nation and after 2 years of abdicating our reponsibilities in the field of housing we have a chance to reverse this trend. This bill will do so. However let the record show that I opposed to the IMF provisions in this bill and strongly so.●

● Mr. WHITTEN. Mr. Speaker, more than 1 year ago, our Committee on Appropriations was called upon to write the jobs bill. We did that effectively, as a start toward trying to work out of our depression by increased production, substituting productive work with something to show for our efforts, instead of merely providing for more weeks of unemployment compensation, which had grown to $32,000,000,000 a year, which however essential to the recipient does not add wealth.

I supported the housing bill and other measures which passed the House of Representatives to get us back to looking toward more work, enabling our people to provide for themselves what is needed.

I have made a close study of the need to give some relief to the present international credit and threatened bankruptcy of many countries, where we are the principal creditor. I have studied history. Such a situation existed as far back as World War I.

I do believe that what we do here may be just postponing a showdown and that it may be that we cannot avoid the situation getting worse.

I do believe it well, however, to postpone—in the hope that we can get world finances straightened out—that it may help us to get our finances in shape.

Foreclosing on what is owed us, if possible and it is not, apparently would bring in little but lead to default there—then here. When we do this, I truly believe we must pull our horns, slow down military spending to real defense and get back in production, restore and develop our Nation's resources—for that is our real wealth.

I truly hope I am right in voting for this amendment to the supplemental appropriations bill from our committee.●

● Mr. OBERSTAR. Mr. Speaker, those of us who oppose the $8.4 billion increase in U.S. participation in the IMF are faced with a difficult decision today because the IMF quota increase has been attached to important housing legislation.

I have not changed my opposition to the IMF quota increase. The large multinational banks should bear the brunt of their own unsound banking policies. These banks have made risky short-term, high-interest loans to financially questionable nations in the hope that the American taxpayer will bail them out when these highly profitable loans turn into liabilities. They ought to work out their problems in the marketplace, under customary financial terms.

The administration is asking the American people to bail out the large multinational banks, while ignoring the plight of 9.9 million unemployed Americans. It has failed to come to the rescue of family farmers who lost their farms when they could not meet mortgage payments.

The administration is now ready to come to the rescue of the big banks, with the American people footing the bill. The IMF quota increase will not solve the debt problems of debtor nations having trouble meeting their loan payments. It will merely provide a quick fix solution which will permit large multinational banks to continue earning exorbitant profits, and paying little in the way of taxes.

The interest rate charged to many Latin American countries by the large multinational banks is approximately 2 percent higher than the prevailing rate. These large banks also receive a 1.14-percent average rate of return on their assets in Latin America compared to 0.46 percent on assets in the United States.

The IMF quota increase should not have been attached to legislation which provides funding for much needed housing aid and community development grants. H.R. 3959 restores a substantial portion of assistance cut by the Reagan administration. The cuts have severely hampered the economic development efforts of our Nation's cities and small towns. We must act today to reauthorize community development block grants and urban development action grants for fiscal years 1984, 1985, and 1986. Earlier this year, during House consideration of H.R. 1, I worked with my colleague from Illinois (Mr. DURBIN) to assure that small cities with high unemployment would be eligible to compete for UDAG's. I am pleased that this bill reflects our concern for those cities and towns around the Nation which have been hardest hit by the Reagan recession.

Our Nation's public housing stock is rapidly deteriorating. The Reagan administration recently announced a list of surplus housing for the poor; however, closer examination showed that, in reality, the administration could not find a single Federal housing program with a surplus. This legislation would reverse the indifference of this administration to Federal housing programs for the poor and would bring the Federal Government back into the housing market to fulfill its obligation to our Nation's needy, to provide housing for the elderly, handicapped, and low-income persons.

Because of my strong support for these housing and community development programs, I must support H.R. 3959. I do so reluctantly because of the IMF quota increase.●

● Mr. FAUNTROY. Mr. Speaker, I rise in reluctant support of the rule that has us voting on a supplemental appropriations bill which combines appropriations for the International Monetary Fund, the Export-Import Bank, the Inter-American Development Bank, the Asian Development Bank and Fund, the African Development Fund, and most importantly, a significant housing bill.

I wish to make it very clear that I am not completely satisfied with the language in section 804 with regard to the IMF. The compromise language on South Africa, while not insignificant in posing a requirement on the U.S. Executive Director with respect to any country practicing apartheid in the world, is not language that I would have preferred. That language states:

> The Congress hereby finds that the practice of apartheid results in severe constraints on labor and capital mobility and other highly inefficient labor and capital supply rigidities which contribute to balance of payments deficits in direct contradiction of the goals of the International Monetary Fund. Therefore, the President shall instruct the United States Executive Director of the Fund to actively oppose any facility involving use of Fund credit by any country which practices apartheid unless the Secretary of the Treasury certifies and documents in writing, upon request, and so notifies and appears, if requested, before the Foreign Relations and Banking, Housing and Urban Affairs Committees of the Senate and the Banking, Finance and Urban Affairs Committee of the House of Representatives, at least twenty-one days in advance of any vote on such drawing, that such drawing: (1) would reduce the severe constraints on labor and capital mobility, through such means as increasing access to education by workers and reducing artificial constraints on worker mobility and substantial reduction of racially-based restrictions on the geographical mobility of labor; (2) would reduce other highly inefficient labor and capital supply rigidities; (3) would benefit economically the majority of the people of any country which practices apartheid; (4) is suffering from a genuine balance of payments imbalance that cannot be met by recourse to private capital markets. Should the Secretary not meet a request to appear before the aforementioned Committees at least twenty-one days in advance of any vote on any facility involving use of Fund credit by any country practicing apartheid and certify and document in writing these four conditions have been met, the United States Executive Director shall vote against such program.

I would have preferred the language that was in the House-passed bill on the IMF because that original language would not permit an administration to come here and tell us without affirmative action on the part of the Congress that loans to such countries should be authorized. That language was ably crafted by our distinguished colleagues, Congressmen JERRY PATTERSON and JULIAN DIXON and I commend them for their courage. I also want especially to thank the chairman of my full committee, Mr. ST GERMAIN, for providing the leadership that does give us an important precedent that will restrict the ability of the administration to support IMF drawings for countries practicing apartheid. There has never previously been any language at all attached to the IMF with regard to apartheid and I want to publicly thank Chairman ST GERMAIN for holding fast on this issue of vital importance to our national interest. Unfortunately, the other body insisted on the language that we have before us.

Mr. Speaker, the overriding importance of the housing authorization bill contained in the supplemental appropriation compels me to support the rule, the authorization, and the appropriation. We will fight another day on the issue of our country's relations with South Africa. Let us pass the rule, the authorization, and the appropriation.●

● Mr. CORCORAN. Mr. Speaker, I rise today in opposition to the supplemental spending bill which has been returned to this body from the Senate with the highly objectionable IMF-housing legislation attached. If proponents of the International Monetary Fund believe that linking the U.S.-IMF contribution to such a very diverse issue such as housing somehow legitimizes or changes the large IMF quota increase, they are mistaken.

I would like to point out to my colleagues that we are considering the same issues that we did with the IMF in August. The legislation still contains a total $8.4 billion to "bail out" banks who have made and will continue to make imprudent loans to countries who are ill-equipped to even absorb interest payment on their loans.

Third World countries continue to request additional funds, while failing to fulfill obligations to alter the economic practices which necessitated IMF assistance in the first place. The IMF is doing a disservice to these countries and the other Fund mem-

bers by perpetuating the myth that financial assistance alone will solve economic problems which have been festering for years.

In addition, Congress considered the initial IMF request believing that no additional funding requests would be made in the next few years. A recent meeting of the International Monetary Fund in Washington confirmed what many anticipated. The IMF will not be back in 3 years, or even 2 years. The United States along with other member countries will be considering this issue again next year. I ask my colleagues to consider the implications of a yearly IMF increase which is by agreement to take place every 5 years. The United States is not alone in believing that the problems facing the IMF are far deeper than monetary levels.

While I vigorously oppose the IMF quota increase contained in this bill, and encourage my colleagues to oppose the measure, I would like to see our U.S.-IMF representatives push for a serious reexamination of the goals of this organization. I would like to see this organization become a valuable economic educator and financial resource while losing its current identity as an "unconditional world banker."●

● Mr. BEREUTER. Mr. Speaker, this Member supports H.R. 3959 which includes the Domestic Housing and International Recovery and Financial Stability Act authorizing domestic housing programs and fulfilling U.S. pledges to the International Monetary Fund and the multilateral development banks. This legislation has the full support of the administration and includes the strict regulation and oversight of private bank lending overseas.

This legislation is vitally important for the American farmer in that the IMF plays a critical role in expanding trade, including the export of American farm products. Almost 1 out of every 3 acres of American farmland produces food for export.

Exports of wheat and corn, among other crops, have balanced to a large degree our very expensive oil import bill. According to the latest information available, agricultural exports from my State of Nebraska amount to more than $2.1 billion per year and account for the approximate equivalent of 24,000 jobs.

Over the last several years, however, the international debt crisis has adversely affected the American farm community because developing countries can no longer afford large-scale food imports.

From the period 1981 to 1982 U.S. exports of yellow corn fell by $2.3 billion—a one-third drop. Grain sorghum and wheat exports also fell by one-third, costing our farmers about $1.5 billion in lost sales. Without IMF financing for these countries, the drop would have been even larger and their economic recovery is dependent more than ever upon concessional lending and IMF assistance.

The measure before us also contains funding for several multilateral development banks including The Inter-American Development Bank, The Asian Development Bank and The African Development Fund.

It also contains as well, provisions requiring the Treasury Department to report on how the Banks can play a more active role in encouraging private companies and investors to support worthwhile development projects.

This report will be of great use to those of us on the Banking Committee who would like to see the Banks encourage private bank loans and foreign investment flows in countries where the multilateral assistance falls short of meeting their capital function requirements.

Continued funding of these Banks serve important U.S. foreign policy interests. Most of the MBD loans are concentrated in countries or areas of special interest to the United States. In 1980, for example, key U.S. allies including Brazil, Turkey, Korea, Egypt, and Pakistan, received a large share of this multilateral aid.

In these and other countries, multilateral aid serves long term U.S. economic and security interest at the same time that it promotes market-oriented economic reforms. The MDB's also help to stimulate world trade and have been an important factor in expanding U.S. exports to Third World countries.

Furthermore, U.S. contributions to the MDB's benefit the U.S. economy. For every dollar in sales of U.S. goods and services to the MDB's, there is a multiple effect of an extra $3 added to the U.S. gross national product. Over the past several years, for every dollar actually paid in to the Banks, we have exported $1.50 worth of goods and services. Clearly, continued strong support of the mutilateral development banks is in the national interest of this country.

President Reagan calls the Fund the "linchpin" of the world financial system. It is that, but it is also much more than that:

The Fund is a key element in our foreign policy.

The IMF is important to the economic well-being of Americans, both those who work in our factories and on our farms.

On reflection, we find the objections to the Fund to have little merit.

Foreign policy: In the past year Fund assistance has been crucial for Mexico, Brazil, and Argentina. The economic pressures on these countries have indeed been very heavy. Without the financial resources mobilized by the IMF from U.S. and foreign sources, friendly regimes might have been replaced and domestic stability would certainly have been jeopardized. Surely, these large countries are as important to the United States as the smaller ones of Central America and the Caribbean where we have sent troops and U.S. foreign aid.

As to those of my colleagues who are strong supporters of assistance to Israel and Egypt, I would point out to that these two countries are undergoing serious economic difficulties at present and are prime candidates for IMF concessional financing. Yet the Fund will have no further resources if we do not provide this quota increase by the end of this month.

Numerous U.S. allies in Africa and Latin America are also likely to need balance-of-payments financing from the Fund in the near future. Do we want to reject this quota increase today in the name of fiscal austerity only to face much larger foreign aid expenditures or loans to our financially-depressed allies in the coming year?

U.S. Economy: The Fund is playing a positive role in the U.S. economic recovery. By lending its own funds and by inducing the commercial banks to keep on lending, the IMF helps to finance U.S. exports. The importance of this to the U.S. economy can by seen by a few numbers. From 1981 to 1983, the U.S. trade balance (exports minus imports) fell by $21 billion. Almost all of this net loss ($19 billion) can be said to be due to trade difficulties caused by economic problems in Latin and other Caribbean Nations. The full repercussions of such a drop in the trade balance result in a $30 billion contraction in U.S. gross national product and caused the direct loss of hundreds of thousands of jobs in the United States.

The IMF also plays a key role in avoiding defaults on the oveseas debt owed to American banks. So long as the IMF and the commercial banks are making new loans to foreign countries they will have the incentive to avoid defaulting on their debts. If they did default, or, more likely, declare a moratorium on payments on their debts, the loss in income might cause some banks to fail and, more certainly, would cause the banking system as whole to cut back sharply their lending to U.S. business. The Federal Reserve could meet the problem by providing liquidity to the banks but this would raise the specter of renewed inflation. Moreover, banks would have to curtail lending even if the Federal Reserve Board acted quickly, and interest rates would rise. The result would be a financial panic with disastrous results for our citizens and Nation.

The objections: There are several major objections to IMF quota increase. Let us briefly consider the most commonly cited.

It is asserted that the commerical banks made imprudent loans and are now being bailed out by the Fund. It is easy in hindsight to say that the loans were excessive. Perhaps the banks should have foreseen that the deepest U.S. recession since the depression of the thirties would occur at a time of high oil prices and high interest rates. They did not. The did make loans primarily to those developing countries with a history of sustained economic success.

Two-thirds of all bank loans to developing countries went to Argentina, Brazil, Mexico, and South Korea. As the noted international economist Robert Solomon points out, Brazil's real gross national product grew by almost 9 percent per year over the 1970's; Mexico's grew by 6.4 percent and South Korea's by 10 percent. And the rate of increase in their exports, a good measure of their ability to service foreign debt, grew even faster. The figures in real terms for the 1970's are impressive: Argentina, 10.7 percent per year; Brazil 9.1 percent, Mexico 10.9 percent, and South Korea 25.3 percent. In short, lending to these countries must have seemed like good business in the 1970's.

Nor is the IMF bailing the banks out. IMF loans to a country are being made on condition that the private banks increase their loans to that country. Moreover, the entire proposed increase in the IMF resources could pay off only 10 percent of the $350 billion owed by developing countries to private banks.

It is asserted that much of the $8.4 billion would go to Communist countries. Recent experience suggests otherwise. In the 12 months ending April 30, 1983, the IMF loaned $14.8 billion but only $499 million (3 percent of the total) went to a Communist country, Hungary. Latin America, on the other hand, got $11.8 billion, or 80 percent of the total. Clearly, the IMF is supporting an area of the world of strategic and economic importance to the United States. It does so by using foreign as well as U.S. loan resources.

Mr. Speaker, I, therefore, urge the speedy adoption of this vitally important piece of legislation.●

● Mr. LOWRY of Washington. Mr. Speaker, today we will consider the International Monetary Fund (IMF) replenishment bill as a part of the fiscal year 1983 supplemental appropriations bill. Included in the IMF portion of the bill is a provision concerning U.S. support for loans to any country which practices apartheid. The language in this provision is not the same as that which appeared in the amendment I offered, and which was adopted by the House Banking Committee's Subcommittee on International Trade, the full Banking Committee, and the full House.

The original language provided an absolute prohibition of U.S. support for loans to any country which practices apartheid. South Africa is the only country in the world that currently maintains a pervasive system of apartheid. I would have greatly preferred the absolute clarity of the original language. However, the language on apartheid that was sent back to us by the Senate still provides assurances that the United States will not support or vote in favor of any loans for the government of any country maintaining a system of racial segregation and discrimination.

The Senate language, which I support, requires the Secretary of the Treasury to appear personally before the House and Senate Banking Committees 21 days before the U.S. Executive Director of the IMF votes on a loan to any country that practices apartheid. The Secretary is to certify and document that the proposed credit drawing would reduce constraints on labor mobility and economically benefit the majority of such country's people. Clearly, any system of apartheid, by definition, flies in the face of labor mobility and economic equity. Therefore, the Secretary would only be able to provide the certification and documentation required in the Senate language if the Government of South Africa were to abandon apartheid. Certainly, major, systemwide changes toward this end would have to be made.

Since 1948, when South Africa's National Party came to power, the South African Government has followed an official policy of separate development of the races or apartheid. This repressive policy denies the civil, political, social, and economic rights of more than 22 million black South Africans. Under this egregious system, blacks are denied the right to vote or to run for political office. In addition, their choice of employment is severely restricted; they are paid far less than whites when they perform similar work; they are forced to carry, and surrender to authorities upon request, a passbook which contains information about virtually every aspect of their lives, and their citizenship is systematically denied by a spurious homeland policy. There are many other equally oppressive components of apartheid.

This unjust system must be denounced by all people who believe in individual freedom and basic human rights. Our Nation, which was founded on these important principles, must send a clear message to South Africa and any other nation that practices apartheid. We must show by our words and our deeds that we reject racial segregation and discrimination. The passage of the apartheid language contained in the bill before us will accomplish this end.●

GENERAL LEAVE

Mr. LONG of Louisiana. Mr. Speaker, I ask unanimous consent that all Members may have permission to revise and extend their remarks on House Resolution 379 until the last edition of the CONGRESSIONAL RECORD for this session of Congress is published.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LONG of Louisiana. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 226, nays 186, not voting 22, as follows:

[Roll No. 532]

YEAS—226

Ackerman	Dixon	Kogovsek
Addabbo	Downey	Kostmayer
Akaka	Dwyer	LaFalce
Alexander	Edgar	Lagomarsino
Andrews (NC)	Edwards (AL)	Lantos
Andrews (TX)	Edwards (CA)	Latta
Anthony	Erlenborn	Leach
Aspin	Evans (IA)	Lehman (CA)
AuCoin	Fascell	Lehman (FL)
Badham	Fazio	Leland
Barnard	Fish	Lent
Barnes	Flippo	Levin
Bartlett	Foglietta	Levine
Bateman	Foley	Livingston
Bedell	Ford (TN)	Long (LA)
Beilenson	Forsythe	Lowery (CA)
Bereuter	Fowler	Lowry (WA)
Berman	Frank	Lujan
Biaggi	Frenzel	Luken
Boehlert	Frost	Lundine
Boggs	Fuqua	MacKay
Boland	Garcia	Markey
Boner	Gaydos	Marriott
Bonior	Gejdenson	Martin (NC)
Bonker	Gekas	Martin (NY)
Borski	Gephardt	Matsui
Boucher	Gibbons	Mavroules
Boxer	Gilman	Mazzoli
Britt	Glickman	McCandless
Brown (CA)	Gore	McDade
Burton (CA)	Gradison	McEwen
Campbell	Gray	McHugh
Carper	Green	McKernan
Chandler	Guarini	McKinney
Cheney	Hall (IN)	McNulty
Clarke	Hamilton	Mica
Clinger	Harkin	Michel
Coelho	Harrison	Mineta
Coleman (TX)	Hatcher	Mitchell
Collins	Hayes	Moakley
Conable	Heftel	Moody
Conte	Hightower	Morrison (CT)
Conyers	Hillis	Morrison (WA)
Cooper	Horton	Murtha
Coughlin	Howard	Natcher
Coyne	Hoyer	Neal
Crockett	Hubbard	Nowak
Davis	Hyde	O'Brien
de la Garza	Ireland	Oakar
Dellums	Jeffords	Oberstar
Derrick	Johnson	Obey
DeWine	Jones (NC)	Ottinger
Dickinson	Kaptur	Owens
Dicks	Kennelly	Oxley
Dingell	Kindness	Patterson

Pease	Schneider	Udall
Pepper	Schumer	Vander Jagt
Porter	Seiberling	Vento
Price	Sikorski	Waxman
Pritchard	Smith (FL)	Weiss
Pursell	Smith (IA)	Wheat
Quillen	Smith (NJ)	Whitehurst
Rangel	Snowe	Whitten
Ratchford	Solarz	Williams (OH)
Regula	Spratt	Wirth
Ridge	St Germain	Wolpe
Rodino	Stangeland	Wortley
Roe	Stokes	Wright
Rose	Stratton	Wyden
Rostenkowski	Studds	Wylie
Roukema	Swift	Yates
Roybal	Synar	Young (MO)
Sabo	Tauke	Zablocki
Savage	Torres	Zschau
Sawyer	Torricelli	
Scheuer	Towns	

NAYS—186

Albosta	Hammerschmidt	Rahall
Anderson	Hansen (ID)	Ray
Applegate	Hartnett	Reid
Archer	Hefner	Richardson
Bates	Hertel	Ritter
Bennett	Hiler	Roberts
Bethune	Hopkins	Robinson
Bilirakis	Huckaby	Roemer
Bliley	Hughes	Rogers
Bosco	Hunter	Roth
Breaux	Hutto	Rowland
Brooks	Jacobs	Russo
Broomfield	Jenkins	Schaefer
Brown (CO)	Jones (OK)	Schroeder
Broyhill	Jones (TN)	Schulze
Bryant	Kasich	Sensenbrenner
Burton (IN)	Kastenmeier	Shannon
Byron	Kazen	Sharp
Carney	Kemp	Shaw
Carr	Kildee	Shelby
Chappell	Kolter	Shumway
Chappie	Kramer	Shuster
Coats	Leath	Siljander
Coleman (MO)	Levitas	Sisisky
Courter	Lewis (FL)	Skeen
Craig	Lipinski	Skelton
Crane, Daniel	Lloyd	Slattery
Crane, Philip	Loeffler	Smith (NE)
D'Amours	Long (MD)	Smith, Denny
Daniel	Lott	Smith, Robert
Dannemeyer	Lungren	Snyder
Darden	Madigan	Solomon
Daschle	Marlenee	Spence
Daub	Martin (IL)	Staggers
Donnelly	McCain	Stark
Dorgan	McCloskey	Stenholm
Dowdy	McCollum	Stump
Dreier	McCurdy	Sundquist
Duncan	McGrath	Tallon
Durbin	Mikulski	Tauzin
Dyson	Miller (CA)	Taylor
Early	Molinari	Thomas (CA)
Eckart	Mollohan	Thomas (GA)
Edwards (OK)	Montgomery	Traxler
Emerson	Moore	Valentine
English	Moorhead	Vandergriff
Erdreich	Mrazek	Volkmer
Evans (IL)	Murphy	Vucanovich
Feighan	Myers	Walgren
Fiedler	Nelson	Walker
Fields	Nielson	Watkins
Florio	Olin	Weaver
Franklin	Packard	Weber
Gingrich	Panetta	Whitley
Gonzalez	Parris	Whittaker
Goodling	Pashayan	Wilson
Gramm	Patman	Winn
Gregg	Paul	Wise
Gunderson	Penny	Wolf
Hall (OH)	Perkins	Yatron
Hall, Ralph	Petri	Young (AK)
Hall, Sam	Pickle	Young (FL)

NOT VOTING—22

Annunzio	Hansen (UT)	Nichols
Bevill	Hawkins	Ortiz
Clay	Holt	Rinaldo
Corcoran	Lewis (CA)	Rudd
Dymally	Mack	Simon
Ferraro	Martinez	Williams (MT)
Ford (MI)	Miller (OH)	
Hance	Minish	

□ 1530

The Clerk announced the following pairs:

On this vote:

Mr. Hawkins for, with Mr. Bevill against.

Mr. Minish for, with Mr. Nichols against.

Mr. Dymally for, with Mr. Williams of Montana against.

Mr. CROCKETT changed his vote from "nay" to "yea."

So the resolution was agreed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Accordingly, the Senate amendment to the House amendment to the Senate Amendment numbered 11 to the bill, H.R. 3959, is agreed to.

The Senate amendment to the House amendment to the Senate amendment numbered 11 reads as follows:

In lieu of the matter proposed to be inserted by the House amendment to the said Senate amendment, insert:

For an additional amount for payment of expenses as authorized by the Emergency Veterans' Job Training Act of 1983 (Public Law 98-77), $75,000,000, to remain available until September 30, 1986.

SHORT TITLE AND TABLE OF CONTENTS

SECTION 1. (a) Titles I though XI of this Act may be cited as the "Domestic Housing and International Recovery and Financial Stability Act".

(b) Titles I though V of this Act may be cited as the "Housing and Urban-Rural Recovery Act of 1983".

TABLE OF CONTENTS

Sec. 1. Short title and table of contents.

TITLE I—COMMUNITY AND NEIGHBORHOOD DEVELOPMENT AND CONSERVATION

PART A—COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Sec. 101. Low and moderate income benefit objective.
Sec. 102. Definitions.
Sec. 103. Authorization of appropriations.
Sec. 104. Statement of activities and review.
Sec. 105. Eligible activities.
Sec. 106. Allocation and distribution of funds.
Sec. 107. Discretionary fund.
Sec. 108. Guarantee of loans.
Sec. 109. Use of grants to settle outstanding urban renewal loans.
Sec. 110. Transition provisions.

PART B—OTHER PROGRAMS

Sec. 121. Urban development action grants.
Sec. 122. Urban homesteading.
Sec. 123. Neighborhood development demonstration.
Sec. 124. Rehabilitation loans.
Sec. 125. Neighborhood Reinvestment Corporation.
Sec. 126. Repealers.

TITLE II—HOUSING ASSISTANCE PROGRAMS

Sec. 201. Allocation and use of assisted housing authority.
Sec. 202. Increasing in single person occupancy limitation.
Sec. 203. Priority for housing assistance.
Sec. 204. Lease and grievance procedures.
Sec. 205. Reporting requirements.
Sec. 206. Amendments affecting tenant rents or contributions.
Sec. 207. Voucher demonstration.
Sec. 208. Renewal of section 8 contracts.
Sec. 209. Repeal of new construction authority.
Sec. 210. Single room occupancy housing.
Sec. 211. Shared housing for the elderly and handicapped.
Sec. 212. Payments for operation of lower income housing projects.
Sec. 213. Income eligibility.
Sec. 214. Demolition and disposition of public housing.
Sec. 215. Financing limitations.
Sec. 216. Emergency shelter program.
Sec. 217. Operating assistance for troubled multifamily housing projects.
Sec. 218. Section 236 assistance.
Sec. 219. Rent supplemental program.
Sec. 220. Report regarding housing neighborhood strategy area program.
Sec. 221. Consideration of utility payments made by tenants in assisted housing.
Sec. 222. Public housing child care demonstration program.
Sec. 223. Housing for the elderly and handicapped.
Sec. 224. Congregate services.
Sec. 225. Demonstration project.
Sec. 226. Section 235 homeownership assistance.
Sec. 227. Pet ownership in assisted rental housing for the elderly or handicapped.

TITLE III—RENTAL HOUSING REHABILITATION AND PRODUCTION PROGRAM

Sec. 301. Rental rehabilitation and development grants.
Sec. 302. Conforming amendments to the Housing and Community Development Act of 1974.
Sec. 303. Conforming amendments to the National Housing Act.

TITLE IV—PROGRAM AMENDMENTS AND EXTENSIONS

PART A—FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS

SUBPART 1—GENERAL AUTHORITIES AND REQUIREMENTS

Sec. 401. Extension of mortgage insurance programs.
Sec. 402. Amount to be insured under the National Housing Act.
Sec. 403. Authorization of appropriations to cover losses to the General Insurance Fund.
Sec. 404. Elimination of requirement that Federal Housing Administration interest rates be set by law.
Sec. 405. Minimum property standards.
Sec. 406. Time of payment of mortgage insurance premiums.
Sec. 407. Mortgage insurance for American Samoa.
Sec. 408. Assignment of section 221(g)(4) mortgages to Government National Mortgage Association.
Sec. 409. Termination of section 221 buyback provision.

Subpart 2—Single-Family Mortgage Insurance Programs

Sec. 415. Title I insurance for existing manufactured homes.
Sec. 416. Increased title I loan limits for manufactured homes and lots.
Sec. 417. Refinancing manufactured homes under title I.
Sec. 418. Counseling for persons assisted

under temporary mortgage assistance payments program.
Sec. 419. Cooperative housing.
Sec. 420. Mortgage insurance for condominium units.
Sec. 421. Single-family mortgage insurance on Hawaiian home lands.
Sec. 422. Single family mortgage insurance on Indian reservations.
Sec. 423. Treatment of Federal Housing Administration single family premiums.
Sec. 424. Change in maximum loan-to-value ratio for modestly priced single family homes.
Sec. 425. Nonoccupant single family mortgagors.
Sec. 426. Payment of claims without acquisition of title.
Sec. 427. Structural defects in Veterans' Administration-approved, Federal Housing Administration-insured new homes.
Sec. 428. Reinsurance demonstration program.

Subpart 3—Multifamily and Other Mortgage Insurance Programs

Sec. 431. Discretionary authority to regulate rents or charges.
Sec. 432. Removal of refinancing limitations on certain multifamily projects.
Sec. 433. Limitation on prepayment of mortgages on multifamily rental housing.
Sec. 434. Assumption of loss under multifamily co-insurance.
Sec. 435. Mortgage insurance for manufactured home parks for the elderly.
Sec. 436. Mortgage insurance for public hospitals.
Sec. 437. Mortgage insurance for board and care homes.

Subpart 4—Insurance of Alternative Mortgage Instruments

Sec. 441. Indexed mortgages.
Sec. 442. Graduated payment mortgages for multifamily housing.
Sec. 443. Adjustable rate mortgages for single family housing.
Sec. 444. Shared appreciation mortgages for single family housing.
Sec. 445. Shared appreciation mortgages for multifamily housing.
Sec. 446. Insurance of mortgages not providing for complete amortization.
Sec. 447. Premium charges for insurance of alternative mortgage instruments.
Sec. 448. Report on home equity conversion mortgages for the elderly.

PART B—FLOOD AND PROPERTY INSURANCE PROGRAMS

Sec. 451. Flood insurance.
Sec. 452. Crime and riot insurance.
Sec. 453. Study of sinkhole insurance.

PART C—REGULATORY AND OTHER PROGRAMS

Sec. 461. Real estate settlement procedures.
Sec. 462. National Institute of Building Sciences.
Sec. 463. Solar Energy and Energy Conservation Bank.
Sec. 464. Weatherization program.
Sec. 465. Counseling.
Sec. 466. Research authorization.
Sec. 446. National housing partnerships.
Sec. 468. Report regarding program changes.
Sec. 469. Periodic report on residential mortgage delinquencies and foreclosures.
Sec. 470. Public notice and comment regarding Department demonstration programs.
Sec. 471. Multifamily mortgage foreclosure.
Sec. 472. Alternative mortgage transactions.
Sec. 473. Due-on sale clause prohibitions.
Sec. 474. Cancellation of debt owed the Treasury and liquidation of new communities program.

PART D—SECONDARY MORTGAGE MARKET PROGRAMS

Sec. 481. Amount to be guaranteed under the Government National Mortgage Association mortgage-backed securities program.
Sec. 482. Government National Mortgage Association commitment extension.
Sec. 483. Special assistance and emergency mortgage purchase assistance functions of the Government National Mortgage Association.

TITLE V—RURAL HOUSING

Sec. 501. Short title.
Sec. 502. Definitions.
Sec. 503. Section 502 amendments.
Sec. 504. Rehabilitation loans.
Sec. 505. Technical services and research.
Sec. 506. Standards for adequate housing.
Sec. 507. General authority of the Secretary.
Sec. 508. Amendment to section 511.
Sec. 509. Repeal of section 512.
Sec. 510. Determination of need for housing under sections 514 and 516.
Sec. 511. Authorizations.
Sec. 512. Section 515 amendments.
Sec. 513. Farm labor housing.
Sec. 514. Insured rural housing loans.
Sec. 515. Definition of rural area.
Sec. 516. Shared housing for the elderly and handicapped.
Sec. 517. Rental assistance tenant contribution.
Sec. 518. Technical and supervisory assistance.
Sec. 519. Condominium housing.
Sec. 520. FHA insurance.
Sec. 521. Processing of application.
Sec. 522. Rural housing preservation grant program.
Sec. 523. Miscellaneous.

TITLE VI—EXPORT-IMPORT BANK ACT AMENDMENTS OF 1983

Sec. 601. Short title.

PART A—EXPORT-IMPORT BANK ACT AMENDMENTS

Sec. 611. Extension of the Export-Import Bank Act.
Sec. 612. Competitive mandate.
Sec. 613. Advisory committee.
Sec. 614. Terms of directors.
Sec. 615. Report on authority.
Sec. 616. Exports of services.
Sec. 617. Competitive insurance.
Sec. 618. Small business needs.
Sec. 619. Special facilities in support of United States exports.
Sec. 620. Technical amendments.
Sec. 621. Capital level of the Bank.
Sec. 622. Medium-term financing.
Sec. 623. Report to Congress.

PART B—MATCHING CREDITS

Sec. 631. Matching credits.
Sec. 632. Report.
Sec. 633. Technical amendment.

PART C—TIED AID CREDIT EXPORT SUBSIDIES

Sec. 641. Short title.
Sec. 642. Statement of purpose.
Sec. 643. Negotiating mandate.
Sec. 644. Establishment of a tied aid credit program in the United States Export-Import Bank.
Sec. 645. Establishment of a tied aid credit program in the Agency for International Development.
Sec. 646. Implementation.
Sec. 647. Definitions.

TITLE VII—MISCELLANEOUS PROVISIONS

Sec. 701. Home Mortgage Disclosure Act Amendments.
Sec. 702. Members to serve until successors are appointed.
Sec. 703. Extension to March 1, 1984.

TITLE VIII—INTERNATIONAL MONETARY FUND

Sec. 801. Promoting conditions for exchange rate stability.
Sec. 802. Quota increase.
Sec. 803. Special drawing rights.
Sec. 804. Instructions to the United States Executive Director.
Sec. 805. Elimination of agricultural export subsidies.
Sec. 806. Sustaining economic growth.
Sec. 807. Opposing Fund bailouts of banks.
Sec. 808. Surplus commodities.
Sec. 809. International cooperation.
Sec. 810. IMF interest rates.
Sec. 811. Borrowing in United States credit markets.
Sec. 812. Trade provisions.
Sec. 813. Reports to Congress.

TITLE IX—INTERNATIONAL LENDING SUPERVISION

Sec. 901. Short title.
Sec. 902. Declaration of policy.
Sec. 903. Definitions.
Sec. 904. Strengthened supervision of international lending.
Sec. 905. Reserves.
Sec. 906. Accounting for fees on international loans.
Sec. 907. Collection and disclosure of certain international lending data.
Sec. 908. Capital adequacy.
Sec. 909. Foreign loan evaluations.
Sec. 910. General authorities.
Sec. 911. GAO audit authority.
Sec. 912. Equal representation for the Federal Deposit Insurance Corporation.
Sec. 913. Reports.

TITLE X—MULTILATERAL DEVELOPMENT BANKS

Sec. 1001. Inter-American Development Bank.
Sec. 1002. Asian Development Bank.
Sec. 1003. African Development Fund.
Sec. 1004. Human rights.
Sec. 1005. Study.
Sec. 1006. Personnel practices.

TITLE XI—IMF APPROPRIATION

Sec. 1101. IMF appropriation.
Sec. 1102. Condition of international financial system.

TITLE I—COMMUNITY AND NEIGHBORHOOD DEVELOPMENT AND CONSERVATION

PART A—COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

LOW AND MODERATE INCOME BENEFIT OBJECTIVE

SEC. 101. (a) Section 101(c) of the Housing and Community Development Act of 1974 is amended—

(1) in the first sentence, by inserting after "title" the following: "and of the community development program of each grantee under this title"; and

(2) in the second sentence, by inserting after the first comma the following: "not less than 51 percent of the aggregate of the Federal assistance provided under section 106 and, if applicable, the funds received as a result of a guarantee under section 108, shall be used for the support of activities that benefit persons of low and moderate income, and".

(b) Section 104(b)(3) of such Act is amended—

(1) by striking out the first semicolon and inserting in lieu thereof ", and"; and

(2) by inserting before the semicolon at the end thereof the following: ", except that the aggregate use of funds received under section 106 and, if applicable, as a result of a guarantee under section 108, during a period specified by the grantee of not more than 3 years, shall principally benefit persons of low and moderate income in a manner that ensures that not less than 51 percent of such funds are used for activities that benefit such persons during such period".

DEFINITIONS

SEC. 102. (a) Section 102(a)(4) of the Housing and Community Development Act of 1974 is amended—

(1) by striking out the semicolon and all that follows through "later"; and

(2) by adding at the end thereof the following new sentences: "In order to permit an orderly transition of each city losing its classification as a metropolitan city by reason of the population data of the 1980 decennial census or revisions in the designation of metropolitan areas or central cities, any city classified as or deemed by law to be a metropolitan city for purposes of assistance under any section of this title for fiscal year 1983 shall retain such qualification for purposes of receiving such assistance for fiscal years 1984 and 1985. Any unit of general local government that becomes eligible to be classified as a metropolitan city for fiscal year 1984, or 1985 while its population is included in an urban county for such fiscal year may, upon submission of written notification to the Secretary, defer its classification as a metropolitan city for all purposes under this title for fiscal years 1984, 1985 and 1986 if such unit of general local government continues to have its population included in such urban county under subsection (d).".

(b) Section 102(a)(6) of such Act is amended by striking out the last sentence and inserting in lieu thereof the following new sentences: "In order to permit an orderly transition of each county losing its classification as an urban county by reason of a decrease in population, any county classified as or deemed to be an urban country under this paragraph for purposes of receiving assistance under any section of this title for fiscal year 1983 shall retain such qualification for purposes of receiving such assistance for fiscal years 1984 and 1985, or for such longer period covered by a cooperation agreement entered into during fiscal year 1984. Notwithstanding the combined population amount set forth in clause (B) of the first sentence, a county shall also qualify as an urban county for purposes of assistance under section 106 if such county (A) complies with all other requirements set forth in the first sentence; (B) has, according to the most recent available decennial census data, a combined population between 190,000 and 199,999, inclusive; (C) had a population growth rate of not less than 15 percent during the most recent 10-year period measured by applicable censuses; and (D) has submitted data satisfactory to the Secretary that it has a combined population of not less than 200,000.".

(c) Section 102(a) of such Act is amended by adding at the end thereof the following new paragraphs:

"(20) The terms 'persons of low and moderate income' and 'low- and moderate-income persons' have the meaning given the term 'lower income families' in section 3(b)(2) of the United States Housing Act of 1937. The term 'persons of very low income' has the meaning given the term 'very low income families' in such section. For purposes of such terms, the area involved shall be determined in the same manner as such area is determined for purposes of assistance under section 8 of such Act.

"(21) The term 'buildings for the general conduct of government' means city halls, county administrative buildings, State capital or office buildings or other facilities in which the legislative or general administrative affairs of the government are conducted. Such term does not include such facilities as neighborhood service centers or special purpose buildings located in low- and moderate-income areas that house various nonlegislative functions or services provided by government at decentralized locations.".

(d) Section 102 of such Act is amended by striking out "Department of Commerce" each place it appears in paragraphs (3), (4), and (9) of subsection (a) and in subsection (b) and inserting in lieu thereof "Office of Management and Budget".

(e) Section 102(b) of such Act is amended by striking out the last sentence.

(f) The last sentence of section 102(d) of such Act is amended by inserting before the period at the end thereof the following: ", except where the unit of general local government loses the designation of metropolitan city".

AUTHORIZATION OF APPROPRIATIONS

SEC. 103. Section 103 of the Housing and Community Development Act of 1974 is amended by striking out the second sentence and inserting in lieu thereof the following: "There are authorized to be appropriated for purposes of assistance under sections 106 and 107 not to exceed $3,468,000,000 for each of the fiscal years 1984, 1985, and 1986.".

STATEMENT OF ACTIVITIES AND REVIEW

SEC. 104. (a) Section 104(a)(1) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new sentence: "In all cases, beginning in fiscal year 1984, the statement required in this subsection shall include a description of the use of funds made available under section 106 in fiscal year 1982 and thereafter (or, beginning in fiscal year 1985, such use since preparation of the last statement prepared pursuant to this subsection) together with an assessment of the relationship of such use to the community development objectives identified in the statement prepared pursuant to this subsection for such previous fiscal years and to the requirements of section 104(b)(3).".

(b) Section 104(a)(2) of such Act is amended—

(1) in the first sentence, by inserting "in a timely manner" after "shall";

(2) in subparagraph (A)—

(A) by inserting after "citizens" the following: "or, as appropriate, units of general local government"; and

(B) by inserting before the semicolon at the end thereof the following: ", including the estimated amount proposed to be used for activities that will benefit persons of low and moderate income and the plans of the grantee for minimizing displacement of persons as a result of activities assisted with such funds and to assist persons actually displaced as a result of such activities";

(3) by striking out "and" at the end of subparagraph (B);

(4) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon;

(5) by inserting after subparagraph (C) the following new subparagraphs:

"(D) provide citizens or, as appropriate, units of general local government with reasonable access to records regarding the past use of funds received under section 106 by the grantee; and

"(E) provide citizens or, as appropriate, units of general local government with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of funds received under section 106 from one eligible activity to another."; and

(6) by adding at the end thereof the following new sentence: "Any final statement of activities may be modifed or amended from time to time by the grantee in accordance with the same procedures required in this paragraph for the preparation and submission of such statement.".

(c) Section 104(b) of such Act is amended—

(1) by inserting before the semicolon at the end of paragraph (2) the following: ", and the grantee will affirmatively further fair housing";

(2) by striking out "and" at the end of paragraph (3);

(3) by redesignating paragraph (4) as paragraph (6); and

(4) by inserting after paragraph (3) the following new paragraphs:

"(4) it has developed a community development plan, for the period specified by the grantee under paragraph (3), that identifies community development and housing needs and specifies both short- and long-term community development objectives that have been developed in accordance with the primary objective and requirements of this title;

"(5) the grantee will not attempt to recover any capital costs of public improvements assisted in whole or part under section 106 or with amounts resulting from a guarantee under section 108 by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (A) funds received under section 106 are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (B) for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the grantee certifies to the Secretary that it lacks sufficient funds received under section 106 to comply with the requirements of subparagraph (A); and".

(d) Section 104(c)(1)(A) of such Act is amended by inserting after "community" the first place it appears the following: "(including the number of vacant and abandoned dwelling units)".

(e) Section 104(d) of such Act is amended—

(1) by inserting "and evaluation" after "performance" in the first sentence;

(2) by inserting "and to the requirements of subsection (b)(3)" after "subsection (a)" in the first sentence; and

(3) by inserting after the first sentence the following: "Such report shall also be made available to the citizens in each grantee's jurisdiction in sufficient time to permit such citizens to comment on such report prior to its submission, and in such manner and at such times as the grantee may determine. The grantee's report shall indicate its programmatic accomplishments, the nature of and reasons for changes in the grantee's program objectives, indications of how the grantee would change its programs as a result of its experiences, and an evaluation of the extent to which, its funds were used for activities that benefited low- and moderate-income persons. The report shall include a summary of any comments received the grantee from citizens in its jurisdiction respecting its program. The Secretary shall encourage and assist national associations of grantees eligible under section 106(d)(2)(B), national associations of States, and national associations of units of general local government in nonentitlement areas to develop and recommend to the Secretary, within one year after the effective date of this sentence, uniform recordkeeping, perfomance reporting, and evaluation reporting, and auditing requirements for such grantees, States, and units of local government, respectively. Based on the Secretary's approval of these recommendations, the Secretary shall establish such requirements for use by such grantees, States, and units of local government.".

(f) The second sentence of section 104(g)(1) of such Act is amended by inserting after "payment" the following: "and substantial disbursements from such fund must begin within 180 days after receipt of such payment".

(c) Section 104 of such Act is amended by adding at the end thereof the following new subsections:

"(i) Notwithstanding any other provision of law, any unit of general local government may retain any program income that is realized from any grant made by the Secretary, or any amount distributed by a State, under section 106 if (1) such income was realized after the initial disbursement of the funds received by such unit of general local government under such section; and (2) such unit of general local government has agreed that while the unit of general local government is participating in a community development program under this title it will utilize the program income for eligible community development activities in accordance with the provisions of this title. A State may require as a condition of any amount distributed by such State under section 106(d) that a unit of general local government shall pay to such State any such income to be used by such State to fund additional eligible community development activities, except that such State shall waive such condition to the extent such income is applied to continue the activity from which such income was derived.

"(j) Each grantee shall provide for reasonable benefits to any person involuntarily and permanently displaced as a result of the use of assistance received under this title to acquire or substantially rehabilitate property.".

ELIGIBLE ACTIVITIES

SEC. 105. (a) Section 105(a)(2) of the Housing and Community Development Act of 1974 is amended to read as follows:

"(2) the acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements;".

(b)(1) Section 105(a)(8) of such Act is amended—

(A) by striking out "10" and inserting in lieu thereof "15"; and

(B) by inserting before the semicolon at the end thereof the following: "unless such unit of general local government used more than 15 percent of the assistance received under this title for fiscal year 1983 for such activities (excluding any assistance received pursuant to Public Law 98-8), in which case such unit of general local government may use not more than the percentage or amount of such assistance used for such activities for such fiscal year, whichever method of calculation yields the higher amount".

(2) Section 303(b) of the Housing and Community Development Amendments of 1981 is amended by striking out ", 1983, and 1984" and inserting in lieu thereof "and 1983".

(c) Section 105(a)(14) of the Housing and Community Development Act of 1974 is amended by inserting after "public facilities" the following: "(except for buildings for the general conduct of government)".

(d) Section 105(a)(15) of such Act is amended by inserting the following before the semicolon at the end thereof: ", including grants to neighborhood-based nonprofit organizations, or other private or public nonprofit organizations, for the purpose of assisting, as part of neighborhood revitalization or other community development, the development of shared housing opportunities (other than by construction of new facilities) in which elderly families (as defined in section 3(b)(3) of the United States Housing Act of 1937) benefit as a result of living in a dwelling in which the facilities are shared with others in a manner that effectively and efficiently meets the housing needs of the residents and thereby reduces their cost of housing".

(e) Section 105 of such Act is amended by adding at the end thereof the following new subsection:

"(c)(1) In any case in which an assisted activity described in paragraph (14) or (17) of subsection (a) is identified as principally benefiting persons of low and moderate income, such activity shall—

"(A) be carried out in a neighborhood consisting predominately of persons of low and moderate income and provide services for such persons; or

"(B) involve facilities designed for use predominately by persons of low and moderate income; or

"(C) involve employment of persons, a majority of whom are persons of low and moderate income.

"(2) In any case in which an assisted activity described in subsection (a) is designed to serve an area generally and is clearly designed to meet identified needs of persons of low and moderate income in such area, such activity shall be considered to principally benefit persons of low and moderate income if (A) not less than 51 percent of the residents of such area are persons of low and moderate income; or (B) in any jurisdiction having no areas meeting the requirements of subparagraph (A), the area served by such activity has a larger proportion of persons of low and moderate income than not less than 75 percent of the other areas in the jurisdiction of the recipient.

"(3) Any assisted activity under this title that involves the acquisition of rehabilitation of property to provide housing shall be considered to benefit persons of low and moderate income only to the extent such housing will, upon completion, be occupied by such persons.".

ALLOCATION AND DISTRIBUTION OF FUNDS

SEC. 106. (a) Section 106(b) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new paragraph:

"(6)(A) Where data are available, the amount determined under paragraph (1) for a metropolitan city that has been formed by the consolidation of one or more metropolitan cities with an urban county shall be equal to the sum of the amounts that would have been determined under paragraph (1) for the metropolitan city or cities and the balance of the consolidated government, if such consolidation had not occurred. This paragraph shall apply only to any consolidation that—

"(i) included all metropolitan cities that received grants under this section for the fiscal year preceding such consolidation and that were located within the urban county;

"(ii) included the entire urban county that received a grant under this section for the fiscal year preceding such consolidation; and

"(iii) took place on or after January 1, 1983.

"(B) The population growth rate of all metropolitan cities referred to in section 102(a)(12) shall be based on the population of (i) metropolitan cities other than consolidated governments the grant for which is determined under this paragraph; and (ii) cities that were metropolitan cities before their incorporation into consolidated governments. For purposes of calculating the entitlement share for the balance of the consolidated government under this paragraph, the entire balance shall be considered to have been an urban county.".

(b) Section 106(c)(1)(B) of such Act is amended to read as follows:

"(B) in reallocating amounts resulting from an action under section 104(d) or section 111, a city or county against whom any such action was taken in a fiscal year shall be excluded from a calculation of share for purposes of reallocating, in the succeeding year, the amounts becoming available as a result of such action; and".

(c) Section 106(c) of such Act is amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding the provisions of paragraph (1), the Secretary may upon request transfer responsibility to any metropolitan city for the administration of any amounts received, but not obligated, by the urban county in which such city is located if (A) such city was an included unit of general local government in such county prior to the qualification of such city as a metropolitan city; (B) such amounts were designated and received by such county for use in such city prior to the qualification of such city as a metropolitan city; and (C) such city and county agree to such transfer of responsibility for the administration of such amounts.".

(d)(1) Section 106(d)(2)(A) of such Act is amended—

(A) by striking out "the State" and inserting in lieu thereof "a State that has elected,

in such manner and at such time as the Secretary shall prescribe; and

(B) by inserting after clause (ii) the following new sentence:

"Any election to distribute funds made after the close of fiscal year 1984 is permanent and final.".

(2) Section 106(d)(2)(B) of such Act is amended by striking out "where" and all that follows through the period at the end thereof and inserting in lieu thereof the following: "if the State has not elected to distribute such amounts.".

(e) Section 106(d)(2)(C) of such Act is amended by striking out clause (iii) and inserting in lieu thereof the following new clause:

"(iii) will not refuse to distribute such amounts to any unit of general local government on the basis of the particular eligible activity selected by such unit of general local government to meet its community development needs, except that this clause may not be considered to prevent a State from establishing priorities in distributing such amounts on the basis of the activities selected; and".

(f) Section 106(d)(2) of such Act is amended by adding at the end thereof the following new subparagraph:

"(D) To receive and distribute amounts allocated under paragraph (1), the Governor of each State shall certify that each unit of general local government to be distributed funds will be required to identify its community development and housing needs, including the needs of low and moderate income persons, and the activities to be undertaken to meet such needs.".

(g) The second and third sentences of section 106(d)(3)(A) of such Act are amended to read as follows: "The State shall pay from its own resources all administrative expenses incurred by the State in carrying out its responsibilities under this title, except that from the amounts received for distribution in nonentitlement areas, the State may deduct an amount to cover such expenses not to exceed the sum of $102,000 plus 50 percent of any such expenses in excess of $100,000. Amounts deducted in excess of $100,000 shall not exceed 2 percent of the amount so received.".

(h) Section 106(d)(3) of such Act is amended by striking out subparagraph (C) and inserting in lieu thereof the following:

"(C) Any amounts allocated for use in a State under paragraph (1) that are not received by the State for any fiscal year because of failure to meet the requirements of subsection (a) or (b) of section 104, or that become available as a result of actions against the State under section 104(d) or 111, shall be added to amounts allocated to all States under paragraph (1) for the succeeding fiscal year.

"(D) Any amounts allocated for use in a State under paragraph (1) that become available as a result of actions under section 104(d) or 111 against units of general local government in nonentitlement areas of the State or as a result of the closeout of a grant made by the Secretary under this section in nonentitlement areas of the State shall be added to amounts allocated to the State under paragraph (1) for the fiscal year in which the amounts become so available.".

(i) Section 106(d) of such Act is amended by adding at the end thereof the following new paragraphs:

"(5) No amount may be distributed by any State or the Secretary under this subsection to any unit of general local government located in a nonentitlement area unless such unit of general local government certifies that—

"(A) it will minimize displacement of persons as a result of activities assisted with such amounts;

"(B) its program will be conducted and administered in conformity with Public Law 88-352 and Public 90-284, and that it will affirmatively further fair housing;

"(C) it will provide for opportunities for citizen participation, hearings, and access to information with respect to its community development program that are comparable to those required of grantees under section 104(a)(2); and

"(D) it will not attempt to recover any capital costs of public improvements assisted in whole or part under section 106 or with amounts resulting from a guarantee under section 108 by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (i) funds received under section 106 are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (ii) for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the grantee certifies to the Secretary or such State, as the case may be, that it lacks sufficient funds received under section 105 to comply with the requirements of clause (i).

"(6) Any activities conducted with amounts received by a unit of general local government under this subsection shall be subject to the applicable provisions of this title and other Federal law in the same manner and to the same extent as activities conducted with amounts received by a unit of general local government under subsection (a).".

(j) Section 106(f) of such Act is amended to read as follows:

"(f) If the total amount available for distribution in any fiscal year to metropolitan cities and urban counties under this section is insufficient to provide the amounts to which metropolitan cities and urban counties would be entitled under subsection (b), and funds are not otherwise appropriated to meet the deficiency, the Secretary shall meet the deficiency through a pro rata reduction of all amounts determined under subsection (b). If the total amount available for distribution in any fiscal year to metropolitan cities and urban counties under this section exceeds the amounts to which metropolitan cities and urban counties would be entitled under subsection (b), the Secretary shall distribute the excess through a pro rata increase of all amounts determined under subsection (b).".

DISCRETIONARY FUND

SEC. 107. (a) Section 107(a) of the Housing and Community Development Act of 1974 is amended by striking out the first sentence and inserting in lieu thereof the following: "of the total amount approved in appropriation Acts under section 103 for each of the fiscal years 1984, 1985, and 1986, not more than $68,200,000 for each such fiscal year may be set aside in a special discretionary fund for grants under subsection (b).".

(b) Section 107(b)(4) of such Act is amended to read as follows:

"(4) to States, units of general local government, Indian tribes, or areawide planning organizations for the purpose of providing technical assistance in planning, developing, and administering assistance under this title; to groups designated by such governmental units to assist them in carrying out assistance under this title; to qualified groups for the purpose of assisting more than one such governmental unit to carry out assistance under this title; and to States and units of general local government for implementing special projects otherwise authorized under this title; and the Secretary may also provide technical assistance, directly or through contracts, to such governmental units and groups; and".

(c) Section 107(b) of such Act is amended—

(1) by striking out "and" at the end of paragraph (3); and

(2) by adding at the end thereof the following new paragraph:

"(5) to States and units of general local government for the purpose of allocating amounts to any such State or unit of general local government that is determined by the Secretary to have received insufficient amounts under section 106 as a result of a miscalculation of its share of funds under such section.".

GUARANTEE OF LOANS

SEC. 108. (a) Section 108(a) of the Housing and Community Development Act of 1974 is amended by inserting after the first sentence the following new sentence: "A guarantee under this section may be used to assist a grantee in obtaining financing only if the grantee has made efforts to obtain such financing without the use of such guarantee and cannot complete such financing consistent with the timely execution of the program plans without such guarantee.".

(b) Section 108(a) of such Act is amended by striking out the last sentence and inserting in lieu thereof the following: "Notwithstanding any other provision of law and subject only to the absence of qualified applicants or proposed activities, to the authority provided in this section, and to any funding limitation approved in appropriation Acts, the Secretary shall enter into commitments during fiscal year 1984 to guarantee notes and obligations under this section with an aggregate principal amount of $225,000,000.".

USE OF GRANTS TO SETTLE OUTSTANDING URBAN RENEWAL LOANS

SEC. 109. Section 112 of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new subsection:

"(c) Any unit of general local government may retain any program income that is realized from a grant made by the Secretary pursuant to subsection (a) or under title I of the Housing Act of 1949 (1) such income was realized after the initial disbursement of the grant funds by such unit of general local government; and (2) such unit of general local government agrees to utilize the program income for eligible community development activities in accordance with the provisions of this title.".

TRANSITION PROVISIONS

SEC. 110. (a) Section 116(b) of the Housing and Community Development Act of 1974 is amended by—

(1) striking out "(in the fiscal year)"; and

(2) striking out "in that year" and inserting in lieu thereof "for that year".

(b) The amendments made by this section shall apply only to funds available for fiscal year 1984 and thereafter.

PART B—OTHER PROGRAMS

URBAN DEVELOPMENT ACTION GRANTS

SEC. 121. (a) Section 119(a) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new sentence: "There are authorized to be appropriated to carry out the provisions of this section not to exceed $440,000,000 for each of the fiscal years 1984, 1985, and 1986, and any amount appropriated under this sentence shall remain available until expended.".

(b) Section 119(b)(1) of such Act is amended—

(1) in the last sentence, by striking out "where data are available, the extent of unemployment and job lag" and inserting in lieu thereof the following: "the extent of unemployment, job lag, or surplus labor"; and

(2) by adding at the end thereof the following new sentences: "Any city that has a population of less than 50,000 persons and is not the central city of a metropolitan area, and that was eligible for fiscal year 1983 under this paragraph for assistance under this section, shall continue to be eligible for such assistance until the Secretary revises the standards for eligibility for such cities under this paragraph and includes the extent of unemployment, job lag, or labor surplus as a standard of distress for such cities. The Secretary shall make such revision as soon as practicable following the effective date of this sentence.".

(c) Subparagraphs (A) and (B) of section 119(b)(2) of such Act are each amended by inserting "neighborhood statistics areas," after "enumeration districts,".

(d) Section 119(c)(3) of such Act is amended—

(1) by striking out ", and (B)" and inserting in lieu thereof "; (B)"; and

(2) by inserting the following after "carried out" in clause (B): "; and (C) has made available the analysis described in clause (B) to any interested person or organization residing or located in the neighborhood in which the proposed activities are to be carried out".

(e) Section 119(d)(1) of such Act is amended in the first sentence by adding after the word "criteria" where it first appears: "for a national competition".

(f) Section 119(i) of such Act is amended by adding at the end thereof the following new sentence: "The Secretary shall encourage cooperation by geographically proximate cities of less than 50,000 population by permitting consortia of such cities, which may also include county governments that are not urban counties, to apply for grants on behalf of a city that is otherwise eligible for assistance under this section. Any grants awarded to such consortia shall be administered in compliance with eligibility requirements applicable to individual cities.".

(g) Section 119 of such Act is amended by adding at the end thereof the following new subsections:

"(p) An unincorporated portion of an urban county that is approved by the Secretary as an identifiable community for purposes of this section is eligible for a grant under subsection (b)(2) if such portion meets the eligibility requirements contained in the first sentence of subsection (b)(1) and the requirements of subsection (b)(2)(B) (applied to the population of the portion of the urban county) and if it otherwise complies with the provisions of this section.

"(q) of the amounts appropriated for purposes of this section for any fiscal year, not more than $2,500,000 may be used by the Secretary to make technical assistance grants to States or their agencies, municipal technical advisory services operated by universities, or State associations of counties or municipalities, to enable such entities to assist units of general local government described in subsection (i) in developing, applying for assistance for, and implementing programs eligible for assistance under this section.

"(r) In providing assistance under this section, the Secretary may not discriminate among programs on the basis of the particular type of activity involved, whether such activity is primarily a neighborhood, industrial, or commercial activity.".

URBAN HOMESTEADING

SEC. 122. (a) The first sentence of section 810(h) of the Housing and Community Development Act of 1974 is amended by striking out "and (g)" and all that follows through "1983" and inserting in lieu thereof the following: ", (g), (h), and (i), there are authorized to be appropriated not to exceed $12,000,000 for fiscal year 1984, and such sums as may be necessary for fiscal year 1985".

(b) Section 810(a)(3) of such Act is amended by inserting "by a person legally entitled to reside there" before the semicolon.

(c) Section 810(b)(3) of such Act is amended—

(1) by striking out "three years" in subparagraph (A) and inserting in lieu thereof "5 years, except under such emergency standards as may be prescribed by the Secretary".

(2) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) repair all defects in the property that pose a substantial danger to health and safety within 1 year of the date of such initial conveyance;"; and

(3) by striking out "eighteen months after occupying the property" in subparagraph (C) and inserting in lieu thereof "3 years after the date of initial conveyance".

(d) Section 810(b) of such Act is amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(7) an equitable procedure for selecting the recipients of such properties that—

"(A) gives a special priority to applicants—

"(i) whose current housing fails to meet standards of health and safety, including overcrowding;

"(ii) who currently pay in excess of 30 percent of their income for shelter; and

"(iii) who have little prospect of obtaining improved housing within the foreseeable future through means other than homesteading;

"(B) excludes applicants who are currently homeowners; and

"(C) takes into account the capacity of the applicant to contribute a substantial amount of labor to the rehabilitation process, or to obtain assistance from private sources, community organizations, or other sources.".

(e) Section 810(f) of such Act is amended—

(1) by inserting ", the Secretary of Agriculture," after "Secretary" each place it appears;

(2) by striking out "one- to four-family residences" and inserting in lieu thereof "residential properties"; and

(3) by adding at the end thereof the following new sentence: "Such listing shall be accessible to the public during ordinary business hours at the offices of such unit of general local government or public agency.".

(f) Section 810 of such Act is amended—

(1) in subsection (c), by inserting "or (h)" after "subsection (b)";

(2) by redesignating subsection (h) as subsection (k); and

(3) by inserting after subsection (g) the following new subsections:

"(h)(1) The Secretary may, on a demonstration basis during fiscal years 1984 and 1985, convey to any unit of general local government or public agency designated by such unit of general local government any real property—

"(A) to which the Secretary holds title; and

"(B) that the Secretary determines to be suitable for a multifamily homesteading program that complies with the requirements of paragraph (2);

for such consideration, if any, as may be agreed upon between the Secretary and such unit of general local government or public agency.

"(2) Any multifamily homesteading progam carried out by any unit of general local government or public agency designated by any such unit of general local government shall be considered a multifamily homesteading program that complies with the requirements of this subsection if the Secretary determines that such program contains adequate assurances that—

"(A) the primary use of all homestead properties following conversion or rehabilitation shall be residential; and

"(B) not less than 75 percent of the residential occupants of homestead properties following conversion or rehabilitation shall be lower income families.

"(3) As used in this subsection and subsection (i) the term 'lower income families' has the meaning given such term in section 3(b)(2) of the United States Housing Act of 1937.

"(i)(1) The Secretary shall use not more than $1,000,000 of the amounts appropriated under this section for each of the fiscal years 1984 and 1985 to undertake a program to demonstrate the feasibility of providing assistance to State or local governments or their agencies for the purchase of any real property that—

"(A) is improved by one- to four-family residence;

"(B) is not occupied by a person legally entitled to reside there;

"(C) is designated by a State or general unit of local government for use in a single family homestead program; and

"(D) will be conveyed to lower income families under such program upon condition that each such family agrees—

"(i) to occupy the property as a principal residence for a period of not less than 5 years, except under such emergency standards as may be prescribed by the Secretary;

"(ii) to repair all defects in the property that pose a substantial danger to health or safety within 1 year of the date of the initial conveyance; and

"(iii) to make such repairs and improvements to the property as may be necessary to meet applicable local standards for decent, safe, and sanitary housing within 3

years after the date of the initial conveyance.

"(2) The Secretary shall give a preference to demonstrations under this subsection involving the acquisition of properties that become available in satisfaction of public liens such as tax liens.

"(j) The Secretary shall conduct a continuing evaluation of the demonstration programs carried out under subsections (h) and (i) and shall transmit to the Congress a report not later than December 31, 1985, containing a summary of his evaluation of all such programs and his recommendations for the future conduct of such programs.".

NEIGHBORHOOD DEVELOPMENT DEMONSTRATION

SEC. 123. (a) For the purposes of this section:

(1) The term "eligible neighborhood development activity" means—

(A) creating permanent jobs in the neighborhood;

(B) establishing or expanding businesses within the neighborhood;

(C) developing, rehabilitating, or managing neighborhood housing stock;

(D) developing delivery mechanisms for essential services that have lasting benefit to the neighborhood; or

(E) planning, promoting, or financing voluntary neighborhood improvement efforts.

(2) The term "eligible neighborhood development organization" means—

(A) an entity organized as a private, voluntary, nonprofit corporation under the laws of the State in which it operates;

(B) an organization that is responsible to residents of its neighborhood through a governing body, not less than 51 percent of the members of which are residents of the area served;

(C) an organization that has conducted business for at least 3 years prior to the date of application for participation;

(D) an organization that operates within an area that meets the requirements for Federal assistance under section 119 of the Housing and Community Development Act of 1974; and

(E) an organization that conducts one or more eligible neighborhood development activities that have as their primary beneficiaries low- and moderate-income persons, as defined in section 102(a)(20) of the Housing and Community Development Act of 1974.

(3) The term "Secretary" means the Secretary of Housing and Urban Development.

(b)(1) The Secretary shall carry out, in accordance with this section, a demonstration program to determine the feasibility of supporting eligible neighborhood development activities by providing Federal matching funds to eligible neighborhood development organizations on the basis of the monetary support such organizations have received from individuals, businesses, and nonprofit or other organizations in their neighborhoods prior to receiving assistance under this section.

(2) The Secretary shall accept applications from eligible neighborhood development organizations for participation in the demonstration program. Eligible organizations may participate in more than 1 year of the program, but shall be required to submit a new application and to compete in the selection process for each program year. Not more than 30 percent of the grants may be for multiyear awards.

(3) From the pool of eligible neighborhood development organizations submitting applications for participation in a given program year, the Secretary shall select participating organizations in an appropriate number through a competitive selection process. To be selected, an applicant shall—

(A) have demonstrated measurable achievements in one or more of the activities specified in subsection (a)(4);

(B) specify a business plan for accomplishing one or more of the activities specified in subsection (a)(4); and

(C) specify a strategy for achieving greater long term private sector support.

(e)(1) The Secretary shall award grants under this section among the eligible neighborhood development organizations submitting applications for such grants on the basis of—

(A) the degree of economic distress of the neighborhood involved;

(B) the extent to which the proposed activities will benefit persons of low and moderate income;

(C) the extent of neighborhood participation in the proposed activities, as indicated by the proportion of the households and businesses in the neighborhood involved that are members of the eligible neighborhood development organization involved; and

(D) the extent of voluntary contributions available for the purpose of subsection (e)(4), except that the Secretary shall waive the requirement of this subparagraph in the case of an application submitted by a small eligible neighborhood development organization, an application involving activities in a very low-income neighborhood, or an application that is especially meritorious.

(d) The Secretary shall consult with an informal working group representative of eligible neighborhood organizations with respect to the implementation and evaluation of the program established in this section.

(e)(1) The Secretary shall assign each participating organization a defined program year, during which time voluntary contribution from individuals, businesses, and nonprofit or other organizations in the neighborhood shall be eligible for matching.

(2) Subject to paragraph (3), at the end of each 3-month period occurring during the program year, the Secretary shall pay to each participating neighborhood development organization the product of—

(A) the aggregate amount of voluntary contributions that such organization certifies to the satisfaction of the Secretary it received during such 3-month period; and

(B) the matching ratio established for such test neighborhoods under paragraph (4).

(3) The Secretary shall pay not more than $50,000 under this Act to any participating neighborhood development organization during a single program year.

(4) For purposes of paragraph (2), the Secretary shall, for each participating organization, determine an appropriate ratio by which monetary contributions made to participating neighborhood development organizations will be matched by Federal funds. The highest such ratios shall be established for neighborhoods having the smallest number of households or the greatest degree of economic distress.

(5) The Secretary shall insure that—

(A) grants and other forms of assistance may be made available under this section only if the application contains a certification by the unit of general local government within which the neighborhood to be assisted is located that such assistance is not inconsistent with the housing and community development plans of such unit, except that the failure of a unit of general local government to respond to a request for a certification within 30 days after the request is made shall be deemed to be a certification; and

(B) eligible neighborhood development activities comply with all applicable provisions of the Civil Rights Act of 1964;

(6) To carry out this subsection, the Secretary—

(A) may issue regulations as necessary;

(B) shall utilize, to the fullest extent practicable, relevant research previously conducted by Federal agencies, State and local governments, and private organizations and persons;

(C) shall disseminate information about the kinds of activities, forms of organizations, and fund-raising mechanisms associated with successful programs;

(D) shall undertake any other activity the Secretary deems necessary to carry out this section, which shall include an evaluation and report to Congress on the demonstration and may include the performance of research, planning, and administration, either directly, or when in the Secretary's judgment such activity will be carried out more effectively, more rapidly, or at less cost, by contract or grant; and

(F) may use not more than 5 percent of the funds appropriated for administrative or other expenses in connection with the demonstration.

(f) The Secretary shall submit to the Congress—

(1) not later than 3 months after the end of each fiscal year in which payments are made under this section, an interim report containing a summary of the activities carried out under this section during such fiscal year and any preliminary findings or conclusions drawn from the demonstration program; and

(2) not later than March 15 of the year after the end of the last fiscal year in which such payments are made, a final report containing a summary of all activities carried out under this section, the evaluation required in subsection (e)(6)(D) and any findings, conclusions, or recommendations for legislation drawn from the demonstration program.

(g) For purposes of carrying out this section, there are authorized to be appropriated not to exceed $2,000,000 for each of the fiscal years 1984 and 1985.

REHABILITATION LOANS

SEC. 124. (a) Section 312(d) of the Housing Act of 1964 is amended by adding the following new sentence at the end thereof: "The Secretary may not establish (1) any requirement that a certain proportion of assistance received under this section be utilized for any particular type of dwelling unit; or (2) any priority for the receipt of such assistance that is based on the receipt or use of funds by an applicant or area under any other program of Federal assistance for housing or community development, other than the urban homesteading program established in section 810 of the Housing and Community Development Act of 1974.".

(b) Section 312(h) of such Act is amended—

(1) by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1984"; and

(2) by striking out "December 1, 1983" and inserting in lieu thereof "October 1, 1984".

NEIGHBORHOOD REINVESTMENT CORPORATION

SEC. 125. Section 608(a) of the Neighborhood Reinvestment Corporation Act is amended by striking out "title" and all that

follows though "1982" and inserting in lieu thereof the following: "title not to exceed $16,512,000 for fiscal year 1984, and such sums as may be necessary for fiscal year 1985".

REPEALERS

SEC. 126. (a)(1) Section 414 of the Housing and Urban Development Act of 1969 hereby is repealed.

(2) Notwithstanding paragraph (1), the Secretary of Housing and Urban Development and the Secretary of Agriculture may dispose of Federal surplus real property pursuant to the terms of section 414 of such Act if, prior to the date of the enactment of this Act, either Secretary had requested the Administrator of General Services to transfer such property for such disposition.

(3) Notwithstanding paragraph (1), section 414(b) of such Act shall continue to apply, where applicable, to all property transferred by either Secretary pursuant to section 414 of such Act, including properties transferred pursuant to paragraph (2).

(b)(1) Section 106(g) of the Housing Act of 1949 hereby is repealed.

(2) Section 703(d) of the Housing and Urban Development Act of 1965 hereby is repealed.

(3) Section 704, and the second sentence of section 706, of the Housing Act of 1961 hereby are repealed.

TITLE II—HOUSING ASSISTANCE PROGRAMS

ALLOCATION AND USE OF ASSISTED HOUSING AUTHORITY

SEC. 201. (a)(1) Section 213(a)(1) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following: "Upon receiving an application for such housing assistance, the Secretary shall assure that funds made available under this section shall be utilized to the maximum extent practicable to meet the needs and goals identified in the unit of local government's housing assistance plan.".

(2) Section 213(d) of such Act is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) The Secretary shall allocate assistance referred to in subsection (a) (other than assistance approved in appropriation Acts for use under sections 9, 14, and 17 of the United States Housing Act of 1937) the first time it is available for reservation on the basis of a formula which is contained in a regulation prescribed by the Secretary, and which is based on the relative needs of different States, areas and communities as reflected in data as to population, poverty, housing overcrowding, housing vacancies, amount of substandard housing, and other objectively measurable conditions specified in such regulation. Any amounts allocated to a State or areas or communities within a State which are not likely to be utilized within a fiscal year shall not be reallocated for use in another State unless the Secretary determines that other areas or communities within the same State cannot utilize the amounts within that same fiscal year.

"(2) Not later than sixty days after approval in an appropriation Act, the Secretary shall allocate from the amounts available for use in nonmetropolitan areas an amount of authority for assistance under section 8(d) of the United States Housing Act of 1937 determined in consultation with the Secretary of Agriculture for use in connection with section 532 of the Housing Act of 1949 during the fiscal year for which such authority is approved. The amount of assistance allocated to nonmetropolitan areas pursuant to this section in any fiscal year shall not be less than 20 nor more than 25 per centum of the total amount of such assistance.".

(3) Not later than March 1, 1984, the Secretary shall report to the Congress on the impact of the last sentence of section 213(d)(2) of the Housing and Community Development Act of 1974.

(b) Section 5(c) of the United States Housing Act of 1937 is amended—

(1) by striking out the last sentence of paragraph (1);

(2) By striking out paragraphs (2) and (3) and redesignating the remaining paragraphs accordingly; and

(3) by adding at the end thereof the following:

"(5) During such period as the Secretary may prescribe for starting construction, the Secretary may approve the conversion of public housing development authority for use under section 14 or for use for the acquisition and rehabilitation of property to be used in public housing, if the public housing agency, after consultation with the unit of local government, certifies that such assistance would be more effectively used for such purpose, and if the total number of units assisted will not be less than 90 per centum of the units covered by the original reservation.

"(6) The aggregate amount of budget authority which may be obligated for contracts for annual contributions and for grants under section 17 is increased by $9,912,928,000 on October 1, 1983, and by such sums as may be approved in appropriation Acts on October 1, 1984.

"(7)(A) Using the additional budget authority provided under paragraph (6) and the balances of budget authority which become available during fiscal year 1984, to the extent approved in appropriations Acts, the Secretary may reserve authority to enter into obligations aggregating—

"(i) not to exceed $1,289,550,000 for public housing, of which not to exceed $389,550,000 shall be available for Indian housing;

"(ii) not to exceed $1,926,400,000 for assistance under section 8 in connection with projects developed under section 202 of the Housing Act of 1959;

"(iii) not to exceed $1,550,000,000 for comprehensive improvement assistance under section 14;

"(iv) not to exceed $2,217,150,000 for assistance under section 8(b)(1);

"(v) not to exceed $540,000,000 for assistance under section 8(e)(5);

"(vi) not to exceed $242,115,000 for assistance under section 8(o);

"(vii) not to exceed $150,000,000 for assistance under section 17 with respect to rental rehabilitation;

"(viii) not to exceed $200,000,000 with respect to rental development under section 17; and

"(ix) not to exceed $1,603,170,000 for additional assistance under section 8.

"(B) Using the additional budget authority provided under paragraph (6) and the balances of budget authority which become available during fiscal year 1985, to the extent approved in appropriations Acts, the Secretary may reserve authority to enter into obligations aggregating—

"(i) not to exceed such sums as may be approved in an appropriation Act for public housing, of which not to exceed such sums as may be approved in an appropriation Act shall be available for Indian housing;

"(ii) not to exceed such sums as may be approved in an appropriation Act for assistance under section 8 in connection with projections developed under section 202 of the Housing Act of 1959;

"(iii) not to exceed such sums as may be approved in an appropriation Act for comprehensive improvement assistance under section 14;

"(iv) not to exceed such sums as may be approved in an appropriation Act for assistance under section 8(b)(1);

"(v) not to exceed such sums as may be approved in an appropriation Act for assistance under section 8(e)(5);

"(vi) not to exceed such sums as may be approved in an appropriation Act for assistance under section 8(o);

"(vii) not to exceed $150,000,000 for assistance under section 17 with respect to rental rehabilitation;

"(viii) not to exceed $115,000,000 with respect to rental development under section 17; and

"(ix) not to exceed such sums as may be approved in an appropriation Act for additional assistance under section 8.

"(C) The specific authorities under this paragraph are subject to such adjustments as may be made under paragraph (5).".

(c) Section 6 of such Act is amended by adding at the end thereof the following:

"(h) On or after October 1, 1983, the Secretary may enter into a contract involving new construction only if the public housing agency demonstrates to the satisfaction of the Secretary that the cost of new construction is less than the cost of acquisition or acquisition and rehabilitation, including any reserve fund under subsection (i), would be.

"(i) The Secretary may, upon application by a public housing agency in connection with the acquisition of housing for use as public housing, establish and set aside a reserve fund in an amount not to exceed 30 per centum of the acquisition cost which shall be available for use for major repairs to such housing.

"(j) On or after October 1, 1983, in entering into commitments for the development of public housing, the Secretary shall give a priority to projects for the construction of housing suitable for occupancy by large families.".

INCREASE IN SINGLE PERSON OCCUPANCY LIMITATION

SEC. 202. Section 3(b)(3) of the United States Housing Act of 1937 is amended by adding at the end thereof the following new sentence: "The Secretary may increase the limitation described in the second sentence of this paragraph to not more than 30 per centum if, following construction with the public housing agency involved, the Secretary determines that the dwelling units involved are neither being occupied, nor are likely to be occupied within the next 12 months, by families or persons described in clauses (A), (B), and (C), due to the condition or location of such dwelling units, and that such dwelling units may be occupied if made available to single persons described in clause (D).".

PRIORITY FOR HOUSING ASSISTANCE

SEC. 203. (a) Section 6(c)(4)(A) of the United States Housing Act of 1937 is amended by inserting "or are paying more than 50 per centum of family income for rent" after "under this Act".

(b)(1) Section 8(d)(1)(A) of such Act is amended by inserting ", are paying more than 50 per centum of family income for rent." after "substandard housing".

(2) Section 6(e)(2) of such Act is amended by inserting ", are paying more than 50 per centum of family income for rent," after "substandard housing".

(3) Section 101(e)(1)(B) of the Housing and Urban Development Act of 1965 is amended by inserting ", was paying more than 50 per centum of family income for rent," after "substandard housing".

LEASE AND GRIEVANCE PROCEDURES

SEC. 204. Section 6 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsections:

"(k) The Secretary shall by regulation require each public housing agency receiving assistance under this Act to establish and implement an administrative grievance procedure under which tenants will—

"(1) be advised of the specific grounds of any proposed adverse public housing agency action;

"(2) have an opportunity for a hearing before an impartial party upon timely request within any period applicable under subsection (l);

"(3) have an opportunity to examine any documents or records or regulations related to the proposed action;

"(4) be entitled to be represented by another person of his choice at any hearing;

"(5) be entitled to ask questions of witnesses and have others make statements on his behalf; and

"(6) be entitled to receive a written decision by the public housing agency on the proposed action.

An agency may exclude from its procedure any grievance concerning an eviction or termination of tenancy in any jurisdiction which requires that, prior to eviction, a tenant be given a hearing in court which the Secretary determines provides the basic elements of due process.

"(l) Each public housing agency shall utilize leases which—

"(1) do not contain unreasonable terms and conditions;

"(2) obligate the public housing agency to maintain the project in a decent, safe, and sanitary condition;

"(3) require the public housing agency to give adequate written notice of termination of the lease which shall not be less than—

"(A) a reasonable time, but not to exceed 30 days, when the health or safety of other tenants or public housing agency employees is threatened;

"(B) 14 days in the case of nonpayment of rent; and

"(C) 30 days in any other case; and

"(4) require that the public housing agency may not terminate the tenancy except for serious or repeated violation of the terms or conditions of the lease or for other good cause.".

REPORTING REQUIREMENTS

SEC. 205. Section 6 of the United States Housing Act of 1937 is amended by adding at the end thereof the following:

"(m) The Secretary shall not impose any unnecessarily duplicative or burdensome reporting requirements on tenants or public hearing agencies assisted under this Act.".

AMENDMENTS AFFECTING TENANT RENTS OR CONTRIBUTIONS

SEC. 206. (a) Section 3(a) of the United States Housing Act of 1937 is amended—

(1) by inserting the following immediately after the first sentence: "Reviews of family income shall be made at least annually."; and

(2) by inserting after "under this Act" in the final sentence the following: "(other than a family assisted under section 8(o))".

(b) Section 3(b) of such Act is amended by striking out the period at the end of paragraph (2) and inserting in lieu thereof the following: ", except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.".

(c) Section 3(b)(5) of the United States Housing Act of 1937 is amended to read as follows:

"(5) The term 'adjusted income' means the income which remains after excluding—

"(A) $480 for each member of the family residing in the household (other than the head of the household or his spouse) who is under 18 years of age or who is 18 years of age or older and is disabled or handicapped or a full-time student;

"(B) $400 for any elderly family;

"(C) medical expenses in excess of 3 per centum of annual family income for any elderly family; and

"(D) child care expenses to the extent necessary to enable another member of the family to be employed or to further his or her education.".

(d)(1) The following provisions of this paragraph apply to determinations of the rent to be paid by or the contribution required of a tenant occupying housing assisted under the authorities amended by this section or subsections (a) through (h) of section 322 of the Housing and Community Development Amendments of 1981 (hereinafter referred to as "assisted housing") on or before the effective date of regulations implementing this section:

(A) Notwithstanding any other provision of this section or subsections (a) through (h) of section 322 of the Housing and Community Development Amendments of 1981, the Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") may provide for delayed applicability, or for staged implementation, of the procedures for determining rents or contributions, as appropriate, required by such provisions if the Secretary determines that immediate application of such procedures would be impracticable, would violate the terms of existing leases, or would result in extraordinary hardship for any class of tenants.

(B) The Secretary shall provide that the rent or contribution, as appropriate, required to be paid by a tenant shall not increase as a result of the amendments made by this section and subsections (a) through (h) of section 322 of the Housing and Community Development Amendments of 1981, and as a result of any other provision of Federal law or regulation, by more than 10 per centum during any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to such amendments, law, or regulation.

(2) Tenants of assisted housing other than those referred to in paragraph (1) shall be subject to immediate rent payment or contribution determinations in accordance with applicable law and without regard to the provisions of paragraph (1), but the Secretary shall provide that the rent or contribution payable by any such tenant who is occupying assisted housing on the effective date of any provision of Federal law or regulation shall not increase, as a result of any such provision of Federal law or regulation, by more than 10 per centum during any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to such law or regulation.

(3) In the case of tenants receiving rental assistance under section 521(a)(1) of the Housing Act of 1949 on the effective date of this section whose assistance is converted to assistance under section 8 of the United States Housing Act of 1937 on or after such date, the Secretary shall provide that the rent or contribution payable by any such tenant shall not increase, as a result of such conversion, by more than 10 per centum during any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to such conversion or to any provision of Federal law or regulation.

(4)(A) Notwithstanding any other provision of law, in the case of the conversion of any assistance under section 101 of the Housing and Urban Development Act of 1965, section 236(f)(2) of the National Housing Act, or section 23 of the United States Housing Act of 1937 (as in effect before the date of the enactment of the Housing and Community Development Act of 1974) to assistance under section 8 of the United States Housing Act of 1937, any increase in rent payments or contributions resulting from such conversion, and from the amendments made by this section of any tenant benefiting from such assistance who is 62 years of age or older may not exceed 10 per centum per annum.

(B) In the case of any such conversion of assistance occurring on or after October 1, 1981, and before the date of the enactment of this section, the rental payments due after such date of enactment by any tenant benefiting from such assistance who was 62 years of age or older on the date of such conversion shall be computed as if the tenant's rental payment or contribution had, on the date of conversion, been the lesser of the actual rental payment or contribution required, or 25 per centum of the tenant's income.

(5) The limitations on increases in rent contained in paragraphs (1)(B), (2), (3), and (4) shall remain in effect and may not be changed or superseded except by another provision of law which amends this subsection.

(6) As used in this subsection, the term "contribution" means an amount representing 30 per centum of a tenant's monthly adjusted income, 10 per centum of the tenant's monthly income, or the designated amount of welfare assistance, whichever amount is used to determine the monthly assistance payment for the tenant under section 3(a) of the United States Housing Act of 1937.

(7) The provisions of subsections (a) through (h) of section 322 of the Housing and Community Development amendments of 1981 shall be implemented and fully applicable to all affected tenants no later than five years following the date of enactment of such amendments, except that the Secretary may extend the time for implementation if the Secretary determines that full implementation would result in extraordinary hardship for any class of tenants.

(e) Section 322(i) of the Omnibus Budget Reconciliation Act of 1981 is repealed.

VOUCHER DEMONSTRATION

SEC. 207. Section 8 of the United States Housing Act of 1937 is amended by adding at the end thereof the following:

"(o)(1) In connection with the rental rehabilitation and development program under section 17 or the rural housing preservation grant program under section 533 of the Housing Act of 1949, or for other purposes, the Secretary is authorized to conduct a demonstration program using a payment standard in accordance with this subsection. The payment standard shall be used to determine the monthly assistance which may be paid for any family, as provided in paragraph (2) of this subsection, and shall be based on the fair market rental established under subsection (c).

(2) The monthly assistance payment for any family shall be the amount by which the payment standard for the area exceeds 30 per centum of the family's monthly adjusted income, except that such monthly assistance payment shall not exceed the amount by which the rent for the dwelling unit (including the amount allowed for utilities in the case of a unit with separate utility metering) exceeds 10 per centum of the family's monthly income.

"(3) Assistance payments may be made only for (A) a family determined to be a very low-income family at the time it initially receives assistance, or (B) a family previously assisted under this Act. In selecting families to be assisted, preference shall be given to families which, at the time they are seeking assistance, occupy substandard housing, are involuntarily displaced, or are paying more than 50 per centum of family income for rent.

"(4) The Secretary shall use substantially all of the authority to enter into contracts under this subsection to make assistance payments for families residing in dwellings to be rehabilitated with assistance under section 17 and for families displaced as a result of rental housing development assisted under such section or as a result of activities assisted under section 533 of the Housing Act of 1949.

"(5) If a family vacates a dwelling unit before the expiration of a lease term, no assistance payment may be made with respect to the unit after the month during which the unit was vacated.

"(6) A contract with a public housing agency for annual contributions under this subsection shall be for an initial term of sixty months. The Secretary shall require (with respect to any unit) that (A) the public housing agency inspect the unit before any assistance payment may be made to determine that it meets housing quality standards for decent, safe, and sanitary housing established by the Secretary for the purpose of this section, and (B) the public housing agency make annual or more frequent inspections during the contract term. No assistance payment may be made for a dwelling unit which fails to meet such quality standards, unless any such failure is promptly corrected by the owner and the correction verified by the public housing agency.

"(7)(A) The amount of assistance payments under this subsection may, in the discretion of the public housing agency, be adjusted as frequently as twice during any five-year period where necessary to assure continue affordability. The aggregate amount of adjustments pursuant to the preceding sentence may not exceed the amount of any excess of the annual contributions provided for in the contract over the amount of assistance payments actually paid (including amounts which otherwise become available during the contract period).

"(B) For the purpose of subparagraph (A), each contract with a public housing agency for annual contributions under this subsection shall provide annual contributions equal to 115 per centum of the estimated aggregate amount of assistance required during the first year of the contract.

"(C) Any amounts not needed for adjustments under subparagraph (A) may be used to provide assistance payments for additional families.

"(D) Before making such adjustments the public housing agency shall consult with the public and the general local government regarding the impact of such adjustments on the number of families that can be assisted.

"(8) A public housing agency may utilize not to exceed 5 percentum of the amount of authority available under this subsection to provide assistance with respect to cooperative or mutual housing which has a resale structure which maintains affordability for lower income families where the agency determines such action will assist in maintaining the affordability of such housing for such families.".

RENEWAL OF SECTION 8 CONTRACTS

SEC. 208. Section 8(d)(2) of such Act is amended by adding at the end thereof the following: "A contract under this section may not be attached to the structure except where the Secretary specifically waives the foregoing limitation and the public housing agency approves such action, and the owner agrees to rehabilitate the structure other than with assistance under this act and otherwise complies with the requirements of this section. The aggregate term of such contract and any contract extension may not be more than 180 months.".

REPEAL OF NEW CONSTRUCTION AUTHORITY

SEC. 209. (a) The United States Housing Act of 1937 is amended as follows:

(1) Section 8(a) is amended by striking out ", newly constructed, and substantially rehabilitated".

(2) Section 8(b)(2) is repealed.

(3) Section 8(e) of such Act is amended by striking out paragraphs (1), (2), and (3) and by redesignating paragraphs (4) and (5) as paragraphs (1) and (2), respectively.

(4) Section 8(i) of such Act is repealed.

(5) Section 8 of such Act is amended by striking out subsections (l) and (m).

(6) Section 8(n) of such Act is amended by striking out "(e)(5) and subsection (i)" and inserting in lieu thereof "(e)(2)".

(b) The amendments made by subsection (a) shall take effect on October 1, 1983, except that the provisions repealed shall remain in effect—

(1) with respect to any funds obligated for a viable project under section 8 of the United States Housing Act of 1937 prior to January 1, 1984; and

(2) with respect to any project financed under section 202 of the Housing Act of 1959.

SINGLE ROOM OCCUPANCY HOUSING

SEC. 210. Section 8(n) of the United States Housing Act of 1937 is amended—

(1) by inserting "subsection (b)(1)," before "subsection (e)(5)";

(2) by inserting a comma after "(e)(5)";

(3) by striking out "and" at the end of paragraph (1);

(4) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(5) by inserting after paragraph (2) the following new paragraph:

"(3) in the case of assistance under subsection (b)(1), the unit of general local government in which the property is located and the local public housing agency certify to the Secretary that the property complies with local health and safety standards.".

SHARED HOUSING FOR THE ELDERLY AND HANDICAPPED

SEC. 211. Section 8 of the United States Housing Act of 1937 is amended by adding the following new subsection at the end thereof:

"(p) In order to assist elderly families (as defined in section 3(b)(3)) who elect to live in a shared housing arrangement in which they benefit as a result of sharing the facilities of a dwelling with others in a manner that effectively and efficiently meets their housing needs and thereby reduces their cost of housing, the Secretary shall permit assistance provided under the existing housing and moderate rehabilitation programs to be used by such families in such arrangements. In carrying out this subsection, the Secretary shall issue minimum habitability standards for the purpose of assuring decent, safe, and sanitary housing for such families while taking into account the special circumstances of shared housing.".

PAYMENTS FOR OPERATION OF LOWER INCOME HOUSING PROJECTS

SEC. 212. Section 9(c) of the United States Housing Act of 1937 is amended—

(1) by striking out "and" after "October 1, 1980,"; and

(2) by inserting before the period at the end thereof the following: ", not to exceed $1,500,000,000 on or after October 1, 1983, and by such sums as may be necessary on or after October 1, 1984,".

INCOME ELIGIBILITY

SEC. 213. Section 16(a) of the United States Housing Act of 1937 is amended by striking out "10 per centum" and inserting in lieu thereof "25 per centum".

DEMOLITION AND DISPOSITION OF PUBLIC HOUSING

SEC. 214. (a) The United States Housing Act of 1937 is amended by adding the following new section at the end thereof:

"DEMOLITION AND DISPOSITION OF PUBLIC HOUSING

"SEC. 18. (a) The Secretary may not approve an application by a public housing agency for permission, with or without financial assistance under this Act, to demolish or dispose of a public housing project or a portion of a public housing project unless the Secretary has determined that—

"(1) in the case of an application proposing demolition of a public housing project or a portion of a public housing project, the project or portion of the project is obsolete as to physical condition, location, or other factors, making it unusable for housing purposes, or no reasonable program of modifications is feasible to return the project or portion of the project to useful life; or in the case of an application proposing the demolition of only a portion of a project, the demolition will help to assure the useful life of the remaining portion of the project; or

"(2) in the case of an application proposing disposition of real property of a public housing agency by sale or other transfer—

"(A)(i) the property's retention is not in the best interests of the tenants or the public housing agency because developmental changes in the area surrounding the project adversely affect the health or safety

of the tenants or the feasible operation of the project by the public housing agency, because disposition allows the acquisition, development, or rehabilitation of other properties which will be more efficiently or effectively operated as lower income housing projects and which will preserve the total amount of lower income housing stock available in the community, or because of other factors which the Secretary determines are consistent with the best interests of the tenants and public housing agency and which are not inconsistent with other provisions of this Act; and

"(ii) for property other than dwelling units, the property is excess to the needs of a project or the disposition is incidental to, or does not interfere with, continued operation of a project; and

"(B) the net proceeds of the disposition will be used for (i) the payment of development cost for the project and for the retirement of outstanding obligations issued to finance original development or modernization of the project, and (ii) to the extent that any proceeds remain after the application of proceeds in accordance with clause (i), the provision of housing assistance for lower income families through such measures as modernization of lower income housing, or the acquisition, development, or rehabilitation of other properties to operate as lower income housing.

"(b) The Secretary may not approve an application or furnish assistance under this Act unless—

"(1) the application from the public housing agency has been developed in consultation with tenants and tenant councils, if any, who will be affected by the demolition or disposition and contains a certification by appropriate local government officials that the proposed activity is consistent with the applicable housing assistance plan; and

"(2) all tenants to be displaced as a result of the demolition or disposition will be given assistance by the public housing agency and are relocated to other decent, safe, sanitary, and affordable housing, which is, to the maximum extent practicable, housing of their choice, including housing assisted under section 8 of this Act.

"(c) Notwithstanding any other provision of law, the Secretary is authorized to make available financial assistance for applications approved under this section using available annual contributions authorized under section 5(c).

"(d) The provisions of this section shall not apply to the conveyance of units in a public housing project for the purpose of providing homeownership opportunities for lower income families capable of assuming the responsibilities of homeownership.".

(b) Section 6(f) and section 14(f) of such Act are repealed.

FINANCING LIMITATIONS

SEC. 215. The United States Housing Act of 1937 is amended by adding at the end thereof the following:

"FINANCING LIMITATIONS

"SEC. 19. On and after October 1, 1983, the Secretary—

"(1) may only enter into contracts for annual contributions regarding obligations financing public housing projects authorized by section 5(c) if such obligations are exempt from taxation under section 11(b), or if such obligations are issued under section 4 and such obligations are exempt from taxation; and

"(2) may not enter into contracts for periodic payments to the Federal Financing Bank to offset the costs to the Bank of purchasing obligations (as described in the first sentence of section 16(b) of the Federal Financing Bank Act of 1973) issued by local public housing agencies for purposes of financing public housing projects authorized by section 5(c) of this Act.".

EMERGENCY SHELTER PROGRAM

SEC. 216. There are authorized to be appropriated not to exceed $60,000,000 for fiscal year 1984 for the Secretary to make grants to States, units of general local government, and Indian tribes, and nonprofit organizations which will operate programs on behalf of such units of general local government and Indian tribes, for the provision of shelter and essential services for individuals who are subject to life-threatening situations because of their lack of housing. Such grants shall be awarded on the basis of the extent of the need for emergency housing in the area where the project is, or will be, located, taking into account regional variations in the cost of providing shelter. Such grants may be used to rehabilitate existing structures in order to provide basic shelter, to maintain structures providing such shelter, to pay for utilities and the furnishing of such shelters, to provide for any health and safety measures that are required to protect the individuals using such shelter, and for any activity described in section 105(a) of the Housing and Community Development Act of 1974 that is consistent with the purposes of this paragraph. A structure which is rehabilitated with assistance under this paragraph shall be used for emergency housing for a period of not less than three years after such rehabilitation. In providing grants under this paragraph, the Secretary shall take into consideration the special needs of families and single women.

OPERATING ASSISTANCE FOR TROUBLED MULTIFAMILY HOUSING PROJECTS

SEC. 217. (a)(1) Section 201(a) of the Housing and Community Development Amendments of 1978 is amended by inserting before the period at the end thereof the following: ", without regard to whether such projects are insured under the National Housing Act".

(2) Section 201(b) of such Act is amended by inserting before the period at the end thereof the following: ", without regard to whether such projects are insured under the National Housing Act".

(3) Section 201(c)(1)(A) of such Act is amended by striking out the first semicolon and all that follows through "1979".

(b)(1) Section 201(a) of such Act is amended by striking out "or under" and inserting in lieu thereof ", the United States Housing Act of 1937, or".

(2) Section 201(c)(1) of such Act is amended—

(A) by striking out "or" at the end of subparagraph (A);

(B) by redesignating subparagraph (B) as subparagraph (C); and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) is assisted under section 8 of the United States Housing Act of 1937 following conversion to such assistance from assistance under section 236 of the National Housing Act or section 101 of the Housing and Urban Development Act of 1965; or".

(c) Section 236(f)(3) of the National Housing Act is amended by striking out "September 30, 1982" and inserting in lieu thereof "September 30, 1982".

SECTION 236 ASSISTANCE

SEC. 218. (a) Section 236(f) of the National Housing Act is amended by adding at the end thereof the following:

"(4) To ensure that eligible tenants occupying that number of units with respect to which assistance was being provided under this subsection immediately prior to the date of enactment of this sentence receive the benefit of assistance contracted for under paragraph (2), the Secretary shall offer annually to amend contracts entered into under this subsection with owners of projects assisted but not subject to mortgages insured under this section to provide sufficient payments to cover up to 90 per centum of the necessary rent increases and changes in the incomes of eligible tenants, subject to the availability of authority for such purpose under section 5(c) of the United States Housing Act of 1937. The Secretary shall take such actions as may be necessary to ensure that payments, including payments that reflect necessary rent increases and changes in the incomes of tenants, are made on a timely basis for all units covered by contracts entered into under paragraph (2).".

(b) Section 236(i)(1) of such Act is amended by adding at the end thereof the following new sentence: "The Secretary shall utilize, to the extent necessary after September 30, 1984, any authority under this section that is recaptured either as the result of the conversion of housing projects covered by assistance under subsection (f)(2) to contracts for assistance under section 8 of the United States Housing Act of 1937 or otherwise for the purpose of making assistance payments, including amendments as provided in subsection (h), with respect to housing projects assisted, but not subject to mortgages insured, under this section that remain covered by assistance under subsection (f)(2).".

RENT SUPPLEMENT PROGRAM

SEC. 219. (a) Section 101(g) of the Housing and Urban Development Act of 1965 is amended by adding at the end thereof the following: "To ensure that qualified tenants occupying that number of units with respect to which assistance was being provided under this section immediately prior to the date of enactment of this sentence receive the benefit of assistance contracted for under this section, the Secretary shall offer annually to amend contracts entered into with owners of projects assisted under this section but not subject to mortgages insured under title II of the National Housing Act to provide sufficient payments to cover up to 90 per centum of the necessary rent increases and changes in the incomes of qualified tenants, subject to the availability of authority for such purpose under section 5(c) of the United States Housing Act of 1937. The Secretary shall take such actions as may be necessary to ensure that payments, including payments that reflect necessary rent increases and changes in the incomes of tenants, are made on a timely basis for all units covered by contracts entered into under this section.".

(b) Section 101(1) of such Act is amended by adding at the end thereof the following new sentence: "The Secretary shall utilize, to the extent necessary after September 30, 1984, any authority under this section that is recaptured either as the result of the conversion of housing projects covered by assistance under this section to contracts for assistance under section 8 of the United States Housing Act of 1937 or otherwise (1)

for the purpose of making assistance payments, including amendments as provided in subsection (g), with respect to housing projects assisted under this section, but not subject to mortgages insured under the National Housing Act, that remain covered by assistance under this section; and (2) if not required to provide assistance under this section, and notwithstanding any other provision of law, for the purpose of contracting for assistance payments under section 236(f)(2) of the National Housing Act.".

REPORT REGARDING HOUSING NEIGHBORHOOD STRATEGY AREA PROGRAM

SEC. 220. Not later than the expiration of the 120-day period following the date of the enactment of this Act, the Secretary shall transmit to the Congress a report with respect to the program established by the Secretary to provide assistance under section 8 of the United States Housing Act of 1937 to units of general local government in areas where concentrated housing and community development block-grant assisted physical development and public service activities are conducted under title I of the Housing and Community Development Act of 1974. Such report shall include the following information for each unit of general local government selected to participate in such program:

(1) the total number of dwelling units located in such unit of general local government that have been initially reserved by the Secretary for assistance under such program, and any subsequent revision of such number;

(2) the total amount of funds pledged by such unit of general local government for all public improvements and services, and actual and future expenditures, in connection with such program;

(3) the status of the dwelling units located in such unit of general local government that have been initially reserved by the Secretary for assistance under such program, including the number of units completed and occupied;

(4) the total number of dwelling units required to complete each local program, as estimated by such unit of general local government; and

(5) the total number of local programs considered completed by such unit of general local government.

Consideration of Utility Payments Made by Tenants in Assisted

HOUSING

SEC. 221. Notwithstanding any other provision of law, for purposes of determining eligibility, or the amount of benefits payable, under chapter A of title IV of the Social Security Act, any utility payment, up to the utility allowance, made by a person living in a dwelling unit in a lower income housing project assisted under the United States Housing Act of 1937 or section 236 of the National Housing Act shall be considered to be a rental payment.

PUBLIC HOUSING CHILD CARE DEMONSTRATION PROGRAM

SEC. 222. (a) The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") shall carry out a demonstration program to determine the feasibility of using public housing facilities in the provision of child care services for lower income families who reside in public housing. The Secretary shall design such program to determine the extent to which the availability of child care services in lower income housing projects facilitates the employability of the heads of such families and their spouses.

(b) To carry out the demonstration under this section, the Secretary shall authorize the use of public housing agency facilities located in areas where—

(1) the units of general local government have indicated that funds under title I of the Housing and Community Development Act of 1974 will be made available to make minor renovations to the facilities to make them suitable for use as child care facilities, and to support child care services in such facilities;

(2) the public housing agency does not have a child care services program in operation prior to the demonstration program under this section;

(3) the proposed child care services program will serve preschool children during the day, elementary school children after school, or both, in order to permit eligible persons who head the families of such children to obtain, retain, or train for employment;

(4) the proposed child care services program of such public housing agency is designed, to the extent practicable, to involve the participation of the parents of children benefiting from such program, and to employ in part-time positions elderly individuals who reside in the lower income housing project involved; and

(5) the proposed child care services program of such public housing agency will comply with all applicable State and local laws, regulations, and ordinances.

(c) The Secretary shall conduct periodic evaluations of each child care services demonstration carried out under this section for purposes of determining the effectiveness of such demonstration in providing child care services and permitting eligible persons who head lower income families and their spouses residing in public housing to obtain, retain, or train for employment.

(d) Nothing in this section may be construed as authorizing the Secretary to establish any health, safety, educational, or other standards with respect to child care services or facilities assisted with grants received under this section.

(e) Not later than the expiration of the 2-year period following the date of enactment of this Act, the Secretary shall prepare and submit to the Congress a detailed report setting forth the findings and conclusions of the Secretary as a result of carrying out the demonstration program established in this section. Such report shall include any recommendations of the Secretary with respect to the establishment of a permanent program of using public housing facilities to be used in providing child care services in lower income housing projects.

HOUSING FOR THE ELDERLY AND HANDICAPPED

SEC. 223. (a)(1) Section 202(a)(3) of the Housing Act of 1959 is amended by inserting the following before the period at the end thereof: ", except that such interest rate plus such allowance shall not exceed 9.25 per centum per annum".

(2) The amendment made by paragraph (1) shall apply only with respect to loan agreements entered into after September 30, 1982, and prior to October 1, 1984.

(b) Section 202(a)(4)(B)(i) of such Act is amended—

(1) by striking out "and" after "1980," in the first sentence; and

(2) by inserting ", to $6,400,000,000 on October 1, 1983, and to such sum as may be approved in an appropriation Act on October 1, 1985," after "1981".

(c) Section 202(a)(4)(C) of such Act is amended by striking out "$850,848,000" and "1982" in the second sentence and inserting in lieu thereof "$666,400,000" and "1984", respectively.

(d) Section 202(h) of such Act is amended—

(1) by striking out "1978" and inserting in lieu thereof "1983";

(2) by inserting before the period at the end of the first sentence the following: ", and persons described in subparagraphs (B) and (C) of subsection (d)(4) who have been released from residential health treatment facilities";

(3) in paragraph (1), by striking out "handicapped persons" and inserting in lieu thereof "persons described in the first sentence of this subsection";

(4) in paragraph (2), by striking out "handicapped persons" and inserting in lieu thereof "persons described in the first sentence of this subsection who are";

(5) in paragraph (1), by striking out "and" at the end thereof;

(6) in paragraph (2), by striking out the period at the end thereof and inserting in lieu thereof "; and".

(e) Section 202 of such Act is amended by adding at the end thereof the following new subsections:

"(i)(1) Unless otherwise requested by the sponsor, a maximum of 25 per centum of the units in a project financed under this section may be efficiency units, subject to a determination by the Secretary that such units are appropriated for the elderly or handicapped population residing in the vicinity of such project or to be served by such project.

"(2) The Secretary may require a sponsor of a housing project financed with a loan under this section to deposit an amount not to exceed $10,000 in a special escrow account to assure the commitment and long-term management capabilities of such sponsor.

"(3) In establishing per unit cost limitations for purposes of this section, the Secretary shall take into account design features necessary to meet the needs of elderly and handicapped residents, and such limitations shall reflect the cost of providing such features. The Secretary shall adjust the per unit cost limitations in effect on January 1, 1983, not less than once annually to reflect changes in the general level of construction costs.

"(j)(1) The Secretary may not approve the prepayment of any loan made under this section, or transfer such loan, unless such prepayment or transfer is made as part of a transaction that will ensure that the project involved will continue to operate until the original maturity date of such loan in a manner that will provide rental housing for the elderly and handicapped on terms at least as advantageous to existing and future tenants as the terms required by the original loan agreement entered into under this section and any other loan agreements entered into under other provisions of law.

"(2) The Secretary may not sell any mortgage held by the Secretary as security for a loan made under this section.

"(k)(1) In the process of selecting projects for loans under this section, the Secretary shall assure the inclusion of special design features and congregate space if necessary to meet the special needs of elderly and handicapped residents.

"(2) The Secretary shall encourage the provision of small and scatter site group homes and independent living facilities for

nonelderly handicapped persons and families.

"(1) The basis for selection of a contractor to be employed in the development or construction of a project assisted under this section shall be determined by the project sponsor or borrower if the development cost of the project is less than $2,000,000, if the project rentals will be less than 110 per centum of the fair market rent applicable to projects financed under this section, or if the sponsor of the project is a labor organization.

"(m) Nothing in this section authorizes the Secretary to prohibit any sponsor from voluntarily providing funds from other sources for amenities and other features of appropriate design and construction suitable for inclusion in such project if the cost of such amenities is (1) not financed with the loan, and (2) not taken into account in determining the amount of Federal subsidy or of the rent contribution of tenants.".

CONGREGATE SERVICES

SEC. 224. (a) Section 408 of the Congregate Housing Services Act of 1978 is amended by adding at the end thereof the following new subsection:

"(c) Not later than March 15, 1984, the Secretary shall prepare and submit to the Congress a report evaluating the effects of any changes in the administration of the congregate housing services program established in this title which have occurred since January 1, 1983. Such report shall include an evaluation by the Secretary of the reorganization or decentralization of the administration of such program, and any legislative recommendations of the Secretary for the establishment of a permanent congregate housing services program and the reasons for such recommendations.".

(b) Section 411(a) of the Congregate Housing Services Act of 1978 is amended—

(1) by striking out "and" at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4); and

(3) by adding the following at the end thereof:

"(5) for fiscal year 1984, not to exceed $4,000,000; and

"(6) for fiscal year 1985, such sums as may be necessary.".

DEMONSTRATION PROJECT

SEC. 225. (a) The Congress finds that—

(1) the Department of Health and Human Services spends in excess of $5,000,000,000 annually for housing in the form of allowances for shelter for public assistance recipients;

(2) States administering the Department of Health and Human Services public assistance program often specify shelter allowances that have little relationship to the cost or the quality of the housing in which public assistance recipients live;

(3) at least 30 per centum of public assistance recipients live in substandard housing;

(4) the older rental buildings in which many public assistance recipients live are in those neighborhoods that need the assistance of the programs of the Department of Housing and Urban Development for preservation and rehabilitation; and

(5) there is the potential for improving housing for many lower income families by coordinating State and local government efforts in order to assure that families receiving public assistance payments from the Department of Health and Human Services are able to live in decent, safe, and sanitary housing.

(b) The purpose of this section, therefore, is to provide assistance to units of general local government and their designated agencies in order to develop a program that will—

(1) encourage the upgrading of housing occupied primarily by lower income families, including families receiving assistance under the aid for families with dependent children program established under title IV of the Social Security Act; and

(2) provide for better coordination at the local level of the efforts to assist families receiving public assistance from the Department of Health and Human Services so that these families will be able to occupy affordable housing that is decent, safe, and sanitary and that, if necessary, is rehabilitated with funds provided by the Department of Housing and Urban Development.

(c) The Secretary of Housing and Urban Development (hereafter referred to in this section as the "Secretary") shall, to the extent approved in appropriation Acts, establish and maintain a demonstration project to carry out the purpose described in subsection (b).

(d) In carrying out such project, the Secretary shall make grants to units of general local government, or designated agencies thereof, to carry out administrative plans approved by the Secretary in accordance with subsection (e), and the Secretary may make grants to States to provide technical assistance for the purposes of assisting such units of general local government to develop and carry out such plans.

(e)(1) Grants may be made to States and units of general local government and agencies thereof that apply for them in a manner and at a time determined by the Secretary and that, in the case of units of general local government and their agencies, are selected on the basis of an administrative plan described in such application.

(2) No such administrative plan shall be selected by the Secretary unless it sets forth a plan for local government activities that are designed to—

(A) require or encourage owners of rental housing occupied by lower income families to bring such housing into compliance with local housing codes;

(B) provide technical assistance, loans, or grants to assist owners described in subparagraph (A) to undertake cost-effective improvements of such housing;

(C) work with the State to establish and implement a schedule of local shelter allowances for recipients of assistance under title IV of the Social Security Act based on building quality that will be applicable to buildings involved in this program; and

(D) coordinate local housing inspection, housing rehabilitation loan or grant assistance, rental assistance, and social service programs for the purpose of improving the quality and affordability of housing for lower income families.

(3) Funds received from any grant made by the Secretary to a unit of general local government shall be made available for use according to the administrative plans and may be used for—

(A) technical assistance or financial assistance to property owners to upgrade housing projects described in paragraph (2)(A) of this subsection;

(B) temporary rental assistance to families who live in buildings assisted under this program and who are eligible for, but are not receiving, assistance under section 8 of the United States Housing Act of 1937, except that such families shall not include families receiving assistance under title IV of the Social Security Act, and the amount of such rental assistance may not exceed 20 per centum of each grant received under this section;

(C) housing counseling and referral and other housing related services;

(D) expenses incurred in administering the program carried out with funds received under this section, except that such expenses may not exceed 10 per centum of the grant received under this section; and

(E) other appropriate activities that are consistent with the purposes of this section and that are approved by the Secretary.

(f) Any recipient of a grant from the Secretary under this section shall agree to—

(1) contribute to the program an amount equal to 15 per centum of the funds received from the Secretary under this section, and the Secretary shall permit the recipient to meet this requirement by the contribution of the value of services carried out specifically in connection with the program assisted under this section;

(2) permit the Secretary and the General Accounting Office to audit its books in order to assure that the funds received under this section are used in accordance with the section; and

(3) other terms and conditions prescribed by the Secretary for the purpose of carrying out this section in an effective and efficient manner.

(g) In making grants available under this section, the Secretary shall select as recipients at least 20 units of general local government (or their designated agencies). The selection of proposals for funding shall be based on criteria that result in a selection of projects that will enable the Secretary to carry out the purpose of this section in an effective and efficient manner and provide a sufficient amount of data necessary to make an evaluation of the demonstration project carried out under this section.

(h)(1) Not later than June 1, 1984, the Secretary shall transmit to the Congress an interim report on the implementation of the demonstration under this section.

(2) The Secretary shall transmit, not later than October 1, 1985, to both Houses of the Congress a detailed report concerning the findings and conclusions that have been reached by the Secretary as a result of carrying out this section, along with any legislative recommendations that the Secretary determines are necessary.

(i) To carry out this section, there are authorized to be appropriated not to exceed $10,000,000 during fiscal year 1984, and not to exceed $15,000,000 during fiscal year 1985, to remain available until expended.

SECTION 235 HOMEOWNERSHIP ASSISTANCE

SEC. 226. (a) Section 235(c)(1) of the National Housing Act is amended—

(1) by striking out "The" in the first sentence and inserting in lieu thereof "Subject to the second sentence of this paragraph, the"; and

(2) by inserting after the first sentence the following new sentence: "Assistance payments pursuant to any new contract entered into after September 30, 1983, that utilizes authority approved in appropriation Acts for any fiscal year beginning after such date may not be made for more than a 10-year period.".

(b) Section 235(c) of such Act is amended by adding at the end thereof the following new paragraph:

"(3)(A) There hereby is established in the Treasury of the United States a fund,

which, to the extent approved in appropriation Acts, may be used by the Secretary for purposes of carrying out subparagraph (B). There shall be deposited into such fund (i) any amount recaptured under paragraph (2); (ii) any authority to make assistance payments under subsection (a) that is committed for use in a contract but is unused because the mortgage, loan, or advance of credit involved is refinanced or because such assistance payments are terminated or suspended for other reasons before the original termination date of such contract; and (iii) any amount received under subparagraph (C).

"(B) In the case of any homeowner whose assistance payments are terminated by reason of the 10-year limitation referred to in paragraph (1), and who is determined by the Secretary to be unable to assume the full payments due under the mortgage, loan, or advance of credit involved, the Secretary shall, to the extent of the availability of amounts in the fund established in subparagraph (A), contract to make, and make, continued assistance payments on behalf of such homeowner. Such continued assistance payments shall be made in an amount determined in accordance with the applicable provisions of paragraph (1) or subsection (a)(2)(B) and for such period as the Secretary determines to be appropriate.

"(C) Any amounts in such fund determined by the Secretary to be in excess of the amounts currently required to carry out the provisions of subparagraph (B) shall be invested by the Secretary in obligations of, or obligations guaranteed as to both principal and interest by, the United States or any agency of the United States.".

(c) Section 235(h)(1) of such Act is amended—

(1) by striking out "and" after "1971," in the second sentence;

(2) by inserting the following before the period at the end of such sentence: ", and by such sums as may be approved in an appropriation Act on or after October 1, 1983 (from the additional authority to enter into contracts made available on such date under the first sentence of section 5(c)(1) of the United States Housing Act of 1937)"; and

(3) By inserting the following new sentences after the second sentence: "The aggregate amount that may be obligated over the duration of the contracts entered into with the authority provided on or after October 1, 1983, may not exceed such sums of new budget authority as may be appropriated after the date of enactment of this sentence. The Secretary shall begin issuing new commitments and reservations to provide mortgage insurance and assistance payments under this section before the expiration of the 30-day period following the approval in any appropriation Act of budget authority for this section after the date of the enactment of this sentence.".

(d) Section 235(i) of such Act is amended—

(1) in paragraph (3)(A)—

(A) by striking the word "two-family" and inserting "three-family" in lieu thereof; and

(B) by inserting the words "or a two-family" before the word "dwelling" the first time it appears;

(2) in paragraph (3)(D)—

(A) by inserting the words "or three-family" before the word "dwelling";

(B) by striking the figure "$55,000" and inserting "$60,000" in lieu thereof; and

(C) by striking the figure "$61,250" and inserting "$66,250" in lieu thereof; and

(3) by adding at the end thereof the following new paragraphs:

"(4) In insuring eligible mortgages under this subsection, the Secretary may not deny insurance on the basis that a mortgage involves a two- to three-family dwelling or is to be used to finance substantial rehabilitation rather than new construction.

"(5) As a condition of insuring a mortgage on a two- to three-family dwelling, the Secretary shall require the mortgagor (A) not to discriminate against prospective tenants on the basis of their receipt of or eligibility for housing assistance under any Federal, State or local housing assistance program and (B) to agree that during the term of the mortgage each of the rental units shall be occupied by, or available for occupancy by, persons and families whose incomes do not exceed 100 per centum of the area median income.".

(e) Section 235(j) of such Act is amended—

(1) in paragraph (6) by striking out "two-family" and inserting "two- to three-family" in lieu thereof; and

(2) by adding at the end thereof the following new paragraph:

"(9) In insuring eligible mortgages under this subsection, the Secretary may not deny insurance on the basis that a mortgage involves a two- to three-family dwelling or is to be used to finance substantial rehabilitation rather than new construction.".

PET OWNERSHIP IN ASSISTED RENTAL HOUSING FOR THE ELDERLY OR HANDICAPPED

SEC. 227. (a) No owner or manager of any federally assisted rental housing for the elderly or handicapped may—

(1) as a condition of tenancy or otherwise, prohibit or prevent any tenant in such housing from owning common household pets or having common household pets living in the dwelling accommodations of such tenant in such housing; or

(2) restrict or discriminate against any person in connection with admission to, or continued occupancy of, such housing by reason of the ownership of such pets by, or the presence of such pets in the dwelling accommodations of, such person.

(b)(1) Not later than the expiration of the 12-month period following the date of the enactment of this Act, the Secretary of Housing and Urban Development and the Secretary of Agriculture shall each issue such regulations as may be necessary to ensure (A) compliance with the provisions of subsection (a) with respect to any program of assistance referred to in subsection (d) that is administered by such Secretary; and (B) attaining the goal of providing decent, safe, and sanitary housing for the elderly or handicapped.

(2) Such regulations shall establish guidelines under which the owner or manager of any federally assisted rental housing for the elderly or handicapped (A) may prescribe reasonable rules for the keeping of pets by tenants in such housing; and (B) shall consult with the tenants of such housing in prescribing such rules. Such rules may consider factors such as density of tenants, pet size, types of pets, potential financial obligations of tenants, and standards of pet care.

(c) Nothing in this section may be construed to prohibit any owner or manager of federally assisted rental housing for the elderly or handicapped, or any local housing authority or other appropriate authority of the community where such housing is located, from requiring the removal from any such housing of any pet whose conduct or condition is duly determined to constitute a nuisance or a threat to the health or safety of the other occupants of such housing or of other persons in the community where such housing is located.

(d) For purposes of this section, the term "federally assisted rental housing for the elderly or handicapped" means any rental housing project that—

(1) is assisted under section 202 of the Housing Act of 1959; or

(2) is assisted under the United States Housing Act of 1937, the National Housing Act, title V of the Housing Act of 1949, and is designated for occupancy by elderly or handicapped families, as such term is defined in section 202(d)(4) of the Housing Act of 1959.

TITLE III—RENTAL HOUSING REHABILITATION AND DEVELOPMENT PROGRAM

RENTAL REHABILITATION AND DEVELOPMENT GRANTS

SEC. 301. The United States Housing Act of 1937 is amended by inserting before section 18 of the following:

"RENTAL REHABILITATION AND DEVELOPMENT GRANTS

"SEC. 17. (a) PROGRAM AUTHORITY.—(1) Rehabilitation and development grants.—The Secretary is authorized—

"(A) to make rental rehabilitation grants to States and units of general local government to help support the rehabilitation of privately owned real property to be used for primarily residential rental purposes in accordance with subsection (c); and

"(B) to make development grants for new construction or substantial rehabilitation in accordance with subsection (d).

"(2) AUTHORITY TO RESERVE HOUSING ASSISTANCE.—In connection with a grant under this section, the Secretary may reserve authority to provide housing assistance under section 8(o) to the extent necessary—

"(A) to provide housing assistance to persons displaced by activities under this section; or

"(B) to support the grantee's program.

"(3) AUTHORIZATION.—To carry out the purposes of this section, the Secretary may utilize not to exceed $615,000,000, as provided in section 5(c) for Fiscal year 1984 and 1985, of which amount—

"(A) not to exceed $150,000,000 shall be available in each such year for rental rehabilitation, of which $1,000,000 shall be available each year for technical assistance; and

"(E) not to exceed $200,000,000 for fiscal year 1984, and $115,000,000 for fiscal year 1985, shall be available for development grants.

"(b) DISTRIBUTION OF RENTAL REHABILITATION GRANT FUNDS.—(1) FORMULA ALLOCATION.—Of the amount available in any fiscal year for rehabilitation grants under this section, the Secretary shall allocate amounts for rehabilitation grants under subsection (c) to cities having populations of fifty thousand or more, urban counties, and States for use as provided in subsection (e), on the basis of a formula which shall be contained in a regulation proposed by the Secretary not later than sixty days after the effective date of this section. Such regulation shall be accompanied by the specific fund allocation for fiscal year 1984 for individual cities, urban counties, and States which would result from the proposed formula and any adjustments under paragraph (2). The formula contained in the regulation shall take into account objectively measurable conditions, including such factors as low income renter population, overcrowding of rental housing, the extent of physically in-

adequate housing stock, and such other objectively measurable conditions as the Secretary deems appropriate to reflect the need for assistance under this section, but excluding data relating to such factors which pertain to areas eligible for assistance under title V of the Housing Act of 1949.

"(2) ADJUSTMENTS.—Before an allocation determined under paragraph (1) for any fiscal year is made available for use, the Secretary may adjust the allocation as follows:

"(A) The Secretary is authorized to establish minimum allocation amounts for cities and urban counties, representing program levels below which, in the Secretary's determination, conduct of a rental rehabilitation program would not be feasible. The amount of any allocation which is below this minimum shall be added to the allocation for the State in which the city or county is located and shall be available in accordance with subsection (e).

"(B) Beginning with fiscal years after fiscal year 1984, the Secretary is authorized to adjust the allocation for a city, urban county, or State administering a rental rehabilitation program as provided in subsection (f), by up to 15 per centum above or below the amount of such allocation, based on an annual review of performance in carrying out activities under this section in a timely manner and in achieving the result that at least 80 per centum of the units rehabilitated with assistance under this section in all program years have rents which are and remain at a level which would be affordable by lower income families. The last sentence of subparagraph (A) shall not apply to an allocation which is below the minimum amount described therein by reason of an adjustment under this subparagraph. The Secretary shall establish by regulation performance criteria for purposes of this subparagraph.

"(3) REALLOCATION.—After the allocation of rehabilitation grants amounts, the Secretary is authorized to reallocate such amounts among grantees on the basis of the Secretary's assessment of the progress of grantees in carrying out activities under this section in accordance with their specified schedules. Reallocations under this paragraph shall be designed to encourage use of these resources expeditiously, consistent with the sound development and administration of the grantees' rental rehabilitation programs.

"(4) RECAPTURE.—Any rental rehabilitation grant amounts which are not obligated at the end of any fiscal year shall be added to the amount available for allocation for such grants for the succeeding fiscal year.

"(c) GRANTS FOR MODERATE REHABILITATION.—(1) Program Description.—A rehabilitation grant may be made under this section on the basis of satisfactory information provided in a program description which shall be submitted by the grantee at such time and in such manner as the Secretary may prescribe and which shall contain—

"(A) a description of the grantee's proposed rental rehabilitation program, which shall consist of the activities each grantee proposes to undertake for the fiscal year, including the grantee's anticipated schedule in carrying out those activities, or, in case of a State distributing resources as provided in subsection (e), its proposed method of distributing the resources, which shall have been made available to the public;

"(E) a certification that the grantee's program was developed after consultation with the public;

"(C) a statement of the procedures and standards which will govern selection of proposals by the grantee, which procedures and standards shall take into account the extent to which the proposal represents the efficient use of Federal resources and the extent to which the housing units involved will be adequately maintained and operated with rents at the levels proposed;

"(D) an estimate of the effect of the proposed program on neighborhood preservation;

"(E) evidence demonstrating the financial feasibility of the proposed program, including the availability of non-Federal and private resources and including evidence that the projects to be selected for rehabilitation will be located in neighborhoods where rents are generally affordable to lower income families and that the character of the neighborhood indicates that such rents will not materially change over an extended period; and

"(F) such other information as the Secretary shall prescribe.

"(2) PROGRAM REQUIREMENTS.—A rental rehabilitation program assisted under this section shall provide that—

"(A) grant assistance shall only be used to rehabilitate real property to be used for primarily residential rental purposes;

"(B) grants shall only be used to assist the rehabilitation of real property located in neighborhoods where the median income does not exceed 80 per centum of the median income for the area;

"(C) grant assistance for any structure shall not exceed 50 per centum of the total costs associated with the rehabilitation of that structure, as determined by the Secretary except that where the Secretary determines that refinancing costs and the special nature of the project require a greater amount of assistance, the grant amount shall be limited to not to exceed 50 per centum of the development cost including acquisition;

"(D) rehabilitation assisted under this section shall only be that which is necessary to correct substandard conditions, to make essential improvements, and to repair major systems in danger of failure;

(E) the amount of rental rehabilitation assistance provided under this section for any structure shall not exceed $5,000 per unit except as otherwise determined by the Secretary in areas of high material and labor costs where the grantee demonstrates that every appropriate step has been taken by the grantee to contain the amount of assistance within the limit set by this paragraph and that an exception is necessary to conduct a rehabilitation program while not exceeding the rehabilitation standards of subparagraph (D);

"(F) a structure may be assisted under this section only if the rehabilitation of such structure will not cause the involuntary displacement of very low-income families by families who are not very low-income families;

"(G) the owner of each assisted structure agrees—

"(i) not to discriminate against prospective tenants on the basis of their receipt of or eligibility for housing assistance under any Federal, State, or local housing assistance program or, except for a structure for housing for the elderly, on the basis that the tenants have a minor child or children who will be residing with them; and

"(ii) not to convert the units to condominium ownership (or in the case of a cooperative, to condominium ownership or any form of cooperative ownership not eligible for assistance under this section);

for at least 10 years beginning on the date on which the units in the project are completed;

"(H) the State or unit of general local government that receives the assistance certifies to the satisfaction of the Secretary that the assistance will be made available in conformity with Public Law 88-352 and Public Law 90-284; and

"(I) 100 per centum of the amount of assistance provided under this section shall be used by the grantee for the benefit of lower income families, except that such requirement shall be reduced to (i) 70 per centum if the grantee certifies in accordance with standards prescribed by the Secretary that such reduction is necessary, and that the grantee cannot develop a proposed program which complies with such requirement, after consultation with the public regarding the inability to develop a program which complies with such requirement, and (ii) to not less than 50 per centum where the Secretary determines that such further reduction is necessary.

"(3) SECRETARIAL RESPONSIBILITY.—The Secretary shall assure that—

"(A) an equitable share of the rehabilitation grants under this section is used to assist in the provision of housing for families, including large families with children; and

"(B) a priority shall be given to projects containing units in substandard condition which are occupied by very low-income families.

"(d) GRANTS FOR NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION.—

"(1) TYPES OF ASSISTANCE.—Development grant funds may be used by the grantee to make grants or loans, provide interest reduction payments, or furnish other comparable assistance to support the new construction or substantial rehabilitation of real property to be used primarily for residential rental purposes.

"(2) AREA ELIGIBILITY.—To be eligible for development grants under this subsection, a project must be located in an area that is experiencing a severe shortage of decent rental housing opportunities for families and individuals without other reasonable and affordable housing alternatives in the private market. The Secretary shall issue regulations, consistent with the preceding sentence, that set forth minimum standards for determining areas eligible for assistance. Such standards shall be based on objectively measurable conditions, and shall take into account the extent of poverty, the extent of occupancy of physically inadequate housing by lower income families, the extent of housing overcrowding experienced by lower income families, the level and duration of rental housing vacancies, the extent of the lag between the estimated need for and production of rental housing, and other objectively measurable conditions specified by the Secretary consistent with the first sentence of this subsection. The Secretary shall propose regulations under this paragraph not later than 60 days after the date of enactment of this section and shall promptly transmit to the Congress such proposed regulations accompanied by a list of those areas which meet the minimum standards contained in such regulations. Any unit of government located in an area which meets such minimum standards is eligible to submit an application for a rental housing development grant under this section. The

Secretary may also consider an application for a project to be located in an area which is not eligible under such standards where the Secretary determines that a project involving assistance for other than moderate rehabilitation is necessary in order to meet special housing needs or to advance a particular neighborhood preservation purpose.

"(3) APPLICATION.—A development grant may be made under this section on the basis of information provided in an application which shall be submitted by the grantee at such time and in such manner as the Secretary may prescribe. In addition to information relating to the selection criteria set forth in paragraph (5), the application shall contain—

"(A) a description of the grantee's proposed rental development program, which shall consist of the activities the grantee proposes to undertake for the fiscal year, including a specification of the grantee's anticipated schedule in carrying out those activities;

"(B) a certification that the grantee's program was developed after consultation with the public;

"(C) a statement of the procedures and standards which will govern selection of proposals by the grantee, which procedures and standards shall take into account the extent to which the proposal represents the efficient use of Federal resources and the extent to which the housing units involved will be adequately maintained and operated with rents maintained at the levels proposed;

"(D) an estimate of the effect of the proposed program on neighborhood preservation; and

"(E) such other information as the Secretary shall prescribe.

"(4) PROGRAM REQUIREMENTS.—A rental development program assisted under this section shall provide that—

"(A) grant assistance shall be used to develop real property to be used for residential rental purposes only;

"(B) grant assistance for any structure shall not exceed 50 per centum of the total costs associated with the rehabilitation or development of that structure, as determined by the Secretary, except that where the Secretary determines that refinancing costs and the special nature of the project require a greater amount of assistance, the grant amount shall be limited to not to exceed 50 per centum of the development cost including acquisition;

"(C) a structure may be assisted under this section only if the development of such structure will not cause the involuntary displacement of very low-income families by families who are not very low-income families;

"(D) the owner of each assisted structure agrees—

"(i) not to discriminate against prospective tenants on the basis of their receipt of or eligibility for housing assistance under any Federal, State, or local housing assistance program or, except for a structure for housing for the elderly, on the basis that the tenants have a minor child or children who will be residing with them; and

"(ii) not to convert the units to condominium ownership (or in the case of a cooperative, to condominium ownership or any form of cooperative ownership not eligible for assistance under this section); during the 20-year period beginning on the date on which the units in the project are available for occupancy;

"(E) the owner of each assisted structure agrees that, during the 20-year period beginning on the date on which 50 per centum of the units in the structure are occupied or completed, at least 20 per centum of the units the construction or substantial rehabilitation of which is provided for under the application shall be occupied, or available for occupancy by, persons and families whose incomes do not exceed 80 per centum of the area median income;

"(F) the structure—

"(i) will have a value after rehabilitation or construction that is not more than the amount of a mortgage on the structure that could be insured under section 207 of the National Housing Act; and

"(ii) is secured by a mortgage which bears a rate of interest and contains such other terms and conditions as the Secretary determines are reasonable;

"(G) the grantee must commence construction or substantial rehabilitation activities not later than 24 months after notice of project selection; and

"(H) the State or unit of general local government that receives the assistance certifies to the satisfaction of the Secretary that the assistance will be made available in conformity with Public Law 88-352 and Public Law 92-284.

"(5) PROJECT SELECTION.—In selecting projects to receive development grants, the Secretary shall make such selection on the basis of the extent—

"(A) of the severity of the shortage of decent rental housing opportunities in the area in which the project or projects are to be located for families and individuals without other reasonable and affordable housing alternatives in the private market;

"(B) of non-Federal public and private financial or other contributions that reduce the amount of assistance necessary under this section;

"(C) to which the project or projects contribute to neighborhood development and mitigate displacement;

"(D) to which the applicant has established a satisfactory record of performance in meeting assisted housing needs and has the capacity to undertake the program in a timely manner;

"(E) to which the assistance requested will provide the maximum number of units for the least cost to the Federal Government, taking into consideration the extent to which assistance provided will be recaptured and cost differences among different areas, among financing alternatives, and among the types of projects and tenants being served;

"(F) to which the grantee will establish a mechanism to assure the maintenance of affordable rentals for lower income families;

"(G) to which the applicant has demonstrated the financial feasibility of the proposed program, including the availability of non-Federal and private resources; and

"(H) to which an equitable share of the development grant funds under this section will be used to assist in the provision of housing for families, including large families with children.

"(6) PRIORITIES.—In selecting projects for grants under this subsection, the Secretary shall give a priority to proposals involving projects—

"(A) which exceed the minimum requirements of paragraph (4) (E); and

"(B) in areas where the waiting lists for housing assistance are relatively long and where families holding certificates under section 8 require an excessive length of time to find housing.

"(7) ENFORCEMENT OF PROGRAM REQUIREMENTS.—(A) The grantee shall take appropriate legal action to enforce compliance with the requirements of this subsection by the owner of any assisted property or his or her successors in interest during the 20-year period beginning on the date on which 50 per centum of the units are occupied or are completed. For any violation of such agreements, the owner or his or her successors in interest shall make a payment to the grantee of an amount that equals the total amount of assistance provided under this title with respect to such project, plus interest thereon (without compounding), for each year and any fraction thereof that the assistance was outstanding, at a rate determined by the Secretary taking into account the average yield on outstanding marketable long-term obligations of the United States during the month preceding the date on which the assistance was made available. The amount of such assistance (and accrued interest) which is required to be repaid shall be reduced by 10 per centum for each full year in excess of 10 years which intervened between the commencement of the period and the violation. Any amounts recovered by the grantee shall be used to furnish assistance under this section.

"(B) Notwithstanding any other provision of law, any assistance provided under this subsection shall constitute a debt, which is payable in the case of any failure to carry out the agreements, and shall be secured by the security instruments provided by the owner to the grantee.

"(8)(A) RENT PROVISIONS.—Rents charged for units available for occupancy by lower income families in any project assisted under this subsection shall be approved by the grantee. In approving such rents, the grantee shall provide that the rents of such units are not more than 30 per centum of the adjusted income of a family whose income equals 50 per centum of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families. Not less than 30 days prior written notice of any increase in rents shall be provided to such tenants.

"(B) Any schedule of rents submitted by an owner to the grantee for approval shall be deemed to be approved unless the grantee informs the owner, within 60 days after receiving such schedule, that such schedule is disapproved.

"(9) GRANT AMOUNT.—The amount of a development grant provided under this subsection shall not be more than that amount which will provide decent rental or cooperative housing of modest design which is affordable for families and individuals without other reasonable and affordable housing alternatives in the private market, including an amount necessary to achieve compliance with paragraph (8)(A).

"(e) STATE PROGRAM.—(1) Except as provided in paragraph (2), the State shall administer resources made available under subsection (b)(2) for any fiscal year. These resources shall only be used to carry out activities under this section in cities with populations of less than fifty thousand and in urban counties and cities whose allocations are less than the minimum allocation amount established under subsection (b)(2), but may not be used in areas which are eligible for assistance under title V of the Housing Act of 1949. The State may use all or part of these resources (A) to carry out its own rental rehabilitation program, or (B) to distribute them to units of general local government. A city with a population over fifty thousand may, with the agreement of the State government, elect to contract with

the State to administer the grant program under this section in any fiscal year.

"(2) States may elect not to administer resources made available under subsection (b)(2) of this section. This election shall be made in such manner and before such time as the Secretary may prescribe. The Secretary shall administer the resources available to any State exercising such an election in accordance with regulations and procedures prescribed by the Secretary, including the administration of grant programs of cities with populations over fifty thousand which elect not to administer their own program. Such regulations shall, to the maximum extent practicable, be comparable to those for cities and urban counties receiving resources under subsection (b).

"(3) A State may apply for and receive, on behalf of a unit of local government located in that State and with the concurrence of that unit of general local government, a rental development grant to be used in accordance with the provisions of subsection (d).

"(4) In any case in which the State is a grantee under any provision of this section, the Secretary shall require that the State take such actions as may be appropriate to assure compliance with the program requirements, owner agreements, and other provisions of this section.

"(f) APPLICABILITY OF REQUIREMENTS OR AGREEMENTS.—Requirements imposed by or agreements made with States and units of general local government regarding rents in structures assisted under this section (including requirements relating to the rents which may be charged after rehabilitation) shall not apply to a structure assisted under this section unless (1) such requirements are imposed or agreements are entered into pursuant to a State law or local ordinance of general applicability which was enacted and in effect in that jurisdiction prior to the date of enactment of this section, and (2) such requirements or agreements would apply generally to structures not assisted under this section.

"(g) RELOCATION.—The Secretary shall by regulation establish such standards governing reasonable relocation payments and other related assistance as the Secretary determines to be appropriate.

"(h) ADMINISTRATIVE EXPENSES.—Grantees receiving assistance under this section shall not deduct therefrom any amounts to cover administrative expenses incurred by them in carrying out their responsibilities under this section.

"(i) PRESERVATION, ENVIRONMENTAL POLICY, AND LABOR STANDARDS.—(1) The Secretary shall establish procedures which support national historic preservation objectives and which assure that, if any rehabilitation or development proposed to be assisted under this section would affect property which is included on the National Register of Historic Places or which is eligible for inclusion on the National Register of Historic Places, such activity shall not be undertaken unless (A) it will reasonably meet the standards issued by the Secretary of the Interior and the appropriate State historic preservation officer is afforded the opportunity to comment on the specific rehabilitation or development program, or (B) the Advisory Council on Historic Preservation is afforded an opportunity to comment on cases for which the grantee of assistance, in consultation with the State historic preservation officer, determines that the proposed activity cannot reasonably meet such standards or would adversely affect historic property as defined therein.

"(2) The Secretary's award and grantee's use of resources made available under this section shall be subject to section 104(f) of the Housing and Community Development Act of 1974.

"(3) A structure assisted under this section shall be treated as a project to a mortgage insured under section 220 of the National Housing Act for the purpose of section 212 of such Act.

"(j) FINANCING.—Subject to terms and conditions that are prescribed by the Secretary and are consistent with the purpose and other provisions of this section, any obligation issued by a State or local housing agency for the purpose of financing the development of a project or projects assisted under this section is hereby deemed an obligation that meets the requirements of, and has the benefits (including the benefit of interest earned with respect to the obligation being exempt from Federal taxation) associated with, an obligation described in section 11(b).

"(k) DEFINITIONS.—For the purpose of this section—

"(1) the term 'rehabilitation grant' means a grant to finance moderate rehabilitation;

"(2) the term 'development grant' means a grant to finance new construction or substantial rehabilitation;

"(3) the Secretary shall use the same population data and rules for designating cities and urban counties as apply under title I of the Housing and Community Development Act of 1974;

"(4) the term 'real property to be used primarily for residential rental purposes' includes cooperative or mutual housing which has a resale structure which enables the cooperative to maintain affordability for lower income families; and

"(5) the term 'grantee' means—

"(A) any city or urban county receiving resources under this section;

"(B) any State administering a rental rehabilitation or development program as provided in subsection (f); and

"(C) any unit of general local government which receives assistance from the Secretary as provided in subsection (f)(2).

The Secretary shall encourage cooperation by units of general local government in the administration of grants under this section by permitting consortia of geographically proximate units of general local government to apply for assistance on behalf of their members, including establishment of eligibility under subsection (b) for consortia whose combined populations exceed fifty thousand and which can otherwise meet the requirements of such subsection. Any amounts made available to such a consortium shall be deducted from the allocation to the State in which the units of general local government are located.

"(l) REVIEW AND AUDIT.—The Secretary shall, at least on an annual basis, make such reviews and audits as may be necessary or appropriate to determine—

"(1) where the grantee is a unit of general local government or a State carrying out its own program as provided in subsection (f)(1), whether the grantee has carried out its activities in a timely manner and in accordance with the requirements of this section, and has a continuing capacity to carry out those activities in a timely manner; and

"(2) where the grantee is a State distributing resources made available under this section to units of general local government as provided in subsection (e)(2), whether the State (A) has distributed such resources in a timely manner and in accordance with the requirements of this section, and (B) has made such reviews and audits of the units of general local government as may be necessary or appropriate to determine whether they have satisfied the performance criteria described in paragraph (1).

In addition to the adjustment based on performance authorized by subsection (b)(2), the Secretary may adjust, reduce, or withdraw resources made available to States and reduce, or withdraw resources made available to States and units of general local government receiving assistance under this section, or take other action as appropriate in accordance with the findings of these reviews and audits, except that resources already expended on eligible activities shall not be recaptured or deducted from future resources made available to the grantee. Any amounts which become available as a result of actions under this paragraph shall be reallocated in the year in which they become available to such grantee or grantees as the Secretary may determine.

"(m) PERFORMANCE REPORT.—Prior to the beginning of fiscal year 1985 and each fiscal year thereafter, each grantee shall submit to the Secretary a performance report concerning the activities carried out pursuant to this section, together with an assessment by the grantee of the relationship of these activities to the objectives of this section. Such report shall contain an analysis of the program's cost effectiveness, the type and income levels of tenants who benefit from the rehabilitation program, any tenant displacement resulting from the program, and any other information the Secretary may require. To facilitate this reporting requirement, each grantee shall require owners of property rehabilitated under this section to provide verified income data and other pertinent tenant demographic information as prescribed by the Secretary (to include household size and race) or to otherwise arrange for the collection of such information on an annual basis. The Secretary shall stipulate the format for such data collection to assure that such information can be aggregated at the national level to allow congressional oversight.

"(n) REPORT TO CONGRESS.—Prior to the beginning of fiscal year 1985 and each fiscal year thereafter, the Secretary shall provide a report to the Congress as to the overall progress of grantees in meeting the objectives of this section. Such report shall include an analysis of program costs, services delivered, beneficiaries, and the extent to which lower income tenants have been displaced as a result of rehabilitation assisted under this section.".

CONFORMING AMENDMENTS TO THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

SEC. 302. (a) Section 105(a) of the Housing and Community Development Act of 1974 is amended—

(1) by striking out "and" at the end of clause (16);

(2) by striking out the period at the end of clause (17) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(18) the rehabilitation or development of housing assisted under section 17 of the United States Housing Act of 1937.".

(b) Section 107(d) of such Act is amended—

(1) by striking out "unless the applicant" in paragraph (1) and inserting in lieu thereof the following: "and no assistance may be made available under section 17 of the

United States Housing Act of 1937 unless the grantee"; and

(2) by inserting "grantee or" before "applicant" in paragraph (3).

(c) Section 817 of such Act is amended—

(1) by striking out "and" after "1966,"; and

(2) by inserting after "and 1970" the following: ", and section 17 of the United States Housing Act of 1937".

CONFORMING AMENDMENTS TO THE NATIONAL HOUSING ACT

SEC. 303 (a) Section 244 of the National Housing Act is amended by adding at the end thereof the following:

"(h) Notwithstanding any other provision of this section, in the case of a mortgage insured under section 223(f) secured by property which is to be rehabilitated or developed under section 17 of the United States Housing Act of 1937, such coinsurance may include provisions that—

"(1) insurance benefits shall equal the sum of (A) 90 per centum of the mortgage on the date of institution of foreclosure proceedings (or on the date of acquisition of the property otherwise after default), and (B) 90 per centum of interest arrears on the date benefits are paid;

"(2) the mortgagee shall remit to the Secretary, for credit to the General Insurance Fund, 90 per centum of any proceeds of the property, including sale proceeds, net of the mortgagee's actual and reasonable costs related to the property and the enforcement of security;

"(3) payment of such benefits shall be made in cash unless the mortgagee submits a written request for debenture payment; and

"(4) the underwriter of coinsurance may reinsure 10 per centum of the mortgage amount with a private mortgage insurance company or with a State mortgage insurance agency.

No commitment for insuance pursuant to this subsection may be issued on or after October 1, 1985.".

(b) Section 223(f) of such Act is amended by adding at the end thereof the following:

"(5) In the case of any purchase or refinancing under this subsection involving property to be rehabilitated or developed under section 17 of the United States Housing Act of 1937, the Secretary may—

"(A) include rehabilitation or development costs of not to exceed $20,000 per unit, except that the Secretary may increase such amount by not to exceed 25 per centum for specific properties where cost levels so require;

"(B) permit subordinated liens securing up to the full amount of mortgage financing provided by State or local governments or agencies thereof; and

"(C) pay such benefits in cash unless the mortgagee submits a written request for debenture payment.".

TITLE IV—PROGRAM AMENDMENTS AND EXTENSIONS

PART A—FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS

Subpart 1—General Authorities and Requirements Extension of Mortgage Insurance Programs

SEC. 401. (a) Section 2(a) of the National Housing Act is amended by striking out "December 1, 1983" in the first sentence and inserting in lieu thereof "October 1, 1985".

(b) Section 217 of such Act is amended by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1985".

(c) Section 221(f) of such Act is amended by striking out "November 30, 1983" in the fifth sentence and inserting in lieu thereof "September 30, 1985".

(d)(1) Section 235(m) of such Act is amended by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1985".

(2) Section 235(q)(1) of such Act is amended by striking out "November 30, 1983" in the last sentence and inserting in lieu thereof "September 30, 1985".

(e) Section 244(d) of such Act is amended—

(1) by striking out "November 30, 1983" in the first sentence and inserting in lieu thereof "September 30, 1985";

(2) by striking out "December 1, 1983" in the second sentence and inserting in lieu thereof "October 1, 1985"; and

(3) by striking out the last two sentences.

(f) Section 245(a) of such Act is amended by striking out "November 30, 1983" in the last sentence and inserting in lieu thereof "September 30, 1985".

(g) Section 809(f) of such Act is amended by striking out "November 30, 1983" in the last sentence and inserting in lieu thereof "September 30, 1985".

(h) Section 810(k) of such Act is amended by striking out "November 30, 1983" in the last sentence and inserting in lieu thereof "September 30, 1985".

(i) Section 1002(a) of such Act is amended by striking out "November 30, 1983" in the last sentence and inserting in lieu thereof "September 30, 1985".

(j) Section 1101(a) of such Act is amended by striking out "November 30, 1983" in the last sentence and inserting in lieu thereof "September 30, 1985".

AMOUNT TO BE INSURED UNDER THE NATIONAL HOUSING ACT

SEC. 402. Section 531 of the National Housing Act is amended to read as follows:

"AMOUNT OF INSURED MORTGAGES

"SEC. 531. Notwithstanding any other provision of law and subject only to the absence of qualified requests for insurance, to the authority provided in title II, and to any funding limitation approved in appropriation Acts, the Secretary shall enter into commitments during each of the fiscal years 1984 and 1985 to insure mortgages under title II with an aggregate principal amount of $50,900,000,000.".

AUTHORIZATION OF APPROPRIATIONS TO COVER LOSSES TO THE GENERAL INSURANCE FUND

SEC. 403. Section 519(f) of the National Housing Act is amended—

(1) by inserting "such sums as may be necessary" after "appropriated"; and

(2) by striking out "not" and all that follows through "1981".

ELIMINATION OF REQUIREMENT THAT FEDERAL HOUSING ADMINISTRATION INTEREST RATES BE SET BY LAW

SEC. 404. (a) The Act entitled "An Act to amend chapter 37 of title 38 of the United States Code with respect to the veterans' home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes", approved May 7, 1968 (Pub. L. 90-301) is amended by striking out sections 3 and 4.

(b)(1) Section 2(b)(5) of the National Housing Act is amended to read as follows:

"(5) No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it unless the obligation has such maturity, bears such insurance premium charges, and contains such other terms, conditions, and restrictions as the Secretary shall prescribe, in order to make credit available for the purpose of this title. Any such obligation with respect to which insurance is granted under this section shall bear interest at such rate as May be agreed upon by the borrower and the financial institution.".

(2) Section 203(b)(5) of such Act is amended to read as follows:

"(5) Bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(3) Section 203(k)(3)(B) of such Act is amended to read as follows:

"(B) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(4) The first sentence of the first undesignated paragraph of section 207(c)(3) of such Act is amended to read as follows: "The mortgage shall provide for complete amortization by periodic payments within such term as the Secretary shall prescribe, and shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(5) The first sentence of section 213(d) of such Act is amended to read as follows: "Any mortgage insured under this section shall provide for complete amortization by periodic payments within such term as the Secretary may prescribe but not to exceed 40 years from the beginning of amortization of the mortgage, and shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(6) The second sentence of section 220(d)(4) of such Act is amended to read as follows: "The mortgage shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee and contain such terms and provisions with respect to the application of the mortgagor's periodic payment to amortization of the principal of the mortgage, insurance, repairs, alterations, payment of taxes, default reserves, delinquency charges, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other matters as the Secretary may in the Secretary's discretion prescribe.".

(7) Section 220(h)(2)(iii) of such Act is amended to read as follows:

"(iii) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(8) Section 221(b)(5) of such Act is amended by striking out "(exclusive" and all that follows through "mortgage market" and inserting in lieu thereof the following: "at such rate as may be agreed upon by the mortgagor and the mortgagee".

(9) Section 231(c)(6) of such Act is amended to read as follows:

"(6) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee; and".

(10) Section 232(d)(3)(B) of such Act is amended to read as follows:

"(3) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(11) The first sentence of section 234(f) of such Act is amended to read as follows: "Any blanket mortgage insured under subsection (c) shall provide for complete amortization by periodic payments within such terms as the Secretary may prescribe but not to exceed 40 years form the beginning of amortization of the mortgage, and shall

bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(12) Section 235(i)(3) of such Act is amended—

(A) by striking out "and" at the end of subparagraph (D);

(B) by striking out the period at the end of subparagraph (F) and inserting in lieu thereof "; and"; and

(C) by adding the following new subparagraph at the end thereof:

"(F) bear interest at a rate not to exceed such percent per annum on the amount of the principal obligation outstanding at any time as the Secretary finds necessary to meet the mortgage market, taking into consideration the yields on mortgages in the primary and secondary markets.".

(13) Section 240(c)(4) of such Act is amended to read as follows:

"(4) bear interest at such rates as may be agreed upon by the mortgagor and the mortgagee;".

(14) Section 241(b)(3) of such Act is amended to read as follows:

"(3) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(15) Section 242(d)(3)(3) of such Act is amended to read as follows:

"(B) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(16 Section 1002(d)(2) of such Act is amended to read as follows:

"(2) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee, except that the Secretary may agree to a reasonable extension of the term of a mortgage, the maturity of which is limited by this paragraph to not more than 10 years, if the Secretary determines that unusual or unforeseen circumstances make such extension necessary to avoid undue hardship to the mortgagor;".

MINIMUM PROPERTY STANDARDS

SEC. 405. (a) Section 526 of the National Housing Act is amended—

(1) in the first sentence, by inserting ", other than manufactured homes," after "housing";

(2) by adding the following new sentence at the end thereof: "Following the effective date of this sentence, the energy performance requirements developed and established by the Secretary under this subsection for newly constructed residential housing, other than manufactured homes, shall be at least as effective in performance as the energy performance requirements incorporated in the minimum property standards that were in effect under this subsection on September 30, 1982."; and

(3) by inserting "(a)" after the section designation and adding at the end thereof the following new subsection:

"(b) The Secretary may require that each property, other than a manufactured home, subject to a mortgage insured under this Act shall, with respect to health and safety, comply with one of the nationally recognized model building codes, or with a State or local building code based on one of the nationally recognized model building codes or their equivalent. The Secretary shall be responsible for determining the comparability of the State and local codes to such model codes and for selecting for compliance purposes an appropriate nationally recognized model building code where no such model code has been duly adopted or where the Secretary determines the adopted code is not comparable.".

(b) The section heading of section 526 of such Act is amended to read as follows: "Minimum Property Standards".

TIME OF PAYMENT OF MORTGAGE INSURANCE PREMIUMS

SEC. 406. Section 530 of the National Housing Act is amended—

(1) by striking out "promptly upon their receipt from the borrower" and inserting in lieu thereof the following: (1) in the case of loans or mortgages respecting one- to four-family residences, promptly upon their receipt from the borrower, and (2) in any other case, promptly when due to the Secretary";

(2) by inserting "or due date, as appropriate," after "such receipt"; and

(3) by inserting "or after the due date, as appropriate," before "and ending".

MORTGAGE INSURANCE FOR AMERICAN SAMOA

SEC. 407. (a) Section 9 of the National Housing Act is amended by inserting "American Samoa," after "the Trust Territory of the Pacific Islands,".

(b) Section 201(d) of such Act is amended by inserting "American Samoa," after "the Trust Territory of the Pacific Islands,".

(c) Section 207(a)(7) of such Act is amended by inserting "American Samoa," after "the Trust Territory of the Pacific Islands,".

ASSIGNMENT OF SECTION 221(g)(4) MORTGAGES TO GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

SEC. 408. Section 221(g)(4) of the National Housing Act is amended by inserting "(A)" after the paragraph designation and by adding the following new subparagraph at the end thereof:

"(B) In processing a claim for insurance benefits under this paragraph, the Secretary may direct the mortgagee to assign, transfer, and deliver the original credit instrument and the mortgage securing it directly to the Government National Mortgage Association in lieu of assigning, transferring, and delivering the credit instrument and the mortgage to the Secretary. Upon the assignment, transfer, and delivery of the credit instrument and the mortgage to the Association, the mortgage insurance contract shall terminate and the mortgagee shall receive insurance benefits as provided in subparagraph (A). The Association is authorized to accept such loan documents in its own name and to hold, service, and sell such loans as agent for the Secretary. The mortgagor's obligation to pay a service charge in lieu of a mortgage insurance premium shall continue as long as the mortgage is held by the Association or by the Secretary. The Secretary shall have the same authority with respect to mortgages assigned to the Secretary or the Association under this subparagraph as provided by section 223(c).".

TERMINATION OF SECTION 221 BUY-BACK PROVISION

SEC. 409. The first sentence of section 221(g)(4)(A) of the National Housing Act, as redesignated by section 408 of this Act, is amended by inserting after "this section" the following: "pursuant to a commitment to insure entered into before the effective date of this clause".

Subpart 2—Single-Family Mortgage Insurance Programs

TITLE I INSURANCE FOR EXISTING MANUFACTURED HOMES

SEC. 415. Section 2(a) of the National Housing Act is amended by inserting the following before the last undesignated paragraph thereof:

"The insurance authority provided under this section may be made available with respect to any existing manufactured home that has not been insured under this section if such home was constructed in accordance with the standards issued under the National Manufactured Housing Construction and Safety Standards Act of 1974 and it meets standards similar to the minimum property standards applicable to existing homes insured under title II."

INCREASED TITLE I LOAN LIMITS FOR MANUFACTURED HOMES AND LOTS

SEC. 416. (a) Section 2(b)(1) of the National Housing Act is amended—

(1) in subparagraph (C), by striking out "$22,500" and all that follows through "modules)" and inserting in lieu thereof "$42,500";

(2) in subparagraph (D), by striking out "$35,000" and all that follows through "modules)" and inserting in lieu thereof "$54,000"; and

(3) in subparagraph (B), by striking out "such an amount as may be necessary, but not exceeding $12,500," and inserting in lieu thereof "$13,500".

(b) Section 2(b)(2) of such Act is amended by striking out the last sentence and inserting in lieu thereof the following: "In other areas, the maximum dollar amounts specified in subsections (b)(1)(D) and (b)(1)(E) may be increased on an area-by-area basis to the extent the Secretary deems necessary, but not to exceed the percentage by which the maximum mortgage amount of a one-family residence in the area is increased by the Secretary under section 203(b)(2).".

REFINANCING MANUFACTURED HOMES UNDER TITLE I

SEC. 417. Section 2(b)(6) of the National Housing Act is amended by adding at the end thereof the following new subparagraph:

"(C) The owner-occupant of a manufactured home or a home and lot which was purchased without assistance under this section but which otherwise meets the requirements of this section may refinance such home on home and lot under this section if the home was constructed in accordance with standards established under section 604 of the National Manufactured Housing Construction and Safety Standards Act of 1974.".

COUNSELING FOR PERSONS ASSISTED UNDER TEMPORARY MORTGAGE ASSISTANCE PAYMENTS PROGRAM

SEC. 418. Section 230(d) of the National Housing Act is amended by striking out ", to the extent practicable,".

COOPERATIVE HOUSING

SEC. 419. Section 203(n) of the National Housing Act is amended—

(1) in paragraph (1), by inserting the following before the period at the end of the second sentence: "or the construction of which was completed more than a year prior to the application for the mortgage insurance"; and

(2) by striking out "nonprofit" in paragraph (2)(A).

MORTGAGE INSURANCE FOR CONDOMINIUM UNITS

SEC. 420. (a) The first sentence of section 234(c) of the National Housing Act is amended by striking out "(2)" and all that follows through the period at the end thereof and inserting in lieu thereof the follow-

ing: "and (2) at least 80 percent of the units in the project covered by mortgages insured under this title are occupied by the mortgagors or comortgagors.".

(b) The third sentence of section 234(c) of such Act is amended by striking out "(A)" and all that follows through "$25,000" the second place it appears and inserting in lieu thereof the following: "(A) involve a principal obligation in an amount not to exceed the maximum principal obligation of a mortgage which may be insured in the area pursuant to section 203(b)(2)".

(C) Section 234 of such Act is amended by adding at the end thereof the following:

"(K) With respect to a unit in any project which was converted from rental housing, no insurance may be provided under this section unless (1) the conversion occurred more than one year prior to the application for insurance, (2) the mortgagor or comortgagor was a tenant of that rental housing, or (3) the conversion of the property is sponsored by a bona fide tenants organization representing a majority of the households in the project.".

SINGLE-FAMILY MORTGAGE INSURANCE ON HAWAIIAN HOME LANDS

SEC. 421. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

SINGLE-FAMILY MORTGAGE INSURANCE ON HAWAIIAN HOME LANDS

SEC. 247. (a) The Secretary, subject to such conditions as the Secretary may prescribe, may insure under any provision of this title that authorizes such insurance, a mortgage covering a property upon which there is located a one- to four-family residence, without regard to any limitation in this Act relating to marketability of title or any other limitation in this Act that the Secretary determines is contrary to promoting the availability of such insurance on Hawaiian home lands, if—

"(1) the mortgage is executed by a native Hawaiian on property located within Hawaiian home lands covered under a homestead lease issued under section 207(a) of the Hawaiian Homes Commission Act, 1920, or under the corresponding provision of the Constitution of the State of Hawaii adopted under section 4 of the Act entitled "An Act to provide for the admission of the State of Hawaii into the Union", approved March 18, 1959 (73 Stat. 5);

"(2) the property will be used as the principal residence of the mortgagor; and

"(3) the Department of Hawaiian Home Lands of the State of Hawaii (A) is a comortgagor; (B) guarantees to reimburse the Secretary for any mortgage insurance claim paid in connection with a property on Hawaiian home lands; or (C) offers other security acceptable to the Secretary.

"(b) Notwithstanding any other provision of this Act, the Secretary may, with respect to mortgages eligible for insurance under subsection (a), insure and make commitments to insure advances made during construction if the Secretary determines that the proposed construction is otherwise acceptable and that no feasible financing alternative is available.

"(c) For purposes of this section:

"(1) The term 'native Hawaiian' means any descendant of not less than one-half part of the blood of the races inhabiting the Hawaiian Islands before January 1, 1778.

"(2) The term 'Hawaiian home lands' means all lands given the status of Hawaiian home lands under section 204 of the Hawaiian Homes Commission Act, 1920, or under the corresponding provision of the Constitution of the State of Hawaii adopted under section 4 of the Act entitled "An Act to provide for the admission of the State of Hawaii into the Union", approved March 18, 1959 (73 Stat. 5).".

SINGLE FAMILY MORTGAGE INSURANCE ON INDIAN RESERVATIONS

SEC. 422. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"SINGLE FAMILY MORTGAGE INSURANCE ON INDIAN RESERVATIONS

"SEC. 248. (a) The Secretary, subject to such special conditions as the Secretary may prescribe, may insure under any provision of this title that authorizes such insurance, a mortgage covering a property upon which there is located a one- to four-family residence, without regard to any limitation in this Act relating to marketability of title or any other limitation in this Act that the Secretary determines is contrary to promoting the availability of such insurance on Indian reservations if the mortgage (1) is executed by an Indian tribe and the property is located on trust or otherwise restricted lands; or (2) is executed by a member of an Indian tribe who will use the property as a principal residence and the property is on trust lands or otherwise restricted land.

"(b) Notwithstanding any other provision of this Act, with respect to mortgages covering a property upon which there is located a one- to four-family residence—

"(1) the Secretary may insure and make commitments to insure under this title pursuant to this section advances made during construction where the Secretary determines that the proposed construction is otherwise acceptable and meets an applicable tribal or national model building code, and that no feasible financing alternative is available;

"(2) the applicable percentage limitation on the amount of the principal obligation of a mortgage based on the appraised value or replacement cost, as appropriate, of a one- to four-family owner-occupied residence contained in this title shall apply in the case of all mortgages insured pursuant to this section without regard to whether the residences are owner-occupied where the residences are owned by the tribe; and

"(3)(A) the Secretary may require an Indian tribe, only as a condition of insurance made under this title pursuant to this section, to pledge income from tribal resources or income from tribal assets not subject to a restriction by the Secretary of the Interior or pledge grants under title I of the Housing and Community Development Act of 1974 or any other Federal grant program administered by the Secretary of Housing and Urban Development to be used to reimburse the Secretary for any mortgage insurance claims paid in connection with residences insured pursuant to this section; or

"(B) in the case of an individual Indian mortgagor, the Secretary may require a pledge of his or her share of distributed income from tribal resources or income from tribal assets, excluding any Federal grant received by the tribe.

"(C) The Secretary may not refuse to insure a mortgage under this section to an individual home purchaser because there is no distributed tribal or trust fund income attributable to that purchaser.

"(a) Before making any commitment to insure a mortgage under this section with respect to property located on tribal or trust land, the Secretary shall require a showing by the tribe that it has adopted eviction procedures to be used in the event of a default.

"(e) A mortgage insured under this section may be assumed, subject to credit approval by the lender and the consent of the tribe to an assumption of the existing lease or the grant of a new lease, without an adjustment of the interest rate. Any other sale of a property subject to a mortgage insured under this section may be made only if a new lease is granted, except that a sale following a foreclosure may be accompanied by an assumption of the lease with the consent of the tribe.

"(f)(1) The Secretary shall make information regarding the status and payment history of loans insured under this section available to local credit bureaus and prospective creditors. Prior to accepting assignment of a mortgage, the Secretary shall require mortgagees to submit documentation that mortgagors have been counseled in a face-to-face interview, informed of the provisions of this subsection or other available assistance, and provided with the names and addresses of officials of the Department of Housing and Urban Development to whom further communications shall be addressed.

"(2) Notwithstanding the requirement for conveyance of title under section 204, a mortgagee under this section shall be entitled to receive the benefit of insurance under this section in the case of a mortgage which is more than 90 days in default upon conveyance of the lease agreement and the mortgage documents.

"(3) In the event that any default is cured, the Secretary shall seek to reinstate the loan with the mortgagee or another mortgagee. For purposes of this paragraph, the Secretary may provide appropriate financial incentives to reinstate the loan commensurate with sound management of the insurance fund.

"(4) If the Secretary determines that a mortgagor is not making a good-faith effort to cure a default, and that trust fund or tribal income is available under subsection (b)(3)(B), the Secretary shall commence proceedings for the garnishment of the mortgagor's distributed share of tribal or trust fund income in order to collect loan payments that are past due. Proceedings under this paragraph may be instituted in a tribal court, court of competent jurisdiction designated by the tribe, or Federal district court.

"(5) If the Secretary determines such action is necessary to protect the insurance fund from undue loss, the Secretary may initiate foreclosure proceedings with respect to any mortgage acquired under this subsection. Such proceeding may take place in a tribal court, a court of competent jurisdiction, or Federal district court. Any such court shall have jurisdiction to convey to the Secretary the remaining life of a lease on the real property and to order eviction of the delinquent mortgagor.

"(g) In the administration of this section, the Secretary shall establish a premium charge for insurance that will be sufficient to cover the full costs of the mortgage insurance program under this section, except that such charge may not exceed 3 percent per annum of the principal amount of the mortgage outstanding at any time. Not later than September 30, 1984, the Secretary shall determine and report to the Congress on the feasibility of eliminating any excess amount of the premium under this section over the premium under section 203. In the event such premiums are not sufficient to

cover the full costs of the mortgage insurance program under this section, the Secretary shall make recommendations to the Congress about changes to the program.

"(h) For purposes of this section:

"(1) The term 'Indian tribe' means any Indian or Alaska native tribe, band, nation, or other organized group or community of Indians or Alaska natives recognized as eligible for the services provided to Indians or Alaska natives by the Secretary of the Interior because of its status as such an entity, or that is an eligible recipient under chapter 67 of title 31, United States Code.

"(2) The term 'trust or otherwise restricted land' means (A) that area of land, as defined by the Secretary of the Interior, over which an Indian tribe is recognized by the United States as having governmental jurisdiction; (B) land held in trust for the benefit of any Indian tribe or individual or held by any Indian tribe or individual subject to a restriction by the United States against alienation; or (C) land acquired by Alaska natives under the Alaska Native Claims Settlement Act or any other land acquired by Alaska natives pursuant to statute by virtue of their unique status as Alaska natives.".

TREATMENT OF FEDERAL HOUSING ADMINISTRATION SINGLE FAMILY PREMIUMS

SEC. 423. (a) Section 203 of the National Housing Act is amended by inserting the following new subsection after subsection (c):

"(d) Notwithstanding any provision of this title governing maximum mortgage amounts for insuring a mortgage secured by a one- to four-family dwelling, the maximum amount of the mortgage determined under any such provision may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured.".

(b)(1) The first sentence of section 203(b)(2) of such Act is amended by striking out the following: ": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

(2) Section 213(b)(2) of such Act is amended by striking out the following: ": *Provided further*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

(3) Section 221(d)(2)(A) of such Act is amended by striking out the following: ": *Provided further*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

(4) Clause (A) of the third sentence of section 234(c) of such Act is amended by striking out the following: ": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured.".

(5) Section 235(i) of such Act is amended—

(A) by striking out in paragraph (3)(B) the following: ": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured";

(B) by striking out in paragraph (3)(C) the following: ": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured"; and

(C) by striking out in paragraph (3)(D) the following: ": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

(C) The amendments made by this section shall take effect only if the Secretary of Housing and Urban Development determines that the program of advance payment of insurance premiums, with specific regard to the effect of the provisions authorized by the amendments made by such sections, is actuarially sound.

CHANGE IN MAXIMUM LOAN-TO-VALUE RATIO FOR MODESTLY PRICED SINGLE FAMILY HOMES

SEC. 424. (a) Section 203(b)(2) of the National Housing Act is amended—

(1) by striking out "(except as provided in the next to the last sentence of this paragraph)" in the first sentence and inserting in lieu thereof the following: "(except as otherwise provided in this paragraph)"; and

(2) by inserting after the first sentence the following new sentence: "If the mortgage to be insured under this section covers property on which there is located a one- to four-family residence to be occupied as the principal residence of the owner, and the appraised value of the property, as of the date the mortgage is accepted for insurance, does not exceed $50,000, the principal obligation may be in an amount not to exceed 97 percent of such appraised value.".

(b) The amendment made by subsection (a) shall take effect only if the Secretary finds and reports to the Congress that such amendment, taking into account the higher loan-to-value ratio resulting from the advance payment of mortgage insurance premiums, will not adversely affect the actuarial soundness of the Federal Housing Administration mortgage insurance program.

NONOCCUPANT SINGLE FAMILY MORTGAGORS

SEC. 425. Section 203(b)(8) of the National Housing Act is amended by striking out all that follows "an amount equal to" through "subsection:" and inserting in lieu thereof the following: "the lesser of (A) the otherwise applicable maximum dollar amount prescribed under paragraph (2), or (B) 85 percent of the appraised value of the property as of the date the mortgage is accepted for insurance:".

PAYMENT OF CLAIMS WITHOUT ACQUISITION OF TITLE

SEC. 426. (a) Section 204(a) of the National Housing Act is amended—

(1) by striking out "Upon such conveyance and assignment" in the second sentence and inserting in lieu thereof the following: "The Secretary is also authorized, in accordance with such regulations as the Secretary may prescribe, to make the benefit of the insurance as hereinafter provided available to the mortgagee, notwithstanding any provision of this section requiring conveyance of title to the property to the Secretary, (1) upon sale of the insured property at foreclosure, where such sale is for at least the fair market value of the property (with appropriate adjustments), as determined by the Secretary, and (2) upon the assignment to the Secretary of all claims referred to in clause (2) of the preceding sentence. The payment of benefits under the preceding sentence may be made for any mortgage insured pursuant to a commitment to insure issued on or after the effective date of this sentence and, with the approval of the mortgagee, for any mortgage insured pursuant to a commitment issued before that date. Upon the conveyance and assignment referred to in the first sentence of this section or the sale and assignment referred to in the second sentence of this subsection,"; and

(2) by striking out "and any amount" and all that follows through the colon preceding the first proviso of the final sentence and inserting in lieu thereof the following: "any amount received as rent or other income from the property, less reasonable expenses incurred in handling the property, after either of such dates, and, in the case of insurance benefits paid in accordance with the second sentence of this section, any amount received upon the foreclosure sale of the property;".

(b) Section 204(j) of such Act is amended by inserting after "under section 203" the following: "(other than a mortgagee receiving insurance benefits under the second sentence of subsection (a))".

STRUCTURAL DEFECTS IN VETERANS' ADMINISTRATION-APPROVED, FEDERAL HOUSING ADMINISTRATION-INSURED NEW HOMES

SEC. 427. Section 518(a) of the National Housing Act is amended by striking out "approved for mortgage insurance prior to the beginning of construction which he finds" and inserting in lieu thereof the following: "that, before the beginning of construction, was approved for mortgage insurance under this Act or for guaranty, insurance, or a direct loan under chapter 37 of title 38, United States Code, and that the Secretary finds".

REINSURANCE DEMONSTRATION PROGRAM

SEC. 428. (a) Title II of the National Housing Act is amended by adding at the end thereof the following:

"REINSURANCE CONTRACTS

"SEC. 249. (a) The purpose of this section is to authorize a demonstration mortgage reinsurance program designed to test the feasibility of entering into reinsurance contracts with private mortgage insurers in order to reduce Government risk and administrative costs, and to speed mortgage processing. The Secretary shall limit the demonstration under this section to not more than two administrative regions of the Department of Housing and Urban Development, and shall assure that the program is in the financial interest of the Government and will not result in loss of employment by any employees of the Department of Housing and Urban Development before September 30, 1985. The aggregate number of mortgages insured under this section in any administrative region of the Department of Housing and Urban Development in any fiscal year may not exceed 10 percent of the aggregate number of mortgages and loans insured by the Secretary under this title in such region during the preceding fiscal year.

"(b) Notwithstanding any other provision of this Act inconsistent with this section, the Secretary is authorized to provide mortgage insurance with respect to one- to four-family dwellings under sections 203(b), 234, and 245 through reinsurance contracts with private mortgage insurance companies which have been determined to be qualified insurers under section 302(b)(2)(C). Such contracts shall require private mortgage insurance companies to—

"(1) assume a percentage of loss on any mortgage insured pursuant to section 203(b), 234, or 245 covering a one- to four-family dwelling, which percentage of loss shall be set forth in the reinsurance contract; and

"(2) carry out (under appropriate delegation) such credit approval, appraisal, inspection, commitment, claims processing, prop-

erty disposition, or other function as the Secretary pursuant to regulations, shall approve as consistent with the purposes of this section.

"(c) Any contract of reinsurance under this section shall contain such provisions relating to the sharing of premiums on a sound actuarial basis, establishment of insurance reserves, manner of calculating claims on such insurance, conditions with respect to foreclosure, handling and disposition of property prior to claim or settlement, right of assignees, and other similar matters as the Secretary may prescribe pursuant to regulations. Pursuant to a contract under this section, a private mortgage insurance company shall endorse loans for insurance and take such other actions on behalf of the Secretary and in the Secretary's name as the Secretary may authorize.

"(c) The Secretary shall require any private mortgage insurance company participating in the program under this section to provide reinsurance for those mortgages offered by the Secretary for inclusion in the program.".

(b) The Secretary of Housing and Urban Development shall evaluate the reinsurance program under section 249 of the National Housing Act and, not later than March 1, 1985, submit to the Congress a report setting forth the results of such evaluation. Such report shall include an evaluation of the possible effect of a reinsurance program on the characteristics of the pool of mortgages remaining wholly under the applicable insurance funds and the actuarial soundness of such funds under such conditions.

Subpart 3—Multifamily and Other Mortgage Insurance Programs

DISCRETIONARY AUTHORITY TO REGULATE RENTS OR CHARGES

SEC. 431. (a) Section 207(b)(2) of the National Housing Act is amended—

(1) by striking out "any other mortgagor approved by the Secretary" and all that follows through "reasonable return on the investment." and inserting in lieu thereof the following: "any other mortgagor approved by the Secretary. The Secretary may, in the Secretary's discretion, require any such mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation so as to provide reasonable rentals to tenants and a reasonable return on the investment. Any such regulations or restrictions shall continue for such period or periods as the Secretary, in the Secretary's discretion, may require, including until the termination of all obligations of the Secretary under the insurance and during such further period of time as the Secretary shall be the owner, holder, or reinsurer of the mortgage.";

(2) by striking out "render effective the regulations or restrictions" and inserting in lieu thereof "render effective any such regulations or restrictions"; and

(3) by striking out "and directed" in the second sentence of the first undesignated paragraph. (b) Section 234(d)(2) of such Act is amended—

(1) by striking out "shall be regulated or restricted by the Secretary" and inserting in lieu thereof "may, in the Secretary's discretion, be regulated or restricted"; and

(2) by striking out "the regulation and restriction" and inserting in lieu thereof "any such regulation or restriction".

(c) The amendments made in this section shall not apply with respect to mortgages insured by the Secretary of Housing and Urban Development before the date of the enactment of this Act.

REMOVAL OF REFINANCING LIMITATIONS ON CERTAIN MULTIFAMILY PROJECTS

SEC. 432. (a) Section 220(d)(3)(B)(ii) of the National Housing Act is amended by striking out *"Provided further,"* the first time it appears and all that follows through "property or project:".

(b) Section 221(d)(3)(iii) of such Act is amended—

(1) by striking out *"Provided,* That" and all that follows through "property or project:"; and

(2) by striking out *"further"* the first time it appears.

(c) Section 221(d)(4)(iv) of such Act is amended—

(1) by striking out *"Provided,* That" and all that follows through " property or project:"; and

(2) by striking out *"further"* the first time it appears.

LIMITATION ON PREPAYMENT OF MORTGAGES ON MULTIFAMILY RENTAL HOUSING

SEC. 433. Title II of the National Housing Act is amended by adding at the end thereof the following:

"LIMITATION ON PREPAYMENT OF MORTGAGES ON MULTIFAMILY RENTAL HOUSING

"SEC. 257. (a) During any period in which an owner of a multifamily rental housing project is required to obtain the approval of the Secretary for prepayment of the mortgage, the Secretary shall not accept an offer to prepay the mortgage on such project unless—

"(1) the Secretary has determined that such project is no longer meeting a need for rental housing for lower income families in the area or that the needs of lower income families in such project can more efficiently and effectively be met through other Federal housing assistance taking into account the remaining time the project could meet such needs;

"(2) the Secretary (A) has determined that the tenants have been notified of the owner's request for approval of a prepayment; (B) has provided the tenants with an opportunity to comment on the owner's request; and (C) has taken such comments into consideration; and

"(3) the Secretary has ensured that there is a plan for providing relocation assistance for adequate, comparable housing for any lower income tenant who will be displaced as a result of the prepayment and withdrawal of the project from the program.

"(b) In the case of a project assisted under section 236 or the proviso to section 221(d)(5) of this title, section 101 of the Housing and Urban Development Act of 1965, or section 202 of the Housing Act of 1959 where the owner has the right to prepay the mortgage covering the assisted project without the Secretary's approval, the Secretary shall give a priority for additional assistance under section 8 of the United States Housing Act of 1937 and section 201 of the Housing and Community Development Amendments of 1978 to tenants and applicants to become tenants of the project, if—

"(1) funds to provide such additional assistance are available; and

"(2) the Secretary determines that making such additional assistance available to the project is necessary to prevent the owner from prepaying the mortgage.

"(c) Any owner of a multifamily rental housing project referred to in subsection (b) who receives additional assistance under section 8 of the United States Housing Act of 1937 under the priority established in subsection (b) shall—

"(1) fully utilize the assistance which is available;

"(2) grant a priority to applicants to become tenants who have the lowest incomes; and

"(3) maintain the low-income character of the project for a period at least equal to the remaining term of the project mortgage to the extent that assistance is provided.

"(d) For purposes of this section, the term 'lower income families' has the meaning given such term in section 3(b)(2) of the United States Housing Act of 1937.".

ASSUMPTION OF LOSS UNDER MULTIFAMILY CO-INSURANCE

SEC. 434. Section 244(g) of the National Housing Act is amended—

(1) in paragraph (1), by striking out "the mortgagee is a public housing agency or an insured depository institution and"; and

(2) by striking out paragraph (5) and inserting in lieu thereof the following new paragraph:

"(5) As used in this subsection, the term 'public housing agency' has the meaning given such term in section 3(p)(6) of the United States Housing Act of 1937.".

MORTGAGE INSURANCE FOR MANUFACTURED HOME PARKS FOR THE ELDERLY

SEC. 435. The first sentence of the second undesignated paragraph of section 207(b) of the National Housing Act is amended by striking out "no mortgage shall be insured hereunder" and inserting in lieu thereof the following: "the Secretary may not insure any mortgage under this section (except a mortgage with respect to a manufactured home park designed exclusively for occupancy by elderly persons)".

MORTGAGE INSURANCE FOR PUBLIC HOSPITALS

SEC. 436. Section 242 of the National Housing Act is amended—

(1) by inserting "public facility," in subsection (b)(1)(C) after "which is a"; and

(2) by inserting the following before the period at the end of subsection (f): ", and, in the case of public hospitals, to encourage programs that are undertaken to provide essential health care services to all residents of a community regardless of ability to pay".

MORTGAGE INSURANCE FOR BOARD AND CARE HOMES

SEC. 437. (a) Section 232(a)(2) of the National Housing Act is amended by inserting "and board and care homes" after "intermediate care facilities.".

(b) Section 232(b) of such Act is amended—

(1) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(2) by adding the following new paragraph at the end thereof:

"(4) the term 'board and care home' means any residential facility providing room, board, and continuous protective oversight that is regulated by a State pursuant to the provisions of section 1616(e) of the Social Security Act, so long as the home is located in a State that, at the time of an application is made for insurance under this section, has demonstrated to the Secretary that it is in compliance with the provisions of such section 1616(e).".

(c)(1) Section 232(d) of such Act is amended by inserting "or a board and care home" after "intermediate care facility" the second place it appears.

(2) Section 232(d)(4) of such Act is amended—

(A) by striking out "The" in the first sentence and inserting in lieu thereof the following: "(A) With respect to nursing homes and intermediate care facilities and combined nursing home and intermediate care facilities, the";

(B) by striking out "(A)" and "(B)" in the first sentence and inserting in lieu thereof "(i)" and "(ii)", respectively; and

(C) by adding the following new subparagraph at the end thereof:

"(B) With respect to board and care homes, the Secretary shall not insure any mortgage under this section unless he has received from the appropriate State licensing agency a statement verifying that the State in which the home is or is to be located is in compliance with the provisions of section 1616(e) of the Social Security Act.".

(d) Section 232(g) of such Act is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

(e) Section 232(h) of such Act is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

(f)(1) Section 232(i)(1) of such Act is amended—

(A) by inserting "or to board and care homes" after "intermediate care facilities";

(B) by inserting the following after "Association": "(or any subsequent edition specified by the Secretary of Health and Human Services)";

(C) by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services"; and

(D) by inserting the following before the period at the end thereof: "or as mandated by a State under the provisions of section 1616(e) of such Act".

(2) Section 232(i)(2) of such Act is amended—

(A) by striking out "and" at the end of subparagraph (D);

(B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof "; and"; and

(C) by adding the following new subparagraph at the end thereof:

"(F) in the case of board and care homes, be made with respect to such a home located in a State with respect to which the Secretary has received from the appropriate State licensing agency a statement verifying that the State in which the home is or is to be located is in compliance with the provisions of section 1616(e) of the Social Security Act.".

(c) The section heading of section 232 of the National Housing Act is amended to read as follows: "Mortgage Insurance for Nursing Homes, Intermediate Care Facilities, and Board and Care Homes".

SUBPART 4—INSURANCE OF ALTERNATIVE MORTGAGE INSTRUMENTS INDEXED MORTGAGES

SEC. 441. (a) Section 245(a) of the National Housing Act is amended—

(1) in the first sentence, by inserting after "income" the following: "or with monthy payments and outstanding balance adjusted by a percentage change in a selected price index"; and

(2) in the second sentence, by striking out "subsection (b)" and inserting in lieu thereof "subsections (b) and (c)".

(b) Section 245 of such Act is amended by redesignating subsection (c) as subsection (b) and by inserting the following new subsection after subsection (b):

"(c) Notwithstanding the provisions of subsection (a), the Secretary may insure under any provision of this title a mortgage or loan that meets the requirements of the first sentence of subsection (a) and that has provisions permitting adjustment of monthly payments and outstanding principal according to change or percentages of changes in a selected price index if the Secretary determines—

"(1) the principal obligation of the mortgage or loan initially does not exceed the percentage of the initial appraised value of the property specified in section 203(b) as of the date the mortgage or loan is accepted for insurance; and

"(2) the monthly payments and principal obligation of the mortgage or loan thereafter will not at any time be increased at a rate greater than the percentage change in the price index stipulated in the initial mortgage or loan contract.

In carrying out this subsection, the Secretary shall give a priority to mortgages executed by mortgagors who, as determined by the Secretary, have not owned dwelling units within the preceding 3 years. The Secretary shall, not later than March 31, 1984, prescribe regulations establishing guidelines governing mortgages and loans described in this subsection and shall, to the extent practicable, conduct a demonstration program to insure mortgages and loans in accordance with this subsection during fiscal years 1984 and 1985. The aggregate number of mortgages and loans insured by the Secretary under this title during the preceding fiscal year.".

(c) The section heading of section 245 of such Act is amended to read as follows: "Graduated Payment and Indexed Mortgages".

GRADUATED PAYMENT MORTGAGES FOR MULTIFAMILY HOUSING

SEC. 442. Section 245 of the National Housing Act, as amended in section 441, is amended by—

(1) redesignating subsection (d) as subsection (e); and

(2) inserting after subsection (c) the following new subsection:

"(d)(1) The Secretary may insure, under any provision of this title relating to multifamily housing projects, mortgages and loans with provisions of varying rates of amortization corresponding to anticipated variations in project income, to the extent the Secretary determines such mortgages or loans (A) have promise for expanding housing opportunities or meet special needs; (B) can be developed to include any safeguards for mortgagors, tenants, or purchasers that may be necessary to offset special risks of such mortgages; and (C) have a potential for acceptance in the private market.

"(2) Notwithstanding any other provision of this title, the principal obligation of a mortgage or loan insured pursuant to this subsection—

"(A) may not exceed initially the percentage of the initial appraised value or replacement cost of the property involved that is required by the provision of this title under which such property is insured; and

"(B) thereafter (including all interest to be deferred and added to principal) may not at any time be scheduled to exceed 100 percent of the projected value of such property.

"(3) for purposes of this subsection, the projected value of a property shall be calculated by the Secretary by increasing the initial appraised value of such property at a rate not in excess of 2.5 percent per annum.".

ADJUSTABLE RATE MORTGAGES FOR SINGLE FAMILY HOUSING

SEC. 443. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"ADJUSTABLE RATE SINGLE FAMILY MORTGAGES

"SEC. 251. (a) The Secretary may insure under any provision of this title a mortgage involving property upon which there is located a dwelling designed principally for occupancy by one to four families, where the mortgage provides for periodic adjustments by the mortgagee in the effective rate of interest charged. Such interest rate adjustments may be accomplished through adjustments in the monthly payment amount, the outstanding principal balance, or the mortgage term, or a combination of these factors, except that in no case may any extension of a mortgage term result in a total term in excess of 40 years. Adjustments in the effective rate of interest shall correspond to a specified national interest rate index approved in regulations by the Secretary, information on which is readily accessible to mortgagors from generally available published sources. Adjustments in the effective rate of interest shall (1) be made on an annual basis; (2) be limited, with respect to any single interest rate increase, to no more than 1 percent on the outstanding loan balance; and (3) be limited to a maximum increase of 5 percentage points above the initial contract interest rate over the term of the mortgage.

"(b) The Secretary shall issue regulations requiring that the mortgagee make available to the mortgagor, at the time of loan application, a written explanation of the features of the adjustable rate mortgage, including a hypothetical payment schedule that displays the maximum potential increases in monthly payments to the mortgagor over the first 5 years of the mortgage term.

"(c) The aggregate number of mortgages and loans insured under this section, section 245(c), and section 252 in any fiscal year may not exceed 10 percent of the aggregate number of mortgages and loans insured by the Secretary under this title during the preceding fiscal year.".

SHARED APPRECIATION MORTGAGES FOR SINGLE FAMILY HOUSING

SEC. 444. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"SHARED APPRECIATION MORTGAGES FOR SINGLE FAMILY HOUSING

"SEC. 252. (a) Notwithstanding any provision of this title that is inconsistent with this section, the Secretary may insure, under any provision of this title providing for insurance of mortgages on properties upon which there is located a dwelling designed principally for occupancy by one to four families, a mortgage secured by a first lien on such a property or on the stock allocated to a dwelling unit in a residential cooperative housing corporation, which—

"(1) provides for the mortgagee to share in a predetermined percentage of the property's or stock's net appreciated value;

"(2) bears interest at a rate which meets criteria prescribed by the Secretary;

"(3) provides for amortization over a period of not to exceed 30 years, but the actual term of the mortgage (excluding any refinancing) may be not less than 10 nor more than 30 years and contains such provi-

sions relating to refinancing of the principal balance of the mortgage and any contingent deferred interest as the Secretary may provide; and

"(4) meets such other conditions as the Secretary may require by regulation.

"(b) The mortgagee's share of a property's or stock's net appreciated value shall be payable upon sale or transfer (as defined by the Secretary) of the property or stock or payment in full of the mortgage, whichever occurs first. For purposes of this section, the term 'net appreciated value' means the amount by which the sales price of the property or stock (less the mortgagor's selling costs) exceeds the value of the property or stock at the time the commitment to insure is issued (with adjustments for capital improvements stipulated in the loan contract). If there has been no sale or transfer at the time mortgagee's share of net appreciated value becomes payable, the sales price for purposes of this section shall be determined by means of an appraisal conducted in accordance with procedures approved by the Secretary and provided for in the mortgage.

"(c) In the event of a default, the mortgagee shall be entitled to receive the benefits of insurance in accordance with section 204(a), but such insurance benefits shall not include the mortgagee's share of net appreciated value. The term 'original principal obligation of the mortgage' as used in section 204 shall not include the mortgagee's share of net appreciated value.

"(d) Mortgages insured pursuant to this section which contain provisions for sharing appreciation or which otherwise require or permit increases in the outstanding loan balance which are authorized under this section or under applicable regulations shall not be subject to any State constitution, statute, court decree, common law, rule, or public policy limiting or prohibiting increases in the outstanding loan balance after execution of the mortgage.

"(e) In carrying out the provisions of this section, the Secretary shall encourage the use of insurance under this section by low and moderate income tenants who would otherwise be displaced by the conversion of their rental housing to condominium or cooperative ownership.

"(f) The Secretary shall prescribe adequate consumer protections and disclosure requirements with respect to mortgages insured under this section, and may prescribe such other terms and conditions as may be appropriate to carry out the provisions of this section.

"(g) The aggregate number of mortgages and loans insured under this section, section 245(c), and section 251 in any fiscal year may not exceed 10 percent of the aggregate number of mortgages and loans insured by the Secretary under this title during the preceding fiscal year.".

SHARED APPRECIATION MORTGAGES FOR MULTIFAMILY HOUSING

SEC. 445. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"SHARED APPRECIATION MORTGAGES FOR MULTIFAMILY HOUSING

"SEC. 253. (a) Notwithstanding any provision of this title that is inconsistent with this section, the Secretary may insure, under any provision of this title providing for insurance of mortgages on properties including 5 or more family units, a mortgage secured by a first lien on the property that (1) provides for the mortgagee to share in a predetermined percentage of the property's net appreciated value; and (2) meets such other conditions, including limitations on the rate of interest which may be charged, as the Secretary may require by regulation.

"(b) The mortgagee's share of a property's net appreciated value shall be payable upon maturity or upon payment in full of the loan or sale or transfer (as defined by the Secretary) of the property, whichever occurs first. The term of the mortgage shall not be less than 15 years, and shall be repayable in equal monthly installments of principal and fixed interest during the mortgage term in an amount which would be sufficient to retire a debt with the same principal and fixed interest rate over a period not exceeding 30 years. In the case of a mortgage which will not be completely amortized during the mortgage term, the principal obligation of the mortgage may not exceed 85 percent of the estimated value of the property or project. For purposes of this section, the term 'net appreciated value' means the amount by which the sales price of the property (less the mortgagor's selling costs) exceeds the value (or replacement cost, as appropriate) of the property at the time the commitment to insure is issued (with adjustments for capital improvements stipulated in the loan contract). If there has been no sale or transfer at the time the mortgagee's share of net appreciated value becomes payable, the sales price for purposes of this section shall be determined by means of an appraisal conducted in accordance with procedures approved by the Secretary and provided for in the mortgage.

(c) In the event of a default, the mortgagee shall be entitled to receive the benefits of insurance in accordance with section 204, but such insurance benefits shall not include the mortgagee's share of net appreciated value. The term 'original principal obligation of the mortgage' as used in section 204(a) shall not include the mortgagee's share of net appreciated value.

(d) The Secretary shall establish by regulation the maximum percentage of net appreciated value which may be payable to a mortgagee as the mortgagee's share. The Secretary shall also establish disclosure requirements applicable to mortgagees making mortgage loans pursuant to this section, to assure that mortgagors are informed of the characteristics of such mortgages.

(e) Mortgages insured pursuant to this section which contain provisions for sharing appreciation or which otherwise require or permit increases in the outstanding loan balance which are authorized under this section or under applicable regulations shall not be subject to any State constitution, statute, court decree, common law, rule, or public policy limiting or prohibiting increases in the outstanding loan balance after execution of the mortgage.

(f) The number of dwelling units included in properties covered by mortgages insured pursuant to this section in any fiscal year may not exceed 5,000.".

INSURANCE OF MORTGAGES NOT PROVIDING FOR COMPLETE AMORTIZATION

SEC. 446. (a) The first sentence of the first undesignated paragraph of section 207(c)(3) of the National Housing Act is amended by inserting immediately after "periodic payments" the following: "(unless otherwise approved by the Secretary)".

(c) Section 220(d)(4) of such Act is amended by inserting after "periodic payments" the following: "(unless otherwise approved by the Secretary)".

(d) Section 221(d)(6) of such Act is amended by inserting after "periodic payments" the following: "(unless otherwise approved by the Secretary)".

(e) Section 231(c)(5) of such Act is amended by inserting after "periodic payments" the following: "(unless otherwise approved by the Secretary)".

(f) The aggregate number of dwelling units included in properties covered by mortgages insured pursuant to the authority granted in the amendments made by this section in any fiscal year may not exceed 10,000.

PREMIUM CHARGES FOR INSURANCE OF ALTERNATIVE MORTGAGE INSTRUMENTS

SEC. 447. The first proviso in section 203(c) of the National Housing Act is amended by inserting after "fixed for insurance" the following: "(1) under section 245, 247, 251, 252, or 253, or any other financing mechanism providing alternative methods for repayment of a mortgage that is determined by the Secretary to involve additional risk, or (2)".

REPORT ON HOME EQUITY CONVERSION MORTGAGES FOR THE ELDERLY

SEC. 448. The Secretary of Housing and Urban Development shall evaluate the existing use of home equity conversion mortgages for the elderly and, not later than the expiration of the 1-year period following the date of the enactment of this Act, submit to the Congress a report setting forth the results of such evaluation. Such report shall include—

(1) an evaluation of whether the use of such mortgages improves the financial situation, or otherwise meets the special needs, of elderly homeowners;

(2) an evaluation of any risks incurred by mortgagors as a result of the use of such mortgages, and any recommendations of the Secretary for appropriate safeguards to be included in such mortgages to minimize such risks;

(3) an evaluation of the potential for acceptance of such mortgages in the private market; and

(4) any recommendations of the Secretary for the establishment of a Federal program of insuring such mortgages.

PART B—FLOOD AND PROPERTY INSURANCE PROGRAMS

FLOOD INSURANCE

SEC. 451. (a) Section 1319 of the National Flood Insurance Act of 1968 is amended by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1985".

(b) Section 1336(a) of such Act is amended by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1985".

(c) Section 1376(c) of such Act is amended—

(1) by striking out "and" after "1981,"; and

(2) by inserting the following before the period at the end thereof ", not to exceed $49,752,000 for the fiscal year 1984, and such sums as may be necessary for fiscal year 1985".

(d)(1) The National Flood Insurance Act of 1968 is amended by striking out "Secretary" and "Secretary's" each place they appear therein (other than as a reference to a Secretary other than the Secretary of Housing and Urban Development) and inserting in lieu thereof "Director" and "Director's" respectively.

(2) Section 1304(a) of such Act is amended by striking out "Secretary of Housing and Urban Development" and inserting in lieu

thereof "Director of the Federal Emergency Management Agency".

(3) Section 1333 of such Act is amended by inserting "original exclusive" before "jurisdiction".

(4) Section 1340(a)(2) of such Act is amended by striking out "officers and employees of the Department of Housing and Urban Development, and".

(5) Section 1341 of such Act is amended by inserting "original exclusive" before "jurisdiction".

(6) Section 1360(a)(2) of such Act is amended by striking out "within fifteen years following such date" and inserting in lieu thereof "by September 30, 1985".

(7) Section 1360 of such Act is amended by adding at the end thereof the following new subsection:

"(d) The Director shall, not later than September 30, 1984, submit to the Congress a plan for bringing all communities containing flood-risk zones into full program status by September 30, 1987.".

(8) Section 1370(a)(6) of such Act is amended to read as follows:

"(6) the term 'Director' means the Director of the Federal Emergency Management Agency.".

(e)(1) The Flood Disaster Protection Act of 1973 is amended by striking out "Secretary" and "Secretary's" each place they appear therein (other than as a reference to a Secretary other than the Secretary of Housing and Urban Development) and inserting in lieu thereof "Director" and "Director's", respectively.

(2) Section 3(a)(6) of such Act is amended to read as follows:

"(6) 'Director' means the Director of the Federal Emergency Management Agency.".

(f) Section 15(e) of the Federal Flood Insurance Act of 1956 is amended by striking out "Secretary" the first and third places it appears therein and inserting in lieu thereof "Director of the Federal Emergency Management Agency".

(g)(1) The premium rates charged for flood insurance under any program established pursuant to the National Flood Insurance Act of 1968 may not be increased during the period beginning on the date of the enactment of this Act and ending on September 30, 1984.

(2) The Federal Insurance Administrator shall, not later than June 30, 1984, submit to the Congress a report with respect to the premium rate structure for flood insurance made available pursuant to the National Flood Insurance Act of 1968. Such report shall include an explanation of any increases in such premiums that the Administrator anticipates will be made before October 1, 1985.

CRIME AND RIOT INSURANCE

SEC. 452. (a)(1) Section 1201(b)(1) of the National Housing Act is amended by striking out "this title shall terminate on November 30, 1983," and inserting in lieu thereof the following: "part B shall terminate on November 30, 1983, and parts A, C, and D shall terminate on September 30, 1984,".

(2) Section 1201(b) of such Act is amended by adding at the end thereof the following new paragraph:

"(3) The Administrator shall notify participating insurers under part B that the reinsurance authority of the Administrator under such part shall terminate on November 30, 1983.".

(b)(1) Title XII of such Act is amended by striking out "Secretary" and "Secretary's" each place they appear therein (other than as a reference to a Secretary other than the Secretary of Housing and Urban Development) and inserting in lieu thereof "Director" and "Director's", respectively.

(2) Section 1203(a) of such Act is amended—

(A) by striking out "and" at the end of paragraph (15);

(B) by striking out the period at the end of paragraph (16) and inserting "; and" in lieu thereof; and

(C) by adding at the end thereof the following new paragraph:

"(17) 'Director' means the Director of the Federal Emergency Management Agency.".

(3) Section 1232(2) of such Act is amended by striking out "officers and employees of the Department of Housing and Urban Development, and".

(4) Section 1247 of such Act is amended by inserting "of the Secretary of Housing and Urban Development" after "regulations)".

STUDY OF SINKHOLE INSURANCE

SEC. 453. The Director of the Federal Emergency Management Agency may make a grant to a nonprofit organization, educational institution or affiliated agency or entity, or State or local agency to finance a study of the feasibility of expanding the national flood insurance program to cover damage or loss arising from sinkholes. There is authorized to be appropriated not to exceed $1,000,000 to carry out the provisions of this section.

PART C—REGULATORY AND OTHER PROGRAMS

REAL ESTATE SETTLEMENT PROCEDURES

SEC. 461. (a) Section 3 of the Real Estate Settlement Procedures Act of 1974 is amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon; and

(3) by adding the following new paragraphs at the end thereof:

"(7) the term 'controlled business arrangement' means an arrangement in which (A) a person who is in a position to refer business incident to or a part of a real estate settlement service involving a federally related mortgage loan, or an associate of such person, has either an affiliate relationship with or a direct or beneficial ownership interest of more than 1 percent in a provider of settlement services; and (B) either of such persons directly or indirectly refers such business to that provider or affirmatively influences the selection of that provider; and

"(B) the term 'associate' means one who has one or more of the following relationships with a person in a position to refer settlement business: (A) a spouse, parent, or child of such person; (B) a corporation or business entity that controls, is controlled by, or is under common control with such person; (C) an employer, officer, director, partner, franchisor, or franchisee of such person; or (D) anyone who has an agreement, arrangement, or understanding, with such person, the purpose or substantial effect of which is to enable the person in a position to refer settlement business to benefit financially from the referrals of such business.".

(b) Section 8(c) of such Act is amended—

(1) by striking out "or" before "(3)";

(2) by redesignating clause (4) as clause (5);

(3) by inserting the following after "brokers," at the end of clause (3): "(4) controlled business arrangements so long as (A) at or prior to the time of the referral a disclosure is made of the existence of such an arrangement to the person being referred and, in connection with the referral, such person is provided a written estimate of the charge or range of charges generally made by the provider to which the person is referred, except that where a lender makes the referral, this requirement may be satisfied as part of and at the time that the estimates of settlement changes required under section 5(c) are provided, (B) such person is not required to use any particular provider of settlement services, and (C) the only thing of value that is received from the arrangement, other than the payments permitted under this subsection, is a return on the ownership interest or franchise relationship,"; and

(4) by inserting the following new sentence at the end thereof: "For purposes of the preceding sentence, the following shall not be considered a violation of clause 4(B): (i) any arrangement that requires a buyer, borrower, or seller to pay for the services of an attorney, credit reporting agency, or real estate appraiser chosen by the lender to represent the lender's interest in a real estate transaction, or (ii) any arrangement where an attorney or law firm represents a client in a real estate transaction and issues or arranges for the issuance of a policy of title insurance in the transaction directly as agent or through a separate corporate title insurance agency that may be established by that attorney or law firm and operated as an adjunct to his or its law practice.".

(c) Section 8(d) of such Act is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) Any person or persons who violate the prohibitions or limitations of this section shall be jointly and severally liable to the person or persons charged for the settlement service involved in the violation in an amount equal to three times the amount of any charge paid for such settlement service.

"(3) No person or persons shall be liable for a violation of the provisions of section 8(c)(4)(A) if such person or persons proves by a preponderance of the evidence that such violation was not intentional and resulted from a bona fide error notwithstanding maintenance of procedures that are reasonably adapted to avoid such error.

"(4) The Secretary, the Attorney General of any State, or the insurance commissioner of any State may bring an action to enjoin violations of this section.

"(5) In any private action brought pursuant to this subsection, the court may award to the prevailing party the court costs of the action together with reasonable attorneys fees.

"(6) No provision of State law or regulation that imposes more stringent limitations on controlled business arrangements shall be construed as being inconsistent with this section.".

(d) Section 16 of such Act is amended to read as follows:

"JURISDICTION OF COURTS

"SEC. 16. Any action pursuant to the provisions of section 8 or 9 may be brought in the United States district court or in any other court of competent jurisdiction, for the district in which the property involved is located, or where the violation is alleged to have occurred, within one year from the date of the occurrence of the violation, except that actions brought by the Secretary, the Attorney General of any State, or the insurance commissioner of any State

may be brought within 3 years from the date of occurrence of the violation.".

(e) Section 19 of such Act is amended by adding the following new subsection at the end thereof:

"(c)(1) The Secretary may investigate any facts, conditions, practices, or matters that may be deemed necessary or proper to aid in the enforcement of the provisions of this Act, in prescribing of rules and regulations thereunder, or in securing information to serve as a basis for recommending further legislation concerning real estate settlement practices. To aid in the investigations, the Secretary is authorized to hold such hearings, administer such oaths, and require by subpena the attendance and testimony of such witnesses and production of such documents as the Secretary deems advisable.

"(2) Any district court of the United States within the jurisdiction of which an inquiry is carried on may, in the case of contumacy or refusal to obey a subpena of the Secretary issued under this section, issue an order requiring compliance therewith; and any failure to obey such order of the court may be punished by such court as a contempt thereof.".

(f) The amendments made by this section shall become effective on January 1, 1984.

NATIONAL INSTITUTE OF BUILDING SCIENCES

SEC. 462. Section 809(h) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new sentences: "In addition to the amounts authorized to be appropriated under the first sentence of this section, there is authorized to be appropriated to the Institute to carry out the provisions of this section not to exceed $250,000 for fiscal year 1984. Any amount appropriated under the preceding sentence shall be made available for expenditure or obligation by the Institute only to the extent of an equal amount received by the Institute after the effective date of this sentence from persons or entities other than the Federal Government.".

SOLAR ENERGY AND ENERGY CONSERVATION BANK

SEC. 463. (a)(1) Section 504(6) of the Solar Energy and Energy Conservation Bank Act is amended—

(A) by inserting after subparagraph (G) of the following new subparagraphs:

"(H) air-conditioning systems having better than average energy efficiency ratings;

"(I) any residential energy audit;";

(B) by redesignating subparagraphs (H) and (I) as subparagraphs (J) and (K), respectively; and

(C) in subparagraph (K), as so redesignated in this paragraph—

(i) by striking out "any residential energy audit,"; and

(ii) by striking out "(H)" and inserting in lieu thereof "(J)".

(2) Section 504(7) of the Solar Energy and Energy Conservation Bank Act is amended—

(A) by inserting after subparagraph (I) the following new subparagraphs:

"(J) air-conditioning systems having better than average energy efficiency ratings:

"(K) any commercial energy audit;",

(B) by redesignating subparagraphs (J) and (K) as subparagraphs (L) and (M), respectively; and

(C) in subparagraph (M), as so redesignated in this paragraph—

(i) by striking out ", and any commercial energy audit,"; and

(ii) by striking out "(J)" and inserting in lieu thereof "(L)".

(b) Section 508(f) of such Act is amended by adding at the end thereof the following new sentence: "Each such advisory committee shall meet at the call of its chairperson or a majority of its members, and shall meet not less than twice during each year.".

(c)(1) Section 511(a) of such Act is amended—

(A) by striking out "and" at the end of paragraph (3);

(B) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

(C) by adding at the end thereof the following new paragraph:

"(5) in the case of a residential building with 2 to 4 dwelling units and an owner or tenant whose income exceeds 150 percent of the median area income, or in the case of a residential building that is available for rent and is owned by a person whose income exceeds 150 percent of the median area income—

"(A) an amount equal to 20 percent of the cost of the residential energy conservation improvements; or

"(3) the sum of $400 times the number of dwelling units in such building in the case of an owner, or $400 in the case of a tenant, whichever is less.".

(2) Section 511 of such Act is amended by adding at the end thereof the following new subsection:

"(d) The Board may not limit the amount of financial assistance that may be provided under this subtitle for the purchase or installation of residential or commercial energy conserving improvements on the basis of the projected amount of energy conserved as a result of such improvements.".

(c)(1) Section 514(a)(2) of such Act is amended to read as follows:

"(2)(A) the contractor who installs residential or commercial energy conserving improvements in a building shall, in connection with such improvements, warrant in writing that the owner or tenant receiving the proceeds of such loan shall (for those improvements found within 1 year of installation to be defective due to materials manufacture, design, or installation) at a minimum be entitled to obtain within a reasonable period of time and at no charge appropriate replacement parts, materials, or installation; and

"(B) in the case of energy conserving improvements installed by an owner or tenant without the assistance of a contractor, such owner or tenant shall certify to the financial institution that he or she has obtained warranties as appropriate from the supplier for the energy conserving measures;".

(2) Section 514(b)(4) of such Act is amended by inserting before the semicolon at the end thereof the following: "unless such residential energy conserving improvements are installed in a building which is either located in an area which is not served by a public utility described in section 211(a) of such Act or which is located in an area served by such a public utility but in which no list has been made public by the public utility under section 215(a)(3) of such Act or by the Secretary of Energy".

(3) Section 514(b)(5) of such Act is amended to read as follows:

"(5)(A) the contractor who installs residential or commercial energy conserving improvements in a building shall, in connection with such improvements, warrant in writing that the owner or tenant receiving the proceeds of such loan shall (for those improvements found within 1 year of installation to be defective due to materials manufacture, design, or installation) at a minimum be entitled to obtain within a reasonable period of time and at no charge appropriate replacement parts, materials, or installation; and

"(B) in the case of energy conserving improvements installed by an owner or tenant without the assistance of a contractor, such owner or tenant shall certify to the financial institution that he or she has obtained warranties as appropriate from the supplier for the energy conserving measures;".

(e) Section 520 of such Act is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end thereof the following new subsection:

"(b) Not later than 90 days after the effective date of this subsection, the Board shall issue regulations that—

"(1) permit the provision of financial assistance under this subtitle for the purchase and installation of solar energy systems of the active type, and the purchase and installation of passive and active type solar space heating and water heating in new existing residential buildings and multifamily residential buildings;

"(2) do not prohibit the use of tax-exempt financing in connection with any purchase or installation of residential or commercial energy conserving improvements or solar energy systems assisted under this subtitle;

"(3) provide that a residential energy audit shall not be required as a condition of the receipt of financial assistance by an owner or tenant of a residential building under this subtitle, except that such regulations may require such audit with respect to any such building located in an area in which an audit is available under the provisions of title II of VII of the National Energy Conservation Policy Act;

"(4)(A) establish a maximum limitation on the percentage or amount of any financial assistance provided under this substitle that may be used for administrative expenses, which limitation shall be 12 percent (or such higher percentage as the Secretary may determine to be appropriate), or $20,000, whichever amount is greater; and

"(B) provide that not more than one-half of any such amount may be used by any State for its administrative expenses, except that if any State is the sole administrative entity in such State with respect to financial assistance under this subtitle such State may use all of such amount for such expenses;

"(5) establish criteria for the allocation of financial assistance under this subtitle among eligible financial institutions; and

"(6) provide that any amount of unexpended financial assistance under this subtitle that is recaptured by the Board shall be reallocated by the Board to eligible financial institutions under this subtitle.".

(f)(1) Section 1071 of the Omnibus Budget Reconciliation Act of 1981 is amended—

(A) by striking out "such fiscal year" and inserting in lieu thereof "of fiscal years 1982 and 1983"; and

(B) by inserting after "$50,000,000" the following: ", and for fiscal year 1984 not to exceed $35,000,000,".

(2) Section 522 of the Solar Energy and Energy Conservation Bank Act is amended—

(A) by striking out the hyphen before paragraph (1) in subsection (a) and all that follows through the period at the end of

subsection (b) and inserting in lieu thereof the following: "and of solar energy systems such sums as may be necessary for fiscal year 1985."; and

(B) by redesignating subsection (c) as subsection (b).

WEATHERIZATION PROGRAM

SEC. 464. Section 422 of the Energy Conservation in Existing Buildings Act of 1976 is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 422. Of the funds authorized by section 1005(1) of the Omnibus Budget Reconciliation Act of 1981 for energy conservation for fiscal year 1984, not less than $190,000,000 is authorized to be appropriated to carry out the weatherization program under this part. There is authorized to be appropriated such sums as may be necessary for fiscal year 1985 to carry out such weatherization program. Any amount appropriated under this section shall remain available until expended.".

COUNSELING

SEC. 465. Section 106(a)(3) of the Housing and Urban Development Act of 1968 is amended—

(1) by striking out "1982" and inserting in lieu thereof "1984"; and

(2) by striking out "$4,000,000" and inserting in lieu thereof "$3,500,000".

RESEARCH AUTHORIZATION

SEC. 466. Section 501 of the Housing and Urban Development Act of 1970 is amended by striking out the second sentence and inserting in lieu thereof the following: "There are authorized to be appropriated for activities under this title not to exceed $19,000,000 for fiscal year 1984, and such sums as may be necessary for fiscal year 1985. Of the amount appropriated under the preceding sentence for fiscal year 1984, not less than $2,000,000 shall be provided for implementation of a research program to be developed in consultation with public housing agencies, which program shall identify current problems of public housing management, specific solutions to such problems, and incentives to encourage implementation of such solutions.".

(b) Title V of the Housing and Urban Development Act of 1970 is amended by adding at the end thereof the following new section:

"BIENNIAL SURVEY OF ECONOMIC AND HOUSING MARKET CONDITIONS

"SEC. 512. The Secretary shall, not less than biennially, survey national, regional, and local economic and housing market conditions in a manner that provides data comparable to the data collected in such survey conducted in 1981.".

NATIONAL HOUSING PARTNERSHIP

SEC. 467. Section 906(a)(1) of the Housing and Urban Development Act of 1968 is amended—

(1) by striking out "or" after "building" and inserting in lieu thereof a comma; and

(2) by inserting after "rehabilitation" the following ", acquisition, and financing".

REPORT REGARDING PROGRAM CHANGES

SEC. 468. The Secretary of Housing and Urban Development shall, not later than March 1, 1984, transmit a report to both Houses of the Congress that describes—

(1) the standards utilized by the Department of Housing and Urban Development to make determinations concerning whether program requirements and changes to those requirements are implemented through the use of regulations, handbooks, memoranda, telegrams, or other forms of formal or informal notices; and

(2) the system currently utilized by the Department to assure that changes in the operation of departmental programs that substantially affect the eligibility, rights, or benefits of persons applying for or receiving assistance under any such programs are subject to requirements of notice and publication, especially those requirements specified in subsections (b) through (e) of section 553 of title 5, United States Code.

PERIODIC REPORT ON RESIDENTIAL MORTGAGE DELIQUENCIES AND FORECLOSURES

SEC. 459. As soon as practicable following the date of the enactment of this Act, the Secretary of Housing and Urban Development, with the cooperation of the Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System and the Comptroller of the Currency, shall develop a method of accurately reporting to the Congress on a periodic basis with respect to residential mortgage delinquencies and foreclosures. Each such report shall include information with respect to the number of residential mortgage foreclosures, and the number of 60- and 90-day residential mortgage delinquencies, in the Nation and in each State.

PUBLIC NOTICE AND COMMENT REGARDING DEPARTMENT DEMONSTRATION PROGRAMS

SEC. 470. (a) No demonstration program not expressly authorized in law may be commenced by the Secretary of Housing and Urban Development until (1) a description of such demonstration program is published in the Federal Register, which description may be included in a notice of funding availability; and (2) there expires a period of 60 calendar days following the date of such publication, during which period the Secretary shall fully consider any public comments submitted with respect to such demonstration program.

(b) Nothing in this section may be considered to authorize the conducting of any demonstration program by the Secretary of Housing and Urban Development.

MULTIFAMILY MORTGAGE FORECLOSURE

SEC. 471. Section 364 of the Multifamily Mortgage Foreclosure Act of 1981 is amended by adding at the end thereof the following new sentence: "If the Secretary forecloses on any such mortgage pursuant to such other foreclosure procedures available, the provisions of section 367(b) may be applied at the discretion of the Secretary.".

ALTERNATIVE MORTGAGE TRANSACTIONS

SEC. 472. Section 805(a) of the Alternative Mortgage Transaction Parity Act of 1982 is amended by inserting after "transactions" the following: "(or to any class or type of alternative mortgage transaction)".

DUE-ON SALE CLAUSE PROHIBITIONS

SEC. 473. Section 341(d) of the Thrift Institutions Restructuring Act is amended by striking out "A lender" and inserting in lieu thereof the following: "With respect to a real property loan secured by a lien on residential real property containing less than five dwelling units, including a lien on the stock allocated to a dwelling unit in a cooperative housing corporation, or on a residential manufactured home, a lender".

CANCELLATION OF DEBT OWED THE TREASURY AND LIQUIDATION OF NEW COMMUNITIES PROGRAM

SEC. 474. (a) In order to provide for the management and orderly liquidation of the assets, and discharge the liabilities, acquired or incurred in connection with the new communities program authorized pursuant to title IV of the Housing and Urban Development Act of 1968 and title VII of the Housing and Urban Development Act of 1970 (hereafter referred to in this section as "title IV" and "title VII", respectively), the liquidation of the new communities program shall be carried out pursuant to the provisions of law applicable to the revolving fund (liquidating programs) established pursuant to title II of the Independent Offices Appropriations Act, 1955, upon the transfer by the Secretary of Housing and Urban Development (hereafter in this section referred to as the "Secretary") of the assets and liabilities of the fund authorized under section 717 of title VII to such revolving fund, as required in title I of the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1984. The Secretary shall report to the Congress not less than 60 days prior to taking any action with respect to the disposition of real property (other than a purchase money mortgage) which involves any further potential liability of or assistance from the Department of Housing and Urban Development with respect to any property so transferred.

(b) In carrying out the purposes of subsection (a), all moneys in the revolving fund (liquidating programs) shall be available for necessary administrative and other expenses of servicing and liquidating obligations guaranteed pursuant to section 403 and section 713 of title IV and title VII, respectively, including costs of services (including legal services) performed on a contract or fee basis, and to discharge any other liability acquired or incurred in connection with the new communities program. Notwithstanding any other provision of law relating to the acquisition, handling, improvement, or disposal of real and other property by the United States, the Secretary of Housing and Urban Development shall also have power, for the protection of the interests of the revolving fund (liquidating programs), to pay out of any moneys in such fund all expenses or charges in connection with the acquisition, handling, improvement, or disposal of any property, real or personal, acquired by the Secretary either prior or subsequent to the date of the enactment of this Act as a result of recoveries under security, subrogation, or other rights in connection with the new communities program.

(c) After making the transfer required in title I of the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1984, the Secretary of Housing and Urban Development may issue obligations to the Secretary of the Treasury in an amount sufficient to enable the Secretary of Housing and Urban Development to satisfy any guarantee made pursuant to section 403 or 713 of title IV or title VII, respectively, and otherwise carry out the functions authorized by this section. The obligations issued under this subsection shall have such maturities and bear such rate or rates of interest as shall be determined by the Secretary of the Treasury. The Secretary of the Treasury is authorized and directed to purchase any obligations so issued, and for that purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, United States Code, and the purposes for which securities may be issued under such

chapter are extended to include purchases of obligations issued under this subsection.

(d) Upon the transfer required in title I of the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1984, each obligation issued by the Secretary of Housing and Urban Development to the Secretary of the Treasury pursuant to section 407(a) or 717(D) of title IV or title VII, respectively, together with any promises to repay the principal and unpaid interest which has accrued on each obligation, and any other term or condition specified by each such obligation, is canceled.

(e) Title IV, except for sections 405, 411, 413, 414, and 415, and part B of title VII, except for sections 724, 725, 726, and subsections (b) through (e) of section 727, are hereby repealed. Section 717 of title VII shall remain in effect until completion of the transfer required in title I of the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1984. The Secretary may not implement the amendment to section 214 of the Housing and Community Development Act of 1980, made by section 329(a) of the Housing and Community Development Amendments of 1981, before the expiration of the one-year period following the date of the enactment of this Act. Any actions taken, prior to repeal, under the authority of any of the sections which are repealed by this section shall continue to be valid. Nothing in this subsection shall impair the validity of any guarantees which have been made pursuant to title IV or title VII and any such guarantees shall continue to be governed by the provisions of title IV or title VII, as applicable, as they existed immediately before the date of the enactment of this Act.

PART D—SECONDARY MORTGAGE MARKET PROGRAMS

AMOUNT TO BE GUARANTEED UNDER THE GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE-BACKED SECURITIES PROGRAM

SEC. 481. Section 306(g)(2) of the Federal National Mortgage Association Charter Act is amended to read as follows:

"(2) Notwithstanding any other provision of law and subject only to the absence of qualified requests for guarantees, to the authority provided in this subsection, and to any funding limitation approved in appropriation Acts, the Association shall enter into commitments for each of the fiscal years 1984 and 1985 to issue guarantees under this subsection for each such fiscal year in an aggregate amount of $68,250,000,000.".

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION COMMITMENT EXTENSION

SEC. 482. The commitment issued under section 305(b) of the Federal National Mortgage Association Charter Act, known as FNMA commitment numbered 926-984, to purchase a mortgage insured under such Act shall be granted for 43 months without the imposition of additional fees beyond the initial commitment fee.

SPECIAL ASSISTANCE AND EMERGENCY MORTGAGE PURCHASE ASSISTANCE FUNCTIONS OF THE GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

SEC. 483. (a) Sections 305 and 313 of the Federal National Mortgage Association Charter Act and section 3(b) of the Emergency Home Purchase Assistance Act of 1974 are hereby repealed.

(b) Any purchase or commitment to purchase any mortgage pursuant to section 305 or 313 of the Federal National Mortgage Association Charter Act made before the date of the enactment of this Act, and the servicing and disposition of any such mortgage, shall continue to be governed by the provisions of such sections as they existed immediately before the effective date of this section.

TITLE V—RURAL HOUSING

SHORT TITLE

SEC. 501. This title may be cited as the "Rural Housing Amendments of 1983".

DEFINITIONS

SEC. 502. (a) Section 501(b)(4) of the Housing Act of 1949 is amended to read as follows:

"(4) For the purpose of this title, the terms 'low income families or persons' and 'very low-income families or persons' means those families and persons whose incomes do not exceed the respective levels established for lower income families and very low-income families by the Secretary of Housing and Urban Development under the United States Housing Act of 1937.".

(b) Section 501(b)(5) of such Act is amended to read as follows:

"(5) For the purpose of this title, the terms 'income' and 'adjusted income' have the meanings given by sections 3(b)(4) and 3(b)(5), respectively, of the United States Housing Act of 1937.".

SECTION 502 AMENDMENTS

SEC. 503. (a) Section 502 of the Housing Act of 1949 is amended by adding at the end thereof the following:

"(d) On and after the effective date of the Rural Housing Amendments of 1983—

"(1) not less than 40 per centum of the dwelling units financed under this section shall be available only for occupancy by very low-income families or persons; and

"(2) not less than 30 per centum of the dwelling units in each State financed under this section shall be available only for occupancy by very low-income families or persons.

"(e)(1) A loan which may be made or insured under this section with respect to housing shall be made or insured with respect to a manufactured home or with respect to a manufactured home and lot, whether such home or such home and lot is real property, personal property, or mixed real and personal property, if—

"(A) the manufactured home meets the standards prescribed pursuant to title VI of the Housing and Community Development Act of 1974;

"(B) the manufactured home, or the manufactured home and lot, meets the installation, structural, and site requirements which would apply under title II of the National Housing Act; and

"(C) the manufactured home meets the energy conserving requirements established under paragraph (2), or until the energy conserving requirements are established under paragraph (2), the manufactured home meets the energy conserving requirements applicable to housing other than manufactured housing financed under this title.

"(2) Energy conserving requirements established by the Secretary for the purpose of paragraph (1)(C) shall—

"(A) reduce the operating costs for a borrower by maximizing the energy savings and be cost-effective over the life of the manufactured home or the term of the loan, whichever is shorter, taking into account variations in climate, types of energy used, the cost to modify the home to meet such requirements, and the estimated value of the energy saved over the term of the mortgage; and

"(B) be established so that the increase in the annual loan payment resulting from the added energy conserving requirements in excess of those required by the standards prescribed under title VI of the Housing and Community Development Act of 1974 shall not exceed the projected savings in annual energy costs.".

(b) Within 18 months from the issuance by the Secretary of Agriculture of regulations under section 502(e)(2) of the Housing Act of 1949, the Secretary of Energy, in consultation with the Secretary of Housing and Urban Development and the Secretary of Agriculture, shall conduct a study and transmit to the Congress a report that compares the increased construction costs, actual annual energy use, and the projected value of energy saved over the expected life of the home or the mortgage term, whichever is shorter, of manufactured homes which are financed under titles I and II of the National Housing Act, or under title V of the Housing Act of 1949 and which are built according to national manufactured housing safety standards with other homes insured under either such Act.

(c) Section 527 of such Act is repealed.

(d) Section 502(a) of such Act is amended—

(1) by inserting "(1)" after the subsection designation;

(2) by striking out all after "making of the loan with interest" and inserting in lieu thereof a period and the following: "The Secretary may accept the personal liability of any person with adequate repayment ability who will cosign the applicant's note to compensate for any deficiency in the applicant's repayment ability. At the borrower's option, the borrower may repay to the Secretary as escrow agent, on terms and conditions prescribed by him, such taxes, insurance, and other expenses as the Secretary may require in accordance with section 501(e).''; and

(3) by adding at the end thereof the following new paragraph:

"(2) The Secretary may extend the period of any loan made under this section if the Secretary determines that such extension is necessary to permit the making of such loan to any person whose income does not exceed 60 per centum of the median income for the area and who would otherwise be denied such loan because the payments required under a shorter period would exceed the financial capacity of such person. The aggregate period for which any loan may be extended under this paragraph may not exceed 5 years.".

REHABILITATION LOANS

SEC. 504. The first and second sentences of section 504 (a) of the Housing Act of 1949 are amended to read as follows: "The Secretary may make a loan, grant, or combined loan and grant to an eligible very low-income applicant in order to improve or modernize a rural dwelling, to make the dwelling safer or more sanitary, or to remove hazards. The Secretary may make a loan or grant under this subsection to the applicant to cover the cost of any or all repairs, improvements, or additions such as repairing roofs, providing sanitary waste facilities, providing a convenient and sanitary water supply, repairing or providing structural supports, or making similar repairs, additions, improvements, including all preliminary and installation costs in obtaining

central water and sewer service. The maximum amount of a grant, a loan, or a loan and grant shall not exceed such limitations as the Secretary determines to be appropriate.".

TECHNICAL SERVICES AND RESEARCH

SEC. 505. Section 506(b) of the Housing Act of 1949 is amended by adding at the end thereof the following: "In carrying out this subsection, the Secretary may permit demonstrations involving innovative housing units and systems which do not meet existing published standards, rules, regulations, or policies if the Secretary finds that in so doing, the health and safety of the population of the area in which the demonstration is carried out will not be adversely affected, except that the aggregate expenditures for such demonstrations may not exceed $10,000,000 in any fiscal year. The Secretary shall report to the Congress at the close of each fiscal year on the results of such demonstrations.".

STANDARDS FOR ADEQUATE HOUSING

SEC. 506. (a) Section 509(a) of the Housing Act of 1949 is amended by adding at the end thereof the following: "The Secretary shall approve a residential building as meeting such standards if the building is constructed in accordance with (1) the minimum standards prescribed by the Secretary, (2) the minimum property standards prescribed by the Secretary of Housing and Urban Development for mortgages insured under title II of the National Housing Act, (3) the standards contained in any of the voluntary national model building codes, or (4) in the case of manufactured housing, the standards referred to in section 502(e) of this Act. To the maximum extent feasible, the Secretary shall promote the use of energy saving techniques through standards established by such Secretary for newly constructed residential housing assisted under this title. Such standards shall, insofar as is practicable, be consistent with the standards established pursuant to section 526 of the National Housing Act and shall incorporate the energy performance requirements developed pursuant to such section.".

(b) Section 529 of such Act is repealed.

GENERAL AUTHORITY OF THE SECRETARY

SEC. 507. (a) Section 510(e) of such Act is amended by adding before the semicolon at the end thereof the following: "and the authority of the Secretary under this paragraph includes the authority to transfer section 502 inventory properties for use as rental or cooperative units under section 515 with mortgages containing repayment terms with up to fifty years to private nonprofit organizations or public bodies. Such a transfer may be made even where rental assistance may be required so long as the authority to provide such assistance is available after taking into account the requirements of section 521(d)(1). Where the Secretary determines the transfer will contribute to the provision of housing for very low-income persons and families, the transfer may be made at the lesser of the appraised value or the Farmers Home Administration's investment".

(b) Section 510 of such Act is amended by redesignating subsection (j) as subsection (k) and inserting after subsection (i) the following new subsection:

"(j) utilize the services of fee inspectors and fee appraisers to expedite the processing of applications for loans and grants under this title, which services shall be utilized in any case in which a county or district office is unable to expeditiously process such loan and grant applications, and to include the cost of such services in the amount of such loans and grants; and".

AMENDMENT TO SECTION 511

SEC. 508. The second sentence of section 511 of the Housing Act of 1949 is repealed.

REPEAL OF SECTION 512

SEC. 509. Section 512 of the Housing Act of 1949 is repealed.

DETERMINATION OF NEED FOR HOUSING UNDER SECTIONS 514 AND 516

SEC. 510. Section 514 of the Housing Act of 1949 is amended by adding the following new subsection at the end thereof:

"(h) In making available assistance in any area under this section or section 516, the Secretary shall—

"(1) in determining the need for the assistance, take into consideration the housing needs only of domestic farm labor, including migrant farmworkers, in the area; and

"(2) in determining whether to provide such assistance, make such determination without regard to the extent or nature of other housing needs in the area.".

AUTHORIZATIONS

SEC. 511. (a) Section 513 of the Housing Act of 1949 is amended to read as follows:

"PROGRAM LEVELS AND AUTHORIZATIONS

SEC. 513. (a) The Secretary may insure and guarantee loans under this title during fiscal years 1984 and 1985 in an aggregate amount not to exceed such sums as may be approved in an appropriation Act.

"(b) There are authorized to be appropriated for fiscal years 1984 and 1985—

"(1) such sums as may be necessary for grants pursuant to section 504;

"(2) such sums as may be necessary for the purposes of section 509(c);

"(3) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to (A) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 503, and (B) the interest due on a similar sum represented by notes or other obligations issued by the Secretary;

"(4) such sums as may be necessary for financial assistance pursuant to section 516;

"(5) such sums as may be necessary for the purposes of section 523;

"(6) such sums as may be necessary for purposes of section 525(a);

"(7) not to exceed $100,000,000 for each such year for grants under section 531, of which 5 per centum shall be available for technical assistance; and

"(8) such sums as may be required by the Secretary to administer the provisions of sections 235 and 236 of the National Housing Act and section 8 of the United States Housing Act of 1937.

"(c) The Secretary may enter into rental assistance contracts aggregating such sums as may be approved in appropriation Acts under section 521(a)(2)(A) during fiscal years 1984 and 1985.".

(b) Section 515(b)(5) of such Act is amended by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1985".

(c) Section 517(a)(1) of such Act is amended by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1985".

(d) Section 523(f) of such Act is amended—

(1) by striking out the first sentence; and

(2) by striking out "November 30, 1983" and inserting in lieu thereof "September 30, 1985".

(e) Section 523(g) of such Act is amended—

(1) by striking out "fiscal year 1982" in the second sentence and inserting in lieu thereof "fiscal year 1985"; and

(2) by striking out the first sentence.

SECTION 515 AMENDMENTS

SEC. 512. (a) Section 515 of the Housing Act of 1949 is amended by adding at the end thereof the following:

"(g) The Secretary shall limit increases in rents on or after the date of enactment of this subsection for newly constructed or substantially rehabilitated projects assisted under this section to the lesser of the actual operating cost increases incurred or the amount of operating cost increases incurred with respect to comparable rental dwelling units of various sizes and types in the same market area which are suitable for occupancy by families and persons assisted under this section. Where no comparable dwelling units exist in the same market area, the Secretary shall have authority to approve such increases in accordance with the best available data regarding operating cost increases in rental dwelling units.

"(h) After approving a project involving newly constructed or substantially rehabilitated units under this section, the Secretary shall limit cost increases to those approved by the Secretary. The Secretary may approve those increases only for unforeseen factors beyond the owner's control, design changes required by the Secretary or the local government, or changes in financing approved by the Secretary.

"(i) For the purpose of achieving the lowest cost in providing units in newly constructed projects assisted under this section, the Secretary shall give a preference in entering into contracts under this section for projects which are to be located on specific tracts of land provided by States, units of local government, or others if the Secretary determines that the tract of land is suitable for such housing, and that affording such preference will be cost effective.

"(j) The Secretary shall assure that management fees are not excessive when a project developed under this section is managed by the developer or an affiliate of the developer.

"(k) For purposes of determining the market feasibility of any project to be assisted under this section—

"(1) in the case of any applicant whose project is expected to utilize rental assistance payments under section 521, the Secretary shall only require such applicant to demonstrate that a market exists for persons and families eligible for such rental assistance payments; and

"(2) in the case of any applicant whose project is expected to utilize any assistance under a program of a State, or political subdivision thereof, that is similar to such assistance payments under section 521, the Secretary shall only require such applicant to demonstrate that—

"(A) a market exists for persons and families eligible for such program of assistance;

"(B) such program of assistance will provide rental assistance for a period of not less than five years, and for the term of the loan remaining after the period of such assistance, that an adequate rental market exists for the project without such assistance; and

"(C) during the term of such rental assistance contracts, such State and political sub-

division shall make available the amounts required for such rental assistance not less than annually.

"(1) The Secretary shall establish standards for housing and related facilities rehabilitated or repaired with amounts received under a loan made or insured under this section. Standards established by the Secretary under this subsection shall provide that except for substantial rehabilitation the particular items or systems repaired or rehabilitated must meet appropriate levels of quality or performance comparable to those levels prescribed by the Secretary of Housing and Urban Development for rehabilitation, but shall not require that such items or systems or the remainder of the property meet the standards which are applicable to new construction. The Secretary shall ensure that standards prescribed under this subsection provide decent, safe, and sanitary housing and related facilities.

"(m) The Secretary may not deny assistance under this section or section 521 on the basis that the project involved is to be located on more than one site.

"(n) The Secretary may not (1) deny assistance under this section on the basis that rental assistance payments under section 521 may be required unless the authority to provide such assistance is not available; or (2) promulgate any regulation that would have the effect of denying occupancy to eligible persons on the basis that such persons require rental assistance payments under section 521.

"(o)(1) To the extent assistance is available under section 521(a)(2), not more than 25 per centum of the dwelling units which were available for occupancy under this section prior to the date of enactment of this subsection, and which will be leased on or after such effective date shall be available for leasing by low-income persons and families other than very low-income persons and families.

"(2) To the extent assistance is available under section 521(a)(2), not more than 5 per centum of the dwelling units which become available for occupancy under this section on or after the date of enactment of this subsection shall be available for leasing by low income persons and families other than very low-income persons and families.

"(3) Units in projects financed under this section which become available for occupancy after the date of enactment of this subsection shall not be available for occupancy by persons and families other than very low-income persons and families if the authority to provide assistance for such persons is available.

"(p) In determining the income of a person or family occupying housing financed under this section, the Secretary shall consider the value of that person's or family's assets in the same manner as the Secretary of Housing and Urban Development considers such value for the purpose of the United States Housing Act of 1937.".

(b) Section 515(b) of such Act is amended—

(1) by striking out "and" at the end of clause (5);

(2) by striking out the period at the end of clause (6) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(7) loans may be made to owners who are otherwise eligible under this section to purchase and convert single-family residences to rental units of two or more dwellings.".

(c) Section 515 of such Act is amended—

(1) by striking out subsection (a)(2);

(2) by redesignating subsections (a)(3) and (a)(4) as subsections (a)(2) and (a)(3), respectively;

(3) by striking out subsection (b)(2); and

(4) by redesignating subsections (b)(3), (b)(4), (b)(5), (b)(6), and (b)(7) as subsections (b)(2), (b)(3), (b)(4), (b)(5), and (b)(6), respectively.

(d) Section 515(c) of such Act is amended by adding at the end thereof the following: "A loan may be made or insured under subsection (a) or (b) with respect to detached units, including those on scattered sites, for cooperative housing.".

(e) Section 515(d)(1) of such Act is amended by inserting before the first semicolon the following: ", and such term also means manufactured home rental parks where either the lots or both the lots and the homes are available for use by occupants eligible under this section".

FARM LABOR HOUSING

SEC. 513. Section 516 of the Housing Act of 1949 is amended by adding at the end thereof the following subsection:

"(i) The Secretary shall utilize not more than 10 per centum of the amounts available for any fiscal year for purposes of this section for financial assistance to eligible private and public nonprofit agencies to encourage the development of domestic and migrant farm labor housing projects under this title.".

INSURED RURAL HOUSING LOANS

SEC. 514. (a) Section 517 of the Housing Act of 1949 is amended—

(1) by striking out all after "insured" in subsection (a) and inserting in lieu thereof a period and the following: "The amount of such a loan to a low-income person or family shall not exceed the amount necessary to provide adequate housing which is modest in size, design, and cost (as determined by the Secretary)."; and

(2) by striking out "(b)(4)" in subsection (b) and inserting in lieu thereof "(b)(3)".

(b) Section 517(j) of such Act is amended—

(1) by striking out "; and" at the end of paragraph (5) and inserting in lieu thereof a period; and

(2) by striking out paragraph (6).

(c) Section 517(o) of such Act is repealed.

(d) Section 517 of such Act is amended by adding at the end thereof the following:

"(o) The Secretary shall promulgate rules which encourage the rehabilitation or purchase of existing buildings for the purpose of providing housing which is economical in cost and operation.".

DEFINITION OF RURAL AREA

SEC. 515. Section 520 of the Housing Act of 1949 is amended by adding at the end thereof the following new sentence: "For purposes of this title, any area classified as 'rural' or a 'rural area' prior to the receipt of data from or after the 1980 decennial census and determined not to be 'rural' or a 'rural area' as a result of such data shall continue to be so classified through the end of fiscal year 1984, if such area has a population in excess of 10,000 but not in excess of 20,000.".

SHARED HOUSING FOR THE ELDERLY AND HANDICAPPED

SEC. 516. Section 521(a)(2) of the Housing Act of 1949 is amended by adding the following new subparagraph at the end thereof:

"(E) In order to assist elderly or handicapped persons or families who elect to live in a shared housing arrangement in which they benefit as a result of sharing the facilities of a dwelling with others in a manner that effectively and efficiently meets their housing needs and thereby reduces their cost of housing, the Secretary shall permit rental assistance to be used by such persons or families if the shared housing arrangement is in a single-family dwelling. For the purpose of this subparagraph, the Secretary shall prescribe minimum habitability standards to assure decent, safe, and sanitary housing for such families while taking into account the special circumstances of shared housing.".

RENTAL ASSISTANCE TENANT CONTRIBUTION

SEC. 517. (a) Section 521(a)(2)(A) of the Housing Act of 1949 is amended by striking out the last two sentences.

(b) Section 521(a) of such Act is amended by adding at the end thereof the following:

"(3)(A) In the case of loans under sections 514 and 515 approved prior to the effective date of this paragraph with respect to which rental assistance is provided, the rent for tenants receiving such assistance shall not exceed the highest of (i) 30 per centum of monthly adjusted income, (ii) 10 per centum of monthly income, or (iii) if the person or family is receiving payments for welfare assistance from a public agency, the portion of such payments which is specifically designated by such agency to meet the person's or family's housing costs.

"(B) In the case of a section 515 loan approved prior to the effective date of this paragraph with respect to which interest credits are provided, the tenant's rent shall not exceed the highest of (i) 30 per centum of monthly adjusted income, (ii) 10 per centum of monthly income, or (iii) if the person or family is receiving payments for welfare assistance from a public agency, the portion of such payments which is specifically designated by such agency to meet the person's or family's housing costs, or, where no rental assistance authority is available, the rent level established on a basis of a 1 per centum interest rate on debt service.

"(C) No rent for a unit financed under section 514 or 515 shall be increased as a result of this subsection or other provision of Federal law or Federal regulation by more than 10 per centum in any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to this subsection or other law, or regulation.

"(4) In the case of a loan with respect to the purchase of a manufactured home with respect to which rental assistance is provided, the monthly payment for principal and interest on the manufactured home and for lot rental and utilities shall not exceed the highest of (A) 30 per centum of monthly adjusted income, (B) 10 per centum of monthly income, or (C) if the person or family is receiving payments for welfare assistance from a public agency, the portion of such payments which is specifically designated by such agency to meet the person's or family's housing costs.".

(c) Section 521(a)(2)(A) of such Act is amended by striking out "25 per centum of income." and inserting in lieu thereof "the highest of (i) 30 per centum of monthly adjusted income; (ii) 10 per centum of monthly income; or (iii) if the person or family is receiving payments for welfare assistance from a public agency, the portion of such payments which is specifically designated by such agency to meet the person's or family's housing costs. Any rent or contribution

of any recipient shall not increase as a result of this section or any other provision of Federal law or regulation by more than 10 per centum during any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to this subsection or other law or regulation.".

(d) Section 530 of such Act is amended by striking out "25" and inserting in lieu thereof "30".

(e) Section 521 of such Act is amended by adding at the end thereof the following:

"(d)(1)(A) In entering into contracts for assistance under this section and utilizing rental assistance authority which becomes available, the Secretary shall first assure that expiring contracts are extended for those units occupied by persons and families of low income, and that additional assistance is used where necessary to provide the full amount authorized pursuant to existing contracts.

"(B) Remaining funds shall be used for contracts which assist very low-income persons and families occupying projects receiving commitments under section 514, 515, or 516 after fiscal year 1983, except that up to 5 per centum of the units assisted may be occupied by persons and families of low income.

"(C) To the extent any funds are available after providing assistance in accordance with subparagraphs (A) and (B), the Secretary shall provide additional assistance to existing projects which would become occupied and affordable by very low-income persons and families, except that up to 5 per centum of the units assisted may be occupied by persons and families of low income.

"(2) The Secretary shall transfer rental assistance contract authority under this section from projects where such authority is unused after initial rentup and not needed because of a lack of eligible tenants in the area to projects where such authority is needed.

"(e) Any rent or contribution of any recipient shall not increase as a result of this section, any amendment thereto, or any other provision of Federal law or regulation by more than 10 per centum during any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to this subsection or other law or regulation.".

(f) The amendments made by this section shall take effect 6 months after the date of enactment of this Act, or upon the earlier promulgation of regulations implementing this section by the Secretary.

TECHNICAL AND SUPERVISORY ASSISTANCE

SEC. 518. (a) The last sentence of section 525(b) of the Housing Act of 1949 is amended by striking out all after "sooner" and inserting in lieu thereof a period.

(b) Section 525(c) of such Act is repealed.

CONDOMINIUM HOUSING

SEC. 519. (a) Section 526 of the Housing Act of 1949 is amended—

(1) by striking out "in his discretion" in subsection (a); and

(2) by striking out "in his discretion" in subsection (c).

FHA INSURANCE

SEC. 520. Title V of the Housing Act of 1949 is amended by adding at the end thereof the following:

"FHA INSURANCE

"SEC. 531. The Secretary is authorized to act as an agent of the Secretary of Housing and Urban Development to recommend insurance of any mortgage meeting the requirements of section 203 of the National Housing Act.".

PROCESSING OF APPLICATION

SEC. 521. Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"PROCESSING OF APPLICATIONS

"SEC. 532. (a) The Secretary shall, in making assistance available under this title, give a priority to applications submitted by—

"(1) persons and families that have the greatest housing assistance needs because of their low income and their residing in inadequate dwellings;

"(2) applicants applying for assistance for projects that will serve such persons and families; and

"(3) applicants residing in areas which are the most rural in character.

"(b) In making available the assistance authorized by section 513 and section 521(a) with respect to projects involving insured and guaranteed loans and interest credits and rental assistance payments, the Secretary shall process and approve requests for such assistance in a manner that provides for a preliminary reservation of assistance at the time of initial approval of the project.".

RURAL HOUSING PRESERVATION GRANT PROGRAM

SEC. 522. Title V of the Housing Act of 1949 is amended by adding at the end thereof the following:

"HOUSING PRESERVATION GRANTS

"SEC. 533. (a) The purpose of this section is to authorize the Secretary to make grants to eligible grantees including private nonprofit organizations, Indian tribes, general units of local government, counties, States, and consortia of other eligible grantees, in order to—

"(1) rehabilitate single family housing in rural areas which is owned by low- and very low-income persons and families, and

"(2) rehabilitate rental properties or cooperative housing which has a membership resale structure that enables the cooperative to maintain affordability for persons of low income in rural areas serving low- and very low-income occupants.

The Secretary may also provide assistance payments as provided by section 8(o) of the United States Housing Act of 1937 upon the request of grantees in order to minimize the displacement of very low-income tenants residing in units rehabilitated with assistance under this section.

"(b) Rehabilitation programs assisted under this section shall—

"(1) be used to provide loans or grants to owners of single family housing in order to cover the cost of repairs and improvements;

"(2) be used to provide interest reduction payment;

"(3) be used to provide loans or grants to owners of rental housing, except that rental rehabilitation assistance provided under this subsection for any structure shall not exceed 75 per centum of the total costs associated with the rehabilitation of that structure;

"(4) be used to provide other comparable assistance that the Secretary deems appropriate to carry out the purpose of this section, designed to reduce the costs of such repair and rehabilitation in order to make such housing affordable by persons of low income and, to the extent feasible, by persons and families whose incomes do not exceed 50 per centum of the area median income;

"(5) benefit low- and very low-income persons and families in rural areas, without causing the displacement of current residents; and

"(6) raise health and safety conditions to meet those specified in section 509(a).

"(c)(1) The Secretary shall allocate rehabilitation grant funds for use in each State on the basis of a formula contained in a regulation prescribed by the Secretary using the average of the ratios between—

"(A) the population of the rural areas in that State and the population of the rural areas of all States;

"(B) the extent of poverty in the rural areas in that State and the extent of poverty in the rural areas of all States; and

"(C) the extent of substandard housing in the rural areas of that State and the extent of substandard housing in the rural areas of all States.

Any funds which are allocated to a State but uncommitted to grantees will be transferred to the State office of the Farmers Home Administration in a timely manner and be used for authorized rehabilitation activities under section 504.

"(2) Unless there is only one eligible grantee in a State, a single grantee may not receive more than 50 per centum of a State's allocation.

"(d)(1) Eligible grantees may submit a statement of activity to the Secretary at the time specified by the program administrator, containing a description of its proposed rehabilitation program. The statement shall consist of the activities each entity proposes to undertake for the fiscal year, and the projected progress in carrying out those activities. The statement of activities shall be made available to the public for comment.

"(2) In preparing such statement, the grantee shall consult with and consider the views of appropriate local officals.

"(3) The Secretary shall evaluate the merits of each statement on the basis of such criteria as the Secretary shall prescribe, including the extent—

"(A) to which the repair and rehabilitation activities will assist persons of low income who lack adequate shelter, with priority given to applications assisting the maximum number of persons and families whose incomes do not exceed 50 per centum of the area median income;

"(B) to which the repair and rehabilitation activities include the participation of other public or private organizations in providing assistance, in addition to the assistance provided under this section, in order to lower the costs of such activities or provide for the leveraging of available funds to supplement the rural housing preservation grant program;

"(C) to which such activities will be undertaken in rural areas having populations below 10,000 or in remote parts of other rural areas;

"(D) to which the repair and rehabilitation activities may be expected to result in achieving the greatest degree of repair or improvement for the least cost per unit or dwelling;

"(E) to which the program would minimize displacement;

"(F) to which the program would alleviate overcrowding in rural residences inhabited by low- and very low-income persons and families;

"(G) to which the program would minimize the use of grant funds for administrative purposes; and

"(H) to which the owner agrees to meet the requirement of subsection (e)(1)(B)(iv) for a period longer than 5 years;

and shall assess the demonstrated capacity of the grantee to carry out the program as well as the financial feasibility of the program.

"(4) The amount of assistance provided under this section with respect to any housing shall be the least amount that the Secretary determines is necessary to provide, through the repair and rehabilitation of such housing, decent housing of modest design that is affordable for persons of low income.

"(e)(1) Assistance under this section may be provided with respect to rental or cooperative housing only if—

"(A) the owner has entered into such agreements with the Secretary as may be necessary to assure compliance with the requirements of this section, to assure the financial feasibility of such housing, and to carry out the other provisions of this section;

"(B) the owner agrees—

"(i) to pass on to the tenants any reduction in the debt service payments resulting from the assistance provided under this section;

"(ii) not to convert the units to condominium ownership (or in the case of a cooperative, to condominium ownership or any form of cooperative ownership not eligible for assistance under this section);

"(iii) not refuse to rent a dwelling unit in the structure to a family solely because the family is receiving or is eligible to receive assistance under any Federal, State, or local housing assistance program; and

"(iv) that the units repaired and rehabilitated with such assistance will be occupied, or available for occupancy, by persons of low income;

during the 5-year period beginning on the date on which the units in the housing are available for occupancy;

"(C) the unit of general local government or nonprofit organization that receives the assistance certifies to the satisfaction of the Secretary that the assistance will be made available in conformity with Public Law 88-352 and Public Law 90-284;

"(D) the owner agrees to enter into and abide by written leases with the tenants, which leases shall provide that tenants may be evicted only for good cause; and

"(E) the unit of general local government or nonprofit organization will agree to supervise repairs and rehabilitation and will agree to have a disinterested party inspect such repairs and rehabilitation.

"(2) Assistance under this section provided with respect to any housing other than rental or cooperative housing may be provided only if the owner complies with the requirements set forth in subparagraph (E) of paragraph (1) and any other requirements established by the Secretary to carry out the purpose of this section.

"(3)(A) The Secretary shall provide that if the owner or his or her successors in interest fail to carry out the agreements described in subparagraph (A) and (B) of paragraph (1) during the applicable period, the owner or his or her successors in interest shall make a payment to the Secretary of an amount that equals the total amount of assistance provided under this section with respect to such housing, plus interest therein (without compounding), for each year and any fraction thereof that the assistance was outstanding, at a rate determined by the Secretary taking into account the average yield on outstanding marketable long-term obligations of the United States during the month preceding the date on which the assistance was made available.

"(B) Notwithstanding any other provision of law, any assistance provided under this section shall constitute a debt, which is payable in the case of any failure to carry out the agreements described in subparagraphs (A), (B), and (C) of paragraph (1), and shall be secured by the security instruments provided by the owner to the Secretary.

"(f) The Secretary shall provide for such advance payments of assistance under this section as the Secretary determines is necessary to effectively carry out the provisions of this section.

"(g) The Secretary shall, at least on an annual basis, make such review and audits as may be necessary or appropriate to determine whether the grantee has carried out its activities in a timely manner and in accordance with the requirements of this section, the degree to which the activities assisted benefitted persons of low income and very low income who lacked adequate housing, and whether the grantee has a continuing capacity to carry out the activities in a timely manner. The Secretary may adjust, reduce, or withdraw resources made available to grantees receiving assistance under this section, or take other action as appropriate in accordance with the findings of these reviews and audits. Any amounts which became available as a result of actions under this subsection shall be reallocated in the year in which they become available to such grantee or grantees as the Secretary may determine.

"(h) The Secretary is authorized to prescribe such rules and regulations and make such delegations of authority as he deems necessary to carry out this section within 90 days after the date of enactment of this section.

"(i) The Secretary shall establish procedures which support national historic preservation objectives and which assure that, if any rehabilitation proposed to be assisted under this section would affect property that is included or is eligible for inclusion on the National Register of Historic Places, such activity shall not be undertaken unless (1) it will reasonably meet the standards for rehabilitation issued by the Secretary of the Interior and the appropriate State historic preservation officer is afforded the opportunity to comment on the specific rehabilitation plan, or (2) the Advisory Council on Historic Preservation is afforded an opportunity to comment on cases for which the recipient of assistance, in consultation with the State historic preservation officer, determines that the proposed rehabilitation activity cannot reasonably meet such standards or would adversely affect historic property as defined therein.

"(j) Not later than 180 days after the close of each fiscal year in which assistance under this section is furnished, the Secretary shall submit to the Congress a report which shall contain—

"(1) a description of the progress made in accomplishing the objectives of this section; and

"(2) a summary of the use of such funds during the preceding year.

The Secretary shall require grantees under this section to submit to him such reports, and other information as may be necessary in order for the Secretary to make the report required by this subsection.".

MISCELLANEOUS

SEC. 523. Title V of the Housing Act of 1949 is amended by adding at the end thereof the following:

"REVIEW OF RULES AND REGULATIONS

"SEC. 534. (a) Notwithstanding any other provision of law, no rule or regulation pursuant to this title may become effective unless it has first been published for public comment in the Federal Register for at least 60 days, and published in final form for at least 30 days.

"(b) The Secretary shall transmit to the chairman and ranking member of the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House, all rules and regulations at least 15 days before they are sent to the Federal Register for purposes of subsection (a).

"(c) The provisions of this section shall not apply to a rule or regulation which the Secretary certifies is issued on an emergency basis.

"RECIPROCITY IN APPROVAL OF HOUSING SUBDIVISIONS AMONG FEDERAL AGENCIES

"SEC. 535. The Secretary of Agriculture, the Secretary of Housing and Urban Development, and the Administrator of Veterans' Affairs shall each accept an administrative approval of any housing subdivision made by any of the others so that not later than January 1, 1984, there is total reciprocity for housing subdivision approvals among the agencies which they head.".

TITLE VI—EXPORT-IMPORT BANK ACT AMENDMENTS OF 1983

SHORT TITLE

SEC. 601. This title may be cited as the "Export-Import Bank Act Amendments of 1983".

PART A—EXPORT-IMPORT BANK ACT AMENDMENTS

EXTENSION OF THE EXPORT-IMPORT BANK ACT

SEC. 611. Section 8 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) is amended by striking out "November 18, 1983" and inserting in lieu thereof "September 30, 1986".

COMPETITIVE MANDATE

SEC. 612. (a) The second sentence of section 2(b)(1)(A) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)(A)) is amended—

(1) by inserting "in all its programs" after "objective"; and

(2) by inserting "fully" after "which are".

(b) The first sentence of section 2(b)(1)(B) of such Act (12 U.S.C. 635(b)(1)(B)) is amended by striking out "It is" and all that follows through "exports of other countries;" and inserting in lieu thereof the following: "It is further the policy of the United States that loans made by the Bank in all its programs shall bear interest at rates determined by the Board of Directors, consistent with the Bank's mandate to support United States exports at rates and on terms and conditions which are fully competitive with exports of other countries, and consistent with international agreements. For the purpose of the preceding sentence, rates and terms and conditions need not be equivalent to those offered by foreign countries, but should be established so that the effect of such rates, terms, and conditions for all the Bank's programs, including those for small businesses and for medium-term

financing, will be to neutralize the effect of such foreign credit on international sales competition. The Bank shall consider its average cost of money as one factor in its determination of interest rates, where such consideration does not impair the Bank's primary function of expanding United States exports through fully competitive financing. It is also the policy of the United States".

(c) The first sentence of section 2(b)(1)(B) of such Act (12 U.S.C. 635(b)(1)(B)), as in effect on the day before the date of the enactment of this title, is amended by inserting "export trading companies," after "independent export firms,".

ADVISORY COMMITTEE

SEC. 613. Section 3(d) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(d)) is amended to read as follows:

"(d)(1)(A) There is established an Advisory Committee to consist of twelve members who shall be appointed by the Board of Directors on the recommendation of the President of the Bank.

"(B) Such members shall be broadly representative of production, commerce, finance, agriculture, labor, services, and State government.

"(2) Not less than three members appointed to the Advisory Committee shall be representative of the small business community.

"(3) The Advisory Committee shall meet at least once each quarter.

"(4) The Advisory Committee shall advise the Bank on its programs, and shall submit, with the report specified in section 2(b)(1)(A) of this Act, its own comments to the Congress on the extent to which the Bank is meeting its mandate to provide competitive financing to expand United States exports, and any suggestions for improvements in this regard.".

TERMS OF DIRECTORS

SEC. 614. (a) Section 3(c) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(c)) is amended—

(1) by redesignating the first sentence through the seventh sentence of such section as paragraphs (1) through (7), respectively;

(2) in the fifth paragraph of such section, as so redesignated by paragraph (1), by striking out "Terms of the directors shall be at the pleasure of the President of the United States, and the" and inserting in lieu thereof "The"; and

(3) by adding at the end thereof the following:

"(8)(A) The terms of the directors, including the President and the First Vice President of the Bank, appointed under this section shall be four years, except that—

"(i) during their terms of office, the directors shall serve at the pleasure of the President of the United States;

"(ii) the term of any director appointed after the date of enactment of this paragraph to serve before January 20, 1985, shall expire on January 20, 1985;

"(iii) of the directors first appointed to serve beginning on or after January 21, 1985, two directors (other than the President and First Vice President of the Bank) shall be appointed for terms of two years, as designated by the President of the United States at the time of their appointment; and

"(iv) any director first appointed to serve for a term begining on any date after January 21, 1985, shall serve only for the remainder of the period for which such director would have been appointed if such director's term had begun on January 21, 1985. If such term would have expired before the date on which such director's term actually begins, the term of such director shall be the four-year period, or remainder thereof, as if such director had been preceded by a director whose term had begun on January 21, 1985.

"(B) Of the five members of the Board appointed by the President, not less than one such member shall be selected from among the small business community and shall represent the interests of small business.

"(C) Any person chosen to fill a vacancy shall be appointed only for the unexpired term of the director whom such person succeeds.

"(D) Any director whose term has expired may be reappointed.".

(b) In order to carry out the amendment made by subsection (a) regarding section 3(c)(8)(B) of the Export-Import Bank Act of 1945, the first member, other than a member who will serve as Chairman or Vice Chairman of the Bank, appointed by the President of the United States to the Board of Directors of the Export-Import Bank of the United States after the date of the enactment of this section shall be selected from among the small business community and shall represent the interests of small business.

REPORT ON AUTHORITY

SEC. 615. Section 7(a)(2) of the Export-Import Bank Act of 1945 (12 U.S.C. 635e(a)(2)) is amended to read as follows:

"(2)(A)(i) Not later than March 31 of each fiscal year, the President of the United States shall determine whether the authority available to the Bank for such fiscal year will be sufficient to meet the Bank's needs, particularly those needs arising from—

"(I) increases in the level of exports unforeseen at the time of the original budget request for such fiscal year;

"(II) any increased foreign export credit subsidies; or

"(III) the lack of progress in negotiations to reduce or eliminate export credit subsidies.

"(ii) Not later than April 15 of each year, the President of the United States shall transmit to the Congress a report on such determination.

"(B)(i) If the President of the United States finds that the amount of direct loan authority or guarantee authority available to the Bank for the fiscal year involved exceeds the amount which will be necessary to carry out the Bank's functions consistent with the availability of qualified applications and limitations imposed by law during such year, the President of the United States shall promptly transmit to the Congress a request for legislation to eliminate the amount of such excess direct loan, loan guarantee, or insurance authority.

"(ii) The Bank shall continue to make remaining amounts of its authority available for the fiscal year involved, in accordance with its practices and the requirements of this Act, unless otherwise directed pursuant to law.".

EXPORTS OF SERVICES

SEC. 616. (a) Section 2 of the Export-Import Bank Act of 1945 (12 U.S.C. 635) is amended—

(1) in the second sentence of subsection (a)(1), by inserting "and services" after "exchange of commodities";

(2) in the second sentence of subsection (b)(1)(A), by inserting "of goods and services" after "exports"; and

(3) by inserting after subsection (b)(1)(C) the following:

"(D)(i) It is further the policy of the United States to foster the delivery of United States services in intenational commerce. In exercising its powers and functions, the Bank shall give full and equal consideration to making loans and providing grarantees for the export of services (independently, or in conjunction with the export of manufactured goods, equipment, hardware or other capital goods) consistent with the Bank's policy to neutralize foreign subsidized credit competition and to supplement the private capital market.

"(ii) The Bank shall include in its annual report a summary of its programs regarding the export of services.".

(b) Section 206 of the Export Trading Company Act of 1982 (Public Law 97-290) is amended—

(1) by striking out "or" after "export accounts receivable" and inserting in lieu thereof a comma; and

(2) by inserting after "exportable goods," the following: "accounts, receivable from leases, performance contracts, grant commitments, participation fees, member dues, revenue from publications, or such other collateral as the Board of directors may deem appropriate,".

COMPETITIVE INSURANCE

SEC. 617. Section 2 of the Export-Import Bank Act of 1945 (12 U.S.C. 635) is amended by adding at the end thereof the following:

"(d)(1) In carrying out its responsibilities under this Act, the Bank shall work to ensure that United States companies are afforded an equal and nondiscriminatory opportunity to bid for insurance in connection with transactions assisted by the Bank.

"(2) In furtherance of such affort, the Chairman of the Bank shall review Bank policies and programs in regard to this issue, and in coordination with the United States Trade Representative and the appropriate agencies of the Department of State, the Department of the Treasury, and the Department of Commerce, undertake actions designed to promote equal and nondiscriminatory opportunities to bid for insurance in connection with all aspects of international trade activities.

"(3) The Bank shall report to the Committee or Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate not later than May 15, 1984, regarding—

"(A) the existing obstacles to equal and nondiscriminatory bidding for insurance related to transactions assisted by the Bank;

"(B) the efforts that the Bank has taken in addressing such problems; and

"(C) recommendations for such legislative or administrative actions as the Bank considers necessary.".

SMALL BUSINESS NEEDS

SEC. 618. (a) Section 2(b)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)) is amended—

(1) in subparagraph (B), by striking out "that the Bank shall give due recognition to the policy stated in section 2(a) of the Small Business Act" and all that follows through "the Small Business Administration and other departments and agencies in matters affecting small business concerns;"; and

(2) by adding at the end thereof the following:

"(E)(i)(I) It is further the policy of the United States to encourage the participation of small business in international commerce.

"(II) In exercising its authority, the Bank shall develop a program which gives fair consideration to making loans and providing guarantees for the export of goods and services by small businesses.

"(ii) It is further the policy of the United States that the Bank shall give due recognition to the policy stated in section 2(a) of the Small Business Act that 'the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small business concerns in order to preserve free competitive enterprise'.

"(iii) In furtherance of this policy, the Board of Directors shall designate an officer of the Bank who—

"(I) shall be responsible to the President of the Bank for all matters concerning or affecting small business concerns; and

"(II) among other duties, shall be responsible for advising small business concerns of the opportunities for small business concerns in the functions of the Bank and for maintaining liaison with the Small Business Administration and other departments and agencies in matters affecting small business concerns.

"(iv) The Director appointed to represent the interests of small business under section 3(c) of this Act shall ensure that the Bank carries out its responsibilities under clauses (ii) and (iii) of this subparagraph and that the Bank's financial and other resources are, to the maximum extent possible, appropriately used for small business needs.

"(v) To assure that the purposes of clauses (i) and (ii) of this subparagraph are carried out, the Bank shall make available, from the aggregate loan, guarantee, and insurance authority available to it, an amount to finance exports by small business concerns (as defined under section 3 of the Small Business Act) which shall be not less than—

"(I) 6 per centum of such authority for fiscal year 1984;

"(II) 8 per centum of such authority for fiscal year 1985; and

"(III) 10 per centum of such authority for fiscal year 1986 and thereafter.

"(vi) The Bank shall utilize the amount set aside pursuant to clause (v) of this subparagraph to offer financing for small business exports on terms which are fully competitive with regard to interest rates and with regard to the portion of financing which may be provided, guaranteed, or insured. Financing under this clause (vi) shall be available without regard to whether financing for the particular transaction was disapproved by any other Federal agency.

"(vii)(I) The Bank shall utilize a part of the amount set aside pursuant to clause (v) to provide lines of credit or gauarantees to consortia of small or medium size banks, export trading companies, State export finance agencies, export financing cooperatives, small business investment companies (as defined in section 103 of the Small Business Investment Act of 1958), or other financing institutions or entities in order to finance small business exports.

"(II) Financing under this clause (vii) shall be made available only where the consortia or the participating institutions agree to undertake processing, servicing, and credit evaluation functions in connection with such financing.

"(III) To the maximum extent practicable, the Bank shall delegate to the consortia the authority to approve financing under this clause (vii).

"(IV) In the administration of the program under this clause (vii), the Bank shall provide appropriate technical assistance to participating consortia and may require such consortia periodically to furnish information to the Bank regarding the number and amount of loans made and the creditworthiness of the borrowers.

"(viii) In order to assure that the policy stated in clause (i) is carried out, the Bank shall promote small business exports and its small business export financing programs in cooperation with the Secretary of Commerce, the Office of International Trade of the Small Business Administration, and the private sector, particularly small business organizations, State agencies, chambers of commerce, banking organizations, export management companies, export trading companies, and private industry.".

(b) Section 9 of such Act (12 U.S.C. 635g) is amended—

(1) in the first sentence of subsection (b), by inserting before the period at the end thereof the following: "and of the activities of the member of the Board appointed to represent the interests of small business"; and

(2) by adding at the end thereof the following:

"(c)(1) The Bank shall include in its annual report to the Congress a report on the allocation of the sums set aside for small business exports pursuant to section 2(b)(1)(E).

"(2) Such report shall specify—

"(A) the total number and dollar volume of loans made from the sums set aside;

"(B) the number and dollar volume of loans made through the consortia program under section 2(b)(1)(E)(vii);

"(C) the amount of guarantees and insurance provided for small business exports;

"(D) the number of recipients of financing from the sums set aside who have not previously participated in the Bank's programs;

"(E) the number of commitments entered into in amounts less than $500,000; and

"(F) any recommendations for increasing the participation of banks and other institutions in the programs authorized under section 2(b)(1)(E).

"(3) For the purpose of this subsection, the Bank's report shall be transmitted to the Committee on Small Business of the Senate and the Committee on Small Business of the House of Representatives.".

(c) Section 2(b)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)) is amended by adding at the end thereof the following:

"(F) Consistent with international agreements, the Bank shall urge the Foreign Credit Insurance Association to provide coverage against 100 per centum of any loss with respect to exports having a value of less than $100,000.".

SPECIAL FACILITIES IN SUPPORT OF UNITED STATES EXPORTS

SEC. 619. (a) The Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.) is amended by adding at the end thereof the following:

SPECIAL FACILITIES IN SUPPORT OF UNITED STATES EXPORTS

"SEC. 13. The Bank is authorized to establish general facilities consisting of guarantees and insurance in support of export transactions to Brazil in the aggregate amount of $1,500,000,000 and to Mexico in the aggregate amount of $500,000,000. No such guarantees may be made, or insurance issued, after March 31, 1985.".

(b) The first sentence of section 2(b)(3) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(3)) is amended by inserting "or general guarantee or insurance facility" after "no loan or financial guarantee".

(c) Section 2(b)(3)(A) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(3)(A)) is amended to read as follows:

"(A) in the case of a loan or financial guarantee—

"(i) a brief description of the purposes of the transaction;

"(ii) the identity of the party or parties requesting the loan or financial guarantee;

"(iii) the nature of the goods or services to be exported and the use for which the goods or services are to be exported; and

"(iv) in the case of a general guarantee or insurance facility—

"(I) a description of the nature and purpose of the facility;

"(II) the total amount of guarantees or insurance; and

"(III) the reasons for the facility and its methods of operation; and".

(d) Section 2(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)) is amended—

(1) by redesignating paragraph (8) as paragraph (9);

(2) by redesignating paragraph (7), the second time it appears therein, as paragraph (8); and

(3) by adding at the end thereof the following:

"(10)(A) The Bank shall not, without a specific authorization by law, guarantee, insure, or extend credit (or participate in the extension of credit) to—

"(i) assist specific countries with balance of payments financing; or

"(ii) assist (as the primary purpose of any such guarantee, insurance, or credit) any country in the management of its international indebtedness, other than its outstanding obligations to the Bank.

"(B) Nothing contained in subparagraph (A) shall preclude guarantees, insurance, or credit the primary purpose of which is to support United States exports.".

TECHNICAL AMENDMENTS

SEC. 620. (a) Section 2(b)(4) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(4)) is amended by striking out "he" wherever it appears and inserting in lieu thereof "the Secretary".

(b) Section 3(e) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(e)) is amended—

(1) by striking out "his" and inserting in lieu thereof "such individual's"; and

(2) by striking out "he" and inserting in lieu thereof "such individual".

(c) Section 4 of the Export-Import Bank Act of 1945 (12 U.S.C. 635b) is amended by striking out "he" and inserting in lieu thereof "the President".

(d) Section 7(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635e(b)) is amended by striking out "he" wherever it appears and inserting in lieu thereof "the President".

CAPITAL LEVEL OF THE BANK

SEC. 621. The Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.) is amended by adding at the end thereof the following:

"CAPITAL LEVEL OF THE BANK

"SEC. 14. After fiscal year 1983, if at the end of any fiscal quarter the value of the total capital stock and retained earnings of the Bank falls below 50 per centum of the value of the total capital stock and retained earnings of the Bank at the end of fiscal year 1983, the Board of Directors shall notify the Congress of the decrease in the

level of the capital stock of the Bank not later than thirty days after the end of the fiscal quarter involved and the Congress shall take appropriate action.".

MEDIUM-TERM FINANCING

SEC. 622. Section 2(a) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(a)) is amended by adding at the end thereof the following:

"(2) In order for the Bank to be competitive in all of its financing programs with countries whose exports compete with United States exports, the Bank shall establish a program that—

"(A) provides medium-term financing where necessary to be fully competitive—

"(i) at rates of interest to the customer which are equal to rates established in international agreements; and

"(ii) in amounts up to 85 percent of the total cost of the exports involved; and

"(B) enables the Bank to cooperate fully with the Secretary of Commerce and the Administrator of the Small Business Administration to develop a program for purposes of disseminating information (using existing private institutions) to small business concerns regarding the medium-term financing provided under this paragraph.".

REPORT TO CONGRESS

SEC. 623. Section 9 of the Export-Import Bank Act of 1945 (12 U.S.C. 635g) is amended by adding at the end thereof the following:

"(d)(1) The report shall include a detailed description of all actions which have been taken by the Bank or which will be taken by the Bank—

"(A) to maintain the competitive position of key linkage industries in the United States;

"(B) to support industries which are engaged in the export of high value added products;

"(C) to support industries which are engaged in the development of new capital goods technology;

"(D) to preserve and create high skilled jobs in the United States economy; and

"(E) to enhance the opportunity for growth and expansion of small businesses and entrepreneurial enterprises.

"(2) Such report shall include the comments of the Advisory Committee regarding the objectives specified in paragraph (1).".

PART B—MATCHING CREDITS

MATCHING CREDITS

SEC. 631. Section 1912 of the Export-Import Bank Act Amendments of 1978 is amended—

(1) by adding at the end of subsection (a)(1) the following: "The inquiry, and where appropriate, the determination and authorization to the Export-Import Bank of the United States referred to in this section shall be completed and made within 60 days of the receipt of such information."; and

(2) in subsection (b)(1), by striking out "determining factor" and inserting in lieu thereof "significant factor".

REPORT

SEC. 632. Section 1911 of the Export-Import Bank Act Amendments of 1978 is amended by adding at the end thereof the following: "After October 1, 1983, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.".

TECHNICAL AMENDMENT

SEC. 633. (a) Section 1912(b) of the Export-Import Bank Act Amendments of 1978 is amended by striking out "he" and inserting in lieu thereof "the Secretary".

(b) Section 1912(a)(2) of the Export-Import Bank Act Amendments of 1978 is amended by striking out "he" and inserting in lieu thereof "the Secretary".

PART C—TIED AID CREDIT EXPORT SUBSIDIES

SHORT TITLE

SEC. 641. This part may be referred to as the "Trade and Development Enhancement Act of 1983".

STATEMENT OF PURPOSE

SEC. 642. The purpose of this part is—

(1) to expand employment and economic growth in the United States by expanding United States exports to the markets of the developing world;

(2) to stimulate the economic development of countries in the developing world by improving their access to credit for the importation of United States products and services for developmental purposes;

(3) to neutralize the predatory financing engaged in by many nations whose exports compete with United States exports, and thereby restore export competition to a market basis; and

(4) to encourage foreign governments to enter into effective and comprehensive agreements with the United States to end the use of tied aid credits for exports, and to limit and govern the use of export credit subsidies generally.

NEGOTIATING MANDATE

SEC. 643. The President shall vigorously pursue negotiations to limit and set rules for the use of tied aid for exports. The negotiating objectives of the United States should include reaching agreements—

(1) to define the various forms of tied aid credit, particularly mixed credits under the Arrangement on Guidelines for Officially Supported Export Credits established through the Organization for Economic Cooperation and Development (hereinafter in this part referred to as the "Arrangement");

(2) to phase out the use of government-mixed credits by a date certain;

(3) to set rules governing the use of public-private confinancing, or other forms of mixed financing, which may have the same result as government-mixed credits of drawing on concessional development assistance to produce subsidized export financing;

(4) to raise the threshold for notification of the use of tied aid credit to a 50 per centum level of concessionality;

(5) to improve notification procedures so that advance notification must be given on all uses of tied aid credit; and

(6) to prohibit the use of tied aid credit for production facilities for goods which are in structural over supply in the world.

ESTABLISHMENT OF A TIED AID CREDIT PROGRAM IN THE UNITED STATES EXPORT-IMPORT BANK

SEC. 644. (a)(1) The Chairman of the Export-Import Bank of the United States shall establish, within the Export-Import Bank of the United States, a program of tied aid credits for United States exports.

(2) The program shall be carried out in cooperation with the Agency for International Development and with private financial institutions or entities, as appropriate.

(3) The program may include—

(A) the combined use of the credits, loans, or guarantees offered by the Export-Import Bank of the United States with concessional financing or grants offered by the Agency for International Development, by methods including the blending of the financing of, or parallel financing by, the Bank and the Agency for International development; and

(B) the combined use of credits, loans, or guarantees offered by the Bank, with financing offered by private financial institutions or entities, by methods including the blending of the financing of, or parallel financing by, the Bank and private institutions or entities.

(b) The purpose of the tied aid credit program under this section is to offer or arrange for financing for the export of United States goods and services which is substantially as concessional as foreign financing for which there is reasonable proof that such foreign financing is being offered to, or arranged for, a bona fide foreign competitor for a United States export sale.

(c) The Chairman of the Bank is authorized to establish a fund, as necessary, for carrying out the tied aid credit program described in this section.

(d) Concessional financing or grants offered by the Agency for International Development for the purposes of the mixed financing program established under this section shall be made available in accordance with the provisions of subsections (c) and (d) of section 645 of this Act.

ESTABLISHMENT OF A TIED AID CREDIT PROGRAM IN THE AGENCY FOR INTERNATIONAL DEVELOPMENT.

SEC. 645. (a) The Administrator of the Agency for International Development shall establish within the Agency a program of tied aid credits for United States exports. The program shall be carried out in cooperation with the Export-Import Bank of the United States and with private financial institutions or entities, as appropriate. The program may include—

(1) the combined use of the credits, loans, or guarantees offered by the Bank with concessional financing or grants offered by the Agency for International Development, by methods including the blending of the financing of, or parallel financing by, the Bank and the Agency for International Development; and

(2) the combination of concessional financing or grants offered by the Agency for International Development with financing offered by private financial institutions or entities, by methods including the blending of the financing of, or parallel financing by, the Agency for International Development and private institutions or entities.

(b) These funds may be combined with financing by the Export-Import Bank of the United States or private commercial financing in order to offer, or arrange for, financing for the exportation of United States goods and services which is substantially as concessional as foreign financing for which there is reasonable proof that such foreign financing is being offered to, or arranged for, a bona fide foreign competitor for a United States export sale.

(c)(1) Funds of the Agency for International Development which are used to carry out a tied aid credit program authorized by subsections (a) and (b) shall be offered only to finance United States exports which can reasonably be expected to contribute to the advancement of the develoment objectives of the importing country or countries, and shall be consistent with the economic, security, and political criteria used to establish country allocations of Economic Support Funds.

(2) The Administrator of the Agency for International Development is authorized to establish a fund, as necessary, for carrying

out a tied aid credit financing program as described in this section.

(d) The Administrator of the Agency for International Development may draw on Economic Support Funds allocated for Commodity Import Programs to finance a tied aid credit activity.

IMPLEMENTATION

SEC. 646. (a)(1) The National Advisory Council on International Monetary and Financial Policies shall coordinate the implementation of the tied aid credit programs authorized by sections 644 and 645.

(2) No financing may be approved under the tied aid credit programs authorized by section 644 or section 645 without the unanimous consent of the members of the National Advisory Council on International Monetary and Financial Policies.

DEFINITIONS

SEC. 647. For purposes of this part—

(1) the term "tied aid credit" means credit—

(A) which is provided for development aid purposes;

(B) which is tied to the purchase of exports from the country granting the credit;

(C) which is financed either exclusively from public funds, or, as a mixed credit, partly from public and partly from private funds; and

(D) which has a grant element, as defined by the Development Assistance Committee of the Organization for Economic Cooperation and Development, greater than zero percent;

(2) the term "government-mixed credits" means the combined use of credits, insurance, and guarantees offered by the Export-Import Bank of the United States with concessional financing or grants offered by the Agency for International Development to finance exports;

(3) the term "public-private financing" means the combined use of either official development assistance or official export credit with private commercial credit to finance exports;

(4) the term "blending of financings" means the use of various combinations of official development assistance, official export credit, and private commercial credit, integrated into a single package with a single set of financial terms, to finance exports;

(5) the term "parallel financing" means the related use of various combinations of separate lines of official development assistance, official export credits, and private commercial credit, not combined into a single package with a single set of financial terms, to finance exports; and

(6) the term "Bank" means the Export-Import Bank of the United States.

SEC. 650 (a) Section 702 of the Tariff Act of 1930 as amended, is amended by adding after subsection 702(b)(2) a new subsection 702(b)(3) as follows:

"(3) PETITION BASED UPON A DEROGATION OF AN INTERNATIONAL UNDERTAKING ON OFFICIAL EXPORT CREDITS.—If the sole basis of a petition filed under subsection 702(b)(1) is the derogation of an international undertaking on official export credits, the Administering Authority shall immediately notify the Secretary of the Treasury who shall, in consultation with the Administering Authority, within twenty days determine the existence and estimated value of the derogation, if any, and shall publish such determination in the Federal Register.".

(b) Section 703 of the Tariff Act of 1930, as amended, is amended by redesignating subsection 703(b) as subsection 703(b)(1) and adding a new subsection 703(b)(2) as follows:

"(2) Notwithstanding subsection (b)(1), when the petition is one subject to subsection 702(b)(3), the Administering Authority shall, taking into account the nature of the subsidy concerned, make the determination required by subsection 703(b)(1) on an expedited basis and within 85 days after the date on which the petition is filed under section 702(b) unless the provisions of section 703(c) apply.".

(c) Title VII of the Tariff Act of 1930 is amended by adding at the end thereof the following new section—

"SEC. 708. Nothing in this title shall be interpreted as superseding the provisions of section 1912 of the Export-Import Bank Act Amendments of 1978, except that in the event of an assessment of duty based on a derogation under section 706 or action under section 703(d)(2), the Secretary of the Treasury shall not authorize the Bank to provide guarantees, insurance and credits to competing United States sellers pursuant to section 1912 of such Act.".

TITLE VII—MISCELLANEOUS PROVISIONS

HOME MORTGAGE DISCLOSURE ACT AMENDMENTS

SEC. 701. (a) Sections 304, 310, and 311 of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803, 2809, and 2810) are amended by striking out "standard metropolitan statistical area; wherever it appears and inserting in lieu thereof "primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas".

(b) Section 308 of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2807) is amended by striking out "standard metropolitan statistical areas" wherever it appears and inserting in lieu thereof "primary metropolitan statistical areas, metropolitan statistical areas, or consolidated metropolitan statistical areas that are not comprised of designated primary metropolitan statistical areas".

(c) Section 203(1) of the Depository Institutions Management Interlocks Act (12 U.S.C. 3202(1)) is amended by striking out "standard metropolitan statistical area" and inserting in lieu thereof "primary metropolitan statistical area, the same metropolitan statistical area, or the same consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas".

MEMBERS OF SERVICE UNTIL SUCCESSORS ARE APPOINTED

SEC. 702. (a) Section 2 of the Federal Deposit Insurance Act (12 U.S.C. 1812) is amended by inserting after the third sentence the following: "Each such appointive member may continue to serve after the expiration of his term until a successor has been appointed and qualified.".

(b) Section 17(a) of the Federal Home Loan Bank Act (12 U.S.C. 1436(a)) is amended by adding at the end thereof the following: "Upon the expiration of the term of office of a member of the Board, such member may continue to serve until a successor has been appointed and qualified.".

DEFENSE PRODUCTION ACT EXTENSION

SEC. 703. The first sentence of section 717(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166(a)) is amended by striking out "September 30, 1982" and inserting in lieu thereof "March 30, 1984".

TITLE VIII—INTERNATIONAL MONETARY FUND

PROMOTING CONDITIONS FOR EXCHANGE RATE STABILITY

SEC. 801. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"PROMOTING CONDITIONS FOR EXCHANGE RATE STABILITY

"SEC. 40. (a) In order to help assure that the resources provided under section 41 are used to support pro-growth policies which will help establish the economic conditions necessary for more appropriate financial and exchange rate alignment and stability, it is the sense of Congress that the Secretary of the Treasury shall—

"(1) in consultation with the Secretary of State and the United States Trade Representative, initiate discussions with other countries regarding the economic dislocations which result from structural exchange rate imbalances; and

"(2) instruct the United States Executive Director of the Fund to work for adoption of policies in the Funds, both within the framework of article IV (of the Articles of Agreement of the Fund) consultations and with respect to the conditions associated with Fund-supported balance of payments adjustments programs, which promote conditions contributing to the stability of exchange rates and avoid the manipulation of exchange rates between major currencies. Among other initiatives, the Secretary of the Treasury shall propose strengthening the article IV consultation procedures of the Fund to attempt to ensure that countries which are artificially maintaining undervalued or overvalued rates of exchange agree to adopt market determined exchange rates.

"(b) In determining his vote on extensions of assistance to any Fund borrower's, the United States Executive Director of the Fund shall take into account whether such borrower's policies are consistent with the requirements of article IV of the Articles of Agreement of the Fund.".

QUOTA INCREASE

SEC. 802. (a) The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended—

(1) in section 17(a)—

(A) by striking out "decision of January 5, 1962," and inserting in lieu thereof "decisions of January 5, 1962, and February 24, 1983, as amended in accordance with their terms,"; and

(B) by striking out "not to exceed $2,000,000,000 outstanding at any one time," and inserting in lieu thereof "in an amount not to exceed the equivalent of 4,250,000,000 Special Drawing Rights, limited to such amounts as are provided in advance in appropriations Acts, except that prior to activation, the Secretary of the Treasury shall certify that supplementary resources are needed to forestall or cope with an impairment of the international monetary system and that the Fund has fully explored other means of funding,";

(2) in section 17(b), by striking out "$2,000,000,000," and inserting in lieu thereof "$4,250,000,000 Special Drawing Rights, except that prior to activation, the Secretary of the Treasury shall certify whether supplementary resources are needed to forestall or cope with an impairment of the international monetary system and that the Fund has fully explored other means of funding,";

(3) by adding at the end of section 17 the following:

"(d) Unless the Congress by law so authorizes, neither the President, the Secretary of the Treasury, nor any other person acting on behalf of the United States, may instruct the United States Executive Director to the Fund to consent to any amendment to the Decision of February 24, 1983, of the Executive Directors of the Fund, if the adoption of such amendment would significantly alter the amount, terms, or conditions of participation by the United States in the General Arrangements to Borrow."; and

(4) by adding at the end thereof the following:

"QUOTA INCREASE

"SEC. 41. (a) The United States Governor of the Fund is authorized to consent to an increase in the quota of the United States in the Fund equivalent to 5,310,800,000 Special Drawing Rights, limited to such amounts as are provided in advance in appropriations Acts.

"(b)(1) The Secretary of the Treasury shall consult with the chairman and the ranking minority member of—

"(A) the Committee on Banking, Finance and Urban Affairs and the Committee on Appropriations of the House of Representatives, and any appropriate subcommittee of each such committee; and

"(B) the Committee on Foreign Relations, the Committee on Appropriations, and the Committee on Banking, Housing, and Urban Affairs of the Senate, and any appropriate subcommittee of each such committee,

for purposes of discussing the position of the executive branch and the views of the Congress with respect to any international negotiations being held to consider any future quota increase for the International Monetary Fund which may involve an increased contribution, subscription, or loan by the United States.

"(2) Such consultation shall be made—

"(A) not later than thirty days before the initiation of such international negotiations;

"(B) during the period in which such negotiations are being held, in a frequent and timely manner; and

"(C) before a session of such negotiations is held at which the United States representatives may agree to such quota increase.

"COLLECTION AND EXCHANGE OF INFORMATION ON MONETARY AND FINANCIAL PROBLEMS

"SEC. 42. (a) It is the sense of the Congess that—

"(1) the lack of sufficient information currently available to allow members of the Fund to make sound and prudent decisions concerning their public and private sector international borrowing, and to allow lenders to make sound and prudent decisions concerning their international lending, threatens the stability of the international monetary system; and

"(2) in recognition of the Fund's duties, as provided particularly by article VIII of the Articles of Agreement of the Fund, to act as a center for the collection and exchange of information on monetary and financial problems, the Fund should adopt necessary and appropriate measures to ensure that more complete and timely financial information will be available.

"(b) To this end, the Secretary of the Treasury shall instruct the United States Executive Director of the Fund to initiate discussions with other directors of the Fund and with Fund management, and to propose and vote for, the adoption of procedures, within the Fund—

"(1) to collect and disseminate information, on a quarterly basis, from and to Fund members, and to such other persons as the Fund deems appropriate, concerning—

"(A) the extension of credit by banks or nonbanks to private and public entities, including all government entities, instrumentalities, and central banks of member countries; and

"(B) the receipt of such credit by those private and public entities of member countries, where such banks or nonbanks are not principally established within the borders of the member country to which the credits are extended; and

"(2) to disseminate publicly information which is developed in the course of the Fund's collection, and to review and comment on efforts which the Fund determines would serve to enhance the informational base upon which international borrowing and lending decisions are taken.

"(c) For purposes of this section, the term 'credit' includes—

"(1) outstanding loans to private and public entities, including government entities, instrumentalities, and central banks of any member, and

"(2) unused lines of credit which have been made available to those private and public entities of any member, where such loans or lines of credit are repayable in freely convertible currency.

"(d) The President is authorized to use the authority provided under section 8 of this Act to require any person (as defined in such section) subject to the jurisdiction of the United States to provide such information as the Fund determines to be necessary in order to carry out the provisions of this section.".

SPECIAL DRAWING RIGHTS

SEC. 803. Section 6 of the Special Drawing Rights Act (22 U.S.C. 286q) is amended—

(1) by inserting "(a)" after "SEC. 6."; and

(2) by adding at the end thereof the following:

"(b)(1) Neither the President nor any person or agency shall on behalf of the United States vote to allocate Special Drawing Rights under article XVIII, sections 2 and 3, of the Articles of Agreement of the Fund without consultations by the Secretary of the Treasury at least 90 days prior to any such vote, with the Chairman and ranking minority members of the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives, and the appropriate subcommittees thereof.

"(2) Such consultations shall include an explanation of the consistency of such proposal to allocate with the requirements of the Articles of Agreement of the Fund, in particular the requirement that in all its decisions with respect to allocation of Special Drawing Rights, the Fund shall 'seek to meet the long-term global need, as and when it arises, to supplement existing reserve assets in such manner as will promote the attainment of its purposes and will avoid economic stagnation and deflation as well as excess demand and inflation in the world'.".

INSTRUCTIONS TO THE UNITED STATES EXECUTIVE DIRECTOR

SEC. 804. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"INSTRUCTIONS TO THE UNITED STATES EXECUTIVE DIRECTOR

"SEC. 43. (a) The Congress hereby finds that Communist dictatorships result in severe constraints on labor and capital mobility and other highly inefficient labor and capital supply rigidities which contribute to balance-of-payments deficits in direct contradiction of the goals of the International Monetary Fund. Therefore, the Secretary of the Treasury shall instruct the United States Executive Director of the Fund to actively oppose any facility involving use of Fund credit by any Communist dictatorship, unless the Secretary of the Treasury certifies and documents in writing upon request and so notifies and appears, if requested, before the Foreign Relations and Banking, Housing, and Urban Affairs Committees of the Senate and the Banking, Finance and Urban Affairs Committee of the House of Representatives, at least twenty-one days in advance of any vote on such drawing that such drawing:

"(1) provides the basis for correcting the balance of payments difficulties and restoring a sustainable balance of payments position;

"(2) would reduce the severe constraints on labor and capital mobility or other highly inefficient labor and capital supply rigidities and advances market-oriented forces in that country; and

"(3) is in the best economic interest of the majority of the people in that country.

Should the Secretary not meet a request to appear before the aforementioned Committees at least twenty-one days in advance of any vote on any facility involving use of Fund credit by any communist dictatorship and certify and document in writing that these three conditions have been met, the United States Executive Director shall vote against such program.

"(b) The Congress hereby finds that the practice of apartheid results in severe constraints on labor and capital mobility and other highly inefficient labor and capital supply rigidities which contribute to balance of payments deficits in direct contradiction of the goals of the International Monetary Fund. Therefore, the President shall instruct the United States Executive Director of the Fund to actively oppose any facility involving use of Fund credit by any country which practices apartheid unless the Secretary of the Treasury certifies and documents in writing, upon request, and so notifies and appears, if requested, before the Foreign Relations and Banking, Housing, and Urban Affairs Committees of the Senate and the Banking, Finance and Urban Affairs Committee of the House of Representatives, at least twenty-one days in advance of any vote on such drawing, that such drawing: (1) would reduce the severe constraints on labor and capital mobility, through such means as increasing access to education by workers and reducing artificial constraints on worker mobility and substantial reduction of racially-based restrictions on the geographical mobility of labor; (2) would reduce other highly inefficient labor and capital supply rigidities; (3) would benefit economically the majority of the people of any country which practices apartheid; (4) is suffering from a genuine balance of payments imbalance that cannot be met by recourse to private capital markets. Should the Secretary not meet a request to appear before the aforementioned Committees at least twenty-one days in advance of any vote on any facility involving use of Fund credit

by any country practicing apartheid and certify and document in writing that these four conditions have been met, the United States Executive Director shall vote against such program.".

ELIMINATION OF AGRICULTURAL EXPORT SUBSIDIES

SEC. 805. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"ELIMINATION OF AGRICULTURAL EXPORT SUBSIDIES

"SEC. 44. The Secretary of the Treasury shall instruct the United States Executive Director of the Fund to propose and work for the adoption of a policy encouraging Fund members to eliminate all predatory agricultural export subsidies which might result in the reduction of other member countries' exports.".

SUSTAINING ECONOMIC GROWTH

SEC. 806. The Bretton Woods Agreement Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"SUSTAINING ECONOMIC GROWTH

"SEC. 45. (a)(1) The President shall instruct the Secretary of the Treasury, the Secretary of State, and other appropriate Federal officials, and shall request the Chairman of the Board of Governors of the Federal Reserve System, to use all appropriate means to encourage countries to formulate economic adjustment programs to deal with their balance of payment difficulties and external debt owed to private banks.

"(2) Such economic adjustment programs should be designed to safeguard, to the maximum extent feasible, international economic growth, world trade, employment, and the long-term solvency of banks, and to minimize the likelihood of civil disturbances in countries needing economic adjustment programs.

"(b) To ensure the effectiveness of economic adjustment programs supported by Fund resources—

"(1) the United States Executive Director of the Fund shall recommend and shall work for changes in Fund guidelines, policies, and decisions which would—

"(A) convert short-term bank debt which was made at high interest rates into long-term debt at lower rates of interest;

"(B) assure that the annual external debt service, which shall include principal, interest, points, fees, and other charges required of the country involved, is a manageable and prudent percentage of the projected annual export earnings of such country; and

"(C) provide that in approving any economic adjustment program the Fund shall take into account the number of countries applying to the Fund for economic adjustment programs and the aggregate effects that such programs will have on international economic growth, world trade, exports and employment of other member countries, and the long-term solvency of banks; and

"(2) except as provided in subsection (c) of this section, the United States Executive Director of the Fund shall oppose and vote against providing assistance from the Fund for any economic adjustment program for a country in which the annual external debt service exceeds 85 per centum of the annual export earnings of such country, unless the Secretary of the Treasury first determines and provides written documentation to the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives that—

"(A) the economic adjustment program converts high interests rate, short-term bank debt into long-term debt at significantly narrower interest rate spreads than the average interest rate spreads prevailing on bank debt reschedulings negotiated between August 1982 and August 1983 for countries receiving assistance from the Fund for economic adjustment programs in order to minimize the burdens of adjustment on the debtor nation, provided that such interest rate spreads are consistent with that nation's need to obtain adequate external private financing;

"(B) the annual external debt service required of the country involved is a manageable and prudent percentage of the projected annual export earnings of such country; and

"(C) the economic adjustment program will not have an adverse impact on international economic growth, world trade, exports, and employment of other member countries, and the long-term solvency of banks.

"(c) The provisions of subsection (b)(2) shall not apply in any case in which the Secretary of the Treasury first determines and provides written documentation to the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives that—

"(1) an emergency exists in a nation that has applied to the Fund for assistance that requires an immediate short-term loan to avoid disrupting orderly financial markets;

"(2) a sudden decrease in export earnings in the country applying to the Fund for assistance has increased the ratio of annual external debt service to annual export earnings, to greater than 85 per centum for a period projected to be no more than one year; or

"(3) other extraordinary circumstances exist which warrant waiving the provisions of subsection (b)(2).".

OPPOSING FUND BAILOUTS OF BANKS

SEC. 807. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"OPPOSING FUND BAILOUTS OF BANKS

"SEC. 46. The Secretary of the Treasury shall instruct the United States Executive Director of the Fund—

"(1) to oppose and vote against any Fund drawing by a member country where, in his judgment, the Fund resources would be drawn principally for the purpose of repaying loans which have been imprudently made by banking institutions to the member country; and

"(2) to work to insure that the Fund encourages borrowing countries and banking institutions to negotiate, where appropriate, a rescheduling of debt which is consistent with safe and sound banking practices and the country's ability to pay.".

SURPLUS COMMODITIES

SEC. 808. (a) Section 4(b) of the Bretton Woods Agreements Act (22 U.S.C. 286b(b)) is amended by adding at the end thereof the following:

"(8) The general policy objectives of the guidance of the United States Executive Director of the Bank shall take into account the effect that development assistance loans have upon individual industry sectors and international commodity markets—

"(A) to minimize projected adverse impacts; and

"(B) to avoid, wherever possible, government subsidization of production and exports of international commodities without regard to economic conditions in the markets for such commodities.".

INTERNATIONAL COOPERATION

SEC. 809. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"INTERNATIONAL COOPERATION

"SEC. 47. The Secretary of the Treasury shall instruct the United States Executive Director of the Fund to propose that the Fund adopt the following policies with respect to international lending:

"(1) In its consultations with a member government on its economic policies pursuant to article IV of the Articles of Agreement of the Fund, the Fund should—

"(A) intensify its examination of the trend and volume of external indebtedness of private and public borrowers in the member country and comment, as appropriate, in its report to the Executive Board from the viewpoint of the contribution of such borrowings to the economic stability of the borrower; and

"(B) consider to what extent and in what form these comments might be made available to the international banking community and the public.

"(2) As part of any Fund-approved stabilization program, the Fund should give consideration to placing limits on public sector external short- and long-term borrowing.

"(3) As a part of its annual report, and at such times as it may consider desirable, the Fund should publish its evaluation of the trend and volume of international lending as it affects the economic situation of lenders, borrowers, and the smooth functioning of the international monetary system.".

IMF INTEREST RATES

SEC. 810. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"IMF INTEREST RATES

"SEC. 48. The Secretary of the Treasury shall instruct the United States Executive Director of the Fund to propose and work for the adoption of Fund policies regarding the rate of remuneration paid on use of member's quota subscriptions and the rate of charges on Fund drawings to bring those rates in line with market rates.".

BORROWING IN UNITED STATES CREDIT MARKETS

SEC. 811. Section 5 of the Bretton Woods Agreements Act (22 U.S.C. 286c) is amended by adding at the end thereof the following: "Neither the President nor any person or agency shall, on behalf of the United States, consent to any borrowing (other than borrowing from a foreign government or other official public source) by the Fund of funds denominated in United States dollars, unless the Secretary of the Treasury transmits a notice of such proposed borrowing to both Houses of the Congress at least 60 days prior to the date on which such borrowing is scheduled to occur.".

TRADE PROVISIONS

SEC. 812. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"TRADE PROVISIONS

"SEC. 49. (a)(1) The Secretary of the Treasury shall instruct the United States Executive Director of the Fund to initiate a wide consultation with the Managing Director of the Fund and the other directors of

the Fund with regard to the development of Fund financial assistance policies which, to the maximum feasible extent—

"(A) reduce obstacles to and restrictions upon international trade and investment in goods and services;

"(B) eliminate unfair trade and investment practices; and

"(C) promote mutually advantageous economic relations.

"(2) The Secretary of the Treasury shall work closely in this effort with the Trade Policy Committee.

"(3) As part of this effort, the Secretary of the Treasury shall also instruct the United States Executive Director of the Fund to encourage close cooperation between Fund staff and the GATT Secretariat.

"(b)(1) The Secretary of the Treasury shall instruct the United States Executive Director of the Fund, prior to the extension to any country of financial assistance by the Fund, to work to have the Fund obtain the agreement of such country to eliminate, in a manner consistent with its balance of payments adjustment program, unfair trade and investment practices with respect to goods and services which the United States Trade Representative, after consultation with the Trade Policy Committee, has determined to have a significant deleterious effect on the international trading system.

"(2) Such practices include—

"(A) the provision of predatory export subsidies, employed in connection with the exporting of agricultural commodities and products thereof to foreign countries;

"(B) the provision of other export subsidies, such as government subsidized below-market interest rate financing for commodities or manufactured goods;

"(C) unreasonable import restrictions;

"(D) the imposition of trade-related performance requirements on foreign investment; and

"(E) practices which are inconsistent with international agreements.

"(c)(1) In determining the United States position on requests for periodic drawing under Fund programs, the Secretary of the Treasury shall take full account of the progress countries have made in achieving targets for eliminating or phasing out the practices referred to in subsection (b) of this section.

"(2) In the event that the United States supports a request for drawing by a country that has not achieved the Fund targets relating to such practices specified in its program, the Secretary of the Treasury shall report to the appropriate committees of the Congress the reasons for the United States position.".

REPORTS TO CONGRESS

SEC. 813. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"REPORTS TO CONGRESS

"SEC. 50. (a) The National Advisory Council on International Monetary and Financial Policies shall include in its annual reports to the Congress—

"(1) a statement listing all appraisal reports which have been circulated during the preceding year within the Bank for project assistance which would establish or enhance the capacity of any country to produce a commodity for export, if—

"(A) such commodity is in surplus on world markets or is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative; and

"(B) such project assistance will cause material injury to United States producers of the same, similar, or competing commodity;

"(2) a review of success in reducing or eliminating import restrictions and unfair export subsidies which have been determined to be inconsistent with international agreements, and which have a serious adverse impact on the United States, or any other member's exports or employment;

"(3) a study for the fiscal year 1984 report of the impact on the United States steel and copper industries of steel and copper subsidies by nations who are borrowers from the Fund;

"(4) a review for the fiscal year 1984 report regarding progress achieved in reaching the goal of eliminating all predatory agricultural export subsidies which might result in the reduction of other member countries' exports as set forth in section 44; and

"(5) copies of the analyses and any written documentation prepared by the Secretary of the Treasury pursuant to subsections (b)(2) and (c) of section 45 and a statement detailing the actions and progress made in carrying out the requirements of subsections (a) and (b) of section 45.

"(b) Not later than one year after the date of the enactment of this section, the Secretary of the Treasury shall transmit a report to the Congress on the operation of the international monetary and financial system, including—

"(1) findings of the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve, and the Secretary of State regarding consideration of United States membership in the Bank for International Settlements; and

"(2) proposal to improve the floating exchange rate system.

"(c) Not later than one year after the date of the enactment of this section, the Secretary of the Treasury shall transmit a report to the Congress with respect to stengthening the role and improving the operation of the International Monetary Fund, including—

"(1) ways to maintain realistic, market-determined exchange rates with other major currencies and recommendations regarding what can be done to avoid exchange rate manipulation. In particular, such report shall examine the policies of major trading partners which (A) maintain a substantial trade surplus with the United States, and (B) encourage export of capital to such an extent that exchange rates do not appear to reflect adjustments based on trade patterns alone;

"(2) a review and analysis of—

"(A) the ability of the Fund to promote real economic growth and sustained, noninflationary recovery, pursuant to its mandate in particle I of the Articles of Agreement of the Fund, in countries which enter into stabilization programs with the Fund;

"(B) the feasibility of the Fund issuing securities in the private capital markets as a means of increasing its resources, either in lieu of, or in addition to, future quota increases, together with an evaluation of how such borrowing would affect the credit markets of the United States;

"(C) the feasibility of returning all or part of the Fund's gold reserves to Fund members or of selling the Fund's gold reserves in the private markets in an effort to raise capital;

"(D) the feasibility of establishing temporary, supplemental financing facilities at the Fund;

"(E) the feasibility of establishing a Gold Lending Facility whereby the Fund would lend gold to Fund members who would in turn use such gold as collateral for commercial loans;

"(F) recommendations for amendments to the Articles of Agreement of the Fund, if any, to improve the role of the Fund in the international monetary system; and

"(G) the effect on (i) the market price of gold, (ii) countries whose central banks maintain reserves in the form of gold, and (iii) credit markets of the United States as a result of taking any of the actions described in subparagraphs (C), (D), or (E) of this paragraph;

"(3) actions which have been taken to carry out the provisions of section 33 of this Act;

"(4) progress made in implementing section 48 of this Act;

"(5) a study on the past and potential impact of Fund loan quota extension on world oil prices, such study to be done in cooperation with the Secretary of State and the Secretary of Energy;

"(6) an assessment—

"(A) of whether under present circumstances a systematic restructuring and stretching out of developing country debt should be conducted;

"(B) regarding the role global recovery will play in solving the debt crisis and what interim financing measures may have to be taken for those countries which have no possibility of continuing to service their debts even in the event of a vigorous economic recovery;

"(C) of whether the Fund, which is increasingly being used as a source of credit to finance balance of payments deficits, has adequate resources to cover all conceivable requests for credit extensions taking into account the quota increase consented to under section 41 of this Act;

"(D) regarding what role the United States Government sees for the Fund in providing finance and credit to the least developed countries who have such a limited capacity to borrow to finance payments deficits; and

"(E) pursuant to the agreement at the Williamsburg Summit, outlining what progress has been made in the consultations among finance ministers and the managing director of the Fund on the conditions for improving the international monetary system; and

"(7) establishing collection, review, comment, and reporting procedures within the Fund as provided in section 42 of this Act.".

TITLE IX—INTERNATIONAL LENDING SUPERVISION

SEC. 901. This title may be cited as the "International Lending Supervision Act of 1983".

DECLARATION OF POLICY

SEC. 902. (a)(1) It is the policy of the Congress to assure that the economic health and stability of the United States and the other nations of the world shall not be adversely affected or threatened in the future by imprudent lending practices or inadequate supervision.

(2) This shall be achieved by strengthening the bank regulatory framework to encourage prudent private decisionmaking and by enhancing international coordination among bank regulatory authorities.

(b) The Federal banking agencies shall consult with the banking supervisory authorities of other countries to reach understandings aimed at achieving the adoption

of effective and consistent supervisory policies and practices with respect to international lending.

DEFINITIONS

SEC. 903. For purposes of this title—

(1) the term "appropriate Federal banking agency" has the same meaning given such term in section 3(q) of the Federal Deposit Insurance Act, except that for purposes of this title such term means the Board of Governors of the Federal Reserve System for—

(A) bank holding companies and any nonbank subsidiary thereof;

(B) Edge Act corporations organized under section 25(a) of the Federal Reserve Act; and

(C) Agreement Corporations operating under section 25 of the Federal Reserve Act; and (2) the term "banking institution" means—

(A)(i) an insured bank as defined in section 3(h) of the Federal Deposit Insurance Act or any subsidiary of an insured bank;

(ii) an Edge Act corporation organized under section 25(a) of the Federal Reserve Act; and

(iii) an Agreement Corporation operating under section 25 of the Federal Reserve Act; and

(B) to the extent determined by the appropriate Federal banking agency, any agency or branch of a foreign bank, and any commercial lending company owned or controlled by one or more foreign banks or companies that control a foreign bank as those terms are defined in the International Banking Act of 1978. The term "banking institution" shall not include a foreign bank.

STRENGTHENED SUPERVISION OF INTERNATIONAL LENDING

SEC. 904. (a) Each appropriate Federal banking agency shall evaluate banking institution foreign country exposure and transfer risk for use in banking institution examination and supervision.

(b) Each such agency shall establish examination and supervisory procedures to assure that factors such as foreign country exposure and transfer risk are taken into account in evaluating the adequacy of the capital of banking institutions.

RESERVES

SEC. 905. (a)(1) Each appropriate Federal banking agency shall require a banking institution to establish and maintain a special reserve whenever, in the judgment of such appropriate Federal banking agency—

(A) the quality of such banking institution's assets has been impaired by a protracted inability of public or private borrowers in a foreign country to make payments on their external indebtedness as indicated by such factors, among others, as—

(i) a failure by such public or private borrowers to make full interest payments on external indebtedness;

(ii) a failure to comply with the terms of any restructured indebtedness; or

(iii) a failure by the foreign country to comply with any International Monetary Fund or other suitable adjustment program; or

(B) no definite prospects exist for the orderly restoration of debt service.

(2) Such reserves shall be charged against current income and shall not be considered as part of capital and surplus or allowances for possible loan losses for regulatory, supervisory, or disclosure purposes.

(b) The appropriate Federal banking agencies shall analyze the results of foreign loan rescheduling negotiations, assess the loan loss risk reflected in rescheduling agreements, and, using the powers set forth in section 908 (regarding capital adequacy), ensure that the capital and reserve positions of United States banks are adequate to accommodate potential losses on their foreign loans.

(c) The appropriate Federal banking agencies shall promulgate regulations or orders necessary to implement this section within 120 days after the date of the enactment of this title.

ACCOUNTING FOR FEES ON INTERNATIONAL LOANS

SEC. 906. (a)(1) In order to avoid excessive debt service burdens on debtor countries, no banking institution shall charge, in connection with the restructuring of an international loan, any fee exceeding the administrative cost of the restructuring unless it amortizes such fee over the effective life of each such loan.

(2)(A) Each appropriate Federal banking agency shall promulgate such regulations as are necessary to further carry out the provisions of this subsection.

(B) The requirement of paragraph (1) shall take effect on the date of the enactment of this section.

(b)(1) Subject to subsection (a), the appropriate Federal banking agencies shall promulgate regulations for accounting for agency, commitment, management and other fees charged by a banking institution in connection with an international loan.

(2) Such regulations shall establish the accounting treatment of such fees for regulatory, supervisory, and disclosure purposes to assure that the appropriate portion of such fees is accrued in income over the effective life of each such loan.

(3) The appropriate Federal banking agencies shall promulgate regulations or orders necessary to implement this subsection within 120 days after the date of the enactment of this title.

COLLECTION AND DISCLOSURE OF CERTAIN INTERNATIONAL LENDING DATA

SEC. 907. (a) Each appropriate Federal banking agency shall require, by regulation, each banking institution with foreign country exposure to submit, no fewer than four times each calendar year, information regarding such exposure in a format prescribed by such regulations.

(b) Each appropriate Federal banking agency shall require, by regulation, banking institutions to disclose to the public information regarding material foreign country exposure in relation to assets and to capital.

(c) The appropriate Federal banking agencies shall promulgate regulations or orders necessary to implement this section within 120 days after the date of the enactment of this title.

CAPITAL ADEQUACY

SEC. 908. (a)(1) Each appropriate Federal banking agency shall cause banking institutions to achieve and maintain adequate capital by establishing minimum levels of capital for such banking institutions and by using such other methods as the appropriate Federal banking agency deems appropriate.

(2) Each appropriate Federal banking agency shall have the authority to establish such minimum level of capital for a banking institution as the appropriate Federal banking agency, in its discretion, deems to be necessary or appropriate in light of the particular circumstances of the banking institution.

(b)(1) Failure of a banking institution to maintain capital at or above its minimum level as established pursuant to subsection (a) may be deemed by the appropriate Federal banking agency, in its discretion, to constitute an unsafe and unsound practice within the meaning of section 8 of the Federal Deposit Insurance Act.

(2)(A) In addition to, or in lieu of, any other action authorized by law, including paragraph (1), the appropriate Federal banking agency may issue a directive to a banking institution that fails to maintain capital at or above its required level as established pursuant to subsection (a).

(B)(i) Such directive may require the banking institution to submit and adhere to a plan acceptable to the appropriate Federal banking agency describing the means and timing by which the banking institution shall achieve its required capital level.

(ii) Any such directive issued pursuant to this paragraph, including plans submitted pursuant thereto, shall be enforceable under the provisions of section 8(i) of the Federal Deposit Insurance Act to the same extent as an effective and outstanding order issued pursuant to section 8(b) of the Federal Deposit Insurance Act which has become final.

(3)(A) Each appropriate Federal banking agency may consider such banking institution's progress in adhering to any plan required under this subsection whenever such banking institution, or an affiliate thereof, or the holding company which controls such banking institution, seeks the requisite approval of such appropriate Federal banking agency for any proposal which would divert earnings, diminish capital, or otherwise impede such banking institution's progress in achieving its minimum capital level.

(B) Such appropriate Federal banking agency may deny such approval where it determines that such proposal would adversely affect the ability of the banking institution to comply with such plan.

(C) The Chairman of the Board of Governors of the Federal Reserve System and the Secretary of the Treasury shall encourage governments, central banks, and regulatory authorities of other major banking countries to work toward maintaining and, where appropriate, strengthening the capital bases of banking institutions involved in international lending.

FOREIGN LOAN EVALUATIONS

SEC. 909. (a)(1) In any case in which one or more banking institutions extend credit, whether by loan, lease, guarantee, or otherwise, which individually or in the aggregate exceeds $20,000,000, to finance any project which has as a major objective the construction or operation of any mining operation, any metal or mineral primary processing operation, any fabricating facility or operation, or any metal-making operations (semi and finished) located outside the United States or its territories and possessions, a written economic feasibility evaluation of such foreign project shall be prepared and approved in writing by a senior official of the banking institution, or, if more than one banking institution is involved, the lead banking institution, prior to the extension of such credit.

(2) Such evaluation shall—

(A) take into account the profit potential of the project, the impact of the project on world markets, the inherent competitive advantages and disadvantages of the project over the entire life of the project, and the likely effect of the project upon the overall

long-term economic development of the country in which the project is located; and

(B) consider whether the extension of credit can reasonably be expected to be repaid from revenues generated by such foreign project without regard to any subsidy, as defined in international agreements, provided by the government involved or any instrumentality of any country.

(b) Such economy feasibility evaluations shall be reviewed by representatives of the appropriate Federal banking agencies whenever an examination by such appropriate Federal banking agency is conducted.

(c)(1) The authorities of the Federal banking agencies contained in section 8 of the Federal Deposit Insurance Act and in section 910 of this Act, except those contained in section 910(d), shall be applicable to this section.

(2) No private right of action or claim for relief may be predicated upon this section.

GENERAL AUTHORITIES

SEC. 910. (a)(1) The appropriate Federal banking agencies are authorized to interpret and define the terms used in this title, and each appropriate Federal banking agency shall prescribe rules or regulations or issue orders as necessary to effectuate the purposes of this title and to prevent evasions thereof.

(2) The appropriate Federal banking agency is authorized to apply the provisions of this title to any affiliate of an insured bank, but only to affiliates for which it is the appropriate Federal banking agency, in order to promote uniform application of this title or to prevent evasions thereof.

(3) For purposes of this section, the term "affiliate" shall have the same meaning as in section 23A of the Federal Reserve Act, except that the term "member bank" in such section shall be deemed to refer to an "insured bank", as such term is used in section 3(h) of the Federal Deposit Insurance Act.

(b) The appropriate Federal banking agencies shall establish uniform systems to implement the authorities provided under this title.

(c)(1) The powers and authorities granted in this title shall be supplemental to and shall not be deemed in any manner to derogate from or restrict the authority of each appropriate Federal banking agency under section 8 of the Federal Deposit Insurance Act or any other law including the authority to require additional capital or reserves.

(2) Any such authority may be used by any appropriate Federal banking agency to ensure compliance by a banking institution with the provisions of this title and all rules, regulations, or orders issued pursuant thereto.

(d)(1) Any banking institution which violates, or any officer, director, employee, agent, or other person participating in the conduct of the affairs or such banking institution, who violates any provision of this title, or any rule, regulation, or order, issued under this title, shall forfeit and pay a civil penalty of not more than $1,000 per day for each day during which such violation continues.

(2) Such violations shall be deemed to be a violation of a final order under section 8(i)(2) of the Federal Deposit Insurance Act and the penalty shall be assessed and collected by the appropriate Federal banking agency under the procedures established by, and subject to the rights afforded to parties in, such section.

GAO AUDIT AUTHORITY

SEC. 911. (a)(1) Under regulations of the Comptroller General, the comptroller General shall audit the appropriate Federal banking agencies (as defined in section 903 of this title), but may carry out an onsite examination of an open insured bank or bank holding company only if the appropriate Federal banking agency has consented in writing.

(2) An audit under this subsection may include a review or evaluation of the international regulation, supervision, and examination activities of the appropriate Federal banking agency, including the coordination of such activities with similar activities of regulatory authorities of a foreign government or international organization.

(3) Audits of the Federal Reserve Board and Federal Reserve banks may not include—

(A) transactions for, or with, a foreign central bank, government of a foreign country, or nonprivate international financing organization;

(B) deliberations, decisions, or actions on monetary policy matters, including discount window operations, reserves of member banks, securities credit, interest on deposits, or open market operations;

(C) transactions made under the direction of the Federal Open Market Committee; or

(D) a part of a discussion or communication among or between members of the Board of Governors of the Federal Reserve System and officers and employees of the Federal Reserve System related to subparagraphs (A) through (C) of this paragraph.

(b)(1)(A) Except as provided in this subsection, an officer or employee of the General Accounting Office may not disclose information identifying an open bank, an open bank holding company, or a customer of an open or closed bank or bank holding company.

(B) The Comptroller General may disclose information related to the affairs of a closed bank or closed bank holding company identifying a customer of the closed bank or closed bank holding company only if the Comptroller General believes the customer had a controlling influence in the management of the closed bank or closed bank holding company or was related to or affiliated with a person or group having a controlling influence.

(2) An officer or employee of the General Accounting Office may discuss a customer, bank, or bank holding company with an official of an appropriate Federal banking agency and may report an apparent criminal violation to an appropriate law enforcement authority of the United States Government or a State.

(3) This subsection does not authorize an officer or employee of an appropriate Federal banking agency to withhold information from a committee of the Congress authorized to have the information.

(c)(1)(A) To carry out this section, all records and property of or used by an appropriate Federal banking agency, including samples of reports of examinations of a bank or bank holding company the Comptroller General considers statistically meaningful and workpapers and correspondence related to the reports shall be made available to the Comptroller General, including such records and property pertaining to the coordination of international regulation, supervision and examination activities of an appropriate Federal banking agency.

(B) The Comptroller General shall give each appropriate Federal banking agency a current list of officers and employees to whom, with proper identification, records and property may be made available, and who may make notes or copies necessary to carry out an audit.

(C) Each appropriate Federal banking agency shall give the Comptroller General suitable and lockable offices and furniture, telephones, and access to copying facilities.

(2) Except for the temporary removal of workpapers of the Comptroller General that do not identify a customer of an open or closed bank or bank holding company, an open bank, or an open bank holding company, all workpapers of the Comptroller General and records and property of or used by an appropriate Federal banking agency that the Comptroller General possesses during an audit, shall remain in such agency. The Comptroller General shall prevent unauthorized access to records or property.

EQUAL REPRESENTATION FOR THE FEDERAL DEPOSIT INSURANCE CORPORATION

SEC. 912. As one of the three Federal bank regulatory and supervisory agencies, and as the insurer of the United States banks involved in international lending, the Federal Deposit Insurance Corporation shall be given equal representation with the Board of Governors of the Federal Reserve System and the Office of the Comptroller of the Currency on the Committee on Banking Regulations and Supervisory Practices of the Group of Ten Countries and Switzerland.

REPORTS

SEC. 913. Not later than six months after the date of the enactment of this title, the Secretary of the Treasury, or the appropriate Federal banking agencies as specified below, shall transmit a report to the Congress regarding changes to improve the international lending operations of banking institutions. Such report shall—

(1) review the laws, regulations, and examination and supervisory procedures and practices, governing international banking in each of the Group of Ten Nations and Switzerland with particular attention to such matters bearing on capital requirements, lending limits, reserves, disclosure, examiner access, and lender of last resort resources, such report to be prepared by the Chairman of the Board of Governors of the Federal Reserve System;

(2) outline progress made in reaching the goal specified in section 908(c), such report to be prepared by the Secretary of the Treasury and the Chairman of the Board of Governors of the Federal Reserve System; and

(3) indicate actions taken to implement this title by the appropriate Federal banking agencies, including a description of the actions taken in carrying out the objectives of the title and any actions taken by any appropriate Federal banking agency that are inconsistent with the uniform implementation by the appropriate Federal banking agencies of their respective authorities under this title, and any recommendations for amendments to this or other legislation, such report to be prepared by the appropriate Federal banking agencies.

TITLE X—MULTILATERAL DEVELOPMENT BANKS

INTER-AMERICAN DEVELOPMENT BANK

SEC. 1001. The Inter-American Development Bank Act (22 U.S.C. 283 et seq.) is amended by adding at the end thereof the following:

"SEC. 31. (a)(1) The United States Governor of the Bank is authorized to vote for resolutions—

"(A) Which were proposed by the Governors at a special meeting in February 1983;

"(B) Which are pending before the Board of Governors of the Bank; and

"(C) Which provide for—

"(i) an increase in the authorized capital stock of the Bank and subscriptions thereto; and

"(ii) an increase in the resources of the Fund for Special Operations and contributions thereto.

"(2)(A) Upon adoption of the resolutions specified in paragraph (1), the United States Governor of the Bank is authorized on behalf of the United States to—

"(i) subscribe to 427,396 shares of the increase in the authorized capital stock of the bank; and

"(ii) contribute $350,000,000 to the Fund for Special Operations.

"(B) any commitment to make such subscriptions to paid-in and callable capital stock and to make such contributions to the Fund for Special Operations shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(b) In order to pay for the increase in the United States subscription and contribution provided for in this section, there are authorized to be appropriated, without fiscal year limitation, for payment by the Secretary of the Treasury—

"(1) $5,155,862,744 for the United States subscriptions to the capital stock of the Bank; and

"(2) $350,000,000 for the United States share of the increase in the resources of the Fund for Special Operations.".

ASIAN DEVELOPMENT BANK

SEC. 1002. The Asian Development Bank Act (22 U.S.C. 285 et seq.) is amended by adding at the end thereof the following:

SEC. 27. (a)(1) The United States Governor of the Bank is authorized to subscribe on behalf of the United States to one hundred twenty-three thousand three hundred and seventy-five additional shares of the capital stock of the Bank.

"(2) Any subscription to the capital stock of the Bank shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(b) In order to pay for the increase in the United States subscription to the Bank provided for in subsection (a), there are authorized to be appropriated, without fiscal year limitation, $1,322,999,476 for payment by the Secretary of the Treasury.

"(c) The Congress hereby finds that—

"(A) the Republic of China (Taiwan) is a charter member in good standing of the Asian Development Bank;

"(B) the Republic of China has grown from a borrower to a lender in the Asian Development Bank; and

"(C) the Republic of China provides, through its economic success, a model for other nations in Asia.

"(2) It is the sense of the Congress that—

"(A) Taiwan, Republic of China, should remain a full member of the Asian Development Bank, and that its status within that body should remain unaltered no matter how the issue of the People's Republic of China's application for membership is disposed of;

"(B) the President and the Secretary of State should express support of Taiwan, Republic of China, making it clear that the United States will not countenance attempts to expel Taiwan, Republic of China, from the Asian Development Bank; and

"(C) the Secretary of the Senate and Clerk of the House shall transmit a copy of this resolution to the President with the request that he transmit such copy to the Board of Governors of the Asian Development Bank.

"SEC. 28. (a)(1) The United States Governor of the Bank is authorized to contribute on behalf of the United States $520,000,000 to the Asian Development Fund, a special fund of the Bank.

"(2) Any commitment to make the contribution authorized in paragraph (1) shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution to the Asian Development Fund provided for in this section, there are authorized to be appropriated, without fiscal year limitation, $520,000,000 for payment by the Secretary of the Treasury.".

AFRICAN DEVELOPMENT FUND

SEC. 1003. The African Development Fund Act (22 U.S.C. 290g et seq.) is amended by adding at the end thereof the following:

SEC. 213. (a)(1) The United States Governor of the Fund is authorized to contribute on behalf of the United States $150,000,000 to the Fund as the United States contribution to the third replenishment of the resources of the Fund.

"(2) Any commitment to make the contribution authorized in paragraph (1) shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution provided for in this section, there are authorized to be appropriated, without fiscal year limitation, $150,000,000 for payment by the Secretary of the Treasury.".

HUMAN RIGHTS

SEC. 1004. Section 701 of the International Financial Institutions Act (22 U.S.C. 262g) is amended—

(1) in subsection (a)(1), by striking out "consistent"; and

(2) in subsection (g)(1), by striking out "The Secretary of the Treasury, in consultation with the Secretary of State, shall report quarterly" and inserting in lieu thereof "Not later than thirty days after the end of each calendar quarter, the Secretary of the Treasury, in consultation with the Secretary of State, shall report.".

STUDY

SEC. 1005. (a) It is the sense of Congress that—

(1) the multilateral development institutions serve an invaluable role in promoting development abroad;

(2) foreign direct investment, trade, and commercial lending make a contribution at least equal to that of development assistance in promoting development;

(3) United States economic interests are vitally affected by conditions in developing countries; and

(4) the multilateral development banks already play an important, although indirect, role in encouraging private investment flows.

(b)(1)(A) The Secretary of the Treasury shall conduct a study of how the multilateral development institutions could more actively encourage foreign direct investment and commercial capital flows and channel such investment and capital flows to developing countries for sound and productive development projects through the International Finance Corporation in cooperation with the multilateral development institutions or through a new investment banking facility at one or more of these institutions.

(B) In addition, such study shall evaluate whether the multilateral development institutions could help increase foreign direct investment and commercial capital flows by insuring that the interests of investors and host governments are adequately protected.

(2) The Secretary of the Treasury shall solicit comments on such study from the multilateral development institutions and shall incorporate such comments with the study in a report to be transmitted to both Houses of the Congress within one hundred and eighty days of the date of the enactment of this section.

PERSONNEL PRACTICES

SEC. 1006. (a) It shall be the policy of the United States that no initiatives, discussions, or recommendations concerning the placement or removal of any Inter-American Development Bank, Asian Development Bank, or African Development Bank personnel shall be based on the political philosophy or activity of the individual under consideration.

(b) The Secretary of the Treasury shall consult with the Chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate and the relevent subcommittees prior to any discussions or recommendations by any official of the United States Government concerning the placement or removal of any principal officer of the Inter-American Development Bank, Asian Development Bank, or African Development Bank management.

TITLE XI—IMF APPROPRIATION

IMF APPROPRIATION

SEC. 1101. (a) Notwithstanding any other provision of this Act, there is appropriated for an increase in the United States quota in the International Monetary Fund, the dollar equivalent of 5,310,800,000 Special Drawing Rights, to remain available until expended.

(b) Notwithstanding any other provision of this Act, there is appropriated for an increase in loans to the International Monetary Fund under the General Arrangements to Borrow, the dollar equivalent of $4,250,000,000 Special Drawing Rights less $2,000,000,000 previously appropriated by the Act of October 23, 1962 (Public Law 87-872, 76 Stat. 1163), pursuant to the authorization contained in section 17 of the Bretton Woods Agreements Act and merged with this appropriation, to remain available until expended.

CONDITION OF INTERNATIONAL FINANCIAL SYSTEM

SEC. 1102. (a) The Congress finds and declares that—

(1) the international banking system is currently threatened by a series of national financial crises;

(2) the Congress is desirous of finding a solution to the current monetary crisis which will result in a stable monetary system and preservation of a liberal international economy;

(3) this solution must be found without placing inordinate pressures on United States credit markets;

(4) the breakdown in the Bretton Woods monetary system has contributed directly to these problems;

(5) the economic policies prescribed by the International Monetary Fund can be harmful to economic growth; and

(6) the International Monetary Fund currently holds approximately $40,000,000,000 of uncommitted assets in the form of gold bullion and has not utilized them fully to date.

(b) It is the sense of the Senate that—

(1) restoration of a stable monetary system is necessary to assure economic growth and to maintain a liberal international economic system;

(2) as a first step toward this restoration the Secretary of the Treasury should call for an international conference on the monetary system to investigate its systemic problems;

(3) in coping with the current financial crisis, the International Monetary Fund should make fuller use of its current assets, including its gold holdings;

(4) the International Monetary Fund should revise the conditions placed on its loans so as to encourage economic growth.

REPORT ON HOUSE RESOLUTION NO. 15 TO ESTABLISH A SELECT COMMITTEE ON HUNGER

Mr. BONIOR of Michigan, from the Committee on Rules, submitted a privileged report (Rept. No. 98-568) on the resolution (H. Res. 15) to establish a Select Committee on Hunger, which was referred to the House Calendar and order to be printed.

CONFERENCE REPORT ON H.R. 2968, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1984

Mr. BOLAND submitted the following conference report and statement on the bill (H.R. 2968) to authorize appropriations for fiscal year 1984 for intelligence and intelligence-related activities of the U.S. Government, for the intelligence community staff, for the Central Intelligence Agency retirement and disability system, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 98-569)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2968) to authorize appropriations for fiscal year 1984 for intelligence and intelligence-related activities of the United States Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes, having met, after full and free conference, having agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Intelligence Authorization Act for Fiscal Year 1984".

TITLE I—INTELLIGENCE ACTIVITIES

AUTHORIZATION OF APPROPRIATIONS

SEC. 101. Funds are hereby authorized to be appropriated for fiscal year 1984 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

(1) The Central Intelligence Agency.

(2) The Department of Defense.

(3) The Defense Intelligence Agency.

(4) The National Security Agency.

(5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.

(6) The Department of State.

(7) The Department of the Treasury.

(8) The Department of Energy.

(9) The Federal Bureau of Investigation.

(10) The Drug Enforcement Administration.

CLASSIFIED SCHEDULE OF AUTHORIZATIONS

SEC. 102. The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 1984, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared by the committee of conference to accompany H.R. 2968 of the Ninety-eighth Congress. That Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule within the executive branch.

CONGRESSIONAL NOTIFICATION OF EXPENDITURES IN EXCESS OF PROGRAM AUTHORIZATIONS

SEC. 103. During fiscal year 1984, funds may not be made available for any intelligence or intelligence-related activity unless such funds have been specifically authorized for such activity or, in the case of funds appropriated for a different activity, unless the Director of Central Intelligence or the Secretary of Defense has notified the appropriate committees of Congress of the intent to make such funds available for such activity, except that, in no case may reprogramming or transfer authority be used by the Director of Central Intelligence or the Secretary of Defense unless for higher priority intelligence or intelligence-related activities, based on unforeseen requirements, than those for which funds were originally authorized, and in no case where the intelligence or intelligence-related activity for which funds were requested has been denied by Congress.

AUTHORIZATION OF APPROPRIATIONS FOR DESIGN AND CONSTRUCTION OF AN ADDITIONAL BUILDING AT THE CENTRAL INTELLIGENCE AGENCY HEADQUARTERS COMPOUND

SEC. 104. Of the amounts authorized to be appropriated under section 101(1), there is authorized to be appropriated the sum of $75,500,000 for the design and construction of a new building at the Central Intelligence Agency headquarters compound.

AUTHORITY FOR TRANSFER OF AUTHORIZED FUNDS OF THE CENTRAL INTELLIGENCE AGENCY TO THE STATE OF VIRGINIA

SEC. 105. Of the amounts authorized to be appropriated under section 101(1), the Central Intelligence Agency is authorized to transfer an amount not to exceed $3,000,000 to the State of Virginia for the design and construction of highway improvements associated with construction at the Central Intelligencce Agency headquarters compound.

AUTHORIZATION OF APPROPRIATIONS FOR COUNTERTERRORISM ACTIVITIES OF THE FEDERAL BUREAU OF INVESTIGATION

SEC. 106. In addition to the amounts authorized to be appropriated under section 101(9), there is authorized to be appropriated for fiscal year 1984 the sum of $13,800,000 for the conduct of the activities of the Federal Bureau of Investigation to counter terrorism in the United States.

PERSONNEL CEILING ADJUSTMENTS

SEC. 107. The Director of Central Intelligence may authorize employment of civilian personnel in excess of the numbers authorized for the fiscal year 1983 under sections 102 and 202 of the Intelligence Authorization Act for fiscal year 1983 (Public Law 97-269) and in excess of the numbers authorized for the fiscal year 1984 under sections 102 and 202 of this Act when he determines that such action is necessary to the performance of important intelligence functions, except that such number may not, for any element of the Intelligence Community, exceed 2 per centum of the number of civilian personnel authorized under such sections for such element. The Director of Central Intelligence shall promptly notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate whenever he exercises the authority granted by this section.

LIMITATION ON COVERT ASSISTANCE FOR MILITARY OPERATIONS IN NICARAGUA

SEC. 108. During fiscal year 1984, not more than $24,000,000 of the funds available to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual.

CONGRESSIONAL FINDINGS

SEC. 109. (a) The Congress finds that—

(1) the Government of National Reconstruction of Nicaragua has failed to keep solemn promises, made to the Organization of American States in July 1979, to establish full respect for human rights and political liberties, hold early elections, preserve a private sector, permit political pluralism, and pursue a foreign policy of nonaggression and nonintervention;

(2) by providing military support (including arms, training, and logistical, command and control, and communications facilities) to groups seeking to overthrow the Government of El Salvador and other Central American governments, the Government of National Reconstruction of Nicaragua has violated article 18 of the Charter of the Organization of American States which declares that no state has the right to intervene, directly or indirectly, for any reason whatsoever, in the internal or external affairs of any other state;

(3) the Government of Nicaragua should be held accountable before the Organization of American States for activities violative of promises made to the Organization and for violations of the Charter of that Organization; and

(4) working through the Organization of American States is the proper and most effective means of dealing with threats to the peace of Central America, of providing for

common action in the event of aggression, and of providing the mechanisms for peaceful resolution of disputes among the countries of Central America.

(b) The President should seek a prompt reconvening of the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs of the Organization of American States for the purpose of reevaluating the compliance by the Government of National Reconstruction of Nicaragua—

(1) with the commitments made by the leaders of that Government in July 1979 to the Organization of American States; and

(2) with the Charter of the Organization of American States.

(c) The President should vigorously seek actions by the Organization of American States that would provide for a full range of effective measures by the member states to bring about compliance by the Government of National Reconstruction of Nicaragua with those obligations, including verifiable agreements to halt the transfer of military equipment and to cease furnishing of military support facilities to groups seeking the violent overthrow of governments of countries in Central America.

(d) The President should use all diplomatic means at his disposal to encourage the Organization of American States to seek resolution of the conflicts in Central America based on the provisions of the Final Act of the San Jose Conference of October 1982, especially principles (d), (e), and (g), relating to nonintervention in the internal affairs of other countries, denying support for terrorist and subversive elements in other states, and international supervision of fully verifiable arrangements.

(e) The United States should support measures at the Organization of American States, as well as efforts of the Contadora Group, which seek to end support for terrorist, subversive, or other activities aimed at the violent overthrow of the governments of countries in Central America.

(f) Not later than March 15, 1984, the President shall report to the Congress on the results of his efforts pursuant to this Act to achieve peace in Central America. Such report may include such recommendations as the President may consider appropriate for further United States actions to achieve this objective.

TITLE II—INTELLIGENCE COMMUNITY STAFF

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. There is authorized to be appropriated for the Intelligence Community Staff for fiscal year 1984 the sum of $18,500,000.

AUTHORIZATION OF PERSONNEL END-STRENGTH

SEC. 202. (a) The Intelligence Community Staff is authorized two hundred and fifteen full-time personnel as of September 30, 1984. Such personnel of the Intelligence Community Staff may be permanent employees of the Intelligence Community Staff or personnel detailed from other elements of the United States Government.

(b) During fiscal year 1984, personnel of the Intelligence Community Staff shall be selected so as to provide appropriate representation from elements of the United States Government engaged in intelligence and intelligence-related activities.

(c) During fiscal year 1984, any officer or employee of the United States or a member of the Armed Forces who is detailed to the Intelligence Community Staff from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee or member may be detailed on a nonreimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

INTELLIGENCE COMMUNITY STAFF ADMINISTERED IN SAME MANNER AS CENTRAL INTELLIGENCE AGENCY

SEC. 203. During fiscal year 1984, activities and personnel of the Intelligence Community Staff shall be subject to the provisions of the National Security Act of 1947 (50 U.S.C. 401 et seq.) and the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a-403n) in the same manner as activities and personnel of the Central Intelligence Agency.

TITLE III—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

AUTHORIZATION OF APPROPRIATIONS

SEC. 301. There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 1984 the sum of $86,300,000.

TITLE IV—ADMINISTRATIVE PROVISIONS RELATED TO THE CENTRAL INTELLIGENCE AGENCY AND THE INTELLIGENCE COMMUNITY STAFF

ELIGIBILITY FOR APPOINTMENT TO CERTAIN CENTRAL INTELLIGENCE AGENCY POSITIONS

SEC. 401. Section 5 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403f) is amended by striking the last "and" in subsection (d), by striking the period at the end of subsection (e) and substituting in lieu thereof "; and", and by adding at the end thereof the following new subsection:

"(f) Determine and fix the minimum and maximum limits of age within which an original appointment may be made to an operational position within the Agency, notwithstanding the provision of any other law, in accordance with such criteria as the Director, in his discretion, may prescribe."

ELIGIBILITY FOR INCENTIVE AWARDS

SEC. 402. (a) The Director of Central Intelligence may exercise the authority granted in section 4503 of title 5, United States Code, with respect to Federal employees and members of the Armed Forces detailed or assigned to the Central Intelligence Agency or to the Intelligence Community Staff, in the same manner as such authority may be exercised with respect to the personnel of the Central Intelligence Agency and the Intelligence Community Staff.

(b) The authority granted by subsection (a) of this section may be exercised with respect to Federal employees or members of the Armed Forces detailed or assigned to the Central Intelligence Agency or to the Intelligence Community Staff on or after a date five years before the date of enactment of this section.

APPOINTMENT OF DIRECTOR OF THE INTELLIGENCE COMMUNITY STAFF

SEC. 403. The National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by adding after section. 102 the following new section:

"APPOINTMENT OF DIRECTOR OF INTELLIGENCE COMMUNITY STAFF

"SEC. 102. (a)(1) If a commissioned officer of the Armed Forces is appointed as Director of the Intelligence Community Staff, such commissioned officer, while serving in such position—

"(A) shall not be subject to supervision, control, restriction, or prohibition by the Department of Defense or any component thereof; and

"(B) shall not exercise, by reason of his status as a commissioned officer, any supervision, control, powers, or functions (other than as authorized as Director of the Intelligence Community Staff) with respect to any of the military or civilian personnel thereof.

"(2) Except as provided in subsection (1), the appointment of a commissioned officer of the Armed Forces to the position of Director of the Intelligence Community Staff, his acceptance of such appointment and his service in such position shall in no way affect his status, position, rank, or grade in the Armed Forces, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, position, rank, or grade. Any such commissioned officer, while serving in the position of Director of the Intelligence Community Staff, shall continue to hold a rank and grade not lower than in which he was serving at the time of his appointment to such position and to receive the military pay and allowances (including retired or retainer pay) payable to a commissioned officer of his grade and length of service for which the appropriate military department shall be reimbursed from any funds available to defray the expenses of the Intelligence Community Staff. In addition to any pay or allowance payable under the preceding sentence, such commissioned officer shall be paid by the Intelligence Community Staff, from funds available to defray the expenses of such staff, an annual compensation at a rate equal to the excess of the rate of compensation payable for such position over the annual rate of his military pay (including retired and retainer pay) and allowances.

"(3) Any commissioned officer to which subsection (1) applies, during the period of his service as Director of the Intelligence Community Staff, shall not be counted against the numbers and percentages of commissioned officers of the rank and grade of such officer authorized for the Armed Force of which he is a member, except that only one commissioned officer of the Armed Forces occupying the position of Director of Central Intelligence or Deputy Director of Central Intelligence as provided for in section 102, or the position of Director of the Intelligence Community Staff, under this section, shall be exempt from such numbers and percentage at any one time."

TITLE V—ADMINISTRATIVE PROVISIONS RELATED TO THE DEFENSE INTELLIGENCE AGENCY

BENEFITS FOR CERTAIN EMPLOYEES OF THE DEFENSE INTELLIGENCE AGENCY

SEC. 501. (a) Title 10, United States Code, is amended by inserting after section 191 the following new section:

"SEC. 192. BENEFITS FOR CERTAIN EMPLOYEES OF THE DEFENSE INTELLIGENCE AGENCY.

"(a) The Director of the Defense Intelligence Agency, on behalf of the Secretary of Defense, may provide to military and civilian personnel of the Department of Defense who are United States nationals, who are assigned to Defense Attaché Offices and Defense Intelligence Agency Liaison Offices outside the United States, and who are designated by the Secretary of Defense for the purposes of this subsection, allowances and benefits comparable to those provided by the Secretary of State to officers and employees of the Foreign Service under paragraphs (2), (3), (4), (6), (7), (8), and (13) of section 901 and under sections 903, 705, and 2308 of the Foreign Service Act of 1980 (22 U.S.C. 4025; 22 U.S.C. 4081 (2), (3), (4), (6), (7), (8), and (13); 22 U.S.C. 4083; 5 U.S.C. 5924(4)).

"(b) The authority of the Director of the Defense Intelligence Agency, on behalf of the Secretary of Defense, to make payments under subsection (a) is effective for any fiscal year only to the extent that appropriated funds are available for such purpose.

"(c) Members of the Armed Forces may not receive benefits under both subsection (a) and title 37, United States Code, for the same purpose. The Secretary of Defense shall prescribe such regulations as may be necessary to carry out this subsection.

"(d) Regulations issued pursuant to subsection (a) shall be submitted to the Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives and the Committee on Armed Services and the Select Committee on Intelligence of the Senate before such regulations take effect."

(b) The table of sections at the beginning of chapter 8 of title 10, United States Code, is amended by inserting after section 191 the following new item:

"192. Benefits for Certain Employees of the Defense Intelligence Agency."

TITLE VI—GENERAL PROVISIONS

RESTRICTION OF CONDUCT OF INTELLIGENCE ACTIVITIES

Sec. 601. The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or laws of the United States.

INCREASES IN EMPLOYEE BENEFITS AUTHORIZED BY LAW

Sec. 602. Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such benefits authorized by law.

And the Senate agree to the same.

EDWARD P. BOLAND,
CLEMENT J. ZABLOCKI,
ROMANO L. MAZZOLI,
NORMAN Y. MINETA,
LEE H. HAMILTON,
ALBERT GORE, JR.,
LOUIS STOKES,
DAVE MCCURDY,
J. K. ROBINSON,
G. WILLIAM WHITEHURST,
BILL YOUNG,
BOB STUMP,
BILL GOODLING,

And for matters falling within the jurisdiction of the Committee on Armed Services:

MELVIN PRICE,
SAMUEL S. STRATTON,
WILLIAM L. DICKINSON,
Managers on the Part of the House.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2968) to authorize appropriations for fiscal year 1984 for intelligence and intelligence-related activities of the United States Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I— INTELLIGENCE ACTIVITIES

Due to the classified nature of intelligence and intelligence-related activities, a classified annex to this joint explanatory statement serves as a guide to the classified Schedule of Authorizations by providing a detailed description of program and budget authority contained therein as reported by the Committee of Conference.

The actions of the conferees on all matters at difference between the two Houses (stated in the classified annex accompanying the House bill, and the classified supplement and appendix thereto that accompanied the Senate amendment) are shown below or in the classified annex to this joint statement.

A special conference group resolved differences between the House and Senate regarding DOD Intelligence Related Activities, referred to as Tactical Intelligence and Related Activities (TIARA). This special conference group was necessitated by the differing committee jurisdictions between the two Houses and consisted of members of the House and Senate Committees on Armed Services and the House Permanent Select Committee on Intelligence.

The amounts listed for TIARA programs represent the funding levels jointly agreed to by the TIARA conferees and the House and Senate conferees for the Department of Defense Authorization Act, 1984, for those programs subject to annual authorization and contained in the Department of Defense Authorization Act (Pub. L. 98-94). In addition, the TIARA conferees have agreed on the authorization level, as listed in the classified Schedule of Authorizations, the joint statement, and its classified annex, for TIARA programs which fall into the appropriation categories of Military Pay and Military Construction.

SECTION 103

The House bill contained a provision, section 103, that had three parts. It stipulated that during fiscal year 1984, no funds may be appropriated or otherwise made available through transfer, reprogramming, etc., for intelligence or intelligence-related activities unless specifically authorized or unless the appropriate committees of Congress have been notified of the intent to make such funds available. Section 103 stated that no funds may be provided to support a program denied by Congress. The Senate amendment contained a provision, Section 101(c), which included only the first part of Section 103.

The conferees agreed to the House provision with the understanding that, if the proposed activity is materially different from that denied funding with prejudice, section 103 would not present any bar to a release from the Reserve for Contingencies or a reprogramming request.

SECTION 106

The House bill contained a provision, section 106, authorizing appropriations of $13,800,000 for the counterterrorism program of the Federal Bureau of Investigation. The Senate amendment contained no comparable provision.

The conferees agreed to the House provision.

SECTION 108

Section 108 of the House bill contained provisions (1) terminating funding for military or paramilitary activities in Nicaragua after the expiration of a classified period of time for withdrawal of combatants from Nicaragua, and (2) authorizing $50 million for arms interdiction assistance to friendly Central American countries. The Senate amendment had no comparable provision.

The conferees agreed to a compromise provision which sets a cap of $24 million for military or paramilitary activities in Nicaragua during fiscal year 1984.

SECTION 109

Section 109 of the House bill expressed the sense of Congress concerning certain activities of the government of Nicaragua. The Senate amendment had no comparable provision.

The conferees agreed to a compromise statement as follows:

SEC. 109. (a) The Congress finds that—

(1) the Government of National Reconstruction of Nicaragua has failed to keep the solemn promises, made to the Organization of American States in July 1979, to establish full respect for human rights and political liberties, hold early elections, preserve a private sector, permit political pluralism, and pursue a foreign policy of nonaggression and nonintervention;

(2) by providing military support (including arms, training, and logistical, command and control, and communications facilities) to groups seeking to overthrow the Government of El Salvador and other Central American governments, the Government of National Reconstruction of Nicaragua has violated article 18 of the Charter of the Organization of American States which declares that no state has the right to intervene, directly or indirectly, for any reason whatsoever, in the internal or external affairs of any other state;

(3) the Government of Nicaragua should be held accountable before the Organization of American States for activities violative of promises made to the Organization and for violations of the Charter of that Organization; and

(4) working through the Organization of American States is the proper and most effective means of dealing with threats to the peace of Central America, of providing for common action in the event of aggression and of providing the mechanisms for peaceful resolution of disputes among the countries of Central America.

(b) The President should seek a prompt reconvening of the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs of the Organization of American States for the purpose of reevaluating the compliance by the Government of National Reconstruction of Nicaragua—

(1) with the commitments made by the leaders of the Government in July 1979 to the Organization of American States; and

(2) with the Charter of the Organization of American States.

(c) The President should vigorously seek actions by the Organization of America States that would provide for a full range of effective measures by the member states to bring about compliance by the Government of National Reconstruction of Nicaragua with those obligations, including verifiable

agreements to halt the transfer of military equipment and to cease furnishing of military support facilities to groups seeking the violent overthrow of governments of countries in Central America.

(d) The President should use all diplomatic means at his disposal to encourage the Organization of American States to seek resolution of the conflicts in Central American based on the provisions of the Final Act of the San Jose Conference of October 1982, especially principles (d), (e), and (g), relating to nonintervention in the internal affairs of other countries, denying support for terrorist and subversive elements in other states, and international supervision of fully verifiable arrangements.

(e) The United States should support measures at the Organization of American States, as well as efforts of the Contadora Group, which seek to end support for terrorist, subversive, or other activities aimed at the violent overthrow of the governments of countries in Central America.

(f) Not later than March 15, 1984, the President shall report to the Congress on the results of his efforts pursuant to this Act to achieve peace in Central America. Such report may include such recommendations as the President may consider appropriate for further United States actions to achieve this objective.

TITLE II—INTELLIGENCE COMMUNITY STAFF

The House bill (Sec. 201) authorized $19,100,000 and 215 personnel for the Intelligence Community Staff in fiscal year 1984. The Senate amendment (Sec. 201) authorized $17,700,000 and 211 personnel for the Staff. The conferees agreed to a total authorization of $18,500,000 and 215 personnel.

INTELLIGENCE COMMUNITY STAFF (ICS) CONFERENCE ACTIONS—FISCAL YEAR 1984

[In millions of dollars]

Project	Fiscal year 1984 request	Changes: House action	Changes: Senate action	Changes: Conference action	Authorization
Pay raise		+$0.2		+$0.2	$0.2
Personnel level—funding	$10.4		$0.1		$10.4
Manpower	215		−4		215
External contracts	$4.6		$1.1	−$0.6	$4.0
Funding not at issue	$3.9				$3.9
Total ICS funding	$18.9	+$0.2	$−$1.2	$−$0.4	$18.5
Total ICS manpower	215		−4		215

Pay raise, +$0.2 million

The conferees agreed to authorize the $200,000 recommended by the House for a 4% pay raise for all IC Staff employees of January 1, 1984.

External contracts, −$0.6 million

The Senate reduced IC Staff external contracts by $1.1 million. The House authorized the requested $4.6 million for external contracts. The conferees agreed that $0.6 million in external studies and analysis contract funding was not adequately justified.

IC staff personnel—no reduction

The conferees agreed to the House position.

SECTION 403

Section 202 of the Senate amendment provided the same treatment (pay, independence from his Service while at IC Staff) for a commissioned military officer who is appointed Director of the Intelligence Community Staff as is given commissioned military officers who serve as either Director or Deputy Director of Central Intelligence under the National Security Act of 1947. It further provided that the rank or grade of the Director of the Intelligence Community Staff be exempt from the numbers and percentages of commissioned officers of his rank and grade in the Service of which he is a member, except that only one commissioned officer who occupies the position of Director or Deputy Director of Central Intelligence or the position of Director of the Intelligence Community Staff shall be exempt from the applicable numbers and percentages for officers of similar rank in his Service at any one time. The House bill had no comparable provision.

The conferees agreed to the Senate provision, which provides permanent authority for such treatment of military officers in the above listed positions, whereas the Defense Authorization Act, fiscal year 1984 (Pub. L. 98-94) contained a similar provision which was limited in applicability solely to fiscal year 1984. That provision of the Defense Authorization Act had been supported by the House conferees.

SECTION 501

Section 405 of the Senate amendment provided authority to the Director of the Defense Intelligence Agency to provide benefits and allowances to personnel of the Defense Attache System comparable to those provided under the Foreign Service Act of 1980 to officers and employees of the State Department stationed abroad. The House bill had no comparable provision.

The conferees agreed to the Senate provision with amendments to make clear that the authority provided to the Director of DIA is limited only to authorizing benefits to military or civilian personnel of the Defense Attache System and to require that regulations implementing such benefits be provided to the House and Senate Intelligence and Armed Services committees, in the same manner as CIA and NSA regulations implementing similar authorities for those agencies have been provided to the House and Senate Intelligence committees.

EDWARD P. BOLAND,
CLEMENT J. ZABLOCKI,
ROMANO L. MAZZOLI,
NORMAN Y. MINETA,
LEE H. HAMILTON,
ALBERT GORE, JR.,
LOUIS STOKES,
DAVE MCCURDY,
J. K. ROBINSON,
G. WILLIAM WHITEHURST,
BILL YOUNG,
BOB STUMP,
BILL GOODLING,

And for matters falling within the jurisdiction of the Committee on Armed Services:

MELVIN PRICE,
SAMUEL S. STRATTON,
WILLIAM L. DICKINSON,
Managers on the Part of the House.

BARRY GOLDWATER,
JAKE GARN,
DICK LUGAR,
MALCOLM WALLOP,
WILLIAM S. COHEN,
DANIEL PATRICK MOYNIHAN,
DANIEL K. INOUYE,
PAT LEAHY,
LLOYD BENTSEN,
SAM NUNN,
Managers on the Part of the Senate.

ANNOUNCEMENT AS TO AVAILABILITY OF CONFERENCE REPORT ON H.R. 2968

Mr. BOLAND. Mr. Speaker, I wish to state to the Members that copies of the conference report are available in the House Chamber at this moment.

CONFERENCE REPORT ON H.R. 3385, DAIRY AND TOBACCO ADJUSTMENT ACT OF 1983

Mr. DE LA GARZA. Mr. Speaker, I call up the conference report on the bill (H.R. 3385) to provide equity to cotton producers under the payment-in-kind program.

The Clerk read the title of the bill.

(For conference report and statement, see Proceedings of the House of Wednesday, November 16, 1983, at page 33174.)

The SPEAKER. Pursuant to the order of the House of November 15, 1983, the conference report is considered as having been read.

The gentleman from Texas (Mr. DE LA GARZA) will be recognized for 30 minutes and the gentleman from Illinois (Mr. MADIGAN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. DE LA GARZA).

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is the conference report that contains dairy legislation which is almost identical to that which passed the House by a vote of 325 to 91. It contains additional items on the no-cost tobacco program. It contains an additional item to provide assistance for farmers and ranchers in the drought area through reduced prices on sales of Government-owned feed and grains. It also has an egg promotion article. Those are the items in the conference report.

I am happy to inform my colleagues that all our members of the conference committee, Democrat and Republican with one exception, signed the conference report. The wishes of the House in relation to protecting or attempting to protect as best as possible the cattle, pork, and poultry industries, were diligently studied, and the conference report contains good provisions to this end.

Mr. Speaker, we have come a long way. If I might just take a couple of minutes, let me say that we began this process almost a year ago. The subcommittee, the committee, the House, and then the Senate, all gave thorough consideration to these issues and we now have reached this point.

Mr. Speaker, I urge my colleagues to support the conference report. Let us proceed with the business of assisting our farm sector that is in terrible need at this time.

□ 1540

Mr. GUNDERSON. Mr. Speaker, will the gentleman yield?

Mr. DE LA GARZA. I am happy to yield to the gentleman.

Mr. GUNDERSON. Mr. Speaker, if the distinguished chairman has anybody on his side that would be interested in speaking or explaining the bill, we would like to reserve our time on this side until either the chairman of our committee or the gentleman from Vermont (Mr. JEFFORDS) arrives.

Mr. DE LA GARZA. Mr. Speaker, I would inform the gentleman that I have basically no requests for time. We would hope that we could vote.

Mr. GUNDERSON. Mr. Speaker, will the gentleman yield further?

Mr. DE LA GARZA. I yield.

Mr. GUNDERSON. Mr. Speaker, the gentleman knows as well as I do, there is nobody in this Chamber that would like to vote for the bill right now and get it over with more than I would: however, there are some Members on this side of the aisle who would request that you spend a little bit of time explaining the bill. I think that we should extend that courtesy and I am confident you will clear up any questions he might have with respect to this conference report.

Mr. DE LA GARZA. Mr. Speaker, I will accommodate the gentleman, I will be very happy to do so.

The report contains a compromise plan to reduce surplus milk production and reduce the cost of the dairy price support program on terms almost identical to the provisions of the House bill that passed the House last week by a vote of 325 to 91. In addition, it contains provisions tightening the no-net-cost tobacco program, directs the Secretary of Agriculture to make livestock feed available at reduced prices to farmers and ranchers devastated by the recent drought, and authorizes an egg industry marketing order.

DAIRY

The dairy provisions were developed earlier this year by a bipartisan coalition of Members of the House and Senate representing a cross-section of the dairy producing areas of the United States in consultation with the Department of Agriculture. The report reduces the support price for milk, creates a temporary stopgap producer-funded incentive program to encourage dairy producers to reduce milk production; and provides for a producer-funded promotion and research program to expand the consumption of milk and other dairy products.

The dairy provisions replace a program which simply does not work and which is opposed by dairy farmers throughout the country. The present program requires an assessment of $1 per hundredweight on all milk marketed for commercial use and calls for an increase in the price-support rate on October 1, of next year. Changes in the current program are urgently needed. The conference report makes the necessary changes to adjust production to manageable levels, stimulate demand and bring stability to the industry at lower costs to the Government than any alternative proposal. I would like at this point to summarize the highlights of the dairy provisions:

Price support: The support price for manufacturing grade milk would be reduced from the current level of $13.10 per 100 pounds to $12.60. Supports would be held at the $12.60 rate until April 1, 1985. At that time, if it appears that price-support purchases would be excessive, the Secretary of Agriculture could reduce the support by another 50 cents. Finally, on July 1, 1985, if it appeared that surplus purchases in the following 12 months would continue to be excessive, the Secretary could make a third 50-cent reduction in supports, bringing the level down to $11.60. If, on the other hand, at that time production had dropped so far that action was needed to assure adequate consumer supplies, the Secretary could increase the support level.

Paid diversion program: The legislation provides for a 15-month paid diversion program, effective from January 1, 1984, until March 31, 1985, under which farmers who agree to cut production by between 5 and 30 percent would receive diversion payments of $10 for each 100 pounds by which the farmer held production below his base level.

The legislation also includes several safeguards to soften the impact of the potential extra meat supply that may result from the program on prices for beef cattle, pork, and poultry. The report authorizes the Secretary to modify diversion contracts if he determines that there has been a substantial hardship to producers of livestock or poultry sold for slaughter as a result of the culling of dairy cows under the diversion program. In making modifications, however, the Secretary cannot change the aggregate reduction in milk marketings required by the contract for the entire diversion period.

The report assures that the Secretary has all the information he needs in order to determine the effect that the culling of dairy cows is having upon the livestock and poultry industry. Each producer entering into a diversion contract must submit a plan describing how the producer plans to achieve his reduction in production. In addition, the Secretary is expected to compile information on the number of dairy cattle slaughtered during the period of the diversion program and report this information by region to the public.

There are a number of safeguards in the legislation to assure that the diversion program results in a real reduction in milk production. For example, the sale, lease, or transfer of dairy cattle by a program participant to any person is prohibited after November 8, 1983, or up to the date of enactment of this legislation, if the Secretary should so elect. There are a few limited exceptions to this prohibition. These include authority for the Secretary to permit the sale or transfer of registered purebred breeding cattle by producers with a history of such sales, or other sales or transfers that the Secretary determines would not impair the effectiveness of the program. Under this authority, for example, the Secretary could permit export sales to other countries. These sales would have the effect of decreasing milk production and at the same time should not adversely impact on domestic beef prices.

Dairy promotion program: The report directs the creation of a farmer-financed national program of milk promotion and research. To fund the program, farmers would contribute an assessment of 15 cents for every 100 pounds of milk they market. In cases where farmers are already making contributions to local or regional promotion programs, however, they would obtain credit—up to 10 cents per 100 pounds—as an offset against the national assessment. For the first 6 months, however, the credit could be in excess of 10 cents up to the full 15-cent level. During the 2-month period which ends on September 30, 1985, the Secretary of Agriculture would be required to conduct a referendum among dairy farmers to determine whether they want to continue the program.

EMERGENCY FEED ASSISTANCE

The conferees included in the report a provision to assist farmers and ranchers in areas that have been devastated by the recent drought. The report would require the Secretary to make damaged corn available to farmers and ranchers affected by the drought at a price equal to 75 percent of the current county price support loan rate.

The relief would be available only to preserve and maintain foundation herds of livestock and poultry and only to those farmers and ranchers who qualify for Farmers Home Administration emergency disaster loans and who could not obtain sufficient feed for their livestock through normal trade channels without undue financial hardship.

In the statement of managers the conferees also urge the Secretary to make the disaster reserve of 75 million bushels of grain available on the same terms and conditions as the out-of-condition grain. The disaster reserve is maintained by the Secretary under

section 813 of the Agricultural Act of 1970 and is designed to meet emergencies of the very kind that have devastated the country in the past several months. The disaster reserve consists of 75 million bushels which we understand currently consists of 44 million bushels of corn, 28 million bushels of sorghum, and 3 million bushels of barley. Unfortunately, to date, despite the severity of the disaster, the administration has not made use of its authority to release the grain.

The conferees also urge the Secretary to operate a drought relief program on a basis under which eligible farmers could buy feed from local dealers who, in turn, could replenish their stocks by purchases under the Government's disaster sales program at 75 percent of the county loan rate. This system helps make aid more readily available in regions far from grain storage sites.

There was considerable discussion during the conference on a proposal of the House conferees to require the Secretary to pay transportation charges in making the grain available to eligible farmers and ranchers. The House conferees were unable to prevail in this attempt. However, the authority exists under current law for the Secretary to pay transportation charges for delivery of the grain to one or more central location points in each State. It is the hope of the House conferees that the Secretary will make use of this discretionary authority.

The emergency feed program adopted by the conference report will actually realize returns to CCC which would not otherwise be obtained in the foreseeable future. Under the conference report, it is expected that CCC would derive $165 million in revenues from the sale of the out-of-condition grain and $145 million from the sale of the emergency reserve. The Department has estimated that if it were to pay transportation and loading-out charges, there would be incurred as an offset a cost of 50 cents per bushel for transportation and 10 cents a bushel for loading that would reduce the total revenue under the Department's figures to $214 million.

It is our view that the Department's estimate of 50 cents a bushel is extremely high and that if transportation were truly limited to shipments to a central point in each State where there are no CCC inventories of grain, the transportation charge would be substantially less.

In the conference, the conferees were restrained by the need for the report to remain within the scope of the conference and thus could not consider additional drought relief measures included in H.R. 4052, earlier reported by the House Agriculture Committee. It is our hope that this bill could be considered at an early date so that those who are truly in need and who are not located in the areas where the CCC grain is currently stored would be able to participate in the program.

TOBACCO

Mr. Speaker, as I have indicated earlier, the conference report makes significant changes in Federal programs relating to tobacco. To put the matter in context, I would remind my colleagues that last year Congress enacted legislation referred to as the No Net Cost Tobacco Program Act. That act took the unusual step of requiring tobacco growers to assume the full cost of the tobacco price support program, apart from administrative expenses common to the operation of all programs of this nature. It also authorized the Secretary of Agriculture to reduce by up to 35 percent the amount of any annual increase in tobacco support levels that would otherwise occur. And it took measures to insure that tobacco acreage allotments and marketing quotas are placed in the hands of farmers who grow tobacco. In addition, this year Congress acted to freeze tobacco support levels for the 1983 crop at 1982 crop levels.

These were significant modifications in a program which has assisted, and has been strongly supported by, the family farmers who make up the great majority of tobacco producers. We believe, however, that some further program modifications are necessary to insure the continued viability of the program.

Let me describe some of the most significant changes that would be made by the conference report. For Flue-cured tobacco, the 1984 support level would continue to be frozen at the 1982 crop level. A similar result would pertain for burley tobacco, inasmuch as the Secretary would be required to continue the traditional price support differential between Flue-cured and burley tobacco. Unless there is a significant increase in costs to produce tobacco, the freeze for Flue-cured tobacco would continue for the 1985 crop. For the 1986 and subsequent crops of Flue-cured tobacco, and for the 1985 and subsequent crops of burley tobacco, the basic support level would be established in accordance with a formula contained in existing law.

One of the aspects of the tobacco program which has been subject to much discussion is the lease of an acreage allotment or marketing quota for Flue-cured tobacco for transfer to another farm. The lease and transfer transaction is, of course, accompanied by a lease payment. It has been asserted that these transactions may result in some farmers having to make an unduly high lease payment for quotas they need.

The conference report adresses this issue in a direct fashion. Effective with the 1987 crop, it terminates the lease and transfer arrangement. The transition period is necessary because the lease and transfer system has become an integral part of the Flue-cured tobacco program, and new arrangements must be made in an orderly fashion, consistent with farm operations. They key point, however, is that lease and transfer will teminate effective with the 1987 crop. Thereafter, the tobacco will have to be produced on the farm to which the allotment and quota are assigned.

Further, because concern that certain grades of Flue-cured tobacco may, under current requirements, be assigned excessive support prices, the conference report would give the Secretary new authority, at the request of the grower association through which price support is made available to producers, to reduce up to 12 percent the support prices for such grades—but constituting not more than 25 percent of the total crop—in any year. The association role is provided for because it is the fund maintained by the association on behalf of the growers that would be the source for financing any program losses by the Government. These changes go far toward meeting many of the objections that have been made to the tobacco program, while maintaining the basic program structure that has proved so beneficial to tobacco producers over the years.

One of the provisions of the Senate amendment that has received considerable attention relates to inspection of imported tobacco. As passed by the Senate, the amendment would have required the inspection, at the importer's expense, for grade and quality of all imported tobacco. The conferees gave careful attention to the objections to these provisions which had been raised by the administration and others, and significantly modified the Senate amendment. Recognizing the differences in form and packing between domestic tobacco and imported tobacco as they are marketed, the conference report gives the Secretary added flexibility to design an inspection system, and grade and quality standards that take account of the differences.

Further, it exempted imported cigar and oriental tobacco from the inspection requirement, but substituted a requirement that, for these tobaccos, the importer certify the type and kind of tobacco and, with respect to cigar tobacco, that it will be used only in the manufacture of production of cigars.

I would point out the approximately 95 percent of the domestically produced tobacco marketed is inspected for grade and quality under Federal legislation—the Tobacco Inspection Act. The inspection, under relatively recent changes in law, is paid for by the farmer whose tobacco is inspected.

In these circumstances, it cannot reasonably be said that the conference report would impose discriminatory treatment on imported tobacco. This is particularly true since the new requirements are similar, but surely no more demanding, than those that apply to domestic tobacco.

The conference report would make various other adjustments in the tobacco program. Among them, it would—

Require that for the 1985 and 1986 crops of Flue-cured tobacco, lease and transfer agreements would have to provide for lease payment after the crop has been marketed.

For burley tobacco, reduce the current 30,000-pound lease ceiling to 15,000 pounds and ban "fall leasing."

Repeal the current so-called double assessment that imposes assessments both upon the Flue-cured quota owner who rents out his quota to another farmer, and upon the person who receives the quota and actually grows the crop.

Earmark 3 percent of each year's national Flue-cured acreage allotment—instead of the current 1 percent—for various purposes, including distribution to new growers.

Provide that nonfarmowners of Flue-cured and burley quotas would have until December 1, 1984, rather than December 1, 1983, as required by existing law, to sell their quotas.

Clarify exemptions from the mandatory sales provision.

Beginning January 1, 1986, require forfeiture of any Flue-cured quota assigned to a farm on which tobacco has not been planted, or considered planted, during at least 2 of the past 3 years.

MISCELLANEOUS

The report contains two miscellaneous provisions. The first authorizes the development and adoption by producers, subject to the approval of the Secretary of Agriculture, of marketing orders under the terms of the Agricultural Marketing Agreement Act of 1973 for eggs, and for poultry which produce commercial eggs on the same basis and for the same purposes as marketing orders for fruits, nuts, vegetables, and many other agricultural commodities. This would include authority for an order to limit marketings by grade, size, quality, quantity, to allot the amount or the quantity that a handler may handle in behalf of producers, to provide for control and disposition of surpluses, to establish reserve pools, and to require inspection of the commodity.

In addition, the report authorizes the development of a marketing order to provide for research and promotion, including paid advertising, for eggs. The other urges the Secretary of Agriculture to exchange, to the extent practicable, dairy products and other CCC-owned commodities for materials produced abroad under existing provisions of law. The conferees were of the view that these provisions may serve as a useful basis to dispose of surplus commodities and at the same time provide other benefits to the national economy.

Mr. Speaker, I am pleased to announce that this report saves the Government money. The Congressional Budget Office has informally estimated that the report will save about $1 billion over a 5-year period.

Finally, I would like to say that two significant provisions included in the Senate-passed bill were not accepted and do not appear in the conference report, as a result of strenuous objections raised by the administration and others. One provision would, for fiscal years 1984 and 1985, have suspended the minimum level of imports of 1.25 billion pounds of meat required under the Meat Import Act of 1979. The other would have required that all imported tobacco be accompanied by a certification that none of the pesticides banned for use on tobacco in the United States had been used in the production of the tobacco abroad.

The conference report represents many months of hard work on the part of many in the House and in the Senate. I would like to pay tribute to the subcommittee chairmen and ranking minority members for their part in this effort—ED JONES and TOM COLEMAN of the Conservation, Credit, and Rural Development Subcommittee; TOM HARKIN and JIM JEFFORDS of the Livestock, Dairy, and Poulty Subcommittee; CHARLIE ROSE and LARRY HOPKINS of the Tobacco and Peanuts Subcommittee. They and the other Members who diligently worked with them on the issues in the report are to be commended.

I would also like to thank our colleagues on the Ways and Means Committee, especially Chairman SAM GIBBONS of the Trade Subcommittee, and the other conferees from that committee for their cooperation and help in reaching a compromise that allows us to bring the report to the floor.

Finally, many thanks are due to Chairman HELMS and ranking member HUDDLESTON of the Senate Committee on Agriculture, Nutrition, and Forestry, and their colleagues on the conference for their tireless contributions.

I urge the Members to join with me in support of this report.

Let me just take 1 more minute. This perhaps is the best example of how the legislative process works, working with the farmers, the dairy producers, all of the segments of the dairy industry, working with the cattlemen, with the pork producers, with the poultry producers, working with those representing consumers, working with the consumers themselves, working within the art of the possible, in the legislative process.

We have come up with what I think is a workable plan. I can assure you that I, for one, will go throughout the country and to everyone that would listen to me, I would give the message that we must all cooperate and work together. We must make this legislation as effective as those of us that have worked on it would like it to be. I think that we can do that.

I would like again to remind my colleagues that no matter what they read in the papers, no matter what some of the sensational articles are, no matter what people say about the cost, with all the misinformation, this bill will save money for the Government, for the taxpayer, and hopefully for the consumer.

Mr. LUJAN. Mr. Speaker, will the gentleman yield?

Mr. DE LA GARZA. I am happy to yield to the gentleman.

Mr. LUJAN. Mr. Speaker, I would like to ask the gentleman a couple of questions on this.

Is this basically the bill that passed the House to begin with, or are there a lot of changes in it?

Mr. DE LA GARZA. No; the dairy part is almost identical. It has a couple of refinements, so I would say in the dairy part that it is 95 percent of what we considered in the House.

Mr. LUJAN. Now, if I might further ask the gentleman, it was my understanding of the various alternatives that we had, that this was the least expensive to the Treasury. Is that still correct?

Mr. DE LA GARZA. The gentleman is correct. That is right.

Mr. LUJAN. There is one other question that I might ask the gentleman, and that is, as the gentleman knows, many of the people in the beef industry were rather concerned about the impact that this bill would have on the beef industry.

Is there anything new in this bill to change that situation, that perhaps we might alleviate the fears of those in the beef industry?

Mr. DE LA GARZA. Working with the industry, and also not forgetting the consumers, I would tell the gentleman that we had what we considered a good part of that legislation to address that issue. That has been modified, we think, to make it more workable, giving more discretion to the Secretary of Agriculture, but yet providing the guidelines that at no time should the Secretary under the discretion given him allow a detrimental impact on beef, pork, or poultry. We give him basically the tools to work in that area.

Mr. LUJAN. Well, if I might ask the gentleman, do those tools include extension of time or just extending out the time in which this impact would give?

Mr. DE LA GARZA. No; the 15-month period of the legislation is not enlarged, but the Secretary is authorized to work within that timeframe in the different quarters of the diversion program. I think he has the necessary discretion to act in a positive manner and we hope that he does so forcefully.

Mr. LUJAN. Mr. Speaker, I thank the gentleman.

Mr. SKELTON. Mr. Speaker, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Missouri.

Mr. SKELTON. Mr. Speaker, the gentleman from Texas will recall my concern during the general debate and consideration of the amendments in the consideration of the bill earlier regarding the production of red meats, the pork producers, and the cattle raisers. What protections are retained in here, if the gentleman would enlighted us, on that, please?

Mr. DE LA GARZA. I have just repeated to the gentleman from New Mexico that we have part of the provision that was enacted in the House bill. We have also given authority to the Secretary and we have put in the report language guidelines for the Secretary. They are well and amply protected, to the best of our ability to do so, with this legislation.

Mr. SKELTON. Mr. Speaker, I thank the gentleman very much.

Mr. CLINGER. Mr. Speaker, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Speaker, I rise in support of the conference report. I think the conferees did an excellent job of crafting this conference report.

Mr. GUNDERSON. Mr. Speaker, I strongly support this measure and ask the gentleman yield further.

Mr. DE LA GARZA. I yield to the gentleman.

Mr. GUNDERSON. Mr. Speaker, is it the intent of the chairman to ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this conference report?

Mr. DE LA GARZA. The gentleman is correct.

● Mr. PORTER. Mr. Speaker, the time had come to end, in a gradual and sensible manner, the outrageous price supports now afforded to our Nation's dairy farmers. The United States has long been a nation where businesses grew and developed through competition. Except when it came to the farmers—and in this case—especially the dairy farmers.

Since 1949, the Federal Government has financially supported the dairy industry through dairy price supports. Dairy farmers are now dependent on the Federal Government for this annual handout. As a result, we are now faced with a situation where supplies of dairy products greatly exceed the demand. Hence, we are supporting a false market of our own creation.

I believe Congress needed to encourage the dairy industry to survive on its own. To bring about this, I strongly supported the Conable substitute to H.R. 4196, the 1984 dairy price support stabilization bill, because it would have helped establish a more rational supply and demand balance for the dairy industry in the near future. Also, the Conable substitute would have ultimately saved money for the taxpayers of this country who are, at this time, spending their hard-earned tax dollars to artificially support the overproduction of dairy products.

According to the Office of Management and Budget, the Conable substitute would have saved the U.S. Government about $1 billion for the period covering 1984–87 over and above the savings achieved in H.R. 4196. In addition, a Cornell University study reported that a $600 million savings could be accomplished in the 1984–85 period should the Conable substitute be approved.

The Conable substitute was designed to be a clear and forceful sign to the dairy farmer to counter surplus production by enacting a $1.50 cut in the price support level. On the other hand, H.R. 4196 will reduce production by paid diversion—otherwise known as paying farmers to not produce milk. This diversion discourages new development programs which makes dairy farmers even more dependent on the Federal dole. Also, H.R. 4196 places the farmers in a stronger position to demand another bailout by prolonging the payments due to the USDA.

Another point worthy of mention: The Agricultural Stabilization and Cooperative Service, USDA, reported on September 7, 1983, that consumer savings under the Conable substitute could be as much as $3.78 billion over the amount saved with passage of H.R. 4196. These savings could result in lower prices for milk products and lead to increased consumption of as much as 3.7 billion additional pounds of milk products in 1984 and 1985. Additionally, the Congressional Research Service estimates savings on dairy products to consumers will result in saving of up to $0.13 per gallon of milk, $0.17 per pound of butter, and $0.15 per pound of cheese.

Mr. Speaker, the Congress was given an exceptional opportunity to correct a fundamental problem. I believe the facts showed that the Conable approach was the best and would have proven to be the most equitable way to address the problem of dairy overproduction and taxpayer financial abuse. It is unfortunate that the majority of the House was not willing to take a stand against the dairy industry and support the Conable substitute. As a result, it failed in the House on November 9, 1983, by a vote of 174 to 250. It was a sad day for the American consumer as is this day with passage of the conference report on H.R. 4196.●

● Mr. HARKIN. Mr. Speaker, I rise in support of the conference report to H.R. 3385, the Dairy and Tobacco Adjustment Act of 1983.

This bill encompasses the so-called dairy compromise agreement which was negotiated early this year by a bipartisan group from the House and Senate Agriculture Committees and USDA Secretary John Block. As chairman of the Subcommittee on Livestock, Dairy, and Poultry, I participated in the development of this compromise bill because I believe that the dairy stalemate between the Congress and the administration has gone on too long and the country can no longer afford the excessive cost of the dairy program. Milk production in this country needs to be reduced and reduced quickly.

I would remind my colleagues that last year my subcommittee developed a supply management program which would have reduced production quickly and placed an absolute cap on the USDA financing of surplus dairy products. The cap was 5 billion pounds milk equivalent which would cost $800 million annually at the current support rate of $13.10 per hundredweight of milk. This legislation subsequently passed the House as incorporated in the Food and Agriculture Reconciliation Act. However, the administration refused to even consider a supply management program, insisting instead upon a reduction in the support price. The result of that conference committee was the current $1 assessment scheme which has not worked nor reduced dairy program costs which exceeded $2.3 billion in fiscal year 1982.

Early this year the USDA, in quiet recognition of their previous error, indicated a willingness to accept a supply management program if accompanied by a reduction in the support rate. This bill is just that, a 15-month paid diversion program coupled with a $1.50 phased-in reduction in the support rate. I would add that the paid diversion program will be largely dairy farmer financed, funded through a 50 cents per hundredweight assessment which will coterminate with the paid diversion program on March 31, 1985. This approach saves over $1 billion when compared to a $1.50 reduction in the support rate.

Personally, I do not favor a reduction in the support rate, and I wish the diversion program could be longer than 15 months, but in the spirit of compromise and desire to move forward on one of the most contentious issues facing agriculture, I pledged my support to Secretary Block to enact the agreed-upon compromise.

My concerns with a reduction in the support rate, specifically authority for

an immediate $1.50 reduction as proposed last week by Mr. Conable and defeated by a vote of 250 to 176, are as follows:

First. The immediate 12-percent price support reduction would cull cows by culling farmers. Rather than reducing production by bankrupting 10 percent of our dairy farmers, let us bring supply in line with demand by getting all producers to reduce production by an average of 10 percent. This is the goal of the paid diversion program.

Second. The price support reduction unfairly penalizes dairy farmers in the upper Midwest, the one area of the country where milk production has not been increasing. Neither Iowa nor Wisconsin increased milk production in 1982. But because much of our Nation's cheese and butter is manufactured in the Midwest, these producers would bear the full brunt of a price support reduction while other regions of the country such as California would be insulated from such a reduction. Consequently, a $1.50 price support reduction would be an agent for the expansion of the large, corporate "milk factories" common in some parts of the country and the demise of the family-based dairy farms common in Iowa and other Midwestern States.

Third. The so-called consumer benefits resulting from a price support reduction would not materialize. Every farmer knows, whether grain, beef, pork, or dairy, that retail food prices rarely reflect price reductions at the farm level. I would characterize the backers of the price support reduction as the "cheap food lobby"—the same folks who would boycott beef because of "high" prices.

Fourth. Dairy farmers are not getting rich; they have to work hard for what they get. The current milk surplus is a result of economic circumstances and past mistakes by the Federal Government, Congress included. To desert the dairy farmer now with a radical reduction in the support price would be disastrous, not only for Iowa's dairy farm families, but for the many rural communities and agribusinesses which rely on dairy farm income. The Iowa farm economy has been devastated by low grain prices, drought, and now low cattle and hog prices. Who would benefit by inflicting yet another economic blow to the Iowa farm economy with a $1.50 reduction in the milk support price?

In the past few weeks, much has been said about the dairy compromise bill with respect to its impact on beef, pork and poultry producers. Some industry leaders have asserted this bill will unfairly aid dairy farmers to the detriment of meat producers. In response to this concern, I worked with Iowa beef and pork producers to develop an amendment to ameliorate this possible impact. My amendment was approved by a vote of 348 to 71, and I am pleased to report Conference Committee retained most all of my original amendment in this conference agreement.

Without a doubt, this is a period of extreme economic difficulty for beef, pork and poultry producers. Their prices received have been declining while feed costs have increased substantially. Severe drought in many areas, such as southern Iowa, has forced the liquidation of many beef cow herds due to lack of affordable feed. Federal assistance to these producers has been sparse to nonexistent. I am committed to doing whatever I can to abate this situation. Certainly the emergency feed assistance made available in this bill is one of several steps that could and should have been taken by this administration long before now.

One the other hand, the need to reduce milk production is great. The USDA estimates the dairy diversion program will result in about 500,000 additional dairy cows being marketed in the next 15 months. These cows represent about 1 percent of our annual beef supply and only about 0.5 percent of our total annual meat supply. Thus, this program is a factor, but certainly not a major one in expanding the meat supply this next year.

Some have argued these 500,000 cows will all be dumped on the market in early 1984. Certainly, if this were the case, the diversion program would upset the meat markets for a period of time, but this is where my amendment comes into play.

Under the terms of the conference agreement, each participating dairy farmer will upon entering the program, be required to submit to the Secretary of Agriculture a plan that describes how the producer intends to achieve the reduction and include an estimate of the amount of reduction to be achieved through the increased slaughter of cows, including an estimate of the number of cows to be sold during each month of the contract.

Based on this information, the Secretary must take into account and take all feasible steps to minimize the adverse impact reducing milk production will have on beef, pork and poultry producers.

In setting the terms and conditions of diversion contracts under this provision, the Secretary is authorized to provide in the contracts for an initial phase-in of the milk reduction required, or to take any other steps at any time during the 15-month period of the diversion contracts as is found to be necessary to minimize the adverse impact on meat producers. In addition, the Secretary could include in the contracts a limitation on the amount of the milk reduction that could be achieved through the sale of dairy cattle for slaughter and a requirement that a portion of the reduction be achieved through other means.

Finally, the conference committee accepted that portion of my amendment that requires:

First, the Secretary of Agriculture to use, to the maximum extent practicable, section 32 funds and other funds available under the commodity distribution and other nutrition programs of the Department of Agriculture to increase the utilization of beef and pork;

Second, the Secretary of Defense and other Federal and State agencies to use increased quantities of beef and pork to meet the food needs of the programs they administer; and

Third, the Secretary of Agriculture to take appropriate action to encourage the consumption of beef and pork by members of the public.

Given this power, I am confident the Secretary of Agriculture can administer this program so as to insure the orderly marketing of these 500,000 additional dairy cows to be marketed during the 15-month period.

I urge the adoption of this conference report.●

● Mr. OBERSTAR. Mr. Speaker, last week, I was very proud of this House when it voted overwhelmingly, 250 to 174, to reject an unsound, simplistic, unfair amendment calling for a $1.50 straight cut in the price support levels for dairy.

This straight price support cut was seen inaccurately as a proconsumer initiative. It was not proconsumer; rather it was, however, certainly antidairy farmer.

The Office of Management and Budget and the Secretary of Agriculture, John Block, attempted to argue that the price support cut was in the consumers' interests and in the interests of the Treasury.

In fact, historically, price support cuts have not resulted in significant retail price reductions. Furthermore, the straight price support cut proposal offered by the gentleman from New York (Mr. CONABLE) would have cost the Treasury more over the next 2 years than the proposal on the House floor reported by the House Agriculture Committee.

The House now has before it the final version of the dairy legislation which we passed last week. Last night, the Senate passed this conference report. In doing so, the House will send to the White House legislation which will provide meaningful incentives to reduce the current surplus of dairy production.

As I said during House debate last week when I vigorously opposed the price support cut amendment offered by the gentleman from New York, this legislation is no picnic for dairy farmers. Regrettably, it does provide for a

50-cent reduction in the price support level—from $13.10 per hundredweight to $12.60 per hundredweight.

This price support cut, however, is balanced by the authorization for a 15-month program to provide farmers with payments for reducing production.

The program should be longer. I offered an amendment which would have provided for a program to run concurrent with the 1981 farm bill programs. Unfortunately, the House rejected my amendment. Fifteen months does not make good sense in terms of the life cycle of the herd or the economics of dairy farming.

The 15-month program, however, makes a great deal more sense than the meat-ax approach to surplus production represented by the straight price support cut amendment.

Four weeks ago, the House narrowly rejected a procedural motion which would have sent dairy legislation directly from the House Agriculture Committee to conference, bypassing House consideration of dairy legislation. Had the House agreed to this procedure, I am afraid that the House would ultimately have voted to reject the conference report, particularly in view of the drastic switch in position on the part of the Reagan administration with respect to dairy legislation.

Four weeks ago, I believed it a great mistake for the House Agriculture Committee to bypass the House floor.

Last week, I believe the House vindicated that judgment when it voted overwhelmingly to reject the Conable amendment and voted, also overwhelmingly, to pass separate dairy legislation.

Less than 1 month after the House wisely rejected the procedural bypass motion, we have a conference report on the House floor ready for House approval.

Four weeks ago, Members of the other body indicated that the House rejection of the procedural motion to short circuit the legislative process had killed any dairy legislation until 1985. I am very pleased that we today are proving these dire predictions so wrong. Rather than short circuiting the bill through the House and into conference, we are able to send to the President legislation passed separately by both Houses overwhelmingly and a conference report which has received the strong backing of both Houses. There was a very real prospect that this conference report would not have passed, had the House not considered, and voted decisively on the various amendments and the bill itself.

I very much hope that the House action of the past 2 weeks will send a clear and strong message to President Reagan that he ought not to veto this legislation.

I want to point out to the Reagan administration and those who might oppose this legislation that it represents considerable concession on the part of us who care very deeply about the dairy farmer. I am not entirely happy voting for this conference report. At this point, however, it represents the best available piece of legislation for dairy farmers.

I urge a yea vote on this conference report.●

● Mr. CLINGER. Mr. Speaker, I rise in support of the conference committee agreement on H.R. 3385, which I hope will be successful in reducing dairy surpluses and bringing the dairy program back into balance.

I am pleased that after a year and one-half of public discussion and debate, Congress has finally decided on a course of action which will reduce dairy surplus, without drastically slashing the dairy price support.

I am disappointed that an amendment that I offered to the dairy legislation, to gear the 50 cents assessment to those dairy farmers who overproduce, was not successful. However, I plan to carefully monitor the legislation and its impact on the family-oriented small dairy farmers.

The legislation is not perfect, but it is the best alternative.

Again, I rise in support of H.R. 3385 and its goal of maintaining a sound family-based dairy industry.●

Mr. GUNDERSON. Mr. Speaker, with that, we yield back the balance of our time.

Mr. DE LA GARZA. Mr. Speaker, I yield back the balance of my time.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO HAVE UNTIL 5 P.M., FRIDAY, DECEMBER 9, 1983, TO FILE REPORTS ON H.R. 2714, AGRICULTURAL PRODUCTIVITY ACT OF 1983, AND H.R. 3050, RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND AMENDMENTS

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until 5 p.m., Friday, December 9, 1983, to file reports on H.R. 2714, Agricultural Productivity Act of 1983, and H.R. 3050, rural electrification and telephone revolving fund amendments.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. HUNTER. Mr. Speaker, reserving the right to object, I would inquire of the committee chairman if this has been cleared by the ranking minority member?

Mr. DE LA GARZA. Mr. Speaker, if the gentleman will yield, this chairman is not apprised if it has been cleared or not. It is merely to file a report. It encompasses no action by the committee.

Mr. HUNTER. Further reserving the right to object, Mr. Speaker, we would like to hold this for just a moment pending the approval of our ranking minority member on this.

Mr. JEFFORDS. Reserving the right to object, Mr. Speaker, would the committee chairman, the gentleman from Texas, explain what he requested? I did not hear the gentleman.

Mr. DE LA GARZA. Mr. Speaker, if the gentleman will yield, the gentleman from Texas requested permission to file reports at a later date than when we may adjourn.

Mr. JEFFORDS. Reports on what? That was my problem.

Mr. DE LA GARZA. On the rural electrification amendments and the Agricultural Productivity Act.

Mr. JEFFORDS. Mr. Speaker, I withdraw my reservation of objection.

Mr. MICHEL. Mr. Speaker, reserving the right to object, and I shall not, I am only taking the opportunity to get a little bit of an indication as to whether or not the next move is to take up the debt ceiling, or will we have several other intervening requests?

The SPEAKER. The Chair observes that there are a couple of gentleman standing with requests, but we expect within a matter of minutes to recognize the gentleman from Illinois (Mr. ROSTENKOWSKI) for that purpose.

Mr. MICHEL. Mr. Speaker, I would hope that those Members making those requests would show the courtesy to the appropriate ranking Member if they are some kind of special requests so that we might be sure to have them covered. If that is done, there is really no problem.

Mr. DE LA GARZA. Mr. Speaker, will the gentleman yield under his reservation?

Mr. MICHEL. Yes.

Mr. DE LA GARZA. Mr. Speaker, I personally apologize to the gentleman. The staff informed me that they needed the time. That is the reason I asked. Ordinarily, the gentleman would understand we would expect that it has been cleared. In this case it

was not. If the gentleman desires, I will withdraw my request.

Mr. MICHEL. Mr. Speaker, I withdraw my reservation of objection.

Mr. HUNTER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas (Mr. DE LA GARZA)?

There was no objection.

□ 1550

PERMISSION FOR COMMITTEE ON VETERANS' AFFAIRS TO HAVE UNTIL 5 P.M., FRIDAY, DECEMBER 9, 1983, TO FILE REPORT ON H.R. 1961

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs may have until 5 p.m. on Friday, December 9, 1983, to file a report on H.R. 1961. It has been cleared with the minority side.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. HUNTER. Mr. Speaker, reserving the right to object. I would ask the distinguished gentleman if the ranking Member has cleared this?

Mr. MONTGOMERY. Mr. Speaker, if the gentleman will yield, it has been cleared with the ranking Member.

Mr. HAMMERSCHMIDT. Mr. Speaker, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Speaker, the request is perfectly all right with the minority side, and we agreed to it.

Mr. HUNTER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

KEN DUBERSTEIN

(Mr. DOWNEY of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY of New York. Mr. Speaker, it is with great sadness and happiness that I see my good friend Ken Duberstein leaving the White House. The sadness is because he is a fine public servant who has served our country well, both with Senator Javits and now with President Reagan. He is such a formidable adversary and such a fine organizer, that he has beaten me more often than I care to remember.

We all wish him well on the Democratic side, and we are sorry to see him go. He is an outstanding public servant.

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman yield?

Mr. DOWNEY of New York. I yield to the gentleman from Illinois.

Mr. ROSTENKOWSKI. I thank the gentleman for yielding.

Following on what my good friend from New York has observed about Ken, he is an adversary when he is an adversary; and he is a great ally when he is an ally.

The Speaker, a little more than a year ago, I had the privilege of spending several days with him on a trip to the Caribbean where Ken helped to convince many doubting Democrats of the need for the Caribbean Basin Initiative. To his credit, Ken was one of the initiators of that program, and together we saw it to fruition. On the major tax bill in 1982, on the highway bill, and on the social security bill, we worked together on a bipartisan basis to address complex and potentially explosive issues. A bond of trust has developed between Ken, myself, and members of my staff that has helped us to weather some difficult partisan times.

His departure will leave us without that link.

I, too, wish him well and am happy, as is my colleague, to see him leave as an adversary, but in the future I hope we continue to see him as a friend. I hope also that his wife, Sydney, will get to see him more than has been the case during the past three intense, exciting but exhausting years.

Mr. DE LA GARZA. Mr. Speaker, will the gentleman yield?

Mr. DOWNEY of New York. I yield to the gentleman from Texas.

Mr. DE LA GARZA. I thank the gentleman for yielding.

Mr. Speaker, I would like to join with the gentleman and add that those of us that are from a different party from the administration always respect, and I think Mr. Duberstein was the foremost, had the courtesy and always the attention which he gives to your requests. The factual presentation of your side, win or lose, you know that the gentleman has treated you with respect and that your side had been presented factually and correctly. For that, I admire him and respect him.

Mr. RUSSO. Mr. Speaker, will the gentleman yield?

Mr. DOWNEY of New York. I yield to the gentleman from Illinois.

Mr. RUSSO. I thank the gentleman for yielding.

I want to join with my colleagues in complimenting Ken Duberstein. It is a pleasure to deal with someone of that character.

Mr. JONES of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. DOWNEY of New York. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. I thank the gentleman for yielding.

I echo the remarks made by my colleague about Ken. His most important attribute and one of the distinguishing features that he made in this administration, he looked upon public service as a time to build a consensus, preferably a bipartisan consensus; and that was really his strong suit.

The SPEAKER. The time of the gentleman from New York (Mr. DOWNEY) has expired.

CONFERENCE REPORT ON HOUSE JOINT RESOLUTION 308, PUBLIC DEBT LIMIT

Mr. ROSTENKOWSKI. Mr. Speaker, pursuant to the unanimous consent agreement entered into earlier this week, I call up the conference report on the joint resolution (H.J. Res. 308) increasing the statutory limit on the public debt.

(For conference report and statement, see proceedings of the House of November 17, 1983.)

The SPEAKER. Pursuant to the order of the House of November 15, 1983, the conference report is considered as read.

The gentleman from Illinois (Mr. ROSTENKOWSKI) will be recognized for 30 minutes. The gentleman from New York (Mr. CONABLE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois (Mr. ROSTENKOWSKI).

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference report on House Joint Resolution 308 provides for an increase of $101 billion in the permanent public debt limit from $1,389 to $1,490 billion. According to the administration, this increase will be sufficient to meet the Federal Government's financing needs until May 1, 1984.

As passed by the House last June, the debt ceiling resolution would have increased the permanent debt limit by approximately $225 billion. The Senate recommended an increase of $61 billion which could have carried the Federal Government through February of next year. In addition, the Senate adopted seven unrelated amendments dealing with:

First, Mariel boatlift. A sense of the Congress statement that the President should insist that, to repatriate Cuban nationals captured in Grenada, the Government of Cuba should agree to the return of all Cuban nationals in the United States who are found to be deportable under the immigration laws.

Second, War Powers Act. A provision stating that Congress determines that the requirements of section 4(a)(1) of the War Powers Resolution, dealing with Presidential reporting to Congress of imminent involvement in hostilities, became operative when U.S.

Armed Forces were introduced into Grenada.

Third, military equipment for Jordan. A provision stating that no funds may be expended by the United States to provide Jordan with military equipment for special military force except by an expressly authorized expenditure and with funds appropriated by Congress in an unclassified manner.

Fourth, debt limit reconciliation bill procedure. A provision expressing the sense of the Senate that debt limit and budget reconciliation bills should not be used for amendments that worsen the deficit.

Fifth, press restrictions in Grenada. A provision stating that unreasonable restrictions on the press in Grenada shall cease, provided such action does not jeopardize the safety or security of the U.S. or allied forces or citizens of Grenada.

Sixth, beef exports to Japan. A provision expressing the sense of the Senate that the United States should insist that Japan dismantle all nontariff barriers to the importation of beef into that country.

Seventh, report on spending practices. A provision requiring the Comptroller General to prepare and transmit to Congress a report that compares amounts spent over the 15 fiscal years ending October 1, 1983, with amounts specified in the President's budget.

The conference agreement does not include any of these seven unrelated amendments. Thus, the only change in the debt ceiling resolution that passed the House in June is a reduction in the amount of the increase in the permanent public debt limitation from $225 billion to $101 billion. Again, the administration estimates that this increase should be sufficient to carry the Government through April of next year.

As all Members know, the financing needs of the Federal Government will soon exceed the present debt ceiling. Thus, it is imperative that this conference report be passed, and I urge its support by all Members of the House.

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I reserve the balance of my time.

Mr. CONABLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the conference agreement on House Joint Resolution 308.

It increases the Federal debt ceiling to $1,490 billion. This is an increase of $101 billion over the current debt ceiling of $1,389 billion.

This figures represents a compromise between the debt levels approved by both bodies. In June the House approved the debt ceiling of $1,615 billion. This was done under the so-called Gephardt proposal which automatically raises the debt ceiling by the amount of the budget we passed. The wisdom of this measure has been amply demonstrated. Unfortunately, the Senate still follows the practice of raising the debt ceiling individually; and they have raised the debt ceiling in different amounts from the level to which we have raised it. Thus, some compromise was necessary and the measure comes back to us for a vote.

The other body approved the debt ceiling of $1,450 billion, and this level would accommodate borrowing needs through February 1984. The $1,490 billion debt ceiling approved by the conferees would accommodate the Treasury's needs through April 1984. There is no significant policy implication to be drawn from the debt level approved by the conferees. The Government's borrowing needs may be projected month-by-month over the fiscal year. The debt level approved by the conferees will give us the opportunity to deal with the next debt extension in a more orderly manner than the other body provides because our next action will occur in April rather than February. In February we are likely to be occupied with other things. Increasing the debt ceiling will allow the Treasury Department to resume its normal sale of Government securities, including U.S. savings bonds. A stable pattern of Government security auctions is essential for a stable credit market, and in order to minimize the costs associated with our public debt. In turn, a stable credit market is essential for lower interest rates. The disruption in the credit markets caused by this latest and continuing delay in increasing the debt ceiling has not been helpful to our economy in any respect.

If we do not act today to increase the statutory limit on the public debt, the consequences will be more severe and more pervasive. I can understand why some Members who did not vote for greater spending in the first place feel they should not have to vote to cover that excess in the second place. But the damage already—and long ago—has been done by the time we deal with the debt ceiling, so a no vote on an increase does not have a disciplinary effect. In fact, Mr. Speaker, it is clear that as a fiscal tool the debt ceiling is used indeed, and does not accomplish the purpose that many people would like to ascribe to it. Therefore, Mr. Speaker, I hope we can dispose of this conference report favorably. Very simply, it will allow the Government to borrow the money necessary to pay the bills of the programs which we have already approved. It may be a regrettable event for some, but it is a responsible action which we must take.

I yield to the gentleman from New York (Mr. KEMP).

□ 1600

Mr. KEMP. I thank my friend for yielding. I totally agree with him. His statement is right on target.

The place to make the reductions is on the spending, the authorizing, and the appropriation levels, and at this point those bills are out; they have to be paid.

The gentleman has made a point that it would be irresponsible for this issue to grind our Government to a halt. I strongly suggest that this pass with unity and that we get this behind us. It has been used as an issue for almost 2 or 3 weeks in the other body. They have done, I think, a great disservice to the debate over spending which has to be reduced to try to make this a fight. This is not the place to make that fight, and I concur with the gentleman from New York and appreciate his leadership.

Mr. CONABLE. I thank the gentleman for his eloquent support.

Mr. Speaker, I reserve the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. NELSON).

Mr. NELSON of Florida. Mr. Speaker, I rise reluctantly to oppose this measure before us on the floor.

I have supported the raising of the debt ceiling every time in the 5 years that I have been here. I think what the gentleman from Illinois has said, as well as the gentleman from New York, about responsibility is true but I find for myself that we are in the situation where time and time again we have asked for an opportunity for deficit reduction and we have not had that.

Even yesterday the House decided that we would not have the opportunity to vote, not even the opportunity to vote on a tax bill as a deficit reduction measure.

It seems to me that we ought to have that opportunity, and this is my one last shot to try to delay things in order that we might have the opportunity to fulfill some of the promises that we have made to our folks back home.

We all know what our folks back home are thinking and this is the opportunity.

So I would ask you to vote no—which will force the issue on the deficit.

Mr. CONABLE. Mr. Speaker, I yield myself 2 minutes.

Mr. CAMPBELL. Will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. I appreciate the gentleman yielding. Let me make sure what we are doing. Has the House not already passed a debt ceiling increase that is much larger than this?

Mr. CONABLE. The debt ceiling increase passed by the House was an automatic debt ceiling under the Gephardt rule when we passed the budget. It called for an increase in the debt ceiling to $1.65 billion and would have taken us through the next fiscal year.

The other body came in with a debt ceiling which would take us only through February. It has been compromised by the conferees that it will take us now through the end of April.

Mr. CAMPBELL. So those that are up and opposing this are actually opposing something that is far less than what the House has already done?

Mr. CONABLE. The gentleman is correct, and they voted for a much higher debt ceiling previously under the Gephardt rule.

Mr. CAMPBELL. And they probably voted for the budget, too.

Mr. CONABLE. I find it rather bizarre that somebody would be opposing this more modest proposal, having voted for the original debt ceiling.

Mr. FRENZEL. Will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Is it not true that everyone who voted for the House budget which the gentleman and I did not support has already voted for a budget ceiling amount several tens of billions of dollars above the amount in this bill?

Mr. CONABLE. The gentleman is perfectly correct and amazingly correct.

Mr. FRENZEL. I thank the gentleman for clarifying my hunch.

Mr. NEAL. Mr. Speaker, in 1981 the President recommended a program to the Congress which over 5 years would cut taxes by $750 billion, increase defense spending to $1,700 billion and cut domestic spending by $130 billion. The President and his supporters claimed that this plan would result in a balanced budget by 1983.

This plan was said to have been conceived on a paper napkin as the Laffler curve. It was first known in Congress as the Kemp-Roth tax bill. It was presented to us in the summer of 1981 as the Gramm-Latta substitute. After its enactment—under the most devious of parliamentary conditions—it became known as Reaganomics. It was adopted by the Congress with the unanimous support of Republicans along with that of some Democrats.

This miraculous piece of legislation not only was supposed to produce a balanced budget, it was supposed to pull America out of the economic doldrums that plagued us briefly in 1980. Stimulated by an unprecedented tax cut, the business community was supposed to set the wheels of industry turning at a frantic pace to produce the goods demanded by a public made rich and ravenous by the multiyear tax cuts. Business and industry would have no trouble expanding, because much of the tax cuts would be placed in savings accounts, thus stimulating investment and productivity. Business and individuals would no longer suffer from uncertainly because taxes would go down in every year to come.

Mr. Speaker, the President got virtually everything he asked for from the Congress. That is not to say, however, that his legislative triumph was not accomplished over the stern objections of many Members of this body. We argued, as best we could, that the numbers did not add up to a balanced budget. Indeed, we said they added up to a staggering deficit which would get progressively worse as year after year, layer upon layer, the Gramm-Latta tax cuts and increases in military spending were folded into the budget process.

We argued that there was a better, surer way to achieve the objectives which were so coveted by us all. We proposed to cut spending about the same amount as the President wanted it cut, freeze taxes for fiscal 1982 at the 1981 level, and cut them only after the spending reductions were achieved. That, we said, was the only way to produce a balanced budget. We also pointed out that while we would like nothing better than to vote for a tax cut, the economic realities demanded that we steer away from the perilous waters into which the siren song of a balanced budget through voodoo economics was luring many of our colleagues.

We lost, of course, in that budget battle. We lost again in 1982, when we attempted to modify Reaganomics along the same lines—by freezing 1983 spending at 1982 levels and either deferring or canceling the tax cuts and doing away with tax indexing. Thus, we lost another opportunity to move toward a balanced budget, low inflation, sustained lower interest rates, higher employment, higher savings, healthy export markets, and a growing economy.

This alternative program—perhaps best articulated at that time by Senator FRITZ HOLLINGS of South Carolina, would have been far preferable to the Band-Aids the administration got Congress to stick on the budgetary wounds. Far better, I say, than tinkering with the Tax Code by doubling cigarette taxes (a direct assault on the economy of North Carolina), withholding taxes on interest and dividend income, increasing taxes on people who have high medical bills, and some other discriminatory features of the tax increases endorsed by the President and most Republicans in the Congress. As you know we lost again.

And we all know the sorry story of the miracle we did not get, the Santa Claus who never came.

We got a $100 billion-plus deficit for 1981. In 1982, champions of Reaganomics said Reaganomics had not had time to work. "Stay the course," the President said. Prosperity, he promised, was just around the corner.

Not quite. The next year (1982) the deficit soared even higher. And for this year (1983), it was $195 billion. And it looks like $200 billion a year as far as the eye can see.

So here we are, back here again voting whether we should raise the debt limit to take care of the huge deficits that Reaganomics is piling up. The magnitude of those deficits, Mr. Speaker, would have been unthinkable 3 years ago. This program will add, during the Reagan Presidency, more to the public debt than was accumulated by all the previous Presidents, George Washington through Jimmy Carter. If one subscribes to the theory that indebtedness and annual deficits are bad for the country, then one would have to conclude that Reaganomics will have done more damage under one President than other fiscal practices did under 39 other Presidents.

We failed those first 2 years, and again this year, to do anything about it. This year not one Republican would even offer a budget. Reaganomics remains our policy with no significant change. We seem to be beguiled by the fact that the economy appears to be recovering pretty well right now. Again, we are listening to the siren's song. As we do that, we are overlooking some important realities. We still have the highest real interest rate in our Nation's history. Unemployment, overall, is 9.5 percent, and as much as 40 percent among some segments of the work force. We are playing a losing game in international trade, and right now are running the highest trade deficits in our history. Our rate of savings is dismally low. Our infrastructure—bridges, highways, public buildings—are crumbling for lack of attention. We are taking the short view of everything, living from hand to mouth, day by day, with little thought and less effort given to the deteriorating quality of our air and water, the ravages of erosion upon our precious topsoil, the diminishing quality of education, and indeed, the quality of all our lives. If we continue to postpone dealing with these problems, attending to these needs, the cost of correcting them in years to come will be enormous beyond belief.

Mr. Speaker, I fervently hope that today's rate of recovery will last, but we can reasonably expect that it will not. It is due, in great part, to the

monetary policies of the Federal Reserve, which has pumped out a lot of money in the past 2 years, coupled with a fiscal policy (meaning deficit spending) that has been enormously stimulative. We also have been blessed with good luck on food and oil prices, but there is no guarantee that luck will hold. In short, our economy is growing because of classical Keynesian stimulation, not because of so-called Reaganomic austerity.

Mr. Speaker, President Reagan and his followers have gotten everything they have wanted in terms of fiscal policy from the Congress over the last 3 years and because of that we are here today considering increasing the debt ceiling, by billions and billions of dollars. We should not be increasing the debt ceiling, Mr. Speaker, we should be adopting a fiscal policy that is balanced and sound, one that will produce a balanced budget. Almost every economist is telling us of the enormous problems we will face if we do not act in a responsible way and all students of this process know that Presidential leadership is needed if we are to have a major change in policy. But we do not even have Presidential cooperation. As President Reagan said about President Carter during an attack on him in 1980, "Mr. Carter is acting as if he had not been in charge for the past 3½ years; as if someone else runs up nearly $200 billion in red ink; as if someone else was responsible for the largest deficits in American history; and as if someone else was predicting a budget deficit for this fiscal year of $30 billion or more." The difference is that the deficit created by "Reaganomics" is considerably larger and much more serious. It is wrong, Mr. Speaker, from every perspective, including the tragedy of burdening our children with this massive debt, for us not to reduce this budget deficit and to deal with it now. I urge the defeat of this measure to further increase our already disgraceful debt.

Mr. CONABLE. Mr. Speaker, I have no more requests for time, and I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I have no further requests for time. I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. DANNEMEYER) there were—yeas 134, nays 29.

Mr. DANNEMEYER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 214, nays 186, not voting 34, as follows:

[Roll No. 533]

YEAS—214

Ackerman	Gore	Oxley
Addabbo	Gradison	Panetta
Akaka	Gray	Parris
Alexander	Green	Pease
Andrews (NC)	Gregg	Pepper
Anthony	Guarini	Perkins
Aspin	Hall (IN)	Pickle
Barnes	Hall (OH)	Porter
Bateman	Hamilton	Price
Bedell	Harrison	Quillen
Beilenson	Hatcher	Rahall
Berman	Hayes	Rangel
Bethune	Hefner	Ratchford
Bliley	Heftel	Reid
Boehlert	Hightower	Robinson
Boggs	Hillis	Rodino
Boland	Horton	Roe
Bonior	Howard	Rose
Bonker	Hoyer	Rostenkowski
Borski	Hyde	Rowland
Boxer	Jeffords	Roybal
Breaux	Jenkins	Sabo
Brooks	Johnson	Savage
Broomfield	Jones (NC)	Sawyer
Brown (CA)	Kaptur	Scheuer
Broyhill	Kazen	Schneider
Burton (CA)	Kemp	Schumer
Campbell	Kennelly	Seiberling
Chandler	Kildee	Shannon
Clarke	Kindness	Sisisky
Clinger	Kogovsek	Skelton
Coelho	Kostmayer	Smith (FL)
Collins	LaFalce	Smith (IA)
Conable	Lehman (CA)	Smith (NE)
Conte	Leland	Smith (NJ)
Conyers	Lent	Snowe
Coyne	Levin	Solarz
Crockett	Levine	Spratt
de la Garza	Lipinski	St Germain
Dellums	Livingston	Staggers
Derrick	Loeffler	Stangeland
Dickinson	Long (LA)	Stark
Dicks	Lott	Stokes
Dingell	Lowery (CA)	Stratton
Dixon	Lundine	Studds
Donnelly	Markey	Sundquist
Downey	Martin (NC)	Swift
Duncan	Matsui	Synar
Dwyer	Mavroules	Thomas (GA)
Edgar	Mazzoli	Torres
Edwards (AL)	McCain	Towns
Edwards (CA)	McCloskey	Udall
Erlenborn	McDade	Vander Jagt
Evans (IL)	McHugh	Vento
Fascell	McKernan	Volkmer
Fazio	McKinney	Waxman
Fish	McNulty	Weiss
Flippo	Mica	Wheat
Foglietta	Michel	Whitehurst
Foley	Mikulski	Whitley
Ford (TN)	Mineta	Whitten
Forsythe	Mitchell	Williams (OH)
Frank	Moakley	Wirth
Frenzel	Mollohan	Wolf
Frost	Morrison (CT)	Wright
Fuqua	Morrison (WA)	Wylie
Garcia	Murtha	Yates
Gejdenson	Nowak	Young (MO)
Gephardt	O'Brien	Zablocki
Gibbons	Oberstar	Zschau
Gingrich	Olin	
Glickman	Ottinger	

NAYS—186

Albosta	Boner	Coats
Anderson	Bosco	Coleman (MO)
Andrews (TX)	Boucher	Coleman (TX)
Applegate	Britt	Coughlin
Archer	Brown (CO)	Courter
AuCoin	Bryant	Craig
Badham	Burton (IN)	Crane, Daniel
Barnard	Byron	Crane, Philip
Bartlett	Carney	Daniel
Bates	Carper	Dannemeyer
Bennett	Carr	Darden
Bereuter	Chappell	Daschle
Biaggi	Chappie	Daub
Bilirakis	Cheney	Davis
DeWine	Lantos	Ritter
Dorgan	Latta	Roberts
Dowdy	Leach	Roemer
Dreier	Leath	Rogers
Durbin	Levitas	Roth
Dyson	Lewis (FL)	Russo
Early	Lloyd	Schaefer
Eckart	Long (MD)	Schroeder
Edwards (OK)	Lowry (WA)	Schulze
English	Lujan	Sensenbrenner
Erdreich	Luken	Shaw
Evans (IA)	Lungren	Shelby
Feighan	MacKay	Shumway
Fiedler	Marlenee	Shuster
Fields	Marriott	Sikorski
Florio	Martin (IL)	Siljander
Fowler	Martin (NY)	Skeen
Franklin	McCandless	Slattery
Gaydos	McCollum	Smith, Denny
Gekas	McCurdy	Smith, Robert
Gilman	McEwen	Snyder
Gonzalez	McGrath	Solomon
Goodling	Miller (CA)	Spence
Gramm	Molinari	Stenholm
Gunderson	Montgomery	Stump
Hall, Ralph	Moody	Tallon
Hall, Sam	Moore	Tauke
Hammerschmidt	Moorhead	Tauzin
Hansen (ID)	Mrazek	Thomas (CA)
Harkin	Murphy	Torricelli
Hartnett	Myers	Traxler
Hertel	Natcher	Valentine
Hiler	Neal	Vandergriff
Hopkins	Nelson	Vucanovich
Hubbard	Nielson	Walker
Huckaby	Oakar	Watkins
Hughes	Obey	Weaver
Hunter	Owens	Weber
Hutto	Packard	Whittaker
Ireland	Pashayan	Wilson
Jacobs	Patman	Winn
Jones (OK)	Patterson	Wise
Jones (TN)	Penny	Wolpe
Kasich	Petri	Wortley
Kastenmeier	Pursell	Wyden
Kolter	Ray	Yatron
Kramer	Regula	Young (AK)
Lagomarsino	Richardson	Young (FL)

NOT VOTING—34

Annunzio	Hawkins	Pritchard
Bevill	Holt	Ridge
Clay	Lehman (FL)	Rinaldo
Cooper	Lewis (CA)	Roukema
Corcoran	Mack	Rudd
D'Amours	Madigan	Sharp
Dymally	Martinez	Simon
Emerson	Miller (OH)	Taylor
Ferraro	Minish	Walgren
Ford (MI)	Nichols	Williams (MT)
Hance	Ortiz	
Hansen (UT)	Paul	

□ 1620

The Clerk announced the following pairs:

On this vote:

Mr. Hawkins for, with Mr. D'Amours against.

Mr. Minish for, with Mr. Nichols against.

Mr. Martinez for, with Mr. Mack against.

Mr. Madigan for, with Mr. Emerson against.

Mr. Pritchard for, with Mr. Taylor against.

Mr. Cooper for, with Mr. Hansen of Utah against.

Messrs. HERTEL of Michigan, BRYANT, AuCOIN, and BIAGGI changed their votes from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

(Mr. CONABLE asked and was given permission to address the House for 1 minute.)

Mr. CONABLE. Mr. Speaker, on the night of Wednesday, November 16, rollcall 513, House Resolution 190, sense of the House resolution to retain guidelines which insure equal rights with respect to educational opportunity, I am recorded as not voting.

I sincerely believe I was here and that I voted "aye". It is a matter of some interest in my home and my credibility is at stake.

Mr. Speaker, I ask unanimous consent that my statement that I would have voted "aye" on this proposal appear in the permanent RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CONFERENCE REPORT ON H.R. 2968, INTELLIGENCE AUTHORIZATION ACT, 1984

Mr. BOLAND. Mr. Speaker, under the previous order of the House, I call up the conference report on the bill (H.R. 2968) to authorize appropriations for the intelligence and intelligence-related activities of the U.S. Government. For the intelligence community staff, for the Central Intelligence Agency retirement and disability system, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Pursuant to the order of the House of November 15, 1983, the conference report is considered as having been read.

(For conference report and statement, see prior proceedings of the House of today.)

The SPEAKER. The gentleman from Massachusetts (Mr. BOLAND) will be recognized for 30 minutes and the gentleman from Virginia (Mr. ROBINSON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this conference report resolves all differences between the House and Senate on figures and personnel levels for the intelligence and intelligence-related activities of the United States intelligence community.

The dollar amounts and personnel levels set by the conference report are contained in the classified schedule of authorizations which, along with a classified annex to the statement of managers, is not available at the offices of the intelligence committee for review by any Member of the House.

We reached that agreement without significant controversy and in a spirit of cooperation.

However, I am certain that Members will be most interested in what this conference report determines with regard to Nicaragua.

Mr. Speaker, the conferees bring back a bill that permits $24 million to be spent on the covert action in Nicaragua in fiscal year 1984.

As you all know, I believe this paramilitary action in Nicaragua is illegal, unwise, counterproductive, and against the best interest of the United States.

I, and the majority of the House conferees, would have preferred that the covert action be stopped.

This was the position of the House of Representatives.

Just as clearly, it was the position of the Senate conferees and of the Senate, that the action should be permitted to continue—and that when appropriated funds ran out, the CIA could utilize the reserve for contingencies unless both intelligence committees disapproved.

We could have forced a deadlock—and killed both the intelligence authorization bill and the defense appropriation bill.

But the CIA would still have been able to fund the covert action from the continuing resolution and from the reserve for contingencies—and would have had available to it much more than $24 million.

Instead, we agreed to a compromise—a $24 million cap on funding from whatever source.

Let me assure my colleagues in the House, that this is a clear limitation on the covert action, although of course it does not stop it.

And, let me assure the administration and the Central Intelligence Agency, that the clear sentiment expressed on both sides of the aisle in both intelligence committees, is that this war can no longer continue as if it were "business as usual." I believe a growing majority believes it must be brought to a close.

I would hope that the administration responds to this message and that all of the $24 million is not spent.

But if it is, I for one, will vigorously oppose any further appropriation.

Further, those who may contemplate asking next year for further funds on the grounds that they are needed to safely withdraw those whom we support, should think twice about such a stratagem.

It will be seen for what it is—an insult to the Congress.

That withdrawal should begin now.

Mr. Speaker, I reserve the balance of my time.

Mr. ROBINSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to express my appreciation to the chairman and all the conferees that worked to insure that we would have an intelligence authorization bill for fiscal year 1984. As most of you know, it has been no small task to resolve the differences between the House and the position of the other body. Again, I want to express my sincere appreciation to Chairman BOLAND for, again, demonstrating the leadership and dedication necessary to insure a continued and effective authorizing process regarding our intelligence programs.

The vast majority of intelligence resource support programs have nothing to do with the so-called covert or special activities which have received so much public attention. Although details of these major intelligence programs must, for the most part, remain secret, we should not lose sight of their contribution to national security in providing policymakers foreign intelligence crucial to our country's ability to meet the challenges facing us.

I fully support our continuing policy not to disclose publicly the amounts of these requested funds and therefore, I cannot discuss specific conference recommendations. Such details are contained in the classified annex to the conference report, which along with the classified schedule of authorizations referred to in the bill, is available for review by Members of the House.

The conference report generally supports the funding levels requested by the President but we were not persuaded that all of the specific programs were fully warranted. We did not give the intelligence community everything they requested, there were substantial cuts in personnel increases and in other areas where the committee felt cuts would contribute to a more effective utilization of our tax dollars. The committee's recommendations would delete or defer certain programs and in other cases would somewhat increase program funding.

I am pleased to add that while the authorization levels recommended by the conference report are consistent with funding targets adopted in the first budget resolution, the conference recommendations will allow some real growth necessary in the intelligence programs.

The most controversial issue of the conference related to the restrictions on paramilitary activities in Nicaragua. The conference agreed to cap the amount of funds which could be spent from any source, for this paramilitary activity. I believe this compromise represents significant movement for both Houses. As a result, no additional funding could be made available for the Nicaragua activity unless additional authorization and/or appropriations are approved by both Houses. This agreement was reached only after lengthy discussion and debate between the House and Senate conferees. This agreement represents a reasonable and responsible approach to the issue.

I believe, on the whole, this bill provides for a well-balanced intelligence program essential to our national security and foreign policies. Whether questions involve the negotiating arms reductions, dealing with expanding Communist influence on every continent, or coping with the political and economic realities of today's extremely volatile world, demands for high quality and timely intelligence will continue to proliferate.

I fully support the conference report and ask my colleagues to join with me and adopt this measure.

Mr. BOLAND. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Speaker, I thank my distinguished colleague for yielding and I ask for the time to request the gentleman to explain to us how the covert action authorization was resolved.

Mr. BOLAND. I appreciate the question of the gentleman from New York. That is a question in which a lot of the Members of this House are interested.

Let me say that the Defense appropriations conference and the intelligence conference agreed on $24 million for the covert operation in Nicaragua. That expenditure will carry that activity—at present rates of expenditure—through June 1984.

If that is the case, additional funding will be required, as I understand it. The administration must then come to the Congress, to the Intelligence Committee and the Appropriations Committee, to request additional funding. At that time, the House will have an opportunity to vote such a request up or down.

Let me say to the gentleman from New York that a failure to approve ths particular conference report and failure to approve the Defense appropriations conference report that we voted on just a short while ago would have resulted in a substantial amount of money being available for this particular activity. In addition to the $19 million that was requested for fiscal year 1984, there are some carryover funds in the reserve for contingencies from 1983 to 1984, plus the requested amount for the reserve for contingencies in 1984, with the result that the amount of money that would have been available for this activity in fiscal year 1984 would have been substantially higher than the $24 million that is in this conference report. Why? Because the intelligence community could have dipped into the reserve for contingencies and used almost that entire funding to carry on the covert action in Nicaragua.

We have prevented that result both in the intelligence authorization bill and also on the DOD appropriations bill by placing an absolute cap of $24 million on this activity. They can get no more money anywhere else. So the $24 million is the top figure, the only figure. They cannot go into the reserve for contingencies. They cannot expend any additional funding for this activity until they make a request to the Congress in a supplemental appropriations bill. We will have the opportunity at that time to approve or disapprove that request.

That substantially is the recommendation of both the DOD appropriations conference committee and the intelligence conference committee.

Mr. WEISS. Would the gentleman answer one further question?

Mr. BOLAND. Yes.

Mr. WEISS. Am I correct then in assuming on the basis of the gentleman's explanation that the Boland-Zablocki concept is no longer operative, that is, covert action is no longer prohibited?

Mr. BOLAND. The gentleman is absolutely correct. There was no chance that the Boland-Zablocki bill would even be taken up in the Senate, despite the fact we passed it twice here in the House. That was the sticking point. The Senate would not accept it.

□ 1630

I think that our insistence that additional funding for this operation must be voted on by the House was a giant step in the right direction of at least controlling the expenditure. We likely will have an opportunity to get another look at this sometime in June 1984. We intend to monitor this program substantially and closely in the months ahead.

Mr. WEISS. I thank the gentleman for his explanation.

Mr. Speaker, I intend to vote against the authorization.

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield for a question?

Mr. BOLAND. I yield to the distinguished gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Speaker, the only reason I importune the gentleman is to ask him if there is anything in this authorization concerning the National Security Agency.

Mr. BOLAND. Yes; there is. There would be a substantial amount of money in here for NSA. Of course, that is one of the most important elements of the intelligence community. So there is a substantial amount of money in here. As the gentleman knows, that particular figure is classified, but it has been carried in every authorization bill since this committee was established 6 years ago.

Mr. GONZALEZ. The reason I am asking is that I have very, very troubling and disturbing information conveyed to me confidentially in which I understand that conversations are monitored—say, I receive a long-distance call from Mexico or anyplace outside the United States, particularly south of the border, that that conversation is monitored by the National Security Agency.

This is most disturbing. I do not know what authorization there is in the law for that. And I do not know if the gentleman is aware of that, or if it is true or not.

Mr. BOLAND. I appreciate the question of the gentleman. The gentleman from Massachusetts and the gentleman from Virginia are completely aware of the activities of the NSA. Insofar as those activities involve electronic surveillance in the United States, they are controlled under the Foreign Intelligence Surveillance Act. The act requires a warrant from the Foreign Intelligence Surveillance Court that was established when the act was passed back in 1978. The NSA has to go to that court to get a warrant to monitor anyone's telephone conversations in the United States. In the case of communications not covered by the act, the identity of and information concerning any American citizen must not be used unless it constitutes foreign intelligence or counterintelligence information. This process is called minimization and minimization procedures are utilized by the National Security Agency as approved by the Foreign Intelligence Surveillance Court and the Attorney General. This process applies to all communications intercepted by the NSA.

Mr. GONZALEZ. The reason it is disturbing is that my information is that this is being done systematically with or without a court order.

Mr. BOLAND. No; the answer to that would be no. It is not done systematically without a court order. That answer is a definite "No."

Mr. GONZALEZ. I thank the gentleman.

Mr. BOLAND. Mr. Speaker, I yield back the balance of my time.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The conference report was agreed to.

A motion to reconsider was laid on the table.

REQUEST FOR CONSIDERATION OF SENATE AMENDMENTS TO HOUSE AMENDMENTS TO S. 589, AUTHORIZING CAPITAL IMPROVEMENT PROJECTS ON GUAM

Mr. WON PAT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 589) to authorize $15,500,000 for capital improvement projects on Guam, and for other purposes, with Senate amendments to the House amendment thereto, and concur in the Senate amendments to the House amendment.

The Clerk read the title of the Senate bill.

The Clerk read the Senate amendments to the House amendment, as follows:

(For Senate amendments to House amendment, see subsequent pages of the RECORD of this date.)

Mr. WON PAT (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments to the House amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Guam?

Mr. LAGOMARSINO. Mr. Speaker, reserving the right to object, will the gentleman briefly tell the House what the Senate amendments would do?

Mr. WON PAT. Mr. Speaker, if the gentleman will yield, the Senate made relatively minor amendments to our major amendment of S. 589. The other body essentially agreed to the House's bipartisan development of the initial Senate bill into the omnibus insular areas assistance bill of 1983. They made only a couple of modifications and a few additions.

The three new provisions are worthwhile and, I understand, supported by the administration.

The most important would resolve a problem that has resulted from the long delay in terminating our United Nations Pacific islands trusteeship. This is the inconvenience and discrimination the people of the Northern Mariana Islands have been subjected to because they still have not received the U.S. citizenship promised them in their covenant.

The reason they have not is that Public Law 94-241, which approved the establishment of our newest territory, linked the granting of citizenship to termination of the trusteeship which still covers the Northern Mariana Islands insofar as the United Nations is concerned.

When the covenant was approved, no one anticipated that it would take so long to resolve the future political status of the other entities of the trust territory and, thus, for the promised citizenship to be actually granted.

The Senate amendments would not confer citizenship earlier than termination of the trusteeship. What they would do is prevent further incidences of inconvenience or discrimination until citizenship is actually granted.

This would be accomplished by exempting Northern Marianas citizens from certain U.S. citizenship or nationality requirements in law regarding compensation, employment, Federal services, and financial assistance. The President would also be authorized to make other exemptions from laws identified by the Northern Mariana Islands Commission on Federal Laws. If he does not act, U.S. citizenship or nationality requirements would not apply to Northern Marianas citizens in laws that apply to the territory, with certain limitations.

Another new provision would extend article VI, clause 3 of the Constitution to the Virgin Islands. This would require the territory's officeholders to take the same oath of support for the Constitution as do Federal and State officeholders. This would be in lieu of the oath currently required by the Revised Organic Act which would be repealed by this bill.

The third new provision would clarify that certain provisions of territorial law, intended to deal with Indians in Western Territories, do not apply to the current insular territories.

It would also repeal a number of other archaic provisions of territorial law.

The two modifications of the House's amendment made by the Senate are also acceptable to its bipartisan sponsors.

The primary change in one is imperative because of impending but unnecessary legal action. The language is needed to permit the Environmental Protection Agency not to take action against the Guam Power Authority. The action would force the utility to comply with Clean Air Act standards that EPA has long known would be unreasonable in terms of cost but yet produce no clean air benefits.

The addition to the purpose of section 11, as passed by the House, would specifically exempt GPA's plant from having to comply with the new source performance standards relating to sulfur dioxide for 18 months.

Compliance would cost an estimated $12 million initially for scrubber equipment or equally significant amounts for low sulfur fuel but, as I said, produce no perceptible clean air benefits. This is because of the location of the plant and wind conditions and GPA's use of low sulfur fuel when necessary.

The 18-month exemption would provide sufficient time for the basic procedures which would be established by section 11 to come into operation. These permit EPA to adjust the application of Clean Air Act requirements upon the request of any of the three Pacific territories on a case-by-case basis if compliance would be unreasonable or not feasible. EPA would be required to notify congressional committees when it received and acted on requests of the territories.

The other change has a worthwhile aspect, in my estimation. But it also would be a less preferable solution to the problem that the insular areas have with the assessment to dairy farmers designed to partially defray the cost of the milk price support program.

The House language would simply waive the fee in the insular areas since they are separate milk markets that do not benefit from the program and, therefore, should not contribute to it. But the Senate limited this waiver to the period between December 1 of this year and May 31 of next.

Their intent—and commitment to us—is to supersede this temporary waiver through a permanent waiver in dairy legislation. It is only on the understanding that I agree to the Senate's limitation. The fee makes no sense at all for the insular areas.

I do agree with the Senate's change to exclude all of the noncontiguous jurisdictions from the assessment, however. This would have been accomplished by legislation which came out of the Committee on Agriculture.

So, I urge final approval of this important omnibus insular areas assistance bill of 1983. And, as I do, I want to express again the everlasting gratitude of the Americans of the territory to my predecessor as chairman of the subcommittee with jurisdiction over legislation affecting the territory, the late Phillip Burton. I pointed out when this bill first passed the House that this is very much our great colleague's bill. He began our work on it and favorable action today would be a fitting tribute to him.

Mr. LAGOMARSINO. Mr. Speaker, further reserving the right to object, I rise in support of this amendment to the Senate bill, and I ask my colleagues to support it.

I understand that the administration has expressed no opposition to this amendment.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the initial request of the gentleman from Guam?

Mr. BROWN of Colorado. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

GENERAL LEAVE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 2968, which was agreed to earlier today.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

REQUEST FOR CONSIDERATION OF H.R. 4474, PUBLIC HEALTH SERVICE ACT AMENDMENT

Mr. GORE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 4474) to amend the Public Health Service Act to authorize financial assistance for organ procurement organizations, and for other purposes.

The Clerk read the title of the bill.

□ 1640

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. DANNEMEYER. Reserving the right to object, Mr. Speaker, I would like to point out to my colleagues that this is a violation of the Budget Act and it is a new authorization after May 15.

Therefore, I do object.

The SPEAKER. Objection is heard.

REQUEST FOR CONSIDERATION OF H.R. 3376, DECLARING UNITED STATES HOLD CERTAIN LANDS IN TRUST FOR MAKAH INDIAN TRIBE IN WASHINGTON

Mr. McNULTY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3376) to declare the United States hold certain lands in trust for the Makah Indian Tribe in Washington, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. BROWN of Colorado. I object, Mr. Speaker.

The SPEAKER. Objection is heard.

REQUEST FOR CONSIDERATION OF H.R. 3765, DECLARING UNITED STATES HOLD CERTAIN LANDS IN TRUST FOR THE LAS VEGAS PAIUTE INDIAN TRIBE

Mr. McNULTY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3765) to declare that the United States hold certain lands in trust for the Las Vegas Paiute Indian Tribe, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. HERTEL of Michigan. Reserving the right to object, Mr. Speaker, I would like to ask the gentleman what the bill entails.

Mr. McNULTY. If the gentleman will yield, the bill provides for the transfer to the United States in trust for the benefit of the Las Vegas Paiute Indian Tribe in Nevada 3,800 acres of vacant, undeveloped, public land in Clark County, Nev.

The tribe presently resides on 12.54 acres for its reservation and needs additional lands.

Mr. HERTEL of Michigan. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. BROWN of Colorado. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

HENRY M. JACKSON FEDERAL BUILDING

Mr. YOUNG of Missouri. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate bill (S. 1837) to designate the Federal building in Seattle, Wash., as the "Henry M. Jackson Federal Building."

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. EDGAR. Reserving the right to object, Mr. Speaker, I would like to ask the chairman if it is only a naming bill that we are considering at this point and nothing additional is added to it.

Mr. YOUNG of Missouri. If the gentleman will yield, the answer is that it is just a naming bill for the late Senator Jackson of Washington.

Mr. EDGAR. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. FRENZEL. Reserving the right to object, Mr. Speaker, can the gentleman assure us that there will be no cost other than the cost of the signs or changing the stationery, or whatever?

Mr. YOUNG of Missouri. If the gentleman will yield, I can assure the gentleman that there will be no additional cost.

Mr. FRENZEL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. SHAW. Reserving the right to object, Mr. Speaker, and I shall not object, but I do so in order that the gentleman from Missouri might advise the House the contents of this bill.

Mr. YOUNG of Missouri. Mr. Speaker, if the gentleman will yield, S. 1837 would designate that the Federal building in Seattle, Wash., be known as the "Henry M. Jackson Federal Building."

Mr. Speaker, as my colleagues are aware, "Scoop" Jackson, a nickname he acquired as a child, was first elected to the House of Representatives in 1940 and served six terms here before defeating an incumbent Senator in 1953 and, therefore, took a seat in the Senate which he held until his untimely death on September 1, 1983. At the time of his death, Senator Jackson was 71 and had served in Congress more than 42 years, including 30 years in the Senate.

Senator Jackson was a man totally dedicated to the needs of both his constituents and the Nation as a whole. Henry Martin Jackson was born on May 31, 1912, in the milltown of Everett, Wash., the youngest of the four children of Peter and Marine Jackson, who had both emigrated from Norway before they met and married. When Henry Jackson was 4, his sister Gertrude gave him the nickname "Scoop" because she thought he resembled a comic-strip cub reporter of that name who managed to maneuver others into doing his work.

While attending local public schools, Jackson established a reputation for hard work and business acumen as a paperboy for the Everett Daily Herald. After graduating in 1930 from Everett High School, he briefly attended Stanford University in California. Subsequently, he obtained his B.A. degree from the University of Washington in Seattle, and obtained his LL.B degree from its law school in 1935.

Senator Jackson served as prosecuting attorney of his native Snohomish County from 1938 to 1940. During his term, Jackson crusaded against bordellos, gambling houses, and speakeasies, earning for himself the nickname "Soda Pop".

Elected as a Member of the U.S. House of Representatives in November 1940, Jackson served for six consecutive terms. He enlisted in the U.S. Army in 1943 but retained his House seat and returned to Washignton, D.C. in early 1944, after President Roosevelt recalled all uniformed Congressmen to the Capitol. Jackson was elected to the U.S. Senate in November 1952 and served in that position until his untimely death on September 1, 1983. Senator Jackson is survived by his wife and two children, Anna Marie and Peter Hardin.

During his tenure in the Congress, he was a strong supporter of a large Defense budget and an Anti-communist interventionist foreign policy. In the domestic field, Senator Jackson made his name with environmental legislation; namely, he was the author of the National Environmental Policy Act of 1969. He worked tirelessly in an effort to restore the economy to full health. Energy issues were high on his legislative agenda. Senator Jackson was a man who always had the national viewpoint and his record of service in the Congress indicate quite clearly the contributions he made not only to his constituents but to the Nation as a whole.

Mr. Speaker, I urge enactment of S. 1837.

● Mr. HOWARD. Mr. Speaker, S. 1837 would designate that the Federal building in Seattle, Wash., be known as the "Henry M. Jackson Federal Building".

Mr. Speaker, as my colleagues are aware, Scoop Jackson, a nickname he acquired as a child, was first elected to the House of Representatives in 1940 and served six terms here before defeating an incumbent Senator in 1953 and, therefore, took a seat in the

Senate which he held until his untimely death on September 1, 1983. At the time of his death, Senator Jackson was 71 and had served in Congress more than 42 years, including 30 years in the Senate. In July 1983, Senator Jackson cast his 11,000th roll call vote as a Senator and drew a standing ovation from his colleagues for achieving that milestone.

Disciplined and hard-working, as unassuming as a next-door neighbor, the Senator from the State of Washington was held in high esteem by his colleagues on both sides of the aisle. Within the broad spectrum of American politics, Scoop Jackson defied classification as either a liberal or a conservative. Probably no other man or woman in Congress had so powerful a voice on so many leading issues: oil and energy, détente and trade policy with the Russians, nuclear weapons and land use, to name a few.

One of his landmark legislative achievements was the National Environmental Policy Act of 1969. Senator Jackson fought for years to push through legislation which established the first coherent national policies and goals for the environment. By requiring all Federal agencies to file environmental impact statements on project they proposed, the legislation put a powerful tool in the hands of environmentalists.

During his tenure in the Congress, his powerful role in the American defense structure enabled Senator Jackson to play an extremely important role in the U.S. arms control policy. He took a strong line in dealing with the Soviet intervention in Africa and Asia and the Middle East. He was for an expanded Defense program to enable the United States to close what he perceived to be a strategic weapons gap with the Soviets.

Senator Jackson was firmly committed to reducing inflation and insisted that the issue be a priority goal of the Government.

Mr. Speaker, Senator Jackson was a man totally dedicated to the needs of both his constituents and the Nation as a whole. He was a distinguished and articulate member of numerous subcommittees and full committees during his years in the Congress. He was a man of incredible integrity and intelligence—of commitment and capacity. He was a man of compassion, courage, and high principle.

To conclude, Mr. Speaker, on September 1, 1983, this Nation lost one of its best and wisest leaders. Henry Jackson was a national resource and he is sorely missed in the Halls of Congress. Mr. Speaker, I urge enactment of S. 1837.●

Mr. SHAW. Mr. Speaker, I do not object, and urge the adoption of the bill.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1837

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the building located at 915 Second Avenue, Seattle, Washington, known as the Federal Building, shall hereafter be known and designated as the "Henry M. Jackson Federal Building". Any reference in a law, map, regulation, document, record, or other paper of the United States to that building shall be deemed to be a reference to the "Henry M. Jackson Federal Building".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YOUNG of Missouri. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 1837, the Senate bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

L. RICHARDSON PREYER FEDERAL BUILDING

Mr. YOUNG of Missouri. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the bill (H.R. 4210) to designate the U.S. Post Office and Courthouse Building in Greensboro, N.C. as the "L. Richardson Preyer Federal Building," and ask for its immediate consideration

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. SHAW. Reserving the right to object, Mr. Speaker, I do not intend to object, but would ask the gentleman from Missouri to explain the bill and to also include in his explanation the fact that this is not of any additional cost to the taxpayers.

Mr. YOUNG of Missouri. If the gentleman will yield, H.R. 4210 would designate the U.S. Post Office and Courthouse in Greensboro, N.C., as the "L. Richardson Preyer Federal Building." Mr. Speaker, briefly, Mr. Preyer was a Member of this body from 1970 through 1980.

During his tenure in the House, he served with distinction on the Committee on Interstate and Foreign Commerce, the Committee on Government Operations, and the Committee on Standards of Official Conduct. He was chairman of the Select Committee on Ethics, the Subcommittee on the Kennedy Assassination, and the Subcommittee on Government Information and Individual Rights. Prior to his election to Congress, Mr. Preyer was a U.S. district court judge. The building which would bear the name of Mr. Preyer housed both his judge's chambers and his congressional office. I urge enactment of H.R. 4210.

Mr. EDGAR. Mr. Speaker, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman for yielding.

Mr. Speaker, I ask the gentleman to yield just to inquire of the chairman whether or not there are any other additions to this legislation other than the naming change that the gentleman has articulated.

Mr. YOUNG of Missouri. If the gentleman from Florida will yield, I assure the gentleman there is no other addition to this particular bill.

Mr. EDGAR. I thank the gentleman for his explanation.

Mr. SHAW. Mr. Speaker, I support this bill.

● Mr. HOWARD. Mr. Speaker, I rise in support to H.R. 4210, a bill to designate the U.S. Post Office and Courthouse building in Greensboro, N.C., as the "L. Richard Preyer Federal Building."

Mr. Speaker, as my colleagues are aware, L. Richardson Preyer, commonly referred to as "Judge" in the Halls of Congress due to his service as a U.S. district judge prior to his election to Congress, served with distinction in the House of Representatives for 10 years. I had the unique privilege of serving with Mr. Preyer in the House.

Mr. Preyer was a man totally dedicated to the needs of both his constituents and the Nation as a whole. He was an articulate member of the Committee on Interstate and Foreign Commerce, the Committee on Government Operations, and the Committee on Standards of Official Conduct. He was a major influence on this body during his tenure. As chairman of the Select Committee on Ethics, the Subcommittee on the Kennedy Assassination, and the Subcommittee on Government Information and Individual Rights, Judge Preyer clearly established himself as one of our country's leaders to uphold law and justice.

Mr. Speaker, it is most fitting to pay tribute to our former colleague, Judge Preyer, by naming the U.S. Post Office and Courthouse in Greensboro, N.C., as the "L. Richardson Preyer Federal Building."●

● Mr. BRITT. Mr. Speaker, H.R. 4210 is a bill to designate the Federal Courthouse building in Greensboro, N.C., the "L. Richardson Preyer Federal Building" in honor of former Congressman L. Richardson Preyer. The

bill has as original cosponsors the majority and minority leaders, the majority and minority whips, and all of my State's delegation, both Democrats and Republicans.

Mr. Preyer was a Member of this body from 1969 to 1980. During his tenure he served on the Committee on Interstate and Foreign Commerce, the Committee on Government Operations, and the Committee on Standards of Official Conduct. He was chairman of the Select Committee on Ethics, the Subcommittee on the Kennedy Assassination, and the Subcommittee on Government Information and Individual Rights.

Prior to his election to Congress, Mr. Preyer was a U.S. district court judge, appointed to the bench by President Kennedy in 1961. He had previously served as a State superior court judge.

The building which would bear the name of Mr. Preyer housed both his judge's chambers and his congressional office.

Mr. Preyer's civic and community contributions are too numerous to list here today but suffice it to say that he has given of himself at every call. He has dedicated his life to the service of his fellow man, his Government, and this Nation.

Mr. Preyer was affectionately known as "Judge" in the Halls of Congress. The respect the Judge commanded both here and in the sixth District of North Carolina is the best testimony to the merit of this bill.●

Mr. SHAW. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the bill, as follows:

H.R. 4210

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Post Office and Courthouse Building located at 324 West Market Street, Greensboro, North Carolina, shall hereafter be known and designated as the "L. Richardson Preyer Federal Building". Any reference in any law, map, regulation, document, record, or other paper of the United States to that building shall be deemed to be a reference to the "L. Richardson Preyer Federal Building".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL P. RAO U.S. COURT OF INTERNATIONAL TRADE

Mr. YOUNG of Missouri. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the bill (H.R. 4403) to name the U.S. Court of International Trade at One Federal Plaza, New York, N.Y., the "Paul P. Rao U.S. Court of International Trade," and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. SHAW. Reserving the right to object, Mr. Speaker, I do not intend to object, but would like to yield to my friend the gentleman from New York (Mr. BIAGGI) to explain the contents of this bill.

Mr. BIAGGI. I thank the gentleman for yielding.

Mr. Speaker, as the author of the legislation before us, I rise to urge the House to approve it. I wish to commend the distinguished chairman of the Public Works Committee my friend Mr. HOWARD, for his invaluable assistance in gaining the expeditious consideration of this bill. I also wish to give special recognition to my friend and colleague from New York, Mr. ADDABBO one of the original sponsors of earlier legislation and one who has never ceased in his efforts to do honor to Judge Paul P. Rao.

H.R. 4403 would rename the U.S. Court of International Trade at 1 Federal Plaza in my home city of New York as "Paul P. Rao U.S. Court of International Trade." Passage of this legislation would be such a fitting honor to this exemplary individual and jurist. Paul Rao spent more than four decades and earned a reputation as one of the preeminent customs law experts and authorities in the United States.

Judge Paul P. Rao graduated from Fordham University Law School in 1923 and 1 year later was admitted into the New York Bar. From 1925-27 he served as assistant district attorney in New York County. In 1941 he was nominated by President Franklin Delano Roosevelt and confirmed by the U.S. Senate as Assistant Attorney General, Customs Division. He served with great distinction in this capacity until 1948. On July 2, 1948, President Harry S Truman appointed Paul Rao as judge of the U.S. Customs Court.

For the next 17 years, Judge Rao served with special effectiveness as a judge of the Customs Court. As a tribute to his years of fine work, Judge Rao achieved the apex of his career when President Lyndon B. Johnson designated him as chief judge of the U.S. Customs Court—now the U.S. Court of International Trade. He served in this prestigious position until 1971. It was especially noteworthy that the man who swore Judge Rao in as chief judge was Associate Justice Tom C. Clark of the U.S. Supreme Court. Justice Clark had been the Attorney General of the United States during some of the years when Paul Rao served as Assistant Attorney General in Charge of Customs.

Judge Rao is a man of extraordinary achievement not only in the field of customs law, but as a leader in a number of important organizations especially those related to veterans such as the American Legion and Veterans of Foreign Wars. Judge Rao has been awarded three doctor of law degrees as well as countless awards for his work on behalf of veterans. I will insert in the RECORD a complete listing of Judge Rao's awards and citations.

It has been my honor and privilege to have known Judge Paul Rao for some 30 years. He is a man whom I respect and whose friendship I cherish. He is a man who sets such a fine example for his fellow Italian Americans. Judge Rao, while born in Prizzi, Italy, has in his lifetime contributed enormously to the United States of America in one of our leading professions—law.

Throughout the years, Judge Paul Rao has been a dedicated family man. I know Judge Rao's wife, Catherine and his three fine children. Paul Jr., Mrs. Nina Rao Camerson, and Mrs. Grayce Rao Visconti are immensely proud of their father and share the joy I feel today as we take this important step of naming the building where he did so much of his fine work in his honor. This action today is far more than a gesture—it is a recognition and appreciation if you will by the Congress of the fine work which Judge Paul Rao had done over the years.

I assure my colleagues that we are today doing justice to a just man—Judge Paul P. Rao. This legislation deserves our support, and I am proud to be its sponsor.

A detailed biography of Judge Paul Rao follows immediately:

BIOGRAPHY OF JUDGE PAUL P. RAO

Paul P. Rao, Chief Judge Emeritus, born in Prizzi, Italy, June 15, 1899; arrived in the United States 1904; enlisted in the United States Navy, 1917-19; saw service in France, Italy, Africa and the Azores; also served as official French interpreter with the French cruiser division; disabled while in the naval service of the United States; graduated from Fordham University Law School in 1923 with degree of LL.B; admitted to the New York Bar in January 1924; served as Assistant District Attorney, New York County, 1925-27; nominated by President Franklin Delano Roosevelt and confirmed by the United States Senate as Assistant Attorney General of the United States in Charge of Customs; served as Assistant Attorney General of the United States, Customs Division, from July 3, 1941 to July 1, 1948, under Attorneys General Robert H. Jackson, Francis Biddle, and Tom C. Clark; appointed by President Harry S. Truman as Judge of the United States Customs Court, and took oath of office July 2, 1948; designated chief Judge of the United States Customs Court by President Lyndon B. Johnson, effective June 25, 1965 and took oath of office from Mr. Justice Tom C. Clark of the United States Supreme Court on July 22, 1965; served as Chief Judge of the U.S. Customs Court, now the United States Court of International Trade, until 1971; Director, Cardinal Spellman Servicemen's Club of the

National Catholic Community Service; honorary member of the Catholic Court Attaches' Guild of the City of New York; General President of the Holy Name Societies of the Archdiocess of New York (Italian-American branches); Trustees, Church of Our Lady of Peace; served as Vice Commander of the New York County American Legion; honorary member of the New York County Press Association of the American Legion; Grand Marshal of the Loyalty Day Parade held in New York by the Veterans of Foreign Wars in 1960; honorary Commander, New York County Council of the Veterans of Foreign Wars, 1951-56, 1957-62; also member of Pvt. Arthur Shatel Chapter 127, Disabled American Veterans; Cardinal Hayes Garrison, Army and Navy Union, U.S.A.; member of the United States Supreme Court Historical Society; honorary member of the Tiro A Segno (New York Rifle Club); made honorary member of Phi Alpha Delta Law Fraternity, Henry de Bracton Chapter, St. John's University School of Law on April 17, 1959; Director of the Fordham Law Alumni Association; member of the Executive Committee of the Federal Business Association of New York (the organization of the heads of all Federal agencies in the New York Metropolitan Area) and Chairman of the Nominating Committee for said Association for the years 1958-73; member of the Honorary Fellows of the Truman Library Institute; received honorary degree of Doctor of Humanities conferred by Philathea College of London, Ontario, Canada, on May 21, 1958; received honorary degree of Doctor of Law, conferred by Mexican Academy of International Law on March 27, 1969; life member of the Mexican Academy of International Law, May 21, 1958; Honorary Commander, life, Belgian War Veterans of America, Inc.; life member of Veterans of Foreign Wars and American Legion, Admiral H. B. Wilson Post, V.F.W. and Col. Francis Vigo Post No. 1093, American Legion, Commander of Vigo Post for 6 years and was Chairman of New York County American Legion Legal Committee for 5 years; member of Father Duffy Post No. 54, Catholic War Veterans; Founder and 1st President of The American Justinian Society of Jurists, 1966; life member of the American Societies of the Italian Legions of Merit; received honorary degree of Doctor of Laws from Manhattan College, May 23, 1971; received Doctor of Laws Degree on June 11, 1972 from pace College; admitted to practice in the U.S. Supreme Court, U.S. Court of Customs and Patent Appeals, U.S. Court of Appeals, U.S. District Courts and U.S. Customs Court; member of American Bar Association and Federal Bar Association of New York, New Jersey and Connecticut; honorary member of the Brooklyn-Manhattan Trial Counsel Association; married Grace S. Malatino (deceased), three children, Mrs. Nina Rao Cameron, Mrs. Grayce Rao Visconti and Paul P. Rao, Jr.; remarried Catherine Marolla; residence 210 East 61st Street, New York, New York 10021.

AWARDS AND DECORATIONS

Papal Decoration, Knight of Lateran.

Knight of the order of St. Hubert-April 23, 1946.

Star of Solidarity, Italian Government-January 9, 1953.

Star & Cross of Academic Honor, American International Academy of USA May 21, 1958.

Grand Cross, Eloy Alfaro International Foundation, Republic of Panama-August 1, 1959.

Knight of Malta, American Chapter-January 15, 1962.

Military Order of Lafayette-May 16, 1963.

Commemorative Cross of the Royal Yugoslav Army-May 8, 1965.

Commendators Order of Merit, Italian Republic-1968.

Doctor of Law-Mexican Academy of International Law-March 27, 1969.

"Man of the Year", Phi Alpha Delta Fraternity, St. John's University-March 1969.

Charles A. Rapelle Award-May 1970

Doctor of Laws-Manhattan College-May 23, 1971.

Doctor of Laws-Pace College-June 11, 1972.

Antonio Rizzuto Award, Unice National-August 19, 1972.

Commendators, Republic of San Marino-January 16, 1973.

Gold Medal-National Academy of Science, Rome, Italy, June 1973.

Public Service Award-Italian Historical Society of America-May 18 1974.

Public Service Award-Polish Cultural Society of America, Inc.-May 9, 1975.

Awarded Italian Army medallion by the Italian Army's Chief of Staff, General Andrea Cucino-November 17, 1976.

CITATIONS

Father Duffy Post No. 54-Catholic War Veterans-April 28, 1949.

U.S. Customs & Affiliated Federal Agencies of Columbia Association-May 28, 1954.

Veterans of Foreign Wars-April 19, 1957.

Disabled America Veterans-September 20th, 1957.

Citation of Honor-Georgia Mueller Post No. 1786, American Legion-December 14, 1957.

Columbia Association-Department of Correction-February 6, 1958.

New York City Pup Tent II, Military Order of Cooties of United States-June 20, 1958.

Belgian War Veterans of America, Inc-October 18, 1962.

Interfaith Movement, Inc.-September 23, 1963.

Gold Star Wives of America-December 7, 1963.

Amerital Association, Inc.-May 6, 1965.

Federal Business Association-September 18, 1962, September 21, 1965.

United States Customs Inspectors' Association, Port of New York-Nov. 13, 1965.

Sons of Union Veterans of Civil War-1965.

□ 1650

Mr. EDGAR. Mr. Speaker, will the gentleman yield.

Mr. SHAW. Under my reservation of objection, Mr. Speaker, I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Speaker, I thank the gentleman for yielding.

I simply wish to make an inquiry of the chairman of the subcommittee in order to be sure that there is nothing in this bill other than the naming request that has been identified.

Mr. YOUNG of Missouri. Mr. Speaker, if the gentleman from Florida will yield, the answer to the question of the gentleman from Pennsylvania is that there is nothing in the bill besides the naming of the building.

Mr. EDGAR. Mr. Speaker, I thank the gentleman.

Mr. SHAW. Mr. Speaker, I support the bill.

Mr. YOUNG of Missouri. Mr. Speaker, if the gentleman will yield, H.R. 4403 honors a distinguished American and an able jurist, Paul P. Rao, a native of Italy who came to the United States of America at an early age, worked his way through New York schools and graduated from Fordham University Law School in 1923.

After a career as prosecuting attorney he was named to the U.S. Customs Court in 1948 by President Harry S. Truman and in 1965 was named Chief Justice by President Lyndon B. Johnson and served in that capacity until 1971.

Judge Rao, besides being an outstanding jurist, has been active in numerous professional and charitable organizations for the good of his local community, the city of New York and the State of New York.

His personal perseverance many years ago and his dogged determination brought about the authorization and construction of the building we now name in his honor. There can be no more satisfactory accolade.

Mr. SHAW. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the bill, as follows:

H.R. 4403

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Court of International Trade located at One Federal Plaza, New York, New York, shall hereafter be known and designated as the "Paul P. Rao United States Court of International Trade". Any reference in a law, map, regulation, document, record, or other paper of the United States to such building shall be held to be a reference to the Paul P. Rao United States Court of International Trade.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REQUEST FOR CONSIDERATION OF H.R. 1551, JULIETTE GORDON LOW FEDERAL BUILDING

Mr. YOUNG of Missouri. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 1551) to name the Federal building to be constructed in Savannah, Ga., as the "Juliette Gordon Low Federal Building."

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. SHAW. Mr. Speaker, reserving the right to object, I yield to the gentleman from Missouri (Mr. YOUNG) for the purpose of offering an amendment. Does the gentleman have an amendment?

Mr. YOUNG of Missouri. Mr. Speaker, if the gentleman will yield, I have amendments at the desk.

Mr. SHAW. Which amendments are at the desk?

The SPEAKER. The Chair will state that the amendments are not in order at this particular time.

Mr. YOUNG of Missouri. Mr. Speaker, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Missouri.

Mr. YOUNG of Missouri. Mr. Speaker, I have an amendment at the desk. Besides the bill, I have an amendment at the desk. I would like to at least bring it up so it can be made a part of the RECORD.

Mr. SHAW. Mr. Speaker, may I ask the gentleman what the amendments are?

PARLIAMENTARY INQUIRY

Mr. YOUNG of Missouri. I have a parliamentary inquiry, Mr. Speaker.

Does the gentleman have to withdraw his reservation of objection at this point before I can offer my amendment?

The SPEAKER. The Chair will state that the amendment is not in order until such time as the gentleman withdraws his reservation of objection.

Mr. SHAW. Mr. Speaker, under my reservation of objection, I am asking the gentleman which amendments are at the desk. There are several amendments that we have been discussing.

Mr. YOUNG of Missouri. Mr Speaker, if the gentlemen will yield, the amendments are for 95 and 395 and relating to the Secretary of Transportation and the District of Columbia and the Commonwealth of Virginia. The other amendment is the one that relates to Mrs. Low, the Girl Scout leader. Then there is a third amendment relating to the John F. Kennedy Center for the Performing Arts.

Mr. SHAW. Mr. Speaker, is it the intent of the gentleman to offer the amendment pertaining to Interstate 66?

Mr. YOUNG of Missosuri. Not at this point, Mr. Speaker.

Mr. SHAW. Mr. Speaker, could I ask the gentleman why it is not included?

Mr. YOUNG of Missouri. I would have to ask some other Member to answer that question, I say to the gentleman from Florida, at this particular time. These are the amendments that I would like to offer at this particular time.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. SHAW. I am glad to yield to the gentleman from Mississippi.

Mr. LOTT. Mr. Speaker, since that question could not be answered by the gentleman, I wonder if we can get a response from the subcommittee chairman or some other member that could give us the response? I understood the chairman of the committee had indicated that both of these were going to be included in this request.

Mr. Speaker, I wonder if maybe we can have this withdrawn until some further understanding can be worked out.

The SPEAKER. Will the gentleman from Missouri (Mr. YOUNG) withdraw his request at this time?

Mr. YOUNG of Missouri. Yes, Mr. Speaker.

The SPEAKER. Without objection, the gentleman from Missouri withdraws his request.

Mr. YOUNG of Missouri. Mr. Speaker, could I have order?

The SPEAKER. The advice of the Chair is that the gentleman sit down with the gentleman and work it out and then make his request again at a later time.

Mr. YOUNG of Missouri. Mr. Speaker, I withdraw my request.

The SPEAKER. Without objection, the request is withdrawn.

There was no objection.

LEO J. RYAN MEMORIAL FEDERAL ARCHIVES AND RECORDS CENTER

Mr. YOUNG of Missouri. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 4473) to designate the Federal Archives and Records Center in San Bruno, Calif., as the "Leo J. Ryan Memorial Federal Archives and Records Center."

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. SHAW. Mr. Speaker, reserving the right to object, I would yield to the gentleman from Missouri (Mr. YOUNG) for an explanation.

Mr. YOUNG of Missouri. Mr. Speaker, the Federal Archives and Records Center is located in San Bruno, Calif., and would be designated as the "Leo J. Ryan Memorial Federal Archives and Records Center." Any reference in any law, map, regulation, document, record, or other paper in the United States on that building shall be deemed to be a reference to the "Leo J. Ryan Memorial Federal Archives and Records Center."

Mr. Speaker, it is my understanding that Mr. Ryan, a former Member of this House, passed away on this particular day.

Mr. SHAW. Mr. Speaker, continuing to reserve my right to object, is there anything in this bill other than the naming portion? This side has discussed it with the majority, and that is our understanding.

Mr. YOUNG of Missouri. Mr. Speaker, if the gentleman will yield, the answer is "no."

Mr. FRENZEL. Mr. Speaker, reserving the right to object, I wonder if the distinguished gentleman from Missouri (Mr. YOUNG) can tell us how many more of these interesting bills he is going to bring before us?

Mr. YOUNG of Missouri. Mr. Speaker, will the distinguished gentleman yield to me?

Mr. FRENZEL. I yield to the distinguished chairman of the subcommittee.

Mr. YOUNG of Missouri. Mr. Speaker, I believe we have two more.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman from Missouri (Mr. YOUNG), and I withdraw my reservation of objection.

Mr. SHAW. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the bill, as follows:

H.R. 4473

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Archives and Records Center located at 1000 Commodore Drive in San Bruno, California, is designated as the "Leo J. Ryan Memorial Federal Archives and Records Center". Any reference in a law, map, regulation, document, record or other paper of the United States to that building shall be deemed to be a reference to the "Leo J. Ryan Memorial Federal Archives and Records Center".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JULIETTE GORDON LOW FEDERAL BUILDING

Mr. YOUNG of Missouri. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 1551) to name the Federal building to be constructed in Savannah, Ga., as the "Juliette Gordon Low Federal Building."

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. SHAW. Mr. Speaker, reserving the right to object, I would under my reservation ask the gentleman if it is his intention to offer amendments and, if so, if he could tell me what they are.

Mr. YOUNG of Missouri. Mr. Speaker, if the gentleman will yield, they are the Girl Scout Memorial, I-95, 395, the agreement on the John F. Kennedy Center for Performing Arts, and for I-66 in the Commonwealth of Virginia.

Mr. SHAW. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. FRENZEL. Mr. Speaker, reserving the right to object, could the gentleman recite that last litany just one more time?

I yield to the distinguished gentleman for a reply.

□ 1700

Mr. YOUNG of Missouri. It is the memorial in Georgia for the national president of the Girl Scouts.

The other amendment is a demonstration project on Interstate 95 and 395 in the District of Columbia and the Commonwealth of Virginia.

The other amendment is an amendment relating to carpools on I-66 in northern Virginia.

The last one is a section relating to the John F. Kennedy Center, which directs that no additional memorials would be included in the public areas of the Kennedy Center.

Mr. FRENZEL. Further reserving the right to object, Mr. Speaker, I think we know about the carpool problem.

We do not know how much money is involved in the memorial in Georgia, in the Kennedy Center, and in the demonstration project.

I yield to the gentleman from Missouri to explain what we are talking about for money.

Mr. YOUNG of Missouri. There is no money, as I understand, in these bills.

Mr. FRENZEL. What is the demonstration project doing then?

Mr. YOUNG of Missouri. Well, the amendment would be a demonstration project carried out for no less than 12 months on Interstate Highways 95 and 395 in northern Virginia and the District of Columbia whereby the Secretary of Transportation in consultation with the State of Virginia and the District of Columbia may adjust the hours of the HOV lanes to enhance the safety, minimize congestion, and maximize the use of the facility.

During the demonstration period, the Secretary shall carry on an environmental assessment of the project which should provide relief to the current traffic congestion by allowing carpools to use the HOV lanes between the hours of 6 a.m. and 9 a.m., and from 3:30 p.m. to 6 p.m.

These hours are the same hours that apply to Interstate 66.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for his explanation.

Further reserving the right to object, Mr. Speaker, I yield to the distinguished gentleman from Georgia (Mr. FOWLER).

Mr. FOWLER. Mr. Speaker, I thank the gentleman for yielding.

I just want to tell the gentleman that there is no money for the building in Georgia. That Federal building is there. We are simply naming it after the founder of the Girl Scouts.

Mr. FRENZEL. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Mr. Speaker, I thank the gentleman for yielding.

I would like to ask the chairman a question. I understand the litany of issues that are included in the amendment, but is it the understanding of the gentleman that there are no other highway projects and no other water projects included in the shopping list of amendments?

Mr. YOUNG of Missouri. Mr. Speaker, will the gentleman yield further?

Mr. FRENZEL. I yield to the gentleman from Missouri.

Mr. YOUNG of Missouri. The answer is yes.

Mr. FRENZEL. Further reserving the right to object, Mr. Speaker, I am dismayed by the number of bills that are pouring forth on this last day.

I think the Members of the House are confused. I am confused. It is only my admiration and respect for the distinguished subcommittee chairman that prevents my objecting in this case; but whoever else has got any of these is likely to be in trouble.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. SHAW. Reserving the right to object, Mr. Speaker, I, too, rise in support of H.R. 1551 which designates the Federal building being constructed on Oglethorpe Avenue at Telfair Square in Savannah, Ga., as the Juliette Gordon Low Federal Building and authorizes the construction of a memorial in her honor.

Juliette Gordon Low was a distinguished educator and humanitarian who founded the Girl Scout movement in America. Starting with two troops in her native home of Savannah in 1912, her enthusiasm and untiring efforts culminated in the establishment of the girls' troops throughout the country and around the world. Since its founding, more than 44 million girls have joined the Girl Scouts and today it remains one of the largest voluntary organizations for girls in the world.

Mr. Speaker, honoring Mrs. Low by naming the Federal building after her is but one small way in which we can pay tribute to a woman who gave so much to the young women of this country. Her unselfish act and outstanding accomplishments are remembered by men and women alike. She gave of herself so that young women throughout the world might benefit.

I urge my colleagues to support and pass H.R. 1551.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the bill, as follows:

H.R. 1551

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal building to be constructed at Telfair Square, Savannah, Georgia, shall hereafter be named and designated as the "Juliette Gordon Low Federal Building". Any reference in a law, map, regulation, document, record, or other paper of the United States to such building shall be held to be a reference to the "Juliette Gordon Law Federal Building".

Mr. YOUNG of Missouri. Mr. Speaker, I rise in support of H.R. 1551, a bill to name the Federal Building to be constructed in Savannah, Ga., as the "Juliette Gordon Low Federal Building." Juliette Gordon Low was born in Savannah, Ga., in 1860. She was a distinguished educator and humanitarian who organized and founded the Girl Scout movement in her native city of Savannah. The enthusiasm, energy and spirit of Mrs. Low is in great measure responsible for the continued success of the Girl Scout movement.

Juliette Low became interested in scouting when she met Sir Robert Baden-Powell, founder of the Boy Scouts and Girl Guides. She organized the first two American troops of the Girl Guides in Savannah in 1912, and the name of the Girl Scouts of America was adopted in 1913. Since its founding, more than 44 million girls have joined the Girl Scouts in the United States. It remains the largest voluntary organization for girls in the world.

This legislation is sponsored by the entire Georgia delegation in the U.S. House of Representatives. In addition, the proposal to name the Federal Building in honor of Juliette Gordon Low has in the past been endorsed by the mayor and council of the city of Savannah, by the Chatham County Board of Commissioners, by the Savannah Area Chamber of Commerce, by the Savannah Jaycees, by the Savannah Girl Scouts Board of Directors, by the American Association of University Women, and by the Girl Scouts of America.

Honoring Mrs. Low, a person of unchallenged integrity and accomplishment and an individual of both national and local acclaim, by naming the Federal Building to be constructed in Savannah, Ga., the "Juliette Gordon Low Federal Building" is most fitting and appropriate.

AMENDMENT OFFERED BY MR. YOUNG OF MISSOURI

Mr. YOUNG of Missouri. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Missouri: At the end of the bill add the following:

SEC. 2. (a) The Administrator of General Services (hereinafter referred to as the "Administrator") may accept and use contributions from individuals and private organizations for the design and construction of a memorial, to be located in or around the building referred to in the first section of this Act, commemorating the life and accomplishments of Juliette Gordon Low. The Administrator, in consultation with the chairman of the National Endowment for the Arts and the national president of the Girl Scouts of America, shall determine the appropriate form and location of such memorial, taking into account the cost of maintaining such memorial.

(b) The Administrator shall provide maintenance for such memorial.

SEC. 3. Notwithstanding any other provision of law, the Secretary of Transportation, in cooperation with the Commonwealth of Virginia and the District of Columbia, shall carry out a demonstration project on Interstate Highways 95 and 395 in Virginia and the District of Columbia for a period of not less than 12 months commencing within 30 days after the District of Columbia begins actual reconstruction of the George Mason Bridge. The Commonwealth of Virginia and the District of Columbia shall restrict the use of the express lanes on such highway to buses, emergency vehicles, and other vehicles carrying four or more persons during the hours of 6:00 ante meridiem to 9:00 ante meridiem on Monday through Friday, exclusive of holidays, on northbound lanes and during the hours of 3:30 post meridiem to 6:00 post meridiem on Monday through Friday, exclusive of holidays, on southbound lanes during the demonstration period. The Secretary of Transportation, in consultation with the Commonwealth of Virginia and the District of Columbia, may adjust such hours and refine the demonstration to enhance safety, minimize congestion, and maximize the use of the facility. During the demonstration period, the Secretary of Transportation, in cooperation with the Commonwealth of Virginia and the District of Columbia shall carry out an environmental assessment of the effects of the high occupancy vehicle restrictions, and shall, upon completion of such assessment, report to the Congress the results of the assessment and the demonstration project.

SEC. 4. Section 4 of the John F. Kennedy Center Act is amended by inserting "(a)" after "Sec. 4." and by adding at the end thereof the following new subsection:

"(b)(1) Except as provided in paragraph (2) of this subsection, the Board shall assure that after the date of enactment of this subsection, no additional memorials or plaques in the nature of memorials shall be designated or installed in the public areas of the John F. Kennedy Center for the Performing Arts.

"(2) Paragraph (1) of this subsection shall not apply to—

"(A) any plaque acknowledging a gift from a foreign country;

"(B) any plaque on a theater chair or a theater box acknowledging the gift of such chair or box; and

"(C) any inscription on the marble walls in the north or south galleries, the Hall of States, or the Hall of Nations acknowledging a major contribution;

which plaque or inscription is permitted under policies of the Board in effect on the date of enactment of this subsection.

"(3) For purposes of this subsection, testimonials and benefit performances shall not be construed to be memorials.".

SEC. 5. Notwithstanding any other provisions of law and the Secretary of Transportation's decision on Interstate Highway 66, Fairfax and Arlington Counties, Virginia, dated January 5, 1977, the Secretary of Transportation, in cooperation with the Commonwealth of Virginia, shall carry out a demonstration project on Interstate Highway 66 in Fairfax and Arlington Counties, Virginia for a period not less than 12 months commencing within 60 days of the enactment of this section. The Commonwealth of Virginia shall restrict the use of such highway between I-495 and the District of Columbia to high occupancy vehicles carrying there or more passengers during the hours of 7 a.m. to 9 a.m. on Monday through Friday, exclusive of holidays, on eastbound lanes and during the hours of 4 p.m. to 6 p.m. on Mondy through Friday, exclusive of holidays, on westbound lanes during the demonstration period. High Occupancy Vehicle requirements shall not apply to vehicles entering I-66 or the Theodore Roosevelt Bridge from Lynn Street or the George Washington Parkway in Arlington County, Virginia. During the demonstration period, the Secretary of Transportation, in cooperation with the Commonwealth of Virginia, shall carry out an environmental assessment of the effects of the high occupancy vehicle restrictions, and shall, upon completion of such assessment, report to the Congress the results of the assessment and the demonstration project.

Mr. YOUNG of Missouri (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to to request of the gentleman from Missouri?

There was no objection.

Mr. YOUNG of Missouri. Mr. Speaker, this amendment would authorize the Administrator of GSA in consultation with the national president of the Girl Scouts to erect a memorial commemorating the life of Mrs. Low, however, such memorial shall be constructed with private funds.

Mr. Speaker, this amendment would provide for a demonstration project to be carried out for no less than 12 months on Interstate Highways 95 and 395 in Virginia and the District of Columbia, whereby, the Secretary of Transportation, in consultation with the State of Virginia and the District of Columbia, may adjust the hours of the HOV lanes to enhance the safety, minimize congestion and maximize use of the facility. During the demonstration period, the Secretary of Transportation shall carry out an environmental assessment of the project which should provide relief to the current traffic congestion by allowing car pools to use the HOV lanes between the hours of 6 a.m. to 9 a.m. and 3:30 p.m. to 6 p.m. These hours are the same as applied to Interstate 66.

Mr. Speaker, in addition a new section 3 would be added whereby the Board of Directors of the John F. Kennedy Center for the Performing Arts are directed to assure that no additional memorials or plaques in the nature of memorials shall be designated or installed in the public areas of the Kennedy Center. In order not to interfere with the necessary fundraising efforts of the Kennedy Center, this provision would not apply to any plaque acknowledging a gift from a foreign country and similar gifts: and last, testimonials and benefit performances shall not be construed to be memorials.

I urge passage of H.R. 1551 as amended.

● Mr. HOWARD. Mr. Speaker, I rise in support of H.R. 1551, a bill to name the Federal Building to be constructed in Savannah, Ga., as the "Juliette Gordon Low Federal Building."

Mr. Speaker, Juliette Gordon Low was the founder of the Girl Scouts of America. In 1912, she organized a group of 12 girls into a girl guide unit in Savannah, Ga., and devoted the rest of her life to establishing groups of Girl Scouts throughout the Nation. When she died on January 17, 1927, Girl Scout membership totaled 137,000. Today, that number has increased significantly.

The SPEAKER, naming the Federal building to be constructed in Savannah, Ga., as the "Juliette Gordon Low Federal Building" will enshrine the memory of an American instrumental in fostering the talents and leadership and abilities of generations of American women.●

The SPEAKER. The question is on the amendment offered by the gentleman from Missouri (Mr. YOUNG).

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2196. An act to extend the authorization of appropriations of the National Historical Publications and Records Commission for 5 years.

MAUDE R. TOULSON FEDERAL BUILDING

Mr. YOUNG of Missouri. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the bill (H.R. 4107) to designate the Federal build-

ing in Salisbury, Md., as the "Maude R. Toulson Federal Building," and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. SHAW. Reserving the right to object, Mr. Speaker, I yield to the gentleman from Maryland (Mr. DYSON).

Mr. DYSON. Mr. Speaker, I would like to thank our colleagues, Representatives BOB YOUNG, CLAY SHAW, GENE SNYDER, and yourself for the prompt consideration the Public Works Committee gave to my bill, H.R. 4107. The designation of the Maude R. Toulson Federal Building is important—not only to me, but also to the people of Salisbury. The people of this town unanimously agree that this unique woman, by right of her contributions to Salisbury, justly deserves a lasting commemoration.

Maude R. Toulson was a unique woman for her times. She balanced the demands of a family, the pressures of business, and the needs of the community with a grace, warmth, and talent rarely seen—then or now.

As an active member of the Episcopal Church, the Quota Club, and the Democratic Club, she acted as a model for her peers. Her noble efforts in fundraising for war bonds, the Red Cross, and the Community Chest went unmatched.

Mrs. Toulson's unyielding spirit and determination carried her through the harder times of her life. Following her husband's stroke in 1923, she took over the family drug store while still seeing to the needs of her family. And somehow she managed to squeeze in time to teach in area public schools.

In 1937, President Franklin D. Roosevelt appointed Mrs. Toulson postmaster in Salisbury. During her 10 years as postmaster, she successfully led the efforts to have the Federal Building extensively remodeled and expanded. Her tenure also brought something new to Wicomico County—rural free delivery.

Our debt to Maude R. Toulson lies not only with her record of outstanding community service. We must also recognize her as a woman ahead of her time, one whose accomplishments can be appreciated by the young women of our times. We pay tribute to a woman who had the drive to succeed, yet who managed her success with a warmth felt by her employees and patrons. Her grace and achievements echo in the halls of the Federal building—a building which will bear her name in an appropriate and lasting tribute.

Mr. SHAW. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Missouri (Mr. YOUNG).

Mr. YOUNG of Missouri. Mr. Speaker, H.R. 4107 would designate the Federal building in Salisbury, Md., as the "Maude R. Toulson Federal Building." Briefly, Mr. Speaker, this legislation is strongly supported by the residents of Salisbury, Md. As an active member of the Episcopal Church, the Quota Club, and the Democratic Club, she acted as a model for her peers. Her noble efforts in fundraising for war bonds, the Red Cross, and the Community Chest went unmatched.

Appointed in 1937 by President Franklin D. Roosevelt as postmaster in Salisbury, Md., a position she held with distinction for 10 years, she was successful in having the Federal building extensively remodeled and expanded. She was held in high esteem by the employees and patrons, and passage of this legislation is most worthy.

I urge passage of H.R. 4107.

Mr. SHAW. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the bill, as follows:

H.R. 4107

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal building located at 129 East Main Street, Salisbury, Maryland, shall hereafter be known and designated as the "Maude R. Toulson Federal Building". Any reference in a law, map, regulation, document, record, or other paper of the United States to such building shall be deemed to be a reference to the "Maude R. Toulson Federal Building".

● Mr. HOWARD. Mr. Speaker, I rise in support of H.R. 4107, a bill to designate the Federal building in Salisbury, Md., as the "Maude B. Toulson Federal Building."

Briefly, Mr. Speaker, Maude Toulson was a woman unique for her times. In 1937, President Franklin D. Roosevelt appointed Mrs. Toulson postmaster in Salisbury. During her 10 years as postmaster, she was successful in bringing air mail and rural free delivery to Wiconico County. Her grace and achievements echo in the halls of the Federal building—a building which will bear her name in an appropriate and lasting tribute upon passage of this legislation.

I urge passage of H.R. 4107.●

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

The SPEAKER. The Chair lays before the House the following message from the Senate:

In the Senate of the United States: *Ordered,* That the Secretary be directed to request the House of Representatives to return to the Senate the bill, Senate 2040, entitled an Act to Amend the Securities Act of 1933 and the Securities Exchange Act of 1934 With Respect to the Treatment of Mortgage Backed Securities to Increase the Authority of the Federal Home Loan Mortgage Corporation, and for other purposes.

The SPEAKER. Without objection, the request is agreed to.

There was no objection.

JULIETTE GORDON LOW FEDERAL BUILDING

Mr. YOUNG of Missouri. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate bill (S. 505) to designate the Federal building to be constructed in Savannah, Ga., as the "Juliette Gordon Low Federal Building."

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 505

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal building to be constructed at Telfair Square, Savannah, Georgia, shall hereafter be named and designated as the "Juliette Gordon Low Federal Building". Any reference in a law, map, regulation, document, record, or other paper of the United States to such building shall be held to be a reference to the "Juliette Gordon Low Federal Building".

SEC. 2. (a) The Administrator of General Services (hereinafter referred to as the Administrator) may accept and use contributions from private individuals or organizations for the design and construction of a memorial commemorating the life and accomplishments of Juliette Gordon Low. The Administrator, in consultation with the chairman of the National Endowment for the Arts and the national president of the Girl Scouts of America, shall determine the appropriate form and location of such memorial, to be located in or around the building referred to in this Act. The memorial may include fountains, gardens, walks, stained glass windows, or other building appurtenances visible and accessible to visitors, and in harmony with the architectural and landscape design of such building. The Administrator may conduct a competition to select a designer for the memorial authorized by this section. Such competition shall be open to landscape and other architects, artists, artisans, and designers.

(b) The Administrator shall provide maintenance for such memorial.

MOTION OFFERED BY MR. YOUNG OF MISSOURI

Mr. YOUNG of Missouri. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YOUNG of Missouri moves to strike out all after the enacting clause of the Seante bill, S. 505, and to insert in lieu thereof the provisions of H.R. 1551, as passed by the House, as follows:

That the Federal building to be constructed at Telfair Square, Savannah, Georgia, shall hereafter be named and designated as the "Juliette Gordon Low Federal Building". Any reference in a law, map, regulation, document, record, or other paper of

the United States to such building shall be held to be a reference to the "Juliette Gordon Low Federal Building".

SEC. 2. (a) The Administrator of General Services (hereinafter referred to as the "Administrator") may accept and use contributions from individuals and private organizations for the design and construction of a memorial, to be located in or around the building referred to in the first section of this Act, commemorating the life and accomplishments of Juliette Gordon Low. The Administrator, in consultation with the chairman for the National Endowment for the Arts and the national president of the Girl Scouts of America, shall determine the appropriate form and location of such memorial, taking into account the cost of maintaining such memorial.

(b) The Administrator shall provide maintenance for such memorial.

SEC. 3. Notwithstanding any other provision of law, the Secretary of Transportation, in cooperation with the commonwealth of Virginia and the District of Columbia, shall carry out a demonstration project on Interstate Highway 95 and 395 in Virginia and the District of Columbia for a period of not less than 12 months commencing within 30 days after the District of Columbia begins actual reconstruction of the George Mason Bridge. The Commonwealth of Virginia and the District of Columbia shall restrict the use of the express lanes on such highway to buses, emergency vehicles, and other vehicles carrying four or more persons during the hours of 6:00 ante meridiem to 9:00 ante meridiem on Monday through Friday, exclusive of holidays, on northbound lanes and during the hours of 3:30 post meridiem to 6:00 post meridiem on Monday through Friday, exclusive of holidays, on southbound lanes during the demonstration period. The Secretary of Transportation, in consultation with the commonwealth of Virginia and the District of Columbia, may adjust such hours and refine the demonstration to enhance safety, minimize congestion, and maximize the use of the facility. During the demonstration period, the Secretary of Transportation, in cooperation with the Commonwealth of Virginia and the District of Columbia shall carry out an environmental assessment of the effects of the high occupancy vehicle restrictions, and shall, upon completion of such assessment, report to the Congress the results of the assessment and the demonstration project.

SEC. 4. Section 4 of the John F. Kennedy Center Act is amended by inserting "(a)" after "Sec. 4." and by adding at the end thereof the following new subsection:

"(b)(1) Except as provided in paragraph (2) of this subsection, the Board shall assure that after the date of enactment of this subsection, no additional memorials or plaques in the nature of memorials shall be designated or installed in the public areas of the John F. Kennedy Center for the Performing Arts.

"(2) Paragraph (1) of this subsection shall not apply to—

"(A) any plaque acknowledging a gift from a foreign country;

"(B) any plaque on a theater chair or a theater box acknowledging the gift of such chair or box; and

(C) any inscription on the marble walls in the north or south galleries, the Hall of States, or the Hall of Nations acknowledging a major contribution;

which plaque or inscription is permitted under policies of the Board in effect on the date of enactment of this subsection.

"(3) For purposes of this subsection, testimonials and benefit performances shall not be construed to be memorials.".

SEC. 5. Notwithstanding any other provisions of law and the Secretary of Transportation's decision on Interstate Highway 66, Fairfax and Arlington Counties, Virginia, dated January 5, 1977, the Secretary of Transportation, in cooperation with the Commonwealth of Virginia, shall carry out a demonstration project on Interstate Highway 66 in Fairfax and Arlington Counties, Virginia for a period not less than 12 months commencing within 60 days of the enactment of this section. The Commonwealth of Virginia shall restrict the use of such highway between I-495 and the District of Columbia to high occupancy vehicles carrying three or more passengers during the hours of 7 a.m. to 9 a.m. on Monday through Friday, exclusive of holidays, on eastbound lanes and during the hours of 4 p.m. to 6 p.m. on Monday through Friday, exclusive of holidays, on westbound lanes during the demonstration period. High Occupancy Vehicle requirements shall not apply to vehicles entering I-66 or the Theodore Roosevelt Bridge from Lynn Street or the George Washington Parkway in Arlington County, Virginia. During the demonstration period, the Secretary of Transportation, in cooperation with the commonwealth of Virginia, shall carry out an environmental assessment of the effects of the high occupancy vehicle restrictions, and shall, upon completion of such assessment, report to the Congress the results of the assessment and the demonstration project.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YOUNG of Missouri. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the six bills just passed.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

EXTENDING EXPIRATION DATE OF SECTION 252 OF ENERGY POLICY AND CONSERVATION ACT

Mr. SHARP. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4194) to extend the expiration date of section 252 of the Energy Policy and Conservation Act, with the Senate amendment thereto, and concur in the Senate amendment with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment.

Strike out all after the enacting clause and insert: *That subsection (j) of section 252 of the Energy Policy and Conservation Act (42 U.S.C. 6272(j)) is amended by striking out "December 31, 1983" and inserting in lieu thereof "June 30, 1985": Provided, however, That such provision shall terminate on June 1, 1984, unless a statute has been signed into law to authorize standby authorities to the President to allocate crude and petroleum products for essential domestic use during an international oil shortage.*

Mr. SHARP (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the amendment be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. BROYHILL. Reserving the right to object, Mr. Speaker, is it my understanding that the language is not supposed to be in there? The Clerk read language that I understand we were striking.

Mr. SHARP. Mr. Speaker, if the gentleman will yield, no, the Clerk was reading the Senate amendment, and then our amendment actually strikes all of that out, so the net effect of the bill is to be exactly as it passed the House of Representatives.

□ 1710

Mr. BROYHILL. That is what I have agreed to, is to amend the bill so that it is in the original version of the bill that passed the House a couple of months ago, and to strike the offensive Senate language.

I want to make sure that we are correct.

Mr. SHARP. Mr. Speaker, if I could alter the unanimous consent request, I will withdraw my first unanimous consent request and simply restate it. Mr. Speaker, I ask unanimous consent to take this bill from the table and to disagree with the Senate amendment.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

A motion to reconsider was laid on the table.

APPOINTMENT OF MEMBERS OF DELEGATION OF CANADA-UNITED STATES INTERPARLIAMENTARY GROUP IN PUERTO RICO

The SPEAKER. Pursuant to the provisions of 22 United States Code 276d, the Chair appoints as members of the U.S. delegation to attend the 25th meeting of the Canada-United States Interparliamentary Group March 8 through 12, 1984, in Puerto Rico, the following Members on the part of the House:

Messrs. FASCELL of Florida, Chairman; BOLAND of Massachusetts, Vice Chairman; GIBBONS of Florida; HAMILTON, of Indiana; OBERSTAR of Minneso-

ta; BARNES of Maryland; LAFALCE of New York; BROOMFIELD of Michigan; HORTON of New York; WINN of Kansas; STANGELAND of Minnesota; and MARTIN of New York.

PERMISSION FOR COMMITTEE OF THE JUDICIARY TO HAVE UNTIL 7 P.M., MONDAY, NOVEMBER 21, 1983, TO FILE REPORT ON H.R. 3336

Mr. CONYERS. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary have until 7 p.m. on Monday, November 21, 1983, to file its report on H.R. 3336.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DECLARING THE UNITED STATES HOLDS CERTAIN LANDS IN TRUST FOR THE MAKAH INDIAN TRIBE OF WASHINGTON STATE

Mr. UDALL. Mr. Speaker, I renew the unanimous consent request earlier made for the consideration of H.R. 3376.

The Clerk read the title of the bill.

Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3376) to declare the United States hold certain lands in trust for the Makah Indian Tribe in Washington, and ask for its immediate consideration

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. LUJAN. Mr. Speaker, reserving the right to object, I do so to ask the gentleman to please explain what the legislation is about.

Mr. McNULTY. Mr. Speaker, will the gentleman yield?

Mr. LUJAN. I yield to the gentleman from Arizona.

Mr. McNULTY. Mr. Speaker, H.R. 3376 is a bill which provides for the transfer in trust to the United States for the benefit of the Makah Indian Tribe of Washington of two uninhabited islands comprising about 80 acres of land.

These two islands are located just off the coast of the Makah Indian Reservation and used to belong to the tribe until they were taken from the tribe by the United States in 1855.

These two islands are presently administered by the BLM which leases them to the Coast Guard which maintains an automated signal light and fog horn on one of the islands. The Coast Guard has no objection to the bill.

The administration testified that it had no objection to the transfer but believed that the transfer could and should be accomplished under the provisions of the Federal Land Management and Policy Act. However a transfer under FLPMA cannot be presently made because there is no land use plan for this area and the islands have not been officially surveyed. These two requirements would be both time consuming and would cost about as much as the land is worth. Therefore, a legislative transfer as proposed by this bill is the best solution.

Since the islands are already owned by the United States, the transfer would not result in any significant additional costs to the United States.

Although the islands are of insignificant commercial value, they are of great cultural, historical, and religious importance to the Makah people.

Mr. LUJAN. Might I ask the gentleman, those belonged to the Coast Guard as I remembered and there was no objection to those islands; is that correct?

Mr. McNULTY. The gentleman is quite correct, and we have written permission from the Coast Guard to go ahead with this, and that that would not interfere with their operation.

Mr. LUJAN. Is that fog horn still there on that island?

Mr. McNULTY. I am advised it is.

Mr. LUJAN. We have not dedicated it to anyone; is that correct?

Mr. UDALL. We have not, but we might name the fog horn after the gentleman from Arizona.

Mr. EDGAR. Mr. Speaker, will the gentleman yield?

Mr. LUJAN. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Speaker, I thank the gentleman for yielding.

Are there any other issues in this legislation besides the one the gentleman has stated?

Mr. UDALL. The answer is "no."

Mr. LUJAN. Further reserving the right to object, if I might ask the chairman of the full committee, we had another bill from Nevada, and is that coming up at a later time?

Mr. UDALL. That one is next.

Mr. LUJAN. Mr. Speaker, I withdraw my reservation of objection.

Mr. FRENZEL. Mr. Speaker, reserving the right to object, when this bill was brought up a moment ago, we had an objection from one of our Members.

I would like to ask the distinguished chairman of the Interior Committee if he has had a chance to reason with the gentleman and discuss the problem concerning that Member, and if he can report anything to me on the outcome of that?

I yield to the gentleman from Arizona (Mr. UDALL) for his answer.

Mr. UDALL. Mr. Speaker, I just finished speaking to the gentleman from Colorado who is right there, and I think we have taken care of the situation he was concerned about. I have offered to meet with him in the next 3 or 4 weeks and straighten out the matters.

Mr. FRENZEL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the bill as follows:

H.R. 3376

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Subject to subsection (c), all right, title, and interest of the United States in the lands described in subsection (b) are declared—

(1) to be held in trust by the United States for the Makah Indian Tribe, Washington, and

(2) to be a part of the Makah Indian Reservation.

(b) The lands referred to in subsection (a) are the islands described as follows:

The unsurveyed island of Tatoosh together with its islets and rocks, located between latitude 48 degrees 23 minutes north and 48 degrees 24 minutes north (protracted township 33 north, range 16 west, in section 2 and protracted township 34 north, range 16 west, in section 35), containing approximately 47.2 acres in Clallam County, Washington, West Willamette Meridian.

The island known as Waadah Island, decribed as lot 1 in section 1, containing 1.89 acres; lot 1 in section 2, containing 22.94 acres; lot 11 in section 11, containing 3.50 acres, and lot 16 section 12, containing 5.89 acres, all in township 33 north, range 15 west, West Willamette Meridian, Plat of Survey approved February 5, 1926.

(c) Nothing in subsection (a) shall deprive the United States of any right to use, occupy, maintain, replace, expand, or reconstruct any Coast Guard facility on any island described in section (b), including any aid to navigation and access to any such aid to navigation. If the United States Coast Guard shall at any time cease to have need for any such facilities, the Secretary of Transportation (or the Secretary of Defense when the Coast Guard is operating as a service in the Navy) shall notify the Makah Indian Tribe and the Secretary of the Interior of that fact. Upon any such notification, any reservation of right under this subsection shall terminate.

(d) No existing fishing right of the Makah Indian Tribe shall be enlarged, impaired, or otherwise affected by subsection (a).

The bill was ordered to be engrossed a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DECLARING THAT THE UNITED STATES HOLDS CERTAIN LANDS IN TRUST FOR THE LAS VEGAS PAIUTE INDIAN TRIBE

Mr. UDALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3765) to declare that the United States hold certain lands in trust for the Las Vegas Paiute Indian Tribe, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. LUJAN. Mr. Speaker, reserving the right to object, I make that reservation simply to ask the gentleman to explain the bill. And is this the one with the gentlewoman from Nevada (Mrs. VUCANOVICH)?

I yield to the gentleman for his answer.

Mr. UDALL. Mr. Speaker, the gentlewoman from Nevada (Mrs. VUCANOVICH) was the sponsor. It is in her district, and she strongly supports the bill.

Mr. LUJAN. Could we have a little explanation?

Mr. UDALL. Mr. Speaker, H.R. 3765 is a bill which provides for the transfer to the United States in trust for the benefit of the Las Vegas Paiute Tribe in Nevada of some 3,800 acres of vacant, undeveloped public land in Clark County, Nev.

The Las Vegas Paiute Tribe presently resides on a 12.54-acre reservation and desperately needs the additional lands in order to provide additional housing for its tribal members and in order to promote economic development.

Although the administration has no objection to the land transfer, it believes that the transfer could and should be accomplished under the provisions of the Federal Land Policy and Management Act. However these lands were recently included in a land use plan which did not identify them as being for sale. Therefore in order for the transfer to be accomplished under FLPMA, the present land use plan would have to be amended.

Since this would be both time consuming and costly, a legislative transfer of these lands as proposed by H.R. 3765 is justified. Since these lands are already owned by the United States, the transfer would not result in any significant additional costs to the United States.

Mr. LUJAN. MR. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3765

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subject to the provisions of subsection (b), all right, title, and interest of the United States in the following lands (including all improvements thereon and appurtenances thereto) located in Las Vegas, Clark County, Nevada, are hereby declared to be held by the United States in trust for the benefit and use of the Las Vegas Paiute Tribe and are hereby declared to be part of the Las Vegas Paiute Reservation:

Township 18 south, range 59 east, Mount Diablo base line and meridian, section 36, 640 acres more or less, excepting therefrom that certain strip of land 400 feet in width bearing northwesterly through said section for the purposes of rights-of-way for United States Highway number 95. Reservations restrictions, and conditions, if any; rights-of-way and assessors either of record or actually existing on said premises.

Township 18 south, range 59 east, Mount Diablo base line and meridian, section 35, 640 acres more or less, excepting therefrom that certain strip of land 400 feet in width bearing northwesterly through said section for the purposes of right-of-way for United States Highway numbered 95. Reservations restrictions, and conditions, if any; rights-of-way and assessors either of record or actually existing on said premises.

Township 18 south, range 59 east, Mount Diablo base line and meridian, section 26, 640 acres more or less, excepting therefrom that certain strip of land 400 feet in width bearing northwesterly through said section for the purposes of right-of-way for United States Highway numbered 95. Reservations, restrictions, and conditions, if any; rights-of-way and assessors either of record or actually existing on said premises.

Township 18 south, range 59 east, Mount Diablo base line and meridian, section 27, 640 acres more or less, excepting therefrom that certain strip of land 400 feet in width bearing northwesterly through said section for the purposes of right-of-way for United States Highway numbered 95. Reservations, restrictions, and conditions, if any; rights-of-way and assessors either of record or actually existing on said promises.

Township 18 south, range 59 east, Mount Diablo base line and meridian, section 25, 640 acres more or less, reservations, restrictions, and conditions, if any; rights-of-way and assessors either of record or actually existing on said premises.

Township 20 south, range 61 east, Mount Diablo base line and meridian, 10 acres of land within section 27 as acquired by the United States for the use of Paiute Indians by deed dated December 30, 1911, said deed being of record in book 2, page 246 in Clark County, Nevada.

(b) Nothing in this section shall deprive any person of any right-of-way, mining claim, grazing permit, water right, or other right or interest which such person may have in land described in subsection (a) on the date preceding the date of enactment of this Act.

(c) Section 1 of the Act of August 9, 1955 (69 Stat. 539), as amended (25 U.S.C. 415), is further amended by inserting ", and lands held in trust for the Las Vegas Paiute Tribe of Indians," immediately after "Chelan County, Washington,".

(d) Section 164 of the Act of July 14, 1955 (69 Stat. 322, 42 U.S.C. 7474), as amended, shall be applied without regard to the provisions of subsection (a).

● Mrs. VUCANOVICH. Mr. Speaker, I thank the gentleman from Arizona for his explanation. I would also like to express my appreciation to him and his staff for their cooperation and assistance in moving this bill through the Interior Committee and to the House floor today.

As noted, the purpose of the bill is to transfer title to approximately 3,800 acres of vacant, undeveloped desert land administered by the BLM in Clark County, Nev., in trust for the Las Vegas Paiute Tribe.

The Las Vegas Paiute are a federally recognized tribe with a great need for additional land on which to provide for its future economic development, for housing and for community services for its members. The tribe's present 12½ acre reservation—half of which is unusable due to various rights-of-way over it—will not permit these needs to be met. With passage of this bill, the tribe will be able to proceed in working to realize its ambitious plans for increased self-sufficiency.

This tribe's efforts to help itself have produced wide support in Nevada for this legislation. The Nevada delegation has cosponsored similar bills in both House and Senate. The Governor of Nevada, local cities and private citizens support it. Although the administration would prefer that the lands be transferred under the Federal Land Policy and Management Act, it does not object to the transfer of the land to the tribe.

I strongly urge the House to approve H.R. 3765 reported by the Interior Committee.●

COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 3 beginning on line 18 insert:

Township 18 south, range 59 east, Mount Diablo base line and meridian, section 34, 640 acres more or less, reservations, restrictions, and conditions, if any; rights-of-way and assessors either of record or actually existing on said premises.

The SPEAKER. The question is on the committee amendment.

The bill was ordered to be engrossed a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING CAPITAL IMPROVEMENT PROJECTS ON GUAM

Mr. WON PAT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 589) to authorize $15,500,000 for the capital improvement projects on Guam, and for other purposes, with Senate amendments to the House amendments thereto, and concur in the Senate amendments to the House amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments to the House amendment, as follows:

Page 4, after line 11, insert:

(d) Section 3 of the Revised Organic Act of the Virgin Islands (68 Stat. 498), as amended, is further amended by inserting "article VI, clause 3;" after 'article IV, section 1 and section 2, clause 1; and before "the first to ninth amendments".'

Page 6, strike out all after line 9 over to and including line 13 on page 7, and insert:

SEC. 11. Title III of the Clean Air Act is amended by inserting after section 324 the following new section and renumbering succeeding sections accordingly:

"'EXEMPTIONS FOR CERTAIN TERRITORIES

"'SEC. 325. (a)(1) Upon petition by the governor of Guam, American Samoa, or the Commonwealth of the Northern Mariana Islands, the Administrator is authorized to exempt any person or source or class of persons or sources in such territory from any requirement under this Act other than section 112 or any requirement under section 110 or part D necessary to attain or maintain a national primary ambient air quality standard. Such exemption may be granted if the Administrator finds that compliance with such requirement is not feasible or is unreasonable due to unique geographical, meteorological, or economic factors of such territory, or such other local factors as the Administrator deems significant. Any such petition shall be considered in accordance with section 307(d) and any exemption under this subsection shall be considered final action by the Administrator for the purposes of section 307(b).

"'(2) The Administrator shall promptly notify the Committees on Energy and Commerce and on Interior and Insular Affairs of the House of Representatives and the Committees on Environment and Public Works and on Energy and Natural Resources of the Senate upon receipt of any petition under this subsection and of the approval or rejection of such petition and the basis for such action.

"'(b) Nothwithstanding any other provision of this Act, any fossil fuel fired steam electric power plant operating within Guam as of the data of enactment of this section is hereby exempted from:

"'(1) any requirement of the new source performance standards relating to sulfur dioxide promulgated under section 111 as of such date of enactment; and

"'(2) any regulation relating to sulfur dioxide standards or limitations contained in a State implementation plan approved under section 110 as of such date of enactment: *Provided*, That such exemption shall expire eighteen months after such date of enactment unless the Administrator determines that such plant is making all emissions reduction practicable to prevent exceedance of the national ambient air quality standards for sulfur dioxide.".

Page 8, strike out lines 14, 15, and 16, and insert:

SEC. 14. Effective with respect to milk marketed for commercial use during the period beginning on December 1, 1983 and ending on May 31, 1984, paragraph (2) and (3) of section 201(d) of the Agricultural Act of 1949 shall apply only to milk produced in the forty-eight contiguous States.

Page 8, after line 16, insert:

SEC. 15. (a) Section 1839 of the Revised Statutes (48 U.S.C. 1451) is amended by adding at the end thereof: "As used herein, the term 'Territory' does not include the Virgin Islands, Puerto Rico, American Samoa, Guam, or the Northern Mariana Islands.".

(b) Section 1840 of the Revised Statutes (48 U.S.C. 1452) is amended by adding at the end thereof: "As used herein, the term 'Territory' does not include the Virgin Islands, Puerto Rico, American Samoa, Guam, or the Northern Mariana Islands.".

SEC. 16. The following provisions of law are repealed:

(a) That portion of section 1 of the Legislative, Executive, and Judicial Appropriation Act for the fiscal year 1916 (March 5, 1915, c.141, Sec. 1, 38 Stat. 1021) which reads as follows: "Hereafter, the accounts and vouchers relating to the expenditure of the appropriations for government in the Territories shall be transmitted to the Secretary of the Interior for administrative examination and by him passed to the Auditor for the Interior Department for settlement.";

(b) Chapter 56 of the Act of April 16, 1880 (21 Stat. 74);

(c) Section 1841 of the Revised Statutes (48 U.S.C. 1453);

(d) Section 1873 of the Revised Statutes (48 U.S.C. 1453a);

(e) Section 1843 of the Revised Statutes (48 U.S.C. 1454);

(f) Section 1844 of the Revised Statutes (48 U.S.C. 1455);

(g) Section 1855 of the Revised Statutes (48 U.S.C. 1457);

(h) Section 1857 of the Revised Statutes (48 U.S.C. 1458);

(i) Section 1858 of the Revised Statutes (48 U.S.C. 1459);

(j) Section 1860 of the Revised Statutes, as amended (48 U.S.C. 1460);

(k) Section 1854 of the Revised Statutes as amended (48 U.S.C. 1460a);

(l) Section 8 of the Act of March 22, 1882 (22 Stat. 31);

(m) Section 1 of the Act of June 19, 1878 (20 Stat. 193);

(n) Section 1868 of the Revised Statutes (48 U.S.C. 1463);

(o) Section 1864 of the Revised Statutes (48 U.S.C. 1463a);

(p) Section 1 of the Act of April 7, 1874 (18 Stat. 27);

(q) Section 1878 of the Revised Statutes (48 U.S.C. 1465);

"(r) That portion of chapter 88 of the Act of May 1, 1876 (19 Stat. 43), which reads as follows: "And hereafter payment of salaries of all officers of the Territories of the United States appointed by the President shall commence only when the person appointed to any such office shall take the proper oath, and shall enter upon the duties of such office in Territory; and said oath shall hereafter be administered in the Territory in which such office is held.";

(s) Section 1883 of the Revised Statutes (48 U.S.C. 1467);

(t) Section 1884 of the Revised Statutes (48 U.S.C. 1468), as amended by section 304 of chapter 18 of the Act of June 10, 1921 (42 Stat. 24);

(u) Section 1886 of the Revised Statutes (48 U.S.C. 1469) as amended by section 304 of chapter 18 of the Act of June 10, 1921 (42 Stat. 24);

(v) Section 1888 of the Revised Statutes (48 U.S.C. 1470);

(w) Section 1 of chapter 818 of the Act of July 30, 1886 (24 Stat. 170);

(x) Section 4 of chapter 818 of the Act of July 30, 1868 (24 Stat. 171) as amended by chapter 43 of the Act of August 22, 1911 (37 Stat. 33);

(y) Section 3 of chapter 818 of the Act of July 30, 1886 (24 Stat. 171);

(z) Section 2 of chapter 679 of the Act of July 19, 1888 (25 Stat. 336);

(aa) Section 2 of chapter 818 of the Act of July 30, 1886 (24 Stat. 171);

(bb) Chapter 35 of the Act of March 4, 1898 (30 Stat. 252);

(cc) Chapter 820 of the Act of June 6, 1900 (31 Stat. 683);

(dd) Section 6 of chapter 818 of the Act of July 30, 1886 (24 Stat. 171);

(ee) Section 7 of chapter 818 of the Act of July 30, 1886 (24 Stat. 171);

(ff) Chapter 235 of the Act of June 16, 1880 (21 Stat. 277);

(gg) Section 1892 of the Revised Statutes (48 U.S.C. 1482);

(hh) Section 1893 of the Revised Statutes (48 U.S.C. 1483);

(ii) Section 1894 of the Revised Statutes (48 U.S.C. 1484);

(jj) Section 1895 of the Revised Statutes (48 U.S.C. 1485); and

(kk) Section 388 of the Act of June 22, 1874 (18 Stat. * * *).

SEC. 17. No provision of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States of America by the United States of America shall bar the United States of America from paying compensation to or employing any citizens of the Northern Mariana Islands.

SEC. 18. No requirement of United States citizenship in any Federal law which provides Federal services or financial assistance and which is applicable to the Northern Mariana Islands by operation of section 502(a)(1) of the Covenant or, if enacted subsequent to March 24, 1976, by its own terms shall bar a citizen of the Northern Mariana Islands from receiving services or assistance pursuant to such law.

SEC. 19. (a) The President may, subject to the provisions of section 20 of this Act, by proclamation provide that the requirement of United States citizenship or nationality provided for in any of the statutes listed on pages 63-74 of the Interim Report of the Northern Mariana Islands Commission on Federal laws to the Congress of the United States, dated January 1982 and submitted pursuant to section 504 of the Covenant, shall not be applicable to the citizens of the Northern Mariana Islands. The President is authorized to correct clerical errors in the list, and to add to it provisions, where it appears from the context that they were inadvertently omitted from the list.

(b) A statute which denies a benefit or imposes a burden or a disability on an alien, his dependents, or his survivors shall, for the purposes of this Act, be considered to impose a requirement of United States citizenship or nationality.

SEC. 20. (a) The President may issue one or more proclamations under the authority of this Act.

(b) When issuing such proclamation or proclamations the President—

(1) shall take into account:

(i) the hardship suffered by the citizens of the Northern Mariana Islands resulting from the fact that, while they are subject to most of the laws of the United States, they are denied the benefit of those laws which contain a requirement of United States citizenship or nationality;

(ii) the responsibilities, obligations, and limitations imposed upon the United States by international law;

(2) may make the requirement of United States citizenship or nationality inapplicable only to those citizens of the Northern Mariana Islands who declare in writing that they do not intend to exercise their option under section 302 of the Covenant to become a national but not a citizen of the United States;

(3) may make the requirement of a United States citizenship or nationality inapplicable only in the Northern Mariana Islands;

(4) may retain the requirement of United States citizenship or nationality with respect to parts of a statute or portion thereof.

SEC. 21. If the President does not issue any proclamation authorized by section 19 of this Act within a period of six months following the effective date of the Act, the requirement of United States citizenship or

nationality as a prerequisite of any benefit, right, privilege, or immunity in any statute made applicable to the Northern Mariana Islands by the terms of that statute or by operation of the Covenant shall not be applicable to citizens of the Northern Mariana Islands: *Provided*, That the provisions of this section shall not be applicable to any requirements of United States citizenship or nationality contained in statutes relating to the political rights of citizenship, and to the diplomatic protection of, and services to, citizens or nationals of the United States in foreign countries: *Provided further*, That with respect to the statutes relating to the uniformed services, the requirement of United States citizenship or nationality shall remain in effect, except with respect to those citizens of the Northern Mariana Islands who declare in writing that they do not intend to exercise their option under section 302 of the Covenant to become a national but not a citizen of the United States.

SEC. 22. Nothing in this Act shall be construed as extending to the Northern Mariana Islands any statutory provision or regulation not otherwise applicable to or within the Northern Mariana Islands, in particular the statutes relating to immigration and nationality and the regulations issued under them.

SEC. 23. The authority of the President to issue proclamations under section 19 of this Act shall terminate upon the establishment of the Commonwealth of the Northern Mariana Islands pursuant to section 1002 of the Covenant. Section 21 of this Act shall not become effective if the Commonwealth of the Northern Mariana Islands is established within the period of six months following the effective date of this Act.

SEC. 24. As used in this Act:

(a) "Covenant" means the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, approved by the Joint Resolution of March 24, 1976 (90 Stat. 263, 48 U.S.C. 1681, note).

(b) "Citizen of the Northern Mariana Islands" means a citizen of the Trust Territory of the Pacific Islands and his or her children under the age of eighteen years, who does not owe allegiance to any foreign state, and who—

(1) was born in the Northern Mariana Islands and is physically present in the Northern Mariana Islands or in the United States or any territory or possession thereof; or

(2) has been lawfully and continuously domiciled in the Northern Mariana Islands since January 1, 1974, and, who, unless then under age, was registered to vote in an election for the Mariana Islands legislature or for any municipal election in the Northern Mariana Islands prior to January 1, 1975.

(c) "Domicile" means that place where a person maintains a residence with the intention of continuing such residence for an unlimited or indefinite period, and to which such person has the intention of returning whenever he is absent, even for an extended period.

SEC. 25. Upon the establishment of the Commonwealth of the Northern Mariana Islands pursuant to section 1002 of the Covenant, the benefits acquired under this Act shall merge without interruption into those to which the recipient is entitled by virtue of his acquisition of United States citizenship, unless the recipient exercises his privilege under section 302 of the Covenant to become a national but not a citizen of the United States.

Mr. WON PAT (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments to the House amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Guam?

Mr. LAGOMARSINO. Mr. Speaker, reserving the right to object, the gentleman from Guam has already explained the Senate amendment. I would only add that the bill is vitally important. We should pass it now, because to fail to do so could cost the State of Guam about $12 million unnecessarily. I urge my colleagues to vote for this amendment.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Guam?

There was no objection.

The SPEAKER. Is there objection to the initial request of the gentleman from Guam?

There was no objection.

A motion to reconsider was laid on the table.

□ 1720

UNITED STATES SHOULD SPEAK OUT IN DEFENSE OF GREEK CYPRIOTS

(Mr. DYSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DYSON. Mr. Speaker, 9 years ago, in July 1974, a Turkish army invaded the small island nation of Cyprus. In an unprovoked attack along the northern beaches, it brutally occupied more than one-third of the island, making refugees of almost half the population.

That criminal assault has never been righted. During the intervening period, the Turks have steadily colonized their occupied territory. They have relocated hundreds of their people from the mainland to the island. They have instituted the Turkish language into the schools. They have substituted a Turkish based monetary system. They have attempted to veil their criminal invasion in the cloak of legitimacy.

Greek-speaking Cypriots have initiated eight rounds of intercommunal talks, searching for ways to reconcile the divided population. The Turks have remained intransigent. The United Nations has repeatedly promulgated resolutions condemning the forced division of the island. It has demanded the removal of all foreign troops from Cyprus. And still the Turks have remained, unmovable.

Until this past Tuesday, the 1974 assault was another wretched chapter in a mournful history of international discord. Now, it has become current events. On Tuesday, November 15, the Turkish Army considered itself powerful enough, and well enough entrenched to announce itself as a sovereign state. A certain Mr. Denktash and his backers are pretending to legitimacy. And Turkey is the sole nation to extend to this band the privilege of diplomatic recognition.

Mr. Speaker, the point to which I wish to draw my colleagues' attention is that throughout these past 9 years, the United States has never once expressed its condemnation. Our Government supplied the munitions that Turkish soldiers used in the 1974 invasion. We abstained from voting in any of the U.N. resolutions. We have, in fact, tacitly approved the eradication of the Greek-speaking Cypriots.

Mr. Speaker, it is time that we spoke out, in defense of the Greek Cypriots, in defense of sovereignty, and in opposition to brutal invasion. I strongly support the resolution that passed the House yesterday, and am pleased that my colleagues took that opportunity to clear the record of American neglect.

DISCUSSION RELATIVE TO THE DECLARING OF A RECESS

The SPEAKER. Are there any further requests from the membership? If not, without objection, the House will be in recess subject to the call of the Chair.

Mr. LOTT. Mr. Speaker, reserving the right to object, I assume that this is so that we could wait for the other body to complete action on their remaining bills over there. But I would like to inquire as to whether or not there will be any legislative business when we do come back into session subject to the call of the Chair.

We would hope that this would be the end of the legislative business for the House and the Members would be assured that they would not have any more recorded votes or any other legislative business.

The SPEAKER. The Chair would state it could very well be that the other body would send over some other business. They are voting on the defense appropriation bill at this particular time.

It is also the Chair's understanding there still remains a request from the gentleman from California (Mr. PANETTA).

Will the gentleman withdraw his reservation? The Chair will not declare a recess at this time.

Mr. LOTT. Mr. Speaker, I withdraw my reservation of objection.

FEDERAL COMMUNICATIONS COMMISSION AUTHORIZATION ACT OF 1983

Mr. WIRTH. Mr. Speaker, I ask unanimous consent that further consideration of the bill (H.R. 2755), the Federal Communications Commission Authorization Act of 1983, be in the House; that the committee amendment in the nature of a substitute, now printed in the bill, as already amended in the Committee of the Whole and as further amended in the form now at the desk, be considered as agreed to, and that the previous question be considered as ordered on the bill to final passage.

The Clerk read the title of the bill and the proposed amendment.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. BROYHILL. Mr. Speaker, reserving the right to object, and I shall not object, there have been several amendments that have been floating around that I was objecting to being put in the bill, one pertaining to the Intelsat organization, the International Satellite Corporation, and also that would have prohibited the FCC from taking action in certain instances on applications that had been filed before that agency.

It is my understanding that those amendments now have been dropped and this bill is as was agreed to by the committee, with amendments that have been agreed to by the committee.

Mr. WIRTH. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Colorado.

Mr. WIRTH. All of the Intelsat language, per the discussion between the gentleman from North Carolina, the gentleman from Michigan, and the gentleman from Colorado, has been dropped.

In addition, in the bill are two amendments sponsored by the gentleman from Virginia (Mr. BLILEY). One of those which he had worked out with the gentleman from Wisconsin (Mr. KASTENMEIER) relates to the so-called dial-a-porn issue. The second amendment which the gentleman from Virginia (Mr. BLILEY) had been concerned about related to the Public Broadcasting System interest-free loans. Both of those amendments are now included in the bill.

In addition, included in the bill are the four amendments of concern to the other body; first, the Goldwater amateur radio amendment which is in section 11; the Pressler certification of engineers by voluntary groups in section 10; the administration's request through NTIA related to ITU conferences in section 13; and the amendment of Senator HOLLINGS on the encouragement of new services, section 12.

Mr. BROYHILL. Mr. Speaker, I have no general objection and I know many people would have an interest in these. I find no objection and in fact wholeheartedly endorse these amendments, so I would have no objection so long as the objectionable amendments have been dropped.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

Mr. BLILEY. Mr. Speaker, reserving the right to object, I rise in support of the amendment.

Mr. Speaker, I would like to express my thanks to the gentleman from Wisconsin, a member of the Committee on the Judiciary and the gentleman from Colorado, chairman of the Subcommittee on Telecommunications for their cooperation in this matter.

The Judiciary Committee has, in the pending amendment, redrafted the amendment I originally offered in the Energy and Commerce Committee to more closely follow Supreme Court rulings on obscenity. I am not a lawyer, and the committee's expertise in this area far exceeds my own, so I appreciate their assistance.

I would observe that the Judiciary Committee amendment is not designed to make substantive changes in the amendment as reported from the Energy and Commerce Committee. The amendment clarifies our intent to target obscene material which may be available to children.

The amendment omits the terms "lewd, lascivious, filthy" from section 8 of the bill. This change is merely to clarify that Congress intends to be consistent with Supreme Court rulings on obscenity which require a violation of community standards and an appeal to prurient interests. In *Manual Enterprises* v. *Day*, 370 U.S. 478, Justice Harlan observed that though words such as these have different shades of meaning in common usage, they are all aimed at obnoxiously debasing portrayals of sex. Therefore, it is not necessary to keep the litany of terms as currently in the statute to prohibit that kind of material. It was necessary, however, to maintain the term "indecent" since the Supreme Court upheld the FCC's assessment of a fine based on indecent material in the Pacifica case.

I would observe as an aside that the ruling in Pacifica clearly affirms the FCC's ability and authority to examine material to determine whether it is obscene or indecent and to assess fines on that basis. This amendment clarifies that question and obviates the need for the FCC's pending inquiry on that issue, though I believe it was absurd for the FCC to ever consider their authority in that area questionable, based on Pacifica.

The amendment refers to "commercial purposes," and I would like to clarify that it is my understanding and that of the other Members involved that commercial purposes in this context extends not only to activities which may be financially profitable in themselves, but also to advertising or promotional activities for ventures such as magazines or movies, and other types of commercial activity.

Finally, I would again like to clarify that no common carrier is liable under this provision unless the carrier itself or a subsidiary or related entity originates the obscene transmission. As long as a common carrier is following the law and FCC regulations, it could not have knowledge of any transmissions by other parties. Therefore, AT&T and other common carriers would not in any way be liable for merely transmitting obscene or offensive messages in the capacity of a common carrier. I would again welcome the confirmation of the gentleman from Colorado on that point.

I thank the gentleman and again the gentleman from Wisconsin and the Committee on the Judiciary for their cooperation in this matter. I urge the adoption of the amendment.

Mr. Speaker, I would like to further comment at this time on the effect of this amendment on the FCC's GEN Docket No. 83-989. In the matter of inquiry into enforcement of prohibitions against the use of common carriers for the transmission of obscene materials, and on the complaint of Peter F., Cohalan (File No. E 83-14) and other complaints against dial-a-porn services which violate section 223.

The Commission initiated its inquiry on September 9 after Mr. Cohalan's complaint had been pending for over 5 months. This amendment clearly requires that that complaint and any other complaints now pending alleging violation of section 223 be acted on by the Commission within 90 days. The intent of this amendment is that the Commission examine the complaints, determine whether the material complained of violates section 223, and, if the material is obscene or indecent, fine or otherwise appropriately punish the person or persons responsible.

This 90-day requirement will obviously require the Commission to end proceedings under issue 1 of the inquiry and proceed to determine whether the material complained of violates section 223. Though it is clear that common carriers are in no way liable for violations of section 223 unless the carrier originates the obscene or indecent material, this amendment does not reach the issues raised in issue 2 relating specifically to MDS services.

In issue 1, in brief, the Commission inquires whether it has authority to determine if material is obscene and

whether it is "necessary, desirable or appropriate" for it to make such determinations to stop the offensive activity. The answer to these questions is quite clear under the current section 223, and it is clarified by the pending amendment. The Commission clearly has the authority to determine whether material is obscene or indecent since that determination is necessary in order for the Commission to assess fines as provided for in section 223(b)(4)(b)(ii) as proposed. The constitutionality of the Commission making such determinations is not in question pursuant to *FCC* v. *Pacifica Foundation*, 438 U.S. 726 (1978). Further, the Commission is required to make such a determination pursuant to subsection (d) of the pending amendment. Though that requirement applies only to pending complaints, it is evident that Congress intends for the Commission to continue to take an active role in enforcing section 223 and thus that it will be "necessary, desirable and appropriate" for the Commission to make such determinations should it receive complaints in the future.

I would now like to comment more specifically on the areas of inquiry announced by the Commission under issue 1. Following the numbering in the inquiry:

10. The pending amendment clearly allows the Commission to take action against any provider of a service; that is, High Society, for violation of section 223. The amendment would not allow it to take action against a common carrier in its capacity as a common carrier.

11. It is clear on the face of the current section 223 that a person is liable for a violation of section 223 regardless of who places a call. The pending amendment merely specifies and reinforces that provision, and dial-a-porn does fall within the statute's ambits.

12. Section 223 does not apply to common carriers and the legislative history of the pending amendment reinforces that point as well. A telephone leased from a common carrier would not be considered to be under its control for purposes of section 223. That point is made even more clear by the deregulation of CPE.

13. Section 312(b) in combination with section 223 may give the Commission the power to terminate violative conduct. The pending amendment does not speak directly to that question. However, the question may be moot since the preferred method under the pending amendment would be for the Attorney General to seek an injunction under the proposed section 223(b)(5). Clearly the Commission would have the authority to issue a cease and desist order for violation of regulations issued under section 223(b)(2) of the pending amendment. Further, these regulations would not be a questionable constitutionality since they not only deal with unprotected speech, but they would also be in the form of time, place and manner restrictions. It would not be necessary for the Commission to seek an immediate judicial determination under such regulations—in regard to the Freedom precedent—since the regulations would not prohibit the speech per se, but would only limit its availability to children. Of course, any such order could be appealed to an appropriate court.

14. Congress orders to Commission in the proposed amendment to become involved in enforcement of section 223. Any order or other penalty would only apply to interstate calls or calls within the District of Columbia. If it is feasible to limit dial-it services to local access only, the Commission could so require. If such limitations are not feasible, persons offering such services might be forced to comply with procedures under the 223(b)(2) regulations for local calls, though such compliance would be only incidental to their obligations to limit interstate access.

15. The Commission may consider subsection (d) of the pending amendment as a rebuke to their statement that they do not have a duty to act on alleged violations of section 223. The Commission clearly does have a duty to act, and it is an almost unimaginable perversion of the Commission's purpose and the Constitution that they have not yet acted. The Commission is ordered to act on pending complaints with 90 days. Even that limitation would allow Mr. Cohalan's complaint to languish at the Commission for nearly a year, an inexcusable period. If further action is necessary to insure that the Commission will act expeditiously on complaints of violations of section 223 and will take its enforcement responsibilities under the proposed amendment seriously, this Member will see that that action is taken. Such steps should not be necessary, neither should this amendment have been necessary in order to induce the Commission to act.

16. The pending amendment would clearly allow consenting adults to hear whatever they wish in their own homes. Equally clearly, obscene material must not be available to children who, by their nature, cannot consent to such activity. Recent Supreme Court decisions such as New York against Ferber, reaffirm our special duty to protect children from obscenity. Regulations limiting dial-it services would not limit the ability of persons to say or hear whatever they like in their own homes since similar services which are less pervasive would be available, and since dial-it services would still be available pursuant to the regulations regarding time, place and manner. The Commission has no choice under the proposed amendment but to regulate such material.

17. The current statute and the proposed amendment both use the disjunctive "or". Clearly, messages which are indecent only—that is, affronting community standards without appealing to prurient interest—would violate section 223. Dial-it services are subject to the nuisance rational in Pacifica or under common law because of their in discriminate availability to children. Much as the owner of a swimming pool would be liable if a child wandered onto his unfenced lot, fell into the pool and drowned, operators of attractive nuisances such as dial-a-porn must place a barrier between the offensive material and children.

18. It is evident under the current statute and the amendment that any judgment of obscenity or indecency must be judged in relation to the person who hears the statement. It is unimaginable that the Commission would excuse a harassing phone call prohibited under the current section 223 simply because the caller did not find it harassing. The judgment must be made according to whoever is damaged by the violation, and thus, the community standard in that person's community would apply. This amendment clearly contemplates that the Commission will take an active role in enforcing section 223, and therefore, limitations on the categories of cases to be examined would be inappropriate. The Commission would not be obligated to admit evidence of community standards but it certainly could do so if such evidence is appropriate or necessary. The Commission should exercise care that it does not misrepresent Supreme Court cases by inserting local before community standards. The question of whether the Commission can or should make obscenity or indecency decisions is closed by the amendment. Beyond the specific direction in subsection (d), Congress clearly intends for the Commission to continue enforcing section 223.

19. The availability of obscene material to children is the controlling factor in this amendment. Farber indicates that protections for children against obscenity may limit the type of and means by which adults may obtain such material. The proposed amendment contemplates that adults will continue to have access to this material. The fact that children can call the number with no limitation is sufficient to impose the lesser standard. The amendment does not contemplate a total ban. The inability of parents to effectively control childrens' access to obscene material places a duty on the Government to intervene. Generally, the access of children to obscene material must be the Commission's primary concern.

20. A cease and desist order under the Commission's regulations pursuant this amendment would be strictly limited to time, place, and manner. Such an order could apply to the material in a general fashion. Such an order would not prevent High Society or anyone else from offering the service at all, though it might severely limit its availability.

21. Section 223 does not apply to common carriers in their capacity as common carriers.

In conclusion I would like to comment on the nature of regulations to be issued by the Commission under section 223(b)(2) of the amendment. Merely limiting the recording to a certain time of day would not be sufficient for two reasons. First, such limitations would not be effective in preventing children from having access to the material. Second, we are dealing with interstate calls. The territory of the United States spans six time zones. When it is midnight in New York it is only 7 p.m. in Alaska and Hawaii. Thus limiting availability of the material to children purely on time-of-day restrictions would leave a window of only 1 or 2 hours daily across the country. Likewise, a live screen who merely inquired whether the caller was a minor would be insufficient since such a procedure would provide no effective bar to children against this attractive nuisance.

I hope that the Commission will now proceed to act in a timely and reasonable manner. I thank my colleagues for their assistance in this matter, and I urge them to support this amendment.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. FASCELL. Mr. Speaker, reserving the right to object, I would like to ask the chairman of the subcommittee: How will a minority ownership interest in an application for a cellular radio license be considered in a comparative proceeding?

Mr. WIRTH. Mr. Speaker, if the gentleman will yield, in the award of broadcast licenses, the FCC affords a preference to minority applicants who demonstrate that they will be involved in the management of the station. The Commerce Committee has long encouraged minority ownership of communications properties—both mass media and common carrier.

The Commission is currently making initial decisions about the grant of cellular radio licenses. FCC actions in coming months and years will determine the ownership of this important new sector of the communications industry. The committee would strongly urge the Commission, in making these decisions, to give a preference to qualified minority applicants. The FCC should adopt rules to implement this policy at the earliest possible date, and make the policy an integral part of the comparative process for considering and granting applications for cellular licenses.

Mr. FASCELL. Mr. Speaker, I withdraw my reservation of objection.

● Mr. KASTENMEIER. Mr. Speaker, the bill in its present form pending before this body follows directly on the lead taken by the gentleman from Virginia (Mr. BLILEY). As a result of an amendment offered by the gentleman, the Energy and Commerce Committee adopted an amendment which proscribed certain types of obscene telephone communications. The apparent purpose of the amendment was to curtail the spiraling growth in the "Dial-a-Porn" phone call services.

It is said to say that in recent years we have seen the development of a new growth industry—the publication and dissemination of pornography. One aspect of this business has been the establishment of prerecorded phone messages of an obscene nature which may be accessed by anyone—including minor children. This practice is at its most offensive when such phone numbers are freely available to elementary school age children. Thus, I know we all share the concerns of the gentleman from Virginia about the need to protect our children from this type of obscene communication.

The bill, as amended, is carefully crafted to reach the type of conduct which was so offensive to the members of the Energy and Commerce Committee. The bill now sets forth a criminal offense for persons who operate these dial-a-porn services. It draws on the suggestions made by the Bliley amendment, but makes certain improvements and modifications.[1] First, the bill in its present form increases the fine level for persons who violate the provisions of existing section 223 of title 47 (relating to the affirmative making of obscene phone calls) to $50,000. Second, persons found guilty of the offense are subject to two types of criminal penalties. A person who knowingly makes obscene communications will be subject to a maximum fine of $50,000 and imprisonment of up to 6 months. In the event that the defendant intentionally violated the law, the maximum fine is increased to $50,000 per day of violation. Third, the bill now requires the Federal Communications Commission to establish standards to regulate the time, place, and manner in which certain types of telephone communication can be proscribed.[2] Finally, the bill constrains the reach of the criminal offense to constitutional limits.

I urge my colleagues to support this bill to restrict access to obscene telephone messages by children.●

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the amendment as follows:

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Communications Commission Authorization Act of 1983".

FEDERAL COMMUNICATIONS COMMISSION APPROPRIATIONS AUTHORIZATION

SEC. 2. (a) Section 6 of the Communications Act of 1934 (47 U.S.C. 156) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 6. There are authorized to be appropriated for the administration of this Act by the Commission $91,156,000, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and other nondiscretionary costs, for each of the fiscal years 1984 and 1985.".

(b) The amendment made by subsection (a) shall apply with respect to fiscal years beginning after September 30, 1983.

INCREASE IN PUBLIC BROADCASTING APPROPRIATIONS AUTHORIZATION

SEC. 3. Section 396(k)(1)(C) of the Communications Act of 1934 (47 U.S.C. 396(k)(1)(C)) is amended by striking out ", and $130,000,000 for each of the fiscal years 1984, 1985, and 1986." and inserting in lieu thereof ", $145,000,000 for fiscal year 1984, $153,000,000 for fiscal year 1985, and $162,000,000 for fiscal year 1986.".

FEDERAL COMMUNICATIONS COMMISSION ADMINISTRATIVE MATTERS

SEC. 4. (a) Section 316 of the Communications Act of 1934 (47 U.S.C. 316) is amended—

(1) in subsection (a), by inserting "(1)" after "(a)" and by striking out "and shall have been given reasonable opportunity" and all that follows and inserting in lieu thereof "and shall be given reasonable opportunity, of at least 30 days, to protest such proposed order of modification; except that, where safety of life or property is involved, the Commission may by order provide for a shorter period of notice.";

(2) by adding at the end of subsection (a) the following new paragraphs:

"(2) Any other licensee or permittee who believes its license or permit would be modi-

[1] The bill, as amended, requires that the prosecution establish beyond a reasonable doubt that the defendant acted "knowingly." This state of mind requirement is derived from the proposed Federal Criminal Code and the Model Penal Code. See H.R. 6915 (96th Cong.); House Report 96-1396 at 32-36. Similarly, the term "intentionally," as used in the amendment, is intended to be interpreted in the same fashion.

[2] The bill, as amended, establishes a defense to prosecution if the defendant restricted access to persons 18 years of age and older, pursuant to regulations promulgated by the Federal Communications Commission. The term "defense" is intended to have the same meaning as applicable in the proposed Federal criminal code. Ibid. at 77-78. In promulgating these regulations, the Federal Communications Commission should respect the constitutional right to privacy enunciated by the Supreme Court in *Stanley* v. *Georgia*, 394 U.S. 557 (1969), including the right to receive information. Congress intends that the FCC promulgate reasonable time, place, and manner restrictions calculated to restrict access to prohibited communications by persons under 18 years of age.

fied by the proposed action may also protest the proposed action before its effective date.

"(3) A protest filed pursuant to this subsection shall be subject to the requirements of section 309 for petitions to deny."; and

(3) in subsection (b), by inserting before the period at the end thereof the following "; except that, with respect to any issue that addresses the question of whether the proposed action would modify the license or permit of a person described in subsection (a)(2), such burdens shall be as determined by the Commission".

(b) Section 503(b)(5) of such Act (47 U.S.C. 503(b)(5)) is amended by inserting, before the period in the second sentence, the following: "or if the person involved is transmitting on frequencies assigned for use in a service in which individual station operation is authorized by rule pursuant to section 307(e)".

FINANCIAL OVERSIGHT OF NATIONAL PUBLIC RADIO BY CORPORATION FOR PUBLIC BROADCASTING

SEC. 5. Section 396(l) of the Communications Act of 1934 (47 U.S.C. 396(l)) is amended by adding at the end thereof the following:

"(4)(A) Subject to subparagraph (C), the Corporation may not distribute to National Public Radio any funds authorized to be appropriated by this Act unless there is in effect a determination by the Corporation that—

"(i) National Public Radio has adopted and is implementing a system of financial controls and procedures devised in consultation with, and recommended by, an independent certified public accountant and determined by the Comptroller General as sufficient to assure that the financial transactions of National Public Radio reflect prudent management practices and are accounted for in a manner consistent with generally accepted accounting principles;

"(ii) National Public Radio has adopted a budget under which reasonable projected expenditures will not exceed reasonably projected revenues from all sources for any fiscal year in which such funds are distributed to National Public Radio; and

"(iii) financial reporting systems of National Public Radio provide the Corporation with continuous access to all financial books and records of National Public Radio.

"(B) Not later than 15 days after the date of the enactment of this paragraph, the Corporation shall report to the appropriate committees of the Congress on actions taken by National Public Radio to meet the conditions described in subparagraph (A) and on actions taken by the Corporation with respect to the indebtedness of National Public Radio related to deficits accumulated before October 1, 1983. The Corporation shall certify to such committees when such conditions have been met.

"(C) The requirements of subparagraphs (A) and (B) shall cease to be effective on and after the date on which the Corporation certifies to the appropriate committees of Congress that all indebtedness of National Public Radio related to deficits accumulated before October 1, 1983, has been liquidated in full.".

CORPORATION FOR PUBLIC BROADCASTING ADMINISTRATIVE MATTERS

SEC. 6. (a) Section 396(c)(1) of the Communications Act of 1934 (47 U.S.C. 396(c)(1)) is amended—

(1) in the first sentence, by striking out ", and the President of the Corporation"; and

(2) by striking out the third sentence.

(b)(1) Section 396(d)(1) of such Act is amended by inserting after "annually" the following: "elect one of their members to be Chairman and".

(2) The subsection heading for section 396(d) of such Act is amended by striking out "VICE CHAIRMAN" and inserting in lieu thereof "CHAIRMAN AND VICE CHAIRMAN".

(c) Section 396(e)(1) of such Act is amended by striking out "No officer of the Corporation, other than a Vice Chairman" and inserting in lieu thereof "No officer of the Corporation, other than the Chairman or a Vice Chairman".

ADMINISTRATION OF REGIONAL CONCENTRATION RULES FOR BROADCAST STATIONS

SEC. 7. Section 310 of the Communications Act of 1934 (47 U.S.C. 310) is amended by adding at the end thereof the following new subsection:

"(e)(1) In the case of any broadcast station, and any ownership interest therein, which is excluded from the regional concentration rules by reason of the savings provision for existing facilities provided by the First Report and Order adopted March 9, 1977 (Docket No. 20548; 42 Fed. Reg. 16145), the exclusion shall not terminate solely by reason of changes made in the technical facilities of the station to improve its service.

"(2) For purposes of this subsection, the term 'regional concentration rules' means the provisions of sections 73.35, 73.240, and 73.636 of title 47, Code of Federal Regulations (as in effect June 1, 1983), which prohibit any party from directly or indirectly owning, operating, or controlling three broadcast stations in one or several services where any two of such stations are within 100 miles of the third (measured city-to-city), and where there is a primary service contour overlap of any of the stations.".

CLARIFICATION AND ADMINISTRATION OF SECTION 223

SEC. 8. (a) Section 223 of the Communications Act of 1934 (47 U.S.C. 223) is amended—

(1) by striking out "$500" and inserting in lieu thereof "$50,000";

(2) by inserting "(a)" before "Whoever"; and

(3) by adding at the end thereof the following new subsection:

"(b)(1) Whoever knowingly—

"(A) in the District of Columbia or in interstate or foreign communication, by means of telephone, makes (directly or by recording device) any obscene or indecent communication for commercial purposes to any person under eighteen years of age or to any other person without that person's consent, regardless of whether the maker of such communication placed the call; or

"(B) permits any telephone facility under such person's control to be used for an activity prohibited by subparagraph (A),

shall be fined not more than $50,000 or imprisoned not more than six months, or both.

"(2) It is a defense to a prosecution under this subsection that the defendant restricted access to the prohibited communication to persons eighteen years of age or older in accordance with procedures which the Commission shall prescribe by regulation.

"(3) In addition to the penalties under paragraph (1), whoever, in the District of Columbia or in interstate or foreign communication, intentionally violates paragraph (1)(A) or (1)(B) shall be subject to a fine of not more than $50,000 for each violation. For purposes of this paragraph, each day of violation shall constitute a separate violation.

"(4)(A) In addition to the penalties under paragraphs (1) and (3), whoever, in the District of Columbia or in interstate or foreign communication, violates paragraph (1)(A) or (1)(B) shall be subject to a civil fine of not more than $50,000 for each violation. For purposes of this paragraph, each day of violation shall constitute a separate violation.

"(B) A fine under this paragraph may be assessed either—

"(i) by a court, pursuant to a civil action by the Commission or any attorney employed by the Commission who is designated by the Commission for such purposes, or

"(ii) by the Commission after appropriate administrative proceedings.

"(5) The Attorney General may bring a suit in the appropriate district court of the United States to enjoin any act or practice which violates paragraph (1)(A) or (1)(B). An injunction may be granted in accordance with the Federal Rules of Civil Procedure."

(b) Section 223(a) of the Communications Act of 1934 (as redesignated by subsection (a) of this section) is amended in paragraph (2) by inserting "facility" after "telephone".

(c) The Federal Communications Commission shall issue regulations pursuant to section 223(b)(2) of the Communications Act of 1934 (as added by subsection (a) of this section) not later than 180 days after the date of the enactment of this Act.

(d) The Commission shall act on all complaints alleging violation of section 223 of the Communications Act of 1934 which are pending on the date of the enactment of this Act within ninety days of such date of enactment.

DIRECTION ON USE OF FUNDS REGARDING SPECTRUM ALLOCATION AND ASSIGNMENTS FOR PUBLIC SAFETY PURPOSES

SEC. 9. (a) Funds authorized to be appropriated under section 2 of this Act shall be used by the Federal Communications Commission to establish a plan which adequately ensures that the needs of State and local public safety authorities would be taken into account in making allocations of the electromagnetic spectrum. In establishing such a plan the Commission shall (1) review the current and future needs of such public safety authorities in light of suitable and commercially available equipment and (2) consider the need for a nationwide contiguous frequency allocation for public safety purposes.

(b) Pending adoption of a plan, the Commission, while making assignments and allocations, shall duly recognize the needs of State and local public safety authorities.

CERTIFICATION OF TECHNICIANS

SEC. 10. Section 4(f)(4) of the Communications Act of 1934 (47 U.S.C. 154(f)(4)) is amended—

(1) by redesignating subparagraphs (E) through (H) as subparagraphs (F) through (I), respectively; and

(2) by inserting immediately after subparagraph (D) the following new subparagraph:

"(E) The Commission shall have the authority to endorse certification of individuals to perform transmitter installation, operation, maintenance, and repair duties in the private land mobile services and fixed services (as defined by the Commission by rule) if such certification programs are conducted by organizations or committees which are representative of the users in those services and which consist of individ-

uals who are not officers or employees of the Federal Government.".

VOLUNTEER ADMINISTERED AMATEUR RADIO EXAMINATIONS

SEC. 11. Section 4(f)(4) of the Communications Act of 1934 (47 U.S.C. 154(f)(4)), as amended by section 10 of this Act, is further amended by adding at the end thereof the following new subparagraph:

"(J) With respect to the acceptance of voluntary uncompensated services for the preparation, processing, or administration of examinations for amateur station operator licenses pursuant to subparagraph (A) or (B) of this paragraph, individuals, or organizations which provide or coordinate such authorized volunteer services may recover from examinees reimbursement for out-of-pocket costs. The total amount of allowable cost reimbursement per examinee shall not exceed $4, adjusted annually every January 1 for changes in the Department of Labor Consumer Price Index. Such individuals and organizations shall maintain records of out-of-pocket expenditures and shall certify annually to the Commission that all costs for which reimbursement was obtained were necessarily and prudently incurred.".

NEW TECHNOLOGIES AND SERVICES

SEC. 12. Title I of the Communications Act of 1934 is amended by inserting after section 6 the following new section:

"NEW TECHNOLOGIES AND SERVICES

"SEC. 7. (a) It shall be the policy of the United States to encourage the provision of new technologies and services to the public. Any person or party (other than the Commission) who opposes a new technology or service proposed to be permitted under this Act shall have the burden to demonstrate that such proposal is inconsistent with the public interest.

"(b) The Commission shall determine whether any new technology or service proposed in a petition or application is in the public interest within 1 year after such petition or application is filed or 12 months after the date of the enactment of this section, if later. If the Commission initiates its own proceeding for a new technology or service, such proceeding shall be completed within 12 months after it is initiated or 12 months after the date of the enactment of this section, if later.".

RADIO COMMUNICATION CONFERENCE PARTICIPANTS

SEC. 13. Not fewer than three vice chairpersons shall be appointed to any United States delegation to or for radio communications conferences held under the auspices of the International Telecommunications Union. Notwithstanding any other provision of law, and unless declined by the head of the entity involved, such chairpersons shall be officers or employees of the Department of State, the Department of Commerce, and the Federal Communications Commission.

Page 1, line 20, insert "(a)" after "SEC. 3.".

Page 1, after line 25, insert the following:

(b) paragraph (10) of such section 396(k) is amended by inserting before the period at the end thereof the following: ", and unless further assurances are provided to the Corporation that no officer or employee of such an entity will be loaned money by that entity on an interest-free basis".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRIBUTE TO JOHN RICHARD IMES

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, I speak today in tribute to a good friend and my constituent, John Richard Imes, who died on Thursday, November 10, in Murray, Ky., at the age of 65.

Born March 6, 1918, in Calloway County, Ky., John Imes was postmaster at Almo, Ky., from 1948 to September 1980. Upon his retirement, his lovely wife, Martha Imes, became postmaster in October 1980—a position that she still holds.

John served his country in the U.S. Army from 1941 to 1945. He was dedicated in his work with the community, and well loved by his family and friends. He was a member of the Flint Baptist Church in Calloway County. I was proud to have known him and to have been his Congressman.

Survivors include his wife, Martha Churchill Imes; two daughters, Mrs. David (Becky) Lanier of Murray, Ky., and Miss Susie Imes of Nashville, Tenn.; and one son, Kenneth C. Imes, of Murray, a former Kentucky State representative for Calloway and Trigg counties and now deputy secretary of the Kentucky Department of Natural Resources and Environmental Protection.

I extend my personal sympathy to the family and friends of this fine Kentuckian who was admired and respected by those who knew him.

□ 1730

EXPORT ADMINISTRATION ACT OF 1979 EXTENSION

Mr. BONKER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 4476), to extend the authorities under the Export Administration Act of 1979, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. SOLOMON. Mr. Speaker, reserving the right to object, and I probably will not object, but I would ask the gentleman from Washington to explain the bill.

Mr. BONKER. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. Under my reservation, I yield to the gentleman from Washington.

Mr. BONKER. Mr. Speaker, H.R. 4476 is an extension of the Export Administration Act, an act which expired on September 30.

The extension in the measure before us would extend that act until February 29, 1984. And as the gentleman recalls, the House yesterday passed upon a similar matter but we had a proviso in the resolution to change the word "concurrent" to "joint" resolution in order to meet the Constitutional test on congressional veto.

It is my understanding that certain Members in the other body will not accept the simple extension with that provision.

So what we are trying to do is to remove the provision and have a clean extension of the Export Administration Act.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for his explanation.

Further reserving the right to object, and I will not object, Mr. Speaker, I just want to point out that, as the gentleman from Wisconsin (Mr. ROTH), who is a member of the subcommittee, pointed out yesterday, we do not feel that February 29 is a long enough period to extend, simply because we will not be coming back until January 23 and for the House to meet, for the Senate to meet, for the conferees to meet, on this important piece of legislation, we probably should be extending it for a longer period of time.

However, I agree with the gentleman from Washington, we should enact this legislation now. Certainly the minority has no objection.

Mr. FRENZEL, Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. Under my reservation, I yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman for yielding.

Mr. Speaker, I think the gentleman from New York (Mr. SOLOMON) is right. I wish there were a longer extension because I am afraid we are going to be back on the Emergency Economic Powers Act. But it looks like this is the best we can do. It will save us some embarrassment for a few months.

I agree with the gentleman and I thank the gentleman for yielding.

Mr. SOLOMON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the bill, as follows:

H.R. 4476

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 20 of the Export Administration Act of 1979 (50 U.S. App. 2419) is amended by striking out "October 14, 1983" and inserting in lieu thereof "February 29, 1984".

The bill was orderd to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would advise that we could possibly have further legislation. At this time the Chair will call special orders.

THE FEDERAL DEFICIT

The SPEAKER. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 60 minutes.

● Mr. ALEXANDER. Mr. Speaker, this weekend many of us will be tuned to "The Day After," a timely and, by all advance accounts, haunting TV movie about the horrors of nuclear war.

Today, Friday, November 18 is also a day after. It is the day after we in the House of Representatives—by a vote of 149 Republicans and 65 Democrats—failed to take a significant step toward the reduction of the monstrous Federal deficit.

And we can only hope that no historian or film maker is ever required to document the dangerous consequences of that inaction.

We cannot say that we have not been warned. Democrats and conscientious Republicans and responsible economists of all stripes have pointed out possible horrors to come, ranging from inflation to trade deficits to renewed recession.

But President Reagan has chosen—for reasons of electoral politics and political expediency, not economic principle—to disregard all this handwriting on the wall. To him—and, evidently, to Wall Street, which knows better—it is so much grafitti.

It was Mr. Reagan's frantic lobbying—what the Washington Post called "intransigence from the White House"—that doomed deficit-reduction measures in this session of Congress.

And, if 1984 should become an Orwellian year of economic devastation, we will have only Mr. Reagan to blame for it.

Those who gratified Mr. Reagan—although not the American people—by voting against consideration of the tax reform bill yesterday voted that deficits do not matter when Republicans occupy the White House.

History is repeating itself. Since World War II, Republicans have occupied the White House 20 years, producing 17 years of deficit compared to 20 years of Democratic control with only 15 years of deficit.

Deficits do matter, and those Members voting for tax reform yesterday voted for lower interest rates and a chance for real, sustained recovery.

And those who voted against tax reform yesterday voted to accompany Mr. Reagan on a whistling tour through the graveyard where he intends to bury economic realism.

Let history record that on Thursday, November 17, 1983, there were those of us who refused to serve as pallbearers.

And let history record that Mr. Reagan is now routinely achieving deficits three times and more the size of those which any previous President had incurred—$195 billion in fiscal 1983 and conceivably headed much higher in future fiscal years.

Let history record that over the last 40 years—20 years of which were presided over by Republicans and 20 years by Democrats—the Republican deficits totaled $980.2 billion and the Democratic deficits $278.2 billion.

Add to that the fact that over the same period Democrats have had 5 surplus years totaling $25.8 billion, and the Republicans have had only 3 surplus years totaling $7.6 billion.

Let history record that over the last several decades Democratic administrations have achieved superior solvency while pursuing social programs to help the people, while Republicans have somehow managed to run up their big deficits while cutting away at programs of economic benefit to the Nation.

The difference in philosophies of the two parties explains the different results. Democrats operate by the maxim that "When the people do well, the country does well." Republicans go by the contrary notion that "What's good for big business, the big banks, and the favored few is good for the Nation."

Finally, Mr. Speaker, let history record that—by some curious and as yet unexplained quirk of American elections—the groups who consistently vote for Republican administrations and high Republican deficits are the very groups—Wall Street, business, and the upwardly mobile—who always do better under Democratic administrations.

At certain moments in history, truth—an always precious and rare quality—is undervalued. If we are to judge by the logic of yesterday's vote, truth and realism must now be valued at something like 10 cents on the hundredweight.

But this Congress will have another opportunity next year to do justice by the deficit emergency, and the American people in 1984 will have the last word. Meanwhile, the numbers talk, and this is what they say:

FEDERAL BUDGET FACTS

"I have submitted an economic plan * * * and believe that over a 5-year projection, this plan can permit the extra spending for needed refurbishing of our defense posture, that it can provide for a balanced budget in 1983 if not earlier, and that we can afford—along with the cuts that I have proposed in Government spending—we can afford the tax cuts I have proposed * * *"—Candidate Ronald Reagan, 1980 Presidential Debate.

I. Reagan deficits, fiscal years 1982–86

	Billions
1982	$110
1983	208
1984	196
1985	205
1986	214

Note.—Fiscal years 1984–86 figures are Congressional Budget Office projections reestimated in its August 1983 Outlook and Update. These calculations assume the continuation of existing Federal spending and tax policies in effect in August 1983.

II. Projected fiscal year 1984 deficit, impact of Reaganomics

	Billions
A. Attributable to 1981 tax cuts	$93
B. Attributable to additional military spending	27
C. Attributable to Reagan recession	40

Note.—Projections are based on data from CBO, OMB, and the Department of Defense. Impact of the 1981 tax cuts includes effect of 1982 tax increases.

III. National debt, impact of Reaganomics

Fiscal Year:	Billions
1970	$383
1980	914
1982	1,146
1983	1,383
1984	1,625
1985	1,885
1986	2,173

Note.—Fiscal years 1970–82 data is from the Economic Report of the President, February 1983. Fiscal years 1983–86 are CBO forecasts.

IV. Statistical data on budget deficits, fiscal years 1946–85

The following is a summary of the budget surpluses (+) and deficits (−) based on the Economic Report of the President, February 1983 (except as noted at the bottom of the chart). The President whose name is listed in the right hand column is the one in office at the beginning of the fiscal year indicated in the left column.

[Fiscal years, in billions of dollars]

President	Budget surplus (+)/deficit (−)	
	Democrats	Republicans
Truman (Democrat):		
1946	−$15.9	
1947	+3.9	
1948	+12.0	
1949	+.6	
1950	−3.1	
1951	+6.1	
1952	−1.5	
1953	−6.5	
Eisenhower (Republican):		
1954		−$1.2
1955		−3.0
1956		+4.1
1957		+3.2
1958		−2.9
1959		−12.9
1960		+.3
1961		+3.4
Kennedy (Democrat):		
1962	−7.1	
1963	−4.8	
Kennedy/Johnson (Democrats): 1964	−5.9	
Johnson (Democrats):		
1965	−1.6	
1966	−3.8	
1967	−8.7	
1968	−25.2	
1969	+3.2	
Nixon (Republican):		
1970		−2.8
1971		−23.0
1972		−23.4
1973		−14.8
1974		−4.7
Nixon/Ford (Republicans): 1975		−45.2
Ford (Republican):		
1976		−66.4

[Fiscal years, in billions of dollars]

President	Budget surplus (+)/deficit (−)	
	Democrats	Republicans
1976 transition quarter		−13.0
1977		−44.9
Carter (Democrat):		
1978	−48.8	
1979	−27.7	
1980	−59.6	
1981	−57.9	
Reagan (Republican):		
1982		−110.6
1983 (estimated)		−207.0
1984 (estimated)		−196.0
		(−179.3)
1985 (estimated)		−205.0
		(−161.1)

Note.—1983–85 figures are Congressional Budget Office projections reestimated in August 1983 Outlook and Update. Numbers in parentheses are CBO estimates which assume implementation of reconciliation instruction in fiscal year 1984 first concurrent budget resolution.

V. Cumulative deficits, fiscal year 1946–85: Democrats versus Republicans

The cumulative (unadjusted for surpluses) deficit for the 20 years of Democratic Administrations was $278.2 billion. When adjusted for surplus years, that figure then becomes $252.4 billion.

The cumulative (unadjusted for surpluses) deficit for the twenty years of Republican Administrations was $980.2 billion. When adjusted for surplus years, that figure then becomes $972.6 billion.

The five surpluses under Democratic Presidents totaled $25.8 billion. The three Republican surpluses totaled $7.6 billion.●

BANKRUPTCY: THE CRISIS THAT WON'T GO AWAY—IV

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. FISH) is recognized for 60 minutes.

● Mr. FISH. Mr. Speaker, in the course of the last 3 days. I have examined the events preceding and following the decision of the Supreme Court nearly 17 months ago in Northern Pipeline Construction Co. against Marathon Pipe Line Co. That landmark case held the system of bankruptcy adjudication established by the Bankruptcy Act of 1978 to be unconstitutional, because the judicial power of the United States was being exercised by judges lacking the protections prescribed by article III of the Constitution to insure the independence of the federal judiciary. Yesterday I suggested that only H.R. 3, now before the Rules Committee, offers a resolution of the crisis which is of unquestioned constitutionality. It does so because instead of 14-year terms for the bankruptcy judges, the fatal flaw found in Marathon, it provides them with life tenure and protection against reduction of their salary while in office.

Unless Congress acts, however, the new U.S. Bankruptcy Court to be established April 1, 1984, will be stillborn. Under the Bankruptcy Act of 1978, the sitting judges are only authorized to serve in the transition bankruptcy court which comes to an end on March 31, 1984. They can only exercise the jurisdiction and powers conferred on that court. On the next day, unless we act, no qualified bankruptcy judges will be available to serve. There is wide agreement that thereafter the bankruptcy courts could continue to function only if district court judges were assigned to sit on the bankruptcy bench by temporary assignment, a manifest impossibility in view of the volume of bankruptcy cases, their own workload and their total inexperience in the arcane and highly technical area of bankruptcy. The interim rule, under which the bankruptcy courts have been operating on borrowed time since the effective date of the Marathon decision, also expires on March 31. The new bankruptcy courts may open their doors, but there will be no one to sit on the bench, and half a million pending bankruptcy cases, including such major corporate bankruptcies as Braniff Airlines, Continental Airlines, AM International, Wickes Corp., Saxon Industries, Wilson Foods, and others, will be placed in judicial limbo. The consequences will be disastrous and they will extend far beyond the parties in court.

At this point, we face a legislative deadlock of considerable complexity. H.R. 3, reported by the Judiciary Committee on February 15, 1983, has since all but become a permanent fixture in the Rules Committee. The primary reason for this, as I understand it, is that the majority leadership takes a very dim view of giving a Republican President 227 lifetime judicial appointments. The number they would allow President Reagan is currently zero. This simply must change. There can be no prospect of resolving this crisis unless and until there is agreement between the Republicans and the Democrats on numbers. It may be that 94 judicial appointments in calendar 1984—one in each judicial district—is the key, with the balance riding on the outcome of the November elections. This way there would be at least one constitutionally appointed bankruptcy judge in each of the 94 Federal judicial districts. The Speaker should be reminded that the minority went along with the judgeships bill enacted by the 95th Congress which gave the incumbent Democratic President no less than 152 lifetime judicial appointments, the largest number at one time in our history.

There is no indication that the Speaker is otherwise opposed to article III judgeships or H.R. 3. He is reported to have stated that the crisis in bankruptcy adjudication will be dealt with early in the next session and that the March 31, 1984, deadline will be met. I am encouraged by this.

Another critical factor in the deadlock is the consumer credit industry, which strongly supports a bill, H.R. 1800, making certain substantive changes in the Bankruptcy Code. I myself believe that some substantive reforms are necessary to redress the balance between debtors and creditors, and that the Judiciary Committee should begin to examine those which have been proposed. Chairman RODINO and I have, in fact, separately developed variations or modifications of H.R. 1800 to achieve a more equitable balance in the substantive law. The chairman insists that the constitutional issue must be resolved first. Perhaps the key to this would be a commitment by the chairman to schedule hearings and report a substantive amendments bill by a date certain, so that the House could work its will. In the last Congress we had no less than nine hearings on substantive amendments of the kind contained in H.R. 1800, so we are hardly unfamiliar with the subject.

The recent attempts by Continental Airlines, Wilson Foods, and others to abrogate their collective bargaining agreements by filing under chapter 11 of the Bankruptcy Code has further enlarged the scope of substantive issues demanding our attention. To me, this only serves to underscore the urgency of swiftly resolving the fundamental problem of placing our system of bankruptcy adjudication on a firm constitutional basis.

A considerable number of new Federal district and court of appeals judgeships are contained in S. 1013, the article I bill which has passed the Senate, and in title II of H.R. 3257, a proposed article I bill in the House. I understand that the Democratic leadership is adamantly opposed to these judgeships. Perhaps agreement can be reached on a limited referral to give the Judiciary Committee the opportunity to review the need for these on a district by district basis. In any event, however, consideration of new Federal district and appellate court judges should not obstruct a resolution of the bankruptcy court crisis. They are a separate issue.

As to the fundamental question of the relative merits of article III against article I bankruptcy judges, all concerned should be ready, willing, and able to debate that issue on the floor at any time—the sooner the better—and to allow the House to make a clear choice. The recent Pacemaker decision by the Ninth Circuit Court of Appeals, holding that magistrates cannot enter final judgments even by consent of the parties, could conceivably compel the Supreme Court to hear the next appeal raising the question of the constitutionality of the interim rule, which takes such an article I approach. A prompt ruling on that could clear the air for the swift adoption of either an article I or an article III solution by the Congress.

In the other body, the chairman of the Judiciary Subcommittee with jurisdiction over bankruptcy, Senator DOLE, has publicly insisted that there must be linkage between bankruptcy courts legislation and the consumer finance amendments. However, the Senator unquestionably appreciates the constitutional merits of an article III solution, and he has repeatedly made clear to me and others that he remains flexible in the search for a resolution of the bankruptcy crisis.

Once a constitutional plan is adopted, a number of observers believe that the Supreme Court will allow a reasonable transition time for its implementation. We have some precedent for this in the fact that in Marathon the Court acted pragmatically, did not apply its decision retroactively, and stayed the effective date of its order for nearly 6 months.

It is my personal conviction that the Congress will act responsibly on the bankruptcy court issue before the end of the transition period on March 31, 1984. If we can achieve a clear recognition of the nature of the crisis by Members of Congress, I see an accommodation on all sides, a two-track approach agreed to in advance with linkage broken between a court bill and substantive law changes; Judiciary Committee hearings on substantive changes with a date certain to report a bill; a separate article III-article I square off on the House floor, and some give on appointments.

In my 15 years in Congress, I have had many opportunities to observe that when the issues are fully understood and action is imperative—and it certainly is in this case—our Members will rise to the occasion and take that action which is necessary in the national interest. I believe, therefore, that early in the 2d session of the 98th Congress a sufficient number of men and women of good will, from both political parties, will be found who are willing to act responsibly and decisively to bring to an end the present crisis in our system of bankruptcy adjudication—the crisis that will not go away.●

THE 70TH INTERPARLIAMENTARY UNION CONFERENCE

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 60 minutes.

Mr. PEPPER. Mr. Speaker, as president of the U.S. group of the Interparliamentary Union and chairman of the House delegation, it was my privilege to attend the 70th Interparliamentary Union Conference at Seoul, South Korea, leaving Washington with the U.S. delegation and accompanying parties October 1 and returning to Washington October 14. I wish to submit a report on our attendance at the conference.

The 70th conference formally convened with a very impressive and meaningful ceremony in Seoul. The President of South Korea, representatives of the United Nations, representatives of the Interparliamentary Union, and other distinguished guests addressed the assembled group. The Interparliamentary Union Conference was attended by 456 Members of the Parliaments from 68 different countries. Our delegation was accompanied by a group of outstanding staff and an associate group. Maj. John D. Howder of the U.S. Air Force was our chief pilot and we had a distinguished flight crew on our plane. Excellent service was rendered to our delegation by CWO Joseph M. Hall. We were ably attended by Maj. Peter Levine as our physician. We were accompanied by Hon. Benjamin J. Guthrie, the able and outstanding Clerk of the House and Ms. Marilyn E. Courtot, Assistant Secretary to the Senate, who served with distinction. Of particular value to us was Hon. Vance Hyndman of the House Foreign Affairs Committee staff who was experienced in Interparliamentary Union matters and invaluably aided the delegation in our work at the Conference.

The organizer and manager of our delegation and those who accompanied us was the very capable and dedicated administrative assistant to the Clerk of the House, Mrs. Ellen Rayner. We were also ably assisted by Ms. Julie Illsley from the House Foreign Affairs Committee and by Ms. Yvonne Hopkins from the Office of the Secretary of the Senate. Especially able assistance was provided by my own very able and capable administrative assistant, Ms. Frances Campbell.

We were most valuably assisted by another gentleman experienced in the work of the Interparliamentary Union who has been with our delegation on many occasions—Hon. Ernest Grigg of the State Department.

At Seoul our delegation was most ably and delightfully assisted by our outstanding Ambassador, Richard L. Walker, and his brilliant and most lovely and gracious wife. We were especially impressed with the deep dedication to duty expressed by Ambassador and Mrs. Walker. They constantly attended the meetings of our delegation, ably kept us informed of events transpiring in South Korea and especially gave us invaluable assistance in keeping abreast of events relating to the assassination of four Cabinet officers and many other members of the South Korean delegation visiting in Rangoon with President Chon of South Korea. Our Ambassador was a devoted friend of many of those assassinated and was deeply saddened at the loss of those distinguished friends at the despicable hands of those who perpetrated this crime, found by the Government of Burma to be representatives of North Korea. We were proud to see the deep dedication of Ambassador and Mrs. Walker to their work and to our country.

As Members are aware, the Interparliamentary Union is the most comprehensive and historic interparliamentary association in the world. It functions, in part, to bring together Members of Parliament from well-established Parliaments, such as those in Western Europe. But the IPU is also very important for drawing wider participation from influential leaders from throughout the world. In fact, the IPU now has 100 nations represented in its membership, and it serves a very important function, in my view, by bringing together diverse Members of Parliament so they can share experiences and exchange views—in this way the IPU helps make improvements in parliamentary practice and strengthens democratic institutions throughout the globe.

Early in October, the Republic of Korea held its first meeting ever of the Interparliamentary Union. For this occasion, representatives TONY HALL, RAYMOND MCGRATH, AND I traveled to Seoul so that we could represent the United States in this important annual meeting of the IPU. Including U.S. delegates, 456 Members of Parliaments attended from 68 different countries.

The Seoul meeting as I said the 70th Interparliamentary Conference—occurred soon after the air attack by the Soviet Union against a Korean airliner. It also occurred during the horrible tragedy, also suffered by South Koreans, created by the terrorist attack in Rangoon, Burma. Needless to say, both of these events very much affected the thoughts and actions of the Parliamentarians who came to Seoul. The IPU Conference deliberated on the meanings of both events for international peace and security. In fact, the Conference expressed the overwhelming outrage of the international community respecting both of these condemnable acts.

Koreans deserve praise as a people for their fortitude and composure during this period of national tragedy. Despite the understandable uncertainties provoked, particularly by the incident in Rangoon which killed top leaders of South Korea, the IPU Conference proceeded in a respectful and orderly fashion. This increased international respect for the South Korean people as communicated by many world leaders in attendance at this conference.

Many national leaders remained in Seoul to participate in the state funeral held for those who fell in Rangoon. Our own delegation also remained to

join the special delegation sent from the United States for this moving state funeral by designation of President Reagan. This deeply moving funeral was attended by a million South Koreans.

Besides the special consideration given to these two tragic incidents, the IPU Conference proceeded with an agenda established last spring and carefully considered the important international issues of ways of strengthening the United Nations, particularly in the arms control and disarmament area, youth employment cooperation on international trade and development, decolonization, and ethnic rights. The Conference also devoted special attention to the war between Iran and Iraq.

Our delegation was very active in the plenary debate and committee processes. My colleagues, Representatives HALL and MCGRATH presented excellent and warmly applauded addresses in which they shared their own views so that the rest of the world could hear what are some of our own American thoughts on these important international matters such as world armament and Russian treatment of the Jews and other violations of human rights. We were also able to include our recommendations into the resolutions which the IPU ultimately adopted.

Mr. Speaker, it was my privilege to travel and work with these two distinguished Members of this House. They very ably represented the United States, in the formal IPU meetings and the many caucuses held with our Western counterparts and other Parliamentarians from around the world. Our delegation also learned, through their special inquiries, about many aspects of the situation in Korea.

At this point, I ask that all statements of U.S. delegates to the 70th Interparliamentary Conference which I now submit be included in the RECORD. I also ask that the resolution adopted concerning the Korean airline tragedy which I now offer be included for special attention. All other resolutions and a full report on our delegation activity at the Seoul meeting will be printed very shortly by the Committee on Foreign Affairs and available for further attention.

UNITED NATIONS STRENGTHENING AND DISARMAMENT

(Statement of Hon. Tony P. Hall at the 70th Conference of the Inter-Parliamentary Union, Seoul, Korea, October 5, 1983)

Mr. President, fellow delegates: Recent events have made it very apparent how vital international attention must be directed toward the subject of this conference. International conflict, or worse, military combat, is the pattern of our times. This very day, wars are raging in virtually every continent—most tragically in the Mideast, Africa, Central America, and Asia. Scarcely a region on the globe is spared the horrible consequences with the breakdown of the political dialog that resolves conflict and prevents armed battle.

Most of these conflicts have continued for years. Mediation and peacekeeping seem only temporary breaks in the normal routine of war. There is, therefore, a certain cynicism that has developed about the effectiveness of organizations such as the United Nations. If, given the clear mandate of the U.N. Charter to maintain international peace and security, the United Nations finds itself irrelevant and useless in solving international conflict, what hope do we have?

Frankly, many people in the United States have despaired of the United Nations. Some most closely associated with the high ideals that led to its founding may feel betrayed. The United Nations has survived a generation, and is approaching its half century. Now is the time to give thorough consideration and vigorous energy to making the United Nations more relevant to the modern problems we face which threaten our very survival.

The United Nations provides both principled statements of international law and mechanisms for conflict resolution. The principles remain to be cherished and put into effect. The mechanisms can be improved.

Regrettably, the standards of international behavior set by the Charter or the United Nations in a number of cases are just not followed. Countries such as the Soviet Union invade and continue to occupy the non-aligned state of Afghanistan, despite the United Nations Charter. Vietnam continues to occupy and colonize Kampuchea, despite the International Conference on Kampuchea under the United Nations.

The mechanism itself needs hard work. Peacekeeping procedures need tremendous improvement. In this, the Secretary General's report of last year offers some fresh recommendations that should be seriously considered and may lead to implementation of needed reforms.

The United Nations has already made its influence felt on arms control and disarmament. Many here today attended and contributed to the Special UN Session on this subject. Still, I think that greater progress can also be made on conventional arms control. The United Nations should both set the standards and establish the mechanisms for conventional arms reductions and confidence building efforts that prevent the outbreak of war.

It is unlikely that a nuclear war will start on the nuclear level. As a matter of fact, it may be worthwhile to recall that there have been no deaths since World War II as a result of the use of nuclear weapons, but between 12 and 15 million people have been killed in wars and conflicts involving conventional weapons. Rather, it would begin with aggravated tension involving less destructive arms. From this level of conflict may evolve the nuclear Armageddon we so fear. Peace can only be preserved when we grasp control of the most readily available means of destruction.

The wars that are raging today place tremendous strain on the resources and welfare primarily of the peoples that can least afford them. Should Iraq and Iran be giving up so many essential resources for their armed conflict that has raged these so many years? Should countries devote their creative energies to developing and acquiring the most sophisticated defense equipment? And finally, should the arms producers contribute so willingly to the rampant destruction and waste of national resources?

The world needs to look very quickly and deeply at how we control first the use, then the availability of the tanks, howitzers, and the missile-equipped aircraft. Here the United Nations can contribute.

The United Nations can become a mechanism for bringing together the principal weapons suppliers and buyers, and mediate in the transactions of marketing war utensils. It can ask that the Soviet Union, the United States, France, Sweden the United Kingdom, and the Federal Republic of Germany, just to name some of the more productive defense equipment manufacturers, to meet to establish criteria and build in restraint in arms export.

The United Nations can ask the hungry buyers to come to terms to lower the resource that they devote to defense expenditures. Currently, the world spends $22 on military purposes for every $1 it spends on development aid to poor countries. According to the U.N. Center for Disarmament, the money required to provide adequate food, water, education, health, and housing for everyone in the world has been estimated at about $18.5 billion per year. The world spends this much on arms every 2 weeks. Like on the strategic and nuclear level, I can easily imagine that on the conventional level many assurances of mutuality and verifiability will be needed and should be recommended.

International conventional arms control should also include much needed efforts to improve confidence in regions so that incentives disappear to acquire weapons and use them.

Confidence between peoples and states is very difficult to achieve. Without the support of internationally accepted practices, international norms of behavior, and mechanisms that we all support to arbitrate our differences, I fear that even the kind of civilization that we have today would break down.

Because we count so much on the observance of international standards of behavior as underpinnings of world order, the Soviet attack on the Korean civilian airliner has become the most unsettling crime of this time. Most of us are more horrified that the Soviet Union is even attempting to cover up this crime.

We also gain or lose confidence because of the way states treat their own citizens. Hitler already scared the world, well before his armies advanced in Czechoslovakia and Poland, because of the society he envisioned in his land and the dictatorial suppression of the rights of his people. In the United States today, we give high value to free expression of views, even from those that oppose the current administration of our Government. We believe that a viable opposition is essential to an authentic democratic process. We therefore are particularly alarmed when other countries imprison their citizens or harass them for political expression, particularly when they are calling for democracy, political pluralism, free press, and the right to organize in the workplace.

World confidence, which is needed to discourage the use of arms, is given a fundamental boost when each country improves the way it treats its own peoples. Martial law is the ultimate abridgement of the rights of a free people. Martial law by any other name is no better. As former Secretary of State Ed Muskie said, "The heavy silence of repression is not stability, it is too often the calm before the storm."

Recent efforts in many areas prove that countries can cooperate to resolve conflicts. The United States has a long history of pressing for negotiations to avert and settle wars and other international problems, and looks for constructive cooperation with other nations searching for solutions to international strife.

Thank you for your time and attention to this most important problem.

United Nations Strengthening, Lebanon, and Plight of Soviet Jews

(Statement of Hon. Raymond J. McGrath at the 70th Conference of the Inter-Parliamentary Union, Seoul, Korea, October 5, 1983)

Mr. President, fellow IPU colleagues, first, let me express my gratitude to the Republic of Korea, its people, its President and its organizing committee for the cordiality and attention they have given to the delegates and to the success of the Conference. Kamsa Hahm Kneeda.

My dear colleagues, if the United Nations is to survive as an institution, it must stand for—above all—the guarantees of human rights for all peoples—at all levels—in all governments—in all countries throughout the world.

I would like to point out two instances where the U.N. could take a greater role for peace and the human condition for the people they seek to serve.

My friends, the human rights and safety of the people of Lebanon are a grave concern to the people of the United States. We are profoundly concerned by the recent and on-going conflict in Lebanon—the tragic loss of innocent civilian, as well as military lives, the destruction of property—and we are deeply moved by the disruption of normal life.

We believe that the reestablishment of peace and stability of Lebanon is necessary for the reconciliation of an overall peace in the Middle East, and to that end, we are encouraged by the efforts of the Government of Lebanon to seek a political reconciliation among all the Lebanese people.

We also support the efforts of the Government of Lebanon to bring about the withdrawal from Lebanese territory of all foreign forces whose presence continues to prevent the full restoration of Lebanese sovereignty and territorial integrity.

We in the United States welcome the ceasefire that has been in effect since September 26 and we urge its continued observance by all parties concerned.

In sum, Mr. President, we urge the establishment of a strong central government in Lebanon, the withdrawal of all foreign forces, the restoration of control by the Lebanese Government throughout the country, and the establishment of conditions which will assure security for Lebanon and for its neighbors, including Israel.

We would urge all communities within Lebanon to work together to restore national unity, directed at the reconstruction of the Lebanese nation.

And finally on this subject, we call for all nations to contribute, to the best of their abilities, to both assist in the maintenance of the peace-keeping efforts within Lebanon, and to assist in the recovery of the Lebanese people and the rehabilitation of their land.

We express this hope that progress on the resolution of the Lebanon problem will contribute to an atmosphere in the region necessary for progress towards the establishment of a comprehensive peace in the region of the Middle East.

My dear colleagues, the second item of concern is the plight of the Jewish people in the Soviet Union. My interest in Soviet Jews, or as I call them—Jews of silence—results from a personal, long-standing dedication to their right to emigrate—as guaranteed by the Universal Declaration of Human Rights, as well as the Helsinki Accords, signed by 35 nations, including the Soviet Union—but not faithfully observed by that country—and a personal trip I recently made to the Soviet Union.

My words, I hope, will capture some of the thoughts that passed through my mind and many of the emotions that passed through my heart. Truly, until this trip to the Soviet Union, I was a vicarious spectator to the turmoil among Soviet Jews. There is nothing like real experience to help understand the situation as it exists to help us visualize what Russian Jews go through every day of their lives.

It is only there that one can learn the true depth of the situation.

Since my return, I have been asked by many people if it is really as bad as they say for Soviet Jews. I must tell you the answer to that question is "yes". Yes, the situation is as bad as they say. In fact, it is worse than they say.

And there is not a single Jew with whom I spoke—and I met with perhaps 30 refusenik families in a variety of settings—who did not emphasize their dark fear that the situation is going to continue to get more desperate.

For these Jews, who so desperately want to leave the Soviet Union to freely practice their religion, the term "Iron Curtain" is too benign. The curtain has bars, the gates are virtually shut tight.

This year, through August, only 934 Soviet Jews have been allowed to emigrate. Only four years ago, 33,553 exit visas were granted over that same period of time. Thus, in comparison, we now have only 3 percent of what emigration was in 1979.

And the Jews? What can we say about this, the third largest Jewish community in the world?

To look in their eyes is to see despair. But that despair has not snuffed out all sparks of hope. We in the West are their hope, their pipeline. As long as we remain committed to them, never forgetting their plight, they can go on existing in the troubled state as they do.

Can we live with that responsibility? Of their hopes for eventual freedom? Of their dreams? Of their lives? We have no choice. Neither does the United Nations.

Decolonization

(Statement of Hon. Raymond J. McGrath at the 70th Conference of the Inter-Parliamentary Union, Seoul, Korea, October 7, 1983)

Mr. President, I should like, on behalf of the delegation of the United States, to make a few brief points concerning the issue of decolonization.

First, the Government and people of the United States fully understand the high priority that this body has attached to the issue of decolonization and the force with which this issue has been debated here. We understand it, from our own colonial experience. We have no difficulty appreciating the depth of the feeling of members of this conference, many of whom have so recently emerged from the experience of colonialism.

Our own support for decolonization has been, and remains, more than rhetorical. At the Paris Conference in 1919, it was President Woodrow Wilson who won recognition for his vigorous advocacy of the concept of self-determination of all peoples.

In 1946, culminating a process of self-determination that had begun many years earlier, the United States inaugurated the postwar transportation of the colonial world by being the first country to grant independence to its only colonial possession, the Philippines. In the ensuing years, we urged and encouraged other nations to follow our own example with respect to their colonies in Africa and Asia. More recently, the United States has vigorously pursued efforts to bring independence to the states of Southern Africa. We were pleased to have been associated with the United Kingdom's successful effort to negotiate the settlement that led to Zimbabwe's independence in 1980. And we have been encouraged by that success to redouble our own efforts to bring about stable, negotiated independence for Namibia.

Secondly, Mr. President, the United States takes seriously its responsibilities for the administration of other territories and peoples. We are not a colonial power; we harbour no colonial ambitions. Wherever and whenever we have found ourselves in the role of administrator of other territories, we have sought to ensure that the peoples of those territories were fully able to freely establish their democratic political institutions and regularly express their views about their political status.

The United States has sought to ensure the exercise of the right to self-determination for the people of Micronesia. Recently, the people of Micronesia have had the opportunity to express their views on a compact of free association with the United States, a compact which the elected leaders of these territories have freely negotiated with the United States. Their views have been expressed through free and democratic plebiscites, supervised by the U.N.'s own Trusteeship Council, in which the political status options open to them are fully defined. For its part, the United states fully respects their choice. We trust that the members of this body will do likewise.

The United States has also sought to ensure the exercise of the right of self-determination for the peoples of Guam, American Samoa, and the U.S. Virgin Islands. In each of these territories, the people have regularly and routinely elected their own leaders and expressed opinions on their political status, as is their right.

If all of these territories continue to enjoy close relationships with the United States, it is because the people of the territories have freely chosen to do so. Not only do we respect their choice, we welcome the unique contributions of each to the cultural diversity that has given our own democratic institutions their great strength.

In addition, Mr. President, the United States has sought self-determination for the people of Puerto Rico. In Puerto Rico, the people have regularly elected their own officials in quadriennial elections and have stated their political status preferences in democratic referenda. The members of the U.N. recognized and affirmed that the people of Puerto Rico had achieved local self-government when, in 1953, it removed Puerto Rico from the U.N.'s list of non-self-governing territories. The U.N. General Assembly has repeatedly reaffirmed that decision, most recently just last year when it decided, once again, not to reinscribe the question of Puerto Rico on its agenda. The

United States regards the Puerto Rico status question as entirely a domestic issue for the United States and Puerto Rico to decide. The people of Puerto Rico are self-governing, with their own elected Governor and legislature. Elections over the past 30 years have demonstrated little support in Puerto Rico for independence. In the last referendum held specifically on this subject (in 1967), the independence option received less than 1 percent of the vote while statehood received 39 percent and continued commonwealth status 60 percent. In the last major elections, the Pro-Independence Party received about 6 percent of the vote, the Pro-Statehood Party about 47 percent and the Pro-Commonwealth Party about 47 percent. The United States fully supports the Puerto Rican's right to self-determination and their continuing right to decide their political status.

Mr. President, the resolution before us implicitly promotes the view that self-determination applies only to those countries this body has traditionally labelled "non-self-governing." This, too, is a denial of the principle of self-determination. It fails to acknowledge that self-determination is a principle requiring universal application.

Because this resolution is fundamentally false, and because it repeats the same inaccurate and inflammatory rhetoric that characterizes so many of the conference's previous resolutions on decolonization, the United States cannot support it.

Mr. President, my delegation does not intend to descend to the level of sterile propaganda that is used by a number of colleagues, particularly those who chose not to be present among us. But neither can we allow to go unchallenged the many distortions and lies that representatives of these states have attempted to propagate in the resolution adopted in Helsinki. Those representatives would have this Union believe that the principal aims of the United States and other Western democracies is to deny peoples everywhere their right of self-determination. Clearly the facts are otherwise. Maybe this is not surprising.

What is surprising, and indeed insulting, to other members of this body is that those representatives should presume to lecture to this body on the rights of peoples and the responsibilities of states.

Their absence from this conference suggests that the delegates of these countries, unaccustomed as they are to having the freedom to ignore the guidance of their mentor, believe that other members of this body are similarly constrained. This accusation insults those members of this body who take seriously their responsibility to make decisions, based on the facts.

This, Mr. President, brings me to the final point I would like to make. I said at the outset that the old, 19th century colonialism, toward which so much of the effort of this Union has been directed, is largely a thing of the past. One need only look around this very room to know this is a self-evident truth.

However, it is regrettably not true that colonialism, in all its forms and manifestations, is a thing of the past. For even as we continue to work to eradicate the remaining vestiges of old colonialism, we are obliged to confront the rise of new colonialism, one that is far more menacing in its potential consequences for both human freedom and international stability.

If we are to be seriously concerned about the principle of self-determination, then we must be concerned by the absence of its application in countries which are self-governing in name only. If we are to be concerned about the situation in Namibia—as the United States genuinely is—then we cannot ignore the occupations of Afghanistan and Kampuchea and the earlier forcible occupation of the Baltic States of Latvia, Lithuania, and Estonia in 1944, to cite only a few obvious examples where self-determination does not exist.

If we are to express concern about the rights of the inhabitants of small territories, then we must show even greater concern for the inhabitants of vast regions of the world where self-determination is vigorously repressed and denied.

In its essence, the concern for self-determination must be a reflection of a broader concern for human freedom. By whatever names we choose to call it, the denial of inalienable rights and the suppression of fundamental freedoms is also a form of colonization in the future, we trust that members of this body will give these new and more threatening forms of colonialism the serious attention they so rightly deserve.

Thank you.

Ways To Promote Trade and Development

(Statement of Hon. Claude Pepper at the 70th Conference of the Inter-Parliamentary Union, Seoul, Korea, Oct. 8, 1983)

Mr. President and my distinguished colleagues: I am pleased to join so many of my colleagues who have spoken from this podium in expressing our deepest gratitude to our distinguished host, the government and people of Seoul and South Korea upon the magnificent hospitality they have extended to us in this beautiful city. On such occasions the paramount subject always should be peace—peace among the nations and for the peoples of the word; peace to prevent the waste of our substance in material and human values upon war or preparation for war, upon killing or preparations to kill our fellow human beings instead of using that substance to make life better for people who need help in every part of the world.

My colleague, Mr. Hall, ably pointed out to this great assembly this week that what we spend on preparation for war in two weeks would provide food and much needed aid to deserving people of the world for a year.

The second issue, related to the first, should be the reduction of weapons. The nuclear powers of the world particularly should be concerned and should decrease the volume of their terror by diminishing the nuclear menace they offer to mankind. While the nuclear powers reduce these terrible weapons, other nations must refrain from the development of nuclear weapons. The whole pressure of world opinion and especially of this great organization must be directed toward these ends.

The third concern of this conference must be the development of economic conditions in the world which will provide better lives for the undernourished, the ill, the needy—what President Roosevelt used to call the ill-fed, the ill-clothed and the ill-housed people of the world. We know there are those in the developed nations, the selfish and the satisfied, who wish to divert none of their substance for the help of others. Yet, the selfish and the satisfied in no country can indefinitely stand against the cry of humanity for help, the cry of the children for food, the cry of the ill for care, the cry of the elderly to be permitted to walk a little further along the highway of life. More people and more nations are accepting the principle that we do not live in a single world all our own alone. We all live in one world with one another. We all must recognize that we are like the three men in the parable of Jesus on the way to Jerico who encountered the man bleeding by the side of the road. None of us can act like the first of the three travelers to Jerico and pass by the needy on the other side of the road. Nor can we do only what the second man on the way to Jerico did—just go look at the problems of the stricken one. We all know in conscience and in our own self-interest we must do what the third man on the way to Jerico did—go over to the wounded man and give him help.

In spite of the great need there is among most of the developing nations of the world for more assistance, we can view with satisfaction the progress we have made in helping those nations to help themselves. First, in all of the developed nations the problem of the underdeveloped nations in being very sympathetically considered and all of the developed nations are doing much to help their sister nations less fortunate then they. The problems of the developing nations have become a primary concern for the United Nations and for many of its agencies. UNCTAD has been established and is a functioning organization of great hope and promise of giving assistance in the development of goods and services, the distribution in the world markets of raw materials for a fair price, monetary and financial assistance and aid in the transfer of technology. UNCTAD has enabled us to focus attention on specific questions and their solution.

We have international financial institutions and monetary arrangements for giving assistance in critical areas to the needs of the developing nations—the world bank, intenational monetary fund and other international institutions. Here I would venture to express a strong hope that at our own inter-parliamentary union conference we can from time to time take up specific priority subjects for consideration and strive to focus attention upon those subjects and develop within the inter-parliamentary union the strongest possible consensus for immediate action in respect to those particular subjects. For example, one subject I should like to see emphasized is the improvement of international financial and marketing mechanisms where crops or export items which are subject to great fluctuations in the world markets on account of supply and demand can be stored for a better market. President Roosevelt established such a system as this for agricultural commodities like cotton which enabled the grower to pay his pressing costs of production in general and to hold his product for a better market.

Emphasis should also be put upon the need for much wider transfer of technology from the developed countries to the underdeveloped ones. Many ways can be found by which know-how can be made available to those eager to learn new technologies. Some nations can establish partnerships between their possessors of valuable technologies and those who would learn and develop such technology in the developing countries. In other respects, international financial institutions can aid in the transfer of such technology and individual developed nations with high levels of technology could transfer it to qualified developing nations as a part of their foreign aid program.

Those two subjects, aid to the developing countries by enabling them to have a fair and relatively stable market for their raw

materials and the transfer of valuable industrial technology could be exceptionally meaningful to the developing countries. We should press hard to get strong concensus at our inter-parliamentary union for such a program and we should carry the campaign back to our parliaments and to our governments.

Just by pressing for specific objectives at the IPU and in our parliamentary bodies back home we can achieve concrete results much better than if we adopt a lot of generalities. Of course, developing countries cannot expect the developed countries to do for them what they can do for themselves. South Korea is a challenging example of what a developing nation can do to become a very dynamic and largely developed nation.

Growing world understanding of the indivisibility of the modern economy of the world, sympathy in the developed nations for the plight of those who suffer anywhere and improving techniques of help for the developing nations offer much that is encouraging for the future. Besides, various developing nations are breaking out largely through their own efforts like South Korea into magnificent examples of spectacular economic growth. Others who have not yet so well succeeded have their example by which to profit and as a challenge to them.

I am sure we all hope that at this IPU conference that we can agree on at least the two programs I have mentioned and determine that we will press to the limit of our ability for the support of those programs by our parliaments and governments back home. We can establish a better international economic environment. We can prolong human life, improve human health and raise the standard of living of people in every part of the world. Let our response be equal to the need. Let this conference be remembered as one where the delegates lifted up their eyes from their individual nation and saw not their own country alone but the world and determined that we would set in motion forces that would build a better world; would help all men to walk on higher ground.

Special Session of IPU in Observance of Tragedy in Burma

(Statement of Honorable Claude Pepper at the 70th Conference of the Inter-Parliamentary Union, Seoul, Korea, Oct. 10, 1983)

Mr. President, my dear colleagues, ladies and gentlemen, the world knows of the warm and close friendship between my country and South Korea; a friendship sealed in the blood of our sons fallen side by side in the battle against aggression. Therefore, to so many of our people, those whom we mourn this evening were not only working companions but devoted friends—friendships that were strong and lasting. The grief of so many of our people, so movingly expressed, has attested to the quality of that friendship.

We all know that whatever words we speak here this evening, however warm and fine they may be, will not bring back those who only yesterday lived. But we do hope that in what we say we may add some solace to the grief of the bereaved and perhaps by the recital of their noble deeds we may add to the storehouse of memories which in future years will guide those who come after them.

These men were good men; men who revered and were revered by their families; who stood for good causes and fought constantly to build a better world. Indeed, when they were slain by evil hands they were engaged in a mission of friendship and good will to their neighboring countries; trying to extend a better world to more people. These men were the chief advisers of a great nation; a great ancient land and a great modern state constantly growing greater day by day. And they had a vision of the future that encompassed not only South Korea, not only Asia, but the world and they were striving with good hearts toward the realization of that ancient dream of peace and friendship among all people. Let those who slew them with their evil hands not rejoice. While their bodies are broken the light of their spirits shine and will shine in future hearts, will illumine future minds and constantly help all men to walk on higher ground.

There are those who think that if you slay a few men somewhere you have intimidated good men everywhere against taking up the good cause and fighting valiantly for it. All history belies that assumption. The record of man shows that for every slain martyr for a good cause a multitude arises in his place to carry on the battle. They will not destroy South Korea who slew these men. It will go forward and upward in the world. As a soldier from behind steps into the place of the one who falls in front, others of equal luster and character will take their responsible places and this great country and the cause that it espouses will go onward and upward in the years yet to come.

May I conclude by paraphrasing the word of our Shakespeare by saying to those departed noblemen, "Goodby sweet friends and may flights of angels sing thee to thy rest."

Safety of Air Traffic

(Resolution adopted without a vote)

The 70th Inter-Parliamentary Conference,

Deeply deploring the brutal destruction of a Korean Air Lines civilian aircraft on 1 September 1983 by a Soviet fighter plane, resulting in the death of 269 innocent men, women and children from 15 countries.

Noting that this tragic incident calls into question the safety of civil aviation and constitutes a grave violation of international conventions and customs, as well as of humanitarian principles.

Expressing its indignation at the flagrant disregard for human life shown by those Soviet authorities responsible for this tragedy.

Emphasizing that such action in these difficult and dangerous times does not contribute to the cause of international peace and co-operation.

While recognizing the importance of the principles of territorial integrity, *emphasizing* that only internationally agreed procedures should be used in response to instrusion into the air space of a State.

Desirous of being fully acquainted with the facts of the matter.

Stressing the necessity for a comprehensive and adequate explanation based on an independent and international inquiry into the facts related to the incident.

Stressing the importance of adhering to international civil aviation laws and procedures designed to secure the safety of international air traffic.

Noting that the International Civil Aviation Organization (ICAO) has initiated timely action on the incident with a view to preventing any recurrence of similar tragedies.

1. Expresses its profound sympathy to the families of all the victims of the 15 nations involved, to the National Assembly, the Inter-Parliamentary Group and the people of the Republic of Korea;

2. Calls on all Governments and the ICAO to ensure greater safety for civil air traffic, such as through an international communication and navigational system for civil aircraft, including those which may stray accidentally off course into closed air space of high political and military sensitivity;

3. Appeals to the Governments represented in the ICAO to support the proposed amendments to the Chicago Convention of 1944 on International Civil Aviation in order to avoid the repetition of such a tragedy; these amendments relate to the following points: (a) An undertaking to refrain from the use of force against civil aircraft; and (b) An obligation to take measures ensuring better cooperation between civil and military aircraft;

4. Also appeals to all Governments to give an assurance that the internationally recognized codes of behavior relating to civil aircraft will be observed in the future;

5. Demands a full and fair international inquiry into the incident, such as that of the ICAO, and expects the full cooperation of all parties concerned, including the Soviet Union, in all aspects of such inquiries, including the recovery and disclosure of all material evidence;

6. Insists that full and just compensation be paid by the Soviet Union to the families of the victims, in accordance with the principles of law.

● Mr. McGRATH. Mr. Speaker, I am pleased to join in this special order to discuss the 70th Conference of the Interparliamentary Union, held in Seoul, Korea, last month. It was a privilege to serve as a delegate to the conference, and I want to take this opportunity to commend the President of the United States group, Congressman Claude Pepper, for his leadership of our delegation.

It is no secret that when the United States attends a meeting of an international organization, such as the United Nations or the IPU, it is going to be outnumbered. We seldom will be successful in pressing our point of view. At the recent Conference, for example, if a quarter of the nations present supported our point of view, it was a lot. If another quarter abstained from voting against us, we were all the better off.

But the point is not whether other nations agree with us, or how often. The point is that we were talking to each other. We made a reasonable effort to understand each other. And we got to know each other a little better. Further, as parliamentarians, we had something else in common. When we stop talking to each other, it means that we are taking other approaches to resolving our disagreements, and those approaches are not always preferable.

My committee assignments at the Conference gave me the opportunity to discuss at some length the role of the United Nations in the context of

two of my major foreign policy interests, peace in Lebanon and the rights of Soviet Jewry.

If the United Nations is to survive as an institution, it must stand for—above all—the guarantees of human rights for all peoples, at all levels, in all governments, in all countries of the world. In my address to the delegates, I pointed to two instances where the U.N. could take a greater role for peace and the improvement of the human condition.

The basic right of self-government of the people of Lebanon is a grave concern. The tragic loss of innocent civilian, as well as military, lives has made the reestablishment of peace and stability in Lebanon of the utmost importance. Clearly, the resolution of Lebanon's troubles is paramount to the ultimate achievement of an overall peace in the Middle East.

The United Nations should stand fully behind the efforts of the Government of Lebanon to bring about the withdrawal from Lebanese territory of all foreign forces whose presence continues to prevent the full restoration of Lebanese sovereignty and territorial integrity.

The United States and three other nations have borne the brunt of efforts to promote peace in Lebanon, but all nations should contribute, to the best of their abilities, in the maintenance of peacekeeping efforts within Lebanon, and to assist in the recovery of the Lebanese people and the rehabilitation of their land.

A second item of concern which I expressed at the Conference was the plight of Soviet Jews. My concern stems not solely from my personal, longstanding dedication to their right to emigrate, but from the guarantees of international law and convention, such as those contained in the Universal Declaration of Human Rights and the Helsinki accords. The sharply reduced emigration of Soviet Jews and the harassment of such individuals and others wishing to emigrate from the Soviet Union is an affront to those who believe in human rights, and, for that matter runs counter to the ideals expressed in a resolution adopted by the IPU's committee on non-self-governing territories and ethnic questions.

It should come as no surprise that the interests of the United States and its allies generally take a beating at the IPU, as they frequently do at the U.N. But that fact aside, I appreciate having had the opportunity to go to the Conference, and hope to have a similar opportunity in the future. We can learn a great deal from our fellow parliamentarians around the world, and we have nothing to lose—and stand to gain much—by keeping the lines of communication open.●

GENERAL LEAVE

Mr. PEPPER. Mr. Speaker, I ask unanimous consent that all Members may have permission to revise and extend their remarks on my report on the Interparliamentary Union Conference, the subject of my special order.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

INTRODUCTION OF FOOD IRRADIATION BILL

The SPEAKER. Under a previous order of the House, the gentleman from Washington (Mr. MORRISON) is recognized for 30 minutes.

● Mr. MORRISON of Washington. Mr. Speaker, today, along with several of my colleagues, I am introducing legislation which promotes a new and exciting innovation in science and agriculture: the use of radiation as a postharvest treatment for food commodities. The original cosponsors of this legislation are: Mr. FOLEY, Mr. LOTT, Mr. COELHO, Mr. FUQUA, Mr. STRATTON, Mr. WHITEHURST, Mr. SKEEN, Mr. CHANDLER, Mr. EVANS of Iowa, Mr. DYMALLY, Mr. BADHAM, Mrs. HOLT, Mrs. LLOYD, Mr. THOMAS of California, Mrs. BYRON, Mr. TAUKE, Mr. COURTER, Mr. BROWN of Colorado, Mr. LEACH, and Mr. PASHAYAN.

Over the past several months I have become increasingly interested in food irradiation as a way to facilitate the opening of the foreign export market for certain crops produced in Washington State. But the application of this technology is not limited to Washington State apples and cherries; food irradiation can be used on all sorts of fresh fruits, vegetables, grains, and even pork. The impact of food irradiation could be revolutionary as a recent edition of Food Development magazine concluded: "* * * irradiation technology will have the same magnitude of impact on the world's food production that canning and freezing had when they were introduced."

Food irradiation could also prove to be an attractive alternative to the pesticide ethylene dibromide which has recently been restricted by the Environmenal Protection Agency. As a farmer, I know that if the postharvest applications of EDB are prohibited by EPA, as is expected, the repercussions in the agriculture community could be severe. This only underscores the immediate need to promote food irradiation which many believe is a safe and effective substitute for EDB.

The major stumbling block to achieving commercial application of food irradiation has been the restrictive regulatory interpretation by the Food and Drug Administration. Twenty-five years ago, the Congress amended the Food, Drug, and Cosmetic Act so that food irradiation was defined as a food additive. Since food irradiation is regarded as a "food additive" any food deliberately subjected to radiation is considered adulterated unless the use of radiation conforms to complex and burdensome food additive regulations.

I firmly believe that defining food irradiation as a food additive is inappropriate. Food irradiation is a process, much like boiling, freezing, or cooking in a microwave oven, and not an additive. The statutory definition of food irradiation as an additive could prevent consumer acceptance of irradiated products because in the public's mind the food irradiation must somehow add harmful ingredients to foods.

I believe we must mitigate this public misconception. One place to start is to amend the Food, Drug, and Cosmetic Act so that it would exclude sources of radiation as food additives. The legislation I am introducing today would accomplish this objective.

There is a growing international consensus behind food irradiation. Two international organizations, the Joint FAO/IAEA/WHO Expert Committee and the Codex Alimentarius Commission, have recommended the use of irradiation on food up to doses 10 times higher than FDA is now considering. Furthermore, the Canadian Health Protection Branch in late July announced regulations that would no longer control food irradiation under the additive provision of their food and drug regulations. Instead the new Canadian regulation would control irradiation as a food process under a new set of regulations. This is precisely the approach taken in the bill.

The legislation I introduced today would do the following:

First, it explicitly exempts "sources of radiation" from the definition of food additive. (Subsection (a).)

Second, food irradiation would then be subject to the identical regulations which are applicable to pesticide chemicals used on raw agricultural commodities. (Subsections (b) and (c)). These regulations are appropriate since food irradiation would often operate as a substitute for post-harvest pesticides such as ethylene dibromide.

Third, an exception would be made for those food irradiation regulations already in the process. Hopefully, FDA will soon promulgate a regulation that would permit food irradiation up to doses of a 100 kilorads. This particular regulation would be grandfathered and would not be changed by this bill. (Subsection (c)(9).)

I hope this bill will promote open discussion of food irradiation so that public concerns about using radiation can be addressed. No matter how successful and safe food irradiation proves to be, it will never obtain large scale commercial application unless there is consumer acceptance.

A statement in support of the bill by Mr. WHITEHURST, a copy of the bill, and some articles which summarize the food irradiation issue follow:

STATEMENT OF HON. G. WILLIAM WHITEHURST

Mr. Speaker, I am pleased today to be joining a number of my distinguished colleagues in cosponsoring the bill being introduced by The Hon. Sid Morrison, to facilitate the use of irradiation in preserving food. At the present time, irradiation is considered a food additive by the FDA, on the basis of legislation passed by the Congress a generation ago, and this has been a major stumbling block in gaining approval by the FDA for this process to be used in this country.

I first became interested in food irradiation when I visited the Bhabha Atomic Research Center near Bombay, India, nearly three years ago and saw the work being done there in this field. Ironically, food is preserved in India using a process which was developed at our own Army Research Laboratory in Natick, Massachusetts. In India, potatoes and onions are kept from sprouting by being irradiated; flour is kept free of weevils by being irradiated; and perishable foods including milk and shrimp can be kept at room temperature for weeks or even months by being irradiated. The Director of the project told us that she had been eating these foods for some few years with absolutely no ill effects.

Let me take this opportunity to refer my colleagues to a number of RECORD inserts which I have had included since returning from India. On February 23, 1982, beginning on page E481, I inserted articles written by Dr. Eugen Wierbicki, a pioneer in the development of the use of low-level irradiation in food preservation, listing a number of the uses of this process, including the killing of the Mediterranean fruit fly and other such pests, which have caused so many problems in the export of citrus fruit and other produce from the country; food irradiation can safely replace the use of ethylene dibromide, which is a known carcinogen. Indeed, on September 30, 1983, beginning on page E4693, I inserted an article from the Washington Post outlining the dangers of EDB. Other statements appeared on March 24 and July 12 of this year, beginning on pages E1329 and E3413 respectively, emphasizing the safety of the process of low-level irradiation of food as a preservative and a pesticide.

The use of food irradiation would be of inestimable value to the pork producers of this country in killing the trichina larvae. At the present time, very few foreign countries will import American pork, since it contains too high a level of trichinae to be acceptable; indeed, American pork today is the least clean of all pork produced in the industralized nations of the world. Low-level irradiation would make it possible for our pork producers to increase their exports considerably.

In conclusion, let me emphasize that the process of food irradiation does not make food radioactive. To quote Dr. Manfred Kroger, Professor of Food Science at Penn State, who stresses the safety of the process, pointing out that food absorbs only the energy of the radioactive source, not the source's radioactivity, "When the sun emits utlraviolet light, it tans us. But we don't become an ultraviolet source because of that." Or, as Gail Dallas pointed out in an article in the February 9, 1983, Renton, Washington Record Chronicle, ". . . while X-rays themselves must be handled with caution, there is no radiation hazard from the X-ray table in a doctor's office, even though the table may have been exposed to X-rays thousands of times." So no one need fear that the butter or sour cream on their baked potato will be replaced by beta or gamma rays, or any other form of radioactivity.

Mr. Speaker, I commend this bill to my colleagues, and I am particularly appreciative of my colleague Sid Morrison's leadership in drafting this important legislation. I hope that many more Members will join us as cosponsors in this effort.

H.R. 4544

A bill to promote the use of food irradiation as a post-harvest treatment for agricultural commodities and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 201(s) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(s)) is amended by—

(1) striking out "; and including any source of radiation intended for any such use" and in the first parenthetical material; and

(2) inserting "or any source of radiation" after "chemical" in paragraph (2).

(b) Section 402(a) of such Act (21 U.S.C. 342(a)) is amended by striking out "409" in clause (7) and inserting in lieu thereof "408".

(c) Section 408 of such Act (21 U.S.C. 346(a) is amended by—

(1) inserting "(1)" after "Sec. 408. (a)";

(2) redesignating paragraphs (1) and (2) of subsection (a), and all references thereto, as subparagraphs (A) and (B), respectively;

(3) inserting the following new paragraph at the end of subsection (a):

"(2) Any use of radiation in the production, storage, or transportation of any raw agricultural commodity which is not generally recognized, among experts qualified by scientific training and experience to evaluate the safety of uses of radiation, as safe for use, shall be deemed unsafe for use for the purposes of the application of clause (7) of section 402(a) unless—

"(A) a tolerance for such use of radiation with respect to such commodity has been prescribed by the Secretary and the use of the radiation with respect to the commodity is within the limits of the tolerance so prescribed; or

"(B) with respect to the use of radiation on such commodity, the Secretary has exempted the requirement of a tolerance under this section.

While a tolerance or exemption from tolerance is in effect for the use of radiation with respect to any raw agricultural commodity, such commodity shall not, by reason having been subjected to such radiation, be considered to be adulterated within the meaning of clause (1) or (2)(A) of section 402(a).";

(4) adding the following at the end of subsection (b): "The Secretary shall also promulgate regulations establishing tolerances with respect to the use of radiation in producing, storing, or transporting raw agricultural commodities which is not generally recognized, among experts qualified by scientific training and experience to evaluate the safety of such use of radiation, as safe for use, to the extent necessary to protect the public health. Such regulations shall be promulgated in the manner prescribed in subsection (e).";

(5) adding the following at the end of subsection (c): "The Secretary shall also promulgate regulations exempting any use of radiation in producing, storing, or transporting raw agricultural commodities from the necessity of a tolerance when such tolerance is not necessary to protect the public health. Such regulations shall be promulgated in the manner prescribed in subsection (e).";

(6) striking out "or exempting it" in the first sentence of subsection (e) and inserting in lieu thereof "or for the use of radiation in the production, storage, or transportation of any raw agricultural commodity or exempting such chemical or use of radiation";

(7) inserting "has requested the Secretary to propose the regulation for such use of radiation or who" after "who" in the second sentence of subsection (e);

(8) striking out "named in the proposal or exempting it" in the next-to-last sentence of subsection (e) and inserting in lieu thereof "or for the use of radiation named in the proposal or exempting such chemical or use of radiation";

(9) adding the following at the end of subsection (k): "Regulations which concern the use of radiation with respect to agricultural commodities and which were promulgated in accordance with a process provided for in section 409 and initiated before January 1, 1984, shall be deemed to be regulations under this section and shall be subject to amendment or repeal as provided in subsection (m).";; and

(10) inserting "Irradiation of Food and For" in the section heading after "For".

COMMERCIAL FOOD IRRADIATION

(By Edwin F. Black and Leona M. Libby)

In the February 1978 issue of the Bulletin, Willard Libby, the late Nobel laureate and member of the Atomic Energy Commission warned:

"The millions who live in the shadow of starvation deserve the benefits of a more rapid introduction of irradiated foods. Wasteful as man has been in the past, he can no longer afford to waste time, technology and food."

Libby lost no opportunity to impress on his colleagues in the executive branch that food irradiation was the most important technological development in food processing since canning came into commercial use in the early 1880s.

The United States has conducted an intensive irradiation research program since the end of World War II. Funded primarily by the Army, but with strong support from the AEC and the Department of Agriculture, this research and development effort has been centered at the Army's laboratory at Natick, Massachusetts. By 1970, the AEC was able to announce that "food irradiation has been more thoroughly tested than any other method of food preservation."

Irradiation exposes food to gamma rays from a cobalt-60 or a cesium-137 source, or to high-energy electrons emitted by an electron accelerator. A major advantage is that food can be packaged either before or after treatment.

Low-dose irradiation (below 200 kilorads) delays spoilage of fruits, extending shelf life and allowing marketing over a wider geographic area. It also disinfests fruits, vegetables and cereals of all insects, insect eggs or fungi. In addition, it inhibits the natural

sprouting of such bulb-type vegetables as potatoes or onions.

High doses (in the range of five megarad or more) destroy all microorganisms in the food. A process developed at the Natick Laboratory called "radappertization," combined with vacuum packaging in flexible-retort pouches, makes it possible to prepare meat, poultry and fish so that they can be shipped and stored for years without refrigeration. This permits tremendous energy savings and provides a shelf-stable food which can be used as a military ration or for emergency distribution, as well as for ordinary purposes.

Unfortunately, masses of test data gathered over more than 25 years have had little impact on the slow pace of the U.S. regulatory process. Foreign governments have been waiting for the United States, the acknowledged leader in the nuclear field, to point the way in the application of this new technology.

In 1958, however, the U.S. Congress, apparently without really understanding what it was doing, amended the Food, Drug, and Cosmetic Act of that year to include irradiation as a food additive. As a result, food irradiation, which the world scientific community accepts as another food process like heating, canning, freezing or dehydration, is required to comply with the far more complex regulations applicable to chemical additives. These involve elaborate, costly, multi-year animal feeding tests for each different food being irradiated before it can be approved for human consumption.

This action, coupled with a highly restrictive interpretation of the intent of the legislation by the Food and Drug Administration (FDA), effectively blocked any commercial use of irradiation in the United States. Today only irradiation for the sprout inhibition of potatoes and insect disinfestation of wheat and wheat flour are approved, and industry has not found it economically attractive to commit investment capital to this process.

Acknowledging "many difficulties encountered in the process of determining whether irradiated foods were safe," the FDA finally established an internal task force to recommend ways to deal with the problem. In July 1980, the FDA's Bureau of Foods' Irradiated Food Committee submitted a most significant report which led to a complete reassessment within the FDA of the benefits of irradiation and should soon open the door to a new regulation permitting the commercial use of food irradiation.

The real breakthrough occurred in March 1981 when the FDA published an "Advance Notice of Proposed Procedures for the Regulation of Irradiated Foods for Human Consumption." While it based this Notice on the work of its own internal task force the FDA took note of and promised to consider the recommendations of the Joint International Atomic Energy Agency/World Health Organization/Food and Agriculture Organization's Expert Committee on the Wholesomeness of Irradiated Food (JECFI), published in November 1980.

The FDA procedure in formulating a new regulation involves three steps, each requiring publication in the Federal Register. The first is an Advance Notice, or first draft, inviting comments from all interested parties. The second, revised draft, called a Proposal, takes into account the comments received following the first step. The third, which follows an evaluation of the comments on the Proposal, is the publication of the final Rule or Policy. Normally three months are allowed between each step for submission of comments, but extensions may be granted if requested.

Two years have now passed since the aforementioned Advance Notice, and the Proposal is still being prepared. While the FDA will make no estimate as to when the final Rule might be published, the most optimistic unofficial guesses point toward mid-1983.

In its Advance Notice of March 27, 1981, the FDA announced it was considering:

A proposed regulation "permitting irradiation of any food at a dose of not exceeding 100 kilorads."

Publication of guidelines for the "preparation of petitions seeking FDA approval for food irradiation at a dose exceeding 100 kilorads." The FDA committee had recommended that in such cases, the food be subject to "toxicological testing consisting of a battery of four short-term mutagenicity tests and two 90-day feeding studies (one rodent, one nonrodent mammalian species)."

Adoption of a policy that "a food class comprising only a minor portion of the daily diet and irradiated at a dose of 5 megarads or less may be considered safe for human consumption based on minimal biological testing." (On this point, the Notice advised that the FDA committee recommended defining "minor portion" as "0.01 percent of the daily diet.")

The Notice also invited comments on: the need for specific manufacturing practice regulations for the irradiation, of food; the possible need for labeling irradiated foods; the environmental impact of foods processed by irradiation or of the process itself; and the economic impact of the proposed policy.

The deadline for comments on the Notice was extended one month, through July 1981. By then some 60 letters from the public had been received. For every three in favor of a new policy along the lines of the draft, two were opposed. But there was a marked difference between the pros and the cons. The former were all typed business letters containing well-documented, substantive suggestions submitted by individuals, companies or organizations. They indicated that the writers had many years of first-hand experience with food irradiation. The cons, by contrast, were mostly short, handwritten notes or postcards expressing an uninformed, emotional fear that irradiation would somehow be retained by the food, thereby making it radioactive and possibly able to cause cancer or other diseases.

Substantive comments on the specific issues highlighted in the Advance Notice can be summarized as follows:

Upper level of safe dose. While it is not within the authority of the FDA to determine that irradiation is a process not an additive (this would require a long-overdue change in the 1958 law), it moved a long way in that direction by proposing a general clearance for all foods irradiated up to 100 kilorads.

Nearly all of the "pro" letters praised the FDA for its efforts to formulate a workable, scientifically sound new policy, but at the same time they argued that the figure used in the draft was much too low. Leroy Schilt, director of corporate regulatory affairs for the Ralston Purina Company, for example, drew attention to the fact that Walter Urbain had shown that a dose of from 0.2 to 0.65 megarads was required for the reduction of salmonella. This is particularly significant in the light of Eugene Gangarosa's estimate, made at the Center for Disease Control in Atlanta that salmonellosis alone results in medical costs of about $1.2 billion annually. Considerations such as these produced a clear consensus among the experts submitting comments that the FDA should adopt the recommendation of the international authorities on the JECFI and establish one megarad as the upper level of safe dose.

In support of this position, Niel Nielson, president of Emergent Technologies, Inc. of San Jose, raised some questions. How could the United States vote for an international limit of one megarad at the JECFI meeting in Geneva, yet impose a ten-fold lower limit domestically? If the FDA has received any alarming or contradictory data since November 1980 when the JECFI issued its report, then it has an obligation to publish it at once. If not, it is only fair that the FDA explain its rationale for this double standard.

Definition of a "minor portion" of the daily diet. On this question, most of the letters supported the recommendation of Richard Hagen, spokesman for the National Food Processors Association, who suggested that 0.3 percent of the daily diet would be a more realistic figure than the 0.01 percent proposed by the FDA committee. The Association stated that in its opinion, irradiation of spices appeared to offer the best commercial use of this technology at this time. Conventional processing of spices does not eliminate contamination by heat-resistant spores, making it difficult for Third World countries where most of the spices are grown to meet the hygienic standards set by the importing developed nations. Thus these countries are unable to take full advantage of their spice industries' potential to earn much needed foreign exchange.

Labeling. Responses on this subject were virtually unanimous that labeling should not be required on retail packages. Edward Josephson of MIT, a well-known authority on irradiation, acknowledged that labeling was indeed a "sticky question." Although it may be required on wholesale lots to prevent the reirradiation of a perishable food approaching the end of its shelf-life, he argues strongly that required labeling of retail packages would give irradiation the "kiss of death." Moreover, since foods subjected to other electromagnetic radiations (microwave, ultra-violet, infrared, and so forth) are not required to be so labeled it would unfairly discriminate against irradiation.

Good manufacturing practices. Here the experienced respondents generally agreed that compliance with present Department of Agriculture food processing criteria would provide ample protection for the consumer. In addition, the need to overcome uninformed public attitudes toward irradiation will encourage industry to maintain the highest standards.

Environmental impact. Rather than creating environmental headaches, irradiation offers a practicable solution to a major problem confronting produce farmers today: the need to find a substitute for ethylene dibromide (EDB). Early in 1980, FDA and Environmental Protection Agency scientists reported to their superiors that EDB was a "known carcinogen and powerful mutagen." This led the EPA to publish the draft of a regulation, expected to be issued in final form this spring, which calls for the "immediate" cancellation of EDB use for stored grain fumigation and for the cancellation of its use for quarantine fumigation of citrus

or other tropical fruits effective July 1, 1985.

The full significance of the EDB problem was brought home to California's $14 billion fruit and vegetable industry as it sought to deal with the 1981 Mediterranean fruit fly infestation. A number of scientists have emphasized that irradiation is the only currently known, effective replacement for EDB. The FDA was urged to publish its new rule promptly so that construction of the necessary radiation processing facilities could be completed in time to meet the July 1, 1985 deadline.

Nielson warned that delay in promulgating a realistic policy on irradiation, thus holding up its substitution for EDB, places a heavy responsibility on the FDA "for each and every additional cancer problem created by the use of EDB."

As to the environmental impact of the irradiation plants themselves, all design and construction work would have to comply with the Nuclear Regulatory Commission's strict standards. Therefore no adverse environmental effects are anticipated.

Economic impact. Once the FDA publishes its new Policy, the food processing industry will be able to decide the rate and extent of its investment in plant facilities. A probably conservative estimate of its economic potential was made by the FDA committee itself when it concluded in its July 1980 report that "10 percent of the total diet may consist of irradiated food in the near future."

The comments to the FDA repeatedly stressed that for an irradiation plant to provide a reasonable return on investment, it would have to operate as a "service facility," processing multiple crops or other products in large volume on a year-round basis. Consequently if the authorized dose level is too low, as it would be at 100 kilorads, it would significantly restrict the numbers of items that could be scheduled for treatment, thus reducing the plant's potential throughput and profitability.

The first prototype commercial food irradiator, operating in Honolulu between 1967 and 1976, was capable of processing 4,000 pounds of prepackaged papaya per hour, treating the fruit at a low disinfestation dose of 26 kilorads. Processing costs, which at that time were around one and a half cents per pound, were competitive with fumigation.

A. M. Dollar, who was then in charge of the Hawaii Development Irradiator, supports the service facility concept. In his response to the Advance Notice, he points out that his experience over this nine-year period with the "commercial-scale treatment of papaya, potatoes, mangoes and wheat flour" demonstrated that "the process is technically and economically feasible" for these products as well as for spices. He suggests that consideration be given to the "use of central treatment units in exporting countries" to insure that they meet international quarantine standards.

Irradiated foods are expected to rapidly become standard items of international commerce once the Codex Alimentarius Commission, established under the auspices of the United Nations, publishes its General Standard for Irradiated Foods. This body met at The Hague in late March 1982, and although final adoption has not been completed at the time of this writing, it is expected that world-wide food irradiation guidelines will be approved, which will greatly facilitate international trade in irradiated products.

Meanwhile, in the United States responsibility for further developments in this technology lies with the Department of Agriculture which Congress designated as the lead agency for all federal food and nutrition programs as of October 1980. Under the Department of Agriculture, the Eastern Regional Research Center in Philadelphia continues the work on food irradiation previously conducted by the Army at its Natick Laboratory.

FOOD IRRADIATION: FDA APPROVAL WILL SIGNAL A TECHNOLOGICAL REVOLUTION

(By Niel E. Nielson)

The food industry in the U.S. and abroad is about to move very rapidly toward widespread use of irradiation techniques for preservation and general improvement of foods. Irradiation technology will have the same magnitude of impact on the world's food production that canning and freezing had when they were introduced. In fact, this "new" technology, which is really over 30 years old, promises so many important contributions to food processing that members of the industry who do not move quickly to understand the implications of irradiation for their own operations may find themselves losing ground in the marketplace.

In November 1980, the Joint FAO/IAEA/WHO Expert Committee on Food Irradiation (JECFI) recommended that all major categories of food irradiated at one megarad or less, at energy levels of 10 million electron volts (five million electron volts for x-rays) or less, be approved for international use. The Codex Alimentarius Commission has now moved to adopt these.

In the U.S., the office of Vice President George Bush, which now oversees new regulations, helped to clear FDA's proposed new regulations on food irradiation. The new policies will clear the track for commercial food irradiation in this country, and in countries which export food to the U.S.

In September 1980, Dr. Sanford A. Miller, director of the FDA's Bureau of Foods, and Dr. Blumenthal and Dr. Valcovic, also of that Bureau, all of whom were involved in creating the new FDA regulations on food irradiation, projected that the new regulations would be largely in agreement with the JECFI recommendations then planned to be issued in November 1980. FDA's preliminary announcement suggests that the initial form of the new regulations will be a deregulation of the applications given to all foods at a dose of 100 kilorads or less, plus greatly reduced pre-testing requirements for doses between 100 kilorads and one megarad, and full feeding studies for higher doses, many of which the U.S. Army already has been doing.

Congressional hearings will be held on this subject by the House Subcommittee on Health and the Environment, which has House jurisdiction over the Federal Food, Drug, and Cosmetic Act, and thus the FDA, as soon as the scientific community has reviewed the new regulations advanced by the agency. Obviously, if the FDA's position is not in agreement with the JECFI's position, the FDA will be asked to justify the differences.

It is significant that the U.S. representatives on the JECFI committee, including Dr. Blumenthal, of FDA, were in unanimous support of the JECFI recommendations of November 1980. Assuming that up to 100 kilorad doses are now to be de-regulated by the FDA even before the Congressional hearings are held, and assuming FDA does not immediately respond to other agency, food industry and scientific community pressures to conform to the internationally accepted position, it is expected that the deregulated dose range can be extended upwards to that international agreement as a result of the Congressional hearings and subsequent actions.

It is now time to make sure that the food industry fully understands this technology, and then to plan for the most beneficial methods of employing and "marketing" it. It would be presumptuous, for instance, to believe that all of the possible food industry improvements using this technology have been identified already. All of this, as well as identification of the preparedness of the radiation industry to create and operate these facilities for the food industry, becomes part of a review of food irradiation in the U.S. and the world, for that matter.

Because of the FDA's all-encompassing jurisdiction over foods ingested by U.S. citizens, import, inter-state and intra-state commerce of irradiated foods has been denied until now, and since most of the nations of the world have adopted the FDA's food regulations, even exports have been effectively prevented. Thus, the FDA's powers over the international food irradiation picture have been extensive, and their new position will affect the whole world's markets.

Another point which becomes apparent when reviewing this subject is that the name "food irradiation," in light of the extensive efforts by a few special interests to use the fear of radiation as a tool for their own purposes, should be examined and possibly discarded as the name for this process. Technically, the use of radiation in food processing covers processing with the sun (probably the most widespread food preservation technique, worldwide—the cosmic and ultraviolet portions of the solar spectrum do the disinfecting) microwave, broiling, infrared and ultraviolet processing. They are all radiation processing techniques, or food irradiation, differing only in "wavelength," total dose, and energy levels.

The shortest wavelengths of the solar spectrum are called cosmic radiations, and they include the spectra of gamma radiations which in turn include x-rays. The names gamma and x-ray denote the sources of the radiations and wavelength ranges. Gamma radiations come from radioactive isotopes, while x-rays, even though they are in the gamma spectrum, are electrically generated; electrons, or beta radiations, striking certain dense metal "targets," result in x-rays being generated.

The food irradiations which the FDA has held up all these years are the gamma radiations, the x-rays, and the electron-beam radiations, and it turns out that comparisons of the results in foods processed with microwave and those processed with gamma radiations may not be very much different. In terms of the energy expended in the foods, however, disinfection and disinfestation can result from gamma rays of a very much smaller amount of energy being expended in the foods when compared with the energy expended in the foods when "cooking" with microwave.

Thus, to be technically correct, the term "food irradiation" must be either properly expanded to include all of the other radiation processing techniques already in widespread use, or a new name should be chosen. Several have been tried, but those used to date have been just as difficult—e.g., radappertization. Pasteurization is, of course, named after the scientist who first promot-

ed the technique, and perhaps that is what should be done here, too. Or perhaps the move should be toward something which the public already accepts, and it should be named ultra-microwave processing, or synthesized cosmic processing.

Our firm has adopted the name Picowave for this gamma-X-ray spectrum. We believe it to be very acceptable publicly and it is technically accurate (pico means 10" in scientific notation, and the gamma-h X-ray range is 10^{-10} to 10^{-15} meters in wavelenght).

A measurement, which is used whenever speaking of food irradiation is the RAD, an acronym for Radiation Absorbed Dose, which is based upon basic physics measurements for energy and mass; 100 ergs/gram equals one rad. But so also is the watt based upon the erg, and while the public is quite used to the term watts, or kilowatt-hours, it is not familiar with the rad. As a point of reference, giving a ton of foods one million rads of radiation (a one megarad dose) is equivalent to expending approximately 2½ kilowatt-hours of work on that ton, or giving it a 2½ kwhr dose of synthesized cosmic processing.

Still another point of reference can be taken from a microwave oven which will give a one pound potato a dose of approximately 25 megarads, assuming that a kilowatt oven operates for four minutes at 50 percent efficiently to cook that potato. And, assuming a 130 degree rise in temperature to reach a pasteurizing level, at 100 percent efficiency, a ton of food would require approximately 76 kilowatt-hours, and thus pasteurization would equate to approximately a 30 megarad dose in energy alone.

While pasteurization changes the flavor but does not sterilize the milk, a great deal less gamma, say, 10 percent of that, would essentially sterilize the milk while changing the flavor significantly. To reduce the microbe content of raw milk by more than 90 percent would only require approximately 1 percent (100 kilorads), assuming that salmonellae and coliform are the principal microbes of concern and that the others of concern have similar radiation resistivities. It is easily demonstrated that such milk would taste very good.

In perspective, then, the amount of "work" done to foods to extend the shelf life of many fresh fruits, fish and poultry for approximately two weeks using gamma radiation would be less than .001 kilowatt-hours per pound, less than 500 kilorad, and in many cases less than 50 kilorad. Thus it would appear psychologically more advantageous to relate to the more "accepted" and widespread term "kilowatt-hours" than it would be to continue to use the rad as a measurement of the "dose" given to the foods—and it is certainly technically correct to do so, even if it would be "unconventional."

A measurement term which will become more commonly used as time goes by will be the megarad-ton, or the kilorad-ton, or even the kilowatt-hour-ton. The reason for this is that each facility will be capable of giving a fixed maximum dose to a maximum tonnage of food in any specific time period, and the relationship is an absolutely fixed constant which is the product of the dose and tonnage, disregarding the differences in efficiencies which might result from different packagings. Thus, a plant which can handle one thousand tons per day at a 50 megarad dose can handle 500 tons per day at a 100 kilorad dose, and 50 tons per day at a one megarad dose. In this example the plant has a 50 megarad-ton/day capacity.

The radiation types which are likely to be used in this processing are going to be either electromagnetic, or gamma and x-ray, which are the same energy types as visual light, radio, TV, microwave, ultraviolet, et al, or electron beams, which would be called beta rays if they came from radioactive isotopes; even when electrically generated they are often referred to as beta radiations.

Because of their superior penetration capabilities, gamma rays and x-rays will most often be used on foods, but electron beams will play an important part where the penetration of ½ inch or less can be employed. The gamma rays will most likely come from either of the radioactive isotopes ^{60}Cobalt or ^{137}Cesium. When the radioisotopes are not available, or when alternately x-ray and electron-beam capabilities are wanted, or when it can be shown that there is greater cost effectivity from their use, x-ray generating machines will be used. These could be electron beam machines, which have removable "targets" added—they use electricity to generate the beams.

There are several substantial firms producing x-ray machines today for such types of applications. Both private industry and government entities are involved in the production, (i.e., by placing non-radioactive cobalt in a nuclear reactor and making it into ^{60}cobalt) separation (i.e. ^{137}cesium from the nuclear wastes) encapsulation and/or supply of the radioisotopes. With use of x-ray when radioisotopes are not available, there should be no problems of supply of the radiation under the considerations of a reasonably fast acceleration of growth in demand for sources, and given that the lead time to a facility becoming operational ranges from a minimum of six months to over a year after funding, site selection/acceptance, etc., has been accomplished.

The types of radiation used, at the energy levels agreed upon by both the international scientific community and the U.S. regulatory agencies, simply cannot cause any increase in the radiation levels in the foods processed with them. No matter how large a dose is given, there will not be any increase in the residual radiation contained in the foods processed with these radiations. No materials are added, no radioactivity is created, and the consumers will experience no increase in risks from eating foods processed with such energy sources. This has been studied, verified and agreed upon by experts from around-the-world.

Furthermore, it is impossible to increase the energy levels emitting from the radioisotopes, and major component replacements are necessary to increase the energy levels emitted by electron beam machines, or X-ray generators. There is really no chance of "accidentally" increasing the energy levels beyond those for which the facility will be licensed originally.

Each of these facilities will be licensed by either the Nuclear Regulatory Commission (NRC) or its agents. The NRC has already completed its licensing guidelines for such facilities. California, at least, has already stated that it will use exactly the same guidelines, and the status of this aspect is one of full readiness.

The "state of the art" of facility design is based upon a large amount of actual experience with facilities used for purposes other than food irradiation and a limited amount of experience with actual food irradiators. The other purposes include the irradiation of medical supplies, electrical insulation, packaging materials, plastics polymerization, water, waste water and sludges. It is well demonstrated that there need not be any measureable amount of radiation added to the background radiation at or near the facilities which would use such radiation sources to process foods.

Furthermore, the workers and neighbors at or near such facilities need not receive any more radiation from the radiation processing facilities than they do from anything else in the same general area. There is background radiation everywhere, including that within the bodies of the human beings around us. It has been shown that guards, gates, fences, frightening warning signs, et al, are not necessary for the safe operations of radiation-employing facilities.

As with most processing, there are economies to be realized, with larger volumes being processed through a single facility. The lowest numbers are going to be realized in facilities designed to handle over 5,000 tons per day at 50 kilorad does levels, or 250 megarad-ton/day, while a facility designed for one tenth of that capacity, or 25 megarad-ton/day, would cost approximately 40 percent more per ton of throughput, assuming that both facilities are operating at capacity for approximately 250 days per year.

In these larger facilities, there is great need for tailoring the operations to accommodate the standard packaging of that particular food in a manner which reduces to an absolute minimum the handling required. Proprietary designs exist for basic systems which lend themselves to this approach, and which facilitate rapid, inexpensive handling of large volumes of foods, whether packaged or in bulk.

The food firm may want to own and operate its own facilities, staffing up with the necessary, qualified radiation personnel required to obtain and maintain the license(s) required for such families. There are several firms which could design, build and set into operation such a facility. The food firm may want to fund its own "captive" facility, but to contract out the operations and maintenance of the radiation portion to specialists who could design, build and operate the facilities that they own themselves for purposes of selling the services under contractual arrangements with food firms.

All of these opportunities exist today, as do any other combinations of responsibilities which make good business practices for both food and radiation firms. In North America, there are at least eight firms in existence today with experience in creating and operating irradiation facilities of this type. There are, however, no facilities in operation which are capable of efficiently processing quantities of food in the range of 1,000 tons per day and larger. There are some planned for midyear 1982 operation.

The perceived thrust of the commercial sector in food irradiation today is towards satisfying the most apparent needs of the food industry—extending shelf life of fresh foods by one to several weeks, disinfecting foods to enable their meeting requirements for microbe content established by the regulatory agencies, and replacing unwanted chemicals, or insufficiently effective chemicals, for such purposes as disinfestation of devastating pests.

It is important to contrast this initial thrust with the main emphasis of the Army's early food irradiation programs, which were most heavily involved with extremely long term preservation by sterilizing foods. Most of the misconceptions concerning food irradiation are based upon experiences with these very high doses of radiation, i.e., one megarad and higher doses.

Some foods do not respond well to these higher doses while in a fresh state and when at temperatures significantly above freezing, in terms of odors, tastes and/or structures.

While the Army Research Command has demonstrated that there are a great many foods which lend themselves to very long term storage following irradiation at very high doses under very special conditions of preparation, temperature and packaging, a much larger immediate application is to the fresh and frozen foods which need to be disinfected, disinfested, and/or to have their shelf life extended for a few days to a few weeks. There is also some need for the benefits of very long storage of such items as grains and potatoes here in the U.S., but the needs seem to be much greater in other countries.

With dosage in the range of 10,000 rad to one megarad, the problems of changes in taste, odor, structure, appearance, et al, largely disappear if done at the normal temperatures for storage of fresh foods 2 to 5 degrees C. It has been observed that those fruits which need to be stored at somewhat higher temperatures, such as bananas, can also be satisfactorily processed with radiation at that higher temperature. In summarizing the dose and conditions aspects, there are very few foods which cannot benefit significantly from relatively low doses of radiation under conditions to which they would normally be subjected (25 kilorads to 200 kilorads at normal storage temperatures).

Much of the past concern surrounding the use of radiation in the processing of foods comes from the fact that gamma radiations are ionizing radiations. But cooking of all types creates ionizations within foods. Pasteurizing also produces ionizations within foods, and sunlight creates ionization in foods both during the growing period and when the sun's rays are used for preserving foods. The disinfecting properties of the sunlight are those ionizing frequencies of the ultraviolet range and the cosmic portion of the solar spectrum, which include the gamma and X-ray wave lengths.

It is now generally recognized that within the range of energies recommended by the JECFI the differences in energy levels of the radiations only produce more ionizations per photon of radiation in food and water, not a different type of ionization. Furthermore, the reaction of foods to gamma radiations may be essentially identical, in terms of minute chemical changes resulting from ionizations, to the reactions to microwave and broiling, except that the gamma does not need to cook the food at the same time. Within this range of energy levels, there is nothing to be concerned about whether using the radiations from ^{60}Cobalt, ^{137}Cesium, X-rays, or electron beams.

There has been a lot of speculation about the potential for creating some unusual, toxic, or carcinogenic chemicals by use of gamma, X-ray or electron beam processing of foods, but this speculation is without perspective, and is not supported by the scientific evidence. At the JECFI meeting in Geneva, Switzerland, in November 1980, it was concluded that the scientific evidence permitted no other conclusion but the one which says that there will be no increase in risk to the consumer from eating foods processed with these radiations in the doses studied most thoroughly to date.

At the same time, the JECFI made note of the fact that there was no reason to believe that the larger doses would cause problems. There wasn't nearly as much data at higher doses, so they would only recommend immediate clearance for all foods at doses up to one megarad, and require some additional studies for higher dose levels.

As for the minute chemical changes caused by radiation processing of foods, every type and quantity identified has been confirmed to already exist in the foods, water and/or air ingested by mankind on a regular basis. This cannot be said about the other, commonly used food processing techniques, simply because they haven't been studied with nearly the thoroughness as has gamma processing.

There has been a significant amount of speculation that there will be large reductions in vitamins, etc., uniquely the result of the radiation processing of foods. Again, in doses and under conditions now to be used, the scientific data simply do not support such speculations. Qualified scientists have concluded that radiation processing of foods is no more destructive to vitamins than are some other commonly used food processing techniques.

In simplest terms, non-material-adding, non-radioactivity-causing highly penetrating radiation energy is a safe, clean, economical, unique, environmentally safe, very powerful technique to be used by the food industry to reduce or eliminate living organisms in and on foods, and to arrest or slow down some biochemical activities. Proper use of this "tool" can realize disinfestation of foods of such insects as fruit flies and beetles; disinfecting foods of spoilage and/or pathogenic organisms; arresting production of problem chemicals/toxins such as histamines, and slowing down or arresting ripening and spoiling.

From the point of view of agriculture and the food industry, it is very likely that there are far more benefits yet to be identified than have already been projected by the scientists knowledgeable about this technology. Some of these benefits already identified include reducing losses due to fast ripening, insects, spoiling, fungi, and mold; reducing rejections due to microbe, insect and/or chemical content in foods; improving product quality and uniformity; reducing risks of introducing or spreading devastating pests from one geographical area into another; reducing risks of disease entering into the food chain; reducing needs for chemical additives for microbe control; reducing losses due to sprouting; increasing the range of "fresh" food distribution; reducing the worker risks associated with the use of fumigants and insecticides; improving the flavor of some foods; improving the digestability of some foods and feeds, and improving the juice extraction from some fruits and vegetables.

From the consumer's point of view, proper use of this technology will: enable greater assurance that foods are safe to eat; make possible fewer losses due to spoilage and too quick a ripening; reduce chemical additives; expand use of "fresh" foods; facilitate a wider range of available "fresh" foods, and a great deal more.

The FDA's initially announced regulation changes (de-regulation of all applications 100 kilorad dose and lower) in themselves are a very large step forward for the use of radiation in food processing since, in tonnage, the largest volumes will most likely be receiving doses in that range. This is projected because of the needs for disinfestation which radiation can so effectively satisfy, combined with the current moves by EPA to ban the use of ethylene dibromide based upon the use of gamma radiation as a very viable alternative. They had promises from EPA that gamma would be permitted before they issued the ban on this "known carcinogen and powerful mutagen." It is also significant that one hundred kilorads will also reduce coliform, salmonellae and many other bacteria by much more than 90 percent (and as much as 99.99 percent in many cases) and this becomes significant for such industries as frozen seafood and poultry where salmonellae and coliform levels would go from unacceptable to acceptable by reductions of much less than 99 percent.

In summary, recent events point to 1981 as the year food irradiation will come into widespread use. The initial stated position of FDA, in combination with all of the other support already documented by U.S. and international agencies, makes such a conclusion inescapable.

[From the Christiam Science Monitor, Oct. 19, 1982]

UNITED STATES MAY ALLOW USE OF GAMMA RAYS TO HELP KEEP FOOD FRESH

(By David F. Salisbury)

SAN FRANCISCO.—Spread the table and contention will cease: So goes an old English proverb.

But meat and vegetables themselves may soon be the center of controversy. Imminent changes in federal food and drug regulations may, for the first time in nearly 30 years, permit food irradiation—exposing fruit, vegetables meats, and other food stuffs to doses of ionizing radiation.

At very low levels, this technique can protect fruits, and nuts, and vegetables against insects. Until now, this task largely fell to the chemical ethyl dibromide (EDB). But the chemical was banned recently by the Environmental Protection Agency.

At slightly higher dosages, irradiation retards spoilage and increases the shelf life of many foods. Irradiated produce stays fresh longer, and the technique's use with meats and canned food can drastically reduce the need for chemical preservatives such as salt and nitrite.

"For the consumer, this would have a number of health benefits. My only concern is public acceptance," says Manuel Lagunas-Solar, a scientist at the University of California at Davis, who has been experimenting for several years with radiation treatment of foods.

The process uses materials such as cesium—a waste product of nuclear reactors—as the source of radiation. Dr. Lagunas-Solar says he is worried that people will get the mistaken idea that the treatment will make food radioactive. Actually, the radiation levels being considered hardly effect the food: "If it's done right, you can't see, smell, or taste any difference," he says.

The gamma radiation used is much like the microwaves used for cooking: It is pure energy. As such, it cannot leave any residue in food, unlike the chemical treatments it would replace. The radiation does cause chemical changes in food, however. For instance, it can tenderize tough meat. But none of the resultant chemicals differ from those created by cooking, canning, and traditional forms of food, Lagunas-Solar says.

Despite these facts, federal regulations have treated radiation as a food additive since the late 1950s. Because medical authorities have said that large amounts of radiation cause cancer, irradiation of food has been prohibited by the Delaney amend-

ment, which banned the use of carcinogens as food additives.

The Food and Drug Administration recently drafted rules that would allow limited use of irradiation. These are currently under consideration by the Health and Human Services Department.

Irradiation is not cheap, says Niel Nielson, President of Emerging Technologies, a company waiting in the wings to build several irradiation plants once the government gives the green light. The treatment would add several cents per pound to the cost of food.

The impact on food prices of the widespread use of this process is uncertain. Mr. Nielson argues that the reduction in the post-harvest loss of produce would more than offset the price of the processing. The method could cut these losses in half, he says.

While agreeing with the potential for reduced losses, Lagunas-Solar is more skeptical that food distributors would pass these savings to the consumer.

Lagunas-Solar, who regularly irradiates potatoes he takes home, to retard sprouting, argues that the nation's 60,000 farm workers would receive the biggest benefit from the use of irradiation: Its use would drastically reduce their exposure to toxic chemicals like EDB.●

LEGISLATION TO DETER BOMBING OF CAPITOL

The SPEAKER. Under a previous order of the House, the gentleman from Alaska (Mr. YOUNG) is recognized for 10 minutes.

● Mr. YOUNG of Alaska. Mr. Speaker, I have introduced the following bill, H.R. 4578, to deter further bombing attacks upon the United States Capitol Building. The recent destruction of part of the Capitol by terrorist explosion indicates that existing penalties for such action are not severe enough to deter such a reprehensible criminal act. This bill amends section 844 of title 18 of the United States Code to impose the death penalty for maliciously damaging the U.S. Capitol by means of fire or explosive.

Terrorist explosions that are intended to or, in fact, do damage the U.S. Capitol are wanton attacks against the institution of Government. The safety of this Nation's lawmakers must be insured and the sanctity of our Capitol preserved. I urge all Members to consider the deterring measure that this bill proposes.

The bill follows:

H.R. 4578

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 844 of title 18, United States Code, is amended by addig at the end of the following new subsection:

"(k) Whoever maliciously damages or destroys, or attempts to damage or destroy the United States Capitol Building by means of fire or an explosive shall be subject to the death penalty.".

SEC. 2. Section 844(f) of title 18, United States Code, is amended by striking out "Whoever" and inserting in lieu thereof "Except as provided in subsection (k) of this section, whoever".●

SPEECH OF HON. DON SUNDQUIST BEFORE THE ASSOCIATION OF U.S. ARMY

The SPEAKER. Under a previous order of the House, the gentleman from Arizona (Mr. MCCAIN) is recognized for 30 minutes.

● Mr. MCCAIN. Mr. Speaker, in light of some of the harsh rhetoric we regularly hear in this Chamber assailing the U.S. defense budget, it is refreshing to see a colleague forthrightly and articulately put our national security questions into perspective.

I believe my good friend and colleague, DON SUNDQUIST of Tennessee, has done that. A speech that Congressman SUNDQUIST gave this week before the Association of the U.S. Army at Fort Campbell, Ky., has been called to my attention. I would like to call it to the attention of other Members, and have it inserted into the RECORD:

SPEECH BEFORE THE ASSOCIATION OF THE U.S. ARMY, FORT CAMPBELL, KY., BY CONGRESSMAN DON SUNDQUIST

John Quincy Adams, the sixth President of the United States, was once quoted as saying, "Posterity, you will never know how much it has cost my generation to preserve your freedom. I hope you will make the most of it."

President Adams could never have foreseen the number of times when succeeding generations would also be called upon to pay a high price in order to preserve freedom. During 206 years of history, Americans have made the most of their freedom, and for that reason, we have been, and will continue to be, willing to oppose tyranny at any cost.

In that struggle for freedom, it is clear that the last few weeks have been very painful for our country. The task of keeping peace and defending freedom in a dangerous world has once again taken its tragic toll from the American people. The season of Thanksgiving only makes this latest sacrifice more poignant.

But in this season, it is especially appropriate to thank the more than two million men and women who serve in America's Armed Forces, protecting our country and its interests every day. This is a time to salute their courage, their skill and their willingness to give the last full measure of devotion—their lives—in the service of their country.

There's no question that the last few weeks have been ones in which history was in the making at a rapid rate. The tragedy in Lebanon and the Marine landing on the Island of Grenada will play a part in shaping the destinies of men and nations for years to come. As far as public opinion is concerned, these have not been weeks for partisan politics. Maybe the most heartening consequence of the decision to send our troops into Grenada has been the overwhelming support it received from the American people and the Grenadian people. As we have learned to our grief in the not-very-distant-past, no foreign policy or military action by this country can be successful without the people's backing.

But you need only to look at the comments from many, many Members of Congress to find out that there are plenty of those who would prefer to try to make political hay out of the events.

The comments we've heard from so many liberals in Congress serve once again to remind us of the irresponsibility we face in the House of Representatives, and how important it is to elect more responsible voices to nationwide offices.

In case you have any doubts whatsoever about what I say, let me just read you a couple of excerpts from speeches made on the floor of the House of Representatives within a day of the Marine landing:

"There is no way of distinguishing what we are doing in Grenada and what the Russians have done in Afghanistan," said one Congressman. "In ordering the invasion, Ronald Reagan has adopted the tactic of the Japanese attack on Pearl Harbor as the new American standard of behavior."

Another said "My constituents are calling me and saying they are afraid to turn on the radio for fear of yet another military involvement."

One Member of Congress had the gall to call Prime Minister Eugenia Charles of Dominica "Aunt Jemima" because she requested Reagan's aid in Grenada. The same Member added that the landing in Grenada is "An extension of Reagan's fraudulent policy of constructive engagement in South Africa." He says that Grenada "raises to an international level Reagan's antebellum attitude toward blacks in this country."

Yet another Member called Grenada "The moral equivalent of an invasion of Deluth." I submit to that Congressman that if the leaders of Deluth, Minnesota were brutally removed from office and assassinated, he would hope that our military take action to remove chaos and restore order.

So you can see what we're up against, and what the task is for Congressmen who support peace through strength. These members I've quoted can't help but remind me of their predecessors who thought that Castro would be better than Batista, that the Sandinistas would be better than Samoza, and Khomeini would be better than the Shah.

If we had sat and let Grenada go the way that they have urged we do before, we would probably be faced with similar events on that island.

And if President Reagan had taken no action and hostages had been taken, these are the same Members of Congress who would be screaming that the President wasn't tough enough.

I think in the last week or so, we've had clear and unquestionable evidence surface which exposes Moscow's intentions in Grenada. I brought with me tonight a copy of one of several actual contracts between the Governments of the Soviet Union and Grenada.

Five military aid agreements between the fallen Marxist Government of Grenada and the Soviet bloc suggest that Grenada was to become a guerrilla training site or an arms depot for supplying pro-Soviet forces throughout Latin America. The military aid provided for in those agreements, some $38 million over five years, far exceeded what was required to outfit the Grenadian military.

The secret agreement I have here included commitments by the Soviet Union and North Korea to send 4,000 submachine guns, 2,500 automatic rifles, 7,000 mines, 15,000 grenades, 60 armored personal carriers, and over 10,000 military uniforms to Grenada.

I could offer you thousands of pages of evidence and intelligence reports to back up the President's action in Grenada. But one brief letter I received in my office this week

says it all. It's from Matt Riggins of Fayetteville, Tennessee.

"Dear Mr. Sundquist," he writes, "as a medical student evacuated from Grenada on Friday, October 28, I would like to take this opportunity to express my firm belief that the decision to intervene with a rescue mission was indeed correct and made just in time. I am sure there are some people across this great State with a different opinion, but I feel I speak not only for myself but also for the other Tennesseans who were evacuated with me when I say that I am indeed thankful for the actions of the United States Government and military. Sincerely, Matthew Paul Riggins."

We have candidates for the Presidency of the United States now running around the country proclaiming that history will not look kindly on our efforts to maintain stability in the Eastern Caribbean, that the Grenada landing was another example of "gunboat diplomacy."

But the one thing that stands out most clearly when we look at history is this: We are not people who pick fights. Like the classical Roman "Citizen-soldier," American have left their plowing in the field, donned uniforms and gone off to serve their country and the higher calling of freedom.

America has never sought wars of conquest. America has not produced the kind of barbarians who would gutlessly kill 269 men, women and children aboard an unarmed, passenger airline. Instead, we have produced young men who are willing, if necessary, to answer a call to arms in order to restore peace to troubled nations of the world.

Unlike any other nation in history, America has rebuilt the homelands of her defeated enemies. We have helped their crippled economies to their feet and aided in revitalizing their industry. Then we have left them to govern themselves as free people.

I'm sure you'll agree that the Berlin wall stands as a stark reminder to all of us today that there are men who would sacrifice peace for wealth and power. It indicates the difference between those motivated by the desire to bring peace, and those motivated by the desire to bring others into subjection.

If we are to truly honor those who have died so that others might live in peace and freedom, we must continue to uphold the freedom for which they fought.

For that reason, I support proposals that contribute to a strong national defense. But truly supporting our national defense goes beyond riding the wave of public opinion and expressing support for the Grenada landing. True support of our national security means coming to grips with the facts—the realization that we are contributing only about a third as much for our national defense today, as a percentage of gross national product, as we were under President Kennedy's administration.

Yet all we hear in Congress is that we must balance the budget by cutting defense. We've got a $200 billion deficit, and some people say yes, we could find $200 billion. Let's cut out the MX missle, the B-1 bomber, the Trident submarine, let's cut out some things like that.

All right, I'll tell you what we will do. Let's cut out the Pershing missile, the Cruise missile, the B-1 bomber, the Trident submarine, the MX missile, let's cut out all military munitions and not give the Army a single bullet to fire. Let's eliminate the M-1 tank, let's also eliminate all the missiles that go on the Trident submarine, every one of them. Do you know what you save? You have $16.5 billion.

What will you do for the rest? Are you not going to pay the troops? Are you not going to pay the retirement? Are you not going to feed the military? Where are you going to come up with another $185 billion? The fact is you can not even come close. You can't solve the deficit problem by taking it away from only defense.

There's a thought I'd like to share with you today—one that I believe has shaped the course of American history. That is: Peace without freedom is not peace.

Had the colonists been willing to accept peace without freedom, almost 7,000 men need not have died in the Revolutionary War. But the colonists were willing to defy King George of England and raised that famous battle cry, "Give me liberty or give me death."

Perhaps the greatest lie perpetuated by communism is that peace is merely the absence of war. Throughout America's history, we have been willing, if necessary, to accept freedom without peace—but we have not, and will not, be willing to accept peace without freedom.

I do not believe that Lech Walesa, if he were permitted to speak to us today, would tell us that Poland is at peace. He is leading his countrymen in a struggle for some of the basic freedoms that most Americans take for granted.

I think of a man from Romania who was recently arrested for treason in his country because he wrote, "We want milk, we want bread," on the wall of the factory where he worked. Police officials compared the handwriting with that of 10,000 employees to find out who wrote those words on the wall. A country that fears so much the words and ideas of its people cannot be at peace.

We need to realize that truth is the foundation and the catalyst of freedom. The great writer of the American Revolution, Thomas Paine, wrote, "for such is the irresistible nature of truth that all it wishes, and all it needs is the liberty of appearing."

It is truth that communism fears the most—for truth exposes the true nature of tyranny.

The colonists would not settle for false freedom, but were willing to sacrifice their lives and fortunes to obtain the real thing. Today, men like Lech Walesa, Andrei Sakharov, and Alexander Solzhenitsyn cannot be silenced as they pursue true freedom for their oppressed countrymen.

We live in a troubled world. We live in a world of precarious peace, a peace which is maintained only by U.S. strength. And, to the extent that the U.S. appears to be weakened, peace is weakened. It is only the U.S. leadership of the free world and American power that safeguards an uneasy truce.

In these days of concern about turnmoil in Central America * * * in these days of cold-blooded attacks on fellow human beings, such as was the case in the downing of the Korean civilian airliner * * * in these times of conflict in the Middle East and uncertainty worldwide * * * in the aftermath of the outrageous attack on our marines in Beirut, which left more than 230 dead * * * and for those who fell in the line of duty during the invasion of Grenada * * * we still have a purpose, a strategy. It is to continue an aggressive search for peace while maintaining our strength and image as peacemaker. Our servicemen and our veterans are the backbone of that strategy.

God has indeed richly blessed America—he has given us a great land and the freedom to develop it. Yet the condition upon which God has given liberty to man is eternal vigilance.

Today our prayers are with the wounded and the families of those lost in the pursuit of freedom in recent weeks. Our hopes, I trust, will remain with that young man who was a medical student evacuated from Grenada. He said he had been a dove all his life and he just wanted everybody to know that he respected the U.S. military for the job they did for all of us. Upon landing on American Soil, he kissed the ground, and said "God bless America."

I agree. May God bless America, and God bless you.●

PERSONAL EXPLANATION

The SPEAKER. Under a previous order of the House, the gentleman from Oklahoma (Mr. SYNAR) is recognized for 5 minutes.

● Mr. SYNAR. Mr. Speaker, as today, November 18, 1983, is the anticipated date of adjournment for the current session, I would like to take this opportunity to review and update those rollcall votes which I missed. The following is a listing of those votes I missed and the way I would have voted had I been in attendance.

April 21, 1983: rollcall vote 62; "yes."
April 21, 1983: rollcall vote 63; "yes."
April 28, 1983: rollcall vote 74; "yes."
May 9, 1983: rollcall vote 90; "yes."
May 9, 1983: rollcall vote 91; "yes."
May 9, 1983: rollcall vote 92; "yes."
May 9, 1983: rollcall vote 93; "yes."
May 9, 1983: rollcall vote 94; "yes."
June 23, 1983: rollcall vote 219; "yes."
September 28, 1983: rollcall vote 362; "yes."
October 6, 1983: rollcall vote 386; "no."
October 21, 1983: rollcall vote 410; "yes."
October 28, 1983: rollcall vote 429; "no."
October 28, 1983: rollcall vote 430; "yes."
November 8, 1983: rollcall vote 456; "no."
November 10, 1983: rollcall vote 489; "no."●

SUPPLEMENTAL RETIREMENT BENEFIT

The SPEAKER. Under a previous order of the House, the gentlewoman from Connecticut (Mrs. KENNELLY) is recognized for 5 minutes.

● Mrs. KENNELLY. Mr. Speaker, I am pleased to introduce today, with my colleagues Mr. PICKLE and Mr. ARCHER, legislation to create a mechanism for private pension plans to more easily provide annual cost-of-living increases to retirees, The bill accomplishes this by permitting employees and their employers to jointly purchase an insured annuity at the time of retirement in order to provide a "supplemental retirement benefit" (SRB).

Retirees face great uncertainty because of the continued decline of the

purchasing power of their pensions during retirement. Employees facing retirement have the same concerns. Even modest rates of inflation rapidly erode retirement income. For example, an inflation rate of 5 percent per year will reduce the purchasing power of a pension of $1,000 per month by more than 20 percent after 5 years, and nearly 40 percent after 10 years.

Currently, most retirees have no assurance that new cost-of-living increases will be granted by their pension plan, regardless of the inflation rate, or that prior increases will be continued. At the same time, automatic cost-of-living adjustments represent, to most private sector employers, a blank check to unknown and potentially unavoidable liabilities with the consequence that such automatic adjustments are adopted infrequently. For example, according to a recent Department of Labor survey, only 3 percent of the pensions of large- and medium-size employers included automatic cost-of-living adjustments.

Under the proposed legislation, the SRB program would be voluntary on the part of employees and could be funded by any combination of savings from the employee and contributions from the company. The amount of the SRB annuity could not exceed the greater of 3 percent of a retiree's initial pension payment or a percentage of the pension equal to a 7-year average of the consumer price index. The supplemental benefit would increase and compound each year under the terms of the annuity.

This legislation is similar to legislation pending in the Senate (S. 1066), but contains several significant improvements over that legislation. First, This bill would extend to individuals who terminate their employer's service prior to retirement but who are vested in their employer's basic pension the right to purchase an SRB annuity at the time of termination. This legislation also caps the maximum SRB amount attributable to employer contribution at 50 percent of the employee's underlying pension, thus discouraging employers from using an SRB to supplant the employer's basic pension. Finally, this legislation contains certain rules which prevent an employer from circumventing fundamental discrimination requirements with the results that the SRB would be offered on a nondiscriminatory basis to high- and low-paid employees alike.

This legislation is necessary to implement such a program because current law does not permit making a 1 year contribution toward retirement benefits that would be large enough to fund the SRB. Furthermore, this bill will assure that the employer's contributions will not be taxable to the employee until they are received as income under the SRB annuity.

It is clear that further refinements to this legislation will be made during the coming months, and work is continuing in order to mold this legislation into an effective mechanism for providing adequate retirement income security. There is a real need to find a reasonable solution to the problems of protecting retirement income from inflation. We believe this approach offers great potential.

The text of the legislation follows:

H.R. —

A bill to amend the Internal Revenue Code of 1954 to permit employees and their employers to jointly purchase an insured annuity at the time of retirement to provide a Supplemental Retirement Benefit

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Supplemental Retirement Benefit Act of 1983".

SEC. 2. (a) Section 401 of the Internal Revenue Code of 1954 (relating to qualified pension, profit-sharing, stock bonus plans, etc.) is amended by inserting after subsection (l) the following new subsection:

"(m) QUALIFIED SUPPLEMENTAL BENEFIT ARRANGEMENTS.—

"(1) GENERAL RULE.—A defined contribution plan shall not fail to satisfy the requirements of this section merely because the plan includes a qualified supplemental benefit arrangement which supplements a primary retirement benefit.

"(2) PRIMARY RETIREMENT BENEFIT.—For purposes of this subsection, a primary retirement benefit means a retirement benefit which is payable under one or more defined benefit plans maintained by the same employer.

"(3) QUALIFIED SUPPLEMENTAL BENEFIT ARRANGEMENT.—For purposes of this subsection, the term 'qualified supplemental benefit arrangement' means an arrangement which is part of a defined contribution plan of an employer which supplements the primary retirement benefits and which meets the following requirements:

"(A) IN GENERAL.—The arrangement provides that—

"(i) an eligible participant in a defined benefit plan of the employer may elect, in the earlier of the year in which—

"(I) the participant attains normal retirement age and retires, or

"(II) the participant separates from service, or

"(III) the primary retirement benefit of the participant begins,

to purchase an annuity which commences not earlier than the year after the year in which the participant's primary retirement benefit begins to be paid,

"(ii) such annuity is provided through the purchase, on or before the date on which payments under the annuity begin, of an individual or group annuity contract (including a guaranteed investment contract or similar arrangement) from an insurance carrier licensed under the laws of any state to issue such contracts, and

"(iii) the employer and the participant each share a stated portion of the cost of such annuity.

"(B) ELIGIBILITY.—Each employee of the employer who—

"(i) is or was a participant in any defined benefit plan of the employer, and

"(ii) who has non-forfeitable right to an accrued benefit derived from employer contributions under such defined benefit plan at the time the employee retires or otherwise separates from service must be eligible to participate in the arrangement,

"(C) AMOUNT OF SUPPLEMENTAL BENEFIT.

(i) ANNUAL LIMITATION.—Any benefit payable under the arrangement for any year is computed as a percentage of the primary retirement benefit, except that the supplemental benefit attributable to any employer contribution with respect to any participant under a qualified supplemental benefit arrangement within the meaning of section 401(m)(2) may not exceed the greater of:

(I) 3 percent of the primary retirement benefit, compounded annually from the date on which the primary retirement benefit commences, or

(II) a percentage of the primary retirement benefit equal to the average cost-of-living increase (as determined using the appropriate Consumer Price Index or other comparable index, as may be selected by the Secretary) calculated over the 7 calendar years which immediately precede the commencement of the primary retirement benefit, compounded annually from the date such primary retirement benefit commences.

(ii) OVERALL LIMITATION.—Supplemental benefits attributable to any employer contribution with respect to any participant under a qualified supplemental benefit arrangement within the meaning of section 410(m)(2) may not exceed fifty percent of the primary retirement benefit.

"(D) EMPLOYER MAY MAKE CONTRIBUTION CONTINGENT UPON PROFITS.—If the employer provides an arrangement under a profit-sharing plan, the employer may make any employer contribution for any year contingent upon profits for such year, except that any participant who elected to participate in the arrangement in the year described in subparagraph (A)(i) shall—

"(i) be reimbursed for any contribution made by him, and

"(ii) be eligible to participate in the arrangement in any subsequent year (for which profits are available) before any other participant who made such election after such participant.

(4) DISCRIMINATION.—

(A) APPLICATION OF DISCRIMINATION STANDARDS.—A qualified supplemental benefit arrangement shall be considered to satisfy the requirements of subsection (a)(4), with respect to the amount of contributions, so long as those employees eligible to benefit under the supplemental benefit arrangement satisfy the provisions of subparagraph (A) or (B) of section 410 (b)(1).".

(B) MORE THAN ONE PLAN.—If the plan of the employer that provides the primary retirement benefit depends upon another plan to meet the requirements of section 401(a)(4) or 410, then any plan of the employer that includes a qualified supplemental benefit arrangement will not satisfy the requirements of this section unless (i) the plan (or one of the plans) that enables the plan of the employer providing the primary retirement benefit to meet the requirements of section 401(a)(4) or 410 is a defined benefit plan, (ii) a qualified supplemental benefit arrangement is provided for participants in such plan, and (iii) the plans continue to meet the requirements of section 401(a)(4) after taking into account the benefits under

the qualified supplemental benefit arrangement.

(5) SPECIAL RULE IN THE EVENT OF DEATH OF AN ELECTING ELIGIBLE EMPLOYEE.—If an eligible employee who has elected to purchase an annuity under subparagraph (A) dies prior to the time such employee's primary retirement benefit begins to be paid, such employee's beneficiary or beneficiaries shall be entitled to receive a return of any contributions made by him to purchase such annuity, together with interest from the date such payment was made to the date of death. Interest on such contributions shall be credited at a rate no less than that which would have been required if such contributions constituted mandatory employee contributions as defined in section 411(c).

SEC. 3. (a) Section 415(c) of the Internal Revenue Code of 1954 (relating to limitation on defined contribution plan) is amended by adding at the end thereof the following new paragraph:

"(9) CONTRIBUSIONS TO QUALIFIED SUPPLEMENTAL BENEFIT ARRANGEMENTS.—Any contribution or addition with respect to any participant under a qualified supplemental benefit arrangement (within the meaning of section 401(m)(2)) shall, for purposes of paragraph (1), not be treated as an annual addition.".

(b) Section 404(a) of such Code (relating to deduction for contributions of an employer to an employees' trust, etc.) is amended by adding at the end thereof the following new paragraph:

"(11) Special rule for contributions to qualified supplemental benefit arrangements.—Notwithstanding the limitations under this section, there shall be allowed as a deduction for any taxable year an amount equal to the amount of the deductible employer contributions to a qualified supplemental benefit arrangement (within the meaning of section 401(m)).".

(c) Section 416 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new paragraph:

(7) No key employee in a top-heavy plan may receive benefits under a qualified supplemental benefit arrangement within the meaning of section 401(m) if at any time such plan would be a top-heavy plan if "90 percent" were substituted for "60 percent" each place it appears in paragraphs 1(A) and 2(B) of subsection (g).

SEC. 4. (a) Except as provided in subsection (b), the amendments made by this section shall apply to taxable years beginning after December 31, 1982.

(b) The amendments made by section 3(a) shall apply to years beginning after December 31, 1982.●

THIRTY-FIVE YEARS OF VOLUNTEER SERVICE TO EDUCATION

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. STARK) is recognized for 5 minutes.

● Mr. STARK. Mr. Speaker, providing for the education of our children is one of the most important things that we can do. November 30 will be the day to honor three people dedicated to education. Three citizens will be retiring from the elementary and high school boards of trustees in Pleasanton, Calif.

Dr. Geraldine Donaldson is leaving after 21 years of outstanding service both for Pleasanton Joint School District and Amador Valley Joint Union High School District. She brought her experience as a pediatrician in to direct play on the school board. Years before it was legally required, she had the schools screening for the crippling disease scoliosis. She brought her medical expertise to bear on the full range of issues facing the school, from nutrition to exercise equipment. Her guidance and expertise will be greatly missed.

Mr. Raymond Goluba has served on the board of trustees of Pleasanton Joint School District since December 1979. He is currently president of the board. Mr. Goluba has demonstrated his leadership abilities both at work in the Lawrence Livermore National Laboratory and on the school board. He kept the board moving in positive directions for education.

Ms. Betty Nostrand has spent the last 8 years on the board of trustees for Pleasanton Joint School District. She lives out her philosophy that everyone has a responsibility to the community. She has been a dedicated public servant and has been a great asset to the school board.

Mr. Speaker, Pleasanton has been well served by these three individuals. They all are excellent examples of fine community service. They have worked hard during some very difficult times for education in California. They have done their jobs well. They justly deserve this night of recognition.●

SEC TECHNICAL AMENDMENTS ACT OF 1983

The SPEAKER. Under a previous order of the House, the gentleman from Colorado (Mr. WIRTH) is recognized for 15 minutes.

● Mr. WIRTH. Mr. Speaker, today I am introducing legislation containing a number of technical amendments to the Federal securities laws. The amendments should provide for greater clarity in certain areas of the law. The amendments do not require the immediate attention of the Congress, and I do not contemplate action on the bill during this session. I am introducing the bill today, at the request of the Securities and Exchange Commission, so that Members will have ample opportunity to review the bill before it is considered. Although the bill is lengthy, I do not believe its provisions are controversial.

This legislation developed from hearings on the SEC's authorization held by the Subcommittee on Telecommunications, Consumer Protection and Finance earlier this year. During those hearings, the Commission was advised that, while it was the wish of both majority and minority members of the subcommittee to keep the SEC authorization legislation free of substantive amendments, we would be willing to move, on a separate track, legislation in the form of "housekeeping" or technical amendments that would improve the workings of the SEC—or add greater clarity to the securities laws—but which might not, on its own, necessarily merit extensive hearings or congressional attention.

Following an indepth study of all of the Federal securities laws, the Commission submitted the amendments contained in the legislation I am introducing today. Many provisions of the bill contain only minor changes such as typographical errors. Still, the proposed amendments offer an opportunity to clarify areas which may cause confusion.

Introduction of this legislation provides an opportunity to discuss another effort to provide greater clarity and certainty in the Federal securities laws. During the last Congress, I attempted to determine whether there was support for the proposed Federal securities code, the result of a 12-year effort by a distinguished group of attorneys, professors, judges, and Government officials, and representatives of the American Law Institute, the American Bar Association, the SEC, and industry groups.

The great majority of the code provisions consists of codification of existing statutes and judicial decisions. Other provisions of the code contain reforms and substantive changes believed desirable by its drafters.

Unfortunately, I found little support for undertaking a consideration of the code as a whole. Affected parties opposed certain substantive changes; others expressed to me the view that there was no pressing need to adopt the majority of the code provisions which merely repreented codification of existing law and, therefore, consideration of the code was not worth the effort. The code is indeed a massive document, and the reluctance to undertake the enormous commitment of time it would require is understandable.

However, it is my view that the code effort has spawned a comprehensive wealth of knowledge and expertise concerning the Federal securities laws that should not be squandered lightly. Thus, I recently solicited ideas from various interested groups as to what code reforms, on their own and without adoption of the code as a whole, would be desirable. This effort has just begun and will engage the participation of affected industry groups and members of the bar. This effort is not reflected in the legislation I am introducing today, nor do I believe it will become a part of this legislation. However, it seems to me that it is useful to acknowledge these larger reform efforts in the contest of the technical amendments introduced today. Reform should be a continuing process

that does not merely respond to emergencies, but anticipates troublesome areas of the law or questions that may arise in the future.

I am hopeful that interested parties will review the legislation introduced today, and that they will take part in these broader reform efforts as well.●

OMNIBUS DELEGATED POWERS SUNSET ACT OF 1984 OR SUPER SUNSET

The SPEAKER. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 30 minutes.

● Mr. LEVITAS. Mr. Speaker, I am introducing legislation today which is intended to address one of the major concerns which is facing the Congress and our Government in the wake of the Supreme Court's June 23, 1983, ruling that the legislative veto is unconstitutional.

It is indeed staggering to consider the impact of this decision on government today. The Supreme Court's decisions in INS against Chadha, and in the two subsequent cases which were handed down, Consumers Energy Council of America against Federal Energy Regulatory Commission (FERC) and Consumers Union of American against Federal Trade Commission, are truly landmark decisions which, until reversed, will fundamentally change the way in which our Government operates. We have, in my opinion, experienced a train wreck in government, and it is going to take some time to put the engine back on the tracks and get it moving again.

Certainly, one of the major questions to be answered is what becomes of the many laws on the books which contain legislative veto provisions. The legislation I am introducing today would deal with that problems.

An estimated 200 legislative veto provisions are contained in statutes now on the books, and it is unclear at this point whether or not the Supreme Court decision invalidates only the legislative veto provision, or whether or not the entire statute or the authority delegated under it becomes invalid as well under the decision. For in many cases, it is questionable as to whether or not Congress would have delegated authority to the executive branch without the string of a legislative veto attached. It is going to take time to determine which of these laws will stand without the legislative veto procedure. But the question must be addressed.

The issue will most likely have to be resolved through careful analysis of the legislative history on each individual law, and possibly through litigation. But it is going to take time for the courts to decide the issue. I hope the Congress will move to repeal much of the authority it has delegated in many cases, and we should do so, for we cannot simply leave the authority unchecked. And, I think it is important that Congress address this issue head on, and eliminate the uncertainty that will exist if we just wait for cases on the various provisions to wind their way through the courts.

The Supreme Court did not make it clear how it would rule in such cases in the future. In the Chadha decision, there was a severability clause, and the Court determined that the remainder of the law should stand. But in the FERC case, there was no severability clause, yet the Court still ruled that the rest of the challenged law stand.

Yet, the courts are now calling into question actions taken years ago under statutes now shadowed with constitutional questions emanating from the Chadha decision. The U.S. District Court for Southern Mississippi struck down the Reorganization Act of 1977 as unconstitutional, finding "no doubt that Congress intended the one-House veto provision to be an integral and inseparable part of the entire act * * *" *(Equal Employment Opportunity Commission* v. *Allstate Insurance Company,* No J82-0186(B), slip op. at 4 (D. So. Miss. Aug 19, 1983)). If this decision were to hold, and I doubt that it will, the repercussions would topple significant government institutions. The ruling certainly points to the significance of the severability question.

In cases where the courts might rule that the legislative veto provision was severable, once again the risk arises that delegated authority will stand even if Congress would have been unlikely to delegate the authority without the legislative veto check. The difficulties of answering the severability question have prompted the former counsel for the House of Representatives to recommend a wholesale repeal of delegations of authority affected by the Supreme Court decision.

The clearest path is for Congress to legislate the answer to the severability question. For this reason, I am introducing legislation today which would, 180 days after its enactment, repeal all authority delegated where the string of a legislative veto had been linked to that authority, unless during those 180 days, the Congress acted to reinstate the authority with or without an alternative "son of legislative veto" mechanism. This "Super Sunset" legislation would erase the uncertainty which now exists and which will continue to exist until Congress deals with the issue of severability.

The statutes referred to in this legislation are those cited in the list of congressional disapproval measures contained in Jefferson's Manual, Rules of the House of Representatives of the United States, 98th Congress. The delegated authority referred to in this list, which was delegated with a legislative veto provision which does not meet the Supreme Court's test of constitutionality under the Chadha decision, would be repealed unless Congress acts to change to legislative veto provision to one which meets the bounds of the Supreme Court case, or unless Congress reenacts the delegation of authority with no legislative veto attached.

This "Super Sunset" bill will give the committees in the House a guide for dealing with the severability question. A quick glance at this list shows that we are dealing with issues which range across the spectrum, from /foreign arms sales to war powers, to nuclear nonproliferation, to control of hazardous substances, to regulatory matters, to export controls, to immigration and other issues. Each committee must deal with the issues which fall under its jurisdiction. This legislation, I believe, will prompt them to do so.

I believe it is important that the Congress act expeditiously on this matter and move to erase the uncertainty and confusion resulting from the Chadha decision.

The text of the Omnibus Delegated Powers, Sunset Act, follows:

H.R. 4535

A bill to terminate the authorities of the executive and judicial branches of the Government which, in accordance with specific statutes, are subject to congressional review, unless such authorities are approved by enactment of the Congress

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the " ".

SEC. 2. Any authority of the President, or a designated agency or other officer or entity in the executive or judicial branch of the Government, which is referred to in the following provisions of law, and the exercise of which, under the terms of the applicable statute, is subject to approval or disapproval by the Congress (or either House of the Congress, or any committee thereof) other than by enactment of the Congress, shall terminate 180 days after the date of the enactment of this Act unless the exercise of such authority has been approved by an enactment of the Congress or is extended by an enactment of the Congress:

(1) Chapter 9 of title 5, United States Code.

(2) Section 125 of title 10, United States Code.

(3) Section 5(c) of the War Powers Resolution (50 U.S.C. 1544(c)).

(4) The first section of Public Law 94-110 (22 U.S.C. 2441n.)

(5) Section 202 of the National Emergencies Act (50 U.S.C. 1622).

(6) Section 207 of the International Emergency Economic Powers Act (50 U.S.C. 1706).

(7) Section 602(c) of the District of Columbia Home Rule Act.

(8) Section 1013 of the Impoundment Control Act of 1974.

(9) Section 107 of the Department of Energy Act of 1978 (22 U.S.C. 3224a).

(10) Section 4006(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(b)).

(11) Section 4022A (f) and (g) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322A (f) and (g)).

(12) Sections 54, 123, 126b, 128b, 129, and 131 of the Atomic Energy Act of 1954 (42 U.S.C. 2074, 2153, 2155(b), 2157(b), 2159, and 2160).

(13) Section 104 of the Presidential Recordings and Materials Preservation Act (44 U.S.C. 2107n).

(14) Sections 203 and 407 of the Trade Act of 1974 (19 U.S.C. 2253 and 2437).

(15) Section 208(d) of the Act of August 9, 1975 (Public Law 94-88; 42 U.S.C. 602n).

(16) Section 47(b) of the Arms Control and Disarmament Act (22 U.S.C. 2587).

(17) Section 5305 of title 5, United States Code.

(18) Section 415(b) of the Civil Service Reform Act of 1978 (5 U.S.C. 3131n).

(19) Section 225(i) of the Federal Salary Act of 1967 (2 U.S.C. 359).

(20) Sections 551 and 552 of the Energy Policy and Conservation Act (42 U.S.C. 6421 and 6422).

(21) Section 502(a)(4) of the Motor Vehicle information and Cost Sevings Act (15 U.S.C. 2002(a)(4)).

(22) Section 404 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8374).

(23) Section 302(a) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(a)).

(24) Sections 36(b), 36(c), and 63 of the Arms Export Control Act (22 U.S.C. 2776(b), 2776(c), and 2769b).

(25) Section 118 of the International Security and Development Cooperation Act of 1980 (22 U.S.C. 2293n).

(26) Sections 669(b) and 670(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2429(b) and 2429(a)).

(27) Section 311(d) of the Federal Election Compaign Act of 1971 (2 U.S.C. 438(d)).

(28) Sections 202, 203(c), 204(c), 204(l) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712, 1713(c) 1714(c), 1714(l)).

(29) Sections 8(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)).

(30) Sections 122, 202, and 206(d) of the Natural Gas Policy Act (15 U.S.C. 3332, 3342, 3346(d)).

(31) Sections 301, 302, and 307 of the Defense Production Act of 1950 (50 U.S.C. App. 2091, 2092, and 2097).

(32) Section 128 of the Energy Security Act (42 U.S.C. 8724).

(33) Section 12 of the Coastal Zone Management Act (16 U.S.C. 1463a).

(34) The first section of the Act entitled "An Act to authorize the making, amendment, and modification to contracts to facilitate the national defense", approved August 28, 1958 (50 U.S.C. 1431).

(35) Section 2307 of title 10, United States Code.

(36) Section 18(a) of the Military Selective Service Act (50 U.S.C. App. 468(a)).

(37) Section 8(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1606(a)).

(38) Section 431 of the General Education Provisions Act (20 U.S.C. 1232).

(39) Section 1138 of the Education Amendments of 1978 (25 U.S.C. 2018).

(40) Section 400A(e) of the General Education Provisions Act (20 U.S.C. 1221-3(e)).

(41) Section 1409 of the Education Amendments of 1978 (20 U.S.C. 927).

(42) Section 125 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1410b).

(43) Section 617 of the Foreign Assistance Act of 1961 (22 U.S.C. 2367).

(44) Section 2076 of title 28, United States Code.

(45) Sections 1 through 10 of the Classified Information Procedures Act (18 U.S.C. App.).

(46) Section 5 of the Pennsylvania Avenue Development Corporation Act of 1972 (40 U.S.C. 874).

(47) Section 7(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635e(b)).

(48) Section 7422(c) of title 10, United States Code.

(49) Section 2(f) of the Act entitled "An Act to provide for an independent audit of the financial condition of the government of the District of Columbia (90 Stat. 1206).

(50) Section 12 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5911).

(51) Section 709 of the Department of Defense Appropriation Authorization Act of 1975 (50 U.S.C. App. 2403-1).

(52) Section 28(u) of the Mineral Leasing Act of 1920 (30 U.S.C. 185(u)).

(53) Sections 7(d) and 7(g) of the Export Administration Act of 1979 (50 U.S.C. App. 2406(d) and 2406(g)).

(54) Section 244 of the Immigration and Nationality Act (8 U.S.C. 1254).

(55) Section 36(b) of the Arms Export Control Act (22 U.S.C. 2776(b)).

(56) Section 3 of the International Navigational Rules Act of 1977 (33 U.S.C. 1602).

(57) Section 19 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5919).

(58) Section 233(e) of the Social Security Act (42 U.S.C. 433(e)).

(59) Section 28 of the Outer Continential Shelf Lands Act (43 U.S.C. 1354).

(60) Section 43(f) of the Airline Deregulation Act of 1978 (49 U.S.C. 1552(f)).

(61) Section 164 of the District of Columbia Retirement Reform Act (93 Stat. 891).

(62) Section 302 of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1432).

(63) Section 482 of the Higher Education Act of 1965 (20 U.S.C. 1089).

(64) Section 305 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9655).

(65) Section 307 of the National Historic Preservation Act (16 U.S.C. 470w-6).

(66) Section 25(a) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w(a)).

(67) Section 5.18(c) of the Farm Credit Act of 1971 (12 U.S.C. 2252(c)).

(68) Section 401(a) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 761(a)).

(69) Section 36 of the Consumer Product Safety Act (15 U.S.C. 2083).

(70) Section 21 of the Federal Hazardous Substances Act (15 U.S.C. 1276).

(71) Section 17 of the Flammable Fabrics Act (15 U.S.C. 1204).

(72) Section 2382 of title 10, United States Code.

(73) Section 303 of the Tariff Act of 1930 (19 U.S.C. 1303).

(74) Section 1523 of the Agriculture and Food Act of 1981 (16 U.S.C. 3443).

(75) Section 144(e) of the National Visitor Center Facilities Act of 1968 (40 U.S.C. 814(e)).

(76) The paragraph under the heading "Bureau of Alcohol, Tobacco, and Firearms" in chapter IV of title I of the Urgent Supplemental Appropriations Act, 1982) (96 Stat. 189).

(77) The paragraphs—

(A) under the heading "Research and Development" under "National Aeronautics and Space Administration", and

(B) under the heading "Neighborhood Reinvestment Corporation" in title II of the Department of Housing and Urban Development—Independent Agencies Appropriation Act, 1983 (96 Stat. 1169).

(78) The paragraph under the heading "Operations" under "Federal Aviation Administation" in title I of the Department of Transportation and Related Agencies Act, 1983 (96 Stat. 1768).

(79) Section 125 of Public Law 97-377, approved December 21, 1982 (96 Stat. 913).

(80) Section 2 of the Watershed Protection and Flood Prevention Act (916 U.S.C. 1002).

(81) Section 32(e) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1011(e)).

(82) Section 26(a) of the Futures Trading Act of 1978 (7 U.S.C. 16a(a)).

(83) Section 301 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1431).

(84) Section 35(c)(2)(D) of the Consumer Product Safety Act (15 U.S.C. 2082(c)(2)(D)).

(85) Section 12 of the River Basin Monetary Authorization Act of 1974 (Public Law 9-251; 88 Stat. 16).

(86) Section 5004 of title 38, United States Code.

(87) Section 7 of the Public Buildings Act of 1959 (40 U.S.C. 606).

(88) Section 201 of the Flood Control Act of 1965 (42 U.S.C. 1962d-5).

(89) Section 4(e) of the Small Reclamation Projects Act of 1956 (43 U.S.C. 422d(e)).

SEC. 3. The authority to promulgate rules under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)) shall terminate 180 days after the date of the enactment of this Act unless that authority is extended by an enactment of the Congress.●

HUMAN RIGHTS

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. COYNE) is recognized for 5 minutes.

● Mr. COYNE. Mr. Speaker, I would like to bring to the attention of my colleagues a recent incident in the Soviet Union which sheds some light on that nation's respect for human rights.

Prof. Norman Zabusky, a mathematician at the University of Pittsburgh, visited the Soviet Union last month as an exchange fellow of the National Academy of Sciences. While there he lectured fellow scientists in Kiev and Leningrad on subjects of mutual interest.

The troubles for Professor Zabusky began when he accepted an invitation to speak to a group of Soviet refuseniks. Refuseniks, as most in this body are aware, are those Soviet citizens who, by virtue of their expressed desire to emigrate to Israel. face Government-sanctioned discrimination, and, in some instances, Government repression. Many of you have met with refuseniks on your own trips to the Soviet Union, as have numerous

scientists who visited that nation to exchange academic views.

Professor Zabusky was scheduled to meet with a group of refuseniks who assemble each week to discuss scientific issues. These meetings, I should point out, are not illegal, although it is safe to say that the Government there does not look kindly upon them

It became very apparent to Professor Zabusky that the Soviet Government did not look kindly on his plans to visit with the group. He was asked to leave the country the day before he was scheduled to address the group of refuseniks. According to the Soviet Academy, he was guilty of "conduct incompatible with the status of a guest of the academy on an official exchange."

Mr. Speaker, by seeking to speak with refuseniks who shared his interest in science, Professor Zabusky did not show his conduct to be incompatible with his role as a scientist. He showed a very legitimate concern for human rights, a concern held by one of the greatest scientists, Dr. Albert Einstein. In an address to the Chicago Decalogue Society in February 1954 Einstein said:

> In talking about human rights today, we are referring primarily to the following demands: protection of the individual against arbitrary infringement by other individuals or by the government; the right to work and to adequate earnings from work; freedom of discussion and teaching; adequate participation of the individual in the formation of his government. These human rights are nowadays recognized theoretically, although, by abundant use of formalistic, legal maneuvers, they are being violated to a much greater extent than even a generation ago.

Professor Zabusky, in his attempt to carry out what Dr. Einstein referred to as "freedom of discussion and teaching," was acting properly both in his role as a scientist and as a person who believes, as we all do, in human rights. His treatment by the Soviet Government should be protested in the strongest possible terms.

It is my understanding that the State Department is now considering lodging a protest with the Soviet Union over the treatment accorded Professor Zambusky. I urge prompt action on this matter, and I hope that the Soviet Government will be forthcoming with an apology to this respected scientist.●

CONDITIONS ON U.S. MILITARY AID TO EL SALVADOR

The SPEAKER. Under a previous order of the House, the gentleman from Maryland (Mr. BARNES) is recognized for 5 minutes.

● Mr. BARNES. Mr. Speaker, I would like to draw to the attention of my colleagues the fact that last night the other body approved H.R. 4042, which extended the certification requirement with respect to military assistance for El Salvador. This legislation, which I expect will be signed by the President, once again demonstrates the strong bipartisan congressional concern about the situation in El Salvador. It shows that the Congress is willing to allow the continuation of our military aid program only with strict conditions that require progress on human rights, control over the security forces, continued economic reform, movement toward an equipment political solution to the conflict, and justice in the cases of U.S. citizens murdered in El Salvador.

As the sponsor of H.R. 4042 and as chairman of the Subcommittee on Western Hemisphere Affairs, I believe that the continuation of the certification process is absolutely crucial to the implementation of our policy in El Salvador. Though the certification process is far from perfect, passage of H.R. 4042 without a single objection in the House or Senate should send a clear and unmistakable signal on the situation in El Salvador. These conditions, coupled with the restrictions previously enacted in the continuing resolution for fiscal year 1984 (Public Law 98-151), demonstrate that the United States is committed to standing behind progress and peaceful change in El Salvador. However, our assistance will continue only so long as there is real evidence that the Goverment of El Salvador is willing, and able, to gain control over its military forces and improve the human rights situation. The certification also has the added benefit of keeping the Congress and the American people informed of events in El Salvador with periodic determinations and reports from the President.

Mr. Speaker, as I have said, the certification process which we have continued until September 30, 1984, is not perfect and many of us recognize its flaws. During the last 2 years of experience with this law, we have learned that modifications and perhaps a new approach might help us implement our policies with greater efficacy. I remain hopeful that such legislation can be considered in the second session of this Congress. Until then, and if need be throughout the fiscal year, we have helped the administration and the Government of El Salvador pursue goals which we all consider vital.●

INTRODUCTION OF LEGISLATION PROVIDING FOR CERTAIN FEDERAL STANDARDS AND REGULATIONS OF GAMBLING ACTIVITIES ON INDIAN RESERVATIONS

The SPEAKER. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, today, Mr. MCNULTY, Mr. MCCAIN, and I are introducing legislation which will provide for certain Federal standards and regulations for the conduct of gaming operations on Indian reservations.

Our introduction of this bill should not be taken as an introduction that we support or oppose gambling activities in Indian country. The Federal courts have determined that Indian tribes, under certain circumstances, have the right to conduct, license, and regulate gambling activities on lands within their jurisdiction exclusive of any right of States to do so.

Based upon these court decisions, several Indian tribes have either established tribal gambling operations or have adopted ordinances providing for the licensing and regulation of gambling. Many other tribes are investigating gambling as a means of developing tribal revenue.

The development of gambling on Indian reservations has created a growing concern, both among the Indian tribes and in the surrounding non-Indian community. There is a concern about the attraction of organized crime and other undesirable elements into these operations. Several tribes have expressed concern about their ability to control the influx of these elements and to conduct orderly gambling activities designed to enhance their ability to generate badly needed revenue for government operations.

As I have noted, we do not pass judgment on the use of gambling as a means of generating governmental revenue. We are all aware of the examples of the State of Nevada and, more recently, New Jersey which have turned to legalized commercial gambling for economic development to support a tax base.

Many more States have followed a more direct approach of operating State-owned lottery or numbers games as a means of supplementing their tax revenue. In this area, Maryland and the District of Columbia operate lotteries and numbers games for that purpose.

In fact, only about two or three States totally prohibit all forms of gambling as a matter of State public policy.

The States have turned to gambling for two very passing reasons. First, the public opposition to increasing local taxes, as evidenced by proposition 13 in California and TRIM in Maryland, has exerted severe pressure on the tax efforts of State and local governments. Second, the decreasing availability of Federal aid because of budget cuts exacerbates that pressure. As as consequence, the once delicate subject of gambling has become converted to a legitimate, acceptable means of raising government revenue.

It is for these same reasons that Indian tribes have begun to investigate or develop gambling enterprises on the reservations. In most cases, they lack, or have a woefully inadequat tax base to support tribal government operations and programs. Except for generally small revenues from tribal resources, most tribes are almost totally dependent upon Federal financial support. The Federal budget cutbacks which have impacted so severely upon State and local governments are magnified in their impact on tribal governments and programs. As Indian unemployment on the reservations—once desperate at a 40 to 50 percent level—climbs to 70 to 80 percent and as tribes lose their already inadequate ability to provide essential social, educational, and economic support to their people, they are turning desperately to any source of tribal revenue.

For some, tribal gambling enterprises have become that source of income. As an example, a small tribe in Minnesota, the Shakopee Sioux community, has conducted a tribal bingo operation on their reservation for the past year. Out of revenues generated by the bingo game, they have constructed and dedicated a new health center and dental clinic; they have expanded their Tribal Community Center to provide space for day-care services and tribal offices; they have begun construction of a tribal cultural center and have established a higher education fund for their children; they have reduced tribal unemployment on their reservation from 67 to 20 percent; and they have contributed over $106,000 to various charities, including a special contribution of $22,796 to the Jerry Lewis Muscular Dystrophy Association.

But the concerns remain. The Bureau of Indian Affairs, the concerned Indian tribes, and my committee have examined existing Federal law to determine if sufficient authority exists to insure the orderly conduct of gaming activities on the reservations while protecting the right of tribes to engage in gambling operations to generate tribal revenue. While there is some authority in existing law, it is not adequate to provide the needed support and standards to serve the purpose.

The bill we introduce today is designed to provide that needed authority. We understand that there will be some Indian criticism and objection to this legislation. However, we want to assure them that our purpose is not to unduly infringe upon their rights, but, rather, to assist them in the conduct of orderly operations and to assist them in preventing the influx of undesirable elements into their activities.

Since it is the Federal Government that has a trust responsibility to protect Indian tribes, it is up to the Federal Government to provide the needed protections that will insure that gambling on the reservation is conducted in a healthy and honest fashion.●

THE 75TH ANNIVERSARY OF THE NORTHEASTERN ASSOCIATION OF THE BLIND OF ALBANY, N.Y.

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. STRATTON) is recognized for 5 minutes.

● Mr. STRATTON. Mr. Speaker, I am delighted to take this opportunity to congratulate the Northeastern Association of the Blind on their 75th anniversary of service to the blind and visually handicapped in the Capital District of New York and the Northeastern States.

The actual date of the anniversary is December 7, but because Congress will not be in session on that date, I want to recognize their great achievements today and send to them my best wishes on the occasion of their diamond jubilee reception to be held on November 19, tomorrow.

Seventy-five years ago, on December 7, 1908, 10 blind individuals founded the Albany Association for the Blind with the purpose to improve the conditions of the blind. Since its establishment the association has flourished, and has expended its services and programs to meet the needs of the community. In 1979 the name was changed to the Northeastern Association of the Blind to reflect the growth of its services and geographical expansion to serve the northeastern region. Through its growth, the primary goal of the association has remained the same: To open opportunities for the blind and the visually handicapped to enable them to achieve their full potential as productive and independent participants in society.

As as nonprofit corporation, the association serves the visually handicapped through its own community service program and with rehabilitation services for the blind in cooperation with State agencies throughout the Northeast. While the rehabilitation program for the elderly receives help from participating counties, and vocational training is supported by tuition payments from the States, much of the funds are provided by the generosity of the public. The association's success is a tribute to our community's commitment to helping disable persons live full and productive lives.

The association, located at 301 Washington Avenue in Albany, is a center for teaching, service, and social activities for the blind. The association provides teaching in the home for blind children and visually impaired elderly, prescribes low vision aids and offers counseling for the blind as well. The association's rehabilitation center provides rehabilitation and vocational training to prepare the blind for employment in cooperation with the New York State Commission for the Blind and other State agencies. The association also operates a successful job placement program and an industrial sewing workshop which employs the blind.

I have had the pleasure of visiting the Northeastern Association of the Blind, and have been greatly impressed by their creative and industrious efforts to assist the blind and their families, and their success in working with the local community to both fund their program and find meaningful employment for the visually impaired. I want to congratulate the Northeastern Association of the Blind and extend to them my best wishes for another 75 years of service to the community.●

THE ADMINISTRATION'S ATTITUDE ON THE PRESS

The SPEAKER. Under a previous order of the House, the gentleman from Massachusetts (Mr. FRANK) is recognized for 5 minutes.

● Mr. FRANK Mr. Speaker, the administration's attitude toward press coverage of the Grenada conflict disturbs me greatly. Several other Members of this body protested the stifling of press coverage in the first few days of the invasion. Several weeks have now passed and I see no sign of improvement in the administration's attitude on this issue. James A. Baker III, the White House Chief of Staff, dismissed criticism of press censorship with the comment that a large majority of the American people support it. If this is an indication of the state of mind of this administation in regards to the freedom of the press, then I am appalled.

Mr. Speaker, one does not have to be a constitutional historian or a scholar of political theory to realize that the principle of a free press does not rest on any temporary findings of popular opinion polls. A free press is essential to the maintenance of our democracy; in the absence of it, public opinion polls have little bearing. I should point out that not only was Mr. Baker's remark irrelevant to the larger question posed by the administration's behavior, but it may also have been inaccurate. Washington Post/ABC poll conducted November 3–7 revealed that 48 percent of respondents nationwide said that the U.S. Government had tried to control reports more than it should have, whereas 38 percent did not feel that this was so. I bring up this alternate finding not to match Mr. Baker's findings, but merely to buttress my point that public opinion can be very volatile and its measure-

ment is imprecise—further reason why it should not be looked upon as the be-all and end-all of public policy, let alone basic constitutional questions.●

Last, Mr. Speaker, I feel obligated to speak out because it seems to me that the administration has greatly exaggerated the logistical problems involved in insuring that the press can adequately cover war operations. Let me close my remarks by citing those of Jerry W. Friedheim, who was Assistant Secretary of Defense for Public Affairs during the Vietnam war. He told the Washington Post, Tuesday, November 15, that—

One need only recall the actions of Gen. Creighton Abrams in personally assuring press-pool access to his troops during the troubled days when controversial combat actions were under way across the South Vietnam border in Cambodia. Gen. Abrams understood that he and his troops were working within and for a constitutional, free society. He saw it as his duty to help a free press serve a free society. He was right. Today's officials are wrong.●

INTERNATIONAL TRADE COMPETITIVENESS ACT OF 1983

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 5 minutes.

Mr. LAFALCE. Mr. Speaker, for well over a decade, the United States economy has suffered from basic problems which have retarded our growth, diminished our industrial base, intensified our unemployment, and eroded our international competitiveness. These problems are deep-seated structural problems, such as declining productivity growth and inadequate capital investment, that will not be cured by the present cyclical recovery.

The Subcommittee on Economic Stabilization, which I chair, recently released a report on behalf of a majority of the members of the subcommittee entitled, Forging an Industrial Competitiveness Strategy. The report analyzed these basic structural problems confronting the American economy and made specific legislative recommendations to address them. Last week, I introduced a package of legislative proposals, H.R. 4360, H.R. 4361, H.R. 4362, and H.R. 4663, to implement several of the recommendations in the report. The core of this legislative package is H.R. 4360, the Industrial Competitiveness Act. This act would create a Council on Industrial Competitiveness, to coordinate the myriad of existing industrial policies and integrate them into a comprehensive industrial strategy to improve America's competitiveness. The act would also create a Bank for Industrial Competitiveness to help assist both mature and emerging industries to finance the investment to modernize and innovate.

The report also recommended that the trade laws be administered in a manner to require an industry that receives trade relief to make a commitment and take the steps necessary to become a world class competitor. We believe that relief from import competition should be conditioned on an industry modernizing its facilities and taking other actions to become more competitive. Today, I am introducing legislation to authorize the President to require adjustment plans as a condition for receiving trade relief under the general "fair trade" statue, section 201 of the Trade Act of 1974. Section 201 provides temporary relief to an injured industry even if there is no evidence of an unfair trade practice. Such temporary relief provides breathing room for restructuring, and it is appropriate to make competitive modernization a condition for relief. This provision is designed to apply only to temporary relief from fair competition. Where there is evidence of an unfair trade practice, relief should not be made dependent on a restructuring plan.

In coming months, I will be introducing additional legislation to tie this concept of conditionality to other forms of Government trade relief and assistance which are currently provided. The simple fact is that too often the Federal Government provides extensive relief to industries and workers without assurances that the basic problems that beset the industry will be addressed. As a result, the industry continues to slide, the workforce continues to diminish, the Government continues to pay, and nothing is really improved with an expensive but ineffective Band-Aid approach. In a period of intense international competition, we need to do much better.

The import relief laws are the basic mechanisms we have for providing relief for domestic industries injured by imports. A number of witnesses at the subcommittee's industrial policy hearings, including William Brock, U.S. Trade Representative, testified that the authority to require adjustment commitments from industries receiving trade relief would be a useful instrument as trade assistance programs are developed. Under the existing section 201 of the Trade Act, an industry petitions the International Trade Commission (ITC) for relief from serious injury due to imports. The Commission investigates and makes a recommendation to the President for final action. The President may grant temporary protection from imports. This relief does not solve the problem. It does not make the industry more competitive.

The legislation which I am introducing today would amend section 201 to make a request for import relief also an opportunity to take a comprehensive look at the industry's underlying problem—its declining competitive position. In short, this legislation would require that industry, labor, and government develop together a comprehensive adjustment program to improve competitiveness before import relief could be granted.

Under my proposal, an industry would file a petition before the International Trade Commission alleging serious injury. The Commission would then be required to make a preliminary finding within 45 days as to whether such an injury has occurred. This would reduce the enormous waste of resources when inadequate petitions drag through the full investigation and recommendation procedures of section 201.

Once the Commission makes a preliminary finding of serious injury, the Commission would initiate a full investigation and convene an adjustment plan board chaired by a member of the Commission. The board would be a tripartite body, comprised of representatives of industry, labor, and government. The Board would negotiate a plan and make a package of recommendations to the Commission. The ITC would have the authority to make its own determination as to the appropriate trade relief and the adequacy of the adjustment program, and then to make recommendations to the President for final action. If the President grants the trade relief, the Commission would continue to monitor the plan. If the plan is not being adequately implemented, the Commission would have the authority to investigate and recommend to the President that the trade relief be reduced or revoked.

Mr. Speaker, I include the full text of the legislation at this point in the RECORD:

H.R. 4531

A bill to amend the Trade Act of 1974 to authorize the preparation and implementation of adjustment plans for industries injured by imports, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Trade Competitivess Act of 1983".

SEC. 2. (a) Chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 204. ESTABLISHMENT OF ADJUSTMENT PLANS.

"(a)(1) Within 45 days after the date of which a petition is filed (or the date on which a request or resolution is received, or the motion is adopted, as the case may be) under section 201, the Commission shall make a preliminary determination regarding whether there is a reasonable indication that the serious injury or threat thereof described in subsection (b)(1) of such section exists.

"(2) If under paragraph (1), the Commission—

"(A) does not find a reasonable indicator of such injury or threat, the Commission shall conclude the investigation under sec-

tion 201(b) and make a report thereon under section 201(d); or

"(B) finds a reasonable indication of such injury or threat—

"(i) the Commission shall continue the investigation under section 201(b), and

"(ii) the Chairman of the Commission shall establish an adjustment plan board (hereinafter in this section referred to as the 'board') under subsection (b)(1) for the affected industry.

"(b)(1) A board required to be established under subsection (a)(2)(B)(ii) shall consist of—

"(A) a member of the Commission, designated by the Chairman thereof, who shall serve as the chairman of the group;

"(B) individuals, designated by the Chairman of the Commission from the appropriate industry subcouncils of the Council on Industrial Competitiveness (established under title I of the Industrial Competitiveness Act) and other entities considered appropriated by the Chairman, who represent the interest of businesses and employees in the industry concerned, except that such individuals must represent substantially all of the businesses and employees involved;

"(C) individuals representing the Department of Commerce, Labor, and, if appropriate, Agriculture or other Departments, appointed by the respective Secretaries of such Departments; and

"(D) an individual, designated by the Chairman of the Commission, representing the Council on Industrial Competitiveness.

The Chairman of the Commission may appoint advisors to the board from academic financial, and other communities considered appropriate by the Chairman.

"(2) The Commission shall provide clerical and other support services to the board.

"(c)(1) The board shall establish an adjustment plan designed to enable the industry that is the subject of the petition, request, resolution, or motion to adjust to changing economic conditions resulting from imports or otherwise, and to become more competitive internationally. An adjustment plan may include, but is not limited to, rquirements for—

"(A) coordinated or phased reductions of excess capacity in the industry, or both;

(B) technological improvements;

(C) investment plans (with or without governmental assistance);

"(D) product or design changes;

"(E) productivity improvements;

"(F) management improvements;

"(G) cost reductions; and

"(H) government policies that promote a competitive strategy.

An adjustment plan shall also contain such remedies of the kind described in section 201(d)(1)(A) as the board considers appropriate.

"(2) An adjustment plan shall not be treated as agreed to by the board unless a majority of the individuals comprising the categories described in subsection (b)(1)(A), (B), (C), and (D) approves the plan.

"(3) Action by the board under this subsection regarding an adjustment plan must be completed, and the text of an approved adjustment plan, if any, submitted to the Commission, within such time as to give the Commission a sufficient period to consider the contents of the plan within the 6-month limitation applicable to the report of the Commission under section 201(d)(2). The board shall also promptly submit to the President a copy of the approved adjustment plan.

"(4) Any discussion held in carrying out this subsection or any action taken by any person incident to any aspect of an adjustment plan imposed under section 203 shall not be treated as violation of any Federal or State antitrust law.".

(b) Section 201 of the Trade Act cf 1974 (19 U.S.C. 2251) if amended—

(1) by adding at the end of subsection (b)(1) the following new sentence: "The investigation required under the preceding sentence shall be subject to section 204(a).''; and

(2) by inserting before the last sentence of subsection (d)(1) the following new sentence: "The Commission may recommend in its report the implementation of such aspects of an approved adjustment plan submitted to it under section 204(c)(3) as it considers appropriate to enable the industry to achieve the goals set forth in section 204(c)(1)(A).".

(c) Section 203 of the trade Act of 1974 (19 U.S.C. 2253) is amended—

(1) by adding at the end of subsection (a) the following flush sentence: "The President may also specify those aspects of an approved adjustment plan, submitted to him under section 204(c)(3), for the industry that he considers should be implemented in order to enable the industry to adjust to import competition and to become more competitive internationally.";

(2) by amending the last sentence of subchapter (b)(1) to read as follows: "If the action taken by the President differs from the action recommended to him by the Commission under section 201(d)(1)(A) or regarding the implementation of aspects of an adjustment plan prepared under section 204, he shall state the reason for such difference.";

(3) by amending subsection (c)(2) by inserting "and the imposition of such aspects of an adjustment plan prepared under section 204," before " which was recommended by the Commission under section 201(b)";

(4) by striking out "that such reduction or termination is in the national interest." in subsection (h)(4) and inserting in lieu thereof the following: "that—

"(A) such reduction or termination is in the national interest; or

"(B) those aspects of an adjustment plan imposed under this section are not being materially implemented."; and

(5) by amending subsection (i)—

(A) by amending paragraph (1)—

(i) by striking out "(including" and inserting in lieu thereof "(including the extent to which the required aspects of an adjustment plan are being implemented or, if an adjustment plan is not involved,", and

(ii) by adding at the end thereof the following new sentence: "In evaluating the extent to which required aspects of an adjustment plan are being materially implemented, the Commission shall consult with the adjustment plan board that prepared the plan under section 204."; and

(B) By amending paragraph (2) to read as follows:

"(2) Upon request of the President, or upon its own motion, the Commission shall advise the President of its judgment as to the probable economic effect on the industry concerned of the extension, reduction, or termination of the import relief provided under this section, and as to the extent to which required aspects of an adjustment plan are being materially implemented.".

(d) The table of sections for chapter 1 of title II of the Trade Act of 1974 is amended by adding at the end thereof the following new item:

"Sec. 204. Establishment of adjustment plans.".

THE 100TH BIRTHDAY OF JOHN E. CONNER

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. DE LA GARZA) is recognized for 15 minutes.

● Mr. DE LA GARZA. Mr. Speaker, south Texas will be celebrating a very special centennial observation on November 21. It will be the 100th birthday of Mr. John E. Conner of Kingsville, Tex. There is no hyperbole when I say that his lifetime accomplishments stand shoulder to shoulder with the greatest personalities of our great State of Texas. And in particular, John Conner is synonymous with the life of south Texas.

He was born in 1883 in Pontotoc, Tex. In 1924, he earned his bachelor's degree in history, graduating Phi Beta Kappa—and in 1927, earned his master's degree in history. He has been a resident of Kingsville in south Texas since 1925. He was the first academic dean of Texas A&I University from 1927 to 1954. Among his too numerous honors to list in this space, he was chairman of the Kleberg County Historical Commission and still sits with the prestigious South Texas Historical Association. He is the author of four books—the lastest being his memoirs. And Texas A&I University is proud host to the John E. Conner Museum which houses the history of treasures that make up our south Texas heritage.

There is not a single south Texan who does not know the name John Conner. If ever there were one individual who could be said to represent the past hopes and future dreams of an entire region, it would be John Conner. He is a man of warmth and depth of feeling—history students from generations past still visit their towering mentor years after leaving his tutelage. To have been a John Conner student was to have learned from the very source of the subject.

In my own dealings and correspondence with this gentleman, I came to recognize a keen interest he always had in the quality of life in south Texas. When I wrote to him 1 year ago, on his 99th birthday, I joked about the days when he and I were working to eradicate the cattle fever tick, so damaging to our south Texas livestock. Well, I am still battling the critter and John Conner still beats them with a stick at the age of 100. Emminent sir, we will get them yet.

If every single American citizen had but half the dedication and lover of his land that John Conner possesses, this country would be a grand utopia. But it is not. The rest of us must stand blind when we gaze at the likes of

John Conner. And we realize he is one of those rare moments in a century that is fixed like a star to guide the rest of us. A man such as John Conner does not need my words, and his life needs no embellishment. There is nothing to do but think of him in wonder—and I, for one, hold him in my highest regards.●

PERSONAL EXPLANATION

The SPEAKER. Under a previous order of the House, the gentleman from North Carolina (Mr. BRITT) is recognized for 5 minutes.

● Mr. BRITT. Mr. Speaker, on Thursday evening, November 10, 1983, I traveled to Lebanon with some of my colleagues on the House Armed Services Committee on a fact-finding mission pursuant to my duties on the Investigations Subcommittee and returned late Monday evening, November 14, 1983. Therefore, I was absent when votes took place on the Universal Telephone Service Preservation Act, H.R. 4102. Had I been present, I would have supported the bill.●

NASA'S 25TH ANNIVERSARY

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS) is recognized for 5 minutes.

● Mr. BROOKS. Mr. Speaker, 25 years ago this month, T. Keith Glennan, Administrator, proclaimed by virtue of authority conferred by Public Law 85-568, that the National Aeronautics and Space Administration was organized and prepared to discharge the duties and exercise the powers conferred upon it by said law. NASA has proudly fulfilled its congressional mandate and I commend and salute the agency on its silver anniversary.

NASA can trace its origin to 1915 when the National Advisory Committee for Aeronautics (NACA) was established. NACA served as the national research organization for aeronautics for 43 years when research was focused primarily on improving aircraft design and performance. The NASA enabling act established a broad charter for civilian aeronautical and space research, with unique requirements for dissemination of information; absorbed the existing NACA into the new organization as its nucleus; and empowered broad transfers from other Government programs.

The agency since 1958, in carrying out its charter, has taken us from the thin ribbon of Earth's atmosphere out to the edge of the solar system; has explored the planets and studied the Sun, pulsars, quasars and black holes; has developed quiet aircraft engines, the super critical wing and economics in aircraft fuel consumption; made vast improvement in remote Earth sensing; and has contributed in a host of other ways to the benefit of all mankind.

By virtue of its missions, NASA has continually been involved in state-of-the-art, high technology, high-risk research and development activities. The challenges faced and met by NASA and its industry and university contractors in its aeronautics, space science, Earth applications, and manned space flight activities have led to the development and successful utilization of significant technologies and techniques including: computer sciences; materials; electronics; aerodynamics; propulsion; communications; automation; reliability; large systems design; and management of complex organizations.

These pioneering accomplishments have been characterized by unique innovative management systems and government/industry/university relationships.

In addition, the research and development products resulting from NASA activities are available to the U.S. private sector, and domestic industry is actively encouraged to take full advantage of them.

I would like to particularly highlight the success of one of NASA's primary facilities: the Johnson Space Center, located in the Ninth District of Texas which I am proud to represent here in the Congress.

On May 25, 1961, President Kennedy committed the United States to landing men on the Moon before the decade was out. That staggering job was given to NASA and the recently created space task group housed at Langley Research Center in Virginia. This group soon strained the ability of Langley—new facilities were needed, and the construction alone would rival that of many projects America had undertaken in the past. Aside from manufacturing plants, assembly buildings, test stands, shipping facilities and launch pads, the agency would need new laboratories, office buildings, aircraft hangars, and huge warehouses.

Even before it was built the new facility was named the Manned Spacecraft Center and from the beginning it was seen as the crown jewel of the new effort, the lead center for all space journeys involving astronauts. After a study of some 23 sites, the site selection team on September 19, 1961, chose a piece of property owned by Rice University, close to Ellington Air Force Base. Houston was ecstatic; just the day before the city's population had virtually reached the 1 million mark.

The Manned Spacecraft Center, later named the Lyndon B. Johnson Space Center, was charged with the responsibility for: design, development and manufacture of manned spacecraft; selection and training of spacecraft crews; ground control of manned flights; and many of the medical, engineering and scientific experiments carried aboard those flights. The Center achieved major successes with the Gemini, Apollo, and skylab programs, and with the current space transportation system.

Johnson Space Center (JSC) is now one of the major tourist attractions in the Southwestern United States. More than 1 million visitors, including many international visitors, tour the center each year. The recent success of the space shuttle has brought new attention to JSC and to the U.S. space program.

I commend Johnson Space Center and NASA for a job well done and salute the agency on its 25th anniversary.●

A GROSS INJUSTICE BY THE JUSTICE DEPARTMENT

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 60 minutes.

The Chair would like to thank the gentleman (Mr. GONZALEZ) for holding forth until we get further messages from the Senate.

Mr. GONZALEZ. Mr. Speaker, I really rise in the most serious vein that I can think of on a very important matter that has come up from down my way in the Southwestern United States.

□ 1740

We Americans are very quick to protest and rightly so when fellow Americans are arrested in some foreign country and then subjected to arbitrary illegal treatment. We would be shocked, as we have on some occasions, and highly indignant if an American or group of Americans were arrested in Mexico, for instance, not because they had committed a crime, but because they were material witnesses to a crime. We would be appalled if those witnesses were held for 10 months or longer in jail. We would be outraged if those witnesses had been farmed out to some employer of an exploitive nature and then thrown back in jail because they protested the working conditions. And we would be dumbfounded if those witnesses had been denied due process, as we understand it, and held for months and months, even though their testimony was never required and I cannot imagine the uproar if that kind of pervasive callous injustice were inflicted on any of our citizens.

But this is exactly the maltreatment that the United States has given a group of Mexican aliens. This case represents the most gross and callous kind of injustice, a repetition of what I thought we had eliminated about 8

years ago as a policy by the Justice Department.

It shows a shocking incompetence and disregard for law and for justice by the Department of Justice at every turn of the way.

Let me cite the details. A group of illegally entered Mexican aliens were arrested last February at a place known as the Mehor egg farms, which is located near Denton, Tex. Now that is up in the northern upper central part of Texas. We are down below in San Antonio, some 350 miles away. This place is in the northern part of Texas. It is at least near 400 miles from the Mexican border. The illegally entered aliens had been transported to the place by individuals whose trade causes them to be commonly called, in our parlance down there, "cayotes." Their business is to smuggle illegally entered aliens into the interior. They do so because they know that when they do so they have employers here that are going to hire those laborers.

Apparently this group had been in the United States only a few weeks at the time of their arrest. Normally an illegally entered alien is subject to immediate deportation. However, in this case, the Government filed charges against the employer and others who had participated in the smuggling operation.

Since the crime had taken place in the southern district of Texas, the judicial proceedings were set there, which is a considerable distance from the site of the arrest.

At this point began the series of bungles, the neglect and the outright violation of law and procedure that has characterized the matter from February until this very moment that I am speaking.

The criminal defense in this case, that is, the people who smuggled the aliens and harbored them were released in their own personal recognizance. They did not have to put up 1 cent of bail money. But the aliens, who were being held as material witnesses to the crime of smuggling, were placed under a $10,000 bond, which of course none of them could conceivably raise, and placed in the county jail in Bexar County. Therefore, the defendants went free, but the witnesses went to jail.

The Government says that the bond was necessary because if the aliens had been set free, they would have fled to Mexico. But there is absolutely no evidence to support that argument. Indeed, when the aliens were set free for the purpose of working long hours at peonage wage rates, they made no effort whatever to leave the country.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Texas.

Mr. BROOKS. To my distinguished and beloved friend from Texas, I wonder if it would be permissible if the gentleman would agree to yield to me for the purpose of taking up a unanimous-consent request of a matter on historical publications and records in which the gentleman has long had a deep interest. We could handle that matter now and then return to this interesting disseration.

Mr. GONZALEZ. I would be delighted to yield to our distinguished dean of the Texas delegation and a very wonderful friend for that purpose.

EXTENDING AUTHORIZATION OF APPROPRIATIONS OF NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2196), to extend the authorization of appropriations of the National Historical Publications and Records Commission for 5 years, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: That section 2504(b) of title 44, United States Code, is amended to read as follows:

"(b) For the purposes specified in subsection (a), there is authorized to be appropriated to the General Services Administration an amount not to exceed $4,000,000 for each of the fiscal years ending on September 30, 1984, and September 30, 1985; and an amount not to exceed $5,000,000 for each of the fiscal years ending on September 30, 1986, September 30, 1987, and September 30, 1988. Amounts appropriated under this subsection shall be available until expended when so provided in appropriation Acts.".

Mr. BROOKS (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. HORTON. Mr. Speaker, reserving the right to object, and I will not object, I would like to ask the chairman to explain the purpose of this bill, what it is and what has happened.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Texas.

Mr. BROOKS. I thank the gentleman for yielding.

Mr. Speaker, H.R. 2196 would extend for 5 years the authorization for appropriations of the National Historical Publications and Records Commission. As passed by the House on June 1 by voice vote, the bill would reauthorize NHPRC at a level of $3 million per year for the next 5 years. The Senate has passed a similar measure, S. 1513, which would increase the funding level to $4 million for each of fiscal years 1984 and 1985, and $5 million for the three succeeding fiscal years. The Senate has amended H.R. 2196 to include the Senate language and has returned it to this body.

Mr. Speaker, the worthwhile and valuable efforts of the National Historical Publications and Records Commission in projects for the publication of the records of important national figures, as well as conserving and preserving historical documents, are well known. H.R. 2196, as before us today, will enable the NHPRC to fund the projects which it determines to be of the highest national significance over the next 5 years. I urge my colleagues to support the bill as amended.

Mr. HORTON. Mr. Speaker, I recall this bill passing through the committee and later through the House. It was a good bill; it is a good commission. It does an excellent job.

I urge my colleagues to support it.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. SOLOMON. Mr. Speaker, reserving the right to object, I accept that explanation. I just want to make sure that there is no additional annual cost in this bill as it comes back before us. Is that correct?

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Texas.

Mr. BROOKS. Mr. Speaker, I thank the gentleman for yielding.

This is just an authorization. The appropriations bill is handled by the Appropriations Committee and has already passed.

Mr. SOLOMON. So that the enactment of this bill will create no additional annual cost this year?

Mr. BROOKS. That is correct.

Mr. SOLOMON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas (Mr. BROOKS)?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Texas?

There was no objection.

A motion to reconsider was laid on the table.

ENERGY INDEPENDENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. BROYHILL) is recognized for 10 minutes.

Mr. BROYHILL. Mr. Speaker, under President Reagan's leadership, the Nation is making steady progress

toward energy independence. In many ways, we are much better off than we were 10 years ago.

Imports from OPEC countries are down 50 percent from the 1973 level and 25 percent since 1977. During the first 7 months of this year, our total net imports from the Arab OPEC countries totaled only 10 percent overall in the first 7 months of this year, we imported only 26 percent of our crude oil and petroleum products. Six years ago, the level of imports stood at 46 percent or nearly twice as much oil as the Nation is importing today.

In 1977, the United States top supplier was Saudi Arabia. That country alone provided 1,380,000 barrels of its crude each day accounting for 16 percent of our new imports. Today, we import 1,500,000 barrels a day from all OPEC countries combined. Saudi Arabia accounts for only 200,000 barrels a day or 4 percent of our imports.

It is important to remember, however, that one-fourth of the free world's oil supply moves through the Persian Gulf region. Equally important is the fact that although U.S. reliance on imported oil is down, Western Europe and Japan rely on that area for 50 or 60 percent of their supplies.

The most promising and effective tool for dealing with an energy supply disruption as occured in 1973 and most recently in 1979, is the strategic petroleum reserve.

The SPR program was created by the Energy Policy and Conservation Act (Public Law 94-163), which was enacted on December 22, 1985. Congress stated in the act its intent to develop a reserve of 1 billion barrels of petroleum products to reduce the impact of disruption in petroleum supplies and to carry out the obligations of the United States under the international energy program.

From the reserve's creation until October 1, 1980, only 92.8 million barrels of oil were placed in the reserve. In contrast, the fill rate during fiscal year 1981 averaged 290,000 barrels per day and the 1982 fill rate was 215,000 per day.

More than 65 percent of the oil now stored in the reserve has been added during the Reagan administration, significantly increasing our capability to deal effectively with a severe energy disruption. The strategic petroleum reserve inventory now stands at 365 million barrels. This quantity of oil represents 240 days of oil supply even if the oil supplies from the OPEC countries were totally cut off. We have passed the halfway mark toward our goal of 750 million barrels in storage by 1991.

The SPR will serve as a major protective device should a disruption occur in the Persian Gulf area. It is an interruption or perception that an interruption will occur that results in those countries who are dependent on Persian Gulf oil rushing into the market and bidding up the price. With the amount of oil we have in the SPR, it would be feasible to replace the supply shortfall for an extended period of time. This would serve as a protection against the price of crude oil getting out of hand and make speculation in oil prices very risky.

The strategic petroleum reserve program is the most efficient and effective approach for dealing with a potential energy disruption. In a spirit of cooperation, I look forward to working with my colleagues in continuing our efforts to implement a stable and effective Reserve program.

A GROSS INJUSTICE BY THE JUSTICE DEPARTMENT

The SPEAKER. The gentleman from Texas (Mr. GONZALEZ) is recognized.

Mr. GONZALEZ. Mr. Speaker, the Government in this case also says that the men were needed in this country because live witnesses were required at the trial. But as I have pointed out to the Justice Department and the district attorney, the law says, title XVIII, United States Code, section 3149, no material witness shall be detained because of inability to comply with any condition of release if the testimony of the witness can adequately be secured by deposition.

Astoundingly however, the U.S. district attorney tells me that it is practice, nevertheless, to do so because taking depositions in illegal aliens cases is expensive.

□ 1750

Why? Because he says it is too time-consuming and expensive.

This is so ludicrous, in view of the fact that meanwhile, for more than 11 months, we have to feed and house prisoners at the taxpayers' expense, which cannot possibly compare with the minutes it would take to take a deposition.

Thus, there are about 200 Mexican illegal aliens being held as material witnesses in Texas alone—in fact, in my district, over half of those—notwithstanding the clear provision of law, simply because the U.S. district attorney finds it inconvenient to take their depositions.

Of course, the aliens are in no position to defend themselves. They have no counsel, and legal assistance programs are barred by law and administrative fiat from representing them.

And so the U.S. attorney feels secure that his illegal and absurd conduct will go unchallenged.

In this case, however, the men in question were not even needed as witnesses. As a matter of fact, all the material facts in the case were stipulated as early as July 15. That stipulation, entered into and signed by that very same U.S. district attorney and his representative, explicitly stated:

As of the execution and filing of this agreement, the Government is free to return the aliens named in the indictment to the Republic of Mexico if they so desire.

On or about the first week of July, an attorney for Texas Rural Legal Aid heard that this group of men had been held for better than 4 months and asked their release be expedited. Soon thereafter, the border patrol, in whose hands the men were, contacted a cattle feedlot operator in Uvalde, Tex., which is about 90 miles west of San Antonio, and arranged to have the men work there. The aliens were told that they would be paid the minimum wage. In fact, they were actually paid less than $10 a day for a 13-hour day, 6-day week, plus 5 hours of labor on Sunday. This amounted to less than 83 cents an hour.

At this point in time, the Government had no reason, cause or purpose to detain these men any longer. Yet they were farmed out to a feed-lot operator under the custody of a border patrol official. The legal documents they were given actually freed them to leave the country. They are given little cards. But they probably were unaware of the fact that the border patrol simply wanted to have their papers. The border patrol kept their papers, what they call their papers, or the cards, indicating that they were free. They were released. They were free to go home if it was so demanded. Instead of that, they arranged with these particular employers.

Now, why them? Why not some other employer closer to San Antonio? This is a question I will raise later.

The employees, after 35 days on the job, protested that they were not receiving the minimum wage promised. The employer, who says that they were fine workers, also said that he had never promised them anything more than $10 a day.

The border patrol said that they made no effort to find out anything of the wages and working conditions. The border patrol man told me, "Well, we were just doing them a favor." The aliens say, "A man in uniform promised a minimum wage."

In any event, after the workers refused to continue laboring for less than 85 cents an hour, the employer just simply called the border patrol, had them rearrested, placed back in jail. But they tore up their cards. That is an illegal act in itself. On their rearrest, the so-called I-210 forms—this is what they call I-210—were destroyed. There was no hearing of any kind, although such a hearing is provided for in law.

Moreover, by this time more than a month had passed since the Government had entered into a stipulation of fact that made these aliens unneces-

sary as witnesses. There was no reason for them to be in the United States at all. Yet here they were. They were arrested once again. When these men were arrested for no crime other than refusing to work at an unconscionable wage, they were not just denied an administrative hearing on the question of the revocation of the I-210 document, they were not even given a bond hearing. When finally such a hearing did take place, bond was set at $5,000, which, of course, they could hardly meet. At that time it had been better than 2 months since these men's testimony had been rendered moot by the stipulations of fact that had been agreed to in mid-July. They were incarcerated anyway, and still are.

The U.S. attorney makes the astonishing claim that he wanted these men as witnesses because their live testimony would be more impressive than a deposition. But he knows full well that this case was never going to trial. The stipulations that had been made in July were pursuant to a plea bargain, and in fact that plea bargain had been rejected by the court, so that a new one was being renegotiated anyway.

The fact simply is that the U.S. attorney was so embarrassed by his own incompetence and by his own abuse of legal rights of these and perhaps 200 others that are there, that this was the only thing he could say.

Now, in case somebody is inferring ethnic or racial discrimination, let me point out that the district attorney is a man of Mexican-American descent. Usually we have heard all through the years about how these were almost racial inspired discriminations. We used to have this as a systematic practic years ago in the 1950's and part of the 1960's. As I said and repeat, when I visited the county jail 8 years ago—and, incidentally, I became the cause of the county having to float a bond issue to build a new county jail, which they have not yet—and I went up to the fifth floor and I saw then about 150 men, one of them saw me and recognized me and asked me in Spanish if I could tell him why he was there. And he told me he had been there 1 year and 1 month. I could not believe it. When I made an inquiry I found out that he was being held as a witness in a trial yet indetermined at that point.

I protested. But at that time we had channels to the then Justice Department and the Attorney General Bell, and I was assured that the practice would cease and that the custom would be completely stopped. Apparently it is a reoccurring.

I cannot understand how a U.S. district attorney can admit even now that he cannot arrange for release of men who otherwise are entitled to release from jail—they are not being held in a different environment, but in a jail environment—as witnesses, when long ago a deposition could have been taken if necessary.

How can it happen that aliens, whose testimony is not needed, are actually rearrested, denied procedural rights, denied even a bond hearing, even though they had not tried to flee, when during their work for a private employer were in no way restrained. In this situation we do have a denial of legal process. We have either a combination of incompetence or defiance of the law or that which we protested.

We just passed a resolution on slave labor directed to Russia. Well, what is the difference here? If this were happening in Russia, what would we say? We would say, "Well, that is why we are passing these resolutions decrying it."

If this is not slave labor, then I do not know what the definition of that is. This kind of pervasive injustice, taking place over a period of months and involving every single element of the legal process, is a shame and a blot on the whole concept of law and justice.

A few years ago it was a common practice in south Texas, at least, to farm out alien witnesses to private employers. Doing so enabled the Government to save the expense of incarceration. It also enabled the aliens to earn money to support themselves and their families, and it was a steady source of labor for employers who wanted cheap and docile labor. After all, if any alien who had been farmed out by the border patrol complained, he was just simply picked up and put back in jail or chased out.

This was a scandalous system, in no way any less odious than the infamous convicts leasing that some States employed until the public indignation was aroused in this country. It was only about 5 years ago that the border patrol quit farming out alien witnesses, I was told, officially. And yet here we have it again. Not only do we have the shameful, odious business reappearing, we have it in the case where the men who had been farmed out had been repeatedly and for months already subjected to persistent and consistent injustice. They had been jailed, though they had been charged with no offense. They were placed under a heavy bond to assure that their testimony would be available in court. But the criminal defendants were free on their own recognizance.

What kind of justice is it that locks up the witnesses and frees the defendants? The law entitled them to be released as soon as possible after the deposition had been taken.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2898. An act to declare certain lands to be held in trust for the benefit of the Paiute Indian Tribe of Utah, and for other purposes.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 149. An act for the relief of Adel Shervin;

S. 229. An act for the relief of Maxine Ann Fricioni;

S. 256. An act for the relief of William Vojislav Rankovic, Stanislava Rankovic, husband and wife; and William Rankovic, Jr. and Natalie Rankovic, their children;

S. 261. An act for the relief of Yaeko Howell;

S. 277. An act for the relief of Marlon Dolon Opelt;

S. 295. An act for the relief of Panivong Norindr and Panisouk Norindr;

S. 301. An act for the relief of Kim Hae Ok Heimberger;

S. 306. An act for the relief of Elga Bouilliant-Linet;

S. 353. An act for the relief of Cirilo Raagas Costa and Wilma Raagas Costa;

S. 367. An act for the relief of Mrs. Spyros Agriopoulos;

S. 392. An act for the relief of Nabil Yaldo;

S. 396. An act for the relief of Hyong Cha Kim Kay;

S. 435. An act for the relief of Joseph Antonio Francis;

S. 441. An act for the relief of Prashant Agarwal;

S. 514. An act for the relief of Seela Jeremiah Piula;

S. 517. An act for the relief of Doan Van Toai, his wife Doan Voduc Yvonnne and their three children, Doan Minh Quoc Dinh, Doan Minh Quoc Binh, and Doan Minh Quoc Huy;

S. 692. An act for the relief of Charles Gaudencio Beeman, Paul Amado Beeman, Elizabeth Beeman, and Joshua Valente Beeman;

S. 779. An act entitled the "Intelligence Personnel and Probation Officers Protection Act";

S. 798. An act for the relief of Grietje Rhea Pietens Beumer, Johan Christian Beumer, Cindy Larissa Beumer, and Cedric Grant Beumer;

S. 1060. An act for the relief of Samuel Joseph Edgar;

S. 1145. An act to recognize the organization known as the Catholic War Veterans of the United States of America, Inc.;

S. 1188. An act to relieve the General Accounting Office of duplicative audit requirements with respect to the Disabled American Veterans;

S. 1339. An act for the relief of Shyh-Fann Tyan-Norem and Bin-Ti Yao Tyan-Norem;

S. 1494. An act for the relief of Kok Djen Su and Grace Su, husband and wife;

S. 1775. An act to repeal section 3 of Public Law 96-344;

S. 1863. An act for the relief of Audun Endestad;

S. 2079. An act to amend the charter of AMVETS by extending eligibility for mem-

bership to individuals who qualify on or after May 8, 1975;

S. 2106. An act to designate the "John Sherman Cooper National Recreation Area" in Tennessee and Kentucky;

S. 2129. An act to provide revised reimbursement criteria for small rural health clinics utilizing National Health Service Corps personnel;

S.J. Res. 80. Joint resolution to grant posthumously full rights of citizenship to William Penn and to Hannah Callowhill Penn;

S.J. Res. 173. Joint resolution commending the Historic American Buildings Survey, a program of the National Park Service, Department of the Interior;

S.J. Res. 196. Joint resolution to designate January 16, 1984, as "Public Employees Appreciation Day"; and

S.J. Res. 197. Joint resolution to designate the week beginning November 20, 1983, as "National Adoption Week."

The message also announced that the President pro tempore, pursuant to House Concurrent Resolution 126, appointed Mr. MATSUNAGA as a member of the Special Joint Committee on Arrangements for the Commemoration of Harry S. Truman's 100th birthday, vice Mr. METZENBAUM.

CONFERENCE REPORT ON H.R. 1035, EDUCATION CONSOLIDATION AND IMPROVEMENT ACT OF 1981 TECHNICAL AMENDMENTS

Mr. BOUCHER submitted the following conference report and statement on the bill (H.R. 1035) to make certain technical amendments to improve implementation of the Education Consolidation and Improvement Act of 1981, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 98-574)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1035) to make certain technical amendments to improve implementation of the Education Consolidation and Improvement Act of 1981, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

STATE PROGRAM DESIGN

SECTION 1. (a) Section 555(b) of the Education Consolidation and Improvement Act of 1981 (Public Law 97-35; 20 U.S.C. 3801 et seq.) (hereafter in this Act referred to as "the Act") is amended to read as follows:

"(b) PROGRAM DESIGN.—State agency programs shall be designed to serve migratory children of migratory agricultural workers or of migratory fishermen, handicapped children, and neglected and delinquent children (as described in subparts 1, 2, and 3, respectively, of part B of title I of the Elementary and Secondary Education Act of 1965) in accordance with section 554(a)(2) and the other applicable requirements of this chapter. The Secretary shall continue to use the definitions of 'agricultural activity', 'currently migratory child', and 'fishing activity' which were in effect on June 30, 1982, in regulations prescribed under subpart 1 of part B of title I of the Elementary and Secondary Education Act of 1965. No additional definition of 'migratory agricultural worker' or 'migratory fisherman' may be applied after the date of enactment of this subsection to such subpart 1.".

(b) Section 555 of the Act as amended by adding at the end thereof the following new subsection:

"(e) EVALUATION.—Each State educational agency shall—

"(1) conduct an evaluation of the programs assisted under this chapter at least every two years and shall make public the results of that evaluation; and

"(2) collect data on the race, age, and gender of children served by the programs assisted under this chapter and on the number of children served by grade-level under the programs assisted under this chapter.".

APPLICATIONS

SEC. 2. (a) Section 556(b) of the Act is amended by inserting "or" at the end of paragraph (1)(A), by striking out "or" at the end of paragraph (1)(B), by striking out paragraph (1)(C).

(b) Section 556 of the Act is amended by adding at the end thereof the following:

"(c) EXEMPTION FROM TARGETING.—The requirements of subsection (b)(1) shall not apply in the case of a local educational agency with a total enrollment of less than one thousand children, but this subsection does not relieve such an agency from the responsibility to serve children under the assurances set forth in subsection (b)(2).".

(c) Clause (2) of section 556(b) of the Act is amended by striking all that follows "areas," in such clause and inserting in lieu thereof "requires, among the educationally deprived children selected, the inclusion of those children who have the greatest need for special assistance, and determines the needs of participating children with sufficient specificity to ensure concentration on those needs;".

(d) Clause (4) of section 556(b) of the Act is amended by inserting before the semicolon a comma and the following: "and that the results of such evaluation will be considered by such agency in the improvement of the programs and projects assisted under this chapter; and".

FLEXIBILITY TO CONTINUE TITLE I TYPE EXPENDITURES

SEC. 3. Section 556 of the Act is further amended by adding at the end thereof the following new subsection:

"(d) LOCAL EDUCATIONAL AGENCY DISCRETION.—Notwithstanding subsection (b)(1) of this section, a local educational agency shall have discretion to make educational decisions which are consistent with achieving the purposes of this chapter as set forth in this subsection, as follows:

"(1) A local educational agency may designate any school attendance area in which at least 25 per centum of the children are from low-income families as an eligible school attendance area.

"(2) A local educational agency may, with the approval of the State educational agency, designate as eligible (and serve) school attendance areas with substantially higher numbers or percentages of educationally deprived children before school attendance areas with higher concentrations of children from low-income families, but this provision shall not permit the provision of services to more school attendance areas than could otherwise be served. A State educational agency shall approve such a proposal only if the State educational agency finds that the proposal will not substantially impair the delivery of compensatory education services to educationally deprived children from low-income families in project areas served by the local educational agency.

"(3) Funds received under this chapter may be used for educationally deprived children who are in a school which is not located in an eligible school attendance area when the proportion of children from low-income families in average daily attendance in such school is substantially equal to the proportion of such children in an eligible school attendance area of such agency.

"(4) If a eligible school attendance area or eligible school was so designated in accordance with subsection (b)(1)(A) in either of two preceding fiscal years, it may continue to be so designated for a single additional fiscal year even though it does not qualify in accordance with subsection (b)(1)(A).

"(5) With approval of the State educational agency, eligible school attendance areas or eligible schools which have higher proportions of children from low-income families may be skipped if they are receiving, from non-Federal funds, services of the same nature and scope as would otherwise be provided under this chapter, but (A) the number of children attending private elementary and secondary schools who receive services under this chapter shall be determined without regard to non-Federal compensatory education funds which serve eligible children in public elementary and secondary schools, and (B) children attending private elementary and secondary schools who receive assistance under this chapter shall be identified in accordance with this section and without regard to skipping public school attendance areas or schools under this paragraph.

"(6) A child who, in any previous year, was identified as being in greatest need of assistance, and who continues to be educationally deprived, but who is no longer identified as being in greatest need of assistance, may participate in a program or project assisted under this title for the current year.

"(7) Educationally deprived children who begin participation in a program or project assisted under this chapter who, in the same school year, are transferred to a school attendance area or a school not receiving funds under this chapter, may continue to participate in a program or project funded under this chapter for the remainder of such year.

"(8) The local educational agency is not required to use funds under this chapter to serve educationally deprived children in greatest need of assistance if such children are receiving, from non-Federal sources, services of the same nature and scope as would otherwise be provided under this chapter.

"(9) In the case of any school serving an attendance area that is eligible to receive services under this chapter and in which not less than 75 per centum of the children are from low-income families, funds received under this chapter may be used for a project designed to upgrade the entire educational program in the school in the same manner and only to the same extent as permitted under section 133(b) of the Elementary and Secondary Education Act of 1965 (but without regard to paragraph (4) of such section).

"(10) Public school personnel paid entirely by funds made available under this chapter may be assigned limited, rotating, supervisory duties which are assigned to similarly situated personnel who are not paid with such funds, and such duties need not be limited to classroom instruction or to the benefit of children participating in programs or projects funded under this chapter. Such duties may not exceed the same proportion of total time as is the case with similarly situated personnel at the same school site, or 10 per centum of the total time, whichever is less.".

PARENTAL INVOLVEMENT

SEC. 4. Section 556 of the Act is further amended by adding at the end thereof the following new subsection:

"(e) PARENTAL INVOLVEMENT.—For the purposes of complying with the assurances given pursuant to subsection (b)(3) with respect to consultation with parents of participating children, (1) a local educational agency shall convene annually a public meeting, to which all parents of eligible students shall be invited, to explain to parents the programs and activities provided with funds made available under this chapter, and (2) if parents desire further activities, the local educational agency may, upon request, provide reasonable support for such activities.".

AREAS FOR SERVICES TO PRIVATE SCHOOLCHILDREN

SEC. 5. Section 557(a) of the Act is amended by inserting "(1)," immediately after "556(b)".

APPLICATION OF NONSUPPLANTING RULE TO STATES

SEC. 6. Section 558(b) of the Act is amended—

(1) by inserting "State educational agency or other State agency in operating its State level programs or a" before "local educational agency" in the first sentence; and

(2) by striking out "a local educational agency shall not be required" in the second sentence and inserting in lieu thereof "no State educational agency, other State agency, or local educational agency shall be required".

EXCLUSIONS OF SPECIAL PROGRAM FUNDS

SEC. 7. Section 558(d) of the Act is amended—

(1) by striking out "if such programs are consistent with the purposes of this chapter" and inserting in lieu thereof "including compensatory education for educationally deprived children (which meets the requirements of section 131(c) of the Elementary and Secondary Education Act of 1965)"; and

(2) by adding at the end thereof the following new sentence:

"For the purpose of determining compliance with the requirements of subsection (c), a local educational agency may exclude State and local funds expended for—

"(1) bilingual education for children of limited English proficiency,

"(2) special education for handicapped children or children with specific learning disabilities, and

"(3) certain State phase-in programs as described in section 131(d) of the Elementary and Secondary Education Act of 1965.".

OVERLAP IN COUNTY BOUNDARIES

SEC. 8. Section 558(e) of the Act is amended by striking out "In any State" and inserting in lieu thereof "Notwithstanding section 111(a)(3)(C) of the Elementary and Secondary Education Act of 1965, in any State".

RESTRICTION OF EXPENDITURES TO MEETING EDUCATIONAL NEEDS

SEC. 9. (a) Section 561(b) of the Act is amended by inserting before the period at the end thereof the following: "and because they are the most likely to be able to design programs to meet the educational needs of the students in their own districts".

(b) Section 564(a) of the Act is amended—

(1) by striking out "and" at the end of paragraphs (5) and (6);

(2) by redesignating paragraph (7) as paragraph (8); and

(3) by inserting after paragraph (6) the following new paragraph:

"(7) provides assurance that, apart from technical and advisory assistance and monitoring compliance with this chapter, the State educational agency has exercised and will exercise no influence in the decisionmaking processes of local educational agencies as to the expenditures made pursuant to its application under section 566; and".

(c) Section 566(c) of the Act is amended by adding at the end thereof the following: "In exercising such discretion, it shall be the responsibility of each local educational agency to ensure that each expenditure of funds under this chapter is for the purpose of meeting the educational needs within the schools of that local educational agency.".

PHASE-OUT AND TRANSITION EXPENSES

SEC. 10. Section 562(c) of the Act is amended by adding at the end thereof the following: "Until September 30, 1983, such funds may also be used to assist in phasing out programs described in section 561(a) and in promoting an orderly transition to operations under this chapter.".

STATE ALLOTMENTS

SEC. 11. The first sentence of section 563(a) is amended by striking out "not to exceed".

AUDIT REQUIREMENT FOR SMALL LOCAL EDUCATIONAL AGENCIES

SEC. 12. Section 564 of the Act is amended by adding at the end thereof the following new subsection:

"(c) Nothwithstanding section 1745 of this Act, local educational agencies receiving less than an average $5,000 each year under this chapter need not be audited more frequently than once every five years.".

REQUIREMENT FOR STATE CERTIFICATION OF LOCAL EDUCATIONAL AGENCY APPLICATIONS

SEC. 13. Section 566(a) of the Act is amended by striking out everything preceding paragraph (1) and inserting in lieu thereof the following:

"SEC. 566. (a) A local educational agency may receive its allocation of funds under this chapter for any year for which its application to the State educational agency has been certified to meet the requirements of this subsection. The State educational agency shall certify any such application if such application—".

SCHOOL LEVEL PROGRAMS

SEC. 14. Section 573(a) of the Act is amended by striking out "chapter" in the first sentence and inserting in lieu thereof "subchapter".

STATE RULEMAKING

SEC. 15. Section 591 of the Act is amended by adding at the end thereof the following new subsection:

"(d) Nothing in this subtitle shall be interpreted (1) to authorize State regulations, issued pursuant to procedures as established by State law, applicable to local educational agency programs or projects funded under this subtitle, except as related to State audit and financial responsibilities, or (2) to encourage, preempt, or prohibit regulations issued pursuant to State law which are not in conflict with the provisions of this subtitle. The imposition of any State rule or policy relating to the administration and operation of programs funded by this subtitle (including those based on State interpretation of any Fedeal law, regulation, or guideline) shall be identified as a State imposed requirement.".

WITHHOLDING OF PAYMENTS

SEC. 16. Section 592(a) of the Act is amended—

(1) by striking out "on the record" in the first sentence; and

(2) by adding at the end thereof the following new sentence: "A transcript or recording shall be made of any hearing conducted under this subsection and shall be available for inspection by any person.".

JUDICIAL REVIEW

SEC. 17. Section 593(b) of the Act is amended by inserting "and a local educational agency" after "A State educational agency".

APPLICATION OF GENERAL EDUCATION PROVISIONS ACT

SEC. 18. (a) Section 596 of the Act is amended to read as follows:

"APPLICATION OF OTHER LAWS

"SEC. 596. (a) Except as otherwise specifically provided by this section, the General Education Provisions Act shall apply to the programs authorized by this subtitle.

"(b) The following provisions of the General Education Provisions Act shall be superseded by the specified provisions of this subtitle with respect to the programs authorized by this subtitle:

"(1) Section 408(a)(1) of the General Education Provisions Act is superseded by section 591(a) of this subtitle.

"(2) Section 426(a) of such Act is superseded by section 591(b) of this subtitle.

"(3) Section 427 of such Act is superseded by section 556(b)(3) of this subtitle.

"(4) Section 430 of such Act is superseded by sections 556(a) and 564(b) of this subtitle.

"(5) Section 431A of such Act is superseded by section 558(a) of this subtitle.

"(6) Section 453 of such Act is superseded by section 592 of this subtitle.

"(7) Section 455 of such Act is superseded by section 593 of this subtitle with respect to judicial review of withholding of payments.

"(c) Sections 434, 435, and 436 of the General Education Provisions Act, except to the extent that such sections relate to fiscal control and fund accounting procedures, shall not apply to the programs authorized by this subtitle and shall not be construed to authorize the Secretary to require any reports or take any actions not specifically authorized by this subtitle.".

(b) Section 406A(a) of the General Education Provisions Act, as added by the Education Amendments of 1974 (relating to responsibility of States to furnish information), is amended—

(1) by striking out paragraphs (3) and (4);

(2) by inserting "and" at the end of paragraph (2); and

(3) by redesignating paragraph (5) as paragraph (3).

CONFORMING AND TECHNICAL AMENDMENTS TO TITLE I OF ESEA

SEC. 19. (a) Title I of the Elementary and Secondary Education Act of 1965 is amended—

(1) in section 142(a) by striking out "subpart 3 of part A, other than sections 122, 123,

and 126(d) thereof" in paragraph (3) and inserting in lieu thereof "section 556 (other than subsection (b)(1)) and section 558 of the Education Consolidation and Improvement Act of 1981"; and

(2) in sections 147 and 152(a), by striking out "subpart 3 of part A, other than sections 122, 123, 125, 126(d), and 126(e) thereof" and inserting in lieu thereof "section 556 (other than subsection (b)(1)) and section 558 (other than subsection (c)) of the Education Consolidation and Improvement Act of 1981".

(b) The amendments made by subsection (a) shall apply only with respect to funds for use under the Education Consolidation and Improvement Act of 1981.

EXTENSION OF AUTHORIZATION FOR TITLE VII OF ESEA

SEC. 20. Section 528 of the Omnibus Budget Reconciliation Act of 1981 is amended—

(1) by striking out "and" at the end of paragraph (13);

(2) by striking out the period at the end of paragraph (14) and inserting in lieu thereof a semicolon and the word "and"; and

(3) by adding at the end thereof the following new paragraph:

"(15) title VII of the Elementary and Secondary Education act of 1965.".

CONFORMING AMENDMENTS

SEC. 21. (a) Section 565(a) of the Act is amended by striking out "nonpublic" and inserting in lieu thereof "private, nonprofit".

(b) The first sentence of section 1003(a)(1) of the Elementary and Secondary Education Act of 1965 is amended by inserting after "Act" a comma and the following: "or the Education Consolidation and Improvement Act of 1981".

ASSESSMENT OF COMPENSATORY EDUCATION

SEC. 22. Chapter 1 of the Act is amended by adding at the end thereof the following new section:

"NATIONAL ASSESSMENT OF COMPENSATORY EDUCATION ASSISTED UNDER THIS CHAPTER

"SEC. 559. (a) The Secretary shall conduct a national assessment of compensatory education assisted under this chapter, through independent studies and analysis by the National Institute of Education. The assessment shall include descriptions and assessments of the impact of (1) services delivered, (2) recipients of services, (3) background and training of teachers and staff, (4) allocation of funds (to school sites), (5) coordination with other programs, (6) effectiveness of programs on student's basic and higher order academic skills, school attendance, and future education, and (7) a national profile of the way in which local educational agencies implement activities described under section 556(b). The National Institute of Education shall consult with the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives in the design and implementation of the assessment required by this section. The National Institute of Education shall report to Congress the preliminary results of the assessment required by this section in January and July of 1986, and a final report shall be prepared and submitted to the Congress not later than January 1, 1987.

"(b) Notwithstanding any other provision of law or regulation, such reports shall not be subject to any review outside of the Department of Education before their transmittal to the Congress, but the President and the Secretary may make such additional recommendations to the Congress with respect to the assessment as they deem appropriate.".

IMPACT AID

SEC. 23. Section 5(c) of the Act of September 30, 1950 (Public Law 874, 81st Congress), is amended by adding at the end thereof the following: "If any legislation enacted after March 31, 1983, affects the determination of amounts of payments made on the basis of entitlements established under section 2, 3, and 4 by placing any additional restriction on payments based on the concentration of children counted under subsection (a) or (b) of section 3 in the schools of a local educational agency, such restriction shall be applied, in the case of any State (other than a territory or possession of the United States) within which there is only one local educational agency, by treating each administrative school district within such State as a local educational agency (solely for the purpose of computing the amount of such payments). Treating such an administrative school district as a local educational agency under the preceding sentence shall not result, during fiscal year 1984, 1985, or 1986, in an increase of more than 10 per centum in the amount of funds paid to such State above the amount which would otherwise be paid to such State for such fiscal year.".

NATIONAL CENTER FOR EDUCATION STATISTICS

SEC. 24. (a) Section 515(b) of the Omnibus Education Reconciliation Act of 1981 is amended by inserting "(g)(2)" after "section 406".

(b) The National Center for Education Statistics shall not terminate the study of the condition of education for Hispanic Americans unless specifically required or authorized to do so by law.

EFFECTIVE DATE

SEC. 25. (a) Except as provided in subsection (b), the amendments made by this Act to the Education Consolidation and Improvement Act of 1981 and title I of the Elementary and Secondary Education Act of 1965 shall be effective July 1, 1983.

(b) With respect to the period beginning July 1, 1982, and ending June 30, 1983, no recipient of funds under the Education Consolidation and Improvement Act of 1981 shall be held to have expended such funds in violation of the requirements of such Act if such funds are expended either in accordance with such Act as in effect prior to the date of enactment of this Act or in accordance with such Act as amended by this Act.

And the Senate agree to the same.

CARL D. PERKINS,
AUGUSTUS F. HAWKINS,
WILLIAM D. FORD,
MARIO BIAGGI,
IKE ANDREWS,
GEORGE MILLER,
BALTASAR CORRADA,
DALE E. KILDEE,
PAT WILLIAMS,
FREDERICK C. BOUCHER,
GARY L. ACKERMAN,
SALA BURTON,
CHARLES HAYES,
JOHN ERLENBORN,
BILL GOODLING,
MARGE ROUKEMA,
STEVE GUNDERSON,
STEVE BARTLETT,
RON PACKARD,
HOWARD NIELSON,
ROD CHANDLER,
Managers on the Part of the House.

ORRIN G. HATCH,
ROBERT T. STAFFORD,
DON QUAYLE,
EDWARD M. KENNEDY,
CLAIBORNE PELL,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1035) to make certain technical amendments to improve implementation of the Education Consolidation and Improvement Act of 1981, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

1. As regards the Chapter 1 migrant education program, the Seante amendment requires the Secretary of Education to use three definitions—"currently migratory child," "agricultural activity," and "fishing activity," which were in effect in regulations on June 30, 1982. The House bill refers only to the "currently migratory child" definition. The Senate amendment, unlike the House bill, further mandates that no additional definition of "migratory agricultural worker" or "migratory fisherman" may be applied to subpart 1 after the date of enactment of this legislation.

The House recedes.

2. The Senate amendment requires the State to conduct an evaluation of all Chapter 1 compensatory education programs every two years and to collect data describing the children served. The House bill has no comparable provision.

The House recedes.

3. The Senate amendment requires school districts to select children with the greatest need for assistance. The House bill continues current law permitting, but not requiring, such selection.

The House recedes.

4. The Senate amendment requires local evaluations to be used to improve programs. The House bill has no comparable provision.

The House recedes.

5. The House bill allows LEA's to designate as eligible a school attendance area where at least 25 percent of the children are from low-income families. The Senate amendment has no comparable provision.

The Senate recedes.

Under Section 556(b)(1)(A) of E.C.I.A. LEA's are directed to conduct their activities in "attendance areas of such agency having the highest concentrations of low-income children." The act explicity avoids percentage number floors for participation; thus under 556(b)(1)(A), an LEA under the proper circumstances could well serve under current authority attendance areas with concentrations of low-income children of even less than 20 percent, for example, if

such areas such areas were in fact among those with the highest concentrations of low-income children. The adoption of the House provision is not intended in any way to restrict the authority LEA's have under Sec. 556(b)(1)(A) to serve areas with concentrations of low-income children under 25 percent if the LEA determines them to be among the areas of highest concentrations.

6. The House bill allows children who are educationally deprived but no longer in greatest need of assistance to continue in a program or project for the current year. The Senate amendment has no comparable provision.

The Senate recedes.

This provision is not intended to conflict with the language adopted in section 556(b)(2), which requires, among the educationally deprived children selected, the inclusion of those children with the greatest need for special assistance.

7. Both the Senate amendment and the House bill permit LEA's to skip educationally deprived children in greatest need if they are receiving assistance from non-Federal sources. However, the Senate amendment leaves this decision as purely a local choice, and the House bill requires the Secretary to issue regulations permitting such decisions.

The House recedes.

The conferees intend that in cases when a local education agency chooses not to use funds under this chapter to serve educationally-deprived children in greatest need of assistance because such children are receiving, from non-federal sources, services of the same nature and scope as would otherwise be provided under this chapter, those remaining children who are served with funds under this chapter must include all children who are in greatest need who are not served by programs utilizing funds from non-federal sources.

8. The House bills adds to the statement of purpose in Chapter 2 of the Education Consolidation and Improvement Act that local administrators and teachers ought to have the basic responsibility for decisions involving the block grant because they are most likely to be able to design programs meeting the needs of students in their districts. The Senate amendment has no comparable provision.

The Senate recedes.

9. The House bill (a) bars State influence on local decisions regarding the block grant, except for technical, advisory, and monitoring compliance, and (b) requires LEAs to use all these funds for educational purposes within the LEA. The Senate amendment has neither provision.

The Senate recedes.

10. The Senate amendment states that Section 427 of the General Education Provisions Act, authorizing the Secretary to require parental participation in certain educational programs, is explicitly superseded by Section 556 of Chapter 1, which requires that Chapter 1 programs be designed and implemented in consultation with parents and teachers. Under the House bill, this section of GEPA would apply to ECIA.

The House recedes.

The conferees agree that, in eliminating the House provision regarding the applicability of Sec. 427 of the General Education Provisions Act to ECIA, the responsibility of the local education agencies to assure adequate parental involvement shall in no way be diminished. Accordingly, LEAs shall have policies to assure parental consultation in the planning, development and operation of programs; assure that parents have had an opportunity to express their views concerning those policies, and; have policies to assure the adequate provision of program plans and evaluations to parents and the public.

11. The House bill, but not the Senate amendment, makes the Chapter 1 comparability requirement inapplicable to the State migrant education program.

The House recedes.

12. The House bill strikes the reference to parental advisory councils in the State-operated migrant education program of Title 1 of the Elementary and Secondary Education Act and inserts a reference to consultation with parents and teachers of participating children. The Senate amendment has no comparable provisions.

The House recedes.

13. The Senate amendment requires that the State agency programs under Chapter 1 receive 14.6% of the total appropriation for Chapter 1 for fiscal years 1983 and 1984 and that the concentration grant program receive for the same two fiscal years the same proportion of the total appropriation as it received in fiscal 1980. These provisions are now included in Section 514(a)(2) of the 1981 Budget Reconciliation Act. The House bill contains no such provision.

The Senate recedes.

14. The Senate amendment extends to the Education Consolidation and Improvement Act the same waiver of provisions by the Secretary for the outlaying areas as is now permitted for the Elementary and Secondary Education Act. The House bill has no such provision.

The House recedes.

15. The Senate amendment requires a national assessment of compensatory education to be conducted by the National Institute of Education by January 1, 1987. The House bill has no such provision.

The House recedes with an amendment to delete the language in subsection (c) of the Senate provision, requiring the assessment to be funded at a level of $2 million to $4 million from amounts otherwise available to the National Institute of Education.

The conferees intend that the Secretary of Education may fund this study from amounts available for Chapter 1 evaluation and studies, the Secretary's discretionary fund under Chapter 2, and the National Institute of Education. No more than one-third of the funding shall come from any one of these sources. No more than $2 million in fiscal year 1984 and $4 billion for each succeeding fiscal year ending prior to October 1, 1987 may be used for this study.

16. The House bill corrects an erroneous section reference to the Impact Aid Program contained in the Omnibus Budget Reconciliation Act. The Senate amendment has no such provision.

The House recedes.

17. The House bill extends payments for impact aid "Category B" students through fiscal year 1984. The Senate amendment has no such provision.

The House recedes.

Both the earlier House bill and the later Senate bill contained a correction of an incorrect section reference in section 505(a)(1) of the Omnibus Budget Reconciliation Act of 1981, relating to the authorization for impact aid disaster assistance. Both also explicitly extended "Category B" impact aid payments through fiscal year 1984. Due to a drafting error in the Reconciliation Act, these payments were to be eliminated at the end of fiscal year 1983, unlike the rest of impact aid legislation which expires at the end of fiscal year 1984. This would have been contrary to the clear intent of the Reconciliation Act conferees. However, before the Senate bill came to the floor, both errors were corrected by language inserted in the FY1984 Department of Defense Authorization Act (Public Law 98-94.) Thus, the corrective language in the Senate bill having become superfluous, it was deleted on the floor by Committee Amendment. The Conferees accordingly delete the corresponding House language because the military construction and category B FY1984 funding problems have already been remedied elsewhere.

18. The House bill prohibits increases greater than 10 percent in fiscal year 1984, '85, or '86 above the amount of impact aid paid to Hawaii for the preceding fiscal year due to the new special exemption for Hawaii contained in both bills. The Senate amendment has no such 10 percent limitation.

The Senate recedes with an amendment limiting Hawaii to receiving not more than 10% above the aggregate it would have recieved in fiscal years 1984, 1985, 1986, without the provision treating its administrative units as separate school districts.

The conferees have adopted a special impact aid provision addressing the unique situation in Hawaii. It is the intent of the conferees that Hawaii shall be able to have each of its seven administrative school districts receive reimbursement under the Impact Aid law as if each were a separate school district. For the first three years only (i.e., Fiscal Year 1984–Fiscal Year 1986) the State shall be limited to receiving not more than 10% above the aggregrate it would have received in that fiscal year without this provision. For each of these years the Department shall determine the Hawaii allocation without regard for what the state received the previous year unless directed otherwise by subsequent public law. After three years the 10% limitation shall no longer be in effect, and the State of Hawaii shall continue to be authorized to have its administrative school districts be treated as separate districts for Impact Aid reimbursement purposes. It is the conferees' understanding that this would allow the Central Oahu district to qualify for "super a" status.

19. The House bill requires the National Center for Educational Statistics to continue the study of the education of Hispanic Americans. The Senate amendment has no such provision.

The Senate recedes with an amendment making clear that the study cannot be terminated before the expiration date of the Education Consolidation and Improvement Act, September 30, 1987.

The conferees strongly believe that accurate data about the educational participation and achievements of Hispanic Americans, both in Puerto Rico and on the Mainland, should be collected and published, including information relating sociological, demographic and employment characteristics to their educational attainment. In order to make this data available on a timely basis, the National Center for Education Statistics is directed to resume publication of the report "The Condition of Education for Hispanic Americans" on an annual basis, until such time as the Education Consolidation and Improvement Act is reauthorized.

CHAPTER 2. STATE ALLOCATIONS

It is the intent of the conferees that section 565(a) of the Education Consolidation and Improvement Act of 1981 be interpreted

such that State Chapter 2 distribution formulas provide adjusted allocations to LEAs with only the greatest numbers or percentages of high cost children rather than allocations to LEAs with any number or percentage of such children.

CARL D. PERKINS,
AUGUSTUS F. HAWKINS,
WILLIAM D. FORD,
MARIO BIAGGI,
IKE ANDREWS,
GEORGE MILLER,
BALTASAR CORRADA,
DALE E. KILDEE,
PAT WILLIAMS,
FREDERICK C. BOUCHER,
GARY L. ACKERMAN,
SALA BURTON,
CHARLES HAYES,
JOHN ERLENBORN,
BILL GOODLING,
MARGE ROUKEMA,
STEVE GUNDERSON,
STEVE BARTLETT,
RON PACKARD,
HOWARD NIELSON,
ROD CHANDLER,
Managers on the Part of the House.

ORRIN G. HATCH,
ROBERT T. STAFFORD,
DAN QUAYLE,
EDWARD M. KENNEDY,
CLAIBORNE PELL,
Managers on the Part of the Senate.

□ 1800

A GROSS INJUSTICE BY THE JUSTICE DEPARTMENT

The SPEAKER. The gentleman from Texas (Mr. GONZALEZ) is recognized to continue his special order.

Mr. GONZALEZ. Mr. Speaker, as I said, the law entitled them to be released. The U.S. attorney ignores this.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I would be glad to yield to the gentleman from California.

Mr. DANNEMEYER. I thank the gentleman for yielding.

Mr. Speaker, I have been listening to the gentleman's facts that he has brought to the attention of the House. It certainly is a very sad situation.

The question that comes to my mind is: Did anyone ever file a writ of habeas corpus on any of these people who are being held for no apparent reason?

Mr. GONZALEZ. It may be that by now, today sometime, that may have been done in case the American Civil Liberties Union lawyer had come in. I do not know that he has. He might have. But the only other attorney involved who happened to have been given notice of this case was the legal aide who, of course, is not empowered to get into this kind of situation involving an alien. He knew enough, though, to communicate with the Congressman, and that is where I heard about it. I verified the facts. I spoke with the district attorney's office. I spoke with the border patrolman himself, who is not stationed in San Antonio, but over on the border about 150 miles away.

So I do not know that that has been done, unless it has been done late today. It had not, as of today.

Mr. DANNEMEYER. That is one of the precious rights in this country for anybody in custody. We all know that if our freedom is denied and we are put in jail, somebody has the ability to go to court and and get a writ of habeas corpus and compel the authorities, the custodian, to show cause why the prisoner should not be released.

It is a precious right, and I would commend, for whatever it is worth, that the gentleman may want to pursue that. There are plenty of lawyers around looking for business. Many of them are so hungry they will work for nothing.

Mr. GONZALEZ. I appreciate that very much. The gentleman has asked a very pertinent question. Obviously, he is knowledgeable in the law. As I said and repeat, it just happens to be one of these things that come up. We have been under the impression that such things were not happening any more.

There is no question about it. About 6 years ago, after I had made a protest then, the local presiding judge at that time, who has since retired, was very indignant and mandated the marshal not to keep these people in confinement. Then the Justice Department, through Attorney General Bell, issued a clear directive.

So this was a very big surprise to me. I was not aware that we had a reoccurrence of this or that they were even confining witnesses without making an effort to get a deposition, and hold them as long as it would take to make the deposition, but holding them for weeks and months actually. I am trying to get the exact statistics at this point on the near 200 who are in jail for that purpose. They are not charged with crime. We have some who are charged with crime, but there the judicial proceedings are following the normal course. But these are individuals whose only crime has been that they came in illegally.

But the processes have set forth. They were arrested. They were picked up. Ordinarily they would have been deported, but on the request of the district attorney's office, they are being detained because of possible use as witnesses at some case yet to be heard.

The Supreme Court has made it patently and unmistakably clear that no witness should be held for more than a few days at the most. Here the district attorney ignores this even though the Immigration Service protests the cost involved in the long incarceration of witnesses. In this case the Government spent $40,000 or more holding these men because the U.S. attorney says it was too costly for him to have made their depositions. Over $40,000. It is inconceivable.

These men were held even though their testimony, as I say and repeat, was not necessary, after plea bargains had elicited stipulations regarding the very evidence that they were being held to deliver, and even though no court trial was contemplated.

Why would you hold a prisoner for the purposes of being a witness at a trial you know is not going to be held? When they were released, they were entitled to be released, they were given the card evidencing the fact that they were entitled to be released, but only under those circumstances to the custody of a border patrol officer, gun on his hip, who then took him to this particular employer 90 miles over, and then rearrested when they protested conditions.

If any one of these injustices had been done to an American traveling abroad, every one of us would be up and protesting and making sure that our Government did something about it. What can we do any less when this happens in our own land? It would be easy to say that we should not worry about this business. The attitude of the border patrol in this case was that the men were law violators any way because they were in here illegally to begin with.

But in our country it has been long established that even this type of violation has certain procedural and judicial rights established of due process. Moreover, the policy of Congress is for prompt deportation, not indefinite jailing. As Justice O'Connor has written, and I am going to quote from her opinion:

> We should be careful not to permit needless human suffering or needless burdens on the Federal Government.

But in this case we have both. Even violators have the right to expect the Government to behave legally.

Mr. BOUCHER. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I would be delighted to yield to the gentleman from Virginia.

CONFERENCE REPORT ON H.R. 1035, EDUCATION CONSOLIDATION AND IMPROVEMENT ACT OF 1981 TECHNICAL AMENDMENTS

Mr. BOUCHER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H.R. 1035) to make certain technical amendments to improve implementation of the Education Consolidation and Improvement Act of 1981, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

Mr. GOODLING. Reserving the right to object, Mr. Speaker, I would yield to the gentleman from Virginia for an explanation.

Mr. BOUCHER. Mr. Speaker, I would say to the gentleman that the bill is designed to make technical amendments to the Education Consolidation and Improvement Act. Specifically it forbids changes in the migrant education program which would have eliminated certain children from that program. It emphasizes that local school districts, rather than the States, will decide how to spend block grant funds. It requires a national assessment of the chapter I compensatory education program to be conducted by January 1, 1987.

It permits Hawaii to be treated as separate school districts for the purpose of receiving impact aid, with a limit of no more than 10 percent annually in increased allocations due to that provision, and it corrects a number of drafting and clerical errors in the Education Consolidation and Improvement Act.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, can I get an assurance that this particular bill results in no cost to the Federal Government?

Mr. GOODLING. Yes, that is part of my statement, and I will give the gentleman that assurance, that there is positively no cost.

Mr. WALKER. I thank the gentleman.

Mr. BOUCHER. Mr. Speaker, if the gentleman would yield, I am prepared to offer the same assurance that this bill entails no cost to the Government.

Mr. WALKER. Mr. Speaker, I thank the gentleman.

Mr. GOODLING. Mr. Speaker, I rise today to urge the adoption of the conference report on H.R. 1035.

Mr. Chairman, we have prepared a package of technical amendments which are designed to clarify and correct certain ambiguities, unintended results and drafting errors in the Education Consolidation and Improvement Act of 1981 (ECIA). These amendments are designed to improve the implementation of that act. There is no cost associated with this legislation.

As you may recall ECIA was part of Public Law 97-35, the Omnibus Budget Reconciliation Act of 1981, and was adopted as part of a substitute package offered on the floor of the House. As a result, the usual legislative process involving hearings and consideration at the subcommittee and full committee levels never occurred. Not surprisingly, some technical problems were contained in the legislation.

We have pressed forward in the preparation of a package of technical amendments to perfect ECIA. A cooperative effort by our staff—majority and minority—along with the Senate staff and a broad cross section of interested parties has resulted in what I feel is a perfected version of my original bill, H.R. 7336.

The major difference between last year's version of the bill and this year's bill (H.R. 1035) is the elimination of the legislative veto language and language relating to the Indian trust responsibility of the Federal Government which was objectionable to the administration.

Our goal has been to develop a bipartisan consensus to resolve some of the problems which have been identified in ECIA. In this spirit I wish to commend the chairman of our committee, Mr. PERKINS, for his willingness to schedule prompt hearings and his desire to act on technical amendments which achieve a consensus among the members of the committee and the education community at large.

I would like to emphasize that the Senate also acted in a bipartisan spirit and I hope we can move to swift adoption of this conference report.

● Mrs. ROUKEMA. Mr. Speaker, I rise in strong support of the conference report on H.R. 1035, the ECIA technical amendments. As a supporter of the education block grant program, which this bill perfects, I am encouraged by the fact that we are taking quick action to clarify confusion that has occurred at the local level regarding some of the provisions in the original act.

I particularly would like to commend the gentleman from Pennsylvania, BILL GOODLING, who has been the moving force behind this bill. His arduous efforts come as no surprise to those of us who are on the Education and Labor Committee who know him to be one who is committed to insuring effectiveness and responsibility in our Federal education programs.

I wish to call the attention of the Members to provisions that were included in the House-passed bill, and have been agreed to by the conferees, that will help prevent a replay of a tragic situation that our committee investigated this year in New Jersey.

Early this year, a series of articles was published in the Newark Star-Ledger alleging serious abuses by the State of New Jersey of funds provided under titles III and IV-C of the Elementary and Secondary Education Act, which has since been superceded by the education block grant program.

A key component of those allegations was that the State had, through undue influence and deception, used title III and IV-C funds for State programs, despite the requirement that the funds be provided for programs operated by local school districts. What the State was alleged to be doing was setting up local school districts as conduits so that, on paper, the school districts were the grantees, but, in reality, the funds were going to State programs. In many cases, the funds were being channeled to private consulting firms who dealt solely with the State and had little or nothing to do with the local school districts supposedly receiving the grants.

When I brought these allegations to the attention of our chairman, CARL PERKINS, he immediately ordered a committee investigation which resulted in four hearings and a committee staff report. The result was a verification of a number of the allegations and several new findings of abuses. I believe it is important that the legislative history of H.R. 1035 include a description of that report and, therefore, I ask unanimous consent to have inserted in the RECORD the text of the minority staff views, which contain a minority staff of the report. I also refer the Members to the report itself, which includes my own views.

Mr. Speaker, I want to commend the leadership of Chairman PERKINS in conducting this investigation. He committed the full resources of the committee, including its seldom-used subpoena power, to obtain the truth in this matter and I believe that the transcript of the hearings and the report stand as landmarks in congressional oversight which are to be emulated by other Committees.

The bill before us draws from the lessons our committee learned in this investigation. It prohibits the States from exercising undue influence on local decisionmaking as to how the block grant funds are to be spent, except to provide technical and advisory assistance and to insure compliance with the act. In addition, it requires local school districts to use the funds solely for purposes within the jurisdiction of the school district. These prohibitions are implicit within the existing statute, but one of the truths learned in our investigation, is that ambiguity frequently is used to justify abuses which clearly were not contemplated by the Congress.

I urge adoption of the conference report by the House and again commend the authors of this laudable measure.

MINORITY STAFF VIEWS

The Minority Staff recognizes that many readers will not wish to wade through this entire report. For the benefit of those readers, the Minority Staff has prepared its summary of the contents of the report. In addition, it is recommended that the reader also read the Views of Congresswoman Marge Roukema, who was intimately familiar with the details of the investigation and who participated most actively in the Subcommittee hearings. The Minority Staff embraces the conclusions contained in Mrs. Roukema's Views.

MINORITY STAFF SUMMARY OF REPORT ON EXPENDITURE OF TITLE III AND IV–C ESEA FUNDS BY THE STATE OF NEW JERSEY

Introduction

In January 1983, a series of articles appeared in the Newark Star-Ledger concerning the New Jersey Department of Education, with particular focus upon the Department's operation of programs under Title III and IV–C programs of the Elementary and Secondary Education Act (ESEA).

The articles contained disturbing allegations regarding a pattern of misuse of Title III and IV–C funds and failure on the part of the Federal government to enforce the law despite knowledge of the violations.

After the articles were brought to the attention of the Committee by Congresswoman Marge Roukema of New Jersey, committee staff was assigned to investigate the allegations and four hearings were conducted by the Subcommittee on Elementary, Secondary and Vocational Education. This report is the culmination of the Committee's investigation.

Nature of the Programs and Allegations

The Title III program and its successor—Title IV–C, enacted in 1974—were designed to stimulate advances in educational techniques through the funding of experimental programs developed by local education agencies (LEAs) and, when proven successful, disseminating the techniques to other LEAs. The funds were provided to the States by formula and the States, in turn, funded LEA programs competitively after establishing State priorities. Title IV–C expired on September 30, 1982, when it and several other education programs were replaced by the Education Block Grant Program (Education Consolidation and Improvement Act).

The Star-Ledger articles alleged violations of the following requirements of the Federal programs: 1) that grants be issued to LEAs, as opposed to private entities or State agencies; 2) that grants be issued on a competitive basis; 3) that any significant changes in funded activities be subjected to the same review and competitive process as initial grant awards; 4) that the State Title III/IV–C Advisory Council be involved in the review of each grant application, with a recommendation thereon; and; 5) that grant activities be administered by or under the supervision of the recipient LEA.

Scenario of Events

In 1974, Dr. Fred G. Burke became Commissioner of Education for the State of New Jersey. At the time, the Title III ESEA program in New Jersey was conducted by the State's Office of Program Development, a relatively autonomous operation which was located in a separate building on Spruce Street in Trenton. A number of the employees at the Project Center, as it was called received their salaries through Title III grants to local school districts, though they were performing statewide functions.

Under Burke, the Title III planning functions were separated from the Project Center and located in the office of the Assistant Commissioner for Research, Planning and Evaluation (RP&E). In addition, the Assistant Commissioner's became the only signature necessary for a grant to issue.

In November 1975, a group of Federal officials, headed by Mr. D'Alan Huff, visited New Jersey to examine its Title III/IV–C operations. At that time, a Departmental employee approached Mr. Huff and alleged the misuse of Title III funds, including lack of competition, use of grants to local school districts as conduits to private consultants, and inadequate recordkeeping. A cursory examination of the records by Huff added weight to these allegations. Before leaving New Jersey, Huff discussed these problems with Commissioner Burke and Deputy Commissioner Ralph Lataille who had both recently received similar reports from within the Department. Both Lataille and Burke assured Huff that the situation would be looked into.

Upon his return to Washington, Huff was rebuked by an Associate Commissioner of Education for discussing the matter with Burke, but Huff's immediate superior told him to continue working with New Jersey to iron out any problems.

Mr. Huff remained in close contact with Lataille and, later, Dr. Joseph Picogna, New Jersey Title IV Director, throughout 1976 and was assured that a reorganization was occurring and that Mr. Lataille was performing an administrative audit of the entire department that would include the Title III/IV–C operations.

In the fall of 1976, the Project Center was attempting to reconcile its Title III/IV–C files. At the time, it was also noted that the last four annual reports, required under both the Title III and IV–C programs had not been filed. Despite repeated efforts, the Committee was unable to find any evidence that these reports were ever filed.

In late 1976 and early 1977, a former project center employee, Mrs. Dorothy Soper, sent a series of correspondence to the New Jersey Department of Education and Mr. Huff protesting that the Department had spent as much as 50 percent of its Title III/IV–C budget on noncompetitive projects serving departmental purposes, instead of providing the funds to local education agencies, as required by law.

Most of the allegedly noncompetitive funds were being provided to or through four Educational Improvements Centers (EICs), which were established through grants to local education agencies. Though under the law, the EICs were supposed to serve the needs of the sponsoring LEAs, Mrs. Soper alleged that they were in fact acting as arms of the Department.

In addition, they were allegedly being used to channel funds to separate projects which had originally been funded as "activities" of the EICs and therefore had not been subjected to competition with other projects. (See separate section of Executive Summary concerning EICs).

Mr. Huff was able to confirm some of these allegations through phone calls to local school districts. In addition, in February 1977, Mr. Lataille submitted his administrative audit report on the Title III/IV–C operations. The audit report largely confirmed Soper's allegations, and, in addition, discussed problems of conflicts of interest on the State Title IV Advisory Council (which included members who also ran projects being funded under Title IV) and, until recently, an absence of applications for the EICs. The report also mentioned certain reforms which had already taken place.

In April 1977, Commissioner Burke appointed a three-person committee, headed by Special Assistant to the Commissioner Arthur Winkler, to examine the various allegations regarding the State Title III/IV–C operations. It was decided that the committee should limit its investigation to interviews with current and former Departmental employees.

While the Winkler committee was conducting its investigation, Mrs. Soper, who was dissatisfied with the efforts of the committee, decided to go directly to the Governor and demand the firing of Commissioner Burke. Learning of this, Mr. Huff believed that U.S. Commissioner of Education Ernest Boyer should be informed of the situation and Huff submitted a confidential memo to Boyer containing a general description and scenario of the New Jersey situation. Huff also mentioned that he had recently turned over information concerning New Jersey to the HEW Inspector General's Office. Huff did not hear back from Commissioner Boyer.

Meanwhile, the Project Center had been closed and the Title IV-C operations had been returned to the main Department building under the directorship of Dr. Picogna. The Project Center Director, who had earlier called his superiors' attention to an alleged illegality (the Hopatcong project, discussed in separate section of Executive Summary), had been transferred after having contacted the State Attorney General's office about the matter. The Committee was unable to determine whether the transfer was connected to this contact.

In July 1977, the Winkler committee submitted its confidential report to Commissioner Burke. The committee found numerous irregularities (see separate sections of Executive Summary concerning: Hopatcong Project #74–810, Project HEAR, and EICs) and suggested further investigation by an expert from another State.

In August, the Winkler report was retyped, with certain revisions, and sent to Mr. Huff. The members of the Winkler committee do not recall making those revisions or signing a second version of the report, though the version sent to Huff bears their signatures. Though they do not specifically recall signing, they do not believe their names were signed by someone else. The changes were modest in scope and, though no damaging details were deleted, numerous exculpatory passages were added.

After Huff received the report, he discussed it by phone with Lataille and Burke and stated his dissatisfaction with the report, particularly the limits on scope which prevented interviews with local school districts and private consultants. Huff recommended a follow-up by an outside investigator.

On August 25, Commissioner Burke in a memo to Lataille noted the "serious problems" mentioned in the Winkler Report and sought Lataille's advice. Lataille responded by noting reforms which had already occurred, recommending an external audit team to further investigate the situation, and recommending a financial and program audit for each of the projects specifically mentioned in the report. Neither of these latter two recommendations was followed by Burke. In addition, the Winkler Report was apparently not shared with anyone outside of the Department other than Huff.

In June of 1978, Huff again went to the Inspector General's office, stating that Dr. Picogna suspected officials in the New Jersey Department of Education of "defrauding the government." The Inspector General Office's response was to send a field investigator to interview Picogna, who also turned over some documents. The field investigator conducted no other interviews or exanimations of documents and concluded, after meeting with Picogna, that no fraudulent activity was involved. The field investigator relayed this information to the

U.S. Attorney in New Jersey and then forwarded the documentation to the U.S. Office of Education for a "program review", due to the fact that there were apparent violations of regulations.

In March 1979, Huff again contacted the Inspector General's office this time signing a statement relaying a conversation he had had the previous day with Dr. Picogna regarding alleged improper political influence on funding of Title IV-C projects (see separate sections of Executive Summary on Puerto Rican Congress and Project HEAR).

The Huff statement was transmitted to the field office directing that an inquiry be made. After receiving no response from the field office, the Washington office in August 1979 again instructed that an inquiry be conducted. As a result, the field office again interviewed Picogna and was thereafter instructed by the U.S. Attorney in New Jersey to forward the information to the Office of Education "for their review and determination as to whatever action is deemed appropriate in this matter."

In January 1981, at Huff's suggestion, the Inspector General's Washington office contacted the Inspector General's field office inquiring as to actions taken by the Office of Education Regional Office. The field office reported back that it had been advised by the Office of Education Regional Office that the office has no responsibilities over the program and that it therefore intended to take no action. The field office apparently took no further action after being told this.

In June 1981, the Inspector General's field office again interviewed Picogna but received no new information. In December 1981, the Inspector General's office formally closed the case.

Thirteen months later, in January 1983, the Newark Star-Ledger published a series of 13 acticles concerning the New Jersey Title III/IV-C programs and, shortly thereafter, this Committee's investigation commenced.

Specific allegations

The Committee focused in particular upon four individual areas of allegations: (1) the Educational Improvement Centers; (2) Hopatcong Grant #74-810; (3) the Puerto Rican Congress Project; and (4) Project HEAR.

Educational Improvement Centers (EIC'S)

Under both Titles III and IV-C (until 1980), the States could provide grants to supplemental centers which could serve the needs of several local school districts in a particular region of the state. Such grants could be provided only if they were done so on a competitive basis and they were applied for and administered by an LEA. In addition, the centers were to meet regional, as opposed to statewide, needs.

In 1969, the first Educational Improvement Center (EIC) was established in New Jersey under a $70,000 grant to the Margate School District. It was called EIC-South.

By 1975, three other EICs had been established, but all were originally funded as "activities" of an existing EIC. As such, they received funding through the existing EIC grant on a noncompetitive basis. Once established, they received "continuation" grants which, until 1977, were not required to be competitive.

From fiscal year 1975-77, the four EICs received from 35-50 percent of the funds going into New Jersey under the Title III/IV-C programs, though the only competition that had ever occurred was for the original $70,000 grant to the Margate School District. Consequently no applications were on file for the EICs until 1977. Meanwhile, an average of 300 applications per year were received by the State from LEAs for new projects, but funding was only available to fund about 10 percent of these, because funding was initially allocated to continuation of existing grants.

Though the grants to the EICs were provided to the sponsor LEAs, and all receipts and disbursements were performed by the LEAs, the EICs were viewed by both the LEAs and the State Department of Education as arms of the State. The State made all personnel decisions and prepared the EIC plans and budgets. In addition, the EIC Directors reported to Departmental officials, instead of the sponsoring LEAs.

The Department used the EICs to fund so-called "Special Projects" which were primarily of interest to the State (as opposed to an LEA). The ideas for and control over the "Special Projects" resided within the Department, but the projects were funded through the LEA and the EIC it sponsored.

Funding was provided for the "Special Projects" by calling them "activities" of particular EICs and simply increasing the EIC grant to reflect the cost of the project. This "supplemental" to the EIC grant was provided on a non-competitive basis. Though funded as part of the EIC basic grant, the EIC directors and personnel frequently were not involved in the operation and/or supervision of the project. In addition, the Project Center staff, which was charged with reviewing Title III/VI-C applications and monitoring the grants, had no involvement with the "Special Projects" and, in fast, the Project Center Director was totally unaware of their existence until 1976. Similarly, the "Special Projects" were normally funded without prior consultation with the State Advisory Council.

The Committee received conflicting evidence as to whether the Special Projects were ever audited by the Department, but it is clear that, even if they were, it was not done on a regular basis.

In 1977, a New Jersey statute was enacted making the EICs local school districts in their own right and, thereafter, the EICs share of the Title IV-C funds declined. In 1983, a New Jersey statute was enacted abolishing three of the EICs and renaming and substantially altering the mission of the fourth (EIC-South).

Hopatcong Grant No. 74-810

The Committee investigated an allegation that, in 1976, the New Jersey Department of Education issued a Title III grant to the Hopatcong School District under an expired grant number without following competitive precedure.

Using documentary and testimonial evidence, the Committee was able to determine the following scenario:

On June 28, 1974, the New Jersey Department of Education issued a $4,348 grant to the Hopatcong School District for a project designed to "mainstream" special education students into regular classes. The grant was issued under a "consumer grant" program which limited grants to one year and $5,000 or less. The Hopatcong grant was assigned grant number 74-810 and expired on June 30, 1975.

In March 1976, the Hopatcong School District sought funding under the Department's special education programs for a project designed to compile a catalogue of services available to special education students in the Hopatcong area.

The Bureau of Special Education rejected the Hopatcong application, but forwarded it to the Department's Title III office. On June 25, 1976, the Assistant Commissioner in charge of the Title III programs signed a grant award for $30,000 in Title III funds and assigned it grant number 74-810. Contrary to regulations, the proposal was not subjected to competition nor was it reviewed by the State Title III Advisory Committee.

On June 28, 1976, the Hopatcong School Board voted to accept the grant and its application for the grant was signed on that date.

In January 1977, the Hopatcong Center (the Department office responsible for the Title III/IV-C competition and monitoring of the projects) became aware of Project 74-810 inadvertently. The Director of the Project Center sent a memorandum stating his conclusion that a violation of the Title III process had taken place. The memorandum led to an internal investigation and a temporary withdrawal of funds from the project.

Ultimately, an internal investigating committee that examined the entire Title III-IV-C operations concluded that a violation of the regulations and departmental procedures had occurred. Funding for the project was discontinued.

Puerto Rican Congress

The Committee investigated allegations that the New Jersey Department of Education had violated requirements under Titles III and IV-C in funding the Puerto Rican Congress Project, which provided funds from 1972 to 1982 to the Puerto Rican Congress, a private, non-profit organization in New Jersey.

The following allegations had been made: (1) the Department had violated Title III/IV-C regulations requiring that Local Education Agencies be the only eligible sub-State recipients of grants and that those LEAs retain fiscal and programmatic control over the projects; (2) the project failed to provide private school student participation as was required under Titles III and IV-C and; (3) the Department applied undue pressure upon local school districts to accept grants to provide funding for the Puerto Rican Congress.

Using documentary and testimonial evidence, the Committee was able to establish the following scenario:

The New Jersey Department of Education began funding the Puerto Rican Congress Project under Title III ESEA in 1972 by using the Margate School District as a "conduit" through which funds were provided ultimately to the Puerto Rican Congress. At the time, the Margate School District was the "host" school district for the Educational Improvement Center—South (EIC-S) and the Puerto Rican Congress Project was funded as an activity of EIC-S.

As with other EIC-S activities, the Puerto Rican Congress Project was initiated through a "supplemental" grant to the basic grant to EIC-S and was therefore not subjected to a competitive process. However, EIC-S had little control over the project or knowledge of its activities.

In Spring of 1977, the New Jersey Department of Education informed the Puerto Rican Congress that it could no longer receive funding through EIC and would have to find an LEA to sponsor the project.

The Puerto Rican Congress was able to obtain two New Jersey school districts—Elizabeth and Jersey City—and funding was continued despite questions raised by the

State Title IV Advisory Council (SAC) as to the propriety of funding the grants as "continuation" grants.

In 1978, the SAC again raised questions concerning the Project, but this time complained about the total lack of control by the school districts over the project and the apparent lack of private school participation.

The Elizabeth School District responded by admitting that the school district was serving as a "conduit", that it had never "sought or wanted to participate" in the project and that it had done so only as a "favor" to the State. The school district stated that it was willing to continue to sponsor the project as in the past ("with no responsibility for the performance of the Puerto Rican Congress") but only if it received assurances that it was not doing so in violation of the regulations.

As a result of these concerns, funding was suspended for the project in Spring of 1978 and negotiations involving the school districts, the Puerto Rican Congress, and department officials were commenced.

The U.S. Department of HEW then ruled that the funding of the project did appear to be illegal in that the sponsoring school district was subcontracting the project in its entirety. In addition, the Office of Education could find no evidence that there had been private school participation.

As a result, New Jersey Education Commissioner Burke traveled to Washington with others to discuss the matter with the Office of Education. Shortly thereafter, a formal HEW Counsel's opinion was issued stating that the project would be legal if: (1) the school districts assigned a project coordinator to administer and coordinate the projects; and (2) the contracts between the school districts and the Puerto Rican Congress contained a clause providing for termination in the event the Puerto Rican Congress failed to perform any part of its agreement.

Nevertheless, the grant to Elizabeth continued to be withheld and in March of 1979, the Elizabeth School District notified the Department that it wished to withdraw from the project. On March 22, the grant award to Elizabeth was signed anyway and the Department wrote to the school district requesting its acceptance of the grant. The school district ultimately accepted the grant under the conditions spelled out in the HEW General Counsel's opinion and the project was funded until termination of the Title IV-C program in 1982.

The Committee was unable to determine whether the Department had applied improper pressure upon the school districts to sponsor the project. One witness provided hearsay evidence that the Puerto Rican Congress had threatened to withhold its support for the renomination of Commissioner Burke if he did not obtain the cooperation of the school districts. This was denied by former Commissioner Burke.

Project HEAR

The Committee investigated four allegations regarding Title III and IV-C grants issued from 1972 to 1977 by the New Jersey Department of Education to the Willingboro School District for Project HEAR (Human Educational Awareness Resource).

The allegations were: (1) the State had used the Willingboro School District as a "conduit" to fund a project that was solely of interest to the state; (2) the school district had subcontracted the entire project to a private consultant and had maintained no fiscal controls over the project; (3) the project received funds excessively disproportionate to the amounts provided for other projects; and (4) the income from sales of the project's product was received by the private consultant instead of the school district.

The Committee was able to determine the following scenario based upon documentary and testimonial evidence:

In 1972, the Willingboro School District began receiving from the State Title III funding for Project HEAR, which was designed to maximize career choices among school children with a particular focus upon eliminating sex stereotypes. The arrangement between Willingboro and the consulting firm which had conceived the project—Cogent Associates—called for a total subcontracting of the project with Willingboro agreeing to apply for and receive the funds from the state and, in turn, pass them on to Cogent. Though Cogent was required to submit a budget to Willingboro, there were no procedures for verification by Willingboro of actual expenditures under the budget. In addition, Willingboro had no program responsibility over the project and the majority of Cogent's contacts regarding the program were with the State Department of Education.

The project received funding from 1972-75 for development of the project and from 1975-77 for dissemination of it to other school districts. Over that period of time, Willingboro received $517,520 for the project, of which $408,725 was disbursed to Cogent and $100,835 was disbursed to a printing company for printing of Project HEAR kits for dissemination.

In 1976, an audit of Willingboro's books stated that the "conduit" nature of the Project HEAR grant was a violation of state law, but no follow-up was done on this by either the school district or the state.

In the same year, a Departmental employee involved in dissemination of Title III and IV-C grants complained to her superiors about "exorbitant" expenses for the project and that it was not being treated the same as others. The employee states that she was severely rebuked for this statement.

In 1977, an internal Departmental committee (the Winkler committee) assigned to investigate various problems with the State's Title III/IV-C programs concluded that the total subcontracting of the project by Willingboro was a violation of State policy. The Winkler committee also examined the allegation of excessive funding, but stated that it lacked sufficient expertise to make a determination.

Shortly after the Winkler committee filed its report, the Deputy Commissioner recommended that all projects listed in the report be subjected to audits. However, this was not done with Project HEAR until over a year later when requested by a Department official who had only recently become aware of problems with the project.

The audit report, issued in January 1979, covered only Willingboro's books and not Cogent's. The report concluded that Willingboro had acted as a fiscal conduit and that Cogent had provided the district with no financial details other than general program budgets for the project. In addition, of the $408,725 provided to Cogent, only $263,397 were covered by contracts on file. The audit report recommended that Willingboro obtain an independent audit of Cogent's books.

For two years, the school district attempted to obtain access to Cogent's books. Meanwhile, Cogent had begun receiving funding for the project through the National Diffusion Network, which provides grants directly from the U.S. Office of Education. The Committee received conflicting testimony as to whether the NDN was aware of the state's problems with Cogent.

In 1981, Cogent consented to an audit of its records regarding the income that had been received from sale of the Project HEAR kits after 1977. This audit determined that the income had gone to the Willingboro School District but was offset by Cogent billings for the costs of dissemination. Those billings exceeded the income by $11,000.

The audit of the project-related income was rejected by the State since it did not cover the period during which the grants had been provided. In 1982, the Department approached Cogent directly for access to the books and was later informed that the pre-1977 records had apparently been destroyed.

The matter is currently under investigation by the State Attorney General.●

Mr. GOODLING. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER pro tempore. Without objection, the conference report is considered as having been read.

There was no objection.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GOODLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on the bill, H.R. 1035, just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

A GROSS INJUSTICE BY THE JUSTICE DEPARTMENT

The SPEAKER pro tempore. The gentleman from Texas (Mr. GONZALEZ) is recognized.

Mr. GONZALEZ. Mr. Speaker, I have asked, and I am being joined at this point by two other colleagues who happen to be members of the Congressional Hispanic Caucus who represent districts that we fear have the same practices occurring, the distinguished gentleman from California (Mr. ROYBAL), and the other distinguished gentleman from California (Mr. TORRES), and also the chairman of the Hispanic Caucus, the distinguished gentleman from New York (Mr.

GARCIA), to ask the Attorney General to investigate this outrage and also to direct the Inspector General of the Justice Department to look into specific situations and to report to us exactly how many of these prisoners we are holding from Texas to California.

□ 1810

Mr. Speaker, I insert at this point as a part of the RECORD our letter to the Honorable William French Smith and the newspaper reports that outline the situation, incidentally, in the Dallas Morning News, not the San Antonio News, but the Dallas Morning News of November 6, 1983, as follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., November 18, 1983.

Hon. WILLIAM FRENCH SMITH,
The Attorney General of the United States, Department of Justice, Washington, D.C.

DEAR GENERAL SMITH: We are writing to request a thorough review of the handling of undocumented aliens held as witnesses in criminal cases against persons who illegally conspire and commit other acts involving the transportation and harboring of undocumented aliens. Practices in the Southern District of Texas suggest a pervasive pattern of misconduct by various agencies of the Justice Department, a routine denial of even the most elemental rights, and outright violation of law. The conduct of Justice agencies in the Southern District of Texas suggests the possibility, if not the likelihood, of similar misconduct elsewhere.

The policy of Congress is that an illegally entered alien should be promptly reported. In addition, the law specifically provides that when any person is detained as a witness, such person may not be held by reason of being able to meet the terms and conditions of release, when testimony can be obtained by use of depositions. Notwithstanding these provisions of law, it appears to be the routine practice of the U.S. Attorney for the Southern District of Texas (Mr. Edward Prado) to hold alien witnesses for long periods of time, and not to depose any of them. Prado claims that making depositions is too expensive and time-consuming. However, the standard of the Supreme Court, reflecting the policy of Congress, is that detentions should be short and that hardship of witnesses be minimized. Prado appears not to care about the law nor to observe the standards set by the judiciary.

At present, there are approximately 180 aliens being held in the Southern District of Texas as witnesses. In one case, a group of four have been held for ten (10) months, notwithstanding the fact that their testimony is not needed. In that case, the defendants stipulated all material facts on July 15, and the stipulations specifically provided that the aliens could be returned to Mexico at the time the stipulations were executed. Incredibly, the aliens not only were released, but "farmed out" to work on a cattle feedlot on a seven-day, 85-hour schedule, at a pay of $10 per day.

The aliens in the cited case were subjected to every kind of misconduct and illegality. The Border Patrol placed them with a private employer, with no conceivable authority to do so, and arrested them when they complained of their wages, which were only a fraction of what some individual, apparently an employee of the Border Patrol, had represented they would get. Upon their rearrest, the aliens had their I-210 forms destroyed, and were not granted a hearing. Further, they were held for some weeks without so much as a bond hearing. All of this occurred after all facts to which they were to testify had been stipulated, and there was no conceivable reason to hold them further. It goes without saying that holding any witness for 10 months violates every standard of law and judicial interpretation. Those who are responsible for this string of outrages apparently carry on such practices on a wholesale basis; they ought to be disciplined. In the case of U.S. Attorney Prado, his cavalier treatment of the situation not only results in massive violations of law and decency, but because it results in the needless holding of deportable aliens, costs the Government vast amounts of avoidable expense for holding and maintaining alien witnesses.

We request, in the strongest possible terms:

(1) Investigation and disciplining of those responsible for wholesale violations of law and procedure with respect to alien witnesses in the Southern District of Texas. Should investigation reveal sufficient misconduct, such finding should result in disciplinary action, including dismissal;

(2) a full accounting of the number of alien witnesses being held in each judicial district abutting the United States-Mexico border, and the length of time such witnesses have been held;

(3) an immediate investigation into any cases in which alien witnesses have been "farmed out" to private employers, in a revival of odious practices that were common until about 1978, and the disciplining of each and every individual responsible for such activity; and

(4) a complete review of policies and procedures involved in the handling of alien witnesses, to the end that unnecessary detention, denial of due process, and other abuses are corrected, not only with respect to U.S. Attorneys, but with respect to agencies charged with the keeping and care of aliens being held as witnesses.

We suggest that in very few cases would any detention beyond a few days' time be warranted, and that in very few cases would any purpose be served in failing to arrange for depositions, as the law contemplates and requires.

Your prompt action will be most appreciated.

Sincerely yours,
HENRY B. GONZALEZ,
EDWARD R. ROYBAL,
ESTEBAN E. TORRES,
Members of Congress.

[From the Dallas Morning News, Nov. 16, 1983]

TEXAN SEEKS U.S. PROBE OF DETAINED ALIENS' CASE

(By Richard Fish and Stephen Engelberg)

Rep. Henry Gonzalez, D-San Antonio, has asked the Justice Department to investigate why four illegal aliens detained as material witnesses were sent by the Border Patrol to work at a Uvalde cattle feedlot that paid them 85 cents an hour.

The complaint, coupled with similar requests planned by two Hispanic rights organizations, automatically will trigger an internal inquiry by the Immigration and Naturalization Service.

The four men, who have been jailed for almost 10 months, claimed in a lawsuit filed Tuesday in Del Rio that their constitutional rights had been violated by the detention.

George Korbel, the San Antonio Rural Legal Aid lawyer representing the four, said the suit also challenges the authority of the government to continue detaining 180 illegal aliens in Texas who are witnesses for upcoming trials.

In Washington, a spokesman for the INS said that no regulations or federal laws were violated when agents of the Border Patrol delivered the aliens to Chaparral Feeders of Uvalde. "The wages are between the alien and the employer," Duke Austin said. "If the alien does not want to work for these wages, he doesn't have to."

He said the arrangement had been approved in advance by Edward Prado, the U.S. attorney in San Antonio.

Gonzalez sharply criticized the INS handling of the case in a letter mailed Tuesday to U.S. Atty. Gen. William French Smith. "This whole affair smells of illegality, disregard for civil or even elemental human rights," he said. "There is no excuse for the wholly uncaring attitude of the U.S. attorney and the Border Patrol about the conditions these men were working in."

Maurice Roberts, a former chief judge of the Board of Immigration Appeals and the editor of a newsletter on immigration law, also took issue with practice of "farming out" workers.

"This is a bad idea," he said. "If these aliens are being paid much less than the minimum wage, then the INS is doing what they are prosecuting others for—that is, getting them to work for cheap."

The Office of Professional Responsibility of the INS investigates all complaints against agency employees. The League of United Latin American Citizens and the Mexican-American Legal Defense and Education Fund said Tuesday that they plan to request an inquiry by the unit.

The question of what to do with illegal alien witnesses needed for criminal trials long has troubled the INS.

Alien witnesses are often essential for criminal cases involving employers and smugglers of illegal aliens. Because they cannot post bond, they often find themselves detained pending a trial. Prosecutors are reluctant to have them released on their own recognizance.

"They're really victims of the whole situation," said Prado, the San Antonio federal prosecutor. "It's frustrating to us to see the transporters out on bond and the poor aliens in jail."

In the 1970s, farming out of aliens was a common practice in California and Texas. But it was largely discontinued when prosecutors found that the aliens tended to disappear before trial.

Rito Estrada-Netro, Feliciano Hernandez-Diaz, Jose Maldonado-Ochoa and Pablo Abalos-Marquez, the four who filed suit in Del Rio, were arrested during a February raid by the INS on the Mahard Egg Co. of Prosper.

The corporation and its owners were charged with multiple counts of aiding and abetting the smuggling of aliens, including the four men. A fifth man also originally was being held but recently was allowed to return to Mexico to be with a dying relative.

While the federal government conducted plea-bargaining negotiations, the aliens remained behind bars in lieu of $5,000 cash bonds.

On Aug. 11, they were released on their own recognizance and sent to the feedlot, the INS spokesman said. Korbel estimates that they were paid an average of 85 cents an hour for working approximately 13 hours

a day, six days a week. They also worked five hours each Sunday.

Korbel said the aliens had been promised the minimum wage by unidentified officials at the jail.

Ralph Hesse, president of Chaparral Feeders, said: "I was paying $10 a day, and I never told anybody any different." He added in an interview that the Border Patrol agents never questioned him about wages when they asked him whether he needed workers.

On Oct. 1, the four illegal aliens stopped working and were returned to detention.

Austin said he did not know whether a complaint about working conditions at the feedlot would be filed with the Department of Labor.

Jack Richardson, Border Patrol chief in Del Rio, said that as a "matter of policy, we just routinely do not enter into any negotiations on wages or anything."

He defended his agents' actions in the case, saying; "We were just trying to be good old boys."

Mr. Speaker, that is part one of the special order, this notification to the House of these developments in the Southwestern United States; but I also take advantage of this moment in the closing hours of this first session of the 98th Congress to report on two aspects of my activity during the course of this first session.

Mr. RICHARDSON. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I am glad to yield to the distinguished gentleman from New Mexico.

REQUEST FOR CONSIDERATION OF S. 2129, RURAL HEALTH CLINICS ACT OF 1983

Mr. RICHARDSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate bill (S. 2129) to provide revised reimbursement criteria for small rural health clinics utilizing National Health Service Corps personnel, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

Mr. FRENZEL. Reserving the right to object, Mr. Speaker, we do not know anything about this bill over here.

I assume the distinguished gentleman from New Mexico has a compelling reason why we need to take it up without notice at this time.

Mr. RICHARDSON. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the distinguished gentleman.

Mr. RICHARDSON. Mr. Speaker, S. 2129 makes virtually the same amendments to the National Health Service Corps program as does the bill, H.R. 3649, which passed the House by voice vote on Wednesday.

The substantive differences in these two bills are so minor that the House report on H.R. 3649 can and should be read as accompanying S. 2129.

I urge all Members to support the bill before us.

Mr FRENZEL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

Mr. BROYHILL. Reserving the right to object, Mr. Speaker, I have asked for this reservation to explain that this bill revises the current payback system for National Health Service Corps sites. The National Health Corps Service has been part of the law for some time and when a National Health Corps Service personnel is assigned to a site, there are arrangements made to make reimbursements to the U.S. Treasury for their services. Currently, the payback mechanism is based on a rather complicated formula. It has resulted in some sites cutting back services or facing the loss of National Health Corps Service personnel.

We have been working, the majority and the minority, with the administration to address the concerns of the administration about suggestions to change the law and I do have in my hand as of November 3 the administration's statement of policy saying that the administration has no objection to House passage of H.R. 3649.

I would hope that we could expedite the passage of this legislation at this time.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

Mr. WALKER. Reserving the right to object, Mr. Speaker, can the gentleman give me some information about the cost of this particular bill?

Mr. RICHARDSON. Mr. Speaker, if the gentleman will yield, there is no cost whatsoever, according to the Congressional Budget Office.

Mr. WALKER. The Congressional Budget Office says that there is no cost at all involved in this bill?

Mr. RICHARDSON. That is correct.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

Mr. DINGELL. Reserving the right to object, Mr. Speaker, has this bill been cleared with the staff of the Committee on Energy and Commerce?

Mr. RICHARDSON. Mr. Speaker, if the gentleman will yield, Mr. Corr from the staff of the Subcommittee on Health and the Environment has worked on this. May I just consult with him for a moment?

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that further consideration of the bill be dispensed with while we have a chance to look into this matter.

The SPEAKER pro tempore. Does the gentleman from New Mexico withdraw his request?

Mr. RICHARDSON. Yes, Mr. Speaker, I do.

Mr. DINGELL. Mr. Speaker, I thank the gentleman.

The SPEAKER pro tempore. The request is withdrawn.

A GROSS INJUSTICE BY THE JUSTICE DEPARTMENT

The SPEAKER pro tempore. The gentleman from Texas (Mr. GONZALEZ) is recognized.

Mr. GONZALEZ. Mr. Speaker, this is sort of a summing up and an accounting, because I have made use of the great privilege of the custom, I guess, from the beginning of the Congress of the opportunity given a Member of the House to speak over and above the usual limitations imposed on a Member of a numerous House, and always I have done so with the clear sense of responsibility and with a constant fear of imposing unnecessarily or transgressing on that privilege. Therefore, I have been motivated from the very beginning, long before TV coverage, from the very beginning of my service here 22 years ago to make use of what I have said before are the only two veritable powers that a Member of a parliamentary body such as ours has and that is his voice and his vote.

In two Congresses, I have introduced a resolution of impeachment directed to the Chairman of the Federal Reserve Board, Paul Volcker, accompanied by three separate and distinct bills, two of which I have been introducing for more than 18 years, at a time when they gave rise to laughter and ridicule, but which since then have been considered seriously off and on, depending on the cycle of recurring crises in our economy and in our monetary and fiscal policies.

□ 1820

Now, a resolution of impeachment is, of course, a mighty serious matter. In our procedural rules it is exalted to the status of a privileged resolution.

Never once have I introduced, nor for that matter spoken, in jest or levity or for effect or for publicity or for image, but because I had documented, had briefed and researched the very evidentiary facts, documented the allegations, and then enumerated and satisfied the historical, if not over and above the actual constitutional specific language requirements, delved into the history during the debates on the Constitutional Convention.

I do want to say that if I have not taken up the matter since the first opening period of this session, it is not because I have let go of the issue, but because in the meanwhile, far more

urgent and immediate matters of great urgency and priority have come across that horizon and that brings me to the second issue, the one which I have spoken out considerably, particularly in the last half-year, and one which also motivated my introduction of a resolution in obedience to the Congress exerting its rights under the act passed and approved in 1974 known as the War Power Limitations Act. I introduced a resolution in the month of May, and again at that time it was considered somewhat with some levity or lack of seriousness, but I did so after I had had extensive correspondence with the chairman of the committee that has jurisdiction and had raised the issues that were in my mind, and when the chairman answered me in a way that clearly demonstrated that he did not have any kind of a dissent for the rightfulness of my position, either statutorily or procedurally, but answered to the effect that under the circumstances, not much could be done because in effect, and in these words, "We would have to wait until something happened."

I then felt impelled to take the floor, because I have been agonizing. I have constituents in the service and relatives in the service, but I have constituents who are stationed in every place the American flag is flying with servicemen serving in Korea, Germany, off and on, Grenada, Honduras, El Salvador now, off and on Lebanon, on shore and off shore, and so, I have a very immediate and intimate communication with my constituents and certainly my relatives.

Mr. RAY. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Georgia.

PERSONAL EXPLANATION

Mr. RAY. Mr. Speaker, on November 16, rollcall 513, I voted on House Resolution 190, which is a guidelines for Equal Opportunity in Education.

For some reason my card did not record, and if it had, Mr. Speaker, I would have been recorded as voting for House Resolution 190.

Mr. GONZALEZ. Mr. Speaker, that has consumed my waking hours and half of my sleeping hours, when I realize that even after the loss of over 240 of our marines, we are in a worse position now than we were even before, and that as we are here gathering quickly to leave the session, go back to our respective communities, and with the events in Grenada making the events in Lebanon recede to the back burners, I agonize, and I have asked the President, Mr. President, how long, how long must we wait for something else to happen?

Our mission is not defined there. This is not the football team being sent to a mission. It is a military group of fighting men, and placed in a situation where every military authority says they are in an untenable and indefensible position, even now.

What is our mission? If it is peacekeeping, then once we have involved ourselves as we have in bolstering up and shoring up the so-called Gemiyelda which is only a faction, in that for centuries and millenniums, strife-torn land, and realizing that it is not likely we will have peace in Galiliee this December.

Mr. RICHARDSON. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from New Mexico.

RURAL HEALTH CLINICS ACT OF 1983

Mr. RICHARDSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate bill (S. 2129) to provide revised reimbursement criteria for small rural health clinics utilizing National Health Service Corps personnel and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

Mr. BROYHILL. Mr. Speaker, reserving the right to object. This is a repeat of what we went through a few minutes ago until there was objection, and apparently the other Member was expecting this bill to come back under a new number, S. 2129 is essentially the same as that which passed the House, except with certain technical amendments.

We do have a program which we call National Health Service Corps. This program has been in existence for some time whereby medical personnel are assigned to rural health clinics located in health manpower shortage areas around the country.

We do know from experiencing this program, that this program has provided valuable and needed help for clinics of this kind. The rural health clinics under the program that receives assistance from the National Health Service Corps personnel, we expect them to reimburse the Federal Government for the reasonable share of the cost of that program, and so all this bill is, is really a rewriting of the formula, the criteria that are applied to the reimbursement, and we feel that such a reimbursement system should be fair, should be equitable, and so that is all this bill does, and I cannot find any changes. I have had staff looking up the bill. There may be some technical changes. The administration has worked with us in formulating this bill. I have a statement in my hand of administration policy that says, and I quote: "The administration has no objection to House passage of H.R. 3469."

I want to assure the Members that this bill is like H.R. 3469.

Mr. RICHARDSON. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from New Mexico.

□ 1830

Mr. RICHARDSON. I would like to thank the gentleman for his help in the passage of this bill.

To provide a little legislative background, this Senate bill takes about 95 percent of the bill that we passed in the Energy and Commerce Committee, H.R. 3649, which passed this House by a voice vote on Wednesday.

I think, as the gentleman mentioned, S. 2129 makes virtually the same amendments to the National Health Service Corps as does the H.R. 3649, the so-called Richardson bill which passed the House by voice vote on Wednesday.

The substantive differences in these two bills are so minor that the House report on H.R. 3649 can and should be considered as accompanying S. 2129.

Mr. BROYHILL. I want to assure Members there are no extraneous amendments, there are no nongermane amendments in this bill. We have studied it carefully.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

Mr. SOLOMON. Mr. Speaker, reserving the right to object, I would ask the gentleman is there any additional monetary impact from any of the changes over when this bill left the House under the gentleman's sponsorship?

Mr. RICHARDSON. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from New Mexico.

Mr. RICHARDSON. I would tell the gentleman, none whatsoever.

Mr. SOLOMON. None whatsoever?

Mr. RICHARDSON. That is correct.

Mr. SOLOMON. There is a zero annual cost increase?

Mr. RICHARDSON. According to the Congressional Budget Office and the administration, there is no additional cost.

Mr. SOLOMON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2129

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "Rural Health Clinics Act of 1983".

FINDINGS

SEC. 2. Congress finds and declares that—

(1) rural health clinics are an important part of America's health care delivery system;

(2) National Health Service Corps personnel assigned to rural health clinics located in health manpower shortage areas have provided valuable and needed staffing help for such clinics;

(3) rural health clinics receiving assistance from National Health Service Corps personnel should be expected to reimburse the Federal Government for a reasonable share of the costs of such personnel; and

(4) the criteria which should be applied to reimbursement by such clinics for use of such personnel should be a fair and equitable one which reflects the needs of such clinics and the populations served by such clinics, as well as the value of the services rendered by such personnel.

ALTERNATIVE REIMBURSEMENT PROVISIONS

SEC. 3. (a)(1) Subsection (a) of section 334 of the Public Health Service Act (42 U.S.C. 254g) is amended—

(A) in the matter preceding subparagraph (A) of paragraph (3), by inserting ", if not a small health center," after "the entity";

(B) by striking out "and" at the end of subparagraph (C) of such paragraph;

(C) by redesignating paragraph (4) as (5); and

(D) by inserting after paragraph (3) the following new paragraph:

"(4) the entity, if a small health center, shall pay to the United States, in each calendar quarter (or other period as may be specified in the agreement) during which any Corps member is assigned to such entity, an amount determined by the Secretary in accordance with subsection (f); and".

(b) Subsection (b) of such section is amended—

(1) by inserting ", on a prospective or retrospective basis," after "in whole or in part" in paragraph (1);

(2) by inserting "which is not a small health center" after "for an entity" in such paragraph;

(3) by inserting ", on a prospective or retrospective basis," after "in whole or in part" in paragraph (2);

(4) by inserting "is not a small health center and which" after "for any entity which" in such paragraph;

(5) by inserting "and does not, pursuant to paragraph (5), require payment by the entity in the amount described in subsection (f)(1)," after "paragraph (1) or (2)," in paragraph (3); and

(6) by adding at the end thereof the following new paragraph:

"(5)(A) If the Secretary determines that an entity which is not a small heatlh center is eligible for a waiver under paragraph (1) or (2), the Secretary may waive the application of subsection (a)(3) for such entity and require such entity to make payment in an amount equal to the amount described in subsection (f)(1) that would be payable by such entity if such entity were a small health center.

"(B) the Secretary may waive in whole or in part, on a prospective or retrospective basis, the application of the requirement of subparagraph (A) for any entity if the Secretary determines that the entity is financially unable to meet such requirement or that compliance with such requirement would unreasonably limit the ability of the entity to provide for the adequate support of the provision of health services by Corps members. Funds which would be paid to the United States but for a waiver under this subparagraph shall be used by an entity to—

"(i) expand or improve its provision of health services;

"(ii) increase the number of individuals served;

"(iii) renovate or modernize facilities for its provision of health services;

"(iv) improve the administration of its health service programs; or

"(v) to establish a financial reserve to assure its ability to continue providing health services.".

(c) Subsection (c) of such section is amended—

(1) by inserting "which is not a small health center" after "an entity";

(2) by inserting "or subsection (b)(5)(A)" before "shall be used by the entity".

(d) Such section is amended by adding at the end thereof the following new subsection:

"(f)(1) An entity which is a small health center shall pay to the United States, as prescribed by the Secretary in each calendar quarter (or other period as may be specified in the agreement) during which any Corps member is assigned to such entity, an amount equal to the amount (prorated for a calendar quarter or other period) by which the revenues that the center may reasonably expect to receive during an annual period for the provision of health services exceeds the costs that the center may reasonably expect to incur in the provision of such services, except that the amount that an entity shall pay to the United States under this paragraph shall not exceed the amount such entity would pay to the United States under paragraph (3) of subsection (a) if such paragraph applied to such entity.

"(2)(A) To determine for purposes of paragraph (1) the revenues and costs which an entity that is a small health center may reasonably be expected to receive and incur in an annual period for the provision of health services, the entity shall submit to the Secretary before the beginning of such period a proposed budget which—

"(i) describes the primary and supplemental health services (as defined in section 330) which are needed by the area the entity serves in such period; and

"(ii) states the revenues and costs which the entity expects to receive and incur in providing such health services in such period.

"(B) From the submission under subparagraph (A) and other information available to the Secretary, the Secretary shall determine—

"(i) the primary and supplemental health services (as defined in section 330) needed in the area the entity serves;

"(ii) the fees, premiums, third party reimbursements, and other revenues the entity making the submission may reasonably expect to receive from the provision of such services; and

"(iii) the costs which the entity may reasonably expect to incur in providing such services.

The revenues and costs determined by the Secretary shall be the revenues and costs used in making the determination under paragraph (1).

"(3) The Secretary may waive in whole or in part, on a prospective or retrospective basis, the application of paragraph (1) for an entity which is a small health center if the Secretary determines that the entity needs all or part of the amounts otherwise payable under such paragraph to—

"(A) expand or improve its provision of health services;

"(B) increase the number of individuals served;

"(C) renovate or modernize facilities for its provision of health services;

"(D) improve the administration of its health service programs; or

"(E) establish a financial reserve to assure its ability to continue providing health services.

"(4) The excess (if any) of the amount of funds collected by an entity which is a small health center in accordance with subsection (a)(2) over the amount paid to the United States in accordance with paragraph (1) of this subsection shall be used by the center for the purposes set out in subparagraphs (A) through (E) of paragraph (3) of this subsection or to recruit and retain health manpower to provide health services to the individuals in the health manpower shortage area for which the entity submitted an application.

"(5) For purposes of this section, the term 'small health center' means an entity other than—

"(A) a hospital (or part of a hospital);

"(B) a public entity; or

"(C) an entity that is receiving a grant under section 329 or section 330, except that such term includes an entity whose grant is less than the total of the amounts, calculated on an annual basis, specified in subparagraphs (A) and (B) of subsection (a)(3).".

EFFECTIVE DATE AND APPLICABILITY

SEC. 4. The amendments made by section 3 shall apply with respect to agreements entered into under section 334 of the Public Health Service Act after the date of the enactment of this Act, but, to the extent feasible, the Secretary of Health and Human Services shall revise agreements entered into under such section 334 before such date to reflect the amendments made by section 3.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A GROSS INJUSTICE BY THE JUSTICE DEPARTMENT

Mr. GONZALEZ. Mr. Speaker, I sum up the pleading that we not forget, for whatever reason, because the marines are expendable. I thought the great thing of America was that we were unlike these old and rancid and class-ridden societies of the old world in the Orient as well as the West where human beings are expendable. So you lose 300 for a colonial outpost fight in some regime or in the great beehives societies.

The great, great difference of ours, at least up to now, was that we still uphold and exhalt the individual sacntity of the human being. How can we be so callous as to turn our backs to the situation existing now in Lebanon or in Beirut, to be special.

The marines stationed there are no less protected, no more protected, no more secure than they were at the time they died in their headquarters.

This is wrong. I know that the House has failed to ask the questions

because when the debate was even addressed peripherally, when we had the so-called debate on the so-called War Powers Resolution, which was not that at all, all that was was another Gulf of Tonkin Resolution, festooned with some promises and some commitments made by the President, but not defined so by the Secretary of State. But the Congress would not ask them the question and it turned out to be a fight as to whether you were loyal to the President or not loyal to the President, which was not the issue at all and is not the issue at all.

But now the question is and we know, we are charged with knowledge where the marines are, what their circumstances are, and that not one finger has been lifted to change that. Either they carry out that which militarily only can be done to protect them, which then they lose their status as peacekeepers, or we do what everybody has been urging the President to do since before May, and that is pull them out.

Mr. President, you are in a trap in Lebanon. Let us get out of it while we can do it and do it with the safety uppermost in our minds of those men, and still come back to fight another day and win the fight, and seek, seek the redress of justice for this horrible crime of October 24.

I plead with you, Mr. President, let us not wait with the will-o'-the-wisp perhaps of peace in Gallilee on Christmas Eve, the scene of the King of Peace when we know that chances are nil if we persist in blind, blind pursuit of an undefined policy.

I ask you, Mr. President, to do this. We are not going to lose face at all. If we do not, we will be worse than crucified, needlessly, wastefully throwing away the lives of the most precious ingredient of any society, and that is the lives of our young.

Mr. Speaker, I yield back the balance of my time.

DIRECTING THE SECRETARY OF AGRICULTURE TO RELEASE A REVERSIONARY INTEREST IN CERTAIN LANDS IN THE STATE OF DELAWARE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be discharged from the further consideration of the Senate bill (S. 1503) to direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain land in the State of Delaware, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. JEFFORDS. Mr. Speaker, reserving the right to object, I would ask the chairman of the committee if he could explain the nature of the bill and why we have it before us at this hour.

Mr. DE LA GARZA. Will the gentleman yield?

Mr. JEFFORDS. I am happy to yield to the gentleman from Texas.

Mr. DE LA GARZA. I will be happy to explain to the gentleman.

This bill deals with 6½ acres of public lands in the State of Delaware. The Federal Government gave to the State of Delaware considerable acreage, 1,500 or so acres in which was included a tract of 104 acres, and it has the usual reversionary clause that if it is not used for public use that it will revert back to the Federal Government.

What happened here is that accidentally 6½ acres of this land was encroached upon by another block. The persons who encroached on the land are willing to give 6½ acres of similar lands, similar value. But yet to correct the technical encroachment we would have to allow the Secretary permission to not revert and to accept the other 6½ acres, equal value of land, and that is the purpose of the bill.

Mr. JEFFORDS. I wonder if the gentleman from Delaware (Mr. CARPER) would care to comment? I would like to know, first of all, as to whether or not this is agreed to by the gentleman and as to whether or not it is agreed to by the two Senators from his State and the Governor of his State.

Mr. CARPER. Mr. Speaker, will the gentleman yield?

Mr. JEFFORDS. I am happy to yield to the gentleman from Delaware.

Mr. CARPER. Mr. Speaker, S. 1503 passed the other body by a unanimous vote yesterday.

The Governor has petitioned me to assist with its passage in the House, and I do endorse the proposal as well.

The ranking minority member, the gentleman from Idaho (Mr. HANSEN), has had an opportunity to review this proposal and I believe all parties are in agreement that it is an appropriate move.

Mr. JEFFORDS. I thank the gentleman. I have reviewed the bill and I would say that I have no objection to it.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1503

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subject to section 2, the Secretary of Agriculture shall release, on behalf of the United States, with respect to the land described in section 3, the condition contained in the deed dated September 24, 1954, recorded June 30, 1955, in deed book 447, page 595, in the Office of the Sussex County Recorder of Deeds, Georgetown, Delaware, between the United States of America and the State of Delaware, conveying certain tracts of land to the State of Delaware, which condition requires that the land conveyed by used for public purposes and if at any time such land ceases to be so used, it shall immediately revert to and become revested in the United States.

SEC. 2. The condition referred to in section 1, with respect to the land described in section 3, shall be released only upon certification by the Secretary of the Delaware Department of Natural Resources and Environmental Control to the Secretary of Agriculture that an area of wetlands, marsh, or shore lands within the State of Delaware containing at least 6.21 acres has been dedicated to public purposes. Such certification shall specify the location and set forth a legal description of the dedicated area, and shall be accompanied by a legal opinion establishing that title to the dedicated property is vested in the State of Delaware and that a restriction of public purpose applies to the dedicated property.

SEC. 13. The land referred to in section 1 is a tract of land, being a portion of tract numbered 24 of those lands conveyed by James Leslie Ford, marshal of the United States for District of Delaware, to the United States of America in the deed dated September 16, 1939, recorded November 20, 1939, in deed book 332, page 125, in the Office of the Sussex County Recorder of Deeds, Georgetown, Delaware, containing 6.21 acres of land, more or less, more particularly described as follows:

Beginning at the point of intersection of the northeasterly side of Hassell Street (at 30 feet wide) with the northeasterly side of a 50-foot wide right-of-way known as Assawoman Street,

thence with said point of beginning and along the said northeasterly side of Hassell Street, and crossing the said 50-foot wide right-of-way nown as Assawoman Street, south 05 degrees 20 minutes 55 seconds east, 297.80 feet to a point in the low water line of Little Bay;

thence by the various meanderings thereof, generally in a northwesterly and northeasterly direction, and the westerly limits of lands known as Bay View Park and Bay View Park first addition, 1,666 feet, more or less, to a point, said point being distant by the seventeen following tie lines connecting points in or near the said low water line from the last described point:

(1) south 39 degrees 04 mninutes 05 seconds west, 45.00 feet to a point;

(2) north 68 degrees 30 minutes 00 seconds west, 40.00 feet to a point;

(3) north 30 degrees 50 minutes 00 seconds west, 72.00 feet to a point;

(4) north 66 degrees 10 minutes 00 seconds west, 114.00 feet to a point;

(5) north 62 degrees 34 minutes 00 seconds west, 178.00 feet to a point;

(6) north 41 degrees 07 minutes 35 seconds west, 180.00 feet to a point;

(7) north 22 degrees 10 minutes 50 seconds east, 138.00 feet to a point;

(8) north 79 degrees 25 minutes 00 seconds east, 120.00 feet to a point;

(9) north 47 degrees 20 minutes 00 seconds east, 87.00 feet to a point;

(10) north 27 degrees 20 minutes 00 seconds east, 67.00 feet to a point;

(11) north 48 degrees 40 minutes 00 seconds east, 121.00 feet to a point;
(12) north 66 degrees 50 minutes 00 seconds east, 23.00 feet to a point;
(13) north 04 degrees 00 minutes 00 seconds east, 100.00 feet to a point;
(14) north 25 degrees 52 minutes 00 seconds west, 74.00 feet to a point;
(15) north 77 degrees 25 minutes 00 seconds west, 96.00 feet to a point;
(16) north 02 degrees 00 minutes 00 seconds east, 145.00 feet to a point; and
(17) north 81 degrees 52 minutes 00 seconds west, 66.00 feet to a point;
thence by a line through Bay View Park the first and second additions, crossing Hassell Street and Todd Drive and through lots numbered 8, 10, 12, 14, 16, 18 and a portion of 20, north 09 degrees 57 minutes 20 seconds west, 650.30 feet to a point;
thence continuing through a portion of lot numbered 20 and recrossing a portion of said Todd Drive, north 40 degrees 04 minutes 20 seconds west, 115.00 feet to a point in the low water line of Jefferson Creek;
thence thereby the two following described courses and distances:
(1) south 77 degrees 36 minutes 45 seconds east, 68.63 feet to a point; and
(2) north 75 degrees 50 minutes 00 seconds east, 30.90 feet to a point;
thence along the northeasterly line of lots numbered 2, 4, 6, 8, 10, 12, 14, 16, 18, and 20 of Bay View Park second addition, south 15 degrees 24 minutes 53 seconds east, 698.18 feet to a point in the line dividing Bay View Park first addition from Bay View Park second addition and the northeasterly side of Hassell Street;
thence by new lines along the said northeasterly side of Hassell Street the three following described courses and distances:
(1) south 85 degrees 30 minutes 00 seconds east, 53.72 feet to a point;
(2) south 15 degrees 24 minutes 53 seconds east, 295.00 feet to a point; and
(3) south 05 degrees 20 minutes 55 seconds east, 469.20 feet to a point on the northeasterly side of said Assawoman Street and the point and place of beginning.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1840

REQUEST FOR ADJOURNMENT

Mr. DANNEMEYER. Mr. Speaker, I move the House do now adjourn.

The SPEAKER pro tempore. Does the gentleman recognize we have not received the message from the Senate and that at this time we are awaiting the Senate's decision on the adjournment resolution?

Mr. DANNEMEYER. Mr. Speaker, I withdraw my motion.

The SPEAKER pro tempore. The Chair thank the gentleman.

UPDATE ON STATUS OF H.R. 4252

(Mr. PANETTA asked and was given permission to address the House for 1 minute.)

Mr. PANETTA. Mr. Speaker, I take this 1 minute to explain to the House that soon we will be acting on H.R. 4252, which is a bill that relates to noncash benefit assistance for the Puerto Rico area and to try to concur in an amendment. What this basically does is to extend the current cash program which Puerto Rico operates under its block grant approach. If we do not take this action this evening, on January 1, 1984 the program, itself, would expire and they would be required to turn back to a food stamp program per se.

So we have been able to work out an agreement to extend that program, take a look at it in greater depth, and hope to be able to get this legislation adopted so that they will know where they are in view of the program that they are currently operating.

Mr. COLEMAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. PANETTA. I will yield to the gentleman if I have the time.

The SPEAKER pro tempore. The gentleman has time. This is a long minute.

Mr. COLEMAN of Missouri. I appreciate the gentleman's yielding to me.

As we consider the bill that will be coming before us very shortly, it is true that we still have a study in this bill which will determine the effect of the purchasing pattern on the people of Puerto Rico under this direct cash assistance program, under the food and nutrition program, and that study is very important. That stays in the bill.

The only real change is a change from July 31, 1985, to an amendment that will be offered here shortly to this bill to September 30, 1985, at which time their authority to issue cash will cease unless the Congress reauthorizes it or changes it in some way. We expect that to coincide with the reauthorization of the food stamp legislation in general and hopefully we will alleviate any problems of this legislation not passing in this session because it would put somewhat of a requirement on the Puerto Rican government to come up with a new delivery system January 1, 1984. While that is not impossible, I think this is the best solution to it.

I want to thank the gentleman from California (Mr. PANETTA) and our chairman, the gentleman from Texas (Mr. DE LA GARZA) for working out a cooperative arrangement and allowing us to go forward with this legislation which will be before us very shortly.

Mr. PANETTA. I thank the gentleman.

Mr. Speaker, I yield to the chairman of the full committee, the gentleman from Texas (Mr. DE LA GARZA).

Mr. DE LA GARZA. I appreciate the gentleman's yielding.

Mr. Speaker, I would like to take this opportunity to express my appreciation to Senator HELMS who, even though he had some problem with this legislation, has been most cooperative in these last minutes because of his interest in cooperating with the House and with the government of Puerto Rico. I think that we are at this point and hopefully we will be able to successfully complete the legislation to alleviate what could be a very serious problem for the Governor and the government of Puerto Rico.

I do want to again repeat that had it not been for the cooperation of Senator HELMS with the chairman of the subcommittee and members of the subcommittee and myself personally, it would not have been possible to reach this compromise.

Mr. Speaker, I thank the gentleman for yielding.

Mr. CORRADA. Mr. Speaker, will the gentleman yield?

Mr. PANETTA. I am pleased to yield to the gentleman from Puerto Rico.

Mr. CORRADA. I thank the gentleman for yielding.

Mr. Speaker, I would like to express my deep appreciation to Chairman DE LA GARZA, the chairman of the Subcommittee on Nutrition, the gentleman from California (Mr. PANETTA), and the gentleman from Missouri (Mr. COLEMAN) for their help in resolving this problem.

This is the same bill that passed the House on suspension earlier this week and the only change that has been made is that instead of having a deadline of August 1, 1985, we have a deadline of September 30, 1985.

It does not change the amounts being provided under the block grant, nor does it involve any additional cost to the U.S. Government in terms of the assistance provided under the terms of this bill.

I deeply appreciate the support given to us by the House on this matter.

Mr. PANETTA. Mr. Speaker, I thank the gentleman.

Mr. WALKER. Mr. Speaker, will the gentleman yield to me?

Mr. PANETTA. I am pleased to yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, I must say this kind of bill coming to us this late in the session at this late hour, I would be predisposed to objecting to it. I understand there is a provision in there that might cause me to be somewhat more sympathetic to the bill.

It is my understanding that there are provisions in there that will assure that the retrospective budgeting will have to be implemented as of January 1 of next year, is that right, in all 50 States?

Mr. PANETTA. The gentleman is correct.

What we have done in here is maintained that requirement and we tried to revise it so it would be more implementable in terms of the States who have to do the job.

Mr. WALKER. Yes.

I understand there have been some technical changes to it. But it will mandate that that go into effect so that we have some hope of curing what the Secretary's report had stated as a 9.78-percent error rate in overissuance in the program. That is correct, is it not?

Mr. PANETTA. The gentleman is correct.

As the gentleman knows, we have had some concerns expressed by the States on this. What we have done in this amendment, with the help of Senator HELMS on the other side, is to define the targeting that is required here so that from an administrative point of view the States will be able to implement this with a minimum of overhead and a minimum of bother, and I think it is going to better target the requirements of the program.

Mr. WALKER. Mr. Speaker, I thank the gentleman. And if the gentleman will yield further, can the gentleman give me some assurance with respect to the cost of this bill? I understand there is no cost.

Mr. PANETTA. The gentleman is correct, there is no cost.

REPEALING NONCASH BENEFIT REQUIREMENT FOR PUERTO RICO NUTRITION ASSISTANCE PROGRAM

Mr. PANETTA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4252) to suspend the noncash benefit requirement for the Puerto Rico nutrition assistance program, and for other purposes, with the Senate amendments thereto, to concur in the Senate amendments 2 through 6, and to concur in Senate amendment No. 1 with an amendment.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The Clerk will report the Senate amendments and the House amendments to the Senate amendments.

The Clerk read the Senate amendments and the House amendments to the Senate amendments, as follows:

Senate amendments: Page 1, lines 3 and 4, strike out "for the period beginning January 1, 1984, and ending July 31, 1985," and insert "January 1, 1984,".

Page 2, strike out lines 3 to 8, inclusive, and insert:

(1) by striking out "the limit of twelve months may be waived by the Secretary to improve the administration of the program" in the second sentence and inserting in lieu thereof "the foregoing limits on the certification period may, with the approval of the Secretary, be waived by a State agency for certain categories of housholds where such waiver will improve the administration of the program"; and

Page 2, line 10, strike out "12" and insert "twelve".

Page 3, line 7, strike out "in person" and insert "in-person".

Page 3, line 24, after "section;" insert "or".

Page 4, line 12, strike out "information." and insert "information;".

Amend the title so as to read: "An Act to amend the Food Stamp Act of 1977 to repeal the noncash benefit requirement for the Puerto Rico nutrition assistance program, to provide States with greater flexibility in the administration of the food stamp program, and for other purposes.".

House amendments to the Senate amendments: In lieu of the matter proposed to be inserted by Senate Amendment number one, insert the following: "for the period beginning January 1, 1984, and ending September 30, 1985"; and, to concur in the Senate Amendment with an amendment to amend the title to read as follows:

"An Act to suspend the noncash benefit requirement for the Puerto Rico nutrition assistance program, to provide States with greater flexibility in the administration of the food stamp program, and for other purposes.".

Mr. PANETTA (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments and the House amendments to the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from California (Mr. PANETTA)?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PANETTA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PANETTA. Mr. Speaker, I take this time to express my thanks to the chairman, and Mr. COLEMAN and to the other members of the subcommittee and the Members on the other side, specifically Senator HELMS, for the cooperation he provided in getting this very necessary legislation adopted.

AUTHORIZING THE SPEAKER TO ACCEPT RESIGNATIONS AND TO APPOINT COMMISSIONS, BOARDS, AND COMMITTEES, NOTWITHSTANDING SINE DIE ADJOURNMENT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that notwithstanding the sine die adjournment of the 1st session of the 98th Congress, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR CHAIRMAN AND RANKING MINORITY MEMBERS OF EACH STANDING COMMITTEE AND EACH SUBCOMMITTEE THEREOF TO EXTEND THEIR REMARKS IN THE RECORD

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the chairman and ranking minority member of each standing committee and each subcommittee thereof be permitted to extend their remarks in the RECORD, up to and including the last publication thereof, and to include therewith a summary of the work of that committee or subcommittee.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

□ 1850

PERMISSION FOR MEMBERS TO EXTEND AND REVISE REMARKS UNTIL PUBLICATION OF LAST AUTHORIZED EDITION OF CONGRESSIONAL RECORD

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that all Members of the House shall have the privilege, until the last edition authorized by the Joint Committee on Printing is published, to extend and revise their own remarks in the CONGRESSIONAL RECORD on more than one subject, if they so desire, and may also include therein such short quotations as may be necessary to explain or complete such extensions of remarks, but this order shall not apply to any subject matter which may have occurred, or to any speech delivered subsequent to the adjournment of Congress.

The SPEAKER pro tempore (Mr. MILLER of California). Is there objection to the request of the gentleman from Texas?

There was no objection.

PERSONAL EXPLANATION

Mrs. KENNELLY. Mr. Speaker, I am recorded on October 4 as voting "no" on rollcall No. 379, a motion to suspend the rules and pass S. 1852 to extend the Defense Production Act for 2 years. I am a supporter of that legislation, and believe it is an important and effective program that needs to be continued.

I ask unanimous consent that this statement be inserted in the permanent RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Connecticut?

There was no objection.

THE GREAT LAKES PROTECTION ACT

(Mr. OBERSTAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBERSTAR. Mr. Speaker, I note with pleasure that the Midwest Governors, meeting in Indianapolis this week, have resolved to take concerted action at the State level to prevent diversion of water from the Great Lakes to other regions of the country.

I have introduced a bill today, the Great Lakes Protection Act, which increased impetus and urgency. The Great Lakes Protection Act would prohibit the sale or transfer of water from the Great Lakes Basin, or even study of such a move, without the consent of the Great Lakes States and, through the International Joint Commission, of Canada as well. It also encourages but does not require the adoption of a Great Lakes Compact between the States, which could set the stage for a more comprehensive agreement between the States on both water quantity and quality management.

I have already introduced, and hope to see enacted, the Nonpoint Source Control Act of 1983, which would close the last major water quality gap in the Clean Water Act by encouraging States to control rainwater runoff, a major source of pollution of all water bodies, including the Great Lakes.

The bill I introduce today turns our attention to water quantity, an equally critical concern in an increasingly water-short world.

The Great Lakes are certainly one of our region's most valuable resources. Water from the lakes serves our domestic and industrial needs, supports valuable commercial and sport fisheries, provides transportation for our manufactured goods, and supplies hydropower energy for our Nation and Canada. The lakes also serve as a priceless recreational resource, and a great environmental and even spiritual resource as well.

In recent years, water crises have stricken not only the more arid West, where aquifers are becoming severely depleted and rivers are increasingly contested, but the supposedly water-abundant East as well. We on the lakes, with 95 percent of the Nation's surface fresh water, and 20 percent of the world's supply of fresh water, have become ever more aware of other regions and interests looking enviously at our water.

A recent report by the International Joint Commission on "Great Lakes Diversions and Comsumptive Uses" projects that, by the year 2035, consumptive uses by the Great Lakes States and Canadian Provinces could rise to between 16,000 and 37,000 cubic feet per second, up from 4,900 cubic feet per second actually used in 1975.

Such projections suggest several important conclusions.

First, we clearly will have no water to spare for other regions of the country. The Great Lakes Protection Act would prevent any study, or any further diversions out of the basin, without the consent of each of the Great Lakes States, and Canada, which shares with us formal authority over uses of the lakes through the Boundary Waters Agreement of 1909.

But the IJC Report warns us just as clearly that the Lakes States, and Canadian Provinces, must join together in wise management of this shared resource, to protect its quantity and quality, and to assure that each use within the basin is well served and protected.

The bill thus suggests, but does not require, an interstate compact to govern sales or transfers of water out of the basin, as a first step, if so desired by the States, toward a real management plan covering all uses of the Great Lakes.

I believe we can and must prohibit diversions of water out of the basin, or even a study of such a move. But I also believe we must go farther, and work toward a more comprehensive plan. I will certainly welcome, and be willing to support, whatever formal agreements the States may reach, and look forward to working with the Great Lakes Governors in their own plans to protect the lakes.

WITHDRAWAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1800

Mr. STARK. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of the bill, H.R. 1800.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

JOHN PLEACHER, EDUCATOR OF THE YEAR

(Mr. CHANDLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHANDLER. Mr. Speaker, earlier this month a man named John Pleacher was named the State of Virginia's Educator of the Year.

I want to add my congratulations to Mr. Pleacher because he is a special person to our family. He is the eighth grade mathematics teacher for my son at Kenmore Intermediate School.

Mr. Pleacher is a man who is very much loved by his students and is my son's favorite teacher.

I know how hard people work in the education business and I thought it was very much to his credit when he was asked about the award and he said, "I am simply accepting this on behalf of the other hard working and dedicated teachers in the State of Virginia."

I think that says a great deal for him and for the fine people who are in the public schools of the United States today.

So, my heartiest congratulations to Mr. Pleacher on this very well deserved award.

ASBESTOS PRODUCTS MUST BE REMOVED FROM THE WORKPLACE

Mr. OBERSTAR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, the gentleman from Minnesota (Mr. OBERSTAR) is recognized for 1 minute.

There was no objection.

Mr. OBERSTAR Mr. Speaker, today I am introducing legislation to require Federal agencies which provide assistance for construction projects to give increased attention to protecting the health of American workers, by limiting the use of products containing friable, or crumbly, asbestos.

The Department of the Navy, surely the Federal agency with the most experience with asbestos, recently placed restrictions on the procurement and use of all friable asbestos products. I quote the pertinent part of the order, dated February 29, 1980, from the Chief of Naval Operations to his senior procurement officer:

> Use of friable asbestos products is inappropriate and should be prohibited, except in those instances where no acceptable substitute exists.

The devastating health effects of inhaling asbestos are only too well documented. OSHA has promulgated regulations to protect workers from exposure while cutting or otherwise handling asbestos-containing construction materials. But to rely on this protection only is to believe first, that workers and employers will at all times follow the regulations; and second and most important, that workers should be exposed at all to the risk, and employers to the extra expense of controlling, a hazardous substance, when safe substitutes exist.

The Department of the Navy is the first and only Federal agency which has had the foresight to establish any restrictions on the use of friable asbestos products on their construction sites. Meanwhile, other Federal agencies continue to permit asbestos-containing products to be used, primarily in roofing, flooring, and water and wastewater pipes, although appropriate substitutes exist.

EPA has recently announced its intention to propose, next July, a rule banning certain categories of friable

asbestos products. Even in the unlikely absence of legal delays to the implementation of such a ban, at least another year of authorized procurement of such products by Federal agencies will continue unless the Congress acts.

My bill would require all Federal agencies supporting construction programs to cease purchasing or providing funds for purchasing friable asbestos products, unless there are no adequate substitutes. This legislation would simpy insist that other Federal agencies follow the good example provided by the Department of the Navy.

Mr. Speaker, please note that this legislation would apply to those asbestos products which are friable, that is, those in which the asbestos fibers are released from the product into the atmosphere or waters as a result of cutting, grinding, abrasive or corrosive action.

This legislation would further insure that the agencies take this prudent step for the benefit of the workers who manufacture and install these toxic products and for the protection of the public at large. In addition, it would clearly limit the future liability of the Federal Government for the first time against potential personal injury claims arising from the manufacture, installation or use of these products in construction projects supported, directly or indirectly, by Federal funds.

EQUAL RIGHTS AMENDMENT

(Mr. SOLOMON asked and was given permission to address the House for 1 minute.)

Mr. SOLOMON. Mr. Speaker, the other day this body refused to approve the so-called equal rights amendment.

I voted against the ERA that day because those of us who are opposed to its broad form language were prohibited from offering amendments that would have taken away the objections that my constituents and I have to the present bill.

My position has always been to support any constitutional amendment that would guarantee women equality—without taking away the special privileges and benefits that they have traditionally and historically enjoyed.

I will never support any amendment like the one offered the other day that also guarantees men equality and therefore constitutionally revokes all special benefits and privileges for women, including draft exemptions and alimony payments and a host of other vital benefits.

NEW CHINA EXPORT POLICY

The SPEAKER pro tempore (Mr. MILLER of California). Under a previous order of the House, the gentleman from Washington (Mr. BONKER) is recognized for 10 minutes.

● Mr. BONKER. Mr. Speaker, I rise to commend the executive branch's new guidelines on exports of advanced technology to the People's Republic of China. After extensive interagency review, the administration has formulated a new set of rules designed to permit expeditious approval of items which are not of national security concern, while maintaining careful procedures for reviewing—and possibly denying—items which may present security risk.

I applaud the long hours devoted to this effort by the Departments of Commerce, Defense, State, the Joint Chiefs of Staff, and others. The new regulations will reduce delays in licensing many high technology exports to China—delays which have exasperated both U.S. businessmen and Chinese customers, hindered the growth of United States-China trade, and created friction in United States-China relations. The Department of Commerce predicts that high technology exports to China will grow to $2 billion in this fiscal year, compared to less than $900 million in fiscal year 1983, as a result of this new policy.

Exports of commercial items which may be of military significance if diverted to a military use are reviewed—and approved or denied—by the Department of Commerce, in consultation with the Department of Defense and other agencies, under the authority of the Export Administration Act of 1979. Although this act lapsed on October 14 because of the Senate's failure to consider its companion to the House-passed H.R. 3231, all the controls exercised under the 1979 act are being maintained under emergency powers provided to the President in the International Emergency Economic Powers Act. I might note that the full House adopted an amendment I offered to H.R. 3231 which would assure more favorable treatment in export licensing decisions for the People's Republic of China.

As Members will recall from the debate on H.R. 3231, each country is assigned to a country group for export control purposes. The first element of the new policy transfers China from a restrictive export control country group to a less restrictive group in which other friendly, nonalined nations are listed. This transfer is much more than a symbolic gesture because of two additional elements included in the new policy.

The second element divides several types of products controlled for national security purposes into three lists, or zones, based on the technical parameters of the products. These zones are referred to as the green, intermediate and red lists. The interagency group began creation of these lists by reviewing seven categories of controlled items, and for the convenience of exporters, I will mention the commodity control list (CCL) numbers of these categories:

Computers (CCL 1565A);

Computerized instruments (CCL 4529B);

Microcircuits (CCL 1564A):

Electronic instruments (CCL 1529A);

Recording equipment (CCL 1572A);

Semiconductor production (CCL 1355A); and

These seven product categories (of the 215 categories controlled for national security reasons) were selected because these seven encompass 75 percent of the export licenses which have been requested for China. The Commerce Department intends to review additional categories in the near future.

Products in these categories have been placed in the green, intermediate, or red zones on the basis of the risk their export poses to national security. Items on the green list present minimum risk. Items in the intermediate zone may or may not present risk, depending on their end-use. Items on the red list have direct application to advanced military capability.

U.S. exporters and Chinese customers may expect that items on the green list will generally be approved for export. Items on the red list are likely to be denied. Products in the intermediate range will be approved unless an item and its proposed end-use pose an identifiable risk to U.S. security.

The third element of the new policy assures expeditious approval of applications to export green list items, because items on this list will not require interagency review. Proposed export of these items will be judged solely by the Department of Commerce. For items in the yellow and red zones, which may present national security risk, the Department of Defense will continue to review each proposed transaction.

In testimony yesterday afternoon before the Subcommittee on International Economic Policy and Trade, which has jurisdiction over export controls and which I have the honor to chair, Mr. William T. Archey, Acting Assistant Secretary of Commerce for Trade Administration, said that formal rules to implement this new policy will be published in the Federal Register on Monday, November 21. I urge my colleagues to bring this new policy to the attention of their constitutents who manufacture high-technology products. The clarity of these new guidelines should encourage companies, particularly those which have not entered export markets because of uncertainty about what they may sell, to market their products in China, help the U.S. trade balance, and increase U.S. employment.●

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3391. An act to improve worker training under the Trade Act of 1974, and for other purposes.

□ 1900

PARLIAMENTARY INQUIRY

Mr. SAM B. HALL, JR. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. MILLER of California). The gentleman will state it.

Mr. SAM B. HALL, JR. Mr. Speaker, is it permissible at this time to wish all of the Members of this body a happy holiday season?

The SPEAKER pro tempore. The Chair thinks that that is in order, and the gentleman is recognized for that purpose.

A HAPPY HOLIDAY GREETING

Mr. SAM B. HALL, JR. Mr. Speaker, at this time of the year, during this season, I would like to wish every Member of this body, those who are working here as employees and Members, a very fine, happy, and prosperous holiday season.

The SPEAKER pro tempore. The Chair thanks the gentleman on behalf of all of the Members of the House.

PRESIDENT KENNEDY'S LEGACY ON ENDING THE NUCLEAR ARMS RACE

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, a series of events this week forces many Americans to consider solemnly the most critical issue of our time: the real and growing threat of nuclear war.

Earlier this week, the House passed the biggest appropriations bill in the history of this Nation—a quarter of a trillion dollars for the most awesome assortment of weaponry ever conceived by mankind. Later this week, millions of Americans will watch a film, "The Day After," which chronicles the aftermath of a world in which those kinds of terrible weapons of destruction have been loosed on the United States.

And this afternoon, in the Great Rotunda of the Capitol, we conducted a memorial service to commemorate our late president, John Fitzgerald Kennedy, who was assassinated 20 years ago next Tuesday.

The world is very different today from the world President Kennedy knew. And the dangers of nuclear weapons, and the threats of nuclear annihilation—whether intentional or by accident—are more real today than they were in 1963.

When President Kennedy issued his warnings about the dangers of nuclear warfare, there were no M-X missiles or B-1 bombers. There was no Stealth, no neutron bomb, no MIRV, no Trident. The nuclear weapons which frightened President Kennedy are only a fraction of the nuclear arsenal which exists today, an arsenal equivalent to 5,000 times the explosive power of all the munitions of all sides in World War II.

President Kennedy did not shy away from military spending, or even from military confrontation. Within his brief Administration, we endured serious military crises at the Bay of Pigs, Berlin, Vietnam, and the Cuban blockade. While President Kennedy felt his failures deeply, he did not respond to his successes with strident bravado or confrontational arrogance.

Instead, President Kennedy's brushes with nuclear conflict made him recognize the need to pursue simultaneously a strong defense and efforts to reduce the likelihood of war. After having stared down our Soviet adversaries, he was willing to sit down with those same adversaries to seek ways of preventing military conflict.

"Let us never negotiate out of fear," he said in his inaugural address in 1961, "but let us never fear to negotiate."

Today, I fear, we have lost the inclination to negotiate for peace because our administration is flushed with the success of military victory. But thoughtful men and women, in this House and throughout the Nation, understand all too clearly that neither powerful weapons nor successful maneuvers diminish the need to reduce the nuclear threat through serious negotiations with the Soviet Union.

His words are more appropriate today than they were in 1963, because the threat of global nuclear war is greater today. During the last 20 years, there has been an enormous expansion in nuclear weaponry, and in the last several years, a disturbing deterioration in our relations with the Soviet Union.

President Kennedy acknowledged the need to expend "billions of dollars every year on weapons acquired for the purpose of making sure we never need to use them." But he noted, "the acquisition of such idle stockpiles * * * is not the only, much less the most efficient, means of assuring peace."

He challenged the notion that in a world as riddled with conflict as our own, it is fanciful to speak of controlling nuclear weapons.

"Some say it is useless to speak of world peace or world law or world disarmament," he said. But "peace need not be impracticable, and war need not be inevitable.

"Both the United States and its allies, and the Soviet Union and its allies, have a mutually deep interest in a just and genuine peace and in halting the arms race.

"So let us not be blind to our differences, but let us also direct attention to our common interests and to the means by which those differences can be resolved. And if we cannot end now our differences, at least we can help make the world safe for diversity."

If President Kennedy's words made sense in the aftermath of the Bay of Pigs, the Cuban missile crisis, and the Berlin crisis, then they make sense in the wake of KAL 007 and Poland.

Yet today, I fear that on both sides, we are moving toward leaderships which gloat on their military successes rather than recognizing, as did John Kennedy, that each "success" is one further step toward the unthinkable, but not impossible, nuclear holocaust.

Do not misunderstand my words: The Soviet leaders are wary of our intentions, committed to their political system, and confrontational in their style. Surely they regard us in precisely the same fashion. So if we are to move beyond this diplomatic gridlock, it will require a greater degree of trust and a greater commitment to peace than either side has exhibited in recent years.

And if assuring peace requires risks, what then are the risks of continuing a build-up in nuclear weapons and international confrontation which daily enhances the likelihood of nuclear accident, if not nuclear war? Is it not in the Soviet interest, as much as our own, to avert that tragedy?

"For in the final analysis," President Kennedy said, "our most basic common link is that we all inhabit this small planet.

"We all breathe the same air. We all cherish our children's future. And we are all mortal * * * All we have built, all we have worked for, would be destroyed in the first 24 hours of a nuclear exchange."

Those words took courage to utter in 1963, and they will require courage to act upon in 1983. But the stakes are the future of this planet and all the people of every country on it.

So as we recall President Kennedy, let us remember his most timely message: "We can seek a relaxation of tensions without relaxing our guard. And, for our part, we do not need to use threats to prove that we are resolute."

Surely we must be prepared to defend ourselves and our interests. But the world has grown too strong, our weapons too awesome, and the margin of error too miniscule to allow

rhetoric and ideological rigidity to jeopardize our efforts to remove the nuclear threat.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from New York.

Mr. STRATTON. I appreciate the gentleman's yielding.

Mr. Speaker, as one who had the privilege of serving in Congress with the late President Kennedy, I think the gentleman from California, although he quoted his words, apparently did not understand them.

What President Kennedy said was that unless our arms are sufficient beyond doubt, only then can we be certain beyond doubt that they will not have to be used.

Mr. MILLER of California. I will take back my time.

Mr. Speaker, if the gentleman would have listened to the speech I gave, I made that point very clear, that that was a very clear recognition on the part of the President, that the armaments of this country had to be superior, they had to be in a position so as to provide deterrence.

Mr. STRATTON. But the gentleman is apparently giving us a buildup for the——

Mr. MILLER of California. Mr. Speaker, I yield back the balance of my time.

THE PREVENTION OF NUCLEAR WAR

(Mr. STRATTON asked and was given permission to address the House for 1 minute.)

Mr. STRATTON. Mr. Speaker, I think what our friend, the gentleman from California, is apparently doing is trying to give us a little buildup for the movie spectacular that is scheduled for Sunday night.

The fact of the matter is that President Kennedy recognized the problem of nuclear warfare, and he pointed out that the only way in which we can prevent it is to have adequate and sufficient weapons.

The plain fact of the matter is that we do not have a sufficient amount to face the threat of the Soviet Union, and that is why we are engaged in these negotiations in Geneva, trying to get the Soviets to reduce their arsenals; and we are moving very lamely on our side to try to match their arsenals. Once we get them in balance, as President Kennedy, who knew something about war—he did not deal with it just theoretically—recognized, only then would we be able to prevent nuclear warfare. And we are not going to prevent it by showing these horror stories on television on Sunday night and scaring everybody. We know it is a dangerous kind of thing, but that does not solve the question of how you prevent nuclear war.

If the gentleman from California would study President Kennedy's remarks a little more closely, I think he would understand the solution.

Mr. ROEMER. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Louisiana.

Mr. ROEMER. I thank the gentleman for yielding.

Mr. Speaker, I pose a question to the gentleman. The gentleman made a derogatory comment about the upcoming movie that shows the horror of nuclear war.

Would the gentleman prefer that that movie not be shown? Does the gentleman think it does more damage than good?

Mr. STRATTON. I am sure it is going to do a lot more damage than it is going to do good.

The point is, only those who have a subliminal intelligence are unaware of the fact that nuclear weapons are not healthy for children or anybody else.

The basic question that we need to solve—and which I thought we were trying to solve—is: How do we go about preventing nuclear war? How do we go about deterring it?

The production that is going to be put on television on Sunday night is not going to answer that question one iota. That is the damage of it. You have all of these little kids running around now, and, because there are courses in nuclear war being taught by some of those teachers who grew up during the Vietnam war, they are worrying all about the possibility of nuclear war. Do you and I worry about earthquakes? There is a possibility that this building might collapse with an earthquake, but we do not stay awake worrying about whether the Capitol is going to fall from an earthquake or even a whirling propeller over the dome.

Mr. ROEMER. Mr. Speaker, I thank the gentleman.

PARLIAMENTARY INQUIRY

Mr. WALKER. Mr. Speaker, I have a quasi-parliamentary inquiry.

The SPEAKER pro tempore. (Mr. EDGAR). The gentleman will state his parliamentary inquiry.

Mr. WALKER. Could the Speaker give us some idea as to what we might be waiting for at this point from the Senate?

The SPEAKER pro tempore. We are waiting for a message from the Senate bringing the adjournment resolution.

Mr. WALKER. Mr. Speaker, do we have any idea as to how long we might have to wait for that?

The SPEAKER pro tempore. It will not be an infinity.

Mr. WALKER. It will not be infinity?

The SPEAKER pro tempore. It will not be.

Mr. WALKER. I thank the Chair.

COMMUNICATION BETWEEN WORLD POWERS

(Mr. STARK asked and was given permission to address the House for 1 minute.)

Mr. STARK. Mr. Speaker, the discussion of the prospective Sunday night television movie has been raised here on the floor. Without taking sides between my good friend, the gentleman from California, and my good friend, the gentleman from New York, if the public fears are increased as a result of that movie, I would urge the Members of the House to consider a bipartisan support of a bill which I have introduced, which would create a communication center to be named jointly by the Russians and the Americans to improve on the present hotline or red phone, which is all that exists between the leaders of these two large and great powers.

□ 1910

I hope that if there is some fear generated in the response to the question of the gentleman from New York, that in addition to weapons, and in addition to education for the reduction of nuclear destruction, we could improve our communication system between the Russians and ourselves, and I would hope if the fear level is increased as a result of this movie, we might move for speedy hearings in the next session of this Congress to investigate the possibility of at least reducing a communications error as being responsible for a potential holocaust.

Mr. ROEMER. Mr. Speaker, will the gentleman yield?

Mr. STARK. I am delighted to yield to the gentleman from Louisiana.

Mr. ROEMER. I appreciate my colleague from California yielding.

Mr. Speaker, I know the gentleman said he did not want to take sides, but I find that our colleague, the gentleman from New York, gave an interesting answer to the question: Would you rather the movie not be shown? I think he said that he would rather it not be shown. How do you feel about that kind of information?

Mr. STARK. I feel that the movie definitely should be shown. I think we are all adult enough to deal with adult material, and the idea of a nuclear holocaust which could spoil your whole holiday, I think, is worth studying by the American public. I think they are eminently capable of making up their own minds. I think they are capable of assessing whether it is propaganda or whether it is truth.

I think the public will be a better informed public and make us a better democracy.

Mr. ROEMER. Mr. Speaker, I thank the gentleman.

THE DAY AFTER—A POLITICAL FILM

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, as one of those who has been privileged to have the opportunity to have a preview of this movie, since it has been brought to the attention of the floor, I would just suggest that it is an interesting film; the only problem is, there is a lack of context there.

It struck me after I saw it, it would be very similar to showing a film on the SLA shootout in southern California where the police had an unfortunate incident dealing with the Symbionese Liberation Army. It would be taking it from the context of the individuals inside that house who were absolutely destroyed, and the tremendous devastation that took place at that time without any context of what the police were going against.

It seems to me if they film something of that sort, the natural reaction of any viewer would be to disarm the police.

I am very concerned about the fact that ABC would bring this movie, schedule it, just about a week or so before certain new weapons are to be placed in Western Europe—just a couple weeks thereafter—and would even suggest, at least in the original version of the film, that the reason for the attack was the fact that the United States had placed Pershing II's and cruise missiles in Western Europe.

If it is not a political film, they at least ought to take such references out.

I would also say, Mr. Speaker, that some of us challenge people from ABC to show an alternative to the film next year, and that is to show what would happen if, in fact, the Soviet Union moved on Western Europe, no response was given, and show us what it would be like to live under the rule of the Soviet Union so that at least we can show why we have this delicate balance that has been created with the use of these weapons.

Mr. Speaker, I am not going to suggest anybody should see it or not see it. I just suggest that ABC ought to show some responsibility in what they say is a nonpolitical gesture.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution and a concurrent resolution of the House of the following titles:

H.J. Res. 412. Joint resolution providing for the convening of the 2d session of the 98th Congress, and for other purposes; and

H. Con. Res. 221. Concurrent resolution providing for the sine die adjournment of the 1st session of the 98th Congress.

APPOINTMENT AS MEMBERS OF COMMITTEE TO INFORM THE PRESIDENT OF THE UNITED STATES THAT THE TWO HOUSES HAVE COMPLETED THEIR BUSINESS AND ARE READY TO ADJOURN

Mr. WRIGHT. Mr. Speaker, I call up a privileged resolution (H. Res. 380) and ask for its immediate consideration.

The clerk read the resolution, as follows:

H. RES. 380

Resolved, That a committee of two Members be appointed by the House to join a similar committee appointed by the Senate, to wait upon the President of the United States and inform him that the two Houses have completed their business of the session and are ready to adjourn, unless the President has some other communication to make to them.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. The Chair, on behalf of the Speaker, and without objection, appoints as Members on the part of the House of the Committee to Inform the President the gentleman from Texas (Mr. WRIGHT) and the gentleman from Illinois (Mr. MICHEL).

There was no objection.

IMMIGRATION REFORM AND CONTROL ACT REMAINS LOST

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, some several months ago the gentleman from Kentucky took a moment before the start of the summer recess period to wish all the Members a very happy summer recess and to wish them enjoyment, and also to call attention to the fact that the Immigration Reform and Control Act, which had been reported by a 20-to-10 vote from the House Committee on the Judiciary, had still not had a chance to reach the floor for debate.

So several months later, the gentleman from Kentucky is standing in the same House before the beginning of another vacation wishing to all Members of the House of Representatives a happy Christmas, happy Hanukkah, but also taking a moment to remind the House, and the Speaker of this House, of the fact that the Immigration Reform and Control Act, which was passed by a very substantial vote from the House Committee on the Judiciary in May of this year, remains lost or tied up or somehow incarcerated in the bowels and in the labyrinthine channels of the Hill, somehow screaming to be let out to have the sunshine allowed upon it, and somehow it remains tied up.

So I would just, as the gentleman from Kentucky wishes all the Members well and to have a very happy, relaxing Thanksgiving and Christmas, also call attention to the fact that there is one measure which will not have a happy holiday, and that is H.R. 1510, the Immigration Reform and Control Act.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. MAZZOLI. I am happy to yield to my friend, the gentleman from California.

Mr. LUNGREN. Mr. Speaker, I thank the gentleman for yielding.

This is the same bill, essentially, that we were talking about a year ago that had not been treated until we got it at about midnight for a couple of nights to discuss?

Mr. MAZZOLI. The gentleman has been a very valuable member of our subcommittee, and his memory is tenacious and absolutely accurate. The gentleman has a photographic memory for dates and times.

It is indeed, a fact, that it was at 2 o'clock in the morning when the gentleman and I waged a lonely vigil here on the House floor trying to get this Congress and this Nation to agree that we have a dramatic immigration problem and our bill was one possible solution.

Mr. LUNGREN. Would the gentleman object if I asked unanimous consent that we bring it to the floor right now?

Mr. FRENZEL. If the gentleman would yield, it is the only piece of legislation left around here that we have not taken up tonight. I think it would be a good idea.

Mr. MAZZOLI. I would say to my friend from California that that is right. The gentleman from Kentucky has been on the floor, he has been vigilant, he has been devoted. He stood here and carried his little lantern and tried to shine in the deep recesses and corners of this Chamber, trying to find the bill, H.R. 1510. I have been told it is in that corner; I go over with my little lamp and it is not there. I have been told that it is in this corner; I go racing over.

Mr. LUNGREN. If the gentleman will yield, I can tell him where it is. It is in the Speaker's office. If you just go out that door and down the hall, I think you can find it.

□ 1920

Mr. MAZZOLI. Mr. Speaker, would my friend, the gentleman from California, say that I have been misdirected in seeking it in the other corner?

Mr. LUNGREN. Mr. Speaker, if the gentleman will yield further, I just

want to inform the gentleman and my colleagues that since the Speaker has announced that we have no national problem and there is no national constituency for an immigration bill, somewhere around 120,000 people have been apprehended coming into this country illegally, most of them on the southern border, and for every one that is apprehended, between two and four successful entries are made; so that would add up to more than a congressional district that has come into the United States since the Speaker informed us that we do not have any reason for it; so if we continue this pattern, perhaps by the end of the Congress we will have enough people here to add 10 Members of Congress to deliberate on this bill next time around.

Mr. MAZZOLI. Mr. Speaker, I thank the gentleman for his comments. Our time is about to expire, but I would like to just again say on a more serious note that I do wish every Member of the House and all Members of the Congress and all of our staff and our diligent Speaker pro tempore a very happy holiday.

I do hope that when we come back in January next year, 1984, I do hope that among the many pieces of important legislation which is scheduled for deliberation by this House will be H.R. 1510, the Immigration Act.

THE WISDOM OF HUBERT HUMPHREY

(Mr. DORGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN. Mr. Speaker, we are going to adjourn today and we have today passed the largest defense bill in the history of the country. We are leaving behind us the largest deficit in the history of the country. We leave behind us, as we have on past occasions, I think, the threat that that nuclear cloud poses for civilization. It is, I think, the fault of the superpowers who are involved in an arms race that they cannot seem to extricate themselves from.

I know there has been a lot of discussion about whether Americans should or should not watch the Sunday night movie, but I would like to leave you with this thought, if I might.

Hubert Humphrey, just before he died, was privileged to speak to a joint session of Congress here in the House. I think he was only the second Senator accorded that honor. He was about 6 weeks from his death and we all remember what he looked like. He appeared emaciated. He knew he was dying and he spoke to the people he had served with for so many years. What Hubert Humphrey said to this House was I think very interesting.

He said, "To the extent that we know it, this is the only place in the universe where life exists."

He said, "The question of whether that life will continue to exist rests largely with the question of whether the American people can possess the leadership to keep it in existence."

I think he meant by that that we have to take up the cudgel to provide the leadership to try to extricate ourselves from the arms race.

I am not suggesting unilateral disarmament. I do not trust the Soviets, no one in this body does; but I think we need to try to figure out how to provide the leadership to be as aggressive at arms control as we are at arms expansion. We need to figure out a way to extract ourselves from this arms race. Otherwise, we and the Soviets will end up being No. 1 in missiles and No. 2 in everything else in this world. You cannot long sustain a first rate military with a second rate economy and I am afraid that is what is going to happen if we survive at all this threat of a nuclear holocaust that comes from having the kind of arsenals we are building month after month and year after year.

We have a leadership responsibility and I think the movie that is going to be shown Sunday night, I have not had the chance to preview it, but it is worthwhile if only once again it points out that we do have a nuclear threat in this world, that we are part of it. We are not necessarily solely responsible. The Soviets play a large role in it. Nonetheless, we are part of it and we have a responsibility, I think, to provide the leadership to step back from it.

So I hope that as we leave this session of the 98th Congress, that we will understand that when we come back we will have some grave responsibilities ahead of us to see if we can resolve that very serious question, the question that will be posed Sunday night on the TV program and the question that hangs over all our heads all the time, what do we do about the threat of nuclear war.

REPORT OF COMMITTEE TO INFORM THE PRESIDENT

Mr. WRIGHT. Mr. Speaker, your committee appointed to join a committee of the Senate to inform the President that the Congress is ready to adjourn, and to ask him if he has any further communications to make to the Congress, has performed that duty. The President has directed us to say that he has no further communication to make to the Congress, except to wish to all a very happy holiday season and a pleasant Thanksgiving with families and loved ones and a happy Christmas.

Mr. MICHEL. Mr. Speaker, I would add to what the majority leader has said, that the President noted, as the majority leader reminded him, that we started out the session on a very bipartisan effort successfully. We had our differences in between time, but happily today we all got together on the matters that really counted to get us out of here on time, and for that we are most grateful.

I would most certainly reaffirm that the President wished everybody a very happy Thanksgiving and a happy holiday season.

The SPEAKER pro tempore. We thank the gentlemen for their report.

THE PRIVILEGE AND FREEDOM OF THE MEDIA

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, previously we had some discussion in the House this evening just a short time ago about this film to be shown Sunday evening.

I hope that the producers of that film, ABC, are successful in showing it on television in the Soviet Union, because I know that people all over the world yearn for peace and hope and pray that we can figure out some way of turning down this rearmament that exists all over the world by the Soviets and by the United States. On a mutually verifiable basis, I think the leaders of both countries, hopefully and prayerfully, will come to that conclusion and to that goal; but I think that when historians try to figure out what the biggest impact of that movie will be and was on the American people, I suspect that it will teach a lesson or bring to the attention of the American people more than the message itself the extent to which the media sets the agenda for the political side of our country more than we do here in the Congress or down in the White House.

Unelected people in the media, exercising the prerogative of free speech, which I certainly support, have the ability in this instance to make a significant impact and contribution on the awareness of the American people. It is a privilege and a freedom and I hope that they will use it judiciously and properly and extend that vision to other peoples of the world so that there can be balance with respect to this movie.

□ 1930

HOPE FOR MEANINGFUL IMMIGRATION REFORM

(Mr. GARCIA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GARCIA. Mr. Speaker, I would just like to take this opportunity and

also wish all the Members a very happy holiday season.

I could not help but, as I sat in my office viewing the proceedings, listen to my colleague from the great State of Kentucky talk about a missing piece of legislation joined in by my colleague, the gentleman from California. To both those gentlemen, I know how long they have labored and how long they have worked, and I know how much of their own personal emotions have been involved in that legislation. I just would like to assure both of them that I think we all have the responsibility, starting with this particular Member right here, to try and come up with a meaningful piece of legislation as it deals with immigration reform where, in fact, those of us on this floor could agree, and I would hope that at the beginning of the 2d session of the 98th Congress we, in fact, will be able to do something, something in which we work collectively and join together, because I believe it is important we do something.

Mr. Speaker, I yield back the balance of my time.

REQUEST FOR CONSIDERATION OF H.R. 3391, TRADE ACT OF 1974 AMENDMENTS

Mr. SHANNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3391) to improve worker training under the Trade Act of 1974, and for other purposes, with a Senate amendment thereto, and concur with the Senate amendment with an amendment which is at the desk.

The Clerk read the title of the bill.

The Clerk read the Senate amendment and the House amendment to the Senate amendment, as follows:

Senate amendment: Strike out all after the enacting clause and insert:

SECTION. 1. CONTINUED PAYMENT OF DISABILITY BENEFITS DURING APPEAL.

(a) Section 223 (g)(1) of the Social Security Act is amended by striking out "June 1984" and inserting in lieu thereof "December 1984".

(b) Section 223(g)(3)(B) of such Act is amended by striking out "December 7, 1983" and inserting in lieu thereof "June 7, 1984".

SEC. 2. SUPPLEMENTAL SECURITY INCOME BENEFITS FOR INDIVIDUALS WHO PERFORM SUBSTANTIAL GAINFUL ACTIVITY DESPITE SEVERE MEDICAL IMPAIRMENT.

Section 201(d) of the Social Security Disability Amendments of 1980 is amended by striking out "for a period of three years after such effective date" and inserting in lieu thereof "until December 31, 1986".

House amendment to Senate amendment; Strike section of the Senate amendment and renumber the succeeding section accordingly.

Mr. FRENZEL. Mr. Speaker, reserving the right to object, I would like to yield to the gentleman for an explanation.

Mr. SHANNON. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Massachusetts.

Mr. SHANNON. Mr. Speaker, I thank the gentleman for yielding.

This is a very simple piece of legislation which the other body has sent back here. It deals with two issues, one of which is a small SSI issue affecting approximatley 5,000 disabled people in this country that would have been taken care of in the bill which was to be considered by the House today and the second section which is struck by my amendment deals with continuing disability benefits through the administrative law judge level which also have been dealt with in that bill. We can deal with the disability issue when we come back next year but for the 5,000 people receiving the special SSI benefit, benefits will end the end of December. These are people who are working, who need SSI to get medicaid benefits, and they need the benefits to get to work, and they will be severely prejudiced unless the House and Sente are able to extend these benefits past end of this year.

These were noncontroversial issues taken up in the Ways and Means Committee and were part of the bill that was to be considered in the House today. I hope my colleagues will go along with my request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

Mr. DANNEMEYER. Mr. Speaker, reserving the right to object, could the gentleman tell us about the costs of this bill?

Mr. SHANNON. Approximately $5 to $10 million a year, going to 5,000 seriously disabled SSI recipients in this country, many of them younger people who are working and need medical benefits.

Mr. DANNEMEYER. Further reserving the right to object, Mr. Speaker, was this a feature of that tax bill that the House declined to adopt the rule for yesterday?

Mr. SHANNON. If the gentleman will yield, it was a part of the disability amendments which received broad bipartisan support, and I am confident there would not have been one word of debate on this particular issue had the matter come before the full House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

Mr. DANNEMEYER. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.i

SENATE JOINT RESOLUTION

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 173. Joint resolution commending the Historic American Buildings Survey, a program of the National Park Service, Department of the Interior; to the Committee on Interior and Insular Affairs.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. LOTT) to revise and extend their remarks and include extraneous material:)

Mr. MORRISON, for 30 minutes, today.

Mr. YOUNG of Alaska, for 10 minutes, today.

Mr. MCCAIN, for 30 minutes, today.

Mr. CORCORAN, for 5 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. SYNAR, for 5 minutes, today.

Mrs. KENNELLY, for 5 minutes, today.

Mr. STARK, for 5 minutes, today.

Mr. WIRTH, for 15 minutes, today.

Mr. LEVITAS, for 30 minutes, today.

Mr. COYNE, for 5 minutes, today.

Mr. BARNES, for 5 minutes, today.

Mr. UDALL, for 5 minutes, today.

Mr. STRATTON, for 5 minutes, today.

Mr. VENTO, for 5 minutes, today.

Mr. FRANK, for 5 minutes, today.

Mr. LAFALCE, for 5 minutes, today.

Mr. DE LA GARZA, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 60 minutes, today.

Mr. BRITT, for 5 minutes, today.

Mr. BROOKS, for 5 minutes, today.

(The following Members (at the request of Mr. STARK) to revise and extend their remarks and include extraneous material:)

Mr. BROOKS, for 5 minutes, today.

Mr. BONKER, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. CAMPBELL, to enter a personal explanation immediately after rollcall No. 528.

Mr. BIAGGI, to enter a personal explanation on House Joint Resolution 100.

Mr. BONKER, prior to the vote on House Resolution 379, today.

Mr. DOWNEY of New York, and to include extraneous matter, notwithstanding the fact that it exceeds two pages in the RECORD and is estimated by the Public Printer to cost $4,347.

Mr. NEAL, prior to the vote on House Joint Resolution 308, in the House today.

Mr. JEFFORDS, prior to the vote on H.R. 3385, in the House today.

(The following Members (at the request of Mr. LOTT) and to include extraneous matter:)

Mr. GILMAN in two instances.

Mr. TAUKE in two instances.
Mr. MCKERNAN.
Mr. WILLIAMS.
Mr. BLILEY in two instances.
Mr. CLINGER in two instances.
Mr. SMITH of New Jersey.
Mr. SHUMWAY.
Mr. BILIRKNIS in four instances.
Mr. ROGERS.
Mr. MICHEL in five instances.
Mr. COURTER.
Mr. WOLF.
Mr. LEWIS of Florida in two instances.
Mr. DAUB in three instances.
Mr. LEACH in seven instances.
Mr. CONTE.
Mr. CHENEY.
Mr. GUNDERSON.
Mr. GOODING.
Mr. LEWIS of California.
Ms. FIEDLER.
Mr. HYDE in five instances.
Mr. BETHUNE.
Mr. GUNDERSON.
Mr. ERLENBORN.
Mr. MCEWEN.
Mr. ROTH.
Mr. PURSELL.
Mr. HORTON.
Mr. BROOMFIELD.
Mr. MOLINARI.
Mr. CONABLE.
Mr. CONTE.
Mr. GREEN in three instances.
Mr. PHILIP M. CRANE in three instances.
Mr. ROBINSON.
Mr. LOTT.
Mr. CAMPBELL.
Mr. BEREUTER in two instances.
Mr. LIVINGSTON.
Mr. MORRISON of Washington.
Mr. BARTLETT.
Mr. KEMP in two instances.
Mr. WOLF in two instances.
Mr. GEKAS.
Mr. FISH.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. LANTOS in three instances.
Mr. MATSUI.
Mr. STOKES in two instances.
Mr. HOWARD in two instances.
Mr. JACOBS.
Mr. MARKEY in two instances.
Mr. FOLEY.
Mr. BONIOR of Michigan.
Mr. SIKORSKI.
Mr. BARNES in five instances.
Mr. RODINO in five instances.
Mr. KOSTMAYER in two instances.
Mr. MILLER of California in two instances.
Mr. FLORIO in two instances.
Mr. GAYDOS.
Mrs. SCHROEDER in two instances.
Mr. ROSTENKOWSKI.
Mr. RICHARDSON.
Mrs. KENNELLY.
Mr. FEIGHAN.
Mr. EVANS of Illinois in two instances.
Mr. BARNARD.
Mr. UDALL.
Mr. BONKER.
Mr. JONES of Oklahoma.
Mr. LOWRY of Washington.
Mr. SCHEUER.
Mr. WON PAT.
Mr. WIRTH in two instances.
Mr. HARKIN.
Mr. YOUNG of Missouri.
Mr. GEPHARDT.
Mr. HEFTEL of Hawaii.
Mr. FORD of Michigan.
Mr. KOGOVSEK.
Mr. BORSKI.
Mr. GAYDOS.
Mr. DE LUGO.
Mr. ZABLOCKI in four instances.
Mr. BROOKS in two instances.
Mr. WEISS in five instances.
Mr. HANCE.
Mr. PRICE.
Mr. YATRON in five instances.
Mr. MINETA in two instances.
Ms. KAPTUR.
Mr. LEVITAS in two instances.
Mr. GARCIA.
Mr. FOWLER.
Mr. LAFALCE in two instances.
Mr. RANGEL.
Mr. CORRADA.
Mr. OTTINGER in two instances.
Mr. ANDREWS of Texas.
Mr. CONYERS in three instances.
Mr. DYMALLY in three instances.
Mr. ROYBAL.
Mr. WALGREN in two instances.
Mr. DERRICK.
Mr. OBERSTAR.
Mr. ENGLISH.
Mr. HUBBARD.
Mr. HOYER.
Mr. SMITH of Florida in two instances.
Mr. DOWNEY of New York.
Mr. COYNE.
Ms. FERRARO.
Mr. AUCOIN.
Mr. KASTENMEIER.
Mr. DYSON in two instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 149. An act for the relief of Adel Shervin; to the Committee on the Judiciary.

S. 229. An act for the relief of Maxine Ann Fricioni; to the Committee on the Judiciary.

S. 256. An act for the relief of William Vojislav Rankovic, Stanislava Rankovic, husband and wife; and William Rankovic, Jr., and Natalie Rankovic, their children; to the Committee on the Judiciary.

S. 261. An act for the relief of Yaeko Howell; to the Committee on the Judiciary.

S. 277. An act for the relief of Marlon Dolon Opelt; to the Committee on the Judiciary.

S. 295. An act for the relief of Panivong Norindr and Panisouk Norindr; to the Committee on the Judiciary.

S. 301. An act for the relief of Kim Hae Ok Heimberger; to the Committee on the Judiciary.

S. 306. An act for the relief of Elga Bouilliant-Linet; to the Committee on the Judiciary.

S. 353. An act for the relief of Cirilo Raagas Costa and Wilma Raagas Costa; to the Committee on the Judiciary.

S. 367. An act for the relief of Mrs. Spyros Agriopoulos; to the Committee on the Judiciary.

S. 392. An act for the relief of Nabil Yaldo; to the Committee on the Judiciary.

S. 396. An act for the relief of Hyong Cha Kim Kay; to the Committee on the Judiciary.

S. 435. An act for the relief of Joseph Antonio Francis; to the Committee on the Judiciary.

S. 441. An act for the relief of Prashant Agarwal; to the Committee on the Judiciary.

S. 514. An act for the relief of Seela Jeremiah Piula; to the Committee on the Judiciary.

S. 517. An act for the relief of Doan Van Toai, his wife Doan Voduc Yvonne and their three children, Doan Minh Quoc Dinh, Doan Minh Quoc Binh, and Doan Minh Quoc Huy; to the Committee on the Judiciary.

S. 692. An act for the relief of Charles Gaudencio Beeman, Paul Amado Beeman, Elizabeth Beeman, and Joshua Valente Beeman; to the Committee on the Judiciary.

S. 779. An act entitled the "Intelligence Personnel and Probation Officers Protection Act"; to the Committee on the Judiciary.

S. 798. An act for the relief of Grietje Rhea Pietens Beumer, Johan Christian Beumer, Cindy Larissa Beumer, and Cedric Grant Beumer; to the Committee on the Judiciary.

S. 1060. An act for the relief of Samuel Joseph Edgar; to the Committee on the Judiciary.

S. 1145. An act to recognize the organization known as the Catholic War Veterans of the United States of America, Inc.; to the Committee on the Judiciary.

S. 1188. An act to relieve the General Accounting Office of duplicative audit requirements with respect to the Disabled American Veterans; to the Committee on the Judiciary.

S. 1324. An act to amend the National Security Act of 1947 to regulate public disclosure of information held by the Central Intelligence Agency; jointly to the Committees on Permanent Select Committee on Intelligence and Committee on Government Operations.

S. 1339. An act for the relief of Shyh-Fann Tyan-Norem and Bin-Ti Yao Tyan-Norem; to the Committee on the Judiciary.

S. 1494. An act for the relief of Kok Djen Su and Grace Su, husband and wife; to the Committee on the Judiciary.

S. 1775. An act to repeal section 3 of Public Law 96-344, to the Committee on Interior and Insular Affairs.

S. 1863. An act for the relief of Audun Endestad; to the Committee on the Judiciary.

S. 2079. An act to amend the charter of AMVETS by extending eligibility for membership to individuals who qualify on or after May 8, 1975, to the Committee on the Judiciary.

S. 2106. An act to designate the "John Sherman Cooper National Recreation Area" in Tennessee and Kentucky; to the Committee on Public Works and Transportation.

S.J. Res. 80. Joint Resolution to grant posthumously full rights of citizenship to

William Penn and to Hannah Callowhill Penn; to the Committee on the Judiciary.

S.J. Res. 173. Joint resolution commending the Historic American Buildings Suvey, a program of the National Park Service, Department of the Interior; to the Committee on the Interior.

S.J. Res. 196. Joint Resolution to designate January 16, 1984, as "Public Employees Appreciation Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 197. Joint Resolution to designate the week beginning November 20, 1983, as "National Adoption Week"; to the Committee on Post Office and Civil Service.

S. Con. Res. 80. Concurrent Resolution expressing the sense of the Congress that the President should take all steps necessary to bring the question of self-determination of the Baltic States before the United Nations, and for other purposes; to the Committee on Foreign Affairs.

SENATE ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following title:

S. 450. An act to amend title 39, United States Code, to strengthen the investigatory and enforcement powers of the Postal Service by authorizing certain inspection authority and by providing for civil penalties for violations of orders under section 3005 of such title (pertaining to schemes for obtaining money by false representations or lotteries), and for other purposes;

S. 726. An act to amend and extend the Tribally Controlled Community College Assistance Act of 1978, and for other purposes;

S.J. Res. 44. Joint resolution to authorize the President to issue a proclamation designating the week beginning on March 11, 1984, as "National Surveyors Week";

S.J. Res. 111. Joint resolution expressing the sense of the Congress with respect to international efforts to further a revolution in child health; and

S.J. Res. 141. Joint resolution to designate the week of December 4, 1983, through December 10, 1983, as "Carrier Alert Week."

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 24. An act to make certain land owned by the United States in the State of New York part of the Green Mountain National Forest;

H.R. 2230. An act to amend the Civil Rights Act of 1957 to extend the life of the Civil Rights Commission, and for other purposes;

H.R. 2590. An act to amend the Agricultural Adjustment Act to authorize marketing research and promotion projects, including paid advertising, for filberts, and to amend the Potato Research and Promotion Act;

H.R. 2592. An act to transfer from the Director of the Office of Management and Budget to the Administrator of General Services the responsibility for publication of the catalog of Federal domestic assistance programs, and for other purposes;

H.R. 2780. An act to extend and amend the provisions of title 31, United States Code, relating to the general revenues sharing program;

H.R. 4013. An act to extend the Small Business Development Center program administered by the Small Business Administration until January 1, 1985;

H.R. 4042. An act to continue in effect the current certification requirements with respect to El Salvador until the Congress enacts new legislation providing conditions for U.S. military assistance to El Salvador or until the end of fiscal year 1984, whichever occurs first;

H.J. Res. 93. Joint resolution to provide for the awarding of a special gold medal to Danny Thomas in recognition of his humanitarian efforts and outstanding work as an American; and

H.J. Res. 308. Joint resolution increasing the statutory limit on the public debt.

BILLS AND A JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on November 17, 1983, present to the President, for his approval, bills and a joint resolution of the House of the following title:

H.R. 594. An act to amend section 1 of the act of June 5, 1920, as amended, to authorize the Secretary of Commerce to settle claims for damages of less than $2,500 arising by reason of acts for which the National Oceanic and Atmospheric Administration is responsible;

H.R. 726. An act for the relief of James A. Ferguson;

H.R. 2077. An act to amend title 5, United States Code, to extend the Federal Physicians Comparability Allowance Act of 1978, and for other purposes;

H.R. 3222. An act making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1984, and for other purposes; and

H.J. Res. 168. Joint resolution to designate the week beginning May 27, 1984, as "National Tourism Week."

ADJOURNMENT SINE DIE

Mr. REID. Mr. Speaker, pursuant to House Concurrent Resolution 221, I move that the House do now adjourn sine die.

The motion was agreed to.

The SPEAKER pro tempore. In accordance with the provisions of House Concurrent Resolution 221, the Chair declares the 1st session of the 98th Congress adjourned sine die.

Thereupon (at 7 o'clock and 34 minutes p.m.) pursuant to House Concurrent Resolution 221, the House adjourned.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred to as follows:follows:

2159. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed offer to sell certain defense articles to Italy (Transmittal No. 84-19), pursuant to 10 U.S.C. 133b; to the Committee on Armed Services.

2160. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed offer to sell certain defense articles to Spain (Transmittal No. 84-22), pursuant to 10 U.S.C. 133b; to the Committee on Armed Services.

2161. A letter from the Secretary of the Treasury, transmitting a report covering the third quarter of 1983 on the activities relating to the minting of 1984 Los Angeles Olympic games coins, pursuant to section 11, Public Law 97-220; to the Committee on Banking, Finance and Urban Affairs.

2162. A letter from the Chairman, Harry S. Truman Scholarship Foundation, transmitting the annual report of the foundation for 1982-83, pursuant to section 13(b), Public Law 93-642; to the Committee on Education and Labor.

2163. A letter from the Secretary of Health and Human Services, transmitting an annual report on the health consequences of smoking, entitled "Health Consequences of Smoking: Cardiovascular Disease," pursuant to section 8(a) of Public Law 89-92; to the Committee on Energy and Commerce.

2164. A letter from the Acting Assistant Secretary of State, Legislative and Intergovernmental Affairs, transmitting a draft of proposed legislation to authorize a system of approval and permitting by the U.S. Commissioner of the International Boundary and Water Commission for construction in the limitrophe sections of the Rio Grande and the Colorado River, and for other purposes; to the Committee on Foreign Affairs.

2165. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's proposed intention to sell certain defense articles and services to Italy (Transmittal No. 84-19), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2166. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's proposed intention to sell certain defense articles and services to Spain (Transmittal No. 84-22), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2167. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during October 1983, pursuant to 31 U.S.C. 719(h); to the Committee on Government Operations.

2168. A letter from the Secretary, Commodity Credit Corporation, transmitting delayed reports on the Corporation's activities under the Government in the Sunshine Act during calendar years 1980, 1981, and 1982 pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

2169. A letter from the Secretary of the Board, Railroad Retirement Board, transmitting the Board's activities under 5 U.S.C. 552b (Government in the Sunshine Act) for calendar years 1980, 1981, and 1982; to the Committee on Government Operations.

2170. A letter from the Clerk, U.S. House of Representatives, transmitting his quarterly report of receipts and expenditures for the period July 1, 1983, through September 30, 1983, pursuant to section 104(a) of

Public Law 88-454 (H. Doc. No. 98-136); to the Committee on House Administration and ordered to be printed.

2171. A letter from the Acting Director, Department of the Interior, transmitting a report of review and revision of royalty payments for fiscal years 1981 and 1982 for Federal onshore and Outer Continental Shelf oil and gas leases, pursuant to section 602 of the Outer Continental Shelf Lands Act Amendments of 1978; to the Committee on Interior and Insular Affairs.

2172. A letter from the Chief Immigration Judge, Department of Justice, transmitting a report of review of the suspensions of deportation of certain aliens, where deportation causes hardship under section 244(a) of the Immigration and Nationality Act; to the Committee on the Judiciary.

2173. A letter from the Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting a draft of proposed legislation to authorize the President's Commission on Organized Crime to compel the attendance and testimony of witnesses and the production of information; to the Committee on the Judiciary.

2174. A letter from the President, American Council of Learned Societies, transmitting the Societies' audit report as of June 30, 1983, pursuant to sections 1102 and 1103 of title 36 United States Code; to the Committee on the Judiciary.

2175. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to increase the membership of certain regional fishery management councils; to the Committee on Merchant Marine and Fisheries.

2176. A letter from the Secretary of Labor, a final regulation which implements the "first-right-of-hire" provision of the Airline Deregulation Act, pursuant to section 43(f)(3) of Public Law 95-504; to the Committee on Public Works and Transportation.

2177. A letter from the Deputy U.S. Trade Representative, transmitting a report on the operation and effect of the International Sugar Agreement, 1977, pursuant to section 5, Public Law 96-236; jointly, to the Committees on Agriculture and Ways and Means.

2178. A letter from the Comptroller General of the United States, transmitting a report on the need of a new Federal misdemeanor law for prosecuting the forging of payee signatures on U.S. Treasury checks (GAO/GGD-84-6; November 17, 1983); jointly, to the Committees on Government Operations and the Judiciary.

2179. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a report of the nondisclosure of safeguards information by the Commission for the quarter ending September 30, 1983, pursuant to section 207(a) of Public Law 96-295; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ADDABBO: Committee of conference. Conference report on H.R. 4185 (Rept. No. 98-567). Ordered to be printed.

Mr. HALL of Ohio: Committee on Rules. House Resolution 15. Resolution to establish the Select Committee on Hunger; with an amendment (Rept. No. 98-568). Referred to the House Calendar.

Mr. BOLAND: Committee of conference. Conference report on H.R. 2968 (Rept. No. 98-569). Ordered to be printed.

Mr. PERKINS: Committee on Education and Labor. S. 38. A bill entitled the "Longshoremen's and Harbor Workers' Compensation Act"; with an amendment (Rept. No. 98-570). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 4043. A bill to modify the operation of Federal and State antitrust laws with respect to certain joint research and development activities, and for other purposes; with an amendment (Rept. No. 98-571, Pt. I). Ordered to be printed.

Mr. BROOKS: Committee on Government Operations. Report on the Federal response to the impact of Mexican Peso devaluations on U.S. border business (Rept. No. 98-572). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on Federal supervision and failure of United American Bank in Knoxville, Tenn., and affiliated banks (Rept. No. 98-573). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOUCHER: Committee of conference. Conference report on H.R. 1035 (Rept. No. 98-574). Ordered to be printed.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 4080. A bill to amend the Public Health Service Act to authorize financial assistance for organ procurement organizations, and for other purposes; with an amendment (Rept. No. 98-575, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of North Carolina:

H.R. 4472. A bill to amend the Older Americans Act of 1965 by adding a new title relating to multipurpose senior centers education and training; to the Committee on Education and Labor.

By Mr. LANTOS:

H.R. 4473. A bill to designate the Federal Archives and Records Center in San Bruno, Calif., as the "Leo J. Ryan Memorial Federal Archives and Records Center"; to the Committee on Public Works and Transportation.

By Mr. GORE (for himself, Mr. WAXMAN, Mr. LUKEN, Mr. BROYHILL, Mr. MADIGAN, and Mr. SKEEN):

H.R. 4474. A bill to amend the Public Health Service Act to authorize financial assistance for organ procurement organizations, and for other purposes; to the Committee on Energy and Commerce.

By Mr. SHANNON (for himself, Mr. FRENZEL, Mr. GUARINI, Mr. HEFTEL of Hawaii, Mr. DOWNEY of New York, Mr. MATSUI, Mr. GRADISON, Mr. ARCHER, Mr. CAMPBELL, Mr. VANDER JAGT, Mr. PICKLE, Mr. ZSCHAU, Mr. MCKERNAN, Mr. THOMAS of California, Mr. HANCE, Mr. RATCHFORD, Mrs. KENNELLY, Mrs. MARTIN of Illinois, Mr. DUNCAN, Mr. MINETA, Mr. EDWARDS of California, and Mr. FISH):

H.R. 4475. A bill entitled: the "High Technology Research and Scientific Education Act of 1983"; to the Committee on Ways and Means.

By Mr. BONKER:

H.R. 4476. A bill to extend the authorities under the Export Administration Act of 1979, and for other purposes; to the Committee on Foreign Affairs.

By Mr. WYDEN (for himself, Mr. SIMON, Mr. GOODLING, and Mr. COLEMAN of Missouri):

H.R. 4477. A bill to amend the Higher Education Act of 1965 to provide grants to the States to establish postsecondary education scholarship programs to encourage outstanding high school graduates to enter the teaching profession, and to establish a national fellowship program for talented teachers; to the Committee on Education and Labor.

By Mr. ANDERSON (for himself, Mr. ROE, Ms. FERRARO, Mr. YOUNG of Missouri, Mr. DE LUGO, Mr. SUNIA, and Mr. MCNULTY):

H.R. 4479. A bill to amend the Federal Aviation Act of 1958, to provide financial compensation for victims of aircraft incidents in domestic air commerce, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. PASHAYAN (for himself, Mr. KAZEN, Mr. KOGOVSEK, Mr. LUJAN, Mr. DE LA GARZA, Mr. CHENEY, Mr. YOUNG OF ALASKA, Mr. CRAIG, Mr. COELHO, Mr. LEHMAN of California, Mr. MARLENEE, Mr. MARRIOTT, Mr. EMERSON, Mr. MCCAIN, Mr. HUCKABY, Mr. CHAPPIE, Mr. SHUMWAY, Mr. HUNTER, Mr. PACKARD, Mr. SKEEN, Mr. MCCANDLESS, Mr. MORRISON of Washington, Mr. RUDD, and Mr. STUMP):

H.R. 4480. A bill to amend the Federal reclamation laws to establish a water project insurance fund to assist in the financing and construction of reclamation, irrigation, and other water-related projects, and to provide the Secretary of the Interior with authority to administer such fund, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ARCHER:

H.R. 4481. A bill entitled: the "Pension Correction Act of 1983"; to the Committee on Ways and Means.

By Mr. ARCHER (for himself and Mr. HANCE):

H.R. 4482. A bill to amend the Tariff Schedules of the United States with respect to the classification of certain diamond articles; to the Committee on Ways and Means.

By Mr. ASPIN:

H.R. 4483. A bill to amend the Internal Revenue Code of 1954 and the Clean Air Act to establish a program of tax incentives and financial assistance to reduce emissions of sulfur dioxide and related acid deposition; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. BARNARD (for himself and Mr. ST GERMAIN):

H.R. 4484. A bill to amend the Federal Reserve Act to enhance the abilities of depository institutions to compete with the Federal Reserve System in the business of exchanging and clearing checks, drafts, and other evidences of transaction account funds and balances and changes in such balances and to promote the efficiency of the national networks for the transfer of funds and moneys; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BIAGGI:

H.R. 4485. A bill to amend the Older Americans Act of 1965 to provide for the es-

tablishment of the National Information Clearinghouse on Aging, and for other purposes; to the Committee on Education and Labor.

By Mr. BONKER:

H.R. 4486. A bill to modify the employment authority of the Bonneville Power Administration; to the Committee on Interior and Insular Affairs.

H.R. 4487. A bill to amend part B of title XVIII of the Social Security Act to provide for two additional voluntary insurance options for medicare beneficiaries permitting coverage of certain gaps in medicare coverage and covering selected outpatient prescription drugs for the treatment of chronic illness; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mrs. BOXER:

H.R. 4488. A bill to amend the U.S. Housing Act of 1937 and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BREAUX:

H.R. 4489. A bill to amend titles III and V of the Trade Act of 1984; to the Committee on Ways and Means.

By Mr. BROWN of California:

H.R. 4490. A bill entitled: the "Metric Evaluation Act of 1974"; to the Committee on Science and Technology.

By Mr. CARPER (for himself, Mr. D'AMOURS, Mr. FORSYTHE, Mr. STUDDS, Mr. HUGHES, Mr. DYSON, Mr. MCKERNAN, Mr. TALLON, Ms. MIKULSKI, Mr. FOGLIETTA, Mr. ORTIZ, Mrs. SCHNEIDER, Mr. OBERSTAR, and Mrs. BOXER):

H.R. 4491. A bill to establish a user fee system under the ocean dumping program; to the Committee on Merchant Marine and Fisheries.

By Mr. CARPER (for himself, Mr. D'AMOURS, Mr. STUDDS, Mr. HUGHES, Mr. DYSON, Mr. MCKERNAN, Mr. TALLON, Ms. MIKULSKI, Mr. FOGLIETTA, Mr. ORTIZ, Mrs. SCHNEIDER, Mr. OBERSTAR, and Mrs. BOXER):

H.R. 4492. A bill entitled: the "Sewage Sludge Dumping Amendments Act of 1983"; to the Committee on Merchant Marine and Fisheries.

By Mrs. COLLINS:

H.R. 4493. A bill to require the Secretary of Housing and Urban Development to provide assistance for emergency repairs in the Chicago Housing Authority low-income housing projects; to the Committee on Banking, Finance and Urban Affairs.

By Mr. CONABLE (for himself, Mr. GUARINI, Mr. DUNCAN, Mr. RANGEL, Mr. MOORE, and Mr. FRENZEL):

H.R. 4494. A bill to amend the Internal Revenue Code of 1954 to clarify that volunteer trustees, directors, and officers of public charities shall not be penalized under the tax laws as a result of such public service; to the Committee on Ways and Means.

By Mr. DASCHLE:

H.R. 4495. A bill to provide for the establishment of an arbitration system to reduce the number and costs of injuries resulting from the use of excessively violent conduct during professional sports events; to the Committee on Education and Labor.

H.R. 4496. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the central South Dakota water supply system (CENDAK Unit) Pick-Sloan Missouri Basin program, South Dakota; to the Committee on Interior and Insular Affairs.

H.R. 4497. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Lake Andes-Wagner Unit, South Dakota Pumping Division, Pick-Sloan Missouri River Basin program, South Dakota; to the Committee on Interior and Insular Affairs.

By Mr. DAVIS:

H.R. 4498. A bill to provide that pay for certain types of Federal civilian powerplant employees be determined in the same manner as that in which pay is determined for employees of the U.S. Army Corps of Engineers performing similar functions; to the Committee on Post Office and Civil Service.

By Mr. DINGELL:

H.R. 4499. A bill to restrict temporarily the quantity of imported motor vehicles that may be sold in the United States in order to prevent or remedy serious injury that is occurring and threatens the domestic motor vehicle industry of the United States and its employees and suppliers; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. MICHEL:

H.R. 4500. A bill to amend the Internal Revenue Code of 1954 to enhance the equity for women under the tax laws by allowing a spousal IRA of $2,000, by treating alimony as compensation for the purposes of the deduction for IRA contributions, to increase the credit for dependent care expenses for low- and moderate-income taxpayers, and for other purposes; to the Committee on Ways and Means.

By Mr. DOWNEY of New York (for himself, Mr. FOLEY, and Mr. MRAZEK):

H.R. 4501. A bill to amend the Safe Drinking Water Act to provide for the protection of aquifers which are the sole or principal source of drinking water for public water systems; to the Committee on Energy and Commerce.

By Mr. DOWNEY of New York:

H.R. 4502. A bill to prohibit the designation of countries as beneficiary developing countries under title V of the Trade Act of 1974 unless adequate protection is provided for U.S. trademarks; to the Committee on Ways and Means.

By Mr. ERLENBORN:

H.R. 4503. A bill to improve debt collection activities and default recoveries, and to reduce collective costs and program abuse under student loan programs administered by the Department of Education, and for other purposes; to the Committee on Education and Labor.

By Mr. FASCELL:

H.R. 4504. A bill to provide that the chairmanship of the Commission of Security and Cooperation in Europe shall rotate between members appointed from the House of Representatives and members appointed from the Senate; to the Committee on Foreign Affairs.

By Mr. FEIGHAN (for himself, Mr. GEKAS, Mr. BILIRAKIS, and Ms. SNOWE):

H.R. 4505. A bill to prohibit all U.S. military assistance for Turkey until the Turkish Government takes certain actions to resolve the conflict on Cyprus; to the Committee on Foreign Affairs.

By Mr. FLORIO:

H.R. 4506. A bill to impose a moratorium on certain acquisitions and new activities relating to insurance, banking, and securities while a study is performed, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

By Mr. FOLEY (for himself, Mr. RANGEL, Mr. STARK, and Mrs. KENNELLY):

H.R. 4507. A bill to amend the Internal Revenue Code of 1954 to allow the investment credit with respect to taxable business conducted by certain religious communities exempt from tax under section 501(d) of such code; to the Committee on Ways and Means.

By Mr. FRANK:

H.R. 4508. A bill to amend the Education of the Handicapped Act to make services under part B available to all handicapped individuals; to the Committee on Education and Labor.

By Mr. FRANK (by request):

H.R. 4509. A bill to amend the Immigration and Nationality Act with respect to the grounds for exclusion and deportation of aliens; to the Committee on the Judiciary.

By Mr. FROST (for himself, Mr. WRIGHT, Mr. PICKLE, Mr. COLEMAN of Texas, Mr. BRYANT, Mr. ANDREWS of Texas, Mr. HANCE, Mr. PATMAN, Mr. STENHOLM, Mr. ARCHER, Mr. HIGHTOWER, Mr. GRAMM, Mr. BARTLETT, Mr. ORTIZ, Mr. BROOKS, Mr. LEATH of Texas, Mr. PAUL, Mr. LOEFFLER, Mr. VANDERGRIFF, Mr. WILSON, Mr. RALPH M. HALL, Mr. FIELDS, Mr. SAM B. HALL, Jr., Mr. KAZEN, and Mr. DE LA GARZA):

H.R. 4510. A bill to provide for the minting of half dollars with a design emblematic of the 150th anniversary of the battle of the Alamo; to the Committee on Banking, Finance and Urban Affairs.

By Mr. GARCIA (for himself, Mr. FRANK, Ms. KAPTUR, and Mr. RANGEL):

H.R. 4511. A bill to provide for the payment of interest on reserves for depository institutions which make loans in distressed areas; to the Committee on Banking, Finance and Urban Affairs.

By Mr. GEJDENSON:

H.R. 4512. A bill to amend the Energy Policy and Conservation Act to improve the administration of the Federal energy conservation program for consumer products, to enhance consumer information programs to encourage the purchase of more energy efficient appliances, and to implement efficiency standards for furnaces, central air-conditioners, and water heaters; to the Committee on Energy and Commerce.

By Mr. GREEN:

H.R. 4513. A bill to extend for 4 years the temporary suspension of duty on tartaric acid and certain tartaric chemicals; to the Committee on Ways and Means.

By Mr. GUNDERSON:

H.R. 4514. A bill to amend section 165 of the Internal Revenue Code of 1954 by repealing the limitation on the deduction for nonbusiness casualty losses created by section 203 of the Tax Equity and Fiscal Responsibility Act of 1982; to the Committee on Ways and Means.

By Mr. HANCE (for himself and Mr. FRENZEL):

H.R. 4515. A bill to amend the Internal Revenue Code of 1954 to reduce the rate of corporate income tax, to allow the rollover of gain on the sale of any property which is used to invest in small businesses, and for other purposes; to the Committee on Ways and Means.

By Mr. HANSEN of Utah (for himself, Mr. MARRIOTT, and Mr. NIELSON of Utah):

H.R. 4516. A bill to designate certain national forest system lands in the State of

Utah for inclusion in the national wilderness preservation system, to release other forest lands for multiple-use management, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Agriculture.

By Mr. HERTEL of Michigan (for himself, Mr. OBERSTAR, Mr. DAVIS, Mr. SAWYER, Mr. FORSYTHE, Mr. BREAUX, and Mr. JONES of North Carolina):

H.R. 4517. A bill to amend the Great Lakes Fisheries Act of 1956, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HOWARD (for himself, Mr. SNYDER, Mr. ANDERSON, and Mr. SHUSTER by request):

H.R. 4518. A bill to establish in the Department of Transportation a Working Group on National Uniform State Regulation of Interstate Motor Carriers, and for other purposes; to the Committee on Public Works and Transportation.

By. Mr. HOWARD (for himself and Mr. SNYDER) (by request):

H.R. 4519. A bill to establish a National Traffic Safety Administration in the Department of Transportation; jointly, to the Committees on Public Works and Transportation and Energy and Commerce.

By. Mr. HUNTER:

H.R. 4520. A bill to amend title 38 of the United States Code to allow eligible veterans to receive certain educational assistance during the 6-year period following their last discharge or release from active duty even if such period extends beyond December 31, 1989; to the Committee on Veterans' Affairs.

By. Mr. JENKINS (for himself and Mr. NOWAK):

H.R. 4521. A bill to amend the Internal Revenue Code of 1954 to allow small businesses to elect the cash receipts and disbursements method of accounting and to increase to $100,000 the amount of depreciable business assets which may be expensed and for other purposes; to the Committee on Ways and Means.

By. Ms. KAPTUR (for herself, Mr. SIMON, and Mr. LAFALCE):

H.R. 4522. A bill to amend the Wagner-Peyser Act to require certain employers to list job openings with State employment services; to the Committee on Education and Labor.

By. Mr. KASICH:

H.R. 4523. A bill to amend section 2031 (relating to rape) of title 18 of the United States Code to eliminate parole and credit for good time in certain cases; to the Committee on the Judiciary.

By. Mr. KASTENMEIER:

H.R. 4524. A bill to amend title 35, United States Code, to clarify certain provisions relating to filing of patent applications in foreign countries; to the Committee on the Judiciary.

H.R. 4525. A bill to amend title 35, United States Code, to make certain clarifications with respect to prior art; to the Committee on the Judiciary.

H.R. 4526. A bill to amend title 35, United States Code, with respect to use of patented inventions outside the United States; to the Committee on the Judiciary.

H.R. 4527. A bill to amend title 35, United States Code, to make certain clarifications with respect to joint inventors; to the Committee on the Judiciary.

H.R. 4528. A bill to amend title 35, United States Code, to provide for arbitration of patent interferences; to the Committee on the Judiciary.

H.R. 4529. A bill to amend title 35, United States Code, with respect to assertions of invalidity of a patent by a licensee of that patent; to the Committee on the Judiciary.

By Mrs. KENNELLY (for herself, Mr. PICKLE, and Mr. ARCHER):

H.R. 4530. A bill to amend the Internal Revenue Code of 1954 to permit employees and their employers to jointly purchase an insured annuity at the time of retirement to provide a supplemental retirement benefit; to the Committee on Ways and Means.

By Mr. LAFALCE:

H.R. 4531. A bill to amend the Trade Act of 1974 to authorize the preparation and implementation of adjustment plans for industries injured by imports, and for other purposes; to the Committee on Ways and Means.

H.R. 4532. A bill to amend the Federal Financing Bank Act of 1973 with respect to the budget treatment of the Federal Financing Bank; jointly, to the Committees on Banking, Finance and Urban Affairs and Ways and Means.

H.R. 4533. A bill to amend the Congressional Budget Act of 1974 to establish procedures for setting targets and ceilings in the congressional budget process for loans and loan guarantees under Federal credit programs, and for other purposes; jointly, to the Committees on Government Operations, Banking, Finance and Urban Affairs; and Rules.

By Mr. LEACH of Iowa:

H.R. 4534. A bill to require the deposits or accounts of all depository institutions to be insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union share insurance fund, or a State program; and to establish Federal standards to insure the effectiveness and viability of State deposit and share insurance funds; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LEVITAS:

H.R. 4535. A bill to terminate the authorities of the executive and judicial branches of the Government which, in accordance with specific statutes, are subject to congressional review, unless such authorities are approved by enactment of the Congress; to the Committee on the Judiciary.

By Mr. LEWIS of California (for himself, Mr. MCCANDLESS, Mr. REID, Mr. BADHAM, Mr. THOMAS of California, Mr. MOORHEAD, Mr. FAZIO, Mr. PACKARD, Mr. HUNTER, Mr. LEHMAN of California, Mr. DANNEMEYER, Mr. CHAPPIE, Mr. PASHAYAN, Mr. LAGOMARSINO, Ms. FIEDLER, Mr. DREIER of California, Mr. SHUMWAY, and Mr. LOWERY of California):

H.R. 4536. A bill to authorize the Secretary of the Interior to make compensation for property and income loss caused by releases of water by the Bureau of Reclamation from dams located along the Colorado River, and for other purposes; to the Committee on the Judiciary.

By Mr. LOWRY of Washington:

H.R. 4537. A bill to designate certain national forest system lands in the State of Washington for inclusion in the national wilderness preservation system, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MCCAIN (for himself and Mr. LUJAN):

H.R. 4538. A bill to amend the Indian Tribal Government Tax Status Act of 1982 with respect to the tax status of Indian tribal governments; to the Committee on Ways and Means.

By Mr. McCOLLUM:

H.R. 4539. A bill to amend title II of the Social Security Act to provide that an applicant for old-age, wife's, husband's, or child's insurance benefits who under present law does not qualify for a benefit for the first month in which he or she meets the applicable entitlement conditions shall be entitled to a prorated benefit for that month; to the Committee on Ways and Means.

By Mr. MINETA:

H.R. 4540. A bill to amend section 43 of the Airline Deregulation Act; to the Committee on Public Works and Transportation.

By Mr. MICHEL:

H.R. 4541. A bill to amend title XVI of the Social Security Act to increase from $25 to $35 a month the amount of the personal allowance which is presently provided for eligible individuals and eligible spouses who are in medical institutions; to the Committee on Ways and Means.

By Mr. MOLLOHAN:

H.R. 4542. A bill to amend title 10, United States Code, to prohibit the purchase of coal or coke from a foreign nation for use at a U.S. defense facility in Europe if coal from the United States is available; to the Committee on Armed Service.

H.R. 4543. A bill to amend the Federal Property and Administrative Services Act of 1949 to make Fedeal surplus property more accessible to local emergency preparedness and volunteer firefighting organizations and to authorize and direct the Federal Emergency Management Agency to recommend available Federal surplus to the Administrator of the General Services Administration for transfer to such organizations, and for other purposes; jointly, to the Committee on Government Operations and Armed Services.

By Mr. MORRISON of Washington (for himself, Mr. FOLEY, Mr. LOTT, Mr. COELHO, Mr. FUQUA, Mr. STRATTON, Mr. WHITEHURST, Mr. SKEEN, Mr. CHANDLER, Mr. EVANS of Iowa, Mr. DYMALLY, Mr. BADHAM, Mrs. HOLT, Mrs. LLOYD, Mr. THOMAS of California, Mrs. BYRON, Mr. TAUKE, Mr. COURTER, Mr. BROWN of Colorado, Mr. LEACH of Iowa, and Mr. PASHAYAN):

H.R. 4544. A bill to promote the use of food irradiation as a postharvest treatment for agricultural commodities and for other purposes; to the Committee on Energy and Commerce.

By Mr. OBERSTAR:

H.R. 4545. A bill to require the approval of each of the Great Lakes States for any diversion of water from the Great Lakes or the Great Lakes drainage basin for use outside of the Great Lakes States and to prohibit Federal studies of the feasibility of any such diversion; to the Committee on Public Works and Transportation.

H.R 4546. A bill to establish a limitation on the use of friable asbestos products in any Federal or federally assisted construction project; jointly, to the Committees on Government Operations and Public Works and Transportation.

By Mr. OTTINGER:

H.R. 4547. A bill to amend the Internal Revenue Code of 1954 to allow individuals a refundable tax credit for a portion of the rent which they pay on their principal residences and which is attributable to real property taxes; to the Committee on Ways and Means.

By Mr. PARRIS:

H.R. 4548. A bill to amend the Internal Revenue Code of 1954 with respect to de-

ductions for certain expenses incurred by a member of a uniformed service of the United States, or by a minister, who receives a housing or subsistence allowance; to the Committee on Ways and Means.

By Mr. PAUL:

H.R. 4549. A bill to require the President to report quarterly to the Congress on all loans, guarantees, credits, and grants to Communist countries by the United States and by multilateral organizations of which the United States is a member; jointly, to the Committees on Banking, Finance and Urban Affairs and Foreign Affairs.

By Mr. PICKLE:

H.R. 4550. A bill relating to tax treatment of qualified dividend reinvestment plans; to the Committee on Ways and Means.

By Mr. PICKLE (for himself and Mr. FRENZEL):

H.R. 4551. A bill to amend the Internal Revenue Code of 1954 to make permanent the percentage rate for computing the addition to reserves for bad debts for banks, and to modify the experience method to allow a showing based on facts and circumstances; to the Committee on Ways and Means.

By Mr. PRICE (for himself and Mr. DICKINSON) (by request):

H.R. 4552. A bill to authorize an additional military construction project for fiscal year 1984, and for other purposes; to the Committee on Armed Services.

By Mr. REGULA:

H.R. 4553. A bill to amend title 10, section 2304(c) of the United States Code to insure competitive bidding and fair and reasonable pricing of spare parts procurement; to the Committee on Armed Services.

By Mr. RODINO:

H.R. 4554. A bill to amend title 18 of the United States Code with respect to sentencing, and for other purposes; to the Committee on the Judiciary.

By Mr. ROGERS:

H.R. 4555. A bill to designate the "John Sherman Cooper National Recreation Area" in Tennessee and Kentucky; to the Committee on Public Works and Transportation.

By Mr. ST GERMAIN (for himself and Mr. WYLIE):

H.R. 4556. A bill to amend the Federal Credit Union Act (12 U.S.C. 1751 et seq.) to correct the tax status of the National Credit Union central liquidity facility; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ST GERMAIN (for himself, Mr. BARTLETT, Mr. WYLIE, Mr. PATTERSON, Mr. BROYHILL, Mr. MCKINNEY, and Mr. TAUKE):

H.R. 4557. A bill to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 with respect to the treatment of mortgage-backed securities, to increase the authority of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

By Mrs. SCHROEDER (for herself, Mr. UDALL, Mr. WIRTH, Mr. BOSCO, Mr. KRAMER, and Mr. SCHAEFER):

H.R. 4558. A bill entitled: the "Bankrupt Airline Consumer Protection Act of 1983"; to the Committee on the Judiciary.

By Mr. SEIBERLING:

H.R. 4559. A bill to amend the Sherman Act to prohibit a rail carrier from denying to shipper of certain bulk commodities, with intent to monopolize, use of its track which affords the sole access by rail to such shippers to reach the track of a competing railroad or the destination of shipment; to the Committee on the Judiciary.

By Mr. SHANNON:

H.R. 4560. A bill to amend the general headnotes of the Tariff Schedules of the United States regarding products of the insular possessions; to the Committee on Ways and Means.

By Mr. SHANNON (for himself and Mr. BEDELL):

H.R. 4561. A bill to amend the Internal Revenue Code with respect to the tax treatment of certain shipping income; to the Committee on Ways and Means.

By Mr. SMITH of Florida:

H.R. 4562. A bill to amend the Immigration and Nationality Act to authorize appropriations for an immigration emergency revolving fund; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey:

H.R. 4563. A bill to provide for an analysis and evaluation by the Secretary of Health and Human Services of the continuing disability review program under titles II and XVI of the Social Security Act and to provide for a moratorium on reviews under such program until revised criteria governing disability determinations are prescribed on the basis of such analysis and evaluation; to the Committee on Ways and Means.

By Mr. STANGELAND:

H.R. 4564. A bill to provide for the use and distribution of the Lake Superior and Mississippi Bands of Chippewa Indians judgment funds in docket 18-S and the Lake Superior Band of Chippewa Indians judgment funds in docket 18-U, before the Indian Claims Commission, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STENHOLM (for himself, Mr. ROBERTS, Mr. BEDELL, and Mr. MARLENEE):

H.R. 4565. A bill to establish the farm and crop acreage base and program yield system to provide more efficient, equitable, flexible, and predictable programs for farmers; to the Committee on Agriculture.

By Mr. UDALL (for himself, Mr. MCNULTY, and Mr. MCCAIN):

H.R. 4566. A bill to establish Federal standards and regulations for the conduct of gambling activities within Indian country and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. UDALL (for himself, Mr. LUJAN, Mr. NCNULTY, Mr. MCCAIN, Mr. KOGOVSEK, Mr. VENTO, Mr. KILDEE, Mr. MARRIOTT, Mr. YOUNG of Alaska, Mr. DASCHLE, Mr. WILLIAMS of Montana, Mr. LOWRY of Washington, Mr. SABO, and Mr. RICHARDSON):

H.R. 4567. A bill to reauthorize and amend the Indian Health Care Improvement Act, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

By Mr. VALENTINE:

H.R. 4568. A bill to amend the Inspector General Act of 1978 to transfer the Defense Contract Audit Agency to the Office of Inspector General of the Department of Defense; jointly, to the Committees on Government Operations and Armed Services.

By Mr. VENTO:

H.R. 4569. A bill to amend the Federal Reserve Act to improve the conduct of monetary policy, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WEAVER:

H.R. 4570. A bill to require certain exporters of agricultural commodities to file with the Secretary of Agriculture financial information and to make such information available to the public; jointly, to the Committees on Agriculture and Foreign Affairs.

By Mr. WHITEHURST:

H.R. 4571. A bill to establish a commission to advise the President on proposals for national observances; to the Committee on Post Office and Civil Service.

H.R. 4572. A bill to amend the Internal Revenue Code of 1954 with respect to deductions for the payment of certain expenses by members of the uniformed services who receive housing allowances; to the Committee on Ways and Means.

By Mr. WIRTH (for himself and Mr. DINGELL):

H.R. 4573. A bill to amend the Communications Act of 1934 to preserve the principles of the Federal Communications Commission's personal attack and political editorial rules, and for other purposes; to the Committee on Energy and Commerce.

H.R. 4574. A bill to amend the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, and the Investment Advisers Act of 1940 to make certain technical, clarifying, and conforming amendments, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WISE:

H.R. 4575. A bill to amend the Black Lung Benefits Act to provide for the resumption of benefits to a remarried surviving wife upon the termination of a subsequent marriage; to the Committee on Education and Labor.

H.R. 4576. A bill to increase the number of administrative law judges of the Department of Labor who are available to adjudicate cases under the Black Lung Benefits Act; to the Committee on Education and Labor.

H.R. 4577. A bill to prohibit the recovery of overpayments under the Black Lung Benefits Act from claimants who received such payments through no fault of their own; to the Committee on Education and Labor.

By Mr. YOUNG of Alaska:

H.R. 4578. A bill to amend section 844 of title 18, United States Code, to impose the death penalty for maliciously damaging the U.S. Capital by means of fire or explosive; to the Committee on the Judiciary.

H.R. 4579. A bill to amend subtitle II of title 46, United States Code, "Shipping," relating to fishing and fish processing vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. CORCORAN:

H.J. Res. 435. Joint resolution to formally renounce the 1945 Yalta agreement; to the Committee on Foreign Affairs.

By Mr. GREEN:

H.J. Res. 436. Joint resolution to amend the Constitution of the United States to provide for congressional disapproval of executive actions and to allow the President to veto items contained in appropriations bills; to the Committee on the Judiciary.

By Mr. ROYBAL (for himself, Mr. RINALDO, Mr. PEPPER, Mr. DWYER of New Jersey, Mr. NEAL, Mr. WON PAT, Mr. DICKINSON, Mr. STOKES, Mr. ALBOSTA, Ms. OAKAR, Mr. HAWKINS, Mr. LELAND, Mr. HOWARD, Mr. HIGHTOWER, Mr. ACKERMAN, Mr. ROE, Mr. WIRTH, Mr. DAUB, Mr. MOLLOHAN, Mrs. SMITH of Nebraska, Ms. SNOWE, Mr. BEREUTER, Mr. EVANS of Iowa, Mr. ADDABBO, and Mr. FASCELL):

H.J. Res. 437. Joint resolution authorizing the second full week of March in each year as "National Employ the Older Worker Week"; to the Committee on Post Office and Civil Service.

By Mr. SMITH of New Jersey:

H.J. Res. 438. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. VANDERGRIFF:

H.J. Res. 439. Joint resolution authorizing the President to proclaim the first Saturday in October of each year as "Children's Day"; to the Committee on Post Office and Civil Service.

By Mr. WIRTH (for himself, Mr. UDALL, Mr. MCNULTY, Mr. ACKERMAN, Mr. AKAKA, Mr. BATES, Mr. BONER of Tennessee, Mr. BOSCO, Mr. BOUCHER, Mrs. BOXER, Mr. COOPER, Mr. DYMALLY, Mr. DYSON, Mr. EDWARDS of California, Mr. FAZIO, Mr. GARCIA, Mr. HEFNER, Mr. HORTON, Mr. HUGHES, Mr. HUTTO, Mr. LANTOS, Mr. LELAND, Mr. LEVIN of Michigan, Mr. LEVINE of California, Mr. LOWRY of Washington, Mr. LUKEN, Mr. MCHUGH, Mr. MINETA, Mr. MOAKLEY, Mr. MORRISON of Connecticut, Mr. MURPHY, Mr. OBERSTAR, Mr. PANETTA, Mr. PRICE, Mr. REID, Mr. RICHARDSON, Mr. RODINO, Mr. ROE, Mr. SABO, Mr. SAVAGE, Mr. SCHAEFFER, Mr. SCHEUER, Mr. SKELTON, Mr. STOKES, Mr. VANDERGRIFF, Mr. VENTO, Mr. WAXMAN, Mr. WYDEN, Mr. BERMAN, and Mr. RANGEL):

H.J. Res. 440. Joint resolution designating 1984 as "The Year of the Grand Canyon"; to the Committee on Post Office and Civil Service.

By Mrs. COLLINS:

H. Con. Res. 231. Concurrent resolution expressing the sense of the Congress that low-income individuals should receive assistance in paying bills for home heating; to the Committee on Energy and Commerce.

By Mr. FAZIO (for himself, Mr. BARNES, Mr. BONIOR of Michigan, Mr. EDWARDS of California, Mr. BOSCO, Mr. STUDDS, Mr. LELAND, Mr. MORRISON of Connecticut, Mr. MCHUGH, Mr. FRANK, Mr. TORRES, Mr. DELLUMS, Mr. HAWKINS, and Mr. MATSUI):

H. Con. Res. 232. Concurrent resolution expressing the sense of the Congress that the United States, and Honduras and the other countries of Central America, should enter into formal negotiations with the Government of Nicaragua to consider the treaties proposed by that government in October 1983 for resolving the conflicts in Central America; to the Committee on Foreign Affairs.

By Mr. GINGRICH:

H. Con. Res. 233. Concurrent resolution commending Delta Airlines for its dedication and commitment to the abatement of aircraft noise; to the Committee on Public Works and Transportation.

By Mr. GOODLING:

H. Con. Res. 234. Concurrent resolution expressing the sense of the Congress that the Federal Railroad Administration should pursue solutions to alcohol and drug abuse problems in the railroad industry; to the Committee on Energy and Commerce.

By Mr. HUGHES (for himself, Mr. STUDDS, Mr. D'AMOURS, Mrs. SCHNEIDER, Mr. BONKER, Mr. SAWYER, Mrs. BOXER, Mr. ANDERSON, Mr. BOSCO, Ms. MIKULSKI, Mr. CARPER, and Mr. OBERSTAR):

H. Con. Res. 235. Concurrent resolution regarding the U.S. position on the subseabed emplacement of high-level radioactive materials; jointly, to the Committees on Merchant Marine and Fisheries and Foreign Affairs.

By Mr. MARKEY (for himself, Mr. SMITH of New Jersey, Mr. FASCELL, Mr. WIRTH, Mr. FRANK, Mr. YATRON, Mr. BOLAND, Mr. DOWNEY of New York, Mr. MOLLOHAN, Mr. SOLARZ, Mr. WAXMAN, Mr. WALGREN, Mr. LEHMAN of Florida, Mr. BARNES, Mr. WON PAT, Mr. GREEN, Mr. RATCHFORD, Mr. MATSUI, Ms. KAPTUR, Mr. PRITCHARD, Mr. GEJDENSON, Mr. HOYER, Mr. FAUNTROY, Mr. LELAND, Mr. MITCHELL, Mr. LAFALCE, Mr. SCHEUER, Mr. SIMON, Mr. MAVROULES, Mr. DICKS, Mr. PEPPER, Mr. BEILENSON, Mr. EDGAR, Mr. MORRISON of Connecticut, Mrs. MARTIN of Illinois, Mr. ECKART, Mr. MARTINEZ, Ms. MIKULSKI, Mr. ACKERMAN, Mr. MINETA, Mr. OBERSTAR, Mr. FISH, and Mr. EVANS of Illinois):

H. Con. Res. 236. Concurrent resolution on behalf of the independent Soviet peace movement; to the Committee on Foreign Affairs.

By Mr. RITTER (for himself, Mr. ALEXANDER, Mr. PRITCHARD, Mr. MARKEY, Mr. BARNES, Mr. WALGREN, Mr. CORCORAN, Mr. GREEN, Mr. JEFFORDS, Mr. HORTON, Mr. WORTLEY, Mr. BLILEY, Mr. CRAIG, Mr. GREGG, Mr. YATRON, Mr. WILSON, Mr. WISE, Mr. SOLARZ, Ms. FERRARO, Mr. RANGEL, Mr. PETRI, Mr. ROE, Mr. LAGOMARSINO, Mr. KINDNESS, Mr. BEILENSON, Mr. KASICH, Mr. FISH, Mr. LIVINGSTON, Mr. NEAL, Mr. BEDELL, Mr. SCHAEFER, Mr. MCKINNEY, Mr. CONYERS, Mr. LEVINE of California, Mr. MRAZEK, Mr. KOGOVSEK, Mr. MORRISON of Connecticut, Mr. LANTOS, Mr. DANIEL B. CRANE, Mr. FRANK, Mr. FRENZEL, Mr. DAUB, Mr. HANCE, Mr. HYDE, Mr. FEIGHAN, Mr. BILIRAKIS, Mr. MCCAIN, Mrs. BOXER, Mr. MARTINEZ, Mr. STRATTON, Mr. ACKERMAN, Mr. SIMON, Mr. HANSEN of Idaho, Mr. PORTER, Mr. SIKORSKI, Mr. PEASE, Mr. COELHO, Mr. FOWLER, Mr. DIXON, Mr. TORRICELLI, Mr. MORRISON of Washington, Mr. DONNELLY, Mr. MOODY, Mr. HUGHES, Mr. MCEWEN, Mr. EDGAR, Mr. GUARINI, Mr. MINETA, Mr. DICKINSON, Ms. FIEDLER, Mr. IRELAND, Mr. BEREUTER, Mr. NELSON of Florida Ms. MIKULSKI, Mr. HANSEN of Utah, Mr. BOUCHER, Mr. WEISS, Mr. FAZIO, Mrs. JOHNSON, Mr. ZSCHAU, Mr. REID, Mr. BATEMAN, Mr. LEVITAS, Mr. EDWARDS of California, Mr. PATTERSON, Mrs. MARTIN of Illinois, Mr. GEKAS, Mr. DUNCAN, Mr. WAXMAN, Mr. MCCOLLUM, Mr. DORGAN, Mr. BADHAM, Mr. THOMAS of Georgia, Mr. VENTO, Mr. BERMAN, Mr. OTTINGER, Mr. SOLOMON, Mr. LEACH of Iowa, Mr. COATS, Mr. CHAPPELL, Mr. DEWINE, Mr. BRYANT, Mr. MCDADE, Mr. HILER, Mr. WOLF, Mr. ROEMER, Mr. SMITH of New Jersey, Mr. MOORE, Mr. PHILIP M. CRANE, Mr. STOKES, Mr. SAM B. HALL, Jr., Mr. COURTER, Mr. WON PAT, Mr. MATSUI, Mr. MCGRATH, Ms. KAPTUR, Mr. VANDERGRIFF, Mr. MAVROULES, Mr. SKEEN, Mr. MOLLOHAN, Mr. THOMAS of California, Mr. SMITH of Florida, Mr. SILJANDER, Mr. GLICKMAN, and Mr. BEVILL):

H. Con. Res. 237. Concurrent resolution declaring the support of the United States for the people of Afghanistan in their struggle to be free of foreign domination; to the Committee on Foreign Affairs.

By Mr. WRIGHT:

H. Res. 380. Resolution appointing a committee to notify the President concerning the proposed adjournment of the session; considered and agreed to.

By Mr. BROWN of Colorado:

H. Res. 381. Resolution relating to the dismantling of nontariff trade barriers of the Japanese to the import of beef; to the Committee on Ways and Means.

By Mr. DASHLE:

H. Res. 382. Resolution expressing the sense of the House of Representatives that the Veterans' Administration should renew its practice of providing upright memorial markers at the graves of veterans buried in national cemeteries; to the Committee on Veterans' Affairs.

By Mr. DELLUMS (for himself, Mr. STOKES, Mr. CLAY, Mrs. COLLINS, Mr. CONYERS, Mr. CROCKETT, Mr. DIXON, Mr. DYMALLY, Mr. EDWARDS of California, Mr. FAUNTROY, Mr. GONZALEZ, Mr. GRAY, Mrs. HALL of Indiana, Mr. HAYES, Mr. HAWKINS, Mr. LEVINE of California, Mr. MITCHELL, Mr. OWENS, Mr. RANGEL, Mr. SAVAGE, Mr. STUDDS, Mr. TOWNS, and Mr. WEISS):

H. Res. 383. Resolution directing the President to furnish certain information to the House of Representatives with respect to U.S. activities regarding Grenada; jointly, to the Committees on Foreign Affairs and Armed Services.

By Mr. LOWRY of Washington:

H. Res. 384. Resolution expressing the sense of the House of Representatives regarding the blackout of press coverage in Grenada; to the Committee on the Judiciary.

By Mr. OTTINGER (for himself, Mr. LEVINE of California, Mr. FISH, Mrs. SCHNEIDER, Mr. D'AMOURS, Mr. WAXMAN, Mr. MATSUI, Mr. DELLUMS, Mr. HAWKINS, Mr. SMITH of Florida, Mr. WON PAT, Mr. OBERSTAR, Mr. WEAVER, Mr. FRANK, Mr. HARKIN, Mr. SIMON, Mr. BATES, Mr. WIRTH, Mr. BRYANT, Mr. BONKER, Mr. HOWARD, Mr. BARNES, Mr. ACKERMAN, Mr. SIKORSKI, Mr. LELAND, Mr. KASTENMEIER, Mr. OWENS, Mr. MAVROULES, Mr. SABO, Mr. MOAKLEY, Mr. MORRISON of Connecticut, Mr. WOLPE, Mr. DYMALLY, Mr. BEDELL, Mr. FAZIO, Mr. TOWNS, Mrs. BOXER, Ms. Mikulski, Mr. SWIFT, Mr. FAUNTROY, Mr. NOWAK, Mr. SPRATT, Mr. MILLER of California, Mr. RICHARDSON, and Mr. PANETTA):

H. Res. 385. Resolution to express the sense of the House of Representatives regarding certain actions to be taken by the new Secretary of the Interior; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

303. By the SPEAKER: Memorial of the Senate of the State of Michigan, relative to the telephone rate increases designated by the Federal Communications Commission

and the U.S. Department of Justice; to the Committee on Energy and Commerce.

304. Also, memorial of the Senate of the State of Michigan, relative to H.R. 2154, the Natural Gas Consumer Relief Act; to the Committee on Energy and Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. RALPH M. HALL:

H.R. 4478. A bill to waive the statute of limitations to award the Congressional Medal of Honor to Ensign George Gay; to the Committee on Armed Services.

By Mr. FRANK:

H.R. 4580. A bill for the relief of Leopold R. Michel; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 110: Mrs. BOXER.

H.R. 325: Mrs. BOXER.

H.R. 656: Mr. MOLLOHAN.

H.R. 750: Mr. WHITEHURST, Mr. APPLEGATE, Mr. BARNARD, Mr. WYLIE, Mr. YOUNG of Alaska, Mr. RIDGE, Mr. LIVINGSTON, and Ms. FERRARO.

H.R. 1016: Mr. GUARINI.

H.R. 1249: Mrs. BOGGS and Mr. ACKERMAN.

H.R. 1263: Mr. ROE.

H.R. 1376: Ms. SNOWE, Mr. WILLIAMS of Montana, Mr. OWENS, Mr. EDGAR, Mr. EDWARDS of California, and Mr. ROBINSON.

H.R. 1415: Mr. SABO, Mr. HUTTO, Mr. WYLIE, Mr. GUNDERSON, Mr. ROUKEMA, and Mr. EVANS of Illinois.

H.R. 1691: Mr. ERDREICH.

H.R. 1706: Mr. SHANNON, Mr. UDALL, Mr. KASICH, Mr. TORRICELLI, Mr. COOPER, Ms. FIEDLER, Mr. GEJDENSON, and Mr. MORRISON of Connecticut.

H.R. 1773: Mr. DWYER of New Jersey, Mr. FIELDS, Mr. HARTNETT, Mr. CARR, Mr. CARPER, and Mr. HUTTO.

H.R. 1800: Mr. ALBOSTA, Mr. ASPIN, Mr. BROWN of California, Mr. CHENEY, Mr. CLARKE, Mr. COLEMAN of Missouri, Mr. COOPER, Mr. PHILIP M. CRANE, Mr. GINGRICH, Mr. GRADISON, Mr. HAMILTON, Mr. HATCHER, Mr. HUCKABY, Mr. JENKINS, Mr. JONES of Tennessee, Mr. LATTA, Mr. LENT, Mr. MACKAY, Mr. MARTIN of New York, Mr. MCDADE, Mr. MOODY, Mr. PACKARD, Mr. RAY, Mr. ROEMER, Mr. ROTH, Mr. SILJANDER, Mr. SMITH of New Jersey, Mr. SOLOMON, Mr. THOMAS of California, Mr. VALENTINE, and Mr. WEBER.

H.R. 1955: Mr. CHANDLER, Mr. DERRICK, Mr. HOWARD, Mr. JONES of North Carolina, Mr. LEATH of Texas, Mr. MACKAY, Mr. MICA, Mr. MONTGOMERY, Mr. PAUL, Mr. ROGERS, Mr. SHELBY, Mr. STAGGERS, Mr. WHITLEY, Mr. WOLPE, Mr. JONES of Tennessee, Mr. RAY, Mr. BREAUX, Mr. RALPH M. HALL, Mr. TAUZIN, Mr. VOLKMER, Mr. DANIEL, Mr. ENGLISH, Mr. GLICKMAN, Mr. CARPER, Mr. DOWDY of Mississippi, and Mr. MOORE.

H.R. 1984: Ms. KAPTUR.

H.R. 1991: Mr. BATEMAN.

H.R. 2093: Mr. YATES, Mr. BEDELL, and Mrs. HALL of Indiana.

H.R. 2099: Mr. BATEMAN.

H.R. 2124: Mr. WHITEHURST and Mr. VALENTINE.

H.R. 2204: Mr. DE LUGO, Mr. HAWKINS, Mr. ROE, Mr. BOUCHER, Mr. MCKERNAN, Mr. SUNIA, Mr. HATCHER, Mr. BOSCO, Mr. MAVROULES, Mr. OTTINGER, Mr. CRAIG, Mr. HORTON, Mr. RICHARDSON, Mr. BERMAN, Mr. HAYES, Mr. OLIN, Mr. MCNULTY, Mr. BROWN of California, Mr. DYMALLY, Mr. SAVAGE, Mr. CARR, Mr. MCCURDY, Mr. KOSTMAYER, Ms. FIEDLER, Mr. GEJDENSON, Mr. GEKAS, Mr. WEAVER, Mr. MADIGAN, Mr. GRAY, Mr. MOODY, and Mr. FISH.

H.R. 2372: Mr. FOLEY, Mr. MATSUI, Mr. PARRIS, Mr. HANSEN of Idaho, Mr. ANNUNZIO, Mr. LEWIS of Florida, and Mr. SISISKY.

H.R. 2403: Mr. VENTO, Mr. EDGAR, AND Mr. FRANK.

H.R. 2420: Mr. RICHARDSON, Mr. PHILIP M. CRANE, and Mr. MCKERNAN.

H.R. 2454: Mr. NEAL and Mr. WISE.

H.R. 2474: Mr. BROWN of California, Ms. FIEDLER, Mr. BOSCO, Mr. DIXON, Mr. TORRES, and Mr. MILLER of California.

H.R. 2697: Mrs. SCHNEIDER, Mr. GUARINI, Mr. EDGAR, and Mr. MCHUGH.

H.R. 2714: Mr. MATSUI.

H.R. 2817: Mr. SEIBERLING.

H.R. 2824: Mr. LENT.

H.R. 2837: Mr. GOODLING and Mr. ALEXANDER.

H.R. 2902: Mr. HAMILTON, Mr. LATTA, Mrs. MARTIN of Illinois, Mr. MCCURDY, Mr. MCNULTY, Mr. SLATTERY, Mr. WHITTAKER, and Mr. WISE.

H.R. 2927: Mr. DYSON and Mr. RICHARDSON.

H.R. 2977: Mr. CORCORAN.

H.R. 3101: Mr. SIMON, Mr. STANGELAND, Mr. MCNULTY, Mr. GOODLING, and Mr. DURBIN.

H.R. 3141: Mr. PRITCHARD, Mr. SIMON, Mr. FISH, Mr. BOEHLERT, Mr. LEHMAN of Florida, Mr. HERTEL of Michigan, Mr. FRANK, Mr. LEVINE of California, Mr. LELAND, Mr. STARK, Mr. LEVIN of Michigan, Mr. VENTO, Mr. ACKERMAN, Mr. MCGRATH, Mr. HORTON, Mr. HOWARD, Mr. OBERSTAR, Mr. COLEMAN of Texas, and Mr. MCNULTY.

H.R. 3170: Mr. COURTER.

H.R. 3175: Mr. WISE.

H.R. 3265: Mrs. LLOYD, Mr. GEJDENSON, and Mr. DYSON.

H.R. 3282: Mr. HEFTEL of Hawaii, Mr. BORSKI, Mr. KILDEE, Mr. MATSUI, Mr. EDWARDS of California, Mr. STARK, Mr. BROWN of California, Mrs. HALL of Indiana, Mr. WAXMAN, and Mr. PATTERSON.

H.R. 3296: Mr. COELHO.

H.R. 3318: Mr. HUTTO.

H.R. 3371. Mr. COLEMAN of Texas.

H.R. 3400: Mr. FISH, Mr. MCKINNEY, Mr. CLAY, Mr. SHANNON, Mr. LAFALCE, Mr. AKAKA, Mr. MOAKLEY, Mr. HOWARD, Mr. LOWRY of Washington, Mr. WEAVER, Mr. LEHMAN of Florida, Mr. MARTIN of New York, Mr. MAVROULES, Mr. COUGHLIN, Mr. ASPIN, Mr. D'AMOURS, Mr. MARKEY, Mr. CONTE, Mr. MCKERNAN, Mr. BOLAND, Mr. EARLY, Mr. DONNELLY, Mr. JEFFORDS, Mr. MITCHELL, Mr. HEFTEL of Hawaii, and Mr. RINALDO.

H.R. 3465: Mr. FRANK, Mrs. BURTON of California, Mr. SCHUMER, Mrs. BOXER, and Mr. GARCIA.

H.R. 3482: Mr. D'AMOURS, Mr. STARK, and Mr. BONIOR of Michigan.

H.R. 3487: Mr. WYLIE, Mr. REGULA, Ms. KAPTUR, Mr. DEWINE, Mr. GRADISON, Mr. ECKART, Mr. TRAXLER, Mr. PEASE, Mr. KILDEE, Mr. PENNY, Mr. PASHAYAN, and Mrs. HALL of Indiana.

H.R. 3498: Mr. BATES and Mr. SABO.

H.R. 3502: Mr. ALBOSTA, Mr. BADHAM, Mr. BOEHLERT, Mr. BORSKI, Mr. BROWN of Colorado, Mr. BROYHILL, Mr. CLARKE, Mr. CLINGER, Mr. DANIEL, Mr. DREIER of California, Mr. DURBIN, Mr. EDWARDS of Oklahoma, Mr. ERLENBORN, Ms. FIEDLER, Mr. HARTNETT, Mr. JEFFORDS, Mr. JOHNSON, Mr. JONES of North Carolina, Mr. KASICH, Mr. KOGOVSEK, Mr. LENT, Mr. LOEFFLER, Mr. MARRIOTT, Mrs. MARTIN of Illinois, Mr. MARTIN of North Carolina, Mr. MARTINEZ, Mr. MOLLOHAN, Mr. MRAZEK, Mr. MYERS, Mr. PACKARD, Mr. PARRIS, Mr. PAUL, Mr. PURSELL, Mr. QUILLEN, Mr. RATCHFORD, Mr. RAY, Mr. ROE, Mr. ROWLAND, Mr. RUDD, Mr. ROBERT F. SMITH, Mr. SPENCE, Mr. STUMP, Mr. SUNIA, Mr. TAUKE, Mr. WISE, Mr. WOLPE, and Mr. WYLIE.

H.R. 3523: Mr. SEIBERLING.

H.R. 3548: Mr. WON PAT.

H.R. 3614: Mr. STOKES, Mr. CONYERS, and Mr. DREIER of California.

H.R. 3642: Mr. QUILLEN, Mr. GORE, Mr. HEFNER, Mr. ERDREICH, Mr. ROEMER, Mr. DARDEN, and Mr. MILLER of California.

H.R. 3651: Mr. PARRIS.

H.R. 3684: Mrs. HALL of Indiana, Mr. CORRADA, and Mr. RANGEL.

H.R. 3686: Mr. WALGREN and Mrs. BOXER.

H.R. 3703: Mrs. BOXER.

H.R. 3713: Mr. SOLOMON and Mr. HARTNETT.

H.R. 3714: Mr. ROBERT F. SMITH, Mr. SOLOMON, Mr. SWIFT, Mr. HARTNETT, Mr. MOLINARI, Mr. VOLKMER, and Mr. BEVILL.

H.R. 3715: Mr. ROBERT F. SMITH, Mr. SWIFT, Mr. SOLOMON, Mr. MOLINARI, Mr. HARTNETT, Mr. VOLKMER, and Mr. STANGELAND.

H.R. 3716: Mr. ROBERT F. SMITH, Mr. SWIFT, Mr. SOLOMON, Mr. MOLINARI, Mr. HARTNETT, and Mr. VOLKMER.

H.R. 3735: Mr. LEATH of Texas.

H.R. 3777: Mr. BARNARD, Mr. DUNCAN, Mr. MARTIN of North Carolina, and Mr. RAY.

H.R. 3778: Mr. CROCKETT, Mr. DYMALLY, Mr. FEIGHAN, Mr. GARCIA, Mr. LELAND, Mr. MILLER of California, Mr. PANETTA, Mr. RODINO, Mr. SHANNON, and Mr. WEISS.

H.R. 3788: Mr. WEAVER, Mrs. BOXER, and Mr. FROST.

H.R. 3795: Mr. SCHAEFER, Mr. ST GERMAIN, Mr. CARPER, Mr. NIELSON of Utah, Mr. WHITLEY, Mr. CLINGER, Mr. LEVINE of California, Mr. PETRI, Mr. GONZALEZ, and Mr. WEISS.

H.R. 3796: Mr. CAMPBELL, Mr. DAUB, Mr. EDGAR, Mr. FRENZEL, Mrs. JOHNSON, Ms. MIKULSKI, Mr. MOLLOHAN, Mr. OLIN, Mr. RAHALL, and Mr. YOUNG of Alaska.

H.R. 3797: Mr. MCEWEN, Mr. HORTON, Mr. CLINGER, Mr. HUGHES, Mr. FORD of Tennessee, and Mr. SILJANDER.

H.R. 3803: Mr. PATMAN, Mr. SIMON, Mr. BOSCO, Mr. YOUNG of Alaska, Mr. RUDD, Mr. TRAXLER, Mr. BROOMFIELD, Mr. MCCOLLUM, Mr. HANCE, Mr. HILLIS, Mr. SAWYER, Mr. SLATTERY, Mr. CRAIG, Mr. DEWINE, Mr. TORRICELLI, and Mr. WILLIAMS of Montana.

H.R. 3811: Ms. MIKULSKI, Mr. MURTHA, Mr. DURBIN, and Mr. STENHOLM.

H.R. 3828: Mr. VOLKMER, Mr. HUGHES, Mr. MRAZEK, Mr. TOWNS, Mr. BIAGGI, Mr. SOLOMON, Mr. NOWAK, Mr. JONES of North Carolina, Mr. VALENTINE, Mr. WHITLEY, Mr. ROSE, Mr. HEFNER, Mr. DORGAN, Mr. HALL of Ohio, Ms. KAPTUR, Mr. WATKINS, Mr. EDWARDS of Oklahoma, Mr. KOLTER, Mr. MURTHA, Mr. HARTNETT, Mr. TALLON, Mrs. LLOYD, Mr. COOPER, Mr. JONES of Tennessee, Mr. SAM B. HALL, Jr., Mr. BRYANT, Mr. BROOKS, Mr. PICKLE, Mr. PATMAN, Mr. DE LA GARZA, Mr. COLEMAN of Texas, Mr. STENHOLM, Mr. LELAND, Mr. HANCE, Mr. GONZALEZ, Mr. ANDREWS of Texas, Mr. VANDERGRIFF, Mr. ORTIZ, Mr. JEFFORDS, Mr. SISISKY, Mr. DICKINSON, Mr. NICHOLS, Mr. BEVILL,

Mrs. BOXER, Mr. PANETTA, Mr. DREIER of California, Mr. TORRES, Mr. LEWIS of California, Mr. PATTERSON, Mr. LUNGREN, Mr. BATES, Mr. MORRISON of Connecticut, Mr. CARPER, Mr. HUTTO, Mr. BENNETT, Mr. SMITH of Florida, Mr. DANNEMEYER, Mr. WAXMAN, Mr. AKAKA, Mr. HANSEN of Idaho, Mr. EVANS of Illinois, Mr. DURBIN, Mr. HILLIS, Mr. MCCLOSKEY, Mr. EVANS of Iowa, Mr. SMITH of Iowa, Mr. ROBERTS, Mr. SLATTERY, Mr. HUBBARD, Mr. HOPKINS, Mr. TAUZIN, Mr. DYSON, Mrs. HOLT, Mr. MAVROULES, Mr. KILDEE, Mr. OBERSTAR, Mr. MONTGOMERY, Mr. DOWDY of Mississippi, Mr. LOTT, Mr. SKELTON, Mr. OLIN, Mr. BOUCHER, Mr. MORRISON of Washington, Mr. STAGGERS, Mr. WISE, Mr. MOODY, Mr. GUNDERSON, Mr. SUNIA, Mr. FAUNTROY, and Mr. FRANK.

H.R. 3832: Mrs. BOXER, Mr. MCCLOSKEY, Mr. BARNARD, Mrs. HALL of Indiana, Mr. ROWLAND, and Mr. GUARINI.

H.R. 3847: Mr. WYLIE.

H.R. 3866: Mr. HUBBARD, Mr. STENHOLM, Mr. YOUNG of Alaska, Mr. BARTLETT, Mr. RAY, Mr. VANDERGRIFF, Mr. WOLF, Mr. JEFFORDS, Mr. HILER, Mr. ROE, Mr. O'BRIEN, Mr. HUTTO, Mr. HORTON, Mr. BATEMAN, and Mr. HUCKABY.

H.R. 3870: Mr. COLEMAN of Texas.

H.R. 3917: Mr. SKEEN and Mr. RICHARDSON.

H.R. 3918: Mr. RICHARDSON, Mr. BILIRAKIS, Mr. FISH, Mr. HUTTO, Mr. OTTINGER, Mr. FAZIO, Mr. SMITH of New Jersey, Mr. PATTERSON, Mr. LEVIN of Michigan, Mr. BERMAN, Mr. BEREUTER, Mr. LAFALCE, Mr. PEASE, Mr. DANIEL, and Mr. MORRISON of Connecticut.

H.R. 3939: Mr. SKEEN.

H.R. 3946: Mr. HUTTO.

H.R. 3961: Mr. YOUNG of Alaska.

H.R. 3967: Mr. RAHALL, Ms. FERRARO, Mr. COLEMAN of Texas, and Mr. WON PAT.

H.R. 3999: Mr. EMERSON, Mr. STARK, Mr. SAWYER, Mr. ALBOSTA, Mr. FLORIO, and Mr. DEWINE.

H.R. 4037: Mr. EDGAR, Mr. MRAZEK, and Mr. MORRISON of Connecticut.

H.R. 4043: Mr. DURBIN, Mr. MCCURDY, Mr. TORRICELLI, Mr. SIKORSKI, Mr. WINN, Mr. MINETA, Mr. GREGG, Mr. GLICKMAN of Florida, Mr. ANDREWS of Texas, Mr. MACKAY, Mr. BATEMAN, Mr. BOUCHER, Mr. MCCANDLESS, Mr. LEWIS, Mr. LUJAN, Mr. CHANDLER, Mr. CARNEY, Mr. SKEEN, Mr. SIMON, Mr. DYMALLY, and Mr. WALKER.

H.R. 4044: Mr. REGULA, Mr. ROE, Mr. LEWIS of California, Mr. CONYERS, and Mr. SAVAGE.

H.R. 4070: Mr. CORCORAN.

H.R. 4074: Mr. DWYER of New Jersey, Mr. HORTON, Mr. OLIN, Mr. CAMPBELL, Mr. SAWYER, and Mr. FORSYTHE.

H.R. 4080: Mrs. SCHNEIDER and Mr. LEVINE of California.

H.R. 4092: Mr. DREIER of California and Mr. SILJANDER.

H.R. 4093: Mr. HARRISON, Mr. STOKES, Mr. DASCHLE, Mr. TRAXLER, Mr. LANTOS, Mr. APPLEGATE, and Mrs. ROUKEMA.

H.R. 4095: Mr. RIDGE.

H.R. 4097: Mr. LAFALCE, Mrs. COLLINS, Mr. DYMALLY, Mr. FRANK, Mr. WON PAT, Mr. LEVIN of Michigan, Mr. MURPHY, Mr. VENTO, Mrs. HALL of Indiana, Mr. MORRISON of Connecticut, Ms. KAPTUR, Mr. DWYER of New Jersey, Mr. DONNELLY, Mr. SIKORSKI, Mr. COURTER, and Mr. SCHEUER.

H.R. 4098: Mr. DONNELLY, Mr. UDALL, Mr. MILLER of California, Mr. DAUB, Mr. WEAVER, Mr. ECKART, Mr. EDGAR, and Mr. LUKEN.

H.R. 4103: Mr. TORRICELLI, Mr. QUILLEN, Mr. MARTINEZ, Mr. FORD of Tennessee, Mr. KEMP, Mr. EMERSON, Mr. FISH, Mr. COELHO, Mr. STENHOLM, Mr. SCHAEFER, Mr. EDWARDS of California, Mr. BROWN of Colorado, Mr. IRELAND, Mr. ROWLAND, Mr. FLIPPO, Mr. CHAPPIE, Mr. FEIGHAN, Mr. BOSCO, Mrs. ROUKEMA, Mr. LEHMAN of California, Mr. ANTHONY, Mr. COUGHLIN, Mr. GREGG, Mr. HUGHES, Mr. BADHAM, Mr. STANGELAND, Mr. WILSON, Mr. DEWINE, Mr. MCKERNAN, Mr. MINETA, Mr. MARLENEE, Mr. LATTA, Mr. FIELDS, Mr. HEFTEL of Hawaii, and Mr. WILSON.

H.R. 4106: Mrs. HALL of Indiana.

H.R. 4111: Mr. STUDDS, Mr. FOGLIETTA, and Mr. VENTO.

H.R. 4121: Mr. KRAMER.

H.R. 4150: Mr. SEIBERLING.

H.R. 4155: Mrs. HALL of Indiana, Mr. FRANK, Ms. KAPTUR, and Mr. BEDELL.

H.R. 4175: Mr. FORD of Michigan, Mr. STOKES, Ms. MIKULSKI, Mr. LELAND, Mr. HEFTEL of Hawaii, Mr. HERTEL of Michigan, Mr. CARR, Mr. SHELBY, Mr. VANDER JAGT, and Mr. LANTOS.

H.R. 4187: Mr. BERMAN, Mr. ANNUNZIO, Mr. MITCHELL, Mr. HORTON, Mr. SWIFT, Mr. TRAXLER, Mr. BARNES, Mr. SCHUMER, and Mr. MCNULTY.

H.R. 4206: Mr. DYSON.

H.R. 4207: Mr. BARNES.

H.R. 4220: Mr. WON PAT, Mr. OTTINGER, Mr. FORD of Tennessee, Mr. MITCHELL, and Mr. WAXMAN.

H.R. 4243: Mr. RAHALL and Mr. MACKAY.

H.R. 4245: Mr. MITCHELL.

H.R. 4260: Mr. LUKEN, Mr. ANNUNZIO, Mr. DOWNEY of New York, Mr. LEVINE of California, Mr. HEFTEL of Hawaii, Mr. SIMON, Mr. WON PAT, Mr. PHILIP M. CRANE, Mr. BERMAN, Mr. FOWLER, Mr. BEILENSON, Mrs. SCHNEIDER, Mr. CORRADA, Mr. TORRES, Mr. MITCHELL, Mr. EDWARDS of California, Mr. HORTON, Mrs. BURTON of California, Mr. YOUNG of Missouri, Mr. DREIER of California, Mr. PATTERSON, Mrs. BOXER, Mr. MORRISON of Connecticut, Mr. WOLPE, Mr. PANETTA, Mr. RANGEL, Mr. FAZIO, Mr. DIXON, and Mr. MARTINEZ.

H.R. 4261: Mr. EVANS of Illinois, Mr. HAWKINS, Mr. KINDNESS, Mr. LEHMAN of California, Mr. RICHARDSON, Mr. WOLF, Mr. ACKERMAN, and Mr. DWYER of New Jersey.

H.R. 4272: Mr. REGULA.

H.R. 4287: Mr. RICHARDSON.

H.R. 4324: Mr. ALEXANDER, Mr. BLILEY, Mr. BONIOR of Michigan, Mrs. BOXER, Mr. DELLUMS, Mr. FEIGHAN, Mr. FRANK, Mr. JEFFORDS, Mr. LEHMAN of California, Mr. LENT, Ms. MIKULSKI, Mr. SCHEUER, Mr. SHANNON, Mr. STAGGERS, Mr. WATKINS, and Mr. WRIGHT.

H.R. 4330: Mr. PRITCHARD, Mr. STOKES, Ms. KAPTUR, Mr. HUGHES, Mr. ROE, Mr. FORD of Tennessee, and Mr. MARTIN of North Carolina.

H.R. 4351: Mr. NEAL.

H.R. 4360: Mr. OTTINGER, Mr. FOGLIETTA, Mr. FRANK, Mr. NOWAK, Mr. ROE, Mr. MURTHA, Mr. STOKES, Mr. KILDEE, Mr. LOWERY of California, Mr. BROWN of California, Mr. MCHUGH, Mr. CROCKETT, Mr. HERTEL of Michigan, Mr. FORD of Michigan, Mr. HAWKINS, and Mr. EDGAR.

H.R. 4366: Mr. HORTON, Mr. DAVIS, Mr. LAFALCE, Mr. TRAXLER, Mr. VANDER JAGT, Mr. ROTH, Mr. HERTEL of Michigan, and Mr. MADIGAN.

H.R. 4367: Mr. BATES, Mr. BIAGGI, Mr. CROCKETT, Mr. DYMALLY, Mr. KILDEE, Mr. LEVINE of California, Mr. MCNULTY, Ms. OAKAR, Mr. STOKES, Mr. WOLPE, and Mr. WON PAT.

H.R. 4427: Mr. GEKAS.

H.R. 4440: Mr. DORGAN, Mr. TAUKE, Mr. STUDDS, Mr. PEASE, Ms. KAPTUR, Mrs. SCHNEIDER, Mr. BONKER, Mr. GEPHARDT, Mr. CROCKETT, Mr. SEIBERLING, Mr. DYMALLY, and Mr. KOSTMAYER.

H.R. 4447: Mr. FAUNTROY.

H.R. 4457: Mr. SUNDQUIST, Mr. AUCOIN, Mr. SABO, Mr. WAXMAN, Mr. WON PAT, Mr. BARNES, Mr. SMITH of Florida, Mr. FAUNTROY, Mr. ROE, Mr. LEVINE of California, Mr. LELAND, Mr. WYDEN, Mr. LEACH of Iowa, Ms. KAPTUR, Mr. JEFFORDS, Mr. RATCHFORD, Mr. FISH, Mr. OBERSTAR, Mr. WEAVER, and Mr. GRAY.

H.J. Res. 71: Mr. FORD of Tennessee and Mr. KEMP.

H.J. Res. 95: Mr. MCCURDY, Mr. HUCKABY, Mr. BERMAN, Mrs. VUCANOVICH, Mrs. LLOYD, Mr. MAVROULES, and Mr. MARKEY.

H.J. Res. 120: Mr. ZSCHAU.

H.J. Res. 152: Mr. HAMILTON.

H.J. Res. 169: Mr. WHITEHURST, Mr. MCCOLLUM, Mr. KINDNESS, Mr. NIELSON of Utah, Mr. RUDD, Mr. MARTIN of North Carolina, Mr. MCCANDLESS, Mr. BADHAM, Mr. HANSEN of Utah, and Mr. FORSYTHE.

H.J. Res. 174: Mr. LANTOS and Mr. HEFTEL of Hawaii.

H.J. Res. 205: Mr. JACOBS, Mr. LENT, and Mr. MADIGAN.

H.J. Res. 206: Mr. LIVINGSTON.

H.J. Res. 247: Mr. YATRON, Mr. TORRICELLI, Mr. LEHMAN of California, and Mr. HUNTER.

H.J. Res. 268: Mr. RAHALL and Mr. YATRON.

H.J. Res. 281: Mr. SUNIA, Mr. FRANK, Mr. HYDE, Mr. LAGOMARSINO, Ms. KAPTUR, Mr. BROOMFIELD, Mr. DWYER of New Jersey, Mr. GRAMM, Mr. FLIPPO, Mr. BONER of Tennessee, Mr. ARCHER, Mr. LEHMAN of Florida, Mr. WHITEHURST, Mr. GRADISON, Mr. SNYDER, Mr. HUTTO, Mr. ROBINSON, Mr. FRENZEL, Mr. CLAY, Mr. TALLON, Mr. KILDEE, Mr. LIVINGSTON, Mr. ERDREICH, Mr. SAM B. HALL, Jr., Mr. CARPER, Mr. ANDREWS of Texas, Mrs. BOGGS, Mr. MARTIN of North Carolina, Mr. JONES of Tennessee, Mr. PETRI, Mr. SAWYER, Mr. HANSEN of Idaho, Mr. DANIEL B. CRANE, Mrs. HOLT, Mr. KASICH, Mr. LATTA, Mr. HANCE, Mr. PATTERSON, Mr. MINETA, Mr. ST GERMAIN, Mr. STUMP, Mr. DUNCAN, Mr. KRAMER, Mr. BARNES, Mr. GREGG, Mr. KEMP, Mr. CHANDLER, Mr. VANDER JAGT, Mr. FORSYTHE, Mr. HOYER, Mr. MCCOLLUM, Mr. OBERSTAR, Mr. LANTOS, Mr. MCCAIN, Mrs. SCHNEIDER, Mr. SABO, Mr. RINALDO, Mr. FOLEY, Mr. GREEN, Mrs. VUCANOVICH, Mr. DANNEMEYER, Mr. TORRICELLI, Mr. WOLF, Mr. PORTER, Mr. TAUZIN, Mr. HANSEN of Utah, Mr. CRAIG, Mr. GORE, Mr. FORD of Tennessee, Mr. JEFFORDS, Mr. KOSTMAYER, Mr. GRAY, Mr. LOWRY of Washington, Mr. UDALL, Mr. LONG of Maryland, Mr. BRITT, Mr. OWENS, Mr. ROE, Mr. SIMON, Mr. FASCELL, Mr. REID, Mr. MCNULTY, Mr. NIELSON of Utah, Mr. WINN, Mr. AKAKA, Mr. PRICE, and Mr. ARCHER.

H.J. Res. 309: Mr. MINETA.

H.J. Res. 323: Mr. ACKERMAN, Mr. ANDREWS of Texas, Mr. BARNES, Mr. BEREUTER, Mr. BERMAN, Mr. BETHUNE, Mr. BIAGGI, Mrs. BOXER, Mr. BRITT, Mr. CHANDLER, Mr. CHAPPELL, Mr. CONTE, Mr. CONYERS, Mr. CROCKETT, Mr. DAUB, Mr. DAVIS, Mr. DUNCAN, Mr. DWYER of New Jersey, Mr. EDGAR, Mr. EDWARDS of Oklahoma, Mr. EMERSON, Mr. FORD of Tennessee, Mr. FORSYTHE, Mr. FRENZEL, Mr. FROST, Mr. GEPHARDT, Mr. GREEN, Mr. HANSEN of Idaho, Mr. HARRISON, Mrs. HOLT, Mr. HORTON, Mr. HOYER, Mr. HUGHES, Mr. JEFFORDS, Mr. JENKINS, Ms. KAPTUR, Mr. KOGOVSEK, Mr. LAFALCE, Mr. LELAND, Mr. LEWIS of Florida, Mr. LOWERY of California, Mr. MCCAIN, Mr. MCNULTY, Mr. MADIGAN, Mr. MARTINEZ, Mr. MAZZOLI, Mr. MINETA, Mr. MOODY, Mr. MORRISON of

Washington, Mr. NIELSON of Utah, Mr. O'BRIEN, Mr. PACKARD, Mr. PASHAYAN, Mr. PEPPER, Mr. QUILLEN, Mr. RAHALL, Mr. RATCHFORD, Mr. REGULA, Mr. REID, Mr. ROE, Mr. ROTH, Mr. SHUMWAY, Mr. SIMON, Mr. SKELTON, Mr. SMITH of Florida, Ms. SNOWE, Mr. STENHOLM, Mr. STOKES, Mr. SUNIA, Mr. VANDERGRIFF, Mr. WAXMAN, Mr. WEBER, Mr. WILSON, Mr. WINN, Mr. WOLF, Mr. WYDEN, Mr. WYLIE, Mr. YOUNG of Florida, Mr. YOUNG of Alaska, Mr. ZABLOCKI, Mr. SPRATT, Mr. MORRISON of Connecticut, and Mr. SISISKY.

H.J. Res. 342: Mr. THOMAS of Georgia, Mr. DOWNEY of New York, Mr. MATSUI, Mr. CONTE, Mr. TAUZIN, Mr. GEKAS, Mr. LENT, Mr. MCCLOSKEY, Mr. SCHEUER, Mr. BONKER, Mr. VANDER JAGT, Mr. EVANS of Iowa, Mr. SISISKY, Mr. BOLAND, Mr. MINISH, Mr. ROEMER, Mr. MARTIN of New York, Mr. MCCURDY, Mr. SHAW, Mr. CORRADA, Mr. ROWLAND, Mr. DAUB, Mr. FOGLIETTA, Mr. OBERSTAR, Mr. HAWKINS, Mr. JEFFORDS, Mr. ADDABBO, Mr. MAVROULES, and Mr. LEVINE of California.

H.J. Res. 356: Mr. OLIN, Mr. PANETTA, Mr. ZABLOCKI, Mr. CHAPPIE, Mr. HOPKINS, Mr. TORRICELLI, Mr. OXLEY, Mr. MARLENEE, Mr. WOLPE, and Mr. ANDERSON.

H.J. Res. 382: Mr. BONER of Tennessee, Mr. DYSON, Mr. RITTER, Mr. VENTO, and Mr. VANDERGRIFF.

H.J. Res. 384: Mr. GARCIA, Mr. VENTO, Mr. ADDABBO, and Mr. BARNES.

H.J. Res. 385: Mr. MCGRATH and Mr. WISE.

H.J. Res. 389: Mr. FRANK.

H.J. Res. 392: Mr. WALGREN, Mr. CHAPPIE, Mr. FAZIO, Mr. WOLF, Mr. ROE, Mr. FORSYTHE, Mr. WINN, Mr. MORRISON of Connecticut, Mr. O'BRIEN, Mr. RICHARDSON, Mr. MCNULTY, Mr. CORRADA, Mr. WHITEHURST, Mr. BOUCHER, Mr. LEWIS of California, Mr. MADIGAN, Mr. WILSON, Mr. MURPHY, Mr. FAUNTROY, Mr. STANGELAND, Mr. MOLLOHAN, Mr. PATTERSON, Mr. MCGRATH, Mr. OLIN, Mr. VENTO, Mr. LEVIN of Michigan, Mr. EVANS of Illinois, Mr. ENGLISH, Mr. DE LA GARZA, Mr. FRENZEL, Mr. SIMON, Mr. CARNEY, Mr. HORTON, Mrs. HOLT, Mr. FROST, Mr. LIPINSKI, Mr. WEISS, Mr. EDWARDS of Oklahoma, Mr. OWENS, Mr. LEVINE of California, Mr. EMERSON, Mr. YATRON, and Mr. KOGOVSEK.

H.J. Res. 404: Mr. WHITTAKER, Mr. CLINGER, Mr. BLILEY, and Mr. SILJANDER.

H.J. Res. 407: Mr. FISH, Mr. HERTEL of Michigan, Mr. ACKERMAN, Mr. MOLLOHAN, Mr. HAWKINS, Mr. CROCKETT, Mr. WOLF, Mr. HOWARD, Mr. CONYERS, Mr. TORRICELLI, Mr. BERMAN, Mr. EDGAR, Mr. HYDE, Mr. BATES, Mr. WINN, Mr. FRANKLIN, Mr. MAZZOLI, Mr. HUGHES, Mrs. BOXER, Mr. MINETA, Mr. FROST, Mr. FRANK, Mr. RIDGE, Mr. WILSON, Mr. YATRON, Mr. FEIGHAN, Mr. MORRISON of Connecticut, Mr. DASCHLE, Mr. CRAIG, Mr. MATSUI, Mr. MCNULTY, Mr. STENHOLM, Ms. FERRARO, Mr. DUNCAN, Mr. SOLARZ, Mr. VENTO, Mr. HOYER, Mr. PERKINS, and Mr. DOWDY of Mississippi.

H.J. Res. 418: Mr. TRAXLER, Mr. ANTHONY, Mr. DAUB, Mr. BRYANT, and Mr. PASHAYAN.

H.J. Res. 422: Mr. GEJDENSON, Mr. SABO, and Ms. FIEDLER.

H.J. Res. 429: Mr. BEDELL, Mr. WAXMAN, Mr. SWIFT, and Mr. DORGAN.

H.J. Res. 434: Mr. PEPPER, Mr. VENTO, and Mr. KOSTMAYER.

H. Con. Res. 9: Mr. NEAL.

H. Con. Res. 105: Mr. NEAL and Mr. WISE.

H. Con. Res. 122: Mr. WISE, Mr. WAXMAN, Mr. OLIN, and Mr. HAWKINS.

H. Con. Res. 139: Mr. GOODLING.

H. Con. Res. 163: Mrs. LLOYD and Mr. TRAXLER.

H. Con. Res. 181: Mr. GEJDENSON, Mr. HUGHES, and Mr. TORRICELLI.

H. Con. Res. 185: Mr. NEAL.

H. Con. Res. 191: Mr. SIMON, Mr. GEKAS, Mr. OBERSTAR, and Mr. HUGHES.

H. Con. Res. 208: Mr. BEREUTER.

H. Con. Res. 209: Mr. FORSYTHE and Mr. WHITTAKER.

H. Con. Res. 215: Mr. HUBBARD, Mr. HORTON, Mr. SOLOMON, Mr. IRELAND and Mr. FORSYTHE.

H. Con. Res. 217: Mr. BROWN of California, Mr. BARNES, Mr. LEVINE of California, and Mr. WON PAT.

H. Con. Res. 218: Mr. BROWN of California, Mr. BARNES, Mr. LEVINE of California, and Mr. WON PAT.

H. Con. Res. 219: Mr. BOUCHER, Mr. MOLLOHAN, Mr. MORRISON of Washington, and Mr. WILSON.

H. Con. Res. 223: Mr. WON PAT, Mr. FRANK, Mr. RATCHFORD, Mr. LELAND, Mr. MAVROULES, Mr. MATSUI, Mr. OBERSTAR, Mr. DYSON, Mr. FLORIO, and Mr. CROCKETT.

H. Con. Res. 224: Mr. BROOMFIELD, Ms. FIEDLER, Mr. HORTON, Mr. HUGHES, Mr. HYDE, Mr. JACOBS, Mr. LAGOMARSINO, Mr. MINISH, Mr. MITCHELL, Mr. RATCHFORD, Mr. RITTER, Mr. ROE, Mr. STOKES, and Mr. SUNIA.

H. Con. Res. 226: Mr. SOLARZ, Mr. ADDABBO, Mr. BEDELL, Mr. CORRADA, Mr. GEKAS, Mr. MCHUGH, Mr. MRAZEK, Mr. RITTER, and Mr. VENTO.

H. Con. Res. 227: Mr. ALEXANDER, Mr. BONIOR of Michigan, Mrs. BOXER, Mr. CRAIG, Mr. DANNEMEYER, Mr. DELLUMS, Mr. FEIGHAN, Mr. HANSEN of Idaho, Mr. LENT, Mr. MARKEY, Ms. MIKULSKI, Mr. SCHEUER, Mr. SHANNON, Mr. DENNY SMITH, Mr. ROBERT F. SMITH, Mr. STAGGERS, Mr. STUDDS, Mr. WATKINS, Mr. WEAVER, Mr. WRIGHT, and Mr. GEJDENSON.

H. Res. 147: Mr. LEWIS of California, Mrs. SCHROEDER, Mr. HUNTER, Mr. MCHUGH, Mr. GARCIA, Mr. HANSEN of Idaho, Mr. GREEN, Mr. WOLPE, Mr. LEVINE of California, Mr. PACKARD, Mr. SIMON, Mr. SABO, Mr. KASICH, Mr. DICKINSON, Mr. MCGRATH, Mr. ROE, Mrs. SCHNEIDER, Mr. EVANS of Iowa, Mr. MOAKLEY, Mr. RICHARDSON, Mr. BERMAN, Mr. DURBIN, Mr. RINALDO, Mr. KEMP, Mr. HORTON, Mr. DYSON, Mr. SMITH of New Jersey, Mr. MACK, Mr. KOSTMAYER, Mr. LEACH of Iowa, Mr. KRAMER, Mr. CAMPBELL, Mr. COURTER, Mr. ORTIZ, Mr. BATES, Mr. BOUCHER, Mr. HOWARD, Mr. SCHAEFER, Mr. NOWAK, Mrs. MARTIN of Illinois, Mr. LEVIN of Michigan, Mr. STANGELAND, Mr. MAVROULES, Mr. SOLOMON, Mr. TAUKE, Mr. MCEWEN, Mr. ROWLAND, Mr. KOLTER, Mr. RODINO, Mr. FIELDS, Mr. MARKEY, Mr. LUJAN, Mr. HOYER, Mr. WALKER, Mr. MORRISON of Washington, Mr. MACKAY, Mr. GINGRICH, Mr. JACOBS, Mr. DASCHLE, Mr. HALL of Ohio, Mr. MINISH, Mr. TORRES, Mr. SCHULZE, Mr. MCCURDY, Mr. WHITEHURST, Mr. ANNUNZIO, Mr. GEJDENSON, Mr. YOUNG of Missouri, Mr. WILLIAMS of Ohio, Mr. MCCAIN, Mr. MCKERNAN, Mr. WEBER, Mr. ANDREWS of Texas, Mr. MURPHY, Mr. VALENTINE, Mr. LIVINGSTON, Mr. PHILIP M. CRANE, Mr. LIPINSKI, Mr. VANDER JAGT, Mr. DANIEL B. CRANE, Ms. SNOWE, Mr. FLORIO, Mr. ADDABBO, Mr. BONER of Tennessee, Mr. COYNE, Mr. TORRICELLI, Mr. MARRIOTT, Mr. EDWARDS of Alabama, Mr. BILIRAKIS, Mr. KOGOVSEK, Mr. SIKORSKI, Mr. PENNY, and Mr. BRYANT.

H. Res. 160: Mr. BATES, Mr. MCCOLLUM, Mr. GREEN, Mr. LAGOMARSINO, Ms. KAPTUR, Mr. LAFALCE, Mr. BOEHLERT, Mr. SIMON, and Mr. BEDELL.

H. Res. 171: Mrs. BOXER, Mr. HORTON, Mr. PURSELL, Mr. MAVROULES, Mr. GEJDENSON, Mr. MORRISON of Connecticut, Mr. BROOMFIELD, Mr. ADDABBO, Mr. MRAZEK, Mr. MARTINEZ, Mr. HAMILTON, Mr. JEFFORDS, Mr. DYSON, Mr. BONIOR of Michigan, Mr. MCHUGH, Mr. BARNES, Mr. MOORHEAD, Mr. BONKER, Mr. DREIER of California, Mr. HUNTER, Mr. BLILEY, and Mr. WOLPE.

H. Res. 172: Ms. KAPTUR, Mr. WRIGHT, Mr. WILSON, Mr. WOLPE, Mr. ZABLOCKI, Mr. PATMAN, Mr. LONG of Maryland, Mr. ANDERSON, Ms. SNOWE, Mr. EMERSON, Mr. FROST, Mr. CARPER, Mr. GORE, Mr. MCHUGH, Mr. NOWAK, Mr. HAYES, Mr. PERKINS, Mr. DYMALLY, Mr. LEHMAN of California, Mr. WILLIAMS of Montana, Mr. BROOKS, Mr. GEPHARDT, Mr. MARKEY, Mr. REGULA, Mr. ASPIN, Mr. DORGAN, Mr. BARNES, Mrs. BYRON, Mr. CAMPBELL, Mr. RICHARDSON, Mrs. BOXER, Mr. OBEY, Mr. BOSCO, Mr. REID, Mr. HAMILTON, and Mr. UDALL.

H. Res. 216: Mr. VANDERGRIFF.

H. Res. 291: Mr. STUMP.

H. Res. 360: Mr. ROE, Mr. ECKART, Mr. HUGHES, Mr. BROYHILL, Mr. OTTINGER, Ms. FERRARO, Mr. MARKEY, Mr. MORRISON of Connecticut, Mrs. BOXER, and Mr. MOODY.

H. Res. 377: Mr. VENTO.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1800: Mr. STARK.

H.R. 4040: Mr. WAXMAN.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

278. By the SPEAKER: Petition of the Tobacco Institute, Washington, D.C., relative to the institute's analysis of "Cigarette Smoking and Heart Disease"; to the Committee on Energy and Commerce.

279. Also, petition of Prof. Robert L. Park, University of Maryland, et al., relative to the nuclear arms race; to the Committee on Foreign Affairs.

A MESSAGE RECEIVED BY THE CLERK FROM THE SENATE AFTER SINE DIE ADJOURNMENT

WASHINGTON, D.C.,
November 21, 1983

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5, Rule III of the Rules of the U.S. House of Representatives, the Clerk received a message from the Senate at 12:38 p.m. on Monday, November 21, 1983, that the Senate passed without amendment H.J. Res. 381, H.R. 3765, H.R. 4476, H.R. 2755, H.R. 2785, H.R. 724, H.J. Res. 405, H.R. 4294, H.J. Res. 311, H.R. 2479, H.J. Res. 324; that the Senate agreed to the House amendments on S. 1099, S. 1341, S. 974, S. Con. Res. 59, S. 505, S. 577; that the Senate agreed to the Conference Reports on H.R. 2915, H.R. 2968, H.R. 2906, H.R. 1035, H.R. 4185; that the Senate agreed to the House amendments to the Senate amendments on H.R. 4252; and that the Senate ap-

pointed members to the Special Committee on Security and Cooperation in Europe.

With kind regards, I am,

Sincerely,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

SENATE ENROLLED BILLS SIGNED AFTER SINE DIE ADJOURNMENT

The SPEAKER announced his signature to enrolled bills of the Senate of the following title on the following date:

On November 22, 1983:

S. 577. An act to provide for the conveyance of certain Federal lands adjacent to Orchard and Lake Shore Drives, Lake Lowell, Boise project, Idaho;

S. 1046. An act to clarify the applicability of a provision of law regarding risk retention;

S. 1341. An act to revise and extend the Education of the Handicapped Act, and for other purposes;

S. 1503. An act to direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain land in the State of Delaware; and

S. 1837. An act to designate the Federal Building in Seattle, Wash., as the "Henry M. Jackson Federal Building."

On November 29, 1983:

S. 505. An act to designate the Federal building to be constructed in Savannah, Ga., as the "Juliette Gordon Low Federal Building";

S. 589. An act to authorize $15,500,000 for capital improvement on Guam, and for other purposes;

S. 974. An act to amend chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), to improve the quality and efficiency of the military justice system, to revise the laws concerning review of courts-martial, and for other purposes;

S. 1099. An act to consolidate and authorize certain marine fishery programs and functions of the National Oceanic and Atmospheric Administration under the Department of Commerce; and

S. 2129. An act to provide revised reimbursement criteria for small rural health clinics utilizing National Health Service Corps personnel.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED AFTER SINE DIE ADJOURNMENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker on the following dates:

On November 22, 1983:

H.R. 724. An act for the relief of Carlos Mebrano Gatson;

H.R. 2196. An act to extend the authorization of appropriations of the National Historical Publications and Records Commission for 5 years;

H.R. 2293. An act to revise the authority and responsibility of the Office of Federal Procurement Policy, to authorize appropriations for the Office of Federal Procurement Policy for an additional 4 fiscal years, and for other purposes;

H.R. 2395. An act to extend the Wetlands Loan Act;

H.R. 2479. An act to amend the act of March 3, 1869, incorporating the Masonic Relief Association of the District of Columbia, now known as Acacia Mutual Life Insurance Co.;

H.R. 2785. An act to amend the provisions of the Federal Insecticide, Fungicide, and Rodenticide Act relating to the scientific advisory panel and to extend the authorization for appropriations for such act;

H.R. 2906. An act to amend the Arms Control and Disarmament Act in order to extend the authorization for appropriations;

H.R. 2915. An act to authorize appropriations for fiscal years 1984 and 1985 for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, the Inter-American Foundation, and the Asia Foundation, to establish the National Endowment for Democracy, and for other purposes;

H.R. 3385. An act to stabilize the supply and demand for dairy products, to make modifications in the tobacco production adjustment program, to provide emergency livestock feed assistance, and for other purposes;

H.R. 3765. An act to declare that the United States holds certain lands in trust for the Las Vegas Paiute Tribe.

H.R. 4252. An act to suspend the noncash benefit requirement for the Puerto Rico nutrition assistance program, to provide States with greater flexibility in the administration of the food stamp program, and for other purposes;

H.R. 4294. An act to name the Veterans' Administration Medical Center in Altoona, Pa., the "James E. Van Zandt Veterans' Administration Medical Center," and to name the Veterans' Administration Medical Center in Dublin, Ga., the "Carl Vinson Veterans' Administration Medical Center";

H.R. 4476. An act to extend the authorities under the Export Administration Act of 1979, and for other purposes;

H.J. Res. 311. Joint resolution to proclaim March 20, 1984, as "National Agriculture Day";

H.J. Res. 324. Joint resolution to designate the week beginning January 15, 1984, as "National Fetal Alcohol Syndrome Awareness Week";

H.J. Res. 381. Joint resolution to provide for appointment of Samuel Curtis Johnson as a citizen regent of the Board of Regents of the Smithsonian Institution;

H.J. Res. 405. Joint resolution to extend the term of the Presidential Commission for the German-American Tricentennial, and for other purposes; and

H.J. Res. 421. Joint resolution providing for the convening of the 2d session of the 98th Congress, and for other purposes.

On November 29, 1983:

H.R. 1035. An act to make certain technical amendments to improve implementation of the Education Consolidation and Improvement Act of 1981, and for other purposes;

H.R. 2755. An act to authorize appropriations for the Federal Communications Commission for fiscal years 1984 and 1985, and for other purposes;

H.R. 2968. An act to authorize appropriations for fiscal year 1984 for intelligence and intelligence-related activities of the U.S. Government, for the intelligence community staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes;

H.R. 3959. An act making supplemental appropriations for the fiscal year ending September 30, 1984, and for other purposes; and

H.R. 4185. An act making appropriations for the Department of Defense of the fiscal year ending September 30, 1984, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on November 18, 1983, present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H.R. 24. An act to make certain land owned by the United States in the State of New York part of the Green Mountain National Forest;

H.R. 2230. An act to amend Civil Rights Act of 1957 to extend the life of the Civil Rights Commission, and for other purposes;

H.R. 2590. An act to amend the Agricultural Adjustment Act to authorize marketing research and promotion projects, including paid advertising, for filberts, and to amend the Potato Research and Promotion Act;

H.R. 2592. An act to transfer from the Director of the Office of Management and Budget to the Administrator of General Services the responsibility for publication of the catalog of Federal domestic assistance programs, and for other purposes;

H.R. 2780. An act to extend and amend the provisions of title 31, United States Code, relating to the general revenue sharing program;

H.R. 4013. An act to extend the small business development center program administered by the Small Business Administration until January 1, 1985;

H.R. 4042. An act to continue in effect the current certification requirements with respect to El Salvador until the Congress enacts new legislation providing conditions for U.S. military assistance to El Salvador or until the end of fiscal year 1984, which ever occurs first;

H.J. Res. 93. Joint resolution to provide for the awarding of a special gold medal to Danny Thomas in recognition of his humanitarian efforts and outstanding work as an American; and

H.J. Res. 308. Joint resolution increasing the statutory limit on the public debt.

BILLS PRESENTED TO THE PRESIDENT AFTER SINE DIE ADJOURNMENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval bills of the House of the following titles:

On November 22, 1983:

H.R. 2915. An act to authorize appropriations for fiscal years 1984 and 1985 for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, the Inter-American Foundation, and the Asia Foundation, to establish the National Endowment for Democracy, and for other purposes; and

H.R. 3385. An act to stabilize the supply and demand for dairy products, to make modifications in the tobacco production adjustment program, to provide emergency

livestock feed assistance, and for other purposes.

On November 23, 1983:

H.R. 724. An act for the relief of Carlos Mebrano Gatson;

H.R. 2196. An act to extend the authorization of appropriations of the National Publications and Record Commission for 5 years;

H.R. 2293. An act to revise the authority and responsibility of the Office of Federal Procurement Policy, to authorize appropriations for the Office of Federal Procurement Policy for an additional 4 fiscal years, and for other purposes;

H.R. 2395. An act to extend the Wetlands Loan Act;

H.R. 2479. An act to amend the act of March 3, 1869, incorporating the Masonic Relief Association of the District of Columbia, now known as Acacia Mutual Life Insurance Co.;

H.R. 2785. An act to amend the provisions of Federal Insecticide, Fungicide, and Rodenticide Act relating to the scientific advisory panel and to extend the authorization for appropriations for such act;

H.R. 2906. An act to amend the Arms Control and Disarmament Act in order to extend the authorization for appropriations;

H.R. 3765. An act to declare that the United States holds certain lands in trust for the Las Vegas Paiute Tribe;

H.R. 4252. An act to suspend the noncash benefit requirement for the Puerto Rico nutrition assistance program, to provide States with greater flexibility in the administration of the food stamp program, and for other purposes;

H.R. 4294. An act to name the Veterans' Administration Medical Center in Altoona, Pa., the "James E. Van Zandt Veterans' Administration Medical Center," and to name the Veterans' Administration Medical Center in Dublin, Ga., the "Carl Vinson Veterans' Administration Medical Center";

H.R. 4476. An act to extend the authorities under the Export Administration Act of 1979, and for other purposes;

H.J. Res. 311. Joint resolution to proclaim March 20, 1984, as "National Agriculture Day";

H.J. Res. 324. Joint resolution to designate the week beginning January 15, 1984, as "National Fetal Alcohol Syndrome Awareness Week";

H.J. Res. 381. Joint resolution to provide for appointment of Samuel Curtis Johnson as a citizen regent of the Board of Regents of the Smithsonian Institution;

H.J. Res. 405. Joint resolution to extend the term of the Presidential Commission for the German-American Tricentennial, and for other purposes; and

H.J. Res. 421. Joint resolution providing for the convening of the 2d session of the 98th Congress, and for other purposes.

On November 29, 1983:

H.R. 1035. An act to make certain technical amendments to improve implementation of the Education Consolidation and Improvement Act of 1981, and for other purposes;

H.R. 2755. An act to authorize appropriations for the Federal Communications Commission for fiscal years 1984 and 1985, and for other purposes;

H.R. 2968. An act to authorize appropriations for fiscal year 1984 for intelligence and intelligence-related activities of the U.S. Government, for the intelligence community staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes;

H.R. 4185. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1984, and for other purposes; and

H.R. 3959. An act making supplemental appropriations for the fiscal year ending September 30, 1984, and for other purposes.

BILLS AND JOINT RESOLUTIONS APPROVED AFTER SINE DIE ADJOURNMENT

The President, subsequent to the sine die adjournment of the Congress, notified the Clerk of the House that on the following dates he had approved and signed bills and joint resolutions of the following titles:

On October 28, 1983:

H.R. 3044. An act to grant the consent of the Congress to an interstate agreement or compact relating to the restoration of Atlantic salmon in the Connecticut River Basin, and to allow the Secretary of Commerce and the Secretary of the Interior to participate as members in a Connecticut River Atlantic Salmon Commission.

On October 31, 1983:

H.R. 1213. An act to amend certain provisions of law relating to units of the national park system and other public lands, and for other purposes; and

H.R. 3913. An act making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1984, and for other purposes.

On November 2, 1983:

H.R. 730. An act for the relief of Ronald Goldstock and Augustus M. Statham;

H.R. 732. An act for the relief of Gregory B. Dymond, Samuel K. Gibbons, Jack C. Kean, James D. Nichols, and Roy A. Redmond;

H.R. 745. An act for the relief of Stephen C. Ruks; and

H.R. 3706. An act to amend title 5, United States Code, to make the birthday of Martin Luther King, Jr., a legal public holiday.

On November 4, 1983:

H.R. 3363. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1984, and for other purposes.

On November 14, 1983:

H.J. Res. 413. Joint resolution making further continuing appropriations for the fiscal year 1984.

On November 15, 1983:

H.J. Res. 283. Joint resolution designating the week beginning November 6, 1983, as "National Disabled Veterans Week."

On November 16, 1983:

H.J. Res. 408. Joint resolution designating November 12, 1983, as "Anti-Defamation League Day" in honor of the league's 70th anniversary.

On November 17, 1983:

H.J. Res. 383. Joint resolution to designate the week beginning November 6, 1983, as "Florence Crittenton Mission Week."

On November 18, 1983:

H.R. 3348. An act to honor Congressman Leo J. Ryan and to award a special congressional gold medal to the family of the late Honorable Leo J. Ryan.

On November 21, 1983:

H.R. 2920. An act to amend title 38, United States Code, to extend and improve various health care and other programs of the Veterans' Administration; and for other purposes; and

H.J. Res. 308. Joint resolution increasing the statutory limit on the public debt.

On November 22, 1983:

H.R. 2910. An act to amend the act of November 2, 1966, regarding leases and contracts affecting land within the Salt River Pima-Maricopa Indian Reservation;

H.R. 2915. An act to authorize appropriations for fiscal years 1984 and 1985 for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, the Inter-American Foundation, and the Asia Foundation, to establish the National Endowment for Democracy, and for other purposes; and

H.R. 3885. An act to provide for the restoration of Federal recognition to the Confederated Tribes of the Grand Ronde Community of Oregon, and for other purposes.

On November 28, 1983:

H.R. 3222. An act making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1984, and for other purposes.

On November 29, 1983:

H.R. 24. An act to make certain land owned by the United States in the State of New York part of the Green Mountain National Forest;

H.R. 594. An act to amend section 1 of the act of June 5, 1920, as amended, to authorize the Secretary of Commerce to settle claims for damages of less than $2,500 arising by reason of acts for which the National Oceanic and Atmospheric Administration is responsible;

H.R. 726. An act for the relief of James A. Ferguson;

H.R. 2077. An act to amend title 5, United States Code, to extend the Federal Physicians Comparability Allowance Act of 1978, and for other purposes;

H.R. 2590. An act to amend the Agricultural Adjustment Act to authorize marketing research and promotion projects, including paid advertising, for filberts, and to amend the Potato Research and Promotion Act;

H.R. 2592. An act to transfer from the Director of the Office of Management and Budget to the Administrator of General Services the responsibility for publication of the catalog of Federal domestic assistance programs, and for other purposes;

H.R. 3885. An act to stabilize the supply and demand for dairy products, to make modifications in the tobacco production adjustment program, to provide emergency livestock feed assistance, and for other purposes;

H.R. 4013. An act to amend the small business development center program administered by the Small Business Administration until January 1, 1985;

H.J. Res. 93. Joint resolution to provide for the awarding of a special gold medal to Danny Thomas in recognition of his humanitarian efforts and outstanding work as an American;

H.J. Res. 168. Joint resolution to designate the week beginning May 27, 1984, as "National Tourism Week"; and

H.J. Res. 421. Joint resolution providing for the convening of the second session of the 98th Congress, and for other purposes.

On November 30, 1983:

H.R. 724. An act for the relief of Carlos Mebrano Gatson.

H.R. 2196. An act to extend the authorization of appropriations of the National Historical Publications and Records Commission for 5 years;

H.R. 2230. An act to amend the Civil Rights Act of 1957 to extend the life of the

Civil Rights Commission, and for other purposes;

H.R. 2479. An act to amend the act of March 3, 1869, incorporating the Masonic Relief Association of the District of Columbia, now known as Acacia Mutual Life Insurance Co.;

H.R. 2780. An act to extend and amend the provisions of title 31, United States Code, relating to the general revenue sharing program;

H.R. 3959. An act making supplemental appropriations for the fiscal year ending September 30, 1984, and for other purposes;

H.R. 4294. An act to name the Veterans' Administration Medical Center in Altoona, Pa., the "James E. Van Zandt Veterans' Administration Medical Center" and to name the Veterans' Administration Medical Center in Dublin, Ga., the "Carl Vinson Veterans' Administration Medical Center"; and

H.J. Res. 324. Joint resolution to designate the week beginning January 14, 1984, as "National Fetal Alcohol Syndrome Awareness Week."

On December 1, 1983:

H.R. 2293. An act to revise the authority and responsibility of the Office of Federal Procurement Policy, to authorize appropriations for the Office of Federal Procurement Policy for an additional 4 fiscal years, and for other purposes; and

H.J. Res. 405. Joint resolution to extend the term of the Presidential Commission for the German-American Tricentennial, and for other purposes.

On December 2, 1983:

H.R. 2395. An act to extend the Wetlands Loan Act;

H.R. 2785. An act to amend amend the provisions of the Federal Insecticide, Fungicide, and Rodenticide Act relating to the scientific advisory panel and to extend the authorization for appropriations for such act;

H.R. 2906. An act to amend the Arms Control and Disarmament Act in order to extend the authorization of appropriations;

H.R. 3765. An act to declare that the United States holds certain lands in trust for the Las Vegas Paiute Tribe;

H.R. 4252. An act to suspend the noncash benefit requirement for the Puerto Rico nutrition assistance program, to provide States with greater flexibility in the administration of the food stamp program, and for other purposes; and

H.J. Res. 311. Joint resolution to proclaim March 20, 1984, as "National Agriculture Day."

On December 5, 1983:

H.R. 4476. An act to extend the authorities under the Export Administration Act of 1979, and for other purposes; and

H.J. Res. 381. Joint resolution to provide for appointment of Samuel Curtis Johnson as a citizen regent of the Board of Regents of the Smithsonian Institution.

On December 8, 1983:

H.R. 1035. An act to make certain technical amendments to improve implementation of the Education Consolidation and Improvements Act of 1981, and for other purposes;

H.R. 2755. An act to authorize appropriations for the Federal Communications Commission for fiscal years 1984 and 1985, and for other purposes; and

H.R. 4185. An act to making appropriatons for the Department of Defense for the fiscal year ending September 30, 1984, and for other purposes.

On December 9, 1983:

H.R. 2968. An act to authorize appropriations for fiscal year 1984 for intelligence and intelligence-related activities of the U.S. Government for the intelligence community staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes.

OATH OF OFFICE, MEMBERS, RESIDENT COMMISSIONER, AND DELEGATES

The oath of office required by the sixth article of the Constitution of the United States, and as provided by section 2 of the act of May 13, 1884 (23 Stat. 22), to be administered to Members, Resident Commissioner, and Delegates of the House of Representatives, the text of which is carried in 5 U.S.C. 3331:

> "I, A B, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

has been subscribed to in person and filed in duplicate with the Clerk of the House of Representatives by the following Member of the 98th Congress, pursuant to the provisions of 2 U.S.C. 25;

GEORGE (BUDDY) DARDEN, Seventh District, Georgia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on November 18, 1983, the following reports were filed on November 21, 1983]

Mr. BROOKS: Committee on Government Operations. Report on the President's large-scale surplus land sale programs: promises and problems (Rept. No. 98-576). Referred to the Committee of the Whole House on the State of the Union.

Mr. CONYERS: Committee on the Judiciary. H.R. 3336. A bill to amend title 18 of the United States Code to modify the insanity defense in the Federal courts, and for other purposes; with an amendment (Rept. No. 98-577). Referred to the Committee of the Whole House on the State of the Union.

[Pursuant to the order of the House on November 18, 1983, the following report was filed on November 22, 1983]

Mr. BROOKS: Committee on Government Operations. Report on the administration's initiatives to expand polygraph use and impose lifelong censorship on thousands of Government employees (Rept. No. 98-578). Referred to the Committee of the Whole House on the State of the Union.

[Pursuant to the order of the House on November 18, 1983, the following reports were filed on November 28, 1983]

Mr. BROOKS: Committee on Government Operations. Report on the Navy's political rating system: An arrogant intrusion into the political process (Rept. No. 98-579). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government operations. Report on Defense Science boards: A question of integrity (Rept. No. 98-580). Referred to the Committee of the Whole House on the State of the Union.

[Pursuant to the order of the House on November 18, 1983, the following reports were filed on November 30, 1983]

Mr. BROOKS: Committee on Government Operations. Block grants have weakened Federal programs for the educationally disadvantaged (Rept. No. 98-581). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. The Federal response to AIDS (Rept. No. 98-582). Referred to the Committee of the Whole House on the State of the Union.

[Pursuant to the order of the House on November 18, 1983, the following report was filed on December 1, 1983]

Mr. BROOKS: Committee on Government Operations. Report on OMB interference with OSHA rulemaking (Rept. No. 98-583). Referred to the Committee of the Whole House on the State of the Union.

[Pursuant to the order of the House on November 18, 1983, the following report was filed on December 2, 1983]

Mr. BROOKS: Committee on Government Operations. Report on FDA's regulation of Zomax (Rept. No. 98-584). Referred to the Committee of the Whole House on the State of the Union.

[Pursuant to the order of the House on November 18, 1983, the following report was filed on December 7, 1983]

Mr. BROOKS: Committee on Government Operations. H.R. 3625. A bill to amend the Inspector General Act of 1978 to establish offices of inspector general in certain departments, and for other purposes; with an amendment (Rept. No. 98-586). Referred to the Committee of the Whole House on the State of the Union.

[Pursuant to the order of the House on November 18, 1983, the following report was filed on December 9, 1983]

Mr. DE LA GARZA: Committee on Agriculture. H.R. 2714. A bill to direct the Secretary of Agriculture to take certain actions to improve the productivity of American farmers, and for other purposes; with an amendment (Rept. No. 98-587). Referred to the Committee of the Whole House on the State of the Union.

SENATE—*Friday, November 18, 1983*

(Legislative day of Monday, November 18, 1983)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

There is no power but of God: the powers that be are ordained of God.—Romans 13:1

Promotion cometh neither from the east, nor from the west, nor from the south. But God is the judge: he putteth down one, and setteth up another.—Psalm 75: 6,7

Lord God, Sovereign in history, Thy word is explicit that those who rule do so by divine appointment. May this truth be clear to all in authority and to those who elect them. We pray for the Senators who face the election next November, for their staffs and all who support them, that Thou wilt guide them as their campaigns accelerate. Provide the finances necessary for them to do their best. Keep them sensitive to their accountability to Thee and the truth "man proposes but God disposes". And gracious Father in Heaven, do not allow them to sacrifice wives and families on the altar of a political crusade.

May the blessing of Thy love and peace be with all the Senators, their loved ones, and their staffs. We pray in the name of Him to whom belongs all power in Heaven and on Earth. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

THERE ARE MANY CHAPLAINS, BUT THERE IS ONLY ONE SENATE CHAPLAIN

Mr. BAKER. Mr. President, I extend my congratulations to the Chaplain for his prayer. It is positive proof that he has settled comfortably into the job of Senate Chaplain. There are many chaplains, but there is only one Senate Chaplain. There have not been but a handful in history.

I listened carefully to the prayer, and it was extraordinary for its sensitivity, understanding, perspective, and for its admonition to all of us. I thank him for it.

SENATE SCHEDULE

Mr. BAKER. Mr. President, after the two leaders have used or yielded back their time under the standing order, there will be five special orders this morning, as previously ordered. I am advised that the order in which they were ordered may not stand up, but that they will all be here.

So I ask unanimous consent that Senators may claim their special orders in the order in which they are recognized, notwithstanding the sequence established by the previous order.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

Mr. BAKER. Mr. President, after the special orders, I anticipate a brief period for the transaction of routine morning business. Then it is not entirely clear whether we will go back to reconciliation—an informal conference is going on now in regard to that—or resume the consideration of the unfinished business, which is the Natural Gas Act—and I believe there are conferences in progress around the Capitol on that subject now—or other matters.

And there are other matters, Mr. President, that have to be disposed of today: the Clark nomination, for instance; the Department of Defense appropriations conference report; an extension of disability benefits on a temporary basis; an agreed arrangement on vocational rehabilitation; the State Department authorization bill; a resolution to resolve a conflict between the House and the Senate in respect to the State authorization, which will take a rollcall but should take almost no time to debate; an extension of the authority to spend money from the Interstate Highway Fund, which will not be the highway bill but which, apparently, is necessary to do before we pass the highway bill and before the Congress adjourns sine die; a resolution dealing with the Indian Affairs Committee, reported by our Rules Committee; and other matters as they may be cleared.

The adjournment resolution is here from the House of Representatives. We will take that up some time today—early today I assume—and pass it.

I would repeat what I said last evening to the minority leader and to other Senators. At the suggestion of the minority leader, with my full concurrence and that of the Speaker and the minority leader of the House, the resolution will contain not only the usual and ordinary language for adjournment sine die but will contain a provision that authorizes the Speaker and the majority leader of the Senate, jointly, to reconvene the Congress during the time we are in recess. That is a precaution retained by the leadership to convene the Congress if our presence in the city and our official action seems indicated and desired.

THE EARLIEST SINE DIE ADJOURNMENT SINCE 1965

Mr. BAKER. Mr. President, I will not now make a report to the Senate on our progress this session. I think the Senate has handled itself very well indeed and I will speak further on that point later in the day.

But there are two features that stand out in my mind today. Assuming that we adjourn today—and I believe we will—this will be the earliest adjournment of the Senate in its first session since I came here. Indeed, it will be the earliest adjournment of the first session of Congress since 1965.

Members know, because I speak of it incessantly, that I feel the country is better served and the Congress is better served by shorter sessions, within reason. And that is not an issue I will debate today except to say that I think we fully performed our work and discharged our responsibility in respect to legislative activities and have done so promptly.

It is also interesting to note that this year we will not reach, I believe, 400 record votes. There were earlier times when there were far fewer even than that. But I think it is a good thing that more and more business is now being dispatched by voice vote or division and there is not the demand for a rollcall vote on every issue.

There will be other matters I will wish to speak to as the day wears on and as the opportunity presents itself. I thought I ought to identify those two matters today as worthy of thought.

Mr. President, I will have further announcements to make in the course of the day on the business that may be transacted by the Senate.

Mr. President, I believe the acting minority leader is here and I now yield to him if he wishes to claim his time.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDING OFFICER. Under the previous order, the acting minority leader is recognized.

Mr. PROXMIRE. Mr. President, the minority leader will be on the floor a little later on today. I ask unanimous consent that whatever time of the minority leader I do not use be reserved for his use at a later time if he chooses to use it.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SCIENTISTS REVOLT AGAINST THE PRESIDENT'S CARRYING NUCLEAR ARMS RACE INTO SPACE

Mr. PROXIMIRE. Mr. President, the New York Times on Wednesday reported a fascinating struggle by some of the ablest scientists in the country against the administration's proposal to carry the nuclear war into space. When the President announced this intention several months, ago, he called for developing a capacity to shoot down Soviet missiles in space and to knock their intelligence satellites out of the sky. Just off the cuff, it sounded sensible. Why not? What is wrong with developing a purely defensive ability—not to destroy Soviet cities or even military targets in the Soviet Union, but simply to stop any death dealing Soviet missiles before they wreaked their havoc on American citizens? Who could object to that?

Even within the administration at the working level there seems to be serious concern about it. Of course, any protestor in the administration would quickly find himself on the outside looking in and in a hurry. The New York Times article describes one Observer as looking at it this way:

> There's a silent group there, I'll not say it's majority, that says, we're working for a living here, but we think what's going on is crazy.

On the outside scientists are not so silent. Robert Bowman, who once headed the Air Force's advanced space programs development, has made the case against the President's star wars' technologies this way:

> All have staggering technical problems. All are likely to cost on the order of a trillion dollars. All violate one or more existing treaties. All are extremely vulnerable. All are subject to a variety of counter measures. All could be made impotent by alternative offensive missiles and therefore would be likely to reignite the numerical arms race in offensive weapons. All would, if they worked, be more effective as part of a first strike than against one. Most important all would be extremely destabilizing, probably triggering the nuclear war which both sides are trying to prevent.

Is Bowman right? How can a system designed to protect our country from foreign nuclear missiles actually constitute a first-strike capability? How could the use of our technology to defend us against missile attack actually trigger a nuclear war?

Mr. President, we went through this more than a decade ago when we decided against antiballistic missiles. We found then that unless we spent literally 10 times as much as the other side, we could not develop an antimissile system that would have even a 50-50 chance of working. Why not? Because the advantage lies with the offense. The offense can pick the time, the place, the volume of missiles to concentrate on particular targets. With a much smaller force of offensive missiles even a vastly superior defensive force could not defend everything, everywhere, everytime. Furthermore there are some forms of attack against which antimissile capability could not defend at all. We might surround a city or a center of our weapons deployment with the most comprehensive and effective kind of antimissile defense. But then the other side sneaks nuclear missiles ashore by submarine in the dead of night. They truck the multimegaton monster into vicinity of the target. They detonate it. And your multibillion antimissile system sits there utterly useless. Or the other side launches very low level missile shots at coastal targets from submarines. Could we design an antimissile system to stop it? No way. Who are we trying to kid?

How about the charge by Bowman that the President's research in space nuclear warfare could lead to a triggering of nuclear war? How could this happen? In two ways. First. It would push hard and fast on the development of highly effective antisatellite weapons capable of taking out the other side's satellites. In this area we are way ahead of the Soviet Union. We could expect to get there first probably by several years. Then what do we do? Do we knock out their satellites? Remember both superpowers rely on satellites to monitor and verify SALT I, SALT II, the Antarctic Treaty the Environmental Modifications Treaty, the Outerspace Treaty, the Seabed Treaty, and any future treaty affecting arms control except for test ban treaties. The very existence of satellite killers would destroy the reliance both powers now place on verification. Without verification you can forget arms control. Without verification arms control becomes unilateral disarmament. Without verification you would not get five votes in the Senate for an arms control treaty. And why would the Russians not feel the same way and only more strongly? So why would the Soviets agree to any arms control treaty when they could not count on verifying our compliance with arms control treaties presently accepted by both sides? Why would they negotiate any future treaties that relied on satellites? They would not. And as time goes by the Russians would do as they have consistently done—match our technology and develop their own satellite killers.

Second, if we have satellite killers, the Soviets would necessarily renounce any treaty limiting their offensive missiles and would refuse to agree to any future limitations. What else could they do, if they know we could develop an antimissile defense capable of destroying their deterrent. So we can predict their reaction. They could easily overcome this antimissile defense by simply building more nuclear missiles. We would be pushing our adversary toward an ever bigger offensive arsenal, with the full knowledge that the Soviets have the capability of producing and deploying enough nuclear weapons to overcome any defensive system no matter how elaborate we make it or how many hundreds of billions we spend on it.

Mr. President, I ask unanimous consent that an article in the New York Times of Wednesday, November 16, by John Noble Wilford, headlined: "Group of Top Scientists Close to Government Fighting Space Weapons Plan," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GROUP OF SCIENTISTS CLOSE TO GOVERNMENT FIGHTING SPACE WEAPONS PLAN

(By John Noble Wilford)

Almost any time now, most arms-control experts say, the arms race may well expand from the land and sea and air into near-earth space, the frontier of the rest of the universe.

This prospect has galvanized a small fraternity of independent arms experts into increasingly vocal opposition to the Reagan Administration's wish to develop space weapons. The experts, who operate as a shadow government, have already gained influence in Congress and, indirectly, may have stalled the first testing of an American antisatellite weapon.

The White House says that these critics may be well meaning but contends that they are both politically naive and blind to the realities of the nuclear-age strategy.

The outside technology experts are familiar with the complex arms issues and have even served as advisers to the Government. They speak of themselves, as one physicist said, as a "scientific countervoice" on strategic weapons. They are not organized, but are united in a belief that the proposed space weapons would be extraordinarily expensive and possibly unworkable, and probably would threaten to start the nuclear war they are supposed to prevent.

NUCLEUS IS FEWER THAN 20

The nucleus of this group numbers fewer than 20. They are physicists, engineers and political scientists at institutions such as Harvard, the Massachusetts Institute of Technology, Cornell, Stanford, I.B.M. and the Brookings Institution. They learned the intricacies of political policymaking and nuclear-age weapons as advisers or officials in Government going back, in some cases, to the Eisenhower Administration.

One of the most active is Richard L. Garwin, the peripatetic I.B.M. nuclear physicist who also has part-time posts at Harvard, Cornell and Columbia and has had close ties to the Pentagon in earlier Republican and in Democratic administrations.

Others in the group include George Rathjens, an M.I.T. political scientist, and Jack Ruina, an M.I.T. electrical engineer, who worked together in the fight against the proposed antiballistic missile program in 1969, arguing that the system would not work. Another is Kosta Tsipis, an M.I.T. physicist who has made critical assessments of exotic laser and particle-beam weaponry. Still others are Paul Doty, a Harvard biolchemist; Sidney Drell and Wolfgang K. H. Panofsky, Stanford physicists, and John Steinbrunner, head of international relations at the Brookings Institution, a research institute in Washington.

THEY AID ARMS-CONTROL GROUPS

Their influence is extended through the technical analysis they provide to public-interest organizations such as the Federation of American Scientists and the Union of Concerned Scientists, which support arms control, and by the broadcasting of their opinions to the media and politicians who will listen.

Their assessments are likely to be ammunition in next year's Presidential campaign, if arms control becomes a major issue.

Besides winning a significant following in Congress, they are said to be gaining some support from military officials.

There are signs that pressure from these experts, working through members of Congress, has spurred the Administration to relax somewhat its adamant resistance to demands for a ban on antisatellite weapons. The Arms Control and Disarmament Agency recently asked William Durch, a research fellow at Harvard who was a member of the agency's staff in the Carter Administration, to make a study of options for controlling antisatellite weapons. His report, due Feb. 1, is likely to reflect the thinking of this group of outside experts, because he is working closely with Dr. Ruina, among others.

Still, the group has made no headway with the highest echelons of the Reagan Administration. And time, they feel, is fast running out if the Soviet-American arms race is to be prevented from crossing the fateful threshold into space.

PRESIDENT IS SO DISCONNECTED

Dr. Garwin says: "The highest urgency is to ban all weapons from space. I'm sure that people who think about this in the Government have probably come around to this point of view. But it's just awfully hard to do anything because the President is so disconnected from any real workers in arms control, and this Administration has so few of these workers left."

This sense of urgency was heightened last March when President Reagan, in what became known as the star wars speech, advocated a new defense strategy with a heavy reliance on space weapons, from antisatellite weapons to exotic laser and particle-beam devices to attack satellites and ballistic missiles in flight. Following up on the speech, an Administration panel composed mostly of Government and industry scientists recently recommended an expansion of research and development of such weaponry. The Pentagon is understood to be preparing a five-year program that could cost at least $26 billion.

Opposition to this initiative comes not just from the small fraternity of arms-control experts but from many scientists and former Defense Department officials. They contend that the technology is probably unworkable and a threat to the delicate balance of terror that restrains the superpowers from nuclear war.

ARGUMENTS AGAINST PLAN

Their arguments are summarized by Robert Bowman, a retired lieutenant colonel with a doctorate from the California Institute of Technology who once headed the Air Force's advanced space programs development but has now joined the battle to forbid space weapons. He has set up the Institute for Space and Security Studies, which he operates out of his home in suburban Washington with contributions from foundations and private contributors, including the Rockefeller family.

Dr. Bowman said of the President's "star wars" technologies: "All have staggering technical problems. All are likely to cost on the order of a trillion dollars. All violate one or more existing treaties. All are extremely vulnerable. All are subject to a variety of counter-measures. All could be made impotent by alternative offensive missiles and therefore would be likely to reignite the numerical arms race in offensive weapons. All would, if they worked, be more effective as part of a first strike than against one.

"Most importantly, all would be extremely destabilizing, probably triggering the nuclear war which both sides are trying to prevent."

George Keyworth 2d, the President's science adviser, said he was "disappointed, but not surprised, at the vehement reaction" from "traditional arms control activists."

Speaking of these Administration critics, Maj. Michael E. Havey, an Air Force officer on Dr. Keyworth's staff, said: "There is nothing immoral or dishonorable about them. They have in their own minds a path to peace. Many physicists out there, especially those associated with the early development of the bomb, have tremendous guilt feelings. They're absolutely decent human beings and because of that fact, they feel badly about the nuclear work, and they are trying desperately to stop the arms race."

MAJOR GIVES REAGAN VIEW

Nevertheless, he said, limiting or even substantially reducing the weapons of the major powers would not by itself reduce the risk of nuclear war unless there was a demonstrated ability to defend against intercontinental ballistic missiles. This, Major Havey emphasized, is the thinking behind the "star wars" proposals to build a defensive shield in space.

In Congressional testimony last week, Richard D. DeLauer, Under Secretary of Defense for research, acknowledged that the directed-energy weapons for President Reagan's proposed space defense system posed eight serious technical problems and would involve "staggering costs." Each problem, he said, would require a mobilization of science and engineering as great or greater than that required to land men on the moon.

The costs and difficulties are causing many military leaders and scientists in Government laboratories to have doubts about the program, according to several of the shadow-government experts and their political allies. But they cannot speak out.

"There's a silent group there, I'll not say it's a majority," Dr. Ruina said in an interview, "that says, 'We're working for a living here, but we think that what's going on is crazy.' I know a lot of them. They may think their own little project is fine. They like the idea of working on a laser that's going to get so many milliwatts or a lens that's going to do something or other. But they say, 'You're not seriously thinking of making a system out of all this.' "

FEW ABLE TO RAISE THE ISSUE

No one in Government, Dr. Ruina said, is "willing to say the emperor has no clothes." And there are few outsiders who have the experience and the willingness to raise these issues for public discussion. "I think it's some kind of national tragedy that there are only 12 or maybe 20 of us," Dr. Ruina said. Their research is often supported by the Ford and Rockefeller Foundations, which are primary sources of non-Government money for arms studies.

They share what they learn or surmise with other arms-control advocates. Sometimes this is done through the Arms Control Association, a sort of trade association with 2,500 members that serves as a clearinghouse. Other links between scientists and activists are people like John Pike, a political analyst at the Federation of American Scientists, or Daniel Deudney, a spacearms expert at the Worldwatch Institute in Washington, an independent research organization.

Every Tuesday morning, some of the scientists and their political allies meet on Capitol Hill at the office of Representative Joe Moakley, Democrat of Massachusetts. Out of these informal contacts the influence of the scientific shadow government has increased in Congress. This was shown in recent developments on possible curbs on the antisatellite weapons, known in arms jargon as ASAT's.

PERCY SUPPORTS RESOLUTION

Resolutions have been introduced in both houses calling on the Administration to negotiate a moratorium on ASAT tests that would be followed by a "mutual and verifiable ban." Senator Charles H. Percy, Republican of Illinois, said, "This is a unique opportunity to halt a major arms race before it gets off the ground."

But the Administration showed little or no interest in a draft treaty to ban ASAT's that the Soviet Union presented to the United Nations in August. Yuri V. Andropov, the Soviet leader, announced then a unilateral suspension of Soviet testing. The Soviet system is said to be much less advanced than the American one, and half of its 20 tests so far have been failures.

Although Congress rejected attempts to delay testing, opponents of the test did attach a proviso to the military spending legislation that requires President Reagan, before starting the test, to certify that the United States is endeavoring in good faith to negotiate a ban and that the initial test is "necessary to avert clear and irrevocable harm to the national security."

This proviso, as well as the entreaties of European allies, may be holding up the test, which was originally scheduled for September, according to sources in the military community. An F-15 jet fighter is poised somewhere now, presumably ready to ascend to a high altitude and launch a missile designed to carry a homing device that could destroy enemy satellites out as far as 1,200 miles in space. The first test would not involve the homing device.

CONJECTURE ON DELAYS

The Pentagon reports "technical problems," though some observers in and out of

the Government suspect that political pressures are also a factor.

But, apparently reflecting an attitude widespread in the Administration, one military officer attached to the Arms Control and Disarmament Agency said the outside scientific experts, in their advocacy of halting testing, "don't seem imbued with street sense." They did not seem to be sufficiently concerned, he said, with the "practical aspects of military strategy and the problems of verifying a treaty ban."

The critics believe, however, as Dr. Tsipis said, that space is now free of weapons and "this is our last chance to keep it that way."

NEW NOVEL RECALLS HOLOCAUST'S ROOTS

Mr. PROXMIRE. Mr. President,

Perhaps it would be better to leave the story of Tzili Kraus's life untold. Her fate was a cruel and inglorious one, and but for the fact that it actually happened, we would never have been able to tell her story.

These words begin the recent novel "Tzili: The Story of a Life" by the acclaimed Israeli author Aharon Appelfeld. Mr. Appelfeld has written several novels concerning the Jewish struggle against prejudice and persecution, including "Badenheim 1939" and "The Age of Wonders." A Christian Science Monitor review of Appelfeld's newest effort said:

Tzili is a survival narrative cast in the form of a fairy tale. Its retarded heroine's passage through Nazi-haunted Europe is an allegory of innocence besieged and transformed by evil—appalling, yet not without humanity and hope.

Indeed, the great strength of this novel lies in its simple, innocent style. It is not so much a shocking expose of the Nazi Holocaust as it is a subtle revelation of the anti-Semitism which made the Holocaust possible. This book's narrative form portrays vividly—more vividly than simple exposition could—the insidious influence of this prejudice. And we are all aware of the horrible atrocities to which it led.

Mr. President, such prejudice directed against cultural and religious groups persists today in various parts of the world, and I have repeatedly observed how these situations support the case for the International Genocide Convention. Although genocide resulting from prejudice and hatred is unlikely in the United States, and seems far-removed from us here, our ratification of the Genocide Treaty is still sorely needed. Our own record of respect for human rights, though perhaps not perfect, still justifies our position of moral leadership in the international community. Shall we stand by and watch that position eroded by failure to take so basic a step as formally condemning genocide? Here is one Senator who will not. It is time for us to take a stand to insure that hateful prejudice does not grow into something even worse. I urge my Senate colleagues to join me in supporting the Genocide Convention.

COME TO GRIPS WITH FISCAL POLICY

Mr. PROXMIRE. Mr. President, this may be the concluding day of our session. Speaking strictly personally, I have great admiration and respect for our majority leader and the fine job he has done. He has done an excellent job.

We cannot escape from the fact, Mr. President, that the big feature of this Congress will be our failure to come to grips with fiscal policy. It is entirely up to us.

The President of the United States can recommend any spending or taxing that he wishes, but it is up to us to make a decision as to where we go with the President's recommendations. It is clear that this Congress has failed to cut spending, as I think we should have. It has certainly failed to provide the revenues to cover our expenditures. The result is that we have the most serious deficit that we have ever had in the history of our country. We face that problem next year. We will face it in the next 5 or 6 years. And this Congress has done absolutely nothing. It had made no progress with respect to this most serious problem.

It is going to plague our people, I think, for years to come and maybe even generations to come. It will impose a tremendous burden on future generations.

I do hope that somehow we can find the will, the courage, to take the unpopular actions that will have to be taken with respect to both cutting spending and raising revenues.

Mr. President, I reserve the remainder of the minority leader's time for his use.

AFGHANISTAN: THE FOURTH WINTER

Mr. BYRD. Mr. President, there is a pensive, quiet kind of beauty about autumn in Washington. In the past week we have seen clouds that seem to promise snow. The first snows have already fallen in parts of my own State. The onset of winter brings a special, peaceful quality to West Virginia that I have seen nowhere else in the world.

That peaceful beauty is most elusive to the long-suffering people of Afghanistan. This winter marks the fourth year of the Soviet occupation of their country. The early snows on those faraway mountains hide the ravages of war. But the fourth anniversary of the invasion is a bitter reminder for the Soviet Union that force and aggression are no guarantees of success. The Afghan freedom fighters today control more of the country than at any time in the past 4 years. And, as a recent Christian Science Monitor—Nov. 10, 1983—article reports, the various tribes and factions are beginning to unite.

Until now, the Soviets have exploited factional differences between the rival groups of freedom fighters. But there is evidence that unity is replacing discord, and that the Soviets soon may face a cooperative effort to liberate Afghanistan from the Soviet invaders. The ranks of the freedom fighters have swelled to some 100,000 men.

Stepped-up air assaults by the Soviets will not break the back of the resistance, and the harsh Afghan winter is an ally of the freedom fighters, not of the demoralized Soviet soldiers.

Mr. President, I ask unanimous consent that the Christian Science Monitor article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AFGHANISTAN STANDOFF: SOVIETS, MUJAHIDEEN SETTLE IN FOR WINTER

(By Mary Anne Weaver)

NEW DELHI.—In another month, the snows will blanket Afghanistan's precipitous Hindu Kush mountain range.

Both Soviet forces and Afghanistan resistance fighters, the stoically persistent mujahideen, will retire to bunkers or the valleys farther south, to devise new strategies, regroup, and retrain, for yet another spring offensive in the subcontinent's most protracted war, a war that has cost at least 156,000 lives.

It will be four years this December since the Soviet Red Army swept into Afghanistan to shore up a puppet Communist government. The Soviets now number 105,000 men. It has been four years of defection and quarreling, of scorched-earth policies, of fields and villages destroyed. And it has been four years of protracted stalemate for the armies on both the Soviet and resistance sides.

For, although the mujahideen, according to Afghan resistance sources and Western diplomats, continue to control ever-larger areas of the often rugged, then lush, countryside, their growing strength in area and numbers is very often offset by continuing power plays and disunity that often verge on communal warfare.

Much of the responsibility lies with their Western benefactors, in the view of Said Mohammed Maiwand, an Afghan exile in New Delhi, who was one of Kabul's most prominent economists before the Soviet thrust.

"If the US, China, and Saudi Arabia would unify their assistance, both economic and military," Mr. Maiwand said, "then you would force a unity. Otherwise, the fractious infighting will go on, because you, the donors, give hope to every mujahed who happens to appear, that he will be the future leader of Afghanistan."

As Mr. Maiwand spoke, news arrived that the son of a prominent resistance figure, based in the frontier town of Peshawar, in Pakistan's northwest Frontier, has been gunned down by an assailant and was close to death. He is the third leading Peshawar exile attacked in as many months. The others have died at the hands of their assailants, as have scores of faceless fighters from the ranks of the mujahideen.

Yet inside Afghanistan, the Peshawar tendency toward bloodletting is often not reflected on the ground, and moves toward

tenuous alliances are being broached between local commanders of some of the warring resistance groups.

A key element in the embryonic unity moves is the nearly legendary Ahmed Shah Massoud—a 30-year-old former engineering student who has become the most charismatic figure of the Afghanistan war. Massoud agreed—much to the annoyance and confusion of Peshawar-based guerrillas—to a six-month truce with the Soviet army in the middle of March. Though it has expired and has not been formally renewed, it is still holding, say exile sources and Western diplomats.

The truce gave Massoud and his fighting force of some 3,000 men a breathing space to rebuild scores of villages in the lush, Panjshir Valley, where earlier he had repulsed six massive Soviet assaults, to plant a new crop, and to embark on his tentative unity moves.

Unity has become even imperative, according to exile sources, as the Afghanistan standoff enters its fifth year. For, although the mujahideen scored impressive military victories in 1983 and appeared to have better quality and larger numbers of arms, it was not a particularly good year for the fighters, according to a Peshawar source.

For one thing, there were a number of successful penetrations by the Afghan security organization, Khad. Raids by rival groups on each other resulted in the destruction of large numbers or arms. A new emphasis on aerial warfare by the Soviets meant the destruction of vast tracts of the mujahideen's economic base. The Soviets depopulated large areas, and, as thousands of new refugees fled villages and fields, crops that survived the bombardment were never harvested.

By its own account, the Babrak Karmal regime in Kabul had to import 100,000 tons of sugar and 300,000 tons of wheat this year. Cotton and sugar-beet production have fallen to nearly nothing, according to official files. And, in the vineyards of the Shomali region, north of Kabul, harvests have fallen 60 percent from the prewar level.

According to Western diplomatic officials, the mujahideen army, which only four years ago was considered a rather motley, ragtag collection and inspired more bemusement than military confidence, now controls most of Afghanistan's spawling coutryside. Its rands have burgeoned to anywhere from 20,000 to 100,000 men and hold more than 250 Soviet prisoners and have received stepped-up assistance this year from Iran's revolutionary Shiite regime.

Ayatollah Khomeini reportedly dispatched a fleet of helicopter gunships and pilots, which provided air cover during a devastating battle for Herat. He also reportedly offered assistance to Massoud in the Panjshir Valley, though the offer is said to have been spurned.

The mujahideen now control two posh areas in the suburbs of Kabul. Yet, theirs is a war that militarily will be almost impossible to win.

United Nations efforts for a diplomatic solution, which gave rising hope in April, then faltered in June when the Soviets refused to agree to a timetable for troop withdrawal, are about to resume. This comes at a time when the Soviets have launched a major prewinter bombardment in certain parts of Afghanistan.

And Afghan exile sources find a guarded ray of hope in the fact that their deposed king, Zahir Shah, overthrown in a July 1973 army coup, has had, or has sent emissaries to, four meetings with the Peshawar-based resistance leaders since early this year. He has also met a former defense minister of the Karmal government, at Karmal's request. And there are unconfirmed reports of Soviet visits to the king in Rome.

Meanwhile, in the mountains and valleys of Afghanistan, the unremitting warfare goes on.

RESOLUTIONS ON ACID DEPOSITION

Mr. BYRD. Mr. President, the issue of acid deposition is complex and divisive. It is a matter of great concern to West Virginia. The Huntington Area Chamber of Commerce, the Marion County Chamber of Commerce—each located at opposite ends of the State—and the Fairmont Industrial and Credit Corp. have adopted resolutions that memorialize the Congress on acid deposition policy.

The thrust of these resolutions is that Congress should act to mitigate the effects of elevated acidity in lakes and streams and intensify the Federal research program on the acid deposition phenomenon. The resolutions also state that new controls on powerplants would be costly.

I might say that the resolutions reflect the position that I have taken on this issue, as embodied in the legislation that I have introduced on this topic—S. 454 and S. 1925—which provide for the mitigation of high acidity, accelerated research into the origins, causes, and effects of acid deposition, and concentrated research into new methods to burn coal cleanly.

Mr. President, I ask unanimous consent that the resolutions be placed in the RECORD at this point.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

A RESOLUTION

Whereas a clean environment is a vital concern of the citizens of the City of Huntington; and

Whereas economic growth and community vitality are other important concerns, which are partly dependent upon levels of employment and consumer costs; and

Whereas acid rain has been identified as an environmental problem affecting certain areas of the country; and

Whereas important aspects of the acid rain problem—such as the relationship of emissions in one area of the country to acid rain impacts in another area, and the rate of increase in the acidity of certain bodies of water, if any—are poorly understood; and

Whereas acid rain control proposals currently being considered by Congress focus primarily on restricting sulfur emissions from electric generating facilities, particularly coal-fired plants; and

Whereas proposed legislative remedies which require or subsidize technology as the means to meet sulfur dixoide standards impose enormous costs on consumers; and

Whereas Huntington is dependent upon viable coal-mining or coal-consuming industries to contribute to its economic well-being; and

Whereas the nation's present environmental laws already provide for the reduction of sulfur dioxide and oxides of nitrogen emissions over time.

Therefore, be it resolved that the Huntington Area Chamber of Commerce encourages the Congress to appropriate the funds to states or interstate agencies for purposes of mitigating the effects of acidity in lakes and streams and to intensify and accelerate present research efforts in order to understand more fully the acid rain phenomenon and, therefore, to be able to enact effective control programs, if required; and

Be it further resolved, that the Huntington Area Chamber of Commerce encourages the Congress, if an acid rain control program is considered necessary, to permit electric generating facilities to have the freedom of choice to choose the most cost-effective means of meeting sulfur dioxide standards.

RESOLUTION

Whereas a clean environment is a vital concern of the citizens of Marion County; and

Whereas economic growth and community vitality are other important concerns, which are partly dependent upon levels of employment and consumer costs; and

Whereas acid rain has been identified as an environmental problem affecting certain areas of the country; and

Whereas important aspects of the acid rain problem—such as the relationship of emissions in one area of the country to acid rain impacts in another area, and the rate of increase in the acidity of certain bodies of water, if any—are poorly understood; and

Whereas proposed legislative remedies to the acid problem would impose enormous costs on consumers and would cause the loss or displacement of thousands of jobs; and

Whereas acid rain control proposal currently being considered by Congress focus primarily on restricting sulfur emissions from electric generating facilities, particularly coal-fired plants; and

Whereas Marion County is dependent upon viable coal-mining or coal-consuming industries to contribute to its economic well-being; and

Whereas the nation's present environmental laws already provide for the reduction of sulfur dioxide and oxides of nitrogen emissions over time;

Therefore, be it resolved, That the Marion County Chamber of Commerce encourages the Congress to appropriate funds to states or interstate agencies for purposes of mitigating the effects of acidity in lakes and streams and to intensify and accelerate present efforts in order to understand more fully the acid rain phenomenon and, therefore, to be able to enact effective control programs, if required.

RESOLUTION

Whereas a clean environment is a vital concern of the citizens of Marion County; and

Whereas economic growth and community vitality are other important concerns, which are partly dependent upon levels of employment and consumer costs; and

Whereas acid rain has been identified as an environmental problem affecting certain areas of the country; and

Whereas important aspects of the acid rain problem—such as the relationship of emissions in one area of the country to acid rain impacts in another area, and the rate

of increase in the acidity of certain bodies of water, if any—are poorly understood; and

Whereas proposed legislative remedies to the acid problem would impose enormous costs on consumers and would cause the loss or displacement of thousands of jobs; and

Whereas acid rain control proposals currently being considered by Congress focus primarily on restricting sulfur emissions from electric generating facilities, particularly coal-fired plants; and

Whereas Marion County is dependent upon viable coal-mining or coal-consuming industries to contribute to its economic well-being; and

Whereas the nation's present environmental laws already provide for the reduction of sulfur dioxide and oxides of nitrogen emissions over time;

Therefore, be it resolved, That the Fairmont Industrial and Credit Corporation encourages the Congress to appropriate funds to states or interstate agencies for purposes of mitigating the effects of acidity in lakes and streams and to intensify and accelerate present research efforts in order to understand more fully the acid rain phenomenon and, therefore, to be able to enact effective control programs, if required.

RECOGNITION OF SENATOR WILSON

The PRESIDING OFFICER. Under the previous order, the Senator from California (Mr. WILSON) is recognized for not to exceed 15 minutes.

S. 2135—AMENDMENT OF NATIONAL TRAILS SYSTEM ACT

Mr. WILSON. Mr. President, I send a bill to the desk for appropriate referral.

The PRESIDING OFFICER. The bill will be appropriately referred.

Mr. WILSON. Mr. President, today, I am introducing a bill that would amend the National Trails System Act by adding the California Trail to the study list. This act identifies historic American trails that deserve study, recognition and protection as part of our national heritage.

The California Trail played a major role in the opening of the Far West to settlement and in establishing the United States as a truly continental nation. This trail marks the epic migrations of tens of thousands of people from the Eastern United States to the Pacific coast in the 19th century. Many of these pioneers who embarked on this journey traveled more than 2,000 miles along this trail. Historians believe that this trail began in Omaha, Nebr., and became a vital link in the gold rush of the mid-1800's.

The bill I introduce today would authorize the Secretary of the Interior to take appropriate action to have this trail marked and located for the benefit of future generations. This bill has the enthusiastic support of the Oregon-California Trail Association and other historical organizations. The estimated cost for the proposed study is $75,000 and would be completed within 2 years of the date of enactment of this bill.

It is important that this meaningful part of our State and national heritage be given the recognition that it deserves by making it part of the National Trails System Act. I respectfully ask for speedy and favorable action on this bill and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2135

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 5(c) of the National Trails System Act (82 Stat. 919; 16 U.S.C. 1241 et seq.) is amended by adding after paragraph (29) the following: "(30) California Trail, extending from the vicinity of Omaha, Nebraska, and Saint Joseph, Missouri, to various points in California, as indicated on a map labeled 'Potential California Trail' and dated August 1, 1983.".

(b) Notwithstanding the provisions of subsection 5(b), such study shall be completed and submitted to the Congress no later than the end of two complete fiscal years after the date of enactment of this paragraph.

S. 2136—EXCHANGE OF CERTAIN LANDS IN CALIFORNIA

Mr. WILSON. Mr. President, I send to the desk a bill for appropriate referral.

The PRESIDING OFFICER. The bill will be appropriately referred.

Mr. WILSON. Mr. President, today I am introducing a bill that will authorize the city of Los Angeles to exchange approximately 30 acres of highly valuable real estate in the Santa Monica Mountains, for approximately 3,000 acres of Federal desert lands adjacent to the city's Haiwee Reservoir in Inyo County, Calif.

I have two reasons for introducing this bill. First, this exchange will provide an important addition to the Santa Monica Mountains National Recreation Area. The 30 acres or more that would be acquired by the Department of the Interior is an old, small reservoir that used to help serve the water and power needs of Los Angeles. It is located in Franklin Canyon, an area not far from downtown Los Angeles. Many of my colleagues are aware of my support for land acquisition at the Santa Monica Mountains NRA, but few probably realize that the authorizing legislation establishing this park precludes acquisition by exchange. The bill I am introducing today would allow for an exception to this rule in this special case of a municipal-owned reservoir.

The second reason that I ask my colleagues to give this bill their favorable consideration is that this exchange will allow the city of Los Angeles to consolidate its land ownership necessary for the protection and management of the water and power resources at the city's Haiwee Reservoir. The Haiwee Reservoir, located about 200 miles north of Los Angeles in southern Inyo County, is an important part of the Los Angeles aqueduct system.

I intend to work closely with the Department of the Interior and the city of Los Angeles to insure that the conditions and stipulations of the land exchange authorized by this legislation are agreeable to both sides involved.

Mr. President, I commend this bill to my colleagues for their favorable consideration and ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2136

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 507(c)(2) of the National Parks and Recreation Act of 1978 (92 Stat. 3501; 16 U.S.C. 460kk) is amended by—

(1) inserting "(A)" after "(2)";

(2) striking out "Any" in the third sentence thereof and substituting "Except as provided in subparagraph (B), any"; and

(3) adding the following new subparagraph at the end thereof:

"(B) The Secretary (acting through the Bureau of Land Management) is authorized to negotiate, and carry out, an exchange with the city of Los Angeles (acting through its department of water and power) of certain lands managed by the Bureau of Land Management in the vicinity of the Haiwee Reservoir in Inyo County for certain lands controlled by the city of Los Angeles which are associated with the Upper Franklin Reservoir in the city of Los Angeles. Lands acquired by the Secretary pursuant to such exchange shall be transferred without cost to the administrative jurisdiction of the Secretary for the purposes of the recreation area. The values of lands exchanged under this subsection shall be equal, or shall be equalized, in the same manner as provided in section 206 of the Federal Land Policy and Management Act of 1976.".

RECOGNITION OF SENATOR METZENBAUM

The PRESIDING OFFICER. Under the previous order, the Senator from Ohio (Mr. METZENBAUM) is recognized to speak for not more than 15 minutes.

NICARAGUA

Mr. METZENBAUM. Mr. President, it has become clear in recent weeks that the forces we are supporting in Nicaragua have adopted a new stategy in their effort to overthrow the Sandinista regime. That strategy, which, according to published reports, was adopted at the urging of our CIA, has as its objective the disruption of Nicaragua's economy.

Mr. President, it is one thing to be involved on a military basis with respect to Nicaragua. I have grave reservations about that operation. But I

have even stronger reservations about our involvement in an effort to deny to the people of Nicaragua the ability to earn a livelihood.

On October 1, a commando attack on Nicaragua's principal port facilities in the city of Corinto destroyed 1.6 million gallons of diesel fuel and forced the evacuation of 25,000 residents. The New York Times reported on October 16 that the CIA "recommended and helped plan" the attack.

On October 20, Patrick E. Tyler wrote in the Washington Post that some members of the House Intelligence Committee believe that "CIA commandos were directly involved * * *."

Three days after this attack, Mr. President, a second commando raid took place at Puerto Sandino.

Another attack was launched on October 21, when Miskito Indian insurgents are reported to have severely damaged a cargo ship in the Caribbean port of Puerto Cabezas.

What weapons did the Indians use?

Speedboats and Chinese-made rockets.

But, Mr. President, perhaps the most revealing incident occurred on October 18, when U.S.-supported guerrillas seized the town of Pantasma. The rebels, wrote Robert McCartney of the Washington Post:

> Were careful to attack targets that specifically were important to the economy of the town or to the local Sandenista government structure * * *.

The targets included military and political installations like a militia barracks and the town hall. But, Mr. President, the Contras also systematically destroyed the means of livelihood of the people of that town.

What kind of policy is that? When did the American people ever indicate that we are opposed to the people of Nicaragua having an opportunity to feed their families and clothe their children?

Look what happened in this most recent incident a sawmill destroyed, a coffee storage house, a construction vehicle depot, a farm cooperative center, a farm development bank. What does that have to do with the military policy?

Mr. President, I hold no brief for the Sandinista regime, but that is not the issue.

The Sandinistas have replaced the despotism of Somoza with all the contemptible trappings of an Eastern European police state.

The Sandinistas have alined themselves internationally with the Soviet Union, Cuba, and the PLO.

Instead of working to build a free society after the death of Somoza, the Sandinistas are trying to force their country into the rigid mold of harsh, antipeople ideology.

But to say that the Sandinista leaders have turned their backs on democratic values is not to say that we, the United States, should do the same.

We should not, Mr. President, be trying once again to destroy a country in order to save it.

Have we not had enough of that kind of policy? Do we not remember a night when President Nixon went on the television and indicated that he was going to help the people of Cambodia by an incursion? What kind of policy do we follow in this Nation?

I object as a matter of principle to our entire involvement in this clandestine war.

But even more, I am appalled that American tax dollars are supporting—and American CIA personnel are apparently promoting—a war against the economy of a small, impoverished country.

What kind of foreign policy is it, Mr. President, that has as a main objective the destruction of a country's main cash crop?

What is there to celebrate when the ordinary people of Nicaragua are denied the fuel they need to keep their farms, businesses and transportation systems operating?

Who gains when U.S.-backed forces burn down a sawmill or destroy some construction vehicles?

I would guess, Mr. President, that those who will gain the most from this atrocious campaign are the Sandinistas themselves.

Think about it.

We say, in the words of a top Reagan official, that "we seek a victory for the forces of democracy."

Tell that to a Nicaraguan farmer whose coffee crop has just been ruined.

I watch the nightly news and see people in Nicaragua with bewilderment, despair and grief in their faces because they no longer have a chance to earn a living. They are not involved in a war. Their only war is to keep famine from the doorsteps of their own families.

Tell people whose country has lost to "Contra" attack about 25 percent of its projected export income for this year about this great victory for democracy.

Tell it to those who recognize among the "forces of democracy" we are supporting too many familiar forces from the corrupt and oppressive days of Somoza.

Tell it to the people of Latin America. Tell it to the people of Africa.

Tell it to the people of any part of this world—the great United States is helping to make it impossible for the people of Nicaragua to earn a living.

We are told by the administration that there is substantial opposition within Nicaragua to the direction in which the Sandinistas are trying to take the country.

That is no doubt true.

But, Mr. President, if we want to discredit the opposition—and if we want to give to the Sandinistas a cause around which to rally the people, there is one sure and certain way to do it. And that is to make war on the people themselves—on their ability, to feed their families and to enjoy at least some return on their labor.

Given the best of circumstances, the people of Nicaragua have a tough time eking out a living. But now, the military might of the great United States is lined up behind the forces that seek to destroy the opportunity for people to provide some sustenance, some food, some clothing, some housing for their families.

It seems that, in spite of their experience in Vietnam, those great geniuses at the CIA have learned nothing, nothing at all. Instead of spending all of his time worrying about his investments and whether they are or are not in a blind trust and whether or not they are going to be taken care of, Mr. Casey ought to be worrying more about what his Agency is helping to make of the foreign policy of this country.

But sadly, Mr. President, it seems that the gunslingers who are today making our Central American policy have once again forgotten who we are.

The world knows that we are a strong country.

But what we have to offer—and what our opponents do not—is the fact that we are a free, decent country in which the phrase human rights stands for something, or at least it used to before this administration.

In El Salvador, the leftist guerrillas have done exactly what our so-called friends are doing in Nicaragua. They have gone after the economy.

But why should we copy them?

Why should we approve and subsidize a campaign of economic disruption that hurts the ordinary people of Nicaragua?

And why should we, of all people, assume that "a victory for the forces of democracy" can be won in Nicaragua only at gunpoint, and by destroying the opportunity for people to provide for their families.

That is no victory at all.

And the fact that we have apparently seen fit to encourage this destructive, short-sighted and counterproductive economic campaign is one more proof—if any is needed—of the utter bankruptcy of this administration's foreign policy.

Mr. President, we should recall our "clandestine" warriors and put them back where they belong—behind their desks in Langley.

Mr. President, I believe that it is high time to replace this ill-advised intervention with serious efforts to find a negotiated settlement in that tortured part of our hemisphere.

RECOGNITION OF SENATOR GRASSLEY

The PRESIDING OFFICER (Mr. ABDNOR). Under the previous order, the Senator from Iowa (Mr. GRASSLEY) is recognized for not to exceed 15 minutes.

OMNIBUS RECONCILIATION ACT

Mr. GRASSLEY. Mr. President, I wish to take time to discuss the budget in general, and the current reconciliation bill, in particular. This reconciliation bill claims the ability to reduce Federal deficits over the next 3 years by $28 billion. Yet if the past is prologue, nothing of the sort will occur.

How many times in the past has the Congress made fiscal decisions on the belief that a narrowing of deficits would ensue in the outyears, only to find that deficits in those outyears would actually grow?

This mismatch is a persistent phenomenon, Mr. President. It is a matter of record. We inflate projected spending savings, and overestimate the impact of our tax policy. The result is steadily expanding deficits.

These deficits we now face are a measure of the incompetence of the Federal Government. I need remind no one of the size of the deficits, and hence the magnitude of our incompetence. The Government is simply unable to control itself.

Administrative bankruptcy is a direct correlation of the Nation's financial bankruptcy. There is mad, passionate focus on only one aspect of our fiscal problems at any one time, when we ought to be focusing on the entire picture. Some focus overly on spending, some on taxes, some on deficits. Yet, no one is asking this question: How do these parts come together in a coherent way?

The problem is not the deficits. It is not the spending. It is not the taxes. The problem is that no one can figure out how to get these three items into a box that will not ruin the country.

To begin with, we need a better understanding of what the long-term costs will be of the present-day decisions we make. We have no such understanding today. If we did, we would not be experiencing, year after year, a mismatch between what we project as future costs, and what they actually become.

Second, we should have a better understanding of the impact on the economy of our tax legislation. We have no such understanding. If we did, we would not be predicting rising revenues while experiencing falling revenues, year after year.

Third, we must decide what our goals are. Are they to reduce deficits, or to formulate politically acceptable fiscal policy? We make present-day budget decisions believing they will lead to narrower deficits. Yet, they never do. Sooner or later, we must face that reality. If we do not, we will never learn how to control deficits. There is a lesson in this: If we project overoptimistic future consequences of present-day decisions, we will forever accept an imperfect present.

Finally, Mr. President, we must move to sedate the beast that menaces the economy. We must do so until we can defuse him. Sedating the beast would require a 2-year freeze of all Federal programs, defense included. Defusing him would require a deep and pervasive restructuring of the planning and spending processes of the Federal Government.

For the past 2 years, I have urged a 2-year, across-the-board budget freeze, for the purpose of reducing deficits without increasing the Government's levy on the citizens we serve.

Among the majority of my Republican colleagues, the one area of difficulty with my proposal so far as they were concerned, was that it should not have applied to defense spending. Consequently, I spent the past year making an irrefutable case, in my opinion, that a spending freeze should apply to defense as well as to every other area of the budget, provided we restructure the way the Defense Department does business.

I intend to pursue this same point with regard to nondefense spending, where similar problems abound. I am sure I will enjoy the support of many of my Republican colleagues to do that, just as I have enjoyed the support of my Democratic colleagues to reform defense spending.

But, then, the question remains: How do these disparate parts come together in a coherent way? If Republicans feed their interests, and Democrats theirs—in other words, if we continue to let patronage run wild—then there is no basis for building a consensus for corrective action which would cover the breadth of the budget, both defense and nondefense.

If budget deficits are to be narrowed, a fundamental restructuring of Federal spending and planning is required. And in the interim, a 2-year, across-the-board spending freeze is in order, for two reasons:

First, an across-the-board freeze would neutralize the collective power of special interests. All would be treated the same, and so none could impose its will.

Second, but most important, an across-the-board freeze would provide the moral authority that is a prerequisite for building a consensus. It would do so by treating equitably and fairly each segment of the budget, or each special interest.

What I am proposing, Mr. President, and what I shall propose in much greater depth and detail in the next session, which commences on January 23, is nothing short of fundamental and total reform of the planning and spending processes of the Federal Government.

My proposal will require a repricing of the entire Federal budget. It is presently significantly underfunded. That aspect of underfunding does not apply just to the defense budget, as one might believe since that is where we have concentrated our emphasis upon underfunding.

It will require a better understanding of the long-term consequences of our present-day decisions. Presently, our understanding is wanting.

It will argue flexibility and adaptability in our budget. It is presently much too rigid and uncontrollable.

It will critique input, throughput and output of the Federal spending process. We presently spend all our time and energy on input, while ignoring throughput and output.

And it will offer recommendations for changing the internal structures of Federal departments and agencies. Their present structures produce insatiable desires for larger budgets, irrespective of need.

Mr. President, the reconciliation bill, which has been before this body for a while now, is a pointless exercise, because the context in which it is put is unintelligible. We do not understand its consequences. If the past is any indication, deficits and spending will still rise, and revenues will still fall regardless of the decisions we make in this reconciliation bill.

And what if that happens? Then what do we do? Allow deficits to expand as we usually do? Wax passionate all over again about spending, about taxes, about deficits?

There is only one thing, Mr. President, that will enable us to control deficits. That is to learn to control ourselves. It is called self-discipline.

It is not a matter of raising taxes, or lowering spending, or even arguing about it. It is simply a matter of learning to cope with the real world to adapt to its unforeseeable changes.

He must not assume that the future is predicatable, for it is not. To do so is the height of the arrogance of ignorance. And we must not assume that we can conform the real world to our perception of what it should be. To do so is the height of the arrogance of power.

Yet we continue to lock ourselves into an unknown future. And when the unknown is revealed, its consequences are expanded deficits.

Mr. President, we must begin to systematically rethink our budget and spending processes. They need a major overhaul.

We must rethink them into a coherent budgetary rationale. If budgets are a reflection of our planning, then we should learn to plan better. And if spending becomes a measure of our de-

sires rather than our needs, then we should reform the way we spend.

Unless we take it upon ourselves to make these necessary corrections, Mr. President, then we will continue to drift hopelessly into a future that offers nothing but disaster.

Thank you, Mr. President.

I yield back the remainder of my time.

RECOGNITION OF SENATOR DECONCINI

The PRESIDING OFFICER Under the previous order, the Senator from Arizona (Mr. DECONCINI) is recognized for a period not to exceed 15 minutes.

Mr. DECONCINI. Mr. President, I thank the Chair.

CHILD CARE

Mr. DECONCINI. Mr. President, just this past Monday the Senate spent all of 10 minutes discussing two very important issues: Child care outside the home and the Senate's relationship to its employees. The vehicle for this discussion was a resolution which would provide up to $20,000 for startup costs for a child care center for the children of Senate employees. Fortunately, this resolution was passed, but I was somewhat disappointed at how close the margin of victory was: The resolution passed by 19 votes, with 19 Senators not voting. Regrettably, I believe that the brevity of the debate contributed to more misunderstandings than clarifications. Therefore, I am taking this opportunity to review these issues today with the hope that the few additional minutes I spend on these subjects will help correct some misunderstandings that could have far reaching consequences for the Senate's actions on child care programs in general and for the Senate's relationship with its own employees.

Once there was a time when we could talk about the family without having to worry about child care outside the home. Fathers went to work, and mothers stayed home with the children. This model fit the vast majority of American families—88 percent in 1950—and I am sure that it represents the situation in which most of my colleagues here were raised.

But times have changed for a variety of reasons ranging from economic conditions to the growing number of single-parent families and including the satisfaction women receive from pursuing a career outside the home. In 1982, 50 percent of mothers with children less than 6 years of age worked outside the home. By 1990, it is estimated that 2 out of 3 mothers will be in the labor force and 55 percent of them will have at least one child under 6. These are the facts, whether we like them or not, and they are facts that force us to deal with the problem of child care outside the home in any realistic analysis of modern family life.

What are working parents' options for the care of their children? Parents can hire an individual to come into their home to care for their children or they can let their children stay with a mother who cares for two or three other children in addition to her own children. The former option can be quite expensive, and both of these options are left virtually uncontrolled by any level of government and carry with them serious risks—a parent does not really know the quality of the individual he or she has hired until the child has spent some time with that person.

Another option is that of the traditional day care center. The child is dropped off at a facility and then picked up at night as the parent comes home from work. Since existing privately and publicly sponsored centers can accommodate only one out of every six of the preschoolers needing care, the parents frequently find that they must use a facility which does not conform to their own work hours and which is not located particularly close to either their home or workplace. Although most of these centers are supervised to some extent by local government, the degree of scrutiny is often lax due to such factors as a shortage of personnel in the local government's supervisory agency. Furthermore, in these situations, the parents have very little control over such factors as cost, curriculum, or nutrition.

Now you may be wondering what happens to those children whose parents cannot find affordable child care for them. I was shocked to learn that a minimum of 20,000 children under the age of 3 are left alone for all or part of the day while their parents are away at work.

In my view, the best child care option for working parents is worksite child care, particularly when a worksite child care center is parent supported and operated. Worksite child care is advantageous for all involved. The child can see his or her parent more frequently during the day, and the parent has a greater ability to control and supervise the treatment of his or her child and the conditions in the child care facility. The parents can quickly respond to emergencies. Worksite child care is also designed to correspond to the workhouse of the employee. For the Senate employee, whose hours are frequently irregular, worksite child care can mean the flexibility to work later on a pending matter while the Senate remains in session. In addition to this flexibility, surveys of corporations with worksite child care centers, indicate that in most cases the advantages of lower job turnover, lower absenteeism, improved employee work attitudes, and enhanced ability to attract new employees occur. Approximately 600 U.S. businesses provide some form of child care services for their employees. These firms include Wang, Hewlett-Packard, Johnson & Johnson, John Hancock, Corning Glass, Merck Pharmaceuticals, Gerber, Polaroid, Honeywell, and General Mills.

Four Federal agencies already have worksite child care centers. The Department of Labor was one of the first agencies to develop worksite child care. The Department hired a consulting firm to help plan the center and provided the startup money for supplies and equipment. The center was eventually incorporated by the parents who manage it at no expense to the Department. Today the center cares for 81 children.

The Department of Housing and Urban Development's child care center is also incorporated by the parents and cares for 61 children. The Department provided the space, paid for the renovations, and gave the center $14,000 for other startup costs as needed, such as education supplies and equipment. The Department of Education and Health and Human Services' child care centers care for 40 and 60 children respectively. Here, too, the Departments provided the space and the initial startup money needed for the centers. The centers have been incorporated by the parents and are self-supporting.

It is this form of care—child care at the worksite—which the U.S. Senate is helping to provide for its employees through the allocation of space and startup funds up to $20,000. These startup funds will come out of the Senate contingent fund which has already been appropriated and authorized for the Senate's use. As I am sure my colleagues know, most of the Senate's operating expenses are paid through this fund, including all committee expenses and such items as our computers, Xerox machines, and typewriters. This startup money will be used for such items as room dividers, cots, office furniture, playground equipment, basic supplies, and salary funds for professional staff assistance prior to the opening of the center.

In addition to these funds, the parents interested in the center are already contemplating fundraising activities to complement the money raised through the center itself. I am confident that soon after its anticipated January 1984 opening, the Senate Employees Child Care Center will be a thriving and self-sufficient home away from home for approximately 40 of our employees' children. However, if the center does not thrive, then the Senate has no responsibility to help it. The Senate has no legal ties to the center, not even in terms of insurance.

After the center's opening, I encourage my colleagues to go to the second

floor of the Old Immigration Building, where the center will be housed and watch the children play and learn. The Rules Committee has allocated 3,500 square feet for the center and the parents have tentatively selected a curriculum option known as developmental play. The parents have decided to make sure that the center complies with the District of Columbia's rules and regulations for day care centers, and it is these regulations which will help determine the staff/child ratio, the number of square feet per child, the size and location of the outdoor play area, and other factors of importance to the safety and well-being of the children.

The parents have many decisions ahead of them, including the determination of cost for the parents and the age range that the center will accept. Another decision that has not yet been written in stone is whether the center should accept the children of Senators. Not realizing what a fuss this would raise among my colleagues, it was the employees' thought that Senator's children should not be excluded from receiving child care at what is, after all, the worksite of the Senators also. I believe that the issue of the enrollment of Senators' children is a spurious one, first, because there are not that many of us who have children under the age of 5, second, because Senators' children would be grouped in with the employees' children to be selected probably by the luck of the draw, and third, even if a Senator's child were chosen for the center, his or her parents would have to pay for the child's care just like everyone else.

Mr. President, I have been impressed with the level of enthusiasm that has been displayed by many parents in the Senate who want their child care center to succeed. With continued leadership from people like Marge Baker, Linda Gustitus, Joyce Hearn, Trudi Davis, Mary Conklin, Nancy Hadley, Steve Metalitz, Judy Rainey, Ed Baxter, and Jane Green, I am confident that the center not only will succeed, but will become a model for government and business alike.

But, Mr. President, one question which pervaded the negative side of the debate on Monday and which constantly crops up in my discussions with opponents of the child care center is, "Why should we as Senators care about our employees' efforts to start a child care center for their children? We pay them—is that not enough?"

In short, the answer is "No, it is not enough." We owe our employees more than just a regular paycheck. Perhaps it is particularly difficult for us as Senators to face up to our role as the employers of several hundred people, given our duties to our millions of constituents and to the Nation itself. Nevertheless, it is about time we begin to practice what we preach in terms of the laws and policies we establish for all the other employer/employee relationships in our nation. I speak here not just about individual issues such as the child care center—I am concerned about the exclusion of our own employees from the protection of such major pieces of legislation as the Civil Service Reform Act, the Civil Rights Act of 1964, the Equal Employment Opportunity Act of 1972, the Age Discrimination in Employment Act of 1967, the Equal Pay Act, and the Occupational Safety and Health Act. These laws protect all facets of the worklife of Americans—unless you work for Congress, the little plantation on the Hill.

My good friend and colleague from Vermont, Senator LEAHY, has sponsored a fine piece of legislation to rectify these injustices. It is S. 1588, introduced June 29, 1983, and referred to the Committee on Governmental Affairs where it remains and where it will undoubtedly die when this Congress adjourns. Senator LEAHY has introduced this bill in the past three Congresses, and I commend it to your attention.

But returning to the more narrow issue of the child care center, I wonder if any of my colleagues have forgotten the leadership of the administration in calling for private, voluntary actions to be substituted for full Government subsidization of social programs. The Senate, acting as an employer, is following this philosophy by providing initial assistance to its employees so that they can quickly become self-sufficient in providing for child care. In fact, the President's Advisory Council on Private Sector Initiatives has urged employers to provide day care services on their own initiative as a means for promoting greater worker productivity. One of the child care options promoted by this task force is worksite day care.

In sum, Mr. President, I think the Senate did a very good thing on Monday, spurred on by the special help and dedication of my good friends from Florida, Maryland, and Kentucky, Senator HAWKINS, Senator MATHIAS, and Senator FORD, and the leadership of the majority leader, Senator BAKER, who enabled us to have the resolution brought to the floor during this time when we are rushing to adjourn. Also key to the successful passage of the resolution, as I am sure that many of you well know, were the efforts of Susan DeConcini, Lori Hansen Riegle, Nancy Thurmond, Marcelle Leahy, and others. I know that their interest, knowledge, and enthusiasm will continue to help guide the child care center. This good deed we accomplished on Monday did not cost millions or billions of dollars like many of our actions do. It will cost no more than $20,000, and I suggest that this expenditure and the benefits it will bring are far more cost effective than the tennis courts, gymnasiums, and pay raises that we provide for ourselves. We directly assisted hundreds of fine people, people who help us day after day in ways that range from the extension of simple services to the provision of assistance in the researching and writing of complicated pieces of legislation which affect the lives of millions. We have helped to set an example for employers and employees everywhere, an example that fits the facts of our changing society and the constraints of our Nation's economy. I look forward to following the progress of the Senate Employees Child Care Center and hope that my colleagues will do likewise.

Mr. President, at this time I ask unanimous consent to have printed in the RECORD an article by former President Gerald Ford entitled "Child Care Is for Everybody." This was written by our former President and it appeared in the Parade magazine of October 23, 1983.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHILD CARE IS FOR EVERYBODY

(By Gerald Ford)

I am worried about the children of our nation.

When Betty and I were married, almost 35 years ago, she was a career woman—a fashion coordinator for a large department store in Grand Rapids, Mich. Two weeks after our wedding, I was elected to Congress, and Betty, accepting the wifely role expected of her in those days, gave up her job to become the active partner of a young Congressman and the mother of the quickly growing Ford family.

Child care in our family followed the tradition of a mother who was at home. This was the accepted way when Betty and I were growing up in Grand Rapids, and it was still the way when Mike, Jack, Steve and Susan were young. Though we were both very busy during our years in Washington, we were never so busy that one of us was not always available for our four children. No matter what the crisis, one of us was always there. Usually, it was Betty. Looking at our children today, I have a great deal of pride in the child-rearing job we did.

But family life in America has changed. The old-fashioned family, in which grandparents lived with their children, has all but disappeared. More and more, brothers and sisters, sons and daughters move away from home to pursue their careers. Families no longer are able to get together for dinner every Sunday, as we did in our home. Many are lucky to have everyone together for an occasional Christmas.

And it is no longer traditional for mothers to stay home with the children. Driven by economic need or the desire for careers, more and more women—more and more mothers—are moving into the workplace. About 50 percent of the nation's women have full- or part-time jobs outside their homes.

These changes give all of us reason to be concerned for our young people.

I harbor no great fear for my own grandchildren. Their parents are passing on the love and care that Betty and I showed them. But there are thousands of other children for whom I am afraid. Children who spend too many hours with no one to guide or supervise their activities. Children who spend too many hours staring vacantly into a TV set because they have never been encouraged to discover the incredible adventure to be found in the written word.

We can begin by acknowledging that—contrary to older assumptions—child care cannot be only the mother's concern. Men must be as active in caring for their children as women always have been. Parenting, these days, has to be fully shared by mother and father.

Being a father to my own children has been the most demanding and most rewarding opportunity ever offered to me. I have always tried to "be there" for my children, and I know that most American fathers want to "be there" too.

But with countless fathers and mothers working to make ends meet, there are now countless children who must share their parents with the outside world. For a large part of each day, they need the care of someone other than a parent.

That someone could be found within a good-quality child-care facility.

Like the majority of Americans, I have had a tendency to be wary of "child care." A few years ago, it was called "day care" and was viewed as a service for those mothers who couldn't afford to stay home (although, as the tag line usually went, home was "where they belonged"). Child care in those days was for the poor and underprivileged.

Fortunately, a lot of thinking has changed regarding the needs of women and the needs of working people—both women and men. I have participated in many discussions about these issues, and I've learned a great deal. My best source of information has been "built in"—Betty has always been active and outspoken about women's rights and roles. Some men of my "grandfatherly" years, I suppose, have found it hard to comprehend what has been happening to "our" women. I found my understanding easily through Betty's guidance.

I have come to realize that, today, universal access to quality child care is imperative in all our communities—urban and suburban, rural and industrial, middle-class and poor. We must all become part of the effort to provide this care. And this effort must start today.

Right now, there are not nearly enough quality facilities available throughout this country. We can no longer accept the argument that by providing child care, or day care, we are enticing women out of their homes and away from their primary care responsibilities. Women are *already* outside of the home and searching for quality care for their children. Nor can we continue to look at child care as being only for the needy. Today, any working parent needs to be able to find good care at reasonable cost.

Moreover, without adequate child-care facilities, we are forcing too many talented women who want to work to be part-time, temporary, marginal members of the work force. This underemployment of women saps the nation of a vital natural resource.

But not only are there not enough facilities, there also is not enough good information about child care available to parents. Few local communities have some central place where a father or mother can find out what kinds of facilities do exist nearby for taking care of children while their parents work.

What can we do about this deficiency in child care?

Child care is not a poor women's issue, or even a women's issue, although women have led the way. They have worked hard to tell us about the need for child care. They have organized their communities, churches and employers. They have presented their arguments to politicians.

Government has responded with programs such as Head Start and Aid to Families with Dependent Children, block grants to the states for social services, food subsidies for day-care centers under the Child Care Food Program and the Child Care Tax Credit for working families. But in these days of high deficits for federal, state and local budgets, government cannot do much more than it is now doing. Where, then, can help come from?

Very simply, and obviously, from men. It is time for the nation's men to take a more active part in the crusade for improved child care. There are many ways men can help. Being supportive at home and in the work place is a first step. But I'd like to suggest another way.

Some of the strongest and most influential organizations in our country—mainstays of many civic, economic and religious activities—were built by men and are still largely supported by men. I am talking about the Lions Clubs, Kiwanis Clubs, Rotary Clubs, Chambers of Commerce, American Legion, Elks, Masons, Boy Scouts, church and synagogue men's clubs and others.

All of these groups are committed to doing good works within their communities. I suggest that an effort be started to include child care in their good works. Men's groups can help by researching the need for child care in their area; by disseminating information about their dealings with businesses and private individuals to raise funds for child care; and by joining with women's groups to help spread the message.

Men's organizations can also work toward having their state legislatures, local councils and federal representatives adopt new or more generous incentive tax provisions for businesses that support local child-care facilities.

In 1975, during my administration, I favored legislation to provide a 20 percent tax credit for "employment-related" child-care expenses up to $2000 for one dependent and $4000 for two or more dependents. President Reagan signed the 1981 tax legislation that provided more generous tax credits for working parents. In 1983, Congress is considering proposals even more favorable to family income providers with children.

As individual husbands and fathers, we should endorse such legislation. We owe our children the valuable experiences that quality child care outside the home will open for them. And we will be helping to protect another national resource—our children.

For the sake of this country, its women and, most of all, the children, I hope more men will recognize that child care in the decades ahead is for them too.

RECOGNITION OF SENATOR LEAHY

The PRESIDING OFFICER. Under the previous order, the Senator from Vermont (Mr. LEAHY) is recognized for not to exceed 15 minutes.

CHILD CARE

Mr. WARNER. Will the Senator yield for 1 minute?

Mr. LEAHY. Certainly.

Mr. WARNER. Mr. President, as a member of the Rules Committee, I wish to express my appreciation to the distinguished Senator from Arizona before he departs the floor.

Those of us on the committee watched with some skepticism as he first brought this question of the day care center to the attention of the committee. But I assure my colleagues that this matter would not have come to passage here in the Senate had it not been for the unrelenting conviction of the distinguished Senator from Arizona to get the job done, together with his lovely wife who has been very active in this battle.

I wish to express my congratulations for a job well done. The Senate owes a debt of gratitude to the distinguished Senator and his lovely wife.

Mr. LEAHY. Mr. President, I also congratulate the Senator from Arizona. I appreciate his kind comments that he made both about my legislative endeavors and my wife's own endeavors in this matter. We both appreciate those comments.

I commend him for his work on this. It is a tribute to the Senate.

R. ROBERT LINOWES, B'NAI B'RITH HUMANITARIAN AWARD

Mr. LEAHY. Mr. President, last weekend I had the honor of introducing Robert Linowes, who is this year's recipient of the B'nai B'rith Humanitarian Award. I introduced Mr. Linowes as a man with a truly humanitarian spirit, and the most deserving person I know to receive this prestigious award.

I was struck by the relevance and urgency of his address, and I feel it should be shared with the country. I ask unanimous consent that it be entered in the RECORD in full.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

JOB OPENING OF A LIFETIME

(An Address by R. Robert Linowes)

The humanitarian spirit is rooted in the recorded history of mankind. It is one mark of a civilized society. And I think that it has been a peculiarly American trait since our very beginning. We cherish our humanity and our rights as human beings. Part of our tradition has been a shared conviction that the workability of our communities is in large measure dependent upon active humanitarian pursuits.

More than 80 years ago President Theodore Roosevelt asserted that "the first requisite of a good citizen in this republic is that he shall be able and willing to pull his weight." We must assume that he saw the first line of defense as a citizenry which was both prepared and pre-disposed to assume a great deal of responsibility for their own well being.

Yet, less than a decade later, Roosevelt expanded upon his axiom with this observation: "No man can be a good citizen unless he has a wage more than sufficient to cover the base cost of living, and hours of labor short enough so that after his day's work is done he will have time and energy to bear his share in the management of the community, to help in carrying the general load."

Here in the late 20th Century we find widespread concern over whether our citizens are sufficiently prepared—that is properly educated, trained or retrained—to take up useful roles in an increasingly technology-oriented society. At the same time, however, there is a sense that our general population is less concerned about their duties as citizens and servants in their communities.

We have read and heard a great deal in the past months about the state of education in our society. Unfortunately, as this dialogue has unfolded, it has not focused enough on the state of our civility and humanitarian spirit and the roles they play in the education and development of the whole person. It is an odd and rather disturbing omission.

In all the reports on the schools that have been written lately—whether by the National Commission on Excellence in Education, The Carnegie Foundation for the Advancement of Teaching, or others—words such as generosity, compassion and service are hard to find.

Instead, we encounter a number of gloomy statistics about the so-called "rising tide of mediocrity" afflicting our public school system. The repeated calls for educators to do a better job of equipping our students for the economic challenges of the modern marketplace are loud and clear.

If these reports have one common thread, it is that they are geared toward improving the educational system's ability to produce well-trained, highly-skilled graduates. If there is an overriding question in all the studies it is this: How do we turn out better workers?

It is an important question. And these reports have made an invaluable contribution by recommending solutions that can help pave the way toward a more productive work force and a stronger economy. For this they deserve to be applauded—as well as heeded.

But there is another important question on the table and it is this: How do we turn out better workers who are also better citizens with a devotion and a commitment to the communities in which they live as well as work?

It was the philosopher Spinoza who said that "men are not born fit to be citizens, but must be made so." It follows then that our educational system bears as much responsibility for expanding one's human values as it does for teaching the skills which enhance one's employability.

We must take care to ensure that our newfound focus on productivity, employment or careers does not get away from us. If not, I fear we could become victims of rampant vocationalism. We could become a nation rich in efficient workers, but poor in caring human beings—a country with a booming Gross National Product, but a declining Gross National Spirit.

In our rush to develop a nation of computer literates and technological sophisticates, let's not lose sight of the liberal tradition and the humanities—literature, art, music and the like. These subjects might not contribute directly to the bottom line, but they are essential to the development of well-rounded citizens.

Just as we should not abandon our commitment to the teaching of the humanities, so we should not forget to nurture the qualities of decency and common sense in our young people. The technical virtuosity displayed by the Milwaukee high school students who recently broke into several companies' computer networks was impressive. That they had so little comprehension of the meaning of trespass and privacy is very depressing.

We cannot truly educate unless we cultivate social values at the same time—not at the expense of teaching skills and functional ability—but as complementary qualities that make a human life as rich as any paycheck.

Clearly, citizenship is—or should be—as important as employeeship. Civility ought to be as crucial as severance pay. After all, we work only eight hours a day and there is a lot of time outside the hours of 9 to 5.

We need to recruit people for their roles in the independent or voluntary sector as surely as for jobs in the commercial or public sectors. We need to help prepare people for their careers as citizens as surely as we would train and educate them as craftsmen or professionals.

You won't find them in the classifieds or employment ads, but there are a lot of job openings in the market for independent service to our communities . . . to our nation . . . and to mankind. It is a time for volunteering, for participation in community affairs, for sharing knowledge and talents with others in the pursuit of the public good.

I am not an educator and I do not propose to tell educators how they should go about teaching such qualities as generosity and compassion.

Perhaps such qualities are best nurtured through groups like the Hillel Foundation, the B'nai B'rith Youth Organization or the B'nai B'rith Career and Counseling Services. But of all the recommendations I came across in the education reports, one in particular stood out. It was a suggestion made by the Carnegie Foundation. It proposed that all high school students be required to complete a service requirement before graduation—through volunteer work in the community or at school, at nights, on weekends or during the summer. The reason given is worth repeating: "Young people should be given opportunities to reach beyond themselves and feel more responsibly engaged. They should be encouraged to participate in the communities of which they are a part."

I don't know whether that's the complete answer to educating for citizenship—but I think that it's the start of an answer. And I'm convinced that the development of such talents are just as important—if not more so—to the long-term health of our society than the ability to manipulate a computer keyboard.

Many people forget that before he was President of the United States, and before he was Governor of New Jersey, Woodrow Wilson served as president of Princeton University. I would like to close tonight with what I believe were his remarks to an incoming class of college freshmen in the early 1900s: "You are not here merely to make a living. You are here in order to enable the world to live more amply, with greater vision, with a finer spirit of hope and achievement. You are here to enrich the world, and you impoverish yourself if you forget the errant."

Woodrow Wilson's words are for all of us. And, they are still true, still relevant, still timely. They are the essence of the humanitarian spirit.

Thank you very much.

AMBASSADOR GEORGE KENNAN

Mr. LEAHY. Mr. President, earlier this week I had the privilege of attending a speech delivered by Ambassador George Kennan at the Wilson Center. He demonstrated once more why he is considered the preeminent thinker in the field of American and Soviet relations today.

While each of us attending had the privilege of hearing his comments, I feel they are so important and so relevant that the rest of the country should have an opportunity to hear them. This is especially true this week, the 50th anniversary of diplomatic relations being established between the United States and the Soviet Union.

I ask unanimous consent that Ambassador Kennan's comments be entered in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS FOR SMITHSONIAN DINNER, NOVEMBER 15, 1983

(By George Kennan)

LADIES AND GENTLEMEN: The reason I find myself standing before you this evening is not that anyone believes me to possess any special wisdom about international problems but because tomorrow marks the passage of fifty years since diplomatic relations were established between the United States and the Soviet Union and because I appear to be the sole survivor from among the small group of individuals on both sides who were personally involved in that particular event.

For anyone as old as I am it is always a temptation to become anecdotal and to regale one's listeners with reminiscences—reminiscenses that become more striking and more flattering to one's self, with each telling. In this instance, the temptation is particularly strong, because the events of those days of November 1933 were, indeed, for me, momentous and exciting ones. I was at that time, as it happened, back in Washington—on leave from my post at Riga. I could look back, at that time, on five years of training and experience in Russian matters. Three of those years had been spent in territory which is now part of the Soviet Union, although it was not then; but I had never been in Moscow or indeed in any part of what was then the Soviet Union; and I was wild with curiosity to see Russia proper.

By pure chance, I happened one day to be introduced, in the corridors of the State Department, to Mr. William C. Bullitt, who had just been selected by President Roosevelt to be our first ambassador to the Soviet Union. Bullitt discovered that I spoke Russian and knew something about the Soviet economy; and with the impulsiveness and ebullience that were the hallmarks of his nature he at once decided that I should accompany him, as a diplomatic secretary, on the journey he was about to undertake to Moscow, to present his letters of credence.

Well—I did so accompany him. I was with him when he presented those letters of credence, in one of the great halls of the Kremlin, to Michael Kalinin, who was at

that time the titular head of the Soviet state. And when, after accomplishing this initial ceremony, Bullitt returned home to organize an embassy staff, he left me there in Moscow, junior as I was in rank, to maintain liaison with the Soviet government on various practical problems of the moment. I was thus the first regular American representative in that city and—for the ensuing three months—the only one. The rest is in my memoirs and other accounts of the time.

It is not easy to evoke today, and particularly in a few words, the atmosphere and political climate of that time. Sixteen years had now elapsed since the Russian revolution—sixteen years of hostility, suspicion and remoteness in the relationship between the two countries. This was a considerable time; and yet the Revolution still had for many of us the vividness of a recent event. The atmosphere of it—the excitement, the hopes, the fears attached to it—could still be felt, as could the dramatic developments of the immediate post-revolutionary period. Less than ten years had elapsed, after all, since the death of Lenin. Such developments as the New Economic Policy, the collectivization of the peasantry, and the First Five-Year Plan, were fresh on our minds. And the men on the Soviet side with whom we had to deal were figures of that recent revolutionary period—people who even had interesting pre-revolutionary careers. Litvinov, the Soviet foreign commissar, with whom we travelled on the train together from Paris to Moscow; Kalinin, himself, to whom the credentials were presented; Troyanovski, the father, actually, of the present Soviet ambassador of that name to the United Nations—who had been selected as the first Soviet ambassador to Washington; these were all men whose careers had begun in the pre-revolutionary time—in a Russian-oppositional movement which, we must remember, had enjoyed considerable sympathies in the United States. In what they had to tell us about their past careers—in Litvinov's confession to Bullitt that his real ambition had always been to be a librarian instead of being the foreign minister of the Soviet Union—in Kalinin's mention to me of his enthusiasm, as a youth, for my uncle's books about the penal and exile system in Siberia—in things of this sort we were reminded not only of earlier and happier times—not only of the century of relatively amicable Russian-American relations that had preceded the Revolution—but also of our common humanity. These men, as I then dimly realized, were no more guilty of the positions and the intellectual attitudes into which Fate had thrust them than were we for ours. We were all the victims of the accidents of birth—and of Fate.

We had, in other words, not yet learned to see our Soviet opposite numbers as something beyond the limits of human understanding and communication. And there prevailed, at least among us, the American participants in these events, a pleasant sense of anticipation and excitement. We knew that a long, unpleasant, and sterile epoch in Soviet-American relations was coming to an end. We could not know what the future was going to bring: We were well aware of the great traditional and ideological differences that separated us from our Soviet counterparts. But we were all imbued, I think, with the hope that somehow or other the establishment of these new bonds between two great peoples would open up new and more hopeful vistas for everyone.

These attitudes no doubt involved a certain amount of euphoria; and to that extent, experience soon corrected them. Difficulties were not long in developing. Some of these difficulties could be regarded as abnormal ones; and to this category I would relegate the Stalinist purges which began soon after our embassy was established in Moscow and which continued, to one extent or another, throughout the Stalin era. This terrible and incredible series of repressive actions weighed heavily, in more ways than you might suppose, on Soviet-American relations. But most of the difficulties we encountered were of the endemic variety. They were the products of what you might call permanent environmental factors of the Soviet-American relationship: such things as the conflicting ideological commitments; geographic situations; different traditions and customs; different ways of looking at things; differences in the ways the two peoples saw themselves and each other; and the unrealistic expectations each addressed to each other. We were aware of these factors, even if at that time we probably underrated their long-term importance.

So Soviet-American relations in that prewar period were often troubled ones. We rubbed each other painfully in many ways, as we continue to do today. The ideological competiton was then far more intense than it is today; and the political tension no smaller. Those of us who served in Moscow in those years were gradually taught to reconcile ourselves to a long period of political and ideological rivalry—to a long struggle for the minds of men.

But what we did not anticipate (and this is the fundamental point I wish to stress tonight) was anything resembling military conflict between our two countries. War with Nazi Germany?—yes, possibly. War with the Japanese militarists?—yes, possibly. War between the United States and the Soviet Union?—no. Nothing, it seems to me, was further from our thoughts. It simply did not occur to us that this ideological and political competition with the Soviet Union needed to be, or could be, resolved on the field of battle. It was a struggle for the minds of living men—not for bodies of dead ones.

Surely, there is no one in this room to whom I need to point out the drastic and unhappy contrast between that day and this. One has only to glance at the morning newspapers—one has only to note the nature of the issues of Soviet-American relations that are now under public discussion and the ones over which the two governments are negotiating or are supposed to be negotiating—in order to perceive the overwhelming extent to which this relationship has now been penetrated and indeed taken over by military considerations. It is weapons we now talk about—weapons we read about—weapons we negotiate about. Behind this endless debate about weaponry the real political issues between the two countries fade into obscurity; and the public is left with the inference the relationship consists exclusively of maneuvering for military ascendancy—that weapons are all that count—that it is they, the weapons, that will some day determine the ultimate outcome of all our differences.

What has caused this change? It had its initial origins, no doubt, in the great geopolitical displacements flowing from the outcome of the Second World War—changes which left the two powers confronting each other for the first time in history over a military border drawn down though the center of Europe. But a second and even more fateful factor was the introduction into both their arsenals of a form of weaponry—the nuclear one—wholly unprecedented in its destructiveness and conducive to the establishment of a wholly new range of military anxieties and speculations. These two factors have led to the development of a weapons race unparalleled in history for its intensity and for the apocalyptic fears and reactions it engenders.

Now I am by profession a diplomatic historian; and I am here to testify that any sort of a weapons race between great industrial powers of the modern age, even a nonnuclear one, sets up a pattern of compulsions which soon acquires its own momentum as a motivating force for national behavior—a momentum wholly independent of the political differences that may have led the two powers to view each other as rivals in the first place; and this momentum easily and almost invariably then becomes a dominating factor in the formulation of national policy, commanding the public imagination, commanding the attention of the press, commanding the reactions of statesmen and politicians. Such a weapons race is, in other words, a dangerous trap, from which, to date, the competing parties, once fallen into it, have never found a means of escape, except in the disasters of war. It is this trap in which the Soviet Union and the United States find themselves caught today and from which, as yet, they have seen no way to extract themselves. Behind this trap, and obscured by it, still lie the permanent complicating political factors of the relationship, largely as they existed in the 1930's and as they will long continue to exist, if our civilization itself continues to exist. Were the military rivalry to be removed tomorrow, these complicating factors would still be there; and they would still be troublesome; but they would not be mortally dangerous. The military competition, on the other hand, is mortally dangerous; for the war to which it could be easily lead is one in which, as we all know and as all our leaders have recognized, there could be no victory—only total catastrophe for all concerned.

When, then, I look at this relationship from the historical perspective, what I see are two great powers, only recently elevated to positions of political and economic ascendancy among modern nations. I see these two powers just beginning, in the 1930's and early 1940's, to tackle in all earnestness the difficult but not impossible task of adjustment to each other in a world where new technology was making all men neighbors. And then I see them suddenly overtaken by tremendous new developments in the geo-political and military fields—developments for which they were not at all prepared; and I see them thrown by these developments into a predicament—namely the nuclear weapons race—that had nothing to do with those normal problems of adjustment of earlier years—a predicament from which, as of today, they know no means of escape, and in which they are simply writhing helplessly, at immense danger to themselves and to the world around them.

I have said it before. I can only say it again. There are no considerations—no aspirations, no ambitions, no anxieties, no defensive considerations—which could justify the continuation of this dreadful situation. The two governments may not be at fault—or at least they may be very little at fault—for its development. It was largely unforeseeable forces of history that thrust them into it. But it is a mortal danger for them both. And precisely because the problem is unprecedented the effort of leadership re-

quired to extract them from it will also have to be unprecedented—unprecedented in determination, in imagination, in courage, and, if necessary, in political self-sacrifice.

That this task can be accomplished, if only these qualities can be brought to bear upon it, I have no doubt. This is not the place for me to advance my own poor ideas as to how it might best be tackled. But behind its necessity, and behind its significance, many of the things that preoccupy us today—the resentments, the suspicions, the irritations, the minor conflicts, the considerations of prestige and of short-term advantage—these things fade in importance. If we only could see this—if we could only see that the real problem is not with the other party, that the problem is with both of us, that we are both a part of it, both the victims of it, that it is in fact a common problem—if we could see these things, the road to self-extraction from this predicament would begin, I am sure, to become visible. The road would not be smooth; but it would not be impassable. It would not lead to the paradise; at the end of it would lie only the normal measure of frictions, misunderstandings, and agonies of adjustment that have always marked, and are always going to mark, the co-existence of great powers on this plane. But there would be, at the end of this road, life, hope, and a future for posterity. Whereas the failure to enter on that road allows for none of those things.

In the letter President Franklin Roosevelt addressed to Litvinov fifty years ago tomorrow, informing him that the United States government had decided to establish diplomatic relations with the Soviet Union, he wrote:

I trust that the relations now established between our peoples may forever remain normal and friendly, and that our nations may cooperate for their mutual benefit and for the preservation of the peace of the world.

I find it hard, in this sad time, to comment on these words. Their pathetic quality, with relation to the situation that exists today, will be apparent to all of us.

Franklin Roosevelt was not a profound thinker; my own admiration for him was not unlimited; but he was a man of great heart and courage. And I will do him the justice to say that were he alive today and able to perceive the state in which Soviet-American relations now find themselves, he would not throw up his hands in cynicism and despair but would set about, undismayed, with false starts, no doubt, as well as with sound ones, but always with boldness and good cheer, to make things better. Is there any reason, I must ask, why we should reconcile ourselves to anything less?

PRESIDENT JOHN F. KENNEDY

Mr. LEAHY. Mr. President, we are fast approaching the 20th anniversary of a very sad occasion in American history. Certainly, in my lifetime, I can think of no occasion in American history so emblazoned in my memory. That, of course, is the assassination, the murder, of President John F. Kennedy.

In remembrance of that, there will be television programs, newspaper articles, scholarly works, and other references to President Kennedy's tenure as President of the United States.

I recall, as a student in Washington, his commencement address at the American University here in Washington on June 10, 1963. I recall two things about it: One, the substance of the speech. Second, I remember very well that that same day our distinguished leader, Senator BYRD, graduated from American University with his law degree, on June 10, 1963.

I recall thinking at the time that Senator BYRD, whom I did not know at that time, of course, had the two things I would really have liked to have had: Both a law degree—I was still a year from my own—and a seat in the U.S. Senate.

Of course, we all know the mark that Senator BYRD has made on the U.S. Senate and his rise. It is hard to speak of it being a rise because he was a distinguished Senator well within his own right at that time. He has gone from there to assistant Democratic leader to Democratic leader in the Senate. He now holds this high office with the total support of every member of the Democratic Party.

What I would like to do, Mr President, if I might, is to quote some of the lines from President Kennedy's 1963 speech. We are, today, in a time when we face probably the worst relations we have had with the Soviet Union in decades. We are in a period when these two great superpowers, who could bring the world to nuclear annihilation, face each other with continuing distrust, outright animosity in some areas, and heightening stakes for the whole world.

We should hearken back to 20 years ago and listen to what President Kennedy said. He said:

I have chosen this time and this place to discuss a topic on which ignorance too often abounds and the truth is too rarely perceived—yet it is the most important topic on earth: world peace.

What kind of peace do I mean? What kind of peace do we seek? Not a Pax Americana enforced on the world by American weapons of war. Not the peace of the grave or the security of the slave. I am talking about genuine peace, the kind of peace that makes life on earth worth living, the kind that enables men and nations to grow and to hope and to build a better life for their children—not merely peace for Americans but peace for all men and women—not merely peace in our time but peace for all time.

I speak of peace because of the new face of war. Total war makes no sense in an age when great powers can maintain large and relatively invulnerable nuclear forces and refuse to surrender without resort to those forces. It makes no sense in an age when a single nuclear weapon contains almost ten times the explosive force delivered by all of the allied air forces in the Second World War. It makes no sense in an age when the deadly poisons produced by a nuclear exchange would be carried by wind and water and soil and seed to the far corners of the globe and to generations yet unborn.

Today the expenditure of billions of dollars every year on weapons acquired for the purpose of making sure we never need to use them is essential to keeping the peace. But surely the acquisition of such idle stockpiles—which can only destroy and never create—is not the only, much less the most efficient, means of assuring peace.

I speak of peace, therefore, as the necessary rational end of rational men. I realize that the pursuit of peace is not as dramatic as the pursuit of war—and frequently the words of the pursuer fall on deaf ears. But we have no more urgent task.

Some say that it is useless to speak of world peace or world law or world disarmament—and that it will be useless until the leaders of the Soviet Union adopt a more enlightened attitude. I hope they do. I believe we can help them do it. But I also believe that we must reexamine our own attitude—as individuals and as a Nation—for our attitude is as essential as theirs. And every thoughtful citizen who despairs of war and wishes to bring peace, should begin by looking inward—by examining his own attitude toward the possibilities of peace, toward the Soviet Union, toward the course of the cold war and toward freedom and peace here at home.

First: Let us examine our attitude toward peace itself. Too many of us think it is impossible. Too many think it unreal. But that is a dangerous, defeatist belief. It leads to the conclusion that war is inevitable—that mankind is doomed—that we are gripped by forces we cannot control.

We need not accept that view. Our problems are manmade—therefore, they can be solved my man. And man can be as big as he wants. No problem of human destiny is beyond human beings. Man's reason and spirit have often solved the seemingly unsolvable—and we believe they can do it again.

Then President Kennedy said:

Second: Let us reexamine our attitude toward the Soviet Union. It is discouraging to think that their leaders may actually believe what their propagandists write. It is discouraging to read a recent authoritative Soviet text on Military Strategy and find, on page after page, wholly baseless and incredible claims—such as the allegation that "American imperialist circles are preparing to unleash different types of wars . . . that there is a very real threat of a preventive war being unleashed by American imperialists against the Soviet Union . . .

Truly, as it was written long ago: "The wicked flee when no man pursueth." Yet it is sad to read these Soviet statements—to realize the extent of the gulf between us. But it is also a warning—a warning to the American people not to fall into the same trap as the Soviets, not to see only a distorted and desperate view of the other side, not to see conflict as inevitable, accommodation as impossible, and communication as nothing more than an exchange of threats.

No government or social system is so evil that its people must be considered as lacking in virtue. As Americans, we find communism profoundly repugnant as a negation of personal freedom and dignity. But we can still hail the Russian people for their many achievements—in science and space, in economic and industrial growth, in culture and in acts of courage.

Today, should total war ever break out again—no matter how—our two countries would become the primary targets. It is an ironic but accurate fact that the two strongest powers are the two in the most danger of devastation. All we have built, all we have worked for, would be destroyed in the first 24 hours. And even in the cold war, which brings burdens and dangers to so many

countries, including this Nation's closest allies—our two countries bear the heaviest burdens. For we are both devoting massive sums of money to weapons that could be better devoted to combating ignorance, poverty, and disease. We are both caught up in a vicious and dangerous cycle in which suspicion on one side breeds suspicion on the other, and new weapons beget counterweapons.

So, let us not be blind to our differences—but let us also direct attention to our common interests and to the means by which those differences can be resolved. And if we cannot end now our differences, at least we can help make the world safe for diversity. For, in the final analysis, our most basic common link is that we all inhabit this small planet. We all breathe the same air. We all cherish our children's future. And we are all mortal.

Third: Let us reexamine our attitude toward the cold war, remembering that we are not engaged in a debate, seeking to pile up debating points. We are not here distributing blame or pointing the finger of judgment. We must deal with the world as it is, and not as it might have been had the history of the last 18 years been different.

President Kennedy concluded:

While we proceed to safeguard our national interests, let us also safeguard human interests. And the elimination of war and arms is clearly in the interest of both. No treaty, however much it may be to the advantage of all, however tightly it may be worded, can provide absolute security against the risks of deception and evasion. But it can—if it is sufficiently effective in its enforcement and if it is sufficiently in the interests of its signers—offer far more security and far fewer risks than an unabated, uncontrolled, unpredictable arms race.

The United States, as the world knows, will never start a war. We do not want a war. We do not now expect a war. This generation of Americans has already had enough—more than enough—of war and hate and oppression. We shall be prepared if others wish it. We shall be alert to try to stop it. But we shall also do our part to build a world of peace where the weak are safe and the strong are just. We are not helpless before that task or hopeless of its success. Confident and unafraid, we labor on—not toward a strategy of annihilation but toward a strategy of peace.

Mr. President, the words of President Kennedy 30 years ago are strangely prophetic. Any President of the United States could give the same speech today. How well it might be if this President of the United States did give the same speech today. I think it addresses itself to the basic feelings of Americans no matter what their political party, no matter where they come from in this country. It expresses the realization of Americans that there are no winners in a nuclear war. We speak of annihilation not only of our own country but of every country. It speaks really of the greatest moral issue facing us today, the issue of preventing a nuclear war.

I commend to my colleagues and the American people the statement of President Kennedy. It is, of course, with a deep sense of sadness when I read these words and realize that that mind, that talent, and that vision were cut off so early in life.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, may I inquire if all the special orders have been executed?

The PRESIDING OFFICER. They have.

Mr. BAKER. I thank the Chair.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I stated earlier that we would have time for the transaction of routine morning business. I now ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond 11:10 a.m., in which Senators may speak for not more than 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE DEATH OF R. HUGH DANIEL, FORMER DANIEL INTERNATIONAL CORP. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. THURMOND. Mr. President, I rise today to note the passing of a truly great American, R. Hugh Daniel, a native of South Carolina and one of the ablest and most energetic businessmen of this century. Few Americans have achieved the heights of success that my friend Hugh Daniel reached during his lifetime. This man neither sought nor received much public acclaim for his contributions to the free enterprise system and community service, yet his business acumen and generosity touched thousands of lives in all parts of the world.

Mr. Daniel, former chairman and chief executive officer of Daniel International Corp., joined forces with his brother, the late Charles E. Daniel, in 1935 to create a construction firm which would become one of the world's largest full service construction and engineering operations. Internal expansion over the years and acquisitions in the 1970's diversified the company's services to the extent that it could provide clients most of their requirements from site location, engineering, and construction, through process equipment installations and contract maintenance.

As the company expanded into other parts of the world and increased its services beyond those of a general contractor, the corporate name was changed to Daniel International Corp. in 1971.

R. Hugh Daniel was elected a vice president in the company in 1935, and was appointed manager of the Alabama division in 1936, the same year he was first elected a member of the board of directors. He was elected president and treasurer in 1955, and was named chairman of the board following his brother's death in 1964. He served as chairman until 1974 when he relinquished the position but was continued as chief executive officer, treasurer and a member of the board until the company was purchased by the Fluor Corp., in May 1977.

Mr. Daniel was director of several corporations and institutions, and trustee of Birmingham-Southern College and Southern Research Institute. He was chairman of the board of Central Bank of Birmingham and a trustee of the Daniel Foundation. He held a number of offices in civic, social and cultural clubs, and associations and was a member of Canterbury Methodist Chuch in Birmingham. He is survived by his lovely wife, Mrs. Martha Stone Cobb Daniel, and two sons, R. Hugh Daniel, Jr., of Atlanta and Charles W. Daniel of Birmingham.

I ask unanimous consent that articles from the Birmingham, Alabama Post Herald and the Charleston, S.C. News and Courier be included in the CONGRESSIONAL RECORD at the conclusion of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Birmingham Post-Herald, Oct. 28, 1983]

R. HUGH DANIEL DIES AT 77

R. Hugh Daniel, former chairman of the board of Daniel International and Central Bancshares of the South, died today at a Birmingham hospital after a brief illness.

Daniel, 77, a native of Anderson, S.C., began his career with Daniel Construction Co., a firm started by his brother, Charles E. Daniel, in 1934, and was elected chairman and chief executive officer in 1964, serving in that capacity until he retired in 1977.

During his years of leadership, Daniel International became one of the largest full-service, publicly owned construction companies and offices on four continents.

In 1964, Daniel helped found Central Bank and Trust, now Central Bank of the South. He was chairman of the board until his retirement in 1979.

Daniel was chief executive officer and treasurer of Daniel Realty Corp., formed as a subsidiary of Daniel Construction in 1964. It manages the 20-story Daniel Building in downtown Birmingham.

He was inducted into the Alabama Academy of Honor in 1976.

Daniel was a graduate of The Citadel, Charleston, S.C. He received honorary doctorate degrees from The Citadel, Piedmont College, the University of Alabama in Birmingham and Birmingham-Southern College, where he was a member of the board of trustees.

Daniel was chairman of the board of trustees of the Daniel Foundation, a former

member of the executive committee of the board of trustees of Southern Research Institute and a past trustee of the Birmingham Symphony Association.

He was a past director of Alabama Gas Corp., Baptist Hospitals Foundation, Birmingham Committee of 100-Chamber of Commerce, Birmingham Museum of Art, Florida National Banks of Florida, Southern Bank and Trust Co. of Greenville, S.C., and United States Pipe and Foundry Co.

Daniel served two terms as president of the Alabama Chapter, Associated General Contractors of America. He was chairman of the Jefferson County United Appeal, 1954-55.

He was a member of Canterbury United Methodist Church.

Survivors include his wife, Mrs. Martha Stone Cobb Daniel, and two sons, R. Hugh Daniel Jr., Atlanta, and Charles W. Daniel, Birmingham.

[From the News and Courier, Nov. 2, 1983]

R. HUGH DANIEL: AN EXEMPLARY LIFE

The story can now be told. R. Hugh Daniel, a Citadel Graduate (1929), gave more money to his alma mater than any other individual in the history of the college. The story can be told because Mr. Daniel, a man whose modesty saw to it that the extent of his generosity was a well-kept secret for all his life, died on Oct. 27.

What better measure of a man's true worth can there be than the memory he leaves behind him? The gratitude that The Citadel feels towards Mr. Daniel speaks volumes about the man. His was a life of lasting value.

The Daniel brothers, the late Charles E. (Citadel 1918) and R. Hugh, left their mark on The Citadel in Life. They set up the Daniel Fund for scholarships and for other enterprises which could not be financed by appropriated funds. They built the Carillon Tower, one of the largest Dutch bell installations in the Western Hemisphere, in memory of a classmate of R. Hugh Daniel, Thomas Dry Howie, the World War II hero immortalized as "The Major of St. Lo." R. Hugh Daniel was also primarily responsible for the gift of the Daniel Building in Greenville to The Citadel Development Foundation in 1972. He worked for his alma mater—as a member of the board of the Development Foundation, as distict director of the Association of Citadel Men and as a member of The Advisory Committee to The Citadel Board of Visitors. The Anderson, S.C., native majored in English at The Citadel and received a B.A. degree after rising through the cadet ranks as corporal, master sergeant and captain.

It is heartwarming to note that it is only now that full appreciation for a lifetime's generosity to The Citadel as well as a fine record for public service in Birmingham, Alabama, the scene of a highly successful business career, can be expressed to the late R. Hugh Daniel. That is how it should be, of course. But such modesty, propriety and altruism have always been as rare as they are exemplary.

[From the Birmingham Post-Herald, Oct. 29, 1983]

HUGH DANIEL

Birmingham has lost a distinguished citizen with the death of Hugh Daniel.

While under his leadership of 12 years Daniel International Corp. grew to be one of the nation's largest publicly owned full-service construction companies. Daniel generously supported every worthy cause in this community.

He was truly one of the city's builders and the 20-story Daniel Building, on Southside is concrete testimony to his faith in the future of downtown Birmingham.

But he gave of his time and talents in many less visible ways:

He had served on the executive committee of Southern Research Institute and was a past trustee of the Birmingham Symphony Association. He was a past director of the Birmingham Baptist Hospital Foundation and of Birmingham's Committee of 100 and the Birmingham Chamber of Commerce. He was a past trustee of the Birmingham Museum of Art.

And in 1954-55 he led the Jefferson County United Appeal campaign as chairman.

Daniel was inducted into the Alabama Academy of Honor in 1976 in recognition of his broad array of contributions to Birmingham and Alabama.

A native of South Carolina, he truly had become one of Alabama's foremost citizens.

Daniel, who retired as chairman of the board of Daniel International Corp. in 1977, had been less active in recent years bcause of failing health. But his impact on our comunity's affairs is lasting.

BEIRUT: THE TRAGEDY COULD HAVE BEEN AVOIDED

Mr. HOLLINGS. Mr. President, the massacre of more than 200 fine young American marines in Beirut on October 23 will go down as a dark day in American military history. This act by a fanatic terrorist with a truckload of explosives was heinous and criminal. But also criminal was their indefensible political deployment and failure to take proper security precautions.

The tragedy could have been avoided, as is so well pointed out by defense policy analyst Jeffrey Record in a Wednesday, November 16 article in the Washington Post, "The Beirut Disaster Could Have Been Avoided."

Mr. President, there being no objection, I ask unanimous consent that Mr. Record's article be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Nov. 16, 1983]

THE BEIRUT DISASTER COULD HAVE BEEN AVOIDED

(By Jeffrey Record)

On Oct. 23, Marines in Lebanon suffered one of the worst surprises in American military history at the hands of a lone fanatic armed with a truckload of explosives. Marine Corps spokesmen, including Commandant P. X. Kelley, interviewed on The Post's editorial page Nov. 6, have since argued that surprise is unavoidable in war, that what happened at the Beirut airport was an unavoidable tragedy, that pre-attack security precautions were adequate, that no reasonable person could have anticipated the kind of attack that actually took place, and that there is no such defense against an enemy willing to commit suicide on behalf of his cause. It also has been asserted that the Marines' mission in Lebanon was that of showing the flag ("presence"), not one of combat.

Such claims are understandable in the wake of an event that rocked the Marine Corps as much as it did the American people. They are not, however, defensible. To argue that surprise is an inseparable companion of war is not to excuse every instance of surprise. What happened at the Beirut airport was a human tragedy; but it was no less a professional military debacle that could have been avoided.

Pre-attack security precautions were by definition inadequate; had they been adequate, the attack would not have succeeded. Nor would there be a need for the corrective measures now being undertaken, such as the simple expedient of placing large armored vehicles and heavy machine guns astride the approaches to the Marine compound in Beirut.

Moreover, to argue that the attack could not have been anticipated because of its novel employment of a five-ton truck rather than the customary car bomb is nothing less than a confession of insufficient professional alertness to the demonstrated ingenuity and determination of the myriad terrorist groups operating in Lebanon. The use of a heavy vehicle should have been anticipated precisely because the barrier defenses around the Marine compound *were* adequate to stop comparatively light bomb-laden automobiles. It pays to put yourself in the shoes of the enemy and to think through *his* choices and opportunities. Perhaps the Marines have been in the business of surprising others on the battlefield for so long that they have forgotton how to anticipate being surprised themselves.

Several factors appear to account for what regrettably must be regarded as a case of professional military incompetence. The first is rooted in the character of the Marine Corps itself: as elite, highly specialized amphibious assault troops with a tradition of unexpected descents on hostile shores, the Marines historically have placed little emphasis on acquiring the engineering and other skills associated with fortification and positional warfare. This comparative indifference to the art of defensive combat has persisted despite the Corps' experience in Vietnam, notably the siege of Khe Sanh.

Second, the Marines' tactical posture in Beirut reflected a failure, despite mounting violence against their presence, either to grasp or to act upon the fact that the mission of "presence" could not longer be sustained without unimpeded preparation for combat. By Oct. 23 Marine sentries with unloaded weapons and one-sandbag-thick barriers were fatal anachronisms, and the commander on the spot seems to have fogotten that the first task of any commander is to take whatever measures are necessary to protect his troops, even at the price of challenging restrictive rules of engagement.

Third, for weeks preceding the bombing the Marines' attention was riveted on dealing with relatively distant and more conventional threats posed by hostile snipers and by artillery and mortar fire from the surrounding high ground. This appears to have deflected attention from other possible threats, including the tried-and-true bomb-on-wheels.

Finally, the Corps, although to a lesser extent than the other services, has for many years relied on a system of professional rewards and punishments that places a higher value on managerial and technical prowess than it does on actual performance in the field. The results have been a failure to punish tactical incompetence, which in turn has encouraged the rise within the

corps of tactically incompetent officers, and a refusal or inability, evident in Marine Corps "explanations" of the Beirut bombing, to accept responsibility for professional errors and mistakes.

No less shocking than the Beirut bombing itself is the probability that few if any military heads will roll in its wake.

WOMAN POWER ON THE APPROPRIATIONS COMMITTEE

Mr. HOLLINGS. Mr. President, since Senator HATFIELD assumed the chairmanship of the Committee on Appropriations in January 1981, he has instituted a number of innovations. The most visible change is the relocation of the committee's markup sessions to the larger room in the Dirksen Building. While I miss the setting of S-128 here in the Capitol, I must admit that the facilities are much better in the Dirksen Building.

Our rooms in the Capitol have not been abandoned. Senator HATFIELD, with his deep love of history, has arranged for S-128, as well as S-126, to be refurbished as beautiful and functional facilities of the committee.

Several procedural changes have been introduced that make our committee work better than ever. While we have a great sense of order, our chairman has always been a fair person, and he has not let these procedures overcome his basic commitment to fairness. I believe he has been particularly fair with us minority members, and as one who has been a little late occasionally, I appreciate his patience and forbearance.

Mr. President, there is another remarkable aspect to Senator HATFIELD's tenure that is even more important than the improvements he has brought to the committee's facilities and procedures. On the Appropriations Committee we still refer to the staff charged with prime responsibility for each of the 13 appropriations bills as clerks. I talked with Tom Scott, the former chief clerk of the committee, and he could not recall there ever having been a woman clerk of an appropriations bill during his long tenure with the committee. He said it was not until recent times that the committee employed women secretaries. As best as I can recall, Senator MAGNUSON and Senator HUDDLESTON appointed the first female clerk, Carolyn Fuller, to the military construction bill in 1979. Mrs. Fuller now serves as minority clerk of the huge HUD-Independent Agencies bill and has further distinguished herself by passing the bar and also giving birth to two children since joining the committee staff.

We Democrats finally broke the ice, but our distinguished chairman now has three highly capable women clerks working for the committee.

In 1981, he and Senator WEICKER appointed Claudia Ingram as the clerk of the State, Justice, Commerce bill. The election of 1980 changed me from chairman to ranking Democrat on that subcommittee and can attest to the excellence of that appointment. Mrs. Ingram served our subcommittee in an outstanding manner, just as she is now doing as the clerk of our Labor, Health and Human Services, and Education Subcommittee. This summer she took time out to give birth to a second son.

In recent months, the chairman and Senator COCHRAN have elevated Irma Hanneman to clerk of the Agriculture appropriations bill, after many years of service on that subcommittee. Similarly, when a vacancy occurred in the Transportation appropriations, the chairman and Senator ANDREWS turned to Patricia Tusaie. Not being a member of these two subcommittees, I do not know Ms. Hanneman and Mrs. Tusaie as well as Claudia Ingram, but I know they are well qualified and are performing in the excellent manner we expect of our clerks.

Mr. President, skeptics might say that what is remarkable about these appointments is that it took so long for a woman to become a clerk. That is history for whatever it is worth. What is important is what is happening now. On today's Committee on Appropriations, there is equal opportunity for women. We are indebted to Senator MAGNUSON for making the initial appointment and to our chairman, the distinguished Senator from Oregon (Mr. HATFIELD), for breaking down the barriers. I commend Senator HATFIELD for his leadership in the appointments of these outstanding persons as clerks of these major appropriations bills, which is another major achievement to his great record of public service.

ROADMASTER CORP.: SOUTHERN ILLINOIS' SHOWCASE

Mr. PERCY. Mr. President, I want today to relate a story about a business which, after many troubles, is now on the road to revitalization and profitability. It is a story of the positive results of cooperation between the public and private sectors; a story of entrepreneurs being supported at the appropriate time to save a business which well have failed had it not been for that cooperaton.

The business is Roadmaster Corp. of Olney, Ill. It has existed as an independent firm for just a year after its present owners bought it from a major U.S. corporation.

Roadmaster makes bicycles, tricycles and fitness equipment. Its 720,000 square foot manufacturing facility in Olney currently employs 1,300 people and is the biggest employer in 11 contiguous downstate Illinois counties. Roadmaster maintains a dominant position in the local economy, where its payroll and purchases account for $90 million of gross product, and even more in purchases outside the local economy.

The owners of Roadmaster are George C. Nebel and Robert O. Zinnen. I know these gentlemen personally and I can tell you that they are creative and diligent entrepreneurs in the true sense of the word. They have earned my respect and the admiration of public officials throughout Illinois.

When Mr. Nebel and Mr. Zinnen took over Roadmaster it was an unprofitable division of a major American company. The division had lost millions of dollars over the 2 years preceding its acquisition by the two men. Zinnen and Nebel took a chance. They believed that through reduction of overhead, rigid cost and materials controls, new products, advertising, and emphasis on quality and customer service they could right Roadmaster and set the outfit on a path toward profitability. It has taken 80 to 90 hour workweeks for the two men, but Zinnen and Nebel are achieving their goals.

Obviously, there are two indispensible factors in the success of any new venture: people and capital. And here is where the Government was able to step in and give the private sector a hand.

Through a combined State and Federal effort, training grants were made to Roadmaster Corp. for the purpose of retraining its work force to put out a high quality product. In addition, I was heavily involved in helping the city of Olney and Roadmaster obtain a $2.5 million urban development action grant. The company has used the money, in the form of a low-interest loan, to retool its plant and purchase energy and conservation devices.

Roadmaster's experience is a glowing example of the merits of the UDAG program. The company matched the UDAG dollars on a 3-to-1 basis and this capital investment has driven the enterprise to its current stature. During the course of the year that Nebel and Zinnen have owned the business, Roadmaster's factory payroll has grown more than 15 percent. The company has introduced more than 30 new products to its lines in 1983, and plans to introduce more than 60 next year alone. This expansion—and the attendant increased employment in an area ravaged by double-digit unemployment—is due in large part to the UDAG and points up the value of the HUD project.

The American bicycle and bicycle parts industry is a small one, employing about 10 to 12,000 people. Roadmaster's success is a significant contribution to the industry's health and will help assure a continued American presence in the world bicycle market. This success is due to Government stepping in—in a very defined fashion

for clearly expressed goals—to help entrepreneurs in a difficult venture. For once, everybody wins: The company, which increases its sales and profits; the Government, which gets its investment back in the form of increased tax revenues; and, most of all, the employees, who are gainfully employed and contributing to the surrounding economy.

Mr. President, I salute the owners and employees of the Roadmaster Corp. for their venture. George Nebel and Bob Zinnen have accomplished what many would have said was impossible and they should be recognized for it. With its fine Illinois work force, increased production, and entrepreneurial skills, Roadmaster should be a major force in the American bicycle industry, and our economy, for years to come.

FRED L. HARTLEY

Mr. PERCY. Mr. President, on November 15, I inserted an article in the CONGRESSIONAL RECORD on one of our great American business executives, Mr. Fred L. Hartley, chairman and president of the Union Oil Co.

It has come to my attention that the article I inserted, from the New York Times, contains a factual error regarding Mr. Hartley. He was trained as a chemical engineer, not a civil engineer, as the New York Times article noted.

I would like to take this opportunity to reiterate how important Mr. Hartley has been to our energy development in the United States. He is a leader of the American business community and I commend him for his many accomplishments at Union Oil Co.

THE CROWN FAMILY

Mr. DIXON. Mr. President, on the night of December 5, in Chicago, the B'nai B'rith Foundation of the United States will confer its International Family Award upon the Crown family of Illinois.

The reputation of the Crowns has spread far beyond the boundaries of their home State, of course.

Through several generations, the Crowns have offered their time and abilities, their wisdom and compassion, to those in need.

Their philanthropies reach into virtually all areas of human endeavor. Their generosity has nourished, and continues to nourish, the body, mind and soul of the world community.

Ida and Arie Crown cast a long shadow, indeed. It is a tribute to them that their descendants have so completely and enthusiastically embraced their values.

The Crown family has shared its good fortune with mankind.

It is my special privilege to know the Crowns. It is an additional privilege to be able to call them fellow Illinoisans. It is a distinct honor to bring their many good works to the attention of my colleagues.

NON-FUEL MINERALS

Mr. SYMMS. Mr. President, the Congressional Budget Office of the U.S. Congress recently issued a thoughtful report entitled "Strategic and Critical Non-Fuel Minerals: Problems and Policy Alternatives," which points up U.S. national defense vulnerability in this area.

The report reminds us that "The United States is a net importer of 64 'strategic and critical' minerals and metals." Strategic and critical materials are defined in Public Law 96-41 as those needed to supply the "military, industrial, and civilian needs of the United States during a national defense emergency and whose supplies are dependent on imports."

It is a geological quirk of the planet Earth that the minerals and metals on which our technological civilization of today is based have not been distributed evenly throughout the world. They are concentrated outside of the highly industrialized areas of the world, largely in the Soviet Union and southern Africa.

According to official U.S. Government records, the U.S. industrial base is critically dependent on imports for 92 percent of its chromium, 98 percent of its manganese, 97 percent of its cobalt, and 91 percent of its platinum group metals, all of which are classified as strategic minerals.

In 1973 Soviet leader Brezhnev made a concise, bloodcurdling statement of Soviet strategic policy, saying "our aim is to gain control of the two great treasure houses on which the West depends, the energy treasure house of the Persian Gulf and the mineral treasure house of Central and southern Africa." This is virtually a declaration of "mineral resource war" against America and its allies in the West.

Since then, using thousands of Cuban soldiers as surrogates, the Soviets have placed puppet governments in control of Ethiopia, Angola, and Mozambique, the latter two which are in southern Africa.

The next Soviet target seems to be Namibia, formerly known as South-West Africa. Not only does Namibia have the largest uranium mine in the world and vast quantities of other strategic minerals, but also its seaports will harbor Soviet nuclear submarines in a much more advantageous position to bisect the mineral lifeline from southern Africa.

From bases in Angola, the Soviet-supported terrorists of the South-West Africa People's Organization (SWAPO) are trying to seize Namibia as a further step in the Soviet mineral resource war against the United States. Namibia is the most logical pathway to further Soviet hegemony in southern Africa.

If the Soviet-supported SWAPO campaign to take over Namibia succeeds, the United States will suffer an enormous loss in the mineral resource war and the Soviet Empire will be much closer to hamstringing the U.S. technological and national security base. Without southern Africa's strategic minerals, the United States cannot build a spacecraft, a jet engine, a computer, or a space satellite. In short, we would be technologically dead.

It is time for all of us in Congress, who are responsible for our national security and the health of our economy, to wake up. The Soviet resource war is a carefully calculated mineral strategy, masquerading as a SWAPO liberation movement in Marxist Angola. This country, with the aid of the liberal news media has been taken in by too many so-called wars of liberation, that resulted in the installation of pro-Soviet, Marxist regimes. Shrouded in the false feathers of independence for Namibia, the Soviet surrogates and accommodationists in the U.N. play upon the West's guilt complex about apartheid to advance their goal of global domination.

Thanks to the leadership of my Senate colleagues, LARRY PRESSLER of South Dakota, BOB KASTEN of Wisconsin, and DENNIS DECONCINI of Arizona, we are cutting off the flow of U.S. tax dollars through the United Nations to the Soviet-surrogates and their terrorist organizations. But much more remains to be done if we are to checkmate the Soviets' dangerous strategic resource war.

Mr. President, with Bill Clark working on the home front to continue with the Jim Watt/Reagan policies—we will continue to work at this problem.

SENATE SCHEDULE

Mr. BAKER. Mr. President, there are two major items and several small ones we have to do today, and two others that we may or may not do. The two we must do, in the opinion of the leadership on this side, are the Clark nomination and the DOD conference report. The conference report is not available yet.

We may or may not do the natural gas bill, and we may or may not do some reconciliation bill.

However, while we have the time now, I inquire of the minority if we might schedule a time to take up the Clark nomination.

Mr. BYRD. I think that is quite possible. I believe it would be agreeable if we would consent to going on the Clark nomination at 11:30.

For the record, let me say that there is nothing to keep the majority leader

from bringing up the nomination, whether he gets unanimous consent or not, because he need only move to take it up, and there is not debate on the motion to take it up. The nomination, once up, is debatable, of course.

Having said that for the record—for my own protection—I would say that the leadership consents to starting the Clark nomination no later than 11:30 this morning. I believe my people are arriving.

Mr. BAKER. I thank the minority leader.

Mr. President, I ask unanimous consent that at 11:30 a.m. today the Senate go into executive session for the purpose of considering the nomination of William P. Clark to be Secretary of the Interior.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time between now and 11:30 a.m. be devoted to the transaction of routine morning business, under the same conditions.

The PRESIDING OFFICER. Without objection it is so ordered.

EXECUTIVE SESSION

Mr. BAKER. If we can do the Clark nomination before 11:30, we can amend the order, but Senators should be on notice that we will go to the Clark nomination at 11:30.

Mr. BYRD. Mr. President, may I suggest that the majority leader proceed now on the nomination? There will be people on my side who will want to speak on the nomination.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the nomination of William P. Clark to be Secretary of the Interior.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

NOMINATION OF WILLIAM P. CLARK TO BE SECRETARY OF THE INTERIOR

The legislative clerk read the nomination of William P. Clark, of California, to be Secretary of the Interior.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WILL WILLIAM CLARK MAKE A DIFFERENCE

Mr. DIXON. Mr. President, for the second time in the tenure of the present administration, we are faced with the difficult task of voting for or against a nominee of the President of the United States to be Secretary of the Interior, a position vitally important to our Nation, our States, and our citizens.

From all indications, Judge Clark, a close personal friend and associate of the President, is a decent man. His previous service in government has indicated a general pattern of creditable service.

Many of us, this Senator among them, took exception to the policies of Judge Clark's predecessor. I, for one, have been and still am very concerned about the leasing policies of the Department of the Interior for coal, oil, and gas. I have spoken out and voted in this Chamber against the reckless abandon with which leases have been handed out, without regard for the interests of the public good.

Against this background, Mr. President, I have been looking carefully for a hint of change in Judge Clark's posture—should he be confirmed—regarding the policies and practices the Interior Department would follow under his direction.

I have monitored the committee hearings. I have, through the good offices of my colleague Sentor BUMPERS, submitted questions. I have read press reports.

My reservations about the policies of this Department have only been heightened by my research. I had hoped for the opposite result.

While I am convinced that Judge Clark will make fewer ripples because of a lower public profile than his predecessor, I am similarly unconvinced that any reevaluation or change in policies or direction will occur under Judge Clark.

I ask the question, Mr. President, "Will William Clark make a difference?" Sadly, the answer to that question, based on present information, has to be, "No."

I call the attention of Senators to documentation of this fact with a quote from Ed Meese, who said, "The policies of this administration, inaugurated by James Watt and approved by Ronald Reagan, will be the policies that will continue under the stewardship of Bill Clark."

There is no clearer or more forthright way of putting it, Mr. President. As far as this Senator is concerned, Ed Meese has said it all.

With reluctance, therefore, when the rollcall comes, I must, in good conscience, vote no.

Mr. McCLURE. Mr. President, I was glad to accommodate the Senator from Illinois in allowing him to speak so that he could get to whatever commitment he has at the moment. But I cannot help being challenged by his statement, because many people are saying, "I want a change of policy"; and as we were on the resolution offered by the Senator from Louisiana yesterday, in some respects the same statement was made.

I challenge Members: Whose policy is it you want changed? What is it, specifically, you have in mind?

Mr. DIXON. Mr. President, will the Senator yield?

Mr. McCLURE. I yield.

Mr. DIXON. As a Senator from Illinois desperately concerned about the depression in the coal industry in my State and the substantial unemployment of coal miners, I would like to change the outrageous policies of this administration with respect to their coal-leasing practices. They have disposed of major amounts of coal in the West at bargain-basement prices, at a time when it could safely be held underground so that we could dispose of other coal that is presently available in many States, including Illinois, Kentucky, West Virginia, Pennsylvania, and other parts of the country.

Mr. McCLURE. I understand what the Senator's point of view is, because what he is trying to say is that the consumers of this country should be held hostage to one group that is mining coal in this country at higher cost when there is lower-cost coal available for the consumers of this country.

Mr. DIXON. Does the Senator think we are giving the consumers and the taxpayers of this country a break when we dispose of this coal at bargain basement prices, sometimes, when there is only one bidder for the coal, and no conscientious effort is made by the administration to sell these surpluses of coal, which are held out West, at a decent price on the market?

Mr. McCLURE. Does the Senator know how much the revenue from coal comes on the bonus bid from the lease sale, and how much comes in royalty?

Mr. DIXON. I am thinking that the Senator is not entirely conversant with all of those facts, but the Senator does know that many leases have been given out by this administration where there was only one bid. There is substantial evidence gathered by congressional committees that have looked into the fact that the price that could have been obtained on a competitive open market basis would have been higher.

Mr. McCLURE. The Senator complains that if it were a competitive market bid, they could have gotten a higher price. On the other hand, he said there was only one bidder when they had a bid. Those two statements are totally inconsistent. We do get into a question of what is the appropriate leasing policy and I, at least, under-

stand the Senator from Illinois to say that he has some trouble with respect to the coal leasing policy.

That has been debated before and will be again. I do not think it really has much to do with the Clark nomination.

But I understand that the Senator will want to look at that question of coal leasing as the Senator from Arkansas has done repeatedly in this Chamber.

Mr. DIXON. Yes.

Mr. McCLURE. The question is whether you create a shortage by withholding supplies and driving the price up so the consumers of this country can pay more?

Yes, indeed, the Senator asked me a moment ago do I think the consumers of this country are benefited by having adequate supplies of coal supplied to them. Of course I do. I rephrased the question, but I think the Senator's question and my rephrasing of it presents the issue as he and I see it.

Mr. DIXON. Mr. President, will the Senator yield for a moment further?

Mr. McCLURE. I yield.

Mr. DIXON. Mr. President, in view of the fact my friend, the distinguished Senator from Arkansas, is now present in this Chamber, let me say that this will make the second occasion that I voted against Judge Clark. I regret that because all of the evidence seems to be that he is a perfectly decent man and a good friend of the President. But the man simply will not answer questions concerning his policy at these hearings.

My friend from Arkansas asked him a variety of questions on the subject of coal leasing at his confirmation hearings before the Senate Energy and Natural Resources Committee. He never did answer any questions about what his policy is going to be, and I suggest a continuation of the present policy of this administration under Secretary Watt is totally unacceptable to the part of the country I represent.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. McCLURE. I understand what the Senator is saying. He does not want the competition of other coal. That is a perfectly legitimate position, but I think we ought to state it clearly.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. McCLURE. I am happy to yield to my friend from Louisiana.

Mr. JOHNSTON. It seems to me one of the clearest policies that should be changed is that with respect to acquisition of new land for national parks.

Beginning in 1981 this administration zeroed out any new acquisitions other than to pay for court ordered condemnation suits and end holdings.

At that time I put in an amendment in the Appropriations Committee to add $100 million for new acquisitions. They had also zeroed out the State acquisitions. Since 1981 Congress has consistently upped the administration's requests for additional acquisitions on park and wildlife refuges.

I think it is much too small, and I have spoken to Judge Clark about it. I hope that Judge Clark will change the administration's posture on that because I think it has been much, much too small and at great variance with the wishes of Congress.

Mr. McCLURE. I appreciate the Senator from Louisiana raising that issue because I am prepared to put into the RECORD some facts with respect to what has happened on acquisitions.

The Senator is correct. The budget requests have been somewhat different than the actual practice. I think that is a legitimate difference that has been settled by the appropriations bills that have been enacted by Congress and signed by the administration in spite of what their budget requests were initially.

I heard one Senator say at one time in private conversation that our acquisitions are wrong because this administration has not purchased 1 acre of land. Has the Senator heard statements like that? I have heard statements like that made around this place.

Mr. JOHNSTON. No, I have not heard that because they had to purchase, for example, in 1981 they had zeroed new purchases in the budget.

Mr. McCLURE. That is correct. In the budget.

Mr. JOHNSTON. And when that reached the Appropriations Committee it was zero. I put in an amendment to add $100 million. We carried it in the Appropriations Committee by one vote, a party line vote except for the distinguished Senator from Pennsylvania (Mr. SPECTER) who voted with us. We won it by one vote in the Appropriations Committee.

Later in the conference committee we were able to hold on, as I recall, to only about $40 million or $45 million of that and ended up zeroing out the State, what we used to call the Bureau of Recreation. Now it is the Heritage program.

Mr. McCLURE. The Bureau of Outdoor Recreation.

Mr. JOHNSTON. That is right, the Bureau of Outdoor Recreation. Now it is the Heritage program where we put up Federal funds on a matching basis with the State.

You can say that the administration did make some purchases but it was not because they wanted to. It was because Congress passed the law and they had to do it.

Mr. McCLURE. Let me say to my friend, certainly there is tension between the administration and Congress on the levels of funding for a good many programs.

The point I am trying to make is that there is a myth going around this country that the administration has done nothing. As a matter of fact, Congress has voted consistently for more than they had requested in these areas and in many instances the Senator from Idaho has supported the congressional position with respect to funding.

That is particularly true on the State side of the land and water conservation fund.

I have not doubt at all that Congress has and will continue to press for more money in that area than the administration has been willing to request.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. McCLURE. Allow me to complete my statement, if I may.

Mr. JOHNSTON. Yes.

Mr. McCLURE. The fact is that once Congress and the administration come to an accommodation of views on that matter, the President has signed that legislation and the administration has spent that money. Instead of allowing the record to go unchallenged as some people outside this Congress would have us do, that this administration has not spent one dime, has not acquired 1 acre of land, let me put on the record what the facts are.

I will introduce in the RECORD some summary material at this time and some more detailed material developed by the four Federal agencies that share in the land and water conversation fund, that is, the Bureau of Land Management, the Fish and Wildlife Service, the National Park Service, and the Forest Service. I hope that this will provide a factual background against which these other comments should be read.

The obligations summary provided shows that during the 3 fiscal years 1981, 1982, and 1983, these four Federal agencies acquired through direct purchase and that is generally fee simple, some 253,062 acres of land to be added to the park system of to the refuge system or to other Federal management units, and that they obligated some $493,196,164 from the land and water conservation fund during the same 3 years. Some of the funds obligated were in settlement of outstanding court judgments and some were for acquisition of new parcels for addition to existing units and some were for new units.

These acreage figures do not include acres added to the Federal lands by exchanges or by donations or by the appropriation of other special land acquisition moneys or by the operation of other Federal land acquisition programs.

Comparing obligations to appropriations is a difficult thing to do fairly,

because of the natural timelag between the time the money is appropriated and the time the money is committed and also because obligations can occur in the current year from funds appropriated in prior fiscal years. Recognizing these problems, another summary table shows that for the fiscal years 1981, 1982, and 1983, there were appropriated a total of $521,085,000 for land and water conservation fund acquisitions by the Federal agencies. At least one witness during the hearing compared obligation rates to appropriation levels and expressed that relationship as a percentage. I do not agree that that is necessarily a particularly useful or valid comparison, but if it is to be used, then the record should show that the technically correct percentage, limited to these 3 fiscal years, is slightly over 94 percent.

Attached is a detailed table of obligations provided by each agency that shows by management unit or funding unit exactly what obligations have occurred during the fiscal years 1981, 1982, and 1983.

Mr. President, I ask unanimous consent to have printed in the RECORD summary material.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF FISCAL YEARS 1981, 1982, 1983 OBLIGATIONS—LAND AND WATER CONSERVATION FUND

	Tracts	Acres	Obligations
Bureau of Land Management	75	14,326	$6,351,000
Fish and Wildlife Service	111	46,194	49,421,824
National Park Service	1,494	49,531	303,751,978
Forest Service	NA	143,011	133,671,362
Total	[1] 1,680	253,062	493,196,164

[1] Number of Forest Service tracts not available.

SUMMARY OF FISCAL YEARS 1981, 1982, 1983 APPROPRIATIONS—LAND AND WATER CONSERVATION FUND

[In thousands of dollars]

	1981		1982		1983		Total
	Act	Supplemental	Act	Supplemental	Act	Supplemental	
BLM	1,135	−133	3,137	700	311		5,150
FWS	21,520	−12,217	17,178		27,200	8,000	61,681
NPS	87,777	−17,732	107,773	30,000	67,505	54,000	329,323
FS	39,416	−4,918	27,356		56,877	6,200	124,931
Total	149,848	−35,000	155,444	30,700	151,893	68,200	521,085

BLM L&WCF SUMMARY

[Dollar amounts in thousands]

Project	1981			1982			1983			Total		
	Tracts	Acres acquired	Dollars obligated	Tracts	Acres acquired	Dollars obligated	Tracts	Acres acquired	Dollars obligated	Tracts	Acres acquired	Dollars obligated
King Range	1	61	$30	3	142	$380	16	8,640	$309	20	8,843	$719
Susan River	2	193	415	4	12	42		2	9	6	207	466
Pacific Coast Trail						80	7	10	109	7	10	189
Rogue River	24	701	460	10	28	267	3	10	66	37	739	793
Upper Missouri			7			28	2	3,296	23	2	3,296	58
Rio Grande						16			3			19
Yaquina Head				1	3	106		58	2,206	1	61	2,312
Sleeping Giant Mountain	2	1,164	1,795							2	1,164	1,795
Total	29	2,119	2,707	18	185	919	28	12,016	2,725	75	14,320	6,351

L&WCF STATUS

Area	Fiscal year 1981		Fiscal year 1982		Fiscal year 1983		Total	
	Acres	Obligations	Acres	Obligations	Acres	Obligations	Acres	Obligations
National Wild and Scenic Rivers:								
Chattooga	1	22,800	0	0	0	332	1	23,132
M.F. Flathead	165	518,676	548	1,167,200	111	172,800	824	1,858,676
M.F. Salmon	0	241,810	0	1,800	0	0	0	243,610
M.F. Clearwater	43	129,270	0	0	0	0	43	129,270
Eleven Point	0	0	0	359,000	0	0	0	359,000
M.F. Feather	36	122,500	567	110,883	0	0	103	233,383
Rogue	0	0	0	23,198	0	0	0	23,198
Other high priority	0	0	0	137,117	1	14,668	1	151,785
Subtotal W&SR's	245	1,035,056	615	1,799,198	112	187,800	972	3,022,054
National recreation areas:								
Flaming Gorge	0	0	0	0	0	0	0	0
Hells Canyon	0	2,345,908	200	127,671	0	0	200	2,473,579
Mt. Rogers	407	814,628	87	57,780	425	250,412	919	1,122,820
Oregon Dunes	0	917,166	0	24,050	0	21,750	0	962,966
Sawtooth	3,683	4,799,300	287	3,707,911	2,705	4,227,177	6,675	12,734,381
Spruce Knob-Seneca Rocks	967	603,940	1,734	1,242,484	0	5,516	2,701	1,851,940
Whiskeytown-Shasta-Trinity	66	90,000	0	0	101	79,175	167	169,175
Other high priority	0	0	0	207,000	434	312,500	434	519,500
Subtotal NRA's	5,123	9,570,942	2,308	5,366,896	3,665	4,896,523	11,096	19,834,361
Cascade Head SRA	225	1,567,075	0	0	0	0	225	1,567,075
Lake Tahoe Basin	0	50,000	0	0	0	0	0	50,000
Lake Tahoe Basin (Public Law 94–586)	0	0	310	910,390	3,409	7,609,500	3,719	8,519,890

L&WCF STATUS—Continued

Area	Fiscal year 1981		Fiscal year 1982		Fiscal year 1983		Total	
	Acres	Obligations	Acres	Obligations	Acres	Obligations	Acres	Obligations
National trails:								
Appalachian	9,680	4,015,929	1,018	2,066,770	2,662	1,847,625	13,260	7,930,324
Pacific Crest	90	105,000	0	0	0	0	90	105,000
Inholdings	2,883	1,464,933	255	368,960	0	0	3,088	1,833,893
Deficiencies and inholdings	0	0	0	462,527	0	96210	0	558,737
Deficiencies	0	0	0	0	0	74,127	0	74,127
Wilderness:								
Alpine Lakes	50	6,751,584	1	1,584,259	22,459	28,607,339	22,510	36,943,182
BWCAW	238	2,081,000	44	2,118,440	160	1,825,585	442	6,025,025
Other	1,492	842,102	50	24,250	0	3,125	1,542	869,477
River of No Return	0	0	0	0	0	0	0	0
Subtotal wilderness	1,780	9,674,686	95	3,726,949	22,619	30,436,049	24,494	43,837,684
Composites:								
Daniel Boone NF	0	0	115	71,680	247	75,265	362	146,945
Nicolet NF	0	0	0	0	65	28,535	65	28,535
Other high priority	82,660	34,465,524	1,721	1,380,719	1	141,295	84,382	35,987,538
Subtotal composites	82,660	34,465,524	1,836	1,452,399	313	245,095	84,809	36,163,018
Inholdings and composites	0	0	0	0	0	0	0	0
Endangered species	320	216,300	0	0	0	0	320	216,300
California Condor Habitat	0	0	0	0	109	96,000	109	96,000
Kirtland Warbler Habitat	0	0	0	0	59	33,459	59	33,459
Habitat management:								
Allegheny NF	0	0	0	0	0	0	0	0
Nicolet NF	0	0	0	0	0	0	0	0
Acquisition management	0	0	0	3,829,440	0	4,000,000	0	7,829,440
Huron-Manistee (Ausable)	0	0	0	0	0	0	0	0
Three Sisters (Rock Mesa)	0	0	0	0	670	2,000,000	670	2,000,000
Grand total	102,956	62,165,445	6,437	19,983,529	33,618	51,522,388	143,011	133,671,362

Note.—Deficiency awards often result in funds being obligated in one year while the acres were counted in a prior year.

LAND AND WATER CONSERVATION FUND

[Does not include FWS staff time costs]

NWR unit	Tracts	Acres acquired	Dollars obligated, land only
Fiscal year 1981:			
American Crocodile		86.72	$515,000
Blunt-nosed Leopard Lizard		1,020.98	1,121,000
Hawaiian Waterbirds		1.95	42,005
Indian/Gray Bat		[1] 200.00	398,056
Light-footed Clapper Rail		407.00	7,655,000
National Key Deer		584.18	1,820,600
Bogue Chitto		16,194.00	6,000,000
Bon Secour		1,493.17	5,800,000
Great Dismal Swamp		739.41	591,101
Minnesota Valley		60.69	121,600
Great Swamp		([1])	77,175
Hart Mountain		45.28	4,120
Bear Valley		0.71	
Lower Suwannee		1.00	165,000
Rio Grande Valley		367.06	450,000
Total	31	21,202.15	24,760,657
Fiscal year 1982:			
Attwater Prairie Chicken		[1] 3.50	265,650
Yaqui Topminnow		2,308.90	816,000
American Crocodile		24.46	100,000
California Condor		577.08	346,000
Bogue Chitto		1,749.66	504,206
Great Dismal Swamp		114.60	72,300
Alaska Maritime		3,000.00	1,920,000
Bon Secour		117.00	1,813,500
San Francisco Bay		2.13	12,320
Tensas		5,333.33	4,800,000
Lower Suwannee		450.00	310,000
Bear Valley		([1])	100,500
Rio Grande Valley		39.30	35,655
Trustom Pond		63.03	440,000
Hart Mountain		80.00	6,256
Great White Heron		[2] 70.25	66,066
Sevilleta		168.12	31,943
Total	24	14,101.36	11,640,396
Fisal year 1983: [3]			
California Condor		320.00	296,500
Blunt-nosed Leopard Lizard		40.00	44,700
Bald Eagle-Bear Valley		405.62	817,100
Moapa Dace		21.67	470,000
Kirtland's Warbler		1,152.68	499,675
Mississippi Sandhill Crane		118.39	133,000
American Crocodile		[4] 1,240.45	1,110,932
West Indian Manatee		33.12	383,600
Plymouth Red-bellied Turtle		184.00	252,000
Bogue Chitto		[4] 850.03	149,869
Bon Secour		323.16	3,700,000
Minnesota Valley		5.60	7,100
Bandon Marsh		289.37	235,000
San Francisco Bay		481.78	671,060
Protection Island		[4] 3.46	16,900

LAND AND WATER CONSERVATION FUND—Continued

[Does not include FWS staff time costs]

NWR unit	Tracts	Acres acquired	Dollars obligated, land only
Alaska Maritime		2.10	2,000,000
Wertheim		160.68	1,215,000
Upper Mississippi		[2] 130.30	[5] —8,600
Lower Rio Grande		[4] 5,127.80	1,026,935
Total	56	10,890.21	13,020,771

[1] Court award/deficiency.
[2] Includes exchange.
[3] Preliminary, pending EOY closeout.
[4] Includes donation.
[5] Includes equalization payment from landowner.

Note.—Figures do not include short-term year-to-year leases.

LAND AND WATER CONSERVATION FUND, NATIONAL PARK SERVICE

State, management unit	Tracts	Acres	Amount
FISCAL YEAR 1981			
Alabama:			
Natchez Trace			6,295
Tuskegee Institute			
Total, Alabama			6,295
Alaska:			
Glacier Bay			
Katmai			
Klondike Gold Rush	3	24	138,237
Sitka			
Total, Alaska	3	24	138,237
Arizona:			
Chiricahua			
Coronado			10,122
Fort Bowie			
Glen Canyon			
Grand Canyon NP			
Hohokam Pima			
Hubbell TP			
Lake Mead			8,071
Montezuma Castle			
Organ Pipe Cactus			
Petrified Forest			
Saguaro			
Walnut Canyon			
Total, Arizona			18,193
Arkansas:			
Arkansas Post			

LAND AND WATER CONSERVATION FUND, NATIONAL PARK SERVICE—Continued

State, management unit	Tracts	Acres	Amount
Buffalo River	7	707	1,517,257
Fort Smith			64,264
Hot Springs	6	52	315,005
Total, Arkansas	13	759	1,896,526
California:			
Channel Island			800
Death Valley			10,043
Devils Postpile			
Golden Gate	1	219	806,859
John Muir			
Joshua Tree	5	65	119,997
Kings Canyon	2	80	204,371
Lassen Volcanic			
Lava Beds			
Muir Woods			
Pinnacles			22,253
Point Reyes	1	([1])	358,243
Redwood			27,953,127
Sequoia	2	41	62,957
Whiskeytown			
Yosemite			
Santa Monica	9	1,128	15,077,846
Total, California	20	1,533	44,616,496
Colorado:			
Bent's Old Fort	1	43	60,813
Black Canyon			
Colorado			264,726
Dinosaur			
Florrissant Fossil Beds			960
Great Sand Dunes			4
Mesa Verde			
Rocky Mountain			43,748
Total, Colorado	1	43	370,251
Connecticut: Appalachian Trail	7	1,368	2,048,791
District of Columbia: Ford's Theatre			
Florida:			
Big Cypress	206	2,458	8,301,331
Biscayne			1,088
Canaveral			
Castillo			
Everglades			549
Fort Caroline	1	([1])	22,730
Gulf Islands			1,999
Total, Florida	207	2,458	8,327,697
Georgia:			
Martin Luther King			3,500
Andersonville			
Chick. & Chatt			34
Cumberland Island	1	5	1,155

LAND AND WATER CONSERVATION FUND, NATIONAL PARK SERVICE—Continued

State, management unit	Tracts	Acres	Amount
Fort Frederica			
Chattahoochee			59,300
Total, Georgia	1	5	63,989
Hawaii:			
Hawaii Volcanoes			
Puukohola Heiau			
Kaloko Honokahau			5
Total, Hawaii			5
Idaho:			
Craters of the Moon			
Nez Perce			
Yellowstone			
Total, Idaho			
Illinois: Lincoln Home			
Indiana:			
George Rogers Clark			
Indiana Dunes	55	35	897,009
Lincoln Boyhood			
Total, Indiana	55	35	897,009
Iowa:			
Effigy Mounds			
Herbert Hoover			
Total, Iowa			
Kansas:			
Fort Larned			
Fort Scott			
Total, Kansas			
Kentucky:			
Mammoth Cave			13,763
Cumberland Gap			
Total, Kentucky			13,763
Maine:			
Acadia			
Appalachian Trail			
Total, Maine			
Maryland:			
Thomas Stone	1	322	526,545
Antietam	5	198	219,502
Appalachian Trail			
Assateague Island			
C & O Canal	6	359	723,334
Catoctin			25
Clara Barton			
Fort Washington			
George Washington MP			
Great Falls			
Harpers Ferry			
Piscataway Park			80,950
Monocacy	1	1	101,207
Total, Maryland	13	880	1,651,563
Louisiana: Jean Lafitte	12	1,320	6,521,724
Massachusetts:			
Adams			
Appalachian Trail	14	954	1,446,205
Boston			
Cape Code			
Minute Man			755
Salem Maritime			
Saugus Ironworks			
Springfield Armory			46,376
Lowell			29,552
Total, Massachusetts	14	954	1,522,888
Michigan:			
Isle Royale			
Pictured Rocks			
Sleeping Bear Dunes			1,143,999
Total, Michigan			1,143,999
Minnesota:			
Grand Portage			
Lower St. Croix			1,988
Pipestone			
St. Croix			
Voyageurs	1	4	2,008,794
Total, Minnesota	1	4	2,010,782
Mississippi:			
Gulf Islands			
Natchez Trace			
Vicksburg			
Total, Mississippi			
Missouri:			
Ozark	1	1	18,954
Wilson's Creek			
Total, Missouri	1	1	18,954
Montana:			
Big Hole			
Bighorn Canyon	3	160	140,981
Fort Union Trading Post			
Glacier	3	2	56,901
Grant-Kohrs			
Yellowstone			
Total, Montana	6	162	197,882
Nebraska:			
Agate Fossil Beds			
Homestead			
Scotts Bluff			
Total, Nebraska			
Nevada:			
Death Valley			
Lake Mead			
Total, Nevada			
New Hampshire: Appalachian Trail	17	970	1,446,205
New Jersey:			
Appalachian Trail			
Delaware Water Gap	4	4	90,322
Edison			
Gateway			
Morrison			
Total, New Jersey	4	4	90,322
New Mexico:			
Bandelier			
Capulin Mountain			
Chaco Canyon			
El Morro			
Fort Union NM			
White Sands			
Georgia O'Keeffe			4,000
Total, New Mexico			4,000
New York:			
Appalachian Trail	18	430	602,586
Eleanor Roosevelt			
Fire Island	1	(1)	134,329
Fort Stanwick			
Gateway			
Home of FDR			
Martin Van Buren			
Saratoga			
T. Roosevelt Inaug			
Upper Delaware			14,237
Total, New York	19	430	751,152
North Carolina:			
Appalachian Trail			
Blue Ridge			
Cape Hatteras			
Cape Lookout			8,335
Carl Sandburg			265
Fort Raleigh			
Great Smoky Mountains			
Guilford Court House			
Moores Creek			
Wright Brothers			
Total, North Carolina			8,600
North Dakota:			
Fort Union Trading Post			
Knife River			
T. Roosevelt NMP			
Total, North Dakota			
Ohio:			
Cuyahoga Valley	32	576	9,691,872
Perry's Victory			
William H. Taft			250
Total, Ohio	32	576	9,692,122
Oklahoma:			
Chickasaw			
Fort Smith			
Total, Oklahoma			
Oregon: John Day Fossil Beds			
Pennsylvania:			
Allegheny Portage	6	62	280,381
Appalachian Trail	44	1,454	2,169,308
Delaware Water Gap	13	172	920,658
Fort Necessity			4,586
Gettysburg	2	4	87,028
Gloria Dei			
Independence			
Johnstown Flood			
Valley Forge	2	11	188,189
Friendship Hill			2,835
Total, Pennsylvania	67	1,703	3,652,985
Puerto Rico: San Juan			
Rhode Island: Roger Williams			
South Carolina:			
Congaree Swamp			
Cowpens			
Ninety Six			
Fort Sumter			2,000
Total, South Carolina			2,000
South Dakota: Badlands			490
Tennessee:			
Appalachian Trail			
Chick. and Chatt			
Cumberland Gap			
Fort Donelson			26,706
Great Smoky Mountains			
Natchez Trace			
Obed River	3	86	172,226
Shiloh			
Total, Tennessee	3	86	198,932
Texas:			
Alibates			
Big Bend			
Big Thicket	31	793	4,202,440
Guadalupe Mountains			
L.B.J.			500
Padre Island			
Total, Texas	31	793	4,202,940
Utah:			
Arches			
Bryce Canyon			
Canyonlands			
Capitol Reef			134
Dinosaur			
Glen Canyon			
Golden Spike			45,844
Natural Bridges			
Timpanogas Cave			
Zion	1	5	11,204
Total, Utah	1	5	57,182
Vermont: Appalachian Trail	6	370	602,586
Virginia			
Appalachian Trail	70	2,192	3,374,480
Appomattox Court House			6,270
Assateague Island			
Blue Ridge	8	369	572,885
Colonial			1,951
Cumberland Gap			
Fredericksburg	2	4	142,992
George W. Birthplace			
George W. Mem. Pkwy			
Manassas			67
Petersburg			759
Prince Wm. Forrest Park			
Richmond			19
Shenandoah	2	104	475
Wolf Trap			
Maggie Walker	1	(1)	21,799
Total, Virginia	83	2,669	4,121,697
Virgin Islands			151,150
Washington:			
Ebey's Landing	37	185	2,412,183
Fort Vancouver			
Lake Chelan			
Mount Rainier			
North Cascades			190,414
Olympic	8	191	783,422
Ross Lake			
San Juan Islands			
Whitman Mission			
Total, Washington	45	376	3,386,019
West Virginia:			
Appalachian Trail	11	202	361,551
C&O Canal	3	124	290,697
Harpers Ferry			1,948
New River Gorge	1	30	283,629
Total, West Virginia	15	356	937,825

LAND AND WATER CONSERVATION FUND, NATIONAL PARK SERVICE—Continued

State, management unit	Tracts	Acres	Amount
Wisconsin:			
Apostle Islands			944,070
Lower St. Croix			26,415
St. Croix	20	283	930,608
Wolf River			
Total, Wisconsin	20	283	1,901,093
Wyoming:			
Bighorn Canyon	4	18	15,665
Devils Tower			
Fossil Butte			
Fort Laramie			4,630
Grand Teton			12,177
Yellowstone			
Total, Wyoming	4	18	32,472
Grand total	701	18,185	102,704,816
FISCAL YEAR 1982			
Alabama:			
Natchez Trace			
Tuskegee Institute			
Total, Alabama			
Alaska:			
Glacier Bay			
Katmai			
Klondike Gold Rush			50,652
Sitka			
Wrangell-St. Elias			31,475
Total, Alaska			82,127
Arizona:			
Chiricahua			
Coronado	3	13	66,976
Fort Bowie			
Glen Canyon			
Grand Canyon NP			20
Hohokam Pima			
Hubbell TP			
Lake Mead			6,847
Montezuma Castle			
Organ Pipe Cactus			
Petrified Forest			
Saguaro			2
Walnut Canyon			
Total, Arizona	3	13	73,845
Arkansas:			
Arkansas Post			
Buffalo River			2,804,920
Fort Smith			526
Hot Springs	3	4	263,562
Total, Arkansas	3	4	3,069,008
California:			
Eugene O'Neill			949
Channel Island			47,550
Death Valley			3,037
Devils Postpile			
Golden Gate			278,432
John Muir			
Joshua tree	5	28	27,301
Kings Canyon	3	1	240,789
Lassen Volcanic			5,540,105
Lava Beds			
Muir Woods			
Pinnacles			
Point Reyes			105,398
Redwood	1	10	295,880
Sequoia			5,140
Whiskeytown			
Yosemite	2	(1)	108,847
Santa Monica	5	584	2,361,972
Total, California	16	623	8,423,640
Colorado:			
Black Canyon			
Colorado			
Dinosaur			31,531
Florissant Fossil Beds			3,370
Great Sand Dunes			
Mesa Verde			62
Rocky Mountain			44,598
Total, Colorado			79,561
Connecticut: Appalachian Trail	12	620	432,928
District of Columbia: Ford's Theatre			
Florida:			
Big Cypress	4	12	21,911,340
Biscayne			44,841
Canaveral			84
Castillo			
Everglades			179,328
Fort Caroline			1,277
Gulf Islands			
Total, Florida	4	12	22,136,870
Georgia:			
Martin Luther King			382
Andersonville			
Chick. & Chatt			
Cumberland Island	1	2,195	10,520,153
Fort Frederica			
Chattahoochee River	1	355	13,945,074
Total, Georgia	2	2,550	24,465,609
Hawaii:			
Hawaii Volcanoes			
Puukohola Heiau			
Total, Hawaii			
Idaho:			
Craters of the Moon			
Nez Perce			
Yellowstone			
Total, Idaho			
Illinois: Lincoln Home			
Indiana:			
George Rogers Clark			
Indiana Dunes	56	147	2,156,135
Lincoln Boyhood			
Total, Indiana	56	147	2,156,135
Iowa:			
Effigy Mounds			
Herbert Hoover			
Total, Iowa			
Kansas:			
Fort Larned			118
Fort Scott			
Total, Kansas			118
Kentucky:			
Mammoth Cave			1,455
Cumberland Gap			
Total, Kentucky			
Maine:			
Acadia			2,770
Appalachian Trail			
Total, Maine			2,770
Maryland:			
Hampton			300
Antietam	4	201	250,092
Appalachian Trail			
Assateague Island			
C&O Canal	6	13	126,078
Thomas Stone			74
Clara Barton			
Fort Washington			
George Washington MP			
Great Falls			
Harpers Ferry			
Piscataway Park			14,471
Monocacy	4	419	1,508,435
Total, Maryland	14	633	1,899,450
Louisiana: Jean Lafitte	12	2,791	3,776,664
Massachusetts:			
Adams			
Appalachian Trail	14	563	378,812
Boston			255,192
Cape Cod			5,305,581
Minute Man			451
Salem Maritime			
Saugus Ironworks			
Springfield Armory			
Lowell			19,037
Total, Massachusetts	14	563	5,959,073
Michigan:			
Isle Royale			
Pictured Rocks			
Sleeping Bear Dunes			2,721,117
Total, Michigan			2,721,117
Minnesota:			
Grand Portage			
Lower St. Croix			66,367
Pipestone			
St. Croix	3	8	23,733
Voyageurs	2	55	581,744
Total, Minnesota	5	63	671,844
Mississippi:			
Gulf Islands			1,028
Natchez Trace			
Vicksburg			
Total, Mississippi			1,028
Missouri:			
Ozark	1	30	73,771
Wilson's Creek			
Total, Missouri	1	30	73,771
Montana:			
Big Hole			120
Bighorn Canyon			15,738
Fort Union Trading Post			
Glacier			48,009
Grant-Kohrs	7	11	2,400
Yellowstone			
Custer Battlefield			40
Total, Montana	7	11	66,307
Nebraska:			
Agate Fossil Beds			
Homestead			
Scotts Bluff			229,497
Total, Nebraska			229,497
Nevada:			
Death Valley			
Lake Mead			
Total, Nevada			
New Hampshire: Appalachian Trail	32	733	487,044
New Jersey:			
Appalachian Trail			
Delaware Water Gap	8	18	76,757
Edison			
Gateway			
Morristown			570
Upper Delaware			7,130
Total, New Jersey	8	18	84,457
New Mexico:			
Bandelier			
Capulin Mountain			
Chaco Culture			716
El Morro			
Fort Union NM			
White Sands			
Salinas			796
Total, New Mexico			1,512
New York:			
Appalachian Trail	18	777	541,160
Eleanor Roosevelt			
Fire Island			
Fort Stanwick			
Gateway			10,425,873
Home of FDR			712
Martin Van Buren			
Saratoga	1	147	65,762
T. Roosevelt Inaug			
Women's Rights			1,175
Total, New York	19	924	9,817,064
North Carolina:			
Appalachian Trail			
Blue Ridge			
Cape Hatteras			
Cape Lookout			31
Carl Sandburg			
Fort Raleigh			
Great Smoky Mountains			2,400
Guilford Court House			
Moores Creek			85,832
Wright Brothers			
Total, North Carolina			88,263
North Dakota:			
Fort Union Trading Post			
Knife River			
T. Roosevelt NMP			
Total, North Dakota			
Ohio:			
Cuyahoga Valley	21	373	3,768,684
Perry's Victory			
William H. Taft			
Total, Ohio	21	373	3,768,684

LAND AND WATER CONSERVATION FUND, NATIONAL PARK SERVICE—Continued

State, management unit	Tracts	Acres	Amount
Oklahoma:			
Chickasaw			103
Fort Smith			
Total, Oklahoma			103
Oregon John Day Fossil Beds			16,186
Pennsylvania:			
Allegheny Portage	5	94	81,267
Appalachian Trail	81	2,132	1,407,017
Delaware Water Gap	17	294	1,127,786
Fort Necessity			500
Gettysburg	1	3	63,018
Gloria Dei			
Independence	1	(1)	3,808
Johstown Flood			
Valley Forge	1	61	483,601
Total, Pennsylvania	106	2,584	3,166,997
Puerto Rico: San Juan			
Rhode Island: Roger Williams			
South Carolina:			
Congaree Swamp			
Cowpens			
Ninety Six			
Total, South Carolina			
South Dakota: Badlands			348
Tennessee:			
Appalachian Trail			
Chick. & Chatt			
Cumberland Gap			
Fort Donelson			15,868
Great Smoky Mountains			
Natchez Trace			
Obed River	12	704	409,762
Shiloh			
Total, Tennessee	12	704	425,630
Texas:			
Alibates			
Big Bend			
Big Thicket	7	145	6,725,919
Guadalupe Mountains			
L.B.J.			
Pardre Island			
Santa Antonio Missions			43,164
Total, Texas	7	145	6,769,083
Utah:			
Arches			
Bryce Canyon			
Canyonlands			
Capitol Reef			54
Dinosaur			
Glen Canyon			
Golden Spike			
Natural Bridges			
Timpanogas Cave			
Zion	2	47	46,151
Total, Utah	2	47	46,205
Vermont: Appalachian Trial	24	1,052	703,508
Virginia:			
Appalachian Trail	71	2,059	1,440,297
Appomattox Court House	2	3	14,464
Assateague Island			
Blue Ridge	5	57	199,918
Colonial			81,424
Cumberland Gap			
Fredericksburg	1	5	6,812
George W. Birthplace			
George W. Mem. Pkwy			385
Manassas			
Petersburg			
Prince Wm. Forest Park			
Richmond			2,781
Shenandoah			445
Wolf Trap			
Total, Virginia	79	2,124	1,583,678
Virgin Islands	1	113	3,558,911
Washington:			
Ebey's Landing			27,061
Fort Vancouver			
Lake Chelan			
Mount Ranier			2,850
North Cascades	2	76	106,494
Olympic	3	2	295,686
Ross Lake			
San Juan Islands			
Whitman Mission			

LAND AND WATER CONSERVATION FUND, NATIONAL PARK SERVICE—Continued

State, management unit	Tracts	Acres	Amount
Total, Washington	5	78	432,091
West Virginia:			
Appalachian Trail	9	114	54,116
C&O Canal			
Harpers Ferry			37,361
New River Gorge			71,932
Total, West Virginia	9	114	163,409
Wisconsin:			
Apostle Islands	8	743	4,203
Lower St. Croix			78,257
St. Croix	9	244	532,149
Wolf River			
Total, Wisconsin	17	987	614,609
Wyoming:			
Bighorn Canyon			
Devils Tower			
Fossil Butte			
Fort Laramie	1	2	2,841
Grand Teton	2	3	229,342
Yellowstone			385
Total, Wyoming	3	5	232,568
Acquisition management			6,958,522
Grand total	494	18,061	95,607,561
FISCAL YEAR 1983			
Alabama:			
Natchez Trace			
Tuskegee Institute			
Total, Alabama			
Alaska:			
Glacier Bay			
Katmai			
Klondike Gold Rush			
Sitka			
Total, Alaska			
Arizona:			
Chiricahua			
Coronado			
Fort Bowie			
Glen Canyon			
Grand Canyon NP			
Hohokam Pima			
Hubbell TP			
Lake Mead			
Montezuma Castle			
Organ Pipe Cactus			
Petrified Forest			
Saguaro			25
Walnut Canyon			
Total, Arizona			25
Arkansas:			
Arkansas Post			
Buffalo River			1,988,910
Fort Smith			5,831
Hot Springs	5	5	111,923
Total, Arkansas			2,106,664
California:			
Channel Island			2,159
Death Valley			
Devils Postpile			
Golden Gate	1	1,065	2,803,524
John Muir			8,363
Joshua Tree			364
Kings Canyon			² 516,481
Lassen Volcanic			
Lava Beds			
Muir Woods			712
Pinnacles			
Point Reyes			² 36,067,743
Redwood			1,581
Sequoia			
Whiskeytown			4,142
Yosemite			2,113,928
Santa Monica Mountains	1	1	41,518,997
Total, California			
Colorado:			
Bent's Old Fort			2,500
Black Canyon			
Colorado			
Dinosaur			
Florissant Fossil Beds			
Great Sand Dunes			
Mesa Verde			
Rock Mountain	6	1,233	3,993,108
Total, Colorado			3,995,608
Connecticut: Appalachian Trail	7	318	236,615

LAND AND WATER CONSERVATION FUND, NATIONAL PARK SERVICE—Continued

State, management unit	Tracts	Acres	Amount
District of Columbia: Ford's Theatre			
Florida:			
Big Cypress	6	38	4,350,201
Biscayne			51,308
Canaveral			
Castillo			
Everglades			27,520
Fort Caroline			
Gulf Islands			4,493,000
Total, Florida			8,922,029
Georgia:			
Chattahoochee River			31,055
Andersonville			
Chick. & Chatt			1,051
Cumberland Island	1		133,710
Fort Frederica			
Martin L. King, Jr	4	1	91,610
Total, Georgia			257,426
Hawaii:			
Hawaii Volcanoes			
Puukohola Heiau			
Kaloko-Honokohau			14,101
Total, Hawaii			14,101
Idaho:			
Craters of the Moon			
Nez Perce			
Yellowstone			
Total, Idaho			
Illinois: Lincoln Home			189
Indiana:			
George Rogers Clark			1,512
Indiana Dunes	36	30	1,406,926
Lincoln Boyhood			
Total, Indiana			1,408,438
Iowa:			
Effigy Mounds			
Herbert Hoover			
Total, Iowa			
Kansas:			
Fort Larned			
Fort Scott			
Total, Kansas			
Kentucky:			
Mammoth Cave			974
Cumberland Gap			
Total, Kentucky			974
Maine:			
Acadia			26,262
Appalachian Trail			
Total, Maine			26,262
Maryland:			
Thomas Stone			14
Antietam			1,167
Appalachian Trail			
Assateague Island			15,970
C & O Canal	1	3	28,573
Catoctin			
Clara Barton			
Fort Washington			
George Washington MP			
Great Falls			
Harpers Ferry			
Piscataway Park			1,989
Monocacy			102
Total, Maryland			47,815
Louisiana: Jean Lafitte			478,456
Massachusetts:			
Adams			
Appalachian Trail			
Boston			
Cape Cod			3,698,098
Minute Man			880
Salem Maritime			
Saugus Ironworks			
Springfield Armory			
Lowell			200,334
Total, Massachusetts			3,899,312
Michigan:			
Isle Royale			
Pictured Rocks			

LAND AND WATER CONSERVATION FUND, NATIONAL PARK SERVICE—Continued

State, management unit	Tracts	Acres	Amount
Sleeping Bear Dunes			1,745,719
Total, Michigan			
Minnesota:			
Grand Portage			
Lower St. Croix			435,741
Pipestone			
St. Croix			
Voyageurs	3	17	2,961,310
Total, Minnesota			3,397,051
Mississippi:			
Gulf Islands			4,493,000
Natchez Trace	1	8	66,147
Vicksburg			
Total, Mississippi			4,559,147
Missouri:			
Ozark	2	5	2,045
Wilson's Creek			
Total, Missouri			
Montana:			
Big Hole			
Bighorn Canyon			
Fort Union Trading Post			
Glacier			6,566
Grant-Kohrs	2	53	41,643
Yellowstone			
Total, Montana			48,209
Nebraska:			
Agate Fossil Beds			
Homestead			
Scotts Bluff			
Total, Nebraska			
Nevada:			
Death Valley			
Lake Mead			
Total, Nevada			
New Hampshire:			
St. Gaudens			1,075
Appalachian Trail	18	1,260	899,136
Total, New Hampshire			900,211
New Jersey:			
Appalachian Trail			
Delaware Water Gap	4	1	13,572
Edison			
Gateway			
Morristown			
Upper Delaware			197
Total, New Jersey			13,169
New Mexico:			
Bandelier			
Capulin Mountain			
Chaco Culture			68
El Morro			
Fort Union NM			
White Sands			188
Salinas			24,040
Total, New Mexico			24,296
New York:			
Appalachian Trail	6	76	47,323
Eleanor Roosevelt			
Fire Island	2	4	368,743
Fort Stanwick			
Gateway			
Home of FDR			
Martin Van Buren			
Saratoga			2,063
T. Roosevelt Inaug.			
Women's Rights			139
Total, New York	8	80	418,268
North Carolina:			
Appalachian Trail			
Blue Ridge			
Cape Hatteras			
Cape Lookout			2,000,004
Carl Sandburg			
Fort Raleigh			
Great Smoky Mountains	3	2,344	1,077,850
Gilford Court House			
Moores Creek			403
Wright Brothers			
Total, North Carolina	3	2,344	3,077,257

LAND AND WATER CONSERVATION FUND, NATIONAL PARK SERVICE—Continued

State, management unit	Tracts	Acres	Amount
North Dakota:			
Fort Union Trading Post			
Knife River			
T. Roosevelt NMP			
Total, North Dakota			
Ohio:			
Cuyahoga Valley	12	663	2,293,151
Perry's Victory			
William H. Taft			
James A. Garfield			1,220
Total, Ohio	12	663	2,294,371
Oklahoma:			
Chickasaw			
Fort Smith			
Total, Oklahoma			
Oregon: John Day Fossil Beds			6,602
Pennsylvania:			
Allegheny Portage	2	20	21,522
Appalachian Trail	49	558	425,907
Delaware Water Gap	9	35	438,840
Fort Necessity			
Gettysburg			6,534
Gloria Dei			
Independence			
Johnstown Flood			
Valley Forge	3	245	1,590,854
Friendship Hill			5
Total, Pennsylvania	63	858	2,483,662
Puerto Rico: San Juan			
Rhode Island: Roger Williams			
South Carolina:			
Congaree Swamp			
Cowpens			
Ninety Six			
Total, South Carolina			
South Dakota:			
Badlands			
Wind Cave			6,350
Total, South Dakota			6,350
Tennessee:			
Appalachian Trail			
Chick. and Chatt.			
Cumberland Gap			
Fort Donelson			
Great Smoky Mountains			
Natchez Trace			
Obed River	1	59	142,719
Shiloh			
Total, Tennessee			
Texas:			
Alibates			
Big Bend			
Big Thicket	6	264	5,352,335
Guadalupe Mountains			
L.B.J.			
Padre Island			
San Antonio	28	89	1,275,030
Total, Texas			6,627,365
Utah:			
Arches			
Bryce Canyon			
Canyonlands			
Capitol Reef			
Dinosaur			
Glen Canyon			
Golden Spike			50
Natural Bridges			
Timpanogas Cave			
Zion			510
Total, Utah			560
Vermont:			
Appalachian Trail	21	639	473,230
Virginia:			
Appalachian Trail	32	3,531	2,555,440
Appomattox Court House			15
Assateague Island			
Blue Ridge	2	91	199,401
Colonial		189	
Cumberland Gap			
Fredericksburg	1	2	7,559
George W. Birthplace			
George W. Mem. Pkwy	1	21	551
Manassas			4,510
Petersburg			16
Prince Wm. Forest Park			

LAND AND WATER CONSERVATION FUND, NATIONAL PARK SERVICE—Continued

State, management unit	Tracts	Acres	Amount
Richmond			
Shenandoah			325
Wolf Trap			
Total, Virginia			2,768,006
Virgin Islands			
Washington:			
Ebey's Landing			15,952
Fort Vancouver			
Lake Chelan			
Mount Ranier	[1] 2	165	55,857
North Cascades			
Olympic	5		5,158,765
Ross Lake			
San Juan Islands			
Whitman Mission			
Total, Washington			5,230,574
West Virginia:			
Appalachian Trail	6	141	96,646
C&O Canal			
Harpers Ferry	1	48	
New River Gorge			3,559
Total, West Virginia			98,205
Wisconsin:			
Apostle Islands	2	224	
Lower St. Croix			435,740
St. Croix	1		
Wolf River			
Total, Wisconsin			
Wyoming:			
Bighorn Canyon			
Devils Tower			
Fossil Butte			
Fort Laramie			
Grand Teton	6	28	832,551
Yellowstone			
Total, Wyoming			832,551
Acqusition management			[2] 6,939,783
Grand total	299	13,285	[2] 105,439,601

[1] Less than ½ acre.
[2] Estimate.

Mr. McCLURE. Mr. President, I know we will look at any number of policy choices that can or might be or have or perhaps will be made over the years and perhaps in this debate will focus on some of those but, before doing that, let me make a general statement.

Mr. President, I rise in support of the nomination of William P. Clark to be Secretary of the Department of the Interior. The Committee on Energy and Natural Resources held 2 days of public hearings on the nomination of Judge Clark during which the nominee gave prepared testimony and submitted himself to questioning by members of the committee for more than 10 hours. The committee also heard testimony from numerous public witnesses including representatives from environmental groups, recreational organizations, development interests, Indian tribes, and private citizens. The nominee responded in writing to 200 questions by members both on and off the committee. Judge Clark also satisfied the committee that he has no conflicts of interest which would interfere with his service as Secretary of the Interior. Both the departmental ethics officer and the Office of Government Ethics have cleared Mr. Clark as

having no conflicts of interest under applicable laws.

Mr. President, I ask unanimous consent that two letters on this subject be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., October 20, 1983.

Mr. DAVID H. MARTIN,
Director, Office of Government Ethics, Office of Personnel Management, Washington, D.C.

DEAR MR. MARTIN: The financial statement filed by Mr. William P. Clark for the position of Secretary of the Interior has been reviewed in compliance with 5 CFR 734.604(a). Except for Mr. Clark's vested interest in the State of California Judges Retirement System, none of the reported interests raises any question as to the statutory or regulatory prohibitions applicable to the Secretary of the Interior.

In addition to the Governmentwide conflict of interest prohibitions, the most important of which, for this review, is 18 U.S.C. § 208, the Secretary of the Interior is also subject to several prohibitions unique to our Department. The unique prohibitions are 18 U.S.C. 437; 30 U.S.C. 6; 30 U.S.C. 1211(f); 43 U.S.C. 11 and 43 U.S.C. 31a. Except for 30 U.S.C. 1211(f) each of these statutes is extended to the Secretary of the Interior by Department regulations. I have compared each reported interest to the provisions cited and I have determined that none of Mr. Clark's interests results in violation of these unique provisions. And, I have determined that these unique prohibitions do not apply to the interests owned by Mr. Clark's son.

I base my determinations on the following analysis:

Mr. Clark has an undivided interest in two acres of an approximate 880-acre ranch in Shandon, California. Mr. Clark's personal residence, currently unoccupied, is situated on this two acres. Although information about a personal residence does not have to be reported, Mr. Clark volunteered this information to help explain the extent of his personal interest in ranch property. The remaining acreage is owned by Mr. Clark's three sons, one of whom is 20 years old and still a dependent under the definition of dependent child in the Ethics in Government Act. Refer to 5 U.S.C. App. § 209(7). Therefore, the interests of Mr. Clark's one dependent son are properly reported.

The interests owned by Mr. Clark's dependent son are not subject to the unique prohibitions applicable to the Department of the Interior since the interests do not involve Federal lands or coal mining operations. Also, the son's interests are not subject to the provisions of 18 U.S.C. § 208 since 18 U.S.C. § 208 refers to "minor child." By the use of the word "minor" in reference to children in 18 U.S.C. § 208, Congress intended to refer to the legal concept of minority/majority and the question of dependency for tax purposes is not relevant. "Minor" was added to § 208 by the Senate Judiciary Committee, which stated:

"The bill, as it came before the Committee, makes no distinction between minor children and those who have attained a majority. The Committee believes that only the interest of a minor child should serve to disqualify the employee and has amended Section 208 accordingly." S. Report 2213, 87th Congress, 2d Session 14 (1962)

The California Civil Code § 25.1(b) defines the age of majority as eighteen (18). Consequently, the interests owned by Mr. Clark's son are not covered by 18 U.S.C. § 208.

Even though the provisions of 18 U.S.C. § 208 do not apply to the son's holdings, I included his interests in my research of our Department's records. Comparing the data available from our various bureaus and from Mr. Clark's financial disclosure form I have determined that:

1. The ranch property in Shandon, California, does not receive water from any Bureau of Reclamation Irrigation Project.

2. None of the ranch or other property interests are adjacent to or near any Federal lands administered by the Department of the Interior.

3. There are no Federal land permits or other rights issued by the Department of the Interior to Mr. Clark or any of his sons, Clark Land Company or Clark Brothers Cattle and Grain Company.

4. Clark Land Company has no business relationships with the Department of the Interior.

5. The rent received from Phillips Petroleum Company by Mr. Clark's son is generated from the lease of private lands and does not constitute an equity interest in the company or an interest in Federal lands. Further, Mr. Clark himself has no resultant financial interest in Phillips Petroleum Company. Although Phillips Petroleum Company leases 290,295 acres of Federal land from our Department for oil and gas operations and 1,280 acres for other mineral operations, there is no relationship between such leases on Federal land and the lease on the private land disclosed on Mr. Clark's disclosure form. Consequently, a recusal statement is not required.

6. Sears, Roebuck and Company has no continuing business operations with our Department.

I have determined that none of the ranch management and realty operations of the Clark Land Company are related to the Department of the Interior or to Federal lands administered by the Department of the Interior. I was informed by White House counselor Lawrence Garrett that the professional building owned by Mr. Clark houses the Clark Land Company's ranch management and realty operations and an attorney's office, and that Clark Brothers Cattle and Grain Company reports no business relationships with the Department of the Interior. I was also informed by Mr. Garrett that the $219.57 payment Mr. Clark received from the State of California Judge's Retirement System was a one-time payment received by all California judges affected by a judgment concerning their compensation. This one-time payment arose out of Mr. Clark's status as a judge for the months of January and February 1981, in the State of California.

I conducted my analysis of Mr. Clark's vested pension interest by using Formal Advisory Opinion 83 OGE 1, dated January 7, 1983. Opinion 83 OGE 1 states:

"A government employee has a financial interest in a particular matter when there is a real possibility that he might gain or lose as a result of developments in or resolution of the matter.

"We are also of the view that where a pension fund is controlled by employees of the sponsoring organization, the Government employee ordinarily has a financial interest in matters affecting the organization."

In this instance the "organization" is the State of California. The manager of the Board of Administration Public Employee Retirement System for the State of California provided these facts:

1. Pension payments are made from a fund consisting of judges' contributions, state matching funds, court fees, profits from fund investments and annually appropriated funds from the state treasury.

2. State law provides that sufficient funds must be appropriated to insure that state pension commitments are met. California Government Code § 75107.

3. The Board administering the pension fund consists of elected state officials and state employees.

4. The Board is part of the California State Government structure as a unit or division under the California Secretary of Consumer Affairs.

Based on the OGE opinion, Mr. Clark's vested pension interest might be construed as a financial interest under 18 U.S.C. § 208. As Secretary, it will be necessary for Mr. Clark to be involved in particular matters involving the state of California. However, I believe that since the legislature is required by state law to appropriate necessary funds to meet pension payments, clearly Mr. Clark cannot gain or lose as a result of developments in or resolution of any particular matter. Moreover, Mr. Clark's pension is not payable to him until he reaches age sixty-three. The pension interest is vested and cannot be used or directly affected in any way by Mr. Clark. Accordingly, it is my determination that his pension interest is too remote, too inconsequential and not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from the Secretary of the Interior. I believe a waiver from the President is not necessary. However, if you disagree I feel a waiver would be entirely appropriate based on the facts as discussed above. Mr. Garrett is aware of this position.

My review of the other items reported by Mr. Clark reveals no other problems with any applicable conflict of interest statutes or regulations. Please call me at 343-4502 should you have any questions.

Sincerely,

RICHARD R. HITE,
Principal Deputy Assistant Secretary and Designated Agency Ethics Official.

OFFICE OF GOVERNMENT ETHICS,
OFFICE OF PERSONNEL MANAGEMENT,
Washington, D.C., October 20, 1983.

Hon. JAMES A. MCCLURE,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by William P. Clark, who has been nominated by President Reagan for the position of Secretary of the Department of the Interior.

We have reviewed the report and have also obtained advice from the Department of the Interior concerning any possible conflict in light of the Department's functions and the nominee's proposed duties. A copy of a letter dated October 20, 1983 from Richard Hite, Principal Deputy Assistant Secretary and Designated Agency Ethics Official, Department of the Interior, is also enclosed.

This Office agreed with the Department of Interior's conclusion that a financial interest of the nominee's son, who has at-

tained the age of majority under state law, is not attributable to the nominee for purposes of 18 U.S.C. § 208.

The nominee reports a vested interest in the State of California Judges' Retirement System. We have reviewed the pension plan, and have concluded that it covers a broad class of employees, antedates any anticipation of the nominee's entry into Federal Government Service, and complies with the necessary finding of bona fides for purposes of 18 U.S.C. § 209(b). Further, we do not view the pension plan as being a financial interest of the nominee within the meaning of 18 U.S.C. § 208(a) which will disqualify him from taking official actions on particular matters involving the State of California. While it is true that the pension fund is controlled by employees of the State, by law the legislature of the State of California is required to appropriate necessary funds to meet pension payments. No further contributions are being made on behalf of the nominee, and the possibility that the nominee may gain or lose as a result of Department of Interior decisions affecting the State of California is purely speculative. Accordingly, we view this interest as a vested pension interest not cognizable under the provisions of 18 U.S.C. § 208(a).

Based upon the foregoing, we believe that Mr. Clark is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

DAVID H. MARTIN,
Director.

Mr. McCLURE. On November 9, 1983, the committee reported the nomination of Judge Clark favorably to the Senate by a vote of 16 to 4.

In the committee report accompanying the reported nomination the following conclusion was reached:

A majority of the Committee believes and recommends that the nomination of William P. Clark to be Secretary of the Interior should be confirmed. (S. Exec. Report 98-20, at p. 8.)

This conclusion was reached on the basis of overwhelming evidence. Judge Clark came to the committee with a long and distinguished career of public service to both his native State of California and the Nation. He has served with distinction in both the executive and judicial branches of Government.

I ask unanimous consent that his biographical sketch be printed in the RECORD at this point.

There being no objection, the biographical sketch was ordered to be printed in the RECORD, as follows:

WILLIAM P. CLARK

William P. Clark of Paso Robles, California, became Assistant to the President for National Security Affairs, Washington, D.C., in January 1982, leaving his previous post as Deputy Secretary of State. Mr. Clark attended Stanford University. From 1954 to 1956 he served in the United States Army counterintelligence Corps.

After attending Loyola Law School, Los Angeles, from 1956 to 1958, Mr. Clark was admitted to the California Bar and practiced law in Oxnard as senior partner in the firm of Clark, Cole & Fairchild.

Mr. Clark served as Cabinet Secretary to then Governor Reagan and a member of the Governor's Task Force on Governmental Reorganization from 1966-67, when he was appointed Executive Secretary. In 1969 he was appointed judge of the Superior Court in San Luis Obispo County. He was named to the Court of Appeal in 1971 and to the California Supreme Court in 1973, where he served until his appointment as Deputy Secretary of State on March 25, 1981.

His civic activities include Stanford Associates, California Cattleman's Association, Charros, and Rancheros Visitadores.

Mr. Clark is married to the former Joan M. Brauner and they have five children—Monica, Peter, Nina, Colin and Paul.

Mr. McCLURE. In addition he is a trusted adviser and friend to the President. He has been called upon repeatedly to serve in capacities which require a special ability for judgment and managerial skill in the face of divergent views and sensitive subject matter.

Judge Clark demonstrated these abilities in his testimony before the committee. Coming from a ranching background which instilled in him the importance of balanced resource utilization, he displayed an impressive knowledge of the issues facing the Department of the Interior. Perhaps more importantly, he displayed a reserved and even temperament in the face of the most aggressive and difficult questioning. Repeatedly he committed to the committee that he would review policies of the Department which have been subject to criticism and that he would seek the advice and counsel of interested Members of Congress.

In a somewhat distasteful matter, the committee made a necessary inquiry into certain allegations raised by recent articles regarding the integrity of Judge Clark while he served on the California Supreme Court. Judge Clark's forthright and detailed answers dispelled any doubt regarding his integrity or the propriety of past actions. The allegations raised have been effectively refuted to the satisfaction of the committee.

Mr. Clark has shown himself to be eminently qualified for the job of Secretary of the Interior. He has displayed: A grasp of the issues which will face him if confirmed; a background which demonstrates a willingness to listen to varying points of view before making a decision; a sensitivity to the need for balanced resource decisions; an integrity beyond reproach; a desire to consult with Congress; a goal to avoid confrontation; and above all a commitment, backed by a directive from the President to review the programs, policy and personnel of the Department.

In my opinion, the Senate has before it a nominee who is not only qualified but who presents a unique opportunity for progress. No one will deny that the Department of the Interior has stirred the waters of public interest. Judge Clark represents the opportunity to still those troubled waters with a calming presence.

I urge my colleagues to support and confirm the nomination of William P. Clark.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, as I stated last night during the debate on my amendment concerning many of the natural resources policies of the Reagan administration and former Secretary James Watt, I intend to vote to confirm Judge Clark to be Secretary of the Interior. But, as I also stated at that time, that should not be construed as either an endorsement of all of the policies of Secretary Watt.

To the contrary, on the first score, Judge Clark's stated plan of action as the Secretary of the Interior can properly be called a tabula rasa; that is, a totally blank sheet upon which very little is written. We sent, for example, some 200 questions to Judge Clark. I think the Chair can see these. I have here a stack of paper about 3 or 4 inches thick. Every place there is a paper clip is a place in the answers to those questions where he said he would review those policies. In effect, he has said only that he would review policies and has taken virtually no stand on any issue on matters to come before him.

Now this, in my judgment, is not a reason not to confirm Mr. Clark, because I agree that he is a man of integrity, a man of personality, and he is certainly the President's choice and I for one have virtually always, if not always, given a President his choice of a Cabinet Member. After all it is his policy. He is elected and I think he is entitled to have his choice.

Nevertheless, it is hardly a reason to elect Mr. Clark to say we know what he is going to do because we have no idea what he is going to do.

In my judgment, many of those policies of this administration should be changed. The resolution of last night pointed up in particular what policies should be changed.

The distinguished Senator from Idaho said, "Which policies would you change?" invited the question, and I gave a partial answer on the question of national parks. I would like to go into that in detail.

Mr. President, in fiscal year 1981, this administration attempted to rescind $250 million already appropriated for the land and water conservation fund which is of course the chief source for revenue for the purchase of parkland. The Congress agreed to rescind only $90 million of that. So in fiscal year 1981, the administration asked for a huge rescission of park money.

In fiscal year 1982, the administration requested a Land and Water Conservation Fund appropriation of about

$39 million, which was only the amount necessary to cover obligatory court awards and administrative costs. The House-Senate conference appropriated $151 million, which in turn was less than the Senate appropriations committee had approved, if I recall the figures correctly.

Now, Mr. President, again in fiscal year 1983, the administration requested $69 million for the Land and Water Conservation Fund. The House-Senate conference appropriated $227 million for the program, including $75 million to be allocated to the States, an aspect of the program that Secretary Watt had wanted abolished. The $69 million in the Land and Water Conservation Fund was appropriated in the fiscal year 1983 supplemental appropriations bill. This money will be used in part to purchase 42 additions to the park system, even through the Secretary and the administration had repeatedly said that they wanted no new parkland purchased.

For fiscal year 1984, the administration proposed about $65 million for the Land and Water Conservation Fund. The House-Senate conference appropriated $225 million, including $75 million for the States.

Now, the point is this, Mr. President: This administration, beginning in 1981, when it wanted the rescissions, through 1984, the current year, has put national parks, national resource acquisitions at a lower priority than has the Congress and in turn the American people. They have done it repeatedly and they have done it again in 1984.

Now, this administration to now claim credit for everything that the Congress has in effect forced down their throats, I think is hardly a recommendation for great performance in the field of resource management and in the field of park acquisition.

Now what I would like to see, since the distinguished Senator from Idaho, said, "What policy would you change?", I would put the policy, if I had my choice, I would tell, and I have told, Judge Clark, they ought to change that; quit being in constant adversarial relationships with the Congress with respect to national parks.

Flow with the flow, as they used to say. The Congress, the American people, gives national parks a much higher priority than does this administration. We have thousands upon thousands of acres of land which, if not acquired timely, will either cost much more for future generations if they get around to acquiring it, or will be developed into subdivisions or into other uses totally inconsistent with national parks and refugees, and other conservation purposes.

Mr. President, as I have stated, I will vote to confirm Mr. Clark, but I do indeed hope he will change those policies.

I offered an amendment to the supplemental appropriations bill yesterday evening which would have given the Senate an opportunity to go on record regarding the need for a change in some of these policies. This amendment was identical to a resolution I introduced earlier this week that was cosponsored by 41 of my colleagues.

Unfortunately, my amendment was tabled by a vote of 48 to 42. While it is unfortunate that the amendment was tabled, we were in good company as the Senate proceeded to reject all nongermane amendments to this measure. I firmly believe that had the Senate had an opportunity to vote on this matter up or down on its own, it would have passed. In any event, I think that our efforts to bring this matter before the Senate have served to put the President and Judge Clark on notice that some of the natural resource policies of this administration need more than the review Judge Clark has pledged to give them. Many of these policies and programs need to be changed, and I hope that our efforts in this regard will send that message loud and clear.

Mr. President, at his confirmation hearing Judge Clark embraced the following statements of the late Senator Henry M. Jackson regarding the role of the Secretary of the Interior.

In the past two decades the role of the Secretary of the Interior has changed dramatically. The Secretary is no longer the guardian of narrow Western regional interests.

Now under laws enacted by Congress, he is the steward, for all Americans, of much of our national land heritage including our national parks, wildlife refuges, and public lands.

He is manager of nationwide programs for outdoor recreation, restoration of lands affected by coal mining, historic preservation, and mineral and water resources. His decisions on energy and environmental matters affect the interests of every American.

Today, with the growing need to develop the energy and mineral resources of the public lands and the Outer Continental Shelf, the Secretary of the Interior and the entire Department are challenged to provide for wise use without sacrificing vital environmental interests. This effort will require a high degree of competence, careful planning, constant effort to achieve a balance between development and preservation, and complete integrity in the decisionmaking process.

While I wholeheartedly share Judge Clark's apparent commitment to these high principles, I want to make it clear that I do not believe that he can be true to those principles unless he is willing and able to make changes in some of the administration's natural resource programs.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, if there is anyone here who wishes to go and have lunch, he will have plenty of time. But I hope one or two Senators will hang around to hear this eloquent peroration, to hear why I must, with some reluctance, oppose the confirmation of Judge Clark.

It is never easy to vote against somebody. I had never met Judge Clark until he paid the traditional call on me in my office, as I assume he did most members of the committee. But I liked him. He is an engaging man. That makes my opposition more difficult. But in the advice and consent role as provided for in the Constitution, that the United States Senate must exercise, no exceptions are made for determining the qualifications of a man based on his demeanor and his social graces.

I will come back to the advice and consent role of the Senate in a moment, but I can tell you now that Alexander Hamilton, who was the chief architect of that provision of the Constitution, would absolutely cringe if he heard Senators on the floor of the United States Senate saying, "I am going to vote for him because I think the President is entitled to this man."

As a matter of fact, Alexander Hamilton addressed that very mentality in the Federalist papers.

Thomas Jefferson wrote his own epitaph, as most of you know, and it was an interesting thing. One of the great things in history is that Thomas Jefferson thought of three accomplishments in his life as being much more important than being the third President. If you go to his magnificent home in Monticello you see his epitaph.

He said, "These are the three things in which I take most pride." No. 1, that he wrote the Declaration of Independence; No. 2, that he was the founder of the University of Virginia; and, No. 3, that he wrote the Virginia statute on religious freedom, one of the reasons I have always felt that the U.S. Senate ought to be very circumspect when it starts considering extracting a piece of the Constitution dealing with religious freedom. I would admonish my brethren to go back and read what Thomas Jefferson said about freedom of religion.

I have not written my epitaph because I do not want anybody to write it right away. I do not know what the future holds but as of this moment I could not at all be sure what to choose if I were picking three things to put on my epitaph.

But I believe that I would want one of those three things to say, "He tried to keep the U.S. Senate from confirming James Watt as Secretary of the Interior."

And for my efforts, I got 12 votes.

You know, there are three classes of Senators in the U.S. Senate regarding Secretary Watt. There are people like me among the 12 who voted against him who have been beating their

chests and boasting about it ever since. Then there are those who voted for him and have said, "I am glad I voted for him." And everybody else, I think, has been trying to keep the public from finding out how they voted.

Well, James Watt proved to be precisely the kind of Secretary of the Interior that I told the Senate he was going to be. I can truthfully say that he did not do one thing that came as a shock or as a surprise to me.

But I also think that the Senate has never before laid down on its job and its responsibility to advise and consent to a nomination like it did on James Watt. I have never in my public life known anybody whose public conduct was as bizarre as was his.

When I first came to the Senate, my distinguished and much-senior colleague, Senator McClellan, said:

> Dale, you do not want on Interior. That is a western committee. Let those western boys handle that committee.

And I was naive about the Senate. I did not want on the Interior Committee. They told me to list my three top committees, and I listed Interior as my third choice. I knew I could not get on the Appropriations or Finance Committee as a freshman Senator, so I had to pick out some others. I listed Interior as No. 3, and that is the committee I was assigned to. Incidentally, the other one was the Space Committee. I am glad we abolished it.

But think about how we thought of the Interior Committee, now the Energy and Natural Resources Committee, in 1975. That was my first year here. In 1975 we considered that committee a Western committee because most of the lands owned by the U.S. Government are in the West.

Nobody wanted on the Interior Committee until energy suddenly became a very exotic subject around here. Then we changed the name to the Energy Committee. It became the most sought after committee assignment in the Congress.

I can tell you now that I am very pleased with the original choice that the Steering Committee against my will to put me on the Interior Committee, because I think it is one of the most important committees. It has jurisdiction over the Department of Interior, and I think therein lies a great responsibility for the kind of future my children and grandchildren are going to enjoy or not enjoy.

James Watt abused the public trust by abusing the public domain. He had no sensitivity at all to the damage he was doing.

An English philosopher said, "There is nothing more utterly impossible than undoing that which has already been done."

When you clear out an area that is a pristine wilderness area, chances are it can never be that again.

When you pollute a stream that has never before been polluted, it will never be the same again. And on and on it goes.

We hurry to do everything and to gratify a lifestyle, not a quality of life but a lifestyle, to which we have become accustomed. We hasten to rape and pillage the public domain in order to keep our own little self-gratification intact.

Mr. President, let me come back to this question of advice and consent. Alexander Hamilton must have known what Ronald Reagan was going to do in 1983. Who could be more perceptive than he was in Federalist Paper No. 76, written on April 1, 1788, to the people of the State of New York.

Hamilton wrote:

> The President is "to nominate and, by and with the advice and consent of the Senate, to appoint Ambassadors, other public ministers, and consuls, judges of the Supreme Court, and all other officers of the United States whose appointments are not otherwise provided for in the Constitution."

Then he goes on, after discussing advice and consent, and addresses why he wanted to include the provision in the Constitution.

> To what purpose then require the cooperation of the Senate? I answer, that the necessity of their concurrence would have a powerful, though, in general, a silent operation. It would be an excellent check upon a spirit of favoritism in the President, and would tend greatly to preventing the appointment of unfit characters from State prejudice, from family connection, from personal attachment, or from a view to popularity.

All Hamilton said is that the President, if he knows his appointments must be approved by the U.S. Senate, will send to us people who are fit for the job, who are free of prejudice, who have no family connection or personal attachment to the White House, and will not send some name to us just because he happens to be a popular person.

But here is the real meat of what Alexander Hamilton said about Presidential nominations and why we need advice and consent. He said the President would be both ashamed and afraid to bring forward, for the most distinguished or lucrative stations, candidates who had no other merit than that of coming from the same State to which he particularly belonged, or of being in some way or other personally allied to him, or of possessing the necessary insignificance and pliancy to render them the obsequious instruments of his President's pleasure.

What a brilliant, perceptive man was Alexander Hamilton.

When the President nominated Judge Clark to be Secretary of the Interior, I was surprised, as was virtually every Member of this body. But after the surprise, I began to raise my hopes that perhaps, with James Watt gone, Judge Clark would see the terrible political damage that James Watt had done to the President and would want to reverse some of those bizarre policies that James Watt implemented. We all knew that his public demeanor would be a welcome relief from the kind of conduct we had been subjected to by Secretary Watt.

So, Mr. President, Judge Clark came before our committee for his confirmation hearing. I was hoping that Judge Clark would deliver an opening statement pointing out to us his sensitivity to the forests, to the lands, to the orderly development of minerals, his environmental concerns about Outer Continental Shelf drilling—the whole litany of issues that 78 percent of the American people say they are vitally interested in. I thought he might state that he believed a part of the national character was sensitivity to the land.

But Judge Clark came before our committee and he gave no opening statement of his own which would reveal to us his own attitudes and his own feelings about the duties upon which he was about to embark. In one or two instances, he gave some reason for optimism. But in his opening statement, instead of giving his own statement and telling us how he felt and what the mandate was that the President had given him, he quoted a speech by our late departed, revered colleague, Scoop Jackson.

Mr. President, when the Republicans gained control of the Senate in 1981 and changed the whole makeup of the committees, Scoop Jackson, who had been chairman of the Energy Committee, was replaced by the distinguished Senator from Idaho (Mr. McCLURE). Soon after that very first reorganization meeting, during Secretary Watt's confirmation hearings, Scoop made a short statement. It was a beautiful statement. It did not ldeal with the specifics of coal leasing or oil and gas drilling or how the forests ought to be treated. It was sort of philosophical. Judge Clark simply repeated word for word, with attribution, the speech that Scoop had given on that day in January 1981.

I asked Judge Clark if he thought Scoop Jackson was an honorable man and if he thought he was a good Senator. He said yes.

I even asked him if he thought Scoop Jackson would be a good Secretary of the Interior. Specifically, I said, "Now, you have stated generally the things you agreed with him about, which were sort of philosophical." Incidentally, he told me he thought Scoop Jackson was a great Senator and was a hero of his.

Then I asked him, "Did you know that Scoop Jackson was opposed to James Watt's coal leasing policy, he was opposed to James Watt's effort to drill in the wilderness areas, he was

opposed to the onshore leasing system, and many other policies?

Then I said, "Those were the things that James Watt did that Scoop Jackson opposed. Would you also oppose those things?"

The answer was, "No, Senator. I would have to take those measures one by one, as they may confront me if I am confirmed before passing any judgment on what has been. But on the first part of your question, I did not know Senator Jackson's position on those issues, but it would in no way detract from, using your terms, the decency and the greatness of Senator Jackson."

I am not going to read the rest of the answer because it would not be relevant, but here was a man who delivered an opening statement leading us to believe that he had the same sensitivity and concerns about 548 million acres of land that Scoop Jackson had. But when confronted with all of the attitudes Scoop had on all of those issues and asked whether he would oppose those things that Scoop had opposed, the answer was "No, Senator, I would not."

By this time things were getting a little murky.

Mr. President, Harry Truman once said that about 15 million people in this country can afford to pay to be well represented in Congress. The other 160 to 175 million people just have to go vote for people that they consider decent and concerned, and pray for the rest.

Harry Truman said,

> Ten to fifteen million people in this country can hire people to roam the Halls of Congress to protect their interests, but the other 160 to 175 million people are dependent on the President to look after their interests, and I intend to fulfill that responsibility.

Well, I am just one of 100 Senators, proud to represent my beloved State. I can only speak today as one Senator from one State, but I intend to fulfill my obligation and my responsibility to the very best of my ability for all those people who are not really reassured by the fact that Judge Clark happens to be the President's very best friend, but are concerned about how Judge Clark is going to manage the public domain to guarantee their children and their grandchildren some kind of a decent future.

What were the policies of James Watt that we talked about in the hearings? First, the moratorium on coal leasing. We did not just ask Judge Clark whether he favored leasing of coal. That is not the issue. We all know that the Federal Government is by far the biggest owner of coal. Five hundred billion tons of coal belong to the American people. Sixteen billion tons of coal are under lease right now, and at present production rates that is a 172-year supply. James Watt was planning to double that amount. He was going to lease 10 billion more tons—another 100-year supply in the next year. We have been asking why we are producing coal that we do not need and cannot use when we have a 172-year supply already under lease. Why should we lease coal for eight one-hundredths of 1 penny a ton.

James Watt was a captive of the coal industry, as he was a captive of just about any industry that walked into his office. When we asked Judge Clark, prefacing the question with all those statistics: "Do you approve of the moratorium on coal leasing that is now in place and has been put there by the Congress?", he did not know. He said that was a policy he would check into.

We asked about surface mining. "Judge Clark, the Congress several years ago passed a bill requiring that when lands are torn up to mine coal they must be put back into their previous condition to the extent they can be."

I have said on the floor of the Senate many times that I come from a county in my home State which does not mine very much coal. By comparison to other States, we mine also none, but my home county and a couple counties around it, produce virtually all the coal that is produced in Arkansas. I can remember as a child seeing those ugly dumps everywhere. It would have been so easy then to put that land back. Over a period of years it would have become productive again. It is not only unsightly, it is criminal to take land out of production like that and not do anything with it. So Congress passed the Reclamation Act that required that if you mine coal, you must put it back as best you can into its former condition so that it can hopefully be put back into production. Land will be an even scarcer commodity 50 years from now.

So we asked Judge Clark: "How do you feel about the Surface Mining Act, and do you know of any problems in the Office of Surface Mining at the Department of Interior?" Answer: "No, I don't know of any problems with the Office of Surface Mining."

At the very moment the question was asked, 1,700 coal mines in the United States were in violation of the law, out of compliance with the Surface Mining Act, and $44 million in fines from mines who were violating the law were uncollected. Judge Clark said: "No; I don't know of any problems. That is another thing I will review when I get over there."

Now, one thing he said which caused me to have some hope was with regard to drilling in the wilderness. Some day if we need oil and gas from any of the wilderness areas, we will probably drill it. Nobody doubts that. But the question is, Should we do it right now? The answer is "No."

I asked Judge Clark, "How do you feel about that?" He said, "Well, the wilderness and drilling do seem a little incompatible." He went on to say that he did not have any quarrel with the existing policy of not drilling in wilderness areas, but he did not know how he felt about wilderness study areas.

Then I asked him, "How do you feel about the so-called simultaneous oil and gas leasing practices of the Bureau of Land Management?"

This is the system with which we lease our oil and gas lands, 548 million acres under the administration of the Secretary of the Interior. Existing law allows him to lease nearly every square foot of it for a dollar an acre.

I was sitting in my father-in-law's home having lunch in 1979 and the word came to me that 33,000 acres of Fort Chaffee, 2 miles from my home, had been leased for $1 an acre. That would not mean much to you, but I know that Fort Chaffee was surrounded on four sides with producing gas wells. You must ask yourself, how on Earth could the Department of Interior lease land that everybody knew would produce natural gas for $1 an acre? I am not going to belabor that point; you have heard me make it too many times. Secretary Andrus canceled that lease and it is now on its way to the court of appeals in St. Louis. But the interesting thing about it is if Texas Oil & Gas Co.'s lease is canceled, I promise you that that land is worth between $4,000 and $5,000 an acre.

The BLM leased another 24,000 acres at Fort Chaffee a year later and it brought $1,705 an acre. So I asked why Judge Clark, why on Earth the United States is giving its resources away to the first Tom, Dick, or Harry that walks in the office and offers $1 an acre for them? I asked: "Judge Clark, how do you feel about that?" He replied: "I will look into it."

You have to ask yourself why we continue these practices when you set out these bizarre, egregious things that go on in the U.S. Government and you lay it out statistically.

We all know that in August, 3 months ago, the Bureau of Land Management let about 17,000 acres near Casper, Wyo., for $1 an acre because somebody won it in a lottery.

We lease lands noncompetitively in two ways: On a first-come, first-served basis and if more than two people show an interest, in a lottery. It costs you $75 to put your name in a lottery, and if you win, you have to pay $1 an acre for the lease.

The Bureau of Land Management leased 18 tracts in Casper, Wyo., in August. Within about 2 weeks, 12 of those tracts, for which the winner had paid $1 an acre plus a filing fee, were resold. For how much? $50 to $100 mil-

lion. "How do you feel about that, Judge Clark?"

"Well, that is a policy we are going to review."

I could go on and on.

I will tell you one other thing. I want to give Judge Clark his due. There is one thing that he came down on, though not vigorously. I asked him about the sale of the public domain, and he said that the privatization of the public domain would have no place if his nomination is confirmed. I am gratified for that, and I want to say that publicly.

James Watt used to go to fundraisers. He raised a lot of money. I am a Democrat, and he raised a lot of money for us, too. We lost our best fundraiser when James Watt resigned. When James Watt used to go to these big fundraising functions, he would say, "We kicked every one of those people out in Interior. We got rid of all those Democrats and we put Americans in."

I have to tell you that that was unbelievably offensive to me. But he is gone, and I am not going to beat that dead horse. He did put in his own people at the Department of the Interior, and his own people agreed with him about almost everything he did and said.

So I asked Judge Clark if he could, you name me one position that you intend to change when you are confirmed as Secretary of the Interior?

Here was the question: "Do you know one person at the Department of the Interior that you would fire if you were confirmed?" The answer: "No, sir, I simply have not reviewed personnel and that's a ball game of its own, but it's within the mandate."

That is a nonanswer.

Let me say this, in the interest of fair play: That was almost an unfair question to ask somebody, about firing people. You cannot expect somebody to call names in a confirmation hearing like that.

All I wanted was some indication that some of those people down there would be cashiered. The answer was, "I don't know of anybody."

But here is the question I asked that goes right to the heart of Judge Clark's qualifications to serve as Secretary of the Interior, and I invite all my colleagues to listen attentively:

Senator BUMPERS. Judge Clark, can you name one policy of James Watt that you disagree with?

Judge CLARK. Senator, going to your question for a moment, I have thus far not in my appraisal weighed out whether I would disagree or agree with what Mr. Watt has done either in policy or in its implementation or in explanation, any more than I have looked at Secretary Andrews' or Hathaway's, on back. I may get to that at some point where I find specific issues, just as I did at the State Department. I would occasionally pick up the phone to Dr. Kissinger or someone who has been through the same issue. Part of my duties included briefing former Presidents on a regular basis. But from the standpoint of analyzing the policies and recommendations now, I have not sat down and asked myself where do you agree with James Watt and where do you disagree with him.

I will not read the rest of the answer, but here was my next question:

Senator BUMPERS. Judge, in the past 3 weeks now, I take it you've been wood-shedded continuously by personnel from the Interior Department about all of these matters. I wouldn't expect you to know all there is to know in 3 weeks about policies and laws which are administered by the Interior Department. But you've been in the White House as a very close adviser in another capacity. James Watt, according to most polls, has consistently for the past 12 months had the highest negative rating of anybody in the Reagan administration. He's been a veritable lightning rod.

Have you and the President ever discussed the Secretary and said you wished he hadn't done something, or you wished he would change his policies? Did you ever call him and say how about cleaning up your act?

The answer to that was, "No, we did not ever talk about Secretary Watt in the White House."

Mr. President, I will tell Senators something interesting: There are 10 or 12 people, perhaps, on the other side of the aisle who do not feel this way, but I believe that somewhere between 80 percent and 90 percent of the membership of the U.S. Senate believes that James Watt is one of the most unmitigated disasters ever to strike this country. That is the reason he is not here anymore; is it not?

Yet, not one time during the entire confirmation hearing did I hear so much as a whimper against his private or public conduct, about his policies, or about his lack of policies. President Reagan, to my knowledge, to this day, has never criticized James Watt for one single thing he ever said or did.

I want you to think about that: Neither Judge Clark nor the President could think of a single thing about James Watt to criticize—not one policy they would reverse.

And consider that coupled with what Ed Meese, probably the very closest adviser to the President, said on the MacNeil-Lehrer show October 14, 24 hours after the President nominated Judge Clark. Ed Meese said on the MacNeil-Lehrer show: "The policies of this administration inaugurated by Jim Watt and approved by Ronald Reagan will be the policies that will continue under the stewardship of Bill Clark."

If my colleagues vote for Judge Clark, I am going to remind them time and time again, as I have about James Watt, that they asked for it.

There is one thing I will say about Judge Clark. He came to the hearing to tell us essentially that he had no feelings about any of the policies of James Watt. He has not been deceptive. He has told us that he will review the policies.

And Ed Meese has said that the policies are going to be the same.

When people used to criticize Jimmy Carter as President, someone would always say, "You ought not to criticize him. He told you he had never been to Washington."

Jimmy Carter told us that he did not like Washington, he had never been here, and distrusted it.

Whatever policies are implemented in the future, not one Member of this body who votes for this confirmation will ever have any justification for opposing them, no matter how bizarre the policies may get, because here we have heard Judge Clark say, "I am not going to tell you what I am going to do," and we have Ed Meese saying, "I will tell you what he is going to do. He is going to do exactly what James Watt did because that is what the President wants."

How can one put a warning any blunter than that?

Mr. President, I have consistently told the majority leader that I did not intend to hold up the nomination of Judge Clark. He will be confirmed by a significant majority here. I have not labored a personal crusade, nor have I lobbied my colleagues to vote the way I do. I speak from the conscience of one Senator only, and every Senator I am sure will do likewise.

But I wish to read something, not because anyone is listening, but because I want it in the RECORD. Most Senators have heard it. It is a statement by Chief Seattle. Chief Seattle's name, as best people can figure out, was actually Chief Sealth. He was chief of the great Duwamish and Suquamish tribes of Washington, and was the chief for whom the city of Seattle is named.

No one really knows whether this came from one single speech by Chief Seattle or whether it is a compendium of things that he said. But it says better than any words I could conjure up why I feel so strongly about the environment and the public domain.

Franklin Pierce wrote to Chief Seattle and said, "We want to buy your land. Please put a price on your land and let us hear from you."

And here is what Chief Seattle wrote back. He said:

The Great Chief in Washington sends word that he wishes to buy our land.

The Great Chief also sends us words of friendship and good will. This is kind of him, since we know he has little need of our friendship in return.

But we will consider your offer. For we know that if we do not sell, the white man may come with guns and take our land.

How can you buy or sell the sky, the warmth of the land? The idea is strange to us.

If we do not own the freshness of the air and the sparkle of the water, how can you buy them?

Every part of this earth is sacred to my people. Every shining pine needle, every sandy shore, every mist in the dark woods, every clearing, and humming insect is holy in the memory and experience of my people. The sap which courses through the trees carries the memories of the red man.

The white man's dead forget the country of their birth when they go to walk among the stars. Our dead never forget this beautiful earth, for it is the mother of the red man. We are part of the earth and it is part of us.

The perfumed flowers are our sisters; the deer, the horse, the great eagle, these are our brothers. The rocky crests, the juices of the meadows, the body heat of the pony, and man—all belong to the same family.

So, when the Great Chief in Washington sends word that he wishes to buy our land, he asks much of us.

The Great Chief sends word he will reserve us a place so that we can live comfortably to ourselves, he will be our father and we will be his children.

So we will consider your offer to buy our land. But it will not be easy. For this land is sacred to us.

This shining water that moves in the streams and rivers is not just water but the blood of our ancestors. If we sell you land, you must remember that it is sacred, and you must teach your children that it is sacred and that each ghostly reflection in the clear water of the lakes tells of events and memories in the life of my people. The water's murmur is the voice of my father's father.

The rivers are our brothers they quench our thirst. The rivers carry our canoes, and feed our children. If we sell you our land, you must remember and teach your children, that the rivers are our brothers, and yours, and you must henceforth give the rivers the kindness you would give any brother.

The red man has always retreated before the advancing white man, as the mist of the mountains runs before the morning sun. But the ashes of our fathers are sacred. Their graves are holy ground, and so these hills, these trees, this portion of the earth is consecrated to us. We know that the white man does not understand our ways. One portion of land is the same to him as the next, for he is a stranger who comes in the night and takes from the land whatever he needs. The earth is not his brother, but his enemy, and when he has conquered it, he moves on. He leaves his fathers' graves behind, and he does not care. He kidnaps the earth from his children. He does not care. His fathers' graves and his children's birthright are forgotten. He treats his mother, the earth, and his brother, the sky, as things to be bought, plundered, sold like sheep or bright beads. His appetite will devour the earth and leave behind only a desert.

I do not know. Our ways are different from your ways. The sight of your cities pains the eyes of the red man. But perhaps it is because the red man is a savage and does not understand.

There is no quiet place in the white man's cities. No place to hear the unfurling of leaves in spring or the rustle of insect's wings. But perhaps it is because I am a savage and do not understand. The clatter only seems to insult the ears. And what is there to life if a man cannot hear the lonely cry of the whippoorwill or the arguments of the frogs around a pond at night? I am a red man and do not understand. The Indian prefers the soft sound of the wind darting over the face of a pond, and the smell of the wind itself, cleansed by a midday rain or scented with the pinon pine.

And I am going to close with this last part.

The air is precious to the red man, for all things share the same breath—the beast, the tree, the man, they all share the same breath. The white man does not seem to notice the air he breathes. Like a man dying for many days, he is numb to the stench. But if we sell you our land, you must remember that the air is precious to us, that the air shares its spirit with all the life it supports. The wind that gave our grandfather his first breath also receives his last sigh. And the wind must also give our children the spirit of life. And if we sell you our land, you must keep it apart and sacred, as a place where even the white man can go to taste the wind that is sweetened by the meadow's flowers.

Whatever befalls the earth befalls the sons of the earth. Man did not weave the web of life, he is merely a strand in it. Whatever he does to the web, he does to himself.

Chief Seattle went on to say that if the white man continues to live as he is now living, he will foul his nest so that it is no longer habitable.

So, is this just a political appointment? Is it just a matter we should accommodate the President on because Judge Clark is his friend? Or does this country stand for something more? Is there a national tone in this country? Do we have a national character? And, if we do, what is it?

In the past few days I have read much about John Kennedy's Presidency. And 2 days ago I went over to the Rotunda to the memorial service for President Kennedy. I know that that movie was put together to show the very best parts of his administration and to emphasize the most noble, eloquent words the President ever uttered.

But two things about Jack Kennedy are important: for whatever faults he may have had—and his age was not necessarily golden—he did not trim his sails. He believed there was such a thing as national character and he set a tone for the Nation. And the people who disliked him, or who disagreed with him, could hardly argue with many things that he said. Even though they disagreed with him they knew what he said was essential to the tone of the Nation.

The person you put in charge of the public domain tells a great deal about your character, but more importantly, that appointment reflects the character of the Nation.

So while I bear Judge Clark no ill will, and divinely hope that my conscience will dictate that I go to him a year from now and apologize for having voted against him, I must do so today.

Mr. President, I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. I see at this time no one seeking recognition.

Mr. RIEGLE. Will the Senator yield if he does not intend to speak?

Mr. WARNER. I yield to the distinguished Senator from Michigan.

Mr. RIEGLE. I thank the Senator for yielding.

I just want to comment briefly on the words that have been spoken by the Senator from Arkansas. I think he has done the Senate and the country a great service by drawing this issue the way it should be drawn, by making the very powerful and moving references as he has to words given to us and concepts given to us by our Indian ancestors in this country.

It seems to me that there is a lot to reflect upon in what he said. There is a lot to reflect upon in the Clark nomination, as disappointing as it is. There is a lot to reflect on in the Watt record, as catastrophic as it is, damaging as it has been to the country and will continue to be for decades to come. And for, in another sense, the disappointing windup of this session of Congress, where very little of significance has been accomplished. The country has not been able to stake out a clear, strong direction for itself, either in domestic policy or foreign policy. We leave here with a massive deficit that the Congress and the President are afraid to deal with, to acknowledge and to come to terms with.

So we leave here, I think, on a disappointing note. And perhaps it is fitting that the Clark nomination should be one of the last actions of this year because it, I think, expresses quite well what this legislative year has been about and what this year of national decision has been about.

It is unfortunate, because the country deserves more; is capable of having more, asserting more, but we are bringing down the curtain of a less than mediocre performance with the nomination for this critical Cabinet post that is just very disappointing.

Although those of us who feel that way will cast our votes against the nomination, as has been said, we will be in the minority. We are not going to be able to prevail in this instance, and the country will be the loser. To think that a Cabinet nominee could come before the committee on jurisdiction of the Senate, say nothing, offer nothing, explain nothing, express no conviction, express no plan, just to sit there and let the hours go by, saying as little as possible, showing no clear, strong sense of either knowledge of the issues or the kind of stewardship that one would hope to hear from someone who would come along to take that position, and most par-

ticularly after the damaging administration of Secretary Watt.

But apparently that is the best this administration can muster. I think it is very much fitting and representative of what the Reagan administration has given us in so many other areas.

So Judge Clark, in that sense, stands just about at the same level as the rest of the members of the Cabinet. But that is not something that the country can be heartened about or that the country can be proud about.

So this is a day, I think, of very sober reflection and very sober contemplation for all of us. I would hope that in this adjournment that is about to occur, I think, too early and with too much of the Nation's business unattended to and where we have failed to respond sufficiently, I would hope that in this period between now and next January that the Senate, both parties in the Senate, the administration, the country can reflect deeply on where it is we are and how we start in a more effective and forceful way to come to terms with the issues that are pressing in all around us.

The arms race is out of control. We have no answer for that.

Federal deficits are out of control. We have no answer for that.

Interest rates have leveled out at too high a level. We have no answer for that.

People increasingly in the country are unable to buy homes, which has been a central part of the American dream. We have no answer for that.

There are 9 million unemployed people in the country today. We have no answer for that.

Many of them have exhausted their health insurance, cannot provide health care for themselves and their families. We had a proposal here, but no action has been taken on that. So we have not given an answer on that.

We are now discussing the environment. The environment has been badly damaged by so many of the policies of this administration and Secretary Watt. We have a new Secretary coming forward. He has offered no answers for that.

We have a massive trade deficit this year of $70 billion, on its way to $100 billion next year. We have no answer for that.

The President goes to Japan to talk about trade, where the Japanese are running a multibillion dollar surplus in their trade accounts because of unfair trade practices. He does not take the Secretary of Commerce with him. He does not take Trade Representative Brock with him. Nothing is done. So there again, we have no answer for that problem.

So we wind up this year standing here on the floor—and the list is much longer—and we have not provided very many answers to anything. I would say the quality of leadership has been substandard in terms of the requirements of the hour for the country and for the world.

We face the prospect this weekend, this Sunday night, of watching this important film on ABC television about what would happen in the aftermath of a nuclear exchange. Well, I can tell you this, the risks of a nuclear exchange happening by design or by accident are greater today than they were 6 months ago, they are greater today than they were 1 year or 2 or 3 ago.

Those of us who visited the Soviet Union in August and had the opportunity to sit across the table from Chairman Andropov and discuss these issues for about 2 hours, came away with a deep sense of foreboding about the attitudes on that side, and, yes, about the attitudes on our own side. All the harsh rhetoric back and forth. How sad it is that this President, now in office for 3 years, has not found time or has not found the way to sit down with the head of the Soviet Government, the other superpower, so that face to face across the table we could discuss these issues before we find ourselves caught in a catastrophe that is too late to stop.

We will see something about that Sunday night, what the consequences would be from the nuclear exchange.

We should be staying here dealing with that kind of an issue. But, no, we have to leave now because the schedule has been set, trips are planned, people have made their plane reservations; we do not have the time to deal with these issues. They are too tough. We cannot put a dent in the deficit. We cannot deal with any of these things.

And the President? Well, he is off on cloud 9, very detached from all these things. He is a master at remaining detached. He projects great force, great communicative skill, of which everyone speaks with admiration.

But behind that, in terms of the basic policies, none of the fundamental contradictions have been addressed. We are not on a track that is leading us to a safe and strong and secure future. We are not there with respect to the economy, with these massive overhanging deficits, these high interest rates, these trade deficits, and these burgeoning foreign loan debts that people cannot pay, nor are we on that track with respect to any kind of a slowing down of the arms race and any kind of a successful effort to bring that under control.

Wiser heads than mine, people who have been in this body much longer than I have, on both sides of the aisle, who understand something about Federal deficits, know perhaps better than any of the rest of us that if we think we can live with $200 billion and $300 billion Federal deficits year after year and not have this whole thing crashing down on us, we are living in a fool's paradise. Yet, we have done nothing about it. We are about to ring down the curtain. Everybody is shaking hands with everybody else. We are about to leave, and we are leaving all of the basic business of this country unattended, all the crisis problems right there. The ones that count the most are getting worse.

So that is the situation that we find as we come to the floor now to wrap up this year with the nomination of Secretary Clark, whose principal qualification, perhaps his only qualification, is the fact that he is the President's pal.

Well, I objected to that in the Kennedy administration. I have objected to it in every other administration. I voted against Griffin Bell as Attorney General of the United States by a President of my own party because I do not think important Cabinet officers ought to get those posts based on the fact of whether they are a close friend of the President. It is a shabby method. It sells the country short. Clark does not bring the necessary experience to this job that the country deserves to have. It would be a laughable nomination under other circumstances but everyone is mesmerized by the charm of President Reagan. So we accept absurd things because of it. But we are wrong to do that. We are wrong to do that.

We have a right to expect some measure of qualification, and I mean some measure of professional qualification, in these critical Cabinet positions, particularly if somebody is coming along after a period of ruin, such as we have seen during the 3 years of the Watt administration in the Interior Department.

We ought to have the most competent person, not someone who is selected because he is the President's pal. But that is what we see here. In a sense, it is a perfect illustration of what this administration is about, what this year has been about, and where this country sits as we come down through these closing hours of this session of Congress.

I would think that as we approach this very special time of the year, the holiday season, with Thanksgiving coming up, and as we gather as families to count our blessings and to enjoy the company of one another in our homes and in our gathering places, and as we approach the holy season just beyond, the holy holiday period just beyond, I would hope that we would use this as a time for the deepest kind of reflection and perhaps to come back here renewed with a higher vision, higher standards, higher levels of effort, higher levels of being willing to fight harder on these issues to see if in 1984, we can come to terms with these things; if we can do something

about restraining the arms race; if we can do something about restraining these enormous Federal deficits; if we can do something about restraining incompetence in major areas of Government service, whether it is incompetence underway, or people who are proposed for positions that they have no right to take because they do not bring the essential qualifications that are required.

I would hope that on things that perhaps seem less global than the nuclear war, things that may be as basic as whether or not an unemployed worker can afford the kind of medical care for an expectant wife or for a sick child, to be able to go to a doctor and to be able to get health care when they need it, and to afford the medicines they need, when their job has been taken away and there is no alternative job, I would like to think that this country is capable of responding to a problem like that.

But I have seen more rain dances go on around here the last few months on health care for the unemployed. We had an agreement, an understanding. "We cannot take it up here; we will take it up on the next bill. We will work it out. We will get that in place, we will get this in place. We will figure out how to pay for it. We will get the administration to sign off."

Yet under the rules of this place, with a wanton display of know-nothingism by one or two Senators, we see it blocked at the last minute. We spend billions and billions of dollars on every conceivable weapons system that the mind can imagine, up to and including the decision here in the Senate to start down the road with a whole new generation of nerve gas weapons, and yet out in the country today we have these families that are in desperate circumstances, that have no money, no place to turn, urgent medical problems, that need help with them right now, and what do we say? We say, "Sorry, we haven't the time, we haven't the interest, we haven't the money, we haven't anything, and we have to get out of here because we have other things to attend to."

So the Congress is going to leave town. But we are leaving all the problems right behind. We are leaving the problems in the country, and we are leaving the problems that have come here to us for resolution.

I think we have very little to be proud of. It is distressing in the extreme.

Yesterday we came to the Senate floor, and we decided as a group here to shovel another $8 billion out the door to the International Monetary Fund because we were told if we did not do it the world financial structure would collapse, and perhaps it would, because of a lot of other things that are wrong, including the high interest rates in this country and the massive deficits that this administration has asked for and has insisted upon, and which we as a Congress have gone along with to our discredit as well.

So here we find ourselves with another $8 billion that we are willing to send all around this globe of ours, to people all around the world, to governments and to special interests of all sorts, and yet we turn around to the people in our own country, who are out of work, who have no place to turn, who are out of money, who have desperate medical problems in their family, and we are prepared to say, "Sorry, fellow, we just cannot help you. Your problem is just one that we cannot afford. No, that is just something that we do not want to do. The Federal Government has no responsibility, no role, we cannot find the money, we are too busy, other things are more important."

I talked with a young man—young, in his thirties—who came down here with a group from McLouth Steel when that steel plant was faced with closure due to the pressure of foreign imports and other financial problems associated with the recession. The company was about to close and the workers came down to appeal for help from the Federal Government and from the President. I remember very vividly talking with this young man because he was, in a sense, sort of the epitome of what we would hope this country is all about—vigorous, young, responsible, hardworking, a good family person, married, with children. He told me two things. He told me of his experiences when he was fighting with this country in Vietnam, the price he paid and the service he gave to this country.

Then he told me as well about the pride he had in his job in this steel company, where he had been working for many years since and where he had achieved a position as the worker with the highest individual level of personal output in that plant because of his strength and his commitment and his willingness to give his all to his work.

Mr. WARNER. Will the Senator yield?

Mr. RIEGLE. I shall in a minute, Mr. President.

He lost his job, and he was talking to me, with all this strength, all this capacity, as much as he is worth to our country—and he is worth as much to this country as anybody, anybody in this Chamber or the President. He stood there with tears running down his face and down his shirt. He said:

> I only want one thing. I want the chance to work. I want the chance to support my family. That is all I want.

He has a right to that. So we, my friends, have fallen short. We are not doing a good job around here. We are all tied up in procedure and all tied up in holds on this piece of legislation and that price of legislation. The lobbyists are packed so thick in this building that you cannot even get out the door because the tax legislation is in the air and other things.

But we have lost track of the fundamentals. We have lost track of the kind of things the Senator from Arkansas was talking about when he was quoting the Indian chief in his letter, about loving and preserving this land and beyond that, to love and preserve our people and to love and preserve our family life and to love and preserve our economic system and to love and preserve this planet.

We are not doing a decent job. We are walking out of here with all of this work undone. And it is a shame. It is just a shame.

I yield the floor.

Mr. WARNER. Mr. President, indeed, we are all on the eve of our departure for the holiday season. I must say the Senator from Michigan has not left us with a very cheerful Christmas message.

I remind him that as shoppers went about their Christmas shopping in the years 1979, 1980, 1981, interest rates at times peaked at 22 percent and inflation at 12 percent. I share with him his concern for the problems we still have. There are many concerns on both sides. I would for one be willing to remain and do my share to solve the problems the Senator speaks of.

Mr. President, I talked with Judge Clark many times on national security matters. I have found him to be a man of unquestioned integrity, fairness, and objectivity. I think he will bring that same character and intellect to bear on this important position.

Mr. President, I have promised the Senator from Arizona I would ask to have him recognized to speak next on this nomination.

Mr. METZENBAUM. Mr. President, would the Senator from Arizona be willing to tell me about how long he intends to speak? I do not mean in any way to restrict him.

Mr. GOLDWATER. Mr. President, it takes quite a while to answer a political speech, especially when we are on the nomination of a man. I shall keep it as short as I can. I would say 5 or 6 minutes.

Mr. METZENBAUM. I thank the Senator.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. Mr. President, when I came into the Chamber, I was under the assumption that we were discussing the nomination of William Clark to be Secretary of the Interior. After sitting here for a long time, I have heard one of the best political speeches I have heard in some time. It is the kind of speech I would expect to hear before the Democratic National Committee. I have sat here wondering

what they objected to, what that particular Senator objected to about William Clark. All I heard about is the same troubles the Democratic Party has put this country in. Unemployment—we did not start it. Deficit spending—that started back under the days of Franklin Roosevelt. The welfare state that is bankrupting this Nation—who started that?

Who has been building up the war power of this Nation? Every war we fought in my life has been fought because of—not because of, I take that back—has been fought under a Democratic President. If they want to get political about it, I am perfectly willing to run a political contest right here. The trouble is, they are running out of issues. They have people out there now saying they have heard the call of the people. Two of them are optimists and six of them are ventriloquists. They are not getting any place.

I want to talk, Mr. President, briefly about this business of Secretary of the Interior, because I think it is time that somebody who lives in a State that is affected by the Department of Interior has something to say about it. I do not know how many parks, how much land of Michigan is owned by the Department of the Interior. I do not know the same thing about the other States whose Members have spoken. But I can say one thing: In my State, 73 percent of our land is controlled by Government, 27 percent of our land is owned by the American Indian. We do not object to that. But we know something about Interior. I would like to talk about it just briefly.

Our national parks have never been in better shape and they have never had more visitors, even in a time of so-called recession. The Grand Canyon National Park, in my State, receives 3 million visitors. What has Watt done about that? He said:

> We are not going to have people come up to the rim of the canyon any more in their cars and do away with the beauty that is adjacent to the park.

He is going to make them park their cars 10 miles back and come up in electric vehicles.

What has he done about the other parks? He has improved them. He has improved the management. Up until the time of James Watt, we did not have trained ecological or archeological people as guides. We had people who were spilling in after school. He has changed all that.

What about land management? We hear a lot about that. I am getting a little sick and tired of it; 750 million acres of this country are owned by the Federal Government. This country, Mr. President, imports 69 percent of the material we need to build military equipment.

How long do you think it would take to replace the nosewheel section of an F-15 if we ordered it today and did not have it? These countries in the continent of Africa under the control of the Soviets are where we get our material; 69 percent of the material comes from these countries dominated by the Soviets. No wonder we are paying so much for our equipment and they are paying so little. Where are we going to find this material? We may not find it at all. We can drill a little hole in the ground some place out in the West. We might find some. We might not.

We have in my own State one-third of all the shale coal left in the United States, enough coal to heat this country for 300 years. What are we doing about it? Under Mr. Watt we have made agreements that are profitable to the Indian, and the material is being carried by water to generating plants in Nevada and California.

How long have they been trying to do that back here in the East? Longer than I have been alive, and that is a long time. They still cart their coal almost by mule team. They do not use water, the sensible thing to do. That is what the Department of Interior under any Secretary has been begging the easterner to do, but they will not do it.

What about water? Well, I told President Carter when he came into office and wanted to stop reclamation projects:

> Mr. Carter, you are going to find out that we Westerners will fight about three things: water, gold, and women, in about that order. And if you want to get yourself some real trouble, you just start monkeying around with our water.

And he stopped. It did not help him very much, thank God, but he stopped.

Now, Mr. President, water is a thing that keeps the West alive, and when we want to build a reclamation project—and I do not think more will be built in the history of this country—we have to depend upon the Department of the Interior. The Department of the Interior is responsible for the condition of our flowing water in the West. That flowing water, while we have dammed some of it, has never been in as good shape as it is today. This comes not only under Secretary Watt but a lot of Secretaries.

As I have said, we have had some wonderful Secretaries of Interior and we have had some terrible ones, but I think Secretary Watt has done one of the most outstanding jobs ever accomplished in that Department.

Who blames him? Who heaps all the abuse on him? Oh, he said a wrong thing at one time. I do not think anybody using their right mind would have referred to a cripple, but I remember the days when a President of the United States said I was a worse man than Stalin. I do not remember anybody slapping his wrist.

I can think of some of the things that are said on the floor of this Senate, not every day but every once in a while, that would make the remarks of James Watt sound like some of the things said at a Boy Scout meeting.

We are all hearing this abuse from professional groups of people, most of whom have never been out of their hometown, most of whom have never seen a national park, most of whom have no idea of the problems of the American Indian. So why should we in this body of 100 Senators be dictated to by a handful of expensive clubmen who do not happen to like the fact that Mr. Watt stands up and says what he thinks? In fact, what he said, Mr. President, you know it as well as I, has been a standing joke around this town for over 3 years, only we do not spell it out. We do not talk about it.

So I rise today to try to answer in part some of the many, many, many misstatements that have been made and will be made, because I do not think you can talk about the Interior Department unless you have lived under the Interior Department. I do not think you can object or talk about Secretary that you have never met, never had many business dealings with, never having had to observe what he has or has not done.

Now, Mr. Clark, people say, does not have the background. I challenge anybody in this country to name me one person, man or woman, who has all of the qualifications needed to to be the Secretary of Interior. Let us look at a few of them. He has to know water. He has to know land. He has to know the subject of land for good and for bad, the dual use of land. He has to understand minerals. He has to understand the operation of national parks. He has to understand the desire of all people to keep our land clean, and beautiful, and not see it destroyed.

He has to be a man who understands that this country is going to progress. I do not care how many millionaire clubs we have objecting to the progress of America. America is going to make progress. We are going to find oil. Even if we have to go back to Louisiana a thousand times, we are going to find more oil. The country has to have it and we have it. They talk about offshore oil drilling in California. There has been an oil slick in the Santa Barbara Channel as long as I have been alive, and again that is a long time. I happen to be a sailor, and I have sailed those waters many, many times in my life. There has always been an oil slick. It was not caused by any Secretary of Interior. It was caused by God up there who decided there is too much oil down below and if man is not smart enough to get it out, he is going to have to let it out the hard way, which is let it leak up through the fissures in the ocean bottom.

Now, Clark has not all of those qualifications. He has run a ranch. I cannot think offhand of a better way to become acquainted with the land than having to raise cattle, having to find water, having to move them around, having to live with them. I think he has the makings of a good Secretary, mainly because he is a man that can get along with other people. When you have to travel 2,000, 3,000 miles to come in here and talk about an acre of land that you think you own and you are not sure and what are we going to do about it, all you need is a man who can sit down and reason. Why, Secretary Watt came to my office about a month and a half ago and in an hour got the two biggest Indian tribes in my State, and the biggest Indian tribe in the whole country, to sit down together and solve a problem that had beset these people for nearly 100 years.

This is the kind of man we want. We are not going to find a man who is expert in every field. I cannot think of a job in Government that requires the multiplicity of background that we are looking for in the Department of the Interior.

So, Mr. President, I hope we can settle down. If we want to talk about what is wrong with Mr. Clark, or what is wrong with this, or that, fine. But if we want to make a political speech on the floor—I will apologize; I made one because I sat here for an hour and listened to one. It was a pretty good political speech—I do not think it is going to help get the Department of the Interior going at all.

I thank my leader for yielding, and I yield the floor.

Mr. METZENBAUM and Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, when Secretary Watt was up for confirmation, I was 1 of 12 who voted against that confirmation and, in retrospect, it was a proud day for me. I intend to vote against William Clark.

Now, in all fairness, William Clark is a very amiable man. It is difficult to get angry at him. I am not opposed to his confirmation because I am angry or because I am irritated, because he does not bring out the worst in us. His ability is to bring out the best in us so far as conversation relations are concerned. And I might say that that is in contradistinction to his predecessor, who found himself most comfortable being in confrontation.

Judge Clark is friendly. He is courteous. But that is not the issue. The issue has to do with whom we are going to confirm as the Secretary of the Interior.

Judge Clark was totally noncommittal about the policies he intends to implement as Secretary of the Interior. That has to be considered, on top of the fact that he has no background in this field. If you cannot know what a man thinks and you have no idea what he does or has done, how can you vote for him and expect him to be confirmed as Secretary of the Interior?

During the hearings, members of the committee, minority and majority members alike, asked Mr. Clark numerous questions. He was before the committee for more than 6 hours. Subsequent to the hearings, we submitted more than 200 questions for written responses.

Why did we make this effort? So that we might understand what policies Judge Clark, as the new Secretary of the Interior, would follow. I am trying to confess that we failed. We failed 100 percent.

I do not yield to too many people on my ability to cross-examine a witness, but we could not make a dent in the knowing where Judge Clark stands on the issues. Despite 3 hours of questioning by my colleagues and myself, the fact remains that at this moment we have no idea how Mr. Clark will rule on basic policies regarding the environment and natural resources.

The issue before us today is probably more than Judge Clark. The issue has to do with the attitude of this Nation toward its environment; and there is probably an even more basic issue, and this is, Will this body take its responsibility seriously? Will we indeed advise and consent to the confirmation of the nomination of a man about whom we know very little vis-a-vis the environment?

Mr. President, the Senate can no longer accept any appointee to fill this vital position on faith alone—not after 2½ years of James Watt.

As a matter of fact, all we know or have reason to believe is that James Watt, Judge Clark, and Ronald Reagan have the same philosophy with respect to the Department of the Interior and the environment, and that is that they believe that the private developers, the private interests, are more important than the concerns of the people of this country who want to treasure our wildlife, our various preserves, our environment, our coal, our oil, and who are concerned that when the coal and oil are used, they will not be used in such a manner as to destroy the environment or the area in which the material is being mined or drilled.

The last 2½ years have been a disaster for the public lands and natural resource policies of the United States, and I, for one, do not want to see them continue unchallenged.

Despite all the efforts that our committee made to find out how Judge Clark feels about the Watt policies, we found nothing. We did not pick up a scintilla of evidence as to what this man truly thinks or believes or what his attitude and policies will be. We were unsuccessful in getting Judge Clark to distance himself from the policies of James Watt, either in a specific area or in a general way.

Frankly, I think that all of us in this body have reason to believe that the Reagan administration has no desire to change the Watt era policies. They have said as much.

For example, on October 14, White House counselor Ed Meese told top Interior officials: "The policies of this administration, inaugurated by Jim Watt and approved by Ronald Reagan, will be the policies that will continue under the stewardship of Bill Clark."

That would cause me to vote against confirming the President of the United States as Secretary of the Interior, to vote against confirming James Watt, and to vote against confirming Judge Clark. I do not have an opportunity to vote against confirming the President, but I have an opportunity to vote against his policies, and that is the opportunity we have here today.

Mr. McCLURE. Mr. President, will the Senator yield for one brief question or comment, without losing his right to the floor?

Mr. METZENBAUM. I will, because I know I am going to get a "funny."

Mr. McCLURE. The Senator said he will not get a chance to vote against confirming the President. I suggest that in November of next year, he may have that chance.

Mr. METZENBAUM. I expect that I will have that chance.

Mr. McCLURE. And I expect that you will exercise it, being the good citizen you are.

Mr. METZENBAUM. And I indeed will. I hope that I and millions of others with me will send a loud and clear message to the President—hopefully, a majority—that we do not approve of his environmental policies.

As a matter of fact, one thing good I will say about the President in this respect is that he makes no bones about the fact that he supported the policies of Jim Watt. He endorsed the policies of James Watt in accepting Mr. Watt's resignation. In his letter of acceptance, President Reagan stated:

> Jim has done an outstanding job as a member of my Cabinet, and in his stewardship of the natural resources of the Nation. He has initiated a careful balance between the needs of people and the importance of protecting the environment.

All I can say to that is, amen.

Given those accolades, I think it is clear that no policy changes should be expected at Interior under the leadership of William Clark as Secretary. Certainly, no signals were sent during confirmation hearings to indicate such changes, if they are being considered.

We should be clear about one thing: James Watt did not resign because of any of his policies that were so controversial during his tenure at Interior.

To this day, the policies at Interior remain those of James Watt, as explicitly and tacitly approved by President Reagan, himself.

Those are not just the policies of James Watt. They are the policies of the President. He has endorsed them time and time and time again.

In fact, to my knowledge, President Reagan never even criticized Jim Watt for his last public outrageous statement that slandered and insulted millions of Americans. President Reagan accepted the Watt resignation only after fellow Republicans felt that James Watt had become a political liability. But Ronald Reagan never asked for that resignation.

We vote on many nominations in the Senate, but few nominations have the long-term impact as does the appointment of the Secretary of the Interior. It is the Secretary of the Interior who makes policies that affect the environment and the public lands and affect the kind of America that my children and my grandchildren and my great grandchildren will have in this country. The Secretary of Commerce does not make that kind of decision. The Secretary of Labor does not make that kind of decision. The Secretary of the Department of the Interior does not make that decision. But the policies that the Secretary of the Interior makes has to do with what kind of country we will have for the next 50, 100, and 200 years.

Once a wilderness area has been mined, it cannot be returned to wilderness.

Once oil and gas drilling lands are leased and under contract, they are in private, not public, control.

Once land is developed in our national parks, it is lost to future generations.

These are decisions on vital pieces of property managed by the Secretary of Interior on behalf of the property owners—the American public. Traditionally, the Secretary of Interior has attempted to conduct those responsibilities with a sense of balance between the interests of private developers and the overriding interest of maintaining the public lands for current taxpayers and for the needs and enjoyment of future generations.

That has been the traditional policy, but under James Watt, that sense of balance was thrown out the window.

Instead, Mr. Watt explicitly stated his intention to open as much of the public lands as possible for development.

Mr. Watt was stymied in that attempt only because his confrontational style caused such alarm that private citizens, State governments, environmental groups, and the Congress itself were forced to step in and block his efforts until a more balanced approach could be reached.

Will Mr. Clark continue that prodevelopment approach? We simply do not know, and we have no way of finding out.

In the area of coal leasing, James Watt leased valuable Federal coal for millions of dollars below its true worth.

In the powder ridge sale, coal was leased at a value of $100 million below its true value, according to the GAO. In another case, the Fort Union sale, over 170 million tons of coal was sold for less than eight-tenths of 1 cent per ton. The fact is we have a glut of coal on the market, yet the Interior Department insisted on selling off valuable Federal properties. Finally to stop this abuse, Congress imposed a moratorium.

As I think about it, it is a rather sad commentary that James Watt, the great defender of the free enterprise system, the great conservative, the darling of some of that crowd out there, that new right crowd, who thinks he is the greatest, did not have enough business sense not to give away the Federal lands and coal and the rights that this Nation owns.

What kind of conservatism is that? That is not the new right. James Watt had a new kind of brand of new left, "leftism," to give away Federal lands and properties and not get fair value for it.

The new right ought to take a look at that and ask themselves, Where did James Watt get off giving away all these assets? We think he ought to balance the budget. We think he ought to do things of that kind that they always talk about.

But James Watt sells coal for eight-tenths of 1 cent per ton. James Watt conducts coal leasing sales when there is a surplusage in this country. He knows he cannot get a decent price.

Will Judge Clark continue those policies of James Watt once the moratorium is lifted?

I do not know and you do not know. But you have a right to believe and assume that he will follow the policies of Ronald Reagan and James Watt.

Will he continue to sell oil and gas exploration rights in the Outer Continental Shelf at less than half the price of previous administrations?

We asked that question, but we do not know the answer.

James Watt slashed funds to acquire vital properties for our national park system by 90 percent. Will Judge Clark restore that funding? He was noncommittal when we asked that question.

Will Judge Clark replace the people that are loyal to Jim Watt and his policies at the Interior Department? We asked that question, but Mr. Clark made no commitment.

There is only one part of Mr. Clark's background that may shed some light on his views about the positions he might take as Secretary of the Interior. That is the period he spent as a justice on the California Supreme Court.

Mr. Clark was appointed to the California court by his friend and then Governor Ronald Reagan. He sat on the court from 1973 through 1981.

During that tenure, Judge Clark participated in 17 cases that addressed various environmental issues. Of the 17, Justice Clark sided for the developers and against the proconservation side.

He was in the minority in 15 of those cases. And in five of those cases, he was the lone dissent.

Certainly, Judge Clark has the right to state that each case has extenuating circumstances.

But when you find a man who always falls on the side of the developers and never on the side of those who would conserve our natural resources you have to wonder what goes on in his stomach.

I am one of those who believe in sociological jurisprudence and sociological jurisprudence dictates the fact that when the court is deciding a case the judge first decides sort of in his stomach or in his head how he wants it to come out and then he finds the law to support his position or her position.

And that is what you have to assume that sociological jurisprudence was working in the case of Justice Clark who found himself on the wrong side in 15 out of 17 cases.

There is nothing in his record on the California Supreme Court that would give any evidence whatsoever that he might support a conservation or environmental position as Secretary of the Interior.

If anything, Judge Clark's record shows that when faced with questions involving private development versus conservation, Judge Clark sided time after time with the developer.

In my opinion, that does not bode well for the American public if Judge Clark is confirmed as Secretary of the Interior.

Mr. Clark was not nominated because he has a background in managing the wilderness, in protecting our national parks, in balancing the competing interests of private developers, and the public ownership on public lands.

Mr. Clark was nominated for one reason and one reason alone, because he is loyal to and a close personal friend of the President of the United States.

I do not bear any personal antagonism toward Mr. Clark. I am not in any way impugning his personal integrity. But I do not believe Mr. Clark's personal friendship with President Reagan is justification enough for his

confirmation for the vital position of Secretary of the Interior.

Mr. Clark has no record as a steward of our public lands. He has never held an administrative position where he must balance the interests of developers and the general public. He had no professional experience in managing wilderness areas, nor in protecting our national parks.

Mr. President, if this nominee had a proven record in the area of wildnerness protection and in managing the Nation's public resources, I would be more receptive. If Mr. Clark had demonstrated an understanding of the issues during his confirmation hearings, I would be more receptive. And, especially, if Mr. Clark had made some effort to distance himself from the policies instituted at the Interior Department under James Watt, I would be more receptive.

But that is not the case. Therefore, I must conclude that Mr. Clark's policies will be much the same as those of James Watt. I strongly oppose this nomination. I urge my colleagues to join me in defeating this nomination.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Does the Senator from Ohio yield the floor?

Mr. METZENBAUM. Mr. President, I yield the floor.

Mr. EAST. Mr. President, I seek recognition.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. EAST. Mr. President, I wish to speak very briefly in response to several comments that have been made here this morning.

I think there has been an enormous amount of rhetorical overkill. I think Senator GOLDWATER is correct. We are turning a nomination process which could have been brief and to the point into a protracted debate.

I think in the case of Secretary Watt, since he seems to be a point of issue here, I do think he was an extremely competent administrator. I think he brought balance to the Interior Department and I think that he was dismissed because of the use of the word "cripple" shows the low level of political caliber to which much of the political process in Washington is brought.

I have been a polio paraplegic since 1955 and I suppose if anyone can defend the use of the word "cripple," I can. It is neither slang nor slur.

The word is used. It is in the dictionary. It is part of the English language. It may be an infelicitous term to use today. We are more used to the euphemisms of "handicapped" or "disabled." But it is not a slur and it not a slang.

If you will notice in the nuances of language, it is proper today to use the verb "crippled." You can say, "So and so was crippled by polio." But if you refer to the noun form today, it is considered in disrepute.

So be it. I will not quarrel overall with that. I am saying that as much to do about nothing.

What they were really after was James Watt. I think this administration under him brought efficiency and balance to the Interior Department.

As regards his replacement, Mr. Clark, which appears to be assured today, I think he, too, will bring balance to the Interior Department and I think has demonstrated his competence is there for those who are willing to look at the record with any fair degree of objectivity.

I was particularly displeased with the rhetorical overkill of several speakers this morning, as Senator GOLDWATER pointed out, as regards using this as a forum for the whole condemnation of the Reagan administration. I might just recite very quickly some of the accomplishments of this administration, then, since it has been turned into a political diatribe against it.

In the field of economics, inflation is down, interest rates are down, and unemployment is coming down. The stock market is up and industrial production is up. This Nation is back on the road, it would appear, to a strong and vital and productive economy.

And when you look at what President Reagan took over in 1981, with interest rates of 21.5 percent and inflation of 13 percent, beginning unemployment, beginning recession, one can see that progress has been made. And you can notice it today. The critics no longer use the word "Reaganomics." They now refer to the U.S. economy. And the U.S. economy is on the mend, thanks to the leadership of the President of the United States.

In the area of foreign policy, we now have the sense of purpose and direction. That was attacked. I think when the President took decisive action in Grenada is an illustration of it. He prevented the "Carterizing" of American foreign policy, for example, which occurred in Iran with the hostages there. Remember those days? Day after day Americans being held hostage.

President Reagan acted decisively in Grenada and kept American hostages from being taken. He also managed to prevent that country from being turned into another Communist-Cuban-Soviet dictatorship in our hemisphere. I think he ought to be commended for it, not condemned for it.

In the area of national defense, the President has worked hard and is in the process of achieving and restoring the strength of this country in the defense area. A laudable goal, one that was needed.

The single greatest contribution we could make to peace and freedom and stability in the world today is a strong America militarily, with the resolve and purpose to use that strength where prudent and appropriate. I commend the President for it. He is not the vacillator that the previous administration showed. The stronger this country is militarily and the more resolute our President is, the greater the opportunity and potential for peace and freedom and stability in the world. I commend the President for it.

I am going to be brief, because I know others wish to speak. But, finally, one reaches the point, when the spirit moves him, to come out and respond to what I think basically has been a lot of political rhetorical overkill, vis-a-vis Mr. Watt, vis-a-vis Mr. Clark, and vis-a-vis the Reagan administration. I think we can take infinitely greater pride in what this administration has done, and those in this Congress who have tried to support him have done. I hope we can do more beginning in January.

Mr. President, I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise to express my strong support for Mr. William P. Clark, the President's nominee for the Cabinet office of Secretary of the Interior.

I am not going to take a lot of time. I am not going to attempt to answer all these charges which are without merit that have been made against Judge Clark. I simply wanted to make a very brief statement highly endorsing him because he is a man of character, he is a man of courage, he is a man of capacity, and he is a man of compassion. And, in my judgment, the Senate should confirm him promptly.

Judge Clark has demonstrated himself to be a highly capable and dedicated public servant. For the past 17 years, he has served in public positions, ranging from Cabinet Secretary in the State of California to Justice of the California Supreme Court. In the present administration, he has served as Deputy Secretary of State and most recently as Assistant to the President for National Security Affairs. This diverse background amply demonstrates the abilities which Mr. Clark possesses for assuming new duties and providing the strong leadership needed in the Secretary of the Interior. I am confident that Mr. Clark will dispatch the responsibilities of his new office with his characteristic ability, integrity, and enthusiasm.

Mr. Clark is well qualified for this important office, and I am confident he will merit the confidence reposed in

him as guardian of our Nation's natural and historic resources. I hope the Senate will confirm his nomination promptly so that he can quickly proceed with his responsibilities in his high office.

Mr. President, I have been around this town for a long time—for 29 years. In my opinion, Judge Clark is one of the finest men I have come in contact with. I admire him for his past record; I admire him for the record he has made here since he has been in Washington; and I strongly endorse his confirmation.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. Mr. President, I have listened for well over an hour to the deliberations of Members on both sides of the aisle. I have found expressed honest concerns. I have listened to those whose experience in this body has permitted them to enjoy or to endure, as the case may be, a number of discussions having to do with nominations.

I listened with particular interest to my friend, the distinguished senior Senator from Arizona, who falls in the category of a senior Member to this body who has participated in any number of confirmation hearings, any number of confirmation fights on this floor. I think the point he made that deserves attention is that a number of people come to be nominated on the basis of their performance, not necessarily their experience in a particular field but because they have demonstrated a capacity for the kind of conduct that makes for a successful Cabinet officer.

Mr. President, I think that though I have not been in the position of participating in nearly so many confirmation exercises as has the senior Senator from Arizona, we share a point of view. I have the advantage that I think perhaps no other Member on this floor does of having known William Clark for many, many years in many, many capacities.

Mr. President, let me say that his service in a variety of roles to his State and his Nation make clear that Judge Clark has an extraordinary capacity, both as an administrator and as a judge. What is far more important than his valuable administrative and judicial experience is what I will term judicial temperament. And there has been much said about that, quite deservedly.

Judge Clark has exhibited a lifetime habit of gathering evidence, of making an objective analysis and then deciding fairly on the merits, whether the question form was a complex question of law or a policy judgment at the State Department, or at the National Security Council, and now I think we will find him taking that same deliberate-study fairness to the job that awaits him at the Department of the Interior.

He is a strong philosophical conservative, possessed of firm convictions, a great many of which I share. There are others on this floor who will disagree with him, and indeed Judge Clark and I will not always agree and have not always in the past.

No, we will not agree from time to time. But I know and I think anyone who will judge him fairly, based upon his performance in a variety of roles, knows, that his decisions will be scrupulously fair, that they will be careful, and that they will without question be honestly made in his perception of the public interest.

I would point out to those who are concerned with the performance of his predecessor, a performance to which I took exception not only in terms of style, but in terms of substance, specifically with respect to the policy of not acquiring additional park lands for the national park system, they will find that Bill Clark is not Jim Watt.

Bill Clark, the nominee, should be judged upon his own merits, and they are considerable and they are extraordinary. But since much has been made of style, perhaps much should be made of the difference in their style.

Let us concentrate upon the nominee, although there are many upon this floor who seem to take particular pleasure in concentrating upon his predecessor.

An important measure of Judge Clark's fairness of mind has been his determination to open communication with those who have felt they have not enjoyed a sufficient communication with the Department of the Interior. He has communicated with all factions of the broad spectrum of the public to the extent that his efforts have been described by the San Francisco Chronicle as "important and significant."

Mr. President, that is a correct assessment. Those efforts at communication are important and significant. In a democracy, it is essential that those who disagree at least feel that they have been afforded a fair hearing, that they have been heard on the merits, and when agreement is what they received, or honest disagreement, they cannot complain about the process if, indeed, they have been treated as Bill Clark has treated all who have, in his experience, disagreed with him.

He does not shout. He listens. Carefully. Thoughtfully.

Already he has met with the leaders of the environmental community in order to establish a constructive dialog on the management of our Nation's natural resources, a dialog that he feels both necessary and conspicuously sadly absent in some previous administrations of the department, one already remedied by this nominee. I can only hope that his fairness and openness are reciprocated. If they are, Mr. President, then a time of healing and wholesome cooperation may be at hand.

At the very least, Mr. President, those who do not reach agreement with him will be compelled to concede that, in William Clark, they have dealt with a man of uncommon and unimpeachable integrity. That is his unblemished record as an Administrator, as a judge, as a National Security Adviser. He is a man of firm conviction, but he is a man who makes decisions on the merits as he sees them. And, first and last, he is a man of his word.

I would commend to my colleagues these words assessing Bill Clark by Justice Stanley Mosk, of the California State Supreme Court.

In a letter from Justice Mosk to Senator ALAN CRANSTON, he said:

> Bill Clark and I differed on results in cases before our court a good many times. But I never had cause to doubt his honesty, the sincerity of his convictions, his industry, or his capability. He is essentially a kind, decent, thoughtful human being. He studies hard and learns fast. I am convinced that he will be a faithful public servant in any responsibility given to him by the President.

Mr. President, Stanley Mosk is a liberal. He is an honest, devoted liberal, a man who has passionately fought for causes. He is also passionately devoted to the cause of fairness and to that fair assessment of individuals in public service. His assessment of his former colleague, Judge Clark, is, I think, one that should instruct Members of this body. We could learn from the objectivity, the clarity, and the fairness of his judgment of Judge Clark.

Much has been made of the fact that the President especially prizes Judge Clark's integrity, his judgment, his loyalty, and his dedication.

Mr. President, let me say that the President of the United States feels that way because for more than 15 years that I have known Bill Clark, that I have closely observed and worked with him and admired him, he has demonstrated the first and most important quality of any Cabinet officer: the ability to sift through complex facts fairly, dealing with those who agree and disagree on an even-handed basis, and pursuing ultimately a decision. He will be fair, he will be conciliatory, he will be a fact-finder, a coalition builder. He will make decisions that others disagree with, but they will not, I think, be able to fairly criticize the process.

Mr. President, this confirmation should be, without further delay, voted by this body. It is a happy thing in the history of this country that we have seen several people cast in a variety of roles. Having proven themselves in one responsibility, they have been afforded the opportunity for continued public service in a quite different role. I think of Elliot Richardson, who

has served this Nation well in a variety of roles. That is the fortunate lot of which we are a part. Partisanship should not cloud the kind of judgment that is warranted for someone who is to exercise these responsibilities in the national interest.

I would urge my colleagues to follow the example of Justice Stanley Mosk. They will find, as he, that this is not just a decent, thoughtful human being, not just a hard studier, but one who is exceptionally given to public service, one who has not sought it, one who has had it conferred upon him because of the fact that he has performed so well in a variety of roles.

Mr. President, I am pleased to emphatically urge the confirmation of Judge William B. Clark to be the Secretary of the Interior.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I rise to speak on the nomination of William P. Clark to be Secretary of the Interior.

Nearly 3 years have passed since the Senate voted the confirmation of James Watt to be Secretary of the Interior. Hindsight might tempt many of us to regret our vote to confirm Mr. Watt at that time. Hindsight has certainly proven that concerns about Mr. Watt were justified.

I come before the Senate again, as I said nearly 3 years ago, neither to praise nor to bury this nomination, but, rather, to express my concerns and to outline the long-term goals which this Senator from the State of Nebraska believes should be the appropriate quest of the new Secretary of the Interior.

My concerns are free from political considerations and are full of my concerns about the environment.

I have no qualms about Judge Clark, the man. But I have a number of concerns because I think that I have little, and I suspect all of my colleagues have little, if any, knowledge of the environmental views of Judge Clark, and little light was shown on this subject during the confirmation hearings.

Mr. President, I will vote for Mr. Clark's confirmation because the President wants Mr. Clark for this important Cabinet post since I approve of Judge Clark the man, while questioning his expertise in the area for which he is requesting confirmation before the Senate today. The role of a Cabinet officer, of course, is to implement the policies of the President.

As a former governor, I can appreciate the need for great deference to the preferred choice of officers who can reflect the policy views of the chief executive.

In this manner, the full responsibility for the actions of the Cabinet rests squarely upon the shoulders of the President, where such a burden appropriately belongs. Just as Mr. Watt's policies were those of the President, Mr. Clark now inherits the mantle of the administration's record at the Department of the Interior.

Mr. Clark has aroused the concerns of some who fear that he may not be committed to those environmental values which have been established with broad bipartisan support of the Congress. During his confirmation hearings, Mr. Clark was not forthcoming on any commitment to these principles which the Congress has traditionally sought to protect. He serves the President first, it seems. So be it.

Mr. Clark would be well advised to learn from the mistakes of his predecessor. Mr. Watt ignored the will of the Congress, saw himself as a sadistic comedian, and embroiled himself in controversies totally unrelated to the job of Secretary of the Interior. Mr. Clark would be well advised to administer the laws as passed until the Congress decides to change them and to stick to the business for which he is appointed.

For those who have charged on the Senate floor that there are political considerations involved here, I cannot say what the motives of other Senators are, but there are no political motives in the heart of this Senator. If there are those who object to politics being involved, then I think that they should be the first ones to stand up to say that the former Secretary of the Interior put politics above almost every other consideration and his record, his actions, and his failures prove it.

The Secretary of the Interior has the primary responsibility for America's natural resources and the environment. An intelligent chief steward of our Nation's natural wealth must strive to achieve a balance between our immediate needs and our long-term conservation goals. This demands that the Secretary of the Interior be a foward-thinking person who will serve the interests of all Americans, not just today, but tomorrow for those generations of Americans yet to come.

Our world is a very fragile place in which to live. Every day we are reminded of how easily we can destroy ourselves. Once a part of nature is lost, it is lost for generations and, in some instances, for all time.

Progress need not exclude conservation, nor should conservation exclude progress. I believe that progress truly is made when our development and advancement as a society can move forward while maintaining the integrity of our fragile environment.

I am very proud of my own State of Nebraska, the home of the National Arbor Day Foundation, which seeks to preserve our appreciation of the environment. Nebraska is a State which is totally dependent upon its natural resources for economic survival. Though completely dependent upon the land for our livelihood, Nebraskans have learned that progress and conservation are not mutually exclusive.

The late and great Senator Henry M. Jackson, a true statesman and friend of mine, enunciated four principles which I urge the new Secretary to follow closely: First, ample public participation in land use planning; second, maximum protection of the environment; third, a receipt of the fair market value for private use of the public's resources; and finally, close cooperation with States and local citizens.

The protection and even-handed management of this Nation's resources is not guaranteed without vigilence on the part of the Secretary of the Interior. Pressures to meet immediate needs will certainly be brought to bear upon Mr. Clark. Despite an absence of his words on the record, I hope, for the sake of future generations, that he will seek to implement a truly balanced policy giving proper weight to both our fragile environment and our need for economic development.

As I stated earlier, progress means that society moves forward without sacrificing the air we breathe and depend on, or the water we drink, or the land which nourishes us all. We have made progress when development and conservation can coexist.

The Nation, Mr. President, cannot expect, accept, or afford anything less from the Secretary of the Interior.

Mr. President, I suggest the absence of a quorum.

Mr. MELCHER. Mr. President, will the Senator withhold?

Mr. EXON. Yes, Mr. President.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MELCHER. Mr. President, the business before the Senate at the moment is to advise and consent on the nomination of the new Secretary of the Interior. One of the results of the tenure of the former Secretary of the Interior, James Watt, is that more Americans today know about the Department of the Interior than at any time during the past century.

I am not here today to be critical of James Watt but I am here to say what I believe is essential for Judge William Clark in carrying out his duties as Secretary of the Interior.

First, it is obvious that he will carry out the President's policies. Every President appoints Cabinet members to do that.

Those policies will be within the framework of the law. There is plenty of law guiding the Secretary of the Interior in managing our public lands.

That management is only derived from Congress under the Constitution. Article IV, section 3, clause 2 states:

The Congress shall have Power to dispose of and make all needful Rules and Regula-

tions respecting the Territory or other Property belonging to the United States;

Congress has the clear responsibility of managing the public lands and whatever authority the President and his Secretaries have has been delegated by law. The President and his Secretaries must follow the law and if they do not, it is the responsibility of Congress to prevent their actions from straying from or exceeding the law.

I serve on both of the committees having jurisdiction over the public lands.

These concern the Departments of Interior and Agriculture. Oversight public hearings are not too often; they are too few and far between to oversee sufficiently the actions of these two Departments.

The Secretary of the Interior does not control or direct the national forest system—that is the Secretary of Agriculture.

The Secretary of the Interior must manage and protect our national parks, wildlife refuges, the Wild River System, the public lands managed by the Bureau of Land Management, the lands and waters managed by the Bureau of Reclamation, and the Fish and Wildlife Service; and the Secretary of the Interior must protect the rights and land of Indians which are held in trust.

He has no authority under the law to sell large chunks of public lands. That land is narrowly restricted by law and he has no authority to sell or even meddle with national forest land. That is all under the Forest Service and the law narrowly prevents the Forest Service from selling national forest land, and the law tells the Forest Service when and under what conditions wilderness in our national forests can be managed for oil and gas or mineral exploration. Following the law, the Forest Service through veto, controls the permits for any exploration in the national forests.

That is not under the control of the Secretary of the Interior.

The Secretary of the Interior has a primary responsibility—that is to manage all of the lands under his jurisdiction according to the laws and the intent of Congress.

Any policies of the President in conflict with that must bow to the law and intent of Congress.

And that is the responsibility of the Secretary of the Interior to adhere to in carrying out his duties.

I have discussed with Judge Clark some specific points. These are some of them: The geyser basin in Yellowstone National Park—most notably known worldwide by Old Faithful—cannot be threatened by geothermal development just a few miles west of Yellowstone in the Island Park area.

The oil and gas royalty collections from oil and gas produced on Federal and Indian lands must be properly managed in a sound manner.

The trading of Federal coal to block up land ownership cannot lead to land grant railroads mining and selling coal as a monopoly to the detriment of the public interest.

These are examples of the many duties of the Secretary of the Interior and performing his duties means hard work running a big department that manages the best U.S. asset—our public lands, which, after all, do belong to all of us. This means, as I discussed with Judge Clark, being on the job in his office and available for discussions with us in order to accomplish the tasks we share, that is, those of us in Congress serving our constituents and he and the scores of thousands of Federal employees of the Department of the Interior.

There is plenty of work for good management of all these public lands, and it works best with teamwork. I offer on my part to do my best and I expect Judge Clark to do his best.

I shall be counting on him to do a good and faithful job.

I shall vote for his confirmation, and we in Montana and throughout the country will judge Judge William Clark as he performs his duties as the next Secretary of the Interior.

Mr. KASTEN. Mr. President, today I will vote for the confirmation of Mr. William Clark to become the new Secretary of the Interior. I have carefully considered Judge Clark's abilities, and his perspective on how to best manage the Nation's public lands. I believe that Mr. Clark will carefully guide the Department in its role of chief steward of our public lands.

In leading the Department of the Interior, I believe Mr. Clark will shift public attention back to management policies, not the personalities making those decisions. The decisions that we make today on how to use these lands are far too important to become embroiled in conflicts generated by the personality of those making them. We must be able to openly and carefully weight the implications of all of the management alternatives for our public lands. The decisions that we make today will have a strong impact on the lives of future generations of Americans.

While casting this vote for Mr. Clark, I am urging him to pay close attention to the will of Congress in managing our public lands. It is the role of the legislature to determine the major policies that will guide the use of public lands. It is the role of the Secretary to see that these policies are carried out.

There are a number of areas where I have taken issue with the direction given to the use of public lands by the leadership of the Department. My position on these issues has been longstanding. But I would like to point them out again. Earlier this year, I took strong exception to the intent of the Department of the Interior to sell off both parts of our national park system and our national forests. In both of these cases. I believe that the Department was not taking a course that was in the best interest of present and future generations of Americans. I had to intervene to block the sale of a portion of the Apostle Islands national lakeshore, and to introduce a resolution in opposition to the sale of our national forest lands.

Many other programs administered by the Department are important to my State of Wisconsin as well as the rest of the Nation. A few where I would like to see Judge Clark show stronger leadership include support for the land and water conservation fund, management of wildnerness areas to protect their undisturbed nature, and a return to policies that strengthen and protect our national parks.

Mr. Clark's duties are clear. He should end the controversy surrounding the Department of the Interior and return to a balanced approach of land management. Mr. Clark should also know that those of us who are supporting him today will carefully follow his performance as Secretary of the Department of the Interior.

Mr. HART. Mr. President, I should like to express several of the considerations involved in this Senator's decision to oppose confirmation of Mr. William Clark as Secretary of the Department of the Interior.

Mr. President, as we all know, the position of Interior Secretary is important to all of the people of this country, but it is uniquely important to the State of Colorado—indeed, all the Western States—as 36 percent of Colorado's land is owned by the Federal Government. This importance will continue to grow as more and more people migrate to the West and so-called Sun Belt States, adding to existing population and the pressures associated with rapid growth. The persons who serve as Interior Secretary through the rest of this century will have profound influence on the State of Colorado, its land, its people, and the quality of life Coloradans have come to know and appreciate.

The question we are faced with today has much less to do with the individual, the qualities, or the attributes of that individual, than the destructive natural resource policies of this administration. The real issue before the Senate is whether the public lands policies of the Reagan administration—policies that have been repudiated by the Congress, the people and in some instances the courts—will continue. Until Mr. Clark addresses this question and lets the

Senate know where he stands, he should not be confirmed.

The vote of the Senator from Colorado today represents a deep concern about the manner in which this administration has chosen to manage this Nation's public resources. It is a signal to this administration that this Senator continues to hear from those in the West who are concerned about the stewardship of our public resources. It is a signal to this administration that its policies do not represent many of the people in my State who disagree with public policy that has a sole objective: Namely, to transfer and exploit at any cost public resources for the benefit of private interests.

Mr. President, although this Senator opposed many of the programs and policies of the Interior Department under Secretary Watt's leadership, several are of particular concern. As we all know, Secretary Watt's tenure was marked by controversy, to say the least. It was also marked by an insensitivity to the priceless qualities of our public lands and natural resources. This insensitivity has been most clearly illustrated by Secretary Watt's persistent assault on wilderness and areas designated by Congress for further study and potential inclusion in the national wilderness preservation system.

This country has, over the past century, established a Federal land conservation system that is the envy of the world. We were the first to create a national park system, the first to create a wilderness preservation system. Today, our national parks and wilderness areas are the crown jewels of America's public land heritage. These lands are testimony to the wisdom and foresight of Congress and the American people.

America's wilderness lands—the last precious remnants of our Nation as it once was—are so special and of such rare and incomparable value that Congress nearly 20 years ago legislated their protection and preservation. Recognizing that these lands are threatened and rapidly diminishing because of the unrelenting advance of population and energy, industrial and recreational development, Congress, in an overwhelmingly bipartisan commitment, enacted the Wilderness Act and established the first national wilderness preservation system. Thus, in 1964 it became public policy that part of America's unique, undeveloped lands would be protected in order "to secure for the American people of present and future generations the benefits of an enduring resource of wilderness."

Unfortunately, during the past 2½ years, under the direction of President Reagan and Secretary Watt, this policy has been under severe attack. Secretary Watt's record at the Department of Interior has been marked by persistent attempts—through legislation, administrative actions, and the budget process—to weaken or destroy entirely environmental and conservation law and policies established over the past several decades. Simply put, this administration's philosophy has been to disregard the interests of a large majority of the American people who care about this stewardship of their public resources.

Nowhere have these policies been more evident than in efforts to destroy the integrity of wilderness. Secretary Watt is the first Interior Secretary to try to repudiate Congress, the law and the wishes of the American people by opening congressionally designated wilderness areas to oil and gas exploration and drilling. During Secretary Watt's tenure, oil and gas leases were issued in pristine wilderness areas in New Mexico and South Carolina and there were other efforts to override the law and the courts by issuing leases in many other areas including the Bob Marshall Wilderness in Montana, the flagship of our wilderness system.

The wilderness system presently consists of some 80 million acres—23.5 million in the lower 48 States and 56.5 million in Alaska. The Alaska lands were set aside for protection by the 1980 Alaska National Interest Lands Conservation Act. In addition, approximately 20 million acres have been recommended to Congress for official designation as wilderness and roughly 128 million acres are currently under study for potential inclusion in the system—including over 700,000 acres in the State of Colorado.

These areas, located on Federal lands in national parks, national forests, wildlife refuges, and on lands administered by the Bureau of Land Management (BLM), are by the intent of Congress set aside for preservation as special parts of our national heritage—inviolate and protected for the benefit and enjoyment of our children, their children, and all generations to come.

Contrary to law and long established policy, Secretary Watt directed the Interior Department Solicitor to find ways to open wilderness areas to energy and mineral development. In a very short time oil and gas lease applications were filed, followed by draft environmental impact statements recommending issuance of leases in many wilderness areas across this country.

Suddenly there was a very clear danger to the integrity of the entire wilderness preservation system. Congress was compelled to act. On three separate occasions, Congress has attached wilderness protection amendments to Interior Department appropriations bills to prevent the Secretary from leasing wilderness or wilderness study areas.

All along, Secretary Watt has attempted to convince us oil and gas development on Federal lands is necessary and essential to national security and future economic growth. In fact, nothing could be further from the truth. What Secretary Watt has failed to acknowledge is that this administration has presided over the largest economic recession in nearly 50 years which has reduced substantially demands for energy development. What he also failed to acknowledge is that wilderness in the United States constitutes about 1 percent of the Nation's lands in the lower 48 States and 3.5 percent including Alaska. Further, many of the reserves suspected on these lands are located in inaccessible areas, driving the ultimate cost of recovery beyond profitable levels.

Just as Secretary Watt's handling of wilderness has demonstrated utter contempt for the wishes of Congress, his handling of BLM programs has followed suit. BLM is the Interior Department agency charged with administering the mineral leasing programs of the Federal Government, yet from the beginning, Secretary Watt was intent on shifting BLM budget priorities to increase spending on resource exploitation while decreasing spending on resource protection.

In 1976, after a decade of debate and careful study, Congress enacted the Federal Land Policy and Management Act (FLPMA). This law requires the commercial values of public lands—timber, oil and gas, hardrock minerals—be balanced against other important but largely nonmarket values: historical, cultural, recreational, wildlife, watershed, and wilderness resources. Congress further directed that comprehensive land use plans be drafted for the various land units to insure each was managed in the manner most beneficial to the public.

Secretary Watt's approach has made a mockery of the sound land use principles mandated by the FLPMA. Before the necessary studies have been completed, or in some cases even begun, this administration rushed to lease certain public lands and sell others.

Increasing development at the expense of environmental protection is not the only way Secretary Watt and the administration have misadministered the FLPMA—as even a brief look at the Department's handling of the BLM wilderness study areas shows. Although BLM is the largest Federal land agency with some 310 million acres of public lands—much of it untouched, roadless, and pristine—in Western States and Alaska, it was not included in the 1964 Wilderness Act. In 1976, the FLPMA recognized the extraordinary values of the BLM lands and directed an inventory in the lower 48 States to determine which areas

should be studied for possible inclusion in the wilderness system.

An extensive study by BLM concluded that approximately 8 percent or 24 million acres of BLM lands clearly had wilderness characteristics. These lands were divided into wilderness study areas (WSA's) and, consistent with FLPMA, put under study as potential candidates for wilderness designation. These areas are to be managed to preserve their wilderness characterisics while under study and until Congress has an opportunity to determine their suitability for wilderness or "release" for other uses.

Secretary Watt has blatantly ignored the law—despite numerous warnings from Congress. Secretary Watt eliminated hundreds of thousands of acres of WSA's in order to accommodate development interests. The Secretary also failed to carry out his legal responsibilities to protect the wilderness values of other study areas until Congress can determine the suitability for permanent designation. Under Secretary Watt, the Department allowed mining companies to bulldoze roads into a number of WSA's. In addition, Interior opened the Panamint Dunes WSA in California's Mojave Desert to off-road vehicles and this year, for the first time since 1974, authorized the controversial Barstow-to-Vegas motorcycle race, which has been banned because of the extensive damage it created in the environmentally sensitive desert and a number of WSA's along the race's course.

Perhaps Secretary Watt should be most severely criticized for his efforts to dismantle BLM's wilderness study program piece by piece. Last December, more than half a million acres were dropped from the BLM study program and Secretary Watt directed BLM State directors to review other WSA's to see if others could be eliminated. This action, taken just after Congress had adjourned for the year, provoked the House Interior Committee to adopt in February a unanimous resolution strongly urging the Secretary to restore all the dropped acreage to wilderness study status and to make no further cuts in the program. Unfortunately, this was not enough to slow Secretary Watt and he began to eliminate additional roadless lands in 10 Western States from consideration as wilderness. In all, more than 1½ million acres of BLM lands have been dropped from consideration for wilderness and opened for development.

Mr. President, the worst assault on the integrity of our wilderness system has occurred during Secretary Watt's tenure at the Department of Interior. This attack on the wilderness system and the many other objectionable policies of the Watt era at Interior simply will not be tolerated any longer by the American people. They deserve no less than a return to the balanced and proper management of public resources which existed prior to 1981. Mr. Clark, if confirmed, must use the opportunity before him during the next 12 months to bring public land and other policies at Interior in line with the wishes of a great majority of the American people, as demonstrated over the past several decades.

As important as wilderness is, there are other programs, policies, and agencies at the Department of Interior which must be evaluated and changed in order to restore public faith in Government management of public lands and resources. These programs include the following.

Strengthening Indian tribal government and Federal Government relations and cooperation with the Indian tribes to insure the U.S. Government abides by its special trust relationship with native Americans. This cannot be accomplished short of restoring funding to Indian education, social service, financial and technical assistance programs necessary for economic self-determination on reservations throughout the country.

Progress on adoption of a balanced water policy reflecting the economic realities of the 1980's, the limits of State and local financing, and the continuing importance of water to Western States. This cannot be accomplished short of moving beyond rhetoric about cost sharing to the larger issue at stake including conservation, shared use and reuse of precious water.

Reordering of priorities in the leasing of public reserves of coal, oil, and gas and oil shale. This cannot be accomplished short of complete abandonment of this administration's "lease at any cost" philosophy.

Restoration of funds to the land and water conservation fund to insure timely acquisition of important parcels and additions to the national park and national forest systems.

And, complete prohibition of energy leasing and development within the national wildlife refuges, particularly the wildlife refuge lands on St. Matthew Island, Alaska.

Mr. President, the record of Senate Energy Committee hearings on Mr. Clark's nomination gives little indication that the destructive natural resource policies of the Reagan administration will change. The record makes it difficult for this Senator to help fulfill the Senate's constitutional role in the advise and consent process.

The vote today presents Congress a clear and unmistakable opportunity to reaffirm its dedication and commitment to balanced and wise stewardship of our public lands and natural resources. It presents us with an opportunity to indicate to Mr. Clark that many of us in the Senate and our constituents throughout the country will no longer tolerate the blind, one-side policies of this administration at the Department of Interior. An overwhelming majority of the American people expect as much and deserve no less.

Mr. Clark's failure to take specific stands on most of the policies important to Colorado—indeed, to this country—leaves unanswered many of the questions essential to casting an informed vote of support for his confirmation. Until Mr. Clark lets the Senate know where he stands on these issues, he should not be confirmed as Secretary of the Interior.

Mr. ABDNOR. Mr. President, I want to strongly endorse the nomination of Judge William P. Clark to serve as Secretary of the Interior.

I believe that Judge Clark is eminently qualified to serve in this post. His previous service on the California Supreme Court, as deputy secretary of state, and as National Security Adviser has provided him with a wealth of experience that will serve him well as Secretary.

As head of a department that is responsible for our public lands and natural resources it is vital that this individual exercise the difficult and, at times, controversial duties of the office with utmost care in an effort to weigh the wisest use of our land and water resources.

This is no easy task. There are divergent views as to what proper protection and proper development are in our Nation. It is often difficult to develop a consensus with programs that are associated with development, conservation, and utilization of our natural resources.

Judge Clark has shown his ability in previous positions of trust. He has served his country and his President well. His dedication to duty, his fairmindedness, and his judicious temperament have been evident in his previous national service, and I have no doubt he will show the same qualities in his service as Secretary of the Interior.

As a westerner, William Clark has a special affinity for the land and its resources. As the person responsible for the administration of over 500 million acres of land and trust responsibilities for another 50 million acres belonging to our Native Americans, it is vital that the Secretary be able to evaluate and analyze the conflicting demands in an effort to preserve our natural resources for later generations of Americans and yet manage these natural resources in such a way to benefit our current generation.

Over the past 135 years the Department of the Interior has been charged with the responsibility of managing our public lands for the benefit of the American people. I believe that William Clark will meet the challenges of

his duties and serve the best interests of our Nation. I urge my colleagues to support his nomination.

Mr. LEAHY. Mr. President, I rise in opposition to the confirmation of William Clark as Secretary of the Interior.

Since the beginning of the present administration, the Secretary of the Interior has attempted to radically change the environmental policies of the last decade which are supported by a broad consensus of the American public. Instead of conservation, it has practiced a policy of exploitation. Instead of mediation, it has practiced a policy of confrontation.

It sought a major expansion of oil and gas drilling in the national wildlife refuges, a policy reversed by an amendment which I offered to the recent continuing resolution. It has proposed unfettered drilling in the Outer Continental Shelf. It proposed a coal leasing policy which would have sacrificed some of the most productive agricultural land in America, devastated the environment, and lost the Federal Treasury tens of millions of dollars. It virtually stopped the acquisition of new parks. All these efforts were rejected by Congress.

Finally, because of the anger caused by these policies and his penchant for confrontation, Secretary Watt was forced to resign. We all hoped that his successor would be a person of broad experience with a proven record of commitment to conservation. We all hoped that he would clearly signal that he did not agree with the policies of James Watt and would change them.

Unfortunately, we have been bitterly disappointed. Just after his nomination, the President's principal domestic policy adviser publicly stated that his nomination meant no change in environmental policies. On numerous occasions, the nominee was pressed during the hearings on his nomination to state that he would change those policies. He consistently refused.

Thus, I must vote against his nomination. I respect him as a man and as a public servant, but, if he is committed to the policies of the past 3 years, I must oppose his confirmation.

Mr. CHAFEE. Mr. President, last night I voted to table the Johnston resolution on Secretary Watt and Judge Clark. Although I opposed the vast majority of Mr. Watt's policies at the Interior Department, I could not support the resolution because it was inappropriate procedure and would have set a bad precedent. The issue is not how the Senate feels about Mr. Watt's policies—we have voted time and again to block many of them—the question is whether or not the Senate should instruct a Presidential nominee on policy matters prior to his or her confirmation. The resolution Senator JOHNSTON proposed would in effect hamstring Judge Clark before he assumes office and that is just bad public policy.

I believe the resolution is a radical departure from the traditional advice and consent role the Senate is required to carry out under the Constitution. The real issue here is whether or not the Senate believes Judge Clark should assume the position of Secretary of the Interior. By debating the nomination and voting for or against the nominee, the Senate will have appropriately discharged its responsibility.

As the Senate considers the nomination of Judge William P. Clark, I think it is important to keep a few things in mind.

The Secretary of the Interior is the chief steward of our Nation's natural resources which are there for the use and enjoyment of the citizens from every part of the country. Whoever sits in that job should not be primarily concerned with energy and mineral resource development, but should be equally concerned about carrying out and advancing programs and policies aimed at protecting and conserving our national parks, refuges, and public lands, as well as fish and wildlife resources.

It is no secret that the Secretary is confronted with the difficult task of managing all these resources and, consequently, conflicts often arise between environmental protection and development. In the past, we have heard the word "balance" used when the Secretary is trying to resolve these conflicts—the Secretary is supposed to balance the competing interests. I think this is a misnomer because "balance" is in the eye of the beholder. Secretary Watt's idea of a balance is certainly not the same as that of the Wilderness Society. Thus, it is important for the Interior Secretary not to advance his idea of balance over that of another, but rather work to find common ground on issues where there is a difference of opinion.

Mr. President, over the past 2 years we have seen policies implemented at the Interior Department which have clearly been balanced in favor of development over conservation. Consequently the national environmental community and the department have become extremely polarized. In this highly charged atmosphere, there is little chance of resolving substantial environmental conflicts. Clear lines of communication need to be restored to improve the quality of the decisionmaking process.

Judge Clark has taken steps to improve communications. He has met with or contacted all of the national environmental groups and says he plans to continue meeting with them. I am hopeful that his experience on the California Supreme Court will enable him to make fair and equitable decisions on resource management matters.

Many of us in Congress are looking to Judge Clark to develop public support and confidence on the broad range of matters for which he will be responsible. He indicated during his confirmation hearing that he would be willing to acquire new lands for the National Park System. That is a beginning, but he should also reconsider a number of policies. Among them: removal of the BLM lands from wilderness study areas; oil, gas, and other economic development of wildlife refuges; sale of public lands, and increased acquisition of wetlands, wildlife refuges, and Federal, State, local parks.

During the seventies, we were able to enact a number of landmark environmental and conservation laws because consensus was reached among a number of divergent economic, social, and political interests. Although Secretary Watt often talked about his "good neighbor policy," he failed to extend that policy to many who have an interest in conservation. Judge Clark must be a good neighbor to all so he can develop consensus and get on with the job of wisely managing our natural resources.

Mr. President, I will support Judge Clark's nomination, but in doing so I will point out that the American public wants strong environmental protection. If Judge Clark fails to take into account the concerns of the public, Congress will, as in the case of Secretary Watt, intervene to address those concerns.

Mr. MURKOWSKI. Mr. President, I rise in support of the nomination of William P. Clark to be the Secretary of the Interior.

I was pleased with the President's announcement that he was nominating Judge Clark to succeed Secretary Watt. I have worked closely with Judge Clark during his tenure as both the Deputy Secretary of State and the President's National Security Advisor, and I have found him to be fair, effective, and efficient. The President's choice of Interior Secretary is particularly important to Alaskans. The Federal Government is my State's absent and distant landlord—more that 80 percent of the land in Alaska is owned and managed by the Federal Government. For Alaska, Jim Watt's "good neighbor policy" was an important committment on the part of the Federal Government to live up to its promises, and we were never let down.

Prior to the election of President Reagan, my State had only received 48 million acres of the 104 million it had been promised under the Alaska Statehood Act. Similarly, Alaska's Native Corporations had received a little over 17 million of the 44 million acres they had been promised in the Native

Claims Settlement Act. Under Secretary Watt's leadership, the Department of the Interior conveyed more land to Alaskans in 2½ years than it had under any other Secretary of Interior since statehood. Moreover, many arbitrary land withdrawals and troublesome regulations imposed by prior administrations were eliminated, and many of the existing policies that treated Alaska like a territory rather than a sovereign State were reversed.

I have had an opportunity to discuss these matters with Judge Clark, and I am confident that he will see fit to continue the fair and equitable treatment Alaska has received from the Department of the Interior during this administration.

I believe Judge Clark will perform admirably in his new post. During each of the two posts he has held in the Reagan administration, he has shown a remarkable ability to quickly grasp the essence of an issue and to act decisively. I am pleased that the President has seen the value of bringing Judge Clark's proven capabilities to the Department of the Interior. The vast wealth of our Nation, which lies mainly in our national resources, will be enhanced by his leadership, and I will support his confirmation enthusiastically.

Thank you, Mr. President.

Mr. NUNN. Mr. President, although I am not a member of the Energy and Natural Resources Committee, I have been following the nomination of William Clark to be Secretary of the Interior with a great deal of interest. Sound management of the Federal lands and wise use of the Nation's natural resources—many of which are rare and irreplaceable—are of vital concern to me and all Georgians, as I know they are also of concern to every State and every American.

I will support the President's nomination of William Clark as Interior Secretary to replace James Watt.

I worked with Judge Clark in his capacity as National Security Advisor. He played a very important role in the work on the revised arms control proposals presented in Geneva in early October. He demonstrated solid skills in leading and coordinating the interagency process and in working with Congress in this role.

My vote confirming Mr. Clark as Interior Secretary in no way should be taken as an endorsement of Mr. Watt's controversial and often ill-advised policies on the environment or management of America's natural resources. To the contrary, I am very concerned about many of Mr. Watt's policies and the direction taken by the Department of the Interior under his stormy leadership. Therefore, I supported Senator JOHNSTON's amendment to the supplemental appropriations bill which would have expressed the sense of the Senate that many of the Interior Department's policies should be reexamined and changed.

The Senate has expressed its concern about many of Mr. Watt's policies by virtue of legislation to slow down or stop his policy of dumping billions of tons of coal on an already glutted market at what has been called fire sale prices, and also through amendments to Interior appropriations bills to prevent the issuance of oil and gas leases in congressionally designated wilderness areas, on land and in the Bureau of Land Management and Forest Service wilderness planning and study areas, and in national wildlife refuges.

In these instances, in my judgment, Congress acted in the public interest. However, beyond the actions already taken by Congress and the signals we have sent to the administration regarding many of Mr. Watt's policies, I hope the new Interior Secretary will carefully review and assess all of the former Secretary's record and take whatever steps may be necessary to rebuild and restore the bipartisan tradition that has prevailed in the United States over the past century through many administrations and many Congresses—a tradition of sound and balanced management of the public lands and conservation of the Nation's natural resources.

America's Federal lands are valuable national resource lands. They contain a wealth of energy and minerals and priceless natural resources that belong to all the American people—now and for all time to come. They are not the property of any administration or any particular Interior Secretary. No one has carte blanche authority to deal with the Federal lands and our Nation's resources as they please. In realty, we hold these lands and these resources in trust not just for the present, but for all future generations. This is not just policy. It is the law.

In light of this fact, I have especially been concerned about Secretary Watt's mineral leasing policies. For example, last year, he leased some 1.6 billion tons of coal in the Powder River Basin in Montana/Wyoming for $100 million less than what the Government should have accepted, according to the GAO. Undeterred by congressional and public criticism of his coal leasing policy, and despite a coal glut and soft market prices, Secretary Watt proceeded to pursue additional plans for leasing more billions of tons of coal. Congress stepped in to stop him and in September imposed a moratorium on coal leasing, pending competion of a study of Mr. Watt's leasing policies by an independent commission.

Also, Secretary Watt's bias against the acquisition of additional park and recreational land, and against urban parks, has struck close to home. For years, other members of the Georgia congressional delegation and I have worked to acquire the land for the creation of a Chattahoochee River National Recreation Area—an important metropolitan park, managed by the National Park Service, extending northeast along the Chattahoochee River from Atlanta to the Buford Dam. Only a little more than half the 6,300 acres required for the recreation area have been acquired and the Interior Department has attempted to stop any further land purchases. I am author of legislation in the Senate to complete the Chattahoochee NRA, and I hope the Georgia delegation can count on support for this important project from the new Interior Secretary—instead of resistance, which we encountered from Secretary Watt.

Further, Mr. President, I hope the new Interior Secretary will take a closer look at the so-called asset management program of this administration, a privatization plan that would put on the auction block millions of acres of national forest and Bureau of Land Management lands that are vitally important because of their natural resources and the recreational opportunities they provide many millions of Americans. The proposed sale of national forest lands in north Georgia met with overwhelming opposition from my constituents, as occurred in many other States as well.

These are just some of the issues which this Congress must carefully monitor in the public interest and which the new Secretary of the Interior must examine in the performance of his duties as the Nation's chief steward of our public lands and natural resources.

Mr. BINGAMAN. Mr. President, I intend to vote for the confirmation of Mr. Clark to be the new Secretary of the Interior. However, I am concerned that he review carefully and make the necessary changes in agency policy that will restore the trust of the American people in the Department's stewardship of our public resources. I expressed my concern last evening, November 17, 1983, in a statement on the Johnston resolution, which I entered into the RECORD.

Mr. HOLLINGS. Mr. President, I come to the floor today to voice my opposition to the nomination of William P. Clark to be Secretary of the Interior. While I believe the President of the United States has had the prerogative to name his Cabinet members, President Reagan has had this opportunity with James Watt. The performance of Secretary Watt as steward of our natural resources was a disgrace. During his almost 3 years in charge, Watt took many controversial actions which adversely affected the environment and our public lands. His policies at Interior did not reflect those of a conservative environmental

record, but instead a destructive one which aimed to weaken the environmental consensus established by both parties in a decades-long process of political struggle and accommodation.

Because of my belief in the Presidential prerogative, I voted to confirm James Watt. However, because Secretary Watt's policies represented an accurate reflection of the environmental and conservation views of the President and his administration, I cannot in good conscience vote again to support the continued destruction of our natural heritage by voting to confirm the present Secretary-designate. For I have every reason to believe these same policies will be carried on by Judge Clark.

During his confirmation hearings, Judge Clark did not clearly indicate any intention to reverse or substantially change the Reagan administration's policies established at the Department of the Interior. On the contrary, we heard the Secretary-designate indicate a willingness to study the issues and take a variety of views into account. This is not enough. The administration's public lands and environmental policies are well established. A direct result of these policies was the public outcry calling for the resignation of Secretary Watt. The American people do not simply want to change the face of the person sitting in the Secretary's chair. They want to change the policies that are destroying our natural heritage.

Let me state for the record, Mr. President, some specific examples of the disregard for the proper stewardship and preservation of our natural resources our country has experienced during the first 3 years under the Reagan administration. These illustrations are by no means inclusive of the vast changes sought and often obtained by Secretary Watt. But, they do, nonetheless, point out the serious matter we have before us and the need to put a halt to it.

NATIONAL WILDLIFE REFUGES

The purpose of the National Wildlife Refuge System is the conservation and far-sighted management of an important national resource. Unfortunately, whenever wildlife conservation has conflicted with potential mineral or energy development, this administration, under the leadership of Secretary Watt, has chosen to sacrifice the important national resource it was established to protect.

More specifically, the Watt Interior Department proposed to open for the first time in 25 years, 1 million acres of refuge lands to oil and gas leasing. In addition to opening the wildlife refuges to potentially damaging development, the Reagan administration has also sought zero funding for wildlife acquisition under the land and water conservation fund; eliminated grants for State habitat acquisition under the land and water conservation fund; recommended zero funding for wetland acquisition under the Wetlands Loan Act in fiscal year 1983; and proposed the elimination of $3.9 million in Federal funds for State programs to conserve endangered species' habitat. The continuance of these policies is unacceptable.

PRIVATIZATION

Privatization, or Asset Management, are this administration'a names for a program which plans to raise some $17 billion by 1987 through the sale of millions of acres of our public lands. Half of this money would come from GSA lands and property and half from Interior and Agriculture lands. The sale of public land is legal. However, the Federal Land Policy and Management Act permits the sale of public lands only when it is not in the public interest to retain them.

Despite FLPMA regulations and congressional intent that public land disposal only be done as a last resort, the Bureau of Land Management has set a fiscal year 1984 sales target of 200,000 acres. I would not call this privatization, but on the contrary, privateering—the robbing of our public lands. Earlier this year, I joined in cosponsoring Senator DALE BUMPERS' Federal Land Retention Act of 1983 which would place necessary safeguards on the sale of public lands. For public lands which are put up for sale as surplus must truly be that, and not the result of some zealot's idea of "surplus" who is intent upon destroying decades of conservation-based management in our parks and other public lands.

THE OUTER CONTINENTAL SHELF

The OCS Lands Act of 1953 was most recently amended in 1978 to give better balance to coastal State and environmental concerns in the leasing process. It was Congress intent that the previously unrestricted authority over OCS leasing be limited by the legitimate concerns of coastal States. Now, 5 years since the passage of the amendments, Congress battles the administration over a massive OCS leasing program developed despite the strong objections of a large number of affected States, including those of my own South Carolina.

One problem with the administration's OCS leasing policy is the huge size of the planning areas and the equally huge areawide sales. The planning areas range up to 133 million acres in size. The program provides for the leasing of all, or a large portion, of these areas. Consequently, tens of millions of acres will be offered for lease in each sale in contrast to the 1 or 2 million acres in previous years. By attempting to lease such large areas, virtually the entire Outer Continental Shelf, the value of the Interior Department's environmental review process is seriously impaired and rendered effectively useless.

In addition to its uneconomic size and its planning deficiencies, the Reagan OCS program poses a significant threat to some of this Nation's most valuable coastal marine areas. Without congressional intervention, this administration would open the entire Outer Continental Shelf—1 billion acres—to oil and gas leasing, making adequate environmental protection impossible.

It is obvious that the purpose has not been to redeem fair market value for these lands held in public trust, but to put them into private hands in the midst of a weak oil market at bargain-basement prices. For these reasons, I have supported moratorium language over the last 2 years in the Interior appropriations bills and introduced my own amendment with Senator WEICKER affecting this process. I do not stand against OCS oil and gas leasing—it is necessary that we as a country identify our energy resources and prepare for their production. But not in a manner that squanders receipts to the Federal Treasury at a time when we are facing the largest deficits in the history of our country as a result of misguided Reaganomics. And, not at the unnecessary expense of unique and fragile marine areas that are also part of our national resources. And, not at the expense of legitimate coastal State interests which have been recognized under the Coastal Zone Management Act.

The sorry part of this is that it is easier to live in harmony with coastal State interests and legitimate environmental concerns than it is to engender the controversy, the congressional and State opposition, and the lawsuits of the current OCS policies.

ON-SHORE OIL AND GAS LEASING

The Wilderness Act of 1964 established the National Wilderness Preservation System which today consists of approximately 80 million acres of Federal land. In addition, about 20 million have been recommended to Congress for designation as wilderness and some 128 million acres are now being studied for their wilderness potential. Those areas are located in national parks, national forests, national wildlife refuges and on Bureau of Land Management lands. Congressionally designated wilderness lands are set-aside as natural heritage areas and are strictly managed to appear unspoiled by man. However, section 4(d)(3) of the Wilderness Act states that all mining and mineral leasing laws shall be extended to national forest wilderness areas through December 31, 1983. After that date, mining can continue on valid existing claims but no new leases can be issued. This law had been on the books since 1964, yet prior to the Reagan administration, no policy

was initiated to issue mineral leases in wilderness areas. Unfortunately, two decades of this bipartisan, nonleasing approach were reversed with the election of President Reagan and his appointment of James Watt as Secretary of Interior.

The Reagan administration announced early on its intention to open wilderness areas to mineral development. The public outcry was tremendous and in November 1981, the Congress issued a 6-month moratorium on leasing in wilderness areas. This did not stop Secretary Watt. In my own State of South Carolina, the Interior Department failed to revoke two oil and gas leases that had been issued in the Wambaw Creek Wilderness even though a moratorium on oil and gas leasing was in effect. Since the expiration of the first moratorium on oil and gas leasing in wilderness areas, the Interior Department appropriations bills have contained similar moratoriums, which I have supported.

There is no acceptable excuse for continuing these policies. Study after study has shown that the vast majority of minerals necessary for the security of this country exist outside of wilderness areas, on both privately and publicly held lands. Until such time as there is some national emergency that would require it, these wilderness lands should lay inviolate, as was intended by the Congress. There are plenty of mineral resources to be had elsewhere. The advocacy of these policies of destruction show clearly that the intent has not been to secure the mineral resources of this country, but rather to break down and demolish the Nation's National Wilderness Preservation System.

COAL LEASING

When the Reagan administration came to Washington in 1981, they inherited a carefully developed coal management program that proposed the leasing of 1.5 billion tons of coal by 1987. The coal was to be leased as needed to meet projected demand and it was to be leased in an environmentally sound manner.

Again, Secretary Watt moved to drastically reverse long existing procedures and redirect the coal leasing program. The new Watt program sets leasing levels based on industry's desire for reserves rather than actual production needs. It allows customized tracts for specific coal companies, minimizes public input, weakens environmental safeguards and sets tract values through new untried procedures. The first result of this new coal policy was the largest-ever auction of coal leases in the Powder River Basin despite depressed economic conditions. Two independent studies have since shown that Watt received as much as $100 million less than fair market value for the coal. Next came the Fort Union sale which was held despite a House Interior Committee withdrawal order. The total Federal bonus revenues resulting from this sale failed to even cover the cost of administering the sale. This blatant disregard for our natural resources and the current state of our economy make this giveaway program totally unacceptable.

Because of this incredible waste of our public coal resources, I supported moratorium language in the Interior appropriations bill. This was not even a case of bargain-basement prices. This was a case of wholesale giveaway. And, I believe the new Secretary-designate should take note that it was this last, most recent, squandering of the country's wealth and natural resources that ultimately led to the resignation of the previous Secretary of the Interior.

For all of these reasons, Mr. President, I cannot in good conscience vote to confirm Judge Clark. However, while I will not vote for Judge Clark to be Secretary of the Interior, I am realistic enough to know that he will be confirmed. It is important that the American people and President Reagan understand that the confirmation of Judge Clark is not a call for business as usual at the Department of the Interior.

Congress has shown its clear intent in opposition to many of the environmental and public land policies of this administration. Unfortunately, too often our intent has been ignored and the destruction of our resources continued. For this reason, I joined many of my colleagues in cosponsoring the resolution proposed by my distinguished colleagues, Senator JOHNSTON and Senator PACKWOOD. This Senate resolution makes a strong statement in opposition to the practices carried out by the Interior Department under the leadership of Jim Watt. It is a statement which the new Secretary of the Interior should not only take careful heed of, but recognize as reflective of the national will, and to which he should respond in good faith.

Mr. HATFIELD. Mr. President, today hopefully ends an era of confrontation between many American citizens and the Department of the Interior. By making this statement I do not believe for 1 minute that simply changing the head of an agency is going to end disagreements between interested parties and that Government body. Disagreements are a part of life. However, the tremendous amount of public discontent that erupted over the policies and procedures of the Interior Department under Secretary Watt were both unfortunate and harmful.

The Secretary of the Interior has a tremendous job overseeing the vast public domain and insuring that those natural resources are wisely used for the benefit of all citizens. Judge Clark, in his testimony before the Energy and Natural Resources Committee, and in his answers to questions by members of the committee, gave assurances that he will review all Interior Department procedures and policies, as well as staff, to insure that the Department is in compliance with Federal and State laws. I have every confidence that he will fulfill this commitment in a timely manner once he is confirmed.

Mr. President, I supported the confirmation of James Watt as Secretary of the Interior and I supported some of his Department's policies. In the same vane, I know full well that I will not support all decisions that Judge Clark makes either.

There are many in this body who do not feel that Judge Clark is qualified for the job. My response is that no one person is this Nation could come into the job as Secretary of the Interior knowing all procedures and laws governing use of the millions of acres of land under Department of the Interior jurisdiction. But I am confident that his qualifications as an able administrator and a sensitive public servant will enable him to fulfill his demanding role. I have personally spoken to Judge Clark regarding his appointment as Interior Secretary and I candidly told him what I expected from him in that role. I expect him to follow the laws passed by Congress in a manner that incorporates proper stewardship of our national heritage. I have confidence that he will undertake to do that and I will remind him of that commitment should the need arise.

Mr. President, I will vote in favor of Judge Clark's nomination today with the hope that the business of managing our public lands can once again return to a course that necessitates little, if any confrontation, and in a manner that ends an era of endless, needless antagonism.

● Mr. BIDEN. Mr. President, I rise in opposition to the nomination of William P. Clark to be Secretary of the Interior.

It is unusual for the Senate to be asked to give advice and consent to the President on the same person, nominated for different positions and at different times, twice in the same administration. But it has happened. Likewise, we have had to pass on nominees asked to serve in more than one administration.

Those who have been placed in this unique category, Mr. President, have tended to be exceedingly talented in a variety of fields, having long records of accomplishment in Government or private industry in fields appropriate to the positions to which they were appointed. Some, such as George Shultz and William Ruckleshaus, currently serving in this administration, and others, such as Elliot Richardson,

Clark Clifford and James Schlesinger, have been notable examples in recent history. I may have had policy differences at times with all of these people, but I was confident that they possessed the knowledge and the integrity needed to meet the demands of the positions to which they were appointed.

I regret to say, Mr. President, that the current nominee, Judge Clark, does not meet that standard.

I do not doubt for one moment that Mr. Clark possesses the highest level of personal integrity, skill as a manager and an amiable personality. I am sure that it is because he does possess those qualities that he is a person on whom the President often relies, and that is to his credit. But I do doubt whether he possesses sufficient expertise in the fields relevent to the management of the Interior Department to allow his nomination to go forward.

Mr. President, there is a longstanding practice in the Senate that we give the President the benefit of the doubt and confirm the man or woman appointed. I am mindful of that tradition, and I am generally inclined to allow the President to have his own team in the executive branch.

I might even be willing to give the President the benefit of the doubt on this nominee, although I do not think he is qualified for the job of Interior Secretary, were it not for the legacy of James Watt and the momentum of the failed environmental policies he put in place during his tenure as Interior Secretary.

Mr. President, after 2½ years of James Watt's abuse of his responsibilities as Secretary of the Interior, I believe the American people deserve and demand better than a novice at the helm of this Department. I likewise believe that the regressive policies and resulting problems left behind by James Watt at Interior demand the expert and independent attention of a Secretary with the highest qualifications for the job, not merely a good manager who will need a great deal of on-the-job training just to become minimally qualified for the office.

Mr. President, the Secretary of the Interior and the 56,000 employees he directs have been given, both by historical precedent and by legislative command, a conflicting mandate. The Secretary is the chief environmental officer of the United States as well as the conservator, trustee and steward, of the public lands and natural resources. At the same time, the Secretary is expected to promote and direct the reasonable and efficient use of those same lands and resources, in ways which do not conflict with his primary environmental responsibilities. And the American people, those who wish to preserve those lands and resources as well as those who wish to develop them, expect that the Secretary will bring to bear an appropriate expertise, experience and balanced temperament on the wide variety of issues he is called upon to decide.

When I cast my vote against the confirmation of James Watt to be Secretary of the Interior 2½ years ago, I believed that Mr. Watt's one-sided and single-minded advocacy for developmental interests would undermine his ability to reach the balance required under the law. In fact, I doubted whether Mr. Watt would uphold the intent of the many environmental laws which, as Secretary, he would be sworn to uphold. I regret to say that my judgment of Mr. Watt was correct. Some would charge that Mr. Watt went even further and, in fact, violated both the letter and the spirit of many environmental statutes.

Mr. President, I do not stand today in judgment of James Watt or, for that matter, of the destructive policies he brought to the Department of the Interior. I think the majority of Americans have already judged these policies to be a failure, and with their judgment I must agree. But I do think it is critically important for us to consider this nomination in the context of the dismal state of affairs he has left for his successor to resolve.

Mr. President, James Watt, with the sanction of the President of the United States, established and implemented policies which threaten our most vulnerable wilderness areas with development, which neglect enforcement of strip mining regulations, which lease public coal-lands at irresponsibly low rates and under a cloud of suspicion, and which embark on an overly aggressive and environmentally unsound offshore oil and gas leasing program.

He also sought to eliminate the Land and Water Conservation Fund for new park, wildlife and recreation acquisition, to privatize the public trust of lands by trying to sell them off in record numbers, and to undermine mandated Interior Department programs through crippling budget cuts. Even this abbreviated list of examples demonstrates beyond all doubt the shortcomings of Mr. Watt's stewardship, and the many irreversible effects our natural heritage will suffer if his policies are not rigorously re-examined and revised.

Such circumstances, Mr. President, call for a Secretary of the Interior who will be more than a caretake for undesirable policies already in place. The circumstances require the appointment of a person with the determination and the expertise to take firmly in hand a maverick department that has ignored its mandate and to restore its integrity, even if that means, as it very well may, firing those among the Watt team left at Interior who continue to apply an ideological zeal rather than a judicious balance to the complex and challenging responsibilities of that Department.

Even beyond that, Mr. President, I believe that the next Secretary of the Interior must be a person who can bring unquestioned stature and capability to the post. He must be able to satisfy what I believe to be the single most important environmental demand the American people have expressed in overwhelming numbers—and that is to educate the President and his cabinet council on the environment, which the Secretary chairs in this administration, as to the balanced mandate applied by both law and custom to the Department of the Interior and other Government agencies which have important responsibilities under our many environmental laws. Mr. Watt, no doubt, installed his policies with more enthusiasm than judgment, but he was, after all, the chosen servant of a President who made no attempt to restrain him. It will take a very strong, capable and independent Secretary of the Interior to reverse the anti-environmental tendencies of this administration.

If anything in Judge Clark's background indicated that he possessed the expertise, stature and independence of mind required to master that challenge, or if he had demonstrated those qualities when he was before the Committee on Energy and Natural Resources, I might be persuaded to rethink my position. Regrettably, neither his background nor his testimony suggests that he possesses or is likely to develop those qualities.

Judge Clark's slender claims to any environmental expertise are based upon his having lived on a ranch and on his having heard a limited number of environmentally related cases while serving on the California bench. And even that experience on the California court offers only minimal encouragement, since the cases there focused on State statutes and primarily on zoning.

I am no more encouraged by Mr. Clark's testimony during his confirmation hearing. He gave virtually no indication of an intention or even a willingness to change direction, no commitment to alter policies repudiated by the Congress and the public, no commitment to remove controversial managers of the Department, and no commitment to restore balance to the Department's environmental mission.

Mr. President, to paraphrase an editorial in the Philadelphia Inquirer, this nomination "has sent a message to the Congress and the American people that the Watt legacy will not be altered. There will be a lower profile, yes, but no mid-course correction, no apology, no retreat."

I do believe there is an urgent need for the President and his next Secretary of the Interior to return the De-

partment and its environmental policies to the balanced preservation and use of the lands and natural resources that are the national heritage of all Americans. I see in Mr. Clark's nomination no indication that we can expect such a restoration, and therefore, Mr. President, I must vote "no" on his confirmation.●

● Mr. CHILES. Mr. President, Members of the Senate are being called upon today to confirm President Reagan's choice to succeed James Watt as Secretary of the Department of the Interior. I, for one, know of no blatant flaw in the background or character of Judge Clark to prompt my vote against his confirmation. I do, however, feel it necessary to emphasize to my colleagues in the Senate, to President Reagan, and to Judge Clark that my vote confirming this nomination is not a vote affirming the past environmental policies of James Watt or a vote encouraging the continuation of these policies. Quite the opposite is true.

I believe we have seen during the tenure of James Watt a rapid departure from previously established goals of protection and effective stewardship of our Nation's public lands and a move toward a newly defined objective of resource exploitation at the cost of equally important goals. What has been laid aside, if not totally lost, over the last few years is the sense of well-defined balance between resource development needs and resource conservation. It is time to restore this balance—to deal sensibly and caringly with this country's resources and at the same time move forward in programs allowing for effective utilization of our public lands, be it for the purposes of energy development, recreation opportunities, wildlife management or resource preservation.

It has always been my view that, in the matter of selecting his Cabinet members, the President has the right to pick his own team. The President must realize, however, that the members of his team are carrying out his policies. The changes that have occurred in the Department of the Interior have been allowed to take place because these policies reflect the present administration's attitude toward resource conservation. In the same manner, if these policies are to be reversed, and the Secretary of the Interior is to return to his traditional role as guardian of our national resources, then this policy change must be supported if not directed by the President.

There are two major areas where I personally will be looking for early signals of change in policy within the Department of the Interior. The policy of the Reagan administration not to acquire needed lands already authorized by Congress for the conservation systems needs immediate attention. The idea of a moratorium on land purchases has been opposed by Congress since it was first suggested, and it is time for the administration to realize Congress is serious in its effort to complete established conservation systems in a timely and fiscally prudent fashion. I look forward to the administration's January budget package for the next fiscal year including funding recommendations for the Land and Water Conservation Fund. The administration is long overdue in its support for funding levels to accommodate the Federal land acquisition program as well as the popular and cost-effect cost-sharing program with the States.

Another area in critical need of change concerns decisions regarding mineral exploration and development on our public lands and along our coast. The Watt/Reagan coal leasing program is presently under close scrutiny. Congress has rebuffed, as well, the administration's attempt to lease oil and gas on wilderness areas and certain national wildlife refuges. In addition, the accelerated program for oil and gas leasing along the Outer Continental Shelf has met strong opposition from affected States as well as Members of Congress. This program needs to be adjusted so that lands offered for leasing are adequately studied prior to leasing to allow for effective resource management decisions.

It is my understanding that Judge Clark's response to many questions during the course of his confirmation hearings was that he intends to carefully review specific policies and programs within the Department of the Interior. In my view, what is needed to return the Department of the Interior to its appropriate mission goes way beyond careful review of present policy. What we need now, immediately, is a rapid reversal of existing policies to allow for the effective use and management of our country's public lands and resources. I hope the administration will make use of the new Secretary to implement new policies to achieve this goal.●

Mr. BAUCUS. Mr. President, I intend to vote to confirm Mr. Clark. But before I cast my vote, I want to set the record straight about why I am voting this way.

As you know, I have strongly opposed many of the Interior Department's policies. Just a few months ago, I joined Senator BUMPERS and others in placing a moratorium on Federal coal lease sales.

And I have fought a whole host of other policies pursued by Mr. Clark's predecessor, James Watt.

I disagree fundamentally with this administration's philosophy about the stewardship of this Nation's natural resources. This administration seems determined to sell off some of our most valuable resources at bargain basement prices.

Under Secretary Watt, the Interior Department seemed determined to remove many of the safeguards designed to protect wilderness areas, endangered species, public lands, and other natural resources.

I have opposed these policies because I believe it is our responsibility to protect these resources for future generations. I want to make sure my children have the same opportunity I have to enjoy this Nation's resources.

I am not voting for Mr. Clark because I believe he will reverse those policies.

I fear that he will not.

But I am voting for Mr. Clark because I believe that unless questions of integrity or competency are raised, the President should be able to appoint his people to Cabinet posts.

No matter how strongly I disagree with Mr. Clark's policies, no serious questions about his integrity have been raised. Furthermore, although he is inexperienced in Department of the Interior matters, he is intelligent and is a quick learner. Therefore, I am prepared to vote for his confirmation.

I only want to add, however, that a number of us last night tried to send a strong message to Mr. Clark and the other top officials at the Interior Department.

We wanted Mr. Clark to know that almost a majority of the Senate thinks the Interior Department should stop pursuing its current policies and be more responsive to some of our concerns.

I strongly urge Mr. Clark to listen to our views and to make a good faith effort to change the policies of the Interior Department.

(By request of Mr. BUMPERS, the following statement was ordered to be printed in the RECORD:)

● Mr. CRANSTON. Mr. President, nothing in Mr. Clark's background and experience appears to qualify him for the difficult and sensitive position of Secretary of the Interior.

Only two good things can be said about this nomination:

First, Mr. Clark's likely to be less bellicose in carrying out his responsibilities than James Watt.

Second, Ronald Reagan will no longer be able to use the image of a high-profile Secretary of the Interior to shield the President from political responsibility for the misguided, irresponsible programs and policies coming out of the Interior Department.

If anything, Mr. Clark—who has refused to tell the committee investigating his nomination how he will carry out his responsibilities—brings many of the same attitudes as Mr. Watt. If Clark's decisions as a California judge are any indication, with even less grasp of the difficult issues he will be forced to decide.

I opposed Jim Watt's nomination.

I certainly oppose this one.●

● Mr. LEVIN. Mr. President, reading through the report of the Senate Energy and Natural Resources Committee and the transcript of its hearings on William Clark, it is difficult to know what or how he would do if confirmed as Secretary of the Interior.

For example, when asked by Senator JOHNSTON about funding for the Saw National Wildlife Refuge in Louisiana, he said:

I will consider it, Senator. Needless to say, I would be making no announcements of any change of policy other than to assure you that the President has requested that I review all policy and procedure.

When asked by Senator EVANS if he would support the moratorium on oil and gas leasing—required because Secretary Watt wanted to lease in the wilderness and the Congress prevented him from doing so—Mr. Clark responded, "Senator, again it is a matter of following the law, and I intend to start with that premise." We certainly begin with the premise that a Cabinet member would follow the law; we want to know which changes in law he is inclined to support and which he would be inclined to oppose.

When asked by Senator EVANS about hatchery problems in the Pacific Northwest, Mr. Clark responded:

Senator, I have your letter on that and several other issues, and I have requested from the Department a full analysis on that question.

When asked by Senator FORD if he knew of any problems with the implementation of the Surface Mining Control and Reclamation Act, he said, "I can't think of one off-hand, Senator."

When Senator BUMPERS asked him about coal leasing policy, an area where the Congress reputiated the policy of Secretary Watt, he said, "Senator, you make a persuasive case, but I haven't heard the other side."

I think the problem with Mr. Clark's nomination is summed up by this exchange:

Senator BUMPERS. Judge Clark, can you name one policy of James Watt that you disagree with?

Judge CLARK. Senator, going to your question for a moment, I have thus far not in my appraisal weighted out whether I would disagree or agree with what Mr. Watt has done either in policy or in its implementation or in explanation.

I understand that we do not normally expect any nominee to propose major changes in the policies of the Department he or she has been nominated to run. However, I think this is an unusual case. Mr. Clark's predecessor made radical and highly visible changes in policy. He also had a remarkably bad relationship with the Congress; we overruled him on several key policy matters. In such circumstances Mr. Clark should have given us some idea of what to expect if he is confirmed. In the absence of that, I assume that what Ed Meese said will be true—that Bill Clark will continue Watt's policies. While normally a President is entitled to implement his program, Watt's policies were so disastrous that their continuation should be protested.

My vote against confirmation of Bill Clark constitutes that protest as well as my objection to his lack of openness about his views at his confirmation hearing.●

Mr. SYMMS. Mr. President, I rise in support of Judge Clark for Secretary of the Interior.

He is well qualified and capable of doing a fine job. His past experience makes him uniquely qualified for this post. National security and natural resources are certainly intertwined.

Mr. HATCH. Mr. President, I have listened with great interest to the rhetoric over the confirmation of Judge Clark to be Secretary of the Interior.

Let me start by simply saying that I support the programs and policy of President Reagan. I, without qualification, support his nomination of Judge Clark as Secretary of the Interior and I urge Judge Clark's immediate confirmation.

I reject the emotional attack upon President Reagan and his policies dealing with the environment and natural resources of this great country. I know President Reagan and Judge Clark share with me great respect for the natural resources of this country—the natural beauty as well as the energy resources. They, like me, desire to be wise and careful stewards of these resources; to manage carefully what we have for our own use and to leave for our children and our children's children an environmentally desirable heritage, but we must face the facts.

In "The Critical Link: Energy and National Security in the 1980's" Mr. Ebinger states:

Stalking the United States of the 1980's is an illusion that threatens the economic stability and security interests of this country and indeed the world far more than the global agrandizement of Soviet power. The illusion has touched all regions of the country and all socioeconomic classes, transcending partisan politics and reaching into the highest levels of the executive and legislative branches of government and the boardrooms of domestic and international corporations. *It is the illusion that the energy crisis is essentially behind us and that we can relax and let market forces solve our energy dilemma.* (emphasis added)

Mr. President, President Reagan fully appreciates the responsibility of his office. He fully appreciates the critical national security requirements of this country to reduce import energy dependence and critical nonfuel mineral import dependence as much as the requirements to preserve and to protect our natural resources. Yes, he favors energy and nonfuel mineral development consistent with the stewardship of the land to free this Nation from the very real and present threat that our energy and nonfuel minerals will be cut off and we will not be able to meet our needs.

Mr. President, Judge Clark has outstanding credentials. I will not take time to repeat them. They are well reflected in the record. He will make an outstanding administrator. He will make an outstanding Secretary of the Interior to carefully balance the environmental needs with the energy and nonfuel mineral needs and public use and enjoyment of the lands. I repeat. I urge his immediate confirmation.

Mr. LAUTENBERG. Mr. President, the Reagan administration's policies on natural resources and the environment have wrought heated controversy in Congress and the public. As Secretary of the Interior and head of the President's Cabinet Council on Natural Resources, Secretary Watt demonstrated enormous insensitivity to the stewardship of our Nation's natural resources. I profoundly disagreed with both his policies and his intransigent and contemptuous style of leadership.

As Secretary of the Interior, Judge William P. Clark will become the next steward of our public resources. Beyond his direct responsibility for Department of the Interior programs, as head of the Cabinet Council he will exercise significant influence on a broad array of programs left in limbo by this administration. These include the Clean Air Act, the Clean Water Act, the Superfund, and other toxic waste programs, and a stillborn acid rain policy.

Mr. President, the controversy surrounding Jim Watt's encumbency has spilled over into the Senate's deliberations on the Clark nomination. In this debate, some have argued that the President deserves a nominee of his own choosing at DOI, and that Mr. Clark is a man of demonstrated talent and integrity. I do not quarrel with these observations. But, in this case, I must vote against Mr. Clark's confirmation.

I vote against the Clark nomination to express my continuing dismay with this administration's policies on natural resources and the environment. During his confirmation hearings, Judge Clark had ample opportunity to disown his predecessor's policies. He had ample opportunity to spell out for the Senate what he would do differently if confirmed. Mr. Clark indicated he would consult more widely with interested parties. He said he would work to resolve the unprecedented maze of litigation sparked by administration policies since 1981. But, he refused to go beyond this. He refused to make any commitments to materially change established administration policies.

Under Secretary Watt, the Reagan administration moved to delay or halt purchases of land for the national park system and to end funding for State and local acquisition of park and recreational lands. It embarked on a massive program of oil leasing off our shores, which was unprecedented in our history. It refused to cooperate with State and local officials to assure the protection of other coastal resources, such as fisheries and recreational areas. This insensitive approach to OCS leasing policies resulted in litigation, joined by my own State of New Jersey, and congressional steps to block the most egregious of DOI's plans. In light of our need to increase our long-term energy independence, the administration's unbalanced leasing program only wreaked havoc in the OCS program.

In its wanton drive for development, this administration tried to turn over public resources to private interests at a fraction of their worth. It has ignored clear statutory requirements to protect the environment and assure the taxpayers of this country that they get fair market value for public resources. Its coal leasing policies ran aground of the same objections, resulting in a temporary halt to coal leasing on Federal lands because the Congress could not condone DOI practices. It proposed mining and development in wilderness areas and in wildlife refuges. It moved to try and sell surplus Federal property, in the past frequently conveyed to State and local governments for recreational and other public purposes, to the highest bidder.

Mr. President, I do not question Judge Clark's integrity or commitment to serving his President. He is a man of significant talent and experience. But the fact remains that at his confirmation hearings, to become steward of our resources and coordinator of Federal policies on the environment, Mr. Clark was unwilling to commit himself to principles that have enjoyed strong bipartisan support. He was unwilling to disown Mr. Watt's policies. Under these circumstances, Mr. President, I must vote against the confirmation of Judge Clark to be Secretary of the Interior.

THE NOMINATION OF WILLIAM P. CLARK

● Mr. BOSCHWITZ. Mr. President, there is hardly a trust placed in the hands of our Government that is more important than that of our country's environment and vast natural resources. Our natural heritage is a gift to us that has been handed down by those men and women in our Nation's history who have been careful stewards. Today, any damage that we do to our environment will be difficult—perhaps impossible to repair and will rob our children's children of the healthy and beautiful environment which is their right.

The nomination of Judge William Clark as the new Secretary of the Interior is now before the Senate. When the Senate votes on this matter, I will join the majority of my colleagues in voting in favor of Mr. Clark. It is tradition in Congress to allow the President his own choice of his Cabinet and except in the most extreme cases I believe this is sound policy. However, I feel it is both healthy and necessary that there be debate about the future direction of Department of the Interior policies under the leadership of Mr. Clark.

It is apparent to all that the manner of Mr. Clark is more diplomatic than that of Mr. Watt. However, the future Secretary of the Interior, during his confirmation hearings, has given the Senate little indication if his policies will vary from those of his predecessor.

To encourage the needed debate about the past, present, and future management at the Interior Department I cosponsored a resolution urging Mr. Clark to manage the Department to conform with the expressed will of Congress and to regain general public support and confidence. Unfortunately, that resolution was defeated last night on a 48-42 tabling motion. I was but one of three Members of my party to support it.

Even though the Senate did not pass that resolution I hope Mr. Clark will consider its message and understand its purpose—that it is time for a change, not only in the style but in the substance of the management of the Department of the Interior.●

Mr. HECHT. Mr. President, I am very pleased to vote for the confirmation of William Clark as the Secretary of the Interior and firmly believe that Nevada will be a major beneficiary.

I know Judge Clark and I am looking forward to working with him in the future. He is a westerner, a rancher, and a man who is knowledgeable about the unique problems facing our State. He is a good administrator who will have the confidence of, and accessibility to, the President. With so much federally owned land in Nevada—we are indeed fortunate that William Clark will oversee the Interior Department and continue the administration policy of bringing balance to our Federal policies regarding use of Federal land, our national parks and wilderness areas, and the critical development of our strategic energy reserves.

(By request of Mr. TSONGAS, the following statement was ordered to be printed in the RECORD:)

● Mr. GLENN. Mr. President, since the time of Theodore Roosevelt, American Presidents have understood the importance of preserving America's natural heritage for future generations. The basis of that understanding has been both moral and practical, for as Teddy Roosevelt himself put it: As people, we have the right and duty, second to none other but the right and duty of obeying the moral law, to protect ourselves and our children against the wasteful development of our natural resources.

With one exception, every American President since Roosevelt—Democrat and Republican alike—has honored that commitment. The one exception is Ronald Reagan.

A review of this administration's policies shows a consistent record of disregard for resource conservation and protection. The Department has repeatedly gone too far, too fast, in leasing public lands, and these efforts have now been blocked by the Congress. Under the administration, the Department of the Interior has tried to halt Federal land acquisition by decimating the land and water conservation fund. Protection under the Endangered Species Act has been weakened through reduced funding in the areas of enforcement and State grants.

Mr. President, this Nation faces a great challenge in the management and preservation of public lands and resources. Over the next few years, crucial decisions will have to be made regarding wilderness areas and mineral exploration. We need a sane oil, coal, and gas leasing policy—a policy that permits leasing only when the value of the resources is clearly greater than the damages of development; a policy that insures the Government gets fair market value for its leases; and a policy that makes every effort to protect the environment when exploration or production is necessary. We need a sane policy toward wilderness areas—and those areas need full protection until Congress makes a final decision on their status. And we need sane policies on those other vital problems that must be addressed: vanishing wetlands in the South, a decreasing water supply in the West, and endangered species that are disappearing in every region of the country.

During his hearings before the Senate Energy Committee, Mr. Clark failed to demonstrate an understanding of these issues and of the other serious responsibilities which await the next Secretary of the Interior. In fact, in over 10 hours before the committee, Judge Clark studiously avoided any definitive response about his general philosophy, his view of previous policy, or his management style. He evaded questions in every major policy area under the Department's jurisdiction, including public lands, national parks, and water resources. While Judge Clark is to be commended for his willingness to meet with environmental leaders—and his departure from his predecessor's confrontational style—these characteristics are no substitute for substantive, environmentally sound policies.

No one is suggesting that we "lock up" our public lands. Prudent develop-

ment of our natural resources is both necessary and desirable in certain instances. But the administration has ignored the need to strike the proper balance between environmental protection and development.

America's natural resources are both a heritage handed down from previous generations and a trust we must hold for generations yet to come. We have both a moral and economic responsibility to preserve our finite resources and to pass along the knowledge and tools that will enable those who follow us to use them wisely. Former Secretary Watt clearly demonstrated that he neither understood nor believed in these principles. I oppose Judge Clark's nomination because there is no basis to conclude, either from the hearing record or Mr. Clark's background, that the Reagan-Clark policy will be any different.

My decision to oppose Mr. Clark's nomination is reached reluctantly, because I am a firm believer in granting a President great leeway in his appointments. After all, the President is ultimately responsible for all executive branch policies and actions. Nevertheless, I oppose this particular nomination as a matter of principle. Mr. Clark's nomination does not come at the beginning of this President's term. We know what his policies are, and what they will look like in the future. Against this background, I believe the discretionary authority of a President to appoint friends and close advisers must yield to our need to establish a balanced approach to our beautiful, and, in many instances, irreplaceable natural resources.●

Mr. McCLURE. Mr. President, there is one further speaker that I know of, and pending his arrival, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, the Senate is about to vote on the nomination of William P. Clark to be the new Secretary of the Interior.

Let me say, in agreement with my colleagues who have spoken on this matter today, that I did not oppose Mr. Watt simply because of his intemperate remarks. My concern was based upon the unwise policies pursued by Mr. Watt during his tenure as Secretary of the Interior. For example, under Mr. Watt's leadership, GAO estimated that the American Public received $100 million less than fair market value for the Powder River Basin coal lease sale, the largest coal sale in the history of this Nation.

But, Mr. President, I will not dwell on the past and rehash the many difficulties of Mr. Clark's predecessor. The stormy relationship he had with the Congress and many segments of the American public is well known. We all hope that those days of controversy are over, and that Mr. Clark will direct the Department to more tranquil waters.

I support Mr. Clark's nomination, and I intend to vote for his confirmation.

I do not quarrel with any Senator who looks at nominations from a different point of view. I think the Founding Fathers were wise in requiring that Congress have the power of confirmation of nominations. They did not mean for Congress just to go along willy-nilly without raising any question as to a President's nomination, and I never have felt that just because a President wanted a certain person, he should have him.

That goes for Democratic and Republican nominations. That is, however, a factor in my decision. I consider that factor, but that is not the governing factor, else the intent of the Founding Fathers would not be implemented.

I am sure they did not put the verbiage into the Constitution just as filler material. As a matter of fact, I do not find any filler material in the Constitution. It is a living document, and I marvel at the wisdom of the Founding Fathers who wrote that Constitution.

I believe that Mr. Clark has important work to do as the official responsible for the management of the Nation's vast natural resources and as the chairman of the White House Cabinet Council on Natural Resources and the Environment. In those capacities, he will face a number of difficult and controversial issues. He will have to make decisions on those issues, and those decisions themselves are often controversial.

I hope and believe that Mr. Clark's approach to these responsibilities will be balanced and judicious. I wish him well in his new office, and I look forward to working with him.

Mr. BAKER. Mr. President, I will not take more than a moment.

First, I wish to express my appreciation to the minority leader for his statement of support today for this nominee.

Mr. President, I believe the President will be well-served by this nominee and that the Senate will be well-served by the confirmation of his nomination.

I do not know Judge Clark well, but I know him well enough, Mr. President, to know that he has gained the respect and confidence of the President. I know him well enough to know that he learns quickly and that he performs with a high level of competent professionalism, those things which he is asked to do.

Mr. President, I believe that Judge Clark will bring to his service as Secretary of the Interior an experience and insight over a wide field and a range of experiences that will profit the administration, the Department, and the country.

But most surely, Mr. President, it will bring us a situation in which we will have a Secretary of the Interior who has unique and special access to the Chief Executive, the President, and who will have an opportunity to advance the causes, the opportunities, the programs that are important that he may wish to present to the highest magistrate of our country.

I shall support the nominee and urge and encourage other Members to do so.

Mr. McCLURE. Mr. President, I know of no other Members seeking the opportunity to speak with respect to the nomination. I shall take only 2 or 3 minutes myself in concluding the debate on this nomination. I think we are all ready to vote.

I have sat here now for nearly 3 hours, most of the time having been consumed by people who wish to discuss natural resource issues.

I am sure the Senate is not anxious to have an extended debate on each of those issues at this time. It is not my intention to try to respond to each of the comments that has been made.

Suffice it to say that most of those issues have been debated in this body many times in the past. The Senate has upon various times adopted one portion or another with respect to those policies.

It is not as though they are born fresh here today. Most of the arguments are old and some are tired.

I do not mean to reopen the issue of the coal leasing program which has been referred to here today by two or three of the speakers, but let me remind my friends of a couple of facts if indeed facts are at all relevent to this discussion.

The only criticism I have really seen of the coal leasing program has been that we lease, or make available for leasing, too much land. That is a subjective question that indeed deserves, and will continue to have, the scrutiny of Congress.

Reference has been made to whether or not it receives fair market value when the Federal Government puts land up for lease.

It depends upon what assumption you make as to what the fair market value is.

And reference has been made to the GAO study that indicated that the current practice is erroneous. In hearings before the Committee on Energy and Natural Resources we went into the GAO study at some length and

indeed found that parts of the study itself were erroneous. There were a number of errors of fact as well as disputes about correct assumptions, which is not to say that that is the last word. It is simply a way of saying there are differences of opinion about some of the issues and some of the methodology.

But I think it should be noted that when that study came to light and that debate was at its highest point Secretary Watt appointed Mr. Linowes to head a Commission. Mr. Linowes had previously headed a Commission when there was a dispute over the question of the Federal oil and gas royalty management. When that became an issue the Secretary had called upon Mr. Linowes and that distinguished Commission came forth with a recommendation which was then merged into a package of statutory and administrative changes that were presented to Congress and implemented by the Secretary of the Interior and the Department of the Interior. Congress enacted most of those changes. Mr. Linowes and his Commission made such a valuable contribution at that time, that I am certain that they will again with respect to the issue of fair market value for coal leases and the assumptions that go into that judgment.

I have heard some criticism of the Surface Mine Reclamation Act administration and the only real substantive discussion about that that I have seen has been built around two things.

One is that the administration somehow destroyed the program by allowing the States to assume primacy. In other words, they allowed the States to take over the administration.

Mr. President, Congress wrote that into the statute. Congress said when the States are ready to assume that role we must turn it over to the States.

If Secretary Watt had not done so he would have been violating the law. There are some people here who think that this Secretary of the Interior should follow the law; just as some of us thought the previous Secretary of the Interior should follow the law; and just as many of us, perhaps all of us, believe that Judge Clark upon his confirmation will follow the law of this land.

Let me also suggest that there has been criticism of that of the administration of the Surface Mining Act by saying that there are a lot of operations in violation of the law, operations by mining companies and mining operators, not violations of the law by the administration, and that the administration has failed to collect some millions of dollars in penalties.

That has always been a problem. Forcing the operators to conform to the law, the question of whether they have, and the collection of penalties always lags. People are entitled to the due process of law and due process of law takes some time.

But lest you believe that is a problem for this administration unlike any other, let me remind you that the previous administration between 1979 and October 1980 failed to act on 1,100 cases for which civil penalties should have been assessed. This administration to date has assessed $59 million in penalties on these cases and is pursuing collection.

So the fact that they have not collected is not a fault of this administration. The past administration did not even try to collect on those violations.

There is a problem in the enforcement of the act, but this administration has been pursuing it.

Finally, Mr. President, with respect to the allegations that there should be a moratorium on coal leasing, let me restate what I have stated in this Chamber and in the committee a number of times in the past. I will quote a person in support of my position that I think has some credibility with the critics of this administration, I quote from a letter that was published in the Washington Post on Saturday, May 14, 1983, and I will confess at the outset that this quote is taken out of context but I quote it only for one purpose. This is the quotation from that letter and it says:

> There is talk now in Congress and in some State capitols to calling a halt to further coal lease sales at least until after Congress can impose some order on the present chaos. I personally believe that repeating the earlier Republican moratorium would be a serious mistake . . .

The writer of that letter and the man I quote is Cecil B. Andrus, former Secretary of the Department of the Interior in the previous Carter administration.

Mr. President, I will not take further time to refute the arguments in detail. Let me say that I do not believe this is the time to enter into the debate on what the policies should be. Many of the items in debate were discussed last night on the resolution of the Senator from Louisiana that detailed some of the errors of the past that were alleged by some, I will not repeat all of that debate today, except to say many of the so-called abuses are actions that have been corrected.

Many of the so-called policy disputes are policy disputes that have been resolved. Many of the program directions which have been sought have been directed by Congress and resolved in compromise between Congress and the administration.

One last matter that I think deserves to be put into some context, and that is the Federal land sale program, the so-called asset management program. I think I would be derelict in my responsibility to the historic record at least if I did not indicate that Secretary Watt was opposed to that policy. Secretary Watt was the first one in the administration to say that the Department of the Interior is not following that policy.

By his own administrative direction, the Department no longer follows it. The land disposal policies of the Department of the Interior will not be governed by the asset management program.

Mr. President, that was done before the Congress of the United States had taken action on that program. So the record should at least reflect the facts not just the passions and the emotions.

Mr. DECONCINI. Mr. President, it is with some reluctance that I will cast my vote today in support of the confirmation of Judge William Clark to be Secretary of the Interior. We have just experienced 3 years of constant confrontation on policy matters instituted by the former Secretary. The public and this Congress have many times voiced their opposition and outrage to the practices of the Department of the Interior with respect to coal leasing, oil and gas leasing in wilderness areas, funding for the Land and Water Conservation Fund, and many other programs so vital to a balancing of energy needs and environmental protection. Mr. President, I cosponsored Senator JOHNSTON's resolution on the policies and practices of the Department of the Interior because I felt the Congress needed to be afforded the opportunity to express its dissatisfaction over the direction the Department had been moving in under the leadership of James Watt. And, I believe the vote on the resolution clearly demonstrates the extent to which those policies have divided the Congress as they have divided the country. It is unfortunate that the resolution did not carry and I wish the leadership could have given us an up or down vote on the Senate of the Senate resolution on its own before moving to the consideration of the Clark nomination.

Judge William Clark, during his confirmation hearings, did not indicate that he would attempt to reverse any of the policies implemented by Secretary Watt. But he did say that he would carefully review those policies, and I am hopeful that changes will be implemented under his leadership. I am convinced that the American public expects to see changes.

Judge Clark appears to be a very capable and thoughtful individual and I have confidence that his style as Secretary will be markedly different from the personal style of James Watt. While he does not possess the experience in the policy areas of land, energy, and water management I would have liked to have seen in a nominee for this important post, I am willing to give Judge Clark a chance to

be educated, learn, and prove himself in the process. One area of particular importance to this Senator from a Western State, is water availability and management. Water is one of the most sacred of our natural resources—it represents the lifeblood to a State like Arizona where the danger of an inadequate supply is forever present. Under the stewardship of James Watt, the Department pitted one State against another on this delicate issue. I am optimistic that Judge Clark will not retort to this tactic and hope that he will work with all States fairly, without shortchanging any, in the formulation of water policies. This issue is much too important to subject it to partisan politics.

Mr. President, it is the desire of this Senator to see a more cooperative and friendly working relationship with the Department of the Interior and the Congress. I am supporting Judge Clark for this position in the hope that he can achieve such a relationship and put an end to constant conflict and confrontation.

Mr. MITCHELL. Mr. President, I oppose the nomination of William Clark to serve as Secretary of the Interior. I am not persuaded that he brings sufficient knowledge or prior interest in programs under the jurisdiction of the Department of the Interior to properly administer the agency.

Our Constitution assigns to the Senate the responsibility to evaluate and, if satisfied, consent to those whom the President chooses to lead his administration. This is an important process for the appointing President, his nominees, and the Members of the Senate.

Our law does not specify the criteria by which Members of this body should evaluate Cabinet and major sub-Cabinet nominees. Senators are free to determine, to the best of their abilities, what crucial questions must be answered satisfactorily before their votes are cast.

The questions I have asked about earlier nominees to positions within the administration, including Mr. Clark upon his nomination to the post of Deputy Secretary of State, are the following:

First, is the nominee an honest person with a record of integrity?

Second, does the nominee possess the managerial and administrative skills necessary to operate efficiently and effectively the department or agency which he shall join?

Third, is the nominee sufficiently free of financial ties and legal obligations, the existence of which might prompt him to place other considerations before his concern for the public's welfare and his loyalty to the President.

Last, does the nominee possess a true understanding of the important issues with which he, as a principal administration official, must deal?

I have carefully reviewed Mr. Clark's background, and the record of the hearing held by the Senate Committee on Energy. I have concluded that Mr. Clark appears to be a man of integrity, and that he does have managerial skills. I am not aware of any conflicts of interest that he might have that would interfere with his decisions as Secretary of the Interior.

However, Mr. Clark's background does not indicate sufficient knowledge of or experience with the policies and laws within the jurisdiction of the Department of the Interior.

At his confirmation hearing, Mr. Clark did nothing to inform the Senate of any such knowledge or experience. He refused to comment on any policy or program, replying to almost all such questions merely that he would study the matter. That is simply not good enough. The hearing record makes clear that Mr. Clark has no experience in and little present knowledge of any of the subjects which are within the jurisdiction of the Department of the Interior.

I hope that many of the environmental policies established by President Reagan, and implemented by former Secretary James Watt, will be reversed, particularly those which the courts have found not to be in compliance with the law.

I urge the new Secretary to place more emphasis on listing, enforcement and State participation under the endangered species program; to request adequate funds—not, as in recent years, zero funds—for wetlands and wildlife refuge acquisitions; to institute a more measured and environmentally sound process for Outer Continental Shelf oil drilling; and to comply with environmental laws and provide more public participation in decisions to increase economic uses of national wildlife refuges. These are just a few changes that are required if this administration is to regain public confidence in its environmental policies.

However, as a Senator, I do not have the right to expect, nor do I expect, a President to nominate Cabinet members, sub-Cabinet members, and agency chiefs who share my views on most issues. I do not believe that Senators can or should require nominees to share their political philosophies in order to win the Senators' approval at confirmation time. Under our Constitution that is rightly the President's prerogative.

But I do expect a nominee to possess the qualifications, through knowledge and experience, to administer his department's area of jurisdiction. Despite his many positive qualities, which may well qualify him for other positions, Mr. Clark is not qualified for this one. Accordingly, I will vote against Mr. Clark's confirmation as Secretary of the Interior when the vote occurs later today.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of William P. Clark, of California, to be Secretary of the Interior? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. INOUYE (after having voted in the affirmative). Mr. President, on this vote, I have a live pair with the Senator from California (Mr. CRANSTON). If the Senator from California were present, he would vote "nay." I have already voted "yea." Therefore, I withdraw my vote.

Mr. DECONCINI (after having voted in the affirmative). Mr. President, on this vote, I have a live pair with the Senator from South Carolina (Mr. HOLLINGS). I have already voted "yea." If the Senator from South Carolina were present and voting, he would vote "nay." Therefore, I withdraw my vote.

Mr. STEVENS. I announce that the Senator from North Carolina (Mr. ANDREWS), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Illinois (Mr. PERCY), the Senator from Virginia (Mr. TRIBLE), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KENNEDY) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 71, nays 18, as follows:

[Rollcall Vote No. 379 Leg.]

YEAS—71

Abdnor	Goldwater	Moynihan
Armstrong	Gorton	Murkowski
Baker	Grassley	Nickles
Baucus	Hatch	Nunn
Bentsen	Hatfield	Packwood
Bingaman	Hawkins	Pell
Boren	Hecht	Pressler
Boschwitz	Heflin	Quayle
Bradley	Heinz	Randolph
Burdick	Helms	Roth
Byrd	Huddleston	Rudman
Chiles	Humphrey	Simpson
Cochran	Jepsen	Specter
Cohen	Johnston	Stafford
D'Amato	Kassebaum	Stennis
Danforth	Kasten	Stevens
Denton	Laxalt	Symms
Dole	Long	Thurmond
Domenici	Lugar	Tower
Durenberger	Mathias	Wallop
East	Matsunaga	Warner
Evans	Mattingly	Wilson
Exon	McClure	Zorinsky
Garn	Melcher	

NAYS—18

Biden	Hart	Proxmire
Bumpers	Lautenberg	Pryor
Dixon	Leahy	Riegle
Dodd	Levin	Sarbanes
Eagleton	Metzenbaum	Sasser
Ford	Mitchell	Tsongas

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—2

Inouye, for DeConcini, for

NOT VOTING—9

Andrews	Glenn	Percy
Chafee	Hollings	Trible
Cranston	Kennedy	Weicker

So the nomination was confirmed.

Mr. McCLURE. I move to reconsider the vote by which the nomination was considered and confirmed.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR LUGAR'S 3,500TH VOTE

Mr. BAKER. Mr. President, I call to the attention of my colleagues that the rollcall just cast was the 3,500th vote cast by my distinguished colleague from Indiana (Mr. LUGAR) during his tenure in the Senate.

While others here have cast more votes, as I am sure Senator LUGAR will in the future, the Senator from Indiana has achieved a 98.4-percent voting record. That is the best career attendance record ever for a Senator from the great State of Indiana.

In his 7 years in this most distinguished body, Senator LUGAR has now cast more votes than all but 2 of the previous 40 Senators from Indiana. I am also confident he will pass them some day.

If I may, Mr. President, I would like to enter into the RECORD a list of the previous Senators from Indiana and their voting records. This list includes such important American leaders as Benjamin Harrison, our 23d President; Thomas Hendricks and Charles Fairbanks, who served as Vice Presidents; Sherman Minton, who served on the U.S. Supreme Court; Albert Beveridge, the great progressive leader; and one of my predecessors as majority leader, James Watson.

Again, I congratulate my good friend, Senator LUGAR, for his achievement and for the diligence and commitment I know he will continue to display in this body.

Mr. LUGAR. Mr. President, I thank the distinguished majority leader for his generous remarks. I also thank him for making my efforts to maintain as near perfect a voting record as possible by reducing the number of rollcall votes we have faced this year. I note that in my first year in the Senate, I cast 635 votes. This year it has been well under 400. I appreciate and admire the leadership which he has shown.

Mr. BAKER. Mr. President, I ask unanimous consent that a list of all previous Indiana Senators and their voting records be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

The following is a list of all previous Indiana Senators and their voting records:

	Votes cast	Percent
James Noble (1817–32)	430	83
Waller Taylor (1817–25)	386	80
Robert Hanna (1832)	0	0
William Hendricks (1825–36)	382	91
John Tipton (1832–39)	443	83
Oliver H. Smith (1837–43)	539	95
Albert S. White (1839–45)	419	85
Edward Hannegan (1843–49)	323	76
Jesse D. Bright (1845–63)	1,552	69
James Whitcomb (1849–55)	216	60
Charles Cathcart (1852–53)	8	80
John Petit (1853–55)	276	70
Graham Fitch (1857–61)	602	69
Henry S. Lane (1861–67)	1,124	84
Joseph Wright (1862)	0	0
Thomas Hendricks (1863–69)	882	70
Oliver P. Morton (1867–76)	1,252	55
Daniel Pratt (1869–75)	1,144	71
Joseph MacDonald (1875–81)	784	65
Daniel Voorhees (1877–96)	2,298	65
Benjamin Harrison (1881–87)	859	95
David Turpie (1887–99)	1,268	69
Charles Fairbanks (1897–1904)	534	93
Albert Beveridge (1899–1911)	425	61
James Hemenway (1905–08)	96	66
Benjamin Shively (1909–16)	769	74
John Kern (1911–17)	756	70
Thomas Taggart (1916)	107	76
Harry S. New (1917–23)	1,146	86
James E. Watson (1916–33)	1,750	72
Samuel Ralston (1923–25)	122	81
Arthur Robinson (1925–35)	868	73
Frederick Van Nuys (1933–44)	1,406	81
Sherman Minton (1935–41)	1,079	93
Raymond Willis (1941–47)	358	76
Samuel Jackson (1944)	41	59
William Jenner (1944, 1947–58)	1,256	78
Homer Capehart (1945–62)	1,715	68
Vance Hartke (1959–76)	4,443	76
Birch Bayh (1963–80)	6,008	75

COMMENDATION OF THE MINORITY LEADER

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated by title.

The legislative clerk read as follows:

A Senate resolution (S. Res. 288) to commend the extraordinarily cooperative conduct of the distinguished minority leader.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the resolution.

Mr. THURMOND. Mr. President, this is a resolution to commend the distinguished minority leader for his fine cooperation and exemplary work during this session.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 288) was agreed to, as follows:

S. RES. 288

Resolved, That the Senate extends its thanks to the distinguished minority leader, the Senator from West Virginia, the Honorable Robert Carlyle Byrd. The extremely cooperative and able manner in which the minority leader has approached his duties as protector of the rights of the minority have been duly noted and the Senate commends the minority leader for his understanding, his devotion to the rules of the Senate, and for his outstanding leadership.

COMMENDATION OF THE MAJORITY LEADER

Mr. THURMOND. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 289) to commend the exemplary conduct of the distinguished Majority Leader.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. THURMOND. Mr. President, this is a resolution to commend the exemplary conduct and the great work the distinguished majority leader has done. I ask for an immediate vote on the resolution.

The PRESIDING OFFICER. Is there objection? The question is on agreeing to the resolution.

The resolution (S. Res. 289) was agreed to, as follows:

S. RES. 289

Resolved, That the exemplary conduct of the distinguished Majority Leader, the Honorable Howard Baker, Jr., from the State of Tennessee is deserving of the highest commendation of the Senate. The fair and just and able manner in which Senate business has been scheduled and managed are a source of pride to the Senate as a whole and the thanks of the Senate is hereby tendered to the Honorable Howard Baker, Jr., Majority Leader, United States Senate.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, let me outline the program while there are so many Senators on the floor and let me lay the ground rules out.

I ask unanimous consent that there be a period for the transaction of routine morning business of not more

than 30 minutes in length, in which Senators may speak for not more than 5 minutes each.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

SENATE SCHEDULE

Mr. BAKER. Mr. President, there are a number of Senators seeking recognition. I hope we can do some of these things by 3:30 p.m.—first, in the meantime, we are going to do some wrap-up if the minority leader is available to do that. At about 3:30, we shall be on the Department of Defense appropriations conference report. There will be other rollcall votes today—at least one, perhaps two or three. I urge Senators to stay with us.

Mr. GRASSLEY, Mr. JOHNSTON, and Mr. DOMENICI addressed the Chair.

REGULATORY REFORM

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa.

Mr. GRASSLEY. Mr. President, I take the floor to request a dialog with the distinguished majority leader on regulatory reform. The majority leader knows that I have been trying for a considerable time to get his time and attention on this subject. He has been very responsive to me in my request, but has not been able to devote much time to it, due to the press of other business.

As my colleagues know, I have been working with Mr. HEFLIN, ranking minority member of the subcommittee, on the subject of bringing up S. 1080, which presently has 54 cosponsors. An identical bill passed last year by a vote of 94 to 0.

The PRESIDING OFFICER. Will the Senate please be in order so the Senator may be heard by those in particular who wish to engage in colloquy?

Mr. GRASSLEY. Let me repeat for the Senate majority leader that this is the very same bill that passed last year by a vote of 94 to 0, and, of course, I was hoping to get it up yet this year. Obviously, with our imminent adjournment, it is not going to be possible, so I seek the Senate leader's guesstimate of whether this could come up early next year. I hope that it would be one of the first things on the agenda for next year. I would also like to defer to the ranking minority member for a minute to state his view on this.

Mr. HEFLIN. Mr. President I commend my chairman (Mr. GRASSLEY) for his continued leadership in this most important legislative effort. This has been a continuing process for several Congresses which culminated in passage by the Senate of Senate bill 1080 in the 97th Congress under the leadership of my distinguished colleagues, Senators LAXALT and LEAHY, with a 94 to 0 vote. I wholeheartedly support the desire of Senator GRASSLEY that this matter, with strong bipartisan support, be considered by the full Senate at the earliest possible date.

Mr. BAKER addressed the Chair.

Mr. GRASSLEY. I yield to the Senate majority leader.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I thank my friend from Iowa and my friend from Alabama. I testify firsthand to the fact that they have been diligent, indeed, in bringing this matter to my attention over, and over, and over again, and rightly so; it is an important piece of legislation. We have dealt with it once on a virtually unanimous basis, and I expect we would again when we have the opportunity to do that. It is my hope, however, that we can adjourn sine die today, sometime this evening, and that depends on what we do and of course how the House acts on the supplemental appropriations bill. But in any event, I think the switches are set, so to speak, and expectations are built around the idea that we can do what must be done before we go out. I would not wish to ask the Senate to turn to this matter today. However, I assure both my friends that when we come back in January among the early items that we will attempt to address will be this one. I will confer with both Senators to establish a satisfactory time for that purpose.

Mr. GRASSLEY. I thank the Senator from Tennessee for his help and assurance on that and stand satisfied. I also thank Senator Heflin for his help. I hope the business people, but particularly the small business people, in his State appreciate the fine work that he has done on this legislation to try to bring regulation under control. I yield the floor.

RECONCILIATION

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr DOMENICI. Mr. President, I know that this afternoon or early evening the leader will ask the we adjourn. Normally I would be the first to resist that and object to it, because we have not completed all our action on the deficit-reducing reconciliation bill. However, since the events that baffle us and put us in a situation where we will not pass a reconciliation bill this year are not of this body's doing, at least not exclusively, I believe that we should adjourn without completing the reconciliation bill. Therefore, I will not object if the leader decides that he has to lay aside the reconciliation bill.

Let me explain to the Senate my position. First of all, it is clear to this Senator as chairman of the Budget Committee that the action of the House yesterday in defeating a rule, which would have permitted them to vote on a tax portion of the reconciliation package, killed any chance for a meaningful reconciliation this year. Actually, I find it ironic that the House, which all year has been the leading advocate of tax increases, would kill a very modest tax hike, which is basically what they had coming out of Ways and Means. This House action means that we cannot pass the bill now before the Senate, Senate bill 2062, because of a constitutional problem that relates to revenue raising. We all know about it. It is obvious and clear that if we sent the Senate reconciliation bill with the $13.4 billion in revenue increases reported out by the committee we would have it back here in 10 minutes with their blue slip on it. But I am even doubtful as to whether it would be good for us to attempt to pass any reconciliation bill at this time in the face of the House saying nothing will pass over there.

Let me, however, say to the Senate that the reconciliation bill is not dead. It remains alive. When we come back in January, it will still be alive. I am hopeful that the majority leader will reschedule it. After my good friend from North Dakota has a chance to address the Senate, I will ask the leader whether he intends to bring it back up after we return in January.

Let me make one other point. We have well into next year to achieve one $14.6 billion in spending reductions that would occur under the Senate version of the reconciliation bill. We might even have until April 15 or thereabouts before we have to pass a bill to adjust the cost-of-living indexes and other things to effect these savings. I want the Senate to understand that these opportunities were going to lapse, I would be seeking some other remedy today to try to pass the savings. But they will not. We do not have to pass them now. Because of that I am not going to insist that we proceed but, rather, that we take it up next year and proceed in an orderly manner in an effort to effect reconciliation.

Mr. GORTON. Will the Senator yield for a question?

Mr. DOMENICI. I am pleased to yield for a question.

Mr. GORTON. Is the Senator telling us from the point of view of deficit reduction on both sides of the ledger, both revenues and expenditures, that he believes that we may have a chance of doing a more comprehensive job than that contained in the present reconciliation bill if we hold this off until January or early February?

Mr. DOMENICI. There is no doubt in my mind that we can especially since if we sent our reconciliation bill over to the House at this time, with our $13.4 billion in revenue increases, it would to totally ineffective because the House has none and contemplates none. So in that regard we have to wait until next year in any event.

Mr. GORTON. I should simply like to comment that I know the chairman of the Budget Committee is disappointed at our lack of progress and he knows that I share that disappointment. This session of this Congress has not done what it should have done in connection with deficit reduction. The House, while it found it relatively easy to pass an all-encompassing budget resolution, has not even been willing to take up what that budget resolution implied. The Senate has at least shown that willingness, and the chairman of the Budget Committee and the very distinguished ranking minority member gave us an opportunity night before last in which we failed. But it may well be, I agree with the Senator from New Mexico, that come January this problem will be serious enough and the support for what the Senator from Kansas is attempting to do will be board enough so that we can do a better job than if we attempted to do it today.

Mr. DOLE. I thank the Senator. This is just my own assessment of the situation. I do not have any doubt that the Senate would pass the 14 billion dollars' worth of savings. It may take us a few hours, but there is no doubt. I am not putting this off because of that. We will pass that. If we do not pass it now, we will pass it in January, or February, or even March, and that is ample time. Those savings do not have to be addressed by a law until that period of time. But it seems to me that we have given the Senate an opportunity to do something substantial on the tax side. They chose not to. We have $14 billion in savings in tax revenues, the House has none. So there is absolutely nothing to go to conference on that is necessary, and we might do better if we wait. So it is with disappointment but it is with a degree of expectation that we might improve the situation that I have made the statement here today.

Mr. CHILES addressed the Chair.

The PRESIDING OFFICER (Mr. QUAYLE). The Senator from Florida is recognized.

Mr. CHILES. Mr. President, I concur in the statement by the distinguished chairman of the Budget Committee about where we find ourselves. With the House not passing a tax measure, and the Senate with no vehicle to which we can attach a tax measure without running into a constitutional problem, all we could do is send spending cuts to the House. I think there is legitimate resistance to that. I believe that resistance is based on the fact that many of us voted for the spending cuts believing we were also going to have revenue increases.

In fact, if you look at the budget resolution, you will see there was to be $70 billion of revenues and about $13 billion or $14 billion in spending cuts. We made the spending cuts, but as of now we have no revenue provisions. We have $14 billion out of the Finance Committee, but we find ourselves unable to even send those over to the House.

I think that, in some ways, we hurt the process if we start splitting off the spending from the taxes, because it ought to be one process. It should be one bill that goes to the President, and he should have to weigh that bill on the merits of its overall contents.

In this situation, therefore, we cannot complete our work on reconciliation today. But we have been ready. The Budget Committee has been ready since last July.

Our big problem has been the taxes. We have had postponement after postponement. We have been told each week that soon the White House would come to some agreement, soon we would see a markup, and we would see taxes out of the committees.

We tried all morning; we tried last night, last week, and last month to get an agreement so that we could proceed. But, once again, we find ourselves at an impasse between those of us who are willing to consider both taxes and spending, and those only willing to consider spending. Fortunately, the spending savings in the bill will not be substantially reduced if we wait until February to act.

From the perspective of the Budget Committee, we have reduced our revenue preferences from what we had reported last April. Many of us on this side would have preferred to hold off a third round of the tax cut and defer for indexing. That would have raised $120 billion and reduced the deficit 1 percent in each year. Again, there was a compromise on a 5-percent real growth in defense after having 35 percent real growth in 1981, 1982, and 1983.

We have held off on many domestic needs, and we have made room for new priorities within the overall freeze level.

Still, on this side we are waiting for the compromise, but the compromise has not come from the administration. We had a bipartisan Budget Committee package, between the chairman and myself. We offered a package 2 nights ago that would have been a balanced compromise, with a cut of 2.5 percent on defense, 2.5 percent on domestic programs, and virtually a 2.5-percent increase in taxes; but the body did not wish to adopt that.

In the Senate, we often hear the term "unfinished business." Between now and January 23, I hope Congress is going to hear that term a lot when they go home. I hope they will hear it when they go on trips. I hope they will hear it in their Legion halls. I hope they will hear it in their mail, because "unfinished business" is exactly what we have left behind by not keeping our summer promises and cutting the deficit.

My concern is that our unfinished business is going to mean the finishing of some businesses on Main Street, because this economy cannot continue its recovery with a $200 billion deficit.

We have already accepted the responsibility for not acting. The responsibility to act remains, and it is hoped that when we come back on January 23, we will be able to do something about that responsibility.

The problem has not gone away. The need for Congress to act has not gone away. I hope that many of us here are not going to let it go away.

The President will have to send us a budget in February telling us where he wants to reduce deficits. We still have the reconciliation bill on the calendar, and we will face another budget resolution. Of course, we are going to be that much closer to the 1984 elections. I think it is going to be a little harder to do next year than it was this year. Of course, we could not do it this year.

I hope against hope that we will be able to stand before the American people in January and say that the critical response, the action we want them to hold us accountable for, has finally been taken for the benefit of the economy and the Nation. Of course, we need to do that, and they need to hold us to account on our performance before the November election.

Mr. DOMENICI. Mr. President, I believe the majority leader heard the remarks of the distinguished Senator from Florida and the Senator from New Mexico.

I have discussed this matter with the majority leader. It is my understanding, first, that the reconciliation bill remains alive into the next session. Is that the understanding of the majority leader?

Mr. BAKER. It is, and I direct that question to the Chair.

Considering the fact that we will be ending the first session and beginning the second session of the same Congress, I inquire: Will the reconciliation bill still be available for action by Congress in the next session?

The PRESIDING OFFICER. It will remain available to the end of this Congress.

Mr. BAKER. It would be until adjournment sine die in 1984.

The PRESIDING OFFICER. That is correct.

Mr. BAKER. I thank the Chair.

Mr. DOMENICI. I say to the majority leader, as I indicated, that it is my understanding that he will seek an adjournment resolution this evening and perhaps seek a waiver with reference to our failure to have completed the reconciliation. My indication was that I would support that, and my reasoning was given to the Senate.

However, it would be important for some of us to know that the majority leader would be willing to take up this matter after we return at the earliest time he and others feel the reconciliation bill has a reasonable chance of effecting the will of the Senate as set out in the reconciliation instructions. Am I correct?

Mr. BAKER. Mr. President, not only is the Senator correct, but also, I think it is highly desirable that the Senate maintain this opportunity to go forward with further initiative, to try to reduce the size of the Federal deficits and bring order and responsibility to the fiscal affairs of the country.

So the Senator may be assured that I will cooperate with him and with the distinguished ranking minority member of the Budget Committee, and the chairman of other committees involved in the reconciliation, to see that this matter, once again, is presented to the Senate, as the Senator puts it, as soon as it makes sense.

That is not going to be the first thing when we come back, because I have made a commitment to the distinguished Senator from Oregon (Mr. PACKWOOD), the chairman of the Commerce Committee, that the leadership on this side will attempt to bring up the telephone bill as the first item of business when we return. But at any time that the chairman and the ranking minority member of the Budget Committee signal me that they think it is time to bring this up again, I will be favorably disposed to do so.

Mr. DOMENICI. I thank the distinguished Senator.

I close by saying to the chairmen of the four committees that reported legislation to reduce the deficit by $28 billion that reconciliation was expected to be carried out by the time we adjourned. I hope they are satisfied that we asked them to report the legislation under the order of Congress, and that we are going to see to it that their hard work and their efforts to reduce expenditures is brought to the floor in the contents of the reconciliation bill at the earliest possible time.

I thank the leader for his help at this point, and I yield the floor.

Mr. BAKER. Mr. President, may I say one word on this subject, or does the Senator from Tennessee wish to speak on this subject?

Mr. SASSER. Mr. President, will the majority leader yield?

Mr. BAKER. I yield.

BUDGET RECONCILIATION

Mr. SASSER. Mr. President, today we find ourselves in the midst of a heated debate over the most effective strategies for dealing with the unprecedented levels of Federal budget deficits facing this Nation.

The battle has raged for the better part of this year. Yet despite the instances in which it appeared as though a truce was imminent, the depth of the problems confronting the economy has fueled a reignition of the deficit debate.

Now there were some of us who thought that the basic issues confronting our economic situation had been addressed with the passage of the first concurrent budget resolution in June. The measure significantly addressed the key components of any successful deficit reduction policy. It contained both spending reductions and revenue increases. It reflected many hours and days and months of hard bargaining and negotiation and achieved bipartisan consensus.

Unfortunately, Mr. President, it now appears as though the commitment that was rendered just a few short months ago will be ignored. It is as if somehow, magically, the $200 billion plus deficits facing our economy will simply disappear in a haze of wishful thinking.

Well, that simply is not the case. The deficits are abnormally large and despite the view of some, there is no rational or logical justification for thinking that they will disappear in the near future.

During consideration of the first concurrent budget resolution I sat there in the Budget Committee hearing room and I watched the administration lobby intensively For the virtual dissolution of the budget process, the same process which served them so well during the first 2 years of the Reagan Presidency. I fear that unless we adhere to the budget reconciliation adopted by this body in June, that the administration may have succeeded in doing just that.

The budget package reported by the Budget Committee just 2 weeks ago is fundamentally deficient in two ways: First, it does not sufficiently address the deficit problem, either in the current fiscal year or beyond; and second, it represents a significant deviation from the hard-won bipartisan compromise adopted by the Congress earlier this year.

On the first point, as we wade into the current fiscal year, the same one which was to have given us a balanced budget under the original Reagan Economic Program, we find ourselves staring directly down the barrel of a cannon loaded with $200 billion plus deficits for now and the foreseeable future. Despite the contention of certain administration officials that deficits do not matter, economic rationale and commonsense dictate otherwise. The impact of these levels of budget deficits on interest rates is, in the words of the President's Chief Economic Adviser, Dr. Martin Feldstein, "unambiguous."

Deficit spending can serve a stabilizing economic function. However, deficits which comprise 4, 5, or 6 percent of the Nation's gross national product, as anticipated under current Congressional Budget Office projections, can only serve to exacerbate the continuing interest rate calamity.

Before this administration took office, real interest rates, that is interest rates adjusted for inflation were in the range of 1.6 percent. Today, they are 6 percent, with $200 billion deficits "as far as the eye can see", there is little hope that the historically high real interest rates which are killing small businesses and farmers will improve.

Further, these deficit levels place tremendous pressures on an already fragile recovery. If we fail to address the deficit problem in an effective way, we risk short-circuiting the current recovery and falling into a recession even deeper than the one precipitated by the Reagan economic program.

On the second point, the reconciliation package adopted by the budget committee 2 weeks ago significantly veered off of a path outlined by the committee, and by the Congress as a whole, just a few short months ago. The tough, responsible actions taken during the summer have fallen like the leaves from the trees this time of year in Washington. The first budget resolution called for a mixture of $73 billion in revenue increases, largely acknowledged to be obtained from tightening tax loopholes, and $12 billion in spending reductions. These cumulative savings were to be accomplished over the next 3 years. The package presented to the Budget Committee was substantially short on the revenue side. The package contained ony $13.4 billion in revenue increases over the next 3 years.

The package was laudable with respect to the tax revisions it contains. It is a good starting point. However, it stops far short of critically needed action.

We will not be viewed as either courageous or credible by the American people unless we take actions which are urgently needed. The package before us today is neither.

I thank the majority leader.

Mr. BAKER. I thank my colleague from Tennessee.

Mr. President, reconciliation is still before us or it will be when we leave morning business, and it will be the intention of the leadership to place that matter back on the calendar at some time during the day today, but I will

not attempt to do that until the minority leader is here and available and we can consult further on how we proceed.

Mr. President, there are a number of routine matters that may be dealt with in this remaining period before we go to the Department of Defense appropriations conference report, and the leadership on this side would like to do them now because I am afraid our friends in the House of Representatives may flee if we do not get whatever we are going to get to them pretty soon.

So while I try to check the clearances on what we have available to do, unless some other Member is now seeking recognition I am about to suggest the absence of a quorum.

Mr. President, I do suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATURAL GAS

Mr. McCLURE. Mr. President, we have a couple of ways of proceeding with respect to the natural gas bill, and I hope all Members who have an interest tin the natural gas legislation will listen carefully to what we are about to say because several of us have been meeting over the last week trying to resolve that issue and bring it to the floor.

Mr. President, we could wait until the natural gas bill was again the pending business and make our statement at that time, but I think we could save the time of the Senate by doing it as in morning business.

I say that, Mr. President, with some sadness because it had been may hope over the weeks, and the months, and increasingly in the last few days that we would be able to arrive at a compromise with the viewpoints of the Senators who are most interested so that we could then come to the floor with an agreed-upon amendment by way of a substitute that would incorporate the very constructive and least controversial provisions of S. 1715 and resolve the issues of controversy by accommodation between the viewpoints of all of those from one edge of the controversy to the other with all shades in between.

We worked long hours on this matter and had weeks of hearings in the committee and on 30 separate days we had markup sessions.

We have debated it in the Chamber over the last 2½ to 3 weeks. We have had two votes on crucial matters that did set some parameters for the debate and expressed the views of a number of Senators in the Chamber with respect to alternative approaches.

We have not had the time, unfortunately, to go through the endless succession of votes on various points of view that might have yielded a different result, a result that would have brought us to a compromise in a different manner.

But it is also obvious to this Senator, at least, that that group, comprised of a number of members of the Committee on Energy and Natural Resources and a number of other Members who have a very intense interest and participated extensively in the discussion, could not come to the Chamber with nearly unanimous agreement that at least we either would support it or at the very least we could permit it to go to a vote without amendment and without filibuster. There simply is not time to do that at this stage in the session.

Therefore, Mr. President, it is my conclusion and I think the conclusion of at least a number of the Members of the Senate that we simply cannot resolve it, and I will not ask that we go further with that legislation at this time.

Mr. President, in that I simply must express my appreciation to the Members who have spent so many hours, and have done such good work, and have really pushed themselves beyond the limits of their endurance and sometimes beyond the limits of their willingness or ability to compromise.

Senator JOHNSTON, the ranking minority member of the Energy Committee, has been so very helpful in this whole process and has had some of the hardest pills to swallow in the negotiation, and I am sure is not totally satisfied with the current status of those negotiations.

The same thing is certainly true of my distinguished friend from New Mexico, Senator DOMENICI, who is always constructive in that process and has a unique contribution to make.

Senator WALLOP, Senator FORD, Senator NICKLES, Senator METZEBAUM, Senator HEINZ, and Senator BRADLEY, all members of the committee, participated in those markups and that deliberation for so many weeks, and so many days, and have been involved in this discussion, as has Senator KASSEBAUM, whose bill was the subject of the first major test vote in the Chamber on this issue.

Senator JEPSEN has made a tremendous contribution over the last year. One of the first pieces of legislation to be introduced was done by Senator JEPSEN.

Senator BOREN, Senator BINGAMAN, all of these Senators have been involved in these negotiations, and we have moved a long way towards final conclusion. While we will not introduce an amendment today and we do not have one to introduce, we did yesterday meet and we agreed upon some general guidelines for the further negotiations and as a result of further negotiations we asked the several staffs to work on that overnight and put on paper what they believe we had agreed upon and which we could then move forward with.

While I am not going to offer that as an amendment, we have not had the chance today to sit down in a meeting and work through all of those agreements so we could not get to a final resolution of that compromise. I know that that staff draft will be on the street.

I know there will be a lot of people who will take a look at that and say: "Well, that was the compromise that they were about to offer." I say that at this time because I do not want anybody to assume that that is correct. It was simply the staff effort to bring together the discussions of yesterday into a written form so that we could discuss them further today. And I say that because I am sure there would have been further discussion from several Members.

Mr. President, however, I do want to say, although we did not get there, that the staff draft, in my personal opinion, came close to what could have been a consensus. It is not the consensus. It is not my own opinion as to what the perfect legislation should be. I am certain people will look at that draft, as I am sure many who are interested will obtain copies of it, but it is nothing more than a staff draft. But it is my personal opinion that it came pretty close to what might have been a consensus in that group that was working on it.

I mention all of these individuals simply because I want to recognize the contributions that they have made personally over the last few days; not because I want to bend them in any way to a compromise that was not final, nor to indicate that any one of them has given total or final approval to this staff draft. They have not, nor have I.

But it was a very unique effort. It was one that very nearly produced a result that I think we could have been very satisfied and very happy with, even though Members would have individual reservations.

And I do not want to leave out other Members who were not involved in that exercise. There were other Members who have been very constructive and very interested in the outcome. Senator MELCHER, a member of the committee, who was very diligent during the processes of the markup and made very great contributions to the final form of S. 1715 as reported from the committee. Senator DANFORTH and others who have been in-

volved in this issue from very early, with a quite distinctly different point of view as to what ought to be done, contributed greatly to the debate and public discussion about how we might best resolve this issue.

I think with that, Mr. President, the best thing I could do is to yield so some of the others who have an interest in this issue may speak. I promise we will be back on it early again next session.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, the list of Senators referred to by the distinguished Senator from Idaho represents a very broad spectrum of interests, of philosophies, and, of course, is bipartisan. It is I think a real accomplishment that Senators of those widely differing views were able to come together and work for so long with such a spirit of good will and a spirit of mutual accommodation, a spirit of real negotiation.

I think it is accepted by every one of the group that every one of the group tried his very best to work for a bill. There is recognition coming from these differing viewpoints and different philosophies that the present law, the Natural Gas Policy Act of 1978, is a flawed law which needs correction. To be sure, not all Senators agree on how those corrections should be carried out. Indeed, the long and arduous process of negotiation that went on this last week was not able to resolve those differences.

But there is, Mr. President, with every major piece or every controversial piece of legislation, a certain mating game process that must be pursued before the legislation can reach gestation. That mating game has started here. We have accomplished certain things which are important to the process which, had they not been done this week and the week before, would have had to have been done in January.

What we have accomplished, it seems to me, is getting a rather full debate and an indication of the feeling of the Senate on S. 1715. My colleague from Idaho and I thought that that was in the interest of consumers and the interest of the Nation. But the Senate, by a very decisive vote, thought otherwise. So we can now lay that aside.

The concept embodied in S. 996, which was a rollback and freeze, I think has equally been rejected by this Senate. So we have set, first of all, parameters within which we can work. After those parameters were set, our group of Senators then began to work on a compromise. On some things we were very close. At least it is fair to say that the process, which begins with sort of a self-education and then pursued with real negotiation, has begun and will be useful as a launching pad in January. I hope in January, and indeed I am confident in January, Mr. President, that this group will set the tone for future natural gas negotiations—negotiations pursued in good faith, in good will and with a real desire on all parts to achieve an agreement.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 2 minutes so I will not talk too long.

I want to first congratulate the distinguised Senator, Senator MCCLURE, for the valiant effort to try to come up with a compromise that we could have brought to the Senate floor. I also want to give a boost to his morale.

I was one of those that went to conference the last time we produced a change in the law. So he will know, it is never easy—I am sure he already knows that. But we were in conference 10 months. It then took 2 months for the drafting plus the voting in the two bodies.

So, from the time we went to conference until the time we got a law and got it signed, it was 1 year. And at every stage, it passed by one vote; in conference by one. I do not remember which body it passed by one vote. But it is not going to change. We are in for hard sledding.

But I agree that the people that were there, the Senators that have been mentioned by our distinguished chairman, are the right people, with the diversity of interests and diversity of geography. I think if we continue on with the spirit that brought us together this week, we will get a natural gas bill next year. And we need one. I am willing to work on it.

We came a long way, in my opinion, from the bill that was reported out, at least as far as this Senator is concerned, to one that I could support and one that I believe could get broad enough support to pass the Senate. So I pledge myself to work again with the distinguished chairman and ranking member early next year. We have a good starting point because many of the ideas, although they did not jell in toto, certainly were thrashed around enough so that we know where the support is an where we have to do additional work.

I thank the distinguished Senator from Idaho for including me in these negotiations and pledge to him that I will work again with him in an effort to get a bill.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma, I think I heard first.

Mr. NICKLES. Mr. President, I too, would like to join my colleagues who have expressed high praise for Chairman MCCLURE and the work he has done, particularly in the last week. He has done yeoman's work and has worked hard to pull together those of us that have diverse views and opinions on natural gas legislation.

Quite frankly, we got very close. We did not get there, because we ran out of time. But he did an outstanding job, I think, of almost pulling different factions, different opinions, and different ideas, into agreement on a bill.

The facts are that the problems still remain and will probably be even greater when we come back in January. Utility bills will be higher. There will be a lot more pressure on a lot of people to do something.

I hope and I believe and I am optimistic that we will have a constructive basis from which to work, with all interested parties, and that we will be able to come up with a solution to some of the dilemmas that we find in the natural gas arena.

Since the problems are going to be there, and are going to be greater, I think there is a real necessity for us to move and work toward a positive means of deregulation of natural gas when we return.

I pledge my support to our chairman and to the other people who have been working these last couple of weeks. I hope that over the next couple of months we do not lose the momentum we have gained and that we will be able to recoup in January and February and be able to come up with legislation that the majority of the Senate can support.

Mr. BOREN. Mr. President, I want to associate myself with the remarks which have been made by my distinguished colleague from Oklahoma, by the Senator from New Mexico, the ranking minority Member, the Senator from Louisiana, and the distinguished chairman of the Energy Committee. As one who is not a member of the Energy Committee, I appreciate immensely the opportunity to work with those who have struggled with this issue for many months already in that committe.

I can only say that I think it is a sign that we came relatively close to reaching an agreement, and our efforts continued until just about 30 minutes ago as we were meeting off the Senate floor. In the last 3 or 4 days, I would say conservatively that 15 or 20 hours have been spent in face-to-face meetings between this very broad group of Senators representing a total cross-section of the points of view on pending natural gas legislation.

I think it is a tribute to the chairman, to his skill at bringing people together and bringing them together in

a good-faith situation, that these negotiations came so close to success.

The Senate has spoken, in many ways, on the two polar positions on the issues and by a large majority has rejected the concept of decontrol. At the same time it has rejected a bill which, from my point of view, cannot be accepted because it contained in it provisions for contract abrogation. I think between those two polar positions we started to work toward fashioning a compromise package. We have gone a long way.

I, too, want to pledge to the chairman my support of his continuing efforts after we return in January to press ahead from where we are. The hours that we have spent in the last few days in negotiating are not wasted hours by any means. They represent a great step forward, and when we resume our negotiations in January, we resume them in a position much closer to agreement, many steps ahead of where we first started.

So I think that while we all share disappointement that we are not now getting ready to vote on a package that has reached a total agreement, we can say that we have come a long way. That means that it is a shorter distance to that ultimate goal than when we started, and that cannot be wasted time and effort.

I thank the chairman and I thank all of those who have joined with us in good faith in these negotiations.

Mr. BRADLEY. Mr. President, as part of the group which has spent numerous hours talking about this issue on the last week, I would also like to express my appreciation to the chairman for convening the meetings and trying to seek a compromise solution. It is indeed a compromise solution that is the only thing that will move this bill through the United States Senate, and, hopefully, through the Congress and into law.

In a basic sense, the two votes that were taken in the Senate this week on the natural gas bill indicated the need for some movement on both sides of the issue.

In our deliberations over the last several days, we have identified what are the key issues, even though we might not have faced the fundamental questions involved in each one of those issues. But a least, both from the consumer standpoint and the producer standpoint, we now know what is the range of possible options. We will reconvene in February and see if we can move, with some more time, toward the greater possibility of a compromise that takes into consideration the interests of all parties.

Mr. McCLURE. Mr. President, I know that for the very reason that we ran out of time trying to get this to the floor, we should bring the discussion to a close so we can get to other business.

I want to remind people that there is a principle of law that the compromises made in negotiations for a settlement in a lawsuit are not even admissible in a court of law with respect to the liability. That is a recognition of the fact that people make concessions in negotiations that they might not wish to make in an open confrontation contest. So those who are looking at concessions should not look to individual Members of the Senate and say, "Well, you agreed with that." As a matter of fact, it was in the negotiating process that we came very close to a conclusion.

I also want to thank the distinguished Senator from Tennessee and the distinguished Senator from West Virginia for having permitted us to be the pending business, to allow us to be on the calendar and to be the pending business, because that was really the catalyst of the negotiations. That was really what made it possible for us to make as much progress in the last few weeks as we have made toward a conclusion. That was not easy for the majority leader, I know, to accommodate us in that matter, and the distinguished Senator from West Virginia, the leader of the loyal opposition in this body.

Finally, Mr. President, I will note that the Senate, by an overwhelming vote, imposed cloture on the motion to proceed to the consideration of the bill, which indicates that the Senate wants to deal with the issue. The fact that we failed to come to a conclusion does not show a lack of will to deal with it, because the Senate spoke very loud and clear on that cloture vote, and it was overwhelming.

I think while we may have to close this chapter today, the book is not closed and we will be back on it. I am certain that the real reason that the Senate voted by a vote of 86 to 7 to impose cloture on the motion to proceed to the consideration of the bill was evidence of the fact that everyone recognizes that a change in the law is necessary. If we are going to give the consumers the benefit of the abundant supplies of natural gas that can be given to them at prices lower than they are under existing law, we must vote, we must come to a conclusion.

That has been my impetus, the thing that has spurred me on, and I am sure what spurred other Members of the Senate, toward the desire to bring to a conclusion the negotiations and to bring a compromise to the floor that we could vote on.

The fact we have not quite made that should not detract from the willingness and the determination of Members of the Senate to get to the point.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I have held back in order that all others might be heard. I want to be heard very briefly.

Indeed, there were lengthy and considerable negotiations with reference to the natural gas bill. As a matter of fact, at one point, it looked as if they might be getting close to a resolution. Some of my colleagues, I think, then felt that they could improve upon the situation, and as that matter dragged on, the negotiations, grew farther and farther apart.

Be that as it may, I think the consumers have lost, as a consequence, in that take or pay contracts will continue to be effective. The escalating price clauses will continue to be effective. There will not be a strong test as in law.

On the other hand, those who own old gas will also continue to be affected because there certainly was some discussion of some approach to that problem.

I believe that the breakdown in negotiation probably took them as close as they are going to be now or at any time in the future.

So that there may be no question about the position of the Senator from Ohio, I want to say when we return I certainly will be very available and willing to sit down and discuss the matter but not on the basis of starting from where we left off. As far as this Senator is concerned, it would have to be an entirely new approach. Of course, I am in no position to dictate whatever somebody else wishes to propose.

I wanted to make it very clear that the paper that will be circulated to the public during this period does not reflect my views; it is not close to my view. I cannot speak for anyone else, but I gather that it is not close even for some of those who are on a totally opposite side of the issue.

Mr. McCLURE. Mr. President, will the Senator from Ohio yield?

Mr. METZENBAUM. I certainly will yield.

Mr. McCLURE. The Senator from Ohio is exactly correct. That is why I made the reference I did a moment ago. Conversations and negotiations are not even admissible in a court of law with respect to the positions of parties. Every Member who participated in those discussions is perfectly free to go back to square one and start all over again and proceed down the same path or down different paths.

Mr. METZENBAUM. The Senator from Idaho, I am certain, would agree that that piece of paper that is now circulating was the view of some Members who had been meeting but is not to be interpreted by anyone as any consensus point of view or anything close to that.

Mr. McCLURE. That piece of paper that is circulating is not the exact view of any one of the Members of that negotiation. That is exactly what a negotiation produces, a compromise, and that paper is a long way from agreement.

Mr. METZENBAUM. It is a white piece of paper with some numbers and some words on it.

Mr. McCLURE. Exactly, Mr. President.

Mr. BAKER. Mr. President, let me ask unanimous consent that there be a further period for the transaction of routine morning business not to extend past the hour of 4:15 p.m., under the same terms and conditions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEPSEN. Mr. President, the Senate has a tradition of and indeed a worldwide reputation for being the greatest deliberative body in the world. Time and time again, the great issues of the day affecting individuals, communities, States, the Nation, and the world have been brought to the floor for consideration and debate. To the credit of the distinguished Senator from Idaho, he has been able to bring this complicated and emotional issue regarding natural gas to a point of close agreement. I commend him for his dedication and persistence in bringing together many diverse opinions in order to focus the issues and emotions into a perspective that prompted Senators to carefully work out solutions to the complicated problem of providing that natural gas energy be produced, distributed, and consumed in a very economic climate for all concerned.

I first introduced legislation on this issue on September 10, 1982. In that legislation, S. 2892, I focused on three areas—take-or-pay contract provisions, indefinite price escalators, and market-out clauses. All of these areas were addressed and most of them were included as we collectively made the final proposals for legislation.

I am disappointed, Mr. President, that we did not act on legislation this year. However, I believe that the long hours and hard work have provided the foundation and launching pad for legislative relief and resolve of natural gas problems early in 1984. To that end, Mr. President, I shall continue to work and direct my staff to do likewise.

NATURAL GAS BILL RETURNED TO THE CALENDAR

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, I think the time has come to address the question of the reconciliation and natural gas bills. I commend those who have been involved in both measures. I spoke to that subject earlier today and I shall not repeat it.

Let me say to the distinguished chairman of the Energy Committee and the ranking minority member (Mr. JOHNSTON) the Senator from Ohio (Mr. METZENBAUM), and others, including the distinguished Senator from Iowa (Mr. JEPSEN), involved in this matter that they have worked long, hard, and diligently. The leadership on this side was glad to make it the pending business and leave it there in the hopes that the Senator would act on it and favorably. But, as they point out, Mr. President, it is not to be in this session of Congress.

Therefore, Mr. President, if the minority leader does not object and if the managers are agreeable and if the Senators will permit, I now ask unanimous consent that the natural gas bill be returned to the calendar.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

OMNIBUS RECONCILIATION BILL RETURNED TO CALENDAR

Mr. BAKER. Mr. President, I have already expressed my regret that the reconciliation bill could not pass. Circumstances beyond our control, really, made that impossible—certainly unlikely and unwise. I have already pledged on the floor that next year we shall resume our efforts to see that there is a reconciliation bill.

I have now cleared with the distinguished chairman of the committee on this side that the reconciliation bill can be returned to the calendar. I inquire of the minority leader if he is prepared to do that on his side as well?

Mr. BYRD. Mr. President, I am not prepared at this moment. We are checking it and I shall be glad to report back to him.

Mr. BAKER. I thank the minority leader.

Mr. President, may I inquire of the minority leader, are we prepared now to proceed on the reconciliation bill?

Mr. BYRD. Yes.

Mr. BAKER. Mr. President, I ask unanimous consent that the reconciliation bill be returned to the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I just made inquiry about the status of the Department of Defense conference report from the House of Representatives. I am told now that the documents have been signed and they are physically on their way from the House Chamber to the Senate Chamber. As soon as they are received, or 2 minutes after they are received, it is the intention of the leadership on this side to ask the Senate to turn to that privileged matter.

Mr. DANFORTH. Will the distiguished majority leader yield for a question?

Mr. BAKER. Mr. President, I yield to the Senator from Missouri.

Mr. DANFORTH. Mr. President, for 2 or 3 years now, the saga of the reciprocity bill has been going on in the Senate. I am in the same position now I was in a year ago. At the 11th hour of Congress when we tried to call it up, the Senator from Ohio had problems with it and objected to its consideration. We find ourselves in an identical position today.

I still have some hope that in this session, the majority leader might move to proceed to consideration of the bill. I wonder if he could give me some encouragement as to the future of the so-called miscellaneous tariff bill, which is Calendar Order No. 559—if not for today, at least for an early point in the next calendar year.

Mr. BAKER. Mr. President, I thank the Senator for inquiring. As he knows, because he has followed this very carefully and energetically, this miscellaneous tariff bill has been on the so-called must list for some weeks now. It was the full intention of the leadership on this side to try to reach that matter and dispose of it favorably. Circumstances once again have overtaken us.

The Senator has been persistent over a long period of time in trying to move this measure and similar ones over a period of 2 or 3 years. I have absolutely no hesitation in offering him the encouragement he seeks. The leadership on this side cannot, I believe, agree to move to the consideration of that measure in what I think are the last hours of this session. But it will be here when we come back in January. I can assure the Senator that at an early time in the next session, the second session of this Congress, we shall be more than willing to cooperate with him in trying to get that measure before the Senate.

I repeat what I said a moment ago: The leadership on this side has ready made a commitment to the distinguished chairman of the Committee on Commerce (Mr. PACKWOOD) that when we return, the first order of business after routine matters will be the telephone bill. Therefore, I cannot give the Senator from Missouri the first slot but I promise him that I shall work with him to get an early time for consideraton of this bill.

Mr. DANFORTH. Mr. President, I thank the majority leader.

Mr. BAKER. I thank the Senator from Missouri.

THE CALENDAR

Mr. BAKER. Mr. President, I have a folder full of things, items on the cal-

endar. May I inquire of the minority leader—there is a rather long list of items cleared on this side. I shall try to keep them in numerical order.

Mr. President, may I also point out what I did last evening. There will be nothing on this list of requests for clearances that has not been printed on the calendar, so that Members are aware of what it is we are dealing with. There are no measures on this list that have not been printed on the calendar for at least 1 day so that Senators may be aware of the fact that the Senate may proceed to their consideration.

Now, Mr. President, I will try to keep these in numerical order. The first one that is cleared on this side is Calendar Order No. 563.

Could I inquire of the minority leader, would he like me to read the entire list or proceed one at a time?

Mr. BYRD. Mr. President, at this late hour—and I thank the majority leader for inquiring—I would hope that we would proceed to list them all, I can respond, and I believe I am in a position to agree to acting en bloc as long as the matter is spread out on the RECORD.

Mr. BAKER. I thank the Senator. That will really help because otherwise we might have hours of work to do.

Mr. President, let me make the list now. Mr. President, first will be Calendar Order 563, which is S. 1775, then Calendar 564, which is Senate Joint Resolution 173; 584, House Joint Resolution 405; 586, S. 2106; 589, S. 1188; 590, S. 2079; 591, Senate Joint Resolution 80; 592, Senate Joint Resolution 196; 593, Senate Joint Resolution 197; 594, H.R. 2479; 595, House Joint Resolution 311; 596, S. 1145; 597, Senate Joint Resolution 176; 598, House Joint Resolution 324; 599, S. 114; 600, S. 149; 601, S. 261; 602, S. 277; 603, S. 295; 604, S. 306; 605, S. 353; 606, S. 367; 607, S. 441; 608, S. 514; 609, S. 798; 610, S. 1060; 611, S. 1339; 612, S. 1494; 613, S. 1863; 614, S. 229; 615, S. 301; 616, S. 392; 617, S. 396; 618, S. 692; 619, S. 256; 620, S. 435; 621, S. 517; 626, S. 2129; 628, H.R. 4294; 630, H.R. 724.

Mr. President, that is the list of items that are cleared for action on this side by unanimous consent.

Mr. BYRD. Mr. President, will the majority leader recapitulate those items on page 40?

Mr. BAKER. I am sorry.

Mr. BYRD. Will the majority leader please restate those items on page 40?

Mr. BAKER. Yes, Mr. President.

On page 40 of my calendar, Mr. President, which is today's calendar, I included the first item, which is Calendar Order 620, S. 435, the second item, which is Calendar Order No. 621, S. 517, and then the last item, which was Calendar Order 626, which is S. 2129.

Mr. BYRD. I thank the majority leader.

The majority leader mentioned Calendar No. 597 and Calendar No. 599. Does he mean to postpone either of those, or a companion bill?

Mr. BAKER. Yes; perhaps I should have read that in each case. Both 597 and 599 are to be indefinitely postponed. The others I listed are all to be passed.

Mr. BYRD. Mr. President, I find no problem with any of the measures that are on the calendar.

I note that Mr. METZENBAUM is on the floor and will speak for himself. He may have a problem with one or more. I do not know.

Mr. BAKER. I thank the minority leader.

Mr. METZENBAUM. Mr. President, I do not have any objection, but I wonder whether the majority leader would include in his unanimous-consent request the fact that no amendments will be in order in connection with any of these.

Mr. BAKER. Yes, I will.

Mr. President, first, I ask unanimous consent that the Senate proceed en bloc with the consideration of the items just identified and cleared with the minority leader.

Second, I ask unanimous consent that no amendments will be in order to the several measures.

Third, I ask unanimous consent that statements may be inserted where appropriate and as supplied by the two leaders.

That is the request.

Mr. BYRD. May I say, if the majority leader will respond, that my good friend from Ohio plays a very valuable role in the Senate, and I personally appreciate the work he does.

I have often said that if we did not have a Metzenbaum in the Senate, we would have to create one.

Let me say to him that he need not have the slightest worry. If somebody would offer and amendment from the floor to any measure on the list which has been cleared by the majority leader and the minority leader, the minority leader would not approve of that one; and I feel that the distinguished majority would feel the same way if it came from that side.

Mr. BAKER. Yes.

Mr. President, the minority leader and I—if I may presume to speak for him in this instance—have a heavy responsibility in treating with these calendar items, because we are implementing what we believe to be the will of the Senate on both sides of the aisle. We are the trustees, in effect, of the wishes and desires and consent of the Members on our respective sides. I know that the leadership on this side—and I am certain the leadership on the other side—follow those expressions very literally.

I can assure the Senator from Ohio that I appreciate his concern and his attention.

Even if amendments were offered and they were not specifically cleared on this list, even if they came from this side, I would object to that and move to remove that item from the list.

M. BYRD. Mr. President, before my very courteous and very gracious friend from Ohio responds further, I take it that he has no problem where the calendar shows that there is an amendment.

Mr. METZENBAUM. The Senator from West Virginia is absolutely correct.

Mr. BAKER. I did not hear the question.

Mr. BYRD. I said to Mr. METZENBAUM that I take it he has no problem where the calendar shows that there is an amendment.

Mr. BAKER. Mr. President, I should amend my unanimous-consent request in that request. It should be that no amendments will be in order except those amendments shown by the printed calendar.

Mr. METZENBAUM. That was the understanding of the Senator from Ohio.

I want to say that in many instances in which the Senator from Ohio has indicated some concern, there are no two more zealous concerned, or reponsible advocates who could be on the floor than the majority leader and the minority leader. In every instance, I have never seen them do anything except protect every Senator on both sides of the aisle. Certainly, my interests have been protected.

I should like to state publicly to the minority leader that your staff has been magnificent in the cooperation extended to the Senator from Ohio in attempting to determine what these bills are that are passed by unanimous consent. I am very grateful to them and to you for having had the good judgment to employ them in the first instance.

Mr. BYRD. One of the signs of brilliancy is that one is able to surround himself with the right people.

I qualify on that criterion but maybe not on other criterion.

But the distinguished Senator from Ohio has not yet said that if we did not have a Byrd in the Senate we would have to create one.

Mr. METZENBAUM. This Byrd is right on target all the time and flies high.

THE PRESIDING OFFICER. Without objection, it is so ordered.

GEORGIA O'KEEFFE NATIONAL HISTORICAL SITE

The bill (S. 1775) to repeal the designation of the Georgia O'Keeffe National Historical Site, was considered, ordered to be engrossed for a third

reading, read the third time, and passed.

The title was amended so as to read "A bill to repeal section 3 of Public Law 96-344".

The bill is as follows:

S. 1775

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Act entitled "An Act to improve the administration of the Historic Sites, Buildings and Antiquities Act of 1935 (49 Stat. 666)", approved September 8, 1980 (Public Law 96-344), is repealed.

COMMENDING THE HISTORIC AMERICAN BUILDINGS SURVEY

The Senate proceeded to consider the joint resolution (S.J. Res. 173) commending the Historic American Buildings Survey, a program of the National Park Service, Department of the Interior.

Mr. JOHNSTON. Mr. President, I rise in support of Senate Journal Resolution 173, a resolution commending the work of the Historic American Buildings Survey (HABS) on the occasion of its 50th anniversary. I am pleased that the Energy and Natural Resource Committee, which favorably reported Senate Journal Resolution 173 by a vote of 18 to 0, acted expeditiously in bringing this matter before the Senate.

Mr. President, HABS was established to survey and document the historically and architecturally significant buildings and structures of the United States. Conceived originally by historic architects in the National Park Service in the fall of 1933, HABS provided meaningful and constructive employment to countless architects, draftsmen, photographers, and other skilled individuals who were victims of the Great Depression. Today, HABS continues to pursue its objective of preservation through documentation.

This objective is being met through collective efforts of several entities. The National Park Service organizes the surveys, which include measured drawings, interior and exterior photographs, and written material on historically and architecturally significant buildings and structures; the American Institute of Architects provides assistance and counsel; and the Library of Congress houses the records. To date, close to 17,000 surveys have been recorded.

Mr. President, HABS' efforts have proved to be invaluable over the years. It not only provides us with a vast storehouse of knowledge, it is instrumental in insuring the authentic reconstruction of buildings or structures lost to decay, fire, or other forms of destruction. Most recently, HABS' detailed drawings and photographs allowed architects to begin the accurate restoration of Hyde Park, Franklin Roosevelt's birthplace, which was partially destroyed by fire last year.

Mr. President, while the HABS' professional staff has been cut to fewer than 25 in the last 10 years, the organization continues to add immeasurably to our knowledge and appreciation of the historic American built environment. Enactment of this resolution wil be a fitting tribute to the program as the 50th anniversary of its establishment was observed on November 13, 1983.

I ask unanimous consent, Mr. President, that a November 12 Washington Post article describing the Historical American Buildings Survey and its major accomplishments, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RECORD OF GREATNESS: THE HISTORIC BUILDINGS SURVEY TURNS 50

(By Benjamin Forgey)

The Historic American Buildings Survey, a little agency with a friendly-sounding acronym—HABS—and an outstanding record of achievement, will celebrate its semicentennial anniversay next week with exhibitions, conferences, social events and the publication of a big, important book.

It is a birthday party for an institution that almost wasn't, according to veterans of a murky reorganization war within the Carter administration. "We started planning our 50th anniversary three years ago because we weren't sure we were going to be there in 1983," says Robert J. Kapsch, the agency's chief.

HABS is not exactly going full steam in the Reagan administration Interior Department—its staff is down to fewer than half the 50 full-time professionals employed during the 1970s and its mission has been curtailed somewhat—but the agency's existence no longer is threatened, and its future seems secure.

This is good. Politicians and bureaucrats should simply keep hands off an organization that works so well and costs, relatively, so little. In its first 50 years the HABS performance has been more than notable. It's been amazing.

Statistics tell something of the story. Initially a minuscule part of the New Deal's early alphabet soup of programs for the out-of-work, HABS got off to an incredibly fast start. Between November 1933 and March 1934, HABS put 772 unemployed architects to work recording important structures of all types across the country. They produced more than 5,000 sheets of measured drawings of 880 sites and structures around the country. That pace was not maintained, but to date approximately 17,000 buildings have been documented with more than 41,000 drawings, 80,000 photographs and 44,000 pages of historical data.

These materials are the fundamental building blocks of knowledge about our past, the basic data of our history. A really remarkable thing is that these documents, like the photographs of the Farm Security Administration, are on file in the Library of Congress. Anyone can see them and, what's more, get copies.

This egalitarian accessibility distinguishes the American program from its European antedecents, and it helps to explain why HABS, a cooperative endeavor among the National Park Service, the Library of Congress and the American Institute of Architects, has built such a loyal following over the year. For more than three decades the HABS collection has been the most widely used feature of the library's prints and photographs division, even though it represents but a small fraction of the more than 10 million pieces the division holds.

An exhibition that opens Monday in the ground-floor galleries of the Jefferson building of the Library of Congress (one of four local shows based on HABS materials) is the best place to get acquainted with what HABS does.

In the words of Charles E. Peterson, who conceived the program in the fall of 1933 when he was a young architect at the National Park Service, the original purpose was to amass "a general canvass of the structures erected between the earliest times and, say, 1860 . . . public buildings, churches, residences, bridges, forts, barns, mills, shops, rural outbuildings and any other kind of structure where there are good examples extant."

In later years the HABS scope was enlarged to include buildings and sites of more recent vintage (roughly buildings at least 50 years old). And in 1969 a sister program was founded—the Historic American Engineering Record (HAER)—to encourage a more thorough recording of industrial, technological and engineering sites and processes.

The Library of Congress exhibition is a sampler of all of this activity. Thus it is an incredible catch-all feast of knowledge: You can see exactly how Gustav Rohrich built his sod house in Nebraska in 1883 (and even see the aged Rohrich, as he looked in 1934); you can examine in detail the seemingly phantasmagorical workings of Ben Thresher's mill in New England, built in 1872 and used for more than half a century to make sleds, wagons and apple cider; you can learn by heart the insides and outsides of the 18th-century town hall in New Orleans, right down to its moldings, door knobs and cabinet latches, all drawn beautifully and to scale.

And, as they say, much, much more.

The measured drawing has been from the beginning the basic tool of the HABS surveys, and for good reason. To draw a building to scale, with all of its details of construction and decoration, is the best way, short of actually designing and building the structure, to acquire a feel for the secrets of construction and proportion in architecture. This learning process still is an important aspect of HABS mission.

Of course, since the earlier drawings were done by professional architects whose training included the secrets of skillful draftsmanship, there has been a fall-off in the esthetic quality of the renderings. Student teams, working in the summer under the supervision of HABS professionals, now make most of the drawings. Things are looking up, as C. Ford Peatross, a Library of Congress curator, observes: "They're learning how to draw in school again, so we can expect the quality of the drawings to improve."

Even so, photography clearly must play an increasing role. The process of hand-measuring and drawing a building is time-consuming and expensive (each sheet costs about $1,000, Kapsch estimates). It is not necessary for less significant buildings (such as the hundreds of abandoned cabins in the 12-million-acre Wrangell-St. Elias National Park in Alaska that HABS is documenting

for the Park Service) and not practicable for large, complicated structures.

These are minor challenges for HABS as it enters its 51st year. More pressing is the need to reestablish an advisory committee done away with during the Carter years, a committee of professional architects and historians that set goals and evaluated the quality of the HABS performance. Such guidance provides the necessary buffer between a research effort that is at once basic and useful, and political ideology or mean bureaucratic infighting.

For now, all HABS deserves is plaudits. The tiny agency has proved to be a flexible and resilient institution whose contributions to the national heritage are invaluable.

In addition to the exhibition at the Library of Congress, other HABS exhibitions opening Monday are "Black American Landmarks" at the District Building and "Historic Architecture in the National Park Service" at the Commerce Department Building. A show of the best recent HABS drawings by students (fittingly named the "Charles E. Peterson Prize Drawings") will go on view Tuesday at the AIA headquarters building.

The most impressive birthday present by far is a 708-page Library of Congress book, "Historic America: Buildings, Structures and Sites" (available from the Government Printing Office for $29), which lists every building recorded by HABS so far and includes a wealth of interesting essays about and fascinating illustrations of buildings made in America.

The joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 173

Whereas the Historic American Buildings Survey has been documenting the architectural heritage of the United States with measured drawings, photographs, and historical data since 1933;

Whereas these records, stored in the Library of Congress for public use, along with the records created by a sister program, the Historic American Engineering Record, have added immeasurably to our knowledge and appreciation of the historic American built environment;

Whereas the Survey has proven to be an important training ground for thousands of architects, historians, and scholars who have worked to preserve our historic American architecture; and

Whereas the fiftieth anniversary of this program marks an appropriate time to commend the National Park Service on the Survey's past accomplishments as well as a time to look forward to the continuance of this important mission of recording the best examples of historic American architecture and engineering: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Historic American Buildings Survey be commended for its substantial contributions to our understanding of the history and heritage of this Nation.

TERM OF PRESIDENTIAL COMMISSION FOR THE GERMAN-AMERICAN TRICENTENNIAL

The joint resolution (H.J. Res. 405) to extend the term of the Presidential Commission for the German-American Tricentennial, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

JOHN SHERMAN COOPER NATIONAL RECREATION AREA

The Senate proceed to consider the bill (S. 2106) to designate the "John Sherman Cooper National Recreation Area" in Tennessee and Kentucky.

Mr. BAKER. Mr. President, this bill, which I introduced yesterday for myself and for the senior Senator from Kentucky, Mr. HUDDLESTON, together with the chairman emeritus and the present chairman of the Senate Committee on Environment and Public Works, Mr. RANDOLPH and Mr. STAFFORD, would designate the John Sherman Cooper National Recreation Area in Tennessee and Kentucky.

DEE HUDDLESTON and I are glad that S. 2106 is cosponsored not only by our colleagues Mr. SASSER and Mr. FORD, but also by many of our colleagues who served with John Sherman Cooper during his tenure in the Senate, as well as members of the Senate Committee on Environment and Public Works, on which he served as the ranking minority member.

Mr. President, I am somewhat embarrassed that in the confusion of handling a number of items yesterday, today's printed CONGRESSIONAL RECORD—while it contains the remarks of the senior Senator from Kentucky, a State in which much of the recreation area lies—failed to include my references to him. I assure my friend that the permanent record will be corrected.

I understand the record also failed to list the chief cosponsors of the bill, my friend and John Cooper's good friend from West Virginia, JENNINGS RANDOLPH, who worked so closely with Senator Cooper over the years, and Chairman STAFFORD of the Environment Committee, which so graciously and enthusiastically approved my proposal on November 8 as an amendment to the Water Resources Development Act of 1983, ordered reported that day by the committee. I am assured, however, that the printed bill, S. 2106, will correctly list its sponsors.

Mr. President, this proposal is quite straightforward and has been received with affection and enthusiasm by all who are familiar with it. The area involved lies in Kentucky and Tennessee—roughly between Senator Cooper's home county of Pulaski and my own of Scott County, Tenn. Both of us know the area well, and played a part in the establishment of the national recreation area. In fact, John Cooper as a very young man served as a rodman surveying a line through the eastern portion of the region for the Southern Railroad.

Mr. RANDOLPH. Mr. President, it gives me great pleasure to rise in support of S. 2106, legislation to name the Big South Fork National Recreation Area in Kentucky and Tennessee in honor of our former colleague, John Sherman Cooper.

John Sherman Cooper represented the State of Kentucky in the U.S. Senate from 1947 until his retirement in 1973, with a brief break in service from 1950 to 1953 when he served as our Ambassador to India. He became a member of the Committee on Public Works, as it was then called, in 1959. He was ranking minority member when I became the chairman of that committee in 1965. We worked closely together on all environmental and public works legislation acted upon by the committee until his retirement in 1973. His public service did not end with his retirement; he went on to become this Nation's first ambassador to East Germany.

Mr. President, I had, and still have, a great personal affection and sincere respect for John Sherman Cooper. Of all the Senators that I have known in my 39 years of congressional service, he perhaps best exemplified those qualities of integrity, honesty, and personal commitment which should characterize a public servant.

Senator Cooper, in conjunction with our distinguished majority leader, Senator BAKER, worked very diligently to secure the passage of legislation authorizing the Big South Fork project, which was enacted in 1974. It is not only appropriate, but very desirable that the Congress rename the recreation portion of that project in his honor.

Mr. SIMPSON. Mr. President, a most kind and thoughtful man, John Sherman Cooper knew my father, and they served together in the U.S. Senate. There is no one in the U.S. Senate that my father had a higher regard for. They enjoyed each other's company, and he and my mother and Lorraine enjoyed each other socially.

He has been a source of counsel and guidance to me since I came here, and he has been very generous and hospitable to my wife, Ann, and myself. He has offered the depth and wealth of his experience in the Senate in order to smooth my path in this fascinating place. There is no more courtly, generous, and kindly man that I have come across, and it has been my particular pleasure to support the naming of this facility in his native State of Kentucky.

John Sherman Cooper has served this Nation with distinction and real class, and I urge my colleagues to concur.

The bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2106

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress declares that John Sherman Cooper served the people of his Nation, State and County over many decades with exemplary integrity, compassion, uncommon wisdom, and courageous leadership, and that he provided lasting contributions to world peace, the environment, education, agriculture, and the welfare of Americans, young and old.

(b) The Congress finds that John Sherman Cooper provided the impetus and early leadership for the establishment of the Big South Fork National River and Recreation Area, in Tennessee and Kentucky, for the enjoyment of future generations and for the conservation of the area's unique environmental qualities.

SEC. 2. The Big South Fork National River and Recreation Area, Tennessee and Kentucky, established pursuant to section 108 of the Water Resources Development Act of 1974 (P.L. 93-251), as amended, shall hereafter be known and designated as the "John Sherman Cooper National Recreation Area." Any reference in any law, map, regulation, document, record, or other paper of the United States to such recreation area shall be deemed to be a reference to such area as the "John Sherman Cooper National Recreation Area."

RELIEF OF GENERAL ACCOUNTING OFFICE OF DUPLICATIVE AUDIT REQUIREMENTS

The Senate proceeded to consider the bill (S. 1188) to relieve the General Accounting Office of duplicative audit requirements with respect to the Disabled American Veterans.

Mr. THURMOND. Mr. President, I rise in support of S. 1188, which I introduced and which would repeal section 90i(b) of title 36, United States Code, which requires the Comptroller General to conduct an annual audit of the Disabled American Veterans.

Currently, under section 1102 of title 36, United States Code, the accounts of all private corporations established under Federal law, including all federally chartered veterans' organizations, are required to be audited annually by independent certified public accountants. These audits are required to be submitted to Congress not later than 6 months following the close of the fiscal year for which the audit was made. As a matter of practice, these reports are forwarded by the House Committee on the Judiciary to the Government Accounting Office (GAO) for review to determine if they meet the requirements of law and the audit standards of the accounting profession.

In 1976, Public Law 90-208 amended title 36 by requiring GAO to conduct an annual audit of the accounts of the Disabled American Veterans at the DAV's expense. This law was codified in section 90i(b) of title 36, and is clearly duplicative of the provision in section 1102 of title 36. Public Law 90-208 was enacted at the request of the DAV, which desired to be relieved of the burden of having to comply with divergent State and local laws applicable to DAV's nationwide fundraising activities. The DAV, however, is no longer faced with this need and supports the termination of the requirements of section 90i(b). Additionally, GAO has also recommended to Congress on several occasions that this requirement be eliminated as duplicative and unnecessary.

Mr. President, I therefore, call upon my colleagues to support this meritorious legislation.

The bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1188

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 9 of the Act entitled "An Act to incorporate the Disabled American Veterans of the World War", approved June 17, 1932 (36 U.S.C. 90i), is amended—

(1) by striking out "(a)"; and

(2) by striking out subsection (b).

EXTENSION OF ELIGIBILITY FOR MEMBERSHIP IN AMVETS

The Senate proceeded to consider the bill (S. 2079) to amend the charter of AMVETS by extending eligibility for membership to individuals who qualify on or after May 8, 1983

Mr. THURMOND. Mr. President, I rise in support of S. 2079, which I introduced, and which would amend the Federal charter of AMVETS, the American Veterans of World War II, Korea, and Vietnam, by extending their eligibility for membership.

Under current law those who served in the Armed Forces of the United States after May 8, 1975, are not eligible for regular membership in AMVETS. The legislation that the Senate is considering today would expand eligibility to those who have served since May 8, 1975, and to those who serve for an indefinite future period. Additionally, this legislation would make eligible for membership in AMVETS those veterans of any future armed conflicts in which the United States may be involved. This legislation would conform the AMVETS charter to action taken at their 39th National Convention in New Orleans this year, amending their constitution to permit this expanded membership.

Mr. President, AMVETS is an excellent veterans' organization which provides many fine services, not only to the Nation's veterans, but to many other individuals and communities throughout the country. All of us will benefit from an expansion of the membership of this fine organization.

Mr. President, I therefore strongly urge the support of my colleagues for this meritorious legislation.

The bill was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 6 of the Act entitled "An Act to incorporate the AMVETS, American Veterans of World War II", approved July 23, 1947 (36 U.S.C. 67e), is amended by striking out "and before May 8, 1975." and inserting in lieu thereof "and before the membership eligibility termination date,".

(b) Section 6 of such Act is amended by adding at the end thereof the following new sentence: "For purposes of this section, the term 'membership eligibility termination date' means whichever of the following dates is the latest:

"(1) the date of the formal termination of World War II between the United States and Germany by a peace treaty between such countries,

"(2) the date of the cessation of the Korean conflict,

"(3) the date of the cessation of the Vietnam conflict, or

"(4) the date of the cessation of any subsequent armed conflict in which Armed Forces of the United States of America are engaged.

The dates under paragraphs (2), (3), and (4) shall be such dates as determined by the Government of the United States.".

RIGHTS OF CITIZENSHIP TO WILLIAM PENN AND HANNAH CALLOWHILL PENN

The Senate proceeded to consider the joint resolution (S.J. Res. 80) to grant posthumously full rights of citizenship to William Penn and to Hannah Callowhill Penn.

Mr. SPECTER. Mr. President, I urge the Senate to pass Senate Resolution 80, a joint resolution introduced by Senator HEINZ and myself, that posthumously grants full U.S. citizenship to William and Hannah Callowhill Penn. This is a fitting tribute to the founders of Philadelphia and Pennsylvania.

Penn's belief in freedom of religion inspired him to seek a new land where religious tolerance was the rule, not the exception. After receiving substantial territory in the New World from King Charles II as payment for a debt owed to his father, Penn and 100 Quakers left England for the New World in 1682 aboard the ship Welcome. Penn and his Pilgrims landed at a site along the Delaware River they called Philadelphia, the city of "Brotherly Love."

I wish to honor William Penn not only as founder of the great State of Pennsylvania and the historic city of Philadelphia but also for his role in establishing an important legal precedent still followed in American courts:

the right of juries to reach independent decisions without intimidation. The precedent was established during Penn's trial for a trumped-up charge of inciting to riot. The jury was ordered by the presiding judge to bring in a guilty verdict but refused. The judge then attempted to change the jury's verdict by threatening jury members and locking them up without food or drink until they agreed to a guilty verdict. The jury insisted on its verdict of not guilty and the judge finally had to accept this verdict. Thus was established a cornerstone of our jury system.

Hannah Callowhill Penn was Pennsylvania's first "First Lady." Indeed, during William Penn's absence from the colony and his long illness, Hannah Penn became the first female administrator of a colony in the New World. Her position of responsibility required tact and graciousness to both enemies and friends.

In Pennsylvania, William Penn's ideas of liberty and brotherhood attracted those who desired freedom. The representative government that Penn established in Pennsylvania is reflected in the U.S. Constitution and other State constitutions. The religious freedom and civil liberties stressed in what Penn termed his holy experiment remain the foundation of our society.

Thomas Jefferson considered William Penn to be one of the great lawmakers of all times. Let us give him and his remarkable wife the honor they so richly deserve. I ask my colleagues to join me in conferring posthumously full U.S. citizenship on William and Hannah Callowhill Penn.

The joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and preamble are as follows:

S.J. RES. 80

Whereas William Penn, as a British citizen, founded the Commonwealth of Pennsylvania in order to carry out an experiment based upon faith in divine guidance, representative government, public education without regard to race, creed, sex or ability to pay, and respect for the civil liberties of all persons;

Whereas William Penn, as a farsighted reformer, established a judicial system including public trials, trial by a jury of peers, limitations on the imposition of capital punishment, and the substitution of workhouses for prisons;

Whereas William Penn worked to protect rights concerning personal conscience and freedom of religion consistent with the principles of the first amendment of the Constitution;

Whereas William Penn was conscientiously opposed to war as a means of settling international disputes and worked toward the elimination of war by proposing the establishment of a Parliament of Nations, not unlike the present-day United Nations; and

Whereas Hannah Callowhill Penn, wife of William Penn, for six years effectively administered the Province of Pennsylvania and like her husband devoted her life to the pursuit of peace and justice: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to declare by proclamation that William Penn, founder of the Commonwealth of Pennsylvania, and his wife, Hannah Callowhill Penn, are honorary citizens of the United States of America.

PUBLIC EMPLOYEES APPRECIATION DAY

The joint resolution (S.J. Res. 196) to designate January 16, 1984, as "Public Employees Appreciation Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and preamble are as follows:

S.J. RES. 196

Whereas public employees at all levels of government have made contributions deserving of national recognition and national trust in the continued best efforts of such employees: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That January 16, 1984, is designated "Public Employees Appreciation Day" and the President is authorized and requested to issue a proclamation inviting the Governors of the several States, the chief officials of local governments, and the people of the United States to observe the day with appropriate ceremonies and activities.

NATIONAL ADOPTION WEEK

The Senate proceeded to consider the joint resolution (S.J. Res. 197) to designate the week beginning November 20, 1983, as "National Adoption Week."

Mr. HATCH. Mr. President, I ask favorable consideration of Senate Joint Resolution 197, a resolution designating the week of November 20, 1983, as "National Adoption Week." This resolution was favorably reported from the Judiciary Committee today and because of the short time remaining before this body may recess, I ask that the Senate adopt this resolution.

During the past few years we as legislators and Americans in general have felt a need to reestablish traditional values, especially those pertaining to the family institution. Official recognition of Thanksgiving week as national family week has resulted from this trend. Traditionally, adoption as an important function of families has been incorporated into this celebration. Now, considering the ever greater need for adoption awareness in America, it seems an appropriate time to propose a resolution designating this same week, Thanksgiving week, as "National Adoption Week" thereby assigning due eminence and importance to this issue.

I have asked my colleagues questions concerning children legally available for adoption—questions such as: Did you realize there are estimated to be 100,000 children in foster care or institutionalized care legally available for adoption? These children should become members of permanent families. But many do not. Many families would like to adopt these children. But many cannot.

Thirty-eight of my colleagues have joined with me in support of this resolution. I therefore ask favorable consideration of this important resolution joining efforts across the country awakening and stimulating community awareness of the children with special needs who are awaiting homes.

Mr. President, I therefore move adoption of this important resolution.

I also ask unanimous consent that the "Dear Colleague" sent by Senator DENTON and I concerning this resolution be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON LABOR
AND HUMAN RESOURCES,
Washington, D.C., November 14, 1983.

DEAR COLLEAGUE: We are pleased to share with you S.J. Res. 197, a resolution acknowledging National Adoption Week during November 20-26, 1983.

Ask yourself the following:

Did you realize there are estimated to be 100,000 children in foster care or institutionalized care legally available for adoption?

These children should become members of permanent families. But many do not. Many families would like to adopt these children. But many cannot.

Did you know that a recent national survey stated that a majority of Americans felt a good family life is the number one social value?

We all need to assure a secure, permanent, loving family as every child's basic right.

Did you know that there are numerous public and private efforts planned during the week of November 20-26 to awaken and stimulate community awareness on the crucial needs of waiting children?

We in Congress need to join these efforts. We intend to do so. Please join us now in renewing our vigorous commitment increasing the awareness of adoption. Join us in saluting public and private efforts securing permanent, loving families for all our nation's children.

Already joining us as cosponsors are Senators Hawkins, Nickles, Humphrey, Riegle, Pell, and Randolph. We urge you to cosponsor this resolution so that these children will not be forgotten. These are just a sampling of many adoption issues. More detailed answers can be obtained. If you wish to join us, or if you have any questions, please call Nancy Taylor or Susan Turner at 224-3191.

Sincerely,

ORRIN G. HATCH,
Chairman.

JEREMIAH DENTON,
Chairman, Subcommittee on Family and Human Resources.

The joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and preamble are as follows:

S.J. RES. 197

Whereas the week of November 20 has been privately commemorated as National Adoption Week for the past eight years;

Whereas we in Congress recognize the essential value of belonging to a secure, loving, permanent family as every child's basic right;

Whereas approximately one hundred thousand children who have special needs—school age, in sibling groups, members of minorities, or children with physical, mental, and emotional handicaps—are now in foster care or institutions financed at public expense and are legally free for adoption;

Whereas the adoption by capable parents of these institutionalized or foster care children into permanent, adoptive homes would insure the opportunity for their continued happiness and long-range well-being;

Whereas public and private barriers inhibiting the placement of these special needs children must be reviewed and removed where possible to assure these children's adoption;

Whereas as the public and prospective parents must be informed of the availability of adoptable children;

Whereas a variety of media, agencies, adoptive parent, and advocacy groups, civic and church groups, businesses, and industries will feature publicity and information to highten community awareness of the crucial needs of waiting children; and

Whereas the recognition of Thanksgiving week as National Adoption Week is in the best interest of adoptable children and the public in general: Now, therefore, be it

Resolved by the Senate and House of Representative of the United States of America in Congress assembled, That the week of November 20 through November 26, 1983, hereby is designated "National Adoption Week", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

MASONIC MUTUAL RELIEF ASSOCIATION OF THE DISTRICT OF COLUMBIA

The bill (H.R. 2479) to amend the act of March 3, 1969, incorporating the Masonic Mutual Relief Association of the District of Columbia, now known as Acacia Mutual Insurance Co., was considered, ordered to a third reading, read the third time, and passed.

NATIONAL AGRICULTURE DAY

The Joint resolution (H.J. Res. 311) to proclaim March 20, 1984, as "National Agriculture Day," was considered, ordered to a third reading, read the third time, and passed.

The preamble was agree to.

CATHOLIC WAR VETERANS OF THE UNITED STATES OF AMERICA, INCORPORATED

The Senate proceeded to consider the bill (S. 1145) to recognize the organization known as the Catholic War Veterans of the United States of America, Inc., which had been reported from the Committee on the Judiciary, with an amendment:

On page 6, strike line 20, and insert "(60) Catholic War Veterans of the United States of America, Incorporated"

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

CHARTER

SECTION 1. The Catholic War Veterans of the United States of America, Incorporated, organized and incorporated under the laws of the State of New York, is hereby recognized as such and is granted a charter.

POWERS

SEC. 2. The Catholic War Veterans of the United States of America, Incorporated, (hereinafter referred to as the "corporation") shall have only those powers granted to it through its bylaws and articles of incorporation filed in the State or States in which it is incorporated and subject to the laws of such State or States.

OBJECTS AND PURPOSES OF CORPORATION

SEC. 3. The objects and purposes of the corporation are those provided in its articles of incorporation and shall include a continuing commitment, on a national basis, to—

(a) preserve, protect, and defend the Constitution of the United States and the laws of the several States;

(b) commemorate the wars, campaigns, and military actions of the United States in order to reflect profound respect, high honor, and great tribute on the glorious dead and the surviving veterans of those wars, campaigns, and actions and to give all Americans a greater understanding of and appreciation for the sacrifices of those who participated in them on behalf of all Americans;

(c) stimulate to the highest degree possible the interest of the entire Nation in the problems of veterans, their widows, and orphans;

(d) cooperate to the fullest extent and in harmonious manner with all veterans' organizations in common projects designed to serve the interests of all veterans of all wars in which the United States of America has participated;

(e) collate, preserve and encourage the study of historical episodes, chronicles, mementos, and events pertaining to the wars, campaigns, and military actions of the United States of America;

(f) inculcate an enduring love of country, a deep and abiding sense of patriotism, and a profound commitment to Americanism among all the people of the United States;

(g) encourage, among the youth of our Nation, respect for our national flag, anthem, and for the traditions of America;

(h) preserve the freedoms of all of the people, national peace, prosperity, tranquility, good will, the permanence of free insttutions, and the defense of the United States;

(i) foster the association of veterans of the Catholic faith who have served in the Armed Forces of the United States;

(j) encourage morality in government, labor, management, economic, social, fraternal, and all other phases of American life;

(k) promote the realization that the family is the basic unit of society;

(l) increase our love, honor, service to God, and to our fellow man without regard to race, creed, color, or national origin; and

(m) function as a verteran's and patriotic organization as authorized by the laws of the State or States where it is incorporated.

SERVICE OF PROCESS

SEC. 4. With respect to service of process, the corporation shall comply with the laws of the States in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

MEMBERSHIP

SEC. 5. Eligibility for membership in the corporation and the rights and privileges of members shall be as provided in the bylaws of the corporation.

BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES

SEC. 6. The board of directors of the corporation and the responsibilities thereof shall be as provided in the articles of incorporation of the corporation and in conformity with the laws of the State or States in which it is incorporated.

OFFICERS OF CORPORATION

SEC. 7. The officers of the corporation, and the election of such officers shall be as is provided in the articles of incorporation of the corporation and in conformity with the laws of the State or States wherein it is incorporated.

RESTRICTIONS

SEC. 8. (a) No part of the income of assets of the corporation shall inure to any member, officer, or director of the corporation or be distributed to any such person during the life of this charter. Nothing in this subsection shall be construed to prevent the payment of reasonable compensation to the officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the board of directors.

(b) The corporation shall not make any loan to any officer, director, or employee of the corporation.

(c) The corporation shall have no power to issue any shares of stock not to declare or pay any dividends.

(d) The corporation shall not claim congressional approval or Federal Government authority for any of its activities.

LIABILITY

SEC. 9. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

BOOKS AND RECORDS; INSPECTION

SEC. 10. The corporation shall keep correct and complete books and records of account and shall keep minutes of any proceeding of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors. The corporation shall keep at its principal office a record of the names and addresses of all members having the right of vote. All books and records of such corporation may be inspected by any member having the right to vote, or by any agent or attorney of such members, for any proper purpose, at any reasonable time. Nothing in this section shall be construed to contravene any applicable State law.

SEC. 11. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101), is amended by adding at the end thereof the following:

"(60) Catholic War Veterans of the United States of America, Incorporated.".

ANNUAL REPORT

SEC. 12. The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted at the same time as is the report of the audit required by section 11 of this Act. The report shall not be printed as a public document.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 13. The right to alter, amend, or repeal this Act is expressly reserved to the Congress.

DEFINITION OF "STATE"

SEC. 14. For purposes of this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

TAX-EXEMPT STATUS

SEC. 15. The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code. If the corporation fails to maintain such status, the charter granted hereby shall expire.

TERMINATION

SEC. 16. If the corporation shall fail to comply with any of the restrictions or provisions of this Act the charter granted hereby shall expire.

Mr. DENTON. Mr. President, the bill to grant a Federal charter to the Catholic War Veterans of the United States of America, Inc., was reported by the Committee on the Judiciary on November 10, 1983. S. 1145 now has 50 cosponsors; 26 Republicans and 24 Democrats.

The purpose of the Catholic War Veterans is to safeguard the rights and privileges of veterans, protect their freedom, defend their faith, help those who are sick and disabled, and care for their widows and orphans.

For almost 50 years, the Catholic War Veterans have consistently served God, country, and community as a nationally recognized veterans organization. Its hallmark has been its unselfish dedication to each and every hospitalized veteran in our Nation. It has been recognized by the Veterans' Administration for outstanding services rendered to hospitals everywhere.

The Catholic War Veterans first requested a charter immediately following the end of World War II. The first bill to that effect that can be located is S. 1557, introduced in the first session of the 80th Congress. It was favorably reported out of committee and passed by the Senate on July 22, 1947. The last bill to be passed by the Senate, S. 519, in 1967, was introduced by Senator Everett Dirksen.

The House Committee on the Judiciary has repeatedly kept the charter legislation from reaching the House floor. I have been assured by Hon. PETER W. RODINO, JR., chairman of the House Committee on the Judiciary, however, that the committee now will act favorably on a bill to provide a charter to the Catholic War Veterans. The House bill, H.R. 1199, currently has 288 House cosponsors.

As an illustration of the volunteer activities performed by the Catholic War Veterans, I cite the following data for fiscal year 1982. Under the Veterans' Administration voluntary service program, Catholic War Veterans volunteers provided approximately 65 Veterans' Administration medical centers across the country with 1,894 volunteers, 60,615 volunteer hours, and $111,790 in donations. Under the National Welfare Officers program, members of the Catholic War Veterans provided to private nursing homes, old age homes, State veterans homes, and soldier's and sailor's homes, 26,000 hours and 20,000 volunteers to help 32,000 veterans, and donated $148,000.

It is appropriate to describe the goals of the Catholic War Veterans in words from its constitution:

To promote zeal and devotion for God—to promote a greater love, honor and service to Him; for Country—through a more vivid understanding of the Constitution of the United States of America and through the active participation in the promotion of its ideals of life, liberty and the pursuit of happiness; to develop a more zealous citizenship, encourage morality in Government, labor management, economic, social, fraternal, and all other phases of American life; to combat aggressively the forces which tend to impair the efficiency and permanency of our free institutions; for Home—to promote the realization that the family is the basic unit of society, to aid in the development of an enlightened, patriotic American youth, to assist all veterans. These objectives are encouraged without regard to race, creed, or color.

It is remarkable that those words were written in 1935. The words and deeds of the Catholic War Veterans justify congressional action to provide the organization with a national charter.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NATIONAL FETAL ALCOHOL SYNDROME AWARENESS WEEK

The joint resolution (H.J. Res. 324) to designate the week beginning January 15, 1984, as "National Fetal Alcohol Syndrome Awareness Week," was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

MEASURES INDEFINITELY POSTPONED

By unanimous consent, Calendar No. 597, S.J. Res. 176, to designate the week of October 16, 1983, through October 22, 1983, as National Fetal Alcohol Syndrome Awareness Week, was indefinitely postponed.

By unanimous consent, Calendar No. 599, S. 114, a bill for the relief of Carlos Mebrano Gaston, was indefinitely postponed.

ADEL SHERVIN

The bill (S. 149), for the relief of Adel Shervin, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 149

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the immigration and Nationality Act, Adel Shervin shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act or, if applicable, from the total number of such visas and entries which are made available to such natives under section 202(e) of such Act.

SEC. 2. No financial or other consideration shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the enactment of this Act, any contract to the contrary notwithstanding. Violation of the provisions of this section is a misdemeanor punishable by a fine of $1,000.

YAEKO HOWELL

The bill (S. 261) for the relief of Yaeko Howell, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 261

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 212(a)(23) of the Immigration and Nationality Act, Yaeko Howell may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

MARLON DOLON OPELT

The bill (S. 277) for the relief of Marlon Dolon Opelt, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 277

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Marlon Dolon Opelt may be classified as a child within the meaning of section 101(b)(1)(F) of such Act upon approval of a petition filed on his behalf by Mr. and Mrs. Floyd D. Opelt, citizens of the United States, pursuant to section 204 of this Act. The parents, brothers, and sisters of the said Marlon Dolon Opelt shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

NORINDR FAMILY

The bill (S. 295) for the relief of Panivong Norindr and Panisouk Norindr, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 295

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Panivong Norindr and Panisouk Norindr shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretay of State shall instruct the proper officer to reduce by the proper number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the aliens' birth under section 203(a) of the Immigration and Nationality Act or, if applicable, the total number of immigrant visas and conditional entries which are made available to natives of the country of the aliens' birth under section 202 of such Act.

ELGA BOUILLIANT-LINET

The bill (S. 306) for the relief of Elga Bouilliant-Linet, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 306

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Elga Bouilliant-Linet shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by one number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act, or, if applicable, from the total number of immigrant visas and entries which are made available to natives under section 202(e) of such Act.

COSTA FAMILY

The bill (S. 353) for the relief of Cirilo Raagas Costa and Wilma Raagas Costa, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 353

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Cirilo Raagas Costa shall be held and considered to be a child, and Wilma Raagas Costa shall be held and considered to be a child, within the meaning of section 101(b)(1)(E) of such Act upon approval of petitions filed on their behalf by Richard G. Costa and Evangeline M. Costa, citizens of the United States, pursuant to section 204 of such Act. No natural parent, brother, or sister of Cirilo Raagas Costa or Wilma Raagas Costa shall, by virtue of such relationship, be accorded any right, privilege, or status under such Act.

MRS. SPYROS AGRIOPOULOUS

The bill (S. 367) for the relief of Mrs. Spyros Agriopoulous, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 367

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of the Immigration and Nationality Act, Mrs. Spyros Agriopoulous shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper officer to deduct one (1) number from the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act or, if applicable, from the total number of such visas and entries which are made available to such natives under section 202(e) of such Act.

PRASHANT AGARWAL

The bill (S. 441) for the relief of Prashant Agarwal, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 441

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Prashant Agarwal may be classified as a child within the meaning of section 101(b)(1)(F) of such Act, upon approval of a petition filed in his behalf by Anil Bhikulal Agarwal and Saroj Anil Agarwal, a citizen and lawful permanent resident of the United States, respectively, pursuant to section 204 of such Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEELA JEREMIAH PIULA

The bill (S. 514) for the relief of Seela Jeremiah Piula, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 514

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Seela Jeremiah Piula shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by one number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act or, if applicable, the total number of immigrant visas which are made available to natives of the country of the alien's birth under section 202 of such Act.

BEUMER FAMILY

The bill (S. 798) for the relief of Grietje Rhea Pietens Beumer, Johan Christian Beumer, Cindy Larissa Beumer, and Cedric Grant Beumer, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 798

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Grietje Rhea Pietens Beumer, Johan Christian Beumer, Cindy Larissa Beumer, and Cedric Grant Beumer shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct four from the total number of immigrant visas which are made available to natives of the country of the aliens' birth under section 203(a) of the Immigration and Nationality Act or, if applicable, from the total number of such visas which are made available to such natives under section 202(e) of such Act.

SAMUEL JOSEPH EDGAR

The bill (S. 1060) for the relief of Samuel Joseph Edgar, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1060

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Samuel Joseph Edgar shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by the proper number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act or, if applicable, the total number of immigrant visas which are made available to natives of the country of the alien's birth under section 202 of such Act.

TYAN-NOREM FAMILY

The bill (S. 1339) for the relief of Shyh-Fann Tyan-Norem and Bin-Ti Yao Tyan-Norem, was considered, ordered to be engrossed for third reading, read the third time, and passed, as follows:

S. 1339

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Shyh-Fann Tyan-Norem and Bin-Ti Yao Tyan-Norem shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visas fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by the required number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the aliens' birth under section 203(a) of the Immigration and Nationality Act or, if applicable, from the total number of such visas and entries which are made available to such natives under section 202(e) of such Act.

SU FAMILY

The bill (S. 1494) for the relief of Kok Djen Su and Grace Su, husband and wife, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1494

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding section 212(a)(14) of the Immigration and Nationality Act, for purposes of such Act, Kok Djen Su and Grace Su, husband and wife, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees. Upon the granting of permanent residence to those aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by the proper number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas which are made available to natives of the country of the aliens' birth under section 203(a) of the Immigration and Nationality Act or, if applicable, the total number of immigrant visas which are made available to natives of the country of the aliens' birth under section 202(e) of such Act.

AUDUN ENDESTAD

The bill (S. 1863) for the relief of Audun Endestad, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1863

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Audun Endestad shall be held and consider to have satisfied the residence and physical presence requirements of section 319(a) of the Immigration and Nationality Act.

RELIEF OF MAXINE ANN FRICIONI

The Senate proceeded to consider the bill (S. 229) for the relief of Maxine Ann Fricioni, which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause, and insert the following:

That, notwithstanding the provisions of section 212(a)(23) of the Immigration and Nationality Act, Maxine Ann Fricioni may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to grounds for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RELIEF OF KIM HAE OK HEIMBERGER

The Senate proceeded to consider the bill (S. 301) for the relief of Kim Hae Ok Heimberger which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause, and insert the following:

That, in the administration of the Immigration and Nationality Act, Kim Hae Ok Heimberger may be classified as a child within the meaning of section 101(b)(1)(F) of such Act upon approval of a petition filed on her behalf by Mr. and Mrs. John Albert Heimberger, citizens of the United States, pursuant to section 204 of such Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read "A bill for the relief of Kim Hae Ok Heimberger".

RELIEF OF NABIL YALDO

The Senate proceeded to consider the bill (S. 392) for the relief of Nabil Yaldo, which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause, and insert the following:

That, in the administration of the Immigration and Nationality Act, the provisions of section 204(c) of that Act shall be inapplicable in the case of Nabil Yaldo.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HYONG CHA KIM KAY

The Senate proceeded to consider the bill (S. 396) for the relief of Hyong Cha Kim Kay, which had been reported from the Committee on the Judiciary, with an amendment:

On page 1, line 5, after "States", insert "for permanent residence"

So as to make the bill read:

S. 396

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 212(a)(23) of the Immigration and Nationality Act, Hyong Cha Kim Kay may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act.

SEC. 2. This exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the date of the enactment of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RELIEF OF BEEMAN FAMILY

The Senate proceeded to consider the bill (S. 692) for the relief of Charles Gaudencio Beeman, Paul Amado Beeman, Elizabeth Beeman, and Joshua Valente Beeman, which has been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause, and insert the following:

That, in the administration of the Immigration and Nationality Act, Charles Gaudencio Beeman, Paul Amado Beeman, Eliza-

beth Beeman, and Joshua Valente Beeman may be classified as children within the meaning of section 101(b)(1)(E) of the Act, upon approval of petitions filed in their behalf by Merlyn J. Beeman and Wanda L. Beeman, citizens of the United States, pursuant to section 204 of the Act: *Provided*, That the natural parents or brothers or sisters of the beneficiaries shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RELIEF OF RANKOVIC FAMILY

The Senate proceeded to consider the bill (S. 256) for the relief of William Vojislav Rankovic, Stanislava Rankovic, husband and wife; and William Rankovic, Jr., and Natalie Rankovic, their children, which had been reported from the Committee on the Judiciary, with amendments; as follows:

On page 2, line 4, strike "visa fee.", and insert "visa fees.";

On page 2, line 11 strike "paragraphs (1) through (8) of ";

So as to make the bill read:

S. 256

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 212(a)(14) of the Immigration and Nationality Act, for the purposes of such act, William Vojislav Rankovic, Stanislava Rankovic, husband and wife; and William Rankovic, Junior, and Natalie Rankovic, their children, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required *visa fees*. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by the required number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the aliens' births under section 203(a) of the Immigration and Nationality Act or, if applicable, the total number of immigrant visas and conditional entries which are made available to natives of the country of the aliens' birth under section 202 of the Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOSEPH ANTONIO FRANCIS

The Senate proceeded to consider the bill (S. 435) for the relief of Joseph Antonio Francis, which had been reported from the Committee on the Judiciary, with amendments, as follows:

On page 2, beginning on line 4, strike "paragraphs (1) through (8) of"; and

On page 2, line 6, strike "Act.", and insert "Act or, of applicable, for the total number of such visas and entries which are made available to such natives under section 202(e) of such Act".

So as to make the bill read:

S. 435

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Joseph Antonio Francis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct the required number from the total number of immigrant visas and conditional entries which are made available to natives of the country of such alien's birth under section 203(a) of the Immigration and Nationality Act or, if applicable, from the total number of such visas and entries which are made available to such natives under section 202(e) of such Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RELIEF OF DOAN VAN TOAI

The Senate proceeded to consider the bill (S. 517) for the relief of Doan Van Toai, which had been reported from the Committee on the Judiciary, with amendments; as follows:

On page 1, line 4, after "Toai", insert "his wife Doan Voduc Yvonne and their three children, Doan Minh Quoc Dinh, Doan Minh Quoc Binh, and Doan Minh Quoc Huy";

On page 2, line 2, strike "alien", and insert "aliens";

On page 2, line 4, strike "one number", and insert "five numbers";

On page 2, line 7, strike "alien's", and insert "aliens' ";

On page 2, line 11, strike "alien's", and insert "aliens' ";

So as to make the bill read:

S. 517

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Doan Van Toai, his wife Doan Voduc Yvonne and their three children, Doan Minh Quoc Dinh, Doan Minh Quoc Binh, and Doan Minh Quoc Huy shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by five numbers, during the current fiscal year or the fiscal year next following, the total number of immigrant visas which are made available to natives of the country of the aliens' birth under section 203(a) of the Immigration and Nationality Act or, of applicable, the total number of immigrant visas which are made available to natives of the country of the aliens' birth under such section 202(e) of such Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Doan Van Toai, his wife Doan Voduc Yvonne and their three children, Doan Minh Quoc Dinh, Doan Minh Quoc Binh, and Doan Minh Quoc Huy.".

RURAL HEALTH CLINICS ACT OF 1983

The bill (S. 2129) to provide revised reimbursement criteria for small rural health clinics utilizing National Health Service Corps personnel, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2129

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rural Health Clinics Act of 1983".

FINDINGS

SEC. 2. Congress finds and declares that—

(1) rural health clinics are an important part of America's health care delivery system;

(2) National Health Service Corps personnel assigned to rural health clinics located in health manpower shortage areas have provided valuable and needed staffing help for such clinics;

(3) rural health clinics receiving assistance from National Health Service Corps personnel should be expected to reimburse the Federal Government for a reasonable share of the costs of such personnel; and

(4) the criteria which should be applied to reimbursement by such clinics for use of such personnel should be a fair and equitable one which reflects the needs of such clinics and the populations served by such clinics, as well as the value of the services rendered by such personnel.

ALTERNATIVE REIMBURSEMENT PROVISIONS

SEC. 3. (a)(1) Subsection (a) of section 334 of the Public Health Service Act (42 U.S.C. 254g) is amended—

(A) in the matter preceding subparagraph (A) of paragraph (3), by inserting ", if not a small health center," after "the entity";

(B) by striking out "and" at the end of subparagraph (C) of such paragraph;

(C) by redesignating paragraph (4) as (5); and

(D) by inserting after paragraph (3) the following new paragraph:

"(4) the entity, if a small health center, shall pay to the United States, in each calendar quarter (or other period as may be specified in the agreement) during which any Corps member is assigned to such entity, an amount determined by the Secretary in accordance with subsection (f); and".

(b) Subsection (b) of such section is amended—

(1) by inserting ", on a prospective or retrospective basis," after "in whole or in part" in paragraph (1);

(2) by inserting "which is not a small health center" after "for an entity" in such paragraph;

(3) by inserting ", on a prospective or retrospective basis," after "in whole or in part" in paragraph (2);

(4) by inserting "is not a small health center and which" after "for any entity which" in such paragraph;

(5) by inserting "and does not, pursuant to paragraph (5), require payment by the entity in the amount described in subsection (f)(1)," after "paragraph (1) or (2)," in paragraph (3); and

(6) by adding at the end thereof the following new paragraph:

"(5)(A) If the Secretary determines that an entity which is not a small health center is eligible for a waiver under paragraph (1) or (2), the Secretary may waive the application of subsection (a)(3) for such entity and require such entity to make payment in an amount equal to the amount described in subsection (f)(1) that would be payable by such entity if such entity were a small health center.

"(B) The Secretary may waive in whole or in part, on a prospective or retrospective basis, the application of the requirement of subparagraph (A) for any entity if the Secretary determines that the entity is financially unable to meet such requirement or that compliance with such requirement would unreasonably limit the ability of the entity to provide for the adequate support of the provision of health services by Corps members. Funds which would be paid to the United States but for a waiver under this subparagraph shall be used by an entity to—

"(i) expand or improve its provision of health services;

"(ii) increase the number of individuals served;

"(iii) renovate or modernize facilities for its provision of health services;

"(iv) improve the administration of its health service programs; or

"(v) to establish a financial reserve to assure its ability to continue providing health services.".

(c) Subsection (c) of such section is amended—

(1) by inserting "which is not a small health center" after "an entity";

(2) by inserting "or subsection (b)(5)(A)" before "shall be used by the entity".

(d) Such section is amended by adding at the end thereof the following new subsection:

"(f)(1) An entity which is a small health center shall pay to the United States, as prescribed by the Secretary in each calendar quarter (or other period as may be specified in the agreement) during which any Corps member is assigned to such entity, an amount equal to the amount (prorated for a calendar quarter or other period) by which the revenues that the center may reasonably expect to receive during an annual period for the provision of health services exceeds the costs that the center may reasonably expect to incur in the provision of such services, except that the amount that an entity shall pay to the United States under this paragraph shall not exceed the amount such entity would pay to the United States under paragraph (3) of subsection (a) if such paragraph applied to such entity.

"(2)(A) To determine for purposes of paragraph (1) the revenues and costs which an entity that is a small health center may reasonably be expected to receive and incur in an annual period for the provision of health services, the entity shall submit to the Secretary before the beginning of such period a proposed budget which—

"(i) describes the primary and supplemental health services (as defined in section 330) which are needed by the area the entity serves in such period; and

"(ii) states the revenues and costs which the entity expects to receive and incur in providing such health services in such period.

"(B) From the submission under subparagraph (A) and other information available to the Secretary, the Secretary shall determine—

"(i) the primary and supplemental health services (as defined in section 330) needed in the area the entity serves;

"(ii) the fees, premiums, third party reimbursements, and other revenues the entity making the submission may reasonably expect to receive from the provision of such services; and

"(iii) the costs which the entity may reasonably expect to incur in providing such services.

The revenues and costs determined by the Secretary shall be the revenues and costs used in making the determination under paragraph (1).

"(3) The Secretary may waive in whole or in part, on a prospective or retrospective basis, the application of paragraph (1) for an entity which is a small health center if the Secretary determines that the entity needs all or part of the amounts otherwise payable under such paragraph to—

"(A) expand or improve its provision of health services;

"(B) increase the number of individuals served;

"(C) renovate or modernize facilties for its provision of health services;

"(D) improve the administration of its health service programs; or

"(E) establish a financial reserve to assure its ability to continue providing health services.

"(4) The excess (if any) of the amount of funds collected by an entity which is a small health center in accordance with subsection (a)(2) over the amount paid to the United States in accordance with paragraph (1) of this subsection shall be used by the center for the purposes set out in subparagraphs (A) through (E) of paragraph (3) of this subsection or to recruit and retain health manpower to provide health services to the individuals in the health manpower shortage area for which the entity submitted an application.

"(5) For purposes of this section, the term 'small health center' means an entity other than—

"(A) a hospital (or part of a hospital);

"(B) a public entity; or

"(C) an entity that is receiving a grant under section 329 or section 330, except that such term includes an entity whose grant is less than the total of the amounts, calculated on an annual basis, specified in subparagraphs (A) and (B) of subsection (a)(3).".

EFFECTIVE DATE AND APPLICABILITY

SEC. 4. The amendments made by section 3 shall apply with respect to agreements entered into under section 334 of the public Health Service Act after the date of the enactment of this Act, but, to the extent feasible, the Secretary of Health and Human Services shall revise agreements entered into under such section 334 before such date to reflect the amendments made by section 3.

NAMING OF CERTAIN VETERANS CENTERS

The Senate proceeded to consider the bill (H.R. 4294) to name the Veterans' Administration Medical Center in Altoona, Pa., the "James E. Van Zandt Veterans' Administration Medical Center," and to name the Veterans' Administration Medical Center in Dublin, Ga., the "Carl Vinson Veterans' Administration Medical Center."

Mr. SPECTER. Mr. President, I, along with my colleague, Senator NUNN, urge the Senate to pass H.R. 4294 to honor two men whose heroism and patriotic spirit in the political and military service of this country should be appropriately recognized. This measure honors James E. Van Zandt of Altoona, Pa., and Carl Vinson of Baldwin County, Ga., by naming the Veterans' Administration Medical Centers of Altoona and Dublin, respectively, for both men.

James Van Zandt was born in Altoona, Pa., on December 18, 1898. He enlisted as an apprentice seaman in the U.S. Navy in April of 1917, and retired January 1, 1959, as a rear admiral of the U.S. Naval Reserve. He saw active duty in both World Wars and in the Korean conflict.

James Van Zandt was elected to the U.S. House of Representatives in 1938. He resigned his seat in 1943 to enter the Navy. After the war, he was reelected to Congress in 1946 and served until 1963. During his congressional career, he served as a senior member of the House Armed Services Committee and was the ranking Republican House member of the Joint Committee on Atomic Energy.

James Van Zandt's service in veterans organizations was exemplary and unique. He served three times as the National Commander of the Veterans of Foreign Wars of the United States, and twice as the Pennsylvania Department Commander of the organization. He has received the Distinguished Service Medal of the VFW, and served as a member of the National Cemetery System Advisory Board of the Veterans' Administration.

As Senator NUNN so eloquently stated, Carl Vinson is equally deserving of this honor.

Naming the Veterans' medical facilities for these two great Americans would serve as a fine memorial to men whose dedication and service will be remembered through succeeding generations.

Mr. NUNN. Mr. President, I urge the Senate to pass H.R. 4294, designating the Veterans' Administration Medical Center in Dublin, Ga., as the "Carl Vinson Veterans' Administration Medical Center."

No American is more indelibly linked with America's national security in the 20th century than Carl Vinson. No American ever did more to ensure that American military strength was equal to the task of preserving the peace and defending our freedoms.

Carl Vinson's one-half century of service in the House of Representa-

tives began with the Springfield rifle and ended with the ballistic missile. As chairman of the House Naval Affairs Committee in the 1930's, he worked tirelessly and successfully against long odds to provide a two-ocean Navy—the Navy that proved vital to America's victory in World War II. Later, as chairman of the House Armed Services Committee, he had the wisdom and foresight to establish the modern Air Force. For two decades after World War II, every modernization and improvement in America's defenses bore his personal imprint.

Carl Vinson was the only American ever to have a U.S. Navy warship named for him during his lifetime. The philosophy he lived by throughout his life is emblazoned on the keel plaque of the U.S.S. *Carl Vinson*:

No person representing the American people should ever place the defense of this nation below any other priority.

The defense of this Nation was always Carl Vinson's first priority. He never forgot that all Americans owe a great deal of gratitude to the military personnel who risk life and limb to protect their fellow citizens—and that obligation also extends to the veterans who have served our Nation in uniform.

The Veterans' Administration, through medical centers such as the one in Dublin, Ga., helps to fulfill our country's responsibility to our former service men and women. It is a measure of America's greatness that we do not break faith with those who have sacrificed for their fellow citizens.

Mr. President, Carl Vinson received many honors and tributes during his lifetime, but I know that he would be proud to have his name associated permanently with a facility that provides medical care to American veterans. Renaming the Dublin VA Medical Center for Carl Vinson would create an enduring symbol in his beloved middle Georgia, not only of Carl Vinson's dedication to our Nation, but also of his deep personal commitment to those who defend us.

This is an especially fitting time for the Senate to recognize Carl Vinson's unique contribution to the United States. Today is the 100th anniversary of his birth, and this occasion was commemorated with a graveside ceremony in Milledgeville, Ga., Carl Vinson's hometown.

Carl Vinson's 100th birthday affords us an opportunity to reflect on his unparalleled record of achievement. It also affords an opportunity to reflect on the meaning of duty, patriotism, and devotion to our country. Carl Vinson exemplified those ideals, and his example should continue to inspire all Americans. The Carl Vinson Veterans' Administration Medical Center will be a permanent reminder of Carl Vinson's legacy for future generations of Americans.

The bill was considered, ordered to a third reading, read the third time, and passed.

CARLOS MEBRANO GATSON

The bill (H.R. 724) for the relief of Carlos Mebrano Gatson was considered, ordered to a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the several measures were disposed of.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION OF APPROPRIATIONS FOR THE NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

Mr. BAKER. Next, I invite attention of the minority leader to Calendar Order No. 627, which is H.R. 2196, and ask the minority leader if he is in a position to consider that measure at this time.

Mr. BYRD. Mr. President, I am happy to answer in the affirmative.

Mr. BAKER. I thank the minority leader.

Mr. President, I ask that the Senate now proceed to the consideration of H.R. 2196.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2196) to extend the authorization of appropriations of the National Historical Publications and Records Commission for five years.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 2652

(Purpose: To extend for 5 years the authorization of appropriations for the National Historical Publications and Records Commission)

Mr. BAKER. Mr. President, I send to the desk an amendment on behalf of the distinguished Senator from Alaska (Mr. STEVENS) and ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER), for Mr. STEVENS, proposes an amendment numbered 2652.

Mr. BAKER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert in lieu thereof the following: That section 2504(b) of title 44, United States Code, is amended to read as follows:

"(b) For the purposes specified in subsection (a), there is authorized to be appropriated to the General Services Administration an amount not to exceed $4,000,000 for each of the fiscal years ending on September 30, 1984, and September 30, 1985; and an amount not to exceed $5,000,000 for each of the fiscal years ending on September 30, 1986, September 30, 1987, and September 30, 1988. Amounts appropriated under this subsection shall be available until expended when so provided in appropriation Acts.".

Mr. RANDOLPH. Mr. President, I make a point of order that the Senate is not in order. We cannot hear what is going on. There is movement around us, to the side of us and in front of us.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. Mr. President, I thank my colleague for repeatedly, always attempting to do his best to see that there is order in the Senate so that the business can be transacted most expeditiously and that Senators may hear what is going on.

So I salute him today again for that.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment (No. 2652) was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall it pass?

So the bill (H.R. 2196) was passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HOLDING OF CERTAIN INDIAN LANDS IN TRUST

Mr. BAKER. Mr. President, I say to the minority leader I am prepared to go to H.R. 2898 if the minority leader can clear that measure.

Mr. BYRD. Mr. President, that matter has been cleared.

Mr. BAKER. I thank the minority leader.

I ask the Chair to lay before the Senate Calendar Order No. 629, H.R. 2898.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2898) to declare certain lands to be held in trust for the benefit of the

Paiute Indian Tribe of Utah, and for other purposes.

The Senate proceeded to consider the bill.

AMENDMENT NO. 2653

Mr. BAKER. Mr. President, I ask unanimous consent that it may be in order to submit three amendments on behalf of the distinguished Senator from North Dakota (Mr. ANDREWS) and that they be considered en bloc.

Mr. BYRD. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) for Mr. ANDREWS proposes an amendment numbered 2653.

On page 2, line 1, strike the words "Act are the parcels of land" and insert in lieu thereof the words "section are parcels 1 through 5 of the lands".

On page 8, line 5, after the word "appropriated" add the words "in fiscal year 1985".

At the conclusion of the bill add a new section 6 as follows:

"SEC. 6. The plan for the use or distribution of funds awarded the Creek Nation in Docket Nos. 169 and 272 before the Indian Claims Commission and in Docket Nos. 277 and 309-74 before the United States Court of Claims, and the plan for the use and distribution of funds awarded the Sisseston-Wahpeton Sioux in Docket 363 before the United States Court of Claims, which were submitted to the Congress by the Department of the Interior for consideration under the provisions of the Judgment Fund Distribution Act of 1973 (87 Stat. 466; 25 U.S.C. 1401 et seq.) are hereby declared to be valid and effective as of the date of enactment of this Act and such plans are declared to have been validly submitted and are exempted from any further review."

Mr. ANDREWS. Mr. President, H.R. 2898 provides that approximately 4,770 acres of public lands in the State of Utah shall be held by the United States in trust for the benefit of the Paiute Indian Tribe of Utah and will establish an economic development fund for the tribe in the amount of $2.5 million. The bill was introduced in the House of Representatives by Mr. MARRIOTT and it has the support of the Utah delegation and the administration.

In 1954, Congress passed legislation terminating the Federal Government's legal relationship with the five bands that comprise the Paiute Indian Tribe of Utah. By act of April 3, 1980, Public Law 96-277, the Paiute Tribe of Utah was restored to federally recognized status and the Secretary of the Interior was directed to submit to Congress within 2 years a proposal for the addition of not more than 15,000 acres of "available public, State and private lands." The Department and the tribe have worked closely with State and local interests in the development of a land acquisition plan but the tribe was unable to locate more than 4,770 acres of available lands without engendering excessive controversy. The provision for establishment of the economic development fund in the amount of $2.5 million was developed as a means of providing the tribe with some economic base.

Mr. President, the first two amendments I have sent to the desk are for clarification. The first makes clear that the lands that are to be taken in trust are parcels 1 through 5 of the lands depicted on the maps contained in the proposed Paiute Indian Tribe of Utah reservation plan of January 24, 1982, published by the Department of the Interior. The second amendment is to make clear that appropriation of funds for the economic development fund is not authorized until fiscal year 1985.

Mr. President, the third amendment I send to the desk will add a new section 6 to this bill to waive further consideration by the Congress of two judgment distribution plans submitted to the Congress by the Department of the Interior under the Judgment Fund Distribution Act of 1973, as amended (25 U.S.C. 1401 et seq.). I offer this amendment on my behalf and for Mr. BURDICK, Mr. ABDNOR, Mr. PRESSLER, Mr. BOREN, and Mr. NICKLES. One of the two plans involve judgment funds awarded the Creek Indian Nation and the other involves the Sisseston-Wahpeton Tribe of North Dakota and South Dakota and the Devil's Lake Sioux Indian Tribe of North Dakota. Funds in satisfaction of these awards have already been appropriated and are on deposit with the Department of the Treasury.

The Judgment Fund Distribution Act of 1973 (25 U.S.C. 1401) provides that the Secretary of the Interior shall submit to the Congress plans for the use and distribution of funds awarded Indian tribes or descendant groups by the Indian Claims Commission or the U.S. Court of Claims. These plans, developed in consultation with the tribes, must lay before the Congress for 60 legislative days (days in which both the House and the Senate are in session) in order to become effective. Two plans are presently before the Congress which will fail to become effective if the Congress adjourns on November 18 as presently scheduled. These tribes desperately need these funds and the tribes should not be compelled to wait an additional 60 days while the Congress is in recess for these plans to become effective.

Mr. President, I urge the Senate to act favorably on H.R. 2898 with these amendments.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment (No. 2652) was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 2898) was passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INTELLIGENCE PERSONNEL AND PROBATION OFFICERS PROTECTION ACT

Mr. BAKER. Mr. President, next I propose to go to S. 779, if the minority leader is agreeable.

Mr. BYRD. There is no objection.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 779) entitled the "Intelligence Personnel Protection Act.",

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on the Judiciary with amendments.

On page 2, after line 3, insert "or any United States probation officer or pretrial services officer,".

On page 2, line 8, strike "•" and insert "4".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 51 of title 18 of the United States Code, section 1114, is amended—

(a) by inserting "or attempts to kill" after "kills";

(b) by striking out "while engaged in the performance of his official duties or on account of the performance of his official duties" and inserting in lieu thereof "or any United States probation officer or pretrial services officer, or any officer or employee of any department or agency within the Intelligence Community (as defined in section 3.4(f) of Executive Order 12333, December 4, 1981, or successor orders) not already covered under the terms of this section"; and

(c) by inserting before the period at the end thereof a comma and the following: "except that any such person who is found guilty of attempted murder shall be imprisoned for not more than twenty years".

Mr. BAKER. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I move adoption of the amendments en bloc.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

The amendments were agreed to.

Mr. THURMOND. Mr. President, I urge my colleagues to join me in strong support of S. 779, the Intelligence Personnnel and Probation Officers Protection Act. This bill comes to the floor after 2 years of determined effort by the distinguished ranking minority member of the Committee on the Judiciary, Senator JOSEPH R. BIDEN, JR., who also serves on the Select Intelligence Committee, and myself.

My colleagues will probably be surprised to learn that it is currently not a Federal offense to murder an intelligence officer or employee, despite the obvious interest of our National Government in the protection of those individuals and in the efficient investigation and prosecution of offenses directed against them. S. 779 would address this inadequacy by including officers and employees of the intelligence community in the list of Federal employees covered under the murder offense in section 1114 of title 18 of the United States Code. The proposed legislation would be limited to situations where the act occurred during or on account of the performance of duty.

The bill reported by the Committee on the Judiciary contains an amendment which I offered to include probation and pretrial service officers under section 1114. Similar provisions have been included in both House and Senate Criminal Code reform measures in previous Congresses. My amendment differs slightly from earlier versions in that it includes pretrail services officers, in addition to probation officers, because they perform similar duties. This change was necessitated by enactment of the Pretrial Services Act of 1983 (Public Law 97-267).

Finally, S. 779 makes one improvement in section 1114, which would apply to all listed employees. Attempts to kill would also become an offense and would be punishable by a maximum term of imprisonment of 20 years. Under current law, conduct of this nature would only be punishable under 18 U.S.C. 111 (relating to assaults), with much less severe penalties. S. 779 would provide a more realistic deterrent.

Mr. President, our Nation's intelligence personnel, probation officers, and pretrial services officers perform dangerous duties crucial to the national security and the safety of our citizens. Their inclusion in section 1114 is long overdue. Delay has not stemmed from a lack of consensus on the merit of the issue, but from the fact that these changes have frequently been attempted in more comprehensive legislation, such as intelligence authorization and criminal reform measures, which presented nonrelated problems. These brave individuals should not be further penalized because of any past problems in proceeding. I am therefore hopeful that this body and the other body will act favorably upon this noncontroversial legislation without further delay.

Mr. BIDEN. Mr. President, this legislation was originally proposed by the CIA and has been endorsed by the Department of Justice for inclusion in intelligence authorization legislation as well as in separate legislation. Identical legislation passed both the Senate and the House in the 97th Congress in title III of H.R. 3963, the "Violent Crime and Drug Enforcement Improvements Act of 1982." Although H.R. 3963 failed to receive the President's approval, the President's statement on the legislation said, "I completely support some of the features of H.R. 3963, such as the Federal Intelligence Personnel Protection Act."

This legislation is essential to ensure that intelligence personnel have the same type of protection against murderous assaults as is afforded by current law to many other employees of the Federal Government.

Senior intelligence officials frequently receive threats to their safety, and lower level employees have also been threatened by persons who learn of their intelligence affiliation. However, under present law, there is not an adequate basis for Federal criminal investigation or prosecution in cases where there is evidence that an assault will occur in the performance of the employee's official duties.

The PRESIDING OFFICER. The question is on the engrossment of the committee amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (S. 779) was passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

A bill entitled the "Intelligence Personnel and Probation Officers Protection Act."

EDUCATION OF THE HANDICAPPED ACT AMENDMENTS OF 1983

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1341.

The Presiding Officer laid before the Senate a message from the House of Representatives relating to S. 1341, the Education of the Handicapped Act Amendments of 1983.

AMENDMENT NO. 2654

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendment with a further amendment which I send to the desk on behalf of the distinguished Senator from Utah (Mr. HATCH).

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) on behalf of Mr. HATCH proposes amendment numbered 2654.

Mr. BAKER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

I move that the Senate concur in the amendment of the House of Representatives to the bill S. 1341, An Act to revise and extend the Education of the Handicapped Act, and for other purposes, with the following amendments:

Before the first section insert the following:

TITLE I—EDUCATION OF THE HANDICAPPED PROGRAM

In the first section, strike out "That this Act" and insert in lieu thereof "Sec. 101. This title".

Strike out sections 19 and 20.

Redesignate sections 2 through 18 as sections 102 through 118, respectively.

In the parenthetical in section 102 (as redesignated) strike out "this Act" and insert in lieu thereof "this title".

In section 118 (as redesignated) strike out "this Act" each time it appears and insert in lieu thereof "this title".

At the end of the bill, add the following:

TITLE II—REHABILITATION PROGRAM

VOCATIONAL REHABILITATION SERVICES

SEC. 201. (a) Section 100(b)(1) of the Rehabilitation Act of 1973 (hereafter in this title referred to as "the Act") is amended to read as follows:

"(b)(1) For the purpose of making grants to States under part B of this title to assist them in meeting the costs of vocational rehabilitation services provided in accordance with State plans under section 101, there is authorized to be appropriated $1,037,800,000 for the fiscal year 1984, $1,070,000,000 for the fiscal year 1985, and $1,103,000,000 for the fiscal year 1986.".

(b) The first sentence of section 100(b)(2) of the Act is amended to read as follows:

"(2) For the purpose of allotments under section 120(a)(1), there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1984, 1985, and 1986.".

(c) Section 100(b)(3) of the Act is amended by striking out "the fiscal year ending September 30, 1979, and for each of the three fiscal years thereafter" and inserting in lieu thereof "each of the fiscal years 1984, 1985, and 1986.".

CLIENT ASSISTANCE

SEC. 202. Section 112(g) of the Act is amended to read as follows:

"(g) There are authorized to be appropriated $6,000,000 for the fiscal year 1984, $6,300,000 for the fiscal year 1985, and $6,700,000 for the fiscal year 1986.".

RESEARCH

SEC. 203. section 201(a) of the Act is amended to read as follows: "There are authorized to be appropriated $36,000,000 for the fiscal year 1984, $38,000,000 for the fiscal year 1985, and $40,000,000 for the fiscal year 1985 to carry out the provisions of this title.".

SUPPLEMENTARY SERVICES AND FACILITIES

SEC. 204. (a) Section 301(a) of the Act is amended by striking out "October 1, 1982" in the first sentence and inserting in lieu thereof the following: "October 1, 1986"; and by striking out "October 1, 1983" and inserting in lieu thereof "October 1, 1987".

(b) Section 302(a) of the Act is amended by striking out "October 1, 1982" and inserting in lieu thereof "October 1, 1986".

(c) The first sentence of section 304(d) of the Act is amended to read as follows: "There are authorized to be appropriated to carry out this section $22,000,000 for the fiscal year 1984, $26,800,000 for the fiscal year 1985, and $28,300,000 for the fiscal year 1986.,".

(d) Section 305(g) of the Act is amended by striking out "the fiscal year ending September 30, 1979, and for the three succeeding fiscal years", and inserting in lieu thereof "for each of the fiscal years 1984, 1985, and 1986".

(e) Section 310(a) of the Act is amended—

(1) by inserting after "313" the following: "and section 316"; and

(2) by striking out "such sums as may be necessary for each fiscal year ending prior to October 1, 1982" and inserting in lieu thereof "$12,900,000 for fiscal year 1984, $13,600,000 for fiscal year 1985, and $14,300,000 for fiscal year 1986".

(f) Section 313(e) of the Act is amended by striking out "such sums as may be necessary for each fiscal year before October 1, 1982" and inserting in lieu thereof "$3,700,000 for fiscal year 1984, $3,900,000 for fiscal year 1985, and $4,100,000 for fiscal year 1986".

(g) Section 316 of the Act is amended by inserting "(a)" after the section designation and by adding at the end thereof the following new subsection:

"(d) There are authorized to be appropriated to carry out this section $2,000,000 for the fiscal year 1984, $2,100,000 for the fiscal year 1985, and $2,200,000 for the fiscal year 1986.".

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SEC. 205. Section 502(i) of the Act is amended by striking out "October 1, 1982" and inserting in lieu thereof "October 1, 1984".

EMPLOYMENT OPPORTUNITIES

SEC. 206. Section 617 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 617. There are authorized to be appropriated to carry out the provisions of this part such sums as may be necessary for each of the fiscal years 1984, 1985, and 1986.".

PROJECTS WITH INDUSTRY

SEC. 207. Section 623 of the Act is amended by striking out "this part for each fiscal year beginning before October 1, 1982" and inserting in lieu thereof "for section 621 $13,000,000 for fiscal year 1984, $14,000,000 for fiscal year 1985, and $15,200,000 for fiscal year 1986; and for section 622, such sums as may be necessary for each of the fiscal years 1984, 1985, and 1986".

SERVICES FOR INDEPENDENT LIVING

SEC. 208. (a) Section 731 of the Act the second time it appears is redesignated as section 741.

(b)(1) Section 741(a) of the Act (as so redesignated) is amended to read as follows:

"(b) There are authorized to be appropriated to carry out part B of this title $21,000,000 for each of the fiscal years 1984, 1985, and 1986.".

(3) Section 741 (c)(1) of the Act (as so redesignated) is amended to read as follows:

"(c)(1) There are authorized to be appropriated to carry out part C of this title such sums as may be necessary for each of the fiscal years 1984, 1985, and 1986.".

TITLE III—DEVELOPMENTAL DISABILITIES

PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS

SEC. 301. The first sentence of section 113(b)(2) of the Development Disabilities Assistance and Bill of Rights Act (hereafter in this title referred to as "the Act") is amended to read as follows: "There is authority to be appropriated for allotments under paragraph (1) $6,400,000 for fiscal year 1984.".

UNIVERSITY AFFILIATED FACILITIES

SEC. 302. Section 123 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 123. There is authorized to be appropriated to make allotments to carry out this part $7,800,000 for fiscal year 1984.".

GRANTS FOR PLANNING AND THE PROVISION OF SERVICES

SEC. 303. Section 131 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 131. There is authorized to be appropriated to carry out the provisions of this part $45,400,000 for fiscal year 1984.".

SPECIAL PROJECTS

SEC. 304. Section 145(f) of the Act is amended to read as follows:

"(f) For the purpose of making grants under subsection (a), there is authorized to be appropriated $2,600,000 for fiscal year 1984.".

● Mr. HATCH. Mr. President, today, the House passed S. 1341, the Education of the Handicapped Act, a bill I sponsored here in the Senate. Attached to S. 1341 are two amendments to reauthorize vocational rehabilitation, a program that has been caught up in an unfortunate struggle over nongermane amendments.

The first House amendment increased the State grant allocations to $1,037.8 million for fiscal year 1984 with adjustment based on the Consumer Price Index for the fiscal year 1985 and fiscal year 1986. This is not identical to the original Senate bill in fiscal year 1984, but it is my belief that by fiscal year 1986 the two bills would have reached about the same level. I am therefore willing to see this amendment accepted, although I would have preferred the more definite Senate numbers for fiscal year 1985 and fiscal year 1986.

The second amendment reauthorized the discretionary programs for this year. Most of the levels were in agreement with figures found in my bill S. 1340 which the Senate passed on the consent calendar in July. Again, I am prepared to accept the House amendment because of its similarity to the Senate position.

The House action with regard to discretionary programs legitimizes the spending of money already appropriated and signed into law with passage of the Labor/HHS/Education appropriation bill. When we reconvene in January, I hope we can deliberate the substantive issues in S. 1340, the Vocational Rehabilitation Act amendments and set the fiscal year 1985 and fiscal year 1986 levels of funding.

As I have indicated, I support the House's attempt to resolve the rehabilitation reauthorization issue, although I do not feel that their amendment goes far enough. Consequently, I am making a motion to reauthorize the discretionary programs for fiscal year 1985 and fiscal year 1986 as found in S. 1340, and set the State grant allocations at $1,070 million in fiscal year 1985 and $1,103 million in fiscal year 1986.

At this time, I would like to insert my amendment for the RECORD.

Although I would prefer to have my motion accepted, it is not my intent to delay passage of the EHA bill. I therefore will withdraw my amendment.

In the spirit of compromise, I would encourage my colleagues in the Senate to accept S. 1341 as amended by the House so that our bill can go directly to the President for his signature and we can reauthorize both Education of the Handicapped Act and Vocational Rehabilitation before we adjourn. By doing so, we not only assure the provision of educational programs for our 4 million handicapped children and youth but also guarantee the continuation of services for our 35 million disabled adults. I can think of no more appropriate message for this Congress to send our Nation's disabled as the holiday season approaches.

Mr. President, I therefore move that the Senate concur in the amendment of the House of Representatives to S. 1341.

Mr. BAKER. Mr. President, I am advised that the distinguished Senator from Utah (Mr. HATCH) does not wish to prosecute the consideration of the amendment which has just been proposed. Therefore, on his behalf, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. RANDOLPH. Mr. President, I support S. 1341, which extends and amends the discretionary programs of the Education of the Handicapped

Act. These discretionary programs provide the supportive services and activities which enable the States to meet their responsibilities under Public Law 94-142. This law requires the States to make available a free appropriate public education to handicapped children. S. 1341 contains new initiatives which will benefit handicapped children and youth.

The Senate passed S. 1341 on June 27, 1983, and the House passed its companion measure, H.R. 3435, on November 17, 1983. This measure, S. 1341, as amended and passed by the House of Representatives, underscores the cooperative efforts of both Houses of Congress to develop legislation to assist handicapped children and youth.

This measure extends the discretionary programs of the Education of the Handicapped Act through 1986, authorizes new initiatives which will target resources to handicapped youth and train parents to better represent the concerns of their handicapped children, and redirects and improves other programs authorized by the act.

As reported from the Education and Labor Committee of the House of Representatives, H.R. 3435 would amend certain definitions which would have impacted on the implementation of part B, the State grant program, of the Education of the Handicapped Act. I had grave doubts as to how these proposed changes in the definitions of handicapped children and special education would impact on the provision of a free appropriated public education to handicapped children. By agreement, the measure was amended in the House to delete these proposed definitional changes. A study will be required to review the impact of amending the definition of handicapped children to substitute the term behaviorally disordered for the term seriously emotionally disturbed. This legislation does not amend the definition of handicapped children, it does require a study of this vitally important issue. It is my belief that changes to the definition of handicapped children should be made only after a careful review of the implications of such a change. This careful review has not been made. Hearings have not been held to receive testimony from a wide variety of witnesses. This study will provide valuable information, which along with a hearing record which explores potential negative and positive results from such a definitional change, should assist the Congress in any future legislative action to amend the definition.

This measure also includes a new initiative, secondary education and transitional services for handicapped youth. In addition to this new program initiative, the education of the Handicapped Act is amended throughout, where appropriate, to reflect that the Congress intends that the needs of handicapped youth be given special emphasis. The new initiative targets resources to strengthen and coordinate existing services and to stimulate the improvement and development of programs that will assist handicapped youth in making the transition from secondary school to postsecondary education, additional vocational or technical training, work, and/or independent living. Handicapped youth, like all young people, face challenges in this transitional period in their lives. However, Federal special education policy has not targeted resources in the past on handicapped youth. This measure includes a definition of handicapped youth to clearly identify the population to be served.

This legislation establishes a new grant program for the purpose of providing training and information to parents of handicapped children to assist them to participate more effectively with professionals in meeting the educational needs of their handicapped children. These programs should be designed to foster a better understanding between parents and special education professionals, thus reducing the incidence of formal due process procedures and possible litigation.

This measure strengthens the evaluation requirements, permits States to provide special education and related services to handicapped children from birth to 3 years of age, and redirects and refines other discretionary programs authorized by the act.

Mr. President, this is an important law and one that should be extended. I repeat I support S. 1341 and the new program initiatives.

Mr. President, as amended by the House of Representatives, S. 1341 includes a 3-year extension of the rehabilitation State grant program and a 1-year extension of the discretionary programs of the Rehabilitation Act. I support these provisions extending the Rehabilitation Act; I concur with Representative MURPHY'S statement that the Senate and House of Representatives conference on the discretionary programs of the Rehabilitation Act, as amended by S. 1340 and H.R. 3520.

Mr. EAGLETON. Mr. President, I am gratified that the 1983 amendments to the Education for All Handicapped Children Act retains, with very minor modifications, the amendment which I originally put forward in the Senate adding a bypass amendment to help improve the participation of handicapped students from private schools in programs and projects authorized under this act.

Part B of Public Law 94-142 requires State and local education agencies to identify, locate, evaluate, and provide special education and related services to handicapped students attending regular private elementary and secondary schools. This provision has been a part of the education for the handicapped law since the 1960's. However, since the inception of the program, the participation of private school students as required by the law has in some areas of the country been virtually nonexistent. Such has been the case in my own State of Missouri. During the fall of 1982, the Education Department of the Missouri Catholic Conference conducted a survey among Catholic elementary and secondary schools to ascertain the degree to which handicapped students were participating in the Federal program. Out of 3,575 private schoolchildren suspected or diagnosed as having a handicap, only 275 received special educational services from the public schools. The lack of participation of private school children is due in large part to the way in which the Missouri Supreme Court interprets the State constitution. Under the court's interpretation, public schools will only offer services before or after school or on Saturdays and on the public school premises. Under this arrangement, parents of private schoolchildren must arrange for the transportation of their children to the public school site. Too often, the public school education teacher and the parent of the child in private school cannot agree to a mutually acceptable time for the child's instruction. Understandably, handicapped children enrolled in private schools are seldom overjoyed at the prospect of going to school on a Saturday. The present situation under the Education for the Handicapped Act is virtually identical to the one private schoolchildren faced in Missouri under the title I ESEA program prior to the implementation of a bypass under that program in 1974.

The bypass provision under the amendments now before us is limited to those situations where a State is prohibited from providing services to children enrolled in private schools as a matter of State law.

In those States where the State educational agency is prohibited by law from providing services to nonpublic schoolchildren, the Secretary of Education is required to arrange for the provision of such services directly.

As I indicated earlier, this bypass arrangement is not a new phenomenon to education law. In an effort to provide services to children in States where statutory provisions prohibit the use of public funds for nonpublic schools, or where States simply fail to provide services to nonpublic schoolchildren, the concept of the bypass was included in the Education Consolidation and Improvement Act chapter I programs for the education of disadvantaged children and the chapter 2 State education block grants. Extending the bypass concept to the Education for All Handicapped Children Act will, I hope, help improve the partici-

pation of handicapped students from private schools in all the programs authorized under this act.

Mr. WEICKER. Mr. President, I am pleased and proud to rise in support of S. 1341, a bill I, as chairman of the Subcommittee on the Handicapped, originated. This bill will revise and extend the Education of the Handicapped Act. S. 1341 has come to us from the House for final passage. It passed the House floor by a vote of 415 to 1. This piece of legislation is a compromise measure which represents the tenacity and determination of all those who are dedicated to improving and expanding the educational opportunities for handicapped children and youth.

In order to allow for implementation in the next school year, this bill was negotiated informally prior to House floor action to expedite the process before recess. Although the Senate referred this bill to the House on June 29, 1983, the House was not prepared to take up the measure this session. Nevertheless, when the proposal came from the House staff to work together to get the bill out this year, I enthusiastically agreed. With the cooperation of Senator RANDOLPH, the ranking minority member of the subcommittee and Senator HATCH, the chairman of the full committee, we worked out a compromise, which sooner rather than later, will result in needed changes in the programs and services for our Nation's handicapped children and youth. Also, I might add that we received invaluable assistance from Assistant Secretary Madeleine Will of the Office of Special Education and Rehabilitative Services in order to achieve this goal.

A great deal of attention has been given to the Education of the Handicapped Act Amendments of 1983. These amendments focus on the discretionary programs, primarily parts C, D, E, and F and not the State grant program, part B, better known as Public Law 94-142. The discretionary programs complement and supplement the vital State grant program. Dr. James Gallagher, one of the witnesses at the oversight hearing on this bill, states that:

It is my belief that these are the programs that bring quality to service delivery for handicapped children. When there is a wise investment in research that generates new ideas and products; leadership training to generate gifted young persons to influence the shape and direction of the field; demonstration to provide models of excellence and outreach to speed dissemination; then one has a program that is alive with energy, enthusiasm, and quality people.

S. 1341 of today is essentially the same as S. 1341 of June 29 when it passed the Senate floor and was referred to the House Committee on Education and Labor. For part A of the act—which pertains to the State grant program—there were only technical changes in the Senate bill. No changes in definitions of handicapping conditions or special education were accepted from the House bill. A national advisory committee and requirements for prescribing regulations were agreed upon.

The State grant program was amended to include a provision which will direct funds to handicapped children in private schools. Improvements were made in both the evaluation—of the impact of the law—and the preschool incentive program, both of which are within part B.

The evaluation section was revised extensively. More indepth evaluation studies including longitudinal studies on State and local expenditures and on handicapped persons leaving school, are required. The reports to Congress must be more comprehensive and will be disseminated to the public. From the House bill, additional data collection requirements were accepted including the number of handicapped youth exiting the programs and the number of handicapped youth participating in vocational education.

The preschool incentive section will allow for handicapped children from birth on to be eligible for this program for the first time.

In part C, five discretionary programs were revised and a new discretionary program was added. The section on regional resource centers was undated to insure that technical assistance and training activities would focus on persistent problems in providing quality educational programs. The section on deaf-blind children and youth taken from the House bill provides for direct and indirect services with the emphasis on the indirect services and a new program on transitional services for older deaf-blind persons. The section on early childhood also extends eligibility to birth. In addition it provides for State planning grants to develop statewide early childhood programs. The severely handicapped program remains the same, but it is not officially authorized in the general authority, section 624—research, innovation, training, and dissemination activities. The section on postsecondary education is expanded to provided programs for the deaf and other handicapped individuals.

The new initiative is on secondary and transitional services for handicapped youth. This innovative new program focuses on the well-documented unmet needs of handicapped persons in terms of preparation for employment and independent living. Included are cooperative models for service delivery.

Part D, the training section, emphasizes preservice training for special education teachers, administrators, researchers, and related services personnel and others. Exemplary models for both preservice and inservice training are promoted. Meeting professional recognized standards is accepted from the House bill.

From the Senate bill a redefined and strengthened emphasis on parent training has been mandated as a permanent inclusion in part D. This new requirement is intended to assure that all who participate in the process of educating disabled children; teachers, adminstrators, related service personnel and parents have full knowledge of the legal rights and protections of youngsters covered by part B.

Part E on research was revised for clarity. It allows the executive branch to determine the most relevant research priorities. Part F on instructional media remains the same.

Included in S. 1341, in addition to authorized funding levels for fiscal years 1984-86, is another Senate provision increasing the authorized funding for part B by $54 million.

While there will be no conference and therefore no conference report on S. 1341, there are provisions in the agreed upon bill on which further comment is appropriate.

Concerning section 622 part C, the deaf-blind program, evaluation and data requirements were added to rectify the problems pointed out by Dr. Chelimsky of the U.S. General Accounting Office before the House Subcommittee on Select Education on July 14, 1983. Please refer to that testimony for an explanation of these additional requirements.

For the new initiative on secondary and transitional services, section 626 of part C, a demographic study will be conducted in order to obtain information on the estimated number of handicapped youth in each State who will be leaving public schools in a 5-year period and are in need of continued programs and services.

Mr. BAKER. Mr. President, I now move to concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

MILITARY JUSTICE ACT OF 1983

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 974.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 974) entitled "An Act to amend chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), to improve the quality and efficiency of the military justice system, to revise the laws concerning review of courts-martial, and for other purposes", do pass with the following amendment: Strike out all after the enacting clause and insert:

SHORT TITLE; REFERENCES TO THE UNIFORM CODE OF MILITARY JUSTICE

SECTION 1. (a) This Act may be cited as the "Military Justice Act of 1983".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of chapter 47 of title 10, United States Code (the Uniform Code of Military Justice).

INCLUSION OF LAW SPECIALISTS OF THE COAST GUARD WITHIN DEFINITION OF JUDGE ADVOCATE

SEC. 2. (a) Clause 13 of section 801 (article 1(13)) is amended to read as follows:

"(13) 'Judge advocate' means—

"(A) an officer of the Judge Advocate General's Corps of the Army or the Navy;

"(B) an officer of the Air Force or the Marine Corps who is designated as a judge advocate; or

"(C) an officer of the Coast Guard who is designated as a law specialist.".

(b) The first sentence of section 806(a) (article 6(a)) is amended by striking out "and Air Force and law specialists of the" and inserting in lieu thereof "Air Force, and".

(c) Section 815(e) (article 15(e)) is amended by striking out "of the Army, Navy, Air Force, or Marine Corps, or a law specialist or lawyer of the Coast Guard or" and inserting in lieu thereof "or a lawyer of the".

(d) Section 827 (article 27) is amended—

(1) in subsection (b)(1), by striking out "of the Army, Navy, Air Force, or Marine Corps or a law specialist of the Coast Guard,"; and

(2) in subsection (c)(3), by striking out ", or a law specialist,".

(e) Section 842(a) (article 42(a)) is amended by striking out ", law specialist," both places it appears in the third sentence.

(f) Section 936(a) (article 136(a)) is amended—

(1) in clause (1), by striking out "of the Army, Navy, Air Force, and Marine Corps"; and

(2) by striking out clause (2) and redesignating clauses (3) through (7) as clauses (2) through (6), respectively.

MATTERS RELATING TO THE MILITARY JUDGE, COUNSEL, AND MEMBERS OF THE COURT-MARTIAL

SEC. 3. (a) Section 816(1)(B) (article 16(1)(B)) is amended by inserting "orally on the record or" before "in writing".

(b) Section 825 (article 25) is amended by adding at the end thereof the following new subsection:

"(e) Before a court-martial is assembled for the trial of a case, the convening authority may excuse a member of the court from participating in the case. Under such regulations as the Secretary concerned may prescribe, the convening authority may delegate his authority under this subsection to his staff judge advocate or legal officer or to any other principal assistant.".

(c)(1) Section 826 (article 26) is amended—

(A) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) A military judge shall be detailed to each general court-martial. Subject to regulations of the Secretary concerned, a military judge may be detailed to any special court-martial. The Secretary concerned shall prescribe regulations providing for the manner in which military judges are detailed for such courts-martial and for the persons who are authorized to detail military judges for such courts-martial. The military judge shall preside over each open session of the court-martial to which he has been detailed."; and

(B) in the first sentence of subsection (c), by striking out "by the convening authority, and, unless" and inserting in lieu thereof "in accordance with regulations prescribed under subsection (a). Unless".

(2) Section 827(a) (article 27(a)) is amended—

(A) by striking out "For each" and all that follows through "appropriate." and inserting in lieu thereof the following: "(1) Trial counsel and defense counsel shall be detailed for each general and special court-martial. Assistant trial counsel and assistant and associate defense counsel may be detailed for each general and special court-martial. The Secretary concerned shall prescribe regulations providing for the manner in which counsel are detailed for such courts-martial and for the persons who are authorized to detail counsel for such courts-martial."; and

(B) by designating the sentence beginning "No person who has acted as investigating officer" as paragraph (2) and by striking out "assistant defense counsel" in such sentence and inserting in lieu thereof "assistant or associate defense counsel".

(d) Section 829(a) (article 29(a)) is amended by striking out "except for" and all that follows through the period and inserting in lieu thereof the following: "unless excused as a result of a challenge, excused by the military judge for physical disability or other good cause, or excused by order of the convening authority for good cause.".

(e)(1) Section 838(b)(6) (article 38(b)(6)) is amended by striking out "a convening authority" and inserting in lieu thereof "the person authorized under regulations prescribed under section 827 of this title (article 27) to detail counsel".

(2) Paragraph (7) of section 838(b) (article 38(b)(7)) is amended by inserting after the first sentence the following new sentence: "Such regulations may not prescribe any limitation based on the reasonable availability of counsel solely on the grounds that the counsel selected by the accused is from an armed force other than the armed force of which the accused is a member.".

(3) Section 838(c) (article 38(c)) is amended to read as follows:

"(c) In any court-martial proceeding resulting in a conviction, the defense counsel—

"(1) may forward for attachment to the record of proceedings a brief of such matters as he determines should be considered in behalf of the accused on review (including any objection to the contents of the record which he considers appropriate);

"(2) may assist the accused in the submission of any matter under section 860 of this title (article 60); and

"(3) may take other action authorized by this chapter.".

(f) Section 842(a) (article 42(a)) is amended by striking out "assistant defense counsel" in the first and third sentences and inserting in lieu thereof "assistant or associate defense counsel".

PRETRIAL ADVICE AND REFERRAL OF CHARGES

SEC. 4. (a)(1) The first sentence of section 834(a) is amended by striking out "or legal officer".

(2) The second sentence of such section is amended to read as follows: "The convening authority may not refer a specification under a charge to a general court-martial for trial unless he has been advised in writing by the staff judge advocate that—

"(1) the specification alleges an offense under this chapter;

"(2) the specification is warranted by the evidence indicated in the report of investigation under section 832 of this title (article 32) (if there is such a report); and

"(3) a court-martial would have jurisdiction over the accused and the offense.".

(b) Section 834 (article 34) is further amended by redesignating subsection (b) as subsection (c) and inserting after subsection (a) the following new subsection (b):

"(b) The advice of the staff judge advocate under subsection (a) with respect to a specification under a charge shall include a written and signed statement by the staff judge advocate—

"(1) expressing his conclusions with respect to each matter set forth in subsection (a); and

"(2) recommending action that the convening authority take regarding the specification.

If the specification is referred for trial, the recommendation of the staff judge advocate shall accompany the specification.".

RIGHT TO APPEAL AND RELATED MATTERS

SEC. 5. (a)(1) Section 860 (article 60) is amended to read as follows:

"§ 860. Art. 60. Action by the convening authority

"(a) The findings and sentence of a court-martial shall be reported promptly to the convening authority after the announcement of the sentence.

"(b)(1) Within 30 days after the sentence of a general court-martial or of a special court-martial which has adjudged a bad-conduct discharge has been announced, the accused may submit to the convening authority matters for consideration by the convening authority with respect to the findings and the sentence. In the case of all other special courts-martial, the accused may make such a submission to the convening authority within 20 days after the sentence is announced. In the case of all summary courts-martial the accused may make such a submission to the convening authority within seven days after the sentence is announced. If the accused shows that additional time is required for the accused to submit such matters, the convening authority or other person taking action under this section, for good cause, may extend the period—

"(A) in the case of a general court-martial or a special court-martial which has adjudged a bad-conduct discharge, for not more than an additional 20 days; and

"(B) in the case of all other courts-martial, for not more than an additional 10 days.

"(2) In a summary court-martial case the accused shall be promptly provided a copy of the record of trial for use in preparing a submission authorized by paragraph (1).

"(3) In no event shall the accused in any general or special court-martial case have less than a seven-day period after the day on which a copy of the authenticated record of trial has been given to him within which to make a submission under paragraph (1). The convening authority or other person taking action on the case, for good cause, may extend this period for up to an additional 10 days.

"(4) The accused may waive his right to make a submission to the convening authority under paragraph (1). Such a waiver must be made in writing and may not be revoked. For the purposes of subsection (c)(2), the time within which the accused may make a submission under this subsection shall be deemed to have expired upon the submission of such a waiver to the convening authority.

"(c)(1) The authority under this section to modify the findings and sentence of a court-martial is a matter of command prerogative

involving the sole discretion of the convening authority. Under regulations of the Secretary concerned, a commissioned officer commanding for the time being, a successor in command, or any person exercising general court-martial jurisdiction may act under this section in place of the convening authority.

"(2) Action on the sentence of a court-martial shall be taken by the convening authority or by another person authorized to act under this section. Subject to regulations of the Secretary concerned, such action may be taken only after consideration of any matters submitted by the accused under subsection (b) and, if applicable, under subsection (d), or after the time for submitting such matters expires, whichever is earlier. The convening authority or other person taking such action, in his sole discretion, may approve, disapprove, commute, or suspend the sentence in whole or in part.

"(3) Action on the findings of a court-martial by the convening authority or other person acting on the sentence is not required. However, such person, in his sole discretion, may—

"(A) dismiss any charge or specification by setting aside a finding of guilty thereto; or

"(B) change a finding of guilty to a charge or specification to a finding of guilty to an offense that is a lesser included offense of the offense stated in the charge or specification.

"(d) Before acting under this section on any general court-martial case or any special court-martial case that includes a bad-conduct discharge, the convening authority or other person taking action under this section shall obtain and consider the written recommendation of his staff judge advocate or legal officer. The convening authority or other person taking action under this section shall refer the record of trial to his staff judge advocate or legal officer, and the staff judge advocate or legal officer shall use such record in the preparation of his recommendation. The recommendation of the staff judge advocate or legal officer shall include such matters as the President may prescribe by regulation and shall be served on the accused, who shall have five days from the date of receipt in which to submit any matter in response. The convening authority or other person taking action under this section, for good cause, may extend that period for up to an additional 20 days. Failure to object in the response to the recommendation or to any matter attached to the recommendation waives the right to object thereto.

"(e)(1) The convening authority or other person taking action under this section, in his sole discretion, may order a proceeding in revision or a rehearing.

"(2) A proceeding in revision may be ordered if there is an apparent error or omission in the record or if the record shows improper or inconsistent action by a court-martial with respect to the findings or sentence that can be rectified without material prejudice to the substantial rights of the accused. In no case, however, may a proceeding in revision—

"(A) reconsider a finding of not guilty of any specification or a ruling which amounts to a finding of not guilty;

"(B) reconsider a finding of not guilty of any charge, unless there has been a finding of guilty under a specification laid under that charge, which sufficiently alleges a violation of some article of this chapter; or

"(C) increase the severity of the sentence unless the sentence prescribed for the offense is mandatory.

"(3) A rehearing may be ordered by the convening authority or other person taking action under this section if he disapproves the findings and sentence and states the reasons for disapproval of the findings. If such person disapproves the findings and sentence and does not order a rehearing, he shall dismiss the charges. A rehearing as to the findings may not be ordered where there is a lack of sufficient evidence in the record to support the findings. A rehearing as to the sentence may be ordered if the convening authority or other person taking action under this subsection disapproves the sentence.".

(2) The item relating to such section (article) in the table of sections at the beginning of subchapter IX is amended to read as follows:

"860. 60. Action by the convening authority.".

(b)(1) Section 861 (article 61) is amended to read as follows:

"§ 861. Art. 61. Waiver or withdrawal of appeal

"(a) In each case subject to appellate review under section 866 or 869(a) of this title (article 66 or 69(a)), except a case in which the sentence as approved under section 860(c) of this title (article 60(c)) includes death, the accused may file with the convening authority a statement expressly waiving the right of the accused to such review. Such a waiver shall be signed by both the accused and by defense counsel and must be filed within 10 days after the action under section 860(c) of this title (article 60(c)) is served on the accused or on defense counsel. The convening authority or other person taking such action, for good cause, may extend the period for such filing by not more than 30 days.

"(b) Except in a case in which the sentence as approved under section 860(c) of this title (article 60(c)) includes death, the accused may withdraw an appeal at any time.

"(c) A waiver of the right to appellate review or the withdrawal of an appeal under this section bars review under section 866 or 869(a) of this title (article 66 or 69(a)).".

(2) The item relating to such section (article) in the table of sections at the beginning of subchapter IX is amended to read as follows:

"861. 61. Waiver or withdrawal of appeal.".

(c)(1) Section 862 (article 62) is amended to read as follows:

"§ 862. Art. 62. Appeal by the United States

"(a)(1) In a trial by court-martial in which a military judge presides and in which a punitive discharge may be adjudged, the United States may appeal an order or ruling of the military judge which terminates the proceedings with respect to a charge or specification or which excludes evidence that is substantial proof of a fact material in the proceeding. However, the United States may not appeal an order or ruling that is, or that amounts to, a finding of not guilty with respect to the charge or specification.

"(2) An appeal of an order or ruling may not be taken unless the trial counsel provides the military judge with written notice of appeal from the order or ruling within 72 hours of the order or ruling. Such notice shall include a certification by the trial counsel that the appeal is not taken for the purpose of delay and (if the order or ruling appealed is one which excludes evidence) that the evidence excluded is substantial proof of a fact material in the proceeding.

"(3) An appeal under this section shall be diligently prosecuted by appellate Government counsel.

"(b) An appeal under this section shall be forwarded by a means prescribed under regulations of the President directly to the Court of Military Review and shall, whenever practicable, have priority over all other proceedings before that court. In ruling on an appeal under this section, the Court of Military Review may act only with respect to matters of law, notwithstanding section 866(c) of this title (article 66(c)).

"(c) Any period of delay resulting from an appeal under this section shall be excluded in deciding any issue regarding denial of a speedy trial unless an appropriate authority determines that the appeal was filed solely for the purpose of delay with the knowledge that it was totally frivolous and without merit.".

(2) The item relating to such section (article) in the table of sections at the beginning of subchapter IX is amended to read as follows:

"862. 62. Appeal by the United States.".

(d) Section 863 (article 63) is amended—

(1) by striking out subsection (a); and

(2) in subsection (b)—

(A) by striking out "(b)";

(B) by inserting "under this chapter" after "Each rehearing"; and

(C) by inserting at the end thereof the following: "If the sentence approved after the first court-martial was in accordance with a pretrial agreement and the accused at the rehearing changes his plea with respect to the charges or specifications upon which the pretrial agreement was based, or otherwise does not comply with the pretrial agreement, the sentence as to those charges or specifications may include any punishment not in excess of that lawfully adjudged at the first court-martial.".

(e) Section 871 (article 71) is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) If the sentence of the court-martial extends to death, that part of the sentence providing for death may not be executed until approved by the President. In such a case, the President may commute, remit, or suspend the sentence, or any part thereof, as he sees fit. That part of the sentence providing for death may not be suspended.";

(2) in subsection (b), by striking out the first and second sentences and inserting in lieu thereof the following: "If in the case of a commissioned officer, cadet, or midshipman, the sentence of a court-martial extends to dismissal, that part of the sentence providing for dismissal may not be executed until approved by the Secretary concerned or such Under Secretary or Assistant Secretary as may be designated by the Secretary concerned. In such a case, the Secretary, Under Secretary, or Assistant Secretary, as the case may be, may commute, remit, or suspend the sentence, or any part of the sentence, as he sees fit."; and

(3) by striking out subsections (c) and (d) and inserting in lieu thereof the following:

"(c)(1) If a sentence extends to death, dismissal, or a dishonorable or bad conduct discharge and if the right of the accused to appellate review is not waived, and an appeal is not withdrawn, under section 861 of this title (article 61), that part of the sentence extending to death, dismissal, or a dishonorable or bad-conduct discharge may not be executed until there is a final judgment as to the legality of the proceedings (and with respect to death or dismissal, approval

under subsection (a) or (b), as appropriate). A judgment as to legality of the proceedings is final in such cases when review is completed by a Court of Military Review and—

"(A) the time for the accused to file a petition for review by the Court of Military Appeals has expired and the accused has not filed a timely petition for such review and the case is not otherwise under review by that Court;

"(B) such a petition is rejected by the Court of Military Appeals; or

"(C) review is completed in accordance with the judgment of the Court of Military Appeals and—

"(i) a petition for a writ of certiorari is not filed within the time limits prescribed by the Supreme Court;

"(ii) such a petition is rejected by the Supreme Court; or

"(iii) review is otherwise completed in accordance with the judgment of the Supreme Court.

"(2) If a sentence extends to dismissal or a dishonorable or bad conduct discharge and if the right of the accused to appellate review is waived, or an appeal is withdrawn, under section 861 of this title (article 61), that part of the sentence extending to dismissal or a bad-conduct or dishonorable discharge may not be executed until review of the case by a judge advocate (and any action on that review) under section 864 of this title (article 64) is completed. Any other part of a court-martial sentence may be ordered executed by the convening authority or other person acting on the case under section 860 of this title (article 60) when approved by him under that section.

"(d) The convening authority or other person acting on the case under section 860 of this title (article 60) may suspend the execution of any sentence or part thereof, except a death sentence.".

(f) Subsection (a) of section 857 (article 57(a)) is amended to read as follows:

"(a) No forfeiture may extend to any pay or allowances accrued before the date on which the sentence is approved by the person acting under section 860(c) of this title (article 60(c)).".

(g) Section 876a (article 76a) is amended—

(1) by striking out "864 or 865 of this title (article 64 or 65) by the officer exercising general court-martial jurisdiction" and inserting in lieu thereof "860 of this title (article 60)"; and

(2) by striking out "by the officer exercising general court-martial jurisdiction" in the second sentence and inserting in lieu thereof "under section 860 of this title (article 60)".

(h)(1) The table of subchapters at the beginning of chapter 47 is amended by striking out the item relating to subchapter IX and inserting in lieu thereof the following:

"IX. Post-trial Procedure and Review of Courts-Martial..... 859
59".

(2) The subchapter heading at the beginning of subchapter IX is amended to read as follows:

"SUBCHAPTER IX—POST-TRIAL PROCEDURE AND REVIEW OF COURTS-MARTIAL".

RECORD OF TRIAL

SEC. 6. (a) Section 801 (article 1) is amended by adding at the end thereof the following new clause:

"(14) 'Record', when used in connection with the proceedings of a court-martial, means—

"(A) an official written transcript, written summary, or other writing relating to the proceedings; or

"(B) an official audiotape, videotape, or similar material from which sound, or sound and visual images, depicting the proceedings may be reproduced.".

(b) Subsections (d) and (f) of section 849 (article 49) are each amended by inserting after "read in evidence" the following: "or, in the case of audiotape, videotape, or similar material, may be played in evidence".

(c) Section 854 (article 54) is amended—

(1) in subsection (a), by striking out the last sentence;

(2) in subsection (b), by striking out "shall contain the matter and";

(3) by redesignating subsection (c) as subsection (d); and

(4) by inserting after subsection (b) the following new subsection:

"(c)(1) A complete record of the proceedings and testimony shall be prepared—

"(A) in each general court-martial case in which the sentence adjudged includes death, a dismissal, a discharge, or (if the sentence adjudged does not include a discharge) any other punishment which exceeds that which may otherwise be adjudged by a special court-martial; and

"(B) in each special court-martial case in which the sentence adjudged includes a bad-conduct discharge.

"(2) In all other court-martial cases, the record shall contain such matters as may be prescribed by regulations of the President.".

(d)(1) Section 865 (article 65) is amended to read as follows:

"§ 865. Art. 65. Disposition of records

"(a) In a case subject to appellate review under section 866 or 869(a) of this title (article 66 or 69(a)) in which the right to such review is not waived, or an appeal is not withdrawn, under section 861 of this title (article 61), the record of trial and action thereon shall be transmitted to the Judge Advocate General for appropriate action.

"(b) Except as otherwise required by this chapter, all other records of trial and related documents shall be transmitted and disposed of as the Secretary concerned may prescribe by regulation.".

(2) The item relating to such section (article) in the table of sections at the beginning of subchapter IX is amended to read as follows:

"865. 65. Disposition of records.".

REVIEW OF COURTS-MARTIAL AND RELATED MATTERS

SEC. 7. (a)(1) Section 864 (article 64) is amended to read as follows:

"§ 864. Art. 64. Review by a judge advocate

"(a) Each case in which there has been a finding of guilty that is not reviewed under section 866 or 869(a) of this title (article 66 or 69(a)) shall be reviewed by a judge advocate under regulations of the Secretary concerned. A judge advocate may not review a case under this subsection if he has acted in the same case as an accuser, investigating officer, member of the court, military judge, or counsel or has otherwise acted on behalf of the prosecution or defense. The judge advocate's review shall be in writing and shall contain the following:

"(1) Conclusions as to whether—

"(A) the court had jurisdiction over the accused and the offense;

"(B) the charge and specification stated an offense; and

"(C) the sentence was within the limits prescribed as a matter of law.

"(2) A response to each allegation of error made in writing by the accused.

"(3) If the case is sent for action under subsection (b), a recommendation as to the appropriate action to be taken and an opinion as to whether corrective action is required as a matter of law.

"(b) The record of trial and related documents in each case reviewed under subsection (a) shall be sent for action to the person exercising general court-martial jurisdiction over the accused at the time the court was convened (or to that person's successor in command) if—

"(1) the judge advocate who reviewed the case recommends corrective action;

"(2) the sentence approved under section 860(c) of this title (article 60(c)) extends to dismissal, a bad-conduct or dishonorable discharge, or confinement for more than six months; or

"(3) such action is otherwise required by regulations of the Secretary concerned.

"(c)(1) The person to whom the record of trial and related documents are sent under subsection (b) may—

"(A) disapprove or approve the findings or sentence, in whole or in part;

"(B) remit, commute, or suspend the sentence in whole or in part;

"(C) except where the evidence was insufficient at the trial to support the findings, order a rehearing on the findings, on the sentence, or on both; or

"(D) dismiss the charges.

"(2) If a rehearing is ordered but the convening authority finds a rehearing impracticable, he shall dismiss the charges.

"(3) If the opinion of the judge advocate in the judge advocate's review under subsection (a) is that corrective action is required as a matter of law and if the person required to take action under subsection (b) does not take action that is at least as favorable to the accused as that recommended by the judge advocate, the record of trial and action thereon shall be sent to the Judge Advocate General for review under section 869(b) of this title (article 69(b)).".

(2) The item relating to such section (article) in the table of sections at the beginning of subchapter IX is amended to read as follows:

"864. 64. Review by a judge advocate.".

(b) Section 866(a) (article 66(a)) is amended by inserting after the second sentence the following new sentence: "Any decision of a panel may be reconsidered by the court sitting as a whole in accordance with such rules.".

(c) Section 866(b) (article 66(b)) is amended to read as follows:

"(b) The Judge Advocate General shall refer to a Court of Military Review the record in each case of trial by court-martial—

"(1) in which the sentence, as approved, extends to death, dismissal of a commissioned officer, cadet, or midshipman, dishonorable or bad-conduct discharge, or confinement for one year or more; and

"(2) except in the case of a sentence extending to death, the right to appellate review has not been waived or an appeal has not been withdrawn under section 861 of this title (article 61).".

(d) Section 867(b)(1) (article 67(b)(1)) is amended by striking out "affects a general or flag officer or".

(e)(1) The text of section 869 (article 69) is amended to read as follows:

"(a) The record of trial in each general court-martial that is not otherwise reviewed

under section 866 of this title (article 66) shall be examined in the office of the Judge Advocate General if there is a finding of guilty and the accused does not waive or withdraw his right to appellate review under section 861 of this title (article 61). If any part of the findings or sentence is found to be unsupported in law or if reassessment of the sentence is appropriate, the Judge Advocate General may modify or set aside the findings or sentence or both. If the Judge Advocate General so directs, the record shall be reviewed by a Court of Military Review under section 866 of this title (article 66), but in that event there may be no further review by the Court of Military Appeals except under section 867(b)(2) of this title (article 67(b)(2)).

"(b) The findings or sentence, or both, in a court-martial case not reviewed under subsection (a) or under section 866 of this title (article 66) may be modified or set aside, in whole or in part, by the Judge Advocate General on the ground of newly discovered evidence, fraud on the court, lack of jurisdiction over the accused or the offense, error prejudicial to the substantial rights of the accused, or the appropriateness of the sentence. If such a case is considered upon application of the accused, the application must be filed in the office of the Judge Advocate General by the accused on or before the last day of the two-year period beginning on the date the sentence is approved under section 860(c) of this title (article 60(c)), unless the accused establishes good cause for failure to file within that time.

"(c) If the Judge Advocate General sets aside the findings or sentence, he may, except when the setting aside is based on lack of sufficient evidence in the record to support the findings, order a rehearing. If he sets aside the findings and sentence and does not order a rehearing, he shall order that the charges be dismissed. If the Judge Advocate General orders a rehearing but the convening authority finds a rehearing impractical, the convening authority shall dismiss the charges.".

(2) The two-year period specified under the second sentence of section 869(b) (article 69(b)) of title 10, United States Code, as amended by paragraph (1), does not apply to any application filed in the office of the appropriate Judge Advocate General (as defined in section 801(1) of such title) on or before October 1, 1983. The application in such a case shall be considered in the same manner and with the same effect as if such two-year period had not been enacted.

INCLUSION OF CONTROLLED SUBSTANCES IN PUNITIVE ARTICLES

SEC. 8. (a) Subchapter X is amended by inserting after section 912 (article 112) the following new section (article):

"§ 912a. Art. 112a. Wrongful use, possession, etc., of controlled substances

"(a) Any person subject to this chapter who wrongfully uses, possesses, manufactures, distributes, imports into the customs territory of the United States, exports from the United States, or introduces into an installation, vessel, vehicle, or aircraft used by or under the control of the armed forces a substance described in subsection (b) shall be punished as a court-martial may direct.

"(b) The substances referred to in subsection (a) are the following:

"(1) Opium, heroin, cocaine, amphetamine, lysergic acid diethylamide, methamphetamine, phencyclidine, barbituric acid, and marijuana and any compound or derivative of any such substance.

"(2) Any substance not specified in clause (1) that is listed on a schedule of controlled substances prescribed by the President for the purposes of this article.

"(3) Any other substance not specified in clause (1) or contained on a list prescribed by the President under clause (2) that is listed in schedules I through V of section 202 of the Controlled Substances Act (21 U.S.C. 812).".

(b) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 912 (article 112) the following new item:

"912a. 112a. Wrongful use, possession, etc., of controlled substances.".

THE CODE COMMITTEE

SEC. 9. (a) Section 867(g) (article 67(g)) is amended—

(1) by striking out "The Court of Military Appeals" and all that follows through "and report" and inserting in lieu thereof "(1) A committee consisting of the judges of the Court of Military Appeals, the Judge Advocates General of the Army, Navy, and Air Force, the Chief Counsel of the Coast Guard, the Director, Judge Advocate Division, Headquarters, United States Marine Corps, and two members of the public appointed by the Secretary of Defense shall meet at least annually. The committee shall make an annual comprehensive survey of the operation of this chapter. After each such survey, the committee shall report";

(2) by adding at the end thereof the following:

"(2) Each member of the committee appointed by the Secretary of Defense shall be a recognized authority in military justice or criminal law. Each such member shall be appointed for a term of three years.

"(3) The Federal Advisory Committee Act (5 U.S.C. App. I) shall not apply to the committee.".

(b)(1) The Secretary of Defense shall establish a commission to study and make recommendations concerning the following matters:

(A) Whether the sentencing authority in court-martial cases should be exercised by a military judge in all noncapital cases to which a military judge has been detailed.

(B) Whether military judges and the Courts of Military Review should have the power to suspend sentences.

(C) Whether the jurisdiction of the special court-martial should be expanded to permit adjudgment of sentences including confinement of up to one year, and what, if any, changes should be made to current appellate jurisdiction.

(D) Whether military judges, including those presiding at special and general courts-martial and those sitting on the Courts of Military Review, should have tenure.

(E) What should be the elements of a fair and equitable retirement system for the judges of the United States Court of Military Appeals.

(2) The commission shall consist of nine members, at least three of whom shall be persons from private life who are recognized authorities in military justice or criminal law.

(3) The commission shall prepare a comprehensive report in support of its recommendations on the matters set forth in paragraph (1). The commission shall include in such report its findings and comments on the following matters:

(A) The experience in the civilian sector with jury sentencing and judge-alone sentencing, with particular reference to consistency, uniformity, sentence appropriateness, efficiency in the sentencing process, and impact on the rights of the accused.

(B) The potential impact of mandatory judge-alone sentencing on the Armed Forces, with particular reference to consistency, uniformity, sentence appropriateness, efficiency in the sentencing process, impact on the rights of the accused, effect on the participation of members of the Armed Forces in the military justice system, impact on relationships between judge advocates and other members of the Armed Forces, and impact on the perception of the military justice system by members of the Armed Forces, the legal profession, and the general public.

(C) The likelihood of a reduction in the number of general court-martial cases in the event the confinement jurisdiction of the special court-martial is expanded; the additional protections that should be afforded the accused if such jurisdiction is expanded; whether the minimum number of members prescribed by law for a special court-martial should be increased; and whether the appellate review process should be modified so that a greater number of cases receive review by the military appellate courts, in lieu of legal reviews presently conducted in the offices of the Judge Advocates General and elsewhere, especially if the commission determines that the special court-martial jurisdiction should be expanded.

(D) The effectiveness of the present systems for maintaining the independence of military judges and what, if any, changes are needed in these systems to ensure maintenance of an independent military judiciary, including a term of tenure for such judges consistent with efficient management of military judicial resources.

(4) The commission shall transmit its report to the Committees on Armed Services of the Senate and the House of Representatives and to the committee established under section 867(g) (article 67(g)) of title 10, United States Code, not later than the first day of the ninth calendar month that begins after the date of the enactment of this Act. Not later than the first day of the third calendar month that begins after receipt of such report, the committee established under section 867(g) (article 67(g)) of such title shall submit such comments on the report as it considers appropriate to the Committees on Armed Services of the Senate and the House of Representatives and to the Secretary of Defense, the Secretaries of the military departments, and the Secretary of Transportation.

(5) The Secretary of Defense shall ensure that the commission is provided with appropriate and adequate office space, together with such equipment, office supplies, and communications facilities and services as may be necessary for the operation of such offices, and shall provide necessary maintenance services for such offices and the equipment and facilities located therein.

(6) The Secretary shall ensure that the commission has reasonable access to information relevant to the study.

SUPREME COURT REVIEW

SEC. 10. (a)(1) Chapter 81 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1259. Court of Military Appeals; certiorari

"Decisions of the United States Court of Military Appeals may be reviewed by the Supreme Court by writ of certiorari in the following cases:

"(1) Cases reviewed by the Court of Military Appeals under section 867(b)(1) of title 10.

"(2) Cases certified to the Court of Military Appeals by the Judge Advocate General under section 867(b)(2) of title 10.

"(3) Cases in which the Court of Military Appeals granted a petition for review under section 867(b)(3) of title 10.

"(4) Cases, other than those described in paragraphs (1), (2), and (3) of this subsection, in which the Court of Military Appeals granted relief.".

(2) The table of sections at the beginning of chapter 81 of such title is amended by adding at the end thereof the following new item:

"1259. Court of Military Appeals; certiorari.".

(b) Section 2101 of title 28, United States Code, is amended by adding at the end thereof the following new subsection:

"(g) The time for application for a writ of certiorari to review a decision of the United States Court of Military Appeals shall be as prescribed by rules of the Supreme Court.".

(c)(1) Section 866(e) (article 66(e)) is amended by striking out "or the Court of Military Appeals" and inserting in lieu thereof "the Court of Military Appeals, or the Supreme Court".

(2) Section 867 (article 67) is amended by adding at the end thereof the following new subsection:

"(h)(1) Decisions of the Court of Military Appeals are subject to review by the Supreme Court by writ of certiorari as provided in section 1259 of title 28. The Supreme Court may not review by a writ of certiorari under such section any action of the Court of Military Appeals in refusing to grant a petition for review.

"(2) The accused may petition the Supreme Court for a writ of certiorari without prepayment of fees and costs or security therefor and without filing the affidavit required by section 1915(a) of title 28.".

(3)(A) Section 870(b) (article 70(b)) is amended by adding at the end thereof the following new sentence: "Appellate Government counsel may represent the United States before the Supreme Court in cases arising under this chapter when requested to do so by the Attorney General.".

(B) Subsections (c) and (d) of such section are amended to read as follows:

"(c) Appellate defense counsel shall represent the accused before the Court of Military Review, the Court of Military Appeals, or the Supreme Court—

"(1) when requested by the accused;

"(2) when the United States is represented by counsel; or

"(3) when the Judge Advocate General has sent the case to the Court of Military Appeals.

"(d) The accused has the right to be represented before the Court of Military Review, the Court of Military Appeals, or the Supreme Court by civilian counsel if provided by him.".

CORRECTION OF RECORDS; DISCHARGE REVIEW

SEC. 11. (a) Section 1552 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(f) With respect to records of courts-martial and related administrative records pertaining to court-martial cases tried or reviewed under chapter 47 of this title (or under the Uniform Code of Military Justice (Public Law 506 of the 81st Congress)), action under subsection (a) may extend only to—

"(1) correction of a record to reflect actions taken by reviewing authorities under chapter 47 of this title (or under the Uniform Code of Military Justice (Public Law 506 of the 81st Congress)); or

"(2) action on the sentence of a court-martial for purposes of clemency.".

(b) Section 1553 of such title is amended by adding at the end of subsection (a) the following new sentence: "With respect to a discharge or dismissal adjudged by a court-martial case tried or reviewed under chapter 47 of this title (or under the Uniform Code of Military Justice (Public Law 506 of the 81st Congress)), action under this subsection may extend only to a change in the discharge or dismissal or issuance of a new discharge for purposes of clemency.".

EFFECTIVE DATE; CONFORMING AMENDMENT

SEC. 12. (a)(1) The amendments made by this Act shall take effect on the first day of the eighth calendar month that begins after the date of enactment of this Act, except that the amendments made by sections 9, 11 and 13 shall be effective on the date of the enactment of this Act. The amendments made by section 11 shall only apply with respect to cases filed after the date of enactment of this Act with the boards established under sections 1552 and 1553 of title 10, United States Code.

(2) The amendments made by section 3(c) and 3(e) do not affect the designation or detail of a military judge or military counsel to a court-martial before the effective date of such amendments.

(3) The amendments made by section 4 shall not apply to any case in which charges were referred to trial before the effective date of such amendments, and proceedings in any such case shall be held in the same manner and with the same effect as if such amendments had not been enacted.

(4) The amendments made by sections 5, 6, and 7 shall not apply to any case in which the findings and sentence were adjudged by a court-martial before the effective date of such amendments. The proceedings in any such case shall be held in the same manner and with the same effect as if such amendments had not been enacted.

(5) The amendments made by section 8 shall not apply to any offense committed before the effective date of such amendments. Nothing in this provision shall be construed to invalidate the prosecution of any offense committed before the effective date of such amendments.

(b) Section 7(b)(1) of the Military Justice Amendments of 1981 (95 Stat. 1089; 10 U.S.C. 706 note) is amended to read as follows:

"(b)(1) The amendments made by section 2 shall apply to each member whose sentence by court-martial is approved on or after January 20, 1982—

"(A) under section 864 or 865 (article 64 or 65) of title 10, United States Code, by the officer exercising general court-martial jurisdiction under the provisions of such section as it existed on the day before the effective date of the Military Justice Act of 1983; or

"(B) under section 860 (article 60) of title 10, United States Code, by the officer empowered to act on the sentence on or after the effective date of the Military Justice Act of 1983.".

TECHNICAL AMENDMENTS TO UNIFORM CODE OF MILITARY JUSTICE

SEC. 13. (a)(1) Clauses (11) and (12) of subsection (a) of section 802 (article 802) are amended—

(A) by striking out "the following:"; and

(B) by inserting "the Commonwealth of" before "Puerto Rico".

(2) Subsection (b) of such section (article) is amended by striking out "of this section".

(b)(1) The heading of section 815 (article 15) is amended to read as follows:

"§ 815. Art. 15. Commanding officer's non-judicial punishment".

(2) Subsection (b) of such section (article) is amended—

(A) by striking out "of this section"; and

(B) by striking out "subsection (b)(2)(A)" in clause (2)(H)(i) and inserting in lieu thereof "clause (A)".

(c) Section 825(c)(2) (article 25(c)(2)) is amended by striking out "the word".

(d) Section 867(a)(3) (article 867(a)(3)) is amended by inserting "Circuit" after "District of Columbia".

Mr. KENNEDY. Mr. President, I am pleased to rise in support of this important measure to reform our system of military justice. This bill, which is the product of hard work and careful analysis by Members on both sides of the aisle will contribute to a fairer, more rational process. It will protect the rights of the accused, while assuring that essential military discipline will be maintained. I am particularly gratified to note that the legislation before us will now provide an appropriate means of obtaining Supreme Court review of decisions of the Court of Military Appeals (COMA).

Because COMA will, as a practical matter, hold the key to the Supreme Court door through its ability to deny a petition for review, COMA should be conscious of the increased significance of its decision whether or not to grant review. Among other things, COMA might alter its internal practices to allow for review if a single judge desires to hear a case. COMA should articulate the considerations it weighs in deciding whether to grant review. This will benefit litigants and will also aid the Supreme Court by giving that tribunal a better sense of what it means when COMA grants or denies review.

In deciding whether to grant certiorari in a Court of Military Appeals case, the Supreme Court should apply the same standards as it would with respect to any other certiorari petition. Once the Supreme Court grants review, however, special considerations should apply to review on the merits of military law. The Court of Military Appeals is intended to be the primary civilian interpreter of the Uniform Code of Military Justice, and is entitled to somewhat greater deference in its interpretation of such questions. On other issues of law such as general Federal law or constitutional law, its decisions would be treated the same as those of any other Federal court. Nonetheless, since even questions of military law ultimately remain questions of Federal law, of course Supreme Court review should not be precluded.

I would also note that, although certiorari review of COMA should help alleviate the need for collateral review

of military cases, this legislation itself does not modify the general law relating to collateral remedies, and the military defendant should have the same access to collateral remedies as is currently enjoyed by any Federal or State criminal defendant.

I commend my colleagues for their work on this bill and urge the Senate to adopt it.

Mr. BAKER. Mr. President, there is one amendment, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

SPECIAL COMMITTEE ON SECURITY AND COOPERATION IN EUROPE

Mr. BAKER. Mr. President, I have one other item that is cleared on my calendar, and that is calendar order No. 631, Senate Resolution 286. If the minority leader does not object, I now ask that the Chair lay before the Senate that measure.

Mr. BYRD. Mr. President, that matter has been cleared.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 286), establishing a special committee on security and cooperation in Europe, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 286) was agreed to, as follows:

S. RES. 286

Resolved, That the President pro tempore of the Senate in consultation with the majority leader shall designate a Member of the Senate who is a member of the Commission on Security and Cooperation in Europe to serve as Chairman of the members of the Commission appointed from among Members of the Senate.

SEC. 2. (a) There is established on the effective date provided by subsection (j) a Special Committee of the Senate to be known as the Special Committee on Security and Cooperation in Europe (hereafter in this resolution referred to as the "Special Committee").

(b)(1) The Special Committee shall be composed of seven members appointed by the President pro tempore from the recommendations of the Majority and Minority Leaders of the Senate. Four members shall be appointed from the majority party and three members shall be appointed from the minority party.

(2) The President pro tempore shall designate a member of the Special Committee recommended by the Majority Leader to serve as Chairman.

(3) A majority of the members of the Special Committee shall constitute a quorum for the transaction of business, except that the Special Committee may fix a lesser number as a quorum for the purpose of taking sworn testimony.

(4) Vacancies in the membership of the Special Committee shall not affect the authority of the remaining members to execute the functions of the committee, and shall be filled in the same manner as original appointments are made.

(5) The Special Committee shall adopt rules of procedure not inconsistent with the rules of the Senate governing standing committees of the Senate.

(6) Service of a Senator as a member or as Chairman of the Special Committee shall not be taken into account for the purposes of paragraph 4 of rule XXV of the Standing Rules of the Senate.

(7) The Chairman may establish such subcommittees of the Special Committee as he considers appropriate, but each such subcommittee shall be composed of not less than three members.

(c) The Special Committee is authorized and directed to monitor the acts of the signatories which reflect compliance with or violation of the articles of the Final Act of the Conference on Security and Cooperation in Europe, with particular regard to the provisions relating to Cooperation in Humanitarian Fields. The Special Committee is further authorized and directed to monitor and encourage the development of programs and activities of the United States Government and private organizations with a view toward taking advanage of the provisions of the Final Act to expand East-West economic cooperation and a greater interchange of people and ideas between East and West.

(d) For the purposes of this resolution, the Special Committee is authorized (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, (3) to hold hearings, (4) to sit and act at any time or place during the sessions, recesses, and adjourned periods of the Senate, (5) to take depositions and other testimony, (6) to procure the services of individual consultants or organizations thereof, in accordance with the provisions of section 202(i) of the Legislative Reorganization Act of 1946, and (7) with the prior consent of the department or agency of the Federal Government concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

(e) With the consent of the Chairman of any other committee of the Senate, the Special Committee may utilize the facilities and the services of the staff of such other committee of the Senate, or any subcommittee thereof, whenever the Chairman of the Special Committee determines that such action is necessary and appropriate.

(f) In carrying out this resolution, the Special Committee may require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda papers, and documents as it deems necessary. Subpoenas may be issued over the signature of the Chairman of the Commission or any member designated by him, and may be served by any person designated by the Chairman or such member. The Chairman of the Commission, or any member designated by him, may administer oaths to any witness.

(g) In order to assist the Special Committee in carrying out its duties, the President shall submit to the Commission a semiannual report, the first one to be submitted six months after the date of enactment of this Act, which shall include (1) a detailed survey of actions by the signatories of the Final Act reflecting compliance with or violation of the provisions of the Final Act, and (2) a listing and description of present or planned programs and activities of the appropriate agencies of the executive branch and private organizations aimed at taking advantage of the provisions of the Final Act to expand East-West economic cooperation and to promote a greater interchange of people and ideas between East and West.

(h) The Special Committee is authorized and directed to report to the Senate with respect to the matters covered by this Act on a periodic basis and to provide information to Members of the Senate as requested.

(i)(1) Expenses of the Special Committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the Chairman of the Special Committee, except that vouchers shall not be required for the disbursement of salaries of employees paid an annual rate.

(2) Not to exceed $6,000 of the funds expended for a fiscal year may be used for official reception and representational expenses.

(j) The provisions of subsections (a) through (i) shall take effect on January 1, 1984, unless the Commission on Security and Cooperation in Europe (hereafter in this resolution referred to as the "Commission") has agreed to the following procedure:

(1) The chairmanship of the Commission shall rotate between the House and Senate membership beginning at the start of the 99th Congress. Subsequently, the chairmanship shall rotate between the Senate and the House at the beginning of the first session of each succeeding Congress; (2) The position of co-chairman of the Commission shall be formally created under law; effective January 1, 1984; (3) Both the Chairman and Co-Chairman shall each have the authority to hire and direct an equal number (at least five [5]) of professional staff members of the Commission. The Chairman and Co-Chairman shall each designate a senior staff person who shall serve as Staff Director during his sponsor's term as Chairman; and, (4) Either the Chairman or the Co-Chairman shall have the authority to authorize foreign travel for Commissioners or staff. The Chairman and Co-Chairman shall have joint control over the expenditure of Commission funds. A personnel and administration committee consisting of the senior Republican and senior Democrat from the House and Senate shall be created and shall have the authority to hire, fire and fix the pay of all Commission staff except the senior staff person appointed by the Chairman and the senior staff person appointed by the Co-Chairman.

SEC. 3. It shall be the sense of the Senate that Senate participation in monitoring the Helsinki Final Act shall be through the Senate Special Committee on Security and Cooperation in Europe.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, could I inquire of the minority leader if he is prepared to consider certain items on today's Executive Calendar?

Mr. BYRD. Yes; if the distinguished majority leader will enumerate the items he has in mind.

Mr. BAKER. Mr. President, on this side, I would like to go to the following Executive Calendar Nos.: 312, 417, 418, 419, 421, 422, 423, 424, and 425; all of those on page 4, which run from 426 through 431; all of those on page 5, which are 432 through 436; all of those on page 6, which would be 437 through 441; all those on page 7, which would be one item, Calendar No. 441; all those on page 8, which would be the continuation of Calendar Order No. 441 and then 442; on page 9, which is the conclusion of Calendar Order No. 442; and those nominations placed on the Secretary's desk in the Air Force, Army, Coast Guard, Foreign Service, and the Navy on page 10.

Those items are the ones that I would like to address at this time if the minority leader can clear them.

Mr. BYRD. Mr. President, may I state for the record, in view of the fact that we have been getting some calls on it, that in addition to those items the distinguished majority leader has enumerated, this side is ready to proceed with Calendar Order No. 420, Mr. William Lee Hanley, Jr. As to the others, I see no problem with any nominations on page 2, no problem with page 3, no problem with page 4, 5, 6, 7, 8, 9, or 10.

Mr. BAKER. Mr President, I thank the minority leader.

As I note here, then, our lists coincide with the exception of Calendar Order No. 420, and which I have not had cleared.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, in view of that, I ask unanimous consent that the Senate now go into executive session for the purposes of considering nominations just listed by me.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Now, Mr. President, once again in the interest of time, since we have a great deal of work yet to do today, I ask unanimous consent that the nominees be considered en bloc.

Mr. BYRD. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF LABOR

The legislative clerk read the nomination of David A. Zegeer, of Kentucky, to be Assistant Secretary of Labor for Mine Safety and Health.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

COAST GUARD

The legislative clerk read the nomination of the following officers of the U.S. Coast Guard for appointment to the grade of rear admiral: Frederick P. Schubert and Richard A. Bauman.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

CONSUMER PRODUCT SAFETY COMMISSION

The legislative clerk read the nomination of Saundra Brown Armstrong, of California, to be a Commissioner of the Consumer Product Safety Commission.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

CORPORATION FOR PUBLIC BROADCASTING

The legislative clerk read the nomination of James T. Hackett, of Virginia, to be a member of the Board of Directors of the Corporation for Public Broadcasting.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Harry O'Connor, of California, to be a member of the Board of Directors of the Corporation for Public Broadcasting.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

COMMUNICATIONS SATELLITE CORPORATION

The legislative clerk read the nomination of Neal B. Freeman, of Virginia, to be a member of the Board of Directors of the Communications Satellite Corporation.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF TRANSPORTATION

The legislative clerk read the nomination of James L. Emery, of New York, to be Administrator of the St. Lawrence Seaway Development Corporation.

Mr. DIXON. Mr. President, I am opposed to the nomination of Mr. James Emery to the post of Administrator of the St. Lawrence Seaway Development Corporation.

Mr. Emery is, I am sure, a fine, sincere individual, but the St. Lawrence Seaway Development Corporation needs more than an individual with no maritime experience. Two major newspapers in my State point out that Mr. Emery is not qualified for this post. The President had other choices with much better qualifications than James Emery.

Mr. Emery lacks Great Lakes maritime/port industry experience which is a critical consideration in filling this important position. The Great Lakes States view the St. Lawrence Seaway as an integral part of our States transportation system, and the management of the Seaway is very important to the economy of each of our States. The Administrator's position itself is unique in many ways. It requires an excellent manager because of its limited budget, as well as an excellent statesman because of the delicate managerial partnership that must be maintained with Canada. Mr. Emery's background does not indicate that he has any of these qualifications.

The Chicago Tribune; the Chicago Sun-Times; the Great Lakes Terminal Association; the U.S. Great Lakes Shipping Association; the Greater Chicago and Vicinity Port Council of Maritime Trades Department AFL-CIO; and Mr. William A. Lee, president of the Chicago Federation of Labor, all oppose this nomination.

Mr. President, the fourth seacoast of this Nation does not need the former minority leader of the New York State Assembly to be the Administrator of the only passage into or out of the Great Lakes.

I ask unanimous consent that two editorials be placed in the RECORD at the conclusion of my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Chicago Sun-Times, Aug. 17, 1983]

BAD CHOICE FOR OUR PORTS

President Reagan is on the verge of appointing a former New York state legislator to head the corporation that oversees Great Lakes ports.

Why not someone from the Great Lakes states? From Illinois, Minnesota, Wisconsin, Indiana, Michigan, Ohio?

Why would Reagan give this job, so vital to the economic future of the Midwest to someone whose interests have long been tied to the greatest competitor of Midwest ports? Not surprisingly, the answer is politics—politics of the scruffy sort that trades votes for favors.

When Reagan was seeking confirmation of Kenneth L. Adelman as his arms control chief, Sen. Alfonse M. D'Amato (R-N.Y.) said there was a price on his vote: He wanted his buddy James Emery to be administrator of the St. Lawrence Seaway Development Corp., a $67,200-a-year job that makes key decisions affecting the Port of Chicago and others along the Great Lakes. Emery had lost his bid to be lieutenant governor and needed work.

Reagan has done enough to punish the Midwest. Congressional leaders from this region should do what they can to block this unfair appointment.

[From the Chicago Tribune, Aug. 24, 1983]

BAD CHOICE FOR THE SEAWAY

President Reagan is reported to be considering the appointment of James L. Emery, a

New York State politician, to head the St. Lawrence Seaway Development Corp. From the standpoint of Great Lakes ports and shippers, this is like appointing a fox director of security for Midwestern henhouses.

Since the seaway is the only passage into or out of the Great Lakes for international shipping, the Great Lakes states have an intense interest in how it is administered. Matters like tolls, lock capacity or the length of the shipping season directly affect the economic health of the Port of Chicago, and less directly of the whole state of Illinois; the same is true of major lake ports in Indiana, Wisconsin and other states.

Mr. Emery is former Republican minority leader of the New York state assembly and was an unsuccessful candidate last year for lieutenant governor. He has no particular qualifications for the $67,200-a-year post of seaway administrator except for the ardent backing of U.S. Sen. Alfonse D'Amato (R., N.Y.) and other members of the New York congressional delegation.

And that should be more of a warning than a recommendation. New York congressmen represent one of the nation's great seaports and have no interest in promoting competition from the Great Lakes. With Mr. Emery administering the seaway, the East Coast would have a heavy foot on our airhose.

This post calls for an appointee with the qualifications and the desire to make the seaway work better for those who depend on it. That should exclude Mr. Emery on both counts.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of James H. Burnley IV, of North Carolina, to be Deputy Secretary of Transportation.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Mari Maseng, of South Carolina, to be an Assistant Secretary of Transportation.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

FEDERAL MARITIME COMMISSION

The legislative clerk read the nomination of Thomas F. Moakley, of Virginia, to be a Federal Maritime Commissioner.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

MISSISSIPPI RIVER COMMISSION

The legislative clerk read the nomination of Brig. Gen. Jerome Bernard Hilmes, U.S. Army, to be a member of the Mississippi River Commission.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

EXECUTIVE OFFICE OF THE PRESIDENT

The legislative clerk read the nomination of William Louis Mills, of Tennessee, to be a member of the Council on Environmental Quality.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

ENVIRONMENTAL PROTECTION AGENCY

The legislative clerk read the nomination of Joseph A. Cannon, of Virginia, to be an Assistant Administrator of the Environmental Protection Agency.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Bernard D. Goldstein, of New Jersey, to be an Assistant Administrator of the Environmental Protection Agency.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of John Arthur Moore, of North Carolina, to be Assistant Administrator for Toxic Substances of the Environmental Protection Agency.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Milton Russell, of the District of Columbia, to be an Assistant Administrator of the Environmental Protection Agency.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

FEDERAL EMERGENCY MANAGEMENT AGENCY

The legislative clerk read the nomination of Samuel W. Speck, Jr., of Ohio, to be an Associate Director of the Federal Emergency Management Agency.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

SECURITIES AND EXCHANGE COMMISSION

The legislative clerk read the nomination of Charles C. Cox, of Texas, to be a member of the Securities and Exchange Commisson.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

FEDERAL EMERGENCY MANAGEMENT AGENCY

NEW REPORTS

The legislative clerk read the nomination of Robert H. Morris, of Maryland, to be Deputy Director of the Federal Emergency Management Agency.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF TRANSPORTATION

The legislative clerk read the nomination of Ralph Lesile Stanley, of Virginia, to be Urban Mass Transportation Administrator.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF COMMERCE

The legislative clerk read the nomination of Kenneth S. George, of Texas, to be Director General of the United States and Foreign Commercial Services.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF DEFENSE

The legislative clerk read the nomination of Michael Ira Burch, of Florida, to be an Assistant Secretary of Defense.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Francis Carter Coleman, of Florida, to be a member of the Board of Regents of the Uniformed Services University of the Health Sciences.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

AIR FORCE

The legislative clerk proceeded to read sundry nominations in the Air Force.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

IN THE AIR FORCE

The following officers for appointment in the U.S. Air Force under provisions of Section 624, Title 10 of the United States Code:

To be major general

Brig. Gen. Donald O. Aldridge, 486-34-6278FR, Regular Air Force.

Brig. Gen. Thomas C. Brandt, 204-26-9199FR, Regular Air Force.

Brig. Gen. Aloysius G. Casey, 169-24-4566FR, Regular Air Force.

Brig. Gen. Lewis G. Curtis, 010-26-6350FR, Regular Air Force.

Brig. Gen. John J. Doran, Jr., 013-24-3203FR, Regular Air Force.

Brig. Gen. William L. Doyle, Jr., 563-36-5239FR, Regular Air Force.

Brig. Gen. Michael J. Dugan, 091-28-2234FR, Regular Air Force.

Brig. Gen. Archer L. Durham, 549-38-9447FR, Regular Air Force.

Brig. Gen. Eugene H. Fischer, 337-24-6756FR, Regular Air Force.

Brig. Gen. Charles R. Hamm, 431-52-4569FR, Regular Air Force.

Brig. Gen. Elbert E. Harbour, 427-66-3504FR, Regular Air Force.

Brig. Gen. Winfield S. Harpe, 258-46-9088FR, Regular Air Force.
Brig. Gen. Jerry D. Holmes, 447-30-3500FR, Regular Air Force.
Brig. Gen. Bradley C. Hosmer, 224-48-7119FR, Regular Air Force.
Brig. Gen. John P. Hyde, 295-28-8595FR, Regular Air Force.
Brig. Gen. Hansford T. Johnson, 251-58-7597FR, Regular Air Force.
Brig. Gen. Buford D. Lary, 461-48-9827FR, Regular Air Force.
Brig. Gen. Michael A. Nelson, 560-46-5214FR, Regular Air Force.
Brig. Gen. Robert B. Patterson, 237-42-6895FR, Regular Air Force.
Brig. Gen. Randall D. Peat, 329-28-3055FR, Regular Air Force.
Brig. Gen. Leonard H. Perroots, 236-46-8026FR, Regular Air Force.
Brig. Gen. Clifford H. Rees, Jr., 509-38-2122FR, Regular Air Force.
Brig. Gen. Arthur J. Sachsel, 158-18-5115FR, Regular Air Force, Dental Corps.
Brig. Gen. Ellie G. Shuler, Jr., 249-50-1947FR, Regular Air Force.
Brig. Gen. Charles P. Skipton, 287-28-0483FR, Regular Air Force.
Brig. Gen. Larry N. Tibbetts, 309-34-5140FR, Regular Air Force.
Brig. Gen. Claudius E. Watts, III, 245-52-1354FR, Regular Air Force.
Brig. Gen. Gordon E. Williams, 002-22-6525FR, Regular Air Force.

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of Sections 593, 8218, 8373, and 8374, Title 10, United States Code:

To be major general

Brig. Gen. Carl D. Black, 403-40-2331FG, Air National Guard of the United States.
Brig. Gen. Harold G. Holesinger, 318-24-6235FG, Air National Guard of the United States.
Brig. Gen. Charles A. Sams, 542-26-1413FG, Air National Guard of the United States.
Brig. Gen. James D. Shepherd, 420-40-8196FG, Air National Guard of the United States.

To be brigadier general

Col. Thornton E. Becklund, 502-30-1332FG, Air National Guard of the United States.
Col. Boyce O. Cranford, 429-48-0954FG, Air National Guard of the United States.
Col. Donald J. David, 506-22-7781FG, Air National Guard of the United States.
Col. Frank E. Dougherty, Jr., 216-24-9423FG, Air National Guard of the United States.
Col. Harold C. Earnhardt, 245-48-2953FG, Air National Guard of the United States.
Col. Dale F. Egide, 397-26-5194FG, Air National Guard of the United States.
Col. Cecil W. Greene, 418-32-0879FG, Air National Guard of the United States.
Col. James J. Hourin, 081-30-1198FG, Air National Guard of the United States.
Col. Hoyal B. Kye, 245-50-0262FG, Air National Guard of the United States.
Col. John N. Olson, 470-28-1257FG, Air National Guard of the United States.
Col. Robert E. Preston, 288-28-1848FG, Air National Guard of the United States.
Col. James R. Roberts, 410-38-7863FG, Air National Guard of the United States.
Col. William G. Work, 356-16-9533FG, Air National Guard of the United States.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, COAST GUARD, FOREIGN SERVICE, NAVY

The legislative clerk proceeded to read sundry nominations placed on the Secretary's desk in the Air Force, Army, Coast Guard, Foreign Service, Navy.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

Air Force nominations beginning Albert L. Abernathy, and ending Jerry F. Thomas, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of November 16, 1983.

Army nominations beginning Filippo A. Balboni, and ending Bernard Blanchard, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of November 4, 1983.

Army nominations beginning Tommy A. Clark, and ending Darryl A. Williams, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of November 4, 1983.

Coast Guard nominations beginning Frederick A. Kelly, and ending Jerzy W. Siemiatkowski, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 18, 1983.

Coast Guard nominations beginning John R. Huddleston, and ending Terry M. Cross, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of November 16, 1983.

Foreign Service nomination of Frank A. Padovano, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of October 31, 1983.

Navy nominations beginning Alfredo Zamora Acosta, and ending James R. Smythe, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of November 16, 1983.

Navy nominations beginning Christopher E. Abbott, and ending George F. Worsham, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of November 16, 1983.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominees were confirmed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

MARINE FISHERY PROGRAMS UNDER THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Mr. BAKER. Mr. President, it appears there is one other matter I am prepared to take up. That is a message from the House on S. 1099. If the minority leader is agreeable, I will do that at this time.

Mr. BYRD. Mr. President, there is no objection on this side.

Mr. PACKWOOD. Mr. President, this has been cleared, but I was going to have a colloquy with the Senator from Ohio. I saw him on the floor not 10 seconds ago.

Mr. BAKER. Mr. President, could I suggest to the Senator from Oregon that we go ahead and do the matter and save the colloquy for the RECORD later.

Mr. PACKWOOD. Yes.

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1099.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1099) entitled "An Act to consolidate and authorize certain marine fishery programs and functions of the National Oceanic and Atmospheric Administration under the Department of Commerce", do pass with the following amendment:

Page 5, after line 3, insert:

FREIGHT FORWARDER AMENDMENTS

SEC. 6. Subsection (c) of section 1608 of the Act of August 13, 1981 (95 Stat. 752) is repealed.

COASTWISE VESSELS

SEC. 7. (a) That, notwithstanding the failure of the vessel named below to meet the requirements contained in 46 U.S.C. 12105, 46 U.S.C. 12106, and 46 U.S.C. 12107, and section 27 of the Merchant Marine Act, 1920, as amended (46 App. U.S.C. 883), on the date of this Act, the Secretary of the department in which the Coast Guard is operating shall cause the vessel Protector Alpha, Official Number 394610, to be documented as a vessel of the United States with the privilege of engaging in the coastwise trade, if (1) such vessel complies with all other requirements of law and (2) all repairs and modifications totalling at least $3,000,000 are performed on such vessel in a shipyard in the United States.

Mr. BAKER. Mr. President, the Senator from Ohio is now here. I yield the floor so that the two Members may conduct their colloquy.

Mr. PACKWOOD. Mr. President, I am very grateful to the Senator from Ohio for clearing this bill. Very simply, the provision that affects Oregon involves a ship that has burned to the water. It is not going to be moved anyplace else. It is a foreign ship, but if it is repaired in American yards for three times its value, it can be flagged as an American ship and used under the Jones Act. We had to

have a legislative definition of its value so that we could have three times the value of the work done. This will involve about 350 jobs for 5 to 6 months in one of the Portland yards.

I think the Senator from Ohio had a question that I am prepared to answer.

Mr. METZENBAUM. Will the Senator from Oregon be good enough to indicate why the Coast Guard has valued this ship at $10 million which would, therefore, require $30 million in improvements to be made? The legislation provides $3 million. Could the Senator explain why that discrepancy between $30 million and $3 million?

Mr. PACKWOOD. I cannot explain the total discrepancy, although I assure the Senator at least $5 million in repairs will be done. It is interesting to note, however, that the ship is involved between the owner, the port where the ship was taken when it was burned, and the insurance company and the stipulated value of the ship before burning, which was $7.5 million. On bid, there were different bids put out as to who wanted to buy it, the highest bid being $600,000, for anyone who wanted to buy this scrap heap. It is not going to be moved anywhere else. It will be repaired or demolished in Portland.

The Coast Guard asked an independent appraiser to appraise it. I cannot explain how they reached this figure. I know the Senator from Ohio checked it with the Coast Guard this afternoon and they say they have no objection to the bill.

Mr. METZENBAUM. Mr. President, am I correct in my understanding that, although the bill provides that $3 million will be spent in American shipyards, that the Senator from Oregon is actually representing that $5 million or more will actually be spent in American shipyards?

Mr. PACKWOOD. That is correct.

Mr. METZENBAUM. Mr. President, I think it would be far better to have this work done in this country, to have the ship repaired; $30 million does seem to be a very high figure. It is my understanding that, according to the Senator from Oregon, the $5 million spent will help the employment picture in his State. I have no objection.

Mr. PACKWOOD. Mr. President, I am very indebted to an appreciative of my distinguished colleague for his acquiescence.

Mr. BAKER. Mr. President, are there amendments to this measure?

The PRESIDING OFFICER. The Chair is informed there is pending one amendment. The Chair will entertain a motion to concur.

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

Mr. BAKER. Mr. President, I thank all Senators.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I am advised that the conference report on the Department of Defense appropriations bill is here. Could I inquire of the Chair, is that so?

The PRESIDING OFFICER. The majority leader is correct.

Mr. BAKER. May I say to the minority leader I am prepared to ask the Senate to turn to that measure if the minority leader is agreeable.

Mr. BYRD. Senator STENNIS is here and he is ready to proceed.

DEPARTMENT OF DEFENSE APPROPRIATION, 1984—CONFERENCE REPORT

Mr. BAKER. Mr. President, I submit a report of the committee of conference on H.R. 4185 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4185) making appropriations for the Department of Defense for the fiscal year ending September 30, 1984, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of today, November 18, 1983.)

Mr. BAKER. Mr. President, the distinguished Senator from New Hampshire will manage on this side. We are prepared to proceed.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. RUDMAN. Mr. President, the distinguished Senator from Alaska, the chairman of our subcommittee, will be on the floor in a few moments to proceed with the managing of this report. But he has asked that I commence, in the interest of time, since we are working against somewhat of a time schedule.

Thus, Mr. President, I would like to present to the Senate in behalf of Senator STEVENS his statement that he believes should appear in the RECORD to accompany this report.

● Mr. STEVENS. Mr. President, the conference agreement on the Defense appropriation bill for fiscal year 1984 is just under $249 billion in new budget authority. Including prior year funding applied to the 1984 program, it provides a total of $249.8 billion in obligational authority, or some $11.1 billion below the President's budget request. This funding level is $17.3 billion over 1983 appropriations, funding a real growth of nearly 3.5 percent when the authorized military and civilian pay raise is funded.

The agreement is $2.3 billion above the House allowance and $3.2 billion below the amount approved by the Senate. However, more than half of the reduction from the Senate allowance—$1.8 billion—comes from the conferees' decision to defer funding the military and civilian pay raise until a later supplemental appropriation bill. That is not a real reduction. The funding will simply be acted on in a subsequent appropriation measure next session. If we remove pay from the comparision, the conference agreement is only $1.4 billion below the Senate allowance.

It is clear, then, Mr. President, that the Senate level fared well in this conference agreement and, with one major exception, held its position on all the key funding issues that had to be resolved with the House.

That one key issue is chemical weapons production. The difficult circumstances surrounding this issue in conference resulted in the Senate receding on the $124.4 million the Senate restored on a split vote to initiate production of chemical weapons as requested by the President to modernize our deterrent capability. As Senators know, the House conferees had explicit instructions on a substantial majority vote of the House to insist on that body's position. I must add, however, that hard-won Senate support on this issue was not entirely in vain. Senate conferees were able to exact important concessions from the House in return for receding on the production funds. Some $14 million was added to the House allowance for research on chemical weapon defenses, and we were able to restore the $15.5 million deleted by the House for development of more effective chemical weapons. The conference agreement contained $630 million for procurement of defensive equipment and facilities, and this is a 35-percent increase over last year's level for protective clothing, masks, shelters, chemical detectors, and similar measures to protect our military personnel.

In another sensitive and difficult area—paramilitary and military activities in Nicaragua—the Senate won a major concession from the House with an agreement to provide an initial $24 million to continue covert assistance. The House had adopted a total ban on such spending effective next April 1 in the absence of any limitation in the still pending intelligence authorization bill. The final agreement, in my judgment, fully sustains the administration's foreign policy initiatives in Central America and avoids any appear-

ance of retreat from our continuing efforts to contain the spread of Communist-fostered insurrection in that important region. Significantly, the agreement does not in any way foreclose the pending conference agreement on the authorization measure, and the administration can address any future requirements in supplemental funding requests next session.

I mention these two issues first, Mr. President, because I know many Senators have a special interest in them.

Most importantly, however, the conference agreement fully sustains the President's initiative to modernize our Armed Forces and to improve their readiness. Increased production of tactical fighters, the B-1B bomber, the Peacekeeper missile, expanded production of nuclear submarines and Aegis cruisers, stepped up M-1 tank production—all are fully funded in this bill. In addition, we restored production funding for the Copperhead projectile, added back $125 million deleted by the House for silo hardening and deep basing development for strategic missiles, preserved initial procurement funding for the antisatellite missile, fully funded the $300 million FFG-7 frigate that Congress authorized, and restored advance procurement funding for the DDG-51 destroyer and AV-8B Marine fighter.

In addition to $1 billion for National Guard and Reserve equipment added to the President's budget, the conferees also accepted the Senate's addition of $300 million to accelerate modernization of Coast Guard facilities and capital equipment.

In the readiness area, the conference agreement endorses the Senate Appropriations Committee allowance of $410 million for industrial plant equipment and restores $530 million of the House reduction in automated data processing equipment, approving the establishment of a new $150 million fund to buy out uneconomical ADP leases.

Further, the conferees endorsed all the Senate initiatives assuring greater Defense Department participation in vital drug interdiction programs and accepted $150 million of the Senate addition to establish an environmental restoration fund.

For the future, Mr. President, the conference agreement also endorsed most Senate initiatives in the area of research, development, test and evaluation. The final allowance is $273.5 million above the House and provides a real growth in this important area of 13 percent. This includes $29.5 million addition to the House allowance for directed energy programs, including space laser research.

In the area of military personnel, Mr. President, the Senate prevailed in such areas as controlling the growth of military housing allowances and continuing the full aviation officer continuation bonus for all flight officers.

Because of its importance, I should also note the Senate accepted the $200 million added by the House for authorized support of the NATO air base defense program. However, to meet the Senate's objections, this funding will not be available for obligation until the pending cooperative agreement with the Federal Republic of Germany is executed and the full details of our commitments and total program costs, together with the offsets involved in any cooperative agreement, have been fully reported to Congress.

The conferees also accepted the Senate provision establishing a system requiring warranties on major procurement contracts of the Defense Department, modified so that it does not affect any existing contacts. We consider this an important initiative, but the Secretary of Defense is given the latitude to waive the requirement in the national interest.

In this same general area, Mr. President, the conferees also accepted the Senate's language expanding the requirements the Department must meet for multiyear contracting. We believe the final conference agreement adopting House initiative has improved this provision.

Mr. President, I have only highlighted the conference agreement. There were nearly 1,000 individual items to be resolved in conference, and it is impossible to touch on them all. I will be happy to take individual questions on any items I have not covered.

Generally, Mr. President, we have brought an agreement on the largest military appropriation bill ever to come before Congress. I believe it is a good bill and that it has been strengthened in many ways by the action of the conferees. I want to extend special commendation to Representative JOSEPH ADDABBO, the chairman of the House conferees, whose willingness to negotiate fairly on all issues was critical to the success of this final agreement.

Mr. President, I now submit a tabulation of the conference agreement with comparisons to the House, Senate, and budget amounts.

The tabulation follows:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

	Fiscal year—		House	Senate	Conference	Conference compared with—			
	1983 enacted	1984 estimates				Enacted	Estimates	House	Senate
TITLE I—MILITARY PERSONNEL									
Military personnel, Army	14,454,848,000	15,237,800,000	15,074,758,000	15,402,901,000	15,048,533,000	+593,685,000	−189,267,000	−26,225,000	−354,368,000
Military personnel, Navy	10,537,408,000	11,309,800,000	11,181,477,000	11,448,872,000	11,171,278,000	+633,870,000	−138,522,000	−10,199,000	−277,594,000
Military personnel, Marine Corps	3,293,277,000	3,467,300,000	3,447,324,000	3,515,659,000	3,433,859,000	+140,582,000	−33,441,000	−13,465,000	−81,800,000
Military personnel, Air Force	12,099,850,000	12,779,000,000	12,603,391,000	12,903,803,000	12,577,203,000	+477,353,000	−201,797,000	−26,188,000	−326,600,000
Reserve personnel, Army	1,247,250,000	1,388,300,000	1,346,850,000	1,426,600,000	1,361,150,000	+113,900,000	−27,150,000	+14,300,000	−65,450,000
Reserve personnel, Navy	657,125,000	744,000,000	739,800,000	758,600,000	739,800,000	+82,675,000	−4,200,000	.....	−18,800,000
Reserve personnel, Marine Corps	170,900,000	177,400,000	176,200,000	180,100,000	176,200,000	+5,300,000	−1,200,000	.....	−3,900,000
Reserve personnel, Air Force	358,925,000	383,600,000	380,000,000	389,400,000	380,000,000	+21,075,000	−3,600,000	.....	−9,420,000
National Guard personnel, Army	1,698,800,000	1,917,100,000	1,857,950,000	1,977,600,000	1,882,980,000	+184,180,000	−34,120,000	+25,030,000	−94,620,000
Military personnel, Air Force	548,425,000	593,500,000	589,100,000	604,400,000	589,100,000	+40,675,000	−4,400,000	.....	−15,300,000
Total, title I, new budget (obligational) authority, Military personnel	45,066,808,000	47,997,800,000	47,396,850,000	48,607,935,000	47,360,103,000	+2,293,295,000	−637,697,000	−36,747,000	−1,247,832,000
TITLE II—RETIRED MILITARY PERSONNEL									
Retired pay, Defense	16,154,800,000	16,772,800,000	16,592,600,000	16,592,600,000	16,592,600,000	+437,800,000	−180,200,000	.....	.....
TITLE III—OPERATION AND MAINTENANCE									
Operation and maintenance, Army	15,853,615,000	17,655,800,000	16,776,984,000	17,377,771,000	17,054,846,000	+1,201,231,000	−600,954,000	+277,862,000	−322,925,000
Army stock fund	221,138,000	408,600,000	379,400,000	408,600,000	388,600,000	+167,462,000	−20,000,000	+9,200,000	−20,000,000
Army industrial fund	.....	.....	99,400,000	.....	.....	.....	.....	−99,400,000	.....
Operation and maintenance, Navy	21,079,712,000	22,601,600,000	21,355,774,000	22,317,308,000	21,943,818,000	+864,106,000	−657,782,000	+588,044,000	−373,490,000
(Liquidation of contract authority)	(25,000,000)	.....	.....	.....	.....	(−25,000,000)	.....	.....	.....
Navy stock fund	354,372,000	682,869,000	634,069,000	632,869,000	632,869,000	+278,497,000	−50,000,000	−1,200,000	.....
Navy industrial fund	.....	.....	181,900,000	.....	.....	.....	.....	−181,900,000	.....
Operation and maintenance, Marine Corps	1,481,671,000	1,554,900,000	1,510,950,000	1,547,050,000	1,524,600,000	+42,929,000	−30,300,000	+13,650,000	−22,450,000
Marine Corps stock fund	11,812,000	22,280,000	20,780,000	22,280,000	20,780,000	+8,968,000	−1,500,000	.....	1,500,000
Marine Corps industrial fund	.....	.....	2,300,000	.....	.....	.....	.....	−2,300,000	.....
Operation and maintenance, Air Force	16,916,076,000	18,250,100,000	17,080,246,000	17,851,756,000	17,573,895,000	+657,819,000	−676,205,000	+493,649,000	−277,861,000
Air Force stock fund	161,600,000	1,638,325,000	1,241,225,000	1,353,325,000	1,288,725,000	+1,127,125,000	−349,600,000	+47,500,000	−64,600,000
Air Force industrial fund	.....	.....	80,600,000	.....	.....	.....	.....	−80,600,000	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

	Fiscal year—		House	Senate	Conference	Conference compared with—			
	1983 enacted	1984 estimates				Enacted	Estimates	House	Senate
Operation and maintenance, Defense agencies	5,715,778,000	6,818,900,000	6,503,738,000	6,583,344,000	6,446,652,000	+730,874,000	−372,248,000	−57,086,000	−136,692,000
Defense stock fund	160,500,000	47,000,000	43,600,000	47,000,000	43,600,000	−116,900,000	−3,400,000		−3,400,000
Defense industrial fund			150,300,000		150,000,000	+150,000,000	+150,000,000	−300,000	+150,000,000
Operation and maintenance, Army Reserve	705,584,000	654,800,000	688,350,000	677,100,000	683,850,000	−21,734,000	+29,050,000	−4,500,000	+6,750,000
Operation and maintenance, Navy Reserve	637,507,000	662,000,000	658,900,000	639,500,000	634,500,000	−3,007,000	−27,500,000	−24,400,000	−5,000,000
Operation and maintenance, Marine Corps Reserve	51,094,000	52,629,000	52,029,000	52,879,000	52,129,000	+1,035,000	−500,000	+100,000	−750,000
Operation and maintenance, Air Force Reserve	765,735,000	787,000,000	774,150,000	790,900,000	781,600,000	+15,865,000	−5,400,000	+7,450,000	−9,300,000
Operation and maintenance, Army National Guard	1,195,067,000	1,118,000,000	1,177,350,000	1,169,800,000	1,170,190,000	−24,877,000	+52,190,000	−7,160,000	+390,000
Operation and maintenance, Air National Guard	1,822,603,000	1,740,700,000	1,769,350,000	1,807,300,000	1,789,300,000	−33,303,000	+48,600,000	+19,950,000	−18,000,000
National Board for the Promotion of Rifle Practice, Army	875,000	899,000	899,000	899,000	899,000	+24,000			
Claims, Defense	147,500,000	222,900,000	160,400,000	172,900,000	160,400,000	+12,900,000	−62,500		−12,500,000
Court of Military Appeals Defense	3,271,000	3,372,000	3,372,000	3,372,000	3,372,000	+101,000			
Summer olympics		50,000,000	50,000,000	45,000,000	45,000,000	+45,000,000	−5,000,000	−5,000,000	
Environmental Restoration fund, Defense				300,000,000	150,000,000	+150,000,000	+150,000,000	+150,000,000	−150,000,000
Total, title III, Operation and maintenance:									
New budget (obligational) authority	67,285,510,000	74,972,674,000	71,396,066,000	73,800,953,000	72,539,625,000	+5,254,115,000	−2,433,049,000	+1,143,559,000	−1,261,328,000
(Liquidation of contract authority)	(25,000,000)					(−25,000,000)			
TITLE IV—PROCUREMENT									
Aircraft procurement, Army	2,506,572,000	3,441,100,000	3,198,448,000	3,255,530,000	3,214,048,000	+707,476,000	−227,052,000	+15,600,000	−41,482,000
(Transfer from other accounts)			(22,500,000)					(−22,500,000)	
Missile procurement, Army	2,740,600,000	3,060,500,000	2,845,002,000	2,857,500,000	2,822,700,000	+82,100,000	−237,800,000	−22,302,000	−34,800,000
(Transfer from other accounts)				(32,600,000)	(32,600,000)	(+32,600,000)	(+32,600,000)	(+32,600,000)	
Procurement of weapons and tracked combat vehicles, Army	4,551,946,000	4,890,416,000	4,542,196,000	4,636,744,000	4,594,103,000	+42,157,000	−296,313,000	+51,907,000	−42,641,000
(Transfer from other accounts)	(198,200,000)		(83,800,000)	(111,600,000)	(149,000,000)	(−49,200,000)	(+149,000,000)	(+65,200,000)	(+37,400,000)
Procurement of ammunition, Army	2,122,394,000	2,311,189,000	1,965,989,000	2,067,900,000	1,980,100,000	−142,294,000	−331,089,000	+14,111,000	−87,800,000
Other procurement, Army	4,128,364,000	5,267,877,000	4,604,616,000	4,753,077,000	4,680,528,000	+552,164,000	−587,349,000	+75,912,000	−72,549,000
Aircraft procurement, Navy	10,416,107,000	11,028,300,000	9,994,245,000	10,396,601,000	10,174,608,000	−241,499,000	−853,692,000	+180,363,000	−221,993,000
(Transfer from other accounts)				(22,100,000)					(−22,100,000)
Weapons procurement, Navy	3,561,700,000	3,992,600,000	3,767,832,000	3,769,900,000	3,725,332,000	+163,632,000	−267,268,000	−42,500,000	−44,568,000
(Transfer from other accounts)				(73,200,000)	(77,800,000)	(+77,800,000)	(+77,800,000)	(+77,800,000)	(+4,600,000)
Shipbuilding and conversion, Navy	16,076,700,000	12,585,800,000	10,913,650,000	11,362,200,000	11,215,400,000	−4,861,300,000	−1,370,400,000	+301,750,000	−136,800,000
Reappropriation	176,200,000					−176,200,000			
(Transfer from other accounts)	(35,000,000)			(277,600,000)	(227,600,000)	(+192,600,000)	(+227,600,000)	(+277,600,000)	
Other procurement, Navy	3,727,075,000	4,887,501,000	4,295,412,000	4,393,705,000	4,308,543,000	+581,468,000	−578,958,000	+13,131,000	−85,162,000
Procurement, Marine Corps	2,008,083,000	1,835,049,000	1,694,793,000	1,765,161,000	1,741,306,000	−266,777,000	−93,743,000	+46,513,000	−23,855,000
Procurement of additional weapons and tracked combat vehicles, Army			110,000,000					−110,000,000	
Aircraft procurement, Air Force	17,658,500,000	22,506,190,000	21,070,610,000	21,117,400,000	21,080,110,000	+3,421,610,000	−1,426,080,000	+9,500,000	−37,290,000
(Transfer from other accounts)	(170,000,000)		(348,000,000)	(317,000,000)	(323,100,000)	(+153,100,000)	(+323,100,000)	(−24,900,000)	(+6,100,000
Missile procurement, Air Force	4,941,100,000	8,059,130,000	7,787,112,000	7,553,417,000	7,747,838,000	+2,806,738,000	−311,292,000	−39,274,000	+194,421,000
(Transfer from other accounts)	(15,000,000)			(55,000,000)	(55,000,000)	(+40,000,000)	(+55,000,000)	(+55,000,000)	
Other procurement, Air Force	5,566,987,000	7,465,212,000	6,793,265,000	6,982,231,000	6,914,232,000	+1,347,245,000	−550,980,000	+120,967,000	−67,999,000
(Transfer from other accounts)	(4,963,000)					(−4,963,000)			
National Guard and Reserve Equipment	125,000,000		125,000,000	176,000,000	176,000,000	+51,000,000	+176,000,000	+51,000,000	
Acquisition and Construction, Coast Guard				300,000,000	300,000,000	+300,000,000	+300,000,000	+300,000,000	
Procurement, Defense agencies	828,145,000	1,063,791,000	942,657,000	957,646,000	942,657,000	+114,512,000	−121,134,000		−14,989,000
Defense Production Act Purchases		200,000,000					−200,000,000		
General reduction	−386,000,000					+386,000,000			
Total, title IV, Procurement:									
New budget (obligational) authority	80,749,473,000	92,594,655,000	84,650,827,000	86,335,012,000	85,617,505,000	+4,868,032,000	−6,977,150,000	+966,678,000	−717,507,000
(Transfer from other accounts)	(423,163,000)		(454,300,000)	(839,100,000)	(865,100,000)	(+441,937,000)	(+865,100,000)	(+410,800,000)	(+26,000,000)
TITLE V—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION									
Research, development, test, and evaluation, Army	3,879,683,000	4,711,200,000	4,141,200,000	4,175,439,000	4,199,125,000	+319,442,000	−512,075,000	+57,501,000	+23,686,000
Research, development, test, and evaluation, Navy	5,967,251,000	8,059,743,000	7,473,937,000	7,497,554,000	7,559,818,000	+1,592,567,000	−499,925,000	+85,881,000	+62,264,000
Research, development, test, and evaluation, Air Force	10,650,661,000	12,781,197,000	12,121,001,000	12,303,026,000	12,227,706,000	+1,577,045,000	−533,491,000	+106,705,000	−75,320,000
Research, development, test, and evaluation, Defense agencies	2,153,189,000	2,890,900,000	2,680,153,000	2,736,728,000	2,703,620,000	+550,431,000	−187,280,000	+23,467,000	−33,108,000
Director of Test and Evaluation, Defense	55,000,000	55,800,000	49,000,000	49,000,000	49,000,000	−6,000,000	−6,800,000		
Total, title V, new budget (obligational) authority, Research, development, test, and evaluation	22,705,784,000	28,498,840,000	26,465,715,000	26,761,747,000	26,739,269,000	+4,033,485,000	−1,759,571,000	+273,554,000	−22,478,000
TITLE VI—SPECIAL FOREIGN CURRENCY PROGRAM									
Special foreign currency program	3,800,000	3,050,000	3,050,000	3,050,000	3,050,000	−750,000			
TITLE VII—GENERAL PROVISIONS									
(Additional transfer authority: sec. 730)	(1,700,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(−500,000,000)			
TITLE VIII—RELATED AGENCIES									
Intelligence Community Staff	15,856,000		17,083,000	18,440,000	18,440,000	+2,584,000	+18,440,000	1,357,000	
CIA Retirement and Disability System Fund	91,300,000	86,300,000	86,300,000	86,300,000	86,300,000	−5,000,000			
Total, title VIII, new budget (obligational) authority: Related agencies	107,156,000	86,300,000	103,383,000	104,740,000	104,740,000	−2,416,000	+18,440,000	+1,357,000	
RECAPITULATION									
Title I—Military personnel	45,066,808,000	47,997,800,000	47,396,850,000	48,607,935,000	47,360,103,000	+2,293,295,000	−637,697,000	−36,747,000	−1,247,832,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

	Fiscal year—		House	Senate	Conference	Conference compared with—			
	1983 enacted	1984 estimates				Enacted	Estimates	House	Senate
Title II—Retired military personnel	16,154,800,000	16,772,800,000	16,592,600,000	16,592,600,000	16,592,600,000	+437,800,000	−180,200,000		
Title III—Operation and maintenance	67,285,510,000	74,972,674,000	71,396,066,000	73,800,953,000	72,539,625,000	+5,254,115,000	−2,433,049,000	+1,143,559,000	−1,261,328,000
(Liquidation of contract authority)	(25,000,000)				(−25,000,000)				
Title IV—Procurement	80,749,473,000	92,594,655,000	84,650,827,000	86,335,012,000	85,617,505,000	+4,868,032,000	−6,977,150,000	+966,678,000	−717,507,000
(Transfer from other accounts)	(423,163,000)		(454,300,000)	(839,100,000)	(865,100,000)	(+441,937,000)	(+865,100,000)	(+410,800,000)	(+26,000,000)
Title V—Research, development, test, and evaluation	22,705,784,000	28,498,840,000	26,465,715,000	26,761,747,000	26,739,269,000	+4,033,485,000	−1,759,571,000	+273,554,000	−22,478,000
Title VI—Special foreign currency program	3,800,000	3,050,000	3,050,000	3,050,000	3,050,000	−750,000			
Title VII—Gereral provisions (additional transfer authority, sec. 730)	(1,700,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(−500,000,000)			
Title VIII—Related agencies	107,156,000	86,300,000	103,383,000	104,740,000	104,740,000	−2,416,000	+18,440,000	+1,357,000	
Total, Department of Defense (NOA)	232,073,331,000	260,926,119,000	246,608,491,000	252,206,037,000	248,956,892,000	+16,883,561,000	−11,969,227,000	+2,348,401,000	−3,249,145,000
(Transfer from other accounts)	(423,163,000)		(454,300,000)	(839,100,000)	(865,100,000)	(+441,937,000)	(+865,100,000)	(+410,800,000)	(+26,000,000)
Total funding available	232,496,494,000	260,926,119,000	247,062,791,000	253,045,137,000	249,821,992,000	+17,325,498,000	−11,104,127,000	+2,759,201,000	−2,223,145,000
(Transfer authority)	(1,700,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(−500,000,000)			
(Liquidation of contract authority)	(25,000,000)					(−25,000,000)			
Distribution by organizational component:									
Army	55,306,736,000	62,063,581,000	58,809,816,000	60,187,461,000	59,081,652,000	+3,774,916,000	−2,981,929,000	+271,836,000	−1,105,809,000
(Transfer from other accounts)	(198,200,000)		(106,300,000)	(144,200,000)	(181,600,000)	(−16,600,000)	(+181,600,000)	(+75,300,000)	(+37,400,000)
Navy	80,207,994,000	83,663,771,000	78,101,372,000	80,290,238,000	79,054,840,000	−1,153,154,000	−4,608,931,000	+953,468,000	−1,235,398,000
(Transfer from other accounts)	(35,000,000)			(227,600,000)	(227,600,000)	(+192,600,000)	(+227,600,000)	(+227,600,000)	
Air Force	71,490,462,000	86,983,954,000	82,290,050,000	83,656,958,000	82,949,709,000	+11,459,247,000	−4,034,245,000	+659,659,000	−707,249,000
(Transfer from other accounts)	(189,963,000)		(348,000,000)	(372,000,000)	(378,100,000)	(+188,137,000)	(+378,100,000)	(+30,100,000)	(+6,100,000)
Defense agencies/OSD	9,067,183,000	11,355,713,000	10,586,270,000	10,598,040,000	10,547,351,000	+1,480,168,000	−808,362,000	−38,919,000	−50,689,000
Reserve; National Guard (procurement)	125,000,000		125,000,000	176,000,000	176,000,000	+51,000,000	+176,000,000	+51,000,000	
Retired Military personnel	16,154,800,000	16,772,800,000	16,592,600,000	16,592,600,000	16,592,600,000	+437,800,000	−180,200,000		
Related agencies	107,156,000	86,300,000	103,383,000	104,740,000	104,740,000	−2,416,000	+18,440,000	+1,357,000	
General reduction	−386,000,000					+386,000,000			
Total, Department of Defense (NOA)	232,073,331,000	260,926,119,000	246,608,491,000	252,206,037,000	248,956,892,000	+16,883,561,000	−11,969,227,000	+2,348,401,000	−3,249,145,000
(Transfer from other accounts)	(423,163,000)		(454,300,000)	(839,100,000)	(865,100,000)	(+441,937,000)	(+865,100,000)	(+410,800,000)	(+26,000,000)
Total funding available	232,496,494,000	260,926,119,000	247,062,791,000	253,045,137,000	249,821,992,000	+17,325,498,000	−11,104,127,000	+2,759,201,000	−3,223,145,000
(Transfer authority)	(1,700,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(−500,000,000)			
(Liquidation of contract authority)	(25,000,000)					(−25,000,000)			
CONGRESSIONAL BUDGET RECAP									
Total	232,073,331,000	260,926,119,000	246,608,491,000	252,206,037,000	248,956,892,000	+16,883,561,000	−11,969,227,000	+2,348,401,000	−3,249,145,000
Amounts in this bill	(232,073,331,000)	(260,926,119,000)	(246,608,491,000)	(252,206,037,000)	(248,956,892,000)	(+16,883,561,000)	(−11,969,227,000)	(+2,348,401,000)	(−3,249,145,000)
Prior year outlays associated with this bill									
Total Congressional mandatory and discretionary	232,073,331,000	260,926,119,000	246,608,491,000	252,206,037,000	248,956,892,000	+16,883,561,000	−11,969,227,000	+2,348,401,000	−3,249,145,000
Mandatory (total)	(16,393,600,000)	(17,082,000,000)	(16,839,300,000)	(18,725,250,000)	(16,839,300,000)	(+445,700,000)	(−242,700,000)		(−1,885,950,000)
Mandatory (new)	(16,393,600,000)	(17,082,000,000)	(16,839,300,000)	(18,725,250,000)	(16,839,300,000)	(+445,700,000)	(−242,700,000)		(−1,885,950,000)
(Prior year)									
Discretionary (new)	(215,679,731,000)	(243,844,119,000)	(229,769,191,000)	(233,480,787,000)	(232,117,592,000)	(+16,437,861,000)	(−11,726,527,000)	(+2,348,401,000)	(−1,363,195,000)

Note.—Senate amount adjusted to reflect $1,873,450,000 pay increase as mandatory.●

Mr. RUDMAN. Mr. President, I now yield to my good friend from Mississippi, the distinguished ranking minority member of the Appropriations Committee and of the Defense Subcommittee, who worked at my side throughout this conference and whose efforts were equally important to the successful conference negotiation. I yield to the senior Senator from Mississippi (Mr. STENNIS) for any additional remarks he may care to make.

Mr. STENNIS. Mr. President, I thank the Senator, the acting floor leader on this measure, for his very generous words and commend him for his analysis which is, considering the length of the bill, fairly brief but at the same time covers important points.

Mr. President, there is nothing particularly great about bigness, but there is evidence here that this large military program is considered necessary to protect the safety and welfare of our people. This is the largest appropriations bill, as I understand, that has ever been passed by the Congress in peacetime or wartime. The total figures now, after all the negotiations and the reductions, are $249.8 billion.

Now, Mr. President, that is a lot of money, and the start of certain new military programs is going to call for even more money in those respective fields within the next few years.

Now, we are not just racing with someone for the fun of it, but we have many inquiries from time to time about the adequacy of our military defenses, and I have emphasized many times that I put great value in deterrents, the value of our weapons as a deterrent, being thankful that they are not having to be used, not yet, anyway, and hopefully they never will be. I do not think that we have spared, although we have not been indifferent toward spending money, money just for the sake of appearing to be frugal. At the same time, we have actually tried to hold down these expenses.

I wish the people had a better chance to understand the amount of work year round that goes into the preparation, presentation, and the enactment of these large sums. One budget is in preparation, one is in the field of enactment, and one budget is in the field of spending and surveillance over the spending of the money.

It is the largest operation within the Government, and I think it perhaps excels in volume of work any other one bill that is handled on the Hill. It is with satisfaction to those that know about it to know also about the tremendous amount of effort and work and planning over and over and over for 52 weeks out of every year that comes from our authorization and appropriations committees of the House and the Senate.

We have the safeguards there, the protection, and the care of a great number of the Members of both the House and the Senate.

Now, it is not always a field day and it is not just a matter of fun, but I want to again commend the Members of the House of Representatives in this field and the Armed Services Committee as well as the Appropriations Subcommittee that handled this bill. They are experts in their own right. They are highly prepared. They concentrate on their work. It is not all the work that they do, but it is a great part of the main responsibilities that they carry on actual active legislation, and they are superb. They are pleasant to deal with, but they are difficult to deal with on the merits of these matters.

I do not want to take a lot of time now, but for our Reserve Forces, the National Guard and the Reserve, the conference agreement will provide more than $1 billion for new equipment to assure that these most important components of our total military force have the capability to perform their assigned missions, and they do have assigned missions.

Mr. President, I believe that we are going to be driven to more and more recognition of and more assignments for our Reserve Forces. I think the hand of necessity is bearing down on us in this way—the increased cost of weaponry is tremendous, going forward by leaps and bounds, and there has got to be some kind of a limit, some end to those expenditures. I believe that we will be forced to turn more and more to our qualified Reserve Forces to take these assignments and carry a bigger part of the load. We do have qualified Reserves. I am amazed myself to know the qualifications of the Reserve units when it comes to manpower and capability. They are second to none. I commend those people. They know what they are doing. They are dedicated. Most of them are already experienced in various military operations. They live in the communities at or around these units. They like the subject matter or they would not stay with it. We find many are among our most capable units.

This is in all deference to the Regular Forces, but among our most capable units of all of our Forces are some of these Reserves that have highly commendable records, proven over and over again. I am privileged to have been a part, even though a small one, of the continued emphasis and augmented effort to see that there is more highly qualified equipment, some with manufacturer's paint on it, given these Reserves. These sums of relatively small amounts of extra money, I believe, will go further in many ways than any other item in the bill.

Now, in this conference report, the managers have directed the transfer of two squadrons of C-141 strategic airlift aircraft to the Air National Guard—one to the Air National Guard and one to the Air Force Reserve. I use that as an illustration. They will not be transferred until adequate provision is made for the missions of the regular Air Force, of course, but I use that as an illustration of the growing recognition as well as need.

I shall not detain the Senate any further.

Mr. President, I am pleased to join with Chairman STEVENS in submitting the conference report on H.R. 4185, the fiscal year 1984 Department of Defense Appropriations Act.

This is the largest appropriations bill ever proposed in war or peace. It will provide for a continuation of our Nation's commitment to a strong defense and allow our Armed Forces to respond to their many responsiblities throughout the world.

The conference report we are considering today—appropriations for the Department of Defense—comes at a time when severe unrest exists in many areas of the world where our forces are deployed. I am certain that each Member has considered the merits of this bill as they have pondered the recent disasters in Lebanon and the use of our Armed Forces in Grenada.

This bill will provide for total funding of $249.8 billion. This is a reduction of $11.1 billion below the President's budget request, a reduction of $3.2 billion below the Senate-passed bill, and an increase of $2.8 billion above the House-passed bill.

This conference agreement was only reached after many long hours of negotiation. There were so many items—almost a thousand—in contention between the House and Senate bills. I believe it is a good compromise. It will continue procuring the major items that our military forces need to meet their responsibilities—the tactical fighters, the B-1 bomber, the Peacekeeper missile, a Trident submarine and three nuclear attack submarines, three CG-47 Aegis cruisers, 840 M-1 tanks, and funds to support the day-to-day needs of our Armed Forces.

For our Reserve Forces—the National Guard and the Reserves, the conference agreement will provide more than $1 billion for new equipment to assure that these most important components of our total military force have the capability to perform their assigned missions.

Mr. President, we are already almost 2 months into fiscal year 1984. When Congress reconvenes in January, the President will be ready to submit his budget for fiscal year 1985, and the Appropriations and Armed Services Committees will be actively involved in hearings on this new request. I believe it is vastly important that we provide appropriations for the Department of Defense.

It is my belief that this conference agreement is a fair one, and I urge that it be supported.

Mr. President, I yield the floor. Again, I thank the Senator from New Hampshire (Mr. RUDMAN).

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. RUDMAN. Mr. President, if there is no further discussion, I ask that the conference report be agreed to.

The PRESIDING OFFICER. Is there further debate?

Mr. STENNIS. There is no objection on this side, Mr. President.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. Mr. President, I, of course, shall vote for the conference report, even though we have not had an opportunity to assess it. Indeed, there is no alternative but to vote for it. We must vote for it. I am delighted that, this year, we have been able to conclude——

Mr. STENNIS. Mr. President, may we have conditions here where the Senator from Texas may be understood? He has made great contributions over the years, as well as this year, in this entire program.

Mr. TOWER. I am, of course, glad that this year, we have been able to conclude our consideration of defense appropriations and dispose of appropriations bills, rather than fold the defense appropriations into a continuing resolution, which is an extremely unsatisfactory procedure. The fact that we passed this measure over 6 weeks deep into the fiscal year, however, does not reflect great credit on the institution of Congress, which is now so structured that, despite the best efforts of dedicated Members, we cannot seem to get our work done in a timely fashion so that we can have enough time for deliberation.

I am sorry that we could not have spent more time on the consideration of the appropriations bills before the end of Congress. Some of us sought to accommodate the process by not bringing up various amendments that we thought should be added to the bill. As a matter of fact, I tried to roll all my concerns into one amendment and agree to a time agreement to secure expeditious passage so the bill could go to conference a week before it actually did. But there was apparently some delay in holding the conference. In fact, in so doing, I think we sacrificed an opportunity. Perhaps that had a little more influence on the appropriations process than I and other members of the authorizing committee would have liked to have. Let me point out one thing and serve notice on Members as to what we have done here.

The Senate agreed to a 5-percent increase in real terms in defense spending for fiscal 1984. We end up with barely 3 percent—I think it is 3 percent. We have not had a chance to analyze the figures yet, but it appears to be no more than 3 percent. That is what we have been urging our NATO allies to do, increase defense spending in real terms by 3 percent. So we have barely done what we are urging them to do, and I do not think we have set an extremely good example. When I say "we," I mean the Congress. I am not laying this off on the Appropriations Committee.

The fact is that we have tried to size our military budget to budgetary considerations rather than size it to requirements. There is a great deal of complaint in this body that we spend a great deal on defense, that defense moneys are spent inefficiently, that there are cost overruns, that things cost too much. Let me say that, in reducing the amount that we spend, what we do is stretch out programs, reduce production rates to lessen maximum efficiency levels. We, in fact, build in cost overruns.

Recognize that Congress is part of the problem in cost overruns. We virtually mandate them because, if we have to operate within tight budget constraints and still produce a balanced defense program, we have to take a little bit out of everybody's hide so that we do not spend our money as efficiently as we could. If we had really just a little more, we would be able to maintain efficient production rates and timely entry into the inventory of systems for which there are validated and recognized military requirements.

So when we start pointing fingers around about cost overruns, let us point a finger at ourselves. We are partially to blame.

Many people around here have cited the Spinney report about what is wrong with defense acquisition. But there is one part that we appear to ignore. That is that Mr. Spinney said there has to be more spent on defense if we are to ameliorate cost overruns or higher than necessary costs because that would put some stability into the acquisition process. What we do here in reducing defense spending militates against stability and predictability in the defense procurement process.

Mr. President, I think it is unfortunate that here, under the gun, in the closing hours of the session, we have to pass an appropriations bill with a bare 3-percent increase in real terms.

Incidentally, I might add that that is a smaller increase in real terms than the British provided for in their defense budget and their country is in more serious economic straits than ours. Let us be very careful about how we point a finger at our NATO brethren.

Let me just enter this for the RECORD: In each of the past 3 years, concessions have been made by the administration on the defense budget prior to its submission to Congress. A bipartisan consensus is then achieved in the first concurrent budget resolution on the defense funding level. Finally, despite all of the negotiations, Appropriations Committees have, each year, reduced the defense level even further below the funding target reflected in the resolution. Let me note some of the things that have happened.

In fiscal 1982, the difference between the request and the appropriation on budgetary authority was $7 billion; on outlays, it was $2 billion—below, of course.

In fiscal 1983, between the request and final appropriations figure, we were $18 billion below in budgetary authority, $12 billion below in outlays. And in fiscal 1984, we are $17 billion below the request, $5 billion below in outlays.

Let us look at the difference in the appropriations figure and the first concurrent resolution. In 1982, we were $7 billion below in budgetary authority; $2 billion below in outlays. In 1983, $9 billion below in budget authority, and $4 billion below in outlays.

For this year, we are on target on the outlay figure.

It is compatible with what the first concurrent resolution was, but we are $5 billion below in obligational authority.

Now, I suggest that next year we better consider what we have done. We better examine very closely what our requirements are and try to fund those requirements. We could have gotten a much bigger bang for the buck if we had had the vision and the prudence to put the up-front capitalization into defense procurement last year and this year, and in the out years we could have had a substantially reduced increase in real terms in defense spending. But now what we are going to do is actually spend more for less in the out years because we spend on the basis of this year's political pressures or this year's budgetary concerns or this year's public whim or whatever rather than to plan for our national security requirements ahead and adequately fund those requirements.

I would be less than honest if I failed to say that I am enormously disappointed in the final outcome. We should do more. The nature of the threat that confronts the United States of America continues to grow at a relentless pace. The vested interests we have in various areas of the world that must be defended are constants that do not go away, and yet to save a few bucks, make some minimal impact on the deficit, we underfund our defense requirements.

I hope that next year we can get through this process a little earlier and spend a little more time deliberating on defense appropriations, indeed a little more time deliberating on the authorization bill. And I hope, too, Mr. President, that we are going to seriously consider some institutional reform. Having to wait for the Budget Committee to work its will and report, then wait for the authorization bills, then wait for the appropriation bills, we have become a multilayered bureaucracy in this Congress that is unable to do its work in a timely fashion. We better give serious consideration to some extensive institutional reform such as biannual budgets, authorizations, and appropriations, a combination in terms of committee jurisdiction of the authorizing and appropriating process, and perhaps a consolidation of the budget and appropriations process because, quite frankly, I do not think that we stand in very high esteem in the public mind these days because of our inability to get our work done on time after due deliberation and consideration.

I am hopeful that there will be changes, but let me say to the Senate, next year when you suggest that we cannot afford national security because it is costing us too much, recognize that we are part of the problem. I intend to emphasize that point at every opportunity. I urge the Senate to adopt the conference report with dispatch. I congratulate the Appropriations Committee on being able to get us an appropriation bill before we go out of session. The evil inherent in underfunding defense would have been further compounded had we had to fold this into the continuing resolution.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER (Mr. NICKLES). The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, last night the Senate nearly passed a comprehensive reform of the social security disability program. Since then, there has been some consideration to offering a similar amendment to the Department of Defense conference report now before the Senate. However, it is clear that the vote last night as part of the supplemental appropriations conference report was the last realistic chance that the Senate had this year to address the disability issue in a comprehensive manner. If we were to offer a similar amendment now to the DOD conference report, it is clear that we would encounter a point of order on the ground that it was legislation on an appropriation bill and the chances of prevailing on it would be lessened by the certainty that if we prevailed on the point of

order, the Senate would be plunged into extended debate.

Last night, while not prevailing, the cause of comprehensive disability reform received a strong vote of support against great opposition. To go to a vote under the circumstances described above would dilute that progress and compound the problems which we will encounter first thing next year when we press the case again.

Later on today we will no doubt extend the December 7 temporary termination date on the books for the continuation of benefits through the appeal period. Extending the December 7 deadline will not cure the massive chaos and the injustices which will continue in the social security disability area. That will continue until we take the measured and modest reforms debated last night.

I yield the floor.

Mr. COCHRAN. Mr. President, this bill includes several items of particular interest to me, including the funding for the reactivation of the U.S.S. *Missouri*, the procurement of 10 C-130H aircraft for our Air National Guard and Air Force Reserve airlift mission, and the construction of three Aegis cruisers, so vital to the rebuilding of our naval forces.

I am especially pleased that language in the joint explanatory statement of managers accompanying the conference report has been approved which increases military support for the interdiction of illegal drugs. Since passage by the Congress of amendments to the Posse Comitatus Act, the military services have increased assistance to the U.S. Coast Guard, the U.S. Customs Service, and the other Federal, State, and local law enforcement agencies working to stop the flow of illegal drugs into this country.

While the act continues to prohibit direct participation in arrest and seizure activities by the military forces, valuable radar and patrol and pursuit aircraft and ships are now available to assist in drug interdiction. Navy vessels are carrying Coast Guard boarding parties called "Taclets"—tactical law enforcement teams—Marine Corps OV-10D "Bronco" aircraft equipped with FLIR—forward-looking infra-red sensors—radar are being operated in conjunction with the Customs Service; and Air Force AWACS are spotting suspect motherships when flying surveillance missions, to give only a few illustrations of the increased military support to the civilian drug enforcement community.

Last July I chaired a hearing of the Defense Appropriations Subcommittee in Biloxi, Miss. to examine the role of the military in drug interdiction. I was pleased with the report of the Department of Defense on the assistance that has been already provided and the commitment to continue and increase support for drug interdiction limited only by law and the impact on combat readiness.

The Biloxi hearing also disclosed three areas where increased military assistance would be most effective—Navy flying hours, PHM hydrofoil ships, and P-3A aircraft. Senator STEVENS supported my efforts to address these issues in the defense appropriations bill and report, and I thank him and all the members of the Appropriations Committee for approving these provisions.

Specifically, an additional $10 million has been programed for Navy reconnaissance flying hours to facilitate the Navy's continued cooperation with the drug interdiction mission.

The Navy and the U.S. Coast Guard have been directed to conduct a 1-year test program to examine the utility of the PHM hydrofoil ships for drug interdiction and report to the Congress on ship performance and recommendations for future assignments.

Finally, a timetable has been set for the modification of six P-3A aircraft with F-15 radar to be transferred to the U.S. Customs Service. The costs of the radar and the modifications will be borne by the Air Force, with the exception of one radar which will be provided by the Customs Service. The Navy will continue to provide technical and contract management necessary for the modifications program.

Mr. President, the Senate today has acted to reaffirm its commitment to fight illegal drug trafficking by the efficient utilization of available military assets in coordination with civilian drug enforcement agencies. I congratulate my colleagues on this prudent and responsible action.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. DECONCINI. Mr. President, I want to also take a moment to congratulate the chairman of this Subcommittee on Appropriations and the ranking member. There were many, many difficult items that the committee was able to resolve in one way or another. We understand the process of negotiation and compromise. I know this Senator was particularly thankful that the Senate maintained the ability to have more than single source bidding on the M1 tank engine and, I believe, on even other items in the appropriation bill in conference. The Senator from New Hampshire (Mr. RUDMAN) was most influential in prevailing on the Senate view and, of course, the chairman of the committee and the ranking member also took that position, as did the full Appropriations Committee.

I think that is a step in the right direction, because we are always so critical, all of us, of the Defense Department when cost runs are more than what we were told they were going to be, when there are not proper explanations to satisfy us as to why they have increased a certain amount. Yet, when we limit them to only one source, it seems to me that we are inviting just that type of abuse and problem.

Here, we made a step in the right direction, and it would be subject, possibly, to competitive bidding. But without this change, we would not have that opportunity.

Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The Senator's amendment is not in order at this time. The conference report is still pending.

Mr. DECONCINI. Is the conference report amendable?

The PRESIDING OFFICER. The conference report itself is not amendable. The amendments in disagreement would be amendable.

Mr. DECONCINI. The amendments in disagreement are not before the Senate as yet?

The PRESIDING OFFICER. They are not.

Mr. DECONCINI. I withdraw the amendment. I will wait for that time.

I thank the Chair.

Mr. DOMENICI. Mr. President, I support the conference agreement on the Department of Defense appropriation bill.

I would like to commend my distinguished colleagues, Senators HATFIELD and STEVENS and the other members of the conference, for their work on this agreement.

The conference agreement provides $250.8 billion in budget authority and $149.1 billion in outlays for fiscal year 1984 for activities of the Department of Defense and other defense activities, including possible later requirements of $1.8 billion in budget authority and outlays for DOD pay raises.

With outlays from prior-year budget authority, other actions completed, the Defense Subcommittee is $3.4 billion in budget authority and $1.3 billion in outlays below its section 302(b) allocation under the budget resolution.

Mr. President, I ask unanimous consent that a table showing the relationship of the reported bill to the congressional spending budget and the President's request be printed in the RECORD at the conclusion of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DEFENSE SUBCOMMITTEE SPENDING TOTALS—CONFERENCE AGREEMENT

[In billions of dollars]

	Fiscal year 1984	
	BA	O
Outlays from prior-year budget authority and other actions completed	0.1	77.7
H.R. 4185, conference agreement	249.0	147.3
Possible later requirements:		
DOD pay raises	1.8	1.8
Adjustment to conform mandatory programs to budget resolution assumptions	−.1	−.1
Subcommittee total	250.8	226.6
Subcommittee 302(b) allocation	254.2	227.9
Senate-passed level	252.2	227.1
House-passed level (H.R. 4185) [1]	248.4	225.6
President's request	261.0	229.3
Subcommittee total compared to:		
Subcommittee 302(b) allocation	−3.4	−1.3
Senate-passed level	−1.4	−.4
House-passed level (H.R. 4185) [1]	2.3	1.0
President's request	−10.2	−2.7

[1] House-passed total has been adjusted to add in the $1.8 billion for military and civilian pay raises included by the Senate in its bill but not included by the House.

Note: Details may not add to totals due to rounding.●

Mr. LEVIN. Mr. President, the bill we are voting on today addresses for the moment the question of covert assistance to groups acting inside Nicaragua. I am opposed to providing assistance to persons, either covertly or openly, for purposes of overthrowing that government. That is the avowed aim of some factions we are supporting. This conference report provides that no more than $24 million shall be spent to support these actions in Nicaragua.

I am disappointed that the House position prohibiting this kind of aid to the Nicaraguan rebels did not prevail in the conference. I understand, however, that the administration did not win approval for nearly as much funding as they would have liked. This level of assistance will not allow our support to continue much longer. Furthermore, the fight will not be out in the open, and the administration will not be able to dip into secret sources for funding to continue these operations. If they want to pursue this policy, they will have to come to the Congress in public and justify it. I have strong concern about the Sandinista government in Nicaragua. I oppose their suppression of free speech and dissent and their interest in fomenting armed rebellion in other countries in Central America. But I do not think either open or covert aid to armed rebel groups will succeed in doing anything but play into the hands of the Cubans and the Sandinistas. It is a great disappointment to me that the Senate cannot amend this conference report and therefore has no chance to vote on these funds as a separate item, for I would have demonstrated my opposition by voting no on such amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. STEVENS. There is no further debate.

Mr. President, there is a request for the yeas and nays on the conference report. I ask for the yeas and nays on the conference report.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the conference report. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from North Dakota (Mr. ANDREWS), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Florida (Mrs. HAWKINS), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Illinois (Mr. PERCY), the Senator from Delaware (Mr. ROTH), the Senator from South Carolina (Mr. THURMOND), the Senator from Virginia (Mr. TRIBLE), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

Mr. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from California (Mr. CRANSTON), the Senator from Illinois (Mr. DIXON), the Senator from Connecticut (Mr. DODD), the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New York (Mr. MOYNIHAN), and the Senator from Maryland (Mr. SARBANES) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. DIXON) and the Senator from Massachusetts (Mr. KENNEDY) would each vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 75, nays 6, as follows:

[Rollcall Vote No. 380 Leg.]

YEAS—75

Abdnor	East	Long
Armstrong	Evans	Lugar
Baker	Exon	Mathias
Biden	Ford	Matsunaga
Bingaman	Garn	Mattingly
Boren	Gorton	McClure
Boschwitz	Grassley	Mitchell
Bradley	Hatch	Murkowski
Bumpers	Hecht	Nickles
Burdick	Heflin	Nunn
Byrd	Heinz	Packwood
Chiles	Helms	Pell
Cochran	Huddleston	Pressler
Cohen	Humphrey	Pryor
D'Amato	Inouye	Quayle
Danforth	Jepsen	Randolph
DeConcini	Johnston	Riegle
Denton	Kasten	Rudman
Dole	Lautenberg	Sasser
Domenici	Laxalt	Simpson
Durenberger	Leahy	Specter
Eagleton	Levin	Stafford
Stennis	Tower	Warner
Stevens	Tsongas	Wilson
Symms	Wallop	Zorinsky

NAYS—6

Baucus	Hatfield	Metzenbaum
Hart	Melcher	Proxmire

NOT VOTING—19

Andrews	Goldwater	Roth
Bentsen	Hawkins	Sarbanes
Chafee	Hollings	Thurmond
Cranston	Kassebaum	Trible
Dixon	Kennedy	Weicker
Dodd	Moynihan	
Glenn	Percy	

So the conference report was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. STENNIS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SENATE AMENDMENT NO. 1

Mr. STEVENS. Mr. President, I ask the clerk state the amendments in disagreement.

Mr. President, I ask unanimous consent that the Senate concur en bloc with the amendments of the House to the amendments of the Senate, all of them at once.

Mr. METZENBAUM. Mr. President, reserving the right to object, may I ask what these amendments are to? Are they to the DOD bill?

Mr. STEVENS. They are the amendments in disagreement, that is, the House amendments to the Senate amendments. The House approved all these amendments, and I ask that they be approved by the Senate en bloc.

Mr. METZENBAUM. To the DOD bill?

Mr. STEVENS. DOD.

Mr. DECONCINI. Mr. President reserving the right to object, I have an amendment I wish to offer if it is appropriate at this time if it is subject to amendment.

The PRESIDING OFFICER. The Senator will have to object to the unanimous-consent request.

Mr. DECONCINI. Then I am sorry but I object in order to offer the amendment.

The PRESIDING OFFICER. Objection is heard.

The clerk will state the first amendment in disagreement.

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. Mr. President, what is the status of the request of the Senator from Alaska?

Mr. STEVENS. There was an objection.

The PRESIDING OFFICER. Objection was heard to the unanimous-consent request of the Senator from Alaska.

Mr. STENNIS. Mr. President, was it the Senator from Arizona who objected? If he will show us his amendment it might be something we could do business with.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 1 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $15,048,533,000.

Mr. DECONCINI. Mr. President, is the bill subject to amendment at this time?

The PRESIDING OFFICER. The answer to the Senator is that the House amendment is amendable at this time.

AMENDMENT NO. 2656

Mr. DECONCINI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI) proposes an amendment numbered 2656.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert:

Since the purpose of the Bankruptcy Code is to provide a structured judicial setting within which the legal rights of creditors and debtors can be resolved that will (1) in an equitable fashion permit debtors to resolve their financial difficulties and (2) protect the interests of creditors;

Since the purpose of Chapter 11 of the Bankruptcy Code, which encourages reorganization of financially-troubled companies rather than their liquidation, is to protect the interests of creditors and to modify the obligations of a debtor which, due to its circumstances, it is unable to pay;

Since legitimate concerns have been raised regarding abuses of the Code in recent bankruptcy filings in which financial insolvency was not a factor;

Since a number of companies, including a scheduled airline, which have resources to maintain operations have recently filed bankruptcy petitions, a primary effect of which is to abrogate obligations to consumers and to avoid other selective obligations;

Since recent bankruptcy filings have been conducted in a manner which greatly inconvenienced the public and left consumers and others with millions of dollars in unsatisfied claims; and

Since the Senate has passed bills dealing with bankruptcy issues, including the grain elevator proposal and the consumer credit industry amendments to the Bankruptcy Code;

The Senate finds that there has been and continues to be utilization of the bankruptcy laws for purposes for which they are not intended, and that the Congress should act immediately to enact legislation to remedy defects in the Bankruptcy Code that have encouraged such abuses of the law.

Mr. DECONCINI. Mr. President, the amendment I have sent to the desk is similar to the resolution introduced yesterday by our distinguished colleagues from New Mexico, Senator DOMENICI and Senator BINGAMAN, and myself.

The gist of the amendment is to express the sense of the Senate the Nation's bankruptcy laws are not working as they were designed to work. It seems that all too often in recent days we are confronted with news of bankruptcy filings.

Mr. STENNIS. Mr. President, will the Senator speak a little louder? It is difficult to hear.

The PRESIDING OFFICER. The Senate will be in order.

Conversations will please desist.

Senators and staff will please break up the conversations or take them into the cloakrooms.

Mr. DECONCINI. Mr. President, I thank the Chair.

It seems that all too often in recent days we are confronted with news of bankruptcy filings that jar our sense of fairness. Too often it has appeared to this Senator that solvent companies are taking advantage of the bankruptcy code behind a protectiveness and keeping some of its assets still operating. The direct loser, when this occurs, are the entities who have credits. In many cases they might be innocent consumers. I will go into that subject in just a moment.

This amendment will state that the Senate finds that there has been and continues to be utilization of the bankruptcy code for purposes for which it was not intended and that the Congress should take action to enact legislation to remedy defects to the bankruptcy code that has incurred such abuses.

Mr. President, this is only the sense of the Senate. It would not be binding, but I think it would be a clear message.

Several recent filings have only pointed up the need for reform. Without reaching a final judgment on the merits of the case, I would like to discuss the adverse impact to the traveling public of the recent bankruptcy petition filed by Continental Airlines.

On September 24, Continental Airlines declared bankruptcy and was granted protection from its creditors under Chapter 11 of the bankruptcy code. Three days later, the company promptly reopened its doors for business calling itself the new Continental Airlines.

The "new" company resumed operations with the same "old" management, the same "old" aircraft, the same "old" headquarters, and the same "old" airport slots. The only "new" element at Continental was a drive to recruit pilots and flight attendants who would work for lower wages.

Obviously, what is occurring at Continental is the ultimate game of corporate hardball. What is not clear is the amount of time it will take the courts to sort out the issues and rule on the appropriateness of this tactic, but it will certainly take months and maybe years.

Meanwhile, there is a group of victims for whom no one is speaking. They are thousands of small consumers who purchased by cash or check Continental tickets, and then had their investment rendered worthless by virtue of the bankruptcy. This is a grave injustice, particularly since Continental continues to operate and enjoy profits from many international routes protected by Government agreements.

Those who purchased Continental tickets by cash or check have not been repaid 1 cent of the $28 million they are owed. Nor is it clear how much of the $42 million charged by Continental customers has been credited.

In lieu of repayment, Continental announced that it would issue scrip which would allow these consumers equivalent flights. This scrip is of no use, however, to customers who bought their tickets at any of the 51 cities where "The New Continental" discontinued service. Nor does the scrip respond to the concern many consumers may have about flying on an airline that is operating without benefit of its most experienced pilots, flight attendants, and mechanics. Moreover, it would be unjust to force other airlines to honor Continental tickets because they would have to assume the Continental debt while the competitor continued to operate and relieve themselves of that debt.

The amendment we are offering today expresses the Senate's disapproval of bankruptcy abuses such as those that occurred concerning Continental.

Mr. President, I am deeply concerned, having come from a State where the premiere airline Continental once flew to Arizona and had a long history of service. I understand the deregulation problems that have arisen in the airline industry and I am sympathetic to those problems. But I abhor a company that would use the bankruptcy code as Continental Airlines has, and then leave good Arizona citizens and citizens from New Mexico and about 40 other States with tickets and no flights and no offer or effort to see that something is paid out of the bankruptcy.

Approximately 2 weeks ago, bankruptcy courts released over $10 million to the new Continental Airlines from liquid assets put in under chapter 11. None of that money was used to repay or reimburse these ticketholders.

Mr. MELCHER. Will the Senator yield?

Mr. DECONCINI. I will be glad to yield.

Mr. MELCHER. I have not seen the amendment yet, but I think a couple of questions would suffice.

First of all, Continental will only be permitted to return funds to anybody in accordance with the direction of the court; is that correct?

Mr. DECONCINI. That is correct.

Mr. MELCHER. Second, the resoluton does not touch on any case pending dealing with Continental and its relationship with the airline unions?

Mr. DECONCINI. The Senator from Montana is absolutely correct. I appreciate his calling the attention of the Senate to that point.

The PRESIDING OFFICER. The Senate is not in order. Senators have the right to be heard.

The Senator from Arizona.

Mr. MELCHER. If the Senator will yield, I might state that my questions were two in number. One, that the bankruptcy court will determine how any cash Continental has in its till or from revenues gained will be spent, and the resolution does not touch on that, nor does the resolution touch on the matter that I understand is before the court dealing with the airline unions at Continental.

Mr. DECONCINI. The Senator from Montana is correct, and I thank him for calling these two points to the attention of Senators.

Mr. STEVENS. Mr. President, I would hope that the Senator would withdraw his amendment. As a matter of fact, I have an amendment that I would like to offer to this bill myself. I have discussed it with my good friend from Mississippi, and he rightfully has said that this bill is a very vital bill to the security of this country. It should not be the vehicle for legislation that is not germane to this bill. Under those circumstances, I would urge the Senator to withdraw the amendment. I am sure he will find an opportunity on some other occasion to present that resolution, which obviously means a great deal to him.

We could raise a point of order, Mr. President, that it is legislation on an appropriations bill, but we do not have to get into votes like that at this time on the matter of a resolution pertaining to a bankruptcy practice when we are dealing with the largest funding bill for the Department of Defense in the history of the United States.

Mr. DOMENICI. Will the Senator from Alaska yield to the Senator from New Mexico?

Mr. STEVENS. I yield the floor.

Mr. DOMENICI. I want to join my friend from Alaska. Might I ask my friend from Arizona, is this the resolution that we joined in, that I offered with reference to Continental? We have had many complaints from Arizonans and New Mexicans who bought tickets from the airline, and Continental did enter bankruptcy, disbursing money for other things but leaving the good ticketholders in the Senator's State and mine with tickets that are worthless. We were calling this to the attention of the Senate, saying that should not be permitted under the bankruptcy laws. Is that the resolution?

Mr. DECONCINI. The Senator is correct. It was printed as a resolution, and it is still a resolution in its present form as a sense of the Senate resolution. It is now, however, an amendment.

Mr. DOMENICI. I thank my friend. I think he has made the point. Many of us joined together to try to express our views on that and do what we can here in the Senate. I know how concerned the Senator from Arizona is about getting a defense bill. We need one. These are the waning hours. I join the Senator from Alaska, that we should try to pass it at another time. I ask the Senator to seriously consider withdrawing it.

My purpose in offering the resolution was at the request of the Senator. I think we can get it done. It may not be possible to do it tonight, but we are certainly sending the right kind of signals here with this discussion, and I commend the Senator for that.

Mr. STENNIS. Mr. President, I join with the Senator from Alaska in his request that the Senator withdraw his amendment.

This is an important matter. I want to join the Senator from Alaska in his request that the Senator from Arizona (Mr. DECONCINI) withdraw his amendment. We are already 2 months into the new fiscal year and we are now running the biggest, most expensive military machine that recorded history has even known. We do it irregularly to the extent that we are running on the continuing resolution. This bill is the largest one that Congress has ever passed—peacetime or wartime.

As I say, it is nearly 2 months overdue and it needs to become law. A world of work has gone into it, a lot of minds have worked on it. The Senator from Arizona, in his usual fine capacity, contributed very much.

With respect to the amendment, it is legislation on an appropriations bill. Under those conditions, I especially request that he withdraw his amendment.

Mr. DECONCINI. Mr. President, I appreciate very much the admonitions of the distinguished Senator from Mississippi as well as those of the chairman.

I shall place in the RECORD about two dozen or more letters from people from El Paso, Tex., from New Mexico, from Indiana—the list goes on and on. They are people who purchased tickets, paying $224, $300 some, $600. They have now, in their hands, these tickets on Continental flights that were scheduled then. Now they have attempted to get these refunds. Of course, Continental has refused, being protected under chapter 11 of the bankruptcy law, there is nothing they can do. It is of great concern.

(Mr. SPECTER assumed the Chair.)

Mr. DECONCINI. Mr. President, I understand what the Senator from Mississippi is saying, that this bill is certainly something other than a consumer bill; it is a bill for national defense, something we cannot ignore, something that I supported and voted for. I am not prepared at this moment to withdraw that amendment. I shall be glad to set it aside or put in a quorum call as the managers may wish to do.

Mr. STEVENS. I did not hear the Senator, Mr. President.

Mr. DECONCINI. I said to the Chamber that I am not prepared to withdraw the amendment at this moment. I shall be glad to lay it aside for a few minutes.

Mr. STEVENS. Mr. President, I make the point of order that this is legislation on an appropriations bill.

Mr. DECONCINI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. DECONCINI. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will resume the call of the roll.

The legislative clerk continued with the call of the roll.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. If the Senator from Arizona will withhold, the point of order has been raised. The point of order——

Mr. STEVENS. Mr. President, I ask unanimous consent that the point of order be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. I thank the chairman of the subcommittee. I also thank the members of the committee. After discussing this amendment with them and seeing what is going to happen, I ask unanimous consent that the amendment be withdrawn.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment (No. 2656) was withdrawn.

AMENDMENT NO. 2657

Mr. NICKLES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. NICKLES), for himself and Mr. GARN, proposes an amendment numbered 2657.

Mr. NICKLES. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment of the House add the following:

SEC. . Notwithstanding any other provision of law, there shall not be an increase in rates of pay under section 601(a)(2) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31(2)) by reason of any adjustment taking effect in the rates of pay under the General Schedule during fiscal year 1984 under section 5305 of title 5, United States Code.

Mr. NICKLES. Mr. President, the amendment I have sent to the desk is on behalf of Senator GARN and myself. The amendment would prohibit a 3.5-percent raise for Members of Congress from going into effect—both Representatives and Senators. That is scheduled to go into effect on January 1 of next year.

I do realize that this is legislation on an appropriations bill. I realize a point of order could be raised against it and sustained. It is not my intention to keep the amendment up. I do want Members to know the raise is scheduled to go into effect and it is this Senator's intent to see that it does not go into effect.

Actually, the raise would not be received until sometime in February. This will give us some time when we reconvene to make this change retroactively. That was my intention.

It was my intention to keep it on this bill. It was originally my intention to do it on the reconciliation bill under Senator GARN's leadership. As it is now, we are not able to get a reconciliation bill, so we are not able to use that avenue.

(Mr. HATCH assumed the Chair.)

Mr. NICKLES. The only other vehicle we had was the DOD appropriations bill. We are going to do that. Now the House has gone out of session. Should we insist on this amendment and be successful, the House has gone; it would actually not allow this 249-point-some-billion-dollar bill to be signed into law. I think that would be a real mistake. It is not my intention to keep this amendment up but it is my intention to notify Members of the Congress and Senate that efforts will be made when we return in January and February to rescind this pay raise.

I think it is wrong when we have a lot of the country still suffering from the recession. A lot of people in the private sector received no raise last year. Members of Congress received a big raise last year. It so happens the country is going broke. With these enormous deficits, I think it is the wrong time to send a message out to the people that Congress is going to get a raise. I hope my effort is successful and changes will be made in time next year so the raises will not go into effect.

Mr. MITCHELL. Will the Senator yield for a question?

Mr. NICKLES. I am happy to yield.

Mr. MITCHELL. Do I understand that the Senator's amendment is directed solely at Members of Congress?

Mr. NICKLES. The Senator is correct.

Mr. MITCHELL. I understand that the Senator's amendment is directed solely at Members of Congress?

Mr. NICKLES. The Senator is correct.

Mr. MITCHELL. Do I understand further that his amendment would not include members of the Federal judiciary within its scope?

Mr. NICKLES. The Senator is correct. Nor would it apply to other civil service personnel. It would only apply to Members of the Congress.

Mr. MITCHELL. Were the Senator's amendment to be adopted today or at some future time after we return, it is my understanding—and I ask the Senator whether it is his—notwithstanding other provisions of law, members of the Federal judiciary would receive the cost-of-living increase that this seeks to deny to Members of Congress. Is that the Senator's understanding?

Mr. NICKLES. The Senator is correct.

I thank the Senator.

Mr. MITCHELL. I thank my good friend from Oklahoma.

Mr. President, I rise in strong support of the amendment offered by the Senator from Oklahoma, which will have the effect of preventing an automatic pay increase for Senators from taking effect.

Unless this amendment is approved, either now or promptly next year, the 3.5 percent cost-of-living adjustment which will go into effect for Federal workers will also have the effect of increasing the salaries of Senators.

In a year when congressional pay has already been substantially raised, and in face of pay cuts being accepted by airline workers, contracts being renegotiated by union workers in a number of industries, and a rate of unemployment high enough to hold salaries down nationwide, it would be unconscionable for Members of the U.S. Senate to accept what would amount to two pay raises within 12 months.

Our economic recovery has masked but not solved our major economic problem: The risk we run that our enormous and continuing Federal deficits may derail the recovery and plunge the Nation into further economic turmoil. Just several days ago, an amendment to begin reversing those deficit projections was soundly rejected by the Senate. No alternative action has been taken.

Those of us whose actions help shape economic policy—and who, by our lack of action, also help shape economic policy—should not seek to insulate ourselves from the outcome of our decisions or of our indecision. There is ample evidence to suggest that the lack of congressional will to reduce the deficit may well have serious economic impact in the future.

If we allow this unnecessary pay raise to go into effect, we will simply be insulating ourselves from the economic conditions which we expect our constituents to face. This automatic pay raise is another upward push, by default, toward a salary level which already approaches the very highest percentile of wage-earners in this country.

Last year, we successfully rejected an effort that was made to insulate the Congress from the tax laws to which other Americans are subject. That was an effort I strongly supported. I have never voted for a pay raise for the Members of the Senate since becoming a Member of this body. And the circumstances facing us today give me no reason whatever to change my mind.

We should act to prevent this unneeded and unearned pay raise taking effect. I strongly urge my colleagues to support this amendment.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. NICKLES. Yes, I yield.

Mr. McCLURE. With respect to the question the Senator from Oklahoma has raised and the Senator from Maine has just now raised, it is my understanding that once the rate goes into effect for members of the judiciary, you could not rescind it later if you wanted to. So if we do not act today, it will go into effect. No matter what we did upon return, it will stay in effect.

Mr. MITCHELL. I thank the Senator for expressing his understanding.

Mr. NICKLES. Mr. President, I appreciate the clarification.

Mr. President, I do not want to delay the Senate any longer, but I think it is important that the message be sent to the American people. A lot of people are going to be upset to find out that we are leaving town at this time, going to be gone for 2 months out of session——

Mr. DECONCINI. Will the Senator yield?

Mr. NICKLES. Yes, I yield.

Mr. DECONCINI. I compliment the Senator from Oklahoma for bringing this to the attention of the Senate. I understand the predicament he is in, having just been in it myself, but I think, quite frankly, this is something we ought not let wait until January, if there is any way to get it accomplished today, because we will already have received one paycheck by the time we come back in January. And the way things operate around here, it may be a while. But I thank the Senator for bringing this to our attention.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. NICKLES. Yes, I yield.

Mr. BAKER. Mr. President, I support what the Senator from Oklahoma is doing, and I admire him for doing it. I guess people have already indicated this was planned to go on the reconciliation bill.

The PRESIDING OFFICER. Will the Senator cease for a moment?

May we have order in the Senate while the majority leader is speaking?

Mr. BAKER. Mr. President, the reconciliation bill, for many reasons on which I need not dwell, did not make it. It went back on the calendar to come up again next year. But, Mr. President, if we put this amendment on this conference report and it has to go back to the House, which it will, I do not know what is going to happen. I am afraid, if you go look at television now, you are going to see every House Member there on the screen, which is about six.

Mr. President, I urge Senators to consider that there must be some other way to approach this. I support what the Senator from Oklahoma is doing, and I will make a pledge to the Senator from Oklahoma. It is a day late and a dollar short, as they say, but come January I agree with him; we are going to do something about this. I plead with the Senate not to do that today on this bill. We have to pass this conference report.

Mr. NICKLES. I thank the majority leader. I appreciate his comments very much and his assurance that we will be able to address this hopefully in January as soon as we get back.

With that, Mr. President, I ask unanimous consent to withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. STEVENS. Mr. President, I have not engaged in this debate. It is not relevant to this bill. But is it not interesting that judges who do not contribute to their retirement will automatically get the 4 percent and have throughout this whole period but Members of Congress still want to tell the American public that they are not worth the amount that they ought to be paid. Maybe one of these days the American public will wake up and realize that they get what they pay for as far as legislators are concerned.

Mr. President, I ask unanimous consent that the Senate concur en bloc to all of the amendments that were made by the House to the amendments of the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 1 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$15,048,533,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 2 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$11,171,278,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 4 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$3,433,859,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 6 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$12,577,203,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 65 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

environmental restoration, defense

For expenses, not otherwise provided for, for environmental restoration programs, including hazardous waste disposal operations and removal of unsafe or unsightly buildings and debris of the Department of Defense, and including programs and operations at sites formerly used by the Department of Defense; $150,000,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 69 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: , *as follows: For Other Missile Support, $9,200,000; for the Patriot program, $885,000,000; for the Stinger program, $105,200,000 and in addition, $32,600,000 to be derived by transfer from "Missile Procurement, Army, 1983/1985"; for the Laser Hellfire program, $218,800,000; for the TOW program, $189,200,000; for the Pershing II program, $407,700,000; for the MLRS program, $532,100,000; for modification of missiles, $123,300,000; for spares and repair parts, $271,000,000; for support equipment and facilities, $109,200,000; in all: $2,822,700,000, and in addition $32,600,000 to be derived by transfer, to remain available until September 30, 1986: Provided, That within the total amount appropriated, the subdivisions within this account shall be reduced by $28,000,000 for revised economic assumptions*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 71 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert:

$65,200,000, to be derived by transfer from "Procurement of Weapons and Tracked Combat Vehicles, Army, 1982/1984" and $83,800,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 72 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *: Provided, That notwithstanding any other provision or law, within three months after enactment of this Act the Secretary of Defense shall complete and submit to the Committees on Appropriations and Armed Services of the House and Senate a study on the feasibility and cost effectiveness of establishing a second production source or multiyear procurement of the AGT 1500 engine for the M-1 tank, together with the Secretary's determination, based on the findings of such study, whether a second production source or multiyear procurement contract is in the national interest: Provided further, That current production of the AGT 1500 engine shall not be interrupted or reduced in the interim*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 80 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$2,962,600,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 85 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$3,725,332,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 86 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *and in addition, $77,800,000, to be derived by transfer from "Weapons Procurement, Navy, 1983/1985",*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 103 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the sum stricken by said amendment, and insert: *$301,000,000, Provided, That funds appropriated or made available in this Act for the MCM mine countermeasures ship program may be obligated or expended only under a firm fixed price contract, Provided further, That none of the funds appropriated or made available in this Act for the MCM mine countermeasures ship program may be obligated or expended until such time as the Department of the Navy develops electromagnetic interference specifications for the MCM-1 class of ships, and the Secretary of the Navy certifies to the Committees on Appropriations that the electromagnetic interference specifications developed will result in a design that will be free of electromagnetic interference in the context of the approved electromagnetic interference and electromagnetic compatibility specifications*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 125 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$310,200,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 137 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *of which $81,600,000 shall be available for the purchase of the phase III Defense Satellite Communications System (DSCS III) under a multiyear contract: Provided, That after the Secretary of the Air Force gives written notification of a proposed multiyear contract for the Defense Satellite Communications System to the Committees on Appropriations of the Senate and House of Representatives, such contract may not then be awarded until 45 days after such notification; and of which $200,000,000 for cooperative NATO air base defense shall not be available to support implementing an agreement with any foreign government until 45 days after such agreement, together with supporting data including total program cost estimates, has been submitted to the Congress;*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 145 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$4,199,125,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 146 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$7,559,818,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 167 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Sec. 775. During fiscal year 1984, not more than $24,000,000 of the funds available to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 168 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Sec. 775A. So far as may be practicable, Indian labor shall be employed, and purchases of the products of Indian industry may be made in open market in the discretion of the Secretary of Defense: Provided, That the products must meet pre-set contract specifications.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 178 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert: *specifically for the Air National Guard, if requested,*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 181 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Sec. 787. None of the funds available to the Department of Defense shall be used to adjust any contract price for amounts set forth in any shipbuilding claim, request for equitable adjustment, or demand for payment or incurred due to the preparation, submission, or adjudication of any such shipbuilding claim, request, or demand under a contract entered into after the date of enactment of this Act, arising out of events occurring more than eighteen months prior to the submission of such shipbuilding claim, request, or demand. For the purposes of this Act, the requirement for "submission" of a shipbuilding claim, request, or demand is met only when the certification required in section 6(c)(1) of the Contracts Disputes Act of 1978 is provided and the shipbuilding claim, request, or demand is fully documented and substantiated in accordance with regulations to be promulgated by the Secretary of Defense.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 191 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Sec. 791. None of the funds appropriated by this Act shall be used to purchase dogs or cats or otherwise fund the use of dogs or cats for the purpose of training Department of Defense students or other personnel in surgical or other medical treatment of wounds produced by any type of weapon: Provided, That the standards of such training with respect to the treatment of animals shall adhere to the Federal Animal Welfare Law and to those prevailing in the civilian medical community.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 192 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Sec. 792. Beginning on April 1, 1984, or on the effective date of the next adjustment in the General Schedule of compensation for Federal classified employees, whichever occurs first, none of the funds appropriated by this Act shall be available to pay Variable Housing Allowance to a member pursuant to section 403(a), title 37, United States Code, in an amount that exceeds the difference between $800 and the amount of Basic Allowance for Quarters such member receives pursuant to section 403, title 37, United States Code, in the case of members with dependents, or the difference between $600 and the amount of Basic Allowance for Quarters such member receives pursuant to section 403, title 37, United States Code, in the case of a member without dependents.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 193 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: *793*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 194 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Sec. 794. (a) Except as otherwise provided in this section, none of the funds appropriated by this or any other Act may be obligated or expended for the procurement of a weapon system unless the prime contractor or other contractors for such system provides the United States with written guarantees—

(1) that the system and each component thereof were designed and manufactured so as to conform to the Government's performance requirements as specifically delineated (A) in the production contract, or (B) in any other agreement relating to the production of such system entered into by the United States and the contractor;

(2) that the system and each component thereof, at the time they are provided to the United States, are free from all defects (in materials and workmanship) which would cause the system to fail to conform to the Government's performance requirements as specifically delineated (A) in the production contract, or (B) in any other agreement relating to the production of such system entered into by the United States and the contractor; and

(3) that, in the event of a failure of the weapon system or a component to meet the conditions specified in clauses (1) and (2)—

(A) the contractor will bear the cost of all work promptly to repair or replace such parts as are necessary to achieve the required performance requirements; or

(B) if the contractor fails to repair or replace such parts promptly, as determined by the Secretary of Defense, the contractor will pay the costs incurred by the United States in procuring such parts from another source.

(b) A written guarantee provided pursuant to subsection (a) shall not apply in the case of any weapon system or component thereof which has been furnished by the Government to a contractor.

(c) The Secretary of Defense may waive the requirements of subsection (a) in the case of a weapon system if the Secretary—

(1) determines that the waiver is necessary in the interest of the national defense or would not be cost-effective; and

(2) notifies the Committees on Armed Services and Appropriations of the Senate and the House of Representatives in writing of his intention to waive such requirements with respect to such weapon system and includes in the notice an explanation of the reasons for the waiver.

(d) The requirements for written guarantees provided in subsection (a) hereof shall apply only to contracts which are awarded after the date of enactment of this Act and shall not cover combat damage.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 196 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: *795*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 197 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number "795" named in said amendment, insert: *796*

Resolved, That the House recede from its disagreement to the amendment of the

Senate numbered 198 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: *797*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 199 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment insert:

Sec. 798. Funds appropriated by this Act shall be available for such studies and analyses contracts with federally established nonprofit corporations which operate Federal Contract Research Centers as the Secretary of Defense may determine in accordance with procedures in effect on June 1, 1983, notwithstanding any other provisions of law: Provided, That this section shall expire on April 30, 1984.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 200 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Sec. 799. It is the sense of the Congress that the Secretary of Defense should formulate and carry out a program under which contracts awarded by the Department of Defense in fiscal year 1984 would, to the maximum extent practicable and consistent with existing law, be awarded to contractors who agree to carry out such contracts in labor surplus areas (as defined and identified by the Department of Labor).

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 201 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Sec. 799A. The Administrator of General Services shall transfer to the State of Washington for educational correctional facility use and in accordance with provisions of law relating to the disposal of Federal property, that part of the real property, including all improvements and related personal property thereon, which was administered by the Department of Justice, located in Pierce County, Washington, known as the former McNeil Island Federal Penitentiary. Such transfer shall not include that part of McNeil Island comprising the wildlife refuge area.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 202 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number "799A" named in said amendment, insert: *799B*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 203 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: *799C*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 206 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Sec. 799E. Within funds available under title III of this Act, but not to exceed $100,000, and under such regulations as the Secretary of Defense may prescribe, the Department of Defense may, in addition to allowances currently available, make payments for travel and transportation expenses of the surviving spouse, children, parents, and brothers and sisters of any member of the Armed Forces of the United States, who dies as the result of an injury or disease incurred in line of duty to attend the funeral of such member in any case in which the funeral of such member is more than 200 miles from the residence of the surviving spouse, children, parents or brothers and sisters, if such spouse, children, parents or brothers and sisters as the case may be are financially unable to pay their own travel and transportation expenses to attend the funeral of such member.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 208 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Sec. 799G. It is the sense of the Congress that competition, which is necessary to enhance innovation, effectiveness, and efficiency, and which has served our Nation so well in other spheres of political and economic endeavor, should be expanded and increased in the provision of our national defense.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 211 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: *799H*

Mr. STEVENS. Mr. President, I now move to reconsider that vote by which the Senate concurred in all those amendments.

Mr. STENNIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I thank my good friend from Mississippi. He has been an extreme example, I feel, of senatorial integrity. He is one who spent a great deal of time working with me on this bill. Both of us would, I am sure, join in thanking a new member of our committee as of 2 years ago, Senator RUDMAN, of New Hampshire. I want the Senate to know that Senator RUDMAN missed only a little more than an hour of all of the hearings and all of the meetings that pertained to this bill over the period of time since January of this year. I cannot remember a member of the Appropriations Committee in the 15 years I have served on it who has spent more time on one bill than Senator RUDMAN. I personally thank him and express my gratitude.

Mr. STENNIS. Mr. President, if the Senator will yield, I want to thank him for those kinds words and in turn say no one could do a better job than he did and put in more effort. And certainly the Senator from New Hampshire is entitled to credit, too, for his fine work.

Mr. BAKER. Mr. President, I take this opportunity to extend my congratulations to the distinguished Senator from Alaska, the assistant majority leader, and the Senator from Mississippi, who has served so long, so well, so faithfully, and continues to serve with such verve and enthusiasm. It is truly a delight to see two men of this caliber handle a matter of this delicacy and do it in the manner that they have. I congratulate them for it.

I also thank the Senator from Oklahoma for forbearing to offer this amendment at this time. He is dead right on what he was doing, and we are going to have to go back and pick up that stitch. I promise we are going to do that one way or the other. But I thank him for his forbearance, as I do the Senator from Arizona for agreeing to proceed in a different way so that we could get on with the business of passing this conference report. And, of course, to the minority leader, without whose help we could not make this place function.

Mr. STENNIS. Mr. President, may I have the attention of the Chair? Parliamentary inquiry. This procedure is a little different. The situation is that the Department of Defense appropriation conference report is entirely passed and there will be no more rollcall votes?

The PRESIDING OFFICER (Mr. SPECTER). The Senator is correct.

Mr. STENNIS. And no more amendments to it?

The PRESIDING OFFICER. The Senator is correct.

WORKER TRAINING IMPROVEMENTS UNDER TRADE ACT OF 1974

Mr. BAKER. Mr. President, the Senator from Kansas has one matter that he wants to take up that deals with extension of disability benefits for the time while we are gone. I understand that it is cleared on both sides. I inquire of the minority leader if he is in a position to consider that matter at this time?

Mr. BYRD. Mr. President, this side is ready to proceed. I only ask that no amendment be in order because—is the majority leader going to ask for a time limit?

Mr. BAKER. Yes, Mr. President, I would be pleased to do that.

Mr. BAKER. Mr. President, let me propound a unanimous-consent request now for the consideration of the minority leader, the Senator from Kansas, and other Senators.

Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar order No. 502, H.R. 3391. I further ask unanimous consent, Mr. President, that only the Dole substitute be in order; that it only be in order to withdraw the committee amendment as reported; that there be a time limitation of

10 minutes for the total consideration of this measure; that a vote on final passage occur at the end of that time, and that the control of the time be in the usual form.

Mr. BYRD. Mr. President, reserving the right to object, I want to be sure I understand the distinguished majority leader. There will be a 10-minute time limitation?

Mr. BAKER. Yes, Mr. President.

Mr. BYRD. And no amendment would be in order other than the Dole substitute?

Mr. BAKER. That is correct.

Mr. BYRD. Is there a provision for any time for any motions, appeals, or points of order?

Mr. BAKER. No, Mr. President, but may I inquire of the Chair, in the formulation that I put, if the Parliamentarian and the Chair could listen to me for a moment, that is, 10 minutes for the consideration of this measure, if there is a point of order submitted to the Senate or an appeal, any debate on that must come within that 10 minutes; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DECONCINI. Will the Senator yield before he asks for unanimous consent?

Mr. BAKER. Yes, I yield.

Mr. DECONCINI. I do not want to object, but I would just like to know, maybe for a minute, what it is.

Mr. BAKER. Mr. President, this is a resolution which would authorize the continued payment of disability benefits during appeal.

Mr. DECONCINI. Would that be the same rate they are paid now?

Mr. BAKER. I yield to the distinguished chairman of the Finance Committee.

Mr. DECONCINI. Would the Senator indulge me for a minute? Would that be the same amount as now, and for how long?

Mr. DOLE. It would extend the provision allowing payment of social security disability benefits during appeal, and would extend SSI benefits for those who work despite a severe impairment. So it has a two-pronged effect.

Mr. DECONCINI. If we do not do that, when do they terminate?

Mr. DOLE. December 7 on the disability portion, December 31 on SSI payments.

Mr. DECONCINI. I thank the distinguished Senator from Kansas.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3391) to improve worker training under the Trade Act of 1974, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment to strike all after the enacting clause and insert:

REAUTHORIZATION OF PROGRAMS FOR WORKERS AND FIRMS

SECTION 1. (a) Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended by striking out "each of fiscal years 1982 and 1983" and inserting in lieu thereof "each of the fiscal years 1982 through 1985".

(b) Section 285 of such Act is amended by striking out "September 30, 1983" and inserting in lieu thereof "September 30, 1985".

CONTRIBUTED IMPORTANTLY TEST FOR GROUP ELIGIBILITY

SEC. 2. (a) Section 222 of the Trade Act of 1974 (19 U.S.C. 2272) is amended—

(1) in paragraph (3), by striking out "were a substantial cause of such total or partial separation, or threat thereof, and of such decline" and inserting in lieu thereof "contributed importantly to such total or partial separation, or threat thereof, and to such decline"; and

(2) by amending the last sentence to read as follows: "For purposes of paragraph (3), the term 'contributed importantly' means a cause which is important, but not necessarily more important than any other cause.".

(b) The amendments made by subsection (a) shall apply with respect to petitions for certification filed under section 21 of the Trade Act of 1974 on or after October 1, 1983.

PREFERENCE FOR FIRMS HAVING EMPLOYEE STOCK OWNERSHIP PLANS

SEC. 3. (a) Section 255 of the Trade Act of 1974 (19 U.S.C. 2345) is amended by adding at the end thereof the following new subsection:

"PREFERENCE FOR FIRMS HAVING EMPLOYEE STOCK OWNERSHIP PLANS

"(i)(1) When considering whether to grant a direct loan or to guarantee a loan to a corporation which is otherwise certified under section 251, the Secretary shall give preference to a corporation which agrees with respect to such loan to fulfill the following requirements—

"(A) 25 percent of the principal amount of the loan is paid by the lender to a qualified trust established under an employee stock ownership plan established and maintained by the recipient corporation, by a parent or subsidiary of such corporation, or by several corporations including the recipient corporation,

"(B) the employee stock ownership plan meets the requirements of this subsection, and

"(C) The agreement among the recipient corporation, the lender, and the qualified trust relating to the loan meets the requirements of this section.

"(2) An employee stock ownership plan does not meet the requirements of this subsection unless the governing instrument of the plan provides that—

"(A) the amount of the loan paid under paragraph (1)(A) to the qualified trust will be used to purchase qualified employer securities,

"(B) the qualified trust will repay to the lender the amount of such loan, together with the interest thereon, out of amounts contributed to the trust by the recipient corporation, and

"(C) from time to time, as the qualified trust repays such amount, the trust will allocate qualified employer securities among the individual accounts of participants and their beneficiaries in accordance with the provisions of paragraph (4).

"(3) The agreement among the recipient corporation, the lender, and the qualified trust does not meet the requirements of this subsection unless—

"(A) it is unconditionally enforceable by any party against the others, jointly and severally,

"(B) it provides that the liability of the qualified trust to repay loan amounts paid to the qualified trust may not, at any time, exceed an amount equal to the amount of contributions required under paragraph (2)(B) which are actually received by such trust.

"(C) it provides that amounts received by the recipient corporation from the qualified trust for qualified employer securities purchased for the purpose of this subsection will be used exclusively by the recipient corporation for those purposes for which it may use that portion of the loan paid directly to it by the lender,

"(D) it provides that the recipient corporation may not reduce the amount of its equity capital during the one year period beginning on the date on which the qualified trust purchases qualified employer securities for purposes of this subsection, and

"(E) it provides that the recipient corporation will make contributions to the qualified trust of not less than such amounts as are necessary for such trust to meet its obligation to make repayments of principal and interest on the amount of the loan received by the trust without regard to whether such contributions are deductible by the corporation under section 404 of the Internal Revenue Code of 1954 and without regard to any other amounts the recipient corporation is obligated under law to contribute to or under the employee stock ownership plan.

"(4) At the close of each plan year, an employee stock ownership plan shall allocate to the accounts of participating employees that portion of the qualified employer securities the cost of which bears substantially the same ratio to the cost of all the qualified employer securities purchased under paragraph (2)(A) of this subsection as the amount of the loan principal and interest repaid by the qualified trust during that year bears to the total amount of the loan principal and interest payable by such trust during the term of such loan. Qualified employer securities allocated to the individual account of a participant during one plan year must bear substantially the same proportion to the amount of all such securities allocated to all participants in the plan as the amount of compensation paid to such participant bears to the total amount of compensation paid to all such participants during that year.

"(5) For purposes of this subsection, the term—

"(A) 'employee stock ownership plan' means a plan described in section 4975(e)(7) of the Internal Revenue Code of 1954.

"(B) 'qualified trust' means a trust established under an employee stock ownership plan and meeting the requirements of title I of the Employee Retirement Income Security Act of 1974 and section 401 of the Internal Revenue Code of 1954,

"(C) 'qualified employer securities' means common stock issued by the recipient corporation or by a parent or subsidiary of such corporation with voting power and dividend rights no less favorable than the voting power and dividend rights on other common stock issued by the issuing corporation and

with voting power being exercised by the participants in the employee stock ownership plan after it is allocated to their plan accounts, and

"(D) 'equity capital' means, with respect to the recipient corporation, the sum of its money and other property (in an amount equal to the adjusted basis of such property but disregarding adjustments made on account of depreciation or amortization made during the period described in paragraph (3)(D)), less the amount of its indebtedness.".

(b) The amendment made by subsection (a) shall become effective on the date of the enactment of this Act.

Mr. DOLE. Mr. President, I ask unanimous consent to withdraw the committee-reported amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

AMENDMENT NO. 2658

(Purpose: To extend the provision allowing payment of social security disability benefits during appeal, and to extend SSI benefits for those who work despite a severe impairment)

Mr. DOLE. Mr. President, I send to the desk an amendment in the nature of a substitute, for myself Senator LONG, Senator NICKLES, Senator COHEN, Senator NUNN, Senator LEVIN, and Senator COCHRAN.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), for himself and others, proposes an amendment numbered 2658.

Mr. DOLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert:

CONTINUED PAYMENT OF DISABILITY BENEFITS DURING APPEAL

SEC. . (a) Section 223(g)(1) of the Social Security Act is amended by striking out "June 1984" and inserting in lieu thereof "December 1984".

(b) Section 223(g)(3)(B) of such Act is amended by striking out "December 7, 1983" and inserting in lieu thereof "June 7, 1984".

SUPPLEMENTAL SECURITY INCOME BENEFITS FOR INDIVIDUALS WHO PERFORM SUBSTANTIAL GAINFUL ACTIVITY DESPITE SEVERE MEDICAL IMPAIRMENT

SEC. . Section 201(d) of the Social Security Disability Amendments of 1980 is amended by striking out "for a period of three years after such effective date" and inserting in lieu thereof "until December 31, 1986".

Mr. DOLE. Mr. President, I have indicated, in answer to the Senator from Arizona (Mr. DECONCINI), in an abbreviated fashion, what these amendments do. I have been advised by the House that they will accept these amendments if we adopt them quickly.

The PRESIDING OFFICER. The Senate will be in order. Anyone who desires to talk will please retire to the cloakroom.

Mr. DOLE. Mr. President, I ask unanimous consent that the names of the following Senators be added as cosponsors of the amendment; Senators MCCLURE, DOMENICI, BOSCHWITZ, THURMOND, D'AMATO, and GORTON.

Mr. LONG. Mr. President, will the Senator ask unanimous consent that any Senators who wish to have their names added as cosponsors may do so?

Mr. DOLE. I make that request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, the amendment I am offering would extend two social security provisions scheduled to expire in December. The first part of the amendment would extend by 6 months the provision in present law which permits social security disability insurance recipients found ineligible for benefits to elect continued payments during appeal. The 5-year cost of this amendment is $110 million.

As my colleagues will recall, this provision was recently extended from October 1 to December 7 in the hopes we could develop and approve a consensus reform bill. That has not been possible in the limited time available. The House failed to take up the disability bill approved by the Ways and Means Committee in September. And, on the Senate side, we have not yet resolved all of the differences necessary to approve a bill very quickly.

We cannot run the risk that terminated beneficiaries are penalized while Congress grapples with developing legislation. This amendment would insure that people terminated from the rolls between December 7 and June 7 are protected during their appeal to an administrative law judge; 6 months is a realistic extension that allows the Congress to take up disability legislation next spring. Another temporary extension will not halt our progress on more comprehensive legislation. I plan to hold a hearing in the Finance Committee during the recess so that valuable time is not lost.

I might remind my colleagues that a shorter extension, say 3 months, would not provide any additional protection to beneficiaries. Even if the continued payments provision were to expire on December 7, and we reverted to old law, terminated beneficiaries would be protected through March of next year. This is because benefits are automatically payable for the month of termination plus 2 additional months; and the benefit payable for any particular month is received the following month. This means that if someone were terminated in December, they would receive their last check in March. Providing additional protection for beneficiaries warrants at least this 6-month extension.

I urge my colleagues to support this amendment.

The second part of this amendment would extend by 3 years a vital provision in the supplemental security income (SSI) program: section 1619 (a) and (b) of the Social Security Act. Section 1619, which expires on December 31, allows severely impaired SSI recipients to continue receiving cash payments and/or medicaid despite earnings. CBO estimates the cost of this amendment at about $5 to $10 million annually.

Section 1619 was a part of the work incentive provisions in the 1980 disability amendments; 200 to 300 people are receiving special SSI payments under this provision and about 5,000 to 6,000 people are receiving medicaid. At least for this small group of severely impaired people, section 1619 has allowed them to live a more independent life through work. Without this provision, many—if not all of these people—would have to quit working in order to maintain their medicaid protection.

On August 3, I introduced S. 1737—along with Senators BIDEN, HEINZ, and others—which would have permanently extended section 1619. The argument has been made that a more limited extension would force—and allow—Congress to periodically monitor this program. I see some advantage in that approach and therefore am willing to support the 3-year extension in this amendment.

I urge my colleagues to support this important amendment.

I yield to the Senator from Maine (Mr. COHEN).

Mr. COHEN. I thank the Senator.

Mr. President, I am going to support this legislation because I am concerned that people are being callously thrown off the disability rolls, and without this legislation they will be harmed during a period we are not in session.

Mr. President, yesterday the Senate had the chance to pass long overdue, significant reforms in the social security disability program. By three votes, however, the Senate instead chose to table the legislation which Senator LEVIN and I offered. Because the Senate failed to act, yet another extension of the temporary law providing for the continuation of benefits for claimants who appeal termination decisions is necessary.

I want to protect the truly disabled who are being callously thrown out of the disability program, and, for that reason alone, I will vote for another extension of the temporary law.

But I want to put the Senate on notice that my patience is spent. I am tired of waiting for the Senate Finance Committee to face up to disability legislation. I am tired of having repeated promises to act on my legislation broken because of the strong feel-

ings and objections of the Senator from Louisiana (Mr. LONG). I am tired of waiting for the administration to decide what provisions of which reform package it can support. Mr. President, patience in the pursuit of disability legislation has proven to be no virtue.

Congress must remedy the grave injustices occurring in the disability program. Because we have not acted, the States have taken matters into their won hands. With each passing week, there is another Governor who chooses civil disobedience instead of following an unjust law. This has produced chaos, and if it continues, the Federal Government will soon realize no savings from the disability reviews because no States will be conducting them.

Our failure to act sooner on this issue has engendered disrespect for the rule of law and has permitted serious inequities to continue unabated. It is irresponsible for us to adjourn before passing comprehensive legislation to remedy this serious and longstanding problem.

Next year, I intend to offer the disability reform amendments to the first available vehicle that comes to the Senate floor, and I will continue to press on this issue until it is finally resolved.

Mr. LONG. Mr. President, I am pleased to support this measure and to be a cosponsor of it.

I believe this is the correct answer to the problems at this moment.

As I said yesterday, when I had a chance to discuss this matter, the committee does intend to act, and it should act in the area of disability insurance. I hope we will have the opportunity to consider all the suggestions of all Senators, as well as everyone else in a position to advise us on this matter, because this is a very significant area of legislation.

The PRESIDING OFFICER. The Senate will be in order. The Senate is not in order. Will those talking please retire to the cloakroom?

Mr. LONG. Mr. President, this is an area that should receive the thoughtful and careful attention of the Senate.

Again let me say that I desire very much to see that every person who is truly disabled will have the benefit of this program. On the other hand, I also believe that we owe the taxpayers some consideration.

On the average, a taxpaying family today has approximately $10,000 spent every year by the Federal Government alone. The American people are generous in their compassion, but they do expect that their money will be spent wisely.

Mr. DOMENICI. Mr. President, I rise in support of the amendment to extend the current temporary provision in social security law that allows beneficiaries who are removed from the program to draw benefits while they appeal the removal.

As my colleagues know, the temporary provision expires on December 7. Unless Congress acts before it adjourns, many disabled Americans face the specter of abruptly losing their benefits.

The Senate had an opportunity yesterday to make significant and much needed reforms in the social security disability program. I supported that effort. Unfortunately, a majority of the Senate believed that major changes are not needed at this time, and so the reforms failed to pass.

Mr. President, we have before us an amendment that does not go as far as this Senator would like, but is much better than just allowing current law to expire. Passage of this amendment does not preclude the Senate from working toward a more comprehensive reform proposal. I, for one, will work toward this in the next session of Congress. In the meantime, I hope my colleagues will join me in allowing beneficiaries who are removed from the program to draw benefits while they appeal the removal.

Mr. COCHRAN. Mr. President, earlier this year I joined my colleagues, Senator COHEN and Senator LEVIN, in cosponsoring legislation to reform the social security disability program and resolve the severe administrative problems the program has been plagued with since the implementation of the 1980 Social Security Disability Amendments. This legislation received widespread support in the Senate, with over 30 cosponsors, and every effort was made to urge the Finance Committee to report this important legislation to the Senate. The situation in the States has become disastrous, with some States developing their own eligibility criteria, different from the Social Security Administration's standards and others following the dictates of the courts that have been increasingly called upon to rule in matters concerning social security disability cases. This situation is unacceptable and must be addressed prior to adjournment.

While I have consistently supported efforts in the last few years to provide comprehensive reform of this embattled program, including support for moratoriums on the continuing disability reviews which gave Congress a chance to study the problems, I have not been willing to have this crucial legislative issue attached to appropriations measures due to the need to maintain the integrity of the appropriations process.

The amendment offered by my colleagues tonight is a compromise version of the legislation we would have liked to have enacted. It responds to the more pressing and immediate needs of the States to have some uniform guidelines for making disability determinations, while at the same time reduces the costs of implementation of these reforms—a matter of great concern to us all.

I commend my colleagues, Senator COHEN and Senator LEVIN, for the tremendous job they have done in providing leadership on this very important issue.

Mr. RUDMAN. Mr. President, I thank the Senator from Alaska for his gracious remarks.

Mr. BAKER. Mr. President, I commend the Senator from New Hampshire (Mr. RUDMAN) for his management of this conference report. It is a major piece of legislation, perhaps the largest one with which we deal. His handling of it was exemplary, as his service in the Senate has always been.

(The names of Mr. BYRD, Mr. MELCHER, Mr. BIDEN, Mr. RIEGLE, and Mr. EXON were added as cosponsors.)

The PRESIDING OFFICER. Is there further debate?

Mr. DOLE. Mr. President, I know that some Members prefer not to have a rollcall vote, but there have been a number of requests of me that there be a rollcall vote. Therefore, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Did the Senator from Kansas request the yeas and nays on final passage or on the amendment?

Mr. DOLE. On final passage.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2658) was agreed to.

The PRESIDING OFFICER. The question is, Shall the bill pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from North Dakota (Mr. ANDREWS), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Florida (Mrs. HAWKINS), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Nevada (Mr. LAXALT), the Senator from Illinois (Mr. PERCY), the Senator from Delaware (Mr. ROTH), the Senator from South Carolina (Mr. THURMOND), the Senator from Virginia (Mr. TRIBLE) and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea".

Mr. BYRD. I announce that the Senator from Texas (Mr. BENTSEN),

the Senator from Florida (Mr. CHILES), the Senator from California (Mr. CRANSTON), the Senator from Illinois (Mr. DIXON), the Senator from Connecticut (Mr. DODD), the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Massachusettes (Mr. KENNEDY), and the Senator from Maryland (Mr. SARBANES) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. DIXON) and the Senator from Massachusettes (Mr. KENNEDY) would vote "yea".

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 80, nays 0, as follows:

[Rollcall Vote No. 381 Leg.]

YEAS—80

Abdnor	Gorton	Moynihan
Armstrong	Grassley	Murkowski
Baker	Hart	Nickles
Baucus	Hatch	Nunn
Biden	Hatfield	Packwood
Bingaman	Hecht	Pell
Boren	Heflin	Pressler
Boschwitz	Heinz	Proxmire
Bradley	Helms	Pryor
Bumpers	Huddleston	Quayle
Burdick	Humphrey	Randolph
Byrd	Inouye	Riegle
Cochran	Jepsen	Rudman
Cohen	Johnston	Sasser
D'Amato	Kasten	Simpson
Danforth	Lautenberg	Specter
DeConcini	Leahy	Stafford
Denton	Levin	Stennis
Dole	Long	Stevens
Domenici	Lugar	Symms
Durenberger	Mathias	Tower
Eagleton	Matsunaga	Tsongas
East	Mattingly	Wallop
Evans	McClure	Warner
Exon	Melcher	Wilson
Ford	Metzenbaum	Zorinsky
Garn	Mitchell	

NAYS—0

NOT VOTING—20

Andrews	Glenn	Percy
Bentsen	Goldwater	Roth
Chafee	Hawkins	Sarbanes
Chiles	Hollings	Thurmond
Cranston	Kassebaum	Trible
Dixon	Kennedy	Weicker
Dodd	Laxalt	

So the bill (H.R. 3391), as amended, was passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. COCHRAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HOUSE CONCURRENT RESOLUTION 221—PROVIDING FOR THE SINE DIE ADJOURNMENT OF THE FIRST SESSION OF THE 98TH CONGRESS

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate House Concurrent Resolution 221, which is the concurrent adjournment resolution.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 221) providing for the sine die adjournment of the 1st session of the 98th Congress.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER Mr. President, has the Chair laid before the Senate House Concurrent Resolution 221?

The PRESIDING OFFICER. It is before the Senate.

Mr. BAKER. Mr. President, I yield to the minority leader.

Mr. BYRD. Mr. President, what is the measure before the Senate?

Mr. BAKER. Mr. President, this, I am happy to report to the minority leader of the Senate, is the—

The PRESIDING OFFICER. The Senate will be in order. The Senate is not in order. Will those having conversations please retire to the cloakrooms?

Mr. BAKER. Mr. President, it gives me great pleasure to say I have in my hand two resolutions of adjournment. I understand that it is required under the situation at hand, especially in relation to the reassembling of Congress in the event that seems necessary or desirable, that we pass the two. The first one is a concurrent resolution. The following one is a joint resolution.

Mr. BYRD. Mr. President, these resolutions are not debatable. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. May I have 1 minute? I ask unanimous consent.

The PRESIDING OFFICER. Is there objection? Without objection, the Senator may proceed for 1 minute.

Mr. BYRD. Mr. President, I alerted the distinguished majority leader to the fact that I would be asking a couple of questions.

Mr. President, will the Senator be taking up the conference report on the FCC?

Mr. BAKER. Yes. The conference report is here. It is cleared on this side. It is our intention to call it up.

Mr. BYRD. I thank the majority leader.

Second, will the extension of the Export Administration Act come before us?

Mr. BAKER. Yes, Mr. President. There is a bill that has been introduced. It is a simple extension. It is the intention of the leadership on this side to turn to its consideration.

Mr. BYRD. Mr. President, I am glad that the majority leader has answered those questions in the affirmative. I appreciate the courtesy of the Senate in allowing me 1 minute to pose these questions.

Mr. BAKER. If the Senator will yield to me, Mr. President, if he has a few seconds left, I might also announce that in addition to these measures, there are a few others that have to be dealt with: The State Department authorization conference report, for instance; the intelligence authorization conference report; the resolution of the Rules Committee to continue the existence of the Indian Affairs Committee.

Mr. President, I do not expect any more rollcall votes, but to tell you the truth, I did not expect that last rollcall vote. I urge Senators not to leave yet until we see how things develop.

I thank the Senator for yielding to me.

Mr. President, I ask the Chair to put the question on House Concurrent Resolution 221.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (H. Con. Res. 221) was agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, November 17, 1983, on Friday, November 18, 1983, or on Saturday, November 19, 1983, pursuant to a motion made by the Majority Leader, or his designee, in accordance with this resolution, and that when the Senate adjourns on Thursday, November 17, 1983, on Friday, November 18, 1983, or on Saturday, November 19, 1983, pursuant to a motion made by the Majority Leader in accordance with this resolution, they stand adjourned sine die, or until 12 o'clock meridian on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution.

SEC. 2. The Speaker of the House, after consultation with the Minority Leader of the House, and the Majority Leader of the Senate, after consultation with the Minority Leader of the Senate, acting jointly, shall notify the Members of the House and Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

PROVISION FOR THE CONVENING OF THE 2D SESSION OF THE 98TH CONGRESS

Mr. BAKER. I send to the desk a joint resolution and ask that it be stated by the clerk.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 421) providing for the convening of the second session

of the 98th Congress, and for other purposes.

The PRESIDING OFFICER. Without objection, the joint resolution will be considered as having been read the first and second time by title.

Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (H.J. Res. 421) was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress Assembled, That the second regular session of the Ninety-eighth Congress shall begin at 12 o'clock meridian on Monday, January 23, 1984.

SEC. 2. That prior to the convening of the second regular session of the Ninety-eighth Congress on January 23, 1984, as provided in section 1 of this resolution, Congress shall reassemble at 12 o'clock meridian on the second day after its Members are notified in accordance with section 3 of this resolution.

SEC. 3. The Speaker of the House, after consultation with the Minority Leader of the House, and the Majority Leader of the Senate, after consultation with the Minority Leader of the Senate, acting jointly, shall notify the Members of the House and the Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

INTELLIGENCE AUTHORIZATION—CONFERENCE REPORT

Mr. BAKER. Mr. President, if I may have the attention of the minority leader, the leadership on this side would like to proceed to the consideration of another conference report. I am speaking of the conference report on the intelligence authorization bill, H.R. 2968.

Mr. BYRD. No objection, Mr. President.

Mr. BAKER. Mr. President, I submit a report of the committee of conference on H.R. 2968 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2968) to authorize appropriations for fiscal year 1984 for intelligence and intelligence-related activities of the United States Government, for the Intelligence Community Staff, for the central intelligence Agency Retirement and Disability System, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of today, November 18, 1983.)

Mr. MOYNIHAN. Mr. President, it is my judgment that the compromise reached today by the Conference Committee on the Intelligence Authorization Act for fiscal year 1984 would not have been possible if the Senate Select Committee on Intelligence had not forced the administration last May to formulate a new Presidential finding which would more clearly articulate its goals in Nicaragua. This was done and the result was a bipartisan vote of 13 to 2 for the new finding.

As I noted on the floor the day the Senate passed the Intelligence Authorization Act (November 3), the distance between the House and the Senate was not as large as many might have thought. Both committees understood the Government of Nicaragua to be in violation of international law. This was recognized by an express finding in the Intelligence Authorization bill passed by the House. The finding states:

By providing military support (including arms, training and logistical command and control, and communications facilities) to groups seeking to overthrow the government of El Salvador and other Central American governments, the Government of National Reconstruction of Nicaragua has violated article 18 of the Charter of the Organization of American States which declares that no state has the right to intervene directly or indirectly, for any reason whatsover, in the internal or external affairs of any other state.

The United States, in upholding these covenants, has a duty to respond to these violations of law. Our response, however, must be both proportional and prudent.

With such standards in mind, it was the Senate committee's judgment that the means chosen by the House to halt these violations—fences, radar planes, and so forth—would be ineffective and present an unacceptably high risk to U.S. forces who would almost surely become involved in putting such arrangements in place. On the other hand, it was also the committee's judgment that the previous finding had been too broad and not sufficiently specific with respect to the program's goals.

Along with my colleagues, I pressed the administration to redefine its covert program to assure that it was in accord with our obligations under international law. I believe the new Presidential finding reflects this counsel. Thus, the goal with this program is as it should be—to bring the Government of Nicaragua into conformity with accepted norms of international behavior.

In this regard, I believe it is fair to say that the committee achieved an important measure of success, and that the result of the conference stands as confirmation of this.

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2968) to authorize appropriations for fiscal year 1984 for intelligence and intelligence-related activities of the U.S. Government, for the intelligence community staff, for the Central Intelligence Agency retirement and disability system, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—INTELLIGENCE ACTIVITIES

Due to the classified nature of intelligence and intelligence-related activities, a classified annex to this joint explanatory statement serves as a guide to the classified schedule of authorizations by providing a detailed description of program and budget authority contained therein as reported by the committee of conference.

The actions of the conferees on all matters at difference between the two Houses—stated in the classified annex accompanying the House bill, and the classified supplement and appendix thereto that accompanied the Senate amendment—are shown below or in the classified annex to this joint statement.

A special conference group resolved differences between the House and Senate regarding DOD intelligence related activities, referred to as tactical intelligence and related activities (TIARA). This special conference group was necessitated by the differing committee jurisdictions between the two Houses and consisted of members of the House and Senate Committees on Armed Services and the House Permanent Select Committee on Intelligence.

The amounts listed for TIARA programs represent the funding levels jointly agreed to by the TIARA conferees and the House and Senate conferees for the Department of Defense Authorization Act, 1984, for those programs subject to annual authorization and contained in the Department of Defense Authorization Act (Public Law 98-94). In addition, the TIARA conferees have agreed on the authorization level, as listed in the classified schedule of authorizations, the joint statement, and its classified annex, for

TIARA programs which fall into the appropriation categories of military pay and military construction.

SECTION 103

The House bill contained a provision, section 103, that had three parts. It stipulated that during fiscal year 1984, no funds may be appropriated or otherwise made available through transfer, reprograming, et cetera, for intelligence or intelligence-related activities unless specifically authorized or unless the appropriate committees of Congress have been notified of the intent to make such funds available. Section 103 also contained the requirement that all transfers of funds from one account to another be for a higher priority program. Last, section 103 stated that no funds may be provided to support a program denied by Congress. The Senate amendemnt contained a provision, section 101(c), which included only the first part of section 103.

The conferees agreed to the House provsion with the understanding that, if the proposed activity is materially different from that denied funding with prejudice, section 103 would not present any bar to a release from the reserve for contingencies or a reprograming request.

SECTION 106

The House bill contained a provision, section 106, authorizing appropriations of $13,800,000 for the counterterrorism program of the Federal Bureau of Investigation. The Senate amendment contained no comparable provision.

The conferees agreed to the House provision.

SECTION 108

Section 108 of the House bill contained provisions one, terminating funding for military or paramilitary activities in Nicaragua after the expiration of a classified period of time for withdrawal of combatants from Nicaragua, and two, authorizing $50 million for arms interdiction assistance to friendly Central American countries. The Senate amendment had no comparable provision.

The conferees agreed to a compromise provision which sets a cap of $24 million for military or paramilitary activities in Nicaragua during fiscal year 1984.

SECTION 109

Section 109 of the House bill expressed the sense of Congress concerning certain activities of the Government of Nicaragua. The Senate amendment had no comparable provision.

The conferees agreed to a compromise statement as follows:

SEC. 109. (a) The Congress finds that—

(1) the Government of National Reconstruction of Nicaragua has failed to keep solemn promises, made to the Organization of American States in July 1979, to establish a full respect for human rights and political liberties, hold early elections, preserve a private sector, permit political pluralism, and pursue a foreign policy of nonaggression and nonintervention;

(2) by providing military support (including arms, training, and logistical, command and control, and communications facilities) to groups seeking to overthrow the Government of El Salvador and other Central American governments, the Government of National Reconstruction of Nicaragua has violated article 18 of the Charter of the Organization of American States which declares that no state has the right to intervene, directly or indirectly, for any reason whatsoever, in the internal or external affairs of any other state;

(3) the Government of Nicaragua should be held accountable before the Organization of American States for activities violative of promises made to the Organization and for violations of the Charter of that Organization; and

(4) working through the Organization of American States is the proper and most effective means of dealing with threats to the peace of Central America, of providing for common action in the event of aggression, and of providing the mechanisms for peaceful resolution of disputes among the countries of Central America.

The President should seek a prompt reconvening of the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs of the Organization of American States for the purpose of reevaluating the compliance by the Government of National Reconstruction of Nicaragua—

(1) with the commitments made by the leaders of that Government in July 1979 to the Organization of American States; and

(2) with the Charter of the Organization of American States.

(c) The President should vigorously seek actions by the Organization of American States that would provide for a full rang of effective measures by the member states to bring about compliance by the Government of National Reconstruction of Nicaragua with those obligations, including verifiable agreements to halt the transfer of military equipment and to cease furnishing of military support facilities to groups seeking the violent overthrow of government of countries in Central America.

(d) The President should use all diplomatic means at his disposal to encourge the Organization of American States to seek resolution of the conficts in Central America based on the provisions of the Final Act of the San Jose Conference of October 1982, especially principles (d), (e), and (g), relating to nonintervention in the internal affairs of other countries, denying support for terrorist and subversive elements in other states, and international supervision of fully verifiable arrangements.

(e) The United States should support measures at the Organization of American States, as well as efforts of the Contadora Group, which seek to end support for terrorist, subversive, or other activities aimed at the violent overthrow of the governments of countries in Central America.

(f) Not later than March 15, 1984, the President shall report to the Congress on the results of his efforts pursuant to this Act to achieve peace in Central America. Such report may include such recommendations as the President may consider appropiate for further United States actions to achieve this objective.

TITLE II—INTELLIGENCE COMMUNITY STAFF

The House bill (sec. 201) authorized $19,100,000 and 215 personnel for the intelligence community staff in fiscal year 1984. The Senate amendment (sec. 201) authorized $17,700,000 and 211 personnel for the staff. The conferees agreed to a total authorization of $18,500,000 and 215 personnel.

INTELLIGENCE COMMUNITY STAFF (ICS) CONFERENCE ACTIONS—FISCAL YEAR 1984

[In millions of dollars]

Project	Fiscal year 1984 request	Changes			
		House action	Senate action	Conference action	Authorizatoin
Pay raise	.....	+0.2	.....	+0.2	0.2
Personnel level—funding	10.4	.....	−0.1	.....	10.4
(Manpower)	(215)	(.....)	(−4)	(.....)	(215)
External contracts	4.6	.....	−1.1	0.6	4.0
Funding not at issue	3.9	.....	.....	.....	3.9
Total ICS funding	18.9	+0.2	−1.2	−0.4	18.5
Total ICS manpower	(215)	(.....)	(−4)	(.....)	(215)

PAY RAISE, +$0.2M

The conferees agreed to authorize the $200,000 recommended by the House for a 4-percent pay raise for all IC staff employees as of January 1, 1984.

EXTERNAL CONTRACTS, −$0.6M

The Senate reduced IC staff external contracts by $1.1 million. The House authorized the requested $4.6 million for external contracts. The conferees agreed that $0.6 million in external studies and analysis contract funding was not adequately justified.

IC staff personnel—no reduction.

The conferees agreed to the House position.

SECTION 403

Section 202 of the Senate amendment provided the same treatment—pay, independence from his service while at IC staff—for a commissioned military officer who is appointed director of the intelligence community staff as is given commissioned military officers who serve as either Director or Deputy Director of Central Intelligence under the National Security Act of 1947. It further provided that the rank or grade of the director of the intelligence community staff be exempt from the numbers and percentages of commissioned officers of his rank and grade in the service of which he is a member, except that only one commissioned officer who occupies the position of Director or Deputy Director of Central Intelligence or the position of director of the intelligence community staff shall be exempt from the applicable numbers and percentages for officers of similar rank in his service at any one time. The House bill had no comparable provision.

The conferees agreed to the Senate provision, which provides permanent authority for such treatment of military officers in the above listed positions, whereas the Defense Authorization Act, fiscal year 1984 (Public Law 98-94) contained a similar provision which was limited in applicability solely to fiscal year 1984. That provision of the Defense Authorization Act had been supported by the House conferees.

SECTION 501

Section 405 of the Senate amendment provided authority to the Director of the Defense Intelligence Agency to provide benefits and allowances to personnel of the defense attaché system comparable to those provided under the Foreign Service Act of 1980 to officers and employees of the State Department stationed abroad. The House bill had no comparable provision.

The conferees agreed to the Senate provision with amendments to make clear that the authority provided to the Director of DIA is limited only to authorizing benefits to military or civilian personnel of the defense attaché system and to require that regulations implementing such benefits be provided to the House and Senate Intelligence and Armed Services Committees, in the same manner as CIA and NSA regulations implementing similar authorities for those agencies have been provided to the House and Senate Intelligence Committees.

I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. BAKER. I move to reconsider the vote.

Mr. WALLOP. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ARMS CONTROL AND DISARMAMENT AGENCY AUTHORIZATION—CONFERENCE REPORT

Mr. BAKER. Mr. President, the leadership on this side would like to proceed to the consideration of the conference report on H.R. 2906, the Arms Control and Disarmament Agency authorization.

Mr. BYRD. Mr. President, it will take a moment.

Mr. BAKER. Mr. President, once more, may I inquire of the minority leader if he is prepared to clear the consideration of this conference report?

Mr. BYRD. Yes, Mr. President.

Mr. BAKER. Mr. President, I submit a report of the committee of conference on H.R. 2906 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2906) to amend the Arms Control and Disarmament Act is order to extend the authorization of appropriations, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of November 17, 1983.)

Mr. MATHIAS. Mr. President, the Senate bill had a total of four amendments not contained in the original House bill and the House bill had one amendment not incorporated in the Senate bill. With respect to the Senate amendments, the House receded on all four amendments. The Senate receded on the one amendment offered by the House of Representatives.

The three of the four Senate amendments are designed to improve the effectiveness of the Agency in its key role in the arms control process. The first amendment creates a visiting scholars program. The intent is to bring into the Agency specialists in the physical sciences and other fields that are relevant to the conduct of arms control research and negotiations. The second amendment authorizes ACDA to hire up to eight specialists in arms control, military and strategic affairs, who also have a demonstrated fluency in the Russian language. I believe that this combination of skills can enhance the effectiveness of U.S. negotiations. The third amendment elevates our Intermediate-range Nuclear Force (INF) negotiator, Paul Nitze. This measure gives him equal status and the same title as our START negotiator. We are entering the critical period of initial INF missile deployments. It is in our interest to demonstrate to the Soviets and to our allies that we are determined to reach an arms control accord in INF. This amendment serves this objective.

The fourth amendment asks the President to submit a report on Soviet compliance or noncompliance with existing arms control agreements to which the Soviets are a party.

The conference reached a compromise on the House amendment. The compromise would enhance the role of the Director of ACDA in national security decisionmaking. Under this provision the ACDA Director would be invited to participate in the NSC on all national security issues with an arms control implication. ACDA is the only Agency in Government charged exclusively with arms control. The NSC would benefit from this special perspective. Therefore, the Senate conferees receded to the House on this amendment.

Mr. President, the Senate conferees recommend the adoption of the conference report. The amendments agreed to meet the concerns of the Senate in advancing the cause of arms control.

Mr. PELL. Mr. President, I think the agreements arrived at in this conference report represent a fair compromise. I endorse the overall approach taken in the ACDA bill—increasing the visibility of ACDA increases through modest in personnel and by upgrading the status of the INF negotiator. I recommend its passage.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. BAKER. I move to reconsider the vote.

Mr. MATHIAS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, appoints the following Senators to the Special Committee on Security and Cooperation with Europe:

The Senator from Kansas (Mr. DOLE); Chairman; the Senator from Utah (Mr. HATCH); the Senator from Pennsylvania (Mr. HEINZ); and the Senator from New York (Mr. D'AMATO).

Mr. DOLE. Mr. President, the Chair, on behalf of the President pro tempore, has appointed at least a Republican member to the Special Committee on Security and Cooperation With Europe. That will be effective on January 1, 1984, as I understand the reso-

lution passed earlier in the conference. I am not certain why the other side does not wish to name members to the Commission at this time, but I hope that that might be done if it can be done in the interim, so we can be prepared to begin our work on January 1, 1984. The distinguished Senator from Rhode Island (Mr. PELL) is a member of the present Commission, as is the Senator from Vermont (Mr. LEAHY). There will be one other vacancy on the Democratic side. Could I have a comment from the Senator from Rhode Island?

Mr. PELL. I appreciate the thought of the Senator from Kansas very much. I am not sure what the wishes are of the minority leader in this regard. I would like to leave this in abeyance, if we could, for a few days.

Mr. DOLE. I thank the Senator.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

FEDERAL COMMUNICATIONS COMMISSION AUTHORIZATION, 1984–85

Mr. BAKER. Mr. President, next I believe there is at the desk a bill from the House on FCC authorization, H.R. 2755, is there not?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, may I say to the minority leader I am prepared to call up that measure, if he is prepared to do so.

Mr. President, I ask the Chair lay before the Senate a bill from the House, H.R. 2755.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 2755) to authorize provisions for the Federal Communications Commission for the fiscal years 1984–1985, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. GOLDWATER. Mr. President, I support this amendment to the Communications Act of 1934 in regards to volunteers administering examinations to amateur radio applicants. The purpose of this provision is to permit the volunteers to be reimbursed by the applicants for their out-of-pocket expenses.

The issue of reimbursement of the volunteers' costs has arisen as a result of the Federal Communications Commission's implementation of section 104 of Public Law 97–259. This section, among other things, permits the Commission to use the uncompensated services of volunteers to prepare and administer amateur radio examinations.

The section permits transfer of the amateur radio examination process, in whole or in part, to the amateurs themselves. This results in three specific benefits. First, there is a significant savings to the Federal Government in both costs and manpower. Second, it solves the problem of increasing unavailability of amateur examinations in many areas of the country due to Commission budgetary constraints. And third, it allows for increasing the examination question data base at the least cost to the Federal Government and thereby lessen the opportunity for applicants to pass the examination merely by memorizing the questions and answers instead of acquiring knowledge of the subject.

The Commission regulations to implement this authority insofar as the introductory novice tests are concerned took effect on September 1, 1983, as set out at volume 48 of the Federal Register, pages 32586–32588. In brief, the Commission has published 250 approved questions for this examination. A volunteer amateur selects 20 questions in accordance with Commission instructions and has the applicant answer them. If the applicant answers at least 15 of the 20 questions correctly, and also demonstrates the ability to send and receive Morse code at a rate of 5 words-per-minute, the volunteer certifies these facts to the Commission and a license is issued.

The new regulations applicable to the introductory novice examinations considerably speed up the process and eliminate some of the tasks which previously burdened the Commission and caused delays in the issuance of licenses. The provision I am supporting today is not intended to have any effect upon the present novice program, which is structured in a manner which does not require volunteers to incur significant expense. I do not expect the Commission to authorize collection of any charges whatsoever related to the present novice program. It is a good program, it has been very successful, and there is absolutely no need to charge anyone anything in return for the novice examination.

The regulations applicable to examinations for the higher class amateur radio licenses, however, are significantly different, and this legislation is addressed solely to the process of administering examinations for these higher class licenses.

The Commission has implemented the authority to accept voluntary uncompensated services from amateurs in such a way that volunteers will inevitably incur significant expense. Unlike the regulatory scheme which the FCC applied to the novice examination procedure, that recently announced (vol. 48 Federal Register pp. 45652–45661) to govern examinations for the higher class licenses requires two levels of volunteers. The first level, so-called volunteer examination coordinators (VEC's) would deal directly with the Commission and be responsible for coordinating the examinations within their assigned area. The continental United States is divided into 10 large areas, and each VEC is required to oversee the exams within his entire area.

The examination questions would be selected in advance by the FCC from publicly available lists. The VEC would have to print the exam and distribute them to the local volunteers. The examination would consist solely of questions periodically selected by the FCC and communicated to the coordinator. After the examination is administered, the results would be forwarded to the coordinator for checking, then the papers sent to the FCC for issuance of the appropriate license.

The volunteers on the local level would be responsible for actually administering the examinations and sending the completed papers to the coordinator.

Obviously examinations should be honestly conducted under proper conditions, but quite frankly I am not convinced that this detailed Federal regulation is necessary to administer a simple amateur radio examination. Therefore I have suggested some simplifications to FCC Chairman Fowler which would lessen the ultimate cost of the examination process and at the same time safeguard the system against cheating through unauthorized disclosure of the exact exam questions chosen by the FCC for a particular period.

One purpose of Public Law 97–259 was to put an end to the type of situation where an applicant goes into the examination knowing which questions will be asked. The FCC implementation of the legislation includes some of the problems of the present system, and the present system has unfortunately become quite "leaky." I have made some specific suggestions to the FCC Chairman about how this problem can be rectified, and the suggestions would at the same time lessen the costs to the volunteers.

I have been assured that the Commission will continue to administer examinations until a viable volunteer system is up and running in each area. I think my suggestions to the FCC Chairman, if accepted, will facilitate this process.

The organizing of volunteers to give examinations may entail significant costs to the volunteer organizations and individuals. This is especially true if the present rules which require a coordinator to print and distribute examinations to individual examinees throughout a wide geographic area remain in effect. One area, for example, extends from Virginia south to Florida and west to Tennessee and

Kentucky. With only 10 areas in the continental United States and a requirement that each coordinator be responsible for the entire area, significant costs to the coordinator appear inevitable.

The provision I am supporting today is for the purpose of allowing the amateur volunteers to recover their out-of-pocket costs. The provision would authorize the recoupment of only these costs, and there would be an upper limit to such recoverable costs of $4 per examinee—adjustable for inflation. I want to emphasize that this $4 figure is an upper limit. The volunteers could not be authorized to recover more than their actual expenses, and would be required to certify to the Commission that all costs for which reimbursement was obtained were necessarily and prudently incurred.

The provision purposefully leaves actual implementation details to the Commission or to the volunteers themselves. For example, whether the volunteer coordinators, the volunteer administrators—VEC's and VE's in FCC parlance—or both will be allowed to recover costs is left to administrative discretion in order to insure the flexibility necessary to meet both present and future situations.

Ten years ago, when the FCC was charging fees for amateur examinations, each of us paid $4 and most felt that amount to be within the zone of reasonableness even back then. The FCC today estimates the cost of administering each examination to be over $7. Therefore this $4 limit—which to an amateur represents the cost of admission to one ham swapfest—appears to be reasonable. The savings made by utilizing amateur volunteers to prepare and administer the examinations would be passed along to the applicant.

Passage of this provision will help insure that the volunteer process is a success, and not hampered by persons and organizations being deterred from helping out by a fear of incurring unrecoverable out-of-pocket costs.

Mr. President, I ask unanimous consent that my letter to Mark Fowler, and his response, be printed in the RECORD at this point.

There being no objection the letters were ordered to be printed in the RECORD, as follows:

NOVEMBER 3, 1983.

Hon. MARK FOWLER,
Chairman, Federal Communications Commission, Washington, D.C.

DEAR MARK: The Commission recently promulgated regulations in PR Docket 83-27 to govern acceptance of the volunteer services of radio amateurs for the preparation and administration of certain amateur examinations. Many radio amateurs have expressed concern that the volunteers will inevitably incur significant unreimbursable costs under these regulations. Understandably such costs will deter many of the amateurs from volunteering to participate in the volunteer examination program.

By contrast, the regulations recently promulgated in PR Docket 82-727 to govern acceptance of similar services for novice class examinations do not result in such costs, and that program is quite successful.

Under both systems a Commission-approved bank of questions is released to the public. The significant difference is that for novice examinations the volunteers can prepare exams from the Commission-approved questions, whereas for the higher class examinations only the Commission itself can choose the exact questions from the public list. The regulations applicable to the higher class examinations thus require volunteer "coordinators" both to print the examinations and to distribute them, throughout large geographic areas. Additionally, other volunteers are needed to actually administer the examinations.

It seems to me that the printing and distribution of the higher class examinations, and the associated costs, can be shifted to the private marketplace with beneficial results. In fact, this is exactly what is beginning to occur with novice examinations. Already two publishers have announced competing novice examination packages. The applicant can purchase a sealed package containing an examination in Commission-approved format, an answer sheet, and an FCC application form. The volunteer examiner merely unseals the package, hands the exam to the applicant, and grades the exam after its completion. The cost of the examination is determined in the competitive publishing marketplace with no governmental interference.

The Commission might provide some basic guidelines to govern commercial preparation of examinations. For example, each publisher could be required to distribute a minimum number of different question combinations in order for completion of that publisher's examinations to be accepted for licensing purposes. The creation of a wide variety of sealed examinations based upon FCC-approved questions and answers would also reduce the possibility of compromising the integrity of the volunteer examinations.

I think a minor amendment to the rules along these lines would increase participation in the volunteer examinations system and ultimately would result in a more successful program.

BARRY GOLDWATER.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., November 10, 1983.

Hon. BARRY GOLDWATER,
Chairman, Subcommittee on Communications, Committee on Commerce, Science, and Transportation, U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR GOLDWATER: This is in response to your letter of November 3, 1983, regarding recently promulgated regulations in PR Docket No. 83-27. That proceeding implements Public Law No. 97-259 which authorized the FCC to initiate a volunteer examination program above the Novice Class in the Amateur Radio Service. In your letter you recommend that we consider alternatives that would shift printing and distribution costs to the private sector in order to minimize out-of-pocket expenses to volunteer examiners and coordinators. We also note that on November 3, 1983, you introduced legislation (S. 2045) that would expressly allow volunteers to recover such expenses.

The Commission indicated in its Report and Order in PR Docket No. 83-27 that the Miscellaneous Receipts Act, read in conjunction with other statutes, may preclude the imposition of any fee upon amateur operator examinees by volunteer examiners or coordinators. Moreover, Public Law 97-259 authorizes the Commission to delegate its licensing functions to volunteers only on an uncompensated basis. As a consequence, we believe the legislation you proposed on November 3, 1983 is a necessary prerequisite to the imposition of any examination fee, including any requirement that applicants purchase a published examination package.

Aside from the foregoing legal considerations, we believe the legislation you propose may also be the most effective means of insuring that volunteers do not incur inordinate out-of-pocket expenses. Volunteer-Examiner Coordinators (VEC's) and examiners will incur many substantial costs in addition to printing and distribution of examinations. These costs will include costs of telephone calls and written correspondence between the VEC and the FCC and between the VEC and examiners, and overhead for offices, coordination, administration, travel, and procurement of rooms or halls for examination sessions. Removal of printing and distribution burdens will not offset these out-of-pocket costs, and provision of some method for reimbursement for them is also desirable. Accordingly, it appears that S. 2045 would be necessary to allow for the reimbursement of these other prudently incurred out-of-pocket expenditures.

The Commission fully supports S. 2045. If this legislation could be placed on a "fast track" by attaching it to the agency's appropriation bill, it would greatly facilitate implementation of the Volunteer Examination Program.

I hope this response has been helpful. Your letter will be associated with PR Docket No. 83-27 and will be placed in the public file. Your interest in this docket, and in the future and direction of amateur radio, is appreciated.

Sincerely,

MARK S. FOWLER,
Chairman.

Mr. PACKWOOD. Mr. President, I support passage of H.R. 2755 the Federal Communications Commission Authorization Act of 1983. I applaud the hard work and cooperation of all of the Senators involved with this amendment. They will be speaking to their particular provisions; I only wish to address two points.

First, I support the increases in the public broadcasting appropriations authorization levels for fiscal years 1984, 1985, and 1986. These modest increases are intended to help the public broadcasters keep pace with the cost of living.

Second, there have been some questions raised about the public safety provision.

The importance of public safety agencies to our health and welfare cannot be understated. To accomplish their critical role, public safety agencies rely on mobile communications, and this requires adequate frequency spectrum. The public safety amendment, authorizes the FCC, in making spectrum allocations, to assure that

the current and future needs of public safety authorities are met in light of suitable and commercially available equipment. This provision recognizes public safety's need for economical and reliable radio communications.

But by implementing new technologies public safety agencies can continue to improve their service to the public and the efficiency of their spectrum use. It would be unfortunate and unintended if the bill were understood to freeze this progress or to exempt public safety from the responsibility shared by all spectrum users—national, regional and local, public and private—to improve spectrum use efficiency.

Our continued emphasis on new communications services, also reflected in the House report on their bill, requires careful Commission consideration of the full impact of any proposed reallocation of frequency spectrum.

The FCC's Private Radio Bureau recently announced that it will conduct a study of the current and future telecommunications requirements of public safety agencies. We endorse this undertaking and, consistent with the House report on the bill, encourage the Bureau to consider the ability of developing technologies and advanced management and coordination techniques to meet public safety communications needs as alternatives to potentially disruptive spectrum reallocations.

This provision is not intended to and does not impair the Commission's full ability to conduct its study of public safety needs and to implement a plan that serves those needs, the public's interest in maximizing efficient use of existing spectrum, and the other communications needs that must rely on radio frequencies.

Furthermore, legislation does not limit the FCC's responsibility to manage allocations for all private land mobile and microwave radio services since these other private services not only contribute much to the efficient and safe operation of the Nation's industrial, commercial and transportation interests, but also, many of these other private users operate their radio and microwave systems to provide critical communications affecting the safety of life and property of large segments of the public.

Mr. PRESSLER. Mr. President, as a member of the Senate Commerce Committee, I have been involved in a number of debates on the issue of deregulation. One of my first questions in these debates is, "How will this affect the small businessman, the family-run operation, the rural and small town enterprises?"

I am pleased today to support an amendment to H.R. 2755, Federal Communications Commission reauthorization bill which is a satisfactory compromise between the deregulatory philosophy of the FCC and the special needs and concerns of America's small businessmen. This amendment is supported by the Commission, the major organizations representing land mobile technicians and users, and hundreds of small businessmen.

Private land mobile radio communications is an essential part of many small businesses. Plumbers, electricians, repairmen, delivery services, public safety and health officials across the country rely on dependable private land mobile services. These businessmen and public servants are not themselves trained radio technicians. Instead, they rely on licensed, qualified service people to install and maintain their private land mobile transmitters.

The FCC currently requires a license of any service technician who installs and maintains transmitters for private land mobile services and fixed services. However, the FCC recently proposed an elimination of this licensing requirement (General Docket No. 83-322).

Several months ago I began to hear from dozens of South Dakota radio repair technicians who strongly objected to a total elimination of the licensing requirement. I understand that comments filed with the Commission overwhelmingly objected to this proposal. My office has received letters from land mobile technicians in 26 States, including Oklahoma, Ohio, Washington, Illinois, Texas, California, South Carolina, Massachusetts, Florida, Alaska, and New York. All of these businessmen objected to the FCC's proposal.

There are several arguments in favor of some licensing requirement. First of all, it is necessary to understand that private land mobile services use a limited amount of spectrum, often sharing allocations with other services. This sharing of spectrum can easily lead to undue interference and inferior communications. In order to minimize these problems, qualified technicians are needed to protect the technical performance of these systems from added interference. Plumbers and electricians may not know how to properly maintain their radio transmitters. Instead they rely on their local radio technicians who are licensed and qualified. It is clearly in the public interest to maintain some operating standards so that good communications networks are maintained.

On the other hand, in its proposal, the Commission argued that the administrative costs of the present technician licensing program are burdensome and unjustified. Last July I wrote to FCC Chairman Fowler about the Commission's proposal. I ask unanimous consent that my letter and Chairman Fowler's response be included in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION,
Washington, D.C., July 26, 1983.

Hon. MARK S. FOWLER,
Chairman, Federal Communications Commission, Washington, D.C.

DEAR CHAIRMAN FOWLER: I am deeply concerned about the Federal Communications Commission's proposal in Docket No. 83-322. A number of small businessmen engaged in the installation and maintenance of private land mobile equipment have contacted me, objecting to the proposed deletion of the requirement that only those licensed by the FCC can perform these functions. They are concerned that without this licensing requirement, unqualified personnel will perform this work. The result will be the likelihood of increased interference and lowered performance standards in the industry.

As you know, because of limited spectrum, all private land mobile channels are shared. Cooperation and coordination among cochannel and adjacent channel users are essential. Without proper installation and maintenance, effective communications will definitely be impaired.

This potential problem is particularly serious in the Business Radio Service where the user is typically a small businessman, unfamiliar with the technical operation of a radio system. He usually relies on some third party for assistance. Because only licensed operators can now work on this equipment, the small businessman has some assurance that necessary maintenance will be properly performed. Adoption of the Commission's Notice as proposed, however, will leave this small user prey to unqualified repairmen. Without the licensing requirement, how will the average small businessman know that the technican he hires to install or maintain his equipment is knowledgeable? Unfortunately, by the time an improperly adjusted transmitter is located and the station licensee made aware that the technician is unqualified, it is too late. The interference to an unknowing third party may have already had a devasting outcome. Destructive interference to our business, public safety, emergency medical and aviation radio services is not something we can leave to chance, nor can we rely on the trial and error method of locating competent technical assistance.

The concept of an unregulated, competitive marketplace for our telecommunications industries has been a major goal of this Commission. However, this proposal change, as it relates to the private land mobile services, appears to be a misguided attempt to eliminate regulations which are useful and necessary to hundreds of small businesses. As the Commission recognized in the text of the Docket, "we realize that knowledgeable service and installation technicians are often relied upon by our licensees in the Private Land Mobile Radio Services. . . ." I urge the Commission to carefully consider this acknowledgement of the licensing requirement advantages in any decision on this docket.

The Commisson may also wish to explore the possibility of some kind of industry self-certification process. There appears to be some interest in the private sector for such a program. I would be interested to know if any proposals like this have been given consideration.

I look forward to hearing from you on this matter and once again urge the Commission to carefully consider the negative impact if these requirements are abruptly eliminated.

Sincerely,

LARRY PRESSLER,
U.S. Senator.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., August 12, 1983.

Hon. LARRY PRESSLER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PRESSLER: This is in response to your recent letter concerning the Commission's proposal to deregulate radio operator license requirements (Docket 83-322).

Although the period for comments on this docket has passed, your comments will be associated with the record in this matter. The Commission will consider their merits in the interest of developing a full record in this proceeding. I expect the Commission will reach a final decision in this matter by late fall of this year.

A large land mobile association has proposed that the industry itself institute an operator screening process and develop satisfactory testing. If the Commission decides to eliminate the license requirement, this self-certification proposal will have our full consideration.

Please be assured that your expressed concerns in this matter will receive full consideration by the staff and the Commissioners before the Commission makes its final determination.

Sincerely,

MARK S. FOWLER,
Chairman.

Mr. PRESSLER. Chairman Fowler indicated that the Commission would consider some kind of industry self-certification as a way to maintain licensing standards while easing the Commission's regulatory duties.

After I received Chairman Fowler's letter, I urged all parties involved to work out some kind of industry-based licensing process. The National Association of Business and Educational Radio (NABER) proposed language which served as the basis for discussion. NABER is a national organization representing both licensed radio technicians and land mobile users. The FCC made several suggestions which have also been included in the final version of my amendment.

The amendment I am supporting today allows the FCC to permit recognized industry groups or committees to implement a comparable substitute to the present technician licensing system. Such an industry program would be conducted on a reasonable fee basis by private industry groups or committees recognized by the FCC as representative of the affected users and technicians.

I want to thank the Commerce Committee chairman for his assistance. I would also like to commend NABER, the staff of the FCC's Private Radio and Field Operations Bureau, and Dan Phythyon of the Commerce Committee staff for their work on this issue. This amendment is an excellent example of the private and public sectors working together. This amendment will reduce Government regulatory costs while, at the same time, insure a continuation of good communications systems needed by America's small businessmen. I urge the adoption of my provision. I also ask unanimous consent that the attached letters of support for this amendment be included in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

[Telegram]

MITCHELL, S. DAK.,
November 15, 1983.

Senator LARRY PRESSLER,
Washington, D.C.

We plead for your support amendment to Communications Act to allow FCC to recognize industry certification of technicians.

Charles J. Mauszycki.

[Telegram]

RAPID CITY, S. DAK.,
November 15, 1983.

Senator LARRY PRESSLER,
Washington, D.C.

DEAR SENATOR PRESSLER: I strongly oppose the provision in FCC docket 83-322 that abolishes the requirement for a radio telephone operator's license to adjust a two way radio transmitter. I support your proposed amendment to the Communications Act that would authorize the FCC to maintain an industrial certification program for commercial radio operators. Thank you for your past and current efforts to protect two way radio owners from unqualified and unlicensed service organizations.

Respectfully,

MICHAEL A. LEES.

NATIONAL ASSOCIATION OF BUSINESS AND EDUCATIONAL RADIO,
Washington, D.C., November 16, 1983.

Hon. LARRY PRESSLER,
Washington, D.C.

DEAR SENATOR PRESSLER: I am pleased to have this opportunity to endorse the Proposed Amendment to the Communications Act of 1934, now before this Committee. The Amendment would add a new section 4(f)(4)(E), which would have the effect of granting the Federal Communications Commission the authority to permit industry groups or committees recognized by the FCC to be representative of the licensees and technicians to implement an industry certification process for technicians and operators of Private Land Mobile and Fixed Facilities. The FCC-sanctioned industry certification would serve as a comparable substitute for the technician licensing program in the Private Land Mobile and Fixed Services which the FCC currently administers.

The National Association of Business and Educational Radio, Inc. (NABER) is a national non-profit association comprised of Business Radio Service licensees and vendors of private land mobile radio products and services. Further, the Professional Mobile Radio Service Section ("PMRSS") of NABER was formed in 1976 to advocate the interests of land mobile radio service and sales professionals. Expediting the efficient and compatible use of the spectrum has been one of NABER's primary concerns as an organization. NABER has also been a recognized frequency coordinator in the Business Radio Service for over ten years. In this respect, NABER represents the interests and concerns of the single largest group of private land mobile radio users, as well as those involved in the daily servicing and maintenance of private land mobile facilities.

In my capacity as President of NABER, I have encountered a consistent opposition from the constituency of my association regarding the FCC's proposal to dispense with their present requirement that all individuals operating or maintaining licensed private land mobile facilities must be the recipient of a general radio telephone operators license. The private land mobile services are characterized by intensive sharing of limited spectrum, not only with other private land mobile users, but with licensees of other communication services, therefore proper transmitter maintenance is crucial to compatible use of the spectrum. The members of NABER's PMRSS Section are so concerned with the issue of transmitter servicing and maintenance being performed by qualified technicians, that the results of a survey conducted by NABER indicate that PMRSS members consider the present technician licensing scheme of the FCC not rigorous enough. PMRSS advocates a certification process which would more accurately test the skills required to perform the proper installation servicing and maintaining of licensed facilities.

Therefore, NABER strongly advocates implementation of an industry certification program which would serve as a valid substitute for the FCC's current technician licensing program. In this way, the public interest would be furthered by insuring that Private Land Mobile and Fixed Service users would receive quality communications service.

Sincerely,

E. B. "JAY" KITCHEN, JR.,
President.

WEST KENTUCKY 2-WAY RADIO, INC.,
Central City, Ky., November 15, 1983.

Senator LARRY PRESSLER,
Washington, D.C.

DEAR SENATOR PRESSLER: I would like to voice my wholehearted support for your ammendment to the communications act to set industry certification of radio operators in the communications industry.

Our company has 25 dedicated years servicing the communications needs of the business community. I feel that without your amendment those businesses that are now being serviced by quality technicians will have to rely on sub-standard system design and maintenance thereby affecting their efficiency and profitability.

Thank you for your consideration and support of our industry.

Sincerely,

DON TALKINGTON,
President.

COMMUNICATIONS ENGINEERING CO.,
Dallas, Tex., November 16, 1983.

Senator LARRY PRESSLER,
Washington, D.C.

DEAR SENATOR PRESSLER: While I am not a constituent, on behalf of my company and its employees, I would like to express our support of your proposed amendment to the Communications Act of 1934 which will provide industry certification of commercial radio operators by recognized private groups or committees.

Our company, Communications Engineering Company is one of the largest independ-

ent service organizations in the southwest. We currently operate sixteen branches throughout Texas, Oklahoma and Louisiana and employ in excess of 100 people, with a majority of these individuals holding an FCC license.

Thank you, Senator, for your support and understanding of the need to manage a limited resource, our radio spectrum.

Very truly yours,

DALE WALSH,
President.

RADIO SYSTEMS, INC.,
Seattle, Wash., November 15, 1983.

Hon. LARRY PRESSLER,
Washington, D.C.

DEAR SENATOR PRESSLER: Radio Systems, Inc. has been active in all phases of the land mobile radio business for 26 years and employs 8 or more technicians holding Commercial Radio Operators Licenses.

With the imminent FCC action to abolish these licenses we strongly support your proposal to include a mandatory, Industry Administered, Federal Commercial Radio Operators License to replace the present FCC issued license. A license is absolutely necessary to prevent chaos in the radio industry and only the industry itself has the continuing up-to-date knowledge, record keeping ability and financial incentive to develop and maintain a licensing standard which will protect all of the public users of radio.

Yours very truly,

JOHN C. BLACK,
President.

SIKES RADIO CO., INC.,
Charleston, S.C., November 16, 1983.

Senator LARRY PRESSLER,
Washington, D.C.

DEAR SENATOR PRESSLER: Having been in the two-way radio service business for the past thirty-five years, we have seen many moves by the FCC, some of which we have felt to be for the good. The latest action concerning technician licensing seems to be by far the most foolhardy move, if you would, yet, this action allowing anyone who can turn a screwdriver whether qualified or not to work on transmitters.

I commend and support you in your move to amend the Federal Communications Act to pass on to the service industry the responsibility of certifying the qualifications of those who would be allowed to do the necessary work in transmitting equipment. The television service industry has a program of this sort which I understand is a commendable one.

Since the FCC is no longer interested in supporting us in this matter I feel that we must have some controls instituted, and this is surely by far better then having no controls at all.

Enclosed is a letter to my Senator, Fritz Hollings, urging his support of your actions in this matter.

Thank you very much for your support of our problem which, without your action, will be reflected upon the users of radios across this great nation of ours.

Very truly yours,

JOHN L. SIKES.

GENERAL ELECTRIC CO.,
Springfield, Va., November 17, 1983.

Hon. LARRY PRESSLER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PRESSLER: The Mobile Communications Business Division of General Electric Company (GE) has been advised of your intention to submit an amendment to the FCC Authorization Bill which would enable the Commission to continue its requirements for Licensed Operators in the Private Land Mobile Services. It is GE's understanding that the amendment would propose that the Commission make use of an acceptable outside body to administer the program.

GE is pleased to fully endorse your proposed action.

As a respondent to the Commission's General Docket 83-322, GE strongly pleaded against the abandonment of the licensed operator requirements and I have attached a copy of our comments which you may find useful in your further deliberations.

Although GE has often supported FCC deregulatory efforts, the proposal to eliminate the licensed operator regulation was viewed with a great measure of alarm because of possible calamitous affect on the land mobile environment. I should add that our concerns were shared, almost unanimously, by both suppliers to and users of the land mobile services.

Senator Pressler, GE appreciates your continuing interest on behalf of mobile radio users, and would be most pleased to provide you with any additional information that might be supportive of your effort to amend the Authorization Bill.

Respectfully submitted.

ROBERT M. JOHNSON, *Manager,*
Government Agency Liaison.

NATIONAL ASSOCIATION
OF BROADCASTERS,
Washington, D.C., November 17, 1983.

Senator LARRY PRESSLER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PRESSLER: I am writing to inform you that NAB has no objection to your proposed amendment to the FCC authorization bill which would give to the FCC the authority to endorse industry certification of individuals to perform transmitter installation, operation, maintenance and repair duties in the Private Land Mobile Services and Fixed Services.

NAB concurs with the basic rationale for the bill; that is, in the absence of FCC licensing in the Private Land Mobile servicing area, a uniform standard for qualifications of servicing personnel should be maintained by an industry certification process. In comments to Docket 20817, NAB expressed concern over the possible elimination of FCC licensing because of the potentially significant negative impact of installation, servicing, and maintenance of private radio transmitters by unqualified technicians. Therefore, NAB can look to this amendment as a reasonable substitute for FCC licensing of the technicians.

Sincerely,

EDWARD O. FRITTS.

MOTOROLA INC.,
November 17, 1983.

Hon. LARRY PRESSLER,
U.S. Senator,
Washington, D.C.

DEAR SENATOR PRESSLER: Motorola supports your proposal to amend the Communications Act of 1934 to give the FCC the authority to endorse industry certification of technicians in the Private Land Mobile Services and Fixed Services.

We have hundreds of service facilities throughout the United States manned by technicians authorized by the Commission to install and maintain land mobile equipment. Their role is crucial in enabling mobile and fixed radio users to operate efficiently, with a minimum of interference, in spectrum which is frequently congested.

The FCC's proposal in General Docket No. 83-322 to delete the requirement that such technicians must hold a commercial radio operator's license threatened to expose the land mobile environment to substantially increased interference and degradation of service. Absent any certification that those working on land mobile equipment are qualified, private users may unwittingly turn to incompetent or unscrupulous people to service and maintain their equipment. The result will inevitably impact adversely on other adjacent and co-channel licensees. Efficient utilization of the spectrum will deteriorate.

Your proposal would be a promising solution to that alternative. While recognizing the desire of the FCC to reduce its regulatory burdens, it would provide a mechanism whereby industry itself would undertake the responsibility for assuring the quality of technical personnel. Further, it gives this effort needed stature by providing for Commission endorsement of industry certification.

We support this legislation and encourage its enactment. Motorola intends to be in the forefront of its implementation; we will work with other organizations to develop sound professional standards.

We hope that the Commission will seize the opportunity afforded by this Bill to cooperate with us in establishing a viable program. Your continued leadership would be invaluable.

We are deeply appreciative of what you have done; we hope this Bill becomes law in the very near future.

Very truly yours,

TRAVIS MARSHALL,
Vice President, Motorola, Inc.,
Director, Government Relations.

SPECIAL INDUSTRIAL RADIO
SERVICE ASSOCIATION, INC.,
Rosslyn, Va., November 18, 1983.

Re. S. 607/H.R. 2755—The Land Mobile Licensing Amendment

Hon. LARRY PRESSLER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PRESSLER: The Special Industrial Radio Service Association, Inc. (SIRSA), appreciates this opportunity to submit its views in regard to the above referenced legislative proposal.

SIRSA is the FCC-recognized Frequency Advisory Committee and user group organization for the Commission's Special Industrial Radio Service (FCC Rules & Regulations, Section 90.73). In this capacity we perform various frequency management functions for those engaged in the following industrial activities: mining, agriculture, heavy/utility construction, fuel delivery to consumers, the delivery and placement of concrete or hot asphalt mix, specialized services to the petroleum and gas industries, and agricultural services. There are more than 58,000 Special Industrial two-way mobile radio systems in use today throughout the United States.

Recognition of the need to continue a radio technician certification program is most important, if not vital to support the effective utilization of land mobile radio spectrum. We therefore support the concept of providing the Federal communications Commission with authority to endorse industry certification of individuals to per-

form transmitter installation, maintenance and repair duties in the Private Land Mobile and Fixed Services, if such certification programs are conducted by organizations or committees representative of the users in those services. These organizations or committees should not be composed of officers or employees of the Federal Government.

Should the Federal Communications Commission ultimately propose such an endorsement, SIRSA will want to participate in the regulatory decision making process whether it be by notice and comment or, some other procedure allowing for public participation.

We hope that these comments will be beneficial to your effort, and we appreciate your interest and concern for the private land mobile radio industry.

Sincerely,

MARK E. CROSBY,
President.

Mr. TRIBLE. Mr. President, I am pleased that the amendment proposed by my colleague in the House, Congressman BLILEY, and myself to the Federal Communications Commission Authorization Act which legislatively prohibits the activities of dial-a-porn and similar services has been accepted. This amendment was cosponsored by my colleagues, Senators WARNER, DENTON, JEPSEN, HAWKINS, and NICKLES.

Dial-a-porn is a pornographic tape operated by High Society Life, a hardcore pornographic magazine in New York. This service receives as many as 500,000 calls a day, 20 percent of which are interstate calls. It nets an average of $10,000 daily for the company—substantially more than its income from magazine sales. For the company, this service has become a multimillion dollar a year industry.

Because of the nationwide advertising of this number and its dissemination in the schools, minor children have been exposed to the offensive and damaging messages. This problem has become a national nuisance—one which this Congress must address. Our children are our most important national resource, and we must not shirk our duty to protect them from those who would exploit them and expose them to pornographic materials.

Recently the Supreme Court has acted to protect our children in two cases where substantial first amendment questions were raised by the defendants.

In *Federal Communications Commission* v. *Pacifica Foundation* (438 U.S. 726, 98 S.Ct. 3026, 57 L.Ed.2d 1073) (1978) the Supreme Court determined that certain "dirty words" were indecent and could be prohibited during certain hours from broadcast on radio without violating the first amendment. The Court, speaking through Justice Stevens, noted that radio broadcasting is "uniquely accessible to children" and that "the government's interest in the 'well-being of its youth' and in supporting 'parents' claim to authority in their own household' justified the regulation of otherwise protected expression." (438 U.S. at 749.) Justice Stevens concluded: "The ease with which children may obtain access to broadcast material * * * amply justif(ies) special treatment for indecent broadcasting." (Id)

Last year, in *New York* v. *Farber* (—U.S.—, 102 S.Ct. 3348, —L.Ed.2d—) (1982) the Supreme Court determined that pornographic publications which exploit children, even when not legally obscene, can be prohibited. Justice White wrote for the Court that "we have sustained legislation aimed at protecting the physical and emotional well-being of youth even when the laws have operated in the sensitive area of constitutionally-protected rights." (102 S.Ct. at 3354.) The Court concluded: "The prevention of sexual exploitation and abuse of children constitutes a government objective of surpassing importance." (Id at 3355.)

The dial-a-porn situation is not identical to either of these cases. However, the basic principle in all three situations is identifical: that government has an overriding responsibility to protect innocent children, and this responsibility extends to cases where first amendment issues are raised.

The Communications Act of 1934 currently focuses on protection for the innocent victim of the offensive telephone calls. Since the dial-a-porn number is relatively novel, there is some question as to whether the utterer of the speech which violates the act must be the originator of the call. In coordination with Congressman BLILEY and others, I have sought to work with the FCC and the Department of Justice to seek proper remedies. Congressman BLILEY and I have determined that the only solution is to propose clarifying language to the act. The language that has been included in the FCC authorization was agreed to by Congressman BLILEY and myself with the assistance of the Office of the General Counsel at the FCC and the members and staffs of the House Telecommunications Subcommittee and the House Judiciary Committee.

Specifically, the language would: raise the fine for obscene telephone messages from $500 to $50,000; clarify that the Communications Act does apply to the dial-a-service industry (regardless of who places the call); permit the FCC to asess a civil fine of up to $50,000 per day if the violation is for commercial purposes; allow the FCC or the Department of Justice to seek a court injunction to prevent further violations of section 223 of the Communications Act; and require the FCC to act on all pending complaints within 90 days after enactment of this provision.

Finally, I wish to clarify two points relating to this amendment.

Representatives of the Bell Operating Companies have expressed concern about being prosecuted under this amendment. I have studied this matter carefully and I do not believe that this would be the case. This amendment requires that the dependant knowingly makes or allows to be made a communication which violates section 223 of the Communications Act. All common carriers are prohibited from listening to, or affecting the content of the telephone conversations; therefore the knowingly element will never be met by any common carrier which is obeying the law and the FCC regulations.

For the RECORD, I wish to make perfectly clear that it is not the intent of Congress that a common carrier be prosecuted under this amendment when it is otherwise abiding by the law and FCC regulations and when the telephone calls which are found to violate section 223 are at the initiative of a party which has no financial or other relationship with the common carrier other than that of carrier-customer.

Also, I wish to clarify that the term "for commercial purposes" in this amendment does not require that the party alleged to be in violation of section 223 be receiving a direct profit from the calls; rather, calls which promote, advertise, or publicize a product, a service, or other commercial activity would meet this broad "for commercial purposes" test.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 2755) was ordered to a third reading, was read the third time, and passed.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, if the Senate will give me a moment, I would like to get my bearings and see what is left. For the moment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATE DEPARTMENT AUTHORIZATION—CONFERENCE REPORT

Mr. BAKER. Mr. President, I would say to the minority leader at this time I would like to go to another conference report. I refer to the State Department authorization conference report, which is H.R. 2915.

Mr. President, I ask the Chair lay before the Senate a conference report on H.R. 2915.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2915) to authorize appropriations for fiscal year 1984 and 1985 for the Department of State, the United States Information Agency, the Board for International Broadcasting, the Inter-American Foundation, the Asian Foundation, to establish the National Endowment for Democracy, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of today, November 18, 1983.)

Mr. MATHIAS. Mr. President, H.R. 2915 is a bill authorizing appropriations for fiscal years 1984 and 1985 for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, the Inter-American Foundation and the Asia Foundation.

For fiscal year 1984, the conference substitute authorizes appropriations totaling $3,243,366,000 which is $45 million less than the executive branch request.

For fiscal year 1985, the conference substitute authorizes appropriations totaling $3,482,608,000 which is $92 million less than the administration's request.

Mr. President, I ask unanimous consent that two tables setting forth the amounts authorized by the conference substitute be printed in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

	Executive branch request	House authorization H.R. 2915	Senate authorization S. 1342	Conference substitute
1984				
Administration of foreign affairs (House and Senate secs. 102(1)):				
Salaries and expenses	1,148,586	1,128,291	1,148,586	1,133,586
Representation allowance	4,247	4,247	4,247	4,247
Foreign building operations (FBO)	202,889	202,889	202,889	202,889
FBO/foreign currency account	10,113	10,113	10,113	10,113
Emergencies in the diplomatic consular services	4,400	4,400	4,400	4,400
Foreign Service retirement	89,503	104,503	89,503	104,503
Buying power maintenance fund	4,500	4,500	4,500	4,500
American Institute in Taiwan	9,475	9,475	9,475	9,475
Extraordinary protection of consulates	6,000	6,000	6,000	6,000
Transfer from AID			1,500	1,500
Political and economic reporting			5,000	5,000
Mexican Embassy property		4,000	4,000	4,000
Total	1,479,713	1,478,418	1,490,213	1,490,213
International organizations and conferences (House and Senate secs. 102(2)):				
Contributions to international organizations	525,773	525,773	525,773	525,773
Contributions to international peacekeeping activities	66,948	66,948	66,948	66,948
Contibutions to international conferences and contingencies	9,622	9,622	9,622	9,622
U.S./European Interparliamentary Group			50	50
North Atlantic Assembly			450	450
Total	602,343	602,343	602,843	602,843
International commissions (House and Senate secs. 102(3)):				
International Boundary Commission U.S./Mexico:				
Salaries and expenses	9,849	9,849	9,849	9,849
Construction	679	679	679	679
American sections of international commissions	3,461	3,461	3,461	3,461
International Fisheries Commission	9,218	9,218	9,218	9,218
Total	23,207	23,207	23,207	23,207
U.S. bilateral science technology agreements (House and Senate secs. 102(5))	1,700	1,700	1,700	1,700
Asia Foundation (House sec. 504, Senate sec. 604)	[1] (10,000)	10,000	10,000	10,000
Migration and refugee assistance	344,500	344,500	354,500	344,500
Total, Department of State	2,451,463	2,460,168	2,482,463	2,472,463
U.S. Information Agency (USIA):				
Salaries and expenses	634,365	624,365	588,647	565,567
Salaries and expenses/foreign currency account	10,556	10,556	10,556	10,454
Radio construction	47,959	47,959	26,250	47,959
East-West Center	18,547	18,547	18,547	18,368
United States-German exchange program			2,500	2,500
Tsukuba Exposition			8,000	4,000
Total, USIA	711,427	701,427	654,500	648,848
Board for International Broadcasting (BIB):				
Administrative expenses	1,075	1,075	1,075	1,075
Transmitter purchase	1,395	1,395	1,395	1,395
Grants to RFE/RL, Inc	103,585	103,585	103,585	103,585
Total in existing programs	106,055	106,055	106,055	106,055
Grants to RBC	9,648	9,648		)
Total, BIB	115,702	115,702	106,055	106,055
Inter-American Foundation	10,705	16,000		16,000
Aggregate total, 1984	3,289,297	3,293,297	3,243,018	3,243,366
Department of State:				
Administration of foreign affairs (House and Senate secs. 102(1)):				
Salaries and expenses	1,179,146	1,164,146	1,155,086	1,164,146
Representation allowances	4,429	4,429	4,447	4,429
Foreign buildings operations (FBO)	264,595	264,595	202,889	264,696
FBO/foreign currency account	28,045	28,045	10,113	28,045
Emergencies in the diplomatic consular services	4,400	4,400	4,400	4,400
Foreign Service retirement fund	84,257	99,257	89,503	99,257
Buying power maintenance fund			4,500	
American Institute in Taiwan	9,648	9,648	9,475	9,648
Extraordinary protection of consulates	6,300	6,300	6,000	6,300
Total	1,580,820	1,580,820	1,486,213	1,580,820

	Executive branch request	House authorization H.R. 2915	Senate authorization S. 1342	Conference substitute
International organizations and conferences (House and Senate secs. 102(2)):				
Contributions to international organizations	568,798	568,798	568,798	525,773
Contributions to international peacekeeping activities	67,000	67,000	67,000	66,948
Contributions to international conferences and contingencies	10,180	10,180	10,180	9,622
Total	645,978	645,978	645,978	602,343
International commission (House and Senate secs. 102(3)):				
International Boundary Commission U.S./Mexico:				
Salaries and expenses	10,515	10,515	9,849	10,515
Construction	3,764	3,764	679	2,148
American sections of international commissions	3,610	3,610	3,461	3,610
International Fisheries Commission	9,614	9,614	9,218	9,614
Total	27,503	27,503	23,207	25,355
U.S. bilateral science and technology agreements (House and Senate sections 102(5))	1,700	1,700	1,700	1,700
Asia Foundation (House sec. 504, Senate sec. 604)	[2] (10,000)	10,000	10,000	10,000
Migration and refugee assistance (House and Senate secs. 102(4))	326,400	326,400	326,400	326,400
Total, Department of State	2,582,401	2,592,401	2,493,498	2,546,618
U.S. Information Agency (USIA):				
Salaries and expenses	659,856	649,856	580,647	609,682
Salaries and expenses/foreign currency account	12,412	12,412	10,556	12,412
Radio construction	179,426	179,426	26,250	164,800
East-West Center	19,345	19,345	18,547	19,345
United States-German exchange program			2,500	2,500
Total, USIA	871,039	861,039	638,500	808,739
Board for International Broadcasting (BIB):				
Administrative expenses	1,128	1,128	1,128	1,128
Grants to RFE/RL, Inc	110,120	110,120	110,123	110,123
Total existing programs	111,248	111,248	111,251	111,251
Grants to RBC	10,020	10,020		0
Total, BIB	121,268	121,268	111,251	111,251
Inter-American Foundation	[3]	16,000		16,000
Aggregate total, 1985	3,574,708	3,590,708	3,243,249	3,482,608

[1] The executive branch incorporated its $10,000,000 request for the Asia Foundation for fiscal year 1984 in the USIA budget request. Both Houses replaced the Asia Foundation request within the Department of State.
[2] The executive branch incorporated its $10,000,000 request for the Asia Foundation for fiscal year 1985 in the USIA budget request. Both Houses replaced the Asia Foundation request within the Department of State.
[3] Such sums as may be necessary.

Mr. GORTON. I have a question about this conference report that I would like to ask of the Senator from Minnesota. Does the floor amendment which the Senator offered on October 20—amendment No. 2385—which the Senate accepted, relate to the types of commodities licensed for export by the Department of Commerce?

Mr. BOSCHWITZ. It does not. The amendment dealt with the export of nuclear-related equipment, material, and technology licensed by the Nuclear Regulatory Commission and the Department of Energy. No change with respect to Commerce Department licensing policy, or with respect to dual-use commodities, is implied.

Mr. GORTON. I thank the Senator.

Mr. MATHIAS. Mr. President, in addition to the authorization of appropriations, the conference substitute contains over 90 various identical or modified policy and administrative provisions which were contained in either the Senate or House version of this bill. I urge my colleagues to review the statement of managers which explains in some detail all of these issues.

In conclusion, Mr. President, the Foreign Relations Authorization Act is, by its nature, a long and complex bill. The committee of conference resolved more than 100 differences between the two Houses. The managers on the part of the Senate were diligent in their efforts to uphold the Senate position and were, I believe, quite successful in that effort. It is the belief of a majority of the Senate conferees that the compromises in the conference substitute were reasonable solutions to some very difficult issues. Therefore, I urge the adoption of the conference report.

Mr. PELL. Mr. President, I join the distinguished floor manager in urging passage of the conference report on H.R. 2915, the Foreign Relations Authorization Act. This is a matter of great urgency. Without this legislation funding authority for our vital foreign affairs agencies—the State Department, the U.S. Information Agency, and the Board for International Broadcasting—will expire at midnight tonight. The spectacle of a shutdown of these agencies would certainly be a major embarrassment abroad and would seriously compromise many activities critical to the protection of our national security.

The legislation embodied in the conference report will, in my view, enhance considerably the effectiveness of our foreign affairs agencies and our international programs. One key provision of this bill provides $47,959,000 in fiscal year 1984 and $164,800,000 in fiscal year 1985 for long-overdue modernization and facility construction for the Voice of America. Another provision provides comparable enhancements for Radio Free Europe and Radio Liberty, thus helping insure that the captive peoples of Eastern Europe and the Soviet Union will have access to truthful and reliable information. This legislation also provides the funds necessary to double, as required by law, our key exchange-of-persons programs, including the Fulbright, Humphrey, and international visitor programs. Another important section of this bill gives the exchange programs the kind of statutory protection from political influence that the Congress has already enacted for the Voice of America.

This legislation also includes important provisions to help protect our global environment. The bill establishes a new program to assist countries in protecting endangered species and wildlife habitats, thus allowing the United States to share its very considerable expertise in this field. Another section of the bill creates a program, out of existing funding, in international environmental education and exchange. For the first time in my memory, key environmental groups, including the National Wildlife Federation, the Sierra Club, the Natural Resources Defense Council and the Environmental Defense Fund, have been closely involved in a foreign affairs bill and have been strongly supportive of its passage.

The pending legislation also improves congressional control of executive branch warmaking powers. The conference adopted—in modified form—a proposal made by the distinguished minority leader, and adopted overwhelmingly by the Senate, to require that any congressional resolution terminating U.S. involvement in

hostilities abroad must be considered under expedited procedures in the House and the Senate.

The House conferees would not accept a Senate provision making sharp reductions in our assessed contributions to international organizations. The legislation does contain a compromise proposal which freezes our contributions at the 1983 calendar year level. This sends, I think, the strong message intended by the Senate that these organizations must control program growth. I might add that I personally have reservations about the compromise, as it will still leave the United States in partial violation of its treaty obligations.

Because of time constraints on the operating authority of the State Department and related agencies, there is a need for prompt and favorable action on this conference report. In enacting this legislation the Congress will also be making an important contribution to strengthening our national security.

I urge my colleagues to support passage of the conference report.

Mr. MATHIAS. Mr. President, I ask unanimous consent that a list of the highlights of the conference report may appear in the RECORD for the convenience of people.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

CONFERENCE REPORT ON H.R. 2915, FOREIGN RELATIONS AUTHORIZATION

The bill provides funding authority for the State Department, the United States Information Agency, and the Board for International Broadcasting (Radio Free Europe/Radio Liberty). Passage of this legislation is essential to avoid a shutdown of these Agencies at midnight tonight.

The bill authorizes major enhancements of the Voice of America. $47,959,000 is earmarked for radio construction and modernization in FY 1984. $164,800,000 is earmarked for these purposes in FY 1985.

The bill authorizes funds for new transmitters and studios for Radio Free Europe and Radio Liberty, replacing obsolete equipment dating back to World War II.

The bill authorizes significant enhancements in demonstrably effective exchange-of-persons programs, such as the Fulbright, Humphrey, and International Visitor Programs.

The bill provides authority for a bipartisan National Endowment for Democracy. This proposal is strongly backed by the AFL-CIO, the Chamber of Commerce, the Democratic National Committee and the Republican National Committee. The Conference Report conforms to the House action deleting earmarks for the two political parties.

The bill includes important new provisions to promote environmental protection internationally. Title VII of the bill, the International Environment Protection Act of 1983, authorizes programs to assist countries in protecting endangered species and programs for environmental education and exchange. This title is strongly backed by the National Wildlife Foundation, the Sierra Club, the Garden Club of America, the Natural Resources Defense Council, the Nature Conservancy, the Environmental Defense Fund, and other groups.

The bill responds to Senate concerns about growth in U.N. and international organization budgets by freezing these budgets at Calendar Year 1983 levels.

The funding authority contained in the bill is below the President's request in Fiscal Year 1985.

● Mr. HELMS. Mr. President, the so-called compromise worked out by the conference committee on Senator KASSEBAUM's amendment, which reduces U.S. assessed contributions to the United Nations, falls extremely short of accomplishing what the Senate set out to do when it passed the Kassebaum amendment by a 2-to-1 vote.

This compromise does not even begin to reflect the will of the Senate. The compromise calls for U.S. assessments to be frozen at the 1983 level for the years 1984 and 1985. That 1983 figure, by the way, is $363,773,800. Senator KASSEBAUM's amendment, however, rolls the assessment figure back to the 1980 level for the year 1984, with gradual reductions from 1985–1987. The 1980 assessment level figure is $309,558,400, which means that the difference between the compromise and the Kassebaum amendment is $54,215,400. The Senate amendment, therefore, would save $54,215,400 more in the year 1984 than would the compromise agreement.

In the year 1985, the difference is even greater. The Senate amendment proposes a savings of $117,910,800, while the compromise would realize a total savings of merely $32,739,600—a difference of $85,171,200.

Even if the KASSEBAUM amendment had been enacted only for a 2-year period of 1984 and 1985 it would have saved a total of $204,865,800. The compromise, however, over the same 2-year period, would realize a savings of only $65,479,200. This is a difference of $139,386,600.

Yet the true comparison is over the total 3-year period.

The Senate amendment would save the U.S. taxpayer a total of $533,555,000 between 1984 and 1987, as compared to the $65,479,200 the compromise would save—a difference of $468,075,800.

The differences between the compromise and Senator KASSEBAUM's amendment are staggering. It appears that the compromise is not a compromise, but a giveaway.

While it is just and proper that our country do everything possible to assist in creating a world at peace, the Senate realized that it is somewhat questionable as to whether or not many of the activities being conducted at the United Nations are achieving that end.

The United Nations has long served as a forum for anti-U.S. propaganda and activity. It has also served as the unfortunate stage for the betrayal of the Republic of China, and has been the centerpiece of a campaign against Israel. We all know that the United Nations also serves the Soviet Union as a giant propaganda machine. We all watched as the callous Soviet representative lied in the face of physical evidence not long ago about the most publicized of Soviet atrocites in recent years—the shooting down of KAL 007.

Mr. President, I do not want to belabor my colleagues by elaborating on what we all know so well to be true. The Senate made clear its intent when it adopted Senator KASSEBAUM's amendment calling for reductions in U.S. contributions to the United Nations. The compromise arrived at in conference falls far short of achieving that end.●

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. MATHIAS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, it is a sign of the times, I suppose. I barely got that out.

There is still something else to be done. I have a respectable-sized list of matters.

Mr. President, it is probably a good sign: As we get down to the last few items we may be able to do, we have a little more trouble making sure we have clearances. So if the Senate will indulge me for a few moments, we will try to get a list we can go through rapidly.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SIMPSON). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, there is a bill for the extension of the Export Administration Act. I inquire of the Chair, does the Chair have the bill at the desk?

The PRESIDING OFFICER. There is such a measure at the desk.

Mr. BAKER. Will the Chair identify it by number, please?

The PRESIDING OFFICER. H.R. 4776.

Mr. BYRD. Mr. President, if the Senator will yield, I believe that is the wrong number.

The PRESIDING OFFICER. The Chair needs glasses. It is H.R. 4476.

EXTENSION OF EXPORT ADMINISTRATION ACT OF 1979

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 4476.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R 4476) to extend the authorities under the Export Administration Act of 1979, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. BYRD. I have no objection.

Mr. METZENBAUM. Mr. President, am I correct in assuming that there will be no amendments?

Mr. BAKER. Yes.

I ask unanimous consent that on this measure, no amendment be in order, and that there be a time limitation of 5 minutes, to be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Without objection, the Senate will proceed to the consideration of the bill.

Mr. GARN. Mr. President, I should like to explain briefly the need to pass the extension of the authorities under the Export Administration Act just sent over to us from the House. Passage of this measure is necessary in order to end the need for the President to rely upon emergency authority to maintain our various export controls. Adoption will also remove any questions that might arise, particularly during adjournment, about the effect of the emergency authority. This measure thus is important for our national security and economic interests.

Mr. President, S. 979 is pending before the Senate. This measure would renew and amend the Export Administration Act but due to time constraints we were not able to get to that measure this week, although it was cleared for action. Adoption of this simple extension that has just come over from the House will give us the time to act on S. 979 when we get back in February.

With regard to acting on S. 979 at that time, I anticipate that we will need only one day on the measure. We will need one full day in order to accommodate the needs of various Senators, particularly the distinguished Senators from Alaska. They have indicated their willingness to have the bill considered when we get back and will want to discuss fully the issue of Alaskan oil when the bill is considered next session. I do not know of any intentions to delay or filibuster the bill, nor do I expect any. Everyone has expressed a willingness to discuss their views and have a vote on their amendments, and I am willing to accommodate that. In the meantime, we will need this simple extension of current law so that our export control policies may continue without interruption.

Mr. BYRD. Mr. President, I wish to add my strong support for an extension of the Export Administration Act, and to urge prompt action on the Senate bill to improve it. Since its expiration on September 30, we have been operating under an emergency Executive order extending the act. Reliance on this authority may be creating legal and administrative problems. At a minimum, it does not provide a predictable and reliable device for control of vital high-technology exports.

The New York Times of Tuesday, November 15, carried a report that reminds us of the need for safeguards for such technologies, and of the ever-present threat from the Soviet Union. A highly sophisticated computer nearly was lost to the Soviets. I ask that this article be reprinted in the RECORD following my remarks.

Mr. President, an extension of this act has the support of the AFL-CIO and a host of major American multinational companies. It is significant that both business and labor express concern and strong support for an extension of the law; a move which the House already has taken. I urge my colleagues to support such an extension, and I ask the distinguished majority leader and the members of the Banking Committee to commit the Senate to prompt action on S. 979, which makes many needed improvements in existing law, and that we agree to an extension of the current law until that time.

I remind my colleagues that we are dealing with the protection of the lifeblood of American technology—the most sensitive advances in electronics and every other area vital to our national defense and industrial superiority. Once lost, these technologies cannot be recovered. We would find ourselves at a serious disadvantage in terms of security, jobs, and the competitive posture of our companies.

I am advised that Senator PROXMIRE, the ranking member of the Banking Committee, strongly favors such an extension of the law. Moreover, I understand that there are no objections on my side to the immediate adoption of an extension of the act. Again, the House has acted to approve this extension. The AFL-CIO and some of America's largest multinationals have joined in a call for a prompt extension of the law and expeditious action on S. 979.

I thank the distinguished chairman of the Banking Committee, Senator GARN for raising this issue. It would have been preferable for us to cure the constitutional problems associated with the concurrent resolution in this law now, but I understand that such a thing is not possible at this time. I hope that the Senator from Utah has been able to accomplish his objective with respect to the consideration of S. 979, and that we will be taking up those important changes when we return.

[From the New York Times, Nov. 15, 1983]

BONN SEIZES SOVIET-BOUND COMPUTER FOR UNITED STATES

(By Leslie Maitland Werner)

WASHINGTON.—West German authorities seized a highly sophisticated computer made in the United States just seven minutes before it was to leave for the Soviet Union via Sweden, the Treasury Department reported today.

John M. Walker, Jr., Assistant Secretary of the Treasury for Enforcement and Operations, said the seizure was made on Friday "in the nick of time."

He said Customs officials stationed in Germany told West Germany about the planned shipment after receiving word that the complex minicomputer made by the Digital Equipment Corporation would be smuggled into the Soviet Union.

The Commerce Department has banned its shipment to nations of the Eastern bloc to keep them from acquiring high technology equipment that could be used for military purposes. The Soviet Union lacks the technology to manufacture this type of computer, Customs officials maintain.

Joseph Nahil, a spokesman for the manufacturer, said the computer, a VAX 11/782, is a top-of-the-line system sold frequently in this country and used primarily for structural analysis in the construction industry and electromechanical design.

It can also be used "for missile guidance or something like that" and for "keeping track of troops and weapons," said William Grpen, deputy assistant commissioner of the Customs Service. It is sold to the United States military.

The computer had been shipped by a firm in New York State to an affiliated company in South Africa and from there to Hamburg, West Germany, where it was seized, Mr. Walker said.

He said the computer had been loaded aboard a freighter that was about to leave the pier and sail to Sweden when authorization came from a German court to remove the computer from the ship.

West German customs agents had been waiting on the pier for hours for the authorization. At first, the German courts had denied the American Government's request that the computer be seized. But an appeals court reversed this and granted the authorization just seven minutes before the freighter was to sail.

The United States coordinates export controls with its allies through a committee that includes most of the NATO nations and Japan. But Washington's list of restricted products is significantly more extensive than the schedule of restricted items that guides the allies. United States officials have maintained privately that high technology products, particularly computers, frequently slip through those countries into the Eastern bloc.

The proliferation of microelectronic equipment in recent years, much of it sold through retail or mail-order houses, has hampered efforts to keep the technology in this country. In 1980 the Control Data Corporation obtained a Soviet-made microprocessor—the basic component of many computers and guidance systems—which in-

dicated that the Russians had made tremendous progress in copying the "masks" from chips obtained in the United States, sometimes legally. The masks are like a pattern that guides chip production.

The Treasury Department disclosed the seizure today amid a battle between the Reagan Administration and some House Democrats over the terms of a bill to renew the Government's authority to control the export of goods and technology.

Mr. Walker said he was "extremely critical" of the House bill, which he said would weaken enforcement at a time when obtaining the latest American technology was "the highest priority for Soviet espionage."

Customs officials also said that the name of a fugitive, Richard Mueller, who has been wanted in another case involving illegal exporting of electronic equipment, had been found on some documents pertaining to the computer shipment.

William Von Raab, the Commissioner of Customs, said Mr. Mueller, a West German national, was indicted by a Federal grand jury in California in 1979 in connection with an illegal shipment of semiconductor-manufacturing equipment from the Silicon Valley to the Eastern bloc. "He also has been implicated in several other export investigations," Mr. Von Raab said.

Mr. Walker said Mr. Mueller was connected to a firm in New York State that is a subject of the current investigation. He declined to name the firm, however, on the ground that search warrants were still being executed. Identifying the firm, he said, might result in others fleeing or destroying records if they became aware that the Government was focusing attention on them.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. BAKER. I yield back my time.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 4476) was passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I need another moment, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RETIREMENT EQUITY ACT OF 1983

Mr. BAKER. Mr. President, I am prepared now to ask the Senate to go to H.R. 2769, if the minority leader can agree to that.

Mr. BYRD. Yes, Mr. President, that matter has been cleared on this side.

Mr. BAKER. Mr. President, before the clerk reports, let me propound a unanimous-consent request.

I ask unanimous consent that the Senate now proceed to the consideration of H.R. 2769; I further ask unanimous consent that no amendment be in order except a technical amendment which is at the desk to be offered by the distinguished Senator from Kansas (Mr. DOLE); I further ask unanimous consent that the time for the committee amendment as amended by the Senator from Kansas (Mr. DOLE) be then in order and that the total time for consideration of this measure be limited to 5 minutes to be equally divided and controlled in the usual form.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

Mr. BYRD. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 2769) to promote economic revitalization and facilitate expansion of economic opportunities in the Caribbean Basin region.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment to strike all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Retirement Equity Act of 1983".

TITLE I—AMENDMENTS RELATING TO THE INTERNAL REVENUE CODE OF 1954

SEC. 101. AMENDMENT OF 1954 CODE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 102. MODIFICATIONS OF MINIMUM PARTICIPATION AND VESTING STANDARDS.

(a) AGE LIMITATION FOR MINIMUM PARTICIPATION STANDARDS LOWERED FROM AGE 25 TO AGE 21.—Subparagraphs (A)(i) and (B)(ii) of section 410(a)(1) (relating to minimum age requirement for participation) are amended by striking out "25" each place it appears and inserting in lieu thereof "21".

(b) YEARS OF SERVICE AFTER AGE 18 (INSTEAD OF AGE 22) TAKEN INTO ACCOUNT FOR DETERMINING NONFORFEITABLE PERCENTAGE.—Subparagraph (A) of section 411(a)(4) (relating to service included in determination of nonforfeitable percentage) is amended by striking out "22" and inserting in lieu thereof "18".

(c) RULE OF PARITY FOR NONVESTED PARTICIPANTS TO BE APPLIED ONLY IF BREAK IN SERVICE EXCEEDS 5 YEARS.—

(1) MINIMUM PARTICIPATION STANDARDS.—Subparagraph (D) of section 410(a)(5) (relating to breaks in service) is amended to read as follows:

"(D) NONVESTED PARTICIPANTS.—

"(i) IN GENERAL.—For purposes of paragraph (1), in the case of a nonvested participant, years of service with the employer or employers maintaining the plan before any period of consecutive 1-year breaks in service shall not be required to be taken into account in computing any period of service if the number of consecutive 1-year breaks in service within such period equals or exceeds the greater of—

"(I) 5 years, or

"(II) the aggregate number of years of service before such period.

"(ii) YEARS OF SERVICE NOT TAKEN INTO ACCOUNT.—If any years of service are not required to be taken into account by reason of a period of breaks in service to which clause (i) applies, such years of service shall not be taken into account in applying clause (i) to a subsequent period of breaks in service.

"(iii) NONVESTED PARTICIPANT DEFINED.—For purposes of clause (i), the term 'nonvested participant' means a participant who does not have any nonforfeitable right under the plan to an accrued benefit derived from employer contributions.".

(2) MINIMUM VESTING STANDARDS.—Subparagraph (D) of section 411(a)(6) (relating to breaks in service) is amended to read as follows:

"(D) NONVESTED PARTICIPANTS.—

"(i) IN GENERAL.—For purposes of paragraph (4), in the case of a nonvested participant, years of service with the employer or employers maintaining the plan before any period of consecutive 1-year breaks in service shall not be required to be taken into account if the number of consecutive 1-year breaks in service within such period equals or exceeds the greater of—

"(I) 5 years, or

"(II) the aggregate number of years of service before such period.

"(ii) YEARS OF SERVICE NOT TAKEN INTO ACCOUNT.—If any years of service are not required to be taken into account by reason of a period of breaks in service to which clause (i) applies, such years of service shall not be taken into account in applying clause (i) to a subsequent period of breaks in service.

"(iii) NONVESTED PARTICIPANT DEFINED.—For purposes of clause (i), the term 'nonvested participant' means a participant who does not have any nonforfeitable right under the plan to an accrued benefit derived from employer contributions.".

(d) CERTAIN MATERNITY OR PATERNITY LEAVE NOT TREATED AS A BREAK IN SERVICE.—

(1) MINIMUM PARTICIPATION STANDARDS.—Paragraph (5) of section 410(a) (relating to breaks in service) is amended by adding at the end thereof the following new subparagraph:

"(E) SPECIAL RULE FOR MATERNITY OR PATERNITY LEAVE.—For purposes of determining under this paragraph whether a break in service has occurred, each individual who is absent from work for any period—

"(i) by reason of the birth of a child of the individual,

"(ii) by reason of the adoption of a child by the individual, or

"(iii) for purposes of caring for such child immediately following such birth or adoption,

shall be treated as having completed 8 hours of service for each day of leave (whether or not approved leave) during such period. The total number of hours of service treated as completed under the preceding sentence for any period shall not exceed 501 hours.".

(2) MINIMUM VESTING STANDARDS.—Paragraph (6) of section 411(a) (relating to breaks in service) is amended by adding at the end thereof the following new paragraph:

"(E) SPECIAL RULE FOR MATERNITY OR PATERNITY LEAVE.—For purposes of determining under this paragraph whether a break in service has occurred, each individual who is absent from work for any period—

"(i) by reason of the birth of a child of the individual,

"(ii) by reason of the adoption of a child by the individual, or

"(iii) for purposes of caring for such child immediately following such birth or adoption,

shall be treated as having completed 8 hours of service for each day of leave (whether or not approved leave) during such period. The total number of hours of service treated as completed under the preceding sentence for any period shall not exceed 501 hours.".

(3) LEAVE DISREGARDED FOR PURPOSES OF ACCRUED BENEFIT REQUIREMENTS.—Subparagraph (A) of section 411(b)(3) (relating to year of participation) is amended by inserting "(determined without regard to section 410(a)(5)(E))" after "section 410(a)(5)".

SEC. 103. JOINT AND SURVIVOR ANNUITIES FOR MARRIED PARTICIPANTS; DEFINED BENEFIT PLAN MUST PROVIDE LIFE ANNUITIES

(a) IN GENERAL.—Paragraph (11) of section 401(a) (relating to requirements for joint and survivor annuities) is amended to read as follows:

"(11) REQUIREMENTS RELATING TO JOINT AND SURVIVOR ANNUITIES.—

"(A) PLAN PROVIDING ANNUITY MUST PROVIDE JOINT AND SURVIVOR ANNUITY IN CERTAIN CASES.—In the case of any plan which provides for the payment of benefits in the form of a life annuity, a trust forming part of such plan shall not constitute a qualified trust under this section unless such plan provides for the payment of annuity benefits to each qualified participant in the form of a qualified joint and survivor annuity.

"(B) QUALIFIED PARTICIPANT.—For purposes of subparagraph (A), the term 'qualified participant' means any participant who has not made an election under subparagraph (C) and—

"(i) who while employed—

"(I) has reached the earliest retirement age under the plan, and

"(II) is a participant on or after the first day of the 120th month beginning before the date on which the employe reaches normal retirement age, or

"(ii) who—

"(I) while employed has attained the age of 45, and

"(II) has completed at least 10 years of service (as determined under section 411(a)(4)) with the employer or employers maintaining the plan.

"(C) ELECTION NOT TO HAVE JOINT AND SURVIVOR ANNUITY.—

"(i) IN GENERAL.—A plan meets the requirements of subparagraph (A) only if—

"(I) under the plan each participant may elect not to receive the qualified joint and survivor annuity (or elect to revoke such an election) and such election (or revocation) may be made only during the election period, and

"(II) the plan meets the requirements of clauses (ii) and (iii).

"(ii) SPOUSE MUST CONSENT TO THE ELECTION.—Each plan shall provide that an election under clause (i) shall not take effect unless—

"(I) the spouse of the participant (as of the time of the election) consents in writing to such election, and the spouse's consent acknowledges the effect of such election and is witnessed by a plan representative or a notary public, or

"(II) the participant establishes to the satisfaction of a plan representative that the consent required under subclause (I) may not be obtained because the spouse cannot be located or because of such other circumstances as the Secretary may by regulations prescribe.

Any consent under this clause by any spouse shall be effective only with respect to such spouse.

"(iii) PLAN TO PROVIDE WRITTEN EXPLANATION.—Each plan to which clause (i) applies shall provide to each participant during the period beginning on the first day of the election period and ending on the 90th day before the participant becomes a qualified participant a written explanation of—

"(I) the terms and conditions of the qualified joint and survivor annuity, and

"(II) the participant's right to make, and the effect of, an election under this subparagraph (or for a revocation of such election).

"(iv) PLAN MAY PROVIDE THAT ELECTION OR REVOCATION NOT TO TAKE EFFECT IF PARTICIPANT DIES WITHIN 2 YEARS.—A plan shall not be treated as failing to meet the requirements of subparagraph (A) merely because the plan provides that any election or revocation under clause (i) shall not take effect (or ceases to be effective) if—

"(I) the participant dies within a period (not in excess of 2 years) beginning on the date of the election or revocation, and

"(II) the death of the participant is not due to an accident which occurred after such election or revocation.

"(v) SPECIAL RULE WHERE PLAN SUBSIDIZES ALL OF COST.—In the case of a plan under which benefits are not reduced by reason of any qualified joint and survivor annuity, such plan shall be treated as meeting the requirements of clauses (i)(I) and (iii) if the election under clause (i)(I) and the notification under clause (iii) may be made only within a reasonable period before the annuity starting date.

"(vi) ELECTION PERIOD DEFINED.—For purposes of this subparagraph, the term 'election period' means the period beginning on the earlier of the date on which the participant attains—

"(I) age 42, or

"(II) the earliest retirement age,

and ending on the annuity starting date.

"(D) JOINT AND SURVIVOR ANNUITY NEED NOT BE PROVIDED IF PARTICIPANT AND SPOUSE MARRIED LESS THAN 1 YEAR.—A plan shall not be treated as failing to meet the requirements of subparagraph (A) if the spouse of the participant is not entitled to receive a survivor annuity unless the participant and his spouse have been married throughout the 1-year period ending on the earlier of—

"(i) the participant's annuity starting date, or

"(ii) the date of the participant's death.

"(E) SPECIAL RULES RELATING TO AMOUNT AND FORM OF PAYMENT.—In the case of a participant who dies before the annuity starting date, a plan does not meet the requirements of subparagraph (A) unless the payments to the surviving spouse under the qualified joint and survivor annuity are equal to or greater than the actuarial equivalent of payments which would have been made to the surviving spouse if the annuity had been determined on the basis of the annuity to which the participant would have been entitled if—

"(i) in the case of a participant who dies after the earliest retirement age and before the annuity starting date, such participant had retired on the day before the date of death, and

"(ii) in the case of a participant who dies on or before the earliest retirement age, such participant had—

"(I) separated from service on the date of death,

"(II) survived to the earliest retirement age,

"(III) begun to receive a qualified joint and survivor annuity when he attained the earliest retirement age, and

"(IV) died on the day after reaching the earliest retirement age.

"(F) PLAN MAY NOT DISTRIBUTE PRESENT VALUE OF BENEFIT IF IN EXCESS OF $3,500.—If the present value of the surviving spouse's nonforfeitable benefit exceeds $3,500, a plan meets the requirements of subparagraph (A) only if the plan may not distribute such present value unless the spouse consents.

"(G) SPECIAL RULE RELATING TO DIVORCED SPOUSES.—For purposes of this paragraph, a former spouse of a participant who was married to the participant during the 1-year period ending on the annuity starting date shall be treated as married to the participant on and after the date of death of the participant unless such treatment would be inconsistent with a qualified domestic relations order (within the meaning of paragraph (13)(B)) relating to such participant and former spouse.

"(H) DEFINITIONS AND OTHER SPECIAL RULES.—For purposes of this paragraph—

"(i) ANNUITY STARTING DATE.—The term 'annuity starting date' means the first day of the first period for which an amount is received as an annuity (whether by reason of retirement or disability).

"(ii) EARLIEST RETIREMENT AGE.—The term 'earliest retirement age' means the earliest date on which, under the plan, the participant could elect to receive retirement benefits.

"(iii) QUALIFIED JOINT AND SURVIVOR ANNUITY.—The term 'qualified joint and survivor annuity' means an annuity for the life of the participant with a survivor annuity for the life of the spouse which is not less than 50 percent of (or greater than 100 percent of) the amount of the annuity which is—

"(I) payable during the joint lives of the participant and the spouse, and

"(II) the actuarial equivalent of a single life annuity for the life of the participant.

Such term also includes any annuity in a form having the effect of an annuity described in the preceding sentence.

"(iv) LIFE ANNUITY DEFINED.—The term 'life annuity' means an annuity with respect to which any payment is contingent upon the participant being alive at the time of the payment.

"(v) PLAN MAY TAKE INTO ACCOUNT INCREASED COSTS.—A plan may take into account in any equitable manner (as determined by the Secretary) any increased costs resulting from providing qualified joint and survivor annuity.

"(vi) SUBPARAGRAPH (A) APPLIES WHETHER ANNUITY IS NORMAL OR OPTIONAL.—Subparagraph (A) shall apply to any plan which provides for payment of benefits in the form of a life annuity without regard to whether such form is normally provided, is provided as an option, or is otherwise provided.".

(b) DEFINED BENEFIT PLANS MUST PROVIDE BENEFITS PAYABLE IN THE FORM OF AN ANNUITY.—

(1) IN GENERAL.—Subsection (a) of section 401 (relating to requirements for qualification) is amended—

(A) by inserting after paragraph (24) the following new paragraph:

"(25) DEFINED BENEFIT PLAN MUST PROVIDE BENEFIT PAYABLE IN FORM OF LIFE ANNUITY.—In the case of a defined benefit plan, a trust forming part of such plan shall not constitute a qualified trust under this section unless, in addition to any other form of benefit payments such plan may provide, such plan provides for a life annuity (within the meaning of paragraph (11)(H)(iv)).", and

(B) by striking out "and (20)" in the last sentence and inserting in lieu thereof "(20), and (25)".

(2) CONFORMING AMENDMENTS.—Sections 404(a)(2) and 805(d)(3) are each amended by striking out "and (22)" and inserting in lieu thereof "(22), and (25)".

SEC. 104. SPECIAL RULES FOR ASSIGNMENT IN DIVORCE, ETC. PROCEEDINGS.

(a) PROHIBITION AGAINST ASSIGNMENT NOT TO APPLY IN DIVORCE, ETC., PROCEEDINGS.—Paragraph (13) of section 401(a) (relating to assignment of benefit) is amended—

(1) by striking out "(13) A trust" and inserting in lieu thereof:

"(13) ASSIGNMENT AND ALIENATION.—

"(A) IN GENERAL.—A trust", and

(2) by adding at the end thereof the following new subparagraphs:

"(B) SPECIAL RULES FOR CREATION, ASSIGNMENT, OR RECOGNITION OF RIGHTS UNDER STATE DOMESTIC RELATIONS LAWS.—

"(i) IN GENERAL.—For purposes of subparagraph (A), the creation, assignment, or recognition of a right to any benefit payable with respect to a participant pursuant to any qualified domestic relations order shall not be treated as an assignment or alienation.

"(ii) QUALIFIED DOMESTIC RELATIONS ORDER.—For purposes of clause (i), the term 'qualified domestic relations order' means a domestic relations order—

"(I) which creates or recognizes the existence of an individual's right to, or assigns to an individual the right to, receive all or a portion of the benefits payable with respect to a participant under a plan, and

"(II) with respect to which the requirements of clauses (iii) and (iv) are met.

"(iii) ORDER MUST CLEARLY SPECIFY CERTAIN FACTS.—A domestic relations order meets the requirements of this clause if such clearly specifies—

"(I) the name and mailing address of the participant and each alternate payee,

"(II) the amount or percentage of the participant's benefits to be paid to any alternate payee, or the manner in which such amount or percentage is to be determined,

"(III) the number of payments or period to which such order applies, and

"(IV) each plan to which such order relates.

"(iv) ORDER MAY NOT ALTER AMOUNT, FORM, ETC. OF BENEFITS.—A domestic relations order meets the requirements of this clause only if such order—

"(I) does not require a plan to provide any benefits which are not otherwise available under the plan,

"(II) does not require a plan to make payment of benefits in the form other than the form in which such benefits would otherwise be payable under the plan, and

"(III) does not require a plan to honor an election which may not otherwise be made under such plan.

"(v) EXCEPTION FOR CERTAIN PAYMENTS MADE AFTER EARLIEST RETIREMENT AGE.—A domestic relations order shall not be treated as failing to meet the requirements of clause (iv) solely because such order requires that payment of benefits be made to an alternate payee—

"(I) on or after the participant attains the earliest retirement age (within the meaning of paragraph (11)),

"(II) as if the participant had retired on the date on which such payment is to begin under such order, and

"(III) in any form in which such benefits may be paid under the plan to the participant.

In any case to which this clause applies, the alternate payee shall not receive any portion of any increase in the participant's accrued benefit occurring after the date on which payments to the alternate payee begin under such order.

"(C) PLAN PROCEDURES WITH RESPECT TO ORDERS.—

"(i) DETERMINATION BY ADMINISTRATOR.—After receipt of a domestic relations order, the plan administrator shall, not later than a reasonable period (as determined under regulations prescribed by the Secretary) before the payment of benefits are to begin under the order, determine whether such order is a qualified domestic relations order.

"(ii) DETERMINATION THAT ORDER IS QUALIFIED.—If the plan administrator determines under clause (i) that an order is a qualified domestic relations order, the plan administrator—

"(I) shall notify the alternate payee of the scheduled commencement of benefits,

"(II) may request the alternate payee to provide the plan administrator with acknowledgement of such notice and the correct mailing address of such payee, and

"(III) may request the alternate payee to provide information with respect to the participant which the plan administrator could otherwise require the participant to provide before payment of benefits begin.

"(iii) DETERMINATION THAT ORDER IS NOT QUALIFIED.—If the plan administrator determines under clause (i) that an order is not a qualified domestic relations order, the plan administrator shall—

"(I) provide the alternate payee a written notice which sets forth the reasons why such order is not qualified, and

"(II) request the alternate payee to take such action as is necessary to correct such order.

"(iv) PAYMENT OF BENEFITS WHERE ADDRESS NOT RECEIVED.—If a plan administrator does not receive the correct mailing address described in clause (ii)(II), or the information described in clause (ii)(III), the plan administrator may postpone payment of benefits to the participant or alternate payee until the earlier of the date—

"(I) which is 1 year after the date on which notice was sent under clause (ii), or

"(II) on which such address is received.

If the correct mailing address or information is not received by the end of the period described in subclause (I), the plan administrator may pay benefits to any person who would be eligible to receive such benefits without regard to such order.

"(v) PAYMENT OF BENEFITS WHERE ORDER NOT QUALIFIED.—If a plan administrator determines that an order is not a qualified domestic relations order, the plan administrator may, under regulations prescribed by the Secretary, postpone the payment of benefits, pay such benefits to participant, or pay such benefits to the alternate payee.

"(D) DEFINITIONS.—For purposes of subparagraphs (B) and (C)—

"(i) DOMESTIC RELATIONS ORDER.—The term 'domestic relations order' means any judgment, decree, or order (including approval of a property settlement agreement) which—

"(I) relates to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, or child of a participant, and

"(II) is made pursuant to a State domestic relations law (without regard to whether such law is a community property law).

"(ii) ALTERNATE PAYEE.—The term 'alternate payee' means any spouse, former spouse, or child of a participant who is recognized by a domestic relations order as having a right to receive all, or a portion of, the benefits payable under a plan with respect to such participant.".

(b) TAX TREATMENT OF DIVORCE DISTRIBUTIONS.—

(1) ALLOCATION OF INVESTMENT IN THE CONTRACT.—Subsection (m) of section 72 (relating to special rules applicable to employee annuities and distributions under employee plans) is amended by adding at the end thereof the following new paragraph:

"(10) DETERMINATION OF INVESTMENT IN THE CONTRACT IN THE CASE OF QUALIFIED DOMESTIC RELATIONS ORDERS.—Under regulations prescribed by the Secretary, in the case of a distribution or payment made to an alternate payee pursuant to a qualified domestic relations order (as defined in section 401(a)(13)(B)), the investment in the contract as of the date prescribed in such regulations shall be allocated on a pro rata basis between the present value of such distribution or payment and the present value of all other benefits payable with respect to the same participant to which such order relates.".

(2) DISTRIBUTIONS UNDER QUALIFIED DOMESTIC RELATIONS ORDERS NOT TREATED AS LUMP-SUM DISTRIBUTIONS FOR CERTAIN PURPOSES.—Subparagraph (A) of section 402(e)(4) (defining lump-sum distribution) is amended by adding at the end thereof the following new sentence: "For purposes of this section and section 403, any distribution or payment made to an alternate payee pursuant to a qualified domestic relations order (as defined in section 401(a)(13)(B)) shall not be treated as a lump-sum distribution.".

(3) ROLLOVER OF DISTRIBUTIONS UNDER QUALIFIED DOMESTIC RELATIONS ORDERS.—Paragraph (6) of section 402(a) (relating to special rules for rollovers) is amended by adding at the end thereof the following new subparagraph:

"(F) QUALIFIED DOMESTIC RELATIONS ORDERS.—If—

"(i) within 1 taxable year of the recipient, the balance to the credit of the recipient by reason of any qualified domestic relations order (as defined in section 401(a)(13)(B)) is distributed or paid to the recipient,

"(ii) the recipient transfers any portion of the property the recipient receives in such distributions to an eligible retirement plan described in subclause (I) or (II) of paragraph (5)(D)(iv), and

"(iii) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed,

then the portion of the distribution so transferred shall be treated as a distribution described in paragraph (5)(A).".

SEC. 105. INCREASE IN ALLOWABLE MANDATORY DISTRIBUTIONS FROM $1,750 TO $3,500.

Subparagraph (B) of section 411(a)(7)(B) (relating to effect of certain distributions) is amended by striking out "$1,750" and inserting in lieu thereof "$3,500".

SEC. 106. PARTICIPANT TO BE NOTIFIED THAT BENEFITS MAY BE FORFEITABLE.

Subsection (e) of section 6057 (relating to indivdual statement to participants) is amended by adding at the end thereof the following new sentence: "Such statement shall also include a notice to the participant that certain benefits may be forfeitable if the participant dies before a certain date.".

SEC. 107. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise provided in this section, the amendments made by this title shall apply to plan years beginning after December 31, 1984.

(b) SPECIAL RULE FOR COLLECTIVE-BARGAINING AGREEMENTS.—In the case of a plan maintained on the date of enactment of this Act pursuant to one or more collective-bargaining agreements between employee representatives and one or more employers, the amendments made by this title shall not apply to plan years beginning before the earlier of—

(1) the date on which the last of the collective-bargaining agreements relating to the plan terminates (detemined without regard to any extension thereof agreed to after the date of the enactment of this Act), or

(2) January 1, 1987.

For purposes of paragraph (1), any plan amendment made pursuant to a collective-bargaining agreement relating to the plan which amends the plan solely to conform to any requirement added to this title shall not be treated as a termination of such collective-bargaining agreement.

(c) SECTIONS 102(b) AND 103(a).—The amendments made by section 102(b) and section 103(a) shall apply to any participant—

(1) the annuity starting date of which did not occur before the first day of the first plan year beginning after the effective date of such amendments (determined without regard to this subsection), and

(2) who on or after such date had at least 1 hour of service for an employer or employers maintaining the plan.

(d) MATERNITY AND PATERNITY LEAVE.—If a plan meets the requirements of the amendments made by section 102(d) (without regard to whether the plan was amended), such plan—

(1) need not be amended to meet such requirements until the first time such plan is otherwise amended after the effective date of the amendments made by section 102(d), and

(2) will not fail to provide definitely determinable benefits merely because such plan provides credit for leave which is not specified in the plan.

(e) REQUIREMENT THAT DEFINED BENEFIT PLANS PROVIDE ANNUITY BENEFITS.—The amendments made by section 103(b) shall not apply to any defined benefit plan in existence on October 19, 1983, if, on such date, such plan did not provide for the payment of benefits in the form of an annuity over the life of the participant.

(f) ASSIGNMENT AND ALIENATION.—The amendments made by subsection (a) of section 104 shall take effect on January 1, 1985, except that in the case of a domestic relations order entered before such date, the plan administrator—

(1) shall treat such order as a qualified domestic relations order if such administrator is paying benefits pursuant to such order on such date, and

(2) may treat any other such order entered before such date as a qualified domestic relations order even if such order does not meet the requirements of such amendments.

TITLE II—AMENDMENTS RELATING TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

AMENDMENT OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

SEC. 201. Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.).

MODIFICATIONS OF MINIMUM PARTICIPATION AND VESTING STANDARDS

SEC. 202. (a) Section 202(a)(1) (29 U.S.C. 1052(a)(1)) is amended by striking out "25" each place it appears in subparagraphs (A)(i) and (B)(ii) and inserting in lieu thereof "21".

(b) Section 203(b)(1)(A) (29 U.S.C. 1053(b)(1)(A)) is amended by striking out "22" and inserting in lieu thereof "18".

(c)(1) Paragraph (4) of section 202(a) (29 U.S.C. 1052(a)(4)) is amended to read as follows:

"(4)(A) For purposes of paragraph (1), in the case of a nonvested participant, years of service with the employer or employers maintaining the plan before any period of consecutive 1-year breaks in service shall not be required to be taken into account in computing any period of service if the number of consecutive 1-year breaks in service within such period equals or exceeds the greater of—

"(i) 5 years, or

"(ii) the aggregate number of years of service before such period.

"(B) If any years of service are not required to be taken into account by reason of a period of breaks in service to which subparagraph (A) applies, such years of service shall not be taken into account in applying subparagraph (A) to a subsequent period of breaks in service.

"(C) For purposes of subparagraph (A), the term 'nonvested participant' means a participant who does not have any nonforfeitable right under the plan to an accrued benefit derived from employer contributions.".

(2) Subparagraph (D) of section 203(b)(3) (29 U.S.C. 1053(b)(3)(D)) is amended to read as follows:

"(D)(i) For purposes of paragraph (1), in the case of a nonvested participant, years of service with the employer or employers maintaining the plan before any period of consecutive 1-year breaks in service shall not be required to be taken into account if the number of consecutive 1-year breaks in service within such period equals or exceeds the greater of—

"(I) 5 years, or

"(II) the aggregate number of years of service before such period.

"(ii) If any years of service are not required to be taken into account by reason of a period of breaks in service to which clause (i) applies, such years of service shall not be taken into account in applying clause (i) to a subsequent period of breaks in service.

"(iii) For purposes of clause (i), the term 'nonvested participant' means a participant who does not have any nonforfeitable right under the plan to an accrued benefit derived from employer contributions.".

(d)(1) Subsection (b) of section 202 (29 U.S.C. 1052(b)) is amended by adding at the end thereof the following new paragraph:

"(5) For purposes of determining under this paragraph whether a break in service has occurred, each individual who is absent from work for any period—

"(A) by reason of the birth of a child of the individual, or

"(B) by reason of the adoption of a child by the individual, or

"(C) for purposes of caring for such child immediately following such birth or adoption,

shall be treated as having completed 8 hours of service for each day of leave (whether or not approved leave) during such period. The total number of hours of service treated as completed under the preceding sentence for any period shall not exceed 501 hours.".

(2) Paragraph (3) of section 203(b) (29 U.S.C. 1053(b)(3)) is amended by adding at the end thereof the following new subparagraph:

"(E) For purposes of determining under this paragraph whether a break in service has occurred, each individual who is absent from work for any period—

"(i) by reason of the birth of a child of the individual,

"(ii) by reason of the adoption of a child by the individual, or

"(iii) for purposes of caring for such child immediately following such birth or adoption,

shall be treated as having completed 8 hours of service for each day of leave (whether or not approved leave) during such period. The total number of hours of service treated as completed under the preceding sentence for any period not to exceed 501 hours.".

(3) Subparagraph (A) of section 204(b)(3) (29 U.S.C. 1054(b)(3)) is amended by inserting "(determined without regard to section 202(b)(5))" after "section 202(b)".

JOINT AND SURVIVOR ANNUITIES FOR MARRIED PARTICIPANTS; DEFINED BENEFIT PLAN MUST PROVIDE LIFE ANNUITIES

SEC. 203. (a) Section 205 (29 U.S.C. 1055) is amended to read as follows:

"JOINT AND SURVIVOR ANNUITY REQUIREMENT

"SEC. 205. (a) In the case of any pension plan which provides for the payment of benefits in the form of a life annuity, a trust forming part of such plan shall provide for the payment of annuity benefits to each qualified participant in the form of a qualified joint and survivor annuity.

"(b) For purposes of subsection (a), the term 'qualified participant' means any participant who has not made an election under subsection (c) and—

"(1) who while employed—

"(A) has reached the earliest retirement age under the plan, and

"(B) is a participant on or after the first day of the 120th month beginning before the date on which the employee reaches normal retirement age, or

"(2) who—

"(A) while employed has attained the age of 45, and

"(B) has completed at least 10 years of service (as determined under section 411(a)(4) of the Internal Revenue Code of 1954) with the employer or employers maintaining the plan.

"(c)(1) A plan meets the requirements of subsection (a) only if—

"(A) under the plan each participant may elect not to receive the qualified joint and survivor annuity (or elect to revoke such an election) and such election (or revocation) may be made only during the election period, and

"(B) the plan meets the requirements of paragraphs (2) and (3).

"(2) Each plan shall provide that an election under paragraph (1) shall not take effect unless—

"(A) the spouse of the participant (as of the time of the election) consents in writing to such election, and the spouse's consent acknowledges the effect of such election and is witnessed by a plan representative or a notary public, or

"(B) the participant establishes to the satisfaction of a plan representative that the consent required under subparagraph (A) may not be obtained because the spouse cannot be located or because of such other circumstances as the Secretary may by regulations prescribe.

Any consent under this paragraph by any spouse shall be effective only with respect to such spouse.

"(3) Each plan to which paragraph (1) applies shall provide to each participant during the period beginning on the first day of the election period and ending on the 90th day before the participant becomes a qualified participant a written explanation of—

"(A) the terms and conditions of the qualified joint and survivor annuity, and

"(B) the participant's right to make, and the effect of, an election under this subparagraph (or a revocation of such election).

"(4) A plan shall not be treated as failing to meet the requirements of subsection (a) merely because the plan provides that any election or revocation under paragraph (1) shall not take effect (or ceases to be effective) if—

"(A) the participant dies within a period (not in excess of 2 years) beginning on the date of the election or revocation, and

"(B) the death of the participant is not due to an accident which occurred after such election or revocation.

"(5) In the case of a plan under which benefits are not reduced by reason of any qualified joint and survivor annuity, such plan shall be treated as meeting the requirements of paragraphs (1)(A) and (3) if the election under paragraph (1)(A) and the notification under paragraph (3) may be made only within a reasonable period before the annuity starting date.

"(6) If a plan in good faith relies on any consent received, or determination made, under paragraph (2) with respect to any election, any payment of benefits in accordance with such election shall discharge its obligations to the participant and spouse to the extent of such payment.

"(7) For purposes of this subsection, the term 'election period' means the period beginning on the earlier of the date on which the participant attains—

"(A) age 42, or

"(B) the earliest retirement age,

and ending on the annuity starting date.

"(d) A plan shall not be treated as failing to meet the requirements of subsection (a) if the spouse of the participant is not entitled to receive a survivor annuity unless the participant and his spouse have been married throughout the 1-year period ending on the earlier of—

"(1) the participant's annuity starting date, or

"(2) the date of the participant's death.

"(e) In the case of a participant who dies before the annuity starting date, a plan does not meet the requirements of subsection (a) unless the payments to the surviving spouse under the qualified joint and survivor annuity are equal to or greater than the actuarial equivalent of the payments which would have been made to the surviving spouse if the annuity had been determined on the basis of the annuity to which the participant would have been entitled if—

"(1) in the case of a participant who dies after the earliest retirement age and before the annuity starting date, such participant had retired on the day before the date of death, and

"(2) in the case of a participant who dies on or before the earliest retirement age, such participant had—

"(A) separated from service on the date of death,

"(B) survived to the earliest retirement age,

"(C) begun to receive a qualified joint and survivor annuity when he attained the earliest retirement age, and

"(D) died on the day after reaching the earliest retirement age.

"(f) If the present value of the spouse's nonforfeitable benefit in a qualified joint and survivor annuity exceeds $3,500, a plan meets the requirements of subsection (a) only if the plan may not distribute such present value unless the spouse consents.

"(g) For purposes of this section, a former spouse of a participant who was married to the participant during the 1-year period ending on the annuity starting date shall be treated as married to the participant on and after the death of the participant unless such treatment would be inconsistent with a qualified domestic relations order (within the meaning of section 206(d)(3)) relating to such participant and former spouse.

"(h) For purposes of this section—

"(1) The term 'annuity starting date' means the first day of the first period for which an amount is received as an annuity (whether by reason of retirement or disability).

"(2) The term 'earliest retirement age' means the earliest date on which, under the plan, the participant could elect to receive retirement benefits.

"(3) The term 'qualified joint and survivor annuity' means an annuity for the life of the participant with a survivor annuity for the life of the spouse which is not less than 50 percent of (or greater than 100 percent of) the amount of the annuity which is—

"(A) payable during the joint lives of the participant and the spouse, and

"(B) the actuarial equivalent of a single life annuity for the life of the participant.

Such term also includes any annuity in a form having the effect of an annuity described in the preceding sentence.

"(4) The term 'life annuity' means an annuity with respect to which any payment is contingent upon the participant being alive at the time of the payment.

"(5) A plan may take into account in any equitable manner (as determined by the Secretary of the Treasury) any increased costs resulting from providing qualified joint and survivor annuity benefits.

"(6) Subsection (a) shall apply to any plan which provides for payment of benefits in the form of a life annuity without regard to whether such form is normally provided, is provided as an option, or is otherwise provided.".

(b) Section 206 (29 U.S.C. 1056) is amended by adding at the end thereof the following new subsection:

"(e) A defined benefit plan shall, in addition to any other form of benefit payments such plan may provide, provide for a life annuity (within the meaning of section 206(h)(4)) over the life of the participant.".

SPECIAL RULES FOR ASSIGNMENT IN DIVORCE, ETC. PROCEEDINGS

SEC. 204. Section 206(d) (29 U.S.C. 1056(d)) is amended by adding at the end thereof the following new paragraphs:

"(3)(A) For purposes of paragraph (1), the creation, assignment, or recognition of a right to any benefit payable with respect to a participant pursuant to any qualified domestic relations order shall not be treated as an assignment or alienation.

"(B) For purposes of subparagraphs (A), the term 'qualified domestic relations order' means a domestic relations order—

"(i) which creates or recognizes the existence of an individual's right to, or assigns to an individual the right to, receive all or a portion of the benefits payable with respect to a participant under a pension plan, and

"(ii) with respect to which the requirements of subparagraphs (C) and (D) are met.

"(C) a domestic relations order meets the requirements of this subparagraph if such order clearly specifies—

"(i) name and mailing address of the participant and each alternate payee,

"(ii) the amount or percentage of the participant's benefits to be paid to any alternate payee, or the manner in which such amount or percentage is to be determined,

"(iii) the number of payments or period to which such order applies, and

"(iv) each pension plan to which such order relates.

"(D) A domestic relations order meets the requirements of this subparagraph only if such order—

"(i) does not require a pension plan to provide any benefits which are not otherwise available under the pension plan,

"(ii) does not require a pension plan to make payment of benefits in a form other than the form in which such benefits would otherwise be payable under the pension plan, and

"(iii) does not require a pension plan to honor an election which may not otherwise be made under such pension plan.

"(E) A domestic relations order shall not be treated as failing to meet the requirements of subparagraph (D) solely because such order requires that payment of benefits be made to an alternate payee—

"(i) on or after the participant attains the earliest retirement age (within the meaning of section 205(g)(2)),

"(ii) as if the participant had retired on the date on which such payment is to begin under such order, and

"(iii) in any form in which such benefits may be paid under the pension plan to the participant.

In any case to which this clause applies, the alternate payee shall not receive any portion of any increase in the participant's accrued benefit occurring after the date on which payments to the alternate payee begin under such order.

"(4)(A) After receipt of a domestic relations order, the plan administrator shall, not later than a reasonable period (as determined under regulations prescribed by the Secretary of the Treasury) before the payment of benefits are to begin under the order, determine whether such order is a qualified domestic relations order.

"(B) If the plan administrator determines under subparagraph (A) that an order is a qualified domestic relations order, the plan administrator—

"(i) shall notify the alternate payee of the scheduled commencement of benefits,

"(ii) may request the alternate payee to provide the plan administrator with acknowledgement of such notice and the correct mailing address of such payee, and

"(iii) may request the alternate payee to provide information with respect to the participant which the plan administrator could otherwise require the participant to provide before payment of benefits begin.

"(C) If the plan administrator determines under subparagraph (A) that an order is not a qualified domestic relations order, the plan administrator shall—

"(i) provide the alternate payee a written notice which sets forth the reasons why such order is not qualified, and

"(ii) request the alternate payee to take such action as is necessary to correct such order.

"(D) If a plan administrator does not receive the correct mailing address described in subparagraph (B)(ii), or the information described in subparagraph (B)(iii), the plan administrator may postpone payment of benefits to the participant or alternate payee until the earlier of the date—

"(i) which is one year after the date on which notice was sent under subparagraph (B), or

"(ii) on which such address is received.

If the correct mailing address or information is not received by the end of the period described in clause (i), the plan administrator may pay benefits to any person who would be eligible to receive such benefits without regard to such order.

"(E) If a plan administrator determines that an order is not a qualified domestic relations order, the plan administrator may, under regulations prescribed by the Secretary of the Treasury, postpone the payment of benefits, pay such benefits to participant, or pay such benefits to the alternate payee.

"(5) If a pension plan in good faith relies on any qualified domestic relations order, any payment of benefits in accordance with such order shall discharge its obligations to the participant and any alternate payee to the extent of such payment.

"(6) For purposes of paragraphs (3) and (4)—

"(A) The term 'domestic relations order' means any judgment, decree, or order (including approval of a property settlement agreement) which—

"(i) relates to child support, alimony payments, or marital property rights, and

"(ii) is made pursuant to a State domestic relations law (without regard to whether such law is a community property law).

"(B) The term 'alternate payee' means any spouse, former spouse, or child of a participant who is recognized by a domestic relations order as having a right to receive all, or a portion of, the benefits payable under a pension plan with respect to such participant.".

INCREASE IN ALLOWABLE MANDATORY DISTRIBUTIONS FROM $1,750 TO $3,500

SEC. 205. Section 204(d)(1) (29 U.S.C. 1054(d)(1)) is amended by striking out "$1,750" and inserting in lieu thereof "$3,500".

PARTICIPANT TO BE NOTIFIED THAT BENEFITS MAY BE FORFEITABLE

SEC. 206. Section 105(c) (29 U.S.C. 1025(c)) is amended by adding at the end thereof the following new sentence: "Such statement shall also include a notice to the participant that certain benefits may be forfeitable if the participant dies before a certain date.".

EFFECTIVE DATES

SEC. 207. (a) Except as otherwise provided in this section, the amendments made by this title shall apply to plan years beginning after December 31, 1984.

(b) In the case of a plan maintained on the date of enactment of this title pursuant to one or more collective-bargaining agreements between employee representatives and one or more employers, the amendments made by this Act shall not apply to plan years beginning before the earlier of—

(1) the date on which the last of the collective-bargaining agreements relating to the plan terminates (determined without regard to any extension thereof agreed to after the date of the enactment of this Act), or

(2) January 1, 1987.

For purposes of paragraph (1), any plan amendment made pursuant to a collective-bargaining agreement relating to the plan which amends the plan solely to conform to any requirement added by this title shall not be treated as a termination of such collective-bargaining agreement.

(c) The amendments made by sections 202(b) and 203(a) of this Act shall apply to any participant—

(1) the annuity starting date of which did not occur before the first day of the first plan year beginning after the effective date of such amendments (determined without regard to this subsection), and

(2) who was an active participant in the plan on or after such date.

(d) If a plan meets the requirements of the amendments made by section 202(d) (without regard to whether the plan was amended), such plan—

(1) need not be amended to meet such requirements until such plan is first otherwise amended after the effective date of the amendments made by section 202(d), and

(2) will not fail to provide definitely determinable benefits merely because such plan provides credit for leave which is not specified in the plan.

(e) The amendments made by section 203(b) of this Act shall not apply to any defined benefit plan in existence on October 19, 1983, if, on such date, such plan did not provide for the payment of benefits in the form of an annuity over the life of the participant.

(f) The amendments made by subsection (a) of section 204 shall take effect on January 1, 1984, except that in the case of a domestic relations order entered before such date, the plan administrator—

(1) shall treat such order as a qualified domestic relations order if such administrator is paying benefits pursuant to such order on such date, and

(2) may treat any other such order entered before such date as a qualified domestic relations order even if such order does not meet the requirements of such amendments.

Amend the title so as to read: "To amend the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to assure equality of economic opportunities for women and men under retirement plans.".

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, the amendment referred to is the Retirement Equity Act of 1983.

I might say that it has widespread support on both sides of the aisle. I know of no objection to the bill at all.

There is one technical amendment to H.R. 2769. The amendment will clarify that, if a person becomes disabled after he or she becomes a qualified participant entitled to joint and survivor coverage, the disabled individual will continue to be entitled to joint and survivor coverage.

AMENDMENT NO. 2659

(Purpose: Relating to joint and survivor annuities for spouses of participants who become disabled)

Mr. DOLE. Mr. President, I send a technical amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an amendment numbered 2659.

Mr. DOLE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 46, line 17, strike out the end quotation marks and end period.

On page 46, between lines 17 and 18, insert the following:

"(vii) Participants who become disabled.—Any participant who becomes disabled after becoming a qualified participant shall continue to be treated after such disability as a qualified participant.".

On page 70, line 19, strike out the end quotation marks and end period.

On page 70, between lines 19 and 20, insert the following:

"(7) Any participants who becomes disabled becoming a qualified participant shall continue to be treated after such disability as a qualified participant.".

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. MOYNIHAN. Mr. President, I wish to join with the Senator from Kansas in his statement.

This is an important measure which significantly enlarges the rights and opportunities of women in the work force under the present pension legislation and was reported out unanimously by the Committee on Finance.

I urge that the Senate adopt it in the same spirit.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to the amendment of the Senator from Kansas.

The amendment (No. 2659) was agreed to.

Mr. DOLE. Mr. President, the Senator from Kansas is pleased that the Senate will have the opportunity to review today the issue of pension equity and specifically the provisions of H.R. 2769, the Pension Equity Act. This legislation is the result of the efforts of many individuals to address the problems of pension equity for women. It has received strong bipartisan support and represents a consensus approach to addressing problems of pension inequality while minimizing disruption in plan administration and

increases in the cost of providing pension benefits.

H.R. 2769 reflects not only the provisions of S. 19, the legislation originally introduced by the distinguished Senator from Lousiana and myself, but also reflects many ideas expressed in the administration's bill, as well as proposals of a number of Senators who have been leaders in the area of pension reform.

THE GENERAL PROBLEM

The Employee Retirement Income Security Act—commonly referred to as "ERISA"—made significant changes in the Federal regulation of private pensions. This law, enacted in 1974, set minimum vesting, funding, and reporting requirements, as well as other requirements. It did not however, require any particular company to have a pension. In fact, less than half the private sector work force is working for employers who have a pension plan. According to 1979 data, about 49 percent of male employees, and only 21 percent of female employees, work in private sector jobs which are covered by private pensions. Simply because an employee is working for a company which does have a pension program is no assurance that the employee will receive a pension upon retiring. The employee must work for a specified period for the same employer and, generally, must survive until retirement before receiving benefits. The private pension system generally rewards a certain kind of work behavior—that is, a lifetime of steady work with relatively little job mobility. Of those retired receiving pensions, male retirees receive pensions about 40 percent higher than female retirees. The disparity of pension benefits and coverage between men and women comes about because of the type of work behavior conducive to pension receipt is more typical of men than of women.

Trends in women's work behavior over the past several years, however, suggest that relatively more women will receive larger pension benefits in the future. Nonetheless it is likely that in the future, due to family and other responsibilities, many women will be unable to establish the traditional work patterns that are generally rewarded with pensions. A much larger portion of men and women still have this favored work pattern.

PARTICULAR INEQUITIES IN THE PENSION LAWS

There are several requirements that retirement plans are currently permitted to impose that may result in inequities for some women workers. Employees do not have to be included in pension plan coverage until age 25. In addition, current law only requires an employer to count an employee's service after age 22 for vesting purposes. Yet women in the 20- to 24-year-old age bracket have the highest labor force participation rate among women—68.3 percent in 1978 and projected to increase to 76.8 percent by 1985. In addition, female participation in the work force after age 25 begin to drop off as women begin having children and drop out of the work force, at least temporarily. Finally, ERISA provisions affecting divorced spouses and certain inequities in the area of joint and survivor benefits have also caused concern in private pensions.

The effect of these provisions is to deny pension plan coverage to a significant number of women who are employed or who work in the home. The age 25 participation requirement and not counting service before age 22 for vesting purposes discriminate against women in the work force during the years when they are most likely to participate—age 20–24. Furthermore, even those women in the work force who are earning service credits for participation and vesting purpose may lose all of their earned credits if they leave the work force temporarily to have a child or to care for a child. H.R. 2769 addresses these problems, and of equal importance, it addresses these problems in a way that is the least disruptive to plan administration and will not significantly increase the costs of providing pension benefits.

SUMMARY OF PROVISIONS

I. IMPROVED PARTICIPATION AND VESTING

LOWERING THE PARTICIPATION AGE

One of the most important areas for improvement in terms of equity is to lower the age at which service with an employer must be taken into account. Under present law an employee's service generally must be taken into account if the employee is at least 25 and has at least 1 year of service with the employer. For vesting purposes, an employer is not required to count service prior to age 22. These rules have had a great impact on the large number of employees who start work after high school or even after college and find that, although they have worked faithfully for their employer on a full-time basis, they are not earning any credit for retirement benefits. These rules have had a particularly harsh impact on the large number of women who enter the work force at young ages.

H.R. 2769 reduces from age 25 to 21 the maximum age a pension, profit sharing or stock bonus plan can generally require an employee to obtain as a condition of becoming a participant in the plan. Additionally, a plan is not permitted to ignore service after age 18 for purposes of determining the vested portion of a participant's benefit.

These changes will assure that younger workers are not only participants in their employers' pension plan, but that they will also start receiving service credit for vesting purposes at younger ages. This rule will not assure that employees will receive a pension benefit. It will assure that employees who continue to work for one employer for the number of years ostensibly required to vest in their benefits will have all their years of service counted.

BREAK-IN-SERVICE RULES

H.R. 2769 provides that, in the case of a nonvested participant, years of service with the employer cannot be ignored under certain circumstances. Under current law a plan participant may lose all previously earned credits if the participant leaves the plan for a specified period of time. H.R. 2769 relaxes this rule so that, during the first 5 years of service, in many cases a plan participant will be able to leave the employer at any time for up to 5 years without losing any prior service credits for participation and vesting purposes.

For example, if a nonvested participant with 3 years of service under a plan terminates employment and incurs four consecutive 1-year breaks in service, the plan would generally not be permitted to disregard the participant's 3 years of service for either participation or vesting purposes upon the participant's return to employment with the employer.

MATERNITY AND PATERNITY LEAVE

Under present law, a plan participant will generally receive credit for participation and vesting purposes only while on paid maternity or paternity leave. H.R. 2769 provides rules for the crediting of service in cases where an employee is on unpaid maternity or paternity leave. Under the bill, certain hours of service will be counted so an employee will not incur a break in service for participation or vesting purposes while on maternity or paternity leave.

The changes outlined above will have a major impact on women in the work force. The reason for this is that many women begin work before age 25. In fact, nearly 70 percent of women join the workforce on a full-time basis before age 25. In addition, H.R. 2769 will allow an employee to take time off to have a child without losing all prior service for participation and vesting purposes. In essence, the changes made by H.R. 2769 will prevent the current disparity of pension benefits and coverage between men and women that are caused by the different types of work behavior between men and women.

II. IMPROVED JOINT AND SURVIVOR ANNUITY REQUIREMENTS

SURVIVOR ANNUITY REQUIRED

Under current law, generally a joint and survivor option does not have to be provided to a plan participant until the plan participant reaches the earliest retirement age. Therefore, if a plan participant dies before reaching the earliest retirement age, the participant's spouse will not receive a survivor's benefit.

H.R. 2769 generally provides that, after a plan participant has at least 10

years of service for vesting purposes and has attained age 45, joint and survivor annuity coverage is automatic. The bill further provides that, in order for the plan participant to elect out of joint and survivor coverage, the participant's spouse must consent in writing.

H.R. 2769 also provides that the spouse who was married to the participant on the annuity starting date is entitled to the survivor benefit unless a qualified domestic relations order provides otherwise.

In addition, the bill requires that all defined benefit pension plans provide benefits in the form of an annuity payable for the life of the participant.

NOTICE OF FORFEITABILITY OF BENEFITS

Present law generally requires that the plan furnish a participant with a statement of benefits. H.R. 2769 requires that the statement include a notice that certain benefits may be forfeitable if a participant dies before a particular date.

The effect of the joint and survivor annuity provision and the notice of forfeitable benefits, is to insure that the plan participant and the plan participant's spouse are both aware of the benefits which the participant is entitled and aware of the circumstances under which retirement benefits can be forfeited. These provisions will greatly assist families in making informed and responsible financial retirement decisions for both the plan participant and the plan participant's spouse.

SPECIAL RULES FOR ASSIGNMENT IN DIVORCE

Generally, under present law, benefits under a pension plan are subject to prohibitions against assignment or alienation. Since the enactment of ERISA, questions have arisen in several State court proceedings concerning whether the ERISA prohibitions preempt State court orders concerning property settlement, alimony, or child support payments. H.R. 2769 clarifies that State court orders relating to child support, alimony, or marital property rights are not treated as an assignment or alienation of plan benefits under ERISA. State law providing for the right to such payments is not preempted by Federal law.

III. CASH-OUT OF CERTAIN ACCRUED BENEFITS

H.R. 2769 permits a pension plan to cash-out a separated participant's benefit without the participant's consent if the value of the benefit does not exceed $3,500. The limit under present law is $1,750.

IV. EFFECTIVE DATES

The provisions of the bill are generally effective for plan years beginning after December 31, 1984. For plans subject to collective bargaining agreements, the provisions of the bill are effective when the current collective bargaining agreements relating to the plan terminate, or January 1, 1987, whichever occurs first.

CONCLUSION

This legislation is the result of many months of work. In drafting this legislation, we have worked with employer representatives, as well as representatives of numerous women's groups. I believe all of these efforts have culminated in a bill that best achieves the common goal of pension equity for all persons without significantly increasing the cost of plan administration. I ask that my colleagues join me in passing this legislation without further delay.

Mr. LONG. Mr. President, I am delighted that we were able to agree today to approve legislation designed to remedy many of the inequities that women face in pensions. This bill represents a bipartisan attempt to address many of these inequities in a fair and balanced manner.

By a vote of 18–0, the Finance Committee approved this bill as a much-needed solution to correcting many of the problems confronting women in the work force. This bill represents an acknowledgment that certain rules of present pension law tend to disadvantage women workers and attempts to achieve a large measure of pension equity without creating costs and administrative burdens for plan sponsors that could outweigh the expected benefits. It is my hope that this bill represents an approach that addresses the legitimate concerns of plan sponsors while still advancing the bill's very worthwhile objectives.

Mr. DURENBERGER. Mr. President, pension equity is a most significant addition to our efforts to remove economic discrimination against women in our society. I am pleased to see this important piece of legislation brought to the Senate floor today. I commend Senator DOLE, Senator PACKWOOD, Senator HATFIELD and the other cosponsors for the strong leadership roles they have taken in promoting pension equity for women.

For a number of years I have been troubled by the lack of pension equity faced by women in America. I was disturbed because almost every woman in this country will face one or more of the following pension inequities at some time in her working life: Longer work requirements for pension vesting and participation rights; termination of survivorship benefits; denial of pension survivorship benefits; and loss of accrued benefits due to break in service requirements.

The Economic Equity Act of 1981, which I introduced in the 97th Congress with Senators PACKWOOD, HATFIELD, HART, and others, contained a number of proposals to eliminate pension discrimination. These provisions were reintroduced in the Economic Equity Act of 1983—S. 888—and hearings were held in the Senate Finance Committee in June to ascertain the extent of this discrimination.

Mr. President, those hearings reinforced my belief that we must eliminate the economic discrimination which confronts women in America today—specifically with respect to pensions, but also in the areas of dependent care, child support enforcement, insurance, regulatory reform, and taxation. Women have been the subject of economic inequity for 200 years—we must act now to remove the economic barriers which they confront.

Successful consideration of the Retirement Equity Act of 1983 is an important beginning. This legislation represents a culmination of the efforts of many of the Members of this body. I am pleased that most of the provisions of the bill were contained in the Economic Equity Act of 1983. Many were also part of Senator DOLE's pension equity bill, S. 19, the newly introduced administration bill, H.R. 4032, and other legislation introduced by concerned Members of this body.

This bill will remove pension discrimination against women in the following ways:

It reduces the minimum age of pension participation age from 25 to 21, and it lowers the minimum age of vesting from 22 to 18.

These changes are significant for women because more women under age 25 are employed outside the home than any other age bracket. It is also true that women are more likely than men to leave the work force in their twenties or thirties.

It would insure that individuals who temporarily leave their jobs for up to 5 years would not lose their pension rights for prebreak periods of service. It would also provide additional protection for women and men who take maternity/paternity leave.

It would require that survivor's benefits be provided in the event of the death of a plan participant who is at least 45 years old and who has 10 years of service.

This addresses the serious problem faced by many women whose husbands die prematurely and who find themselves without survivor's benefits.

It would establish joint and suvivor's annuity benefits as the normal type of benefit payout for any plan which offers an annuity as an optional form of benefit. Should a married couple desire to waive the right to such survivor's benefits, they will be required to do so in writing.

This change will help insure that a spouse will no longer unknowingly find himself or herself without survivor's benefits.

It would require that a plan, to the extent a court has ordered, split the pension account between the divorced husband and wife, and makes favor-

able IRA rollover rules available to alternative payees.

It would also mandate that, in the case of a divorce after a joint and survivor annuity begins, the ex-spouse may be eligible to receive survivor's benefits.

It would require individual benefits statements to include a notice of participants identifying when vested benefits may be forfeited.

It would ease the administrative burden on pension plans by increasing the level at which plans may cash out benefits from $1,500 to $3,500.

I am encouraged by the attention being devoted to the pension issue, but continue to believe the most effective way for Congress to address pension discrimination is to pass the entire Economic Equity Act with all its other reinforcing provisions.

I am hopeful, Mr. President, that we will take action on the other provisions of the Economic Equity Act immediately after our return in January. The Senate should distinguish itself during the 2d session of the 98th Congress as the leader in removing economic discrimination. We must act to improve child support enforcement by passing a bill that is strong and meaningful. We must also take action to increase the availability of dependent care by expanding the dependent care tax credit. We should follow the example of the U.S. Supreme Court and remove all insurance discrimination that currently exists. We should extend the reform in public pension to the civil service retirement system. Finally, we must set an example by removing impediments established in our regulatory system and our tax code.

Mr. President, 1964 was a historic year for the civil rights movement. Twenty years later we have an opportunity to make 1984 a historic year for promoting economic equity for women in America.

Passage of the pension reform is a promising first step. I urge my colleagues to support this important measure.

Mr. HEINZ. Mr. President, today we have before us a milestone in the effort to provide economic equity for all our citizens, the Retirement Equity Act of 1983. As an original cosponsor of this important bill, I would like to commend the leadership of the chairman of the Senate Finance Committee in expediting this legislation.

As chairman of the Special Committee on Aging, I am all too well aware of the income needs of our Nation's older citizens. As we all know, poverty among the elderly is predominantly the poverty of women. Fully three-fourths of the elderly poor are single women. In 1979, 35 percent of women were covered by a pension, compared to 55 percent of men. Those women who did receive a pension received benefits approximately half that of their male counterparts.

Our private pension system rewards a certain kind of worker, one whose employment is full-time, long term, and uninterrupted. Because they are often the primary home and child caretakers, women's work patterns often put them at a decided disadvantage. Although women's labor force participation has doubled in the last quarter century, a third of the women aged 20 to 54 are not in the paid labor force. Those who do work often take time out to have children, or work part time in order to fulfill the dual roles of wife/mother and employee. It is unfortunately still true that women are compensated an average of 59 cents for every dollar earned by a man.

The situation is even more serious in the case of women who never enter the work force and whose benefits are based on their status as dependents of wage earning spouses. Death, disability, and divorce diminish, and too often deprive, these women of retirement income which their spouses have earned, and which they have earned by their contribution to the home and family.

H.R. 2769 contains important provisions both for women who work outside the home, and women who do not. The bill insures that all employees earning an annuity benefit will be provided with mandatory joint and survivor coverage from the age of 45 with 10 years of service. Currently joint and survivor coverage is mandatory only once the employee reaches the age of 65, though he may elect joint and survivor coverage at the firm's early retirement age.

Hearings in the Senate and the House have provided ample evidence of cases of women whose husbands died too soon—1 year, 3 months, even 4 hours—before they could have provided survivor coverage for them. But the problem has been even larger. ERISA contained no provisions regarding joint and survivor coverage for spouses of disabled employees. This summer I received a letter from a woman in Pennsylvania whose husband had retired on disability after 37 years of service. He died at 63, but was never offered the option of providing a survivor benefit to his wife, despite his long years of employment. This situation is an unjust one, and one that will no longer be permitted under the legislation before us today.

The Retirement Equity Act requires that no matter what the reason for separation from employment, be it untimely death, disability, or simply a change of employers, an employee who has reached the age of 45 and has 10 years service must be provided a joint and survivor annuity, unless the couple elects out of it. This bill further recognizes the significant contribution of spouses who choose to remain at home full time by requiring that joint and survivor coverage cannot be signed away without their consent.

This legislation takes steps to correct the inequitable treatment of spouses who are divorced from their employed spouses. Today pensions are not universally considered community property. Courts often consider the pension as the sole property of the individual who earned it. Thus, in domestic relations courts, the pension, often the couple's largest asset, has been held inviolate. H.R. 2769 makes it clear that ERISA language was never intended to preclude division of the pension as community property in domestic relations orders. It requires that a qualified order be honored by a pension fund. Further, a spouse need no longer be married to the employed spouse at the time of retirement in order to receive a benefit, and if the employed spouse should die before reaching retirement age, the divorced spouse is entitled to a survivor benefit.

In view of the changing work patterns of women in America, I believe that the provisions of this bill for working women are most significant. First, this bill lowers the minimum age for participation under ERISA from 25 to 21. Second, it lowers the minimum age for vesting from 25 to 18. Most importantly, this bill provides that breaks in service of up to 5 years will not deprive an employee with less than 5 years of service of credit for participation or vesting purposes. Additionally, the bill provides for a year of maternity/paternity leave regardless of the employee's participation and vesting status.

Mr. President, there has been little progress in recent years in increasing wages for women overall. As more and more women earn their own pension benefits through increased participation in the work force, we in the Congress have a responsibility to insure that today's inequities are not magnified in retirement. No doubt there are provisions in this bill, such as the 2-year nonaccidental death rule, which we might have sought to change. On the whole, however, this legislation is a giant step forward for economic equity for women in retirement. It is not the first step, now will it be the last. I urge my colleagues in the Senate to support this important measure.

Mr. HATCH. Mr. President, I am pleased to be able to support the Retirement Equity Act of 1983, which has been developed in a strong, bipartisan effort to promote equity on behalf of women who participate in our Nation's private pension system. Senator DOLE especially deserves to be commended for his leadership role in this endeavor. In addition, I would like

to recognize Senator NICKLES for his active, leadership role as the distinguished chairman of the Labor Subcommittee.

The Labor and Human Resources Committee just 2 days ago ordered reported the Retirement Equity Act as an original bill (S. 2110). It is identical to H.R. 2769. In filing the reported bill yesterday, I set forth in my introductory statement the somewhat unusual procedural history of this legislation, and it may be useful to refer to it in studying the development of the measure.

I believe that the hearings in both the Labor and the Finance Committees over this past year have provided an adequate record for enacting these amendments to the Employee Retirement Income Security Act. Current law has been found to pose a series of obstacles to the ability of women to earn and to retain earned pension benefit rights. For example, minimum participation and vesting standards under ERISA do not adequately take into account the fact that women as group enter and leave the work force more frequently and at younger ages than men as a group. More often than not, women must do this to fulfill child rearing responsibilities and to make a home for their families.

The consequence of this pattern is that women do not earn significant, nonforfeitable pension benefits. The Retirement Equity Act would make a number of changes in the vesting, the participation, and the break in service rules, so as to enable women to such vested rights at an earlier age and, in addition, to avoid forfeiture of such rights that would otherwise take place where women incur breaks in service due to maternity leave.

Second, the identical bills address the problems which grow out of the break up of a marriage. ERISA presently, through its limitations on alienation and assignment of pension rights and its preemption of State laws on pension matters, makes it extraordinarily difficult if not impossible to effectuate equitable divisions of property rights in the context of State divorce court proceedings. Instances have been presented to the committees where women have spent their adult lives maintaining a home for their working spouses only to find upon the unfortunate breakup of the marriage that they are unable to claim as part of the settlement a portion of their husband's pension. This is no small matter for the women who have had no independent source of adequate retirement income and who were looking to their husband for support during the retirement years.

H.R. 2769 and S. 2110 propose revisions to the alienation and assignment rules so that pension rights can properly be taken into account in the event of a divorce or separation.

A third area of concern has been the rules on joint and survivorship benefits. Pension plans offer such benefits to enable a husband and a wife to enjoy pension benefits throughout both their lives. Typically, the working husband who has earned pension benefits through his employer can opt for an actuarially reduced benefit throughout his retirement, with his spouse having the right to a survivor annuity if he predeceases her.

Experience has shown, however, that an undue number of working husbands have been derelict at best and abusive at worst in not taking advantage of the option to elect joint and survivorship rights for the benefit of their wives, who may have no other means of support in the event that their spouses die soon after retirement. To remedy this situation, the bills tighten up considerably the procedures for electing joint and survivorship rights. Generally, the spouse of the employee must be afforded an opportunity to participate personally in the decision over joint and survivorship rights and the onus will be on the couple to opt out of such rights.

Finally, I would like to point out the new and somewhat controversial feature of the bills dealing with survivor benefits where the working spouse dies before reaching retirement age. Hardship cases have been brought to the attention of the committees. Under current law, it is possible for a working spouse to work the requisite years to become fully vested, typically 10 years, and thereby earn survivorship rights on behalf of his or her spouse. However, those benefits—both the employee's and his or her spouse's—can be lost if the employee dies prematurely, before retirement age. To avoid this situation, the bills propose to require that pension plans afford a benefit right to a surviving spouse whose working husband or wife dies prematurely after reaching 45 years of age, with at least 10 years of service.

This bill is admittedly complex. Tremendous effort has been expended to make it as technically perfect as possible. However, I am aware that the House Labor Committee has been proceeding along a parallel track, and just this week ordered reported its version of the women's pension equity bill. It is different in certain respects, both as to policy and as to technical implementation. I am sure that over the adjournment period the committees will have the opportunity to study the differences. Hopefully, we will be able to develop a consensus on how the differences may be resolved. This may enable the Congress to act promptly on the measure, upon the convening of the second session.

Mr. NICKLES. Mr. President, I am pleased to join Senator DOLE in urging passage of H.R. 2769. Language identical to this bill was originally introduced as S. 1978, the Retirement Equity Act of 1983. S. 1978 was jointly referred to the Committee on Labor and Human Resources and to the Finance Committee. The Labor Subcommittee, which I chair, held an extensive hearing on the issues presented by this legislation on October 4 of this year. As a result, I was and remain convinced of the need for this legislation and joined Mr. DOLE as a cosponsor to S. 1978 when it was introduced in the Senate on October 19, 1983.

As chairman of the Labor Subcommittee, I am committed to working toward eliminating any inequities in pension laws while still insuring the health and stability of pensions in this country. In this regard, this bill today focused on inequities existing in pension laws between working men and women.

For younger women, there are several provisions which are of assistance. Lowering the ages for both participation and vesting will help assure that they later will be entitled to a pension. Liberalizing the break in service rules will assist not only for child bearing and rearing, it also will help women and men who leave the work force for other personal reasons such as care of an elderly parent.

Perhaps the most significant impact of the bill is in the joint and survivor annuity requirements. A nonparticipant spouse will be eligible to receive a pension after the participant spouse has reached age 45 and completed at least 10 years of service. This provision is in response to the inequity of a participant working for 30 years for the same company, dying at age 54, and having no benefit under the pension plan for the surviving spouse.

In addition, under current law, it is possible for a participant to exclude the spouse from a survivor annuity without the spouse's being aware of such exclusion until after the participant's death. This bill would require the spouse to waive the right to such an annuity in writing. This would eliminate surprise to the surviving spouse as well as provide an equal voice in this important marital decision.

A serious problem is presented to State courts having jurisdiction over domestic relations. Since Federal pension law preempts State law, State courts have had to carve out an exception for alimony and child support payments. This bill eliminates the need for this procedure by creating an exception for a qualified domestic relations order.

Mr. President, I also would like to note that the chairman of the Committee on Labor and Human Resources, Senator HATCH, as well as the ranking minority members of the full committee and the Labor Subcommit-

tee, Senators KENNEDY and RIEGLE respectively, are also cosponsors of this legislation. Further, the language contained in H.R. 2769 was unanimously voted out of the full Labor Committee.

The Committee on Education and Labor in the House of Representatives has also successfully reported out a women's pension bill. Again, I urge passage of this legislation today and look forward to resolving any differences between this bill and a House bill.

Mr. PACKWOOD. Mr. President, I rise today to express my pleasure over the progress made on the Retirement Equity Act of 1983. I commend Senator DOLE for his leadership in so quickly bringing this outstanding private pension reform package to the floor and I urge my colleagues to join with Senator DOLE, myself, and the other cosponsors in seeing that this important bill is passed into law.

I have long been a supporter of pension reform. I introduced many of the same measures contained in this package as part of the Women's Economic Equity Act of 1983. In fact, the bill we are debating here today is a mixture of the best measures from several bills, including a pension reform bill introduced on behalf of the administration.

It has been apparent for several years that changes are needed in the private pension system in order to eliminate injustices caused by divorce, untimely death, loss of pension rights due to maternity or paternity leave or for extended leave for child rearing, and for other reasons. Presently, our pension system does not recognize hardships faced by nonworking spouses of employees. Additionally, it does not properly recognize the increased participation and particular needs of women in our Nation's work force.

During hearings this summer before the Finance Committee on the Economic Equity Act, we heard from a woman whose personal hardship best illustrates the need to tip the scales of justice in her favor—for a change:

Her husband is dying of cancer at age 50. Although he had worked for a major corporation for over 23 years, she will receive none of his pension benefits if he dies before the age of 55. During their marriage, she gave up a graduate career and interrupted many other activities in order to be with her husband during various career moves. In addition, they have two children in private colleges. Doctors do not expect him to live much longer. At age 45, without her husband's pension to live on and because of the career sacrifices she made during her marriage, she will have a difficult time trying to support herself and her children.

Mr. President, this is only one type of hard-luck story caused by the inequities in our pension system. Others occur in not recognizing the value of a homemaker's contribution to a marriage when that spouse is denied rights to the employed spouse's pension upon divorce. Still others are caused by not recognizing that women on the average enter the work force at an earlier age than men, and that both women and men can be penalized for taking maternity and paternity leave from their careers.

The Retirement Equity Act seeks to correct these inequities in the following ways:

First, it lowers the minimum age of participation under ERISA from 25 to 21;

Second, it lowers the minimum age for vesting under ERISA from 25 to 18;

Third, it requires plans to offer survivor's benefits in the case of a death of a plan participant who has reached age 45, and who has 10 years of service;

Fourth, it insures in most cases that individuals with a break in service up to 5 years do not lose credit for participation or vesting purposes for prebreak periods of service;

Fifth, it requires that joint and survivor benefits be the usual form of benefits;

Sixth, it requires that the election out of joint and survivor coverage must have the consent of the spouse;

Seventh, it requires that, in the case of a divorce after a joint and survivor annuity starts, that the ex-spouse will be eligible to receive survivor benefits;

Eighth, it requires that a joint and survivor annuity be the usual form of benefit payout for any plan that offers an annuity as an optional form of benefit payment;

Ninth, it requires that the plan, to the extent that the court orders, split the participant spouse's pension account between the divorced husband and wife; provides the nonparticipant ex-spouse with the option of an annuity based on his or her own life expectancy at the plan's early retirement date for the participant; and makes favorable IRA rollover and allocation for annuities rules available to alternate payees;

Tenth, it requires that individual benefit statements include a notice to participants that vested benefits may be forfeited upon death; and

Eleventh, it increases the level at which plans may cash out benefits from $1,750 to $3,500.

Mr. President, I urge my colleagues to join with me today in supporting passage of this legislation so that women may receive equitable consideration under our country's private pension system.

Mr. DOMENICI. Mr. President, I think the matters that are addressed in this bill are fairness questions that affect us all.

In 1974, the Employees Retirement Income Security Act (ERISA) was passed to insure that workers who are covered by pension plans receive the benefits for which they are eligible. Any employer who wishes to get the tax benefits which accompany having a company pension plan must meet the requirements of ERISA and relevant portions of the Internal Revenue Code.

Some parts of ERISA have worked very well. However, after having 8 years of experience under this law, I am concerned that ERISA, as written, works to the disadvantage of working women, wives, widows, and mothers. I think it is alarming that in 1979 only 40 percent of women working full time in private industry were covered by a pension plan and that only 5 percent to 10 percent of surviving spouses actually receive their spouses' pension benefits.

This bill should significantly improve the chances that women will receive benefits under pension plans, yet the proposal is designed to minimize disruption in plan administration and increases in the costs of providing benefits.

WOMEN AS WORKERS

Probably the most important area for improvement in terms of equity is to lower the age at which service with an employer must be taken into account for pension plan coverage.

Existing provisions of ERISA require employers with qualified plans to allow an employee to participate in the pension plan on the latter of two dates: the day the employee reaches age 25 or the day the employee completes 1 year of service. An employee who begins work at age 18, for example, must work a minimum of 7 years with the same employer before acquiring the right of pension participation. Conversely, one who enters the labor force at 24 must work only 1 year for the same right. Lowering the age to 21 would have a dramatic impact on women. Women in the 20 to 24 age bracket have the highest labor force participation rate among women—as of 1978, 68.3 percent projected to increase to 76.8 percent in 1985.

Existing pension law does not take into account the fact that women enter the work force at younger ages, frequently right out of high school or college. According to the Bureau of Labor Statistics, 70.6 percent of all women ages 20 to 24 were in the work force in 1982. The high percentage of women's work force participation continues until age 30 when it declines to 47.5 percent. A woman who began working at age 20 and left her job at age 31 to have a child has worked 10 years but only receives a 6-year pension credit. Under the Retirement Equity Act she would receive full credit for 10 years. This bill corrects this inequity.

WOMEN AS MOTHERS

Presently, all prior service with an employer must be taken into account only if the period of absence from

work is shorter than the number of years of service with the employer. Reducing the participation age to 21 will have the additional benefit of requiring that years of service with the employer be taken into consideration for the so-called breaks in service rule.

In addition, the bill substantially will improve the rule of parity and will allow up to 1 added year of absence due to the birth of a child without the employee losing credit for prior service with the employer if the employee returns to work.

WOMEN AS FORMER SPOUSES

Another area that has caused much confusion is to what extent Federal pension laws affect how pension benefits can be treated in a divorce case. This bill will clarify Federal law so that accrued pension benefits may clearly be subject to a State law property settlement pursuant to divorce or separation agreement. However, the law will also be made clear that no pension plan will be required to distribute pension plan assets prior to the retirement of the pension plan participant.

Under ERISA, with limited exceptions, pension benefits may not be assigned or alienated. In common law States the courts have complicated the subject by holding that ERISA does not preempt State law permitting attachment of vested and nonvested benefits to meet family support obligations such as alimony, separate maintenance and child support. In community property States there is a divergence of opinion among the courts as to whether ERISA preempts State community property laws as they relate to married couple's rights under a pension plan.

The Retirement Equity Act would clarify this issue by eliminating the prohibition against assignment of benefits pursuant to divorce decrees. This change is important to mothers with small children because between a quarter and a third of divorced fathers never make a single child support payment. In 1975, Congress established the child support enforcement program. This was a good first step, the Retirement Equity Act is another. However, more needs to be done in this area, and I am looking at other legislative solutions.

WOMEN AS WIVES AND WIDOWS

Under present law, generally, if a pension plan provides for a benefit in the form of an annuity, it must be in the form of a joint and survivor annuity unless the employee elects otherwise. There is presently no requirement that the nonworking spouse be notified. The Retirement Equity Act will change this rule to require the consent of the nonemployee spouse to elect out of a joint and survivor annuity coverage.

As anyone who has read the fine print of a pension plan knows, the provisions are lengthy and confusing to anyone other than a pension lawyer. Many benefits are lost in the maze of subparagraphs and intricate clauses. The fine print can take away benefits that beneficiaries and recipients expect to be there.

The Retirement Equity Act does not cure all the problems of pension and retirement benefit discrimination but it is an important step that I urge Congress to take. I am committed to advance, guarantee and promote economic equity for women during their working careers and during their retirement years.

Thank you, Mr. Chairman.

Mr. BYRD. Mr. President, I support the Retirement Equity Act of 1983. It makes some very needed reforms to address the problem of pension inequality for women. It is a good first step, and I applaud the bill's many cosponsors—both Republicans and Democrats—for bringing this bill before us. It deserves all our support.

It is not often that a bill of such glaringly fundamental rightness comes before us. Of course, some would say that this bill only makes the easy reforms needed to address the unequal way in which women are treated in our pension laws. While that is true, I would reply that our response should be one of unqualified bipartisan support for this bill and then our resolve to tackle, as soon as possible, the more important and controversial changes we know are needed.

This bill proposes changes in pension law to reflect the sociological patterns of working women and homemakers in the 1980's in America. It recognizes the fact that women, for the most part, enter the work force at an earlier age than men. It recognizes the fact that throughout their working lives, women leave the work force more frequently than men because they fulfill the very important societal functions of child rearing or care for aged parents. Women also leave jobs because they wish to follow their spouses if they are transferred to other cities. These important family-supportive activities are encouraged in our society, yet we punish women for these activities in our pension laws.

The Retirement Equity Act begins the process of removing these punishments. It lowers the minimum age for enrollment in a pension plan from 25 to 21 and reduces the minimum vesting age from 22 to 18. It revises break-in-service rules to allow wage earners to take off as many as 5 years for employer-approved maternity and paternity leave before returning to work without losing prior service time as counted for enrollment and vesting in the pension. It makes other important changes in pension law, focusing on survivor coverage for spouses of plan participants. Finally, it eliminates many of the restrictions that prevent a pension plan from assigning benefits to a spouse in the case of divorce.

These changes are right. They are easy changes for us to make because no one could deny their fundamental rightness. I urge my colleagues to support this bill.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment, as amended, was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the committee amendment was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, has the bill been passed?

The PRESIDING OFFICER. The bill has not yet passed.

The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "To amend the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to assure equality of economic opportunities for women and men under retirement plans.".

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, will the majority leader yield?

Mr. BAKER. Yes.

MORTGAGE REVENUE BONDS

Mr. DOLE. Mr. President, I had a discussion with a number of Senators about the mortgage revenue bonds. I know there are a lot of bond lawyers out in the lobby and I want them to go on home, because what I am about to say would indicate that there is no way we could extend that program. There is no vehicle. The House is about to go out.

But I have indicated to a number of Senators that it is a matter we are going to address early next year. We believe we can work out a suitable program.

The program does expire December 31, 1983. I have given assurances to Senator MITCHELL, Senator ROTH, Senator SASSER, and others that we will do the best we can early next year to hammer out some meaningful agreement so the best parts of this program can be preserved.

Mr. BAKER. Mr. President, I had hoped we were going to be able to do the education conference report, and maybe we still can. But it is not cleared yet.

It does not look like we are going to be able to do a highway bill. We still have the Indian resolution to do. There is a veterans bill that we would like to clear if we can do that. I need to speak to the distinguished occupant of the chair before we try that. And there may be a matter to be addressed by the Senator from Idaho, Mr. MCCLURE.

In the meantime, once again, I have to find out what is possible to do and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Mr. PACKWOOD's statement is printed in another section of the RECORD.)

Mr. BYRD. Mr. President, my faithful aides are being run to death. Everyone from here to kingdom come is coming to the desk wanting to know if they are going to get this cleared or if they are going to get that cleared. and it takes some time. I would hope, with the concurrence of my good friend the majority leader, that I could put in a quorum call that would last long enough that our people could get some work done. I think that would expedite the majority leader's work.

So I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I am advised that the education conference report, which is the conference report on H.R. 1035, has been cleared for action on this side. Is it cleared on the minority leader's side?

Mr. BYRD. Yes, Mr. President, it is cleared on this side.

Mr. BAKER. I thank the distinguished minority leader.

EDUCATION CONSOLIDATION AND IMPROVEMENT ACT—CONFERENCE REPORT

Mr. BAKER. Mr. President, I submit a report of the committee of conference on H.R. 1035 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1035) to make technical amendments to improve implementation of the Education Consolidation and Improvement Act of 1981, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of November 18, 1983.)

Mr. HATCH. Mr. President, the conference report on H.R. 1035, the Education Consolidation and Improvement Act technical amendments, was just passed by the House. The conference on these important amendments required compromises from all sides, but I am pleased to say that I feel we have improved the education block grants and increased local agency flexibility under it.

We have reaffirmed our commitment to the block grant approach, and have prevailed on all the issues which were most important to the Senate.

I wish to compliment my colleagues in the House and Senate on the degree of cooperation we have seen all the way through conference, and in particular I appreciate the efforts of Senators STAFFORD and PELL, and Congressmen PERKINS and GOODLING.

This is a good bill, eagerly awaited from a broad constituency from migrant parents to local and State agency administrators.

I recommend the passage of the conference report by the Senate and urge the President's early approval so its benefits can be felt without further delay.

Mr. MATSUNAGA. Will the majority leader yield?

Mr. BAKER. The Senator from Vermont has the floor.

Mr. STAFFORD. I will be glad to yield.

Mr. MATSUNAGA. Mr. President, I rise to express my support for the conference report on H.R. 1035, legislation making technical amendments to the Education Consolidation and Improvement Act.

Mr. President, this legislation will clarify congressional intent with respect to chapter 1 and chapter 2 education programs. I have a particular interest, however, in the provisions in this bill relating to impact aid for the State of Hawaii. Specifically, the bill will allow Hawaii, for the purposes of the impact aid formula only, to subdivide its unique statewide school district so that administrative units may be considered as local educational agencies.

Hawaii is the only State in the Nation with a single statewide school system. We, in Hawaii, feel that this system provides many benefits to the State. However, because of this unique system, our State has been severely penalized with respect to impact aid allocations.

The Central Oahu district has 36.4-percent category A students in daily attendance—well above the figure necessary to qualify as a super A district—this high concentration of category A students is completely disregarded when the allocation formula is based on statewide statistics. The State as a whole has only 10.26-percent category A students in daily attendance. Consequently, Hawaii does not receive any impact aid funds at the super A reimbursement rate. Under the provisions of H.R. 1035 the Central Oahu district would qualify for super A funding.

The provisions in this legislation do not give Hawaii any special treatment; rather, it allows Hawaii to be treated on equal terms with all other States in the determination of impact aid allocations. For years, Hawaii has suffered because of its unique administrative situation. This legislation will remedy this injustice.

Mr. President, I would like to take this opportunity to thank the chairman, Mr. STAFFORD, and the ranking member, Mr. PELL, of the Education Subcommittee of the Labor and Human Resources Committee for their able assistance in resolving this matter. I urge my colleagues to vote favorably on this legislation.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the conference report.

Without objection, the conference report is agreed to.

Mr. STAFFORD. I move to reconsider the vote by which the conference report was agreed to.

Mr. MATSUNAGA. I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that I may proceed as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

FARM LEGISLATION

Mr. BOSCHWITZ. Mr. President, I rise to express my regret and dismay that we have not been able to pass some farm legislation, particularly with respect to wheat, but affecting some other commodities as well. Finally, at the last moment, there was, indeed, a bill passed in the House. The bill that was passed in the House was with respect to wheat. Interestingly, it was not as good a bill, in my judgment, as a previous proposal which had been

arranged through negotiations by the Senator from Kansas and others, including myself.

Unfortunately, the House bill came over here at the last minute and was subject once again to delaying tactics. It was subject to objection by the administration.

We were told that if any elements of that bill were changed, if even a single word were changed, if an "i" were dotted or a "t" crossed differently from the way it had come to us, that it would not in any way be considered by the House if the matter had to go to conference.

Now I see that the House has adjourned. Therefore, we are unable, because of that adjournment, to proceed with meaningful farm legislation of any type. Unfortunately, we have the wheat farmers out there with a program that is weak at its very best. It requires a 30-percent unpaid set-aside, and will, therefore, have very low participation. The program will lead to excessive crops once again. We will have surpluses which lead to lower prices, which in turn lead in the future to potentially broader Government intervention.

Mr. President, many people will say that they want to get the Government out of farming altogether, which is a very nice thing to say.

Mr. DOLE. Will the Senator yield for a question?

Mr. BOSCHWITZ. Yes.

Mr. DOLE. I think it is unfortunate, Mr. President. We have been trying to get a bill up for a long time. The only people who will suffer are American wheat producers.

Mr. BOSCHWITZ. I agree with the distinguished Senator from Kansas. Not only wheat producers, but producers of other commodities will now not have a fair shot at a decent program. Because of delaying tactics, we have not been able to act, but the House at the very last moment acted and then said it was a nonnegotiable issue.

I thank the Chair.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that I may speak for not more than 2 minutes and that my remarks be considered as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO THE MAJORITY LEADER AND THE MINORITY LEADER

Mr. RANDOLPH. Mr. President, the first session of this 98th Congress is coming to a close. I express appreciation for the effective efforts of the majority and minority leaders in their arduous work over these months of grueling deliberation.

I emphasize that our cherished friend from Tennessee, Senator HOWARD BAKER, has conducted himself as majority leader in a manner that merits commendation that comes from both sides of the center aisle that separates the parties.

The same commendation applies equally to ROBERT BYRD, of West Virginia, who has served all his colleagues as minority leader. We recognize that the majority leader has certain powers that the minority leader does not possess. Neither Senator has misused their leadership roles.

What I really am saying is this: We have differences in this body, differences that are understandable which separate Democrats from Republicans. But with our present leadership, these differences have never become divisive, and that fact is very important for the American people to realize. There has been no divisiveness.

Members of this Congress, and I repeat, and I repeat, and I repeat, have been well served, regardless of party affiliations. The majority and the minority leaders have demonstated during these past many, many months, the qualities of well-reasoned and constructive judgment.

Mr. BAKER. Mr. President, I am most grateful to the Senator from West Virginia. He is not only a colleague but a good friend. I am deeply grateful for his remarks.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I want to associate myself with the statements of the distinguished Senator from West Virginia. [Applause, Senators rising.]

The PRESIDING OFFICER. The Chair will note the shade of red on the majority leader's face matches the shade of red on the vest of the minority leader. [Laughter.]

Mr. WARNER. Mr. President, I would like to be associated with these remarks and I hope that round of applause will clear a lot of holds here and get some legislation through.

I would like to extend my congratulations to the infrastructure which supports the leadership; namely, the thousands of employees on Capitol Hill in all the various types of employment which make this institution possible. They are on duty tonight, night and day, supporting us in many ways.

I am privileged to join in the remarks of the distinguished Senator from West Virginia. I would want to enlarge on his remarks to include all those who make this body possible.

Mr. BAKER. Mr. President, I am grateful in the extreme for the remarks and the demonstration of applause.

I am grateful and I appreciate all of it.

With the necessity of returning now to reality, if the minority leader will permit, there are two or three other items that we have to do. One of them, I suspect, will be controversial. Is the minority leader prepared for me to proceed at this point?

Mr. BYRD. Mr. President, I will be very shortly.

Mr. President, I appreciate the kind words of my colleagues, and their demonstration of applause.

I have to say this: I do not think that in the 3 years I have been minority leader, that the majority leader and I have had one single word of anger between us. We have differed agreeably. I think it has been a very, very refreshing experience to work with Senator BAKER. I will say this: He is a much better majority leader than he was minority leader. [Laughter.]

Mr. BAKER. Mr. President, I am grateful to the minority leader as well. But I want to tell him that I watched him as majority leader for 4 years and sat here and suffered as the minority leader. I have to confess to him, I like it better this way than that way.

I am very grateful. In a moment—not now, for fear once again we get the impression we shall adjourn—a little later I intend to comment on the impending birthday of the minority leader. I shall withhold those remarks because we have a few things we have to do, and because I do not want to be restrained by time.

Mr. BYRD. Mr. President, I am sorry the majority leader had to inject a sour note into the proceedings.

Mr. BAKER. As the old saying goes, it is a lot better than the alternative.

Mr. BYRD. It is.

Mr. BAKER. And November was a good month.

THE IEA AMENDMENT

Mr. BAKER. Mr. President, there are two matters it appears we can deal with at the present time. The first I suspect we may not be able to complete, but I think we should make the effort.

I believe Members are aware that I am going to make this request. I ask unanimous consent that the Senate now turn to a measure at the desk, which is H.R. 4194.

Mr. METZENBAUM. Mr. President, is that the IEA amendment?

Mr. BAKER. Yes, it is.

Mr. METZENBAUM. I object, Mr. President.

Mr. McCLURE. Mr. President, I am not at all surprised by the action of the Senator from Ohio. I hope the RECORD notes his objection to proceeding to that matter.

This is the International Energy Agency and, I trust, exemptions which will expire on December 31, 1983, without extension. The Senate, in the Committee on Energy and Natural Resources, had considered this matter. The Senator from Ohio offered an

amendment and said that that authority that would expire would extend to June 30, 1985. Then the Senator from Ohio said it will terminate on June 1, 1984 unless, prior to that time, Congress has enacted and the President signed into law an emergency standby petroleum allocation bill.

The items are not unrelated. They both deal with the same subject matter. That matter was debated in the committee. The Senator from Ohio offered that amendment. I opposed that amendment. A rollcall was asked for in the committee and the Senator from Ohio prevailed. That amendment was adopted. That condition was attached, or the conditional termination of that authority was attached.

The bill then came to the floor of the Senate, was passed in the Senate and sent to the House of Representatives, where they struck the provision that had been added by the amendment of the Senator from Ohio, and sent it back to us with a different termination date and without that proviso.

Mr. President, the only reason that I am taking the time of the Senate tonight in explaining my own position is that I want it very clearly understood that, while I supported the Standby Emergency Petroleum Allocation Act that was passed by both Houses of Congress, sent to the President of the United States, and vetoed by the President as authority that he did not want and, as he said, did not need, I supported that act at that time and I believe the President was unwise in vetoing it.

However, that issue is behind us as far as this Senator is concerned and I did not feel free to reinject that at that time. Therefore, I resisted the amendment offered by the Senator from Ohio.

In spite of that, I also said to the administration that I would try to pass the bill containing the extension of the antitrust exemption so that, in the event of an emergency, we would have the opportunity to act through the IEA and the antitrust exemption, I believe, is an essential part of that response mechanism.

Mr. President, I regret that we find it impossible to pass this legislation. As I remember it, Representative DINGELL and Representative BROYHILL both objected to this provision when it was in the House of Representatives. I hope I am not incorrect in stating that. If I am correct in the source of opposition, I shall duly apologize to the gentlemen I have named.

I also advised them that there is no point in taking that provision out and sending it back over here because the Senator from Ohio was equally adamant and that there was no way we could pass that bill absent the provision in the waning hours of this Congress.

I find no fault with any person, but the result of the impasse is that on December 31, while Congress is out of session, in recess, if any kind of an international energy interruption should occur and an emergency should happen, the United States, for good or for evil, will not be able to respond through the IEA as we otherwise would have done and as some people believe is essential.

My understanding of the situation at this point is that every one of us had better pray that, indeed, there is no energy interruption between now and January 23. If there is an energy interruption sometime between December 31 and January 23, I anticipate that the President of the United States might well call us back into session to deal with that interruption in our international energy emergency response.

I understand the position of the Senator from Ohio. I am not making this statement in any way to take offense or to derogate the actions taken by the Senator from Ohio. Once in a while, we get caught in a situation in which there are just adamant positions in the two bodies, making it impossible for us to reach a compromise.

I am sorry that is the case here. I am sorry we got to that point, but I thought I at least ought to lay out in the RECORD where this impasse is and how it occurred.

Mr. METZENBAUM. Mr. President, let me respond briefly.

This Senator believes that our Nation's best interests would be served if we were no longer a member of the IEA. I believe we gain nothing by being a member of the IEA and I believe the sooner we get out of it, the better the people in this country will be served. The IEA provides nothing more than, if there is a worldwide shortage, this country agrees to give up something in the nature of a million barrels a day to other nations around the world. I see that we get nothing in return by being party to the IEA. But if we did, I still make the point that it does not make sense for us to agree to have allocation of oil on a worldwide basis and not have a mandatory allocation program in this country.

So, my amendment, which was accepted by the committee and accepted by the Senate, attempted to put on some pressure to send a message to the United States that this Nation is sorely in need of a mandatory allocation program, which the Senate and the House did pass and then the President vetoed. This body, when forced the last time to vote on overriding the veto, under the leadership of the Senator from Ohio, voted something like 59 to 36 in an effort to override the veto. I think nothing will be lost by our not being a member of it. I am sorry that the House saw fit to delete the amendment, but, under the circumstances, it may be that the best interests of the country will be served by our not being able to participate with the oil companies in this effort.

I want to add one point: Under no circumstances do I believe that there is any reason or logic to give the oil companies antitrust exemption in connection with their involvement in the IEA.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER (Mr. RUDMAN). The Senator from Idaho was recognized.

Mr. McCLURE. Mr. President, just one further very brief note. The Department of Energy opposed on behalf of the administration, as administration spokesman, the amendment of the Senator from Ohio. They, I believe, were urging that this action be taken in the House of Representatives. Because of my concern that that would leave us without authority to act between December 31 and January 23, when we will come back, and whatever length of time it might take us to act after that date, I found it necessary to communicate with the Secretary of the Department of Energy, who is at this hour, I believe, in Riyadh, Saudi Arabia. I think it is somewhat a coincidence that perhaps he is at that area as the tension between the contesting nations in that area is rising and as the threat of oil interruption continues to rise, and we hear the escalation of rhetoric in Iran. So I did send a cable to the Secretary of Energy trying to explain what was happening here and why I thought it was urgent that we act. I regret that the administration took the position that they did, the House of Representatives took the position that they did, and that we have ended at this impasse. But I thought it would be important that we get that on the record tonight.

Mr. BAKER. Mr. President, did the Chair note the objection of the Senator from Ohio?

The PRESIDING OFFICER. The Chair has noted the objection of the Senator from Ohio.

Mr. BAKER. I thank the Chair.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, there are a number of matters remaining. Let me run over them and describe what the leadership on this side would propose to do next.

A House message on H.R. 4252, which deals with Puerto Rico; a House message on S. 577, which deals with a matter in Idaho; a House message on H.R. 505, which is to name a building in Georgia; H.R. 2785, which is a FIFRA reauthorization, S. 566, Mr.

President, and then a House message on S. 684, Mr. President, which is a water resources matter, and then House Joint Resolution 290, which is our old friend, the Olympic gold medal bill. Incidentally, I would respectfully request that the Journal clerk see if this is a record for the number of times we have used that measure. I believe this is the third or fourth time that I have called that measure up, if indeed we do that. But those are the matters that I see in prospect right now, as well as the resolution from the Rules Committee on the Indian Affairs Committee.

PUERTO RICO NUTRITION ASSISTANCE PROGRAM

Mr. BAKER. Mr. President, first I would ask the minority leader if he is prepared for me to proceed with a message from the House on H.R. 4252.

Mr. BYRD. Yes, Mr. President. I would urge that there be no Senate amendments, however.

Mr. BAKER. Mr. President, I thank the minority leader. I ask unanimous consent that the Senate now turn to the consideration of a message from the House on H.R. 4252 and that no amendments be in order to that measure with the exception of the House amendments transmitted to this body.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Presiding Officer laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendments of the Senate numbered 2, 3, 4, 5, and 6 to the bill (H.R. 4252) entitled "An Act to suspend the noncash benefit requirement for the Puerto Rico nutrition assistance program, and for other purposes.".

Resolved, That the House agree to the amendment of the Senate numbered 1 to the aforesaid bill with the following amendment:

In lieu of the matter inserted by said amendment, insert: *for the period beginning January 1, 1984, and ending September 30, 1985*

Resolved, That the House agree to the amendment of the Senate to the title of the aforesaid bill with the following amendment:

In lieu of the matter inserted by said amendment, insert:

"An Act to suspend the noncash benefit requirement for the Puerto Rico nutrition assistance program, to provide States with greater flexibility in the administration of the food stamp program, and for other purposes.".

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. MOYNIHAN. Mr. President, I should like to express my appreciation and that of our distinguished friend, Representative CORRADA, who is on the floor at this moment, that the majority leader and minority leader have found time in these closing moments to take up this matter. The nutrition assistance program would expire January 1, 1985, in Puerto Rico, if it were not for this provision, which extends it to September 30, 1985, and will give the appropriate committees an opportunity to deal with the longer term.

This is a very, very generous gesture, but if I may say one which the people of Puerto Rico, American citizens, would expect us to do and for which they would share in a program in which all American citizens share.

I thank the majority leader.

Mr. BAKER. Mr. President, I thank the Senator from New York, who over the years has had a continuing and deep interest, as I have had a deep and continuing interest, in the welfare of the American citizens who make up the population of Puerto Rico. I have great admiration for their Commonwealth and for the contribution that they have made to our country.

Mr. President, I am delighted that Representative Corrada is here and on the floor to see this matter disposed of at this time.

Mr. HELMS. Mr. President, I very much regret that the Senate must be asked to deal with this legislation again this week.

An impasse in the House has resulted in the bill being returned to the Senate with a further House amendment.

H.R. 4252, as amended by the Senate on Thursday, November 17, would have eliminated the requirement, now scheduled to take effect January 1, 1984, that the Commonwealth of Puerto Rico make benefits under its nutrition assistance program available in a noncash form.

Unless a change in the law is enacted prior to January 1, 1984, Puerto Rico would be required to convert its current so-called cash system to a noncash benefit delivery system. Under the present law, Puerto Rico operates a nutrition assistance block grant in lieu of the Federal food stamp program, as required by the Omnibus Budget Reconciliation Act of 1981.

The Commonwealth chose, when implementing the block grant in July 1982, to provide benefits in the form of checks to be used for food assistance rather than continue a coupon, or voucher, program as is the case with food stamps. However, an amendment adopted in 1982—the so-called Coleman amendment—required Puerto Rico to convey to a noncash system by October 1, 1983. That deadline was extended to January 1, 1984, in the first continuing resolution for fiscal year 1984, adopted September 30, 1983.

It was my hope, shared by the administration and a majority of both the House and Senate Agriculture Committees, and the Commonwealth of Puerto Rico that this onerous requirement could be eliminated.

I want to emphasize that, in supporting the repeal of the Coleman amendment, I am not necessarily endorsing the cash concept that the officials in Puerto Rico selected for their program. However, I do believe strongly in the principle that under a system of Federalism, individual jurisdictions should have the maximum freedom to tailor programs to the unique needs and desires of their citizens. This principle is just as valid with respect to Puerto Rico as it is to the 50 States.

Unfortunately, Mr. COLEMAN, the sponsor of the original amendment has prevented House consideration of the Senate version of the bill yesterday and today since such consideration requires unanimous consent in the House at this time.

After consulting with my distinguished friend, the chairman of the House Agriculture Committee (Mr. DE LA GARZA), I have concurred with his judgment that the only way to relieve Puerto Rico of this requirement—given the current parliamentary situation—is to delay the enforcement of the Coleman amendment until October 1, 1985. That date coincides with the current expiration date for the entire Food Stamp Act, including the Puerto Rico nutrition assistance block grant. Thus, the bill, as amended by the House, suspends the noncash requirement until October 1, 1985.

The bill leaves intact a study of the program which is to be completed by the administration by March 1, 1985. Both House and Senate committees will be able to deal with all considerations relevant to the food stamp program, including the future disposition of the Coleman amendment which I hope will be removed, at that time; that will certainly be one of my top priorities.

I went into the details of the efforts which Puerto Rico has undertaken to improve their program on Thursday, and I shall not repeat those at this point.

Frankly, Mr. President, I am disappointed that Puerto Rico is to be held hostage to the Coleman amendment for another 2 years. The only rationale I can bring to the Senate in support of this provision is that the alternative to the 2-year delay is current law, in which the Coleman amendment would trigger into effect on January 1, 1984.

Other matters in the bill deal with some refinements of monthly reporting and retrospective budgeting. I believe that these reforms will address the concerns of those troubled by some of the potential administrative complexities of monthly reporting and retrospective budgeting without repealing or in any way delaying the scheduled implementation on January 1, 1984.

Rather, the changes should help States target their resources in a way that will make monthly reporting and retrospective budgeting more effective in determining actual household circumstances.

The Secretary has been most judicious in his assessment and granting of waiver requests, from State agencies, from monthly reporting for certain categories of households where such reporting would not be cost effective. This bill contains more discretionary waiver authority from certain other aspects of the monthly reporting and retrospective budgeting (MRRB) system. It is expected that the Secretary can implement this new waiver authority quickly, including prompt notification to the States. In no way should this new authority diminish the imperative of the current law to require the implementation of monthly reporting and retrospective budgeting in all States on January 1, 1984.

I have outlined in some detail the rationale for the changes contained in the bill in my statement yesterday. Inasmuch as there are no changes in these provisions of the bill, I shall not elaborate on them at this point.

Finally, Mr. President, the bill increases the flexibility for approximately 12 States that do not collect quarterly unemployment compensation wage information. These 12 States are currently required to rely on similar wage information from the Social Security Administration in order to perform mandatory wage matching with food stamp caseloads. The amendment provides these States to use comparable wage information, as approved by the Secretary, to satisfy these existing wage match requirements.

I ask unanimous consent that the summary of the provisions, as amended, be printed at the conclusion of my remarks.

There being no objection the summary was ordered to be printed in the RECORD as follows:

SUMMARY OF PROVISIONS

H.R. 4252, as amended, would amend the Food Stamp Act of 1977 to—

(1) suspend the requirement (scheduled to take effect January 1, 1984) that nutrition assistance in Puerto Rico be made available in a form other than cash through September 30, 1985;

(2) direct the Secretary of Agriculture to carry out a study of the nutrition assistance program in Puerto Rico to include an assessment of (a) its impact on the adequacy of the nutritional level of diets of households receiving food assistance in the form of cash rather than in noncash form, and (b) the expenditure levels of such households for food. The Secretary would be required to report the findings of the study to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry by March 1, 1985;

(3) allow States to waive, with the approval of the Secretary, the existing requirement that the minimum certification period for food stamp households that must submit monthly reports of income be six months;

(4) provide authority for the Secretary to waive the existing requirement that certain food stamp households not subject to montly reporting requirements have twelve months maximum certification periods;

(5) allow States, with the approval of the Secretary, to calculate household income for certain households on a prospective, rather than a retrospective, basis. Households for which a waiver may be approved are those that (i) are permitted to report household circumstances at specified intervals less frequent then monthly, (ii) have no earned income and in which all adult members are elderly or disabled members, and (iii) are any other households, other than a migrant household, not required to report monthly or at less frequent intervals.

(6) provide that the Secretary may permit State agencies to accept several forms of reporting to be used to satisfy reporting requirements for households reporting at specified less frequent intervals—i.e., those households not filing monthly reports. These forms would include recertifications conducted in accordance with section 11(e)(4) of the Act, in-person interviews conducted during a certification period, the filing of written reports, and such other means as are prescribed by the Secretary;

(7) provide that reports required to be filed monthly shall be the sole reporting requirement for subject matter included in such reports rather than the sole source for reporting all changes in circumstances for participating households; and

(8) continue to require States to perform wage matching procedures. States that maintain quarterly unemployment compensation records would continue to use such records for wage matching purposes. States that do not have such data would use either Social Security Administration wage information (as required under current law) or comparable information, as approved by the Secretary.

Mr. HUDDLESTON. Mr. President, I urge my colleagues to concur in the House amendments to the Senate amendments to H.R. 4252. These amendments consist of one substantive amendment that would suspend the requirement that the nutrition assistance program in Puerto Rico convert to a noncash delivery system until October 1, 1985, and an amendment to the title of the bill.

Currently, the law requires a cash benefit delivery system in Puerto Rico, but beginning January 1, 1984, Puerto Rico will be required to implement a noncash benefit delivery system. Yesterday, the Senate agreed to an amendment that would delete the requirement that the Commonwealth of Puerto Rico convert to a noncash system.

The evidence, to date, on the effect of a conversion of food program expenditures from cash to noncash on participating households in Puerto Rico is inconclusive. In fact, both the House and the Senate have agreed to a provision of the bill to require the Secretary of Agriculture to conduct a study on the effectiveness of the current nutrition assistance program in Puerto Rico.

Because the issue has not been resolved, I can understand why some Members of the House had concern about the provision of the Senate amendment completely deleting the noncash requirement from the law. In their judgment, it would be appropriate to defer definitive action on this matter until the findings of the study are completed and provided to Congress.

Therefore, in the spirit of compromise, I urge my colleagues to join me in concurring in the House amendments to the Senate amendments to H.R. 4252.

Mr. BAKER. Now, Mr. President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. Without objection, the motion is agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONVEYANCE OF CERTAIN FEDERAL LANDS

Mr. BAKER. Mr. President, next I inquire of the minority leader if he would object to the consideration of the House message on S. 577 at this time.

Mr. BYRD. Mr. President, that matter has been cleared on this side.

Mr. BAKER. I thank the minority leader. I ask the Chair lay before the Senate a message from the House on S. 577.

The Presiding Officer laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 577) entitled "An Act to provide for the conveyance of certain Federal lands adjacent to Orchard and Lake Shore Drives, Lake Lowell, Boise project, Idaho", do pass with the following amendment:

Page 2, lines 3 and 4, strike out "costs, but excluding", and insert: *costs and*

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. Without objection, the motion is agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the Senate concurred in the House amendment.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

JULIETTE GORDON LOW FEDERAL BUILDING

Mr. BAKER. Mr. President, is the minority leader prepared for me to try

to reach a message from the House on S. 505 at this time?

Mr. BYRD. Mr. President, there is no objection provided that the majority leader will include in his request that there be no amendments.

Mr. BAKER. I thank the Senator. I ask unanimous consent the Senate now proceed to the consideration of a message from the House on S. 505. I further ask unanimous consent, Mr. President, that no amendments be in order to this measure with the exception of the amendment transmitted to us by the other body.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 505) entitled "An Act to designate the Federal building to be constructed in Savannah, Georgia, as the "Juliette Gordon Low Federal Building", do pass with the following amendment:

Strike out all after the enacting clause, and insert: That the Federal building to be constructed at Telfair Square, Savannah, Georgia, shall hereafter be named and designated as the "Juliette Gordon Low Federal Building". Any reference in a law, map, regulation, document, record, or other paper of the United States to such building shall be held to be a reference to the "Juliette Gordon Low Federal Building".

SEC. 2. (a) The Administrator of General Services (hereinafter referred to as the "Administrator") may accept and use contributions from individuals and private organizations for the design and construction of a memorial, to be located in or around the building referred to in the first section of this Act, commemorating the life and accomplishments of Juliette Gordon Low. The Administrator, in consultation with the chairman of the National Endowment for the Arts and the national president of the Girl Scouts of America, shall determine the appropriate form and location of such memorial, taking into account the cost of maintainin such memorial.

(b) The Administrator shall provide maintenance for such memorial.

SEC. 3. Notwithstanding any other provision of law, the Secretary of Transportation, in cooperation with the Commonwealth of Virginia and the District of Columbia, shall carry out a demonstration project on Interstate Highways 95 and 395 in Virginia and the District of Columbia for a period of not less than 12 months commencing within 30 days after the District of Columbia begins actual reconstruction of the George Mason Bridge. The Commonwealth of Virginia and the District of Columbia shall restrict the use of the express lanes on such highway to buses, emergency vehicles, and other vehicles carrying four or more persons during the hours of 6:00 ante meridian to 9:00 ante meridian on Monday through Friday, exclusive of holidays, on northbound lanes and during the hours of 3:30 post meridiem to 6:00 post meridiem on Monday through Friday, exclusive of holidays, on southbound lanes during the demonstration period. The Secretary of Transportation, in consultation with the Commonwealth of Virginia and the District of Columbia, may adjust such hours and refine the demonstration to enhance safety, minimize congestion, and maximize the use of the facility. During the demonstration period, the Secretary of Transportation, in cooperation with the Commonwealth of Virgnia and the District of Columbia shall carry out an environmental assessment of the effects of the high occupancy vehicle restrictions, and shall, upon completion of such assessment, report to the Congress the results of the assessment and the demonstration project.

SEC. 4. Section 4 of the John F. Kennedy Center Act is amended by inserting "(a)" after "Sec. 4." and by adding at the end thereof the following new subsection:

"(b)(1) Except as provided in paragraph (2) of this subsection, the Board shall assure that after the date of enactment of this subsection, no additional memorials or plaques in the nature of memorials shall be designated or installed in the public areas of the John F. Kennedy Center for the Performing Arts.

"(2) Paragraph (1) of this subsection shall not apply to—

"(A) any plaque acknowledging a gift from a foreign country;

"(B) any plaque on a theater chair or a theater box acknowledging the gift of such chair or box; and

"(C) any inscription on the marble walls in the north or south galleries, the Hall of States, or the Hall of Nations acknowledging a major contribution;

which plaque or inscription is permitted under policies of the Board in effect on the date of enactment of this subsection.

"(3) For purposes of this subsection, testimonials and benefit performances shall not be construed to be memorials.".

SEC. 5. Notwithstanding any other provisions of law and the Secretary of Transportation's decision on Interstate Highway 66, Fairfax and Arlington Counties, Virginia, dated January 5, 1977, the Secretary of Transportation, in cooperation with the Commonwealth of Virginia, shall carry out a demonstration project on Interstate Highway 66 in Fairfax and Arlington Counties, Virginia for a period not less than 12 months commencing within 60 days of the enactment of this section. The Commonwealth of Virginia shall restrict the use of such highway between I-495 and the District of Columbia to high occupancy vehicles carrying three or more passengers during the hours of 7 a.m. to 9 a.m. on Monday through Friday, exclusive of holidays, on eastbound lanes and during the hours of 4 p.m. to 6 p.m. on Monday through Friday, exclusive of holidays, on westbound lanes during the demonstration period. High Occupancy Vehicle requirements shall not apply to vehicles entering I-66 or the Theodore Roosevelt Bridge from Lynn Street or the George Washington Parkway in Arlington County, Virginia. During the demonstration period, the Secretary of Transportation, in cooperation with the Commonwealth of Virginia, shall carry out an environmental assessment of the effects of the high occupancy vehicle restrictions, and shall, upon completion of such assessment, report to the Congress the results of the assessment and the demonstration project.

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. Without objection, the motion is agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the Senate concurred in the House amendments.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STAFFORD. Mr. President, with respect to the provision on I95/395, the hours of service and consultative process need to be further refined I wish the assurances of Senator WARNER and Senator RANDOLPH that they will work with me to resolve this concern.

Mr. RANDOLPH. Mr. President, I assure the chairman of the Environment and Public Works that I will assist him as we consider highway legislation next year.

Mr. WARNER. Mr. President, I join with the Senator from West Virginia in giving such assurances.

Mr. President, if the leadership would be so kind as to indulge me a few minutes, on this piece of legislation are two amendments which are vital to the transportation system of northern Virginia, indeed vital to the working efficiency of the U.S. Government, namely the lifting of the HOV restrictions on I-66 and certain restrictions on the use of I-395. We are joined on the floor by my distinguished colleague, Mr. PARRIS of Virginia, Congressman WOLF of Virginia, and earlier today our distinguished colleague, Mr. SISISKY, was also on the floor.

Mr. SISISKY's interest, however, was in a separate amendment which, unfortunately, was stricken by the House which dealt with the Richmond-Petersburg turnpike toll system just outside Richmond.

That measure, I bring to the attention of the Senate, was passed by the Senate, but regrettably was removed in the House. I am aware that Congressmen TOM BLILEY and NORM SISISKY did all that was humanly possible in our effort to get the toll extension amendment approved in the House. I very much regret that we were not successful. I and other members of the Virginia delegation will do our very best to restore that amendment upon the resumption of our session in February.

I wish to thank the leadership. I wish to thank the distinguished ranking members, Mr. JENNINGS RANDOLPH, and the chairman who has been with us throughout this afternoon, Mr. STAFFORD, in getting these provisions through.

Mr. President, I yield to my distinguished colleague from Georgia, who has also been very helpful in this matter.

Mr. MATTINGLY. Mr. President, I should like to make one final comment. We are happy S. 505 serves as a

11-059 O-87-35 (Pt. 24)

vehicle for our good friends from the State of Virginia and my distinguished colleague, the senior Senator from Virginia (Mr. WARNER).

Not to become lost in what the purpose of the bill was initially, it was to name a building after the founder of the Girl Scouts, which I think is of vital importance, that finally she has been recognized even by having a building named after her.

I thank my colleagues for the approval of this measure.

Mr. MOYNIHAN. Mr. President, I had intended to offer an amendment to this measure which would permit the Governors of States to request an exemption from the requirements of the Surface Transportation Act of 1982, which permits tractor-double trailer combinations and other large trucks on interstates and certain Federal aid primary highways.

The problem is that these killer trucks, as they are called, have access to highways that were not designed to accommodate them, as is the case on the main body of the interstate systems.

This change has been approved by the House. This change is urged upon us by the U.S. Conference of Mayors, the National Council of State Legislatures, the American Automobile Association, and the like.

Upon offering it, it had been my hope that the distinguished chairman of the Committee on Commerce, the Senator from Oregon (Mr. PACKWOOD) would be on the floor and that we could have a colloquy. He had expressed his intention to say that if a brief hearing were held before his committee, which has jurisdiction, he would consider this—I do not say favorably, but he would give it most careful consideration. I do not want to characterize this response.

We could not locate him at this moment, so I did not offer the amendment.

I simply wish to record, as this session ends, that this is unfinished business to be taken up in the next session, and I express my appreciation to the chairman of the Commerce Committee for indicating that he would do that.

Mr. BAKER. Mr. President, I thank all Senators for their remarks on this measure.

FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE AMENDMENTS

Mr. BAKER. Mr. President, I inquire of the minority leader if he is prepared to clear Calendar 536, H.R. 2785.

Mr. BYRD. Mr. President, this side is prepared to proceed with that matter, provided there are no amendments from the floor.

Mr. BAKER. I subscribe to that.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 2785 and that no amendment be in order to that bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2785) to amend the provisions of the Federal Insecticide, Fungicide, and Rodenticide Act relating to the scientific advisory panel and to extend the authorization for appropriations for such Act.

The Senate proceeded to consider the bill.

Mr. HELMS. Mr. President, H.R. 2785, as passed by the House, would extend the authorization for appropriations for the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) for 1 year. Under H.R. 2785, funding for the program would be authorized at not more than $64,200,000 for fiscal year 1984. This funding figure consists of the administration's funding request for FIFRA of $46,624,400—excluding research and development, plus $6,062,600 for research and development, $3,469,200 for FIFRA related management, and $8 million for additional support not requested by the administration—rounded to the nearest $100 thousand.

H.R. 2785 would also extend the term of the Scientific Advisory Panel through September 30, 1987, and provide that the members of the Panel be appointed on the basis of staggered terms. The bill would require that members be appointed on the basis of their professional qualifications to assess the effects of the impact of pesticides on health and the environment. To insure representation from the various science disciplines, Panel membership will include, to the extent feasible, representatives from the disciplines of toxicology, pathology, environmental biology, and related sciences.

In addition, the bill contains provisions relating to the replacement of Panel members at the expiration of their terms, or in the event replacement is necessary for other reasons. Each vacancy would be filled by the Administrator from a group of four nominees, two submitted by each of the nominating agencies named in the act—the National Institutes of Health and the National Science Foundation. Vacancies occurring other than by expiration of a term would be filled for the unexpired term.

The bill would clarify that the requirements of FIFRA relating to publication in the FEDERAL REGISTER of comments, evaluations, and recommendations of the Scientific Advisory Panel and the response of the Administrator apply to all of the activities of the Panel.

Mr. President, I would like to emphasize the importance of reactivating the Scientific Advisory Panel under FIFRA. The Panel has served the Environmental Protection Agency as an objective, scientific forum for the discussion of proposed EPA actions. Prior to the expiration of its term on September 30, 1981, the Scientific Advisory Panel regularly held open meetings that were generally well attended by grower groups, farmworkers, chemical companies and environmental groups. At these meetings, the Panel received information on pesticide issues under consideration by the Agency. In performing its responsibilities under FIFRA, the Panel acts independently of EPA in its review of issues presented to it and is free to make objective, scientifically based recommendations to the Agency. Since it was created in the 1975 amendments to FIFRA, some of the Panel's recommendations have been received favorably by EPA, others have not.

The Scientific Advisory Panel is a great asset to the Agency. Although EPA has currently constituted an advisory committee to perform the Panel's function, I understand that the committee will have to be reviewed and extended at the end of 1 year. A 5-year extension of the statutory Panel will lend stability to the scientific review process at EPA and will insure the Panel's continued role in assisting the EPA with critical FIFRA decisions.

Mr. HUDDLESTON. Mr. President, H.R. 2785 extends the authorization for appropriations under the Federal Insecticide, Fungicide, and Rodenticide Act for 1 year, to September 30, 1984.

H.R. 2785 also extends the term of the FIFRA Scientific Advisory Panel to September 30, 1987, and contains provisions to facilitate the work of the Panel. The bill provides for the appointment of members to the Panel on the basis of staggered terms, and requires that the Panel include, to the extent feasible, representation from the disciplines of toxicology, pathology, environmental biology, and related sciences.

The Scientific Advisory Panel plays an important role in the Federal pesticide regulation program under FIFRA. The Panel provides advice and guidance to the Environmental Protection Agency in assessing human health risks associated with exposure to pesticides. The statutory term of the Scientific Advisory Panel should be extended to insure that EPA continues to receive the benefit of the Panel's evaluations of scientific issues.

H.R. 2785 will not make any changes in the pesticide program under FIFRA other than those relating to the Scientific Advisory Panel, although a number of further changes in the program have been proposed in other legislation.

The Committee on Agriculture, Nutrition, and Forestry will review

FIFRA again early next year for purposes of considering further extension of the appropriations authorization. It is my understanding that the committee will look into the issues raised by the other legislative proposals at that time. If it appears then that changes in the law are necessary to make the program more effective, I will work to achieve such changes.

Mr. President, H.R. 2785 meets the needs of the Federal pesticide program at this tme, and I urge the Senate to approve it.

Mr. LEAHY. Mr. President, the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) governs the sale and use of pesticides and other chemicals.

It is one of this Nation's most important agricultural laws, designed to protect the farm and the environment from the use of dangerous chemicals. Yet, FIFRA is very much in need of reform.

On August 4, I joined with Senators PROXMIRE, METZENBAUM, and CRANSTON to sponsor legislation (S. 1774) designed to make necessary and important reforms in FIFRA.

It is my belief that hearings on this legislation are necessary. I expect that when the Senate Committee on Agriculure, Nutrition, and Forestry reviews FIFRA for purposes of reauthorizing the program for fiscal year 1985, the issues addressed in this legislation will be a part of the review.

Mr. HELMS. I agree with my colleague from Vermont (Senator LEAHY) that FIFRA is an important agriculatural law, and I am aware of the FIFRA legislation that has been introduced (S. 1774).

However, I must say to the Senator from Vermont that S. 1774 has already become the focus of considerable controversy due to the extent and nature of the changes it would make, At any rate, I can assure the Senator that when the committee reviews FIFRA next year for purposes of reauthorization, the issues raised in S. 1774 will be a part of the reauthorization process if the sponsors of the measure wish to have them pursued at that time.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third, the question is, shall it pass?

The bill (H.R. 2785) was passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONVEYANCE OF CERTAIN SOUTH CAROLINA LAND

Mr. BAKER. Mr. President, next, I propose to proceed to the consideration of S. 566, if the minority leader is willing.

Mr. BYRD. That is Calendar No. 506, S. 566?

Mr. BAKER. It is.

Mr. BYRD. There is no objection.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 566. I further ask unanimous consent that no amendments be in order except an amendment to be offered by the distinguished Senator from West Virginia, the minority leader, as a substitute, on behalf of Senators HOLLINGS and THURMOND and that no other amendment be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 566) to direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain land conveyed to the South Carolina State Commission of Forestry, and to direct the Secretary of the Interior to convey certain mineral interests of the United States in such land to such Commission.

The Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture, Nutrition, and Forestry, with an amendment to strike all after the enacting clause, and insert the following:

That, (a) subject to section 2, the Secretary of Agriculture shall release, on behalf of the United States, with respect to the land described in subsection (b), the condition contained in the deed dated June 28, 1955, between the United States of America and the South Carolina State Commission of Forestry, conveying certain tracts of land, of which such described land is a part, to such Commission, which condition requires that the land conveyed be used for public purposes and revert back to the United States should the land cease to be used for such purposes.

(b) The land referred to in subsection (a) consists of approximately 1.99 acres in Sumter County, South Carolina, more particularly described as follows: Beginning at an iron pipe located on the west side of the Old Kings Highway and being south 18 degrees and 35 minutes east and 2519.2 feet from Manchester State Forest monument number 2314; thence south 3 degrees 19 minutes east 417.22 feet to an iron pipe; thence south 86 degrees 41 minutes west 208.64 feet to an iron pipe; thence north 3 degrees 19 minutes west 199.97 feet to an iron pipe; thence north 3 degrees 32 minutes west 214.05 feet to an iron pipe; thence north 85 degrees 47 minutes east 209.27 feet to an iron pipe, the same being the point of beginning.

SEC. 2. The Secretary of Agriculture shall release the condition referred to in section 1(a) of this Act only with respect to land covered by and described in an agreement or agreements entered into between the Secretary and the South Carolina State Commission of Forestry in which the Commission, in consideration of the release of such condition, agrees that the tract of land described in section 1(b) of this Act will not be sold, leased, exchanged, or otherwise disposed of—

(1) except to the Tiverton Baptist Church of Sumter, South Carolina; and

(2) unless the proceeds of such disposal are—

(A) deposited and held in an account open to inspection by the Secretary of Agriculture, and

(B) used, if withdrawn from such account, exclusively for public purposes.

SEC. 3. (a) Subsequent to any release executed by the Secretary of Agriculture with respect to the land described in section 1(b) of this Act, the South Carolina State Commission of Forestry may apply to the Secretary of the Interior seeking to acquire all the undivided mineral interests of the United States in the land to which such release applies, and the Secretary of the Interior shall, subject to valid existing rights and subject to subsection (b) of this section, convey such mineral interests as requested.

(b) The Secretary of the Interior shall not convey the undivided mineral interests of the United States in any land as requested in an application filed by the South Carolina State Commission of Forestry under subsection (a) of this section unless—

(1) Such application is accompanied by a sum of money which the Secretary of the Interior determines is necessary to pay the administrative costs involved in conveying such mineral interests to the Commission, including the cost of determining the mineral character of such land and the costs of establishing the fair market value of such mineral interests, and

(2) the Commission, in consideration of such conveyance, pays to the Secretary of the Interior—

(A) $1, in the case of any such land determined by the Secretary of the Interior to have no mineral value and to be under no active mineral development or leasing, or

(B) the fair market value of such mineral interests, as determined by the Secretary of the Interior, in the case of any such land not subject to clause (A) of this subsection.

Mr. HELMS. Mr. President, the bill, as reported by the Committee on Agriculture, Nutrition, and Forestry, authorizes the release of a reversionary interest held by the United States in a 1.99-acre tract of land in Sumter County, S.C.

The 1.99-acre tract, which is the subject of S. 566, was part of a larger tract originally acquired by the Federal Government in the 1930's under the authority of the Bankhead-Jones Farm Tenant Act. Under that act, the land was administered by the Department of Agriculture. The 1.99 acres was subsequently transferred, as part and parcel of a larger tract of land, to the South Carolina State Commission of Forestry for inclusion in the South Carolina Manchester State Forest. The United States retained a reversionary interest in the land, however, which requires that the land revert back to the United States should the land not be used for public purposes.

The 1.99 acres has been occupied by the Tiverton Baptist Church since before the United States acquired the

land, the former owner having given the church permission to use it.

Several years ago, the Tiverton Baptist Church sought to obtain title to the property on which the church structure is physically located. This bill removes the last legal hurdle to the church taking title to the 1.99 acres. The bill releases the Federal Government's reversionary interest in the 1.99 acres only on condition that the South Carolina State Commission of Forestry transfer the 1.99 acres to the Tiverton Baptist Church. The amount to be paid for the 1.99 acres will be worked out between the church and the South Carolina State Commission of Forestry.

The bill also provides that the Tiverton Baptist Church will be able, should it choose to do so, to purchase the mineral rights associated with the 1.99 acres. Any purchase of these rights will be made at their fair market value.

Mr. President, I urge my colleagues to support this bill.

Mr. HOLLINGS. Mr. President, the legislation before us today, S. 566, as amended by the Senate Committee on Agriculture, Nutrition, and Forestry, and the amendment I am offering as a substitute, are noncontroversial. They both involve the release by the U.S. Government of a reverter clause which was included in the deed of title when the United States conveyed the subject property to the State of South Carolina in 1955.

The South Carolina State Commission of Forestry initially requested legislative action that would allow the disposal of the property in question. The first parcel, a 1.99-acre tract located in Manchester State Forest, Sumter, S.C., would be transferred to the Tiverton Baptist Church. The Tiverton Baptist Church stood on the 1.99 acres of this property before the United States acquired it. The church had been given permission to use the land by a previous private owner. The occupancy continued after the 1955 grant to the State. Although the State was aware of the encroachment, it did not seek to resolve it. Recently, the church inquired as to the possibility of obtaining title to the property from the State Commission on Forestry, and the Commission approved the request conditioned on the release of the reverter clause as provided in S. 566.

The second parcel is an approximately 22-acre tract that also is located in the Manchester State Forest, Sumter County, S.C. The South Carolina State Commission of Forestry would like to exchange this tract for another privately owned 45-acre tract nearby because of the additional productivity of the land.

I want to thank the chairman of the Subcommittee on Soil and Water Conservation, Forestry, and Environment for holding hearings on this matter. Following subcommittee hearings, S. 566 was considered by the full committee at which time the substitute amendment I am offering today was proposed. Because USDA was not prepared to report on my amendment, the committee only reported S. 566, with a technical amendment. Since that time however, USDA has favorably commented on my amendment.

I ask unanimous consent that a letter from USDA to the chairman of the Senate Agriculture Committee approving the amendment that I am offering today be placed in the CONGRESSIONAL RECORD at the appropriate place.

I would also like to thank the ranking minority member of the Senate Agriculture Committee, Senator HUDDLESTON, and the fine members of his staff who patiently worked on this bill and the accompanying amendment through the legislative committee process.

This legislation means a great deal to the respective parties involved—Tiverton Baptist Church and the South Carolina State Commission of Forestry.

I urge my colleagues to support my amendment and final passage of S. 566.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., November 8, 1983.

Hon. JESSE HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: As you requested, here are our views on a proposed amendment to S. 566. That amendment would add a provision to the bill that would direct the Secretary of Agriculture to release the public purpose reverter clause from a deed containing a 22.715-acre tract in the Manchester State Forest, South Carolina. The original bill directs the Secretary to release the reverter clause from a 1.99-acre tract on that State Forest. Our views on the original bill are contained in a letter to you dated September 21, 1983.

The Department of Agriculture has no objection to the proposed addition to S. 566, if amended as recommended herein.

The 22.715-acre tract is part of a proposed land exchange between the South Carolina Commission of Forestry and a private party in which the Commission would receive 45.43 acres to replace the 22.715 acres. Removal of the reverter clause from the 22.715-acre tract is necessary to allow the State to complete the exchange.

The State tract, like the 1.99-acre tract in the original bill, was acquired from the Federal Government by a deed dated June 28, 1955, under authority of the Bankhead-Jones Farm Tenant Act of 1937. It is pine timberland. The tract to be acquired is similar. We understand that the State would manage the land for the production of timber.

The amendment requires that the land the State would acquire be used for public purposes. It also does not specify that the exchange be of equal value. We believe that both the United States and the State's interests should be protected by requiring that the two parcels be of equal value. To accommodate this requirement, the amendment should be further amended to authorize the Secretary of Agriculture and the South Carolina Commission of forestry to revise as necessary the description of properties to be exchanged.

If the amendment is amended as we suggest, the State would acquire lands of equal value; we would have no objection to the amendment.

The provision for release and the procedures to be followed on enactment by the South Carolina State Commission of Forestry and the Forest Service will be the same as those followed in prior legislation involving the South Carolina State Commission of Forestry. (Public Law 90-517, approved September 26, 1968, 82 Stat. 871, copy attached.)

Our proposed amendments are shown on the enclosure. They are made in reference to the amendment to S. 566 as printed on page 13924 of the October 7, 1983 Congressional Record.

Sincerely,

JOHN B. CROWELL, Jr.,
Assistant Secretary for Natural Resources and Environment.

USDA RECOMMENDED AMENDMENTS TO AN AMENDMENT TO S. 566

1. Amend section 3, first sentence, by inserting after "land" the third time it appears the words "of at least equal value and".

2. Add a section 5 as follows:

"SEC. 5. The Secretary of Agriculture and the South Carolina Commission of Forestry shall have the authority to revise the size of the parcels to be exchanged and the legal descriptions pertaining thereto in order to insure the parcels are of at least equal value."

AMENDMENT NO. 2660

(Purpose: To direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest to certain tracts of land conveyed to South Carolina State Commission of Forestry)

Mr. BYRD. Mr. President, I send to the desk the amendment to which the distinguished majority leader alluded, and ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. BYRD), for Mr. HOLLINGS and Mr. THURMOND, proposes an amendment numbered 2660.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: That, (a) subject to section 2, the Secretary of Agriculture shall release, on behalf of the United States, with respect to the tracts of land described in subsection (b), the condition contained in the deed dated June 28, 1955, between the United States of America and the South Carolina State Commission of Forestry, conveying certain tracts of

land, of which such described tracts of land are a part, to such Commission, which condition requires that the land conveyed be used for public purposes and revert back to the United States should the land cease to be used for such purposes.

(b) The tracts of land referred to in subsection (a) are—

(1) A tract of land consisting of approximately 1.99 acres in Sumter County, South Carolina, more particularly described as follows: Beginning at an iron pipe located on the west side of the Old Kings Highway and being south 10 degrees and 35 minutes east and 2519.2 feet from Manchester State Forest monument number 2314; thence south 3 degrees, 19 minutes east 417.22 feet to an iron pipe; thence south 86 degrees, 41 minutes west 208.64 feet to an iron pipe; thence north 3 degrees 19 minutes west 199.97 feet to an iron pipe; thence north 3 degrees 32 minutes west 214.05 feet to an iron pipe; thence north 85 degrees, 47 minutes east 209.27 feet to an iron pipe, the same being the point of beginning.

(2) a tract of land consisting of approximately 22.715 acres in Sumter County, South Carolina, more particularly described as follows: Beginning at the point of intersection of the center line of the Burnt Gin Road with the center line of Wedgelake Drive proceed south 64 degrees, 41 minutes east a distance of 63.16 feet to the point of beginning. Proceed thence south 88 degrees, 0 minutes east a distance of 1454.56 feet to an iron pin; thence south 18 degrees, 57 minutes west a distance of 1059.17 feet to an iron pin; thence north 62 degrees, 15 minutes west a distance of 367.24 feet to a corner; thence along the arc of a curve to the right having a radius of 1031.31 feet a distance of 197.10 feet to a corner; thence north 51 degrees, 18 minutes west a distance of 107.80 feet to a corner; thence along the arc of a curve to the left having a radius of 637.49 feet a distance of 202.13 feet to a corner; thence north 69 degrees, 28 minutes west a distance of 167.47 feet to a corner; thence along the arc of a curve to the right having a radius of 581.69 feet a distance of 146.19 feet to a corner; thence north 55 degrees, 04 minutes west a distance of 163.98 feet to a corner; thence north 18 degrees, 10 minutes west a distance of 39.99 feet to a corner; thence along the arc of a curve to the left having a radius of 781.17 feet a distance of 215.48 feet to a corner; thence north 02 degrees, 00 minutes east a distance of 107.84 feet to a corner; thence north 47 degrees, 00 minutes east a distance of 42.50 feet to the point of beginning.

SEC. 2. The Secretary of Agriculture shall release the condition referred to in section 1(a) of this Act only with respect to land covered by and described in an agreement or agreements entered into between the Secretary and the South Carolina State Commission of Forestry in which the Commission, in consideration of the release of such condition, agrees that the tract of land described in section 1(b)(1) of this act will not be sold, leased, exchanged, or otherwise disposed of—

(1) except to the Tiverton Baptist Church of Sumter, South Carolina; and

(2) unless the proceeds of such disposal are—

(A) deposited and held in an account open to inspection by the Secretary of Agriculture, and

(B) used, if withdrawn from such account, exclusively for public purposes.

SEC. 3. The Secretary of Agriculture shall release the condition referred to in section 1(a) of this Act only with respect to land covered by and described in an agreement or agreements entered into between the Secretary and the South Carolina State Commission of Forestry in which the Commission, in consideration of the release of such condition, agrees that the tract of land described in section 1(b)(2) of this Act will be exchanged for a tract of land of at least equal value and consisting of approximately 45.43 acres in Sumter County, South Carolina to be conveyed to the Commission to be used exclusively for public purposes, more particularly described as follows: Beginning at the intersection of the south right of way of Brohun Camp Road and the west right of way of Tiverton Church Road proceed south 50 degrees, 32 minutes west a distance of 2,214.39 feet to a corner; thence north 40 degrees, 02 minutes west a distance of 414.24 feet to a corner; thence north 5 degrees, 19 minutes, 30 seconds east a distance of 1,627.88 feet to a corner; thence south 73 degrees, 45 minutes east a distance of 1.901.55 feet to the point of beginning.

SEC. 4. (a) Subsequent to any release executed by the Secretary of Agriculture with respect to the tracts of land described in section 1(b) of this act, the South Carolina State Commission of Forestry may apply to the Secretary of the Interior seeking to acquire all the undivided mineral interests of the United States in the tracts of land to which such release applies, and the Secretary of the Interior shall, subject to valid existing right and subject to subsection (b) of this section, convey such mineral interest as requested

(b) The Secretary of the Interior shall not convey the undivided mineral interests of the United States in any land as requested in an application filed by the South Carolina State Commission of Forestry under subsection (a) of this section unless—

(1) such application is accompanied by a sum of money which the Secretary of the Interior determines is necessary to pay the administrative costs involved in conveying such mineral interest to the Commission, including the costs of determining the mineral character of such land and the cost of establishing the fair market value of such mineral interests, and

(2) the Commission, in consideration of such conveyance, pays to the Secretary of the Interior—

(A) $1, in the case of any such land determined by the Secretary of the Interior to have no mineral value and to be under no active mineral development or leasing, or

(B) the fair market value of such mineral interests, as determine by the Secretary of the Interior, in the case of any such land not subject to clause (A) of this subsection.

SEC. 5. The Secretary of Agriculture and the South Carolina Commission of Forestry may revise the size of the tracts of land to be exchanged under this Act and the legal descriptions pertaining thereto in order to ensure that the tracts of land are of at least equal value.".

Amend the title so as to read: "A bill to direct the Secretary of Agriculture to release on behalf of the United States of reversionary interest in certian tracts of land conveyed to the South Carolina State Commission of Forestry, and to direct the Secretary of the Interior to convey certain mineral interests of the United States in such land to such Commission, and for other purposes.".

Mr. HELMS. Mr. President, as I understand it, the 22.715-acre tract which would be included in the bill as a result of this amendment was originally acquired by the Federal Government in the thirties under the authority of the Bankhead-Jones Farm Tenant Act and was administered by the Department of Agriculture.

This 22.715-acre tract is also part of the larger tract of land that was conveyed by the Federal Government to the South Carolina State Commission of Forestry in 1955. Thus, the same restrictive condition applying to the 1.99 acres of land, to which I referred earlier, applies to this 22.715-acre tract.

The South Carolina State Commission of Forestry now wishes to trade the 22.715-acre tract to a private landowner, in return for a 45.43-acre tract of land located in the same county. The 45.43-acre tract would be devoted exclusively to public purposes. The amendment also provides for the sale, at their fair market value, of any mineral rights associated with the 22.715-acre tract.

This amendment was presented during the course of committee markup, but was not adopted at that time because the Department of Agriculture had not had an opportunity to study it. Since that time, however, the Department has examined the amendment and has recommended specific changes, which have been incorporated in sections 4 and 5 of the amendment. These changes insure that the lands to be exchanged will be at least equal in value and give the Department and the South Carolina State Commission of Forestry the power of revise the size of the tracts to insure that they are of at least equal value. The Department has indicated that it supports the amendment as presented here.

Mr. President, the interests of the taxpayers and the South Carolina Commission of Forestry have been protected. I support the amendment.

Mr. HUDDLESTON. Mr. President, I support the passage of S. 566 with the substitute amendment offered by Senators HOLLINGS and THURMOND. This legislation directs the Secretary of Agriculture to release a reversionary interest held by the United States in a tract of land to be conveyed, and another tract of land to be exchanged, by the South Carolina State Commission of Forestry.

The tract of land to be conveyed consists of 1.99 acres and will be conveyed to the Tiverton Baptist Church in order to clear up a longstanding "innocent" encroachment. The tract of land to be exchanged consists of approximately 22 acres for approximately 45 acres. Both tracts of land are located in Sumter County, S.C. The conveyance, as well as the exchange, were requested by the South Carolina State Commission of Forestry.

I urge my colleagues to join me in supporting S. 566, as amended by Senator HOLLINGS.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2660) was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the committee-reported substitute be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill was ordered to a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

WATER RESOURCES RESEARCH ACT OF 1983

Mr. BAKER. Mr. President, I say to the minority leader that I propose to ask the Chair to lay before the Senate a House message on S. 684.

Mr. BYRD. Mr. President, there is no objection.

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 684.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 684) entitled "An Act to authorize an ongoing program of water resources research", do pass with the following amendments:

Strike out all after the enacting clause and insert:

TITLE I

SEC. 101. This Act may be cited as the "Water Resources Research Act of 1983".

SEC. 102. The Congress finds and declares that—

(1) the existence of an adequate supply of water of good quality for the production of materials and energy for the Nation's needs and for the efficient use of the Nation's energy and water resources is essential to national economic stability and growth, and to the well-being of the people.

(2) the management of water resources is closely related to maintaining environmental quality and social well-being;

(3) there is an increasing threat of impairment to the quantity and quality of surface and groundwater resources;

(4) the Nation's capabilities for technological assessment and planning and for policy formulation for water resources must be strengthened at the Federal, State, and local governmental levels;

(5) there should be a continuing national investment in water and related research and technology commensurate with growing national needs;

(6) it is necessary to provide for the research and development of technology for the conversion of saline and other impaired waters to a quality suitable for municipal, industrial, agricultural, recreational, and other beneficial uses; and

(7) the Nation must provide programs to strengthen research and associated graduate education because the pool of scientists, engineers, and technicians trained in fields related to water resources constitutes an invaluable natural resource which should be increased, fully utilized, and regularly replenished.

SEC. 103. It is the purpose of this Act to assist the Nation and the States in augmenting their water resources science and technology as a way to—

(1) assure supplies of water sufficient in quantity and quality to meet the Nation's expanding needs for the production of food, materials, and energy;

(2) discover practical solutions to the Nation's water and water resources related problems, particularly those problems related to impaired water quality;

(3) assure the protection and enhancement of environmental and social values in connection with water resources management and utilization;

(4) promote the interest of State and local governments as well as private industry in research and the development of technology that will reclaim waste water and to convert saline and other impaired waters to waters suitable for municipal, industrial, agricultural, recreational, and other beneficial uses;

(5) coordinate more effectively the Nation's water resources research program; and

(6) promote the development of a cadre of trained research scientists, engineers, and technicians for future water resources problems.

SEC. 104. (a) Subject to the approval of the Secretary of the Interior (hereafter in this Act referred to as the "Secretary") under this section, one water resources research and technology institute, center, or equivalent agency (hereafter in this Act referred to as the "institute") may be established in each State (as used in this Act, the term "State" includes the commonwealth of Puerto Rico, the District of Columbia, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Mariana Islands and the Trust Territory of the Pacific Islands) at a college or university which was established in accordance with the Act approved July 2, 1862 (12 Stat. 503; 7 U.S.C. 301ff), entitled "An Act donating public lands to the several States and territories which may provide colleges for the benefit of agriculture and the mechanic arts" or at some other institution designated by act of the legislature of the State concerned. If there is more than one such college or university in a State established in accordance with such Act of July 2, 1862, the institute in such State shall, in the absence of a designation to the contrary by act of the legislature of the State, be established at the one such college or university designated by the Governor of the State. Two or more States may cooperate in the establishment of a single institute or regional institute, in which event the sums otherwise allocated to institutes in each of the cooperating States shall be paid to such single or regional institute.

(b) Each institute shall—

(1) plan, conduct, or otherwise arrange for competent research with respect to water resources, including investigations and experiments of either a basic or practical nature, or both; promote the dissemination and application of the results of these efforts; and provide for the training of scientists and engineers through such research, investigations, and experiments; and

(2) cooperate closely with other colleges and universities in the State that have demonstrated capabilities for research, information dissemination, and graduate training in order to develop a statewide program designed to resolve State and regional water and related land problems.

Each institute shall also cooperate closely with other institutes and other organizations in the region to increase the effectiveness of the institutes and for the purpose of regional coordination.

(c) From the sums appropriated pursuant to subsection (f) of this section, the Secretary shall make grants to each institute to be matched on a basis of no less than one non-Federal dollar for every Federal dollar during the fiscal years ending September 30, 1985, and September 30, 1986, one and one-half non-Federal dollars for each Federal dollar during the fiscal years ending September 30, 1987, and September 30, 1988, and two non-Federal dollars for each Federal dollar during the fiscal year ending September 30, 1989.

(d) Prior to and as a condition of the receipt each fiscal year of funds appropriated under subsection (f) of this section, each institute shall submit to the Secretary for his approval a water research program that includes assurances, satisfactory to the Secretary, that such program was developed in close consultation and collaboration with the director of that State's department of water resources or similar agency, other leading water resources officials within the State, and interested members of the public. The program described in the preceding sentence shall include plans to promote research, training, information dissemination, and other activities meeting the needs of the State and Nation, and shall encourage regional cooperation among institutes in research into areas of water management, development, and conservation that have a regional or national character.

(e)(1) The Secretary shall establish procedures for a careful and detailed evaluation of each institute to determine that the quality and relevance of its water resources research and its effectiveness as an institution for planning, conducting and arranging for research warrants its continued support under this section in the national interest. The evaluation of each institute shall be made by a team of knowledgeable individuals including employees of the Department of the Interior, university faculty or administrators, water research institute directors from other institutes, State or local water resource agency personnel, and private citizens selected for this purpose. The Secretary may also secure the cooperation of the National Research Council/National Academy of Science. The evaluation team shall visit the institute and shall assess the scientific quality of its research program, the potential effectiveness of its research in meeting water resource needs, and the demonstrated performance in making research results available to users in the State and elsewhere. Criteria for making the determination that an institute is an effective instrument for water resources research shall include the following: accreditation in sufficient disciplines to successfully mount a multidisciplinary research program; sufficient resources, including laboratory, library, computer, and support facilities; a sufficiently close administrative relation and physical proximity to the university and to all the parts of it needed to provide an effective working relationship with re-

searchers in a wide range of disciplines; and institutional commitment to the support and continuation of an effective water research program.

(2) The Secretary shall arrange for each of the institutes supported under this section to be evaluated under this subsection within two years after its establishment and to be reevaluated at intervals not to exceed four years. If, as a result of any such evaluation, the Secretary determines that an institute does not qualify for further support under this section, then no further grants to the institute may be made until the institute's qualification is reestablished to the satisfaction of the Secretary.

(f) There is authorized to be appropriated to the Secretary for the purpose of carrying out this section $10,000,000 for each of the fiscal years ending September 30, 1985, through September 30, 1989.

SEC. 105. (a)(1) In addition to the grants authorized by section 4 of this Act, the Secretary may make grants, on a dollar-for-dollar matching basis, to the institutes established under such section, as well as other qualified educational institutions, private foundations, private firms, individuals, and agencies of local or State government, for research concerning any aspect of a water resource-related problem which the Secretary may deem to be in the national interest. Such grants shall be made with such advice and review by peer or other expert groups of appropriate interdisciplinary composition as the Secretary deems appropriate on the basis of the merits of the project and the need for the knowledge such project is expected to produce upon completion.

(2) Research funded under this section should to the extent possible utilize the best qualified graduate students so the Nation profits from the education and training benefits resulting from the use of the latest in technological developments in solving water problems.

(3) In cases where the Secretary determines, in accordance with criteria established by him, that research under this section is of a basic nature which would not otherwise be undertaken, the Secretary may approve grants under this section with a matching requirement other than that specified in paragraph (1) of this subsection.

(b) Each application for a grant under this section shall state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, the importance of the project to the Nation as well as to the region and State concerned, its relation to other research projects previously or currently being pursued, and the extent to which it will provide an opportunity for the training of water resources scientists.

(c) There is authorized to be appropriated to the Secretary $40,000,000 for the purpose of carrying out this section for each of the fiscal years ending September 30, 1985, through September 30, 1989.

SEC. 106. (a)(1) The Secretary shall make grants or contracts in addition to those authorized under sections 4 and 5 to private firms, private foundations, individuals, and agencies of local or State governments for technology development concerning any aspect of water-related technology which the Secretary may deem to be of State, regional, and national importance, including technology associated with improvement of waters of impaired quality and the operation of test facilities. Such grants shall be made on the basis of the merit and feasibility of the project based on expert evaluation as deemed appropriate by the Secretary, taking care to protect proprietary information of private firms or individuals associated with the technology.

(2) The Secretary may establish any condition for the matching of funds by the recipient of any grant under this section which the Secretary considers to be in the best interest of the Nation considering the technology needs for water resources in the Nation.

(b) Each application for a grant under this section shall state the nature of the project to be undertaken, the qualifications of the personnel who will direct and conduct it, the facilities of the organization performing the technology development, the importance of the project to the Nation, region, and State concerned, and the potential benefit to be accrued from the development.

(c) There is authorized to be appropriated to the Secretary $10,000,000 for the purpose of carrying out this section for each of the fiscal years ending September 30, 1985 through September 30, 1989.

SEC. 107. From the sums appropriated pursuant to this Act, not more than 15 per centum shall be utilized for administrative costs.

SEC. 108. The type of research and development to be undertaken under the authority of sections 5 and 6 of this Act and to be encouraged by the institutes established under section 4 of this Act shall include the following:

(1) Aspects of the hydrologic cycle.

(2) Supply and demand for water.

(3) Demineralization of saline and other impaired waters.

(4) Conservation and best use of available supplies of water and methods of increasing such supplies.

(5) Water reuse.

(6) Depletion and degradation of ground water supplies.

(7) Improvements in the productivity of water when used for agricultural, municipal, and commercial purposes.

(8) The economic, legal, engineering, social, recreational, biological, geographic, ecological, and other aspects of water problems.

(9) Scientific information dissemination activities, including identifying, assembling, and interpreting the results of scientific and engineering research on water resources problems.

(10) Providing means for improved communication of research results, having due regard for the varying conditions and needs for the respective States and regions.

SEC. 109. Notwithstanding any other provision of law, the Secretary shall be governed by the provisions of sections 9 (except subsections (l) and (n)) and 10 of the Federal Nonnuclear Energy, Research, and Development Act of 1974 (Public Law 93-577; 88 Stat. 1887, 1891; 42 U.S.C 5908-5909) with respect to patent policy and to the definition of title to and licensing of inventions made or conceived in the course of work performed, or under any contract or grant made, pursuant to this Act. Subject to such patent policy, all research or development contracted for, sponsored, cosponsored, or authorized under authority of this Act shall be provided in such manner that all information, data, and know-how, regardless of their nature or mediums, resulting from such research and development shall (with such exceptions and limitations, if any, as the Secretary may find to be necessary in the interest of national defense) be usefully available for practice by the general public.

SEC. 110. (a) Public Law 95-467 is repealed.

(b) Rules and regulations issued prior to the date of enactment of this Act under the authority of Public Law 95-467 shall remain in full force and effect under this Act until superseded by new rules and regulations promulgated under this Act.

SEC. 111. Any new spending authority described in subsection (c)(2) (A) or (B) of section 401 of the Congressional Budget Act of 1974 which is provided under this Act shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance in appropriation Acts.

TITLE II

SEC. 201. (a)(1) Notwithstanding any other provision of law and subject to paragraph (2), the Secretary of the Interior (hereinafter in this act referred to as the "Secretary") shall convey, not later than January 24, 1984, and without consideration, all right, title, and interest of the United States in the real property description in subsection (b) of the Town of Wrightsville Beach, North Carolina.

(2) The conveyance of real property described in subsection (b)(1), which constitutes the Wrightsville Beach Test Facility, to such town shall be made by the Secretary on the condition that, during the period beginning on the date of such conveyance and ending on January 24, 1988, such Facility is—

(A) maintained in a working order which is comparable to the condition of such Facility on the date of such conveyance, and

(B) operated and maintained primarily for desalinization of other related research.

(b) The real property referred to in subsection (a) is real property located in the town of Wrightsville Beach, North Carolina, as follows:

(a) Real property which constitutes the Wrightsville Beach Facility and may be described as beginning at a point in the old northern line of United States Highway 76, said point located north 51 degrees, 05 minutes west 530.00 feet as measured with said line from the southeast corner of tract numbered 1 as shown by "Map Showing Property of State of North Carolina" recorded in map book 7, page 40, New Hanover County Registry; running thence from said beginning north 38 degrees, 55 minutes east 660.00 feet to a point; thence north 51 degrees, 05 minutes west 129.80 feet to a point; thence north 38 degrees, 56 minutes 30 seconds east 157.89 feet to a point; thence north 77 degrees 32 minutes 30 seconds east 101.40 feet to a point; thence north 12 degrees 07 minutes west 151.19 feet to a point in the southern line of United States Highway 74; thence with said southern line south 77 degrees 53 minutes west 563.57 feet to a point; thence south 38 degrees 55 minutes west 554.52 feet to a point in the old northern line of United States Highway 76; thence with said old northern line south 51 degrees 05 minutes east 538.47 feet to the point of beginning, containing 9.57 acres.

(2)(A) Real Property which is adjacent to such Facility and may be described as beginning at a point in the old northern right of way line of United States Highway 76 (Wrightsville Causeway) at the southeastern corner of tract numbered 1 as shown by "Map Showing Property of State of North Carolina" recorded in map book 7, page 40, New Hanover County Registry; said southeast corner north 51 degrees 05 minutes west 862.6 feet as measured with said northern line from its intersection with the extension

of the western line of Island Drive, Shore Acres; running thence from said beginning south 38 degrees 55 minutes west 150.00 feet to a point in the new northern right of way line of United States Highway 76; thence with said line north 51 degrees 05 minutes west 530.00 feet to a point; thence north 38 degrees 55 minutes east 150.00 feet to a point in said old northern right of way line; thence continuing north 38 degrees 55 minutes east 660.00 feet to a point; thence continuing north 38 degrees 55 minutes east 140.11 feet to a point; thence north 12 degrees 27 minutes 30 seconds west 108.44 feet to a point; thence north 77 degrees 32 minutes 30 seconds east 34.31 feet to a point; thence north 12 degrees 07 minutes west 151.19 feet to a point in the southern line of United States Highway 74; thence north 77 degrees 53 minutes east 240.00 feet to the northernmost corner of said tract numbered 1, map book 7, page 40; thence with eastern lines of said tract numbered 1 south 12 degrees 07 minutes east 723.8 feet to its eastern-most corner; thence continuing with said eastern line south 38 degrees 55 minutes west 723.8 feet to the point of beginning, containing 14.079 acres.

(B) Beginning at a point in the old northern right of way of United States Highway 76 (Causeway Drive) and the southern line of tract numbered 1 as shown by map, "Property of State of North Carolina" recorded in map book 7, page 40, New Hanover County Registry, said point located north 51 degrees 05 minutes west 1068.47 feet as with said line from the southeastern corner of said tract numbered 1; running thence from said beginning with said line north 51 degrees 05 minutes west 322.62 feet to a point in the new right of way of United State Highway 76; thence with said new right of way north 19 degrees 27 minutes 15 seconds west 32.01 feet to an iron rod; thence continuing with said new right of way north 33 degrees 42 minutes 15 seconds east 94.98 feet to an iron rod in the southern right of way of United States Highway 74; thence with said southern line north 77 degrees 53 minutes east 570.17 feet to an iron pipe; thence south 38 degrees 55 minutes west 554.55 feet to the point of beginning, containing 2.72 acres and being the western portion of said tract numbered 1 recorded in map book 7, page 40.

SEC. 202. (a)(1) Notwithstanding any other provision of law and subject to paragraph (2), the Secretary shall convey, not later than December 31, 1983, and without consideration, all right, title, and interest of the United States in the real property described in subsection (b), which constitutes the Roswell Test Facility, to the city of Roswell, New Mexico.

(2) Such conveyance shall be made on the condition that, during the period beginning on the date of such conveyance and ending on December 31, 1987, such facility is—

(A) maintained in a working order which is comparable to the condition of such facility on the date dof such conveyance, and

(B) operated and maintained primarily for desalinization or other related research.

(b) The real property referred to in subsection (a) shall consist of so much of the real property located in the county of Chaves, New Mexico, as constitutes the Roswell Test Facility. Such real property shall consist of—

(1) the lands at the Roswell site as conveyed to the United States by the city of Roswell, New Mexico, by warranty deed dated April 13, 1961, said deed being recorded in the office of the county clerk of the county of Chaves, New Mexico, at book 205, page 406, and more fully describing such lands as being—

A tract of land lying and being situated in the southwest quarter of section 32, township 10 south, range 25 east, New Mexico principal meridian, and being more particularly described as; beginning at a point on the west line of said section 32 which bears north 3 degrees 58 minutes east at 137 feet distant from the southwest corner of said section 32; thence north 3 degrees 58 minutes east, a distance of 455 feet; thence north 78 degrees 03 minutes east, a distance of 531.9 feet; thence south 25 degrees 00 minutes east, a distance of 450.1 feet; thence southwesterly along a curve to the right, the arc which bears south 77 degrees 43 minutes west, a distance of 760.4 feet to the point of beginning, containing 6.94304 acres; and

(2) the lands at the Roswell site as conveyed to the United States by the city of Roswell, New Mexico, by warranty deed dated June 19, 1968, said deed being recorded in the office of the county clerk of the county of Chaves, New Mexico, at book 250, page 390, and more fully describing such lands as being—

A tract of land lying and being situated in the west half of the west half of the southwest quarter of section 32, township 10 south, range 25 east, New Mexico principal meridian, and being more particularly described as follows: Beginning at a point on the west line of said section 32 which bears north 3 degrees 57 minutes east 592 feet distant from the southwest corner of said section 32; thence north 3 degrees 58 minutes east, a distance of 911.5 feet; thence south 39 degrees 33 minutes east, a distance of 179.00 feet; thence south 27 degrees 35 minutes east, a distance of 1,193.00 feet; thence southwesterly along the north highway right-of-way line on a curve to the right of 5,655 feet radius through an included angle of 0 degrees 13 minutes, a distance of 21.31 feet; thence north 25 degrees 00 minutes west, a distance of 444.26 feet; thence south 78 degrees 03 minutes west, a distance of 531.9 feet to the point of beginning containing 5,795 acres, more or less. Note: The east boundary of this tract of land lies 50 feet west of the center line of the Hagerman canal, together with water rights appurtenant thereto.

SEC. 203. Each conveyance issued by the Secretary of the Interior pursuant to the provisions of this Act shall contain a clause providing that the title to the lands and facilities conveyed shall revert to the United States should such lands or facilities be used for other than a public purpose during a period of fifteen years from the date of conveyance.

Amend the title so as to read: "An Act to authorize an ongoing program of water resources research, and for other purposes.".

Mr. BAKER. Mr. President, I ask unanimous consent that no amendment be in order, with the exception of an amendment in the nature of a substitute to be offered by the Senator from South Dakota (Mr. ABDNOR), which amendment is at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2661

Mr. BAKER. Mr. President, I call up the amendment on behalf of Mr. ABDNOR.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER), on behalf of Mr. ABDNOR, proposes an amendment numbered 2661.

Mr. BAKER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

"TITLE I

"SEC. 101. This Act may be cited as the "Water Resources Research Act of 1983".

"SEC. 102. The Congress finds and declares that—

"(1) the existence of an adequate supply of water of good quality for the production of materials and energy for the Nation's needs and for the efficient use of the Nation's energy and water resources is essential to national economic stability and growth, and to the well-being of the people;

"(2) the management of water resources is closely related to maintaining environmental quality and social well-being;

"(3) there is an increasing threat of impairment to the quantity and quality of surface and groundwater resources;

"(4) the Nation's capabilities for technological assessment and planning and for policy formulation for water resources must be strengthened at the Federal, State, and local governmental levels;

"(5) there should be a continuing national investment in water and related research and technology commensurate with growing national needs;

"(6) it is necessary to provide for the research and development of technology for the conversion of saline and other impaired waters to a quality suitable for municipal, industrial, agricultural, recreational, and other beneficial uses; and

"(7) the Nation must provide programs to strengthen research and associated graduate education because the pool of scientists, engineers, and technicians trained in fields related to water resources constitutes an invaluable natural resource which should be increased, fully utilized, and regularly replenished.

"SEC. 103. It is the purpose of this Act to assist the Nation and the States in augmenting their water resources science and technology as a way to—

"(1) assure supplies of water sufficient in quantity and quality to meet the Nation's expanding needs for the production of food, materials, and energy;

"(2) discover practical solutions to the Nation's water and water resources related problems, particularly those problems related to impaired water quality;

"(3) assure the protection and enhancement of environmental and social values in connection with water resources management and utilization;

"(4) promote the interest of State and local governments as well as private industry in research and the development of technology that will reclaim waste water and to convert saline and other impaired waters to waters suitable for municipal, industrial, agricultural, recreational, and other beneficial uses;

"(5) coordinate more effectively the Nation's water resources research program; and

"(6) promote the development of a cadre of trained research scientists, engineers, and technicians for future water resources problems.

"SEC. 104. (a) Subject to the approval of the Secretary of the Interior (hereafter in this Act referred to as the "Secretary") under this section, one water resources research and technology institute, center, or equivalent agency (hereafter in this Act referred to as the "institute") may be established in each State (as used in this Act, the term "State" includes the Commonwealth of Puerto Rico, the District of Columbia, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Mariana Islands and the Trust Territory of the Pacific Islands) at a college or university which was established in accordance with the Act approved July 2, 1862 (12 Stat. 503; 7 U.S.C. 301ff), entitled "An Act donating public lands to the several States and territories which may provide colleges for the benefit of agriculture and the mechanic arts" or at some other institution designated by act of the legislature of the State concerned. If there is more than one such college or university in a State established in accordance with such Act of July 2, 1862, the institute in each such State shall, in the absence of a designation to the contrary by act of the legislature of the State, be established at the one such college or university designated by the Governor of the State. Two or more States may cooperate in the establishment of a single institute or regional institute, in which event the sums otherwise allocated to institutes in each of the cooperating States shall be paid to such single or regional institute.

"(b) Each institute shall—

"(1) plan, conduct, or otherwise arrange for competent research with respect to water resources, including investigations and experiments of either a basic or practical nature, or both; promote the dissemination and application of the results of these efforts; and provide for the training of scientists and engineers through such research, investigations, and experiments, and

"(2) cooperate closely with other colleges and universities in the State that have demonstrated capabilities for research, information dissemination, and graduate training in order to develop a statewide program designed to resolve State and regional water and related land problems.

Each institute shall also cooperate closely with other institutes and other organizations in the region to increase the effectiveness of the institutes and for the purpose of regional coordination.

"(c) From the sums appropriated pursuant to subsection (f) of this section, the Secretary shall make grants to each institute to be matched on a basis of no less than one non-Federal dollar for every Federal dollar during the fiscal years ending September 30, 1985, and September 30, 1986, one and one-half non-Federal dollars for each Federal dollar during the fiscal years ending September 30, 1987, and September 30, 1988, and two non-Federal dollars for each Federal dollar during the fiscal year ending September 30, 1989.

"(d) Prior to and as a condition of the receipt each fiscal year of funds appropriated under subsection (f) of this section, each institute shall submit to the Secretary for his approval a water research program that includes assurances, satisfactory to the Secretary, that such program was developed in close consultation and collaboration with the director of that State's department of water resources or similar agency, other leading water resources officials within the State, and interested members of the public. The program described in the preceding sentence shall include plans to promote research, training, information dissemination, and other activities meeting the needs of the State and Nation, and shall encourage regional cooperation among institutes in research into areas of water management, development, and conservation that have a regional or national character.

"(e)(1) The Secretary shall establish procedures for a careful and detailed evaluation of each institute to determine that the quality and relevance of its water resources research and its effectiveness as an institution for planning, conducting and arranging for research warrants its continued support under this section in the national interest. The evaluation of each institute shall be made by a team of knowledgeable individuals including employees of the Department of the Interior, university faculty or administrators, water research institute directors from other institutes, State or local water resource agency personnel, and private citizens selected for this purpose. The Secretary may also secure the cooperation of the National Research Council/National Academy of Science. The evaluation team shall visit the institute and shall assess the scientific quality of its research program, the potential effectiveness of its research in meeting water resource needs, and the demonstrated performance in making research results available to users in the State and elsewhere. Criteria for making the determination that an institute is an effective instrument for water resources research shall include the following: accreditation in sufficient disciplines to successfully mount a multidisciplinary research program; sufficient resources, including laboratory, library, computer, and support facilities; a sufficiently close administrative relation and physical proximity to the university and to all the parts of it needed to provide an effective working relationship with researchers in a wide range of disciplines; and institutional commitment to the support and continuation of an effective water research program.

"(2) The Secretary shall arrange for each of the institutes supported under this section to be evaluated under this subsection within two years after its establishment and to be reevaluated at intervals not to exceed four years. If, as a result of any such evaluation, the Secretary determines that an institute does not qualify for further support under this section, then no further grants to the institute may be made until the institute's qualification is reestablished to the satisfaction of the Secretary.

"(f)(1) For the purpose of carrying out this section, there is authorized to be appropriated to the Secretary the sum of $10,000,000 for each of the fiscal years ending September 30, 1985, through September 30, 1989, such sums to remain available until expended.

"(2) Any sums appropriated under this subsection but which fail to be obligated by the close of the fiscal year for which they were appropriated shall be transferred by the Secretary and available for obligation during the succeeding fiscal year under the terms of section 106 of this Act.

"SEC. 105. (a)(1) In addition to the grants authorized by section 104 of this Act, the Secretary is authorized to make grants, on a dollar-for-dollar matching basis, to the institutes established under such section, as well as other qualified educational institutions, private foundations, private firms, individuals, and agencies of local or State government for research concerning any aspect of a water resource-related problem which the Secretary may deem to be in the national interest. Such grants shall be made with such advice and review by peer or other expert groups of appropriate interdisciplinary composition as the Secretary deems appropriate on the basis of the merits of the project and the need for the knowledge such project is expected to produce upon completion.

"(2) Research funded under this section should to the extent possible utilize the best qualified graduate students so the Nation profits from the education and training benefits resulting from the use of the latest in technological developments in solving water problems.

"(3) In cases where the Secretary determines, in accordance with criteria established by him, that research under this section is of a basic nature which would not otherwise be undertaken, the Secretary may approve grants under this section with a matching requirement other than that specified in paragraph (1) of this subsection.

"(b) Each application for a grant under this section shall state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, the importance of the project to the Nation as well as to the region and State concerned, its relation to other research projects previously or currently being pursued, and the extent to which it will provide an opportunity for the training of water resources scientists.

"(c) There is authorized to be appropriated to the Secretary the sum of $20,000,000 for the purpose of carrying out this section for each of the fiscal years ending September 30, 1985, through September 30, 1989, such sums to remain available until expended.

"SEC. 106. (a)(1) The Secretary shall make grants or contracts in addition to those authorized under sections 104 and 105 to educational institutions, private firms, private foundations, individuals, and agencies of local or State governments for technology development concerning any aspect of water-related technology which the Secretary may deem to be of State, regional, and national importance, including technology associated with improvement of waters of impaired quality and the operation of test facilities. Such grants or contracts shall be made on the basis of the merit and feasibility of the project based on expert evaluation as deemed appropriate by the Secretary, taking care to protect proprietary information of private firms or individuals associated with the technology.

"(2) The Secretary may establish any condition for the matching of funds by the recipient of any grant or contract under this section which the Secretary considers to be in the best interest of the Nation considering the technology needs for water resources in the Nation.

"(b) Each application for a grant or contract under this section shall state the nature of the project to be undertaken, the qualifications of the personnel who will direct and conduct it, the facilities of the organization performing the technology development, the importance of the project to the Nation, region, and State concerned, and the potential benefit to be accrued from the development.

"(c)(1) There is authorized to be appropriated to the Secretary the sum of $6,000,000 for the purpose of carrying out this section for each of the fiscal years ending September 30, 1985, through September 30, 1989, such sums to remain available until expended.

"(2) In addition to sums available under the terms of paragraph (1) of this subsection, the Secretary is also authorized to obligate funds under this section if such funds are transferred under the terms of section 104(f)(2) of this Act.

"SEC. 107. From the sums appropriated pursuant to this Act, not more than 15 per centum shall be utilized for administrative costs.

"SEC. 108. The type of research and development to be undertaken under the authority of sections 105 and 106 of this Act and to be encouraged by the institutes established under section 104 of this Act shall include the following:

"(1) Aspects of the hydrologic cycle;

"(2) Supply and demand for water;

"(3) Demineralization of saline and other impaired waters;

"(4) Conservation and best use of available supplies of water and methods of increasing such supplies;

"(5) Water reuse;

"(6) Depletion and degradation of groundwater supplies;

"(7) Improvements in the productivity of water when used for agricultural, municipal, and commercial purposes;

"(8) The economic, legal, engineering, social, recreational, biological, geographic, ecological, and other aspects of water problems;

"(9) Scientific information dissemination activities, including identifying, assembling, and interpreting the results of scientific and engineering research on water resources problems; and

"(10) Providing means for improved communication of research results, having due regard for the varying conditions and needs for the respective States and regions.

"SEC. 109. Notwithstanding any other provision of law, the Secretary shall be governed by the provisions of sections 9 (except subsections (l) and (n)) and 10 of the Federal Nonnuclear Energy, Research, and Development Act of 1974 (Public Law 93-577; 88 Stat. 1887, 1891; 42 U.S.C. 5908-5909) with respect to patent policy and to the definition of title to and licensing of inventions made or conceived in the course of work performed, or under any contract or grant made, pursuant to this Act. Subject to such patent policy, all research or development contracted for, sponsored, cosponsored, or authorized under authority of this Act shall be provided in such manner that all information, data, and know-how, regardless of their nature or mediums, resulting from such research and development shall (with such exceptions and limitations, if any, as the Secretary may find to be necessary in the interest of national defense) be usefully available for practice by the general public.

"SEC. 110. (a) Public Law 95-467 is repealed.

"(b) Rules and regulations issued prior to the date of enactment of this Act under the authority of Public Law 95-467 shall remain in full force and effect under this Act until superseded by new rules and regulations promulgated under this Act.

"SEC. 111. Any new spending authority described in subsection (c)(2) (A) or (B) of section 401 of the Congressional Budget Act of 1974 which is provided under this Act shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance in appropriations Acts.

"TITLE II

"SEC. 201. (a)(1) Notwithstanding any other provision of law and subject to paragraph (2), the Secretary shall convey, not later than January 24, 1984, and without consideration, all right, title, and interest of the United States in the real property description in subsection (b) of this section to the Town of Wrightsville Beach, North Carolina.

"(2) The conveyance of real property described in subsection (b)(1) of this section, which constitutes the Wrightsville Beach Test Facility, to such town shall be made by the Secretary on the condition that, during the period beginning on the date of such conveyance and ending on January 24, 1988, such Facility is—

"(A) maintained in a working order which is comparable to the condition of such Facility on the date of such conveyance, and

"(B) operated and maintained primarily for desalinization of other related research.

(b) the real property referred to in subsection (a) is real property located in the town of Wrightsville Beach, North Carolina, as follows:

"(1) Real property which consitutes the Wrightsville Beach Test Facility and may be described as beginning at a point in the old northern line of United States Highway 76, said point located north 51 degrees 05 minutes west 530.00 feet as measured with said line from the southeast corner of tract numbered 1 as shown by "Map Showing Property of State of North Carolina" recorded in map book 7, page 40, New Hanover County Registry; running thence from said beginning north 38 degrees 55 minutes east 660.00 feet to a point; thence north 51 degrees 05 minutes west 129.80 feet to a point; thence north 38 degrees 56 minutes 30 seconds east 157.89 feet to a point; thence north 77 degrees 32 minutes 30 seconds east 101.40 feet to a point; thence north 12 degrees 07 minutes west 151.19 feet to a point in the southern line of United States Highway 74; thence with said southern line south 77 degrees 53 minutes west 563.57 feet to a point; thence south 38 degrees 55 minutes west 554.52 feet to a point in the old northern line of United States Highway 76; thence with said old northern line south 51 degrees 05 minutes east 538.47 feet to the point of beginning, containing 9.57 acres.

"(2)(A) Real property which is adjacent to such Facility and may be described as beginning at a point in the old northern right of way line of United States Highway 76 (Wrightsville Causeway) at the southeastern corner of tract numbered 1 as shown by "Map Showing Property of State of North Carolina" recorded in map book 7, page 40, New Hanover County Registry; said southeast corner north 51 degrees 05 minutes west 826.6 feet as measured with said northern line from its intersection with the extension of the western line of Island Drive, Shore Acres; running thence from said beginning south 38 degrees 55 minutes west 150.00 feet to a point in the new northern right of way line of United States Highway 76; thence with said line north 51 degrees 05 minutes west 530.00 feet to a point; thence north 38 degrees 55 minutes east 150.00 feet to a point in said old northern right of way line; thence continuing north 38 degrees 55 minutes east 660.00 feet to a point; thence continuing north 38 degrees 55 minutes east 140.11 feet to a point; thence north 12 degrees 27 minutes 30 seconds west 108.44 feet to a point; thence north 77 degrees 32 minutes 30 seconds east 34.31 feet to a point; thence north 12 degrees 07 minutes west 151.19 feet to a point in the southern line of United States Highway 74; thence north 77 degrees 53 minutes east 240.00 feet to the northernmost corner of said tract numbered 1, map book 7, page 40; thence with the eastern lines of said tract numbered 1 south 12 degrees 07 minutes east 723.8 feet to its easternmost corner; thence continuing with said eastern line south 38 degrees 55 minutes west 723.8 feet to the point of beginning, containing 14.079 acres.

"(B) Beginning at a point in the old northern right of way of United States Highway 76 (Causeway Drive) and the southern line of tract numbered 1 as shown by map. "Property of State of North Carolina" recorded in map book 7, page 40, New Hanover County Registry, said point located north 51 degrees 05 minutes west 1,068.47 feet as with said line from the southeastern corner of said tract numbered 1; running thence from said beginning with said line north 51 degrees 05 minutes west 322.62 feet to a point in the new right of way of United States Highway 76; thence with said new right of way north 19 degrees 27 minutes 15 seconds west 32.01 feet to an iron rod; thence continuing with said new right of way north 33 degrees 42 minutes 15 seconds east 94.98 feet to an iron rod in the southern right of way of United States Highway 74; thence with said southern line north 77 degrees 53 minutes east 570.17 feet to an iron pipe; thence south 38 degrees 55 minutes west 554.55 feet to the point of beginning, containing 2.72 acres and being the western portion of said tract numbered 1 recorded in map book 7, page 40.

"SEC. 202. (a)(1) Notwithstanding any other provision of law and subject to paragraph (2), the Secretary shall convey, not later than December 31, 1983, and without consideration, all right, title, and interest of the United States in the real property described in subsection (b) of this section which constitutes the Roswell Test Facility, to the city of Roswell, New Mexico.

"(2) Such conveyance shall be made on the condition that, during the period beginning on the date of such conveyance and ending on December 31, 1987, such facilty is—

"(A) maintained in a working order which is comparable to the condition of such facility on the date of such conveyance, and

"(B) operated and maintained primarily for desalinization or other related research.

"(b) The real property referred to in subsection (a) of this section shall consist of so much of the real property located in the county of Chaves, New Mexico, as constitutes the Roswell Test Facility. Such real property shall consist of—

"(1) the lands at the Roswell site as conveyed to the United States by the city of Roswell, New Mexico, by warranty deed dated April 13, 1961, said deed being recorded in the office of the county clerk of the county of Chaves, New Mexico, at book 205, page 406, and more fully describing such lands as being—

"A tract of land lying and being situated in the southwest quarter of section 32, township 10 south, range 25 east, New Mexico principal meridian, and being more particularly described as; beginning at a point on the west line of said section 32 which bears north 3 degrees 58 minutes east at 137 feet distant from the southwest corner of said section 32; thence north 3 degrees 58 minutes east, a distance of 455 feet;

thence north 78 degrees 03 minutes east, a distance of 531.9 feet; thence south 25 degrees 00 minutes east, a distance of 450.1 feet; thence southwesterly along a curve to the right, the arc which bears south 77 degrees 43 minutes west, a distance of 760.4 feet to the point of beginning, containing 6.94304 acres, and

"(2) the lands at the Roswell site as conveyed to the United States by the city of Roswell, New Mexico, by warranty deed dated June 18, 1968, said deed being recorded in the office of the county clerk of the county of Chaves, New Mexico, at book 250, page 390, and more fully describing such lands as being—

"A tract of land lying and being situated in the west half of the southwest quarter of section 32, township 10 south, range 25 east, New Mexico principal meridian, and being more particularly described as follows: Beginning at a point on the west line of said section 32 which bears north 3 degrees 57 minutes east 592 feet distant from the southeast corner of said section 32; thence north 3 degrees 58 minutes east, a distance of 911.5 feet; thence south 39 degrees 33 minutes east, a distance of 179.00 feet; thence south 27 degrees 35 minutes east, a distance of 1,193.00 feet; thence southwesterly along the north highway right-of-way line on a curve to the right of 5,655 feet radius through an included angle of 0 degrees 13 minutes, a distance of 21.31 feet; thence north 25 degrees 00 minutes west, a distance of 444.26 feet; thence south 78 degrees 03 minutes west, a distance of 531.9 feet to the point of beginning containing 5,795 acres, more or less. Note: The east boundary of this tract of land lies 50 feet west of the center line of the Hagerman canal, together with water rights appurtenant thereto.

"SEC. 203. Each conveyance issued by the Secretary pursuant to the provisions of this title shall contain a clause providing that the title to the lands and facilities conveyed shall revert to the United States should such lands or facilities be used for other than a public purpose following the date of conveyance."

Mr. ABDNOR. Mr. President, earlier this year the Senate passed S. 684, the Water Resources Research Act of 1983. Within recent days, the House passed a companion bill, then substituted the Senate number, and returned the bill to this body.

I commend the House for its action. Other than the dollar figures, there are few significant differences between the two bills. The Senate bill called for an annual program level of $21,100,000. The House bill called for a $60,000,000 annual program.

Mr. President, while I believe the House levels could be spent responsibly, I think we all recognize that it is unlikely that we could convince the administration to accept a figure as high as the one adopted by the House. Therefore, Mr. President, I send to the desk an amendment, in the nature of a substitute, to the House language. This represents a compromise position, one that we have worked out with our House colleagues. I am confident that it is fully acceptable to the House.

Essentially, the amendment sets the annual funding level at $36,000,000 for each of five years, beginning in fiscal year 1985. This will involve three separate programs: $10,000,000 annually to be available to the State water research institutes; $20,000,000 yearly to be available in matching research grants; and $6,000,000 yearly in technology development programs.

Both bills have adopted an innovative approach increasing the non-Federal matching share required for the institutes over the life of this bill. Since the entire $10,000,000 in the section 104 program may not be utilized in the latter years of this bill, we have included a provision allowing the Secretary of the Interior to transfer any unobligated section 104 money to the important technology development program.

In addition, we have accepted a House provision to convey to non-Federal public interests two saline water test facilities, one located at Roswell, N. Mex., the other in Wrightsville Beach, N.C. We insisted on a proviso that these facilities must remain in public use and under public ownership. If they are not so held, then the entire property will revert to the Federal Government.

Mr. President, I wish to commend our colleagues on the House Committee on Interior and Insular Affairs for their work on this important bill. Particularly, commendation must go to the chairman of the subcommittee, Mr. KAZEN, and to the subcommittee's ranking Republican, Mr. CHENEY. Three other members worked very hard on this bill and deserve the thanks of this body. They are the bill's House sponsor, Mr. MCNULTY, as well as Chairman UDALL and Mr. LUJAN, ranking Republican on the full committee.

Mr. President, I also wish to express my personal thanks to three Members of the Senate who have worked hard to develop this bill, and bring it to the floor. The chairman of the Committee on Environment and Public Works (Mr. STAFFORD) and the committee's ranking Democrat (Mr. RANDOLPH) provided outstanding leadership. In addition, my friend and colleague on the Subcommittee on Water Resources (Mr. MOYNIHAN) was particularly helpful and thoughtful.

The Senate owes each of these members a word of appreciation.

This amendment represents a fair compromise, Mr. President. I urge that the Senate adopt it.

Mr. HELMS. Mr. President, I commend the able Senator from South Dakota (Mr. ABDNOR) and other Senators who have devoted as much effort and time to this bill.

I am pleased that the legislation includes a provision to transfer property including and relating to a water desalting plant from the Department of the Interior to the town of Wrightsville Beach, N.C.

Mr. President, I introduced legislation (S. 1659) in this connection on July 21. I am gratified that the efforts of Congressman ROSE of North Carolina and myself have resulted in approval of our efforts.

Again, Mr. President, I commend Senator ABDNOR and all other Senators who demonstrated their leadership in this measure.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2661) was agreed to.

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

STUDY BY LIBRARY OF CONGRESS

Mr. BAKER. Mr. President, next I propose to proceed to the consideration of a message from the House of Representatives on S. Con. Res. 59, if the minority leader is agreeable.

Mr. BYRD. Mr. President, that matter has been cleared on this side.

Mr. BAKER. Mr. President, then I ask unanimous consent that the Senate proceed to the consideration of S. Con. Res. 59, that no amendment be in order with the exception of the amendment reported by the House of Representatives.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution will be stated.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 59) To authorize the Librarian of Congress to study the changing role of the book in the future.

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRUST HOLDING FOR LAS VEGAS PAIUTE TRIBE

Mr. BAKER. Mr. President, I propose to proceed to the consideration of

H.R. 3765 if the minority leader is agreeable.

Mr. BYRD. Mr. President, that presents no problem.

Mr. BAKER. I thank the Senator.

I ask unanimous consent that the Senate proceed to the consideration of H.R. 3765 and that no amendment be in order to that measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3765) to declare that the United States holds certain lands in trust for the Las Vegas Paiute Tribe.

There being no objection, the Senate proceeded to consider the bill.

The bill (H.R. 3765) was ordered to a third reading, was read the third time, and passed.

OLYMPIC DUTY SUSPENSION

Mr. BAKER. Mr. President, our old friend, the Olympic gold medal bill, which is Calendar Order No. 557, which must be threadbare by now, and I say to the minority leader it is my understanding that this bill will serve as a vehicle for an amendment to be offered by the distinguished Senator from Idaho (Mr. McCLURE) in respect to a reporting requirement, a duplicative reporting requirement.

Is the minority leader prepared to proceed to that measure at this time?

Mr. BYRD. Mr. President, in connection with our old friend, I have just a bit of a pain in the neck just at the moment. If the majority leader will allow me, we are going to get that cleared.

Mr. BAKER. All right. Very well.

Why do we not take a break now then and suggest the absence of a quorum.

Mr. BYRD. Mr. President, will the majority leader withhold his suggestion?

Mr. BAKER. Yes, I do indeed.

THE MARRIAGE OF MARTY AND RUBY

Mr. BYRD. Mr. President, while the Senate was debating the weighty issues of the Nation in passing the continuing resolution last Saturday, Ruby Gray Smith, who works in the reception room just off the floor and Marty Patrick Paone were joining together in the holy state of matrimony. It is the 51st "State" in the "Union."

We all know Ruby by her winning and friendly smile. She has worked in the Senate reception room for the last 8 years. Senators and visitors alike are very well acquainted with her efficiency, her kindness, cheerfulness, and helpfulness.

Marty has been a member of the floor staff for the Democratic Policy Committee for almost 2 years. Prior to working on the floor he worked in the Democratic cloakroom for 3 years and, of course, he has always been courteous, diligent, and most helpful in his dealings with Senators on both sides of the aisle and their staffs.

We may all feel the burden on our personal lives of the long hours required by our work in the Senate, but the happiness of Marty and Ruby's marriage perhaps may show us that every cloud does have a silver lining.

So this evening, I personally wish to offer my congratulations to Marty and Ruby and best wishes for a long and happy life together.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. BAKER. Mr. President, I wish to associate myself with the remarks of the distinguished minority leader. I hold great admiration for the minority staff on the floor of the Senate and none more than for Marty.

To be absolutely honest about it, he indicated to me some weeks ago that was his wedding date and I had not thought much about that when the leadership on this side scheduled a Saturday session which was also his wedding date.

I have to say in all candor that during the time that we approached the nuptial hour with the Senate still in session I detected not the slightest trace of anxiety on Marty's face. There surely must have been some somewhere.

Coincidentally, I am afraid I did not think of it at that time. But the Senate did adjourn in time for that happy event to occur.

So may I offer my apologies to the young couple, the newly married couple, and congratulations to both of them.

[Applause.]

Mr. BYRD. Mr. President, I thank the distinguished majority leader on behalf of Marty and Ruby.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have a few other matters to take up. There is the Olympic gold medal matter apparently. Could I inquire of the minority leader if he can clear that now?

Mr. BYRD. If the majority leader will permit me just a moment, Mr. President, in the words of the old song "I Am Free at Last."

Mr. BAKER. Mr. President, I thank the minority leader.

OLYMPIC DUTY SUSPENSION

Mr. BAKER. Mr. President, I ask unanimous consent now that the Senate turn to the consideration of House Joint Resolution 290; and I further ask unanimous consent that only one amendment to that measure be in order and that is an amendment to be offered by the distinguished Senator from Idaho (Mr. McCLURE) to provide financial relief to State and local governments by eliminating a requirement that would result in a duplicative mailing each year, and that no further amendments may be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution will be stated.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 290) to permit free entry into the United States of the personal effects, equipment, and other related articles of foreign participants, officials, and other accredited members of delegations involved in the games of the XXIII Olympiad to be held in the United States in 1984.

AMENDMENT NO. 2662

(Purpose: To amend the Internal Revenue Code of 1954 to provide financial relief to State and local governments by eliminating a requirement that would result in a duplicative mailing each year)

Mr. McCLURE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE) proposes an amendment numbered 2662.

Mr. McCLURE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the enacting clause and insert:

That (a) paragraph (b) of section 6050E of the Internal Revenue Code of 1954 (relating to State and local tax refunds) is amended—

(1) by striking out "during January" and inserting in lieu thereof "not later than January 31", and

(2) by adding at the end thereof the following new sentence: "No written statement need be furnished under this paragraph with respect to any refunds, credits, or offsets that were made before January 1, 1984."

(b) The amendments made by this Act shall take effect upon enactment.

Mr. McCLURE. Mr. President, I shall not take long. I will be glad to respond to questions. But when we pass the TFRA as part of the revenue collection requirements we required that the States send to the IRS information with respect to refunds that had been mailed to taxpayers in their State because that is taxable income. At the same time, we also included in that act a requirement that the States mail information in January of each year to the taxpayers.

The Governors Association has asked us for relief from that requirement and based their request on a study by the National Association of Tax Administrators, and they seek an alternative which would allow them

rather than making a separate mailing in January of each year, to make those mailings in an alternative manner throughout the year.

For instance, sending a notice along with each refund check. The States have estimated direct cost of about $15 million a year, and they suggest that if they have to take that $15 million a year out of their compliance budgets, they will lose other revenues that otherwise would have been collected because of the application of those moneys to the collection efforts.

Mr. President, the revenues estimated by the IRS to be lost are subject to some question, and GAO has made a study with respect to that and questioned their assumptions, but even if their assumptions are correct, the revenues gained by the IRS would be about equal to the revenues lost by the States. It is almost an exact wash even under that study.

So it seems to me that this is one instance in which we could extend a helping hand to the States, relieve them of a burden which cost them at least as much as it benefits the Federal Government

Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated October 19, 1983, signed by Gov. James R. Thompson, addressed to the Honorable ROBERT DOLE, chairman, Committee on Finance, together with the attachments thereto being the letter of October 3, 1983 from the National Association of Tax Administrators.

There being no objection, the material was ordered to be printed in the RECORD as follows:

NATIONAL GOVERNORS' ASSOCIATION,
October 19, 1983.

Hon. ROBERT DOLE,
Chairman, Committee on Finance,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN. I am writing on behalf of the nation's Governors to request your support for language in the 1983 tax bill which would amend Section 313 of the Tax Equity and Fiscal Responsibility Act of 1982. This change would permit state and local governments to provide state income tax refund recipients with notification of potential federal tax liability at the same time that the refund check is mailed, rather than during the month of January as now required. This concept already has broad support, and the language to implement such a change is incorporated in S. 1325 which is pending in the Finance Committee.

In order to comply with current requirements, states must expend substantial funds for postage. The proposed change would allow such expenditures to be redirected to revenue-producing tax enforcement and audit activities.

Further, I am informed that some members of the Committee are concerned about a possible loss to the Treasury as a result of the amendment. The enclosed letter from the National Association of Tax Administrators suggests that not only are the estimates of federal revenue loss overstated but that procedures are already in effect under which states provide necessary information to the federal government on state refunds.

Therefore, I urge your support for incorporating S. 1325 in the tax bill.

Sincerely,

GOV. JAMES R. THOMPSON.

NATIONAL ASSOCIATION
OF TAX ADMINISTRATORS,
Washington, D.C., October 3, 1983.

Hon. ROBERT J. DOLE,
Chairman, Committee on Finance, U.S. Senate, Washington, D.C.

DEAR SENATOR DOLE: On behalf of the National Association of Tax Administrators, the Midwestern States Association of Tax Administrators, and the Western States Association of Tax Administrators, I am pleased to enclose resolutions adopted by the three associations this year urging Congress to amend Section 313 of the Tax Equity and Fiscal Responsibility Act of 1982 to permit state and local governments to provide income tax refund recipients with a Form 1099 at the time the refund check is mailed rather than during the month of January as is now required by Section 313. This change, which is embodied in Senator McClure's bill S. 1325, would save the states substantial amounts in postage expense and would contribute to their income tax revenues by enabling them to use the amounts spent on postage for revenue-producing audit and enforcement activities.

The NATA is an organization of the state tax agencies of each of the 50 states. The MSATA and WSATA are regional organizations affiliated with NATA. The members of the regional organizations are the tax agencies of each of the midwestern states and the western states, respectively.

It is the state tax agencies' understanding that even though S. 1325 and its House counterpart, H.R. 625, have strong support in the Senate and in the House, no action has been taken on the bill because of reports that its passage would result in a loss in federal revenue that would grow to about $400 million by the fiscal year 1987.

The state tax agencies are gravely concerned over these reports because the $400 million figure grossly overstates the federal government's revenue benefit from the January notification requirement. The overstatement results from an apparent misconception of the Treasury Department's estimate of the revenue significance of Section 313.

In actual fact, Treasury has estimated the federal revenue benefits from the January notification requirement at $50 million in the fiscal year 1987. It should be stressed that by fiscal 1987, the cumulative cost to the states resulting from the additional postage expense and the loss of revenue that will result from diverting funds that would be otherwise used for revenue-producing audit and enforcement activities can be expected to exceed the estimated gain in federal revenue.

In explanation of the Treasury estimate, there is enclosed a table prepared by Treasury on the revenue effects of TEFRA. The federal revenue attributable to the January notification provision is shown in the line marked "delete Hayakawa." The Hayakawa amendment, which was included in the Senate version of TEFRA but was deleted in the Senate-House Conference, was identical to S. 1325.

As you will note, the revenue effect of this deletion is estimated at $50 million in fiscal year 1987. Deletion of the Hayakawa amendment would have no effect on the $353 million in revenue which is estimated to result from the other provisions of Section 313. This revenue will be derived essentially from the states' furnishing the Internal Revenue Service with tapes containing the names of refund recipients. This latter procedure is already in effect and is strongly supported by the states.

Again, if Section 313 is not amended, the states will be subsidizing the federal government's collection effort to an extent that the adverse impact on the states may exceed the additional revenue the federal government will obtain from this provision. In a period when nearly every state is confronted by serious fiscal problems, it is difficult to understand the federal government's need for a requirement which would produce this result.

The states' tax agencies respectfully request your help in this matter. Your consideration of their concern is greatly appreciated.

Sincerely,

LEON ROTHENBERG,
Executive Secretary.

Mr. McCLURE. Mr. President, I ask unanimous consent that the Senator from New York (Mr. D'AMATO) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, will the Senator from Idaho yield?

Mr. McCLURE. I am happy to yield to my friend from Wisconsin.

Mr. PROXMIRE. Mr. President, does the Senator say that the revenue impact would be about $15 million, that the Federal Government would lose, would, in effect, expend $15 million, and the States would save the same amount? Is that right?

Mr. McCLURE. The estimate made by the IRS was that the revenue lost would be about $40 million a year in loss of additional revenues to the Federal Government.

Mr. PROXMIRE. $40 million?

Mr. McCLURE. $40 million. The direct expenses to the States are $15 million. The losses because of the diversion of that money away from other compliance activities would cost them an additional $35 million or $40 million estimate.

So the revenues to be derived from the Federal Government are almost exactly the revenues that would be lost to the State governments, and I might say that the GAO in their analysis of the IRS estimate makes some very, I think, some very telling points of criticism of some of the assumptions made in that estimate.

Mr. PROXMIRE. Is the Treasury in support of this amendment?

Mr. McCLURE. The administration has no objection to the amendment.

Mr. PROXMIRE. Were there hearings in the Finance Committee on this amendment?

Mr. McCLURE. Let me yield to the Senator from Kansas to respond to that question.

Mr. DOLE. Mr. President, let me say to the Senator from Wisconsin and the Senator from Idaho that TEFRA, the Tax Equity and Fiscal Responsibility Act of 1982 included this language as it passed the Senate. The House would not accept it, so we had to modify it. This past week we have been going over in the Finance Committee a large package of spending restraints and revenue increases. One of the changes we were to make was to accomplish the same thing. We agreed in our committee just last week to do what Senator McClure wishes to accomplish tonight.

Representatives of the Treasury were there. They had no strong opposition to the amendment, no real opposition to the amendment, because current law does impose a rather severe burden on the States.

Mr. PROXMIRE. Will the Senator say they have no opposition or no real opposition or no strong opposition? Do they oppose it or support it, or are they indifferent?

Mr. DOLE. They were neutral.

Mr. PROXMIRE. They were noncommittal?

Mr. DOLE. They were neutral.

Mr. PROXMIRE. And did the Senator say the Finance Committee previously acted favorably on this amendment?

Mr. DOLE. The Senate has previously approved such a provision.

Mr. PROXMIRE. The Senate has previously acted favorably?

Mr. DOLE. Yes; last year. Just this past week the Senate Finance Committee was again prepared to approve the modification after complaints of nearly every Governor of every State. The amendment will lose some revenue, but I think, as Senator McClure pointed out, it may cost the States to comply nearly as much and it gained by the Federal Government.

Mr. PROXMIRE. Mr. President, I want to say to the chairman of the committee and to Senator McCLURE that I have no objection to this amendment. The reason I rise on this amendment is because I have been here for 26 years and almost every single year there have been last-minute amendments on the floor of the Senate on tax legislation. This year somehow the distinguished ranking Member, Senator LONG, and the distinguished chairman, I think, have done such a good job that we have not had to do that.

This is the only amendment that has been offered. I think there has been a good explanation of it. Apparently there is no real reason why we should not accept it. There would be a gain for the States, as explained, and a loss by the Federal Government.

So I want to congratulate the Finance Committee on doing a first-class job in not having any of these last-minute dogs and cats that have plagued us in the past. I have no objection.

Mr. McCLURE. Mr. President, I ask unanimous consent that the Senator from South Carolina, Mr. THURMOND, be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2662) was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the joint resolution.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read a third time.

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, shall it pass?

So the joint resolution (H.J. Res. 290) was passed.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I hate to see our old friend go. That is the last time we can use that one.

And I guess it is overly facetious to say, but I looked around and saw the Senator from Louisiana, who is the former chairman of the Finance Committee, when there was talk of the last-minute cats and dogs, and I saw a look of nostalgia on his face, which I recognized in my own.

Mr. President, there is one other matter that we are not quite ready to do. I think we will be shortly.

Mr. President, it is going to be a few minutes before there are two other matters that will apparently be ready.

Let me take this opportunity to say something I planned to say later in the day.

NOVEMBER IS THE NOBLEST MONTH OF ALL

Mr. BAKER. Mr. President, I was overwhelmed the other day on my birthday, which was the 15th of November, by the unexpected, eloquent and poetic remarks by the distinguished minority leader. I was unprepared for them and I am sure I responded in an awkward and ineloquent way.

But I did respond because not only could I hear but I think I could feel and I certainly understood the sentiments being expressed by the minority leader; and for that, I was extremely grateful.

We have developed a close relationship, I think, he and I. Maybe that is what happens when two men or two people occupy positions of high stress and responsibility, as we do here.

But I have to confess I did not know that our birthdays were so close, because it was brought to my attention today that his birthday is this coming Sunday. That is what I meant a little while ago when I said that November was a good month.

I think that I want to be perhaps late but nonetheless sincere and genuine in wishing to the minority leader on next Sunday a very happy birthday and many more to come.

Mr. BYRD. Mr. President, I thank the distinguished majority leader for his characteristic thoughtfulness.

Mr. BAKER. Mr. President, I could go on and on and on. My staff has given me the vital statistics here. But I do not think I need to do that. Birthday greetings are meant to be more personal than a formal recitation of the accomplishments, and I want these to be that way.

Mr. BYRD. Well, the majority leader is very gracious and I am most appreciative.

Mr. BAKER. Mr. President, it has been brought to my attention—and it should not have escaped my attention—that today is another birthday and that November has spawned yet another politician. TED STEVENS' birthday is today. I should not have forgotten that because I was supposed to leave at 7 o'clock going to Alaska with him for a birthday party. But I did not get to do that.

I guess all I am doing is proving my case—November is the noblest month of all.

Mr. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. Yes.

Mr. BYRD. I want to extend my congratulations and good wishes also to the assistant majority leader, Mr. STEVENS, on this occasion. I hope that he has many, many more happy birthdays.

Mr. BAKER. Mr. President, could I ask our fully engaged and somewhat harried staff now if there is something else clear that we can do at this time?

DESIGNATING MURRAY ZWEBEN AS PARLIAMENTARIAN EMERITUS OF THE U.S. SENATE

Mr. BAKER. Mr. President, I have cleared another matter that gives me great pleasure.

Mr. President, we do not have many parliamentarians. Some days I think we have too many. But I would note that we have a very distinguished Parliamentarian emeritus in the form of Dr. Riddick, whom we know and revere and still call upon for advice

and counsel on a range and variety of matters.

But we have another former Parliamentarian, and he is Murray Zweben, who served for a number of years here and served with distinction.

Mr. President, If the minority leader is agreeable, I would like to present a resolution now conferring on Murray Zweben the status of Parliamentarian emeritus, as well. And I ask that the Senate proceed to the consideration of that resolution.

Mr. BYRD. Mr. President, would the majority leader see that my name is added as a cosponsor?

Mr. BAKER. Mr. President, I would be delighted to do that.

Mr. President, may I ask, would not the minority leader like to be first and I would be happy to be the second cosponsor, in view of the fact that Murray was Parliamentarian for so many years while the minority leader was majority leader?

Mr. BYRD. Mr. President, the majority leader is most gracious in making that offer and I accept it.

Mr. BAKER. I thank the majority leader.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 297) designating Murray Zweben as a Parliamentarian emeritus of the United States Senate.

Resolved, That Murray Zweben be, and he is hereby, designated as a Parliamentarian emeritus of the United States Senate.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 297) was agreed to.

VETERANS COMPENSATION AND PROGRAM IMPROVEMENTS AMENDMENTS OF 1983

Mr. BAKER. Mr. President, I would propose next to go to S. 1388, if the minority leader is prepared to proceed, and I believe a rather elaborate script has been presented to the minority leader.

Mr. BYRD. Yes, it has been made available.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 1388, a bill to amend title 38 of the United States Code to increase the rates of disability compensation for disabled veterans and to increase the rates of dependency and indemnity compensation for surviving spouses and children of veterans; and that no amendments to that measure be in order except a committee amendment to be offered by the Senator from Wyoming, Mr. SIMPSON, for himself and the Senator from California, Mr. CRANSTON, dealing with a Board of Veterans' Appeals provision already passed by the Senate.

I further ask unanimous consent that the Veterans' Affairs Committee be discharged from further consideration of S. 1651, the Veterans' Dioxin and Radiation Exposure Compensation Standards Act, and that S. 1651 be placed on the calendar and be made the pending business of the Senate by the majority leader, after consulting with the minority leader, as soon as possible in the next session of the Senate.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows;

A bill (S. 1388) to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans and to increase the rates of dependency and indemnity compensation for surviving spouses and children of veterans.

The Senate proceeded to consider the bill, which had been reported from the Committee on Veterans' Affairs with an amendment to strike all after the enacting clause and insert:

That (a) this Act may be cited as the "Veterans' Compensation and Program Improvements Amendments of 1983".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provisions of title 38, United States Code.

TITLE I—DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION

PART A—RATE INCREASES

DISABILITY COMPENSATION

SEC. 101. (a) Section 314 is amended—

(1) by striking out "$62" in subsection (a) and inserting in lieu thereof "$64";

(2) by striking out "$114" in subsection (b) and inserting in lieu thereof "$118";

(3) by striking out "$173" in subsection (c) and inserting in lieu thereof "$179";

(4) by striking out "$249" in subsection (d) and inserting in lieu thereof "$258";

(5) by striking out "$352" in subsection (e) and inserting in lieu thereof "$364";

(6) by striking out "$443" in subsection (f) and inserting in lieu thereof "$459";

(7) by striking out "$559" in subsection (g) and inserting in lieu thereof "$579";

(8) by striking out "$648" in subsection (h) and inserting in lieu thereof "$671";

(9) by striking out "$729" in subsection (i) and inserting in lieu thereof "$754";

(10) by striking out "$1,213" in subsection (j) and inserting in lieu thereof "$1,255";

(11) by striking out "$1,506" and "$2,111" in subsection (k) and inserting in lieu thereof "$1,559" and "$2,185", respectively;

(12) by striking out "$1,506" in subsection (l) and inserting in lieu thereof "$1,559";

(13) by striking out "$1,661" in subsection (m) and inserting in lieu thereof "$1,719";

(14) by striking out "$1,888" in subsection (n) and inserting in lieu thereof "$1,954";

(15) by striking out "$2,111" each place it appears in subsections (o) and (p) and inserting in lieu thereof "$2,185";

(16) by striking out "$906" and "$1,350" in subsection (r) and inserting in lieu thereof "$938" and "$1,397", respectively;

(17) by striking out "$1,357" in subsection (s) and inserting in lieu thereof "$1,404"; and

(18) by striking out "$262" in subsection (t) and inserting in lieu thereof "$271".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increase authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

ADDITIONAL COMPENSATION FOR DEPENDENTS

SEC. 102. Section 315(1) is amended—

(1) by striking out "$74" in clause (A) and inserting in lieu thereof "$77";

(2) by striking out "$124" and "$40" in clause (B) and inserting in lieu thereof "$128" and "$41", respectively;

(3) by striking out "$50" and "$40" in clause (C) and inserting in lieu thereof "$52" and "$41", respectively;

(4) by striking out "$60" in clause (D) and inserting in lieu thereof "$62";

(5) by striking out "$134" in clause (E) and inserting in lieu thereof "$139"; and

(6) by striking out "$112" in clause (F) and inserting in lieu thereof "$116".

CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS

SEC. 103. Section 362 is amended by striking out "$327" and inserting in lieu thereof "$338".

DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES

SEC. 104. (a) Subsection (a) of section 411 is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

"Pay grade	Monthly rate	"Pay grade	Monthly rate
E-1	$461	W-4	$661
E-2	$475	O-1	$583
E-3	$486	O-2	$602
E-4	$518	O-3	$644
E-5	$532	O-4	$681
E-6	$544	O-5	$751
E-7	$571	O-6	$846
E-8	$602	O-7	$915
E-9	[1] $629	O-8	$1,003
W-1	$583	O-9	$1,077
W-2	$607	O-10	[2] $1,179
W-3	$624		

[1] "If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $677.

[2] "If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force or Commandant of the Marine Corps, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,264."

(b) Subsection (b) of such section is amended by striking out "$51" and inserting in lieu thereof "$53".

(c) Subsection (c) of such section is amended by striking out "$134" and inserting in lieu thereof "$139".

(d) Subsection (d) of such section is amended by strking out "$66" and inserting in lieu thereof "$68".

(e) For the purposes of section 156(e)(1)(A) of Public Law 97-377, the overall average of the percentages by which each of the dependency and indemnity compensation rates under section 411 of title 38, United States Code, is increased by subsections (a) through (d) shall be considered to be 3.5 per centum.

DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 105. Section 413 is amended—

(1) by striking out "$225" in clause (1) and inserting in lieu thereof "$233";

(2) by striking out "$323" in clause (2) and inserting in lieu thereof "$334";

(3) by striking out "$417" in clause (3) and inserting in lieu thereof "$432"; and

(4) by striking out "$417" and "$84" in clause (4) and inserting in lieu thereof "$432" and "$87", respectively.

SUPPLEMENTAL DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 106. Section 414 is amended—

(1) by striking out "$134" in subsection (a) and inserting in lieu thereof "$143";

(2) by striking out "$225" in subsection (b) and inserting in lieu thereof "$233";

(3) by striking out "$114" in subsection (c) and inserting in lieu thereof "$118";

EFFECTIVE DATE OF FUTURE INCREASES

SEC. 107. It is the sense of the Congress that any increases enacted to take effect in fiscal year 1985 and subsequent fiscal years in the rates of disability compensation and dependency and indemnity compensation payable under chapters 11 and 13, respectively, of title 38, United States Code, shall take effect on December 1 of the fiscal year involved and that the budgets for fiscal year 1985 and such subsequent years should include amounts to achieve such purposes.

PART B—COMPENSATION PROGRAM AMENDMENTS

PRESUMPTION CONCERNING DYSTHYMIC DISORDER

SEC. 111. Section 312(b) is amended—

(1) in clause (8), by striking out "or";

(2) in clause (9), by inserting after the comma "or"; and

(3) by inserting after clause (9) the following new clause:

"(10) dysthymic disorder (or depressive neurosis),".

RATES OF COMPENSATION FOR CERTAIN BLINDED VETERANS

SEC. 112. (a) Subsection (o) of section 314 is amended by striking out "60 per centum" and inserting in lieu thereof "40 percent".

(b) Subsection (p) of such section is amended—

(1) in clause (1), by striking out "40 per centum disabling," and inserting in lieu thereof "30 percent disabling, or service-connected total deafness in one ear,"; and

(2) in clause (2), by striking out "service-connected total deafness in one ear, or".

(c) The Administrator shall conduct a study of the appropriateness of the correlations between degrees of deafness (both in conjunction with other disabilities and otherwise) and the rates of disability compensation payable under section 314 of title 38, United States Code, and, not later than one year after the date of the enactment of this Act, the Administrator shall submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate a report on the results of such study. Such report shall include such recommendations for legislative or administrative action as the Administrator may consider appropriate on the basis thereof.

INCREASES IN COMPENSATION ON ACCOUNT OF HOSPITALIZATION OR CONVALESCENCE

SEC. 113. (a) Section 3011(c) is amended—

(1) by inserting "(1)" after "(c)"; and

(2) by adding at the end the following new paragraph:

"(2) This section shall not apply to the payment of a temporary increase in compensation for treatment or observation during a course of hospitalization or for convalescence.".

(b) Clause (8) of section 3012(b) is amended to read as follows:

"(8) by reason of termination of a temporary increase in compensation for treatment or observation during a course of hospitalization or for convalescence, shall be the day on which the treatment, observation or convalescence terminated;".

(c) The Administrator shall prescribe guidelines, and shall take such other steps as the Administrator may consider appropriate, for the prevention of overpayments in the implementation of the provisions of this section.

CONTINUATION OF COMPENSATION PENDING REVIEW AND APPEAL

SEC. 114. (a) Section 3012 is amended—

(1) in subsection (b)(6)—

(A) by inserting a comma and "except as provided in subsection (c) of this section," after "shall be"; and

(B) by striking out "his" and inserting in lieu thereof "such payee's"; and

(2) by adding at the end the following new subsection:

"(c) The effective date of a reduction in or discontinuance of compensation by reason of a change in service-connected or employability status or change in physical condition in the case of a veteran who files a request pursuant to subsection (a) of section 3117 of this title shall be the earliest of—

"(1) the date on which such veteran withdraws the notice of disagreement filed in accordance with subsection (a)(3) of such section;

"(2) the date on which such veteran files a statement pursuant to subsection (b) of such section;

"(3) the date on which such case is closed pursuant to the sixth sentence of section 4005(d)(3) of this title; or

"(4) the date on which the Board of Veterans' Appeals makes a final determination upholding the determination referred to in subsection (a)(1) of section 3117 of this title to reduce or discontinue such veteran's compensation.

except that such effective date shall in no event be earlier than specified in subsection (b)(6) of this section.".

(b)(1) chapter 53 is amended by adding at the end the following new section:

"§ 3117. Continuation of compensation pending review and appeal

"(a) Any veteran—

"(1) who receives from the Veterans' Administration a notice of a determination to reduce or discontinue such veteran's compensation by reason of a change in service-connected or empolyability status or change in physical condition;

"(2) who was receiving compensation for a disability that was continuously rated totally disabling for a period of ten or more years ending on the date such determination was made; and

"(3) who, not later than thirty days after the date on which the notice of such determination was sent to such veteran (at such veteran's last address of record), files a notice of disagreement with such determination pursuant to section 4005 of this title,

May file with such notice of disagreement a request that such compensation not be reduced or discontinued pending review by the activity which made such determination and pending the final determination of the Board of Veterans' Appeals on any formal appeal with respect to such determination that may thereafter be timely filed under section 4005(d)(3) or 4005A(b) of this title.

"(b) Any veteran who has filed a request under subsection (a) of this section may, at any time, file with the Veterans' Administration a written statement withdrawing such request.

"(c) A reduction or discontinuance of compensation with respect to which a request is filed pursuant to subsection (a) of this section shall not take effect before the date determined under section 3012(c) of this title.

"(d) If a reduction or discontinuance of compensation payable to a veteran takes effect as provided in subsection (c) of section 3012 of this title, such veteran shall be indebted to the United States in an amount equal to the excess of the total amount of compensation paid to such veteran over the total amount of compensation that would have been paid to such veteran if the reduction or discontinuance of such compensation had taken effect as provided in subsection (b)(6) of such section without regard to subsection (c) of such section.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"3117. Continuation of compensation pending review and appeal.".

TITLE II—AMENDMENTS TO OTHER VETERANS' PROGRAMS

GRANTS FOR ESTABLISHMENT, EXPANSION OR IMPROVEMENT OF STATE VETERANS' CEMETERIES

SEC. 201. Section 1008(a)(2) is amended by adding at the end the following new sentence: "There is also authorized to be appropriated such sums as may be necessary for fiscal year 1985 and for each of the four succeeding fiscal years for the purpose of making such grants.".

REPEAL OF 1989 TERMINATION DATE FOR VIETNAM-ERA GI BILL

SEC. 202. Section 1662(e) is amended to read as follows:

"(e) The Secretary of Defense shall reimburse the Administrator for all amounts of educational or training assistance allowances paid by the Administrator under this chapter or chapter 36 of this title after December 31, 1989.".

MISCELLANEOUS EDUCATION PROGRAM AMENDMENTS

SEC. 203. (a) Section 1602(1)(A) is amended by adding at the end the following new sentence: "Notwithstanding the provision of the preceding sentence making a veteran who is eligible for assistance under chapter 34 of this title ineligible for the educational benefits program provided by this chapter, a veteran who is eligible for assistance under such chapter 34 solely by virtue of the provisions of section 1652(a)(3) of this title may elect to receive benefits under this chapter in lieu of assistance under such chapter 34.".

(b) Section 1733(a) is amended by striking out all after "of this title" the second time it appears and inserting in lieu thereof a period.

(c)(1) Section 1781 is amended—

(A) by inserting "(a)" before "No educational"; and

(B) by adding at the end the following new subsection:

"(b) No person may receive benefits concurrently under two or more of the provisions of law listed below, for the pursuit of the same program of education—

"(1) chapters 31, 32, 34, 35, and 36 of this title;

"(2) section 901 of the Department of Defense Authorization Act, 1981 (Public Law 96-342, 10 U.S.C. 2141);

"(3) section 903 of the Department of Defense Authorization Act, 1981 (Public Law 96-342, 10 U.S.C. 2141 note);

"(4) the Hostage Relief Act of 1980 (Public Law 96-449, 5 U.S.C. 5561 note).".

(2) Section 1795 is amended—

(A) in subsection (a)—

(i) by striking out "laws" and inserting in lieu thereof "provisions of law"; and

(ii) by adding after clause (4) the following new clauses:

"(5) section 901 of the Department of Defense Authorization Act, 1981 (Public Law 96-342, 10 U.S.C. 2141);

"(6) section 903 of the Department of Defense Authorization Act, 1981 (Public Law 96-342, 10 U.S.C. 2141 note);

"(7) the Hostage Relief Act of 1980 (Public Law 96-449, 5 U.S.C. 5561 note); and".

(B) in subsection (b), by striking out "and (4)" and inserting in lieu thereof "(4), (5), (6), and (7)".

SUBSTITUTION OF HOUSING LOAN ENTITLEMENT

SEC. 204. Section 1802(b)(2) is amended by striking out "an immediate" and inserting in lieu thereof "a".

LOAN GUARANTIES FOR MANUFACTURED HOMES PERMANENTLY AFFIXED TO LOTS

SEC. 205. (a) Section 1810 is amended—

(1) by inserting after subsection (a)(8) the following new clause:

"(9) Subject to subsection (f) of this section—

"(A)(i) To purchase a manufactured home to be permanently affixed on a lot that is owned by the veteran.

"(ii) To purchase a manufactured home and a lot on which the home will be permanently affixed.

"(B)(i) To refinance, in accordance with the terms and conditions applicable under the provisions of subsection (e) of this section (other than paragraph (1)(E) of such subsection) to the guaranty of a loan for the purpose specified in clause (8) of this subsection, an existing loan guaranteed, insured, or made under this chapter that is secured by a manufactured home permanently affixed on a lot that is owned by the veteran.

"(ii) To refinance, in accordance with section 1819(a)(5) of this title, an existing loan that was made for the purchase of, and that is secured by, a manufactured home that is permanently affixed to a lot and to purchase the lot on which the manufactured home is affixed."; and

(2) by adding at the end the following new subsection:

"(f)(1) For a loan to be guaranteed for the purpose specified in clause (A)(ii) or (B)(ii) of subsection (a)(9) of this section, the purchase of (or the refinancing of a loan secured by) the manufactured home and the lot for that home shall be considered as one loan and must comply with such criteria as may be prescribed by the Administrator in regulations.

"(2) A loan may not be guaranteed for the purposes of subsection (a)(9) of this section unless the manufactured home purchased, upon being permanently affixed to the lot, is considered to be real property under the laws of the State where the lot is located."

(b) Section 1819(a)(5) is amended by inserting "or section 1810(a)(9)(B)(ii) of this title" after "paragraph (1)(G) of this subsection " both places it appears.

(c) Section 1803(c)(3) is amended——

(1) in clause (A), by striking out "or (8)" and inserting in lieu thereof a comma and "(8), or (9)(B)(i)", and

(2) in clause (E), by inserting "1810(a)(9)(B)(ii) or" after "section".

EMPLOYMENT EMPHASIS UNDER FEDERAL CONTRACTS FOR VETERANS WITH SERIOUS EMPLOYMENT HANDICAPS

SEC. 206. Section 2011(1) is amended to read as follows:

"(1) The term 'special disabled veteran' means——

"(A) a veteran who is entitled to compensation (or who but for the receipt of military retired pay would be entitled to compensation) under laws administered by the Veterans' Administration for a disability rated at (i) 30 percent or more, or (ii) 10 or 20 percent if such veteran has been determined, under section 1506 of this title, to have a serious employment handicap, or

"(B) a person who was discharged or released from active duty because of service-connected disability.".

PAYMENTS FOR FIDUCIARY SERVICES

SEC. 207. (a) Section 3202(a) is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end the following new paragraph:

"(2) In a case in which the Administrator determines that a commission is necessary in order to obtain the services of a fiduciary in the best interests of the beneficiary, the Administrator may authorize a fiduciary appointed by the Veterans' Administration to deduct from the beneficiary's estate a reasonable commission for fiduciary services rendered, but in no event shall (A) the commission for any year exceed 4 percent of the monetary benefits under laws administered by the Veterans' Administration paid on behalf of the beneficiary to the fiduciary during such year, or (B) any commission be authorized in the case of a fiduciary who reveives any other form of remuneration or payment in connection with rendering fiduciary services on behalf of the beneficiary.".

(b) The section heading for section 3202 is amended by striking "guardians" and inserting in lieu thereof "fiduciaries".

(c) The item relating to section 3202 in the table of sections of chapter 55 is amended by striking out "guardians" and inserting in lieu thereof "fiduciaries".

MEMBERSHIP OF SPECIAL MEDICAL ADVISORY GROUP

SEC. 208. Section 4112(a) is amended by inserting a comma and "other individuals considered by the Chief Medical Director to have experience pertinent to the missions of the Department of Medicine and Surgery," after "professions".

PILOT PROJECT FOR EXPEDITING CERTAIN MEDICAL FACILITY CONSTRUCTION PROJECTS

SEC. 209. (a) Subject to subsection (b) and notwithstanding section 5004(a)(1) of title 38, United States Code, or any other provision of law, not to exceed $25,000,000 in funds that were appropriated to the Veterans' Administration, major projects construction account and that the Administrator of Veterans' Affairs has determined are no longer needed either for the projects for which such funds were appropriated or for contingencies arising in the Veterans' Administration's construction program may be obligated in fiscal year 1984 for the purpose of undertaking in fiscal year 1984 working drawings for the construction or alteration of any medical facility in order that such construction or alteration can, subject to appropriations therefor, be undertaken in fiscal year 1985, except that no funds may be obligated under this subsection for working drawings for the replacement or new construction of a complete health-care facility.

(b)(1) The amount obligated for working drawings under subsection (a) for any one medical facility shall not exceed $2,500,000.

(2) No working drawings for the construction or alteration of any particular medical facility shall be undertaken under subsection (a) unless the Administrator, not more than thirty days prior to undertaking the drawings, has provided to the Committees on Veterans' Affairs and on Appropriations of the House of Representatives and the Senate written notice thereof and of the estimated range of the total cost of such construction or alteration and of the cost of the drawings.

(c) For the purpose of this section, the term "medical facility" shall have the meaning specified in section 5001(3) of such title.

SPRINGFIELD CONFEDERATE CEMETERY

SEC. 210. The land comprising the Confederate Cemetery at Springfield, Missouri, shall be considered part of the Springfield National Cemetery, and may be used for the purposes for which national cemeteries may be used under chapter 24 of title 38, United States Code. They condition contained in the first section of the Act of March 3, 1911 (36 Stat. 1077, chapter 211), which requires that the land comprising that cemetery be used only as a cemetery for the graves of men who were in the military or naval service of the Confederate States of America is hereby superseded.

TITLE III—EFFECTIVE DATES

SEC. 301. (a) Except as provided in subsections (b), (c), and (d), the provisions of this Act shall take effect on the date of the enactment of this Act.

(b) the amendments made by sections 101 through 106 shall take effect on April 1, 1984.

(c) The amendments made by section 114 shall take effect with regard to determinations made after March 31, 1984, to reduce or discontinue compensation.

(d) The amendments made by section 111, by subsections (a) and (b) of sections 112 and 113, and by section 209, shall take effect on October 1, 1983.

Amend the title so as to read: "A bill to amend title 38, United States Code, to increase the rates of compensation for disabled veterans and the rates of dependency and indemnity compensation for survivors, to increased rates of compensation for certain blinded veterans, to modify the periods during which certain temporary increases in compensation are paid, to provide for continuation of compensation pending the administrative appeal of certain reductions or discontinuances, to make certain improvements in the Veterans' Administration home loan guaranty program, to repeal the 1989 termination date of the Vietnam-era GI Bill, and to make certain improvements in other veterans' programs; to express the sense of the Congress that increases in compensation should take effect on December 1,

beginning in fiscal year 1985, and to establish a pilot project to expedite certain medical facility construction projects; and for other purposes.".

Mr. BAKER. Mr. President, I further ask unanimous consent that when S. 1651 is made the pending business of the Senate that debate on that measure be limited to 4 hours, that debate on amendments in the first degree be limited to 1 hour, and debate on amendments in the second degree and all debatable motions, appeals, and points of order be limited to one-half hour; that the time be equally divided, and that the agreement be in the usual form.

Mr. BYRD. Will the Senator name the Senators who will control the time on the bill?

Mr. BAKER. The Senator I will designate, since the control of the time is in the usual form, will be Senator SIMPSON, the chairman of the committee.

Mr. SIMPSON. Mr. President, the time will be controlled by myself and Senator CRANSTON during that time. That has been cleared with Senator CRANSTON. He is not present in the Chamber. It will enable us to deal with the important issue of proceeding before May 24. That is our wish. Thank you very much.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, is the bill before the Senate?

The PRESIDING OFFICER. The bill has been reported.

Mr. BAKER. Mr. President, there is an amendment to be offered by the distinguished Senator from Wyoming. Does he wish to do that at this time?

Mr. SIMPSON. Yes, Mr. President.

AMENDMENT NO. 2663

Mr. SIMPSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wyoming (Mr. SIMPSON) proposes an amendment numbered 2663.

Mr. SIMPSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 26, between lines 21 and 22, insert the following:

SEC. 211. Section 4001 of title 38, United States Code, is amended—

(1) by amending the second sentence of subsection (a)—

(A) by striking out "(not more than fifty)" and inserting in lieu thereof "(not more than sixty-five)".

(B) by striking out "associate"; and

(C) by inserting before the period at the end of such sentence "in a timely manner"; and

(2) by adding at the end thereof the following new subsections:

"(c)(1) When there are sixty-five members of the Board, the Chairman may from time to time appoint from the professional staff of the Board or reappoint one time within the three-year period following the expiration of the term of the initial appointment, individuals to serve as temporary members of the Board for terms not to exceed one year. Not more than one such member may be appointed to a section of the Board.

"(2) If, as a result of the temporary absence of a member, a section is composed of less than three members, the Chairman may assign an individual from the professional staff of the Board to serve as an acting member of the Board on such section for not to exceed thirty days. An individual so appointed may serve a total of sixty days as an acting member during any fiscal year. Not more than one such member may be assigned to a section of the Board.

"(3) In each annual report to the Congress required by section 214 of this title, the Administrator shall provide detailed descriptions of the activities undertaken and plans made in the fiscal year for which such report is made with respect to the authority provided by paragraph (1) of this subsection. In each such annual report, the Administrator shall indicate, in terms of full-time employee equivalents, the number of Board members appointed pursuant to paragraph (2) of this subsection.".

"(d) The Chairman of the Board shall submit a report to the appropriate committees of the Congress, not later than December 31, 1984, and annually thereafter, on the experience of the Board during the prior fiscal year together with projection for the fiscal year in which the report is submitted and the subsequent fiscal year. Such report shall contain, as a minimum, information specifying the number of cases appealed to the Board during the prior fiscal year, the number of cases pending before the Board at the beginning and end of such fiscal year, the number of such cases which were filed during each of the twenty-four months preceding the prior fiscal year and the then current fiscal year, respectively, the average length of time a case was before the Board between the time of the filing of an appeal and the disposition during the prior fiscal year, and the number of members of, and the professional, administrative, clerical, stenographic, and other personnel employed by, the Board at the end of the prior fiscal year. The projections for the current fiscal year and subsequent fiscal year shall include, for each such year, estimates of the number of cases to be appealed to the Board and an evaluation of the Board's ability, based on existing and projected personnel levels, to ensure timely disposition of such appeals as provided for by subsection (a) of this section.".

SEC. 2. Section 4002 is amended by striking out "associate" wherever it appears.

SEC. 3. Section 4003(b) is amended by adding at the end thereof the following new paragraph:

"(2) When, without the vote of a member appointed under section 4001(c) (1) or (2) of this title a section would be evenly divided, such member shall not vote.".

Mr. SIMPSON. Mr. President, the distinguished ranking minority member of the Veterans' Affairs Committee, my friend (Mr. CRANSTON) and I are pleased to propose an amendment relating to the Board of Veterans' Appeals and its ability to dispose of the cases that are before it in a more swift and timely manner than is presently possible.

Mr. President, the House has already passed a bill, H.R. 2936, containing comparable provisions. On June 15 of this year, the Senate amended this bill with the text of S. 636, which contained similar BVA provisions as well as a comprehensive legislative package expanding certain rights of veterans regarding judicial review and attorney representation in connection with claims for VA benefits. The position of the House Veterans' Affairs Committee on this larger package is now, just as it has been for several years, significantly at odds with the Senate position, and no reconciling of these positions appears imminent.

This amendment is designed to avoid the risk of indefinitely stalling these noncontroversial BVA provisions. There is no question that they are sorely needed: In recent years, the BVA caseload has risen drastically, while the personnel resources available, as limited by statute, have remained constant, with the result that the average delay in processing a case before the BVA has risen to more than 16 months.

The substantive provisions of this amendment would accomplish the following: First, raise the statutory limit on the number of BVA members from the present 50 to 65; second, require that BVA decisions be rendered "in a timely manner"; and third, authorize the appointment of certain "temporary" and "acting" BVA members, under certain limitations, where necessary to deal with caseload demands.

This issue of ever-lengthening BVA delays has been of great concern to the Veterans' Affairs Committee for several years—a concern which has been reflected in the inclusion of provisions specifically targeted toward this problem in the judicial review legislation reported by the committee, and unanimously passed by the Senate, in each of the last three Congresses.

I should note that the Senate judicial review bill was enacted as an amendment to H.R. 2936 this year solely because of the overlap between the House and Senate BVA provisions, as has long been committee practice when such an overlap occurs. My action in proposing this amendment today is intended simply to speed the enactment of these vital changes. My commitment to the judicial review legislation remains unchanged.

Mr. President, I urge the unanimous adoption of this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2663) was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment of Mr. SIMPSON was agreed to.

Mr. SIMPSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMPSON. Mr. President, it gives me great pleasure to speak in favor of S. 1388, the proposed Veterans' Compensation and Program Improvements Amendments of 1983, which was unanimously ordered reported by the Committee on Veterans' Affairs on July 21, 1983, and reported to the full Senate on September 28 of this year. At this time, I would urge my colleagues to join me in assuring the passage of this very important legislation.

Congressional passage and enactment into law of this bill is especially desirable today so that the customary compensation legislation providing for service-connected disabled veterans and their dependents will be provided for in a timely fashion. It is the strong desire of the veterans' groups that this bill wait no longer for Senate passage. I ask unanimous consent that letters and telegrams from the Disabled American Veterans, the Veterans of Foreign Wars, Paralyzed Veterans of America, the Blinded Veterans Association, and Military Order of the Purple Heart expressing their sense of urgency that this measure be passed be inserted in the RECORD after my statement. I greatly appreciate the fine cooperation exhibited by all of my colleagues here in the Senate in allowing the scheduling of this bill today for consideration on the unanimous-consent calendar, especially that spirit of cooperation exhibited by the minority party today in removing its hold on the bill. In exchange for their considered and thoughtful agreement to do so, I have asked unanimous consent that the Veterans' Affairs Committee be discharged from further consideration of S. 1651, the Veterans' Dioxin and Radiation Exposure Compensation Standards Act, and that S. 1651 be placed on the calendar, to be made the pending business of the Senate by the majority leader, after consultation with the minority leader, at the earliest possible time in the next session of Congress.

The unanimous-consent agreement provides further that debate on that measure be limited to 4 hours, with debate on amendments in the first degree to be limited to 1 hour, and debate on amendments in the second degree and all debatable appeals, motions, and points of order to be limited to one-half hour, to be equally divided in the usual manner and that the agreement be in the usual form.

It is my intent and understanding with the leadership that this legislation will be considered before the Memorial Day recess.

As we all remember, a major proposal for reducing the amount of debt the Federal Government is to incur this year, and in fiscal years 1985 and 1986, involved delaying the effective date of the cost-of-living adjustments for beneficiaries of all Federal income payment programs. The Nation's veterans testified at hearings held by the House and Senate Veterans' Affairs Committees that in the interest of the country's financial security, they would accept such a delay as long as no other groups were treated more favorably. When it became evident that a uniform restriction on COLA effective dates for all Federal benefit programs would be enacted, the Committees on Veterans' Affairs recommended that compensation for service-connected disabled veterans and their survivors and dependents receive the same treatment. Therefore the first measure this legislation contains is a 3.5-percent across-the-board cost-of-living increase to become effective April 1, 1984, rather than October 1, 1983, as would usually be expected. The percentage of the COLA is the same as that enacted for social security and veteran pension recipients at an earlier date. It is the amount by which the cost-of-living index has increased during the past relevant 12 months.

A second and closely related provision contained in this bill concerns the effective date for future cost-of-living adjustments for compensation and dependency and indemnity compensation, DIC, benefits in the fiscal years 1985 and 1986. Because all other Federal benefit payment programs have an effective date of December 1 and are paid on January 1, it was the proposal of the Budget Committee during passage of the first concurrent budget resolution that veterans' compensation COLA's also be made effective on that date in future years. Due to restrictions contained in the Budget Act which preclude passing laws making changes in future fiscal years, it could only state in this bill that it is the sense of the Senate that compensation COLA's should become effective in future years at the same time that other Federal benefit programs' COLA's become effective. This means that service-connected disabled veterans, the most deserving recipients of Federal benefits, would have to wait 10 months for their fiscal year 1985 cost-of-living adjustments. This small advantage for those who have sacrificed so much for their Nation has been widely supported in the Senate. With the enactment of the December 1 effective date for the compensation COLA, all Federal benefit programs' COLA's will be based on a third quarter to third quarter increase in an applicable inflation indicator effective within a few weeks after the increase is computed in early November. The required sum for a 10-month delay for a cost-of-living adjustment for veterans' compensation and DIC benefits is provided for in the first budget resolution for fiscal year 1984.

A provision contained in this legislation which is of great importance to former prisoners of war would correct a problem which has developed in the VA concerning interpretation of congressional intent when Public Law 97-72 was enacted. At that time, it was the intent of the Senate to add depressive neurosis—also known as dysthymic disorder—to the list of diseases presumed service-connected in section 312 of title 38 pertaining to former prisoners of war. There has been subsequent confusion in the application of that law; therefore, section 111 of the proposed bill would clarify the matter.

A second important provision contained in section 112 of the bill would adjust compensation rates in section 314 of title 38 which are paid to certain blinded veterans who also suffer from the additional disability of a service-connected hearing loss. The committee has found that further study should be given to the severity of a disability suffered by those with deafness and with deafness in combination with other disabilities. Therefore, the bill mandates the VA to perform a study of the degree to which deafness and deafness combined with other disabilities impedes veterans from obtaining employment and the appropriateness of the current rate schedule for such veterans. The committee will be holding hearings on this topic in the coming legislative session, but recommends that this interim measure be passed now.

Last year, the passage of the Omnibus Budget Reconciliation Act of 1982 created an inadvertant problem in the equitable application of policies concerning the temporary increase in compensation for certain periods of hospitalization and convalescence for service-connected disabled veterans. This inequity was first addressed by Senator EXON in S. 995. The committee, while sympathetic to remedying these inequities, noted in its report to the Senate on S. 1388 that restoration of the law to the way it was prior to enactment of the reconciliation law last year as proposed by Senator EXON's bill would not completely resolve the problem. Therefore, the committee adopted the approach proposed by my good friend, Senator CRANSTON, the ranking minority member of the Senate Veterans' Affairs Committee, and recommended that the increased payment be made on the basis of the precise period for which the veteran is actually in the hospital or convalescing.

The bill under consideration today contains an important measure proposed by my esteemed fine friend and colleague, Senator THURMOND, which would provide for the payment of disabiltiy compensation at the 100 percent rate during a certain appeals process. Its passage would mean that if a service-connected disabled veteran in receipt of compensation for a perod of at least 10 years were notified of a determination to reduce or discontinue such compensation by reason of a change in service-connection or employability, or in physical condition, the veteran who files a statement of disagreement with such determination and who requests continuous payments through the appeals process, may be so paid.

Title II of the bill consists of amendments to other veterans' programs besides compensation. It contains a provision to authorize the appropriation of such funds as are necessary in fiscal years 1985 through 1989 for matching fund grants to States for establishing, expanding or improving State veterans' cemeteries. This is a program under which the VA provides funds for up to 50 percent of the land acquisition and improvement costs borne by States in their effort to help make it possible for greater numbers of veterans to be interred in veterans' cemeteries in the States in which they reside. As of March 1983, 11 States had submitted 16 applications for such Federal assistance while an additional 24 States had expressed an interest in submitting applications.

Among several provisions which deal with educational benefits for veterans and their dependents, the bill contains a repeal of the 1989 termination date for the Vietnam-era GI bill. The Senate has passed this provision repeatedly in an effort to address the concern that a significant portion of the over 800,000 servicemembers presently on active duty who entered the service prior to 1977 and who have eligibility for current chapter 34 GI bill benefits will feel a strong incentive to separate before their expected retirement date to take advantage of GI bill benefits available to them. If these individuals were to leave the service in order to use their benefits, it would be very costly to recruit and train replacements for such members whose skill levels are quite high. Therefore, section 202 of the committee bill would repeal the December 31, 1989, termination date, and thereby allow all members of the service who are entitled to GI bill benefits generally a full 10-year period from the date of their separation from service to complete their education under the current chapter 34 GI bill. In addition, the committee bill would provide for the Department of Defense to bear responsibility for the cost of all educational and training benefits paid after December 31, 1981, as a result of this change in the law. The committee bill would require the Department of Defense to reimburse the Veterans' Administration for all such costs after that date.

A provision which would effect the VA's guaranty for loans to veterans would provide for a manufactured home unit and lot to be treated on the same basis as is a loan application for a conventionally built home, provided State law regards the unit as real property. As a result, the terms of the loan could be provided to the veteran at a more advantageous rate than is possible under current law.

In the area of employment issues, a provision would allow for the expansion of the definition of "special disabled veteran" from 30 percent disabled for the purposes of inclusion in the employment emphasis program applied to Federal contractors who would then be required to include 10 and 20 percent disabled veterans in the "special" category if they had been determined by the VA's rehabilitation program to have a serious employment handicap.

Section 207 of the committee bill would provide the Administrator with limited authority to provide a VA appointed fiduciary to deduct from a VA beneficiary's estate a modest commission for fiduciary services rendered.

A provision contained in section 208 of the bill would provide the VA authority to expand the membership of its special medical advisory group; and in section 209 of the bill, the VA Administrator is provided with authority to create a 1-year pilot project enabling him to expedite certain medical facility construction projects by allowing him to use up to $25 million from the major construction working reserves to undertake working drawings for projects not yet approved by the appropriations or authorizing committees. This measure is expected to save both time and money for the VA construction process, something we all would applaud.

And a final provision would allow land comprising the present Springfield, Mo., confederate cemetery to be considered as part of the Springfield National Cemetery and would remove a restriction which currently allows only confederate veterans to be buried in that particular section of the cemetery.

In order that the Senate might have the benefit of a more thorough description of the provisions of S. 1388, I ask unanimous consent that the committee's summary of provisions be printed in the RECORD at the conclusion of my remarks.

Mr. President, I wish to express my deep appreciation for the continuing efforts of my good friend from California (Mr. CRANSTON), the ranking minority member of the Veterans' Affairs Committee, who has been instrumental in seeing that this legislation moves forward with all possible speed. I would also like to extend my thanks to the committee staff members who have labored so diligently over this legislation, particularly Babette Polser, Ed Scott, and Jon Steinberg of the loyal minority staff, and Brent Goo, Juli Susman, Scott Wallace, Tom Harvey, Harold Carter, Jim MacRae, Carol D'Angelus, Kay Eckhardt, Lucy Scoville, and Becky Hucks from my fine majority staff.

Mr. President, the provisions of this bill are very important to our Nation's most deserving veterans, and I strongly urge that my colleagues join with me in supporting it.

There being no objection, the material was ordered to be printed in the RECORD as follows:

SUMMARY OF S. 1388 AS REPORTED

S. 1388 as reported (hereinafter referred to as the "Committee bill") has three titles: Disability compensation and dependency and indemnity compensation; Amendments to other veterans' programs; and Effective dates, as follows:

TITLE I: DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION

Part A—Rate Increases

Part A of this title includes amendments to chapters 11 and 13 of title 38, United States Code, which would provide, effective April 1, 1984, a 3.5-percent increase (the same percentage increase provided to social security recipients and VA pension beneficiaries effective December 1, 1983) in—

(1) basic compensation rates for service-connected disabled veterans and, generally, in the rates payable for certain severe disabilities;

(2) the allowances for spouses, children and dependent parents paid to service-connected disabled veterans rated 30-percent or more disabled;

(3) the annual clothing allowance paid to veterans whose compensable disability requires the use of a prosthetic or orthopedic appliance (including a wheelchair) that tends to tear or wear ourt clothing;

(4) dependency and indemnity compensation (DIC) rates for surviving spouses of veterans whose deaths were service connected;

(5) the additional allowances paid to surviving spouses responsible for dependent children and to surviving spouses who are so disabled as to be in need of regular aid and attendance or to be permanently housebound; and

(6) DIC benefits for the children of veterans whose deaths were service connected where no surviving spouse is entitled to DIC, the child is age 18 through 22 and attending an approved educational institution, or the child is age 18 or over and became permanently incapable of self-support prior to reaching age 18.

In addition, title I of the Committee bill would express the sense of the Congress that cost-of-living adjustment for fiscal year 1985 and beyond should be made effective on December 1 of such fiscal years and that budgets for those years should include amounts to achieve that objective.

Part B—Compensation Program Amendments

Part B of this title includes amendments to chapters 11, 51 and 53 of title 38, United States Code, which would:

(1) Provide for the inclusion of dysthymic order (or depressive neurosis) in the list of diseases of certain former prisoners of war that are presumed to be service connected.

(2) Provide increased awards of compensation to certain blinded veterans who also have hearing disabilities.

(3) Modify the period during which a temporary increase in compensation is paid on account of certain periods of hospitalization or convalescence.

(4) Provide for the continuous payment of disability compensation at 100-percent rate pending review and appeal (and subject to repayment if the veteran loses on appeal) of a determination to reduce or discontinue such compensation as the result of a change in the service-connected or employability status or physical condition of a veteran whose disability has been rated as total for at least 10 years and who, within 30 days after such determination, files a statement of disagreement and requests continuous payment.

TITLE II: AMENDMENTS TO OTHER VETERANS' PROGRAMS

This title includes amendments to chapters 24, 32, 34, 35, 36, 37, 42, 55, 73 and 81 of title 38, United States Code, as well as free-standing provisions of law, which would:

(1) Extend for 5 fiscal years the authorization of appropriations for grants to States for establishing, expanding, or improving State veterans' cemeteries.

(2) Repeal the December 31, 1989, termination date for the current, Vietnam-era GI Bill and provide for reimbursement to the VA by the Department of Defense for all amounts of Vietnam-era GI Bill benefits paid by the VA after December 31, 1989.

(3) Make modifications in several educational provisions to—

(a) allow certain individuals who have eligibility for educational assistance under the Vietnam-era GI Bill program, as well as under the Post-Vietnam Era Educational Assistance program, to elect under which program to receive benefits;

(b) conform the manner in which survivors' educational assistance benefits are computed for pursuit of high school or equivalency training to the manner in which benefits are computed for such training under the GI Bill for veterans;

(c) bar receipts of benefits under more than one educational assistance program administered by the VA for pursuit of the same program of education; and

(d) expand, to include certain recently enacted programs, the scope of the 48-month limitation on the total amount of benefits which may be paid those entitled to participate in two or more educational programs administered by the VA.

(4) Permit substitution of a veteran's home-loan guaranty entitlement when the veteran-transferee is not an immediate transferee.

(5) Provide for the guarantee of a loan for the purchase (or refinancing) of a manufactured home on the same terms and conditions as a conventionally-built home if the manufactured home is or will be permanently affixed to a lot and, as so affixed, is regarded as real property under the law of the State where the lot is located.

(6) Include the definition of "special disabled veteran" for the purposes of certain veterans' employment programs those individuals in receipt of compensation for disabilities rated 10- or 20-percent disabling if they have been determined, under the VA's rehabilitation program for service-connected disabled veterans, to have substantial employment handicaps.

(7) Authorize the VA to permit VA-appointed fiduciaries to deduct from beneficiaries' estates reasonable commissions for fiduciary services rendered where the Administrator of Veterans' Affairs determines such commissions are necessary in order to obtain fiduciary services that are in the best interests of the beneficiaries.

(8) Expand the membership of the VA's Special Medical Advisory Group to include individuals, other than members of specified health and allied scientific professions, who have experience pertinent to the missions of the VA's Department of Medicine and Surgery.

(9) Permit certain medical facility construction projects to be expedited by authorizing the Administrator to obligate up to $25 million from the construction projects working reserve fund in fiscal year 1984 in order to undertake working drawings for certain construction projects prior to the adoption of resolutions approving the projects by the House and Senate Veterans' Affairs Committees and to the approval of the projects in the appropriations process.

(10) Provide that land comprising the present Springfield (Missouri) Confederate Cemetery shall be considered part of the Springfield National Cemetery and remove a restriction on the use of that land which permits burial of only Confederate veterans.

MIDDLETOWN, VA.,
November 15, 1983

Hon. ALAN K. SIMPSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR. On behalf of the members of paralyzed veterans of America, I request your support for Senator Alan K. Simpson's efforts to bring before the Senate S. 1388, the "Veterans' Compensation and Program Improvements Amendments of 1983," under a unanimous consent agreement. Senator Simpson, chairman of the Senate Committee on Veterans' Affairs, clearly recognizes the significance of this legislation to America's disabled veterans, their dependents and survivors. It is of great importance to the Nation's disabled veterans that S. 1388 be considered as reported by the Committee on Veterans' Affairs and, therefore, I request that you do not object to consideration.

S. 1388 is the result of much effort by the Committee on veterans' Affairs and provides for increases in the rates of compensation paid to veterans with service connected disabilities and to survivors of veterans who receive dependency and indemnity compensation (DIC). S. 1388 also provides for extension and improvement in education programs and housing programs for veterans as well as correcting certain inequities in the compensation program.

Again, on behalf of the members of Paralyzed Veterans of America, and all veterans, I request that you support Senator Simpson's efforts to have S. 1388 brought before the Senate under a unanimous consent agreement and that you not object to consideration.

Sincerely yours,

PAUL M. CHEREMETA.

VETERANS OF FOREIGN WARS OF THE UNITED STATES,
Washington, D.C., November 16, 1983.

Hon. ALAN K. SIMPSON,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I strongly urge that S. 1388, the "Veterans Compensation and Program Improvement Amendments of 1983," be brought to the floor of the Senate under a unanimous consent agreement.

Although the Veterans of Foreign Wars of the United States has been in the forefront of the fight to advance legislation beneficial to veterans who have been exposed to Agent Orange and other herbicides in Vietnam, we believe, as with the compensation legislation, the Agent Orange legislation should be considered and passed on its own merits and the VFW will continue to vigorously pursue such passage.

Opposition to the unanimous consent agreement for S. 1388 might well force resolving the cost-of-living increase in compensation to be considered under reconciliation, thus stripping the bill of its other highly meritorious provisions which would be a disservice to our Nation's veterans.

Sincerely,

CLIFFORD G. OLSON, JR.,
National Commander-in-Chief.

BLINDED VETERANS ASSOCIATION,
Washington, D.C., November 16, 1983.

Senator ALAN SIMPSON,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR SIR: The Blinded Veterans Association supports unanimous consent consideration without amenments of S. 1388, "Veterans' Disability Compensation and Survivors' Benefits Amendment of 1983" and urges you to press for such before Congress adjourns this year.

Sincerely,

THOMAS H. MILLER,
National President and
Chairman of the Board.

DISABLED AMERICAN VETERANS,
Washington, D.C., November 15, 1983.

Senator ALAN K. SIMPSON,
Chairman, Committee on Veterans Affairs,
U.S. Senate, Washington, D.C.

DEAR SIR: In order to acheive Senate passage of the Veterans compensation and program improvements amendments of 1983 Veterans Affairs Committee Chairman Alan K. Simpson has requested that S. 1388 be brought to the floor for consideration under unanimous consent.

Passage of S. 1388 during this session of Congress is essential as the bill contains provisions with October 1, 1983, effective dates which impact upon former prisioners of war hospitalized and blinded veterans.

On behalf of America's 2.2 million service connected disabled veterans, I strongly urge that you do not object to unanimous consent consideration and passage of this most important legislation in 1983.

Sincerely,

DENNIS A. JOYNER,
National Commander.

MILITARY ORDER OF THE PURPLE HEART,
Springfield, Va., November 15, 1983.

Hon. ALAN K. SIMPSON,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR SENATOR: The National Commander of the Military Order of the Purple Heart, Wendell Lowe, has directed that I communi-

cate to you our concerns over the delay in moving S-1388.

We respectfully request that you insure that S-1388 is moved and passed. Further, in order to promote the successful movement that there be no amendments especially any that would possibly involve a lengthy debate or emotional rhetoric thereby creating delays or an atmosphere that will cause S-1388 not to be passed in a timely manner.

The Senate can point with pride that veterans legislation has always been given the privilege of being above partisan politics or ambitions. Your support of this piece of legislation will be in the best interest of all veterans and we are sure that you, just as we, are gravely concerned over meeting the needs of our combat wounded and service connected veterans.

Thank you for your support in seeing to the passage of S-1388.

Sincerely,

RICHARD J. GALLANT,
National Service Director.

● Mr. CRANSTON. Mr. President, as the ranking minority member on the Veterans' Affairs Committee, I rise to join the distinguished chairman (Mr. SIMPSON) in urging the Senate to approve the pending measure, S. 1388 as reported from the committee on September 28, the proposed "Veterans' Compensation and Program Improvements Amendments of 1983."

I want to express my strong support for the 3.5-percent increase that this measure would provide, effective April 1, 1984, in the rates of service-connected disability compensation and dependency and indemnity compensation—DIC—and my great satisfaction that the bill is able to be considered today.

I firmly believe that the needs of the 2.3 million veterans who suffer from service-connected disabilities and the 300,000 survivors of veterans who die from service-connected causes must be our committee's No. 1 priority. The continuation of the commitment we have established for our highest priority veterans to grant compensation benefit increases at least equal to increases in social security and VA pension benefits is, therefore, a matter of great importance to me. In this connection, I note that the COLA for social security and VA pension this year is also 3.5-percent.

In addition to the compensation/DIC COLA, there are a number of other provisions in the measure before us today in which I have a particular interest and which I am most pleased were incorporated in the bill as reported.

EFFECTIVE DATE OF FUTURE COST-OF-LIVING ADJUSTMENTS IN COMPENSATION RATES

First, Mr. President, section 107 of the bill would express the sense of the Congress that future cost-of-living adjustments—COLA's—in rates of veterans' disability compensation and survivors' DIC in fiscal year 1985 and beyond should take effect on December 1 of the fiscal year involved. It would further express the sense of the Congress that budgets—the President's and the congressional budget—for fiscal year 1985 and each subsequent year should include the necessary funds to make compensation COLA's effective on the December 1 date. This provision is derived from the provisions of amendment No. 1303 which was submitted for me by Senator BYRD on May 26, 1983, and which is cosponsored by Senators RANDOLPH, MATSUNAGA, and DECONCINI.

As the Members know, congressional agreement has been reached on delaying by 6 months the COLA's in Federal programs. Legislation was enacted on April 20—in section 111 of the Social Security Amendments of 1983, Public Law 98-21—to delay by 6 months, until December 1, 1983, the social security increase that otherwise would have automatically occurred on June 1, 1983. Since both the timing and percentage of VA non-service-connected pension COLA's are, under section 3112 of title 38, United States Code, tied to the indexing of social security benefits, a 6-month delay—June 1 to December 1, 1983—in the effective date of the increase in that VA program will automatically occur as a consequence of the social security COLA delay enacted in Public Law 98-21.

However, in the cases of VA compensation and DIC, there is no provision of law linking these programs to social security or otherwise providing for automatic COLA's. For the last 7 years, however, the Congress has adopted the practice of providing annual increases in these benefits effective each October 1.

This year, in accordance with the 6-month delay agreement for cost-of-living adjustments—which is reflected in the first concurrent resolution on the budget for fiscal year 1984, House Concurrent Resolution 91, as well as Public Law 98-21—S. 1388 provides for the compensation/DIC COLA to be effective April 1, 1984. This is 6 months later than the date, October 1, 1983, that the increase would customarily have been made effective. As I previously noted, this 6-month postponement of the COLA would produce fiscal year 1984 savings of approximately $170 million. There is general agreement among veterans' organizations that this 6-month delay is acceptable as long as other COLA's are similarly delayed.

However, I believe, and the committee adopted my view, that at the earliest opportunity the Congress should take action to provide assurance that the effective date of future increases in VA compensation rates will be consistent with the date on which other program increases are effective—December 1. Thus, section 107 of the pending measure provides that any future compensation COLA's should take effect on December 1 of each fiscal year, the same date as will increases under the social security and VA pension programs.

A major advantage of this approach is that, under it, Congress would be enacting compensation/DIC COLA's each year based on an equitable and actual—rather than a projected—inflation factor. That factor would be the social security COLA percentage and there would be no built-in "lag time" between and end of the period on which that inflation factor is computed and the date on which it would be made effective with respect to the compensation program. Beginning with the December 1, 1984, social security COLA, Public Law 98-21—at the same time it permanently changed the social security COLA date to December 1—also moved from the first quarter to the third quarter of the calendar year the period on which the annual COLA is based. Thus, the December 1 effective date for the social security COLA will after this year be based on a third-quarter-to-third-quarter increase in the applicable inflation indicator that is calculated only a few weeks earlier—in early November. Under the proposal in the committee bill, the same time relationships would obtain with respect to the Compensation/DIC COLA's.

I would also like to note that the budget resolution for fiscal year 1984, House Concurrent Resolution 91, makes provision in the outyears for compensation/DIC COLA's effective of December 1, 1985 and 1986. If enacted into law, this section of the pending bill would declare and confirm that the Congress believes that this is the approach that should be taken.

INCREASES IN COMPENSATION ON ACCOUNT OF CERTAIN PERIODS OF HOSPITALIZATION

Second, section 113 of the bill is derived from the provisions of amendment No. 1302, which Senator BYRD submitted on my behalf on May 26 and which is cosponsored by Senators RANDOLPH and MATSUNAGA. This section would modify the period during which a temporary increase in compensation, to the 100-percent rate, is paid on account of certain periods of hospitalization and convalescence for the service-connected disability of a veteran rated less than 100-percent disabled. I would also note that these provisions respond to the same problem to which attention was first called by S. 995, introduced by the distinguished Senator from Nebraska (Mr. Exon) and now cosponsored by 30 Senators—a problem that resulted from enactment last year of section 401 of the Omnibus Budget Reconciliation Act of 1982.

Mr. President, the approach taken in S. 1388 as reported corrects two categories of inequity in current law—one that, as I noted, was created by an amendment made by the 1982 Budget Reconciliation Act and one that exist-

ed under prior law and continues to exist. As Members may recall, the 1982 amendment delays the beginning of all awards of and increases in compensation to the first day of the first full month following the date on which the award or increase otherwise becomes effective.

The provisions in S. 1388, would address the issues of inequities in these payments by modifying both the beginning and ending dates for increased awards of compensation. Under the bill, for hospitalizations for service-connected care in excess of 21 days or for such hospital care plus convalescence in excess of 21 days, compensation payments would be made for only the actual period of hospitalization plus any convalescence. No one would lose any payment days by virtue of being admitted earlier rather than later in a calendar month. Likewise, no one would get a windfall in the form of a full month of compensation at the 100-percent rate for the last month during which he or she was hospitalized, regardless of how few days during that month the veteran was an inpatient. This is, to me, an approach that is most logical and equitable.

A detailed comparison of the applicable payments under pre-1982 law, under current law, and under the committee bill is set forth on pages 28–31 of the committee report—Senate Report No. 98–249.

EXPEDITING CERTAIN VA MEDICAL FACILITY CONSTRUCTION PROJECTS

Third, the provisions of section 209 are identical to the provisions of amendment No. 1450 to S. 1388, which I submitted on June 29. That amendment was derived from the provisions of amendment No. 1298, which I submitted on May 25 and is cosponsored by Senators BYRD, RANDOLPH, MATSUNAGA, DECONCINI, SASSER, and EXON.

Mr. President, the provisions of section 209 are designed to enable the VA—on a 1-year trial basis—to avoid the long delays between the completion of preliminary plans and the initiation of the final design and working drawings for certain VA medical facility major construction projects. This purpose would be achieved by permitting the agency to use up to $25 million in its major construction account working reserve to undertake working drawings for those projects in fiscal year 1984 despite the fact that they have not yet been approved in the appropriations process or by the Veterans' Affairs Committees. Thus, the selected projects could be expedited and construction contracts for those approved by the Congress could be advertised and awarded as early in fiscal year 1985 as the completion of the working drawings would allow—rather than in fiscal year 1986 or 1987.

The up to $25 million that the VA would be permitted to use for the working drawings would come from the VA's major construction account working reserve. This reserve consists of funds not expended on some projects because of lower than anticipated costs. However, from time to time, a substantial amount of funds accumulates in the working reserve and the VA—with accountability to the Appropriations Committees—uses the reserve where needed to augment other projects. I believe these reserve funds also should be available to be used for working drawings.

Section 209 of the bill is designed to limit in a number of ways the risks involved in testing this approach during the 1-year trial basis.

First, the total amount that could be expended on any one set of working drawings would be limited to $2.5 million. This limitation would have the effect of restricting the size of the entire project since the VA estimates that working drawings generally cost approximately 6 percent of the entire cost of a project. As a practical matter, because of the $2.5 million restriction on the amount that may be obligated on working drawings for any one project, the largest project that might benefit from the enactment of this provision would be one estimated to cost in the range of $42 million. Thus, working drawings for major replacement and modernization projects—those most likely to be subject to controversy—could not be carried out under this new authority.

Second, in lieu of congressional preapproval of these projects, the VA would be required to provide to the House and Senate Committees on Veterans' Affairs and on Appropriations advance notice of proceeding to working drawings on a particular project. That notice would be required to include the cost of the working drawings and an estimated range of the total cost of the project.

Third, the proposed authority to use the working reserve for working drawings would exclude working drawings for the replacement or new construction of a complete health care facility. I believe that a viable experiment can be carried out without giving the VA authority at this point to proceed—without formal congressional approval—farther down the road to construction of complete health care facility projects than is permissible under current law.

Fourth, before exercising the authority to obligate any funds from the major working reserve for working drawings for a particular project, the Administrator would be required to determine that the amount involved will not be needed for contingencies rising in connection with other VA construction projects.

Mr. President, I believe that this provision will help the Congress determine whether it wishes to provide a more permanent authority along these lines or perhaps to extend the experiment. I would also note that the committee has indicated—on page 43 of the committee report—its intention to study carefully those projects selected for working drawings in fiscal year 1984 and their progression through the construction process. If this provision is enacted, I will be participating fully in that review process.

Mr. President, based on an examination of the VA's current construction activities, there are some 50 projects that could be candidates for consideration for working drawings to be undertaken prior to October 1, 1984, and thus to be expedited under the provision in the bill. Not each of those projects would be benefited by the enactment of this provision nor am I suggesting that any particular project be funded for working drawings. Moreover, current schedules are subject to change, and not each potentially eligible project may be ready to proceed to working drawings nor would there be sufficient funds to undertake all of them.

I want to stress that this provision would result in no additional expenditures since the dollars expended on working drawings in fiscal year 1984 would almost certainly otherwise be expended in fiscal year 1985. In addition, over the longer run—since projects that are expedited will not suffer from the usual 12-month-or-more delay—savings might actually result from the enactment of this provision.

OTHER PROVISIONS OF S. 1388 AS REPORTED

Mr. President, there are three other provisions of S. 1388 to which I will make brief reference: sections 114, 202, and 206.

Section 114 is derived from the provisions of S. 859, which was introduced by Senator THURMOND on March 18 and which I am pleased to cosponsor. This section of the bill would permit a veteran whose service-connected disability has been rated as total for at least 10 years to elect to continue receiving payment of compensation at the total disability rate pending review and appeal of a determination to reduce or discontinue the veteran's compensation as the result of a change in the service-connected or employability status or physical condition of a veteran. Compensation payments made as a result of the veteran's election under this provision would be subject to repayment if the veteran loses on appeal.

I strongly support this provision as a fair and compassionate means of averting the financial hardship that can result from what is ultimately determined to be an erroneous reduction or termination of benefits on which the veteran has depended for a lengthy period.

Section 202 would repeal the December 31, 1989, termination date for the current,Vietnam-era GI bill and provide for reimbursement to the VA by the Department of Defense for all amounts of Vietnam-era GI bill benefits paid by the VA after December 31, 1989. This section of S. 1388 was based on provisions I introduced on January 26, 1983, in S. 8, the proposed "All Volunteer Force Educational Assistance Act," as well as on provisions in a measure, S. 667, introduced by our committee chairman (Mr. SIMPSON) on March 3. This provision is designed to assist the armed services in their efforts to retain personnel who entered on active duty prior to January 1, 1977, and thus have Vietnam-era GI bill eligibility. The thrust of the provision is to achieve this purpose by making it unnecessary for active duty personnel to leave the service in order prior to December 31, 1989, to pursue education using their GI bills benefits without being encumbered by the constraints of active duty service.

Section 206 would include in the definition of "special disabled veteran" for the purposes of certain veterans' employment programs those individuals in receipt of compensation for disabilities rated 10- or 20-percent disabling if they have been determined, under the VA's rehabilitation program for service-connected disabled veterans, to have substantial employment handicaps. I proposed this provision, which is based on a provision I authored earlier this year in the Emergency Veterans' Job Training Act of 1983, Public Law 98-77, in order to liberalize somewhat the definition of special disabled veterans for purposes of affirmative action under chapters 41 and 42 of title 38, United States Code.

VA HOME-LOAN GUARANTEES

Finally, Mr. President, I note that there are two provisions that would affect the VA's home-loan guaranty program. First, section 204 of the bill would permit substitution of a veteran's home-loan guaranty entitlement when the veteran-transferee is not an immediate transferee. Second, section 205, which I propose be included based on comparable language in a House-passed bill, H.R. 2948, would provide for the guaranty of a loan for the purchase or refinancing of a manufactured home on the same terms and conditions as a conventionally built home under two conditions: first, if the manufactured home is or will be permanently affixed to a lot; and second, if the home as so affixed, is regarded as real property under the law of the State where the lot is located.

Mr. President, I want to take this opportunity to call to my colleagues' attention another housing related issue about which I have some concerns and which was addressed during the Senate's debate yesterday on the Housing IMF amendment to the Supplemental Appropriations Act, 1984, by my colleague, the distinguished chairman of the Committee on Banking, Housing, and Urban Affairs (Mr. GARN). His remarks appear in the RECORD of November 17 at page S16534.

Specifically, my concerns in this area are related to questions raised by many veterans about what effect a so-called "floating" or "negotiable" interest rate under the FHA home-loan program—which the aforementioned amendment would bring about—would have on the VA's home-loan guaranty program. As my good friend, Senator Garn, noted yesterday, he and I have discussed this matter and are in agreement that the FHA proposal, if enacted—as it appears virtually certain that it will be—would not affect the VA's current authority to establish maximum interest rates. As he pointed out yesterday, the Administrator of Veterans' Affairs would continue to have his existing independent authority to set interest rates for VA-guaranteed loans whether or not the FHA provision is enacted.

Mr. President, I believe that this issue and, indeed, the entire area of the VA home-loan guaranty program should be reviewed by the Committee on Veterans' Affairs. We need to evaluate the practical effect of a "floating" FHA rate and other important matters of concern. One other such matter is the House-passed measure, H.R. 2948, and its companion, S. 1922, introduced by my good friend from Pennsylvania who serves with me on the Veterans' Affairs Committee (Mr. SPECTER). These measures would establish a program of mortgage foreclosure assistance for veterans. As the ranking minority member on the committee, I will urge that hearings be held early next year on these and other housing matters.

BOARD OF VETERANS' APPEALS

Mr. President, I am pleased to note that, in addition to the provisions of S. 1388 as reported by the committee, there will be added to the pending measure, at my suggestion, provisions to the VA's Board of Veterans' Appeals—BVA—the administrative body of last resort on claims for VA benefits.

Mr. President, these are identical to provisions in sections 103, 104, and 105 of S. 636, the proposed "Veterans' Administration Adjudication Procedure and Judicial Review Act", as reported by the committee on May 18, 1983, and passed by the Senate, in H.R. 2936, on June 15. Thus, they have the full support of the members of our committee.

These provisions would increase the statutory limitation on the size of the BVA from 50 to 65 members in order to help deal with the very substantial backlog of cases—over 42,000 in 1982—on the BVA's docket; would authorize the appointment of temporary BVA members for terms of not more than 1 year when all 65 BVA positions are filled, and of acting members, for a period of not more than 30 days, or 60 days total in any single fiscal year, to serve in the temporary absence of regular members; and would preclude a temporary or acting member from casting a vote in any case where the votes of the two regular members are split. The provisions would also require the Administrator to report annually to Congress on the implementation of the provisions authorizing the appointment of temporary and acting BVA members; and would require the Chairman of the BVA to report to the appropriate committees of the Congress annually on the Board's current and future workload and its ability, based on then current and projected staffing, to dispose of appeals in a timely manner.

Mr. President, S. 636 from which these provisions are drawn is a comprehensive bill dealing with judicial review of VA claims decisions, the payment of reasonable fees to attorneys for representing claimants before the VA, and the VA's internal adjudication and regulation-issuing procedures. I want to make clear that by asking that these few provisions from S. 636 as passed by the Senate be considered outside of that legislation, my longtime, very strong support of legislation providing for judicial review of VA decisions on benefit claims has not changed or lessened in any way. I would much prefer to address these provisions in the context of that more comprehensive legislation. However, in view of the reluctance of the other body to deal with the judicial review issue at this point and my concern about the impact of the very significant backlog which the BVA is now facing on its ability to render fair and appropriate decisions in a timely manner and the need to take prompt action to help reduce that backlog, I support moving forward with these provisions in the pending measure at this time.

STEPS LEADING TO CONSIDERATION OF S. 1388

Mr. President, I have been aware of some confusion among veterans and others about the status of S. 1388, the proposed "Veterans' Compensation and Program Improvements Amendments of 1983", as reported by the Committee of Veterans' Affairs on September 28, and I would like to discuss briefly my views and actions over the last month in pursuing Senate consideration of the Committee—reported bill.

The principal purpose of S. 1388 as reported is to provide for a cost-of-living adjustment—COLA—in the rates of VA compensation payable to service-connected disabled veterans and of survivors' dependency and indemnity compensation. There are no

higher priorities among veterans' programs than these programs.

I want to make as clear as I possibly can that, as ranking minority member of the Committee on Veterans' Affairs, my position is and has been since shortly after the bill was reported on September 28, that the Senate ought to proceed to the consideration of this legislation as soon as possible. I have actively urged that this be done. My reasons for doing so have been twofold: First, moving ahead with legislation once it is reported and on the calendar is the normal procedure followed by our committee, and I see no reason to do otherwise in this case—especially in light of the fact that progress on the bill serves to assure our Nation's service-connected disabled veterans that the COLA will be enacted in time for the increased rates to be paid on time. Second, I have been eager to offer an amendment to it that addresses what I believe are the most important unresolved issues regarding the VA compensation program today, namely compensation for veterans exposed to agent orange and radiation. This amendment is identical to S. 1651, which I introduced, along with Senators SPECTER, MITCHELL, and BIDEN, on July 20, and to an amendment which Senators SPECTER, MITCHELL, and I offered—but which failed on a 6 to 6 tie vote—during committee consideration of S. 1388 on July 21. It would require the VA to develop regulations, through an informal process allowing for public participation and subject to judicial review, for the adjudication of agent orange and radiation claims.

In order to obtain prompt Senate consideration of this measure, I and the minority staff have repeatedly raised this matter with my very good friend, the chairman of the committee (Mr. SIMPSON) and the majority staff, and urged that the bill be scheduled for Senate action. He and I are nearly always in agreement on veterans' matters and generally work in close harmony on committee business—especially procedural matters. Unfortunately, that has not until today been the case with respect to consideration of this bill.

Until Tuesday of this week it has been the position of the distinguished Committee chairman that the bill should not be considered this year at all—but rather should be brought up some time after February 24 of next year when the agent orange "Ranch Hand" report is due from the Air Force. Then, on Tuesday, the chairman sought a unanimous-consent agreement to proceed to consideration of S. 1388 but foreclosing any amendments from being offered. Because of reasons I will outline in a moment, I was not able to agree to that request and, as my initial response, made a counteroffer to consider S. 1388 under a very limited time agreement providing for consideration of only one amendment, the agent orange/radiation amendment, and requiring less than an hour of the Senate's time. This was the consensus position of the minority members of the Veterans' Affairs Committee. That offer was rejected.

Mr. President, my reasons for not agreeing to a procedure that would preclude the Senate from considering issues related to compensation for veterans exposed to agent orange or radiation in the context of a VA compensation measure were quite simple and straightforward. I strongly believed and continue to believe that the Senate must be accorded an opportunity, in a timely fashion, to debate agent orange/radiation compensation issues.

Mr. President, with reference to providing an opportunity for the Senate to deal with those issues, I recognize that there is not a consensus in the Senate on how to address them. When our committee considered the amendment we offered on this subject on July 21, with the support of the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans, the amendment failed on a 6 to 6 tie vote.

However, a difference of opinion is not a basis for inaction. Rather, the Senate should have the opportunity to deal with this issue as soon as possible. Vietnam veterans, veterans who were exposed to ionizing radiation from nuclear detonations, the families of both such veterans, and many members of the public seriously concerned about these issues fully deserve our attention and our consideration. I do not understand why they are not deserving of—indeed entitled to—at least a half-hour of the Senate's time at this point.

Earlier today, in order to insure that no possibility of agreement was overlooked and no opportunity for Senate timely action on S. 1388 and on agent orange/radiation exposure legislation was lost, I made yet another unanimous-consent request offer: That the Senate pass S. 1388 with no amendments; that, prior to passage of S. 1388, our committee be discharged from consideration of S. 1651; that that bill be taken up by the Senate prior to March 31, 1984, on a date specified by the majority leader of the Senate in consultation with the minority leader; and that H.R. 1961, legislation that has been ordered reported from the House Veterans' Affairs Committee and deals with the same issues of agent orange or radiation compensation, be placed on the Senate Calendar when received from the House.

After further negotiations with the Chairman, we were able to agree to pursue such an agreement with some modifications. Specifically, the agreement as modified would, at the chairman's suggestion, change the time period within which S. 1651 would become the pending business of the Senate to the period between April 1 and May 24, 1984; would provide time limitations for the debate on that measure—4 hours on the bill itself, 1 hour on any amendments, and a half-hour on any amendments to amendments or motions—and would delete specific reference to H.R. 1961. At my suggestion, the agreement would also permit a single, noncontroversial committee amendment—incorporating provisions already passed by the Senate on June 15 in S. 636/H.R. 2936, relating to the VA's Board of Veteran's Appeals—to be added to S. 1388 when it is considered.

The change in the period within which S. 1651 would be considered was made to accommodate the chairman's desire to receive and review the results of some agent orange studies which are due to be available in early 1984. The reference to H.R. 1961 was deleted based on my understanding with the Senator from Wyoming that there would be no objection to that bill being placed on the calendar—as the House's companion measure to S. 1651—if it is passed by the House prior to the Senate's consideration of S. 1651. As a result, in the event that the Senate agrees to S. 1651 or other agent orange/radiation compensation legislation, final passage of the provisions of S. 1651 would take place by substituting the agreed-upon Senate provisions into a House-passed companion measure if one has been passed by the House by that time, thereby permitting the development of a compromise legislative agreement with the other body on these important issues.

Finally, the unanimous-consent agreement was further modified by the majority leader into the form on which it has now been agreed to the final modification was that the specific dates—April 1, to May 24, 1984—for Senate consideration of S. 1651 were deleted and instead the agreement provides for consideration of the bill at the earliest possible time in the next session of this Congress as determined by the majority leader in consultation with the minority leader. We have accepted this modification with the clear understanding with the leadership that S. 1651 will be taken up, under the time agreement that has just been entered into, not later than the Memorial Day recess which begins on May 25, 1984. This is, in deed, our intent, and I am confident, as my distinguished friend from Wyoming has assured me, that this will be done in that time period.

Thus, by this procedure and under this agreement and our understanding, the Senate will prior to May 25 of next

year, come to grips with the agent orange/radiation compensation issue in the context of S. 1651.

Mr. President, I have set forth this history in the hopes of clarifying what my position is and has been on S. 1388 and explaining why that measure had not moved forward before today.

In this regard, I also want to note that, throughout this process, I have remained mindful of the fact that the COLA provided for in S. 1388 will not take effect until April 1, 1984—and will first be reflected in checks received by compensation and DIC beneficiaries on May 1. Therefore, I recognized that there has been no immediate time pressure during these past few weeks to achieve final action on S. 1388 such as would have made inadvisable my efforts to insure that the Senate had a fair opportunity to address the agent orange/radiation compensation issues. Moreover, the House has yet to pass its separate compensation measure. In any event, I am delighted that the chairman and I and the Senate leadership were able to resolve this matter in a manner acceptable to all concerned.

CONCLUSION

Thus, Mr. President, I am extremely pleased that we are able to present this measure to the Senate today for its approval.

I especially want to thank my friend from Wyoming (Mr. SIMPSON), the Majority Leader (Mr. BAKER), and the Minority Leader (Mr. BYRD) for their great cooperation and assistance in achieving action on this important measure today as well as a firm commitment that the agent orange/radiation exposure issue will come before the Senate at the earliest possible time next year, but no later than May 25, so that the Senate can work its will on this important issue.

I urge my colleagues to approve the pending committee bill unanimously.●

Mr. THURMOND. Mr. President, I rise in strong support of S. 1388, the Veterans' Compensation and Programs Improvements Amendments of 1983.

I believe that S. 1388 is excellent legislation containing many significant provisions that will enhance and improve the benefits provided to the Nation's deserving veterans.

Mr. President, of particular importance is the provision of this legislation which provides for a 3.5-percent increase in the rates of disability compensation and dependency and indemnity compensation. This increase insures that the benefits that are received by veterans and their dependents keep pace with inflation.

Mr. President, I am also pleased that S. 1388 includes two provisions that are derived from bills that I introduced: S. 859, which would allow totally disabled service-connected veterans in receipt of benefits at the 100 percent rate for a period of 10 years or more to continue to receive benefit payments at the 100 percent rate during the appeal of a VA decision to reduce or discontinue their disability evaluation; and S. 1187, which would provide increased awards of service-connected compensation to certain blinded veterans who are suffering from hearing disabilities. I believe that these provisions will provide needed assistance to two groups of our most severely disabled veterans.

Mr. President, I therefore strongly support this legislation and urge the support of my colleagues.

Mr. BAKER. Mr. President, is the committee substitute before the Senate?

The PRESIDING OFFICER. The committee substitute is before the Senate.

Without objection, the committee amendment in the nature of a substitute is agreed to.

The bill (S. 1388) was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend title 38, United States Code, to increase the rates of compensation for disabled veterans and the rates of dependency and indemnity compensation for survivors, to increase rates of compensation for certain blinded veterans, to modify the periods during which certain temporary increases in compensation are paid, to provide for continuation of compensation pending the administrative appeal of certain reductions or discontinuances, to make certain improvements in the Veterans' Administration home loan guaranty program, to repeal the 1989 termination date of the Vietnam-era GI Bill, and to make certain improvements in other veterans' programs; to express the sense of the Congress that increases in compensation should take effect on December 1 beginning in fiscal year 1985, and to establish a pilot project to expedite certain medical facility construction projects; and for other purposes.".

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have three other matters before we get to the Indian Affairs Committee matter. I will inquire of the minority leader if he is in a position to consider S. 1090 at this time, together with a budget waiver which must accompany that measure.

Mr. BYRD. Yes, Mr. President.

Mr. BAKER. I thank the Senator.

BUDGET ACT WAIVER

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 193, which is the budget waiver to accompany S. 1090, and that no amendments be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 193) waiving Section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1090.

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 193) was agreed to, as follows:

S. RES. 193

Resolved, That, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1090. Such waiver is necessary because S. 1090 authorizes the enactment of new budget authority which would first become available in fiscal year 1984, and such bill was not reported on or before May 15, 1981, as required by section 402(a) of the Congressional Budget Act of 1974 for such authorizations.

The waiver of section 402(a) is necessary to permit congressional consideration of statutory authority to create a study commission on the subject of outdoor recreational resources.

S. 1090 provides an authorization for fiscal year 1984 of $1,500,000. No funds have previously been authorized or appropriated for this purpose.

NATIONAL OUTDOOR RECREATION RESOURCES REVIEW ACT OF 1983

Mr. BAKER. Now, Mr. President, I ask unanimous consent that the Senate turn to the consideration of S. 1090, Calendar Order No. 534. I further ask unanimous consent that only the committee amendments and an amendment to be offered by the Senator from Idaho (Mr. MCCLURE) be in order, that no other amendments be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A bill (S. 1090) to establish a National Outdoor Recreation Resources Review Commission to study and recommend appropriate policies and activities for government agencies at the Federal, State, and local levels and for the private sector, to assure the continued availability of quality outdoor recreation experiences in America to the year 2000, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Governmental Affairs with amendments, and from the Committee on Energy and Natural Resources with amendments:

On page 3, strike lines 20 through 25, and insert:

"(2) 'outdoor recreation resources' shall mean the land and water areas and associated facilities located in either urban or non-urban areas of the United States and its ter-

ritories and possessions which provide, or which may have the capacity to provide, opportunities for outdoor recreation, irrespective of ownership or location;".

On page 5, line 1, strike "fifteen" and insert "twenty-one".

On page 5, line 4, after "private" insert "Outdoor".

On page 5, after "President" insert "pro tempore".

On page 5, line 14, after "private" insert "outdoor".

On page 7, line 3, strike "it, provided that" and insert "it: Provided, That".

On page 7, line 9, strike "made" and insert "make".

On page 8, line 3, strike "citizen".

On page 10, strike lines 8 through 12 and insert "desirable by the year 2000 beyond."

On page 10, line 16, insert "(b) The Commission shall—"

On page 12, line 19, strike "its recommendations." and insert "recommendations concerning appropriate policies and actions to insure the availability of quality recreation resources and facilities for this and future generations.".

The amendments from the Committee on Governmental Affairs are as follows:

On page 5, line 1, strike "fifteen" and insert "twenty-one".

On page 5, line 8, strike "Senate" and insert "Senate with the advice of the majority leader".

On page 5, line 11, strike "Representatives" and insert "Representatives, and three citizens known to be informed about, concerned with or involved in the provision of public or private recreation opportunities and related policies or programs,".

On page 6, line 5, after "Commission." insert "A quorum of the Commission shall consist of a majority of the members".

On page 8, strike lines 5 through 15, and insert:

"(1) State, county and municipal governments, in concluding those agencies dealing with recreation, natural resources, the environment, travel and tourism;

"(2) organizations representing recreational enthusiasts;

"(3) private organizations and corporations which provide recreational goods and services;

"(4) private organizations which support recreation and conservation of natural resources;

"(5) organizations concerned with public health and welfare;

"(6) natural resource oriented and travel and tourism related organizations and corporations; and

"(7) research and academic institutions with expertise in recreation, leisure, natural resources and the environment.".

On page 11, line 1, strike "increased" and insert "role".

On page 11, line 22, strike "and".

On page 12, line 2, strike "recreation; and" and insert "recreation; and

"(8) consider the findings and recommendations of National Urban Recreation Study (1978) and the Third Nationwide Outdoor Recreation Plan (1979) and other relevant Federal survey and planning activities.".

On page 12, line 12, after "needs and concerns." insert "Hearings on behalf of the Commission may be held by one or more members with the authorization of the Chairman.".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Outdoor Recreation Resources Review Act of 1983".

SEC. 2. The Congress finds that—

(a) the findings and recommendations of the Outdoor Recreation Resources Review Commission (1958–1962) did contribute significantly to the protection of our land and water resources and the expansion of recreation opportunities;

(b) public and private recreation resources and programs contribute to our Nation's economic vitality, environmental quality, and physical and mental health;

(c) changes in national and regional demographics, economic conditions, lifestyles, and technology have resulted in both dramatic growth and change in recreation demand beyond the 1962 projections of the Outdoor Recreation Resources Review Commission;

(d) the American public seeks an increasing array of recreation experiences, yet public and private efforts to satisfy this demand are limited by inadequate coordination, increasing fiscal constraints, growing demands on land, water, and recreation resources and lack of basic information; and

(e) consequently there is a need to review and anticipate public recreation interests and demand and to recommend appropriate policies and actions to ensure the availability of quality recreation resources and facilities for this and future generations.

SEC. 3. For the purposes of this Act—

(1) "Commission" shall mean the National Outdoor Recreation Resourcs Review Commission;

(2) "outdoor recreation resources" shall mean the land and water areas and associated facilities located in either urban or nonurban areas of the United States and its territories and possessions which provide, or which may have the capacity to provide, opportunities for outdoor recreation, irrespective of ownership or location:

(3) "recreation opportunities" shall mean opportunities for present and future generations to engage in outdoor receation pursuits, active or passive, which are supportive of individual enjoyment, health, and welfare and mindful of the need for the continued use of areas and facilities where such pursuits are conducted.

SEC. 4. (a) In order to protect, preserve, develop, and assure accessibility by all American people of present and future generations such continued quality and quantity of recreation resources and opportunities as will be necessary and desirable for individual enjoyment, health, and welfare, and to make specific recommendations and proposals to the President of the United States, the Congress, the individual States and territories and the officials thereof, and to the private sector, there is authorized and created a bipartisan National Outdoor Recreation Resources Review Commission.

(b) The Commission shall consist of twenty-one members appointed as follows:

(1) two majority and two minority members of the United States Senate and three citizens knowns to be informed about, concerned with or involved in the provision of public or private outdoor recreation opportunities and related policies or programs, to be appointed by the President pro tempore of the Senate with the advice of the majority leader;

(2) two majority and two minority members of the United States House of Representives, and three citizens known to be informed about, concerned with or involved in the provision of public or private outdoor recreation opportunities and related policies or programs, to be appointed by the Speaker of the House;

(3) seven citizens known to be informed about, concerned with, or involved in the management of public or private outdoor recreation resources and related opportunities, policies, and programs, to be appointed by the President upon his consideration of recommendations made to him by the public or persons or organizaitons concerned with and knowledgeable of outdoor recreation resources and opportunities. The President shall designate a Chairman from among its citizen members. For purposes of carrying out this Act, and subject to it terms, the Chairman shall be considered a Federal employee. A Vice Chairman shall be elected by and from those Members of Congress serving on the Commission. A quorum of the Commission shall consist of a majority of the members.

(3) Vacancies occurring on the Commission shall not affect the authority of the remaining members of the Commission to carry out the functions of the Commission. Any vacancy shall be promptly filled in the same manner as the original appointment.

(d) Members of the Commission shall serve without any additional compensation for their work on the Commission. Members appointed from among private citizens of the United States may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the Government service (5 U.S.C. 5701–5707), to the extent funds are available therefor.

(e) The Commission shall be appointed within thirty days of the effective date of this Act and shall convene as soon as practicable following appointment of its members to implement the provisions of this Act.

SEC. 5. (a) The Commission is authorized, without regard to the civil service laws and regulations, to appoint and fix the compensation of an executive director and such additional professional personnel as may be necessary to enable it to carry out its functions, or that may be detailed or assigned to it: *Provided,* That any Federal employee subject to the civil service laws and regulations who may be assigned or detailed to the Commission shall retain civil service status, without interruption or loss of status or privilege.

(b) The Commission shall establish headquarters in the National capital region and shall make such other arrangements as may be necessary to carry out the provisions of this Act.

(c) The Commission shall request the Secretary of each Federal department or head of any independent agency (which includes an agency or agencies with a direct interest and responsibility in any phase of outdoor recreation) to appoint, and there shall be appointed for each such department or agency, a liaison officer who shall work closely with the Commission and its staff.

(d) The Commission may solicit and accept contributions of money and service from non-Federal public and private entities to assist its work.

SEC. 6. (a) There is hereby established an advisory council to the Commission which shall consist of members appointed by the Chairman upon the recommendation and concurrence of the Commission. Such members shall have a direct concern for and knowledge of outdoor recreation issues, policies, and programs and shall be broadly rep-

resentative of various major geographical areas and interest groups, including, but not limited to, the following—

(1) State, county and municipal governments, including those agencies dealing with recreation, natural resources, the environment, travel and tourism;

(2) organizations representing recreational enthusiasts;

(3) private organizations and corporations which provide recreational goods and services;

(4) private organizations which support recreation and conservation of natural resources;

(5) organizations concerned with public health and welfare;

(6) natural resource oriented and travel and tourism related organizations and corporations; and

(7) research and academic institutions with expertise in recreation, leisure, natural resources and the environment.

(b) The Chairman with the concurrence of the Commission shall organize the advisory council into such committees or subgroups as shall be deemed necessary to develop information, review materials and otherwise advise the Commission in carrying out the provisions of the Act.

(c) Members of the advisory council shall serve without compensation except that, to the extent funds are available therefor, each shall be entitled to reimbursement for actual travel and subsistence expenses incurred in attending meetings of the advisory council called by the Chairman of the Commission or incurred in carrying out duties assigned by the Chairman of the Commission.

SEC. 7. (a) The Commission shall promptly proceed to undertake an examination and evaluation of existing and potential public outdoor recreation land and resource area policies, programs, and opportunities, including those that are or could be under the direct responsibility of the Federal Government as well as those that are or could be under the direct responsibilities of the States, local governments, and private organizations and entities. The Commission shall utilize to the fullest extent possible such studies, data, and reports previously prepared or in process by Federal agencies, States, private organizations or entities, and others to determine the amount, kind, quality, and location of outdoor recreation resources, programs, and opportunities as will be required and desirable by the year 2000 and beyond.

(b) The Commission shall—

(1) examine existing outdoor recreation lands and resources and identify and evaluate the land and resource base necessary for future outdoor recreation, regardless of present use, ownership, or location;

(2) examine Federal, State, county, and municipal government roles and responsibilities for providing outdoor recreation opportunities, protecting outdoor recreation resources, and for meeting anticipated outdoor recreation conditions;

(3) examine the role and capacity of the private sector, both profitmaking enterprises and not-for-profit organizations, to meet present and future outdoor recreation needs, and assess the potential for new partnerships between the private sector and all levels of government, giving full consideration to the appropriate role for each partner, to privide outdoor recreation opportunities and to protect and enhance outdoor recreation resources;

(4) examine the present and future relationships between outdoor recreation and personal and public health, a productive economy, and the environment;

(5) examine the future needs of outdoor recreation management systems, including qualified personnel, technical information and anticipated financial needs, and the various sources and means necessary to obtain such resources, both public and private;

(6) consider the relationship of outdoor recreation to the broader range of recreation pursuits and determine the implications therein for the supply of and demand for outdoor recreation resources and opportunities;

(7) identify, examine, and assess the implications of current, emerging, and anticipated future forces, trends, and technologies which could influence outdoor recreation; and

(8) consider the findings and recommendations of the National Urban Recreation Study (1978) and the Third Nationwide Outdoor Recreation Plan (1979) and other relevant Federal survey and planning activities.

(c) The Commission is authorized and directed to conduct public hearings and to otherwise secure data and expressions of public opinion on recreation issues, policies and programs, and anticipated national, regional, State, and local needs and concerns. Hearings on behalf of the Commission may be held by one or more members with the authorization of the Chairman.

(d) The Commission shall transmit to the President and to the Congress not later than eighteen months after the appointment of the Commission members a detailed and comprehensive report on its findings, including a compilation of relevant data, and recommendations concerning appropriate policies and actions to insure the availability of quality recreation resources and facilities for this and future generations. Such report shall be presented in such form as to make it of maximum value to the President, the Congress, and the States. The Commission shall cease to exist not later than six months after submission of said report.

SEC. 8. (a) The Commission shall be governed by the responsibilities and duties provided herein. The Commission shall have the power to enter into contracts, to execute instruments, and generally to do any and all lawful acts necessary or appropriate to carry out the provisions of this Act.

(b) The Commission may utilize the personnel, equipment, and facilities of the Federal Executive and to the extent practicable such personnel, equipment, and facilities shall be made available on request and without reimbursement.

(c) The Commission shall provide such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement and accounting for all funds provided to it. The Comptroller General of the United States shall have access for the purpose of audit and examination to any books, documents, papers, and records of the Commission which are pertinent to such funds.

SEC. 9. (a) There are hereby authorized to be appropriated not to exceed $1,500,000 to carry out the purposes of this Act. Such moneys as may be appropriated shall be available to the Commission until expended.

(b) Notwithstanding any other provision of this Act, authority to enter into contracts, to incur obligations, or to make payments under this Act shall be effective only to the extent, and in such amounts, as are provided in advance in appropriation Acts.

Mr. BAKER. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc and agreed to en bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are considered and agreed to en bloc.

AMENDMENT NO. 2664

Mr. McCLURE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE) proposes an amendment numbered 2664.

On page 5, line 9: strike the semicolon and insert in lieu thereof "and the minority leader;"

Mr. McCLURE. Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to the amendment.

The amendment (No. 2664) was agreed to.

Mr. WALLOP. Mr. President, we have before us S. 1090, a broadly supported, bipartisan bill to authorize the establishment of a National Outdoor Recreation Resources Review Commission. This bill was introduced on April 19, 1983, and was referred to the Committee on Governmental Affairs and sequentially to the Committee on Energy and Natural Resources. Both of these committees have held hearings, marked up, and favorably reported the measure. Because of the broad base of bipartisan support which included our former colleague, Scoop Jackson, as an active proponent, and because time is becoming increasingly important if the Commission is to complete its work to coincide with the postorganizational period of the next Congress and administration, this bill is being brought to the floor under unanimous-consent agreement.

The original bill has been strengthened by the work of the two committees, most noticeably in the enlargement of the proposed Commission from 15 members to 21. The House and the Senate would each name three of the additional members under the formula adopted by the Committee on Governmental Affairs. This expansion was recognized by the Committee on Energy and Natural Resources as being almost a necessity because of the increased complexity and economic importance of recreation in America today.

The importance of outdoor recreation was made clear by the breadth of organizations and individuals appearing in support of the bill before two committees. Some 22 witness appeared before Senator DURENBERGER's subcommittee and 36 witnesses appeared before mine. These witnesses repre-

sented conservation, environmental, research, and academic institutions as well as industry and recreation users. Unanimously, they endorsed the concept of establishing a national commission to review recreation's resources, requirements, problems, and opportunities.

In 1958, the Congress established the first Outdoor Recreation Resources Review Commission which completed its work and reported to the President and the Congress in 1962. Congress eagerly seized upon the recommendations of the Commission, known by its initials, ORRRC. Enactment of those recommendations set in place many of the key elements of outdoor recreation policy in America throughout the 1960's and 1970's. The Land and Water Conservation Fund, the National Trails and Rivers System, the Wilderness Preservation System, and programs of technical support to the States were all suggested or supported by the Commission.

Tremendous change has taken place in America since the time ORRRC reported. That change includes a vast increase in our population, our economic conditions, our social outlook, and the way our family structure has changed. There has also been a change in the way in which we look at the roles of various levels of government. This latter change, I believe, now shows more confidence in State and local governments' ability to solve problems and manage programs. At the same time, there is less reliance upon Federal Government to be the first, last, and only source of solutions. A further change is the increased ability of the private sector to meet quickly changing and ever growing recreational demands. In fact, the private sector has placed in the marketplace the means for more and more people to enjoy themselves in the out of doors in new and different ways than were available in 1962.

These changes in America have created an environment in which a fresh, comprehensive look at recreation is in order. It was my intent in introducing S. 1090 to provide the mechanism for such a review. Clearly the central focus of this review must be the land, water, and facilities that comprise our outdoor recreation resource base and the present and future demands that will be placed upon that base. We cannot , however, hope to plan intelligently by looking at these elements in isolation, for the nature of recreation to the individual is complex. At any given time the recreation consumer may be looking to our Federal recreation estate of national parks, forests, reservoirs, rivers, or trails at his destination. He may just as readily be planning to use a State, county or city park near his home or, perhaps, seek what was once an outdoor recreation activity in a covered facility provided by the public or private sources. Therefore, our new recreation assessment must be cognizant of the breadth of recreational opportunities but not so widely diffused in scope as to be unable to provide meaningful comments and suggestions within the 18-month operating life of the Commission called for by S. 1090.

I have indicated that the amended bill calls for a commission of 21 members to carry out the needed reassessment of recreation. The formula for appointing the Commission members has been referred to as a seven, seven, seven mix. That is, seven members would be appointed by the President, seven by the President pro tempore of the Senate, and seven by the Speaker of the House of Representatives. In the case of the congressional appointees, two Members of each party are to be named from each Chamber and the remaining appointees are to be private citizens knowledgeable about outdoor recreation. The Chairman of the Commission is to be selected by the President, while a Vice Chairman is to be selected by and from the Members of Congress serving upon the Commission.

The active and informed participation of Members of Congress on the early Commission was the key to the success of the effort when the scene of action shifted to these legislative Chambers. It is my hope that when established, the new Commission will be as well served by its congressional membership.

Although 21 members give the opportunity for a broader range of knowledge and experience on the Commission, the bill provides for the creation of an advisory council to provide additional informed input. The requirement for public hearings and participation expands further the reservoir of talent and ideas that can be funneled into the work of the group.

One outcome of ORRRC that is not anticipated to be duplicated is the massive research effort that resulted in over two dozen substantive volumes. The previous commission stimulated an ongoing program of recreation research in academic institutions and in the Federal recreation agencies. The challenge now is to draw upon the quality work that has been done and to focus upon policy changes that need to be made. Certainly there may be much in the available research that will be applicable to recreation agencies at all levels of government, but it is toward policy that the Commission must direct its efforts.

Mr. President, a large measure of the credit for the successful work and implementation of ORRRC goes to an outstanding private citizen, the Chairman of the Commission, Mr. Laurence S. Rockefeller.

His laurels from the first outdoor recreation Commission would have been enough for most men. Instead, we find him playing a key role in capping and enduring the recognition of a broadly based call for a new commission.

The idea of reexamining the problems and opportunities associated with recreation from now until the end of the century first developed out of discussions of options conducted by the Congressional Research Service with Senate and House committee members in the spring of 1980.

In November and December of 1980, the American Forestry Association and over 20 other conservation, environmental, and resources user groups sponsored a National Conference on Renewable Natural Resources. This conference made the first public recommendation for a new nationwide reassessment of outdoor recreation.

Throughout 1981 the efforts to heighten national concern with recreation issues continued, led by the two major national recreation organizations, the American Recreation Coalition and the National Recreation and Park Association.

These and other groups participated in the two workshops conducted by the Subcommittee on Public Lands and Reserved Water in 1981 and 1982, at which a number of exciting new prospects for insuring the protection of natural and recreational resources lands were discussed. These exercises in innovation stimulated the workshop moderators, Dr. Emery Castle, president of Resources for the Future, Mr. Patrick Noonan, president of the Conservation Resources Group, and Mr. William Reilly, president of the Conservation Foundation, to a fuller study of outdoor recreation policy issues.

The meshing of the work by their organizations with that of the other recreation and environmental groups led to the development of a formal proposal for a private nationwide study of outdoor recreation.

Upon learning of this effort, Mr. Laurence Rockefeller commissioned a seven member Outdoor Recreation Policy Review Group to determine whether a full-scale review of outdoor recreation was needed.

Mr. Rockefeller served as an ex officio member, Henry Diamond, Esq. chaired the group consisting of the three workshop moderators, Castle, Noonan and Reilly, who were joined by Sheldon Coleman and William Penn Mott, Jr. The latter two members, respectively, brought to the group considerable expertise on private and public sector recreation.

The Policy Review Group met throughout late 1982, and in February 1983 issued their report "Outdoor Recreation for America—1983." The primary recommendation of their report was for a new national commis-

sion, modeled on the original ORRRC, and established by act of Congress.

The National Outdoor Recreation Resources Review Commission, NORRRC, is the means of building the new version of recreation. The protection of quality recreation lands and waters—by many techniques—will be the most important element in this new vision. The use, even the availability, of outdoor recreation opportunities provides physical and spiritual benefits that are essential to us all. We must develop techniques to insure the continued availability of these opportunities, whether provided by Federal, State, or local governments, or by our sometimes neglected partner, the private sector.

Change, the factor which has brought about the need for this reassessment, will continue in predictable and unpredictable ways. The latest estimates of the Census Bureau are that our population will grow by about 41 million people by the year 2000 to a level of 267.5 million. Further, the greatest growth is to be in the South and West where 60 percent of that population is expected to live by the year 2000. Only minimal decline in population is predicted in the north-central and north-east portions of the Nation in this period. Clearly, this pattern poses challenges to us in keeping resources in line with demand.

S. 1090, as amended, provides an excellent mechanism for providing the information and ideas necessary to meet the challenge of matching recreation resources, requirements, and opportunities. I hope that my colleagues will agree to this unanimous consent request to send the measure to the other body, and that they will move quickly to put the National Outdoor Recreation Resources Review Commission in place.

Mr. MITCHELL. Mr. President, I am pleased to rise today in support of S. 1090, which would establish a National Outdoor Recreation Resources Review Commission to study and recommend appropriate policies and activities for Government agencies at the Federal, State, and local levels to assure the continued availability of quality outdoor recreation experiences in America to the year 2000. The citizens of my State have a rich tradition of participating in outdoor recreational and sport activities. In fact, for many Mainers outdoor recreational activities: hiking, camping, hunting, skiing, and boating, among others, add substantially to the unique quality of life we are privileged to enjoy in Maine.

Mr. President, Governor Joseph E. Brennan recently wrote to Senator WALLOP, the sponsor of S. 1090, to comment on the value of outdoor recreation to the State of Maine. I ask unanimous consent that the text of Governor Brennan's letter along with several additional views on recreation issues be printed in full at this point.

There being no objection, the material was ordered to be printed in the RECORD as follows:

STATE OF MAINE,
OFFICE OF THE GOVERNOR,
Augusta, Maine, September 20, 1983.

Senator MALCOLM WALLOP,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WALLOP: I am delighted to see that you are leading the effort to create a new National Outdoor Recreation Review Commission (S. 1090). I am pleased to note that you have recruited both of Maine's senators as cosponsors.

Since Maine was represented on the program at your recent Workshop on Land Protection, we are pleased to see that event bearing fruit in this way. I would like to give you for the record a few of my ideas on major policy issues that the Commission should address. Those ideas are included in the attached list.

While I am comfortable with S. 1090 as written, it might appear in your judgment desirable to refine Section 7 in such a way as to bring these points more clearly into the Commission's mandate.

In closing, let me thank you for working through George Siehl of the Congressional Research Service to actively solicit our suggestions on this important bill. Please let me know if there is more that I might be of help to you.

The proposal for a new, national look at our outdoor recreation needs is most timely. As a State heavily dependent on tourism, and one in which the outdoors plays such a key role in our quality of life, Maine is extremely interested in seeing your proposal move forward.

I very much appreciate your leadership in this area.

Sincerely,

JOSEPH E. BRENNAN,
Governor of Maine.

MAINE VIEWS ON RECREATION ISSUES

1. The federal technical assistance and support role is critical to the success of state efforts. In developing the Maine Rivers Program, aid from the Department of the Interior was most valuable—indeed, indispensable. Through a cooperative agreement, an inventory of unique natural and recreational values along Maine's rivers was conducted by the National Park Service and the Maine Department of Conservation. The resulting "Maine Rivers Study" was widely acclaimed as a rational, objective examination of the relative values of Maine rivers. Subsequently, we introduced comprehensive river protection and management legislation, which was enacted this summer.

2. The Land and Water Conservation Fund has been a critical ingredient in the nations' social compact between the states of the Federal government. It is time to renew Congressional determination to properly fund the State side of LAWCON. In Maine alone, accomplishments aided by LAWCON have been most significant. Since 1965, Maine has received almost 30 million dollars, which assisted 414 projects at the local level and 113 projects at the state level.

3. As a Frostbelt state, we are much concerned with urban and indoor recreation opportunities. The Commission will need to develop clear recommendations as to the proper roles of the federal and state governments in this area. Several traditional outdoor activities take place indoors during the winter months: swimming and tennis are the prime examples. Our recreation planning process has also identified a need for indoor recreation centers in rural areas of the state.

4. Of major concern at both the State and local level is the continuing problem of identifying and financing operation and maintenance needs. It is relatively easy to gain support for acquisition and development of new lands, but difficult to do so for on-going maintenance. The issue needs to be examined and standard maintenance guides for facilities may be needed.

5. The Commission should address the effectiveness of existing and alternative programs. If programs are to be examined, the term "resources" should be removed from the Commission's title, as it is unnecessarily restrictive. In 1960, an emphasis on resources alone may have been wise; today it is not. Programs and policy issues should be reviewed, not just the resource base. We have learned many valuable lessons from past federal-state programs, but changes are needed. Priority setting and administration of LAWCON and the use of SCORP process are only the most visible examples.

6. In the Northeast, we are well aware of the fact that the adjacent Canadian provinces provide important recreation opportunities for our citizens, and also a major market for our own tourism and recreation attractions. The Commission should conduct its analyses with this important fact in mind.

7. To assure effective consideration of these and other federalism issues, the Commission should establish early and effective liaison with groups such as the National Governors' Association and other groups representing state and local elected officials.

8. In our opinion, the Commission should emphasize a streamlined process of analysis and consultation rather than a major research program. Nonetheless, there will be a few critical policy issue that will undoubtedly require new research and policy analysis.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. McCLURE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, now I would say that on this side, S. 1102 is cleared for action, together with the budget waiver that must accompany it. If the minority leader has no objection, I would propose to go to that.

Mr. BYRD. Mr. President, both measures are cleared on this side.

BUDGET ACT WAIVER

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration, first, of the budget waiver, Calendar Order 539, Senate Resolution 250, and that no amendments be in order, and that,

after the adoption of the budget waiver, the Senate proceed to the consideration of Calendar 493, S. 1102, and that the only amendment that will be in order will be the amendment in the nature of a substitute to be offered by the Senator from Washington (Mr. GORTON) and the committee amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 250) waiving Section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1102.

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 250) was agreed to, as follows:

S. RES. 250

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1102. Such waiver is necessary because S. 1102 authorizes the enactment of new budget authority which would first become available in fiscal year 1984 and such bill was not reported on or before May 15, 1983, as required by section 402(a) of the Congressional Budget Act of 1974 for such authorizations.

The waiver of section 402(a) will permit consideration of statutory authority and amendments to such authority for the marine sanctuary program of the National Oceanic and Atmospheric Administration. The Committee on Commerce, Science, and Transportation did not report S. 1102 prior to May 15, 1983, in order to allow for negotiations regarding controversial aspects of the marine sanctuary program and for the development of a political consensus with respect to substantive amendments to the marine sanctuary program.

S. 1102 provides an authorization for fiscal year 1984 of $2,264,000, funds which are necessary to continue the marine sanctuary program. Further, the bill provides the legislative direction to the National Oceanic and Atmospheric Administration which is necessary to carry out this program.

The specified sum is included in the President's fiscal year 1984 budget request. The Appropriations Committees of the Senate and House of Representatives have therefore had adequate notice of this authorization. Thus, congressional consideration of this authorization will in no way interfere with or delay the appropriations process.

NATIONAL MARITIME SANCTUARIES AMENDMENTS OF 1983

The PRESIDING OFFICER. The clerk will now report the bill, S. 1102.

The legislative clerk read as follows:

A bill (S. 1102) to provide authorization of appropriations for Title III of the Marine Protection, Research, and Sanctuaries Act of 1972.

The Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike all after the enacting clause and insert:

That this Act may be cited as the "Marine Sanctuaries Amendments of 1983".

SEC. 2. Title III of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1431 et seq.) is amended to read as follows:

"TITLE III—NATIONAL MARINE SANCTUARIES

"SEC. 301. FINDINGS, PURPOSES, AND POLICIES.

"(a) FINDINGS.—The Congress finds that—

"(1) this Nation historically has recognized the importance of protecting special areas of its public domain, but such efforts have been directed almost exclusively to land areas above the high water mark;

"(2) certain areas of the marine environment possess conservation, recreational, ecological, historical, research, educational, or esthetic qualities which give them special national significance;

"(3) while the need to control the effects of particular activities has led to enactment of resource-specific legislation, these laws cannot in all cases provide a coordinated and comprehensive approach to the conservation and management of special areas of the marine environment;

"(4) a Federal program which identifies special areas of the marine environment will contribute positively to marine resource conservation and management; and

"(5) such a Federal program will also serve to enhance public awareness, understanding, appreciation, and wise use of the marine environment.

"(b) PURPOSES AND POLICIES.—The purposes and policies of this title are—

"(1) to identify areas of the marine environment of special national significance due to their resource or human-use values;

"(2) to provide authority for comprehensive and coordinated conservation and management of these marine areas which will complement existing regulatory authorities;

"(3) to support, promote, and coordinate scientific research on, and monitoring of, the resources of these marine areas;

"(4) to enhance public awareness, understanding, appreciation and wise use of the marine environment; and

"(5) to facilitate, to the extent compatible with the primary objective of resource protection, all public and private uses of the resources of these marine areas not prohibited pursuant to other authorities.

"SEC. 302. DEFINITIONS.

"As used in this title, the term—

"(1) 'draft management plan' means the plan described in section 304(a)(1)(E);

"(2) 'Magnuson Act' means the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.);

"(3) 'marine environment' means those areas of coastal and ocean waters, the Great Lakes and their connecting waters, and submerged lands over which the United States exercises jurisdiction, consistent with international law;

"(4) 'Secretary' means the Secretary of Commerce; and

"(5) 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, the Virgin Islands, Guam, and any other commonwealth, territory, or possession of the United States.

"SEC. 303. SANCTUARY DESIGNATION STANDARDS.

"(a) STANDARDS.—The Secretary may designate any discrete area of the marine environment as a national marine sanctuary and promulgate regulations implementing the designation if the Secretary determines that such designation will fulfill the purposes and policies of this title, and if the Secretary finds that—

"(1) the area is of special national significance due to its resource or human-use values;

"(2) existing State and Federal authorities are inadequate to ensure coordinated and comprehensive conservation and management of the area, including resource protection, scientific research and public education, and that designation of such area as a national marine sanctuary will facilitate these objectives; and

"(3) the area is of a size and nature which will permit comprehensive and coordinated conservation and management.

"(b) FACTORS AND CONSULTATIONS REQUIRED IN MAKING FINDINGS.—

"(1) FACTORS.—For purposes of determining if an area of the marine environment meets the standards set forth in subsection (a), the Secretary shall consider—

"(A) the area's natural resource and ecological qualities, including its contribution to biological productivity maintenance of ecosystem structure maintenance of ecologically or commercially important or threatened species or species assemblages, and the biogeographic representation of the site;

"(B) the area's historical, cultural, archaeological, or paleontological significance;

"(C) the present and potential uses of the area that depend on maintenance of the area's resources, including commercial and recreational fishing, subsistence uses, other commercial and recreational activities, and research and education;

"(D) present and potential activities that may adversely affect the factors identified in subparagraphs (A), (B), and (C);

"(E) existing State and Federal regulatory and management authorities applicable to the area and the adequacy of those authorities to fulfill the purposes and policies of this title;

"(F) the manageability of the area, including such factors as its size, its ability to be identified as a discrete ecological unit with definable boundaries, its accessibility, and its suitability for monitoring and enforcement activities;

"(G) the public benefits to be derived from sanctuary status, with emphasis on the benefits of long-term protection of nationally significant resources, vital habitats, and resources which generate tourism;

"(H) the negative impacts produced by management restrictions on income-generating activities such as living and nonliving resources development, inlcuding minerals and energy development; and

"(I) the socioeconomic effect of sanctuary designation.

"(2) CONSULTATION.—In making such determination, the Secretary shall consult with—

"(A) the Committee on Merchant Marine and Fisheries of the House of Representatives and Committee on Commerce, Science, and Transportation of the Senate;

"(B) the Secretaries of State, Defense, Transportation, the Secretary of the department in which the Coast Guard is operating, the Secretary of the Interior, the Administrator of the Environmental Protection Agency, and the heads of other interested Federal agencies;

"(C) the responsible officials or relevant agency heads of the approriate State and local government entities, including coastal

zone management agencies, that will or are likely to be affected by the establishment of the area as a national marine sanctuary;

"(D) the appropriate officials of any Regional Fishery Management Council established by section 302 of the Magnuson Act (16 U.S.C. 1852) that may be affected by the proposed designation; and

"(E) other interested persons.

"(3) RESOURCES ASSESSMENT REPORT.—In making such determination, the Secretary also shall draft, as part of the environmental impact statement required under section 304(a)(1), a resource assessment report documenting present and potential uses of the area, including commercial and recreational fishing, research and education, minerals and energy development, subsistence uses, and other commercial recreational uses. The Secretary, in consultation with the Secretary of the Interior, shall be responsible for drafting a resource assessment section for the report regarding any commercial or recreational resource uses in the area under consideration which are subject to the primary jurisdiction of the Department of the Interior.

"SEC. 304. PROCEDURES FOR DESIGNATION AND IMPLEMENTATION.

"(a) SANCTUARY PROPOSAL.—

"(1) NOTICES.—In proposing to designate a national marine sanctuary, the Secretary shall issue in the Federal Register a notice of the proposal, together with proposed regulations that may be necessary and reasonable to implement such proposal and a summary of the draft management plan. The Secretary shall provide notice of the proposal in newspapers of general circulation or electronic media in the communities that may be affected by the proposal. After issuing a notice the Secretary shall conduct at least one public hearing in the area affected by the proposal designation. The Secretary shall also prepare a draft environmental impact statement, as provided by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), on the area proposed for designation and on the draft management plan and regulations. Such draft statement shall include the resource assessment report required under section 303(b)(3), and maps depicting the boundaries of the proposed designated area and the existing and potential uses and resources of the area. Copies of the draft environmental impact statement shall be available to the public. No sooner than thirty days after issuing a notice under this subsection, the Secretary shall hold at least one public hearing in the coastal area or areas that will be most affected by the proposed designation of the area as a national marine sanctuary for the purpose of receiving the views of interested parties. On the same day as such notice is issued, the Secretary shall also submit to the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a prospectus on the proposal which shall contain—

"(A) the terms of the proposed designation;

"(B) the basis of the finds made under section 303(a) with respect to the area;

"(C) an assessment of the considerations under section 303(b)(1);

"(D) proposed mechanisms to coordinate existing regulatory and management authorities within the area;

"(E) the draft management plan detailing the proposed goals and objectives, management responsibilities, resource studies, interpretive and educational programs, and enforcement and surveillance activities for the area;

"(F) an estimate of the annual cost of the proposed designation, including costs of personnel, equipment and facilities, enforcement, research, and public education;

"(G) the draft environmental impact statement prepared under this subsection;

"(H) an evaluation of the advantages of cooperative State and Federal management where proposed marine sanctuaries lie within the territorial limits of any State or are superjacent to the subsoil and seabed within the seaward boundary of a State, as the term 'boundary' is used in the Submerged Lands Act (43 U.S.C. 1301 et seq.); and

"(I) proposed regulations to implement the terms of designation and the measures referred to in subparagraphs (A), (D), and (E) and paragraph (3).

"(2) TERMS OF DESIGNATION.—The terms of designation of sanctuary shall include the geographic area proposed to be included within the sanctuary, the characteristics of the area that give it conservation, recreational, ecological, historical research, educational, or esthetic value, and the types of activities that will be subject to regulation by the Secretary in order to protect those characteristics. The terms of a designation may be modified only by the same procedures by which the original designation was made.

"(3) FISHING REGULATIONS.—The Secretary shall provide the appropriate Regional Fishery Management Council with the opportunity to prepare such draft regulations for fishing within the United States Fishery Conservation Zone as the Council may deem necessary to implement the proposed designation. Draft regulations prepared by the Council or a Council determination that regulations are not necessary pursuant to this paragraph shall be accepted and promulgated by the Secretary unless the Secretary finds that the Council's action fails to fulfill the purposes and policies of this title and the goals and objectives of the proposed designation. In preparing the draft regulations, a Regional Fishery Management Council shall also use as guidance the national standards of section 301(a) of the Magnuson Act (16 U.S.C. 1851) to the extent that the standards are consistent and compatible with the goals and objectives of the proposed designation. The Secretary shall prepare such regulations, if the Council declines to make a determination with respect to the need for regulations, makes a determination which is rejected by the Secretary, or fails to prepare the draft regulations in a timely manner. Any amendments to fishing regulations shall be drafted, approved and promulgated in the same manner as the original regulations.

"(4) COMMITTEE ACTION.—After receiving the prospectus under subsection (a)(1), the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate may each hold hearings on the proposed designation and on the matters set forth in the prospectus. If within the forty-five day period of continuous session of Congress beginning on the date of submission of the prospectus, either Committee issues a report concerning matters addressed in the prospectus, the Secretary shall consider such report before designating the national marine sanctuary.

"(b) TAKING EFFECT OF DESIGNATIONS.—

"(1) NOTICE.—In designating a national marine sanctuary, the Secretary shall publish in the Federal Register notice of the designation together with final regulations to implement the designation and any other matters required by law, and submit such notice to the Congress. The Secretary shall also advise the public of the availability of the draft management plan and the environmental impact statement with respect to such sanctuary. No notice of designation may occur until the expiration of the period for Committee action under subsection (a)(4). The designation (and any of its terms not disapproved under this subsection) and regulations shall take effect and become final after the close of a review period of forty-five days of continuous session of Congress beginning on the day on which such notice is issued unless—

"(A) the Congress disapproves the designation or any of its terms, by adopting a joint resolution of disapproval described in paragraph (3); or

"(B) in the case of a national marine sanctuary that is located partially or entirely within the jurisdiction of any State, the Governor affected certifies to the Secretary that the designation or any of its terms is unacceptable, in which case the designation or the unacceptable term shall not take effect in the area of the sanctuary lying within the jurisdiction of the State.

"(2) WITHDRAWAL OF DESIGNATION.—If the Secretary considers that actions taken under paragraph (1) (A) or (B) will affect the designation in such a manner that the goals and objectives of the sanctuary cannot be fulfilled, the Secretary may withdraw the designation. If the Secretary does not withdraw the designation, only those portions of the designation not certified as unacceptable under paragraph (1)(A) or not disapproved under paragraph (1)(B) shall take effect.

"(3) RESOLUTION OF DISAPPROVAL.—For the purposes of this subsection, the term 'resolution of disapproval' means a joint resolution which states after the resolving clause the following: 'That the Congress disapproves the national marine sanctuary designation entitled that was submitted to Congress by the Secretary of Commerce on .', the first blank space being filled with the title of the designation and the second blank space being filled with the date on which the notice was submitted to Congress. In the event that the disapproval is addressed to one or more terms of the designation, the joint resolution shall state after the resolving clause the following: 'That the Congress approves the national marine sanctuary designation entitled that was submitted to Congress by the Secretary of Commerce on but disapproves the following terms of such designation: .', the first blank space being filled with the title of the designation, the second blank space being filled with the date on which the notice was submitted to Congress, and the third blank space referencing each term of the designation which is disapproved.

"(4) PROCEDURES.—

"(A) In computing the forty-five-day periods of continuous session of Congress pursuant to subsection (a)(4) and paragraph (1) of this subsection—

"(i) continuity of session is broken only by an adjournment of Congress sine die; and

"(ii) the days on which either House of Congress is not in session because of an adjournment of more than three days to a day certain are excluded.

"(B) When the committee to which a joint resolution has been referred has reported

such a resolution, it shall at any time thereafter be in order to move to proceed to the consideration of the resolution. The motion shall be privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

"(C) This subsection is enacted by Congress as an exercise of the rulemaking power of each House of Congress, respectively, and as such is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in the case of resolutions described in this subsection. This subsection supersedes other rules only to the extent that they are inconsistent therewith, and is enacted with full recognition of the constitutional right of either House to change the rules (so far as those relate to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

"(5) ACCESS AND VALID RIGHTS.—Nothing in this title shall be construed as terminating, or granting to the Secretary the right to terminate, any valid lease, permit, license, right of subsistence use, or right of access: *Provided,* That such lease, permit, license or right was in existence on the date of enactment of the Marine Sanctuaries Amendments of 1983, with respect to any national marine sanctuary designated before such date: *Provided further,* That such lease, permit, license or right is in existence on the date of designation of any national marine sanctuary, with respect to any national marine sanctuary designated after the date of enactment of the Marine Sanctuaries Amendments of 1983: *And provided further,* That the exercise of such lease, permit, license or right shall be subject to regulation by the Secretary consistent with the purposes for which the sanctuary is designated.

"SEC. 305. INTERNATIONAL APPLICATION OF REGULATIONS AND NEGOTIATIONS.

"(a) REGULATIONS.—The regulations issued under section 304 shall be applied in accordance with recognized principles of international law, including treaties, conventions, and other agreements to which the United States is signatory. Unless the application of the regulations is in accordance with such principles or is otherwise authorized by an agreement between the United States and the foreign state of which the affected person is a citizen or, in the case of the crew of a foreign vessel, between the United States and flag state of the vessel, no regulation applicable to areas or activities outside the jurisdiction of the United States shall be applied to a person not a citizen, national, or resident alien of the United States.

"(b) NEGOTIATIONS.—After the taking effect under section 304 of the national marine sanctuary that applies to an area or activity beyond the jurisdiction of the United States, the Secretary of State shall take such action as may be appropriate to enter into negotiations with other governments in order to make necessary arrangements for the protection of the sanctuary and to promote the purposes for which it is established.

"SEC. 306. RESEARCH AND INTERPRETATION.

"The Secretary shall conduct such research and interpretation programs as are necessary and reasonable to carry out the purposes and policies of this title.

"SEC. 307. ENFORCEMENT.

"(a) IN GENERAL.—The Secretary shall conduct such enforcement activities as are necessary and reasonable to carry out this title. The Secretary shall, whenever appropriate, utilize by agreement the personnel, services, and facilities of other Federal departments, agencies, and instrumentalities on a reimbursable basis in carrying out the Secretary's responsibilities under this title.

"(b) CIVIL PENALTIES.—

"(1) CIVIL PENALTY.—Any person subject to the jurisdiction of the United States who violates any regulation issued under this title shall be liable to a civil penalty of not more than $50,000 for each such violation, to be assessed by the Secretary. Each day of a continuing violation shall constitute a separate violation.

"(2) NOTICE.—No penalty shall be assessed under this subsection until the person charged has been given notice and an opportunity to be heard. Upon failure of the offending party to pay an assessed penalty, the Attorney General, at the request of the Secretary, shall commence action in the appropriate district court of the United States to collect the penalty and to seek such other relief as may be appropriate.

"(3) IN REM JURISDICTION.—A vessel used in the violation of a regulation issued under this title shall be liable in rem for any civil penalty assessed for such violation and may be proceeded against in any district court of the United States having jurisdiction thereof.

"(c) JURISDICTION.—The district courts of the United States shall have jurisdiction to restrain a violation of the regulations issued under this title, and to grant such other relief as may be appropriate. Actions shall be brought by the Attorney General in the name of the United States. The Attorney General may bring suit either on his own initiative or at the request of the Secretary.

"SEC. 308. AUTHORIZATION OF APPROPRIATIONS.

"For purposes of carrying out this title, there are authorized to be appropriated not to exceed $2,264,000 for fiscal year 1984, $2,500,000 for fiscal year 1985, and $2,750,000 for fiscal year 1986.".

AMENDMENT NO. 2665

Mr. GORTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The legislative clerk read as follows:

The Senator from Washington (Mr. GORTON) proposes an amendment in the nature of a substitute numbered 2665.

Strike all after the enacting clause and insert in lieu thereof the following:

TITLE I—MARINE SANCTUARIES

SEC. 101. This title may be cited as the "Marine Sanctuaries Amendments of 1983".

SEC. 102. Title III of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1431 et seq.) is amended to read as follows:

"TITLE III—NATIONAL MARINE SANCTUARIES

"SEC. 301. FINDINGS, PURPOSES AND POLICIES.

"(a) FINDINGS.—THE CONGRESS FINDS THAT—

"(1) this Nation historically has recognized the importance of protecting special areas of its public domain, but such efforts have been directed almost exclusively to land areas above the high-water mark;

"(2) certain areas of the marine environment possess conservation, recreational, ecological, historical, research, educational, or esthetic qualities which give them special national significance;

"(3) while the need to control the effects of particular activities has led to enactment of resource-specific legislation, these laws cannot in all cases provide a coordinated and comprehensive approach to the conservation and management of special areas of the marine environment;

"(4) a Federal program which identifies special areas of the marine environment will contribute positively to marine resource conservation and management; and

"(5) such a Federal program will also serve to enhance public awareness, understanding, appreciation, and wise use of the marine environment.

"(b) PURPOSES AND POLICIES.—The purposes and policies of this title are—

"(1) to identify areas of the marine environment of special national significance due to their resource or human-use values;

"(2) to provide authority for comprehensive and coordinated conservation and management of these marine areas which will complement existing regulatory authorities;

"(3) to support, promote, and coordinate scientific research on, and monitoring of, the resources of these marine areas;

"(4) to enhance public awareness, understanding, appreciation and wise use of the marine environment; and

"(5) to facilitate, to the extent compatible with the primary objective of resource protection, all public and private uses of the resources of these marine areas not prohibited pursuant to other authorities.

"SEC. 302. DEFINITIONS.

"As used in this title, the term—

"(1) 'draft management plans' means the plan described in section 304(a)(1)(E);

"(2) 'Magnuson Act' means the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.);

"(3) 'marine environment' means those areas of coastal and ocean waters, the Great Lakes and their connecting waters, and submerged lands over which the United States exercises jurisdiction, consistent with international law;

"(4) 'Secretary' means the Secretary of Commerce; and

"(5) 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, the Virgin Islands, Guam, and any other commonwealth, territory, or possession of the United States.

"SEC. 303. SANCTUARY DESIGNATION STANDARDS.

"(a) STANDARDS.—The Secretary may designate any discrete area of the marine environment as a national marine sanctuary and promulgate regulations implementing the designation if the Secretary determines that such designation will fulfill the purposes and policies of this title, and if the Secretary finds that—

"(1) the area is of special national significance due to its resource or human-use values;

"(2) existing State and Federal authorities are inadequate to ensure coordinated and comprehensive conservation and management of the area, including resource protection, scientific research and public education, and that designation of such area as a national marine sanctuary will facilitate these objectives; and

"(3) the area is of a size and nature which will permit comprehensive and coordinated conservation and management.

"(b) FACTORS AND CONSULTATIONS REQUIRED IN MAKING FINDINGS.—

"(1) FACTORS.—For purposes of determining if an area of the marine environment meets the standards set forth in subsection (a), the Secretary shall consider—

"(A) the area's natural resource and ecological qualities, including its contribution to biological productivity, maintenance of ecosystem structure, maintenance of ecologically or commercially important or threatened species or species assemblages, and the biogeographic representation of the site;

"(B) the area's historical, cultural, archaeological, or paleontological significance;

"(C) the present and potential uses of the area that depend on maintenance of the area's resources, including commercial and recreational fishing, subsistence uses, other commercial and recreational activities, and research and education;

"(D) the present and potential activities that may adversely affect the factors identified in subparagraphs (A), (B), and (C);

"(E) the existing State and Federal regulatory and management authorities applicable to the area and the adequacy of those authorities to fulfill the purposes and policies of this title;

"(F) the manageability of the area, including such factors as its size, its ability to be identified as a discrete ecological unit with definable boundaries, its accessibility, and its suitability for monitoring and enforcement activities;

"(G) the public benefits to be derived from sanctuary status, with emphasis on the benefits of long-term protection of nationally significant resources, vital habitats, and resources which generate tourism;

"(H) the negative impacts produced by management restrictions on income-generating activities such as living and nonliving resources development; and

"(I) the socioeconomic effects of sanctuary designation.

"(2) CONSULTATION.—In making such determination, the Secretary shall consult with—

"(A) the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate;

"(B) the Secretaries of State, Defense, Transportation, the Secretary of the department in which the Coast Guard is operating, the Secretary of the Interior, the Administrator, and the heads of other interested Federal agencies;

"(C) the responsible officials or relevant agency heads of the appropriate State and local government entities, including coastal zone management agencies, that will or are likely to be affected by the establishment of the area as a national marine sanctuary;

"(D) the appropriate officials of any Regional Fishery Management Council established by section 302 of the Magnuson Act (16 U.S.C. 1852) that may be affected by the proposed designation; and

"(E) other interested persons.

"(3) RESOURCE ASSESSMENT REPORT.—In making such determination, the Secretary also shall draft, as part of the environmental impact statement referred to in section 304(a)(1), a resource assessment report documenting present and potential uses of the area, including commercial and recreational fishing, research and education, minerals and energy development, subsistence uses, and other commercial recreational uses. The Secretary, in consultation with the Secretary of the Interior, shall be responsible for drafting a resource assessment section for the report regarding any commercial or recreational resource uses in the area under consideration which are subject to the primary jurisdiction of the Department of the Interior.

"SEC. 304. PROCEDURES FOR DESIGNATION AND IMPLEMENTATION.

"(a) SANCTUARY PROPOSAL.—

"(1) NOTICES.—In proposing to designate a national marine sanctuary, the Secretary shall issue in the Federal Register a notice of the proposal, proposed regulations that may be necessary and reasonable to implement such proposal and a summary of the draft management plan. The Secretary shall provide notice of the proposal in newspapers of general circulation or electronic media in the communities that may be affected by the proposal. The Secretary shall also prepare a draft environmental impact statement, as provided by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), on the proposal. Such draft statement shall include the resource assessment report required under section 303(b)(3), and maps depicting the boundaries of the proposed designated area and the existing and potential uses and resources of the area. Copies of the draft environmental impact statement shall be available to the public. No sooner than thirty days after issuing a notice under this subsection, the Secretary shall hold at least one public hearing in the coastal area or areas that will be most affected by the proposed designation of the area as a national marine sanctuary for the purpose of receiving the views of interested parties. On the same day as such notice is issued, the Secretary shall also submit to the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a prospectus on the proposal which shall contain—

"(A) the terms of the proposed designation;

"(B) the basis of the findings made under section 303(a) with respect to the area;

"(C) an assessment of the considerations under section 303(b)(1);

"(D) proposed mechanisms to coordinate existing regulatory and management authorities within the area;

"(E) the draft management plan detailing the proposed goals and objectives, management responsibilities, resource studies, interpretive and educational programs, and enforcement and surveillance activities for the area;

"(F) an estimate of the annual cost of the proposed designation, including costs of personnel, equipment and facilities, enforcement, research, and public education;

"(G) the draft environmental impact statement;

"(H) an evaluation of the advantages of cooperative State and Federal management where proposed marine sanctuaries lie within the territorial limits of any State or are superjacent to the subsoil and seabed within the seaward boundary of a State, as the term 'boundary' is used in the Submerged Lands Act (43 U.S.C 1301 et seq.); and

"(I) proposed regulations to implement the terms of designation and the measures referred to in subparagraphs (A), (D), and (E) and paragraph (3).

"(2) TERMS OF DESIGNATION.—The terms of designation of a sanctuary shall include the geographic area proposed to be included within the sanctuary, the characteristics of the area that give it conservation, recreational, ecological, historical, research, educational, or esthetic value, and the types of activities that will be subject to regulation by the Secretary in order to protect those characteristics. The terms of designation may be modified only by the same procedures by which the original designation is made.

"(3) FISHING REGULATIONS.—The Secretary shall provide the appropriate Regional Fishery Management Council with the opportunity to prepare such draft regulations for fishing within the United States Fishery Conservation Zone as the Council may deem necessary to implement the proposed designation. Draft regulations prepared by the Council or a Council determination that regulations are not necessary pursuant to this paragraph shall be accepted and promulgated by the Secretary unless the Secretary finds that the Council's action fails to fulfill the purposes and policies of this title and the goals and objectives of the proposed designation. In preparing the draft regulations, a Regional Fishery Management Council shall also use as guidance the national standards of section 301(a) of the Magnuson Act (16 U.S.C. 1851) to the extent that the standards are consistent and compatible with the goals and objectives of the proposed designation. The Secretary shall prepare such regulations, if the Council declines to make a determination with respect to the need for regulations, makes a determination which is rejected by the Secretary, or fails to prepare the draft regulations in a timely manner. Any amendments to fishing regulations shall be drafted, approved and promulgated in the same manner as the original regulations.

"(4) COMMITTEE ACTION.—After receiving the prospectus under subsection (a)(1), the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate may each hold hearings on the proposed designation and on the matters set forth in the prospectus. If within the forty-five day period of continuous session of Congress beginning on the date of submission of the prospectus, either Committee issues a report concerning matters addressed in the prospectus, the Secretary shall consider such report before publishing a notice to designate the national marine sanctuary.

"(b) TAKING EFFECT OF DESIGNATIONS.—

"(1) NOTICE.—In designating a national marine sanctuary, the Secretary shall publish in the Federal Register notice of the designation together with final regulations to implement the designation and any other matters required by law, and submit such notice to the Congress. The Secretary shall also advise the public of the availability of the final management plan and the final environmental impact statement with respect to such sanctuary. No notice of designation may occur until the expiration of the period for Committee action under subsection (a)(4). The designation (and any of its terms not disapproved under this subsection) and regulations shall take effect and become final after the close of a review period of forty-five days of continuous session of Congress beginning on the day on which such notice is published unless—

"(A) the Congress disapproves the designation or any of its terms, by enacting a joint resolution of disapproval described in paragraph (3); or

"(B) in the case of a national marine sanctuary that is located partially or entirely

within the jurisdiction of any State, the Governor affected certifies to the Secretary that the designation or any of its terms is unacceptable, in which case the designation or the unacceptable term shall not take effect in the area of the sanctuary lying within the jurisdiction of the State.

"(2) WITHDRAWAL OF DESIGNATION.—If the Secretary considers that actions taken under paragraph (1)(A) or (B) will affect the designation in such a manner that the goals and objectives of the sanctuary cannot be fulfilled, the Secretary may withdraw the designation. If the Secretary does not withdraw the designation, only those portions of the designation not disapproved under paragraph (1)(A) or not certified under paragraph (1)(B) shall take effect.

"(3) RESOLUTION OF DISAPPROVAL.—For the purposes of this subsection, the term 'resolution of disapproval' means a joint resolution which states after the resolving clause the following: 'That the Congress disapproves the national marine sanctuary designation entitled that was submitted to Congress by the Secretary of Commerce on .', the first blank space being filled with the title of the designation and the second blank space being filled with the date on which the notice was submitted to Congress. In the event that the disapproval is addressed to one or more terms of the designation, the joint resolution shall state after the resolving clause the following: 'That the Congress approves the national marine sanctuary designation entitled that was submitted to Congress by the Secretary of Commerce on but disapproves the following terms of such designation: .', the first blank space being filled with the title of the designation, the second blank space being filled with the date on which the notice was submitted to Congress, and the third blank space referencing each term of the designation which is disapproved.

"(4) PROCEDURES.—

"(A) In computing the forty-five-day periods of continuous session of Congress pursuant to subsection (a)(4) and paragraph (1) of this subsection—

"(i) continuity of session is broken only by an adjournment of Congress sine die; and

"(ii) the days on which either House of Congress is not in session because of an adjournment of more than three days to a day certain are excluded.

"(B) When the committee to which a joint resolution has been referred has reported such a resolution, it shall at any time thereafter be in order to move to proceed to the consideration of the resolution. The motion shall be privileged and shall be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

"(C) This subsection is enacted by Congress as an exercise of the rulemaking power of each House of Congress, respectively, and as such is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in the case of resolutions described in this subsection. This subsection supersedes other rules only to the extent that they are inconsistent therewith, and is enacted with full recognition of the constitutional right of either House to change the rules (so far as those relate to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

"(5) ACCESS AND VALID RIGHTS.—Nothing in this title shall be construed as teminating, or granting to the Secretary the right to terminate, any valid lease, permit, license, right of subsistence use, or right of access: *Provided,* That such lease, permit, license or right was in existence on the date of enactment of the Marine Sanctuaries Amendments of 1983, with respect to any national marine sanctuary designated before such date: *Provided further,* That such lease, permit, license or right is in existence on the date of designation of any national marine sanctuary, with respect to any national marine sanctuary designated after the date of enactment of the Marine Sanctuaries Amendments of 1983: *And provided further,* That the exercise of such lease, permit, license or right shall be subject to regulation by the Secretary consistent with the purposes for which the sanctuary is designated.

"SEC. 305. INTERNATIONAL APPLICATION OF REGULATIONS AND NEGOTIATIONS.

"(a) REGULATIONS.—The regulations issued under section 304 shall be applied in accordance with recognized principles of international law, including treaties, conventions, and other agreements to which the United States is signatory. Unless the application of the regulations is in accordance with such principles or is otherwise authorized by an agreement between the United States and the foreign state of which the affected person is a citizen or, in the case of the crew of a foreign vessel, between the United States and flag state of the vessel, no regulation applicable to areas or activities outside the jurisdiction of the United States shall be applied to a person not a citizen, national, or resident alien of the United States.

"(b) NEGOTIATIONS.—After the taking effect under section 304 of the national marine sanctuary that applies to an area or activity beyond the jurisdiction of the United States, the Secretary of State shall take such action as may be appropriate to enter into negotiations with other governments in order to make necessary arrangements for the protection of the sanctuary and to promote the purposes for which it is established.

"SEC. 306. RESEARCH AND EDUCATION.

"The Secretary shall conduct such research and educational programs as are necessary and reasonable to carry out the purposes and policies of this title.

"SEC. 307. ENFORCEMENT.

"(a) IN GENERAL.—The Secretary shall conduct such enforcement activities as are necessary and reasonable to carry out this title. The Secretary shall, whenever appropriate, utilize by agreement the personnel, services, and facilities of other Federal departments, agencies, and instrumentalities on a reimbursable basis in carrying out the Secretary's responsibilities under this title.

"(b) CIVIL PENALTIES.—

"(1) CIVIL PENALTY.—Any person subject to the jurisdiction of the United States who violates any regulation issued under this title shall be liable to the United States for a civil penalty of not more than $50,000 for each such violation, to be assessed by the Secretary. Each day of a continuing violation shall constitute a separate violation.

"(2) NOTICE.—No penalty shall be assessed under this subsection until the person charged has been given notice and an opportunity to be heard. Upon failure of the offending party to pay an assessed penalty, the Attorney General, at the request of the Secretary, shall commence action in the appropriate district court of the United States to collect the penalty and to seek such other relief as may be appropriate.

"(3) IN REM JURISDICTION.—A vessel used in the violation of a regulation issued under this title shall be liable in rem for any civil penalty assessed for such violation and may be proceeded against in any district court of the United States having jurisdiction thereof.

"(c) JURISDICTION.—The district courts of the United States shall have jurisdiction to restrain a violation of the regulations issued under this title, and to grant such other relief as may be appropriate. Actions shall be brought by the Attorney General in the name of the United States. The Attorney General may bring suit either on his own initiative or the request of the Secretary.

"SEC. 308. AUTHORIZATION OF APPROPRIATIONS.

"To carry out this title, there are authorized to be appropriated not to exceed the following sums:

"(1) $2,264,000 for fiscal year 1984.

"(2) $2,500,000 for fiscal year 1985.

"(3) $2,750,000 for fiscal year 1986.

"SEC. 309. SEVERABILITY.

"If any provision of this Act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of this Act of the application of such provision to other persons and circumstances shall not be affected thereby.".

TITLE II—MARINE SAFETY

Subtitle A

SEC. 201. (a) Before February 12, 1984, the Secretary of the department in which the Coast Guard is operating shall prescribe final regulations requiring exposure suits on appropriate vessels operating in waters that are less than 60 degrees Fahrenheit.

(b) A vessel may not be exempted from the requirements of this section only because that vessel carries other lifesaving equipment.

(c) An exposure suit required by this section must provide adequate thermal protection, buoyancy, and flotation stability, and any other requirement the Secretary prescribes.

(d)(1) The owner, charterer, managing operator, agent, master or individual in charge of a vessel violating this section or a regulation prescribed under this section is liable to the United States Government for a civil penalty of not more than $5,000. The vessel also is liable in rem of the penalty.

(2) The owner, charterer, managing operator, agent, master, or individual in charge of a vessel violating this section or a regulation prescribed under this section may be fined not more than $25,000, imprisoned for not more than 5 years, or both.

(e) The Secretary shall by regulation designate waters in specified geographic areas, and shall designate specified times of the year, that meet the temperature standards of this section. Those regulations are deemed to comply with this section.

(f) The regulations prescribed under this section shall be effective before August 31, 1984.

Subtitle B

SEC. 210. This subtitle may be cited as the "Maritime Safety Act of 1983".

SEC. 211. (a) Section 3309 of title 46, United States Code, is amended by adding at the end:

"(c) At least 30 days (but not more than 60 days) before the current certificate of inspection issued to a vessel under subsection (a) of this section expires, the owner, charterer, managing operator, agent, master, or

individual in charge of the vessel shall submit to the Secretary in writing a notice that the vessel—

"(1) will be required to be inspected; or

"(2) will not be operated so as to require an inspection.".

(b) Section 3311 of title 46, United States Code, is amended by—

(1) inserting "(a)" before "A vessel";

(2) striking the word "valid"; and

(3) inserting at the end the following:

"(b) The Secretary may direct the owner, charterer, managing editor, agent, master, or individual in charge of a vessel subject to inspection under this chapter not having a certificate of inspection—

"(1) to have the vessel proceed to mooring and remain there until a certificate of inspection is issued; or

"(2) to take immediate steps necessary for the safety of the vessel, individuals on board the vessel, or the environment.".

(c) Section 3318 of title 46, United States Code, is amended as follows:

(1) Subject (a) is amended by—

(A) striking "The" the first time is appears and substituting "Except as otherwise provided in this part, the" and

(B) by striking "$1,000, except that when the violation involves operation of a barge, the penalty is $500.", and substituting "not more than $5,000.".

(2) Subsection (c) is amended by striking "$2,000," and substituting "$5,000,".

(3) Subsection (d) is amended by striking "$2,000," and substituting "$5,000,".

(4) Subsection (e) is amended by striking "$2,000," and substituting "$10,000,".

(5) Subsection (f) is amended by striking "$5,000," and substituting "$10,000,".

(6) Subsection (g) is amended by striking "shall be fined not more than $10,000, imprisoned for not more than one year, or both," and substituting "is liable to the Government for a civil penalty of not more than $5,000,".

(7) Subsection (h) is amended by striking "United States Government for a civil penalty of not more than $500," and substituting "Government for a civil penalty of not more than $1,000,".

(8) At the end add the following:

"(i) A person violating section 3309(c) of this title is liable to the Government for a civil penalty of not more than $1,000.

"(j)(1) An owner, charterer, managing operator, agent, master, or individual in charge of a vessel required to be inspected under this chapter operating the vessel without the certificate of inspection is liable to the government for a civil penalty of not more than $10,000 for each day during which the violation occurs, except when the violation involves operation of a vessel of less than 1,600 gross tons, the penalty is not more than $2,000 for each day during which the violation occurs. The vessel also is liable in rem for the penalty.

"(2) A person is not liable for a penalty under this subsection if—

"(A) the owner, charterer, managing operator, agent, master, or individual in charge of the vessel has notified the Secretary under section 3300(c) of this title;

"(B) the owner, charterer, managing operator, agent, master, or individual in charge of the vessel has complied with all other directions and requirements for obtaining an inspection under this part; and

"(C) The Secretary believes that unforeseen circumstances exist so that, it is not feasible to conduct a scheduled inspection before the expiration of the certificate of inspection.

"(k) The owner, charterer, managing operator, agent, master, or individual in charge of a vessel failing to comply with a direction issued by the Secretary under section 3311(b) of this title is liable to the Government for a civil penalty of not more than $10,000 for each day during which the violation occurs. The vessel also is liable in rem for the penalty.

"(l) A person committing an act described by subsections (b)-(f) of this section is liable to the Government for a civil penalty of not more than $5,000. If the violation involves the operation of a vessel, the vessel also is liable in rem for the penalty.".

SEC. 212. (a) Chapter 23 of title 40, United States Code is amended as follows:

(1) At the end of the chapter analysis, add the following:

"2306. Vessel reporting requirements.".

(2) In section 2301, strike "This chapter" and substitute "Except as provided in section 2306 of this title, this chapter".

(3) Add at the end the following:

"§ 2306. Vessel reporting requirements

"(a)(1) An owner, charterer, managing operator, or agent of a vessel of the United States having reason to believe (because of lack of communication with or nonappearance of a vessel or any other incident) that the vessel may have been lost or imperiled immediately shall use all available means to determine the status of the vessel and notify the Coast Guard.

"(2) When more than 48 hours have passed since the owner, charterer, managing operator, or agent of a vessel required to report to the United States Flag Merchant Vessel Location Filing System under authority of section 212(A) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1122a), received a communication from the vessel, the owner, charterer, managing operator, or agent immediately shall use all available means to determine the status of the vessel and notify the Coast Guard.

"(3) A person notifying the Coast Guard under paragraph (1) or (2) of this subsection shall provide the name and identification number of the vessel, the names of individuals on board, and other information that may be requested by the Coast Guard. The owner, charterer, managing operator, or agent also shall submit written confirmation to the Coast Guard within 24 hours after nonwritten notification to the Coast Guard under these paragraphs.

"(4) An owner, charterer, managing operator, or agent violating this subsection is liable to the United States Government for a civil penalty of net more than $6,000 for each day during which the violation occurs.

"(b)(1) The master of a vessel of the United States required to report to the System shall report to the owner, charterer, managing operator, or agent at least once every 48 hours.

"(2) A master violating, this subsection is liable to the Government for a civil penalty of not more than $1,000 for each day during which the violation occurs.

(c) The Secretary may prescribe regulations to carry out this section.".

(b)(1) Section 6101 of title 46, United States Code is amended—

(A) in subsection (a), by striking "and incidents" and

(B) by striking subsection (c).

(2) Section 6103 of title 46. United States Code, is amended by striking "or incident".

SEC. 213. (a) Subsection (1) or section 4203 of the Revised Statutes of the United States (46 App. U.S.C. 183(b)) is amended by striking out "$60" each place it appears and insert in lieu thereof "$420".

(b) The amendment made by subsection (1) shall apply to incidents occurring after the date of enactment after the dates of enactment of this Act.

SEC. 214. Sections 211(a) and 212 of this subtitle are effective 180 days after the date of enactment of this Act.

TITLE III—MISCELLANEOUS

Subtitle A

SEC. 301. (a) Section 3 of the Act of December 31, 1970 (33 U.S.C. 857-3) is amended by adding "(a)" after "SEC. 3." and by adding at the end the following new subsection:

"(b) The Secretary may provide medical and dental care, including care in private facilities, for personnel of the Administration entitled to that care by law or regulation."

(b) The matter before subsection (b) in the first section of the Act of July 19, 1963 (42 U.S.C. 253a(a)), is amended by striking "at facilities of the Public Health Service: *Provided*, That" and inserting in lieu thereof "by Public Health Service if".

(c) The first sentence of subsection (b) of the first section of that Act (42 U.S.C. 253a(b)) is amended—

(1) by striking out "at its hospitals and relief stations"; and

(2) by striking out "at hospitals of the Public Health Service: *Provided*, That" and inserting in lieu thereof "by the Public Health Service if".

Subtitle B

SEC. 310. (a) Chapter 9 of title 14, United States Code, is amended by inserting after section 181 the following new section:

§ 181a. Cadet applicants; preappointment travel to Academy

"The Secretary is authorized to expend appropriated funds for selective preappointment travel to the Academy for orientation visits of cadet applicants.".

(b) The table of sections at the beginning of such chapter is amended by inserting aftet the item relating to section 181 the following new item:

"181a. Cadet applicants; selective preappointment travel to Academy.".

SEC. 311. (a)(1) Section 42(b) of title 14, United States Code, is amended by striking out ".375" both places it appears and inserting in lieu thereof "0.375".

(2) Section 290 of such title is amended by striking out "Board" in the fourth sentence and inserting in lieu thereof "Boards".

(3) The table of sections at the beginning of chapter 13 of such title is amended by striking out the item relating to section 462a.

(4) Section 724 of such title is amended—

(A) by inserting "(1)" after "(b)";

(B) by striking out the last sentence; and

(C) by adding at the end thereof the following new paragraph:

"(2) The authorized number of Reserve officers in an active status not on active duty in the grades of commodore and rear admiral is a total of two. However, the Secretary may authorize an additional number of Reserve officers not on active duty in the grades of commodore and rear admiral as necessary in order to meet planned mobilization requirements.".

(b)(1) The matter in the table in section 203(a) of title 37, United States Code, under the heading "Navy, Coast Guard, and National Oceanic and Atmospheric Administra-

tion" and in the columns for O-8 and O-7 is amended to read as follows:

"Rear admiral (Navy and Coast Guard) and Rear admiral (upper half) (National Oceanic and Atmospheric Administration)

"Commodore (Navy and Coast Guard) and Rear admiral (lower half) and commodore (National Oceanic and Atmospheric Administration)".

(2)(A) The heading of section 202 of such title is amended to read as follows:

"§ 202. Pay grade: retired Coast Guard commodores".

(B) The item relating to section 202 in the table of sections at the beginning of chapter 3 of such title is amended to read as follows:

"202. Pay grade: retired Coast Guard commodores.".

(c) The matter in the table in section 741(a) of title 10, United States Code, under the heading "Navy and Coast Guard" is amended—

(1) by striking out "Rear admiral (Navy) and Rear admiral (upper half) (Coast Guard)" and inserting in lieu thereof "Rear admiral"; and

(2) by striking out "Commodore (Navy) and Rear admiral (lower half) (Coast Guard)" and inserting in lieu thereof "Commodore".

Sec. 312. (a) Chapter 55 of title 10, United States Code, is amended as follows:

(1) Section 1072 is amended—

(A) by striking out "the Secretary of Defense" and all that follows through "may be," in paragraph (2)(D)(iii) and inserting in lieu thereof "the administering Secretary"; and

(B) by adding at the end thereof the following new paragraph:

(3) 'Administering Secretaries' means the Secretaries of executive departments specified in section 1073 of this title as having responsibilities for administering this chapter.".

(2) Section 1073 is amended by striking out "and the Secretary" and all that follows through "Navy, and" and inserting in lieu thereof "the Secretary of Transportation shall administer this chapter for the Coast Guard when the Coast Guard is not operating as a service in the Navy, and the Secretary of Health and Human Services shall administer this chapter".

(3) Section 1074 is amended by striking out "Secretary of Defense and the Secretary of Health and Human Services" each place it appears and inserting in lieu thereof "administering Secretaries".

(4) Section 1076 is amended by striking out "the Secretary of Defense and the Secretary of Health and Human Services" in subsections (b) and (d) and inserting in lieu thereof "the administering Secretaries".

(5) Section 1078 of title 10, United States Code, is amended by striking out "the Secretary of Health and Human Services" in subsections (a) and (b) and inserting in lieu thereof "the other administering Secretaries".

(6) Section 1079 is amended—

(A) by striking out "the Secretary of Defense and the Secretary of Health and Human Services" each place it appears and inserting in lieu thereof "the administering Secretaries"; and

(B) by striking out "with the Secretary of Health and Human Services" in subsection (a) and (h)(2) and inserting in lieu thereof "with the other administering Secretaries".

(7) Section 1080 is amended by striking out "the Secretary of Health and Human Services" in the second sentence and inserting in lieu thereof "the other administering Secretaries".

(8) Section 1081 is amended by striking out "the Secretary of Defense or the Secretary of Health and Human Services" and inserting in lieu thereof "one of the administering Secretaries".

(9) Section 1083 is amended by striking out "the Secretary of Health and Human Services" in the second sentence and inserting in lieu thereof "the other administering Secretaries".

(10) Section 1084 is amended—

(A) by striking out "the Secretary of Defense or the Secretary of Health and Human Services" in the first sentence and inserting in lieu thereof "an administering Secretary"; and

(B) by striking out "he" in the second sentence and inserting in lieu thereof "the administering Secretary".

(11) The text of section 1085 of title 10, United States Code is amended to read as follows:

"If a member or former member of a uniformed service under the jurisdiction of one executive department (or a dependent of such a member or former member) receives inpatient medical or dental care in a facility under the jurisdiction of another executive department, the appropriation for maintaining and operating the facility furnishing the care shall be reimbursed at rates established by the President to reflect the average cost of providing the care.".

(12) Section 1086 is amended—

(A) by striking out "the Secretary of Health and Human Services" in subsection (a) and inserting in lieu thereof "the other administering Secretaries"; and

(B) by striking out "the Secretary of Defense and the Secretary of Health and Human Services" in the second sentence of subsection (e) and inserting the lieu thereof "the administering Secretaries".

(b)(1) Before October 1, 1985, the Secretary of the department in which the Coast Guard is operating may test a flat rate per diem allowances system for military travel allowances.

(2) These flat rate per diem allowances are an amount determined by the Secretary to be sufficient to meet normal and necessary expenses in the area in which travel is performed.

(3) The allowances may be not more than $75 for each day in the continental United States.

(4) The test may not begin before the Committees on Commerce, Science, and Transportation and Armed Services of the Senate and the Committees on Merchant Marine and Fisheries, and Armed Services of the House of Representatives are notified of the test.

Subtitle C

Sec. 320. Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the vessel Wingaway, official number 654146, owned by George M. Brereton, has the right to engage in the coastwise trade.

Sec. 321. Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the Secretary of the department in which the Coast Guard is operating shall cause the vessel Dad's Pad, official number 459526, owned by John C. Sciacca, to be documented as a vessel of the United States with the privilege of engaging in the coastwise trade, on compliance with all other requirements of law.

Sec. 322. Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the Secretary of the department in which the Coast Guard is operating shall cause the vessel Zorba, official number 229763, owned by Howard Costa, to be documented as a vessel of the United States with the privilege of engaging in the coastwise trade, on compliance with all other requirements of law.

Sec. 323. Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the Secretary of the department in which the Coast Guard is operating shall cause the vessel La Jolie, Michigan registration number MC-2807-LB, owned by Hugh Lewis, to be documented as a vessel of the United States with the privilege of engaging in the coastwise trade, on compliance with all other requirements of law.

Sec. 324. Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the Secretary of the department in which the Coast Guard is operating shall cause the vessel Endless Summer, official number 296259, owned by the Commonwealth of Virginia, to be documented as a vessel of the United States with the privilege of engaging in the coastwise trade, on compliance with all other requirements of law.

Sec. 325. (a) Section 8101(g) of title 46, United States Code, is amended by striking "or part B of this subtitle applies" and substituting "applies or which is subject to inspection under chapter 33 of this title".

(b) Section 8301(a) of title 46, United States Code, is amended by—

(1) after "lakes" inserting "(except the Great Lakes)"; and

(2) striking "to which part B of this subtitle applies" and inserting "subject to inspection under chapter 33 of this title".

(c) Section 8301(a)(1) of title 46, United States Code, is amended by inserting "propelled by machinery or carrying passengers" after "vessels".

(d) The analysis of chapter 85 of title 46, United States Code, is amended by adding:

"8503. Federal pilots authorized.".

(e) Section 8501(a) of title 46, United States Code is amended by striking "part," and substituting "subtitle,".

(f) Chapter 85 of title 46, United States Code, is amended by adding the following new section:

"§ 8503. Federal pilots authorized

"(a) The Secretary may require a pilot licensed under section 7101 of this title on a self-propelled vessel when a pilot is not required by State law and the vessel is—

"(1) engaged in foreign commerce; and

"(2) operating on the navigable waters of the United States.

"(b) A requirement prescribed under subsection (a) of this section is terminated when the State having jurisdiction over the area involved—

"(1) establishes a requirement for a State licensed pilot; and

"(2) notifies the Secretary of that fact.

"(c) For the Saint Lawrence Seaway, the Secretary may not delegate the authority under this section to an agency except the Saint Lawrence Seaway Development Corporation.

"(d) A person violating this section or a regulation prescribed under this section is liable to the United States Government for a civil penalty of not more than $25,000. Each day of a continuing violation is a separate violation. The vessel also is liable in rem for the penalty.

"(e) A person that willfully and knowingly violates this section or a regulation pre-

scribed under this section shall be fined not more than $50,000, imprisoned for not more than five years, or both.".

(g) Section 7 of the Ports and Waterways Safety Act of 1972 (33 U.S.C. 1226) is repealed.

Subtitle D

SEC. 330. Section 2 of the Central, Western, and South Pacific Fisheries Development Act (Public Law 92-444; 16 U.S.C. 758e) is amended by striking out "Pacific Tuna Development Foundation" and inserting in lieu thereof "Pacific Fisheries Development Foundation".

Subtitle E (attached)

Subtitle F (attached)

Amend the title so as to read: A bill to provide authorization of appropriations for title III of the Marine Protection, Research, and Sanctuaries Act of 1972, and for other purposes.

Subtitle E

That subtitle II of title 46, United States Code, "Shipping", is amended as follows:

(1) Section 2101(13) is amended by striking "except an oceanographic research vessel or an offshore supply vessel." and substituting "except a fishing, fish processing, oceanographic research, or offshore supply vessel.".

(2) Section 2101(21)(C) is amended by—

(A) striking "an offshore supply" and substituting "a fishing or fish processing vessel, a vessel exempt under section 3302(k) of this title, or an offshore supply";

(B) striking "or" at the end of subclause (viii);

(C) striking "board." at the end of (ix) and substituting "board; or"; and

(D) adding at the end the following:

"(x) for a fishing or fish processing vessel or a vessel exempt under section 3302(k), an individual employed in fishing or fish processing carried on board the vessel; or"; and

(3) Section 2101 is amended by inserting between clauses (10) and (11) the following:

"(10a) 'fish' means finfish, mollusks, crustaceans, and all other forms of marine animal and plant life other than marine mammals and birds.".

(4) Section 2101 is amended by inserting between clauses (11) and (12) the following:

"(11a) 'fishing' means—

(A) the catching, taking, or harvesting of fish;

(B) the attempted catching, taking, or harvesting of fish; or

(C) any other activity which can reasonably be expected to result in the catching, taking, or harvesting of fish.

"(11b) 'fishing vessel' means any vessel used primarily for, or equipped to be used primarily for, or of a type normally used primarily for, commercial fishing.

"(11c) 'fish processing' means processing or any other activity primarily in support of commercial fishing, including preparation, supply, storage, refrigeration, or transportation.

"(11d) 'fish processing vessel' means any vessel used primarily for, or equipped to be used primarily for, or of a type normally used primarily for, fish processing.".

(5) Section 3302 (b) and (c) is amended to read as follows:

"(b) A fishing vessel is exempt from section 3301(1), (4), and (7) of this title.

"(c) A fish processing vessel is exempt from section 3301(1), (4), (6), and (7) of this title.".

(6) Section 3302 is amended by adding the following subsection:

"(k) Before January 1, 1989, a fishing or fish processing vessel, prior to January 1, 1984, carrying cargo or carrying not more than 12 individuals employed in fishing or fish processing to or from another fishing or fish processing vessel or a facility used in fish processing, and to or from a remote community in Alaska, is exempt from section 3301(1), (3), (4), (6), (7), and (8) of this title.".

(7) Section 3702 (c) and (d) is amended to read as follows:

"(c) This chapter does not apply to a fishing or fish processing vessel.

"(d) A fishing or fish processing vessel is subject to regulation by the Secretary when carrying flammable or combustible liquid cargo in bulk and when not used only for fishing or fish processing.".

(8)(A) Item 7111 in the analysis of chapter 71 is amended to read as follows:

"7111. Licenses for fishing and fish processing vessels.".

(B) section 7111 is amended to read as follows:

"§ 7111. Licenses for fishing and fish processing vessels.

"Examinations for licensing individuals on fishing and fish processing vessels shall be oral.".

(9) Section 7301(a)(1) is amended by striking "fishing" and substituting "fishing or fish processing".

(10) Section 8104(c) is amended by striking "fishing" and substituting "fishing or fish processing".

(11) Section 8104(d) is amended by striking "a fishing or whaling vessel," and substituting "a fishing, fish processing, or whaling vessel, a vessel exempt under section 3302(k) of this title,".

(12) Section 8701(a) is amended by—

(A) striking "and" at the end of clause (4);

(B) striking "personnel." at the end of clause (5) and substituting "personnel; and" and

(C) adding at the end the following clause:

(6) a vessel exempt under section 3302(k) of this title.".

(13) Section 8702(a) is amended by—

(A) striking "and" at the end of clause (4);

(B) striking "personnel." at the end of clause (5) and substituting "personnel; and" and

(C) adding at the end the following clause:

(6) a vessel exempt under section 3302(k) of this title.".

(14) Sections 8301(c), 8302(a)(1, 10303(c), 10309(c), 10311(e), 10313(b), 10313(e), 10313(h), 10314(e), 10504(a), 10504(d), 10505(d), 10509(c), 10901, 11103(c), and 11106(d) are amended by striking "a fishing or whaling vessel" and substituting "a fishing, fish processing, or whaling vessel".

(15) Section 11108 is amended by striking "a fisherman employed on a fishing vessel" and substituting "an individual employed on a fishing or fish processing vessel".

(16) Section 11109(c) is amended to read as follows:

"(c) This section applies to an individual on a fishing or fish processing vessel.".

Subtitle F

Insert in 22 USC 1978(a)(1) after "under circumstances which diminish the effectiveness of" the following: "domestic conservation efforts relating to Pacific salmon or".

Mr. GORTON. Mr. President, this is primarily authorization for the Marine Sanctuaries Act. It also includes a number of other miscellaneous provisions which have been approved by the chairman of the Merchant Marine Subcommittee (Mr. STEVENS) and his minority counterparts and the chairman of the Commerce Committee (Mr. PACKWOOD) and his minority counterparts relating to various waivers of the Jones act.

Mr. METZENBAUM. Mr. President, would the Senator from Washington clarify for the Senator from Ohio—I have seen a measure that was ostensibly this particular measure having to do with six ships, I think plus the original marine language. Do I understand correctly that there is something different that the Senator has offered as a substitute amendment, or is that the same thing?

Mr. GORTON. No, it is precisely the amendment the Senator spoke of. There are no changes in that amendment.

Mr. METZENBAUM. I thank the Senator.

The PRESIDING OFFICER. Is there further debate? The question is on agreeing to the amendment.

The amendment (No. 2665) was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. GORTON. I move to reconsider the vote.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MEASURE INDEFINITELY POSTPONED—SENATE JOINT RESOLUTION 177

Mr. BAKER. Mr. President, I move to indefinitely postpone Senate Joint Resolution 177, Calendar Order No. 582.

Mr. BYRD. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT OF SAMUEL CURTIS JOHNSON

Mr. BAKER. Mr. President, I propose to proceed now to House Joint Resolution 381, Calendar No. 587.

Mr. BYRD. Mr. President, there is no objection.

Mr. BAKER. I ask unanimous consent, Mr. President, that the Senate proceed to the consideration of that matter and that no amendments be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution (H.J. Res. 381) to provide for appointment of Samuel Curtis Johnson as a citizen regent of the Board of Regents of the Smithsonian Institution, was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. BAKER. I move to reconsider the vote, Mr. President.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HIGHLY ERODIBLE LAND CONSERVATION ACT OF 1983

Mr. BAKER. Mr. President, there is one other matter and that exhausts my list except for the Indian Affairs resolution. That is Calendar Order No. 528, S. 663. If the minority leader can proceed to that, I propose to ask unanimous consent to do so and provide that only two amendments would be in order. One would be the committee amendment and the other would be an Armstrong amendment to the committee amendment.

Mr. BYRD. Mr. President, there is no objection.

Mr. BAKER. I make that request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate proceeded to consider the bill (S. 663) to prohibit the payment of certain agriculture incentives to persons who produce certain agricultural commodities on highly erodible land, which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment to strike all after the enacting clause and insert:

That this Act may be cited as the "Highly Erodible Land Conservation Act of 1983".

DEFINITIONS

SEC. 2. For puroses of this Act

(1) the term "agricultural commodity" means any agricultural product planted and produced by annual tilling of the soil, including one-trip planters;

(2) the term "highly erodible land" means land classified by the Soil Conservation Service of the Department of agriculture as class IVe, VIe, VII, or VIII land under the land capability classification systems in effect on the date of enactment of this Act. The land capability class for a field shall be that determined by the Secretary to be the predominant class under regulations issued by the Secretary; and

(3) the term "Secretary" means the Secretary of Agriculture.

PROGRAM INELIGIBILITY

SEC. 3. Except as provided in section 4 and notwithstanding any other provision of law, following the date of enactment of this Act any person who produces an agricultural commodity on highly erodible land shall be ineligible, as to any of that commodity produced during that crop year by such person, for—

(1) any type of price support, income assistance, or production adjustment payments for such commodity made available under the Agricultural Act of 1949, the Commodity Credit Corporation Charter Act, or any other Act;

(2) a loan for the construction or purchase of a facility for the storage of such commodity made under section 4(h) of the Commodity Credit Corporation Charter Act;

(3) crop insurance for such commodity under the Federal Crop Insurance Act;

(4) a disaster payment for such commodity made under the Agricultural Act of 1949; or

(5) a new loan made, insured, or guaranteed under the Consolidated Farm and Rural Development Act, or any other provision of law administered by the Farmers Home Administration, if the Secretary determines that such loan will be used for a purpose that will contribute to excessive erosion of highly erodible land.

EXCEPTIONS

SEC. 4. Section 3 shall not apply to—

(1) any land that was cultivated by a person to produce any of the 1973 through 1983 crops of agricultural commodities;

(2) any crop of an agricultural commodity planted by a person before the date of enactment of this Act;

(3) any crop of an agricultural commodity planted by a person during any crop year beginning before the date of enactment of this Act;

(4) any loan described in section 3 made before the date of enactment of this Act; or

(5) any crop of an agricultural commodity produced using a conservation system that has been approved by a soil conservation district and that is based on technical standards set forth in the Soil Conservation Service technical guide for that soil conservation district. In areas where no soil conservation district exists, the Secretary shall determine the adequacy of the conservation system to be used in the production of any agricultural commodity on highly erodible land.

USE OF AGRICULTURAL STABILIZATION AND CONSERVATION COUNTY COMMITTEES IN ADMINISTRATION

SEC. 5. To ensure compliance with the provisions of this Act on the part of those persons participating in the programs described in section 3, as well as fair and equitable treatment in the application of this Act, the Secretary shall use the county committees established under section 8(b) of the Scil Conservation and Domestic Allotment Act in the administration of this Act.

APPEAL OF LAND CLASSIFICATION

SEC. 6. The Secretary shall establish, by regulation, an appeal procedure under which a person who produces an agricultural commodity on land classified as class IVe, VIe, VII, or VIII land under the land capability classification systems applicable under this Act may seek review of such classification.

COMPLETION OF SOIL SURVEYS

SEC. 7. The Secretary shall, as soon as practicable, complete soil surveys on those private lands that do not have a soil survey suitable for use in determining the land capability class for purposes of this Act, and, insofar as possible, concentrate on those localities where significant amounts of highly erodible land are being converted to the production of agricultural commodities.

Amend the title so as to read: "A bill to make persons who produce agricultural commodities on highly erodible land ineligible for certain agricultural-related programs, and for other purposes.".

Mr. ARMSTRONG. Mr. President, has the committee amendment been adopted?

The PRESIDING OFFICER. The committee amendment is in the nature of a substitute. The Senator's amendment would have to be agreed to initially.

AMENDMENT NO. 2666

(Purpose: To limit the scope of denial of government incentives under the bill to crops grown on newly plowed highly erodible land)

Mr. ARMSTRONG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG) proposes an amendment numbered 2666.

Strike the first 5 lines of Section 3, and insert in lieu thereof: "Except as provided in section 4 and notwithstanding any other provision of law, following the date of enactment of this Act any person who produces an agricultural commodity on highly erodible land shall be ineligible, with respect to such commodity produced on such land, for—"

Mr. ARMSTRONG. Mr. President, the explanation of this amendment is very simple and I will not take long on it. I first introduced S. 663, now known as the Sodbuster bill, on November 9, 1981, now 2 years ago. During the past 2 years, this proposal has gone through an incredible amount of discussion, revision, redrafting, hearings, and more redrafting.

When the measure was first introduced, I think it is safe to say there was very little national support for it, because it was a new idea, on which few people had done much studying. None of the major national farm organizations supported the bill, though many promised to examine it carefully. Many of our colleagues in the Senate expressed the fear that it was dangerous to set the precedent of making any connection between Federal farm programs and conservation practices.

The consensus that has developed in support of this proposal today includes nearly every major farm and conservation group in America, as well as many thoughtful State and local organizations across the country. In addition, we have seen numerous expressions of support from the media. Thirty-one Senators have cosponsored the measure, it was reported unanimously by the Committee on Agriculture, Nutrition, and Forestry, and there are at least three similar bills moving in the House at the same time.

The strong momentum behind this proposal results from the solid support of a broad spectrum of organizations across the country—organizations that represent nearly every farmer, rancher, and conservationist in America—

and because of the support of so many Senators and Congressmen.

But I hasten to point out that every single organization endorsed this bill with a very clear understanding of its provisions. And every Senator who cosponsored it did so with the same clear understanding. We avoided the argument of cross compliance by making it plain that all this bill would do would be to prohibit the payment of government financial incentives for crops grown on newly plowed, fragile lands. And only on newly plowed fragile lands.

Throughout the long and difficult process, there was a great deal of discussion on how to most accurately define fragile lands, and other such technical problems. But it has been assumed since the beginning that the legislation was focused on fragile lands and that only the production from those lands should be subject to the prohibition of Government benefits.

During the recent markup, the committee substantially broadened the legislation to provide that if a farmer plows fragile lands, he must be denied benefits on his entire crop—not just that portion produced on fragile lands. This is a major change that raises several contentious new issues:

First, the committee amendment applies the bill to a host of people who are simply not the problem. The primary intent of this bill is to stop subsidizing sodbusters, speculators who buy huge parcels of fragile grasslands in the arid West and plow them, removing natural cover that took nature centuries, create, thereby exposing highly vulnerable lands to an unconscionable rate of erosion. The farmer who has already been farming good land for years, and needs to plow a few additional acres to square up a field or improve efficiency or some other logical reason is not the cause of the problem. By including him under the bill we run the risk of creating problems none of us has given much thought to.

Second, the committee provision does not specify how much land a person must plow before he violates the bill, as it was reported, though the record is clear that some members think a parcel as small as 10 acres would subject him to a cutoff of all funds. In theory, if a farmer was recultivating the same field he has always plowed, he would have to make sure not to plow another single foot, lest he be in danger of losing all Government supports. This is not the intent of the bill, and I think I am safe in saying its not the intent of the committee in reporting the measure to the Senate. But it could very possibly be the effect of this provision.

Third, the committee amendment intentionally avoids specifying the type of land the cutoff of benefits can be applied to. The sodbuster bill, as I have always explained it, would deny price supports and other programs for only those crops grown on newly plowed fragile lands. But under the committee version, a farmer could lose supports on some of the best farmland in America if he plows any additional land at all—even one acre—that is classified as highly erodible. The original version of the bill draws a clear distinction that all farmers can understand.

Fourth, the committee provision creates an administrative problem both for USDA and for individual farmers. The Agriculture Department has always had some leeway in determining what acreage a farmer had under cultivation, so that there could be a small variation (usually as much as 10 acres) in acreages from year to year for administrative purposes. But under this provision, USDA would be required to make sure that no additional land was plowed, if it was highly erodible land. This would be virtually impossible to administer, not to mention the recordkeeping problem it creates for every farmer whose operation requires any tilling of land.

Finally, there is the simple issue of fairness. I do not think it would be fair to capitalize on the momentum for this bill, momentum which as been created by all the farm and conservationist groups that support a carefully balanced measure, only to call it up and pass a very different and substantially broader version than the one we have been discussing for 2 years.

It seems to me that in the interest of fairness to the farmers and to the leading conservationists in the country, and to the various cosponsors of the bill, that we pass the version which has won their support over the past couple of years. I ask unanimous consent that a list of the organizations endorsing the bill, as well as cosponsors, be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS ENDORSING THE SODBUSTER BILL

NATIONAL ORGANIZATIONS

U.S. Department of Agriculture.
Great Plains Agricultural Council.
National Governors' Association.
American Farm Bureau Federation.
National Association of Conservation Districts.
National Farmers Union.
Women Involved in Farm Economics (WIFE).
The Environmental Policy Center.
The Conservation Foundation.
American Wilderness Alliance.
Soil Conservation Society of America.
American Farmland Trust.
Natural Resources Defense Council.
Society for Range Management.
Land Improvement Contractors of America.
National Audubon Society.
The Wildlife Habitat Charitable Trust.
National Assn. of Fish & Wildlife Agencies.

STATE AND LOCAL ORGANIZATIONS

Colorado Department of Agriculture.
Colorado State Soil Conservation Board.
Rocky Mountain Farmers Union.
Colorado Farm Bureau.
Colorado Cattlemen's Association.
Colorado State Grange.
Colorado Association of Soil Conservation Districts.
Colorado Association of Wheat Growers.
North Dakota Wildlife Society.
Colorado Audubon Council.
Trout Unlimited, Colorado Council.
League of Women Voters of Colorado.
Colorado Potato Growers Exchange.
High County Citizens Alliance.
Denver Audubon Society.
Pikes Peak Cattlemen's Association.
Weld County Livestock Association.
Eagle County Soil Conservation District.
Centennial Soil Conservation District.
Lincoln County Soil & Water Conservation District.
Morgan Soil Conservation District.
Turkey Creek Soil Conservation District.

COSPONSORS OF THE SODBUSTER BILL, S. 663.—as of Nov. 1, 1983—31 COSPONSORS

Armstrong, William L., Colorado.
Abdnor, James, South Dakota.
Baker, Howard H., Tennessee
Baucus, Max, Montana.
Bingaman, Jeff, New Mexico.
Boren, David L., Oklahoma.
Boschwitz, Rudy, Minnesota
Bumpers, Dale, Arkansas
Chafee, Dale, Rhode Island.
Cohen, William S., Maine.
Dole, Robert, Kansas.
Domenici, Pete V., New Mexico.
Exon, James J., Nebraska.
Grassley, Charles E., Iowa.
Hart, Gary W., Colorado.
Hatch, Orrin G., Utah.
Hatfield, Mark O., Oregon.
Hawkins, Paula, Florida.
Humphrey, Gordon J., New Hampshire.
Jepsen, Roger W., Iowa.
Kassebaum, Nancy Landon, Kansas
Kasten, Bob, Wisconsin.
Levin, Carl, Michigan.
Lugar, Richard G., Indiana.
McClure, James A., Idaho.
Nickles, Don, Oklahoma.
Pressler, Larry, South Dakota.
Quayle, Dan, Indiana.
Rudman, Warren, New Hampshire,
Wallop, Malcolm, Wyoming.
Warner, John W., Virginia.
Zorinski, Edward, Nebraska.

Mr. ARMSTRONG. Mr. President, I recognize that the committee amendment strengthens the bill's incentives for leaving fragile grasslands alone. But I am afraid it may strengthen the bill to death. The committee version upsets a balance that has taken over 2 years to develop. Expanding the scope of the bill will precipitate the immediate opposition of the largest agriculture organizations in the country. Responsible conservationists recognize the importance of the support of agriculture in passing this legislation and building a national consensus to protect our topsoil.

The idea that Government will not pay for the destruction of fragile lands

must find its way into public law immediately if we are to avoid another full year of plowing. So it is vital that we pass this bill in a version that farmers, ranchers, and conservationists understand and support.

My amendment would simply clarify, by reinserting original language, that the loss of price supports and other Government incentives applies to crops grown on newly plowed highly erodible land only. I urge adoption of the amendment.

Mr. President, the effect of adopting my amendment to the committee amendment and then to adopt the committee amendment is to restore the bill to its original form with certain technical amendments. This has been cleared all around and I do not want to take the time of the Senate to discuss it at length.

I do want to say a word of appreciation to my colleague (Mr. MELCHER) whose effort in tracking this through the clearance process has made it possible for us to act on it tonight. This is an important bill and I am really grateful to him for doing so.

Mr. MELCHER. Mr. President, I have a great interest in this bill. It is a so-called sodbuster bill. We hope to alleviate the plowing up of fragile land. A lot of it is in my State of Montana, as well as other States in the West. When this occurs, erosion follows and the practice has gotten out of hand. The Senator from Colorado has pursued his bill for more than 2 years hoping to get it passed. The committee actually reported it in a little different form from what the Senator from Colorado sponsored and what the Senator from Colorado advocates.

I am going to agree to the passage of the bill, and I assume the amendment of the Senator from Colorado will be accepted. I only want to point out to the Members of the Senate that in accepting the amendment of the Senator from Colorado, we are changing a feature in the bill that is advocated by the Soil Conservation Society of America, the American Farmland Trust, the Sierra Club, other environmental organizations, and the National Association of Conservation Districts. You would think that, after reciting that, I would be standing here opposing any action on the bill to change it or to allow for its passage. That is not the case, Mr. President.

I believe that the bill should pass the Senate so that it can get into the House and start the ball rolling over there. They have held some hearings on it and hopefully, in January, the House will act promptly on the bill and enact it. They may choose to restore it to the position it was in as it passed the Senate Agriculture Committee. That is to make it tighter for anyone who is tearing up this fragile land to plant a crop—in other words, tearing up grassland, grazing land, to put into crop production, thus risking the erosion that can follow so easily.

They may choose to do that, to restore it to the position of the Senate Committee on Agriculture—a tighter bill. I suspect it was my amendment that tightened it up.

But the Senator from Colorado is being very practical about it. He thinks the bill should move. He thinks the bill should roll now, should clear the Senate, and might have a better chance of getting quick consideration in the House if it goes back to its original form. I bow to that judgment.

I personally would hope that it is restored to the tighter form which would restrict any payments under the farm program for any of the land that is planted to crops on farms of an operator that does plow up the fragile land and put it into crop for the first time. It is of the nature, as I said, of a tightening up sort of amendment or version of the bill that the National Association of Soil Conservation Districts and the American Farmland Trust and the Soil Conservation Society of America would prefer. They prefer it in the form that it came out of the committee. I personally support that. But I do want to see the bill move and I understand that the Senator from Colorado may have the votes on his side on the amendment. I trust to the wisdom of the Senate tonight. I hope we can vote on the amendment and pass it.

Mr. ARMSTRONG. Mr. President, I thank the Senator not only for his statement but his leadership. I also thank the Senator from Ohio for his cooperation on this matter. I am ready to vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colordao.

The amendment (No. 2666) was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

Mr. ARMSTRONG. Mr. President, I first introduced the sodbuster bill on November 9, 1981, nearly 2 years ago. And the process which has led to this action by the Senate illustrates the importance of the bill to the American farmer.

I have some material on the bill which I would ask to be included in the RECORD, and I do not think it is particularly important for me to talk at length about the measure now, since so much has already been said about it. But I would like to spend a couple of minutes framing the basic issues involved, and briefly describe the process which has led us to this point.

Mr. President, the issue is simply this: America's topsoil is washing and blowing away at an unacceptable rate. The Soil Conservation Service estimates that we lose more than 5 billion tons of the best topsoil every year—more than at any time during the dust bowl days of the 1930's. We are losing a great deal of this topsoil because of the rampant plowing of fragile grasslands, and the Federal Government is encouraging this process.

The various economic incentives provided by the Federal Government were established for reasons completely unrelated to this erosion issue. The price support system was intended to provide consumers with a steady and low-cost food supply, while ensuring our farmers of an adequate living. It is not the intent of this legislation to alter that basic system, though some good arguments can be made in another context for doing so.

But the fact of the matter is that these programs—price supports, farmers' home loans, crop insurance, disaster payments, farm storage facility loans, crop insurance, disaster payments, farm storage facility loans, and the rest—provide economic incentives for land speculators to buy and plow up rangelands that should be left alone. In some cases, a farmer can literally double the value of such lands, and the loans he can receive on them, by the very act of plowing them up. In the real estate market, a plowed wheat field subsidized by Government programs may have a higher market value than an uncultivated cattle pasture, whether the land is suitable for farming or not. So when a farmer, an investor, or a speculator can plow such lands with a very limited economic risk to himself, he has a powerful incentive to plow.

And that is what these programs do—they put the taxpayers in the position of taking much of the risk on such ventures. So the plows continue to turn under hundreds of thousands of acres of erosion-prone grasslands each year. If the crop should gow, price supports will roughly cover the cost of production. If not, the farmer can get crop insurance, even disaster payments under some circumstances. He can sometimes get an FmHA loan to buy the plows with, and a farm storage facility loan to build grain storage and further enhance the value of the property. Under such circumstances, a farmer or rancher trying desperately to eke out a living under what are already difficult conditions, may be led to conclude he should plow fragile lands even when his best instincts warn against such a move.

The natives of the Great Plains of the West, who love and respect the land, know that the plow instantly destroys the priceless protection of tough, permanent, deep-rooted grasses that nature has devised to protect arid lands from drought, high winds, and

flash floods. They know that the damage of the plow cannot be repaired in their lifetimes or in the lifetimes of their children or grandchildren.

Today, in the Rocky Mountain and Northern Plains States alone, 14 million acres more land has been plowed and lies vulnerable to the relentless ravages of the wind than in the Dust Bowl days of the 1930's.

Most of the land plowed since that time is even more fragile than the blowing acres that created the giant dust clouds of the Great Depression. Most experts agree that even with today's improved tillage methods, a recurrence of a sustained drought like that of the 1930's would produce dust bowl conditions worse than ever before experienced.

It sometimes appears that we have forgotten what those storms were like. Americans should be reminded that one such storm resulted in national awareness of the problem, and resulted in creation of the Soil Conservation Service. The SCS's first chief, Hugh H. Bennett, described it this way:

> This particular dust storm blotted out the sun over the nation's capital, drove grit between the teeth of New Yorkers, and scattered dust on the decks of ships 200 miles out to sea. I suspect that when people along the seaboard of the eastern United States began to taste fresh soil from the plains 2,000 miles away, many of them realized for the first time that somewhere something had gone wrong with the land . . . it took that storm to awaken the nation as a whole to some realization of the menace of erosion.

I hope another dust storm that scatters soil from the plains around Washington, D.C. and on ships 200 miles out to sea is not needed for Americans to wake up to this problem. Not just because such dust storms are destructive, although they certainly are, but because the damage to our agricultural system, and a good portion of the world's food supply, could be enormous.

But the plowing goes on, and Government programs are distorting the basic economics of agriculture and interfering with sound farm management practices. The Nation's farmers and ranchers understand the vulnerability of these grasslands. And under normal conditions, they would not be plowing them. But Government programs are encouraging them to bring thousands of acres of highly marginal lands under production at the same time it is trying to cut back on production on the best farmland in the world, at tremendous cost to the taxpayers.

And that is the issue in this bill, S. 663. Should Government continue to subsidize all crops, regardless of where they are grown, on what kind of land, with what kind of erosion, and whether the crop is already in surplus?

Mr. President, there are 40 million acres of extremely fragile lands already under cultivation in this country—that is 10 percent of our entire cropland base. But there are another 250 million acres—half again as much as the entire base—that could still be plowed if we continue to encourage this practice. And we must not misunderstand or underestimate the danger to our soil resources in plowing this land. The average soil loss to erosion in this country is about 5 tons per acre per year. But in the highly erodible land classes addressed by the amendment, the average can be as high as 30 tons per acre per year for class 7 land. Cultivating such lands is certain to cause severe erosion and often damages neighboring land, too.

And the damage caused by such erosion is permanent. It takes nature more than 100 years to produce a single inch of topsoil, but that inch of soil can blow away in less than an hour if not protected against erosion. In many parts of the West, land damaged by early dust storms of the 1930's has never fully recovered, particularly in the arid Western Plains.

This problem was first brought to my attention at a town meeting in Limon, Colo., 2 years ago by a rancher who was convinced that the Federal Government is encouraging farmers to plow up these grasslands like there is no tomorrow. My State has seen more than half a million acres of such land put to the plow since 1979, more than any other State. But it is not a Colorado problem alone. Huge parcels of fragile lands are also being plowed in Montana, Wyoming, South Dakota, Nebraska, Oklahoma, Texas, California, New Mexico, and Arizona. The same problem exists, though on a smaller scale, in Kansas, Oregon, Washington, Georgia, and Alabama. In all of those States, at least 5 million acres of fragile grasslands are in danger of being plowed under and blown away unless Congress acts quickly to stop subsidizing the sodbusters.

This bill will not dictate farming practices to farmers. It will not allow any Federal agency to determine who gets price supports and who does not. It will not interfere with the planting decisions of farmers. And it will not entirely stop erosion. It will simply say to farmers that if they want to plow up these grasslands, lands which have not been plowed before and which are highly erodible, they will do so at their own risk and they should not expect the taxpayers to bail them out when the land turns out not to be productive.

In fact, it will get the Government out of the business of encouraging a practice clearly not in the best interests of the farm system. And this will mean that we can stop interfering with what would normally be the practice of farmers and ranchers, not the other way around.

An extensive amount of research has been done on this simple proposal over the past couple of years. It has been endorsed by virtually every major farm and conservation organization. The administration strongly supports the bill, and 32 of my colleagues in the Senate have cosponsored it. A few technical changes were made by the Agriculture Committee to strengthen the bill, and to make it easier to enforce. It is based on land class systems that have been in place for many years, and which are widely understood and accepted by farmers. The only discretion allowed is strictly maintained at the local level, and the local conservation districts exist in all but 1 percent of the agricultural areas of the country.

The technicalities have been worked out after two committee hearings and two markup sessions and it is time now to act. Many farmers across the Nation have to make new planting decisions again soon, and this bill must be passed by that time it we are to avoid another full year of plowing.

I am submitting for the record a section-by-section analysis of the bill, along with some fact sheets and related materials showing where the problem lies, and exactly what S. 663 will do about it.

I urge speedy passage of S. 663. In the race for the land and against time, literally, we are losing ground.

I ask unanimous consent to have the analysis printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

IMPACT OF THE SODBUSTER BILL

The potential effects of the sodbuster bill are best analyzed by considering the amount of land which could be brought under cultivation during the next few years, and now erodible that land would be. This information, when compared with the amount of highly erodible land already under cultivation in the same parts of the country gives a clear picture of the devastating effects of continued plowing on our nation's agricultural system.

First, it is important to note that only 10% of the 413 million acres of land currently being cultivated fall into land capability classes 4e, 6e, 7, and 8, which are regarded as highly erodible. However, these lands result in 23% of the nation's erosion. The average rate on all cultivated cropland is about five tons per acre per year. But the average for class 4e land is 10 tons per acre; for class 6e, 18 tons; for class 7, more than 30 tons! So cultivating such land is almost certain to cause severe erosion and often has damaging effects on neighboring land, too.

The Department of Agriculture estimates that as many as 248 million acres of land not currently under cultivation fall into land capability classes 4e, 6e, 7, and 8. The vast majority of these acres are privately owned and could be plowed any time, though only 20 million acres could be cultivated with a suitable conservation system that would prevent severe erosion. The sodbuster bill would allow for the exemption of

those acres, but stop payments from encouraging the other 230 million to be plowed.

Of these 248 million acres of highly erodible land with potential for conversion to cropland, most lies in the Mountain states, the Northern and Southern Plains. Particularly vulnerable, according to USDA, are Montana, Wyoming, Colorado, Nebraska, South Dakota, California, New Mexico, Arizona, Texas and Oklahoma. This is the land that the sodbuster bill would affect . . . highly erodible land that is not suitable to cultivation and could add millions of tons of topsoil to our already serious erosion problems. And when added to the 41 million acres of this highly erodible land already under cultivation, it could, under drought conditions, create the worst dust bowl in our nation's history.

Attached is a chart showing the areas of the nation where sodbusting presents the greatest danger. The first column shows the amount of highly erodible land already under cultivation. The sodbuster bill, with the Armstrong amendment, would not affect this land. The second column shows the amount of land with potential for conversion that is highly erodible. If we encourage the plowing of these fragile lands, together with the fragile acreage already plowed, the resulting erosion could threaten the long-term economic viability of our nation's agricultural system.

Also attached is a map highlighting the states where this legislation is most needed to avoid catastrophic erosion. The sodbuster bill probably won't stop all of these acres from being converted to cropland, but it would at least stop the government from encouraging the conversion. It makes no sense to pay speculators to add land which is simply not suitable for cultivation to our already over-expanded farm base. If this bill is not passed now, another full year of plowing will occur before Congress has time to act again.

HIGHLY ERODIBLE CROPLAND IN THE UNITED STATES
(CLASSES 4e, 6e, 7, AND 8)

[In thousand acres]

State	Already plowed acres [1]	Potential new acres
Alabama	379	5,548
Arkansas	93	4,200
Arizona	36	1,706
California	1,100	11,755
Connecticut	22	13
Colorado	4,732	16,133
Delaware	13	0
Florida	161	156
Georgia	367	5,600
Hawaii	14	378
Idaho	1,123	3,563
Iowa	1,722	1,687
Illinois	1,267	1,873
Indiana	683	1,542
Kansas	2,872	9,002
Kentucky	824	4,126
Louisiana	0	2,259
Massachusetts	7	11
Maryland	181	411
Maine	54	293
Michigan	421	1,022
Minnesota	559	1,431
Mississippi	602	3,550
Missouri	1,099	3,032
Montana	1,743	20,984
Nebraska	3,745	16,089
Nevada	94	372
New Hampshire	20	90
New Jersey	59	77
New Mexico	567	14,999
New York	459	1,946
North Carolina	339	3,480
North Dakota	1,833	4,171
Ohio	606	3,132
Oklahoma	1,652	10,721
Oregon	552	9,061
Pennsylvania	780	2,155
Puerto Rico	130	262
South Carolina	106	1,447
South Dakota	1,696	10,222
Tennessee	748	4,168
Texas	2,573	25,078
Utah	265	1,861
Vermont	109	732
Virginia	481	3,854
Washington	1,432	6,480
Wisconsin	1,387	3,049
West Virginia	285	2,609
Wyoming	812	13,077
Total	40,804	248,407

[1] Sodbuster Bill does not affect these lands already under cultivation.
Source: U.S. Department of Agriculture.

ACRES UNDER CULTIVATION FROM THE 1980's TO PRESENT;
ROCKY MOUNTAIN AND NORTHERN PLAINS REGIONS

[Cultivated cropland]

State	1939 acres	1983 acres	Change
Colorado	8,013,000	11,665,000	3,652,000
Kansas	27,000,000	27,015,000	15,000
Montana	10,600,000	15,962,000	5,362,000
Nebraska	22,700,000	20,800,000	−1,900,000
North Dakota	23,478,000	27,673,000	4,195,000
South Dakota	16,904,000	18,906,000	2,002,000
Wyoming	2,054,000	2,985,000	931,000
Total increase			14,257,000

Sources: U.S. Department of Agriculture, 1939 Conservation Needs Appraisal, Soil Conservation Service, Montana Association of Soil Conservation Districts.

Section-by-Section Analysis

SHORT TITLE

Section 1 provides that the bill may be cited as the "Highly Erodible Land Conservation Act of 1983".

DEFINITIONS

Section 2 provides that, for purposes of the bill—

(1) the term "agricultural commodity" means any agricultural product planted and produced by annual tilling of the soil, including one-trip planters; and

(2) the term "highly erodible land" means land classified by the Soil Conservation Service of the Department of Agriculture as class IVe, VIe, VII, or VIII land under the land capability classification systems in effect on the date of enactment of the bill. The land capability class of a field is that class determined by the Secretary of Agriculture to be the predominant class under regulations issued by the Secretary.

PROGRAM INELIGIBILITY

Section 3 provides that, except as provided in section 4, any person who produces an agricultural commodity on highly erodible land shall be ineligible, as to any of the commodity produced by the person during that crop year, for—

(1) any type of price support, income assistance, or production adjustment payments made for the commodity by the Department of Agriculture;

(2) a Commodity Credit Corporation loan for the construction or purchase of a facility for the storage of the commodity;

(3) crop insurance for the commodity under the Federal Crop Insurance Act;

(4) a disaster payment for the commodity; or

(5) a new Farmers Home Administration loan, if the Secretary determines that the proceeds of the loan will be used for a purpose that will contribute to excessive erosion of highly erodible land.

EXCEPTIONS

Section 4 provides that the ineligibility provisions in section 3 do not apply to—

(1) any land that was cultivated by a person to produce any of the 1973 through 1983 crops of agricultural commodities;

(2) any crop of an agricultural commodity planted by a person before the date of enactment of the bill;

(3) any crop of an agricultural commodity planted by a person during any crop year beginning before the date of enactment of the bill;

(4) any loan described in section 3 made before the date of enactment of the bill; or

(5) any crop of an agricultural commodity produced using a conservation system that has been approved by a soil conservation district and that is based on technical standards set forth in the Soil Conservation Service technical guide for that soil conservation district. In areas where no soil conservation district exists, the Secretary of Agriculture is to determine the adequacy of the conservation system to be used in the production of any agricultural commodity on highly erodible land.

ADMINISTRATION

Section 5 provides that the Secretary shall use the Agricultural Stabilization and Conservation county committees to ensure compliance with the provisions of the bill, as well as to ensure fair and equitable treatment of those persons subject to the bill's provisions.

APPEAL OF LAND CLASSIFICATION

Section 6 provides that the Secretary shall issue regulations establishing an appeal procedure under which a person who produces an agricultural commodity on land classified as class IVe, VIe, VII, or VIII land under the land capability classification systems used in the bill may seek review of such classification.

COMPLETION OF SOIL SURVEYS

Section 7 provides that the Secretary of Agriculture shall, as soon as practicable, complete soil surveys on those private lands that do not have a soil survey suitable for use in determining the land capability class for purposes of the bill. The Secretary must, in executing this section, concentrate on those localities where significant amounts of highly erodible land are being converted to the production of agricultural commodities.

● Mr. HELMS. Mr. President, when Congress acts to correct one problem, we often inadvertently create another in our efforts to solve the first one. This is the situation we find ourselves in when we look at the relationship between the Federal farm programs and an increasingly serious soil erosion problem in the United States.

The Federal farm programs were established to provide consumers with a dependable and low-cost food supply while assuring farmers some economic stability. Yet, the economic incentives for agricultural production are creating a side-effect which was not intended by Congress—soil erosion. The various farm program benefits, including price support loans, deficiency payments, farmers home loans, disaster payments, crop insurance and farm

storage facility loans, are encouraging agricultural production on land not suited for cultivation. These program benefits are being used by land speculators, particularly in the Western United States, to take the risk out of very high risk farming situations.

In the Great Plains region of the United States, agricultural producers, many benefiting from Federal farm programs, have been bringing marginal grasslands into cultivation. These lands have a very thin layer of topsoil. When this grassland is broken with a plow, the topsoil becomes vulnerable to wind and water erosion. After several years of intensive cultivation, the land is often eroded to the point of being barren. The lost topsoil takes many years to replace. This is certainly not the type of activity the Federal farm programs are intended to encourage or support.

Mr. President, the Committee on Agriculture, Nutrition, and Forestry has reported S. 663, the Highly Erodible Land Conservation Act of 1983, to address this problem.

The bill will discourage the cultivation of highly erodible land by limiting an agricultural producer's access to price support, income assistance, production adjustment, disaster payment, Federal crop insurance, and agricultural loan programs carried on by the Federal Government. If an agricultural producer brings highly erodible land into cultivation, the commodity grown on the highly erodible land will not be eligible for the Federal farm and agricultural loan programs.

Mr. President, there are several expections outlined in the bill. I would like to emphasize what I believe is the most significant one. If a producer brings highly erodible acres into cultivation using an acceptable conservation system, then the restrictions in the bill do not apply. This exception goes to the very heart of the intent of S. 663, the prevention of soil erosion. If a farmer makes a decision to bring erosion prone land into cultivation, the use of a soil conservation system on that land will help to protect the soil.

Mr. President, I would like to emphasize that this bill in no way prohibits the production of any commodity on any land. The bill is not intended to be a land use planning or cross-compliance measure. The sole purpose of the bill is to discourage improper cultivation of erosion prone land.

The Federal Government makes a mistake by allowing an agricultural producer to participate in the Federal farm programs regardless of the suitability of the producer's land for cultivation. I believe that this policy is inappropriate in light of the increasingly serious soil erosion problem in the Western United States. I urge my colleagues to recognize this situation and to prevent an escalation of the problem by supporting S. 663, the Highly Erodible Land Conservation Act of 1983.

Mr. President, a detailed explanation of the term of highly erodible land, as used in the bill; an explanation of each exception to the bill; and data from the Department of Agriculture reflecting the soil erosion problem resulting from the cultivation of erosion-prone land follows:

DEFINITION OF HIGHLY ERODIBLE LAND

S. 663 defines highly erodible land as those lands classified in capability classes IVe, VIe, VII, and VIII, according to the land capability classification contained in Agriculture Handbook No. 210, published by the Soil Conservation Service of the Department of Agriculture. The land capability classification is composed of systems for grouping soils into capability classes.

The grouping of soils into land capability classes assists a producer in using and interpreting the information on a soil map or soil survey. The land capability class will identify for the producer the location, amount, and general suitability of the soils for agricultural use.

The land capability classification uses various elements in defining capability classes IVe, VIe, VII, and VIII.

Soils in class IV have very severe limitations that restrict the choice of plants, require very careful management, or some combination of the two. When these soils are cultivated, careful management is required and conservation practices are more difficult to apply and maintain than for soils in classes I, II, and III. Soils in class IV may be used for crops, pasture, woodland, range, or wildlife food and cover.

Soils in class IV may be well suited to only two or three of the common crops. Use for cultivated crops is limited as a result of the effects of one or more permanent features such as (1) steep slopes, (2) severe susceptibility to water or wind erosion, (3) severe effects of past erosion, (4) shallow soils, (5) low moisture-holding capacity, (6) frequent overflows accompanied by severe crop damage, (7) excessive wetness with continuing hazard of waterlogging after drainage, (8) severe salinity, or (9) moderately adverse climate.

Soils in class IV have severe limitations that make them generally unsuited to cultivation and limit their use largely to pasture or range, woodland, or wildlife food and cover.

The physical conditions of soils placed in class VI are such that it is practical to apply range or pasture improvements, if needed, such as seeding, liming, fertilizing, and water control through contour furrows, drainage ditches, diversions, or water spreaders. Soils in class VI have continuing limitations that cannot be corrected, such as (1) steep slope, (2) severe erosion hazard, (3) effects of past erosion, (4) stones, (5) shallow rooting zone, (6) excessive wetness or overflow, (7) low moisture capacity, (8) salinity, or (9) severe climate. Because of one or more of these limitations, these soils are not generally suited to cultivated crops, but they may be used for pasture, range, woodland, or wildlife cover, or for some combination of these uses.

Some soils in class VI can be safely used for common crops, provided unusually intensive management is used. Some of the soils in this class are also adapted to special crops such as sodded orchards, blueberries, or the like, requiring soil conditions unlike those demanded by common crops, Depending upon soil features and local climate, the soils may be well or poorly suited to woodlands.

Not all land falling into capability classes IV and VI is unsuitable for cropping. Therefore, these classes are further divided in the bill by including subclass (e) in the definition. Subclass (e) (meaning erosion) is composed of soils where susceptibility to erosion is the dominant problem or hazard in their use. Erosion susceptibility and past erosion damage are the major factors for placing soils in this subclass.

Soils in class VII have very severe limitations that make them unsuited to cultivation and that restrict their use largely to grazing, woodland, or wildlife.

The physical condition of soils in class VII is such that it is impracticable to apply such pasture or range improvements as seeding, liming, fertilizing, and water control. The soil restrictions are more severe than those in class VI because of one or more continuing limitations that cannot be corrected, such as (1) very steep slopes, (2) erosion, (3) shallow soil, (4) stones, (5) wet soil, (6) salinity, (7) unfavorable climate, or (8) other limitations that make the soil unsuited to common cultivated crops. Under proper management, class VII soils can be used safely for grazing, woodland, or wildlife food and cover, or for some combination of these uses.

Depending upon the soil characteristics and local climate, soils in class VII may be well or poorly suited to woodland. They are not suited to any of the common cultivated crops; in unusual instances, some soils in this class may be used for special crops under unusual management practices. Some areas of class VII soil may need seeding or planting to protect the soil and to prevent damage to adjoining areas.

Soils and landforms in class VIII have limitations that preclude their use for commercial plant production and restrict their use to recreation, wildlife, or water supply or to esthetic purposes.

Soils and landforms in class VIII cannot be expected to return significant on-site benefits from management from crops, grasses, or trees, although benefits from wildlife use, watershed protection, or recreation may be possible.

Limitations that cannot be corrected may result from the effects of one or more of the following: (1) erosion or erosion hazard, (2) severe climate, (3) wet soil, (4) stones, (5) low moisture capacity, or (6) salinity.

Badlands, rock outcrop, sandy beaches, river wash, mine tailings, and other nearly barren lands are included in class VIII. It may be necessary to give protection and management to soils and landforms in class VIII, in order to protect other more valuable soils, to control water, to foster wildlife or for esthetic reasons.

At the current time, the Department of Agriculture reports that 75 to 80 percent of the Nation's lands have been surveyed and classified according to the land capability classification system.

The Soil Conservation Service estimates that approximately 248 million uncultivated acres, generally grassland or forest land, are classified in classes IVe and VIe. These acres are located throughout the United States. However, the Northern Plains, Southern Plains, Mountain and Pacific regions, contain relatively more acres of these classes of land than the rest of the country.

Of the 248 million acres classified as IVe and VIe, the Soil Conservation Service esti-

mates that approximately 18 million acres have high or medium potential for conversion from grassland or forest land to cropland. These lands have soils with physical, chemical, and climate characteristics that are generally unsuitable for cultivation, but could be cropped with proper management.

The remaining 230 million acres of class IVe and VIe land in grass or forest are considered by the Soil Conservation Service to have a low, or in some cases nearly zero, potential for conversion to cropland.

Land classified as VII or VIII has such severe physical or climatic limitations that conversion to cropland is unlikely in any significant amount. These types of land are properly included in the bill because these lands are not suited for conversion to cropland.

CULTIVATION OF HIGHLY ERODIBLE LAND

National data on the rate of conversion of grasslands to cropland are not available. However, the Soil Conservation Service has been monitoring this conversion in the States of South Dakota and Colorado. In South Dakota, during the 8 years from 1974 through 1982, the Soil Conservation Service estimates that over 600,000 acres of highly-erodible land were converted from grassland to cropland. In Colorado, the Soil Conservation Service estimates that approximately 500,000 acres of such land were plowed up from the spring of 1979 to the spring of 1982.

EXCEPTIONS

The bill will not affect a producer's participation in Federal farm programs and agricultural loan programs, even if erosion prone land is being cultivated, in several circumstances.

If land classified in capability classes IVe, VIe, VII, or VIII has been cultivated to produce an agricultural commodity in any crop year from 1973 through 1983, it is exempted from the restrictions in the bill. S. 663 will affect only those erosion prone acres that have not been cultivated during any of the past 11 years.

Any crop of an agricultural commodity planted before the bill is enacted, or planted in any crop year beginning before the bill is enacted, is also not affected by S. 663.

Since the underlying purpose of the bill is to prevent soil erosion, the bill does not apply to any crop of an agricultural commodity produced on highly erodible land using a conservation system that has been approved by a soil conservation district. Decisions approving or disapproving acceptable conservation systems will be made by local soil conservation districts, not by the Department of Agriculture. The bill includes language requiring that local decisions be based on Soil Conservation Service technical guides. These guides have been published and are specifically tailored to the conditions in each area. The committee intends that the Soil Conservation Service's role in this process is publishing the technical guides and providing technical assistance.

An approved conservation system would specify suitable conservation practices for the cultivation of erosion prone land in a particular soil conservation district. The installation of terracing, strip cropping, or conservation tillage are examples of what might constitute an approved conservation system. However, in some instances, the approved conservation system for erosion prone land may not permit cultivation.●

● Mr. DURENBERGER. Mr. President, I want to express my enthusiastic support for S. 663, the sodbuster bill. This legislation is necessary for the protection of our highly erodible lands. This bill eliminates the financial incentives of USDA programs, including commodity supports, crop insurance, and Federal loans, to operators/owners who cultivate lands unsuitable for cultivation. The Soil Conservation Service has classified 250 million acres of U.S. land as highly erodible and ill suited for intensive agricultural production without the application of proper conservation practices. By removing Government subsidies, we are not dictating to our Nation's landowners what they can or cannot do with their land, we are simply saying that we will no longer finance its destruction.

Last month, the Committee on Environment and Public Works, of which I am a member, reported S. 2006, a bill amending the Clean Water Act to provide for a program for reduction of nonpoint sources of pollution. During the committee's markups, I stressed the importance of prohibiting Federal assistance to any party whose actions are inconsistent with the goal of reducing nonpoint source pollution. The committee's unanimous support for this bill is an encouraging indication that we are becoming increasingly aware of long-term resource consequences and that the Government can do its part to promote better conservation practices.

Mr. President, as it presently stands, the American taxpayer pays twice: first, for the Government's expensive farm programs and subsidies; and second, for the costs of erosion, runoff, and pollution. The passage of S. 663 is important not only for the protection of our Nation's highly erodible lands, but also because it is a break from our previous shortsighted policies and shows our commitment to the preservation of our natural resources.●

Mr. JEPSEN. Mr. President, the conservation of this Nation's soil and water resources is becoming one of the most paramount issues facing the Congress this session. I am pleased that the Senate is considering S. 663, the so-called sodbuster bill originally introduced by my good friend from Colorado, Senator ARMSTRONG.

This bill as reported by the Agriculture Committee would prohibit Federal price and income supports, crop insurance, disaster payments, and Farmers Home Administration loans to producers who grow agricultural commodities on land that has not been farmed during the last 10 years and is classified as highly erodible by the Soil Conservation Service of the U.S. Department of Agriculture.

The need for this legislation has become increasingly clear to me in my travels throughout the country this past year. Since March, I have held over 20 hearings, under the auspices of the Agriculture Committee's Subcommittee on Conservation, and the Joint Economic Committee, both of which I Chair.

From Maine to Colorado, I have repeatedly heard of severe soil erosion and water quality problems caused by runoff from fragile lands. According to the U.S. Department of Agriculture, this Nation stands to lose more than 32 million acreas of fragile grasslands within the next few years if Congress does not act quickly.

The producers who are plowing up the erodible land claim that the committee's version of this bill is telling them how and what they can plant on their land. They do not want the Government stepping in on their private land use decisions. Fine. I do not want that either. This bill does not tell farmers what to plant or how to plant.

It is not dictating terms to the producer—it simply—but emphatically states that the Federal Government will not support environmentally damaging farm practices. I think producers have a responsibility to protect our most valuable natural resource—agricultural land.

I strongly endorse the committee version of this bill and encourage my colleagues to vote against any weakening amendments that may be introduced during the debate. I would like to submit for the RECORD letters from several major conservation and environmental groups supporting the committees version of the bill.

I ask unanimous consent that they be entered into the RECORD immediately following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SIERRA CLUB,
Washington, D.C., November 7, 1983.

Hon. ROGER W. JEPSEN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JEPSEN, The Sierra Club strongly urges your support for S. 663, the "Sodbuster Bill", as reported by the Agriculture Committee.

This year, following detailed consultations with the leaders of the Sierra Club chapters and groups across the nation, our Board of Directors has made agricultural soil and water conservation one of the Club's 8 major priorities.

We expect to take a major role in public education and lobbying on behalf of sound conservation provisions in major farm legislation in the future. As you will see from the enclosed feature article from the new issue of our magazine, SIERRA, we are actively disseminating information about agricultural conservation issues to our 980,000 readers.

This year, while we build toward even greater emphasis on these issues, we have focused on support for S. 663.

This important conservation bill is based on the same premise as the Barrier Island Protection Act which you enacted in 1982. That is, it would simply deny federal subsi-

dies which presently act as incentives for soil erosion and agricultural water pollution.

Under the bill, farmers who convert highly erodible grassland to row crops ("sodbust") without using proper conservation measures will be denied price supports, crop insurance, Farmers Home Administration loans and Farm Storage Facility Loans.

The Department of Agriculture estimates that we are losing topsoil at a rate of more than 5 billion tons per year—faster than during the days of the dust bowl! The federal subsidies that this legislation would cut off act now to encourage speculative sodbusting. That incentive impact will only get worse as a result of the 1983 drought and the PIK program, both of which push up agricultural crop prices.

It is imperative that S. 663—in the strong form approved by the Agricultural Committee—be enacted prior to the 1984 spring plowing season.

We urge you to vote for S. 663.

Sincerely,

DENNY SHAFFER,
President.

AMERICAN FARMLAND TRUST,
Washington, D.C., November 14, 1983.

Hon. ROGER W. JEPSEN,
U.S. Senate, Senate Office Building, Washington, D.C.

DEAR SENATOR JEPSEN: The Senate is scheduled to consider during the week of November 14, S. 663, the proposed "Highly Erodible Land Conservation Act of 1983". This legislation, more commonly known as the "Sodbuster Bill", was reported unanimously by the Senate Committee on Agriculture, Nutrition, and Forestry on October 19.

The American Farmland Trust urges that you vote in favor of this important legislation to protect the nation's agricultural land base, as it was reported by the Committee, and to reject any amendment which would weaken its principal provisions.

Simply stated, this bill would discourage future cultivation of highly erodible land by denying to operators of such land the benefits of U.S. Department of Agriculture farm programs, including commodity support programs, crop insurance, and federal loans. This legislation was developed in response to the severe erosion which is now occurring on millions of acres of fragile grass and range land which have been brought into intensive cultivation in the past decade. Much of this cultivation has taken place as a result of federal subsidies which ignore the long-term resource consequences of these indiscriminate "plow-outs." S. 663 would remove those incentives.

As reported by the Committee, S. 663 enjoys broad bi-partisan support, and the endorsement of the Executive Branch.

[We are aware of one potential amendment which would seriously weaken the intent of this legislation. As we understand it, this amendment would limit the applicability of S. 663 to those portions of eligible crops which are grown on erodible lands, and which are brought into production following enactment of S. 663.] Thus, an operator who grows wheat, for example, would continue to receive such support for all of the same commodity (wheat) which he produces on other land, despite the fact that a portion of his wheat crop would be ineligible under terms of the bill. By contrast, the Committee bill would deny benefits with respect to the entire crop of that commodity when a portion of the crop is grown on highly erodible land which is brought into production following enactment of S. 663. It should be evident that the Committee's approach is much more likely to achieve the conservation purposes of S. 663.

Your support for S. 663 is vital, if we are going to discourage further "plow-out" of highly erodible land. Please do not hesitate to call me at 332-0769 if we can be of assistance in answering your questions about this very important legislation.

Sincerely,

DOUGLAS P. WHEELER,
President.

NATIONAL WILDLIFE FEDERATION,
Washington, D.C., November 17, 1983.

Hon. ROGER W. JEPSEN,
Senate Russell Office Building, U.S. Senate, Washington, D.C.

DEAR SENATOR JEPSEN: The Senate is scheduled to vote this week on S. 663, the proposed "Highly Erodible Land Conservation Act of 1984." This letter is an expression of the National Wildlife Federation's support for the bill and firm opposition to the attachment of any weakening amendments during full Senate consideration.

S. 663 commonly known as the "Sodbuster Bill" prohibits federal subsidies—price supports, farm storage loans, crop insurance or disaster payments, and Farmers Home Administration loans—for a given commodity if any portion of that crop is grown on highly erodible land newly brought into production.

The bill is an effective response to the severe erosion problem currently plaguing our nation's farmlands. It is a firm commitment to take the federal government out of the business of subsidizing sodbusting and a recognition of the unacceptable costs to soil, water and wildlife resources wrought by the unwise conversion of millions of acres of fragile grasslands to cropland over recent decades.

On October 19, 1983, S. 663 passed unanimously out of the Senate Agriculture, Nutrition and Forestry Committee. Despite broad, bipartisan support, and strong endorsement from the Administration, the conservation community and many farming interests for the committee bill, a weakening amendment is expected to be introduced on the Senate floor. The expected amendment would limit denials of federal subsidies from the entire commodity to the portion of the crop grown on fragile soil. This measure would significantly undermine the effectiveness of the bill. It directly conflicts with the intention of the bill to discourage the further conversion of highly erodible lands to cropland. In addition, it would keep the federal government in the sodbusting business.

The National Wildlife Federation (NWF) is the nation's largest conservation organization, with over 4 million members and supporters. Last March at NWF's Annual Meeting the problem of farmland soil erosion was identified as one of eight priority conservation issues for the 1983 agenda. During that same meeting a separate resolution was passed calling for action by both the Congress and the Administration to halt the unwise conversion of fragile grasslands to cropland and to eliminate federal subsidization of this ongoing "plow-out."

The NWF is deeply concerned about the destructive effects of topsoil erosion on our nation's soil, water and wildlife resources. In April 19, 1983 hearings of the Senate Soil and Water Conservation Subcommittee the NWF expressed strong support for S. 663. Our testimony framed the vast magnitude of the farmland erosion problem and called for an end to federal subsidization of sodbusting.

As the Senate floor vote approaches, the NWF urges the Senator to support S. 663 and to oppose any weakening amendments.

Sincerely,

JAY D. HAIR.

SOIL CONSERVATION SOCIETY OF AMERICA
November 14, 1983.

Hon. ROGER W. JEPSEN,
U.S. Senate, Senate Office Building, Washington, D.C.

DEAR SENATOR JEPSEN: We understand that S. 663, the proposed "Highly Erodible Land Conservation Act of 1983", is scheduled for Senate consideration, hopefully, this week.

This legislation, called the "Sodbuster Bill", was reported unanimously by the Senate Committee on Agriculture, Nutrition, and Forestry on October 19, 1983 (Senate Report 98-296). The Soil Conservation Society of America supports this legislation and urges that you vote in favor of S. 663, to help protect the nation's soil and water, as it was reported by the Committee.

This bill would tend to discourage the breakout of potentially highly erodible land by denying to operators of such soils the incentives of U.S.D.A. farm programs, including commodity supports, crop insurance, and federal loans. This is needed because of the severe erosion now occurring on millions of acres of fragile grass and rangeland already plowed up in the past decade. Much of this cultivation had resulted because of federal subsidies that ignored the long-term resource consequences of these indiscriminate "plow-outs". S. 663 would at least head off the already serious problems of soil erosion.

Your support for S. 663 is appreciated and needed to discourage further "plow-out" of highly erodible land. Call me at 483-0044 if I can be of assistance in answering any questions about S. 663.

Sincerely,

NORMAN A. BERG,
Washington Representative.

NOVEMBER 14, 1983.

DEAR SENATOR: The National Audubon Society and the Natural Resources Defense Council (NRDC) urge you to vote for S. 663, the "Sodbuster" Bill, as reported by the Agriculture Committee and scheduled for a vote on November 16, 1983. S. 663 prohibits federal payments for commodities produced on highly erodible lands. Introduced by Senator Armstrong on March 3, 1983, it was referred to the Agriculture Subcommittee for Soil and Water Conservation where Audubon and NRDC testifed at the extensive hearings held this year.

The National Audubon Society is one of the oldest and largest non-profit membership organizations to natural resources conservation. The November issue of AUDUBON magazine, mailed to our membership of over 500,000 last week, features a lenghty special section on soil erosion.

The NRDC is a non-profit membership corporation with more than 37,000 members dedicated to the preservation and defense of the natural resources of the United States. Through its agriculture project, NRDC supports the maintenance and improvement of the productive capacity and soils of our nation's valuable agriculture lands.

The practice of converting marginal grasslands to cropland has exposed millions of additional acres of fragile soils to the destructive forces of erosion during the past few years. The USDA estimates that more than 40 million acres of highly erodible land in the United States have been laid bare by the plow.

S. 663 provides that, after the date of enactment, a person who produces an agricultural commodity on highly erodible land shall be ineligible for federal subsidies for any commodity produced during that crop year. Federal subsidies no longer available to sodbusters would include price supports, farm storage loans, crop insurance or disaster payments, and Farmers Home Administration loans.

Audubon's members and chapters in Colorado were among the first support groups for sodbuster legislation when introduced in 1981. Since that time a broad base of support has grown for this important step towards addressing effectively the very serious problem of plowing up marginal lands for crop production.

The U.S. Department of Agriculture supports S. 663 as reported by the Senate Agriculture Committee because it links a farm program to a resource problem and denies federal subsidies to the entire commodity produced by a farmer during a crop year when a portion of that commodity is produced on highly erodible land.

Because the United States cannot afford another year of plowing fragile lands, we urge you to vote for S. 663 when it comes to the floor this week.

Sincerely yours,

JUSTIN WARD,
Agriculture Project.
F. KAID BENFIELD,
Senior Staff Attorney.
MAUREEN HINKLE,
Coordinator, Agriculture Policy.
WILLIAM A. BUTLER,
Vice President for Government Relations and Counsel.

Mr. BAUCUS. Mr. President, I want to briefly state my congratulations to Senator ARMSTRONG for, once again, bringing this sodbuster bill to the floor of the Senate.

Before the August recess I urged the Senate to consider this bill as soon as possible. The past year in Montana we have experienced a flurry of activity relating to the practice of breaking up marginal rangeland.

Recently, a local ordinance was adopted in Petroleum County, Mont., which would require an individual to obtain a permit from the local soil conservation committee if more than 200 acres of marginal land is proposed to be broken.

I am encouraged that the Senate is taking this action. The Senate Agriculture Committee reported a bill that was stronger than the original sodbuster bill that I cosponsored. There was a mixed reaction in Montana to this new version. However, there is widespread support for curbing the breakup of marginal rangeland that has occurred over the past several months. I am pleased that the Senate is considering the original version of this legislation. It is the least we can do.

I want to emphasize that the action we are taking does not mean the Government will dictate what a farmer can or cannot do with this private property. We are simply saying that the Federal Government will not subsidize the practice of sodbusting.

The sodbuster bill will not stop erosion. However, it will help cut down on the roughly 5 billion tons of top soil that this country loses to erosion each year.

The sodbuster bill enjoys the support of virtually every agriculture and conservation organization across the country. The Senate has actually passed this same measure during last year's consideration of the agricultural appropriations bill. Yet, the House of Representatives has not acted. There have been hearings in that body which I am confident will result in the passage of similar legislation early next session.

Mr. President, there have been hundreds of articles written on the problems with sodbusting, a number that I have included in the RECORD during the debate over this legislation. I would ask unanimous consent that copies of two editorials, one from the Glendive Ranger Review, the other from the Great Falls Tribune appear in the RECORD following my statement.

Mr. President, I believe the step we are taking tonight is a positive beginning toward dealing with the serious problem of soil erosion. Soil erosion is not a new problem in Montana. Since the first honyocker broke land on the arid Great Plains to seed wheat there has been the realization that neither drought nor rain is normal on these arid plains. In fact, the term "sodbuster" was first used in Montana by the stockmen who so labeled the farmer in less than affectionate terms.

Mr. President, the action we take tonight is a necessary one. The language in the legislation is broad enough in scope to account for the new technology that continues to develop in dryland farming. This is very responsible action that I wholeheartedly support.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Glendive Ranger Review, May 22, 1983]

PLOWOUT POOR

Up around Malta, Montana, and over around Jordan, the jackrabbits have had to get used to some new neighbors. The buffalo grass and sagebrush have been giving way to the plow, and for the past few years wheat and other grains have been growing in their place. Over near Miles City, one particular cattle ranch with 50,000 acres of pasture is being plowed up and converted to a grain operation.

All over the state, and throughout our part of the west, large parcels of open pasture lands have been converted to cultivated grain fields. It's a pattern that's getting all too common, it's a practice that most of the oldtime farmers are pretty uneasy about, and it's a program that's had a lot to do with the creation of the nation's grain surpluses.

The reason is obvious. The government has encouraged breakup of new grain lands with its subsidy and support programs in recent years, and new technology has made it possible. The tax structure has also added some incentives.

Thus, it seems to make sense for an investor to get into grain business by buying up some low-priced land, hiring somebody with a huge tractor to break up the ground, and seeding the land into wheat. He deducts all the interest and the farming expenses, and the marginal crop yield is hopefully enough to offset his outlays. But when he adds in the government's subsidy programs, which include compensation for low market prices and payments for storing surplus grain, at least on paper the new wheat rancher could come up with a profit.

In a normal year. With enough rain. And when all the other God-given factors work out all-right.

But the old-timers know such farmland is "marginal," and many of them remember the Dust-Bowl days when land like that was carried in the air to Kansas. They wonder if that couldn't happen again.

And most folks who watch the government programs feel the Reagan Administration's new Payment-In-Kind program makes things even worse. Under the new setup, anyone calling himself a farmer can get paid for not planting grain in his acreage—meaning those who were stupid enough to break up those pasturelands are being rewarded for poor farming letting them go back to grass.

The Montana Farmers Union has taken a small step in protest—by passing a resolution deploring subsidy of such marginal farming practices. "Soil stewardship and conservation must be considered as well as the current oversupply of grains," the resolution states . . . Congress should seriously consider curtailing subsidies and tax breaks which encourage absentee owners to engage in destructive farming practices."

"It was never intended that the federal farm programs assist land speculators, absentee owners assist land speculators, absentee owners, and foreign investors who destroy both the family farming concept and neglect accepted conservation farming practices," the resolution goes on.

The Farmers Union is on target. Government support programs are meant to be just what the name implies—support of existing good farming practice, not incentives for new and poor farming practice. The new PIK program plays into the hands of the speculators, and should be curtailed . . . and any other programs should be reviewed for the impact they have in this regard.

[From the Great Falls Tribune, June 9, 1983]

A BLIGHT UPON THE FARMLAND

There was a time when sodbusting was an honorable occupation in Montana. It began nearly a century ago and reached its peak between 1900 and 1920.

It was done by the homesteaders, the honyockers, the scissorbills, lured to the plains of central and eastern Montana by the government's promise of free land for everyone and the railroad's claim that anyone could succeed on a dryland farm. They came from

Minnesota, Wisconsin and Illinois, from Germany, Norway and Russia. They came in droves.

They broke up the prairie, vast stretches of what once was a grassland that sustained hundreds of thousands of buffalo and cattle. They deep plowed the soil and hoped the rains would come. The rains came for a few years, then stopped in 1918. Many of the homesteaders went broke and gave up within a few years. So did many small communities and banks.

Twenty percent of Montana's farms went out of business. Worse yet, it was estimated that 50 to 70 percent of the state's cropland was depleted. When the wind blew—and it blew off and on for nearly two decades—much of the virgin soil was lost.

The homesteaders cannot be blamed for what they created. They didn't know the land, they weren't aware of the vagaries of moisture and wind. It wasn't until a generation later that shallow plowing, fallowing, crop rotation and windbreaks modified the damage.

Now an era of modern sodbusting is upon us. It began with a mammoth plowup near Miles City a couple of years ago. This spring it started near Winnett on a 60,000-acre farm owned by John Greytak of Billings. Tractors are breaking up rangeland at the rate of 600 acres per day.

The area around Winnett, in Petroleum County east of Lewistown, has been farmed to a degree. But it's mostly range and bench land. It gets about nine inches of moisture each year. It's more suited to grass, sagebrush, antelope and oil-gas development than it is to grain farming. But Greytak reportedly has already put 10,000 acres under the plow, oblivious to concerns of the county conservation district.

As a result, the district is proposing that county commissioners adopt an agricultural land-use ordinance to limit further sodbusting. If it happens, it'll be a first in Montana.

Ordinarily, farmers would be the first to argue no one should tell them how to run their business. But erosion doesn't respect property lines. The soil blows away or is carried away, creating problems for miles downstream and downwind. Once the cycle begins it takes years or decades to arrest it. That's why people in Petroleum County are concerned. Lacking any other controls or landowner responsibility, they'll probably have to pass the land-use ordinance.

Modern sodbusting is obviously motivated by profit. But it's different from what drove homesteaders to endure drought, blizzards, grasshoppers and lonely isolation in Montana. Those people had dreams of profit, too, but they also dreamed of family, home, security, God, and community.

Compared to them, the modern sodbuster is a magpie, a thistle, an alkali seep, a blight upon the land.

Mr. HUDDLESTON. Mr. President, S. 663 is designed to encourage the use of sound conservation practices on certain highly erodible farmland.

S. 663 would exclude farmers cultivating highly erodible land, as defined by the bill, from participating in certain Department of Agriculture programs.

The bill exempts some land from the prohibition, including land cultivated to produce any of the 1973 through 1983 crops of agricultural commodities. Also, crops produced using an approved or adequate conservation plan would be exempted from the prohibition.

It would seem that the effect of this bill is potentially broad since virtually every State has some highly erodible land that has been fallow since 1973.

However, during hearings on this bill, the administration assured the Agriculture Committee that the bill would primarily address a problem that exists in several Western States where fragile grasslands are being brought into production. Further, the administration has assured me that this bill is not a step toward mandatory cross compliance.

I understand that the bill as originally introduced by Senator ARMSTRONG was intended to restrict access to Federal programs for only those commodities actually produced on erodible land not covered by the exemptions. The bill, as amended by the committee, would apply the restriction not only to commodities produced on the erodible land by a farmer not exempted, but also to any of the commodity produced by that farmer on his entire farm.

Senator ARMSTRONG has informed me that he intends to offer an amendment that will conform the bill to his original intent. I believe Senator ARMSTRONG's amendment will resolve some of the issues that have surrounded this legislation.

Mr. President, S. 663 will provide a new approach to dealing with some of our resource conservation problems. Based on the assurances of the administration that the bill will meet legitimate conservation needs without leading toward mandatory cross compliance, I support this measure.

The PRESIDING OFFICER. Is there further debate?

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The bill (S. 663) was passed.

The title was amended so as to read:

A bill to make persons who produce agricultural commodities on highly erodible land ineligible for certain agricultural related programs, and for other purposes.

Mr. ARMSTRONG. I move to reconsider the vote.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I noted the actions of the occupant of the Chair. I want to commend him. He has needed no instructions from the Parliamentarian, which is something quite out of the ordinary, may I say.

The PRESIDING OFFICER. The Chair thanks the Democratic leader.

Mr. BAKER. Mr. President, I join the minority leader in making that observation. I would also observe, I believe I am correct in saying, that the distinguished occupant of the Chair, the Senator from New Hampshire, was also in the Chair when we adjourned sine die last session, and the Chair cannot reply to that. I have often thought that one of the great opportunities that two leaders might have would be to speak to the occupant of the Chair when they cannot say anything back, but I will not take advantage of him at this time. I, too, congratulate him on the way he discharges his responsibilities as the occupant of the Chair.

ORDER FOR SUSPENSION OF RULES OF THE SENATE

Mr. BAKER. Mr. President, I have a request that I believe is routine. If the minority leader does not object, let me state it now for his consideration and that of other Senators.

Mr. President, as in executive session, I ask unanimous consent that paragraph 31 of rule VI of the Standing Rules of the Senate relating to the proceedings on nominations be hereby suspended with respect to routine military nominations unacted upon during the present session and the status quo shall not be affected by the final adjournment of the first session of the 98th Congress.

Mr. BYRD. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, there are two other matters to be dealt with in executive session, if the minority leader is prepared to do so. Today we did not dispose of one nomination, which is now cleared on this side, and that is calendar order No. 410, the nomination of James E. Goodby, to be a career member of the Senior Foreign Service. If the minority leader can clear that now, I would propose to go back to it.

Mr. BYRD. Mr. President, I need just a minute or so to respond to the majority leader.

Mr. BAKER. I thank the Senator.

Mr. President, the minority leader has indicated that he is ready to proceed to the Goodby nomination.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate not go into executive session for the purpose of considering the nomination of James E. Goodby, of New Hampshire.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination will be stated.

DEPARTMENT OF STATE

The assistant legislative clerk read the nomination of James E. Goodby, of New Hampshire, a career member of the Senior Foreign Service, class of minister-counselor, for the rank of Ambassador during the tenure of his service as U.S. Representative to the Conference on Confidence on Security Building Measures and Disarmament in Europe.

The PRESIDING OFFICER. The nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I inquire of the minority leader, there is another nomination, that of Deane Roesch Hinton, to be Ambassador to Pakistan; would he be in a position to clear that?

Mr. BYRD. Mr. President, that nomination has been cleared on this side.

Mr. BAKER. I thank the minority leader.

Mr. President, let me say that this is a breach of my own rule about having matters printed on the calendar for 1 day, but Ambassador Hinton is a career foreign service officer. He is the new Ambassador to Pakistan. The leadership on this side feels that the urgency is such that we should waive that rule and confirm him before we go out. Therefore, I ask unanimous consent that the Senate proceed to the consideration of the nomination of Deane Roesch Hinton to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Islamic Republic of Pakistan.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination will be stated.

The assistant legislative clerk read the nomination of Deane Roesch Hinton, of Illinois, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Islamic Republic of Pakistan.

Mr. LEAHY. Mr. President, reserving the right to object—and I shall not object—Ambassador Hinton has served with distinction in El Salvador. He replaces a distinguished Vermonter, Ronald Spiers, in that difficult position of Ambassador for Pakistan. I note from the RECORD that Ambassador Spiers has served in exemplary fashion. It is not the first time he has had a very difficult post. He did in Turkey. But I also feel that Ambassador Hinton has served our interests well. He has done so in difficult times before. He will again. I wish him the best, and I have no objection.

The PRESIDING OFFICER. The nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOCIAL SECURITY TAXES AND CHURCH-RELATED EMPLOYEES

Mr. EAGLETON. Mr. President, I had hoped that we would have before us the Jepsen amendment which would have postponed for 2 years mandatory coverage of church-related employees under social security as will become effective on January 1, 1984. However, unfortunately, an appropriate legislative vehicle was not available.

One of the thorniest areas of constitutional law is the one of church-State relations. Just a few days ago, we faced that issue in the tuition tax credit debate. Tonight we would have faced it in the context of social security. I have some doubts that Congress can constitutionally enforce mandatory social security coverage on church employees. Most certainly, there will be a constitutional challenge.

So that the Senate may have some background law on this subject, let me mention two fairly recent Supreme Court cases: One dealing with unionization of lay teachers at church-related schools under the National Labor Relations Act; the other relating to unemployment taxes being imposed on employees of church-related schools.

NLRB AGAINST CATHOLIC BISHOP OF CHICAGO

In 1979, the Supreme Court, in a 5-to-4 decision, ruled that the National Labor Relations Act does not require church operated schools to bargain with unions representing their lay teachers. The ruling affirmed the Seventh Circuit Court of Appeals in a case in which the NLRB had asserted jurisdiction over lay faculty members at two groups of Roman Catholic high schools, one in Chicago and one in Fort Wayne-South Bend, Ind. Chief Justice Burger, writing for the majority, relied heavily on the legislative history of the act in which he argued that Congress did not contemplate that the Board would require church-related schools to grant recognition to unions as bargaining agents for the teachers. The majority declined to reach first amendment questions, stating that in the absence of congressional intent to bring parochial school-teachers within the jurisdiction of the Board, the Court would not construe the law in a way that might require the Justices to resolve "difficult and sensitive questions" arising out of the freedom of religion guarantees.

ST. MARTIN EVANGELICAL LUTHERAN CHURCH VERSUS SOUTH DAKOTA

In 1981, the Supreme Court ruled in an unemployment tax case involving Lutheran school employees. In a unanimous decision, the Court held that employees of the church affiliated schools which plaintiffs operated were exempt from unemployment compensation taxes imposed by the Federal Unemployment Tax Act. The Court ruled that the employees of church schools are exempt from the FUTA tax by virtue of the nature of their relationship to the church that employs them. Again, the Court declined to consider the first amendment issues raised.

Mr. President, I think the most cautious course constitutionally would have been to adopt the Jepsen amendment. Further, Mr. President, the revenue loss to the social security system as a result of the Jepsen amendment would have been very small indeed. I believe that 85 percent of all nonprofit and church-related employees today voluntarily elect to come under social security. Hence, what would have been at stake here was only some fraction of the 15 percent who did not wish to be so covered. In terms of the employee "universes" with which social security deals, this tiny fraction was a very, very small group. The groups involved, Mr. President, may be small, but the first amendment constitutional issue may be large.

Finally, Mr. President, in discussing this matter with Senator JEPSEN, I gather that Senator DOLE has promised to hold a hearing on this subject in December. That is some consolidation, but it, of course, will not tell the operative date of the social security package. Only prompt attention early next year can remediate the situation.

SENATOR PRESSLER'S REPORT ON THE ARMS CONTROL SUBCOMMITTEE

Mr. PERCY. Mr. President, I wish to bring to Senators attention an end of year report by Senator LARRY PRESSLER, chairman of the Foreign Relations Subcommittee on Arms Control, Oceans, International Operations and Environment. The report reviews the major events and the many significant

activities and accomplishments of the subcommittee during the past year.

This has been an extremely active year for the subcommittee. Under Senator PRESSLER's leadership the subcommittee's work has rendered a major contribution to the Senate's efforts in the arms control field. I remind Senators that Senator PRESSLER was a principal cosponsor of the committee's compromise resolution on strategic arms reductions. In two areas particularly, the subcommittee has been the leading force in Congress. Senator PRESSLER chaired the first hearings on the issue of yellow rain and on the emerging race in space weaponry.

The committee has moved forward on resolutions dealing with these two vital issues. I am a strong supporter of both Pressler initiatives and we will work together to get the Senate's approval of Senate Joint Resolution 129 on outer space arms control negotiations and of Senate Resolution 201 on chemical warfare.

The subcommittee has served the needs of the Senate in other ways. Senator PRESSLER has conducted an important series of hearings on international telecommunications policy. Based upon its findings, the committee will consider whether it should advise a change of U.S. policy in this area. International telecommunications are a growing element of international trade.

Senator PRESSLER has chaired some 20 nomination hearings during the past year. Nominations require a great deal of work by Senators and I commend Senator PRESSLER for his efforts in this area. By moving forward on nominations we can assure that the Government can operate effectively both here and abroad.

Mr. President, I would urge Senators to read this report covering an extremely active year by the Subcommittee on Arms Control, Oceans, International Operations and Environment. And, I extend my appreciation and congratulations to Senator LARRY PRESSLER for his work as subcommittee chairman.

I ask unanimous consent that the report by Senator LARRY PRESSLER appear in the RECORD at this point.

There being no objection, the support was ordered to be printed in the RECORD, as follows:

ACTIVITIES AND ACCOMPLISHMENTS OF THE SUBCOMMITTEE ON ARMS CONTROL, OCEANS, INTERNATIONAL OPERATIONS AND ENVIRONMENT, 98TH CONGRESS, 1ST SESSION

(A report by Senator Larry Pressler)

At the end of the 97th Congress, I submitted a report on the activities and accomplishments of the Subcommittee on Arms Control, Oceans, International Operations and Environment of the Foreign Relations Committee. As the first session of the 98th Congress draws to a close, it is appropriate to report on the Subcommittee's agenda during the past year.

It is fair to say that the Subcommittee's agenda has been full. The activities and accomplishments included both a continuation of efforts begun in the last Congress and new initiatives, breaking new ground in areas that are gaining in importance.

Just as arms control has remained at the very top of this Nation's political concerns, it remained key to much of the Subcommittee's work. Consideration of arms control spanned the full range of issues. Strategic and intermediate-range arms reductions, the developing race in space weaponry and the use and/or provision of chemical and toxin warfare agents—referred to as "yellow rain"—were among the questions considered.

In the strategic arms control field, the nuclear weapons freeze and its proponents were given a thorough hearing and careful consideration by the Committee. During June hearings, the nuclear freeze campaign presented its proposal through a panel reflecting the range of its membership.

In my view, the nuclear freeze campaign has served an important role in stimulating a national arms control debate. It deserves credit for moving the Nation to a fair and flexible arms control approach. It is clear to many in the Senate and the public that the President's new approach to strategic arms control shares the goals of freeze proponents.

This innovative approach to arms control, called the guaranteed build-down of nuclear forces, was born here in the Senate. First, offered by Senator Cohen in a January newspaper article, the build-down concept has achieved broad Senate support. I was immediately attracted to the build-down concept and became one of its early cosponsors.

The attraction of the build-down concept derives from its ability to assure significant and verifiable reductions while at the same time providing for an effective and more stabilizing force structure. All advocates of arms control share the goal of eliminating nuclear weapons from the face of the earth. But we must accept the fact that this is a long term goal. In the interim, the U.S. will require stable and secure nuclear capabilities. The build-down meets all these needs.

In its basic form, the build-down calls for the destruction of two old warheads for any new ones deployed. In this way, it guarantees that arms control agreements will lead to real reductions. This meets the concerns of Americans who fear that arms control accords would do little but legitimize U.S. and Soviet arms expansion. By assuring that reliable and safe weaponry are permitted as a replacement for weapons that have outlived their usefulness, this mechanism deals effectively with the concerns of the defense community and by tying modernization to reductions, the build-down also provides an incentive for abandoning large destabilizing MIRVed weapons in favor of smaller warhead systems. For these reasons, many Senators who have cosponsored the freeze proposal have joined in cosponsoring the build-down.

The President's Commission on Strategic Forces, headed by General Brent Scowcroft, also concluded that U.S. security would be enhanced by efforts to rid the world of MIRVed weapons. Their support for the ideas contained in the build-down was evident in testimony received by the Committee in May.

The Scowcroft Commission's findings gave a critical boost to the efforts of build-down backers in the Senate. With hard work by Senators Cohen, Nunn and our distinguished Chairman Charles H. Percy, by early summer the President was added to the list of build-down supporters.

The fight for the build-down was not over. In lengthy hearings on U.S.-Soviet relations, U.S. arms control policy and arms control resolutions, the build-down, the nuclear weapons freeze and many other proposals were carefully considered by the Committee. At that time, it became evident that elements in the bureaucracy were resisting the build-down despite the President's strong support for this initiative.

A number of Senators including myself, were determined to see the full implementation of this proposal. In various ways we made our views known, publicly and privately. Through the summer our efforts continued. I was personally reassured by National Security Adviser William Clark that the Administration was committed to negotiating a build-down. During this period, Senators worked closely with the White House in bringing about the required changes in the U.S. arms control position. By late September the process was completed and, in early October, our START delegation returned to Geneva with the build-down in hand.

This was a difficult effort but it was worth all the energy and time spent. There can be no doubt that the U.S. now has a realistic and fair strategic arms reduction offer on the table. The U.S. has gone more than half-way in meeting Soviet concerns. It is time for the Soviets to take the next step that would make an accord a reality. The ball is clearly in their court.

A similar situation exists in the Geneva talks on Intermediate-range Nuclear Force (INF). The U.S. has moved away from the zero option and has made a series of proposals that protect the interests of allies in Europe and in Asia. At the same time, sufficient—but not excessive—Soviet forces are provided for. The Subcommittee has closely followed developments in this area. I, for one, have spoken out frequently and forcefully, during the course of this past year, in urging that our negotiators be given the flexibility that they require in bringing about a rapid and successful conclusion to these important negotiations. The results were evident in the "interim solution" adopted by the President last spring. Since, then additional concessions to the Soviet position have been made by the President.

In INF, as in START, the Soviets must move away from their uncompromising position. The Soviets are wrong, if they hope that Soviet inflexibility will result in allied paralysis. Only through a cooperative effort can our societies move away from the risks of nuclear war. The Soviets must accept this, for it is in their interest to assure global survival.

We were briefed on the state of the INF and START talks on several occasions during the past year. Most recently, on the eve of the Committee's arms control markup, the Committee conducted a full review of the various arms control efforts currently in process.

While strategic and intermediate-range negotiations are an extremely important matter, other negotiations are of equal importance in increasing security, improving East-West relations and reducing the cost of defense to the American taxpayer.

In these other areas, the Subcommittee has made an especially unique contribution to public awareness and, hopefully, for progress towards a more stable military and strategic balance.

Chemical warfare is outlawed by international agreements to which the U.S. and the Soviet Union are signatories. Nevertheless, there has been an accumulation of evidence indicating that the Soviet Union is engaged in the provision and/or use of chemical and toxin warfare agents in Southeast Asia and Afghanistan. The Subcommittee held a hearing on this situation in November, 1981. At that time, opinion was divided on whether chemical warfare was occurring and whether the Soviet Union was implicated in this heinous conduct.

In the year that followed, the U.S. issued two extensive reports on this subject. The United Nations published findings supporting the American case and the Canadian government issued its own independent findings indicating that chemical warfare agents were in use.

I had personally come to the conclusion that the case against Moscow is compelling. For this reason, I thought it important to bring renewed attention to these unacceptable incidents of "Yellow rain." Beyond increasing awareness of this situation, I thought that the weight of evidence required the Subcommittee to consider the arms control implications of these treaty violations.

On February 24, a hearing entitled "Yellow Rain—The Arms Control Implications" was held. At this hearing, witnesses seemed increasingly skeptical of Soviet denials. The case against Moscow was gaining in strength.

It seems clear that this viewpoint is now widely held. This is most evident from the support given to a Senate resolution on yellow rain that I offered in consequence of this hearing. Today, the yellow rain resolution, S. Res. 201, is backed by a large and growing bipartisan group of Senators. A total of 37 cosponsors have added their name to this effort, starting with Senator Percy—the principal cosponsor.

S. Res. 201 was unanimously reported out favorably by the Foreign Relations Committee on September 20. There is little doubt that the Senate will add an overwhelming endorsement of this measure early in the new year.

Preventing a race in space weaponry is another increasingly important element in this Nation's arms control agenda. In May, 1981, I introduced a Senate resolution calling for the immediate resumption of talks on antisatellite weapons. That resolution led to the first congressional hearing on this issue in September, 1982, before the Subcommittee. That effort continued at an increased pace over this past year.

I find it surprising that so few people are aware of this emerging competition in space weaponry. At the same time, it is clear that a space arms race would add little to U.S. security—perhaps the opposite would result—but it would add substantially to the American taxpayer's financial burden. The Defense Department has estimated that some space weapons systems could cost $500 billion to build. This is twice the entire defense budget for this year.

Last spring, hearings were held to examine the grave risks of a space arms race and to urge arms control negotiations. These hearings considered a modified version of earlier resolutions that I had introduced on this subject. A resolution offered by Senator Tsongas was also considered. In addition to Senator Tsongas, Senators Percy, Pell, Mathias, Murkowski, Boschwitz and Helms worked diligently to make these hearings a success.

In the April and May hearings, we were privileged to gain testimony from the Administration and a large number of specialists. The Union of Concerned Scientists played a most important role by creating a panel of specialists who presented an excellent report on the risks to U.S. interests of a space arms race.

In July, I was able to offer a compromise resolution to the Senate. Senators Percy, Tsongas, Pell, Mathias, and Cranston are cosponsors of this legislation, S.J. Res. 129. On July 19, the Committee in mark-up unanimously endorsed forwarding this measure for consideration by the full Senate. Unfortunately, Senate action must wait until next year. But there is little time to lose in moving forward on this resolution and on the space weaponry negotiations that it advocates. Unless we act quickly emerging verification problems may tie the U.S. to a costly and risky space arms race. If agreement on a mutual and verifiable space weapons accord is achieved, the U.S. would enhance its security in the long term.

Nonproliferation remains a continuing concern of the Subcommittee and the Committee as a whole. This issue was considered on the occasion of hearings examining the Supreme Court's ruling on the legislative veto. The Supreme Court's decision may have a major impact on Congressional powers for preventing the spread of nuclear arms. Nonproliferation policy was again reviewed in a joint hearing of the Foreign Relations Committee and the Governmental Affairs Committee's Subcommittee on Energy, Nonproliferation and Government Processes, chaired by Senator Percy.

This Subcommittee's mandate extends beyond arms control to oceans, international operations and environment. In this area, I chaired a hearing on the United Nations' proposed regulations on the export of food and other items. It has long been my view that the United Nations should serve a useful role as a meditor of international conflicts and for keeping the peace in areas of tension. The U.N. Secretary General should attempt to prevent crisis from leading to war. U.N. peacekeeping forces could serve a valuable role in separating the warring parties in Lebanon. Unfortunately, some members of the U.N. and of its bureaucracy wish to use the organization to stifle trade and restrict the free flow of information, among other things. These ideas are undemocratic and unAmerican. We cannot and must not allow the U.N. to be a vehicle for these practices.

With this in mind, I received testimony on May 19 from Ambassador Kirkpatrick and Murray Weidenbaum. In the Senate, I offered a resolution calling on the U.S. to reject this unacceptable practice. And, I have worked in the Committee to amend authorization legislation to move the Administration in this area.

The potential uses of space technology for science and commerce are another area under the Subcommittee's jurisdiction. Just as the policies that we adopt today will decide whether space will be a sanctuary from weapons competition, so, too, decisions made in the months ahead will determine whether the U.S. will maximize its role in space commerce.

A major debate has begun on the best course for U.S. international telecommunications. Today, U.S. satellite communication links to the world are controlled by Comsat and Intelsat. Firms that seek to employ space telecommunications technology question the wisdom of this approach, proposing instead the creation of a competitive environment. Such a change in direction holds potential benefits, but pitfalls also exist. In a series of hearings before the Subcommittee, we attempted to assess the arguments. My own position will be determined by the answers to two questions. First, would competition in this field reduce the cost and increase access to current and future telecommunications users in the U.S.? Second, does the current situation best assure continued U.S. dominance in space and telecommunications? We will review this situation even more closely in the months ahead.

Another area of key responsibility for the Subcommittee is nominations. During the course of this past year a total of 20 nominees were given a hearing in areas of Subcommittee jurisdiction. These hearings included the very lengthy and difficult deliberations on the confirmation of Kenneth Adelman.

Nominations are a vital part of the Subcommittee's agenda. It is not possible to monitor every detail of U.S. policy and only a few major issues can receive the comprehensive hearing they deserve. Here, the confirmation process is important in assuring that competent individuals fill key positions within the Administration.

In addition to hearings, it is important to use other media to keep the American people informed about developments that affect their lives. During the past year, I have written four articles for newspapers—the New York Times, the Los Angeles Times and the Christian Science Monitor—and three longer articles for magazines—Aerospace, Omni and USA Today—On issues falling within the Subcommittee's jurisdiction.

In the second session of the 98th Congress, I look toward the successful conclusion of two long standing efforts on outer space arms control and on yellow rain. I will continue to use the Subcommittee to explore the activities of the U.N. and other international organizations. Consideration of telecommunications questions will continue. Verification is a vital element in the making of effective arms control agreements. The Subcommittee will likely turn its attention to the detailed consideration of verification issues in the coming year. In addition, the Subcommittee will continue to follow emerging developments in the full range of issues under its jurisdiction. In the new year as in the past, the agenda will remain flexible, to enable us to respond effectively to international problems that may arise.

What follows is a chronological list, separated by area, of hearings held in 1983 on issues of concern to the Subcommittee on Arms Control, Oceans, International Operations and Environment. A list of relevant publications is also attached.

HEARINGS ON ARMS CONTROL

"Yellow Rain".—The Arms Control Implications, February 24, 1983.

Off-the-record briefing on START issue (closed session), March 11, 1983.

START issue (Executive session), March 23, 1983.

Status of INF and START negotiations (Executive session), April 6, 1983.

Controlling space weapons, April 14 and May 18, 1983.

President's Commission on Strategic Forces, May 11, 1983.

Revised START proposal (Executive session), June 15, 1983.

U.S.-Soviet relations, June 15 and 16, 1983.

Arms control resolutions, June 21 and 22, 1983.
Arms control policy, June 23, 1983.
Legislative veto: Arms Export Control Act, July 28, 1983.
Arms control issues (Executive session), July 29, 1983.
Special meeting on S.J. Res. 2, nuclear freeze resolution, and related resolutions, August 2, 1983.
Arms control update (Executive session), September 14, 1983.
Markup of arms control resolution, September 20, 1983.
Nuclear Non-Proliferation Act, September 30, 1983.
U.S.-Soviet relations, November 16, 1983.

HEARINGS ON OCEANS, INTERNATIONAL OPERATIONS, AND ENVIRONMENT

United Nations regulations—food and other exports, May 19, 1983,
Activities of Executive Council on Foreign Diplomats, June 16, 1983.
U.S. international telecommunication and information policy, October 25 and 31, 1983.

HEARINGS ON NOMINATIONS

Kenneth L. Adelman on his nomination to be Director of the Arms Control and Disarmament Agency, January 27, 1983; February 3, 16, and 24, 1983.
Morton L. Abramowitz to be U.S. Representative for Mutual and Balanced Force Reductions Negotiations, February 22, 1983.
Richard Salisbury Williamson to be U.S. Representative to the Vienna Office of the United Nations and Deputy Representative to the International Atomic Energy Agency, May 3, 1983.
David F. Emery to be Deputy Director of the Arms Control and Disarmament Agency, May 17, 1983.
Millicent Fenwick to be U.S. Representative to the Food and Agriculture Organization, July 20, 1983.
Clair W. Burgener to be a Member of the Board for International Broadcasting, July 26, 1983.
Malcolm Forbes, Jr. to be a Member of the Board for International Broadcasting, July 26, 1983.
Arch Madsen to be a Member of the Board for International Broadcasting, July 26, 1983.
James Albert Michener to be a Member of the Board for International Broadcasting, July 26, 1983.
Michael John Novak, Jr. to be a Member of the Board for International Broadcasting, July 26, 1983.
Thomas Francis Ellis to be a Member of the Board for International Broadcasting, July 26, 1983.
Alan Lee Keyes to be U.S. Representative to United Nations and Economic Social Council, October 4, 1983.
Henry F. Cooper to be Assistant ACDA Director for Strategic Programs, October 4, 1983.
James E. Goodby to be U.S. Representative to the Conference on Confidence and Security Building Measures and Disarmament in Europe, November 15, 1983.
Joan M. Clark to be Assistant Secretary of State for Consular Affairs, November 15, 1983.
Sol Polansky to be Vice Chairman, U.S. Delegation to START, November 15, 1983.
William C. Harrop to be Inspector General of the Department of State and the Foreign Service, November 15, 1983.
Alfred L. Atherton to be Director General of the Foreign Service, November 15, 1983.
Edmund Stohr for the rank of Minister for the remainder of his service as U.S. Representative to the Council of the International Civil Aviation Organization, November 15, 1983.
Geoffrey Swaebe to be Ambassador to Belgium, November 15, 1983.

COMMITTEE PUBLICATIONS ON SUBCOMMITTEE ISSUES

HEARINGS

The Nomination of Kenneth L. Adelman.
Yellow Rain: The Arms Control Implications.
Arms Control and Disarmament Agency Authorizations.
Controlling Space Weapons.
President's Commission on Strategic Forces.
U.N. Regulations—Food and Other Exports.
United States-Soviet Relations, Part 1.
United States-Soviet Relations, Part 2.
Nomination of Millicent Fenwick.
Nuclear Nonproliferation Policy (forthcoming).
International Telecommunications and Information Policy (forthcoming).

REPORTS

Nomination of Kenneth Adelman.
Arms Control and Disarmament Agency Authorization, S. 608.
The United States and the Soviet Union: Prospects for the Relations.
Nuclear Arms Reductions.
Nuclear Freeze Proposal.
International Telecommunications and Information Policy: Selected Issues for the 1980's.
Outer Space Arms Control Negotiations (forthcoming).

PUBLICATIONS OF RELEVANCE TO THE SUBCOMMITTEE'S AGENDA

(By Senator Larry Pressler)

"Avoiding A Crippling Space-Weapons Race," January 6, 1983 Los Angeles Times.
"Bar Weapons in Space," January 13, 1983 New York Times.
"Heading Off Bad Space Policies," April 19, 1983 Christian Science Monitor.
"The Hole In Andropov's Space-Weapons Treaty," May 8, 1983 New York Times.
"U.S. Space Policy: The Need For New Directions," Fall 1983 Aerospace magazine.
"First Word," October 1983 Omni magazine.
"U.S. Needs A Coherent Space Policy," November 1983 USA Today magazine.

TIME TO VOTE ON S. 1881 TO OUTLAW USE OF COMPULSORY UNION DUES FOR POLITICAL PURPOSES

Mr. HELMS. Mr. President, in 30 States, American workers can be required—as a condition of employment—to contribute financially to a labor organization through compulsory union dues. This compulsory dues money, which workers must pay at threat of being fired, goes directly into the union treasury.

According to STEELABOR, the self-proclaimed voice of the United Steel Workers of America, union treasury money "can't go for direct political contributions—but it can do a lot: mailings supporting or opposing candidates, phone banks, precinct visits, voter registration and get-out-the-vote drives, contributions to national, State or local central COPE's, and it can be used to raise voluntary funds for the USWA political action committee."

Recent Federal court decisions have found this to be a violation of workers' first amendment rights. In fact, a Federal court in Maryland recently found that 79 percent of the dues collected by a major union were used to fund political activities other than collective bargaining. This basic violation of individual rights—forcing workers, at threat of firing, to contribute financially to political candidates or causes they may oppose—is an affront to the free and open political system in which we take pride.

How many of us would be so bold as to pass legislation requiring that our opponents' supporters be forced to contribute to us in order to keep their jobs? Yet that is precisely what takes place now through the use of compulsory union dues for politics.

I urge the majority leader to schedule a vote on S. 1881 as soon as possible to end this injustice.

If I may take just a few more moments, Mr. President, I believe it is essential to rebut a false allegation being circulated by opponents of my proposal to prohibit the expenditure of compulsory union dues for political, nonbargaining activities. Claiming that the use of compulsory union dues for politics is analogous to the use of corporate funds to establish political action committees with which stockholders may disagree, they say S. 1881 would unfairly tip the political balance of power in favor of business interests by restricting only union politics. The pretended analogy is specious at best, and dishonest at worst.

Those who have been confused by this smokescreen argument should read a recent decision by the U.S. Court of Appeals in Federal Elections Commission against International Association of Machinists which, in my opinion, shatters this bogus argument once and for all.

In that case, attorneys for the International Association of Machinists union charged that 11 corporations had violated the Federal Election Campaign Act by soliciting contributions to their political action committees from administrative personnel under what they termed "inherently coercive" conditions. Although the district court ruled that no such violation had occurred, it did allow several constitutional issues raised by the plaintiffs to be heard by the U.S. Court of Appeals in the District of Columbia.

Union attorneys asked the appeals court to decide, among other constitutional issues, whether the use of general corporate assets to establish and support corporate political action com-

mittee violated the first amendment rights of dissenting shareholders. Union attorneys cited the landmark Supreme Court decision in Abood Against Detroit Board of Education concerning the use of compulsory union dues by a union political action committee to promote the election of certain candidates. In *Abood*, the Supreme Court held that the first amendment prohibits unions from forcing employees to support political causes against their will through the use of compulsory union dues. The union attorneys attempted to draw a parallel between *Abood* and FEC against IAM. They argued that the use of treasury funds by corporations to establish and administer PAC's abridges the free speech rights of shareholders who object to such use of corporate assets. The Court of Appeals was not convinced.

Noting that ". . . in *Abood* the [Supreme] Court had held that the first amendment prohibited a public employee union from requiring any employee 'to contribute to the support of an ideological cause he may oppose as a condition of holding a job' ", the appeals court ruled that there was no valid analogy between the union position in FEC against IAM and *Abood*. The Court stated that a corporate shareholder is under no such compulsion to support a political cause against his will. Citing another Supreme Court in First National Bank of Boston against Bellotti, the appeals court said "the shareholder invests in a corporation of his own volition and is free to withdraw his investment at any time and for any reason." A more appropriate analogy, according to the reasoning of the court, would be the employee who voluntarily joins the union, and later finds himself in disagreement with its stand on a political issue.

Labor unions are the only private entities in this country that can compel financial support from unwilling members. By their own admission, this unique privilege has given union officials power out of all proportion with their numbers. Millions of compulsory union dues dollars are funnelled into the union hierarchy's pet political operations. These vast sums dwarf the efforts of those who voluntarily participate in the political process.

Indeed, as labor union officials insist, a serious imbalance does exist in our political system today. But, it is an imbalance of power that allows one specially vested interest group—labor union officials—to fund their political operations with tens of millions of compulsory union dues dollars, while every other special interest group and political organization in this country must compete with other voluntary associations for limited funds. I therefore urge my colleagues to support legislation that would redress this injustice by outlawing the use of compulsory union dues for any kind of political activity.

Mr. President, I yield to the able Senator from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. President, I am a cosponsor of S. 1881 and I urge that this issue be brought before this body in the early days of the second session of the 98th Congress.

I am outraged that union members through compulsory dues are forced to finance issues and candidates they do not support. There are numerous instances where union members are forced to pay for phone banks, brochures, and mailings during a political campaign in order to keep their jobs.

This is a blatant violation of the basic constitutional rights of American working men and women which should not be allowed to continue. Let me point to some of the most notable examples of this widespread practice.

The AFL-CIO recently made headlines by endorsing a certain candidate for President. During the same month, a New York Times-CBS poll revealed that union members are far from united in their choice for President—34 percent favored one candidate while 29 percent of the union members favored another candidate.

Yet 100 percent of the national AFL-CIO's political expenditures will be spent on only one candidate—financed in part by the compulsory dues dollars of those union members who support and will vote for other candidates.

This was equally true in 1980, when—despite the 40 percent of union members who voted for President Reagan—the AFL-CIO machine spent 100 percent of its political treasury fund expenditures for the reelection of the incumbent.

The union hierarchy is clearly out of step with many of its members when it uses a member's dues money on behalf of a candidate the member opposes. This abuse of worker's rights and hard-earned dollars is not, however, limited to election years.

In 1981, this city was besieged with over 100,000 marchers supposedly demonstrating the "solidarity" of American workers against the Reagan administration's policies of military strength and fiscal restraint. It was called Solidarity Day.

Interestingly, a poll conducted by Opinion Research Survey, Inc. of AFL-CIO members—and sponsored by the AFL-CIO itself—revealed that 65 percent of AFL-CIO members support a balanced budget, while 72 percent oppose cutting defense spending. Yet national union officials, once again out of step with their rank and file, used their members' compulsory dues dollars to finance massive demonstrations against the President's economic and national defense policies which enjoyed the support of union members.

Officials of the National Education Association (NEA) are just as guilty of being out of step with the Nation's teachers—and abusing their compulsory dues dollars.

In a nationwide poll of teachers published in September 1981, by Instructor magazine, which has a circulation of 275,000 and computed more than 10,000 responses—72 percent of them union members—84 percent of American teachers expressed support for State Right to Work laws—which in themselves would eliminate the problem of compulsory dues politics by prohibiting compulsory dues. Predictably enough, the NEA union that year went on record formally opposed to Right to Work laws, and spent the compulsory dues dollars of pro Right to Work teachers to lobby against such laws.

According to the NEA's 1982-83 Handbook, the union is officially on record in favor of gun control legislation, in favor of decriminalization of marihuana, in favor of affirmative action hiring of homosexual teachers, national health insurance, the ERA, tax-financed abortions, a unilateral nuclear freeze, and drafting women.

The union is officially opposed to a balanced budget, U.S. aid for our allies in Central America, or the right of schoolchildren to have voluntary prayer in school.

Do NEA union officials expect us to believe that all those teachers forced to pay NEA dues as a condition of employment—thereby financing the union's lobbying efforts—approve of the use of their money for this type of NEA agenda?

The greater question is, Should any teacher or any worker, or any good union members, be forced to subsidize such an agenda?

I believe not. And according to Instructor magazine, 77 percent of all teachers agree with my opposition to forced payment of union dues. But the NEA's money machine rolls on into 1984, spending the compulsory dues dollars of teachers who support President Reagan or other Democrats to finance in-kind contributions to the former Vice President.

There is no greater abuse of compulsory unionism power—under which workers are forced to join or pay dues to a union as a condition of employment—than the forced subsidization through those dues of political candidates or causes the individual worker may oppose.

S. 1881 would end this abusive infringement on the rights of individual Americans, while guaranteeing their right to voluntarily contribute and participate on behalf of the candidate or cause of their choice.

No one truly interested in campaign reform should have difficulty with this legislation. Again, I urge my colleagues to support this legislation and the positive impact it would have on the workers of this country.

Mr. EAST. Mr. President, the expenditure by big labor of tens of millions of dollars in forced union dues for political causes opposed by many of the workers who must pay those dues or be fired, poses a grave threat to constitutional liberties in America today.

One would think that such a clear-cut abridgment of our cherished first amendment rights would immediately unite all Members of Congress in an effort to legislatively stamp out this form of tyranny.

Unfortunately, many of the civil rights crusaders of our times develop lockjaw whenever the issue of compulsory union politics arises. Despite the unwillingness of these self-styled social reformers to confront this issue, however, the injustice of compulsory union politics has not entirely escaped the attention of our judiciary.

In Ellis Fails against Brotherhood of Railway and Airline Clerks, the Supreme Court will soon decide whether a group of airline employees can recover compulsory union dues spent on nonbargaining, political activities such as union conventions, the printing and distribution of political literature, and social activities promoting the views of the union hierarchy. This case could have far-reaching implications for the millions of workers whose forced union dues are spent on political causes they oppose. Ellis Fails against BRAC is the latest development in the increasing tendency of our judiciary to prohibit the expenditure of forced union dues for politics.

The Supreme Court has a great opportunity in Ellis Fails against BRAC to finish the work it began in the landmark Abood against Detroit Board of Education decision. In Abood, the U.S. Supreme Court held that the first amendment protects workers from being compelled to subsidize political ideologies abhorrent to them. The High Court clearly stated that workers could not be required as a condition of employment to pay a union official anything other than the direct cost of collective bargaining with his employer. The Supreme Court ruled that union officials cannot pay for phone banks, partisan get-out-the-vote drives, union political rallies, or any other expenses not directly related to bargaining with union dues forceably taken from workers as a condition of employment. In the words of the Supreme Court, the Constitution requires "* * * that such expenditure be financed from charges, dues or assessments paid by employees who do not object to advancing those ideas and who are not coerced into doing so against their will by the threat or loss of * * * employment."

Despite this clear-cut mandate by the Supreme Court, however, the flagrant abuse of compulsory union dues for political purposes continues unabated. The AFL-CIO hierarchy has endorsed a Democratic candidate for the Presidency even as large blocks of compulsory union members within the giant labor federation have expressed their support for other candidates. Unmindful of the wishes or political views of much of its membership, AFL-CIO officials plan to lavish tens of millions of compulsory union dues dollars on its hand-picked candidate for the Presidency. This problem stems from two questions left unanswered in Abood.

First, the Supreme Court failed in the Abood case to provide a general mechanism of relief for dissident workers who are illegally forced to fund nonbargaining political operations against their will. Many courts have attempted to remedy this problem by establishing internal union rebate procedures whereby dissident workers can supposedly retrieve that amount of their forced dues money spent on political nonbargaining activities. But many courts, finding union rebate procedures complicated and unfair, have overruled unions' assessment of fair refunds to dissenters. The Massachusetts Supreme Court took this general disapproval of union rebate procedures one step further in School Committee of Greenfield against Greenfield Education Association. Blasting a teacher's union rebate system as an unconstitutionally inadequate remedy, the court declared that dissenting teachers cannot be forced to exhaust complicated union rebate schemes in order to recover their money. The High Court of Massachusetts stated that the current legal priority of unions to collect the amount of dues spent on bargaining purposes "* * * is outweighed by the potential that the impermissible amount will be used, even temporarily, in violation of first amendment rights."

Second, Abood also left unclear what constitutes valid union collective-bargaining expenses as opposed to political and other nonbargaining activities.

This lack of direction on these two key questions opened the door for the faulty Ninth Circuit Court decision in Ellis Fails, allowing union officials to establish their own internal dues rebate system to determine what portion of their forced union dues spent on nonbargaining purposes should be returned to dissident union members. Worse, the ninth circuit ruled that workers could be forced to pay for certain political, nonbargaining activities. By challenging this ruling before the Supreme Court, Ellis Fails against BRAC provides a unique opportunity to challenge unjust union rebate systems and to establish national criteria to limit the use of forced union dues for politics. Court precedent is clearly in the plaintiffs' favor.

However, even a profreedom decision in Ellis Fails against BRAC will not relieve union members of the staggering financial burden they encounter when they decide to challenge the massive legal machinery of big labor unions to recover illegally spent compulsory union dues. Therefore, we must continue our efforts to correct this gross injustice of constitutional rights by outlawing compulsory union politics. I therefore commend the legislation, S. 1881, which my distinguished colleague from North Carolina, Senator Helms, has courageously introduced to achieve this purpose.

Mr. LAXALT. Mr. President, this legislation could not have come at a better time.

As we enter the 1984 election year, the injustice of the use of compulsory union dues for political purposes will be played out before us. Once again, American workers will be forced to contribute to political candidates chosen by their unions.

Today there is much talk of campaign finance reform. The campaign contributions of special interest groups are widely publicized, and several bills to limit their spending have been introduced in this Congress. Most of these groups, however, obtain their money from voluntary contributions.

This is not true in the case of labor unions. While the Federal Election Campaign Act appears to prohibit the use of compulsory union dues for support of political candidates, the act actually allows money from union dues to be spent on behalf of a candidate for public office. The dues finance partisan get-out-the-vote drives as well as the operation of union PACS.

This loophole makes a mockery of FECA. Moreover, it violates the first amendment rights of American workers. In many industries, a worker must join a union and pay union dues to remain employed. An employee who wants to keep his job must, in effect, financially support political candidates the union chooses.

All of us—whatever our politics—must join together to stop this victimization of the American worker. How any American chooses to vote is his own business. If he chooses to vote Democrat, he should not be required to subsidize Republican campaigns—or vice versa. If he supports one candidate in a primary, he should not be required to contribute to another.

As elected representatives, we must defend the constitutional rights of our constituents. I urge that a vote on S. 1881 be scheduled in the near future.

Mr. GOLDWATER. At this point I would like to remind my colleagues

that the dramatic court breakthroughs of recent years against compulsory union politics have by no means ended the battle to secure for all American citizens the right to support or oppose political causes of their own choosing. Until Congress acts to bring its Federal election and labor laws in line with these court rulings, abuses will continue.

The National Labor Relations Act empowers union officials in 30 States to secure compulsory unionism contracts with employers which require workers to pay money to the union in order to keep their jobs. Of all private organizations in this country, only unions have this unique power. Union officials collect about 3 billion dollars a year from individuals who must pay up or be fired.

Ostensibly collected to pay for the costs of securing the alleged benefits of union bargaining representation, massive chunks of this forced dues bonanza are laundered through "in-kind," indirect expenditures, into the pet political causes of union officials. In Beck against Communication Workers of America, a special court master found that 79 percent of compulsory union dues collected by the CWA-union was spent on political nonbargaining purposes by the union hierarchy. Big labor is aided and abetted in this rip-off of constitutional rights by a gaping loophole in the Federal Election Campaign Act.

The Federal Election Campaign Act, as amended in 1976, prohibits the use of compulsory union dues for direct cash contributions to candidates. This appears to restrict the use of compulsory dues for political purposes. However, union officials are allowed to expend an unlimited amount of money and manpower on political campaigns, providing their political pitches take the form of "in-kind" political services such as mass mailings, round-the-clock phone banks, precinct visits, and other kinds of indirect support for political candidates. All of these operations are financed directly from union treasuries consisting of compulsory union dues—not from the political action committees, which are financed by voluntary contributions.

Most of this "in-kind" spending is not documented or reported to the Federal Election Commission for the public to examine. For example, the FEC reports for 1982 indicate that big labor spent two million dollars on "in-kind" spending during the elections. An article in the Richmond Times-Dispatch of October 30, 1983, quotes several political analysts who say that figure grossly understates big labor's "in-kind" spending for 1982.

The article, entitled "Legal Loophole, Union Support Worth Millions to Mondale Bid," cites a provision of the FECA, under which union officials must report in-kind expenditures of more than $2,000 to the Federal Election Commission. The law is reassuring on the surface, but in actuality allows union officials to launder millions of dollars in compulsory dues cash into behind-the-scenes, unreported political operations. Herbert Alexander, political finance expert at the University of Southern California, aptly stated, "People shrug their shoulders and laugh, and say as soon as you get to $1,800 you shut that program off and start another." Michael Malbin, an expert in political finance at the American Enterprise Institute, estimates that the recent AFL-CIO endorsement of Walter Mondale is worth $10 million to $12 million. Campaign aides to one Democratic candidate have stated to the press that the endorsement may be worth as much as $20 million.

The New York Times of November 8, 1983, gives us some insight into why the pricetag for compulsory union politics is so high. A news story entitled "At the AFL-CIO, Blue Notebooks for Mondale," describes the transformation of dozens of paid AFL-CIO organizers and professional staff members into full-time political operatives working in behalf of Walter Mondale's Presidential campaign. Blue notebooks, containing plans for a meticulous campaign organization involving thousands of precinct captains, hundreds of seasoned union activists, telephone banks, and computer mailings were passed out by COPE director John Perkins to the selected AFL-CIO employees at a series of political workshops and strategy sessions in Washington, D.C. The Times described the game plan as a "* * * dazzling blend of grass-roots and high-tech campaigning * * *" Much of this, of course, will be funded through the compulsory contributions of the millions of union members who support candidates other than Mr. Mondale.

Mr. President, the main issue at stake here is that of individual freedom. It is a question of whether any citizen should have his earnings forceably taken from him and spent by a private organization—a union—in ways not to his liking. The selfish motives of even the most powerful of special interest groups should not take precedence over the rightful prerogatives of every individual American.

DONALD M. MURTHA

Mr. BURDICK. Mr. President, North Dakota is proud to honor one of her illustrious sons, Donald M. Murtha. Born in Minnesota, Don's family thereafter moved to Dickinson, N. Dak., where he lived for the next 34 years. He was then called away for a distinguished career as an attorney with the U.S. Department of Labor and as a private practitioner representing trade unions.

The Murtha name has graced the legal fraternity in Dickinson for many years. Both Don's father, Thomas Murtha, Sr., and brother, Thomas, Jr., are also fondly remembered for their distinguished legal careers. Thomas, Sr.'s long and successful trial practice in Dickinson, which included a tenure in the State legislature, was continued by his sons. When Donald's brother was elected as the assistant state attorney for Stark County in 1938, the brothers set up offices in Dickinson as the firm of Murtha & Murtha, which continues to this day.

Always active politically, in 1932 Don organized and served as President of the State's Young Democratic Club. His chief adversary was newspaper woman Miriam Taylor, president of the State Young Republicans and a delegate to the Republican National Convention. Don dealt the Republican Party a grievous blow while demonstrating his own powers of persuasion by convincing Ms. Taylor to forsake the Republican Party. Donald and Miriam were married in 1939. The merger of the Democratic and Republican Parties produced four sons and two grandchildren.

Between 1934 and 1939, Don served as the Assistant U.S. District Attorney for North Dakota. While in that office, he conducted a widely heralded investigation to combat political corruption.

Between 1939 and 1952, Don served with the U.S. Department of Labor. During World War II and in the postwar recovery period, he used his considerable legal skills and talent in administering important New Deal labor protective laws including the child labor laws, the Fair Labor Standards Act, and the Davis-Bacon Act.

In 1941, while serving as the Labor Department's regional attorney in Minneapolis, Donald secured the first maximum fine of $10,000 for a Fair Labor Standards Act violation. During the war years, Don and Miriam moved to New York, where Don served as chief of the Wage and Hour Division of the Solicitor's Office. From 1945 to 1953, he served as the Assistant Solicitor of Labor. One of Don's most important accomplishments in this period was to extend the administration of the Fair Labor Standards Act to Puerto Rico and the Virgin Islands, thereby attacking the sweatshop conditions which had existed in those territories.

From 1953 until his recent retirement, Don practiced law in Washington, D.C. For many of those years, he was asssociated with Herbert L. Thatcher and diligently represented the trade union movement at a time when the labor bar was few in number. Also during this time, in addition to

her career as wife and mother, Miriam served as the editor for the publications of the Washington International Center.

In 1970, Don was appointed general counsel of the United Federation of Postal Clerks. It was at this time that labor relations in the Postal Service were undergoing a profound change. As the old Post Office Department moved to its status as an independent agency with a new name—the U.S. Postal Service—Don participated in the drafting of the Postal Reorganization Act, which granted employees in the postal industry important collective bargaining rights for the first time. That transition was marked by the postal strike of 1970. It is a measure of Don's legal acumen and practical and pragmatic nature that the postal strike was successfully concluded. In large part as a result of Don's leadership during that period, labor relations within the Postal Service have achieved a maturity and sophistication equal to that anywhere in private industry.

In 1971, Don oversaw the legal aspects of the merger in the Postal Service between the clerk, maintenance, motor vehicle and special delivery crafts, and the National Postal Union into the present American Postal Workers' Union. During the 1970's, he represented postal workers in litigation against the U.S. Postal Service for violations of the Federal Salary Comparability Act and the Fair Labor Standards Act which eventually resulted in multimillion-dollar settlements for 800,000 present and former postal employees. These were the largest settlements ever obtained under Federal wage and hour laws. It is fitting that Don's legal career culminated with these important victories protecting employee rights under the same Fair Labor Standards Act which he had administered in its infancy, thirty years earlier in the Department of Labor.

Don's long career stands as a testament to his perseverance in the service of the working men and women of this country. The passage of such labor protective laws as the Fair Labor Standards Act and the Davis-Bacon Act are the lasting legacy of the New Deal and continue to protect the workers of our Nation to this day. It was committed enforcement and administration by dedicated public servants like Donald Murtha who breathed life into these protective laws at their birth. His long career as a trade union lawyer since those early days has contributed greatly to ensuring that the protections won by American workers during the New Deal have not been lost but, indeed, have been enhanced.

For their many years of service and contributions to their fellow citizens, North Dakota proudly salutes Donald and Miriam Murtha.

NATURAL GAS

Mr. PERCY. Mr. President, although I, like many of my colleagues, had hoped that we could have come up with a compromise on natural gas by now, I am pleased that on at least one issue of paramount concern to Illinois, the Senate has moved toward a consensus. There are now major compromise natural gas proposals on the table that declare that shipments of imported Algerian liquefied natural gas (LNG) coming into Illinois and other parts of the Midwest must be suspended within 10 days. Earlier this year, I introduced a bill, S. 1882, to accomplish this. I am pleased that the thrust of my bill has been included in the compromise proposals under review.

While there are still some details that must be resolved, it is clear that an LNG suspension would save Midwestern gas consumers between $300 to $400 million a year. For customers of Central Illinois Power Service (CIPS) and Central Illinois Light Co. (CILCO), this would mean an 8- to 11-percent reduction in the cost of their gas. This could mean, for example, $50 to $80 in annual savings for CILCO's residential consumers, and $200,000 in savings per month for a typical industrial customer. For customers of Illinois Power, this would mean about a 2-percent reduction in the cost of gas.

It is true that the Senate will adjourn without taking action on the LNG issue because of the controversies surrounding a broader natural gas bill, but the signal should be clear to everyone that Congress has made its views known clearly and broadly on this issue. If action is not taken to solve the LNG problem before Congress reconvenes in January, we will solve this problem once and for all by statute. Every month that Illinois consumers have to pay for this gas is 1 month too many.

I have been fighting long and hard to resolve the LNG problem. Over a year ago, before deliveries of this high-priced Algerian LNG began, I intervened in regulatory proceedings before the Department of Energy and the Federal Energy Regulatory Commission (FERC) in an effort to stop it from coming into Illinois. My copetitioners and I were successful in postponing a passthrough of these costs to Illinois consumers during the cold winter months. In March, however, consumers in the Midwest began paying for this exorbitantly priced gas. Yet despite the awareness by virtually everyone involved that this gas is vastly overpriced in today's market, the Department of Energy and the FERC have so far not provided any real relief to hardpressed consumers.

In the past, Sonatrach, the Algerian oil and gas company, and other of our gas trading partners have not hesitated in pressing for higher gas prices during tight markets. Now that markets are soft, it is only fair—and in the interest of our long-term trade relations—that prices come down to a more reasonable level or that other actions be taken to reduce the current problems associated with this high-priced gas. I have personally raised this concern to Ambassador Yaker and other representatives of the Algerian Government. At my request, the LNG issue was a primary agenda item for the Vice President's recent visit to Algeria. This Monday, Energy Secretary Hodel will be in Algiers to discuss the issue further.

Reflecting the deep concerns this LNG has generated throughout the Midwest, 11 of my colleagues joined me in cosponsoring a bill to suspend the license to import it. They, like myself, feel that the consumers of Illinois, Indiana, Ohio, Michigan, Missouri, and Kansas should no longer have to pay exorbitant prices for Algerian LNG.

With this LNG suspension bill being incorporated in large part into the major compromises that have been offered in the Senate over the last few days, one key question remains: What should be done with the close to $1 billion in capital costs incurred by Panhandle and its partners? My bill, as incorporated by the Danforth and Bradley compromise proposals, would leave it to the FERC, under existing law, to determine which costs should be reimbursed for facilities within its jurisdiction. That would satisfy the reasonable expectations of all parties to the contract, at the time the contract was signed, as to what reimbursement would be provided if shipments were ever suspended. In my view, this recovery is necessary to maintain the financial community's confidence in long-term energy supply projects.

However, this does not mean, as some have suggested, that we should leave the door wide open for the total recovery of all costs associated with this project, especially costs incurred in the construction of LNG ships. The shippers took a risk when they entered this project. They accepted that risk because of the very high rate of return they anticipated. They could have bought insurance to hedge against this risk, but they did not. If they made a risky investment expecting large profits and that decision turned out badly, Panhandle and their partners should not now expect consumers in Illinois and other Midwestern States to pick up the tab for these ships.

With a consensus emerging that LNG shipments should be suspended, Congress must now carefully consider the cost recovery issue. We have to take into consideration the need to encourage investments in cost-effective energy facilities, while protecting the

interests of consumers who should not be made to pay for others' mistakes.

The Congress still has work to do on natural gas. I hope that the Bradley and Danforth compromise amendments I cosponsored will, early in next year's session, form the basis for final legislation to bring an end to ever-rising gas costs, while protecting the Nation from the effects of further gas shortages.

THE BICENTENNIAL EVACUATION DAY

Mr. MOYNIHAN. Mr. President, I rise today to call to the attention of my colleagues an event in our Nation's history far too often overlooked—the day the British evacuated the city of New York in 1783.

In many ways, November 25, 1783, can be described as the last day of the American Revolution and the first day our Nation truly was free and independent of England. For on that day, known as "Evacuation Day," the last of the British troops left New York and American soil.

We approach the Bicentennial of this day when Gen. George Washington entered the city of New York and liberated it from 7 years of British occupation. I should simply urge my colleagues to remember this date, to remember that freedom is something for which we fought long and hard. The signing of the Declaration of Independence was but a start on a long road which did not end until that November 25, in 1783.

I extend my personal congratulations to the people of New York as they mark this grand day in the history of their city and Nation.

U.S. FISH HARVESTERS FACE ECONOMIC PROBLEM

Mr. MITCHELL. Mr. President. the end-of-session inability of the Senate to reach the reconciliation bill has created a potentially serious economic problem for all U.S. harvesters of fish.

Under current law, on January 31, 1984, owner-operators of small commercial fishing vessels will be forced, for the first time since 1981, to file forms and begin paying unemployment taxes for their crew as though their crewmembers were employees, which they are not.

The change in the unemployment tax in 1981, which made it conform to social security and withholding tax laws, failed to carry forward beyond 1982 the exemption for small vessel owner-operators. That exemption was based on the straightforward fact that crewmembers who are paid a share of the catch are in no sense employees of the owner on the vessel on which they work. We successfully provided a temporary exemption for 1982 which recognized that fact, but our failure to reach the deficit reduction bill this year means that the temporary exemption for 1982 does not apply for 1983.

I have therefore joined Senator PACKWOOD and other Members of the Senate in writing to Treasury Secretary Regan to request that he grant an extension of the filing date and the tax payment time for owner-operators now eligible for the exemption until the second session of this Congress reconvenes and has the time to consider extending the exemption.

It is clear that the Congress has spoken favorably on this issue before. The Senate Finance Committee had included a 2-year extension of this tax law in its deficit reduction package, signaling a strong willingness to continue this tax policy. But for the time limitations placed on the Senate, the exemption would in all likelihood have been approved in some form. An end-of-session scheduling problem in the U.S. Senate should not create a serious economic hardship for the fishermen of Maine, Oregon, or any other State. I hope Secretary Regan will act promptly on this request.

I ask that the text of our letter be reproduced at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., November 18, 1983.

Hon. DONALD T. REGAN,
Secretary, Department of the Treasury, Washington, D.C.

DEAR MR. SECRETARY: We write to you concerning a matter of great importance to U.S. harvesters of fish.

Prior to 1981, fishing vessels under 10 net tons were exempt from the federal unemployment tax. Fishing vessels 10 net tons and over had to pay the tax. In 1981, the federal law for unemployment tax was changed to conform with the federal social security and withholding tax laws. Fishing vessels normally operating with a crew of less than 10, regardless of size, in which the crew receives a share of the catch as their only pay, became exempt from the federal unemployment tax. All fishing vessels taking 10 or more crew members had to pay the tax in 1981. In 1982 the federal unemployment tax exemption was extended to December 31, 1982.

Legislation is pending in both the House and the Senate which would extend and make permanent the exemption which was in effect for taxable years 1981 and 1982.

A two year extension of the exemption was included in Senator Dole's deficit reduction package on which so much work was devoted this week. Despite the hard work of numerous fishing state supporters of this extension, it will not be possible to get an extension to the President prior to adjournment of the First Session.

As the law currently stands, the federal unemployment law reverts back to pre-1981 status, when tax liability was determined by size of vessel. Vessels 10 net tons and over will have to pay the federal unemployment tax on crew shares paid to each individual crew member.

In our judgment, it is essential that the exemption which existed for taxable years 1981 and 1982 be extended to cover taxable years 1983 and subsequent years. We intend to press for prompt Congressional consideration of such an extension immediately upon the reconvening of the Congress in January. Our problem is that fishing vessel owner/operators, pursuant to IRS regulations, must file IRS Form 940 by January 31, 1984 (for the 1983 taxable year). This filing and collection deadline will not provide a Congress which reconvenes on January 23 with sufficient time to act on extending the FUTA exemption.

We therefore respectfully request that you grant an extension of the time to pay the tax and an extension of the time to file Form 940. These extensions need only apply to those commercial fishing vessel owner/operators who would have been eligible had the exemption which existed in 1981 and 1982 been continued.

Thank you for your consideration of this request.

With highest regards.

Sincerely,

BOB PACKWOOD,
GEORGE J. MITCHELL,
LAWTON CHILES,
CLAIBORNE PELL,
Members of the Senate.

JERRY E. STUDDS,
SOLOMON P. ORTIZ,
DON YOUNG,
JOHN BREAUX,
DON BONKER,
KENT HANCE,
BILL CHAPPELL,
DON FUQUA,
Members of the House.

WHAT TO DO ABOUT AMERICA'S SCHOOLS

Mr. HATCH. Mr. President, the recent report of the National Commission on Excellence in Education has triggered an important national debate on the direction in which American education ought to be headed. I am pleased that this report, A Nation at Risk, has generated a great deal of innovative discussion on this critical issue. In particular, I would like to call to the attention of my colleagues an extremely thought-provoking article on the subject appearing recently in Fortune magazine. While I do not necessarily agree with each of the prescriptions in this analysis, I do believe that it makes a highly valuable contribution to the education debate now taking place in our country. The article is entitled "What To Do About America's Schools" by Peter Brimelow. I highly commend this article to my colleagues. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Fortune, Sept. 19, 1983]

WHAT TO DO ABOUT AMERICA'S SCHOOLS

(Peter Brimelow)

So Americans are in an uproar about their public schools and their mandarin elite of

professional educators—again. This time there is cause for cheer in that the uproar was touched off by the mandarins themselves, who warned last spring in "*A Nation at Risk*," the report of the National Commission on Excellence in Education, that schools were a main cause of the decline in America's industrial might. But in the end the drive for reform could easily fail, as did the similar post-Sputnik furor in the late 1950s. It doesn't address the systemic cause of U.S. education's inefficiency: monopoly.

Most Americans take the public-school monopoly for granted. But propaganda to the contrary, public schools did not cross the Delaware with George Washington (who was tutored at home). Education is not mentioned in the Constitution. Until 1835, there was practically no public schooling apart from some pockets in New England, yet according to Samuel L. Blumenfeld's brilliant revisionist history *Is Public Education Necessary?* literacy was probably higher than it is now. Despite intense effort and a kaleidoscopic variety of rationales, public educators did not secure general federal aid until 1965, when it was presented as an antipoverty measure. The large, comprehensive high school, now universal, has been the norm for only 25 years. It has never worked well. The public schools' melting-pot role was probably always exaggerated, even before their recent official espousal of bilingualism. Many immigrants went through parochial schools. Current figures even seem to show that private schools are more integrated socially and racially than public schools.

Yet the only radical proposal on the agenda is the Reagan Administration's modest plan to strengthen private schools. Reagan will be attempting to get a tuition tax credit bill enacted once Congress reconvenes. Without some such measure to stimulate competition, the next education crisis may be on FORTUNE's cover about 2010.

Educators complain about media exaggeration, but it is hard to have much sympathy with them given their own record, unbroken until recently, of truculent complacency. The steady decline in Scholastic Aptitude Test scores from 1963 to 1981 (see chart, page 62) occurred in the face of relentless inflation in the grades that schools were handing out. When the discrepancy became too embarrassing, the National Education Association, the largest teachers' union, simply called for the abolition of all standardized testing. The NEA is still having trouble focusing on the SAT decline. Asked about it recently, President Mary Futrell pointed to an increasing percentage of students completing high school and a higher proportion of minorities taking the test. Both these developments have historically meant lower scores. But high schools have been graduating a stable 75 percent of each class since 1960; the proportion of blacks, who have consistently averaged about 25 percent below whites on the SAT, has been fairly stable in recent years; and white scores have been declining independently anyway. There has been a sharp drop in the numbers of high-achieving students: for example, in 1972, 1.7 percent and 3.5 percent of test takers scored above 700 on the verbal and mathematical SAT respectively; in 1982, 0.8 percent and 2.9 percent. Moreover, the SAT has understated the deterioration. In a check on itself, the Educational Testing Service, which administers the SATs, included 1963 and 1973 test questions in some of its 1976 tests. After studying the results, an advisory panel reached the little-publicized conclusion that the tests had become easier over the years; the students had scored at a level as much as ten points higher on the 1973 questions than they did on those from 1963. Another study is currently attempting to determine whether the trend toward easier questions has been halted.

The educational entropy reported by SAT is confirmed by other sources, such as the more complex National Assessment of Educational Progress, a monitoring program required by Congress and based on uniform, nationwide testing of 9-, 13-, and 17-year-olds. The results—which are reported only by region and so can't be used to inconvenience and annoy local educators by revealing how a particular state or school district is doing—show ten years of general decline except for students in the earliest grades. And the recent gains in the early grades seem to be lost in later years. Some arresting facts cited in *A Nation at Risk:* the U.S. Navy says that one-quarter of its recruits cannot read at ninth-grade level, the minimum needed to understand written safety instructions. About 13 percent of all 17-year-old students, and perhaps 40 percent of minority youth, are functionally illiterate.

OK, you've heard this before. Now listen to the other shoe drop: the public school system's performance would have been disappointing even if educational standards had remained serenely stable. The reason: the school system's productivity keeps falling. Contemporary debate on education has the two-dimensional quality of the 1970's effort to conserve, restrain, exhort, and moralize America out of the energy crisis without any reference to price. This is not new. Way back in October 1958, now regarded as an eductional golden age, FORTUNE noted: "The concept of productivity—i.e., output in relation to input—is especially abhorrent to educators, possibly because most productivity figures tend to make the education 'industry' look bad." Corrected for inflation, annual current expenditure per pupil attending public schools had been the equivalent of $478 in 1929–30, was about $1,123 in 1958, and would become $2,670 by 1981–82. The rise over the past ten years can't be blamed on the teachers. After sharp salary gains in the 1960s, they lost ground in the 1970s (see chart on facing page) as they ran into declining enrollments, a consequent teacher glut, and local tax revolts. Teacher productivity, as measured by the number of pupils per teacher, fell steadily until 1970 and then stabilized at around 20 pupils per teacher. The problem in recent years has been a proliferating school bureaucracy. The number of pupils per administrator has dropped from 523 in 1949–50 to 295 in 1979–80. Teachers' salaries comprised 52.4 percent of current expenditures per pupil in 1959–60; by 1979–80 they were 38.8 percent.

Like rabbits confronted by a fox or normal people confronted by an economist, professional educators tend to bolt desperately in all directions on hearing these figures. They point out that the bureaucracy grew in order to cope with a torrent of federal forms and regulations. They say there is no way to measure educational output, which today includes such large tasks as integrating American society. But while it may indeed be uncouth to put a dollar value on education, that is the currency in which taxes are paid. Leaving quality questions aside, public school productivity, measured by the number of employees required to process a given number of students, seems to have declined by 46 percent between 1957 and 1979. Even the poor old steel industry managed to increase its output per worker-hour 36 percent during that same period. Overall business sector productivity rose 65 percent.

These numbers are pertinent because a fundamental assumption of A Nation at Risk is "the availability in this country of sufficient financial means to invest in education." Yet the U.S. spent 6.8 percent of its GNP on education in 1980–81 (or $200 billion), up from 3.4 percent in 1949–50 and more than any other nation in the world (though Japan is a fairly close second). Many of the reforms now being advocated, such as increasing the number of math and science courses and lengthening the school year, are covert demands for more input. The NEA estimates that implementing the recommendations of the National Commission on Excellence, which it favors, will cost an additional $23.1 billion a year. Democratic presidential contender Walter Mondale, whose brother is an NEA staffer, has already put forward some other ideas of his own, which he says will cost a mere $11 billion. Of course, more money is the answer only to the extent that current funds are being used effectively.

Educators are dimly aware they have a problem in this area. For example, the recent report of an education task force chaired by North Carolina Governor James Hunt does say vaguely that schools "improve management." But then it rushes on to demand "more money," albeit *"selectively invested* in efforts that promote quality." Typically, these selective investments are supposed simultaneously to bring out the best in gifted children and increase female and minority enrollment in math and science courses. No guidelines are offered as to what the marginal utility of a dollar spent in each of these activities might be, and which would most efficiently produce the "engineers and scientists" the task force wants.

Although education is the biggest business in the country, its operators do not regard it as a resource allocation problem for a reason that goes to the heart of the educational establishment. For over 60 years it has been dominated by variations on the theme of "progressive education," a movement usually associated with the philosopher John Dewey and originally conceived as a revolt against the rigid rote-learning methods of the Victorians. An elite movement, progressivism has always had political undertones. In his standard history of the subject, *The Transformation of the School*, Lawrence A. Cremin, president of Columbia University's Teachers College, calls this creed "the educational expression of American progressivism"—the early 20th-century middle-class movement that advocated regulation and reform. John Dewey helped found the American Federation of Teachers, for the telling reason that he thought teachers of the working class should participate in working-class institutions. In short, the prevailing orthodoxy in American pedagogy is umbilically connected with that section of the country's political culture that naturally thinks in terms of equity and social reform rather than economic efficiency.

The educational establishment has had long experience in dealing with revolts. A classic example was the public furor after the Sputnik launch in 1957, when authorities as diverse as Admiral Hyman Rickover and the Rockefeller Brothers Fund put out

books—urging "excellence" and improved scientific education—that could be reprinted today. Some of the Sputnik-era reforms, such as new math, were themselves reflections of the perennial progressive search for ways to finesse the distressingly unreconstructed grind of learning. Others included the move to larger school districts and comprehensive high schools advocated in a seminal 1959 report by former Harvard President James B. Conant. This recommendation was a happy justification in the language of managerial efficiency and national emergency of a trend already favored by professional educators. From 1931-32 to 1978-79 the number of school districts fell from 259,159 to 15,929, and as local districts became less local, the power of the educators was increased at the expense of the parents. The main result of the Sputnik crisis: more money was spent on education. But somehow the increased study of academic subjects never materialized, although there were transient improvements. Then came integration and President Johnson's Great Society. Educators were back in the social reform game again. The insurrection has been co-opted with chilling ease.

It is impossible not to see a similar process at work today in the sudden enthusiasm of the teachers' unions for reports about a crisis whose reality they have been continuously downplaying or denying for years. Ask NEA's Mary Futrell about extending the school year, and she immediately says with a sly smile that she's in favor of anything that means "more money for teachers." She is also taking advantage of the outcry over teachers who fail competency tests to push the NEA's proposal to have would-be teachers take more college courses on top of their School of Education requirements. This would of course tend to restrict entry into the profession. Observers like Larry Uzzell of the Washington-based education think tank Learn Inc. describes it as "blatant credentialism"; he would offset increased academic instruction for future teachers by cutting "nothing education courses." Albert Shanker, the formidable president of the AFT, regards the current public controversy as "the greatest opportunity to get more money into education for many years." He has in principle endorsed Tennessee Governor Lamar Alexander's "master teacher plan," which is so loosely drawn that 85% of the state's teachers may get raises. Shanker intends to use it to "take Tennessee away" from his larger rival, the NEA, which has flat-footedly opposed the merit pay idea on the ground that "teachers weren't consulted."

If this public clamor for better schools gets further than those in the past, it will be because of the intriguing and promising fact that the revolt has allies within the citadels of the establishment itself. Increasingly education's mandarins speak with different voices. Just as the triumph of Keynes in economics led to various post Keynesian sects, the dominance of progressivism produced countercurrents such as "essentialist" or "subject centered" learning. These educators have grown increasingly alarmed about declining standards, and their voice comes through in *A Nation at Risk*, which is full of biting references to a "cafeteria-style curriculum" and featherweight courses like one called "bachelor living."

Good schools aren't an especially elusive goal. The commission described them as places with high standards where students perform "on the boundary of individual ability." But the goal will be tough to achieve. From the botton to the top of the system, professional social reformers abound. They are more interested in equality than excellence. For example, while both the Hunt report and *A Nation at Risk* touched on the need to bring along gifted students, who are getting lost in the mass, much of the educational bureaucracy has been talking about a much-praised new book, *A Place Called School*, by John I. Goodlad, the former dean of the UCLA graduate school of education. According to an NEA spokesman, it describes "the way things are going to go." It contains a violent attack on the practice of "ability grouping," which it claims to prove makes no difference to the clever child. Only after wading through pages of egalitarian value judgment does the reader discover that this proof refers to the behavior of the teacher rather than the achievement of the child, which is not discussed. Goodlad's statistics also show that many high school students are preoccupied with "peer-group relations and personal perceptions of social relationships," a.k.a. sex. This suggests that segregation by sex might help learning, a particularly interesting thought because it would be that rarity in education, a simple top-down reform. Yet when asked if the topic is being researched, educators are as bewildered as if suddenly slapped in the face with a wet fish. It is just not part of what Shanker calls "the liberal agenda."

The war for the public school will be fought at the local level, where parents and back-to-basics educators find themselves in alliance with a conservative White House in emphasizing high standards. Secretary of Education Terrell H. Bell hopes the federal government can play a useful role through productivity research in such areas as using computers for math and language drill. He also hopes to get business leaders involved, noting that much of the $40 billion they now spend on job training is because "we"—the public schools—"are not doing our job." Business could help education, he says, by adopting and helping local schools and by recognizing "outstanding student accomplishment. I think business will help if the local school people will just ask them." The President, he adds, "is high on voluntary support from the privte sector."

Many of the reforms currently fashionable-lengthening the school day and the school year, competency tests for teachers and high school graduates—cannot be imposed federally. Some, such as stiffer discipline and more homework, can happen only in the classroom (and needn't cost money). Bell agrees that strong leadership at the state and local level is essential and adds that "the states haven't been doing a good job." Given the political axiom that an intensely concerned minority will always prevail over a mildly intrigued majority, the outlook for reform is ominous.

Considered in the context of public-choice theory, which applies economic analysis to nonmarket decisions, meliorative reform has little chance of success because it doesn't serve the interest of the educational bureaucracies: it is difficult if not dangerous to discipline the undisciplined, and extra homework has to be graded. Viewed in this way, the problems of education are immediately seen as the problems typical of any socialized monopoly. The public school system is the American version of Soviet agriculture, beyond held as currently organized because its incentive structure is all wrong. Symptoms include: the persistent tendency, already noted, to treat capital as a free good and all possible uses of it as equal; constant mismatching of supply and demand, so that a shortage like the current dearth of science teachers is inevitably followed by a glut; prices administered without regard to incentives, so that all teachers must be paid on the same scale; an absence of internal checks and balances to prevent wholesale imposition of officially favored enthusiasms, such as the rage in the 1970s for the look-and-say method of learning to read, and for "open classrooms," which were supposed to free students for creative pursuits but turned into dens of babble; a pervasive politicization, a search for panaceas, and inexorable growth.

Albert Shanker himself is well aware of this organizational pathology. He points to research showing that, although the average education student had an SAT score an incredible 40 points below the national average, superintendents hire the worst of each new crop of graduating teachers. "The brighter ones give more trouble," he explains.

The cure for the problems of a socialized monopoly is a good dose of competition. One way to accomplish this is the voucher system. From local authorities, parents could get an annual voucher for each child, worth whatever the school district was spending per pupil. The parents could spend the voucher by sending their child to any accredited school of their choice. Educators argue that a voucher system would destroy the public schools, and in their decrepit state it would doubtless destroy many of them as fast as new schools could spring up to compete for the voucher money. Presumably the new schools would need to hire displaced teachers from the old ones but might have ideas of their own about pay scales.

Despite its free-market inclination, the Reagan Administration has shown little appetite for taking on the teachers' unions by pushing vouchers. The Carter Administration abandoned some local experiments with vouchers, and Reagan has made no move to introduce new ones—Bell pleads a lack of funds. But the Administration has suggested that federal funds for educating various "disadvantaged" childen, could be more efficiently administered as a voucher scheme.

The Administration's secret weapon on the free-market front is the Tuition Tax Credit bill. This measure would allow parents to take a small annual tax credit—up to $300 per child—as partial reimbursement of money spent on the child's education in a private school. Presented solely as an equity measure to relieve those parents, mainly Catholic, who currently pay for their child's education twice, through school fees and taxes, it is in reality a radical structural reform, the only one in sight with the capacity to shape up the public-school monopoly. Canadian economist E. G. West, who has written extensively on U.S. education for two think tanks, the Pacific and Cato institutes, estimates that if 0.8% of students left the public school system, the resulting savings would pay for the measure; more transfers would cut government costs. Another Canadian economists, Stephen T. Easton of British Columbia's Simon Fraser University, reports that channeling government education subsidies directly to private schools in that province has resulted in an unexpected blossoming of teachers declaring independence to start their own schools.

If meliorative reforms fail, the monopoly will gradually erode even without tuition tax credits. The private proportion of total U.S. school enrollments, although less than

in several other industrial democracies, is now edging up toward 12 percent. And according to John Holt, who publishes a newsletter called Growing Without Schooling out of Boston, some 30,000 children are now being educated by their parents at home. "If we don't improve the public schools, people will turn to the private schools," warns Albert Shanker. Aha! Doesn't this concede the argument that stronger private schools will keep the public sector honest? Changing fronts adroitly, Shanker instantly draws an ingenious distinction between the idea of competition, which he describes as stimulative, and the reality, which he argues would be destructive. But his debating skill does not quite cover the hole in his argument.

Public education has been a curious and anomalous experiment with socialism. Its problems will remain chronic until it is exposed to competition. That is a proposition businessmen can easily understand. If it happens, they will be among the chief beneficiaries as a better-educated work force renews America's industrial vigor.●

REGARDING PUBLIC BUILDINGS

Mr. SIMPSON. Mr. President, we are now coming to the close of another session and the holiday season is approaching. Just as predictably as Christmas follows Thanksgiving, the House Committee on Public Works and Transportation is up to its old sneaky tricks to roll out the pork barrel before we even get the yule log torched.

In the past I have voiced my incredulity about the capers of the House Committee as they literally railroad through the Congress various public building projects for themselves or other favored Members, with no regard whatsoever for the taxpayers or for the merits of such projects. Hardball players all. But this time they have even outdone themselves in Machiavellian cunning and duplicity.

The House Committee has often utilized section 11-b of the Public Buildings Act of 1959 to force the executive branch to prepare and submit project documents for buildings near and dear to the bosoms of their members. Under the loophole of this section, by a simple resolution of the committee, it can force the administration to develop a building prospectus and submit it to the Congress even if it cannot be justified in terms of needs, plans, or the long-run program objectives of Government.

Once received by the committee, these 11-b's are treated just like bonafide projects which go through rigorous planning and review procedures in the GSA and the Office of Management and Budget. In this manner, the ill-conceived Redding, Calif., courthouse was developed a few years ago. I have had much to say about that fat piece of pork—calling for construction of a courthouse in a town where there is no judge. That's only part of the game played. Fortunately we have dutifully intered that baby.

This year the House Committee on Public Works and Transportation requested an 11-b project for a new courthouse in Newark, N.J.—I would guess in honor of their living chairman of the full committee. It is a building which in the national priorities of GSA is not even planned to begin until 1989. Not wanting to be outdone, the chairman of the Subcommittee on Public Buildings and Grounds, ROBERT YOUNG, added another 11-b project for his St. Louis district. The race is on. And all of this is disturbing, uncharacteristic of these two fine fellow Congressmen.

Recently, the committee received a piece of bad news that threatened to put a stop to their pork barrel antics. The Supreme Court declared "legislative vetoes" unconstitutional and the Justice Department ruled that section 11-b of the 1959 Act constitutes a form of legislative veto. That should please every taxpayer. With this new revelation that the committee no longer had a valid legal mechanism to coerce the executive branch to accede to their wishes, the committee resorted to the artful dodge of plain old extortion to get their pet projects funded.

Chairman HOWARD suddenly called an emergency meeting of the committee during the lunch hour last Thursday, November 10, for the purpose of deauthorizing two building projects which they had approved earlier this year and which are a part of the President's budget. Everyone knew that these choice targets were in the States of influential Senators, and everyone well knew, too, that the "flip side" of funding for these two budgeted projects was the funding for these two unauthorized projects in Newark and St. Louis. Never mind, thank you, that there was no description, justification, statement of need, or verified cost estimate for Newark or St. Louis. The knife was in. They offered no attempt to explain why the previously authorized projects were no longer justified and should be deauthorized on any substantive grounds. It was just a bald-faced "give and get" caper.

Emergency action was necessary because the funding bill was about to be debated in the Senate, and the Senate was to fall prey to the blackmail attempt. At 3:20 a.m. on Friday an amendment to the continuing resolution gave birth to the funds for Newark and St. Louis. Chairman HOWARD quickly called another emergency meeting of his committee on Friday. The Members then had a "change of heart," over a more digestable lunch presumably, and authorized the previously deauthorized projects and it also authorized—for the very first time—the Newark courthouse project for good measure.

Mr. President, such antics are unconscionable and should not be again condoned. I expect the House committee is proud as hell of its new found ability to control the public buildings program of the Government through this grubby wheeling and dealing. As long as they are allowed to authorize and deauthorize old projects at will in order to extort new projects they will surely never agree to reform the public buildings program as the Senate has worked to do for these past years.

It is ironic that, at the same hour the House committee was meeting in emergency session to manipulate the buildings program, the Senate debated and unanimously passed S. 452, the "Public Buildings Act of 1983." For 4 years—and tireless work by Chairman, STAFFORD, Senator RANDOLPH, Senator MOYNIHAN, and myself—the Senate has repeatedly passed this reform bill by ever increasing majorities only to have it fall on barren and stony ground in the House. There are staff members in the House who smile wryly as they read this. They think they will likely outwit and outwait us all. I do not.

Under this legislation, building projects would only be authorized by act of Congress—like most every other program of Government—instead of by resolutions of the Public Works Committees. It would also take an act of Congress to deauthorize. This would put an end to their high old fun and intrigue.

Incidentally, another of the many excellent reforms of this legislation is to repeal the Public Buildings Act of 1959, including the unconstitutional section 11-b that the House has used again and again with bloated and gleeful success over the years.

As far as this individual Senator is concerned, I think it high time to put the House on notice. The Senate will no longer allow the House to slip us the "Royal Order of the Green Weenie" and continue to deal with us unconscionably. Then, and only then, will they sit down at the table with the Senate and talk quite seriously about public buildings reform legislation. And, Mr. President, I assure you there will be another day for they must return their snouts to the trough before the Newark building can be constructed and before the St. Louis building can be renovated. While Chairman HOWARD requested $39 million for Newark, the conferees on the continuing resolution granted design funds only. I will be ready. It may even be more important to load the cannon for some of the senior staffers over there. They swing a scythe in a wider arc than any elected Congressman in either body. They are a wily, tough, moving, and bobbing target—but I think we can bag them yet. The taxpayers should hope so, too.

THE MILLENNIUM SOCIETY

Mr. PERCY. Mr. President, 3 days ago in Chicago a new organization dedicated to fostering international peace, tolerance, and understanding was announced. The Millennium Society intends to dedicate itself to examining some of the great issues facing mankind in the balance of this century and into the next century.

A millennium, of course, is a period of 1,000 years. In less than two decades we will be at the year 2000. It seems fitting and proper that interested citizens from around the world undertake efforts to foster an international effort to celebrate the millennium in a manner which encourages international understanding and peace.

I ask unanimous consent that the statement by the chairman of the board of the Millennium Society, Mr. Edward McNally, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS BY EDWARD E. MCNALLY, CHAIRMAN OF THE BOARD OF DIRECTORS, THE MILLENNIUM SOCIETY

In thinking about why we are here today I stopped by the Library of Congress last week to see what the New York Times had to say about the Turn of the Century in 1900. The headlines were strikingly familiar, so much so that many of them could have come out of the paper today. "Harlem Desperado Shoots Four Men." "Basketball Mob Nearly Kills Referee." "Secret Arsenal Found in Manila." "Uprising Feared in Korea." "Drifter Found Dead with 70,000 Dollars."

But I don't mean to make it sound like nothing has changed. Other headlines talked about "Statehood for Arizona" and "Smallpox in Brooklyn." On New Year's Eve 1899, crusading saloon wrecker Cary Nation was being held in a Wichita jail restricted under quarantine. The mayor of Bowling Green, Kentucky, was completely encased in ice when a water hose burst while fighting a City Hall fire. And I was especially relieved to read one New York headline declaring: "Kidnappers' Pony Identified."

On New Year's Eve 1899, President McKinley was in the White House and accused of interfering in Nicaragua. Teddy Roosevelt, Governor of New York, was holding court in Albany. In Peking the discharge of mighty guns to mark the Midnight hour created a scare, and Chinese troops were sent to discover whether the city had been attacked or whether it was a Boxer uprising. In Berlin the German Emperor attended a New Year's Eve service, and gave thanks for the blessings promised by the century about to begin. The world had yet to hear of young Adolph Hitler, who on that night seemed no different than any other eleven-year-old Austrian boy.

The news accounts of the day focused on the Turn of the Century, examining the hundred years gone by and looking ahead to the wonders that another hundred years would bring. The landmark anniversary we approach—New Year's Eve 1999—marks not only the Turn of the Century, but the Turn of the Millennium. It is fitting that we look not only on the past hundred years, but on the progress of humankind since the First Millennium ended some thousand years ago.

As the year 1000 C.E. approached, there was widespread fear among the people of the Old World that the twilight of the Millennium would mark the end of the world by some unseen force of heaven or nature. Christians believed that the Biblical revelations of St. John the Devine prophesied a fiery doom for the Millennium milepost.

After beginning with such gloomy forebodings, the Second Millennium has witnessed great strides for humankind. Agriculture, nutrition, and medicine made quantum leaps. Great institutions of learning, science, and public welfare were founded. Literacy and basic primary education became commonplace as the invention of movable type in the 1400's gave birth to the expanded sharing of ideas through newspapers, journals, and books of every description. It was Columbus' epic voyage that linked the hemispheres and, in the words of historian John Fiske, "mingled the two streams of human life which had flowed for countless ages apart." Thus the peoples of the Old and New Worlds discovered each other and became united in commerce and trade. There was a Renaissance, and at various times in various hands classic art forms flourished. New and sometimes timeless expression was found in music, architecture, theatre, dance, poetry, and later film. It was an age of discovery and exploration. Deserts were crossed, oceans probed, mountains temporarily conquered. Men walked on the moon. And in ever-increasing ways, science and technology were developed and harnessed to serve the needs of humankind.

But the unfinished history of the Second Millennium is also a history of famine and disease, of fear and abuse, of technology harnessed to build empires and subjugate—even exterminate—whole peoples. Man's inhumanity to man revealed its awful face in the endless conduct of wars waged at an ever-accelerating pace. Where in the Dark Ages wars were fought ponderously—by hand and on foot—by small numbers of men far removed from the scattered cities, war in the Twentieth Century grew to engulf the energies and populations of entire continents.

Nearly seventy years ago, a war broke out that was to cost the world the "flower of a generation." Named before we knew to number such global nightmares, the Great War—the War to End All Wars—was followed in twenty years time by an even larger conflagration. And World War II gave birth to atomic weaponry.

Now as the year 2000 C.E. approaches, there is again widespread fear that the twilight of the Millennium will mark the end of the world. Today that unseen force is spawned not by heaven or nature but by humankind itself. The scorching of the Earth by nuclear war would be the ultimate catastrophe, meaning not only the loss of a generation, but the destruction of all humankind. Without judging the mistakes of our forefathers, we realize we can never again afford their risk.

As one great leader, President Dwight D. Eisenhower, wrote:

"When we get to a point, as we one day will, that both sides know that in any outbreak of general hostilities, regardless of the element of surprise, destruction will be both reciprocal and complete, possibly we will have sense enough to meet at the conference table with the understanding that the era of armaments has ended and the human race must conform its actions to this truth or die."

Eisenhower's successor, John F. Kennedy, summed it up this way: "Total war makes no sense * * * in an age when the deadly poisons produced by a nuclear exchange would be carried by wind and water and soil and seed to the far corners of the globe and to generations yet unborn." This scenario was confirmed just last month by the release of an extraordinary study developed by over a hundred Soviet and American biologists, which described the pitch-dark, bone-chilling "nuclear winter" that would be brought on by the detonation of even less than half the megatonnage in the superpower arsenals.

We are told that many young people share a feeling of hopelessness about the future and don't believe they can have an influence on national and global issues. Dr. John Mack, a Harvard University psychiatrist, concluded on the basis of an extensive study that young people today "are deeply disturbed by the threat of nuclear war, have doubts about the future and their own survival." He concludes, "We may be raising a generation without hope."

We are here today to tell you that we reject this epithet. Not only do we have a vision of hope, but a commitment to share this vision with others, and a determination to make this vision a reality.

As we undertake our small part in the quest for enduring peace, we recognize that war has become obsolete as a means of deciding national differences. People everywhere in the world are beginning to know it, but governments don't know it yet. While we respect the sovereign equality of all countries and support their efforts to promote peace, it is also clear that government representatives are often inhibited by provincial mandates and intolerant national bias. Watching the U.N. proceedings earlier this fall, I thought of how fluently and ardently the representatives of each nation spoke up for their sides. But nobody spoke up for everybody, for that faceless, stateless body we are all part of called "humanity." If nations are not to wage war against fellow nations, they must come to better understand one another. We believe it is essential to promote informal friendly relations between nations and those young individuals who may one day be destined to lead nations.

While the young suffer a disproportionate share of the evil burden of war, only too rarely do we share in any role in the conduct or prevention of war. Yet we believe firmly in the energy, promise, and idealism of youth, and that—at least in part—the future will be what we endeavor to make of it. Acknowledging by our very name—the Millennium Society—that we are custodians of the Earth for but a fleeting moment in the vast reaches of Time, we believe that preventing war and its threat to the survival of humankind is the greatest challenge facing our generation today.

According, our founders, through incorporators assembled here today at the City of Chicago, have agreed to the present Articles of Incorporation, and do hereby establish an international charitable organization dedicated to peace to be known as the Millennium Society.

By bringing together young women and men of excellence from throughout the world—without distinction as to race, sex, language, or religion—we hope to help foster international fellowship and free and

open discourse between all peoples on an unofficial and non-governmental basis.

In the war-torn and divided world of today, it's ironic to note that some 200 million years ago the entire world was united in the single great continent called Pangaea. Long before humankind evolved, Pangaea began to break apart. By 150 million years B.C.E., the land had divided into two great continents, Laurasia, comprised of what is now North America, Europe, and northern Asia, and Gondwanaland, consisting of South America, Africa, Austrailia, and the Indian sub-continent.

The ancient division between Laurasia and Gondwanaland is evident today not so much in the separated land masses as in the tremendous economic and social disparity between the Northern and Southern hemispheres. We have seen that many of the people of the world live today much as their ancestors did when the First Millennium began. And we are determined to do our part to help develop a more equitable sharing of the world's resources.

THE MILLENNIUM SCHOLARSHIPS

In particular, the Millennium Society has been established to help pass the torch of peace on to ensuing generations. December 31, 1999 C.E., will mark the advent of the Millennium Scholarships. The Corporation will sponsor select Millennium Scholars—versatile and exceptional young women and men from all regions and pursuits showing great promise for leadership and with a demonstrated commitment to peace—to participate in a worldwide program of university-level educational exchange.

THE WORLD MILLENNIUM CHARITY BALL

The Society will also sponsor educational conferences, charitable fundraisers and other activities. You have already heard of our plans for an international gathering of diverse young leaders from all the continents of the world on New Year's Eve, 1999 C.E. We will gather at the Great Pyramid of Cheops at Giza, Egypt, to hail the dawn of the Third Millennium with a united demonstration for peace and celebration of the brotherhood of humankind.

By way of background, the idea that grew to become the Millennium Society began with a group of graduating Yale seniors in the spring of 1979. It was at Mory's, the traditional, 134 year old New Haven drinking club, that we made a pact to take up the pledge of friendship from O. Henry's classic short story, "After Twenty Years," and arrange a rendezvous in 20 years time. When we realized that meant the landmark year of 1999, it was clear a larger gesture was demanded.

The idea for a seminal Millennium gathering quickly outgrew the original group of college friends, and today the Society is led by an international Board of Directors comprised of select young leaders from Africa, Asia, Australia, Europe, and the Americas. Earlier this year the Millennium Society was incorporated as a nonprofit corporation with representatives in some 31 nations.

In 1980 we began the search for the quintessential location to hold the epochal event. After considering Stonehenge, the mysterious circle of stones in England, and Machu Picchu, the lost city of the Incas in the Andes, the Society declared a unanimous choice: The Great Pyramid of Cheops at Giza, Egypt.

Ceasar stood there, so did Napoleon. It is the sole survivor of what the Roman knew as "De Septum Orbis Spectaculis"—the Seven Wonders of the World. Standing in the desert at the crossroads of the three great continents of the Old World, it is the most timeless location on Earth, a symbol of civilized man's earliest dreams.

We have also arranged with the Cunard Line to charter the renowned ocean liner RMS Queen Elizabeth 2 beginning December 21, 1999. Some 1,750 young world leaders will embark from New York City aboard the QE2 for a "floating United Nations"—a conference on international peace—during the ten day voyage to Alexandria, Egypt.

In sixteen years you will find us with our hair a bit grayer, perhaps a bit less spring in our walk. Some of us here today will no doubt be missing from that gathering. But you will not find us with any less hope or idealism, or confidence in the ultimate triumph of humankind. For there are thousands of young minds in all the lands of the world who yearn for the spirit of cooperation and peace, and who are willing to work for it. These are the young friends we seek.

And so let us lend our voices to the words of William Faulkner, who declared in his acceptance speech before the Nobel Prize Committee:

"I believe that mankind will not merely endure: He will prevail."

ON FINAL PASSAGE OF S. 452, THE PUBLIC BUILDINGS ACT OF 1983

Mr. SIMPSON. Mr. President, when this Senator was but an unfamiliar and awed freshman in these hallowed halls, I was approached by a Senate staffer who thrust a prospectus for construction of a new Federal building under my snoot and urgently demanded my signature. I wanted to better understand that curious method of legislating which would approve new construction projects by merely having Senators "sign off" on the prospectus. I requested a meeting of the Environment and Public Works Committee to discuss this means of authorizing construction of multimillion-dollar Federal buildings. Then chairman of the committee, JENNINGS RANDOLPH, was swift to grant it. He has always been most accommodating and kind to me. I later learned that this process was known as "11-b."

Section 11-b refers to a section of the Public Buildings Act of 1959 which authorizes either the Committee on Public Works of the Senate or the House of Representatives to, by resolution, instruct the General Services Administration (GSA) to "study and report" to Congress on the need for a Federal building in a designated area.

Further, it states that the GSA shall make this report to Congress within a "reasonable" time and that the report shall contain all other information required to be included in any prospectus of the proposed public building project.

Section 11-(b) is a trap and a travesty for the taxpayer—let me provide book, page, and hymn number.

On February 26, 1982, the GSA submitted to Congress one of those odious 11(b) reports which had been ordered up by the House Public Buildings Subcommittee. They are a tough lot over there—and the staff plays a nastier game of hardball than do the Members. The subcommittee recommended construction of a Federal office building in Chicago at an estimated cost of $92 million. Representative John G. Fary, from the fifth district of Illinois, was then chairman of the House Subcommitte on Buildings and Grounds of the Committee of Public Works and Transportation.

Here I then share with you a brief chronology of the events surrounding this dazzling and extraordinary project. The House had first requested the 11-b report on the Chicago project in August 1981. The prospectus alluded to a question of whether the building was even necessary, and stated that the project was not on GSA's list of project priorities over the next 5 years, suggesting then that "GSA will reassess the need for the project before awarding any construction grants."

On February 18, 1983, the House committee announced a hearing in Chicago concerning public building needs. On Friday, February 26, the GSA submitted an 11-b report to OMB which recommended construction of the Federal office building in Chicago at a cost of $92 million. On that same day, GSA hand delivered the 11-b to the Senate and House committees. On Monday, March 1, the House committee conducted hearings in Chicago, chaired by none other than the redoubtable Representative Fary, chairman of the Subcommittee on Buildings and Grounds, right there in his own district. There was an obvious rush to hurry this gem along because the Democratic primary elections were to be held in Chicago on March 16. Unfortunately or fortunately—pick one—Congressman Fary was defeated—yet, the House continued to press the Senate Committee on Environment and Public Works for their recommendation on this plum or turkey—pick one—for Representative Fary.

No opportunity was ever provided for OMB or the administration to comment before the Chicago building proposal was submitted to Congress. This is the usual case for 11-b reports. They are wretched and mindless excesses of self-serving politicos.

S. 452, the Public Buildings Act of 1983, and its predecessors, S. 533, the act of 1981 which passed the Senate by a vote of 93 to 0, and S. 2080, the act of 1980 which passed just as overwhelmingly, all seek to repeal this 11-b process. But it would appear that 11-b's are highly addictive and habit forming to certain persons—mostly staffers who are long of tooth and short of tact—in the other body and so S. 533, the act of 1981, was dead in the

water even before the conference on the bill began.

Additionally, I have now recently learned that the Office of Legal Counsel of the U.S. Department of Justice has determined to include section 11-b in its compilation of statutes that contain legislative veto devices that are prohibited by the case of INS against Chadha. Requiring the Administrator of GSA to make particular investigations or to begin construction of any particular building by one commitee of either House of the Congress is clearly outside the plenary legislative process. The decision in INS against Chadha states that such actions can be accomplished only:

In conformity with the express procedures of the Constitution's prescription for legislative action: Passage by a majority of both Houses and presentment to the President.

Perhaps this new ruling will have some rarified influence over some of the known offenders in the other body. Many of my House peers—on both sides of the aisle—are as fed up as I am with the current process. It is a pickpocket approach that galls any thoughtful legislator.

The Senate has overwhelmingly passed this measure on two previous occasions, but we have always been unable to come to an agreement in conference. Can one see why? The 11-b's are always the primary sticking point in these conferences.

I urge my colleagues to support passage of S. 452, the Public Buildings Act of 1983. It has been 34 years since the last act. And as to acts, it is time to clean up this one—and call a halt to these various plums and blobs of brick and mortar which are produced in Congress with a rapidity that surprises even the toughest and wiliest of politicians.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 9:47 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2906) to amend the Arms Control and Disarmament Act in order to extend the authorization for appropriations.

The message also announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 111. Joint resolution expressing the sense of the Congress with respect to international efforts to further a revolution in child health.

The message further announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 76. Concurrent resolution to congratulate Lech Walesa, leader of the independent Polish trade union Solidarity, on being awarded the 1983 Nobel Peace Prize.

The message also announced that the House has passed the following bill and joint resolution, in which it requests the concurence of the Senate:

H.R. 4456. An act to extend the authorities under the Export Administration Act of 1979, and for other purposes; and

H.J. Res. 279. Joint resolution expressing the sense of the Congress regarding the reduction of emigration from the Soviet Union.

The message further announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 63. A concurrent resolution expressing the sense of the Congress concerning the compliance by the Soviet Union with certain international agreements on human rights;

H. Con. Res. 111. A concurrent resolution to commemorate the Ukrainian famine of 1933;

H. Con. Res. 177. A concurrent resolution expressing the sense of the Congress that the Soviet Union should allow pianist Vladimir Feltsman freedom to travel with his family to the United States to perform;

H. Con. Res. 194. A concurrent resolution expressing support for the sovereignty, territorial integrity, and economic development of the Republic of Costa Rica and for the survival of Costa Rica's democratic institutions;

H. Con. Res. 196. A concurrent resolution calling upon the President to study the advisability and practicality of a collaborative people-to-people program between the United States and Mexico;

H. Con. Res. 197. A concurrent resolution expressing support for the agreement on a framework for negotiating a peaceful settlement to the conflict and turmoil in Central America which was reached by Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua as a result of the initiative of the Contadora group; and

H. Con. Res. 213. A concurrent resolution expressing the sense of the Congress in support of the return to democratically elected Government in Argentina.

At 11:21 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2915) to authorize appropriations for fiscal years 1984 and 1985 for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, the Inter-American Foundation, and the Asia Foundation, to establish the National Endowment for Democracy, and for other purposes.

At 4:19 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4185) making appropriations for the Department of Defense for the fiscal year ending September 30, 1984, and for other purposes; it recedes from its disagreement to the amendments of the Senate numbered 3, 5, 64, 75, 91, 92, 101, 107, 111, 112, 130, 133, 134, 138, 141, 142, 143, 149, 151, 152, 153, 156, 157, 158, 161, 163, 169, 172, 173, 176, 179, 180, 183, 184, 185, 186, 205, and 207 to the bill, and agrees thereto, and it recedes from its disagreement to the amendments of the Senate to the bill numbered 1, 2, 4, 6, 65, 69, 71, 72, 80, 85, 86, 103, 125, 137, 145, 146, 167, 168, 178, 181, 191, 192, 193, 194, 196, 197, 198, 199, 200, 201, 202, 203, 206, 208, and 211 to the bill, and agree thereto, each with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following joint resolution, without amendment:

S. 1046. An act to clarify the applicability of a provision of law regarding risk retention.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2350. An act to amend the Public Health Service Act to revise and extend the authorities under that act relating to the National Institutes of Health and the National Research Institutes, and for other purposes.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 100. Concurrent resolution calling upon the Union of Soviet Socialist Republics to end the current repressive policies of forced labor and expressing the sense of the Congress that the exploitation of workers in forced-labor camps by the Union of Soviet Socialist Republics is morally reprehensible.

At 5:39 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2968) to authorize appropriations for fiscal year 1984 for intelligence and intelligence-related activities of the U.S. Government, for intelligence community staff, for the Central Intelligence Agency retirement and disability system, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3385) to provide equity to cotton producers under the payment-in-kind program.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 308) increasing the statutory limit on the public debt.

The message also announced that the House agrees to the amendment of the Senate to the amendment of the House to the amendment of the Senate numbered 11 to the bill (H.R. 3959) making supplemental appropriations for the fiscal year ending September 30, 1984, and for other purposes.

The message further announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4210. An act to designate the U.S. Post Office and Courthouse Building in Greensboro. N.C. as the "L. Richardson Preyer Federal Building."

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

At 4:59 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 726. An act to amend and extend the tribally Controlled Community College Assistance Act of 1978, and for other purposes;

S. 450. An act to amend title 39, United States Code, to strengthen the investigatory and enforcement powers of the Postal Service by authorizing certain inspection authority and by providing for civil penalties for violations of orders under section 3005 of such title (pertaining to schemes for obtaining money by false representations or lotteries), and for other purposes;

H.R. 24. An act to make certain land owned by the United States in the State of New York part of the Treen Mountain National Forest;

H.R. 2230. An act to amend the Civil Rights Act of 1957 to extend the life of the Civil Rights Commission, and for other purposes;

H.R. 2590. An act to amend the Agricultural Adjustment act to authorize marketing research and promotion projects, including paid advertising, for filberts, and to amend the Potato Research and Promotion Act;

H.R. 2592. An act to transfer from the Director of the Office of Management and Budget to the Administrator of General Services the responsibility for publication of the catalog of Federal domestic assistance programs, and for other purposes;

H.R. 2780. An act to extend and amend the provisions of title 31, United States Code, relating to the general revenue sharing program;

H.R. 4013. An act to extend the small business development center program administered by the Small Business Administration until January 1, 1985;

H.R. 4042. An act to continue in effect the current certification requirements with respect to El Salvador until the Congress enacts new legislation providing conditions for U.S. military assistance to El Salvador or until the end of fiscal year 1984, whichever occurs first;

S.J. Res. 44. Joint resolution to authorize the President to issue a proclamation designating the week beginning on March 11, 1984, as "National Surveyors Week";

S.J. Res. 111. Joint resolution expressing the sense of the Congress with respect to international efforts to further a revolution in child health;

S.J. Res. 141. Joint resolution to designate the week of December 4, 1983, through December 10, 1983, as "Carrier Alert Week"; and

H.J. Res. 93. Joint resolution to provide for the awarding of a special gold medal to Danny Thomas in recognition of his humanitarian efforts and outstanding work as an American.

The enrolled bills and joint resolutions were subsequently signed by the Vice President.

—

At 6:57 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1035) to make certain technical amendments to improve implementation of the Education Consolidation and Improvement Act of 1981, and for other purposes.

The message also announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 505. An act to designate the Federal building to be constructed in Savannah, Ga., as the "Juliette Gordon Low Federal Building."

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 4194) to extend the expiration date of section 252 of the Energy Policy and Conservation Act.

The message also announced that pursuant to the request of the Senate, the bill from the Senate (S. 2040) entitled "An act to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 with respect to the treatment of mortgage-backed securities, to increase the authority of the Federal Home Loan Mortgage Corporation, and for other purposes," is returned to the Senate.

The message further announced that pursuant to the provisions of 22 U.S.C. 276(d), the Speaker appoints as members of the U.S. delegation to attend the 25th meeting of the Canada-United States Interparliamentary Group on March 8 through 12, 1984, in Puerto Rico, the following Members on the part of the House: Mr. FASCELL, Chairman, Mr. BOLAND, Vice Chairman, Mr. GIBBONS, Mr. HAMILTON, Mr. OBERSTAR, Mr. BARNES, Mr. LAFALCE, Mr. BROOMFIELD, Mr. HORTON, Mr. WINN, Mr. STANGELAND, and Mr. MARTIN of New York.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 2196) to extend the authorization of appropriations to the National Historical Publications and Records Commission for 5 years.

The message further announced that the House agrees to the amendments of the Senate to the bill (S. 589) to authorize $15,500,000 for capital improvement projects on Guam, and for other purposes.

The message also announced that the House has passed the following bill, without amendment:

S. 1837. An act to designate the Federal building in Seattle, Wash., as the "Henry M. Jackson Federal Building."

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3376. An act to declare that the United States holds certain lands in trust for the Makah Indian Tribe, Washington;

H.R. 4107. An act to designate the Federal building in Salisbury, Md., as the "Maude R. Toulson Federal Building";

H.R. 4403. An act to name the U.S. Court of International Trade at One Federal Plaza, New York, N.Y., the "Paul P. Rao U.S. Court of International Trade"; and

H.R. 4473. An act to designate the Federal Archives and Records Center in San Bruno, Calif., as the "Leo J. Ryan Memorial Federal Archives and Records Center."

At 7:53 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendments of the Senate numbered 2, 3, 4, 5, and 6, to the bill (H.R. 4252) to suspend the non-cash-benefit requirement for the Puerto Rico nutrition assistance program, and for other purposes; it agrees to the amendment of the Senate numbered 1 to the bill, with an amendment in which it requests the concurrence of the Senate, and agrees to the amendment of the Senate to the title of the bill, with an amendment, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bills, without amendment:

S. 1503. An act to direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain land in the State of Delaware; and

S. 2129. An act to provide revised reimbursement criteria for small rural health clinics utilizing National Health Service Corps personnel.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 308. Joint resolution increasing the statutory limit on the public debt.

The enrolled joint resolution was subsequently signed by the Vice President.

HOUSE MEASURES REFERRED

The following bills and joint resolution were read the first and second times by unanimous consent, and referred as indicated:

H.R. 2350. An act to amend the Public Health Service Act to revise and extend the authorities under that act relating to the National Institutes of Health and the National Research Institutes, and for other purposes; to the Committee on Labor and Human Resources.

H.R. 3376. An act to declare that the United States holds certain lands in trust for the Makah Indian Tribe, Washington; to the Select Committee on Indian Affairs.

H.R. 4107. An act to designate the Federal building in Salisbury, Maryland, as the "Maude R. Toulson Federal Building"; to the Committee on Environment and Public Works.

H.R. 4210. An act to designate the U.S. Post Office and Courthouse Building in Greensboro, N.C., as the "L. Richardson Preyer Federal Building"; to the Committee on Governmental Affairs.

H.R. 4403. An act to name the U.S. Court of International Trade at One Federal Plaza, New York, N.Y., the "Paul P. Rao U.S. Court of International Trade"; to the Committee on the Judiciary.

H.R. 4473. An act to designate the Federal Archives and Records Center in San Bruno, Calif., as the "Leo J. Ryan Memorial Federal Archives and Records Center"; to the Committee on Governmental Affairs.

H.J. Res. 279. Joint resolution expressing the sense of the Congress regarding the reduction of emigration from the Soviet Union; to the Committee on Foreign Relations.

HOUSE MEASURE PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 4456. An act to extend the authorities under the Export Administration Act of 1979, and for other purposes.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The following concurrent resolutions were read and referred as indicated:

H. Con. Res. 63. Concurrent resolution expressing the sense of the Congress concerning the compliance by the Soviet Union with certain international agreements on human rights; to the Committee on Foreign Relations.

H. Con. Res. 100. A concurrent resolution calling upon the Union of Soviet Socialist Republics to end the current repressive policies of forced labor and expressing the sense of the Congress that the exploitation of workers in forced labor and expressing the sense of the Congress that the exploitation of workers in forced-labor camps by the Union of Soviet Socialist Republics is morally reprehensible; to the Committee on Foreign Relations.

H. Con. Res. 111. A concurrent resolution to commemorate the Ukrainian famine of 1933; to the Committee on Foreign Relations.

H. Con. Res. 177. Concurrent resolution expressing the sense of the Congress that the Soviet Union should allow pianist Vladimir Feltsman freedom to travel with his family to the United States to perform; to the Committee on Foreign Relations.

H. Con. Res. 194. A concurrent resolution expressing support for the sovereignty, territorial integrity, and economic development of the Republic of Costa Rica and for the survival of Costa Rica's democratic institutions; to the Committee on Foreign Relations.

H. Con. Res. 196. Concurrent resolution calling upon the President to study the advisability and practicality of a collaborative people-to-people program between the United States and Mexico; to the Committee on Foreign Relations.

H. Con. Res. 197. Concurrent resolution expressing support for the agreement on a framework for negotiating a peaceful settlement to the conflict and termoil in Central America which was reached by Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua as a result of the initiative of the Contadora group; to the Committee on Foreign Relations.

H. Con. Res. 213. Concurrent resolution expressing the sense of the Congress in support of the return to democratically elected Government in Argentina; to the Committee on Foreign Relations.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1988. A communication from the Secretary of the United States Senate transmitting, pursuant to law, a report on the receipts and expenditures of the Senate from April 1, 1983 through September 30, 1983; ordered to lie on the table.

EC-1989. A communication from the Administrator of the Panama Canal Commission transmitting, pursuant to law, a report on a claim for $3,041,415 from the owners of the SS *Korean Wonis Sun* for damages said to have occurred in the Canal in 1980; to the Committee on Armed Services.

EC-1990. A communication from the Administrator of the Panama Canal Commission transmitting, pursuant to law, a report on a claim for $290,056.45 from the owners of the SS *Aulica* for damages said to have occurred in the Panama Canal in 1980; to the Committee on Armed Services.

EC-1991. A communication from the Assistant Attorney General, Antitrust Division, Department of Justice transmitting, pursuant to law, a study of various agreements between government and private industry developed under the Defense Production Act of 1950; to the Committee on Banking, Housing, and Urban Affairs.

EC-1992. A communication from a member of the Federal Council on the Arts and Humanities transmitting, pursuant to law, documents relative to a claim for losses under the Arts and Artifacts Indemnity Act; to the Committee on Labor and Human Resources.

EC-1993. A communication from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to authorize supplemental appropriations for military construction for fiscal year 1984; to the Committee on Armed Services.

EC-1994. A communication from the Secretary of Transportation transmitting a draft of proposed legislation to establish a group on national uniform state regulation of interstate motor carriers; to the Committee on Commerce, Science, and Transportation.

EC-1995. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, copies of international agreements entered into by the U.S. within the sixty days prior to November 10, 1983; to the Committee on Foreign Relations.

EC-1996. A communication from the Chairman of the U.S. Merit Systems Protection Board transmitting, pursuant to law, the fourth Annual Report of the Board; to the Committee on Governmental Affairs.

EC-1997. A communication from the Chairman of the District of Columbia Council transmitting, pursuant to law, D.C. Act 5-78; to the Committee on Governmental Affairs.

EC-1998. A communication from the Chairman of the District of Columbia Council transmitting, pursuant to law, a copy of D.C. Act 5-77; to the Committee on Governmental Affairs.

EC-1999. A communication from the Chairman of the District of Columbia Council transmitting, pursuant to law, a copy of the D.C. Act 5-76; to the Committee on Governmental Affairs.

EC-2000. A communication from the Attorney General of the United States transmitting, pursuant to law, the Department's sixth report under the Parental Kidnapping Prevention Act of 1980; to the Committee on the Judiciary.

EC-2001. A communication from the Director of the Office of Management and Budget transmitting, pursuant to law, the cumulative report on rescissions and deferrals as of November 1, 1983; jointly, pursuant to the order of January 30, 1983, to the Committee on Appropriations, the Budget, Agriculture, Nutrition, and Forestry, Commerce, Science, and Transportation, Armed Services, Energy and Natural Resources, Finance, Foreign Relations, and Environment and Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STAFFORD, from the Committee on Environment and Public Works, with an amendment in the nature of a substitute:

S. 1330. A bill to authorize the United States Army Corps of Engineers to provide

grants to the several states to encourage and foster the construction of necessary public capital investment projects, and for other purposes (Rept. No. 98-341).

By Mr. PERCY, from the Committee on Foreign Relations, with an amendment and with a preamble:

S.J. Res. 129: A joint resolution calling upon the President to seek a mutual and verifiable ban on weapons in space and on weapons designed to attack objects in space (Rept. No. 98-342).

By Mr. HATCH, from the Committee on Labor and Human Resources:

Special Report regarding budget allocations of the Committee on Labor and Human Resources (Rept. No. 98-343).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations:

Deane Roesch Hinton, of Illinois, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Islamic Republic of Pakistan.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Deane R. Hinton.

Post: Islamabad (Ambassador to Pakistan).

Contributions, amount, date, donee:

1. Self: $50.00, 1980, Anderson for President; 1980, Democratic Victory Fund.

2. Spouse: Patricia L. Hinton, None.

3. Children and Spouses Names: None; Deborah Hinton, Christopher Hinton, and Jeffrey Hinton.

4. Parents Names: Col. Joe A. Hinton (attached); Anna Hinton, Veronica Hinton, Guillermo and Isabelle Arrivillaga.

5. Grandparents Names: None; Jorge and Miren Grimm, Maria Luisa Arrivillaga, Juan Jose Arrivillaga.

6. Brothers and Spouses Names: None. Sebastian Asturias.

7. Sisters and Spouses Names: None.

POLITICAL CONTRIBUTIONS OF COL. JOE A. HINTON, FATHER OF DEANE R. HINTON

Date	Donee	Amount
1979:		
6-12	Republican National Committee	$50
10-18	National Republican Congressional Committee	50
12-24	RNC 1980 Membership Drive	50
1980:		
2-2	GOP Victory Fund	50
5-2	Republican National Committee	50
7-26	National Republican Congressional Committee	50
12-4	RNC Membership Drive	50
1981:		
2-13	1981 GOP Victory Campaign	50
4-13	Maryland Republican 5th District Fund	15
3-12	Maryland Republican	15
5-9	Republican National Committee	50
8-14	Montgomery Republicans	20
10-6	1981 GOP Victory Fund	50
1982:		
2-13	GOP Victory Fund	50
3-12	Maryland Republican	15
5-7	Republican National Committee	50
4-11	GOP 5th District Fund	10
7-9	GOP Victory Fund	50
8-14	Maryland Republican Fund	20
10-5	GOP Victory Fund 1981	50
1983:		
2-18	GOP Victory Fund	50
3-18	Republican National Committee	50
5-20	do	50

POLITICAL CONTRIBUTIONS OF COL. JOE A. HINTON, FATHER OF DEANE R. HINTON—Continued

Date	Donee	Amount
6-13	Maryland Republicans	25
8-5	GOP 1984 Victory Campaign	50

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PROXMIRE:

S. 2134. A bill to establish the permissible scope of powers for depository institutions and their holding companies consistent with their safe and sound operations, to simplify the procedures for engaging in such activities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. WILSON:

S. 2135. A bill to amend the National Trails System Act by adding the California Trail to the study list; to the Committee on Energy and Natural Resources.

S. 2136. A bill to authorize the exchange of certain lands between the Bureau of Land Management and the city of Los Angeles for purposes of the Santa Monica Mountains National Recreation Area; to the Committee on Energy and Natural Resources.

By Mrs. KASSEBAUM:

S. 2137. A bill to provide for full disclosure of rail transportation contracts; to the Committee on Commerce, Science, and Transportation.

By Mr. COCHRAN:

S. 2138. A bill to amend the copyright law regarding work for hire; to the Committee on the Judiciary.

By Mr. HEINZ (for himself, Mr. MOYNIHAN, and Mr. MITCHELL):

S. 2139. A bill to improve the operation of the countervailing duty, antidumping duty, import relief, and other trade laws of the United States; to the Committee on Finance.

By Mr. HUDDLESTON (for himself and Mr. COCHRAN):

S. 2140. A bill to revise and reform the Immigration and Nationality Act to create a ceiling on legal immigration to the United States; to the Committee on the Judiciary.

By Mr. ANDREWS (by request):

S. 2141. A bill to amend the Indian Tribal Governmental Tax Status Act of 1982 with respect to the tax status of Indian tribal governments; to the Committee on Finance.

By Mr. HOLLINGS:

S. 2142. A bill to increase by $500,000,000 the amount authorized to be appropriated with respect to title XX of the Social Security Act, to earmark such increase for the provision of child care services and activities, and to establish a National Advisory Commission on Child Care; to the Committee on Finance.

By Mr. HATCH (for himself and Mrs. HAWKINS):

S. 2143. A bill to amend the Internal Revenue Code of 1954 to allow a credit for the occupational training of displaced persons; to the Committee on Finance.

S. 2144. A bill to amend the Internal Revenue Code of 1954 to promote savings and voluntarism by increasing the amount of contributions which may be made to an individual retirement account for homemakers who perform services for charities without compensation; to the Committee on Finance.

By Mr. HATCH:

S. 2145. A bill to amend the Fair Labor Standards Act of 1938 to facilitate industrial homework, including sewing, knitting, and craftmaking, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HATCH (for himself and Mrs. HAWKINS):

S. 2146. A bill to require States provided assistance under part B of title XIX of the Public Health Service Act to expand prevention and treatment programs for alcoholism, alcohol abuse, and drug abuse among women, and to require the Secretary of Health and Human Services to conduct research on alcoholism, alcohol abuse, and drug abuse among women; to the Committee on Labor and Human Resources.

S. 2147. A bill to authorize a program of grants to States to encourage the provision of assistance to needy children deprived of parental support or care by reason of the unemployment of a principal wage-earning parent; to the Committee on Labor and Human Resources.

By Mr. NUNN:

S. 2148. A bill to establish conservation reserve and agricultural forestation programs, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MATHIAS:

S. 2149. A bill relating to Senators' official office expense accounts; to the Committee on Rules and Administration.

By Mr. HUMPHREY:

S. 2150. A bill to amend the Federal Power Act to reduce conflicts in the licensing of hydroelectric powerplants and to expedite the development of and simplify the regulation of hydroelectric powerplants, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. STAFFORD:

S. 2151. A bill to authorize a public works development program of grants to the various States, to amend the Clean Water Act, and for other purposes; to the Committee on Environment and Public Works.

By Mr. DENTON (for himself and Mr. GRASSLEY):

S. 2152. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to assure adequate controls on social investing by pension plans; to the Committee on Labor and Human Resources.

By Mr. SARBANES:

S. 2153. A bill to amend chapter 89 of title 5, United States Code, to provide for the establishment of a Federal Employees Health Benefits Information Center, and for other purposes; to the Committee on Governmental Affairs.

By Mr. GARN (for himself and Mr. HATCH):

S. 2154. A bill related to "Special Tar Sand" areas in Utah; to the Committee on Energy and Natural Resources.

S. 2155. A bill to designate certain national forest system lands in the State of Utah for inclusion in the national wildnerness preservation system to release other forest lands for multiple-use management, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. WARNER:

S. 2156. A bill to repeal the existing suspension of duty on carob flour; to the Committee on Finance.

By Mr. GARN (for himself and Mr. HATCH):

S. 2157. A bill to clarify the treatment of mineral materials on public lands; to the Committee on Energy and Natural Resources.

By Mr. HATFIELD:

S. 2158. A bill to reform and simplify the Federal individual income tax; to the Committee on Finance.

By Mr. BAUCUS (for himself, Mr. DURENBERGER, and Mr. HART):

S. 2159. A bill entitled the "Hazardous Air Pollutant Control Act of 1983"; to the Committee on Environment and Public Works.

By Mr. STEVENS (for himself, Mr HATFIELD, Mr. HATCH, Mr. TRIBLE, Mr. PELL, Mr. MURKOWSKI, Mrs. HAWKINS, and Mr. CHILES):

S. 2160. A bill to establish a National Fisheries Marketing Council to enable the U.S. fish industry to establish a coordinated program of research, education, and promotion to expand markets for fisheries products, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. WARNER (for himself and Mr. TRIBLE):

S. 2161. A bill to establish a commission to study defense-related aspects of the U.S. merchant marine; to the Committee on Governmental Affairs.

By Mr. SYMMS:

S. 2162. A bill to amend the Internal Revenue Code of 1954 to defer the inclusion in income with respect to transfers of stock in a corporation pursuant to certain employee stock options; to the Committee on Finance.

By Mr. DURENBERGER:

S. 2163. A bill to restructure the medicare benefit package; to the Committee on Finance.

By Mr. DURENBERGER (for himself and Mr. HEINZ):

S. 2164. A bill to provide for an income-based premium under medicare part B; to the Committee on Finance.

By Mr. DANFORTH (for himself, Mr. BENTSEN, Mr. CHAFEE, and Mr. MITCHELL):

S. 2165. A bill to amend the Internal Revenue Code of 1954 to increase research activities, to foster university research and scientific training, and to encourage the contribution of scientific equipment to institutions of higher education; to the Committee on Finance.

By Mr. ANDREWS (for himself, Mr. ABDNOR, Mr. BAUCUS, Mr. BINGAMAN, Mr. BURDICK, Mr. DECONCINI, Mr. DOMENICI, Mr. GOLDWATER, Mr. GORTON, Mr. KENNEDY, Mr. MELCHER, Mr. MURKOWSKI, Mr. PRESSLER, Mr. STEVENS, and Mr. BOSCHWITZ):

S. 2166. A bill to authorize appropriations to carry out the Indian Health Care Improvement Act, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. GRASSLEY (for himself, Mr. HEINZ, and Mr. DENTON):

S. 2167. A bill to amend the Age Discrimination in Employment Act of 1967 to assure that that act applies to employees who are citizens of the United States employed by an employer in a workplace in a foreign country; to the Committee on Labor and Human Resources.

By Mr. DENTON:

S. 2168. A bill to clarify the broadcasting rights of legally qualified candidates for public office and to create jurisdiction in the district courts of the United States for violations of this act; to the Committee on Commerce, Science, and Transportation.

By Mr. THURMOND:

S. 2169. A bill to create permanent rules for reforming instruments governing charitable bequests; to the Committee on Finance.

By Mr. LEVIN:

S. 2170. A bill to authorize the Secretary of Housing and Urban Development, through the Federal Housing Administration, to assist homeowners in taking corrective measures with respect to urea formaldehyde foam insulation in their homes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DOLE:

S. 2171. A bill to amend title 35 of the United States Code for the purpose of creating a uniform policy and procedure concerning patent rights in inventions developed with Federal assistance, and for other purposes; to the Committee on the Judiciary.

By Mr. WALLOP:

S. 2172. A bill to suspend for a 3-year period the duty on clomiphene citrate; to the Committee on Finance.

By Mr. DANFORTH (by request):

S. 2173. A bill to provide for establishment of a National Traffic Safety Administration, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DANFORTH (for himself, Mr. PACKWOOD, Mr. PELL, Mr. HATCH, Mr. RANDOLPH, Mr. HOLLINGS, and Mr. FORD):

S. 2174. A bill to provide for more effective motor carrier safety regulations and enforcement, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. SASSER:

S. 2175. A bill for the relief of Dennis L. Dolton; to the Committee on the Judiciary.

By Mr. ABDNOR (for himself and Mr. PRESSLER):

S. 2176. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Lake Andes-Wagner Unit, South Dakota Pumping Division, Pick-Sloan Missouri Basin program, South Dakota; to the Committee on Energy and Natural Resources.

By Mr. BOSCHWITZ (for himself and Mr. DURENBERGER):

S. 2177. A bill to provide for the use and distribution of the Lake Superior and Mississippi Bands of Chippewa Indians judgment funds in docket 18–S and the Lake Superior Band of Chippewa Indians judgment funds in docket 18–U, before the Indian Claims Commission, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. BOSCHWITZ:

S. 2178. A bill to amend Federal-State Extended Unemployment Compensation Act of 1970 to provide an alternative regional trigger, and for other purposes; to the Committee on Finance.

By Mr. EXON:

S. 2179. A bill to amend the Agricultural Act of 1949 to modify the loan rate and the acreage set-aside and diversion programs for the 1984 crop of feed grains and the producer reserve program for wheat and feed grains; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GRASSLEY (for himself, Mr. SYMMS, Mr. BOREN, Mr. PRYOR, Mr. DURENBERGER, Mr. WALLOP, and Mr. ARMSTRONG):

S. 2180. A bill to amend the Internal Revenue Code of 1954 to provide a 20-percent investment tax credit for certain soil or water conservation expenditures; to the Committee on Finance.

By Mr. GARN:

S. 2181. A bill to authorize depository institution holding companies to engage in activities of a financial nature, insurance underwriting and brokerage, real estate development and brokerage, and certain securities activities including dealing in, underwriting and purchasing government and municipal securities, sponsoring and managing investment companies and underwriting the securities thereof, to provide for the safe and sound operation of depository institutions, to amend the Federal Reserve Act, the Home Owners' Loan Act of 1933, and the Bank Service Corporation Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. WILSON (for himself, Mr. D'AMATO, Mr. CRANSTON, Mr. MOYNIHAN, Mr. TRIBLE, Mr. HEFLIN, Mr. MCCLURE, Mr. LAXALT, Mr. RUDMAN, Mr. COHEN, Mr. COCHRAN, Mr. DIXON, Mr. PRYOR, Mr. BUMPERS, Mr. EAST, Mr. NUNN, Mrs. HAWKINS, Mr. INOUYE, Mr. MURKOWSKI, Mr. LEVIN, Mr. ANDREWS, Mr. BURDICK, Mr. EVANS, Mr. SASSER, Mr. HELMS, Mr. DECONCINI, Mr. BENTSEN, Mr. ABDNOR, Mr. DENTON, Mr. MELCHER, Mr. BINGAMAN, Mr. HECHT, Mr. ZORINSKY, Mr. KASTEN, Mr. RIEGLE, Mr. MATTINGLY, Mr. LEAHY, Mr. WALLOP, Mr. WARNER, Mr. GRASSLEY, Mr. STEVENS, Mr. SARBANES, Mr. SPECTER, Mr. MATSUNAGA, Mr. DOMENICI, Mr. RANDOLPH, Mr. STAFFORD, Mr. PRESSLER, Mr. ARMSTRONG, Mr. HUMPHREY, and Mr. BIDEN):

S. 2182. A bill to harmonize, reduce, and eliminate barriers to trade in wine on a basis which assures substantially equivalent competitive opportunities for all wine moving in international trade; to the Committee on Finance.

By Mr. HELMS:

S. 2183. A bill to designate certain lands in the Great Smoky Mountains National Park as wilderness, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. ANDREWS (for himself, Mr. MELCHER, Mr. ABDNOR, Mr. HART, Mr. DECONCINI, Mr. STEVENS, Mr. MATSUNAGA, Mr. BURDICK, Mr. DOMENICI, Mr. HATFIELD, Mr. RIEGLE, Mr. MURKOWSKI, Mr. INOUYE, Mr. KENNEDY, Mr. BINGAMAN, and Mr. GOLDWATER):

S. 2184. A bill to amend the Native American Programs Act of 1974 to impose certain limitations with respect to the administration of such act and to authorize appropriations under such act for fiscal years 1985, 1986, and 1987, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. HEINZ (for himself, Mr. DOMENICI, Mr. GRASSLEY, Mr. SYMMS, Mr. MOYNIHAN, Mr. CHILES, Mr. BOREN, Mr. THURMOND, Mr. CRANSTON, Mr. DECONCINI, Mr. INOUYE, Mr. DURENBERGER, Mr. BAUCUS, Mr. WALLOP, and Mr. PRYOR):

S. 2185. A bill to amend the Internal Revenue Code of 1954 to extend the targeted jobs tax credit; to the Committee on Finance.

By Mr. WARNER (for himself, Mr. BYRD, Mr. MCCLURE, Mr. JOHNSTON, Mr. LAXALT, Mr. FORD, Mr. ANDREWS, Mr. RANDOLPH, Mr. ABDNOR, Mr. BAUCUS, Mr. TRIBLE, Mr. DECONCINI, Mr. GORTON, Mr. BOSCHWITZ, Mr. DURENBERGER, Mr. SYMMS, Mr. MURKOWSKI, and Mr. DIXON):

S. 2186. A bill to establish a State Mining and Mineral Resources Research Institute program, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MOYNIHAN:

S. 2187. A bill to recognize the organization known as the Andrei Sakharov Institute; to the Committee on the Judiciary.

By Mr. BURDICK:

S. 2188. A bill to amend the Highway Improvement Act of 1982 to specifically authorize funds for access highways under section 155 of title 23, United States Code; to the Committee on Environment and Public Works.

By Mr. ABDNOR (for himself and Mr. PRESSLER):

S. 2189. A bill to authorize the Secretary of the Interior to construct, operate and maintain the Central South Dakota Water Supply System (CENDAK Unit) Pick-Sloan Missouri Basin program, South Dakota; to the Committee on Energy and Natural Resources.

By Mr. HUDDLESTON:

S. 2190. A bill to amend the Agriculture and Food Act of 1981 to provide protection for agricultural purchasers of farm products; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. PRYOR:

S. 2191. A bill to amend the Trade Act of 1974 with respect to beneficiary developing countries which engage in unfair trade practices; to the Committee on Finance.

By Mr. MATHIAS:

S. 2192. A bill to establish a commission to study and make recommendations on the desirability and feasibility of compensating authors for the lending of their books by lending institutions; to the Committee on Rules and Administration.

By Mr. GARN (for himself, Mrs. HAWKINS, Mr. HECHT, and Mr. LAUTENBERG):

S. 2193. A bill to authorize the Comptroller of the Currency to consider reciprocity among other factors in acting on an application by a foreign bank to establish a Federal branch or agency, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MITCHELL (for himself and Mr. COHEN):

S. 2194. A bill to amend the general headnotes of the Tariff Schedules of the United States regarding products of the insular possessions; to the Committee on Finance.

By Mr. JEPSEN:

S. 2195. A bill to authorize the Secretary of Agriculture to establish a pilot program to assist owners and operators of highly erodible cropland to set aside such cropland and carry out soil and water conservation measures needed to protect such cropland; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MOYNIHAN:

S. 2196. A bill to establish a National Commission on Deficit Reduction; to the Committee on Governmental Affairs.

By Mr. WALLOP:

S. 2197. A bill to suspend for a 3-year period the duty on terfenadine; to the Committee on Finance.

S. 2198. A bill to suspend for a 3-year period the duty on dicyclomine hydrochloride; to the Committee on Finance.

By Mr. HATCH:

S.J. Res. 204. Joint resolution to designate "Women's History Week"; to the Committee on the Judiciary.

By Mr. HEINZ (for himself, Mr. GLENN, Mr. GRASSLEY, Mr. DOMENICI, Mr. PERCY, Mrs. KASSEBAUM, Mr. COHEN, Mr. PRESSLER, Mr. WILSON, Mr. ABDNOR, Mr. HELMS, Mr. DOLE, Mr. JEPSEN, Mr. LUGAR, and Mr. DECONCINI):

S.J. Res. 205. Joint resolution authorizing and requesting the President to designate the second full week in March of each year as "National Employ the Older Worker Week"; to the Committee on the Judiciary.

By Mr. TSONGAS (for himself and Mr. KENNEDY):

S.J. Res. 206. Joint resolution designating the first Sunday of every August as "National Day of Peace"; to the Committee on the Judiciary.

By Mr. HELMS (for himself, Mr. HUDDLESTON, Mr. LEAHY, Mr. LUGAR, Mr. ZORINSKY, Mr. JEPSEN, Mr. MELCHER, Mr. ANDREWS, Mr. PRYOR, Mr. BOREN, Mr. DIXON, Mr. HEFLIN, Mr. SASSER, Mr. MITCHELL, Mr. HOLLINGS, Mr. FORD, Mr. BURDICK, Mr. BAUCUS, Mr. NUNN, Mr. BENTSEN, Mr. RANDOLPH, Mr. EAGLETON, Mr. HEINZ, Mr. DECONCINI, Mr. SARBANES, Mr. THURMOND, Mr. ABDNOR, Mr. TOWER, Mr. KASTEN, Mr. GRASSLEY, Mr. PRESSLER, Mr. NICKLES, Mr. MATSUNAGA, Mr. BINGAMAN, Mr. DOMENICI, Mr. INOUYE, Mr. JOHNSTON, and Mr. MOYNIHAN):

S.J. Res. 207. Joint resolution to proclaim March 20, 1984, as "National Agriculture Day"; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BAUCUS:

S.J. Res. 208. Joint resolution to express the sense of the Congress that a bipartisan response to the growing public debt and Federal deficit is necessary; to the Committee on Governmental Affairs.

By Mr. BOREN:

S.J. Res. 209. Joint resolution to establish a Joint Select Committee on Congressional Operations; to the Committee on Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. COCHRAN (for himself and Mr. HUDDLESTON):

S. Res. 287. Resolution establishing a Task Force on Agricultural Credit; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. THURMOND:

S. Res. 288. Resolution to commend the extraordinary cooperative conduct of the distinguished minority leader; considered and agreed to.

S. Res. 289. Resolution to commend the exemplary conduct of the distinguished majority leader; considered and agreed to.

By Mr. TSONGAS:

S. Res. 290. Resolution in honor of Marvelous Marvin Hagler; to the Committee on the Judiciary.

By Mr. MATTINGLY (for himself, Mr. DENTON, and Mr. NICKLES):

S. Res. 291. Resolution relating to a National Commission on Entitlement Reform; to the Committee on Finance.

By Mr. PRYOR:

S. Res. 292. Resolution expressing the appreciation of the Senate to certain organizations for their efforts in carrying out an emergency food distribution and shelter program provided for in Public Law 98-8; to the Committee on Appropriations.

By Mr. ROTH (for himself, Mr. NUNN, Mr. PERCY, Mr. COHEN, and Mr. RUDMAN):

S. Res. 293. Resolution directing the Senate legal counsel to bring civil action to enforce subpena of the Permanent Subcommittee on Investigation; to the Committee on Governmental Affairs.

By Mr. RIEGLE (for himself, Mr. LEVIN, Mr. BUMPERS, Mr. BINGAMAN, Mr. QUAYLE, and Mr. LUGAR):

S. Res. 294. Resolution expressing the sense of the Senate that the Government of the Soviet Union should allow Igor V. Ogurtsov to be released from exile and allowed to emigrate to the West without renouncing his views, and for other purposes; to the Committee on Foreign Relations.

By Mr. HUDDLESTON (for himself and Mr. FORD):

S. Res. 295. Resolution to amend the Standing Rules of the Senate to provide that no amendments may be offered to a continuing appropriation bill or resolution except with the approval of two-thirds of the Senate; to the Committee on Rules and Administration.

S. Res. 296. Resolution to amend the Standing Rules of the Senate to provide that no amendments may be offerred to a bill or resolution raising the public debt limit except with the approval of two-thirds of the Senate; to the Committee on Rules and Administration.

By Mr. BYRD (for himself and Mr. BAKER):

S. Res. 297. Resolution designating Murray Zweben as a Parliamentarian Emeritus of the U.S. Senate; considered and ageed to.

By Mr. BAKER:

S. Res. 298. Resolution authorizing the President of the Senate and the President pro tempore of the Senate to sign enrolled bills and resolutions; considered and agreed to.

S. Res. 299. Resolution tendering the thanks of the Senate to the Vice President for the courteous, dignified, and impartial manner in which he has presided over the deliberations of the Senate; considered and agreed to.

By Mr. BYRD:

S. Res. 300 Resolution tendering the thanks of the Senate to the President pro tempore for the courteous, dignified, and impartial manner in which he has presided over the deliberations of the Senate; considered and agreed to.

S. Res. 301. Resolution authorizing the President of the Senate and the President pro tempore to make certain appointments after the sine die adjournment of the present session; considered and agreed to.

By Mr. BAKER:

S. Res. 302. Resolution appointing a committee to notify the President concerning the proposed adjournment of the session; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE:

S. 2134. A bill to establish the permissible scope of powers for depository institutions and their holding companies consistent with their safe and sound operations, to simplify the pro-

cedures for engaging in such activities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

DEPOSITORY INSTITUTIONS HOLDING COMPANY ACT AMENDMENTS OF 1983

Mr. PROXMIRE. Mr. President, I am introducing today the Depository Insitutions Holding Company Act of 1983. This legislation is a balanced response to some of the radical changes that have occurred or are threatening to occur in our financal structure. I say the legislation is balanced because it seeks to close some of the more gaping loopholes in our banking laws, that threaten to erode the traditional separation of banking from other lines of activity. At the same time, it removes some of the more onerous restrictions on bank holding companies which needlessly raise costs and limit competition. Specifically, the bill would do the following:

Close the so-called nonbank bank loophole that permits nonbanking firms to buy banks or that allows banks to establish offices across State lines;

Prevent bank holding companies from engaging in nationwide insurance activities through a bank chartered in a State with permissive laws such as the one recently enacted in South Dakota;

Bring State-chartered nonmember banks under the provisions of the Glass-Steagall Act which separates banking from the securities business;

Stop nonfinancial firms from buying savings and loan associations unless the association is operated independently from the parent and retains its commitment to housing finance;

Streamline review procedures under the Bank Holding Company Act to make it easier for bank holding companies to engage in legally authorized activities;

Allow bank holding companies to underwrite and deal in municipal revenue bonds through an affiliate separate from the bank;

Permit bank holding companies to underwrite mortgage backed securities through a separate affiliate;

Enable bank holding companies to offer mutual funds to their customers.

We live in a world in which there is tremendous uncertainty and confusion in the structure of our financial system. Just a few years ago, it was relatively clear who did what. Banks made loans and offered checking accounts. Securities brokers sold securities. Realtors sold homes. Insurance agents sold insurance. Savings and loan associations made mortgage loans.

Today, all of these distinctions are beginning to blur. We can hardly pick up a paper without reading about another insurance firm that has bought a bank or another bank that has gone into the securities business. Firms like Sears or American Express or Merrill Lynch are beginning to construct financial services empires which claim to deliver all financial services to the consumer under one roof. New financial products appear almost daily in bewildering complexity.

There are those who applaud these developments and say we should remove any remaining legal barriers which prevent the consolidation and merger of financial services. Others, including the Chairman of the Federal Reserve Board, are more cautious. They believe that banks perform a unique role in our economy and that we should seek to preserve the distinction between banking and other types of financial and commercial endeavors. I count myself in the latter category.

Most of the present uncertainty in our financial structure centers on certain legal interpretations under the Glass-Steagall Act which separates commercial banking from investment banking, and the Bank Holding Company Act which requires that the activities of bank holding companies be closely related to banking. The central purpose of these two laws is to enforce a separation between banking and other kinds of financial and commercial activity. But because of the ingenuity of attorneys, State legislatures, and Federal regulators, it has been possible to find and exploit loopholes in these laws which will soon result in their de facto repeal unless the loopholes are closed.

Some have argued that these developments are healthy. They seem to proceed from the premise that whatever occurs in the marketplace is always good and that Federal intervention is always bad. I do not subscribe to this simplistic approach. There are times when deregulation is useful and there are times when it is not. We need to avoid putting simplistic labels on issues and approach them on a case-by-case basis.

I believe it is especially important for the Congress to play a strong role in shaping the structure of our financial marketplace because if the system fails, it is the Congress that will be called upon to pick up the pieces. Moreover, the structure of our financial system has profound implications on the performance of our economy and on the distribution of economic opportunity among our people. Banking law is far too important to be left exclusively to banking technicians. The Congress, and only the Congress, must decide whether to reaffirm, modify, or repeal the current legal restrictions separating banking and commerce. We cannot through inaction allow these important decisions to be decided elsewhere by default.

When deregulation seems to be the current fashion, why should we worry about preserving the traditional distinctions between banking and other activities? What are we really seeking to achieve by maintaining this distinction? I believe the objectives are threefold: First, to promote the safety and soundness of banks; second, to reduce conflicts of interest; and third, to prevent the concentration of financial power in the hands of a few.

I believe these objectives were valid when our banking structure laws were first enacted and that they remain valid today. Banking is indeed a unique industry affected with a public purpose. The failure of a bank is not the same as the failure of other businesses. Also, the role of banks in allocating credit is crucial in a free-enterprise economy. We expect bankers to make credit decisions based solely on the economic merits of a project. In this way, we insure that credit goes to its most productive use. This impartiality in the allocation of credit can be undermined if we allow banks to have an equity interest in other business enterprises.

When bankers do their job well, our entire economy benefits. When bankers make bad judgments, we all must suffer the consequences. Therefore, the people have substantial interest in seeing how their banking system is structured. That is why Congress has acted over the years to shape our financial system so that our banks remain reasonably independent from countervailing financial and commercial ties.

These long-standing policy objectives are under attack from three directions. First, companies themselves have been creative in finding and exploiting loopholes in the law through such legal constructs as the "nonbank bank." Second, some State legislatures have come to look upon banking laws as instruments of economic development and have relaxed restrictions in order to induce the relocation of banking activity into their States. Third, our own Federal regulators have a tendency toward the creative interpretation of banking laws in order to impose their own policy objectives in preference to those which they regard as obsolete or irrelevant.

All these developments simply underline the imperative need for Congress to act on the central issues involving our financial structure. I agree with Chairman GARN when he stresses the need for Congress to reach a considered decision on these issues. The Congress should be given an early opportunity to make that decision whether or not it is likely to be in accord with my views, Senator GARN's views, or the views of any other Senator or Congressman. Congress has too much at stake as an institution to allow its perogatives to be whittled away by default.

Nor do we serve the market well by perpetuating uncertainty. Win, lose, or

draw, all parties to the debate have a stake in seeing Congress establish the ground rules for our financial system. All businesses look for certainty and predictability in governmental policy. Whether you like or dislike the rules is not as important as knowing clearly what they are. Since the Congress made the old rules, only the Congress can definitively establish whatever new rules may be needed.

As I view the current debate over our financial structure, I an not persuaded that our banking laws have been rendered obsolete by new market developments. Some would have us believe that our financial structure laws stifle innovation and impede the introduction of new technology. As a result, consumers are said to be deprived of the potential benefits flowing from these innovations. But there is essentially nothing new or innovative in the desire of the banks to get into the securities business or vice versa. Banks once were in the securities business over 60 years ago with disastrous results for the economy.

There have been times when consumers demanded change and Congress responded. The elimination of interest rate ceilings on savings deposits is a good example. But I have not noticed many angry consumers who have demanded they be allowed to buy insurance or sell their house through their bank. Much of the debate over who should have what financial powers has been around for decades. What is new is the ability of institutions to find loopholes to get around existing legal restrictions.

One of the motivating concepts causing ferment in the financial services industry is the notion of a financial services supermarket. That is, a one-stop shopping center where consumers can take care of all their financial needs under one roof. We are told that the financial supermarket concept is the wave of the future; that it will result in better products at lower prices; that only our archaic banking laws stand in the way of achieving progress.

No one wants to stand in the way of true progress. But I wonder whether the financial supermarket concept can really deliver the benefits it claims to offer. The evidence is not at all clear that there are significant economies of scale that would result in lower prices to consumers if financial services were combined. Nor does there seem to be any inherent advantage in buying substantially different financial services at one place. How often, for example, do we want to take out an auto loan, sell our house, and buy some stock all at the same time?

It strikes me that most of the pressure for consolidating financial services represents an effort by aggressively managed firms to increase their market share by cross-selling financial products. There also seems to be an attempt to capture the benefits of Federal deposit insurance by combining securities products with federally insured deposits. Whether all of this feverish jockeying for position will actually benefit consumers is far from clear. What is clear is that if these developments proceed unchecked, the structure of our financial system will be radically altered and all of the protections that have been so painfully constructed over the years will be swept out the window.

So as I see the situation, there is a compelling urgency for the Congress to reexamine the central purposes of the Glass-Steagall and Bank Holding Company Acts. If the Congress determines these purposes are still valid, then it should move promptly to close existing loopholes. If Congress feels these laws no longer serve a purpose, they should be promptly repealed. Or if it feels that current legal restrictions should be relaxed, those modifications should be enacted. But one way or another, Congress needs to act.

For my own part, I believe there are some areas where existing restrictions can be lifted without undermining the integrity of our financial system. In particular, I believe that bank holding companies should be allowed to underwrite municipal revenue bonds and mortgage backed securities and to offer mutual funds to their customers. These powers, together with the powers banks have already received to offer discount brokerage services and money market deposit accounts should provide banking institutions with the tools and authorities they need to compete against other providers of financial services.

Studies have consistently shown that allowing banks to underwrite revenue bonds will increase competition and help lower borrowing costs for State and local governments. I believe that the market for mortgage backed securities could be expanded and mortgage interest rates reduced if we permit banks to underwrite mortgage backed securities. And I believe management fees and sales commissions on mutual funds will be forced down through additional bank competition in this area.

I also believe the Treasury has made some reasonable suggestions to streamline the current review procedures under the Bank Holding Company Act. While the current law was intended to provide for an orderly review of applications for engaging in new activities by bank holding companies, the procedural requirements have proven to be burdensome and time-consuming. There is no reason why the essential policies of the Bank Holding Company Act cannot be carried out under a more streamlined approach.

Accordingly, I have included the Treasury's procedural proposals in my bill. These include a requirement that the Federal Reserve act within 60 days on applications to engage in new activities, that the need for time-consuming hearings be eliminated, and that the Federal Reserve need determine only that the proposed activity is closely related to banking. Current law requires an additional finding that the activity will result in public benefits that outweigh any possible adverse effects. The requirement for such a finding has often needlessly stretched out the application process without materially affecting the ultimate result. The Justice Department would continue to have authority to bring an action under the antitrust laws to prevent any acquisitions that are truly anticompetitive.

Finally, my bill addresses the question of the so-called unitary savings and loan holding company. Under current law, any company can buy and operate a single savings and loan association. However, if it buys more than one association, it must restrict its activities to those that are permitted under the Savings and Loan Holding Company Act. Eligible activities must be related to housing finance.

If we foreclose the ability of nonbanking firms to buy banks through the "nonbank bank" loophole, there is a strong possibility that much of the pressure for acquiring depository financial institutions would be redirected to the savings and loan industry. Congress took a step in dealing with this problem last year in the Garn-St Germain Act when it made the rights of a unitary savings and loan holding company conditional upon the association continuing to qualify as a domestic building and loan association under the Internal Revenue Code. If the subsidiary savings and loan association fails to meet the tax test, the parent holding company becomes regulated as a multiple savings and loan association.

While this is a good approach, I believe it needs to be strengthened. The list of eligible investments that qualifies a savings and loan association for favorable tax treatment extend far beyond housing. For example, a large, national securities firm could buy a savings and loan, sell its insured deposits through its offices, channel all the proceeds into Government or Government-insured securities or bank CD's, and still retain the association's favorable tax treatment. In effect, the securities firm would be able to obtain the functional equivalent of a federally insured money market mutual fund and the beginning of a nationwide deposit network.

My bill would not change in any way the provisions of the Tax Code as it affects savings and loan associations.

However, it would tighten the test for eligibility as a unitary holding company as found in section 408(n) of the National Housing Act and make that test part of the banking code rather than the Tax Code. Under my bill, a unitary savings and loan holding company would be regulated as a multiple savings and loan holding company if its subsidiary savings and loan association failed to invest 60 percent of its assets in residential mortgages or related investments. Related investments are defined as being mortgage backed securities, retail mobile home loans, home improvement loans, and residential construction loans. This tighter definition will insure that a captive savings and loan association will retain its basic housing orientation.

In addition to the asset test, my bill contains a second test that a unitary savings and loan holding company must meet. The second test is that the subsidiary savings and loan must be operated as an independent and freestanding association separate and distinct from the business of the parent or its affiliates. In particular, the services or products of the savings and loan association cannot be offered to or marketed through the parent holding company or its subsidiaries or vice versa. This is designed to preserve the independent character of the savings and loan industry.

Mr. President, those who favor a radical restructuring of our financial system will be disappointed that my bill does not go as far as the Treasury bill in allowing bank holding companies to engage in insurance, real estate brokerage, real estate development, retail securities brokerage, or even the savings and loan business. At the same time, those who are most fearful of bank competition will be disappointed that my bill does not bottle up banks or bank holding companies as tightly as they would like. Nevertheless, I think my bill does represent a balanced approach to the problem and one that may be capable of passage in the next session of Congress.

In preparing this bill, I have deliberately excluded a number of other important banking issues before the Senate Banking Committee including the issue of branching, usury exemptions, interest on demand deposits, and the like. These are important issues in their own right and they should be considered at the proper time. But the most essential task of the Congress is to make some decision on financial structure. I am afraid that if our agenda becomes overloaded with too many controversial but separate issues, the Congress will find an excuse not to act and postpone all decisions for another year, perhaps with a temporary moratorium on further acquisitions. This would be a poor way to legislate but it is an action I would support if there were no other alternative. However if we stick to the most crucial issue—a reassessment of Glass-Steagall and the Bank Holding Company Acts—we can develop a reasoned response to the current situation.

Mr. President, I ask unanimous consent that the text of the bill, together with a section-by-section analysis, be inserted in the RECORD at the end of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2134

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Depository Institutions Holding Company Act Amendments of 1983."

AMENDMENTS TO THE BANK HOLDING COMPANY ACT

SEC. 2. Section 2 of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841), is hereby amended:

(1) by amending subsection (c) to read as follows:

"(c) 'Bank' means (1) an 'insured bank' as that term is defined in section 3(h) of the Federal Deposit Insurance Act (12 U.S.C 1813(h)); any institution that is eligible to become an insured bank pursuant to section 5 of the Federal Deposit Insurance Act (12 U.S.C. 1815); or (3) any institution organized under the laws of the United States, any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, or the Virgin Islands, that accepts deposits that the depositor may withdraw by check or similar means for payment to third parties and is engaged in the business of making commercial loans. The term 'bank' does not include (A) any foreign bank having an insured branch in the United States; (B) any insured institution; (C) any organization operating under section 25 or section 25(a) of the Federal Reserve Act; (D) any organization that does not do business in the United States except as an incident to its activities outside the United States; or (E) any institution that functions solely as a trust company, such as the type described in 12 U.S.C. § 92a(a), and all or substantially all of the deposits of which are received solely in a fiduciary capacity.'"; and

(2) by inserting after subsection (i) the following new subsections:

"(j) The term 'securities affiliate' means any corporation that (1) is engaged in the United States in one or more of the activities authorized pursuant to section 4(c)(15) of this Act, and (2) as a broker or dealer within the meaning of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78(c)(4) and (5)), or an investment adviser within the meaning of the Investment Advisers Act of 1940, as amended (15 U.S.C. 80b-2(11)). For purposes of this chapter, a corporation engaged in any such activities shall be deemed to be a securities affiliate only so long as it is a bank holding company or is owned or controlled by a bank holding company.

"(k) The term 'insured institution' has the meaning ascribed to it in section 408 of the National Housing Act (12 U.S.C. 1730o(a)(1))."

"SEC. 3. Section 3 of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1842), is hereby amended by deleting the word "or" before the letter "(B)" in the second sentence of subsection (a) thereof and by adding the following new paragraph immediately preceding the period at the end of the second sentence of subsection (a):

"; or (C) with thirty days prior notification to the Board, the acquisition by a company of control of a bank in a reorganization in which a person or group of persons exchange their shares of the bank for shares of a newly formed bank holding company and receives after such reorganization, substantially the same proportional share interest in the holding company as they held in the bank except for changes in shareholder interests resulting from the exercise of dissenting shareholder rights under State or Federal law: *Provided,* That, immediately following such acquisition, the bank holding company meets the capital and other financial standards prescribed by the Board by regulation for such a bank holding company and the holding company does not engage in any activities other than those of banking or managing and controlling banks. In promulgating regulations pursuant to this subsection, the Board shall not require more capital for the subsidiary bank immediately following the reorganization that is required for a similarly sized bank that is not a subsidiary of a bank holding company."

SEC. 4. Subsection 4(a)(2) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1843(a)(2)), is hereby amended:

(1) by amending subparagraph (B) of such subsection to read as follows:

"(B) those permitted under paragraphs (8) and (15) of subsection (c) of this section subject to all the conditions and requirements specified in each respective paragraph or in any order or regulation issued by the Board under such paragraphs"; and

(2) by adding the following additional proviso at the end of such subsection:

"*: Provided further,* (I) That the two-year period referred to in this paragraph shall not apply to a company that becomes a bank holding company as a result of enactment of the Depository Institutions Holding Company Act of 1983, and that acquired a bank between June 23, 1983, and the effective date of such Act; and (II) That a company that becomes a bank holding company as a result of the enactment of the Depository Institutions Holding Company Act of 1983, and that controlled an insured bank on June 23, 1983, may engage in any activity in which it was lawfully engaged, directly or indirectly, on June 23, 1983, and in which it has been engaged continuously since June 23, 1983: *Provided,* That any activities authorized for such bank holding company may not be expanded and any additional activities may not be commenced except in accordance with the requirements, conditions, and limitations applicable to bank holding companies under this Act. The authority conferred by the preceding clause (II): (a) shall terminate at such time as (1) any bank holding company covered by clause (II) acquires control of an additional bank or an insured institution, (2) any of such bank holding company's existing subsidiary banks commences accepting deposits that the depositor has a legal right to withdraw on demand and engages in the business of making commercial loans, or (3) such bank holding company covered by clause (II) commences, directly or indirectly, after June 23, 1983, any additional activities,

other than those activities authorized pursuant to this Act, in which it was not engaged on June 23, 1983; and (b) may be terminated by the Board by order, after opportunity for hearing, if it determines, having due regard to the purposes of this chapter, that such action is necessary to prevent conflicts of interests or unsound banking practices or is in the public interest.".

SEC. 5. Subsection 4(c) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1843(c)), is hereby amended

(1) by deleting paragraph (8) and replacing it with the following new paragraph:

"(8)(A) shares of any company the activities of which the Board has determined by regulation, or by order after notice, to be closely related to banking or managing or controlling banks.

"(B)(i) No bank holding company shall engage directly or indirectly in any activity authorized under this paragraph either de novo or by an acquisition in whole or in part of a going concern, unless, the Board has been given sixty days prior written notice of such proposal and, within such period, the Board has not issued an order disapproving the proposal or suspending the time period in accordance with clause (iii) of this subparagraph.

"(ii) An acquisition may be made prior to the expiration of the disapproval period specified in clause (i) of this subparagraph, if the Board issues a written notice of its intent not to disapprove the transaction. The Board may provide for no notice under this paragraph or notice for a shorter period of time with respect to particular activities. No notice under this paragraph is required in the event a bank holding company establishes de novo an office to engage in any activity previously authorized for such a bank holding company under this paragraph, or changes the location of an office engaged in such activity, unless the company has been notified that a notice is required based upon any of the criteria specified in clause (iv) of this subparagraph.

"(iii) Any notice required under this paragraph shall contain such information as the Board may prescribe by regulation or by specific request in connection with a particular notice. The Board may require only such information as may be relevant to the nature, scope, or permissibility of the proposed activity and to the Board's evaluation of the criteria in clause (iv) of this subparagraph. In the event the Board requires additional relevant information beyond that provided in the notice submitted pursuant to this paragraph, the Board may by order suspend the time period provided in clause (i) of this subparagraph until it has received such additional relevant information. The activity that is the subject of the notice may be commenced at the expiration of thirty days from the date of receipt by the Board of such additional relevant information, unless the Board issues a disapproval order as provided in clause (i) of this subparagraph or at such earlier date as may be authorized under clause (ii) of this subparagraph. A suspension order issued under this clause is reviewable under section 9 of this Act.

"(iv) In evaluating a notice under this paragraph, the Board may consider the following criteria:

"(I) the managerial resources of the companies involved;

"(II) the adequacy of their financial resources, including their capital, giving consideration to the financial resources and capital of others engaged in similar activities: *Provided,* That the Board shall not require a higher level of capital for any activity subject to Federal or State regulation than would be required by the applicable regulatory authority to a company engaged in such activity, unless the Board shall find that particular circumstances warrant a higher level of capital;

"(III) any practice or arrangement that may adversely affect the independence or impartiality of an affiliated bank in the provision of credit or other services or the terms on which such credit and services are made available, or the availability of such credit; and

"(IV) any material adverse effect on the safety and soundness or financial condition of an affiliated bank or banks.

"(v) The Board shall by order set forth the reasons for any disapproval under this paragraph. Inaction on any notice, or a Board order determining not to disapprove a proposal to engage in an activity that has previously been authorized by regulation under this paragraph, shall be final and shall not be subject to judicial review under this Act or in any other manner. Any company may obtain judicial review pursuant to section 9 of this Act of any Board order not to disapprove a notice filed by such company under this paragraph if such order contains restrictions or conditions.

"(vi) A bank holding company may petition the Board to determine by regulation that a particular activity is closely related to banking. The Board may by regulation prescribe limitations on the conduct of any activity authorized under paragraph (8) or (15) of this subsection consistent with the criteria in clause (iv) of this subparagraph and with safe and sound financial practices. In administering this paragraph, the Board shall promote competition between bank holding companies and other companies engaged in activities closely related to banking.

"(vii) The Board shall not after the date of enactment of this paragraph designate as an activity closely related to banking within the meaning of this paragraph any activity that is described in clauses (i) and (ii) of subparagraph (B) of paragraph (15) of this subsection or that is prohibited to a member bank or to an affiliate of a member bank under section 16 (12 U.S.C. 24 (Seventh)) or 20 (12 U.S.C. 377) of the Banking Act of 1933, as amended.

"(viii) Notwithstanding any other provision of this Act, if the Board finds that an emergency exists which requires the Board to act immediately on any notice or application under this subsection involving a thrift institution, and the primary Federal regulator of such institution concurs in such finding, the Board may dispense with any notice or other requirement of this subsection.

"(C) For purposes of this paragraph, it is not closely related to banking or managing or controlling banks for a bank holding company to provide insurance as a principal, agent, or broker except (i) where the insurance is limited to assuring repayment of the outstanding balance due on a specific extension of credit by a bank holding company or its subsidiary in the event of the death, disability, or involuntary unemployment of the debtor; (ii) in the case of a finance company which is a subsidiary of a bank holding company, where the insurance is also limited to assuring repayment of the outstanding balance on an extension of credit in the event of loss or damage to any property used as collateral on such extension of credit and such extension of credit is not more than an amount equal to $10,000 ($25,000 in the case of an extension of credit which is made to finance the purchase of a residential manufactured home and which is secured by such residential manufactured home) increased by the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers published monthly by the Bureau of Labor Statistics for the period beginning on January 1, 1982, and ending on December 31 of the year preceding the year in which such extension of credit is made; (iii) any insurance agency activity in a place that (I) has a population not exceeding five thousand (as shown by the last preceding decennial census), or (II) the bank holding company, after notice and opportunity for a hearing, demonstrates has inadequate insurance agency facilities; (iv) any insurance agency activity which was engaged in by the bank holding company or any of its subsidiaries on May 1, 1982, or which the board approved for such company or any of its subsidiaries on or before May 1, 1982, including (I) sales of insurance at new locations of the same bank holding company or the same subsidiary or subsidiaries with respect to which insurance was sold on May 1, 1982, or approved to be sold on or before May 1, 1982, if such new locations are confined to the State in which the principal place of business of the bank holding company is located, any State or States immediately adjacent to such State, and any State or States in which insurance activities were conducted by the bank holding company or any of its subsidiaries on May 1, 1982, or were approved to be conducted by the bank holding company or any of its subsidiaries on or before May 1, 1982, and (II) sales of insurance coverages which may become available after May 1, 1982, so long as those coverages insure against the same types of risks as, or are otherwise functionally equivalent to, coverages sold on May 1, 1982, or approved to be sold on or before May 1, 1982 (for purposes of this subparagraph, activities engaged in or approved by the Board on May 1, 1982, shall include activities carried on subsequent to that date as the result of an application to engage in such activities pending on May 1, 1982, and approved subsequent to that date or of the acquisition by such company pursuant to a binding written contract entered into on or before May 1, 1982, of another company engaged in such activities at the time of the acquisition); (v) any insurance activity where the activity is limited solely to supervising on behalf of insurance underwriters the activities of retail insurance agents who sell (I) fidelity insurance and property and casualty insurance on the real and personal property used in the operations of the bank holding company or any of its subsidiaries, and (II) group insurance that protects the employees of the bank holding company or any of its subsidiaries; (vi) any insurance agency activity engaged in by a bank holding company, or any of its subsidiaries, which bank holding has total assets of $50,000,000 or less: *Provided, however,* That such a bank holding company and its subsidiaries may not engage in the sale of life insurance or annuities except as provided in clause (i), (ii) or (iii) of this subparagraph; or (vii) where the activity is performed, or shares of the company involved are owned, directly or indirectly, by a bank holding company which is registered with the Board of Governors of the Federal Reserve System and which, prior to January 1, 1971, was engaged, directly or indirectly, in insurance agency activities as a conse-

quence of approval by the Board prior to January 1, 1971.".

(2) by adding following paragraph (14) the following new paragraph (15).

"(15)(A) shares of any securities affiliate the activities of which consist of:

"(i) dealing in or underwriting obligations issued or guaranteed by or on behalf of a State or any political subdivision thereof or any agency or instrumentality of either of the foregoing, except industrial development bonds as defined in section 103(b)(2) of the Internal Revenue Code of 1954, as amended: *Provided, however,* That a securities affiliate may deal in and underwrite such industrial development bonds, the interest on which is exempt from Federal income tax under section 103(a) of the Internal Revenue Code of 1954, as amended, if: (I) a State, territory, possession of the United States, or any political subdivision of the foregoing, or the District of Columbia pledges its full faith and credit for the payment of all principal and interest on such bonds or (II), the issuer, or the State or local governmental unit on behalf of which the industrial development bonds were issued, is considered the sole owner, for Federal income tax purposes, of the facility with respect to which financing is to be provided from the proceeds of such industrial development bonds;

"(ii) dealing in or underwriting securities backed by pools of residential mortgage loans;

"(iii) organizing, sponsoring, operating, controlling, providing investment advice to, or underwriting, distributing, or selling the shares of an investment company, as such term is defined in section 3 of the Investment Company Act of 1940, as amended (15 U.S.C. 80a-3); or

"(iv) any securities or securities-related activity that a national or state member bank is not prohibited by law from conducting directly.

"(B) No bank holding company that engages in any activity described in clauses (i), (ii), or (iii) of subparagraph (A) of this paragraph through a securities affiliate shall, after one year from the date on which any such securities affiliate first engages in any of such activities, permit a bank or insured institution controlled by such holding company to engage, directly or indirectly, in the United States in such activities (other than organizing, sponsoring, operating, controlling or providing investment advice to a closed-end investment company) or in any of the following activities: (i) dealing in or underwriting any obligation of the United States and any other obligation listed in paragraph seven of section 5136 of the Revised Statutes of the United States, as amended (12 U.S.C. 24), and (ii) purchasing and selling securities and stock as agent. For purposes of this subparagraph, the Board may, by regulation or order, determine additional securities or securities-related activities in which such bank or insured institution may not engage. No rule, regulation or order of the Board, however, shall prohibit a bank or insured institution from engaging in those securities or securities-related activities that are necessary or incidental to the financing of such bank or insured institution or to the investment of its funds. In the event that a securities affiliate controlled by a bank holding company terminates all of the activities specified in clauses (i), (ii), and (iii) of subparagraph (A) of this paragraph, any bank or insured institution that is controlled by such bank holding company may conduct any securities or securities-related activities that it is authorized by law to conduct.

"(C) A bank holding company seeking to acquire shares of a securities affiliate or engage directly in securities or securities-related activities pursuant to this paragraph shall comply with the prior notification and other requirements and limitations of paragraph (8) of this subsection."; and

(3) by deleting the penultimate sentence thereof, which begins "In the event".

SEC. 6. Subsection 5(c) of the Bank Holding Company Act, as amended (12 U.S.C. 1844(c)), is hereby amended to read as follows:

"(c)(1) The Board from time to time may require reports under oath, in such scope and detail as it may determine, of a bank holding company and each subsidiary thereof to keep the Board informed as to whether such companies are complying with the provisions of this Act and regulations and orders issued thereunder.

"(2) Except where the Board determines that a lesser reporting requirement is appropriate, the Board shall accept in fulfillment of the reporting requirements established pursuant to this subsection for nonbank subsidiaries separate reports consisting of: (A) for companies subject to the reporting requirements of section 17 of the Securities Exchange Act of 1934 (15 U.S.C. 78q), the same information required to be submitted to the Securities and Exchange Commission under such section (and the rules and regulations thereunder) at the same time such information is so submitted; and (B) for all other companies the same information as would be required to be submitted under section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) (and the rules and regulations thereunder) by companies subject to the reporting requirements of such Act, that are engaged in the same or similar lines of business, not more frequently than quarterly. In particular circumstances, the Board may require additional information in order to fulfill its responsibilities under this Act.

"(3) The Board may make examinations of each bank holding company and each subsidiary thereof, the cost of which may be assessed against, and paid by, such holding company. The Board shall, however, insofar as possible, minimize the scope and frequency of examinations of nonbank subsidiaries of a bank holding company by utilizing, where feasible, reports of applicable regulatory agencies or other bodies public or private, and by directing, to the extent feasible, the focus of such examinations to the activities or financial condition of such nonbank subsidiaries that may have a materially adverse effect on the safety and soundness or financial condition of a subsidiary bank of the bank holding company.".

SEC. 7. Section 7 of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1846), is hereby amended by striking out the period at the end thereof and inserting the following:

": *Provided, however,* That no State shall prohibit the affiliation of a national banking association, as such term is used in section 21 of this title, with a company engaged only in one or more of the activities described in paragraphs (8) and (15) of subsection 4(c) of this Act.".

SEC. 8. Section 11 of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1849), is hereby amended by inserting after the fourth sentence of subsection (b) thereof the following new sentence:

"The Board may shorten or eliminate this thirty day period with the consent of the Attorney General.".

AMENDMENTS TO THE BANK MERGER ACT OF 1966

SEC. 9. Section 18(c) of the Bank Merger Act of 1966 12 U.S.C. 1828(c), is hereby amended by inserting at the end of paragraph (6) thereof the following new sentence: "The responsible agency may shorten or eliminate this 30 day period with the consent of the Attorney General.".

AMENDMENTS TO THE BANKING ACT OF 1933

SEC. 10. Section 20 of the Banking Act of 1933, as amended (12 U.S.C. 377), is hereby amended by adding the following new paragraph at the end of the first paragraph of such section:

"Notwithstanding any other provision of this section, a member bank may be affiliated in any manner described in subsection (b) of sector 221a of this title with a securities affiliate as defined in section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)).".

SEC. 11. Paragraph 1 of subsection 21(a) of the Banking Act of 1933, as amended (12 U.S.C. 378(a)(1)), is hereby amended by deleting the word "or" and replacing the semicolon at the end thereof with a period and by adding the following new sentence at the end thereof:

"The prohibitions of this paragraph shall apply to any subsidiary (as defined in 12 U.S.C. 1841(d)) of any firm, corporation, association, business trust, or other similar organization engaged in the business of receiving deposits as described herein. A subsidiary of such organization, the activities of which become unlawful as a result of the enactment of the Depository Institutions Holding Company Act Amendments of 1983 may continue its existing activities for a period of two years after the date of enactment of such act; or".

SEC. 12. Section 32 of the Banking Act of 1933, as amended (12 U.S.C. 78), is hereby amended by adding the following sentence at the end thereof:

"Notwithstanding any other provision of this section, an officer, director, or employee of any member bank may serve at the same time as an officer, director, or employee of any securities affiliates with which the member bank is affiliated. The term 'securities affiliate' shall have the meaning ascribed to it in section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)).".

AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT

SEC. 13. Subsection 18(j) of the Federal Deposit Insurance Act (12 U.S.C. 1828(j)) is amended:

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively, and by adding the following new paragraph (3):

"(3) The provisions of section 20 of the Banking Act of 1933, as amended (12 U.S.C. 377), relating to affiliations between member banks and organizations engaged principally in certain securities activities, and the provisions of section 32 of the Banking Act of 1933, as amended (12 U.S.C. 78), relating to certain officer, director or employee relationships involving a member bank and a person or organization primarily engaged in certain securities activities, shall be applicable to every nonmember insured bank in the same manner and to the same extent as if such nonmember insured bank were a member bank. An affiliation or officer, director or employee relationship that becomes unlawful as a result of the enactment of this paragraph may continue for a

period of two years after the date of enactment of this paragraph. The provisions of this paragraph shall not apply to any foreign bank, as defined in subsection 1(7) of the International Banking Act of 1978, having an insured branch in the United States with respect to any affiliation between such bank and any company organized under the laws of a foreign country that is not engaged in business in the United States except as an incident to its activities outside the United States, and shall not apply to any officer, director, or employee of any such foreign bank, but shall apply to officers and employees of the insured branch,"; and

(2) by inserting after the words in the first sentence of paragraph (4)(A), as so redesignated under paragraph (1) of this section, "or any lawful regulations issued pursuant thereto," the following words: "or any provision of section 20 of the Banking Act of 1933, as amended,".

PROHIBITION ON CERTAIN ACTIVITIES BY DEPOSITORY INSTITUTIONS

SEC. 14. Section 2 of the Public Law 93-100 (12 U.S.C. 1832) is amended by adding at the end thereof the following new subsection (d):

"(d) No state—chartered depository institution may commence, either directly or indirectly, any activity unless (1) such activity was authorized for the type of institution explicitly and not by implication by a state statute adopted, or by an interpretation promulgated thereunder, prior to January 1, 1983; (2) such activity is permitted under section 4(c)(8) of the Bank Holding Company Act for a bank holding company subject to all applicable limitations; or (3) such activity is explicitly authorized by a state statute, or interpretation promulgated thereunder, and is performed exclusively in the state authorizing such activity for residents of that state. This section does not authorize the conduct of any activity prohibited to state chartered depository institutions under sections 20 or 21 of the Glass-Steagall Act. Nothing in this section shall prohibit a state-chartered savings and loan association or savings bank from engaging in any activity expressly permitted for a federal savings and loan association or federal savings bank pursuant to the Garn-St Germain Depository Institutions Act of 1982 (Pub. L. No. 97-320). Any state-chartered depository institution that after June 3, 1983, commenced any activity, directly or indirectly, that would have been prohibited by this subsection if commenced after enactment of this subsection shall immediately terminate such activity.".

AMENDMENTS TO THE SECURITIES ACT OF 1933

SEC. 15. Section 4 of the Securities Act of 1933, as amended (15 U.S.C. 77d), is hereby amended by adding a new paragraph (7) at the end thereof:

"(7) Transactions involving offers or sales of equity securities in connection with the acquisition of a bank by a company under the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841 et seq.), if such acquisition occurs solely as part of a reorganization in which a person or group of persons exchange their shares of a bank for shares of a newly formed bank holding company and receive, after such reorganization, substantially the same proportional share interest in the holding company as they held in the bank, except for changes in shareholder interests resulting from the exercise of dissenting shareholder rights under State or federal law.".

AMENDMENTS TO THE SECURITIES EXCHANGE ACT

SEC. 16. Subparagraphs (i), (ii), and (iii) of paragraph (34)(A) of subsection 3(a) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(34)(A)), are each hereby amended by inserting immediately before the semicolons at the end thereof, the words, "other than a securities affiliate as defined in section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)).

SEC. 17. Paragraph (b)(1) of section 15B of the Securities Exchange Act of 1934, as amended (15 U.S.C. 738-4(b)(1)), is hereby amended by striking the word "subsidiaries" in parts (B) and (C) thereof and replacing it with the word, "affiliates".

AMENDMENTS TO THE FEDERAL RESERVE ACT

SEC. 18. (a) The Federal Reserve Act is amended by adding new section 23B immediately following section 23A (12 U.S.C. 371c) thereof to read as follows:

"SEC. 23B. RESTRICTIONS ON TRANSACTIONS WITH AFFILIATES.—(a) A member bank and its subsidiaries may engage in any of the following transactions, only on terms and under circumstances, including credit standards, that are substantially the same as, or at least as favorable to such bank or its subsidiary as those prevailing at the time for comparable transactions with or involving other nonaffiliated companies or, in the absence of comparable transactions, those terms and circumstances that in good faith would be offered to, or would apply to nonaffiliated companies;

"(1) any covered transaction, as defined in section 23A, with an affiliate;

"(2) the sale of securities or other assets, including assets subject to an agreement to repurchase, to an affiliate;

"(3) the payment of money or the furnishing of services to an affiliate, under contract, a lease, or otherwise;

"(4) any transaction in which an affiliate acts as an agent or broker or receives a fee for its services to the bank or any other person; or

"(5) any transaction or series of transactions with a third party, (A) if an affiliate has a financial interest in the third party, or (B) if an affiliate is a participant in such transaction or series of transactions. For the purposes of this subsection, any transaction by a member bank with any person shall be deemed to be a transaction with an affiliate of such bank to the extent that the proceeds of the transaction are used for the benefit of, or transferred to, such affiliate.

"(b) A member bank and the affiliates of such bank shall not publish any advertisement or enter into any agreement stating or suggesting that the bank shall in any way be responsible for the obligations of its affiliates; however, a member bank and its affiliates may use similar names.

"(c) A member bank and any subsidiary of such bank:

"(1) shall not purchase as fiduciary any securities or other assets from any affiliate unless such purchases are permitted under the instrument creating the fiduciary relationship, by court order, or by law of the jurisdiction under which the trust is administered; and

"(2) whether acting as principal or fiduciary, shall not knowingly purchase or otherwise acquire, during the existence of any underwriting or selling syndicate, any security a principal underwriter of which is an affiliate of such bank; except that this prohibition shall not apply where the purchase of such securities has been approved, prior to the time at which such securities are initially offered for sale to the public, by a majority of the directors of the bank who are not officers or employees of the bank or any affiliate thereof. For the purpose of this paragraph, the term 'security' means a 'security' as defined in section 3(a)(10) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)); and the term 'principal underwriter' means any underwriter who, in connection with a primary distribution of securities, (A) is in privity of contract with the issuer or an affiliated person of the issuer; (B) acting alone or in concert with one or more persons, initiates or directs the formation of an underwriting syndicate; or (C) is allowed a rate of gross commission, spread, or other profit greater than the rate allowed another underwriter participating in the distribution.

"(d) For the purpose of this section:

"(1) the term 'affiliate' means an 'affiliate' as defined in section 23A of the Federal Reserve Act (12 U.S.C. 371c) excluding a bank; and

"(2) the terms 'bank', 'subsidiary', 'person', and 'security' (other than security as used in subsection (c)) have the same meanings given to them in section 23A of the Federal Reserve Act (12 U.S.C. 371c).".

"(e) The Board may prescribe rules and regulations to administer and carry out the purposes of this section, including rules or regulations to (1) further define terms used in this section; (2) exempt transactions or relationships from the requirements of this section; or (3) exclude from the definition or 'affiliate' in this section any subsidiary of a bank holding company, if the Board finds such exemptions or exclusions to be in the public interest and consistent with the purposes of this section.".

(b) Section 18(j) of the Federal Deposit Insurance Act (12 U.S.C. 1828(j)) is hereby amended:

(1) by inserting "and section 23B" after "section 23A" at each place it appears in paragraph (1); and

(2) by inserting ", 23B," after "23A" in paragraph (4)(A), as so redesignated under paragraph (1) of section B of this Act.

AMENDMENTS TO THE INVESTMENT COMPANY AND INVESTMENT ADVISERS ACTS OF 1940

SEC. 19. (a) Subsection 17(f) of the Investment Company Act of 1940, as amended (15 U.S.C. 80a-17(f)), is hereby amended by adding after the words "unit investment trusts": "*Provided, however,* That any registered management company that is organized, sponsored, operated or controlled by, or which receives investment advice from, any securities affiliate, as defined in section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)), may place and maintain its securities and similar investments in the custody of a bank which is affiliated with such securities affiliate only with the prior approval of the Commission.".

(b) Subsection 26(a)(1) of the Investment Company Act of 1940, as amended (15 U.S.C. 80a-26(a)(1)), is hereby amended by adding after the words "so published);": "*Provided, however,* That, except with the prior approval of the Commission, it shall be unlawful for such trust indenture, agreement of custodianship, or other instrument to designate as trustee or custodian any bank which is affilated with a securities affiliate, as defined in the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)), which organizes, sponsors, operates or controls such registered unit investment trust.".

(c) Subsection 27(c)(2) of the Investment Company Act of 1940, as amended (15 U.S.C. 80a-27(c)(2)), is hereby amended by adding after the words "trust indentures of unit investment trusts"; "*Provided, however,* That, except with the prior approval of the Commission, it shall be unlawful to deposit such proceeds with any bank which is affiliated with a securities affiliate, as defined in section 2(j) of the Bank Holding Company Act of 1956 as amended (12 U.S.C. 1841(j)), which organizes, sponsors, operates, controls or renders investment advice to such registered investment company.".

(d) Subsection 202(a)(11) of the Investment Advisers Act of 1940, as amended (15 U.S.C. 80b-2(a)(11)), is hereby amended by inserting after the words "bank holding company" the following: "(other than a bank holding company which is a securities affiliate)".

AMENDMENTS TO BANK HOLDING COMPANY ACT AMENDMENTS OF 1970

SEC. 20. Section 105 of the Bank Holding Company Act Amendments of 1970, (12 U.S.C. 1850), is hereby amended by deleting the words ", to engage directly or indirectly in a nonbanking activity pursuant to section 4 of such Act.".

SEC. 21. Section 106 of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1972, et seq.), is hereby amended by adding new subsection (i) at the end thereof to read as follows:

"(i) Any section for injunctive relief that may be commenced by any person pursuant to section 1976 of this title may be commenced on the behalf of such person by any trade association of which such person is a member: *Provided,* That any such action commenced by a trade association shall be subject to the same requirements, limitations, and conditions as would be applicable had such action been commenced by any such person pursuant to section 1976 of this title.".

AMENDMENTS TO THE SAVINGS AND LOAN HOLDING COMPANY AMENDMENTS OF 1967

SEC. 22. Section 408 of the National Housing Act (12 U.S.C. 1730a), is hereby amended by deleting subsection (n) thereof and replacing it with the following new subsection (n).

"(n) In the event that (A) an insured institution that is owned or controlled by a unitary savings and loan holding company devotes less than 60 percent of its assets to residential mortgages and related investments on average during the year; (B) such subsidiary insured institution's services or products are offered to or marketed through such holding company or its other subsidiaries; or (C) the services or products of such holding company or its other subsidiaries are offered to or marketed through such subsidiary insured institution, such unitary savings and loan holding company may not thereafter commence, or continue for more than three years, any business activity not permissible for a multiple savings and loan holding company under paragraph (2) of this subsection. For purposes of determining compliance with the three-year period described in the preceding sentence, the last sentence of paragraph (2) of this subsection shall be inapplicable. For the purposes of this section, the term "related investments" means (i) securities backed by residential mortgages; (ii) retail mobile home loans; (iii) home improvement loans; (iv) loans to finance the construction of residential properties; and (v) investment in service corporations except that such investments shall be reduced by an amount proportionate to the amount of such corporation's assets that are not residential mortgages or related investments as defined in this section."

DEPOSITORY INSTITUTIONS HOLDING COMPANY ACT AMENDMENTS OF 1983

SECTION-BY-SECTION ANALYSIS

The purpose of this legislation is to define the permissible scope of powers for depository institutions and their holding companies and to remedy a number of inequities that have developed in the existing framework of federal bank regulation. In order to promote increased competition, this bill authorizes expansion of the permissible activities for bank holding companies to include certain securities activities. The bill permits these new activities to be conducted only by the holding company itself or by a subsidiary of the holding company. The bill also simplifies the procedures by which bank holding companies may commence new nonbanking activities.

Section 1. Section 1 provides that this bill is entitled the Depository Institutions Holding Company Act Amendments of 1983.

Section 2. Section 2 redefines the term of "bank" in the Bank Holding Company Act and adds a definition of the term "securities affiliate."

The definition of "bank" is amended to encompass the following: (1) an insured bank as defined in the Federal Deposit Insurance Act (12 U.S.C. 1813(h)); (2) any institution eligible to become an insured bank under the Federal Deposit Insurance Act (12 U.S.C. 1815); or (3) any institution organized under the laws of the United States, any state or the District of Columbia or any United States Territory, that both accepts deposits that may be withdrawn by check and makes commercial loans. The definition would thus cover all national and FDIC insured State banks as well as institutions, such as State banks, State savings banks, trust companies, industrial banks and similar financial institutions that operate substantially in the same manner as industrial banks, that are eligible for FDIC insurance. The definition would cover other depository institutions that are not insured by the FDIC or eligible for such insurance, but which accept demand deposits and make commercial loans, such as a State savings and loan that is not insured by the FSLIC.

"Bank" does not include a foreign bank having an insured branch in the United States, an insured institution (as defined in 12 U.S.C. 1730a(a)(1)), or a trust company that receives all or substantially all of its deposits in a fiduciary capacity. An insured institution under 12 U.S.C. 1730a(a)(1) encompasses Federal savings and loan associations, Federal savings banks, and building and loans, savings and loans, or homestead associations, or cooperative banks, the accounts of which are insured by the FSLIC, as well as a Federal savings bank, the deposits of which are insured by the FDIC. Furthermore, the exemption for Edge Act banks and organizations whose only United States business is an incident of their activities outside the United States is continued.

The term "securities affiliate" is defined to mean a corporation that (1) engages in the United States in one or more of the securities activities authorized under section 5 of the bill, and (2) is either a broker or dealer within the meaning of the Securities Exchange Act or an investment adviser within the meaning of the Investment Advisers Act of 1940. Such a securities affiliate would thus function as a member of the securities industry, and would be eligible for membership in the National Association of Securities Dealers and the Securities Investor Protection Corporation.

Finally, Section 2 references the definition of "insured institution" in the Savings and Loan Holding Company Amendments of 1967 for purposes of the Bank Holding Company Act.

Section 3. Section 3 modifies subsection 3(a) of the Bank Holding Company Act to simplify the procedure for forming a bank holding company where the substance of the transaction is merely a reorganization of existing individual ownership into corporate form. The simplified process would apply to reorganizations in which individuals owning bank shares transfer such shares to a newly formed holding company and receive substantially the same proportional interest in the holding company that was held in the bank prior to the holding company's formation, provided that no other organizational change is implemented as part of such holding company formation. However, changes in shareholder interests arising out of the exercise of dissenting shareholders' appraisal rights are permitted.

The formation of the holding company would automatically be approved if: (1) thirty days prior notice is given to the Federal Reserve Board; (2) the proposal complies with the capital and other financial standards established by regulation by the Federal Reserve Board; and (3) the proposed bank holding company does not engage, at the time of the reorganization, in any activities other than banking or managing or controlling banks. The Federal Reserve Board, in promulgating regulations pursuant to this section, may not require the subsidiary bank to have more capital immediately after the reorganization than is required for a similarly-sized bank that is not a part of a bank holding company.

Section 4. Section 4 amends section 4(a)(2) of the Bank Holding Company Act to provide grandfather privileges for certain companies that become bank holding companies as a result of the redefinition of the term "bank" and the enactment of this bill, including companies that acquired so-called "nonbank banks". A company that becomes a bank holding company as a result of enactment of this bill and the redefinition of the term "bank" and that owned the bank on June 23, 1983, may continue to operate that bank. The company may also continue to and expand any nonbanking activity it was legally engaged in on June 23, 1983, and has been engaged in continuously since that date. The company could also engage in any activities that are permissible for bank holding companies, subject to the conditions and limitations of the Act.

A company's grandfather privileges terminate automatically if: (1) it acquires control of an additional bank or federally insured thrift institution; (2) its existing subsidiary bank both accepts demand deposits and makes commercial loans; or (3) it begins, after June 23, 1983, to engage in any activities, other than those that are either permissible for a bank holding company or that are grandfathered under this section. The authority to continue grandfathered activities also may be terminated if the Federal Reserve Board determines that such action is necessary to prevent conflicts of interest or unsound banking practices or is otherwise in the public interest.

Finally, a company that becomes a holding company as a result of enactment of this bill and the redefinition of the term "bank" and that acquired a bank, as redefined by this bill, after June 23, 1983, is ineligible for grandfather rights, and must immediately either divest its bank(s) or conform all of its activities to those permissible under the Bank Holding Company Act.

Section 5. Section 5 amends subsection 4(c)(8) of the Bank Holding Company Act, relating to activities that are permissible because they are closely related to banking, and adds a new paragraph (15) to subsection 4(c) of the Act to authorize certain securities activities if conducted through a securities affiliate.

(a) *Closely Related Activities.* Section 4(c)(8) of the Bank Holding Company Act presently permits bank holding companies, after notice and opportunity for hearing and subject to prior approval by the Federal Reserve Board, to engage in activities determined by the Board to be so closely related to banking or managing or controlling banks as to be a proper incident thereto. The amendment would substitute a prior notice procedure for the prior approval requirement of section 4(c)(8), eliminate the requirement for public notice and hearing on applications, and modify the current standards for approval under section 4(c)(8) to require consideration of only certain supervisory factors. The bill retains the present standard of section 4(c)(8), which permits bank holding companies to engage in nonbanking activities determined by the Board to be closely related to banking or managing or controlling banks.

Thus, under the new procedure of section 4(c)(8), a bank holding company must give the Board 60 days prior notice of its intent to engage in any nonbanking activity that the Board has determined to be closely related to banking. Notice is not required where a bank holding company opens offices de novo of a previously approved activity or changes the location of existing offices with no change of activities, unless the company has been notified that a notice is required because of supervisory concerns. The Board may, by regulation, prescribe the information that must be submitted in the notices, but may not require more information than that relevant to the nature, scope and permissibility of the proposal, and the Board's consideration of the following criteria: (1) the managerial resources of the bank holding company and, if conducted through a subsidiary, the company that will engage in the activity; (2) the adequacy of such companies' financial resources in relation to the financial resources of other companies engaged in similar activities; (3) any practice or arrangement that may affect adversely the independence or impartiality of an affiliated bank in the provision of credit or other services, or may affect adversely the terms or the availability of credit; and (4) any material adverse affect on the safety and soundness or financial condition of an affiliated bank or banks. If the Board determines that additional information is necessary for analysis of a particular notice, the Board may suspend the notice process, but then must act on the proposal within 30 days after the additional information is submitted.

The Board has the authority, upon consideration of the four criteria listed above, to disapprove the proposal, but must do so within the statutory time period of 60 days (or the 30 day period after submission of additional information). Any such disapproval must be by written order issued by the Board, setting forth the reasons for disapproval. That order would be subject to judicial review by the applicant company. A Board decision not to issue a disapproval order would not be subject to judicial review unless it contained conditions to which the company objected. Judicial review would, however, continue to be available to any aggrieved party with regard to determinations by the Board that a proposed new activity was closely related to banking.

In defining activities that are closely related to banking, the Federal Reserve Board is directed to give primary consideration to the public benefits that result from increased competition among all companies, whether or not bank holding companies, engaged in activities closely related to banking. Companies may also petition the Board to add new activities to the list of permissible activities or to expand those already permissible, and it is intended that the Board will act expeditiously on such petitions.

Section 5 of the bill retains the limitations on insurance activities currently contained in section 4(c)(8) of the Bank Holding Company Act. Thus, the Board may not determine that such activities are closely related to banking. Section 5 also provides that the Board may not designate as an activity closely related to banking certain securities activities authorized for securities affiliates under the new section 4(c)(15) of the Bank Holding Company Act or any activity prohibited to member banks under the Glass-Steagall Act. This prohibition would not apply to activities determined by the Board to be closely related to banking before enactment of this bill.

(b) *Securities Activities.* Section 5 of the bill adds a new paragraph (15) to subsection 4(c) of the Bank Holding Company Act, which allow bank holding companies, subject to the prior notice and other requirements of the amended section 4(c)(8) of the Act, to acquire shares in a securities affiliate that is authorized to engage in certain designated securities activities. Securities affiliates activities may be conducted directly by the bank holding company as well as indirectly through a nonbank subsidiary of the bank holding company. Clauses (i), (ii) and (iii) of subparagraph (A) of the new subsection 4(c)(15) of the Act specify the following activities that may be conducted by a securities affiliate: dealing in and underwriting obligations issued or guaranteed by state or local governments, with the exception of certain industrial development bonds; [1] dealing in and underwriting mortgage backed securities; and organizing, sponsoring, operating, and controlling, providing advice to, or underwriting and selling securities of any investment company. The activities authorized in clauses (i), (ii), and (iii) include activities that currently are impermissible for banks, such as underwriting and dealing in revenue bonds or mortgage backed securities and operating a mutual fund. Under clause (iv) of this subparagraph a securities affiliate may also conduct all of the securities and securities-related activities that a national or state member bank is not prohibited from conducting under Federal law.

If a bank holding company securities affiliate engages in any of the securities activities authorized in clauses (i), (ii), and (iii), the subsidiary banks of that holding company would be prohibited from conducting any of these activities in the bank, except that a subsidiary bank may operate or advise a closed-end investment company. This prohibition on the securities activities of subsidiary banks would commence one year after the securities affiliate first engaged in any of these securities activities. In addition, a bank holding company securities affiliate that engages in the securities activities permitted in clauses (i), (ii), and (iii) may not permit any of the holding company's subsidiary banks to engage in certain other securities activities, i.e., underwriting or dealing in United States government securities and securities brokerage. The Federal Reserve Board would be authorized to designate by order or regulation additional securities-related activities in which a subsidiary bank of a holding company operating a securities affiliate could not engage.

This prohibition against bank conduct of certain securities activities would in no way alter any securities related activities associated with the financing of the bank or the investment of its funds. Thus, a bank could purchase and sell investment securities for its own account without being affected by the prohibitions of this new section. In addition, some securities-related services offered by banks, such as securities custodial services, would not be covered by the prohibitions of this section and could be conducted by the bank to the extent permitted by law.

In the event a bank holding company securities affiliate terminates the activities permitted under clauses (i), (ii), and (iii), its subsidiary bank may conduct (through the bank itself or through a subsidiary of the bank) any activities that a bank is authorized by law to conduct.

Section 6. Section 6 amends the Bank Holding Company Act to provide that nonbanking subsidiaries of bank holding companies may generally satisfy the reporting requirements fo that Act by submitting the same information submitted to the Securities and Exchange Commission by reporting companies engaged in similar businesses. The Board may, however, establish lesser reporting requirements by regulation and may require greater reporting in particular cases where circumstances warrant.

The bill also directs the Board, where possible, to limit the examinations of nonbank subsidiaries of a bank holding company by using the reports of other entities and by directing the focus of examinations of nonbank subsidiaries to the activities or financial condition of those subsidiaries that may have a materially adverse effect on either the safety and soundness or the financial condition of a subsidiary bank. In all other respects, the Board's general supervisory and examination authority over bank holding companies is unchanged.

Section 7. Section 7 amends Section 7 of the Bank Holding Company Act to provide that no state may prohibit an affiliation between a national banking association and a company engaged solely in any of the securities or closely related to banking activities authorized by sections 4(c)(8) and 4(c)(15) of the Bank Holding Company Act.

Section 8. Section 8 of the bill amends the Bank Holding Company Act to authorize the Board with the approval of the Attorney General to shorten or to eliminate the 30 day period following Board approval of a bank acquisition during which a bank hold-

---

[1] A securities affiliate may deal in and underwite tax-exempt industrial development bonds (1) if either a state or local government pledges its full faith and credit to guarantee payment of all principal and interest on such bonds, or (2) if the issuer (or the governmental unit on whose behalf the bonds are issued), is considered to be the sole owner of the financed facility for Federal income tax purposes.

ing company must wait before consummating the acquisition. In many cases where there are no adverse competitive effects of the acquisition, such as one bank holding company formations, this required 30 day waiting period provides an unnecessary burden on bank holding companies.

Section 9. Section 9 of the bill amends the Bank Merger Act of 1966 to authorize the Board, the FDIC or the Comptroller, as the case may be, with the approval of the Attorney General to shorten or eliminate the 30 day period following approval of a bank merger during which the merger may not be consummated. As in the case of bank holding company acquisitions, there are numerous bank mergers that raise no anticompetitive considerations and where this 30 day waiting period poses an unnecessary burden.

Section 10. Section 10 amends Section 20 of the Banking Act of 1933 (12 U.S.C. 377) to permit a member bank to be affiliated with a securities affiliate as defined under the Bank Holding Company Act.

Section 20 of the Banking Act of 1933 prohibits a member bank from being affiliated with an organization engaged principally in the issuance, floatation, underwriting, public sale, or distribution of stocks, bonds, debentures, notes or other securities. Without the exception provided for in this section, section 20 might prohibit a bank holding company that owned a member bank from engaging in the securities activities authorized in section 5 of this bill because a bank holding company securities affiliate is authorized to engage in some of the activities covered by section 20. This section does not, however, allow a member bank to own shares of such a securities affiliate directly or otherwise engage in the new securities activities. Thus, the activities authorized for a securities affiliate must be conducted either by the bank's parent holding company or by a separate nonbank subsidiary of the holding company.

Section 11. Section 11 makes it clear that the prohibitions of section 21(a) of the Banking Act of 1933 apply to subsidiaries of depository institutions. Section 21(a) currently prohibits any organization engaged in the business of issuing, underwriting, selling or distributing stocks, bonds, notes or other securities from engaging, at the same time, in the business of receiving deposits. Any securities activities of a depository institution that become unlawful as a result of this bill are grandfathered for a two year period, but thereafter must be terminated.

Section 12. Section 12 amends Section 32 of the Banking Act of 1933 (12 U.S.C. 78) to allow an officer, director, or employee of a member bank to serve at the same time as an officer, director or employer of a securities affiliate with which the member bank is affiliated. However, section 32 of the Banking Act of 1933 would continue to prevent such an interlocking relationship with any other organization engaged in securities activities. The reason for this exemption is the same as that provided in section 10 of this bill with respect to the prohibition of section 20 of the Banking Act of 1933.

Section 13. Section 13 extends the prohibitions of sections 20 and 32 of the Banking Act of 1933 described above to nonmember insured banks as if such banks were member banks. Sections 20 and 32 now apply only to member banks. Affiliations and interlocking officer, director or employee relationships that become unlawful as a result of this amendment may be continued for two years after the date of enactment of this bill. These prohibitions of section 20 and 32 would not apply to foreign banks with insured branches in the United States with respect to an affiliation or interlocking relationship between the foreign bank and foreign companies engaged overseas in securities activities. The prohibitions of section 32 would, however, apply to officers and employees of the foreign bank's insured branch in the United States. Finally, the FDIC's authority to impose civil money penalties for certain violations of law is extended to encompass a violation of section 20 of the Banking Act of 1933. The Federal Reserve Board has similar authority under section 20 with respect to member banks.

Section 14. Section 14 of the Act imposes a limitation on the nonbanking activities of state chartered depository institutions, which includes FDIC insured banks and thrift institutions, the accounts of which are insured by the FSLIC. This section prohibits a state chartered depository institution from commencing after the effective date of the Act any activity unless:

(a) the activity was expressly authorized by state statute, or an interpretation thereof, promulgated prior to January 1, 1983;

(b) the activity has been found by the Board to be closely related to banking and thus permissible for bank holding companies under section 4(c)(8) of the Bank Holding Company Act; or

(c) the activity is expressly authorized by state law, is performed exclusively in the authorizing state, and is provided only to residents of the state. Section 14 also makes clear that it is not intended to authorize any securities activity prohibited under section 20 or 21 of the Banking Act of 1933, including the issuance, underwriting, sale, or distribution of securities. Section 14 further does not prohibit the commencement of activities by state chartered thrift institutions under state statutes that allow such institutions to perform any activity authorized for a federal thrift institution under the Garn-St Germain Depository Institutions Act of 1982, which authorized expanded commercial lending and other activities.

Section 14 also requires the immediate termination of any activity commenced by a state-chartered depository institution during the period between June 23, 1983, and the enactment of the bill if the activity would have been prohibited had it had been commenced after the date of enactment of this bill. This provision is intended to prevent a possible rush to commence new nonbanking activities in anticipation of enactment of the statute.

Section 15. Section 15 amends the Securities Act of 1933 to exempt from the registration requirements of that Act the issuance of shares of a bank holding company in a simple reorganization of the type described in section 3 of this bill. The amendment should reduce the time and expenses involved in forming a one bank holding company and will complement the simplification in the prior approval requirements for conversions to holding company form contained in section 3 of this bill.

Section 16. Section 16 amends the definition of "appropriate regulatory agency" in the Securities Exchange Act of 1934 ("Securities Exchange Act") so that the Securities and Exchange Commission ("SEC") is the appropriate regulatory agency for enforcing the statutory and regulatory requirements governing transactions in municipal securities with regard to bank holding company securities affiliates authorized by this bill.

Section 17. Section 17 amends Section 15B of the Securities Exchange Act, which establishes the composition of the Municipal Securities Rulemaking Board ("MSRB"). The bill makes clear that representatives of bank holding company securities affiliates may be included among those members of the MSRB that are selected from bank municipal securities dealers, but not among those members of the MSRB that are currently selected from brokers, dealers, or municipal security dealers.

Section 18. Section 18 amends section 23A of the Federal Reserve Act (12 U.S.C. 371c) by adding a new section 23B, that creates additional restrictions on transactions between a member bank and its affiliates. Although section 23B applies to transactions between a member bank and all of its affiliates, the Federal Reserve Board is authorized to exempt certain affiliates from the provisions of section 23B. It is expected that the Board will liberally utilize its authority to exclude subsidiaries engaged in activities currently permitted for bank holding companies. Section 23B would be applicable to Federally insured nonmember banks through section 18(j) of the Federal Deposit Insurance Act in the same manner as section 23A.

Section 23B provides that a member bank and its subsidiaries may engage in specified transactions with affiliates only if the terms and conditions of the transaction, including credit standards, are substantially the same as, or at least as favorable to the bank as, those prevailing at the time for comparable transactions with nonaffiliated companies. If there are no comparable transactions, the terms and conditions of the transaction must be the same as those that, in good faith, would be offered to or would apply to nonaffiliated companies. Transactions subject to this limitation are:

(1) Any covered transaction, as defined in Section 23A, with an affiliate;

(2) A sale of securities or other assets, including assets subject to an agreement to repurchase, to an affiliate;

(3) the payment of money or the furnishing of services to an affiliate under contract, lease, or otherwise;

(4) any transaction in which an affiliate acts as an agent or broker or receives a fee for its services to the bank or to any other person; or

(5) any transaction or series of transactions with the third party if (A) an affiliate has a financial interest in the third party, or (B) an affiliate is a participant in such transaction or series of transactions.

Section 23B would prohibit a bank and its affiliates from advertising, or entering into an agreement suggesting, that the bank is in any way responsible for its affiliates obligations. It makes clear, however, that a bank and its affiliates may use similar names. Thus, a bank holding company may use a common corporate name of symbol for all of its subsidiaries.

Section 23B also would prohibit a bank and its subsidiaries from purchasing as fiduciary any securities or other assets from an affiliate, unless such purchases are authorized by the instrument creating the relationship, by court order, or by the law of the jurisdiction under which the trust is administered. The section also prohibits, with one exception, a bank and its subsidiaries, whether acting as principal or fiduciary, from knowingly either purchasing or acquiring, during the existence of any underwriting or selling syndicate, any obligation for which an affiliate or subsidiary of the member bank is a principal underwriter. The exception to this prohibition provides

that if the purchase is approved by a majority of the bank's outside directors, i.e., directors that are not officers or employees of the bank or any affiliate of the bank, it would be permissible. Nothing in this section, however, is intended to affect the operation of any provisions of the investment company of 1940.

As used in this section, a principal underwriter means: any underwriter who, in connection with a primary distribution of securities, (A) is in privity of contract with the issuer or an affiliated person of the issuer; (B) acting alone or in concert with one or more other person, initiates or directs the formation of an underwriting syndicate; or (C) is allowed a rate of gross commission, spread, or other profit greater than the rate allowed another underwriter participating in the distribution.

The new section 23 B also would authorize the Federal Reserve Board to issue regulations to carry out the purposes of section 23 B and prevent evasions thereof. Pursuant to these rules and regulations, the Federal Reserve Board may, among other things, further define terms used in this Section and exempt transactions or relationships from the requirements of section 23 B if the exemption is in the public interest. Finally, the provisions of section 23 B are made applicable to state nonmember insured banks in the same manner that section 23 A applies to such institutions.

Section 19. Section 19 amends the Investment Company Act of 1940 to permit an investment company affiliated with a bank holding company securities affiliate, with the prior approval of the Securities and Exchange Commission, to (1) place its securities or similar investments in the custody of a bank affiliated with such securities affiliate; (2) designate any such bank as trustee or custodian of the investment company; or (3) deposit designated proceeds with any such bank under this section. The Securities and Exchange Commission has discretion to determine whether and, if so, under what circumstances and conditions, a bank and its affiliated investment company may enter into these three kinds of arrangements.

The investment Advisers Act of 1940 also would be amended to make clear that a bank holding company engaged in the securities advisory activities authorized by section 5 of this bill would qualify as an investment adviser for purposes of the Investment Advisers Act.

Section 20. Section 20 amends section 105 of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1850). Under that section, competitors of bank holding companies filing applications under the Bank Holding Company Act have the right to protest the application before the Board and to seek judicial review of any unfavorable decision. This provision is inconsistent with the new notice procedure contemplated in section 4 of the Bank Holding Company Act for nonbanking acquisitions, and should therefore be eliminated as it pertains to section 4 notices. Bank holding companies would, of course, continue to be subject to the antitrust laws as well as the anti-tying provisions of the Bank Holding Company Act Amendments of 1970 and the provisions for judicial review provided in those statutes. The Board would continue to consider any information brought to its attention by interested persons with regard to specific applications. Competitors would continue to have the right to seek judicial review of a Board determination that a proposed new activity is closely related to banking.

Section 21. Section 21 amends section 106 of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1972 *et seq.*) by adding a provision to permit a trade association to commence, on behalf of a member of such trade association, any action permitted to the member for injunctive relief against threatened loss of damage as a result of a violation of the prohibitions against tying arrangements contained in the 1970 Amendments.

Section 22. This section amends section 408 of the National Housing Act to provide that if a thrift institution owned by a unitary savings and loan holding company devotes less than 65 percent of its assets to 1-to 4-family mortgages and related securities on average during the year; (B) the thrifts' services or products are offered to or marketed through the holding company or its other subsidiaries; or (C) the products or services of the holding company or its other subsidiaries are offered to or marketed through the subsidiary insured institution, the holding company may not thereafter commence, or continue for more than three years, any business activity not permissible for a multiple savings and loan holding company. These provisions would insure that the advantages of the unitary S&L holding company form of organization would not be available where the subsidiary thrift is not fully committed to the provision of credit for the purchase of residential housing, or where a parent holding company seeks to integrate the thrift's operations with those of the parent in a manner that would be inconsistent with the separation of banking and commerce, and would be likely to result in unfair competition or unsafe or unsound practices. Thus, this section of the bill would prevent an S&L holding company from operating its insured thrift institution subsidiary in tandem with the other subsidiaries of the holding company, unless those subsidiaries perform only functions that have been found to be appropriate for multiple S&L holding companies. This would also prevent a parent holding company engaged in any other line of business from using its subsidiary thrift to secure access to the payments system, for example, and would thereby avoid the risks to the nation's payments system that might result from such access.

By Mr. WILSON:

S. 2135. A bill to amend the National Trails System Act by adding the California Trail to the list; to the Committee on Energy and Natural Resources.

S. 2136. A bill to authorize the exchange of certain lands between the Bureau of Land Management and the city of Los Angeles for purposes of the Santa Monica Mountains National Recreation Area; to the Committee on Energy and Natural Resources.

(The statements of Mr. WILSON on this legislation and the text of the bills appear earlier in today's RECORD.)

By Mrs. KASSEBAUM:

S. 2137. A bill to provide for full disclosure of rail transportation contracts; to the Committee on Commerce, Science, and Transportation.

FULL DISCLOSURE OF RAIL TRANSPORTATION CONTRACTS

Mrs. KASSEBAUM. Mr. President, I am introducing a bill today to rectify a problem I see developing in the implementation of the Staggers Act. An important part of that act allows shippers of agricultural commodities, among others, to enter into transportation contracts with the railroads. Such contracting has been widespread since enactment of Staggers. It has allowed shippers and railroads to tailor mutually beneficial arrangements.

Congress anticipated a potential problem in this area when Staggers was enacted. If a railroad could grant a shipper an undue preference in a contract that was not open to inspection, the antidiscrimination provisions of our rail laws could be circumvented. Therefore, the contract section of Staggers provided that the "essential terms" of the contracts be made public.

Unfortunately, the ICC has interpreted the phrase "essential terms" in a very contorted manner. Under their regulations, neither the shipper nor the full rates need be disclosed. I can think of no more essential terms in a contract than price and the parties. As a result of this interpretation, many small country elevators are unable to determine if the other provisions of Staggers are being violated to their detriment. A field hearing that I held in Kansas this summer revealed that many of these elevators are unable to compete with larger elevators and terminals. There is widespread belief that this is because of preferential contracts held by these larger elevators.

In an attempt to help prevent the destruction of this valuable resource, the country elevator, I am introducing this bill. It would simply require the full disclosure, within 60 days, of these contracts. I am not certain how much this will help the small elevators enforce Staggers, but I believe it is a good first step. I urge my colleagues to study this issue and help support me in saving an institution that serves a vital function in the agricultural heartland of our country.

By Mr. COCHRAN:

S. 2138. A bill to amend the copyright law regarding work for hire; to the Committee on the Judiciary.

AMENDMENT OF THE COPYRIGHT LAW REGARDING WORK FOR HIRE

Mr. COCHRAN. Mr. President, today I am introducing legislation to amend the copyright laws to protect more effectively the work product of writers, artists, photographers, composers, and other such creators of works of art.

During the last Congress, I introduced S. 2044 after Bern Keating of Greenville, Miss., founder and past president of the Travel Journalists Guild, expressed to me the concern of his organization's membership about industry abuse of the work-for-hire laws. The bill proposed to exclude certain types of works from coverage of

work-for-hire arrangements. Last fall Senator MATHIAS chaired a hearing of the Judiciary Committee to review S. 2044 and to examine industry practices. Representatives of the Graphic Artists Guild, the Authors League of America, and the American Society of Jounalists and Authors testified, as did representatives of the publishing industry.

Since that time, I have continued to work with Bern Keating, and members of the Graphic Artists Guild, to develop a better proposal for consideration by this Congress. Supporting the Graphic Artists Guild in its desire to reform the work-for-hire laws is a coalition of over 40 artist and writer groups representing more than 40,000 creators. I ask unanimous consent that the list be printed in the RECORD at the conclusion of my remarks.

Under present law, a work may be deemed a work made for hire if it is: First, a work prepared by an employee within the scope of his or her employment or, second, a certain type of work specially commissioned if the parties expressly agree in a written instrument signed by them that the work will be considered a work made for hire. Specially commissioned works are limited to those enumerated in the definition which includes contributions to collective works, motion pictures and audiovisuals, instructional texts, and others.

The significance of whether or not a work is a work made for hire is that when a work is made for hire, the creator is no longer the author for copyright purposes, but rather, the employer or the commissioning party is the author and receives all future income that may be derived from any use in any medium.

This presents less of a problem for employees who may lose authorship of their work but are deemed to be rewarded by the terms of their employment—provision of a salary and fringe benefits, a workplace, and tools and materials of their trade.

Freelance creators enjoy none of the security and benefits associated with employee status, are compensated only for the intended use of the copyrighted work, and are further cut-off from any other income generated by the subsequent use of their work. Because publishers enjoy a superior bargaining position, they are able to demand a work-for-hire contract as a condition of publication.

A striking example of the effect of work-for-hire on one graphic artist, Robin Brickman, was presented to the Judiciary Committee. Ms. Brickman testified that she was commissioned to do 27 black and white interior illustrations for the book, "Wildlife Stories of Faith McNulty," for $2,000. Although she tried to negotiate for a limited use contract and more money, she was told that she either sign the work-for-hire agreement or not get the job. She needed to work and signed the agreement. Later, the publisher chose one of her illustrations for the book jacket and added color. The cover was reprinted in the Washington Post and a nature magazine. Ms. Brickman received no additional compensation, nor was she consulted about the alteration of her work.

The theory of the work-for-hire doctrine is that the employer or commissioning party is entitled to authorship of the work because he conceives, directs, and controls the production of the work and bears the financial risks of development. While this argument is a strong one for works prepared by an employee in the course of his employment, it holds little water for many freelancers who conceive and develop a work in their own studios. Yet artists, writers and others complain that work-for-hire contracts are forced even when the publisher exercises little or no control over the production of the work. And in many instances, work-for-hire agreements are demanded after a work has already been created—sometimes by use of a restrictive endorsement on a payment check, a practice clearly outside the intent of the work-for-hire laws.

Mr. President, the legislation I am introducing attempts to address these inequities. While work-for-hire agreements may be appropriate for minor works, charts, indexes and the like, our work for hire laws currently cover such works as magazine articles, photographs, illustrations, contributions to journals, newspapers, and anthologies, and numerous other types of works.

This legislation proposes to delete from the types of works which can be treated as works made for hire: First, a contribution to a collective work, second, an audiovisual other than a motion picture, third, a supplementary work, and fourth, an instructional text. These works would be subject to the copyright law's provision for a limited rights transfer. Parties would be free to contract any rights to be purchased, but my bill proposes that each right to be purchased be enumerated in the contract with the consideration to be paid for each right stated. Provision is made for the purchase of a nonterminable right, and rights acquired but not exercised within 2 years after the first publication would become nonexclusive. Such a structure for contracting would insure that both parties are aware of what rights are being purchased and for what price. Additionally, rights unexercised by the publisher would become nonexclusive after 2 years from the first publication, enabling the creator to exercise them himself for additional revenue.

For those types of works for which work-for-hire agreements would continue to be available, my bill would require that the work-for-hire contract be entered into prior to the commencement of the work.

Additionally, provision is made for an unjust enrichment action by a creator when the consideration paid is strikingly disproportionate to the profits received. The plaintiff, however, would bear the burden of proof.

The bill also proposes to amend section 202 to require a written instrument to transfer ownership of the physical object, original art, from the creator to the publisher. Aside from the value of the copyright, a photograph, illustration, manuscript, or the like may be valuable in itself, and it represents another source of income for its creator.

Finally, the bill proposes to clarify the definition of employee by basing the determination of the employee-employer relationship on compliance with the withholding requirements of the Federal taxation laws.

Mr. President, there is considerable interest in the country that the Congress address the rights of artists and the inequities of work for hire. State legislatures and city councils have begun to enact legislation on these very issues. State legislative enactments include work for hire, moral rights, and fair practices legislation. Moral rights legislation prohibits the alteration or mutilation of artwork and gives recognition to the artist's interest in his work after its sale. Fair practices legislation involves the transfer of ownership in the physical object, and, like my bill, requires a written instrument to effect such a transfer.

The New York and California State Legislatures have enacted moral rights and fair practices legislation. And the Oregon State Legislature has enacted a fair practices bill. Similar legislation has been introduced in Massachusetts and will be introduced in Alaska next year.

Additionally, the California State Legislature has enacted work-for-hire legislation that entitles a creator working under a work-for-hire agreement to employee benefits.

Finally, just this year the New York City Council passed a resolution calling on the U.S. Congress to take action on the issue of work for hire. Similar resolutions were passed by the Detroit and Providence, R.I., City Councils as well.

Mr. President, our copyright laws were enacted to promote and protect the creation of literary, artistic, musical, and other works. Yet our work-for-hire laws are depriving all artists, not only the new, young creators, of much of the income generated by their work, and, in many cases, are forcing them to abandon their careers. Society will be deprived inevitably of the richness that diversity of style and interpreta-

tion bring to literary and artistic expression unless Congress acts.

I urge my colleagues on the Judiciary Committee to continue their study of this very important issue and to schedule hearings on this legislation when Congress reconvenes next year.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS OPPOSING WORK FOR HIRE

Advertising Photographers Association.
American Federation of Television and Radio Artists.
American Society of Magazine Photographers.
Art Directors Club of New York.
Art Directors Club of Salt Lake City.
Artists Equity Association of New York.
Artists in Print.
Association of American Editorial Cartoonists.
Association of Medical Illustrators.
Association of Science Fiction Artists.
Boston Visual Artists Union.
Cartoonists Guild.
Comic Book Creators Guild.
Council of Writers Organizations.
American Society of Journalists and Authors.
Aviation/Space Writers Association.
Eastern Ski Writers.
Eastern Freelancers Association.
Garden Writers Association of America.
The I.B.W.
International Motor Press Association.
Media Alliance.
National Association of Science Writers.
National Book Critics Circle.
Outdoor Writers Association of America.
Science Fiction Writers of America.
Society of American Travel Writers.
Travel Journalists Guild.
Washington Independent Writers.
Foundation for the Community of Artists.
Graphic Artists Guild.
Association of Children's Book Artists and Authors.
Illustrators Discipline.
Graphic Designers Discipline.
Needleart Designers Discipline.
Textile Designers Discipline.
Independent Literary Agents Association.
Joint Ethics Committee.
National Artists Equity Association.
National Cartoonists Society.
National Writers Union.
PEN.
Screen Actors Guild.
Society of Authors Representatives.
Society of Illustrators of Los Angeles.
Society of Illustrators of New York.
Society of Illustrators of San Francisco.
Society of Photographers and Artists Representatives.

By Mr. HEINZ (for himself, Mr. MOYNIHAN, and Mr. MITCHELL):

S. 2139. A bill to improve the operation of the countervailing duty, antidumping duty, import relief, and other trade laws of the United States; to the Committee on Finance.

COMPREHENSIVE TRADE LAW REFORM ACT OF 1983

● Mr. HEINZ. Mr. President, together with the Senator from New York (Mr. MOYNIHAN) and the Senator from Maine (Mr. MITCHELL), I am today introducing the "Comprehensive Trade Law Reform Act of 1983," which is a bipartisan bill providing for thorough and comprehensive reform of U.S. trade laws.

This bill has also been introduced in the House as H.R. 4124 and has a growing number of cosponsors. It is endorsed by the Trade Reform Action Coalition (TRAC) which includes a broad base of American industries and labor, involving companies with more than $270 billion in annual sales and employing more than 4½ million workers.

As one who was intimately involved in the development of the Trade Agreements Act of 1979, I supported that effort as a major step forward on the road toward fully updating our laws governing international trade. However, in the nearly 4 years since enactment of that important piece of legislation, it has become apparent that much more needs to be done to bring all of our major trade statutes fully up-to-date with the realities of the international marketplace in the 1980's. Moreover, the last 4 years have revealed a number of weaknesses in the 1979 act that need correction.

The reforms contained in this bill are intended to strengthen existing statutes, and above all, to ensure that the intent of Congress in regard to these laws is strictly observed. The seven purposes of this bill are to make U.S. trade laws less complex, less expensive, less arbitrary, more certain, more expeditious, more fair and more effective for all petitioners.

Title 1 of this bill addresses urgently needed reform of our antidumping and countervailing duty laws, a subject last dealt with in the 1979 act. Currently, the filing of cases under these statues is much too expensive and it takes far too long for petitioners to obtain relief. In addition, for those petitioners who can afford to process cases and who are able to obtain affirmative determinations, the degree of administrative discretion which currently exists all too often reduces or nearly eliminates the level and effectiveness of the relief provided. This bill would greatly reduce costs and data requirements, shorten the length of time it takes to obtain provisional relief, and reduce the amount of administrative discretion.

Title 2 and title 3 of this bill address urgently needed reform of section 201, the "escape clause" provision, and section 301, the unfair trade remedy tool. Out of 48 section 201 cases completed since 1974, only 11 have resulted in import relief and in only one of those has the President approved what the International Trade Commission recommended. Perhaps the greatest problem has been that U.S. industry has been asked to meet a more difficult injury test than is arguably required by the General Agreement on Trade and Tariffs. In addition to providing for more effective relief provisions, our bill would conform our injury test to that of the GATT.

With respect to section 301, we believe that the key problem limiting its effectiveness has been the lack of a routine administrative framework and judicial review. Our bill places sole responsibility for 301 cases under a single agency, the U.S. Trade Representative, places strict time limits on investigations and provides for judicial review. An additional important reform of section 301 would provide for clear definitions of foreign industrial targeting, and mandatory relief in targeting cases where material injury occurs. While our bill also broadens the definition of subsidy to include targeting, we believe that section 301 should be the primary statute to address this problem.

Title 4 of this bill addresses urgently needed reform of a trade law not dealt with in 67 years, the Revenue Act of 1916. That act, the so-called Criminal Antidumping Act, provides for a private remedy to dumping. However, because of its criminal liability and treble damages provisions, as well as its specific intent to injure requirement, this act has rarely been used and never successfully. Our bill provides a viable civil damage remedy by removing criminal liability, by reducing treble damages to actual damages and by eliminating the intent requirement. This proposal is similar to that introduced by my colleague from Pennsylvania (Senator SPECTER).

Mr. President, this year the United States is facing a $70 billion merchandise trade deficit which could reach $100 billion next year. These deficits carry with them continued high levels of unemployment, threats to the very survival of some of our so-called basic industries, and further damage to many of our emerging growth or high technology industries. Trade law reform, by itself, will not eliminate our trade deficits, but ineffective trade laws and lax trade law enforcement have been important factors in making these deficits larger.

While I have reservations about a number of the provisions of this bill, I do believe it provides the essential elements for the establishment of fair and equitable trading conditions in the American market. Moreover, I agree with its basic approach. This bill addresses the urgent need for comprehensive trade law reform, and it does so by seeking to correct simultaneously numerous loopholes and deficiencies in four major areas of the law.

Along with the Senator from New York and the Senator from Maine, I intend to work hard to ensure that there are hearings on this bill and to move it through the legislative process. I commend it to my colleagues.

Mr. President, I ask unanimous consent that the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 2139

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Comprehensive Trade Law Reform Act of 1983".

TITLE I—COUNTERVAILING AND ANTIDUMPING DUTIES

SEC. 101. Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section, subsection, or other provision, the reference shall be considered to be made to a section, subsection, or other provision of the Tariff Act of 1930.

SEC. 102. Sections 703 and 733 (19 U.S.C. 1671b and 1673b) are each amended—

(1) by adding at the end of subsection (a) the following new sentence: "If that determination is affirmative, the administering authority shall order the suspension of liquidation of all entries of merchandise subject to the determination which are entered, or withdrawn from warehouse, for consumption on or after the date of publication of the notice of the determination in the Federal Register.";

(2) by amending subsection (d)—

(A) by striking out paragraph (1), and

(B) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

SEC. 103. Section 776(b) (19 U.S.C. 1677e(b)) is amended by inserting after the subsection sideheading the following new sentence: "The party or other person in possession of the specific information necessary to verify or negate allegations based on information reasonably available to the party making such allegations shall bear the burden of persuation with respect to such allegations.".

SEC. 104. Title VII is amended by adding after section 778 the following new section:

"SEC. 779. SMALL BUSINESS INTERNATIONAL TRADE ADVOCATE.

"(a) ESTABLISHMENT OF OFFICE.—The Secretary of Commerce shall establish within the Department of Commerce the Small Business International Trade Advocate Office which shall be headed by the Small Business International Trade Advocate (hereinafter in this section referred to as the 'Advocate').

"(b) FUNCTIONS OF ADVOCATE.—

"(1) IN GENERAL.—The Advocate shall assist small business in the preparation for, and participation in, any proceedings relating to the administration of the trade laws of the United States.

"(2) INITIATION AND INTERVENTION.—The Advocate—

"(A) may, at the request of any person—

"(i) file a petition under section 702(a) or 732(a);

"(ii) intervene in any administrative proceeding under title VII of such Act if the Advocate determines such person is a small business which is unable to finance initiation of, or participation in, such a proceeding, and new "(B) shall, for purposes of subparagraph (A)(ii), have all rights under title VII of such Act to which an interested party is entitled.

"(3) Requests for investigations.—The Advocate may each fiscal year request the United States International Trade Commission to conduct not more than 3 investigations (similar to investigations under section 332(g) of the Tariff Act of 1930) to assist small businesses in preparing for proceedings under title VII of such Act.

"(c) SMALL BUSINESS.—For purposes of this section, the term 'small business' means a small business concern (within the meaning of section 3 of the Small Business Act).

"(d) REPORT TO CONGRESS.—Each fiscal year the Advocate shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives with respect to its activities during the preceding fiscal year.

"(e) AUTHORIZATION.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.".

SEC. 125. Section 777(c)(1) (19 U.S.C. 1677(c)(1)) is amended—

(1) by amending subparagraph (A)—

(A) by striking out "with particularity" and "and sets forth the reasons for the request"; and

(B) by striking out "subparagraph (B)" and inserting in lieu thereof "subparagraph (D)";

(2) by redesignating subparagraph (B) as subparagraph (D); and

(3) by inserting after subparagraph (A) the following new paragraphs:

"(B) Information to be disclosed by the administering authority.—The information to be disclosed by the administering authority shall include all confidential information available to or prepared by the administering authority during an investigation, such as the verification report, work sheets, and other relevant material prepared by the administering authority, and shall exclude customer names and the identity of market research organizations. It shall not be a requirement of disclosure that the person making the request demonstrate a need to have access to the information. Generally, access shall be limited to counsel for any party to the proceeding (whether independent or employed by such party) except that independent consultants, economists, and accountants may be granted access where measures are made available adequate to ensure the preservation of the confidentiality of the information.

"(C) PROCEDURES.—The administering authority or commission, as appropriate, shall act upon requests for access to confidential information within 10 days of its receipt. A request for confidential information shall be deemed continuing for the period of the investigation.".

SEC. 106. Section 771(7)(E) (19 U.S.C. 1677(7)(E)) is amended by adding at the end thereof the following:

"(iii) Cumulation.—In determining material injury or threat thereof, the Commission shall consider the cumulative impact of the imports of merchandise under investigation when combined with imports of merchandise of the same class of kind which are the subject of other investigations under section 701 or 731 or of final orders under section 706 or 736.".

SEC. 107. Section 702 and 732 (19 U.S.C. 1671a and 1673a) are each amended by adding at the end thereof the following new subsection:

"(e) SPECIAL RULES.—In making determinations under paragraph (1) of subsection (c), the absence of a history of imports in sufficient volume to be a present cause of material injury shall not be a basis for a negative determination when a capability to increase exports is asserted.".

SEC. 108. Section 771(7)(E) (19 U.S.C. 1677(7)(E)) is further amended—

(1) by amending clause (i) to read as follows:

"(i) Nature of subsidy.—In determining whether there is a threat of material injury, the Commission shall consider information presented to it by the administering authority and information otherwise available to it as to the nature of the subsidy (particularly as to whether the subsidy is an export subsidy inconsistent with the Agreement or is a subsidy related to a promotional program benefiting a specific industry referred to in paragraph (5)(v)) provided by a foreign country or its instrumentalities and the effects likely to be caused by the subsidy."; and

(2) by adding at the end thereof the following new clauses:

"(iv) Relevant time periods.—In determining material injury or a threat thereof, the Commission shall consider evidence of injury in each of (I) the most recent three month period, (II) the most recent three year period, and (III) if requested by the petitioner such longer period as requested by the petitioner. Evidence of injury in any of a three month, three year or longer period shall be sufficient to constitute material injury or a threat thereof.

"(v) Threat of injury.—In determining threat of material injury, the Commission shall consider evidence of (I) increasing domestic inventories of imported merchandise, (II) new or increased capability to manufacture or export such merchandise in the countries under investigation or shift production and exports among industry product lines, and (III) any effort by a foreign government or instrumentality to promote the development of growth of export capability of the industry under investigation through a combination of policies, programs, or practices such as protection of the home market, promotion or tolerance of cartels, or subsidization (as defined in paragraph (5) of this subsection).".

Sec. 109. (a) Section 701(a)(1) (19 U.S.C. 1671(a)(1)) is amended by inserting ", or which is likely to be imported," immediately before "into the United States.".

(o) Sections 701(a)(2)(B) and 731(2)(B) (19 U.S.C. 1671(a)(2)(B) and 1673(2)(B)) are each amended by inserting "sales of imports, or offers of sales of imports" immediately before "of that merchandise.".

Sec. 110. (a) Sections 703(a) and 733(a) (19 U.S.C. 1671b(a) and 173b(a)) are each further amended—

(1) by redesignating the text of subsection (a) as paragraph (1);

(2) by inserting as a side heading to such redesignated text the following: "General standard.—";

(3) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B) of such redesignated text as subparagraphs (A) and (B) and clauses (i) and (ii), respectively; and

(4) by adding at the end thereof the following new paragraphs:

"(2) Basis for determination.—The Commission shall make its preliminary determination on the basis of the information contained in the petition and any information received by way of questionnaire response. If on the basis of the information contained in the petition and the questionnaire responses, the Commission believes that there is a reasonable indication that an industry in the United States is materially injured, is threatened with material injury or the establishment of an industry in the United States is materially retarded, the Commis-

sion shall so determine within forty-five days.

"(3) Conference, submission of briefs, and extension of time for making preliminary determination.—In those instances where the Commission does not believe from the information contained in the petition and from the questionnaire responses that there is a reasonable indication that an industry in the United States is materially injured, is threatened with material injury, or the establishment of an industry in the United States is materially retarded, the Commission shall publish notice in the Federal Register by the fortieth day following the filing of the petition of its scheduling of a hearing, identifying the specific factual issues of concern to the Commission to be addressed at the hearing by any interested party. Prehearing and posthearing briefs shall be permitted to be filed on a time schedule to be established by the Commission, and the Commission shall publish its preliminary determination in the Federal Register by the 85th day following filing of the petition in such a situation.".

SEC. 111. Sections 703(c) and 733(c) (19 U.S.C. 1671b(c) and 1673b(c)) are each amended by striking out "or" at the end of paragraph (1)(A) and inserting in lieu thereof "and".

SEC. 112. Section 617 (19 U.S.C. 1617) is amended to read as follows:

"SEC. 1617. COMPROMISE OF GOVERNMENT CLAIMS BY SECRETARY OF THE TREASURY.

"Upon a report by a customs officer, United States attorney, or any special attorney, having charge of a specific claim arising under the customs laws, showing the facts upon which such claim is based, the probabilities of a recovery and the terms upon which the same may be compromised, the Secretary of the Treasury is authorized to compromise such claim, if such action shall be recommended by the General Counsel for the Department of the Treasury; except that no authority to compromise claims arising under section 701 or 731 of this Act shall exist under this section.".

SEC. 113. Section 104(b) of the Trade Agreements Act of 1979 (19 U.S.C. 1671 note) is amended—

(1) by adding at the end of paragraph (2) the following new sentence: "A negative determination by the Commission shall not be based, in whole or in part, on any export taxes, duties, or other charges levied on the export of merchandise to the United States specifically intended to offset the subsidy received."; and

(2) by amending paragraph (4)(B) to read as follows:

"(B) Negative determination.—Upon being notified of a negative determination, based upon clear and convincing evidence presented by any party seeking revocation, under paragraph (2) by the Commission, the administering authority shall revoke the countervailing duty order then in effect, publish notice thereof in the Federal Register, and refund, without payment of interest, any estimated countervailing duties collected during the period of suspension of liquidation.".

SEC. 114. Secton 751 (19 U.S.C. 1675(b)) is amended—

(1) by amending subsection (b)(2) to read as follows:

"(2) Limitation on period for review.—The Commission shall not review a determination under section 705(b) or 735(b), and the administering authority shall not review a determination under section 705(a) or 735(a), or the suspension of an investigation suspended under section 704 or 734, less than five years after the date of publication of notice of that determination or suspension; nor shall the Commission or administering authority review any such determination or suspension with regard to any foreign manufacturer, producer, or exporter, or the United States importer, of merchandise that is not subject to any such determination or suspension because said merchandise entered, or was withdrawn from warehouse, for consumption after the effective date of that determination or suspension, less than five years from the date of publication of that determination or suspension; except that if said merchandise first entered or was withdrawn from warehouse for consumption more than three years from said date of publication, such review shall not be held less than two years after the date said merchandise first entered, or was withdrawn from warehouse, for consumption.";

(2) by amending subsection (c) to read as follows:

"(c) REVOCATION OF COUNTERVAILING DUTY ORDER OR ANTIDUMPING DUTY ORDER.—The administering authority may revoke, in whole or in part, a countervailing duty order or an antidumping duty order, or terminate a suspended investigation, after review under this section; except that the administering authority shall not take such actions unless, upon clear and convincing evidence presented by any party seeking revocation of an order or termination of a suspended investigation—

"(1) the administering authority finds, on the basis of assurances given by the foreign manufacturers, producers, or exporters and of prevailing and/or reasonably anticipated conditions in the marketplace, that it is substantially unlikely that subsidized sales or sales at less than fair value will be resumed; and

"(2) the Commission makes a negative determination as to whether—

"(A) an industry in the United States—

"(i) would be materially injured, or

"(ii) would be threatened with material injury, or

"(B) the establishment of an industry in the United States would be materially retarded,

by reason of imports of the merchandise covered by the order if the order were to be revoked or covered by the suspended investigation if said investigation were to be terminated. In addition, the administering authority shall not revoke, in whole or in part, a countervailing duty order or terminate a suspended investigation on the basis of any export taxes, duties, or other charges levied on the export of merchandise to the United States specifically intended to offset the subsidy received. Any such revocation or termination shall apply with respect to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on and after a date determined by the administering authority."; and

(3) by adding at the end thereof the following new subsection:

(f) ASSURANCES.—

"(1) IN GENERAL.—The administering authority shall not revoke a countervailing duty order or an antidumping duty order or terminate a suspended investigation unless the foreign manufacturers, producers, or exporters subject to the order or suspension give assurances that they shall not receive subsidies or make sales at less than fair value.

"(2) VIOLATION.—If any foreign manufacturer, producer, or exporter violates the assurances required by this subsection, merchandise of the same class or kind of that manufacturer, producer, or exporter which had been subject to the countervailing duty order, antidumping order or suspension shall be excluded from entry into the United States for a period of one year commencing no later than 90 days after notification to the administering authority of the violation, if the administering authority determines such violation to exist."

SEC. 115. Sections 704(g) and 734(g) (19 U.S.C. 1671c(g) and 1673c(g)) are each amended to read as follows:

"(g) Investigation To Be Continued Upon Request.—If the administering authority, within 20 days after the date of publication of the notice of suspension of an investigation, receives a request for the continuation of the investigation from the petitioner, then the administering authority and the Commission shall continue the investigation.".

SEC. 116. Section 771 (19 U.S.C. 1677) is amended—

(1) by amending paragraph (9)—

(A) by striking out "and" at the end of subparagraph (D), and

(B) by striking out subparagraph (E) and inserting in lieu thereof the following:

"(E) a trade or business association at least ten percent of whose members manufacture, produce, or wholesale a like product in the United States, and

"(F) a coalition which includes one or more certified unions or recognized unions or groups of workers associated with the production of a like product in the United States and one or more entities which manufacture, produce, or wholesale a like product in the United States."; and

(2) by striking out the period at the end of paragraph (10) and inserting in lieu thereof the following: "; except that for the purposes of this title the term 'interested parties' as defined in paragraph (9) (C), (D), (E), and (F) shall include any manufacturer, producer, wholesaler, or certified union or group of workers whose activities are associated with the production of major parts, materials, components, subassemblies, or assemblies which, because of their inherent characteristics, are irrevocably destined for incorporation in the like product.".

SEC. 117. Title VII is further amended by adding at the end thereof the following new section:

"SEC. 780. REIMBURSEMENT OF COSTS TO SUCCESSFUL PETITIONERS.

"Upon application by any petitioner in an investigation that results in the issuance of a countervailing duty order under section 706 of this title, an antidumping duty order under section 303 or section 736 of this title or a suspension agreement under section 706 or 734 of this title, the administering authority shall pay to such petitioner an amount equal to the reasonable costs and expenses, including expenses of counsel, to such petitioner of preparing and filing the petition that resulted in such investigation and of participating in such investigation. The administering authority may require appropriate documentary evidence with respect to such costs and expenses as a condition of reimbursement. Payments by the administering authority under this section shall be made, to the extent funds shall be available therein, out of an account established by the administering authority and into which the Secretary of the Treasury shall remit all amounts received subsequent to the effective date of this section by the

United States Customs Service in payment of countervailing duties or antidumping duties under this title.".

SEC. 118. Section 2639(a)(1) of title 28, United States Code, is amended to read as follows:

"(a)(1) Except as provided in paragraph (2) of this subsection, in any civil action commenced in the Court of International Trade under section 515 or 516 of the Tariff Act of 1930, the decision of the Secretary of the Treasury is presumed to be correct. The burden of proving otherwise shall rest upon the party challenging such decision. There shall be no presumption for or against agency action in any civil proceeding arising under title VII of the Tariff Act of 1930.".

SEC. 119. Section 705(a)(1) is amended to read as follows:

"(1) In general.—Within 75 days after the date of its preliminary determination under section 703(b), the administering authority shall make a final determination of whether or not a subsidy is being provided with respect to the merchandise; except that when an investigation under this section is initiated simultaneously with an investigation under section 732, which involves imports of the same class or kind of merchandise from the same or other countries, the administering authority, if requested by the petitioner, shall extend the date of such final determination to the date of its final determination in the investigation initiated under section 732.".

SEC. 120. Section 516A(f) (19 U.S.C. 1615a(f)) is amended by adding at the end thereof the following new paragraphs:

"(5) Negative determination.—The terms 'negative determination by the administering authority under section 703(b)' and 'negative determination by the Secretary or by the administering authority under section 303 or 705' mean a determination that a particular practice is not a subsidy or that a particular producer is not receiving a subsidy or a determination allegedly understating the amount of the net subsidy or subsidies determined to exist. The terms 'negative determination by the administering authority under section 733(b)' and 'negative determination by the Secretary or by the administering authority under section 735' mean a determination that a particular exporter is not selling at less than fair value or is not likely to be selling at less than fair value or a determination allegedly understating the amount by which the foreign market value of the merchandise exceeds the United States price for the merchandise.

"(6) AFFIRMATIVE DETERMINATION.—The term 'affirmative determination by the Secretary under section 303 or by the administering authority under section 705' means a determination that a subsidy or subsidies are being provided to a class or kind of merchandise. The term 'affirmative determination by the Secretary under section 735' means a determination that a class or kind of merchandise is being, or is likely to be, sold in the United States at less than its fair value. An 'affirmative determination' for purposes of this paragraph may include one or more 'negative determinations' as defined in paragraph (5). Such negative determinations may be contested either as negative determinations or as the negative aspects of an affirmative determination.".

SEC. 121. Section 704 (19 U.S.C. 1671C) is amended—

(1) by amending subsection (b) to read as follows:

"(b) Agreements To Eliminate Completely a Subsidy Program or To Cease Exports of Subsidized Merchandise.—The administering authority may suspend an investigation if the government of the country in which the subsidy practice is alleged to occur agrees, or exporters who account for substantially all of the imports of the merchandise which is the subject of the investigation agree—

"(1) to eliminate the subsidy program completely within 6 months after the date on which the investigation is suspended, except that the administering authority shall not accept an agreement under this subsection unless the suppression or undercutting of price levels of domestic products by imports of that merchandise will be prevented, or

"(2) to cease exports of that merchandise to the United States within 6 months after the date on which the investigation is suspended."; and

(2) by amending subsection (d)(2)—

(A) by striking out "or offset", and

(B) by inserting "program" immediately before "or cessation".

SEC. 122. Section 771(6) (19 U.S.C.(6)) is amended—

(1) by inserting "only" after "gross subsidy" in the matter appearing before subparagraph (A);

(2) by inserting "and" at the end of subparagraph (A);

(3) by striking out ", and" at the end of subparagraph (B); and

(4) by striking out subparagraph (C).

SEC. 123. Section 771(5) (19 U.S.C. 1677(5)) is amended to read as follows:

"(5) SUBSIDY.—The term 'subsidy' has the same meaning as the term bounty or grant as that term is used in section 303 of this Act, and includes, but is not limited to, the following:

"(A) Any export subsidy described in Annex A to the Agreement (relating to illustrative list of export subsidies).

"(B) Any domestic subsidy explicitly or effectively provided to a specific enterprise or industry, or group of enterprises or industries, whether publicly or privately owned, and whether paid or bestowed directly or indirectly on the manufacture, production, or export of any class or kind of merchandise. Such domestic subsidies include but are not limited to the following categories:

"(i) The provision of capital, loans, or loan guarantees on terms inconsistent with commercial consideration.

"(ii) The provision of goods or services at preferential rates.

"(iii) The grant of funds or forgiveness of debt to cover operating losses sustained by a specific industry.

"(iv) The assumption of any costs or expenses of manufacture, production, or distribution.

(C) Any subsidy described in subparagraph (B) provided directly or indirectly to a supplier of any input to the class or kind of merchandise imported into the United States.".

SEC. 124. (a) Section 104(b)(1) of the Trade Agreements Act of 1979 (19 U.S.C. 1671 note) is amended by inserting before the period the following: ", if the request is received before the date of the filing of a countervailing duty petition with the administering authority".

(b) Section 701 (19 U.S.C. 1671) is further amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsections:

"(c) LIMITATION ON ACCEPTANCE CONCERNING DEVELOPING COUNTRIES.—Notwithstanding subsection (b) or any action previously taken to designate a country under the Agreement, no country shall be so designated until it has committed itself under the General Agreement on Tariffs and Trade to eliminate its export subsidies promptly; except that in the case of any country which is a beneficiary developing country under section 502 of the Trade Act of 1974, such country may be so designated if, in lieu of such commitment, such country agrees to—

"(1) phase out existing export subsidies within five years;

"(2) not increase existing export subsidies, extend such subsidies to new merchandise, or introduce new export subsidies; and

"(3) eliminate within one year export subsidies on merchandise which the Commission determines is either produced by an import sensitive United States industry or already competitive in the United States market and would be competitive in the absence of export subsidies.

For the purpose of determining the import sensitivity of a United States industry or the competitiveness of merchandise, the Commission, at the request of the President, shall conduct an investigation and shall determine and report to the President not later than 60 days after receiving his request, whether the merchandise is produced by an import sensitive United States industry or whether the merchandise is already competitive in the United States market and would be competitive in the absence of export subsidies.

"(d) REVIEW OF DETERMINATIONS.—

"(1) The President shall review the current status of, and compliance with, agreements made under subsections (b) and (c) at least once during each 12-month period following the date on which the agreement becomes effective and upon the request of an interested party described in subparagraph (C), (D), or (E) of section 771(9).

"(2) The President shall determine whether the country designated 'a country under the Agreement' has honored each term of the commitments made under subsections (b) and (c) and shall publish his findings in the Federal Register no later than 45 days after the anniversary of the effective date of the agreement or the request of an interested party.

"(3) Upon determining that a country designated 'a country under the Agreement' has failed to honor any term of the commitments made pursuant to subsections (b) and (c), such country shall be deprived of its designation as a 'country under the Agreement' within 30 days of the Federal Register notice under paragraph (2). If the President revokes the designation under this section of a country as a 'country under the Agreement' after the Commission has made a negative injury determination pursuant to section 703(a) or 705(b), or after a countervailing duty order has already been revoked under section 104(b), the determinations of the Commission with regard to imports from such country which were the subject of such injury determinations shall be deemed null and void. The administering authority shall issue a countervailing duty order within 30 days of the Federal Register notice under paragraph (2), with the estimated countervailing duty based on the amount of the deposit in effect at the time the countervailing duty order was revoked.".

SEC. 125. Section 706(a) (19 U.S.C. 1671e(a)) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(2) by adding after paragraph (1) the following new paragraph:

"(2) shall presumptively apply to all merchandise of such class or kind exported from the country investigated, except that where the administering authority determines there is a significiant differential between companies receiving subsidy benefits or where a State-owned enterprise is involved, the order may provide for differing countervailing duties,".

SEC. 126. Section 771 (19 U.S.C. 1677) is further amended—

(1) by inserting the following at the end of paragraph (5)(B):

"(v) Any of the following, when used as part of a program to develop a significant export capability in a particular product sector:

"(I) Special protection of the foreign home market whether through formal government action (such as tariffs, quotas, licensing requirements, or investment restrictions) or informal government action (such as preferential procurement as administration guidance to industry, or waiver of generally applicable antitrust laws).

"(II) Support for programs of joint research and development among private enterprises, with or without direct government intervention.

"(III) Programs designed to encourage the provision of capital to a particular enterprise or group of enterprises or industry or group of industries.

"(IV) The promotion, support, or tolerance of, an industry cartel.

"(V) The provision of conditional loans where the conditions for repayment have not occurred and are not likely to occur within twelve months of the date of the initiation of the investigation.

"(VI) The provision of capital, loans or loan guarantees or the provision of capital or loans at those rates lower than available from commercial sources."; and

(2) by amending paragraph (6) by adding at the end therof the following flush sentence:

"In order to determine the total net subsidy of a promotional program referred to in paragraph (5)(B)(v), the administering authority shall calculate the full benefit which accrues, whether directly or indirectly, to each participating enterprise.".

SEC. 127. Section 773 (19 U.S.C. 1677b) is amended—

(1) by amending subsection (a)(2) to read as follows:

"(2) USE OF CONSTRUCTED VALUE.—

"(A) IN GENERAL.—If the administering authority determines that the foreign market value of imported merchandise cannot be determined under paragraph (1)(A), then, notwithstanding paragraph (1)(B), the foreign market value of the merchandise may be the constructed value of that merchandise, as determined under subsection (e) of this section.

"(B) MATERIALS.—If the administering authority determines that the cost to the foreign producer of any foreign material incorporated in the merchandise under investigation is unreasonable, the foreign market value of the merchandise under investigation shall be the constructed value as determined under subsection (e) of this section. For purposes of this subparagraph, the cost of any foreign material shall be deemed unreasonable if—

"(i) its manufacture, production, or sale is subsidized within the meaning of section 771(5) of this Act; or

"(ii) such foreign material was purchased at a preferential or below-cost rate (determined after adjustment for differences in circumstances of sale as provided in paragraph (4) of this section) within the meaning of section 771(5) of this Act.";

(2) by amending subsection (e)(1)(A) to read as follows:

"(A) the cost of—

"(i) materials, including the amount of any preference or other subsidy described in subsection (a)(2)(B) (exclusive of any internal tax which is applicable in the country of exportation directly to such materials or their disposition, but which is remitted or refunded upon the exportation of the article in the production of which such materials are used); and

"(ii) fabrication or other processing of any kind employed in producing such or similar merchandise, at a time preceding the date of exploration of the merchandise under consideration which would ordinarily permit the production of that particular merchandise in the ordinary course of business;".

SEC. 128. (a) Section 734 (19 U.S.C. 1673c) is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

"(3) Quantitative restrictions agreements.—The administering authority may accept an agreement with the government of the country in which the merchandise which is the subject of the investigation was produced or with the exporters of such merchandise who account for substantially all the imports of such merchandise to restrict the volume of imports of such merchandise into the United States, if the agreement will eliminate completely the injurious effect of the exports to the United States of such merchandise."; and

(2) by adding at the end of subsection (d) the following new paragraph:

"(3) REGULATIONS GOVERNING ENTRY OR WITHDRAWALS.—In order to carry out an agreement concluded under subsection (b) or (c) of this section, the administering authority is authorized to prescribe regulations governing the entry, or withdrawal from warehouse, for consumption of merchandise covered by such agreement.".

(o) Sections 704(e)(1) and 734(e)(1) (19 U.S.C. 1671c(e)(1) and 1673c(e)(1)) are each amended to read as follows:

"(1) notify the petitioner of, and consult with the petitioner concerning, its intention to suspend the investigation, notify other parties to the investigation and the Commission not less than 30 days before the date on which it suspends the investigation, and have received the written consent of the petitioner,".

SEC. 129. Section 773(a) (19 U.S.C. 1677b(a)) is further amended by adding at the end thereof the following new paragraph:

"(5) PROHIBITED ADJUSTMENTS.—No adjustment shall be made to foreign market value—

"(A) for differences in circumstances of sale which are not shown to have an effect upon the price or market value of the merchandise under consideration;

"(B) for differences in circumstances of sale which are not directly related to the sales under consideration;

"(C) for cumulative discounts or rebates or other after-sale discounts or rebates; or

"(D) for differences in circumstances of sale or otherwise, for indirect selling and general expenses as offsets against the adjustments specified in the definition of the United States price set forth in section 772(3).".

SEC. 130. (a) Section 772(d)(2) (19 U.S.C. 1677(d)(2)) is amended—

(1) by striking out "and" at the end of subparagraph (A);

(2) by redesignating subparagraph (8) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following:

"(B) the cost relating to the circumstances of sale; and".

(b) Section 773(a)(4)(B) (19 U.S.C. 1677b(a)(4)(B)) is amended by striking out "differences in" and inserting in lieu thereof "costs relating to".

SEC. 131. (a) Section 773 (19 U.S.C. 1677b) is further amended—

(1) by striking out "price" in the matter appearing before subparagraph (A) in subsection (a)(1) and inserting in lieu thereof "weighted average price of all sales or offers for sale";

(2) by amending subsection (f)(1) to read as follows:

"(1) use averaging or generally recognized sampling techniques whenever a significant volume of sales is involved or a significant number of adjustments to prices is required (except that the administering authority shall not use items selected by foreign manufacturers, producers or exporters, or the United States importers of merchandise which is the subject of the investigation in such sampling), and".

(b) Such section 773 is further amended by amending subsection (b) to read as follows:

"(b) SALES AT LESS THAN COST OF PRODUCTION.—Whenever the administering authority has reasonable grounds to believe or suspect that sales in the home market of the country of exportation, or, as appropriate, to countries other than the United States, have been made at prices which represent less than the cost of producing the merchandise in question or if sold through a related party, as defined herein, such sales are made at below the cost of production, including related party marketing cost, it shall determine whether, in fact, such sales were made at less than the cost of producing the merchandise including related party marketing cost. If the administering authority determines that sales made at less than cost of production, including related party marketing cost, have been made over an extended period of time and in substantial quantities, such sales shall be disregarded in the determination of foreign market value. Whenever sales are disregarded by virtue of having been made at less than the cost of production, including related party marketing cost, and the remaining sales, made at not less than cost of production, are determined to be inadequate as a basis for the determination of foreign market value under subsection (a), the administering authority shall employ the constructed value of the merchandise (and related party marketing costs) to determine its foreign market value.".

SEC. 132. Section 771(13)(D) (19 U.S.C. 1677(13)(D)) is amended by striking out "20" each place it appears and inserting in lieu thereof "5".

SEC. 133. Section 773(a)(4) (19 U.S.C. 1677b(a)(4)) is amended by inserting at the end thereof the following sentence: "However, where adjustments are claimed under paragraph (B) resulting from sales to purchasers who do business with the same

seller in both the home (or third country) and United States markets, such adjustments shall reflect the actual selling expenses incurred by such purchasers in the respective markets.".

SEC. 134. Section 736 (19 U.S.C. 1673(e)) is amended by striking out subsection (c).

SEC. 135. Sections 704 and 734 (19 U.S.C. 1671(c) and 1673(c)) are each amended by adding at the end of subsection (a) the following new sentences: In any investigation under this subtitle, if requested by any interested party described in section 771(9)(A) or (B), the administering authority may negotiate settlement agreements with such interested parties the implementation of which shall be subject to the withdrawal of the petitions resulting in such investigation. The Secretary of Commerce or the Secretary of the Treasury shall enforce all provisions of such agreements relating to entries of merchandise into the United States.

TITLE II—ESCAPE CLAUSE

SEC. 201. Chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251-2253) is amended to read as follows:

"CHAPTER 1—IMPORT RELIEF

"(a)(1) A petition for eligibility for import relief for the purpose of facilitating orderly adjustment to import competition may be filed with the International Trade Commission (hereinafter in this chapter referred to as the 'Commission') by an entity, including a trade association, firm, certified or recognized union, or group of workers, which is representative of an industry including an industry which produces materials, parts, components, or subassemblies irrevocably destined for incorporation in an article like or directly competitive with an imported article. The petition shall include a statement describing the specific purposes for which import relief is being sought, which may include such objectives as facilitating the orderly transfer of resources to alternative uses and other means of adjustment to new conditions of competition.

"(2) Whenever a petition is filed under this subsection, the Commission shall transmit a copy thereof to the United States Trade Representative and the agencies directly concerned.

"(b)(1) Upon the request of the President or the United States Trade Representative, upon resolution of either the Committee on Ways and Means of the House Representatives or the Committee on Finance of the Senate, upon its own motion, or upon the filing of a petition under subsection (a)(1), the Commission shall promptly make an investigation to determine whether an article is being imported into the Unites States in such increased quantities as to be a cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

"(2) In making its determinations under paragraph (1), the Commission shall take into account all economic factors which it considers relevant, including (but not limited to)—

"(A) with respect to serious injury, the significant idling of productive facilities in the industry, the inability of a significant number of firms to operate at a reasonable level of profit, and significant unemployment or underemployment within the industry;

"(B) with respect to threat of serious injury, a decline in sales, a higher and growing inventory, and a downward trend in production, profits, wages, or employment (or increasing underemployment) in the domestic industry concerned;

"(C) with respect to cause, an increase in imports (either actual or relative to domestic production) and a decline in the proportion of the domestic market supplied by domestic producers; and

"(D) with respect to increased imports, whether or not the article under investigation is incorporated in an imported article, partialy or wholly finished, except that at least 10 percent of the total value of materials incorporated in such imported article constitutes the article under investigation.

"(3) For purposes of paragraph (1), in determining the domestic industry producing an article like or directly competitive with an imported article, the Commission—

"(A) may, in the case of a domestic producer which also imports, treat as part of such domestic industry only its domestic production,

"(B) may, in the case of a domestic producer which produces more than one article, treat as part of such domestic industry only that portion or subdivision of the producer which produces the like or directly competitive article, and

"(C) may, in the case of one or more domestic producers, who produce a like or directly competitive article in a major geographic area of the United States and whose production facilities in such area for such article constitute a substantial portion of the domestic industry in the United States and primarily serve the market in such area, and where the imports are concentrated in such area, treat as such domestic industry only that segment of the production located in such area.

"(4) In the course of any proceeding under this subsection, the Commission shall, for the purpose of assisting the President in making his determinations under sections 202 and 203, investigate and report on efforts made by firms and workers in the industry to compete more effectively with imports.

"(5) In the course of any proceeding under this subsection, the Commission shall investigate any factors which in its judgment may be contributing to increased imports of the article under investigation; and, whenever in the course of its investigation the Commission has reason to believe that the increased imports are attributable in part to circumstances which come within the purview of title VII or section 337 of the Tariff Act of 1930, or other remedial provisions of law, the Commission shall promptly notify the appropriate agency and such agency shall initiate such action as is otherwise authorized by any such provision of law. Notwithstanding any other provision of law, an affirmative determination of serious injury under section 201(d) shall be considered to be an affirmative determination of material injury under section 406 of the Trade Act of 1974, title VII or section 337 of the Tariff Act of 1930, or other remedial provisions of law, provided that such affirmative determination of serious injury has been made not more than 12 months prior to the date on which the petition has been filed under other trade statutes.

"(c) In the course of any proceeding under subsection (b), the Commission shall, after reasonable notice, hold public hearings and shall afford interested parties an opportunity to be present, to present evidence, and to be heard at such hearings.

"(d)(1) The Commission shall report to the President its findings under subsection (b), and the basis therefor and shall include in each report any dissenting or separate views. If the Commission finds with respect to any article, as a result of its investigation, the serious injury or threat thereof described in subsection (b), it shall—

"(A) find the amount of the increase in, or imposition of, any duty,

"(B) determine a tariff-rate quota on such article,

"(C) determine the modification of, or imposition of, any quantitative restriction on the import into the United States of such article, or

"(D) recommend any combination of such actions, which is necessary to prevent or remedy such injury, and shall include such findings or recommendation in its report to the President. The Commission shall furnish to the President a transcript of the hearings and any briefs which were submitted in connection with each investigation.

"(2) The report of the Commission of its determination under subsection (b) shall be made at the earliest practicable time, but not later than 6 months after the date on which the petition is filed (or the date on which the request or resolution is received or the motion is adopted, as the case may be). Upon making such report to the President, the Commission shall also promptly make public such report (within the exception of information which the Commission determines to be confidential) and shall cause a summary thereof to be published in the Federal Register.

"(e) Except for good cause determined by the Commission to exist, no investigation for the purposes of this section shall be made with respect to the same subject matter as a previous investigation under this section, unless 6 months have elapsed since the Commission made its report to the President of the results of such previous investigation.

"(f)(1) Any investigation by the Commission under section 301(b) of the Trade Expansion Act of 1962 (as in effect before the date of the enactment of this Act) which is in progress immediately before such date of enactment shall be continued under this section in the same manner as if the investigation had been instituted originally under the provisions of this section. For purposes of subsection (d)(2), the petition for any investigation to which the preceding sentence applies shall be treated as having been filed, or the request or resolution as having been received or the motion having been adopted, as the case may be, on the date of the enactment of this Act.

"(2) If, on the date of the enactment of this Act, the President has not taken any action with respect to any report of the Commission containing an affirmative determination resulting from an investigation under section 301(b) of the Trade Expansion Act of 1962 (as in effect before the date of the enactment of this Act), such report shall be treated by the President as a report received by him under this section on the date of the enactment of this Act.

"(g)(1) If a petitioner alleges that imports of the article in the most recent 12-month period for which information is available increased by more than 10 percent in volume or 20 percent relative to domestic production over the previous 12-month period, and the Commission finds that such an increase in imports occurred, then the Commission shall determine within 45 days after the date on which the petition was filed whether there is a reasonable indication that the conditions for an affirmative determination under section 201(d) exist. The Commis-

sion's determination under this paragraph shall be based on the best information available to it at the time of the determination. If the Commission's determination is in the affirmative, it shall promptly notify the Commissioner of Customs and publish said notice in the Federal Register.

"(2) Upon receipt of notice of an affirmative determination under subsection (g)(1), the Commissioner of Customs shall order the suspension of liquidation of all unliquidated entries of the article, entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days prior to the date of publication in the Federal Register. The suspension of liquidation shall be terminated when—

"(A) the Commission makes a negative determination under section 201(d); or

"(B) import relief proclaimed by the President under section 203(a) or (b) takes effect.

"(3) If the Commission makes an affirmative determination under section 201(d), there shall be imposed on any imported article which is subject to a suspension of liquidation under subsection (g)(2) a rate of duty (in addition to any other duty imposed) determined by the Commission to be equal or equivalent to the amount of import relief which would be applicable during the first year of import relief according to its determination under section 201(d). The Commission's determination as to an equal or equivalent rate of duty under this paragraph shall be treated as part of its determination under section 201(d).

"SEC. 202. PRESIDENTIAL ACTION AFTER INVESTIGATIONS.

"(a) After receiving a report from the Commission containing an affirmative finding under section 201(b) that increased imports have been a cause of serious injury or the threat thereof with respect to an industry, the President shall provide import relief for such industry under section 203, unless he determines that provision of such relief is not in the national economic interest of the United States.

"(b) Within 60 days (30 days in the case of a supplemental report under subsection (d)) after receiving a report from the Commission containing an affirmative finding under section 201(b) (or a finding under section 201(b) which he considers to be an affirmative finding, by reason of section 330(d) of the Tariff Act of 1930, within such 60-day (or 30-day) period, the President shall determine what method and amount of import relief he will provide, or determine that the provision of such relief is not in the national interest of the United States, and publish in the Federal Register his determination and the reasons therefor.

"(c) In determining whether to provide import relief and what method and amount of import relief he will provide pursuant to section 203, the President shall take into account, in addition to such other considerations as he may deem relevant—

"(1) information and advice from the Secretary of Labor on the extent to which workers in the industry have applied for, are receiving, or are likely to receive adjustment assistance under chapter 2 or benefits from other manpower programs;

"(2) information and advice from the Secretary of Commerce on the extent to which firms in the industry have applied for, are receiving, or are likely to receive adjustment assistance under chapters 3 and 4;

"(3) the probable effectiveness of import relief as a means to promote adjustment, the efforts being made or to be implemented by the industry concerned to adjust to import competition, and other considerations relative to the position of the industry in the Nation's economy;

"(4) the effect of import relief on consumers (including the price and availability of the imported article and the like or directly competitive article produced in the United States) and on competition in the domestic markets for such articles;

"(5) the effect of import relief on the international economic interests of the United States;

"(6) the impact on United States industries and firms as a consequence of any possible modification of duties or other import restrictions which may result from international obligations with respect to compensation;

"(7) the geographic concentration of imported products marketed in the United States;

"(8) the extent to which the United States market is the focal point for exports of such article by reason of restraints on exports of such article to, or on imports of such article into, third country markets; and

"(9) the economic and social costs which would be incurred by taxpayers, communities, and workers, if import relief were or were not provided.

"(d) The President may, within 15 days after the date on which he receives an affirmative finding of the Commission under section 201(b) with respect to an industry, request additional information from the Commission. The Commission shall, as soon as practicable but in no event more than 30 days after the date on which it receives the President's request, furnish additional information with respect to such industry in a supplemental report.

"SEC. 203. IMPORT RELIEF.

"(a)(1) If the President determines that it is in the national economic interest to provide import relief, he shall either place into effect through proclamation the determination of the Commission in section 201(d)(1) or shall negotiate one or more orderly marketing agreements pursuant to the Commission's determination. The President shall, on the date such proclamation is made, transmit to Congress a document setting forth the action he is taking under this section.

"(2) If, on the basis of advice received under section 202(b), the President determines that the provision of the import relief recommended by the Commission is not in the national economic interest of the United States and that there are alternative recommendations which offset the injury or threat thereof to the industry to the same extent to which the Commission's recommendations offset such injury or threat thereof, the President shall transmit to Congress a document which sets forth—

"(A) such determination,

"(B) the reasons why provision of the import relief recommended by the Commission is not in the national economic interest,

"(C) information with respect to—

"(i) what actions (other than adjustment assistance programs immediately available) the President proposes to take to help the industry overcome injury or threat thereof and the workers to find productive employment, and

"(ii) how such actions will overcome such injury or threat thereof to the same extent as the Commission's recommendations, and

"(D) proposed legislation to implement the President's recommendations.

"(b)(1) The President's proposal under subsection (a)(2)(D) shall be treated as an implementing bill pursuant to the provisions of section 151, except that, for purposes of section 151(c)(1), no trade agreement shall be required and the day on which the implementing bill is submitted shall be treated as the day on which the trade agreement is submitted; and for purposes of section 151(e)(1) and (2) the 45-day period shall be reduced to 15 days.

"(2) The President shall no later than the 31st day after the submission of such proposal—

"(A) proclaim the actions recommended by the Commission under section 201(d) if Congress fails to enact legislation under paragraph (1), or

"(B) take the action recommended by him if the Congress has enacted the legislation under paragraph (1).

"(c)(1) No proclamation pursuant to subsection (a) or (b) shall be made increasing a rate of duty to (or imposing) a rate which is more than 50 percent ad valorem above the rate (if any) existing at the time of the proclamation.

"(2) Whenever the import relief proclaimed under subsection (a) or (b) provides, in whole or in part, for the imposition of, or increase in, a rate of duty, such proclamation shall also provide for the periodic review and, if necessary, adjustment in the duty rate for fluctuations in currency conversion rates to maintain substantially the same amount of import relief that has been proclaimed.

"(3) Any quantitive restriction proclaimed and any orderly marketing agreement negotiated pursuant to subsection (a) or (b) shall permit the importation of a quantity or value of the article which is not less than the quantity or value of such article imported into the United States during the most recent period which the President determines is representatie of imports of such article.

"(4) Orderly marketing agreements negotiated by the President with foreign countries shall, on a bilateral or multilateral basis, limit the export from foreign countries, and import into the United States of the articles subject to the import relief proclaimed. No orderly marketing agreement shall become effective unless the International Trade Commission determines within 30 days of receipt of the text of the agreement from the President that the agreement provides at least the same level and duration of import relief as found by the Commission to be necessary to prevent or remedy injury pursuant to section 201(d). If the Commission determines in the negative or is equally divided, the President shall proclaim the import relief found by the Commission pursuant to section 201(d) within 15 days of receipt of the Commission's determination.

"(d)(1) Import relief under this section shall be proclaimed and take effect within 15 days after the import relief determination date unless the President announces on such date his intention to negotiate one or more orderly marketing agreements in which case import relief shall be proclaimed and take effect within 90 days after the import relief determination date.

"(2) If the President provides import relief under subsection (a) or (b), he may, after such relief takes effect, negotiate orderly marketing agreements with foreign countries, and may after such agreements take effect, suspend or terminate, in whole or in part, such import relief.

"(3) If the President negotiates an orderly marketing agreement and such agreement

does not continue to be effective, he may, consistent with the limitations contained in subsection (i), provide additional or alternative import relief.

"(4) For purposes of this subsection, the term 'import relief determination date' means the date of the President's determination under section 202(b).

"(e)(1) For purposes of subsections (a) and (c), the suspension of item 806.30 or 807.00 of the Tariff Schedules of the United States with respect to an article shall be treated as an increase in duty.

"(2) For purposes of subsections (a) and (b), the suspension of the designation of any article as an eligible article for purposes of title V of the Trade Act of 1974 shall be treated as an increase in duty.

"(3) No proclamation providing for a suspension referred to in paragraph (1) with respect to any article shall be made under subsection (a) or (b) unless the Commission, in addition to making an affirmative determination with respect to such article under section 201(b), determines in the course of its investigation under section 201(b) that the serious injury (or threat thereof) caused by imports to the domestic industry producing a like or directly competitive article results from the application of item 806.30 or item 807.00.

"(4) No proclamation which provides solely for a suspension referred to in paragraph (2) with respect to any article shall be made under subsection (a) or (b) unless the Commission, in addition to making an affirmative determination with respect to such article under section 201(b), determines in the course of its investigation under section 201(b) that the serious injury (or threat thereof) caused by imports to the domestic industry producing a like or directly competitive article results from the designation of the article as an eligible article for the purposes of title V of the Trade Act of 1974.

"(f)(1) The President shall by regulations provide for the efficient and fair administration of any quantitative restriction proclaimed pursuant to subsection (a) or (b).

"(2) In order to carry out an agreement concluded under subsection (a) or (d)(2), the President is authorized to prescribe regulations governing the entry or withdrawal from warehouse of articles covered by such agreement. In addition, in order to carry out any agreement concluded under subsection (a) or (d)(2) with one or more countries accounting for a major part of United States imports of the article covered by such agreements, including imports into a major geographic area of the United States, the President is authorized to issue regulations governing the entry or withdrawal from warehouse of like articles which are the product of countries not parties to such agreement.

"(3) Regulations prescribed under this subsection shall, to the extent practicable and consistent with efficient and fair administration, insure against inequitable sharing of imports by a relatively small number of the larger importers.

"(g)(1) Any import relief provided pursuant to this section shall be for a period of not less than 5 years and not more than 10 years from the close of the day on which import relief with respect to the article in question first took effect pursuant to this section.

"(2) Any import relief provided pursuant to this section may be phased down during the period of such relief, with the first reduction of relief taking effect no earlier than the close of the day which is 3 years after the day on which such relief first took effect.

"(3) Any import relief provided pursuant to this section may be reduced or terminated by the President when he determines, after taking into account the advice received from the Commission under subsection (h)(2) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such reduction or termination is in the national interest, provided that such reduction or termination shall not occur until after at least five years of import relief have elapsed.

"(4) For purposes of this subsection and subsection (h), the import relief provided in the case of an orderly marketing agreement shall be the level of relief contemplated by such agreement.

"(h) So long as any import relief provided pursuant to this section or section 351 or 352 of the Trade Expansion Act of 1962 remains in effect, the Commission shall keep under review developments with respect to the industry concerned (including the progress and specific efforts made by the firms in the industry concerned to adjust to import competition) and upon request of the President shall make reports to the President concerning such developments.

"(i) No investigation for the purposes of section 201 shall be made with respect to an article which has received import relief under this section unless 1 year has elapsed since the last day on which import relief was provided with respect to such article pursuant to this section.

"(j)(1) Actions by the President pursuant to this section may be taken without regard to the provisions of section 126(a) of the Trade Act of 1974 but only after consideration of the relation of such actions to the international obligations of the United States.

"(2) If the Commission treats as the domestic industry production located in a major geographic area of the United States under section 201(b)(3)(C), then the President shall take into account the geographic concentration of domestic production and of imports in that area in providing import relief, if any, which may include actions authorized under paragraph (1).".

TITLE III—ENFORCEMENT OF UNITED STATES RIGHTS

SEC. 301. Chapter 1 of title III of the Trade Act of 1974 (19 U.S.C. 2411-2416) is amended to read as follows:

"CHAPTER 1—ENFORCEMENT OF UNITED STATES RIGHTS UNDER TRADE AGREEMENTS AND RESPONSE TO CERTAIN FOREIGN TRADE PRACTICES

"SEC. 301. DETERMINATIONS AND ACTION BY THE ADMINISTERING AUTHORITY.

"(a) DETERMINATIONS REQUIRING ACTION.—If either from information available to it or as a result of an investigation initiated in accordance with the provisions of Section 302, the administering authority determines that action by the United States is appropriate—

"(1) to enforce the rights of the United States under any trade agreement; or

"(2) to respond to any act, policy, or practice of a foreign country or instrumentality that—

"(A) is inconsistent with the provisions of, or otherwise denies benefits to the United States under, any trade agreement; or

"(B) is unjustifiable, unreasonable, or discriminatory and burdens or restricts United States commerce;

the administering authority may, to the extent necessary to enforce such rights, or obtain the elimination of, or offset or otherwise respond to, such act, policy, or practice—

"(1) suspend, withdraw, or prevent the application of benefits of trade agreement concessions to carry out a trade agreement with the foreign country or instrumentality involved; and

"(ii) direct customs officers to, or otherwise, assess duties or impose other import restrictions on the products of, and assess fees or impose restrictions on the services of, such foreign country or instrumentality for such time and in such an amount or to such a degree as the administering authority determines appropriate.

"(b) SPECIAL PROVISIONS.—

"(1) DEFINITION OF COMMERCE.—For the purposes of this section, the term 'commerce' includes, but is not limited to, services associated with international trade, whether or not such services are related to specific products.

"(2) VESSEL CONSTRUCTION SUBSIDIES.—An act, policy, or practice of a foreign country or instrumentality that burdens or restricts United States commerce may include the provision, directly or indirectly, by that foreign country or instrumentality of subsidies for the construction of vessels used in the commercial transportation by water of goods between foreign countries and the United States.

"(3) RECIPROCITY.—Any act, policy, or practice by a foreign government or instrumentality which denies fair and equitable market opportunities to the goods or services of the United States or denies to United States business fair and equitable opportunities for the establishment of an enterprise shall be considered an unreasonable practice which burdens United States commerce within the meaning of section 301(a)(2)(B) of this title.

"(4) FOREIGN INDUSTRIAL TARGETING.—Any effort by a foreign government or instrumentality to promote the development and growth (including the growth of export capability) of a specific sector or specific sectors of the economy through a combination of policies, programs, or practices such as protection of the home market, promotion or tolerance of cartels, or subsidization (as defined in section 771(5)(v) of the Tariff Act of 1930), shall be considered an unreasonable practice which burdens United States commerce within the meaning of section 301(a)(2)(B) of this title. If the administering authority determines that a foreign government or instrumentality has engaged in an effort to promote the development and growth of the specific sector or sectors of the foreign economy through a combination of such policies, programs, and practices and that the development and growth of the targeted sector or sectors of the foreign economy causes or threatens to cause material injury to an industry in the United States or that the establishment of an industry in the United States is materially retarded, the administering authority shall take action under subsection (a) of this section to obtain the elimination of, or offset or otherwise respond to, such policies, programs, or practices.

"SEC. 302. PETITIONS FOR ACTION BY THE ADMINISTERING AUTHORITY.

"(a) FILING OF PETITION WITH THE ADMINISTERING AUTHORITY.—Any interested person may file a petition with the administering authority requesting action under

section 301 and setting forth the allegations in support of the request. The administering authority shall, within 20 days after the date upon which the petition is filed, review the sufficiency of the allegations in the petition and the supporting evidence and determine whether the allegations in the petition provide a basis upon which action may be taken under section 301 and whether such allegations are supported by evidence reasonably available to the petitioner.

"(b) DETERMINATIONS REGARDING PETITIONERS.—

"(1) AFFIRMATIVE DETERMINATION.—If the administering authority determines that the allegations in the petition provide a basis upon which action may be taken under section 301 and that such allegations are supported by evidence reasonably available to the petitioner, it shall immediately initiate an investigation with respect to the petition, publish a notice of initiation of investigation in the Federal Register, and provide opportunity for the presentation of views concerning the issues, including, if requested by any interested party, a public hearing to be held after the preliminary determination provided for in section 304(a) of this title.

"(2) NEGATIVE DETERMINATION.—If the administering authority determines that a petition filed under section 302(a) is insufficient, it shall reject the petition and inform the petitioner of its reasons therefor.

"SEC. 303. INVESTIGATIONS BY THE ADMINISTERING AUTHORITY.

"(a) COLLECTION AND VERIFICATION OF INFORMATION.—In connection with any investigation initiated pursuant to section 302(D)(1), the administering authority shall present detailed questionnaires to the foreign governments or instrumentalities and the foreign enterprises concerned in order to develop information about the allegations contained in the petition. All information provided by foreign governments or instrumentalities and foreign enterprises in the course of an investigation and relied on by the administering authority in its determination under section 305 of this title shall be verified by the administering authority.

"(b) USE OF BEST INFORMATION.—If a foreign government or instrumentality or a foreign enterprise fails to provide information requested by the administering authority concerning its acts, policies, or practices under investigation, or if the information provided by a foreign government or instrumentality or a foreign enterprise is not sufficiently verified or is otherwise unsatisfactory, the determination of the administering authority under section 305 of this title shall be based on the best information available, which may be the allegations and information contained in the petition.

"SEC. 304. PRELIMINARY DETERMINATIONS AND PROVISIONAL ACTION IN AN INVESTIGATION.

"(a) PRELIMINARY DETERMINATIONS.—No later than five months after the date on which an investigation is initiated under section 302, the administering authority shall determine whether there is reason to believe that, after a full investigation, the determination required under section 301(a) is likely to be affirmative.

"(b) PROVISIONAL ACTION.—In any case in which the determination of the administering authority under subsection (a) of this section is affirmative, the administering authority shall, on a provisional basis—

"(1) suspend, withdraw, or prevent the application of benefits of trade agreement concessions to carry out a trade agreement with the foreign country or instrumentality involved; and

"(2) direct customs officers to, or otherwise, assess duties or impose other import restrictions on the products of, and assess fees or impose restrictions on the services of, such foreign country or instrumentality for such time and in such an amount or to such a degree as it determines appropriate.

"(c) PUBLIC NOTICE.—The administering authority shall publish in the Federal Register notice of its preliminary determination and any provisional action taken.

"SEC. 305. FINAL DETERMINATIONS AND ACTION.

"(a) FINAL DETERMINATION.—In any investigation initiated under section 302, the administering authority shall make the determination required under section 301 no later than 11 months after the date upon which the investigation was initiated.

"(b) ACTION IN THE CASE OF AN AFFIRMATIVE FINAL DETERMINATION.—In any case in which the administering authority makes a final affirmative determination in an investigation initiated under section 302, it shall take action under section 301 no later than 30 days after such affirmative determination is made. The administering authority shall consult closely with the petitioner on the nature of the action to be taken.

"(c) ACTION IN THE CASE OF A NEGATIVE FINAL DETERMINATION.—In any case in which the administering authority makes a final negative determination in an investigation initiated under section 302 in which provisional action had been taken under section 304(b) of this title, it shall, as soon as possible, terminate such provisional action and refund any duties or fees collected.

"(d) PUBLIC NOTICE.—The administering authority shall publish in the Federal Register notice of its final determination and any action taken.

"SEC. 306. DISCLOSURE OF INFORMATION BY ADMINISTERING AUTHORITY.

"(a) IN GENERAL.—Upon receipt of an application which described the information requested, the administering authority shall, in connection with any investigation initiated under this title, make available under a protective order described in subsection (d) any confidential information submitted during the investigation, including any information submitted by foreign governments.

"(b) INFORMATION TO BE DISCLOSED BY THE ADMINISTERING AUTHORITY.—The information to be disclosed by the administering authority shall include all confidential information submitted during an investigation, except customer names and the identity of market research organizations.

"(c) PROCEDURES.—The administering authority, as appropriate, shall act upon requests for access to confidential information within 10 days of its receipt. A request for confidential information shall be deemed continuing for the period of the investigation.

"(d) PROTECTIVE ORDER.—The protective order under which information is made available shall contain such requirements as the administering authority may determine by regulation to be appropriate. The administering authority shall provide by regulation for such sanctions as the administering authority determines to be appropriate, including disbarment from practice before the agency.

"SEC. 307. TERMINATION AND COMPENSATION UPON GATT DISAPPROVAL.

"If the contracting parties to the General Agreement on Tariffs and Trade disapprove of any action by the United States under section 301 of this title, the administering authority may modify or terminate the action or may order such modification or continuance of any existing duty, or such continuance of existing duty-free or excise treatment as it determines appropriate to compensate any foreign country or instrumentality adversely affected by such action.

"SEC. 308. DEFINITION OF ADMINISTERING AUTHORITY.

"For purposes of this title, the term 'administering authority' means the United States Trade Representative, or any other officer of the United States to whom the responsibility for carrying out the duties of the administering authority under this title are transferred by law.

"SEC. 309. MONITORING AND REPORTING OF FOREIGN ACTS, POLICIES, PRACTICES, AND PROGRAMS.

"(a) COLLECTION OF DATA.—The administering authority shall collect data, including information provided by any interested party (or any representative thereof) on: foreign nontariff barriers to trade in goods and services, foreign barriers to investment, and foreign government programs to promote particular industries. The information the administering authority collects shall include a detailed description of the nature and extent of foreign government intervention (including the development of industrial objectives, the providing of financial, tax and other incentives, the directing of procurement, and the provision of a protected home market). Notice of commencement of the monitoring shall be published promptly in the Federal Register, and comments and information shall be solicited both by published notice and through direct consultations with the domestic industry affected, importers, and the foreign government concerned.

"(b) REPORTING: INITIATION OF INVESTIGATION.—The administering authority shall analyze and report quarterly to the Congress on the information collected. It shall publish in the Federal Register a summary of its report.

"SEC. 310. REQUESTS FOR INFORMATION.

"(a) IN GENERAL.—Upon receipt of written request therefor from any person, the administering authority shall make available to that person information (other than that to which confidentiality applies) concerning—

"(1) the nature and extent of a specific trade policy or practice of a foreign government or instrumentality with respect to particular merchandise, to the extent that such information is available to the administering authority or other Federal agencies;

"(2) United States rights under any trade agreement and the remedies which may be available under that agreement and under the laws of the United States; and

"(3) past and present domestic and international proceedings or actions with respect to the policy or practice concerned.

"(b) IF INFORMATION NOT AVAILABLE.—If information that is requested by an interested party under subsection (a) is not available to the administering authority or other Federal agencies, the administering authority shall, within 30 days after receipt of the request—

"(1) request the information from the foreign government; or

"(2) decline to request the information and inform the person in writing of the reasons for the refusal.

"SEC. 311. ADMINISTRATION.

"The administering authority shall—

"(1) issue regulations concerning the filing of petitions and the conduct of investigations and hearings under this chapter;

"(2) keep the petitioner regularly informed of all determinations and developments regarding his case under this section, including the reasons for any undue delays; and

"(3) submit a report to the House of Representatives and the Senate semiannually describing the petitions filed and the determinations made (and reasons therefor) under section 302, developments in and current status of each such proceeding, and the actions taken, or the reasons for no action, under section 301.

"SEC. 312. JUDICIAL REVIEW IN DECISIONS TAKEN UNDER THE PROVISIONS OF THIS TITLE.

"(a) Review of Certain Determinations.—Within 30 days after the date of any—

"(1) negative determinations under section 302(b)(2) of this title,

"(2) publication in the Federal Register of any determination under section 305 of this title, or

"(3) decision on an application for disclosure under section 306 of this title,

an interested party who is party to the proceeding in connection with which the matter arises may commence an action in the United States Court of International Trade by filing a summons and, within 30 days thereafter, a complaint, each with the content and in the form, manner, and style prescribed by the rules of that court, contesting any factual finding or legal conclusion upon which the determination or decision is based.

"(b) PROCEDURES AND FEES.—The procedures and fees set forth in subsections (b), (c), and (e) of section 2632 of title 28, United States Code, apply to an action under this section.

"(c) STANDARDS FOR REVIEW.—

"(1) REMEDY.—The Court shall hold unlawful any determination, finding, or conclusion found to be unsupported by substantial evidence on the record or otherwise not in accordance with law.

"(2) RECORD FOR REVIEW.—For the purposes of this subsection, the record, unless otherwise stipulated by the parties, shall consist of—

"(A) a copy of all information presented to or obtained by the administering authority during the course of the administrative proceeding, including all governments memoranda pertaining to the case; and

"(B) a copy of the determination, all transcripts or records of conferences or hearings, and all notices published in the Federal Register.".

TITLE IV—PRIVATE REMEDIES

SEC. 401. Section 801 of the Revenue Act of 1916 (15 U.S.C. 72) is amended to read as follows:

"SEC. 801. (a)(1) If—

"(A) any article manufactured or produced in a foreign country is imported or sold within the United States at a United States price which is less than the foreign market value or constructed value of such article.

"(B) such importation or sales—

"(i) causes or threatens material injury to industry or labor in the United States,

"(ii) prevents, in whole or in part, the establishment or modernization of any industry in the United States, and

"(C) any person is injured in his business or property by reason of such importation or sale, such person may bring a civil action against any manufacturer or exporter of such article or any importer of such article into the United States who is related to such manufacturer or exporter in the district court of the United States in any district in which the defedant resides, transacts business, has an agent, or is found.

"(2) In any action brought under paragraph (1), upon a finding of liability on the part of the defendant, the plaintiff shall—

"(A) recover damages for the injury sustained or be granted such equitable relief as my be appropriate, and

"(B) recover the costs of the action, including reasonable attorney's fees.

"(b) The standard of proof in any action filed under subsection (a) is a preponderance of the evidence. Upon a prima facie showing of any of the elements set forth in subsection (a), or upon a final determination by the Department of Commerce or in the International Trade Commission under section 735 of the Tariff Act of 1930 (19 U.S.C. 1673d) relating to imports of the article in question for the country in which the defendant is located, which final determination shall be considered a prima facie case for purposes of this Act, the burden of rebutting such prima facie case thus made shall be upon the defendant.

"(c) Whenever it shall appear to the district court before which any action under this section may be pending that justice requires that other parties be brought before the court, the court may cause them to be summoned, whether they reside in the district or not, and the subpenas to that end may be served and enforced in any district of the United States.

"(d) The acceptance by any foreign manufacturer, producer, or exporter of any right or privilege conferred upon him to sell his products or have his products sold by another party in the United States shall be deemed equivalent to an appointment by the foreign manufacturer, producer, or exporter of the District Director of the United States Customs Service of the Department of the Treasury for the port through which the article is commonly imported to be the true and lawful agent upon whom may be served all lawful process in any action brought under this section.

"(e)(1) An action may be brought under this section only if such action is commenced within four years after the date on which the cause of action accrued.

"(2) The running of the statute of limitations provided in paragraph (1) shall be suspended while any administrative proceedings under section 721, 732, 733, 734, or 735 of the Tariff Act of 1930 (19 U.S.C. 1673-1673d) relating to the importation in question, or any appeal of a final determination in such proceeding, is pending and for one year thereafter.

"(f) If a defendant in any action brought under subsection (a) fails to comply with any discovery order or other order or decree of the court, the court may—

"(1) enjoin the further importation into, or the sale or distribution within, the United States by such defendant of articles which are the same as, or similar to, those articles which are alleged in such action to have been sold or imported under the conditions described in subsection (a) until such time as the defendant complies with such order or decree, or

"(2) take any other action authorized by law or by the Federal Rules of Civil Procedure, including entering judgment for the plaintiff.

"(g)(1) Except as provided in paragraph (2), the confidential or privileged status accorded by law to any documents, evidence, comments, or information shall be preserved in any action under this section.

"(2) The court in any action brought under this section may—

"(A) examine, in camera, any confidential or privileged material,

"(B) accept depositions, documents, affidavits, or other evidence under seal, and

"(C) disclose such material under such terms and conditions as the court may order.

"(h) Any action brought under this section shall be advanced on the docket and expedited in every way possible.

"(i) For purposes of this section:

"(1) The terms 'United States price', 'foreign market value', 'constructed value', 'subsidy', and 'material injury', shall have the respective meaning given such terms by title VII of the Tariff Act of 1932.

"(2) If—

"(A) a subsidy is provided to the manufacturer, producer, or exporter of any article, and

"(B) such subsidy is not included in the foreign market value or constructed value of such article (but for this paragraph),

the foreign market value of such article or the constructed value of such article shall be increased by the amount of such subsidy.

"(j) It is the sense of the Congress that the provisions of this section are consistent with, and in accord with, the General Agreement on Tariffs and Trade (GATT).".

TITLE V—MISCELLANEOUS

SEC. 501. EFFECTIVE DATE.

The amendments made by this Act shall take effect on the date of enactment of this Act, except that the amendment to section 104(b)(1) of the Trade Agreements Act of 1979 in section 124(a) of this Act shall apply to all requests to the Commission pending on the date of enactment of this Act. If any request for an injury test under section 104(b)(1) of the Trade Agreements Act of 1979 which is pending on the date of enactment of this Act was submitted after the filing of a countervailing duty petition against the merchandise of the country subject to the request, said request shall be considered null and void and any investigation resulting from said request shall be deemed terminated on the effective date of this Act.

SECTION-BY-SECTION ANALYSIS

TITLE I.—COUNTERVAILING AND ANTIDUMPING DUTIES

Section 101.—The language in this section specifies that any reference in the bill made to amendments or repeals with respect to a section, a subsection, or a provision, is a reference to the Tariff Act of 1930, unless noted otherwise.

Section 102.—Amends the AD/CVD laws by requiring that the suspension of liquidation begin on the date of the preliminary ITC injury determination, as published in the Federal Register. This provision would prevent importers from bringing in as much of a product as possible before a preliminary DOC determination, which under present law triggers a suspension of liquidation. The early suspension of liquidation prevents increased injury to domestic producers during the 6-8 month period prior to the preliminary DOC determination.

Section 103.—Amends section 776(b) of the Tariff Act of 1930 by requiring that the evidentiary burden in a trade case rests with the party that possesses the information necessary to prove or disprove the allega-

tion at issue. The provision would simplify procedures and reduce costs and data requirements for domestic petitioners in the prosecution of trade cases.

Section 104.—Under this portion of H.R. 4124, a "Small Business International Trade Advocate" office would be established. The section would require the Secretary of Commerce to establish this office as an active liaison within the DOC for the purpose of assisting small businesses in the preparation of, and participation in, proceedings related to the administration of U.S. trade laws. This section also authorizes that funds be appropriated to carry out these provisions.

Section 105.—In amending the Antidumping and Countervailing Duty statutes, Section 105 would provide for more liberal release of proprietary information, specifically under administrative protective orders (APO's). The provision would (1) grant to any party to a proceeding the presumption of a "need to know"; (2) eliminate the disparate treatment of in-house counsel; (3) treat requests as continuing; (4) require release of information within 10 working days; and (5) provide for possible release of information to persons other than counsel (under protective measures). This section would also allow petitioners the right to ask for and review information necessary to check the accuracy of DOC figures used to calculate AD/CVD margins.

Section 106.—Amends Section 771(7)(E) of the Tariff Act of 1930 by requiring mandatory consideration by the ITC of the cumulative impact of imports for the purpose of determining material injury in AD/CVD investigations when imports compete with each other and with like products of the domestic industry.

Section 107.—Amends the AD/CVD laws to clarify that the absence of any (or substantial) imports is not a basis for determining that an industry is not being threatened with material injury.

Section 108.—This section clarifies the "threat of injury" concept in the following ways: (1) by clarifying that the targeting of an industry for export growth by a foreign government should be a factor in determining threat of injury; (2) by specifying that the ITC must consider long term data, the most current data (i.e. monthly or quarterly) and medium term annualized data in determining threat of injury; and (3) by clarifying that a substantial inventory build-up of imported products and/or a substantial build-up of foreign capacity are relevant factors to be considered by the ITC in determining the threat of injury.

Section 109.—Amends the law to clarify that sales or offers for sale rather than imports are a sufficient basis for investigation of AD/CVD cases.

Section 110.—In seeking to reduce costs and time factors involved in the prosecution of trade cases, this section amends the preliminary injury provisions to eliminate the need for a public conference and submission of written comments in situations where the evidence contained in the petition and questionnaire responses provide the ITC with a reasonable indication of material injury. This section would significantly reduce costs to all parties in the preliminary injury phase of AD and CVD proceedings.

Section 111.—Amends the law to require consent of the petitioners before the DOC may extend the time period for preliminary AD/CVD determinations, by determining that the case is "extraodinarily complicated."

Section 112.—This section amends 19 U.S.C. 1617 to clarify that the DOC has no authority (under the Trade Act of 1930, Section 617) to settle the outstanding duties owed on AD/CVD cases on a reduced basis. The provision would clarify the law to exclude from the general compromise provision of U.S. law, the compromise of AD and CVD duties.

Section 113.—Amends section 104(b)(2) of the Trade Agreements Act of 1979 by prohibiting the ITC from relying on the imposition of an offsetting export tax for the purpose of revoking a Countervailing Duty order where an injury investigation is requested subsequent to a country being designated a "country under the Agreement".

Section 104(b)(4)(B) is also amended to require than any revocation under section 104(b) be based upon clear and convincing evidence presented by the party seeking revocation.

Section 114.—Amends section 751(b)(2) of the Trade Agreements Act of 1979 by precluding the ITC and the DOC from considering revocation of a Countervailing Duty or Antidumping order or termination of a suspended investigation for five years. In addition, firms not originally involved in such cases because they had not shipped merchandise to the U.S. market at the time of the original investigation are required to establish a pattern of positive market experience in the United States as a prerequisite to exclusion from an order or a suspended investigation. The provision therefore precludes reviews of such companies within five years from the date of publication of the final determination or suspension of investigation. Subsection (c) of section 751 is amended to require that revocations of a Countervailing Duty or Antidumping order or termination of a suspended investigation be based upon clear and convincing evidence presented by the party seeking revocation or termination. Further, the administering authority must make a finding that it is substantially unlikely that subsidized sales or sales at less than fair value will be resumed and the Commission must make a negative determination on the question of injury.

Section 114 also prohibits the administering authority from revoking a Countervailing Duty order or terminating a suspended investigation on the basis of an offsetting export tax.

Finally, Section 114 adds a new subsection (f) to section 751 which requires foreign manufacturers, producers, or exporters to give assurances that they will not receive subsidies or make sales at less than fair value as a pre-condition for revocation of a Countervailing Duty or Antidumping order or termination of a suspended investigation. If the assurances are violated, the merchandise of the foreign manufacturer, producer or exporter in question will be excluded from the U.S. market for a period of one year.

Section 115. In this section, the statutory provisions regarding suspension agreements are amended to allow only petitioners in AD/CVD cases to request a continuation of investigation following DOC acceptance of a suspension agreement.

Section 116.—Broadens and clarifies the definitions regarding who is entitled to initiate and participate in AD & CVD proceedings. Specifically, this section broadens the definition of "interested party" to include *ad hoc* labor/industry coalitions which have been formed specifically to enforce the rights of producers and workers under trade laws. This provision further defines "interested party" to permit participation in AD & CVD proceedings by those associated with the production of major parts and components to be incorporated into the imported article.

Section 117.—Amends the AD/CVD statutes to provide for the reimbursement of costs, including legal expenses, to successful petitioners, out of the revenues generated under the Antidumping and Countervailing Duty laws.

Section 118.—This section amends the judicial review provisions of AD & CVD statutes to eliminate any presumption in favor of agency action in any civil proceeding which challenges such actions.

Section 119.—Amends the AD/CVD laws to allow petitioners who have filed AD & CVD cases for the same products and countries, at approximately the same time, to apply for time line extensions which will align the investigation times for each petition. In this manner, by reducing possible duplication of information, the section would reduce the costs of these cases for all parties and the government.

Section 120.—Amends the AD/CVD laws to clarify the definitions of what constitutes a "negative" determination or an "affirmative" determination. This clarifies when interlocutory appeals may be taken.

Section 121.—Amends section 704(b) to prevent the Commerce Department from suspending a CVD investigation based on a promise by a foreign government to apply an export tax equal to the determined net subsidy (otherwise known as an "offsetting" export tax), thus eliminating the export tax as a basis for suspending a CVD investigation.

Section 122.—Present Countervailing Duty law is amended to eliminate the export tax offset from the offset list, which defines the ways in which the value of net subsidies can be reduced because of offsetting costs to the foreign entity which benefited from the subsidies. The provision further clarifies the exclusivity of the statutory list for offsetting costs used to calculate "net subsidy", so as to prevent the liberal interpretation of the offset list to reduce the amount of subsidies.

Section 123.—Amends the Countervailing Duty statute to broaden the definition of the term "subsidy". This section clarifies that subsidies which are alleged to be made "generally available" may be subject to countervailing duties if they are explicitly or effectively provided to a specific industry or group of industries. The provision would clarify the statutory language by specifying the standards under which such domestic subsidies would be considered under U.S. Countervailing Duty law. (See also Section 126.)

Section 124.—Amends section 104(b)(1) of the Trade Agreements Act of 1979, which permits a request for an injury test subsequent to the designation of a country as a "country under the Agreement," to require that such a request be received prior to the date the Countervailing Duty petition is filed.

This section of the bill also amends section 701 of the Tariff Act of 1930 by requiring that countries "under the Agreement" must commit themselves under the General Agreement on Tariffs and Trade to eliminate export subsidies promptly. For developing countries, "country under the Agreement" status may be conferred if the country agrees to: phase out existing export subsidies within five years; not increase existing export subsidies, extend such subsidies to new merchandise or introduce new export

subsidies; and eliminate export subsidies within one year on merchandise which the ITC finds is either produced by an import sensitive U.S. industry or already competitive in the U.S. market and would be competitive without such subsidization.

The President would be required to review compliance with the commitments made by developed and developing countries once a year as well as upon the request of an interested party. If a country has failed to honor any term of the commitments made to warrant "country under the Agreement" status, such designation will be withdrawn. A withdrawal of "country under the Agreement" status after the Commission has made a negative injury determination or after an order has been revoked under section 104(b) will void the negative determination or revocation.

Section 125.—Amends the Countervailing Duty statute to require a presumption that CVD determinations be made on a country-wide basis, as opposed to a company-specific basis, except in situations where the country-wide basis would be inequitable, as in the case of a state-owned company receiving direct capital infusions not available to private enterprises in the same country.

Section 126.—This section further broadens the definition of "subsidy" so that it includes foreign government programs to "target" a specific industry or group of industries. In addition, it directs the administering authority to calculate the full subsidy benefit of the targeting program which accrues either directly or, indirectly.

Section 127.—"Downstream Dumping" is defined as "imports of a product which is produced with materials purchased at subsidized, preferential, or below-cost prices". This section would amend present law by closing the loophole that allows foreign producers of raw materials to circumvent U.S. trade laws by selling to exporters in that country (or third countries) at preferential or below cost rates, resulting in the export of end products to the U.S. with an unfair cost advantage. The definition of constructed value would be changed to include the *full value* of costs, rather than the purchase price paid by the importer.

Section 128.—Amends the Antidumping law to allow the DOC to suspend an Antidumping investigation based on quantitative restriction agreements with foreign governments and provides necessary enforcement authority for such agreements. Currently, the DOC may suspend only CVD investigations in this manner.

Subsection (b) further amends both the AD/CVD statutes to require that the consent of the petitioners be obligated before the administering authority enters into a suspension agreement.

Section 129.—Amends the present definition of foreign market value, by specifying that indirect and general expenses are not to be eligible as adjustments to the price used as the basis of foreign market value.

Section 130.—Amends section 772 (d)(2) of the Antidumping statute to alter the method of adjustment for selling expenses. To properly account for potentially larger price adjustments in the U.S. market than in the foreign market, it would require the deduction from prices in each market of the expenses experienced in those respective markets.

Section 131.—Amends the Antidumping statute to require use of average home or referent prices, rather than use of "predominant" or "most contemporaneous" prices to establish foreign market value in assessment phase proceedings. In addition, it would preclude the parties under investigation from selecting items to be sampled or averaged. Only the Commerce Department may select items to be sampled or averaged.

Amends the cost of production provision to exclude language that allows the recovery of costs within a reasonable period of time. Also would require an inquiry into trading house costs in certain circumstances.

Prohibits the use of any transaction between parties with any level of equity ownership for the purpose of establishing fair value.

Section 132 & 133.—These sections amends the Antidumping statute for special applications of the trading house principle. It would require adjustments in selling expenses to reflect the actual selling expenses incurred by purchasers who do business with the same seller in the home (or third country) and U.S. markets.

Section 134.—Amends Antidumping statute by eliminating the discretionary 90 day review period.

Section 135.—Amends the Antidumping and Countervailing Duty statutes to provide enforcement authority to the Secretary of Commerce and Secretary of Treasury for negotiated settlements based on the withdrawal of petitions.

TITLE II—ESCAPE CLAUSE (SECTION 201 OF THE 1974 TRADE ACT)

Section 201.—Amends the law in the following ways:

Imports will need to be a "cause" rather than a "substantial cause" of serious injury. This puts the U.S. "escape clause" injury causation standard in conformity with the General Agreement on Tariffs and Trade (GATT). Currently, the U.S. maintains a higher threshold than is required by GATT.

Producers of materials, part, components, and subassemblies are given standing as an entity to file a petition under the "escape clause" procedure so long as such articles are irrevocably destined for inclusion in a finished product. The Commission is required to look at increased imports of such articles in its investigation so long as such articles constitute at least 10% of the total value of such materials incorporated in the article under investigation.

Any agency administering the different trade statutes is required to initiate an action under such statutes if the ITC discovers unfair trade practices during an "escape clause" investigation.

An affirmative finding of serious injury from imports by the ITC during an "escape clause" investigation shall be considered to be an affirmative finding of material injury under other trade statutes if the ITC's determination has been made not more than 12 months prior to the date a petition is filed under other trade statues.

The ITC will no longer be authorized to find that adjustment assistance can effectively remedy the injury from imports.

If the ITC finds negatively with regard to injury, a petitioner will be permitted to refile in six months instead of one year as in the present statute.

A procedure is established to deal with import surges by permitting the suspension of liquidation of entries by Customs under certain circumstances while an "escape clause" investigation is proceeding. If the ITC subsequently makes an affirmative determination of injury from imports under the "escape clause" procedure, the articles subject to the suspension of liquidation shall be subject to increased duties.

Section 202.—Adjustment assistance is removed as one of the remedies the President can provide instead of import relief through tariffs, quotas, tariff rate quotas, or a combination thereof.

Section 203.—Amends the law as follows: If the President decides to provide no import relief or a form of import relief different than that recommended by the ITC, or to negotiate one or more orderly marketing agreements, he must secure the approval of Congress through an expedited "fast-track" procedure similar to section 151 of the Trade Act of 1974. If Congress does not vote affirmatively, the President shall put the ITC's recommended import relief into effect.

If import relief is in the form of increased duties, there shall be a periodic review of fluctuations in currency conversion rates and adjustments shall be made in the duty rates if necessary to maintain the same amount of imports relief that has been put into effect.

The President is authorized to negotiate multilateral as well as bilateral orderly marketing agreements.

The ITC is given authority to review any orderly marketing agreements that may be negotiated to determine if they provide at least the same degree of import relief as they had recommended in their original determination. If the ITC finds in the negative or is evenly divided, the President shall put into effect the import relief originally recommended by the ITC.

Import relief shall be for at least five years and not exceed ten years. No phasing down of the import relief can begin until after three years. No extension of import relief is permitted. No import relief can be reduced or terminated until at least five years after the effective date of the import relief.

The time period which must elapse after the termination of import relief before a new investigation can be initiated is reduced from two years to one year.

TITLE III: ENFORCEMENT OF UNITED STATES RIGHTS (SECTION 301 OF 1974 TRADE ACT)

Section 301.—Amends the law as follows:

In order to make cases filed under section 301 subject to more administrative regularity, investigations will be initiated upon information presented to the administering authority, rather than to the President.

The President's authority to initiate a proceeding under section 301 is eliminated. Investigations under this section will be initiated on the basis of information available to the administering authority or as a result of a petition filed under section 302.

A special provision is added which deems actionable any practice by a foreign government or instrumentality which denies fair and equitable market opportunities to the goods or services of the United States or denies to the United States business fair and equitable opportunities for the establishment of an enterprise.

Another special provision is added to expressly permit use of section 301 to address foreign industrial targeting, defined as any effort by a foreign government or instrumentality to promote the growth of a specific sector of the economy through a combination of programs. If the administering authority finds that a foreign government or instrumentality has engaged in foreign industrial targeting which causes or threatens to cause material injury to a U.S. industry or materially retards the establishment of a U.S. industry, the administering authority is

required to take action to obtain the elimination of or otherwise respond to the targeting program.

Section 302.—Amends the law to set forth the procedures for filing a petition with the administering authority, including: 20 days for the administering authority to review the sufficiency of a petition; publication of a notice of initiation of investigation in the Federal Register; and an opportunity for the presentation of views, including a public hearing after the preliminary determination if requested by an interested party. The amendments to section 302 thereby shorten the time frame for evaluation of the sufficiency of a petition from 45 to 20; however, they also eliminate the requirement that the U.S. government request consultations with foreign countries on the date the decision is made to initiate the investigation.

Section 303.—Amends the law as follows:

The administering authority is required to present questionnaires to the foreign governments and enterprises concerned and to verify all information on which it relies in making its final determination.

If the administering authority does not receive the information requested or cannot sufficiently verify the information received, it may base its decision on the best information available, including allegations contained in the petition.

Section 304.—Amends the law as follows:

The administering authority must determine no later than five months after the date on which an investigation is initiated whether the final determination is likely to be affirmative.

If the administering authority issues an affirmative preliminary determination, provisional measures may be taken.

Section 305.—Amends the law as follows:

Because the 1979 amendments to section 301 did not ensure expeditious treatment of complaints, the revised section 305 requires that the administering authority make a final determination no later than 11 months after the date on which the investigation was initiated.

If the administering authority issues an affirmative final determination, any action taken must occur within 30 days of that decision.

Section 306.—Amends the law to require that confidential information submitted during a section 301 investigation be available for disclosure under administrative protective order.

Section 307.—Amends the law to read: if the contracting parties to the General Agreement on Tariffs and Trade disapprove of any action taken by the United States under section 301, the administering authority is given the discretion to modify or terminate the action or proffer compensation.

Section 308.—Amends the law to clarify the definition of the term "administering authority" as the United States Trade Representative or any other officer of the United States to whom the responsibility for carrying out the duties of the administering authority under section 301 are transferred by law.

Section 309.—Amends the law to require that the administering authority collect data on various unfair trade practices, and to require that the administering authority report quarterly to the Congress on the information collected and to publish a summary of its report in the Federal Register.

Sections 310-311.—Conforming amendments are made to substitute the term "administering authority" for the term "Special Representative."

Section 312.—Amends the law as follows:

Judicial review of the administering authority's determination is granted.

The court is required to hold unlawful any determination found to be unsupported by substantial evidence on the record or otherwise not in accordance with law.

TITLE IV: PRIVATE REMEDIES

Section 410.—This section substantially amends 15 U.S.C. 72 by eliminating the criminal penalties and treble damage provisions contained in the present law and replacing them with provisions allowing any person who is injured in his business or property by reason of dumped imports to bring a civil action to recover actual damages against the foreign manufacturer or exporter of the merchandise or any related party importer in the Federal district courts. The relevant definitions of dumping and material injury track those contained in the Trade Agreements Act of 1979, except that the foreign market value of an article is increased by the amount of any subsidy provided to the foreign manufacturer or exporter and not otherwise included in the foreign market value or constructed value of the merchandise. A final DOC or ITC determination on same merchandise from the same country constitutes a prima facie showing of the element and shifts the burden of proof to the defendant.

Subsections (c) and (d) provide subpoena power to the district court and appoint the district directors of the U.S. Customs Service as the lawful agents for service of process for the foreign manufacturer or exporter.

Subsection (e) sets a statute of limitations of four years but suspends the statute during the pendency of administrative proceedings, or related appeals, under the Trade Agreements Act of 1979 relating to the same imports.

Subsection (f) provides that if a foreign manufacturer or exporter fails to comply with a discovery order under this section the court may enjoin the further importation or distribution by the non-complying defendant of the same or similar merchandise until it complies.

Subsection (g) maintains the confidential or privileged status of documents or information unless the court orders disclosure under a protective order or otherwise.

Subsection (h) would require that any suit filed under this section be expedited in every way possible.

Subsection (i) contains the definitional provisions described above and subsection (j) expresses the sense of the Congress that this section is consistent with United States obligations under the GATT.

TITLE V: MISCELLANEOUS

Section 501.—This provision makes the effective date of H.R. 4124 the date of enactment. However, the amendment to section 104(b)(1) of the Trade Agreements Act of 1979 contained in section 124(a) of this bill will be applicable to any request for an injury test under that section which is pending on the date of enactment.●

● Mr. MOYNIHAN. Mr. President, I rise today with my distinguished colleague from Pennsylvania (Mr. HEINZ), to offer the Comprehensive Trade Law Reform Act of 1983, a proposal to significantly reform and improve America's trade laws. I note with approval that Representatives MURTHA, BROYHILL, and others have introduced a companion measure in the House.

Mr. President, before I describe the merits of the legislation we offer today, I would like to note briefly that international trade represents an important matter, one increasingly so, that deserves the closest attention by the Congress and the administration.

In recent years, international trade has expanded enormously, and largely in response to American initiatives. I refer, of course, to the two great trade negotiating rounds of the past two decades: The Kennedy and Tokyo rounds of the multilateral trade negotiations, under the auspices of the General Agreements on Tariffs and Trade.

I had the distinct good fortune to be closely involved in both rounds of the multilateral trade negotiations. Some two decades ago, as Assistant Secretary of Labor in the Kennedy administration, I helped negotiate the long-term cotton textile agreement in Geneva, Switzerland. More recently, the Subcommittee on International Trade of the Senate Finance Comittee, on which I serve, and the full Senate Finance Committee, drafted the Trade Agreements Act of 1979, the culmination of the Tokyo round of the multilateral trade negotiations.

When the Senate Finance Committee and House Ways and Means Committees passed implementing legislation for these trade agreements, they anticipated that they would help expand international trade by all the world's nations. And, over the past two decades trade has flourished.

Congress also knew that, under certain circumstances, expanded international trade can have temporary adverse effects on certain U.S. industries. To protect our workers from unfair trade practices by other governments, Congress reaffirmed its commitment to American workers and firms in the 1974 and 1979 Trade Acts: American workers and industries would have access to relief.

During the floor debate on the Trade Agreements Act of 1979, I addressed this need to protect American workers from unfair competition. On July 23, 1979, I said:

> But I am here to say that I altogether support the (The Trade Act of 1979), but I support it on the condition that the pledges made by the Administration that American workers' jobs will be protected from unfair and often dishonest dealings will be kept.

Mr. President, the promises made to American workers and industries by Congress and the administration, to enforce our countervailing duty, antidumping and other trade statutes, have been kept, by and large—at least as best as possible under the authority currently granted to the executive branch by Congress.

In recent years, however, it has become increasingly evident that we are witnessing fundamental changes in

the international trading system, without amending our trade laws to account for these changes. It is an undisputed fact that State-directed economies play an increasingly important role in international trade. The emergence of State-directed economies poses serious problems for American workers and industries that compete in the international marketplace. By deliberate choice, we do not employ the same government-directed strategies that other nations do. As the patterns of world trade have changed, so too have the mechanisms pursued by foreign governments to expand their shares of the world market. In this context, it has become clear that our own trade statutes must be amended to take account of the changing nature of world trade in general, and in particular sophisticated mechanisms used by our trading partners to unfairly claim a greater percentage of international markets at the expense of American workers and industries.

The remedies for this problem provided under the 1979 act have become all too expensive, time consuming, and complex. As one of those who worked to write and pass the Trade Act of 1979, I question whether our trade statutes still do provide American workers reasonable means to secure administrative relief from unfairly traded goods. Many firms, especially small businesses, do not petition for relief simply because the financial and bureaucratic burdens are too onerous and any eventual relief not adaquate.

Mr. President, the legislation I offer today with my distinguished colleague from Pennsylvania is a comprehensive response to many of the problems American industries face from foreign trade practices. The Comprehensive Trade Law Reform Act has been endorsed by the Trade Reform Action Coalition, a broad-based group of labor and industry representatives from the textile, apparel, steel, leather, chemical, television and footware industries, and more. These industries employ 4.5 million American workers and produce goods and services valued at almost $270 billion—almost 10 percent of the Nation's GNP.

Let me briefly describe what our comprehensive reform bill would do. Title I would amend our antidumping and countervailing duty statutes to provide more expeditious and effective relief. This title addresses many of the principal concerns expressed by our industries about the sophisticated practices pursued by our trading partners to unfairly aid their own producers. Title I makes practices such as downstream dumping and targeting subject to the remedies provided by our antidumping and countervailing duties statutes. Section 126 of the legislation, for example, broadens the definition of "subsidy" to include foreign government programs to "target" specific industries, an increasingly prevalent practice not adequately addressed by our existing countervailing duty codes.

Title I addresses one of the most important problems encountered by American businesses seeking relief, namely, the burdens imposed upon small businesses by the petition process. Section 104 creates a "Small Business International Trade Advocate" office, to assist small businesses in preparing and carrying out the required procedures in filing of these complex and expensive trade petitions.

Title II amends the escape clause section of our trade laws, the section providing relief for American industries and workers seriously injured (or threatened with serious injury) by imported products, regardless of whether the goods are unfairly traded. These legislative reforms, would make it easier for American concerns to secure relief from Imports.

Title III reforms the procedures for responding to unfair trading practices. One change, one I particularly applaud, would specify industrial targeting as a practice that can be addressed under section 301 of the Trade Act of 1974, the section authorizing the President to take all appropriate actions to remove the foreign government practices that violate international agreements or prove to be burdensome for Americans.

Title IV of the bill amends the 1916 antidumping Act to provide private remedies in dumping cases filed with the Federal district courts.

Mr. President, the legislation we offer today is a comprehensive response to the problems encountered by American workers and industries.

I fully support the objectives of this legislation. American industries must have access to relief under our trade laws from unfair competition. I may not agree with all of the specifics; and some provisions, such as the proposed amendments to the 1916 Revenue Act, will provoke considerable controversy.

Proposals to deny other countries access to an injury test must be carefully weighed. Nonetheless, in debating trade reform, Congress must examine every potential avenue for relief to identify the most effective and fair ones, insuring that they also are consistent with the General Agreements on Tariffs and Trade.

Mr. President, the United States must continue to affirm its commitment to a free and open trading system, reflecting the notions of trade embodied in the General Agreements on Tariffs and Trade and our other international agreements. It is beyond dispute that a free trade system has served this Nation and the world well. But a free trade system requires that Americans have access to relief from unfair trading practices. While I may not agree with all the provisions of the proposal we offer today, it is of crucial importance that the Congress promptly address trade reform legislation. This legislation deserves the most complete attention of this body and my colleagues on the Subcommittee on International Trade, and I intend to press for hearings early in the next session.

I urge my colleagues to review this proposal and follow closely the debate on trade reform. I cannot emphasize enough the importance and urgency of trade matters to the American workers and industries.

By Mr. HUDDLESTON (for himself and Mr. COCHRAN):

S. 2140. A bill to revise and reform the Immigration and Nationality Act to create a ceiling on legal immigration to the United States; to the Committee on the Judiciary.

IMMIGRATION CEILING ACT OF 1983

● Mr. HUDDLESTON. Mr. President, the historic generosity of the American people is well known, especially with regard to immigration policy. Once a Nation of the open frontier, the United States embraced the world's "tired and poor," irrespective of the number of people who wished to come here. We still treasure pluralism, but now our generosity may lead to a situation where both immigrants and American citizens suffer.

Other nations have recognized that the era of mass migration is at an end, that human and population problems are just too large for mass migration to be a lasting solution: The frontier is closed. The United States has one of the fastest growing populations of the world's industrial nations. Our Nation currently contains 234 million people; modest estimates show that figure approaching 275 million by the year 2000, and 300 million by the year 2030. Such population growth will exert immediate pressures on our resources, energy, water, environment, and economy.

Yet despite these trends, the United States admits more legal immigrants for permanent residence every year than the rest of the world combined. Further, while most countries limit, even discourage immigration, the United States has yet to take firm measures to control the immigration it allows.

Every other major country in the world has an immigration policy that they enforce, and a ceiling on the number of people who can enter. Some of these major nations have recently tightened their controls. For example, in 1983, Canada reacted to worsening economic conditions by reducing the number of immigrant workers it admitted.

As a Nation, we must ask ourselves: Is it not time that the United States put a ceiling on legal immigration? Asking this question forces us to ask:

What are the central assumptions upon which United States immigration policy has traditionally been grounded?

In a 1980 for Foreign Affairs, Michael Teitlebaum posed the following questions:

Is the concept of the nation-state legitimate? Is it legitimate for there to be a United States, for this country to have citizens, and to define all other people in the world as noncitizens?

My answer to these questions is plain. I believe that nation-states are legitimate, that the United States has a right to exist. And, as a sovereign Nation, the United States has a moral right and an obligation to its own citizens to set a ceiling on the number of people who are allowed to migrate here.

Recognizing that the United States is a sovereign Nation, which can control its borders, leads us to the next question; namely; for whose good do we have immigration?

It is clear that immigration is not the panacea that many source nations seek. Even the United States is not large enough to solve the Third World's socio-economic problems, many of which are generated by overpopulation. People are being produced at a much faster rate than we can take them. For example, if we raised our level of legal immigration to five times the ceiling in the law, and took only immigrants from Mexico to fill the whole quota, we would still be taking only half of Mexico's increase in population every year.

Further, contrary to what we think less developed nations do not believe that the immigration of their people to the United States is totally beneficial to them. Rather, they see migration to the United States as a skimming off their best educated people, their skilled workers, and their most ambitious and hardest working laborers. Like the export of their raw materials, the "brain drain" is perceived as yet another form of Western exploitation of the Third World. I recently saw a cartoon from the Indian Express of New Delhi and Bombay, showing the Statue of Liberty and this inscription:

Giver me your scientists, your doctors, your teachers, but keep your other exports to yourselves.

We must stop pretending to ourselves that mass migration to the United States is viewed by the source countries as a humanistic gesture, or even as a useful "safety valve."

As for the immigrants themselves, no one would deny that most immigrants to the United States have benefited. Indeed, part of the justification for being a Nation of immigrants is that it is beneficial for the migrants. I must argue however, that the good of the migrants is not the major reason for immigration. The good of the migrants is not the measure by which we should frame our limits on immigration, nor is it the absolute measure of the success of an immigration policy.

The good of the United States and its people must come first. The good of the United States is the measure by which we must frame limits on immigration.

This is not a new or startling proposition, nor should it be. Under the current preference system, immigration is not for the benefit of the individual immigrant. The preference system does not function on the "demand" of prospective immigrants. Rather, immigrants are accepted into the United States as a result of petitions filed by their relatives in the United States or by businesses that want them as employees.

In the days of the open frontier, we could give away free land to immigrants. Our grandparents could come to America without limit, without any ceiling on numbers. The interests of the American people and the prospective immigrants coincided. That was wonderful: It was a good time in our history.

However, we cannot continue to be controlled by the past because we can no longer provide that way of life. I do not believe we should feel guilty about the end of unlimited immigration anymore than we feel guilty about the end of the land grants.

In response to the increasing demands being made by immigrants, and because of our limited national resources, we must have a fair yet strong ceiling on legal immigration to the United States.

A LIMIT ON IMMIGRATION

I believe that I could get complete agreement, 100 votes in this Senate, for the proposition that there should be some limit on immigration to the United States. We all agree that there must be some ceiling; it is only when we try to set the number that we disagree.

Perhaps the best way to formulate the ceiling is to begin with the general principles I have outlined. First, it has been noted that under the preference system, immigration has never been solely for the benefit of the individual immigrant. Therefore, it is not possible to set a limit on immigration by referring to the number of people who would like to immigrate to the United States or to the number of people who would benefit by coming here. There would be too great a demand, and the number of people would overwhelm any reasonable ceiling that we set.

If I may return to the principle I stated earlier, immigration to the United States must be for the good of the United States and for the good of the people of the United States. It is reasonable for us to set the limit on immigration by referring to the effect immigration will have on our Nation and our people.

How shall we derive such a number? I propose that we consider several vital inputs—demographic, economic, and legal.

Respecting demographics, we should begin with the major premise of the Select Committee on Population of the House of Representatives: There is no reason for the population of the United States to grow any larger than it is now. Thus, immigration that would cause the U.S. population to grow continually larger must be avoided. A stable population target should be set.

A target population gives us an overall demographic determinant by which we can arrive at a number. How does that demographic determinant work? Suppose the United States has the goal of attaining a stable population of 300 million. First, the expected population growth from natural increase—the excess number of births over the number of deaths—could be calculated. Immigration would comprise the residual rate of population growth within the ceiling.

Such a ceiling would be fair and flexible, If the birth rate increased, the immigration rate would have to fall. If the birth rate decreased, the immigration rate would be able to rise without ruining our chances of attaining a stable population.

The economic input is grounded on a very simple premise: American workers should not have to compete with immigrants for jobs.

The most pressing and insidious domestic issue now facing this body, and the Nation, is the very troubling matter of high unemployment. Most recent statistics show almost 10 million Americans out of work, and this does not include the millions of discouraged workers who have dropped out of the work force altogether.

Joblessness has many serious and far-reaching ramifications:

Increased Federal budget deficits—every 1 percentage point increase in the unemployment adds another $30 billion in red ink;

Undue pressure on our already burdened safety net programs;

Increased urban crime where unemployment always hits hardest;

More and more family difficulties, often leading to domestic violence; and

Greater impact on the most disadvantaged—blacks, Hispanics, teenagers.

We all agree on the problems engendered by high unemployment, and most of us concur that this problem deserves high priority attention; however, bipartisan agreement often ends there.

Where do we go from here? I believe that additional immigration legislation is needed, legislation that would great-

ly enhance our efforts toward alleviating the tremendous economic, social, and psychological burdens of unemployment in America. Few people, including many of my distinguished colleagues, fully appreciate the serious impact of large-scale immigration on the size of the U.S. labor force and overall unemployment. The following computer projections, provided to me by the Environmental Fund in Washington, D.C., illustrate this point dramatically. Long-term U.S. unemployment rates will be considerably less if sound immigration reform, including appropriate numerical limitations on legal immigration, is enacted.

If the United States adopted an annual immigration ceiling of 500,000—that is a net level—and other demographic trends continue, U.S. unemployment would rise to 10.3 percent in 1990, dip to 9 percent in 1995, and fall further to 8.3 percent in 2000. Now let us assume that the net immigration was half this level, 250,000 per year. Total U.S. unemployment would rise to 9.5 percent in 1990 and fall thereafter to 7.6 percent in 1995 and 6.3 percent in 2000.

On the other hand, if net immigration were slightly more than double our initial assumption, 1.1 million instead of 500,000, U.S. unemployment would rise to 12.2 percent in 1990, 12.3 percent in 1995 and 12.8 percent in 2000. Now of course, widespread public outcry would rain down if our Nation approached these staggering levels of joblessness, but nonetheless that is something for the opponents of immigration reform and others to seriously consider.

Now let me tell my colleagues about some of the important assumptions underlying these projections. Total fertility, or the number of children borne by the average woman in her lifetime is 1.9; life expectancy for both males and females is increasing slightly; labor force participation rates are increasing for females while slightly decreasing for males; and the U.S. economy is expected to generate 2 million new jobs yearly between now and the year 2000. Recognizing that many U.S. industries—endeavoring to remain competitive—will continue to modernize and automate, a number of experts anticipate some job displacement and job loss to materialize. This too has been factored into the projections, as has some job loss resulting from the relocation of American manufacturers to developing countries where there is cheaper labor.

I strongly believe that our great Nation stands at an important crossroads as our economy enters a post-industrial transition. With this in mind, it behooves our Government to take great care in assuring that growth of the U.S. labor force does not exceed the number of available jobs. To do otherwise would be a foolhardy policy, but I am afraid that the absence of limits on immigration will lead us in this direction.

Now some of my colleagues may disagree with the assumptions for net job loss caused by automation and the export of jobs. Even if one sets aside these issues, the computer projections again clearly demonstrate that uncontrolled immigration will have a significant impact on future U.S. unemployment.

Consider the numbers: If the United States adopted a net immigration flow of 500,000 per year, total unemployment in 1990 would be 8.9 percent, falling to 7 percent in 1995 and 5.6 percent in 2000. Again, assuming a net immigration flow at half this level, 250,000 per year, total U.S. unemployment in 1990 would be 8.1 percent, falling to 5.6 percent in 1995 and dipping further to 3.6 percent in 2000. However, if uncontrolled immigration continues to be U.S. policy, let us assume a net level of 1.1 million, unemployment will be far worse than the numbers I have just recited. Unemployment in 1990 would be 10.9 percent, 10.4 percent in 1995, and 10.3 percent in 2000. In other words, we will be mired in 10 percent unemployment for the rest of this century even if we assume, somewhat unrealistically, that automation, robotics, and the export of jobs will not cause the United States some net loss of employment opportunities.

What I have attempted to show here, and I hope my colleagues agree, is that if we are to tame the monster of unemployment, the most insidious domestic issue confronting us, we must have immigration reform and numerical limits on legal immigration. Any strategy for solving long-term unemployment will go only part way toward the goal of full employment, unless that strategy embodies sound immigration reform.

There must be an economic input in the setting of the ceiling. How would such an economic input operate? As with the demographic input, economic considerations would be flexible. A target unemployment rate, for example, 4 percent, would be selected. If unemployment moved below that rate, we could investigate whether or not we could afford to raise our immigration levels—if unemployment moved above that rate, we should investigate whether we should lower our rate of immigration.

Finally, the legal input must be considered. It also rests on a basic premise; namely, any ceiling on legal immigration must be all-inclusive. The ceiling must encompass immediate relatives and refugees.

In 1965, when amendments to the Immigration and Nationality Act set the worldwide ceiling on immigration, exceptions were allowed. The sponsors of the bill promised that those exceptions would never exceed approximately 100,000 people a year. Yet in 1980, with the same provisions in effect, legal immigration jumped to 800,000.

This time when we set a ceiling, we are going to have to mean it. If it is to be effective, all immigration classes must be placed within the ceiling. Certainly, spouses and children of American citizens can be given priority within the ceiling, but wholesale exemptions must be avoided.

If the economic and demographic inputs are combined, and it is accepted that the ceiling must be all inclusive, an immigration level that suits the national interest can be set. What figure do I recommend for a temporary ceiling, to be put into place until we have a demographically and economically sound method of calculating the national calculating interest immigration ceiling?

I propose that we set the interim celing at 475,000, which is approximately the existing level of legal immigration to the United States. This number represents the number of preference system and immediate relative immigrants—about 425,000—plus 50,000, which the Refugee Act has determined is the normal flow of refugees to the United States. This is a safe number: It would not seriously harm the migration of close relatives to the United States, and it would not overload our Nation while we develop an agreed-upon method of calculating a permanent national interest ceiling. Only then would immigration policy and the national interest go hand in hand.

BRIEF SUMMARY OF THE IMMIGRATION CEILINGS ACT

ICA would set an annual limit on legal immigration to the United States of 475,000. This ceiling, which would take effect for 3 years, includes immediate relatives of U.S. citizens and refugee admissions, but does not include emergency refugee admissions ordered by the President. Within this overall ceiling, the 270,000 limit on preference immigrants would remain in effect.

The U.S. Government is directed to monitor and analyze levels of emigration.

In the fourth year after enactment, the ceiling will fall to the level of U.S. emigration plus 100,000, unless Congress, in its legislative authority, acts to adjust the ceiling in another way. During this fourth year, immediate relatives and refugees will receive priority over preference system immigrants—less close relatives—in terms of visa allocations.

The President shall transmit a report to Congress, beginning no later than January 1, 1986, which analyzes the impacts of immigration on the U.S. economy, demographic growth, resources, environment, social services, et cetera. This report will examine the

impacts of immigration for the 5 previous years and will make projections for the 5 upcoming years. The President may make recommendations on changes in the overall numerical limit.

BROAD PUBLIC SUPPORT

In closing, Mr. President, let me point out that the provisions of my bill have wide public appeal. A 1980 Roper poll found 80 percent of the respondents in support of a legal immigration ceiling below 400,000. This corroborated the exact same finding in a 1977 Roper poll.

More recently, national pollsters Peter D. Hart and V. Lance Tarrance conducted the most comprehensive national poll ever taken on the attitudes of Hispanic and black Americans on U.S. immigration issues. The results show that majorities of Hispanics and blacks believe that the United States should admit fewer immigrants into the country legally than has been the case in recent years. Fifty percent of the Hispanic citizens queried supported this position, while among black Americans, fully 65 percent favor curtailing legal immigration.

By Mr. ANDREWS (by request):

S. 2141. A bill to amend the Indian Tribal Governmental Tax Status Act of 1982 with respect to the tax status of Indian Tribal governments; to the Committee on Finance.

TAX STATUS OF INDIAN TRIBAL GOVERNMENTS

● Mr. ANDREWS. Mr. President, at the request of the administration, I am introducing a bill to amend title II of Public Law 97-473 the "Indian Tribal Governmental Tax Status Act of 1982." This bill would continue certain tax provisions to American Indian Tribal governments on the same basis as those provisions apply to States. Basically, this bill will provide tribes with continuing mechanisms to facilitate their abilities to stimulate business activity, finance public activities, encourage contributions to Indian Tribal governments, ease the burden of tribal taxation and in many ways, enhance their ability to improve the status of their people. This bill will only remove the sunset provision of the act, which mandated its expiration by the end of calendar year 1984.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 204 of Public Law 97-473, the Indian Tribal Governmental Tax Status Act of 1982 (96 Stat. 2607) is amended as follows:

(1) Strike out in paragraph (1) all after "December 31, 1982,".

(2) Strike out in paragraph (2) all after "December 31, 1982,".

(3) Strike out in paragraph (3) all after "December 31, 1982,".

(4) Strike out in paragraph (4) all after "December 31, 1982,".

(5) Strike out in paragraph (5) all after "January 1, 1983" and insert in lieu thereof a period.●

By Mr. HOLLINGS:

S. 2142. A bill to increase by $500,000,000 the amount authorized to be appropriated with respect to title XX of the Social Security Act, to earmark such increase for the provision of child care services and activities, and to establish a national advisory commission on child care; to the Committee on Finance.

CHILD CARE ACT OF 1983

Mr. President, today I am introducing the Child Care Act of 1983. This proposal is simple and straightforward. It will increase the authorization for child care services under title XX and it will establish a National Advisory Commission on Child Care.

I know that many might question this proposal. My colleagues on the left will say it is too limited. They will wonder why I do not jump on the bandwagon and introduce a bill containing every idea made over the last 15 years—regardless of its chance of being enacted. My colleagues on the right will say it goes too far, that we already do too much for child care in this country.

Yet those of us who have studied the issue know that both of those responses are wrong. We are not doing too much for child care in this country, we are doing too little. Just ask the millions of children receiving inadequate care and the thousands of families unable to afford proper child care.

But before we can move forward, we must first recognize the political, economic, and policy realities that we face. A bill that promises everything to everybody is as phony as it is pleasing. What we need now is action, not rhetoric.

That is why I am proposing this legislation. It will provide immediate aid, in a proven manner, to an immediate set of problems. And it will begin to bring together the divergent forces that are necessary to forge a successful consensus in this area.

By increasing funding for title XX today, we would do more to help the children of this country than any other thing we have done in years. We would get money to the local level in a proven and effective program. Instead of talking about action, we would be creating action. In short, we would be applying aid now, instead of allowing the situation to continue to deteriorate as we here in Washington continue a decade long debate.

By forming a National Advisory Commission on Child Care, we would be setting the stage for the future. This Commission would be the most comprehensive group to work on this problem since 1970. It will have a 1-year life with a mandate to probe the problems and recommend solutions. Its makeup will be bipartisan, as any solution will have to be. While I do not normally approve of the Commission approach to Government, this will not be a buck passing operation. The objective of this Commission will be to put the heat on Congress and not to deflect the issues.

Mr. President, the problems we presently face in child care have convinced me that now, more than ever, we need to come to grips with this problem. Our society is changing, particularly with regard to women, and it is time that we adopted to those changes. Simple necessity, careers, or the desire for personal growth have now made much of our classic vision of the family outdated for millions in our society. The family model that many of us grew up in now has changed.

Today, over 50 percent of the children under age 18 have working mothers. Over 40 percent of our preschoolers, or roughly 6 million children, have working mothers.

These statistics are an economic and demographic fact of life. And, they are only going to increase. By 1990 it is estimated that almost 12 million preschoolers will have working mothers, and 28 million children of all ages will have their mothers in the work force.

Yet our response to these changes has been poor. There are less than 2 million licensed child care openings in this country. For the last 3 years, hundreds of millions of dollars have been cut from child care programs and every program providing direct support for child care for low-income families has been cut. And for over 10 years, Congress has been deadlocked or roadblocked in every major attempt at forming a meaningful program.

In 1970, the White House Conference on Children listed child care as the No. 1 problem for American families. Congress reacted by passing S. 2007, which was promptly vetoed by President Nixon.

In 1972, the Senate passed S. 3617. This bill expanded Head Start and created a strong new child care program. However, the final version, which received bipartisan support, was vetoed by President Ford.

In 1976, something was finally enacted—the child care tax credit. Yet this has turned out to be too little, too late for most American families. It simply is not a viable vehicle for child care for millions of families.

As this brief history shows, the hopes of 1970 were dashed in 1972 and ground into the Earth in the years following. Consensus gave way to partisanship and child care became the hostage of politics.

As I said in 1972, it is difficult to believe that the Senate is more willing to provide money to build jails than it is

to develop and protect the futures of our children. Unless, and until, we become involved in child nutrition, development, and education in this country, we will continue to build jails and fill them with the result of our failed policies. Unless and until we again recognize that our future, our infastructure, lies in our children, we will fall behind in a competitive world.

We Americans often talk about our children as our most precious national resource, within which lies our most creative, whole, educated and meaningful future. In the hands, hearts, and minds of our children is the potential for a better world in which peace, not fear, predominates. We talk about the priority of presenting our children with the opportunities to make this dream a reality. Yet what we assert about our children is not consistent with our actions.

Many of America's children are the subjects of physical and psychological abuse and neglect. They become the victims of uncertain tomorrows when parents charged with their economic support fail to take this most basic of responsibilities seriously; they become victims when the most powerful Nation in the world fails to protect the weakest in its midst. Our children are all too often abandoned in the middle of monetary and other stress-related crises. And historically there has been little done to establish and sustain justice in the areas of education and child care.

I believe that the root of our country's inconsistent expression of concern for children may reside in our view that children merely present possessions and not for our future possibilities. We treat our children as property, things to be owned instead of precious gifts from the Creator of life. We fail to realize that our work to provide and care for America's children mirrors the value we place on our own humanity. The care of children is a reflection of how we view and value ourselves and our society.

Yet it is also important for us to appreciate what children are as children and not just what they will become as adults. For ultimately who they become is indelibly impacted by how they are cared for now. We are beginning to recognize that many of society's future problems and costs could be allayed by current action.

And we can act. This Government can begin to speak to one major issue confronting our Nation. That issue is central to the future of our country's most precious natural resource. That issue is child care.

By Mr. HATCH (for himself and Mrs. HAWKINS):

S. 2143. A bill to amend the Internal Revenue Code of 1954 to allow a credit for the occupational training of displaced homemakers; to the Committee on Finance.

S. 2144. A bill to amend the Internal Revenue Code of 1954 to promote savings and voluntarism by increasing the amount of contributions which may be made to an individual retirement account for homemakers who perform services for charities without compensation; to the Committee on Finance.

By Mr. HATCH:

S. 2145. A bill to amend the Fair Labor Standards Act of 1938 to facilitate industrial homework, including sewing, knitting, and craftmaking, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HATCH (for himself and Mrs. HAWKINS):

S. 2146. A bill to require States provided assistance under part B of title XIX of the Public Health Service Act to expand prevention and treatment programs for alcoholism, alcohol abuse, and drug abuse among women, and to require the Secretary of Health and Human Services to conduct research on alcoholism, alcohol abuse, and drug abuse among women; to the Committee on Labor and Human Resources.

S. 2147. A bill to authorize a program of grants to States to encourage the provision of assistance to needy children deprived of parental support or care by reason of the unemployment of a principal wage-earning parent; to the Committee on Labor and Human Resources.

WOMEN'S INITIATIVE

Mr. HATCH. Mr. President, I rise today to introduce a comprehensive initiative aimed at removing the barriers which prevent families and women in transition from reaching their potential and achieving economic self-sufficiency. This initiative consists of a series of bills to assist families, particularly single parent families, which comprise a substantial share of our Nation's welfare population, acquire the tools to become independent.

Our Nation has always revered the family. It is, and should remain, a sovereign institution, holding responsibility for nurturing our children's health, education, and character. It is not a proper role for Government to interfere in any one of these approximately 100 million separate polities.

What is a concern of society, however, is the undeniable fact that millions of families are falling into poverty and are growing more and more dependent on various public assistance programs. In 1981, there were well over 10 million American families headed by women. In 40 percent of these families, the female breadwinner was unemployed. Of the 8.4 million women nationwide who had custody of their children, less than half had been awarded child support. And, of those entitled to child support payments, only 47 percent received the full amount, an average of $40 per week. Twenty-eight percent received nothing. More than 50 percent of the children in families headed by women are living at or below the poverty level, compared to only 8 percent of children in husband-wife families. The Department of Housing and Urban Development reports that of all the section 8 households, 72 percent are headed by women; 63 percent of all the heads of households who receive food stamps are women according to the Department of Agriculture; and the social security bulletin states that 65.6 percent, nearly two-thirds, of all the SSI recipients are women. In Utah alone, 96 percent of all recipients of Federal income transfer payments were women, a figure which is probably indicative of the situation in most States. Aid to Families with Dependent Children (AFDC) is the most expensive Federal entitlement program we have, now appropriated at a level of $6.3 billion. Nearly 91 percent of the recipients of this Federal payment are women.

Note that I did not refer to AFDC as a Federal benefit. Most women who receive it would rather be working. They do not want this handout, and they do not want more handout programs. Women in this position are seeking an honorable way out of poverty—a way to make an independent living for themselves and their children. Testimony before the Labor and Human Resources Committee on November 8 by three former welfare recipients who had participated in training programs and were now employed was both moving and convincing on this point. Senator DENTON's Subcommittee on Family and Human Services recently held hearings on broken families, during which testimony was presented that clearly indicated the societal problems associated with this trend.

It is about time, Mr. President, that we find a more appropriate and effective role for Government. We must identify and eliminate Government roadblocks or disincentives that discourage women from seeking self-sufficiency, or that make other private sector help impossible.

It has to be said that no new Federal programs for training, income maintenance, child care, or private sector involvement will substitute for whole, two-parent families. Our Government should adopt no policy whatever that would drive a weldge between husbands and wives or between parents and their children.

Realistically, however, Government cannot reverse the circumstance which result in one-parent families. That more and more women are falling into the dark pit of welfare dependence, a trend now referred to as the feminization of poverty, is justification enough

for supporting this package of legislative proposals.

But if there are any members of this body who are not yet interested in this package because of its positive human resources impact, and the potential these new proposals have for helping those citizens most in need, I would request that my colleagues consider the cost of maintaining a family on AFDC, food stamps, medicaid, and other welfare programs indefinitely. Most of us in Congress are concerned about the budget. We made cuts in spending and we must make more. But remember that over the last several years the so-called budget uncontrollables, the entitlement programs, are increasing faster than the domestic discretionary programs. Unless we reduce the load of these entitlement programs, we will never be able to control the deficit. The proposals being offered today are designed as an investment in our Nation's whole economic future. Not only will these measures help move people off of dependence on entitlement programs, but these individuals will also be contributing their talents and efforts in the workplace.

Mr. President, this initiative consists of eight proposals, five of which I am introducing today. The measures deal with the feminization of poverty in three fundamental ways: Increasing the number of training opportunities, providing the necessary support to permit women to engage in training and accept employment, and providing additional options for women to prepare for the future even if they do not currently face a dire situation.

The Displaced Homemaker Opportunity Act addresses the problem of women, who have been full-time homemakers for a substantial number of years, and who have not developed or retained job skills demanded for jobs outside of the home, resorting to welfare upon death, divorce or disability of a spouse, by expanding the number of private sector job training opportunities for this special category of women. The bill permits employers to claim a tax credit equal to 50 percent of wages for hiring a displaced homemaker and providing on-the-job training or a credit worth 50 percent of the expenses incurred by sending a displaced homemaker to a qualified independent training program.

An employer may also take a credit for upgrading the skills of displaced homemakers already in their employ of 50 percent of the cost of upgrade training if release time is provided, or 40 percent if it is not. To qualify for this credit, the displaced homemaker must be earning less than $10,000 annually.

The Homemaker Volunteer Retirement Act recognizes homemaking as a profession and accords it the same status as employment outside the home as well as encourages volunteer effort on behalf of the many worthwhile charities, educational, cultural and philanthropic organizations.

The bill amends the Internal Revenue Service Code of 1954 to permit homemakers who volunteer an average of 6 hours per week over the taxable year to contribute the maximum amount of $2,000 to an individual retirement account established.

The Freedom of Workplace Act would provide the opportunity for women, particularly those with small children, to work at home without all of the encumbrances of the Fair Labor Standards Act restrictions.

The bill amends the Fair Labor Standards Act (FLSA) such that "homework" is not prohibited for any occupation and special permits are not required. The bill does not relieve the employer of FLSA responsibilities and retains the requirement that homeworkers be paid at least the minimum wage.

The bill, by providing women with additional alternative work arrangements, would make it possible for women to stay home with small children, a situation many women might prefer either for qualitative reasons, or because the family's child care costs could be reduced.

The Prevention and Treatment of Alcoholism and Alcohol Abuse Among Women Act addresses the problem of increased substance abuse among women. Empirical data has begun to emerge that shows women are increasing their use of alcohol and drugs—including prescription drugs. The cost of substance abuse to our society is staggering. More research is needed on treatment and prevention programs that are effective in reducing the ill health effects of substance abuse among women.

Increased awareness on the effects of alcohol and drugs on the unborn fetus is included within this proposal with a focus on education efforts for women in their childbearing years.

This measure would amend the alcohol, drug abuse, and mental health block grant to set up a demonstration program for treatment and prevention efforts aimed at women who are alcoholics or who abuse drugs or alcohol. An authorization of $7 million is provided for these demonstration projects.

In addition, this bill would authorize $8 million—$4 million each for the National Institute of Alcoholism and Alcohol Abuse and the National Institute on Drug Abuse—for research and data gathering on the numbers of women abusing alcohol and drugs and their reasons.

The data indicates that women are experiencing increased ill health effects as a result of their increased use of substances. But it is also evident that existing treatment modalities do not address the treatment of women, which in some cases vary from existing treatment methods. Considering women constitute a growing percentage of the American work force, prevention programs aimed at keeping women healthy and productive makes this an important cost-saving initiative.

The Pro-Family Preservation and Demonstration Project Act will allow States to apply for a grant to operate a demonstration project testing various options for AFDC families where one of the parents is unemployed. To qualify for moneys under this bill, the State must implement at a minimum two of the following provisions: AFDC allowed only if the unemployed parent is the principal wage earner; limiting the provision of aid as a disincentive for the family breadwinner to return to the labor force quickly; require the breadwinner to enter a training program; mandate participation in work supplementation programs; revise child care benefits for parents actively seeking employment.

The measure authorizes $50 million to carry out this demonstration program. The Secretary of Health and Human Services shall make the grants available both to States who have previously accepted this option and to those who have not.

This proposal takes a serious look at Federal laws which may promote divorce or separation among families. A demonstration project to test estimations of cost and benefits would enable Congress to assess the potential effects of a revision of current "father in the household" provisions.

There are two measures not included in the package today. One is a bill which revamps the AFDC/WIN program as a block grant and endeavors to make it more complementary to the Job Training Partnership Act. The proposal I plan to introduce when the Senate reconvenes in January will include a $500 million authorization to be used for training programs for AFDC recipients administered by the State concurrently with JTPA, or turned over to the JTPA delivery system to serve these special clients. Reviews of the current WIN program have been mixed. I believe that the mission of these training programs is too critical not to make changes when they will improve their performance.

Another proposal I plan to pursue is a separate component to the vocational education reauthorization that the Labor and Human Resources Committee will consider next year. My amendment to the bill will constitute a new part to title II which would create a State administered discretionary fund for undertaking projects designed to provide vocational education programs for women and displaced homemakers in nontraditional careers and emerging occupations; second, increase the

number of vocational education programs accessible to displaced homemakers, women with disabilities, and women in both urban and rural areas; third, develop entrepreneurship programs for women, particularly minorities, displaced homemakers, and full-time homemakers; and fourth, provide programs to teach the use of computers and new technologies for utilization both in the home and for future occupational development.

The proposal has the potential to stimulate community and business interest and participation as well as work for the prevention of poverty; it has the ability to help women learn skills useful outside the home even if entry into the work force is not anticipated. This benefit is particularly evident with the exposure of young women to a wide variety of vocational programs, including those in technical and entrepreneurial areas.

Finally, I want to mention the Dependent Care Resources and Referral Act, which I introduced along with Senator HAWKINS last Wednesday. S. 2078 amends the Public Health Services Act to create a block grant to the States for the development of resource and referral programs which will make information available to the community on types of dependent care available. This information will include home based, church, community, private sector, employer based, and institutional, the costs of such care, the location of and transportation to and from the care site, the hours of operation, and dependents eligible to enroll. A dependent is defined as a child 17 or under, a person 55 or older, or a handicapped individual. This Federal money would not be used to duplicate existing services and it would be a one-time grant to the States. The legislation has a $15 million authorization. The need for information concerning the availability, cost, and type of dependent care has rapidly increased. This bill addresses the problem of working women who need information concerning dependent care facilities within their local community.

To conclude, let me say that I think each of these measures represents a constructive response to one or more of the problems faced by displaced homemakers and other women trying desperately to be independent of the welfare albatross. There is not a bill here which extends welfare or does not involve some commitment from either the individual, the community, or the private sector. Clearly, this initiative is built on the idea that teamwork is required to address successfully any of these monumental issues. It is also for that reason that I will welcome the support of my fellow committee chairmen and Senators to help enact these bills into law. We will work together in the Senate as well, to insure that these women get a fair opportunity to get ahead.

By Mr. NUNN:

S. 2148. A bill to establish conservation reserve and agricultural forestation programs, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

CONSERVATION AND FORESTATION ACT OF 1983

● Mr. NUNN. Mr. President, I rise today to address a serious and growing problem which threatens the future of American agriculture and indeed our entire national economy and prosperity. This threat is soil erosion.

Around the turn of the century, the Chief of the U.S. Bureau of Soils wrote: "The soil is the one indestructible immutable asset that the nation possesses. It is one resource that cannot be exhausted; that cannot be used up." Hugh Bennett, the first Chief of the Land Conservation Service, replied some years later, "I didn't know so much costly misinformation could be put in a single, brief sentence."

President Franklin Roosevelt said some 50 years ago, "The history of every nation is eventually written in the way in which it cares for its soil." We have seen tremendous gains in soil conservation in the past 50 years. Yet, we face a threat today just as serious as was faced by those conservation pioneers of the early 1900's.

We are losing more topsoil to wind and water erosion today than at any time in the 1930's. This nationwide problem is at least in part a result of our "plant fence row to fence row" national policy of the 1970's to meet both domestic and international demands. Much of the soil that farmers plowed up during the 1970's to meet rising demand was highly erosive. In more conservation-oriented times, these lands would have been left as natural grass lands and pasture.

Mr. President, experts tell us that it takes 1,000 years to build an inch of topsoil. Many of our richest farm regions are losing as much as an inch of topsoil every 15 years and in some areas the topsoil has thinned to 6 inches, the minimum needed for commercial farming. Secretary of Agriculture John Block has predicted that during the next 50 years soil damage on 141 million acres of cropland could cut yields in half. Nationally, cropland losses average more than 5 billion tons annually—an amount approximately equal to skimming 1 inch off the top of Georgia each year. USDA National agronomist Gerald Darby, estimates that without serious conservation, erosion will rob this country of all its productive farmland within 100 to 200 years, washing so much topsoil from farms, that bedrock or heavy clay will be all that remains.

What must be done to combat this serious problem?

First, in my view, conservation programs must receive a higher priority in agricultural policymaking. In the past, decisions on farm programs have been dominated by supply and demand. Price support and other Federal agricultural programs have been geared to increasing production or reducing surpluses, there has been little coordination between these programs and conservation programs. For example, the PIK program, the centerpiece of the present administration's efforts to reduce surpluses, could have had significant benefits for conservation. Yet, these benefits have received only cursory attention. Just yesterday, Mr. President, an article in the Washington Post outlined the failure of PIK as a conservation program.

Second, we must retain the strong Federal, State, local partnership which has existed in our conservation efforts. I have opposed the efforts of the Reagan administration to reduce the Federal commitment to this partnership. This year USDA proposed a 30 percent total reduction in the Soil Conservation budget to $694 million—and in the ASCS cost sharing program only $69 million was requested, 67 percent less than just 2 years ago. I am pleased that the House and Senate rejected these cuts in the Agriculture appropriations conference report and has continued funding at the fiscal year 1983 levels.

Third, we must continue to encourage and educate our farmers to become more active in the soil conservation fight. Conservation tillage must be encouraged on our highly erodible lands. We are making progress in this area and have added significant acreage nationwide to conservation tillage in recent years. More work must be done.

Fourth, careful analysis and monitoring of the current USDA soil conservation program is needed. The Resource Conservation Act of 1977 required USDA to develop a comprehensive 5 year policy for planning, implementing and allocating the resources for soil and water conservation programs between now and 1987. This policy statement was submitted to the Congress on December 21, 1982. This report has been the subject of much debate and controversy for a number of reasons.

The first priority of the resource conservation report is to reduce excessive soil erosion of crop, range, pasture and forest lands. The second priority is two-fold: To conserve water used in agriculture and to reduce flood damage in upstream areas.

The report outlined a minimum level of funding necessary to meet these priorities. The administration's budget request for fiscal year 1984 was a full $100 million below this minimum funding level, however. The commit-

ment of funds by the administration has simply not matched the announced goals and objectives. In my view, we cannot be pennywise and pound foolish. Congress should not approve the administration's proposed budget cuts in this area.

A major feature of the administration's plan is an increase in the share of conservation funds targeted to critical problem areas where the need is greatest. This has also been controversial. Twenty-two counties in east central Georgia have been targeted. While targeting may be necessary, I believe that the targeting must be done without neglecting nontarget areas.

In my view, the jury is still out on the implementation of this resource conservation program. The Congress must monitor this plan and suggest changes where needed.

Finally, I believe further legislation is necessary to advance soil conservation efforts.

Today I am introducing a badly needed proposal, the Conservation and Forestation Act of 1983. This measure will reinstate a very successful program of the 1950's and 1960's, the so-called soil bank program. Farmers and ranchers placed 28.7 million acres in grasses and trees under the Conservation Reserve portion of the soil bank program from 1956 to 1960. In Georgia, approximately 975,000 acres were enrolled. Georgia planted more soil bank trees than any other State—approximately 700,000 acres.

My bill would establish a long-term conservation program to retire highly erodible farmland from cultivation and put this land into conservation usage.

This bill authorizes the Secretary of Agriculture to enter into contracts with farmers, not less than 5 years in length, to plant protective vegetative cover including grasses, hay and trees.

Like the old program, my bill authorizes USDA to pay the costs of planting cropland in pine trees or grass and will authorize yearly maintenance payments.

The original soil bank payments averaged $10 to $12 per acre per year. Under my bill the Secretary would make similar payments designed to provide farmers with a fair and equitable return on the land put in the conservation program.

The value of the land for production, the prevailing rental value of the land, and the incentive necessary to obtain conservation contracts should all be factors in determining the amount of the annual payments. The best estimates are that a new soil bank program would be successful with payments in the $30 to $40 per acre per year range.

This would be a very economical program. For example, Mr. President, I would point out that the PIK program idled 83 million acres at a cost estimated by USDA of $10.6 billion * * * a price of $128 per acre.

A long-term conservation program of the same size as the original soil bank—28 to 29 million acres—would cost approximately $8 to $9 billion over a 15-year period—$2 billion less than the 1-year PIK program. This would be money well spent in my judgment.

My proposal is needed not only to help in our soil conservation efforts but also to increase our timber resources in the United States. Recent studies by timber experts, including specialists with the Georgia Extension Service, have indicated that by the year 2000 we will have a timber shortage in the South, our largest timber region, if the increase in demand for timber products and timber harvesting continues to outstrip timber plantings.

Another feature of my bill will allow borrowers in trouble with FmHA or SBA—on the verge of bankruptcy or voluntary foreclosure—to choose to place their land in pines, receive the soil bank payments which would go to help retire their outstanding debts, and then harvest the timber with the proceeds also going to FmHA or SBA for debt payments. This program would reduce the number of voluntary foreclosures now taking place, particularly in the Southeast, give the farmer the chance over a long period of time to retire his debt, and at the same time retain his land. It would also save taxpayer's money and avoid a depression in land prices that is inevitable if we have a large number of forced sales. In extreme cases, full payment of a loan might require more than one planting and harvest but over time the family would retain the land rather than being forced to sell at firesale prices.

Mr. President, increased soil conservation efforts are essential to the future vitality of the agricultural economy of the United States. The Conservation and Forestation Act of 1983 is legislation which will move us toward improved soil conservation and I urge my colleagues to give this proposal careful and expeditious consideration. The fight against soil erosion is a battle we cannot afford to lose.●

By Mr. MATHIAS:

S. 2149. A bill relating to Senators' official office expense accounts; to the Committee on Rules and Administration.

SENATORS' OFFICIAL OFFICE EXPENSE ACCOUNTS

Mr. MATHIAS. Mr. President, under authority of statute and the standing rules of the Senate, the Committee on Rules and Administration is responsible for approving payments from the contingent fund of the Senate. Included among the more than 30,000 payment vouchers approved annually by the committee are vouchers drawn on each Senator's official office expense account. By statutory limitations established more than a decade ago, only those expenses which fall within any one of several categories of expenditures can be approved for payment.

In order to keep pace with the evolving needs of Senate offices and advances in office management, there have been numerous revisions, deletions, and addition to the original categories of official expenditures. It perhaps becomes unavoidable that some minor unintended inconsistencies occur as a result of repeated efforts to reshape the use of the office account.

Today I am introducing legislation that is intended to remove inconsistencies in the official office expense account and to provide greater flexibility in the use of the appropriated funds made available to each Senator for the conduct of official business.

I urge Senators to review their use of the office account as they consider this legislation. As chairman of the Rules Committee, I intend to schedule a hearing on this bill early next session. In anticipation of that hearing, I will send a "Dear Colleague" letter inviting your responses and encouraging your participation.

Mr. President, I ask unanimous consent that the full text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2149

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 506(a) of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58(a)) is amended to read as follows:

"SEC. 506. (a) The contingent fund of the Senate is made available for payment to or on behalf of each Senator, upon certification of the Senator, for the following expenses incurred by the Senator and his staff:

"(1) official telegrams, and long distance telephone calls and related services;

"(2) stationery and other office supplies procured for use for official business;

"(3) reimbursement to each Senator for costs incurred in the mailing, delivery, or transmitting of matters relating to official business;

"(4) reimbursement to each Senator for telephone expenses and service charges incurred by him for official purposes outside Washington, D.C.;

"(5) reimbursement to each Senator for official office expenses incurred (other than for equipment and furniture) for an office in his home State;

"(6) reimbursement to each Senator for expenses incurred for the purchase of, or subscriptions to, books, newspapers, magazines, periodicals, or other publications, and for clipping or similar services;

"(7) subject to the provisions of subsection (e) of this section, reimbursement of travel expenses incurred by the Senator and employees in his office;

"(8) reimbursement to each Senator for expenses incurred for additional office equipment and services related thereto (but not including personal services), subject to the prior approval of, and in accordance with regulations promulgated by, the Committee on Rules and Administration of the Senate;

"(9) reimbursement to each Senator for such other official expenses as the Senator determines to be necessary, but only to the extent that such expenses do not exceed for any calendar year ten percent of the total amount of expenses authorized to be paid to or on behalf of such Senator under this section for such calendar year; and

"(10) reimbursement to each Senator for charges officially incurred for services furnished by the Senate Recording and Photographic Studios.

Reimbursement to a Senator and his employees under this section shall be made only upon presentation of itemized vouchers for expenses incurred and, in the case of expenses reimbursed under paragraphs (7), (8), and (9), only upon presentation of detailed itemized vouchers for such expenses. Vouchers presented for payment under this section shall be accompanied by such documentation as is required under regulations promulgated by the Committee on Rules and Administration of the Senate. The reports of the Secretary of the Senate under section 105 of the Legislative Branch Appropriation Act, 1965, shall contain a separate section setting forth, in detail, all expenses reimbursed under paragraph (9) to each Senator. No reimbursement shall be made under paragraph (5) or (9) for any expense incurred for entertainment or meals.".

(b) Subsection (e) of section 506 of such Act is amended to read as follows:

"(e) Subject to and in accordance with regulations promulgated by the Committee on Rules and Administration of the Senate, a Senator and the employees in his office shall be reimbursed under this section for travel expenses incurred by the Senator or employee while traveling on official business within the United States. The term 'travel expenses' includes actual transportation expenses, essential travel-related expenses, and, where applicable, per diem expenses (but not in excess of actual expenses). A Senator or an employee of the Senator shall not be reimbursed for any travel expenses (other than actual transportation expenses) for any travel occurring during the sixty days immediately before the date of any primary or general election (whether regular, special, or runoff) in which the Senator is a candidate for public office (within the meaning of section 301(b) of the Federal Election Campaign Act of 1971), unless his candidacy in such election is uncontested. For purposes of this subsection and subsection (a)(7) of this section, an employee in the Office of the President Pro Tempore, Deputy President Pro Tempore, Majority Leader, Minority Leader, Majority Whip, or Minority Whip shall be considered to be an employee in the office of the Senator holding such office.".

(c) Subsection (h) of section 506 of such Act is amended by striking out paragraph (2) thereof and by striking out "(1)" where it appears immediately after "(h)".

(d) The amendments made by the preceding subsections of this section shall be effective in the case of expenses incurred or charges imposed on or after January 1, 1984.

By Mr. HUMPHREY:

S. 2150. A bill to amend the Federal Power Act to reduce conflicts on the licensing of hydroelectric powerplants and to expedite the development of and simplify the regulation of hydroelectric powerplants, and for other purposes; to the Committee on Energy and Natural Resources.

FEDERAL POWER ACT AMENDMENTS OF 1983

● Mr. HUMPHREY. Mr. President, today I am reintroducing a bill which I had initially introduced in the 97th Congress. This legislation amends the Federal Power Act for the purpose of protecting the property rights of dam-site owners in the Federal hydropower licensing process.

As all of us are aware, there has been a great rekindling of interest over the past few years in the development of hydroelectric energy. This is especially true in New England where literally thousands of existing dams which have lain dormant for years are not being considered for redevelopment. Through a combination of rising alternative energy prices, marketing guarantees under the Public Utility Regulatory Policies Act, and strong Federal tax incentives, hydropower has once again emerged as a clean and economically attractive alternative to imported oil. However, this hydropower boom has not been without problems.

Under part one of the Federal Power Act, the Federal Energy Regulatory Commission has the responsibility for licensing all non-Federal hydropower developments on navigable waters and waters involved in interstate or foreign commerce. This means that virtually all hydroelectric projects in the United States are subject to FERC licensing jurisdiction.

The most troubling aspect of this far-reaching jurisdiction lies in the Federal Power Act's eminent domain authority, which gives a licensee the power to condemn all property necessary for project development. This gives developers a strong incentive to bypass private negotiations, local zoning regulations, and State property law by applying directly to the FERC for a hydropower license. Naturally, some developers choose to "hedge their bets" by filing applications on a large number of sites at one time.

This incentive to speculate has also created the potential for serious delays in the licensing program. The number of preliminary permit and license applications filed with the FERC skyrocketed from less than 100 in 1979 to over 1800 in 1981. In 1982 this total dropped to about 1,200, and it fell to nearly 900 in 1983. Nonetheless, throughout this period, roughly half of the preliminary permits and a slightly lower percentage of the license filings were competing applications—that is, cases in which more than one party has applied for the rights to develop the same dam. While the FERC's budget and staff resources have been modestly increased over these years, the fact remains that the workload is still staggering, and delays have been almost inevitable.

Last Congress, as chairman of the Subcommittee on Energy Regulation, I joined with the Water and Power Subcommittee of the Energy and Natural Resources Committee to hold a series of four hearings on ways to streamline the Federal hydropower licensing process. One recurrent suggestion in these hearings was that the Federal Power Act be amended to simplify and make more equitable the FERC process for determining who among competing applicants should be awarded the development rights to a given dam site.

Under the present system, the FERC must go through an elaborate process for choosing between competing applicants at contested sites. There are several critical features of this mechanism. First, if any prospective developer meets the qualifications for a license exemption, as provided by section 408 of the Energy Security Act, he will generally be awarded the development rights. If, as in the majority of cases, an exemption is not in order, then the FERC must determine whose plans are best adapted to the "comprehensive development of the waterway." This is further complicated by the existence of various preferences under the Federal Power Act and relevant regulations; persons "first to file" are given priority in the award of a preliminary permit for site study, preliminary permit holders are accorded a priority in licensing, and States and municipalities are given a preference when filing for either preliminary permits or licenses. Virtually countless combinations of competing applications can arise under this system, and because all is underscored by the condemnation authority which comes with a license, little regard need be given by the applicants or FERC to the issue of who owns the actual hydro site.

The bill I am reintroducing today seeks to address this need by providing two powerful incentives for prospective developers to acquire the necessary property interests before coming to the FERC for a license. The first is an unambiguous owner preference in the permit and licensing process. This will protect both the property interests of site owners—including State and municipal-site owners—and reduce the possibility for delay in the FERC licensing process. Second, the bill changes the measure of damages in eminent domain proceedings for any condemnation under the Federal Power Act from "fair market value" to value based on "highest and best use." by significantly curbing developers' enthusiasm for bypassing negotiations

with damsite owners, this will lead to a much healthier development climate for hydroelectric energy in this country.

It should be noted that the provisions of this bill do not apply to relicensing procedures under the Federal Power Act. The issue of municipal preference in the granting of new licenses for currently operating hydroelectric generating stations arose earlier this year in a FERC ruling on the Merwin Dam relicensing case. This is a separate issue from that of Federal eminent domain powers, and my legislation does not attempt to address it.

There is no question in my mind that the Federal Power Act is badly in need of revision. The conflicts that have arisen in recent years in hydropower licensing cases point to the need for congressional action. The bill I am introducing today is a modest attempt to address some of these problems, and I am hopeful that the Energy and Natural Resources Committeee will see fit to hold a hearing on this bill and the current problems in hydroelectric licensing.

Mr. President, I urge my colleagues to join in support of this legislation. I also ask unanimous consent that the bill and an accompanying section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2150

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Power Act Amendments of 1983".

SEC. 2. Section 3 of the Federal Power Act (16 U.S.C. 796) is amended by adding at the end thereof the following:

"(23) 'Qualified exemption applicant' means any person, State, or municipality which has met the requirements of an application for exemption from part I of this Act as provided by section 30, section 408 of the Energy Security Act of 1980 (16 U.S.C. 791), or other provisions of this Act and which has the property interests necessary for the development of the proposed hydroelectric project, exclusive of any property interests necessary for a transmission right of way.".

SEC. 3. (a) Subsections (b) and (c) of section 7 of the Act (16 U.S.C. 800 (b) and (c)) are redesignated as subsections (d) and (e), respectively.

(b) Section 7 of the Act is amended by amending subsection (a) to read as follows and adding after subsection (a) the following new subsections:

"(a) Except as provided in subsection (d) of this section, in issuing preliminary permits or licenses where no preliminary permit has been issued and in issuing licenses to new licensees under section 15, the Commission shall give preference to a qualified exemption applicant, unless the plans for the development of the proposed project by a license applicant or a prelimary permit applicant are substantially superior to the plans of the exemption applicant for the development of the waterway and the conservation and utilization in the public interest of the water resources of the region.

"(b) Except as provided in subsection (d) of this section, in issuing preliminary permits or in issuing licenses where no preliminary permits have been issued and in issuing licenses to new licensees under section 15, the Commission shall give preference to applications by any person who has the property interests necessary for the development of the proposed project, exclusive of any such property interests owned by Federal governmental entities and exclusive of any property interests necessary for a transmission line right-of-way, unless the plans for the development of the proposed project by another license applicant or applicant for a preliminary permit are substantially superior to the plans of the owner applicant for the development of the waterway and the conservation and utilization in the public interest of the water resources of the region.

"(c) Except as provided in subsection (d) of this section and subject to the preference provisions of subsections (a) and (b) of this section, in issuing preliminary permits or licensees where no preliminary permits have been issued and in issuing licenses to new licensees under section 15, the Commission shall give preference to applicants by States and municipalities, unless the plans for the development of the proposed project by another license applicant or applicant for a preliminary permit are substantially superior to the plans of the State or municipality for the development of waterway and the conservation and utilization in the public interest of the water resources of the region. If no other applicants have been granted a preference under subsections (a), (b), and (c), the Commission shall give preference to the applicant presenting plans that are best adapted to develop, conserve and utilize in the public interest the water resources of the region.".

SEC. 4 Section 21 of the Act (16 U.S.C. 814) is amended by adding at the end thereof the following: "In all cases arising under this section, the measure of the amount of compensation to be paid by any license shall be based on the highest and best use for which the property subject to condemnation may be put.".

SEC. 5 The amendments made by this Act shall be applicable to any hydroelectric project which is not subject to subsection (d) of section 7 of the Federal Power Act and with respect to which no preliminary permit, license, or exemption has been issued by the Commission on the date of enactment of this Act.

SECTION-BY-SECTION ANALYSIS OF THE FEDERAL POWER ACT AMENDMENTS OF 1983

SECTION 2

This section defines a qualified exemption applicant for purposes of the priority in licensing accorded by Section 4 of the draft amendments. The first requirement for this status is compliance with the conditions of any current or future federal licensing exemption provision. The second requirement for this status is ownership of the property interests necessary for development of the proposed project, exclusive of any property interests necessary for a transmission right of way. The requirement for all necessary property interests codifies the current Federal Energy Regulatory Commission (FERC) exemption regulation on this point and is intended to ensure, to the maximum extent possible, that projects with property rights conflicts do not qualify for the expedited exemption treatment. It should be noted that this definition is also consistent with the current FERC policy of not granting exemptions on projects involving substantial federal property interests.

SECTION 3

This section merely renumbers the existing subsections of Section 7 of the Federal Power Act respecting federal development. These subsections are not changed by the draft amendments.

SECTION 4

The provisions of this section establish the proposed new permitting and licensing priority system.

Proposed subsection (a) provides that a qualified exemption applicant (defined in Section 2 of the draft amendment as a site owner) will prevail in the hydropower licensing process unless a competing license or preliminary permit applicant proposes a substantially superior development plan. This provision favors exemption applicants more strongly than the current FERC regulations and should eventually reduce the number of license or preliminary permit applications which compete with exemption applications for any given site. Site owners who contemplate filing an exemption application, but are unable to do so because of a lack of data, may protect their site by applying for a preliminary permit. The draft amendments, Section 4(b) (discussed below), also provide site owners with a stronger priority in situations involving competing preliminary permit applications.

Proposed subsection (b) provides that in issuing both permits and licenses the FERC shall give preference to applications by persons, including public entities, which have all the necessary property rights for development. This preference would be good against any applicants except those holding a preliminary permit. The property interests required for this preference do not include transmission right of ways. Unlike the exemption preference, this preference is available to a qualified exemption applicant proposing a project involving substantial federal property interests, so long as the applicant holds all other property interests necessary for project development. As is true for the exemption preference, an opposing applicant must submit a substantially superior proposal to prevail. Any person, state or municipal entity or any combination thereof could qualify for the owner preference. It should be noted that this section would protect all state and municipal applicants which own interests in a dam site sufficient for development, when those applicants have not filed first. In the strictest sense, this does little to abridge the current municipal preference for truly motivated municipalities who could avail themselves of state eminent domain provisions to acquire the necessary property rights for development.

Proposed subsection (c) preserves the current municipal preference against all applicants except qualified exemption applicants and site owners, again in a stronger version with the substantially superior language. As between other applicants, the current language of the Federal Power Act and, hence, the first in time rule, is also preserved.

SECTION 5

This section explicitly establishes the traditional measure of damages in eminent domain proceedings for any condemnation under the Federal Power Act. This should also reduce the enthusiasm for attempts to

bypass negotiation with dam site owners, as well as clearly establishing a fair measure of compensation for such takings.

SECTION 6

This section covers the phase in time for the amendments. Permit, exemption or license applications pending on the effective date of the Act would be subject to the new rules. The amendments would not be applicable to those sites where a permit, exemption or license has been granted by the FERC prior to the effective date of this Act, nor would they be applicable in cases where a FERC decision on competing applications has been appealed as of the effective date of the Act.●

By Mr. STAFFORD:

S. 2151. A bill to authorize a public works development program of grants to the various States, to amend the Clean Water Act, and for other purposes; to the Committee on Environment and Public Works.

PUBLIC CAPITAL INVESTMENT ACT OF 1984

● Mr. STAFFORD. Mr. President, later today, I intend to file a report, on behalf of the Committee on Environment and Public Works, on S. 1330. That report contains an amendment that struck a new grant program from the bill.

While it does not appear as if a grant program has sufficient support to win early passage in the Senate, I remain convinced that the Senate must continue to examine the possible enactment of a Federal grant program that would provide a financial bridge to assist the States during this period of severe economic strain to become more self-sufficient in meeting future infrastructure needs. For that reason, I am pleased to introduce a modified version of a portion of S. 1330 as separate legislation.

This language has been changed from the original version in S. 1330 to bring it within the sums available under the budget resolution adopted by the Congress.

Mr. President, I ask unanimous consent that a copy of the bill be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2151

Be in enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Capital Investment Act of 1984."

SEC. 2. (a) The Congress finds and declares that—

(1) a sustained program of public capital investment is essential for the Nation's continued prosperity and long-term economic viatality, and therefore for the general public welfare;

(2) the annual expenditure by the American people for new or renovated public capital investment projects has declined in recent years by more than 50 per centum, as a percentage of the gross national product;

(3) a vast diversity in public capital investment needs exists and national policy should permit flexible and diverse responses by non-Federal units of government; and

(4) the goal of Federal policy should be to create incentives for effective State and local capital investment decisions.

(b) It is, therefore, the policy of the United States that—

(1) the declining trend in public capital investment should be reserved;

(2) a strategy for wise public capital investment must be long range and sustained;

(3) because of climatic, historic, and economic differences, the several States can more effectively establish realistic priorities for most public capital investment decisions than the Federal Government; and

(4) any long-term public capital investment program should involve a partnership between the Federal Government and other levels of government, and be designed to encourage continued investor interest in the purchase of bonds or notes of those States and governmental units as sound and preferred securities for investment.

SEC. 3. The Secretary of Transportation (hereinafter in this title referred to as the "Secretary") is authorized to make grants to any State under procedures established by the Secretary, after consultation with the National Council on Public Works Improvements, established pursuant to Public Law 98- , for the purpose of the construction or rehabilitation of public capital investment projects.

SEC. 4. (a)(1) Any State may submit to the Secretary an application for investment grants under this Act. Such application shall contain information, as the Secretary shall require, to determine that—

(A) sums made available to the State under this Act will be utilized exclusively for the purpose of improving the public capital investment in such State under a plan developed by such State after public hearings;

(B) the State will contribute annually, from non-Federal revenues, a sum no less than one-half of the sum it receives annually from the Secretary under the terms of this title, with such non-Federal funds to be used exclusively for the purposes of improving the public capital investment in such State;

(C) funds granted to a State under this Act, or provided by a State to meet the requirements of this Act, will be placed in a State-operated capital investment fund or comparable financing entity (hereinafter referred to as the "Fund"), established pursuant to State law, and will be utilized exclusively to construct or rehabilitate public capital investment projects undertaken as a result of a plan developed by such State that established priorities and is applicable to such investments throughout such State: *Provided, however,* That no less than 50 per centum of the funds obligated by the State under the terms of this Act in any fiscal year shall be utilized to rehabilitate public capital investments;

(D) the State requires repayment into the Fund, through use charges or other forms of public payments, including proceeds of general obligation bonds, sufficient to maintain such Fund for the foreseeable future, so that as repayments are made to finance public capital investments throughout such State the Fund will continue to be available to finance public capital investments in such State;

(E) the State requires that any project constructed or rehabilitated using funds provided as a result of this Act shall be maintained and repaired on a scheduled basis during its useful life, utilizing funds other than those available under the terms of this Act;

(F) the State shall assure that each city with a population of fifty thousand or more in such State shall receive annually no less than its proportionate share of the State's fund, comparing such city's population with the population of such State, divided by one-half, with all remaining funds to be available throughout such State;

(G) the State will require that annual payments on principal shall commence no more than one year after completion of any project and that all loans shall be fully amortized not later than twenty years after project completion;

(H) the state agrees to reimburse the Federal government, without interest, for funds received from the Secretary under the terms of this Act twenty years after the date of enactment of this Act; and

(I) the State will permit access, on a reasonable basis, to representatives of the Secretary to review the operation of the Fund in order to assure the State's compliance with this section.

(2) Whenever the Secretary finds that a State has fulfilled the requirements of paragraph (1) of this subsection, the Secretary shall within thirty days approve the State's application, and such State shall receive a grant under the terms of this Act.

(b) Except as otherwise limited by State law or by this Act, the Fund may—

(1) make and contract to make loans, including no-interest loans, to governmental units and acquire, and contract to acquire, notes and bonds issued or to be issued by governmental units to evidence those loans, all upon such terms and conditions not inconsistent with the principles of this Act;

(2) buy the debt obligations of municipalities within the State at or below market rate;

(3) guarantee, or purchase insurance for, local obligations where such action would improve credit market access or reduce interest rates of weaker credits; and

(4) provide governmental units such financial and credit advice as they may request.

(c)(1) Once approved for a grant under this Act, a State shall receive subsequent annual grants under this Act: Provided, That the Secretary does not find, as a result of periodic audits pursuant to subsection (a)(1)(I) of this section, that such State has failed to maintain its program substantially as proposed.

(2) Whenever the Secretary finds under paragraph (1) of this subsection that a State has failed to maintain its program substantially as originally proposed, the Secretary shall not make any additional grants to such State under this Act until such State has submitted a new application under this Act, and until such application is reviewed and approved by the Secretary under the terms of this section.

(d) Two or more States may utilize funds deposited in the Fund in such States for use to finance a regional authority, if the primary purpose of such authority is to construct and rehabilitate public capital investments of a regional character.

SEC. 5. (a)(1) Subject to the provisions of paragraph (2) of this subsection, sums appropriated under this Act shall be made available to the States 50 per centum on the basis of population of the State, as a percentage of the population all the States, and 50 per centum on the basis of the paved highway mileage in the State, as a percentage of the paved highway mileage in all the

States: *Provided, however,* That no State shall receive less than one-half of 1 per centum of the funds made available annually under this Act, except that those jurisdictions listed under the terms of section 11(4)(B) of this act shall be considered as one state for the purpose of this provisio.

(2) Up to 1 per centum of the sums appropriated in any fiscal year under the terms of this Act shall be available to the Secretary for the purposes of research, utilizing guidelines established by the Secretary. Such research may be undertaken by the Secretary. Such research may be undertaken by the Secretary, or may be undertaken through contracts with the States, units of local government, universities, and nonprofit organizations, on the basis of applications selected by the Secretary on the basis of the merit of such applications.

(b)(1) The sum allocated to a state in any given fiscal year, for which an application is not received, shall be returned to the Treasury of the United States on the first day of the succeeding fiscal year, and shall be available for reallocation.

(2) Sums allocated to any State in any given fiscal year, for which an application for such sums is not approved by the Secretary, shall be returned to the Treasury of the United States on the final day of the succeeding fiscal year and shall be available for reallocation.

SEC. 6. Each Federal agency shall review and, where necessary, revise its rules and regulations to assure, consistent with existing law, that any permit to be issued by the United States will be reviewed and acted upon expeditiously when such permit is necessary for the construction and rehabilitation of any public capital investment undertaken by a non-Federal public body.

SEC. 7. On April 15, 1986, April 15, 1988, and on April 15, 1990, the Secretary shall report to Congress on the disbursement of funds under this Act, and the use of those funds by participating States.

SEC. 8. In section 205 of the Clean Water Act, add a new subsection as follows:

"(1)(l) Notwithstanding any other provision of this title, any sums allotted to the States for each of the fiscal years ending September 30, 1983, through the fiscal year ending September 30, 1985, may be utilized for revolving loans for the construction of waste water treatment works: *Provided,* That the funding of such works meets with all applicable regulations concerning project eligibility and priorities for funding of the Administrator of the Environmental Protection Agency. Repayment of these loans shall be made to the States and the funds repaid shall be used for additional loans pursuant to this subsection.

"(2) If a State chooses to maintain a grant program under this title with some portion of the funds allotted under this section, the set asides of reserves required under this section shall be reduced by the same percentage as the total allotment is reduced for the loan program.

"(3) Sums allocated to the States to be used in revolving loan programs shall be made available in total as grants to States at the time of allotment, and these funds shall not be subject to reallocation.".

SEC. 9. There is authorized to be appropriated to the Secretary for the purposes of this Act, including necessary administrative expenses, the sum of $2,500,000,000 for each of the fiscal years beginning with the fiscal year ending September 30, 1985, through the fiscal year ending September 30, 1988, such sums to remain available until expended.

SEC. 10. (a) Nothing in this Act shall alter the requirements of the National Environmental Policy Act (42 U.S.C. 4343), the Fish and Wildlife Coordination Act (16 U.S.C. 1530 et seq.), the Endangered Species Act (16 U.S.C. 1530 et seq.), or title III of the Clean Water Act (33 U.S.C. 1311-1328).

(b) As appropriate, projects receiving funds as a result of this Act shall utilize the best available technique for the conservation of water.

SEC. 11. For the purposes of this Act, the term—

(1) "construction" means the design and erection of a new structure, including its initial equipment and acquisition of land for such project, and the reconstruction of a project at an existing site or adjacent to an existing site;

(2) "rehabilitation" means the correction of deficiences in a facility or the modernization of equipment so as to extend the useful life or improve the effectiveness of such facility;

(3) "maintenance" means regularly scheduled activities, including routine repairs, intended to keep a facility operating efficiently;

(4) "State" means (A) any State of the United States, and (B) the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Northern Marianas Trust Territories, and the Virgin Islands;

(5) "unit of local government" means, but is not limited to, any city, county, town, township, parish, village, or other general purpose political subdivision of a State; and

(6) "public capital investment" means any facility owned or operated by a State, unit of local goverment, or other public agency or authority organized pursuant to State or local law, including, but not limited to, non-Federal-aid highways, streets, and bridges, mass transit, resource recovery facilities, rail transportation, airports, water supply and distribution systems, sewers, dams, public buildings, docks and ports, waterways, and parks.●

By Mr. DENTON (for himself and Mr. GRASSLEY):

S. 2152. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to strengthen fiduciary standards so as to assure adequate controls on social investing by pension plans; to the Committee on Labor and Human Resources.

RETIREE PROTECTION ACT OF 1983

Mr. DENTON. Mr. President, much attention has been given recently to the abuse of pension fund assets by pension fund managers. Although the funds are protected by the Employee Retirement Income Security Act of 1974 (ERISA), it is clear that many of the standards established by ERISA to protect the retirement income of older workers are being misinterpreted or willfully ignored.

Before the enactment of ERISA, private pension plans were virtually unregulated. Trusting and loyal employees contributed to pension plans in order to secure their future during the "golden years" of retirement. All too often, however, the contributions were mismanaged, and retiring employees found that the pension benefits for which they had contributed hard-earned money were inexplicably unavailable.

Such widespread abuse was addressed in ERISA by the establishment of fiduciary standards. The statute prescribes that fund assets are to be managed "solely in the interest of the participants and beneficiaries," with the "exclusive purpose of providing benefits to participants and their beneficiaries," and with the "care, skill, prudence, and diligence" required of a prudent man. In addition, certain transactions involving parties with an interest in pension plans are prohibited.

The standards seem clear enough. Any investment of hard-earned contributions from American workers must have as its sole goal the provision of future income to those workers. Apparently, however, that is not the case. The fiduciary standards are under attack from people who are waging a sophisticated campaign to require that managers "socially invest" pension fund contribution.

What is a "social investment?" The answer is provided by Owen Beiber, president of the United Auto Workers, who has said that it is desirable for the UAW to "invest in some projects which don't 'make money' in a commercial sense, but which do produce desirable social returns on investment."

What kind of adequate retirement can be provided by investments that "Don't make money?" None. Implementation of such a scheme would insure a bleak, penniless retirement for longtime workers who faithfully contribute to a plan in order to provide sustenance for themselves, their spouses, and their families. Charitable and social goals, no matter how noble, do not operate for "the exclusive purpose of providing benefits to participants." When social goals replace the goal of maximizing benefits for the contributors, then efforts to achieve the social goals violate ERISA.

The U.S. District Court for the Eastern District of Virginia recently awarded more than $500,000 to retirees whose pension fund contributions were squandered by the union trustees of the local health and welfare trust fund. One-third of the assets were diverted into a "social investment" designed to further a compulsory unionization drive. The court determined that retirees were robbed of "health" and "welfare" by the "social investment" policy, which lacked the purpose of providing benefits to participants.

Pension fund assets amount to $600 billion and constitute the major portion of the Nation's capital available for investment. It is no wonder that some pension management officials desire access to the "slush fund" of ac-

cumulated pension money in order to further their personal interests and values. It is indisputable that the trend toward "social" investing is growing, with some major corporation forming pension management subsidiaries with names such as "Fund for Social Responsibility."

Let me make it clear that I am not suggesting a blanket indictment of all pension fund managers. it is unfortunate that the conduct of those who are unscrupulous or who are motivated by desires other than the exclusive purpose of benefiting the plan beneficiaries requires that we implement more stringent regulations.

But I believe that we must now take further steps to require "personal and professional responsibility" from the fiduciaries who are charged with the operation of pension plans. I and Senator GRASSLEY are therefore introducing the Retiree Protection Act of 1983, which would strengthen existing prohibitions against social investing and make clear to those who might abuse the retirement money of American workers that social investments are illegal under ERISA.

Under the provisions of my bill, criminal penalties and punitive damages would be established for persons convicted of violating the fiduciary requirements specified by ERISA. Criminal penalties would be brought in line with existing Criminal Code penalties for theft and embezzlement of employee benefit plan funds, including fines up to $10,000 and/or imprisonment up to 5 years. Punitive damages could be awarded to injured parties in the suit—workers and retirees—up to the amount of money involved in the breach of fiduciary responsibility.

The Retiree Protection Act would tighten current procedures for obtaining exemptions from prohibited transactions by requiring that exempted investments maximize the rate of return. In addition, before a request for exemption could be approved, the proposal would have to be published in the Federal Register, and written notice would have to be given to all interested parties, including workers and beneficiaries participating in the plan. An opportunity for public hearing on the proposed exemption from established standards would have to be provided, and legal recourse would be afforded through any district court in the United States. In that way, participants in plans would be notified of requests for exemption and would if necessary have access to court action to protect their retirement funds.

My bill would insure that pension funds benefit the workers who contribute. Fiduciaries with self-serving ideologies should not be allowed the opportunity to invest pension assets to further their own "social" purposes. Investment of the assets of retirement plans should be based upon the best possible financial decisions and should maximize benefits to the workers who provide the funds in the first place. The Federal Government must enforce the provisions of ERISA in order to protect a sound financial future for America's retired workers.

I urge my colleagues to join with me as cosponsors of this legislation.

I ask unanimous consent that the Retiree Protection Act be printed in full in the RECORD immediately following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2152

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Retiree Protection Act of 1983".

PRIORITY OF MAXIMIZATION OF INVESTMENT RETURNS

SEC. 2. (a) Section 404(a)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104(a) (1)) is amended—

(1) by inserting "in the maximum funding of their accrued and future benefits specifically provided under the terms of the plan" after "interest of the participants and beneficiaries"; and

(2) by striking out subparagraph (C) and inserting in lieu thereof the following new subparagraph:

"(C) by selecting, managing, and diversifying the investments of the plan so as to—

"(i) minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, and

"(ii) avoid the selection, for the purpose, in whole or in part, of achieving or furthering any political, ideological, or social goal, of any investment or class of investments otherwise suitable for the plan's portfolio over any other investment or class of investments so suitable if such selection would reasonably be expected to yield a financial return to the plan less than the financial return which would reasonably be expected from the selection of such other investment or class of investments;".

(b) Section 401(a) of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new sentence: "a plan shall not be considered as meeting the requirements of paragraph (2) if under the trust instrument it is possible that investments of the plan may be conducted other than in the interest of the participants and beneficiaries in the maximum funding of their accrued and future benefits specifically provided under the terms of the plan or so as to allow the selection, for the purpose, in whole or in part, of achieving or furthering any political, ideological, or social goal, of any investment or class of investments otherwise suitable for the plan's portfolio over any other investment or class of investments so suitable if such selection would reasonably be expected to yield a financial return to the plan less than the financial return which would reasonably be expected from the selection of such other investment or class of investments.".

(c)(1) The amendments made by subsection (a) shall apply with respect to actions or failures to take action by fiduciaries occurring on or after the date of the enactment of this Act.

(2) The amendment made by subsection (b) shall apply with respect to plan years beginning after one year after the date of the enactment of this Act.

EXEMPTIONS FROM PROHIBITED TRANSACTIONS

SEC. 3. (a)(1) Section 408(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(a)) is amended to read as follows:

"SEC. 408. (a) The Secretary shall establish an exemption procedure for purposes of and consistent with this subsection. Pursuant to such procedure, he may grant a conditional or unconditional exemption of any fiduciary or transaction, or class of fiduciaries or transactions, from all or part of the restrictions imposed by sections 406 and 407(a). Action under this subsection may be taken only after consultation and coordination with the Secretary of the Treasury. An exemption granted under this section shall not relieve a fiduciary from any other applicable provision of this Act, and shall not by itself bar, or constitute a defense to, any civil or criminal action brought against any fiduciary under any other law of the United States. The Secretary shall grant no exemption under this subsection unless he explicitly determines, on the basis of clear and convincing evidence on the record as a whole, that such exemption is—

"(1) administratively feasible;

"(2) in the interests of the plan and of its participants and beneficiaries, and for the exclusive purpose of providing benefits to its participants and beneficiaries and defraying reasonble expenses of administering the plan;

"(3) otherwise protective of the rights of participants and beneficiaries of such plan under this Act and any other law of the United States; and

"(4) otherwise fully consistent with the duties of every fiduciary with respect to such plan under this Act and under all other laws of the United States.

At least 30 days before granting any exemption under this subsection from section 406 or 407(a), the Secretary shall publish notice in the Federal Register of the pendency of the exemption, shall require that adequate written notice be given to all interested persons, including participants and beneficiaries of such plan, and shall afford all interested persons an opportunity to present their views. The Secretary shall make no such determination under this subsection with respect to a transaction described in section 406 until he affords all interested persons an opportunity for a public hearing on such determination. Within 90 days after the date of such determination, any person aggrieved by such determination may initiate a civil action in any district court of the United States (notwithstanding section 502(e)(2)), without regard to the amount in controversy, for declaratory judgment and injunctive relief against the Secretary with respect to such exemption. Delivery of the summons and complaint in any such action to the Secretary by registered mail shall constitute adequate service of process for purposes of such action. During the pendency of any such action, or of appeal therefrom or other review thereof, the district court and any other court acquiring jurisdiction of such action shall stay implementation of the challenged exemption. Throughout the proceedings arising from the initiation of such civil action, the Secretary shall have the burden of proof regarding the sufficiency of the findings required by paragraphs (1), (2), (3), and (4). Notwith-

standing section 502(g)(1), the court shall award all costs and reasonable attorneys' fees to any complaining party who prevails, in whole or in part, in such civil action, but shall award no costs or attorneys' fees to the Secretary under any circumstance. Except as otherwise provided in this subsection, nothing in this subsection shall be construed to preclude any other right of action under section 502.".

(2) Section 4975(c)(2) of the Internal Revenue Code of 1954 (relating to special exemption from tax on prohibited transactions) is amended to read as follows:

"(2) SPECIAL EXEMPTION.—The Secretary shall establish an exemption procedure for purposes of and consistent with this paragraph. Pursuant to such procedure, he may grant a conditional or unconditional exemption of any disqualified person or transaction, or class of disqualified persons or transactions, from all or part of the restrictions imposed by paragraph (1) of this subsection. Action under this paragraph may be taken only after consultation and coordination with the Secretary of Labor. An exemption granted under this paragraph shall not relieve a disqualified person from any other applicable provision of this title, and shall not by itself bar, or constitute a defense to, any civil or criminal action brought against any disqualified person under any other law of the United States. The Secretary shall grant no exemption under this paragraph unless he explicitly determines, on the basis of clear and convincing evidence on the record as a whole, that such exemption is—

"(A) administratively feasible;

"(B) in the interests of the plan and of its participants and beneficiaries, and for the exclusive purpose of providing benefits to its participants and beneficiaries and defraying reasonable expenses of administering the plan;

"(C) otherwise protective of the rights of participants and beneficiaries of such plan under this title and any other law of the United States; and

"(D) otherwise fully consistent with the duties of every disqualified person with respect to such plan under this title and under every other law of the United States.

At least 30 days before granting any exemption under this paragraph from paragraph (1), the Secretary shall publish notice in the Federal Register of the pendency of the exemption, shall require that adequate written notice be given to all interested persons, including participants and beneficiaries of such plan, and shall afford all interested persons an opportunity to present their views. The Secretary shall make no such determination under this paragraph with respect to a transaction described in paragraph (1) until he affords all interested persons an opportunity for a public hearing on such determination, except that in lieu of such hearing the Secretary may accept any record made by the Secretary of Labor with respect to an application for exemption under section 408(a) of the Employee Retirement Income Security Act of 1974. Within 90 days after such determination, any person aggrieved by such determination may initiate a civil action in any district court of the United States, without regard to the amount in controversy, for declaratory judgment and injunctive relief against the Secretary with respect to such exemption. Delivery of the summons and complaint in any such action to the Secretary by registered mail shall constitute adequate service of process for purposes of such action. During the pendency of any such action, or of appeal therefrom or other review thereof, the district court and any other court acquiring jurisdiction of such action shall stay implementation of the challenged exemption. Throughout the proceedings arising from the initiation of such civil action, the Secretary shall have the burden of proof regarding the sufficiency of the findings required by subparagraphs (A), (B), (C), and (D) of this paragraph. Notwithstanding section 7430, the court shall award all costs and reasonable attorneys' fees to any complaining party who prevails, in whole or in part, in such civil action, but shall award no costs or attorneys' fees to the Secretary under any circumstances. Except as otherwise provided in this paragraph, nothing in this paragraph shall be construed to preclude any other right of action under this title.".

(b) The amendments made by this section shall apply with respect to determinations made under section 408(a) of the Employee Retirement Income Security Act of 1974 or section 4975(c)(2) of the Internal Revenue Code of 1954 on or after the date of the enactment of this Act.

PUNITIVE DAMAGES FOR BREACH OF FIDUCIARY DUTIES

SEC. 4. (a) Section 409(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1109(a)) is amended by inserting "shall be subject to punitive damages for each such breach not to exceed the amount involved in the breach," after "fiduciary,".

(b) The amendments made by this subsection (a) shall apply with respect to breaches occurring on or after the date of the enactment of this Act.

CRIMINAL PENALTIES

SEC. 5. (a) Section 501 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1131) is amended—

(1) by inserting "(a)" after "SEC. 501."; and

(2) by adding at the end thereof the following new subsection:

"(b) Any person who willfully violates any provision of part 4 of this subtitle, or any regulation or order issued under any such provision, shall upon conviction be fined not more than $10,000 or imprisoned not more than 5 years, or both; except that in the case of such violation by a person not an individual, the fine imposed upon such person shall not exceed $100,000.".

(b) The amendments made by this subsection (a) shall apply with respect to violations occurring on or after the date of the enactment of this Act.

By Mr. SARBANES:

S. 2153. A bill to amend chapter 89 of title 5, United States Code, to provide for the establishment of a Federal Employees' Health Benefits Information Center, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL EMPLOYEES' HEALTH BENEFITS INFORMATION CENTER ACT

● Mr. SARBANES. Mr. President, today I am introducing the Federal Employees' Health Benefits Information Act of 1983 to assist Federal employees and retirees in exercising their choice of health benefits, provided by the Federal employees' health benefits program (FEHBP). The bill would establish an information center within the Office of Personnel Management (OPM) to act as a national information clearinghouse for over 10 million Americans covered by FEHBP.

Each year well over 100,000 employees join the Federal service. Each new hire must select a health plan that meets his or her individual and family needs. In addition, during the annual open season, that enables Federal employees and retirees to switch from one health plan to another, hundreds of thousands of employees and retirees switch from one FEHB plan to another. The health benefits of more than 1 million Americans were affected by last year's open season. The right to choose among many different types of health plans, in this way, plays a key role as part of the Federal compensation package. In the past, the FEHBP had been considered a model program, a program offering affordable alternatives and comprehensive benefits.

Benefit reductions, accompanied by premium increases exceeding 75 percent in the last 30-month period alone, have seriously weakened the FEHB program. Sharp swings in premiums and coverage reflect a number of factors, for continuing inflation in the health care sector to policy decisions by the administration that have expanded cost-sharing features throughout the FEHB program. Federal employees and retirees, therefore, have been compelled each year to carefully review their FEHB coverage as part of their compensation package and to insure that shrinking coverage would not present untenable financial risks to themselves and their families.

The administration has touted cost-sharing as the sole means of bringing the taxpayer's cost of the FEHB program under control. But unless the FEHB consumer enters the marketplace fully informed about the wide range of choices, the myriad of complex coverages, and procedures used to distinguish among the various health plans, cost-sharing deteriorates into the kind of open season chaos we began to witness last year. Instead of systematic selections, many retirees in particular chose health plans based upon their fear of switching from a familiar carrier or on the basis of hearsay and guesswork.

This legislation serves a number of purposes important not only to Federal employees and retirees, but also significant to the private health care consumer and the taxpaying public. It would direct the Office of Personnel Management (OPM) to establish an FEHB information center operational by October 1, 1984.

The information center would furnish Federal employees, retirees, Government agencies, Members of Congress, and interested parties with a great variety of information, including steps to take in selecting an appropriate health plan, how experts rate the

various health plans currently being offered, plans of particular interest to those in need of certain kinds of health care such as mental health or dental coverages.

Perhaps equally important, the center would also develop information to assist FEHB enrollees in making use of the coverage they select. For example, an FEHBP newsletter could be published on an irregular basis to inform enrollees about savings that could be achieved by employing techniques such as seeking a second opinion or selecting an alternative form of health delivery system.

Traditionally, OPM has wisely adhered to the self-enforced policy of refraining from making public any value judgments about the various plans offered under FEHBP. This legislation would encourage OPM to continue this policy, but would enable OPM to enter into contracts with independent experts who annually review FEHB plans. Experts and consultants could also assist the national information center by recommending improved information delivery techniques and systems. This could include the development of information delivery systems accessible to individual employees and retirees.

The bill provides statutory authority to OPM to expand activities that will continuously upgrade the FEHB program. In consultation with appropriate agencies, including the Department of Health and Human Services, OPM would be required to submit an annual report to congressional committees of jurisdiction describing recent developments in health delivery systems and comparable health insurance programs in the private sector. In its report, OPM would also make recommendations for legislative or administrative action.

To enable OPM to test its recommendations, the bill also provides specific authority for demonstration projects. For example, in developing an information delivery system accessible to individuals, OPM could test various forms of software or hardware.

The FEHB Information Act of 1983 has no budgetary impact. Funding for procuring consultants and demonstration projects would come directly from the administrative fund established in section 8909(b)(1) of title 5, United States Code. The administrative fund is based upon a sum equal to 1 percent of all contributions—both the Government and the employee contribution—made into the employees' health benefit fund. In fiscal year 1984, administrative funds should approach $8 million. The OPM rarely spends the bulk of the administrative fund, but has rolled substantial unused portions back into the contingency reserve it maintains on behalf of each carrier.

By utilizing available administrative funds to improve FEHB delivery systems, the bill should actually result in both a short- and long-term budget savings. In the coming year, it will be possible for employees and retirees to purchase plans with lower premiums without reducing their present coverage. If the majority of employees are equipped to routinely make an informed FEHB selection, therefore, the result should be significant reductions in premium costs for the employee, the Government, and the taxpayer.

Sharpening the abilities of employees and retirees to reduce both out-of-pocket and reimbursable expenses should also have a salutary effect on FEHB contributions. Perhaps most important of all, the FEHB Information Act of 1983 will help brake the steady erosion of the Federal employees' compensation package, an erosion that has alarmed and demoralized the Federal work force.

Of course, the success of this proposal depends in no small measure on an annual open season. A number of FEHB reform proposals have, therefore, sought to guarantee an annual open season. The most comprehensive of these proposals, H.R. 656, introduced by Congresswoman MARY ROSE OAKAR, provides for an open season whenever a change in FEHB benefits and/or premiums occurs. Provisions in the FEHB Information Act of 1983 that mandate an open season are identical to those in the Oakar bill.

In recent years, Members with large Federal constituencies have worked hard to provide the kind of information enactment of this bill would supply as a matter of course. Members have recognized that selecting the appropriate health benefit plan is no simple matter. In fact, I can safely say that every Member of this body has had to struggle with complex FEHB brochures and has experienced the difficulties this legislation seeks to remedy for themselves. I believe that we have found a flexible, practical, worthwhile approach to the problem that will benefit everyone. I urge every Member of this body to join me in cosponsoring this important legislation.●

By Mr. GARN:

S. 2154. A bill related to "Special Tar Sand" areas in Utah; to the Committee on Energy and Natural Resources.

SPECIAL TAR SAND

Mr. GARN. Mr. President, today, I am introducing legislation which will resolve a disjointed application of current law pertaining to the special tar sand areas in Utah. These special tar sand areas were based on an initial inventory of tar sand deposits by the U.S. Geological Survey which were later updated to include subsequent discoveries. Meanwhile, Congress proceded to codify the initial inventory into Public Law 97-78, the Combined Hydrocarbon Leasing Act of 1981 and by mistake failed to add the additional tar sand discoveries to the special tar sand area classification. The result of this oversight has been to create a series of straddle leases and an unfair application of Federel law to leaseholders wishing to convert their leases under the terms of the Combined Hydrocarbon Leasing Act. Several leaseholders in this situation are now essentially stuck and cannot convert their leases into a combined hydrocarbon lease even though it contains significant deposits of tar sands.

The legislation I am offering will solve the problem by granting an additional 6 months time for straddle leaseholders who filed for conversion prior to November 17, 1983, to convert their entire leases which contain tar sands to combined hydrocarbon leases.

By Mr. GARN (for himself and Mr. HATCH):

S. 2155. A bill to designate certain national forest system lands in the State of Utah for inclusion in the National Wilderness Preservation System to release other forest lands for multiple use management, and for other purposes; to the Committee on Energy and Natural Resources.

UTAH WILDERNESS ACT OF 1984

Mr. GARN. Mr. President, today, together with my colleague Senator HATCH, I am introducing legislation in the Senate to create a Utah wilderness system. Identical legislation is also being introduced in the House of Representatives by Representatives HANSEN, MARRIOTT, and NIELSON of Utah.

The introduction of a Utah wilderness bill today represents the culmination of months and years of public participation and involvement by thousands of interested Utahans and a diligent effort by each member of the Utah congressional delegation, the Governor of Utah, and our staffs. The wilderness process in Utah actually began some 6 years ago when a farsighted approach to public discussion of the wilderness issue was initiated by Governor Matheson. The Governor's State Wilderness Committee invited local and State governmental and public participation in the formulation of proposals for many of the wilderness proposals which are contained in the legislation we are introducing today. Over the years, extreme arguments for and against wilderness designation have been greatly reduced by this innovation process. Earlier this year in May, our staffs crisscrossed the State to gather information from elected officials and public groups. Later in July, through a series of four public hearings around the State, the Utah congressional delegation members and the Governor floated a draft discussion proposal which largely reflected the recommendations of the

Governor's State Wilderness Committee. At that time and in the ensuing months, we have heard and read thousands of comments from the people of Utah on this subject.

The Utah wilderness bill being introduced today reflects public sentiment and represents a responsible, fair-minded approach to competing public land interests in the State. Through the addition of 11 separate new wilderness areas, the legislation adds 706,736 acres of Utah's pristine Forest Service land to the national wilderness preservation system, while returning to productive multiple uses some 2.3 million acres of Forest Service land which until now have been held in administrative limbo pending resolution of this issue in the Congress. Added to the existing 30,088-acre Lone Peak Wilderness Area in Salt Lake County, and the proposed 22,551 acres of new Utah BLM wilderness on the Arizona strip, Utah will have 759,375 acres of formal wilderness within her borders when this legislation is adopted.

A statewide wilderness system will benefit Utah. The designation of the majestic High Uintas Wilderness Area, for example, will guarantee protection of a substantial portion of the Colorado River Basin watershed, and thousands of wildlife species which live in the areas below Utah's highest mountain peaks. The High Uinta Wilderness will also preserve the vegetative blanket in America's only east-west running mountain range. The addition of Mt. Naomi in the north, Mt. Nebo in the south, together with Mt. Timpanogos, Mt. Olympus, Twin Peaks, and our existing wilderness area at Lone Peak, will make the solitude and beauty of wilderness available to over three-fourths of the population of the State who live in close proximity on the Wasatch Front. New wilderness designations in southern Utah at Pine Valley, Dark Canyon, and Ashdown Gorge round out a balanced system of wilderness for the entire population of the State to enjoy.

All told, this new formal wilderness system together with our existing 1,952,430-acre national park system make Utah the envy of the Nation for recreational and scenic beauty and protection of our natural pristine landscape.

Mr. President, I am convinced that the people of Utah, both the proponents and the opponents of wilderness, have been listened to during the formulation of this bill. There has been much healthy discussion so far and I anticipate there will be much more discussion as this measure works its way through the legislative process. Utahans want limited wilderness designations for those areas which truly deserve protection. They also want to be able to productively and responsibly develop the natural resources which nature has provided for us and which make possible the comforts of life which we enjoy. This legislation frees up those lands which are better suited for oil and gas exploration, mining, timber harvesting, and traditional outdoor recreation using motorized means. It is important to remember that all of these productive activities will be allowed, only when the strict provisions of the National Environmental Policy Act have first been met. Thus, even Utah's multiple-use forests will be protected by law and will remain essentially as they always have for generations to come.

Mr. President, I wish to place in the RECORD a list of the 11 new proposed wilderness areas in Utah and a copy of our delegation and Governor's letter to the chairman of the Senate Energy Committee, Senator MCCLURE, which requests early consideration of the Utah bill next year.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

UTAH RARE II PROPOSED WILDERNESS

	Net acres
Ashdown Gorge	7,024
Box-Death Hollow	31,600
Dark-Woodenshoe Canyon	45,000
Twin Peakes	12,364
Mount Naomi	41,500
Mount Nebo	23,500
Mount Timpanogos	10,750
Mount Olympus	15,985
Pine Valley Mountain	48,500
Wellsville Mountain	22,513
High Uintas	448,000
Total	706,736

U.S. SENATE,
Washington, D.C., November 18, 1983.

Hon. JAMES A. MCCLURE,
Chairman, Committee on Energy and Natural Resources, Washington, D.C.

DEAR CHAIRMAN MCCLURE: We are writing to inform you that today legislation will be introduced in both the Senate and the House providing for the designation of 706,736 acres of forest service lands in Utah for wilderness.

This legislation is the culmination of years of work by the U.S. Forest Service, the State of Utah Wilderness Committee, and the staffs of the governor and the entire Utah delegation. It has been drafted following extensive consultation and public meetings.

During the course of these deliberations, there was much compromise and conciliation. We all feel, however, that this legislation is in the best interest of the people that we represent.

We respectfully ask that hearings be scheduled on this legislation as soon as possible. We are ready to assist you in any way that we can to facilitate its consideration.

Sincerely yours,

JAKE GARN,
U.S. Senator.
ORRIN HATCH,
U.S. Senator.
JAMES V. HANSEN,
Member of Congress.
DAN MARRIOTT,
Member of Congress.
HOWARD C. NIELSON
Member of Congress.
SCOTT M. MATHESON,
Governor.

Mr. HATCH. Mr. President, grave concern is now being and has previously been expressed about the impact of society upon the natural beauty of our land in terms of what we are going to be able to enjoy and what we are going to leave to our children and our children's children to enjoy. We all appreciate the great contribution to the quality of our lives afforded by the unspoiled natural beauty that surrounds us.

In 1964 Congress responded to this concern by passage of the Wilderness Act in order to set aside the acreage necessary to preserve and protect the natural characteristics of a portion of our lands for our own enjoyment and for the enjoyment of generations yet unborn.

After extensive study, the Forest Service made certain recommendations of those areas of the State of Utah which should be considered for wilderness designation. The State of Utah made an independent study and recommendation. The Governor and the entire Utah congressional delegation have held hearings and have consulted with interested parties throughout the entire State to obtain maximum input.

Constituents have called me over the last many months to ask when, or if, a wilderness bill for the State of Utah would be introduced. I am pleased beyond measure to say that we have today introduced a Utah wilderness bill—a good wilderness bill which I can stand behind and fully support along with the Governor of the State of Utah and the rest of the Utah congressional delegation. I submit, Mr. President, that this is a bill which all citizens of the State of Utah and, indeed, all concerned citizens of this Nation can stand behind.

Utah is unique. It is unique in the natural beauty and outdoor recreational opportunities it has to offer to its citizens and to the Nation and even the world. Utah, I predict, will soon become one the greatest tourist attractions in this country. I cannot dispute the contention that Utah has many outstanding wilderness characteristics. There is no place in the world where so much natural beauty can be found. Areas which may seem almost commonplace in their Utah setting would be set aside as natural wonders in most other States of this Nation and most countries of the world. I invite everyone to come to Utah to observe firsthand the natural beauty of our State. To those of you who cannot come immediately, I invite you to my office to view video tapes depicting the highlights of Utah scenery.

This legislation is not a quick fix. It does not represent the interests of only one group. It is consensus legislation developed after many meetings throughout the State and after listening to all interested parties. I want to commend the Honorable Scott M. Matheson, Governor of the State of Utah, and his staff and my colleagues in Congress and their staffs for the long hours spent in hearings and consideration of the varied opinions from all who have shown interest or wanted to be heard on this matter. No opinion was overlooked or disregarded. Obviously this is a compromise bill. We could not hope to satisfy everyone fully. I would say to those who have opposed all wilderness designation in this State just as I would say to those who might feel that the total acreage set aside for wilderness in this bill is inadequate that their concerns have been heard. Their concerns have been considered very carefully; and, if they have not been addressed to their satisfaction, it was because we could not satisfy everyone.

I also wish to commend all those who have spent many, many hours defining areas they thought should be considered as well as those areas which they thought should not be considered for wilderness and the specific language to be used therefore.

Release has been a difficult question. Again I will say to both those who wanted no release language and those who wanted so-called hard release language, you were heard. Your concerns were carefully considered and a compromise was struck. The information supplied by interested parties has been invaluable in attempting to come to a reasonable compromise.

This bill, as before stated, is a good bill. This does not mean, however, that the matter is closed. Public hearings will be held to further refine the bill. I would ask, however, that those who find fault with the bill carefully consider the total picture and give careful consideration to the points of view of others. I do not anticipate the major amendments to this legislation which might have been expected if we had not carefully and thoroughly attempted to obtain maximum input before the bill was drafted.

By Mr. WARNER:

S. 2156. A bill to repeal the existing suspension of duty on carob flour; to the Committee on Finance.

SUSPENSION OF DUTY ON CAROB FLOUR

● Mr. WARNER. Mr. President, today I am introducing legislation at the request of Gov. Chuck Robb of Virginia and Congressman BILL WHITEHURST.

The legislation is the Senate companion to H.R. 4321, introduced by Congressman NORM SISISKY.

The purpose of this bill is to correct a problem created through an oversight by the Congress and the International Trade Commission. When the duty on carob flour was temporarily suspended it was assumed that there were no U.S. producers of carob flour.

In fact, Mr. President, there is carob flour production in the United States and those producers have been unnecessarily harmed by the suspension of this duty. This legislation will repeal that temporary suspension and would solve the current problems of American carob producers.

I am advised by Congressman WHITEHURST the administration has no objections to this legislation.●

By Mr. GARN (for himself and Mr. HATCH):

S. 2157. A bill to clarify the treatment of mineral materials on public lands; to the Committee on Energy and Natural Resources.

TREATMENT OF MINERAL RESOURCES ON PUBLIC LANDS

● Mr. GARN. Mr. President, today I am introducing legislation which will resolve a longstanding annoyance to many communities in southern Utah and the West.

Specifically, the problem stems from a legislative impediment imposed by the Surface Resources Act of 1955, which prevents the Bureau of Land Management from disposing of sand and gravel resources from mining claims located on BLM administered lands.

Apparently, sand and gravel deposits cannot be sold, removed, or displaced even when a mining claimholder consents to such removal. Thus, with numerous speculative mining claims blanketing southern Utah, local communities find themselves with no legal way to obtain common sand and gravel for road construction or other basic construction activites.

The BLM is hamstrung by this legal interpretation of current law and would very much like to see the situation remedied. Through a different interpretation of the same law, the U.S. Forest Service has no similar problem with disposing of sand and gravel materials; it operates a very fair system of consent agreements between mining claimants and the users of the resource.

I would hope that the Congress would act early next year to remedy this annoyance to the users of public lands under BLM domain.●

By Mr. HATFIELD:

S. 2158. A bill to reform and simplify the Federal individual income tax; to the Committee on Finance.

SIMPLIFORM TAX ACT

● Mr. HATFIELD. Mr. President, today I am reintroducing my Simpliform tax proposal which radically reforms and simplifies our hopelessly confused tax system. Since 1972, I have advocated the repeal of all deductions and credits, substituting instead low tax rates for all. The cost to the Treasury of special tax breaks has increased from $36 billion in 1967 to $273 billion in 1983. Because of our tendency to expand the size and scope of available tax breaks, less than half of personal income is currently subjected to income taxation.

In the last 30 years, we have come to view the Tax Code not as a necessary evil which efficiently raises the amount of money needed to operate the Government—but rather as an instrument of social intervention, as a method to fine tune the economy or as a vehicle to subsidize favorite causes and industries. One often wonders whether there is hope of any meaningful reform.

In 1981, we enacted a mammoth $750 billion tax cut that essentially reflected an unrestrained bidding war between the President and the Democratic leadership in the House. Less than 1 year later, we were trying to recapture a portion of those revenues in a $100 billion tax bill that enraged financial institutions, savers, waiters, waitresses, and a host of other affected individuals. These actions underscore a fundamental problem with current tax policy: that is constructed in a piecemeal, inconsistent, and vacillatory manner.

Moreover, current budget realities will force us to continually face the prospect or increasing revenues and broadening the tax base in order to reduce the staggering string of annual $200 billion deficits. These budget realities will not disappear. With this backdrop, I resubmit my Simpliform proposal as a serious contender in the tax reform debates that are sure to come.

Mr. President, I ask unanimous consent that the following materials be printed in the record: a Joint Committee Memorandum on Simpliform; an article entitled, "Tax Reform: Time To Fulfill the Promise"; and there being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2158

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE: AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Simpliform Tax Act".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section, chapter, or other provision of the Internal Revenue Code of 1954.

SEC. 2. RATE OF TAX IMPOSED ON INCOME OF INDIVIDUALS.

Part I of subchapter A of chapter 1 (relating to tax on individuals) is amended to read as follows:

"PART I—TAX ON INDIVIDUALS

"Sec. 1. Tax imposed.
"Sec. 2. Community property laws not to apply.
"Sec. 3. Cross references relating to tax on individuals.

"SECTION 1. TAX IMPOSED.

"(a) IN GENERAL.—There is hereby imposed on the taxable income of every individual a tax determined in accordance with the following table:

"If the taxable income is:	The rate of tax is:
Not over $5,000	6%.
Over $5,000 but not over $10,000.	$300, plus 12% of the excess over $5,000.
Over $10,000 but not over $30,000.	$900, plus 17% of the excess over $10,000.
Over $30,000 but not over $40,000.	$4,300, plus 25% of the excess over $30,000.
Over $40,000 but not over $50,000.	$6,800, plus 28% of the excess over $40,000.
Over $50,000	$9,600, plus 30% of the excess over $50,000.

"(b) NONRESIDENT ALIENS.—In the case of a nonresident alien individual, the tax imposed by subsection (a) shall apply only as provided by section 871(b) or section 877.

"(c) ADJUSTMENTS IN TAX TABLES SO THAT INFLATION WILL NOT RESULT IN TAX INCREASES.—

"(1) IN GENERAL.—Not later than December 15 of 1985 and each subsequent calendar year, the Secretary shall prescribe a table which shall apply in lieu of the table contained in subsection (b) with respect to taxable years beginning in the succeeding calendar year.

"(2) METHOD OF PRESCRIBING TABLES.—The table which under paragraph (1) is to apply in lieu of the table contained in subsection (b) with respect to taxable years beginning in any calendar year shall be prescribed—

"(A) by increasing the minimum for maximum dollar amounts for each rate bracket for which a tax is imposed under such table by the cost-of-living adjustment for such calendar year,

"(B) by not changing the rate applicable to any rate bracket as adjusted under subparagraph (A), and

"(C) by adjusting the amounts setting forth the tax to the extent necessary to reflect the adjustments in the rate brackets.

If any increase determined under subparagraph (A) is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the next highest multiple of $10).

"(3) COST-OF-LIVING ADJUSTMENT.—For purposes of paragraph (2), the cost-of-living adjustment for any claendar year is the percentage (if any) by which—

"(A) the Consumer Price Index for the preceding calendar year, exceeds

"(B) the Consumer Price Index for the calendar year 1984.

"(4) CONSUMER PRICE INDEX FOR ANY CALENDAR YEAR.—For purposes of paragraph (3), the Consumer Price Index for any calendar year is the average of the Consumer Price Index as of the close of the 12-month period ending on September 30 of such calendar year.

"(5) CONSUMER PRICE INDEX.—For purposes of paragraph (4), the term 'Consumer Price Index' means the last Consumer Price Index for all-urban consumers published by the Department of Labor.

"SEC. 2. COMMUNITY PROPERTY LAWS NOT TO APPLY.

"For purposes of this subtitle, the income of a married individual shall be determined without regard to the property laws of any State under which any part of the income of a married individual is treated as the income of his spouse.

"SEC. 3. CROSS REFERENCES RELATING TO TAX ON INDIVIDUALS.

"(1) For rates of tax on nonresident aliens with respect to income not connected with United States businesses, see section 871(a).

"(2) For computation of tax where taxpayer restores substantial amount held under claim of right, see section 1311.".

SEC. 3. TAXABLE INCOME.

Section 63 (relating to taxable income) is amended to read as follows:

"SEC. 63. TAXABLE INCOME DEFINED.

"(a) IN GENERAL.—For purposes of this subtitle, the term 'taxable income' means—

"(1) in the case of an individual, adjusted gross income reduced by the itemized deductions of the taxpayer for the taxable year, and

"(2) in the case of a corporation, gross income reduced by the deductions allowed the taxpayer by this chapter for the taxable year.

"(b) ITEMIZED DEDUCTIONS.—

"(1) IN GENERAL.—For purposes of this subtitle, the term 'itemized deductions' means the deductions allowed the taxpayer by this chapter for the taxable year other than the deductions taken into account in determining adjusted gross income.

"(2) ELECTION TO ITEMIZE.—

"(A) IN GENERAL.—Unless an individual makes an election under this subsection for the taxable year, no itemized deduction shall be allowed for the taxable year. For purposes of this subtitle, the determination of whether a deduction is allowable under this chapter shall be made without regard to the preceding sentence.

"(B) TIME AND MANNER OF ELECTION.—Any election under this subsection shall be made on the taxpayer's return, and the Secretary shall prescribe the manner of signifying such election on the return.

"(C) CHANGE OF TREATMENT.—Under regulations prescribed by the Secretary, a change of treatment with respect to the itemized deductions for any taxable year may be made after the filing of the return for such year. If the spouse of the taxpayer filed a separate return for any taxable year corresponding to the taxable year of the taxpayer, the change shall not be allowed unless, in accordance with such regulations—

"(i) the spouse makes a change of treatment with respect to the itemized deductions, for the taxable year covered in such separate return, consistent with the change of treatment sought by the taxpayer, and

"(ii) the taxpayer and his spouse consent in writing to the assessment, within such period as may be agreed on with the Secretary, of any deficiency, to the extent attributable to such change of treatment, even though at the time of the filing of such consent the assessment of such deficiency would otherwise be prevented by the operation of any law or rule of law.

This paragraph shall not apply if the tax liability of the taxpayer's spouse, for the taxable year corresponding to the taxable year of the taxpayer, has been compromised under section 7122.

"(D) MARITAL STATUS.—For purposes of this paragraph marital status shall be determined under section 143.".

SEC. 4. PERSONAL EXEMPTION CREDIT.

Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after section 44H the following new section:

"SEC. 44I. PERSONAL EXEMPTION.

"(a) TAXPAYER.—In the case of an individual electing the application of this subsection, there shall be allowed the taxpayer as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) $250, plus

"(2) the product of—

"(A) $250, multiplied by

"(B) the cost-of-living adjustment for such taxable year.

"(b) ADDITIONAL CREDIT FOR SPOUSE.—In the case of a taxpayer whose spouse does not elect the application of subsection (a) for the taxable year of the spouse ending with or within the taxable year of the taxpayer, there shall be allowed the taxpayer as an additional credit against the tax imposed by this chapter for the taxable year of the taxpayer the sum described in subsection (a).

"(c) ADDITIONAL CREDIT FOR DEPENDENTS.—There shall be allowed the taxpayer as an additional credit against the tax imposed by this chapter for the taxable year the product of—

"(1) the number of qualified dependents of the taxpayer for the taxable year, multiplied by

"(2) the sum of—

"(A) $250, plus

"(B) the product of—

"(i) $250, multiplied by

"(ii) the cost-of-living adjustment for the taxable year.

"(d) DEFINITIONS; SPECIAL RULES.—For purposes of this section—

"(1) COST-OF-LIVING ADJUSTMENT.—Then term 'cost-of-living adjustment' has the meaning given to such term by section 1 (c)(3).

"(2) QUALIFIED DEPENDENT.—The term 'qualified dependent' means a dependent of the taxpayer—

"(A) whose gross income for the calendar year in which the taxable year of the taxpayer begins is less than $1,000, or

"(B) who is a child of the taxpayer that has not attained the age of 19 at the close of the calendar year in which the taxable year of the taxpayer begins.

"(3) CHILD.—The term 'child' means an individual who is a son, stepson, daughter, or stepdaughter of the taxpayer (within the meaning of section 152 as in effect on the day before the date of enactment of the Simpliform Tax Act).

"(4) DEPENDENT.—The term 'dependent' has the meaning given to such term by section 152 (as in effect on the day before the date of enactment of the Simpliform Tax Act).

"(5) SPECIAL RULES.—Rules similar to the rules under subsections (b), (c), (d), and (e) of section 152 shall apply in determining the credit allowable under this section.".

SEC. 5. REPEALS.

"(a) IN GENERAL.—The following provisions of chapter 1 (relating to normal taxes and surtaxes) are hereby repealed:

"(1) Section 27 (relating to credit for the elderly).

"(2) Section 41 (relating to contributions to candidates for public office).

"(3) Section 42 (relating to general tax credit).

"(4) Section 44 (relating to purchase of new principal residence).

"(5) Section 44A (relating to expenses for household and dependent care services necessary for gainful employment).

"(6) Section 44C (relating to residential energy credit).

"(7) Section 55 (relating to alternative minimum tax for taxpayers other than corporations).

"(8) All sections in part III of subchapter B (relating to items specifically excluded from gross income), except—

"(A) section 101 (relating to certain death benefits),

"(B) section 102 (relating to gifts and inheritances),

Section 104 (relating to compensation for injuries of sickness),

(D) section 105 (relating to amounts received under accident and health plans),

(E) section 109 (relating to improvements by lessee on lessor's property),

(F) section 110 (relating to income taxes paid by lessee corporation),

(G) section 115 (relating to income of States, municipalities etc.),

(H) section 118 (relating to contributions to the capital of a corporation).

(I) section 122 (relating to certain reduced uniformed services retirement pay),

(J) section 123 (relating to amounts received under insurance contracts for certain living expenses), and

(K) section 130 (relating to cross references to other Acts).

(9) Part V of subchapter B (relating to deductions for personal exemptions).

(10) All sections in part VII of subchapter B (relating to additional itemized deductions for individuals) except—

(A) section 211 (relating to allowance of deductions),

(B) section 212 (relating to expenses for production of income),

(C) section 215 (relating to alimony, etc., payments), and

(D) section 223 (relating to cross references).

(11) Subsection (e) of section 305 (relating to dividend reinvestment in stock of public utilities).

(12) Section 911 (relating to earned income from sources without the United States).

(13) Section 1202 (relating to deduction for capital gains).

(14) Part I of subchapter Q (relating to income averaging).

(b) OTHER PROVISIONS OF LAW.—All provisions of law (other than the provisions of subtitle A of the Internal Revenue Code of 1954, as amended by this Act), and all administrative regulations or rulings which exempt or exclude items of income of individuals from the tax imposed by such subtitle A shall have no force or effect for taxable years beginning after the date of the enactment of the Act.

SEC. 6. DISALLOWANCE OF CERTAIN CREDITS AND DEDUCTIONS TO TAXPAYERS OTHER THAN SECTION 11 CORPORATIONS.

(a) DISALLOWANCE OF CREDITS.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits) is amended by inserting before section 31 the following new section:

"SEC. 30. DENIAL OF CERTAIN CREDITS TO TAXPAYERS OTHER THAN SECTION 11 CORPORATIONS.

"The following sections shall apply only in the case of a Section 11 corporation:

"(1) section 33 (relating to taxes of foreign countries and possessions),

"(2 section 38 (relating to investment in certain depreciable property),

"(3) section 39 (relating to certain uses of gasoline, special fuels, and lubricating oil),

"(4) section 40 (relating to expenses of work incentive programs),

"(5) section 44B (relating to credit for employment of certain new employees),

"(6) section 44D (relating to credit for producing fuel from a nonconventional source),

"(7) section 44E (relating to alcohol used as fuel), and

"(8) section 44F (relating to credit for increasing research activities).".

(b) DISALLOWANCE OF DEDUCTIONS.—Section 261 (relating to general rule for disallowance of deductions) is amended—

(A) by striking out "In" and inserting in lieu thereof "(a) IN GENERAL.—In", and

(B) by adding at the end thereof the following new subsection:

"(b) TAXPAYERS OTHER THAN SECTION 11 CORPORATIONS.—The following sections shall apply only in the case of a Section 11 corporation:

"(1) Section 163 (relating to interest),

"(2) Section 164 (relating to taxes),

"(3) Section 166 (relating to bad debts),

"(4) Section 167 (relating to depreciation),

"(5) Section 168 (relating to accelerated cost recovery system),

"(6) Section 169 (relating to amortization of pollution control facilities),

"(7) Section 170 (relating to charitable, etc., contributions and gifts),

"(8) Section 171 (relating to amortizable bond premium),

"(9) Section 172 (relating to net operating loss deduction),

"(10) Section 173 (relating to circulation expenditures),

"(11) Section 174 (relating to research and experimental expenditures),

"(12) Section 175 (relating to soil and water conservation expenditures),

"(13) Section 177 (relating to trademark and trade name expenditures),

"(14) Section 178 (relating to depreciation or amortization of improvements made by lessee on lessor's property),

"(15) Section 179 (relating to election to expense certain depreciable business assets),

"(16) Section 180 (relating to expenditures by farmers for fertilizer, etc.),

"(17) Section 181 (relating to expenditures by farmers for clearing land),

"(18) Section 184 (relating to amortization of certain railroad rolling stock),

"(19) Section 185 (relating to amortization of railroad grading and tunnel bores),

"(20) Section 186 (relating to recoveries of damages for antitrust violations, etc.),

"(21) Section 188 (relating to amortization of certain expenditures for child care facilities),

"(22) Section 190 (relating to expenditures to remove architectural and transportation barriers to the handicapped and elderly),

"(23) Section 192 (relating to contributions to black lung benefit trust),

"(24) Section 193 (relating to tertiary injectants),

"(25) Section 194 (relating to contributions to employer liability trusts),

"(26) Section 194 (relating to amortization of reforestation expenses), and

"(27) Section 195 (relating to start-up expenditures).".

SEC. 7. ITEMS SPECIFICALLY INCLUDED IN GROSS INCOME.

(a) SOCIAL SECURITY AND TIER 1 RAILROAD RETIREMENT BENEFITS.—Subsection (c) of section 86 (relating to social security and tier 1 railroad retirement benefits) is amended to read as follows:

"(c) BASE AMOUNT.—For purposes of this section, the term 'base amount' means the sum of—

"(1) $12,000, plus

"(2) the product of—

"(A) $12,000 multiplied by

"(B) the cost-of-living adjustment for the taxable year (within the meaning of section 1(c)(3)).".

(b) PRIZES AND AWARDS.—Section 74 (relating to prizes and awards) is amended to read as follows:

"SEC. 74. PRIZES AND AWARDS.

"Gross income includes amounts received as prizes and awards, including amounts received as scholarships and fellowship grants.".

(c) PUBLIC ASSISTANCE.—

(1) IN GENERAL.—Subsection (a) of section 61 (defining gross income) is amended—

(A) by striking out "and" at the end of paragraph (14),

(B) by striking out the period at the end of paragraph (15) and inserting in lieu thereof "; and", and

(C) by adding at the end thereof the following new paragraph:

"(16) general welfare or public assistance payments made in cash.".

(d) RAILROAD RETIREMENT BENEFITS OTHER THAN TIER 1.—Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end thereof the following new section:

"SEC. 88. QUALIFIED RAILROAD RETIREMENT BENEFITS.

"(a) IN GENERAL.—Gross income shall include 40 percent of qualified railroad retirement benefits received by the taxpayer during the taxable year.

"(b) QUALIFIED RAILROAD RETIREMENT BENEFITS.—For purposes of this section, the term 'qualified railroad retirement benefit' means any benefit paid under the Railroad Retirement Act of 1974 other than a tier 1 railroad retirement benefit (within the meaning of section 86(d)(4)).".

(e) UNEMPLOYMENT COMPENSATION.—

(1) IN GENERAL.—Subsection (a) of section 85 (relating to unemployment compensation) is amended to read as follows:

"(a) IN GENERAL.—Gross income includes any unemployment compensation received by the taxpayer during the taxable year.".

(2) CONFORMING AMENDMENT.—Section 85 is amended by striking out subsection (b) and redesignating subsection (c) as subsection (b).

(f) INCREASE IN CASH SURRENDER VALUE OF LIFE INSURANCE POLICIES.—Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end thereof the following new section:

"SEC. 98. INCOME ATTRIBUTABLE TO LIFE INSURANCE, ANNUITY, OR ENDOWMENT CONTRACTS.

"(a) IN GENERAL.—There shall be included in the gross income of the owner of any annuity, life insurance, or endowment contract for the taxable year an amount equal to the excess of—

"(1) the sum of—

"(A) the cash surrender value of such contract at the close of the policy year ending with or within such taxable year, plus

"(B) withdrawals from the contract during such policy year, plus

"(C) any policyholder dividends paid during such policy year, over

"(2) the sum of—

"(A) the amount of premiums paid during such policy year under such contract, plus

"(B) the cash surrender value of such contract at the close of the policy year preceding such policy year.

"(b) COORDINATION WITH SECTION 72.—For purposes of section 72, any amount included in gross income under this section with respect to any annuity, life insurance, or endowment contract shall be treated as consideration paid for such contract.

"(c) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary for the application of this section.".

(g) GROUP-TERM LIFE INSURANCE PURCHASED FOR EMPLOYEES.—

(1) IN GENERAL.—Subsection (a) section 79 (relating to group-term life insurance purchased for employees) is amended to read as follows:

"(a) IN GENERAL.—There shall be included in the gross income of an employee for the taxable year an amount equal to the cost of group-term life insurance on his life provided for part or all of such year under a policy (or policies) carried directly or indirectly by his employer (or employers); but only to the extent that such cost exceeds the amount, if any, paid by the employee toward the purchase of such insurance.".

(2) EXCEPTIONS.—Subsection (b) of section 79 (relating to exceptions) is amended by striking out paragraph (1) and redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

SEC. 8. LIMITATION ON THE EXCLUSION OF VETERANS' BENEFITS.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 132 as section 133 and by inserting after section 131 the following new section:

"SEC. 132. CERTAIN VETERANS' BENEFITS.

"(a) IN GENERAL.—Gross income does not include—

"(1) benefits (other than cash) paid under any law administered by the Veterans' Administration, or

"(2) disability or death benefits paid under chapter 11 of title 38, United States Code, or any similar law administered by the Veterans' Administration.

"(b) RETIREMENT PAY IN LIEU OF BENEFITS.—In the case of a person who—

"(1) has been determined to be eligible to receive pension or compensation under laws administered by the Veterans' Administration but for the receipt by such person of pay pursuant to any provision of law providing retired pay to members or former members of the Armed Forces (within the meaning of section 101(10) of title 38, United States Code) or commissioned officers of the National Oceanic and Atmospheric Administration or of the Public Health Service, and

"(2) files a waiver of such retired pay in accordance with section 3105 of such title in the amount of such pension or compensation before the end of the one-year period beginning on the date such person is notified by the Veterans' Administration of such person's eligibility for such pension or compensation.

gross income does not include such retired pay to the extent such retired pay does not exceed the amount of pension or compensation excludible from gross income under subsection (a) which would have been paid to such person but for the receipt by such person of such retired or retirement pay.".

(b) CONFORMING AMENDMENTS.—Section 3101 of title 38, United States Code, is amended—

(1) by striking out "shall be exempt from taxation, shall be exempt from the claim of creditors," in the first sentence of subsection (a) and inserting in lieu thereof "shall be exempt from the claims of creditors",

"(2) by striking out the second sentence of subsection (a), and

"(3) by striking out subsection (d).

SEC. 9. DENIAL OF DEDUCTION FOR ENTERTAINING AND RELATED EXPENSES.

"(a) ENTERTAINMENT, AMUSEMENT, OR RECREATION EXPENSES.—Section 274 (a) (relating to entertainment, amusement, or recreation expenses) is amended to read as follows:

"(a) ENTERTAINMENT, AMUSEMENT, OR RECREATION.—

"(1) IN GENERAL.—No deduction otherwise allowable under this chapter shall be allowed for any item with respect to an activity which is of a type generally considered to constitute entertainment, amusement, or recreation, or with respect to a facility used in connection with such activity.

"(2) SOCIAL CLUBS.—For purposes of this subsection dues or fees to any social, athletic, or sporting club or organization shall be treated as an item with respect to a facility used in connection with an entertainment, amusement, or recreation activity.".

"(b) BUSINESS MEALS.—Section 274(e) (relating to specific exceptions to application of subsection (a)) is amended by striking out paragraph (1) (relating to business meals).

SEC. 10. CERTAIN NEW CREDITS AGAINST TAX ALLOWED INDIVIDUALS.

"(a) CREDIT FOR CATASTROPHIC MEDICAL EXPENSES.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowble) is amended by inserting after section 441 the following section:

"SEC. 44I. CREDIT FOR MEDICAL EXPENSES.

"(a) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 10 percent of the qualified medical expenses of the taxpayer for the taxable year.

"(b) QUALIFIED MEDICAL EXPENSES.—For purposes of this section, the term 'qualified medical expenses' means the excess, if any, of—

"(1) the aggregate amount of expenses—

"(A) which are paid by the taxpayer during the taxable year for the medical care of the taxpayer or of the spouse or dependent of the taxpayer, and

"(B) for which the taxpayer is not compensated by insurance or otherwise, over

"(2) 10 percent of the adjusted gross income of the taxpayer for the taxable year.

"(c) LIABILITY FOR TAX.—The credit allowed by subsection (a) for any taxable year shall not exceed an amount equal to the tax imposed by this chapter for such taxable year, reduced by the sum of the credits allowed the taxpayer year under a section of this subpart having a lower number or letter designation than this section (other than the credit allowable under section 31).

"(d) OTHER DEFINITIONS; SPECIAL RULES.—For purposes of this section—

"(1) DEFINITIONS.—The terms 'medical care', 'physician', and 'prescribed drug' have the respective meaning given to such terms by section 213(d) (as in effect on the day before the date of enactment of the Simpliform Tax Act).

"(2) DEPENDENT.—The term 'dependent' has the meaning given to such term by section 152 (as in effect on the day before the date of enactment of the Simpliform Tax Act).

"(3) SPECIAL RULES.—Rules similar to the rules under section 213(c) and paragraphs (4), (5), and (6) of section 213(d) (as in effect on the day before the date of enactment of the Simpliform Tax Act) shall apply in determining the amount of the credit allowable under this section.".

(b) CREDIT FOR MORTGAGE INTEREST.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after section 44J the following new section:

"SEC. 44K. INTEREST PAID WITH RESPECT TO A PRINCIPAL RESIDENCE.

"(a) INDEBTEDNESS INCURRED BY TAXPAYERS.—

"(1) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 15 percent of the excess of—

"(A) the aggregate qualified interest paid by the taxpayer during the taxable year, over

"(B) 1 percent of the adjusted gross income of the taxpayer for the taxable year.

"(2) QUALIFIED INTEREST.—For purposes of this subsection, the term 'qualified interest' means interest paid or accrued on indebtedness incurred by taxpayer in the acquisition, construction, alteration, rehabilitation, or maintenance of property used by the taxpayer as a dwelling unit (within the meaning of section 280A(f)(1)).

"(b) INDEBTEDNESS OF COOPERATIVE HOUSING CORPORATION.—

"(1) IN GENERAL.—In the case of a tenant-stockholder, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 15 percent of the amounts which—

"(A) are paid or accrued to a cooperative housing corporation during the taxable year,

"(B) represent such tenant-stockholder's proportionate share of the interest allowable as a deduction to the corporation under section 163 which is paid or incurred by the corporation on its indebtedness contracted—

"(i) in the acquisition, construction, alteration, rehabilitation, or maintenance of the houses or apartment building, or

"(ii) in the acquisition of the land on which the houses (or apartment building) are situated, and

"(C) were not taken into account in determining the amount of any credit or deduction allowed the taxpayer under any provision of this chapter other than this subsection.

"(2) DEFINITIONS AND SPECIAL RULES.—The meaning given to any term by section 216(b) (as in effect on the day before the date of enactment of the Simpliform Tax Act), and rules similar to the rules provided by such section, shall apply in determining the amount of credit allowable under this subsection.

"(c) LIMITATIONS.—

"(1) DOLLAR LIMITATION.—The aggregate amount allowed a taxpayer under this section for any taxable year shall not exceed $1,000.

"(2) LIABILITY FOR TAX.—The credits allowed by this section for any taxable year shall not exceed an amount equal to the tax imposed by this chapter for such taxable year, reduced by the sum of the credits allowed the taxpayer for such taxable year under a section of this subpart having a lower number or letter designation than this section (other than the credit allowable under section 31).".

"(c) CREDIT FOR CHARITABLE CONTRIBUTIONS.—Supart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after seciton 44K the following new section:

"SEC. 44L. CHARITABLE CONTRIBUTIONS OF INDIVIDUALS.

"(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 20 percent of the excess of—

"(1) the aggregate amount of charitable contributions made by the taxpayer during the taxable year, over

"(2) 1 percent of the adjusted gross income of the taxpayer for such taxable year.

"(b) CHARITABLE CONTRIBUTIONS.—For purposes of this section, the term 'charitable contributions' has the meaning given to such term by section 170(c).

"(c) LIABILITY FOR TAX.—The credit allowed by subsection (a) for any taxable year shall not exceed an amount equal to the tax imposed by this chapter for such taxable year, reduced by the sum of the credits allowed the taxpayer for such taxable year under a section of this subpart having a lower number or letter designation than this section (other than the credit allowable under section 31).

"(d) SPECIAL RULES.—Rules similar to the rules provided under subsections (a)(3), (e), (f), and (g) of section 170 shall apply in determining the amount of the credit allowable under this section.".

(d) CREDIT FOR TAXES PAID.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after section 44L the following new section:

"SEC. 44M. LOCAL TAXES.

"(a) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 15 percent of the excess of—

"(1) the aggregate amount of qualified taxes paid by the taxpayer during the taxable year to a political subdivision of a State or to the District of Columbia, over

"(2) 1 percent of the adjusted gross income of the taxpayer for the taxable year.

"(b) QUALIFIED TAXES.—For purposes of this section, the term 'qualified taxes' means any tax with respect to which a deduction would be allowable under section 165 if the taxpayer were a section 11 corporation.

"(c) LIMITATIONS.—

"(1) DOLLAR LIMITATION.—The aggregate amount allowed a taxpayer under this section for any taxable year shall not exceed $1,000.

"(2) LIABILITY FOR TAX.—The credits allowed by this section for any taxable year shall not exceed an amount equal to the tax imposed by this chapter for such taxable year, reduced by the sum of the credits allowed the taxpayer for such taxable year under a section of this subpart having a lower number of letter designation than this section (other than the credit allowable under section 31).

"(d) DEFINITIONS AND SPECIAL RULES.—The meaning given to any term by section 165, and rules similar to the rules provided by such section, shall apply in determining the amount of the credit allowable under this section.".

"(e) EXCESS EARNED INCOME CREDIT ALLOWED SPOUSE.—Subsection (d) of section 43 (relating to earned income) is amended to read as follows:

"(d) EXCESS CREDIT ALLOWABLE TO SPOUSE.—Any portion of the amount of the credit determined under subsection (a) which a married individual is not allowed for any taxable year by reason of the limitation provided in subsection (b) shall be allowed as a credit under this section to the spouse of such individual for the taxable year of the spouse beginning in the calendar year in which such taxable year begins to the extent the aggregate amount allowed the spouse under this section for such taxable year of the spouse does not exceed the limitation imposed by subsection (b) with respect to the spouse.'.

SEC. 11. INDEXATION OF BASIS IN PROPERTY.

(a) IN GENERAL.—Section 1001 (relating to determination of gain or loss) is amended—

(1) by striking out "adjusted basis provided in section 1011" in subsection (a) and inserting in lieu thereof "indexed basis",

(2) by striking out "adjusted basis provided in such section" and inserting in lieu thereof "indexed basis", and

(3) by redesignating subsection (f) as subsection (h) and inserting after subsection (e) the following new subsections:

"(f) INDEXED BASIS.—For purposes of this section—

"(1) IN GENERAL.—The indexed basis of the taxpayer in any property is the product of—

"(A) the adjusted basis of the taxpayer in such property (within the meaning of section 1011), multiplied by

"(B) the applicable inflation ratio for such property.

"(2) APPLICABLE INFLATION RATIO.—The applicable inflation ratio for any property is the percentage determined by dividing—

"(A) the Consumer Price Index for the calendar year in which the sale or exchange takes place, by

"(B) the Consumer Price Index for the calendar year in which the holding period of the property began.

The applicable inflation ratio shall not be taken into account unless it is greater than 1. The applicable inflation ratio for any property shall be rounded to the nearest one-tenth of 1 percent.

"(3) CONSUMER PRICE INDEX.—The term 'Consumer Price Index' has the meaning given to such term by section 1(c).

"(g) TREATMENT OF PROPERTY.—For purposes of determining the gain from the sale or other disposition of property, the following shall be treated as separate property:

"(A) any substantial improvement to such property,

"(B) in the case of a transaction in which gain or loss is recognized only in part, that portion of the asset to which the recognized gain or loss is property attibutable, and

"(C) any other portion of an asset to the extent that separate treatment of such portion is appropriate to carry out the purposes of this section.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to disposition of property made after December 31, 1985.

SEC. 12. WITHHOLDING.

Section 3402 (relating to income tax collected at source) is amended by—

(1) striking out subsections (b), (c), (f), (i), and (m), and

(2) amending subsection (a) to read as follows:

"(a) REQUIREMENT OF WITHHOLDING.—Every employer making payment of wages shall deduct and withhold upon such wages (except as otherwise provided in this section) a tax determined in accordance with tables prescribed by the Secretary.".

SEC. 13. SECTION 11 CORPORATION DEFINED.

Subsection (a) of section 7701 (relating to definitions) is amended by adding at the end thereof the following new paragraph:

"(38) SECTION 11 CORPORATION.—The term 'Section 11 corporation' means any corporation other than—

"(A) an electing small business corporation (within the meaning of section 1371(b)), and

"(B) a personal holding company (within the meaning of section 542).".

SEC. 14. MARRIED INDIVIDUALS.

(a) ELIMINATION OF JOINT RETURNS.—Section 6013 (relating to joint returns of income tax) is hereby repealed.

(b) ALLOCATION OF INCOME BETWEEN MARRIED INDIVIDUALS.—Part IV of subchapter B of chapter 1 (relating to determination of marital status) is amended—

(1) by striking out the heading and inserting in lieu thereof "PART IV—MARRIED INDIVIDUALS", and

(2) by adding at the end thereof the following new section:

"SEC. 144. ALLOCATION OF INCOME BETWEEN MARRIED INDIVIDUALS.

(a) IN GENERAL.—For purposes of this chapter—

"(1) all earned income of a married individual shall be allocated to such individual, and

"(2) all income of a married individual which is not earned income shall be allocated equally between such individual and the spouse of such individual.

"(b) EARNED INCOME.—For purposes of this section, the term 'earned income' has the meaning given to such term by section 43(c)(2).

"(c) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section.".

SEC. 15. TECHNICAL AND CONFORMING CHANGES.

The Secretary of the Treasury or his delegate shall, as soon as practicable but in any event not later than 90 days after the date of enactment of this Act, submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a draft of all technical and conforming changes in the Internal Revenue Code of 1954 which are necessary to reflect throughout such Code the changes in the substantive provisions of law made by this Act.

SEC. 16. STUDY OF CORPORATE INCOME TAX.

(a) STUDY.—The Secretary of the Treasury shall conduct a study of amendments to the Internal Revenue Code of 1954 which would—

(1) lower the rate of tax imposed on corporate income,

(2) eliminate corporate tax preferences, and

(3) structure the corporate income tax so that it is similar to the individual income tax (as amended by this Act).

(b) REPORT.—The Secretary of the Treasury shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a final report on the study conducted under subsection (a) by no later than 1 year after the date of enactment of this Act. Such report shall include—

(1) recommendations of the Secretary of the Treasury with respect to the amendments described in subsection (a), and

(2) proposed legislation necessary to effect such amendments.

SEC. 17. EFFECTIVE DATE.

Except as otherwise provided, the amendments and repeals made by this Act shall

apply to taxable years beginning after December 31, 1984.

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON TAXATION,
Washington, D.C., September 19, 1983.

Hon. MARK O. HATFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATFIELD: This is in response to your request concerning the "Simpliform" tax reform bill. We have worked closely with your staff to develop an individual income tax structure within the framework of the "Simpliform" bill that has a number of agreed upon properties. This letter summarizes this work.

In general the "Simpliform" bill provides for replacement of the current individual income tax system with a new system which would have a broader income base and lower tax rates. This system would be effective beginning in 1985. Other major features of the bill are such that it:

Imposes approximately the same overall combined federal income and social security tax liability as does present law

Imposes approximately the same distribution of combined income and social security tax burdens across broadly defined income classes as does present law

Reduces the top tax rate from 50 to 30 percent

Repeals the joint filing status and virtually eliminates the computed "marriage penalty"

Converts taxpayer and dependent exemptions to $250 tax credits

Converts charitable, home mortgage interest, taxes paid, and medical deductions into tax credits

Repeals all other itemized deductions and exemptions—virtually eliminating the distinction between adjusted gross and taxable income

A detailed summary of the proposal, including the specifics of the base-broadening measures and the proposed tax rate schedule, is attached.

Sincerely,

DAVID H. BROCKWAY.

SIMPLIFORM PROPOSAL FOR INCOME TAX REFORM

I. INTRODUCTION

The Simpliform proposal would alter the individual income tax system by broadening the tax base and taxing at lower rates. The base would be broadened by: 1) repealing most deductions, credits, and exemptions; and 2) including many items which currently are excluded from adjusted gross income. One result of these measures is to eliminate the present-law distinction between adjusted gross income and taxable income. There would also be provisions made to extend the relevant base-broadening aspects of the proposal to the base for social security taxes.

The proposed tax structure would be progressive with the rates varying from a low of 6% for taxable incomes less than $5,000 to a high of 30% for taxable incomes over $50,000. It would also permit five new tax credits. These would be for: 1) the taxpayer, spouse and dependents; 2) charitable contributions; 3) home mortgage interest; 4) taxes paid; and 5) medical expenses.

Under the proposal, the rate brackets and the exemption amount would be indexed for tax years after 1985. In addition, the basis for capital gains would be indexed.

The joint filing status would be repealed so that every individual would file a separate return regardless of marital status. Rules allocating income and credits for married couples would also be stipulated.

The Simpliform tax system would be effective beginning in calendar year 1985.

II. BASE-BROADENING MEASURES

A. Repealed exemptions

The current system of deductions from adjusted gross income for individual exemptions would be repealed. The exemption for the taxpayer, spouse, and dependents would be replaced by tax credits. These are discussed subsequently. The repealed exemptions under the proposal would be:

1. The personal exemptions for the taxpayer and his spouse (Sec. 151(b)).
2. The dependency exemption (Sec. 151(e)).
3. The aged exemption (Sec. 151(c)).
4. The blindness exemption (Sec. 151(d)).

B. Repealed credits

The Simpliform proposal would repeal four existing credits. The repealed credits would be:

1. The credit for the elderly and disabled (Sec. 37).
2. The political contributions credit (Sec. 41).
3. The credit for expenses for household and dependent care services necessary for gainful employment (Sec. 44(a)).
4. The residential energy credit (Sec. 44(c)).

The remaining credits under the present tax system including the earned income credit would be retained.

C. Repealed deductions

The deductions for charitable contributions, home mortgage interest, taxes paid, and medical expenses would be replaced with an alternative system of tax credits. These are discussed shortly. Under the Simpliform proposal, the repealed deductions would be:

1. Interest (Sec. 163) except when pertaining to business or investment expenses.
2. Taxes (Sec. 164) except when pertaining to businesses.
3. Casualty and theft losses (Sec. 165(h)).
4. Charitable, etc., contributions and gifts (Sec. 170).
5. Medical, dental, etc., expenses (Sec. 213).
6. Moving expenses (Sec. 217).
7. Retirement savings (Sec. 219).
8. Deduction for two-earner married couples (Sec. 221).
9. Adoption expenses (Sec. 222).

D. Repealed exclusions from gross income

The items currently excluded from income which would be included under the Simpliform proposal would be:

1. All premiums on group term life insurance in taxable income (Sec. 79).
2. Excluded unemployment compensation (Sec. 85).
3. Certain death benefits (Sec. 101(a)).
4. Interest on certain governmental obligations (Sec. 103).
5. Mortgage subsidy bonds (Sec. 103(a)).
6. Contributions by employer to accident and health plans (Sec. 106).
7. Rental value of parsonages (Sec. 107).
8. Income from discharge of indebtedness (Sec. 108).
9. Recovery of bad debts, prior taxes, and delinquency amounts (Sec. 111).
10. Certain combat pay of members of Armed Forces (Sec. 112).
11. Mustering-out payments for members of Armed Forces (Sec. 113).
12. Sports programs conducted for American National Red Cross (Sec. 114).
13. Partial exclusion of dividends received by individuals (Sec. 116).
14. Scholarships and fellowship grants (Sec. 117).
15. Meals or lodging furnished for the convenience of the employer (Sec. 119).
16. Amounts received under qualified group legal services plans (Sec. 120).
17. One-time exclusion of gain from sale of principal residence by individual who has attained age 55 (Sec. 121).
18. Qualified transportation provided by employer (Sec. 124).
19. Cafeteria plans (Sec. 125).
20. Certain cost sharing payments (Sec. 126).
21. Educational assistance programs (Sec. 127).
22. Partial exclusion of interest (Sec. 128).
23. Dependent care assistance programs (Sec. 129).
24. Disallow the deduction for entertainment and related expenses (Sec. 274).
25. Reinvestment of dividends of stock of public utilities (Sec. 305(e)).
26. Repeal the foreign earned income exclusion (Sec. 911).
27. * * *.
28. Repeal the deduction for capital gains (Sec. 1202).
29. Treat tier-two retirement income in the same manner as the present-law treatment of private pension income.
30. Include fifty percent of OASDI and tier-one railroad retirement benefits in taxable income for individuals with incomes over $12,000 in taxable income.
31. Veterans pensions and benefits other than disability.
32. Public assistance benefits.

E. Miscellaneous provisions

1. Repeal of Minimum Tax (Sec. 55).
2. Repeal of income averaging (Sec. 1304).
3. Repeal the joint filing status (Sec. 6013).
4. Index the basis for capital gains for inflation occurring after 1984.
5. Index the exemption credit and rate brackets beginning after tax year 1985.
6. Rules for allocating tax items among spouses would be specified. These rules are described below.

III. INDIVIDUAL INCOME TAX STRUCTURE

A. Tax rates

The tax structure would be progressive under the Simpliform proposal but the marginal tax rates across income classes would be reduced from the present tax system. The zero bracket amount would be eliminated and all taxpayers would file separately.

The Simpliform individual income tax rate schedule would be:

Taxable income:	The tax is:
0 to $5,000	0 plus 6% of excess over 0.
$5,000 to $10,000	$300 plus 12% of excess over $5,000.
$10,000 to $30,000	$900 plus 17% of excess over $10,000.
$30,000 to $40,000	$4,300 plus 25% of excess over $30,000.
$40,000 to $50,000	$6,800 plus 28% of excess over $40,000.
Over $50,000	$9,600 plus 30% of excess over $50,000.

B. Tax Credits

There would be five new tax credits permitted under the Simpliform proposal. These would be:

1. A $250 nonrefundable personal exemption credit for each taxpayer and for each dependent. (The definition of dependent

follows current law except that it does not include students over the age of 19.)

2. A 20% nonrefundable credit for charitable contributions for that portion in excess of 1% of adjusted gross income.

3. A 15% nonrefundable credit for home mortgage interest for that portion exceeding 1% of adjusted gross income. The credit would be limited to $1,000 per taxpayer.

4. A 15% nonrefundable credit for taxes paid for that portion exceeding 1% of adjusted gross income. The credit would be limited to $1,000 per taxpayer. The base amount of taxes paid under the credit would be the same as those state and local taxes currently deductible under present law.

5. A 20% nonrefundable credit for medical expenses for that portion exceeding 10% of adjusted gross income.

C. Allocation of tax items for married couples

Since the joint filing status would be repealed under the proposal a problem emerges with respect to the allocation of income and credit items for married couples.

Under present law a married couple filing a joint return reports their income, deductions, and tax credits as a unit, however under the proposal, each spouse would now be required to determine his share of each tax item. This determination could prove quite arbitrary, particularly for the allocation of income and tax credits. As a result, the proposal stipulated an unambiguous method of allocating certain items for married couples.

In general, wages and salaries would be allocated to the spouse that earned the income while unearned income would be split equally between the two spouses. In addition, a special rule would apply to tax credits that would allow any unused tax credits of one spouse to be used to offset the tax liability of the other spouse.

IV. BUSINESS TAXATION

The Simpliform proposal would not change the present system of business taxation. However, the Simpliform proposal requires the Secretary of the Treasury to conduct a study on the business income tax structure with the aim of lowering the rate of tax imposed upon corporate income. In addition, it would attempt to simplify the existing system by: 1) eliminating business tax preferences, and 2) structuring the corporate income tax in a similar fashion to that proposed for individuals. Finally, the Secretary of the Treasury would be required to submit proposed legislation toward these ends.

V. EFFECTIVE DATE

The effective date for implementation of Simpliform would be for calendar year 1985.

VI. ESTIMATED DISTRIBUTIONAL AND REVENUE EFFECTS

A comparison across broad income classes of the percentage distribution of tax liability under present law and under the proposal provides some general indications of the distributional effects of the proposed tax system.

The following table displays such a comparison [1] using expanded income classes and 1981 income levels:

Expanded income class	Percentage distribution of 1985 tax liability under—	
	Present law	Simpliform
Under $10,000	5.9	5.9
$10,000 to $20,000	17.7	17.7
$20,000 to $30,000	23.6	23.7
$30,000 to $40,000	18.8	18.7
$40,000 to $50,000	10.7	10.6
$50,000 to $75,000	9.5	9.7
$75,000 to $100,000	3.8	3.9
$100,000 to $200,000	5.4	5.3
Over $200,000	4.6	4.5
Total	100.0	100.0

Tax liability in this tabulation includes both the federal income tax and social security taxes. It is clear that this one measure indicates substantial distributional neutrality.

We estimate that the proposal also generates approximately the same aggregate tax liability as is forecast for present law in calendar year 1985, although a larger share of these revenues are in the form of payroll tax contributions compared with present law.

VII. IMPACT OF THE NEW TAX CREDITS

Under the Simpliform proposal the exemptions for taxpayers and their dependents, and certain itemized deductions are converted to tax credits.

The following tables display the distributional and the tax expenditure effects of these converted items both under present law and under Simpliform. These effects are measured using 1981 income levels.

DISTRIBUTIONAL COMPARISON OF TAX EXPENDITURES FOR MEDICAL EXPENSES UNDER 1985 PRESENT LAW AND UNDER THE PROPOSAL, BY EXPANDED INCOME CLASS AT 1981 INCOME LEVELS

[Returns in thousands; dollar aggregate in millions]

Expanded income class	1985 present law			1985 proposed law		
	Returns	Amount	Average	Returns	Amount	Average
Less than $10,000	477	$55	$116	221	$42	$189
$10,000 to $20,000	1,867	258	138	786	162	206
$20,000 to $30,000	1,923	305	158	405	116	287
$30,000 to $40,000	994	209	210	134	57	429
$40,000 to $50,000	402	161	401	56	50	883
$50,000 to $75,000	212	176	829	45	47	1,039
$75,000 to $100,000	48	86	1,810	11	29	2,683
$100,000 to $200,000	21	80	3,785	6	24	3,791
Over $200,000	4	80	18,401	2	24	9,925
Total	5,947	1,410	237	1,667	551	330

DISTRIBUTIONAL COMPARISON OF TAX EXPENDITURES FOR TAXES PAID UNDER 1985 PRESENT LAW AND UNDER THE PROPOSAL, BY EXPANDED INCOME CLASS AT 1981 INCOME LEVELS

[Returns in thousands; dollar aggregate in millions]

Expanded income class	1985 present law			1985 proposed law		
	Returns	Amount	Average	Returns	Amount	Average
Less than $10,000	2,188	$105	$48	11,609	$714	$61
$10,000 to $20,000	5,544	823	148	22,158	2,772	125
$20,000 to $30,000	8,894	2,574	289	16,644	3,413	205
$30,000 to $40,000	6,740	3,661	543	8,914	2,767	310
$40,000 to $50,000	3,464	2,983	861	3,977	1,646	414
$50,000 to $75,000	2,423	3,515	1,451	2,659	1,501	565
$75,000 to $100,000	648	1,607	2,481	707	566	802
$100,000 to $200,000	529	2,224	4,125	582	609	1,048
Over $200,000	126	1,560	12,352	137	193	1,409
Total	30,566	19,052	623	67,387	14,182	210

DISTRIBUTIONAL COMPARISON OF TAX EXPENDITURES FOR HOME MORTGAGE INTEREST UNDER 1985 PRESENT LAW AND UNDER THE PROPOSAL, BY EXPANDED INCOME CLASS AT 1981 INCOME LEVELS

[Returns in thousands; dollar aggregate in millions]

Expanded income class	1985 present law			1985 proposed law		
	Returns	Amount	Average	Returns	Amount	Average
Less than $10,000	2,004	$149	$74	2,337	$330	$141
$10,000 to $20,000	4,456	1,023	229	6,499	1,388	214
$20,000 to $30,000	7,038	3,244	461	8,604	2,736	318
$30,000 to $40,000	5,533	4,009	725	5,835	2,387	409
$40,000 to $50,000	2,891	2,702	935	2,746	1,260	459
$50,000 to $75,000	1,919	2,802	1,460	1,793	1,044	582
$75,000 to $100,000	470	1,023	2,176	413	313	758
$100,000 to $200,000	369	981	2,657	304	250	822
Over $200,000	81	276	3,418	54	49	916
Total	24,762	16,208	655	28,586	9,756	341

DISTRIBUTIONAL COMPARISON OF TAX EXPENDITURES FOR CHARITABLE CONTRIBUTIONS UNDER 1985 PRESENT LAW AND UNDER THE PROPOSAL, BY EXPANDED INCOME CLASS AT 1981 INCOME LEVELS

[Returns in thousands; dollar aggregate in millions]

Expanded income class	1985 present law			1985 proposed law		
	Returns	Amount	Average	Returns	Amount	Average
Less than $10,000	13,684	$137	$10	3,701	$121	$33
$10,000 to $20,000	21,177	554	26	7,783	521	67
$20,000 to $30,000	15,442	943	61	6,300	680	108
$30,000 to $40,000	8,664	1,078	124	4,030	567	141
$40,000 to $50,000	3,980	851	214	1,962	354	180
$50,000 to $75,000	2,620	1,004	383	1,427	367	257
$75,000 to $100,000	702	491	699	371	173	468
$100,000 to $200,000	599	868	1,450	331	338	1,024
Over $200,000	151	1,486	9,849	81	703	8,649
Total	67,018	7,412	111	25,986	3,825	147

DISTRIBUTIONAL COMPARISON OF TAX EXPENDITURES FOR EXEMPTIONS [1] UNDER 1985 PRESENT LAW AND UNDER THE PROPOSAL, BY EXPANDED INCOME CLASS AT 1981 INCOME LEVELS

[Returns in thousands; dollar aggregate in millions]

Expanded income class	1985 present law			1985 proposed law		
	Returns	Amount	Average	Returns	Amount	Average
Less than $10,000	26,513	$4,964	$187	28,332	$6,446	$228
$10,000 to $20,000	24,477	9,729	397	24,367	12,677	520
$20,000 to $30,000	17,170	11,101	647	17,168	12,425	724
$30,000 to $40,000	9,304	8,075	868	9,309	7,473	803
$40,000 to $50,000	4,075	4,315	1,059	4,095	3,335	815
$50,000 to $75,000	2,667	3,246	1,217	2,717	2,171	799
$75,000 to $10,000	689	1,012	1,468	727	587	808
$100,000 to $200,000	548	921	1,680	617	499	808
Over $200,000	124	222	1,791	155	118	759
Total	85,567	43,585	509	87,487	45,731	523

[1] Exemptions under present law include four categories: Taxpayer, dependent, blind, and elderly; under the proposal exemptions are converted to a $250 tax credit and are restricted to taxpayer and dependent exemptions.

TAX REFORM: TIME TO FULFILL THE PROMISE *

When Congress considered the Economic Recovery Tax Act of 1981, (ERTA) proponents assumed that the 1984 federal budget would be in balance and that surplus revenues would be used to index tax rates. Yet, the most recent administration budget projections forecast a $179 billion revenue shortfall for fiscal year 1984. In addition, the Congressional Budget Office budget projections show deficits through 1986 on the order of $200 billion annually, if Congress takes no action to enforce its budget reconciliation instructions.[1]

Footnotes at end of article.

[1] Due to data limitations certain provisions have not been included in this comparison. These omitted provisions include the deferral and one-time exclusion on the gain from the sale of a residence; the foreign earned income exclusion; certain death benefits; meals or lodging furnished for the convenience of the employer; the deduction for entertainment and related expenses; as well as a number of provisions with smaller revenue effects.

Such a development would bring the amount of publicly held federal debt to approximately $2.4 trillion—roughly equivalent to one half the total Gross National Product projected for 1988.2 Even with significant economic growth, annual budget deficits will approach 6 percent of GNP. To place this projection in perspective, the 1968 "guns and butter" budget of President Johnson had a $25 billion deficit (3 percent of GNP) which seemed a staggering figure at that time.[3]

Moreover, CBO projections earlier this year show that between 1981 and 1988 (two years estimated to have comparable unemployment rates) the deficit will rise by 3.6 percentage points of GNP, which translates into a structural deficit of about $170 billion.[4] Of striking interest is the fact that the net revenue effect of ERTA and the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) may account for up to 74 percent of the deficit projected for 1988, if Congree makes no changes in present policies and laws.[5]

1. Congressional budget sentiments and outlook.—Unpleasant realities and considerable frustration have emerged as hallmarks of congressional efforts to formulate the 1984 budget. Coupled with intolerably high deficits proposed by the administration for fiscal years 1984 through 1988, is the continuing erosion of the revenue base, which, if unchecked, will further exacerbate efforts to narrow deficits in the out-years.

Congress has been wrenched to the from on the issue of increasing taxes. In the Senate, the battle over the budget resolution supported by the President and that proposed by the so-called "Gang of Five" centered largely on revenue policy.[6] Because of the magnitude of the projected revenue shortfall, spending restraint alone, even if combined with a sustained and robust economic recovery, will not adequately reduce the mushrooming deficits that have caused increasing concern in the financial markets. Even the administration acknowledged the need to raise additional revenues to reduce future federal deficits, when it proposed the standby tax package that called for tax increases of $46 billion in 1986 and $51 billion in 1988.

Tax increases versus no tax increases.—Currently, congressional sentiment on the revenue side of the budgetary equation tends to fall into two broad camps. One group opposes any tax increase, arguing that the economy will advance more vigorously and speedily than CBO projections; that CBO estimates are too pessimistic; and that tax increases will impede economic recovery.

The second group contends that some multi-year revenue increases or slow-down in future tax cuts, representing a component of a broader deficit reduction package that includes spending cuts, are essential. The primary focus for reducing the deficit, however, should be in the out-years. Delaying efforts to reduce the structural deficit may cause uncertainty about the future of the economy, thereby keeping interest rates unacceptably high, and may make lenders reluctant to enter into longer-term commitments.

Seemingly more heterogenous in its membership than the first group, the second camp is comprised of a variety of factions with differing tax policy preferences. One of these factions views the current tax system as largely unfair to the poor and middle income taxpayer. This relatively liberal contingent sees the tax code gaping with loopholes that disproportionately benefit upper income individuals and corporations. Accordingly, these legislators seek to eliminate numerous corporate tax preferences and to curtail benefits enacted in ERTA, such as through proposals to cap the third year of the tax cut, or to freeze the scheduled phase-in of estate tax reductions.

A second faction among those who recognize the necessity of future revenue increases focuses on enhanced compliance and selective measures to broaden the scope of the income tax, so that basic tax rates would not have to be raised. The driving force behind this faction has been the Senate Finance Committee.

A third faction seeks to curtail or eliminate a host of tax expenditures in order to broaden the tax base and thereby reduce marginal tax rates. These legislators are neither satisfied with the net effects of ERTA and TEFRA nor with piecemeal efforts to close loopholes and strengthen compliance. Accordingly, this third faction seeks nothing short of comprehensive restructuring of the tax code.

Lessons of the Economic Recovery Tax Act of 1981 and the Tax Equity and Fiscal Responsibility Act of 1982.—While there is a growing consensus in Congress that ERTA was excessive and unaffordable, particularly in the light of current and projected deficits, there is also agreement that ERTA properly sought to encourage savings and investment by lowering punitively high marginal tax rates. TEFRA, on the other hand, reflected the need to raise revenue, in part to offset the effects of ERTA, by limiting several tax preferences and by increasing tax compliance.

Both acts attempted to achieve appropriate objectives by adjusting the rate structure, in the case of the former, and by partially broadening the tax base, in the case of the latter. Yet, these actions underscore a fundamental problem with current tax policy: that it is constructed in a piecemeal, inconsistent, and vacillatory manner.

Time for fundamental tax reform.—Even though deep divisions remain in Congress over the appropriate direction for tax reform, the next 18 months offer a historic opportunity to meld many of these groups into a broad coalition that seeks fundamental reform of the federal tax code.

A changing political and economic climate provides mounting impetus for, at a minimum, more serious consideration of substantial revisions in the individual and corporate income tax which could promote greater simplicitly, economic efficiency, and equity.

Advocates of "fundamental tax reform" have been active since the enactment of ERTA.[7] Hearings before the Senate Finance Committee and the Joint Economic Committee on flat-rate tax proposals indicate that there is increasing support for, and political interest in, overhauling the federal income tax. The administration has contributed to that interest with its recent calls for studies on simplifying the tax system. Moreover, with the completion of the Treasury Department's econometric tax model, more detailed and meaningful analyses of Congressional tax proposals have become feasible. Political interest in "reforming" the entire tax code or various components of it may intensify as the presidential campaign shifts into high gear. Particularly within the Democratic race, the early themes of promoting economic growth by encouraging savings and investment, and of enhancing U.S. competitiveness in international markets may translate into additional proposals for restructuring specific tax provisions.

More important, though, current budgetary realities will direct attention to tax reform. The intolerably high deficits projected for the next four years, combined with a trend toward a declining revenue base will provide a prominent backdrop for major tax revisions after the 1984 elections.

While few would disagree with the proposition that the tax code is in need of reform, the scope and character of such proposals is the contentious issue. Accordingly, this article will outline some of the major frustrations and problems with the tax code. Next, it will outline appropriate objectives of tax reform. Finally, it will present my proposal to reform the individual income tax which includes a provision for its eventual integration with the corporate income tax.

2. Frustration with the current tax system.—By April 15, over 95 million individual income tax returns were filed with the Internal Revenue Service. When enacted in 1913, the federal income tax affected less than one-half of one percent of all wage earners in the country, most of whom paid one percent or less of their income for taxes. Today the tax code profoundly affects a significantly broader scope of our country's economic activities, with increasingly adverse economic consequences.

The individual income tax, leaking with loopholes that promote inefficiency, inequity, and enormous complexity, is on the verge of losing its most admirable feature—the willingness of millions of Americans to comply. In addition to the thousands of letters that I receive annually which call for reform of the federal income tax, a litany of studies also document the growing public dissatisfaction with the income tax. For example, a recent General Accounting Office report concluded that the tax protest movement alone poses a serious threat to our nation's voluntary tax system.[8] Moreover, the Advisory Commission on Intergovernmental Relations reports that 36 percent of the public feels that the federal income tax is the most unfair tax (compared to state income, state sales, and local property taxes).[9]

In recent years over 40 percent of taxpayers have employed professional assistance to prepare their returns at a cost of over $1 billion.[10] Because of the complexity of federal tax policies, the federal government spent over 485 million hours attempting to satisfy reporting and recordkeeping requirements.[11]

In addition, the backload of court cases considering tax disputes is staggering. For fiscal 1981, the U.S. Tax Court started with over 34,000 cases and received over 29,500 new cases. It solved over 18,000 cases, but concluded the year with 45,00 cases pending. Similarly, District Courts and Courts of Claims were unable to gain ground in resolving existing tax cases.[12] As recently as June 13 of this year, the Senate Finance Committee found that the backlog of cases is estimated at 50,000, 16,000 of which involve tax shelters.[13]

The source of this complexity is the attempt by Congress and the Executive to achieve a myriad of social objectives with the income tax. Whether it is the promotion of housing, jobs, energy conservation, or incentives to save and invest for various purposes, the perennial legislative response is to add another deduction or credit to the tax form.

The Federal Government has forgotten the principal function of the tax system: to

raise revenue in the most efficient, equitable, and least complex manner. The current practice of narrowing the scope of income that is subject to taxation—via additional tax expendures—requires unnecessarily high tax rates to yield the revenue that is required to support federal obligations.

3. Effects of current tax policy.—Encourages borrowing, discourages savings, retards capital formation.—The structure of current tax policy provides a plethora of incentives for accumulating debt rather than for encouraging savings. Not surprisingly, the U.S., which is unique in permitting the unlimited deductibility of interest, has the lowest national savings rate among highly developed countries. A principal reason for this disparity results not because Americans tend to save less than people in other countries, but because an unusually large percentage of the U.S. population consumes and borrows more than they save every year.[14]

As a result of the tax bias toward borrowing and the inflationary spiral of the recent past, Americans have been caught up in debtor mentality—borrowing excessively today, writing off interest payments, and counting on inflation to devalue the real burden of debt over time. Our entire economy is caught in a vicious cycle of debt with over $900 billion in gross interest payments made each year.[15] Interest payments have risen more than twice as fast as GNP. Indeed, the deductibility of interest on consumer credit and mortgage interest alone represented a $30 billion loss in revenue this year.[16]

The tax code penalizes equity financing because returns to shareholders face double taxation; first by federal and state governments which tax earnings at the corporate rate; and then as dividends and investments are distributed to shareholders. A generation of business managers have been taught to leverage corporate return on assets by borrowing rather than raising internally the needed cash for investment.

After the federal government soaks up 73 percent of available net private savings in 1983, and highly leveraged businesses and individuals borrow to keep afloat, precious little remains for productive new enterprises that hold the key to providing the jobs America so desperately needs.[17] In sum, the combination of budget deficits and federal tax policy has produced massive borrowing, crippling interest rates, and a scarcity of investment capital.

Reduces economic growth.—The catalogue of tax preferences continually added to the tax code reduces economic efficiency in a number of ways. In addition to providing disincentives for savings and other investments, current tax expenditures direct resources toward tax-preferred activities from other activities with higher pretax returns, thereby reducing potential GNP. As the tax code drifts from a more steady course of tax neutrality, countless violations to the broad objective of economic efficiency result.

A glaring illustration of tax induced activity that offers virtually no return to the economy in general, or to the federal government, is the increasingly popular leasing scheme by which tax exempt institutions sell their assets to private investors who agree to lease them back to the seller. Unless corrective action is taken, this loophole will cost the federal government $14 billion in lost revenue by 1988.[18]

Moreover, as tax preferences grow, tax rates necessary to generate adequate federal revenue must rise. As a result, many individuals and corporations will funnel more of their resources into unproductive tax shelters, which represent a wastage of both badly needed government revenue and private funds. In addition, higher marginal tax rates reduce incentives for additional work and investment.

Induces tax evasion.—Higher marginal tax rates induce taxpayers to seek legal and illegal means to reduce their tax burden. Indeed, the fast pace of the "underground economy" in recent years is in part a response to higher taxes, particularly as middle income earners are pushed by inflation into higher tax brackets. In effect, inflation has produced increasingly higher effective tax rates while real incomes have not correspondingly increased.

Tax officials comment with greater frequency that tax avoidance is blurring into tax evasion-exaggerated deductions, unreported income, and unfiled returns all have increased faster than personal income. Lowering tax rates will not eradicate the underground economy, but such a move may reduce the incentive for new people to join the underground labor force, while will soon hide an estimated $100 billion in legally earned income from the I.R.S.[19]

4. Tax expenditures and equity considerations.—As mentioned, a fundamental issue in the tax reform debate concerns the alarming decline of the tax base. The increasing number of special tax incentives and exclusions, coupled with their frequent expansion, reduces the tax base and results in unnecessary high tax rates.

The amount of income excluded from adjusted gross income has increased steadily since 1947.[20] Because of our tendency to expand the size and scope of available tax breaks, less than half of personal income is currently subject to income taxation. Indeed, a study by the Congressional Research Service concluded that the dollar magnitude of tax expenditures is so large that if the tax expenditure system were dismantled, average tax rates could be cut by approximately one third.[21] A C.B.O. study documents the sharp growth of tax preferences, observing that in 1967, the first year for which a tax expenditure budget was compiled, 50 items represented a total revenue loss of $36.6 billion—equivalent to 4.4 percent of GNP. By fiscal year 1983, the report estimated that tax expenditures will have increased to $273 billion compared to estimated revenues of $633 billion, amounting to over 8 percent of GNP.[22]

In essence, tax expenditures are similar to government payments because the same objective could be accomplished by direct outlays. Because tax expenditures represent revenue losses and contribute to federal deficits as do direct spending programs, they should be reviewed annually as part of the congressional budget process. Unlike the process by which outlays are categorized in the budget resolution into broad budget functions and then periodically reviewed by the authorizing committees, no comparable procedure exists for tax expenditures. Currently, tax expenditures are grouped together with aggregate revenues and assigned solely to the tax-writing committees. As a result, tax expenditures operate much like entitlement programs in that both function on automatic pilot, with built-in increases that largely escape annual congressional scrutiny.

The presumed efficacy of tax preferences and the propensity to expand benefits underlie the growth of tax loopholes. A recent example of the growth of tax expenditures was ERTA which added 11 new expenditures, expanded 21 existing ones, and reduced only two items. This act directly increased tax expenditures by $25.4 billion in the current fiscal year and $57.3 billion in fiscal 1985, while only partially reducing other tax expenditures.[23]

A number of tax experts have observed that if tax expenditures were broken down in amounts paid to various income groups, the results would show that the largest payments flow to wealthy individuals. Tax expenditures, the product of a shotgun approach to tax equity, increasingly undermine the intended progressivity of the individual income tax. Indeed, figures provided by the Treasury Department and the Joint Committee on Taxation reveal that the top 4.4 percent of taxpayers in 1981—those making $50,000 or more—received a wholly disproportionate share of the benefits of 13 out of 33 tax expenditures studied. Moreover, these findings show individuals making $100,000 or more—less one percent of all taxpayers—received 13 percent of the benefits of these tax expenditures.[24] The study by the Treasury Department also noted that some major tax preferences are highly regressive, such as the exclusion of interest on state and local bonds, with 94.1 percent of the benefits going to the most affluent taxpayers.[25]

While controlling the amount and types of tax expenditures has received greater attention in recent years, the federal government has failed to establish an adequate set of criteria for the review of these tax subsidies. When evaluating each special tax provision, legislators should ask three broad questions: first, does the tax provision still serve a valid public end?; second, do the benefits resulting from the provision exceed its costs; third, how does the provision compare with alternative means of achieving the same public objective? [26] In far too many instances, current tax expenditures would not pass this test. In some cases, individuals would undertake the subsidized activity even in the absence of the tax subsidy. For the vast majority of cases, direct subsidies would be more cost-effective than hidden tax subsidies.

5. Objectives of tax reform.—Simplicity.—Simplicity implies that distinctions in the tax code should be kept to a minimum, so that ordinary taxpayers can prepare their returns without professional assistance. In general, repealing deductions, credits, and exclusions would simplify the tax filing process. Of course, not all base broadening measures would simplify the tax system. Taxing social security benefits, for instance, might require many low-income elderly individuals who do not currently file to complete tax forms, thereby increasing government paperwork. Simplicity also enhances tax equity by enabling individuals with less education to calculate their tax liabilities as readily as those with greater knowledge and expertise.[27]

Efficiency.—An efficient tax system is neutral, so that personal and business decisions are based on their perceived value, apart from tax considerations. Rather than viewing the tax code as a necessary evil which efficiently raises revenue, policy makers have used the tax code as an instrument of social intervention, as a method to fine tune the economy, and as a highly politicized game of subsidizing favorite causes and industries.

Equity.—An equitable tax system recognizes that to those who have been given the most, there is a corresponding greater re-

sponsibility in bearing the burdens of self-government. But equity also means that we should avoid striving to "soak the rich" and instead, treat income from all sources in the same manner.

Unfortunately, inequity abounds in current tax policy. In addition to receiving proportionately fewer of the benefits of current tax expenditures, the median income family faces disproportionately higher marginal tax increases because of inflation than do the wealthy.[28] Marginal federal tax rates for the median income family of four persons was 22 percent in 1975, 24 percent in 1981, and is projected to rise to 32 percent by 1985, an increase of 34 percent in ten years.[29]

6. Simpliform: a new proposal.—Since 1972 I have advocated reforming the individual income tax and have introduced several versions of the The Simpliform Tax Act. This proposal, which is based on the principles of efficiency, simplicity, and equity, serves as a model for eliminating the plethora of tax expenditures in order to lower significantly marginal tax rates. Accordingly, I have reintroduced my Simpliform proposal, S. ———.

Analytical framework.—Under Simpliform essentially all income would be treated in the same manner. For example, the broader income base would include an array of previously excluded items such as unemployment compensation, contributions by employers to accident and health plans, interest from municipal and mortgage revenue bonds, and 50 percent of social security income for individuals with taxable income over $12,000—in order to reduce significantly tax rates for all taxpayers. By eliminating the litany of current tax expenditures, this proposal virtually eliminates the distinction between adjusted gross income and taxable income. By focusing on simplifying the tax code and reducing marginal tax rates, Simpliform effectively addresses many of the shortcomings and structural defects of current tax policy which were delineated earlier.

Because Simpliform does not use tax simplification as an excuse to raise taxes or to shift the tax burden to low- and middle-income taxpayers, this proposal is constructed upon two basic criteria. First, Simpliform raises the same level of revenue as present federal income and social security tax laws. Second, Simpliform is distributionally neutral in that it maintains the current distribution of the tax burden across broadly defined income classes.

Summary of Simpliform.—By broadening the tax base, Simpliform offers progressive rates varying from 6 percent for taxable incomes less than $5,000 to a maximum of 30 percent for taxable incomes over $50,000. Thus, Simpliform reduces the top rate by 40 percent from its current high of 50 percent. Moreoever, Simpliform reduces average tax rates by over 25 percent. The following presents the individual income tax rate schedule under Simpliform:

Taxable income:	The tax is:
$0 to $5,000	$0 plus 6% of excess over $0
$5,000 to $10,000	$300 plus 12% of excess over $5,000
$10,000 to $30,000	$900 plus 17% of excess over $10,000
$30,000 to $40,000	$4,300 plus 25% of excess over $30,000
$40,000 to $50,000	$6,800 plus 28% of excess over $40,000
Over $50,000	$9,600 plus 30% of excess over $50,000

In adddition to lowering marginal tax rates, Simpliform provides five simple and equitable tax credits, which enhance distributional neutrality, tax equity, and the overall attractiveness of the proposal. First, Simpliform provides a $250 nonrefundable personal exemption credit for each taxpayer and each dependent. (The definition of dependent follows current law except that it does not include students over the age of 19.) According to the analysis of this proposal prepared by the Joint Committee on Taxation, converting current exemptions to a $250 tax credit would provide taxpayers with incomes under $30,000 with a 20 percent average increase in tax benefits compared to current law.

Second, Simpliform provides a 20 percent nonrefundable credit for charitable contributions for that portion in excess over 1 percent of adjusted gross income. The economic justification for maintaining a tax subsidy for charitable contributions, as opposed to direct federal outlays, as Martin Feldstein and other scholars discern, is that a tax preference can encourage greater contributions at a lower cost to federal revenues than direct government spending. Before the charitable deduction was expanded to include non-itemizers in 1981, the National Committee for Responsible Philanthropy endorsed the concept of a tax credit for charitable contributions.[30] Shifting to a tax credit would encourage taxpayers with incomes of less than $40,000, many of whom realize few tax benefits under current law, to make larger contributions. Simpliform replaces the complexity of the above-the-line charitable deduction with simplicity and greater tax equity.

Third, Simpliform provides a 15 percent nonrefundable credit for home mortgage interest for that portion exceeding 1 percent of AGI. The credit would be limited to $1,000 per taxpayer. As a report by the Congressional Budget Office observes, converting the mortgage interest deduction to a tax credit would extend the present tax subsidy to vitrually all homeowners with mortgages.[31] Currently, 60 percent of homeowners do not use the mortgage interest deduction.

Moreover, converting deduction into a tax credit would, in general, equalize the rate of subsidy provided to homeowners with mortgage payments. For example, if two taxpayers have a home mortgage with an interest rate of 14 percent, and one is in the 50 percent tax bracket while the other is in the 20 percent bracket, our current tax system reduces the interest rate to 7 percent for the former and 11 percent for the latter. In contrast, a 15% tax credit would provide a 15% reduction for both taxpayers. As an added benefit, this tax credit would also concentrate more tax savings on low and moderate-income families.[32] Under current tax law, the Joint Committee on Taxation estimates that by 1985, three-quarters of the benefits of the mortgage interest deduction will go to taxpayers with incomes over $30,000.[33] With Simpliform, taxpayers with annual income under $30,000 would enjoy 45 percent of the benefits of the mortgage interest tax credit, and would receive a slightly larger subsidy than under current law.

Fourth, Simpliform provides a 15 percent nonrefundable credit for taxes paid for that portion exceeding 1 percent of AGI. The credit would be limited to $1,000 per taxpayer. Like the mortgage interest tax credit and personal exemption credit, a credit for state and local taxes paid will largely equalize the tax benefit of this expenditure across all income brackets. In contrast, 80 percent of the benefits of the current deduction for state and local taxes goes to those earning over $30,000, and 50 percent goes to those earning in excess of $50,000 annually.[34] Maintaining some protection for taxes paid ensures, for the most part, that a tax on a tax will not be paid.

Fifth, Simpliform provides a 20 percent nonrefundable credit for medical expenses exceeding 10 percent of AGI. This provision serves as another means to insure tax equity, for excessive medical expenses severely impinges upon the "ability to pay" principle that is a fundamental tenent of our tax system. As the analysis by the Joint Committee on Taxation shows, the medical care credit would, on average, be more generous than current law for 98 percent of all taxpayers.[35]

Sixth, Simpliform repeals the option of filing joint tax returns and thereby virtually eliminates the "marriage penalty." In the words of one commentator, "our current method of defining units of taxation is capricious in its determination of the relative tax liabilities of people who differ only in their formal marital status."[36] In taxing the first dollar of compensation to the secondary earner in a marriage at the other spouse's top tax rate, we severely penalize the couple who tries to get ahead by working longer and harder. As a result, we reward rather substantially those who by preference, or otherwise, avoid marriage.

Although this proposal taxes the individual as a unit instead of the couple, the bill allocates unearned income such as rents, interest or investment income equally between the two spouses. By treating this income as property of an equal partnership, we prevent the tax planning opportunities of shifting passive income to the lower earning spouse. Thus, the bill strikes an intermediate position between the flexibility of income shifting and allocating all unearned income to the spouse with the larger salary.

Finally, making the individual the unit of taxation encompasses two other advantages.

It responds to the growing emergence of women in the workforce as an equal partner in a marriage, as an unmarried head of a household, or as a single worker.

It is economically efficient and removes a substantial disincentive for second earners in a marriage to enter the workforce. In the conclusion of one study, we could achieve the same amount of tax revenue with a 30% increase in economic output by adopting the individual as the unit of taxation.[37]

Seventh, indexing of the rate brackets and personal exemptions that was adopted in ERTA would be retained but implemented in 1986. The special capital gains deduction would be repealed but the cost basis of property assets would be indexed to account for inflation beginning after 1984. In doing so, gains in property assets would be taxed on their actual as opposed to their inflated gain.

Finally, Simpliform does not immediately reform our corporate tax system. Instead, it requires the Treasury Department to study our business income tax structure and submit legislation to the Congress which would simplify the existing system by eliminating tax preferences and lowering tax rates.

7. Advantages of Simpliform.—If enacted, Simpliform would revolutionize and in my view, energize our tax system with lower rates, greater equity and increased economic efficiency. Briefly, it has the advantage of:

Drastically reducing high marginal tax rates that punish saving and investment at the expense of more leisure and consumption.

Continuing the reduction in top tax rates that once ranged from 23%-94% and today range from 12%-50%, we automatically reduce the built-in incentive to avoid taxable wages and accept fringe benefits instead. (In 1951, fringe benefits accounted for 19% of payroll expenses but by 1980 they consumed 37% of an employer's payroll.) [38]

Meeting head on the explosion of tax expenditures that eroded the efficiency and fairness of our tax system.

Retaining a limited tax incentive for five basic provisions—personal exemptions, charitable contributions, mortgage interest deductions, medical expenses and state and local taxes paid.

Making these five tax incentives equitable and equally valuable to taxpayers across all income levels.

Simplifying our tax system by eliminating a host of special exclusions and deductions, as well dozens of special forms that confuse and frustrate millions of taxpayers.

Restoring confidence in the fairness and simplicity of our tax code; thereby breathing new life into our "voluntary" or self-reporting system of taxation.

Reducing the tax code's bias towards borrowing thereby taking the pressure off the Federal Reserve System to rely exclusively on punitive interest rates to fan the fires of inflation.

Broadening the tax base and treating income from a variety of sources in a more equal fashion.

Eliminating the marriage penalty and recognizing the important contributions of women to our economic welfare.

Retaining indexing of rate brackets, personal exemptions credits, and property assets to ensure that inflation does not undermine the incentive to work, save, and invest.

8. Conclusion.—With a projection of annual $200 billion deficits that by 1986 will be overwhelmingly due to the 1981 tax cut, it is time we begin to lay the foundation for a fundamental change in tax policy. After the dust clears from the 1984 election, we in the Congress and in the Executive Branch should seize the opportunity to radically change the erosion of a tax system that is sapping our economic strength, penalizing thrift, encouraging excessive debt, and forcing redoubled efforts to exact a pound of flesh from errant taxpayers who fail to comply with its obscure provisions. To the skeptic, tax reforms is a product with no market. But from my visits and correspondence with constituents, I believe there is a vast untapped reservoir of support for a complete restructuring of our tax system. Because of its virtues of simplicitly, fairness, and increased economic efficiencies, Simpliform should be a serious contender in the tax policy debates that are sure to come.

FOOTNOTES

*The author acknowledges the research assistance of Randy Sterns and Bruce Davis of his staff.

[1] Congressional Budget Office, "The Economic And Budget Outlook: An Update" (August 1983), p. 103, table 29.

[2] "Tax Notes," May 2, 1983, p. 451. (Note: this figure may be lower because of recent changes in economic assumptions.)

[3] Ibid., p. 451.

[4] Congressional Budget Office, "Reducing The Deficit: Spending and Revenue Options" (February, 1983), p. 7.

[5] "Tax Notes," May 2, 1983, p. 451. (Notes: this figure may be lower because of recent changes in economic assumptions.)

[6] Over a period of months, Republican Senators Chafee, Hatfield, Mathias, Stafford and Weicker met to hammer out a 1984 budget alternative that would sharply reduce deficits by reducing defense spending and slowing down the revenue losses of the 1981 tax cut. Their efforts in supporting Senator Gorton's alternative budget amendment, eventually led to Congress adopting a three year revenue target of $73 billion.

[7] Bills introduced in Congress to reduce marginal tax rates and broaden the tax base or to study this approach include: Senators Bradley (S. 1421), DeConcini (S. 557), Quayle (S. 1040); Representatives Crane (H.R. 542), Drier (H.R. 1770), Gephardt (H.R. 3271), Hance (H.R. 2564), Hansen (H.R. 170), Panetta (H.R. 2520), Paul (H.R. 1664 and H.R. 2137). Hearings were held in the Senate Finance Committee on September 28 and September 30, 1982 and in the Joint Economic Committee on July 27, August 13 and August 19, 1982 on flat rate tax proposals.

[8] Report cited in Robert Lee, "What To Do About Federal Income Taxes," "American Opinion," April 1982, p. 40.

[9] Advisory Commission on Intergovernmental Relations, "Changing Public Attitude on Governments and Taxes:" 1982. (GPO 1982), p. 4.

[10] Congressional Budget Office, "Revising The Individual Income Tax:" (July 1983), p.2.

[11] Figures derived from Table 6 of Information Collection Budget, Fiscal Year 1982, Office of Management and Budget.

[12] Figures provided by phone to my office by the Congressional Research Service.

[13] Senate Finance Committee hearings: Nomination of Stephen J. Swift, Judge of U.S. Tax Court, June 13, 1983 (unpublished), p. 7 (committee transcript).

[14] Juster, Thomas F., Director, Institute for Social Research, "Saving, Economic Growth, and Economic Policy," Economic Outlook (Summer 1981).

[15] Baldwin, William, "Do You Sincerely . . .," Forbes, March 29, 1982, p. 99.

[16] Congressional Budget Office, "Tax Expenditures: Budget Control Options and Five-Year Budget Projections For Fiscal Years 1983-1987" (November 1982), table A-1.

[17] The Wall Street Journal, January 3, 1983, p. 1.

[18] Business Week, "Too Much Creative Financing," July 18, 1983, p. 204.

[19] Business Week "The Underground Economy's Hidden Force," April 5, 1982, pp. 64-70.

[20] Steuerle, Eugene, and Michael Hartzmark, "Individual Income Taxation, 1947-79," National Tax Journal, v. 34, June 1981, p. 157.

[21] Noto, Nonna A., "Tax Expenditures: The Link Between Economic Intent and the Distribution of Benefits Among High, Middle, and Low Income Groups," Congressional Research Service, May 22, 1980, p. 48.

[22] Congressional Budget Office, "Tax Expenditures" (November 1982), p. xiv.

[23] Ibid., p. 5.

[24] Ibid., figures derived from tables E-1, E-2, and E-4.

[25] Ibid., (Study presented in above tables.)

[26] This framework is presented by George F. Break and Joseph A. Pechman in "Federal Tax Reform: The Impossible Dream?" (The Brookings Institution, 1975), p. 12.

[27] Ibid., p. 9.

[28] McIntyre, Robert S., and Dean C. Tipps, "Inequity & Decline: How The Reagan Tax Policies Are Affecting the American Tax-Payer and the Economy" (Center on Budget and Policy Priorities), 1983, p. 10.

[29] Remarks of David A. Stockman before the Senate Appropriations Committee, January 27, 1981, p. 9.

[30] "National Journal," "Proposals For the Charitable Deduction: Making the Tax Code More Equitable," July 8, 1979, p. 1108-09.

[31] Congressional Budget Office, "The Tax Treatment of Homeownership: "Issues and Options," September 1981, pp. 54-57.

[32] Ibid, p. 56.

[33] Joint Committee on Taxation Memorandum on Simpliform, September 19, 1983.

[34] Ibid.

[35] Ibid.

[36] Harvey Brazer, "Income Tax Treatment of the Family," "The Economics of Taxation," edited by Henry J. Aaron and Michael J. Boskin, p. 224.

[37] Harvey S. Rosen, "A Methodology for Evaluating Tax Reform Proposals, Econometrica," vol. 44 (May 1976), p. 113.

[38] Congressional Budget Office, "Revising the Individual Income Tax," (July 1983) p. 35.●

By Mr. BAUCUS (for himself and Mr. DURENBERGER):

S. 2159. A bill entitled the "Hazardous Air Pollutant Control Act of 1983"; to the Committee on Environment and Public Works.

HAZARDOUS AIR POLLUTANT CONTROL ACT OF 1983

● Mr. BAUCUS. Mr. President, today I am introducing S. 2159, a bill to amend the provisons of the Clean Air Act for the control of hazardous air pollutants. I am pleased that my colleague, Senator DURENBERGER, is joining me in cosponsoring this legislation.

As a member of the Committee on Environment and Public Works, I took part over the last 2 years in thorough oversight hearings on the implementation of the Clean Air Act, and in the crafting of amendments to the law. We learned that the Clean Air Act's current provisions on hazardous pollutants have not worked.

There are literally dozens of known and suspected toxic pollutants in the air that millions of Americans breathe every day. Many of these pollutants can cause cancer and other very serious illnesses after prolonged exposure to even very low concentrations. While many of these pollutants are regulated when they appear in water, hazardous wastes, or workplaces, only a few are regulated when the appear in the air. In the last 13 years, EPA has set standards for only four hazardous air pollutants—asbestos, beryllium, mercury, and vinyl chloride. The last of these standards was set in 1976.

EPA has designated three other air pollutants as hazardous—benzene, radionuclides, and arsenic—but the statutory deadlines for action passed years ago and no standards are now in effect. EPA is now under court orders to move on two of these pollutants, and a suit is pending on the third. But still there are no standards.

Since 1980, EPA has not added a single substance to the list of hazardous air pollutants, even though it has knowledge of more than a dozen unregulated air pollutants that are already recognized to cause cancer by other agencies of the Federal Government.

Last year, the Environment and Public Works Committee adopted amendments to the Clean Air Act to make the EPA air pollutant control program work, and work faster. I strongly supported those amendments.

Since that time, however, EPA has still not taken any significant action. I do not believe the provisions in last year's committee bill are fully adequate.

For that reason, I am introducing a bill today that is similar to last year's committee bill, but should speed up EPA action and further clarify the Agency's responsibilities. The major

points of the bill are summarized as follows:

REQUIRES EPA TO MAKE DECISIONS ON SUSPECTED HAZARDOUS POLLUTANTS.

The bill requires EPA to make final decisions on whether at least 40 substances emitted into the air—many long under EPA review—are indeed hazardous air pollutants.

Like the committee bill last year, the bill establishes a schedule for EPA to make these decisions, in phased steps over a 5-year period. Because time has passed with no action from EPA, and because we have learned that the Federal Government has already determined that some of these pollutants can cause cancer, this bill proposes to further accelerate EPA's decisionmaking.

As an initial step, this bill provides that EPA respond quickly when the Federal Government has already determined that a chemical causes cancer. Under current law, the National Toxicology Program (NTP) is required to report each year on which chemicals are known or may reasonably be anticipated to cause cancer, and to which significant numbers of Americans are exposed. (Public Law 95-622)

The NTP is the highly respected scientific coordinating body for all the research institutes and agencies within the Government charged with evaluating the safety of chemicals. The NTP has already listed more than a dozen air pollutants (or groups of air pollutants) which it considers carcinogenic. EPA has not yet done anything about public exposure to these pollutants.

This bill gives EPA the responsibility to decide within 6 months whether a substance that the NTP considers carcinogenic is indeed a hazardous air pollutant. There is no reason to give EPA any more time once the Federal Government itself, through the NTP, has reached a conclusion on the main point—that these pollutants are dangerous.

Like the committee bill of last year, this bill requires EPA to come to a decision on additional substances that EPA has long had under review. Reflecting the fact that the NTP procedure described above would cover some of the substances which the committee intended EPA to review, this bill reduces the number of additional chemicals for EPA review to 22 in 2 years, and 15 more in the following 3 years.

A procedure is provided for petitions to remove substances from the list of hazardous pollutants, if new information becomes available.

To assure that EPA faces up to these decisions, this bill—like the committee bill—provides that if EPA fails to meet the deadline for a particular substance, it will automatically be treated as hazardous by operation of law.

I believe this schedule is fully justified by the health hazards faced by the American people, and fully within the capabilities of EPA if the agency determines to do the job. EPA, however, has a record for procrastination. Further delays cannot be permitted.

REQUIRE STATE-OF-THE-ART POLLUTION CONTROLS

The bill establishes the principle that sources of hazardous air pollutants should install control technology at least as good as the best in current use. There is no justification for sources to continue using mediocre control technology and emitting toxic pollution at higher rates than their leading competitors have achieved. That would not be good health policy, and it would put the company which has installed the best controls at an unfair competitive disadvantage.

The committee report of last year states very clearly that this is the principle that should govern standards. This bill clarifies the statutory language of last year's bill to remove certain ambiguities.

PERMITS FOR EXISTING SOURCES

Current law requires all new and modified sources of hazardous pollutants to obtain permits prior to construction. These permits can be granted only if EPA (or a State to which the responsibility may be delegated) finds that the source will operate in compliance. Existing sources are required to comply within 90 days.

This 90-day period has proved too short. The bill I am introducing today would give existing sources up to 2 years to comply. What is also needed, however, is a permit process similar to the one provided for new sources, so that it can be assured that the existing sources, as well as the new ones, will comply with hazardous pollutant standards. The bill I am introducing fills this gap.

I believe this bill is both necessary and fair. Public health is at stake. Millions of people are exposed to these pollutants. Thousands may die unless these pollutants are controlled.

EPA has procrastinated too long. This bill will accelerate the determination of which pollutants are hazardous. It provides ample opportunities for all parties to put their data before the Agency, but it also requires EPA finally to come to decisions. The bill will accelerate and clarify the basis for control of those pollutants which are hazardous. The protection of the public health requires no less.●

By Mr. STEVENS (for himself Mr. HATFIELD, Mr. HATCH, Mr. TRIBLE, Mr. PELL, Mr. MURKOWSKI, Mrs. HAWKINS, and Mr. CHILES)

S. 2160. A bill to establish a National Fisheries Marketing Council to enable the United States fish industry to establish a coordinated program of research, education, and promotion to expand markets for fisheries products, and for other purposes; to the Committee on Commerce, Science and Transportation.

NATIONAL FISHERIES MARKETING COUNCIL ACT OF 1983

Mr. STEVENS. Mr. President, I sent to the desk a bill to establish a National Fisheries Marketing Council, a concept which would coordinate programs of research, education and promotion, and expand markets for fisheries products.

Within our exclusive economic zone, the United States has 20 percent of the world's fishery resources. The full development and utilization of both our marine and freshwater fish species gives us an unique legislative opportunity which will be beneficial to our domestic fishing industry and enhance American health.

The commercial fishing industry significantly contributes to the national economy and is an important employer in coastal areas. This industy also has the potential to expand its role in interstate and foreign commerce, favorably affecting the balance of trade.

The competitive position of the U.S. commercial fishing industry in the domestic and international marketplace should be strengthened. Quality, productivity, and efficiency must necessarily be improved in order to gain new markets and expand established ones. However, due to the small and independent nature of the fishing industry, and the regional diversification of harvesting and production, no one entity in the industry has been capable of securing the level of effort to influence and direct consumer purchasing patterns. Additionally, segments of our commercial fishing fleet and processing facilities are inadequate to respond to greater demand for fisheries products.

I would like to remind my colleagues that fish products are an important nutritional component in the American diet. Current medical research links seafood-rich diets with lowered cholesterol levels. Preventive medicine authorities have presented the benefits of fish and fish oil in reducing coronary artery disease. Research results supporting the nutritional benefits of fish, and in particular, correlating diet with the prevention and control of heart disease, should give an added boost to the marketing and promotion of domestic fisheries products.

I have prepared legislation which would create a National Fisheries Marketing Council. This concept would involve the generic marketing of fish through a coordinated effort of education, promotion, and research. The initial operation of this Council would be funded by Federal moneys from fishing fees collected from foreign fishing operations within our waters, and also

from tariffs charged for the importation of foreign-produced fish. Industry financing through assessment would become effective after the second year. Establishing this Council would give health-conscious Americans new perspectives on the role of fish as an alternative dietary component and lead to a greater demand for fish products.

Obviously, with an increase in demand, supply levels must respond accordingly. This would be a direct benefit to the U.S. fishing industry. But we should also be mindful of corresponding health and nutrition advantages. Better informed consumers, utilizing nutritious fish and fish products as a part of their diet, could result in a healthier American public. National health care costs have risen at an alarming rate, and better dietary planning could help in ultimately controlling these expenditures.

This legislation has been drafted with input from fishing industry representatives. Their comments have been helpful in assuring this concept has proper balance, industry-led direction and feasibility. There are many divergent interests in our domestic fishing industry—not only due to regional considerations, but because of the nature of the fisheries themselves. A cohesive effort at the national level will not detract from promotion efforts currently underway. Instead, it will build additional awareness of the diversity and availability of fish products.

Mr. President, I urge the Senate to become involved in leading an emerging health and nutrition initiative.

● Mr. MURKOWSKI. Mr. President, I rise in support of the legislation introduced today by my distinguished colleague, the senior Senator from Alaska, Senator STEVENS. This measure would establish a National Fisheries Marketing Board, charged with the task of coordinating a campaign of educational and marketing programs to promote markets for fish and fish products.

American fisheries are not floundering. But they are not doing as well as they could and must if the industry built upon this country's fisheries is to survive. The purpose of this legislation is to maximize productivity, broaden markets, and strengthen the competitive position of the U.S. commercial fishing industry. The achievement of this objective would be substantially furthered by the establishment of a National Fisheries Marketing Board, composed of representatives from the four fishing regions in the United States—the Atlantic, Pacific, Great Lakes, and Alaska regions.

The Board would recommend and implement programs to promote the sale of fish and fish products, to educate consumers in the use of fish and fish products, to research and develop sales, distribution, utilization, and production of fish, and to create new products.

Funding for the Board which would be provided primarily from foreign fishing fees and import duties on fishery products and would be deposited in a revolving fund. The Board would disburse funds to the Fisheries Development Foundations in the four fishing regions, to the Alaska Seafoods Marketing Institute, and for any international promotion programs created by the Board.

Mr. President, I support this legislation for several reasons. Last year's botulism scare, the decline in the shrimp and crab resources in Alaska, and lack of ready information on bottomfish resources, all contributed to the need for an organization with the authority to create research and development programs for the fishing industry. The fishermen of this country need R&D just as much as the energy industries, or technology industries do. The Board envisioned by this legislation should direct the creation of these programs, programs that will give the commercial fishing industries in this country the boost they need.

The United States today is a net importer of fishery products. We allow foreign fishermen to catch, process, and market our fish for us. Sixty-seven percent of the fish taken within our 200-mile fishery zone in 1982 were harvested by foreign fishermen. Of that amount, a substantial portion was processed beyond our borders and then reexported back to the United States. For instance, in 1982 we exported 657.2 million pounds of edible products valued at $998.9 million, as compared to imports of 2.2 billion pounds at a record value of $3.2 billion. The marketing Board we proposed today will provide the means for the United States to reverse this trend, and harvest more of its own fish both for our own use and to increase exports.

This Senator also supports this legislation because it is not protectionist. The political reaction to difficulties in American industries has too often been to dump money into the afflicted area, or to restrict imports that are competing with that area. Mr. President, not only is this tendency counterproductive; it is destructive.

It is unhealthy because it does not work. A quick examination of the U.S. merchant marine fleet should tell us that the protestionist intent underlying the Jones Act, for example, has not resulted in any growth, but has actually diminished what was once the greatest fleet in the world by shielding the U.S. industry from healthy competition.

Protectionism is also destructive because it weakens the spirit of individualism and enterprise that made America great. We are in deep trouble when any businessman can sit back and say: "Well, if we mess up, the Government will fix it."

Mr. President, this is an important subject, and perhaps not one that is appropriate to go too deeply into here. Suffice it to say that this Senator believes that part of the beauty of the measure introduced today is that it does not simply try to "bail out" an industry that is experiencing difficulties. It seeks to create a mechanism that will depend on the industry itself and its inherent qualities to alleviate its problems.

Mr. President, I urge my collegues to support this legislation.●

By Mr. SYMMS:

S. 2162. A bill to amend the Internal Revenue Code of 1954 to defer the inclusion in income with respect to transfers of stock in a corporation pursuant to certain employee stock options; to the Committee on Finance.

EMPLOYEE STOCK OWNERSHIP ASSISTANCE ACT

● Mr. SYMMS. Mr. President, I have today introduced in the Senate the Employee Stock Ownership Assistance Act.

The Congress has long encouraged the basic principle of furthering employee ownership of their company's stock by enacting and expanding such provisions as the employee stock ownership plans (ESOP). In addition we encourage companies to grant nonqualified stock options to a broad base of their employees by granting a tax deduction when an employee exercises such an option to purchase stock.

This is indeed an important goal, for ownership of stock of the company for which an employee works imparts a strong sense of personal involvement in the future of the economic enterprise and in a larger sense in our free enterprise system. However, under current law a serious impediment exists to employees who seek to exercise nonqualified stock options.

When such a stock option is exercised, the difference between the value of the stock at the exercise date and the option price constitutes ordinary income to the employee. As a result, the employee is placed in the difficult position of having to pay income tax at a time when there has been no receipt of cash, since only securities representing the employee's investment in the company have been received.

The legislation I have introduced will permit the deferral of income by employees who exercise nonqualified employee stock options after the date of enactment until the sale or other disposition of the stock. When the stock is sold, the amount of ordinary income deferred at the date of exercise will be recognized. Any additional appreciation or depreciation will be treated as a gain or loss from the sale of a capital asset. The company's tax

deduction which now occurs when the employee exercises an option would in turn be deferred until the stock is dispersed.

These changes will not have any negative revenue impact and in fact may have a positive effect, since revenue would be generated by the earlier exercise of stock options because of the earlier receipt of dividends, which are taxable by the employee-shareholder. Presently millions of stock options go unexercised by employees who lack the financial means to exercise them and pay the up front tax. By making this noncontroversial change in the tax code, we can provide significant incentive to employee stock ownership.●

By Mr. DURENBERGER:

S. 2163. A bill to restructure the medicare benefit package; to the Committee on Finance.

By Mr. DURENBERGER (for himself and Mr. HEINZ):

S. 2164. A bill to provide for an income based premium under medicare part B; to the Committee on Finance.

IMPROVEMENTS IN THE MEDICARE PROGRAM

● Mr. DURENBERGER. Mr. President I am introducing two bills to improve the medicare program. One bill, the Catastrophic Expense Protection Act, restructures cost sharing under medicare and provides beneficiaries with catastrophic expense protection. The other, the part B Premium Redistribution Act, reduces the part B premium for our poor elderly and increases it for those with the ability to pay. Both proposals are cost neutral.

Mr. President, over the past 12 months the medicare program has undergone considerable reform. These reforms have been achieved with two primary objectives in mind: To improve performance and contain costs.

The most obvious reform is the new prospective payment system for hospitals. Prospective payment fundamentally changes the economic incentives for hospitals and their physicians. The new system is only in the second month of a 3-year phasein, but the effect is already dramatic. For the first time, hospitals are aggressively pursuing management strategies that maximize efficiency.

Another major medicare reform was included as part of the Tax Equity and Fiscal Responsibility Act. Beginning early next year, medicare beneficiaries will have the option of using their entitlement to purchase coverage in the private sector. Private health plans that keep their patients healthy, that keep their costs down, that substitute services at the right time and the right price—these plans will be very sucessful in attracting beneficiaries under the new private sector option. Individual patients will be rewarded for selecting cost-effective health plans. Health providers will be rewarded for delivering cost-effective care.

Mr. President, these reforms are good reforms—they were reforms our medicare program desperately needed. But our task is not complete. In order to sustain the progress being made, additional measures must be enacted. For one thing, the prospective payment system must be expanded to include other providers of care—like physicians, skilled nursing facilities, home health agencies, and hospices. I expect the administration to submit a proposal on prospective payment for skilled nursing facilities before the end of the year. Passage of prospective payment for skilled nursing facilities is one of my top priorities in 1984.

Other reforms, Mr. President, are needed. Despite our success in restructuring payment to hospitals, we failed to address the need to restructure beneficiary cost sharing. Beneficiary cost sharing has remained essentially unchanged since the creation of medicare in 1965. It is time to restructure medicare cost sharing, and that is what these two bills aim to do.

A restructuring of medicare cost sharing begins by examining what the purpose of insurance is. I believe insurance should be designed first to protect the individual against the expenses incurred by a catastrophic illness. For medicare, beneficiary cost sharing should therefore be designed to limit the beneficiary's liability for extraordinary expenses. Under present medicare policy, there is no limit on the amount an individual beneficiary can expend out of pocket through medicare cost sharing. I believe this should be changed.

In the Catastrophic Expense Protection Act, I establish a combined part A and B out-of-pocket expenditure limit of $2,500 per beneficiary per year. A beneficiary's liability for out-of-pocket expenditures under medicare is thus limited to a fixed dollar amount each year. I believe catastrophic coverage is something most senior citizens want. It really should not be too surprising that risk-averse senior citizens on fixed incomes rush out to buy supplemental medigap policies that provide protection against catastrophe. If medicare covered catastrophic expenses, we would not see hundreds of millions of dollars wasted on unnecessary medigap insurance.

This bill, however, does not stop with the provision of catastrophic expense protection. I also propose to restructure present hospital cost sharing in a manner that rewards both patients and providers for the efficient use of health-care services.

Under present law, Mr. President, medicare beneficiaries pay a deductible upon admission to the hospital—in 1984 the part A deductible will be $356. This deductible is applied on a spell-of-illness basis. Thus, if a patient is readmitted to the hospital within 60 days of discharge, the patient does not pay a new deductible. Present law also requires beneficiaries to share in the cost of hospitalization, but only starting on the 61st day of hospitalization. Thus, days 2 through 60 are free of charge to the patient.

These cost-sharing arrangements run counter to the reforms we have already enacted. Although prospective payment rewards the hospital for discharging a patient as soon as it is appropriate, present cost-sharing arrangements reward neither the patient nor the physician for similar behavior.

In my proposal, a per admission deductible of $350 would apply to every hospital admission. A coinsurance charge of 6 percent of the deductible, or $21, would be required of each beneficiary for every hospital day beginning on the second day of hospitalization.

To understand what these provisions mean, it is helpful to remember that approximately two-thirds of medicare beneficiaries purchase supplemental medigap insurance to pay for the cost-sharing amounts that medicare requires. Consequently, for two-thirds of the eligible population, restructured cost-sharing impacts most directly on their insurance plans, not them as individuals.

For those individuals without supplementary coverage, the proposed restructuring will aline their financial incentives with those of the hospitals. By paying $21 a day for hospitalization, the patient will have a reason to carefully consider the need for staying in the hospital any longer than is necessary.

The catastrophic cap, of course, will limit each beneficiary's liability. Thus, if the individual is hospitalized for an extended period of time, he or she will have protection against catastrophic expense.

The impact of restructuring on those medicare beneficiaries who purchase medigap is even more striking. Under present law, it is very difficult for a medigap plan to reflect its efficiency in a lower premium. If the medigap plan gets its patients out of the hospital in 10 days rather than 15 days, there is no savings to the plan. That's because there is presently no coinsurance under medicare until the 61st hospital day. Since there is no coinsurance on those early days, the medigap plans incur the same liability whether the patient is hospitalized for 2 days or 60 days.

Likewise, the present spell-of-illness definition means that if a medigap plan is successful in treating a patient with one hospital admission instead of two, it can realize no savings. Under current law, the deductible is applied only on the first admission.

The restructured cost sharing under my proposal provides a well-run, efficient price-sensitive medigap plan with a reward for managing patient care efficiently.

For getting a patient out of the hospital in 10 days rather than 15, a medigap plan would save $105 in incurred costs ($21×5 days). Likewise, for admitting the patient once instead of twice, the medigap plan would save the per admission deductible of $350.

These savings would be reflected in lower premiums for the efficient medigap plan, which in turn would attract new enrollees. Beneficiaries would benefit from lower premiums, and physicians would benefit from new business. That is exactly how a market is supposed to work. Efficient providers attract new business. The point is, we do not see much meaningful medigap competition today precisely because present costsharing does not encourage it.

My restructuring proposal is designed to be cost neutral. In other words, the cost of catastrophic coverage is paid for through restructured cost sharing. I should emphasize, however, that each of these elements is vitally important—catastrophic coverage and restructured cost sharing go hand in hand.

The second bill I am introducing today, the part B Premium Redistribution Act, is designed to ease the cost burden on our poor elderly.

Beginning in January 1985, the premium for part B of medicare—the nonhospital part of the medicare program—will rise to about $16.60 a month. This monthly premium pays for only 25 percent of actual part B costs. The remaining 75 percent is subsidized from general revenues.

My proposal would drop the premium for all part B beneficiaries from 25 percent of program costs to 20 percent—or from $16.60 a month in 1985 to about $13.30 a month. To pay for this reduction, a modest surcharge would be applied against every part B beneficiary's adjusted gross income. The surcharge will be limited to no more than $550 per beneficiary. This limit assures that in no case will any individual be required to pay more than about 90 percent of actual program costs. Every part B beneficiary will thus be assured of at least a modest taxpayer subsidy. This will help maintain the actuarial integrity of the group and discourage individuals from dropping out of Part B altogether.

I see no reason why those senior citizens with greater income should not be paying a greater share of premium costs. It is hard for me to understand why millionaires should be getting a montly subsidy of 75 percent—currently worth over $500 a year—from American taxpayers. Those who can afford it should be asked to pay closer to 100 percent of actual part B premium costs—and the poor elderly should be required to pay less.

The Joint Committee on Taxation estimates that about one-half of the elderly would be affected by the proposed surcharge. Most part B beneficiaries will thus end up paying less than they currently do.

Again, Mr. President, I should point out that this proposal is cost neutral. It represents reform, not budget savings. It redistributes the burden of paying for part B of medicare in an equitable and straightforward manner.

The two bills I am introducing today, Mr. President, are two vital and necessary steps in our continued progress to reform the medicare system. I encourage my colleagues and anyone interested in medicare reform to study them carefully. I look forward to working with all of you in passing these important proposals.

I ask unanimous consent that the summaries of each bill and the text of the bills be printed in full.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2163

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Catastrophic Expense Protection Act".

NUMBER OF DAYS OF INPATIENT HOSPITAL SERVICES AND EXTENDED CARE SERVICES

SEC. 2. (a) Section 1812(a) of the Social Security Act is amended—

(1) by amending paragraph (1) to read as follows: "(1) inpatient hospital services;"; and

(2) in paragraph (2)(A), by striking out "any spell of illness" and inserting in lieu thereof "and calendar year".

(b) Section 1812(b) of such Act is amended to read as follows:

"(b) Payment under this part for services furnished to an individual may not be made for—

"(1) extended care services furnished to such individual in any calendar year after such services have been furnished to him for 100 days in such calendar year; or

"(2) inpatient psychiatric hospital services furnished to such individual after such services have been furnished to him for a total of 190 days during his lifetime.".

(c) Section 1812 of such Act is further amended—

(1) by striking out subsections (c) and (g);

(2) by redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e); and

(3) in subsection (d) as so redesignated, by striking out "For purposes of subsections (b) and (c), inpatient hospital services" and inserting in lieu thereof "For purpose of subsection (b)".

(d) Subsection (a) of section 1861 of such Act is repealed.

(e) Section 1832(b) of such Act is amended by striking out " 'spell of illness',".

INPATIENT HOSPITAL DEDUCTIBLE

SEC. 3. Section 1813(b) of the Social Security Act is amended to read as follows:

"(b)(1) The inpatient hospital deductible which shall be applicable for purposes of subsection (a)—

"(A) shall be $350 for the calendar year 1985; and

"(B) for each succeeding calendar year shall be an amount equal to the inpatient hospital deductible applicable for the preceding calendar year, increased or decreased by the percentage increase or decrease in the per capita amount of payments under this part for inpatient hospital services in the preceding calendar year as compared to the second preceding calendar year.

"(2) The Secretary shall, between July 1 and October 1 of 1985, and of each year thereafter, determine and promulgate the inpatient hospital deductible which shall be applicable for purposes of subsection (a) with respect to services furnished in the following calendar year.".

IMPOSITION OF PART A DEDUCTIBLES AND COINSURANCE

SEC. 4. (a) Subsection 1813(a)(1) of the Social Security Act is amended to read as follows:

"(1)(A) The amount payable for inpatient hospital services furnished to an individual with respect to any inpatient hospital admission shall be reduced by an amount equal to the inpatient hospital deductible or, if less, the charges imposed with respect to such individual for such services, except that, if the customary charges for such services are greater than the charges so imposed, such customary charges shall be considered to be the charges so imposed.

"(B) The amount payable for inpatient hospital services furnished to an individual shall be further reduced by a coinsurance amount equal to 6 percent of the inpatient hospital deductible for each day on which such individual is furnished such services during such admission, after the first day of such admission, except that the reduction under this subparagraph for any day shall not exceed the charges imposed for that day with respect to such individual for such services (and for this purpose, if the customary charges for such services are greater than the charges so imposed, such customary charges shall be considered to be the charges so imposed).".

(b) Section 1813 (a) of such Act is further amended—

(1) in paragraph (2), by striking out "during any spell of illness" and inserting in lieu thereof "for any inpatient hospital admission", and by striking out "such spell of illness" and inserting in lieu thereof "such inpatient hospital admission"; and

(2) in paragraph (3), by striking out "during any spell of illness" and inserting in lieu thereof "for any admission", by striking out "one-eighth" and inserting in lieu thereof "6 percent", and by striking out "such spell" and inserting in lieu thereof "such admission".

PART B DEDUCTIBLE

SEC. 5. Section 1833 (b) of the Social Security Act is amended—

(1) by striking out "of $75" and inserting in lieu thereof "determined under paragraph (2)";

(2) by redesignating clauses (1) through (3) as clauses (A) through (C);

(3) by inserting "(1)" after "(b)"; and

(4) by adding at the end thereof the following new paragraph:

"(2)(A) The part B deductible—

"(i) shall be $85 for the calendar year 1985; and

"(ii) for each succeeding calendar year shall be an amount equal to the part B deductible applicable for the preceding calendar year, increased or decreased by the percentage increase or decrease in the per capita amount of payments under this part in the preceding calendar year as compared to the second preceding calendar year.

"(B) The Secretary shall, between July 1 and October 1 of 1985, and of each year thereafter, determine and promulgate the part B deductible which shall be applicable for the following calendar year.".

LIMITATION ON PATIENT COSTS

SEC. 6. (a) Title XVIII of the Social Security Act is amended by adding at the end thereof the following new section:

"LIMITATION ON PATIENT COSTS

"SEC. 1888. (a) Notwithstanding any other provision of this title, any deductible amount or coinsurance amount otherwise applicable to an indvidual under this title for any calendar year in excess of the cap amount established under subsection (b) shall not apply to such individual. Any such deductible amount or coinsurance amount which is not applicable to an individual by reason of this section shall be paid under part A or part B as though such deductible and coinsurance amounts were not applicable under such parts.

"(b)(1) The cap amount—

"(A) shall be $2,500 for the calendar year 1985; and

"(B) for each succeeding calendar year shall be an amount equal to the cap amount applicable for the preceding calendar year, increased or decreased by the percentage increase or decrease in the per capita amount of payments under parts A and B in the preceding calendar year as compared to the second preceding calendar year.

"(2) The Secretary shall, between July 1 and October 1 of 1985, and of each year thereafter, determine and promulgate the cap amount which shall be applicable for the following calendar year.

"(c)(1) For purposes of this section, the term 'deductible amount' means the inpatient hospital deductible under section 1813(a)(1)(A), and the part B deductible under section 1833(b).

"(2) For purposes of this section, the term 'coinsurance amount' means—

"(A) the amounts otherwise excluded from payment under this title by reason of sections 1813(a)(1)(B), 1813(a)(2), 1813(a)(3), or 1813(a)(4); and

"(B) any amount which is otherwise not payable under part B solely by reason of the payment allowed under such part being set at a rate of less than 100 percent of the applicable factor (reasonable cost, reasonable charge, etc.), and which would otherwise be required to be paid by the individual, taking into account the provisions of section 1866(a)(2)(A).".

(b) Section 1866(a)(2)(A) of such Act is amended by adding at the end thereof the following sentence: "A provider of services may not impose a charge under this subparagraph to the extent that payment has been made under this title for the services furnished by reason of section 1888.".

EFFECTIVE DATE

SEC. 7. The amendments made by this Act shall apply with respect to services furnished on or after January 1, 1985.

S. 2164

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SHORT TITLE

SECTION 1. This Act may be cited as the "Part B Premium Redistribution Act".

INCOME TESTING OF PART B PREMIUM

SEC. 2. (a) Section 1839 (a) of the Social Security Act is amended by striking out paragraphs (2) and (3) and inserting in lieu thereof the following:

"(2) The monthly premium for each individual enrolled under this part for each month after December 1983 shall, except as provided in subsection (b), be an amount equal to 40 percent of the monthly actuarial rate for enrollees age 65 and over, as determined under paragraph (1) and applicable to such month. Each such individual shall also be subject to the tax imposed under section 59 of the Internal Revenue Code of 1954.

"(3) The Secretary shall, during September of 1984 and of each year thereafter, determine and promulgate the monthly premium applicable for individuals enrolled under this part for the succeeding calendar year. Whenever the Secretary promulgates the dollar amount which shall be applicable as the monthly premium for any period, he shall, at the time such promulgation is announced, issue a public statement setting forth the actuarial assumptions and bases employed by him in arriving at the amount of an adequate actuarial rate for enrollees age 65 and older as provided in paragraph (1), and the derivation of the dollar amounts specified in this paragraph.".

(b)(1) Section 1839(b) of such Act is amended by striking out "or (e)".

(2) Section 1839 of such Act is amended by striking out subsection (e) thereof.

(c) Section 1844(a) of such Act is amended to read as follows:

"(a)(1) There are authorized to be appropriated for each fiscal year to the Federal Supplementary Medical Insurance Trust Fund an amount equal to the amount by which—

"(A) the total amount paid out of such Trust Fund for such fiscal year, exceeds

"(B) the total amount paid into such Trust Fund as premiums, or transferred into such Trust Fund pursuant to section 1817(a)(3), during such fiscal year.

"(2) The Secretary of the Treasury shall transfer such amounts into the Trust Fund from the general fund in the Treasury from time to time on the basis of estimates of payments and receipts established by the Secretary of the Treasury and the Secretary of Health and Human Services.".

(d) the amendments made by subsections (a), (b), and (c) shall apply to premiums for months beginning with January 1985.

(e) Subchapter A of chapter 1 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new part:

"PART VII—MEDICARE PART B PREMIUM TAX

"Sec. 59. Medicare Part B Premium Tax

"(a) TAX IMPOSED.—In addition to any other tax imposed by this chapter, there is imposed on any individual who, during every month of the taxable year, was enrolled under part B of title XVIII of the Social Security Act, a tax equal to the lesser of—

"(A) the maximum tax for such taxable year as determined under subsection (c); or

"(B) an amount equal to one percent of that portion of such individual's adjusted gross income for such taxable year which is in excess of the zero bracket amount and his personal exemptions.

"(b) PRORATED TAX.—In addition to any other tax imposed under this chapter, there is imposed on any individual who, during one or more but not all months of the taxable year, was enrolled under part B of title XVIII of the Social Security Act, a tax equal to—

"(A) the lesser of (i) the maximum tax for such taxable year as determined under subsection (c), or (ii) an amount equal to one percent of that portion of such individual's adjusted gross income for such taxable year which is in excess of the zero bracket amount and his personal exemptions; multiplied by

"(B) a fraction, the numerator of which is equal to the number of months in such taxable year during which such individual was enrolled under part B of title XVIII of the Social Security Act, and the denominator of which is twelve.

"(c) MAXIMUM TAX.—For purposes of subsection (a) and (b), the maximum tax—

"(1) shall be $550 for taxable years ending in calendar year 1985; and

"(2) for taxable years ending in any succeeding calendar year, shall be the maximum tax for taxable years ending in the preceding calendar year, increased or decreased by the percentage increase or decrease in the per capita amount of payments under part B of title XVIII of the Social Security Act in the preceding calendar year as compared to the second preceeding calendar year.

"(d) CREDITS NOT APPLICABLE.—For purposes of determining the amount of any credit under subpart A of part IV of this subchapter (other than the credits allowed under sections 31, 39, and 43), the tax imposed by subsections (a) and (b) shall not be treated as a tax imposed by this chapter.".

(f) Section 1817(a) of the Social Security Act is amended by striking out "and" at the end of paragraph (1), by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and", and by inserting after paragraph (2) the following new paragraph:

"(3) the taxes imposed by section 59 of the Internal Revenue Code of 1954.".

(g) The amendments made by subsections (e) and (f) shall apply to taxable years ending after December 31, 1984, but only with respect to months after December 1984.

SUMMARY: CATASTROPHIC EXPENSES PROTECTION ACT

Limit beneficiary out-of-pocket costs for deductibles and coinsurance by a combined Part A and B cap of $2500/yr.

Index the cap by the rate of growth in total per capita program benefit outlays.

Provide unlimited hospital days and 100 skilled nursing facility (SNF) days per calendar year.

Eliminate the spell of illness definition.

Establish Part A deductible at $350 in 1985 and index in subsequent years by the rate of growth in Part A per capita benefit outlays.

Impose the Part A deductible on each hospital admission.

Impose hospital coinsurance at 6 percent of hospital deductible on the second and all subsequent days of each hospital admission.

Impose SNF coinsurance at 6 percent of hospital deductible on the 21st and all subsequent days of SNF care per calendar year.

Set the Part B deductible at $85 in 1985 and index it by the rate of growth in Part B per capita benefit outlays.

SUMMARY: PART B PREMIUM REDISTRIBUTION ACT

Reduce the beneficiary Part B premium in 1985 from 25 percent of program costs to 20 percent of program costs.

Apply a one percent surcharge to every Part B beneficiary's Adjusted Gross Income (AGI) that exceeds the amount of the zero bracket and prsonal exemptions.

Limit the total surcharge to no more than $550 in 1985 and index the limit by the per capita increase in Part B costs. The $550 limit assures that in no case will any individual be required to pay more than 90 percent of actual program costs. Everyone will thus be assured of some government subsidy.●

By Mr. DENTON:

S. 2168. A bill to clarify the broadcasting rights of legally qualified candidates for public office and to create jurisdiction in the District Courts of the United States of violations of this act; to the Committee on Commerce, Science, and Transportation.

PUBLIC CAMPAIGN INTEGRITY ACT OF 1983

● Mr. DENTON. Mr. President, I rise today to introduce the Public Campaign Integrity Act of 1983. The bill seeks to clarify the broadcasting rights of legally qualified candidates for public office and to create jurisdiction in the District Court of the United States for violation of this act. The clarification will close a potentially dangerous loop hole in the present broadcasting law.

Currently, any station properly licensed by the Federal Communications Commission which permits any legally qualified candidate for any public office to use a broadcasting station, must afford equal opportunities to all other such candidates for that office. Section 315(a) of the Communications Act of 1934 also provides that such licensee shall have no power of censorship over the material broadcast under the provisions of that section. This provision engenders a very real possibility of misuse and abuse of broadcasting rights by candidates.

Such possibility has become more apparent with the October 12, 1983, qualification of Larry Flynt as a candidate for President of the United States. Mr. Flynt, the notorious publisher of the pornographic magazine Hustler, has vowed to use his Presidential campaign to test the Nation's obscenity laws by airing commercials featuring hard-core sex acts. As noted in a United Press International News article of October 22, 1983, Mr. Flynt has declared that, "I'm going to show people engaged in sex on TV and argue that this should be provided full protection under the law." Yet as a legally qualified declared candidate for President, current Federal laws appear to require broadcasting stations to run such "political ads" in full, regardless of their content, even though there are other provisions of law and FCC regulations which prohibit such conduct.

The FCC is understandably concerned that the equal-access rules of section 315(a) of the Communications Act of 1934 will supersede the statutes that normally bar broadcasting obscenity, and has, accordingly been instrumental in the drafting of the language used in this act.

Mr. President, while I cannot overstate the importance of freedom of debate in a free society, this body must take steps to prevent the distribution of pornography in the guise of political government is to protect its citizens from those who misuse and abuse the law.

I believe the Public Campaign Integrity Act to be the best way to eliminate this loophole in the existing broadcasting law. I urge my colleagues to join me in supporting this legislation.

I ask unanimous consent that the text of the bill be placed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2168

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Campaign Integrity Act of 1983."

SEC. 2. Section 315 of the Communications Act of 1934 is amended by adding at the end of the first sentence of subsection (a) the following language:

However, such licensee shall be under no obligation under this section to broadcast any material which is in violation of any criminal law of the United States. The District Courts of the United States shall have sole jurisdiction to determine whether the broadcast of material pursuant to the provisions of Section 312(a)(7) of this Act or of this section violates, or, in the case of a suit for declaratory or injunctive relief, would violate any criminal law of the United States.

SEC. 3. This Act shall take effect upon enactment.●

By Mr. DANFORTH (for himself, Mr. BENTSEN, Mr. CHAFEE and Mr. MITCHELL):

S. 2165. A bill to amend Internal Revenue Code of 1954 to increase research activities, to foster university research and scientific training, and to encourage the contribution of scientific equipment to institutions of higher education; to the Committee on Finance.

HIGH TECHNOLOGY RESEARCH AND SCIENTIFIC EDUCATION ACT OF 1983

● Mr. DANFORTH. Mr. President, I am today introducing legislation with Senators BENTSEN, CHAFEE, and MITCHELL, which represents a fundamentally necessary step toward insuring the continuation of America's position of technological leadership in the world. Technological leadership is this Nation's single most important national resource. Such leadership and innovation is indispensable to the long-term growth of our domestic economy, to U.S. competitiveness in world markets, and to a strong national defense. However, our once unchallenged preeminence in commerce, science, and technological innovation is being overtaken by competitors throughout the world. Moreover, as the National Commission on Excellence in Education recently noted in its report, "A Nation at Risk," what was unimaginable a generation ago has begun to occur—others are matching and surpassing our educational attainments, particularly in the area of scientific education.

The legislation provides a comprehensive approach to the problem of continued U.S. technological competitiveness. First, the present incentive for research and development in the form of the R&D tax credit is improved and made a permanent part of the tax law to encourage the Nation's industries to undertake expanded R&D activities, many of which require a long-term and substantially expensive commitment to projects fraught with risk. Second, the current incentives for corporate funding of university basic research are expanded so that companies have a greater incentive to fund the research which will develop the underlying principles to be applied in enhanced product development over the next 20 years. Third, the problem of a lack of scientifically skilled manpower is addressed by providing enhanced incentives for the private sector to take a number of different steps to remedy the present inadequacies of scientific education programs in our colleges and universities. These incentives seek to encourage corporate donations of scientific equipment to upgrade teaching and laboratory facilities and encourage graduate students in the sciences to enter teaching careers at any of a broad class of colleges and universities.

I. IMPROVEMENT AND EXTENSION OF THE R&D TAX CREDIT

A. EXTENSION OF THE R&D CREDIT

Under current law, the R&D tax credit is due to expire at the end of December 1985. The legislation would eliminate this "sunset" provision and make this vital incentive for increased R&D expenditures a permanent part of our tax law. In enacting the R&D credit, Congress pointed to the close and basic relationship between this country's R&D activities and U.S. "economic growth, productivity gains, and our competitiveness in world markets" and the consequent need to promote continuous growth in R&D expenditures. (House Rept. No. 97-201, 97th Cong., 1st Sess. (1981) 111; Sen. Rept. No. 97-144, 97th Cong., 1st Sess. (1981) 77).

By comparison, for example, our foreign competitors, led by Japan and West Germany, have devoted more resources, as a percentage of gross na-

tional product (GNP), to R&D over the past 20 years than has the United States, with West Germany now spending 2.15 percent of its GNP on civilian R&D in 1980, and Japan spending nearly 2 percent of GNP, as compared with only 1.66 percent of GNP spent by the United States on R&D activities. Japan and West Germany correspondingly have experienced much higher rates of growth in productivity—466 percent by Japan, for example, as compared with 69 percent by the United States over this 20-year period. As to the United States, it is well established that, prior to the enactment of the R&D credit, the decline in U.S. productivity growth over the last decade paralleled the declining pattern of U.S. R&D spending.

To survive in world markets where the competition is intense and often focused to a great degree between U.S. manufacturers and foreign companies, U.S. industries must continually invest in major research endeavors to develop and apply new technologies and products. In this highly competitive environment, a U.S. company which fails to continuously advance technologically likely will find very rapidly that its products have been rendered obsolete by foreign competitors. For example, in the U.S. high technology electronics industry, a significant portion of the sales of many companies lies in products that were not even in existence just a few years ago.

A firm's ability to develop and apply breakthrough products and technologies often is critical to obtaining a competitive advantage. For example, a year's advantage in introducing a new product often can provide the company with a significant and crucial cost advantage over competing companies. Accordingly, many U.S. industries, particularly the high technology industries, are locked in a continuous, intensive race with foreign competitors—most of which are highly subsidized by their governments—to bring new or improved products and manufacturing processes to the marketplace as soon as possible.

These considerations which led Congress to enact the R&D credit in 1981 continue to exist today. Indeed, with the rising cost of ever more sophisticated high technology R&D projects and the intensified competition from foreign manufacturers, these considerations are of even greater importance in 1983 and will continue to grow in importance over the decade ahead. The process of R&D is fraught with risk and necessarily has as long-range focus. As both the Senate Finance Committee and House Ways and Means Committee noted during enactment of the R&D credit, the relationships between the investment in research and the subsequent earnings often are less directly identifiable and many businessmen are reluctant to allocate scarce investment funds for uncertain rewards. (House Rept. No. 97-201, at 111; Sen. Rept. 97-144, supra, at 77). Having enacted the R&D credit and thereby encouraged companies to incur R&D risks which they might otherwise have been unwilling to incur, Congress should not reverse this R&D incentive by allowing the credit to lapse.

Moreover, many major R&D projects have a cycle of 5 years or more, with the greatest dollar amounts of cost coming toward the end of the cycle. Thus, for those R&D projects which would be undertaken now in response to the R&D credit, a substantial portion of the R&D costs will be incurred in years after 1985, the point at which the R&D credit currently is scheduled to lapse. Before undertaking a project and at each of the numerous checkpoints in the cycle of a project, a determination will be made whether to undertake or continue the research effort. If the tax incentive embodied in the R&D credit disappears, the company's assessment of the financial risk of undertaking or continuing the research project likely will become more adverse and might well lead to termination of the project.

In sum, it has become increasingly clear that the economic progress of the United States over this and the coming decades depends in large part upon the prosperity and growth of its high technology industries. Such prosperity and growth, in turn, are dependent upon the continuing vigor of the R&D activities of these high technology industries—activities which are the lifeblood of these industries and the source of their technological and economic survival in the intensely competitive world markets. If Congress is truly serious about fostering an environment in which the U.S. high technology industries can flourish, a crucially important step is to make the R&D credit permanent.

B. IMPROVEMENT OF THE R&D CREDIT

Under the legislation, the definition of qualified research for R&D credit purposes is clarified and narrowed somewhat to insure that the credit fulfills the purposes for which it was enacted. I would ask unanimous consent that the detailed technical explanation of this revised definition be printed in the RECORD following my remarks. This revised definition of qualified R&D has been formulated by interested parties in consultation with Treasury and with congressional staff to address certain concerns which have been raised by actual experience with operation of the credit. This revised definition in the legislation represents a constructive framework within which to further consider, refine, and resolve the definitional issues. In particular, with regard to the credit eligibility of computer software developed by the taxpayer for internal use other than in R&D, in a plant process, or in a computer service, it is anticipated that, as part of the legislative process, substantive standards for credit eligibility will be developed for inclusion in the legislation.

Mr. President, I emphasize that this proposed definition is intended by me to be only a starting point for discussion. While the Treasury Department and interested industry groups have been very active in helping develop this proposal, I realize there may be others who would like to have input on this issue before any action is taken. I hope that, during the recess, all interested parties will study this proposal very carefully so that we may move ahead soon after we reconvene in 1984.

The legislation makes depreciation of research equipment eligible for the R&D credit. This change is made to eliminate the disparate treatment under present law for credit purposes between lease costs of R&D equipment which currently are eligible for the credit and depreciation costs of R&D equipment which are not. In exchange, the legislation eliminates the special 3-year ACRS category for research equipment, thereby placing such equipment in the standard 5-year category for ACRS purposes. Finally, contract expenses for credit purposes are increased to 75 percent of the amount paid to others for research on the taxpayer's behalf, to reflect the inclusion of research equipment depreciation as an eligible expense for credit purposes.

In addition, the legislation addresses the problem of the unavailability of the R&D credit under current law to startup corporations which lack an active, ongoing business but which are undertaking research activities in an effort to create such a business. Under the legislation, the credit would be made available to a startup corporation as well as to an existing corporation undertaking a new research endeavor to expand and diversify beyond its existing business. The legislation also facilitates the availability of the credit to qualified joint research ventures comprised of regular corporations or of partners whose business is closely linked to the research being undertaken by the joint venture.

II. PROMOTION OF UNIVERSITY RESEARCH AND SCIENTIFIC EDUCATION

In colleges and universities, education in mathematics, engineering, and the physical, biological, and computer sciences has suffered from a chronic shortage of faculty and a severe lack of up-to-date scientific equipment upon which students and faculty can learn and perform research. For example, there now exist over 2,000 vacancies in university engineering faculties, with computer-related faculty vacancies as high as 50 percent at some uni-

versities, and similar shortages exist in mathematics and other scientific teaching disciplines. Universities not only face great difficulty in stretching tight budgets to compete with private firms for graduate-level engineers but also face difficulty in attracting high caliber faculty because of the antiquated laboratory facilities which would be used by such faculty for teaching and research. As the president of one large electronics company remarked after a recent tour of a university engineering department, "the only time my engineers will see equipment of this type is when they tour the Smithsonian."

Outdated equipment is the norm in university laboratories. A survey by the American Electronics Association found that, merely to replace existing outdated scientific equipment, universities would be required to invest hundreds of millions of dollars. The following are examples from universities across the country.

The University of Colorado needs $4 million to update existing equipment at the Boulder, Denver, and Colorado Springs campuses.

The University of Kansas needs $1.5 million to upgrade existing teaching equipment.

Penn State needs $8.25 million to renovate its current teaching equipment.

The University of Minnesota needs $2.5 million to modernize existing equipment.

The University of Idaho needs $2 million to replace existing equipment.

The University of Wyoming needs $3.3 million to update existing teaching equipment.

Iowa State needs $5.1 million over the next 5 years to upgrade existing equipment.

The University of Rhode Island needs $1 million to replace outdated equipment.

Oregon State needs $750,000 to replace aging equipment, while Portland State needs $1.35 million to modernize teaching equipment. While these costs of replacing existing antiquated university scientific equipment are enormous, they pale in comparison to the costs of scientific education that would be necessary to accommodate the expansion of engineering and other science enrollments to accommodate drastically increased student demand. For example, Iowa State's engineering school alone estimates that it will need $22.1 million in new equipment for expanded electrical engineering, mechanical engineering, and computer science curriculums—at a time when the equipment purchase budgets of engineering departments often range in the tens of thousands of dollars.

The result of these chronic shortages of university science faculties and antiquated facilities is an adequate supply of scientifically-skilled manpower. The American Electronics Association has projected a demand for 199,000 new electrical and computer science engineers over the 1980–85 period—almost three times higher than the number which will be graduated over the same period.

In addition, the problem of the decline of basic research undertaken in this country needs to be addressed. U.S. industry now spends only 3.6 percent of every research dollar on basic research, down from 7 percent in the mid-1960's. University basic research has been a major casualty of this declining emphasis on civilians basic research because 60 percent of all basic research is conducted at universities. Industry today is the source of a scant 3 percent of R&D dollars brought to universities, down from 11 percent in the 1950's.

A. CREDIT FOR CORPORATE PAYMENTS TO UNIVERSITIES FOR BASIC RESEARCH

The legislation seeks to alleviate these problems of inadequate levels of basic research, faculty shortages and antiquated equipment in several ways. First, the legislation will encourage greater participation and collaboration by private firms with universities on basic research projects. Basic research—which is the prime focus of university research endeavors—is inherently risky but is necessary to insure that the United States continues to achieve breakthroughs in the foundations of basic scientific knowledge which ultimately give rise to economic growth through technological innovation. Increased corporate funding for university research also will provide the universities with the resources to attract scientific faculty and to modernize laboratory facilities.

The mechanism which the legislation employs to further encourage corporate funding of university basic research projects is the creation of a new credit equal to 25 percent of that portion of a corporation's payments to universities for basic research which exceeds a fixed, maintenance-of-effort floor. This maintenance-of-effort floor is calculated as the greater of the annual average of university basic research payments made by the corporation over 1981–83 or 1 percent of the corporation's average annual R&D budget—including university basic research payments—over 1981–83. The portion of the corporation's university basic research payments which is not in excess of this maintenance-of-effort floor continues to be treated, as under present law, as contract research expenses eligible for purposes of computing the regular incremental R&D credit presently available under code section 44F.

B. ENHANCED DEDUCTION FOR CORPORATE DONATIONS OF SCIENTIFIC EQUIPMENT TO POST-SECONDARY SCHOOLS

The second way in which the legislation promotes university scientific education is through expansion of the present enhanced deduction to corporate contributors of scientific and technical equipment and apparatus given to colleges, universities, junior colleges, and post-secondary vocational schools for use in research or research training by means of the following:

Eligible uses of the property are expanded to include direct scientific education as well as research and research training;

Donations of computer software are made eligible for the deduction so as to provide the university with a turnkey package.

Donations of state-of-the-art equipment used in the taxpayer's trade or business are made eligible for the deduction; and

Donations of standard maintenance and repair service contracts made in conjuction with donations of hardware are made eligible for the deduction, thereby freeing the recipient university from the high cost of servicing the donated equipment.

C. CLARIFICATION OF EXCLUSION FROM INCOME OF SCHOLARSHIPS, GRANTS AND STUDENT LOAN FORGIVENESS RECEIVED BY CERTAIN GRADUATE STUDENTS IN THE SCIENCES

The legislation clarifies that scholarships, grants, and student loan forgiveness received by graduate students in the physical or biological sciences, mathematics, or engineering will be excluded from such student's gross income, even though he or she is required to perform future teaching services for any of a broad class of institutions of higher education as a condition of receiving such scholarship, grant, or loan forgiveness. This program is intended to encourage expanded use of scholarships, grants, and forgiveness of student loans conditioned upon the performance of future university-level teaching services in the sciences as a means of encouraging graduate students in the sciences to enter into a teaching career.

III. CONCLUSION

The provisions described above have in many cases been taken from a number of bills which have previously been introduced but have been refined in consultation with the Treasury Department and interested groups. As a result, it is my hope that the administration will be able to support most if not all of the provisions of this bill. The administration does support an extension of the existing R&D credit, but prefers an extension for a specified number of years rather than making the credit permanent. The administration also strongly supports the enactment of a new definition of R&D for credit purposes; the defini-

tion contained in this bill has been reviewed by the Treasury Department, and they agree it provides a constructive initial framework for further analysis and refinement of this most difficult issue.

Further, the administration has stated its support for the concept of expanded incentives for corporate funding of university research; the specific mechanism for accomplishing that goal in this bill is under current review by Treasury and other interested agencies in the administration. Finally, the provisions relating to equipment donations to universities and the tax treatment of scholarships and loans to graduate students have been favorably reviewed by the Treasury Department, with the exception of the provision relating to donation of service contracts. Thus, the bill we are introducing represents the first step toward bipartisan administration-supported legislation to encourge industrial research, university research and scientific education.

While we do not yet have a current revenue estimate of all of the bill's provisions, the overall cost of the bill is likely to be modest. The extension of the R&D credit will have no revenue impact until fiscal 1986. The revised definition of R&D eligible for the credit will likely increase revenues significantly compared to present law, since the present law definition permits taxpayers to take a broader interpretation of the credit provision. Finally, the university research and equipment donations provisions individually involve relatively minor revenue losses.

We have worked hard with Treasury and interested private groups to develop this bill for introduction before the end of this session so that it can receive careful review and consideration by Members of Congress and the interested public between sessions. It is my hope that hearings can be held on the bill as early as possible next year and that the Congress can then proceed to enact its provisions at an early date during the next session.

Mr. President, I ask unanimous consent that the text of the bill, a factsheet explaining the bill, a technical explanation of the revised definition of R&D, and a letter to me from the Assistant Secretary of Treasury for Tax Policy, be printed in full in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FACT SHEET REGARDING THE "HIGH TECHNOLOGY RESEARCH AND SCIENTIFIC EDUCATION ACT OF 1983"

SUMMARY

I. Improvement and Extension of the R&D Credit—1. The R&D credit is made permanent.

2. The definition of qualified research for R&D credit purposes is clarified and narrowed somewhat to ensure that the credit fulfills the purposes for which it was enacted.

3. Depreciation of research equipment is made eligible for the R&D credit. The special 3-year ACRS category for research equipment is eliminated, thereby placing such equipment in the standard 5-year category for ACRS purposes. "Contract research expenses" are increased to 75 percent of the amount paid to others for research on the taxpayer's behalf to reflect the inclusion of research equipment depreciation as an eligible expense for credit purposes.

4. The R&D credit is made available to start-up corporations, to research joint ventures composed of corporations, and to other qualifying joint ventures.

II. PROMOTION OF UNIVERSITY RESEARCH AND SCIENTIFIC EDUCATION—A. Credit for Corporate Payments to Universities for Basic Research.—the Act creates a new credit equal to 25 percent of that portion of a corporation's payments to universities and other qualified non-profit, tax-exempt organizations for basic research which exceeds a fixed, historical maintenance-of-effort floor. This maintenance floor is calculated as the greater of (i) the annual average of university basic research payments made by the corporation over 1981-1983 or (ii) 1 percent of the corporation's average annual R&D budget (including university basic research payments) over 1981-1983.

B. Enhanced Deduction for Corporate Donations of Scientific Equipment to Post-Secondary Schools.—the Act expands the present enhanced deduction to corporate contributors of scientific and technical equipment and apparatus given to colleges, universities, junior colleges, and post-secondary vocational schools for use in research or reseach training by means of the following:

Eligible uses of the property are expanded to include direct scientific education as well as research and research training; donations of computer software are made eligible for the deduction; donations of state-of-the-art, equipment used in the taxpayer's trade or business are made eligible for the deduction; donations of standard maintenance and repair service contracts made in conjunction with donations of hardware are made eligible for the deduction.

c. Clarification of Exclusion from Income of Scholarships, Grants, and Student Loan Forgiveness Received by Certain Graduate Students in the Sciences.—The Act clarifies that scholarships, grants and student loan forgiveness received by graduate students in the physical of biological sciences, mathematics, or engineering will be excluded from such student's gross income, even though he or she is required to perform future teaching services for any of a broad class of institutions of higher education as a condition of receiving such scholarship, grant, or loan forgiveness.

DETAILED DESCRIPTION OF THE PROVISIONS OF THE "HIGH TECHNOLOGY RESEARCH AND EDUCATIONAL DEVELOPMENT ACT OF 1983

I. Title I: Improvement and Extension of the R&D Credit.—A. R&D Credit Made Permanent (Sec. 101 of the Act).—The Act eliminates the current sunset provision under which the R&D credit is due to expire on December 31, 1985, thereby making the credit permanent.

B. Improvement of the R&D Credit through Clarification of the Definition of Qualified Research for Credit Purposes (Sec. 102).—1. The Act adopts a new definition of qualified research for R&D purposes that is entirely separate from the definition of research or experimentation for section 174 deduction purposes. The new credit definition adopts as its starting point the definition of R&D for financial accounting purposes, subject to various modifications.

2. In general, qualified research for R&D credit purposes means (i) planned search or critical investigation (including basic research) undertaken for the purpose of discovering information which may be potentially useful in the development of a new or significantly improved business item of the taxpayer or (ii) applying the results obtained from a research activity or other knowledge to develop a new or significantly improved business item of the taxpayer, including the conceptual formulation, design testing, and reformulation of possible business item alternatives and the design, construction, and testing of prototypes, models, and pilot plants.

3. The objective at which qualified research is directed for R&D credit purposes—a business item—is defined to include a product (whether or not constituting tangible personal property so as to include computer software), process, technique, formula, invention, or a significant component part or element of a product or process, for sale, lease, license, or use by the taxpayer in a trade or business. It is intended that computer software that is separately developed by the taxpayer solely for internal use of the taxpayer (other than for use in (i) qualified research, (ii) a production process, or (iii) the performance for customers of services of which such software together with the corresponding hardware is the predominant component) will qualify for the R&D credit only where such software is truly innovative, as determined under regulations to be promulgated by Treasury.

4. The business item will qualify as "new or significantly improved" only where (i) the business is developed by means of the process of experimentation, including the development and testing of alternatives, and (ii) the functional aspect (i.e., function, performance, reliability, etc.) of the new characteristics or improvements outweigh the cosmetic, stylistic, taste, and seasonal design aspects.

5. The Act's revised definition of qualified research narrows the category of eligible activities for R&D credit purposes in four principal ways. First, the limitation of eligible R&D activities for credit purposes only to those directed toward predominantly functional improvements (e.g., function, performance, reliability, etc.) eliminates the entire category of style, cosmetic, taste, and seasonal design improvements often undertaken purely for marketing purposes and eliminates all improvements in which cosmetic changes dominate functional changes. Second, by requiring that the product or process be developed by the process of experimentation, including the development, testing, elimination, and refinement of alternatives, the Act's revised definition for credit purposes excludes a whole range of product development activities in which the specific alternative required to reach the desired result is readily discernible from the start and readily attainable without the significant risk reflected in the process of testing and experimentation. Third, the exclusions with respect to post-production activities generally, planning for commercial production, and adaptation of an existing product to specific customer needs will provide a more clear and enforceable line which will foreclose a taxpayer from claiming the

credit with respect to activities which no longer constitute product development but instead are part of the initial stages of commercial production. Finally, the Act seeks to ensure that software developed by the taxpayer for its internal use (other than in R&D, a plant process, or a computer service) will qualify for the credit only where such internal software is truly innovative.

C. Depreciation Added as a Qualified Research Expense for R&D Credit Purposes (Sec. 103).—1. The Act makes eligible for the R&D credit depreciation of research equipment that is allowable under section 167 (standard depreciation) or section 168 (ACRS.)

2. The special 3-year ACRS category for research equipment is eliminated, thereby placing such equipment in the standard 5-year category for ACRS deduction purposes.

3. "Contract research expenses" are increased to 75 percent of the amount paid to others for research on the taxpayer's behalf, to reflect the inclusion of research equipment depreciation as an eligible expense for credit purposes.

D. Availability of the R&D Credit for Start-Up Companies and Joint Research Ventures (Sec. 104).—1. The Act addresses the problem of the unavailability of the R&D credit under current law to start-up corporations which lack an active, ongoing business but which are undertaking research activities in an effort to create such a business. The Act provides that in-house and contract research expenses paid or incurred by a regular corporation (i.e., a corporation other than an S corporation, a personal holding company, or a service organization (such as an incorporated doctor)) will constitute qualified research expenses for credit purposes. In this way the credit would be made available to a start-up corporation as well as to an existing corporation participating in a new research endeavor seeking to expand and diversify beyond its existing trade or business.

2. The Act clarifies that, in general, in the case of research being conducted in partnership form, the "in carrying on" test under section 44F(b) is applied at the partnership level, and the credit is apportioned among the partners in accordance with the provisions of section 704 which govern partnership allocations generally. However, the Act carves out two exceptions to this general rule. First, in the case of a joint research venture comprised of regular corporations, the "in carrying on" test will be deemed to be satisfied, and the partnership's in-house and contract research expenditures can pass through to the partners and can be apportioned among them under section 704. Second, where not all of the members of the joint venture are regular corporations, but each member's own trade or business would satisfy the "in carrying on" test with respect to the partnership's research expenditures, the partnership's in-house and contract research expenses can flow through to the members and can be apportioned among them under section 704.

II. Title II: Promotion of University Research and Scientific Education.—A. Expansion of the Credit for University Basic Research (Sec. 201).—1. The Act creates a new credit equal to 25 percent of that portion of a corporation's payments to Universities and other qualified non-profit, tax-exempt organizations for basic research which exceeds a fixed, historical maintenance-of-effort floor. These amounts—termed "incremental university basic research amounts"—which exceed the floor are made ineligible for the present R&D credit and are excluded from the corporate taxpayer's base year research expenses for purposes of calculating the present R&D credit. The amounts which fall below the maintenance-of-effort floor remain eligible for the present R&D credit and are included in the base period for purposes of calculating the present R&D credit. The maintenance-of-effort floor is defined to be the greater of: (i) the annual average of all amounts paid by the corporate taxpayer which are treated as contract research expenses under the university research provision in section 44(e)(1) over the base period of 1981 through 1983; or (ii) 1 percent of the annual average of the corporate taxpayer's combined in-house research expenses, contract research expenses, and university basic research payments over the base period of 1981 through 1983.

2. The Act adds to the category of qualified organizations to whom corporate payments for basic research are eligible for the credit an organization that is tax-exempt under section 501(c)(3) or (c)(6), is organized and operated primarily to promote university scientific research; and expends on a current basis substantially all of its funds through grants and contracts for such university basic research.

3. The Act disallows the R&D credit for corporate transfers to universities and other qualified organizations of property which is eligible for the enhanced deduction for scientific equipment donations.

B. Enhanced Deduction for Corporate Donations of Scientific Equipment to Post-Secondary Schools (Sec. 202).—the Act expands the present enhanced deduction by means of the following:

Eligible uses of the property are expanded to include direct scientific education as well as research and research training; donations of computer software are made eligible for the deduction; donations of state-of-the-art equipment used in the taxpayer's trade or business are made eligible for the deduction; donations of standard maintenance and repair service contracts made in conjunction with donations of hardware are made eligible for the deduction.

1. Eligible equipment.—scientific or technical equipment or apparatus that is new inventory in the hands of the taxpayer or is used in the taxpayer's business and is not more than 3 years old; computer software developed or purchased by the contributor; installation equipment and replacement parts.

2. Eligible uses.—substantially all of the use of the contributed property is for direct education of students and faculty, research or experimentation (within the meaning of section 174), or research training, in the United States in mathematics, engineering, or the physical or biological sciences.

3. Eligible services.—maintenance, repair, reconditioning, or similar services ordinarily provided by the contributor in a commercial sale or lease of such property.

4. Eligible donors.—all regular corporations (non-pass-through entities).

5. Eligible recipients.—universities, colleges, junior colleges, post-secondary vocational schools, and an association of these institutions.

6. Amount of the allowable deduction.—(a) New scientific equipment, computer hardware, and computer software.—fair market value, limited to the lesser of (i) the sum of basis plus one-half of the ordinary income gain that would have been realized by the contributor had the new inventory property instead been sold or (ii) twice basis.

(b) State-of-the-art scientific equipment used in the taxpayer's business.—the lesser of (i) fair market value or (ii) 150 percent of basis (computed without regard to adjustments for depreciation) less accumulated depreciation.

(c) Maintenance and repair services.—lesser of (i) fair market value of such services (as determined by the amount normally paid by customers for such services) or (ii) 150 percent of the costs of the taxpayer in providing such services, as reduced by the amount of the allowable section 162 business expense deduction in respect of such services.

C. Clarification of Exclusion from Income of Scholarships, Grants, and Student Loan Forgiveness Received by Certain Graduate Students in the Sciences.—The Act clarifies that scholarships, grants, and student loan forgiveness received by graduate students in the physical or biological sciences, mathematics, or engineering will be excluded from such student's gross income, even though he or she is required to perform future teaching services for any of a broad class of institutions of higher education as a condition of receiving such scholarship, grant, or loan forgiveness.

III. Effective dates.—1. The amendments in Title I of the Act which extend the R&D credit, modify the definition of qualified research for R&D purposes, and make the credit available to start-up companies and joint research ventures each will be effective for taxable years beginning after December 31, 1983. The amendments in Title I which make equipment depreciation a qualified expenses for credit purposes and increase the contract research expense percentage to 75 percent will apply to taxable years beginning after December 31, 1983. The amendment eliminating the special 3-year ACRS category for research equipment will apply to property placed in service in taxable years beginning after December 31, 1983.

2. The amendments in Title II which expand the credit for university basic research, expand the enhanced deduction for corporate donations of scientific equipment to universities and other post-secondary schools, and which clarify the exclusion from income of scholarships, grants, and student loan forgiveness will apply in taxable years beginning after December 31, 1983.

TECHNICAL EXPLANATION OF REVISED DEFINITION OF QUALIFIED RESEARCH FOR R&D TAX CREDIT PURPOSES

A. Basic Source of the Revised Definition of Qualified R&D for Credit Purposes: Definition for Financial Accounting Purposes.—In 1981, during initial consideration of an R&D credit, it was proposed that the definition of R&D eligible for the credit be derived from Financial Accounting Standards Board (FASB) Statement No. 2, paragraphs 8-10 (October, 1974) (hereinafter "FAS-2"), which established a definition of R&D for financial accounting purposes. This proposed definition—which in many ways was narrower than the present Code section 174 definition—was adopted with some modifications by the House Ways and Means Committee. See House Rept. 97-201, 97th Cong., 1st Sess. (1981) 113-116. However, the so-called "Hance-Conable" substitute ultimately adopted by the House and the Senate version of the R&D credit legislation merely incorporated for credit purposes the existing Code section 174 definition. Since the

FAS-2 definition has proven a useful definitional tool in the financial accounting context and constitutes a system with which taxpayers performing R&D generally are familiar, it would seem desirable to use the FAS-2 definition of R&D for Code section 44F credit purposes, subject to various revisions to address the valid concerns which have been expressed regarding the treatment of certain kinds of research activities and to reduce uncertainty and interpretative disputes with respect to various issues which have arisen under FAS-2. The Act's proposed amendment to Code section 44F(d) adopts this approach.

B. Definition of Qualified Research: In General.—The general definition of qualified research in proposed Internal Revenue Code section 44F(d)(1) mirrors the general definitional statement in the FAS-2 definition and the 1981 Ways and Means definition. The proposed provision divides the definition of qualified research into essentially research and development components. The first category of activities constituting qualified research is described as "planned search or critical investigation (including basic research) undertaken for the purpose of discovering information which may be potentially useful in the development of a new or significantly improved business item of the taxpayer." Proposed Code section 44F(d)(1)(A). The "planned search or critical investigation" concept is commonly used and is intended to describe the process of research itself. The purpose for which such investigative activity is undertaken is stated in sufficiently broad terms to make clear that basic research, which by definition lacks specific commercial application, is included within the definition.

The second general category of activities constituting qualified research for credit purposes focuses on the application of research results or other knowledge to develop a new or significantly improved business item. See Proposed Code section 44F(d)(1)(B). In order to clarify the portion of the continuum of activities between basic research and production which qualifies as R&D for credit purposes, proposed Code section 44F(d)(1)(B) adds the amplifying statement (intended to be illustrative rather than exclusive): "including the conceptual formulation, design, testing, and reformulation of possible business item alternatives and the design, construction, and testing of prototypes, models, and pilot plants." This proposed Code section 44F(d)(1)(B) is intended to be read together with the exclusion in proposed Code section 44F(d)(2)(A) as further clarification with respect to the point on the continuum at which qualifying R&D activities cease for credit purposes and nonqualifying production activities commence.

This overall definitional framework geneally should be noncontroversial. Within this framework there are two distinct, but interrelated, conceptual issues. The first issue focuses on the point on the continuum between basic research and actual commerical production at which qualifying production is deemed to commence. The Act addresses this conceptual issue in the statment of the general definition described above (in proposed Code section 44F(d)(1)), as read together with the exclusion to the general definition in proposed Code section 44F(d)(2)(A). The second conceptual issue focuses on the nature of the end product or process intended to be developed. The inquiry here is on the qualities which a product of process (as well as the research activity which gives rise to such product or process) must possess in order to be eligible for the credit. This second conceptual issue is addressed in the context of what contitutes a " new or significantly improved" business item (in proposed Code section 44(d)(3)).

The Act's revised definition of qualified research narrows the category of eligible activities for R&D credit purposes in four principal ways. First, the limitation of eligible R&D activites for credit purposes only to those directed toward predominanitly functional improvements (e.g., function, performance, reliability, etc.) eliminates the entire category of style, cosmetic, taste, and seasonal design improvements often undertaken purely for marketing purposes and eliminates all improvements in which cosmetic changes dominate functional changes. Second, by requiring that the product or process be developed by the process of experimentation, including the development, testing, elimination, and refinement of alternatives, the Act's revised definition for credit purposes excludes a whole range of product development activities in which the specific alternative required to reach the desired result is readily discernible from the start and readily attainable without the significant risk reflected in the process of testing and experimentation. Third, the exclusions with respect to post-production activities generally, planning for commercial production, and adaptation of an existing product to specific customer needs will provide a clearer and more enforceable line which will foreclose a taxpayer from claiming the credit with respect to activities which no longer constitute product development but instead are part of the initial stages of commercial production. Finally, the Act seeks to ensure that software developed by the taxpayer for its internal use (other than in R&D, a plant process, or a computer service) will qualify for the credit only where such internal software is truly innovative.

C. The Definition of a New or Significantly Improved Business Item.—The Act requires that the objective at which the R&D is directed be a "new or significantly improved" business item. *See* Proposed Code section 44F(d)(1). This phrase mirrors the wording of FAS-2 and the 1981 Ways and Means bill, but under the attached proposal the phrase is given a more restrictive definition. Proposed Code section 44F(d)(3) provides that a business item will be deemed to be "new or significantly improved" only if: (1) the business item is developed by means of the process of experimentation, including use of testing in search for or evaluation of alternatives; and (2) the predominant portion of the new characteristics or improvement of such business item relates to such factors as function, performance, reliability, quality, or cost, rather than to style, taste, cosmetic, or seasonal design factors.

1. The Experimentation Requirement.—The first requirement in proposed Code section 44F(d)(3) for a "new or significantly improved" business item focuses on the process by which the item is to be developed. To meet this requirement, the development of the business item must be by means of the process of experimentation in which alternatives are developed and tested and refined or discarded.

This requirement addresses the general concern expressed that the R&D credit should not be available for "routine" alterations to existing products or processes, product development activities which involve no significant risk as to attainment of the desired objective, and the mere replication of another's product or process. It is important that these issues be addressed in a way which avoids the use of vague or potentially overbroad concepts such as "routine alterations" and "substantial risk." Such concepts can be implemented only by a subjective examination of every specific case, creating a potentially unworkable situation for both the Internal Revenue Service and taxpayers.

The concept of experimentation is adopted in order to avoid these problems. In general terms the definition of "experimentation" is reasonably obvious: the term denotes the scientific process under which various alternatives are developed, tested, or refined or discarded in an attempt to reach a given objective as to a product or process. See, e.g., National Science Foundation, Research and Development in Industry 1971 (U.S.G.P.O. 1973), 19. Thus, in the context of the attached proposal the term "experimentation" generally refers to the process beginning with: (a) formulating objectives for a new or improved model, plant process, products, formula, invention, or similar property; (b) formulating and designing alternatives to achieve such objectives; (c) testing these alternatives to determine their respective abilities to fulfill the desired criterial; and leading to (d) refining and ultimately choosing among those alternatives in light of the knowledge derived from the tests in a continuous process of testing and redesign.

The concept of experimentation as described above provides an administrable framework for separating out truly "routine" or "mundane" activities from those activities involving a significant risk that specific alternatives will not give rise to a usable result. If a taxpayer can show (through working papers setting forth the history of the project) that alternatives were in fact developed and tested, and that some were discarded and others adopted and refined, the experimentation concept will have been met. And indeed, in such situations the fact that experimentation was undertaken means the activities were not "mundane" or "routine" and involved some risk that specific alternatives would not given rise to a usable result.

2. Functional Improvement Requirement.—The second requirement of a "new or significantly improved" business item is that the characteristics of the item which give rise to its newness or improvement msut predominantly relate to such factors as function, performance, reliability, quality, or cost, rather than to such factors as style, taste or cosmetic or seasonal design. This requirement is not contained in such a direct form either in FAS-2 or in any interpretation of existing Code section 174. Under this requirement activities in developing many new products (*e.g.*, new foods resulting from new recipes and clothes resulting from new designs) would be denied qualification for the credit. Moreover, under this requirement seasonal and routine model changes with respect to existing products undertaken primarily for nonfunctional purposes would be denied credit eligibility.

D. Exclusions from the General Definition of R&D for Credit Purposes.—1. Post-Production Costs.—The exclusion set forth in proposed Code section 44F(d)(2)(A) fixes the point on the continuum at which R&D ends and production begins. Proposed Code section 44F(d)(2)(A) excludes from the category of qualified R&D for credit purposes any activity with respect to a new or signifi-

cantly improved business item after such item has been fully developed to the point where it constitutes a finished business item which meets the specific functional and economic requirements of the taxpayer for that item and is ready for commercial sale or use. The exclusion as outlined above will operate to restrict taxpayers' current flexibility to treat post-production expenditures, such as the costs of minor "debugging," as eligible for the credit.

While the exclusion in the Act thus more clearly excludes many post-production activities than present law, under the provisions of the Act the significant redesign of a product after commercial production has begun would continue to qualify as R&D for credit purposes. Particularly in high technology industries the development of new products is fraught with such risk and uncertainty that major, unforeseen problems at times do surface only after the product is first placed in service in a real world environment. Once these types of problems are discovered, substantial redesign, testing, and experimentation efforts may be required to make a product perform as originally specified. These efforts should properly be viewed as part of the initial research and development with respect to the product even though the efforts occur after the product has been introduced into commercial production. The Act would permit this result.

Thus, on balance, the exclusion set forth in proposed Code section 44F(d)(2)(A) represents a clearer, more realistic, and more readily-applied means of excluding nonqualifying post-production activities than an approach which would exclude "engineering "follow-through" and "trouble-shooting during commercial production." The terms "follow-through" and "trouble-shooting" fail to reflect the fundamental distinction between nonqualifying debugging after commercial production has begun and those instances in which the problems with the product or process are so significant as to necessitate substantial redesign and further testing and experimentation. The language of proposed Code section 44F(d)(2)(A) attempts to clarify this distinction while making clear that generally any activities related to a product after the beginning of commercial production are not qualified research for credit purposes.

2. Planning for Commercial Production.—As described above, activities undertaken to develop a new or significantly improved business item generally are treated as qualified research for credit purposes up to the point where the item meets the specifications of the developer and is ready for commerical sale or use. This formulation leaves open the question as to the proper treatment of the activities which give rise to the plant process, equipment or facilities necessary to commerically produce a product which itself clearly new or significantly improved. For example, a clearly new generation product sometimes can (at least at certain stages) be manufactured using processes and equipment which are not significantly different than those that were used to manufacture the earlier generation product. In such cases the activities to plan and prepare for the commercial production of the new product should not be treated as qualified research for credit purposes. The Act accomplishes this result by stating that a taxpayer must make a separate showing that the production process itself is new or significantly improved (apart from the product undergoing manufacture) before the activities relating to the production process will be treated as qualified research for credit purposes.

This exclusion is clearer and in at least some ways broader than the exclusions set forth in FAS-2 and in the proposed regulations under Code section 174, under which the routine design of tools, jigs, molds, dies, production lines, manufacturing processes and other ongoing operations are excluded. Assuming a fairly narrow definition of the word "routine," these exclusions in FAS-2 and the proposed regulations under Code section 174 could have fairly limited application.

3. Adaptation to a Specific Customer's Requirements.—The Act excludes from qualified R&D for credit purposes any activity directed toward the adaptation of an existing business item to a particular requirement or customer's need as part of a continuing commercial activity where such adaptation will not result in a new or significantly improved business item. The mere fact that an activity is directed at an "adaptation" should not be determinative. An "adaptation" may necessitate substantial advances in the design of the product which result in an improvement in the product or a new product as it is thereafter sold to other customers. If so, the activities undertaken in that adaptation clearly should qualify as research for purposes of the R&D credit. Such a result is consistent with existing Code section 174 interpretations; in such cases the courts (and the IRS) have focused on whether any adaptation affects the "concept" of the product (e.g., the general product design or prototype) on a continuing basis instead of being entirely limited to a single customer application.

While the exclusion described above should apply to the costs of "customizing" various features of an existing product of the taxpayer to suit a particular customer's environment or needs, it is intended that the exclusion not affect the continued qualification for credit purposes of the costs of designing and developing a new product for a single customer even where that process begins with an existing underlying technology (and perhaps some existing components). With respect to such custom-designed new products, the rules should not be changed from that under existing law. See Rev. Rul. 73-275, 1973-1 C.B. 134. The crucial consideration under the exclusion should be whether any adaptation of an existing business item will result in a new or significantly improved business item generally.

4. Other Exclusions.—The remaining exclusions from qualified R&D for credit purposes set forth in proposed Code section 44F(d)(2)(C)-(G) represent exclusions existing under current law, either under existing Code section 44F(d)—foreign research, social science or humanities research, or research funded by another person—or under Code section 174—management studies, market research and development, and testing for quality control. Problems have been raised with respect to at least one of these exclusions (specifically, research which relates to a contract with the Federal Government). This problem is not addressed in the Act but should be considered in the legislative history.

E. Definition of Business Item.—The Act uses the term "business item" to describe the category of development objectives to which qualifying R&D may be directed for credit purposes. Proposed Code section 44F(d)(4) defines "business item" generally as a product (whether or not such product constitutes tangible personal property), process, technique, formula, invention, or a significant component part or element of a product or process. The definition in proposed Code section 44F(d)(4) includes business items developed for sale, lease, or license to customers or for use by the taxpayer in his trade or business.

The definition of business item is drafted to include computer software. However, the definition also includes a proviso that computer software that is separately developed by the taxpayer for most internal uses (primarily to perform in-house general and administrative (G&A), management, or sales functions of the taxpayer or to help provide professional or personal (non-computer) services to clients) is to be treated as a business item to the extent provided in regulations to be issued by Treasury. This proviso is intended to address the concern that specific standards should apply to assure that only truly innovative software will qualify for the credit where such software is developed for internal G&A or professional or personal services uses.

DEPARTMENT OF THE TREASURY,
Washington, D.C., November 17, 1983.

Hon. JOHN C. DANFORTH,
U.S. Senate, Washington, D.C.

DEAR JACK: This is in response to your request for Treasury's views on a bill, the "High Technology Research and Scientific Education Act of 1983," which you intend to introduce this session.

The bill, which was developed in consultation with us and representatives of a number of industry and educational organizations, would make permanent the current credit for qualified research and experimental expenses while refining the definition of qualified research to help ensure that the credit is targeted to those truly innovative activities which warrant this special incentive. In addition, the bill would enhance the current credit for basic research and would broaden the current increased deduction available for charitable gifts of scientific equipment for use by colleges and universities for research and research training in a number of respects.

We believe the proposed legislation represents a positive first step toward achieving the goal of providing effective and efficient incentives for innovative research and experimental activities within the framework of sound tax policy. As I would like to discuss with you further, some of the provisions of the bill we cannot support. Others, such as the definition of qualified research, we believe need further study. However, I am confident that with the continued work and cooperation of our staffs and industry representatives, we can come to a mutually satisfactory agreement with respect to most of the bill's provisions.

I hope this is satisfactory for your purpose at this time.

Sincerely,

JOHN E. CHAPOTON,
Assistant Secretary.

S. 2165

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the "High Technology Research and Scientific Education Act of 1983".

(b) AMENDMENT OF THE 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is ex-

pressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

TITLE I—THE CREDIT FOR INCREASING RESEARCH ACTIVITIES: ACRS FOR R&D EQUIPMENT

SEC. 101. EXTENSION OF THE R&D CREDIT.

Section 221 of Public Law 97-34 (95 Stat. 172) hereby is amended by striking in paragraph (1) of subsection (d) the words ", and before January 1, 1986." and by inserting a period immediately following the words "June 30, 1981" and is further amended by striking the last sentence in subparagraph (d)(2)(A).

SEC. 102. MODIFICATION OF THE DEFINITION OF QUALIFIED RESEARCH FOR CREDIT PURPOSES.

Section 44F hereby is amended by striking subsection (d) and by inserting in lieu thereof the following:

"(d) QUALIFIED RESEARCH.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified research' means—

"(A) planned search or critical investigation (including basic research) undertaken for the purpose of discovering information which may be potentially useful in the development of a new or significantly improved business item of the taxpayer, or

"(B) applying the results obtained from an activity described in subparagraph (A) or other knowledge to develop a new or significantly improved business item of the taxpayer, including the conceptual formulation, design, testing, and reformulation of possible business item alternatives and the design, construction, and testing of prototypes, models, and pilot plants.

"(2) EXCLUSIONS.—The term 'qualified research' does not include—

"(A) any activity with respect to a new or significantly improved business item after such business item has been fully developed to the point where it constitutes a finished business item which meets the specific functional and economic requirements of the taxpayer for that item and is ready for commercial sale or use;

"(B) any development of plant processes, machinery, or techniques for commercial production of a new or significantly improved business item, except where such process, machinery, or technique itself constitutes a new or significantly improved business item (within the meaning of paragraphs (3) and (4) of this subsection);

"(C) any adaptation of an existing business item to a particular requirement or customer's need as part of a continuing commercial activity, where such adaptation will not result in a new or significantly improved business item;

"(D) any efficiency surveys, management studies, market research, market testing and development (such as advertising or promotions), routine data collections, or routine or ordinary testing or inspection of materials or business items for quality control;

"(E) any activity conducted outside of the United States;

"(F) any activity in the social sciences, arts or humanities;

"(G) any activity to the extent funded by any grant, contract, or otherwise by any person (or any governmental entity); and

"(H) any activity undertaken for the purpose of ascertaining the existence, location, extent, or quality of any deposit of ore or other mineral (including oil and gas).

"(3) NEW OR SIGNIFICANTLY IMPROVED.—A business item (as defined in paragraph (4)) sought by the taxpayer shall be 'new or significantly improved' if—

"(A) such business item is developed by means of the process of experimentation, including testing in search for or evaluation of alternatives, and

"(B) the predominant portion of the new characteristics or improvement of such business item sought by the taxpayer relates to such factors as function, performance, reliability, quality, or cost, rather than to style, taste, cosmetic, or seasonal design factors.

"(4) BUSINESS ITEM—The term 'business item' means a product (whether or not constituting tangible personal property), process, technique, formula, invention, or a significant component part or element of a product or process, for sale, lease, license, or use by the taxpayer in a trade or business; provided however, that computer software that is separately developed by the taxpayer solely for internal use of the taxpayer (other than for use in (i) qualified research (within the meaning of this subsection (d)), (ii) a production process, or (iii) the performance for customers of services of which such software together with the corresponding hardware is the predominant component) shall be treated as a business item for purposes of this section to the extent provided for by regulations to be prescribed by the Secretary."

SEC. 103. INCLUSION OF EQUIPMENT DEPRECIATION AS A QUALIFIED RESEARCH EXPENSE FOR CREDIT PURPOSES; ELIMINATION OF SPECIAL ACRS R & D EQUIPMENT CATEGORY.

(a) ELIGIBILITY OF DEPRECIATION FOR THE CREDIT.—Subparagraph (A) of section 44F(b)(2) is amended by adding after clause (iii) the following new clause:

"(iv) any amount deductible under section 167 or section 168 in respect of tangible personal property used in the conduct of qualified research."

(b) ELIMINATION OF SPECIAL 3-YEAR ACRS CATEGORY FOR RESEARCH EQUIPMENT.—Paragraph (2) of section 168(c) is amended by striking subparagraph (A) and inserting in lieu thereof the following:

"(A) 3-YEAR PROPERTY.—The term '3-year property' means section 1245 class property with a present class life of 4 years or less."

(c) MODIFICATION OF CONTRACT RESEARCH EXPENSE AMOUNT TO REFLECT INCLUSION OF DEPRECIATION.—Subparagraph (A) of section 44F(b)(3) is amended by striking the words "65 percent" and inserting in lieu thereof the words "75 percent".

SEC. 104. AVAILABILITY OF THE CREDIT TO CORPORATIONS AND TO PARTNERSHIPS AND OTHER JOINT RESEARCH VENTURES.

(a) AVAILABILITY TO CORPORATIONS.—Paragraph (1) of section 44F(b) is amended by adding at the end thereof the following new sentence: *"Provided, however,* That all in-house research expenses and contract research expenses paid or incurred by a corporation (as defined in section 7701(a)(3)), other than an S corporation (as defined in section 1361(a)), a personal holding company (as defined in section 542), and a service organization (as defined in section 414(m)(3)), shall constitute qualified research expenses for purposes of this section."

(b) AVAILABILITY TO PARTNERSHIPS AND OTHER JOINT RESEARCH VENTURES.—Section 44F(f) is amended by striking subparagraph (2)(B) and by adding in lieu thereof the following new paragraph (3):

"(3) TRADE OR BUSINESS REQUIREMENT AND ALLOCATION IN THE CASE OF PARTNERSHIPS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), an in-house research expense or contract research expense paid or incurred by a partnership is a qualified research expense of the partnership if the expense is paid or incurred by the partnership in carrying on a trade or business of the partnership as determined at the partnership level without regard to the trade or business of any partner. In the case of a partnership to which this subparagraph applies, the credit under this section shall be apportioned among the partners in accordance with section 704.

"(B) EXCEPTION FOR CERTAIN JOINT VENTURES.—An in-house research expense or a contract research expense paid or incurred by a partnership other than in carrying on a trade or business of the partnership constitutes a qualified research expense for purposes of this section if—

"(i) the partnership elects to be treated under this subparagraph (B) in lieu of treatment under subparagraph (A), and

"(ii) either of the following conditions is met:

"(I) each partner is a corporation (as defined in section 7701(a)(3)), other than an S corporation (as defined in section 1361(a)), a personal holding company (as defined in section 542), and a service organization (as defined in section 414(m)(3)), or

"(II) if each partner had conducted directly the research that was conducted by or on behalf of the partnership, all of the inhouse and contract research expenses paid or incurred by the partnership would have been paid or incurred by that partner in carrying on a trade or business of that partner.

"For purposes of this section only, qualified research expenses to which this subparagraph (f)(3)(B) applies shall be treated as paid or incurred directly by the partners and shall be apportioned among the partners during the taxable year in accordance with section 704. Where all of the conditions under subparagraph (f)(3)(B) are satisfied, the limitation under subparagraph (g)(1)(B) on the amount of the credit available under this section shall be inapplicable."

(c) OTHER TECHNICAL AND CLERICAL AMENDMENTS.—

(1) Paragraph (2) of subsection (f) of Section 44F is further amended to read:

"(2) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.——Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply."

(2) Existing paragraphs (3), (4), and (5) of subsection (f) of section 44F are redesignated as paragraphs (4), (5), and (6), respectively.

SEC. 105. EFFECTIVE DATE.

The amendments made by sections 101, 102, and 104 of title I of this Act shall apply to taxable years beginning after December 31, 1983. The amendments made by section 103 (a) and (c), for purposes both of computing the credit allowable under Code section 44F(a)(1) and computing base period research expenses under Code section 44F(c), shall apply to taxable years beginning after December 31, 1983. The amendments made by section 103(b) shall apply to property placed in service in taxable years beginning after December 31, 1983.

TITLE II—PROMOTION OF UNIVERSITY RESEARCH AND SCIENTIFIC EDUCATION

SEC. 201. EXPANSION OF THE CREDIT FOR UNIVERSITY BASIC RESEARCH.

(a) CREDIT FOR UNIVERSITY BASIC RESEARCH PAYMENTS IN EXCESS OF MAINTENANCE-OF-EFFORT LEVEL.—Subsection (a) of section 44F is amended to read as follows:

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 25 percent of—

"(1) the excess (if any) of—

"(A) the qualified research expenses for the taxable year over

"(B) the base period research expenses; and

"(2) the incremental university basic research amount (as defined in subsection (e)(2)(B))."

(b) DEFINITIONS AND SPECIAL RULES RELATING TO PAYMENTS FOR UNIVERSITY BASIC RESEARCH.—Subsection (e) of section 44F is amended to read as follows:

"(e) CREDIT AVAILABLE WITH RESPECT TO PAYMENTS TO COLLEGES, UNIVERSITIES, AND CERTAIN QUALIFIED ORGANIZATIONS FOR BASIC RESEARCH.—

"(1) IN GENERAL.—75 percent of any amount paid or incurred in any taxable year by a corporation to any qualified organization for basic research which (except in the case of an organization which is described in subsection (e)(3) (C) or (D)) is to be performed by such organization shall be treated as contract research expenses paid or incurred in carrying on a trade or business of the taxpayer in that taxable year (without regard to the provisions of subsection (b)(3)(B)). The preceding sentence shall apply only if the amount is paid or incurred pursuant to a written agreement between the corporation and the qualified organization.

"(2) PORTION NOT INCLUDED IN INCREMENTAL CREDIT COMPUTATION.—

"(A) IN GENERAL.—For purposes of determining the amount of credit allowable under subsection (a)(1) of this section for any taxable year, the incremental university basic research amount (as defined in subparagraph (B)) shall not be treated as a qualified research expense under subsection (a)(1)(A) and shall not be included in the computation of base period research expenses under subsection (a)(1)(B).

"(B) INCREMENTAL UNIVERSITY BASIC RESEARCH AMOUNT.—For purposes of this section, the term 'incremental university basic research amount' shall mean that portion of the amount treated as contract research expenses for the taxable year under subsection (e)(1) which exceeds the maintenance-of-effort amount (as defined in subparagraph (C)).

"(C) MAINTENANCE-OF-EFFORT AMOUNT.—For purposes of this section, the term 'maintenance-of-effort amount' shall mean the greater of:

"(i) the average of all amounts treated as contract research expenses under subsection (e)(1) for each of the three taxable years immediately preceding the taxable year beginning after December 31, 1983; or

"(ii) 1 percent of the average of the sum of all in-house research expenses, contract research expenses, and amounts treated as contract research expenses under subsection (e)(1) for each of the three taxable years immediately preceding the taxable year beginning after December 31, 1983.

"(3) QUALIFIED ORGANIZATION.—For purposes of this subsection, the term 'qualified organization' means—

"(A) any educational organization which is described in section 170(b)(1)(A)(ii) and which is an institution of higher education (as defined in section 3304(f)),

"(B) any other organization which—

"(i) is described in section 501(c)(3) and is exempt from tax under section 501(a),

"(ii) is organized and operated primarily to conduct scientific research, and

"(iii) is not a private foundation, or

"(C) any organization which—

"(i) is described in section 501(c) (3) or (6) and is exempt from tax under section 501(a),

"(ii) is organized and operated primarily to promote scientific research by qualified organizations (within the meaning of subsection (e)(3)(A)) pursuant to written research agreements, and

"(iii) expends on a current basis substantially all of its funds through grants or contracts for basic research by an organization (described in subsection (e)(3)(A)).

"(D) any organization not described in subparagraph (B) or (C) which—

"(i) is described in section 501(c)(3) and is exempt from tax under section 501(a) and is not a private foundation,

"(ii) is established and maintained by an organization established before July 10, 1981, which meets the requirements of clause (i),

"(iii) is organized and operated exclusively for purposes of making grants pursuant to written research agreements to organizations described in paragraph (3)(A) for purposes of basic research, and

"(iv) makes an election, revocable only with the consent of the Secretary, to be treated as a private foundation for purposes of this title (other than section 4940, relating to excise tax based on investment income).

"(4) BASIC RESEARCH.—The term 'basic research' means any original investigation for the advancement of scientific knowledge not having a specific commercial objective, except that such term shall not include—

"(A) basic research conducted outside of the United States, and

"(B) basic research in the social sciences or humanities.

"(5) CERTAIN CORPORATIONS NOT ELIGIBLE.—For purposes of this subsection, the term 'corporation' (as defined in section 7701(a)(3)) shall not include—

"(A) an S corporation (as defined in section 1361(a)),

"(B) a personal holding company (as defined in section 542), and

"(C) a service organization (as defined in section 414(m)(3))."

(c) DISALLOWANCE OF CREDIT FOR CONTRIBUTIONS OF CERTAIN SCIENTIFIC PROPERTY USED FOR RESEARCH.—Section 44F(f) is amended by adding at the end thereof the following new paragraph:

"(7) SPECIAL RULE FOR CONTRIBUTIONS OF SCIENTIFIC PROPERTY USED FOR RESEARCH.—For purposes of this section, no amount for which a deduction is allowable under section 174A shall be treated as a qualified research expense."

(d) Effective Date.—The amendments made by section 201 of Title II of this Act, for all purposes including the computation of the allowable credit under Code section 44F(a) and the determinations made under paragraphs (1) and (2) of Code section 44F(e), shall apply to taxable years beginning after, December 31, 1983.

SEC 202. DEDUCTION FOR CONTRIBUTIONS OF SCIENTIFIC AND TECHNICAL PROPERTY FOR USE IN SCIENTIFIC EDUCATION.

(a) The Internal Revenue Code of 1954 is hereby amended by striking paragraph (4) of subsection (e) of section 170, and is further amended by adding to part VI of subchapter B of chapter 1, as a new section 174A, the following

"SEC. 174A. CONTRIBUTIONS OF SCIENTIFIC AND TECHNICAL PROPERTY USED FOR EDUCATION AND RESEARCH.

"(a) ALLOWANCE OF DEDUCTION.—There shall be allowed as a deduction any qualified education or research contribution (as defined in subsection (b)) which is made within the taxable year.

"(b) QUALIFIED EDUCATION OR RESEARCH CONTRIBUTION.—For purposes of this section, the term 'qualified education or research contribution' means a transfer, made without consideration, by a corporation of qualified scientific property or qualified services to an educational organization which is described in section 170(b)(1)(A)(ii) and that is an institution of higher education (as defined in section 3304(f)) or to an association, substantially all of whose members are educational organizations described in section 170(b)(1)(A)(ii) that are institutions of higher education.

"(c) QUALIFIED CONTRIBUTIONS.

(1) QUALIFIED SCIENTIFIC PROPERTY.—For purposes of this section, the term 'qualified scientific property' shall mean computer software or tangible personal property that is described in paragraph (1) of section 1221 or that is property used in the taxpayer's trade or business (as defined in section 1231(b)) and which is transferred to an organization described in subsection (b), but only if—

"(A) such transfer is made through the governing body of the recipient,

"(B) such property is scientific or technical equipment or apparatus, or replacement parts therefor, substantially all of the use of which by the recipient is for direct education of students or faculty, for research and experimentation (within the meaning of section 174), or for research training, in the United States, in mathematics, the physical or biological science, engineering, or computer science, physical, biological, computer, or engineering technologies, and electronic and automated industrial, medical, and agricultural equipment and instrumentation operation,

"(C) such transfer is made—

"(i) in the case of personal property described in paragraph (1) of section 1221, not later than 6 months after the date upon which the assembly of the property is substantially completed, or

"(ii) in the case of tangible personal property used in a taxpayer's trade or business (as defined in section 1231(b)), not more than 3 years after the property is first placed in service,

"(D) in the case of a transfer of tangible personal property that is described in paragraph (1) of section 1221, such tansfer is of property which is at least 50 percent assembled by the taxpayer, and the taxpayer is regularly engaged in the business of assembling and selling or leasing scientific or technical equipment or apparatus of the same kind as such property,

"(E) in the case of a transfer of tangible personal property that is described in paragraph (1) of section 1221, the original use of such property is by the recipient,

"(F) the transferred property is not retransferred by the recipient in exchange for

money, other property, or services within 5 years of the date of the original transfer to recipient,

"(G) the taxpayer receives from the governing body of the recipient a written statement, executed under penalties of perjury, representing that the use and disposition of the property by the recipient will be in accordance with the provisions of subparagraphs (B) and (F),

"(H) except in the case of property that is computer software or replacement parts, the value of the property transferred exceeds $250,

"(I) such transferred property is accompanied by the same warranty or warranties normally provided by the manufacturer in connection with a sale of the equipment or apparatus transferred, and

"(J) in the case of a transfer of property that is used in the taxpayer's trade or business (as defined in section 1231(b)), the property is functional and usable in the condition in which it is transferred for the purposes described in subsection (c)(1)(B), without the necessity of any repair, reconditioning, or other similar investment by the recipient and the statement required under subsection (c)(1)(G) also represents that the property meets this requirement.

"(2) QUALIFIED SERVICES.—For purposes of this section, the term 'qualified services' shall mean any standard contract between the taxpayer and any recipient described in subsection (b), in connection with any transfer of qualified scientific property, for maintenance, repair, reconditioning, or any other similar services normally made available by the taxpayer to its customers in connection with the sale or lease of property of the same kind.

"(d) AMOUNT OF ALLOWABLE DEDUCTION.—The amount of the deduction allowable under subsection (a) shall be—

"(1) in the case of tangible personal property that is described in paragraph (1) of section 1221 or of computer software, the fair market value of the property, limited to the lesser of (A) the sum of the taxpayer's basis in the property and one-half of the amount of gain which would not have been long-term capital gain if the property had been sold by the taxpayer at its fair market value (determined at the time of such transfer), or (B) twice the taxpayer's basis in the property;

"(2) in the case of tangible personal property that is used in the taxpayer's trade or business (as defined in section 1231(b)), the lesser of—

"(A) the fair market value of the property or

"(B) 150 percent of the taxpayer's basis in the property (without regard to adjustments under section 1016) less any adjustments under section 1016(a);

"(3) in the case of qualified services, the lesser of—

"(A) the fair market value of such services (as determined by the amount normally paid by customers of the taxpayers for such services), or

"(B) 150 percent of the direct cost of the taxpayer in providing such services,

reduced by the amount for which a deduction is allowable under section 162 in respect of such services.

"(e) LIMITATIONS ON ALLOWABLE DEDUCTION.—

"(1) AGGREGATE TAXABLE INCOME LIMITATION.—The deduction otherwise allowable under subsection (a) of this section shall not exceed, for any taxable year, 10 percent of the taxpayer's taxable income computed without regard to—

"(A) any deduction under this section,

"(B) section 170,

"(C) part VIII of subchapter B (except section 248),

"(D) any net operating loss carryback to the taxable year under section 172, and

"(E) any capital loss carryback to the taxable year under section 1212(a)(1),

less the taxpayer's total deductions under section 170(a) for the taxable year. Amounts exceeding this limitation may be carried forward in the same manner as a deduction under section 170.

"(2) PROPORTION OF PRODUCTS SOLD LIMITATION.—The deduction otherwise allowable under subsection (a) of this section shall not be allowed in the case of a contribution of otherwise qualified scientific property (excluding property used in the taxpayer's trade or business), where the taxpayer's total qualified education or research contributions of such property under this section in the taxable year, as determined on a product-by-product basis, exceed 20 percent of the number of units of each such product sold by the taxpayer in the ordinary course of its business in that taxable year.

"(f) DEFINITIONS.—For purposes of this section.—

"(1) the term 'substantially all' shall mean at least 80 percent;

"(2) the term 'corporation' shall not include—

"(A) an S corporation (as defined in section 1361(a)),

"(B) a personal holding company (as defined in section 542), or

"(C) a service organization (as defined in section 414(m)(3))."

(b) EFFECTIVE DATE.—The amendment made by section 202 of Title II of this Act shall apply to taxable years beginning after December 31, 1983.

SEC. 203. CLARIFICATION OF EXCLUSION FROM GROSS INCOME OF SCHOLARSHIPS, GRANTS, AND STUDENT LOAN FORGIVENESS.

(a) The Internal Revenue Code of 1954 is hereby amended by adding to part III of subchapter B of chapter I as a new section 117A the following:

"SEC. 117A. SCHOLARSHIPS, FELLOWSHIP GRANTS, AND STUDENT LOAN FORGIVENESS RECEIVED BY CERTAIN GRADUATE SCIENCE STUDENTS.

"(a) GENERAL RULE.—In the case of a qualified individual, gross income does not include—

"(1) any amount received—

"(A) as a scholarship,

"(B) as a fellowship grant, or

"(C) as qualified student loan forgiveness,

including the value of contributed services and accommodations; and

"(2) any amount received to cover expenses for—

"(A) travel,

"(B) research,

"(C) clerical help, or

"(D) equipment,

which are incidental to such a scholarship or to a fellowship grant, but only to the extent that the amount is so expended by the recipient.

"(b) QUALIFIED INDIVIDUAL.—For the purposes of this section, the term 'qualified individual' shall mean a student who is attending a qualified educational organization, who possesses a bachelor's degree or its equivalent, and who is engaged in postgraduate study as a degree candidate in mathematics, engineering, computer science, or the physical or biological sciences.

"(c) QUALIFIED EDUCATIONAL ORGANIZATION.—For purposes of this section, the term 'qualified educational organization' shall mean an educational institution which—

"(1) is described in section 170(b)(1)(A)(ii),

"(2) admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate,

"(3) is legally authorized within such State to provide a program of education beyond high school,

"(4) provides an educational program for which it awards a bachelor's or higher degree.

"(d) QUALIFIED STUDENT LOAN FORGIVENESS.—For purposes of this section, the term 'qualified student loan forgiveness' shall mean the forgiveness of a loan received by a qualified individual (as defined in subsection (b)) for the purpose of financing his postgraduate course of study in mathematics, engineering, or the physical or biological sciences, but only to the extent that—

"(1) the amount represented by the loan was expended for qualified tuition and related expenses (as defined in subsection (f)(2)),

"(2) such student is required in a written loan agreement, as a condition of receiving such forgiveness of the loan, to perform teaching services for any of a broad class of qualified educational organizations (as defined in subsection (c)) upon completion of his postgraduate course of study.

"(e) LIMITATION.—In the case of a qualified individual, subsection (a) shall not apply to that portion of any amount received which represents payment for teaching, research, or other services in the nature of part-time employment required during his postgraduate course of study as a condition of receiving the scholarship, the fellowship grant, or qualified student loan. If teaching, research, or other services are required of all candidates (whether or not recipients of scholarships, fellowship grants, or qualified student loans) for a particular degree at a qualified educational organization as a condition to receiving such degree, such teaching, research, or other services shall not be regarded as part-time employment within the meaning of this paragraph.

"(f) SCHOLARSHIPS AND FELLOWSHIP GRANTS NOT INCLUDABLE MERELY BECAUSE THERE IS A REQUIREMENT OF FUTURE SERVICE IN TEACHING.—

"(1) In general.—If—

"(A) an amount received by a qualified individual would be excludable under subsections (a) and (e) as a scholarship or fellowship grant, but for the fact that such individual is required to perform teaching services for any of a broad class of qualified educational organizations upon completion of his postgraduate course of study, and

"(B) the individual establishes that, in accordance with the terms of the scholarship or grant, such amount was used for qualified tuition and related expenses, gross income shall not include such amount.

"(2) QUALIFIED TUITION AND RELATED EXPENSES DEFINED.—For purposes of this subsection, the term 'qualified tuition and related expenses' shall mean—

"(A) tuition and fees required for the enrollment or attendance of a qualified individual as a student at a qualified educational organization, and

"(B) fees, books, supplies, and equipment required for courses of instruction at a qualified educational organization."

(b) EFFECTIVE DATE.—The amendment made by section 203 of Title II of this Act shall apply to taxable years beginning after December 31, 1983.●

By Mr. ANDREWS (for himself, Mr. ABDNOR, Mr. BAUCUS, Mr. BINGAMAN, Mr. BURDICK, Mr. DECONCINI, Mr. DOMENICI, Mr. GOLDWATER, Mr. GORTON, Mr. KENNEDY, Mr. MELCHER, Mr. MURKOWSKI, and Mr. PRESSLER):

S. 2166. A bill to authorize appropriations to carry out the Indian Health Care Improvement Act, and for other purposes; to the Select Committee on Indian Affairs.

INDIAN HEALTH CARE AMENDMENTS OF 1983

● Mr. ANDREWS. Mr. President, I rise today to introduce a bill to reauthorize the Indian Health Care Improvement Act of 1976. Joining me as sponsors of this legislation are my esteemed colleagues, Senators ABDNOR, BUCUS, BINGAMAN, BURDICK, DECONCINI, DOMENICI, GOLDWATER, GORTON, KENNEDY, MELCHER, MURKOWSKI, and PRESSLER.

In 1976, the enactment of the Indian Health Care Improvement Act, we embarked upon a necessary and honorable journey: To bring the level of health care of American Indian people up to that of the general population. While there have been significant advances in Indian health care and health education, our journey is far from concluded. Indians still rank among the lowest in health status of all Americans. Recent outbreaks of bubonic plague among Indians in the Southwest and of hepatitis B among Alaska Natives are a present day reminder that diseases long ago eradicated from incidence in the non-Indian population continue to afflict Native Americans. Infant mortality rates among Indians are still higher than for all other races in the United States, and while over 66 percent of all Americans live to least the age of 65, 65 percent of all Indian people cannot expect to survive to reach that age. Tuberculosis among Indians and Alaska Natives is six times higher than the national average. The incidence of chronic liver disease, homicide, diabetes, pneumonia and influenza, suicide and hypertension in native populations also greatly exceeds national averages for all other races. To further compound this very serious state of affairs, the geographic isolation and economic deprivation of many reservation communities make it difficult to attract doctors, nurses, and other essential health care personnel needed to treat diseases and other health problems.

The Indian Health Care Amendments of 1983 are designed to address the outstanding health care needs of our first Americans. The bill provides continuing authority to respond to unmet needs in such areas as direct patient care, mental health, dental care, and alcoholism. To assure that the health needs of Indian and Alaska, Native people receive the close attention of Federal policymakers and that Federal efforts to address those needs are focused at the highest levels of government, the bill proposes to elevate the Indian Health Service to the level of an Assistant Secretary within the Department of Health and Human Services. Legislative authority for urban and rural Indian health programs is also extended. The Indian Health Care Amendments of 1983 seek to address the critical shortage of physicians and other medical professionals available to serve Indian people by continuing authority for scholarship assistance to Indians and Alaska Natives who intend to pursue training in the medical professions, in exchange for their commitment to serve in the Indian Health Service, on Indian reservations or in urban or rural Indian health programs. Finally, the bill authorizes appropriations to provide a form of impact aid to relieve the burden on States and counties that provide public assistance for health services rendered to indigent Indians out of local property taxes to which Indian land is not subject. Authorizations for appropriations are based on Congressional Budget Office estimates of medical services and higher education costs through fiscal year 1988.

Mr. President, the late Senator Henry Jackson first led the Senate to undertake the important effort of assuring that our first Americans would one day enjoy the same health status that is afforded all other citizens of the United States. We have come a long way in alleviating the health problems of native people, but there remains much work to be done. This bill will help us to achieve the goal of the Indian Health Care Improvement Act—to raise the health status of Indian and Alaska Native people to the highest possible level. Let us complete this journey and thereby fulfill one of the Nation's earliest promises to the American Indian people.●

By Mr. GRASSLEY (for himself, and Mr. HEINZ and Mr. DENTON):

S. 2167. A bill to amend the Age Discrimination in Employment Act of 1967 to assure that that act applies to employees who are citizens of the United States employed by an employer in a workplace in a foreign country; to the Committee on Labor and Human Resources.

EXTENSION OF AGE DISCRIMINATION TO OVERSEAS AMERICANS

● Mr. GRASSLEY. Mr. President, I am today introducing legislation making clear the intent of Congress that the Age Discrimination in Employment Act apply to Americans employed by American companies abroad.

In two cases within the last year—Cleary against United States Lines and Zahourek against Arthur Young & Co.—district courts have held that the Age Act does not apply to Americans employed abroad. The Cleary court determined that Congress intended this result when it incorporated the Fair Labor Standards Act's enforcement provisions into the ADEA. Congress has specified that the FLSA should not apply abroad.

I believe a distinction can be drawn between the extraterritorial application of the Fair Labor Standards Act and the ADEA. Congress specified that the FLSA should not apply abroad for economic reasons. It would be incongruous to require companies operating abroad to pay higher American wage scales in countries where local workers are paid pennies an hour. It is clear that the same economic considerations do not apply to the Age Discrimination in Employment Act.

Indeed, the substantive prohibitions of the Age Discrimination in Employment Act are worded nearly exactly as those in title VII, which at least two district courts have held does apply abroad.

Thus, the legislation I am introducing today clears up an anomaly I believe Congress never intended.

The bill would accomplish this by redefining the term "employee" in the ADEA to include Americans employed in a foreign workplace. The bill would reach subsidiaries of American companies through a presumption that the subsidiaries' discriminatory actions were in fact the actions of the American parent.

However, control of the subsidiary by the parent would have to be shown using the labor law control test established in the *Radio Televisions Broadcast Technicians* case (380 U.S. 255, 256) and reaffirmed in later cases. The act would not apply to foreign companies not controlled by American parents.

In addition, the act would not apply where compliance with its prohibitions would place a company or subsidiary in violation of the laws of the host country.

Mr. President, I ask that the text of the bill be printed in full at this point:

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2167

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 11(f) of the Age Discrimination in Employment Act of 1967 (hereafter in this Act referred to as "the Act") is amended by adding at the end thereof the following new sentences: "The term 'employee' includes any individual who is a citizen of the United States employed by an employer in a workplace in a foreign country.".

SEC. 2. (a) Section 4(f)(1) of the Act is amended by inserting before the semicolon a comma and the following: "or where such practices involve an employee in a workplace in a foreign country, and compliance with such subsections would cause such employer, or a corporation controlled by such employer, to violate the laws of the country in which such workplace is located.".

(b) Section 4 of the Act is amended by adding at the end thereof the following new subsection:

"(g)(1) If an employer controls a corporation whose place of incorporation is in a foreign country, any practice by such corporation prohibited under this section shall be presumed to be such a practice by such employer.

"(2) The prohibitions of this section shall not apply where the employer is a foreign person not controlled by an American employer.

"(3) For the purpose of this subsection the determination of whether an employer controls a corporation shall be based upon the—

"(A) interrelation of operations,

"(B) common management,

"(C) centralized control of labor relations, and

"(D) common ownership or financial control.

of the employer and the corporation.".

SEC. 3. Section 7(c) of the Act is amended by adding at the end thereof the following:

"(3) In any civil action brought by an aggrieved employee employed in a workplace in a foreign country, legal and equitable relief under this subsection may not be duplicative of relief received under the laws of the host country.".●

By Mr. THURMOND:

S. 2169. A bill to create permanent rules for reforming instruments governing charitable bequests; to the Committee on Finance.

REFORMING INSTRUMENTS GOVERNING CHARITABLE BEQUESTS

Mr. THURMOND. Mr. President, this legislation that I am introducing today would amend section 2055(e) of the Internal Revenue Code by creating permanent rules for reforming estate planning documents which govern substantial charitable bequests. A number of charitable organizations, including the Shriners organization which has done so much for crippled children and severely burned victims, are most interested in the enactment of this provision.

Mr. President, the need for this legislation is occasioned by the Tax Reform Act of 1969, which imposed new, detailed, and complex requirements on the drafting of wills and trust documents in order for a charitable deduction to be allowed in cases where a split interest—part charitable and part noncharitable—is transferred. Since the passage of the 1969 act, Congress, on four separate occasions, has enacted temporary relief permitting reformation of charitable governing instruments which reflected an intent of the donor to comply with the law, but which failed to meet the detailed, technical requirements of the Tax Code.

In spite of the temporary relief which has been provided, apparently there are still many estate planning instruments providing for these split-interest, charitable bequests which have not been reformed to meet the 1969 act qualification requirements. Unless legislative relief is provided to permit reformation of these defective instruments, the intended charitable beneficiaries will receive reduced bequests.

This bill is intended to provide permanent rules permitting reformation of charitable bequest governing instruments in deserving cases. The language of the bill is identical to that contained in section 441 of H.R. 4170, a tax bill approved by the House Ways and Means Committee, with minor changes. It is my hope that this legislation will receive early action in the second session of the 98th Congress, inasmuch as timely action is vitally important to a number of fine charitable organizations.

By Mr. LEVIN:

S. 2170. A bill to authorize the Secretary of Housing and Urban Development, through the Federal Housing Administration, to assist homeowners in taking corrective measures with respect to urea formaldehyde foam insulation in their homes; to the Committee on Banking, Housing, and Urban Affairs.

UREA FORMALDEHYDE FOAM INSULATION CORRECTIVE MEASURES ACT

● Mr. LEVIN. Mr. President, over the past few months, many constituents have written to me about the problems with urea formaldehyde foam insulation (UFFI). These constituents expressed concerns about UFFI's effect on their health and on the value of their homes. I am today introducing a bill which would repeal the Federal income tax credit for installing UFFI, and provide guaranteed, subsidized interest loans for the removal of UFFI from homes.

Urea formaldehyde foam insulation was installed in approximately 500,000 homes during the late 1970's, in large part due to the Federal Government's energy conservation campaign. In my State of Michigan, over 75,000 homeowners installed UFFI during these years. Soon after UFFI became popular, the Consumer Product Safety Commission (CPSC) began to receive complaints about UFFI's acute health effects, such as eye, nose, and throat irritation, respiratory problems, and headaches.

There are numerous sound scientific studies confirming these homeowners' claims that the health effects they suffered from were related to UFFI. After other studies showed that UFFI might cause cancer in humans, the CPSC announced a ban on UFFI effective August 10, 1982. On April 7, 1983, the Fifth Circuit Court of Appeals overturned the ban on UFFI. Though the court admitted that taken as a whole, the consumer complaints of UFFI's acute health effects did identify a real problem, the court held that UFFI did not pose an unreasonable risk of cancer to consumers.

On October 21, 1983, the CPSC issued a press release stating that the Commission "still considers urea-formaldehyde foam insulation to be a hazardous product." Many foreign countries have recognized UFFI's health dangers through bans, such as Canada and Sweden. West Germany and the Netherlands have set strict formaldehyde gas emission standards. Several States have addressed the UFFI problem by providing homeowners with free formaldehyde gas emission inspections, such as my home State of Michigan. The State of Massachusetts has passed an outright ban on UFFI. I believe there can be little doubt that many thousands of Americans are still suffering the acute health effects of UFFI.

The potential health effects have caused large devaluations of many UFFI homes. Because of these home devaluations and UFFI's health effects, many citizens have spent $6,000 to $20,000 to remove UFFI from their homes. Unfortunately, many others are unable to afford the cost of removal.

My bill consists of three basic provisions. First, it repeals the energy tax credit extended to homeowners who install UFFI. This would remove the incentive offered by the Federal Government to install a product whose safety is challenged by the Consumer Product Safety Commission. Second, federally guaranteed, low-interest loans of up to $10,000 each would be made available to homeowners who wish to remove UFFI. These loans would be administered through the Federal Housing Administration (FHA) which would set UFFI loan interest rates at the level of FHA mortgage rates. Currently in Michigan, interest rates for FHA mortgages are 12.5 percent while the interest rates for commercial home improvement loans are approximately 16.5 percent. Third, these loans would be limited to those homes in which UFFI was installed prior to the effective date of this legislation. Therefore, if any homeowner were to install UFFI after enactment, they would be unable to acquire a federally guaranteed loan later on to remove it. I believe this bill is worthy of the Senate's attention and I urge my colleagues to support it.●

By Mr. DOLE (for himself, Mr. LAXALT, and Mr. DECONCINI):

S. 2171. A bill to amend title 35 of the United States Code for the purpose of creating a uniform policy and

procedure concerning patent rights in inventions developed with Federal assistance, and for other purposes; to the Committee on the Judiciary.

UNIFORM PATENT PROCEDURES ACT OF 1983

● Mr. DOLE. Mr. President, I am pleased to send to the desk for appropriate reference, on behalf of myself and Senators LAXALT and DECONCINI, the Uniform Patent Procedures Act of 1983. This legislation is designed to encourage the commercialization of inventions created pursuant to research and development work sponsored by the Federal Government under grant or contract; as such, it is a direct response to the challenge posed to America's economic future by foreign technological competition.

As we are all painfully aware, the lead that the United States has enjoyed over the past 30 years in technological innovation is under increasing jeopardy as our international competitors develop expertise in the research and development skills essential to the creation of new, high technology industries. The last 10 years, in particular, have witnessed a steady erosion of our competitive position in a number of important fields of endeavor, including automobile manufacturing, electronics, and steel production. While we embrace this competition as healthy and to be desired, we must nevertheless insure that our Government's policies encourage—not discourage—the development and marketing of inventions made by American entrepreneurs.

We have heard a lot of talk lately about the need for an industrial policy. To date, most of this talk has centered on proposals that I believe are unworkable at worst and highly speculative, at best—such as the creation of an industrial planning board that would direct Government assistance to winning industries.

Yet, there are concrete, program-specific measures that can be taken now that we know will enhance America's industrial competitiveness. One of those measures—embodied in the bill introduced today—would be to unify, and simplify, the patent procurement policies of Federal agencies that sponsor research and development work under Federal grants and contracts.

The bill is modeled after legislation that former Senator Bayh and I sponsored in the 96th Congress, the University and Small Business Patent Procedures Act of 1980. That landmark legislation reformed agency patent procurement procedures that apply to research and development contracts with universities and small businesses in order to make possible greater commercialization of the breakthrough inventions that often result from such arrangements. Prior to the passage of that bill—now Public Law 96-517, university invention disclosures had shown a steady decline. Now, such disclosures are up, university and industry collaboration is at an alltime high, and many new technologies—such as the recent advances in gene engineering—are creating new opportunities for economic advancement while improving the quality of life.

What the 1980 law accomplished for universities and small businesses, this new legislation would accomplish for all contractors with the Government, regardless of size. It would end, once and for all, the frustrating bureaucratic maze which has hindered the retention of patent discoveries by the private sector and thereby inhibited the commercialization of those discoveries. With the Government now funding approximately 70 percent of the basic research done in the United States, we can no longer tolerate the abysmally low rate of commercialization that accompanies Federal ownership of new inventions. For example: Compared to a licensing rate of 33 percent for university-developed inventions, the Government has licensed less than 4 percent of inventions owned by it to the private sector for commercial use. This is primarily because of chaotic and inefficient agency patent procurement policies that strangle innovation with redtape.

The bill I send to the desk would eliminate this waste by allowing all contractors clear ownership of the inventions they make under Government research and development contracts and grants, while protecting the legitimate rights of the agencies to use the discoveries royalty free. In this way, it would encourage the private marketing of new discoveries and thus stimulate innovation. Of course, the agencies would have the power to require delivery of title to patents to the Government where special circumstances indicate that such action is in the public interest.

This legislation is the end result of a 25-year effort to develop a uniform, concise Government patent policy. It would replace the agency-by-agency approach which prevails today with one simple procurement policy that would emphasize private development of new inventions wherever feasible. Rather than attempting to create yet another bureaucracy directing industry, in which politics rather than economics would inevitably be the predominate concern, we should let the private enterprise system do what it does best—produce new products and jobs that the public wants and needs. That is what this bill would do.

Mr. President, I send to the desk for inclusion in the RECORD at the conclusion of these remarks a brief summary of the bill's principal objectives, a sectional analysis, and the text of the legislation. I ask that these materials be printed in full for the use of my colleagues. As a member of the Judiciary Subcommittee on Patent, Copyright, and Trademark Law, I will be working closely with the chairman of that subcommittee, Senator MATHIAS, in organizing hearings upon the legislation and I will be working diligently for early action upon it in the next session of this Congress.

Thank you, Mr. President.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF UNIFORM PATENT PROCEDURES ACT OF 1983

The bill would standardize agency patent procurement policies and procedures, and encourage private sector development of new discoveries made under a federal research and development contract, in the following specific ways:

It creates a presumption in favor of contractor ownership of new inventions developed under federal R&D contracts;

It prohibits agencies from requiring the surrender of so-called "background rights"[1] as a pre-condition to obtainment of a federal R&D contract except where the agency head personally determines that such rights are essential to the accomplishment of agency purposes in the contract;

It streamlines the procurement procedures, establishes one policy for all government agencies, and conforms that policy to the principles of Public Law 96-517;

It eliminates existing provisions of law that unnecessarily complicate the procurement process.

UNIFORM PATENT PROCEDURES ACT OF 1983: SECTIONAL ANALYSIS

Section 1: Title.

Section 2: Conforms Pub. L. 96-517 chapter designations to U.S.C.A. codification.

Section 2(a): Adds a new chapter to Title 35, U.S.C., the provisions of which would do the following:

Section 212: States the policy objective of the Act, to "insure that all inventions made with federal support are used in a manner to promote free competition and enterprise."

Section 213: Definitions used in the Act.

Section 214: Authorizes the Secretary of Commerce to issue implementing regulations for the Act.

Section 215: Provides that federal contractors may automatically own inventions they make under Government R&D unless:

(1) it is determined that the discovery is needed for foreign intelligence or counterintelligence purposes;

(2) the contractor is not located in the U.S., or is a foreign government; or

(3) it is determined on a case-by-case basis that exceptional circumstances require federal ownership.

Such determinations will be made in writing and filed with the Secretary of Commerce to prevent abuse of these exceptions to contractor ownership. In cases of abuse, the Secretary shall notify the Administrator of the Office of Federal Procurement Policy who may issue guidelines ending such practices.

---

[1] "Background rights" refers to the contractor's interest in inventions and technical data which were not developed pursuant to a federal R&D contract, but which pre-dated that contract. It has been a common agency practice to automatically require federal contract participants to surrender such interests to the agency as a condition of obtaining a federal R&D contract.

This section also provides that, in instances where the contractor does not elect to file a patent application in the United States or abroad, the agency may then assert ownership it it desires to do so.

In addition, Section 215 also stipulates that the agency may use a subject invention royalty free and can require that it be kept updated on utilization of the contractor.

Section 216: Provides that agencies may force contractors to grant licenses to competitors for using an invention made under federal R&D if effective steps are not being taken toward commercialization; to alleviate serious health or safety needs not being satisfied by the contractor; or to meet requirements for public use specified by federal regulations not being satisfied by the contractor. Agency determinations on mandatory licenses may be appealed by the contractor within 60 days to the United States Claims Court.

Section 217: Protects contractors from the threat that agencies might require them to give up privately developed technologies to competitors in order to secure a contract, unless specifically approved by the agency head. Such determinations can be made only after an agency hearing with prompt notification to the contractor.

Section 2b: Chapter headings redesignated.

Section 2c: Repeals certain limitations placed upon university licensing by present law, in order to encourage more collaboration between industry and universities.

Section 3: Repeals old patent policies so that this Act may be implemented uniformly.

Section 4: Specifies that nothing in this Act shall be construed to grant any civil or criminal immunity from any antitrust law of the United States.

Section 5: Provides that the Act becomes effective six months after enactment, and authorizes agencies to apply its provisions to pre-existing contracts where deemed appropriate.

Section 6: Provides that the Secretary of Commerce shall report to the Congress within 24 months, and every two years thereafter, on the implementation of this Act along with any recommendations for legislative or administrative changes.

S. 2171

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Uniform Patent Procedures Act of 1983".

SEC. 2. (a) Chapter 38 of title 35, United States Code, as added by Public Law 96-517, 94 Stat. 3018, is redesignated as chapter 18 of such title and all references to such chapter 38 shall be considered references to chapter 18.

(b) Part II of title 35, United States Code, is amended by inserting chapter 18, as redesignated herein, after chapter 17 of such title.

(c) The table of chapters for title 35 is amended by redesignating chapter 38 as chapter 18 and inserting such chapter and section designations at the end of part II.

SEC. 3. (a) Section 35 of the United States Code is amended by adding after chapter 18, as redesignated herein, a new chapter as follows:

"CHAPTER 19—PATENT RIGHTS IN INVENTIONS MADE WITH FEDERAL ASSISTANCE BY OTHER THAN SMALL BUSINESS FIRMS OR NONPROFIT ORGANIZATIONS

"Sec.
"212. Policy and objectives.
"213. Definitions.
"214. Responsibilities.
"215. Disposition of rights.
"216. March-in rights.
"217. Background rights.

"§ 212. Policy and objectives

"In addition to the policy and objectives set forth in section 200 of this title, it is the further policy and objective of the Congress to ensure that all inventions made with Federal support are used in a manner to promote free competition and enterprise.

"§ 213. Definitions

"As used in this chapter, the term—

"(1) 'Administrator' means the Administrator of the Office of Federal Procurement Policy or his or her designee;

"(2) 'contract' means any contract, grant, or cooperative agreement entered into between any Federal agency (other than the Tennessee Valley Authority) and any person other than a small business firm or nonprofit organization (as defined in section 201 of this title) where a purpose of the contract is the conduct of experimental, developmental, or research work; such term includes any assignment, substitution of parties or subcontract of any tier entered into or executed for the conduct of experimental, developmental, or research work in connection with the performance of that contract;

"(3) 'contractor' means any person or entity (other than a Federal agency, nonprofit organization, or small business firm, as defined in section 201 of this title) which is a party to the contract;

"(4) 'Federal agency' means an executive agency (as defined in section 105 of title 5, United States Code), and the military departments (as defined in section 102 of title 5, United States Code);

"(5) 'Government' means the Government of the United States of America;

"(6) 'invention' means any invention or discovery which is or may be patentable or otherwise protectable under this title, or any novel variety of plant which is or may be protectable under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.);

"(7) 'practical application' means to manufacture (in the case of a composition or product), to practice (in the case of a processor method), or to operate (in the case of a machine or system), in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms or through reasonable licensing arrangements;

"(8) 'Secretary' means the Secretary of Commerce or his or her designee; and

"(9) 'subject invention' means any invention of a contractor conceived or first actually reduced to practice in the performance of work under a contract: *Provided,* That, in the case of a variety of plant, the date of determination (as defined in section 41(d) of the Plant Variety Protection Act (7 U.S.C. 2401(d)) must also occur during the period of contract performance.

"§ 214. Responsibilities

"(a) The Secretary is authorized to issue regulations which may be made applicable to all Federal agencies implementing the provisions of this chapter, and the Secretary shall proscribe standard patent rights provisions for use under this chapter. The regulations and the standard patent rights provisions shall be subject to public comment before their issuance.

"(b) In order to obtain consistent practices under this chapter and chapter 18 of this title, the Secretary is authorized and directed (i) to consult with and advise Federal agencies concerning the effective and consistent implementation of these chapters, and (ii) to obtain from the agencies information and data relating to agency practices under these chapters.

"§ 215. Disposition of rights

"(a) Subject to subsection (c) of this section and to section 216 of this title, each contractor may elect to retain title, either worldwide or in such countries as it may choose, to any subject invention: *Provided, however,* That a Federal agency may, at the time of contracting, limit or eliminate this right, place additional restrictions or conditions on the contract that go beyond those set forth in subsection (c) of this section, expand the rights of the Government to license or sublicense, and alter or eliminate the contractor's right under paragraph (6) of subsection (c) of this section if—

"(1) it is determined by a Government authority which is authorized by statute or executive order to conduct foreign intelligence or counterintelligence activities that this is necessary to protect the security of such activities;

"(2) it is determined that the contractor is not located in the United States or does not have a place of business located in the United States, or is a foreign government; or

"(3) it is determined, on a case-by-case basis, that there are exceptional circumstances requiring such action to better promote the policies and objectives of sections 200 and 212 of this title.

"(b)(1) Each determination required by subsection (a) of this section shall be in writing and, except in the case of paragraph (1) of subsection (a) of this section, the agency shall, within 30 days after the award of the applicable contract, file with the Secretary a copy of each such determination. In the case of a determination under subsection (a)(3) of this section, the statement shall include an analysis supporting the determination and justifying the limitations and conditions being imposed. If the Secretary believes that any individual determination or pattern of determinations is contrary to the terms, policy, or objectives of this Act, the Secretary shall so advise the head of the agency concerned and the Administrator and recommend corrective actions.

"(2) Whenever the Administrator has determined that one or more Federal agencies are utilizing the authority of paragraph (2) or (3) of subsection (a) in a manner that is contrary to the terms, policy or objectives of this Act, the Administrator is authorized to issue policies, procedures, and guidelines describing classes of situation in which agencies may not utilize the provisions of paragraph (2) or (3) of subsection (a).

"(c) In accordance with the regulations to be issued by the Secretary, after public comment, each contract that the Government or any Federal agency acting on behalf of the Government may enter into shall employ a patent rights clause containing appropriate provisions to effectuate the following:

"(1) that the contractor disclose each subject invention within a reasonable time after it is made and that, upon request, the contractor will assign the Government title to any subject invention not disclosed within such time;

"(2) that, unless the Government has acquired the right to title under subsection (a) of this section—

"(A) the contractor make a written election, as to the retention of title to the subject invention within a reasonable time after disclosure under paragraph (1) of this subsection;

"(B) the Government may, upon request, receive title to any subject invention in any countries in which the contractor has not elected to retain title within such time;

"(C) a contractor electing to retain title to a subject invention will file patent applications within reasonable times; and

"(D) the Government may, upon request, receive title to any subject invention in any countries in which the contractor has failed to file patent applications within the reasonable times specified pursuant to subparagraph (C) of this subsection;

"(3) that with respect to any subject invention to which a contractor elects to retain title, the United States shall have (unless additional rights have been taken under subsection (a) of this section) a nonexclusive, nontransferable, irrevocable, paid-up license to make, use and sell the subject invention throughout the world by or on behalf of the United States: *Provided*, That the contract may provide for such additional rights, including the right to assign or have assigned foreign patent rights in the invention, as determined by the agency as necessary for meeting the obligations of the United States under any treaty or other international agreement, arrangement of cooperation, memorandum of understanding, or similar international arrangements, including military agreements relating to weapons development and production;

"(4) that the agency may require written reports on the commercial use or other forms of utilization or efforts toward obtaining commercial utilization made by the contractor or its licensees or assignees with respect to any subject invention to which the contractor elects title, pursuant to this section: *Provided*, That any such report, as well as any information on utilization of efforts toward obtaining utilization obtained as part of a proceeding under section 216 of this title, shall be treated by the Federal agency as commerical or financial information obtained from a person and privileged or confidential and not subject to disclosure under the Freedom of Information Act (5 U.S.C. 552);

"(5) that the contractor, in the event a United States patent application is filed by or on behalf or by any assignee of the contractor, will include within the specification of such application and any patent issuing thereon, a statement specifying that the invention was made with Government support and that the Government has certain rights in the invention;

"(6) that the contractor, in cases when it does not elect to retain title to a subject invention, shall retain a nonexclusive, royalty free, paid-up, worldwide license, including the right to sublicense affiliates, subsidiaries, and existing licensees to whom the contractor is legally obligated to sublicense in any subject invention to which the Government obtains title, which license shall be revocable only to the extent necessary for the Government to grant an exclusive license: *Provided, however*, That the contractor shall not be entitled to such a license if the contractor has fraudulently failed to disclose the subject invention; and

"(7) such other administrative requirements that the Secretary determines to be necessary to effectuate the rights of the Government as specified in this chapter, which are not inconsistent with this chapter.

"(d) Agencies are authorized to include awards to inventors to stimulate reporting of subject inventions as an allowable element of cost if such reporting results in the agency initiating a statutory invention disclosure, the filing of a patent application, or issuance of a patent.

"(e)(1) A Federal agency may, at any time, waive all or any part of the rights of the United States under this section or section 216 of this title to any subject invention or class of subject inventions made or which may be made under a contract or class of contracts if the agency determines that—

"(A) the interests of the United States and the general public will be best served thereby; or

"(B) the contract involves cosponsored, cost-sharing or joint venture research or development and the contractor or other sponsor or joint venturer is required to make a substantial contribution of funds, facilities, or equipment to the work performed under the contract.

"(2) The agency shall maintain a record, which shall be available to the public and periodically updated, of determinations made under paragraph (1) of this subsection.

"(3) In making determinations under paragraph (1) of this subsection, the agency shall consider at least the following objectives:

"(A) encouraging wide availability to the public of the benefits of the experimental, developmental, or research programs in the shortest practicable time;

"(B) promoting the commercial utilization of such inventions;

"(C) encouraging participation by private persons (including the most highly qualified persons) in the Government-sponsored experimental, developmental, or research programs; and

"(D) fostering competition and preventing the creation or maintenance of situations inconsistent with the antitrust laws of the United States.

"(4) With respect to contracts in which an agency invokes paragraphs (1) through (3) of subsection (a) of section 215, a Federal agency may, after a subject invention has been identified, waive any limits or additional restrictions or conditions placed on a contractor beyond those set forth in sections 215 and 216 and may allow the contractor to retain the license rights set forth in subsection (c)(6) of this section if such license rights were otherwise limited in the contract.

"(f) If a contractor does not elect to retain worldwide title to a subject invention, the Federal agency may consider and, after consultation with the contractor, grant requests for retention of rights by the inventor on such terms and conditions as the agency deems appropriate, subject to section 216 of this Act.

"(g) In any case when a Federal employee is a coinventor of any subject invention, the Federal agency employing such coinventor is authorized to transfer or assign whatever rights it may acquire in the subject invention from its employee to the contractor subject to the same conditions set forth in this title as are applicable to the rights the contractor derived through its own contract.

"§ 216. March-in rights

"(a) Where a contractor has elected to retain title to a subject invention under section 215 of this title, the Federal agency shall have the right (unless waived under subsection (d) of section 215 of this title), pursuant to policies, procedures, and guidelines of the Secretary and subject to the provisions of subsection (b) of this section, to grant or require the contractor or his assignee to grant a nonexclusive, partially exclusive, or exclusive license to a responsible applicant or applicants, upon terms reasonable under the circumstances, if the head of the agency or his designee determines that such action is necessary—

"(1) because the contractor, assignee, or licensee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the invention;

"(2) to alleviate serious health or safety needs which are not reasonably satisfied by the contractor, his assignees or licensees; or

"(3) to meet requirements for public use specified by Federal regulation which are not reasonably satisfied by the contractors, his assignees of licensees.

"(b) A determination made pursuant to this section shall not be considered a contract dispute and shall not be subject to the Contract Disputes Act (41 U.S.C. 601 et seq.). Any contractor adversely affected by a determination under this section may, at any time within 60 days after the date the determination is issued, file a petition in the United States Claims Court, which shall have jurisdiction to determine the matter de novo and to affirm, reverse, or modify as appropriate, the determination of the Federal agency.

"§ 217. Background rights

"(a) Nothing contained in this chapter shall be construed to deprive the owner of any background patent or of such rights as the owner may have under such patent.

"(b) No contract shall contain a provision allowing a Federal agency to require the licensing to third parties of inventions owned by the contractor that are not subject inventions unless such provision has been approved by the agency head and a written justification has been signed by such agency head. Any such provision will clearly state whether the licensing may be required in connection with the practice of a subject invention, a specifically identified work object, or both. The agency head may not delegate the authority to approve such provisions or to sign the justification required for such provisions.

"(c) A Federal agency will not require the licensing of third parties under any such provision unless the agency head determines that the use of the invention by others is necessary for the practice of a subject invention or for the use of a work object of the contract and that such action is necessary to achieve practical application of the subject invention or work object. Any such determination will be made on the record after an opportunity for an agency hearing, and the contractor shall be given prompt notification of the determination by certified or registered mail.".

(b) The table of chapters for title 35, United States Code, is amended by adding immediately after the item relating to chapter 18 as redesignated herein the following:

"19. Patent rights in inventions made with Federal assistance by other than small business firms or nonprofit organizations.".

(c) Chapter 18 of title 35, United States Code, as redesignated herein, is amended—

(1) by adding "or any novel variety of plant which is or may be protectable under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.)" immediately after "title" in section 201(d);

(2) by adding ": *Provided*, That in the case of a variety of plant, the date of determination (as defined in section 41(d) of the Plant Variety Protection Act (7 U.S.C. 2401(d))) must also occur during the period of contract performance" immediately after "agreement" in section 201(e);

(3) in section 202(a), by amending clause (i) to read as follows: "(i) when the contractor is not located in the United States or does not have a place of business located in the United States; and

(4) by amending section 202(b) to read as follows: "(b)(1) The rights of the Government under paragraph (a) of this section shall not be exercised by a Federal agency unless it first determines that at least one of the conditions identified in subparagraphs (i) through (ii) of paragraph (a) exists. Except in the case of paragraph (a)(iii), the agency shall file with the Secretary of Commerce, within 30 days after the award of the applicable funding agreement, a copy of such determination. In the case of a determination under paragraph (a)(ii), the statement shall include an analysis justifying the determination. If the Secretary of Commerce believes that any individual determination or pattern of determinations is contrary to the policies and objectives of this chapter or otherwise not in conformance with this chapter, the Secretary shall so advise the head of the agency concerned and the Administrator of the Office of Federal Procurement Policy, and recommend corrective actions.

"(2) Whenever the Administrator of the Office of Federal Procurement Policy has determined that one or more Federal agencies are utilizing the authority of subparagraph (i) or (ii) of paragraph (a) of this section in a manner that is contrary to the policies and objective of this chapter, the Administrator is authorized to issue regulations describing classes of situations in which agencies may not exercise the authorities of those subparagraphs.";

(5) by amending subparagraphs (1), (2), (3), and (4) of section 202(c) to read as follows:

"(1) That the contractor disclose each subject invention to the Federal agency within a reasonable time after it becomes known to contractor personnel responsible for the administration of patent matters, and that the Federal Government may receive title to any subject invention not disclosed to it within such time.

"(2) That the contractor make a written election within 2 years after disclosure to the Federal agency (or such additional time as may be approved by the Federal agency) whether the contractor will retain title to a subject invention: *Provided*, That in any case where publication, on sale, or public use, has initiated the 1 year statutory period in which valid patent protection can still be obtained in the United States, the period for election may be shortened by the Federal agency to a date that is not more than sixty days prior to the end of the statutory period: *And provided further*, That the Federal Government may receive title to any subject invention in which the contractor does not elect to retain rights or fails to elect rights within such times.

"(3) That a contractor electing rights in a subject invention agrees to file a patent application prior to any statutory bar date that may occur under this title due to publication, on sale, or public use, and shall thereafter file corresponding patent applications in other countries in which it wishes to retain title within reasonable times, and that the Federal Government may receive title to any subject inventions in the United States or other countries in which the contractor has not filed patent applications on the subject invention within such times.

"(4) With respect to any invention in which the contractor elects rights, the Federal agency shall have a nonexclusive, nontransferrable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States any subject invention throughout the world: *Provided*, That the funding agreement may provide for such additional rights, including the right to assign or have assigned foreign patent rights in the subject invention, as are determined by the agency as necessary for meeting the obligations of the United States under any treaty, international agreement, arrangement of cooperation, memorandum of understanding, or similar arrangement, including military agreements relating to weapons development and production.".

(6) by adding the following new paragraph at the end of section 202:

"(g) A Federal agency may at any time waive all or any part of the rights of the United States under paragraphs (c) (4) through (8) of this section, section 203 and section 204 of this chapter, to any subject inventions made under a funding agreement or class of funding agreements if the agency determines (1) that the interests of the United States and the general public will be best served thereby; or (2) the funding agreement involves cosponsored, cost sharing or joint venture research or venturer is required to make or has made a substantial contribution of funds, facilities, or equipment to the work performed under the funding agreement. The agency shall maintain a record, which shall be available to the public and periodically updated, of determinations made under this paragraph. In making such determinations under clause (A) of this paragraph, the agency shall consider at least the following objectives:

"(1) encouraging the wide availability to the public of the benefits of the experimental, developmental, or research program in the shortest practicable time;

"(2) promoting the commercial utilization of such inventions;

"(3) encouraging participation by private persons, including the most highly qualified persons, in Government-sponsored experimental, developmental, or research programs."; and

(7) by striking out "may" in section 202(c)(5) and inserting in lieu thereof "as well as any information on utilization or efforts at obtaining utilization obtained as part of a proceeding under section 203 of this chapter shall";

(8) by striking out "and which is not, itself, engaged in or does hold a substantial interest in other organizations engaged in the manufacture or sales of products or the use of processes that might utilize the invention or be in competition with embodiments of the invention" in clause (A) of section 202(c)(7) and by striking out clause (B) of section 202(c)(7) and redesignating clauses (C) and (D) of such section as clauses "(B)" and "(C)", respectively;

(9) by adding at the end of section 203 the following:

"A determination pursuant to this section shall not be considered a contract dispute and shall not be subject to the contract Disputes Act (41 U.S.C. 601 et seq.). Any contractor, assignee, or exclusive licensee adversely affected by a determination under this section may, at any time within 60 days after the determination is issued, file a petition in the United States Claims Court, which shall have jurisdiction to determine the manner de novo and to affirm, reverse, or modify as appropriate, the determination of the Federal agency.";

(10) by amending section 206 to read as follows:

"§ 206. Uniform clauses and regulations.

"The Secretary of Commerce may issue regulations which may be made applicable to Federal agencies implementing the provisions of sections 202 through 204 of this chapter and shall establish standard funding agreement provisions required under this chapter. The regulations and the standard funding agreement shall be subject to public comment before their issuance.";

(11) by amending section 207 by adding the following new paragraph at the end thereof:

"For the purpose of assuring the effective management of Government-owned inventions, the Secretary is authorized to—

"(A) assist Federal agency efforts to promote the licensing and utilization of Government-owned inventions;

"(B) assist Federal agencies in seeking protection and maintaining inventions in foreign countries, including the payment of fees and costs connected therewith; and

"(C) consult with and advise Federal agencies as to areas of science and technology research and development with potential for commercial utilization.";

(12) by amending section 208 by striking out "Administrator of General Services" and inserting in lieu thereof "Secretary of Commerce";

(13) by amending section 209—

(A) by striking our subsection (c)(2);

(B) by redesignating subsection (c)(3) as subsection (c)(2); and

(C) by striking out all in paragraph (d) after "objections" and inserting in lieu thereof a period; and

(14) by adding "of the United States" in section 211 after "law".

SEC. 3. (a) Section 205(a) of the Act of August 14, 1946 (7 U.S.C. 1624(a)), is amended by striking out the last sentence thereof.

(b) Section 501(c) of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 951(c)) is amended by striking out the last sentence thereof.

(c) Section 106(c) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1395(c)) is repealed.

(d) Section 12(a) of the National Science Foundation Act of 1950 (42 U.S.C. 1871(a)) is repealed.

(e)(1) Section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182) is repealed: *Provided, however*, That such section shall continue to be effective with respect to any application of a patent in which the statement under oath referred to in such section has been filed or requested to be filed by the Commissioner of Patents and Trademarks prior to the effective date of this Act.

(2) The item relating to section 152 in the table of contents of the Atomic Energy Act of 1954 is amended to read as follows:

"Sec. 152. Repealed.".

(f) The National Aeronautics and Space Act of 1958 (42 U.S.C. 2451 et seq.) is amended by—

(1) repealing subsections (a)-(h) and (j) of section 305 thereof (42 U.S.C. 2457): *Provided, however,* That subsections (c), (d), and (e) of such section shall continue to be effective with respect to any application for patents in which the written statement referred to in subsection (c) of such section has been filed or requested to be filed by the Commissioner of Patents and Trademarks prior to the effective date of this Act;

(2) striking out in section 306(a) thereof (42 U.S.C. 2458(a)), "(as defined by section 305)", and by striking "the Inventions and Contributions Board, established under section 305 of this Act" and inserting in lieu thereof "an Inventions and Contributions Board which shall be established by the Administrator within the Administration; and

(3) striking out in section 203(c) thereof "(42 U.S.C. 2473(c)), the following: "(including patents and rights thereunder)".

(g) Section 6 of the Act of July 7, 1960 (30 U.S.C. 666), is repealed.

(h) Section 4 of the Helium Act Amendments of 1960 (50 U.S.C. 167c) is amended by striking out all after "utilization" and inserting in lieu thereof a period.

(i) Section 32 of the Arms Control and Disarmament Act (22 U.S.C. 2572) is repealed.

(j) Subsection (e) of section 302 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 302(e)) is repealed.

(k) Subsections (a) through (k), (m), and (n) of section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5909) are repealed.

(l) Section 5(d) of the Consumer Product Safety Act (15 U.S.C. 2054(d)) is repealed.

(m) Section 3 of the Act of April 5, 1944 (30 U.S.C. 323), is repealed.

(n) Section 8001(c)(3) of the Solid Waste Disposal Act (42 U.S.C. 6981(c)(3)) is repealed.

(o) Section 6(e) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3705(e)) is repealed.

(p) Section 10(a) of the Act of June 29, 1935 (7 U.S.C. 427i(a)) is amended by striking the last sentence thereof.

(q) Section 427(b) of the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 937(b)) is amended by striking the last sentence thereof.

(r) Section 306(d) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1226(d)) is amended by striking the first two sentences thereof.

(s) Section 21(d) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2218(d)) is repealed.

(t) Section 6(b) of the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978 (42 U.S.C. 5585(b)) is amended by striking "7, 8, and 9" and inserting in lieu thereof "7 and 8".

(u) Section 12 of the Native Latex Commercialization and Economic Development Act of 1978 (7 U.S.C. 178j) is repealed.

(v) Section 408 of the Water Research and Development Act of 1978 (42 U.S.C. 7979) is repealed.

(w)(1) Section 173 of the United States Synthetic Fuels Corporation Act of 1980 (42 U.S.C. 8773) is repealed.

(2) The item relating to section 173 in the table of sections of the Energy Security Act (42 U.S.C. 8701 et seq.) is amended to read as follows:

"Sec. 173. Repealed.".

SEC. 4. Nothing in this Act shall be deemed to convey to any person immunity from civil or criminal liability, or to create any defense to actions, under any antitrust law of the United States.

SEC. 5. (a) This Act shall take effect 6 months after the date of enactment of this Act.

(b) After the effective date of this Act, each Federal agency is authorized, notwithstanding any other law governing the disposition of rights in subject inventions, to allow a contractor or an inventor to retain title to subject inventions made under contracts awarded prior to the effective date of this Act, subject to the same terms and conditions as would apply under this Act had the contract been entered into after the effective date of this Act.

SEC. 6. Within 24 months after the date of enactment of this Act and every two years thereafter, the Secretary of Commerce shall submit to Congress a report of the implementation of chapters 18 and 19 of title 35, United States Code, including any recommendations for legislative or administrative changes to better achieve the policies and objectives of such chapters.●

By Mr. WALLOP:

S. 2172. A bill to suspend for a three-year period the duty on Clomiphene citrate; to the Committee on Finance.

SUSPENSION OF DUTY

● Mr. WALLOP. Mr. President, I am introducing legislation to suspend for 3 years the duty on clomiphene citrate.

Clomiphene citrate is an active ingredient used in the manufacture of the ethical pharmaceutical product—(prescription drug)—sold under the trademark Clomid. The product is a gonad-stimulating principle. The chemical name for clomiphene citrate is 2-[4-(2Chloro-1, 2-diphenylethenyl)-phenoxy]-N, N-diethylethanamine dihydrogen citrate.

The current duty rate on clomiphene citrate is 8.7 percent, which will result in U.S. duties of approximately $294,000, over the next 5 years.

Clomiphene citrate is not, to the best of my knowledge, manufactured anywhere in the United States. It is, however, sold in the United States by Serono under the trademark Serophene. The Serophene active ingredient is imported from outside the United States.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2172

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting in numerical sequence the following new item:

"907.29	Clomiphene citrate (provided for in item 412.50, part 1C, schedule 4).	Free	No change	On or before 6/30/83".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the date of the enactment of this Act.●

By Mr. DANFORTH (for himself, Mr. PACKWOOD, Mr. PELL, Mr. HATCH, Mr. RANDOLPH, Mr. HOLLINGS, and Mr. FORD):

S. 2174. A bill to provide for more effective motor carrier safety regulations and enforcement, and for other purposes; to the Committee on Commerce, Science, and Transportation.

MOTOR CARRIER SAFETY ACT OF 1983

● Mr. DANFORTH. Mr. President, today I am introducing legislation on behalf of myself and Senators PACKWOOD, PELL, HATCH, RANDOLPH, HOLLINGS, and FORD to address the problem of motor carrier safety.

This bill, the Motor Carrier Safety Act of 1983, is identical to portions of a comprehensive highway safety bill which I introduced in April with Senators PELL, PACKWOOD, HATCH, and RANDOLPH. That legislation, S. 1108, addresses such issues as automotive safety and technological improvements, drunk and drugged driving, and motor carrier safety. S. 1108 has been reported out by the Commerce Committee and is now awaiting action on the Senate floor.

Mr. President, I want to emphasize that the introduction today of the Motor Carrier Safety Act of 1983 in no way diminishes my commitment to securing enactment of S. 1108. However, I understand that, due to the variety of issues addressed in S. 1108, once this legislation were to pass the Senate and be sent to the House, it would fall under jurisdiction of two House committees—Energy and Commerce and Public Works and Transportation. In order to facilitate consideration of motor carrier safety legislation by our colleagues in the House, the legislation we are introducing today deals solely with motor carrier safety.

Mr. President, motor carrier safety has been addressed by the Senate through hearings and legislation in the 95th through 98th Congresses. In addition, the Surface Transportation Assistance Act of 1982 took major steps to improve motor carrier safety by authorizing $150 million in grants to States for enforcement of motor carrier safety regulations and providing protection to trucking company employees who report safety violations.

Nevertheless, motor carrier safety continues to be a significant concern. In 1982, there were 31,759 truck accidents reported to the Department of Transportation's Bureau of Motor Carrier Safety (BMCS). These accidents resulted in 2,479 fatalities, 25,779 injuries, and over $321 million in property damage. Bus accidents occur much less frequently; in 1981, there were 832 bus accidents, with 95 fatalities, 2,041 injuries and over $5 million in property damage.

The Motor Carrier Safety Act of 1983 takes steps to address issues of major concern. Briefly, this bill would do the following:

DOT ENFORCEMENT AUTHORITY

This bill would improve DOT's safety enforcement capabilities in several ways:

First, grants the Secretary of Transportation authority to promulgate comprehensive safety rules and regulations.

Second, expands DOT's authority to prosecute safety violations and sets forth an updated system of civil and criminal penalties; and

Third, requires all motor carriers to pass an annual Federal equipment inspection, using State inspectors.

These provisions, coupled with the provisions contained in the Surface Transportation Assistance Act of 1982, would lead to improved enforcement of Federal motor carrier safety regulations.

CERTIFICATION OF SAFETY FITNESS

The Motor Carrier Act of 1980 and the Bus Regulatory Reform Act of 1982 significantly eased entry into the interstate trucking and bus industries, respectively. As the economic entry controls are lessened, the safety fitness of applicants assumes increasing importance. At present, the Interstate Commerce Commission (ICC) and DOT determine the safety fitness of applicants seeking ICC truck and bus operating authority. Questions were raised at Commerce Committee hearings this year, as to the effectiveness of current procedures in determining whether or not an applicant for motor carrier operating authority is fit.

This bill would require the ICC and DOT to establish specific safety fitness standards applicable to new entrants into the motor carrier industry or existing carriers seeking additional operating authority. The ICC and DOT would also be required to develop adequate procedures for determining whether applicants meet the safety fitness requirements. These requirements are neither meant to be burdensome nor to thwart entry into the trucking or intercity bus industries. Rather, the requirements are aimed at insuring that motor carriers operating on our highways truly are safe.

HEAVY TRUCK RESEARCH

While a considerable body of knowledge exists related to the safety of automobiles, railroads, and airplanes, relatively little research has been done concerning heavy trucks. This bill would require the Department of Transportation to undertake research into the unique safety problems associated with heavy trucks.

TRUCK OCCUPANT PROTECTION

Motor vehicle crashes are the leading cause of fatal injuries in the workplace. This is an especially important concern in the trucking industry. This legislation would require the Department of Transportation to undertake a detailed study of truck occupant protection. The study is to investigate potential and known hazards to truck occupants and means of improving truck occupant safety and is to evaluate potential performance standards to be met by manufacturers.

SAFETY RELATED DEVICES

The safety of vehicles involved in emergency situations is another issue of concern. This bill would require DOT to conduct a study of the effectiveness of existing regulations regarding emergency warning devices required to be carrried on buses, trucks, truck-tractors, and motor-driven vehicles which are involved in emergency situations.

Mr. President, I urge my colleagues to support this legislation and I ask unanimous consent that the text of the "Motor Carrier Safety Act of 1983" be placed in the RECORD in its entirety.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2174

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Motor Carrier Safety Act of 1983".

PURPOSES

SEC. 2. The purposes of this Act are to promote the safe operation of commercial motor vehicles in or affecting interstate commerce, to minimize dangers to the health of operators of commercial motor vehicles and other employees whose employment directly affects motor carrier safety, and to assure increased compliance with traffic laws and with the commercial motor vehicle safety and health rules, regulations, standards, and orders issued pursuant to this Act.

FINDINGS

SEC. 3. The Congress finds that—

(1) it is in the public interest to enhance commercial motor vehicle safety and thereby to reduce highway fatalities, injuries, and property damage;

(2) improved, more uniform commercial motor vehicle safety measures and strengthened enforcement would reduce the number of fatalities and injuries and the level of property damage related to commercial motor vehicle operations;

(3) enhanced protection of the health of commercial motor vehicle operators is in the public interest; and

(4) interested State governments can provide valuable assistance to the Federal Government in assuring that commercial motor vehicle operations are conducted safely and healthfully.

DEFINITIONS

SEC. 4. For purposes of this Act, the term—

(1) "commerce" means trade, traffic, or transportation within the jurisdiction of the United States between a place in a State and a place outside of such State, or which affects trade, traffic, or transportation between a place in a State and a place outside of such State;

(2) "commercial motor vehicle" means any self-propelled or towed vehicle used on the highways in commerce principally to transport passengers or cargo—

(A) if such vehicle has a gross vehicle weight rating of 10,000 or more pounds;

(B) if such vehicle is designed to transport more than 15 passengers, including the driver, except for a schoolbus, as defined in section 102(14) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1391(14)), when used in transporting primary, pre-primary, or secondary school students to or from such schools or events related to such schools; or

(C) if such vehicle is used in the transportation of materials found by the Secretary to be hazardous for the purposes of the Hazardous Materials Transportation Act (49 U.S.C. 1801 et seq.);

(3) "employee" means—

(A) a driver of a commercial motor vehicle (including, for purposes of this Act only, an independent contractor while in the course of personally operating a commercial motor vehicle);

(B) a mechanic;

(C) a freight handler; or

(D) any individual other than an employer; who is employed by a commercial motor carrier and who in the course of this employment directly affects commercial motor vehicle safety, but such term does not include an employee of the United States or any State who is acting within the course of such employment;

(4) "employer" means any person engaged in a business affecting commerce who owns or leases a commerical motor vehicle in connection with that business, or assigns employees to operate it in commerce, but such term does not include the United States or any State;

(5) "passenger automobile" means a motor vehicle with motive power, except that the term does not include a multipurpose passenger vehicle, a motorcycle, a bus, a truck, or a trailer designed for carrying 10 persons or less;

(6) "person" means one or more individuals, partnerships, associations, corporations, business trusts, or any other organized group of individuals;

(7) "Secretary" means the Secretary of Transportation; and

(8) "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, or the Commonwealth of the Northern Marianas, or a political subdivision thereof.

DUTIES

SEC. 5. Each employer and employee shall comply with the safety and health rules, regulations, standards, and orders issued pursuant to this Act which are applicable to his own actions and conduct.

REGULATORY AUTHORITY AND STANDARDS

SEC. 6. (a) The Secretary shall establish and revise such rules, regulations, standards, and orders as may be necessary in order to further the purposes of this Act. The Secretary shall, where practicable, consider costs and benefits before establishing or revising rules, regulations, standards, or orders under this Act. Such rules, regulations, standards, and orders shall be directed toward assuring that—

(1) commercial motor vehicles are safely maintained, equipped, loaded, and operated;

(2) the responsibilities imposed upon drivers of commercial motor vehicles do not impair a driver's ability to operate safely;

(3) the physical condition of drivers of commercial motor vehicles is adequate to enable them to drive safely; and

(4) the operation of commercial motor vehicles does not create deleterious effects on the physical conditions of such drivers.

(b)(1) The Secretary shall promulgate any such rule or regulation within a period of 1 year after the date of commencement of any proceeding respecting such rule or regulation. If the Secretary determines that any such promulgation will not be completed within such time period, the Secretary shall immediately notify the Congress and shall furnish the reasons for the delay, information regarding the resources assigned, and the projected completion date, for any such proceeding. If such rule or regulation has not been promulgated within 1 year after the date of the commencement of any proceeding with respect to such rule or regulation, the Secretary shall supply the Congress with current data regarding the information specifed in the preceding sentence, and shall provide the Congress with such information at the end of every 60-day period thereafter during which the proceeding remains incomplete.

(2) All rules, regulations, standards, and orders issued under this section shall be promulgated in accordance with section 553 of title 5, United States Code (without regard to sections 556 and 557 of such title), except that the time periods specified in paragraph (1) of this subsection shall apply to such promulgation.

(c) The Secretary may waive in whole or in part application of any rule, regulation, standard, or order established under this section with respect to any person or class of persons if the Secretary determines that such waiver is not contrary to the public interest and is consistent with the safe operation of commercial motor vehicles. Any waiver permitted under this subsection shall be published in the Federal Register, together with the reasons for such waiver. Any final agency action taken under this section is subject to judicial review, as provided in chapter 7 of title 5, United States Code.

(d) The Secretary, in consultation with the Director of the National Institute for Occupational Safety and Health and the Secretary of Labor, shall undertake a study of health hazards to which employees engaged in the operation of commercial motor vehicles are exposed, and shall develop such materials and information as are necessary to enable such employees to carry out their employment in place and manner free from recognized hazards that are causing or are likely to cause death or serious physical harm. The study shall include findings regarding the most appropriate method for regulating and protecting the health of operators of commercial motor vehicles. The findings of such study shall be submitted to the Congress within 1 year after the date of enactment of this Act.

(e) The Secretary shall coordinate the activities of Federal agencies to ensure adequate protection of the safety and health of operators of commercial motor vehicles. The Secretary shall attempt to minimize paperwork burdens to assure maximum coordination, and to avoid overlap or the imposition of undue burdens on persons subject to such rules, regulations, standards, and orders.

(f) Section 3102 of title 49, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) The Secretary shall, before prescribing or revising any requirement under this section, consider the costs and benefits of such requirement.".

GENERAL POWERS

SEC. 7. (a) The Secretary may conduct, directly or indirectly, such research, development, demonstrations, and training activities as the Secretary considers appropriate to develop rules, regulations, standards, and orders authorized to be promulgated under section 6 of this Act, to design and develop improved enforcement procedures and technologies, and to familiarize affected persons with such rules, regulations, standards, and orders.

(b) In carrying out the Secretary's functions under this Act, the Secretary is authorized to perform such acts (including conducting investigations and inspections; compiling statistics; making reports; issuing subpenas; requiring production of documents, records, and property; taking depositions; holding hearings; prescribing recordkeeping and reporting requirements; and carrying out and contracting for such research, development, testing, evaluation, and training) as the Secretary determines necessary to carry out the provisions of this Act, or rules, regulations, standards, or orders issued pursuant to section 402 of the Surface Transportation Assistance Act of 1982 (49 U.S.C. 2302). The Secretary may delegate to a State such functions respecting the enforcement (including investigations) of the provisions of this Act or rules, regulations, standards, or orders issued pursuant to this Act as the Secretary determines appropriate to carry out such provisions.

(c) To carry out the Secretary's inspection and investigation functions under subsection (b) of this section, the Secretary or the Secretary's agent shall, as appropriate, consult with employers and employees and their duly authorized representatives, and shall offer them a right of accompaniment.

DUTY TO INVESTIGATE COMPLAINTS; PROTECTION OF COMPLAINANTS

SEC. 8. (a) The Secretary shall timely investigate any nonfrivolous written complaint alleging that a material violation of any rule, regulation, standard, or order issued under this Act is occurring or has occurred within the preceding 60 days. The complainant shall be timely notified of findings resulting from such investigation. The Secretary shall not be required to conduct separate investigations of duplicative complaints.

(b) Notwithstanding the provisions of section 552 of title 5, United States Code, the Secretary shall not disclose the identity of complainants unless it is determined that such disclosure is necessary to prosecute a violation. If disclosure becomes necessary, the Secretary shall take every practical measure within the Secretary's authority to assure that the complainant is not subject to harassment, intimidation, disciplinary action, discrimination, or financial loss as a result of such disclosure.

PENALTIES

SEC. 9. (a) Section 507 of title 49, United States Code, is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by inserting after subsection (b) the following new subsection:

"(c) The Attorney General, at the request of the Secretary, may bring an action in an appropriate district court of the United States for equitable relief to redress a violation by any person of a provision of section 3102 of this title or the Motor Carrier Safety Act of 1983, or an order or regulation issued under such section or Act. Such district court shall have jurisdiction to determine any such action and may grant such relief as is necessary or appropriate, including mandatory or prohibitive injunctive relief, interim equitable relief, and punitive damages.".

(b) Section 521(b) of title 49, United States Code, is amended to read as follows:

"(b)(1) If the Secretary finds that a violation of section 3102 of this title or the Motor Carrier Safety Act of 1983, or a violation of a regulation issued under such section or such Act, has occurred, the Secretary shall issued a written notice to the violator. Such notice shall describe with reasonable particularity the nature of the violation found and the provision which has been violated. The notice shall fix a reasonable time for abatement of the violation, specify the proposed civil penalty, if any, and suggest actions which might be taken in order to abate the violation. The notice shall indicate that the violator may, within 15 days of service, notify the Secretary of the violator's intention to contest the matter. In the event of a contested notice, the Secretary shall afford such violator an opportunity for hearing, pursuant to section 554 of title 5, following which the Secretary shall issue an order affirming, modifying, or vacating the notice of violation.

"(2) Except as otherwise provided in this subsection, any person who is determined by the Secretary, after notice and opportunity for a hearing, to have committed an act which is a violation of recordkeeping requirements issued by the Secretary pursuant to section 3102 of this title or the Motor Carrier Safety Act of 1983 shall be liable to the United States for a civil penalty not to exceed $500 for each offense. Each day of a violation shall constitute a separate offense, except that the total of all civil penalties assessed against any violator for all offenses relating to any single recordkeeping violation shall not exceed $2,500. If the Secretary determines that a substantial health or safety violation exists or has occurred which could reasonably lead to, or has resulted in, serious personal injury or death, the Secretary may assess a civil penalty not to exceed $10,000 for each offense: *Provided, however,* That, except for recordkeeping violations, no civil penalty provided under this section shall be assessed against an employee for a violation of this section unless the Secretary determines that such employee's actions constituted gross negligence or reckless disregard for safety, in which case such employee shall be liable for a civil penalty not to exceed $1,000. The amount of any civil penalty, and a reasonable time for abatement of the violation, shall by written order be determined by the Secretary, taking into account the nature, circumstances, extent, and gravity of the violation committed and, with respect to the violation, the degree of culpability, history of prior offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice and public safety may require. In each case, the assessment shall be calculated to induce further compliance.

"(3) The Secretary may require any violator served with a notice of violation to post a copy of such notice or statement of such notice in such place or places and for such duration as the Secretary may determine appropriate to aid in the enforcement of section 3102 of this title or the Motor Carrier Safety Act of 1983.

"(4) Such civil penalty may be recovered in an action brought by the Attorney General on behalf of the United States in the appropriate district court of the United States or, before referral to the Attorney General, such civil penalty may be compromised by the Secretary.

"(5)(A) If, upon inspection or investigation, the Secretary determines that a violation, or combination of violations, poses an imminent hazard to safety, the Secretary shall order a vehicle or employee operating such vehicle out of service, or order an employer to cease all or part of the employer's commercial motor vehicle operations. In making any such order, the Secretary shall impose no restriction on any employee or employer beyond that required to abate the hazard. Subsequent to the issuance of the order, opportunity for review shall be provided in accordance with section 554 of title 5, except that such review shall occur not later than 10 days after issuance of such order.

"(B) In this paragraph, 'imminent hazard' means any condition of vehicle, employee, or commercial motor vehicle operations which is likely to result in serious injury or death if not discontinued immediately.

"(6) Any person who knowingly and willfully violates any provision of section 3102 of this title or the Motor Carrier Safety Act of 1983, or a regulation issued under this title or such Act, shall, upon conviction, be subject for each offense for a fine not to exceed $25,000 or imprisonment for a term not to exceed 1 year, or both, except that, if such violator is an employee, the violator shall only be subject to penalty if, while operating a commercial motor vehicle, the violator's activities have led or could have led to death or serious injury, in which case the violator shall be liable, upon conviction, for a fine not to exceed $2,500.

"(7) The Secretary shall promulgate regulations establishing penalty schedules designed to induce timely compliance for persons failing to comply promptly with the requirements set forth in any notices and orders under this subsection.

"(8) Any aggrieved person who, after a hearing, is adversely affected by a final order issued under this section may, within 30 days, petition for review of the order in the United States court of appeals in the circuit wherein the violation is alleged to have occurred or where the violator has his principal place of business or residence, or in the United States Court of Appeals for the District of Columbia Circuit. Review of the order shall be based on a determination of whether the Secretary's findings and conclusions were supported by substantial evidence, or were otherwise not in accordance with law. No objection that has not been urged before the Secretary shall be considered by the court, unless reasonable grounds existed for failure or neglect to do so. The commencement of proceedings under this subsection shall not, unless ordered by the court, operate as a stay of the order of the Secretary.

"(9) All penalties and fines collected under this section shall be deposited into the Highway Trust Fund.

"(10) In any action brought under this section, process may be served without regard to the territorial limits of the district of the State in which the action is brought.

"(11) In any proceeding for criminal contempt for violation of an injunction or restraining order issued under this section, trial shall be by the court, or, upon demand of the accused, by a jury, conducted in accordance with the provisions of rule 42(b) of the Federal Rules of Criminal Procedure.

"(12) As used in this subsection, the term—

"(A) 'commerce' means trade, traffic, or transportation within the jurisdiction of the United States between a place in a State and a place outside of such State, or which affects trade, traffic, or transportation between a place in a State and a place outside of such State;

"(B) 'commercial motor vehicle' means any self-propelled or towed vehicle used on the highways in commerce principally to transport passengers or cargo—

"(i) if such vehicle has a gross vehicle weight rating of 10,000 or more pounds;

"(ii) if such vehicle is designed to transport more than 15 passengers, including the driver, except for a schoolbus, as defined in section 102(14) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1391(14)), when used in transporting primary, pre-primary, or secondary school students to or from such schools or events related to such schools; or

"(iii) if such vehicle is used in the transportation of materials found by the Secretary to be hazardous for the purposes of the Hazardous Materials Transportation Act (49 U.S.C. 1801 et seq.);

"(B) 'employee' means—

"(i) a driver of a commercial motor vehicle (including, for purposes of this subsection only, an independent contractor while in the course of personally operating a commercial motor vehicle);

"(ii) a mechanic;

"(iii) a freight handler; or

"(iv) any individual other than an employer; who is employed by a commercial motor carrier and who in the course of this employment directly affects commercial motor vehicle safety, but such term does not include an employee of the United States or any State who is acting within the course of such employment;

"(C) 'employer' means any person engaged in a business affecting commerce who owns or leases a commercial motor vehicle in connection with that business, or assigns employees to operate it in commerce, but such term does not include the United States or any State;

"(D) 'person' means one or more individuals, partnerships, associations, corporations, business trusts, or any other organized group of individuals; and

"(E) 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, or the Commonwealth of the Northern Marianas, or a political subdivision thereof.".

LITIGATION AUTHORITY

SEC. 10. Section 2313 of title 49, United States Code, is amended by striking "The Secretary, or, on" and inserting in lieu thereof "On".

STATE REGULATIONS

SEC. 11. (a) Except as may otherwise be provided in this Act or any other law, all laws, rules, regulations, orders and standards relating to commercial motor vehicle safety shall be nationally uniform, to the extent practicable. A State may adopt or continue in effect any law, rule, regulation, order or standard relating to commercial motor vehicle safety until the Secretary has adopted a rule, regulation, order or standard regarding the subject matter of such State requirement. A State may adopt or continue in effect an additional or more stringent law, rule, regulation, standard or order for commerical motor vehicle safety upon a finding by the Secretary, after notice and opportunity for comment, that there is a compelling local safety need therefor, and that such safety law, rule, regulation, standard or order is not incompatible with any Federal law, rule, regulation, standard or order and will not unduly burden interstate commerce.

(b) Nothing in this Act shall affect existing hour-of-service regulations of any State applying to commercial motor vehicle operations occurring wholly within that State, unless the Secretary affirmatively finds upon review of a State's hours-of-service regulations that such regulations—

"(1) materially diminish commercial motor vehicle safety or the health and safety of employees;

"(2) are not required by compelling local conditions; or

"(3) unduly burden interstate commerce.

If the Secretary makes such an affirmative determination, the Secretary may require such State to adopt Federal hours-of-service regulations.

INSPECTION

SEC. 12. (a) Upon the instruction of duly authorized State or Federal enforcement official, each commercial motor vehicle shall be required to pass an inspection of all safety equipment required under part 393 of subchapter B of chapter 3 of title 49, Code of Federal Regulations.

(b) The Secretary shall, by rule, establish Federal standards for inspections of commercial motor vehicles no less often than annually, and retention by employers of records of such inspections.

(c) Not later than 60 days after the date of enactment of this Act, the Secretary shall initiate a rulemaking to afford interested parties an opportunity to comment on such part 393 and the inspection or retention procedure established pursuant to subsection (b) of this section. Amendments to the regulations shall be issued and published in the Federal Register not later than 1 year after such rulemaking is initiated. The amended regulations shall become effective on the date on which they are published in the Federal Register.

CERTIFICATION OF SAFETY FITNESS

SEC. 13. (a) The Secretary, in cooperation with the Interstate Commerce Commission, shall by rule, after notice and opportunity for comment, establish a procedure to determine the safety fitness of commercial motor vehicles, including persons seeking new or additional operating authority as motor carriers of property or passengers under sections 10922 and 10923 of title 49, United States Code. Such a procedure shall include—

(1) specific initial and continuing requirements to be met by such persons to prove safety fitness;

(2) a means of determining whether such persons meet the safety fitness requirements specified under paragraph (1); and

(3) specific time deadlines for action by the Department of Transportation and the Interstate Commerce Commission in making safety fitness determinations.

(b) Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a copy of the procedure established under subsection (a) of this section.

(c) The rules adopted under this section shall supersede all rules in effect on the date of enactment of this Act regarding

safety fitness and safety rating of motor carriers.

HEAVY TRUCK RESEARCH

SEC. 14. (a) The Secretary shall undertake a comprehensive study of safety characteristics of heavy trucks, the unique problems related to heavy trucks, and the manner in which such trucks are driven. Such study shall include an examination of the handling, braking, stability, and crashworthiness of heavy trucks. Not later than September 30, 1985, the Secretary shall submit to the Congress a report on the findings of such study.

(b) There are authorized to be appropriated not to exceed $1,200,000 for the fiscal year ending September 30, 1984, and not to exceed $1,400,000 for the fiscal year ending September 30, 1985, to conduct the research required under subsection (a) of this section.

TRUCK OCCUPANT PROTECTION

SEC. 15. (a) The Secretary shall make a full investigation and study of crash protection for truck occupants. Such study shall examine potential and known hazards to truck occupants and means of improving truck-occupant safety. This study shall also include potential performance standards to be met by truck manufacturers. The Secretary shall submit to Congress a report on the findings of this investigation and study not later than 1 year after the date of enactment of this Act.

(b) There are authorized to be appropriated for fiscal years 1984 and 1985 such sums as may be necessary to undertake the study required by subsection (a) of this section.

STUDY OF SAFETY-RELATED DEVICES

SEC. 16. (a) The Secretary shall conduct a study of the effectiveness of existing regulations regarding emergency warning devices required to be carried on buses, trucks, truck-tractors, and motor-driven vehicles which are involved in emergency situations. Such study shall also investigate the potential costs and benefits of requiring passenger automobile operators to carry emergency warning devices, and shall examine the relative benefits of various types of warning devices in enhancing highway safety. The Secretary shall submit to the Congress a report containing the findings of this study not later than September 30, 1984.

(b) There are authorized to be appropriated for fiscal year 1984 such sums as may be necessary to undertake the study required by this section.

OVERSIGHT

SEC. 17. The appropriate authorizing Committees of the Congress shall conduct periodic oversight hearings on the effects of this Act no less often than annually for the first 3 years following the date of enactment of this Act, to ensure that this Act is being implemented according to congressional intent and the purposes of this Act.●

By Mr. DANFORTH (by request):

S. 2173. A bill to provide for establishment of a National Traffic Safety Administration in the Department of Transportation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

NATIONAL TRAFFIC SAFETY IMPROVEMENT ACT OF 1983

● Mr. DANFORTH. Mr. President, today I am introducing by request the "National Traffic and Safety Improvement Act of 1983". This bill would create a National Traffic Safety Administration, into which highway safety functions and programs now distributed in two existing administrations would be consolidated. This legislation would permit a new National Traffic Safety Administration to assume the responsibilities and functions of the National Highway Traffic Safety Administration (NHTSA); would remove the limitations on the Secretary of Transportation's power to delegate authority for highway safety standards under the Highway Safety Act of 1966; and would remove the requirement that the Federal Highway Administrator administer motor carrier safety programs.

The Department of Transportation believes this legislation will enhance safety and that there are significant safety benefits to be realized from a consolidated National Traffic Safety Administration.

Mr. President, I ask unanimous consent that the text of the "National Traffic Safety Improvement Act of 1983" and a section-by-section description of the legislation be included in the RECORD in their entirety.

There being no objection, the bill and description was ordered to be printed in the RECORD, as follows:

S. 2173

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Traffic Safety Improvement Act of 1983".

Section 2. (a) In section 104 of Title 49, United States Code, subsection (d) is repealed and subsection (c) is amended to read as follows:

"(c) The Administrator shall carry out duties and powers prescribed by the Secretary."

(b) In section 501 of Title 49, United States Code, a new subsection (c) is inserted at the end thereof, to read as follows:

"(c) A decision under this chapter involving notice and hearing required by law is administratively final."

(c) In section 3102 of Title 49, United States Code, a new subsection (d) is inserted at the end thereof, to read as follows:

"(d) A decision under this chapter involving notice and hearing required by law is administratively final."

Section 3. Section 105 of Title 49, United States Code, is amended to read as follows:

"§ 105. National Traffic Safety Administration

(a) The National Traffic Safety Administration is an administration in the Department of Transportation.

(b) The head of the Administration is the Administrator who is appointed by the President, by and with the advice and consent of the Senate. The Administrator reports directly to the Secretary of Transportation and shall carry out duties and powers prescribed by the Secretary.

(c) The Administration has a Deputy Administrator who is appointed by the Secretary of Transportation, with the approval of the President. The Deputy Administrator shall carry out duties and powers prescribed by the Administrator.

(d) The Secretary may carry out the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1381 et seq.) through the Administrator.

Section 4. (a) Any highway safety program consolidated by the Secretary of Transportation shall be deemed to be subject to any statutory limitation on such program that would have existed but for enactment of this Act.

(b) Budget authority or appropriations for programs consolidated by the Secretary of Transportation shall remain available for such programs after consolidation.

(c) The first Administrator of the National Traffic Safety Administration may be appointed pursuant to Section 3 of this Act or by the President alone from among the persons who, on the day preceding the effective date of this Act, held an office in the Department of Transportation, the appointment to which required the advice and consent of the Senate.

Section 5. (a) Title 49, United States Code, is further amended as follows:

(1) in section 322(b), strike out ", 104(c)(1),"; and

(2) in the analysis for Chapter 1—Organization, of Subtitle I—Department of Transportation, strike out "105. National Highway Traffic Safety Administration." and substitute "105. National Traffic Safety Administration.".

(b) Title 5, United States Code, is amended as follows:

(1) in section 5314, strike out "Administrator of the National Highway Traffic Safety Administration" and substitute "Administrator of the National Highway Traffic Safety Administration"; and

(2) in section 5316, strike out "Deputy Administrator of the National Highway Traffic Safety Administration" and substitute "Deputy Administrator of the National Traffic Safety Administration".

(c) Title 23, United States Code, is amended by striking "National Highway Traffic" wherever it appears and substituting "National Traffic".

Section 6. This Act shall take effect 60 days after enactment.●

SECTION-BY-SECTION ANALYSIS

Section 1. This section provides a short title for the bill.

Section 2. Subsection (a) of section 2 repeals the requirement that those provisions of law relating to motor carrier safety which were transferred to the Department of Transportation from the Interstate Commerce Commission be carried out by the Federal Highway Administrator. This would permit the Secretary to move the Bureau of Motor Carrier Safety to the new National Traffic Safety Administration.

It also repeals the requirement that some provisions of the Highway Safety Act of 1966, as amended, be carried out by the Federal Highway Administrator and some by the National Highway Traffic Safety Administrator.

Subsections (b) and (c) continue the current provisions according to administrative finality to decisions regarding motor carrier safety, irrespective of what agency of the Department of Transportation renders those decisions.

Section 3. Subsection (a) establishes the National Traffic Safety Administration in the Department of Transportation.

Subsection (b) provides the same relationship between the Secretary and the Administrator which applies between the Secretary and the other heads of Department of

Transportation agencies. It also repeals the requirement that some provisions of the Highway Safety Act of 1966, as amended, be carried out by the Federal Highway Administrator and some by the National Highway Traffic Safety Administrator. This would permit the Secretary to consolidate Highway Safety Act functions in the new National Traffic Safety Administration.

Subsection (c) establishes the position of Deputy Administrator and provides the same relationship between the Administrator and the Deputy Administrator that exists in other Department of Transportation agencies.

Subsection (d) permits the Secretary to assign to the Administrator the functions regarding motor vehicle safety now carried out by the Administrator of the National Highway Traffic Safety Administration.

Section. 4. This section provides continuing effect to any budgetary authority or related limitations applicable to programs affected by this reorganization. It also provides for continuity of leadership of the new agency.

Section 5. This section makes technical and conforming amendments to other provisions in the United States Code.

Section. 6. This section provides for an effective date 60 days after enactment, to allow the Secretary of Transportation time to effect an orderly consolidation of programs.

By Mr. ABDNOR (for himself and Mr. PRESSLER):

S. 2176. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Lake Andes-Wagner unit, South Dakota Pumping Division, Pick-Sloan Missouri Basin program, South Dakota; to the Committee on Energy and Natural Resources.

LAKE ANDES-WAGNER IRRIGATION PROJECT

● Mr. ABDNOR. Mr. President, today I am introducing bills to authorize two irrigation projects in my State—the Lake Andes-Wagner and CENDAK projects—as units of the Pick-Sloan Missouri Basin program. Congressman DASCHLE is introducing identical legislation in the House of Representatives, and Senator PRESSLER has joined me in cosponsorship.

Mr. President, the proposed Lake Andes-Wagner unit is located in Charles Mix County, S. Dak. A plan for irrigating about 26,700 acres has been developed and displayed in the Bureau of Reclamation's regional director's planning report, dated October 1983. The project's benefit-cost ratio is 1.12 to 1, and the Bureau believes this is a good project. We are very hopeful that with the administration's support we can achieve enactment of the necessary authorization prior to adjournment for the election next year.

In addition to the 26,700 acres already incorporated into the regional director's report, Mr. President, investigations are underway on about 25,000 acres, mostly east of Choteau Creek. Since preliminary results indicate that about 15,000 of these acres may be feasible for development as well, the legislative proposal I am introducing today would authorize up to 42,500 acres to be irrigated.

Mr. President, this project has been under study for many years. About 10 years ago the Bureau concluded a much larger version of the project was infeasible due to high drainage costs, and they intended to terminate the study without even completing the soil survey, which was virtually finished yet useless without being compiled into a report. I worked to secure funding to allow the survey to be finished and turned over to local sponsors. My efforts succeeded and the completed soil survey was turned over to the local folks who have continued to pursue development of the project.

In fact, Mr. President, the local folks have incurred about $1 million in debt associated with engineering and other costs in their efforts to develop the project. That represents a very substantial showing of local support and justifies the continued consideration of Federal development. Of course, too, there is the continuing commitment of the Federal Government to my State under the Pick-Sloan Missouri Basin program, a commitment which is a matter of public record and of which I have spoken many times.

Mr. President, the Lake Andes-Wagner project appears to possess that vital combination of economic viability and dedicated local support which is essential, and I am, therefore, extremely pleased to be able to introduce this measure today as the first step in what I sincerely hope and expect will be a successful legislative process toward authorization and development of the project.

Mr. President, I have already spoken with Chairman NICKLES of the Subcommittee on Water and Power to request a field hearing early next year, and my colleague from Oklahoma has graciously given me a tentative commitment to come to my State to consider this legislative proposal as well as the CENDAK authorization, which is reprinted elsewhere in today's RECORD.

Mr. President, I ask unanimous consent that the text of my bill to authorize the Lake Andes-Wagner unit be reprinted at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2176

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior, acting pursuant to the Federal Reclamation laws (Acts of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof and supplemental thereto), is authorized to construct, operate, and maintain the Lake Andes-Wagner Unit, South Dakota Pumping Division, Pick-Sloan Missouri Basin Program, South Dakota, for the purpose of providing irrigation water for approximately forty-two thousand five hundred acres of land. The principal features of the project include a main pumping plant located on Lake Francis Case, relift plants, a main canal system, and a drainage system. The project will also include measures to mitigate for project caused wildlife habitat impacts.

Sec. 2. The Lake Andes-Wagner Unit shall be integrated physically and financially with the other Federal works constructed under the comprehensive plan approved by section 9 of the Flood Control Act of December 22, 1944 (58 Stat. 887, 891) as amended and supplemented. Repayment contracts for the return of construction costs allocated to irrigation will be based on the water user's ability to repay as determined by the Secretary of the Interior; and the terms of such contracts shall not exceed forty years following the permissable development period. A portion of the reimbursable costs for irrigation service to Indian owned lands will be indefinitely deferred under the Leavitt Act authority.

Sec. 3. There is hereby authorized to be appropriated for construction of the Lake Andes-Wagner Unit the sum of $141,310,000 (indexed to January 1983 price level) plus or minus such amounts, if any, as may be required by reason of changes in construction costs as indicated by engineering cost indexes applicable to the types of construction involved and, in addition thereto, such sums as may be required for operation and maintenance of the works of said area.●

Mr. PRESSLER. Mr. President, today I am joining my South Dakota colleagues in Congress, Senator JIM ABDNOR and Congressman TOM DASCHLE, in the introduction of a bill to authorize the CENDAK irrigation project and the Lake Andes-Wagner irrigation project. The CENDAK bill was drafted by the South Dakota Department of Water and Natural Resources, and the CENDAK board.

I have no illusions about the difficulties involved in making South Dakota's water development dream a reality. The promises made to South Dakota decades ago by the Federal Government have yet to be fulfilled.

South Dakota sacrificed over 500,000 acres of farmland for the construction of four mainstem dams on the Missouri River. These dams were authorized in the Pick-Sloan Missouri River project. The Pick-Sloan project promised South Dakota water development in return for these sacrifices. To date, South Dakota has not benefited from any major water development projects.

Perhaps it will not be possible to fulfill that promise through CENDAK. It is an incredibly expensive undertaking, even by Washington standards. That is why we must expect a long and thorough review of the CENDAK legislation with full realization that it may never become a reality. With the introduction of those two bills, and others I may introduce in the near future, at least we will have legislation on the table which the water development decisionmaking by affected South Dakotans might center. Probably this legislation will require con-

siderable refinement and modification as the water development preferences of people in our State become more clearly pronounced. I have my own reservations about certain features and implications of this legislation, but we cannot let the momentum of the water development effort fade, even though there may be serious problems with the legislation being introduced today. If this legislation serves no other purpose than to act as a catalyst for water development, it will have been a productive proposal. As with most major public works undertakings, a maximum effort should be made to insure the broadest possible public participation in examining every aspect of the legislative proposal.

By Mr. BOSCHWITZ:

S. 2177. A bill to provide for the use and distribution of the Lake Superior and Mississippi Bands of Chippewa Indians judgment funds in docket 18–S and the Lake Superior Band of Chippewa Indians judgment funds in docket 18–U, before the Indian Claims Commission, and for other purposes; to the Select Committee on Indian Affairs.

FUNDS FOR CHIPPEWA INDIANS

● Mr. BOSCHWITZ. Mr. President, I am today introducing a bill to provide for the use and distribution of certain judgment funds awarded to the Lake Superior and Mississippi Bands of Chippewa Indians enrolled in the Minnesota Chippewa Tribe. These judgments were awarded in dockets 18–S and 18–U of the Indian Claims Commission and funds were appropriated for them in 1978 (31 U.S.C. 724a, as amended). I am introducing this legislation at the request of the chairman of the Minnesota Chippewa Tribe, Darrell "Chip" Wadena.

The judgment awards in these two dockets also benefit members of the Lake Superior and Mississippi bands who are not enrolled in the Minnesota Chippewa Tribe. The bill I am introducing does not affect their share of the funds.

The bill provides for the distribution of funds, as appropriate, to the following constituent bands and enrollees of the Minnesota Chippewa Tribe by their reservation affiliations; Fond du Lac Reservation; Grand Portage Reservation; Nett Lake Reservation, including Vermillion Lake and Deer Creek (Bois Forte Band); White Earth Reservation; Mille Lacs Reservation; and Leech Lake Reservation.

The bill provides that 20 percent of the funds apportioned to the constituent bands of the Minnesota Chippewa Tribe shall be used by them for community purposes and 80 percent shall be distributed in per capita payments as is the common practice in these claims commission disbursements.

The provisions of the bill are consistent with the distribution plan for the Minnesota Chippewa Tribe approved by the Secretary of the Interior in 1979 for judgments awarded in dockets 18–C and 18–T.

I am introducing this legislation simply to expedite the distribution of these judgment funds to the constituent bands and enrollees of the Minnesota Chippewa Tribe. Under section 1(d) of the Indian Judgment Funds Act Amendments (Pub. L. 97–458), the Secretary of the Interior is required to submit legislation to provide for the distribution of judgment funds, if he is unable to meet the statutory deadline for the approval of a distribution plan. It is my understanding that the Secretary has been unable to meet the deadline and that he has not yet prepared legislation to effect the distribution.

It is my hope that introduction of a bill today will aid the scheduling of committee consideration of it and result in a timely response by the Department of the Interior.●

By Mr. BOSCHWITZ:

S. 2178. A bill to amend the Federal-State Extended Unmployment Compensation Act of 1970 to provide an alternative regional trigger, and for other purposes; to the Committee on Finance.

REGIONAL UNEMPLOYMENT COMPENSATION ACT OF 1983

● Mr. BOSCHWITZ. Mr. President, today I am introducing the Regional Unemployment Compensation Act of 1983 which addresses several concerns I have with our current unemployment compensation programs.

There are three programs now in operation. The first is the traditional unemployment compensation (UC) program that is run by the States and financed by State-set employer payroll taxes, States are allowed a fair amount of discretion in setting benefit levels and tax rates so there exists a wide range of benefits throughout the 50 States

The second, the extended benefit (EB) program, was created by Congress to assist in times of economic distress and is funded by 50 percent Federal, 50 percent State-set employer payroll taxes. EB is triggered on when an individual State's unemployment rate meets a certain criteria. Once triggered on the unemployed in the State who have run out of regular UC benefits are eligible for up to 13 additional weeks of benefits.

To trigger on States must now have an insured unemployment rate (IUR) of at least 5 percent and their IUR must be at least 120 precent of the average level over the past 2 years. The IUR is figured by dividing the number of recipients of UC by the total number of people working in jobs covered by unemployment insurance. States trigger off when either their IUR falls below 5 percent or they no longer meet the 120-percent requirement.

The final program is Federal supplemental compensation (FSC) which is funded by the Federal Government, FSC began in 1982 and has been successfully extended three times, the last time carriers it through March 31, 1985. FSC provides benefits to unemployed individuals whose other benefits (UC or EB) have expired. The maximum number of weeks is determined by each State's IUR, with a range of 8 weeks to 14 weeks of additional benefits.

Unfortunately, these programs have not worked the way we had hoped. Instead of having EB available to the longer-term unemployed, we found that many States were not eligible for EB. And for all practical purposes the FSC program took on the role EB should have held. Clearly, then, we should look for ways to improve the EB program.

Mr. President, that is what the legislation I am introducing today is designed to do. As I see it, there are three basic problems with the current EB program.

First, in computing the IUR only those receiving regular UC are counted. Those on FSC or those who have had their benefits expire are not figured into the quotient. This means that States suffering with a long-term unemployment problem can have their IUR dropping even while their total unemployment rate is going up.

Second, to qualify for EB States must meet the 120-percent rule. This means States facing prolonged high unemployment often cannot meet this test and thus do not qualify. Again, States who seem to logically belong on EB are not.

Third, States that have pockets of very high unemployment (heavy industrial regions for example) often do not trigger on because the balance of the State is doing moderately well. This means that areas we have attempted to target for assistance with the jobs bill, the Job Training and Partnership Act (JTPA), the Maybank amendment to Department of Defense appropriations, and the surplus labor area programs are not served at all by a basic unemployment assistance program.

My bill tries to address these three concerns with what I believe is a reasonable and realistic approach. It contains four changes from current law:

First. Sub-State regions, defined as service delivery areas, set up under the JTPA, will be eligible for EB if their IUR is 5 percent. For these regions the 120-percent rule is not applicable.

Second. In computing the IUR, recipients of FSC (or other future temporary supplemental benefits) should

be included along with those on the regular UC.

Third. The IUR necessary for States to trigger on will be increased to 5.5 percent, with the 6-percent State option retained.

Fourth. Regions will also be allowed to qualify for EB if their total unemployment rate is 1.75 times the national unemployment rate; and is at least 12 percent.

I believe this approach much better addresses the problems of long-term unemployment and the pockets of high unemployment we see around the Nation. It is also easier to administer than previous sub-State plans because it taps into an already existing set of regions. The SDA's, as designed by JTPA and set up by the Governors, consist of areas of similar interests and economic activities with overall populations of each SDA also relatively uniform.

Governors now apportion there State's share of job training moneys on a formula basis of: One-third relative unemployment; one-third excess unemployment (amount above 4.5 percent); and one-third number of economically disadvantaged (as defined by the Department of Labor). This means each SDA will need to determine its unemployment rate and could then fairly easily figure its IUR. So, administratively we have ready-made regions that can be adapted to a regional EB program.

I hope my colleagues will carefully review the legislation I am proposing. Each of us has areas of our State that would benefit from this bill, and I hope it will receive widespread support.

Long-term unemployment, or structural unemployment, are problems that do not just go away overnight, and for areas of the country dependent on steel employment the problem is even more difficult. The Iron Range in Minnesota is such an area. On many occasions over the past 2 years I have pushed for and supported legislation designed to provide some assistance for people like those on the Iron Range. I have visited those on the Range—in fact I held a town meeting on jobs up there along with the Governor.

And what you see is that chronic long-term unemployment means more than just no work. The cumulative effects on families, community organizations and communities themselves can be devastating. I believe the reforms in my bill are a small step to take to help these people out.●

By Mr. EXON:

S. 2179. A bill to amend the Agricultural Act of 1949 to modify the loan rate and the acreage set-aside and diversion programs for the 1984 crop of feed grains and the producer reserve program for wheat and feed grains; to the Committee on Agriculture, Nutrition, and Forestry.

IMPROVEMENTS IN THE 1984 FEED GRAIN PROGRAM

● Mr. EXON. Mr. President, I am introducing legislation which is intended to make substantial improvements in the 1984 feed grain program which was announced by Secretary Block in late September.

Recently, the Nebraska Association of Farmer Elected Committeemen met with me to express their concern regarding the administration's 1984 feed grain program and offer constructive suggestions to improve this program in order to attract participation. I want to state that these suggestions which I have incorporated into this bill have also been transmitted to the Secretary by N.A.O.F.E.C. However, given the track record of this administration on incorporating farmer-initiated recommendations into agriculture programs, it is necessary to introduce legislation in order that every effort is made to see that changes are forthcoming in the administration's 1984 feed grain program.

As my colleagues are aware, the administation's proposed program is very deficient and will do virtually nothing to encourage the feed grain producers in Nebraska and thoughout the Farm Belt to participate in the 1984 program as announced. Consequently, without significant improvement, we will see a return to fence row to fence row planting producing a bumper crop, thus undoing any progress made this crop year toward the reduction of carryover under the terms of PIK and the impact of the drought. I believe the current feed grain program for 1984 will only cause an immediate return to huge surpluses, leading to low prices and further reliance on Government support programs to keep our family farmers afloat. No one wants to see this happen, least of all our feed grain producers.

Mr. President, this bill provides for the very minimum changes necessary to make the 1984 feed grain program workable. This bill provides for a mandatory 10 percent set-aside, plus an additional optional 10 to 20 percent paid diversion program at a rate equal to the amount paid in the 1983 feed grain program. Storage payments under the producer reserve program will be at levels equal to the prevailing rate paid for CCC storage. Finally, this bill will establish the 1984 loan rate at $2.65 per bushel and leave the target price at $3.03 as provided for in the Agriculture and Food Act of 1981.

Mr. President, I believe this bill is workable and will have the desired result of encouraging producer participation in the 1984 feed grain program, so necessary for its success.

I ask unanimous consent that the bill be printed in the RECORD in its entirety at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2179

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the last sentence of section 105B(a)(1) of the Agricultural Act of 1949 (7 U.S.C. 1444d(a)(1)), as amended by section 123 of the Omnibus Budget Reconciliation Act of 1982 (96 Stat. 769), is amended by striking out "1983 crop of corn" and inserting in lieu thereof "each of the 1983 and 1984 crops of corn".

(b) Section 1058(e)(1) of the Agricultural Act of 1949 (7 U.S.C. 1444d(e)(1)), as amended by section 124 of the Omnibus Budget Reconciliation Act of 1982 (96 Stat. 769), is amended—

(1) by striking out "subparagraph (B)" in the first sentence of subparagraph (A) and inserting in "subparagraphs (B) and (C)"; and

(2) by adding at the end thereof the following new subparagraph:

"(C) For the 1984 crop of feed grains, the Secretary shall provide for a set-aside program for feed grains as described in paragraph (3) under which the acreage planted to feed grains for harvest on the farm would be limited to the feed grain acreage base for the farm reduced by 10 per centum. For the 1984 crop of feed gains, the Secretary shall also provide for a diversion program as described in paragraph (5) under which the acreage planted to feed grains for harvest on the farm would be limited to the feed grain acreage base for the farm reduced by, as determined by the Secretary, no less than 10 per centum and no more than 20 per centum. As a condition of eligibility for loans, purchases, and payments on the 1984 crop of feed grains, the producers on a farm must comply with the terms and conditions of all programs established under this subparagraph.".

(c) Clause (2) of the third sentence of section 110(b) of the Agricultural Act of 1949 (7 U.S.C. 1445e(b)) is amended by inserting before the semicolon at the end thereof the following: ", except that the Secretary may not make such a payment at a rate which is less than, as determined by the Secretary, the prevailing rate for storage of wheat or feed grains in the community in which the farm is located".●

By Mr. GRASSLEY (for himself, Mr. SYMMS, Mr. BOREN, Mr. PRYOR, Mr. DURENBERGER, Mr. WALLOP, and Mr. ARMSTRONG):

S. 2180. A bill to amend the Internal Revenue Code of 1954 to provide a 20-percent investment tax credit for certain soil or water conservation expenditures; to the Committee on Finance.

INVESTMENT TAX CREDIT FOR CERTAIN SOIL OR WATER CONSERVATION EXPENDITURES

● Mr. GRASSLEY. Mr. President. I rise to introduce a soil and water conservation tax credit measure with my colleagues Senators SYMMS, BOREN, PRYOR, DURENBERGER, WALLOP and ARMSTRONG. The purpose of this legislation is to increase incentives for taxpayers to improve their soil and water conservation practices.

It is commonplace for Members of Congress who represent farm States or arid States to make speeches decrying the Federal Government's current conservation effort. The rate of soil erosion and the impact of soil erosion on the future productive capability of our land are serious issues for everyone in agriculture. Some analyists have questioned whether the lack of Federal and State attention to this growing problem will jeopardize our efforts to produce an adequate supply of food to meet future domestic and world needs. The increasing depletion of soil is alarming because it shows a disregard for an important natural resource and indicates poor mangement of our Nation's farmland.

The Council for Agricultural Science and Technology (CAST) in a 1982 report concluded that soil erosion was most serious in 12 North Central States. In the Corn Belt, losses of 10 tons per acre or more were common on 19 percent of the row cropped land; on some parcels the soil loss exceeded 40 tons per acre annually. Unfortunately, soil loss is not limited to these 12 States. In the southeastern States, erosion rates of more than 11 tons per acre occurred on 32 percent of the land used for row crops. The highest soil erosion rates in the Nation are on the 26,000 square miles of the upper Mississippi Valley which includes the States of Tennessee, Kentucky, Mississippi, Louisiana, and Arkansas. Mountain States are plagued by wind erosion of their soil. The average annual wind erosion rates on cropland are 9 tons per acre in Colorado, 11 tons per acre in New Mexico, and 15 tons per acre in Texas. On the Columbia Plateau in the Pacific Northwest, average long-term erosion rates of 15 to 25 tons per acre are common with occasional erosion rates as high as 50 to 100 tons per acre.

Farmers' dramatic increase in crop yields have masked the damaging effects of soil and water erosion. In the CAST report, one scientist noted that studies with corn have shown a yield reduction of 1 to 9 bushels per acre for each inch of topsoil loss. These losses are offset by planting better crop varieties, increasing the use of fertilizer and improving pest control. It is not prudent for us to gamble that improved technology in the future will enable us to offset the damage we are currently inflicting. In our current economic climate, many farmers feel it is necessary to deplete their soil to stay in business.

My bill permits farmers to claim a 20 percent credit for installing certain approved soil and water conservation practices. This list was recommended by the Soil Conservation Service, and is specific enough to eliminate the possibility of any taxpayer claiming a creditable expense for building swimming pools or planting trees in their front yard. To be certain the expenditure meets the standards imposed by the Soil Conservation Service this bill requires certification by SCS. This certification requirement relieves the IRS of the responsibility of assessing whether or not a conservation technology is properly employed.

While this provision does not repeal current law, it limits the total amount of soil and water conservation measures a taxpayer may claim to 25 percent of a taxpayer's gross income from farming. This cap is designed to discourage investors from claiming the credit who do not derive any gross income from farming. The 20-percent credit will apply to eligible improvements to land. If the 20-percent credit is elected, a taxpayer would be limited to straight line depreciation. For the acquisition of eligible depreciable property, the taxpayer would be limited to the 10-percent investment tax credit and a 10-percent add-on credit for a total credit of 20 percent. The remaining depreciation is deducted by using the straight line method. The regular recapture and carryover rules will apply to this credit.

We selected the credit approach because it is easier to administer and readily understandable by taxpayers. In my interviews with farmers and agricultural experts, they overwhelmingly favored this approach as opposed to more complicated schemes.

This bill is narrowly drafted to stimulate soil and water conservation without stimulating tax shelter activity. It addresses a serious problem which we can no longer afford to ignore. I hope my colleagues will join me in this important effort.●

SOIL AND WATER CONSERVATION TAX CREDITS

● Mr. PRYOR. Mr. President, I am pleased to be a cosponsor of the bill being introduced today by the Senator from Iowa (Mr. GRASSLEY) dealing with soil and water conservation. I think this is a good initiative, and I hope the Finance Committee can hold hearings on this tax credit proposal in the very near future.

Mr. President, there can be no doubt about the need to do more in the area of conservation of our precious resources, like soil and water. Their abundance has insured that our country remained a leader in world agricultural production. We have all seen the statistics, and we are aware of the very pressing need to act. I support efforts within the Department of Agriculture, but I believe there need to be further incentives to undertake these conservation activites. This bill provides such an incentive.

Briefly, Mr. President, this bill provides for a 20 percent investment tax credit for certain qualified soil and water conservation equipment. This would be structured as an add-on credit of 10 percent to the existing 10 percent investment tax credit. Limitations would be imposed under the bill so that only 25 percent of a farmer's gross income from farming could be offset by use of the credit, and provisions are included in the bill to make sure that only certain qualified investments are covered. In short, I think it is a tightly drawn bill which will provide an additional incentive for farmers to undertake these conservation activities. The revenue loss would be very minimal, and I think we would reap substantial rewards later on.

I commend the Senator from Iowa (Mr. GRASSLEY) for his efforts, and I urge my colleagues to support this measure.●

By Mr. GARN:

S. 2181. A bill to authorize depository institution holding companies to engage in activities of a financial nature, insurance underwriting and brokerage, real estate development and brokerage, and certain securities activities including dealing in, underwriting and purchasing government and municipal securities, sponsoring and managing investment companies and underwriting the securities thereof, to provide for the safe and sound operation of depository institutions, to amend the Federal Reserve Act, the Home Owners' Loan Act of 1933, and the Bank Service Corporation Act, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

FINANCIAL SERVICES COMPETITIVE EQUITY ACT

● Mr. GARN. Mr. President, 1 month ago, in a speech before the National Press Club, I stated my intention to develop comprehensive financial services legislation to address significant issues facing our financial system and to focus congressional attention on them.

In that speech, and in my recent floor statement regarding moratorium legislation, I described the financial system as being in transition. Significant changes are occurring—pushed by technological, economic, and demographic forces. Innovative institutions are employing skillful lawyers to find loopholes in banking statutes, depository institutions are seeking to become financial conglomerates, new competitors are attempting to enter the deposit-taking business, and some States are enacting laws that relax historical barriers to interstate banking.

What is the overall result of these developments? Confusion.

Another market development has been increasing sophistication on the part of both individual and business purchasers of financial services.

Congress has acted during the past several years to address some of the changes in the financial system. Despite such efforts in 1980—the Depository Institutions Deregulation Act—and in 1982—the Garn-St Germain

Act—it is our task and responsibility to consider further statutory changes in 1984. Without legislative action next year, whether it be what I may personally prefer or not, the confusion in the system will only increase.

In order to further the process of considering national policy responses to the financial system's transition, I an introducing this legislation. The principal title is a revised Treasury-administration bill (S. 1609). While retaining the basic holding company structure and additional powers aspects of that bill. I have made revisions to limit affiliations between large bank or savings and loan holding companies and other large financial organizations, preclude holding companies engaged in real estate activities from operating construction companies, apply additional antitying consumer safeguards to insurance sales by bank subsidiaries of holding companies, exclude unitary savings and loan holding companies from the activities provisions of the bill so long as their thrift subsidiaries meet either of two qualified thrift lender tests, apply the Douglas amendment and McFadden Act to acquisitions of thrifts by bank holding companies and the Douglas amendment to savings and loan holding company acquisitions of banks, and authorize holding companies to own limited purpose consumer banks in a manner similar to their existing authority to own industrial loan companies.

While I attempted to address many issues in my revisions of S. 1609, there are some which, because of time constraints, I have left to the hearing process. These include the question of bank holding companies for mutual savings banks which would appear necessary in order for them to qualify for additional powers under the bill, as well as various specific proposals to revise S. 1609 further.

In addition to the Treasury-administration proposal, I have added some miscellaneous credit union amendments and clarifying amendments to the bankers' bank provisions included in last year's Garn-St Germain Act.

I have also included seven other bills that have been introduced separately this year. They and their sponsors are:

S. 1750: Senators HEINZ, GARN, TOWER, and MATTINGLY. Payment of interest on reserves maintained on interest bearing transaction accounts and money market deposit accounts.

S. 1152: Senator HAWKINS. Consumer leasing disclosure simplification.

S. 573: Senators DODD, PROMIRE, and D'AMATO. Requiring banks to disclose more information to their customers about check-holding policies.

S. 730: Senators GARN, PROXMIRE, and LUGAR. Preemption of business, agricultural, and consumer State loan rate ceilings.

S. 1875: Senators GARN and PROXMIRE, by request of DIDC. Authorize interest on checking accounts.

S. 1002: Senator TSONGAS. New England interstate banking experiment, expanded to include other regional arrangements.

S. 1555: Senators HAWKINS, D'AMATO, DODD, and GARN. Restricts the use by creditors and businesses of credit card owner identification information to prevent credit card fraud.

Some of these bills have been revised by their sponsors.

I appreciate the efforts of these other sponsors of legislation to identify the issues that must be addressed in seeking competitive equity in the financial services industry.

I expect to begin hearings on this legislative package as soon as the Congress reconvenes next year.

Mr. President, I request unanimous consent that this bill and the accompanying summary be printed in full in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF FINANCIAL SERVICES COMPETITIVE EQUITY ACT

TITLE I—S. 1609, ADMINISTRATION-TREASURY BILL—MODIFICATIONS

a. Concentration and risk

1. Affiliations between large bank holding companies or savings and loan holding companies and large insurance, securities, real estate or other financial organizations are limited by prohibiting a holding company whose subsidiaries' domestic deposits exceed 0.30 percent of total domestic deposits from acquiring, for example, an insurance company if, after the acquisition, the total investment of the holding company in insurance activities exceeds 25 percent of the holding company's total capital.

2. A similar standard is applied to limit large financial organizations from acquiring large banks or thrift institutions.

3. The effect of these limits is to limit affiliation by acquisition of approximately the largest 25 holding companies.

4. These limitations are cumulative but only apply in acquisition situations. Internal growth is not restricted.

b. Real estate activities

Permissible real estate activities are more completely described, in order to preclude construction company ownership by a bank holding company.

c. Insurance activities

Insurance sales activities are subject to to additional antitying consumer safeguards, such as providing a borrower who purchases insurance from a bank lender with a 30 day period in which to cancel the policy.

d. Thrift branching

When a bank holding company acquires a savings and loan, such acquisition will be subject to the Douglas Amendment and future branching would be restricted by the McFadden Act. Conversely, when a savings and loan holding company acquires a bank the Douglas Amendment will apply.

e. Underwriting mortgage-backed securities

Holding company securities affiliates would be authorized to underwrite and deal in mortgage-backed securities.

f. State laws affecting insurance activities

Preempts state laws which authorize banks to engage in insurance activities outside such state on a basis different from that authorized for such banks within the state.

g. Thrift exclusion

1. A unitary savings and loan holding company whose thrift subsidiary is a "qualified thrift lender" would not be subject to the activities provisions of the Treasury bill. Such company would remain as it is now, with no limits on the parent's activities, but its thrift subsidiary would not obtain the new powers included in the Treasury bill.

2. A "qualified thrift lender" is any federally chartered or insured thrift which meets either one of the following tests:

A. Has not more than 25 percent of its assets in the following commercially related loans—direct commercial loans, commercial real estate loans, commercial leasing, and floor planning or inventory loans; or

B. Has more than 60 percent of its assets in residential real estate loans and securities.

h. State chartered, FDIC insured, stock thrifts

Such institutions would be included in the definition of "insured institution" in the Savings and Loan Holding Company Act. The effect of this is to treat any parent of such a thrift as a savings and loan holding company and to exclude such a thrift from the definition of "bank" in the amended section 2(c) of the Bank Holding Company Act.

i. Non-federally insured institutions

Such institutions that are eligible for FDIC insurance are also excluded from the amended definition of "bank". Since they are not federally insured, there appears to be no reason why the federal bank holding company regulatory scheme should be imposed on their operations.

j. Consumer bank

1. Provide that a consumer bank, owned by a bank holding company or other parent, would not be a "bank" for purposes of the Bank Holding Company Act. However, a bank holding company would only be permitted to own or acquire such institutions wherever it may have bank subsidiaries and wherever state law permits comparable institutions, such as industrial loan companies, to be owned and operated.

2. A "consumer bank" would be able to make consumer loans, second mortgage loans, and similar investments without limitations and would be able to put 5 percent of its assets in small business loans or leases, inventory or floor planning and similar loans. The limited commercial activities would specifically exclude consumer banks from being considered to "engage in the business of making commercial loans" for purposes of the Bank Holding Company Act.

TITLE II—CREDIT UNIONS

Credit union amendments—miscellaneous, including broader second mortgage authority and fidelity bond coverage amendments.

TITLE III—BANKERS BANKS

This clarifies that bankers banks may invest in export trading companies, provide services to bank holding companies, and makes technical changes to the bankers bank statutory provisions.

TITLE IV—INTEREST ON RESERVES

This title, separately introduced as S. 1750, directs the Federal Reserve Board to pay interest monthly on reserves held against money market deposit accounts, super NOW accounts, and any new transaction accounts authorized by DIDC after December 1, 1982, at the rate earned on the Federal Reserve's securities portfolio that month. Interest will be pro-rated to the institutions holding reserves.

TITLE V—CONSUMER LEASING

This title amends the consumer leasing provisions of Title I of the Consumer Credit Protection Act (CCPA) and creates a separate Title X of that Act for all of the provisions relating to leasing. New provisions covering rental purchase agreements are also added to Title X of CCPA.

The title is divided into four parts. The first part contains general provisions, such as definitions and rule-writing authority. The second part contains the major substantive provisions which set forth the disclosure and advertising rules for consumer leases and rental purchase agreements, and the limitations on liability at the end of a consumer lease. The third part contains all of the provisions relating to enforcement and liability. The fourth part contains other miscellaneous provisions, including the preemption and exemption standards.

This title closely follows S. 1152, introduced earlier in the session, but differs from the bill in the following ways:

1. The definition of consumer lease was expanded to include the purchase of services incidental to the lease.

2. The definition of a rental purchase agreement was amended to cover purchase options. A requirement for disclosure of the number, amounts and timing of all payments necessary to acquire ownership of the property was added, as was a requirement for a statement in advertisements that the consumer has no ownership rights if the total amount is not paid.

3. Personal property leases which are incidental to real property loans were exempted from the act.

TITLE V—CONSUMER LEASING

4. The substitution of the leased property, in a multiple item lease, does not constitute a renegotiation of the lease.

5. The Federal Reserve Board is authorized to prescribe by regulation other events which do not constitute an extension or renegotiation of a lease.

TITLE VI—CHECK HOLDING DISCLOSURE

This title, separately introduced as S. 573, would:

(a) require banks to disclose their hold policies to customers,

(b) require a drawing bank to notify the paying bank within 24 hours of the time that the drawing bank determines that a check of $250 or more is not payable, and

(c) require depository institutions to begin computing interest on deposits to interest bearing accounts no later than the date on which the institution receives provisional credit.

TITLE VII—USURY PREEMPTION

This title, separately introduced as S. 730, preempts state interest rate ceilings on business, agricultural and consumer credit. States are given a 3 year period in which they may reject the Federal preemption and impose rate restrictions of any amount and in any form. Moreover, this title would preserve the actions of those states that had overridden the Federal preemption of business and agricultural interest rate ceilings in the Depository Institutions Deregulation and Monetary Control Act of 1980.

TITLE VIII—INTEREST ON CHECKING

This title, introduced separately as S. 1975, repeals the prohibitions in the Federal Reserve Act, the Federal Deposit Insurance Act, and the Home Owners Loan Act against payment of interest on demand deposits by insured banks and federal savings institutions.

This title amends provisions governing reserve requirements presently being phased-in for non-Federal Reserve member institutions, to prevent institutions from diverting customers from NOW accounts, which require full reserves, to checking accounts, which require only partial "phase-in" reserves. Institutions would be required to hold full reserves for increases in checking deposits that occur after the title's enactment. DIDC is to set rules for interest on checking with the same interest rate limitations as presently exist for NOW accounts. This title is not effective until 180 days after enactment to allow institutions time to prepare for interest on checking.

This title also adds non-profit political committees and groups to the list of organizations eligible for NOW accounts.

TITLE IX—CREDIT CARD FRAUD

This title, separately introduced as S. 1555:

Redefines the term "credit card" in criminal provisions of the Truth in Lending Act to include an actual or fictitious account number or other access to an account number, in order to close a loophole created by court decisions ruling that fraudulent misuse of credit card account numbers does not constitute fraudulent misuse of a "credit card".

Amends the Truth in Lending Act and Electronic Funds Transfer Act to bar any scheme to defraud with the use of a credit or debit card.

Makes it a crime to sell, or use an account, or to access an account number, with an unlawful intent.

Makes it a crime to possess with an unlawful intent five or more counterfeit or fraudulently obtained credit or debit cards, in order to facilitate prosecution of credit or debit card fraud cases involving organized criminal activities.

S. 1555 has been modified in this title to add a new provision extending the bill's prohibitions to the possession of counterfeit or fraudulently obtained credit or debit cards.

TITLE X—REGIONAL INTERSTATE BANKING COMPACTS

This title of the bill authorizes states to establish interstate banking and branching standards subject to regional or other geograhical limitations or based on reciprocal laws of other states. This is designed to recognize regional and reciprocal arrangements and to provide more certainty with regard to state statutes establishing such arrangements.

S. 2181

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE OF ACT

SECTION 1. This Act may be cited as the "Financial Services Competitive Equity Act".

TABLE OF CONTENTS

Section 1. Short title of Act.

TITLE I—FINANCIAL INSTITUTIONS COMPETITIVE EQUITY

Sec. 101. Amendments to the Banking Act of 1933.
Sec. 102. Amendments to the Securities Act of 1933.
Sec. 103. Amendments to the Securities Exchange Act.
Sec. 104. Amendments to the Bank Holding Company Act.
Sec. 105. Amendment to the Federal Holding Company Act.
Sec. 106. Amendments to the Investiment Company Act of 1940.
Sec. 107. Amendments to the Bank Holding Company Act Amendments of 1970.
Sec. 108. Amendments to the National Housing Act.
Sec. 109. Amendments to the Home Owners' Loan Act of 1933.
Sec. 110. Bank Service Corporation Act.

TITLE II—CREDIT UNION AMENDMENTS

Sec. 201. Second mortgage loans.
Sec. 202. Membership shares.
Sec. 203. Faithful performance.
Sec. 204. Membership officer.
Sec. 205. Powers of the board of directors.
Sec. 206. Nonparticipation in the credit union.
Sec. 207. Change in insurance status.

TITLE III—BANKERS BANKS

Sec. 301. Amendment to section 5136 of the Revised Statutes.
Sec. 302. Amendment to section 5169 of the Revised Statutes.
Sec. 303. Amendments to the Depository Institution Management Interlocks Act.
Sec. 304. Amendments to the Bank Holding Company Act of 1956.

TITLE IV—COMPETITIVE SAVINGS INCENTIVE

Sec. 401. Short title.
Sec. 402. Money market deposit accounts.

TITLE V—CONSUMER LEASES AND RENTAL-PURCHASE AGREEMENTS

Sec. 501. Short title.
Sec. 502. Amendment to the Consumer Credit Protection Act.
Sec. 503. Conforming amendments.

TITLE VI—FAIR DEPOSIT AVAILABILITY

Sec. 601. Short title.
Sec. 602. Definitions.
Sec. 603. Disclosure of fund availability policies.
Sec. 604. Interest on deposits.
Sec. 605. Compliance with endorsement standard.
Sec. 606. Expedited notice of nonpayment.
Sec. 607. Disclosure guidelines.
Sec. 608. Administrative enforcement.
Sec. 609. Civil liability.
Sec. 610. Effective date.

TITLE VII—CREDIT DEREGULATION AND AVAILABILITY

Sec. 701. Short title.
Sec. 702. Business and agricultural credit.
Sec. 703. Consumer credit.
Sec. 704. Federal credit unions.
Sec. 705. Effective date.

TITLE VIII—INTEREST ON DEMAND DEPOSITS

Sec. 801. Short title.
Sec. 802. Amendments to the Federal Reserve Act.
Sec. 803. Amendment to the Federal Deposit Insurance Act.

Sec. 804. Amendment to the Home Owners' Loan Act of 1933.
Sec. 805. Amendment to section 19(b) of the Federal Reserve Act.
Sec. 806. Amendment to the Depository Institutions Deregulation Act of 1980.
Sec. 807. Technical amendments.
Sec. 808. NOW accounts.
Sec. 809. Effective date.

TITLE IX—FRAUDULENT USE OF CREDIT CARDS AND DEBIT CARDS

Sec. 901. Fraudulent use of credit cards.
Sec. 902. Fraudulent use of debit cards.

TITLE X—INTERSTATE BANKING

Sec. 1001. Short title.
Sec. 1002. Amendment to section 5155 of the Revised Statutes.
Sec. 1003. Amendment to the Bank Holding Company Act of 1956.
Sec. 1004. Amendments to the Home Owners' Loan Act of 1933.
Sec. 1005. Amendment to the National Housing Act.
Sec. 1006. Amendment to the Federal Deposit Insurance Act.
Sec. 1007. Sunset.
Sec. 1008. Report.

TITLE I—FINANCIAL INSTITUTIONS COMPETITIVE EQUITY

AMENDMENTS TO THE BANKING ACT OF 1933

SEC. 101. (a) Section 20 of the Banking Act of 1933 (12 U.S.C. 377) is amended by inserting the following new paragraph after the first paragraph of such section:

"Notwithstanding any other provision of this section, a member bank may be affiliated in any manner described in section 2(b) with a depository institution securities affiliate as defined in section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)).".

(b) Section 32 of the Banking Act of 1933 (12 U.S.C. 78) is amended by inserting the following sentence at the end of the first paragraph of such section: "Notwithstanding any other provision of this section, an officer, director, or employee of any member bank may serve at the same time as an officer, director, or employee of any of its depository institution securities affiliates. The term 'depository institution securities affiliate' shall have the meaning ascribed to it in section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)).".

AMENDMENTS TO THE SECURITIES ACT OF 1933

SEC. 102. Section 4 of the Securities Act of 1933 (15 U.S.C. 77d) is amended adding at the end thereof the following:

"(7) Transactions involving offers or sales of equity securities, in connection with the acquisition of a bank by a company under the Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.), or in connection with the acquisition of an insured institution by a company under the Savings and Loan Holding Company Amendments of 1967 (12 U.S.C. 1730a), if such acquisition occurs solely as part of a reorganization in which a person or group of persons exchange their shares of a bank or insured institution for shares of a newly formed bank holding company or savings and loan holding company and receive, after such reorganization, substantially the same proportional share interests in the holding company as they held in the bank or insured institution, except for changes in shareholder interests resulting from the exercise of dissenting shareholder rights under State law.".

AMENDMENTS TO THE SECURITIES EXCHANGE ACT

SEC. 103. (a) Subparagraphs (i), (ii), and (iii) of paragraph (34)(A) of subsection 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(34)(A) are each amended by inserting immediately before the semicolons at the end thereof the following: "other than a depository institution securities affiliate as defined in section 2(j) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(j)) or as defined in section 408(a)(1)(K) of the National Housing Act (12 U.S.C. 1730a(a)(1)(K)".

(b) Section 15B(b)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-4(b)(1) is amended by striking out "subsidiaries" in subparagraphs (B) and (C) and inserting in lieu thereof "affiliates".

AMENDMENTS TO THE BANK HOLDING COMPANY ACT

SEC. 104. (a) Section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841) is amended—

(1) by amending subsection (c) to read as follows:

"(c) 'Bank' means (1) an 'insured bank' as defined in section 3(h) of the Federal Deposit Insurance Act; or (2) any institution organized under the laws of the United States, any State of the United States, the District of Columbia any territory of the United States, Puerto Rico, Guam, American Samoa, or the Virgin Islands, that accepts deposits that the depositor may withdraw by check or similar means for payment to third parties and is engaged in the business of making commercial loans. The term 'bank' does not include (A) any foreign bank having an insured branch; (B) an insured institution; (C) any organization operating under section 25 or section 25(a) of the Federal Reserve Act; (D) any organization that does not do business in the United States except as an incident to its activities outside the United States; or (E) any consumer bank as defined in subsection (k) of this section or any industrial bank, Morris Plan bank, industrial loan company or similar institution, operated in the manner authorized by State law, that does not both engage in the business of making commercial loans and accept deposits that the depositor has a legal right to withdraw on demand. "; and

(2) by inserting after subsection (i) the following new subsections:

"(j) The term 'depository institution securities affiliate' means any corporation that (1) is engaged in the United States in one or more of the activities authorized pursuant to section 4(c)(15) of this Act, and (2) is a broker or dealer within the meaning of paragraph (4) or (5) of section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)), or an investment adviser within the meaning of section 202(11) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(11)). For purposes of this Act, a corporation engaged in any such activities shall be deemed to be a depository institution securities affiliate only so long as it is a bank holding company or is owned or controlled by a bank holding company.

"(k) The term 'consumer bank' means any institution that would otherwise be a 'bank' under subsection (c) of this section but that does not engage in the business of making commercial loans.

"(l) the term 'commercial loans' does not include (1) loans to natural persons primarily for personal, family, or household purposes, whether directly, indirectly or through the use of leases; (2) loans for charitable persons; (3) loans secured by residential real property; (4) loans to natural persons through use of credit cards or similar means of access; or (5) investments such as commercial paper, certificates of deposit, bankers acceptances and similar money market instruments, the extension of broker call loans, the sale of Federal funds, the deposit of interest-bearing funds, mortgage-backed securities, obligations of the United States and local and State governments, or agencies and instrumentalities thereof, and such other similar types of investments as may be permitted by the institution's primary regulator. An institution shall not be deemed to 'engage in the business of making commercial loans' if the aggregate principal amount of its outstanding commercial loans represented by (A) credit to finance the inventorying of goods generally being acquired by natural persons; (B) loans to small business concerns; and (C) similar loans, does not exceed 5 percent of the institution's total assets.

"(m) For purposes of this Act—

"(1) the term 'depository institution holding company' means a bank holding company;

"(2) the term 'depository institution' means bank; and

"(3) the terms 'savings and loan holding company' and 'insured institution' have the meanings ascribed to them in section 408(a)(1) of the National Housing Act.".

(b) Section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842) is amended—

(1) by inserting before the period at the end of the second sentence of subsection (a) the following: "; or (C) with thirty days prior notification to the Board, the acquisition by a company of control of a bank in a reorganization in which a person or group of persons exchange their shares of the bank for shares of a newly formed bank holding company and receive, after such reorganization, substantially the same proportional share interest in the holding company as they held in the bank except for changes in shareholder interests resulting from the exercise of dissenting shareholder rights under State law if, immediately following such acquisition, the bank holding company meets the capital and other financial standards prescribed by the Board by regulation for such a bank holding company and the holding company does not engage in any activities other than those of banking or managing and controlling banks. In promulgating regulations pursuant to this subsection, the Board shall not require more capital for the subsidiary bank immediately following the reorganization that is required for a similarly sized bank that is not a subsidiary of a bank holding company."; and

(2) by adding at the end thereof the following:

"(f) No company may acquire, directly or indirectly, any voting shares of, interest in, or substantially all of the assets of any additional consumer bank located outside of the State in which the operations of such company's consumer bank subsidiaries were principally conducted on July 1, 1983, unless—

"(1) the acquisition of such shares or assets of a consumer bank in such State by a company controlling a consumer bank in another State is specifically authorized by the statute laws of the State in which such consumer bank is located, by language to that effect and not merely by implication;

"(2) the acquisition of shares or assets of a bank in such State by a bank holding company is specifically authorized by the statute laws of the State in which such bank is

located, by language to that effect and not merely by implication; or

"(3) the acquisition of such shares or assets of an industrial bank, Morris Plan bank, industrial loan company, or similar institution by a company is authorized by the statute law of the State in which such institution is located, by language to that effect and not merely by implication.

For the purpose of this section, the State in which the operations of a company's consumer bank subsidiaries are principally conducted is that State in which total deposits of all such consumer bank subsidiaries are largest.".

(c) Section 4(a)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(a)(2)) is amended—

(1) by striking out subparagraph (B) and inserting in lieu thereof the following: "(B) those permitted under paragraphs (8) (except for those of an insured institution), (15), and (16) of subsection (c) of this section subject to all the conditions and requirements specified in each respective paragraph or in any order or regulation issued by the Board under such paragraphs"; and

(2) by adding at the end thereof the following: "The two-year period referred to in this paragraph shall not apply to a company that becomes a bank holding company as a result of enactment of the Financial Services Competitive Equity Act and that acquired a bank between July 1, 1983, and the effective date of such Act. A company that becomes a bank holding company as a result of the enactment of the Financial Services Competitive Equity Act, and that controlled an insured bank on July 1, 1983, may engage in any activity in which it was lawfully engaged, directly or through a subsidiary, on July 1, 1983, and in which it has been engaged continuously since July 1, 1983. The authority conferred by the preceding sentence (i) shall terminate at such time as (I) any covered bank holding company acquires control of an additional bank or an insured institution, (II) its existing subsidiary bank commences accepting deposits that the depositor has a legal right to withdraw on demand and engages in the business of making commercial loans, or (III) any covered bank holding company commences, directly or through a subsidiary, after July 1, 1983, any additional activities, other than those activities authorized pursuant to this act (except for the acquisition of an insured institution), in which it was not engaged on July 1, 1983; and (ii) may be terminated by the Board by order, after opportunity for hearing, if it determines, having due regard to the purposes of this chapter, that such action is necessary to prevent conflicts of interests or unsound banking practices or is in the public interest. Any activities authorized for bank holding companies may not be expanded and any additional activities may not be commenced except in accordance with the requirements, conditions, and limitations applicable to bank holding companies.".

(d) Paragraph 8 of subsection 4(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)) is amended to read as follows:

"(8)(A) in accordance with the limitations and requirements contained in subparagraphs (B) and (C) of this paragraph, shares of any insured institution, shares of a consumer bank, or shares of any company the activities of which consist of—

"(i) activities that the Board has determined (by order or regulation) to be closely related to banking or managing or controlling banks or (by regulation) to be of a financial nature;

"(ii) insurance underwriting or brokerage; or

"(iii) real estate investment, development or brokerage: *Provided,* That, in the case of real estate investment and development, the percentage of a bank holding company's capital that may be devoted to this activity shall not exceed 5 per centum of such company's primary capital, except that for purposes of this clause, real estate investment and development shall include, but not be limited to, the acquisition, management, and maintenance of developed or undeveloped real estate, but shall not include any form of construction activity.

"(B)(i) No bank holding company shall engage in any activity authorized under this paragraph either de novo or by an acquisition in whole or in part of a going concern, unless the Board has been given sixty days prior written notice of such proposal and, within such period, the Board has not issued an order (I) disapproving the proposal, or (II) suspending the time period in accordance with clause (iii) below.

"(ii) An acquisition may be made prior to the expiration of the disapproval period if the Board issues a written notice of its intent not to disapprove the action. The Board may provide for no notice under this paragraph or notice for a shorter period of time with respect to particular activities. No notice under this paragraph is required in the event a bank holding company establishes de novo an office to engage in any activity previously authorized for such a bank holding company under this paragraph or changes the location of an office engaged in such activity.

"(iii) The notice submitted to the Board shall contain such information as the Board shall prescribe by regulation or by specific request in connection with a particular notice: *Provided, however,* That the Board may only require such information as may be relevant to the nature and scope of the proposed activity and to the Board's evaluation of the criteria provided for in clause (iv) hereof. In the event the Board requires additional relevant information beyond that provided in the notice submitted pursuant to this paragraph, the Board may by order suspend the time period provided in clause (i) hereof until it has received such additional relevant information, and the activity that is the subject of the notice may be commenced within thirty days of the date of such receipt unless the Board issues a disapproval order as provided in clause (i) hereof. Such a suspension order is reviewable under section 9 of this Act.

"(iv) In connection with a notice under this paragraph, the Board may consider the following criteria—

"(I) the managerial resources of the companies involved;

"(II) the adequacy of their financial resources, including their capital, giving consideration to the financial resources and capital of others engaged in similar activities: *Provided,* That the Board shall not require a higher level of capital for any activity subject to Federal or State regulation than would be required by the applicable regulatory authority for a company engaged in such activity, unless the Board shall find that particular circumstances warrant a higher level of capital;

"(III) any practice or arrangement that may adversely affect the independence or impartiality of an affiliated bank in the provision of credit or other services or the terms on which such credit and services are made available, or the availability of such credit;

"(IV) any material adverse effect on the safety and soundness or financial condition of an affiliated bank or banks; and

"(V) with respect to an acquisiton subject to subparagraph (i) or (ii) of paragraph (8)(c), compliance with such subparagraph.

"(v) The Board shall by order set forth the reasons for any disapproval under this paragraph. Inaction on any notice or a Board order determining not to disapprove a proposal to engage in an activity that has previously been authorized by regulation under this paragraph shall be final and shall not be subject to judicial review under this Act or in any other manner: *Provided, however,* That any bank holding company may obtain judicial review pursuant to section 9 of this Act of any Board order not to disapprove a notice under this paragraph if such order contains restrictions or conditions.

"(vi) The Board shall, within one hundred and eighty days of enactment of the Financial Services Competitive Equity Act and from time to time thereafter, promulgate regulations under this paragraph designating particular activities that are closely related to banking or of a financial nature. A bank holding company may petition the Board to determine by regulation that a particular activity is closely related to banking or of a financial nature. The Board may by regulation prescribe limitations on the conduct of any activity or activities authorized under paragraphs (8), (15), and (16) of this subsection consistent with the criteria in subparagraph (B)(iv) hereof and with safe and sound financial practices. In administering this paragraph, the Board shall promote competition between bank holding companies and all other companies engaged in activities of a financial nature or closely related to banking.

"(vii) The regulation required under clause (vi) of this paragraph shall include any activity determined by the Board by regulation prior to enactment of this Act to be so closely related to banking or managing or controlling banks as to be a proper incident thereto. The Board shall not designate as an activity of a financial nature or closely related to banking within the meaning of this paragraph any activity that is described in paragraph (15) of this subsection or that is prohibited to a member bank or an affiliate of a member bank under sections 16 (12 U.S.C. 24 (Seventh)) or 20 (12 U.S.C. 377) of the Banking Act of 1933.

"(C)(i) No bank holding company that owns or controls one or more banks with consolidated deposits in the United States equal to or exceeding 0.30 per centum of all domestic deposits in the United States shall acquire, merge, or consolidate with, or purchase the assets of, a company engaged in insurance, securities, real estate or other activities permissable under paragraph (8) or (15) of this section hereof if, immediately after and as a result of such acquisition, such bank holding company shall have an investment in any one such activity that exceeds 25 per centum of the consolidated capital of such bank holding company.

"(ii) No company that is engaged in an activity otherwise permissible for bank holding companies under paragraph (8) or (15) of this section shall acquire, merge, or consolidate with, or purchase the assets of, a bank or banks with consolidated deposits in the United States equal to or exceeding 0.30

per centum of all domestic deposits in the United States, if, immediately after and as a result of such acquisition, such company shall have an investment in any one such activity that exceeds 25 per centum of the consolidated capital of such company.

"(D)(i) Notwithstanding any other provision of this paragraph, an acquisition involving direct or indirect control of an insured institution by a bank holding company (except an acquisition resulting from a transaction authorized under section 13(f) of the Federal Deposit Insurance Act or section 408(m) of the National Housing Act) shall be subject to the restrictions of section 3(d) hereof, as if the insured institution were a bank.

"(ii) Except for a branch or branches resulting from an acquisition under section 408(m) of the National Housing Act, any insured institution that becomes a subsidiary of a bank holding company may retain and operate its existing branch or branches, but otherwise its branches shall be subject to locations where a national bank may establish and operate branches in the State in which such insured branch is located."

(e) Section 4(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)) is amended—

(1) by striking out the penultimate sentence thereof;

(2) by striking out the period at the end thereof and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following:

"(15) shares of any depository institution securities affiliate engaged in activities in accordance with the limitations contained in this paragraph: that establishes or acquires any depository institution securities affiliate pursuant to this paragraph shall, after one year from the date on which any such depository institution securities affiliate first engages in any of the activities authorized under subparagraph (iii) of this paragraph, permit any depository institution contolled by such depository institution holding company to engage, directly or through a subsidiary, in the United States in any of the activities authorized under such subparagraph (III) of this paragraph or any of the following activities, which are authorized pursuant to paragraph seven of section 5136 of the Revised Statutes of the United States, as amended (12 U.S.C. 24): dealing in and underwriting obligations of the United States, general obligations of any State of the United States or any political subdivision thereof and other obligations listed in paragraph seven of such section 5136 and purchasing and selling securities and stock as agent. For purposes of this paragraph, the Board may, by regulation or order, determine other securities or securities-related activities in which depository institutions may not engage. No rule, regulation or order of the Board, however, shall prohibit a depository institution from engaging in those securities or securities-related activities that are necessary or incidental to the financing of such depository institutions or the investment of its funds. In the event that a depository institution holding company terminates all of the activities specified in subparagraph (iii) of this paragraph of its depository institution securities affiliate, any depository institution subsidiary of such holding company may conduct, directly or through a subsidiary, any securities or securities-related activities that it is authorized by law to conduct.

"(ii) Any depository institution securities affiliate may conduct any securities or securities-related activity that a national banking association, as such term is used in section 21 of this title, is not prohibited from conducting.

"(iii) In addition to the activities referred to in subparagraphs (i) and (ii) of this paragraph, such depository institution securities affiliate may—

"(I) deal in and underwrite all obligations issued or guaranteed by or on behalf of a State or any political subdivision of either of the foregoing, except industrial development bonds as defined in section 103(b)(2) of the Internal Revenue Code of 1954, as amended: *Provided, however,* That depository institution securities affiliates may deal in and underwrite such industrial development bonds, the interest on which is exempt from Federal income tax under section 103(a) of the Internal Revenue Code of 1954, as amended, if: (i) a State, territory, possession of the United States, or any political subdivision of the foregoing, or the District of Columbia pledges its full faith and credit for the payment of all principal and interest on such bonds or (ii) the issuer, or the State or local governmental unit on behalf of which the industrial development bonds were issued, is considered the sole owner, for Federal income tax purposes, of the facility with respect to which financing is to be provided from the proceeds of such industrial development bonds;

"(II) organize sponsor, operate, and control an investment company, as such term is defined in section 3 of the Investment Company Act of 1940, as amended;

"(III) render investment advice to: (1) an investment company as described in subparagraph (B) above; and any investment company other than a closed-end investment company;

"(IV) underwrite, distribute, and sell securities of any investment company, as such terms are defined in section 3 of the Investment Company Act of 1940; and

"(V) deal in and underwrite promissory notes secured by real estate mortgages and participation interests in such notes or mortagage related payment bonds secured by such notes or participation interests. For purposes of this subparagraph, a mortgage related payment bond means an obligation (which may be with or without recourse to the issuer thereof) which, by its terms, provides for payments of principal in relation to payments, or reasonable projections of payments, on notes meeting the above requirements or participation interests therein which are pledged as security for such obligation and which are rated in one of the four highest rating categories by at least one nationally recognized statistical rating organization.

"(iv) A bank holding company seeking to acquire shares of a depository institution securities affiliate or engage directly in securities or securities-related activities pursuant to this paragraph shall comply with the notice and other requirements of clauses (i) through (vi) of paragraph (8)(B) of this subsection; or".

(f) Section 4(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)) is amended by adding at the end thereof the following:

"(16) shares of any company engaged in any activity in which a multiple savings and loan holding company was authorized by law or regulation to engage directly on July 1, 1983: *Provided, however,* That the activities of real estate investment and development may only be engaged in within the limitations of clause (iii) of section 4(c)(8)(A) of this Act: *And provided further,* That any conditions and limitations applicable to a savings and loan company with respect to such activities shall likewise be applicable to such a bank holding company, except that a bank holding company seeking to acquire shares of such a company pursuant to this paragraph shall comply with the notice and other requirements of clauses (i) through (vi) of paragraph (8)(B) of this subsection and except that the Board may by regulation prohibit any bank holding company from engaging in such activities or limit their conduct.".

(g) Section 5(c) of the Bank Holding Company Act (12 U.S.C. 1844(c)) is amended to read as follows:

"(c)(1) The Board from time to time may require reports under oath, in such scope and detail as it may determine, of a bank holding company and each subsidiary thereof to keep the Board informed as to whether such companies are complying with the provisions of this chapter and regulations and orders issued thereunder.

"(2) Except where the Board determines that a lesser reporting requirement is appropriate, the Board shall accept in fulfillment of the reporting requirements established by this subsection for nonbank subsidiaries separate reports consisting of (A) for companies subject to the reporting requirements of section 17 of the Securities Exchange Act of 1934 (15 U.S.C. 78q), the same information required to be submitted to the Securities and Exchange Commission under such section (and the rules and regulations thereunder) at the same time such information is so submitted; and (B) for all other companies, the same information as would be required to be submitted under section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) (and the rules and regulations thereunder) by companies subject to the reporting requirements of such Act, that are engaged in the same or similar lines of business, not more frequently than quarterly. In particular circumstances, the Board may require additional information in order to fulfill its responsibilities under this Act.

"(3) The Board may make examinations of each bank holding company and each subsidiary thereof, the cost of which may be assessed against, and paid by, such holding company. The Board shall, however, insofar as possible, minimize the scope and frequency of examinations of nonbank subsidiaries of a bank holding company by utilizing, where feasible, reports of applicable regulatory agencies or other bodies public or private, and by directing, to the extent feasible, the focus of such examinations to the activities or financial condition of such nonbank subsidiaries that may have a materially adverse effect on the safety and soundness or financial condition of a subsidiary bank of the bank holding company.".

(h) Section 7 of the Bank Holding Company Act of 1956 (12 U.S.C. 1846) is amended by striking out the period at the end thereof and inserting in lieu thereof ", except that (1) no State may prohibit the affiliation of a national banking association, as such term is used in section 21 of this title, with a company engaged only in one or more of the activities described in paragraphs (8), (15), and (16) of subsection 4(c) of this Act, and (2) no State may authorize banks which it charters to engage in insurance activities outside such State on a basis different from that authorized for such banks within the State.".

AMENDMENT TO THE FEDERAL RESERVE ACT

SEC. 105. (a) The Federal Reserve Act is amended by inserting after section 23A the following:

SEC. 23B. RESTRICTIONS ON TRANSACTIONS WITH AFFILIATES.—(a) A member bank and its subsidiaries may engage in any of the following transactions, only on terms and under circumstances, including credit standards, that are substantially the same as, or at least as favorable to such bank or its subsidiary as those prevailing at the time for comparable transactions with or involving other nonaffiliated companies or, in the absence of comparable transactions, those terms and circumstances that in good faith would be offered to, or would apply to nonaffiliated companies—

"(1) any covered transaction, as defined in section 23A, with an affiliate;

"(2) the sale of securities or other assets, including assets subject to an agreement to repurchase, to an affiliate;

"(3) the payment of money or the furnishing of services to an affiliate, under contract, a lease, or otherwise;

"(4) any transaction in which an affiliate acts as an agent or broker or receives a fee for its services to the bank or any other person; or

"(5) any transaction or series of transactions with a third party, (A) if an affiliate has a financial interest in the third party, or (B) if an affiliate is a participant in such transaction or series of transactions.

For the purposes of this subsection, any transaction by a member bank with any person shall be deemed to be a transaction with an affiliate of such bank to the extent that the proceeds of the transaction are used for the benefit of, or transferred to, such affiliate.

"(b) A member bank and the affiliates of such bank shall not publish any advertisement or enter into any agreement stating or suggesting that the bank shall in any way be responsible for the obligations of its affiliates; however, a member bank and its affiliates may use similar names.

"(c) A member bank and any subsidiary of such bank—

"(1) shall not purchase as fiduciary any securities or other assets from any affiliate unless such purchases are permitted under the instrument creating the fiduciary relationship, by court order, or by law of the jurisdiction under which the trust is administered; and

"(2) whether acting as principal or fiduciary, shall not knowingly purchase or otherwise acquire, during the existence of any underwriting or selling syndicate, any security a principal underwriter of which is an affiliate of such bank; except that this prohibition shall not apply where the purchase of such securities has been approved, prior to the time at which such securities are initially offered for sale to the public, by a majority of the directors of the bank who are not officers or employees of the bank or any affiliate thereof.

For the purpose of this paragraph, the term 'security' means a 'security' as defined in section 3(a)(10) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)); and the term 'principal underwriter' means any underwriter who, in connection with a primary distribution of securities, (A) is in privity of contract with the issuer or an affiliated person of the issuer; (B) acting alone or in concert with one or more persons, initiates or directs the formation of an underwriting syndicate; or (C) is allowed a rate of gross commission, spread, or other profit greater than the rate allowed another underwriter participating in the distribution.

"(d) For the purpose of this section—

"(1) the term 'affiliate' means an 'affiliate' as defined in section 23A of the Federal Reserve Act (12 U.S.C. 371C) excluding a bank; and

"(2) the terms 'bank', 'subsidiary', 'person', and 'security' (other than security as used in subsection (c)) have the same meaning given to them in section 23A of the Federal Reserve Act (12 U.S.C. 371c).".

"(e) The Board may prescribe rules and regulations to administer and carry out the purposes of this section, including rules or regulations to (1) further define terms used in this section; (2) exempt transactions or relationships from the requirements of this section; or (3) exclude from the definition of 'affiliate' in this section any subsidiary of a bank holding company, if the Board finds such exemptions or exclusions to be in the public interest and consistent with purposes of this section.".

(b) Section 18(j) of the Federal Deposit Insurance Act (12 U.S.C. 1828(j) is hereby amended—

(1) by inserting "and section 23B" after "section 23A" at each place it appears in paragraph (1); and

(2) by inserting ", 23B," after "23A" in paragraph (3)(A).

AMENDMENTS TO THE INVESTMENT COMPANY ACT OF 1940

SEC. 106. (a) Section 17(f) of the Investment Company Act of 1940 (15 U.S.C. 80a-17(f)) is amended by inserting after "unit investment trusts" the following: "*: Provided, however,* that any registered management company which is organized, sponsored, operated or controlled by, or which receives investment advice from, any depository instution securities affiliate, as defined in section 2(j) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(j)) or in section 408 (a)(1)(k) of the National Housing Act (12 U.S.C. 1730a(a)(1)(k)), may place and maintain its securities and similar investments in the custody of a bank which is affiliated with such depository institution securities affiliate only with the prior approval of the Commission".

(b) Section 26(a)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a-26(a)(1)) is amended by inserting after "so published)" the following: "*: Provided, however,* That, except with the prior approval of the Commission, it shall be unlawful for such trust indenture, agreement of custodianship, or other instrument to designate as trustee or custodian any bank which is affiliated with a depository institution securities affiliate, as defined in the Bank Holding Company Act of 1956 (12 U.S.C. 1841(j)) or in section 408(a)(1)(K) of the National Housing Act (12 U.S.C. 1730(a)(1)(K)), which organizes, sponsors, operates or controls such registered unit investment trust".

(c) Section 27(c)(2) of the Investment Company Act of 1940 (15 U.S.C. 80-(c)(2))is amended by inserting after "trust indentures of unit investment trusts" the following: "*: Provided, however,* That, except with the prior approval of the Commission, it shall be unlawful to deposit such proceeds with any bank which is affiliated with a depository institution securities affiliate, as defined in section 2(j) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(j)) or in section 408(a)(1)(K) of the National Housing Act (12 U.S.C. 1730a(a)(1)(K)), which organizes, sponsors, operates, controls or renders investment advice to such registered investment company".

AMENDMENTS TO BANK HOLDING COMPANY ACT AMENDMENTS OF 1970

SEC. 107. Section 106 of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1971 et seq.) is amended—

(1) by redesignating subsections (c) through (h) as subsections (d) through (i), respectively; and

(2) by inserting after subsection (b) the following:

"(c) A bank shall—

"(1) explain in writing to a person who solicits credit with reference to which insurance is or may be required that such insurance may be purchased from an insurer or agent of such person's choice, and shall not directly or indirectly solicit such insurance until it has given such person a commitment in writing that the credit solicited shall be extended;

"(2) not unreasonably reject a contract of insurance furnished by a borrower for the protection of the property securing the credit or lien, and shall not reject such a contract without giving the borrower a statement in writing stating the reasons therefor, nor shall it require that any borrower, mortgagor, purchaser, insurer, broker, or agent pay a separate charge in connection with the handling of any contract of insurance required as security for a loan, or pay a separate charge to substitute the insurance policy of one insurer for that of another, nor shall it require any procedures or conditions of duly licensed agents, brokers, or insurers not customarily required of those agents, brokers, or insurers affiliated or in any way connected with the bank;

"(3) not use or disclose, without the prior written consent of the borrower, mortgagor, or purchaser obtained at a time other than the making of the loan or extension of credit, information relative to a contract of insurance which is required by the credit transaction, for the purpose of replacing such insurance;

"(4)(A) accept, with regard to any insurance issued or sold by it or an affiliate thereof, in connection with an extension of credit made by such bank, the cancellation by a borrower of any such insurance if notified by the borrower within 30 days of the effective date of the insurance; and

"(B) refund the unearned portion of the premium to the creditor within 20 days after receipt of a notice of cancellation if no liability for a loss under the insurance has been incurred."; and

"(3) by adding at the end of subsection (b)(2) the following:

"(I) Any action for injunctive relief that may be commenced by any person pursuant to subsection (g) may be commenced on behalf of such person by any trade association of which such person is a member. Any such action commenced by a trade association shall be subject to the same requirements, limitations, and conditions as would be applicable had such action been commenced by any such person pursuant to subsection (g).".

AMENDMENTS TO THE NATIONAL HOUSING ACT

SEC. 108. (a) Section 408(a)(1) of the National Housing Act (12 U.S.C. 1730a(a)(1)) is amended—

(1) by amending subparagraph (A) to read as follows:

"(A) 'insured institution' means a Federal savings and loan association, a Federal savings bank, a building and loan, savings and loan or homestead association, or a cooperative bank, the accounts of which are insured

by the Federal Saving and Loan Insurance Corporation, and shall include a Federal savings bank or a stock savings bank, the deposits of which are insured by the Federal Deposit Insurance Corporation;";

(2) by amending subparagraph (B) to read as follows:

"(B) 'uninsured institution' means any association or bank referred to in subparagraph (A), the accounts of which are not insured by the Federal Savings and Loan Insurance Corporation, except for a Federal savings bank or stock savings bank, the deposits of which are insured by the Federal Deposit Insurance Corporation; and"; and

(3) by adding at the end thereof the following:

"(k) 'depository institution securities affiliate' means any corporation that (i) is engaged in the United States in one or more of the activities authorized for depository institution securities affiliates pursuant to section 4(c)(15) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(15)) and subject to the limitations specified therein, and (ii) is a broker or dealer within the meaning of paragraph (4) or (5) of section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)), or an investment adviser within the meaning of section 202(11) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(11)). For purposes of this title, a corporation engaged in any such activities shall be deemed to be a depository institution securities affiliate only so long as it is owned or controlled by a savings and loan holding company. For purposes of applying section 4(c)(15) of the Bank Holding Company Act to this title—

"(i) the term 'depository institution holding company' means savings and loan holding company; and

"(ii) the term 'depository institution' means 'insured institution'.

"(L) 'bank holding company' and 'bank' shall have the meanings ascribed to them in section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841).".

(b) Section 408(c) of the National Housing Act (12 U.S.C. 1730a(c)) is amended to read as follows:

"(c)(1) Except as otherwise provided in this subsection, no savings and loan holding company (except a unitary savings and loan holding company that acquires an insured institution pursuant to subsection (m) of this section) or subsidiary thereof which is not an insured institution shall—

"(A) for or on behalf of such subsidiary insured institution, engage in any activity or render any service for the purposes or with the effect of evading law or regulation applicable to such insured institution; or

"(B) commence or continue, after two years from the date as of which it becomes a savings and loan holding company, any business activity other than those specified in paragraph (2) of this subsection except that such two-year period shall not apply to any company that acquires an insured institution between July 1, 1983, and the effective date of the Financial Services Competitive Equity Act: *Provided,* That any company that becomes subject, as a result of the Financial Services Competitive Equity Act, to the prohibitions of this subparagraph and that controlled an insured institution prior to July 1, 1983, may engage in any activity in which it was lawfully engaged, directly or through a subsidiary, on July 1, 1983, and in which it has been engaged continuously since July 1, 1983: *Provided,* That any activities autorized for savings and loan holding companies may not be expanded and any additional activities may not be commenced except in accordance with the requirements, conditions, and limitations applicable to savings and loan holding companies. The authority conferred by the preceding proviso, (A) shall terminate at such time as any covered savings and loan holding company (i) acquires a bank, or its subsidiary insured institution fails to qualify as a domestic building and loan association under section 7701(a)(19) of the Internal Revenue Code of 1954, or (ii) commences, directly or through a subsidiary, after July 1, 1983, any additional activities, other than those authorized pursuant to this Act to be permissible for savings and loan holding companies (except for the acquisition of a bank), in which it was not engaged on July 1, 1983, or (B) may be terminated by the Corporation, after opportunity for hearing, it it determines, having due regard for the purposes of this chapter, that such action is necessary to prevent conflicts of interests, unsound practices, or in the public interest.

"(2) The prohibitions of subparagraph (1)(B) of this subsection shall not apply to the following business activities—

"(A) furnishing or performing management services for a subsidiary insured institution;

"(B) conducting an insurance agency or escrow business;

"(C) holding or managing or liquidating assets owned or acquired from a subsidiary insured institution;

"(D) holding or managing properties used or occupied by a subsidiary insured institution;

"(E) acting as trustee under deed of trust;

"(F) acquiring shares of any bank and engaging in one or more of the following activities subject to the limitations, conditions, and requirements specified in paragraph (3) of this subsection: (i) activities determined by the Board of Governors of the Federal Reserve System (by regulation) to be of a financial nature or closely related to banking or managing or controlling banks: *Provided, however,* That the Corporation may (by regulation) prohibit or limit any such activity for savings and loan holding companies; (ii) activities in which multiple savings and loan holding companies were authorized (by regulation) to engage directly on July 1, 1983: *Provided, however,* That in the case of real estate investment and development, savings and loan holding companies may only maintain investments lawfully held on July 1, 1983, and make additional investments within the limitations of clause (iv) hereof; (iii) engaging in either or both the activities of insurance underwriting and brokerage; (iv) engaging in one or more of the activities of real estate investment, development, or brokerage: *Provided,* That, in the case of real estate investment and development, the percentage of a savings and loan holding company's capital that may be devoted to this activity shall not exceed 5 per centum of such company's primary capital, except that for purposes of this clause, real estate investment and development shall include, but not be limited to, to acquisition, management, and maintenance of developed or underdeveloped real estate, but shall not include any form of construction activity; and (v) engaging in the activities of a depository institution securities affiliate in accordance with the terms under which such activity may be conducted pursuant to the provisions of paragraph (15) of section 4(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)), except that notwithstanding any other provision of this subparagraph, an acquisition involving the direct or indirect control of a bank by a savings and loan holding company (except an acquisition resulting from a transaction authorized under section 13(f) of the Federal Deposit Insurance Act) shall be subject to the restrictions of section 3(b) of the Bank Holding Company Act of 1956, as if any insured institution subsidiary of the saving and loan holding company were a bank and as if the savings and loan holding company were a bank holding company; and

"(G) acquiring shares of any company which is an export trading company, as that term is defined in paragraph (14) of section 4(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)), and subject to all the requirements, conditions, and limitations of such paragraph (14) as if the acquiring or establishing savings and loan holding company were a bank holding company within the meaning of that paragraph, except that any notice required to be given pursuant to that paragraph shall be given to the Corporation, which shall have the same authority with respect to such notice procedure for savings and loan holding companies as the Board of Governors of the Federal Reserve System has pursuant to such paragraph (14).

"(3)(A) No savings and loan holding company shall engage, either de novo or by an acquisition, in whole or in part, of a going concern, in any activity authorized under paragraph (2)(F) of this subsection unless the Corporation has been given sixty days' prior written notice of such proposal and, within such period, the Corporation has not issued an order disapproving the proposal or extending for up to an additional thirty days the period within which such a disapproval may be issued.

"(B) An acquisition may be made prior to the expiration of the disapproval period if the Corporation issues a written notice of its intent not to disapprove the action. The Corporation may provide for no notice under this paragraph or notice for a shorter period of time with respect to particular activities. No notice under this paragraph is required in the event a savings and loan holding company establishes de novo an office to engage in any activity previously authorized for such savings and loan holding company under this paragraph or changes the location of an office engaged in such activity.

"(C) The notice submitted to the Corporation shall contain such information as the Corporation shall prescribe by regulation for the notice or by specific request in connection with a particular notice *Provided, however,* That the Corporation may only require such information as may be relevant to the nature and scope of the proposed activity and to the Corporation's evaluation of the criteria provided for in subparagraph (D) hereof. In the event the Corporation requires additional relevant information beyond that provided in the notice submitted pursuant to this paragraph, the Corporation may by order suspend the time period provided in subparagraph (A) of this paragraph until it has received such additional relevant information, and the activity that is the subject of the notice may be commenced within thirty days of the date of such receipt unless the Corporation issues a disapproval order as provided in such subparagraph (A). Such suspension order is reviewable under subsection (k) of this section.

"(D) In connection with a notice under this paragraph, the Corporation may consider the following criteria—

"(i) the managerial resources of the companies involved;

"(ii) the adequacy of their financial resources, including their capital, giving consideration to the financial resources and capital of others engaged in similar activities: *Provided,* That the Corporation shall not require a higher level of capitals for any activity subject to Federal or State regulation than would be required by an applicable regulatory authority for a company engaged in such activity, unless the Corporation shall find that particular circumstances warrant a higher level of capitals;

"(iii) any practice or arrangement that may adversely affect the independence or impartiality of an affiliated insured institution in the provision of credit or other services or the terms on which such credit and services are made available, or the availability of such credit;

"(iv) any material adverse effect on the safety and soundness or financial condition of an affiliated insured institution; and

"(v) with respect to an acquisition subject to paragraph (2) (F) or (G), compliance with such paragraph.

"(E) The Corporation shall by order set forth the reasons for any disapproval under this paragraph. Inaction on any notice or a Corporation order determining not to disapprove a proposal to engage in an activity that has previously been authorized by regulation under this paragraph shall be final and shall not be subject to judicial review under this section or in any other manner: *Provided, however,* That any savings and loan holding company may obtain judicial review pursuant to this section of any Corporation order not to disapprove a notice under this paragraph if such order contains restrictions or conditions.

"(F) The Corporation may by regulation prescribe limitations on the conduct of any activity or activities authorized under paragraph (2)(F) of this subsection other than limitations on activities conducted pursuant to clause (v) thereof, consistent with the criteria in subparagraph (D) hereof and with safe and sound financial practices.

"(G)(i) No savings and loan holding company that owns or controls an insured institution or insured institutions with consolidated deposits in the United States equal to or exceeding 0.30 per centum of all domestic deposits in the United States shall acquire, merge, or consolidate with, or purchase the assets of, a company engaged in insurance, securities, real estate or other activities permissible under paragraph (2)(F) of this paragraph, if immediately after and as a result of such acquisition, such savings and loan holding company shall have an investment in any one such activity that exceeds 25 per centum of the consolidated capital of such savings and loan holding company.

"(ii) No company that is engaged in any activity otherwise permissible for savings and loan holding companies under paragraph (2)(F) of this paragraph shall acquire, merge, or consolidate with, or purchase the assets of, a bank or banks with consolidated deposits in the United States equal to or exceeding 0.30 per centum of all domestic deposits in the United States if, immediately after and as a result of such acquisition, such company shall have an investment in any one such activity that exceeds 25 per centum of the consolidated capital of such company.

"(4)(A) Notwithstanding any other provision of this subsection, any savings and loan holding company (including any subsidiary thereof which is not an insured institution) the sole insured institution subsidiary of which is a qualified thrift lender shall not be subject to the limitations and prohibitions of this subsection: *Provided however,* That nothing in this paragraph shall exempt a bank holding company or its subsidiaries or affiliates from the provisions of the Bank Holding Company Act.

"(B) A qualified thrift lender is any insured institution that, as determined by the Corporation—

"(i) has an aggregate of not more than 25 percent of its assets (including loans made by any subsidiary of such institution) invested in commercial loans, nonresidential real estate loans, tangible personal property leased for commercial purposes, and floorplanning or inventory loans, and does not thereafter exceed such percentage on an average basis in three out of every four quarters and two of every three years; or

"(ii) has an aggregate of not less than 60 percent of its assets (including investments made by any subsidiary of such an institution) invested in loans, equity positions or securities related to domestic residential real estate or manufactured housing and property used by an institution in the conduct of its business, and does not thereafter fall below such percentage on an average basis in three out of every four quarters and two out of every three years.

"(C) Any insured institution that fails to maintain its status as a qualified thrift lender, as determined by the Corporation, may not thereafter be a qualified thrift lender for a period of 5 years. For good cause shown, the Corporation may allow any company that controls such an institution, up to three years to comply with the investment and activities restrictions contained in this subsection.

"(D) The Corporation may issue such rules or regulations, and conduct such examinations, as it determines to be necessary to carry out the provisions of this paragraph, and may enforce with respect to any qualified thrift lender: *Provided,* That with respect to a stock savings bank insured by the Federal Deposit Insurance Corporation, the Corporation shall rely to the maximum extent possible on examinations conducted by that agency.".

(c) Section 408(d) of the National Housing Act (12 U.S.C. 1730(d)) is hereby amended as follows:

(1) The introductory phrase is amended to read as follows:

"(d)(1) Except as otherwise provided in this section, no subsidiary insured institution of a savings and loan holding company shall—";

(2) Numbers (1), (2), (3), (4), (5), and (6) shall be redesignated as (A), (B), (C), (D), (E), and (F), respectively, and letters (A), (B), and (C) shall be redesignated as (i), (ii), and (iii); and

(3) The following subsection (d)(2) shall be added at the end thereof:

"(2) The prohibitions of subsection (d)(1) shall not apply to the transactions of any subsidiary insured institution of a savings and loan holding company with an affiliate engaged in the business activities specified in subparagraphs (F) and (G) or subsection (c)(2) of this section except for clause (ii) of subparagraph (F); unless the context otherwise requires, such transactions by an insured institution shall be subject to the same limitations and prohibitions specified in sections 23A and 23B of the Federal Reserve Act (12 U.S.C. 371 c and d) as if such insured institution were a member bank. The Corporation may prescribe rules or regulations for purposes of defining and clarifying the applicability of the limitations and prohibitions described in the preceding sentence.".

"(d) Section 408(e) of the National Housing Act (12 U.S.C. 1730a(e)) is amended by striking out clause (ii) of subparagraph (1)(B) and inserting in lieu thereof the following:

"(ii) acquired in connection with a reorganization in which a person or group of persons exchange their shares of an insured institution for shares of a newly formed holding company and receive, after such reorganization, substantially the same proportional share interest in the holding company as they held in the insured institution, except for changes in shareholder interests resulting from the exercise of dissenting shareholder rights under State law.".

"(e) Section 408(n) of the National Housing Act (12 U.S.C. 1730a) is amended to read as follows:

"(n) No State shall prohibit the affiliation of an association, as that term is defined in section 2 of the Home Owners' Loan Act of 1933, with a company engaged solely in one or more of the activities described in subparagraphs (F) and (G) of subsection (c)(2) of this section.".

AMENDMENTS TO THE HOME OWNERS' LOAN ACT OF 1933

SEC. 109. (a) Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) is amended by amending subparagraph (B) of paragraph (4) to read as follows:

"(B) SERVICE CORPORATIONS.—Investments in any 'depository institution service corporation', as that term is defined in the Depository Institution Service Corporation Act (12 U.S.C. 1861, et seq.) and in accordance with the requirements, conditions, and limitations specified in that Act: *Provided,* That any association that is a qualified thrift lender, as defined in section 408 of the Natonal Housing Act, may make investments in capital stock, obligations, or other securities of any corporation organized under the laws of the State in which the home office of the association is located, if the entire capital stock of such corporation is available for purchase only by savings and loan associations of such State and by Federal associations having their home offices in such State, but no association may make any investment under this subparagraph if its aggregate outstanding investment under this subparagraph would exceed 3 per centum of the assets of the association, except that not less than one-half of the investment permitted under this subparagraph which exceeds 1 per centum of assets shall be used primarily for community, inner-city, and community development purposes.".

(b) Section 5(q) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(q)) is amended by adding at the end thereof the following:

"(6) Any action for injunctive relief that may be commenced by any person pursuant to paragraph (2) of this provision, may be commenced on the behalf of such person by any trade association of which such person is a member: *Provided,* That any such action commenced by a trade association shall be subject to the same requirements, limitations and conditions as would be applicable had such action been commenced by any such person pursuant to paragraph (2) of this provision."

BANK SERVICE CORPORATION ACT

SEC. 110. The Bank Service Corporation Act (12 U.S.C. 1861 et seq.) is amended to read as follows:

"SHORT TITLE AND DEFINITIONS

"SECTION 1. (a) This Act may be cited as the 'Depository Institution Service Corporation Act.'

"(b) For purposes of this Act—

"(1) the term 'appropriate Federal supervisory agency' shall include 'appropriate Federal banking agency' as defined in section 1813(q) of this title (12 U.S.C. 1813(q)) and the Federal Home Loan Bank Board with respect to any 'insured institution' as defined in section 1730a(a)(1)(A) of this title (12 U.S.C. 1730a(a)(1)(A)) other than a qualified thrift lender as defined in section 408 of the National Housing Act;

"(2) the term 'depository institution service corporation' means a corporation organized to perform services authorized by this Act, all of the capital stock of which is owned by one or more depository insititutions;

"(3) the term 'depository institution' means any institution subject to examination and supervision by any 'appropriate Federal supervisory agency';

"(4) the term 'invest' includes any advance of funds to a depository institution service corporation, whether by the purchase of stock, the making of a loan, or otherwise, except a payment for rent earned, goods sold and delivered, or services rendered prior to the making of such payment; and

"(5) the term 'principal investor' means the depository institution that has the largest dollar amount invested in the capital stock of a depository institution service corporation. In any case where two or more depository institutions have equal dollar amounts invested in a depository institution service corporation, the corporation shall, prior to commencing operations, select one of the depository institutions as its principal investor and shall notify the depository institution's appropriate Federal supervisory agency of that choice within five business days of its selection.

"AMOUNT OF INVESTMENT IN DEPOSITORY INSTITUTION SERVICE CORPORATION

"SEC. 2. Notwithstanding any limitation or prohibition otherwise imposed by any provision of law exclusively relating to any depository institution, a depository institution may invest not more than 10 per centum of paid-in and unimpaired capital and unimpaired surplus in depository institution service corporations. No depository institution shall invest more than 5 per centum of its total assets in depository institution service corporations.

"PERMISSIBLE DEPOSITORY INSTITUTION SERVICE CORPORATION ACTIVITIES FOR DEPOSITORY INSTITUTIONS

"SEC. 3. A depository institution may invest in one or more depository institution service corporations that perform, and a depository institution service corporation may perform, the following services only for depository institutions and credit unions: check and deposit sorting and posting; computation and posting of interest and other credits and charges; preparation and mailing of checks, statements, notices and similar items; credit information, appraising, construction loan inspection, and abstracting; developing and administering personnel benefit programs; research, studies, and surveys; purchasing office supplies, furniture and equipment; developing and operating storage facilities for microfilm or other duplicate records; and clerical, bookkeeping, accounting, statistical, data processing, internal auditing, and similar functions performed for a depository institution.

"SERVICES TO NONSTOCKHOLDERS

"SEC. 4. No depository institution service corporation shall unreasonably discriminate in the provision of any services authorized under this Act to any depository institution that does not own stock in the service corporation on the basis of the fact that the nonstockholding institution is in competition with an institution that owns stock in the depository institution service corporation, except that—

"(1) it shall not be considered unreasonable discrimination for a depository institution service corporation to provide services to a nonstockholding institution only at a price that fully reflects all of the costs of offering those services, including the cost of capital and a reasonable return thereon; and

"(2) a depository institution service corporation may refuse to provide services to a nonstockholding institution if comparable services are available from another source at competitive overall costs, or if the providing of services would be beyond the practical capacity of the service corporation.

"REGULATION AND EXAMINATION OF DEPOSITORY INSTITUTION SERVICE CORPORATIONS

"SEC. 5. (a) A depository institution service corporation shall be subject to examination and regulation by the appropriate Federal supervisory agency of its principal investor to the same extent as its principal investor. The appropriate Federal supervisory agency of the principal shareholder of such a depository institution service corporation may authorize any other Federal supervisory agency that supervises any other shareholder of the depository institution service corporation to make such an examination.

"(b) A depository institution service corporation shall be subject to the provisions of the Financial Institutions Supervisory Act of 1966 as if such service corporation were the same type of depository institution as its principal investor, except that the appropriate Federal supervisory agency of the principal investor shall be authorized to apply such provisions to a depository institution service corporation.

"(c) Notwithstanding subsection (a) of this section, whenever a depository institution that is regularly examined by an appropriate Federal supervisory agency, or any subsidiary or affiliate of such a depository institution that is subject to examination by that agency, causes to be performed for itself, by contract or otherwise, any services authorized under this Act, whether on or off its premises—

"(1) such performance shall be subject to regulation and examination by such agency to the same extent as if such services were being performed by the depository institution itself on its own premises, and

"(2) the depository institution shall notify such agency of the existence of the service relationship within thirty days after the making of such service contract or the performance of the service, whichever occurs first.

"(d) The appropriate Federal supervisory agencies are authorized to issue such regulations and orders as may be necessary to enable them to administer and to carry out the purposes of this Act and to prevent evasions thereof.

"GRANDFATHER RIGHTS

"SEC. 6. (a) Notwithstanding any other provision of law—

"(1) any service corporation owned by one or more depository institutions and acquired or maintained and operated pursuant to the Bank Service Corporation Act of 1982 (12 U.S.C. 1861 et seq. (1982, repealed 1983)) or pursuant to subparagraph (B)(4) of section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)(B)(4)) and any regulations promulgated thereunder, may engage in those activities in which (i) it was lawfully engaged on July 1, 1983, and (ii) it has been engaged continuously since July 1, 1983; and

"(2) any depository institution that (i) lawfully invested in a service corporation within the meaning of paragraph (1) of this subsection as of July 1, 1983, and (ii) continuously maintained an investment in such a service corporation since July 1, 1983, may maintain and increase such investment, provided that any such investment is made and maintained in accordance with all conditions, requirements, and limitations applicable thereto under the laws described in paragraph (1) of this subsection.

"(b) The authority conferred by subsection (a) of this section shall terminate, with respect to any covered service corporation, at such time as such service corporation expands its activities to include any new activity, or, with respect to any covered depository institution with an investment in such a service corporation, at such time as such depository institution invests in excess of the limitations set forth in subsection (a)(2) of this section in any service corporation: *Provided*, That any appropriate Federal supervisory agency may, upon application by a service corporation or depository institution that would be required to terminate activities of or divest stock ownership in a service corporation, authorize such service corporation or depository institution to maintain its activities or stock interest for an appropriate period of time in the public interest, but in no event shall such time period exceed one year.

"MUTUAL THRIFT SERVICE CORPORATIONS

"SEC. 7. Notwithstanding any other provision of law, any association, which is organized and continues to operate in the mutual form, is authorized to invest in the capital stock, obligations, or other securities of any corporation organized under the laws of the State in which the home office of the mutual organization is located, if the entire capital stock of such corporation is available for purchase only by savings and loan associations of such State and by Federal associations having their home offices in such State, but no mutual organization may make any investment under this section if its aggregate outstanding investment under this section would exceed 3 per centum of the assets of the mutual organization, except that not less than one-half of the investment permitted under this section shall be used primarily for community, inner-city, and community development purposes. This section shall be interpreted under the Home Owners' Loan Act of 1933, and regulations lawfully promulgated thereunder as of July 1, 1983.".

TITLE II—CREDIT UNION AMENDMENTS

SECOND MORTGAGE LOANS

SEC. 201. Section 107(5)(A)(ii) of the Federal Credit Union Act (12 U.S.C. 1757(5)(A)(ii)) is amended by inserting after

"maturity not to exceed fifteen years" the following: "or any longer term which the Board may choose to allow".

MEMBERSHIP SHARES

SEC. 202. Section 107(6) of the Federal Credit Union Act (12 U.S.C. 1757)(6)) is amended to read as follows:

"(6) to receive from its members, from other credit unions, from an officer, employee, or agent of those nonmember units of Federal, Indian, Tribal, State, or local governments and political subdivisions thereof enumerated in section 207 of this Act and in the manner so prescribed, from the Central Liquidity Facility, and from nonmembers in the case of low-income members (as defined by the Board) funds for credit deposit accounts and payments on (A) shares which may be issued at varying dividend rates; (B) share certificates which may be issued at varying dividend rates and maturities; (C) share draft accounts authorized under section 205(f); and (D) membership shares; subject to such terms, rates, and conditions as may be established by the board of directors, within limitations prescribed by the Board.".

FAITHFUL PERFORMANCE

SEC. 203. Section 112 of the Federal Credit Union Act (12 U.S.C. 1761a) is amended by striking out the third sentence and inserting in lieu thereof the following: "The board shall elect from their number a financial officer who shall give adequate fidelity coverage in accordance with section 122 of this Act.".

MEMBERSHIP OFFICER

SEC. 204. Section 113 of the Federal Credit Union Act (12 U.S.C. 1761b) is amended by striking out "of the board of directors" in paragraph (1) and inserting in lieu thereof "of the credit union.".

POWERS OF THE BOARD OF DIRECTORS

SEC. 205. Section 113 of the Federal Credit Union Act (12 U.S.C. 1761b) is amended—

(1) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) provide adequate fidelity coverage for officers and employees having custody of or handling funds according to regulations issued by the Board;";

(2) by striking out paragraph (7) and inserting in lieu thereof the following:

"(7) determine whether a membership share will be established, the maximum number of shares, share certificates, and share draft accounts and the classes of shares, share certificates, and share draft accounts;";

(5) by striking out paragraph (11) and inserting in lieu thereof the following:

"(11) establish the par value of the membership share (if any) and the share;" and

(6) by striking out paragraph (18) and inserting in lieu thereof the following:

"(18) declare the dividend rate to be paid on shares, share certificates, share draft accounts, and membership shares pursuant to the terms and conditions of section 117;".

NONPARTICIPATION IN THE CREDIT UNION

SEC. 206. Section 118 of the Federal Credit Union Act (12 U.S.C. 1764) is amended—

(1) by striking out "subject to" in subsection (a) and inserting in lieu thereof "except as provided in"; and

(2) by inserting "and enforce" after "adopt" in subsection (b).

CHANGE IN INSURANCE STATUS

SEC. 207. Section 206(d)(2) of the Federal Credit Union Act (12 U.S.C. 1786(d)(2)) is amended to read as follows:

"(2) No credit union shall convert from status as an insured credit union under this Act as provided under subsection (a)(2) of this section until the proposition for such conversion has been approved by a majority of all the directors of the credit union and by affirmative vote of a majority of the members of the credit union who vote on the proposition. Following approval by the directors, written notice of the proposition and of the date set for the membership vote shall be delivered in person to each member, or mailed to each member at the address for such member appearing on the records of the credit union, not more than thirty nor less than seven days prior to such date. The written notice of the proposition shall in boldface type state that the issue will be decided by a majority of the members who vote. The membership shall be given the opportunity to vote by mail ballot. If the proposition is approved by the membership, prompt and reasonable notice of insurance conversion shall be given to all members.".

TITLE III—BANKERS BANKS

AMENDMENT TO SECTION 5136 OF THE REVISED STATUTES

SEC. 301. The paragraph numbered "Seventh" of section 5136 of the Revised Statutes (12 U.S.C. 24 (Seventh)) is amended by striking out "*Provided further,* That" and all that follows through the end thereof and inserting in lieu thereof the following: "*Provided further,* That notwithstanding any other provision of this paragraph, the association may purchase for its own account shares of stock of a bank or a holding company which owns or controls such a bank if (1) the stock of such bank or company is owned exclusively (except to the extent directors' qualifying shares are required by law) by depository institutions, and (2) such bank or company and all subsidiaries thereof are engaged exclusively in providing services for depository institutions, their parent holding companies, subsidiaries thereof, and the officers, directors, and employees of each. In no event shall the total amount of stock held by the association in any bank or holding company described in the immediately preceding proviso exceed at any time 10 per centum of the association's capital stock and paid-in and unimpaired surplus and in no event shall the purchase of such stock result in an association's acquiring more than 5 per centum of any class of voting securities of such bank or company.".

AMENDMENT TO SECTION 5169 OF THE REVISED STATUES

SEC. 302. Section 5169(b)(1) of the Revised Statutes (12 U.S.C. 27(b)(1)) is amended to read as follows:

"(b)(1) The Comptroller of the Currency may also issue a certificate of authority to commence the business of banking pursuant to this section to a national banking association if (A) such association or its parent holding company is owned exclusively (except to the extent directors' qualifying shares are required by law) by depository institutions, and (B) the association, its parent holding company, and all subsidiaries thereof are organized to engage exclusively in providing services for depository institutions, their parent holding companies, subsidiaries thereof, and the officers, directors, and employees of each.".

AMENDMENTS TO THE DEPOSITORY INSTITUTION MANAGEMENT INTERLOCKS ACT

SEC. 303. (a) Section 202(3) of the Depository Institution Management Interlocks Act (12 U.S.C. 3201(3)) is amended—

(1) by striking out "; or" after paragraph (C) and inserting in lieu thereof a period; and

(2) by striking out paragraphs (D) and (E).

(b) Section 205(6) of the Depository Institution Management Interlocks Act (12 U.S.C. 3204(6)) is amended to read as follows:

"(6) A Federal Home Loan Bank or any bank or the parent holding company thereof organized specifically to serve depository institutions, their parent holding companies, subsidiaries thereof, and the officers, directors, and employees of each.".

AMENDMENTS TO THE BANK HOLDING COMPANY ACT OF 1956

SEC. 304. (a) Section 2(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(c)) is amended by inserting after the first sentence thereof the following: "The term 'bank' also includes a State chartered bank or a national banking association if (1) such bank or its parent holding company is owned exclusively (except to the extent directors' qualifying shares are required by law) by depository institutions, and (2) such bank, its parent holding company, and all subsidiaries thereof are organized to engage exclusively in providing services for depository institutions, their parent holding companies, subsidiaries thereof, and the officers, directors, and employees of each.".

(b) Section 4(c)(14)(F) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(14)(F)) is amended—

(1) by striking the period after clause (i) and inserting in lieu thereof a semicolon;

(2) by inserting "and" after clause (ii);

(3) by striking out clause (iii) and inserting in lieu thereof the following:

"(iii) notwithstanding any other provision of law, the term 'bank holding company' shall include a bank if (1) such bank or its parent holding company is owned primarily by depository institutions, and (2) such bank, its parent holding company, and all subsidiaries thereof are organized to engage exclusively (except as provided in this paragraph) in providing services for depository institutions, their parent holding companies, subsidiaries thereof, and the officers, directors, and employees of each. No depository institution, owning stock in a bank or a holding company described in this clause which invests in an export trading company, shall extend credit to an export trading company in an amount exceeding at any one time 10 per centum of such depository institution's capital and surplus."; and

(4) by striking out clause (iv).

TITLE IV—COMPETITIVE SAVINGS INCENTIVE

SHORT TITLE

SEC. 401. This title shall be referred to as the "Competitive Savings Incentive Act of 1983".

MONEY MARKET DEPOSIT ACCOUNTS

SEC. 402. Section 19(c) of the Federal Reserve Act (12 U.S.C. 461) is amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding any other provision of law, reserves held by—

"(A) any bank, savings and loan association or mutual or stock savings bank against accounts authorized by section 327 of the Garn-St Germain Depository Institutions Act of 1982 and regulations promulgated thereunder or transaction accounts authorized after December 1, 1982 pursuant to section 327 of the Garn-St Germain Depository Institutions Act of 1982 or sections 203 and

204 of the Depository Institutions Deregulation and Monetary Control Act of 1980 (12 U.S.C. 3502 and 3503); or

"(B) any insured credit union against any comparable accounts authorized by section 117 of title I of the Federal Credit Union Act (12 U.S.C. 1763) and regulations promulgated thereunder,

may be in the form of vault cash, or as deposits in an Earnings Participation Account at a Federal Reserve Bank which shall receive earnings to be paid each month at the rate earned on the securities portfolio of the Federal Reserve System during that month. The earnings on such portfolio shall be passed through on a prorated basis to the depository institutions which maintain reserves pursuant to this paragraph. The Board may prescribe rules and regulations concerning the maintenance and administration of Earnings Participation Accounts under this paragraph.".

TITLE V—CONSUMER LEASES AND RENTAL-PURCHASE AGREEMENTS

SHORT TITLE

SEC. 501. This title may be cited as the "Consumer Lease and Rental-Purchase Agreement Act".

AMENDMENT TO THE CONSUMER CREDIT PROTECTION ACT

SEC. 502. The Consumer Credit Protection Act is amended by adding at the end thereof the following new title:

"TITLE X—CONSUMER LEASE AND RENTAL-PURCHASE ACT

"Chap.	Sec.
"1. General Provisions	101
"2. Consumer Leases and Rental-Purchase Agreements	111
"3. Enforcement and Liability	121
"4. Miscellaneous	131

"CHAPTER 1—GENERAL PROVISIONS

"Sec.
"101. Short title
"102. Findings and declaration of purpose.
"103. Definitions and rules of construction.
"104. Exempted transactions.
"105. Regulations.

"CHAPTER 2—CONSUMER LEASES AND RENTAL-PURCHASE AGREEMENTS

"Sec.
"111. General requirements of disclosure.
"112. Consumer lease disclosurees.
"113. Consumer's liability at early termination or at the end of the lease term.
"114. Rental-purchase disclosures.
"115. Renegotiations and extensions.
"116. "Consumer lease advertising.
"117. Rental-purchase advertising.

"CHAPTER 3—ENFORCEMENT AND LIABILITY

"Sec.
"121. Administrative enforcement.
"122. Civil liability.
"123. Defenses.
"124. Liability of assignees.
"125. Criminal liability.

"CHAPTER 4—MISCELLANEOUS

"Sec.
"131. Relation to State laws.
"132. Effect on governmental agencies.
"133. Reports by Board and Attorney General.
"134. Effective date.

"TITLE X—CONSUMER LEASE AND RENTAL-PURCHASE ACT

"CHAPTER 1—GENERAL PROVISIONS

"§ 101. Short title

"This title may be cited as the 'Consumer Lease and Rental-Purchase Act'.

"§ 102. Findings and declaration of purpose

"(a) The Congress finds that the leasing of consumer goods continues to be a popular alternative to installment credit purchases. It is the purpose of this title to assure a more meaningful disclosure of the terms of leases of personal property for personal, family or household purposes, permitting the consumer to compare more readily the various lease terms available; to limit the potential balloon payment in consumer leases to a reasonable amount; and to assure accurate disclosures of lease terms in advertising.

"(b) The Congress also finds that a significant number of consumers have begun to acquire ownership of personal property through rental-purchase agreements. These rental-purchase agreements have been offered without adequate cost disclosures. It is the purpose of this statute to assure meaningful disclosure of the terms of rental-purchase agreements; to make the consumer aware of the total cost of the agreement; to inform the consumer when ownership will transfer; and to assure accurate disclosures of rental terms in advertising.

"§ 103. Definitions and rules of construction

"(a) The following definitions apply to this title:

"(1) 'Advertisement' means a commercial message in any medium that aids, promotes, or assists directly or indirectly a consumer lease or a rental-purchase agreement.

"(2) 'Agricultural purposes' includes the production, harvest, exhibition, marketing, transportation, processing, and manufacture of agricultural products by a natural person who cultivates, plants, propagates, or nurtures those agricultural products, including but no limited to the acquisition of farmlands, real property with a farm residence, and personal property and services used primarily in farming.

"(3) 'Board' refers to the Board of Governors of the Federal Reserve System.

"(4) 'Consumer' means a natural person who leases personal property under a consumer lease or rents personal property under a rental-purchase agreement.

"(5) 'Consumer lease' means a contract in the form of a lease or bailment for the use of personal property, and the purchase of services incidental thereto, by a natural person primarily for personal, family, or household purposes, for a period exceeding four months, in which the total lease cost is not more than $25,000, whether or not the consumer has the option to purchase or otherwise become the owner of the property at the expiration of the lease. The term does not include any 'credit sale' as defined in title I.

"(6) 'Consummation' means the time a consumer becomes contractually obligated on a consumer lease or rental-purchase agreement.

"(7) 'Lessor' means a person who regularly provides the use of property through consumer leases or rental-purchase agreements and to whom the obligation is initially payable on the face of the lease or rental-purchase agreement.

"(8) 'Personal property' means any property that is not real property under the laws of the state where it is located when it is made available for a consumer lease or a rental-purchase agreement.

"(9) 'Rental-purchase agreement' means an agreement for the use of personal property by a natural person primarily for personal, family, or household purposes, for an initial perod of four months or less (whether or not there is any obligation beyond the initial period) that is automatically renewable with each payment and that permits the consumer to become the owner of the property. The term does not include any 'credit sale' as defined in title I.

"(10) 'Residual value' means the wholesale or retail fair market value of the leased property at early termination or the end of the lease term in a consumer lease.

"(11) 'State' refers to any State, the Commonwealth of Puerto Rico, the District of Columbia, and any territory or possession of the United States.

"(b) Unless the context indicates otherwise, the term 'lease' means consumer lease, and the term "agreement" means rental-purchase agreement.

"(c) Any reference to any provisions of this title includes reference to the regulations of the Board under this title.

"§ 104. Exempted transactions

"This title does not apply to the following:

"(1) Consumer leases and rental-purchase agreements primarily for business, commercial, or agricultural purposes, or those made with government agencies or instrumentalities or with organizations.

"(2) A lease of a safe deposit box.

"(3) A lease or bailment of personal property which is incidental to the lease of real property, and which provides that the consumer has no liability for the value of the property at scheduled expiration except for abnormal wear and tear and that the consumer has no option to purchase the leased property.

"§ 105. Regulations

"(a) The Board shall write regulations to carry out the purposes of this title, to prevent its circumvention, and to facilitate compliance with its requirements. The regulations may contain classifications and differentiations and may provide for adjustments and exceptions for any class of transaction.

"(b) The Board shall publish model disclosure forms and clauses to facilitate compliance with the disclosure requirements and to aid the consumer in understanding the transaction. In designing forms, the Board shall consider the use by lessors of data processing or similar automated equipment. Use of the models shall be optional. A lessor who properly uses the models shall be deemed to be in compliance with the disclosure requirements.

"(c) Any regulation of the Board, or any amendment or interpretation thereof, that requires a disclosure different from the disclosures previously required shall have an effective date of October 1 that follows the date of promulgation by at least six months. The Board may at its discretion lengthen that period of time to permit lessors to adjust their forms to accommodate new requirements. The Board may also shorten that period of time if it makes a specific finding that such action is necessary to comply with the findings of a court or to prevent unfair or deceptive practices. In any case, lessors may comply with any newly promulgated disclosure requirement prior to its effective date.

"CHAPTER 2—CONSUMER LEASES AND RENTAL PURCHASE AGREEMENTS

"§ 111. General requirements of disclosure

"(a) The lessor shall disclose to the consumer the information required by this title. In a transaction involving more than one consumer, a lessor need disclose to only one of the consumers who are primarily obligated. In a transaction involving more

than one lessor, only one lessor need make the disclosures.

"(b) The disclosures shall be made at or before consummation of the consumer lease or rental-purchase agreement.

"(c) The disclosures shall be made clearly and conspicuously in writing, in a form that the consumer may keep. The disclosures required under sections 112 and 114 shall be segregated from all other terms, data, or information provided.

"(d) Information required to be disclosed may be given in the form of estimates and identified as such when the lessor does not know the exact information.

"(e) If a disclosure becomes inaccurate as the result of any act, occurrence, or agreement after delivery of the required disclosures, the resulting inaccuracy is not a violation of this title.

"§ 112. Consumer lease disclosures

"For each consumer lease, the lessor shall disclose the following items, as applicable:

"(1) The total of initial payments required at or before consummation of the lease or deliver of the property, whichever is later.

"(2) The number, amounts, and timing of scheduled payments.

"(3) The total of scheduled payments.

"(4) The total of amounts payable at the expiration of the lease (not including any difference between the anticipated residual value and the actual residual value).

"(5) The total lease cost, which is the sum of items (1), (3), and (4).

"(6) The amount of any required security deposit.

"(7) When the consumer buys required insurance from or through the lessor, the total cost. When the consumer does not buy required insurance from or through the lessor, a statement that the consumer must buy insurance and that the cost is not included in the numerical disclosures.

"(8) When any official fees and taxes are paid to or through the lessor, the total cost. When any official fees or taxes are not paid to or through the lessor, a statement that the consumer must pay official fees or taxes and that the amounts are not included in the numerical disclosures.

"(9) Any dollar charge or percentage amount that may be imposed for a late payment, other than a deferral or extension charge.

"(10) A statement that the consumer may be liable for additional amounts if the lease is terminated early.

"(11) When the consumer's liability is based on the residual value of the property, a statement that the consumer may have the property appraised at the consumer's expense by an independent third party agreed to by the consumer and lessor, and that the parties will be bound by the appraisal.

"(12) When the consumer's liability at the end of the lease term is based on the anticipated residual value of the property:

"(A) The anticipated residual value of the property, marked as wholesale or retail;

"(B) A brief statement of the consumer's potential liability at the end of the lease term;

"(C) The product of three times the average payment allocable to a month; and

"(D) A statement that the consumer's liability will generally be limited to item (12)(C) unless the excess is a result of excessive use or unreasonable wear and use, or the lessor brings a successful court action proving that the estimate of the anticipated residual value was reasonable.

"(13) A statement that the consumer may have other costs and that the consumer should refer to the appropriate lease document for information about non-payment and default, wear and use standards, and maintenance responsibility.

"§ 113. Consumer's liability at early termination or at the end of the lease term

"(a) When the consumer's liability at the end of the lease term is based on the anticipated residual value of the leased property, the anticipated residual value shall be a reasonable estimate of the actual residual value of the property at the end of the lease term. There shall be a rebuttable presumption that the anticipated residual value is unreasonable to the extent that it exceeds the actual residual value at the end of the lease term by more than three times the average payment allocable to a month. The lessor shall not collect any amount in excess of three times the average payment allocable to a month unless the lessor brings a successful action in court providing that the estimate was reasonable. If the lessor fails to rebut the presumption, the lessor must pay the costs of the action and the consumer's reasonable attorney's fees.

"(b) The presumption (a) shall not apply to the extent that the excess of the anticipated residual value over the actual residual value is due to damage to the property beyond reasonable wear and use or to excessive use. The lessor may set reasonable standards for wear and use in the lease.

"(c) Subsection (a) does not preclude the right of a willing consumer and lessor to make a mutually agreeable final adjustment with respect to the excess of three times the average payment allocable to a month, provided the agreement is made after the end of the lease term.

"(d) In the lease the lessor may specify penalties or other charges for delinquency, default, or early termination, if the amounts are reasonable in light of the anticipated or actual harm caused by the delinquency, default, or early termination, the difficulties of proof of loss, and the inconvenience or nonfeasibility of otherwise obtaining an adequate remedy.

"(e) When the consumer's liability is based on the residual value of the leased property, the consumer may obtain at the consumer's expense a professional appraisal of the property by an independent third party agreed to by both parties. This appraisal shall be binding on the parties.

"§ 114. Rental-purchase disclosures

"For each rental-purchase agreement, the lessor shall disclose the following items, as applicable:

"(1) The number, amounts and timing of all payments necessary to acquire ownership of the property.

"(2) The number of payments and the total of payments necessary to acquire ownership of the property.

"(3) A statement that the consumer will not own the property until the consumer has made the number of payments and the total of payments necessary to acquire ownership.

"(4) A statement that the total of payments does not include other charges, such as late payment, default, pickup, and reinstatement fees, and that the consumer should see the contract for an explanation of these charges.

"(5) A statement that the consumer is responsible for the fair market value of the property if it is lost, stolen, damaged, or destroyed.

"(6) A statement indicating whether the property is new or used.

"§ 115. Renegotiations and extensions

"(a) A renegotiation occurs when an existing consumer lease or rental-purchase agreement is satisfied and replaced by a new lease or agreement undertaken by the same lessor and consumer. A renegotiation is a new lease or agreement requiring new disclosures. However, events such as the following shall not be treated as renegotiations:

"(1) The addition or return of property in a multiple-item lease or agreement or the substitution of the leased property, if in either case the average payment allocable to a payment period is not changed by more than 25 per centum.

"(2) A deferral or extension of one or more periodic payments, or portions of a periodic payment.

"(3) A reduction in charges in the lease or agreement.

"(4) A lease or agreement involving a court proceeding.

"(5) Any other event described in regulations prescribed by the Board.

"(b) No dislcosures are required for any extension of a consumer lease or a rental-purchase agreement. However, a lessor that extends or permits a consumer to extend a consumer lease for more than one month beyond the end of the lease term shall (for purposes of section 113) recalculate the anticipated residual value of the leased property to reflect the depreciation resulting from the extended term.

"§ 116. Consumer lease advertising

"(a) If an advertisement for a consumer lease states the amount of any payment or states that any or no initial payment is required, the advertisement must also clearly and conspicuously state the following items, as applicable:

"(1) That the transaction advertised is a lease.

"(2) The total of initial payments required at or before consummation of the lease or delivery of the property, whichever is later.

"(3) That a security deposit is required.

"(4) The number, amounts, and timing of scheduled payments.

"(5) For a lease in which the consumer's liability at the end of the lease term is based on the anticipated residual value of the property, that an extra charge may be imposed at the end of the lease term.

"(b) Any owner or personnel of any medium in which an advertisement appears or through which it is disseminated shall not be liable under this section.

"§ 117. Rental-purchase advertising

"(a) If an advertisement for a rental-purchase agreement refers to or states the amount of any payment or the right to acquire ownership, the advertisement must also clearly and conspicuously state the following items, as applicable:

"(1) That the transaction advertised is a rental-purchase agreement.

"(2) The total of payments necessary to acquire ownership.

"(3) That the consumer acquires no ownership rights if the total amount necessary to acquire ownership is not paid.

"(b) Any owner or personnel of any medium in which an advertisement appears or through which it is disseminated shall not be liable under this section.

"CHAPTER 3—ENFORCEMENT AND LIABILITY

"§ 121. Administrative enforcement

"(a) Compliance with the requirements imposed by this title shall be enforced under—

"(1) section 8 of the Federal Deposit Insurance Act, in the case of—

"(A) national banks, by the Comptroller of the Currency;

"(B) member banks of the Federal Reserve System (other than national banks), by the Board; and

"(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), by the Board of Directors of the Federal Deposit Insurance Corporation; and

"(2) section 5(d) of the Home Owners' Loan Act of 1933, section 407 of the National Housing Act, and sections 6(i) and 17 of the Federal Home Loan Bank Act, by the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), in the case of any institution subject to any of those provisions;

"(3) The Federal Credit Union Act, by the National Credit Union Administration with respect to any Federal credit union;

"(4) the Packers and Stockyards Act, 1921 (except as provided in sections 406 of that Act), by the Secretary of Agriculture with respect to any activities subject to that Act; and

"(5) the Farm Credit Act of 1971, by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

"(b) For the purpose of the exercize by any agency referred to in subsection (a) of its powers under any Act referred to, a violation of a requirement imposed by this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each agency may exercise any other authority conferred on it by law in enforcing any requirement imposed under this title.

"(c) Except to the extent that enforcement of the requirements imposed by this title is specifically committed to some other agency under subsection (a), the Federal Trade Commission shall enforce the requirements. For the purpose of exercising its functions and powers under the Federal Trade Commission Act, a violation of any requirement imposed by this title shall be deemed a violation of a requirement imposed under that Act. All of the functions and powers of the Federal Trade Commission under the Federal Trade Commission Act are available to the Commission to enforce compliance by any person with the requirements imposed by this title, whether or not that person is engaged in commerce or meets any other jurisdictional tests in the Federal Trade Commission Act.

"(d) The authority of the Board to issue regulations under this title does not impair the authority of any other agency designated in this section to make rules respecting its own procedures in enforcing compliance with requirements imposed by this title.

"§ 122. Civil liability

"(a) Except as otherwise provided in this title, a lessor who fails to comply with a requirement of section 111, 112, 113, 114, or 115 with respect to a consumer is liable to the consumer in an amount equal to the sum of—

"(1) actual damages sustained by the consumer as a result of the violation;

"(2) in the case of an individual action relating to a consumer lease, 25 per centum of the total of scheduled payments under the lease, but not less than $100 nor greater than $1,000;

"(3) in the case of an individual action relating to a rental-purchase agreement, 25 per centum of the total of payments necessary to acquire ownership, but not less than $100 nor greater than $1,000;

"(4) In the case of a class action, the amount the court determines to be appropriate with no minimum recovery as to each member. The total recovery in any class action or series of class actions arising out of the same violation may not be more than the lesser of $500,000 or 1 per centum of the net worth of the lessor. In determining the amount of the award in any class action, the court shall consider, among other relevant factors, the amount of actual damages awarded, the frequency and persistence of the violation, the lessor's resources, and the extent to which the lessor's violation was intentional; and

"(5) the costs of the action and reasonable attorney's fees as determined by the court.

"(b) In the case of an advertisement, any lessor who fails to comply with the requirements of sections 116 and 117 with regard to any person is liable to that person for actual damages suffered from the violation, the costs of the action, and reasonable attorney's fees.

"(c) When there are multiple lessors, liability shall be imposed only on the lessor who made the disclosures. When no disclosures have been given, liability shall be imposed on all lessors.

"(d) When there are multiple consumers in a consumer lease or a rental-purchase agreement, there shall be only one recovery of damages under subsection (a) for a violation of this title.

"(e) Multiple violations in connection with a single consumer lease or rental-purchase agreement entitle the consumer to a single recovery under this section.

"(f) An action under this section may be brought in any United States district court or in any other court of competent jurisdiction within one year of the date of the occurrence of the violation, except that in the case of a violation under section 113 an action may be brought within one year of the end of the lease term. This subsection does not bar a consumer from asserting a violation of this title in an action to collect the debt brought more than one year from the date of the occurrence of the violation as a matter of defense by recoupment or setoff, except as otherwise provided by State law.

"(g) A consumer may not take action to offset any amount for which a lessor is potentially liable under subsection (a) aganist any amount owed by the consumer, unless the amount of the lessor's liability has been determined by judgment of a court of competent jurisdiction in an action in which the lessor was a party. This subsection does not bar a consumer then in default on the obligation from asserting a violation of this title as an original action, or as a defense or counterclaim to an action brought by the lessor to collect amounts owed by the consumer.

"§ 123. Defenses

"(a) A lessor is not liable under sections 121, 122, or 125 for a violation of the requirements of sections 111, 112, and 114 if within sixty days after discovering the error, and before an action under section 122 is filed or written notice of the error is received from the consumer, the lessor notifies the consumer of the error and makes whatever adjustments in the account are necessary to assure that the consumer will not be required to pay an amount in excess of the amounts actually disclosed. This provision applies whether the discovery of the error was made through a final written examination report or the lessor's own procedures.

"(b) A lessor is not liable under section 122 for a violation of this title if the lessor shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error even though the lessor maintained procedures reasonably adapted to avoid such error. Examples of a bona fide error include, but are not limited to, clerical calculation, computer malfunction and programming, and printing errors. An error of legal judgment with respect to the requirements of this title is not a bona fide error.

"(c) A lessor is not liable under this title for any act done or omitted in good faith in conformity with any rule, regulation, interpretation, or approval promulgated by the Board or by an official duly authorized by the Board. This rule applies even if, after the act or omission has occurred, the rule, regulation, interpretation, or approval is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

"§ 124. Liability of assignees

"(a) For purposes of section 122 and 123, the term 'lessor' as used in those sections shall include an assignee of the lessor. However, a civil action for a violation of this title may be brought against an assignee only if the violation is apparent on the face of the disclosure statement. A violation apparent on the face of the disclosure statement includes, but is not limited to, a disclosure that can be determined to be incomplete or inaccurate from the face of the disclosure statement or other documents assigned. An assignee has no liability where the assignment is involuntary.

"(b) In an action by or against an assignee, the consumer's written acknowledgement of receipt shall be conclusive proof that the disclosures were made, provided the assignee had no knowledge that disclosures had not been made when the assignee acquired the obligation.

"§ 125. Criminal liability

"A fine of $5,000 or a prison term of not more than one year, or both, may be imposed on anyone who willfully and knowingly fails to comply with any requirement imposed under this title.

"CHAPTER 4—MISCELLANEOUS

"§ 131. Relation to State laws

"(a) This title does not annul, alter, or affect the laws of any State regarding the disclosure of consumer leases or rental-purchase agreements, nor does this title exempt any person subject to the provisions of this title from complying with the laws of any State with respect to consumer leases or rental-purchase agreements, except to the extent those laws are inconsistent with any provision of this title, and then only to the extent of the inconsistency. The laws of a State are inconsistent if a person is unable to comply with them without violating a provision of this title. The Board is authorized to determine whether such inconsistencies exist.

"(b) The Board shall by regulation exempt from the requirements of this title any class of lease transactions and rental-purchase agreements within any State if it determines that the State law contains requirements substantially similar to those imposed by this title or gives greater protection and benefit to the consumer, and that there is adequate provision for enforcement.

"(c) Except as specified in sections 122 and 123, this title does not affect the validity or enforceability of any contract or obligation under State or Federal law.

"(d) Determinations under this section may be requested by any State.

"§ 132. Effect on governmental agencies

"No civil or criminal penalty provided by this title for violations may be imposed on the United States or any of its departments or agencies, any State or political subdivision, or any agency of any State or political subdivision.

"§ 133. Reports by Board and Attorney General

"Each year the Board and the Attorney General shall report to the Congress concerning the administration of their functions under this title, including any recommendations necessary or appropriate. In addition, the Board's report shall include its assessment of the extent to which compliance with the requirements imposed by this title is being achieved.

"§ 134. Effective date

"(a) This title shall take effect on the October 1 that is at least two years after the date of its enactment.

"(b) All regulations, forms, and clauses required to be prescribed shall be promulgated one year prior to such effective date.

"(c) Notwithstanding subsections (a) and (b), any lessor may comply with the requirements of this title, in accordance with the regulations, forms, and clauses prescribed by the Board, prior to such effective date.".

CONFORMING AMENDMENTS

SEC. 503. (a) Section 102 of the Truth and Lending Act is amended by striking out "(a)" before "The Congress" and by striking out subsection (b).

(b) Section 105(b) of such Act is amended by striking out "or lessee", by striking out "or lessors", and by striking our "or lessor" each place it appears.

(c) Section 105(d) of such Act is amended by striking out ", or chapter 5", by striking out "or lessors" each place it appears, and by striking out "or leassor".

(d) Section 121(a) of such Act is amended by striking out "a consumer lease or", and by striking out "or lessor".

(e) Section 121(b) of such Act is amended by striking out "or one lessor as defined in section 181(3)," and by striking out "or lessor" each place it appears.

(f) Section 122(b) of such Act is amended by striking out "or lessor" and by striking out "chapters 4 and 5" and inserting in lieu thereof "chapter 4".

(g) Section 130(a) of such Act is amended by striking out "or 5", by striking out "(i)", by striking out "or (ii) in the case of an individual action relating to a consumer lease under chapter 5 of this title, 25 per centum of the total amount of monthly payments under the lease,", and by striking out "or 5".

(h) Section 130(b) of such Act is amended by striking out "or chapter 5".

(i) Section 130(d) of such Act is amended by striking out "or consumer lease".

(j) Section 130(g) of such Act is amended by striking out "or 5" and by striking out "consumer lease,".

(k) Chapter 5 title I of the Consumer Credit Protection Act is repealed.

TITLE VI—FAIR DEPOSIT AVAILABILITY

SHORT TITLE

SEC. 601. This title may be cited as the "Fair Deposit Availability Act of 1983".

DEFINITIONS

SEC. 602. As used in this title—

(1) the term "depository institution" means—

(A) Any insured bank as defined in section 3 of the Federal Deposit Insurance Act or any bank which is eligible to make application to become an insured bank under section 5 of such Act;

(B) any mutual savings bank as defined in section 3 of the Federal Deposit Insurance Act or any bank which is eligible to make application to become an insured bank under section 5 of such Act;

(C) any savings bank as defined in section 3 of the Federal Deposit Insurance Act or any bank which is eligible to make application to become an insured bank under section 5 of such Act;

(D) any insured credit union as defined in section 101 of the Federal Credit Union Act or any credit union which is eligible to make application to become an insured credit union pursuant to section 201 of such Act;

(E) any member as defined in section 2 of the Federal Home Loan Bank Act; and

(F) any insured institution as defined in section 401 of the National Housing Act or any institution which is eligible to make application to become an insured institution under section 403 of such Act;

(2) the term "deposit account" means an account in a depository institution on which the account holder is permitted to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone transfers, or other similar items for the purpose of making payments or transfers to third persons or others. Such term includes demand deposits, negotiable order of withdrawal draft accounts, savings deposits subject to automatic transfers, share draft accounts, and all savings deposits and share accounts (other than time deposits); and

(3) the term "Board" means the Board of Governors of the Federal Reserve System.

DISCLOSURE OF FUND AVAILABILITY POLICIES

SEC. 603. (a) Before opening a transaction account, a depository institution shall, in accordance with regulations of the Board, provide a written disclosure to the potential customer of its general policy with respect to when a customer may withdraw funds deposited by check or similar instrument into the customer's deposit account.

(b) A depository institution shall, in accordance with regulations of the Board, either—

(1) furnish its customers preprinted deposit slips, or envelopes for automatic teller machine deposits, bearing a summary statement of its general policy with respect to when a customer may withdraw funds deposited by check or similar instrument into the customer's deposit account; or

(2) in the case of a particular deposit by check or similar instrument into a deposit account for which funds may not be immediately available for withdrawal, provide specific notice of the time the customer may withdraw such funds.

INTEREST ON DEPOSITS

SEC. 604. For the purpose of computing the amount of interest or dividends payable with respect to an interest bearing deposit account, a depository institution may not delay beginning to compute interest on funds deposited by check or similar instrument to such an account beyond the date on which that depository institution receives provisional credit for the check or similar instrument. Nothing in the preceding sentence requires the payment of interest with respect to funds deposited by check or similar instrument which is returned unpaid.

COMPLIANCE WITH ENDORSEMENT STANDARD

SEC. 605. Each depository institution shall place its endorsement on checks and other items described in regulations of the Board in the positions provided for in the endorsement standared (ANSI X 9.3-1981) or in regulations of the Board.

EXPEDITED NOTICE OF NONPAYMENT

SEC. 606. Not later than twenty-four hours after a payor depository institution determines not to pay a check or similar instrument of $250 or more, it shall directly notify the depository institution at which the check was originally deposited of such nonpayment.

DISCLOSURE GUIDELINES

SEC. 607. (a) The Board shall prescribe regulations to carry out this title. These regulations may contain such definitions, classifications, differentiations, or other provisions, and may provide for such adjustments and exemptions for any class of transactions, as the Board determines are necessary.

(b) The Board shall publish model disclosure forms and clauses for common transactions to facilitate compliance with the disclosure requirements of section 603 and to aid customers by utilizing readily understandable language. Nothing in this title may be construed to require the use of any such model form or clause prescribed by the Board under this section. A depository institution shall be deemed to be in compliance with the provisions of section 603 if it (1) uses any appropriate model form or clause as published by the Board, or (2) uses any such model form or clause and changes if by (A) deleting any information which is not required by this title, or (B) rearranging the format.

(c) Model disclosure forms and clauses shall be adopted by the Board after notice duly given in the Federal Register and an opportunity for public comment in accordance with section 553 of title 5, United States Code.

ADMINISTRATIVE ENFORCEMENT

SEC. 608. (a) Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act in the case of—

(A) national banks, by the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 5(d) of the Home Owner's Loan Act of 1933, section 407 of the National Housing Act, and section 17 of the Federal Home Loan Bank Act, by the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), in the case of any institution subject to any of those provisions; and

(3) the Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any Federal credit union or insured credit union.

(b) For the purpose of the exercise by any agency referred to in subsection (a) of this section of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a) of this section, each of the agencies referred to in that subsection may excerise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(c) Except to the extent that enforcement of the requirements imposed under this title is specifically committed to some other Government agency under subsection (a) of this section, the appropriate State regulatory authority shall enforce such requirements.

(d) The authority of the Board to issue regulations under this title does not impair the authority of any other authority designated in this section to make rules respecting its own procedures in enforcing compliance with requirements imposed under this title.

CIVIL LIABILITY

SEC. 609. (a) Except as otherwise provided in this section, any depository institution which fails to comply with any requirement imposed under section 603 or 604 with respect to any person is liable to such person in an amount equal to the sum of—

(1) any actual damage sustained by such person as a result of the failure;

(2)(A) in the case of an individual action such additional amount as the court may allow, except that the liability under this subparagraph shall not be less than $50 nor greater than $500; or

(B) in the case of a class action, such amount as the court may allow, except that as to each member of the class no minimum recovery shall be applicable, and the total recovery under this subparagraph in any class action or series of class actions arising out of the same failure to comply by the same depository institution shall not be more than the lesser of $500,000 or 1 per centum of the net worth of the depository institution; and

(3) in the case of any successful action to enforce the foregoing liability, the costs of the action, together with a reasonable attorney's fee as determined by the court.

In determining the amount of award in any class action, the court shall consider, among other relevant factors, the amount of any actual damages awarded, the frequency and persistence of failures of compliance, the resources of the depository institution, the number of persons adversely affected, and the extent to which the failure of compliance was intentional.

(b) A depository institution may not be held liable in any action brought under this section for a violation of section 603 or 604 if the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error. Examples of a bona fide error include, but are not limited to, clerical, calculation, computer malfunction and programing, and printing errors, except that an error of legal judgment with respect to a person's obligations under this title is not a bona fide error.

(c) Any action under this section may be brought in any United States district court, or in any other court of competent jurisdiction, within one year from the date of the occurrence of the violation.

(d) No provision of this section imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule, regulation, or interpretation thereof by the Board or in conformity with any interpretation or approval by an official or employee of the Federal Reserve System duly authorized by the Board to issue such interpretations or approvals under such procedures as the Board may prescribe therefor, notwithstanding that after such act or omission has occurred, such rule, regulation, interpretation, or approval is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

EFFECTIVE DATE

SEC. 610. This title takes effect upon the expiration of twelve months following its enactment.

TITLE VII—CREDIT DEREGULATION AND AVAILABILITY

SHORT TITLE

SEC. 701. This title may be cited as the "Credit Deregulation and Availability Act of 1983".

BUSINESS AND AGRICULTURAL CREDIT

SEC. 702. (a) Section 511 of the Depository Institutions Deregulation and Monetary Control Act of 1980 (94 Stat. 161; Public Law 96-221) is amended to read as follows:

"BUSINESS AND AGRICULTURAL LOANS

"SEC. 511. (a) The provisions of the constitution or the laws of any State prohibiting, restricting, or in any way limiting the rate, nature, type, amount of, or the manner of calculating or providing or contracting for interest, discount, points, a time price differential, finance charges or other fees or charges that may be charged, taken, received, or reserved shall not apply in the case of business or agricultural credit.

"(b) As used in this part, the term—

"(1) 'agricultural credit' means credit extended primarily for agricultural purposes to a person that cultivates, plants, propagates, or nurtures an agricultural product;

"(2) 'agricultural purposes' include the production, harvest, exhibition, marketing, transportation, processing, or manufacturing of an agricultural product and the acquisition of farmland, real property with a farm residence and personal property and services used primarily in farming;

"(3) 'agricultural product' includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish and any products thereof, including processed and manufactured products and any and all products raised or produced on farms and any processed or manufactured products thereof;

"(4) 'business credit' means credit extended primarily for business or commercial purposes, including investment, and any credit extended to a person other then a natural person; and

"(5) 'credit' includes all secured and unsecured loans, credit sales, forbearances, advances, renewals and other extensions of credit.".

(b) Section 512 of the Depository Institutions Deregulation and Monetary Control Act of 1980 is amended to read as follows:

"APPLICABILITY

"SEC. 512. (a) Except as provided in subsection (b) of this section, the provisions of this part shall apply with respect to business and agricultural credit extended on or after April 1, 1980.

"(b) The provisions of this part shall not apply to any business or agricultural credit extended in any State after the effective date (if such effective date occurs on or after April 1, 1980, and prior to three years after the effective date of the Credit Deregulation and Availability Act of 1983) of a State law or a certification that the voters of such States have voted in favor of any provision, constitutional or otherwise, which states explicitly and by its terms that such State does not want the provisions of this part to apply with respect to credit extensions subject to the laws of such State, except that such provisions shall apply to any credit extended on or after such date pursuant to a committment to extend such credit which was entered into on or after April 1, 1980, and prior to such later date.

"(c) Credit shall be deemed to be extended during the period to which the provisions of this part apply if such credit extension—

"(1)(A)(i) is funded or made in whole or in part during such period, regardless of whether pursuant to a commitment or other agreement therefor made prior to April 1, 1980;

"(ii) was made prior to or on April 1, 1980, and bears or provides for interest during such period on the outstanding amount thereof at a variable or fluctuating rate; or

"(iii) is a renewal, extension, or other modification of an extension of credit made prior to April 1, 1980, and such renewal or extension or other modification is made during such period with the written consent of any person obligated to repay such credit; and

"(B)(i) has an original principal amount of $25,000 or more ($1,000 or more on or after the date of enactment of the Housing and Community Development Act of 1980 or any amount on or after the effective date of the Credit Deregulation and Availability Act of 1983); or

"(ii) is part of a series of advances if the aggregate of all sums advanced or agreed or contemplated to be advanced pursuant to a commitment or other agreement therefore is $25,000 or more ($1,000 or more on or after the date of enactment of the Housing and Community Development Act of 1980 or any amount on or after the effective date of the Credit Deregulation and Availability Act of 1983); or

"(2) is a renewal, extension, other modification or use of a credit agreement or extension made during such period, including an agreement entered during that period that contemplates future extensions of credit from time to time in which the charges that are assessed for or in connection with credit are calculated from time to time, in whole or in part, on the basis of the outstanding balance and the credit is extended not later than eighteen months after the effective date of the State law or certification.".

CONSUMER CREDIT

SEC. 2703. Title V of the Depository Institutions Deregulation and Monetary Control Act of 1980 (94 Stat. 151; Public Law 96-221) is amended by adding at the end thereof the following new part:

"PART D—CONSUMER CREDIT

"CONSUMER CREDIT

"SEC. 531. The provisions of the constitution or laws of any State prohibiting, restricting, or in any way limting the rate, nature, type, amount of, or the manner of calculating or providing or contracting for

covered charges that may be charged, taken, received or reserved shall not apply to an extension of consumer credit made by a creditor.

"DEFINITIONS

"SEC. 532. (a) As used in this part—

"(1) the term 'covered charges' means—

"(A) interest, discount, points, a time price differential, or any similar fees, charges, or other compensation paid to the creditor and arising out of the credit agreement or transaction for the use of credit or credit services. The term shall not include, however, fees, charges or other amounts paid to the creditor or arising out of the credit agreement or transaction that are paid or arise solely as the result of the failure or refusal of the debtor to comply with the terms and conditions of the debtor's agreement with the creditor, including without limitation the fact that the obligation is not repaid in accordance with the payment schedule; and

"(B) fees or charges paid for the availability of credit, payment mechanism services, or for similar purposes, including periodic, transaction and access fees;

"(2) the term 'credit' includes all secured and unsecured loans, credit sales, forbearances, advances, renewals and other extensions of credit, all without regard to the nature of any property that might secure its repayment;

"(3) the term 'creditor' means any person that regularly makes extensions of consumer credit, which, for purposes of this definition, shall include extensions of credit that are subject to the provisions of section 501(a) of this title. A person is not a 'creditor' with respect to a specific extension of consumer credit if, except for this part, in order to assess or collect covered charges in connection with that transaction, the person would be required to comply with licensing requirements imposed under State law, unless such person is licensed under applicable State law and such person remains, or becomes, subject to the applicable regulatory requirements and enforcement mechanisms provided by State law; and

"(4) the term 'extension of consumer credit' means any credit extended to a natural person primarily for personal, family, or household purposes, except that it does not include credit subject to the provisions of section 501(a) or 511(a) of this title.

"APPLICABILITY

"SEC. 533. (a) Except as provided in subsection (b) of this section, the provisions of section 531 shall apply with respect to any extension of consumer credit made by a creditor on or after the effective date of the Credit Deregulation and Availability Act of 1983.

"(b)(1) The provisions of section 531 shall not apply to any extension of consumer credit in any State made on or after the effective date (if such effective date occurs on or after the effective date of the Credit Deregulation and Availability Act of 1983 and prior to a date three years after such effective date) of a State law or a certification that the voters of such State have voted in favor of any provision, constitutional or otherwise, which states explicitly and by its terms that such State does not want the provisions of this part to apply with respect to extensions of consumer credit subject to the laws of such State, except that such provisions shall apply to any consumer credit extended on or after such date pursuant to an agreement to extend such credit which was entered into on or after the effective date of the Credit Deregulation and Availability Act of 1983 and prior to such later date.

"(2) Credit shall be deemed to have been extended during the period to which the provisions of this part apply, if it—

"(A) is funded or extended in whole or in part during such period, regardless of whether pursuant to a commitment or other agreement therefor made prior to that period;

"(B) was made prior to such period and bears or provides for covered charges that may vary or fluctuate during that period;

"(C) is a renewal, extension, or other modification of a credit extension made before such period and such renewal, extension or other modification is made during such period with the written consent of any person obligated to repay such credit; or

"(D) is extended in accordance with an agreement entered into prior to the effective date of the State law or certification that contemplates future extensions of consumer credit from time to time in which the covered charges are calculated from time to time, in whole or in part, on the basis of the outstanding balance and the credit is extended not later than eighteen months after the effective date of the State law or certification.

"(c) Any law or certification adopted by a State or its voters pursuant to subsection (b) of this section may specify that portion of the extension of consumer credit made in such State, or those types or kinds of covered charges, to which the provisions of section 531 will not apply.

"INTERPRETATIVE AUTHORITY

"SEC. 534. (a) The Board of Governors of the Federal Reserve System is authorized to publish Board interpretations regarding the scope and application of section 531 of this part. Upon its own motion or upon the request of any creditor, State, or other interested party which is submitted to the Board in accordance with procedures it establishes, within one hundred and twenty days the Board shall issue an official interpretation regarding the scope of section 531 and its relationship to specific provisions of State law, or shall make public a Board determination (accompanied by an appropriate explanation) that the question presented does not involve a significant issue or does not affect a substantial number of creditors or extensions of consumer credit

"(b) No provision of the constitution or laws of any State imposing any liability, penalty, or forfeiture shall apply to any act done or omitted in good faith in conformity with any interpretation under this section by the Board, notwithstanding that, after such act of omission has occurred, such interpretation is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.".

FEDERAL CREDIT UNIONS

SEC. 704. Section 107(5)(A)(vi) of the Federal Credit Union Act (12 U.S.C. 1757(5)(A)(vi)) is amended to read as follows:

"(vi) rates of interest shall be established by the board of directors of the Federal credit union;".

EFFECTIVE DATE

SEC. 705. This title shall take effect upon its enactment.

TITLE VIII—INTEREST ON DEMAND DEPOSITS

SHORT TITLE

SEC. 801. This title may be cited as the "Demand Deposit Deregulation Act".

AMENDMENTS TO THE FEDERAL RESERVE ACT

SEC. 802. (a) The first and second sentences of section 19(i) of the Federal Reserve Act (12 U.S.C. 371a) are hereby repealed.

"(b) The third sentence of section 19(i) of the Federal Reserve Act is amended by striking out "Notwithstanding any other provision of this section, a" and inserting in lieu thereof "A".

AMENDMENT TO THE FEDERAL DEPOSIT INSURANCE ACT

SEC. 803. The first sentence of section 18(g)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)(1)) is hereby repealed.

AMENDMENT TO THE HOME OWNERS' LOAN ACT OF 1933

SEC. 804. The second sentence of section 5(b)(1)(B) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(b)(1) (B)) is hereby repealed.

AMENDMENT TO SECTION 19(b) OF THE FEDERAL RESERVE ACT

SEC. 805. Section 19(b) of the Federal reserve act (12 U.S.C. 461(b)) is amended by striking the last sentence in subparagraph (8)(A) and inserting in lieu thereof the following: "This subparagraph does not apply to (1) any category of deposits on accounts which are first authorized pursuant to Federal law in any State after April 1, 1980; nor (2) an amount equal to the amount by which current total demand deposits exceeds the amount of demand deposits held by the institution on a daily average basis during the fourteen-day period preceding the date of enactment of this Act, held by each depository institution located outside of Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont, except as permitted by order or regulation of the Board.".

AMENDMENT TO THE DEPOSITORY INSTITUTIONS DEREGULATION ACT OF 1980

SEC. 806. Section 204 of the Depository Institutions Deregulation Act of 1980 (12 U.S.C. 3503) is amended by adding at the end thereof a new subsection (d) to read as follows:

"(d) The deregulation Committee shall not later than six months from the effective date of this Act establish rules permitting the payment of interest on demand deposits at the same rates that are permitted for accounts subject to withdrawal by negotiable or transferable instrument for the purpose of making transfers to third parties authorized under section 2 (a) of Public Law 93-100 (12 U.S.C. 1832 (a)). Interest may not be paid by a depository institution on any demand deposit until such rules are issued by the Deregulation Committee.".

TECHNICAL AMENDMENTS

SEC. 807. (a) Section 207(b)(2) of the Depository Institutions Deregulation Act of 1980 (12 U.S.C. 3506 (b)(2)) is amended to read as follows:

"(2) the first sentence of section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended by striking out 'payment and' and by striking out ', including limitations on the rates of interest and dividends that may be paid;' ".

(b) Section 207 (b) (3) of such Act (12 U.S.C. 3506(b)(3)) is amended to read as follows:

"(3) the second, fourth, and seventh sentences of section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) are hereby repealed;".

(c) The second sentence of section 203(b) of such Act (12 U.S.C. 3502(b)) is hereby repealed.

NOW ACCOUNTS

SEC. 808. Section 2(a)(2) of Public Law 93-100 (12 U.S.C. 1832(a)) is amended by inserting "political" after the comma following "educational".

EFFECTIVE DATE

SEC. 809. This title shall take effect one hundred and eighty days from the date of enactment, except that section 808 shall take effect on the date of enactment of this Act.

TITLE IX—FRAUDULENT USE OF CREDIT CARDS AND DEBIT CARDS

FRAUDULENT USE OF CREDIT CARDS

SEC. 901. Section 134 of the Truth in Lending Act (15 U.S.C. 1644) is amended to read as follows:

"§ 134. Fraudulent use of credit card

"(a) Whoever—

"(1) knowingly, in a transaction affecting interstate or foreign commerce, uses or attempts or conspires to use any counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card to obtain money, goods, services, or anything else of value which within any one-year period has a value aggregating $1,000 or more;

"(2) with unlawful or fraudulent intent, transports or attempts or conspires to transport in interstate or foreign commerce a counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained;

"(3) with unlawful or fraudulent intent, uses any instrumentality of interstate or foreign commerce to sell or transport a counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card knowing the same to be counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained;

"(4) knowingly receives, conceals, uses, or transports money, goods, services, or anything else of value (except tickets for interstate or foreign transportation) which (A) within any one-year period has a value aggregating $1,000 or more, (B) has moved in or is part of, or which constitutes interstate or foreign commerce, and (C) has been obtained with a counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card;

"(5) knowingly receives, conceals, uses, sells, or transports in interstate or foreign commerce one or more tickets for interstate or foreign transportation, which (A) within any one-year period have a value aggregating $500 or more, and (B) have been purchased or obtained with one or more counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit cards;

"(6) in a transaction affecting interstate or foreign commerce, furnishes money, property, services, or anything else of value, which within any one-year period has a value aggregating $1,000 or more, through the use of any counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card knowing the same to be counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained;

"(7) in a transaction affecting interstate or foreign commerce, knowingly furnishes, transfers, or obtains a credit card for use in connection with a scheme to defraud a consumer or any other person;

"(8) in a transaction affecting interstate or foreign commerce, with unlawful or fraudulent intent, furnishes, acquires or uses any actual or fictitious credit card account numbers or identification or other access codes, whether alone or together with names of credit card holders, or other information pertaining to a credit card account in any form, and as they may be reflected or retained in any medium; or

"(9) with unlawful or fraudulent intent, possesses five or more counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit cards that have moved in, been a part of, or constituted interstate or foreign commerce,

shall be fined not more than $10,000 or imprisoned not more than ten years, or both.

"(b)(1) In determining the aggregate value for the purpose of any provision of subsection (a), there shall be included the dollar value of all transactions by a person using one or more credit cards in a course of conduct in violation of such provision.

"(2) As used in this section, the term 'credit card' includes account numbers or any other means of account access that can be used, alone or in conjunction with another means of access to obtain money, goods, services, or any other thing of value.

"(c) Any person who is convicted of a violation of any provision of subsection (a) or section 916 shall, for any subequent violation of a provision of subsection (a) or section 916, be fined more than $100,000 or imprisoned not more than 20 years, or both.".

FRAUDULENT USE OF DEBIT CARDS

SEC. 902. (a) Section 916(b) of the Electronic Fund Transfer Act (15 U.S.C. 1693n(b)) is amended by striking out "obtained—" in paragraph (6) and inserting in lieu thereof the following: "obtained; or

"(7) in a transaction affecting interstate or foreign commerce, knowingly furnishes, transfers, or obtains a debit instrument for use in connection with a scheme to defraud a consumer or any other person; or

"(8) in a transaction affecting interstate or foreign commerce, with unlawful or fraudulent intent, furnishes, acquires, or uses any actual or fictitious account numbers or identification or other access codes, whether alone or together with names of account holders, or other information pertaining to a debit instrument in any form, and as they may be reflected or retained in any medium; or

"(9) with unlawful or fraudulent intent, possesses five or more counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained debit instruments that have moved in, been a part of, or constituted interstate or foreign commerce—".

(b) Section 916(c) of such Act is amended by inserting after "card, code," the following: "account number, other means of account access (that can be used, alone or in conjunction with another access device, to obtain money, goods, services, or any other things of values or for the purpose of initiating a transfer of funds (except a transfer originated solely by a paper instrument)),".

(c) Section 916 of such Act is amended by adding at the end thereof the following:

"(d) In determining the aggregate value for the purpose of any provision of subsection (b), there shall be included the dollar value of all transactions by a person using one or more debit instruments in a course of conduct in violation of such provision.

"(e) Any person who is convicted of a violation of any provision of subsection (b) or of section 134 shall for any subsequent violation of a provision of subsection (b) or section 134, be fined not more than $100,000 or imprisoned not more than 20 years, or both.".

TITLE X—INTERSTATE BANKING

SHORT TITLE

SEC. 1001. This title may be cited as the "Interstate Banking Act of 1983".

AMENDMENT TO SECTION 5155 OF THE REVISED STATUTES

SEC. 1002. The first sentence of subsection (c) of section 5155 of the Revised Statutes (12 U.S.C. 36) is amended—

(1) by striking out "and" before "(2)"; and

(2) by inserting before the period the following: "; and (3) within any other State in which such establishment and operation are at the time authorized to State banks by statute law by language specifically granting such authority affirmatively and not merely by implication or recognition, subject to any restriction as to location imposed by the laws of the other State on State banks and subject to other limitations in the law of the other State such as the geographic location or proximity of the State in which the association is situated, and subject to such State having in effect a law providing reciprocal treatment of its State banks.".

AMENDMENT TO THE BANK HOLDING COMPANY ACT OF 1956

SEC. 1003. Section 3(d) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(d)) is amended by adding at the end thereof the following: "State laws which authorize a bank holding company the banking operations of which are principally conducted in another State to acquire, directly or indirectly, any voting shares of, interest in, or all or substantially all of the assets of any additional bank located in a State may grant such authority on the basis of limitations such as the geographic location or proximity of such other State or on the basis of such other State having in effect a law providing reciprocal treatment for such transactions.".

AMENDMENTS TO THE HOME OWNERS' LOAN ACT OF 1933

SEC. 1004. (a) Section 5(a) of the Home Owner's Loan Act of 1933 (12 U.S.C 1464(r)) is amended by adding at the end thereof the following:

"(4) An association may establish and operate a branch in any State where the establishment and operation of a branch by an out-of-State association are authorized by statute in language specifically granting such authority affirmatively and not merely by implication or recognition, and subject to any restriction as to location imposed by the laws of the State on State associations. Such statute may grant such authority subject to limitations such as the geographic location or proximity of the other State or subject to such other State having in effect a law providing reciprocal treatment for such establishment and operation.".

(b) Section 5(d)(11) of such Act (12 U.S.C. 1464(d)(11)) is amended—

(1) by inserting "(A)" after "(11)"; and

(2) by adding at the end thereof the following:

"(B) In considering any reorganization or merger involving an association, the Board shall give effect to any State law under which a reorganization or merger involving an association from that State and an association or other financial institution from another State is authorized by statute in language specifically granting such authority affirmatively and not merely by implication or recognition and subject to any restriction as to location imposed by the laws of that State. Such statute may grant such

authority subject to limitations such as the geographic location or proximity of the other State or subject to such other State having in effect a law providing reciprocal treatment for such reorganizations or mergers.".

AMENDMENT TO THE NATIONAL HOUSING ACT

SEC. 1005. Section 408(e)(3)(B) of the National Housing Act (12 U.S.C. 1730a(e)(3)(B)) is amended by inserting before the period at the end thereof the following: ", except that the Corporation shall give effect to any State laws which permit a savings and loan holding company whose operations are principally conducted in any other State to acquire, directly or indirectly, any voting shares of, interest in, or all or substantially all of the assets of any additional association located in that State which laws may permit such acquisition subject to limitations such as the geographic location or proximity of the other State or subject to the other State having in effect a law providing reciprocal treatment for such acquisitions".

AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT

SEC. 1006. (a) Section 18(d) of the Federal Deposit Insurance Act (12 U.S.C. 1828(d)) is amended by adding at the end thereof the following:

"(3) In considering the application of any State nonmember bank, the Corporation shall give effect to any State laws under which the establishment and operation of a branch by an out-of-State nonmember bank are authorized by statute in language specifically granting such authority affirmatively and not merely by implication or recognition and subject to the restrictions as to location imposed by the laws of the State on State nonmember insured banks. Such State laws may grant such authority subject to limitations such as the geographic location or proximity of the other State or subject to such other State having in effect a law providing reciprocal treatment for such establishment and operation.".

(b) Section 18(c)(5) of such Act (12 U.S.C. 1828(c)(5)) is amended—

(1) by redesignating subparagrahps (A) and (B) as clauses (i) and (ii), respectively;

(2) by inserting "(A)" after "(5)"; and

(3) by adding at the end thereof the following:

"(B) In reviewing any merger transaction, the responsible agency shall give effect to the laws of a State under which a merger transaction involving a bank from that State and a bank from another State is authorized by statute in language specifically granting such authority affirmatively and not merely by implication or recognition and subject to any restriction as to location imposed by the laws of that State. Such State laws grant such authority subject to limitations such as the geographic location or proximity of the other State or subject to such other State having in effect a law providing reciprocal treatment for such mergers.".

SUNSET

SEC. 1007. (a) Effective upon the expiration of five years after the date of enactment of this title—

(1) section 5155(c)(3) of the Revised Statutes, as added by section 1002 of this title, is repealed;

(2) section 7(b) of the Bank Holding Company Act of 1956, as added by section 1003 of this title, is repealed;

(3) section 5(r)(4) of the Home Owners' Loan Act of 1933, as added by section 1004 of this title, is repealed;

(4) that part of section 408(e)(3) of the National Housing Act which was added by section 1005 of this title is repealed;

(5) section 18(d)(3) of the Federal Deposit Insurance Act, as added by section 1006 of this title is repealed;

(6) section 18(c)(5)(B) of the Federal Deposit Insurance Act, as added by section 1007 of this title, is repealed; and

(7) section 5(d)(11) (B) of the Home Owners' Loan Act of 1933, as added by section 1008 of this title, is repealed.

(b) The repeal or termination by subsection (a) of any amendments made by this title shall have no effect on any action taken or authorized while such amendment was in effect. Any bank or other institution the shares or assets of which are acquired in reliance upon the amendments made by this title shall after repeal of the amendments made by this title have the same powers with respect to the establishment of branch offices and merger or consolidation with other institutions, as it would have had if its shares or assets not been so acquired.

REPORT

SEC. 1008. (a) The President, in consultation with the Attorney General, the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation, shall transmit a report to the Congress concerning the effect, if any, that this title has had on the financial, economic, and banking environment and on particular banks, bank holding companies, savings and loan associations, and saving banks. There shall be included in this report legislative recommendations as to whether the sunset provisions of section 1009 should be allowed to take effect.

(b) The report required by subsection (a) shall be transmission to the Congress not later than four years after the date of enactment of this title.

By Mr. WILSON (for himself, Mr. D'AMATO, Mr. CRANSTON, Mr. MOYNIHAN, Mr. TRIBLE, Mr. HEFLIN, Mr. MCCLURE, Mr. LAXALT, Mr. RUDMAN, Mr. COHEN, Mr. COCHRAN, Mr. DIXON, Mr. PRYOR, Mr. BUMPERS, Mr. EAST, Mr. NUNN, Mrs. HAWKINS, Mr. INOUYE, Mr. MURKOWSKI, Mr. LEVIN, Mr. ANDREWS, Mr. BURDICK, Mr. EVANS, Mr. SASSER, Mr. HELMS, Mr. DECONCINI, Mr. BENTSEN, Mr. ABDNOR, Mr. DENTON, Mr. MELCHER, Mr. BINGAMAN, Mr. HECHT, MR. ZORINSKY, Mr. KASTEN, Mr. RIEGLE, Mr. MATTINGLY, Mr. LEAHY, Mr. WALLOP, Mr. WARNER, Mr. GRASSLEY, Mr. STEVENS, Mr. SARBANES, Mr. SPECTER, Mr. MATSUNAGA, Mr. DOMENICI, Mr. RANDOLPH, Mr. STAFFORD, Mr. PRESSLER, Mr. ARMSTRONG, Mr. HUMPHREY, and Mr. BIDEN):

S. 2182. A bill to harmonize, reduce, and eliminate barriers to trade in wine on a basis which assures substantially equivalent competitive opportunities for all wine moving in international trade; to the Committee on Finance.

WINE EQUITY ACT

● Mr. WILSON. Mr. President, I am introducing legislation today, with 42 of my colleagues, which is designed to protect vintners from unfair foreign competition. This bill, known as the "Wine Equity Act," is to encourage equity by guaranteeing that American wines will be admitted into foreign countries on the same basis as the foreign produced wines are allowed into the United States. Foreign wines face no restrictions in U.S. import law.

The bill would direct the U.S. Trade Representative to negotiate the elimination of tariff and nontariff barriers with wine exporting countries. These include unnecessary certification requirements, license and quota systems, unreasonable customs delays, reference price systems and Government monopolies at any level of government. The measure would also direct the Trade Representative to negotiate away barriers used by countries that import American wines.

American wine producers are continually plagued abroad with a maze of restrictive and prohibitive trade barriers. In 1982, foreign wines with a value of $750 million were imported into the United States while the value of U.S. wine exports amounted to only $38 million. It is obvious that our producers do not have the same access to foreign markets that foreign wines have in the United States.

For these reasons, I am introducing this legislation, and ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2182

Be it enacted by the Senate and House of Representatives of the United States of American in Congess assembled,

This Act may be cited as the "Wine Equity Act of 1983".

SEC. 2. CONGRESSIONAL FINDINGS AND PURPOSES.

(a) Congress finds that—

(1) there is substantial imbalance in international wine trade resulting from the easy accessibility enjoyed by foreign wines to the American market which is in direct contrast to the export position of the American wine industry in virtually every existing or potential foreign wine market;

(2) the United States Government does not impose any nontariff trade obstacles to the entry, distribution, and sale of foreign wines;

(3) foreign wines move freely in the American market subject only to the same laws and regulations which apply to American wines and to payment of the lowest duties assessed anywhere in the world by a significant wine-producing country on foreign wine;

(4) American wine producers seeking to market their products abroad are faced with a maze of restrictive and prohibitive tariff and nontariff barriers; and

(5) the authority of the President under the Trade Act of 1974 to negotiate reductions in tariff barriers has expired.

(b) The purposes of this Act are—

(1) to provide wine consumers with the greatest possible choice of wines from wine-producing countries;

(2) to achieve access to foreign markets for United States wine substantially equivalent to the market access afforded to foreign wine by the United States;

(3) to eliminate tariff and nontariff barriers existing in the international trade; and

(4) to provide the President with the authority and remedies to deal with trade barriers relating to wine.

SEC. 3. DEFINITIONS.

For purposes of this Act—

(1) The term "designated major trading country" means any country, or group of countries represented as an economic union, in which wine is produced or from which wine is exported which the United States Trade Representative, after consultation with the Committee on Finance of the Senate and Committee on Ways and Means of the House of Representatives and representatives of the wine industry, designates as such a country. The criteria for designating a country or group of countries as a designated major trading country under this Act include, but are not limited to, market potential for the export of United States wines and foreign wine production.

(2) The term "harmonization" means the reduction of tariff and nontariff barriers on imported wine by a designated major trading country so as to accord to United States wine shipped to that country market access equal or substantially equivalent to the access accorded to wine entering the United States.

(3) The term "nontariff barriers" includes, but is not limited to, certification requirements, license and quota systems, government monopolies at any level of government, unreasonable customs delays or procedures, reference price systems, and process, bottling and labeling requirements.

(4) The term "wine" means any substance that—

(A) is made from grapes or grape products or other fruit or fruit products;

(B) contains not less than 0.5 per centum alcohol by volume and not more than 24 per centum alcohol by volume, including all dilutions and mixtures thereof by whatever process produced; and

(C) is for nonindustrial use.

SEC. 4. HARMONIZATION OF TARIFF AND NONTARIFF BARRIERS.

(a) The President shall direct the United States Trade Representative to negotiate the harmonization of tariff and nontariff barriers on wine with each designated major trading county. The President shall also direct the United States Trade Representative to conduct negotiations with designated major trading countries which do not export wine to the United States so as to seek elimination of all tariff and nontariff barriers of such countries to the importation of United States wine.

(b) If a county does not provide harmonization to United States produced-wine within one hundred and eighty days after the country's designation as a designated major trading country to the tariff and nontariff barriers the President shall impose on wine imported from that country tariff and nontariff barriers equal or substantially equivalent to the tariff and nontariff barriers applied by that county to United States wine.

(c) If any country on which tariff and nontariff barriers have been imposed at any time subsequent to such negotiation agrees to the harmonization of tariff and nontariff barriers, the President is authorized to remove those tariff and nontariff barriers. If any country which has agreed to harmonization reimposes any tariff or nontariff barrier subsequent to an agreement, the President is authorized to impose on that country equal or substantially equivalent tariff and nontariff barriers.

SEC. 5. REPORTING.

(a) The United States Trade Representative shall report to the Committee on Finance of the Senate and Committee on Ways and Means of the House of Representatives at the commencement of each negotiation initiated under section 4(a). This report shall include a description of the tariff and nontariff barriers and other distortions to trade that are to be negotiated and the proposed harmonization remedies that may be necessary to respond to those tariff and nontariff barriers.

(b) At the end of each negotiation or at the end of the one-hundred-and-eighty-day period established by section 4(b), the United States Trade Representative shall again submit a report to the Committee on Finance of the Senate and Committee on Ways and Means of the House of Representatives outlining the results of the negotiations and action to be taken by the United States.

SEC. 6. CONSULTATIONS.

For purposes of identifying further tariff and nontariff barriers to, and potential markets for, United States wine, the United States Trade Representative shall consult with the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and with representatives of the wine industry.

SEC. 7. ASSISTANCE OF OTHER AGENCIES.

(a) Each department, agency, and instrumentality of the United States, including independent agencies, shall furnish to the United States Trade Representative, upon his request, such data, reports, and other information as the United States Trade Representative deems necessary to carry out his functions under this Act.

(b) The head of any department, agency, or instrumentality of the United States may detail such personnel and may furnish such services, with or without reimbursement, as the United States Trade Representative may request for purposes of carrying out his functions under this Act.●

By Mr. HELMS (for himself and Mr. EAST):

S. 2183. A bill to designate certain lands in the Great Smoky Park as wilderness, and for other purposes; to the Committee on Energy and Natural Resources.

GREAT SMOKY MOUNTAIN WILDERNESS ACT

● Mr. HELMS. Mr. President, together with my friend and colleague from North Carolina, Senator EAST, I am introducing legislation that will establish the Great Smoky Mountains Wilderness Area and preserve 400,000 acres of forests in North Carolina and Tennessee for many years to come. It will also settle a 40-year-old conflict between the citizens of Swain County, N.C., and the Federal Government.

Our proposal is similar to S. 1947, the Great Smoky Mountains Wilderness Act of 1983 which was introduced earlier this year by our distinguished colleagues from Tennessee, Senator BAKER and Senator SASSER. Though our bill is similar in many respects to S. 1947, it incorporates some changes requested by North Carolinians living in the area that would be affected by this legislation.

Mr. President, our proposal commemorates two very significant anniversaries. Almost 50 years ago, Congress had the wisdom and foresight to establish what has become one of the most popular attractions in the Nation—the Great Smoky Mountains National Park. Last year alone, almost 13 million visitors enjoyed the park's unique combination of natural and cultural resources. Wilderness designation would indeed be a fitting tribute to the park on its 50th birthday.

Our proposal also marks the 40th anniversary of an event having enormous significance to many residents of western North Carolina. In 1943 the U.S. Department of the Interior, the Tennessee Valley Authority, the State of North Carolina and Swain County entered into an agreement concerning land north of what is now Fontana Lake. In return for the right to flood thousands of acres and key roadways in the creation of the lake, the Interior Department pledged to assist Swain County and the State in constructing a road along the north shore of the lake so that families with gravesites and former homesteads in the area would have unimpeded access to these areas.

A generation has passed and there is still no road—or at least not a complete one. Although the State of North Carolina made good on its part of the bargain by building part of the road, the Federal Government never completed its portion. Families needing access continue to depend on the National Park Service to shuttle them across the lake by ferry and then by off-road vehicle to the cemeteries.

To say the least, settlement of the so-called "North Shore Road dispute" is long overdue. It is high time the Government made good on its commitment to western North Carolina.

Mr. President, the Great Smoky Mountains National Park is ideally suited for wilderness designation. In large areas of the park, there are no roads and motorized vehicles are not allowed. There are no chainsaws and no vacation homes or cabins. Indeed, preservation of the scenic and natural values is the very essence of wilderness management.

Our proposal establishes a core wilderness area within the park. However, instead of including almost 98 percent of the park in the wilderness area—as S. 1947 does—it excludes

about 60,000 acres that are now used for other purposes.

This bill parallels recommendations made by the National Park Service in 1981. A general management plan prepared by the Park Service established long-range strategies for resource management, visitor use and development of an integrated park in the Smokies. After painstaking study of the area, the Park Service recommended that some 400,000 acres be classified as wilderness. Like our bill, it excluded about 60,000 acres and suggested they be studied for possible addition to the wilderness later.

Mr. President, we genuinely believe the Park Service had sound reasons for deleting that acreage. A 44,000-acre tract north of Fontana Lake encompasses the cemeteries and homesteads I have already mentioned. For all practical purposes wilderness designation of that area would preclude even a primitive route for those needing access to the area.

The Tennessee Valley Authority, which supplies electric power to large portions of North Carolina and Tennessee, also has an interest in those 44,000 acres. The TVA holds recorded easements north of the lake for purposes of maintaining its power lines and monitoring other equipment.

The Cherokee Indians also have an interest in maintaining the current management status of that acreage. We are told they use a small tract north of the Cherokee Indian Nation relative to their traditions and heritage. In our judgment, Congress should not preclude these current uses of the park through wilderness designation.

Mr. President, our proposal expands on S. 1947 by authorizing the Secretary of the Interior to fight forest fires and insect infestation which could threaten destruction of the park and surrounding areas. It also authorizes the Secretary to facilitate improved access to wilderness areas for handicapped Americans so that they, too, can enjoy the grandeur of the Great Smoky Mountains.

With regard to settlement of the North Shore Road dispute, our proposal—like S. 1947—includes the terms of a tentative agreement reached by county officials and the Federal Government. However, our proposal expands the terms of the settlement to take into account those persons needing access to their heritage. It authorizes the expenditure of a small amount of money for construction of a primitive, logging-style route to the cemeteries. We genuinely believe equity demands at least some meager access to the area.

Mr. President, it is with a great sense of pride that Senator EAST and I introduce this bill today. We look forward to working with our colleagues from Tennessee to iron out the handful of differences between our proposal and theirs. We urge other Senators to join with us in seeking swift approval of this legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2183

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Great Smoky Mountain Wilderness Act.".

SEC. 2. (a) In furtherance of the purposes of the Wilderness Act (78 Stat. 890), certain lands in the Great Smoky Mountains National Park, North Carolina and Tennessee, which comprise approximately four hundred thousand acres and which are depicted on the map entitled "Great Smoky Mountains Wilderness, Proposed", and dated October 1983, are hereby designated as wilderness, and are made a part of the National Wilderness Preservation System. The wilderness designated by this Act, shall be known as the "Great Smoky Mountains Wilderness". It shall be administered by the Secretary of the Interior in accordance with the provisions of the Wilderness Act governing areas designated by such Act as wilderness areas, except that any reference to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act, and reference to the Secretary of Agriculture shall be deemed, where appropriate, as a reference to the Secretary of the Interior.

(b) As soon as practicable after the date of the enactment of this Act, a map of the wilderness area and a description of its boundaries shall be filed with the Committee on Energy and Natural Resources of the United States Senate and with the Committee on Interior and Insular Affairs of the United States House of Representatives. Such map and description shall have the same force and effect as if included in this Act, except that correction of clerical and typographical errors in the map and legal description may be made.

SEC. 3. (a) The Secretary of the Interior is directed to review all policies, practices, and regulations of the Department of the Interior regarding disease or insect outbreaks, forest fires, and the use of modern suppression methods and equipment in such wilderness area to ensure that—

(1) such policies, practices, and regulations fully conform with and implement the intent of Congress regarding forest fire, disease and insect control, as such intent is expressed in the Wilderness Act and this Act; and

(2) policies, practices, and regulations are developed that will allow timely, and efficient fire, insect, and disease control, to provide, to the extent reasonably practicable, adequate protection of adjacent Federal, State, and private nonwilderness lands from forest fires and disease or insect infestations.

(b) Congress does not intend that designation of the wilderness area lead to the creation of protective perimeters of buffer zones around each wilderness area. The fact that nonwilderness activities or uses can be seen or heard from areas within the wilderness shall not, of itself, preclude such activities or uses up to the boundary of the wilderness area.

(c) The Secretary is authorized to provide the handicapped with special access to such wilderness area in a manner consistent with the Wilderness Act.

SEC. 4. The Secretary of the Interior is authorized to allocate funds and personnel necessary to place a suitable historical marker at or near the approach to the Cherokee Qualls Reservation, at Soco Gap, in recognition of the historical importance of Soco Gap and the contribution of the Cherokee Nation.

SEC. 5. (a)(1) Swain County, North Carolina claims certain rights acquired pursuant to an Agreement dated July 30, 1943, between the Secretary of the Interior, the State of North Carolina, the Tennessee Valley Authority, and Swain County, North Carolina, which provided, on certain conditions, that the Department of the Interior would construct a road along the north shore of Fontana Reservoir to replace a road flooded by the construction of Fontana Dam and the filling of the reservoir, which road has not been completed. In order to settle and quiet all claims arising out of said Agreement, the following provisions are made:

(A) The Secretary of the Treasury shall be authorized to pay to Swain County, North Carolina, the sum of $9,500,000.

(B) The sum of $9,500,000 shall be deposited in an account in accordance with the rules and regulations established by the North Carolina Local Government Commission.

The principal of such sum may only be expressed by Swain County under a resolution approved by an affirmative vote of two-thirds of the registered voters of such county. Interest earned on the unexpended principal of such sum may only be expended by a majority vote of the duly elected governing commission of such county.

(2) Swain County, North Carolina, is relieved of any liability to make payments of principal and interest which become due after the date of enactment of this Act with respect to the loan (Case Numbered 3887000271600, Code Numbered 9704) obtained on October 12, 1976, from the Farmers Home Administration.

(3) No money appropriated pursuant to this subsection shall be paid to or received by an agent or attorney on account of services rendered in connection with the claim settled by this subsection.

(b)(1) Notwithstanding any other provision of law and not later than 18 months after the date of the appropriation under the authority of paragraph (4) of this subsection, the National Park Service shall provide limited motor vehicle access to the family cemeteries in existence on the date of the enactment of this Act in the Hazel Creek area of the Great Smoky Mountains National Park behind Fontana Dam. This access shall be provided from the western terminus of the North Shore Road to the site of the former village of Proctor by means of connecting, upgrading, and rehabilitating portions of back country roads as necessary to provide a ten-foot wide, nonpaved, primitive route.

(2) The Secretary may establish, by regulation, such reasonable conditions as may be necessary to assure that access provided under this subsection is consistent with the operation of the park. In prescribing such regulations, the Secretary shall consult with the Hazel Creek Cemetery Association.

(3)(A) Special access as provided for the north shore of Fontana Lake in Appendix D

of the General Management Plan shall continue until construction of the limited access required by this subsection is complete.

(B) After limited access has been provided, the Department of the Interior shall be responsible for maintenance of such access.

(4) There is authorized to be appropriated such sums as may be necessary to carry out the purposes of this subsection, but not more than an aggregate amount of $950,000. All sums appropriated pursuant to this paragraph shall be used for the sole purpose of building a limited motor vehicle access.

SEC. 6. (a) The designation of the Great Smoky Mountains Wilderness Area made by this Act shall be effective when the construction of the access required by section 5 is completed.

(b) Except as provided in section 5, there is authorized to be appropriated such sums as are necessary to carry out the provisions of this Act.●

● Mr. EAST. Mr. President, I am pleased to join as a cosponsor to this legislation introduced by my distinguished colleague, Senator HELMS. I warmly congratulate the senior Senator from North Carolina for his fine work in this matter and fully endorse it.

This bill designated certain lands in the magnificent Great Smoky Mountains as wilderness and resolves a longstanding dispute between Swain County, N.C. and the Federal Government.

Moreover, it incorporates provisions which allows the Secretary of the Interior the capacity to fight forest fires and control insects and disease, thereby protecting unique qualities of the region and its surrounding areas. Further, it authorizes the Secretary to improve access to the wilderness for disabled Americans. Without this provision natural barriers might bar some of our countrymen the opportunity of experiencing this majestic range of nature.

It should be noted, as regards similar legislation introduced by the Senators from Tennessee, that this bill alters no designation of lands in Tennessee. It seeks to accommodate concerns expressed to Senator HELMS and me by constituents who live in North Carolina and the Cherokee Indian Nation. And, because it closely follows recommendations made by the National Park Service in 1981, I believe consideration of this proposal by our colleagues will find it fair and equitable for this and future generations.

I support this measure wholeheartedly and invited my colleagues to join with Senator HELMS and myself in approving an appropriate management and use policy for the public lands in the Great Smoky Mountains.●

By Mr. ANDREWS (for himself, Mr. MELCHER, Mr. ABDNOR, Mr. HART, Mr. DECONCINI, Mr. STEVENS, Mr. MATSUNAGA, Mr. BURDICK, Mr. DOMENICI, Mr. HATFIELD, Mr. RIEGLE, Mr. MURKOWSKI, Mr. INOUYE, Mr. KENNEDY, Mr. BINGAMAN, and Mr. GOLDWATER):

S. 2184. A bill to amend the Native American Programs Act of 1974 to impose certain limitations with respect to the administration of such act and to authorize appropriations under such act for fiscal years 1985, 1986, and 1987, and for other purposes; to the Select Committee on Indian Affairs.

● Mr. ANDREWS. Mr. President, the introduction of legislation to reauthorize the Native Americans Programs Act, which I am proud to sponsor today, is a significant step toward the continuation of a program that has served American Indians, Alaskan Natives, and Native Hawaiians with great success. The Administration of Native Americans within the Department of Health and Human Services administers the Native Americans Program Act (ANA). The legislative mandate of the ANA program is to strengthen tribal governments and to promote economic and social self-sufficiency.

In 1982, the Department of Health and Human Services (HHS) conducted an evaluation of the ANA programs and concluded that the developmental approach of the ANA was responsible for its success. It also found that grantee strategies resulted in job creation and placement, natural resources development, and better linkages between the private sector and State and local governments. Furthermore, the study found that the economic return of the Federal investment has been threefold. The Native Americans Program Act has assisted all Native Americans, both federally and State recognized groups, to leverage additional dollars for their efforts toward economic and social self-sufficiency.

The program provides flexible funding for developing the capabilities of grantee tribes, groups, and organizations to more effectively administer, manage, plan, allocate, and develop their human and natural resources. It is not a bricks and mortar type of economic development but rather directed to capacity building of grantees to plan, develop, and leverage balanced social and economic development which results in improved social conditions and services and self-determined communities.

The legislation that we are introducing today will reauthorize the current statute and in addition will assure that the ANA programs will be maintained in the Department of Health and Human Services. Another new provisions will insure that federally recognized tribes, off reservation urban and rural Indian Organizations, Alaskan Native villages and Native Hawaiians will continue to be eligible to participate in the ANA programs. Support for the current program is bipartisan and universal. Every major Indian organization has gone on record supporting the reauthorization of ANA and its retention within the Department of Health and Human Services.

Mr. President, the foundation for a very successful program has been established and the investment has already begun to show its most positive return in the social and economic self-sufficiency of American Indian, Alaskan Natives, and Native Hawaiians. Let us continue this important mission.●

By Mr. HEINZ (for himself, Mr. DOMENICI, Mr. GRASSLEY, Mr. SYMMS, Mr. MOYNIHAN, Mr. CHILES, Mr. BOREN, Mr. THURMOND, Mr. CRANSTON, Mr. DECONCINI, Mr. INOUYE, Mr. DURENBERGER, Mr. BAUCUS, Mr. WALLOP, and Mr. PRYOR):

S. 2185. A bill to amend the Internal Revenue Code of 1954 to extend the targeted jobs tax credit; to the Committee on Finance.

TARGETED JOBS TAX CREDITS

● Mr. HEINZ. Mr. President, I am introducing today, with my distinguished colleague, the chairman of the Senate Budget Committee, the Senator from New Mexico (Mr. DOMENICI), a 5-year extension of the targeted jobs tax credit. In addition, Senators DOMENICI, GRASSLEY, SYMMS, MOYNIHAN, CHILES, BOREN, THURMOND, CRANSTON, DECONCINI, INOUYE, DURENBURGER, BAUCUS, WALLOP, and PRYOR have joined us as original cosponsors of the bill. This legislation is similar to legislation that passed the Senate in 1981 and 1982, and I feel strongly that we should again renew this valuable program. Without congressional action, this program which helps many disadvantaged individuals secure permanent private sector jobs will expire at the end of 1984.

Because the majority of the Senators are familiar with the targeted jobs tax credit, I shall keep my remarks today at a minimum. I urge all my fellow Senators to join us as cosponsors of this legislation and I hope the extension will be expeditiously enacted.

Beginning in 1978, members of seven groups with substantially higher unemployment than the national average were made eligible to benefit from a special employer tax credit program. This is how the credit works. Under the program, three economically disadvantaged groups—youths between the ages of 18 and 24, Vietnam veterans under the age of 35, and ex-convicts—along with general assistance recipients, SSI recipients, and the handicapped who have been vocationally rehabilitated, receive vouchers from local Federal Government offices, jointly determined by the Treasury and Labor Departments. During the interviewing process, these vouchers are presented to prospective employ-

ees to indicate that those who hire these workers will qualify for a tax credit. Since the tax credit lowers the cost of employing these individuals, it provides employers with financial incentive to hire them.

As I have said before, the targeted jobs tax credit offers a way out of proverty and joblessness for those who are economically disadvantaged or lacking the basic skills or experience necessary to compete effectively in the job market and who are looking for productive private sector employment opportunities.

In addition, Congress should extend this program for a financial reason: It helps lower the deficit. High unemployment among these groups costs the Treasury money by driving up spending under income security programs. On the other hand, employment no longer draws payments from the Treasury, but contributes to it additional taxes.

This has been demonstrated by a recent study undertaken for the National Commission for Employment Policy. This preliminary study released on October 1, 1983, shows that the program actually creates a net savings to the Government rather than an expense. This preliminary study consisted of 500 employees, and at this time is being expanded to 1,500 employees. When the final study is completed, I will have it included in the congressional record for all to examine, and see the benefits that this program has created. In the meantime, I would like to include the following preliminary conclusions from the study:

Based on the findings theretofore presented, the following conclusions are deemed a relatively realistic analysis of the costs and benefits of the Targeted Jobs Tax Credit program.

(1) The increasing hiring of TJTC credited persons shows that the TJTC program has provided the hoped for incentive for businesses in the private sector to provide meaningful employment to many persons who have previously known only federal assistance programs.

(2) Such meaningful employment might well be far more beneficial than either Welfare-type programs or various "training" programs subsidized totally by federal funds because it involves the private sector to a much larger degree and results in both longer retention and the development of a "work history" for many previously difficult to employ persons.

(3) The TJTC program actually has savings to governmental agencies and can further be shown to have created revenues to the treasury in terms of added tax, unemployment, and Social Security dollars. As is clearly shown by the data presented in this study, these savings and increased revenues outweigh the cost of the program, in terms of tax credits granted, by a rather considerable amount.

As these conclusions indicate, the jobs tax credit program represents valuable and worthwhile legislation which we must now renew.

Mr. President, I would like to thank the chairman of the Budget Committee and my other original cosponsors for their unqualified support. I believe that when the other Senators have a chance to examine our legislation, the merits of the program, and the very beneficial effect the program has had in their State, they will again join us as sponsors and the legislation will be expeditiously enacted.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2185

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENTS TO TARGETED JOBS TAX CREDIT.

(a) EXTENSION.—Paragraph (3) of section 51(c) of the Internal Revenue Code of 1954 (relating to termination) is awarded by striking out "December 31, 1984" and inserting in lieu thereof "December 31, 1989."

SEC. 2. SHORT TITLE.

This Act shall be referred to as the "Job Opportunity Act of 1983".●

By Mr. WARNER (for himself and Mr. BYRD, Mr. MCCLURE, Mr. JOHNSTON, Mr. LAXALT, Mr. FORD, Mr. ANDREWS, Mr. RANDOLPH, Mr. ABDNOR, Mr. BAUCUS, Mr. TRIBLE, Mr. DECONCINI, Mr. GORTON, Mr. BOSCHWITZ, Mr. DURENBERGER, Mr. SYMMS, Mr. MURKOWSKI, and Mr. DIXON):

S. 2186. A bill to establish a State Mining and Mineral Resources Research Institute program, and for other purposes; to the Committee on Energy and Natural Resources.

REAUTHORIZATION OF MINING AND MINERALS RESOURCES INSTITUTES

● Mr. WARNER. Mr. President, I rise today to introduce legislation to reauthorize the Mining and Minerals Resources Research Institutes. The legislation has been endorsed by the American Mining Congress and the National Association of State Universities and Land-Grant Colleges.

State mining and mineral resources institutes are now authorized under title III of the Surface Mining Control and Reclamation Act of 1977 which expires May 15, 1984. This program provides Federal matching funds for qualified mining and minerals resources research institutes at one public college or university in each State which meets eligibility criteria established in the legislation. Each institute is directed to conduct research in mining and minerals resources and to train minerals engineers and scientists.

In recognition of the Federal budget deficit, the bill lowers the authorization level of the program from its fiscal year 1984 level of $22 million to $7.5 million for fiscal year 1985. The non-Federal match is doubled by fiscal year 1987, to $2 of non-Federal funds required for every Federal dollar.

During the last decade, there has been a steady decline in the numbers of mining and minerals-related engineers graduating from colleges and universities. As an engineering graduate, I recognize the strong national interest in encouraging our young people to choose science and engineering as careers.

The United States is competing in an international race for technological excellence, energy independence, and national security. The United States will not win the race without a strong foundation of superior knowledge and top personnel in mining and mineral. The research and training conducted at the institutes authorized under this bill will assist the U.S. mining industry in providing a solid foundation for our continued economic recovery and competitiveness in international trade.

I ask unanimous consent that the legislation and a summary be printed in the RECORD immediately following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY

Extends authorization period for five years, from FY 1985 through FY 1990.

Authorizes total appropriations of $7.5 million for FY 1985, to be increased $1 million each year, FY 1986 through FY 1990. Existing law authorizes $15 million for FY 1978 and an increase of $2 million each year, FY 1979 through FY 1984.

Authorizes, for each qualified institute, $300,000 for FY 1985 and $400,000 per year for FY 1986 through FY 1990. Existing law authorizes, for each institute, $200,000 for FY 1978, $300,000 for FY 1979, and $400,000 per year for FY 1980 through FY 1984.

Increases matching requirement for each institute, as follows:

Present level: FY 1978–1984, $1 nonfederal; $1 federal.

New authority: FY 1985–1986, $1.5 nonfederal; $1 federal. FY 1987–1989, $2 nonfederal; $1 federal.

Establishes following criteria that must be met by an institute to continue operating after October 1, 1986:

1. A substantial program with demonstrated history of achievement.

2. Evidence of institutional commitment.

3. Evidence of significant industrial cooperation.

4. An accredited program or evidence of equivalent capability.

Modifies existing advisory committee to include representatives from industry and the academic community, as well as the federal government, so as to encourage cooperation and improve quality and relevance of decisions on research agenda.

Provides that the committee develop a national plan for research and development in mining and mineral resources, recommend a program to implement the plan, and determine eligibility of institutes to participate.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

AUTHORIZATION OF STATE ALLOTMENTS TO INSTITUTES

SECTION 1. (a)(1) Subject to the provisions of paragraph (2), there are authorized to be appropriated to the Secretary of the Interior (hereafter in this Act referred to as the "Secretary") funds adequate to provide for each participating State $300,000 for the fiscal year ending September 30, 1985, and $400,000 for each fiscal year thereafter for a total of five years, to assist the States in carrying on the work of a competent and qualified mining and mineral resources research institute or center (hereafter in this Act referred to as the "institute") at one public college or university in the State which meets the eligibility criteria established in section 10.

(2)(A) Funds appropriated under this section shall be made available for grants to be matched on a basis of no less than one and one-half non-Federal dollars for each Federal dollar during the fiscal years ending September 30, 1985, and September 30, 1986, and no less than two non-Federal dollars for each Federal dollar during the fiscal years ending September 30, 1987, September 30, 1988, and September 30, 1989.

(B) If there is more than one such eligible college or university in a State, funds appropriated under this Act shall, in the absence of a designation to the contrary by act of the legislature of the State, be granted to one such college or university designated by the Governor of the State.

(C) Where a State does not have a public college or university eligible under section 10, the Committee on Mining and Mineral Resources Research established in section 9 (hereafter in this Act referred to as the "Committee") may allocate the State's allotment to one private college or university which it determines to be eligible under such section.

(b) It shall be the duty of each institute to plan and conduct, or arrange for a component or components of the college or university with which it is affiliated to conduct, competent research, investigations, demonstrations; and experiments of either a basic or practical nature, or both, in relation to mining and mineral resources, and to provide for the training of mineral engineers and scientists through such research, investigations, demonstrations, and experiments. The subjects of such research, investigations, demonstrations, experiments, and training may include exploration, extraction, processing, development, production of mineral resources. mining and mineral technology, supply and demand for minerals, conservation and best use of available supplies of minerals, the economic, legal, social, engineering, recreational, biological, geographic, ecological, and other aspects of mining, mineral resources, and mineral reclamation; having due regard to the interrelationship with the natural environment, to the varying conditions and needs of the respective States, and to mining and mineral resources research projects being conducted by agencies of the Federal and State governments, and by other institutes.

RESEARCH FUNDS TO INSTITUTES

SEC. 2. (a) There is authorized to be appropriated to the Secretary $7,500,000 for the fiscal year ending September 30, 1985, said amount to be increased by $1,000,000 for each fiscal year therafter for four additional years, which shall remain available until expended. Such funds when appropriated shall be made available to institutes to meet the necessary expenses for purposes of—

(1) specific mineral research and demonstration projects of board application, which could not otherwise be undertaken, including the expenses of planning and coordinating regional mining and mineral resources research projects by two or more institutes, and

(2) research into any aspects to mining and mineral resources problems related to the mission of the Department of the Interior, which are deemed by the Committee to be desirable and are not otherwise being studied.

(b) Each application for funds under subsection (a) of this section shall, among other things, state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, the estimated costs, the importance of the project to the Nation, region, or State concerned and its relation to other known research projects theretofore pursued or being pursued, the extent to which the proposed project will provide opportunity for the training of mining and mineral engineers and scientists, and the extent of participation by nongovernmental sources in the project.

(c) The Committee shall review all such funding applications and recommend to the Secretary the use of the institutes insofar as practicable to perform such special research, and shall recommend institutes for the performance of such special research on the basis of qualifications without regard to race or sex of the personnel who will conduct and direct it, and on the basis of the facilities available in relation to the particular needs of the research project, special geographic, geologic, or climatic conditions within the immediate vicinity of the institute in relation to any special requirements of the research project, and the extent to which such project will provide opportunity for training individuals as mineral engineers and scientists. The Committee shall recommend to the Secretary the designation and utilization of such portions of the funds authorized to be appropriated by this section as it deems appropriate for the purpose of providing scholarships, graduate fellowships, and postdoctoral fellowships.

(d) No funds shall be made available under subsection (a) of this section except for a project approved by the Secretary and all funds shall be made available upon the basis of merit of the project, the need for the knowledge which it is expected to produce when completed, and the opportunity it provides for the training of individuals as mineral engineers and scientists.

(e) No funds made available under this section shall be applied to the acquisition by purchase or lease of any land or interests therein, or the rental, purchase, construction, preservation, or repair of any building.

FUNDING CRITERIA

SEC. 3. (a) Funds available to institutes under sections 1 and 2 of this Act shall be paid at such times and in such amounts during each fiscal year as determined by the Secretary, and upon vouchers approved by him. Each institute shall—

(1) set forth its plan to provide for the training of individuals as mineral engineers and scientists under a curriculum appropriate to the field of mineral resources and mineral engineering and related fields;

(2) set forth policies and procedures which assure that Federal funds made available under this Act for any fiscal year will supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes of this Act, and in no case supplant such funds; and

(3) have an officer appointed by its governing authority who shall receive and account for all funds paid under the provisions of this Act and shall make an annual report to the Secretary on or before the first day or September of each year, on work accomplished and the status of projects underway, together with a detailed statement of the amounts received under any provisions of this Act during the preceding fiscal year, and of its disbursements on schedules prescribed by the Secretary.

If any of the funds received by the authorized receiving officer of any institute under the provisions of this Act shall by any action or contingency be found by the Secretary to have been improperly diminished, lost, or misapplied, such funds shall be replaced by the State concerned and until so replaced no subsequent appropriation shall be allotted or paid to any institute of such State.

(b) The institutes are authorized and encouraged to plan and conduct programs under this Act in cooperation with each other and with such other agencies and individuals as may contribute to the solution of the mining and mineral resources problems involved, and moneys appropriated pursuant to this Act shall be available for paying the necessary expenses of planning, coordinating, and conducting such cooperative research.

DUTIES OF THE SECRETARY

SEC. 4. (a) The Secretary shall administer this Act and, after full consultation with other interested Federal agencies, shall prescribe such rules and regulations as may be necessary to carry out its provisions. The Secretary shall furnish such advice and assistance as will best promote the purposes of this Act, shall participate in coordinating research initiated under this Act by the institutes, shall indicate to them such lines of inquiry as to him see most important, and shall encourage and assist in the establishment and maintenance of cooperation by and between the institutes and between them and other research organizations, the United States Department of the Interior, and other Federal establishments.

(b) On or before the first day of July in each year beginning after the date of enactment of this Act, the Secretary shall ascertain whether the requirements of section 3(a) have been met as to each institute and State.

(c) The Secretary shall make an annual report to the Congress of the receipts, expenditures, and work of the institutes in all States under the provisions of this Act. The Secretary's report shall indicate whether any portion of an appropriation available for allotment to any State has been withheld and, if so, the reason therefor.

AUTONOMY

SEC. 5. Nothing in this Act shall be construed to impair or modify the legal relationship existing between any of the colleges or universities under whose direction an institute is established and the government of the State in which it is located, and nothing in this Act shall in any way be construed to authorize Federal control or direction of education at any college or university.

MISCELLANEOUS PROVISIONS

SEC. 6. (a) The Secretary shall obtain the continuing advice and cooperation of all agencies of the Federal Government concerned with mining and mineral resources, of State and local governments, and of private institutions and individuals to assure that the programs authorized by this Act will supplement and not be redundant with respect to established mining and minerals research programs, to stimulate research in otherwise neglected areas, and to contribute to a comprehensive nationwide program of mining and minerals research, having due regard for the protection and conservation of the environment. The Secretary shall make generally available information and reports on projects completed, in progress, or planned under the provisions of this Act, in addition to any direct publication of information by the institutes themselves.

(b) Nothing in this Act is intended to give or shall be construed as giving the Secretary any authority over mining and mineral resources research conducted by any agency of the Federal Government, or as repealing of diminishing existing authorities, or responsibilities of any agency of the Federal Government to plan and conduct, contract for, or assist in research in its area of responsibility and concern with regard to mining and mineral resources.

(c) No research, demonstration, or experiment shall be carried out under this Act by an institute financed by grants under this Act, unless all uses, products, processes, patents, and other developments resulting therefrom, with such exception or limitation, if any, as the Secretary may find necessary in the public interest, be available promptly to the general public. Patentable inventions shall be governed by the provisions of Public Law 97-516. Nothing contained in this section shall deprive the owner of any background patent relating to any activities of any rights which that owner may have under that patent.

There are authorized to be appropriated such sums as are necessary for the printing and publishing of the results of activities carried out by institutes under this Act and for administrative planning and direction, but such appropriations shall not exceed $1,000,000 in any single fiscal year.

CENTER FOR CATALOGING

SEC. 7. The Secretary shall establish a center for cataloging current and projected scientific research in all fields of mining and mineral resources. Each Federal agency doing mining and mineral resources research shall cooperate by providing the cataloging center with information on work underway or scheduled by it. The cataloging center shall classify and maintain for public use a catalog of mining and mineral resources research and investigation projects in progress or scheduled by all Federal agencies and by such non-Federal agencies of government, colleges, universities, private institutions, firms and individuals as may make such information available.

INTERAGENCY COOPERATION

SEC. 8. The President shall, by such means as he deems appropriate, clarify agency responsibility for Federal mining and mineral resources research and provide for interagency coordination of such research, including the research authorized by this Act. Such coordination shall include—

(1) continuing review of the adequacy of the Government-wide program in mining and mineral resources research;

(2) identification and elimination of duplication and overlap between agency programs;

(3) identification of technical needs in various mining and mineral resources research categories;

(4) recommendations with respect to allocation of technical effort among Federal agencies;

(5) review of technical manpower needs, and findings concerning management policies to improve the quality of the Government-wide research effort; and

"(6) actions to facilitate interagency communication at management levels.

COMMITTEE

SEC. 9. (a) The Secretary shall appoint a Committee on Mining and Mineral Resources Research composed of—

(1) the Assistant Secretary of the Interior responsible for minerals and mining;

(2) the Director, Bureau of Mines, or his delegate;

(3) the Director, United States Geological Survey, or his delegate;

(4) the Director of the National Science Foundation, or his delegate;

(5) the President, National Academy of Sciences, or his delegate;

(6) the President, National Academy of Engineering, or his delegate; and

(7) not more than six other persons who are knowledgeable in the fields of mining and mineral resources research, including three university administrators involved in the conduct of programs authorized by section 301 of the Surface Mining Control and Reclamation Act of 1977 and recommended by the National Association of State Universities and Land-Grant Colleges, and three representatives from the mining industry recommended by mining industry organizations.

(b) The Committee shall consult with, and make recommendations to, the Secretary on all matters relating to mining and mineral resources research and such determinations as are required to be made under this Act. The Secretary shall consult with, and consider recommendations of, such Committee in such matters.

(c) Committee members, other than officers or employees of Federal, State, or local governments, shall be, for each day (including traveltime) during which they are performing Committee business, paid at a rate fixed by the Secretary but not in excess of the daily equivalent of the maximum rate of pay for grade GS-18 of the General Schedule under section 5332 of title 5 of the United State Code.

(d) The Committee shall be jointly chaired by the Assistant Secretary of the Interior responsible for minerals and mining and a person to be elected by the Committee from among the members referred to in paragraphs (5), (6), anf (7) of subsection (a) of this section.

(e) The Committee shall develop a national plan for research and development in mining and mineral resources, considering ongoing efforts in the universities, the Federal Government, and the private sector, and shall formulage and recommend a program to implement the plan utilizing resources provided for under this Act. The Committee shall submit such plan to the Secretary, the President, and the Congress on or before March 1, 1986, and shall update the plan annually thereafter.

(f) The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Committee.

ELIGIBILITY CRITERIA

SEC. 10. The Committee shall determine the eligibility of a college or university to participate as a mining and mineral resources research institute under this Act using criteria which include—

(1) the presence of a substantial program of graduate instruction and research in mining or mineral extraction or closely related fields which has demonstrated history of achievement;

(2) evidence of institutional commitment for the purposes of this Act;

(3) evidence that such institution has or can obtain significant industrial cooperation in activities within the scope of this Act; and

(4) the presence of an engineering program in mining or minerals extraction that is accredited by the Accreditation Board for Engineering and Technology, or evidence of equivalent institutional capability as determined by the Committee.●

By Mr. MOYNIHAN:

S. 2187. A bill to recognize the organization known as the Andrei Sakharov Institute; to the Committee on the Judiciary.

ANDREI SAKHAROV INSTITUTE

● Mr. MOYNIHAN. Mr. President, I am today introducing a bill to grant a Federal charter to the Andrei Sakharov Institute.

The Andrei Sakharov Institute is a Washington-based educational organization which was founded in 1980 to advance the scientific excellence and democratic principles that have characterized the life and work of Nobel Laureate Dr. Andrei D. Sakharov. The Sakharov Institute is dedicated to fostering the study of science and mathematics in the United States and facilitating the integration of scientific knowledge and ethics. The institute also envisions creation of a unique and much-needed center for Soviet studies here in the United States.

Since 1791, the Congress has granted Federal charters to deserving private, nonprofit institutions organized to serve an educational, cultural, or charitable purpose on a national scale. The institutions and organizations that have been granted Federal charters include the Smithsonian Institute, Big Brothers of America, and the Veterans of Foreign Wars—to name just a few. A Federal charter is a measure of prestige because it is a formal statement of support by the Congress for the work of the organization. Among the institute's programs is the National Science and Math Correspondence School (NSMCS), which will offer regular and advanced precollege math and science correspondence courses for high school students and teachers. Plans are being made for the establishment of a national computer network to be used for direct communication between the students and professors. The Sakharov Institute plans to grant 1,000 scholarships each year to students interested in taking advanced courses from the NSMCS and at least

20 annual scholarships for university study.

The Sakharov Institute's Soviet Study Research Center will draw on the resources of the 300,000 recent emigrants and defectors from the Soviet Union. The center will be unique in that many of the researchers will have had recent firsthand experiences in the Soviet Union and continuing contact with friends and relatives still in the U.S.S.R.

Andrei Sakharov is a symbol for all those who love freedom and respect the power of ideas. Though isolated and harassed by the Soviet Government, Dr. Sakharov continues to earn the admiration of all peoples for his courageous efforts to secure basic human rights for the people of the Soviet Union and people all around the world. Despite his international reputation as a scientist and humanitarian, in 1980 Andrei Sakharov was banished to internal exile in the town of Gorky for his activity. Deprived of contact with those who love him and denied the opportunity to communicate with the world scientific community, Dr. Sakharov's situation remains grim.

As a show of support for Dr. Sakharov, in these circumstances, last May Congress passed, and the President signed, a joint resolution declaring May 21, 1983, to be Andrei Sakharov Day. I am proud to have been an original cosponsor of this legislation commemorating Dr. Sakharov's eloquent and tireless advocacy of the basic rights of all people.

The Sakharov Institute, which counts 40 Nobel Prize winners on its advisory board, will institutionalize American support for Sakharov's commitment to scientific scholarship and memorialize his contribution to the causes of human rights and the freedom of thought—and the work of Andrei Sakharov will continue even after he and we are gone.

I ask my colleagues to demonstrate their support for the Andrei Sakharov Institute by supporting this bill to grant it a Federal charter. It would be an appropriate honor, well suited to the high ideals of Andrei Sakharov and the institute that bears his name. Proper congressional recognition of the institute will make it clear to the Soviet Union and the world that the courage and conviction of Andrei Sakharov will not be abandoned or forgotten—that his work will continue and the ideals of freedom and knowledge, for which he stands, will flourish.●

By Mr. BURDICK:

S. 2188, to amend the Highway Improvement Act of 1982 to specifically authorize funds for access highways under section 155 of title 23, United States Code; to the Committee on Environment and Public Works.

ACCESS HIGHWAYS TO PUBLIC RECREATION AREAS

● Mr. BURDICK. Mr. President, today I am introducing a bill which authorizes $15,000,000 under the current highway program for access highways to public recreation areas on certain lakes. It applies to any lake, reservoir, pool, or other body of water resulting from the construction of any lock, dam, or similar structure by the Corps of Engineers, Department of the Army, or the Bureau of Reclamation, Department of the Interior, or the Tennessee Valley Authority, and any multipurpose lake resulting from construction assistance of the Soil Conservation Service, Department of Agriculture. Such funds would be available for access roads located within 35 miles from the nearest part of such recreation area.

I think it is important for Congress to consider reestablishing this category in the current highway program. Many small communities cannot afford the increased road costs attributable to larger traffic volumes on local access roads to public recreation sites developed near federally funded water projects. I would encourage my colleagues, especially those who have large Federal water projects in their States, to cosponsor this legislative proposal.●

By Mr. ABDNOR:

S. 2189. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Central South Dakota Water Supply System (CENDAK Unit) Pick-Sloan Missouri basin program, South Dakota; to the Committee on Energy and Natural Resources.

CENTRAL SOUTH DAKOTA WATER SUPPLY SYSTEM ACT OF 1984

● Mr. ABDNOR. Mr. President, I am introducing legislation to authorize the proposed CENDAK and Lake Andes-Wagner irrigation projects.

Irrigation development in central South Dakota by diversion of water from the Missouri River has been under study for many decades. A plan for irrigation of about 750,000 acres was included as part of the Pick-Sloan program for the Missouri River basin, authorized in the Flood Control Act of 1944. The plan included major storage reservoirs on the Missouri River with hydroelectric power development to provide energy to divert and distribute water. The Flood Control Act also included water regulations for flood control and downstream river navigation. Four dams have been constructed in South Dakota. The Missouri River, thoroughout most of its course within the State, is controlled in storage reservoirs.

Development of reservoirs under the Pick-Sloan program required use of over 500,000 acres of land, of which three-quarters was fertile river bottom and high quality grazing lands. Some bottom land was irrigated and additional irrigation was contemplated. In view of the land loss, reports of the Bureau of Reclamation and congressional records recognize a commitment of the United States to provide irrigation in South Dakota. This could be done by development of small diversion projects adjacent to the Missouri River and by major diversion eastward toward the James River Valley. The State of South Dakota strongly supports both types of development.

The initial stage Oahe unit of the Missouri River basin project was authorized by Congress for construction on August 3, 1968. An ultimate service area of approximately 495,000 acres was planned. Construction work on the initial unit of 190,000 acres was begun in 1974 to serve land principally in the James River lowlands in Spink and Brown counties.

For many reasons, not the least of which was the delay of many years in movement by the Federal Government to develop the project, support for Oahe unit eroded. Besides the delay and the imposition of new requirements which postdated the original agreement under the Missouri basin program, another factor which diminished support for the project was the fact that areas lying between the Missouri River and the service area, considered irrigable by local interests, were not included in the project principally because it was expected there would be high land leveling costs and drainage problems with flood irrigation as contemplated at that time. In addition, large acreages were proposed for mitigation of environmental impacts and much of the land to be acquired was outside of the service area. In the absence of strong local support and with a new Federal administration that questioned many on-going water development projects, the Oahe conservancy subdistrict resolved in May 1977 not to continue its support, and work by the Bureau of Reclamation on the Oahe unit was terminated in September 1977. Approximately $42 million has been expended on the Oahe project of which the Oahe pumping plant, 22 miles of the Pierre Canal, and the acquisition of land for Blunt Reservoir are a part.

Interest in irrigation in central South Dakota has continued to be very strong. Much of the area which was be passed in the Oahe unit plan and areas in the James River Valley south of the initial Oahe unit service area developed a grassroots organization to explore possibilities of initiating an alternative project designed primarily to supplement precipitation with sprinkler irrigation, to insure feed supplies for livestock economies which dominate in that area. These interests formed an organization called

CENDAK Water Supply System, Inc. as a nonprofit corporation and raised over $200,000 by subscriptions from landowners. In the initial stages of formation, owners expressed interest in irrigating more than 627,000 acres. Subscriptions in 1982 were submitted for over 400,000 acres on the basis of 25 cents per acre of land to be irrigated.

In 1981 a conceptual master plan was developed for CENDAK by the engineering firm CH2M Hill, to test the feasibility of developing an irrigation water supply utilizing the uncompleted works of the Oahe unit. The "CENDAK Irrigation Project, Master Plan" was published in September 1981. This report was submitted by the State of South Dakota to the Bureau of Reclamation for review and comments. The Bureau concluded that the project had merit and that feasibility studies were warranted.

The State of South Dakota and CENDAK proposed a three-party study of development of the CENDAK project Federal reclamation law. Work on a plan of study was initiated in early 1982 and work was begun under the Bureau of Reclamation's newly developed two-stage planning process. The program calls for completion of a planning report in early 1984. Work on various facets of the investigation were assigned to each of the participants with overall responsibility vested in the Bureau of Reclamation. Studies by the State of South Dakota are conducted by the Department of Water and Natural Resources, the Department of Game, Fish and Parks, and the Department of Education and Cultural Affairs. Bookman-Edmonson Engineering, Inc., specializing in water resources, represents CENDAK in these studies.

The primary purpose of the project would be to develop approximately 474,000 acres in the area for irrigation, with other objectives that would include development of municipal and industrial water, fish and wildlife, and recreation development, and streamflow augmentation. Water from the Missouri River would be delivered to the project area through newly proposed delivery facilities and partially completed facilities that were built as part of the Oahe unit.

The participants in CENDAK in Hughes, Hyde, Hand, Faulk, Spink, Sully, and Beadle Counties are primarily engaged in livestock enterprises. Most of their feed supply is dependent on precipitation. Only a small percentage of the area is currently being irrigated with limited water supplies, principally ground water, some of which has poor quality. The severe economic losses of drought years such as the 1930's and late 1970's are very real and threatening to the farmers and business community. Therefore, they seek a water supply to supplement precipitation and thereby to stabilize their feed supply, their economy, and their declining population. On the average, only 28 percent of a farm operation would be irrigated with the balance used principally for dryfarmed grains and native and tame pasture. Distribution of water through these counties in central South Dakota would be an important economic and social benefit to the State.

In addition to irrigation, a water supply project could provide water for municipal and industrial uses, as well as for recreation and wildlife. Regulations and treatment would be required for municipal and most industrial uses. Recreation lakes and wetlands could be supplied both directly from canals and by management of return flows and use of drainage water.

The joint formulation and evaluation of the CENDAK water supply system by the CENDAK organization, the State of South Dakota, and USBR involves a concept of maximum efficiency for application and management to be adapted to area conditions. The CENDAK water supply system will be formulated and operated to supply enough water to meet crop requirements by supplementing natural precipitation. This will control soil salinity in the root zone. Sprinkler irrigation is best adapted to such management, as well as to the topography and soils of the area.

Controlled sprinkler application of water will minimize the need for specific internal and external drainage measures to aid natural drainage and reduce diversions from the Missouri River in comparison to conventional surface irrigation. Avoidance of drainage problems with their associated costs, energy requirements of remedial measures, and avoidance of adverse environmental impacts are the keys to the success of the CENDAK supply system.

The CENDAK project concept is an imaginative approach to a major economic need in central South Dakota. It embodies a very significant potential for stabilizing the area's livestock-based economy, through an assured water supply. Economic benefits from irrigation of this 474,000-acre area will be a partial, but significant offset to the economic losses caused by inundation of over 500,000 acres under the Pick-Sloan reservoirs in South Dakota. Application of water to supplement precipitation will limit the diversion demand on the Missouri River and minimize drainage-related environmental problems. It will be possible to deliver some water for environmental enhancement, to improve the habitat and feed the wildlife.

CENDAK recognizes that much of the soil in the area has limitations that requires careful management for successful irrigation. Attention has been given to this matter by CENDAK with the assistance of the State Department of Water and Natural Resources and the Water Resource Institute at South Dakota State University. They are satisfied that with planned, careful management of land and water, and with the use of sprinklers and other modern water management techniques, irrigation can be successfully practiced. CENDAK has developed a detailed position statement regarding anticipated water management, to insure the wise and effective usage of irrigation water on a sustained and efficient basis.

Without project development, the project area will continue to experience the economic ups and downs typical of a dryland farming region which is subject to periodic droughts. Irrigation would improve and stabilize farm income by insuring the production of feed for livestock. This, in turn, would boost the economy of the project area and the State as a whole.

Without the CENDAK project, the area farm population and the proportion of farm income to total income would decline. While 80,000 acres are currently being irrigated with ground water in the project area, the quantity of quality water supplies allows little potential for the expansion of irrigation. The only source of good quality water in sufficient quantities is the Missouri River, but the local organizations and the State do not have the capability to develop a project using the Missouri River as a source. Moreover, the Federal Government is committed under the Pick-Sloan Missouri basin program to assist with such development.

Towns in the project area are also plagued by the poor quality ground water which many use as a source of supply. Water quality in towns along the James River suffers when flows in the James are low in late summer and winter. The Missouri River is a source of good quality water for municipal and industrial supplies.

The CENDAK organization, the State and USBR have shared study responsibilities. The State is conducting the public involvement program, which includes public meetings, the distribution of information and the circulation of reports. Several public meetings were held in November 1982 and July 1983, in Huron, Blunt, and Miller, S. Dak., to provide information on the project to the public and to record comments. Public comments from these meetings have been incorporated into project planning.

CENDAK organization representatives have presented innovative means to mitigate project-caused impacts, and I understand their concept is acceptable to the study participants. Avoidance of habitat in selecting lands to be irrigated and the routing of facilities are prime considerations in the

CENDAK organization's policy to minimize mitigation. For unavoidable onfarm losses, CENDAK proposes that project beneficiaries provide in-kind habitat replacement for wetlands and woodlands on their own property. Institutional arrangements, such as easements, that specify the habitat values lost, those replaced and the restricted uses would be the means of putting these measures into effect. For habitat losses involving the grassland habitat type, the sponsors propose that these be evaluated in light of all project habitats and, for wetland and woodland losses caused by project facilities, including irrigated crops, and be based on habitat values. Besides habitat types per se, the effects of factors such as the increase in water availability, increased food supplies and relief from drought conditions should be included in future analysis. The belief is that the benefits of irrigation would offset habitat losses.

Finally, it should be noted that over 300 million kilowatt hours of energy and over 170,000 kilowatts of power are allocated to irrigation in South Dakota under the Pick-Sloan Missouri basin program, but very little of this power is currently being used as authorized. For further information on water and power allocations under the program, my colleagues may wish to refer to my statement on page E1677 of the April 5, 1978, CONGRESSIONAL RECORD. Public Law 97-273 includes language, in section 5, which states that "power shall also be made available to such additional irrigation projects as may be subsequently authorized to receive such power by act of Congress." This language renews in clear, explicit statutory terms the commitment of the Federal Government to follow through on its obligation to provide the hydropower as promised. The provision of Missouri basin hydropower is vital to the CENDAK project, which is proposed as a potential alternate use of the facilities already constructed for use in conjunction with the Oahe unit.

In conclusion, Mr. President, CENDAK has garnered substantial local support and appears at this point to be a viable means to put to productive use the existing investment in partially completed facilities, as well as the best hope for stabilizing a significant portion of South Dakota's livestock-based economy.

Accordingly, I urge that this measure, together with my bill to authorize the Lake Andes-Wagner project, which is reprinted elsewhere in today's RECORD, receive an early hearing upon our return for the second session, and that these measures be fully considered for enactment prior to adjournment next year.

Mr. President, I ask unanimous consent that the text of the bill be reprinted at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2189

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Central South Dakota Water Supply System Act of 1984."

SEC. 2. In regard to irrigation development in South Dakota under the Pick-Sloan Missouri Basin Program (P-SMBP) the Congress finds that—

"(a) The P-SMBP comprehensive plan resulted in construction of a series of dams on the Missouri River and its tributaries by the Federal Government for flood control, navigation, electric power generation, municipal and industrial water supply and for irrigation of over 5 million acres of land.

"(b) South Dakota is the site of four of the six main stem dams: Gavins Point, Ft. Randall, Big Bend and Oahe. Their construction and reservoirs now occupy 530,000 acres in South Dakota, many of which were rich bottom lands.

"(c) The P-SMBP comprehensive plan contemplated compensating benefits to South Dakota by irrigation of nearly a million acres.

(d) Major benefits of the P-SMBP have accrued to the downstream states, but few benefits have accrued to South Dakota, which made great economic sacrifice for the overall program.

(e) In 1944 the estimated cost of the proposed irrigation development in South Dakota was $860 million, which if indexed to 1984 costs, would be on the order of $3.5 billion.

(f) The Oahe Unit, initial stage, James Division, Pick-Sloan Missouri Basin Program, was authorized by the Act of August 3, 1968 (Public Law 90-453), and construction started on the Oahe Pumping Plant and the Pierre Canal before being terminated in September, 1977.

(g) By Act of September 30, 1982 (P.L. 97-273) Congress authorized the Secretary of the Interior, in cooperation with the State of South Dakota, to conduct feasibility investigations on certain water resources developments, including alternate uses of facilities constructed for use in conjunction with the Oahe unit.

(h) In July 1983, the United States Bureau of Reclamation, the State of South Dakota and CENDAK, representing over 800 farmers, completed a Plan Formulation Working Document on the CENDAK unit and are currently completing a planning investigation on said unit.

(i) The United States has an investment of approximately $42 million in land and irrigation works to pump and convey water from Oahe Reservoir for the initial stage of the Oahe Unit, but such works now serve no useful purpose.

SEC. 3. Therefore, the Secretary of the Interior acting pursuant to the Federal Reclamation Laws (Act of June 17, 1902, 32 Stat. 383, and Acts amendatory thereof and supplementary thereto), is authorized to construct, operate and maintain the Central South Dakota Water Supply System (CENDAK Unit) of the Pick-Sloan Missouri Basin Program, South Dakota, substantially in accordance with the planning report as supplemented, for the principal purposes of providing a water supply for the sprinkler irrigation of approximately 474,000 acres of land in Hughes, Sully, Hyde, Hand, Faulk, Spink and Beadle counties; municipal and industrial uses, including rural water uses; conserving and developing fish and wildlife resources; enhancing outdoor recreation; and, for other purposes. The principal features of the unit, certain of which may be constructed by non-federal entities, shall consist of the Oahe and Lake Oahe Pumping Plants to pump water from Oahe Reservoir; a system main canals; laterals for distributing water to the lands; relift pumps where required on main canals and laterals; pumps for sprinkler pressure; drainage facilities; electric transmission lines; operation and maintenance headquarters buildings and equipment; equipment yards; and related facilities. The project will include measures to mitigate for project-caused impacts on wildlife habitat.

SEC. 4. The CENDAK Unit shall be intergrated physically and financially with the other federal works constructed under the comprehensive plan approved by Section 9 of the Flood Control Act of December 22, 1944 (58 Stat. 887,891) as amended and supplemented.

SEC. 5. Facilities constructed and acquired for use in conjunction with the initial stage of the Oahe Unit shall be salvaged and utilized in construction the CENDAK Unit insofar as economically and engineeringly feasible. To the extent such facilities are utilized in the CENDAK Unit, and pursuant to Section 4 of the Act of September 30, 1982 (Public Law 97-273), the costs thereof shall be included in CENDAK Unit construction costs. In regard to and lands acquired for the Oahe Unit, initial state, the Secretary is hereby authorized, to the extent, in the manner, and on such terms as he deems appropriate for the protection, development or improvement of the CENDAK unit to sell, exchange or otherwise dispose of such lands; to dedicate portions of such lands for public purposes; and to use such lands for fish and wildlife mitigation purposes; provided that, if any lands are found to be unsuitable for use for CENDAK Unit purposes, the Secretary is authorized to reconvey such lands to the former landowner(s) at not less than their full fair market value. Any revenues received from such land disposition shall be credited toward CENDAK Unit costs.

SEC. 6. The Secretary shall make appropriate allocations of project costs to irrigation, municipal and industrial water supply fish and wildlife, and recreation. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the CENDAK Unit shall be in accordance with the provisions of the Federal Water Project Recreation Act of July 9, 1965 (79 Stat. 213), as amended by Section 77 of the Act of March 7, 1974 (88 Stat. 12); provided however, that private lands shall not be acquired for mitigation purposes, until optimum utilization for fish and wildlife has been made of Federal and State lands in South Dakota. The CENDAK Unit is within the National Central Flyway for water fowl and all costs incurred in connection with any waterfowl refuges and water fowl production areas and allocated to enhanced shall be nonreimbursable.

SEC. 7. Repayment contracts for the return of construction costs allocated to irrigation shall be as authorized by the Reclamation Project Act of August 4, 1939 (53 Stat. 1187). P-SMBP power and energy shall be furnished for pumps at Oahe Reservoir, relift pumps, drainage pumps and sprinkler pressure pumps, including any such facilities constructed by non-federal entities. Said repayment contract(s) also shall require

that as a prerequisite to water service, water users inter into agreements with the water users' organization(s) to (a) participate in an irrigation management system to monitor soil moisture and to schedule the timing and quantity of irrigations accordingly; (b) provide on their property or participate in a program managed by the water users' organization(s) to provide in-kind habitat replacement for any or-farm losses of wetland or woodland habitat resulting from irrigation, and, (c) establish and implement a program for mitigation of any net losses of wildlife determined to be related to use of grasslands for irrigated crops.

SEC. 8. The interest rate used for computing during construction and interest on the unpaid balance of the capital costs allocated to interest-bearing features of the CENDAK Unit as authorized in this Act shall be determined by the Secretary of the Treasury as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable to the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from date of issue.

SEC. 9. The Secretary is authorized to transfer to water users' organization(s) the care, operation, and maintenance of the works herein authorized, and if such transfer is made, shall deduct from the obligation of the water users that portion of the estimated operation and maintenance costs which, if the United States continued to operate the facilities, would be allocated to fish and wildlife, and recreation purposes.

SEC. 10. There are hereby authorized to be appropriated for construction of the works of the CENDAK Unit authorized in this Act, the sum of $1,300,000,000 (based on October, 1982 costs) plus or minus such amounts, if any, as may be required by reason of changes in construction costs as indicated by engineering and cost indices applicable to the types of construction involved herein.●

By Mr. HUDDLESTON:

S. 2190. A bill to amend the Agriculture and Food Act of 1981 to provide protection for agricultural purchasers of farm products; to the Committee on Agriculture, Nutrition, and Forestry.

PROTECTION OF BUYERS OF FARM PRODUCTS

● Mr. HUDDLESTON. Mr. President, I am introducing legislation that will enable buyers of farm products to take such products free of security interests.

Prior to the Uniform Commercial Code (UCC), there was no uniformity in State laws establishing the rights of buyers of farm products and other commercial goods. This lack of uniformity created confusion when goods were shipped through Interstate Commerce. To allow for a more efficient method of moving goods in commerce, the Uniform Commercial Code, adopted by all States except Louisiana, specifically addresses this issue.

The UCC provides that buyers in the ordinary course of business will be protected, except buyers who purchase farm products, by being able to take title of goods free and clear of security interests even if the goods are collateral on a loan that the seller defaults on.

On the other hand, the good-faith buyer of farm products is not protected. Such a buyer can end up having to pay twice for the farm products in order to take title—once to the farmers and again to the secured party if the farmer fails to repay his secured loan and the secured party is seeking restitution.

There does not appear to be a valid reason for differentiating between buyers of farm products and buyers of other commercial goods. Treating farm products differently has only caused serious problems for buyers, sellers, and the courts.

In an attempt to ease the burden placed on agricultural purchasers, many States, such as Kentucky, Illinois, North Dakota, Texas, Oklahoma, South Carolina, Indiana, and Tennessee, have modified, or are now involved in the long and complicated process of modifying their commercial codes to address the problem. This, however, may only cause further confusion of the issue because the States that have, to date, amended their statutes have not used uniform language.

Effective action must be taken to eliminate the inequity of the agricultural exception to the rights of buyers under the Uniform Commercial Code. I believe this legislation is a good first step in helping to resolve the problem in a uniform manner for all States and jurisdictions.

I understand that some agricultural lending institutions have concerns about the effects that legislation such as mine would have on their ability to extend credit to new borrowers. Specifically, they believe that it could increase the cost and restrict the availability of credit to farmers. However, hearings on the bill will give us an opportunity to consider this issue and evaluate the concerns that have been raised.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2190

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title XI of the Agriculture and Food Act of 1981 is amended by adding at the end thereof a new section 1123 as follows:

"PROTECTION OF BUYERS OF FARM PRODUCTS

"SEC. 1123. Notwithstanding any provision of Federal, State, or local law, a buyer in the ordinary course of business who buys farm products from a seller engaged in farming operations shall take free of a security interest created by the seller even though the security interest is perfected and even though the buyer knows of its existence."

(b) This section shall become effective 30 days after enactment, except that liens made prior to the effective date shall be exempt from the provisions of this section.●

By Mr. PRYOR:

S. 2191. A bill to amend the Trade Act of 1974 with respect to beneficiary developing countries which engage in unfair trade practices; to the Committee on Finance.

DENIAL OF DUTY-FREE TREATMENT OF COUNTRIES IN VIOLATION OF INTERNATIONAL TRADE

● Mr. PRYOR. Mr. President, today I am introducing a bill to amend sections 301 and 502 of the Trade Act of 1974. The purpose of this bill is to allow the President to deny duty-free treatment, under the generalized system of preferences, to the products of countries found to be systematically violating the rules of international trade.

The generalized system of preferences (GSP) is the mechanism by which the United States, in concert with the other industrialized nations of the free world, encourages the development of less developed countries. By design, it is not reciprocal: that is, we extend tariff concessions to such countries without the expectation of receiving comparable concessions ourselves. Such a system is consistent with—indeed it is encouraged by—the General Agreement on Tariffs and Trade (GATT).

Mr. President, the GSP is due to expire in early 1985, and this body will consider renewal legislation during the second session of this Congress. The bill I have introduced is in the nature of a technical correction, however, and need not await the major overhaul of the GSP that we will debate next year.

While we do not demand or expect duty-free treatment for our products by GSP beneficiary countries, it is more than reasonable for the United States to hold such countries to their solemn international commitments. They should not be allowed both to receive GSP benefits and to violate these commitments with impunity.

My bill, therefore, would specifically empower the President to remove a developing country's GSP designation if he finds that it has discriminated against U.S. commerce, or has acted inconsistently with a binding trade agreement. Such a finding would be made within the President's existing authority under section 301 of the Trade Act of 1974, as amended.

Conversely, my bill would include violations of international trading rules as a reason for denial of GSP beneficiary status to an otherwise qualifying developing country. This strikes me not as reciprocity but as simple equity.

Mr. President, in submitting this bill I have a particular example in mind. The governing authority on Taiwan is not a party to the General Agreement on Tariffs and Trade, or to the several agreements that emerged from the Tokyo round of multilateral trade ne-

gotiations. Shortly after enactment of the Taiwan Relations Act, however, Taiwan and the United States undertook to conduct themselves as if those agreements were in force between them.

Taiwan has simply not lived up to these undertakings. As I have previously informed the Senate, Taiwan currently maintains an export subsidy program for rice in direct violation of the Tokyo Round Subsidies Code. It has shown no willingness to terminate that program, or to mitigate the enormous injury that is being caused to the U.S. rice industry.

The U.S. Rice Millers' Association has filed a complaint against Taiwan with the Office of the United States Trade Representative, pursuant to section 301 of the Trade Act. That complaint has not been accepted by USTR for investigation.

Mr. President, there is no doubt in my mind that the current investigation will show that Taiwan's rice export subsidy program is a violation of the Subsidies Code, and hence of the bilateral undertaking between our two countries. Assuming that Taiwan resists a negotiated solution, section 301 will authorize the President to retaliate against Taiwan in various ways, within his discretion.

Whether or not the President ultimately elects to retaliate, it seems to be unreasonable to allow Taiwan the continued enjoyment of GSP status while it is injuring the United States by violating its international commitments. Duty-free treatment under GSP is a unilateral benefit, not a reciprocal one.

Developing countries, like Taiwan, are to be encouraged to trade with us. Little is expected in return. My bill would set a minimum standard for qualification under GSP: A country receiving that privileged status must only observe its commitment not to injure U.S. commerce by violating trade agreements, by discriminating against our products, or otherwise by acting unreasonably or unjustifiably in the trade area.

None of our developing trading partners—including Taiwan—should be heard to protest that asking them to keep their promises is too much of an imposition in exchange for duty-free importation of their goods. Mr. President, for these reasons I urge the enactment of my amendments to the GSP program and to section 301.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2191

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (b) of section 301 of the Trade Act of 1974 (19 U.S.C. 2411(b)) is amended—

(1) by striking out "and" at the end of paragraph (1),

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and", and

(3) by adding at the end thereof the following new paragraph:

"(3) terminate or suspend pursuant to title V of this Act the designation of such foreign country or instrumentality as a beneficiary developing country.".

(b) Subsection (b) of section 502 of the Trade Act of 1974 (19 U.S.C. 2462(b)) is amended—

(1) by striking out "and" at the end of paragraph (6),

(2) by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and", and

(3) by inserting after paragraph (7) the following new paragraph:

"(8) if any act, policy, or practice of such country has been found under section 301 of this Act—

"(A) to be inconsistent with the provisions of paragraph (1), or to otherwise deny benefits to the United States under, any trade agreement, or

"(B) to be unjustifiable, unreasonable, or discriminatory, and to burden or restrict United States commerce.".

(c) The amendments made by this section shall take effect on the date of the enactment of this Act.●

By Mr. MATHIAS:

S. 2192. A bill to establish a commission to study and make recommendations on the desirability and feasibility of compensating authors for the lending of their books by lending institutions; to the Committee on Rules and Administration.

NATIONAL COMMISSION ON THE PUBLIC LENDING OF BOOKS

● Mr. MATHIAS. Mr. President, I introduce today a bill to establish a commission to study both the desirability and feasibility of compensating authors whenever their books are borrowed from public libraries. This concept is not new. At last count, 10 nations, including the Federal Republic of Germany and the United Kingdom, have set up such a system, and it has attracted growing interest in the United States. It is popularly known as a public lending right.

I have always thought that Congress, by protecting the rights of authors, achieved two valuable goals—the continued creation of high quality work, and the widest possible dissemination of these works to the reading public. I think the public lending right idea is ripe for a review on the basis of these two goals.

The Commission would examine the great questions that are raised by this idea: Would a public lending right system be in the public interest? Would it encourage authors to write? Could it be financed without brudening our libraries or without discouraging reading?

The Commission would be made up of librarians, authors, publishers, and representatives of the general reading public. The report of the Commission will give Congress guidance as it carries out its constitutional mandate to encourage authorship and promote the progress of science and useful arts.

I ask unanimous consent that the bill be printed in the RECORD immediately following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2192

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS, ESTABLISHMENT AND PURPOSES OF THE COMMISSION

SECTION 1. Congress hereby finds and declares that—

(a) authors' works enrich and shape our national and cultural identity;

(b) libraries and other lending institutions, by making available authors' works to the public, perform a valuable service and futher public enlightenment and welfare;

(c) a study should be undertaken to determine whether specific compensation to authors for the public lending of their works could promote authorship without adversely affecting the activities of the lending institutions or the reading public; and

(d) a Commission should be established to undertake this study and report its findings to the President and the Congress.

SEC. 2. There is hereby created in the Library of Congress a National Commission on the Public Lending of Books (hereinafter called the Commission).

SEC. 3. The purpose of the Commission is to consider whether specific compensation for authors for the lending of their works would promote the economic health of authors and a authorship in the United States; and, if so, to make recommendations concerning appropriate procedures for determining the amounts and methods of payment to authors from funds to be appropriated by Congress or from a national trust fund established for that purpose.

SEC. 4. In carrying out its purposes—

(a) the Commission shall evaluate, report upon, and assess the relevance to the United States of systems for compensating authors for the public lending of their books in operation or under consideration in foreign countries;

(b) the Commission shall study and compile data on the various types of lending of books and similar publications by libraries and other lending institutions; and

(c) the Commission, if it recommends the establishment of a compensation system for the public lending of books or similar publications, shall also—

(i) consider the advantages or disadvantages of establishing such compensation by legislation and/or administrative action.

(ii) consider, evaluate and identify appropriate criteria for determining the amount of compensation, including, but not limited to, the following: the number of copies sold to lending institutions, the number of copies stocked by lending institutions, and the number of circulations;

(iii) identify procedures for determining and paying any such compensation without imposing upon the nations' public libraries burdensome administrative requirements which could have the effect of diverting sig-

nificant resources of those institutions from service to the public;

(iv) assess whether the eligibility of the author to receive compensation should be subject to specific limitations such as—

(1) the copyright status of the work;

(2) the nationality or domicile of the author;

(3) the alienability or descendability of the right to compensation; or

(4) a specified term of years; and

(v) recommend whether a compensation system should be administered by an existing government agency or by a new agency created for that purpose.

SEC. 5. (a) The Commission shall consist of eleven voting members; one shall be the Librarian of Congress and ten shall be appointed by the President, as follows:

(i) two members selected from authors;

(ii) two members selected from publishers;

(iii) three members selected from librarians; and

(iv) three members selected from the public generally.

(b) The Commission, at its first meeting, shall select its Chairman and Vice Chairman, who shall act as Chairman in the absence of the Chairman for any cause; and may fill a vacancy in either office.

(c) Six members of the Commission shall constitute a quorum.

(d) Any vacancy in the Commission shall be filled in the same manner as the original appointment was made.

SEC. 6. (a) Members of the Commission, other than officers or employees of the Federal Government, shall receive compensation at the rate of $100 per day while engaged in the actual performance of Commission duties, plus reimbursement for travel, subsistence, and other necessary expenses in connection with such duties.

(b) Any members of the Commission who are officers or employees of the Federal Government shall serve on the Commission without compensation, but such members shall be reimbursed for travel, subsistence, and other necessary expenses in connection with the performance of their duties.

SEC. 7. (a) To assist in its studies, the Commission may appoint a staff which shall be an administrative part of the Library of Congress. The staff shall be headed by an Executive Director, who shall be appointed by and responsible to the Commission for the Administration of the duties entrusted to the staff.

(b) The Commission may procure temporary and intermittent services to the extent authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 per day.

SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 9. (a) Within one year after the first meeting of the Commission, it shall submit to the President and the Congress a preliminary report on its activities.

(b) Within two years after its first meeting, the Commission shall submit to the President and the Congress a final report, which shall include its recommendations and its proposals if any, for legislation and/or administrative action that may be necessary to carry out those recommendations.

(c) In addition to the preliminary report and final report required by this section, the Commission may publish such interim reports as it deems appropriate, including consultant's reports, transcripts of testimony, seminar reports, and other Commission findings.

SEC. 10. (a) The Commission, or, with the authorization of the Commission, any three or more of its members, may, for the purpose of carrying out the provisions of this Act, hold hearings, administer oaths, and request the attendance and testimony of witnesses and the production of documentary material.

(b) With the consent of the Commission, any one of its members may convene a meeting, seminar, or conference in furtherance of the purposes of the Commission.

SEC. 11. On the sixtieth day after the date of the submission of its final report, the Commission shall terminate and all offices and employment under it shall terminate.

SEC. 12. This Act may be cited as the "National Commission on the Public Lending of Books Act of 1983".●

By Mr. GARN (for himself, Mrs. HAWKINS, Mr. HECHT, and Mr. LAUTENBERG):

S. 2193. A bill to authorize the Comptroller of the Currency to consider reciprocity among other factors in acting on an application by a foreign bank to establish a Federal branch or agency, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

COMPTROLLER OF THE CURRENCY TO CONSIDER RECIPROCITY

● Mr. GARN. Mr. President, in September of 1978, Congress enacted the International Banking Act, a statute which established a Federal regulatory framework governing entry into and operations of foreign banks in the United States. Foreign banks were afforded competitive equality with U.S. banks. Up until that time, foreign banks doing business in the United States had had several advantages over their U.S. counterparts—such as freedom to acquire banks across State lines. Thus, the act provided foreign institutions with "national treatment" in the United States.

While the United States was endorsing the national treatment concept in 1978, there was congressional concern at that time about the lack of such treatment for U.S. banks in many foreign countries and, consequently, the act directed that a study on national treatment be undertaken. The resulting study found that "U.S. banks have a substantial degree of access to most financial markets abroad of importance to them." However, the nations which were exceptions to this were significant—for example, Australia, Brazil, Canada, Finland, Japan, Mexico, Norway, Philippines, Portugal, South Korea, Sweden, Spain, and Taiwan.

During the past 4 years, substantial progress has been made toward the goal of obtaining national treatment for U.S. banks in most of those countries. Others, such as Norway and Sweden, have remained largely closed to foreign banks. Of course, it has also been true that neither Norwegian nor Swedish banks have pursued an active international presence.

Australia has also been slow to alter its restrictive policies toward foreign banks. While permitting certain banking activities through merchant bank's nonbanking subsidiaries, Australia has not allowed foreign banks direct entry to the Australian banking market.

In fact, Australia is an excellent example on how our institutions' foreign activities are being limited at the same time that we are providing foreign institutions with nondiscriminatory, national treatment here. As a reaction this type of anomalous situation, many individual States have enacted statutes which condition foreign bank activities on the treatment of their banks in those foreign nations. This type of reciprocity arrangement is viewed by many as a hindrance to achieving national treatment for our banks abroad, but it is easy to understand the frustrations felt by States whose banks have limited opportunities in many foreign countries.

The contradictions in the Australian situation were recently highlighted by the denial of a U.S. bank's application to acquire a 100 percent interest in an Australian merchant bank of which it already owned 49 percent—coincidentally on the same day an Australian bank was provided with a national bank a new subsidiary in the United States. The granting of that national charter is being challenged in courts by State authorities—thus far unsuccessfully—on the basis that a reciprocal State law prohibits the Australian bank from entering Illinois as long as Australia limits the activities of Illinois banks.

The Australian Government has been reviewing its treatment of foreign banks. In 1982, the government's Campbell Commission study of the structure and condition of the Australian financial system recommended that foreign banks be permitted to operate, on a phased-in basis, branches or bank subsidiaries in Australia. The Labour government is reviewing the Campbell commission's report and its findings are expected to be presented in the near future.

In view of situations such as that described in Australia, the longstanding congressional interest in the national treatment of U.S. banks abroad, we are introducing legislation to amend the International Banking Act to provide that the Comptroller of the Currency take the treatment of U.S. banks abroad into account when acting on an application from a foreign bank. Under this approach, reciprocity would be one of the factors considered in permitting foreign banks' entry in the United States.

In order to review the status of national treatment of U.S. banks abroad and to consider the need for, and appropriateness of, legislative action such as the bill we are introducing

today to establish new entry standards for foreign banks in the United States, I will be scheduling hearings in the Banking Committee early next year.

I request unanimous consent that the bill be printed in full in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2193

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

SECTION 1. Section 4(c) of the International Banking Act of 1978 (12 U.S.C. 3102(c)) is amended to read as follows:

"In acting on any application to establish a Federal branch or agency, the Comptroller shall take into account the effects of the proposal on competition in the domestic and foreign commerce of the United States, the financial and managerial resources and future prospects of the applicant foreign bank and the branch of agency, whether or not United States banks are permitted to conduct business in the home country of the applicant, and the convenience and needs of the community to be served."●

By Mr. MITCHELL (for himself and Mr. COHEN):

S. 2194. A bill to amend the general headnotes of the Tariff Schedules of the United States regarding products of the insular possessions; to the Committee on Finance.

TARIFF SCHEDULES AMENDMENTS

Mr. MITCHELL. Mr. President, the legislation I am introducing today is intended to correct a deficiency in our trade laws. The bill, if enacted, would prevent foreign suppliers of products destined for the United States from avoiding tariffs by shipping products through the U.S. insular possessions. Representative SHANNON is introducing a similar measure in the House of Representatives.

Under current law, imports from our insular possessions can enter the United States free of duty. To receive this special treatment, no more than 70 percent, or 50 percent for certain import-sensitive articles, of the value of the product can come from foreign materials outside the possession. This advances economic development in the possessions by encouraging the location of assembly, processing, and manufacturing operations in the possessions.

Such a provision is not unusual in our trade laws. Two other trade programs designed to stimulate economic development, the Generalized System of Preferences and the Caribbean Basin Initiative, have a similar content requirement in order to provide duty-free treatment for products of beneficiary countries.

The content requirement for the possessions is calculated somewhat differently, however. By establishing the requirement as a maximum limit on the value of foreign materials, rather than as a minimum contribution of materials from the possession, it allows part of the profit and overhead costs of producing the article to be counted toward the possession's contribution. This does not serve the purpose of developing the economies of the possessions, and it allows foreign suppliers to avoid paying tariffs on products eventually shipped to the United States by channeling them through an insular possession.

This appears to be occurring with woolen imports from the Virgin Islands. Woolen fabric of Czechoslovakian origin is transiting the Virgin Islands and ultimately entering the United States free of duty. Commerce Department statistics indicate that for the last 3 years substantial volumes of woolen materials have been imported from the Virgin Islands even though no wool weaving facilities are located in the area. It has also been confirmed that woolen fabric is being imported into the Virgin Islands from several other sources. If the fabric were to enter the United States directly from Czechoslovakia, the product would be subject to a 68.5-percent tariff.

My bill would tighten the valuation criterion for the insular possessions. The new provision would be structured in the same manner that the valuation requirements would be based on the value of the materials supplied and processing performed in the insular possessions, rather than on the value of foreign materials and processing. Although this change seems minor, it has the affect of requiring more of the value of the product to be contributed in the possessions and would prevent the use of the possessions to circumvent our tariffs.

By Mr. JEPSEN:

S. 2195. A bill to authorize the Secretary of Agriculture to establish a pilot program to assist owners and operators of highly erodible cropland to set aside such cropland and carry out soil and water conservation measures needed to protect such cropland; to the Committee on Agriculture, Nutrition, and Forestry.

HIGHLY ERODIBLE CROPLAND PILOT PROGRAM ACT OF 1983

● Mr. JEPSEN. Mr. President, this bill is introduced as the Highly Erodible Cropland Pilot Program Act of 1983. Its goal is to direct long-term conservation planning and assistance to areas identified by the U.S. Department of Agriculture—USDA—as highly erodible.

My bill provides the Secretary of Agriculture authority to direct soil and water conservation assistance to lands currently targeted as needing extra conservation assistance under other USDA soil and water conservation programs.

Since March, I have held more than 20 hearings under the auspices of the Agriculture Committee's Subcommittee on Conservation and the Joint Economic Committee, both of which I chair. The hearings have increasingly demonstrated a clear-cut need for legislation.

Extensive testimony was heard during our hearings. A broad spectrum of views were recorded from representatives ranging from the concerned citizen to the farmer, from the environmental movement to the academic community. Increasingly, people are becoming sensitized to the essential need of productive topsoil preservation.

Congress has a responsibility to assure that future generations enjoy our national patrimony of stable and productive agricultural land. Both farmers and consumers—worldwide consumers—should reap the benefits of a continuous flow of agricultural commodities. We must insure that our more fragile cropland is not allowed to deteriorate to the point of unproductivity.

My bill provides authority to the Secretary of Agriculture establishing and implementing a pilot program to assist owners and operators of highly erodible cropland. The program would operate as a long-term land set aside with farmers entering into 5 to 10 year contracts with the Secretary. Here, the farmer would decide to set aside land in the highly erodible land class. This land would then be put under permanent vegetative cover for the life of the contract.

Additionally, farmers would be able to obtain other financial and technical help under existing USDA soil and water conservation programs.

The landowners or operators could not use set-aside land for agricultural purposes for the term of the contract period. However, the land may be used for planned grazing or haying practices, for fish and wildlife habitat preservation and production purposes and as a recreation resource. The Secretary and the landowner could agree on other land uses designed under a conservation plan.

The farmer would enter into the program through a bid process similar to that used under the 1982 payment-in-kind program. Essentially the producer would reduce planted acreage by a certain amount, accepting no more than $55 an acre in cash, or an equivalent amount of the crop in kind. The acreage set-aside would be placed under an approved conservation use.

My proposal establishes approved conservation based on these provisions:

First, soil and water conservation practices that must protect highly erodible cropland from erosion;

Second, a program implementation schedule shall be included;

Third, local social, economic, and environmental conditions which will alle-

viate the particular erosion or water-related problems of the cropland shall be accounted for;

Fourth, varying levels of conservation applications and coverage of all or part of the cropland may be permitted to solve such problems;

Fifth, practices and measures for enhancing fish and wildlife, and recreational resources and for reducing or controlling agriculturally related pollution can be included.

Sixth, conservation practices, including planned grazing practices needed to improve vegetative conditions, reduce erosion and establish and maintain vegetative cover on such cropland, shall be included.

As defense against adverse economic impact on a rural county, the Secretary may limit the amount of cropland that can be set aside in a participating county. This is similar to limitations experienced with the payment-in-kind program to protect agricultural suppliers from financial hardship.

This pilot program provides some initiative within the Department of Agriculture to approach our agricultural conservation problems creatively. I believe the Federal Government has responsibility to assist farmers in every way possible, protecting cropland to make farming economically affordable and environmentally sound. Congress must act to make sure that the Federal Government carries out the actions directed by Congress to protect our national patrimony of highly productive cropland.●

By Mr. MOYNIHAN:

S. 2196. A bill to establish a National Commission on Deficit Reduction; to the Committee on Governmental Affairs.

NATIONAL COMMISSION ON DEFICIT REDUCTION ACT

● Mr. MOYNIHAN. Mr. President, this is the last day of the current session of the Congress, and it is not a happy occasion. While we prepare to return to our States, the Federal Government's budget deficit has reached the highest levels in the Nation's history, many times greater than the deficits under any previous administration. The Government will run $200 billion annual deficits, in David Stockman's words, "as far as the eye can see." In the Congress and the administration, opinions vary as widely as can be imagined about what to do about these deficits. Everyone does agree, however, on the proposition that nothing will be done without broad bipartisan support. I rise today, Mr. President to offer legislation to create a means to establish this consensus, one necessary to finally address and solve this problem.

Broad bipartisan support, Mr. President, is not forthcoming. Mr. Reagan says we must reduce Federal spending for the elderly, the poor, and other groups—but never reform the Tax Code to increase revenues from business and individuals. In the House of Representatives, yesterday, every member of the President's party there, save 13, voted against a rule to enable the House to consider a modest revenue package to reduce the deficit. Others have refused to consider any spending reductions, except defense, or would have the Government close the deficit only by raising taxes. I do not speak to the sincere concerns underlying these positions but the result is clear: stalemate and unrelenting deficits that inevitably will bring about competition for credit between Government and American business and consumers, a competition that in turn, and just as inevitably, will push up interest rates.

We must break this stalemate, and we can do so only in a bipartisan manner. I rise today, Mr. President, to offer a solution to this impasse. I offer legislation to create a bipartisan National Commission on Deficit Reduction, with members drawn from the leadership of the administration, the Congress, the Federal Reserve, and the Congressional Budget Office. Only in this way can we identify a solution around which the necessary consensus can be established.

This is a profoundly complex economic and political question, one that will require the best efforts of the Nation's economic and political leadership. The Commission would be comprised of seventeen members of this leadership. Five members would be drawn from the administration—the Chairman of the President's Council of Economic Advisers, the Director of the Office of Management and Budget, the Secretary of the Treasury, and two others selected at the President's discretion. Five members would be selected from this body, three by the distinguished majority leader and two by the distinguished minority leader. Five more members would be drawn from the other body of this Congress, three selected by the esteemed majority leader of the House of Representatives and two by the esteemed minority leader. Finally, the Director of the Congressional Budget Office and the Chairman of the Board of the Federal Reserve System would serve on the Commission.

This Commission, first, would investigate and identify the sources of the unprecedented growth of the cyclical and structural deficits, in the elements of fiscal and monetary policies. Deficits, we must remember, are important not in themselves but in their impact on the Nation's economy and the American people.

This legislation therefore, directs the Commission to identify the effect of the elements of the deficit on employment, on real interest rates, on capital formation and investment, and on the prospects for vigorous economic growth. We achieve little if we reduce the deficits in ways which undermine, rather than encourage, the health and growth of the Nation's economy.

The Government, it is now clear, cannot reduce these deficits without broad bipartisan support throughout the Government. Any solution must command broad support from the entire Nation. The American people want—nay, demand—that we set the Government's fiscal house in order. The American people demand and deserve that this order be achieved in a fair and equitable way. This legislation, therefore, directs the Commission to make recommendations that insure that the burdens of deficit reduction are equitably distributed and not borne disproportionately by any economic or social group. We cannot ask the Nation's elderly and poor, or the Nation's farmers and small businessmen, or the Nation's homeowners and investors, to bear all the costs for this unprecedented problem. We must know, and the Commission will tell us, what will be the impact of different approaches to reducing the deficit, separately and in combination, on the different economic and social groups of our Nation.

The sources of these deficits are complex. They lie not only in tax and spending policies, but also in the general management of the economy, the elements of monetary as well as fiscal policies and the relationship between them. The solution to the deficit crisis will require more than adjustments in spending and taxation; it well could demand reforms in the arrangements by which we make fiscal and monetary policies and by which they are coordinated.

This is a deeply complex problem that we must address promptly. The elements of the problem are not mysterious. Brilliant and accomplished men and women in America's academic, business and public worlds have focused on this crises with vigor and diligence, much more so than the administration or Congress have exhibited of late. The National Commission on Deficit Reduction will have 6 months to report to the President and Congress, on which basis the entire Government can respond on a bipartisan basis.

I do not offer this proposal lightly. Setting the Government's books in good order is the task many of the great and distinguished committees of this Congress and offices and departments of the executive branch are organized to deal with. I have waited until the last day of this session, in the hope that the administration and Congress would address this grave matter. Until yesterday, there still seemed to be some slim hope that this would come to pass. As that hope is

now gone, we must act promptly. Everyone recognizes that this action will require strong bipartisan efforts, and I am resigned to the fact that this effort cannot be organized without a special forum. I propose that we create one, a National Commission, as soon as possible. I ask my colleagues to join in a concrete response to the impasse which threatens to perpetuate $200 billion deficits, at the Nation's peril.

The American economy and the American people cannot wait long for this response. I urge my colleagues to support and enact this proposal.

I ask unanimous consent that the full text of my proposal be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2196

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "National Commission on Deficit Reduction Act".

ESTABLISHMENT OF COMMISSION

SEC. 2. (a) There is hereby established the National Commission on Deficit Reduction (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of seventeen members who shall be appointed by the President as follows:

(1) Five members from the executive branch of the Government, including the Chairman of the President's Council of Economic Advisers, the Director of the Office of Management and Budget, the Secretary of the Treasury, and two others;

(2) Five members from the Senate, three members to be named upon the recommendation of the majority leader and two members to be named upon the recommendation of the minority leader;

(3) Five members from the House of Representatives, three to be named upon the recommendation of the majority leader and two to be named upon the recommendation of the minority leader; and

(4) The Director of the Congressional Budget Office,

(5) The Chairman of the Board of the Federal Reserve System;

(c) The Chairman of the Commission shall be the Director of the Congressional Budget Office.

(d) The Vice Chairman of the Commission shall be elected by the members of the Commission.

(e) The majority and minority leaders of the Senate, and the majority and minority leaders of the House of Representatives, shall make recommendations for the appointments to be made pursuant to subsection (b) of this section within fifteen days of the enactment of this Act.

(f) The President shall make all of the appointments in accordance with subsection (b) of this section after receiving the recommendations set forth in paragraphs (2), (3), and (4) of subsection (b) of this section, and such appointments shall be made no later than thirty days after the date of enactment.

(g) The first meeting of the Commission shall be called by the President within fifteen days following the date such appointments to the Commission are made.

(h) The term of office for members shall be for the term of the Commission.

(i) A vacancy in the Commission shall not affect its powers, and shall be filled in the same manner in which the original appointment was made.

(j) Ten members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

PURPOSES OF THE COMMISSION

SEC. 3. (a) The Commission shall conduct a comprehensive study of the elements of fiscal and monetary policies, with particular emphasis on the sources of cyclical and structural budget deficits and their effect on employment, real interest rates, capital formation and investment, and the vigor and viability of economic growth. This study shall include recommendations to reduce these deficits in the manner and to the extent required to promote reductions in unemployment and real interest rates, to encourage capital formation and investment, and to sustain vigorous economic growth. These recommendations shall ensure that the burden of deficit reduction is equitably distributed and not borne disportionately by any one economic or social group.

(b) The comprehensive study undertaken by the Commission shall specifically address—

(1) the current and prospective economic factors and developments, in both the United States and abroad, that should be taken into account in making fiscal and monetary policies;

(2) All potential options which would result in deficit reductions, including a statement if the impact of each on the nation's economy.

(3) The impact of deficit reductions options, separately and in combination, on different income and social groups;

(4) the institutional arrangements required to achieve the appropriate degree of coordination in the making and implementation of fiscal and monetary policies, to achieve reductions in the budget deficit.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 4. (a) Members of the Commission who are also Members of the Congress shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) Any members of the Commission who are also in the executive branch of the Government shall serve without compensation in addition to that received for their services in the executive branch; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(c) Members of the Commission who are also current members of the Federal Reserve System, shall serve without compensation in addition to that received for their services as members of the Federal Reserve System; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(d) Members shall be appointed for the life of the Commission.

POWERS OF THE COMMISSION

SEC. 5. (a)(1) The Commission or, on the authorization of the Commission, any subcommittee thereof, may, for the purpose of carrying out its functions and duties, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses, and the production of such books, records, correspondence, memorandums, papers, and documents as the Commission or such subcommittee may deem advisable. Subpenas may be issued to any person within the jurisdiction of the United States courts, under the signature of the Chairman or Vice Chairmen, or any duly designated member, and may be served by any person designated by the Chairman, the Vice Chairmen, or such member. In the case of failure of any witness to comply with any subpena or to testify when summoned under authority of this section, the provisions of sections 102 through 104, inclusive, of the Revised Statutes (2 U.S.C. 192-194), shall apply to Congress.

(2) For purposes of section 552(e) of title 5, United States Code, the Commission shall not be considered to be an agency.

(b) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman or Vice Chairmen, such information as the Commission deems necessary to carry out its function under this Act.

(c) Subject to such rules and regulations as may be adopted by the Commission, the Chairman shall have the power to—

(1) appoint and fix the compensation of an Executive Director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 of the General Schedule under section 5332 of such title, and

(2) procure temporary and intermittent services in accordance with the provisions of section 3109 of title 5, United States Code, but at rates not to exceed $200 per day for individuals.

(d) The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conduct or research or surveys, the discharge of its duties to such extent and in such amount as are provided in appropriations Acts.

FINAL REPORT

SEC. 6. The Commission shall transmit to the President and to the Congress not later than one hundred and eighty days after the first meeting of the Commission, a final report containing a detailed statement of the findings and conclusions of the Commission, incuding its recommendations for administrative, and legislative action which it deems advisable. Any formal recommendation made by the Commission to the President and to the Congress must have the majority vote of the Commission as present and voting.

EXPIRATION OF THE COMMISSION

SEC. 7. Sixty days after the submission to Congress of the final report provided for in section 6 the Commission shall cease to exist.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the activities of the Commission.

EFFECTIVE DATE

SEC. 9. The provision of this Act shall take effect upon the date of enactment of this Act.●

By Mr. WALLOP:

S. 2197. A bill to suspend for 3 years the duty on terfenadine; to the Committee on Finance.

SUSPENSION OF DUTY ON TERFENADINE

● Mr. WALLOP. Mr. President, I am introducing legislation to suspend for 3 years the duty on terfenadine.

Terfenadine is the active ingredient that will be used in Seldane. Terfenadine can be described clinically as 1-piperidinebutanol, alpha-[4-(1,1,-dimethylethyl)phenyl] - 4 - (hydroxydiphenylmethyl). Seldane is a product that will be used as an antihistamine. It will be available by prescription only. The product will be sold under the trademark Seldane.

The current duty rate on terfenadine is 9.2 percent, which will result in U.S. duties of approximately $4,232,000 over the next 5 years if purchased from France, as it is now.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2197

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting in numerical sequence the following new item:

" 907.25	Terfenadine (provided for in item 411.58, part 1C, schedule 4).	Free	No change	On or before 6/30/86 ".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the date of the enactment of this Act.●

SUSPENSION OF DUTY ON DICYCLOMINE HYDROCHLORIDE

● Mr. WALLOP. Mr. President, I am introducing legislation to suspend for 3 years the duty on dicyclomine hydrochloride.

Dicyclomine hydrochloride is an active ingredient used in the manufacture of the ethical pharmaceutical product (prescription drug) sold under the trademark Bentyl. The product is an anticholinergic. The chemical name for dycyclomine hydrochloride is (Bicyclohexyl)-1-carboxylic acid-2(diethylamino) ethyl ester hydrochloride.

The current duty rate on dicyclomine hydrocholoride is 15.6 percent, which will result in U.S. duties of approximately $385,000 over the next 5 years.

Dicyclomine hydrochloride is not, to the best of my knowledge, manufactured anywhere in the United States. It is, however, sold in the United States by Danbury Pharmaceutical, Inc., under the generic trademark Dicyclomine HCL. The dicyclomine HCL active ingredient is imported from outside the United States.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2198

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting in numerical sequence the following new item:

" 907.27	Dicyclomine hydrochloride (provided for in item 412.02, part 1C, schedule 4).	Free	No change	On or before 6/30/86 ".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the date of the enactment of this Act.●

By Mr. HATCH:

S.J. Res. 204. Joint resolution to designate "Women's History Week"; to the Committee on the Judiciary.

WOMEN'S HISTORY WEEK

Mr. HATCH. Mr. President, today, I am pleased to introduce a joint resolution asking that the President of the United States proclaim the week containing March 8, 1984, as "Women's History Week."

Too long, the extent and nature of women's contributions to the building and development of this country have been obscure. History tends to recognize a few exceptional professional women while leaving the rest unknown. We are robbing ourselves of a vast wealth of history by letting women in our Nation's past remain nameless, their contributions and accomplishments unrecognized.

I have been interested to learn that in my home State of Utah at the time of the 1890 census, 10.5 percent of the women over the age of 10 were gainfully employed in various occupations. While this was considerably lower than the 17-percent national average, it was higher than the neighboring States and territories, and it must be remembered that the less industrialized West provided fewer work opportunities outside the home for women than the East. In addition to their roles as homemakers and mothers, these women served in education, manufacturing, retail trade, service occupations, restaurants and lodging houses, medicine, printing, office jobs, the creative arts, and as both corporate and union officers. Their influence, both in the home and in the workplace, was a vital force in the shaping of the Utah Territory just as the influence of other such women was felt in every State in the Union.

I feel strongly about this joint resolution to set aside this time to take special notice of women in the history of this country. There is a tendency to fit woman into a stereotypic role in history, that of wife, mother, homemaker; unquestionably, her contributions in these areas have been and continue to be incalculable. But her contributions have always extended beyond home and hearth, and I feel that, especially in these changing times, we all can benefit greatly by looking back and realizing the many and varied donations to our society, indeed the foundations of our society, that are attributable to the women throughout our history. I would hope that my sons and my daughters are as aware of the accomplishments of their great-grandmothers as they are of those of their great-grandfathers. I would hope that they realize that in their foremothers they have exemplary role models. For this reason, I introduce this joint resolution and strongly urge my colleagues to support it, not only in voting for it on this floor, but by taking back to their home States an interest and enthusiasm for this aspect of our Nation's history.

By Mr. HEINZ (for himself, Mr. GLENN, Mr. GRASSLEY, Mr. DOMENICI, Mr. PERCY, Mrs. KASSEBAUM, Mr. COHEN, Mr. PRESSLER, Mr. WILSON, Mr. ABDNOR, Mr. HELMS, Mr. DOLE, Mr. JEPSEN, Mr. LUGAR, and Mr. DECONCINI):

S.J. Res. 205. A joint resolution authorizing and requesting the President to designate the second full week in March of each year as "National Employ the Older Worker Week"; to the Committee on the Judiciary.

NATIONAL EMPLOY THE OLDER WORKER WEEK

● Mr. HEINZ. Mr. President, I am pleased to introduce today, along with the distinguished ranking member of the Senate Aging Committee, Senator GLENN, and 12 cosponsors, a joint resolution to authorize and designate the second full week in March of each year, as "National Employ the Older Worker Week." The chairman and ranking minority members of the House Select Committee on Aging, Representatives ROYBAL and RINALDO, along with Representative PEPPER, are introducing this resolution today in the House of Representatives.

The resolution will call attention to both the potential of older workers and some of the problems which block employment opportunity for them. The American Legion has sponsored

such a week for older workers every year since 1959, joining with local American Legion posts, State and area agencies on aging, the National Council on Aging, the American Association of Retired Persons, and Senior Community Service Employment program sponsors to focus the attention on the advantages of employing older persons. The American Legion has presented citations to employers who have promoted successful programs for hiring and retraining older workers within their organizations.

Special programs will be held around the country to mark this important week and to encourage employers to generate employment opportunities for older persons. Employers will become more aware of job opportunities and job-retention options.

Admittedly, Mr. President, the recent economic slowdown has created a difficult climate for the full utilization of older workers. There has been a tendency to fall back on traditional retirement and separation procedures. But the trends and the demographics are clear. We need to look to the future and prepare for the inevitable work force changes that will occur. Our Nation will need these productive older workers. As you are aware Mr. President, the age distribution of the population will be shifting dramatically over the coming decades. The population growth of the younger (16 to 44) working-age population will cease sometime between now and year 1990. The baby boom generation will retire with fewer younger people in the work force and fewer to contribute to their support. Unless we convince older workers to stay productive, we will not have the necessary labor force to contribute to a rising standard of living. Not only are we wasting valuable human resources, but failure to adapt work patterns to the needs of older workers will take a serious toll on the economic well-being of our entire society.

Older workers today represent a large but neglected national resource. Only 14 percent of individuals between 55 and 64 are presently in the labor force. More than 770,000 Americans 55 and over are out of work—1.1 million if one adds the officially unemployed, those so-called discouraged older workers who have withdrawn from the labor force unwillingly because they simply could not find jobs and eventually gave up looking for them. These unemployed and discouraged older workers often have greater financial obligations than younger workers do. Many workers in their fifties have children in college whom they must support. Mortgage and car payments as well as other financial commitments often rise with a worker's age and income. Many older unemployed workers cannot begin to draw a pension because they worked for a company that lacked one or because they have not met the age and service requirements. They do not become eligible for social security early retirement until age 62, nor for medicare until age 65. Once unemployed, the older worker runs the greatest risk of being without work for long periods of time. People 55 and over are out of work on the average nearly 20 weeks before being reemployed. That is 23 percent longer than the 15.5 weeks between jobs, on the average, for all unemployed Americans.

Mr. President, older people want to work. National polls and research findings indicate that many more would like to find full- or part-time jobs, but feel that the opportunity is not there.

Three out of four retirees in a 1981 Harris survey stated that they wished they had never quit work. Further, the poll found that among all those now working in the key preretirement age between 55 and 64, a majority of 79 percent are opposed to stopping work completely when they retire.

Some employers are already recognizing older workers as a resource. They are initiating hiring, retraining, second career and job retention programs for older workers. These progressive companies, large and small, deserve to be recognized as examples for others to follow. There are still too many other employers who do not perceive older workers in such a positive light and continue to practice, consciously or unconsciously, age discrimination against them.

Mr. President, I realize that this resolution is just a small step, but it is a step that is worth taking now to help dramatize the need for action. As chairman of the Special Committee on Aging, I will be working toward the development of substantive policies to promote greater employment opportunities. I believe that we can no longer ignore the vast potential contribution that these Americans are capable and desirous of making to our society. The results of this promotional week will benefit older workers, employers, and the Nation as a whole. I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 205

Whereas individuals aged 55 and over are a major national resource, constitute 22 percent of the population of the United States at the present time, and are likely to constitute a larger percentage of the population in future decades;

Whereas a growing number of such individuals, being willing and able to work, are looking for employment opportunities, want to remain in the work force, or would like to serve their communities and their Nation in voluntary roles;

Whereas such individuals, who have made continuing contributions to the national welfare, should be encouraged to remain in, or resume, career and voluntary roles that utilize their strengths, wisdom, and skills;

Whereas career opportunities reaffirm the dignity, self-worth, and independence of older individuals by encouraging them to make decisions and to act upon those decisions, by tapping their resources, experience, and knowledge, and by enabling them to contribute to society;

Whereas the operation of title V of the Older Americans Act of 1965 has demonstrated that older workers are extremely capable in a wide variety of job roles;

Whereas recent studies conducted by the United States Department of Labor and the Work in America Institute indicate that, in many cases, employers prefer to retain older workers or rehire former older employees due to the high quality of their job performance and their low rate of absenteeism; and

Whereas the American Legion has sponsored a "National Employ the Older Worker Week" during the second full week of March in every year since 1959, focusing public attention on the advantages of employing older individuals: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled. That the President is authorized and requested to designate the second full week in March of each year, as "National Employ the Older Worker Week", and to issue a proclamation calling upon—

(1) the employers and labor unions of the United States to give special consideration to older workers, with a view toward expanding career and employment opportunities for older workers who are willing and able to work and who desire to remain employed or to reenter the work force;

(2) voluntary organizations to reexamine the many fine service programs which the sponsor with a view toward expanding both the number of older volunteers and the types of service roles open to older workers;

(3) the United States Department of Labor to give special assistance to older workers by means of job training programs under the Jobs Training and Partnership Act, job counseling through the United States Employment Service, and additional support through its Older Worker Program, as authorized by title V of the Older Americans Act; and

(4) the citizens of the United States to observe this day with appropriate programs, ceremonies, and activities.●

By Mr. TSONGAS (for himself and Mr. KENNEDY):

S.J. Res. 206. Joint resolution designating the first Sunday of every August as "National Day of Peace"; to the Committee on the Judiciary.

NATIONAL DAY OF PEACE

● Mr. TSONGAS. Mr. President, I am introducing today with Senator KENNEDY a joint resolution which would designate the first Sunday of every August as "National Day of Peace."

Last year this Chamber was the scene of a debate on a similar resolution designating a different day of the year as "National Day of Peace." That resolution was not successful, and we still do not have a "National Day of Peace." That is indeed regrettable, Mr. President, because the United States is

a nation of peace and of peaceful intent.

And in this modern nuclear age, the concept of peace, that is averting war, is no longer a platitude or part of a formal litany. Today, the idea of peace carries enormous meaning for us all. The people of the United States believe in and cherish peace. They deserve a day to celebrate the preservation and continuation of peace.

The genesis of this resolution is to me edifying and inspiring. In 1980, a constituent of mine, Ms. Marie Strain, conceived the idea of a Day of Peace. She was deeply moved by the story of "Sadako and the Thousand Cranes."

Sadako Saski was just a young child in Hiroshima when the nuclear device was detonated over the city. She was exposed to radiation and 10 years later developed leukemia. She was told of a Japanese legend as her health deteriorated quickly. The legend said if she could fold 1,000 paper cranes, that she would be granted one wish. She began folding many cranes in the Japanese tradition of paper folding called origami. Her wish was that there would be "peace in our world." She died after folding 643 origami cranes.

Peace Day is already a reality, Mr. President. Governors of eight States proclaimed the first Sunday of August 1983, as a National Day of Peace. Virginia, Ohio, Rhode Island, Wisconsin, Florida, Pennsylvania, Georgia, and Massachusetts all celebrated a statewide "Day of Peace" this last August. There is nothing controversial, partisan or ideological in this idea, Mr. President. Nor is it a call for a "Freeze" or for "Reductions", or for a "Build-Down." It is simply a day in which "people of all shades of opinion can come together in unity to consider the possibilities of peaceful coexistence." That, to me, is a purpose with which no one should quarrel. It is indeed time for a "National Day of Peace."

I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 206

Whereas all Americans need to reflect on the prospect of peace among the peoples of the world; and

Whereas a time should be set aside when people of all shades of opinion can come together in unity to consider the possibilities for peaceful coexistence: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the first Sunday of every August is designated as "National Day of Peace" and the President is requested to issue a proclamation calling upon the people of the United States to observe such a day with appropriate celebrations and activities.●

By Mr. HELMS (for himself, Mr. HUDDLESTON, Mr. LEAHY, Mr. LUGAR, Mr. ZORINSKY, Mr. JEPSEN, Mr. MELCHER, Mr. ANDREWS, Mr. PRYOR, Mr. BOREN, Mr. DIXON, Mr. HEFLIN, Mr. SASSER, Mr. MITCHELL, Mr. HOLLINGS, Mr. FORD, Mr. BURDICK, Mr. BAUCUS, Mr. NUNN, Mr. BENTSEN, Mr. RANDOLPH, Mr. EAGLETON, Mr. HEINZ, Mr. DECONCINI, Mr. SARBANES, Mr. THURMOND, Mr. ABDNOR, Mr. TOWER, Mr. KASTEN, Mr. GRASSLEY, Mr. PRESSLER, Mr. NICKLES, Mr. MATSUNAGA, Mr. BINGAMAN, Mr. DOMENICI, Mr. INOUYE, Mr. JOHNSTON, and Mr. MOYNIHAN):

S.J. Res. 207. A joint resolution to proclaim March 20, 1984, as "National Agriculture Day"; to the Committee on Agriculture, Nutrition, and Forestry.

NATIONAL AGRICULTURE DAY

● Mr. HUDDLESTON. Mr. President, I am pleased to cosponsor this joint resolution proclaiming March 20, 1984, as "National Agriculture Day."

I think it is important to set aside 1 day each year to pay special tribute to the Nation's farmers and ranchers. Although agriculture is the Nation's largest industry and its single largest source of both jobs and exports, the important contributions of the Nation's farmers and ranchers are sometimes overlooked by Americans not involved in the production, processing, or marketing of agricultural products.

Today, each farmer and rancher produces enough to feed and clothe 75 Americans. In addition, because of the remarkable productivity of U.S. agriculture, Americans spend only about 15 percent of their disposable income for food—the lowest of any nation in the world.

National Agriculture Day will provide an opportunity for the Nation to focus on the agricultural segment of our economy, recognize its achievements, and get a better understanding of its problems.

I urge my colleagues to join me in sponsoring this joint resolution.●

By Mr. BAUCUS:

S.J. Res. 208. A joint resolution to express the sense of the Congress that a bipartisan response to the growing public debt and Federal deficit is necessary; to the Committee on Governmental Affairs.

BIPARTISAN RESPONSE TO FEDERAL DEBT

● Mr. BAUCUS. Mr. President, today, I am introducing a resolution expressing the sense of the Congress that "the President and Congress should agree on a package of measures that significantly reduces the Federal deficits."

I hope that this resolution reminds my colleagues where we stand. We have made some progress in our attempt to reduce the deficit. But not enough. We still have a long way to go.

THE DEBT PROBLEM

Mr. President, debt hangs over our heads like Damocles' sword, threatening to chop off the recovery.

For example, in 1980 the total public debt was $907 billion. Next Monday or so, it will reach $1,389 billion. That is an increase of 53 percent.

During the same time, the annual deficit has risen from $60 billion—2 percent of GNP—in 1980 to $207 billion—6 percent of GNP—now.

Interest on the public debt has just about doubled, rising from $74 billion to $148 billion.

At the rate we are going, we will take the amount of public debt incurred during the first 207 years of our history, and will double it in the next six.

What does this mean? As Paul Volker told the Joint Economic Committee a few weeks ago, the prospect of persistent high deficits is "threatening the balance and ultimate sustainability of the recovery itself."

More specifically, such huge budget deficits create at least three major problems.

They hold interest rates up.

They threaten to reignite inflation.

And they distort exchange rates and thereby create a huge trade deficit.

THE STALEMATE

So what are we doing about deficits? So far, not enough. Our two main political leaders, President Reagan and Speaker O'NEILL, are acting like "Alphonse and Gaston," each politely insisting that the other step forward first.

This is unacceptable. We need a concerted, bipartisan effort to face the heat and cut the deficit. Not later, now.

PRINCIPLES

While doing so, we should follow four main principles.

The first principle is timing. It is economically unwise and politically irresponsible to wait until after the election. It is like fiddling while Rome burns. We must act now.

The second principle is symmetry. Right now, the American people do not trust Congress. Perhaps rightly, they fear that any tax increase will be used not to cut the deficit but instead to fuel more spending. To restore their trust, any deficit reduction measure must both raise revenue and cut spending, preferably in equal measure.

The third principle is breadth. I know that in Montana, people are ready to sacrifice for the Nation's good. But only if they know that everybody else will sacrifice too. Therefore, deficit reduction burdens must be broadly distributed.

The fourth principle is compassion. Lower and moderate income people

have, during the past few years, already borne heavy economic burdens. We should not make them heavier.

THE FINANCE COMMITTEE PACKAGE

Mr. President, over the past few weeks, the Finance Committee has tried to put together a deficit-reduction package that, generally speaking, meets these principles.

As a member of the committee and member of the working group that drafted the first set of committee options, I have supported this effort. We have worked hard; we have made necessary compromises in order to achieve a consensus, and we have made progress. Overall, I think that the $150 billion deficit reduction package the committee has been reviewing this week is a solid step in the right direction.

Unfortunately, the House has not sent us a revenue bill. Therefore, the Constitution precludes us from going forward. For the time being, our deficit-reduction effort must be delayed.

CONCLUSION

Mr. President, I hope that this delay is a very short one. I hope that, as soon as we return, the Finance Committee goes back to work and produces a compromise package that significantly reduces the deficit.

To help keep this in mind, I am introducing a resolution expressing the sense of the Congress that "a bipartisan response to the growing public debt and Federal deficit is necessary."

I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 208

Whereas the total public debt has risen from approximately $907 billion in 1980 to approximately $1,389 billion presently, an increase of 53 percent;

Whereas the annual Federal budget deficit has risen from $60 billion in 1980 to $207 billion presently, equaling 6 percent of the gross national product;

Whereas the cost of interest on the public debt is presently $89 billion a year, more than the combined costs of Federal grants to State and local governments, foreign aid, Federal government operations, and Federal assistance to business and commerce;

Whereas the Congressional Budget Office estimates that the deficit will reach $280 billion by 1989;

Whereas at this rate, the total amount of public debt accumulated during the first two hundred seven years of the history of the Nation will more than double during the next six years;

Whereas such huge and persistent deficits keep real interest rates high, threaten to reignite inflation, and distort exchange rates and thereby contribute to a huge trade deficit that shifts United States jobs overseas; and

Whereas given the current political situation, the budget deficit can only be significantly reduced if the President and the Congress agree on a bipartisan package of spending reductions and revenue increases: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled. That it is the sense of the Congress that—

(1) the President and the Congress should agree on a package of measures that significantly reduces the Federal deficit; and

(2) the package should embody the following principles:

(A) the deficit should be reduced by at least $150 billion over three years;

(B) spending cuts and revenue increases should be made in equal measure;

(C) revenue increases should affect both individual and corporate taxes and should not have a disproportionately harsh impact on low and middle class taxpayers; and

(D) spending cuts should affect all catagories of Federal spending programs, including military spending, nonmilitary discretionary spending, and entitlements payments.●

By Mr. BOREN:

S.J. Res. 209. A joint resolution to establish a Joint Select Committee on Congressional Operations; to the Committee on Governmental Affairs.

JOINT SELECT COMMITTEE ON CONGRESSIONAL OPERATIONS ACT

● Mr. BOREN. Mr. President, this Congress, like the last one, will unfortunately be remembered more for what it left undone rather than for any meager accomplishments it may have had. While our institutional shortcomings are still fresh in our minds, we should start to move toward assuring that we will do something to make needed changes.

On this final day of the first session of the 98th Congress I am introducing the "Joint Select Committee on Congressional Operations Act." The measure will establish a joint committee of the Congress to study ways to reform the institution.

It is my intent that such a committee, with 10 Members from the House and a like number from the Senate, should look at all aspects of congressional operations, from the rules under which the two Houses legislate, to the budget process, the proliferation of committees and staff. The committee would exist for only a limited period under a sunset provision so it does not itself become part of the problem.

As an institution, Congress is in trouble. The signs are all too clear. Congress is slow to respond with solutions to many of our basic problems. It has failed to write sensible Federal budgets. The manner in which Members of Congress are elected and are compensated threatens to further distort the political system.

At the end of the useless "lame-duck" session last year, I found myself angry and frustrated. I was also embarrassed that Congress had made a ridiculous spectacle of itself in the eyes of the public.

I grew up watching Congress. My father was a Congressman. My earliest memories are of listening to Sam Rayburn discuss the institution during visits to our home. I wanted someday to serve in Congress because I felt that it was a place where a person could make a meaningful contribution to his country. It hurt when I heard so many of my most able and dedicated colleagues talk about quitting sooner than they had planned. It was even worse when I began to ask myself whether Congress was really the place where I or anyone else could really get things done.

At the same time, I was encouraged. For once the press seemed to be focusing on the need for congressional reform. Editorials and columns were written on the subject. It even made front-page headlines.

Then suddenly, as often happens in Washington, our attention was diverted elsewhere. There were no more headlines, columns or editiorials about the need for congressional reform.

But the problem did not go away—it just dropped from sight. Congress has not streamlined or reformed its rules and procedures for almost 40 years. It is creaking along with work methods that are not suited to the times. It resembles a telephone switchboard designed for 10 telephones that now has 10,000 plugged into it.

The failure of the session again this year to deal in any meaningful way with the looming budget crisis, the need for a coherent energy policy, a new strategy to improve our ability to compete in the international economy and many other pressing needs of the Nation, makes it clear that the problems are as bad if not worse than they were in 1982.

In the last Congress, 80 days of precious time were consumed by filibusters on 12 different bills, nearly all of which became law in spite of the prolonged debate. Even when an overwhelming majority of Senators decides to shut off a filibuster, under Senate rules a vote on the bill can still be delayed for at least 100 more hours of the Senate's time in session. With such rules, just the threat of a filibuster by one or two Senators can prevent an issue from being scheduled for consideration on the Senate floor. Filibusters supported by 40 or more Members of the Senate may occasionally be justified on matters of extreme national importance. However, once a filibuster is ended by a vote of 60 Members of the Senate and those who have supported it have already had a full chance to debate, one or two Senators should not be able to bring the entire Government to a halt.

As American politics becomes more fragmented and dominated by one-issue groups, the use of the filibuster has become more common. From 1917 to 1972 there were 60 filibusters. In

just the last 10 years there have been 101.

The increasing abuse of the filibuster procedure is not the only problem. According to a recent study conducted by Senator DAVID PRYOR, in the first 6 months of last year almost one-third of the time of the Senate was taken up by recesses, quorum calls and other procedural time-killing devices. Congress also tends to vote during only 3 days each week and to remain in session almost all year long. It would be far better to have 5 or more full days each week and stay in session only 6 months each year so that Members could stay in their home State for prolonged periods.

On another front, fragmented and overlapping jurisdiction of committees often slows Congress to a snail's pace as a proposed law has to be considered by so many different committees. The number of subcommittees has mushroomed to 250 and their staffs have grown from 400 to 2,000 in the last three decades.

In addition, so-called nongermane amendments, which have nothing to do with the subject matter of a bill, can be tacked onto it. For example, foreign policy amendments can be attached to agricultural bills, and vice versa.

Another problem is that the same controversial provisions and issues can come up again and again within the same year for repeat votes, thus wasting time. There should be a rule that, once a matter has been brought to a vote, it cannot be brought up again during the same session.

The present budget process is also obviously not working. Under it, Congress spends most of its time passing resolutions instructing itself about how to write a budget rather than passing the actual appropriations bills. In 3 of the last 6 years, Congress has failed to pass any complete budget. Nor has the process worked to restrain deficit spending. On the contrary, during the 9 years since the Budget Act was adopted, more than three times as much has been added to the national debt as was added in the previous 30 years.

The citizens and taxpayers have a right to expect a more efficient and businesslike approach from Congress. Both Republican Senate leader HOWARD BAKER and Democratic leader ROBERT BYRD have moved constructively in naming an ad hoc task force to recommend reforms. The group is in the process of making recommendations on limiting the post-closure filibuster and in reducing the use of nongermane amendments. The recent Pearson-Ribicoff study also contains several recommendations worthy of consideration.

However, piecemeal efforts are not enough. Congress should create a joint House-Senate committee to focus solely on the issue of congressional reform. It should have a time limit so that it does not turn into another permanent committee.

Of course, internal reform of Congress will not solve all of the Nation's problems. To a large degree, the fragmentation and stalemates in Congress reflect the division and fragmentation of the American people. While reforming Congress may not be the sole answer, it is still absolutely necessary if we are to maintain the integrity of the democratic process.

I ask unanimous consent that the text of the joint resolution be printed in the RECORD following my remarks.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 209

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That this joint resolution may be cited as the "Joint Select Committee on Congressional Operations Act".

FINDINGS

SEC. 2. The Congress finds that—

(1) during the 96th Congress more than 80 legislative days were spent in filibusters on 12 issues, and yet use of the filibuster prevented the passage of only one measure;

(2) Since 1917, the year in which the cloture rule was adopted, only 26 of 116 filibustered measures have failed to gain final passage;

(3) as a testament to the increased use of the filibuster in recent history it is important to note that of the 161 cloture votes taken between 1917 and 1980, 60 occurred in the 53 years prior to 1972, and 101 occurred between 1972 and 1980;

(4) the growing number of subcommittees of committees of Congress fragments the time of members and creates confusing and overlapping jurisdiction over important issues;

(5) there are now more than 242 subcommittees in the House of Representatives and Senate which held 852 hearings in 1982;

(6) committee staff personnel has grown from 400 to more than 2,000 since 1947;

(7) while rules exist which govern germaneness of amendments attached to a measure, the rules are frequently ignored;

(8) the budget process clearly needs streamlining to avoid the problems that have plagued past sessions of Congress, including the second session of the 97th Congress which spent more than 8 months on budget resolutions and was then able to pass only 6 of the 13 appropriations Acts.

ESTABLISHMENT OF THE JOINT SELECT COMMITTEE

SEC. 3. (a) There is established a Joint Select Committee on Congressional Operations (hereafter in this joint resolution referred to as the "Joint Committee").

(b) The Joint Committee shall be composed of 20 Members as follows:

(1) 10 Members of the Senate, 6 appointed by the Majority Leader from among the Majority party and 4 appointed by the Minority Leader from among the Minority party; and

(2) 10 Members of the House of Representatives, 6 appointed by the Majority Leader from among the Majority party 4 appointed by the Minority Leader from among the Minority party.

(c) Vacancies in the membership of the Joint Committee shall not affect the power of the remaining members to execute the functions of the Joint Committee and shall be filled in the same manner as in the case of the original appointments.

(d) The Joint Committee shall select a chairman and a vice chairman from among its members at the beginning of each Congress. The vice chairman shall act in the place and stead of the chairman in the absence of the chairman. The chairmanship and the vice chairmanship shall alternate between the Senate and the House of Representatives for each year. The chairman during each even-numbered year shall be selected by the Members of the House of Representatives on the Joint Committee from among their number and the chairman during each odd-numbered year shall be selected by the Members of the Senate on the Joint Committee from among their number. The vice chairman during each congress shall be chosen in the same manner from the House of Congress other than the House of Congress of which the chairman is a Member.

FUNCTIONS OF THE JOINT COMMITTEE

SEC. 4. (a) The Joint Select Committee shall study ways of improving the operation of the Congress including consideration of—

(1) the rules of the House of Representatives and of the Senate as such rules affect the efficient operation of either House, including the rules governing germaneness, and in the Senate the rules governing the limitation of debate;

(2) the proliferation of subcommittees of committees of the House of Representatives and of the Senate; the consequent growth of the staffs of the subcommittees; and the effect of such proliferation and growth on the efficient operation of the Congress; and

(3) the budget process established under the Congressional Budget Act of 1974 as the process relates to the efficient operation of the Congress.

(b) The Joint Committee may establish subcommittees composed of members appointed from one House of Congress to consider matters relating only to that House.

(c) The Joint Committee shall make interim reports, and a final report not later than December 31, 1984, to the Senate and the House of Representatives, for referral to the appropriate committees. Such reports shall include recommendations with respect to the improved operations of the Congress. Such recommendations may include recommendations with respect to proposed changes in the rules of each House of Congress and proposed new legislation.

(d) Effected January 31, 1985, the Joint Committee shall cease to exist and the authority of this joint resolution is repealed.

POWERS OF THE JOINT COMMITTEE

SEC. 5. The Joint Committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of Congress, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths and affirmations, to take such testimony, to procure such printing and binding, and to make expenditures, as it deems advisable. The Joint Committee may make such rules respecting its organization and procedures as it deems necessary, except that no recommedation shall be reported from the

Joint Committee unless a majority of the Joint Committee assent. Subpenas may be issued over the signature of the chairman of the Joint Committee, and may be served by such person or persons as may be designated by such chairman or Member. The chairman of the Joint Committee or any Member thereof may administer oaths or affirmations to witnesses.

STAFF OF THE JOINT COMMITTEE

SEC. 6. (a) In carrying out its functions under section 4 of this joint resolution, the Joint Committee is authorized, by record vote of a majority of the Members of the Joint Committee—

(1) to appoint, on a permanent basis, without regard to political affiliation and solely on the basis of fitness to perform their duties, not more than six professional staff members and not more than six clerical staff members;

(2) to prescribe their duties and responsibilities;

(3) to fix their pay at respective per annum gross rates not in excess of the highest rate of basic pay, as in effect from time to time, of the General Schedule of section 5332(a) of title 5, United States Code; and

(4) to terminate their employment as the Joint Committee may deem appropriate.

(b) In carrying out any of its functions under this joint resolution, the Joint Committee is authorized to utilize the services, information, facilities and personnel of the departments and establishments of the Government, and to procure the temporary (not to exceed one year) or intermittent services of experts or consultants or organizations thereof by contract at rates of pay not in excess of the per diem equivalent of the highest rate of basic pay set forth in the General Schedule of section 5332 of title 5, United States Code, including payment of such rates for necessary traveltime.

RECORDS OF THE JOINT COMMITTEE

SEC. 7. The Joint Committee shall keep a complete record of all Joint Committee actions, including a record of the votes on any question on which a record vote is demanded. All records, data, charts, and files of the Joint Committee shall be the property of the Joint Committee and shall be kept in the offices of the Joint Committee or such other places as the Joint Committee may direct.

EXPENSES OF THE JOINT COMMITTEE

SEC. 8. The expenses of the Joint Committee shall be paid.●

ADDITIONAL COSPONSORS

S. 137

At the request of Mr. ROTH, the name of the Senator from Maine (Mr. COHEN) was added as a cosponsor of S. 137, a bill to amend the Internal Revenue Code of 1954 to continue to allow mortgage bonds to be issued.

S. 142

At the request of Mr. CRANSTON, the name of the Senator from Colorado (Mr. HART) was added as a cosponsor of S. 142, a bill to amend the Wild and Scenic Rivers Act by designating a segment of the Tuolumne River in California as a component of the National Wild and Scenic River System.

S. 145

At the request of Mr. MITCHELL, the name of the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor of S. 145, a bill to amend the Clean Air Act to better protect against interstate transport of pollutants, to control existing and new sources of acid deposition, and for other purposes.

S. 497

At the request of Mr. HUMPHREY, the name of the Senator from Virginia (Mr. TRIBLE) was added as a cosponsor of S. 497, a bill to amend title 39 of the United States Code to provide that drug abuse-oriented advertisements and shipments of drugs in response to drug abuse-oriented advertisements shall be nonmailable matter.

S. 503

At the request of Mr. HUMPHREY, the names of the Senator from Virginia (Mr. TRIBLE) and the Senator from Nebraska (Mr. EXON) were added as cosponsors of S. 503, a bill to make it unlawful to manufacture, distribute, or possess with intent to distribute, a drug which is an imitation of a controlled substance or a drug which purports to act like a controlled substance.

S.738

At the request of Mr. DANFORTH, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 738, a bill to amend the Economic Recovery Tax Act of 1981 to make the credit for increasing research activities permanent.

S. 772

At the request of Mr. HATCH, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 772, a bill to promote public health by improving public awareness of the health consequences of smoking and to increase the effectiveness of Federal health officials investigating and communicating to the public necessary health information, and for other purposes.

S. 1167

At the request of Mr. DURENBERGER, the name of the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 1167, a bill to amend the Internal Revenue Code of 1954 to provide that the amount of the charitable deduction allowable for expenses incurred in the operation of a motor vehicle will be determined in the same manner Government employees determine reimbursement for use of their vehicles on Government business.

S.1256

At the request of Mr. MOYNIHAN, the name of the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 1256, a bill to authorize special assistance for desegregation activities.

S. 1270

At the request of Mr. DECONCINI, the name of the Senator from New York (Mr. D'AMATO) was added as a cosponsor of S. 1270, a bill to amend title 17, United States Code, regarding the Copyright Royalty Tribunal.

S. 1306

At the request of Mr. MATHIAS, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 1306, a bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product.

S. 1325

At the request of Mr. WARNER, his name was added as a cosponsor of S. 1325, a bill to amend the Internal Revenue Code of 1954 to provide financial relief to State and local governments by eliminating a requirement that would result in a duplicative mailing each year.

At the request of Mr. MCCLURE, the name of the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 1325, supra.

S. 1504

At the request of Mr. BENTSEN, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 1504, a bill to provide for protection of historic shipwrecks, structures, and artifacts located on a seabed or in the subsoil of the lands beneath waters of the United States.

S. 1538

At the request of Mr. MATHIAS, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 1538, a bill to amend the patent laws of the United States.

S. 1622

At the request of Mr. HEINZ, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 1622, a bill to amend title XVIII of the Social Security Act to provide for procedures and payment limitations with respect to the furnishing of cardiac pacemakers in order to achieve cost savings for the medicare program, improve the quality of patient care, and insure against fraud and abuse, and for other purposes.

S. 1660

At the request of Mr. PACKWOOD, the name of the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 1660, a bill relating to the preservation of universal telephone service.

S. 1662

At the request of Mr. WARNER, his name was added as a cosponsor of S. 1662, a bill to amend title 5, United States Code, with respect to the authority of the Special Counsel of the Merit Systems Protection Board.

S. 1668

At the request of Mr. WARNER, his name was added as a cosponsor of S. 1668, a bill to amend chapter 37 of title 31, United States Code, to author-

ize contracts retaining private counsel to furnish collection services in the case indebtedness owed the United States.

S. 1691

At the request of Mr. ARMSTRONG, the name of the Senator from Wisconsin (Mr. KASTEN) was added as a cosponsor of S. 1691, a bill to amend the Social Security Act to recognize effective program administration in the financing of State programs of child support enforcement, to improve the ability of States to collect child support for non-AFDC families, and otherwise strengthen and improve such programs and for other purposes.

At the request of Mr. WARNER, his name was added as a cosponsor of S. 1691, supra.

S. 1727

At the request of Mr. MCCLURE, the name of the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 1727, a bill to amend the Food Stamp Act of 1977 to reform and reduce the cost of administering the food stamp program, and for other purposes.

S. 1733

At the request of Mr. WARNER, his name was added as a cosponsor of S. 1733, a bill to amend title 18, United States Code, to make a crime the use, for fraudulent or other illegal purposes, of any computer owned or operated by the United States, certain financial institutions, and entities affecting interstate commerce.

S. 1746

At the request of Mr. RUDMAN the name of the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S. 1746, a bill to require that the Federal Government procure from the private sector of the economy the goods and services necessary for the operations and management of certain Government agencies and that the Director of the Office of Management and Budget and the Comptroller General of the United States identify the activities of the Federal Government to produce, manufacture, or otherwise provide goods and services which should be provided by the private sector and prepare a schedule for transferring such activities to the private sector.

S. 1756

At the request of Mr. DURENBERGER, the name of the Senator from Wisconsin (Mr. KASTEN) was added as a cosponsor of S. 1756, a bill to provide for assistance to State and local governments and private interests for conservation of certain rivers, and for other purposes.

S. 1758

At the request of Mr. PRYOR, his name was added as a cosponsor of S. 1758, a bill to amend the Internal Revenue Code of 1954 to provide a simplified cost-recovery system based on recovery accounts, and for other purposes.

S.1806

At the request of Mr. BRADLEY, the name of the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 1806, a bill to recognize the organization known as the Jewish War Veterans of the United States of America, Inc.

S.1911

At the request of Mr. PRYOR, the name of the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 1911, a bill to insure the independence of certain administrative law judges.

S.1913

At the request of Mr. HUDDLESTON, the names of the Senator from Minnesota (Mr. BOSCHWITZ) was added to a cosponsor of S. 1913, a bill to provide for improvements in the school lunch and certain other child nutrition programs.

S.1938

At the request of Mr. HATCH, the name of the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Alabama (Mr. HEFLIN), the Senator from Nebraska (Mr. ZORINSKY), the Senator from Oklahoma (Mr. BOREN), and the Senator from Nebraska (Mr. EXON) were added as cosponsors of S. 1938, a bill to amend the Federal Food, Drug, and Cosmetic Act, the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act, and for other purposes.

S.1992

At the request of Mr. BENTSEN, the name of the Senator from Maine (Mr. COHEN) was added as a cosponsor of S. 1992, a bill to amend the Internal Revenue Code of 1954 to simplify and improve the income tax treatment of life insurance companies and their products.

S. 2014

At the request of Mr. SPECTER, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 2014, a bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide for assistance in locating missing children.

S. 2031

At the request of Mr. MOYNIHAN, the names of the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Michigan (Mr. LEVIN), the Senator from Nebraska (Mr. EXON), the Senator from Connecticut (Mr. DODD), the Senator from Nebraska (Mr. ZORINSKY), the Senator from Texas (Mr. BENTSEN), the Senator from Maine (Mr. COHEN), the Senator from Massachusetts (Mr. TSONGAS), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Massachusetts (Mr. KENNEDY), were added as cosponsors of S. 2031, a bill relating to the residence of the American Ambassador to Israel.

S. 2083

At the request of Mr. ARMSTRONG, the names of the Senator from Oklahoma (Mr. NICKLES), and the Senator from Wyoming (Mr. SIMPSON), were added as cosponsors of S. 2083, a bill to amend the Internal Revenue Code of 1954 to exempt from Federal income taxes members of the Armed Forces of the United States who die as a result of hostile action.

S. 2099

At the request of Mr. JEPSEN, the names of the Senator from Oklahoma (Mr. NICKLES), the Senator from Colorado (Mr. ARMSTRONG), the Senator from Idaho (Mr. MCCLURE), the Senator from North Carolina (Mr. HELMS), the Senator from South Dakota (Mr. ABDNOR), the Senator from North Carolina (Mr. EAST), the Senator from Virginia (Mr. TRIBLE), the Senator from Oklahoma (Mr. BOREN), the Senator from Idaho (Mr. SYMMS), and the Senator from Alaska (Mr. MURKOWSKI) were added as cosponsors of S. 2099, a bill to delay for 2 years the mandatory coverage of employees of religious organizations under social security.

S. 2119

At the request of Mr. SASSER, the names of the Senator from Vermont (Mr. LEAHY) and the Senator from California (Mr. CRANSTON) were added as cosponsors of S. 2119, a bill to provide for cash incentive awards for citizens whose disclosure of fraud, waste, or mismanagement in the Government results in substantial cost savings to the Government.

S. 2129

At the request of Mr. HATCH, the names of the Senator from Michigan (Mr. RIEGLE) and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 2129, a bill to provide revised reimbursement criteria for small rural health clinics utilizing National Health Service Corps personnel.

SENATE JOINT RESOLUTION 105

At the request of Mr. RUDMAN, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of Senate Joint Resolution 105, a joint resolution calling upon the Department of Justice and all other appropriate Federal agencies to enforce Federal antitrust laws including the prohibition against vertical price restraints.

SENATE JOINT RESOLUTION 137

At the request of Mr. RIEGLE, the names of the Senator from Minnesota (Mr. DURENBERGER), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Iowa (Mr. GRASSLEY), and the Senator from Minnesota (Mr. BOSCHWITZ) were added as cosponsors of Senate Joint Resolution 137, a joint

resolution to designate April 7, 1984, as "World Health Days."

SENATE JOINT RESOLUTION 196

At the request of Mr. WARNER, the name of the Senator from Kansas (Mr. DOLE) was added as a cosponsor of Senate Joint Resolution 196, a joint resolution to designate January 16, 1984, as "Public Employees Appreciation Day."

SENATE JOINT RESOLUTION 197

At the request of Mr. HATCH, the names of the Senator from North Carolina (Mr. HELMS) and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of Senate Joint Resolution 197, a joint resolution to designate the week beginning November 20, 1983, as "National Adoption Week."

SENATE JOINT RESOLUTION 198

At the request of Mr. PRYOR, the names of the Senator from Arizona (Mr. DECONCINI), the Senator from Michigan (Mr. RIEGLE) the Senator from Georgia (Mr. NUNN), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Louisiana (Mr. LONG) were added as cosponsors of Senate Joint Resolution 198, a joint resolution designating April 27, 1984, as "National Nursing Home Residents Day."

SENATE JOINT RESOLUTION 202

At the request of Mr. ARMSTRONG, the names of the Senator from Idaho (Mr. SYMMS) and the Senator from Alaska (Mr. MURKOWSKI) were added as cosponsors of Senate Joint Resolution 202, a joint resolution to designate 1984 as "The Year of Water."

SENATE CONCURRENT RESOLUTION 56

At the request of Mr. JEPSEN, the names of the Senator from Idaho (Mr. SYMMS) and the Senator from Arkansas (Mr. BUMPERS) were added as cosponsors of Senate Concurrent Resolution 56, a concurrent resolution expressing the sense of Congress in opposition to further expansion of cargo preference requirements.

SENATE CONCURRENT RESOLUTION 72

At the request of Mr. MOYNIHAN, the names of the Senator from Missouri (Mr. EAGLETON) and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of Senate Concurrent Resolution 72, a concurrent resolution calling on the President to appoint a special envoy for Northern Ireland.

SENATE CONCURRENT RESOLUTION 75

At the request of Mr. LEAHY, the names of the Senator from Mississippi (Mr. STENNIS), the Senator from Michigan (Mr. LEVIN), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of Senate Concurrent Resolution 75, a concurrent resolution favoring a National Museum of the United States Army.

SENATE CONCURRENT RESOLUTION 80

At the request of Mr. DOLE, the name of the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of Senate Concurrent Resolution 80, a concurrent resolution expressing the sense of the Congress that the President should take all steps necessary to bring the question of self-determination of the Baltic States before the United Nations, and for the other purposes.

SENATE RESOLUTION 139

At the request of Mr. ZORINSKY, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of Senate Resolution 139, a resolution disapproving the recommendation of the Study Group on Senate Practices and Procedures to abolish the Senate Committee on Veteran's Affairs.

SENATE RESOLUTION 185

At the request of Mr. DENTON, the name of the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of Senate Resolution 185, a resolution establishing a temporary Special Committee on the Family, Youth and Children.

SENATE RESOLUTION 241

At the request of Mr. LEVIN, the names of the Senator from Connecticut (Mr. DODD), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of Senate Resolution 241, a resolution expressing the sense of the Senate that the foreign policy of the United States should take account of the genocide of the Armenian people, and for other purposes.

SENATE RESOLUTION 285

At the request of Mrs. HAWKINS, the names of the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Jersey (Mr. BRADLEY), the Senator from Tennessee (Mr. SASSER), the Senator from California (Mr. CRANSTON), the Senator from Nebraska (Mr. ZORINSKY), and the Senator from Oregon (Mr. PACKWOOD) were added as cosponsors of Senate Resolution 285, a resolution expressing the sense of the Senate that medicare reimbursement for hospital care be at reasonable levels.

AMENDMENT NO. 2621

At the request of Mr. SIMPSON, his name was added as a cosponsor of amendment No. 2621 proposed to S. 2062, an original bill to provide for reconciliation pursuant to section 3 of the first concurrent resolution on the budget for fiscal year 1984 (H. Con. Res. 91, 98th Congress).

SENATE RESOLUTION 287—ESTABLISHING A TASK FORCE ON AGRICULTURAL CREDIT

Mr. COCHRAN (for himself and Mr. HUDDLESTON) submitted an amendment to the following resolution; which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. RES. 287

Whereas agriculture is the Nation's most basic industry, and its associated production, processing, and marketing segments, together, provide more jobs than any other single industry;

Whereas United States agriculture is the world's most productive and the world's largest exporter;

Whereas it is the Nation's interest to carry out an agricultural policy that will ensure an adequate, dependable supply of food and fiber at reasonable prices;

Whereas producers are the basic element in the food and fiber system and their ability to make a profit and meet their financial obligations is critical to their remaining in business;

Whereas technological developments have greatly increased the capital requirements of agricultural production;

Whereas agricultural-related debt has risen from $50,000,000,000 in 1970 to $215,000,000,000 in 1983;

Whereas a general decline in the financial condition of producers, as evidenced by increases in the average debt-to-asset ratio and debt-to-equity ratio, threatens the ability of producers to obtain the credit needed to continue their operations;

Whereas it is essential that producers be able to obtain adequate credit at interest rates conducive to debt servicing and profit making; and

Whereas the foundation of the Nation's agricultural system will be adversly affected if producers are unable to obtain a return on their investment that enables them to service their debt and continue their operation: Now, therefore be it

Resolved, That it is the sense of the Senate that the President should appoint a task force on agricultural credit to examine agricultural credit problems, report to the President and Congress on the credit-related problems confronting agricultural producers and related businesses, and make recommendations on how to resolve problems that might be identified.

SEC. 2. The task force should—

(a) identify and describe the components of the existing agricultural credit system;

(b) identify and describe the credit needs of agricultural producers and related businesses;

(c) identify and evaluate the current agricultural credit system's ability to meet producer credit needs; and

(d) develop for the President and Congress specific recommendations for policies and legislation to ensure the availability of adequate agricultural credit at reasonable cost.

SEC. 3. The task force should have a balanced membership composed of not fewer than 15 persons representing all major functions in agriculture, such as farmers, suppliers, marketers, and lenders.

SEC. 4. The task force should prepare and transmit to the President and Congress a report containing a detailed statement of findings and recommendations.

SEC. 5. The task force should complete its report within one year after the task force is established and the task force should terminate not later than eighteen months after the task force is established.

SEC. 6. The Secretary of the Senate shall transmit a copy of this resolution to the President.

Mr. COCHRAN. Mr. President, today I am submitting a resolution requesting the President to establish a Task Force on Agricultural Credit. The purpose of the Task Force will be to examine agricultural credit problems confronting farmers and agribusinesses.

As agricultural technology developed over the years it increased capital requirements for most farming operations. Economic returns to capital investments in agriculture, however, continue to be volatile. This combination of increasing capital requirements and continuation of volatile returns has increased the risk factor for agricultural production. Economic statistics for agriculture over the last several years show what the worst outcome can be with this combination of conditions. When a farmer loses, he loses big, and it takes a long time to recover with profit margins as low as they are in agriculture.

Agricultural debt has risen from $50 billion in 1970 to over $215 billion in 1983. This debt growth has not been offset by a growth in equity either. In fact, producer equity has declined. With the resulting increase in debt to asset and equity ratios, producers will have increasing difficulty in obtaining necessary levels of credit to finance their operations.

The agricultural policy of this Nation is to provide a system that will insure an adequate, dependable supply of food and fiber at reasonable prices. But the successes realized in this objective to date are due, in large part, to the structure of the production sector of the agricultural industry. A credit system that does not seek to maintain a structure similar to the current one may adversely affect the national objective.

Considerable information is available this year that indicates a comprehensive analysis should be made. The availability of adequate credit was a primary topic of concern expressed by farmers during hearings I conducted in Washington and Memphis on the impact of this year's drought. Also, in a recent news release by the Farm Credit Administration, it was reported that despite efforts by their lenders to service loans and stay with borrowers, the number of bankruptcies, foreclosures, and loans in the process of liquidation were all up during the first 6 months of 1983 compared to the same period in 1982. In that report, Federal land banks reported delinquent loans increased from 2.5 to 3.1 percent from June 30, 1982 to June 30, 1983. Production credit associations reported an increase in delinquencies from 2.7 to 3.7 percent during the same period. Other reports indicate the Farmers Home Administration delinquency rate has increased during this same period from 26.5 to 30.7 percent.

There is sufficient concern in the agricultural industry about the availability of credit and the terms of credit that is available to warrant an immediate study. The study I am proposing would be national in scope and include all sources of agricultural credit. The Task Force would identify and describe the components of the existing agricultural credit system, identify and describe the credit needs of agricultural producers and agribusinesses, identify and evaluate the current agricultural credit system's ability to meet credit needs, and develop specific recommendations for policies and legislation to insure the availability of adequate credit at reasonable costs.

Mr. President, I urge my colleagues to join me in this effort by supporting and cosponsoring this resolution.

● Mr. HUDDLESTON. Mr. President, our Nation's farmers are experiencing severe financial difficulties and one of their most important concerns is the availability of agricultural credit at reasonable interest rates.

Today, decreased land values jeopardize lender security on $215 billion of agricultural debt. Interest expenses—as a percentage of production costs—have dramatically increased. And, most distressing, there has been a steady increase in farm loan foreclosures, bankruptcies, and so-called voluntary liquidations.

The credit problems of individual producers have, in turn, led to difficulties for many agricultural lenders. For the first time in history, the Farm Credit Administration has found it necessary to monitor the number of foreclosures initiated by farm credit system lenders. In addition, several production credit associations are experiencing difficulty in collecting certain loans. Small local banks have lost deposits to urban financial centers and now must compete directly with big city banks. The Farmers Home Administration is being sued in numerous Federal courts over its loan making and servicing policies.

Because of the turmoil in the financial industry, and among agricultural lenders in particular, now is the time to carefully examine our Nation's agricultural credit industry and Federal credit policies. That is why I am sponsoring this resolution.

I believe that a careful, unbiased examination of the Nation's agricultural credit system would be most beneficial. However, it would be a mistake for the administration to appoint a task force that would only be a rubber stamp for the Office of Management and Budget and its failed agricultural policies.

For that reason, I strongly urge the President to consult with Members of Congress on appointments to the task force and to make certain that family farm operations are well represented. In addition, I will monitor the work of the task force to make certain that all segments of the farm community are heard from.●

SENATE RESOLUTION 290—IN HONOR OF MARVELOUS MARVIN HAGLER

Mr. TSONGAS submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 290

Whereas Marvelous Marvin Hagler won on November tenth of this year a unanimous decision which allowed him to retain his title as Middleweight Champion of the World;

Whereas Mr. Hagler has compiled a professional boxing record of fifty-eight wins, two draws, and only two defeats in a spectacular ten year career;

Whereas Mr. Hagler has demonstrated throughout that career the graciousness and sportsmanship, as well as the competitiveness and talent, found in all true champions;

Whereas Mr. Hagler has proven himself the greatest boxer active today, and has placed himself in the exclusive pantheon reserved for the greatest fighters of all time; Now, therefore, be it

Resolved, That the Senate of the United States of America joins with the people of Massachusetts and sports fans throughout the world in honoring Marvelous Marvin Hagler, "the pride of Brockton, Mass.", for his outstanding career, his outstanding sportsmanship, and his outstanding contribution to his sport and his community.

● Mr. TSONGAS. Mr. President, today I am proud to extend my congratulations to Marvelous Marvin Hagler on his decisive victory over Roberto Duran in their World Middleweight Championship bout Thursday evening.

Mr. President, I bring this matter before the Senate today because of Mr. Hagler's truly special qualities, both in and out of the boxing arena. He has been the undisputed middleweight champion of the world for 3 years now, and this most recent defense of his title was the eighth time he has done so during his tenure as champion. His great ability, coupled with the determination and intensity he brings to every bout, leaves him without peer in the boxing world.

Marvelous Marvin Hagler, the pride of Brockton, Mass., is also a citizen who has given of himself on countless occasions to causes which benefit those members of society less fortunate. From young children to senior citizens Marvin Hagler has generously supported efforts to improve the quality of life for the people around him. He is truly an inspiration to all of us who know him.

So today, Mr. President, I am especially proud to congratulate a man who is in more than one way a champion. Marvelous Marvin Hagler is a hero to all who know him, an inspiration to all who associate with him, and the first citizen of the fair city of

Brockton, in the Commonwealth of Massachusetts.

I ask, Mr. President, that two articles appearing in the Boston Globe on Friday, November 11, another article appearing in the November 14 issue of People magazine, and one appearing in the November 21 issue of Newsweek be included in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From People, Nov. 14, 1983]

MARVIN HAGLER IS OUT TO PROVE JUST HOW "MARVELOUS" HE IS IN HIS BOUT WITH ROBERTO DURAN

(By William Plummer)

After the fight, Wilford Scypion's trainer said his kid had been doing fine—until he stepped into the ring. "He changed colors," confided the trainer. "His eyes got as big as silver dollars." And no wonder. He had peered across the expanse of canvas to see Marvelous Marvin Hagler, who with his shaved head looked an awful lot like Ming the Merciless. Within four rounds, Scypion's high-top yellow shoes were high in the air, bottoms up.

Hagler, who has been middleweight champ for three years now, was curiously unelated this past May by his seventh successful title defense. "What is there left for me?" he asked. "I think I'm getting better with every fight, but I can't find anyone to bring out the best in me. I'm thinking of retiring."

Then, suddenly, a month later, there was Roberto Duran, back from ignominy to take out Davey Moore and secure the World Boxing Association junior middleweight title. He seemed to be the Duran of old; his eyes, blazing with intensity, all but burned away the memory of his "No más" loss to Sugar Ray Leonard and brought many to say, "Here, at last, is someone fit to meet the Marvelous One!"

And so a meeting was arranged for this Thursday night at Las Vegas' Caesars Palace. Each combatant could come away with $8 million to $10 million—far and away Hagler's biggest payday and, for Duran, roughly the same amount he picked up for an evening's work with Leonard. Last week the Vegas odds favored Hagler by about 3 to 1, with the smart money saying the 32-year-old Duran is a blown-up welterweight (135 to 147 pounds) contesting a robust middleweight (148 to 160 pounds). But the Duran enthusiasts point to the fact that their hero has faced 11 reigning or former world champions (where as Hagler has faced but two), that he's been past 10 rounds 10 times (while Hagler's been that distance just four times), that Hagler's never been in a fight of this magnitude, and so on. Hall of Fame trainer Ray Arcel even goes so far as to say, "If Duran wants to fight and is in condition, there is nobody in the world who can beat him."

All of which Marvin finds marvelously interesting. If makes him feel, against the odds, that *he is the underdog*—a role he finds desirable, even necessary. "Trying to show people—that's what keeps me hungry," he says. "If it ain't one thing, it's another. That's the story of my life."

The Marvin Hagler story begins in Newark, N.J. on May 23, 1954 and hits its first rough patch a few years later when his father, Robert Sims, abandons his mother, Ida Mae, and their six children to welfare, the street and dreams. "I always knew I wanted to box," says Marvin, who uses his mother's maiden name. "I used to see posters with Floyd Patterson, newspaper stories about Emile Griffith, stuff like that. I wanted to be somebody, not some hoodlum, but the right kind of somebody."

An elderly social worker named Mister Joe put gloves on Marvin for the first time when he was 12. "He'd pair us off and stand on the side and make sure nobody'd get hurt," Hagler recalls. "Mister Joe had a number of kids who needed someone to believe in them." At 14, Marvin quit school and went to work in a toy factory to supplement Ida Mae's income as a caterer and housekeeper.

With violent race riots in '67 and '69, Newark was clearly no place to be somebody. At one point, Hagler recalls, while the kids were huddled under the beds, a burst of gunfire nearly took out Uncle Eugene on the front stoop. Ida Mae had had enough and moved the family to Brockton, Mass., where she had a relative. It was there that young Marvin met destiny in the persons of Goody and Pat Petronelli, who ran a gym for young boxers. For weeks, Goody remembers, Marvin "just sat there like a little gentleman," taking in the scene, until finally Goody asked him whether he'd like to train.

The Petronellis were "different" to Hagler—for starters, they were white. "If you seen any white guy where I grew up, he was basically behind a store counter," Hagler says. "And all the black guys were on the opposite side, wanting to be where the white guy was. The problem was how the hell to get there." The Petronellis quickly set about showing their new charge. But they didn't really know what they had until the 1973 National AAU finals, when 158-pound Marvin tore up the 165-pound class and won the Outstanding Fighter Award in a tournament that included Aaron Pryor and Ray Leonard.

Two weeks later, with his first pro bout, Hagler began his long, frustrating climb to the upper reaches of the middleweight division. From the outset he had trouble getting fights. As Joe Frazier would later tell him, "You got three strikes against you. You're black, you're a southpaw and you can fight."

Middleweight champions came and went, but none would give him a title shot. Finally, in 1979, six and a half years after turning pro, he faced Vito Antuofermo for the crown. Hagler fought Antuofermo to a draw, which wasn't good enough. Given a second shot at the title in 1980, he finished England's Alan Minter (who had beaten Antuofermo) in three rounds. In May 1982 he had his name legally changed from Marvin Nathaniel Hagler to Marvelous Marvin Hagler.

These days the champ lives with his wife, Bertha (she still calls her husband just plain Marvin), and their four children (two from her previous marriage) in a house near Brockton which has an indoor pool. He drives a white Cadillac and, according to his accountant, after the Duran match Marvin will enjoy a tax-free income of at least $200,000 per annum for the rest of his life. What's more, according to a recent neurological exam, he shows no sign whatsoever of that occupational hazard, brain damage.

Going into the Duran fight, Hagler persists in seeing himself as the party with something to prove. Sitting before an unlit fireplace in the Provincetown Inn, his training camp cum "prison" on the last curl of Cape Cod, he tells a lengthy anecdote about "this skinny kid" from Brockton going up to Lowell for the finals of the New England Golden Gloves. The kid is standing in the darkened ring when, suddenly, the spotlight illumines his opponent, a burly veteran described as a three-time Golden Gloves champion with well over 100 fights. "Wow!" the skinny kid says to himself. "And this is my first time!"

Returning to the present, Hagler draws his moral. "You see, here's a guy, Duran, who's had so many fights and so many titles. And here's this skinny little kid again—me—off in the corner." He pauses, then smiles expansively. "But what happened back then was, I overcame the guy. So maybe I can do it again."

[From the Boston Globe, Nov. 11, 1983]

THE FINAL ROUND, ROUND OF DECISION

(By Leigh Montville)

LAS VEGAS.—The blood rolled down his left cheek, a long and running drip from below his swollen left eye. The buzz of noise came from behind the waving Panamanian flags. The leering face of a man who would not go down was hung in front of him, and Marvelous Marvin Hagler walked into the place he always wanted to walk.

He moved into the thin and special air of greatness.

"We need the last round, Marvin," manager Pat Petronelli said at the start of the moment that had grown and grown last night in the little stadium on the back lot of Caesars Palace. "We need it big."

The 15th round finally had arrived. Not for one night, but for all of the nights in all of the places. This was the challenge that always had been off in the future, off in the imagination, the question mark that always had been the elusive tag line to his career.

How good—really good—is Marvelous Marvin Hagler? The 15th round had arrived and he walked to meet it.

"We knew we had some trouble," Pat Petronelli said. "Marvin had given the guy too much respect. He had to get in there. He did it in the 14th and he had to do it now."

The guy was 32-year-old Roberto Duran, bouncing, snarling, sticking his tongue out, seemingly revived at the end of this night. The long soul-search from two years ago and his strange departure in the eighth round against Sugar Ray Leonard had driven him back to this night, back to the games he always played so well.

For most of the fight he had been a defense fighter, staying away from Marvelous Marvin, but in the 11th round he had begun a climb. He had won the 11th, the 12th, the 13th. The judges had been impressed, if not everyone watching the fight from ringside. If the fight had stopped at the end of 13, Roberto Duran would have won a split decision.

"We need it, Marv," Pat Petronelli said. "We need it big."

He had won the 14th convincingly, and now there was the 15th. The noise. The entire fight—beamed everywhere, grossing all that money, played at the feet of high rollers and Susan Anton celebrities—was out there to be won in these final three minutes.

Marvelous Marvin came into the ring in that familiar half-shuffle and referee Stanley Christodoulou asked the fighters to touch gloves, and it was a pair of jabs that went to the air, not a friendly tap. Roberto Duran never threw another solid punch.

Marvelous Marvin went where he always wanted to go.

Combinations. Jabs. Punches and more punches. He went forward and forward and Roberto Duran never had a chance. Combinations. Bounce. Punch. There was no air for Roberto Duran to breathe. Marvelous Marvin moved and moved and would not stop.

"He's never beaten anyone," the fight experts always would say in debate. "Maybe he's never fought anyone, but he's still never beaten anyone."

Oh yes? He was beating Roberto Duran. This was the Duran who had won three world titles. This was the fit and hearty Duran. This was the returned lionheart of Panama, pride of an entire country.

Wasn't Roberto Duran a measuring rod for greatness for Leonard? Marvelous Marvin was pounding the same Roberto Duran. No, really, a better Roberto Duran. A Roberto Duran who was in shape.

"We don't know about Marvin Hagler's heart" was another knock. "The only time he went 15 rounds, he was pooped at the end. He fought a draw with Vito Antuofermo because he couldn't handle a 15th round."

Oh, yes? Marvelous Marvin was the strong fighter here. He was in control. He was moving, hitting. Duran would stop in the middle of taking a barrage of punches and turn on a playground snarl, as if to say he wasn't being hurt. Marvelous Marvin simply would keep hitting. Never stop.

He was the same constant motion he has been forever on the second floor in the Petronelli AC in Brockton, in the ring by the swimming pool at the Provincetown Inn, in all the other rings he ever has worked. His moment came and he did not change.

"There came a time in the fight that I decided to go for the win," Marvelous Marvin said. "I'd been trying for the knockout early, but then I decided to go for the win and maybe catch him in the end."

The end was Marvelous Marvin, still punching. He had moved the action all the way to Duran's corner and, when the bell sounded, he was in the middle of a punch. Duran leered one more time. Marvelous Marvin waved a hand at him, as if to say, "The hell with you; you're finished business."

"I give Roberto Duran some credit," he said. "But I give myself some credit, too. I beat a three-time champion. I beat a legend. If you're going to ask, 'Why didn't you knock out Roberto Duran,' why don't you ask, 'Why didn't Roberto Duran knock out Marvin Hagler?' "

The decision was close but unanimous. The judges had him ahead by one point, two points, and one. The deciding factor on all three cards was that Marvelous Marvin Hagler had won the final two rounds.

"I'm very proud of myself," the champion said. "I'm as proud of myself as I was the day I won the title."

It seemed almost as if a deal had been struck. Roberto Duran needed a show of fortitude, courage, to erase the bad memories. Marvelous Marvin needed the challenge, the moment, the monster to handle, before he could walk in that special place.

The debate can end. The man is the best fistfighter in the world.

[From the Boston Globe, Nov. 11, 1983]

HAGLER SURVIVES DURAN

(By Steve Marantz)

LAS VEGAS.—Marvelous Marvin Hagler outboxed Roberto Duran last night, but he had a hard time convincing the three men who decide such matters.

"Is that right?" was Hagler's astonished reply when told that he trailed on two scorecards and was tied on a third after 13 rounds.

Hagler had as little idea of the scoring as he had of solving Duran. But he won the last two rounds nonetheless and held on—somewhat precariously—to his precious middleweight title.

Canadian judge Guy Jutras had it 144-142, Japan's Yasaku Yoshida 146-145, and Denmark's Ove Ovesen 144-143, all for Hagler.

"We knew it was too close for comfort," said Pat Petronelli, Hagler's co-manager. "We told Marv he had to win the last two rounds."

Duran, the reigning WBA junior middleweight champion, and former lightweight and welterweight champion, proved to be Hagler's most frustrating title challenger—the first to take him the distance.

"I was better," said Duran. "I'm not disappointed."

In the 12th round, Duran hammered Hagler repeatedly with straight right counters, closing Hagler's left eye.

"I knew Hagler was in bad condition, but I was too tired to finish him," said Duran.

In the 14th, which Hagler won, Duran landed another right and opened a cut over Hagler's left eye. "He never hurt me," said Hagler.

In the pivotal 15th, which could have swung the decision to Duran, Hagler was at his best. He took the fight inside, pressuring and swarming, forcing Duran to the ropes. Momentarily, Duran appeared in trouble in his own corner. Hagler never eased off, and was the stronger fighter at the final bell.

At the time, Hagler didn't realize he was in a photo finish. But he knew he hadn't quite put together his best fight, at the same time crediting Duran for cleverness.

"I was tight," said Hagler. "Next time—if there's a rematch—I would apply more pressure."

On the scorecards, Duran led after three rounds, Hagler won most of rounds 4-10, and Duran took 11-13.

The first round was passive, with both figures measuring each other, circling in the center of the ring, Hagler's occasional jabs were easily avoided. Duran's first punch earned a low-blow warning from referee Stanley Christodoulou; the rest had no effect.

Duran got another warning early in the second, then took a right jab and uppercut from Hagler. But Duran came back with at least four straight rights, a couple of them hitting Hagler's chest with force.

In the third, Hagler met Duran coming in, and they traded heavy punches close together. Duran appeared to win the exchange, backing Hagler up. Early in the round, Duran ducked a wild Hagler left and countered with a cute left-right combination.

The fight alternated between tactical feinting and heavy exchanges in the fourth. Hagler scored early with a right uppercut, left to the body and stiff jab. Duran landed the best blow of the bout to that point, a right counter flush to Hagler's nose. The two circled and feinted, punching simultaneously and hitting gloves in midair.

Hagler started fast in the fifth, scoring with a left uppercut, right hook and right to Duran's gut. Then Hagler scored his best combination of the bout, a right-left that backed Duran up. Duran's punches were ineffective, but his defense was confusing and Hagler couldn't find another opening.

Hagler simply mauled Duran in a surprising sixth, taking the fight inside and outflurrying the weary challenger. Hagler scored with every punch in his arsenal, mostly short, compact punches to Duran's head. Duran appeared to be fighting on instinct, unable to beat Hagler to the punch.

Hagler was in control in the seventh, forcing Duran back, working him up and down with both hands.

The eighth was uneventful, with Hagler working conservatively, jabbing and circling.

Duran was cautious, parrying Hagler's blows, still looking for an opening in Hagler's defense. At the bell they grappled and glared at each other.

The ninth was more of the same, with Hagler having his way, nailing Duran early with jabs and a hard left-right combination.

The 10th started slowly, Hagler coming forward and working inside. Duran got another low warning, then landed a solid right counter off the ropes, and followed with two hard body punches. Hagler kept coming, finally slamming a hard left off Duran's head at the bell.

In a very slow 11th, which had the crowd booing, Hagler circled and let up on his attack. Duran plodded forward and managed a couple of body shots.

Duran fought a remarkable 12th that had the crowd on its feet. Sensing that he needed a knockout, Duran loaded up on right hands and hammered Hagler repeatedly to the head. Hagler's left eye started to close. Duran came forward, and for the first time Hagler appeared weary. Hagler retaliated with a solid right-left, but Duran came back with another purposeful right.

Again in the 13th, Duran got the better of Hagler, landing three solid rights. Hagler was unable to solve Duran's rhythm, appearing uncertain at times.

Duran, amazingly fresh, opened a cut over Hagler's left eye with a right in the 14th. Duran wiggled at Hagler, who stuck out his tongue, but the round was anything but funny. Hagler was more aggressive but still ineffective.

Hagler had possibly his best round in the 15th, mauling Duran, forcing him to the ropes, and appearing to daze him briefly in his own corner. Duran had nothing on his punches, but was still slick, avoiding Hagler's winging rights and lefts.

The two glared at the bell and Hagler walked away, waving his glove in disgust.

[From Newsweek, Nov. 21, 1983]

DARK NIGHT OF THE FIERY WARRIORS

(By Pete Axthelm)

A very good, very large middleweight champion named Marvin Hagler beat a smaller and older challenger, Roberto Duran, in a 15-round title bout at Caesars Palace in Las Vegas last week. Despite some of the puzzling round-by-round judgments we have come to expect in the land of Hitching Post Wedding Chapels and Fantasy Tower suites, the final verdict was unanimous and just.

Hagler, a workmanlike left-hander from working-class Brockton, Mass., is just reaching the wealth and honor that Duran long ago seized and then virtually tossed away. He also rewarded bettors who laid prohibitive 4-1 odds on him. History may even justify the prefight assessment of a shrewd British investor who backed Hagler: "What bank pays you this much interest in a few hours?"

Silly Seers: The best retort to that quip, of course, is, "What bank makes you endure

15 rounds with a fighter as savage and smart as any who ever lived?" For that matter, how would you like the loan committee composed of three foreigners when your opponent is a worldwide hero from Panama? But forget the judges for now. We will always have our share of silly seers at our ringsides. We will not always have the mercurial, magnetic and mightily flawed Duran. And in this defeat, he earned one more tribute.

This was a less-than-towering contest, influenced as much by tactical swings as physical ones. But it did become a fierce test of wits and wills. And the outmuscled 32-year-old Duran not only made Hagler, 29, endure a rough and bloody evening, he ultimately forced Marvelous Marvin to reach down in the last two rounds for the spirit that allows true champions to prevail.

As one of the two greatest fighters of the last decade or so, Duran presents an intriguing contrast to his heavyweight counterpart, Muhammed Ali. As draft resister, hero of youth and even now as a sad and slurring shadow of the symbol we made him, Ali has always called out to the conscience of our time. Duran, with a snarl on his lips and a barely banked fire in his eyes, probes deeper, darker regions of the boxing unconscious.

Furies: For better or worse, the sport has often built legends around its unbridled primitives. I suspect that a considerable segment of the boxing population has long been comfortable with the noble or ignoble battler whose violent furies demand awe rather than understanding. Such people rooted for a Dempsey over a Tunney, a Liston over a Patterson, a Duran over a Sugar Ray Leonard. Duran didn't just accept such a role, he reveled in it.

Before the first Leonard fight in Montreal, I introduced Roberto to a beautiful and elegant hotel executive. He leered at her approvingly for a moment, then turned away and blew his nose onto the rug of the impeccable hotel lobby. In the ring he flirted similarly with beauty, matching artful moves with a consummate boxer just long enough to seize a chance to deliver a blow below the belt or a thumb into an eye. Finally, after he had bullied the gentlemanly Leonard into submission in Montreal, he played out the villain's role to an ugly climax in the rematch in New Orleans. Robert Duran quit in the ring.

Many who has cheered his savagery took equal pleasure in his humiliation. Experts laughed at his troubled attempts at self-redemption; two defeats and a dull triumph in a "walkout fight" after a main event in Miami. The ignominy had come full circle: he had quit his backers and now they could walk out on him.

Juncture: During that hollow time, Duran's millionaire manager, Carlos Eleta, dropped him. His two lovable old tutors, Ray Arcel and Freddie Brown, bailed out while his no más plea was still echoing out of the Superdome. Sometimes he seemed to give up on himself, ballooning into hopeless fighting shape. But at some lonely juncture, like Ishmael in "Moby Dick," he was forced to look into the face of fire and decided that he too would live to tell the tale.

This year Duran beat a familiar but washed-up old foe, Pipino Cuevas, then upset inexperienced Davey Moore for the junior-middleweight crown. It still remained a vast jump to take on Hagler as a middleweight, and it proved more than he could manage. But in a remarkable display of trickery, resourcefulness and courage under the bigger man's attack, Duran forever stilled the no más echo.

Spitting and snarling, Duran made his entrance in a style that might have made the movie stars in celebrity row choke on their white wine and finger sandwiches. Then, his brawling fury held briefly in check, he spent the early rounds proving that he could make the classic-style Hagler miss him. The strategy apparently had a suitably muddling effect on judges, two of whom still had Roberto ahead through 13 rounds. He also seemed to be marshaling his history and his spirit as he flashed the remembered tricks from all those smoky nights in dozens of angry arenas.

In the sixth round, Hagler began raining him with the kind of blows that begin to resemble quick bank interest. Time and again he shook off the attack. Then he began to counter in the little ways that Duran watchers have loved and hated for so long. No longer blessed with his hands of stone, he used his still-hard head to butt his rival and raise a welt. He appeared to get a thumb in Hagler's left eye, followed by enough short rights to open a profuse cut. When the punches didn't quite connect, he once held Marvin's head in place as he took aim at the target. And in the clinches, his head was always scraping the eye.

No, it wasn't nice or pretty or particularly admirable. But it was, after too long an absence, the real Duran. Even after Hagler had rallied ferociously in the final rounds to nail down the victory, the winner was more than grudgingly appreciative.

"Roberto Duran is a very gutsy warrior," Hagler said as he raised the two belts that symbolize his unified championship. At three other points in the press conference, Marvin repeated the phrase. He also mentioned the thumbing and the butting. But he sounded more proud than bitter; "Hey, this man's a legend and I beat him."

Duran had ample chance to be equally gracious. He chose to remain true to himself. He complained of pain in his right hand, suffered in the fifth round. If true, it amplified the bravery in his skilled use of that hand for the rest of the fight. If it was a bit of a churlish excuse for a loser, well, the villain didn't battle this far back just to turn into a gentleman.

Long Road: Duran was quick to wave off talk of retirement, although many had assumed he would quit if he lost. Instead, with about $6 million in hand as his share—compared with Hagler's take of about $10 million—Roberto said that if there is more cash where that came from, he would love to fight Hagler again. "He's a strong fighter," Duran said through his interpreter. "But I didn't learn anything special from him tonight. Marvin Hagler is a lucky champion." Then, as if to put an exclamation point on the press conference—and on the long road he has traveled—Roberto blew his nose loudly into the microphone. This time he used a handkerchief.●

SENATE RESOLUTION 291—RELATING TO A NATIONAL COMMISSION ON ENTITLEMENT REFORM

Mr. MATTINGLY (for himself, Mr. DENTON, and Mr. NICKLES) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 291

Whereas Federal spending currently exceeds three-fourths of a trillion dollars and, according to the Congressional Budget Office, will surpass the trillion-dollar-a-year level before the end of this decade; and

Whereas an ever-growing share of the federal budget is uncontrollable; and

Whereas the increasing loss of control is due primarily to the tremendous growth of entitlement programs—so called because their recipients are legally "entitled" to benefits; and

Whereas the share of the federal budget taken up by entitlements has grown from 36.1 percent in 1967, to a high of 59.1 percent in 1980, with entitlements comprising over 50 percent of the fiscal year 1984 budget; and

Whereas one example of the tremendous growth in entitlements is Medicare which, when enacted in 1965, cost less than $1 billion, and in 1984 will cost the Federal government approximately $86 billion on the medicare/medicaid system; and

Whereas the continual increase in Federal spending results in large budget deficits; and

Whereas these large deficits cause a rise in interest rates and inflation and can choke off the current economic recovery; and

Whereas the Congress must regain control of the "uncontrollable" items in the Federal budget, specifically entitlement programs, if it is to control Federal spending; Therefore be it

Resolved, That it is the sense of the Senate

(1) That a National Commission on Entitlement Reform similar to the National Commission on Social Security Reform, be established to study the growth in entitlement programs and report to the Congress after January 1, 1985, on those steps Congress might consider for the purpose of reforming Federal spending for entitlement programs and curbing their growth in an effort to regain control of the so-called uncontrollable elements of the Federal budget.

(2) Such commission should—

(a) be composed of distinguished leaders from the executive and legislative branches of Government, business, labor, and education; and

(b) consult with other private and public sector experts for recommendations about reforms that would best address existing problems.

SENATE RESOLUTION 292—RELATING TO FOOD DISTRIBUTION AND SHELTER PROGRAMS

Mr. PRYOR submitted the following resolution; which was referred to the Committee on Appropriations:

S. RES. 292

Whereas Public Law 98-8 (97 Stat. 13) appropriated $50,000,000 to carry out an emergency food and shelter program for needy persons during fiscal year 1983;

Whereas Public Law 98-8 provided for the establishment of a national board and for the designation of local boards for the purpose of determining how funds for the program should be distributed;

Whereas such boards distributed the funds for the program effectively and efficiently through private voluntary organizations;

Whereas the private voluntary organizations which participated in the program contributed substantial time and resources to the success of the program; and

Whereas the program provided more than 33,000,000 meals to needy persons and provided overnight sleeping accommodations for more than 2,200,000 homeless people: Now, therefore, be it

Resolved, That the Senate hereby expresses its sincere appreciation to and commends the United Way of America, the Salvation Army, the National Council of Churches, the National Conference of Catholic Charities, the Council of Jewish Federations, Incorporated, the American Red Cross, and other participating organizations for their generous efforts in carrying out the emergency food and shelter program provided for under Public Law 98-8 (97 Stat. 28).

Mr. PRYOR. Mr. President, the jobs bill enacted earlier this year contained a provision appropriating $50 million to provide emergency food and shelter through a program administered by the Federal Emergency Management Agency and six nonprofit voluntary agencies: The United Way of America, the Salvation Army, the National Council of Churches, the National Conference of Catholic Charities, the Council of Jewish Federations, and the American Red Cross. This program was not only highly successful, it has become a model for public sector-private sector cooperation.

In recognition of the efforts of these distinguished nonprofit organizations, I am submitting today a resolution expressing the appreciation of the Senate to these organizations for their efforts in carry out the emergency food and shelter program.

This program provided over 33 million meals and 2.2 million nights of lodging for hungry, homeless people. It also provided these organizations an unusual opportunity to work with each other and brought together Government and private agencies in a way that has far-reaching and important consequences. The positive alliances established through this program have already helped communities across America.

It is estimated that United Way absorbed $250,000 in administrative costs and 6,000 staff-hours. FEMA, the one Federal Government agency involved, devoted one full-time staff member to the project and absorbed all mailing costs.

Final decisions on how the money was to be spent were made on the local level. Organizations such as ministerial alliances, food banks, Traveler's Aid societies, veterans' organizations, YWCA and YMCA branches, senior citizen organizations and community centers all worked to make the food and shelter available. Over 3,600 private voluntary organizations in 971 civil jurisdictions received funding.

This program was truly a triumph of volunteerism and an example of people working together in the spirit that has made this country great.

Mr. President, because of the remarkable success of this effort and the dedication of these participants, I believe the Senate should commend these organizations which have participated in this most successful program. I hope that my colleagues will join me in honoring these fine organizations and their members for a job well done and for their unselfish and humanitarian efforts.

SENATE RESOLUTION 293—RELATING TO ENFORCING THE SUBPENAS OF THE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. ROTH (for himself, Mr. NUNN, Mr. PERCY, Mr. COHEN, and Mr. RUDMAN) submitted the following resolution; which was referred to the Committee on Governmental Affairs:

S. RES. 293

Whereas, the Senate Permanent Subcommittee on Investigations subpenaed Anthony J. Accardo to testify at a Subcommittee hearing, and he appeared before the Subcommittee at a hearing on November 17, 1983, and was immunized under court order against self-incrimination by his testimony but refused to answer the Subcomittee's questions, and

Whereas, under section 703(b) of the Ethics in Government Act of 1978, 2 U.S.C. 288b(b), the Senate Legal Counsel shall bring a civil action to enforce a subpena of a Senate subcommittee only when directed to do so by the adoption of a resolution by the Senate: Therefore, be it

Resolved, That the Senate Legal Counsel shall bring a civil action in the name of the Senate Permanent Subcommittee on Investigations to enforce the Subcommittee's subpena to Anthony J. Accardo, and that the Senate Legal Counsel shall conduct all appeals, contempt proceedings, and other ancillary legal proceedings, relating to testimony of Anthony J. Accardo before the Subcommittee.

Mr. ROTH. Mr. President, at this time I would like to submit Senate Resolution 293, which would direct the Senate legal counsel to bring a civil contempt action to enforce a subpena issued by the Permanent Subcommittee on Investigations.

This action has been necessitated by the refusal of a witness before the subcommittee, Anthony J. Accardo, to answer numerous questions. Mr. Accardo has been publicly identified many times as a leading member of the Chicago organized crime organization. More recently, allegations have been made which link Mr. Accardo to the Hotel Employees & Restaurant Employees International Union, which has been the subject of an extensive PSI investigation during the past 2½ years. Mr. Accardo was subpenaed to appear before the subcommittee yesterday, November 17, to respond to allegations concerning his activities.

Under rule XXV(1)(k)(1) of the Standing Rules of the Senate, the Senate Committee on Governmental Affairs is a duly authorized Senate committee. Under rule 7(A) of the Rules of Procedure of the Committee, the Senate Permanent Subcommittee on Investigations is a duly authorized subcommittee of the Committee. Therefore, under rule XXVI(1) of the Standing Rules of the Senate, both the Committee and the Subcommittee are authorized to "require by subpena or otherwise the attendance of such witnesses * * * as (they) deem advisable." Under Senate Resolution 76, 98th Congress, 1st session, both the committee and its duly authorized subcommittees are authorized to investigate syndicated or organized crime.

The subcommittee held its hearing pursuant to its rules and obtained an immunity order for Mr. Accardo after a polled vote of all the members of the Governmental Affairs Committee. Mr. Accardo was therefore immune to prosecution for any statements he may have made.

Mr. Accardo sought to avoid his appearance by first evading service and then claiming a medical incapacitation. Shortly before the date of the hearing he filed a suit in the U.S. District Court for the District of Columbia, claiming that the subpena was based upon illegal wiretaps. On Wednesday, November 16, Judge John Penn heard arguments and ruled against Accardo. Accardo's efforts to obtain a stay from the court of appeals similarly failed. We view all of there efforts as dilatory in nature and designed to impede the work of the subcommittee.

Mr. Accardo finally appeared yesterday. After answering several initial questions concerning his name and addresses, Mr. Accardo began to refuse to answer specific questions based upon the fact that the subcommittee had failed to provide him with affirmative proof that the questions were not derived from any illegal wiretaps. As chairman of the subcommittee, I overruled his objections, ordered him to respond, and repeatedly advised him that the subcommittee had an independent basis for each of its questions, even if illegal wiretaps had ever taken place. Mr. Accardo still refused to answer. Senator NUNN, during his questioning of the witness, demonstrated that Mr. Accardo would answer some questions but would refuse to answer others regarding the same basic subject area, and Mr. Accardo was unable to provide any explanation for this distinction. He raised the same objection to a question from Senator COHEN asking him to identify himself in a picture.

By taking these actions, Anthony Accardo has completely frustrated the subcommittee in its efforts to elicit relevant information about matters which are clearly contained in its mandate and which allegedly involve Mr. Accardo. Further, Mr. Accardo has attempted to use 18 U.S.C. 2515, pertaining to the use of illegal wiretaps, in a

way which has the potential to frustrate all congressional investigations. It is imperative that this issue be litigated and resolved as soon as possible.

After considering all of the options available, I believe that at this time a civil contempt action is appropriate and the resolution I am introducing today would set the appropriate procedures in motion. This decision demonstrates the desire of the subcommittee actually to secure the testimony of this witness. Additionally, this procedure normally requires less time than a criminal contempt procedure. However, I wish to emphasize that all witnesses remain subject to criminal contempt actions, and, should Mr. Accardo continue to frustrate the lawful objectives of PSI, this option will be utilized.

Therefore, I have submitted this resolution which will initiate the civil contempt process under 28 U.S.C. 1364. I do not propose that a formal vote on this resolution be taken at this time because the rules require a role of the committee and a report to be filed by the committee. Once the resolution is referred to the Committee on Governmental Affairs it can, at its earliest convenience, meet to fully discuss its ramifications, and formally vote on the resolution and adapt the report as required by 2 U.S.C. 288d. Thereafter, the resolution will be returned for full Senate consideration.

I believe that submission of this resolution today will tend to send a message to Mr. Accardo and to all prospective congressional, witnesses that the Senate will take whatever steps it must to secure relevant testimony before its committees.

SENATE RESOLUTION 294—RELATING TO THE RIGHT OF IGOR V. OGURTSOV TO EMIGRATE

Mr. RIEGLE (for himself, Mr. LEVIN, Mr. BUMPERS, Mr. BINGAMAN, Mr. QUAYLE, and Mr. LUGAR) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 294

Whereas the Soviet Union is a party to the Final Act of the Conference on Security and Cooperation in Europe and the Universal Declaration of Human Rights;

Whereas Igor Ogurtsov, the founder of a religious-political opposition group in the USSR known as the All-Russian Social Christian Alliance for the Liberation of the People (VSKhSON), in late November and early December, 1967, was tried *in camera* with three other leaders of VSKhSON and was found guilty of treason (Article 64 of the RSFSR Criminal Code) and subsequently sentenced to fifteen years of imprisonment and five years of internal exile;

Whereas Igor Ogurtsov denied that he was guilty of treason but was nonetheless sentenced to seven years in Vladimir prison, eight years in a strict regime camp, and five years of internal exile;

Whereas the latest reports indicate that Igor Ogurtsov is in poor health, is very undernourished and weak, suffers from high blood pressure, liver malfunction, poor sight and loss of teeth and has been described by his mother as "a walking skeleton;"

Whereas Igor Ogurtsov was offered an exit visa that would allow him and his parents to emigrate only if he signed a statement of pardon renouncing his views;

Whereas to sign such a document would have been to compromise his principles in that his arrest was illegal to begin with;

Whereas Igor Ogurtsov desperately wishes to emigrate to any country in the West that would accept him and his parents;

Whereas Igor Ogurtsov is the only remaining VSKhSON member still imprisoned: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President, acting directly or through the Secretary of State, should—

(1) continue to express at every suitable opportunity and in the strongest possible terms the opposition of the United States Government to the forced exile and repressive treatment of Igor Ogurtsov; and

(2) urge the Government of the Soviet Union to—

(A) provide him with adequate medical care;

(B) grant Igor Ogurtsov immediate release from internal exile; and

(C) accept Igor Ogurtsov's application for an exit visa, and allow him to emigrate with his parents to the West without forcing him to renounce his views, in accordance with the Final Act of the Conference on Security and Cooperation in Europe and with the Universal Declaration of Human Rights.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President with the request that he further transmit such copy to the Ambassador of the Union of Soviet Socialist Republics to the United States and to the President of the USSR, Yuri Andropov.

● Mr. RIEGLE. Mr. President, I am submitting today, along with Senators LEVIN, BUMPERS, BINGAMAN, QUAYLE, and LUGAR, a resolution on behalf of a renowned Soviet dissident—Igor Ogurtsov. This resolution expresses the sense of the Senate that Igor Ogurtsov be released from internal exile and be allowed to emigrate with his parents to the West without renouncing his views.

Igor Ogurtsov is one of the finest intellectuals to emerge from the Soviet dissident movement. Scholar of philosophy, political science, history and economics, Ogurtsov, in 1964, founded the religious-political group known as the All-Russian Social Christian Alliance for the Liberation of the People (VSKhSON). Ogurtsov frequently expressed his belief that the Communist world around him was rapidly decaying and would soon be replaced by a system based on Christian ideals. Not surprisingly, this organization soon attracted the attention of the KGB, and in late 1967, Ogurtsov and three others were tried, in camera, in a Leningrad court. The four were found guilty of "treason" in connection with their involvement in VSKhSON. Of the four, Ogurtsov received the harshest sentence—7 years in jail, 8 years of hard labor, and 5 years internal exile. Today, Igor Ogurtsov is the only member of VSKhSON still imprisoned.

Continuing to assert this innocence and the illegality of his arrest, Ogurtsov still resists Soviet attempts to force him to sign a confession that would, it is implied, result in a full pardon and emigration privileges for him and his parents.

Concern for Ogurtsov has increased in recent years as reports of his failing health have led to speculation that he may not survive his 20-year sentence. His fate has been the subject of broad international attention, with Russian notables such as Andrei Sakharov and Aleksander Solzhenitsyn having raised their voices in Ogurtsov's defense. Appeals continue to be made by human rights activists around the world for his prompt release.

Mr. President, as a signatory of the Helsinki Final Act, the Soviet Government has pledged that it will respect the human rights of its citizens. Yet, the continued imprisonment of Igor Ogurtsov and the continued refusal of the Soviet Government to grant him permission to emigrate to the West, violates that pledge.

I, therefore, invite my colleagues to join me in calling upon the Soviet Government to uphold its international commitments to human rights and grant to Igor Ogurtsov and his parents the relief they have sought for so long. I urge prompt approval of this important resolution.●

SENATE RESOLUTION 295—RELATING TO SENATE RULE CHANGES

Mr. HUDDLESTON (for himself and Mr. FORD) submitted the following resolution which was referred to the Committee on Rules and Administration.

S. RES. 295

Resolved, That rule XVI of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"9. Except as provided in the following sentence, no amendment to a bill or joint resolution making continuing appropriations for any fiscal year shall be in order. Notwithstanding the preceding sentence, the Senate may consider an amendment to a bill or joint resolution making continuing appropriations if a Senator makes a motion that consideration of the amendment be in order and two-thirds of the Senators duly chosen and sworn adopt such motion. A motion to consider an amendment to a continuing appropriation bill or resolution shall be decided without debate.".

SENATE RESOLUTION 296—RELATING TO SENATE RULE CHANGES

Mr. HUDDLESTON (for himself and Mr. FORD) submitted the following res-

olution which was referred to the Committee on Rules and Administration.

S. RES. 296

Resolved, That rule XVI of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"9. (a) Except as provided in subparagraph (b), no amendment to a bill or joint resolution increasing the statutory limit on the public debt shall be in order.

"(b) Notwithstanding subparagraph (a), the Senate may consider an amendment to a bill or joint resolution increasing the statutory limit on the public debt if—

"(1) the amendment changes the figure limiting the public debt; or

"(2) a Senator makes a motion that consideration of the amendment be in order and two-thirds of the Senators duly chosen and sworn adopt such motion.

A motion to consider an amendment to a continuing appropriation bill or resolution shall be decided without debate.".

● Mr. HUDDLESTON. Mr. President, I am pleased today to introduce two pieces of legislation aimed at expediting the procedures of the Senate and facilitating the operation of the Federal Government. My colleague, Senator FORD, joins me in this effort.

All too often, we in the Senate, because of our concern with vitally important yet extraneous matters, force ourselves into a potential legislative gridlock. Time and time again, year after year, when the Senate considers continuing appropriations bills or measures to raise the debt ceiling, we are forced to examine and vote upon issues that have absolutely nothing to do with the real intent and purpose of these bills.

Therefore, I introduce two measures today. The first would make out of order any amendment to a continuing appropriations bill unless two-thirds of the Senate approves moving to consideration of an amendment to that bill. The bill would be considered on the Senate floor as reported by the Senate Appropriations Committee and would not be subject to amendment unless, as I stated before, two-thirds of the Senate agree to allow consideration of an amendment. Should such approval be given, we would revert to a simple majority for passage of any amendment. I believe this mechanism allows for the consideration of emergency and critical matters, yet, at the same time, precludes discussion of issues having no relevance to the fundamental working of the Federal Government.

The second measure imposes the same restrictions on amendments concerned with the Federal debt ceiling. However, this legislation would allow amendments to either increase or decrease the actual dollar amount of any debt ceiling legislation.

I submit these bills today to begin what I hope will be a serious and productive debate on how to deal with these all too frequent gridlock situations. I look forward to the comments and suggestions of my colleagues on this matter.●

AMENDMENTS SUBMITTED

COMPREHENSIVE CRIME CONTROL ACT

MATHIAS (AND CRANSTON) AMENDMENT NOS. 2648 THROUGH 2651

(Ordered to lie on the table.)

Mr. MATHIAS (for himself and Mr. CRANSTON) submitted four amendments intended to be proposed by them to the bill (S. 1762) entitled the "Comprehensive Crime Control Act of 1983"; as follows:

AMENDMENT NO. 2648

On page 34, strike out lines 6 through 12 on page 36, and insert in lieu thereof the following:

"(a) Factors To Be Considered in Imposing a Sentence.—The court, in determining the particular sentence to be imposed, shall consider—

"(1) the nature and circumstances of the offense and the history and characteristics of the defendant;

"(2) the need for the sentence imposed—

"(A) to reflect the seriousness of the offense, and the culpability of the offender, to promote respect for the law, and to provide just punishment for the offense;

"(B) to afford adequate deterrence to criminal conduct;

"(C) to protect the public from further crimes of the defendant;

"(D) to provide the defendant with needed educational or vocational training, medical care, or other correctional treatment in the most effective manner; and

"(E) to provide restitution to victims of offenses;

"(3) the need to avoid unwarranted sentence disparities among defendants with similar records who have been found guilty of similar conduct.

"(b) Application of Guidelines in Imposing a Sentence.—The court, in determining the particular sentence to be imposed, shall consider—

"(1) the kinds of sentences available under section 3551; and

"(2) the kinds of sentences and the sentencing range established for the applicable category of offense committed by the applicable category of defendant as set forth in the guidelines that are issued by the Sentencing Commission pursuant to 28 U.S.C. 994 (a) (1) and any pertinent policy statement issued by the Sentencing Commission pursuant to 28 U.S.C. 994 (a) (2), that are in effect on the date the defendant is sentenced.

If such guidelines or policy statements differ from those in effect on the date of commission of the offense, the court shall consider only the less severe of the two. The court shall impose a sentence that accords with the applicable sentencing guidelines and policy statements, unless the court finds that departure from the guidelines is warranted on the basis of the circumstances of the offense or on the basis of information about the defendant. In the absence of an applicable sentencing guideline, the court shall impose a reasonable sentence, having due regard for its relationship to sentences prescribed in guidelines applicable to similar offenses and offenders.

"(c) Consideration of Sentencing Options; Statement of Reasons for Imposing a Sentence.—

"(1) The court, at the time of sentencing, shall consider the following sentencing options or a combination of such options when applicable:

"(A) Probation under subchapter B of this chapter without supervision and with only such conditions as are required by that subchapter.

"(B) Probation under subchapter B of this chapter, with supervision by a probation officer and with only such conditions as are required by that subchapter.

"(C) Probation under subchapter B of this chapter with any condition or combination of conditions authorized under that chapter other than confinement in the custody of the Bureau of Prisons.

"(D) Probation under subchapter B of this chapter, with any condition or combination of conditions authorized under that chapter, including confinement in the custody of the Bureau of Prisons.

"(E) Imprisonment under subchapter D of this chapter.

The court shall not impose a sentence of imprisonment unless the court has considered all other authorized sentences and rejected such sentences as inadequate to achieve the purposes of sentencing set forth in section 3553.

"(2) When imposing sentence, the court shall—

"(A) make such findings as are necessary to resolve any material fact in controversy that may affect sentencing, parole, or in-prison treatment of the defendant;

"(B) impose the least severe appropriate measure or measures necessary to achieve the purposes of sentencing, as set forth in section 3553(a) of this title; and

"(C) state on the record the reasons for the imposition of the particular sentence and the reasons why such sentence is the least severe appropriate measure or measures.

If the sentence does not include an order of restitution, the court shall include in the statement the reason therefor. The clerk of the court shall provide a transcription of the court's statement of reasons to the Probation System, and, if the sentence includes a term of imprisonment, to the Bureau of Prisons.".

AMENDMENT NO. 2649

On page 33, line 8, beginning with "and" strike out all through "28 U.S.C. 994(a)," on line 9 and insert in lieu thereof "promulgated by the Judicial Conference pursuant to chapter 58 of title 28,".

On page 35, line 2, beginning with "issued by the" strike out all through "28 U.S.C. 994(a)(1)" on line 3 and insert in lieu thereof "issued by the Judicial Conference pursuant to chapter 58 of title 28".

On page 35, line 5, after the semicolon insert "and".

On page 35, strike out lines 6 through 9.

On page 35, line 10, strike out "(6)" and insert in lieu thereof "(5)".

On page 53, strike out beginning with "In determining" on line 22, through line 2 on page 54.

On page 55, strike out line 10 and insert in lieu thereof "Judicial Conference pursuant to chapter 58 of title 28,".

On page 57, line 13, after the semicolon insert "and".

On page 57, line 16, strike out "; and" insert in lieu thereof a period.

On page 57, strike out lines 17 through 19.

On page 72, line 22, after the semicolon insert "and".

On page 73, line 5, strike out "; and" and insert in lieu thereof a period.

On page 73, strike out lines 6 through 8.

On page 74, beginning with "and any pertinent" on line 5 strike out all through "994(a)(2)" on line 7.

On page 82, line 2, beginning with "issued by" strike out all through "28 U.S.C. 994(a)" on line 3 and insert in lieu thereof "issued by the Judicial Conference pursuant to chapter 58 of title 28".

On page 82, line 8, beginning with "issued by" strike out all through "994(a)(1)" on line 10 and insert in lieu thereof "issued by the Judicial Conference pursuant to chapter 58 of title 28".

On page 63, line 2, beginning with "issued by" strike out all through "28 U.S.C. 994 (a)" on line 3 and insert in lieu thereof "issued by the Judicial Conference pursuant to chapter 58 of title 28".

On page 83, line 8, beginning with "issued by" strike out all through "994 (a) (1)" on line 10 and insert in lieu thereof "issued by the Judicial Conference pursuant to chapter 58 of title 28".

On page 86, line 20, beginning with ", and after" strike out all through "28 U.S.C. 994," on line 22.

On page 91, line 22, strike out "established by" through "28," on line 24 and insert in lieu thereof "the Judicial Conference pursuant to chapter 58 of title 28,".

On page 92, line 3, beginning with "issued by" strike out all through "28 U.S.C. 994 (a) (1)" on line 4 and insert in lieu thereof "issued by the Judicial Conference pursuant to chapter 58 of title 28".

On page 92, strike out lines 9 through 11.

On page 92, line 12, strike out "(D)" and insert in lieu thereof "(C)".

On page 92, line 17, strike out "(E)" and insert in lieu thereof "(D)".

On page 92, line 20, strike out "(F)" and insert in lieu thereof "(E)".

On page 94, line 10, beginning with "or policy statements" strike out all through "994 (a)" on line 12 and insert in lieu thereof "issued by the Judicial Conference pursuant to chapter 58 of title 28".

On page 97, strike out lines 1 through 25 on page 120, and insert in lieu thereof the following:

Sec. 207. (a) Title 28 of the United States Code is amended by adding the following new chapter after chapter 57:

"CHAPTER 58—SENTENCING GUIDELINES AND GUIDELINES COMMISSION

"Sec.
"991. Sentencing guidelines.
"992. Content of sentencing guidelines.
"993. Guidelines Commission.
"994. Membership and organization of the Guidelines Commission.
"995. Hearings by the Guidelines Commission.
"996. Cooperation of Federal agencies.

"§ 991. Sentencing guidelines.

"(a)(1) For the purposes of—

"(A) promoting fairness and certainty in sentencing;

"(B) eliminating unwarranted disparity in sentencing; and

"(C) improving the administration of justice; the Judicial Conference of the United States shall prescribe and submit to the Congress sentencing guidelines for Federal judges to use in determining the appropriate sentence to impose following conviction of a crime.

"(2) Such sentencing guidelines shall—

"(A) take effect 180 days after the date of such submission, unless the Congress otherwise provides by law; and

"(B) in the case of the initial guidelines, be complete and simultaneously so submitted not later than May 1 of the year in which they are to take effect.

"(b) Together with any sentencing guideline submitted under subsection (a)(1) of this section, the Judicial Conference of the United States shall submit a statement of the expected impact of such guideline on Federal prisons, criminal dockets of Federal courts, and Federal expenditures. In preparing a statement under this subsection, the Judicial Conference of the United States shall seek information and advice from the Federal Bureau of Prisons, the Administrative Office of the United States Courts, the Board of Imprisonment, the Office of Management and Budget, and other relevant Federal agencies.

"(c) Any amendment to an existing sentencing guideline shall be prescribed and submitted and shall become effective in the manner set forth in this section for the prescription of such guidelines.

"(d) The sentencing guidelines prescribed under this section shall be formulated in such a manner as to minimize the likelihood that the Federal prison population will exceed the capacity of the Federal prisons, as determined by the Commission based on information provided under section 993 of this title.

"§ 992. Content of sentencing guidelines

"(a) The sentencing guidelines prescribed under this chapter shall be based on—

"(1) categories of offenders derived from relevant history and characteristics of defendants sentenced in Federal court; and

"(2) categories of offenses derived from the nature and circumstances of the offenses for which such defendants are convicted.

"(b) Each sentencing guideline shall indicate the appropriate range of dispositions of cases within each category of offender and each category of offense.

"(c) The sentencing guidelines shall—

"(1) provide for the imposition of the least severe measure or measures necessary to achieve the purposes of sentencing set forth in section 3993 of title 18, United States Code; and

"(2) include provisions governing the aggregation of fines and terms of imprisonment in cases in which a defendant is sentenced at one time for more than one offense.

"(d) The Judicial Conference of the United States may, for appropriate offenses, prescribe guidelines indicating that imprisonment would not serve the purposes of sentencing without providing further guidance as to the sanction to be imposed.

"§ 993. Guidelines Commission

"(a) There is established within the Judicial Conference of the United States a Sentencing Guidelines Commission (hereinafter in this chapter referred to as the 'Commission' which shall—

"(1) obtain and analyze on a continuing basis—

"(A) data on the sentences imposed by Federal courts in criminal cases and the nature and circumstances of the offenses and the relevant history and characteristics of defendants in those cases; and

"(B) judicial opinions of Federal courts that are relevant to sentencing;

"(2) recommend sentencing guidelines to the Judicial Conference of the United States;

"(3) recommend to the Judicial Conference of the United States standards for Federal judges to use in determining whether to accept a plea agreement;

"(4) recommend to the Judicial Conference of the United States standards for Federal judges to use in designating youthful offenders under section 3546 (relating to youthful offenders) of title 18;

"(5) recommend to the Judicial Conference a standard to be used for evaluating Federal prison capacity for the purposes of section 991 of this title;

"(6) in carrying out its functions under this chapter, seek the opinions and participation of a broadly representative cross-section of persons interested in and concerned with the operation of the Federal criminal justice system, including representatives of the defense bar, the prosecution, and the academic community;

"(7) at least annually, make available to Federal courts and other interested persons any sentencing guidelines prescribed under this chapter and relevant information concerning patterns and practices in the sentencing of persons convicted of Federal offenses; and

"(8) not later than May 1 of each year, report to the Congress on its activities under this chapter and may include in such report recommendations for appropriate legislation.

"(b) The Commission shall—

"(1) conduct all meetings in sessions open to the public and make available to the public any data, opinions, guidelines, and other information referred to in paragraphs (1), (6), (7), and (8) of subsection (a) of this section, except that information identifying specific individuals shall be withheld to the extent provided in the procedures prescribed under paragraph (2) of this subsection and meetings may be held in closed session for that purpose;

"(2) prescribe internal operating procedures to protect individuals identified in any information system maintained by, or under the authority of, the Commission, including safeguards to ensure that information is accurate, current, and necessary for the purposes of this chapter; and

"(3) print and disseminate, with adequate time to comment, guidelines and standards proposed to be recommended to the Judicial Conference of the United States pursuant to subsection (a) (2), (3), and (4) of this section.

"§ 994. Membership and organization of the Commission

"(a) The Commission shall consist of 9 members appointed by the Judicial Conference of the United States. A member of the Commission may be removed by the Judicial Conference for malfeasance or other good cause.

"(b) The membership of the Commission shall reflect—

"(1) a variety of backgrounds; and

"(2) participation and interest in the Federal criminal justice system.

Five members of the Commission shall be judges of the United States in regular active service and 4 members shall be persons who are not judges or former judges of the United States or of any State.

"(c)(1) The term of a member of the Commission shall be 4 years, except that of the

members first appointed, 3 shall have 3-year terms, as specified by the Judicial Conference of the United States at the time of appointment.

"(2) No member of the Commission shall serve more than 8 years. A member of the Commission who is appointed to fill a vacancy shall be appointed for the remainder of the term involved.

"(d)(1) A member of the Commission who is a full-time officer or employee of the United States shall receive no additional pay by reason of service on the Commission.

"(2) A member of the Commission who is not a full-time officer or employee of the United States shall be—

"(A) paid the daily equivalent of the maximum annual rate of basic pay payable for grade GS-18 of the General Schedule under section 5332 (relating to the General Schedule) of title 5 for each day (including traveltime) during which such member is engaged in the performance of duties vested in the Commission;

"(B) allowed travel and transportation expenses in the manner provided in section 5703 of title 5; and

"(C) deemed a 'special Government employee' within the meaning of section 202 of title 18, United States Code.

"(e) The Commission shall designate one of its members to chair the Commission.

"§ 995. Hearings by Commission

"The Commission may hold hearings and take testimony for the purpose of carrying out its functions under this chapter.

"§ 996. Cooperation of Federal agencies

"The Commission may request services, equipment, personnel, facilities, and information from any Federal agency, including the Administrative Office of the United States Courts, the Board of Imprisonment, and the Federal Judicial Center. Each Federal agency shall comply with such requests to the greatest practicable extent, unless otherwise prohibited by law.

"§ 997. Acceptance of uncompensated services

"The Commission may accept voluntary and uncompensated services, notwithstanding section 1342 of title 31.".

(b) The table of contents for title 28 of the United States Code is amended by adding after the item relating to chapter 57 the following new item:

"58. Sentencing Guidelines and Guidelines Commission..... 991".

On page 125, line 8, strike out "28 U.S.C. 994" and insert in lieu thereof "chapter 58 of title 28".

On page 128, line 1, strike out "28 U.S.C. 994 (a)(1)" and insert in lieu thereof "chapter 58 of title 28".

On page 128, lines 14 and 15, strike out "28 U.S.C. 994(a)(1)" and insert in lieu thereof "chapter 58 of title 28".

On page 131, lines 23 and 24, strike out "policy statements issued pursuant to 28 U.S.C. 994 (a)" and insert in lieu thereof "issued pursuant to chapter 58 of title 28".

On page 133, line 5, strike out "(1)".

On page 133, strike out lines 7 through 16 on page 134 and insert in lieu thereof the following: "after the date of enactment except that the repeal of chapter 402 of title 18, United States Code, shall take effect on the date of enactment.".

AMENDMENT No. 2650

On page 56, between lines 8 and 9, insert the following:

"(e) Designation of Parole Elgibility Date.—When imposing a term or terms of imprisonment in excess of one year, the court shall designate in the sentence the time at which the offender shall be eligible for release on parole. An offender sentenced for a term or terms aggregating one year or less shall not be eligible for parole.".

On page 101, line 21, strike "and".

On page 101, between lines 21 and 22, insert the following:

"(D) determination as to the appropriate date for designation as a parole eligibility date in cases in which a term of imprisonment exceeding one year is contemplated; and".

On page 101, line 22, strike out "(D)" and insert in lieu thereof "(E)".

On page 120, after line 25, add the following new section, and redesignate the subsequent sections of title II accordingly:

PAROLE AMENDMENTS

SEC. 208. (a) Section 4201(5) of title 18, United States Code, is amended by striking out "or deemed as if released on parole under section 4164 or 4205(f)".

(b) Section 4203 of title 18, United States Code, is amended by redesignating subsection (d) as subsection (e) and by adding at the following new subsection:

"(d) The Commission shall make a continuing study of the sentences imposed on offenders within its jurisdiction, and shall report at least annually to the Judicial Conference of the United States and to the Congress on the extent of disparity in the sentencing of such offenders.".

(c)(1) Section (a) of section 4205 of title 18, United States Code, is amended to read as follows:

"(a) A person sentenced to imprisonment shall be presumed eligible for release on parole, except as otherwise provided in this Chapter, on the date designated by the sentencing court pursuant to section 3582(e) of this title.".

(2) Section 4205 is amended by striking out subsections (b), (f), and (h).

(3) Subsections (c), (d), (e), and (g) of such section are redesignated as subsections (b), (c), (d), and (e), respectively.

(4) The first sentence of subsection (b) of such section (as redesignated by this subsection) is amended by striking out "subsection (d)" and inserting in lieu thereof "subsection (c)".

(5) The first sentence of subsection (c) of such section (as designated by this subsection) is amended by striking out "subsections (a) and (b)" and inserting in lieu thereof "subsection (a)".

(6) The first sentence of subsection (e) of such section (as redesignated by this subsection) is amended to read as follows: "At any time upon motion by the Bureau of Prisons, and notwithstanding any other provision of law, the court in which a prisoner was sentenced may order the prisoner released on parole without regard to the parole eligibility date established pursuant to subsection (a).".

(7) Such section is further amended by adding at the end thereof the following:

"(f) At any time upon motion of the Commission and notwithstanding any other provision of law, the court in which a prisoner was sentenced may order a prisoner released on parole without regard to the parole eligibility date designated pursuant to subsection (a), if the court finds that such action is needed to—

"(1) correct unwarranted sentencing disparities;

"(2) prevent the occurrence of a correctional emergency due to overcrowded conditions in facilities of the Bureau of Prisons; or

"(3) correct any extraordinary or compelling injustice.

An order may be issued under this subsection only after notice to the United States Attorney of the application of the Commission for such an order, and after an opportunity for a hearing.".

(d)(1) Subsection (a) of section 4206 of title 18, United States Code, is amended to read as follows:

"(a) If an eligible prisoner has substantially observed the rules of the institution or institutions to which he has been confined, such prisoner shall be released on the date on which the prisoner becomes eligible for parole.".

(2) Section 4206 is amended by striking out subsection (d).

(3) Subsections (b) and (c) of section 4206 are redesignated as subsections (c) and (d).

(4) Section 4206 is amended by adding after subsection (a) the following new subsection:

"(b) If the Commission finds that a prisoner is not entitled to be released pursuant to subsection (a) of this section, or if a prisoner has been released on parole and had the parole revoked, such prisoner shall be released at a time determined by the Commission pursuant to guidelines promulgated by the Commission pursuant to section 4203(a)(1).".

(5) Subsection (d) of section 4206 (as redesignated by this subsection) is amended by striking out "subsection (a)" and inserting in lieu thereof "subsection (b)".

(6) Section 4206 is amended by adding at the end thereof the following:

"(e) If the release date determined under this section falls on a Saturday, a Sunday, or on a Monday that is a legal holiday at the place of confinement, the prisoner may be released at the discretion of the warden or keeper on the preceding Friday. If such release date falls on a holiday that falls other than on a Saturday, Sunday, or Monday, the prisoner may be released at the discretion of the warden or keeper on the day preceding the holiday.".

(e) Section 4207 of title 18, United States Code, is amended by—

(1) inserting "and" at the end of paragraph (3);

(2) striking out paragraph (4); and

(3) redesignating paragraph (5) as paragraph (4).

(f) Section 4208(a) of title 18, United States Code, is amended—

(1) by striking out "eligible for parole pursuant to subsections (a) and (b)(1) of section 4205" in the second sentence;

(2) by striking out "such" in the second sentence;

(3) by striking out "eligible for parole pursuant to subsection (b)(2) of section 4205 or" in the third sentence; and

(4) by striking out "imprisonment or" in the third sentence.

(g) Section 4209(c) of title 18, United States Code, is amended—

(1) by striking out "or release as if on parole";

(2) by striking out "reside in or" and ", or both," in paragraph (1); and

(3) by striking out the last sentence.

(h) Section 4210(b)(1) of title 18, United States Code, is amended by striking out "section 4164 (relating to mandatory release) or".

(i) Section 4214(d)(5) of title 18, United States Code, is amended by striking out "or release as if on parole".

(j) Section 4216 of title 18, United States Code, is repealed.

(k) The table of sections at the beginning of chapter 311 of title 18, United States Code, is amended by striking out the item relating to section 4216 and inserting in lieu thereof the following:

"4216. Repealed.".

On page 121, strike out line 9, and redesignate clauses (6), (7), and (8) as clauses (5), (6), and (7), respectively.

On page 121, strike out line 21, and insert in lieu thereof the following:

(1) chapter 309 to read as follows:

"309. Repealed .....";

On page 134, strike out line 23, and redesignate clauses (B) through (G) as clauses (A) through (F), respectively.

AMENDMENT NO. 2651

On page 114, between lines 11 and 12, add the following:

"(x) The Commission shall insure that the guidelines and policy statements issued pursuant to this chapter are not intended to increase, nor likely to have the effect of increasing—

"(i) the aggregate length of terms of imprisonment served by prisoners in the Federal prison system;

"(ii) the average term of imprisonment served by persons convicted of Federal offenses; or

"(iii) the inmate population of the Federal prison system.".

AMENDMENTS TO SENTENCING REFORM PROPOSALS

● Mr. MATHIAS. Mr. President, today I am introducing, along with the distinguished senior Senator from California, Mr. CRANSTON, four amendments to the sweeping sentencing reform proposals contained in title II of S. 1762, the Comprehensive Crime Control Act of 1983.

The proponents of the sentencing reform contained in title II of S. 1762 base their proposal upon two observations about the Federal criminal justice system with which hardly anyone disagrees. First, there is too much disparity in criminal sentences. Second, sentences to imprisonment are too indeterminate in duration.

Disagreement arises with respect to how best to reduce the disparity and indeterminacy. I believe that the solution provided by title II is an illusory one. It would replace today's unstructured sentencing practices with an inflexible and potentially costly guidelines system.

Mr. President, three of my four amendments are attempts to correct deficiencies in the sentencing system which S. 1762 would create. The fourth amendment would clarify the legislative intent of the drafters of the bill.

My first amendment would give sentencing judges somewhat greater flexibility to fashion sentences that are appropriate to individual defendants. It would also emphasize alternatives to incarceration by requiring the imposition of the least severe appropriate punishment sanction. Without this amendment, the sentencing regime created by S. 1762 will strip the Federal judiciary of its traditional discretion in sentencing, and consign Federal judges to the task of operating a sentencing decision machine designed and built by someone else. Furthermore, unless we build into the sentencing system a mechanism that encourages consideration of alternatives to incarceration, we may find that our Federal prison population, already higher than ever before in our recent history, will mushroom out of control.

My second amendment would simplify the process of writing sentencing guidelines. It would entrust this task to a commission appointed by the Judicial Conference of the United States, rather than to a new, permanent agency, as proposed in S. 1762. While the title II of the bill reflects a profound mistrust of the Federal judiciary, and a willingness to saddle the taxpayers with yet another permanent bureaucracy, my proposal recognizes that no sentencing guidelines system is likely to be effective unless it involves, from the outset, the men and women who will have to apply it—our Federal trial and appellate judges.

The third amendment which I am proposing offers an alternative to the outright abolition of parole contained in S. 1762. I believe that the U.S. Parole Commission, which has developed expertise in this field, can supervise released prisoners far more efficiently, and at far less cost to the taxpayer, than the courts themselves can. Furthermore, S. 1762 would completely eliminate the safety valve function which the parole system can provide. By retaining a limited parole function, we can conserve judicial resources; and efficiently correct deformities which may appear in the sentencing system after mandatory guidelines are in place.

Finally, my fourth amendment makes clear what I understand to be the intent of the drafters of S. 1762: that the new sentencing system is not intended to increase the Federal prison population, nor to increase the average time served by persons convicted of Federal offenses. Without this explicit guidance to the Sentencing Commission, we are flirting with the prospect of the disastrous prison overcrowding which plagues so many of our States.

Mr. President, I believe that the adoption of my amendments would dramatically improve the sentencing reform contained in title II of S. 1762. I believe that they also help to highlight some of the problem areas with this bill demand our most careful scrutiny. I am pleased that Senator CRANSTON has decided to join me in cosponsoring these amendments, and I invite my other colleagues to do the same.●

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

STEVENS AMENDMENT NO. 2652

Mr. BAKER (for Mr. STEVENS) proposed an amendment to the bill (H.R. 2196) to extend for 5 years the authorization of appropriations for the National Historical Publications and Records Commission; as follows:

Strike all after the enacting clause and insert in lieu thereof the following: That section 2504(b) of title 44, United States Code, is amended to read as follows:

"(b) For the purposes specified in subsection (a), there is authorized to be appropriated to the General Services Administration an amount not to exceed $4,000,000 for each of the fiscal years ending on September 30, 1984, and September 30, 1985; and an amount not to exceed $5,000,000 for each of the fiscal years ending on September 30, 1986, September 30, 1987, and September 30, 1988. Amounts appropriated under this subsection shall be available until expended when so provided in appropriation Acts.".

LANDS HELD IN TRUST FOR PAIUTE TRIBE OF UTAH

ANDREWS AMENDMENT NO. 2653

Mr. BAKER (for Mr. ANDREWS) proposed an amendment to the bill (H.R. 2898) to declare certain lands to be held in trust for the benefit of the Paiute Indian Tribe of Utah, and for other purposes; as follows:

Amendment No. 1. On page 2, line 1, strike the words "Act are the parcels of land" and insert in lieu thereof the words "section are parcels 1 through 5 of the lands".

Amendment No. 2. One page 8, line 5, after the word "appropriated" add the words "in fiscal year 1985".

Amendment No. 3. At the conclusion of the bills add a new section 6 as follows:

"SEC. 6. The plan for the use or distribution of funds awarded the Creek Nation in docket Nos. 169 and 272 before the Indian Claims Commission and in docket Nos. 277 and 309-74 before the United States Court of Claims, and the plan for the use and distribution of funds awarded the Sisseston-Wahpeton Sioux in docket 363 before the United States Court of Claims, which were submitted to the Congress by the Department of the Interior for consideration under the provision of the Judgment Fund Distribution Act of 1973 (87 Stat. 466; 25 U.S.C. 1401 et seq.) are hereby declared to be valid and effective as of the date of enactment of this Act and such plans are declared to have been validly submitted and are exempted from any further review.".

EDUCATION OF THE HANDICAPPED ACT

HATCH AMENDMENT NO. 2654

Mr. BAKER (for Mr. HATCH) proposed an amendment to the amendment of the House to the bill (S. 1341) to revise and extend the Education of

the Handicapped Act, and for other purposes; as follows:

Before the first section insert the following:

TITLE I.—EDUCATION OF THE HANDICAPPED PROGRAM

In the first section, strike out "That this Act" and insert in lieu thereof "SEC. 101. This title".

Strike out sections 19 and 20.

Redesignate sections 2 through 18 as sections 102 through 118, respectively.

In the parenthetical in section 102 (as redesignated) strike out "this Act" and insert in lieu thereof "this title".

In section 118 (as redesignated) strike out "this Act" each time it appears and insert in lieu thereof "this title".

At the end of the bill, add the following:

TITLE—REHABILITATION PROGRAM

VOCATIONAL REHABILITATION SERVICES

SEC. 201. (a) Section 100(b)(1) of the Rehabilitation Act of 1973 (hereafter in this title referred to as "the Act") is amended to read as follows:

"(b)(1) For the purpose of making grants to States under part B of this title to assist them in meeting the costs of vocational rehabilitation services provided in accordance with State plans under section 101, there is authorized to be appropriated $1,037,800,000 for the fiscal year 1984, $1,070,000,000 for the fiscal year 1985, and $1,103,000,000 for the fiscal year 1986.".

(b) The first sentence of section 100(b)(2) of the Act is amended to read as follows:

"(2) For the purpose of allotments under section 120(a)(1), there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1984, 1985, and 1986.".

(c) Section 100(b)(3) of the Act is amended by striking out "the fiscal year ending September 30, 1979, and for each of the three fiscal years thereafter" and inserting in lieu thereof "each of the fiscal years 1984, 1985, and 1986".

CLIENT ASSISTANCE

SEC. 202. Section 112(g) of the Act is amended to read as follows:

"(g) There are authorized to be appropriated $6,000,000 for the fiscal year 1984, $6,300,000 for the fiscal year 1985, and $6,700,000 for the fiscal year 1986.".

RESEARCH

SEC. 203. Section 201(a) of the Act is amended to read as follows: "There are authorized to be appropriated $36,000,000 for the fiscal year 1984, $38,000,000 for the fiscal year 1985, and $40,000,000 for the fiscal year 1986 to carry out the provisions of this title.".

SUPPLEMENTARY SERVICES AND FACILITIES

SEC. 204. (a) Section 301(a) of the Act is amended by striking out "October 1, 1982" in the first sentence and inserting in lieu thereof the following: "October 1, 1986"; and by striking out "October 1, 1983" and inserting in lieu thereof "October 1, 1987".

(b) Section 302(a) of the Act is amended by striking out "October 1, 1982" and inserting in lieu thereof "October 1, 1986".

(c) The first sentence of section 304(d) of the Act is amended to read as follows: "There are authorized to be appropriated to carry out this section, $22,000,000 for the fiscal year 1984, $26,800,000 for fiscal year 1985, and $28,300,000 for the fiscal year 1986.".

(d) Section 305(g) of the Act is amended by striking out "the fiscal year ending September 30, 1979, and for the three succeeding fiscal years", and inserting in lieu thereof "for each of the fiscal years 1984, 1985, and 1986".

(e) Section 310(a) of the Act is amended—

(1) by inserting after "313" the following: "and section 316"; and

(2) by striking out "such sums as may be necessary for each fiscal year ending prior to October 1, 1982" and inserting in lieu thereof "$12,900,000 for fiscal year 1984, $13,600,000 for fiscal year 1985, and $14,300,000 for fiscal year 1986".

(f) Section 313(e) of the Act is amended by striking out "such sums as may be necessary for each fiscal year before October 1, 1982" and inserting in lieu thereof "$3,700,000 for fiscal year 1984, $3,900,000 for fiscal year 1985, and $4,100,000 for fiscal year 1986".

(g) Section 316 of the Act is amended by inserting "(a)" after the section designation and by adding at the end thereof the following new subsection:

"(b) There are authorized to be appropriated to carry out this section $2,000,000 for the fiscal year 1984, $2,100,000 for the fiscal year 1985, and $2,200,000 for the fiscal year 1986.".

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SEC. 205. Section 502(i) of the Act is amended by striking out "October 1, 1902" and inserting in lieu thereof "October 1, 1984".

EMPLOYMENT OPPORTUNITIES

SEC. 206. Section 617 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 617. There are authorized to be appropriated to carry out the provisions of this part such sums as may be necessary for each of the fiscal years 1984, 1985, and 1986.".

PROJECTS WITH INDUSTRY

SEC. 207. Section 623 of the Act is amended by striking out "this part for each fiscal year beginning before October 1, 1982" and inserting in lieu thereof "for section 621 $13,000,000 for fiscal year 1984, $14,400,000 for fiscal year 1985, and $15,200,000 for fiscal year 1986; and for section 622, such sums as may be necessary for each of the fiscal years 1984, 1985, and 1986".

SERVICES FOR INDEPENDENT LIVING

SEC. 208. (a) Section 731 of the Act the second time it appears is redesignated as section 741.

(b)(1) Section 741(a) of the Act (as so redesignated) is amended to read as follows:

"(a) There are authorized to be appropriated to carry out part A of this title such such sums as may be necessary for each of the fiscal years 1984, 1985, and 1986.".

(2) Section 741(b) of the Act (as so redesignated) is amended to read as follows:

"(b) There are authorized to be appropriated to carry out part B of this title $21,000,000 for each of the fiscal years 1984, 1985, and 1986.".

(3) Section 741(c)(1) of the Act (as so redesignated) is amended to read as follows:

"(c)(1) There are authorized to be appropriated to carry out part C of this title such sums as may be necessary for each of the fiscal years 1984, 1985, and 1986.".

TITLE III—DEVELOPMENTAL DISABILITIES

PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS

SEC. 301. The first sentence of section 113(b)(2) of the Development Disabilities Assistance and Bill of Rights Act (hereafter in this title referred to as "the Act") is amended to read as follows: "There is authorized to be appropriated for allotments under paragraph (1) $6,400,000 for fiscal year 1984.".

UNIVERSITY AFFILIATED FACILITIES

SEC. 302. Section 123 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 123. There is authorized to be appropriated to make allotments to carry out this part $7,800,000 for fiscal year 1984.".

GRANTS FOR PLANNING AND THE PROVISION OF SERVICES

SEC. 303. Section 131 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 131. There is authorized to be appropriated to carry out the provisions of this part $45,400,000 for fiscal year 1984.".

SPECIAL PROJECTS

"SEC. 304. Section 145(f) of the Act is amended to read as follows:

"(f) For the purposes of making grants under subsection (a), there is authorized to be appropriated $2,600,000 for fiscal year 1984.".

ADMINISTRATIVE PROCEDURE ACT AMENDMENTS

GRASSLEY (AND OTHERS) AMENDMENT NO. 2655

Mr. GRASSLEY (for himself, Mr. HEFLIN, Mr. THURMOND, Mr. LAXALT, Mr. DECONCINI, Mr. HATCH, Mr. DOLE, Mr. SIMPSON, Mr. EAST, Mr. DENTON, and Mr. SPECTER) proposed an amendment to the bill (S. 1080) to amend the Administrative Procedure Act to require Federal agencies to analyze the effects of rules to improve their effectiveness and to decrease their compliance costs, to provide for a periodic review of regulations, and for other purposes; as follows:

On page 55, beginning with line 1, strike out through line 2 on page 66 and insert the following:

CONGRESSIONAL REVIEW

SEC. 13. (a) Title 5, United States Code, is amended by inserting immediately after chapter 7 the following new chapter:

"CHAPTER 8—CONGRESSIONAL REVIEW OF AGENCY RULEMAKING

"Sec.
"801. Definitions.
"802. Applicability.
"803. Congressional review of agency rules.
"804. Committee consideration of appropriate resolutions.
"805. Floor consideration of appropriate resolutions.
"806. Computation of calendar days of continuous session.
"807. Effect of adjournment sine die.
"808. Effect on judicial review.

"CHAPTER 8—CONGRESSIONAL REVIEW OF AGENCY RULEMAKING

"§ 801. Definitions

"For purposes of this chapter—

"(1) the term 'agency' has the same meaning as in section 551(1) of this title;

"(2) the term 'rule' means a rule subject to section 553 of this title;

"(3) the term 'major rule' has the same meaning as in section 621(4) of this title;

"(4) the term 'emergency rule' means a rule which is promulgated pursuant to a finding by the agency under section 553(b)(2) of this title;

"(5) the term 'promulgate' means to file a proposed rule with the Office of the Federal Register for publication;

"(6) the term 'appropriate committee' means—

"(A) the committee of the House of the Representatives or the committee of the Senate which has primary legislative jurisdiction over the statute under which a rule is promulgated, or over the agency which has promulgated a rule; or

"(B) in any case in which more than one committee of the Senate or the House of Representatives has primary legislative jurisdiction over such a statute or such an agency, a special ad hoc committee appointed by the presiding officer of the Senate or of the House of Representatives, as the case may be, with the approval of the respective House, from the membership of such committees of primary legislative jurisdiction; and

"(7) the term 'appropriate resolution' means—

"(A) in the case of a major rule, a joint resolution, the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives approve the rule entitled , transmitted to the Congress by , on .', the first blank being filled with the title of the rule, the second blank being filled with the name of the agency promulgating the rule, and the third blank being filled with the date of transmittal of the rule to the Congress; and

"(B) in the case of a rule which is not a major rule, a joint resolution, the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the rule entitled transmitted to the Congress by on .', the first blank being filled with the title of the rule, the second blank being filled with the name of the agency promulgating the rule, and the third blank being filled with the date of transmittal of the rule to the Congress.

"§ 802. Applicability

"Except as provided in section 803(c) of this title, the provisions of this chapter do not apply to—

"(1) any rule for which an agency makes a finding under section 553(b)(3) of this title;

"(2) any rule of particular applicability that approves or prescribes for the future rates, wages, prices, services, or allowances therefor, corporate or financial structures, reorganizations, mergers, or acquisitions thereof, or accounting practices or disclosures bearing on any of the foregoing; and

"(3) any emergency rule if—

"(A) the head of the agency determines that the rule is being issued in response to an emergency situation or other exceptional circumstances requiring immediate agency action in the public interest; and

"(B) on the date on which the agency promulgates the rule, the head of the agency submits to the chairmen and ranking minority members of the appropriate committees a written notice specifying the reasons for the determination of the agency under subparagraph (A) of this paragraph and under section 553(b)(2) of this title.

"§ 803. Congressional review of agency rules

"(a)(1) If an agency promulgates a rule which is subject this chapter, such rule shall be considered only a recommendation of the agency to the Congress and shall have no force and effect as a rule unless such rule has become effective in accordance with this chapter.

"(2) On the first day on which both Houses of Congress are in session after the date on which an agency promulgates a rule, the agency shall transmit a copy of the rule to the Secretary of the Senate and the Clerk of the House of Representatives.

"(b) (1) A major rule may not take effect unless an appropriate resolution approving such rule is enacted within 90 calendar days of continuous session of Congress after the date on which the major rule is transmitted to the Congress under subsection (a)(2) of this section.

"(2)(A) Except as provided in subparagraph (B) of this paragraph, a rule which is not a major rule may not take effect if, within 90 calendar days of continuous session of Congress after the date on which the rule is transmitted to the Congress, an appropriate resolution is enacted disapproving the rule.

"(B) A rule which is not a major rule may take effect—

"(i) at any time after 75 calendar days of continuous session of Congress after the date on which the rule is transmitted to the Congress under subsection (a)(2) of this section if, within such 75-day period, neither House of Congress has completed action on an appropriate resolution with respect to the rule; and

"(ii) at any time after either House of Congress rejects an appropriate resolution with respect to the rule.

"(c) Notwithstanding any other provision of law, unless earlier withdrawn by the agency or earlier set aside by judicial action, an emergency rule described in section 802(3) of this title shall not be in effect at any time after 120 calendar days after the date on which the rule is promulgated unless the agency promulgates such rule and transmits such rule under subsection (a)(2) of this section.

"(d) If a rule which was promulgated subject to a statutory time limit for rule making does not become effective under this chapter, the statutory time limit shall apply to any rule making with respect to the same subject matter as the rule which did not become effective under this chapter, and such time limit shall begin on the date that such rule was prevented from becoming effective under this chapter.

"(e)(1) If, under this chapter, a rule did not become effective, an agency may not, for a period of two years beginning on the date on which such rule was prevented from becoming effective under this chapter, promulgate a rule which is substantially the same as the rule which did not become effective under this chapter.

"(2) Subject to paragraph (1), an agency may promulgate a rule relating to the same subject matter as a rule which did not become effective under this chapter. Such rule may be based in whole or in part on the rule making record of the rule which did not become effective under this chapter, and may reflect such changes as the agency considers appropriate in light of congressional consideration of the rule which did not become effective under this chapter. Any rule which is promulgated with respect to the same subject matter as a rule which did not become effective under this chapter shall be subject to this chapter.

"§ 804. Committee consideration of appropriate resolutions

"(a)(1) The chairman of an appropriate committee with respect to a major rule, or a Member designated by the chairman, shall introduce (by request) an appropriate resolution with respect to such major rule no later than the first day of the session after the date on which the rule is transmitted to the Congress under section 803(a)(2) of this title.

"(2) Any appropriate resolution introduced in the Senate or the House of Representatives with respect to a major rule shall be immediately referred to the appropriate committee.

"(3) Not later than 45 calendar days of continuous session of Congress after the date on which a major rule is transmitted to the Congress, an appropriate committee shall review the major rule and shall report to the Senate or the House of Representatives, as the case may be, an appropriate resolution with respect to such rule and the recommendations of the committee as to whether such resolution should be adopted or rejected.

"(4) If an appropriate committee has not reported an appropriate resolution with respect to a major rule within the 45-day period described in paragraph (3), the committee shall be deemed to be discharged from further consideration of the resolution, and the resolution shall be placed on the appropriate calendar of the House of Congress involved.

"(b)(1) Any appropriate resolution introduced in the Senate or the House of Representatives with respect to a rule which is not a major rule shall be immediately referred to the appropriate committee.

"(2) If an appropriate committee has not reported an appropriate resolution with respect to a rule which is not a major rule within 30 calendar days of continuous session of Congress after the date such resolution is referred to such committee, it shall be in order to move to discharge the committee from consideration of such resolution.

"(c) If an appropriate committee of the Senate or the House of Representatives to which has been referred an appropriate resolution transmitted from the other House with respect to any rule does not report such appropriate resolution within 20 calendar days of continuous session of Congress after transmittal of such resolution from the other House, it shall be in order to move to discharge that committee from further consideration of such resolution.

"(d) Any motion to discharge under subsection (b)(2) or subsection (c) of this section must be supported in writing by one-fourth of the Members, duly chosen and sworn, of the House of Congress involved, and is highly privileged in the House and privileged in the Senate (except that it may not be made after an appropriate resolution has been reported with respect to the same rule); and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader or their designees. An amendment to the motion is not in order.

"(e) Whenever an appropriate committee reports an appropriate resolution with re-

spect to any rule pursuant to this chapter, the appropriate resolution shall be accompanied by a committee report which includes the text of the rule, the agency's explanation of the rule, and the committee's reasons for recommending the adoption or rejection of the appropriate resolution. The appropriate resolution reported shall immediately be placed on the appropriate calendar of the House involved.

"§ 805. Floor consideration of appropriate resolutions

"(a) Except as otherwise provided in this section, consideration of an appropriate resolution shall be in accord with the rules of the Senate and the House of Representatives, respectively.

"(b) When a committee of the Senate or the House of Representatives has reported or has been discharged from further consideration of an appropriate resolution, or when an appropriate resolution from one House of Congress has been placed on the calendar of the other House of Congress, it shall be in order, notwithstanding the provisions of rule XXII of the Standing Rules of the Senate or any other rule of the Senate or the House of Represenatives, at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable. An amendment to the motion is not in order.

"(c)(1) Except as provided in paragraph (2) of this subsection, debate on an appropriate resolution shall be limited to not more than 2 hours, which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader or their designees. A motion further to limit debate is not in order.

"(2) If the Senate or the House of Representatives has debated the appropriate resolution of its House with respect to a rule, an appropriate resolution of the other House with respect to the same rule is not debatable.

"(3) An amendment to, or motion to recommit, an appropriate resolution is not in order.

"(4) A motion to reconsider an appropriate resolution shall be in order only on the day on which occurs the vote on adoption of the resolution, and shall not be debatable.

"(5) Any other motions with respect to an appropriate resolution shall be decided without debate.

"(d)(1) If, before the adoption by one House of Congress of an appropriate resolution with respect to a rule, that House receives an appropriate resolution with respect to the same rule from the other House, and less than 75 calendar days of continuous session of Congress have elapsed since the rule was transmitted to the Congress under section 802(a)(2) of this title, the appropriate resolution from the other House shall be referred to the appropriate committee of the first House. If, after such 75-day period has expired, such appropriate committee has not reported such appropriate resolution, such appropriate committee shall be deemed to be discharged from further consideration of such appropriate resolution, and such appropriate resolution shall be placed on the appropriate calendar of the House involved.

"(2) If, before the adoption by one House of the Congress of an appropriate resolution with respect to a rule, that House receives an appropriate resolution with respect to the same rule from the other House and at least 75 calendar days of continuous session of Congress have elapsed since the rule was transmitted to the Congress under section 802(a)(2) of this title, the appropriate resolution from the other House shall immediately be placed on the appropriate calendar of the first House.

"(e) If prior to the adoption by either House of Congress of an appropriate resolution with respect to a rule, an appropriate resolution with respect to such rule is received from the other House, the vote on final passage shall occur on the appropriate resolution from the other House.

"(f) The provisions of this section and sections 801(7), 803, and 804 of this title are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of appropriate resolutions; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"§ 806. Computation of calendar days of continuous session

"For purposes of this chapter—

"(1) continuity of session is broken only by an adjournment sine die at the end of a Congress;

"(2) the days on which either House is not in session because of an adjournment or recess of more than three days to a day certain shall be excluded in the computation of days of continuous session; and

"(3) the days in the period beginning on the date on which the Congress completes action on an appropriate resolution and ending on the date on which the appropriate resolution is approved or disapproved by the President shall be excluded from the computation of days of continuous session.

"§ 807. Effect on adjournment sine die

"(a) If an adjournment sine die of a Congress occurs before the expiration of a period of 90 calendar days of continuous session of Congress after the date on which a major rule is transmitted to the Congress under section 80(a)(2) of this title, the major rule shall not become effective during that Congress, and an agency may transmit the major rule to the succeeding Congress in accordance with this chapter.

"(b) If an adjournment sine die of a Congress occurs before the expiration of a period of 30 calendar days of continuous session of Congress since the date on which a rule which is not a major rule is transmitted to the Congress under section 803(a)(2) of this title, such rule shall not become effective during that Congress, and an agency may transmit such rule to the succeeding Congress in accordance with this chapter.

"§ 808. Effect on judicial review

"(a) Congressional inaction on or rejection of an appropriate resolution shall not be deemed an expression of approval or disapproval of a rule.

"(b) The enactment of an appropriate resolution approved a major rule shall not be construed to create any presumption of validity with respect to such rule, and shall not affect the judicial review of the rule under chapter 7 of this title.".

Mr. GRASSLEY. Mr. President, As Chief Justice Burger stated in handing down the Chadha decision, efficiency is a lesser value in a free society than liberty. But I believe all of us would agree that efficiency in Government is desirable. The Founding Fathers, writing when the United States was small and life was much more simple, were concerned chiefly with excessive power in the Executive, but they were certainly aware of the need to divide and disperse power in order to protect liberty. As a result they gave us liberty-by-conflict; legislation requires the concurrence of a majority of both Houses of Congress, but the President is given a qualified power to nullify proposed legislation by veto.

The painfully literal reading of article I powers by the Court does not help to resolve the endless, inconclusive wrangling over major issues between the executive and legislative branches. The congressional veto was a compromise which allowed effective and accountable decisions that the public could understand, and operated to everyone's advantage.

Since we can no longer recall inadvertent regulatory actions by simple agreement of both Houses of Congress, we are now faced with the need to exercise more control in the original delegation of legislative power to agencies. The real challenge in American Government today is not the runaway exercise of power by the President; it is the irresponsible exercise of power by unelected bureaucrats in numberless agencies making rules that have the force of law, without the political or economic accountability that the Founding Fathers intended for our Government to have.

I believe that in the long run this is what regulatory reform is all about. Surely we need to have regulation in many areas, setting national standards for the protection of our workers, our environment, and the public in general. Many of us feel that a new view of the role of the courts is also in order, but most important is that the voice of the American people be heard in as direct a manner as possible. As Senator Harrison Schmitt said during the floor debate on S. 1080:

> The public does not express itself through the courts, not does it speak through the executive branch on the multiplicity of rulemaking issues and legislative issues that the Congress must oversee. It is the Congress that fills this role, and it is the Congress that must have the power to overturn proposed rules if we are to have permanent regulatory reform.

The language now in S. 1080 calls for congressional review of any agency's proposed regulations, with provisions for a concurrent resolution of disapproval for rules that Congress

finds objectionable. This procedure the Supreme Court has found to be unconstitutional, but it does not alter or dilute the original rationale which brought the legislative veto into use in the first place. The issue is still "who shall write the laws of the land?"

The congressional veto concept is as vital to our governing process now as it was prior to Chadha. Senator HEFLIN and I are now offering an amendment to S. 1080, the regulatory reform bill to replace the unconstitutional concurrent resolution of disapproval with a joint resolution of approval for major rules, and a joint resolution of disapproval for all other rules. Both of these processes would be on a 90-day report-and-wait schedule, with expedited procedures for discharge from committees of jurisdiction and for floor consideration. This proposal has the support of a majority of the members of the Senate Committee on the Judiciary and I would like to take a moment to commend committee members for their able leadership in the area of legislative veto and regulatory reform. Senator HEFLIN has been very supportive of this entire effort and I greatly appreciate his help and friendship. Chairman THURMOND has doggedly pursued these reform proposals for many years and Senators LAXALT and LEAHY led the effort last Congress and remain strong advocates of regulatory reform. In addition Senators ROTH and EAGLETON have shepherded regulatory reform legislation in the past through the Committee on Government Affairs and continue to be supporters of the concept.

Some have expressed concern that such a requirement would create an impossible work load for Congress and its staff, but if limited to major rules—as defined in S. 1080—the intensive review should cover no more than 40 or 50 proposals a year. Most of the several thousand other rules would go into effect with only a cursory review by the Congress. If we do not have such a system, we will be faced with writing much more detailed legislation initially, to provide more specific standards and policy directives to the agencies in the original delegation. This would be a substantial burden too, one which we have not been willing to undertake in the past, and which would not make adequate use of the agency's expertise in its own field.

If 535 Members of Congress and our thousands of staff people cannot take time to examine substantive obligations being placed on the citizens of this country, some with severe economic and even criminal sanctions, then something is terribly wrong. Is it fair to ask a small businessman to comply with a regulation which we claim we don't even have time to read?

It may not be appropriate to have one generic solution to all the current statutes which provide for legislative veto, but it does seem reasonable that all agency rules should be subjected to the same congressional review procedures. We are not affecting the War Powers Act, the budget process, or foreign arms sales by this amendment; those are being dealt with on a case-by-case basis. The policies behind those vetoes are unique. By separating out major rules for congressional scrutiny we will be retaining effective control over regulatory actions, and fulfilling our constitutional role of legislation by a majority of the elected representatives of the people. The American people deserve no less.

I ask unanimous consent that a summary be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMMARY OF SENATOR GRASSLEY'S CONGRESSIONAL REVIEW AMENDMENT TO S. 1080

This proposal is drafted as a replacement for Section 13 of S. 1080, the Regulatory Reform Act, and makes use of all other sections of that bill already in place. The present procedure for Congressional review of agency rules involves a concurrent resolution for disapproval, which was ruled unconstitutional as a means of correcting regulatory actions.

Most rules of general applicability are to be submitted to Congress for a 90-day review period. They are referred to the committee of primary jurisdiction, or to an ad hoc committee appointed by the presiding officer of the respective House if there is more than one standing committee involved. The tight time schedule precludes joint or sequential referral.

Under Senator Grassley's proposal, major rules will not take effect unless a joint resolution is passed approving the proposed rule within the 90-day period. The resolution would be introduced by the committee chairman (by request) immediately upon referral of the proposed rule. An agency could not propose the same rule for two years, but could offer an amended version based on the same record plus the changes suggested by the previous congressional consideration. This would also be subject to the review process.

All other rules are similarly referred, but subject to a joint resolution of disapproval which may be introduced by any Member. Such a rule may take effect after 75 days if neither House has completed action on such a resolution, or if either House has rejected a resolution of disapproval.

Emergency rules may be made effective immediately under strict findings of necessity (already found in S. 1080) but limited to 120 days unless the congressional review procedures have been initiated.

Discharge of a committee from consideration of an appropriate resolution may occur 30 days after referral, and is automatic after 45 days in the case of major rules. A motion to discharge a committee is in order when signed by one-fourth of the Members, and the resolution is immediately placed on the appropriate calendar of the House involved.

A motion to proceed to consideration of such a resolution would be in order at any time thereafter; it would be privileged with debate limited to two hours. If one House receives a resolution from the other House and has not reported or been discharged of its own resolution within 75 days after referral of a rule, the resolution of the other House would immediately be placed on the appropriate calendar.

DEPARTMENT OF DEFENSE APPROPRIATION, 1984

DECONCINI AMENDMENT NO. 2656

Mr. DECONCINI proposed an amendment to the amendment of the House to the amendment of the Senate numbered 1 to the bill (H.R. 4185) making appropriations for the Department of Defense for the fiscal year ending September 30, 1984, and for other purposes; as follows:

At the appropriate place insert:

Since the purpose of the Bankruptcy Code is to provide a structured judicial setting within which the legal rights of creditors and debtors can be resolved that will (1) in an equitable fashion permit debtors to resolve their financial difficulties and (2) protect the interests of creditors;

Since the purpose of Chapter 11 of the Bankruptcy Code, which encourages reorganization of financially-troubled companies rather than their liquidation, is to protect the interests of creditors and to modify the obligations of a debtor which, due to its circumstances, it is unable to pay;

Since legitimate concerns have been raised regarding abuses of the Code in recent bankruptcy filings in which financial insolvency was not a factor;

Since a number of companies, including a scheduled airline, which have resources to maintain operations have recently filed bankruptcy petitions, a primary effect of which is to abrogate obligations to consumers and to avoid other selective obligations;

Since recent bankruptcy filings have been conducted in a manner which greatly inconvenienced the public and left consumers and others with millions of dollars in unsatisfied claims; and

Since the Senate has passed bills dealing with bankruptcy issues, including the grain elevator proposal and the consumer credit industry amendments to the Bankruptcy Code;

The Senate finds that there has been and continues to be utilization of the bankruptcy laws for purposes for which they are not intended, and that the Congress should act immediately to enact legislation to remedy defects in the Bankruptcy Code that have encouraged such abuses of the law.

NICKLES AMENDMENT NO. 2657

Mr. NICKLES proposed an amendment to the amendment of the House to the amendment of the Senate numbered 1 to the bill H.R. 4185, supra; as follows:

At the end of the amendment of the House, add the following:

SEC. . Notwithstanding any other provision of law, there shall not be an increase in rates of pay under section 601(a)(2) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31(2)) by reason of any adjustment taking effect in the rates of pay under the General Schedule during fiscal year 1984

under section 5305 of title 5, United States Code.

WORKER TRAINING

DOLE (AND OTHERS) AMENDMENT NO. 2658

Mr. DOLE (for himself, Mr. LONG, Mr. NICKLES, Mr. NUNN, Mr. MCCLURE, Mr. BOSCHWITZ, Mr. THURMOND, Mr. D'AMATO, and Mr. GORTON) proposed an amendment to the bill (H.R. 3391) to improve worker training under the Trade Act of 1974, and for other purposes; as follows:

Strike all after the enacting clause and insert:

CONTINUED PAYMENT OF DISABILITY BENEFITS DURING APPEAL

SEC. . (a) Section 223(g)(1) of the Social Security Act is amended by striking out "June 1984" and inserting in lieu thereof "December 1984".

(b) Section 223(g)(3)(B) of such Act is amended by striking out "December 7, 1983" and inserting in lieu thereof "June 7, 1984".

SUPPLEMENTAL SECURITY INCOME BENEFITS FOR INDIVIDUALS WHO PERFORM SUBSTANTIAL GAINFUL ACTIVITY DESPITE SEVERE MEDICAL IMPAIRMENT

SEC. . Section 201(d) of the Social Security Disability Amendments of 1980 is amended by striking out "for a period of three years after such effective date" and inserting in lieu thereof "until December 31, 1986".

CARIBBEAN BASIN PLAN

DOLE AMENDMENT NO. 2659

Mr. DOLE proposed an amendment to the bill (H.R. 2659) to promote economic revitalization and facilitate expansion of economic opportunities in the Caribbean Basin region; as follows:

On page 46, line 17, strike out the end quotation marks and end period.

On page 46, between lines 17 and 18, insert the following:

"(vii) PARTICIPANTS WHO BECOME DISABLED.—Any participant who becomes disabled after becoming a qualified participant shall continue to be treated after such disability as a qualified participant.".

On page 70, line 19, strike out the end quotation marks and the end period.

On page 70, between lines 19 and 20, insert the following:

(7) Any participant who becomes disabled after becoming a qualified participant shall continue to be treated after such disability as a qualified participant.".

RELEASE OF CERTAIN FEDERAL LANDS IN SOUTH CAROLINA

HOLLINGS (AND THURMOND) AMENDMENT NO. 2660

Mr. BYRD (for Mr. HOLLINGS and Mr. THURMOND) proposed an amendment to the bill (S. 566) to direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain land conveyed to the South Carolina State Commission of Forestry and to direct the Secretary of the Interior to convey certain mineral interests of the United States in such land to such Commission; as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That, (a) subject to section 2, the Secretary of Agriculture shall release, on behalf of the United States, with respect to the tracts of land described in subsection (b), the condition contained in the deed dated June 28, 1955, between the United States of America and the South Carolina State Commission of Forestry, conveying certain tracts of land, of which such described tracts of land are a part, to such Commission, which condition requires that the land conveyed be used for public purposes and revert back to the United States should the land cease to be used for such purposes.

(b) The tracts of land referred to in subsection (a) are—

(1) A tract of land consisting of approximately 1.99 acres in Sumter County, South Carolina, more particularly described as follows: Beginning at an iron pipe located on the west side of the Old Kings Highway and being south 18 degrees and 35 minutes east and 2519.2 feet from Manchester State Forest monument number 2314; thence south 3 degrees 19 minutes east 41 minutes west 208.64 feet to an iron pipe; thence south 86 degrees 41 minutes west 208.64 feet to an iron pipe; thence north 3 degrees 19 minutes west 199.97 feet to an iron pipe; thence north 3 degrees 32 minutes west 214.05 feet to an iron pipe; thence north 85 degrees 47 minutes east 209.27 feet to an iron pipe, the same being the point of beginning.

(2) A tract of land consisting of approximately 22.715 acres in Sumter County, South Carolina more particularly described as follows: Beginning at the point of intersection of the center line of the Burnt Gin Road with the center line of Wedgelake Drive proceed south 64 degrees, 41 minutes east a distance of 63.16 feet to the point of beginning. Proceed thence south 88 degrees 0 minutes east a distance of 1454.56 feet to an iron pin; thence south 18 degrees, 57 minutes west a distance of 1059.17 feet to an iron pin; thence north 62 degrees, 15 minutes west a distance of 367.24 feet to a corner; thence along the arc of a curve to the right having a radius of 1031.31 feet a distance of 197.10 feet to a corner; thence north 51 degrees, 18 minutes west a distance of 107.80 feet to a corner; thence along the arc of a curve to the left having a radius of 637.49 feet a distance of 202.13 feet to a corner; thence north of 69 degrees 28 minutes west a distance of 167.47 feet to a corner; thence along the arc of a curve to the right having a radius of 581.69 feet a distance of 146.19 feet to a corner; thence north 55 degrees, 04 minutes west a distance of 163.98 feet to a corner; thence north 18 degrees, 10 minutes west a distance of 39.99 feet to a corner; thence along the arc of a curve to the left having a radius of 781.17 feet a distance of 215.48 feet to a corner; thence north 02 degrees, 00 minutes east a distance of 107.84 feet to a corner; thence north 47 degrees 00 minutes east a distance of 42.50 feet to the point of beginning.

SEC. 2. The Secretary of Agriculture shall release the condition referred to in section 1(a) of this Act only with respect to land covered by and described in an agreement or agreements entered into between the Secretary and the South Carolina State Commission of Forestry in which the Commission, in consideration of the release of such condition, agrees that the tract of land described in section 1(b)(1) of this Act will not be sold, leased, exchanged, or otherwise disposed of—

(1) except to the Tiverton Baptist Church of Sumter, South Carolina; and

(2) unless the proceeds of such disposal are—

(A) deposited and held in an account open to inspection by the Secretary of Agriculture, and

(B) used, if withdrawn from such account, exclusively for public purposes.

SEC. 3. The Secretary of Agriculture shall release the condition referred to in section 1(a) of this Act only with respect to land covered by and described in an agreement or agreements entered into between the Secretary and the South Carolina State Commission of Forestry in which the Commission, in consideration of the release of such condition, agrees that the tract of land described in section 1(b)(2) of this Act will be exchanged for a tract of land of at least equal value and consisting of approximately 45.43 acres in Sumter County, South Carolina, to be conveyed to the Commission to be used exclusively for public purposes, more particularly described as follows: Beginning at the intersection of the south right of way of Brohun Camp Road and the west right of way of Tiverton Church Road proceed south 50 degrees, 32 minutes west a distance of 2,214.39 feet to a corner; thence north 40 degrees, 02 minutes west a distance of 414.24 feet to a corner; thence north 5 degrees, 19 minutes, 30 seconds east a distance of 1,627.88 feet to a corner; thence south 73 degrees, 45 minutes east a distance of 1,901.55 feet to the point of beginning.

SEC. 4. (a) Subsequent to any release executed by the Secretary of Agriculture with respect to the tracts of land described in section 1(b) of this Act, the South Carolina State Commission of Forestry may apply to the Secretary of the Interior seeking to acquire all the undivided mineral interests of the United States in the tracts of land to which such release applies, and the Secretary of the Interior shall, subject to valid existing rights and subject to subsection (b) of this section, convey such mineral interests as requested.

(b) The Secretary of the Interior shall not convey the undivided mineral interests of the United States in any land as requested in an application filed by the South Carolina State Commission of Forestry under subsection (a) of this section unless—

(1) such application is accompanied by a sum of money which the Secretary of the Interior determines is necessary to pay the administrative costs involved in conveying such mineral interests to the Commission, including the costs of determining the mineral character of such land and the costs of establishing the fair market value of such mineral interests, and

(2) the Commission, in consideration of such conveyance, pays to the Secretary of the Interior—

(A) $1, in the case of any such land determined by the Secretary of the Interior to have no mineral value and to be under no active mineral development or leasing, or

(B) the fair market value of such mineral interests, as determined by the Secretary of the Interior, in the case of any such land not subject to clause (A) of this subsection.

SEC. 5. The Secretary of Agriculture and the South Carolina Commission of Forestry may revise the size of the tracts of land to be exchanged under this Act and the legal descriptions pertaining thereto in order to ensure that the tracts of land are of at least equal value.".

Amend the title so as to read: "A bill to direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain tracts of land conveyed to the South Carolina State Commission of Forestry, and to direct the Secretary of the Interior to convey certain mineral interests of the United States in such land to such Commission, and for other purposes.".

WATER RESOURCES RESEARCH ACT

ABDNOR AMENDMENT NO. 2661

Mr. BAKER (for Mr. ABDNOR) proposed an amendment to the amendment of the House to the bill (S. 684) to authorize an ongoing program of water resources research; as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

"TITLE I

"SEC. 101. This Act may be cited as the "Water Resources Research Act of 1983".

"SEC. 102. The Congress finds and declares that—

"(1) the existence of an adequate supply of water of good quality for the production of materials and energy for the Nation's needs and for the efficient use of the Nation's energy and water resources is essential to national economic stability and growth, and to the well-being of the people;

"(2) the management of water resources is closely related to maintaining environmental quality and social well-being;

"(3) there is an increasing threat of impairment to the quantity and quality of surface and ground water resources;

"(4) the Nation's capabilities for technological assessment and planning and for policy formulation for water resources must be strengthened at the Federal, State, and local governmental levels;

"(5) there should be a continuing national investment in water and related research and technology commensurate with growing national needs;

"(6) it is necessary to provide for the research and development of technology for the conversion of saline and other impaired waters to a quality suitable for municipal, industrial, agricultural, recreational, and other beneficial uses; and

"(7) the Nation must provide programs to strengthen research and associated graduate education because the pool of scientists, engineers, and technicians trained in fields related to water resources constitutes an invaluable natural resource which should be increased, fully utilized, and regularly replenished.

"SEC. 103. It is the purpose of this Act to assist the Nation and the States in augmenting their water resources science and technology as a way to—

"(1) assure supplies of water sufficient in quantity and quality to meet the Nation's expanding needs for the production of food, materials, and energy;

"(2) discover practical solutions to the Nation's water and water resources related problems, particularly those problems related to impaired water quality;

"(3) assure the protection and enhancement of environmental and social values in connection with water resources management and utilization;

"(4) promote the interest of State and local governments as well as private industry in research and the development of technology that will reclaim waste water and to convert saline and other impaired waters to waters suitable for municipal, industrial, agricultural, recreational, and other beneficial uses;

"(5) coordinate more effectively the Nation's water resources research program; and

"(6) promote the development of a cadre of trained research scientists, engineers, and technicians for future water resources problems.

"SEC. 104. (a) Subject to the approval of the Secretary of the Interior (hereafter in this Act referred to as the "Secretary") under this section, one water resources research and technology institute, center, or equivalent agency (hereafter in this Act referred to as the "institute") may be established in each State (as used in this Act, the term "State" includes the Commonwealth of Puerto Rico, the District of Columbia, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Mariana Islands and the Trust Territory of the Pacific Islands) at a college or university which was established in accordance with the Act approved July 2, 1862 (12 Stat. 503; U.S.C. 301ff), entitled "An Act donating public lands to the several States and territories which may provide colleges for the benefit of agriculture and the mechanic arts" or at some other institution designated by act of the legislature of the State concerned. If there is more than one such college or university in a State established in accordance with such Act of July 2, 1862, the institute in such State shall, in the absence of a designation to the contrary by act of the legislature of the State, be established at the one such college or university designated by the Governor of the State. Two or more States may cooperate in the establishment of a single institute or regional institute, in which event the sums otherwise allocated to institutes in each of the cooperating States shall be paid to such single or regional institute.

"(b) Each institute shall—

"(1) plan, conduct, or otherwise arrange for competent research with respect to water resources, including investigations and experiments of either a basic or practical nature, or both; promote the dissemination and application of the results of these efforts; and provide for the training of scientists and engineers through such research, investigations, and experiments, and

"(2) cooperate closely with other colleges and universities in the State that have demonstrated capabilities for research, information dissemination, and graduate training in order to develop a statewide program designed to resolve State and regional water and related land problems.

Each institute shall also cooperate closely with other institutes and other organizations in the region to increase the effectiveness of the institutes and for the purpose of regional coordination.

"(c) From the sums appropriated pursuant to subsection (f) of this section, the Secretary shall make grants to each institute to be matched on a basis of no less than one non-Federal dollar for every Federal dollar during the fiscal years ending September 30, 1985, and September 30, 1986, one and one-half non-Federal dollars for each Federal dollar during the fiscal years ending September 30, 1987, and September 30, 1988, and two non-Federal dollars for each Federal dollar during the fiscal year ending September 30, 1989.

"(d) Prior to and as a condition of the receipt each fiscal year of funds appropriated under subsection (f) of this section, each institute shall submit to the Secretary for his approval a water research program that includes assurances, satisfactory to the Secretary, that such program was developed in close consultation and collaboration with the director of that State's department of water resources or similar agency, other leading water resources officials within the State, and interested members of the public. The program described in the preceding sentence shall include plans to promote research, training, information dissemination, and other activities meeting the needs of the State and Nation, and shall encourage regional cooperation among institutes in research into areas of water management, development, and conservation that have a regional or national character.

"(e)(1) The Secretary shall establish procedures for a careful and detailed evaluation of each institute to determine that the quality and relevance of its water resources reseach and its effectiveness as an institution for planning, conducting and arranging for research warrants its continued support under this section in the national interest. The evaluation of each institute shall be made by a team of knowledgeable individuals including employees of the Department of the Interior, university faculty or administrators, water research institute directors from other institutes, State or local water resource agency personnel, and private citizens selected for this purpose. The Secretary may also secure the cooperation of the National Research Council/National Academy of Science. The evaluation team shall visit the institute and shall assess the scientific quality of its research program, the potential effectiveness of its research in meeting water resource needs, and the demonstrated performance in making research results available to users in the State and elsewhere. Criteria for making the determination that an institute is an effective instrument for water resources research shall include the following: accreditation in sufficient disciplines to successfully mount a multidisciplinary research program; sufficient resources, including laboratory, library, computer, and support facilities; a sufficiently close administrative relation and physical proximity to the university and to all the parts of it needed to provide an effective working relationship with researchers in a wide range of disciplines; and institutional commitment to the support and continuation of an effective water research program.

"(2) The Secretary shall arrange for each of the institutes supported under this section to be evaluated under this subsection within two years after its establishment and to be reevaluated at intervals not to exceed four years. If, as a result of any such evaluation, the Secretary determines that an institute does not qualify for further support under this section, then no further grants to the institute may be made until the institute's qualification is reestablished to the satisfaction of the Secretary.

"(f)(1) For the purpose of carrying out this section, there is authorized to be appro-

priated to the Secretary the sum of $10,000,000 for each of the fiscal years ending September 30, 1985, through September 30, 1989, such sums to remain available until expended.

"(2) Any sums appropriated under this subsection but which fail to be obligated by the close of the fiscal year for which they were appropriated shall be transferred by the Secretary and available for obligation during the succeeding fiscal year under the terms of section 106 of this Act.

"SEC. 105. (a)(1) In addition to the grants authorized by section 104 of this Act, the Secretary is authorized to make grants, on a dollar-for-dollar matching basis, to the institutes establishd under such section, as well as other qualified educational institutions, private foundations, private firms, individuals, and agencies of local or State government for research concerning any aspect of a water resource-related problem which the Secretary may deem to be in the national interest. Such grants shall be made with such advice and review by peer or other expert groups of appropriate interdisciplinary composition as the Secretary deems appropriate on the basis of the merits of the project and the need for the knowledge such project is expected to produce upon completion.

"(2) Research funded under this section should to the extent possible utilize the best qualified graduate students so the Nation profits from the education and training benefits resulting from the use of the latest in technological developments in solving water problems.

"(3) In cases where the Secretary determines, in accordance with criteria established by him, that research under this section is of a basic nature which would not otherwise be undertaken, the Secretary may approve grants under this section with a matching requirement other than that specified in pargraph (1) of this subsection.

"(b) Each application for a grant under this section shall state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, the importance of the project to the Nation as well as to the region and State concerned, its relation to other research projects previously or currenlty being pursued, and the extent to which it will provide an opportunity for the training of water resources scientists.

"(c) There is authorized to be appropriated to the Secretary the sum of $20,000,000 for the purpose of carrying out this section for each of the fiscal years ending September 30, 1985, through September 30, 1989, such sums to remain available until expended.

"SEC. 106. (a)(1) The Secretary shall make grants or contracts in addition to those authorized under sections 104 and 105 to educational institutions, private firms, private foundations, individuals, and agencies of local or State governments for technology development concerning any aspect of water-related technology which the Secretary may deem to be of State, regional, and national importance, including technology associated with improvement of waters of impaired quality and the operation of test facilities. Such grants or contracts shall be made on the basis of the merit and feasibility of the project based on expert evaluation as deemed appropriate by the Secretary, taking care to protect proprietary information of private firms or individuals associated with the technology.

"(2) The Secretary may establish any condition for the matching of funds by the recipient of any grant or contract under this section which the Secretary considers to be in the best interest of the Nation considering the technology needs for water resources in the Nation.

"(b) Each application for a grant or contract under this section shall state the nature of the project to be undertaken, the qualifications of the personnel who will direct and conduct it, the facilities of the organization performing the technology development, the importance of the project to the Nation, region, and State concerned, and the potential benefit to be accrued from the development.

"(c)(1) There is authorized to be appropriated to the Secretary the sum of $6,000,000 for the purpose of carrying out this section for each of the fiscal years ending September 30, 1985, through September 30, 1989, such sums to remain available until expended.

"(2) In addition to sums available under the terms of paragraph (1) of this subsection, the Secretary is also authorized to obligate funds under this section if such funds are transferred under the terms of section 104(f)(2) of this Act.

"SEC. 107. From the sums appropriated pursuant to this Act, not more than 15 per centum shall be utilized for administrative costs.

"SEC. 108. The type of research and development to be undertaken under the authority of sections 105 and 106 of this Act and to be encouraged by the institutes established under section 104 of this Act shall include the following:

"(1) Aspects of the hydrologic cycle;

"(2) Supply and demand for water;

"(3) Demineralization of saline and other impaired waters;

"(4) Conservation and best use of available supplies of water and methods of increasing such supplies;

"(5) Water reuse;

"(6) Depletion and degradation of groundwater supplies;

"(7) Improvements in the productivity of water when used for agricultural, municipal, and commercial purposes;

"(8) The economic, legal, engineering, social, recreational, biological, geographic, ecological, and other aspects of water problems;

"(9) Scientific information dissemination activities, including identifying, assembling, and interpreting the results of scientific and engineering research on water resources problems; and

"(10) Providing means for improved communication of research results, having due regard for the varying conditions and needs for the respective States and regions.

"SEC. 109. Notwithstanding any other provision of law, the Secretary shall be governed by the provisions of sections 9 (except subsections (l) and (n)) and 10 of the Federal Nonnuclear Energy, Research, and Development Act of 1974 (Public Law 93-577; 88 Stat. 1887, 1891; 42 U.S.C. 5908-5909) with respect to patent policy and to the definition of title to and licensing of inventions made or conceived in the course of work performed, or under any contract or grant made, pursuant to this Act. Subject to such patent policy, all research or development contracted for, sponsored, cosponsored, or authorized under authority of this Act shall be provided in such manner that all information, data, and know-how, regardless of their nature or mediums, resulting from such research and development shall (with such exceptions and limitations, if any, as the Secretary may find to be necessary in the interest of national defense) be usefully available for practice by the general public.

"SEC. 110. (a) Public Law 95-467 is repealed.

"(b) Rules and regulations issued prior to the date of enactment of this Act under the authority of Public Law 95-467 shall remain in full force and effect under this Act until superseded by new rules and regulations promulgated under this Act.

"SEC. 111. Any new spending authority described in subsection (c)(2) (A) or (B) of section 401 of the Congressional Budget Act of 1974 which is provided under this Act shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance in appropriations Acts.

"TITLE II

"SEC. 201. (a)(1) Notwithstanding any other provision of law and subject to paragraph (2), the Secretary shall convey, not later than January 24, 1984, and without consideration, all right, title, and interest of the United States in the real property description in subsection (b) of this section to the Town of Wrightsville Beach, North Carolina.

"(2) The conveyance of real property described in subsection (b)(1) of this section, which constitutes the Wrightsville Beach Test Facility, to such town shall be made by the Secretary on the condition that, during the period beginning on the date of such conveyance and ending on January 24, 1988, such Facility is—

"(A) maintained in a working order which is comparable to the condition of such Facility on the date of such conveyance, and

"(B) operated and maintained primarily for desalinization of other related research.

"(b) The real property referred to in subsection (a) is real property located in the town of Wrightsville Beach, North Carolina, as follows:

"(1) Real property which constitutes the Wrightsville Beach Test Facility and may be described as beginning at a point in the old northern line of United States Highway 76, said point located north 51 degress 05 minutes west 530.00 feet as measured with said line from the southeast corner of tract numbered 1 as shown by "Map Showing Property of State of North Carolina" recorded in map book 7, page 40, New Hanover County Registry; running thence from said beginning north 38 degrees 55 minutes east 660.00 feet to a point; thence north 51 degrees 05 minutes west 129.80 feet to a point; thence north 38 degrees 56 minutes 30 seconds east 157.89 feet to a point; thence north 77 degrees 32 minutes 30 seconds east 101.40 feet to a point; thence north 12 degrees 07 minutes west 151.19 feet to a point in the southern line of United States Highway 74; thence with said southern line south 77 degrees 53 minutes west 563.57 feet to a point; thence south 38 degrees 55 minutes west 554.52 feet to a point in the old northern line of United States Highway 76; thence with said old northern line south 51 degrees 05 minutes east 538.47 feet to the point of beginning, continuing 9.57 acres.

"(2)(A) Real Property which is adjacent to such Facility and may be described as beginning at a point in the old northern right of way line of United States Highway 76 (Wrightsville Causeway) at the southeastern corner of tract numbered 1 as shown by "Map Showing Property of State of North Carolina" recorded in map book 7, page 40,

New Hanover County Registry; said southeast corner north 51 degrees 05 minutes west 862.6 feet as measured with said northern line from its intersection with the extension of the western line of Island Drive, Shore Acres; running thence from said beginning south 38 degrees 55 minutes west 150.00 feet to a point in the new northern right of way line of United States Highway 76; thence with said line north 51 degrees 05 minutes west 530.00 feet to a point; thence with said line north 38 degrees 55 minutes east 150.00 feet to a point in said old northern right of way line; thence continuing north 38 degrees 55 minutes east 660.00 feet to a point; thence continuing north 38 degrees 55 minutes east 140.11 feet to a point; thence north 12 degrees 27 minutes 30 seconds west 108.44 feet to a point; thence north 77 degrees 32 minutes 30 seconds east 34.31 feet to a point; thence north 12 degrees 07 minutes west 151.19 feet to a point in the southern line of United States Highway 74; thence north 77 degrees 53 minutes east 240.00 feet to the northernmost corner of said tract numbered 1, Map book 7, page 40; thence with the eastern lines of said tract numbered 1 south 12 degrees 07 minutes east 723.8 feet to its easternmost corner; thence continuing with said eastern line south 38 degrees 55 minutes west 723.8 feet to the point of beginning, containing 14.079 acres.

"(B) Beginning at a point in the old northern right of way of United States Highway 76 (Causeway Drive) and the southern line of tract numbered 1 as shown by map, "Property of State of North Carolina" recorded in map book 7, page 40, New Hanover County Registry, said point located north 51 degrees 05 minutes west 1068.47 feet as with said line from the southeastern corner of said tract numbered 1; running thence from said beginning with said line north 51 degrees 05 minutes west 322.62 feet to a point in the new right of way of United States Highway 76; thence with said new right of way north 19 degrees 27 minutes 15 seconds west 32.01 feet to an iron rod; thence continuing with said new right of way north 33 degrees 42 minutes 15 seconds east 94.98 feet to an iron rod in the southern right of way of United States Highway 74; thence with said southern line north 77 degrees 53 minutes east 570.17 feet to an iron pipe; thence south 38 degrees 55 minutes west 554.55 feet to the point of beginning, containing 2.72 acres and being the western portion of said tract numbered 1 recorded in map book 7, page 40.

"SEC. 202. (a)(1) Notwithstanding any other provision of law and subject to paragraph (2), the Secretary shall convey, not later than December 31, 1983, and without consideration, all right, title, and interest of the United States in the real property described in subsection (b) of this section which constitutes the Roswell Test Facility, to the city of Roswell, New Mexico.

"(2) Such conveyance shall be made on the condition that, during the period beginning on the date of such conveyance and ending on December 31, 1987, such facility is—

"(A) maintained in a working order which is comparable to the condition of such facility on the date of such conveyance, and

"(B) operated and maintained primarily for desalinization or other related research.

"(b) The real property referred to in subsection (a) of this section shall consist of so much of the real property located in the county of Chaves, New Mexico, as constitutes the Roswell Test Facility. Such real property shall consist of—

"(1) the lands at the Roswell site as conveyed to the United States by the city of Roswell, New Mexico, by warranty deed dated April 13, 1961, said deed being recorded in the office of the county clerk of the county of Chaves, New Mexico, at book 205, page 406, and more fully describing such lands as being—

"A tract of land lying and being situated in the southwest quarter of section 32, township 10 south, range 25 east, New Mexico principal meridian, and being more particularly described as; beginning at a point on the west line of said section 32 which bears north 3 degrees 58 minutes east at 137 feet distant from the southwest corner of said section 32; thence north 3 degrees 58 minutes east, a distance of 455 feet; thence north 78 degrees 03 minutes east, a distance of 531.9 feet; thence south 25 degrees 00 minutes east, a distance of 450.1 feet; thence southwesterly along a curve to the right, the arc which bears south 77 degrees 43 minutes west, a distance of 760.4 feet to the point of beginning, containing 6.94304 acres, and

"(2) the lands at the Roswell site as conveyed to the United States by the city of Roswell, New Mexico, by warranty deed dated June 18, 1968, said deed being recorded in the office of the county clerk of the county of Chaves, New Mexico, at book 250, page 390, and more fully describing such lands as being—

"A tract of land lying and being situated in the west half of the west half of the southwest quarter of section 32, township 10 south, range 25 east, New Mexico principal meridian, and being more particularly described as follows: Beginning at a point on the west line of said section 32 which bears north 3 degrees 57 minutes east 592 feet distant from the southeast corner of said section 32; thence north 3 degrees 58 minutes east, a distance of 911.5 feet; thence south 39 degrees 33 minutes east, a distance of 179.00 feet; thence south 27 degrees 35 minutes east, a distance of 1,193.00 feet; thence southwesterly along the north highway right-of-way line on a curve to the right of 5,655 feet radius through an included angle of 0 degree 13 minutes, a distance of 21.31 feet; thence north 25 degree 00 minutes west, a distance of 444.26 feet; thence south 78 degrees 03 minutes west, a distance of 531.9 feet to the point of beginning containing 5,795 acres, more or less. Note: The east boundary of this tract of land lies 50 feet west of the center line of the Hagerman canal, together with water rights appurtenant thereto.

"SEC. 203. Each conveyance issued by the Secretary pursuant to the provisions of this title shall contain a clause providing that the title to the lands and facilities conveyed shall revert to the United States should such lands or facilities be used for other than a public purpose following the date of conveyance."

OLYMPIC DUTY SUSPENSION

McCLURE AMENDMENT NO. 2662

Mr. McCLURE proposed an amendment to the joint resolution (H.J. Res. 290) to permit free entry into the United States of the personal effects, equipment, and other related articles of foreign participants, officials, and other accredited members of delegations involved on the games of the XXIII Olympiad to be held in the United States in 1984; as follows:

Strike out all after the enacting clause and insert:

That (a) paragraph (b) of section 6050E of the Internal Revenue Code of 1954 (relating to State and local tax refunds) is amended—

(1) by striking out "during January" and inserting in lieu thereof "not later than January 31", and

(2) by adding at the end thereof the following new sentence: "No written statement need be furnished under this paragraph with respect to any refunds, credits, or offsets that were made before January 1, 1984."

(b) The amendments made by this Act shall take effect upon enactment.

VETERANS DISABILITY COMPENSATION

SIMPSON AMENDMENT NO. 2663

Mr. SIMPSON proposed an amendment to the bill (S. 1388) to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans and to increase the rates of dependency and indemnity compensation for surviving spouses and children of veterans; as follows:

On page 20, between lines 21 and 22, insert the following:

SEC. 211. Section 4001 of title 38, United States Code, is amended—

(1) by amending the second sentence of subsection (a)—

(A) by striking out "(not more than fifty)" and inserting in lieu thereof "(not more than sixty-five)";

(B) by striking out "associate"; and

(C) by inserting before the period at the end of such sentence "in a timely manner"; and

(2) by adding at the end thereof the following new subsections:

"(c)(1) When there are sixty-five members of the Board, the Chairman may from time to time appoint from the professional staff of the Board, or reappoint one time within the three-year period following the expiration of the term of the initial appointment, individuals to serve as temporary members of the Board for terms not to exceed one year. Not more than one such member may be appointed to a section of the Board.

"(2) If, as a result of the termporary absence of a member, a section is composed of less than three members, the Chairman may assign an individual from the professional staff of the Board to serve as an acting member of the Board on such section for not to exceed thirty days. An individual so appointed may serve a total of sixty days as an acting member during any fiscal year. Not more than one such member may be assigned to a section of the Board.

"(3) In each annual report to the Congress required by section 214 of this title, the Administrator shall provide detailed descriptions of the activities undertaking and plans made in the fiscal year for which such report is made with respect to the authority provided by paragraph (1) of this subsection. In each such annual report, the Administrator shall indicate, in terms of full-time employee equivalents, the number of

Board members appointed pursuant to paragraph (2) of this subsection.".

"(d) The Chairman of the Board shall submit a report to the appropriate committees of the Congress, not later than December 31, 1984, and annually thereafter, on the experience of the Board during the prior fiscal year together with projection for the fiscal year in which the report is submitted and the subsequent fiscal year. Such report shall contain as a minimum, information specifying the number of cases appealed to the Board during the prior fiscal year, the number of cases pending before the Board at the beginning and end of such fiscal year, the number of such cases which were filed during each of the twenty-four months preceding the prior fiscal year and the then current fiscal year, respectively, the average length of time a case was before the Board between the time of the filing of an appeal and the disposition during the prior fiscal year, and the number of members of, and the professional, administration, clerical, stenographic, and other personnel employed by the Board at the end of the prior fiscal year. The projections for the current fiscal year and subsequent fiscal year shall include, for each such year, estimates of the number of causes to be appealed to the Board and an evaluation of the Board's ability, based on existing and projected personnel levels to ensure timely disposition of such appeals as provided for by subsection (a) of this section".

SEC. 2. Section 4002 is amended by striking our "associate" wherever it appears.

SEC. 3. Section 4003(b) is amended by adding at the end thereof the following new paragraph.

"(2) When without the vote of a member appointed under section 4001(c) (1) or (2) of this title a section would be evenly divided, such member shall not note.".

NATIONAL OUTDOOR RECREATION RESOURCES REVIEW COMMISSION

McCLURE AMENDMENT NO. 2664

Mr. McCLURE proposed an amendment to the bill (S. 1090) to establish a National Outdoor Recreation Resources Review Commission to study and recommend appropriate policies and activities for government agencies at the Federal, State, and local levels and for the private sector, to assure the continued availability of quality outdoor recreation experiences in America to the year 2000, and for other purposes, as follows:

On page 5, line 9: strike the semicolon and insert in lieu thereof "and the minority leader;"

MARINE SANCTUARIES

GORTON AMENDMENT NO. 2665

Mr. GORTON proposed an amendment to the bill (S. 1102) to provide authorization of appropriations for title III of the Marine Protection, Research, and Sanctuaries Act of 1972; as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

TITLE I—MARINE SANCTUARIES

SEC. 101. This title may be cited as the "Marine Sanctuaries Amendments of 1983".

SEC. 102. Title III of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1431 et seq.) is amended to read as follows:

"TITLE III—NATIONAL MARINE SANCTUARIES

"SEC. 301. FINDINGS, PURPOSES AND POLICIES

"(a) FINDINGS.—The Congress finds that—

"(1) this Nation historically has recognized the importance of protecting special areas of its public domain, but such efforts have been directed almost exclusively to land areas above the high-water mark;

"(2) certain areas of the marine environment possess conservation, recreation, ecological, historical, research, educational, or esthetic qualities which give them special national significance;

"(3) while the need to control the effects of particular activities has led to enactment of resource-specific legislation, these laws cannot in all cases provide a coordinated and comprehensive approach to the conservation and management of special areas of the marine environment;

"(4) a Federal program which identifies special areas of the marine environment will contribute positively to marine resource conservation and management; and

"(5) such a Federal program will also serve to enhance public awareness, understanding, appreciation, and wise use of the marine environment.

"(b) PURPOSES AND POLICIES.—The purposes and policies of this title are—

"(1) to identify areas of the marine environment of special national significance due to their resource or human-use values;

"(2) to provide authority for comprehensive and coordinated conservation and management of these marine areas which will complement existing regulatory authorities;

"(3) to support, promote, and coordinate scientific research on, and monitoring of, the resources of these marine areas;

"(4) to enchance public awareness, understanding, appreciation and wise use of the marine environment; and

"(5) to facilitate, to the extent compatible with the primary objective of resource protection, all public and private uses of the resources of these marine areas not prohibited pursuant to other authorities.

"SEC. 302. DEFINITIONS.

"As used in this title, the term—

"(1) 'draft management plan' means the plan described in section 304(a)(1)(E);

"(2) 'Magnuson Act' means the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.);

"(3) 'marine environment' means those areas of coastal and ocean waters, the Great Lakes and their connecting waters, and submerged lands over which the United States exercises jurisdiction, consistent with international law;

"(4) 'Secretary' means the Secretary of Commerce; and

"(5) 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, the Virgin Islands, Guam, and any other commonwealth, territory, or possession of the United States.

"SEC. 303. SANCTUARY DESIGNATION STANDARDS.

"(a) STANDARDS.—The Secretary may designate any discrete area of the marine environment as a national marine sanctuary and promulgate regulations implementing the designation if the Secretary determines that such designation will fulfill the purposes and policies of this title, and if the Secretary finds that—

"(1) the area is of special national significance due to its resource or human-use values;

"(2) existing State and Federal authorities are inadequate to ensure coordinated and comprehensive conservation and management of the area, including resource protection, scientific research and public education, and that designation of such area as a national marine sanctuary will facilitate these objectives; and

"(3) the area is of a size and nature which will permit conprehensive and coordinated conservation and management.

"(b) FACTORS AND CONSULTATIONS REQUIRED IN MAKING FINDINGS.—

"(1) FACTORS.—For purposes of determining if an area of the marine environment meets the standards set forth in subsection (a), the Secretary shall consider—

"(A) the area's natural resource and ecological qualities, including its contribution to biological productivity, maintenance of ecosystem structure, maintenance of ecologically or commercially important or threatened species or species assemblages, and the biogeographic representation of the site;

"(B) the area's historical, cultural, archaeological, or paleontological significance;

"(C) the present and potential uses of the area that depend on maintenance of the area's resources, including commercial and recreational fishing, subsistence uses, other commercial and recreational activities, and research and education;

"(D) the present and potential activities that may adversely affect the factors identified in subparagraphs (A), (B), and (C);

"(E) the existing State and Federal regulatory and management authorities applicable to the area and the adequacy of those authorities to fulfill the purposes and policies of this title;

"(F) the manageability of the area, including such factors as its size, its ability to be identified as a discrete ecological unit with definable boundaries, its accessibility, and its suitability for monitoring and enforcement activities;

"(G) the public benefits to be derived from sanctuary status, with emphasis on the benefits of long-term protection of nationally significant resources, vital habitats, and resources which generate tourism;

"(H) the negative impacts produced by management restrictions on income-generating activities such as living and nonliving resources development; and

"(I) the socioeconomic effects of sanctuary designation.

"(2) CONSULTATION.—In making such determination, the Secretary shall consult with—

"(A) the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate;

"(B) the Secretaries of State, Defense, Transportation, the Secretary of the department in which the Coast Guard is operating, the Secretary of the Interior, the Administrator, and the heads of other interested Federal agencies;

"(C) the responsible officials or relevant agency heads of the appropriate State and local government entities, including coastal zone management agencies, that will or are likely to be affected by the establishment of the area as a national marine sanctuary;

"(D) the appropriate officials of any Regional Fishery Management Council established by section 302 of the Magnuson Act (16 U.S.C. 1852) that may be affected by the proposed designation; and

"(E) other interested persons.

"(3) RESOURCE ASSESSMENT REPORT.—In making such determination, the Secretary also shall draft, as part of the environmental impact statement referred to in section 304(a)(1), a resource assessment report documenting present and potential uses of the area, including commercial and recreational fishing, research and education, minerals and energy development, subsistence uses, and other commerical recreational uses. The Secretary, in consultation with the Secretary of the Interior, shall be responsible for drafting a resource assessment section for the report regarding any commercial or recreational resource uses in the area under consideration which are subject to the primary jurisdiction of the Department of the Interior.

"SEC. 304. PROCEDURES FOR DESIGNATION AND IMPLEMENTATION.

"(a) SANCTUARY PROPOSAL.—

"(1) NOTICES.—In proposing to designate a national marine sanctuary, the Secretary shall issue in the Federal Register a notice of the proposal,

proposed regulations that many be necessary and reasonable to implement such proposal and a summary of the draft management plan. The Secretary shall provide notice of the proposal in newspapers of general circulation or electronic media in the communities that may be affected by the proposal. The Secretary shall also prepare a draft environmental impact statement, as provided by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), on the proposal. Such draft statement shall include the resource assessment report required under section 303(b)(3), and maps depicting the boundaries of the proposed designated area and the existing and potential uses and resources of the area. Copies of the draft environmental impact statement shall be available to the public. No sooner than thirty days after issuing a notice under this subsection, the Secretary shall hold at least one public hearing in the coastal area or areas that will be most affected by the proposed designation of the area as a national marine sanctuary for the purpose of receiving the views of interested parties. On the same day as such notice is issued, the Secretary shall also submit to the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a prospectus on the proposal which shall contain—

"(A) the terms of the proposed designation;

"(B) the basis of the findings made under section 303(a) with respect to the area;

"(C) an assessment of the considerations under section 303(b)(1);

"(D) proposed mechanisms to coordinate existing regulatory and management authorities within the area;

"(E) the draft management plan detailing the proposed goals and objectives, management responsibilities, resource studies, interpretive and educational programs, and enforcement and surveillance activities for the area;

"(F) an estimate of the annual cost of the proposed designation, including costs of personnel, equipment and facilities, enforcement, research, and public education;

"(G) the draft environmental impact statement;

"(H) an evaluation of the advantages of cooperative State and Federal management where proposed marine sanctuaries lie within the territorial limits of any State or are superjacent to the subsoil and seabed within the seaward boundary of a State, as the term 'boundary' is used in the Submerged Lands Act (43 U.S.C. 1301 et seq.); and

"(I) proposed regulations to implement the terms of designation and the measures referred to in subparagraphs (A), (D), and (E) and paragraph (3).

"(2) TERMS OF DESIGNATION.—The terms of designation of a sanctuary shall include the geographic area proposed to be included within the sanctuary, the characteristics of the area that give it conservation, recreational, ecological, historical, research, educational, or esthetic value, and the types of activities that will be subject to regulation by the Secretary in order to protect those characteristics. The terms of designation may be modified only by the same procedures by which the original designation is made.

"(3) FISHING REGULATIONS.—The Secretary shall provide the appropriate Regional Fishery Management Council with the opportunity to prepare such draft regulations for fishing within the United States Fishery Conservation Zone as the Council may deem necessary to implement the proposed designation. Draft regulations prepared by the Council or a Council determination that regulations are not necessary pursuant to this paragraph shall be accepted and promulgated by the Secretary unless the Secretary finds that the Council's action fails to fulfill the purposes and policies of this title and the goals and objectives of the proposed designation. In preparing the draft regulations, a Regional Fishery Management Council shall also use as guidance the national standards of section 301(a) of the Magnuson Act (16 U.S.C. 1851) to the extent that the standards are consistent and compatible with the goals and objectives of the proposed designation. The Secretary shall prepare such regulations, if the Council declines to make a determination with respect to the need for regulations, makes a determination which is rejected by the Secretary, or fails to prepare the draft regulations in a timely manner. Any amendments to fishing regulations shall be drafted, approved and promulgated in the same manner as the original regulations.

"(4) COMMITTEE ACTION.—After receiving the prospectus under subsection (a)(1), the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate may each hold hearings on the proposed designation and on the matters set forth in the prospectus. If within the forty-five day period of continuous session of Congress beginning on the date of submission of the prospectus, either Committee issues a report concerning matters addressed in the prospectus, the Secretary shall consider such report before publishing a notice to designate the national marine sanctuary.

"(b) TAKING EFFECT OF DESIGNATIONS.—

"(1) NOTICE.—In designating a national marine sanctuary, the Secretary shall publish in the Federal Register notice of the designation together with final regulations to implement the designation and any other matters required by law, and submit such notice to the Congress. The Secretary shall also advise the public of the availability of the final management plan and the final environmental impact statement with respect to such sanctuary. No notice of designation may occur until the expiration of the period for Committee action under subsection (a)(4). The designation (and any of its terms not disapproved under this subsection) and regulations shall take effect and become final after the close of a review period of forty-five days of continuous session of Congress beginning on the day on which such notice is published unless—

"(A) the Congress disapproves the designation or any of its terms, by enacting a joint resolution of disapproval described in paragraph (3); or

"(B) in the case of a national marine sanctuary that is located partially or entirely within the jurisdiction of any State, the Governor affected certifies to the Secretary that the designation or any of its terms is unacceptable, in which case the designation or the unacceptable term shall not take effect in the area of the sanctuary lying within the jurisdiction of the State.

"(2) WITHDRAWAL OF DESIGNATION.—If the Secretary considers that actions taken under paragraph (1) (A) or (B) will affect the designation in such a manner that the goals and objectives of the santuary cannot be fulfilled, the Secretary may withdraw the designation. If the Secretary does not withdraw the designation, only those portions of the designation not disapproved under paragraph (1)(A) or not certified under paragraph (1)(B) shall take effect.

"(3) RESOLUTION OF DISAPPROVAL.—For the purposes of this subsection, the term 'resolution of disapproval' means a joint resolution which states after the resolving clause the following: 'That the Congress disapproves the national marine sanctuary designation entitled that was submitted to Congress by the Secretary of Commerce on .', the first blank space being filled with the title of the designation and the second blank space being filled with the date on which the notice was submitted to Congress. In the event that the disapproval is addressed to one or more terms of the designation, the joint resolution shall state after the resolving clause the following: 'That the Congress approves the national marine sanctuary designation entitled that was submitted to Congress by the Secretary of Commerce on but disapproves the following terms of such designation: .', the first blank space being filled with the title of the designation, the second blank space being filled with the date in which the notice was submitted to Congress, and the third blank space referencing each term of the designation which is disapproved.

"(4) PROCEDURES.—

"(A) In computing the forty-five-day periods of continuous session of Congress pursuant to subsection (a)(4) and paragraph (1) of this subsection—

"(i) continuity of session is broken only by an adjournment of Congress sine die; and

"(ii) the days on which either House of Congress is not in session because of an adjournment of more than three days to a day certain are excluded.

"(B) When the committee to which a joint resolution has been referred has reported such a resolution, it shall at any time thereafter be in order to move to proceed to the consideration of the resolution. The motion shall be privileged and shall not be debatable. An amendment to the nation shall not be in order, and it shall not be in order to

move to reconsider the vote by which the motion was agreed to or disagreed to.

"(C) This subsection is enacted by Congress as an exercise of the rulemaking power of each House of Congress, respectively, and as such is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in the case of resolutions described in this subsection. This subsection supersedes other rules only to the extent that they are inconsistent therewith, and is enacted with full recognition of the constitutional right of either House to change the rules (so far as those relate to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

"(5) ACCESS AND VALID RIGHTS.—Nothing in this title shall be constructed as termination, or granting to the Secretary the right to terminate, any valid lease, permit, license, right of subsistence use, or right of access: *Provided*, That such lease, permit, license or right was in existence on the date of enactment of the Marine Sanctuaries Amendments of 1983, with respect to any national marine sanctuary designated before such date: *Provided further*, That such lease, permit, license or right in existence on the date of designation of any national marine sanctuary, with respect to any national marine sanctuary designed after the date of enactment of the Marine Sanctuaries Amendments of 1983: *And provided further*, That the exercise of such lease, permit, license or right shall be subject to regulation by the Secretary consistent with the purposes for which the sanctuary is designated.

"SEC. 305. INTERNATIONAL APPLICATION OF REGULATIONS AND NEGOTIATIONS.

"(a) REGULATIONS.—The regulations issued under section 304 shall be applied in accordance with recognized principles of international law, including treaties, conventions, and other agreements to which the United States is signatory. Unless the application of the regulations is in accordance with such principles or is otherwise authorized by an agreement between the United States and the foreign state of which the affected person is a citizen or, in the case of the crew of a foreign vessel, between the United States and flag state of the vessel, no regulation applicable to areas or activities outside the jurisdiction of the United States shall be applied to a person not a citizen, national, or resident alien of the United States.

"(b) NEGOTIATIONS.—After the taking effect under section 304 of a national marine sanctuary that applies to an area or activity beyond the jurisdiction of the United States, the Secretary of State shall take such action as may be appropriate to enter into negotiations with other governments in order to make necessary arrangements for the protection of the sanctuary and to promote the purposes for which it is established.

"SEC. 306. RESEARCH AND EDUCATION.

"The Secretary shall conduct such research and educational programs as are necessary and reasonable to carry out the purposes and policies of this title.

"SEC. 307. ENFORCEMENT.

"(a) IN GENERAL.—The Secretary shall conduct such enforcement activities as are necessary and reasonable to carry out this title. The Secretary shall, whenever appropriate, utilize by agreement the personnel, services, and facilities of other Federal departments, agencies, and instrumentalities on a reimbursable basis in carrying out the Secretary's responsibilities under this title.

"(b) CIVIL PENALTIES.—

"(1) CIVIL PENALTY.—Any person subject to the jurisdiction of the United States who violates any regulation issued under this title shall be liable to the United States for a civil penalty of not more than $50,000 for each such violation, to be assessed by the Secretary. Each day of a continuing violation shall constitute a separate violation.

"(2) NOTICE.—No penalty shall be assessed under this subsection until the person charged has been given notice and an opportunity to be heard. Upon failure of the offending party to pay an assessed penalty, the Attorney General, at the request of the Secretary, shall commence action in the appropriate district court of the United States to collect the penalty and to seek such other relief as may be appropriate.

"(3) IN REM JURISDICTION.—A vessel used in the violation of a regulation issued under this title shall be liable in rem for any civil penalty assessed for such violation and may be proceeded against in any district court of the United States having jurisdiction thereof.

"(c) JURISDICTION.—The district courts of the United States shall have jurisdiction to restrain a violation of the regulations issued under this title, and to grant such other relief as may be appropriate. Actions shall be brought by the Attorney General in the name of the United States. The Attorney General may bring suit either on his own initiative or the request of the Secretary.

"SEC. 308. AUTHORIZATION OF APPROPRIATIONS.

"To carry out this title, there are authorized to be appropriated not to exceed the following sums:

"(1) $2,264,000 for fiscal year 1984.

"(2) $2,500,000 for fiscal year 1985.

"(3) $2,750,000 for fiscal year 1986.

"SEC. 309. SEVERABILITY.

"If any provision of this Act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of this Act and of the application of such provision to other persons and circumstances shall not be affected thereby.".

TITLE II—MARINE SAFETY

SUBTITLE A

SEC. 201. (a) Before February 12, 1984, the Secretary of the department in which the Coast Guard is operating shall prescribe final regulations requiring exposure suits on appropriate vessels operating in waters that are less than 60 degrees Fahrenheit.

(b) A vessel may not be exempted from the requirements of this section only because that vessel carries other lifesaving equipment.

(c) An exposure suit required by this section must provide adequate thermal protection, buoyancy, and flotation stability, and any other requirement the Secretary prescribes.

(d)(1) The owner, charterer, managing operator, agent, master or individual in charge of a vessel violating this section or a regulation prescribed under this section is liable to the United States Government for a civil penalty of not more than $5,000. The vessel also is liable in rem for the penalty.

(2) The owner, charterer, managing operator, agent, master, or individual in charge of a vessel violating this section or a regulation prescribed under this section may be fined not more than $25,000, imprisoned for not more than 5 years, or both.

(e) The Secretary shall by regulation designate waters in specified geographic areas, and shall designate specified times of the year, that meet the temperature standards of this section. Those regulations are deemed to comply with this section.

(f) The regulations prescribed under this section shall be effective before August 31, 1984.

SUBTITLE B

SEC. 210. This subtitle may be cited as the "Maritime Safety Act of 1983".

SEC. 211. (a) Section 3309 of title 46, United States Code, is amended by adding at the end:

"(c) At least 30 days (but not more than 60 days) before the current certificate of inspection issued to a vessel under subsection (a) of this section expires, the owner, charterer, managing operator, agent, master, or individual in charge of the vessel shall submit to the Secretary in writing a notice that the vessel—

"(1) will be required to be inspected; or

"(2) will not be operated so as to require an inspection.".

(b) Section 3311 of title 46, United States Code, is amended by—

(1) inserting "(a)" before "A vessel";

(2) striking the word "valid"; and

(3) inserting at the end the following:

"(b) The Secretary may direct the owner, charterer, managing operator, agent, master, or individual in charge of a vessel subject to inspection under this chapter not having a certificate of inspection—

"(1) to have the vessel proceed to mooring and remain there until a certificate of inspection is issued; or

"(2) to take immediate steps necessary for the safety of the vessel, individuals on board the vessel, or the environment.".

(c) Section 3318 of title 46, United States Code, is amended as follows:

(1) Subsection (a) is amended by—

(A) striking "The" the first time it appears and substituting "Except as otherwise provided in this part, the" and

(B) by striking "$1,000, except that when the violation involves operation of a barge, the penalty is $500.", and substituting "not more than $5,000.".

(2) Subsection (c) is amended by striking "$2,000," and substituting "$5,000,".

(3) Subsection (d) is amended by striking "$2,000," and substituting "$5,000,".

(4) Subsection (e) is amended by striking "$2,000," and substituting "$10,000,".

(5) Subsection (f) is amended by striking "$5,000," and substituting "$10,000,".

(6) Subsection (g) is amended by striking "shall be fined not more than $10,000, imprisoned for not more than one year, or both," and substituting "is liable to the Government for a civil penalty of not more than $5,000,".

(7) Subsection (h) is amended by striking "United States Government for a civil penalty of not more than $500," and substituting "Government for a civil penalty of not more than $1,000,".

(8) At the end add the following:

"(i) A person violating section 3309(c) of this title is liable to the Government for a civil penalty of not more than $1,000.

"(j)(1) An owner, charterer, managing operator, agent, master, or individual in charge of a vessel required to be inspected under this chapter operating the vessel without the certificate of inspection is liable to the Government for a civil penalty of not more than $10,000 for each day during which the violation occurs, except when the violation involves operation of a vessel of less than 1,600 gross tons, the penalty is not

more than $2,000 for each day during which the violation occurs. The vessel also is liable in rem for the penalty.

"(2) A person is not liable for a penalty under this subsection if—

"(A) the owner, charterer, managing operator, agent, master, or individual in charge of the vessel has notified the Secretary under section 3309(c) of this title;

"(B) the owner, charterer, managing operator, agent, master, or individual in charge of the vessel has complied with all other directions and requirements for obtaining an inspection under this part; and

"(C) The Secretary believes that unforeseen circumstances exist so that it is not feasible to conduct a schedule inspection before the expiration of the certificates of inspection.

"(k) The owner, charterer, managing operator, agent, master, or individual in charge of a vessel failing to comply with a direction issued by the Secretary under section 3371(b) of this title is liable to the Government for a civil penalty of not more than $10,000 for each day during which the violation occurs. The vessel also is liable in rem for the penalty.

(l) A person committing an act described in subsections (b)-(f) of this section is liable to the Government for a civil penalty of not more than $5,000. If the violation involves the operation of a vessel, the vessel also is liable in rem for the penalty.".

SEC. 212. (a) Chapter 23 of title 40, United States Code, is amended as follows:

"(1) At the end of the chapter analysis, add the following:

"2306. Vessel reporting requirements".

(2) In section 2301, strike "This chapter" and substitute "Except as provided in section 2306 of this title, this chapter".

(3) Add at the end the following:

"§ 2306. Vessel reporting requirements

"(a)(1) An owner, charterer, managing operator, or agent of a vessel of the United States having reason to believe (because of lack of communication with or nonappearance of a vessel or any other incident) that the vessel may have been lost or imperiled immediately shall use all available means to determine the status of the vessel and notify the Coast Guard.

"(2) When more than 40 hours have passed since the owner, charterer, managing operator, or agent of a vessel required to report to the United States Flag Merchant Vessel Location Filing System under authority of section 212(A) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1122s), received a communication from the vessel, the owner, charterer, managing operator, or agent immediately shall use all available means to determine the status of the vessel and notify the Coast Guard.

"(3) A person notifying the Coast Guard under paragraph (1) or (2) of this subsection shall provide the name and identification number of the vessel, the names of individuals on board, and other information that may be requested by the Coast Guard. The owner, charterer managing operator, or agent also shall submit written confirmation to the Coast Guard within 24 hours after nonwritten notification to the Coast Guard under these paragraphs.

"(4) An owner, charterer, managing operator, or agent violating this subsection is liable to the United States Government for a civil penalty of not more than $5,000 for each day during which the violation occurs.

"(b)(1) The master of a vessel of the United States required to report to the System shall report to the owner, charterer, managing operator, or agent at least once every 48 hours.

"(2) A master violating this subsection is liable to the Government for a civil penalty of not more than $1,000 for each day during which the violation occurs.

"(c) The Secretary may prescribe regulations to carry out this section."

(b)(1) Section 6101 of title 46, United States Code, is amended—

(A) in subsection (a), by striking "and incidents", and

(B) by striking subsection (c).

(2) Section 6103 of title 46, United States Code, is amended by striking "or incident".

SEC. 213. (a) Subsection (b) of section 4263 of the Revised Statutes of the United States (46 App. U.S.C. 183(b)) is amended by striking out "$60" each place it appears and inserting in lieu thereof "$420",

(b) The amendment made by subsection (a) shall apply to incidents occurring after the date of enactment of this Act.

SEC. 214. Sections 211(a) and 212 of this subtitle are effective 180 days after the date of enactment of this Act.

TITLE III—MISCELLANEOUS

SUBTITLE A

SEC. 301. (a) Section 3 of the Act of December 31, 1970 (33 U.S.C. 857-3) is amended by adding "(a)" after "SEC. 3," and by adding at the end the following new subsection:

"(b) The Secretary may provide medical and dental care, including care in private facilities, for personnel of the Administration entitled to that care by law or regulation."

(b) The matter before subsection (b) in the first section of the Act of July 19, 1963 (42 U.S.C. 253a(a)), is amended by striking "at facilities of the Public Health Service: *Provided*, That" and inserting in lieu thereof "by Public Health Service if".

(c) The first sentence of subsection (b) of the first section of that Act (42 U.S.C. 253a(b)) is amended—

(1) by striking out "at its hospitals and relief stations"; and

(2) by striking out "at hospitals of the Public Health Service: *Provided*, That" and inserting in lieu thereof "by the Public Health Service if".

SUBTITLE B

SEC. 310. (a) Chapter 9 of title 14, United States Code, is amended by inserting after section 181 the following new section:

"§ 181a. Cadet applicants; preappointed travel to Academy

"The Secretary is authorized to expend appropriated funds for selective preappointment travel to the Academy for orientation visits of cadet applicants.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 181 the following new item:

"181a. Cadet applicants: selective preappointment travel to Academy.".

SEC. 311. (a)(1) Section 42(b) of title 14, United States Code, is amended by striking out ".375" both places it appears and inserting in lieu thereof "0.375".

(2) Section 290 of such title is amended by striking out "Board" in the fourth sentence and inserting in lieu thereof "Boards".

(3) The table of sections at the beginning of chapter 13 of such title is amended by striking out the item relating to section 462a.

(4) Section 724 of such title is amended—

(A) by inserting "(1)" after "(b)";

(B) by striking out the last sentence; and

(C) by adding at the end thereof the following new paragraph:

"(2) The authorized number of Reserve officers in an active status not on active duty in the grades of commodore and rear admiral is a total of two. However, the Secretary may authorize an additional number of Reserve officers not on active duty in the grades of commodore and rear admiral as necessary in order to meet planned mobilization requirements.".

(b)(1) The matter in the table in section 201(a) of title 37, United States Code, under the heading "Navy, Coast Guard, and National Oceanic and Atmospheric Administration" and in the columns for O-8 and O-7 is amended to read as follows:

"Rear admiral (Navy and Coast Guard) and Rear admiral (upper half) (National Oceanic and Atmospheric Administration)	
"Commodore (Navy and Coast Guard) and Rear admiral (lower half) and commodore (National Oceanic and Atmospheric Administration)".	

(2)(A) The heading of section 202 of such title is amended to read as follows:

"§ 202. Pay grade: retired Coast Guard commodores".

(B) The item relating to section 202 in the table of sections at the beginning of chapter 3 of such title is amended to read as follows:

"202. Pay grade: retired Coast Guard commodores.".

(c) The matter in the table in section 741(a) of title 10, United States Code, under the heading "Navy and Coast Guard" is amended—

(1) by striking out "Rear admiral (Navy) and Rear admiral (upper half) (Coast Guard)" and inserting in lieu thereof "Rear admiral"; and

(2) by striking out "Commodore (Navy) and Rear admiral (lower half) (Coast Guard)" and inserting in lieu thereof "Commodore".

SEC. 312. (a) Chapter 55 of title 10, United States Code, is amended as follows:

(1) Section 1072 is amended—

(A) by striking out "the Secretary of Defense" and all that follows through "may be," in paragraph (2)(D)(iii) and inserting in lieu thereof "the administering Secretary"; and

(B) by adding at the end thereof the following new paragraph:

"(3) 'Administering Secretaries' means the Secretaries of executive departments specified in section 1073 of this title as having responsibility for administering this chapter.".

(2) Section 1073 is amended by striking out "and the Secretary" and all that follows through "Navy, and" and inserting in lieu thereof "the Secretary of Transportation shall administer this chapter for the Coast Guard when the Coast Guard is not operating as a service in the Navy, and the Secretary of Health and Human Services shall administer this chapter".

(3) Section 1074 is amended by striking out "Secretary of Defense and the Secretary of Health and Human Services" each place it appears and inserting in lieu thereof "administering Secretaries".

(4) Section 1076 is amended by striking out "the Secretary of Defense and the Sec-

retary of Health and Human Services" in subsections (b) and (d) and inserting in lieu thereof "the administering Secretaries".

(5) Section 1078 of title 10, United States Code, is amended by striking out "the Secretary of Health and Human Services" in subsections (a) and (b) and inserting in lieu thereof "the other administering Secretaries".

(6) Section 1079 is amended—

(A) by striking out "the Secretary of Defense and the Secretary of Health and Human Services" each place it appears and inserting in lieu thereof "the administering Secretaries"; and

(B) by striking out "with the Secretary of Health and Human Services" in subsections (a) and (h)(2) and inserting in lieu thereof "with the other administering Secretaries".

(7) Section 1080 is amended by striking out "the Secretary of Health and Human Services" in second sentence and inserting in lieu thereof "the other administering Secretaries".

(8) Section 1081 is amended by striking out "the Secretary of Defense and the Secretary of Health and Human Services" and inserting in lieu thereof "one of the administering Secretaries".

(9) Section 1083 is amended by striking out "the Secretary of Health and Human Services" in the second sentence and inserting in lieu thereof "the other administering Secretaries".

(10) Section 1084 is amended—

(A) by striking out "the Secretary of Defense or the Secretary of Health and Human Services" in the first sentence and inserting in lieu thereof "an administering Secretary"; and

(B) by striking out "he" in the second sentence and inserting in lieu thereof "the administering Secretary".

(11) The text of section 1085 of title 10, United States Code, is amended to read as follows:

"If a member or former member of a uniformed service under the jurisdiction of one executive department (or a dependent of such a member or former member) receives inpatient medical or dental care in a facility under the jurisdiction of another executive department, the appropriation for maintaining and operating the facility furnishing the care shall be reimbursed at rates established by the President to reflect the average cost of providing the care.".

(12) Section 1086 is amended—

(A) by striking out "the Secretary of Health and Human Services" in subsection (a) and inserting in lieu thereof "the other administering Secretaries"; and

(B) by striking out "the Secretary of Defense and the Secretary of Health and Human Services" in the second sentence of subsection (e) and inserting in lieu thereof "the administering Secretaries".

(b)(1) Before October 1, 1985, the Secretary of the department in which the Coast Guard is operating may test a flat rate per diem allowances system for military travel allowances.

(2) These flat rate per diem allowances are an amount determined by the Secretary to be sufficient to meet normal and necessary expenses in the area in which travel is performed.

(3) The allowances may be not more than $75 for each day in the continental United States.

(4) The test may not begin before the Committees on Commerce, Sciences, and Transportation and Armed Services of the Senate and the Committees on Merchant Marine and Fisheries and Armed Services of the House of Representatives are notified of the test.

SUBTITLE C

SEC. 320. Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the vessel Wingaway, official number 654146, owned by George M. Brereton, has the right to engage in the coastwise trade.

Sec. 321. Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the Secretary of the department in which the Coast Guard is operating shall cause the vessel Dad's Pad, official number 549526, owned by John C. Sciacca, to be documented as a vessel of the United States with the privilege of engaging in the coastwise trade, on compliance with all other requirements of law.

Sec. 322. Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the Secretary of the department in which the Coast Guard is operating shall cause the vessel Zorba, official number 229763, owned by Howard Costa, to be documented as a vessel of the United States with the privilege of engaging in the coastwise trade, on compliance with all other requirements of law.

SEC. 323. Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the Secretary of the department in which the Coast Guard is operating shall cause the vessel La Jolie, Michigan registration number MC-2807-LB, owned by Hugh Lewis, to be documented as a vessel of the United States with the privilege of engaging in the coastwise trade, on compliance with all other requirements of law.

SEC. 324. Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the Secretary of the department in which the Coast Guard is operating shall cause the vessel Endless Summer, official number 296259, owned by the Commonwealth of Virginia, to be documented as a vessel of the United States with the privilege of engaging in the coastwise trade, on compliance with all other requirements of law.

SEC. 325. (a) Section 8101(g) of title 46, United States Code, is amended by striking "or part B of this subtitle applies" and substituting "applies or which is subject to inspection under chapter 33 of this title".

(b) Section 8301(a) of title 46, United States Code, is amended by—

(1) after "lakes" inserting "(except the Great Lakes)"; and

(2) striking "to which part B of this subtitle applies" and inserting "subject to inspection under chapter 33 of this title".

(c) Section 8301(a)(1) of title 46, United States Code, is amended by inserting "propelled by machinery or carrying passengers" after "vessels".

(d) The analysis of chapter 85 of title 46, United States Code, is amended by adding:

"8503. Federal pilots authorized.".

(e) Section 8501(a) of title 46, United States Code, is amended by striking "part" and substitution "subtitle,".

(f) Chapter 85 of title 46, United States Code, is amended by adding the following new section:

"§ 8503. Federal pilots authorized

"(a) The Secretary may require a pilot licensed under section 7101 of this title on a self-propelled vessel when a pilot is not requred by State law and the vessel is—

"(1) engaged in foreign commerce; and

"(2) operating on the navigable waters of the United States.

"(b) A requirement prescribed under subsection (a) of this section is terminated when the State having jurisdiction over the area involved—

"(1) establishes a requirement for a State licensed pilot; and

"(2) notifies the Secretary of that fact.

"(c) For the Saint Lawrence Seaway, the Secretary may not delegate the authority under this section to an agency except the Saint Lawrence Seaway Development Corporation.

"(d) A person violating this section or a regulation prescribed under this section is liable to the United States Government for a civil penalty of not more than $25,000. Each day of a continuing violation is a separate violation. The vessel also is liable in rem for the penalty.

"(e) A person that willfully and knowingly violates this section or a regulation prescribed under this section shall be fined not more than $50,000, imprisoned for not more than five years, or both.".

(g) Section 7 of the Ports and Waterways Safety Act of 1972 (33 U.S.C. 1226) is repealed.

SUBTITLE D

SEC. 330. Section 2 of the Central, Western, and South Pacific Fisheries Development Act (Public Law 92-444; 16 U.S.C. 758e) is amended by striking out "Pacific Tuna Development Foundation" and inserting in lieu thereof "Pacific Fisheries Development Foundation".

SUBTITLE E

That subtitle II of title 46, United States Code, "Shipping", is amended as follows:

(1) Section 2101(13) is amended by striking "except an oceanographic research vessel or an offshore supply vessel." and substituting "except a fishing, fish processing, oceanographic research, or offshore supply vessel.".

(2) Section 2101(21)(C) is amended by—

(A) striking "an offshore supply" and substituting "a fishing or fish processing vessel, a vessel exempt under section 3302(k) of this title, or an offshore supply";

(B) striking "or" at the end of subclause (viii);

(C) striking "board." at the end of (ix) and substituting "board; or"; and

(D) adding at the end the following:

"(x) for a fishing or fish processing vessel or a vessel exempt under section 3302(k), an individual employed in fishing or fish processing carried on board the vessel; or"; and

(3) Section 2101 is amended by inserting between clauses (10) and (11) the following:

"(10a) 'fish' means finfish, mullusks, crustaceans, and all other forms of marine animal and plant life other than marine mammals and birds.".

(4) Section 2101 is amended by inserting between clauses (11) and (12) the following:

"(11a) 'fishing' means—

"(A) the catching, taking, or harvesting of fish;

"(B) the attempted catching, taking, or harvesting of fish; or

"(C) any other activity which can reasonably be expected to result in the catching, taking, or harvesting of fish.

"(11b) 'fishing vessel' means any vessel used primarily for, or equipped to be used primarily for, or of a type normally used primarily for, commercial fishing.

"(11c) 'fish processing' means processing or any other activity primarily in support of commercial fishing, including preparation,

supply, storage, refrigeration, or transportation.

"(11d) 'fish processing vessel' means any vessel used primarily for, or equipped to be used primarily for, or of a type normally used primarily for, fish processing.".

(5) Section 3302 (b) and (c) is amended to read as follows:

"(b) A fishing vessel is exempt from section 3301 (1), (4), and (7) of this title.

"(c) A fish processing vessel is exempt from section 3301 (1), (4), (6), and (7) of this title.".

(6) Section 3302 is amended by adding the following subsection:

"(k) Before January 1, 1989, a fishing or fish processing vessel in operation prior to January 1, 1984, carrying cargo or carrying not more than 12 individuals employed in fishing or fish processing to or from another fishing or fish processing vessel or a facility used in fish processing, and to or from a remote community in Alaska, is exempt from section 3301 (1), (3), (4), (6), (7), and (8) of this title.".

(7) Section 3702 (c) and (d) is amended to read as follows:

"(c) This chapter does not apply to a fishing or fish processing vessel.

"(d) A fishing or fish processing vessel is subject to regulation by the Secretary when carrying flammable or combustible liquid cargo in bulk and when not used only for fishing or fish processing.".

(8)(A) Item 7111 in the analysis of chapter 71 is amended to read as follows:

"7111. Licenses for fishing and fish processing vessels.".

(B) Section 7111 is amended to read as follows:

"§ 7111. Licenses for fishing and fish processing vessels.

"Examinations for licensing individuals on fishing and fish processing vessels shall be oral.".

(9) Section 7301(a)(1) is amended by striking "fishing" and substituting "fishing or fish processing".

(10) Section 8104(c) is amended by striking "fishing" and substituting "fishing or fish processing".

(11) Section 8104(d) is amended by striking "a fishing or whaling vessel," and substituting "a fishing, fish processing, or whaling vessel, a vessel exempt under section 3302(k) of this title,".

(12) Section 8701(a) is amended by—

(A) striking "and" at the end of clause (4);

(B) striking "personnel." at the end of clause (5) and substituting "personnel; and" and

(C) adding at the end the following clause:

"(6) a vessel exempt under section 3302(k) of this title.".

(13) Section 8702(a) is amended by—

(A) striking "and" at the end of clause (4);

(B) striking "personnel." at the end of clause (5) and substituting "personnel; and" and

(C) adding at the end the following clause:

"(6) a vessel exempt under section 3302(k) of this title.".

(14) Sections 8301(c), 8302(a)(1), 10303(c), 10309(c), 10311(e), 10313(b), 10313(e), 10313(h), 10314(e), 10504(a), 10504(d), 10505(d), 10509(c), 10901, 11103(c), and 11106(d) are amended by striking "a fishing or whaling vessel" and substituting "a fishing, fish processing, or whaling vessel".

(15) Section 11108 is amended by striking "a fisherman employed on a fishing vessel" and substituting "an individual employed on a fishing or fish processing vessel".

(16) Section 11109(c) is amended to read as follows:

"(c) This section applies to an individual on a fishing or fish processing vessel.".

Insert in 22 USC 1978(a)(1) after "under circumstances which diminish the effectiveness of" the following: "domestic conservation efforts relating to Pacific salmon or".

Amend the title so as to read: A bill to provide authorization of appropriations for title III of the Marine Protection, Research, and Sanctuaries Act of 1972, and for other purposes.

HIGHLY ERODIBLE LAND

ARMSTRONG AMENDMENT NO. 2666

Mr. ARMSTRONG proposed an amendment to the bill (S. 663) to prohibit the payment of certain agriculture incentives to persons who produce certain agricultural commodities on highly erodible land; as follows:

Strike the first 5 lines of Section 3, and insert in lieu thereof: "Except as provided in section 4 and notwithstanding any other provision of law, following the date of enactment of this Act any person who produces an agricultural commodity on highly erodible land shall be ineligible, with respect to such commodity produced on such land, for—.".

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. ANDREWS. Mr. President, the Senate Select Committee on Indian Affairs has scheduled the continuation of its oversight hearing on the impact that certain coal land exchanges between the Department of the Interior and western land grant railroads will have on the value of Indian-owned coal. The hearing will be held on Monday, November 21, 1983, at 9:30 a.m. in room SD-538, Dirksen Senate Office Building.

For further information, contact Tom Champion or Max Richtman at 224-2251.

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce that the Senate Small Business Committee will hold a full committee hearing on December 7, 1983, on obstacles facing small business concerns seeking to compete for Federal procurement contracts. The committee will be receiving testimony on the problems confronted by small business and solutions offered by bills pending before the committee, especially S. 1730, "Small Business Competition in Contracting Act of 1983." The hearing will begin at 10:00 a.m., Ceremonial Courtroom, room 2541 of the Dirksen Federal Building, Chicago, Ill. For further information, please contact Bill Montalto of the committee staff at 224-3099.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON FAMILY AND HUMAN SERVICES

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Family and Human Services of the Labor and Human Resources Committee be authorized to meet during the session of the Senate on Friday, November 18, for the purpose of taking testimony on the subject of a "Forum for Families: A Prelude to National Family Week and National Adoption Week."

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PREPAREDNESS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Preparedness of the Committee on Armed Services be authorized to meet during the session of the Senate on Friday, November 18, to hold a hearing regarding barter to enhance the readiness of the National Defense stockpile.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

HEALTH INSURANCE PAYMENT FOR ABORTION

● Mr. JEPSEN. Mr. President, before this 1st session of the 98th Congress comes to an end, there is one more thing to say about our most controversial subject.

In recent days, the Senate has voted six times on the subject of abortion, though some of those votes were in the form of procedural questions. Five of those votes concerned the prohibition of abortion under the Federal Government's employee health insurance programs.

Great credit is due to Congressman CHRIS SMITH of New Jersey and to Senator DENTON for their courageous leadership on this issue. They have been unflagging in their determination, and I salute them for helping to build a wall of separation between the Federal Government and the abortion business.

I am sure that both Senator DENTON and Congressman SMITH join me in paying tribute to a man who fought this battle several years ago, the late John Ashbrook. We have been privileged to complete his work. His defense of the right to life was unequivocal, as humane as his vision, as strong as his faith.

His memory remains an inspiration to all those who are working to restore respect for human life to our laws and to the Constitution. John Ashbrook knew that the really important battles take time and are won by endurance, not bravado. We have learned from his

leadership. We will remember his example.

The Ashbrook amendment is now law.

God bless him. Now he can rest in peace.●

REAUTHORIZATION OF VOCATIONAL EDUCATION

●**Mr. QUAYLE. Mr. President, today** I am inserting in the RECORD for public comment a very general outline of an approach to reauthorizing the Vocational Education Act, which expires at the end of this fiscal year. During the recess, I will be working to refine this outline and convert it into bill form. During this process, I hope to get the benefit of advice from all interested parties so that we can develop a bill that will both provide needed improvements in the vocational education system and be based on the kind of consensus that enables a proposal to move from bill to enacted law. The outline will follow my remarks, but first I would like to draw attention to some particular areas of concern that we have identified as needing greater clarification and development.

My proposal would move away from relying on procedural requirements for insuring program quality and from set-asides for improving access to underserved populations. Instead it would rely upon performance standards to achieve these goals. In order to continue receiving Federal funds programs would be required to meet performance standards. Here I would like to focus attention on the question of whether it is possible to develop meaningful performance standards for vocational education? And if we write such standards, will they be an effective mechanism for achieving the goals of improving program quality and access to underserved populations?

A second area of concern relates to business participation in vocational education. Under my proposal, business would be involved through the planning process and in developing skill levels acceptable to the business community which will be used in setting performance standards. My concern here is whether this provides the business community with an effective means of influencing the kind of vocational training to be offered and the level of employment competencies to which students are trained. Should business also participate in the development of curriculum? If so, how?

A third major area of concern relates to the provisions for adult retraining. The vocational education system is a critical component for meeting the need for worker retraining. Under my proposal, funds may be used to provide additional training for participants of the dislocated worker program under title III of the Job Training Partnership Act (JTPA) or to provide retraining on an individual basis to workers whose jobs are made technologically obsolete. State agencies administering retraining programs would be required to coordinate their efforts. Is this a feasible approach to worker retraining through the vocational education system? Would this arrangement present administrative difficulties or unnecessary duplication?

JTPA contains a number of provisions designed to coordinate programs under that act with appropriate education agencies. Should the Vocational Education Act contain reciprocal provisions for coordination between these two systems? The need for preparing disadvantaged youth for employment is a major concern for all and I want to insure that the proposal adequately reflects that concern.

A final area of concern relates to the development of the local plan. My proposal calls for a single local plan to be submitted for all vocational education programs operating in an area. As a result, secondary and postsecondary institutions would be required to jointly submit a single local plan. One difficulty with this proposal is the fact that these institutions serve different geographic areas with some overlapping. If we follow this proposal for a single local plan, what geographic areas should we require to be covered by the plan?

I have tried to highlight here the issues in my proposal that I consider to be key areas of concern. I hope comments will be directed toward those matters, however, I welcome discussion on other aspects of the proposal as well. Please send comments to the attention of Bob Guttman or Renee Coe of the Senate Labor and Human Resources Committee, SD-428, Washington, D.C. 20510, or you may call them at (202) 224-6396.

I ask that my general outline be printed in the RECORD following these remarks.

The material follows:

GENERAL OUTLINE FOR VOCATIONAL EDUCATION BILL

I. PURPOSES OF FEDERAL ASSISTANCE

A. To make the system more occupationally relevant by

1. Involving business community in planning process

2. Developing meaningful performance standards related to successful outcomes. Successful outcomes include any of the following:

a. Training related placement

b. Achievement of acceptable skill levels

c. Continuing education

B. To expand service to the underserved

1. So that services to and outcomes for economically disadvantaged and handicapped become proportional to their percentage in population served.

2. By promoting women's access to nontraditional occupations

C. To assist in dealing with economic dislocation through programs for retraining adult workers

II. AUTHORIZATION OF APPROPRIATIONS

A. $ for fiscal year 1985 through fiscal year

B. Distribution formula (to be supplied)

1. To promote services to underserved population, the number of disadvantaged youth, handicapped and offenders actually served will be a factor in formula. This factor in the distribution formula will be phased in.

C. Percent set aside for adult worker retraining program.

III. CONDITIONS FOR RECEIPT OF GRANTS

A. Designation of State agency to receive grants and submit plan

B. Submission of an acceptable plan

C. After phase-in, must meet performance standards or make acceptable corrective measures

IV. PLANNING REQUIREMENTS FOR STATES

A. Procedural

1. Plan must be developed with active participation of business, labor, secondary and postsecondary institutions and representatives of the population targeted under the Act through an advisory committee with appropriate representation, such as the SJTCC under JTPA, or other body as designated by the State.

2. Business members must be given separate opportunity to comment on the occupations and skill levels to be trained for and may submit separate views to Secretary if plan not consistent with labor market realities.

B. Substantive. Plan must show:

1. How it meets Federal purposes in the expenditure of the Federal funds received

2. State objectives for vocational education and how they relate to the Federal

3. Expected performance outcomes and past experience and appropriate remedial measures if necessary. Outcomes must include data for Federal target groups and for areas of high unemployment and concentrations of economically disadvantaged

4. Criteria for suballocation of Federal funds which ensure that areas with concentrations of high unemployment and economically disadvantged receive an equitable share of Federal, State and local funds for vocational education

5. Criteria for allocation of funds to postsecondary programs which shall result in at least 35% of the funds being available to such programs

V. PLANNING REQUIREMENTS FOR LOCALITIES

A. Procedural

1. Must provide for active participation of business, labor, secondary and postsecondary institutions and representatives of the population targeted under the Act through the use of PIC, under JTPA, or other advisory group with appropriate representation

2. If business members of the PIC for the area disagree with occupations or levels of skill to be trained for, views shall be submitted to State and considered in approval or rejection of plan

B. Substantive. Plan must show:

1. How it meets Federal purposes in the expenditure of the Federal funds received

2. State objectives for vocational education and how they relate to the Federal

3. Expected performance outcomes and past experience and appropriate remedial measures if necessary. Outcomes must include data for Federal target groups and for areas of high unemployment and concentrations of economically disadvantaged

VI. USE OF FUNDS

A. Funds may be used for developing new, improved or expanded vocational education programs that are responsive to labor market demands. Programs may include:

1. Promoting programs involving industry and education partnerships;

2. Modernizing curricula, instructional equipment and materials, updating the skills of the instructional staff;

3. Developing courses of teaching strategies to teach the fundamental principles of mathematics, sciences, basic literacy, and communication skills in relation to vocational goals of students;

4. Strengthening career counseling and guidance;

5. Establishing or expanding programs of cooperative vocational education and programs providing other kinds of on-site learning experience, conducted through eligible recipients with the participation of public and private employers and (as appropriate) labor organizations;

6. Special exemplary and innovative programs designed to demonstrate effective methods of achieving one or more of the purposes of the Act;

7. Placement services for students who have successfully completed vocational education programs, if not available through other public or private means;

8. Provision of vocational education through arrangements with private vocational education institutions, employers, non-profit rehabilitation facilities and community based organizations as defined in P.L. 97-300 (JTPA), where such private institutions can make a significant contribution to attaining the objectives of this Act, and can provide substantially equivalent preparation at a lesser cost, or can provide equipment or services not available in public institutions;

B. Funds may be used to provide additional services that are necessary to enable underserved populations to participate successfully in vocational education programs. Such funds may be used for:

1. Educationally or financially disadvantaged individuals (including offenders) who by reason of such disadvantage are unable to participate or succeed in the regular vocational programs without educational or financial assistance;

2. Handicapped persons who by reason of such handicap require special assistance, instruction, or programs in order to participate in or profit from vocational education;

3. Persons of limited English-speaking ability who require instruction in English, or bilingual instruction until they are proficient in English, in order to participate in or profit from vocational education;

4. Single parents and heads of households, or males and females who wish to enter occupations that are non-traditional for their sex, who need special assistance in preparing for employment;

C. Funds shall be used for joint programs between the State agency designated to administer the Federal grant for vocational education and the State agency administering Title III of JTPA. Such funds may be used for additional Vocational Training under Title III of JTPA or other adult retraining programs.

D. Funds may be used for administration, planning, and evaluation.

1. Not more than percent of the total funds may be used for these purposes.

VII. FEDERAL RESPONSIBILITIES

A. Plan approval.

B. The Secretary shall develop performance standards to measure results of vocational education programs and improvement of access to targeted populations.

1. Outcome performance standards may be satisfied by achieving any of the following:

a. Training related placement.

b. Achievement of locally developed skill levels.

c. Continuing education.

2. Outcome performance standards shall be adjusted to reflect the characteristics of program participants and local labor market conditions.

3. The level of acceptable skill training and employment competencies shall be determined by representatives of the business community through a mechanism such as the private industry council, under JTPA.

4. Performance standards shall set criteria for equitable outcomes and participation. For targeted populations:

a. Outcome performance standards must set acceptable levels of progress toward achieving outcomes equitable to those set for other program participants.

b. Performance standards shall also measure progress toward equitable participation. These participation performance standards shall set criteria for acceptable progress toward serving the targeted populations in proportion to their portion of the population.

C. Audit.

D. Research and Data Collection (NOICC/SOICC).

VIII.

Period of years to phase in new program elements.●

GEORGE KENNAN ON U.S.-SOVIET RELATIONS

● Mr. KENNEDY. Mr. President, the United States and the Soviet Union have repeatedly confronted each other over a range of issues since we recognized the Soviet Government in 1933. No one has been more closely involved with the ups and downs of the U.S.-Soviet relationship than Ambassador George F. Kennan. From the time he entered the U.S. Foreign Service in 1926 until today, Dr. Kennan has been preeminent in his scholarship and profound in his insight into the intricacies of Soviet politics.

After a distinguished diplomatic career, during which he contributed directly to the formulation of American post-World War II policy toward the Soviet Union, Ambassador Kennan took strong exception with the increasing trend toward anti-Communism and cold war rhetoric in the United States. With no illusions about the benevolence of the Soviet Union, his assessment of the Soviet leadership is not colored by ideological rhetoric either.

In a recent article in the New Yorker, Ambassador Kennan discusses the danger of viewing the Soviet Union from too narrow a perspective. International relations, especially those between the United States and the Soviet Union, cannot be seen in terms of black and white, but are far more complicated. As Kennan points out:

. . . the Soviet regime never was, and is not today, one with which the United States could expect to have anything other than a complex and often difficult relationship.

Ambassador Kennan's seasoned observations echo the call of many of America's distinguished diplomats and statesmen for a change in the nation's attitude toward its principal adversary. We must do what we can to dismiss our illusions about the Soviet Union and deal with the formidable challenge that it offers to the free world. I commend Ambassador Kennan for his observations, as well as for his long and distinguished career as a student of Soviet Affairs. I strongly recommend that my distinguished Senate colleagues read his article "Breaking the Spell" before speaking out against the Soviet Union, and request that it be printed in the RECORD at this point.

The article follows:

REFLECTIONS

BREAKING THE SPELL

(By George Kennan)

Soviet-American relations, in consequence of a process of deterioration that has been going on for several years, are today in what can only be called a dreadful and dangerous condition. Civility and privacy of communication between the two governments seem to have largely broken down. Reactions on each side to statements and actions of the other side have been allowed to become permeated with antagonism, suspicion, and cynicism. Public discussion of the relations between the two countries has become almost totally militarized, at least in this country: militarized to a point where the casual reader or listener is compelled to conclude that some sort of military showdown is the only conceivable dénouement of their various differences—the only one worth considering and discussing. Can anyone mistake, or doubt, the ominous meaning of such a state of affairs? The phenomena just described, occurring in the relations between two highly armed great powers, are the familiar characteristics, the unfailing characteristics, of a march toward war—that, and nothing else. The danger would be intolerable even if the two countries were armed only with what are called conventional weapons. The history of the past century has shown that the damage produced by armed conflict between highly industrialized great powers in the modern age, even without the use of nuclear armaments, is so appalling that it is doubtful whether Western civilization could survive another such catastrophe. But this danger is now increased many times over by the nature of the weapons that the two countries hold in their hands. Either of these two factors—the nature of the weaponry, the state of the political relations—would be a danger in itself. The two in combination present a shadow greater than any that has ever before darkened the face of Western civilization.

Is this state of affairs really necessary? Is it unavoidable from the standpoint of the American policymaker? Is there no way we could hope to cope with it other than by a continuing and intensified weapons race of

indefinite duration? The casual reader or listener is led to believe that there is not. If, however, there is something that could be done, what is it? There are those in Washington who would argue that the present situation flows automatically from the nature of the regime that confronts us in Moscow, and is therefore unavoidable. To support their view, they would point to a given image of that regime. Goethe's Mephistopheles observes cynically, in the second part of "Faust," that "in the end we are all dependent on monsters of our own creation." And so it is with the image of the Soviet regime which has come to inform American policy. It is an image of unmitigated darkness, with which we are all familiar: that of a group of men already dominating and misruling a large part of the world and motivated only by a relentless determination to bring still more peoples under their domination. By those who cultivate this image, no rational motivation is suggested for so savage and unquenchable a thirst for power. The men who suffer this thirst, one is allowed to conclude, were simply born with it—the products, presumably, of some sort of negative genetic miracle. In any case, since they were born with it and are unable to help themselves, there is no way—or so we are told—that they could be reasoned with; no basis on which they could usefully be approached; no language they could be expected to understand other than that of intimidation by superior military force. Only by the spectre of such a force—an overwhelmingly superior nuclear force, in particular—could these men be "deterred" from committing all sorts of acts of aggression or intimidation with a view to subjugating other peoples and eventually to conquering the world. There are alleged to be no other inhibitions, no other considerations, no other interests that could be expected to restrain them from such behavior.

Well, if this image had been applied thirty or forty years ago to the regime of Joseph Stalin it might have been nearer to reality (although even then it would have been in some respects wide of the mark). Applied to the Soviet leadership of year 1983, it is seriously overdrawn: a caricature rather than a reflection of what really exists, and misleading and pernicious as a foundation for national policy. Beyond that, it is deeply and needlessly offensive to the people in question. But how much truth, if any, is there in it?

The Soviet regime has always been marked by a whole series of characteristics that complicated, and were bound to complicate, its relations with the West. Some of these were inherited. Many-sided estrangement from the West was nothing new in Russian history. It was an outstanding feature of the old Grand Duchy of Moscow—pious, xenophobic, eternally suspicious of the heretical foreigner. Two hundred years of Petersburg rule broke down this estrangement only in part, and primarily among the educated classes: the nobility, the gentry, commercial circles, and the liberal intelligentsia. And then the Russian Revolution, occurring in all the agony of the First World War, and marked, as it was, by the return of the capital to Moscow and the political destruction or elimination of precisely the more cosmopolitan elements of the population, intensified the estrangement enormously, substituting a militant ideological antagonism for the onetime religious abhorrence of the West, and discovering a new form of dangerous heresy in the Marxist vision of capitalism. This militancy, to be sure, soon began to fade under the impact with reality; but the rhetoric, in itself an impediment to normal relations, remained. And the years of Stalinist horror were no help. This fearsome Stalinist despotism, a grotesque anomaly in the modern world, could no more stand free association with the Western countries than could the court of old Muscovy in the days of Ivan the Terrible. And the traces of Stalinism, while today much faded and partly obliterated, are still not wholly absent from the Soviet scene.

All in all, then, the Soviet regime never was, and is not today, one with which the United States could expect to have anything other than a complex and often difficult relationship. It is a regime marked by a relatively high sense of insecurity. It has a tendency to overdo in the cultivation of military strength. It is unduly sensitive to the slightest influence or involvement of outside powers in regions just beyond its lengthy borders. I has a neurotic passion for secrecy and, as a product of that passion, a positive obsession with espionage, both offensive and defensive—an obsession that has interfered with its relations with the West, and has even damaged the regime's own interests, more often and more seriously, than the regime has until lately brought itself to recognize. The penetration by a Soviet submarine into sensitive Swedish waters and the recent shooting down of the Korean airliner are striking examples of the over-indulgence in this obsession; and one hopes that the Soviet leaders will learn from the world reaction to these events what harm they do themselves when they let military considerations ride roughshod over wider interests.

To continue with this listing of the negative factors: Soviet negotiating techniques often appear, particularly to those not familiar with them, to be stiff, awkward, secretive, and unpredictable. Above all, they are lacking in the useful lubrication that comes from informal personal association and exchanges among negotiators. And there are, too, specific Soviet policies that grate severely on Western sensibilities. The Soviet leaders do indeed make efforts to gain influence and authority among the regimes and peoples of the Third World. While the methods they employ do not seem to differ greatly from those of other major powers, including us, and while their efforts in this direction have not met, generally speaking, with any very alarming measure of success, these practices naturally arouse concern and resentment in large sections of our offical community. And then, of course, there is the fact that the Soviet leaders insist on maintaining a monopoly of political power in their own country and proceed harshly against those who appear to challenge or threaten that monopoly; and, beyond that, they unquestionably use their military hegemony to support and to maintain in power in Eastern Europe, insofar as it is possible, regimes similarly inspired and similarly resistant to liberalizing tendencies. All this is obviously a constant thorn in the flesh of much Western opinion.

And, finally, there is the phenomenon, familiar to all foreign representatives and observers in Russia, of the curious dual personality that the Soviet regime presents to the resident foreigner: the facade that is composed of people—often amiable and charming people—authorized to associate and communicate with the outside world; and, behind that facade, never visible but always perceptible, the inner, conspiratorial personality, of whose inscrutable attitudes and intentions the foreigner is never quite sure, and which for that reason probably incurs more suspicion than it deserves.

Now, these, and others that could be named, are formidable difficulties. Of course they limit the relationship. And of course they have to be taken into consideration by Western policymakers. But there are certain aspects of them that deserve to be kept in mind. First, most of them are not new. Some have been there since the outset of the Soviet-American relationship. All of us who have served in Moscow have had to contend with them. We were taught, in fact, to regard them as the more intractable parts of the problem. General George Marshall, I recall, used to say to us "Don't fight the problem," by which he meant, I believe, "Don't fight against the problem as a whole, for it includes elements that you cannot hope to change; find out which elements, if any, are susceptible to your influence, and concentrate on them." Second, many of these difficulties are actually less acute today than they were many years ago. This shows that they are not theoretically unsusceptible to change. Perhaps, if they are approached with patience and understanding, they can become even less pronounced in future years. Third, the negative factors are counterbalanced by a number of encouraging ones in both the psychology and the situation of the Soviet leadership.

Of these, the most important consists of the many persuasive indications that that leadership, however complicated its relations with the West may be, does not want a major war—that it has a serious interest in avoiding such a war, and will, given a chance, go quite far together with us to avoid it. The term "interest" does not mean, in this case, an abstract devotion to the principle of peace as a moral ideal. It means a consciousness on the part of these men that certain of the things they most deeply care about would not be served by Russia's involvement in another great war. Anyone who tries to put himself in the position of the Soviet leaders will at once recognize the force of this point. Even if they should be as evilly motivated as they are sometimes seen to be, these men are not free agents, wholly detached from the manifold complexities and contradictions that invariably go with the exercise of vast power. They constitute the government of a great country. They have a direct responsibility for the shaping of its society and its economic life. It is from the successful development of this society and this economy that they derive their strength. They cannot play fast and loose with either. Beyond that, they live and operate in a highly complex international environment. There is no single consideration that would serve to persuade these men that their interests would not be served by opening the Pandora's box of another world war; rather, there are dozens of considerations—and these quite aside from any so-called "military deterrence"—that would dissuade them from such a venture. The view that sees them as supremely independent, wholly on top of all their other problems, and madly riveted to dreams of world conquest to the point where it is exclusively by the interposition of overwhelming opposing military force that they could be dissuaded from striking out in all directions with acts of aggression or intimidation—this view is, if one will forgive my language, simply childish, inexcusably childish, unworthy of people charged with the responsbility of conducting the affairs of a great

power in an endangered world. Surely American statesmen can do better than this in penetrating, with their imaginations and their powers of analysis, the true complexity of the forces that come to bear on the decisions of another great government, and in forming a realistic idea of the motivation of that government's conduct. And surely if they were to make this effort what they would then see would be more reassuring than what, in the absence of it, they are led by their fears to assume.

Nor is the area of common interest between the Soviet Union and the United States limited to the need of both countries to see world peace preserved. Both are great industrial powers. As such, they have a growing number of common problems. Prominent among these are the environmental ones. Both countries occupy major portions of the environmentally endangered Northern Hemisphere. The Soviet leaders are no less aware than we are of the extent to which this hemisphere, if it escapes nuclear disaster, will still be threatened in the most serious way by environmental pollution and deterioration. They know that these problems will not be mastered just by measures taken within any single country—that the solution will require international collaboration, particularly between the two greatest industrial powers of the hemisphere.

And the environmental questions are only examples of the many problems and challenges that all the great industrial societies of this age, including the United States and the Soviet Union, are coming to have in common. There are the truly revolutionary effects, in some ways promising and in some ways terrifying, of the present revolution in communications on education, on the organization of life, on the human spirit and the human fibre. The Soviet Union is no less affected by this revolution than we are. It is such problems that unite—they are the ones on which we and the Soviet Union can collaborate. And they are the problems of the future. The others—the ones flowing from the ideological conflicts of the turn of the century which produced the Russian Revo-.'ıtion—are the problems of the past.

Those are some of the pros and cons of th. Soviet-American relationship; and if these pros and cons are stacked up against each other what one gets is, naturally, a mixed pattern, embracing serious differences of outlook and interest but also embracing positive possibilities that are not negligible. It is a pattern that, of course, leaves no room for exaggerated hopes, or for fulsome and hypocritical pretenses to a friendship that does not, and cannot, fully exist. The pattern embraces problems that will not be solved by just any summit meeting. But it also affords no justification for some of the extremes of pessimism we see around us today; no justification for the conclusion that it is only by some ultimate military showdown that the various Soviet-American differences can be resolved; and no justification for the overdrawn image of the Soviet leadership to which reference has here been made. Americans lived for more than a century at peace with the empire of the czars. Despite the addition of several seriously complicating factors during the present century, they have lived for some six and a half decades at peace with the Soviet Union. In the mixed pattern we have just had occasion to note, there is nothing to suggest that these two countries should not be able to continue to live at peace with each other for an indefinite number of decades into the future.

This cannot, of course, be assured by the state of relations we have before us today. The prospects for a peaceful development of Soviet-American relations are not theoretically hopeless, but they could easily become just that if we are unable to rise above some of the morbid nuclear preoccupations that now seem to possess us—if we are unable to see the positive possibilities behind the negative, military ones, and are unable to give to those positive ones a chance to take shape and to realize themselves. No one questions the fundamental importance of the outstanding questions of arms control. These represent the greatest and most urgent single problem we have before us in our relations with the Soviet Union. Without progress in this respect, there can, of course, be little hope of a peaceful future. But it is vitally important to remember that there are other dimensions to the Soviet-American relationship than the military one; and that not only are these other dimensions of sufficient importance to warrant attention in their own right but unless they, too, can be recognized, and cultivated, and their favorable possibilities taken advantage of, the arms talks themselves are unlikely to have any adequate and enduring success. The two aspects fo the relationship are complementary. Progress in the one is indispensable to progress in the other.

What could be done, then, to place this relationship on a sounder, less frightening, and more hopeful basis than it rests on today? One starts, of course, from the recognition that as of this moment things are royally fouled up. Any effort to straighten them out would unavoidably take time. There are some who believe that nothing that could be undertaken from the American side in the period before the next election could restore the atmosphere necessary to provide prospects for success. Possibly. In any case, to remove all those sources of tension which are theoretically susceptible of removal would certainly be a task of years, not months. But it is never too early to make a beginning; and nothing prevents us from considering what sort of agenda might be necessary if one wanted to embark on that course.

Some of this flows, by implication, from what has already been said. We could try, first of all, to restore the full confidentiality and the civility of communication between the two governments. And we could cease treating the Soviet Union as though we were, out of one pocket, at peace with it and, out of the other, at war. We could lift the heavy dead hand from Soviet-American trade and proceed, with the usual, minimal security precautions, to permit that normal and useful branch of human activity to develop in response to its own economic requirements. We have no need to be trying to set back the economy or depress the living standards of any other great people; nor is such an effort in keeping with the American tradition.

We could take a much bolder, more hopeful, and more promising position in matters of arms control. This does not mean embracing in any way the principle of unilateral disarmament. We could acknowledge (and it is high time we did) that the nuclear weapon is a useless one: that it could not conceivably be used without bringing catastrophe upon whatever country initiated its use, along with untold millions of people elsewhere. Acknowledging this, we could reject all dreams of nuclear superiority and see what we could do about reducing existing nuclear arsenals, with a view of their eventual elimination. A number of approaches have been suggested: a freeze, deep cuts, the so-called "build-down," a comprehensive test-ban treaty, others as well. These are not alternatives. They are complementary. Any or all of them would be useful. But to get on with any of them we would have to learn to treat the problem as a whole in our negotiations with the Russians, not cut it up into a series of fragmentized technical talks; to treat it at the senior political level, where it belongs, not in periodic encounters between politically helpless experts; and to treat it—initially, at least—in an atmosphere of complete confidentiality, not in a series of public posturings before various domestic political constituencies.

And then, while we were working on the more positive and hopeful possibilities, we could set out to take advantage of those areas where the peaceful interests of the two powers do coincide and where possibilities for collaboration do exist. What have we to lose? If my memory is correct, we once had thirteen separate agreements for collaboration and personal exchanges in a whole series of cultural and scientific fields. A number of them proved fruitful; some, we are told, did not. I hold no brief for the retention of the ones that did not. But many of the thirteen, including certain of the useful ones, have been allowed to lapse. These could be restored, and others could be added. There are many possibilities in the scientific field, some of which exist in rudimentary form and all of which could be extended: possibilities for collaboration on environmental problems, on the study of the Arctic and the Antarctic, on oceanographic research, on public health, on nuclear fusion. The entire great area of the uses of outer space—this vast umbrella that protects every man, woman, and child on our planet—ought to be not only demilitarized but genuinely internationalized; and these two great countries could well be taking a major collaborative part in that internationalization, rather than each speculating how it might exploit this medium to the detriment of the other party, and perhaps to the detriment of humanity as a whole.

There are those who will say, "Yes, we once had such agreements, but we did not get as much information out of them as the Russians did." The answer to this objection is clear. If the acquisition of military intelligence is the only reason one can see for entering into such agreements with another country, then they had better be omitted. But if one is prepared to place one's hopes on their long-term effects—their effects in bringing people together in a collaborative relationship and helping them to see one another as human beings, not as some species of demon, then many of these arrangements will provide a more hopeful perspective than the most ambitious of our efforts to learn how to destroy each other.

Such collaborative arrangements require, as a rule, formalized agreements. There are some who question whether we can trust the Soviet government to live up to such agreements when it makes them. When I hear this question asked, I am surprised. We now have six and a half decades of experience to go on, and the answer provided by this experience is reasonably clear. You can conclude useful agreements with the Soviet side, and they will respect them—on condition, however, that the terms to be clear and specific, not general; that as little as possible be left to interpretation; that questions of motivation, and particularly profes-

sions of noble principle, be left aside; and that the other contracting party show a serious and continued interest in their observance.

Finally, there is the question of "human rights." American sympathies are, of course, engaged in behalf of people who fall afoul of any great political police system. This neither requires nor deserves any concealment. But if what we are talking about is the official interrelationship of great governments a choice must be made between the interests of democratization in Russia and the interests of world peace. In the face of this choice, there can be only one answer. Democracy is a matter of traditions, of custom, of what people are used to, of what they understand and except. It is not something that can be suddenly grafted onto an unprepared people—particularly not from outside, and particularly not by precept, preaching, and pressure rather than by example. It is not a concept familiar to the mass of the Russian people; and whoever subordinates the interests of world peace to the chimera of a early democratization of the Soviet Union will assuredly sacrifice the first of those values without promoting the second. By the nature of things, democratization not only can but must wait; world peace cannot. If what we want to achieve is a liberalization of the political regime prevailing in the Soviet Union, then it is to example rather than to precept that we must look; and we could start by tackling, with far greater resolution and courage than we have shown to date, some of the glaring deficiencies in our own society.

These, then, are the directions in which we could move, if we wanted to ease the situation. We have, I reiterate, so little to lose. At the end of our present path of unlimited military confrontation lies no visible destination but failure and horror. There are no alternatives to this path which would not be preferable to it. What is needed here is only the will—the courage, the boldness, the affirmation of life—to break the evil spell that the severed atom has cast upon us all; to declare our independence of the nightmares of nuclear danger; to turn our minds and hearts to better things.

The foregoing observations flow from an involvement with Soviet-American relations on this writer's part which goes back over a longer span of years than that of anyone else now in public life on either side, except for that of Averill Harriman. In the course of these years—there are fifty-five of them—I have seen this relationship in some of its better times: particularly at the time of the establishment of diplomatic relations, just a half century ago; and again during our association with the Soviet Union in the waging of the Second World War. I have also seen it in some of the most bitter and disheartening moments it has known—have not only seen it in such moments but felt some of its more painful effects upon my own person. Precisely for this reason, I think I know as much as anyone about the difficulties that the relationship involves. Yet at no time in the course of these fifty-five years have I lost my confidence in its constructive possibilities. For all their historical and ideological differences, these two peoples—the Russians and the Americans—complement each other: they need each other: they can enrich each other; together, granted the requisite insight and restraint, they can do more than any other two powers to assure world peace. The rest of the world needs their forbearance with each other and their peaceful collaboration. Their allies need it. They themselves need it. They can have it if they want it. If only this could be recognized, we could perfectly well go forward to face the challenges that the true situation presents, and to shoulder, soberly but cheerfully, and without all the melodramatics of offended virtue, the burdens it imposes.●

THE FCC'S PROPOSED RULEMAKING RELATING TO SECTION 307(B) OF THE FEDERAL COMMUNICATIONS ACT

● Mrs. HAWKINS. Mr. President, the Federal Communications Commission has before it a rulemaking proposal to redefine the term "community" to mean "metroplitan area" for the purpose of implementing section 307(b) of the Communications Act. This proposal would have the effect of eliminating the grant of a section 307(b) preference in broadcast licensing cases involving central city and suburban applicants within metroplitan area.

I oppose the proposed redefinition of "community" for section 307(b) purposes. The elimination of comparative preferences for applicants seeking to provide service to unserved communities in metropolitan areas would contravene the clear statutory mandate of section 307(b). In section 307(b), Congress has provided that radio licenses be distributed to the widest range of individual communities rather than be concentrated in central cities.

The proposed FCC action is based on the presumptions that all communities within a metropolitan area share common needs and interests and that a station licensed to a central, or to a metroplitan area as a whole, will adequately serve the needs and interests of outlying communities. One problem with these presumptions is that the FCC is creating them, not the Congress. Besides, there is good reason to believe the presumptions are wrong. Smaller cities within what are now vast metropolitan areas have special identities and problems. These communities are in need of local radio stations that will be primarily responsive to their special concerns. The FCC proposal ignores these inherently differing local interests and needs.

The Federal Communications Commission should not seek to avoid its statutory mandate under section 307(b) by merely "redefining" a clear and crucial statutory term. The redrafting of the Communications Act is Congress job, not the FCC's job. For these reasons, I wish to state for the record that I do not approve of the Commission's proposal to redefine the term "community" in metropolitan areas so as to remove the comparative preferences under section 307(b) for applicants seeking to provide service to unserved communities.●

THE DEATH OF AN ALASKAN SERVICEMAN IN GRENADA

● Mr. MURKOWSKI. Mr. President, the first wave of Americans who went into Grenada on October 25th as part of the Caribbean peace force were Navy Seals. This prestigious unit was assigned to be the first force on Grenada to pave the way for the Marines and Rangers who followed close behind. The Seal unit swam from their ships to the shore, where they eliminated immediate obstacles and assured the safety of Governor General Scoon.

I was saddened to learn that an Alaskan, who was part of this first unit, drowned in the waters of the eastern Caribbean while making his way to Grenada's shores. Kevin E. Lundberg was only 28 when he gave his life in service to his country.

Kevin Lundberg graduated from the Kodiak-Aleutian Regional High School in 1973. One day in Kodiak Kevin met a man who had been one of the original Seal team and in 1975 he entered basic training. Several years later his mother died of cancer. His father has since retired and lives in western Washington State.

I supported the President's action in Grenada. Even though one of my young constituents has died as a result of this action, I still do. The loss of American servicemen, whether it be in Beirut, Grenada, or some other region of the globe, is indeed a tragic matter. No one can be sure what path Kevin's life would have taken had he not been killed in Grenada. We have no way of knowing what contribution he would have made to society or to the lives of those who loved him. However, Kevin's death makes it clear that no State can be exempt from the sacrifices inherent in providing for the protection of Americans abroad and for the preservation of democratic freedoms.

Mr. President, in these times of rising international tensions we must exercise great caution in the use of military force. Yet we must not be afraid to use it when American lives and the ideals this country believes in are severely threatened. Being a great power involves great responsibilities and sacrifices. Kevin Lundberg was willing to make the largest sacrifice an individual can make for his country: the giving of one's life.

While I am saddened at this tragic death, I am heartened by the knowledge that it had a purpose. Kevin Lundberg died so that others could live. There truly is no greater cause for the greatest of sacrifices.

Mr. President, I urge my colleagues to pause from the rush of their daily schedule and consider these thoughts. We owe it to the many men who have died in service to our country and to those who will give their lives in the future.

Thank you, Mr. President.●

CONSTITUTIONAL UNIVERSALITY

● Mr. HATCH. Mr. President, one of the most distinguished of modern constitutional authorities is Prof. Albert Blaustein of the Rutgers Law School. Professor Blaustein has served as a consultant in the preparation of such constitutions as those in Peru, Liberia, and Bangladesh. In particular, as coeditor of the 18-volume work on "Constitutions of the Countries of the World," he is one of the authorities on the study of comparative world constitutions. As a result, I would call to the attention of my colleagues an extremely thoughtful essay by Professor Blaustein on the subject of the commonalities and differences between world constitutions. I commend this essay to anyone interested in beginning to understand the influence of the American constitution on other national constitutions.

The essay follows:

CONSTITUTIONAL UNIVERSALITY

(By Albert P. Blaustein and Jay A. Sigler)

The only universally acknowledged common characteristic of the world's 160-odd constitutions is their universal existence. For regardless of the nature of the regime, regardless of its history, regardless of its constitutional heritage, virtually every nation recognizes the inevitability of having a constitution. The existence of a constitution is the only fixture of modern government which is universally accepted.

What makes this universally recognized conclusion so unusual is the fact that is has been true for so short a period of time. A scant 200 years ago no nation in the world had a constitution. In fact, the total number of governmental constitutions at that time equaled exactly thirteen—one for each of England's former thirteen colonies on the eastern seaboard of North America.

And then came the biggest event in the history of constitution-making: the framing of the Constitution of the United States of America in 1787. This, in one great governmental masterstroke, transformed the local "inventions" of the American state constitutions into a happening of world-wide—and lasting—significance.

For the credit for American constitutional thinking cannot be limited to the developments which transpired in Philadelphia during that long hot summer of 1787. That was but the culmination of American constitutional thought which could trace its genesis to Thomas Hooker, author of the Fundamental Orders of Connecticut in 1740. For his was the first constitution in history which created a state or governmental entity. And it marked the benginning of the long history of constitutional experimentation and precedent-making prevalent both in the United States and abroad.

It was not the United States Bill of Rights which formed the basis of the 1789 French Declaration of the Rights of Man and of the Citizen, but George Mason's formulation of the 1776 Virginia Declaration of Rights, it was not the United States Constitution which served as the basis of the French Constitution of the Year One (1791), but rather the 1776 Constitution of Pennsylvania and examples can be multiplied.

This does not mean that every one (or even a majority) of the world's constitutions recognize an American heritage or even an American influence. It is commonly recognized that there are constitutions which look to the French Revolution and the varied French experiences with constitution-making; that there are constitutions which look to Britains Westminister model and even more to the Whitehall model created to give independence to nations which were once portions of the British Empire; and that there are constitutions which are based upon the Soviet models. But there are also constitutions which derive their inspiration from the liberalized Spanish Constitution of 1820 and from the far-ranging Mexican Constitution of 1917. And what constitution-maker of today would fail to check into the 1947 Constitution of India, the 1979 Constitution of Nigeria and now the 1983 Draft Constitution of Liberia in the quest for useful precedents.

With three notable exceptions, every one of today's 166 nations has (or recognizes the importance of and necessity for) a constitution. These three nations are Saudi Arabia, Oman and Libya, which look to the Q'uran as their constitution. True, neither the United Kingdom nor its constitutional progeny New Zealand and Israel (when parliamentary supremacy prevails) have one-document constitutions. But these three all recognize bodies of organic parliamentary enactments as superior to normal legislation—and all three have a recognized constitutional jurisprudence. The other 160 nation-states of the world accept the principle of one-document constitutions, although a number of them are frequently in a state of suspension. In fact, the act of constitutional suspension is the most extreme political act of a modern government.

THE CONSTITUENT ASSEMBLY

But the United States Constitution was the first of the national constitutions—and by far the most important—not so much for what was said but because of the creation of the scheme for its saying.

Long before the discovery of America, long before the constitutional discourses of the French philosophers, long before Magna Carta, there existed the ancient (and familiar) principle that some body of law should exist on a permanent basis, on a superior plane—neither subject to individual tyranny nor to raw majority democracy. Plato teaches this in The Laws. And Rome's lawyers extended this principle so as to have a superior body of law for the rule of its subject peoples.

It was the genius of America's founding fathers (familiar with Greek and Roman legal history and philosophy)—as an early example of American pragmatism—which created the machinery to make this possible. The great American constitutional contribution was the idea of the people as the constituent power. It was the Americans who conceived of the people as sovereign who could themselves formulate and promulgate a constitution. The constitutional convention was the embodiment of the sovereignty of the people.

"European thinkers," explained R. R. Palmer, "in all their discussion of a political or social contract, of government by consent and of sovereignty of the people, had not clearly imagined the people as actually contriving a constitution and creating the organs of government. They lacked the idea of the people as a constituent power. Even in the French Revolution the idea developed slowly; members of the French National Assembly, long after the Tennis Court oath, continued to feel that the constitution which they were writing, to be valid, had to be accepted by the King as a kind of equal with whom the nation had to negotiate." [1]

Today that American idea is commonplace. With rare exceptions—as in the situation in the Soviet bloc-constitution-making is formulated in a constituent assembly. Even military dictators observe the formality. And although the communist nations eschew the model, they too recognize that changes in government must be accompanied by constitutional change. And they recognize the sovereignty concept by at least formally submitting their constitutions to public referendum.

FEDERALISM

While the constituent assembly concept was the most important American contribution to constitutionalism, it was by no means its only contribution. In fact, the most famous—and the most publicized contribution—is the American concept of federalism. It was a novel kind of federal structure totally unknown in Europe. And it was the natural outgrowth of the concept that sovereignty was in the people, and not in their states of governments.

So much has been written on this particular aspect of the American influence that it will not be detailed here. But an understanding of what is meant in the world of 1787 warrants a word of explanation. Here is R. R. Palmer's conceptual analysis of the point.

"The Dutch and Swiss federations were unions of component parts, close permanent alliances between disparate corporate members. For them no other structure was possible, because there was as yet no Dutch or Swiss people except in a cultural sense. It was in the Dutch revolution of 1795 and the Swiss revolution of 1798 that these two bundles of provinces or cantons were first proclaimed as political nations. . . . The new [American] idea was that, instead of the central government drawing its powers from the states, both central and state governments should draw their powers from the same source; the question was the limit between these two sets of derived powers. The citizen, contrariwise, was simultaneously a citizen both of the United States and of his own state. He was the sovereign, not they." [2]

SEPARATION OF POWERS

Constitutionally logical is the fact that the first nation which even had a president is the nation which developed the dual concept of separation of powers and checks and balances. And this American "invention" is not to be discounted just because such doctrines are not pursued in the communist world or in the nations which follow the Westminster system. For these doctrines have given rise to significant constitutional thinking even in the United Kingdom and its constitutional progeny. And it is not discounted in the one-party states.

The first significant literature on separation of powers dates back to Montesquieu and his 1748 "Spirit of the Laws." But Montequieu was writing about the separation of the powers of the monarchy, the aristocracy, the clergy and the common people. It was the American contribution to conceive of the separation of executive, legislative and judicial powers—a formulation which

[1] R. R. Palmer. The "Age of the Democratic Revolution," vol. I, The Challenge, 1959, p. 215.

[2] Palmer, op. cit., p. 228.

goes back to at least the Virginia Constitution of 1776.

Even the Westminster and Soviet constitutionalists today think of separation of powers in this sense. And if they do not believe in the desirability of such separation, it is because of a preference for consensus rule or the greater desirability of party, parliamentary or executive supremacy.

THE LISTING OF HUMAN RIGHTS

If sovereignty is in the people and governmental powers are limited only to those bestowed upon the government by the people, it would appear to be constitutionally superfluous to guarantee popular freedoms and liberties. Of course, the people would automatically possess freedom of speech and religion, for example, since they had not delegated to the government powers to control speech and religion.

Such was the thinking of many of America's Founding Fathers when they met in 1787 to frame the new constitution. And the lawyers among them could add the possibility that there could be a serious legal risk in listing human or civil rights. Suppose the list was not carefully drawn; suppose that one or more "inalienable rights" were omitted. Would we assume that the framers meant to exclude or deny certain rights, applying the legal maxim that the expression of an item excludes by implication those which are not listed?

Nor did the Philadelphia constitution makers heed the Delegate George Mason, author of the Virginia Bill of Rights, who told his fellow framers that he could prepare a draft of rights for inclusion in the federal constitution within a few hours. His motion to that effect was unanimously rejected as were the similar efforts of others. And ignored was the fact that all of the revolutionary constitutions of the American states included bills of rights which were know to be popular in the states. In the end the constitution was submitted to the states absent a bill of rights.

This omission proved to be a major political error. Public opinion contra was strong and vocal. When the proposed Constitution was submitted to the states for ratification it quickly became apparent that most citizens, unlike the framers, believed that the liberties of Americans required explicit statement as safequard and a protection against government. In New York, Pennsylvania, and Virginia, three of the most important states, constitutional ratification was secured only on the understanding that amendments protecting individual rights would be immediately added to the Constitution.

Thus Congress reacted in its very first session in 1789 by proposing the American Bill of Rights in the form of the first ten amendments to the Constitution of the United States. While Congress might have been better advised to follow James Madison's Resolution to integrate these rights into the body of the constitution (as had been accomplished with the right to habeas corpus, protection against ex post facto legislation, and the prohibition of a religious test oath for office). The final form was a separate bill of rights appended to the constitution. And this separate form has been followed throughout the world since the ratification of the American Constitution on December 15, 1791.

The famous French Declaration of the Rights of Man and of the Citizen even antedated 1791. For it was in 1789 that this separate formulation of human rights was promulgated. But it was consistent with the American ideology and the American format. It is known that Virginian Thomas Jefferson, then the American ambassador in Paris, discussed the Declaration in detail with his friend Lafayette—and some historians contend that Jefferson could be credited with co-authorship of the document. But one need not make such claims or analyze the Jefferson-Lafayette connection to trace the American influence. For the French document is a catalogue of the same rights as the Virginia Bill of Rights, in large measure in the same order of presentation.

THE INFLUENCE INTENTION

The great influence of the United States Constitution—and the correlative influence of the American Revolution—is not a new discovery. It has long been recognized. And America's Founding Fathers meant it to be that way. They knew that they were not just writing a constitution for Americans.

Patrick Henry confidently proclaimed that America had "lighted the candle to all the world." John Adams concurred, expressing the belief that the American experience would "spread liberty and enlightment everywhere in the world." Thomas Jefferson likewise agreed, writing "that we are acting under obligations not confined to the limits of our own society. It is impossible not to be sensible that we are acting for all mankind."

ON THE VALUE OF CONSTITUTIONAL LINKAGE AND INFLUENCE

The history of constitutional linkage and influence is not just scholars' history. It is living history which daily becomes more significant. Only thirteen of the national constitutions have birthdates which precede World War II—and half again as many are recent adoptions or comprehensive revisions since 1980. Nearly three-fourths date from 1970.

The pre-war constitutions are: United States (1789), Norway (1814), Belgium (1831),[3] Argentina (1853), Luxembourg (1868), Switzerland (1874), Colombia (1886), Australia (1901), Mexico (1917), Finland (1919), Leichtenstein (1921), Lebanon (1926) and Ireland (1937).

New countries—and thus new constitutions—since 1980 include Vanuatu (1980), Belize (1981), and Antigua and Barbuda (1981). But far more significant are the new 1980 constitutions of Afghanistan, Angola, Chile and Vietnam, the new 1981 constitutions of Burundi, Cape Verde and Kampuchea, the new 1982 constitutions of Canada, the People's Republic of China, Equatorial Guinea, Guinea, Hondoras, Portugal and Turkey and the 1983 constitution of the Netherlands.

All constitutions should be—must be—autochthonous. They must all "spring from the soil." They must all be a reflection of the specific needs and aspirations of the peoples for whom they were written. They cannot be the assemblage of bits and pieces of other constitutions, put together in jigsaw fashion with scissors and pastepot. But this does not negate the significance of benefiting from the experience of the past; this does not negate the importance of not inadvertently duplicating mistakes.

That is why it is so important for the constitution-writers of today and tomorrow to examine the documents of the past—and, of course, their implementation.

This was recognized in the preparation of the 1947 Constitution of India, undoubtedly the most researched, argued and "lawyered" constitution in history. Meeting in the early days of the Constituent Assembly, some delegates criticized the draft constitution on the grounds that most of it could be said to be borrowed from other constitutions—that it could claim very little originality. The reply to this critique was made by B. R. Ambedkar himself, the man recognized as the father of the Indian Constitution: "One likes to ask whether there can be anything new in a constitution framed at this hour in the history of the world. More that [a] hundred years have rolled over when the first written constitution was drafted. It has been followed by many countries reducing their constitutions to writing. What the scope of a constitution should be has long been settled. Similarly, what are the fundamentals of a constitution are recognized all over the world. Given these facts, all constitutions in their main provisions must look similar. The only new things, if there can be any, in a constitution framed so late in the day are the variations made to remove the faults and to accommodate it to the needs of the country."[4]

Too exaggerated to be taken seriously today is the similar comment made in 1860 at the Buenos Aires drafting sessions considering amendments to the Argentina Constitution of 1853. But while such comment does not make good law or good policy, the words do give futher indication of the scope of the influence of the American Constitution abroad:

"The democratic government of the United States represents the last word of human logic, for the Constitution of the United States is the only one that has been made for and by the people . . . it would, therefore be both presumptuous and a proof of ignorance were we to attempt any innovations in constitutional organization, thus ignoring the lessons of experience and the manifest truths accepted by human conscience."[5] ●

[3] And Belgium might well be redated 1971 because of the extent of the revisions made at that time.

[4] IVV Constituent Assembly Debates 35-56.

[5] L. S. Rowe, the "Federal System of the Argentine Republic" (1921). Copyright 1983 Human Rights Advocates International, Inc.

STEEL IMPORT QUOTAS

● Mr. CHAFEE. Mr. President, the U.S. steel industry is calling for import quotas on foreign steel. Speaking before the National Press Club, David M. Roderick, chairman of United States Steel, and chairman of the American Iron and Steel Institute, announced the House Steel Caucus' introduction of a bill to limit steel imports to 15 percent of domestic consumption for the next 5 years. Mr. Roderick asserted "We are not seeking to prevent competitive trade, but rather to promote fair trade."

Is it any wonder that the steel industry can claim justification for protections when 2 weeks ago, under considerable pressure from the domestic automobile industry, U.S. trade negotiators persuaded the Japanese voluntarily to limit their exports of automobiles to the United States for a fourth year, thereby shielding the U.S. auto industry for yet another year from Japanese competition?

The auto restrictions inevitably give strength to demands for further protection for steel. My greater concern is that it will give strength to the demands of other industries that would rather fight competition than face it.

The steel industry has benefited from a decade and a half of protection. In its early quest for import relief, the industry sought and received a voluntary quota arrangement with the EC and Japan. During the mid and late 1970's, the industry won import relief twice through the establishment of so-called trigger price mechanisms. And currently, it is the beneficiary of a carbon steel quota agreement with the European Community.

An April 4 New York Times editorial, entitled "Beware Fair Traders Crying Foul," makes some thought-provoking comments on the current EC steel agreement that resulted from Commerce's finding a subsidy.

As a matter of law, the judgment was reasonable. As national policy, however, it was a disgrace.

European companies were indeed "dumping"—the legal name for selling at prices below their true production costs. But by that definition, so were American companies, nearly all of which operated at a loss last year. To escape the wrath of American trade law, it seems, foreigners would have had to raise prices in hard times instead of lowering them.

The subsidy charge has it own ironies. European producers—notably British Steel, which is now dealmaking with United States Steel—do benefit from government support. But so, too, do American producers, who finance pollution control equipment with tax-exempt bonds, exchange tax "losses" for cash and sell high-priced steel to government contractors bound by "buy American" clauses.

To be sure, Mr. President, the industry has had legitimate complaints against its foreign competitors. I must point out, however, that I find a certain inconsistency between the industry's opposition to import of subsidized steel from the EC, and United States Steel's plans to buy semifinished steel from a subsidized European producer; between the industry's advocacy of "buy American" legislation, and a United States Steel subsidiary's plans for constructing a Seattle office tower with Japanese and Korean steel; between arguing there is not enough capital for modernization, and United States Steel's purchase of Marathon Oil Co.

I find an inconsistency between the industry's claims that it can and wants to compete fairly, and its quest for across-the-board quotas that would close off all but 15 percent of the U.S. market to all foreign producers.

Despite the rhetoric surrounding quota demands, the quotas have nothing to do with remedying unfair trade violations. We have antidumping and countervailing duty laws for just that purpose. U.S. steel producers know how to use these remedies. Indeed, they have done so, with substantial success in the past, as demonstrated by the trigger price mechanisms and the EC quota agreement I have just discussed. The industry is now utilizing these remedies in pursuing unfair trade practice complaints against Brazil, Mexico, Argentina, Romania, Spain, South Africa, and South Korea. There is no reason to suggest legitimate claims will not meet with the same success as before or that remedies will not be imposed which will fully counteract the effects of unfair trade practices.

The quotas the industry now seeks in addition to the unfair trade remedies would be a quantum leap beyond protection it has previously enjoyed.

By guaranteeing U.S. steelmakers 85 percent of the domestic market, they would resurrect the U.S. industry to a market position it has not occupied since 1976 and in so doing would arbitrarily restrict even fair trading foreign producers who may be guilty of nothing more than greater efficiency. This would violate our international trade agreements, giving other countries the right to concessions from the United States or the right to retaliate. And it would, as protection invariably does, result in higher prices.

The industry asserts that it wants no more than a level playing field, but what it really wants is to erect barriers that keep the other players off the field. And why not? The U.S. auto manufacturers have succeeded in blocking the Japanese out for four years. The steelmakers' efforts are but a logical extension of the auto industry's efforts. The only answer is to put an end to this kind of protection now.●

DR. LLOYD HACKLEY

● Mr. PRYOR. Mr. President, I had the privilege not long ago of taking part in a celebration with friends at Cotton Plant, Ark. There was a parade, and we had a speaking, and people came from all around to celebrate together in this remarkable town in Woodruff County. It was officially "Cotton Plant Day."

One of the most impressive aspects of that day was a speech delivered by Dr. Lloyd Hackley, Chancellor of the University of Arkansas at Pine Bluff. Dr. Hackley, a native of Virginia, has been in higher education for a number of years, but he is relatively new to the State of Arkansas. His stirring speech on that day served to remind me, once again, how fortunate we are to have him in Arkansas. I wish to commend his remarks to my colleagues in the Senate and ask that his address be inserted in the RECORD at this point.

The remarks follow:

REMARKS OF DR. LLOYD HACKLEY

Where else but in America could a Black kid who grew up in a ghetto in Roanoke, Virginia, stand in Cotton Plant, Arkansas, get introduced by a distinguished statesman and most outstanding new educational leader, share a platform (with a United States Senator and a Mayor) and speak to a distinguished audience such as this. When I was a kid in school, I was told that this kind of thing was possible, and I believed it. I thought a long time about this presentation. This is such an exciting time in Arkansas. Things are happening; at least people are beginning to accept the reality that we have opportunities before us that, if addressed, will move us into an economic take-of position unseen in many years in this country. Politics, education, economics, social change—Arkansas is finally waking to its vast potential; and I am glad to be playing a small part in this surge of progress.

Some of you may have heard some of the printable things people have called me since I have been in the Land of Opportunity. One reporter called me different; another said that I did not fit the mold; a third said that I was unorthodox. This last adjective leads to the first point of my little chat with you: Orthodoxy.

I have been called a heretic because of the questions I have always asked about things as they are. Orthodoxy denotes such terms as routine, regular, usual, conventional, and conformity.

One poet said we would rather bear those ills we have than to fly off to others we know of.

Another said that a foolish consistency is the hobgoblin of little minds.

My feeling is that we must keep safe diversity of opinion and the free inquiry into all areas affecting human beings, and we should get involved in helping society define its problems across all spectra, human interaction included.

Orthodoxy has kept the poor in despair and easily exploitable.

Orthodoxy has allowed children from disadvantaged backgrounds to move through our education system without learning to read, write and do mathematics.

Orthodoxy has led to the development of an athletic system that deprives children of an education, exploits them for their physical abilities then discards them like pieces of meat.

Orthodoxy has led the disadvantaged to political inactivity, economic deprivation, and feelings of helplessness and hopelessness.

Orthodoxy has made the disadvantaged slap the hands that offer them wisdom, truth and love and lean toward charlatans that offer empty promises and easy solutions.

Speaking of orthodoxy and politics, there was another march on Washington last week. There is nothing wrong with marching; in fact, it is a good way to gain attention and to show solidarity, but it is not a substitute for hard-nosed pragmatic politics—registering, voting, getting others to vote, using referenda and recall, and especially local political activity.

Everything around us is controlled by politics: time, traffic, taxes, education, war, peace, everything.

There is another thing that bothers me about mistaking marching for political impact, and that is what happens after the marching stops. I know this, if we make as much progress during the twenty years fol-

lowing last week's march as we made following the March in 1963, we won't be a problem because most of us will be eliminated from the political and economic power structures of this country.

Let's look at the current reality: during the past decade, Black unemployment increased 140 percent; 70 percent of all poor Black families are headed by single women; the median income for Black families is about 54 percent of that of white families; Blacks are poorly represented in all the professions; 34 percent of all Blacks are living in poverty; but I think it is more, the poverty line is too high, we're in poverty before we reach that level. There were one million more poor Blacks in 1980 than there were in 1970. We have no Black senators and only about 3½ percent of the representatives.

As many as 50 percent of our children are functionally illiterate; 55 percent of the teenage pregnancies are among Black young girls; half the prison population is comprised of Black men.

The only place where Blacks are well represented in a work force is in the military—we make up 20 percent of the armed forces.

In fact, according to a recent report, to a large extent, economic barriers and problems of poverty in the 1980's will be faced by Blacks in about the same relative position with whites as existed for Blacks, thirty years ago.

As I said, marching is all right, but when the marching is done, there is work to do.

We may need an unorthodox member of the disadvantaged class to point out errors on both sides of the track.

We need to encourage criticism of our social ills and we need to push toward reform and progress using legitimate political processes. I cannot hide in an ivory tower. Leadership from the education sector may be needed now more than ever before.

I would ask you to be tolerant of those who may express ideas different from those already held dear. Now I will state a position I have on which I will not suffer any alternate discussion; it is that in the education of Arkansans, Black and white, quality cannot be compromised.

Education in Arkansas, to borrow from Robert Frost, is like that traveler standing at those diverging roads in a yellow woods. We cannot travel both and be one traveler. We have to answer some very fundamental questions about the future of education in this state, and about its orthodox concepts.

The concept that has had the major influence on our education system for the past two decades is equality of educational opportunity. That concept was supposed to close the gap between educational standards in America's schools and educational outcomes achieved by disadvantaged youngsters. In the 1960's higher education became the central focus for providing absolute equality because the college degree was seen as the key to economic equality and thus the avenue to other aspects of the American dream.

During the period since 1960, however, there has been a blurring of the lines of distinction between equality of opportunity and equality of results. The terms, unfortunately, have become synonymous in all too many discussions.

Equality of opportunity, while noble in intent, has not solved the problem in education for disadvantaged children. There is no question that we need to be concerned for the dignity and humanity of all people. But we cannot ignore individual ability and accomplishment.

The balance is critical: we negatively affect human progress in education, as in all other human endeavors, when we totally disregard differences present at birth and the development of differences as individuals are motivated to fulfill their potential. Equality of opportunity, for us, ought to permit the full development of individual gifts and to foster every opportunity to excel. At the same time, we should not abuse those among us who do not fit our definition of outstanding achievers.

During this era of equality of educational opportunity, Blacks and other disadvantaged persons still are being deprived of a meaningful education in all too many cases. Although we have eliminated most dual school systems, unfortunately, the actual dualism remains. Currently, Black youngsters are assessed as educationally deprived before, during, and after an educational experience. This is a self-fulfilling prophecy. Moreover, the notion of inherent inferiority has reared its ugly head again. Black youngsters are labeled as mentally deficient and are placed in classes segregated for such youngsters at a rate that is four times higher than that for white youngsters. And few Black youngsters, by high school, qualify for honors courses.

This whole area dealing with equality of opportunity has confused people. And I have a real problem with the difference between what our role models told us thirty years ago and what many are saying to our children today. The earlier spokespersons explained the reality of the pervasive artificial obstacles between what we were capable of doing and what we would be allowed to achieve. More importantly, they prescribed very clear guidelines with regard to what we would have to do in order to have any chance to succeed in this country.

Sometimes when I listen to the advice some are giving to today's youngsters, I am alarmed. Much of it is harmful to their future. For example, some of us still oppose universal measures of educational competence. That infers that Blacks cannot be expected to cope. I resent such a notion; we ought to run away from anybody who makes such a contention.

I am convinced that the education system can leave room for individual achievement and can recognize the great diversity among people—that we are not all alike in our gifts. Our schools should provide every opportunity to excell, and we should reward excellence in performance. But we ought not be obsessed with the idea of sameness and we ought not label as inherently inferior, those who may be less able, have less motivation or who may be less well prepared.

It simply is not true that the intelligence of an individual is a fixed quantity. A child's mind is like a field for which an expert farmer can devise a new method of cultivation, with the result that in place of a desert, we have a harvest. In this significant sense, teachers can and must increase that which constitutes real intelligence—the capacity to improve with instruction.

If we understand and accept the important role of a solid curricular experience in developing what we consider to be educational competence, it will not be difficult to accept that children of low socio-economic status, once widely considered to be naturally inept and lazy, may instead be viewed as children cheated of real equality of opportunity.

But we have a definite responsibility to our own children in education, we cannot take our children to these unified schools, throw them inside and go home and get so caught up in Love of Life and Search for Tomorrow that we won't know that educational deprivation is taking place. Some of us have become so concerned about who shot J. R. that we don't know that our children's minds are being shot.

And don't misunderstand the need for standards. Education standards should be set by the schools and should reflect what the students should know to be fully functional in America: then the schools should do all in their power to help the students reach the standards.

Don't be misled by standards and testing. A lack of specific educational standards, absence of testing and ineffective systems of educational accountability hurt the disadvantaged much more than they affect the advantaged. The disadvantaged are more likely to be deprived of a meaningful education wherever standards of achievement are amorphous, wherever evaluation of educational attainment is missing and wherever social promotion is prevalent.

The reaction against the recent ruling by the NCAA which dealt with participation by freshmen in intercollegiate athletics indicated just how unconcerned many have become over whether all youngsters receive the best possible education. The athletic system appears to many of the disadvantaged as a route to the "good life." However, with the acquiescence of our schools, it actually diverts students' attention from the primary purposes of education.

As it has evolved during the past two decades, the athletic program is a system of deprivation, exploitation, and elimination for large numbers of disadvantaged youngsters who are deprived of a meaningful education, exploited for their physical abilities, then eliminated from any reasonable chance of participating in the American mainstream.

The NCAA ruling states that for a student-athlete to participate in intercollegiate athletics during the freshman year, the athlete will have to have scored at least 700 on the SAT or 15 on the ACT (41 percent of the maximum); and, more importantly, will have to have amassed 11 units in high school in a core of courses consisting of English, mathematics, science and social studies. This is a positive step. Enriched classroom experiences are essential in overcoming education's problems that stem from economic, social and cultural deprivation. Evidence is clear that students who are exposed to quality education and who really put in a meaningful effort in their studies, not only score higher on "standardized" tests, but also increase their likelihood for graduating from college. I am convinced that with the core curriculum and hard work, Black athletes would be able to make 41 percent of the maximum score on a general achievement examination.

The answer to poor performance in primary and secondary schools by our children is not continuing exploitation in college, just the opposite. If counselors, teachers, coaches, and parents realize that student-athletes will have to go through the meaningful education track in public school in order to participate in athletics, they will insist that this occur.

If reforms such as that initiated by the NCAA ruling are not implemented, the education community will continue to acquiesce in the denial of quality education to a significant portion of our student population, thereby denying to society, itself, the contributions of these educationally cheated

youngsters, while at the same time adding to the costs borne by society for remedial education and other compensatory services. Remedial education is not the subterfuge which should permit secondary schools to neglect their responsibility for teaching all children.

To close, I need to say a word or two about education in general in Arkansas.

I have a total dedication to the ideal of academic excellence—from kindergarten through the doctorate. I know that the stronger view is toward mediocrity, equlitarianism, safety, and security. As I contemplate support for education in this state, financial allocations, and listen to issues being debated that ought to be beyond debate, I could get discouraged, but I won't. I understand my world and its problems: but that does not prevent me from conceiving of the world as it could be, nor from doing all I can to help make the world as it ought to be.

Poor performance in education has led to public disenchantment and criticism which led to reduced financial and moral support and then even lower quality in education. The challenge is for us in this education and economic community to plan together in a fashion that define accurately Arkansas' educational needs, that has a positive impact on policy formulation and funding patterns, and that leads directly to improved quality of education for our students.

What I am speaking requires courage and conviction among every element that has anything to do with education in this state. We need to require more, to expect more and we need to be willing to pay for it. If we don't have the courage to make hard decisions right now, we will remain in the rear of this nation and we will find ourselves falling further behind.●

MIT REPORT ON NEED TO MODERNIZE THE VOICE OF AMERICA

● Mr. HUMPHREY. Mr. President, I recently received, from the Director of the U.S. Information Agency Charles Z. Wick, a letter that I wish to bring to my colleagues' attention. This letter cites a recently completed report by the Massachusetts Institute of Technology on the need to modernize the Voice of America's facilities and the Voice's efforts to follow MIT's recommendations. I hope that my colleagues will read this letter with an eye to future funding requests by the Voice.

I ask that this letter be printed in the RECORD.

The letter follows:

U.S. INFORMATION AGENCY,
Washington, D.C., November 9, 1983.

Hon. GORDON HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: Last month I wrote to you about the dramatic presentation at the United Nations of the USIA videotape documenting the destruction of the KAL plane. I also wrote about the Voice of America's adding another hour of Russian-language programming into the USSR. To follow up in greater detail on the VOA, I would like to advise you of a significant study recently conducted by the Massachusetts Institute of Technology on the need for modernizing the Voice of America around the world.

The United States Information Agency (USIA) asked the Massachusetts Institute of Technology (MIT) to undertake a broad-brush analysis of the issues, opportunities, and obstacles which may confront VOA as we attempt to modernize the antiquated equipment. This recently-completed report, "A Study of Future Directions for the Voice of America in the Changing World of International Broadcasting," confirms many initial observations made by our senior managers. Of greatest significance, however, is the recurrent theme of the MIT findings: the need to look at the entire VOA broadcasting system and make the changes necessary which will result in a top quality signal for VOA listeners worldwide, especially those in totalitarian countries.

We are all painfully aware of the advanced age of many of the components in the VOA network. Some transmitters are over forty years old. The studios from which President Reagan delivered his radio address on September 24 have hardly changed from the time when President Eisenhower made a similar broadcast in 1957. Such obsolete equipment must be replaced as soon as possible.

Effective modernization does not simply mean replacing the old with the new. Certainly the old transmitters must be replaced with newer, more-powerful models. But a point often overlooked is that applying new antenna technology along with improved transmitters could overcome VOA's difficulties in reaching its listeners even more effectively than just increasing transmitter power alone.

We are actively pursuing all of the specific recommendations of the MIT report. For example, antenna improvements have already been scheduled for our transmitting stations in California, North Carolina, Liberia, and Greece. Renovations at other stations will follow a priority schedule, to be determined by comprehensive worldwide analyses of all facilities. Direct radio broadcasting by satellite is being investigated in a joint effort with the National Aeronautics and Space Administration.

Over fifty key engineering positions in areas such as computer applications and contingency planning have been filled through an aggressive and ongoing recruiting campaign. Jamming and other sensitive issues raised in the report confront us daily in the highly-competitive international radio environment. Our participation in the International Broadcasting Committee under the direction of the National Security Council is helping us to coordinate effective responses to these pressing concerns.

VOA is doing all these things as it upgrades its staff and begins a series of comprehensive systems analyses which will form the preliminary engineering for modernization. These steps will ensure that each and every dollar expended will contribute to the effective accomplishment of our mission. We are delighted that the MIT research team has confirmed the direction in which we are heading.

I am sure you share my deep concern over the urgent need to modernize the Voice of America. Please be assured that we are taking the proper steps to ensure rapid and effective progress on this vital project.

Best regards.

Sincerely,

CHARLES Z. WICK,
Director.●

THE DISTURBING TREND IN TELECOMMUNICATIONS TRADE

● Mr. LAUTENBERG. Mr. President, I want to share with my colleagues some very disturbing projections just released by the Bureau of Industrial Economics of the Department of Commerce. Based on trade figures through the first 9 months of the calendar year, the Bureau is projecting a trade deficit in telephone and telegraph equipment of over $370 million. Just last year, there was a trade surplus of $200 million. That is a shift of close to $600 million for the worse.

Mr. President, this is a trend we can ill afford. Recently 14 of my colleagues and I urged President Reagan, in advance of his trip to Japan, to secure an agreement with Japan that provides fair and equal access to its telecommunications equipment market, particularly that provided by the government-owned Nippon Telephone & Telegraph. Of immediate concern is a 3-year agreement between the Government of Japan and the United States that will expire at the end of this year. The agreement was intended to open up NTT's procurement. But, Mr. President, the results have been disappointing. Improvements are needed.

At stake is the health of a critical, high-technology industrial sector in our economy. With the advent of the information age, the world wide market for telecommunications equipment is supposed to grow dramatically. The question is whose markets will be open and whose will not. It is clear that our Nation is on the road to increased competition. With the divestiture of AT&T, and the unlinking of Western Electric from the Bell Operating Companies, foreign competitors have the opportunity to make major inroads into our market. That is an opportunity that American manufacturers do not enjoy abroad. I want to urge the administration again to secure improvements in the situation, for the sake of this critical industrial sector and the many thousands of people who jobs depend on it.

For the information of my colleagues, I ask that the statistics of the Bureau of Industrial Economics be printed in the RECORD.

The statistics follow:

U.S TRADE WITH THE WORLD IN ELECTRONIC-BASED PRODUCTS, 1979–83

[Millions of current dollars]

SIC number and item	1979	1980	1981	1982	1983 [1]
3573, Electronic computing equipment:					
Exports	5,389	7,468	8,652	9,118	10,230
Imports	969	1,159	1,647	2,296	4,000
3574, Calculating and accounting machines:					
Exports	363	413	351	307	648
Imports	512	604	514	565	264
3579, Typewriters and office machines:					
Exports	393	533	629	555	490
Imports	708	712	723	914	1,604
3651, Radio and television receiving sets:					
Exports	801	1,107	1,045	765	604
Imports	4,864	4,919	6,503	6,150	6,334
3661, Telephone and telegraph equipment:					
Exports	448	557	653	829	786
Imports	319	421	495	626	1,157
3662, Radio and television communications equipment:					
Exports	1,781	1,971	2,305	2,402	2,510
Imports	941	1,139	1,741	2,022	2,040
3671–9, Electronic components:					
Exports	3,946	4,988	5,166	6,382	5,851
Imports	3,562	4,363	4,935	5,663	6,770
3693, X–ray and electromedical equipment:					
Exports	717	839	1,006	1,025	1,075
Imports	275	312	388	487	660
3811, 25, 32, Engineering, electrical test, and optical instruments:					
Exports	2,668	3,297	3,585	3,724	3,600
Imports	911	1,095	1,324	1,323	1,400
3822, 23, 24, 29 Instruments for measure, analysis, and control:					
Exports	1,164	1,425	1,648	1,549	1,450
Imports	176	287	306	284	300
38612, Photocopying machines:					
Exports	331	294	338	392	425
Imports	258	497	724	676	700
Totals:					
Exports	18,001	22,892	25,378	26,048	27,285
Imports	13,595	15,508	19,300	21,006	25,613
Trade balance—electronic	4,406	+7,384	+6,078	+5,042	+2,241
Trade balance—all merchandise	−27,555	−25,544	−28,067	−36,389	−49,942

[1] Estimated on January-September 1983 data.

Source: Prepared by the Science and Electronics Division, Office of Producer Goods, Bureau of Industrial Economics based on date from the Bureau of the Census and the Bureau of Economic Analysis.

U.S. TRADE WITH JAPAN IN ELECTRONIC-BASED PRODUCTS 1978–83

[Millions of current dollars]

SIC number and item	1978	1979	1980	1981	1982	1983
3661, Telephone and telegraph equipment:						
Exports	6.3	8.1	8.6	8.2	9.4	17
Imports	92.9	105.6	163.3	247.8	289.4	441
3662, Radio and television communication equipment:						
Exports	49.2	66.4	76.9	125.3	137.5	180
Imports	391.1	350.4	438.6	712.9	820.0	890
3671–9, Electronic components:						
Exports	172.3	253.4	238.2	261.5	300.5	321
Imports	502.0	698.6	830.0	962.2	1,232.8	1,751
3651, Consumer electronics:						
Exports	37.2	55.4	61.6	49.9	37.1	37
Imports	2,757.7	2,350.7	2,337.1	3,646.1	3,409.6	3,300
3573, Electronic computing equipment						
Exports	331.1	441.1	607.3	717.6	790.0	790
Imports	187.2	195.7	189.3	386.5	822.2	1,600
3574, Calculating and accounting machines:						
Exports	19.2	18.5	22.2	24.4	23.5	21
Imports	333.8	300.3	373.3	337.0	327.5	348
3579, Typewriters and office machines:						
Exports	13.6	19.7	25.5	32.1	30.6	26
Imports	190.0	226.9	256.6	344.5	427.1	466
3693, X-ray and electromedical equipment:						
Exports	73.8	130.4	131.0	139.3	110.9	127
Imports	33.1	40.0	45.2	59.2	64.3	97
3811, 25, 32, Engineering, electrical test, and optical instruments:						
Exports	164.3	274.6	296.3	384.8	380.0	410
Imports	363.6	352.4	360.1	486.9	450.0	500
3822, 23, 24, 29, Instruments for measure, analysis, and control:						
Exports	78.4	136.0	144.7	106.7	110.0	100
Imports	32.1	36.6	56.0	45.5	50.0	60
38612, Photocopying machines:						
Exports	11.9	16.1	10.9	7.4	8.8	25
Imports	280.1	307.9	424.0	655.8	623.6	650
Totals:						
Exports	957.3	1,419.7	1,623.2	1,857.2	1,938.3	2,054
Imports	5,163.6	4,965.1	5,473.5	7,884.4	8,516.5	10,103
Trade balance—electronics	−4,206.3	−3,545.4	−3,850.3	−6,027.2	−6,578.2	−8,049
Trade balance—all merchandise	−11,581.0	−8,633.0	−10,411.0	−15,802.0	−16,991.0	−18,068

Estimated on January-September 1983 data.

Source: Prepared by Science and Electronics Division, OPG/BIE, based on data from the Bureau of the Census, and the Bureau of Economic Analysis.●

SENATOR BOSCHWITZ TESTIMONY ON ENTERPRISE ZONES

● Mr. DOLE. Mr. President, yesterday the Committee on Ways and Means held an extensive hearing on enterprise zone legislation. That hearing fulfills a commitment made by Chairman ROSTENKOWSKI to hold hearings this session of Congress. That commitment arose during the conference of the withholding bill, which included the Senate's enterprise zone legislation when it passed the Senate.

Mr. President, this represents real progress. Three Cabinet members testified at the hearing—Secretary Pierce, Secretary Regan, and Secretary Baldrige. As a clear demonstration of bipartisan support, 242 Members of the House of Representatives have cosponsored the House bill. And, of course, the Senate has already passed its enterprise zone bill that was introduced by Senator RUDY BOSCHWITZ.

Senator BOSCHWITZ has been relentless in his efforts to enact enterprise zone legislation. He first introduced legislation nearly 4 years ago and has pursued the issue through its passage by the Senate. But, he has not stopped there. Yesterday, the Ways and Means Committee received the benefit of his testimony and dedication to enterprise zones. I commend Senator BOSCHWITZ for his efforts and persistence, and look forward to the day the goal of enacting enterprise zones is achieved.

Mr. President, Senate BOSCHWITZ' testimony is a tribute to his perseverance. I ask that it be printed in the RECORD.

The testimony follows:

STATEMENT OF SENATOR BOSCHWITZ

Mr. Chairman: Thank you for allowing me the opportunity to testify on behalf of H.R. 1955, the Enterprise Zone Act of 1983. As a sponsor of the State counterpart, S. 863, I commend the Committee for hearings on this important bill.

This year, members from both houses have made major efforts to enact this bill. I am pleased to have the support of 42 of my colleagues, who have cosponsored the Senate bill, along with 242 cosponsors of H.R. 1955. These numbers demonstrate that the enterprise zone concept has truly gathered bipartisan support over the past years. It also has the support of many state and local governments.

I first introduced the enterprise zone concept to the Senate nearly four years ago. Since that time, the legislation has been refined with the help of business groups, local governments, and urban groups. In 1981 enterprise zone legislation was first discussed in the Senate and, as a result, some important modifications were made. Last year it was reported by the Finance Committee, but unfortunately there was not time to act on it. This year, the Senate has made a special effort to enact this bill. The provisions of enterprise zone legislation were included as an amendment to H.R. 2973, the Interest and Dividend Compliance Act. Although the amendment passed the Senate on June 16, it was dropped in the conference committee and not included in that bill's enactment.

In this time of continued high unemployment, we need enterprise zones more than ever. The economy has begun to turn around, and more Americans are going back to work, but the need for enterprise zones is increasingly evident in areas of structural unemployment—where jobs have been lost to changing industries more than to a sagging economy. Areas such as Minnesota's Iron Range, where the jobless have been stung by the ravages of structural unemployment, can use the boost the enterprise zones can provide.

In simple terms the supporters of enterprise zones view the problem of joblessness like this: there are no jobs because there are not enough opportunities in the areas that need them the most. Enterprise zones would encourage job creation through a federal/local package of tax breaks and other incentives for businesses which locate in a designated zone.

There are many problems faced by businesses wishing to locate in enterprise zones that cannot be corrected by the federal government alone. Such problems as crime, weak infrastructure support, and city taxes remain barriers to business development. These serve as a double whammy when you consider that a prospective business already faces the usual problems of tax burdens, startup capital and technical expertise.

Enterprise zones address these problems by combining incentives provided by the federal government with those of local governments. Signs of high unemployment, poverty, or out-migration are not enough for an area to qualify for an enterprise zone designation. The local government must also assemble a package of tax and other incentives that meet the particular problems of the area. Moreover, the award of an enterprise zone will be granted on a competitive basis to test local commitment. That could include any number of things, such as improved infrastructure support, reduction of local taxes, relaxation of local regulations, managerial assistance and technical help.

These local contributions are then matched by federal tax breaks, such as the elimination of capital gains taxes for business investment in the area, significant reductions in income taxes, and tax credits for wages paid to previously unemployed workers. This local/federal package addresses the problems that all small businesses face as well as the particular problems of a business located in a depressed area.

Enterprise zone legislation should be aimed primarily at small business because it creates the vast majority of new jobs. In the past ten years, nearly 20 percent of new private-sector employment has come from businesses with 20 or fewer employees. Eighty percent of new jobs have been created by businesses with less than 100 employees.

My faith in business goes much deeper than statistics. My experience as a businessperson has shown me that small businesses offer an increased opportunity for rapid advancement when compared with larger corporations. People at the lower end of the wage scale are not so easily lost in the shuffle; the small businessperson is far more involved with the lives of his or her employees. A worker's qualities, problems, family and ambitions do not easily escape the boss' notice. Getting in on the ground floor of a small business is a very effective method of advancement, but most important, it stands in stark contrast from welfare.

But, to get in on the ground floor, a small business must have a foundation. This legislation provides small businesses with many advantages which will enable them to build a solid foundation. Some of these advantages are: tax credit for zone employers; investment tax credit for zone property; elimination of capital gains taxation; industrial development bonds; and tax simplification and regulatory flexibility. These and other incentives contained in the legislation will give small businesses good reasons to locate in an enterprise zone.

Our nation long ago accepted the responsibility of taking care of those who cannot take care of themselves. We have spent a lot of money doing just that. Unfortunately, we have not been as wise as we have been generous in meeting this responsibility. Today, our social welfare obligations cost the government nearly half of the federal budget. One economist estimates that if we would just give to the poor all the money we spend on programs for them, we would raise all Americans above the poverty level.

Clearly we need a new approach in assisting our poor and jobless. The current anti-poverty programs do provide crucial services, but they do not, on their own, appear to achieve any lasting good. They are for the most part stop-gap policies that address the symptoms but not the causes of poverty. They have failed to provide any meaningful opportunity for advancement.

In fact, the present system has trapped many of our poor in a self-perpetuating cycle of poverty. Instead of offering the poor a chance to pull themselves and their families out of poverty, the present programs unwittingly trap recipients in a self-perpetuating quagmire of poverty from which even the most enterprising have trouble emerging.

The answer is not spending more government money. The answer is jobs—jobs in the private sector. Although that remedy is easily prescribed, the method toward that cure is not. One means is through enterprise zones.

I do not contend that enacting the enterprise zone legislation alone will solve our present unemployment problems. But it can and should be part of the solution.

Mr. President, I believe it is important to take note of the fact that state and local governments have already exhibited remarkable enthusiasm for the enterprise zone idea. Twenty states have already enacted enterprise zone legislation, and more are likely to do so in the future. State and local governments have already displayed considerable creativity in their freestanding enterprise zone efforts.

These states have also provided a wide variety of incentives in their zone legislation:

Connecticut legislation provides venture capital loans, corporate income tax credits, sales tax exemption, employment training vouchers, and $1,000 for each manufacturing job.

Florida provides loans and grants to community development corporations in state enterprise zones.

Kentucky has a vehicle for providing residents with equity interest in a zone through Neighborhood Enterprise Zone Associations, and allows exemptions from certain sales and use taxes.

Within some 480 zones, Louisiana exempts purchase of plant and equipment from state income, sales and franchise taxes for approved businesses.

Maryland offers loan guarantees from a Venture Capital Guarantee Fund and tax credits on local property taxes and wages paid to employees.

Minnesota abates 50 percent of the taxes on building expansion of new construction for the first 12 years.

Ohio provides sales tax exemptions and business income and unemployment tax credits, and allows unemployment tax credits property tax abatement.

The Enterprise Zone Employment and Development Act encourages these efforts. It not only provides an important and necessary complement to such state and local activities, but acts as a synergistic ingredient in that mix of activities essential to making enterprise zones successful. This is an excellent opportunity to demonstrate both intergovernmental and public/private partnerships in action. This is a fresh, promising approach to dealing with problems of structural unemployment and revitalizing distressed areas in our nation's cities and rural towns.

Bipartisan support from both the House and Senate has shown the importance of this piece of legislation—virtually half the members of Congress have sponsored it. However, we need an even greater bipartisan effort to enact this important jobs creation bill. I urge the members of this committee to endorse H.R. 1955, the Enterprise Zone act of 1983, so that it can move ahead for mark-up and floor consideration.

Thank you.●

MEDICARE REIMBURSEMENT RATES FOR HOSPICE CARE SERVICES

● Mr. MOYNIHAN. Mr. President, I rise to voice my strongest support for the resolution, introduced last night with my esteemed colleague from Florida, Senator HAWKINS, to express the sense of the Senate that financing for hospice care not be reduced below the reimbursement rate published in the Federal Register of August 22, 1983.

Hospices are institutions of solace and compassion, providing comprehensive inpatient, home, and bereavement care as alternatives to traditional treatment for terminally ill people. Typically, the patient and his or her family receive a wide range of palliative and supportive services—nursing care, social services, pain control medications, pastoral counseling, speech and physical therapy, chore services, and more. Respite care is provided to families, to provide them brief breaks from the demands of caring for their dying loved ones.

Hospices care allows terminally ill patients to live the short remainder of their lives with minimal pain and maximum dignity, as fully as possible. Because the hospice emphasizes home care, patients can spend more of their last days surrounded by their beloved family and friends. By receiving significant portions of their treatment in the home, the families are also spared enormous costs of long-term hospitalization.

Everyone benefits from hospice-based care programs for the terminally ill. Medicare costs are reduced considerably when care is provided outside the hospital. Under hospice, according to Mary Jo Gibson of the National Cancer Institute, 3 months of care cost at least 35-percent less than traditional hospital-based acute care. Over a year's time, the savings would run in the tens of thousands of dollars for the average patient. Hospice represents one of those rare programs that provide superior health care at significantly lower cost. This program, providing both savings in the medicare system and humanitarian care for the terminally ill, deserves the strongest support of the entire Federal Government and Nation.

We offer this resolution in response to the intention of the Office of Management and Budget to press for reductions in the medicare reimbursement rate for hospices. Based on a Brown University study, OMB determined that the current rates are set too high. Unfortunately, OMB has used this study in ways for which it was not designed. Dr. David S. Greer, director of this study and dean of medicine at Brown University, has said as much. In a letter to Mr. Hugh Westbrook of the National Hospice Organization, Dr. Greer wrote:

> Our role in regulation writing and cost setting has been restricted to the provision of information from the National Hospice Study. Throughout the process, we have been quite candid concerning the applicability of this data to the conditions of the Study exclusively and have made no claims that it would accurately reflect hospice experience under the different conditions established by TEFRA.

The price of apples, you might say, has been used as the standard for oranges. The problems of applicability are numerous. I detail but a few of them:

Dr. Greer studied 26 demonstration hospices with different and somewhat relaxed standards, without adjusting for the more stringent rules in medicare-certified hospices. Because medicare hospices must provide more and different services, their costs naturally will be higher.

Because of methodological constraints, Dr. Greer made no attempt to distinguish in his sample those programs resembling the typical medicare hospice program. The study precluded any possibility of precise comparison.

Among the differences between the Greer sample and medicare hospices is the fact that medicare hospices accept patients even if they do not have a primary care provider—for example family member or friend—in the home. Because the hospices studied in the sample had such a requirement, their costs were considerably lower. Unfortunately, they were forced to exclude terminally-ill patients with no one to care for them and thus were most in need of hospice. Clearly, this study cannot serve as the basis for reductions in the reimbursement rate.

If OMB's proposal is implemented, the costs will be enormous. New hospice programs, with high startup costs, would have little hope of surviving. Potential hospices would abandon plans to establish a program. Existing hospices would face serious cutbacks in their services. In short, hospices would forfeit the special, humane qualities that made them a desirable form of care in the first place.

The most disturbing effects of the OMB proposal would be felt by patients already in hospices. In order to participate in a medicare-certified hospice program, they were required to waive almost all access to part A medicare benefits. By forcing reductions in hospice services, OMB will leave thousands of terminally ill patients with inferior care, and with nowhere else to turn. If, for just a moment, we disregard the profound physical and emotional suffering these cuts would have on dying men and women, let us ponder this: in their last days and months, these Americans will develop a justifiable bitterness toward their Government. I suggest that the Senate owes these good citizens something more than a 20-percent budget cut in their final moments. I urge all my colleagues to join us in sending the Office of Management and Budget an unequivocal message: These cuts will not be tolerated.

I ask that the full text of the resolution be printed in the RECORD.

The resolution follows:

PROPOSED SENATE RESOLUTION

Whereas, the Senate of the United States recognizes that hospice care provides a compassionate and competent alternative to traditional care of many terminally ill patients and their families during the last weeks and months of life, and

Whereas, Congress recognized and established hospice as a unique and appropriate alternative form of care within the nation's health delivery system by enacting Section 122 of the Tax Equity and Fiscal Responsibility Act of 1982, allowing terminally ill Medicare beneficiaries to choose hospice as an optional benefit in lieu of more expensive and less humane approaches, and

Whereas, that statuatory section requires the Secretary of Health and Human Services to publish final regulations implementing the Medicare hospice benefit no later than September 1, 1983, and

Whereas, final regulations have not yet been published although the effective date of the benefit was November 1, 1983, and

Whereas, hospice programs have been forced by the tardiness of the Department to rely upon proposed rates published in August, 1983, and

Whereas, the appropriate data base for setting final reimbursement rates can only be compiled from the experience of hospices participating in the Medicare program, and

Whereas, terminally ill Medicare beneficiaries relying upon the quality of care and levels of service mandated in the law have waived their Medicare Part A benefits in order to be admitted to hospice programs which have been surveyed for certification as Medicare providers, and

Whereas, hundreds of hospice programs and thousands of terminally ill persons are dramatically affected by the timely implementation of the intent of Congress; now

Therefore it is resolved, That it is the sense of the Senate that:

(1) Reimbursement rates for hospices not be lowered below those published in the August 22, 1983, Federal Register;

(2) Without delay, the Health Care Financing Administration begin to collect reliable data on cost experience of hospices participating in the Medicare program in order that future rate changes will reflect the accurate cost of service which terminally ill patients require and which hospices are mandated to provide under the terms of the hospice legislation;

(3) No further delay in publishing the final regulations implementing the law will be tolerated.●

LOOK-ALIKE DRUGS

● Mr. HUMPHREY. Mr. President, the Food and Drug Administration has just taken an important step in the fight to ban the manufacture and distribution of imitation controlled substances, commonly known as look-alike drugs. As chairman of the Subcommittee on Alcoholism and Drug Abuse and the sponsor of look-alike legislation now pending in the Senate, I applaud this action.

Look-alike drug manufacturers and distributors have been selling to our young people drugs that look like controlled substances but which actually contain only substances commonly sold over the counter in such drugs as diet aids, cold pills, and allergy remedies. When taken in multiple doses or with caffeine or aspirin, these substances produce a stimulant or depressant effect like a controlled substance.

Tragically, when too many are taken or they are combined with alcohol, there is a risk of severe hypertension, tachycardia, respiratory difficulty, cerebral hemorrhage, permanent brain damage, or even death. The FDA has identified at least 14 deaths associated with the use of these drugs. An additional danger is the risk that young people getting used to taking many of these less potent drugs may accidentally overdose on illegal drugs.

These imitation controlled substances are made with colors and markings similar to the illegal drugs they are mimicking and often are sold using street terms for amphetamines and barbiturates such as black beauties, white crosses, speed, and yellow jackets. Using a combination of magazine ads, mail promotions, and flyers and cards at entertainment events and in schoolyards these drug dealers have successfully marketed look-alikes to college-age students, high school students, and sometimes even to children in elementary school.

As a result of enforcement actions by FDA and the Postal Service and enactment of look-alikes laws in more than 40 States, the industry has modified their production and marketing techniques so that these drugs no longer look like controlled substances, are properly labeled, and are not mispresented in their advertisements. Now that the market has been established among our young people these new drugs, commonly called act-alikes, are being promoted and sold in the same manner to willing buyers and constitute a growing problem. As so often happens, the drug abuse promoters remain one step ahead of existing law.

In August 1982 the FDA announced that the triple combination of phenylpropanolamine, ephedrine sulfate and caffeine—the ingredients commonly contained in look-alikes—would now be regarded as a new drug and would thus require an application to FDA for marketing approval. The response of these manufacturers of triple combination products was simply to delete one or more of the three ingredients and thus produce a product that already possesses FDA approval. I, and many others, have been urging the FDA to take further regulatory action against the combinations found in look-alikes and act-alikes.

In a notice to appear in today's Federal Register, the FDA announces an advisory opinion that certain over-the-counter drug products from now on will be treated as new drugs. These products, which will be required to be the subject of an approved new drug application, are: first, products that contain anything other than caffeine as their active ingredient and are labeled or otherwise promoted for use as a stimulant or alertness aid, or for other such similar uses; and second, products, labeled for any purpose, that contain as their sole active ingredients any of the following combinations: caffeine in combination with ephedrine or pseudoephedrine; phenylpropanolamine in combination with ephedrine or pseudoephedrine; or phenylpropanolamine in combination with caffeine. A transitional period was granted for certain products combining caffeine and phenylpropranolamine and labeled for weight control purposes which were manufactured before the date of the FDA announcement, to allow legitimate manufacturers and distributors to sell off their existing inventories.

I have every confidence that the look-alikes and act-alikes drug dealers are already hard at work developing ways to modify their products so as to allow them to continue their promotion of these drugs for recreational use. Since its inception the look-alikes industry has circumvented ordinary regulation due to the unique characteristics of the product and the industry's innovative ability to make changes in order to frustrate law enforcement efforts. Existing Federal jurisdiction is fragmented and limited and we are confronted with an industry promoting drug use and abuse in our youth which we have no direct ability to control effectively.

This latest regulatory action by the FDA is a welcome step. Also praiseworthy are the many State laws which have been passed to try to deal with look-alikes, but individual statutes differ from jurisdiction to jurisdiction and manufacturers only seek new locations more favorable to their activities.

After a careful review of this serious drug abuse problem, I became convinced of the need for new Federal legislation to solve the look-alikes problem. In that regard, I have introduced two bills, S. 497 and S. 503. The latter bill, S. 503, the Imitation Controlled Substances Act of 1983, has recently been reported from the Subcommittee on Alcoholism and Drug Abuse to the full Labor and Human Resources Committee. I urge my colleagues to support my efforts to enact a Federal statute to close these loopholes in existing law, and to articulate a Federal policy outlawing the manufacture, distribution, and sales of look-alikes and act-alikes for the purpose of fostering drug abuse.

We are not talking about the legitimate over-the-counter drug industry which safely produces and markets the estimated 300,000 products we depend upon for necessary self-medication. The look-alikes problem also has nothing to do with the generic drug industry which offers the American public alternatives to brand-name prescription drugs.

Our fight against look-alikes is aimed at those manufacturers and distributors who are marketing these legal substances to our young people to encourage recreational drug use. Our targets are those sellers who are making enormous profits in the sale and resale of these drugs with no regard for the health and safety of innocent buyers. Our concern is the fostering of a casual acceptance of drug use which undermines all of our drug prevention and treatment programs and may be the first step toward illegal drug use for some of these young people. The parents of this Nation are asking for our help. Let us not let them down.●

UNITED STATES-JAPANESE TRADE

● Mr. HELMS. Mr. President, President Reagan's recent trip to Japan laid the basis for closer relations and productive cooperation with the Nakesone administration. The meeting of the President with Prime Minister Nakesone was symbolic of the good working relationship which the two leaders have, and closeness of their leadership philosophy.

Nevertheless, despite the cooperation which we have had with the Japanese people, there remains some serious stresses and strains in our relations. These are caused principally by

Japanese trade policies, and by the failure of the Japanese people to take seriously the need to contribute to the common defense of the free world.

The result of the first is a trade deficit with Japan that has been estimated to hit $194 billion by 1990. The result of the second is that Japan's economy has gotten a free ride on the defense expenditures of the United States and the free world by a defense investment that has never exceeded 1 percent of Japanese GNP. This situation must change.

Although it is fashionable today to point the finger at the failure of U.S. businesses to compete vigorously, the fact remains that the Japanese have raised formidable barriers to the U.S. export trade in their country. It remains true, of course, that U.S. industry will have to try harder. Yet the Japanese have raised formidable trade barriers that literally make it impossible to compete in Japan. It is no coincidence that every major industrialized nation is running a trade deficit with Japan.

Among the special Japanese trade practices that are barriers to trade are the following: Quotas and quota administration; tariffs; customs procedures; informal quantitative restraints; product standards, testing, labeling and certification; antitrust law; industrial targeting; government backed research and development; administrative guidance; government procurement; practices of government state trading companies; private industrial groups; and private distribution systems. Most countries use some of these; but only Japan uses them all in a coordinated strategy to build economic clout at the expense of other countries.

The issue of free trade is one that works fine in theory. But in practice, free trade seems to be a one-way street. We need to take firmer steps to regard access to our domestic markets as a privilege that is dependent upon equal access to the exporting country.

Mr. President, the U.S. Business and Industrial Council has been making a thorough study of this problem, and has produced an excellent white paper that goes into every aspect of the situation. The paper was prepared by a task force headed by Mr. Keith Wilson, vice president of the Champion Spark Plug Co., Toledo, Ohio. I recommend that every Senator and every policymaker in the administration study this white paper carefully.

The paper was transmitted to President Reagan by Mr. Anthony Harrigan, president of the U.S. Business and Industrial Council. Mr. Harrigan and USBIC are well known in business circles as champions of old-fashioned entrepreneurial business style. No one can ever accuse USBIC and its members of seeking governmental solutions to business problems.

Yet government can be the problem, as well, particularly the failure to take effective action against the actions of other governments. Mr. Harrigan recommends three specific actions which the U.S. Government could take right now:

First, the President should exercise his authority under section 301 of the Trade Act and initiate bilateral negotiations with the Government of Japan with the purpose of resolving trade disputes that cannot be settled with the GATT framework;

Two, the President should immediately instruct the relevant American trade negotiators to persist in their objections to the "Administrative Guidance Procedures" of the Japanese Government.

Three, the President should propose legislation to Congress which would apply reciprocal responses to the following unfair trade practices of the Government of Japan: informal quantitative restraints; product standards, testing and certification; industrial targeting and nontariff trade barriers.

Such actions by this Administration would begin to put United States Japan trade back in the framework of a fair trade policy.

Mr. President, I ask that the letter of Mr. Harrigan to the President, and that the text of the White Paper on United States-Japan trade be printed in the RECORD at the conclusion of my remarks.

The material follows:

U.S. BUSINESS AND
INDUSTRIAL COUNCIL,
Nashville, Tenn., November 14, 1983.

The PRESIDENT,
The White House,
Washington, D.C. 20500

DEAR MR. PRESIDENT: I write to you today on behalf of the membership of the U.S. Business and Industrial Council, a business organization of several thousand senior corporate executives nationwide.

Our organization is deeply concerned over the Japanese Government's demonstrated unwillingness to negotiate a meaningful and equitable trade agreement with the United States. Such an agreement is necessitated by certain unfair and unlawful trade practices of the Japanese Government which have contributed to our growing trade deficit with that country.

Enclosed is a copy of a soon to be released study commissioned by our Task Force on International Trade. The study details the said practices of Japan's Government and recommends to you and the Congress a series of proposed responses for dealing with this problem. It is a problem that is threatening the stability not only of several of our member companies, but whole American industries and the jobs of thousands of American workers.

Unless you, Mr. President, immediately exercise the powers granted your office to persuade and pressure the Japanese government to reach a fair and substantive compromise with the U.S. on matters of trade between our two nations, the cause of the advocates of hurtful countermeasures will be greatly enhanced. This is a cause which is not supported by your administration or by the members of the USBIC.

Therefore, the members of the USBIC strongly urge you to immediately exercise the authority granted you by Section 301 of the Trade Act and begin implementing the following administrative remedies for the unfair trade practices of the Japanese Government:

(1) You must exercise your authority under Section 301 of the Trade Act and initiate bilateral negotiations with the government of Japan with the purpose of resolving trade disputes that cannot be settled within the framework of the General Agreement on Tariffs and Trade.

(2) You should immediately instruct the relevant American trade negotiators to persist in their objections to the "Administrative Guidance Procedures" of the Japanese Government.

(3) You must introduce legislation in the Congress which would apply reciprocal responses to the following unfair trade practices of the Government of Japan: informal quantitative restraints; product standards, testing and certification; industrial targeting and non-tariff trade barriers.

Mr. President, we respectfully propose these recommendations from a strong conviction that equity and national and economic security require their adoption.

Sincerely yours,

ANTHONY HARRIGAN,
President.

WHITE PAPER ON U.S.-JAPANESE TRADE: FAIR TRADE POLICY NEEDED

(Prepared by the USBIC Advisory Task Force on International Trade, Keith Wilson, Chairman)

INTRODUCTION

The time has come for a thorough review and revision of the country's basic trade policy. Reevaluation and change are made necessary by the radical transformation in international business and trade in recent years. It is imperative that the United States adjust its trade policy to altered world conditions in accord with today's political and economic realities so that the economics interests of the American people are safeguarded.

The United States has long adhered to the ideal of free trade. Unfortunately, the other nations of the world today do not necessarily subscribe to the same concept.

As the USIC Declaration of Policy has stated for some years, the conditions of meaningful free trade today do not exist. These conditions include unrestricted movement of capital investment, convertibility of currencies at freely floating rates, parallel fiscal and monetary policies, and safeguards against exploitation by foreign tax structures or government-backed, subsidized, guided or directed monopolies or cartels.

The United States, unfortunately, has accepted what amounts to a one-way or unilateral free trade system, a system which leaves the United States at a disadvantage. This means that the United States has a naive attitude towards our trading partners and industrial competitors. In reality, many of these are trade and industrial adversaries.

Many Americans, including many government officials and members of Congress, think of international trade in the old-fashioned way, as competition between individual companies. The reality, however, is that American companies are in competition with foreign countries, with industries

which are guided by their governments. For example, Japanese industries are shifting to new industrial operations with massive capital lent by the Bank of Japan. Japanese railcar makers are selling their products to American cities with government subsidies.

The Japanese are well aware of their increasing dominance. Kenneth B. Pyle, writing in the Journal of Japan Studies (1982) said that the report issued by the Comprehensive National Security Group in Japan in 1980 noted that Japan's per capita GNP "will likely overtake that of the United States" and that "the positions of the two economies are being reversed . . ."

For several years, as evidenced in the statements published in the first section of this report, there has been growing concern about Japan's trade practices and underlying policies. Americans, however, are only beginning to study the methods that Japanese companies employ to seize a large market share in the United States and that the Japanese government utilizes to exclude many American-made products from the Japanese market.

It isn't a handful of products that American manufacturers are concerned about. The flood of imports affects both relatively simple and highly sophisticated industries. There is rapidly growing belief, therefore, that the United States must study and respond to the overall trade challenge, most particularly from Japan. Danger exists that every sector of the American domestic market will be dominated by imports in the years ahead. Business Week recently (Aug. 29, 1983) warned that the economic recovery and the flood of foreign money into the U.S. "are masking a trade problem that could turn out to be the economic disaster of the decade." It cited a Data Resources Inc. prediction that the trade deficit "could hit $174 billion by 1990."

Given this danger, it is imperative that the United States begin to think in terms of strategic economics. As Prof. Paul Seabury of the University of California at Berkeley said in the Spring 1983 issue of the Institute for Contemporary Studies Journal, "as the only genuine guarantor of security for both itself and the free world as a whole, the United States simply cannot afford to allow its industrial base to wither away." If the U.S. fails to recognize this, in respect to foreign trade, it will be in danger of being consigned to the role of resource base for other industrialized and industrializing countries.

Ignoring or disputing this danger, free trade purists continue to insist that trade "is always in two directions" (Prof. Richard McKenzie of Clemson University, Conservative Digest, July 1983). This is surely true. But one of the trade partners may end up with the short end of the stick. Free trade theorists of the past argued that global wealth is maximized if each nation produces only those things it can manufacture better than others. It was a simple and compelling theory, but it isn't applicable to the 1980s. For example, the theorists of the past never conceived of a situation where one country handicapped its industrial development by paying the defense costs of a competitor nation, as the United States pays for defense in Japan. Climate was once a factor in determining which parts of the world produced which goods. Today, climate is a negligible factor. Nations in the temperate zone and the tropics compete in producing the same goods. The United States, in another action that theorists of the past could not have imagined, has provided generous aid for the rebuilding or construction of industrial facilities in other countries. Moreover, national governments today exercise tight control over their currencies, thereby affecting their trade competitiveness.

In the 1980s, the possibilities for national direction of trade are very numerous—old fashioned tariffs, quotas, technical and administrative barriers, testing requirements, state subsidies, government guidance, preferential purchasing, access to bank credit on special terms, cartels, etc. As a result, no two nations play by the same trade rules.

Benjamin Disraeli got to the heart of what trade policy should be when he observed, "Free trade is not a rule, it is an expedient . . . Protection is not a rule, it is an expedient." Except for the United States, every industrial nation in the world has leaned toward some form of protection as its primary expedient. This is not to say the United States does not impose some restraints, but if free trade is the ultimate virtue, every other nation is a bigger sinner than the United States. The United States tariffs and other barriers are so insignificant that our country is the most attractive market in the world, the primary target of trading offensives.

There are other factors to consider: Our trading partners enjoy their military protection at the expense of the United States taxpayer. Despite this, they are directing national economic offensives against the United States. It is the industrial policy of Japan, for example, to dominate the American domestic market for automobiles, steel, semi-conductors and many other products. Operating through the Ministry of International Trade and Industry, the Japanese map trade offensives conduct research in government agencies, select the companies involved in trade offensives, provide cheap credit, and coordinate the overseas operations of giant industrial firms as though they were field armies.

This policy has been in effect since the 1950s and has been spectacularly successful. The United States response to these national economic offensives—virtual economic warfare—has been repeated expressions of dedication to the principle of free trade.

The result of this naive policy on the part of the U.S. government has been the rapid deterioration of the American economy. The economic deterioration we witness in America today is the result of the U.S. government's willingness to allow foreign producers to sell their goods in the American market below the cost of production and at far less than their fair market price at home, a practice known as dumping. There is also the reluctance of some federal officials to enforce the trade laws that are on the books. Instead of clamping down, the U.S. government usually drags its feet on trade issues and opts for a soft agreement with foreign dumpers, an agreement that is inadequate to deal with the threat to America's basic industries.

Because of this neglect and unwillingness to face the facts, many of America's industries are on the critical list, including automobiles, steel and machine tools. Dennis J. Carney, chairman of Wheeling Pittsburgh Steel Corp., has said "within the next several years, industries such as computers, air frames, telecommunications and space technology could be damaged more than our steel and auto industries are being damaged today."

On September 20, 1982, Industry Week Magazine charged that "A case can be made that Japan is trying to achieve economically what it could not accomplish militarily: a world economic hierarchy with Japan at the apex." It added "It's not implausible that the Japanese are attempting to apply principles of the ancient art of jujitsu to world economics, using its opponents' strengths—the great natural resources, markets, and labor force of the U.S.—against it. In short, by forging tight alliances—through onshore manufacturing plants, joint ventures, and other arrangements—U.S. dependence on liaisons with Japanese firms will increase, thus giving Japan the leverage it needs to carry out its economic mission."

Japan's economic offensive is multipronged. Americans haven't yet realized that the Japanese are extending their attack on the U.S. domestic market by investing in the low-cost, newly industrializing countries. World Business Weekly (Oct. 19, 1981) reported that "One of Mitsubishi's goals in investing in Singapore was to launch an export drive aimed at the U.S. and Western Europe." One of its rivals, Hitachi, has 15 plants in less-developed countries. Asahi Chemical Industry has 14 plants outside Japan. These operations pose another serious threat to U.S. basic industries. Americans also should understand that an additional 32 million tons of steel will be coming from Brazil, Mexico, South Korea, Taiwan and the OPEC nations of Algeria, Nigeria, Saudi Arabia and Venezuela by 1985.

All the countries that are expanding heavy industries are doing so to sell goods in the United States and, in the process, squeeze out American firms. If they are successful, American industry a decade hence will be only a fraction the size it is today, and millions more Americans will be without employment.

U.S. companies have no way to combat these trade offensives. They can't hope to compete against foreign governments, and that's what they are up against. This applies not only to Asia but Europe as well. Professors Kenneth D. Walters and R. J. Monsen, writing in the Columbia Journal of World Business, note that there has been a dramatic wave of nationalization in Western Europe since 1970. "In a number of industries," they write, "state-owned firms now have gained a dominant or significant position in European markets." This means that Europe is turning away from the capitalist system. At the same time, many of the state-owned European companies have bought into American business and industry. It certainly can be argued that the U.S. government ought not to allow American private enterprise to be overwhelmed by foreign, state-owned industries which are, in effect, dumping their unemployment in the United States, dealing with their social problems by shipping subsidized products to the United States. British Steel is a case in point.

The problem of national economic offensives against United States should be treated in a way that transcends partisan lines.

It is important to consider how other countries operate. The Comptroller General of the United States issued a report on July 9, 1979 in which he stated that only Japanese firms are certified to build railcars for Japan's railways. The same situation applies in France and Italy. Indeed, French, Italian and Japanese railways are state owned. Around the world, barriers are put up to keep out American manufacturers, while foreign imports are overwhelming this country.

Americans don't want to go the foreign route by nationalizing their industry or the

route of industrial guidance or subsidy. But the U.S. has to take a much harder line against dumping of goods. The current anti-dumping law is grossly inadequate. Enforcement of countervailing duties also is inadequate. The U.S. has to restore meaningful international competition by insisting that foreign countries engage in fair trade. The free trade purist holds up his hands in horror at suggestions of this sort. In our own country, we seek pure free trade by application of the anti-trust laws, though labor is improperly exempted. At the water's edge, a different set of rules must apply. At the water's edge we meet the zone of national security—national economic security. American traders must have their government behind them, as foreign governments are behind their commercial traders. To do less than this in today's world of government involvement is to guarantee the failure of American commerce.

The free trade purist needs to examine the facts. The state-owned or guided enterprise is a major competitor in international markets. Yair Aharoni, writing in the Columbia Journal of World Business (Spring 1980), rightly says: "The expansion of state-owned enterprises across industries, across countries, and in international trade is a new phenomenon in the history of industrial capitalism."

He points out that the world market share of state-owned enterprises is "staggering." The same thing can be said for subsidized or state guided industries. An example—the French, state-owned Renault auto company is a major competitor here.

The governments that own international enterprises or guide and subsidize others are engaged in national political and economic offensives. International trade, in short, is a vital strategic operation for many countries. It is creating more and more friction among advanced industrialized nations.

Given these conditions, what does the United States do about the foreign economic offensives? The initial response must be to enforce existing trade laws. It is intolerable that the government proceed against "dumping" in a soft-pedal manner. The United States can't afford a continuation of a policy of neglect and unconcern about such trade practices. Mr. Carney of Wheeling-Pittsburgh has charged that "Our government's proposed solution is for these foreign governments to continue dumping and stealing jobs, but steal fewer jobs."

One approach to the problem of unfair trade has been developed by U.S. Sen. John C. Danforth (R-MO). He has authored legislation aimed at establishing trade reciprocity. He would withdraw trading privileges in the United States for countries that do not provide Americans with reciprocal market access.

The point has been made that trade restrictions on the part of the United States will invite retaliation. Certainly, that is a point which must be considered. The United States, however, isn't waging a trade offensive against Japan and other countries. It simply requests equal access, which it isn't getting. Moreover, the United States taxpayer is underwriting the defense of these countries. And if Japan wanted to retaliate, what would it do? It must have access to American raw materials and foodstuffs. Indeed the Japanese cannot fault Americans for acting so they don't always get the short end of the stick. They know they have the advantage in current trade arrangements.

The proponents of status quo trade arrangements have to be called to intellectual account. If a one-way free trade policy is sound, why are U.S. industries in such deep trouble? True, the U.S. has severe problems with labor union monopolies which have pushed wages up to unreasonable levels as productivity has dropped. But this factor isn't the only one in the deterioration of America's basic industries. One has to return to the central truth that U.S. companies are handicapped by anti-trust rules and are compelled to compete against foreign countries which have industrial policies designed to penetrate and dominate the U.S. domestic market. America's trade adversaries control, finance and protect their industries.

Only a hard-nosed U.S. trade policy will prevent the total collapse of our basic industries, which are essential to our economic well-being and national security. The U.S. can't survive and prosper by relying on an all-service economy.

From the founding of the Republic, the U.S. government has been concerned about America's industries, which represent potential for the future. The U.S. failed to maintain that concern over the past 25 years. America must return to a firm international trade policy unless the American people want to be poor and weak in decades to come.

JAPAN'S TRADE POLICIES: CRITICAL VIEWS

The United States is facing a major crisis in its industries from textiles to electronics because of our government's neglect and unwillingness to face the fact that governments in the world today follow economic and trade policies which are very different from those of the United States. This is the view of many spokesmen for the American business community and commentators on business. Indeed Dennis J. Carney, chairman of the Wheeling-Pittsburgh Steel Corp., charged (Sept. 26, 1982) that Japan, in cooperation with other countries, "has followed a well-planned carefully orchestrated invasion of our country's markets."

In considering how the United States should respond to the new era in international trade, it is worthwhile noting the views of leading industrialists and prominent journalistic and academic commentators who have addressed the trade situation, with specific reference to Japan. This section of the USBIC white paper is devoted to representatives selection from public comments. Consider the following:

James F. Bere, Chairman and Chief Executive Officer of the Borg-Warner Corporation (in an address to the Japan Society, New York, Dec. 15, 1982)—

"More and more, imports are being pointed to be a majority of our people, as a primary reasons, if not the primary reasons, for the increasing unemployment. . . . There is a greater awareness of covert barriers, and how they are used, compared to a once simple assumption that posted tariffs were the key. . . . Many people accept the probability that if the United States imposes restrictions, then other countries will retaliate. That threat increasingly seems the lesser of two evils, with a $20 billion bilateral deficit with Japan this year, and a $40 billion global deficit. . . . No country can long tolerate such disproportion, either politically or economically—especially with a general perception of a direct relationship between trade deficits and joblessness. . . . We think it would be wise for Japan to lower its internal barriers, to let its currency rise to more realistic levels, to be measurably less aggressive in its export policies. We think that would be the lesser of two evils for Japan itself, if the choice is temporary domestic political discomfort or increasing selective barriers against Japan in world markets."

Raymond S. Hay, Chairman of the Board and Chief Executive Officer of The LTV Corporation (*Wall Street Journal*, May 5, 1983)—

"Should the United States impose restrictive trade measures against another country? Ideally, no. But a few foreign nations have been so acutely unfair in their dealings with the U.S. that some short-term corrective measures would be appropriate. Japan, in particular, has taken a disturbingly predatory stance in trading—one which has been detrimental to our own national interests."

Philip A. O'Reilly, President, Houdaille Industries Inc. (From a petition to the President May 3, 1982)—

"In only a few years, a Japanese machine-tool cartel has taken away a major share of the United States market for these machines—nearly 50 percent in the case of numerically controlled (NC) machining centers and nearly 40 percent in the case of numerically controlled (NC) punching machines—from American manufacturers and their workers.

"Houdaille Industries, Inc. has uncovered conclusive evidence that the Japanese Government instigated the formation of this cartel and continues to shield its members from competition by sanctioning market allocation and other anti-competitive agreements and practices.

"The Government of Japan has unjustifiably restricted United States commerce by acts and policies that go well beyond tolerance of international cartels. By encouraging, nurturing, guiding and protecting its machine-tool cartel, the Japanese Government has put United States manufacturers at a severe competitive disadvantage both in Japan and in the most important market in the world—the United States.

"The Japanese machine-tool cartel was formed in response to the first of a series of three special laws for the promotion of the machinery industry. In enacting these laws, the Government of Japan launched an ambitious crusade to seize the higher value-added and most technologically advanced market segment of this fundamental industry. Although these laws were officially characterized as temporary measures, they have remained in effect since 1956—one 'temporary' measure following on the heels of another.

"The Japanese Ministry of International Trade and Industry (MITI) used the free hand given to it by these laws to weed out manufacturers with small market shares. Each firm whose production of a particular machine tool was less than 5 percent of the Japanese market in that tool and less than 20 percent of the company's total production was directed to stop manufacturing these tools. The market shares thereby relinquished were turned over to a limited number of more successful producers. Under MIT's guidance, these companies then exploited the consequent economies of scale and specialization to penetrate export markets, secure in the knowledge that these advantages would be protected against competitive erosion in the Japanese market.

"In taking these actions, the Government of Japan catapulted the cartel into the high-technology end of the market. MITI successfully pressed the Japanese machine-tool manufacturers to act jointly to concentrate their efforts in developing and producing NC machine tools. Each company in the

cartel was directed by MITI to increase to 50 percent the NC share of its total production of machine tools. In addition, the cartel was directed to expand its collaborative activities to include related industries and customers.

"With the long-range goal of selectively penetrating and dominating important export markets as its guiding principle, the Government of Japan devised imaginative strategies for financing that objective. In the mid-50's, MITI gave to certain officially favored export industries, including machinery, valuable licenses to import raw sugar. This highly profitable arrangement enabled those industries to purchase sugar at prevailing world prices and sell it in the domestic Japanese market at prices that were artificially inflated ($40-150 per ton higher) as a consequence of the Government's sugar import quota. As MITI officials explained at a meeting with Petitioner's counsel, by utilizing this price differential 'the Government could compensate the exporters for their deficits attributable to dumping in foreign countries.'

"When this mechanism was discovered and protests from abroad mounted, the Government of Japan shifted to other means of achieving the same objective. Millions of dollars worth of yen generated by wagering on bicycle and motorcycle races in Japan were funneled into export industries, including the machine-tool cartel.

"Many of the practices of the Japanese machine-tool cartel, if conducted within the United States or by persons subject to United States jurisdiction, would be *per se* violations of United States antitrust laws. This is not to suggest that U.S. antitrust law offers an adequate solution to the problem. Many of the companies concerned may not be subject to U.S. jurisdiction. Action against some of the most flagrant anticompetitive joint conduct may be barred by the statute of limitations even though the effects of this conduct continue to be felt in the United States market. The extent of the participation by the Japanese Government in these anticompetitive activities was and is so great that it might well provide the Japanese machine-tool manufacturers with a sovereign compulsion or Act of State defense recognized by U.S. courts in the application of United States antitrust principles.

"The restriction of United States commerce caused by this Japanese Government's tolerance of anticompetitive conduct is not justifiable. Even if it is difficult or impossible to end this conduct under U.S. or Japanese antitrust laws, U.S. taxpayers ought not be required to continue subsidizing such patently offensive conduct.

"How many Americans understand or even know of the series of Public Laws enacted in Japan starting in 1956 that ordain the actions I just lightly touched on? How many understand these and other laws sanction the establishment of cartels, allow the specifying of favored or limiting standards, provide for concessionary loans under conditions allowing for interest and/or even loan forgiveness, collaboration among companies to fix prices on exports, exhorting companies that don't fit the restructuring plan not to play in the same or upset the scheme?

"These policies and concerted actions are supported by the interlocking financial structure of government, banks and manufacturers whose socialized method of financing provides funds on such a low-risk basis that one can hardly sense the actions of a free market.

"The additional structural policies of Japan then essentially oblige that when capacity is staffed it shall be operated, and the output will be disposed of, almost irrespective of the immediate cost burden to their society. The rest of the Japanese system is accustomed to support this objective in the interest of exports, and sees each targeting industry through to a successful conclusion.

"In summary, Japan has nursed itself to competence in a privileged sanctuary for twenty-five years. Those distortions protected their home market. How have they orchestrated exports?

"Japan's success as a world trader is made possible by its protected home base. Japanese firms acquire their basic capabilities in a 'hothouse' environment, where a prescribed form of competition produces a few strong contenders who then move simultaneously and aggressively into world markets. The protected base provides not only large market volumes on which to realize economies of scale, but also buffers the home market against aggressive pricing.

"With restoration of a more equitable competitive environment, the American machine-tool industry can begin to recover the share of the United States market in these higher-technology machine tools that the Japanese Government captured for its cartel. It would also send an unmistakable message to Japan and to the United States Congress that the President can and will take steps under existing law to correct the intolerable imbalance in our trade relationship with Japan."

Robert W. Galvin, Chairman of the Board and Chief Executive Officer of Motorola, Inc. (From an address June 29, 1982)—

"As able as are the hundreds of excellent individual electronic companies in our industry, the challenge that we face from Japan has a special two-part dimension beyond the individual competence of most companies.

"It is embodied in:

First, a demonstrated willingness and proven capability by Japan to dominate individual industries worldwide.

Second, a concerted national program to protect and promote certain industries to the point where such domination has occurred or is potentially and probably the predictable result.

"Japan has action programs ordained in law to intensively rationalize and restructure industries, including the defining of facilities to be installed, the sizing of their production scale, the specialization to be assigned among companies, and the legislating of concerted collaboration between corporations under corporate exemptions from their anti-monopoly law.

"These practices, plus a tax system inherently providing pricing advantage, and cartelization and other concerted actions that cause emplacement of capacity that combines to serve the lion's share of targeted markets here and elsewhere, demonstrate they are prepared to do what is necessary to pursue their national objectives, whether or not the means are consistent with free market principles or the international trading rules.

"My sense of the situation is that a substantial majority of American and European business leaders believe that Japan has protected and publicly supported its industries too much and too long, and has combined to excessively impose production and unemployment on the rest of us too much and too long, and that they intend to extend these consequences too much and too long, and this can no longer be tolerated. If defense against such excesses is to be labeled protectionism, so be it."

Dennis J. Carney, Chairman and Chief Executive Officer of Wheeling-Pittsburgh Steel Corporation (From a statement issued Sept. 26, 1982)—

"Under guidance of Japan's immensely powerful Ministry of International Trade and Industry (MITI), steel was selected many years ago as a target industry for rapid development into a position of dominance in world steel trade.

"The MITI target steel program is backed by the Bank of Japan, the government's bank, which supports commercial banks in making low interest loans to the steel industry. Their industry can operate with a very high ratio of debt to equity, and a very low average profit on sales. In periods of recession, the Bank of Japan can and does excuse interest and debt repayments. This system makes billions of dollars available each year for continued modernization and expansion necessary to maintain industrial supremacy and provide jobs.

"After World War II, concerted action by the Japanese government, industry, labor and financial institutions resulted in the building of a modern steel industry with enough capacity to meet all domestic needs, and excess capacity to invade and dominate export markets, particularly in the United States.

"This program developed in a highly protected economy while the target steel industry was subsidized and given the best support the nation could provide. Their game plan is based on the Japanese philosophy of subordinating profit to development of world-class facilities and market domination.

"Their campaign has been highly successful, and the target market for their steel exports has been the largest and most lucrative unprotected market for steel in the world: our home market here in the United States. Today Japan is the source for one-third of all foreign steel purchased in this country.

"Not to be overlooked are indirect steel shipments, steel in the form of automobiles, machinery, etc. that is coming into the U.S. at a record pace. Indirect steel shipments approximate 13 million tons and emanate largely from Japan. We are not only permitting the destruction of our steel industry, but also the destruction of our metalworking industries that consume the steel. One only has to review the trade cases that have been in our courts against Japanese companies to understand the serious magnitude of our trade problem.

"The Japanese steel industry has been from the start, and remains today, a creature of government analogous to government ownership and subsidies prevalent in the European steel industry.

Dr. Chalmers Johnson of the University of California at Berkeley (From a talk to the Foreign Correspondents Club of Japan, Dec. 17, 1982)—

"It is impossible for the United States indefinitely to absorb unemployment rates five times those of Japan, defense burdens eight times those of Japan, and trade deficits with Japan in the $20 billion per annum range. . . . No American politician today can go on indefinitely listening to his constituents complain that they lost their jobs to a robot in Nagoya without coming up with some answers . . . Foreign enterprises must of course expect to compete with their Japanese counterparts, but they also haven't a chance unless foreign nations also compete

with Japan on the level of the government-business relationship."

Victor Riesel, syndicated columnist on labor and economic issues (From a talk to the Foreign Correspondents Club of Japan, Dec. 17, 1982)—

"The bottom line of this report is in the price of agricultural products the Nipponese must pay because their government has an intricate Rube Goldberg network of tariffs and devices to keep out U.S. farm produce.

"As a result, in Japan there are the $20 cantaloupe, the $15 steak (which can be bought for $4.50 in Hong Kong), the Himalayan high prices of pork, citrus and other fruits, vegetables, nuts and tobacco. Smokes have been forced up 56 percent.

"There also is the matter of U.S. feed grain—which, if the Japanese would permit American farmers to sell there, would put our agri-industry in a financial position to afford an embargo of wheat and course grain now being shipped to the Soviet Union.

"But the Japanese agricultural cartel and the government aren't listening any more to our farmers than they are to pleas for curtailment of their sales of cars and trucks in the wide-open U.S. market.

"A few weeks ago a delegation from the American Farm Bureau, headed by its president, Robert B. Delano, was in Tokyo attempting to reason with the Nipponese. . . . (He said) that the Japanese were unmoved by the one-sidedness of their trade. Bluntly, Delano said '. . . Japan is using a variety of official and unofficial trade rules and devices to keep us out of its markets. American workers and businessmen, including farmers, are growing increasingly critical of Japanese trade barriers. . . .' The Japanese don't want to open up. They want to sell. They want to buy as little as possible.

"They push their sales of vehicles to the U.S. farmers while slowing the flow of U.S. agricultural products into Japan. Thus it isn't only the wages of our industrial workers which are being slashed by Nipponese imports, but also the farm owners' and their workers' income."

Former U.S. Sen. Paul J. Fannin (From testimony before the Senate Finance Committee in March 1981)—

"Back over the years, while their country was becoming a world-wide leader in the electronic industry, the steel industry, and becoming the largest shipbuilders in the world as well as builders of more cars than any other nation, it is my opinion that the United States subsidized Japan with several hundred billion dollars.

"This has been done by the Untied States assuming most of what should have been Japan's fair share of defense expenditures for the maintenance and increased building of a military complex for the protection of the countries of the free world. Since the early sixties, Japan's economy has been in a position to allocate a larger share of their GNP than have most of the NATO nations, including the United States, but as you know, has only devoted a small percentage of their GNP compared with the NATO countries.

"Japan, being relieved of the principal part of their fair share of defense obligations has been able to have lower taxes for individuals, business and industry, and to give special concessions on interest rates, along with many other inducements for the promotion of manufacturing, especially on items to be exported. This saving has been a great factor in their steel, ship-building and other industries, having such a rapid and successful growth.

"What are my conclusions as to the actions that should be taken to keep many of the leading manufacturers of our nation from bankruptcy and to give equitable treatment to the Japanese during these troubled times when the very survival of the free world is threatened?

"Number One: Immediately Japan and the United States should negotiate an orderly marketing agreement as a temporary measure. If the Japanese refuse to act with fairness in this regard, we must at once cut back on their imports and insist on changes in GATT to protect our interests.

"Number Two: Within three years the defense expenditures of the Japanese should equal the average of the NATO countries on a GNP basis. The NATO countries and Japan should equal the United States in defense spending on an equitable formula basis within five years.

"Number Three: The failure of Japan to increase their defense expenditures on a fair and equitable basis comparable to the NATO nations will result in a continuance of the United States subsidy to their economy. Therefore, if the Japanese insist their industries have the unfair advantage over our industries, we must follow the lead of other nations in drastically reducing their imports that are flooding our markets."

Stanley J. Modic, Editor, Industry Week (From an editorial published in the spring of 1983)—

"There are many people who claim that the U.S. can't afford to be protectionist for fear we'll get pulled into a trade war. The difference, as Dr. Adolph Lena, CEO of AL Tech Specialty Steel Corp., points out, is that 'those people in the U.S. who defend the status quo for fear of a trade war . . . apparently do not recognize that the war is well underway.'

"The way of life of thousands of Americans has been destroyed in that war: the underemployed and unemployed of the import-ravaged steel, machine tool, electronics, shoe, textile, and auto industries who have fallen victim to the naivete of America's trade policies. Although there are many trade laws on the books—including the most often used, the 1921 Antidumping Act, the Tariff Act of 1930, and the Trade Act of 1974—there are many loopholes that can be used to avoid action or to tailor any response to fit the whim of the Administration in power.

"Since October 1981 there have been 253 antidumping and countervailing duty petitions filed with the Commerce Department. Of the 226 which Commerce decided warranted investigation, 205 were found to involve unfair foreign competition. They were sent to the U.S. International Trade Commission for the final test—to determine if the unfair competition injured the domestic industry. In only 45 cases did the commission recognize injury and impose duties.

"Apparently the basic philosophy behind our enforcement of trade rules is not how unfair the competition is, but rather if it's hurting anyone. Or as Richard Simmons, CEO of Allegheny Ludlum Steel Corp., quipped in talking about the move to limit stainless steel imports: In trade policy it's apparently O.K. to rob the rich. He was alluding to the lesser relief afforded flat-rolled products because their business seemed to be a little better, even though the finding of injury was the same.

"It's time for the U.S. to stop apologizing for its trade laws, and being protectionist; to stop complicating their enforcement with considerations of political, economic, and social factors that go beyond fair trade practices. U.S. industry doesn't need protection. It needs laws to defend itself against the practices of foreign governments which subsidize their industries to give them a competitive advantage. If U.S. trade laws can level the playing field, U.S. companies can easily protect themselves."

Anthony Harrigan, President, United States Business and Industrial Council (From a statement in January, 1983)—

"Bit by bit, the American people and Congress are beginning to understand how the Japanese economic system works. They are coming to understand that Japan is not an American-style free enterprise country.

"A major contribution to better understanding was an article entitled 'How Japan Manages Declining Industries' published in the Janaury 1983 issue of Fortune. Edward Boyer, author of the article, describes in detail the network of subsidies and government directives that constitutes that Japanese economic system.

" 'While it is enormously successful in seeking market share in the United States and other foreign countries, Japan also has its share of so-called sunset industries—older industries which have matured or which are in decline.

" 'The Japanese government has a comprehensive policy for dealing with these industries. The policy is embodied in the Depressed Industries Law, passed in 1978.'

"As Mr. Boyer explained, the law 'gives financial assistance to declining industries and exempts them in some cases from Japan's Anti-Monopoly Law.' As a result, he said, 'those industries have been able to form long-term cartels.' He also reported that the powerful Ministry of International Trade and Industry, which directs Japan's economic offensives abroad, favors 'even broader anti-trust immunity for troubled industries.'

"It is hard for Americans to understand the Japanese system because it is so alien to their way of doing things. For example, Mr. Boyer disclosed that the Ministry of Transport decided that shipbuilding capacity in Japan had to be reduced 35 percent. It simply laid down the rule, and the nation's shipbuilders bowed to the edict.

"Because they are organized in groups or what amounts to cartels, Japanese companies have tremendous flexibility. Employees can be transferred to a healthier division within a firm, to a subsidiary, called to 'child' a 'grandchild' company; to an affiliate within an industrial group; or to a supplier or customer, 'often with the help of the company's main bank,' Mr. Boyer said. Such moves are impossible in the United States. The relationships which form the basis on which such moves are made would violate anti-trust law in the United States, not to speak of union rules.

"Mr. Boyer cited the case of 2,400 Mitsui employees who were 'lent' to nearby Toyota plants because the two companies have exchanged favors over the years.

"There are many government subsidies, such as loans from the Depressed Industries Credit Guaranty Fund, which gets 80 percent of its money from the Japan Development Bank—a government bank. In many situations, the government provides direct subsidies to depressed industries, but more often it simply signals to private bankers what it wants to be done with regard to a company or industry. Involved in this curious system is a peculiar Japanese attitude, what Mr. Boyer explained in terms of a 'feudal legacy of bowing to authority'."

These views by a variety of American commentators on the international trade scene reflect a strong sense of unfairness, of resentment at the trade practices employed by Japan. There is a conviction on the part of many American businessmen that while the United States keeps its doors open to the world, Japan keeps its doors at least partially shut to the United States.

SPECIAL JAPANESE TRADE PRACTICES

The U.S. Business and Industrial Council takes note of the fact that unfair and restrictive practices are utilized by all our trading partners. The table on page 30 catalogues representative examples of barriers to the sale of U.S. goods overseas.

The Council is concerned, however, that only Japan has succeeded in dramatically increasing its exports to the United States while maintaining obstacles to American products and those of other countries, in violation of the General Agreement on Tariffs and Trade (GATT). The members of the USBIC recognize that Japan is the second largest market for U.S. goods (after Canada). Yet Japan's trade practices, which unfairly restrict access to Japanese markets, have contributed to a persistent U.S. trade deficit with Japan—$16.8 billion in 1982.

Japan's practice of restricting access to its markets, and promoting exports through unfair trade methods is not of recent origin. These practices have their roots in the early 1950s, when Japan's postwar economic recovery began in earnest. The centralized, command economy of the war years, including the giant conglomerates or zaibatsu that had dominated the Japanese economy since the mid-19th century, had been dismantled by American Occupation Authority. In its place evolved an economic system that combined American-style capitalism with traditional Japanese government oversight, discrete and indirect. The businessman operated in a climate of official "projections," and "guidelines," that did not permit absolute, entrepreneurial freedom, but carried the weight of the nation's will. There was no historical precedent for the system that developed. But the combination of subtle and overt public policy pressures, and the national consensus in favor of industrial development, led to phenomenal economic progress. Between 1953 and 1973, Japan's average annual rate of GNP growth was 9.7 percent, compared to 5 percent for France, West Germany and Italy, less than 4 percent for the United States, and 2.6 percent for the United Kingdom.

The USBIC recognizes the tremendous economic achievement of the Japanese people. Yet it remains that the formative development of the Japanese economic miracle occurred while Japan's markets were essentially closed to foreign goods and services. Until the early 1960s, the Japanese government provided subsidies, support, and extensive protection to its new growth industries, which required raw materials, machinery, technology, and know-how, all of which had to be imported from the West. Today, although progress has been made in persuading the Japanese to eliminate their most flagrant barriers to imports, the USBIC is not satisfied that they have done enough. Serious obstacles to fair trade between the U.S. and Japan remain.

Both the Japanese government and Japanese businesses employ trade practices that penalize imports. Specific government barriers to trade include: high tariffs; quotas and quota administration; informal quantitative restrictions; and customs practices. Less visible obstacles are created by bureaucratic restrictions and practices regarding product standards, testing, labeling, and certification.

Other trade barriers are created by overall Japanese economic and industrial policies; aid to private sector; industry targeting; research, antitrust policy; administrative guidance; procurement; and the purchasing policies of Japanese government monopolies. (Memorandum, Office of the U.S. Trade Representative, Nov. 30, 1982, p. 3.)

Still other barriers are imposed by the private sector, through the purchasing practices of informal, interlocking cartels, or Keiretsu; the Japanese private distribution system; and explicit or implicit "Buy Japanese" policies of Japanese firms.

Quotas and quota administration: According to the Office of the U.S. Trade Representatives, Japan's 22 quotas on agricultural and marine products, 4 quotas on leather products, and a quota on charcoal briquets violate Japan's obligations under GATT. Japan has admitted this violation. Equally irritating to U.S. exporters of these products is the arbitrary way the quotas are altered, and the persistent unwillingness of the relevant government agencies to announce quota changes. The global quota on leather products has never been made public.

Although the U.S. is the largest exporter of agricultural products to Japan ($5.5 billion in 1982), Japan's policies on agricultural imports are highly protectionist. For example, beef imports are restricted by both quotas and high tariffs. The Ministry of Agriculture, Forestry, and Fisheries imposes a 25 percent ad valorem duty on beef, and the Livestock Industry Promotion Corporation adds import surcharges. Strict quotas are also in force on fresh oranges and orange and grapefruit juice, which are adjusted seasonally to protect the inefficient Japanese citrus industry. Quotas for fruit and vegetables are changed abruptly, and quota changes are not announced until it is too late for U.S. exporters to adjust to them. Other agricultural quotas on such items as tomato products are not announced. Exporters receive allotments based on previous sales.

Tariffs: High Japanese tariffs are less a problem today than in recent years. Japanese tariff cuts of April 1982 reduced duties on 1,635 items, or 60 percent of all dutiable products. In late May 1982, tariffs were abolished on 96 products including digital calculating machines, cut diamonds medical equipment and some machine tools. Duties on a additional 102 items were reduced. In April 1983, further action was taken to reduce tariffs. These actions are positive signs that U.S. business and government pressures can result in Japanese action to make trade truly free. In the past, the Japanese government has announced tariff reductions and other liberalization measures that proved to be mostly cosmetic, or had no effect whatever on U.S.-Japan trade. In 1981, the Nippon Telegraph and Telephone Company, which buys more than $4 billion worth of telecommunications equipment each year, agreed to open its procurement to U.S. firms. But by mid-1983, American companies had received less than 1 percent of NTT's business, while the Japanese sell more than 13 times that amount to the U.S. (Business America, June 13, 1983, pg. 3.)

Customs Procedures: Customs problems are a serious barrier to certain U.S. products. Imports entering Japan are required to obtain bureaucratic approvals of other government agencies, on a shipment-to-shipment basis, before the Customs office can begin its clearance procedures. This requirement covers nearly half of all imports. It results in long, irritating delays as well as overestimates of prices for tariff calculation and harassment over documentation, with no mechanism for appeal.

Informal Quantitative Restraints: Japan imposes unnecessary regulations on certain imports, such as petroleum products, that have the effect of restricting their entry in the same way as quotas. For example, the Petroleum Industry Law requires imports of petroleum products to register with MITI, which then may issue new guidelines or requirements that make the import process more difficult, and allow Japanese companies to informally arrange to restrict purchases of imports of such products as naptha, petrochemicals, and fertilizer. Similarly, duty-free imports of corn are only permitted through 215 bonded feed mills. Otherwise, they are subject to heavy tariffs.

Several particularly serious Japanese nontariff barriers to U.S. imports are the result of regulatory policy:

Product Standards, Testing, Labeling, and Certification: Many U.S. firms consider Japanese regulatory practices to be the most effective, and the most subtle obstacles to access to Japan's markets. The Japanese standards-setting procedures have often excluded foreign goods by making it too expensive for potential exporters to submit to the required inspections. Non-Japanese firms have been denied access to or participation in the standards-writing process. Government agencies that draft product standards have relied exclusively on recommendations of Japanese companies and trade associations, drafting design criteria rather than performance requirements, even to the point of tailoring standards to specific Japanese products. This has been one of the obstacles to greater U.S. business with NTT.

Japanese ministries have refused to accept foreign test data, for example, on electronic, medical, and pharmaceutical products. Thus long backlogs have developed and have extended for six months or more for electrical and medical products. A key point of contention is the individual inspection of imported goods, such as autos. Although Japanese duty on imported automobiles was removed in April 1978 and duties on imported auto parts lifted in April 1981, imported cars are implicitly restrained by individual inspections at the dock. In contrast, the United States accepts foreign product approval and test data on automobiles.

Furthermore, where testing is concerned, foreign companies cannot apply directly to Japanese testing agencies for product approval, but must go through a Japanese agent who will hold approval rights once they are granted. Many products are restricted entry into Japan by overly rigid standards, including plywood, softball bats and other athletic equipment automobiles, medical and scientific instruments, cosmetics, processed foods and fresh vegetables.

In March 1983, the Japanese government agreed to make a comprehensive review of standards and certification procedures. Such concessions have been offered in the past with little improvement.

Antitrust Law: As noted earlier, Japanese antitrust law allows for the creation of depression and rationalization cartels, which engage in trading practices that would be illegal in the United States. Until U.S. antitrust law is revised to allow U.S. firms greater flexibility, Japanesse willingness to

permit cartel-organized marketing and purchasing should be considered an unfair trade practice. The U.S. Office of the Trade Representative should urge that Japanese anti-monopoly laws be strictly enforced.

Beyond these specific trade barriers that result from restrictive regulations, American and other foreign companies that wish to trade in Japan encounter resistance and unfair competition from Japanese industry that derives from the deeply-ingrained Japanese relationship between government and industry, and among Japanese companies. This White Paper will not attempt to investigate the development of these arrangements, or speculate broadly on the reasons why they differ from business-government relations in other countries. Nevertheless, it remains that the national economic policies, whether devised by government or by businessmen in concert with government do limit the access of foreign companies to the Japanese market. The business-government relationship, which is now referred to as "industrial policy" in the United States, has as its chief effect making life easier for Japanese industry, and thus more difficult for its foreign competition. Japanese industries policy affects trade in several ways:

Industrial Targeting: According to the Office of the U.S. Trade Representative, target industries are those in which certain companies benefit directly and indirectly from special government treatment. Such firms are not nationalized in the Western sense, and government officials do not make corporate decisions for them. However, selected firms in targeted industries receive government grants, low-interest loans from the Japan Development Bank, accelerated depreciation allowances, and easy access to government procurement contracts. They receive loans from the Research Development Bank, at less-than-market interest rates, for research and development projects. As a result, favored companies enjoy substantial advantages over their Japanese competition in home markets. Naturally, they also benefit from the direct and indirect import restrictions imposed by separate government policies. Together, these considerable benefits have enabled Japanese companies in targeted industries to achieve enormous strength, as in steel and telecommunications. Japanese exports in targeted industries thus have large advantages in competition overseas.

Importantly, industrial targeting has also had its share of failure, for example, in the aluminum and petrochemical industries. In these cases, the targeting resembles European efforts to subsidize or bail out unproductive industries, such as steel and agriculture. Nevertheless, industrial targeting has resulted in severe disadvantages for U.S. and other foreign firms that wish to compete in Japan.

Government-Backed Research and Development: The Japanese government sponsors and funds a wide range of cooperative research and development projects in fields of high technology that are applicable to commercial purposes. Such projects are similar to the U.S. government's sponsorship of defense-oriented research. Such research does not constitute a trade barrier; it is an aspect of industrial policy that the U.S. would do well to emulate. However, unlike the U.S. situation, technology and patents generated by government-backed research are not available to foreign firms. ("Impediments To Access To The Japanese Market," U.S. Commerce Dept. International Trade Administration (1982) pp. 3.)

This issue differs in kind from the well-publicized cases of Japanese espionage and the issue of Japanese access to U.S. research centers and laboratories. Unlike these illegal practices, the sponsored activities have the Japanese Government's stamp of approval.

Administrative Guidance: The phrase "administrative guidance" describes what may be a unique form of economic planning and regulation of Japanese business. It covers the broad spectrum of discreet, often verbal direction given to industry by government ministries, from MITI down to less-important agencies, in areas in which no explicit law or regulation exists. Compliance is technically voluntary, but subtle pressures guarantee obedience most of the time. Japanese business maintains that administrative guidance is no longer used to restrain trade. However, the U.S. Office of the Trade Representative and the Commerce Department say there is substantial evidence to dispute this claim.

An example of administrative guidance was given by Clyde V. Prestowitz, Jr., a senior adviser on Japan to Secretary of Commerce Malcolm Baldridge. Mr. Prestowitz was quoted in the Journal of Commerce (Aug. 23, 1983) as saying that a Japanese statute (Public Law 84) calls for something the Japanese refer to as "visions"—outlines for industrial promotion. "That law," the article states, "requires that an industrial blueprint be set up by an appropriate government official. The plan is specific about how many products will be produced and the cost of the necessary equipment. They put budget behind it."

Government Procurement: There is disagreement among U.S. business over whether the Japanese government's "Buy Japanese" policies should be contested as a trade barrier, since some Americans would insist that the U.S. government follow strictly "Buy American" policies. At the Tokyo Round of the GATT, both the U.S. and Japan agreed to allow foreign firms to bid on government contracts. Individual U.S. states are not bound by the agreement, and 36 states follow various "Buy American" guidelines.

There are 115 Japanese government or "public" corporations, whose budgets comprise half of Japan's total government expenditures. Many of these follow explicit "Buy Japanese" policies, although Nippon Telegraph & Telephone Company has let some contracts to American firms, as noted. Japanese government procurement contributes to unfair trade, however, in that research conducted by state corporations is accessible to private Japanese competitors of U.S. firms who do not benefit from such research.

Practices of Government State Trading Companies: The purchasing and distribution practices of Japanese government monopolies severely restrict imports. The Japanese Tobacco and Salt Corporation is obliged by law to buy the entire Japanese tobacco crop at highly subsidized prices. The JTS tightly controls the distribution of all tobacco products, and provides protection for Japan's inefficient tobacco industry of only 104,000 part-time farmers. As a result, U.S. tobacco exporters have only about 1 percent of the Japanese market. The sale of wheat, barley and rice are controlled by the Japanese Food Agency. As would be expected, prices of imported wheat and barley are increased to discourage consumption. The Nippon Telegraph & Telephone Company controls the sale of telecommunications services. The NTT has delayed or denied American telecommunications firms the use of the NTT sales network.

In addition to government-imposed or sanctioned barriers to imports, the Japanese private sector throws up roadblocks to foreign goods, which are not insurmountable, but do make exporting to Japan more difficult.

Private Industrial Groups: Until the end of World War II, Japanese industry was largely controlled by huge, semi-autonomous groupings, such as Mitsu and Mitsubishi. These were dissolved during the Occupation. As the Japanese economy recovered, however, some of the old empires were reborn and new ones created, such as Nissan, Toyota, and Hitachi. Today, sixteen such large integrated business groups, or Keiretsu, dominate the Japanese private sector. They are organized around banks and other financial institutions which link the various interests of the group through equity and debt relationships. Such groups have arisen partly as a result of government action, and partly because of market forces. Toyota and Nissan emerged from a field of 11 auto companies and 13 commercial vehicle makers, prompted by government pressures for consolidation. However, the Fair Trade Commission opposed the mergers that created the modern Japanese steel industry, which is composed of five major integrated companies.

The structure of these groups tends to exclude non-member suppliers. They behave as relatively closed economic entities, that limit foreign access to considerable segments of the Japanese market. The Keiretsu do not uniformly aviod imported goods, although they do exercise a large degree of control, since each group includes a separate trading company, which determines what imports shall be purchased for the Keiretsu's use.

Private Distribution System: The Japanese wholesale-retail system is highly inefficient, resulting in price increase at various stages for both domestic and imported products. In some ways it is a product of cartel-like behavior, either as a result of government policy or the traditional practices of Japanese industrial groups. In any event, business customer-supplier relationships tend to be long-term, discouraging switches to imported goods, even for the sake of lower prices. This is not true of the broad mass of consumers, who, like consumers everywhere, tend to look first for quality.

This is a brief look at major obstacles to competition imposed by Japan's regulatory agencies, by industrial policies, and by private business. The list is limited to the tariff and non-tariff barriers that affect manufactured goods and agricultural products, but similar restrictions apply to trade in services. In particular, licensing of insurance companies, restraints on the use of international communications lines for data processing, and limits on foreign legal services still exist. Foreign investment in certain industries is prohibited (mining, petroleum, leather, agriculture, forestry, and fishing). In some service industries, such as sales of securities, problems of foreign entry have been eliminated. In April 1983, five American brokerage firms were operating in Tokyo. Still, misunderstandings remain.

Some answers to Japanese unfair trade practices have been found, and progress is continuing. Despite the barriers that persist, U.S. exports to Japan have increased dramatically, although declining in 1982 because of the world-wide recession, which re-

duced Japanese GNP growth to 3.0 percent, the lowest level in five years. And while imports have a relatively small presence in the Japanese economy, the U.S. is the largest source of imported goods. In 1980, the United States provided 70 percent of Japan's imports of analytical instruments; 65 percent of computer hardware imports; 50 percent of foreign electronic components; 57 percent of Japan's imports of medical equipment; and 77 percent of Japanese imports of telecommunications equipment (Overseas Business Reports, Dept. of Commerce, June 1982, pp. 7-11). Imports account for only 2 percent of the Japanese market in telecommunications, due to the preponderant role of NTT.

These figures suggest that the Japanese market is changing. Importantly, they demonstrate the continuing importance of U.S. diplomatic efforts to persuade Japan to remove its remaining tariff and non-tariff barriers to U.S. goods.

THE JAPANESE CHALLENGE

Japan has become the greatest trading nation on earth. No nation runs a trade surplus with Japan. In fact, the national accounts or balance of payments of most nations with Japan indicate burgeoning trade deficits. Why? Is it because Japan enjoys comparative advantage in the production of most goods over the rest of the world? Do the products manufactured in Japan, consistent with the principle of comparative advantage, bring a better price in the United States or France than they do in Japan? No. In many cases, the prices of Japanese goods in Japan are greater than the price obtained in the international market as exports. This is an inversion of the price rule of comparative advantage.

Moreover, the principle of comparative advantage when applied to foreign imports sold in the Japanese market is also subverted. In theory, U.S. or European exports to Japan ought to fetch higher prices in Japan than they would in their own domestic markets. This would be true if: (1) Japanese tariff and non-tariff barriers did not make such products unavailable or (2) if such tariff and non-tariff barriers did not so raise the price to Japanese consumers for these products that they became uncompetitive with domestic alternatives. Japan has the best of both worlds. In its exports, it subsidizes foreign sales with profits from its closed domestic markets for these goods. For imports in which it does not enjoy a comparative advantage over foreign producers, it either restricts sales (quotas) or imposes costs (tariffs and non-tariff health and safety regulations, business codes of conduct, and domestic tax policies, as well as direct government subsidies to domestic producers).

Some examples of this process are instructive. It has often been said Japan enjoys comparative advantage in the production of automobiles over the United States. Between $1,500 and $2,000 in production costs eliminated by the Japanese per car makes it impossible for U.S. manufacturers to compete for price and value. Why is it then that every tenth car the United States exports to Japan has to be disassembled and reassembled to inspect for compliance with safety codes? Could it be that many Japanese who would otherwise be willing to purchase U.S.-made cars costing $2,000 more than Japanese models have second thoughts when the cost difference balloons to $5,000-$6,000 dollars?

Steel is a primary component in the manufacture of automobiles. Japan is said to enjoy a comparative advantage over the United States in steel production. After all, Japan is recognized worldwide as the low-cost producer. But what about America's steel mini-mills, those high tech, automated specialty steel producers which convert steel scrap into high value steel products? Does Japan enjoy a cost advantage over these producers, and if not, do we sell specialty steel from our mini-mills to Japan? If not, why?

Aluminum is another major component in the manufacture of automobiles. It is an industry in which Canada and the United States have comparative advantage in the world market. Japan has the highest production costs for aluminum of any nation because of raw material (bauxite) and energy (aluminum is energy intensive) cost factors. Does the United States or Canada supply Japan with its aluminum for its world-scale auto and other industries? The answer is no. Japan subsidizes its industry at huge expense to the complacent taxpayer and denies the West a huge export market.

Does Japan enjoy comparative advantage in agricultural products? The answer is no. Then why is it that Japan virtually shuts out imports of beef, citrus fruit, tobacco, dairy products, and other farm commodities seeking new export markets from the United States? Could it be that there is an element of duplicity in Japan's trade policies, and comparative advantage is misleading?

There are many way for a trading nation to restrict imports, and Japan has excelled at each of them. The most common approach is the tariff or tax. When such a tax is added to the price paid by the buyer of the imported product, it reduces consumer demand and discourages imports. Tax revenues flow to the treasury of the consuming nation, providing funds for the implementation and administration of government programs, many related to trade administration and even outright subsidies in all their many forms. The third benefit of the tariff is the impetus it gives to domestic producers of those same imported goods. Free from foreign competition in the manufacture or provision of these products or services, domestic producers can quickly expand production, lower costs (unit costs), increase employment opportunities, increase profit margins, and contribute more to the Gross National Product, at the expense both of domestic consumers who must pay higher prices, and foreign competitors who lose the business.

From the host nation's standpoint, there is only one major problem with implementing tariffs; they invite swift retribution via reciprocal tariffs in those exporting nations affected. Albeit effective, they are far too obvious a weapon to use in international competition for trade. Means have been devised in recent years, especially by the Japanese, to achieve the economic result attainable under a tariff system in disguised form, minimizing the probability of effective retaliation by those trading partners who have the most to lose while such mechanisms remain in effect. Precisely because these non-tariff barriers to foreign export are difficult to identify and prove, they are dificult to counteract. More importantly, the use of such non-tariff barriers in a nation like Japan which has the world's most coherent and cohesive industrial policy, is an extremely flexible weapon which can be redeployed from one industrial sector to another with minimal disruption of the economy. This is true because tactics used to prop up one industry when identified as an unfair trade practice can be eliminated for that one industry to satisfy the complaints of trading partners only to be discovered later on in another industry with superficial modifications. This is the real nature of the government-directed economy in Japan, not the notion that government planners in the Ministry of Industry and Trade (MITI) are driving Japan's commercial markets, its innovation, and selection of industrial "winners" through some mysterious and magical formula. Non-tariff barriers are subtle and highly sophisticated. They enable Japan to take full advantage of the institutional and legal constraints on U.S. business which handicap U.S. firms in international trade. Some examples are useful. Japan has an extensive and pervasive system of health and safety regulations which impose different standards on imports than on domestically produced goods. Some of these are formal laws and regulations. Others are capricious *ad hoc* rules designed to damage the competitiveness of imported goods and diffuse official responsibility when scrutinized by government officials at the request of those who export to Japan or their government representatives. Even worst are the business codes of conduct. Such codes are an elaborate disguise for an unwritten policy in Japan to "Buy Japanese" and pass up foreign-made goods.

Domestic tax policies also play a significant role in favoring domestically produced goods over their foreign counterparts. The rebateable commodity tax, when combined with labor cost advantages, enables Japanese auto companies to produce cars for $2,000 less per car than U.S. companies. Japanese tax law, to understate the problem, is a highly esoteric area of inquiry the complexity of which makes for innumerable instances of unfair trading practices. Direct government support for certain industries, aluminum and beef products are just two already mentioned, have subsidized weak domestic industries at the expense of foreign exporters to Japan.

One of the principal reasons that Japan has been able to run its economy and to develop its capability in international trade since World War II is that its economic infrastructure was rebuilt with state-of-the-art technology from scratch after the war. It thus took a quantum leap ahead of many other industrialized nations, especially the U.S., in building an industrial base to support the development and growth of a full spectrum of industries.

Second, Japan is a homogenous culture with a recent feudal tradition which gives the general population a conformism and discipline sorely lacking in the United States and Western Europe. Americans are much amused by the stories of Japanese workers wearing company uniforms, beginning their work shifts with calisthenics and song, and running from work assignment to work assignment for the good of the company.

In contrast, it is difficult for American businessmen to motivate and discipline American workers in a large-scale, modern democracy whose citizens have become accustomed to a high standard of living which has required diminished effort, but motivate and discipline them we must, if America is not to suffer a catastrophic drop in its standard of living. Resuscitation of the tradition of Yankee ingenuity and a new work ethic is necessary.

Third, Japan has had to develop an obsession with productivity, thrift, and quality

because the Japanese standard of living depends entirely on the ability to manufacture finished and semi-finished goods and sell them in the world market. This is so because Japan is almost entirely devoid of natural resources, including industrial minerals and fossil fuels. For Japan, to survive is to export and to export successfully requires that business and government policies must all be harmonized to produce products virtually guaranteed to be accepted by world markets. With acceptance comes growth of Japanese industries and a rising share of the world market's production of manufactured products.

A fourth factor vaulting Japan to industrial preeminence since World War II is a Constitution the victorious U.S. imposed on it after the War, making it illegal for Japan to rebuild its armed forces. This was viewed as a prudent decision at the time. Japan was still allowed a modest self-defense force and few Americans ever expected Japan to become a giant industrial power under the defense umbrella of the United States. Nevertheless, the impact of this policy decision cannot be exaggerated. Japan has saved billions of dollars by spending less than 1 percent of its budget on defense. Even more importantly, Japan's research and development, its product innovation was directed solely to commercial development rather than national defense. By contrast, in the U.S. much of our research and development is driven by national defense and accrues to the civilian economy over a gradual period.

An offshoot of this problem is the fact that we have been very slow in the U.S. to retrofit our basic industries with high technology systems, (industrial robots, etc.) and the application of computer-aided design and manufacturing (CAD/CAM). This is so because up until a few short years since the U.S. market was, practically speaking, self-sustaining, self-contained, and not reliant on world trade for prosperity. It should not be overlooked that one of America's greatest handicaps in competing with the Japanese and the emerging nations of Southwest Asia is that America's GNP has never depended on its ability to export, and has, up until now, never been threatened by foreign imports.

An enormous institutional problem for the U.S. has been The General Agreement on Tariffs and Trade (GATT) signed by 23 non-communist nations in 1947. Theoretically, the establishment of GATT should have been a great leap forward for international trade because it increased worldwide mobility. GATT was designed to moderate and where possible eliminate impediments to trade among its signatories. Today it governs about 80 percent of international commerce. Periodically, GATT nations schedule organized rounds of trade negotiations. Agreements are always reached at these rounds, at which point the members return home and proceed to devise newer and better ways of violating the agreements they entered into without getting caught, in a kind of beggar-thy-neighbor frenzy. No nation has tried harder to work within the GATT framework than the United States. Unfortunately, GATT is fast becoming an albatross for the U.S. government and American business firms which operate under its conventions. In the first half of this century, nations negotiated bilateral treaties to resolve conflicts arising out of unilateral differential tariffs among nations. This was the era before the "most favored nation" principle which accorded to all nations the same favorable terms of trade to all other nations. It is the basis for membership in the GATT. There can be no doubt that the "most favored" nation clause of the General Agreement on Tariffs and Trade has greatly liberalized international trade. But it has also handicapped the U.S. in its efforts to negotiate flexible trading arrangements with other nations which would better serve our overall national interest. as an example, if the U.S. offers a tariff reduction of 10 percent to Australia from 20 to 10 percent on wool sweaters, the U.S. under GATT is required to offer that same reduction to all other nations with few exceptions, and the exceptions only heighten the problem by further decreasing flexibility in trade policy.

AN EXAMINATION OF TRADE THEORY

The modern theory of free trade began in 1776 with the publication of the Wealth of Nations by Scottish economist Adam Smith. Smith's theory of trade was based on the notion of absolute advantage; a country that trades internationally should specialize in those goods it can make more cheaply than its trading partners. Smith's notion of absolute advantage is frequently confused with another precept of free trade theory known as comparative advantage.

Comparative advantage was an idea conceived fifty years later by the English economist David Ricardo as a refinement of absolute advantage. It purports to reveal the way in which a country can still gain from trading certain goods that are more cheaply produced by its trading partners. If the mathematics of production costs and the price received yield each trading partner a product that will fetch a better price in another country than it will at home, each enjoys a comparative advantage for the product.

It is a widely accepted assumption of modern trade theory that trade based on comparative advantage enables individual countries to specialize their production and that the increased goods produced by all trading nations subject to such specialization increases the wealth of all buyers and sellers. Thus, the holy writ of free trade has it that comparative advantage increases and makes more efficient the production of goods in international trade. This, in turn, enables a country poor in natural resources like Japan, for example, to produce and consume more than it otherwise could because the demand for its finished goods worldwide promotes domestic production and rising demand for raw materials and labor.

Free trade based on the elegant logic of comparative advantage seems plausible but is not empirically supportable. Mathematical calculations used to measure increases in growth associated with free trade based on comparative advantage (comparative-static analysis) have failed to demonstrate the success that theoreticians have always assumed. This is the case because international trade theory which assumes comparative advantage does not describe the real world in which theory is tortured, distorted and subverted. For instance, it is widely recognized that European and Asian firms, including Japan, frequently dump their goods on the U.S. market. This means they are selling their goods in the U.S. either below the cost of producing these goods or at least below the cost at which they are sold in the home market. This practice is diametrically opposed to the free trade precept of comparative advantage, in which goods are sold in the international market only when they will bring a higher price than they would in the domestic market. This example illustrates perfectly the difference between the way an ideal community of nations would trade and the way the real world does business.

If trade theory based on the notion of comparative advantage works only in theory and not in practice, what is the sense of officially embracing it as an accomplished fact? Free trade is nothing more than an elaborate subterfuge for cutthroat competition among trading partners. It is a dangerous fiction on which to predicate one's trade policies. Political factors impede the efficient flow of trade between nations but must be accorded their due status as major determinants of trade. More often than not, political factors make comparative advantage irrelevant to the trade process.

This is not to minimize, however, the seriousness of America's comparative trade disadvantage in the factors of production. Wage rigidity in the U.S. is perhaps the single most important comparative disadvantage the U.S. has with its trading partners. Nations of the Third World have cheap labor which we cannot hope to match. Japan has flexible labor which we will have to match in order to compete with them in the future. As David R. Henderson of the President's Council of Economic Advisers has pointed out recently, Japan's wage flexibility gives them lower and less volatile unemployment rates than the U.S. since a large portion of the Japanese worker's pay is a bonus which can be quickly adjusted during an economic downturn. Robert Gordon, an economist at Northwestern University, claims that Japanese wages vary three times as much over a business cycle as do U.S. wages. An employee's hourly pay can fall as much as 40 percent in a recession. The U.S. has nothing to compare with this. Wages in our major basic industries are locked in by contract and wage concessions are extracted from our unionized workers only when a company can demonstrate it will otherwise go bankrupt. U.S. workers, it seems, have developed an entitlement mentality to replace their much vaunted productive prowess.

Employees of entire industries such as steel and autos are insulated by federal labor laws which remove workers from accountability in the marketplace. Such laws are creatures of the U.S. Congress, and it has become virtually impossible to change them in order to give U.S. firms the management flexibility they need to meet intense international competition.

Next in importance to wage rigidities in determining the labor factor is the quality of labor. American workers are still the most productive workers in the world, albeit they have been losing ground to other industrial nations in recent years. But more importantly, this high productivity has come at a price, one that is becoming prohibitive. Depreciation in the quality of U.S. labor has followed the rapid increase in its cost. The decline in quality may be attributed to many factors. One of the most critical of these is the skill levels and education our manufacturing workers receive. In June 1983, the President's Commission on Higher Education sent shock waves throughout the U.S. educational establishment and spotlighted the crisis. In the future, the level of educational attainment of our workers will determine the industries which the United States will bring into international competition. Skill levels and training will determine, for instance, whether the recent growth of our high technology-oriented industries will continue unabated, or whether we will leave

the field to a country like Japan whose educational attainments and worker skills outshine our own. At least one empirical study concludes that skill levels and the type of education our citizens receive will determine what we export. If this is true, absent a crash program to overhaul our educational system in the U.S., the kinds of products we will likely export in the future will not be as dependent on skilled labor and technical knowledge as they are today. More likely, they will be raw materials and basic commodities.

While skilled labor in the United States is in decline, skilled labor in Japan is abundant. This suggests, at a minimum, that the U.S. must undertake a crash program of educating its youth with the basic and advanced vocational skills, with greater emphasis on science, math, and computer skills from the secondary to the post-graduate level. Otherwise, America's competitive position in international trade, particularly in manufacturing, will continue to decline.

The crisis in American education highlights another long-term problem which will damage U.S. competitiveness over the next two decades: the declining commitment to research and development. While it has been true during most of the period following World War II that the United States has outspent all other nations in basic and applied research and development, our commitment has begun to wane. If our nation's schools produce fewer and fewer scientists and engineers and if our society spends less money on education and research and development, America's ability to develop new products and improved production techniques will be undermined. This will damage our competitive position in international trade, especially with Japan. America's share of the world export market has been highest in the high technology areas most closely associated with the commercial applications of knowledge.

The recent eclipse of the United States by Japan in outlays for research and development bodes ill for America for all manufactured products from basic steel to high-tech microchips. Meeting this challenge will require a massive infusion of capital the most likely source of which will be federal tax dollars and the private savings and investment of American workers.

Japan's per capita income is fast closing in on that of the U.S. This is so, despite the fact that they continue to enjoy a substantial labor-value-added cost advantage in most manufactured goods. Japanese trade with the United States is growing rapidly, and, it seems that Japanese cannot fail to capture a larger share of the U.S. market for any manufactured product it chooses to export. Japan never seems to fail in the U.S. market. At least one theory of international trade helps to explain this phenomenon. It holds that a manufactured product will generally not be exported until there is domestic demand within the exporting country for that product, and that once domestic demand has been established, trade flow in such goods will increase with per capita income. No country more exhaustively test markets its products domestically prior to their export than does Japan. In this way, Japan reduces the chance of failure to a minimum, even as the U.S. uses its exports as a palliative for insufficient domestic demand for U.S.-made products. That is to say, the U.S. resorts to exports when the domestic market is slow or saturated. Japan exports when demand for its products at home is robust. This has been the pattern for steel, machine tools, and many other American-made products made by companies which have grown less efficient with lack of competition in a once lucrative domestic market.

There can be little doubt that the optimal time for a company to export a product is prior to the crest of its growth in the domestic market (at the crest of its demand curve), not when that market approaches saturation (becomes a replacement rather than a growth market) and is inundated with lower-cost imports fully test-marketed for quality and appeal.

Yet another theory suggests the complexity of the dilemma facing U.S. manufacturers. Called the Product Life Cycle Theory (PLC), it purports to explain why several U.S. industries have fallen from their position of international dominance to one of domestic lemon. Product Life Cycle states simply that certain kinds of goods go through a process or cycle consisting of four distinct stages:

Stage I: The introduction of a new product in response to some change in demand, generally in the United States, in which case the U.S. establishes itself as an exporter with a monopoly position;

Stage II: International production begins to replace U.S. exports in some markets, as transportation and tariff costs make it more attractive to produce abroad;

Stage III: Foreign firms become competitive in third markets, which results in a further decline in U.S. exports;

Stage IV: Foreign firms invade the U.S. market.

Invasion by foreign firms of the U.S. market marks the decline and death of those products within the same U.S. industries which gave them birth. One need only point to Japanese automobiles, Korean ships, low-cost apparel from Hong Kong and Taiwan, and high-quality, lower-cost tape recorders, stereos, cameras, and watches from Japan, to understand how PLC works. Most of these products were first commercialized and made into large industries by U.S. firms. The list grows each year. An astounding number of manufacturing components of finished goods are now made in the countries of Southeast Asia, Europe, and Latin America, later to be exported to the U.S. for final assembly and sale.

CONCLUSION: RECOMMENDATIONS FOR ACTION

This White Paper is an expression of the beliefs and concerns of the United States Business and Industrial Council with respect to the special trade problem involving Japan. The United States faces a variety of critical trade problems, including the difficulty of maintaining the competitiveness of American products confronted with competition from countries where the wage scale is as low as 16 cents an hour as is the case with the Peoples Republic of China (Business Week, August 29, 1983). That is a special problem which will be addressed in a future USBIC paper. The United States also has need of making major changes in the legislative, labor relations and anti-trust areas in order to strengthen overall competitiveness. These, too, will be addressed in another USBIC document. However, the situation with respect to Japan is central to America's trade dilemma and requires this special scrutiny and analysis. The trade situation involving Japan is linked to defense and foreign policy problems confronting the United States. Moreover, no other trading partner has economic activities that impinge so heavily on the American prosperity and the level of unemployment in core industries.

Based on its analysis of Japan's trade policies and practices, the United States Business and Industrial Council makes the following recommendations:

(1) We urge the President to begin immediately to exercise authority given to him under Sec. 301 of the Trade Act to unilaterally impose administrative remedies for unfair Japanese trade practices. Sec. 301 action will lead to bilateral discussions between the U.S. and Japan under the General Agreement of Tariffs and Trade.

(2) We urge Congress to adopt legislation to meet the Japanese threat by applying reciprocal responses to their targeting techniques in system of non-tariff barriers to trade. Such legislation would give the Executive Branch a stronger hand in dealing with threats to fair trade.

(3) The Executive Branch of the United States government should adopt a consistent strategic economic policy which recognizes that foreign trade is a vital factor in the overall national security situation. Accordingly to a statement by the International Public Policy Research Corp. in August 1981, "There is no place in the federal government where a global focus is superimposed on the variety of economic, military and political, and technology problems impacting on U.S. strategic economic concerns."

(4) The United States government should fashion a foreign trade doctrine that is in accord with the realities of the modern world and that recognizes that a nation can be crippled if economic and national resource weapons are brought to bear. The traditional concepts of free trade are not applicable to the late 20th Century world in which the major trading nations reject the practices of free trade while they continue to give lip service to the idea—"The doctrine of comparative advantage never has been a respector of the security of nations, as Adam Smith himself recognized."—(Dr. Paul Seabury in the April 1983 issue of the Institute of Comtemporary Studies Journal).

(5) The Japanese practice of assuring its industries a privileged sanctuary at home while seeking to dominate the U.S. domestic market through industrial targeting, dumping and other procedures makes necessary a new set of trade rules be agreed upon by the two countries.

(6) The recommendations of the Trade Reform Action Coalition, a multi-industry group with $265 billion in sales, should be implemented. These recommendations cover targeting, dumping and subsidies.

(7) Wherever the trade disputes cannot be settled within the framework of the General Agreement on Tariffs and Trade, that the U.S. Government should regotiate bilateral agreements to resolve the impasse.

(8) Japanese access to American research centers and laboratories should be limited and industrial espionage laws should be more strictly enforced. Enforcement of existing laws is of paramount importance.

(9) American trade negotiations should persist in their objections to Japan Governmental Administrative Guidance.

(10) The U.S. Government should step up its effort to persuade the Japanese government to pay a fair share of the overall defense costs involved in the protection of the Northern and Western Pacific regions and in the Indian Ocean area which is Japan's principal source of oil and raw materials.

(11) Congress needs to change federal labor laws which remove workers from accountability in the marketplace such as the Davis-Bacon Act, The Walsh-Healy Act, and the Service Contract Act.

(12) American business needs to look beyond the end of its nose when bargaining for uncompetitive wages and unproductive work practices.

(13) The American education establishment must look beyond the political demands of the teachers union and NEA Union when addressing the skills and education level American industry needs to compete.

These are basic recommendations and their application involves many special issues. The recommendations are based on a belief that equity and national and economic security require the introduction of these changes. Japan, like other major nations, respects a strong, principled position. Its leaders are aware of the benefits Japan derives from its association with the United States. The benefits of the association cannot continue to be one-sided in character, as they are today. Fundamental change in the trade relations between Japan and the United States is, therefore, imperative.●

ON COVERT SUPPORT AGAINST THE GOVERNMENT OF NICARAGUA

● Mr. PELL. Mr. President, I want to express my disappointment that the conferees on both the Defense and Intelligence bills agreed to the funding of covert operations against the Government of Nicaragua. On October 20, the House voted to cut the funds for covert activity through the Boland-Zablocki amendment to the Intelligence authorization bill. In July, S. 1713, with language similar to Boland-Zablocki, was introduced by Senator KENNEDY with me as a cosponsor, and referred to the Select Committee on Intelligence. I am sorry to say that now these efforts have been overtaken by decisions to which I have to take great exception.

U.S. support for covert operations against the Government of Nicaragua is contrary to the best interests of the United States and is counterproductive. The administration's policy is driving the Nicaraguan Government even more into the arms of the Cubans and the Soviets, and is serving to accelerate the polarization that is taking place in Nicaragua. In response to the externally supported guerrilla threat, the Nicaraguan people are rallying behind the Sandinistas. This is making it more difficult for moderates to temper restrictive and repressive policies which have affected freedom of the press and religion.

The situation in Central America, complicated by U.S. covert aid, could erupt into a Central American wide confrontation involving U.S. troops already in Honduras on maneuvers. Instead of looking for ways to overthrow the Nicaraguan Government, the United States should respond to the latest Nicaraguan offer to mediate differences. The United States also should vigorously back the Contadora process initiated by Mexico, Panama, Colombia, and Venezuela in the search for peace in the region.

I sincerely hope that in the future cooler heads will prevail and that peace will be given a better chance.●

COSPONSORING S. 337 A BILL TO ALLOW A PERMANENT ABOVE-THE-LINE DEDUCTION FOR CHARITABLE CONTRIBUTIONS

● Mr. WARNER. Mr. President, I am pleased to rise today to announce my cosponsorship of S. 337, a bill to make the above-the-line deduction for charitable contributions permanent.

Volunteerism is the cornerstone of the present administration, and charitable contributions are the lifeblood of most, if not all, of those voluntary efforts.

When Congress considered the Economic Recovery Tax Act of 1981, it allowed individuals' who did not file an itemized tax return to take a deduction for contributions to nonprofit organizations. That deduction phases in over a 5-year period, but is scheduled to be terminated at the end of 1986.

The measure which I am cosponsoring today, which was introduced by the Senator from Oregon (Mr. PACKWOOD), would eliminate the 1986 sunset provision.

The tax deduction provided for charitable contributions, while not certainly the primary motivation for people to make these contributions, does provide an attractive and important benefit for both the individual making the contribution and the charitable organization receiving the contribution.

The people of our Nation are blessed with tens of thousands of community-based nonprofit organizations. There is no question about the inestimable value of these organizations, both to the millions of recipients of their services and to the millions of volunteers who help do the work.

America is unique for its spirit of voluntarism. I believe this spirit is one which should be perpetuated, as it has been since America's Declaration of Independence. This measure will secure that heritage, and I am pleased to join today as one of its cosponsors.●

A TRIBUTE TO DR. HAN HEKKING

● Mr. TOWER. Mr. President, I would like to take this opportunity to pay tribute to a hero of World War II.

Dr. Han Hekking, a Dutch Army doctor, cared for a group of American prisoners of war who were constructing the infamous Burma-Thai Railway. Those American POW's were ill, suffering from multiple tropical diseases without a doctor, a trained hospital corpsman, or even any medicine. Many died in those labor camps.

Thanks to the inventive and courageous skill of Dr. Hekking, the men in this forced labor camp suffered fewer losses than any others working on that railway, which is probably better known today as the setting for the film "The Bridge Over the River Kwai."

The men in this camp, known today as the Lost Battalion, were the surviving members of the 131st Field Artillery Battalion, 36th Texas National Guard Division, and also of the U.S.S. *Houston*, a heavy cruiser sunk by the enemy in the Sunda Strait off Java in February 1942.

Let me tell you about Dr. Hekking's actions and heroic spirit.

The men were suffering from some of the worst tropical diseases: malaria, dysentery, beri-beri, tropical ulcers. Under Dr. Hekking's care, however, only 13 of the 190 Americans in this camp were buried in the jungles of Burma, and not one required a limb to be amputated.

He could rely on only the crudest of remedies. The grateful men he treated recall that he made medicines from herbs and fat and even arsenic to treat painful illnesses. A sharpened teaspoon became a lance to dig away dead tissue from tropical ulcers. In one case, he even used maggots to eat away dead skin so new skin could have room to grow.

And in an act of great personal risk, he secreted away medicine brought by a guard, and injected water into the guard's bloodstream so the medicine could be available for the American POW's.

His patients, those American POW's, remember Dr. Hekking with great affection. Let me read to you what one of those men later said of him.

Mr. Otto Schwarz, a former crew member of the U.S.S. *Houston*, remembers Dr. Hekking as being—

not a mere physician. His practice of medicine, under the worst possible conditions, was not restricted to the attempt to heal the physical body; it also brought out his ability as a psychologist, to somehow treat the mind, spirit, and soul of those prisoners of war who had little or no reason to be confident about the future.

His constantly cheerful outward behavior was in itself a remarkable display of personal sacrifice. You see, he never divulged that inwardly he was himself being torn apart by concern for his wife and two children who were interned by the Japanese, and whose fate and whereabouts were unknown to him.

Who can forget the cheerful "Doc" calling out "Give him some of the white stuff" or "Give him some of the black powder"? (Was this our) introduction to the psychologists' placebos? Surely the white pottery clay powder and the black charcoal were intended more for the mind than for the body.

I myself think Dr. Hekking must have demonstrated courage, loyalty, and heroism which always deserves ad-

miration. Most of us will never, I hope, experience the painful conditions of those POW forced labor camps. But as we each experience our own personal and occasional frustrations, may we remember the heroic actions of Dr. Hekking and find inspiration.

Dr. Han Hekking, formerly of the Royal Netherlands Indian Army, is now 80 years old. There are many Americans who owe him a great debt, and I salute him.

Mr. President, I also ask that an article from the Fort Worth Star-Telegram dated August 12, 1983, be printed in the RECORD.

The article follows:

THE DOCTOR AND HIS "BOYS" MEET AGAIN

(By Christopher Evans)

Four "boys" in their early 60s inched closer to Gate 34 as arriving American Airlines Flight 586 was emptied of human cargo. They fidgeted like kids waiting to see a long-lost grandfather, but even as the last passengers walked up the covered ramp, the man they call "Doc Hekking" had not appeared.

"Doc's 80 now, so he might be waiting for everybody else to get off first," said one. "He's old."

"Now these boys, when they greet him, they don't shake hands," cautioned Elva Page, wife of Bert Page of Gretna, La., as a single tear dribbled from her right eye. "They hug, or that's what they've always done before."

The scene at Dallas/Fort Worth Airport was confusing to those who didn't understand. "This is no place for a family reunion," a passerby said, trying to get through.

"There he comes," yelled one boy. "Hey, Doc." Dr. Han Hekking, a dapper white-haired man in an olive-and-gray plaid blazer, raised both arms in what might have been mistaken for a messianic gesture. In seconds he was engulfed by boys, men who say they owe their lives to him, some of them many times over.

"But the boys," he said with a genteel smile, "have a tendency to exaggerate these things. They were the ones who saved me."

"They," known now as Texas' "Lost Battalion" because they were missing for almost four years to the world at large, are surviving members of the 131st Field Artillery Battalion, 36th Texas National Guard Division, and the survivors of the USS Houston, a heavy cruiser sunk by the Japanese in the Sunda Strait off Java in February 1942.

They knew each other then as prisoners of war, men clad only in G-strings made from tattered fatigues and covered with festering ulcers. Men conscripted to lay the infamous "Death Railway," a 265-mile steel ribbon through trackless jungle from Moulmein, Burma to Bangkok, Thailand. Men who built the Bridge on the River Kwai, a span glorified later in a movie.

Through Sunday at Dallas' Holiday Inn Centre Plaza, the Lost Battalion Association will celebrate its 39th annual reunion. Honored guests include U.S. Sen. John Tower, himself a World War II veteran, and Hekking. About 250 people, including spouses, are expected.

Members of the group will revel in the humor that got them through, share "buddy" talk about men who didn't make it and call each other nicknames like Jimmy and Slug and K.O.

But the full extent of the bond they share does not translate readily—or at all—into print. The story behind the reunion is replete with the ghastliest horrors of war, of Japanese prison camps in Burma and Thailand, and of a lone Dutch doctor's relentless battle to stave off death with the most primitive of resources.

Hekking's remedies were crude: Medicines made from herbs and fat to treat maladies that ranged from malaria to beri-beri to tropical ulcers. A sharpened teaspoon used to lance and dig away necrotic tissue from ulcers. An ophthalmoscope made from a shaving mirror that aided Hekking in treating "Camp eye." Maggots to eat away dead skin so new skin could have room to grow.

Yet while war prisoners elsewhere were sent to hospital camps to have limbs amputated, Hekking never once resorted to severing a limb.

His greatest asset, he said, was not his knowledge of medicine, but a deep conviction that physical ills are tied to the psyche. "Much of what I prescribed was painful, very painful, but it had worked before."

In the case of Hekking, who now lives in The Hague, Netherlands, his painful panaceas had been proven many years before.

Hekking was born Feb. 13, 1903, at Soerbaja on Java. At 4, "because of family circumstances," he was sent to live with his grandmother at Lawang, some 50 miles south of Socrabaia.

"My grandmother lived on the fringe of the wood and had a large nursery of ornamental plants, vegetables and official herbs," he recalled. From the herbs, he said, his grandmother "prepared various native curative powers . . . There was only one Indonesian doctor in the village who only treated the more wealthy people . . . In case of illness, many natives came to my grandmother for advice . . . During that period, I wandered a lot through the wood and developed a great love for nature . . . At the same time, I became acquainted with many tropical plants and came to appreciate their importance for the sick people."

In 1919, Hekking's family returned to Europe and he, at age 16, began the study of medicine at the University of Leiden in the Netherlands. Ten years later, he returned to Indonesia as a medical officer with the Royal Netherlands Indian Army. His first out-station assignment was at Kolonodale on the east coast of Celebes.

"During the many trips I made through the jungle, I had opportunity to make a thorough study of the various tropical diseases which yearly claimed a great toll," he said in broken English. "In view of the great number of patients and the small supply of medicines, I learned to improvise. A herb garden was laid out behind the hospital, which soon helped to reduce the shortage of medicine."

Many of the maladies confronted at Kolonodale he would see later: malaria, dengue fever, beri-beri, tropical ulcers, malnutrition and obscure strains of dysentery.

In 1938, Hekking went to study medicine at Bergamo, Italy. "At that time, the rural population was very poor and lived mainly from corn," he said. "In Italy, for the first time, I saw at a large scale the various manifestations of the pellagra (a deficiency disease that causes cracking of the skin, nervous system disorders and diarrhea) and the avitaminosis (illness due to lack of vitamin intake) I would later confront frequently in Burma."

Hekking returned to the tropics in 1939, and in 1941 became regional medical officer of the Timor-Archipelago at Koopang. "In that year, Pearl Harbor was attacked and war broke out in the Pacific," he said.

"Around the end of 1942," Hekking was sent to Burma, where he for the first time met the men he calls his "boys."

"Via Singapore, Rangoon and Moulmein, we came to the Burma camp, where I was incorporated with a Dutch group and lost sight of the Americans," he said.

Later, Hekking was sent to a camp where medical care was carried on predominantly by a pair of Australian doctors. "In the beginning, I did not find it too easy as a single Dutchman between all those English-speaking people," he said. "My ideas about tropical hygiene and treatment differed quite often from theirs, and the cooperation with the two Australian doctors was rather stiff."

In time, though, Hekking was "gradually fully absorbed into the American group" and became "one of theirs."

His most notable medical method was used in treatment of tropical ulcers.

"My treatment was indeed very painful, but we could save the legs," he said. "With a sharpened teaspoon, I removed, first of all, the tough and strongly attached membranes, and by way of anesthesia, a strong assistant firmly squeezed the leg above the wound.

"After removal of all the necrotic (dead) tissue, the patient got a piece of cloth on the wound which was soaked in a solution of the purple tannic powder, or sometimes an ointment or vaseline or fat mixed with the powder.

"Sometimes, when there were no wound-dressing requisites, I covered the wound with a so-called ranunculoides leaf, which grew at some places along small rivers in the jungle."

At the same time, the doctors he calls "my English colleagues" were treating the deadly ulcers with "moist dressings, so-called hot poultices" which, rather then subdue the bacteria in the ulcers, fed upon the tropical climate and caused the bacteria to multiply. "I always opposed firmly this treatment of tropical ulcers and am grateful that never one of my patients had to undergo an amputation," he said.

Other makeshift treatments, such as the maggots, were just as unheard-of among doctors who had experienced more conventional medical education.

James "Jimmy" Gee of Dallas, a retired 62-year-old marketing executive, was cured of dengue fever, thanks to arsenic. "All they had left was one vial of arsenic," said Gee's wife, Shirley. "Doc Hekking went to Jimmy and said, 'Buddy, this is the last piece of medicine we've got. We can try it. It'll do one of two things, kill you or make you better.' Jimmy said, 'Just give it to me, Doc,' and Doc did. That's why Jimmy's here today."

"Of the 100 or so Americans who were with him," said Jimmy Gee, "I'd say only about 10 percent of us would have lived without him. Of the 18 months we were with him, he saved each of our lives several times."

Doc Hekking, however, discounts the life-saving business. He said he can only remember saving two people's lives. One of them was an Englishman with severe smallpox, the other a surviving American seaman who was on the USS Houston and had extensive muscular paralysis due to advanced beri-beri.

"No, I did not save many lives," he said. "I did always try to give back the confidence to the desperates who were too tired, too worn-

out and too ill to still have confidence in the future."

Nor did Hekking himself escape sickness. "Once, for seven days, I was unconscious myself," he chuckled. "It took me two weeks to get back."

Like members of the Lost Battalion, Hekking remembers his experiences in Indonesia as a sort of timeless montage of events. "The whole episode in Burma and Siam," he said, "has been woven into one story in my memory, (a story) in which the component parts have melded."

Several members of the Lost Battalion have made pilgrimages back to the area where their suffering occurred. Others never will.

"I had beri-beri, malaria and tropical ulcers during the time I was there," said Ozro "Ozzie" Davis, 61, a Texas Wesleyan College graduate and former *Star-Telegram* advertising salesman who lives now in Cardiff-by-the-Sea, Calif.

A rotund man, Davis said his weight once dropped to 96 pounds during his Death Railway ordeal. "Doc Hekking taught us a lot of stuff," he said. "He taught us to eat charcoal for dysentery . . . He gave us tropical leaf tea to bring temperatures down . . . He told us we could use salt for just about anything . . . And he put maggots on my leg to eat away the dead skin.

"Will I ever go back?" Davis asked rhetorically. "No, I have no desire to go back.

"No desire at all."●

TRIBUTE TO SHIH-JEN MA

● Mr. MOYNIHAN. Mr. President, the Senate has already united to condemn the Soviet Union for shooting down an unarmed commercial jetliner, Korean Air Lines flight 007. I would like to call upon my colleagues also to pay tribute to 1 of the 269 passengers on that ill-fated plane: Mr. Shih-Jen Ma, of Richmond Hill, N.Y.

Mr. Ma was born in Taiwan 47 years ago and emigrated to the United States in 1966. When he left on the Korean plane for a visit to Taiwan, he was a permanent American resident and was preparing to file for citizenship. He never completed this application, but during his 17 years in our country he demonstrated a commitment to the values of human rights, community service, and hard work of which all Americans can be proud.

After completing a rigorous master's degree program in engineering at the Brooklyn Polytechnic Institute, Shih-Jen Ma worked for 11 years with the Consolidated Edison Co. in New York. Eventually, he became a senior engineering designer, and the company so appreciated his work that it ordered the flags at its facilities flown at half-mast when KAL 007 was lost.

Even more remarkable than his personal professional achievements was Mr. Ma's spirited leadership in the Chinese-American community of New York. As a member of the board of directors of the Chinese Immigrant Association, he worked to insure that those who followed him to this country from China received the language and employment training they needed to become full participants in American society. As a founder of the Free Chinese Association of the United States, he promoted cultural exchanges between the United States and Taiwan, Hong Kong, and the Chinese mainland. Most of all, as director of the Chinese Human Rights Association, Shih-Jen Ma registered countless Chinese-American immigrants to vote and championed the cause of personal and political freedom in the People's Republic. In all of his activities, Mr. Ma remembered his roots while expanding the horizons of his people.

Mr. President, we have thus far responded to the unlawful attack upon KAL 007 with general revulsion and outrage, and rightfully so. Now, it is time for us to tell the stories of those private individuals who perished on that flight. Only when we come to appreciate the unique details of these 269 lives will we truly understand the magnitude of the tragedy. I extend my deepest regrets and sympathies to Mrs. Ma, her two sons, and the rest of Shih-Jen Ma's family. I would also note that the human values which were violated over Sakhalin Island were the very principles to which Shih-Jen Ma dedicated himself throughout his life. Let us hope that his spirit will guide the affairs of people and nations in the years ahead.●

EL SALVADOR

● Mr. BOSCHWITZ. Mr. President, I feel that all my colleagues would be interested in hearing what the reaction of the FMLN, the front organization for the insurgents in El Salvador, had to say about the terrorist bombing of our marines in Beirut. Their clandestine radio station broadcast the following message on October 24, the day after the attack on the marines:

REBEL RADIO CITES ATTACK ON MARINES IN BEIRUT

In the Middle Eastern country of Lebanon, Anti-Imperialist fighters have severely struck the headquarters of the occupation troops which Ronald Reagan maintains in that country. Symbol of the imperialistic policy (words indistinct) the peoples of the world who fight for peace, justice, and freedom. From struggling El Salvador we greet all the peoples of the world who are fighting Reagan's warmongering policy and who, with dignity and courage, confront the aggressive monster, certain that the liberation of our countries will be the final result of the anti-imperialistic struggle.

Mr. President, I find this sort of defense of cowardly terrorism repugnant in the extreme, and I hope that this broadcast, that the publicity I intend to give it, will open some people's eyes to the nature of the FMLN. We hear no sympathizers for the Beirut terrorists in this country, but the FMLN, a Marxist organization formed under the aegis of Fidel Castro, is not without its supporters. I would like to think that that support stems from an ignorance about the true nature of that organization and that this statement in support of the men who killed our sleeping marines will give cause for pause on the part of these FMLN apologists. The act which the terrorists committed is indefensible, and any group which not only seeks to defend it, but actually lauds it, should be the object of the same scorn and revulsion which we have accorded to those terrorists.

I understand my colleagues' concern about the nature of the regime against which the FMLN is struggling, and I certainly hold no brief for the far right in El Salvador, but their existence should not blind us to the nature of the FMLN's leadership, or compel us to accept it as the only available alternative to the death squads in El Salvador. The FMLN, as this transcript indicates, would be no real improvement over the current state of affairs in El Salvador. The best hopes for the people of El Salvador and for American policy in that region lie with the Christian Democrats and other moderate forces in that country, and it is toward that end that American policy should strive.●

SENATOR LOWELL WEICKER RECEIVES NATIONAL REHABILITATION AWARD

● Mr. RANDOLPH. Mr. President, one of our distinguished colleagues, the Honorable LOWELL WEICKER, JR., of Connecticut, chairman of the Subcommittee on the Handicapped, was recently honored with the National Rehabilitation Association's Legislative Service Award. The National Rehabilitation Association, the world's largest organization of professionals, consumers, and other individuals devoted to improving the lives of handicapped adults and children, established this award in 1981 to recognize public officials who have demonstrated leadership in improving rehabilitation services for persons with disabilities through legislative action at the national level.

I am sure that Senator WEICKER will treasure his award, as I have mine, for it represents recognition of the advocates who have championed programs which provide opportunities for persons with disabilities.

Mr. President, I ask to have printed in the RECORD at this point the remarks made by our distinguished colleague, Senator WEICKER, following the presentation of this award.

The material follows:

SPEECH BY SENATOR LOWELL WEICKER, JR.

It's a very great pleasure for me to join you this afternoon in Boston, one of my favorite cities and one that has long been in the vanguard of the rehabilitation movement. It is my understanding that Boston

has the distinction, along with Berkeley, of pioneering the first independent living centers in the U.S.

When we talk about pioneers in political advocacy by and for handicapped Americans, we cannot fail to talk about the National Rehabilitation Association (NRA). I want to thank NRA President Marvin Spears for inviting me to take part in your convention today and General Counsel Jack Duncan for working out the logistics. And thanks to each and every one of you for honoring me with your Legislative Service Award. I am well aware that the legislative victories of the last few years were not the work of a single Senator. Far from it.

To begin with, they owe a great debt to the firm foundation laid by earlier exponents of this movement. Before I was born, the NRA was already on the front lines, fighting for a consistent and compassionate Federal response to the very real needs of disabled Americans for education and rehabilitation. For far too long our Bill of Rights, the pursuit of happiness referred to in our Declaration of Independence, and the opportunities opened up by public education were not deemed to apply to our handicapped citizens. American society itself was in need of rehabilitation. It still is. As a recent article in Scientific American notes in its discussion of the independent-living movement, "the pathology is not in the individual, as the medical model would suggest, but rather in the physical, social, political and economic environment that has . . . limited the choices available to people with disabilities." It took great courage and tenacity to convince Congress and the executive branch to break new legislative ground on their behalf. But it happened. The first nonmilitary vocational rehabilitation legislation, commonly known as the Smith-Fess Act, became law on June 2, 1920. Major revisions were adopted in 1943 and in 1954. Then came the Rehabilitation Act of 1973, a total legislative revamping of the Federal-state rehabilitation program. During 62 years of existence, the vocational rehabilitation program has developed into a national network of services which has successfully rehabilitated 6.4 million disabled Americans. In 1982 alone, it is estimated that some 225,000 people were rehabilitated, of which 129,000, or 57 percent, were severely disabled. Whether we are talking about vocational rehabilitation or special education or the removal of architectural barriers, it must be recognized that every one of these achievements has taken time and hard work on the part of disabled Americans and their advocates.

The task that fell to those of us carrying on the fight in the 80's was dictated by the political dynamic of our day, one construed by many in this Administration to be a time for tearing down. Thus, we who believe in these programs have been cast as preservationists first, and pioneers second. Out of necessity, ours has been a holding action rather than a gaining of ground. And the evidence of the last 2½ years is testimony to the fact that our defensive line did, in fact, hold.

First came the proposals to block grant—i.e., repeal—all the major legislative initiatives serving the handicapped, and cut their budgets by 25 percent. Then came the contemplated regulatory rewrites of special education and building access requirements, followed by further rounds of proposed budget cuts. But, in large measure, these proposals failed to become law. Why? Because the disabled people in this country and their advocates shattered a long-held cliche that they did not comprise a political constituency, or at least not a coherent one. It was assumed that in the rough and tumble world of Reaganomics they could not hold their own as a voting block or as advocates for their cause. But that assumption was blown to bits in the budget and policy deliberations of 1981, 1982 and again in 1983.

I've said this before but it bears repeating; I would be hard-pressed to name another group within the human service spectrum which has not only survived the policies of this Administration but also defeated them as consistently and as convincingly as has the disabled community. What is the secret of its success? I believe it to be good old-fashioned political legwork—long hours of letter-writing and lobbying, testifying before committees and buttonholing legislators one-on-one.

Tomorrow's victories will require more of the same. The article by Marvin Spears in the June issue of your Journal of Rehabilitation was aptly entitled "On Political Action—High Gear" for no other gear will do. No longer can we be satisfied with simply securing the status quo. The time has come to build on the legislative foundation, to strengthen and perfect the laws and institutions disabled Americans look to in order to increase their capacities for self-reliance.

Two bills which I originated and which passed the Senate this summer attempt to do just that. One is the Education of the Handicapped Act Amendments of 1983, S. 1341. In addition to extending the life of the discretionary programs under the Act for three years, the legislation expands the age range of children served. Provisions are made for intervention beginning at birth under the preschool incentive program. Post-secondary programs are broadened to include all disabilities. S. 1341 establishes a new demonstration activity dealing with the critical transition from school to employment and emphasizes the need to train parents to participate in their children's special education. Federal data collection and evaluation responsibilities are strengthened by it and provisions for reporting to Congress are improved. S. 1341 also increases the 1984 funding ceiling for Public Law 94-142 basic state grants by about $54 million.

The companion piece of legislation which may be of more direct interest to the NRA is S. 1340, the Rehabilitation Amendments of 1983. The focus of these amendments is on continuing and improving services to the individual handicapped client. The basic state grant program providing vocational rehabilitation services to nearly one million disabled Americans annually is a crucial Federal responsibility. S. 1340 provides for a three-year extension of this program at authorized funding levels to account for inflation. The bill provides for a new and independent role for client assistance programs, mandating that they be independent of service providers in every state. The bill gives the National Council on the Handicapped, the Federal government's own established voice for handicapped persons, an expanded role and greater independence in reviewing and evaluating all policies, programs and activities within the executive branch and the Congress that concern disabled citizens. Other client-centered provisions include training rehabilitation counselors in the provisions of Section 504 as they apply to the vocational rehabilitation client and new demonstration programs to help prepare mentally retarded persons and handicapped youth to enter the workforce. S. 1340 provides the necessary authority to the National Institute of Handicapped Research to support education and training activities in research, thus enabling young people interested in research in the rehabilitation field to become qualified researchers. Also contained within this institute's reauthorization is the mandate that research and training centers focusing on pediatric rehabilitation and the unique rehabilitation needs of the Pacific Basin be established.

As I indicated earlier, both of these bills have passed the Senate. Two further hurdles remain: the House of Representatives and the White House. The House has its own set of Rehabilitation Amendments which OMB Director Stockman has indicated would be in line for a Presidential veto. And back in June, Education Secretary Bell wrote to the Labor and Human Resources Committee, expressing Administration objections to most of the major provisions of the Senate bill. The Administration opposes the 5.3 percent increase in authorized state grant fundings as "excessive" and objects to required evaluations of Projects with Industry and Independent Living Center programs on the grounds that the Department "must have the administrative flexibility to assess (its) information needs and establish (its) evaluation priorities accordingly." Independent client assistance programs in all states are opposed as "an unnecessary expenditure of Federal funds." A required annual manpower report on how rehab training funds are to be used is "not necessary", and specific provisions designed to allocate federal demonstration dollars to help mentally retarded youth enter the labor force is described as ". . . additional and unnecessary authority (which) would complicate administration of the Act." The Administration also "strongly opposes" making the National Council on the Handicapped an independent agency and allowing state rehabilitation agencies to compete for new Projects with Industry funding.

And so on down the line. Regretably, the Administration has yet to realize the extent to which the rehabilitation ethic embodies many conservative traditions normally associated with Republicanism, including that of keeping Federal outlays low. In its FY 1981 annual report the Rehabilitation Services Administration states that the estimated lifetime earnings for persons rehabilitated in FY 1980 will improve by $10.4 for every dollar spent on services. Those persons were expected to pay Federal, State, and local governments an estimated $211.5 million more in income, payroll and sales taxes than they would have paid had they not been rehabilitated. The same cost-benefit analysis can be applied to most—if not all—of the programs authorized by the Subcommittee on the Handicapped because they are geared to get disabled Americans out of dependent and demeaning lifestyles and into meaningful existences, off welfare rolls and onto payrolls.

In the spring of this year, an individual by the name of Andrew Jackson testified before the Subcommittees. His story is a tribute both to his own spirit and to the effectiveness of Federally-sponsored vocational rehabilitation. From birth 40 years ago, Mr. Jackson has been mentally retared and suffered from associated conditions of cerebral palsy and epilepsy. He attended school until the seventh grade, always in special classes, but finally became frustrated and dropped out. Parenthetically, I might add,

there was no Public Law 94-142 then, and no guarantee of a free, appropriate public education. Years passed and it was not until this man was 35-years-old that America became a land of opportunity for him. At that time, he was evaluated by the D.C. Association for Retarded Citizens and enrolled in a program of vocational training. Three years later, he was hired as an elevator operator and custodian by Blue Cross/Blue Shield in downtown Washington. He is still working there today, earning roughly $12,000 a year and paying back in taxes many times over what it cost the government to train him.

Andrew Jackson is not an exception. The transition he made from dependence to self-reliance is one that is possible for most disabled Americans. All it takes is the commitment on the part of this country's citizens and its government to make it happen. The NRA has demonstrated its commitment in this regard. So has a majority of the U.S. Senate. Now we must work together to get new provisions on the books that will enhance the rehabilitation of our handicapped citizens—and help break down the barriers that persist to this day. Thank you.●

SMALL BUSINESS MOTOR FUEL MARKETER PRESERVATION ACT—S. 40

● Mr. BOSCHWITZ. Mr. President, today I rise to cosponsor S. 40, legislation that will address a major problem faced by many of this Nation's small and independent neighborhood service stations. Simply put, this legislation will prevent the major oil companies from unfairly competing with independent service stations, many of which are their own franchisees.

Many service stations have gone out of business in the past decade. Certainly, shifting population trends and more fuel-efficient cars have been contributing factors. But, unfair competition from major integrated oil refiners has been, and will continue to be, a major cause of the disappearance and the loss of these small businesses.

The problem arises from the ability of the major integrated refiners to obtain a substantial price advantage at the retail level. When these refiners own and operate retail stations, they have two potential profit margins—at the wholesale level and at the retail level. As a result, the profit margin at the retail level can be compensated for at the wholesale level. These refiners can sell gasoline at the retail level at a price that is equal to or just over the wholesale price. Because independent stations and franchisees must purchase at this price, they must include their overhead and profit margin in the retail price. As a result, they cannot compete at the retail level.

This problem is aggravated by agreements under which a refiner limits the ability of its franchisee or lessee to purchase gasoline from a source other than the refiner. These agreements often require dealer-operated stations to purchase gasoline from an exclusive supplier, even if the supplier is short on gasoline and it is available from another supplier. Since the oil embargo of 1974, gasoline has become price sensitive, further eroding the ability of independent service stations to compete.

Mr. President, this legislation addresses these problems directly. First, it prohibits major integrated refiners from directly operating retail stations. It does not prohibit these refiners from owning retail stations, but they would have to be operated by dealers or independent marketers.

Second, it allows dealers or independent marketers to purchase gasoline from other suppliers if it is not readily available from the contract supplier at comparable terms and prices. Without this provision, franchisors can, in effect, unfairly compete with their own franchisees.

Mr. President, I am aware of no statute or common law doctrine that prevents a franchisor from competing with its franchisee under these conditions. Because small and independent service stations currently have no effective remedy, this legislation is necessary. For these reasons, I support this legislation and urge my colleagues to do the same.

I thank the Chair.●

THE UNITED NATIONS EDUCATION, SCIENTIFIC AND CULTURAL ORGANIZATION

● Mr. MOYNIHAN. Mr. President, the deterioration of the United Nations system—by which I mean the ever-diminishing regard within the United Nation for those ideas enshrined in the charter which orginally animated its institutions—is nowhere more apparent than in the halls of the United Nations Educational Scientific and Cultural Organization.

UNESCO was conceived and founded in the aftermath of World War II in order to advance the cause of human liberty and international peace through the promotion of communication, scholarship, and the free dissemination of knowledge across borders.

Knowledge would bring understanding; understanding tolerance; tolerance would enable nations to resolve their differences through peaceful means instead of war. This was the idea that led to the founding of UNESCO, whose charter declares: "that since wars begin in the minds of men, it is in the minds of men that the defenses of peace must be constructed."

UNESCO's founders determined, and stated in the charter, that: "the great and terrible war which has now ended was a war made possible by the denial of the democratic principles of the dignity, equality, and mutual respect of men, and by the propagation, in their place, through ignorance and prejudice, of the doctrine of the inequality of men and races."

They furthermore resolved that future wars could be avoided, and liberty preserved, by "full and equal opportunities for education for all, in the unrestricted pursuit of objective truth, and in the free exchange of ideas and knowledge."

As Prof. Chester E. Finn, Jr., wrote recently in Commentary magazine: "at the outset, UNESCO was a classic expression of Western political, intellectual and moral values: democratic, rational, optimistic, humane, tolerant, and free."

Today, however, as Mr. Gordon Crovitz wrote yesterday on the editorial page of the Wall Street Journal—

It has become institutionally hostile to Western interests.

This is because the institutions of UNESCO, as elsewhere in the U.N. system, have come to be dominated by the agents and allies of the Soviet Union. This is a large assertion, and it bears amplification: UNESCO has effectively become a partner in the conduct of Soviet foreign policy, providing frequent rationalization and legitimation for practices common in the Soviet world, such as suppression of free speech, discouragement of critical thought—the very antithesis of what UNESCO set out to be 38 years ago.

Mr. Crovitz writes—

Consider the top program on the agenda at the biennial conference—"Communications in the Service of Man." The Soviet Third World bloc intends over time to so redefine the role of the press that Jean Gerard, U.S. ambassador to UNESCO, calls the program "Communications in the Service of the State." . . .

The Soviet Union wants UNESCO to legitimize "necessary action to ban the use of the mass media for building up world tension and disseminating tendentious and slanderous messages" through licensing journalists and jamming radio broadcasts. On Tuesday, a UNESCO commission gave the Soviets a boost by supporting an Orwellian "right to communicate."

This happens because the institutions of UNESCO, the staff of the Secretariat principally, work in tandem with the Soviets to pervert the work of the organization.

Why is it that a nominally independent civil service of technicians and technical experts—such as the Secretariat is supposed to be—can be engaged in advancing policies that not only are well known to be the policies of a particular member state, but are, more importantly, exactly contrary to the purposes for which the organization exists?

The answer is that the Soviet Union takes UNESCO seriously and works very hard to make it a friendly adjunct of Soviet foreign policy. As Mr. Crovitz notes:

The politicization of UNESCO under (Director-General Amadou Mahtar) M'Bow has recently reached absurd levels. It is a standing joke in Paris that the KGB bureau chief is a chauffeur for UNESCO. In fact, three

members of the secretariat's staff were among the 40 KGB officers expelled from France earlier this year by President Francois Mitterrand. Mr. M'Bow has not yet accounted for how KGB officers ended up on his payroll. Nor has he fired them. He still pays their salaries, and recently extended their contracts and gave them salary increases.

This is an unambiguous contravention of both the UNESCO Charter and the U.N. Charter, which governs also the operation of specialized agencies.

Article 100 of the U.N. Charter states the following:

1. In the performance of their duties the Secretary-General and the staff shall not seek or receive instructions from any government or from any other authority external to the Organization. They shall refrain from any action which might reflect on their position as international officials responsible only to the Organization.

2. Each Member of the United Nations undertakes to respect the exclusively international character of the responsibilities of the Secretary-General and the staff and not to seek to influence them in the discharge of their responsibilities.

Soviet penetration of the United Nations is not confined to UNESCO, or the specialized agencies of the United Nations. I reveal no closely held secret of the intelligence community when I state that it is standard practice for Soviet bloc employees at the U.N. Secretariat to accept instruction from their governments, and to use their positions in New York to engage in espionage against the United States.

The most notorious Soviet agent in New York was perhaps Arkady Shevchenko, who defected to the United States in April 1978, after having risen to the rank of Under Secretary-General of the United Nations.

Thus we should not be surprised that so much of the work at the United Nations is dedicated to promoting such noxious ideas as the mendacious assertion that Zionism is a form of racism, for this is a staple of Soviet propaganda. Thus we should not be surprised at the U.N.'s silence respecting Soviet aggression in the world such as its invasion of Afghanistan; its proxy war against the peoples of Laos and Cambodia; its use of slave labor imported from Vietnam. We should not be surprised that the United Nations does not fulfill our highest expectations. The Soviet and KGB role in the staffing of the U.N. bureaucracy is too large.

But, Mr. President, we should not think there is nothing to be done about it. The United States can and ought to be alert for opportunities to encourage—if we are not yet in a position to guarantee—independence in the international civil service.

Such an opportunity has recently presented itself, in the person of Vladimir V. Yakimetz, a Soviet citizen who has worked since 1978 in the Secretariat. He is a program officer responsible for budget planning in the Department of International Economic and Social Affairs. Mr. Yakimetz merits the attention of the Senate precisely because he refused to go along with the standard Soviet practice.

Last winter, when he was instructed by the Soviet mission at the United Nations to engage in activities he knew to be inconsistent with article 100 and his oath as an international civil servant, he refused—and was ordered back to Moscow.

Mr. Yakimetz thereupon requested, and received, on February 9, political asylum in the United States. The Soviets, not surprisingly, sought to have him dismissed from the United Nations. To his great credit, Secretary-General Javier Perez de Cuellar resisted this pressure and decided to permit Mr. Yakimetz to remain at the United Nations despite the fact that the country which had seconded him to the United Nations—the U.S.S.R.—no longer wanted him to remain there.

While this already represents a certain measure of victory for the principle of independence in the international civil service, it is only an interim solution. Once Mr. Yakimetz's current contract expires, the Secretary-General is bound by the precedents of the United Nations not to employ him unless he is seconded by a member country of the United Nations. In order for this to happen, he needs to be a citizen of said member country. For a number of reasons, the logical choice is the United States—not least because it would be in the American interest to see that the often-abused principle of an independent U.N. civil service is strengthened in practice, as it would be by retention of Mr. Yakimetz in the U.N. Secretariat.

Thus, on October 21, I introduced legislation to permit the expeditious conferral of American citizenship on Mr. Yakimetz. The bill is S. 1989. I regret that the luck of the draw did not permit it to be numbered S. 1984—for what is at issue here is the depth of the American commitment to put an end to the Orwellian inversion of the meaning of words so frighteningly portrayed in the novel "1984" and so frequently witnessed at the United Nations.

S. 1989 is a private bill with a public purpose, and I would like to emphasize the distinction. Vladimir Yakimetz does not seek early citizenship for personal gain or convenience. Having been granted political asylum, he could look forward to becoming an American citizen in the course of time through the normal immigration procedures. With his background as a physicist, linguist, and administrator, he could expect to fare well in the American job market.

Yet Mr. Yakimetz believes in abiding by the U.N. Charter, and would like to continue to do so as an employee of the Secretariat. It he did not, he could as easily have cooperated with the Soviet mission at the United Nations in violating that charter.

The United States should help him to remain at the United Nations. For it is eminently in the American interest to encourage nationals of other countries to abide by the charter and their oaths as U.N. employees. Else it shall never be possible for the United Nations to work properly.

Enactment of S. 1989 would be a tangible manifestation of congressional support for the noble principles enshrined in the charter of the United Nations—and a step on the way to making it possible for the United Nations to live up to those principles. It will not make the United Nations perfect. But if we fail to act, the Soviets will be encouraged still further not to abide by their charter commitments, and other U.N. employees from the Soviet bloc will understand that to insist on principle is to lose a livelihood.

The present Ambassador of the United States to the United Nations, Ambassador Jeane J. Kirkpatrick, has written me in support of this effort, noting in her letter that "the immediate bestowal of U.S. citizenship on this worthy individual who has chosen freedom seems to me not only wanted but essential."

Mr. President, I ask, in conclusion, that the essay by Mr. Crovitz be printed in the RECORD.

The article follows:

[From the Wall Street Journal, Nov. 17, 1983]

THE UNITED STATES STILL MUST LEARN ITS LESSONS AT UNESCO

(By Gordon Crovitz)

PARIS.—Many people consider the United Nations outfit here a fairly useless body, but like most international organizations benign. However, the current communications and budget debates of the U.N. Educational, Scientific and Cultural Organization show it has become institutionally hostile to Western interests. The policies the group is now pursuing and the means it uses are excellent reasons for the U.S. to make good on a threat to leave it.

Consider the top program on the agenda at the biennial conference, "Communications in the Service of Man." The Soviet-Third World bloc intends over time to so redefine the role of the press that Jean Gerard, U.S. ambassador to UNESCO, calls the program "Communications in the Service of the State." The guiding principle is something called the "new world information order," the rhetorical and philosophical cousin of the 1970s "new world economic order."

The Soviet Union wants UNESCO to legitimize "necessary action to ban the use of the mass media for building up world tension and disseminating tendentious and slanderous messages" through licensing journalists and jamming radio broadcasts. On Tuesday, a UNESCO commission gave the Soviets a boost by supporting an Orwellian "right to communicate."

The voluminous resolutions that will be passed by the huge majority of Soviet and

Third World countries are not binding, but as Mrs. Gerard argues, "UNESCO is one of the front lines in the war of ideas." How is it that despite the failure of socialism to improve living conditions anywhere, leftist ideology still prevails among the professional cultural bureaucrats?

One reason is that there is no intellectual debate at UNESCO—a special irony because the group was founded as a sort of international seminar on how best to ensure the liberal ideals of the U.S. charter. Since the 1970s, anti-Western polemic has largely replaced reasoned discussion.

One day last week, for example, the Iranian delegate gave a long speech in favor of curbing press freedoms. He based his argument on the character traits of journalists. Reporters, he said, are "bloodstained butchers with an endless thrust for domination." (Coincidentally, he made these observations the day Iran introduced a new 28-rial stamp commemorating the fourth anniversary of the taking of the American hostages at the Tehran embassy. It depicts a burning U.S. flag, a blindfolded diplomat and militants clambering over the fence.)

A couple of hours later, the Vietnamese delegate took the floor against racial-prejudice—in the West. "There is still a will to dominate in some races," he said. "The inhuman regime in South Africa represents a social scourge found in far-flung areas." Vietnam has itself shown questionable humanity in sending political outcasts as war-debt repayment to help the Soviets build their natural-gas pipeline. The gentleman from Vietnam was blocked by representatives from such tolerant societies as East Germany and genocidal Burundi. The delegate from the Ukrainian Soviet Socialist Republic concluded the "debate"; "We in the civilized world consider apartheid an insult to humanity."

The politics of the UNESCO budget debate shows how the West takes it on the financial as well as ideological chin. The U.S. provides a quarter of the budget, and the industrialized countries account for a total of two-thirds of the budget.

Led by Director-General Amadou Mahtar M'Bow of Senegal, the UNESCO leadership originally demanded a 6-percent budget increase. The U.S. announced that passage of any increase in the budget might be cause for an exit or at least a reduction in the U.S. contribution. Mr. M'Bow's positon was, as he told a plenary session, that "all delegations, and I mean all, in the interest of consensus" should support a budget increase. Yesterday, the organization approved a $374 million budget, up 2.5 percent. Outvoted 126 to 1, the U.S. chief delegate said he regretted the increase because there now won't be an incentive for UNESCO to "develop more streamlines and more effective programs."

Mismanagement at UNESCO is extraordinary even by the standards of international bureaucracies. A recent poll of its employees showed that only 3 percent believed the organization recruited well-qualified people and based promotions on merit. Several high-level employees have left the secretariat in Paris. A Mexican academic left in 1981 after two years in what he described as "the atmosphere of distrust, denunication and a sort of bureaucratic terrorism which has led to total intellectual suffocation."

The politicization of UNESCO under Mr. M'Bow has recently reached absurd levels. It is a standing joke in Paris that the KGB bureau chief is a chauffeur for UNESCO. In fact, three members of the secretariat's staff were among the 40 KGB officers expelled from France earlier this year by President Francois Mitterrand. Mr. M'Bow has not yet accounted for how KGB officers ended up on his payroll. Nor has he fired them. He still pays their salaries, and recently extended their contracts and gave them salary increases.

Why do the U.S. and like-minded countries subsidize such behavior? Mrs. Gerard still tries to cling to the traditional argument. "We have everything to gain," she says, "from explaining how our political system serves our people well and might serve other people better than their current system." In her two years at UNESCO, Mrs. Gerard has tried to move from what she calls "damage control" to a more aggressive stance in favor of Western values. "We must say to the majority of countries that if they want our money they must at least listen to our arguments." She's playing to a mostly deaf audience. The UNESCO mandarins sent from the underdeveloped countries are after all only human, and they owe their positions to the mostly dictatorial, socialism-preaching regimes they represent.

The State Department is now reviewing UNESCO with an eye to replacing at least some of the U.S. contributions with a new system. Proposals include a successor institution, reliance on regional organizations or a new concentration on bilateral aid programs. "The field work suffers more and more from spending at headquarters," says Mrs. Gerard. It is hard to imagine a less efficient aid machine than a UNESCO with hundreds of permanent employees in a series of plus buildings along the Left Bank. Besides, says Mrs. Gerard, UNESCO is not improving the level of education or culture. "If you actually want to help developing countries, you don't offer more conferences and more duplicative studies."

The current conference is a further sign that UNESCO is not reformable by the traditional Western methods of debate and persuasion. There are no very good reasons to remain in such a club, and plenty of reasons to leave.●

KEN DUBERSTEIN

● Mr. NUNN. Mr. President, several days ago Ken Duberstein announced his intention to leave his position as Assistant to the President for Legislative Affairs. Therefore, the end of this session of Congress brings to a close Ken's work on behalf of the President with the Congress.

During the last 2 years, Ken has been a valuable asset to the President and has provided excellent leadership for the White House legislative affairs team.

Ken has performed his responsibilities astutely and has earned the respect of those Members of Congress who have had the opportunity to work with him.

The job of Assistant to the President for Legislative Affairs has added yet another stripe to Ken's distinguished Government career which has included service also as a Senate staffer, Director of Congressional Affairs for GSA, and Deputy Under Secretary of Labor. Ken Duberstein exemplifies the type of dedication and hard work which is necessary to make our Government work effectively for the American people.

I wish Ken, his wife, and family well as he moves into new pursuits and challenges in the private sector. His enthusiastic commitment to public service will be missed.●

JOHN B. ZELLARS, VICE CHAIRMAN, U.S. LEAGUE OF SAVINGS INSTITUTIONS

● Mr. MATTINGLY. Mr. President, representatives of the savings institutions business are convened in San Francisco this week for the 91st annual meeting of the U.S. League of Savings Institutions, the national trade organization representing more than 3,500 savings institutions.

What makes this such a special event for this Senator is that one of my State's most distinguished financial executives, John B. Zellars, chairman and president and chief executive officer of Georgia's largest savings bank, Georgia Federal—will be installed this day as vice chairman of the U.S. League.

Mr. Zellars is a native of Hartwell, Ga., the son of Broadus B. Zellars and Ora Gaines Zellars, and attended Hartwell's public schools. Later, the family moved to Atlanta and Mr. Zellars was graduated from old Boys High School.

During World War II he enlisted in the U.S. Army and served in Europe. Entering the service as a private in 1942, he was later awarded a direct commission in the Judge Advocate General's Department of the U.S. Air Force.

Following service, he entered Emory University, and in 1950, was graduated with an LLB degree. Admitted to the bar in 1950 shortly after his graduation from Emory, he is a member of the Georgia Bar Association.

Mr. Zellars joined Georgia Federal, then Atlanta Federal, in 1951, beginning as an investment counselor with Georgia Federal and rising through various management positions before becoming chairman of the board, president and chief executive officer.

He holds the graduate diploma of the American Savings and Loan Institute, as well as the graduate key of the Savings and Loan Graduate School, University of Indiana. He is past president of the Atlanta Chapter 99, and past governor, District VI, of the institute. He was the 1975 national president of the Institute of Financial Education, and in 1980 served as the honorary chairman of the national convention for the Institute of Financial Education held in Atlanta.

With the Georgia Savings & Loan League, Mr. Zellars has served as treasurer, director, convention chairman, legislative committee member, educational committee chairman,

bylaws committee chairman, long range planning committee member, planning committee member, second vice president and vice chairman. Currently, he serves as chairman.

With the U.S. League of Savings Institutions, Mr. Zellars has served as vice chairman of the Committee on Federally Chartered Associations, international development committee member, executive committee member and director of the Southeastern Conference. He also serves as vice chairman of the futures committee of the Savings & Loan Foundation.

He is a past president and past chairman of the board of the Atlanta Lions Club. He is also on the executive board of the Peach Bowl, Atlanta's postseason major collegiate football game—the only pure charity game in America in which all of the proceeds go to the Georgia Lighthouse for the Blind. He is a past chairman of the Congressional Action Committee and past chairman of the STAR program of the chamber of commerce.

For United Appeal, he has served as chairman of the Metropolitan Atlanta Commission on Crime and Juvenile Delinquency, and as chairman of the Government division. And Mr. Zellars is a past educational chairman of the American Cancer Society.

In higher educational circles, his leadership and influence have also been keenly felt. He has served as trustee of Mercer University, finance committee chairman, medical committee member, development committee chairman, special gifts committee chairman, and executive committee chairman. In addition, he is a member of the Emory Board of Visitors.

Mr. Zellars has provided continuing leadership in almost every area at Atlanta's Second Ponce de Leon Baptist Church and served as its chairman of the board of deacons.

In 1975, he was elected president and chief executive officer of Georgia Federal and through his leadership, this institution has grown from 40 offices to 72 offices statewide, and from assets of $984,891,000 to $2.2 billion in assets today. As a result of his forward-thinking business knowledge, not only was he instrumental in converting Georgia Federal Savings & Loan to Georgia Federal Bank, but in also converting it to stock ownership.

Husband to the former Julia House, John Zellars is the father of two grown sons, John, Jr. and Roy Zellars.

I consider John Zellars to be a real asset to the State of Georgia, and I know that he will contribute greatly over the coming year to the progress of this Nation's savings institutions business.●

ON THE FAIR PLAY BUDGET

● Mr. BOSCHWITZ. Mr. President, the last Federal budget surplus we had was in 1969. The deficit for fiscal 1983 was a massive $195 billion, 77 percent higher than any previous budget deficit and nearly three times larger than any deficit prior to 1982. In the time between 1969 and today, the cumulative amount from deficits alone that we have added to the total Federal debt is over $700 billion. The Federal debt today is just under $1.4 trillion; it took us more than 180 years to accumulate the first $700 billion, but a mere 14 years to add the second $700 billion.

It is not just the deficit which concerns me * * * it is the rapid and uncontrolled growth of the entire Federal budget. In 1969, the same year that we had a small budget surplus, total outlays were just over $180 billion. In 1983, outlays had grown 4½ times, to nearly $800 billion. Few things in Government are in greater disarray than our Federal spending policies.

Incredibly, some people, led by our Treasury Secretary, argue that we have nothing to worry about—that our strong economic recovery is about to enter its second year, and that the big deficits and high rates of growth in Federal spending have done little or nothing to slow it.

They are certainly correct in one sense—we do have a strong recovery. Real growth in the gross national product grew to 7.9 percent in the third quarter, better than most forecasters had predicted. Unemployment is down to 8.8 percent, a full two-point drop in only 10 months. Personal income is rising, housing starts have nearly doubled since the recession, and auto sales are up 32 percent from a year ago. Clearly, this is the strongest recovery in 20 years; and unlike those of 1975 and 1980, it is not inflationarly. Inflation was only 3.4 percent in the third quarter of 1983.

In the midst of this strength there are weaknesses. In January, 3-month T-bills were yielding less than 8 percent; this month, the rate is closer to 9 percent. The stock market, after spectacular gains for 9 months, has hovered around the 1,200 to 1,250 range since late April. And the trade deficit was $21.7 billion for the first half of 1983, nearly double the $10.9 billion deficit for the same period of 1982. At that rate, it will far exceed last year's historical high, and may hit $65 or $70 billion for the year.

These warning signs could signal an untimely end to our economic recovery, if we fail to control the monster of Federal spending. Even at this stage of the recovery, perhaps especially at this stage of the recovery, deficits do matter. We cannot afford to reasonably expect our economic strength to continue to grow in the shadow of $200 billion deficits—"deficits that could remain as far as the eye can see," according to OMB Director David Stockman.

Deficits pose a serious threat to our economy for several reasons. First, they drive up interest rates. We all know that when the Government abuses its access to the available supply of money by borrowing to finance the deficit, there is less available for private borrowers. That inflates the price of money, and forces more and more people and businesses out of the credit markets. Ironically, this problem will worsen as the economy improves. As the recovery enters its next logical stage, and businesses borrow for facilities and equipment, more people and businesses will be squeezed from the market. And that stage is absolutely necessary for sustaining the health of the economy.

Second, that clash between private and Government credit demands will force the Federal Reserve Board to choose between risking an economic downturn by maintaining the status quo; or pumping more money into the system and monetizing the debt as it has done before. That would inject our economy with another dose of inflation, just when it has been so painfully removed.

Third, those climbing U.S. interest rates will drive up the value of the dollar. Once again American-made goods will be too expensive to export, and increasingly cheaper imports will pour in. This will mean lost American jobs, and higher unemployment costs for every taxpayer.

Fourth, higher interest rates could force some other countries over the brink of economic disaster. Many countries (including Brazil, Argentina, and to a lesser degree Mexico) are now heavily in debt and in considerable danger of defaulting. Those countries going under would precipitate a banking crisis in this country, and could set off an international financial crisis.

Finally, interest payments on the Federal debt of nearly $1.4 trillion were approximately $90 billion in fiscal 1983, or around 11 percent of the budget. The average taxpayer in 1983 paid about $4,000 in Federal taxes, or approximately $440 just to support the Government's extravagant buying habits.

To quote just a few individuals who have expressed concern recently about the size of the deficit:

DAN ROSTENKOWSKI. "The $200 billion federal deficit is the greatest ticking time bomb of the economic future."

GERALD R. FORD. "The delay in making meaningful inroads into the deficit problem could abort the recovery, and that would be tragic."

MARTIN S. FELDSTEIN. "Although no one can be sure just how the economy will behave in the face of such unprecedented deficits, the longer the deficits are expected to persist, the greater are the risks to our economic future."

PAUL VOLCKER. "The deficits continue to pose a serious risk to the stability of financial markets in the future, threatening the

balance and ultimately sustainability of the recovery itself."

ROBERT DOLE. "The right course—the only sensible course—is to act as soon as possible to reduce the deficit. If we are not certain how soon the deficit will threaten recovery, clearly we ought to act now in order to minimize the risk that problems will arise sooner rather than later. The economic goals we all share—stable, sustained growth, free international markets, an improved trade balance, more productive jobs, low inflation—are put at risk by our failure to act on the deficit."

It is not hard to figure out how we got into this mess if we break the budget down into its individual parts. Four functions comprise 82 percent of net Government outlays. They are defenses, health, income security, and interest. Defense has grown 270 percent in 16 years, health 900 percent, income security 820 percent, and interest 800 percent. All parts of the budget must be controlled. Budget answers cannot be found in any single function or group of functions (unless the group includes them all).

Some parts of the budget, of course, have become particularly hard to control. The 10 largest entitlement programs, for example, grew at 850 percent from 1968 to 1983. That is not a criticism. They started at a lower level and filled human needs that required pressing attention. But frankly, politicians do not like to fool with those programs. That is because entitlement programs make a periodic payment directly to a named individual * * * a voter! Or they pay medical expenses for a named individual * * * a voter!

Here are just a few examples of the rapid growth in entitlements:

[Dollars amounts in billion]

Program	1968 level	1983 level	Total growth (percent)
Medicare	$5.0	$57	1140
Medicaid	2.0	19	950
Social security	24.0	168	700
Civil Service retirement	3.0	21	700
Food stamps	.2	12	5400
Unemployment compensation	2.0	33	1650
Military retirement	2.0	16	800

Defense has grown rapidly during the past few years and has received growing criticism for it. Certainly it, too, needs to be controlled, but its growth rate is not as dramatic as some other parts of the budget. In 1968, defense was $79 billion; 6 years later, in 1974, it had actually fallen by $1 billion. As a result, the compound growth rate for defense since 1968 has been only 7.2 percent annually, compared to over 10 percent for the budget as a whole.

Interest on the debt is another area of rapid growth. In 1968 it stood at $11 billion; this year, it is $88 billion. I have already noted the effect of interest on each individual taxpayer, so let me merely say at this point that interest is a catch-22 of the budget. To get the interest function down, we must control Federal spending; yet interest itself is contributing to the Federal spending problem.

Now, Mr. President, I cannot discuss possible solutions to this without considering revenues. I submit for the RECORD at this point a table showing revenues by category from 1960 to 1983.

The table follows:

Chart 3.—U.S. GOVERNMENT INCOME 1960–83

[Numbers in billions of dollars]

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Individual income tax	$41	$41	$46	$48	$49	$49	$55	$61	$69	$87	$91	$86	$95	$103	$119	$122	$132	$158	$181	$218	$244	$296	$298	$289
Corporate tax (incl. social security)	27	28	28	31	34	34	41	48	42	52	50	45	52	61	69	73	76	97	109	122	129	135	131	122
Social security tax paid by individuals and governments	8	9	10	11	12	13	15	19	21	24	27	29	33	38	45	51	56	64	72	83	94	109	119	126
Excise tax	12	12	12	13	14	15	13	14	14	15	16	16	15	16	17	17	17	18	18	19	24	41	36	35
Estate and gift tax	2	2	2	2	2	3	3	3	3	4	4	4	5	5	5	5	5	7	5	5	6	7	8	6
Customs duties	1	1	1	1	1	1	2	2	2	2	2	3	3	3	3	4	4	5	7	7	7	8	9	8
Miscellaneous	1	1	1	1	1	2	2	2	2	3	3	4	4	4	5	7	8	7	8	9	13	13	17	15
Total income	92	94	100	107	113	117	131	149	153	187	193	187	207	230	263	279	298	356	400	463	517	599	618	601
Percent:																								
Increase over previous year	16	2	6	7	6	4	12	14	3	22	3	(3)	11	12	14	7	7	19	12	16	12	16	3	(3)
Inflation (fiscal year CPI)	1.4	1.3	1.0	1.2	1.4	1.3	2.2	3.1	3.3	4.8	5.9	5.2	3.6	4.1	8.9	11.1	7.1	7.5	7.1	10.3	13.6	11.1	7.4	3.7
Cumulative inflation index [1]	101	103	104	105	106	108	110	114	117	123	130	137	142	147	160	178	191	206	221	243	276	307	330	342

[1] Using a base of 100 for 1959 and compounding thereafter.

Mr. BOSCHWITZ. Mr. President, historically, revenues have not been the main problem with the budget, although reduced revenues due to the recession have certainly compounded the problem in the past 2 years. The average rate of revenue growth over the 23 years from 1960 to 1982 was a bit over 9 percent, and it does not seem unreasonable to assume a revenue growth of 10 percent during the next few years of recovery. Some economists may say there must be high inflation to experience a 10-percent average revenue growth. This is not so. In the 1960 through 1982 period there were 11 years when inflation grew over 5 percent, for a yearly average of 8.7 percent. Revenues grew at 9.7 percent per year in those years. There were 12 years when inflation was less than 5 percent, for a very low yearly average of 2.4 percent. Yet revenues grew 9.6 percent per year in those years—virtually the same as in years of high inflation.

Let me summarize this point. Deficits seriously threaten our current economic recovery. Federal spending, and the deficit, are virtually out of control, the result of excessive growth in virtually all areas of the budget. It is time to take action, but unfortunately there is a wide disagreement about what that action should be.

In the past few weeks, congressional rhetoric has been flowing at a feverish pace, with deficit reduction measures focusing on four major areas of effort.

The first is the line item veto, an effort to give the President direct authority to veto any single item in the budget. Although I have voted in favor of this proposal, I do not think it is the answer. It will not pass the Congress easily—I just cannot see my colleagues giving that much power away, it could lead to higher appropriations—if the knowledge of a potential veto leads committees to "pad" their programs; and frankly there just is not that much in the budget that can be controlled without making complex changes in the law. In the fiscal 1984 budget, only about $250 billion in outlays are in the so-called discretionary category; and of that amount only $100 billion is nondefense.

Second, there has been considerable talk of a combination tax increase and spending reduction package. Well, I might not be opposed to some effort in that direction provided the mix was right. But I am not very excited about it for three important reasons: The President is adamantly opposed; I think there is a way to reduce the deficit—to zero—without raising taxes; and I am afraid that we will end up with all of the tax increases and far fewer of the spending reductions than originally promised. In 1982 we were promised $3 in spending reductions for every dollar of tax increases; in fact, we got $1.14 in spending cuts for every dollar of tax increases.

Third, we have again waited until the very last possible moment to pass a continuing resolution to keep the Government funded. As usual, we have ended up with a Christmas tree full of expensive ornaments. Again, I think there is a better way, a way that would avoid all the difficulties we

seem to have in getting appropriations bills passed, and thus avoid the necessity for a continuing resolution.

Fourth, and most importantly, there is a reconciliation, the process which requires committees to change laws to fulfill spending reductions requirements. If we had not utilized reconciliation in the past few years our deficit would have been about $60 billion higher. This week, we are considering a reconciliation bill for fiscal 1984, a bill which I supported in committee though not without reservations. I have two major problems with this year's bill: First, it does not fully meet the instructions of the Budget Committee, and I think it is essential that we do so if we expect the budget resolution to carry the weight that it deserves in future years. And second, it does not go nearly far enough in reducing runaway spending.

I believe that reconciliation is an essential part of the process that will ultimately allow us to control Federal spending. It is an integral part of my solution to the problem, which I refer to as the "fair play budget."

The fair play budget would, within a 5-year period, accomplish that most elusive of goals—a balanced budget. It would do so by slowing the growth of Government to 5 percent a year—applying the 5 percent to all functions of Government so that everyone would be treated fairly and equally.

Some people feel that the budget should just plain be cut—but of course not in any program affecting them—or frozen in place. Even if this should be done, it does not have any bearing on the political reality of what can be done, and we really ought to stick to the realities of the problem.

So the fair play budget does not cut spending. It merely slows the growth. Every function in the budget is allowed to go up, and at exactly the same rate of growth—5 percent—maybe even 4 or 4½ percent—for a 5-year period. Is education more important than roads? Food stamps more vital than social security? Perhaps some programs are ineffective and should be cut altogether. But we simply will not make those kinds of decisions. That is what we have been doing all along—establishing priorities.

But the Government has a board of directors of 535 people, and unfortunately, most have different priorities. So in the process of working out all those priorities and power plays, we compromise—what a wonderful word. Everyone gets a little—it must be a good compromise, nobody's satisfied—and we go further into debt.

So for a 5-year period the fair play budget treats everyone exactly the same. If we slow the growth of the budget to 5 percent a year for five years, we will balance the budget. That is why the American people will agree. It is fair and it balances the budget. But only if the grassroots agree and then let their Congressmen and Senators know, only then can it become a political reality.

The fair play budget is practical, too. When a lobbyist or special interest group comes around, a legislator has the perfect—and perhaps only—defense: We are treating everyone absolutely the same this year . . . in fact, for 5 years.

When I think of the time we would save in the Senate, I am absolutely awed.

Does the fair play budget create problems? Of course it does. But considering the results, the problems are worth it.

Mr. President, I campaigned for the Senate in 1978 pledging to "bend the line of growth." That is, the Federal budget could continue to grow but not so fast. That has been an important theme of mine through the past 5 years. Two years ago, I mailed a newsletter to my constituents back in Minnesota, in which I proposed to slow the rate of growth of the budget. It was a plan similar, though not identical, to my fair play budget. If we had adopted my plan for the 1982 fiscal year, we would be approaching a balanced budget in 1986. As it is, we are not even close to that goal.

So this year, I intend to take a more active role than I have ever taken before in attempting to apply a growth formula to the budget. I have talked with groups of people back in Minnesota about this idea, and received a very favorable response. But that is not enough. To repeat: only if the grassroots agree and then let their Congressmen and Senators know, only then can it become a political reality.

Mr. President, I urge my colleagues to take up the gauntlet. If my constituents, and their constituents, show enough active support for this idea, we can make it happen. We have a golden opportunity to finally, once and for all, get Federal spending under control. We cannot, we must not, let that opportunity slip away.

Thank you.●

FCC FINANCIAL INTEREST AND SYNDICATION RULES

● Mr. WILSON. Mr. President, I want to express my great satisfaction with a decision, announced this past Wednesday by Federal Communications Commission Chairman Mark Fowler, to voluntarily delay further action, for at least 6 months, on an FCC plan to abolish the "Financial Interest and Syndication Rules." As the sponsor of S. 1707, the Competition in Television Production Act, which would prevent any changes to the existing rules which for 11 years have served to protect independent television stations and producers from the monopoly powers of the three television networks, I strongly believe that this delay is necessary in order that there be adequate time for the FCC, interested private parties, and the Congress to consider a fair solution to this complex matter.

In a letter to the senior Senator from Alaska (Mr. STEVENS), a member of the Commerce Committee to which S. 1707 has been referred, Mr. Fowler said that recent actions by the Congress and the executive branch had made FCC forebearance advisable. The committee had held 2 days of hearings on my bill to bar the rule changes for 5 years. And, both Houses of the Congress previously had approved a 6-month ban, coming from the Senate on the supplemental appropriations bill and from the other body as a separate bill.

On the heels of a letter from the White House opposing the proposed FCC action, a unanimous vote in the other body, and a 57-to-32 vote in the Senate, Chairman Fowler realized that the President and the Congress were not enamored with the plan to dismantle the existing rules. I am pleased that he was willing to react favorably and, thereby, avoid the need for further congressional action at this time.

The next 6 months will allow for negotiations between the networks, the independent television stations, and the producers to search for a possible compromise. Indeed, there have been several rounds of negotiations thus far.

I believe the negotiations can be fruitful, but only if the networks are willing to send to these sessions people who have the power to make a deal, just as the producers have.

The networks must realize by now that they have lost several rounds on this issue, and I would hope that they understand that they must come to the table willing and able to negotiate in good faith with all parties.

Under the timetable which members of the Commerce Committee, other interested Senators, and I have agreed to, there will be no further Senate action on my bill, S. 1707, until March 15. However, if a satisfactory arrangement has not been worked out among all of the parties and in the public interest by that date, the legislative machinery will gear up once again and the Congress will step in and settle the matter.

Mr. President, I want to emphasize my interest in having the private parties come to some agreement. At present, however, I believe that of the three major networks, not all have been as forthcoming nor as diligent as would be most helpful in reaching a negotiated settlement. To propose that the networks will limit their financial interest in television shows to 49 percent does not indicate a fair reading of the equities involved or the

political climate. Such a proposal is neither fair nor an indication of good faith.

Furthermore, the networks should not simply be bargaining for a part of what they do not have now. Rather, they, too, must show a willingness to give up some of what they do have. As the Senior Senator from Arizona (Mr. GOLDWATER) pointed out at the hearings he chaired on S. 1707, at present it appears that the producers are being asked, by those who would see the rules abolished, to negotiate away their interests for nothing in return. Clearly, large majorities in both Houses appreciate the true equities involved and will not view favorably an approach by the networks that does not indicate a desire to compromise, and to that end, to bring with them to the table more than outstretched palms.

Mr. President, I hope for and fully expect that the private parties, that is the producers, the independent stations, and the networks, will come to an agreement in the near future—well before March 15. Furthermore, I believe that a congressional review of that agreement will conclude that it is in the public interest.

However, it should be well understood, by all parties, that we in the Congress will be watching the negotiations with great interest, and that if a solution cannot be found by the private parties, that we are quite ready to pursue a legislative one.

Mr. President, I want to express my appreciation to my colleagues who have expended significant time and effort in the search for a fair and reasonable approach to the financial interest question, particularly to the senior Senators from Oregon (Mr. HATFIELD), Hawaii (Mr. INOUYE), and Massachusetts (Mr. KENNEDY). I also want to especially thank the senior Senator from Alaska (Mr. STEVENS), our distinguished assistant majority leader, and the senior Senator from Arizona (Mr. GOLDWATER), who have been most helpful, along with the respective members of their staffs, Bill Phillips and Dale Brown.

Mr. President, I would ask at this point in the RECORD that two letters be printed. First, the letter to which I have referred from FCC Chairman Mark Fowler to the Senator from Alaska (Mr. STEVENS). Second, a letter I received from Counselor to the President Edwin Meese III, expressing the President's support for a delay in changes to the "Financial Interest and Syndication Rules."

The letters follow:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., November 16, 1983.

Hon. TED STEVENS,
Office of the Assistant Majority Leader, U.S. Senate, Russell Building, Washington, D.C.

DEAR SENATOR STEVENS: Pursuant to our discussions of the last several days, this is to advise you and Senators Packwood and Goldwater that the FCC intends to forebear from any action to amend, modify or repeal the financial interest and syndication rule (47 CFR § 73.658(j)(1)(i) and (ii)) prior to May 10, 1984. We have made this determination on the basis that both houses of Congress, in one form or another, have expressed the desire to permit the private parties time to settle their differences. In this regard, we are aware that the parties, in fact, are engaged in serious negotiations at the present time. Under these circumstances, it seems appropriate to permit these discussions to come to fruition prior to any further decision by the Commission in this matter. The outcome of such discussions could be relevant to the Commission's proceeding.

I am hopeful that you and your colleagues will join me in urging the private parties to conclude their negotiations no later than January 31, 1984.

Sincerely,

MARK S. FOWLER,
Chairman.

THE WHITE HOUSE,
Washington, D.C., November 2, 1983.

Hon. PETE WILSON,
U.S. Senate,
Washington, D.C.

DEAR PETE: The President has asked me to respond to your letter of July 20, 1983 expressing your concern regarding the syndication and financial interest rule in the television industry. We appreciate your views and have since been in the process of examining all sides of the issue.

As you know, the President has consistently favored government efforts to promote vigorous competition; however, he has determined in this instance, in light of changing market conditions in the television and program production industries, additional review of the consequences of repeal of the rule is necessary. Accordingly, after careful consideration of this matter, the President has decided to support a two-year legislatively-mandated moratorium on any change in the syndication and financial interest rule. A two-year moratorium would allow us to give the issue further study and monitor future changes in the marketplace, while at the same time ensuring continuing healthy competition within the industry.

With warm regards,

Sincerely,

EDWIN MEESE III,
Counsellor to the President.●

KEN DUBERSTEIN

● Mr. LUGAR. Mr. President, I would like to take a moment out of the Senate's busy schedule today to pay tribute to Ken Duberstein. Indeed, it is fitting that as we struggle today to finish the remaining items on our calendar, that we think about Ken. His work as the representative of the President to the Congress has helped us in many ways to perform our tasks with as much consensus and good will as possible.

Ours is a system in which the legislative and executive branches are separate. But it is also a system which works best when these two branches of government are working in harmony. Ken's professionalism, his understanding of the dynamics of the Congress, and his toleranced have contribute substantially to the cooperation we have witnessed between the executive and the Congress.

I am confident that all Senators join me in wishing Ken every success in the new responsibilities which he will be assuming. We look forward to working with his successor and to continuing a strong working relationship with the talented people in the Senate liaison office in the White House.●

ADVOCATE FOR COMPETITION

● Mr. PRYOR. Mr. President, I am pleased that on November 11 the Senate approved S. 338, the Competition in Contracting Act of 1983, a bill to increase the use of competition in all Federal Government procurement. I commend those who worked so hard for its approval, particularly Senator COHEN, Senator LEVIN, and Senator ROTH, and I am hopeful that the House of Representatives will recognize the importance of this measure and act on it expeditiously.

Although studies have demonstrated that competition can reduce the costs of goods and services by as much as 25 to 30 percent, the Federal Government far too frequently has chosen the more expensive route of sole-source contract awards. I believe the Federal Government must utilize all available tools to make Government services more economical, effective, and efficient and S. 338 takes important steps in that direction.

I am particularly pleased that the Senate has included in this bill a very important provision establishing an advocate for competition in each procuring agency. This section requires each executive agency head to establish a full-time advocate for competition to assure that no opportunities for obtaining competition are neglected.

I proposed the creation of competition advocate positions in legislation, S. 2695, I introduced last year. The proposal was adopted as an amendment to S. 2127, the Competition in Contracting Act of 1982, by the Governmental Affairs Committee last year, and was included in S. 338 when it was introduced this year.

Mr. President, although present regulations require contracting officers to maximize competition for each contracting award, the General Accounting Office has found that these officials often acquiesce to the sole source

procurement requests of headquarters, technical personnel, and end users. In effect, there is no clear responsibility and accountability for competition in Government contracting.

Under this legislation, the advocate's primary responsibility will be to insure implementation of new operating procedures, which require that agencies make an affirmative effort to obtain competition. Specifically, the advocate will insure that competition is not foreclosed by restrictive need statements, unnecessarily detailed specifications, poor procurement planning, or arbitrary agency action. The objective is to instill accountability into the procurement process.

This provision provides the heads of each executive agency the authority to designate an existing officer or employee as the advocate for competition. The advocate is to be relieved of all inconsistent duties and responsibilities and provided with the necessary staff and resources.

Finally, Mr. President, I recognize the legitimate needs for all Government agencies to acquire goods and services in order to fulfill their purposes. At the same time, I believe the Federal Government's procurement policies and practices should include basic and essential cost reduction procedures. This provision puts accountability into this system and deserves the support of the House and the President.●

A TRIBUTE TO SPACE PIONEER JAMES E. WEBB

● Mr. GORTON. Mr. President, I would like to bring to the attention of my colleagues a tribute to be paid this evening to an outstanding pioneer in our space program, James E. Webb. As head of the National Aeronautics and Space Administration under Presidents Kennedy and Johnson, Mr. Webb launched the original seven astronauts into space and set the stage for the Moon landing and all the accomplishments that followed.

Now retired from a long life of Government service, Mr. Webb will be honored this evening at a dinner at the National Air and Space Museum. Current NASA Administrator James M. Beggs will deliver the first annual James E. Webb lecture, sponsored by the National Academy of Public Administration. Established with the leadership of Mr. Webb in 1967, the National Academy is a nonpartisan collegial society to advance the effectiveness of Government through sound management and counsel on the practical implications of public policy.

Also paying tribute to Mr. Webb this evening will be Chief Justice Warren Burger, former Congressman and Defense Secretary Melvin Laird, and former Comptroller General Elmer B. Staats, who chairs the National Academy's James E. Webb Fund for Excellence in Public Administration.

I ask that some excerpts from Mr. Beggs' speech be printed in the RECORD.

The excerpts follow:

EXCERPTS OF DRAFT REMARKS BY JAMES BEGGS, NASA ADMINISTRATOR

It is a special pleasure to be here in support of the National Academy's efforts to establish the James E. Webb Fund for Excellence in Public Administration.

And it is a distinct privilege to share in the Academy's tribute to the man who, perhaps more than any other, sparked the Academy's creation and has been its guiding spirit for the past 16 years. Since its inception the Academy has been a valuable adjunct to government in the pursuit of excellence in public administration at all levels.

James Edwin Webb has spent a large part of this life working . . . to make our government work more effectively.

His position in history is secure. He will be forever remembered, not only as one of the most consummate public servants this nation has produced, but as the man who managed the most ambitious and most complex program that our nation has ever undertaken in peacetime—Project Apollo.

The Apollo program landed 12 Americans on the moon, returned 18 Americans safely from the moon and its vicinity and produced an unassessable quantity of scientific knowledge and technological advancement.

Apollo enriched our spiritual, intellectual and economic life.

It opened the door to a new realm of commercial and scientific opportunity, spawning communications, weather, navigation and earth resource satellites and many new industries, such as solid state electronics, medical electronics and computer sciences.

The man who etched them (the broad brush strokes of the Apollo legacy) onto the pages of history was no stranger to important assignments when President Kennedy chose him to lead this extraordinary effort. He had an impressive record as an administrator, both in government and in industry.

He had combined many successful careers, including those of lawyer, government official, industrialist and Marine officer. Jim took over at NASA in February 1961, 33 years after he graduated Phi Beta Kappa from the University of North Carolina.

As a flier, he had proved his skills, not only in the Marines, but as a civilian.

As Budget Bureau Director from 1946 to 1949, Jim made many valuable contributions in the field of public administration.

As Undersecretary of State from 1949 to 1952, he continued to work to make government more responsive to the needs of the day.

That experience and judgment served him well as NASA Administrator, a job he began on February 14, 1961, and was to remain in during the next seven and one-half years. It also served the nation well, because remarkable as the Apollo achievement was, I believe that Jim's lasting contributions go way beyond that of Apollo.

And if NASA bears the mark of any man, it bears the mark of Jim Webb. His influence pervades every aspect of our work, from the systems and procedures we use to the way we relate to the Congress and the partnerships we have evolved with the international community. The openness of the program, the extensive use of advisory committees and outside consultants, our efforts to recruit top engineering and science talent from recent university graduates and, on the executive level, to bring in outsiders from industry to give us the benefit of fresh thinking—all reflect Jim's influence.

National commitments of the magnitude of Apollo don't just happen. Political, strategic, economic and social considerations all play a part. This was true of Apollo as well. But few know that it was the word of one man that tipped the balance in favor of Apollo. And that man is Jim Webb.

As he was later to write in his book, "Space Age Management": "Thoughtful leaders agree that only through large-scale efforts can our society capitalize on the great opportunities that are within its grasp."

The three-cornered partnership he created among NASA, the aero-space industry and the nation's universities overcame many obstacles on the road that led us from the first sub-orbital flight to the routine access we enjoy to space today within the shuttle.

That partnership has been the cornerstone of NASA policy ever since. It is the balance driver of both our technological momentum and technological excellence. And, as such, it has played a major role, not only in keeping the United States preeminent in space and in aeronautics, but in building our economic strength at home and keeping us competitive in the world.

If Jim were to come back to work at NASA tomorrow, he would feel very much at home. The whole character and collegial management style of the agency bear his imprint. And his example continues to motivate and stimulate us as we plan for the future, in this era of boundless opportunities in space.●

THE SOVIET CONCEPT OF PEACE

● Mr. QUAYLE. Mr. President, I would like to bring to the attention of my colleagues an article from the Fall 1983 issue of Strategic Review, a respected forum for the discussion of critical issues that impact on the vital interests and national security of the United States.

This article explores a crucial, if subtle, aspect of the relations between the United States and the Soviet Union. While it is certainly true the two countries share many similar concerns in the areas of national security, economic interests, and social welfare, the authors remind us it is also very true that we and the Soviets view the world we live in through glasses of different tints. It is important during these times of troubled relations to realize that we and the Soviet Union have differing perceptions of several important aspects of international relations.

For example, one overriding concern for both countries is the quest to insure world peace. Peace, however, is defined differently by the countries. In "The Soviet Concept of 'Peace'," the authors examine the definition and connotations of the meaning of the Russian word usually translated as "peace." Beginning by pointing out that there is no Russian word that corresponds to the Western word "peace," the authors conclude the Soviet con-

cept of peace sometimes boils down to the very opposite of what we in the West understand "peace" to be. Rather than the West's concept of a passive condition of the absence of conflict, the Soviets, it is argued, see "peace" as a dynamic precondition for the furtherance of Soviet objectives, a harmonious condition that exists only in a communist society—attainable only through struggle and conflict.

I ask that this very informative and thought-provoking article from Strategic Review be printed in the RECORD.

The article follows:

THE SOVIET CONCEPT OF "PEACE"

(By J. A. Emerson Vermaat and Hans Bax*)

(Dr. Vermaat, a graduate of the Dutch State University of Leiden, has been active since 1973 as a journalist for a number of daily newspapers and periodicals, as well as Dutch radio and television. He has written extensively on East-West relations, military affairs, the peace movement and the ecumenical movement.)

(Dr. Bax did Slavonic studies at Lomosov State University in Moscow and graduated at the University of Amsterdam. He is currently the head of the Interpreters' Department of the Dutch Royal Navy. Dr. Bax has contributed to a number of Dutch periodicals and has also published specialized studies of the educational system in the USSR.)

In brief, the Russian word for "peace" and its idological connotations trace a meaning that is starkly different from what is understood under the term in the West: "peace" is the harmonious condition that can exist only in a communist society and, as such, is attainable only through struggle and conflict. Although pacifism is rejected as totally incompatible with communist ideology, nevertheless the Soviets, in the current political offensive against the West, consciously follow Lenin's prescriptions regarding the tactical exploitation of pacifists as an erosive force in the capitalist camp. Moscow has tried to impose a wall of insulation between the psychological offensive abroad and a pervasive militarist campaign at home. Yet, if the West can weather the current propaganda onslaught, the contradictions in the Soviet approach may come into progressively sharper view on both sides of the ideological dividing line in Europe.

It is common practice to translate the Russian word mir as "peace." Mir, however, refers firstly to "world"; the earth and those who live on it; all forms of matter on earth and in space; a social environment or a group of people who have some characteristics in common.[1] Only secondarily does the term refer to concord among peoples and nations, absence of hostility, war or quarrel.

When bolshevism took power in Russia, mir was given a more ideological meaning. Basically, it now refers to the conditions of Soviet society which are "right and just." Mir, therefore, does not lend itself to easy translation. Simply to render it into "peace" would give rise to a variety of misconceptions. In fact, the Soviet view of "peace" sometimes boils down to the very opposite of what we in the West understand under the concept.[2]

Mir is not to be found in non-socialist countries. Only the Soviet Union and the other so-called socialist countries enjoy mir. It is inherent in the "socialist Commonwealth." In the Soviet view, the masses in non-socialist societies are exploited and repressed; there is no class basis for mir and no real peace. Therefore, the source of all wars is "capitalist imperialism," which seeks to prevent the peaceful socialist world system from fulfilling its holy mission.[3] The Soviets, indeed, believe in such a mission—missiya—to esablish mir in all other societies, the populaces of which are believed to be longing for liberation and genuine peace. Mir, in other words, is the Soviets' battlecry in a war of propaganda to "liberate" mankind from "imperialism"—"liberation" in the name of "peace," even if the process of "liberation" is a very violent one.

Peace, in the Soviet view, is inseparably linked to a socialist (i.e., Marxist-Leninist) order. During World War II Lenin dealt extensively with peace issues; he developed the Marxist-Leninist concept of peace, relating it to the socialist revolution of the proletariat. Putting mir into historical perspective and linking it to the political demands and interests of the working class, Lenin in 1917 contended that only a "proletarian society" is able to enjoy mir.[4] Mir is historically determined. It will and can only be attained under ideal circumstances—namely, the establishment of communism or its first phase, socialism. At times, it can only be realized by waging "wars of national and social liberation," and it constitutes the central aspiration of the working class.[5]

The struggle for mir is thus seen as synonymous with the struggle for socialism. As Georgi Dimitrov asserted in 1936: "To want peace is not enough. It is necessary to fight for peace. The struggle for peace is a struggle against capitalism, a struggle for the victory of socialism throughout the world."[6]

PEACE AS A FORM OF STRUGGLE

Only against this semantic background can we understand why the struggle for peace (and the terms "fight" and "struggle" are invariably linked with peace) has been the ideological banner for all the international activities of the Soviet state since its founding in 1917.[7] We can also understand why, in the contemporary context, peace movements which oppose major Soviet policy lines are not recognized by the Soviets as genuine bearers of the title. After all: "There can be no political or moral basis for an antiwar movement that is directed against the policy of the socialist governments, because [the latter] consistently and steadfastly pursue the policy of peace, meeting the vital interests of the peoples and therefore enjoying their unreserved approval."[8]

To establish mir everywhere is the principal duty and mission of communism. The final result will be the elimination of all war: "The victory of socialism all over the world will eventually eliminate social and national causes of any war whatsoever. The historical mission of communism, therefore, is to eliminate war and to establish everlasting mir on earth."[9]

Article 69 of the present Soviet Constitution reads: "It is the international duty of citizens of the USSR to promote the development of friendship and cooperation with peoples of other countries and the maintenance and strengthening of mir for all." Again, this kind of formulation should not be misread. It does not suggest that it is the Soviet citizen's duty to prevent wars and conflict under all circumstances: to the contrary, war aimed at establishing socialism always serves the cause of mir. Wars are the result of class divisions, it is true, but the proletariat has the right to resort to armed force, if necessary, and to defend or spread the achievements of the revolution. It was, after all, Lenin who emphasized: "There are just and unjust wars, progressive and reactionary wars, wars waged by advanced classes and wars waged by backward classes, wars waged for the purpose of perpetuating class oppression and wars for the purpose of eliminating oppression."[10]

Just wars play a progressive role. Indeed, in the Soviet conception, even nuclear war may be a just war. As Kulikov has expressed it:

"No weapon as such, including the nuclear weapon, determines the social character of the war. This is determined by the causes and aims of the war and the classes which are waging it. If the imperialists force on the Socialist Community a war with the use of all the latest means of warfare, the war on the part of the socialist states will be a just war regardless of the type of weapons employed."[11]

LENIN AND THE PACIFISTS

The Soviets solemnly aver that "socialism means peace."[12] Yet, the deceptive message inherent in such phrases is apparent from Lenin's criticism of the pacifist doctrine. Pacifism, he stated, is inconsistent with socialist doctrine, since the pacifists oppose all wars, including just ones. At the same time, however, Lenin was not averse to the exploitation of pacifists for political purpose. There is, he contended, a vast area of difference between those who belong to "the pacifist camp of the international bourgeoisie" and those who adhere to the blatant, aggressive and reactionary bourgeoisie.[13]

Before the 1922 Genoa Conference, Lenin gave the following advice to his Commissar for Foreign Affairs, Yuri Chicherin: "We communists have our communist program (the Third International); but we still consider it to be our duty as businessmen to support (even if the odds are 10,000 to 1) pacifists in the other, i.e., bourgeois camp. . . . This will both have bite and be 'polite' and will help to demoralize the enemy."[14] In another letter to Chicherin, Lenin referred to the utilization of pacifists, even though pacifism itself was incompatible with the program of a revolutionary party.[15] It was essential to "help bring about a situation in which all the pacifist elements of the bourgeoisie will be strengthended all over the world."[16]

Of course, Lenin was prepared for the prospect that on many occasions the pacifists might march against the communists instead of with them. Nevertheless, he argued, they can be useful pawns in the struggle for communist victory: "Such elements can be our fellow-travelers. It should, however, be remembered that they are merely fellow-travelers, and that on all main and fundamental issues these elements will march against us, not with us. . . ." And, he warned, communists should not "fall captive to the wavering pacifists."[17] Indeed, Lenin rediculed what he denoted as "the social parsons and opportunists who are always ready to build dreams of future peaceful socialism." The very attribute that distinguished them from revolutionary socialists is that they refused to think about the fierce class struggle and class wars that were needed to achieve that beautiful future.[18]

Lenin was in absolute agreement with what the famous Prussian philosopher, Carl Maria von Clausewitz, has pointed out in his study On War: "The aggressor is always

*Footnotes at end of article.

peaceloving (as Bonaparte always claimed to be); he would prefer to take over our country unopposed. To prevent his doing so one must be willing to make war and be prepared for it." Lenin affixed the following terse marginal comment to this passage: "Haha! Witty!" [19]

The Soviets today continue scrupulously to follow Lenin's advice. As two authoritative Soviet theoreticians put it, Lenin's prescriptions are "of enormous significance in defining the tactics of communist parties in the struggle for peace (mir) and socialism, in the cause of building a broad democratic front of democratic forces around the communists for the struggle against imperialist reactionary forces. . . . With all the inconsistency of the pacifists, their campaign against a nuclear war constitutes an important social factor which cannot be discounted." [20]

Through these cynical prisms the Soviets view the West European peace movement as an ally of sorts, although of late they have begun to criticize those elements within the movement that are allegedly pushing it into a so-called anti-Soviet channel.[21] Within the Soviet Bloc, meanwhile, pacifism is synonymous with "anti-Sovietism." [22] It is, as the London Times puts it, a "dirty word in Russia":

"Any film of Western pacifist movements is carefuly edited to show protests only against Western weapons. Nuclear disarmers who arrive in Moscow are unable to speak in public of Soviet weapons, or to display banners calling on the Kremlin to dismantle its missiles." [23]

Indeed, Soviet Bloc audiences are given a highly selective picture of the Western peace movement phenomenon. Retouchés of peace demonstrations in Western countries show only banners against armament in the West. The marches for peace are translated as marsh mira—in effect, marches as a plea for the Soviet system. Those few generals in the West who oppose some aspects of NATO's policies are characterized as "generals for peace" and given flattering treatment in the Soviet press.[24] Similar criticism of excessive military buildup by Soviet generals is, of course, out of the question. The only general who ever dared to criticize Soviet policies. Piotr Grigorenko, was committed to a mental hospital.

It is the cult of the army and the military complex that counts in the countries dominated by the Soviet Union. Whoever opposes that cult commits a crime against the state. Article 69 of the Soviet Constitution, which was cited earlier, should always be read in conjunction with Article 62, which reads as follows: "The citizen of the USSR is bound to safeguard the interests of the Soviet State and to promote the growth of its power and authority. The defense of the Socialist Fatherland is the sacred duty of every citizen of the USSR."

Thus the struggle for peace is linked directly to the growth of Soviet power. This alone should suffice to show that, in referring to "peace," the Soviets mean something quite different from what we do, irrespective of the dissimulative efforts of men like Georgi Arbatov or Vadim Zagladin and other propagandists of the International Department of the Communist Party of the Soviet Union.

"UNITY OF PEACE FORCES"

Given the Soviet ideological and tactical differentiations, there obviously can be no "unity of peace forces," as the Soviets repeatedly claim.[25] The Soviets themselves admit that "unity of peace forces" does not mean ideological unity. What they have in mind is a sort of "people's front"—a concept that was invented by Comintern Secretary General Georgi Dimitrov in the 1930s and that is based on another concept: "unity of action." The underlying rationale is what propagandists call the "bandwagon effect." The greater the political activism that is stirred in people, the more they can be won over for specific goals. The more they demonstrate and march for "peace," the more the masses succumb to an emotional sense of "oneness." As such, they can be turned into powerful battering rams against democratic governments, with the illusion of unity magnifying their impact. As the Soviets describe what they designate as a single "peace movement" in the West:

"The mighty movement of peace (mir) supporters in all countries embraces broad sections of the population. People of the most diverse political and religious convictions are pooling their efforts in the struggle for peace (mir) and social progress. This solidarity of social forces, needless to say, is not identical to proletarian internationalism. The world peace movement (dvizheniye mira) is a general democratic movement of broad strata of working people, intelligentsia, petty and middle bourgeoise and representatives of various political parties and trends. They are united by a desire to prevent another world war, stop the arms race and achieve disarmament." [26]

"Unity of action" thus serves as the euphemism for a tactical alliance that includes elements which in no sense can be reconciled with officially sanctioned Soviet ideology. The history of global tactics ever since the creation of the Soviet state is rife with examples of such "fronts" and alliances. The pattern is invariably the same: the alliance is maintained until the given objective is achieved, but thereafter things change quickly and drastically. Then those communists who guided the front more or less from the shadows assume open control. Slogans abruptly change. Noncommunists are forced either to cooperate or be stripped of all their remaining power in a phase of so-called "normalization" or "sanitization."

This is precisely what took place in most histories of communist takeovers, including those in Southeast Asia and Africa, and that which is unfolding in Nicaragua today. In all those cases, the communist-armed guerrillas claimed to be fighting for "liberation and peace," with the American "imperialists and their running dogs" depicted as warmongers and oppressors. After the communist victory in Vietnam, the fronts were immediately dissolved, and the men from Hanoi took full control The subsequent "normalization" victimized even veteran communists who preferred a more moderate approach. The case histories of communist takeovers in Southeast Asia may not be as directly applicable to the front tactics in Western Europe today—at least as far as realistic Soviet expectations of political conquests are concerned. Nevertheless, there is one lesson of the Vietnam experience that is directly relevant.

While stepping up their operations against South Vietnam, the communists launched a massive "peace offensive" in the West, depicting Hanoi and the Vietcong as "peace-loving" and the United States as the "imperialist aggressor" and "interventionist." In the final analysis, it was not their military power or popular support within South Vietnam that eventually led to the fall of that country. Rather, it was the success of the peace offensive which, in the end, forced the Nixon Administration to sign an agreement that sealed the fate of South Vietnam.

In short, communists see the "unity of peace forces" as "one of the ways to achieve our end." [27] What that ultimate "end" is should be no secret after seventy years of demonstrated communist strategy and tactics.

PEACE THROUGH STRENGTH

The Soviets thus wield two different concepts of peace: one for external consumption and the other for sustaining the internal levers of ideological control, military preparedness and the primacy of the military in the Soviet way of life. This dualism also applies to the issue of war. A war started by the imperialists is an "unjust war." A war, however, for the purpose of "defending" the Socialist Fatherland—or a war for mir and for national and social liberation—is a just war calling for universal support with all available means.

Article 28, paragraph 2, of the Soviet Constitution states blithely: "In the USSR, war propaganda is forbidden." In reality Soviet society is permeated by what can only be characterized as war propaganda dressed in a "peace through strength" theme. It abounds in books and texts for primary and secondary school children and popular periodicals like Ogonyok. Thus, for example, missiles are beautiful as long as they are Soviet missiles:

"There are missile installations in the forest. There are various sizes of missiles: small, medium and large ones. These missiles carried out cosmonauts into space. Should the necessity arise, the same missiles, because they are highly accurate, long-distance weapons, would be able to hit our enemies." [28]

Such passages can be found in a textbook published under the authority of the Ministry of Education of the RSFSR (the most important republic of the USSR). The same textbook encourages love for (nuclear) weapons and glorifies the strength of the Soviet Army:

"A soldier was walking on the streets. A soldier, one of many. He was a soldier, like all his comrade-soldiers. . . . But he was not just any soldier because he served in the heroic Soviet Army. . . . Soldiers are strong. Strong, very strong indeed. But the strongest of all, is our people, our Soviet land."

"No power on earth is stronger than ours!" says the soldier speaking of our Army. "No power on earth is stronger!" say the people, speaking of the soldier.[29]

At the same time that Leonid Brezhnev launched his "peace program" for consumption abroad, another program was designated for internal implementation. It was officially announced as the "military-patriotic indoctrination of youth." [30] It compels young people to be engaged in military "games" such as "'Lightning" and "Eagle" and to take part in marksmanship exercises.

Children in the Soviet Union start their military education at the tender age of six. One textbook intended for the very young instructs Soviet children to speak Russian properly. It does so through questions and answers. One such question is: "What do young people in the Soviet Union want to do when they have grown up?" The answer it to be chosen from five illustrations: a tank commander, a jet fighter pilot, an armed marine, a frontier guard and a man sitting behind the panel ready to press the buttons for the missiles to be fired.[31] Such

books, of course, are only in Russian and are not distributed in the West.

The "peace through strength" theme has become the drum-beat in the indoctrination of millions of Soviet soldiers as well as the populace-at-large. The campaign focuses on the glorification of the Soviet Armed Forces as the means to establish "peace" the world over.

On the level of military exposition, the "peace through strength" concept invariably is linked with the time-honored Soviet formula of the "correlation of forces." "The Armed Forces have always been one of the effective means of State policy,"[32] asserts the Admiral of the Soviet Fleet, Sergei Gorshkov:

"The invincible military strength of the Soviet Union must be seen as the military potential of the entire Socialist Community. It guarantees the security of the fraternal countries and parties and radically changes and affects the correlation of forces in favor of the Soviet Union."[33]

In this fashion, the Soviet concept of "peace" is fully integrated in Soviet military strategy and foreign policy. But again we must remember that "peace" as mir does not connote the passive condition of absence of conflict, but rather the dynamic precondition for the furtherance of Soviet objectives. Brezhnev himself expressed it clearly in the following statement: "We need mir for the construction of communism. But not only do we need it: all socialist countries need it. Indeed, the peoples of all countries need it."[34]

A CLIMACTIC SOVIET OFFENSIVE

There is nothing startingly new in the tactics and semantics used by the Soviets in the current peace offensive that is beamed to the West. As has been noted above, the "unity of action" doctrine dates back to the 1930s. The Soviets have launched peace campaigns at various junctures since the establishment of the Soviet Union, including the "Stockholm Appeal" at the height of the Cold War in the early 1950s.

What distinguish the current offensive from its predecessors are its massiveness and the echo that it has evoked in the West. It seems fair to suggest that Lenin's predictions of the mobilizable potential of "bourgeois" pacifism have been validated to an extent of which even the founder of the Soviet state could not dream. But then Lenin could not foresee that the power base that he created would someday be endowed with the most awesome weapons in the history of man, and that this intimidating power could be fully harnessed to an effectively blended psychological offensive of threatsmanship and the internal undermining of the opponent—of brandishing the weapons in one hand (while blaming it all on the alleged intentions of the "imperialist enemy") and beckoning toward "peace" with the other hand.

Lenin's heirs in Moscow still heed faithfully his tactical prescriptions, particularly with respect to promoting and exploiting pacifist currents in the enemy camp while preventing them from tainting the ideological base at home. They have done so by utilizing to the fullest the semantic ambiguities of mir and, more importantly, by imposing a wall of insulation between the peace campaign abroad and the militarist mobilization in the Soviet Union.

The Soviets have not completely escaped the penalties of this contradictory approach, as is evidenced by signs of certain spillover ripples of the West European peace movement into the German Democratic Republic and elsewhere in Eastern Europe. And herein lies the hope for the Western democracies in the present, crucial phase of the psychological-political conflict. If the NATO governments can hold fast to the planned and necessary defense measures, weathering the full brunt of the propaganda onslaught from the East and its repercussions in their domestic constituencies, then over time the Soviet contradictions will come more fully into play and more starkly recognizable on both sides of the line of partition in Europe. And then, perhaps, Lenin will be proven correct in his warning that pacifist forces can "march against us, not with us."

FOOTNOTES

[1] S. I. Ozhigov, Slovar Ruskogo Yazyka (Dictionary of the Russian Language) (Moscow: Izd. Ruskiy Yazyk, 1981), p. 312; and H. Bax, "De Russische vrede" (The Soviet Peace), in Ons Leger (Our Army), June 1982, p. 40 ff.

[2] Bol'shaya Sovyetskaya Entsycloediya (Great Soviet Encyclopedia) (Moscow Izd. Sovyetskaya Entsyklopediya, 1974-1981), Vol. 16, p. 307.

[3] Kleines politisches Worterbuch, (East Berlin: Dietz Verlag, 1973), p. 239; and G. V. Shredin, "Marxist-Leninist Doctrine on War and the Army," Soviet Military Review, January 1978, p. 19.

[4] Bol'shaya Sovyetskaya Entsyclopediya, Vol. 16, p. 308.

[5] Georg Klaus and Manfred Buhr, Marxistisch-leninstisches Worterbuch der Philosophie, (Reinbeck: Rowohlt Taschenbuch Verlag, 1972), Vol. 1, p. 429.

[6] Georgi Dimitrov, Selected Speeches and Articles (London: Lawrence and Wishart, 1951), pp. 166, 175.

[7] New Times, 1979, No. 45, p. 5

[8] Sh. Sanakoyev, "Public Forces and Disarmament," International Affairs (Moscow), October 1982, p. 20.

[9] Bol'shaya Sovyetskaya Entsyclopediya, Vol. 10, p. 330.

[10] As cited by N. Kulikov, "On Just and Unjust Wars." Soviet Military Review, March 1977, p. 8.

[11] Ibid., p. 10.

[12] Socialism, Theory and Practice, 1982, No. 3, p. 11.

[13] Bol'shaya Sovyetskaya Entsyclopediya, Vol. 16, p. 933.

[14] V. I. Lenin, Polnoye sobraniye sochineniy (Collected Works) (Moscow: Izdatel'stvo Politicheskoy Literatury, 1964), Vol. 45, p. 34. Lenin will be quoted hereafter from the English version of his Collected Works. Lenin's letter was dated March 14, 1922.

[15] Ibid., Vol. 45, pp. 474-475 (letter dated February 16, 1922).

[16] Ibid., pp. 485-486 (letter dated February 25, 1922).

[17] Ibid, Vol. 21, p. 327.

[18] Ibid, Vol. 23, p. 79.

[19] V. I. Lenin, Clausewitzes Werk "Vom Kriege": Auszuge und Randglossen (East Berlin: Verlag des Ministeriums fur Nationale Verteidigung, 1957), p. 23 (original text in German).

[20] A. S. Milovidov and V. G. Kozlov, eds., The Philosophical Heritage of V. I. Lenin Problems of Contemporary War, a translation of Filosofkoye nasledive V. I. Lenina i problemy sovremnennoy voyny (Moscow: Voyenizdat, 1972), p. 37 (Washington, D.C.: U.S. Government Printing Office, 1975).

[21] See for example Vladimir Orel, Anti-War Movement: Its Friends and Opponents, in XX Century and Peace (Official organ of the Soviet Peace Committee), 1983, No. 4, p. 11 ff. Similar criticisms have been voiced by the Chairman of the same Committee, Yuriy Zhukov. See for example END Papers (Nottingham, U.K.), Winter 1983, p. 34 ff.

[22] W. van den Bercken, De Sovjethouding in het ontwapeningsvraagstuk (The Soviet View of the Disarmament Question), in Internationale Spectator (The Hague), April 1981, p. 199 (with many references from Soviet sources).

[23] The Times (London), April 23, 1982, p. 10.

[24] See for example Komsomolskaya Pravda, November 3, 1979 and July 18, 1981; Pravda, August 7, 1981, On "Generals for Peace" and their links to the Soviet-controlled World Peace Council, see Vermaat's article in the Dutch Armed Forces Journal, Ons Leger (Our Army), June 1983, p. 69 ff.

[25] See, for example, Miklos Racz: "Today the unity of peace forces of primary importance as never before. The Soviet peace champions have always expressed their desire for cooperation." XX Century and Peace, 1983, No. 5, p. 24.

[26] Sh. Sanakoyev, "Proletarian Internationalism—A Decisive Factor of Peace and Social Progress," International Affairs (Moscow), 1980, No. 6, p. 85.

[27] Pravda, October 21, 1979.

[28] M.S. Vasilyeva, Rodnaya Rech (The Mother Tongue) (Moscow: Prosveschenie, 7th Ed., 1979), Vol. 2, p. 155. This is a very important series of textbooks widely used in primary schools throughout the USSR.

[29] Ibid.

[30] For more details on this, see in particular a Dutch study written by Martin van Den Heuvel of the East European Institute of the University of Amsterdam. De militari-patriottische opvoeding van de Sovjet jeugd (The Military-Patriotic Education of Soviet Youth) (The Hague: Staatsuitgeverij, 1979), pp. 35, 40 ff., 69 f.

[31] I.V. Barannikov et al., Rusky Yazyk v kartinkakh (Russian Language in Drawings) (Moscow: Prosveschenie, 8th Ed., 1980), Vol. 2, pp. 92-93. This is the standard work for 7-year-old children used throughout the Soviet Union for promoting the use of the Russian language.

[32] Sergei Gorshkov, Red Star Rising at Sea (Annapolis, MD: U.S. Naval Institute, 1974), p. 113.

[33] Sergei Gorshkov, Seemacht Sowjetunion, (Hamburg: Hoffmann und Campe, 1978), p. 78.

[34] L.I. Brezhnev, Pravda, April 21, 1980, p. 6.●

LLOYD McBRIDE

● Mr. SPECTER. Mr. President, Lloyd McBride, president of the United Steelworkers of America since 1977, died last weekend. He was 67. Mr. McBride presided over 1 million members in the face of the toughest times for this union and the steel industry since the Great Depression. I rise today to pay tribute to Lloyd McBride, and a legacy of integrity and compassion he has left for the trade union movement.

Mr. McBride made many trips to Washington to share with Congress, as well as the executive branch, the concerns of the steel industry. He testified before Senate and House committees to advance the cause of safety in the workplace and to bring home the consequences of unfair trade practices.

I enjoyed meeting Lloyd McBride in Pittsburgh last year. I was very impressed by this self-made man, who rose from a 25-cent-an-hour worker in a mattress factory at age 14 to the prestigious position which he held until his death. Mr. McBride was uncompromising in his devotion to the steelworkers, unable to turn down union leaders urging him to take the job 7 years ago and subsequently serving in spite of his chronic heart trouble.

The many plant closings, contract concessions, massive layoffs and steel imports no doubt contributed to his ill-health, if not weakening his spiritual well-being. During his tenure, Steelworker union membership was cut in half; at one point he was forced to make the painful decision to lay off 300 union employees as a result of dwindling dues payments.

Lloyd McBride dedicated a half-century of his life to his union. Equally important to him were the 47 years of marriage to his wife, Delores, his two

children and grandchildren. Patriotic, deeply religious, witty and honorable, Mac will be terribly missed by his family, many friends and the steel industry. I am confident, nonetheless, that his example will live in our minds for years to come.

I ask that several articles and editorials from the Pittsburgh Press, Pittsburgh Post-Gazette and New York Times be printed in the record.

The articles follow:

[Pittsburgh Post Gazette, Nov. 7, 1983]

USW's Lloyd McBride Dies

(By John P. Moody)

United Steelworkers President Lloyd McBride, who saw labor's influence fade both at the bargaining table and in the political arena during his six-year tenure, died in his sleep yesterday at home. He was 67.

The 47-year veteran of the labor movement had been troubled with coronary ailments since 1980. On Oct. 18, he underwent multiple coronary bypass surgery at West Penn Hospital.

McBride's death could leave the economically troubled union, where membership has declined nearly 50 percent in the past two years, with internal political problems in picking his successor.

Close associates urged McBride to retire in 1980 when, near the end of contract negotiations with the steel industry, he underwent surgery for an abdominal aneurysm. He suffered a heart attack during surgery.

Last January, as a new round of steel bargaining was about to begin, McBride again was hospitalized with an irregular heart beat and had a pacemaker installed.

That brought stronger suggestions from members of the 29-man executive board for McBride to retire, but he said he would not quit while the union was in a crisis.

When he was discharged from the hospital last Tuesday, following the bypass surgery, he told colleagues he expected to return to work after an appropriate convalescent period.

Close associates said he had work sent to his suburban Whitehall home from the office last week. Last Thursday, he went out to lunch with a USW aide.

Yesterday morning when McBride's wife, Delores, attempted to wake him at 7 o'clock, she found he had died in his sleep.

As USW president, McBride had to deal with enormous change in the labor movement. He was confronted with a declining steel industry under pressure from foreign producers and the worst economic recession since the Great Depression of the 1930s.

As a result, McBride was forced into making economic concessions to an industry that the union had battled for years at the bargaining table and on the picket lines.

Early this year, as McBride sought to limit the wage cuts that big steel companies were demanding, he told a reporter that "my greatest burden is the success of my predecessors."

But McBride believed he could help the depressed industry by lowering labor costs, and he fought stiff internal opposition to persuade the membership to follow him.

McBride never personally concluded a labor agreement with the steel industry. He was hospitalized on both occasions that contracts expired during his presidency and Joseph Odorcich, USW vice president of administration, took his place at the bargaining table.

Either Odercich or Secretary Lynn Williams are the likely candidates to be named the temporary successor until a special election is held. The choice is up to the executive board.

Even though he was not present at their conclusion, it was McBride's policy that paved the way for both steel agreements along with those in other industries.

While McBride was encountering uprecedented problems at the bargaining table and within the union, he was having an equally difficult time with the Republican administration of President Reagan.

McBride once referred to Reagan as the only president in his entire labor career who was not willing to listen to the union position on the nation's economic problems.

Reagan's decision not to convene the Steel Tripartite Committee was particulary galling to McBride. The union leader had worked for months with steel executives and the Carter administration in forming the group to help the industry solve its many problems. McBride wanted a national steel policy.

For months, McBride also had played one of the leading roles in organized labor's mounting opposition to a Reagan candidacy in 1984.

Death came as McBride was in a public fight with U.S. Steel Corp., the nation's top producer, over company plans to import steel slabs from British Steel Corp. and finish them at the company's Fairless Works near Philadelphia.

U.S. Steel's import plan became known shortly after the union had agreed to big wage and benefit cuts, and McBride said he had been double-crossed in his efforts to save jobs. He criticized the import plan as the start of a trend that might kill the basic steel industry.

McBride rallied support, not only within the union, but from some members of Congress and even from chief executive officers of other steel companies in his fight to block U.S. Steel.

The issue is still unresolved. Executives of U.S. Steel and British Steel met here recently in an effort to work out a deal and more talks are scheduled this month.

David Roderick, chairman of U.S. Steel and McBride's adversary on many occasions, said upon learning of McBride's death that he "was one of the most outstanding labor leaders in American history, and the country will miss his responsible leadership."

Both union and industry associates knew McBride as a tenacious leader who charted union policy and allowed few to change it. He dominated his meetings with the policy-making executive board.

Ben Fischer, director of the Center for Labor Studies at Carnegie-Mellon University, and until he retired a member of the top USW negotiating team, described McBride as:

"Honest to a fault, courageous, very realistic, more instinctively partial to democratic methods than anyone I ever knew."

One of the toughest decisions McBride had to make since becoming president of the big union in 1977 was to lay off some 300 USW employees earlier this year. The cuts were made because the USW was operating in the red due to a steep drop in membership from a high of 1.4 million to under 700,000.

Despite strong objections from the executive board and a personal concern for the affected employees, McBride went ahead with the cutback. It set off political waves throughout the USW.

Problems began mounting for McBride almost as soon as he succeeded I. W. Abel as president following a grueling election campaign against Edward Sadlowski, a union insurgent who McBride charged would lead the union to the left.

The McBride camp proved that the bulk of financial support for the Sadlowski campaign came from outside the union. Once in office, McBride overcame opposition and pushed through an amendment to the USW constitution prohibiting future candidates for international offices from accepting any form of monetary help from outsiders.

McBride also expressed concern about the effect Sadlowski would have on the American labor movement as a member of the AFL-CIO Executive Council. Later, McBride described himself as "one of the far right members" on the council.

Yesterday, AFL-CIO President Lane Kirkland said McBride will be remembered "for his strong stand in defense of his members' positions at a time of special challenge to the steel industry."

McBride was the fourth president of the 47-year-old union and one of the few remaining officials to be appointed by the founding president, Philip Murray, the only other USW president to die in office.

The first union job that McBride held was president of a local at the same St. Louis factory where he went to work at age 16 "because my father was out of work."

The job got McBride fired because he called a strike. But it was a time when Murray and the legendary John L. Lewis were organizing industrial workers across the land and he soon had a job doing that.

After World War II, during which he served in the U.S. Army, McBride rejoined the union in its St. Louis district as an organizer and staff worker.

In 1965, McBride was elected director of the St. Louis district and a member of the policy making International Executive Board, posts he held until becoming president.

The 1965 election was an historic event in the USW. It was then that Abel, in a palace revolt, challenged president David J. McDonald.

As a candidate campaigning for director, McBride also gave solid support to Abel. And it was Abel who handpicked McBride to be his successor when he retired in 1977.

McBride is survived by his wife; a son, Larry of St. Louis, who is a brother in the Society of Mary; a daughter, Sharon Reynolds of St. Louis; and three grandchildren, Dennis, Larry and Jason.

USW Officers Pay Tribute to McBride

The international officers of the USW said last night:

"Lloyd McBride personified all that was good and decent in trade unionism. He was the administrator of one of the largest industrial unions in North America who never forgot the working people upon which that union was based. . . .

"[He] never faltered in his determination that the Steelworkers remain a strong, viable union even in the adversity that came with the steel depression of the 1980s and the disastrous policies of the Reagan administration, which only accelerated plant shutdowns and massive unemployment. His legacy was one of uncompromising trade unionism, of sacrifice to ensure that past gains shall not be lost for future generations of working people and [of] a deep and abiding

respect for the principles of the Steelworkers.

"He spent almost one half century with the union as an important part of his life. He died in its service, meeting the challenges of a time of adversity."

[From the New York Times, Nov. 7, 1983]

LLOYD MCBRIDE, OF STEELWORKERS, DIES AT 67 AFTER SURGERY ON HEART

(By Glenn Fowler)

Lloyd McBride, president of the United Steelworkers of America since 1977 and the union's leader in the most troubled times in the American steel industry since the Depression, died yesterday at his apartment in Whitehall, Pa., a Pittsburgh suburb. He was 67 years old.

Mr. McBride who was elected by the union in 1977 in one of the most bitter, highly publicized political campaigns in recent labor history, had a history of heart disease. On Oct. 18 he underwent multiple heart bypass surgery in Pittsburgh. He was discharged from the hospital Nov. 1. A union spokesman said Mr. McBride died in his sleep, and that his body was found about 7 A.M. by his wife.

The cause of death was not immediately determined. But Mr. McBride, who went to work in the steel industry at the age of 14 and was a member of the Steel Workers Organizing Committee in 1936, had been hospitalized three times since 1980 for heart difficulties and had a pacemaker installed in February. He did not participate in talks that led to an agreement March 1 yielding to the industry temporary concessions of $1.25 an hour in wages.

In the often turbulent world of labor-management negotiations in the depressed steel industry, Lloyd McBride tried to steer a moderate course in the face of wide unemployment and discontent among the members of the once-powerful Steelworkers.

HE SUCCEEDED I. W. ABEL

Mr. McBride, who began as a local organizer for the union and rose through the ranks, succeeded the longtime leader I. W. Abel, who retired. He then faced the continuing problem of how to reduce labor costs to help employers stay afloat in the face of crushing competition for foreign producers while not seriously eroding the wages of his members and benefits for the retired.

This year, for the first time in the four decades of collective bargaining in the steel industry, the union agreed to cut wages and other benefits for 260,000 workers at the major producers. The industry's average wage of $14.33 an hour was reduced $1.25 an hour and other concessions were made in a 41-month contract that runs until July 1986. The settlement, which provides for gradual restoration of the lost wages in the contract's life, was achieved after local unions had twice rejected wages and benefit cuts negotiated by Mr. McBride and his fellow leaders.

Mr. McBride was born in Farmington, Mo., on March 16, 1916, the son of a painter at a St. Louis steel fabricating plant. When the father lost his 75-cent-an-hour job early in the Depression, the son, 14 years old and just out of junior high school, went to work at the same plant at 25 cents an hour.

"That was the sort of indignity that working men had to endure in those days," he once said.

HE JOINED THE ORGANIZING GROUP

In 1936, he was among the first workers at the plant to join the Steel Workers Organizing Committee, which became the United Steelworkers of America. The fledgling Local 1295 called a strike in 1937 in an effort to improve its contract and Mr. McBride helped organize a sitdown in the plant, which was broken up by the police after seven days. The strike continued for seven more weeks until an agreement was reached. Less than a year later, at the age of 22, Mr. McBride was elected president of the local by acclamation.

He continued organizing workers for the growing steel union and in 1940 was made president of the St. Louis Industrial Union Council, embracing all the unions in the city area affiliated with the Congress of Industrial Organizations. Two years later he became president of the C.I.O's Council for Missouri.

After two years of naval service in World War II, Mr. McBride returned to the union and began moving steadily up. In 1958 he became a subdistrict director in Granite City, Ill., and in 1965 he was elected director of District 34, covering Missouri, Kansas, Nebraska, Iowa and part of Illinois.

In the next decade he was an increasingly influential member of the union's establishment under Mr. Abel, who had wrested control from David J. McDonald. Over the generally good years for the steel industry, labor peace prevailed between the union and the major producers and contractual gains were steady.

But in 1977, in a bitter contest, Mr. McBride was opposed for the vacant presidency by Ed Sadlowski, a young insurgent who contended that his opponent was the hand-picked candidate of a moribund labor establishment, including Mr. Abel; George Meany, then head of the A.F.L.-C.I.O., and the leaders of most of the large national labor organizations.

When the votes was counted, Mr. McBride won by 328,000 votes to 249,000. Although the margin was not devastating, Mr. Sadlowski withdrew as the insurgent leader and the movement lost most of its steam.

In his years as president, from the union's headquarters in Pittsburgh, Mr. McBride marshaled the union's forces in increasingly difficult negotiations with steel managements although he did not participate in the conclusion of the negotiations in 1980 or 1983.

Mr. McBride was firm in supporting a no-strike agreement initiated under his predecessor's leadership, facing down strong sentiment among some locals for a walkout and recognizing the union's loss of strength from a high point of more than 1.4 million members a few years ago to the present 750,000.

Mr. McBride is survived by his wife, the former Delores Neihaus, whom he married in 1937; a son, Larry, a teaching brother in the Society of Mary, a daughter, Sharon McBride Reynolds, and three grandchildren.

Burial is expected to be in St. Louis, Mr. McBride's home, on Thursday.

[From the Pittsburgh Press, Nov. 7, 1983]

LABOR LEADERS MOURN DEATH OF USW CHIEF

(By Nicholas Knezevich)

Lloyd McBride, 67 who began working for 25 cents an hour in a bedspring factory at the age of 14 and became president of the 1.2-million member United Steelworkers of America, died yesterday morning in his home of a chronic heart ailment.

McBride died in his sleep.

In a joint statement, the USW's international officers said their leader "personified all that was good and decent in trade unionism. He died in its service, meeting the challenges of a time of adversity."

Lane Kirkland, president of the 14 million-member AFL-CIO, on whose board McBride sat, said he was a major force in union activities:

"Lloyd McBride was an outstanding trade unionist . . . (who) will especially be remembered for his strong stand in defense of his member's positions at at time of special challenge to the steel industry."

Ben Fischer, a former assistant to all four USW presidents, said McBride guided the USW "through the most difficult period in the history of the union, the only period when there was any serious retrenchment."

"Noboby could have had a tougher time to preside over the steelworkers union. Anyone could have been popular during good times, Lloyd was popular in bad times," added Eldon Kirsch, director of USW District 33 in Duluth, Minn.

The son of a painter, McBride was born and reared in the St. Louis area. He was one of three childern.

He became the family breadwinner fresh out of the eighth grade after his father was fired by the Foster Brothers Manufacturing Co. Young McBride went to work for the same company.

It was during the Depression year of 1930, he often recalled, when "fathers were out of work everwhere . . . they could hire kids for less."

When his salary was cut to 12½ cents an hour, McBride began an association with the labor movement that would last for nearly five decades and lead to heading the largest industrial union in North America.

He joined the embyronic Steelworkers in organizing the Foster plant in 1936. The union conducted an eight-week sitdown strike until police moved them out.

The plant was not to have another strike for 40 years, but the local union president was fired and McBride, at 22, won the job by acclamation.

Six years later, his "struggle for dignity for workingmen" was interrupted by World War II, when he spent two years on a Navy PT boat.

Then came the rise which was to lead from local president to staff jobs in USW District 34 and eventually to the USW president's office on the 12th floor of international headquarters in Pittsburgh's Gateway 5.

After his discharge from the Navy in 1946, he returned to the Steelworkers as a staff representative in illinois. He became subdistrict director in Granite City in 1958.

In 1963, he was elected head of the 35,000-member USW District 34 office, which covered five midwestern states south of Chicago.

Buddy W. Davis, who succeeded McBride as district director, called the labor leader "a man of absolute high principles. He was the most dedicated, hardworking trade unionist I've ever seen in the labor movement. He was a hard bargainer, but enjoyed the respect of employers, and from his peers."

By 1977, McBride was intent on retiring . . . "anxious to see what it was like to be jobless after 47 years." But international president I. W. Abel was taking his pension, launching a bitter headquarters scramble for the top USW post.

Midwesterner McBride became a coalition candidate and won, hoping to avert bloodletting because "I owed the union something."

The slate he headed was re-elected in 1981 without opposition.

"As a kid," he told a reporter, "I had no other goals than chasing girls and having fun." He geared to step up in labor ranks by enrolling in every available union training course and extension program.

"Things rubbed off on me," the shy Irishman would later comment. "I was a great reader. The exposure to people in all walks of life made the challenge to communicate awfully important so I could present labor's point of view."

When the University of Missouri conferred an honorary doctorate on him in the spring of 1981, McBride said: "It was the third time my name was submitted. I got lucky. I'm proud (in behalf of) the labor movement and humbled."

During his long years with the union, McBride held chairmanships of the Foundry and Forgings Industry Conference and the Lead Workers Conference, was a delegate to the International Metalworkers' Federation meetings in Geneva, Switzerland, and made a fact-finding tour of the steel industry in Japan.

A member of the AFL-CIO Executive Council and the Executive Council of the labor federation's Industrial Union Department, he also served on numerous government and civic boards and committees.

He was tempted to leave the USW only once for an offer in industry at twice his union salary:

"Our two children were growing up. The bigger money would have assured their college funds." But his wife, Dolores, advised: "To be happy, stay at what you want to do."

In 1980, he underwent surgery for an abdominal aneurysm and, earlier this year, he was hospitalized with chest pains: A pacemaker was installed.

He was hospitalized again this September when tests showed serious blockages in his arteries. Six coronary bypasses were completed at West Penn Hospital on Oct. 18.

McBride married the former Dolores Neihaus in 1937. They lived in Whitehall.

Besides his wife, he is survived by two children, Larry, a teaching brother in the Society of Mary, and Sharon Reynolds, both of St. Louis; a sister, Lillian Haze of St. Louis; and three grandchildren, all of St. Louis.

Visitation has been tentatively scheduled for 1:30 to 9 p.m. tomorrow and from 9 a.m. to 9 p.m. Wednesday at Buchholz Mortuary, 1645 Redman Road, Spanish Lake, which is a suburb of St. Louis.

Funeral services are tentatively set for 10 a.m. Thursday at Our Lady of Loretta Church, 11725 Bellefontaine Road, St. Louis.

Burial will be in Calvary Cemetery, St. Louis.

Memorials may be made to Vincent Gray Alternative High School, 705 Summit Ave., East St. Louis, Ill., 62201.

MC'BRIDE DIDN'T WANT JOB, 'OWED IT TO UNION'

Lloyd McBride became the fourth president of the 1.2 million United Steelworkers in 1977, just as he was about to retire after more than four decades in the labor movement.

He didn't want the job, McBride once said in an interview. "The job killed him," say those closest to the Missouri native, who headed the union in its most turbulent era since the founding days of the legendary Philip Murray.

McBride's rise in the USW was a storybook saga—from a 25-cent an hour worker in a mattress factory at age 14 to one of the top jobs in the labor movement.

When I.W. Abel, the union's third president, ended his tenure, it touched off a mad scramble for succession. Abel wanted McBride, but many others wanted a shot in the election.

The power struggle was mainly on the USW executive board. One of the frontrunner hopefuls was Joseph Odorcich, then director of the Mon Valley's District 15. Odorcich decided to step aside, accepting a vice-president nomination "to keep from fracturing the union."

Since then Odorcich as vice president has filled the breach during McBride's three serious illnesses that began three years ago.

But that is no assurance that Odorcich—considered the titular head during the president's absences—will fill the two-year vacancy. McBride reportedly was grooming secretary Lynn Williams, 59, to be his eventual successor.

A union source said that the 29-man executive board is expected to set in motion the selection process, "as soon as it's appropriate . . . probably shortly after the funeral."

There is some question on how a successor will be chosen. That will depend on interpretations of the union's constitution.

If less than two years remain to an officer's term, the rules say, the board can name a successor.

Otherwise, a full-blown and expensive election by the rank-and-file is required.

McBride's death came 20 days short of the Nov. 26 date that would leave two years remaining to his tenure—until Nov. 26, 1985. However, one source points out that he took office on Sept. 1, 1981, and already had two years of the four-year term in office. The conflict in dates is because the union moved up both the election and inaugural dates for 1985.

McBride is the second USW head to die in office. Phil Murray, considered the union's patron saint, died at the helm in 1952.

McBride, self-conscious about his lack of higher formal education, considered himself a traditionalist and not a path-finder. Most of his studies and self-education came while he was an adult.

He was candid about trying to emulate Murray in his approach to trade unionism. "It was Murray who brought me into the labor movement as an organizer (in 1936)," he often said.

The only photo McBride kept in his Gateway office was of Murray, accepting the symbolic transfer as head of the USW from his mentor—United Mine Workers president, the late John L. Lewis.

Murray's maxim for labor would presage McBride's six years in office: ". . . the test of a union will not be in times of prosperity . . . but in times of adversity."

Those who got into disputes with McBride knew him as a "tough administrator . . . who seldom forgave a slight." And while he fretted about the union's image and professed an open-door policy, McBride often would be unavailable to the news media, shunning especially interviews by people he felt had been "unfair."

In recent years, dissidents within the union who mainly felt "he was a likeable guy," criticized him most for "not being in touch with the rank-and-file."

McBride later said of his first nomination in 1977 that he was a hesitant candidate. "I didn't want the job. But all I've ever known is the union. It was good to me. I couldn't let it down at a critical time."

How critical neither mortal McBride nor the diety on Olympus could have predicted. Unemployment, steel imports, plant closings, contract concessions, all befell the union in rapid fire.

His first election was a bitter fight despite the apparent "solid-front" on the executive board. Dissident Ed Sadlowski of Chicago ran a hard-hitting, rank-and-file campaign for the presidency, and lost.

But Sadlowski dragged the results, charging voting irregularities, through appeals to the National Labor Relations Board and the federal courts. The case eventually was settled in McBride's favor.

The steel industry was in good shape in 1977, and the union was able to negotiate a "healthy package" for its members.

However, when the 1980 pact was being negotiated, McBride was felled by a stomach aneurysm. He said after recovering: "I was a half-hour away from death."

The ailing McBride had to let Odorcich wrap up those negotiations. That contract also contained improvements for workers. McBride later felt he could handle a second term and won re-election in 1981.

But, as it turned out, the industry soon after was in the throes of the worst recession since the 1930s and industry was knocking on the union's door for labor-cost relief.

Last March, after months of badgering McBride for concessions, steel was able to get the union back to the bargaining table to reopen the 1980 pact.

Again, his health gave McBride a setback. He underwent surgery and received a heart peacemaker. Odorcich sat in for the ailing president. The USW for the first time in its 40-year history made give-backs, a whopping $3 billion.

Rumors of McBride's retirement took on increased intensity. He discounted them, as he has the 1980 reports. "My family wants me to quit, but I can't. The union's in bad shape," he replied to queries.

It was catastrophic—the recession had put 500,000 members out of work.

Odorcich is one of these who feel the job killed Mc'Bride.

The last siege of McBride's illnesses hit on Sept. 26. His death came at a time when he was embroiled in efforts to block "unfair" steel imports and to support a campaign for the government to fashion a national industrial policy, especially a tri-partite (labor-industry-government) policy for the steel industry's future.

"He ran all over the place," said Odorcich. "Trying to plug leaks, trying to keep the union from being swamped by a labor-hostile Reagan administration, unemployment, plant closings, unfair imports. He was embittered that he couldn't do more, that his health kept him from doing more."●

FAVARH'S 25TH ANNIVERSARY

● Mr. WEICKER. Mr. President, I rise today to call our colleagues attention to a proud history of service to retarded people. It is the history of the Farmington Valley Association for Retarded and Handicapped, Inc., which on December 2, 1983 will celebrate 25 years of growth in assisting the developmentally disabled to achieve their full potential in our society.

One day in 1958 a parent who had a retarded youngster advertised in a local paper in Connecticut's Farmington Valley asking other parents to meet with her. Seven families respond-

ed. They met for support, strengthening each other to feel less lonely, less like outsiders. As discussions led to action, they discovered that together they possessed an important commodity that they lacked individually—power. From the nucleus which gradually linked with similar groups grew a movement, leading to State and then to the National Association for Retarded Citizens. They were swept along on the tide of common purpose—fostering education, habilitation, and rehabilitation services for their family members, resulting in service agencies nationwide such as Favarh.

Today, Favarh offers an extensive range of services for developmentally disabled and physically handicapped persons and their families.

The agency's adult vocational program includes a clerical bindery, an industrial workshop and a food service program in its own 125 seat restaurant.

A vocational rehabilitation department conducts indepth evaluation and career exploration and places clients each year in positions in private business and industry.

An extended counseling program pairs counselors with clients on a one-to-one basis, with the ongoing goal of helping clients to learn more about themselves.

Family counseling is also a vital part of the overall program. Project cope, concerned outreach to parents of exceptional children, assists parents of newborn or newly diagnosed developmentally disabled and physically handicapped children. Family counseling is available for those parents needing to examine their feelings and solve problems that arise as their children grow to adulthood.

Favarh currently provides residential opportunity for six mentally retarded adults in its group home. It can also help locate independent or supervised apartments for appropriately qualified participants.

Mr. President, we in Congress have insisted that necessary Federal law protecting the rights of and services to disabled people are maintained and improved. But we cannot forget that it is the team of parents and professionals working together in public and private, not-for-profit organizations who get the job done for the disabled. Favarh is an outstanding example for such an organization and deserves our recognition, on this, their silver anniversary year of service.

PUMPING UP THOSE AIR BAGS ONCE AGAIN

● Mr. DANFORTH. Mr. President, during the period Congress is in adjournment, the National Highway Traffic Safety Administration will hold field hearings on passive restraint technology in three different cities.

I am very pleased that one of these hearings will be held in Kansas City on the first 2 days of December. I am supportive of a passive restraint requirement. Approximately 50,000 people lose their lives on the highway each year. I believe that definite action must be taken to remedy this situation.

Following the Supreme Court's decision to overturn the administration's decision of the passive restraint mandate, the Kansas City Star ran an editorial advocating the use of airbags. I believe that this editorial is indicative of our Nation's concern about highway fatalities and injuries. I would hope that my colleagues will join with me in order to address this issue when the Senate reconvenes.

Mr. President, I ask that the text of the Star's editorial be printed in the RECORD.

The editorial follows:

[From the Kansas City Star, June 28, 1983]

PUMPING UP THOSE AIR BAGS ONCE AGAIN

The air bag controversy, which has been hanging around since the late 1960s, has been stirred to life again by the Supreme Court ruling overthrowing the administration's 1981 recision of a mandatory standard. Under that standard, promulgated in 1977, the car makers were to install passive crash restraints—either air bags or automatic seat belts—in a three-year phase-in starting with the larger 1983 models.

But in dropping the requirement, Raymond A. Peck, then head of the National Highway Traffic Safety Administration, called the restraints a "billion-dollar social experiment" which would not save the thousands of lives annually claimed by traffic safety leaders and insurance companies. Mr. Peck said the car makers planned to install air bags in only 1 percent of their cars, using mostly the automatic belts which enfold a car's occupant as he sits down. And he predicted that many motorists would disconnect the belts, with the public's attitude toward traffic safety being "poisoned" by expensive equipment most people would choose not to use.

The Supreme Court, in a 5-4 decision, held those arguments not good enough, leaving it up to the Department of Transportation to either offer some better ones or reinstitute the restraints standard. Elizabeth Hanford Dole, transportation secretary, said she would welcome the opportunity to review the department's stand on the issue. In the past she has had kind words for the air bags and automatic seat belts, but she is still the appointee of President Reagan, who approved the recision order in line with his deregulatory philosophy.

Detroit clings to its view that the conventional seat belts, ordered placed in all new cars by Congress back in 1967, are the better way to save lives. And so they would be, except that barely more than 10 percent of the nation's drivers and passengers now buckle up. The Transportation Department says it would take the car industry three years now to comply with a new standard on passive restraints. The belts and bags may be a bother but they do save lives and prevent injury in crashes. Some form of protection should be required, if the federal government can ever stay the course on this issue.

THE PRECIOUS LEGACY

● Mr. LEVIN. Mr. President, it has been my honor to be involved for the past year in assisting in the negotiations to secure the exhibit, "The Precious Legacy: Judaic Treasures From the Czechoslovak State Collections."

The exhibit is a triumph for the victims of the Holocaust.

If only we could have them with us, even for a moment, to witness their triumph over Hitler. If only they could see the victory of life over death, of an ancient civilized people over barbarism and nihilism.

This collection has taken 15 years of careful negotiations with Czechoslovak authorities under the extraordinary direction of Mark E. Talisman, chairman of Project Judaica, and his committee. Many of us in the House and Senate were privileged to participate in the opening of this magnificent exhibit last week at the Smithsonian Institution. The persistence and vision are the first and second reasons the collection of Mark Talisman came into existence.

I wish to join in paying special tribute to Mrs. Robert Tishman, director of the finance committee for Project Judaica, Sandra Weiner and Arnold Greenberg, principal members of the committee, and Sam and Louise Golman, who for the last 8 years provided the resources for my friend, Mark Talisman, to continue with negotiations.

From Philip Morris, Inc., George Weissman, chairman and chief executive officer, James Bowling, senior vice president, and Frank Saunder, vice president, have all provided resources and talent to make this project a reality.

Anna Cohn has been the most extraordinary project director. The beauty of this exhibit is attributed to Ms. Cohn and the more than 150 people who worked with her, including Mr. Chris White, the exhibit designer and David Altshuler, editor of the book "The Precious Legacy," published by Summit Books division of Simon & Schuster and which has been selected as an alternate book-of-the-month.

The Smithsonian Institution, under the leadership of S. Dillon Ripley, secretary, Paul Perrot, assistant secretary and Peggy Loar, director of the Smithsonian Institution Traveling Exhibition Service (SITES) have provided enormous leadership, talent and time, all of which has resulted in record-breaking attendance and interest all across the country.

I am pleased to announce to the Senate the schedule for this exhibit over the next 2 years, so each of your offices may participate in this major cultural event.

Finally I wish to pay tribute to the Czechoslovak authorities who have

graciously provided for these rare Judaic objects to tour the United States. It is my hope that this will be the beginning of a formal cultural and scientific exchange between ours and the Czechoslovak Government, which can only serve to rebuild the once strong relationship.

Much work remains to be done to allow the rebirth of bilaterial relations between the United States and Czechoslovakia—this is the beginning of a fine and special relationship.

I wish to congratulate Mark Talisman and all the members of the committee, and submit for the RECORD recent media coverage of this wonderous exhibit.

The material follows:

NATIONAL TOUR: "THE PRECIOUS LEGACY: JUDAIC TREASURES FROM THE CZECHOSLOVAK STATE COLLECTIONS"

Dates: November 9–January 1, 1984.

Location: Evans Gallery, National Museum of Natural History, Smithsonian Institution, Washington, D.C. 20560; Eileen Harakal, (202) 357–3168.

Dates: January 21–March 18, 1984.

Location: Bass Museum of Art, 2100 Collins Ave. (mail: 2121 Park Ave.) Miami Beach, Florida 33139; Diane Camber (305) 673–7530.

Dates: April 15–August 26, 1984.

Location: The Jewish Museum, 1109 Fifth Avenue, New York, N.Y. 10028; Barbara Kaplan-Lane, (212) 866–1888.

Dates: September 22–November 18, 1984.

Location: San Diego Museum of Art, Balboa Park (mail: P.O. 2107) San Diego, California 92112; Tim Larrick, (619) 232–7931.

Dates: December 15, 1984–February 10, 1985.

Location: New Orleans Museum of Art, P.O. Box 19123 New Orleans, Louisiana 70179; Virginia Weaver (504) 488–2631.

Dates: March 12–May 5, 1985.

Location: The Detroit Institute of Arts 5200 Woodward Avenue Detroit, Michigan 48202; Margaret de Grace, (313) 833–7900.

Dates: June 3–July 29, 1985.

Location: The Wadsworth Atheneum 600 Main Street Hartford, Connecticut 06103; Jane Gollin, (202) 278–2670.

SITES is a program activity of the Smithsonian Institution that organizes exhibitions on art, history and science and circulates them in the United States and abroad.

[From the Washington Post, Nov. 13, 1983]

TREASURES OF JUDAICA IN A MIRACULOUS SHOW

(By Jo Ann Lewis)

It was Kafka's city, the place where Einstein first published his theory of relativity, the capital of the lands where Mahler and Freud were born.

And when the Nazis arrived, Prague was a thriving center for ordinary Jews as well, 122,000 in all, including those in the Czech lands of Bohemia and Moravia. It was the oldest continuous Jewish community in the world—a whole millennium old.

It is these people—extraordinary and ordinary, rich and poor, city-dwellers and members of 153 outlying pre-World War II Jewish Czech communities—who are the unwitting donors of the "The Precious Legacy: Judaic Treasures from the Czechoslovak State Collections," which went on view this week at the Smithsonian's National Museum of Natural History.

They are not listed as donors on the scholarly labels that describe their personal treasures here—their cradles and wedding portraits and Passover plates, the Torah scrolls, illuminated books and embroideries lovingly made to beautify the performance of their worship.

But their names—77,297 in all—can be found, every one, inscribed on the walls of the Pinkas Synagogue in Prague. It is a list of every Moravian and Bohemian Jew deported by the Nazis to the death camps of Eastern Europe. It is a donor list without precedent in the history of mankind.

And so is the collection from which this exhibition came. For though it began in 1906 as a small, serious museum of Judaica—objects related to Judaism or to Jewish life—this collection became, in the end, the domonic creation of Adolf Hitler. He "acquired" its 140,000 artifacts—bedding and clothing included—by simply confiscating them from the Jews he shipped off to Terezin, the 18th-century garrison-turned-holding camp outside Prague, where they worked till they died or were shipped east for extermination.

Even as the Jews were being numbered and logged at Terezin, Jewish curators in Prague—prior to their own deportation—were being forced to number and log these confiscated possessions, which filled eight synagogues and 50 warehouses by the end of the war.

It was Hitler's bizarre intent to use these objects in a "museum of an extinct race," a showcase for his pathological "Institute for Exploration of the Jewish Question," established in 1941.

Through one of the many half-miracles that surround this show, it has been transformed, instead, into a celebration of a living faith and a way of life.

Hilter meant to pin these artifacts for display and ridicule, as an entymologist might pin a collection of captured "vermin"—his name for the Jews.

Instead, they soar like butterflies.

The thriving Jewish civilization of pre-World War II Europe was not the first in history of mankind to be ravaged and despoiled of its treasures. Whole Indian cultures of Central and South America were wiped out by Spanish invaders. American Indian culture was all but destroyed by newer Americans. African culture continues to be destroyed to this day.

But never have so many people—6 million—been so systematically exterminated as in the Nazis' "final solution" to what they called "The Jewish Problem." It is the loss of the Jewish communities in Czechoslovakia that is so graphically documented and illustrated here.

"Precious Legacy," through subtitled "treasures," is not a collection of booty in the conventional sense. Napoleon would surely not have returned in triumph to Paris hauling thousands of books, pianos and violins, which the Jews of Prague seemed to have owned in inordinate numbers. There are photo-murals showing storage rooms brimming with these objects throughout the show.

The exhibition is no challenge to the opulence of, say, the Vatican exhibition. But there are beautiful material treasures in it, and the show begins with a small gallery filled with them: a silver laver and pair of gold-washed Torah finials, all made in early 18th-century Prague, an exquisite Torah curtain stitched with golden threads in Salzburg in 1894, carrying the Hebrew legend: "Honor your father and your mother that you may long endure on the land."

All of these silver objects were made to beautify the worship of the Torah, the first five books of the Hebrew bible, and the heart of Jewish life and ritual. Yet the most elaborate item here—a silver Torah crown from early 20th-century Prague—recalls and even imitates the bulbous, jewel-encrusted crowns of the Hapsburg kings. It is one of several indications throughout the show that Jews adopted and adapted not only decorative styles, but basic forms as well from the surrounding culture. Their crowns, however, exalted knowledge of the Torah, not the heads of royalty.

Throughout, it is the modesty of this show that gives it its power, even in the treasure room, where one of the more memorable items is a simple white ceramic pitcher decorated with a procession, in full regalia, of proud members of a prestigious 19th-century Moravian burial society.

And along with several wonderful silver pointers—traditionally used in the synagogue for reading the Torah so that the hand does not touch the holy scrolls—there are pointers carved from wood, presumably by members of poorer congregations, that speak even more eloquently.

There are many splendid textiles—Torah covers and Torah curtains especially; but there is also a patchwork hallah cover, a carved wooden gravemarker, an unforgettable metal alms box with a slotted, extended hand (recalling medieval Christian reliquaries) that prods potential donors with the words: "A gift in secret pacifies anger."

These objects are all closer to folk art than high art, and seem closer to the human heart as well. They speak of simple faith, of pride and caring, and therein lies their power.

The exhibition is divided into five sections, separated by arched gateways of simulated gray stone, meant to conjure the narrow, winding streets of the old Jewish Quarter in Prague. And they do.

The show comes to life, however, when it describes Jewish life and ritual in two sections titled "The Legacy of Community" and "The Legacy of Family and Home," showing objects in situ, as they were and still are used in worship, in study and in acts of benevolence—the three obligations of Jewish life—as well as in home celebrations of the sabbath, religious festivals and events in the life cycle, such as birth, circumcision, marriage and death.

These objects, both sacred and secular express universal hopes: a wooden cradle bears the inscription, "This is the little one. May he become great," a plain linen torah binder dated 1784 is embroidered with the words, "May the infant become an adult," an 1816 silver Torah shield from Prague, immortalizes a friend and is simply inscribed, "A remembrance for the generous goodness of Golda."

There are passover plates, elegant and homemade, a matzo roller with spikes to keep the bread from rising, candelabra and dreidels (spinning tops) used in the Hanukah celebration. A bridal veil of precious memory is preserved in an elaborate frame, and there are even half-burned havdalah candles prayerfully snuffed out at the end of the sabbath—and, unbeknownst to their owners, for the last time.

Had the collection been formed in a more conventional way, such objects would surely have been lost along with the rest of pre-

World War II Jewish culture. Synagogues were systematically burned.

There is so much more, including an extraordinary section on the ancient and prestigious Burial Society of Prague, whose possessions have come into the collections of the Jewish State Museum in their entirely. Included here is a unique cycle of 18th-century paintings describing the functions of its members—from visiting the terminally ill to preparing their bodies for burial, a special honor in the Jewish faith.

It is at the end of this section that the viewer is thrust into the horror of 1939, with a photo-mural of a young boy and two men on their way to Terezin, their numbered suitcases in tow. Such a suitcase—a real one—carrying the name of one Otto Schwartzkopf, along with his transport number, says it all.

The show ends in a semi-darkened room with a sparse display of objects made in Terezin, including a rough wooden menorah and a matzo cover and a yarmulke fashioned out of scraps of cloth. Even there, they found ways to pursue their faith.

The show ends with three drawings by the doomed children of Terezin, one depicting a marriage of butterflies. A companion show of more drawings and poems by the children of Terezin, along with the work of several adult artists who lived and died there as well, is on view at the B'nai B'rith Klutznick Museum.

There is very little art-for-art's sake among the Jewish artifacts in "Precious Legacy"—only a few portraits of great charm, showing children or newlyweds, most with a provincial look. And they may well have been made by non-Jews.

The two finest portraits, however, are by Isidor Kaufmann (1853-1921), and itinerant Viennese portraitist and genre painter who is one of the very few well-known "Jewish artists" prior to the outburst of talent that emerged when traditional restraints broke down in the early 20th century—bringing forth artists such as Pissarro, Modigliani and Chagall.

As Washington scholar David Altshuler observes in a soon-to-be published paper on the subject of Jewish art, no known Jewish Michelangelos emerge here for both external and internal reasons.

First, Jews were not permitted to be trained as professional artists in the lands where they lived through most of their history; and, before that, there was the desire, as expressed in the second commandment, forbidding the making of graven images, not to appear to be competing with God in the act of creation. Even writers, notes Altshuler, often called themselves "editors," rather than writers.

In the decorative arts as well, Jews, for centuries, were not allowed into the guilds, and most of the more sophisticated objects in silver and porcelain here were probably made by non-Jews. They did, however, hold considerable power in the cloth guilds, which may account for the extraordinary collection of embroidered textiles, among the most beautiful objects in the show.

The books and scrolls are also of especially high quality, and include examples from the first Hebrew publishing house north of the Alps, established in Prague in 1512.sd

"We wanted to celebrate as well as commemorate," says Altshuler, one of the large team of Americans and Czechs—including his wife Linda, director of the Klutznick Museum, and project coordinator Anna R. Cohn of the U.S. Holocaust Memorial Council—who put this show together, along with Mark Talisman, vice chairman of the council, who worked on bringing the show to America for 15 years.

There are six major collections of Judaica in the United States, and some 20 others in the world. Some have more lavish objects; none has a larger collection or one that offers a more comprehensive slice of Jewish life over such a long span of time.

The splendid catalogue, edited by David Altshuler, Charles E. Smith Professor of Judaic Studies at George Washington University, is a lavishly illustrated book about Jewish life and its meaning and is unique in both its quality and scope. It will be a classic.

It has been dedicated as follows: "To the memory of the Jews of Czechoslovakia who died during the Holocaust, and particularly the curators of the Jewish Museum in Prague, who perished while struggling to sustain the precious legacy."

The exhibition will continue on view at the National Museum of Natural History, 10th Street and Constitution Avenue NW, through Jan. 1, 1984, after which it will travel, under the auspices of the Smithsonian Institution Traveling Exhibition Service, to the Bass Museum of Art in Miami Beach, Fla., The Jewish Museum, New York, the San Diego Museum of Art, the New Orleans Museum of Art, The Detroit Institute of Arts and the Wadsworth Athenaeum, Hartford, Conn.

[From the Baltimore Jewish Times, Nov. 4, 1983]

TREASURES FROM TRAGEDY

(By Mimsi Kromer Milton)

The Jewish Museum in Prague had a most benign origin. It was founded in 1906 by historian Salomon Hugo Lieben who planned to preserve the rich inventory of Judiac artifacts from the Prague synagogues that had fallen into disuse. Lieben eventually extended his search for objects to both rural villages and urban auction houses. Within 20 years he had collected more than 1000 objects, books and manuscripts, which were housed in two buildings donated by the Prague Jewish community.

Today, the collection is considered the one in the world whose scope and quality best illustrate the vibrancy and continuity of Jewish life. Its growth and survival came about only through an historical fluke—due to a Nazi obsession not only with Jews but with detail.

In 1938, Reinhard Heydrich, one of Hitler's administrators, confiscated all property in Czechoslovakia's 358 Jewish communities in order to establish a "Museum to an Extinct Race." Designed to document the "final solution," it would be the only proof that the Jewish people had existed. The Nazis regarded Prague as the ideal site in which to show the Aryanized world how the "decadent" race had lived, for the city had, since 1286, been among Europe's chief centers of Jewish life.

By 1945, the Nazis had amassed more than 94,000 items that filled eight historic buildings in Prague's Jewish Quarter and 50 warehouses throughout the city. No facet of Jewish life was ignored. The range covered liturgical books and manuscripts, popular novels, paintings, folk crafts, furniture, musical instruments, kitchen utensils, clothing and synagogue objects.

The arrival of shipments coincided with deportation dates of 153 communities throughout Moravia, Bohemia and elsewhere. The Nazis temporarily spared Lieben's curatorial staff and other museum professionals, who were forced to catalog and conserve all the items, as well as to develop administrative and exhibition programs for the museum. The Jewish curators' exquisite care of the items was their silent resistance to the Nazis.

Objects continued to arrive at the museum a full year after the war's end. These included items from Terezin and other concentration camps, such as drawings, diaries, photographs and clothing. The museum by that time was run by Prague's Jewish Community Council which offered the museum and the historic monuments of Prague's Jewish Quarter as a gift to the Czechoslovak Government in 1949. Today, more than 40 professionals maintain the collection, which operates as a memorial and research institute visited by 800,000 people a year.

Now, after some 15 years of negotiations between American Jewish representatives and the Czech government, nearly 400 objects are on loan to the U.S. for "The Precious Legacy: Judaic Treasures From The Czechoslovak State Collections," opening November 9 at the Smithsonian Institute's Museum of Natural History in Washington, D.C. and on display through December 31. The exhibit will then tour the U.S. for two years with showings in Miami, New York, Houston, Detroit and Hartford.

"What the Metropolitan Museum's 'King Tut' was to Egyptian civilization and its 'Vatican Collection' was to Christianity, 'The Precious Legacy' is to Jewish civilization," one expert noted.

When Anna Cohn, of Washington, first saw the Czechoslovak state collection, she recalls being "awed by the range of Jewish life" it depicted, and "staggered" by the size of the collection as well as the state of preservation of individual objects. Even as a professional curator of Judaica (at the time she was director of the B'nai B'rith Klutznick Museum in Washington), there were many items she had never before seen.

Cohn knew then that an exhibition had to be done so people outside Czechoslovakia could duplicate some of her experience. What she didn't know was that Mark Talisman, director of the Washington office of the Council of Jewish Federations, had already spent ten years working towards that goal. Talisman involved Cohn when the negotiations with the Czechs had been concluded in principle, still about five years short of the exhibit's actualization.

"Behind the scenes, this exhibit was a delightful monster," says Cohn, director of museum development for the U.S. Holocaust Memorial Council and project director for "The Precious Legacy."

After more than five years of work, the last months of which have demanded a round-the-clock effort, Cohn won't even call the pace "gruelling." She uses that term once, but immediately modifies it to "exhausting." In fact, everything that Cohn says about the exhibit conveys the sense that working on it is not only an act of love for her but the sort of high point that occurs only rarely in one's career or life. "I doubt that I'll have an experience that will duplicate this one," she admits.

The story of how the Judaica was selected does justice to the special quality of the exhibit itself.

One of Cohn's first jobs was to help recommend other museum professionals to form a curatorial team. They would eventually be responsible for culling nearly 400 objects from a collection totalling more than

100,000 pieces—and doing it in just five days!

But there were major hurdles to overcome at home before any thought of going to Czechoslovakia was possible. Just developing a concept of what the exhibit should impart to its American audience was a huge task.

Any one of the prerequisites established by the team could have been the basis for an entire show of Judaica. A complete exhibit might have been organized just to indicate the scope of the Czech collection. The museum's holdings, which date from the Middle Ages, are unparalleled in size, representing every aspect of Jewish community and family life, both on secular and religious levels. Another show could easily have coalesced around conveying the tragic circumstances under which the collection was amassed. Still a third format could have demonstrated the vicissitudes of Jewish history, fluctuating as it did between periods of growth and freedom and restrictive persecution. Besides these major themes, the Precious Legacy curators also wanted to convey the rarilty of the objects, their artistic merit and their functional use in enhancing religious experiences.

With this complex conceptualization in mind, the team of nine set off for Prague in July 1982. Only Cohn had seen the collection before.

There was virtually no time for getting acclimated, but the city of Prague, and its State Jewish Museum, demanded a pause in sheer wonderment.

"Prague," says Cohn, "is the only European city that rivals Paris for beauty. The past and present co-mingle in strange and wonderful ways. It's haunting. In the Jewish quarter, it's as though time and space are fixed forever."

"You have to understand," she continues, "that the museum is a research institute, a major historic site and a collections archive." It is, in fact, spread throughout seven buildings situated in the city's old Jewish Quarter, which is now a national monument. Different parts of the collection, Cohn explains, are housed in different buildings. The textiles, for instance, are in the Spanish Synagogue, which was rebuilt in 1860 on the site of a 12th century synagogue. It is done in a Moorish, stucco style that was popular at the time and boasts a valuted ceiling painted with brightly colored mosaic patterns.

As Cohn talks, the overpowering experience of seeing the collection in Prague begins to sink in. She describes it as "walking into a period of time and space from another world." Travelling between buildings in an area just a little more than a square mile, one would see the old cemetery, town hall, ceremonial hall, synagogues and homes that were once integral parts of Jewish life. And not for a moment could anyone forget the devastating events which changed vibrant, living institutions into keepsakes of the past.

The Smithsonian curatorial team could have taken five days to assimilate all of this, but they didn't have that luxury. Instead, they divided up into areas of expertise and put together the entire American show.

Making the choices was agonizing. Would it be better to take the oldest piece in one category or the most beautiful? Should a textile in perfect condition get preference over one that was two centuries older, but in worse shape? One piece of material might highlight the Jewish role in Europe's fabric trade, while its counterpart showed the devotion an amateur artist used in beautifying the Torah. How to judge which merited more attention?

Vivian Mann, curator of Judaica for New York Jewish Museum, made some of the hard decisions in Prague. She spent one entire day looking at Torah shields—600 of them. Many of the 18th and 19th century silver shields and finials, she said, have a recurring design showing cornucopias and lions. When she came across one with the unusual iconography of dragons (which may be related to Prague's folklore), she put it in the show. There are also numerous Torah pointers in the collection, but two wooden ones are special because they were not destroyed by fire. Mann also chose two hooks, used to hold back the Torah curtain, because she had never seen these items in any other collection.

Although the Prague collection consists of works in a variety of media—oil paintings, glassware, porcelain, precious metals, printed books and illuminated manuscripts—the textiles, Mann says, are a tour de force. In one particular Torah curtain from 1730, the composition and thick metallic stitching give a striking feeling of strength. But even more exciting, Mann points out, is how the artist wrapped silver and gold wires around silk threads to give the impression of different metallic colors.

Mann does not have a single favorite item in the show, but she does have a favorite story about working with the Prague staff, who were all extremely "giving and cooperative." When Mann had finished looking at hundreds and hundreds of Torah binders, many of them repetitive in style, one of the Czech curators said, "Now I have a present for you." The "present" was an unusual binder painted on linen from Frankfurt, circa 1860. It had been in the conservator's office for repairs, totally unknown to the Smithsonian team.

After their short stay in Czechoslovakia, all the Americans probably shared Mann's sentiments that she "could go back tomorrow and select an entire other exhibit which would express the same feelings and knowledge." Still, she is very comfortable with the final choices, and besides, there isn't time.

Less than a month before the exhibit opened, Cohn couldn't even remember the number of times she'd been back to Prague. From late summer of 1982 until early this year, the detail work consumed both the American and Czech curatorial teams. In Europe they were busy combining inventory sheets to discover more information about items, translating Judaic inscriptions, and the like. Similar research went on in the States, with work passing back and forth. Despite some language barriers, Cohn says, "we spoke the same language in our intent. It was a tribute to both teams that they were so amiable, accessible, and heartened by the work." To Hana Volavkova, the 92-year-old sole surviving curator who worked on the collection under the Nazis and spearheaded preservation efforts after the war, Cohn pays the ultimate compliment: "Her research is the foundation of the work for this exhibit, her publications are among the best ever written, and her methodology would put any of us to shame."

During this same hectic period, logistics of the show were being tackled in Washington. Cohn ticks off the jobs—designing the exhibit, bidding for designers, creating educational information and a catalog and a full-length book, scheduling the touring calendar, doing press releases, media relations, openings, dinner lists, etc., etc. In January, Cohn came to the Smithsonian to work full-time on The Precious Legacy.

But now the end is near, with the show slated to open November 9. It is an exhibit, Cohn says, which evokes a deep sense of sadness because of its inextricable relationship to Nazi horror. But there is also the job of reacting, outright to its beauty, and the enrichment of learning about Jewish life.

[From the Balimore Jewish Times, Nov. 4, 1983]

THE MAN WHO MADE IT HAPPEN

(By Elsa A. Solender)

Washington is a place where people feel it's important to know everyone who's anyone. Better yet: to be someone people feel they need to know.

During a recent visit to the handsome office of Mark Talisman—director of the Washington Action Office of the Council of Jewish Federations and the principal moving force behind the extended campaign to bring to the United States the major exhibition of Judaic art amassed by the Nazis in Prague—calls were received from a senator, two congressmen and a nationally known journalist in the few minutes before Talisman ordered all his calls held. The profusion of pink "while you were out" message slips, posted on the bulletin board behind his desk like a patch-work quilt-in-progress, held some equally intriguing names, including Elie Wiesel's.

Talisman is a pillar of the so-called "Jewish Lobby" ("That's all five of us!" he says. "Still, it's not bad for our adversaries to perceive us as influential"). Of small stature and possessing a rather cherubic countenance beneath dark hair, Talisman, in his early forties, has been described as "The Lobbyists' Lobbyist." That worries him ("It's much better for someone in the Jewish community lay leadership to do the testifying before congressional committees on a bill, or to talk to the media"). Even discussing "The Precious Legacy" exhibition, for which he has been negotiating for a decade and a half, most intensively since 1979, he hastens to credit many others who have helped during the long campaign to win Czech government cooperation and American sponsorship. Around town, though, people have been calling it "Talisman's show at the Smithsonian," and with good reason: he knows very well that he couldn't have pulled it off alone; on the other hand, without Talisman's determination, patience and marshalling of powerful allies, the show would never have materialized.

Some who prefer their Jewish professionals to be quiet, background figures have wondered whether Talisman's somewhat flamboyant style, his attention to his many personal contacts and his colorful public image, might not detract from his effectiveness as a communal operative. Critics concede though, that it's part of his job to know people and be known. And they grant as well that he has compiled an impressive list of substantive accomplishments, including authoring a substantial part of the $4.6 billion Jobs Bill, containing food, shelter and social service funds, the first recession relief measure enacted by this Congress. A unique feature: $50 million of emergency food and shelter was distributed by a board of national voluntary agencies, including CJF, which, as it turned out, did the job faster and more efficiently than governmental bodies. Talisman's critics just wish that his success were not quite so highly visible.

One wall of Talisman's office is entirely filled with personally inscribed color photo portraits of most of the men who have ranked as superstars in the federal government during the past two decades, including the presidents. That's not an unusual feature Washington office decor. What it is that the photographer was Talisman himself. He also made the many sculptures that adorn the room, some in traditional style of prophetic figures, others assemblages incorporating pop culture elements. Talisman also oversees the care of the room's luxuriant plants (at home he maintains a herb, fruit and vegetable garden).

Right after they win election, most freshman Congressmen (62 of the 81 newly elected members of the current House attend an orientation program co-sponsored by the Institute of Politics at Harvard University's John F. Kennedy School of Politics and the House of Representatives' Administration Committee. Talisman, a Harvard alumnus ("I love that place") designed the program ten years ago and continues to serve as an instructor. It teaches the new legislators about the critical issues awaiting their attention, tells them where to go for analyses of those issues, and advises them on how to negotiate the ins and outs of the labyrinthine federal establishment. That program alone may well have earned the "Lobbyist's Lobbyist" nickname for Talisman.

Accepted at Harvard after graduation from Cleveland public schools, Talisman worked his way through college after his father died, financing much of his education by founding and operating a greeting card company that was bought up by a national card company after his graduation. At that point he became the youngest-ever administrative assistant to a U.S. Congressman, Democrat Charles Vanik of Ohio. He held that post for almost 14 years before assuming his current job with CJF in 1975.

Vanik told the Jewish Times in a telephone interview that he would have retired two years earlier if Talisman had agreed to take his place in the House. The former Congressman, recalling how Talisman had marshalled 285 cosponsors in the House for the Jackson-Vanik Amendment to the Federal Trade Bill in 1972 (including some who had originally opposed the withholding of Most Favored Nation trade status for the Soviets unless they loosened emigration for Soviet Jews) called Talisman "the best staff assistant on Capitol Hill," a judgment he says that the late Senator Henry Jackson had echoed.

Talisman decided against running for Vanik's seat when a delegation of Jewish lay and professional leaders asked him to open, on an experimental basis, the CJF Washington Action office. Coincidentially, Talisman's wife, Jill, was pregnant with the first of their children.

"The decision was literally made in the delivery room," Talisman says. He knew very well that Congressional life makes inordinate demands on a family, and he decided against subjecting his own family to those stresses and strains. Furthermore, Talisman, the scion of ten generations of rabbis, has always had a deep and abiding love for Judaism, something, incidentally, that he succeeds in communicating to the wave after wave of Jewish community leaders and young people who come to Washington under CJF sponsorship. Not only does he pepper his speeches with Talmudic references and chasidic stories, but Talisman invariably urges Jewish communities to undertake social action within the context of their Jewish commitment to tzedaka. On the distribution of food to the needy who suffered federal budget cuts and unemployment, Talisman constantly exhorted Jewish communities to "be a model" of caring and effective voluntary action for the rest of the country. He serves also as vice chairman of the U.S. Holocaust Memorial Council, chaired by Elie Wiesel.

Obviously no mere "bagel and lox Jew," Talisman is nevertheless a legend in Washington when it comes to bagels. When the Washingtonian magazine held a competitive bagel-tasting a while ago, Talisman's entry won hands down. (He insisted afterwards that a special homebaked category be established for his little wonders so that nothing disparaging might be implied about the commercial varieties that it had been pitted against). It's still something of a status symbol to be invited to the Talismans' for some of Mark's bagels. Synagogue groups also raffle off his challahs at fund raisers for impressive sums.

The Washington Post devoted a full page and a half of its food section to the editor's experience in going marketing with Talisman. After he went on the Pritikin Diet a year ago after a serious heart "scare," a group of food editors got together and threw a banquet for him at which each contributed an original Pritikin-type recipe. Several restaurants that he frequents regularly duly developed appropriate menus—one simply asked for "The Talisman Menu" of the day.

"I don't know what he can't do well," comments Congressman Vanik, citing Talisman's ingenuity, communications skills, extraordinarily retentive mind and originality.

Some admirers have referred to Mark Talisman as a "Renaissance Man" (detractors meanwhile suggest that he might be more a dilettante). Talisman dislikes the "Renaissance Man" sobriquet because he thinks it sounds both pretentious and trite. He explains: "I just do what I do, create my own aura, and if other people are attracted to it—" his voice trails off. No one, freind or foe, suggests that he is burdened by an undue sense of modesty or reticence about himself.

Another reason for rejecting the "Renaissance Man" designation might be that it doesn't quite fit an individual who is seen—and so clearly sees himself—within so distinctly Jewish a context. His determination to mount the exhibition of European Judaic art that the Nazis had gathered in Prague has been only one important manifestation of this.

"They meant to put these pieces—over 120,000 of them—in a 'Museum to the Extinct Race,'" Talisman says of the Nazis' cynical collection of Jewish liturgical objects, oil paintings, pianos, cut glass pitchers, manuscripts and more. "It's one reason my own subtitle for the exhibition is 'Tribute to a Vibrant People,'" he adds.

The process of bringing the exhibition to the United States began in 1968 when Talisman, accompanying Vanik (who is of Czech extraction), first saw the collections of the State Jewish Museum in Prague (After the War, ownership of the Nazi collection reverted to the remnants of the Czech Jewish community, who lacked the means necessary to display the artifacts appropriately. The Czech government took over the collection, at the request of the community, in 1950 and integrated the museum in Prague's historic Jewish Quarters into the State collections).

Talisman, even at that early date, broached the idea of an exhibition in the United States, but implementation proved to be much more complicated than he or Vanik foresaw. Political questions kept the project on the shelf until 1979, even though professional diplomats seemed in favor of the idea. In 1979, Vanik was informed by the Czech foreign minister that approval for the exhibition had finally been received from all the necessary bureaucracies in his government. Talisman, reached in Cape Cod while on vacation, was enroute to Prague within two days, accompanied by two American Judaica experts.

Between 1979 and 1983, when the selection of objects arrived in Washington, Talisman and the project director he hired, Anna Cohn, lost count of the number of times they returned to Prague, for it would be almost five long years before negotiations for "The Precious Legacy" would finally bear fruit. Since the items were heavily insured, there had never been any question of loss of money. What had to be developed in the Czech government was a sense security that the items would be returned. One concern that heightened a perception of bad faith was the 18.4 metric tons of Czechoslovak gold reserve, entrusted to the Western allies by the democratic Czech government during World War II and not returned to Prague until February 1982.

In 1982, the American Embassy in Prague cabled Talisman that the Czechs were finally ready. Talisman says he felt "bouyant" upon hearing the news, convinced that 15 years of negotiating would finally be rewarded. Meanwhile, though, he had been experiencing shortness of breath. Just before he was due to leave for Prague, he had severe chest pains. He failed a stress test and his doctors urged him to cancel his trip. He would not.

Sam Golman, a businessman and Jewish federation leader in St. Louis who had been contributing significantly to keeping the project alive over the preceding six years, recalls that Talisman was in very bad shape" on the flight to Prague. A special U.S. Air Force medical plan was kept in readiness in Frankfurt in case he had to be sent home. Golman carried his briefcases and suitcases whenever necessary and insisted, whenever he thought that Talisman looked shaky, that they slow down.

All those long years of complicated negotiations ended, ironically, in one brief, cordial meeting.

"It took 20 minutes at most for the papers to be signed and the handshakes to complete the deal," Talisman recalled.

That evening, Golman accompanied members of the American Embassy staff in Prague to a celebration in downtown Prague. Talisman stayed in bed. "He worried me to death," Golman says.

In the intervening year before the objects arrived, Talisman says he changed his life, adopting Pritikin's principles of diet, despite some experts' opinion that it might not be appropriate for his heart condition. He has also started walking whenever possible as exercise. The result? He has passed his various medical examinations with flying colors and has become evangelist for Pritin in the nation's capital.

His enthusiasm for his new regime has been surpassed only by his fever pitch of activity since the arrival of the items for "The Precious Legacy." Full of praise for the Czech authorities—who assumed the costs of preparation on their end and were even sensitive enough to have employed Jewish packers from the East German firm of Hassenkamp to prepare each item for shipment

lovingly—Talisman "went out to the Smithsonian with a Philips screwdriver" the instant that he was informed of the arrival of the shipment. "I opened the first crates myself," he recalls.

Since then he has presided over plans for the various gala festivities that will mark the opening of the exhibition next week. He tells with delight how the Smithsonian had to put on several additional operators the morning after news of the exhibition appeared in the national press.

"The switchboard had to shut down," he says with glee. "They were overwhelmed—more calls even than the King Tut exhibition." He is happily anticipating the imminent publication by Summit Books of the volume that will serve as official catalogue of the exhibit, The Precious Legacy, edited by David Altshuler—its proceeds will benefit the U.S. Holocaust Memorial Council. Talisman is quick to credit all the people who helped him bring his dream to fruition—including Vanik, Golman, Phyllis Tishman and Sandra Wiener of New York, Arnold Greenberg of Hartford, Vladimir Sadek, Desider Golsky and Arthur Radvansky—but it is clear why many people in Washington are calling this "Talisman's Show at the Smithsonian."●

THE APPROPRIATIONS YEAR

● Mr. HATFIELD. Mr. President, in my remarks on the supplemental conference report yesterday afternoon, I briefly mentioned the record of the Appropriations Committee this year. As our counterpart committee in the House declared in a recent report, "The committee is having a very good year," and I want to thank those who have made it possible.

The committee reported all 13 of the regular fiscal year 1984 appropriations bills; 11 of the 13 have passed this body, 8 have been signed into law, and 2 more, Commerce and Defense, are expected to be signed in the next few days. In addition, the committee handled the fiscal year 1983 jobs supplemental, the regular fiscal year 1983 supplemental, an early supplemental for fiscal year 1984, which yesterday became the vehicle for a massive authorization package, and two continuing resolutions.

I want to express my deep appreciation to all the members of the committee, the largest committee in the Senate, for a year of hard work and a generous spirit of cooperation. We had our usual arguments, a few of them strident, but the committee always persevered in its customary bipartisan fashion and achieved the best record of accomplishment in years.

Mr. President, I want to especially thank Senator STENNIS, our ranking minority member, the dean of the Senate and the pillar of our committee. Through scores of hearings, sometimes fractious markups, unending floor debate, and late-night conferences with our House colleagues, Senator STENNIS has always been there, ready to proceed with the committee's business, ready to move along in debate and bring the Senate to a decision. He is our rock.

I must also express my great appreciation to our counterparts on the House Appropriations Committee, so ably led by Chairman JAMIE WHITTEN and Representative SILVIO CONTE as the ranking minority member. The Senate committee could not have accomplished its work without their dedication and cooperation. We sometimes disagree, but we always pursue our common goal with good humor, and it is a pleasure to work with the highly professional staff of the House committee.

Finally, Mr. President, I want to express my deepest thanks to the majority leader, Senator BAKER. The appropriations process would not have gone so smoothly this year were it not for the leader's unwavering support. He announced at the beginning of this session that passage of the 13 regular appropriations bills would be his top priority, and he maintained that commitment throughout the session. Time and again he adjusted the calendar so that appropriations bills could be called up and passed in a timely manner, and many a time during consideration of a bill he took to the floor to urge recalcitrant Senators along. I am deeply in his debt, and can only hope that he will take up his cudgels again next year so we can pass all 13 appropriations bills and escape the travails of a continuing resolution.●

LESTER McCOY, KANSAN

● Mr. DOLE. Mr. President, with this week, Kansas has lost one of her most treasured citizens in Lester McCoy.

At times, those of us in Washington may find it easy to forget what American politics is all about. Let me tell you in two words: Lester McCoy. By trade, he was a Ford automobile dealer. By life's standards, he was a wellspring of wisdom. For 94 years, Lester held court in Garden City. Not just on politics, but on business, sports, people, and anything that was happening in the world around him. For his countless friends and followers it was an association they would not ever forget. He never let up, and he never lost interest. On Monday night, he listened to "Monday Night Football." On Tuesday morning, he died.

Lester McCoy was an integral member of a generation of Kansas statesmen that may not be matched by any State in the Union: Oscar Stauffer, Dane Hanson, Frank Carlson, Harry Darby, Alf Landon.

This Senator remembers his first trip to southwestern Kansas on the political trail. For all young Kansas politicians, the advice was the same: "Talk to Lester McCoy." It was quite an experience, believe me.

Lester had a great physical presence—he was not one to be lost in a crowd—and his political insight was astounding. But above all, Lester McCoy was a truly good man. To me, he embodied the strengths of his country, in the grand style of his State.

Professionally, Lester was most proud of his tenure on the Kansas State Board of Regents, where he served for more than a quarter-of-a-century.

Lester's wonderful wife, Hazel, passed away in 1979, but his daughter, Margaret Masoner, still lives in Garden City.

Mr. President, the Senator from Kansas is glad to have had the opportunity to be friends with, and learn from Lester McCoy. Kansas has truly lost a legend. We can only be thankful that he was among us for so long.

The Senator from Kansas requests that an article about Mr. McCoy written by Al Polczinski of the Wichita Eagle-Beacon be reprinted in its entirety in the RECORD following these remarks.

E. L. McCOY, REPUBLICAN, BUSINESSMAN

(By Al Polczinski)

Among his friends, Ernest Lester McCoy counted such Republican Party leaders as Gov. Alfred Landon, Senator Harry Darby, Senator Frank Carlson, Dane Hanson, and Representative Clifford Hope, Sr.

"I know he and two other businessmen cosigned a note to cover a $7,000 loan my father got to run for Congress in 1926," said Clifford Hope Jr.

The loan launched a congressional career that was to last for 20 years. Hope was one of many Republican candidates who got a helping hand from Mr. McCoy, a well-known Garden City businessman and GOP activist and fundraiser for more than a half-century.

"He was about the last of my old political circle," said Landon, Governor from 1933 to 1937.

Mr. McCoy died Tuesday at St. Catherine Hospital in Garden City, a week after suffering a fall at his home. He was 94.

"When I was Republican State chairman for Clyde Reed, He was district chairman for Cliff Hope," said Landon, "He was a good supporter when I ran for Governor."

Landon appointed Mr. McCoy to the board of regents in 1935. He served for 25 years.

Mr. McCoy was elected chairman of the Finney County Republican Central Committee in 1926 and GOP chairman of the Seventh Congressional District in 1928, positions he held for the next 20 years.

He was born in Taylor County, Iowa, on May 19, 1889, and moved to Garden City in 1912. The following year he and his brother, Louis, opened the first Ford dealership in the city. In a 25-year relationship with Ford Motor Co., He established dealerships in several western Kansas cities.

Mr. McCoy married the former Hazel Millikan at Dodge City in 1917. His wife died in 1979.

Mr. McCoy is survived by a daughter, Margaret Masoner of Garden City, three grandchildren and five great-grandchildren.

Funeral services will be at 2 p.m., today at the United Presbyterian Church with burial in Valley View Cemetery. A memorial has been established with the church or may be

offered through the Garand Funeral Chapel.●

HEALTH CARE

● Mr. DURENBERGER. Mr. President, our health care system is undergoing revolutionary change. The reason? Buyers of health care—including Government, employers, and individuals—are becoming more and more sensitive to price. The transformation of American medicine that is taking place is viewed by some as a threat, by others as an opportunity, but by most as inevitable.

The new medicare DRG system gets a lot of credit—or blame—for the change. For the first time in Medicare's history, hospitals will be rewarded for efficiency.

But DRG's are only a small part of all the activity. Self-insured employers, State governments, HMO's, preferred preferred organizations, insurance companies—all of these are negotiating with providers with a keen eye on price.

Price sensitivity and price competition ultimately benefit the patient. But the process can be disruptive to a provider community that has been able to largely ignore price.

The article I submit for the RECORD today, Mr. President, is a powerful statement reflecting a Minnesota physician's perspective on these changes. The medical marketplace in the Twin Cities of Minneapolis and St. Paul is more active than any other in the country. The physicians in the Twin Cities have faced pressures that their colleagues around the country can expect to face in the coming years.

The article, authored by Richard Reece, M.D., appeared in the November 1983 issue of Minnesota Medicine. I do not agree with all of Dr. Reece's conclusions, but I do think his views help us better understand the dynamics of health system change.

The article follows:

THE CORPORATE TRANSFORMATION OF MEDICINE IN MINNESOTA: FIRST OF A SERIES: THE ACCELERATING INDUSTRIALIZATION OF HEALTH CARE IN THE TWIN CITIES

"What is not fully appreciated by those who embrace competition is that it will mean a major restructuring of the health care industry and the demise of many existing institutions. Hundreds of hospitals will likely close their doors and as many as several thousands more may be acquired by large hospital management firms, as free-standing units become increasingly available to compete effectively in price and quality of care. Physicians who have enjoyed unprecedented economic freedom face the prospect of declining incomes and an escalating threat of fee-for-service practice from prepaid health plans and integrated health care providers."—Jeff Charles Goldsmith, Can Hospitals Survive? The New Competitive Health Care Market, Dow Jones-Irwin, Homewood, Illinois, 1981.

"In the twentith century, medicine has been the heroic exception that sustained the waning tradition of independent professionalism. Physicians not only excaped from corporate and bureaucratic control in their own practices; they channeled the development of hospitals, health insurance, and other medical institutions into forms that did not intrude upon their autonomy. But the exception now may be brought into line. . . The great irony is that the opposition of the doctors and the hospitals set in action entrepreneurial forces that may end up depriving both private doctors and local voluntary hospitals of their traditional autonomy."—Paul Starr, The Social Transformation of American Medicine: The Rise of a Sovereign Profession and the Making of a Vast Industry, Basic Books, Inc., New York, 1982.

MINNEAPOLIS.— In this series of editorials, I shall discuss the struggle now going on for control of health care. This struggle is mainly between the management of corporations and physicians. It is a struggle for power. To be effective in the marketplace, corporations have to harness physicians to corporate goals, thus creating internal discipline and compliance; to be independent professionals, physicians have to be free to choose what they want for their patients. The government, economists, and leaders of large organizations favor the corporate strategy because it is a way of making physicians behave economically. Health care corporations often deny they seek power, saying that this power flows from impersonal forces of the market. This may be, but the forces of the market are powerful indeed and are fundamentally changing the way we practice medicine.

THIS FIRST EDITORIAL

In this first editorial, I shall illustrate the growth of the health care corporations in the Twin Cities, discuss this growth in light of interviews I have conducted with 25 Twin Cities health care leaders, reveal the reasons behind this rapid growth, comment on why management is winning the battle for control of health care, touch on the mood of despair among fee-for-service physicians, and conclude with comments on what physicians are doing to accommodate to competition between each other against corporations.

THE REST OF THE U.S. AND US

Compared to other parts of the United States, even to the rest of Minnesota, health care is becoming more rapidly industrialized in the Twin Cities. Don't misread me. This process is picking up steam elsewhere. But because of a combination of factors in the Twin Cities—a historic tradition of large group practices, existing HMOs with 30 percent penetration of the current Twin Cities patient market, a physician surplus greater than most major cities, one-third of its forth hospitals with censuses of less that 55 percent, active backing a prepaid plans by 25 Twin Cities based billion dollar multinational corporations, an unusually high concentration of innovative and catalytic health care thinkers and leaders, a close-knit per network of alumni from Minnesota's medical and hospital administrative school, 72 percent of Twin Cities hospital (versus 35 percent of U.S. hospitals) already belonging to health care systems or alliances, and a progressive citizenry who do not hesitate to engage in broad social experiments—industrialization and systems building in the Twin Cities are escalation on an unprecedented scale and with great speed.

GROWTH OF CORPORATE MEDICINE IN THE TWIN CITIES

If you doubt what I've said so far, I invite you to consider the growth of corporate medicine in the Twin Cities in the last year or so.

Twin Cities HMOs have now penetrated 30 percent of the market and are aiming for 50 percent penetration (the more brash HMO executives, encouraged by results of recent media compaigns, are saying 60 percent capture of market share is within their grasp).

At least six Twin Cities Preferred Provider Organizations (PPOs) have formed but none of them have yet effectively marketed their product to industry. (The word on the street about the PPOs' progress is contradictory, namely PPOs are five years too late; panicky fee-for-service physicians are leaping on every PPO bandwagon; or PPOs will ignite like a prairie fire once insurance companies fund them).

The Hospital Corporation of America has taken over the management contract of Mt. Sinai Hospital in Minneapolis, has cut the number of employees by 15 percent across the board, and is recruiting physicians for their new office building (Voluntary hospital leaders are watching these developments with skepticism but are anxious to see how for-profit-hospital methods work in the Twin Cities competitive environment).

Health Central has closed Golden Valley Health Center as a medical surgical unit and has sold 50 percent of the medical center for $9 million to Comprehensive Care Corporation, a California company that deals in alcohol and drug rehabilitation. (This is just part of Health Central's larger strategy, which is outlined in their publication "Environmental Assessment, Health Care, New Dynamics, New Markets.")

St. John's Hospital in St. Paul, through its holding company, Health Resources, Inc., now owns an ambulance company, a nursing home, a professional building, a combined urgicenter and surgicenter, and is involved in a senior housing project.

United Hospitals in St. Paul and Metropolitan Medical Center in Minneapolis have consolidated operations to form a health care corporation with more than 1000 beds, $147 million in revenues, $175 million in assets, with another PPO, Metro Medical Associates, Inc., (Whether this unique combination of St. Paul and Minneapolis Hospitals will increase the PPO's marketing strength remains undetermined).

General Mills of Minneapolis and the Wilder Foundation of St. Paul have announced a $5.3 million not-for-profit ALTCARE corporation to develop and finance an alternative health care delivery system for senior citizens, and Health Central has joined with ALTCARE and St. Paul Ramsey Hospital to start a prepaid plan called Senior Health Plan (The latter is said to be a "social HMO", an organization that deals with health care, as well as financial, housing, and legal problems of the elderly).

Fairview Community Hospitals, a multihospital chain, has opened a one-day surgical center, plans to market seven to nine urgicenters in suburban shopping centers, closes Lutheran Deaconess as a medical surgical hospital, and ploughs ahead with construction of its new Burnsville Hospital.

Abbott-Northwestern Hospital forms LifeSpan Corporation, builds a 145 bed hotel unit adjacent to its hospital, makes the old Abbott Hospital into a 185 bed specialized care facility, lays plans to open an unspeci-

fied number of urgicenters in conjunction with a Chicago entrepreneur, and enterains ideas of entering into multiple joint ventures with its medical staff.

The St. Louis Park Clinic, the Twin Cities largest multispecialty clinic and its second largest HMO after Group Health, merges with the Nicollet Clinic, and as Park-Nicollet Clinic becomes an organization that employs 260 phyicians—probably the largest concentration of urban nonuniversity physicians under one corporate roof in America, and with over 150,000 HMO enrollees, its private practice side, 32 different locations, and a statewide private referral network, becomes the dominant force in the outpatient health care market.

Group Health and SHARE, with 200,000 and 71,000 members respectively, continue to expand, and as a new wrinkle, purposefully seek accommodations with private primary and specialty medical groups to care for HOM patients (In a highly competitive market, distinctions between "closed-panel" and other HMOs tend to disappear, as physician groups begin to adopt HMO tactics).

Rumors are afoot that at least two Twin Cities HMOs will begin or have begun marketing in adjacent states such as Iowa and Illinois with low HMO enrollments, and that one or more Twin Cities HMOs may go public to finance further growth.

The Hennepin County Medical Center forms an academic practice plan, Hennepin Faculty Associates, that is essentially a group practice that will take care of the medical needs of Hennepin County Medical Center and will bill separately for physician services.

All major Twin Cities hospitals expand their marketing staffs, either form or look into forming holding companies for-profit enterprises, open outside laboratories, and, in general, function as broadly based health care corporations with an eye on outside markets.

A major corporation, Control Data, becomes an integrated health care provider. Control Data already offers these services—Executive Health Examinations, Laboratory Testing, "Wellness" Services (including medical evaluation, health education, and antismoking programs), Utilization Review Systems for self-insured employees, and Computer Systems for medical office management.

Blue Cross and Blue Shield, Minnesota's largest health-related corporation, but one with eroding markets, announces their statewide AWARE program. The hospital part of the program began seven months ago, when 20 of 27 Twin Cities Hospitals became preferred hospitals by agreeing to accept preset per-day reimbursements. Eighty-nine percent of Minnesota physicians agree to become members even though the program requires them to accept preadmission authorization, to refer only to participating physicians and hospitals, and to accept utilization controls. Physicians who join are reimbursed at 85th percentile and those who don't are reimbursed at the 55 percentile. Eighty fifth and 55th percentile does not mean 85 and 55 percent of customary fees. Indeed, at the 85th percentile, and even at 55th percent, most doctors will receive their full fees. (The Minnesota Medical Association support the plan as a way to support the fee-for-service segment in the marketplace, and Blue Cross/Blue Shield, with 800,000 members begins to act like an HMO to protect its markets).

The Hennepin County Medial Society forms a medical staff-hospital joint venture steering committee to develop and organizational model, complete with model legal contracts, which will provide the basis for hospitals, and then medical staffs, to develop their own programs whereby they can share equally in the responsibilities, risks, and benefits of dealing with such initiative as: DRGs, surgi-center, and PPOs. To date 12 hospitals, have joined with the Hennepin County Medical Society in this venture. Once again, Minnesota phyicians are taking the lead and taking steps to accommodate to the new realities.

Following on the heels of its 1980-83 prepaid Medicare "experiment" which shunted thousands of Minnesota citizens to HMOs, the Federal Government announces in July, 1984, it will select four Minnesota counties—Hennepin or Ramsey, Washington or Anoka, Crow Wing and/or Itasca—for prepaid Medicaid projects. (This second Federal "experiment" will effectively remove another large market segment from individual practitioners. The government message for the future is quite clear: either you join a corporate entity or write off the Medicare/Medicaid population as a source of patients.)

NATIONAL BACKDROP

Three years ago, I argued health care industrialization is a phenomenon likely to remain concentrated in the Twin Cities[1] I was wrong. I underestimated the cumulative impact of continuing health care inflation, impending exhaustion of Medicare funds with resulting DRG and TEFRA legislation, persisting demands of business and consumers for less costly alternatives to traditional health care, mounting powers of the forces of the deregulated market, and emerging importance of surplus physicians in entrepreneurial activities.

We are now in a tough new period—the era of industrialized medicine with managed health care corporations, multihospital systems, free-standing for-profit independent units, and physician entrepreneurs. The "Medical-Industrial Complex", described and deplored by Arnold Relman, Editor of the New England Journal of Medicine, has emerged as a powerful local, regional and national force.[2] As many as 20 urgicenters and six surgicenters will soon be operating in the Twin cities, Twin Cities HMOs will boil over into neighboring states, and national HMO chains—Prudential, Cigna (a merger of INA and Connecticut General Insurance), Kaiser Health Plan, American Medical International, and Charter Medical Corporation—in 1982 had their "best year ever."[3] Other HMO chains are going public at 60 to 80 times earnings with considerable success. California HMOs lead the nation with 20 percent market penetration with Minnesota close behind at 16 percent (largely due to the Twin Cities 30 percent penetration).

National hospital companies are growing fast too. Here is a list of leading companies with number of hospitals owned, leased, or managed and their revenues in billions of dollars: Hospital Corporation of America 351 ($3.5), Humana 91 (1.5), National Medical Enterprises 356 ($1.4), American Medical International 80 ($1.4), and Lifemark 31 ($0.5).[4] These national hospital companies now run about 20 percent of the nation's 7000 hospitals.

THE HARVARD CONFRONTATION

No institution is out of the financial grasp of these booming hospital corporations with their access to capital. Even Harvard and its teaching hospitals are vulnerable. The faculty of the Harvard Medical School and the trustees of Massachusetts General Hospital are now debating whether to approve the sale of Harvard's major psychiatric teaching hospital, McLean, to the Hospital Corporation of America. Arnold Relman, the New England Journal editor, sees the sale as a "dramatic confrontation between the bastion of academic medicine, with the most distinguished teaching hospital in the country with the biggest, richest hospital company in the world. If Harvard approves the sale, it's going to a very important bellwether of where our society is going to go."[5]

With hospital chains growing at 20-25 percent a year and academic centers in decline, most analysts feel the economic bells are tolling for hosptial chains rather than for non-profit academic centers. In response to Relman's remarks, Charles Martin, Vice President of Hospital Corporation of America, said: "We just don't think the relationship between academic medicine and business is one of mutual exclusivity." Translated, I assume by Martin's remarks he means academic medicine needs capital and management too.

REASONS BEHIND CORPORATION ACTIVITIES

What are these various national and regional corporate activities about? Why are these corporations doing what they are doing? Or, as one exasperated physician blurted out, "What the hell is going on?" Why are organizations competing vigorously for market share. Why all this posturing, priming, and pitching for clients? To many physicians, these activities are degrading and unprofessional.

What is going on is called Corporate Growth. This growth requires market penetration, capture of market share, changes in corporate structures of non-proft hospitals, and consolidations to achieve higher levels of integrated control for greater effectiveness, economic of scale, and more efficient services.

According to Paul Starr, author of the Social Transformation of American Medicine, five dimensions of corporate growth exist.[6] These are:

1. change in type of ownership and control (the shift from non-profit and governmental organizations to for-profit companies in health care);

2. horizontal integration (the decline of freestanding institutions and rise of multiinstitutional systems, and the consequent shift in the locus of control from community boards to regional and national health care corporations);

3. diversification and corporate restructuring (the shift from single unit organizations operating in one market to polycorporate and conglomerate entities, often organized under holding companies, sometimes with non-profit and for-profit subsidiaries involved in a variety of health care markets);

4. vertical integration (shift from single-layer-of-care organizations, such as acute level hospitals, to organizations that embrace the various phases and levels of care, such as HMOs);

5. industry concentration (the increasing concentration of ownership and control of health care services in regional markets and the nation as a whole).

So there you have the dimensions of what health care managers are doing and where the health care industry is going.

But the propelling reason behind this pervasive push for corporate growth is the

---

Footnotes at the end article.

smell of big profits. After all, health care is a vast and often fragmented $360 billion industry, arguably the third biggest business in America behind education and automobiles. Corporations perceive health care as a business with a lot of waste and fat in it because of the inefficiencies of the fee-for-service system. Because of this perception, corporations are moving to reorganize fee-for-service medicine. When I asked an HMO president how fee-for-service physicians might respond to his organization's activities, he said: "We don't care. We don't even regard private physicians as legitimate competitors. We can always beat their price by 20 percent, so we ignore them."

INTERVIEWS

Over the last three months, I have interviewed 25 Twin Cities health care leaders. These 25 have included practicing physicians, medical politicians, medical society executives, hospital administrators, multi-hospital chain executives, HMO presidents, HMO medical directors, health care finance people, medical think-tank participants, patients of private physicians and HMOs, and managers of professional associations. To each leader, I have said their interviews were not for attribution. And to each, I have put two basic questions: 1. What do you think is now going on in the Twin Cities health care scene? 2. What do you think the Twin Cities health care landscape will look like in five years? I made the questions broad because I doubted if these leaders would divulge their specific organizational strategies. Rather than cite the substance of any of these interviews. I would like to take the editorial license of synthesizing, summarizing, and compressioning their remarks into this brief passage:

Currently, the Twin Cities health care market is turbulent. We are experiencing a restructuring, realignment, and shakeout of existing organizations, and many physicians are having a tough time finding desirable positions, maintaining their practices, or financing new practices. The two underlying struggles are the battle for market share and control of the system. Large organizations—HMOs and bigger hospitals—are positioned best to win these wars (as one HMO medical director said to me: "If you don't think this is war, you are kidding yourself.")

These competitive struggles and uncertain trends are creating tensions—between institutions, between institutions and doctors, and between doctors themselves. Organized medicine is having a hard time adjusting because it now represents physicians in all sectors—fee-for-service, private HMOs, multi-specialty clinics, and the academic world. It is hard to unite these physicians when they are competing for each other's business.

One hospital president commented: "It's a time of Megatrends and Megatensions." An HMO executive said, "The current state of constant agitation and freefloating anxiety has created a kind of massive Brownian Movement in the market."

In view of most (but not all) of these observers, the five year forecast is that only four HMOs will remain with roughly 50 percent of market penetration, and four, maybe five, multi-hospital systems will dominate.

As for practicing physicians, about one-third will remain in fee-for-service practice outside the giant groups or HMOs. But practice will not be like the old days. These fee-for-service physicians will either be part of networks, such as the present Physicians Health Plan, or the Blue Cross/Blue Shield AWARE plan, or will have made accommodations to work on a contract basis for HMOs, industries, hospitals, or other providers. These things, of course, are already happening. The consensus of those I interviewed, both inside and outside organizations, was that large organizations and their managers are winning the battle for control of health care.

OTHER LESSONS FROM INTERVIEWS

From these interviews, I learned another thing or two: (1) no one knows with certainty where we're headed (A Mondale election in 1984, for example, could dramatically slow the momentum towards corporate medicine); (2) everybody thinks we're in a watershed period with irreversible changes taking place; (3) managers are supremely confident, even arrogant, about the future belonging to large organizations; (4) independent physicians, for the moment at least, fear for their future and feel outflanked, out organized, and out financed; (5) a tremendous amount of anxiety exists among both hospital administrators and independent physicians.

I came away from these interviews with the impression that the Twin Cities abound with tough-minded, thoughtful, and experienced health care people who are willing to make structural changes in the current system and to take risks to make those changes stick. These changes are going to hurt many physicians and many organizations. In a regulatory system, which favors the status quo, everybody gains or loses a little. In a competitive system, you have big winners and big losers. Given a competitive system, a physician surplus, a declining supply of patients, and an Administration dedicated to quelling health cost inflation, physicians are no longer guaranteed financial success, professional satisfaction, or employment in desirable practice locations of their choice.

PHYSICIAN'S PRESENT MOOD

Before the present competitive mood evolved, most physicians would have agreed with these general propositions: (1) Medicine is not a business because it deals with people and not products; and (2) physicians are not businessmen, but independent professionals. Moreover, it was considered poor form to even talk about the business decisions of practice. Why talk about them? After all, given reasonable professional competence, financial rewards would follow. The only things that really counted for success, the truism went, were ability, affability, and availability—not necessarily in that order.

These propositions no longer are worth a damn. Most of us are now professionals who depend on business men, and we are a central part of a multibillion dollar industry from which we receive perhaps 15 percent of the income and make 70 percent of the decisions. Being a physician-businessman is no longer a moral stigma; it is becoming an indispensable asset.

Yet, despite our earning and spending power and collective clout, physicians are confused about the present and despair for our future. We regard ourselves as passive victims of huge forces—big government, big business, and big third parties. We see large blocs of potential patients snatched from our grasp before we can show them our skills or bedside manner; we see impersonal brokers who know little about patient care decide our destiny; we see corporations flooding the printed pages, radio airways, and televisions with seductive and often deceptive message about low-cost, comprehensive, and quality care; and we wonder how we can compete for patients or even defend them against the blandishments of businessmen. As individuals, we are depressed, disillusioned, and even disgusted.

PHYSICIANS AND THE FUTURE

In a poll by Louis Harris and Associates, 48 percent of 1,814 physicians said they would not recommend a career in Medicine to others for six reasons; (1) loss of autonomy (due to government regulations and third party controls); (2) loss of personal satisfaction (secondary to the eroding doctor-patient relationship, malpractice suits, and decline of public image); (3) excessive professional demands (paperwork and long hours); (4) inadequate financial rewards (doctors' earning power has declined since 1975); (5) insufficient practice opportunities (because of the doctor glut); and (6) demanding educational requirements (ever increasing continuing education requirements and need to keep up with new technology).[7] In addition to polls like this, you hear doctors saying: "It was more fun in the old days. We were gentlemen and worked in a relaxed atmosphere. We were engaged in a profession that was different from other vocations. What we're doing now is simply a business."

WHY MANAGEMENT IS WINNING

Why are those trained in management and their organizations winning the battle for the control of health care? Or, to put it slightly differently, why does management's power grow, and why are large organizations necessary to compete in today's health care market?

Victor Fuchs, a Stanford University economist who specializes in health care issues, gives three reasons: (1) large organizations have access to capital which finances growth; (2) large organizations have more effective mechanisms for dealing with bureaucratic phenomena, and (3) large organizations possess the true skills of management—organizing complex technology, maximizing the talents of specialists, and bringing together different people from different professions to deliver service as a team.[8] Fuchs believes we must accommodate ourselves to the reality that physicians will never dominate Medicine in the future as we have in the past.

There is Fuch's thinking about a successful health care organization: "A good example of successful accommodation—where physicians have remained in charge of what is important to them—is the Mayo Clinic in Rochester, Minnesota. A visitor to Mayo cannot help but be impressed by the degree to which the organization has worked out the necessary compromises between practicing physicians and management. To an outsider, the organization seems to work smoothly. Signficant power and authority is vested in management, but it is shared with the practicing physicians . . . Mayo is a $250-million-a-year operation, and it runs smoothly, efficiently, and profitably. It is not possible for a $250-million-a-year operation to run smoothly, efficiently, and profitably by practicing physicians. But, if the physicians perceive that they still have the power, that is great." [8]

But other than capital, ability to cope with bureaucracies, and management skills, managers have another advantage—they are trained to think differently. As physicians, we are educated to concentrate on the individual transaction—the one-on-one encounter with a specific problem or a specific patient. For the most part, we do not stop to think how the impact of each transaction

ripples through a system. The professional manager, on the other hand, is taught to think in terms of events as a process with a series of transactions. Each transaction has a cost and a profit—and each is to be minimized or maximized by a systematic, organized, and purposeful team approach.

Because of these differences in education, tension inevitably exists between physicians, who wish to maximize what they can do for the individual patient no matter what the cost, and the professional health care manager, who desires to moderate costs by routinizing the transaction or reducing the number of transactions, or minimizing deviations from routine transactions.

And lastly, health care managers think of health care as a market. They see the market this way: (1) patients are confronted with making choices between doctors, health plans, and institutions; (2) in making these choices, patients do the best they can—given constraints of money, time, energy, and information; (3) relative "prices" effect patient choices and these prices are measured in time, psychic cost, and alternative costs; and (4) patient choices may be influenced by a host of other factors—religious affiliation of a hospital, loyalty to a private physician, need for personal attention, pressures of the emplyer, and tradition; and (5) a well-crafted marketing strategy can tilt any of these factors in favor of the corporation. What managers have been able to do is to portray health care as a commodity, to emphasize the importance of price, and to persuade consumers that in organization medicine other factors in health care—choice, accessibility, quality, and personal attention—are equal or superior to private medicine. HMO's market their plans through well-orchestrated advertising campaigns, offer comprehensive care at fixed price and promise no surprises—no paperwork, no deductibles, and no extra-bills. This approach works exceedingly well, so much so that for some major employers, such as General Mills, the market penetration rate is nearly 80 percent.

WHAT TO DO?

Now for the hard part. What can we physicians do about this changing economic environment? How can we be more effective in influencing trends? Tough questions, and I have yet to interview anybody who articulates a scheme of action that satisfies everybody. The public wants the most care at the least cost; hospitals want to survive; physicians want to remain as independent professionals; and corporations want to manage the vast enterprise in a systematic, organized, and profitable fashion.

For starters (this, after all, is the first editorial in a series), perhaps we can consider these suggestions.

First, let's act within the context of existing organizations, but let's be innovative enough to change. For examples: (1) I believe the Blue Cross-Blue Shield AWARE plan is an important step towards slowing the HMO momentum; (2) I can see where the Hennepin county Medical Society—Physiccian—Hospital joint venture model can minimize the potential DRG chaos; (3) I applaud the Minnesota Medical Association for developing marketing programs for practicing physicians.

Second, let's concede that this is an age of management in which major social tasks—from education, to economic services, to health care—are entrusted to large organizations. Let's not say: "Down with health care organizational organizations!" Let's study management techniques and methods and let's apply them to our situation in a responsible way that increases our leverage, maximizes our effectiveness, and brings the medical knowledge to society in the most efficient ways.

As professional, let's retain our autonomy by serving as quality watchdogs for health care organizations, making them perform responsibly with a high level of achievement and with the greatest humanity possible. The biggest danger, or blindside of corporations, is that they are treating health care as a commodity. Health care is more than that. In a similar fashion, the trouble with DRGs is that they treat patients as a product to be controlled, priced, limited, and parcelled out. People do not like to be thought of as a product, or piece of meat, moving through as assembly line. It is up to us to define the boundaries of quality in evaluating and treating humanity.

Third, let's think of our strengths as a profession rather than our weaknesses. Let's recognize and announce that as a collective group, we monitor ourselves more closely than any other profession. Let's recognize in the last 10 years we have achieved tremendous advances through medical technology and public education—in lengthening life span by three to five years, in bypassing coronaries, replacing joints, in reducing mortality from myocardial infarcts and strokes by one-third, in using CAT scanners to help diagnose and treat head injuries, in salvaging premature infants, in developing new drugs to treat ulcers (cimetidine) and heart disease (propanonol), and, in general, bettering the human condition faster and on a greater scale than any previous generation of physicians.

Let's acknowledge, that, as long as we maintain quality, stick together, and keep increasing our effectiveness, respect and economic rewards will follow. Let's build unity out of our diversity. What unites us is not how or what we're paid, it is our joint goal to keep up our standards in education, research, and human care.

Let's maintain the leadership role of physicians in forming new health care corporations. Physicians in the Twin Cities have always been out in front of society in building multispecialty clinics, HMOs, Independent Practice Associations, and now PPOs. If we're out in front, we can make rules we consider desirable for the public and physicians. Otherwise we will have the rules imposed on us.

Finally, let's not give up the fight for fee-for-service practice because of the corporate transformation of medicine. There is a tendency to equate this transformation with the rise of HMOs. This is a mistake. HMOs are just one manifestation of corporate medicine. Furthermore, they are not necessarily the wave of the future. HMOs, too, are vulnerable. Because the government has subsidized HMOs, promoted open enrollment, and forced employers to give employees a choice of HMOs, HMOs may seem more formidable now than they will prove to be in the long run. Employers are already finding that HMOs—because of their comprehensive first dollar coverage and driving up of other policies through adverse selection—do not necessarily save money. And insurers and fee-for-service schemes—through higher deductibles, through tighter preadmission and utilization controls, and through marketing opportunities presented by cafeteria benefit plans—are rapidly adjusting to the changing environment. What seems to be happening is that fee-for-service organizations and HMOs are accommodating to each other and reaching a state of equilibrium.

CONCLUDING REMARKS

I have tried to show how and why corporations are taking over the independent practice of medicine. These health care corporations may be run by HMOs, hospitals, businessmen, or physicians. Whoever manages or owns these organizations, corporations have these advantages over independent physicians: (1) access to capital, (2) mechanisms for dealing with administrative and bureaucratic tasks, and (3) the ability to organize complex technology and to bring together professionals from various fields to deliver service as a team.

To survive and thrive over the long haul, physicians may have to fight fire with fire and from doctor corporations. These corporations will be limited partnerships in which independent practitioners, as a group, will supply fee-for-service or prepaid care and will have a central management team that will handle billing and employment of personnel, negotiate legal and financial contracts with hospitals, nursing homes, industry, and corporations, respond to requests from other organizations for service, and provide for benefits (health, self, home, and automobile) for each limited partner.

What I see emerging in the Twin Cities in the next five years are seven or eight health care corporations (because of their restrictive connotations, the present corporation designations of HMOs, IPAs, PPOs, and hospital or physicians' plans, may no longer be vogue). All of these health care corporations now exist either in mature of developmental stages. Health care corporations will offer comprehensive plans—either prepaid, fee for service or both. Physicians will have considerable power in these plans, for physicians will still control access to the remaining hospitals, which will be linked to the plans because their survival will depend on the plans.

FOOTNOTES

[1] Reece, RL: HMOs—A matter of choice. Minn Med 63:77-81, 1980.

[2] Relman, AS: The new medical-industrial complex, N Engl J Med 303:963-970, 1980.

[3] Synder, J and Bale, C: HMOs: Competition or investment opportunity. Physicians Management, pages 77-85, August, 1983.

[4] Kleinfield, N: Operating for profit at Hospital Corp., NY Times, May 29, 1983.

[5] Butterfield, F: Proposed sale by Harvard is raising fears, NY Times, Sept.4, 1983.

[6] Starr, Paul: The Social Transformation of American Medicine. Basic Books, Inc. New York, 514 pages, 1982.

[7] Peterson, ML: Physicians' forecast of medical practice: Why is the glass half empty. Ann Int Med 97:778-780, 1982.

[8] Fuchs, VR: The battle for control of health care. Health Affairs, 1:6-13, 1982.●

EL SALVADOR

● Mr. DODD. Mr. President, as the author of the original Senate legislation placing essential restrictions on U.S. military aid to El Salvador, I am pleased the Senate has voted to extend this legislation with the passage of H.R. 4042.

It is my hope the President will sign this bill without further delay. That almost 2 months have passed since the original legislation expired with the end of the fiscal year is regrettable enough. Current events make clear

these restrictions are as critical as they were more than 2 years ago. H.R. 4042 insures they and the certification process will continue for the remainder of this fiscal year or until other legislation addressing this issue is passed during the coming session.

As my colleagues know, H.R. 4042 extends the original legislation and, like that measure, makes U.S. military aid to El Salvador conditional on the Salvadoran Government's progress in human rights, political and economic reforms, and the investigation surrounding the murders of the American churchwomen and labor advisers. For U.S. military aid to continue, our President must certify—every 6 months—that the Salvadoran Government is making progress in these areas.

Many of us are and have been sorely disappointed with the administration's interpretation of certification. During the past 2 years, we have objected strongly when the administration certified these conditions had been met despite overwhelming evidence that they had not been. But certification kept the heat on the Salvadoran Government and on the administration. Certification made it clear that every 6 months Congress wanted to know what it was getting for its billion-dollar investment.

In fact, that is what we have invested in this tiny war-ravaged country. There are those in the administration and elsewhere who will argue certification has crippled the administration's ability to implement its foreign policy. They claim Congress has refused to provide this administration and the Salvadoran Government with the assistance it needs. The facts indicate otherwise. Since this administration took office and through fiscal 1984 Congress has approved $1 billion in military and economic aid to El Salvador—hardly a stingy amount by any standard.

While the administration's interpretation of certification has sustained military aid to El Salvador—at times when perhaps it should have been stopped at least temporarily—the law itself has sustained the critical public debate on this issue. Certification has played a significant role at very least, by insuring a full and comprehensive review or our policy and our commitment every 6 months. It has fostered a public debate and policy inspection too rarely seen on major foreign policy issues.

That debate, that policy inspection, is as urgently needed now—perhaps even more so—than when certification first became law. El Salvador is as volatile as ever: A powder keg with a lit fuse that grows shorter every day. Terrorism from right-wing death squads is intensifying and, though this administration may condemn the assaults, it is expected to proposal substantial military aid increases for El Salvador—whose military and security units have been linked to these right-wing assassins.

Mr. President, I have never and am not now arguing for a complete cutoff of U.S. military aid to El Salvador. I am, however, strongly arguing that it seems ill advised to discontinue the only available mechanism maintaining pressure for economic and political improvements in El Salvador, a country so desperately in need of these improvements. Congress has recognized the need to maintain this pressure and continue certification. It is my hope the President will reach the same conclusion.●

SENATOR McCLURE DEFENDS ADMINISTRATION'S STRATEGIC MODERNIZATION PROGRAM

● Mr. SYMMS. Mr. President, I ask that a letter to the Washington Post by my distinguished senior colleague from Idaho, Senator JIM MCCLURE, be printed in the RECORD. This letter defends the Reagan administration's strategic modernization program from an erroneous attack by Mr. Alton Frye, which was previously published in the Washington Post. The Washington Post chose not to publish Senator MCCLURE's rebuttal of Mr. Frye, so I ask that it be printed here in order that misperceptions about the Reagan administration's policies do not go unchallenged.

The letter follows:

U.S. SENATE,
Washington, D.C., October 5, 1983.

Mr. STEPHEN ROSEFELD,
Editorial Page, The Washington Post, Washington, D.C.

DEAR SIR: I would like to rebut the essential points in an article by Alton Frye entitled "Strategic Myths Mislead Reagan," The Washington Post, Sunday, October 2 1983, p. C-5. Frye asserts three main points:

1. That Soviet and U.S. strategic modernization programs are roughly concurrent, and that the United States does not have significantly older forces than the Soviets.

2. That the United States has a greater counterforce capability than the Soviets, because the United States threatens a higher percentage of Soviet forces than the Soviets threaten U.S. forces.

3. That the United States has not made major cuts in its strategic forces over the last two decades.

These assertions are essentially erroneous as stated. First, about three quarters of all Soviet strategic warheads are carried on launchers less than 5 years old, while in contrast, about three quarters of all U.S. strategic warheads are carried on launchers 15 or more years old.

Frye's accounting of relative arsenal age is possible only by focusing upon the age of missile boosters, rather than launchers. If the relative age of boosters is compared, then Frye's assertion that U.S. forces are only somewhat older than Soviet forces has some validity.

But I believe that the age of the launcher is by far the more significant measure, because the age of the launcher is an important factor in the survivability of the missile booster and warhead.

For example, Frye equates Minuteman III ICBM launchers, retrofitted with Minuteman III ICBMs and given improved hardness between 1970 and 1975, with Poseidon SLBM launchers, retrofitted with Poseidon SLBMs also between 1970 and 1975. But the Poseidon launchers, themselves built between 1961 and 1967, were not improved. In fact, the whole class of 31 Poseidon submarines is facing block obsolescence as early as next year, and our old Poseidon forces carry 71 percent, over 5,000, of our 7,200 missile warheads.

Hence it is correct, contrary to Frye, that a much larger percentage of U.S. warheads than Soviet are carried on launchers 15 or more years old. And since the launcher's age is an important factor in force survivability, this is the most significant method of guaging the age of the strategic force.

Second, Frye's calcualtion of relative counterforce capability is completely misleading. First, he compares only ICBM vulnerability, omitting mention of the fact that over one-half of U.S. SLBMs are vulnerable to a Soviet ICBM counterforce first strike, over three quarters of U.S. bombers are similarly vulnerable, while all U.S. ICBMs are threatened. Indeed, there are estimates that our deterrent even now consists of only several Poseidon submarines capable of receiving communication from the President.

This is due to the 3 to 1 Soviet advantage in ICBM warheads (6,000 to 2,000) and to the resulting Soviet 6 to 1 advantage in first strike counterforce capability (due to greater Soviet accuracy and megatonnage.) Thus Frye misleadingly compares force percentages held hostage by each side, while ignoring the fact that Soviet ICBMs threaten a much higher percentage of U.S. forces than U.S. ICBMs can threaten of Soviet forces. This is especially true of a dynamic scenario when the Soviet warning period would allow them to forward deploy their bombers, surge their SLBM patrol rate, and conceal SLBMs in hardened submarine tunnels.

Moreover, the Frye analysis completely ignores the fact that the Soviets have many fewer U.S. hard targets to shoot at, which are themselves comparatively much less hard than Soviet hard targets. The targeting asymmetry is extremely significant. The Soviets have three times as many hard targets as the United States, which are three times as hard, on the average.

Thus, considering all these factors the United States would need at least 6 times the counterforce capability that the United States now has, in order to begin to have parity in counterforce capability with the Soviets.

Third, it is indisputable that the United States has made major unilateral cuts in its strategic forces over the past 15 years. For example, during the 1969-1983 period of SALT I and SALT II negotiations, the United States has deactivated or cancelled over 710 strategic delivery vehicles either deployed or planned, carrying over 6,000 nuclear warheads. (If theatre and defensive warheads are counted, the United States deactivated over 8,000.)

During the same period, the Soviets have deployed over 1,000 new missile launchers, and 250 intercontinental bombers, carrying over 6,000 warheads. (Since 1961, the United States has deactivated over 4,000 strategic delivery vehicles carrying over 20,000 nuclear warheads.)

It is true, as Frye points out, that both the United States and the U.S.S.R. have, since 1970, approximately quadrupled the number of warheads carried on their respective offensive intercontinental forces. This was principally due to the deployment of MIRVs—Multiple Independently-targetable Re-entry Vehicles—on both sides. But there is now an inbalance, with the Soviets now leading even in the number, size, and accuracy of warheads.

The main point is that the United States could have preserved its early 1960's superiority over the Soviets, had it not been for the massive unilateral U.S. deactivations and cutbacks of the 1970s. As former Defense Secretary Brown has said, when the United States builds, the Soviets build, but when the United States stops building, the Soviets just keep right on building.

The Reagan Administration itself is almost finished deactivating 292 Polaris SLBMs, Titan II ICBMs, and B-52 Ds, which carry over 500 nuclear warheads and over one-third of our existing megatonnage. In addition, 46 percent of our strategic modernization has been cut back, due mostly to MX and B-1B reductions. Finally, the Administration is planning to deactivate two Poseidon submarines carrying 32 SLBMs and 90 B.52 Gs. It is possible to say that the United States has already undertaken a unilateral guaranteed "build-down", greatly reducing our negotiating leverage in START to achieve a mutual build-up.

In sum, Alton Frye's three main points are indefensible as asserted.

Sincerely,

JAMES A. MCCLURE,
U.S. Senator.●

ASBESTOS IN THE SCHOOLS

● Mr. HUDDLESTON. Mr. President, on October 28, the Department of Education released its report on asbestos contamination in our Nation's schools. This report was completed in response to language that was included in the Senate report for the supplemental appropriations bill for fiscal year 1983.

The report shows that many schools across the country are facing costly asbestos removal problems. Unfortunately, efforts to help the schools deal with this problem have been unsuccessful as an amendment I offered to the fiscal year 1984 Labor-HHS-Education Appropriations bill to provide $50 million for loans was tabled by the Senate. The House-Senate conferees for the bill also decided to delete all funding.

It is known that exposure to asbestos can be hazardous to a person's health, yet we seem willing to let our schoolchildren take this risk. Since the Federal Government mandated the inspection of all schools for asbestos contamination, I believe we have some responsibility to help them remove any hazards that are found. We cannot simply turn our backs on the schools as many of them already have strained budgets and do not have the funds to remove the asbestos or they must take funds from instructional programs to deal with this problem.

We need to give serious consideration to providing some immediate assistance to schools faced with asbestos hazards. Mr. President, I ask that the executive summary of the Department of Education's report be printed in the RECORD.

The summary follows:

ASBESTOS IN THE SCHOOLS: A REPORT TO THE CONGRESS

EXECUTIVE SUMMARY

The report was developed through consultation with the Environmental Protection Agency (EPA), and submitted in response to the request of the Senate Committee on Appropriations (Report No. 98-148 of May 26, 1983). The report focuses on the requirements of the Asbestos School Hazard Detection and Control Act of 1980 (P.L. 96-270), the response of the Department of Education and of the States to these requirements, the activities of the EPA with respect to the hazards of asbestos in the schools, and the costs estimated to be associated with solving the problems of asbestos in the school environment.

The Department of Education (ED) established the ten-member Asbestos Hazards School Safety Task Force in late 1980. The Task Force reviewed the EPA's guidelines and proposed regulations and recommended standards to the Secretary of Education for the detection and control of asbestos in schools. The standards were incorporated in final regulations published January 16, 1981. The Task Force was reactivated in mid-1983, to review needed changes in ED standards and regulations, and will hold its next meeting on October 25-26, 1983.

All but three States have submitted plans required by the statute; all but thirteen are in current compliance on the submission of status reports. Efforts are continuing to secure complete compliance. The report presents known status information on each State which has submitted required reports. The statute requires no reports after June 1982.

The EPA launched, early in 1978, a voluntary Technical Assistance Program (TAP) to aid schools in the detection of asbestos. Because of the limited success of the TAP, the EPA published a rule, in 1982, under Section 6 of the Toxic Substances Control Act, intended to identify schools containing asbestos and to reduce the risk of exposure to an estimated 3,000,000 students, 250,000 teachers and other staff who use the schools which contain asbestos. The rule requires inspection, sampling, analysis, warnings and notification, and recordkeeping. There is no requirement that detected asbestos be removed or that detection or removal status data be reported to the State or Federal governments. The EPA conducts a program to ensure compliance with the rule, consisting of compliance monitoring and technical assistance. A recent EPA sample study indicates that the non-compliance rate with respect to the rule is very high, particularly regarding warnings and notification.

The costs associated with abatement of the asbestos problem vary with the procedures used; removal being the most expensive, at least initially, but also the most desirable. In consultation with the EPA staff, we estimate that 14,000 schools contain asbestos hazards requiring abatement, with an average cost of abatement of $100,000 per school building—for a total cost of approximately $1.4 billion. Under the Asbestos School Hazard Detection and Control Act of 1980, the Secretary of Education can issue interest-free loans for up to 50 percent of the cost of abatement covering repayment periods of up to 20 years. Using the above estimate base, the estimated Federal share for the removal of asbestos in the nation's schools would be $700 million.●

COSPONSORSHIP OF DOLE AMENDMENT

● Mr. D'AMATO. Mr. President, I am pleased to be added as a cosponsor of the amendment introduced by my distinguished colleague, the senior Senator from Kansas, an amendment to extend the moratorium on the continuing disability review process of the title II social security disability program. I commend my distinguished colleague (Mr. DOLE), for his timely action to prevent the severe problems which would have resulted from the expiration of the current moratorium.

I have received many letters from New Yorkers who are facing difficult situations as a result of this review process. That is why I cosponsored the bill enacted into law during the 97th Congress which provided for continuation of disability benefits through the appeal process. However, this legislation did not correct the underlying problems with the program.

I share the concern of many of my colleagues that persons who are truly disabled are being unfairly and erroneously denied their benefits. This is certainly highlighted by the fact that approximately 60 percent of the persons appealing the termination of their benefits are eventually reinstated by an administrative law judge (ALJ).

I support my colleagues in their attempt to correct the flaws in the review process by undertaking permanent reform. I see the underlying problems in the review process as follows: The lack of a requirement that a beneficiary must show substantial medical improvement before a determination may be made that a beneficiary's disability has ceased; the lack of uniform standards to guide decisions by State disability examiners and ALJ's; and the lack of a face-to-face interview between the beneficiary and the disability decisionmaker.

This amendment does not address these problems. All it does is provide that beneficiaries may continue to receive benefits after a disability cessation decision has been made and an appeal has been initiated. Benefits would continue for the duration of the appeal process, through the administrative law judge level. This will avoid the very severe and, in some cases, life-threatening, hardship, disability beneficiaries suffer when their benefits are terminated. For this reason, even though this amendment does not cure the serious problems requiring reform, I urge its adoption.

I thank the chair.●

CHILD ABUSE PREVENTION AND TREATMENT AND ADOPTION ACT AMENDMENTS OF 1983

● Mr. DODD. Mr. President, I understand that the Senate does not have time to act upon S. 1003, the "Child Abuse Prevention and Treatment and Adoption Reform Act Amendments of 1983" before it adjourns sine die. Nevertheless, S. 1003 should be acted upon without delay when the Senate reconvenes in January 1984.

Social service agencies from my State of Connecticut across to California have reported an alarming upsurge in cases of child abuse and neglect. In Connecticut alone, the number of children who have died from abuse tripled between 1980 and 1982.

S. 1003 would authorize funds over 1981 levels for child abuse prevention and treatment programs. Such funding is essential if agencies and communities are to cope with the current national emergency posed by child abuse.

In addition, S. 1003 authorizes funds to help locate families for thousands of special needs children who are legally free for adoption. Without the assistance of this program, many such children will reach age 18 without ever having had a permanent home.

I, therefore, urge the leadership to assure the speediest possible consideration of S. 1003.

● Mr. HATCH. Mr. President, I wish to join my colleague from Connecticut in requesting early consideration next year of S. 1003, the Child Abuse and Adoption Assistance Act.

As chairman of the Senate Committee on Labor and Human Resources, I was pleased to coauthor this legislation. Furthermore, this legislation was reported from the Senate Labor and Human Resources Committee by unanimous agreement with increased authorization levels for both the child abuse programs and the adoption assistance programs.

The number of reported child abuse cases throughout the United States is increasing. We in Congress need to address this concern by assuring Federal and State programs to prevent such tragedies. Furthermore, there are estimated to be 100,000 children with special needs legally free for adoption. More needs to be done to assure a secure, permanent home for these children.

To assure our Federal leadership through these two programs, I ask that the leadership allow full Senate consideration of S. 1003 during the beginning of the second session of the 98th Congress.

● Mr. BAKER. I thank my honorable colleagues from Connecticut and Utah. I will work with the distinguished minority leader to assure consideration of S. 1003 when the Senate reconvenes.●

THE FREEMARKET COPYRIGHT ROYALTY ACT

● Mr. D'AMATO. Mr. President, I rise today to cosponsor S. 1270, the Freemarket Copyright Royalty Act. I believe this important legislation, introduced by my good friend, Senator DECONCINI, will correct a major inequity in the Copyright Act.

In 1976, Congress created the Copyright Royalty Tribunal (CRT). It was congressional intent, at that time, that this tribunal serve as an informed mediator in a very complex area. Unfortunately, Congress gave them broad powers, but little professional staff support.

Before 1981, cable operators were able to carry a certain number of distant television signals, depending upon the populace they served. The cable companies paid 0.675 percent of gross revenue for each distant signal as a royalty fee. In 1981, the Federal Communications Commission (FCC) deregulated the cable industry by allowing cable operators to carry as many distant signals as they wished. Sometime thereafter, the CRT decided to raise the royalty fee to 3.75 percent of gross revenues for each distant signal over the original allotment. In the short time between FCC's distant signal decision and the CRT royalty fee decision, many cable systems added new distant signals. The additional royalty fee assigned by the CRT, however, made retention of these signals financially prohibitive.

Because this CRT decision is currently on appeal before the Federal courts, I shall not argue this matter further. I will argue, however, that the CRT was wrong in not allowing the free market to work to determine compensation in the one area that it is already doing so. If a broadcast station has become a national cable network with a sufficiently national audience and advertiser base to require payment of equitable copyright licensing fees to program suppliers in direct marketplace negotiations, then the CRT should sanction such negotiations. In the presence of such direct licensing practices, there is no need for the supplemental fee imposed by the CRT. Moreover, program suppliers will receive a windfall if, in addition to the marketplace licensing fee, they receive a second large payment based on the CRT's increased royalty rate.

Many broadcast stations have the potential to become national cable broadcast stations. Such stations with large national audiences and advertiser bases, are fully capable of directly paying program suppliers the sufficient royalty fees. This bill fairly allows such stations to be exempt from being charged doubly for royalty fees.

The effect of the CRT decision has been to deny access to one or more distant broadcast stations to millions of Americans. S. 1270 will alleviate this problem. S. 1270 will also alleviate the problem within the Copyright Royalty Tribunal. It will decrease the number of members of CRT from five to three and will supply them with a General Counsel and a Chief Economist. This bill will streamline the CRT and will significantly enhance its ability to professionally carry out its responsibilities.

I urge my colleagues to support this legislation.●

DISABILITY INSURANCE

● Mr. BRADLEY. Mr. President, I rise to express my great disappointment that no serious steps were taken in this session to redress the serious problems that have occurred as a result of the Social Security Administration's heavyhanded implementation of the disability insurance review process.

Our limited resources must be used to support only those who genuinely require our support. But, Mr. President, the Social Security Administration has clearly gone too far in their attempt to purge the disability rolls.

Nearly half of those reviewed have been terminated, and a large majority of those who have appealed their termination decision to have been reinstated by the administrative law judges. During the 9 to 12 months that these individuals await a decision on their appeal process, they must suffer from the uncertainty of their fate. If no measure is taken soon, these individuals will not receive payments while they wait for the final judgment, and who knows what kind of harm this can do to those recipients who are unable to work and are dependent on these payments for their livelihood.

Case after case has been brought to my attention of individuals who have had their benefits terminated on the basis of a superficial evaluation that was completed by someone who had no qualifications in the area of the person's impairment. I have heard of individuals with mental impairments who were terminated on the basis of a 15-minute interview with a psychiatrist, and blind recipients evaluated by general practitioners.

Of course these are the extreme cases—the horror stories—and I certainly would hope that they are not typical. But they serve to point out the serious problems with the current procedures for reviewing disability benefits.

Mr. President, I am told that as many as 28 States refuse to comply

with the Social Security Administration's guidelines for the review process; if the current system was truly working properly, States would not be flaunting the laws, as interpreted by the Social Security Administration. My own State of New Jersey has had to stop all terminations because a court ruling, binding the administrative law judges in New Jersey, mandates more stringent requirements for termination than are applied by the Social Security Administration.

Mr. President, we clearly have on our hands a crisis situation that requires our immediate attention. The amendment proposed last night by my esteemed colleagues, Senators LEVIN and COHEN, is a fair and thoughtful measure to assure that the people in our Nation who are unable to work for reasons beyond their own control, who already suffer the pain and indignity of a severe disability, get the relief they deserve. And it allows the Social Security Administration to remove from the rolls those individuals who are ineligible. I hope the Senate will address the problems of social security disability reform early in the second session of this 98th Congress.●

WESTERN WATER AND POWER

● Mr. HECHT. Mr. President, while the communities along the lower Colorado River are still dealing with the aftermath of floodwaters that came flowing down from the Rockies last June, residents of dozens of other States are suffering the withering effects of drought. Both of these calamities have elevated public concern over the development and management of the Nation's water resources, particularly in the arid Western States where water is so vital. Some of the underlying problems that have been highlighted in the wake of the floods and droughts of 1983 have been discussed previously on this floor, and they come up again with predictable regularity each time we take up authorizations or appropriations for water projects. I suspect that they will continue to be addressed for years to come. Yet some water problems are unique to the situations of this year. Congress has held a number of hearings covering this year's problems, and several pieces of legislation dealing with both current and long-range water issues are currently before the Congress.

In a recent address to the American Economic Development Council's western regional meeting, Commissioner of Reclamation Robert N. Broadbent set forth some of the Nation's most critical water problems and examined the complex issues which confound some of the "easy" solutions that have been put forward. Although the word "clear" is usually linked to water, that word rarely fits in most current commentaries on the subject. However, in his statement to the Economic Development Council, Commissioner Broadbent has done an admirable job of settling out some of the mud that makes water issues so murky.

As Commissioner Broadbent pointed out, the real question we should ask ourselves when we confront the problems of providing water—whether for maintaining our fish, wildlife, and scenic wonders or for developing our cities, industries, and agriculture—centers on the availability of water. What is water worth when you need it and it is not there? Mr. President, I believe that this is an important question we should ask ourselves as we act on the water resource legislation which will soon be coming up for discussion on the floor. I commend Commissioner Broadbent's insightful comments on water resources to the attention of my colleagues. Accordingly, I ask that the Commissioner's statement be printed in the RECORD at this time.

The statement referred to follows:

REMARKS OF ROBERT N. BROADBENT

WESTERN WATER AND POWER—IS THERE ENOUGH TO GO AROUND

At first glance, the subject you've asked me to address appears to be simple: Is there enough water and power to go around? It's so simple that some people might be tempted to give you a one-word answer.

But, to complicate the situation, you could answer yes, another person could answer maybe, and someone else could answer no—and all three answers would be right. I guess you might call a situation like that an economist's dream—but its an elected official's nightmare. It's no picnic for an appointed official, either.

That basic question—Is there enough water and power to go around?—is deceptively simple, since it elicits some apparently contradictory, yet still correct, answers. But the fact is, deceptively simple questions often produce simple answers that are deceptive themselves.

When it comes to forming public policy, the simple answer is often the wrong one. No place is this more evident than in the area of water resources. And, despite all efforts over the next decade to ward off what is being judged as a water crisis waiting to happen, the United States already has a number of serious water problems. We all need to cooperate to make sure that the public, which you and I serve, understands what the choices are and what the here-and-now consequences of those choices are. Too often in the past, the divergent interests that make up the national water resource picture, especially the competing western water interests, have muddied the waters of public understanding when their separate points of view start getting national attention.

Perhaps the best example of this can be found with this year's high water situation along the Colorado River. We've been keeping track of the press coverage of the situation since it began, and we have a drawer about three feet long stuffed to overflowing with press clips from newspapers throughout the West and from several published in the East. With all that media exposure, why is there still such a low level of public understanding? Well, most of the really pressing questions in western water management are embodied in the controversies over the Colorado River not just in 1983, but since men first began tapping its waters. Most of those issues have been highlighted again in the wake of this year's controversy.

Is there enough water in the Colorado to go around? The answer might sound absurd in light of this year's record high spring runoff, but the answer is no, at least for the long run. But even if there had been only average runoff this year, there would have been more than enough water to fill the here-and-now needs of the developments that are already in place and functioning. So a short-term answer could be yes. Yet if some of the environmental interests pushing for no further development along the river have their way, or if the recreational interests are able to take a larger role in river operations, as both groups are working to do, the answer would have to be maybe. So the only simple and correct statement about Colorado River management is: "You can't please all of the people all of the time." But even that one can start a debate.

Of an average annual runoff of 15 million acre-feet, 16-and-a-half million acre-feet of water have been allocated to the seven States along the river and to Mexico. The people who depend on the Colorado have legislated and litigated rights to more water than the river usually has. Although that isn't the case with all the West's rivers, there are other problems such as unquantified Indian water rights, which complicate the allocations picture everywhere. This year, we are expecting somewhere near 25 million acre-feet of water down the Colorado, the highest recorded flow since accurate records of river runoff have been kept. In 1977, less than 10 years ago, only 5 million acre-feet of water flowed down the river.

Now, there are people who will debate the numbers with you, but one thing remains clear: even with a heavily regulated system like the Colorado River, there isn't a whole lot we can do to deal with the whims of nature. The average annual runoff figures are misleading, because the actual runoffs swing erratically. As Congressman Udall noted last month during the field hearings on the operations of the Colorado, talking about the average annual runoff of the Colorado River is a little like saying a man with one foot in a bucket of boiling water and one foot in a bucket of ice should be, on the average, comfortable. Without the system of dams and aqueducts which allow us more control over the variation in flow, the cities of Los Angeles, Denver, Las Vegas, and Phoenix simply would not be the places we know today, and the agricultural base that supports most of the rural communities in the river basin would be much smaller. There are a lot of powerful, vested intertests in the water of that river, and very few of them are willing to give in any real sense. But, as the West continues to grow and as needs and priorities change, there will be even further demands placed on an already overtaxed river.

Those of you who've had dealings with water issues are aware that questions of water are generally complex. In the West, an already tough-to-understand set of laws is further complicated by the "Use it or lose it" tradition. "Use it or lose it" means, essentially, that if you don't put your water rights to good use, they aren't yours any longer. Someone else can take them. Given the value of water in an arid environemnt, why should a farmer go to a lot of extra time and expense to conserve water if he's

going to end up losing the water he's saved? Many fear that this is exactly what will happen.

There is what is becoming known as an emerging water market, which would allow water rights holders to lease, trade, or sell their rights. Such a "market" may well improve the situation, but it will probably be slow in developing from concept to actuality. Allowing for the development of water markets, and making other changes to remove any legal penalties for water conservation, will require that many States change their water laws. Few State legislatures are willing to tangle with such emotionally charged issues.

The issues of water availability and water conservation in the West right now are not really issues of who pays for what, although water project financing is still an issue of major importance. The real issues surround control of the water. Will farmers continue to be the major users of western water? Given the growth of both cities and rural communities, and given the prospect of major fuel-producing and transporting industries growing up around currently untapped energy reserves, it appears unlikely that agriculture will always be the predominant user that it is today. The Central Arizona Project was planned to deliver irrigation water. Today its major contractors are cities. But the control of the water, which in the West means control of development, it is not going to be changed without some major public policy battles.

One interesting aspect of the Colorado River debate is recreation, an issue also has a major impact on proposed operations of Reclamation's Central Valley Project in California and other Reclamation projects throughout the West. When John Wesley Powell was promoting the Reclamation concept over 80 years ago, I doubt that he envisioned the millions of dollars that water-related recreation would add to the coffers of communities throughout the West. Several smaller communities, especially along the Colorado River, would not be able to survive without tourist revenue.

Before becoming Commissioner of Reclamation, I was a small businessman in Boulder City, Nevada, just off Lake Mead and Hoover Dam. Much of my business depended on tourists, and like most of the residents, I had a boat on the river myself and enjoyed water skiing whenever I got time. Although there were never any major problems along that stretch of the river while I was living at Boulder City, I can appreciate the impact of this year's high water.

For a number of years, resort owners downstream of Hoover Dam have been asking for increased water releases from the dam during the winter. Since releases from Hoover are usually scheduled to meet downstream water requirements, water releases during the winter are generally extremely low. Nobody needs the water for irrigation at that time of year. But the low water levels mean that boating along some sections of the river gets a bit difficult. Some people have charged that if we had let enough water out to please the recreational interests this winter, the flooding that happened later on could have been avoided. Although studies by both Reclamation and the General Accounting Office of Congress proved that assertion to be untrue, the question lingers. As a matter of fact, several riverside cities have asked Congress to alter the flow pattern of the river even more to allow them higher water during winter recreation seasons. Although on the surface that proposal may sound pretty simple, when reviewed by the people who hold valid rights to the Colorado River's water it is nothing short of revolutionary. They believe it is their water and they have a right to it when they want it.

Again, ask a simple question, and you'll get with a contradictory answer. Yes—Reclamation is physically capable of releasing more water from our reservoirs during the winter to please the recreational interests. No—Reclamation can't release water to meet needs that have neither congressional authorization nor valid water rights. But for the future, we have to say maybe—because Congress is looking at the issue right now.

Questions of water quality are no simpler than those concerned with quantity. In the West, the major water quality issue is not pollution but salinity. Reclamation has a number of water quality programs aimed at salinity going on throughout the West. The main focus of those is on the Colorado River.

Some of you know that the United States has a treaty with Mexico that specifies the level of salinity allowed in the water we are required to deliver from the Colorado. This year, with the water level so high, the concentration of dissolved salts in the water has dropped slightly. But local farmers fear that this high water situation may turn out to create even bigger salinity problems both in the United States and Mexico. High surface water levels are evidently raising the ground water levels along the river. As the ground water level changes, more salt is leached out of the soil. Eventually, that salt will end up in the river, too. So, even though 1983 is one of the few years that salinity of the river's water isn't a real problem, this year's conditions could be responsible for an even bigger salinity problem later on.

The treaty obligation with Mexico isn't the only reason why we think it is important to do something about water quality along the Colorado River. In the past, we've proposed a number of technical "fixes" for the problem. But those are expensive and can only be justified through a set of economic rules different from those used for regular water projects. A bill is currently before Congress to authorize salinity control work at several places along the river, mostly in the Upper Basin. This bill will require the States along the river to pay for 25 percent of these projects, and it looks as if they are willing to make that commitments. The Basin States really aren't worried over the commitments to Mexico. They are worried about what salinity is doing to their crop yields and their drinking water.

The idea proposed by some of the environmental groups—build no more water projects along the river—might help reduce future increases in salinity, but I don't see that as a necessarily practical idea, since the States have the right to make their own decisions about their own water. The Upper Basin States are not willing to forego their water to ensure the quality of the water received in the Lower Basin. But, each increase of one milligram of salt per liter of the river's water at Imperial Dam, near the Mexican Border, means about half-a-million dollars in damages, mostly in the Lower Basin. And much of the salt comes from natural sources in the Upper Basin. So the seven States have started working together toward a solution to the problem. Each of the States is represented as part of a decision-making forum.

In the past, most of the alternatives that the Bureau of Reclamation has presented for the forum's consideration have been what engineers call structural solutions. Basically, that means we build a new project. In the past few years, though, partly as a result of some of the research we have been doing on western weather, which plays an important role in all of our operations, Reclamation has begun to look at possible nonstructural solutions. One of the most promising goes by the acronym of CREST, which stands for Colorado River Enhanced Snowpack Test. Basically, CREST will be used to prove the technology of weather modification for the Colorado River Basin. We believe that CREST could increase runoff from snow-melt by 410,000 acre-feet each year of the demonstration program. If that demonstration program is successful, our meteorologists feel they could add about two-and-a-quarter million acre-feet of runoff into the Colorado System each year, if it were needed.

This "extra" water would result in the by-product of reduced salinity. Obviously, if CREST is successful, it could change the whole water picture along the Colorado. Conceivably, there could even be extra water to take out of the river. But again, here we run into problems. Some of the States have told us that any "extra" water that might be produced through weather modifications belongs to them, and they'll determine its use. Now, it might seem strange to talk about the need for extra water when this year we have far more than we need. But everyone recognizes that wet periods along the river are temporary at best.

Although it doesn't use water in the conventional consumptive sense, electrical generation at our powerplants along the river is also heavily affected by the amount of water that is running down the river. So let's talk about power. If there is one question about Reclamation's operations of the Colorado River, or any other river in the West, that has a definite, clear-cut answer, it's the question of power. Is there enough low-cost Federal hydropower to go around? No. No matter what we do, no matter what we might be able to do in the future, there will still be a limited quantity of low-cost power available to serve a virtually unlimited demand. The recent fight over Hoover Dam Power allocations, and the recent Pacific Power and Light decision handed down by the Federal Energy Regulatory Commission (FERC), illustrate just how keen the competition is for that power.

You may have seen the newspaper reports on the recent action by FERC regarding preference power. In the past, municipalities, rural co-ops, and other public groups were allowed what is known as a preference in Federal power marketing. They also had a preference in FERC licensing for hydropower development. When the license for a privately built powerplant in the Pacific Northwest came up for renewal, some of these preference groups attempted to take the license away from Pacific Power and Light, the original developer and operator of the dam. But FERC reversed the preference policy for relicensing, and the preference people lost their case. This will definitely not be the last word on this matter, but it is an interesting contemporary development for all of those interested in the differing aspects of power marketing.

Those of you who live in Sothern California, Southern Nevada, and Arizona are probably already aware of the legal wrangling that went on over future allocations of power from Hoover Dam. The 50-year con-

tracts for power from the dam are about to expire and, over California's protest, Nevada and Arizona both asked for more. A number of communities which never held contracts for power from Hoover Dam also wanted in on the action. There were suits, threats, of suits, and endless meetings. A negotiated settlement is being hammered out between the States that currently hold contracts for power from the dam. The gist of the agreement has been added to a hydropower authorizations bill by Senator Chic Hecht, but it has yet to be finalized by both Houses of Congress.

Hoover and the other hydroelectric dams up and down the Colorado produced much more power than usual this year. Most of the powerplants were operating at nearly 100 percent of capacity all summer. Although you could say that the high-water situation was beneficial in terms of power production, there are power companies that wouldn't agree with you. During the recent hearings on the Colorado River, representatives from Los Angeles Water and Power claimed they lost an enormous amount of revenue because of the water that was spilled instead of used to generate hydropower—but they didn't mention the millions they made from the sales of cheap secondary energy which resulted from the full utilization of our generators this year.

Despite the findings by the General Accounting Office of Congress that operations on the Colorado this year were in full accord with the laws and regulations governing the river, and that spills were unavoidable, everyone from recognized experts to armchair engineers has been caught up in a numbers game over the Colorado River. Unfortunately, these numbers games do more to raise tempers than they do to raise public awareness.

Just how much is water in the Colorado River worth? Just how much power could have been generated if all that water had been channeled through the powerplants instead of over the spillways? And what is it really worth?

I don't know. I can tell you that water from the Southern Nevada Water Project, which supplies the area where I come from, goes for about $100 an acre-foot. Now, when we talk about sending more than 2 million acre-feet of water over the spillways at Hoover—six times Nevada's yearly allocation of water from the river—and multiply that by $100 an acre-foot, you come up with a loss of more than $200 million. But that is based only on my experience with just one project. Water rates on the river vary from $30 an acre-foot to more than $100. Then there are the impacts on recreation, fisheries, and power that have to be figured in. They are all interdependent when coming to some realization of what the river is worth. The real question is what an acre-foot of water is worth when you need it and it's not there. Simple answers just don't tell enough of the story to be of any real use.

Be that as it may, the perception hangs on that there are some easy answers. Some of that is due to the fact that the information vital to making a decision can't be summed up in a one-minute television report, or is too complex to interest the average newspaper reader. The Colorado River, or any other river that supplies water for multiple purposes, is not a quick study.

Perhaps the challenge that faces us all is to build public awareness of the importance of water before we have a crisis. You don't have to tell the people along the lower Colorado River how important that river is to their businesses or their lives. They already know all too well, and they have dedicated themselves to learning more about the river and working themselves into the operations picture. Reclamation fully supports a review of the operations of the river, and we believe that everyone who is interested should have the opportunity to have some voice as to how the Colorado is managed. In the past, very few folks other than the State engineers and local water district experts were much interested in the workings of the river. Perhaps the only real benefit to come from all of the 1983 flooding is an increased awareness along the river of the need to be involved in the decision-making.

No matter where you live, water is vital to the growth and development of a community. If you don't have a good, clean supply of water, there isn't much you can do. The water problems faced in the West are essentially the same problems that are faced in the East. Certainly, the East has much more water, but just as in the West, it isn't always where you need it, when you need it, in the quality you need.

If you can't find water, you will have no development. But finding water, especially in the West, is going to involve some tradeoffs for practically everyone involved. We need to work together to make sure that people are aware of what the tradeoffs are. We need to do our best to help the public understand the constraints we must operate under so that they can help us make the decisions that will truly be for the general good. I believe it is possible, but I don't believe it is easy. Again, there are no simple answers. Nevertheless, if we are going to grow and develop, we must build a broad base of basic water resource knowledge among people who have taken water for granted most of their lives. People need to see past all the yesses, noes, and maybes of each specific water problem so they can begin now to make changes for tomorrow. We can't take water for granted any longer.●

AARP TAX POLICY STATEMENT

● Mr. BRADLEY. Mr. President, tax relief and tax equity are two high priority goals for older Americans. Many Americans mistakenly believe that taxes are not important for the elderly.

It is true that about 1 of every 4 persons 65 or older is either poor or marginally poor. However, 13.1 million older Americans filed Federal individual income tax returns in 1981, either individually or jointly.

The American Association of Retired Persons, the Nation's largest senior citizens organization, has a longstanding interest in making the Internal Revenue Code more equitable and simpler to understand for the average person.

AARP's legislative council has developed a comprehensive package to achieve these goals. These measures deserve the close attention of all Members of Congress, and especially those who are on the tax writing committees.

AARP's legislative council is also deeply concerned about problems that older Americans encounter in preparing their returns. Quite often, it is a nightmarish experience, especially for elderly widows. Upon reaching traditional retirement age, older Americans frequently discover that they are exposed to a whole new set of tax rules.

For example, they may need to determine the taxable portion of their contributory pensions. Or, they may have to prepare a special form to take advantage of the 10-year averaging rules when they have a lump-sum distribution from a qualified pension or profit-sharing plan. These computations can be complicated, even for seasoned tax preparers.

In addition, a significant percentage of elderly taxpayers overlook useful deductions which can help reduce their tax burden. All too often, it is because they are simply unaware of the tax benefits that are available to them.

Fortunately, there are programs to protect the elderly from overpaying their taxes. One example is tax counseling for the elderly.

Over the years, the Internal Revenue Service has repeatedly stressed that all taxpayers should claim all lawful deductions, exemptions, and credits. Tax counseling for the elderly is an important safeguard for older Americans. At the same time, it benefits IRS by increasing taxpayer compliance.

The AARP legislative council recommends that this extraordinarily successful program be expanded. The council has also developed a complete list of substantive tax recommendations which deserve careful consideration.

Mr. President, I ask to print a summary of the AARP tax policy statement in the RECORD.

The summary follows:

TAX POLICY

The tax structure should be used to help direct the economy along paths which lead to: (1) recovery from the current recession; (2) an increase in productivity growth rates; and (3) a continuing reduction in the rate of inflation.

Given the need to reduce the enormous federal budget deficits forecast for the future and assure continuation of the economy's recovery, revenue will have to be raised. Revenue-raising measures should concentrate on eliminating the long-term, structural portion of the deficit, so that the federal budget can be balanced over the course of the business cycle.

The following revenue increase measures should be considered:

1. Tax expenditures which no longer promote economic efficiency or tax equity should be reduced or eliminated.

2. Corporate tax depreciation rules should be carefully reviewed and circumscribed.

3. Select excise taxes, such as taxes on alcoholic beverages and tobacco products, should be raised.

4. If the above-mentioned sources of revenue are unsufficient to provide what is needed, some of the 1981 tax reductions (including indexing) should be delayed or scaled back.

To help achieve tax equity among subgroups of older taxpayers, the Tax Credit for the Elderly should be updated by increasing and cost-indexing the credit amount and the "adjusted gross income" phaseout limits. In addition (and among other things):

Widows, widowers and single elderly individuals should be allowed to qualify as head-of-household and use the preferential tax rate schedule.

The $15,000 adjusted gross income phaseout of the disability or "sick-pay" exclusion should be increased.

The partial relief from the "marriage penalty" which was enacted as part of ERTA should be expanded to cover pension income.

An automatically increasing measure of tax relief should be targeted for those elderly income components that are relatively fixed, like private pension benefits and interest income.●

THANKS TO ALL

● Mr. GARN. Mr. President, the Senate and the House of representatives have taken some historical steps this week. I do not know if the achievements I refer to are totally unprecedented, but they are extraordinary by any measure, and I mean extraordinary in the positive sense, in a heroic sense. I refer specifically to the passage of the IMF Authorization-IMF Appropriation-Housing-Eximbank-Multilateral Development Banks, Defense Production Act measure.

Mr. President, only those specifically involved in the process can adequately appreciate the great efforts made by Members and staff alike, in both bodies, to bring about a successful outcome to legislation the controversy of which is matched only by its importance to national and international stability and prosperity. And I would like to add, Mr. President, that the efforts of the administration have in no way lagged behind those here in the Congress.

Tired Senators were put to the test by this process but our debate yesterday was the culmination of weeks of some of the most intense work ever performed by Senators, Congressmen, and staff. In effect, we took all of these separate pieces of legislation into an informal conference which produced the products on which we debated and voted. I would be proud to enter any of the participants in this effort into any marathon contest because they have met the test of endurance with remarkable display of professionalism, cooperation, good will and good humor.

If anything in this Congress has been the result of the combined activities of many individuals, and for which no one person in any degree could take sole credit, it is this package that has finally, after many long months of grueling negotiations, legislation, and conference, been passed by both Houses of the Congress. Who would I name, Mr. President? There are so many to point to who played key roles at the numerous crisis points through which this legislation has had to pass.

Certainly, the members of the Senate Banking Committee deserve our thanks and praise. I would especially draw attention to the invaluable role played by the ranking minority member of the committee, Senator PROXMIRE, and to his staff, particularly Ken McLean, Lindy Marinaccio, and Pat Mulloy. While protecting the interests of the minority, they have been a model of hard work and cooperation and helped insure that this was truly a bipartisan effort.

I would equally praise, Mr. President, the chairman of the Subcommittee on International Finance and Monetary Policy, (Mr. HEINZ), who as much as anyone is responsible for the success of this effort, most particularly with regard to the IMF and Eximbank portions of the bill. And I would add to the list of those who have performed inestimable service the chief legislative assistant for Senator HEINZ, William Reinsch.

I would also thank the Senator from Virginia (Mr. TRIBLE), who is responsible for perhaps the least well-known part of the legislation, which is insuring that authority continue for the Defense Production Act.

With respect to the housing portion of the bill, I must also give great credit to Senators PROXMIRE, TOWER, DODD, ARMSTRONG, and RIEGLE who helped us with the tremendous task of shaping the housing compromise. The debate was often lively and always intellectually challenging. These Senators, along with other members of our committee, always kept the ultimate objective in mind and in their own way, helped significantly to sharpen issues and produce a better package. The same may be said for Congressmen GONZALEZ and MCKINNEY, chairman and ranking minority members of the House Housing Subcommittee.

David Stockman, Director of OMB, proved himself as always, a thorough negotiator and good compromisor and, with Secretary of Treasury Don Regan, provided the excellent teamwork required from the administration.

Mr. President, I have stated often, and I will state it again, that I believe that I have the best staff in the Congress. I cannot praise them enough for their untiring and effective work on this legislation, and I would name in this regard in particular the staff director of the committee, Dan Wall, the general counsel of the committee, John Collins, the chief economist for the committee, Lamar Smith, Wayne Abernathy, Stephen Beck, Phil Sampson, Don Campbell, French Hill, Mary Dornemann, Claire Gilmer, Scott Johnson, Dorothy Makris, Pam Stilson, Bob Malakoff, Ed Silverman, Robin Gilman, and Sarah Frazier of the staff, and perhaps the people on the staff most responsible for the international portion of this legislation, Paul Freedenberg, the economist for the International Finance and Monetary Policy Subcommittee, and the housing portion, Peter Harkins, staff director of the Housing Subcommittee.

I would also like to praise at this time Senator PERCY and the Foreign Relations Committee and staff for their fine work and cooperation on both the IMF and the Multilateral Development Bank portions of the legislation.

I would add praise, Mr. President, for the Members of the House of Representatives and their staff, who worked in a spirit of compromise and accommodation and deserve great credit for the success of this legislation. I would name in particular the chairman and ranking minority member of the House Banking Committee, Congressman ST GERMAIN and Congressman WYLIE, as well as the chairman and ranking minority member of the Subcommittee on International Trade, Investment and Monetary Policy, Congressman NEAL and Congressman LEACH. Of their staff I would give particular mention to Paul Nelson, the committee staff director; Greg Wilson, the minority staff director; Richard Still, general counsel; Robert Dugger, Stephen Verdier, Lawrence Hollar, Ben Crain, Frank Record, and James Orr, Jerry McMurray, staff director of the Housing Subcommittee, Diane Dorius, Frank Destefano, Bonnie Caldwell, Bob Ruddy, minority staff director, and David Kiernan and Joe Petrone.

Mr. President, certainly, the appreciation of all is due to the legislative counsel for both Houses, who devoted countless hours to the drafting of the legislation, who attended the many different negotiating sessions on the legislation, and who kept everything straight and made sure that the final package was a document worthy of the U.S. Congress. So I would name for our thanks Frank Burk, Lee Peckarsky and Ira Forestetter of the Senate and House Legislative Counsels' Offices. It is not easy sometimes to draft the compromises that are formed, but they guaranteed that our efforts could and would be translated into appropriate legislative language.

None of this would happen without the tireless effort of our staffs who spent whole days locked in hearing rooms working through extremely complex issues in a piece of legislation that runs in excess of 250 pages, every one of which had to be crafted to fit our agreements.

Mr. President, I have gone through a by-no-means exhaustive list of individuals in the Congress who deserve special mention for their invaluable role

in the adoption of this vital legislation. There are as many if not more in the administration who deserve our thanks and commendation. Without going into particulars, I would note and commend the efforts of the Federal Reserve, the Treasury, State, and Commerce Departments, the bank regulatory agencies, and the Export-Import Bank, and their staffs.

To all these ladies and gentlemen, a salute and vote of real gratitude. This is one of the finest, most competent, and dedicated group of professionals with whom I have ever worked.●

THE PRESIDENT'S PRIORITIES

● Mr. MOYNIHAN. Mr. President, I rise today to call to the attention of my colleagues an illuminating editorial which appeared in the New York Times of November 7, 1983. The commentary rightfully questions President Reagan's personal involvement in the issue of television syndication rights, at a time when his full energies might have been devoted to pressing national and international matters.

Apart from the issue of how a President should best use his time, the editorial implicitly questions the propriety of President Reagan's discussion of the syndication issue with Mr. Mark Fowler, Chairman of the Federal Communications Commission.

As I said in a statement on the floor October 4, I am troubled by President Reagan's decision to summon Mr. Fowler to the White House to discuss the pending matter of syndication rights. The President is entitled to be fully informed about the policies and actions of the Federal regulatory agencies. However, I was, and remain, concerned about the potential for Presidential interference in the decisionmaking process of the independent agencies. The New York Times editorial suggests yet another reason for concern.

Mr. President, I ask that the editorial be printed in the RECORD.

The editorial follows:

THE PRESIDENT'S PRIORITIES

Judging from the President's recent schedule, one could be excused for believing Mr. Reagan's heart still belongs to Hollywood.

September 28: Yuri Andropov denounces American arms control proposals, and the Federal Deposit Insurance Corporation declares 600 American banks in precarious financial condition. Mr. Reagan finds time for an unusual command briefing from Mark Fowler, chairman of the Federal Communications Commission. The subject is a proposed change in F.C.C. rules that is opposed by the film industry.

October 20: The House votes against covert aid for anti-Sandinista rebels in Nicaragua, and the Senate defeats a White House plan to limit, for life, the free speech of 100,000 people with access to Government secrets. Mr. Reagan hastily convenes a Cabinet Council meeting to discuss the F.C.C. rule.

November 2: A key Lebanese leader splits with his Syrian allies, and the Labor Department warns that 375,000 American workers face grave danger from exposure to asbestos. The President directs the Commerce and Justice Departments to reverse their support of the F.C.C. rule change.

An embarrassed Assistant Commerce Secretary calls for a two-year moratorium on the change, explaining, "Our boss has decided that there's an Administration position on this issue, and the Administration's position is our position."

What is the great issue that has so preoccupied the nation's leader? Whether the three television networks should share in the business of selling syndicated reruns of old television shows with movie studios and other producers.

The F.C.C. wants to let the networks back in. It cites persuasive arguments that the decade-old ban on network syndications no longer has economic or social justification. But the studios, sensing a threat to their perceived power over independent producers, are furious.

When their efforts to get Congress to bar the rule change appeared to be failing, they asked for help from a friend in high places. The pressure of Grenada, Lebanon and other White House concerns notwithstanding, they got it.●

INSURING ULTIMATE DEVELOPMENT OF THE MISSOURI RIVER BASIN

● Mr. ABDNOR. Mr. President, today I have introduced legislation to authorize construction of the CENDAK and Lake Andes-Wagner irrigation projects under the Pick-Sloan Missouri basin program. I am seeking prompt consideration of those bills early next year, and I sincerely hope they can be enacted prior to adjournment of the 98th Congress.

The CENDAK and Lake Andes-Wagner projects are proposed for construction under the ultimate development concept of the Missouri basin program as authorized by law, and if they are constructed within a reasonable timeframe, the ultimate development of the Missouri basin will have been essentially achieved in my State, although we might continue to wonder why it should have taken so long.

Based upon the delay and frustration we have experienced thus far, however, my staff in cooperation with the South Dakota Department of Water and Natural Resources has worked to draft generic legislation, as opposed to specific project authorizations, to insure that the Federal Government honors its commitment to ultimate development in the upper Missouri River basin. That commitment basically entails two facets: First, hydroelectric power to pump irrigation water from the massive reservoirs; and second, development funding to finance construction of irrigation projects.

Mr. President, I am not introducing this measure today because I want to give all interested individuals and organizations every opportunity to participate in the formulation of legislation to guarantee that the promise of ultimate development will be carried out in fact.

Rather than making indepth arguments at this point in support of the provisions currently contained in the draft, I will simply let them speak for themselves. Let me say to my colleagues, and to all who take an interest in this matter, that I am not committed to the specific language contained in the draft, only to the concept of ultimate development on a balanced and equitable basis throughout the upper Missouri River basin. Any and all suggestions will be sincerely welcome as to how we may act, through this proposal or otherwise, to assure that the promises of the Pick-Sloan plan program are upheld.

Mr. President, I ask that the text of the draft bill be reprinted at this point.

The text referred to follows:

To authorize the Secretary of the Interior to supply hydroelectric pumping energy to irrigation projects in the Missouri River basin which are constructed, operated, and maintained by Indian tribes or by irrigation districts organized under State law, and to authorize funding for construction of such projects by States and Indian tribes in the event the Secretary fails to achieve the ultimate development of irrigation units of the Pick-Sloan Missouri Basin Program as authorized by law.

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior (hereinafter referred to as the "Secretary"), in cooperation with the affected States and Indian tribes, shall determine for each fiscal year until the year 2020—

(a) the extent to which the ultimate development of the Missouri River basin, as authorized by the Flood Control Act of December 22, 1944 (58 Stat. 77, P.L. 78-534), under the Pick-Sloan Missouri Basin Program (hereinafter referred to as the "Program"), has not been achieved in each State of the basin;

(b) the quantity of hydroelectric pumping power required for irrigation units in each State of the basin under ultimate development of the Program;

(c) the extent to which delivery of the quantity of power determined for each State under subsection (b) has not been achieved;

(d) the acreage of land taken in each State for reservoirs on the mainstem of the Missouri River under the Program;

(e) the amount of Federal investment, and the schedule of such investment, which can be repaid as provided by law in order to achieve ultimate development of the basin without increasing rates charged for hydroelectric power under the Program; and

(f) the equitable share of the Federal investment, and the schedule of such investment, determined under subsection (e) which should occur in each State of the basin in order to achieve ultimate development. The determination to be made under this subsection shall be based upon and shall give equal weight to the determinations of the Secretary under subsections (a) and (d) of this section.

The Secretary shall notify the Congress and each affected State and Indian tribe of the findings under this section.

SEC. 2. (a) Notwithstanding any other provision of law, the Secretary is authorized to supply electrical pumping energy to irrigation projects in the Missouri River basin which are constructed, operated, and maintained by Indian tribes or by irrigation districts organized under State law. Such energy shall be supplied only to those irrigation projects pumping from reservoirs on the mainstem of the Missouri River, including Fort Peck Reservoir, Lake Sakakawea, Lake Oahe, Lake Sharpe, Lake Francis Case, and Lewis and Clark Lake.

(b) Electrical energy for pumping authorized to be supplied under this section shall be supplied in accordance with a thirty-year power service contract entered into between the Secretary and the tribe or irrigation district at the pumping power rate authorized in the Act of August 5, 1965 (79 Stat. 433, P.L. 89-108) and shall be made available at the low voltage side of that substation on the transmission system under the jurisdiction of the Secretary of Energy which is nearest the project and shall be transmitted from that point at the expense of the tribe or the irrigation district.

(c) pumping power authorized to be supplied under this section shall be supplied subject to the following conditions—

(1) no power shall be supplied to any project unless the Governor or Governors of the State or States in which it is located certify it is consistent with the goals and policies of the State or States; *Provided that,* the Secretary may certify the eligibility of any tribal project under this clause;

(2) no power shall be supplied to any tribe or to any irrigation district for any project until such tribe or irrigation district has entered into a long-term contract with the Secretary for a water supply for such project. Such contract shall contain such terms and conditions as the Secretary deems necessary to protect the interests of the United States, including but not limited to requirements that the tribe or the irrigation district—

(i) comply with all acreage limitations otherwise applicable to projects supplied water by the Secretary, and

(ii) assess charges to irrigators at a rate not less than would be assessed if such project were constructed by the Secretary, taking into account the ability of the irrigators to pay;

(3) no power shall be supplied to any project or projects in any State in excess of that quantity of power determined for such State under subsection 1(c) of this Act; and

(4) no power shall be supplied to any project in excess of that amount required to provide sufficient water to the point of field turnout or the calculated equivalent for flood irrigation purposes; *Provided that,* to conserve water, power may be supplied for pressurization of sprinkler systems in lieu of flood irrigation on any project.

(d) The Secretary shall establish a schedule to achieve the deliveries of power to projects in each State of the basin in the quantity determined under subsection 1(b) of this Act, and the Secretary shall cooperate with affected States and tribes to assure that such schedule is met through the provisions of this Act or as otherwise authorized by law.

(e) Nothing in this section shall be deemed to abridge the right to the preference in the sale of power and energy generated at the reservior projects on the Missouri River given to public bodies and cooperatives as provided in section 5, Revised Statutes, title 58, page 890 (16 U.S.C.A. 825c).

SEC. 3. To the extent Federal investment in any State under the Program is less than that State's equitable share and does not occur on the schedule determined under subsection 1(f), there is hereby authorized to be appropriated to the Secretary in fiscal year 1985 or any fiscal year thereafter an amount not to exceed the cummulative total by which the Federal investment for ultimate development in each State is less than the equitable share determined for such State under subsection 1(f). Sums appropriated under this section shall be transferred to the State or the tribe within thirty days after they become available to the Secretary and shall be expended for the construction of water resources projects by public entities, including Indian tribes, within the State.

SEC. 4. All costs of construction, operation, and maintenance of existing Missouri River mainstem facilities under the Program which are properly allocable to the provision of water service or storage for utilizing Missouri River water for agricultural, domestic, or municipal purposes shall be considered to be, and shall be repaid in the same manner as, costs beyond an irrigator's ability to repay under the Program; *Provided that,* this section shall apply only to such uses of water in each State of the Missouri River basin as do not exceed the total usage of water authorized for ultimate development in such State.

SEC. 5. Nothing in this Act shall be deemed to justify or require any reallocation of costs or any increase in rates charged for hydroelectric power nor otherwise to affect in any way the ultimate development of the basin under the Pick-Sloan Missouri Basin Program except as expressly provided herein.●

CIVIL RIGHTS COMMISSION

● Mr. HART. Mr. President, although I was unable to be present for the vote on final passage of the U.S. Civil Rights Commission reauthorization, had I been present I would have voted for the Specter-Biden amendment to the House-passed reauthorization and would have joined 71 of my colleagues in supporting the House bill as amended.

The Specter-Biden amendment represents a model of bipartisan cooperation to resolve a most difficult issue. Its provisions should allow the Commission on Civil Rights sufficient independence and effectiveness to perform its mission over the next 6 years. All Americans who care about civil rights should be encouraged by this action of the Congress.

The Civil Rights Commission was established in 1957 as part of the first major civil rights legislation passed by the Congress since Reconstruction. This bill became law during the Republican administration of President Eisenhower. Since that time, the Commission has ably performed its mission of serving as a "watchdog for the Nation" on civil rights policy. The Commission has powers of neither the pen nor the purse—its powers lie in its ability to persuade each of us of the realities of discrimination, the better to prod our society toward corrective action.

Over the past 25 years, Commission reports have reminded us that we still have distances to travel in meeting the promise of our Nation: Equal opportunity for all regardless of race, color, sex, religion, or creed. Just this year, in a widely publicized report, the Commission warned us that despite advances in education, income, and status, members of minority groups and women still face debilitating discrimination in the workplace. In an America where it is so often easy for members of privileged groups to overlook and misunderstand the problems confronting minorities, or in which it is easy to assume that our problems have been solved because the civil rights laws are on the books—we need a strong and independent Civil Rights Commission.

To endorse a strong Civil Rights Commission is not to endorse every report which has been published under its name, or the speeches and statements of all Commissioners past and present. I am sure every Member of this Chamber could list reports or statements he or she found wrong or possibly even objectionable. But that is precisely my point. If the Commission is not simply to rubberstamp prevailing political winds, if it is not simply to be a mouthpiece for the administration in power—it must be independent. A Commission unable to speak its mind on these issues is a Commission unable to perform the purposes outlined by its founders.

For the past 25 years, this consensus on the Commission prevailed, through Democratic and Republican administrations. Commission policy prescriptions were attacked but no one felt free to challenge the basic integrity and independence of the Commission.

All this changed on May 25 of this year when President Reagan served notice that he intended to replace three Commissioners—Murray Salzman, Blandenas Ramirez, and Mary Berry—with three nominees more to his choosing. When the Senate would not confirm these new nominees—out of a real fear that the President was politicizing the Commission—the President fired the three Commissioners. Since then the Commission has been denied even a quorum to conduct its business.

Until this President no President had ever fired a Civil Rights Commissioner for reasons of policy. Until this President, no President had even attempted to stack the Commission's membership to obtain a majority for one's policies. Until this President, the fundamental integrity and independence of the Civil Rights Commission has not been an issue.

As has been amply stated by my colleagues on both sides of the aisle over the past several months: The basic issue of this struggle has not been quotas, it has not been busing, it has not been the quality of the President's new appointees. The issue has always been future of the a Civil Rights Commission. Are we to have a Civil Rights Commission independent enough to present the truth on the issue of civil rights? Or are we to have a Commission at the beck and call of the President, unable to serve as the conscience of the Nation in the area of civil rights? This President does not like to hear about racism and discrimination and the denial of equal opportunity. Such blights on our society jar his view of America. But rather than trying to change this message, he had decided to change the messengers. This approach will not change the message or make it less true.

For months, a bipartisan group within the Congress worked with the administration on a compromise to reauthorize the Commission beyond its absolute November 29 authorization deadline, and change the Commissioner hiring process to preserve the Commission's independence. The hopes for such a compromise were seemingly dashed with the President's preciptious and ill-considered firing of Berry, Ramirez, and Salzman. Fortunately, a bipartisan group of Members of Congress stepped into the breach and came up with a compromise supported by the administration, the Congress, and the civil rights community.

Without this new arrangement, supported by a bipartisan consensus within the Congress, we would not have had a functioning Civil Rights Commission beyond the 29th of November. That would have been a tragedy for all Americans.

Under the Specter-Biden compromise, the Commission's functions and mission will remain the same. A total of eight Commissioners will oversee the body; no more than four of whom could be from the same political party. Four Commissioners would be appointed by the President; two each by the Speaker of the House and the President pro tempore of the Senate, upon the recommendations of the leadership of their respective Houses. Commissioners would serve staggered terms of 6 years; and could only be removed for malfeasance or misconduct in office—thus insuring a Commission free from Presidential interference. The Commission would be reauthorized for 6 years.

I support this amendment and the bill because it represented our last opportunity to preserve the Commission as an effective and independent body.

Mr. President, at a time when members of minority groups and women face new and more sinister forms of discrimination in employment, education, and housing; at a time when the fruits of our society are still beyond the reach of millions of our people; at a time when it is tempting for many to believe that civil rights is a problem that has been solved rather than a goal with which to aim—we need a vibrant and strong Civil Rights Commission. That is why I supported the Specter-Biden amendment to the House-passed Civil Rights Commission reauthorization legislation. I hope that with the battles over reauthorization finished, the Commission will be put back on the winding road toward truth and justice.●

REV. ZIGFORD KRISS, OF MERIDEN, CONN.

● Mr. WEICKER, Mr. President, I call our colleagues' attention to Rev. Zigford Kriss, of Meriden, Conn., on the occasion of the 25th anniversary of his ordination to the priesthood.

Born in Bloomfield, Conn., Father Kriss attended local schools. He graduated from St. Thomas and St. Bernard's Seminaries and was ordained while a student at the North American College in Rome.

Returning from Rome, Father Kriss became principal of Holy Cross School in New Britain and earned a master's degree in education from Trinity College in Hartford. He served as assistant principal of East Catholic High School in Manchester and principal of South Catholic High School in Hartford before assuming his present duties as pastor of St. Stanislaus Church in Meriden.

Father Kriss will be honored on Saturday, December 3, 1983, by his parishioners and friends. His quarter of a century of priestly work with Connecticut young people evidences his love for his fellow man.

I am pleased to join in congratulating Father Kriss on his silver jubilee and extending my best wishes to him for many more years of God's work on Earth.●

THE NEED TO REFORM THE INSANITY DEFENSE

● Mr. D'AMATO. Mr. President, when the Senate returns next year, I hope that one of the first issues it takes up will be reform of the insanity defense. Nothing more clearly demonstrates the need for such reform than the jury's verdict in the case of John Hinckley, Jr.

I am pleased to submit for the record an excellent analysis of the issues and the suggested changes in the law that my colleagues should consider when the insanity defense issue is raised. This analysis is contained in an article entitled, "Bringing Sanity to the Insanity Defense." This article appeared in the April issue of the American Bar Association Journal. The authors are Joseph E. diGenova, the principal assistant U.S. attorney for the District of Columbia, and Victoria Toensing, the chief counsel of the Senate Intelligence Committee and a former assistant U.S. attorney for the Eastern District of Michigan.

The article follows:

BRINGING SANITY TO THE INSANITY DEFENSE

(By Joseph E. diGenova and Victoria Toensing)

By the year 2000 the insanity defense will be 200 years old. Let us hope that by then the federal legal system will have made decisions about verdict, burden of proof, and commitment procedures that are not only fair to the public and the accused but also are logically consistent with one another and are understood by the general public. That understanding is essential for the public to have confidence in our judicial system.

Nothing more clearly indicates the lack of that confidence today than the public and professional outcry following the jury's verdict in the case of John Hinckley, Jr. As members of the legal profession, we have a grave responsibility to ourselves and the public to study and resolve the issues, notwithstanding that the insanity defense is infrequently raised and even less frequently successful. The perceptions of how the system works in a notorious case affect the ability of each of us to do justice in our daily work. Polls indicate that the public has viewed the criminal justice system through the insanity defense as seen in the Hinckley case and has found the system lacking.

HADFIELD INTRODUCES INSANITY

Before 1800 legal insanity did not exist officially in the English legal system. But a jury could find a defendant guilty with extenuating circumstances, lunacy being one of them, and include a special recommendation of pardon in the verdict. In 1800 that changed when a clever lawyer had a client named James Hadfield, a British, war-injured former soldier who took a shot at King George III. He believed that he had been called on by the Almighty to undergo self-sacrifice. Hadfield certainly had intended to shoot George, and it was apparently agreed between the prosecution and defense that Hadfield knew the shooting was wrong.

Like any good defense attorney, Hadfield's lawyer figured he would have to deflect the jury's attention away from the crime. So he produced a bevy of witnesses to testify that Hadfield had a deranged, delusional mind and that his head injuries, incurred in war, had caused this state of mind. He successfully argued that Hadfield's "delusional state," not his intent to commit the crime, should be the deciding factor for the jury.

Hadfield was found not guilty. But the jury added to the verdict the statement that they thought "he was under the influence of insanity at the time the act was committed." Hadfield's actual fate, however, was not a success. He was placed in an asylum "until His Majesty's pleasure be known." And since he had taken a shot at His Majesty, it is not surprising that Hadfield died in the asylum, albeit as a patient and not as a prisoner.

The now well-known *M'Naghten's Case*, 8 Eng. Rep. 718, came 43 years after Hadfield's verdict. Daniel M'Naghten shot the prime minister's private secretary. Edward Drummond, and a jury found him not guilty

by reason of insanity. Queen Victoria, who had been the target of a few shots at one time or another, was furious at the verdict, claiming that the defendant was, as she put it, "perfectly conscious and aware" of what he had done.

Demands were made to change the insanity law, and it was indeed changed after prolonged and heated debate in the House of Lords. A definition of insanity was developed, and it was declared, to quote Lord Chief Justice Tindal, "that to establish a defense on the ground of insanity, it must be clearly proved that, at the time of committing the act, the party accused was laboring under such a defect of reason, from disease of the mind, as not to know the nature and quality of the act he was doing; or if he did know it, that he did not know he was doing what was wrong." The case held that sanity was presumed and that the defendant had the burden of proving he fit within the description.

As the insanity defense became accepted in the United States, the *M,'Naghten* test developed more into a question of whether the defendant knew right from wrong. An irresistible impulse or control test was added in many jurisdictions.

In 1895 the United States Supreme Court in *Davis* v. *United States*, 160 U.S. 469, decided a case that substantially affected the insanity defense in the federal system. Although recognizing that English law and most states placed the burden of proving insanity on the defendant, the Court placed the burden on the prosecution to prove the defendant's, sanity beyond a reasonable doubt in federal courts. While the Court in *Leland* v. *Oregon*, 343 U.S. 790 (1952), later characterized that holding as "a rule of procedure" only, it ironically went on to uphold state laws requiring the defendant to prove his insanity, even when the standard of proof is beyond a reasonable doubt.

Beyond the *Davis* decision, neither the Supreme Court nor Congress has played a major role in development of the insanity defense. Except for the District of Columbia Code, Congress has enacted no national legislation addressing the definition of insanity, the verdicts to be used, the burden of proof, the permissible limits of expert testimony, or commitment procedures. These five areas are the core of the insanity defense issue, yet they also are the stepchildren of the federal nonlaw of insanity.

FEDERAL SYSTEM IS A PATCHWORK

Because no one has focused successfully on the insanity defense in the federal system, we are saddled with procedures and rules of law that are a patchwork of inconsistencies that culminated in the publicly denounced verdict in the trial of John W. Hinckley, Jr. Nothing demonstrates this patchwork better than the Hinckley case.

Hinckley was accused of violating both federal and District of Columbia statutes. He was tried under the rules of the federal system, yet he was committed under the District of Columbia Code.

The formal verdicts available to the federal jury in the District of Columbia were guilty, not guilty, or not guilty by reason of insanity. By choosing the last, the jury first had to find that the government proved all elements of each offense, including that of intent or mens rea. Next, the jury was instructed that it had to decide whether a reasonable doubt had been raised about Hinckley's sanity. He was excused from criminal culpability because he raised that reasonable doubt. The government's awesome burden was to prove his sanity beyond a reasonable doubt, but the jury instructions defined only insanity, not sanity. The jury was given a task without being provided a vital and indispensable tool. But even if sanity had been defined, as presidential counselor Edwin Meese said: "You couldn't even prove the White House staff sane beyond a reasonable doubt."

If the District of Columbia Code standard had been used by the judge, as prescribed by Congress, it would have been Hinckley's burden to prove that he fit the definition of mental illness by a preponderance of the evidence. The psychiatric experts testified to all aspects of the standard for mentally ill, which is: "The law provides that a jury shall bring in a verdict of not guilty by reason of insanity if at the time of the criminal conduct the defendant, as a result of mental disease or defect, either lacked substantial capacity to conform his conduct to the requirements of law or lacked substantial capacity to appreciate the wrongfulness of his conduct." This is the American Law Institute test—a modified "did the defendant know right from wrong and could he control himself" test. The experts also testified to the ultimate question of whether in their opinion Hinckley fit within that definition.

The frustration inherent in this situation was stated succinctly by one Hinckley juror, who questioned: "If the expert psychiatrists could not decide whether the man was sane, then how are we supposed to decide?" Chief Justice Burger, then a circuit judge, stated 20 years ago in Campbell v. United States, 307 F.2d 597, "no rule of law can possibly be sound or workable which is dependent on the terms of another discipline whose members are in profound disagreement about what those terms mean." Recently the American Psychiatric Association addressed these frustrations when it issued a report calling for changes in the insanity defense standard and the role of the psychiatric expert in its presentation to the jury.

Almost everyone expected a verdict of guilty in the Hinckley case. Why? First, the whole world had seen him commit the crime. Some people also were counting on the jury to ignore the legal instructions and use their common sense and convict him. (The judge was supposed to wink when he gave the instructions.) Even among lawyers there was surprise that the jurors followed the law literally. Some thought the jurors were justifiably confused, as several of the jurors testified to at Senate hearings. As the former chief judge of the United States Court of Appeals for the Second Circuit, Irving Kaufman, recently noted that in complex cases, "I have little doubt that these elaborate instructions are lost upon even the most conscientious jury."

What we had when the Hinckley jury rendered its verdict in the case was an acquittal. In any other federal court in the country Hinckley would have walked out of the courtroom a free person, no longer subject to any jurisdiction, because he merely had raised a reasonable doubt about his sanity. This is so because in the federal system there is no procedure for commitment after an acquittal by reason of insanity. Indeed, that verdict does not exist in any other federal court. In all other federal courts, when the insanity defense is raised, the only formal verdicts available are guilty or not guilty.

But Hinckley, after being tried on federal standards and with the federal burden, immediately was placed procedurally under the District of Columbia Code and committed to Saint Elizabeths Hospital in accordance with the insanity acquittees provisions of the D.C. Code. The automatic mandatory commitment provision was written, however, for a trial under the D.C. Code, which requires the defendant to prove that the was mentally ill by preponderance of the evidence.

Under the code's provisions for insanity acquittees, Hinckley is entitled to a release hearing every six months. In these hearings, however, there will be a reversal of arguments and roles. To keep Hinckley committed, the government will contend that he has a mental disease that makes him dangerous to himself or society, clearly a position that would render a reasonable doubt about a person's mental health and, therefore, an argument contrary to the government's trial position. Hinckley, on the other hand, has the preponderance burden to prove he no longer has a mental disease that makes him a danger. One commentator has suggested sarcastically that at this juncture the combatants bow politely and trade experts.

PUBLIC OUTCRY IS UNDERSTANDABLE

Why was there tremendous public outcry over the Hinckley verdict? Because there is no certainty in the disposition, because insanity is perceived as a defense of the rich, and because it weakens a fundamental precept in a democracy—that individuals take responsibility for their own actions. For example, as to uncertainty, predictions as to Hinckley's release range from two to four and a half years. It is accepted by some that mental health experts cannot predict future dangerousness of an individual, yet they and a federal judge will make the decision to release Hinckley.

We must find a new insanity defense system for the federal courts, one that preserves the right of the public to be protected as well as the constitutional rights of the accused. Most important, there must be a symmetry of law and procedures to ensure public support—a symmetry that has been grossly neglected.

A number of bills were introduced in Congress within a week or two of the Hinckley verdict. Even before the verdict, legislation had been introduced to limit the insanity defense in a package of criminal law reforms. Congress should take time to study the entire system before legislating: the definition, the burden, the verdict, the scope of expert testimony, and commitment procedures.

At a minimum, whatever legislation is adopted must ensure that verdicts do in fact what their labels say they will. For example, a guilty but mentally ill verdict is a conviction. If a person is found guilty but mentally ill, a term of imprisonment must be imposed, and the defendant also must receive psychiatric care. To send a person found guilty but mentally ill to an institution and release him when he is no longer considered mentally ill is only a cosmetic change. To do so would mean that the release procedures for this conviction would be the same as for Hinckley's acquittal. To deny that same person psychiatric care also is to deny part of the verdict. The public should feel secure that what is on the label is also inside the package.

The burden of proof for the prosecution must be reasonable. It cannot be expected to prove sanity beyond a reasonable doubt. The preliminary recommendation on this subject of the American Bar Association Task Force, regretfully, is that this burden

on the government should be retained. We hope that by the time a final policy recommendation is adopted, that view will be altered.

The four major proposals on verdicts are these: (1) mens rea not guilty by reason of insanity; (2) guilty but insane; (3) guilty but mentally ill; and (4) the D.C. Code verdict, which is not guilty by reason of insanity but differs from the mens rea type of verdict.

Mens rea not guilty by reason of insanity. This proposal is simple. It strictly limits acquittal to a situation in which the prosecution fails to prove intent or mens rea beyond a reasonable doubt. The Department of Justice favors this approach.

There are people who argue that the present federal insanity defense be abolished because it is an excuse defense. The argument is that we do not excuse criminal conduct for other types of illness. For example, alcoholism does not excuse criminal behavior. Drunkenness may be used only to prove that the defendant could not form the specific intent necessary to commit the crime.

It also is argued that the insanity defense, in practice, provides a reason or motive for the defendant's committing the criminal act, although in all other situations in the criminal justice system motive is not relevant as a defense. For example, the fact that a person genuinely believed a president of the United States was making horrible decisions and that his death would help the country would not be relevant in that person's trial for shooting the president, no matter how much evidence is available to prove this belief to be true. Under the insanity defense, however, the defendant could be excused and certainly would be allowed to present evidence that he truly believed the devil made him do it.

For those who advocate that the insanity defense be abolished, this mens rea verdict is perhaps the nearest thing to doing so. The defendant must raise a reasonable doubt about his ability to form the mens rea required to commit the crime. Mental disease or defect otherwise would no constitute a defense. The prosecution could agree that the defendant was mentally ill but argue that he still had the capacity to form the intent to commit the crime. So, unlike the Hinckley situation, the government would not have to argue inconsistently at trial and commitment.

Under this verdict the expert testimony theoretically would be more limited in that only the ability to form intent would be relevant. Testimony about a defendant's knowing right from wrong or inability to control conduct would not be admissible. However, if creative attorneys and judges stretch the scope of relevancy on this limited issue, the battle of the psychiatrists might not be eliminated. Some commentators already have suggested this will occur.

A person found not guilty by reason of insanity under this verdict would no longer be subject to the criminal justice system. He would be acquitted and would not be committed automatically because he merely raised a reasonable doubt about his ability to form intent. Commitment could be accomplished only civilly.

Under *Addington* v. *Texas*, 441 U.S. 418 (1979), civil commitment must be accomplished by clear and convincing evidence showing mental illness. Under existing law in the District of Columbia and other jurisdictions, when the individual acquitted by reason of insanity has proved mental illness at trial by a preponderance of the evidence, he can be committed on a lesser standard than clear and convincing evidence. That very issue is now before the Supreme Court in *Jones* v. *United States*, No. 81-5195. The issue not presented in *Jones*, however, is what standard should be used for commitment when the defendant has raised merely a reasonable doubt as to his sanity, as in the Hinckley case.

The mens rea verdict permits the prosecution to argue for commitment without being inconsistent with its trial position that the defendant was mentally ill but still could form the intent to commit the crime. But there is an uncertainty, as in the Hinckley case, regarding the length of commitment. The acquitted individual is released when cured. The difference from present federal law is that the class of these acquitted people under the mens rea verdict would be limited to those who could not even form intent and might be fewer in number and more clearly mentally ill.

Under the means rea verdict and procedure. John Hinckley would have been found guilty because the Hinckley jurors were instructed that they could not consider a not guilty by reason of insanity verdict until they were assured beyond a reasonable doubt that all the elements of the offense, including Hinckley's mens rea, had been proved.

Guilty, but insane. This verdict embodies a term that has been tossed about rather carelessly. What it means in practice is that the government must prove all elements except intent or mens rea for a conviction. This concept was proposed by several bills in the 97th Congress. It would appear to be unconstitutional to find someone guilty of a crime without being required to prove one of the elements of the crime.

Guilty, but mentally ill. With this verdict the government must prove all the elements, including mens rea, but the defendant would be permitted to show that he suffered from a diseased mind—one lacking the ability to appreciate right from wrong. The burden to prove mental illness should be on the defendant, and this is the case in most legislative proposals. This is legally a conviction. The verdict's purpose is that the defendant be sentenced as a prisoner and at the same time receive some kind of psychological or psychiatric help because the jury also has found a mental illness. There are no procedures in the federal system to accomplish this. The only federal institution for helping the mentally insane is Saint Elizabeths Hospital in the District of Columbia.

A question arises about how to treat persons committed under this verdict. Are they released when the sentence is completed or when they are no longer mentally ill? We must accept the fact that people sentenced under this verdict are hybrids: criminal defendants who have a degree of mental illness and whose release could occur only after they are not only no longer dangerous but also have served a term substantially the length of a sentence for the crime committed.

Not guilty by reason of insanity, as in the District of Columbia Code. This verdict means that a defendant is acquitted even though all elements of the crime are proved. The defendant has the burden to show by a preponderance of the evidence that he fits the code's definition of mental illness. Compared with the mens rea verdict, it provides a broader definition of mental illness within which the defendant can fit. If successful, the defendant is excused from the crime because of the mental condition. Notwithstanding the acquittal, however, the defendant can be committed automatically because he has established his mental illness to the satisfaction of a trier of fact.

One of the problems with this verdict and procedure, particularly for public perception, is that during the commitment hearing the parties change the positions of their trial arguments. The government argues insanity, and the defendant argues sanity. This is hardly a situation that inspires confidence and trust in the judicial system since the role reversal occurs shortly after the verdict. For both types of insanity acquittals—the mens rea and the D.C. Code—we still must solve the problems of commitment after verdict. The Judicial Conference of the United States has proposed that Congress close what it called this "real gap" in the system by having the Department of Health and Human Services take custody of the acquitted individual pending a hearing by a federal court on possible commitment to a state mental hospital.

IS 200 YEARS TOO SOON

A comprehensive solution for the problems presented by the sanity defense is not easy. Yet a change in the present procedure in the federal system is absolutely necessary. Two hundred years is not too soon to ask for consistency to replace the chaos in this area of the law.●

TUITION TAX CREDITS

● Mr. HART. Mr. President, I voted against the proposal providing tuition tax credits for families who send their children to private elementary and secondary schools. Such a proposal makes no sense from the standpoint at either economics or education. It simply sends a death knell to all those concerned about the public schools in this Nation—which should be all of us committed to a strong and united America.

Tuition tax credits make no economic sense. They will result in a huge revenue loss at a time when we are desperately searching for ways to cut the monstrous deficits confronting our economy in the years ahead.

The administration proposed that families be given a nonrefundable tax credit for 50 percent of the tuition expenses paid to private elementary and secondary schools. The maximum credit would be $100 in 1983, $200 in 1984, and $300 in 1985 and subsequent years. The maximum credit amount is phased down for taxpayers with adjusted gross incomes of greater than $40,000—with no credit allowed for families with adjusted gross incomes over $50,000.

As many of my colleagues amply argued over the past few days, this Nation cannot afford a program of tuition tax credits—with such great financial costs and such portentous damage to the public interest.

We are facing deficits of at least $200 billion over the next 5 years. As a result, the Federal Government is now borrowing $1 for every $4 it pays out. These horrendous deficits, with their

accompanying high interest rates, will choke future recovery, and decrease the investment required for needed economic growth. But tuition tax credits will simply add to the deficits. The Congressional Budget Office estimates this proposal could cost $3 billion over the next 5 years. Such additional expenditures on top of our current deficits make no sense.

Mr. President, if the only problem with tuition tax credits were cost, that would be bad enough, but manageable. We could pare down the program. We could fund it at a reduced level. The real threat posed by tuition tax credits, however, is not price but principle. Tuition tax credits would seriously undermine our tradition of public education. And this makes no educational sense.

Throughout our history, our public schools have served the vital function of preparing the great mass of our young people for making contributions to our society. There have always been private schools and always should be. But the public schools have made their mark in joining Americans of diverse classes, races, and backgrounds in giving all of us a common set of experiences and creeds, in teaching our children the rudiments of good scholarship and good citizenship.

Certainly passage of tuition tax credits will not mark the end of public education. But anytime we decide that private education should receive as much support as public education, we are putting our public schools in peril.

Tuition tax credits divert shrinking Federal dollars from public education to private institutions. Considering that the Federal Government now provides less than $200 per pupil support for public education, a tuition tax credit equal or greater than that amount—as this proposal provides in 1984 and 1985—would almost provide more Federal support for children in private schools. Such disparities undermine our tradition of support for public education.

This administration has cut billions of dollars from a number of successful education programs—including the title I program of compensatory instruction, the Emergency School Assistance Act, school lunch, and other child nutrition programs. Many remaining programs have been folded into block grants at reduced funding levels. These programs largely assist poor children attending the public schools.

By spending precious Federal moneys on this subsidy, we are ensuring that moneys are not available for strengthening the public education system. To add insult to injury, the loss of revenues resulting from this subsidy will force Congress to cut back even more stringently than in the past on many of these programs. For example, its estimated that some 2.5 million children have been eliminated from the title I program during this school year.

What are we getting for this scheme of tuition tax credits? Basically, we will set the end of the current system of universal public education. With tuition tax credits, we are flirting dangerously with the establishment of a dual school system in our country. On one track will stand dilapidated, stagnant public schools peopled largely by those who cannot afford private school. On another track will stand revitalized, energetic private schools composed largely of the wealthy elite.

Such a separate and unequal dual education system would harm our Nation. It is no coincidence that the nation with the best commitment to public education is also the nation which has done the most to provide opportunities for individuals regardless of social class. To lessen our commitment to public education is to insure that barriers of class and race exert a greater influence than at present in blocking opportunities for millions of Americans.

Tuition tax credits raise important constitutional concerns, since 90 percent of all private elementary and secondary schools are related to religious institutions. A long, well-established line of Supreme Court cases has struck down legislation which either directly, or indirectly advances the establishment of religion. The Supreme Court, in the Minnesota case decided last spring, endorsed a form of tuition assistance to students in private schools as long as such assistance is also provided children in public schools. This proposal does not meet that constitutional test.

I am amazed that many of those who so frequently decry excessive Government regulation, especially Federal involvement in education, are so enthusiastically endorsing a proposal which should produce Federal entanglement in private education on an unprecedented scale. Before the credits can be given, the Federal Government will be required to judge the legitimacy of a school benefiting from the credit. Eventually the Federal Government might have to set criteria for a qualifying school, with enforcement provided by Federal examiners. Religious groups properly concerned about governmental action compromising the free exercise of religion should be expecially solicitous of these concerns.

Although the administration's legislation allegedly bars credits to students attending schools which engage in racial discrimination, the enforcement provisions in the bill are not so effective as to preclude Federal support for segregated schools. At the very least, we should be cautious about endorsing legislation which promises a Federal subsidy for schools which engage in racial discrimination. But even if this concern were met, the proposal does not forbid aid to schools which discriminate on other grounds, for example gender, religion, or against handicapped children.

Tuition tax credits are additionally unfair in that they force all taxpayers to pay twice for education. If parents use a private school, that is a voluntary choice. But if they get tax subsidies for it, then it is other taxpayers who have to pay twice. They have to pay once for the public schools and again through the subsidy of the private one.

Mr. President, tuition tax credits make no economic sense and no educational sense. It is bad economics to add $3 billion to the deficit on a program with frightful consequences. But most of all, tuition tax credits undermine a philosophy at the heart of our Nation's political, economic, and social development over the past 196 years: the Government should finance education that is available to all.

We have heard much over the past several years about how our public schools are uneducating or miseducating our youth. We all know that our entire education system must be energized and improved if our Nation is to remain economically competitive in the world. At a time when our public school system needs all the attention, commitment, and resources we can spare it, it is hardly the time to place precious public resources with our private schools. Offering people incentives to leave the public school system—the source of education for most Americans—will not produce the well-trained, broad-based citizenry our Nation needs to meet the challenges of the 1980's and 1990's. It is time we dropped the discussion of tuition tax credits and went back to the blackboard to figure out how to preserve the one institution capable of uniting us as Americans—the public schools.●

FEDERAL UNEMPLOYMENT TAX ACT

● Mr. COHEN. Mr. President, it is imperative that we act today to extend the exemption from the Federal Unemployment Tax Act (FUTA) for fishing vessel owners for tax year 1983 before they are required to file IRS form 940, with the amount of annual tax due, by January 31, 1983.

Since January 1 of this year, many commercial fishing vessel owners and operators have been, once again, subject to inappropriate FUTA withholding requirement burdens for the wages of their crewmen who are considered to be self-employed, independent contractors for the purposes of all other employment taxes.

For tax years 1981 and 1982, we have exempted fishing vessel owners from

Federal unemployment tax payments in recognition of the fact that fishermen commonly work as independent contractors, and not as typical employees. These self-employed workers are professionals who work year round in various fisheries depending upon the seasonal availability of their catch. They do not collect unemployment benefits, although the boatowners have been required to pay into the FUTA system by the Internal Revenue Service (IRS).

Although a 2-year extension of this exemption was included in Senator DOLE'S deficit reduction package, which was expected to come before the Senate before the end of this session, it is now apparent that we have run out of time to accomplish our goal in this way. Despite the efforts of many Members who are supporters of a strong, competitive domestic fishing industry, it will not be possible to gain a further FUTA exemption before the end of the first session of this Congress. We are united, however, in our resolve to secure a permanent exemption for these boatowners immediately upon the reconvening of the Congress in January.

Because I am firm in my belief that the inclusion of these fishing vessel owners and operators in the FUTA system is inequitable, I am pleased to join my colleagues from both bodies today in writing to Treasury Secretary Regan to ask him to grant an extension of the January 31 filing deadline until such time as we can extend the FUTA exemption early next year.

At this juncture, I want to express my frustration over the fact that, for 3-years running, we have failed to act to make this FUTA exemption permanent. For the third successive year, I have sponsored legislation that would make this exemption permanent. Yet here we are again, seeking another temporary exemption. This piecemeal approach to a change in an inequitable tax law, that would have absolutely no adverse affect upon the U.S. Treasury, has caused a lot of unnecessary confusion. It has also cost our Nation's fishing industry time and money. I sincerely hope that this is the last time that we need to consider a temporary remedy.

I have been stressing the need to make our tax laws conform to the independent nature and self-employed status of the commercial fisherman for many years now and this FUTA exemption that I have been discussing is the final hurdle in that goal.

In 1975, while serving as a Member of the House of Representatives, I introduced the Sternman's Exemption Act which became a part of the Tax Reform Act of 1976. At that time, the IRS was enforcing an agency ruling which held that certain fishermen, known as sternmen, could not be considered independent workers but were employees of the boatowners with whom they happen to work.

For decades, however, Maine sternmen and boatowners had worked with the understanding that the sternman was an independent contractor. Their relationship was born of both practicality and the independent nature of these individuals. The sternman's competency is respected by the boatowner to the point that he is expected to be able to take control in an emergency situation, and, sometimes, fish the boat should the owner become temporarily disabled.

The advent of the IRS' novel rulings into this field placed a great strain on the resources of the independent boatowners in the State of Maine and elsewhere. It forced some to the brink of bankruptcy and others to pursue the very dangerous practice of going out in their boats alone.

The Sternman's Exemption Act corrected this intolerable state of affairs and allowed those fishermen who are paid a share of the catch and who work on vessels with crews of less than 10 people to be exempt from the tax imposed by the Federal Insurance Contribution Act (FICA). In addition, the wages received by those fishing boat crew members, whose services were exempted for purposes of FICA, were not longer considered to be "wages" for purposes of income tax withholding and those individuals were considered to be self-employed for purposes of the Self-Employment Contributions Act.

Under current law, if crew members meet these criteria, boatowners are exempt from social security or income tax withholding requirements.

The extension of these exemptions to include payments into the FUTA system would not penalize those individuals who wish to work as employees on fishing boats, but it provides those who do not with an opportunity to prove that they are self-employed and to retain their professional independence.

The extension that we are seeking from Secretary Regan today would allow us to correct an inequitable tax law which works to the disadvantage of our domestic fishing industry as soon as Congress reconvenes in January and would temporarily complete the reestablishment of a working relationship that has served independent boatowners and fishermen well in my State and across the country for decades. Our responsibility, when we return, is the passage of a permanent FUTA exemption for these boatowners.●

SENATE RESOLUTION OPPOSING LOWER HOSPICE PAYMENTS UNDER MEDICARE

● Mrs. HAWKINS. Mr. President, I know that many of my colleagues share my concern over the recent news that the Office of Management and Budget is once again seeking to diminish Federal support for hospice care for terminally ill elderly and disabled medicare beneficiaries.

A November 12 Washington Post article confirmed that the OMB is pressing the Department of Health and Human Services to cut payment under the newly established medicare hospice benefit by as much as 20 percent below rates established in a notice of proposed rulemaking published in the Federal Register on August 22. If OMB prevails, the Department will be forced to lower prospectively determined daily rates for routine home care from $53.17 to $42.19 and for general hospice inpatient care from $271 to $255.55.

Mr. President, this is only the most recent development in what has appeared over the last few months to be a never-ending struggle to get the hospice program off the ground under circumstances that will allow hospices to provide the extensive array of services they are required by law to provide if they choose to participate in the medicare program.

Congress established the medicare hospice benefit as section 122 of the Tax Equity and Fiscal Responsibility Act, which was enacted on September 3, 1982. The statute provided 1 year, until September 1, 1983, for the Department to develop final regulations implementing the program. It was the intention that regulations be finalized and in place well before the November 1, 1983, effective date of the new benefit. Over the last months, hospice programs all over the country have been reorganizing their structures as necessary to comply with the medicare requirements and developing additional services in order to meet the mandate that they be able to provide virtually every service related to the terminal disease that a dying person might need—except, of course, that the patient's attending physician would continue to be paid separately for services to the patient.

Over the summer, we heard a great deal about the struggle to develop adequate payment rates. Many of us became involved at that time in encouraging the OMB and the Department to set rates which were reasonable to assure the provision of hospice services that are both efficient and adequate to address the complex and difficult needs of persons in the last months of life.

The proposed rules which were published on August 22 were the result of several months of discussion and debate. The National Hospice Organization expressed the view at that time that while the rates would not cover the total costs of providing hospice services, they were minimally ade-

quate to provide the quality of care hospices wish to make available under medicare. Even at the payment levels proposed in August, hospice programs will have to continue to conduct extensive fundraising in their communities to subsidize the cost of care to their medicare and nonmedicare patients.

The current problem comes as the result of OMB insistence that payment rates be lowered to reflect more recent cost data emerging from a national hospice study of 26 demonstration hospice programs. The study has been jointly conducted by Brown University and the Health Care Financing Administration. According to HCFA, these data are showing that terminally ill patients were entering hospice programs earlier—thus achieving longer lengths of stay in the hospice program—and that the daily costs of providing their care were going down.

Mr. President, the cost-saving potential of hospice, which has been estimated by the Congressional Budget Office to exceed $100 million over 3 years, relates to the substitution of hospice care for more costly institutional care. This substitute effect—and the resulting savings—is enhanced when hospices are able to admit patients early enough in the course of their disease so that the number of days spent by patients in the hospital is reduced. Happily, the new data confirm this potential for the ultimate savings of health care dollars as a result of the availability of hospice care.

Unfortunately, however, the OMB is insisting that these demonstration data be used to establish the prospective daily payment rates under the new medicare benefit. The National Hospice Organization has pointed to a number of reasons why the demonstration data are not appropriate for use in setting these rates.

Of the 26 demonstration sites, virtually none provided the identical services which must, by law, be provided by medicare-certified hospice programs. Moreover, not all of the costs of services received by patients participating in the demonstration projects were captured in the data.

A primary caregiver was required under the demonstration but is not required under the law, so more formal services likely will be necessary.

The cost data do not apply to the same period of time as the utilization data, a fact which appears to prevent parallel assumptions.

Finally, patients participating in the demonstration project were not required to relinquish medicare coverage for other services as those participating under the newly established benefit will be required to do.

Mr. President, no Member of this body is unmindful of the necessity to control Federal spending, particularly in the area of health care costs. Yet we have in hospice care a vehicle not only for improving the quality of care that is made available to terminally ill medicare beneficiaries but also for saving Government money by virtue of the substitution of hospice services for costly traditional care. Cutting back the already minimal payment rates for hospice care would be shortsighted and misguided. It would only choke the development of the hospice alternative and prevent hospice programs from demonstrating their full potential for improving care and, at the same time, containing costs.

The resolution I offer, along with a number of my colleagues on both sides of the aisle, reaffirms support for hospice care, expresses the sense of the Senate that reimbursement rates not be reduced below those established in the August 22 Federal Register, and makes it clear that no further delay in publication of final regulations will be tolerated. Moreover, my resolution urges that the Health Care Financing Administration begin immediately to collect data on the actual costs associated with the specific services that medicare-certified hospices incur in providing services to medicare beneficiaries so that future changes in payment rates reflect those costs accurately.

I urge my colleagues to support this resolution making it clear that OMB should release these regulations for publication so that the many fine hospice programs in this country may get about the business of providing compassionate, high quality care to the terminally ill elderly people who need their caring attention.

Mr. President, I ask to print in the RECORD at the end of my remarks the text of Senate Resolution 285, an article by Spencer Rich in the November 12 Washington Post, a document compiled by the National Hospice Organization which discusses the inapplicability of the demonstration data to the prospective ratesetting process, and a response from Dr. David Greer, dean of medicine at Brown University, which has collected the data, confirming the problems associated with the use of these data to set medicare per diem rates.

The material follows:

PROPOSED SENATE RESOLUTION

Whereas, the Senate of the United States recognizes that hospice care provides a compassionate and competent alternatvie to traditional care of many terminally ill patients and their families during the last weeks and months of life, and

Whereas, Congress recognized and established hospice as a unique and appropriate alternative form of care within the nation's health delivery system by enacting Section 122 of the Tax Equity and Fiscal Responsibility Act of 1982, allowing terminally ill Medicare benficiaries to choose hospice as an optional benefit in lieu of more expensive and less humane approaches, and

Whereas, that statutory section requires the Secretary of Health and Human Services to publish final regulations implementing the Medicare hospice benefit no later than September 1, 1983, and

Whereas, final regulations have not yet been published although the effective date of the benefit was November 1, 1983, and

Whereas, hospice programs have been forced by the tardiness of the Department to rely upon proposed rates published in August 1983, and

Whereas, the appropriate data base for setting final reimbursement rates can only be compiled from the experience of hospices participating in the Medicare program, and

Whereas, terminally ill Medicare beneficiaries relying upon the quality of care and levels of service mandated in the law have waived their Medicare Part A benefits in order to be admitted to hospice programs which have been surveyed for certification as Medicare providers, and

Whereas, hundreds of hospice programs and thousands of terminally ill persons are dramatically affected by the timely implementation of the intent of Congress; now

Therefore it is resolved That it is the sense of the Senate that:

(1) Reimbursement rates for hospices not be lowered below those published in the August 22, 1983, Federal Register;

(2) Without delay, the Health Care Financing Administration begin to collect reliable data on cost experience of hospices participating in the Medicare program in order that future rate changes will reflect the accurate cost of service which terminally ill patients require and which hospices are mandated to provide under the terms of the hospice legislation;

(3) No further delay in publishing the final regulations implementing the law will be tolerated.

OMB EYES LOWER HHS HOSPICE REIMBURSEMENT

(By Spencer Rich)

The President's Office of Management and Budget is pressing the Department of Health and Human Services to cut reimbursement levels proposed by Secretary Margaret M. Heckler for the new Medicare hospice program for the terminally ill, administration and Capitol Hill sources said yesterday.

Leaders of the National Hospice Organization condemned the proposed cuts, saying they could cripple the new program before it got started. HHS must decide the rates to be paid before the program can get under way.

Rep. Leon E. Panetta (D-Calif.), chief sponsor of the 1982 legislation allowing Medicare to reimburse hospices, said, "The rates ought to be kept at the level established by the secretary. It becomes more outrageous every day that the regulations are delayed. Congress has clearly spoken but every time we're about to hit daylight the OMB has been consistently playing these backdoor games."

The new program permits Medicare patients diagnosed as terminally ill to live their last months at home, under supervision of a hospice organization, instead of in a hospital. But they still could enter the hospital for certain types of crisis treatment. Hospice advocates say staying at home not only provides a more humane setting for such a patient, but costs far less than prolonged terminal hospitalization.

Heckler, before leaving for a tour of the Mideast a few days ago, had been prepared

to make final the rates that she proposed in August.

Hospices would be paid $53.17 for each day they supervise a terminally ill Medicare patient staying at home, and $271 a day for inpatient hospital stays required by hospice participants.

Sources said Heckler was prepared to install these rates now to get the program under way, then review them next April when new information from demonstration projects becomes available.

However, the OMB and some officials in HHS as well, after looking at the latest interim results of the demonstrations, concluded that these rates were too high because hospice costs were lower than previously thought.

The OMB began pressing HHS to reduce the proposed rates now.

The cuts being proposed, sources said, would lower the at-home rate to the vicinity of $42, and the in-patient rate to $255.

Louise Bracknell, executive director of the National Hospice Organization, said in an interview from Minneapolis, where the group has been holding a national meeting, "These rates are absolutely too low."

She said the demonstration projects on which the officials are basing their proposals for the lower rates "are all different and none operate in the same way as required by the hospice law. None are truly comprehensive," and none provide as high a level of care as allowed by the new hospice law. Another hospice expert said the new law requires more salaried professional staff in Medicare-financed hospices than are used in the demonstrations.

OMB and HHS officials had no comment.

NATIONAL HOSPICE STUDY DATA SHOULD NOT BE USED TO SET PROSPECTIVE RATES

Patients entering the hospice demonstration project were not required to waive other Medicare benefits. This could well have had a significant effect on the lengths of stay achieved over time by hospice programs participating in the demonstration project. In other words, under the Medicare benefit, it could be much more difficult to achieve long lengths of stay, since a patient choosing hospice will be required to make an informed election to forego other Medicare benefits.

Some costs which will be incurred by Medicare certified hospice providers were not reflected in the data on which HCFA has based prospective rates for the Medicare benefit. For example, outpatient ancillary services, including any services billed to Part B through a carrier and not the Office of Direct Reimbursement are not included in this data base. Outpatient chemotherapy and/or radiology, for example, for which a hospice would be responsible under the Medicare hospice benefit, are not included in the data on which prospective rates have been based.

Manipulation of the data by HCFA was inappropriate in some cases. For example, using only hospital-based hospice programs to set the inpatient rate may have resulted in some costs being overlooked and definitely had the effect of reducing to an impermissibly small sample (11 programs) on which to base national rates.

Similarly, there was no attempt to separate out those programs in the demonstration whose service mix approximates the requirements of the statutory Medicare benefit. As a result, the mean of the demonstration cost data is not applicable nationally, but would be applicable only to a program with the same patient mix, service mix and length of stay represented by the average of all 26 demonstration sites.

The demonstration project operated under a requirement that patients have a primary care giver in the home. This requirement, which is not a requirement under the statutory Medicare benefit, results in understatement of the cost of caring for terminally ill patients in general. In other words, terminally ill patients who do not have primary care givers in the home but who would be eligible for the Medicare hospice benefit are likely to need more care than patients in the demonstration who did have primary care givers in the home.

Although data regarding all kinds of respite care, including home respite, were furnished to HCFA by the National Hospice Study, the costs of respite care were not fully reflected in the prospective rates set by HCFA.

Finally, the raw data on which the prospective rates were based have not been made available to the demonstration sites or to the National Hospice Organization so that comparisons could be made by them with other data reflecting costs of providing hospice care.

BROWN UNIVERSITY,
DIVISION OF BIOLOGY AND MEDICINE,
Providence, R.I., November 16, 1983.

Mr. HUGH WESTBROOK,
National Hospice Organization,
Arlington, Va.

DEAR MR. WESTBROOK: In response to our discussions after my presentation at the National Hospice Organization meeting in Minneapolis last week, I am pleased to clarify some of the issues relating the National Hospice Study to the regulation process and rate setting of the federal government.

You are correct in your assumption that the NHS cost data is based on our observed length of stay distribution and many factors could affect it in the future. An increase in the number of patients dying from diseases other than cancer, the inclusion of patients without principal care persons, and the requirement that patients waive their other Medicare benefits under TEFRA are a few examples of the factors which might affect length of stay in either direction.

The preliminary data which I presented did not include outpatient ancillary services, or did it include outpatient chemotherapy or radiology. This data will be included in our final report.

We made no attempt to separate out those programs in the demonstration whose service mix approximates the requirements of the statutory Medicare benefit. This would have been extremely difficult and, in some instances, impossible; e.g., the presence of a PCP was required in the demonstration and is not required in the Medicare benefit. It was quite clear in our study that the presence of a primary care giver (PCP) in the home was associated with a reduction in cost and one would have to assume that the complete absence of a PCP would result in increased costs.

We had very limited experience in inpatient respite since the participating hospices used very little of this service. In our analysis, we added continuous care and home respite care to produce an aggregate cost since the hospices appeared to use these services similarly.

We have just recently been authorized to release the raw data to the demonstration sites and it was therefore impossible for us to give the data to you prior to the recent meeting in Minneapolis.

We have been providing federal officials with an almost continuous stream of data since the spring of this year and the numbers we have sent them have not changed significantly in recent months.

I know you understand but I would like to reiterate that our role in regulation writing and cost setting has been restricted to the provision of information from the National Hospice Study. Throughout the process, we have been quite candid concerning the applicability of this data to the conditions of the Study exclusively and have made no claims that it would accurately reflect hospice experience under the different conditions established by TEFRA. We have recognized that the establishment of regulations and rates is a complex process which is properly the province of federal officials and that therefore restricted our role to the provision of the information requested.

Sincerely yours,

DAVID S. GREER, M.D.,
Dean of Medicine.●

ADVANCE NOTIFICATION—PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon receipt of such notification, Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that three such notifications have been received, which I submit for the RECORD.

Interested Senators may inquire as to the details of this advance notification at the office of the Committee on Foreign Relations, room SD-423.

The material follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., November 7, 1983.

In reply refer to: I-04386/83ct.

Dr. HANS BINNENDIJK,
Professional Staff Member,
Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tenta-

tively estimated to cost in excess of $50 million.

Sincerely,

WALTER B. LIGON,
ACTING DIRECTOR,
Defense Security Assistance Agency.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., November 14, 1983.
In reply refer to: I-04602/83ct.
Dr. HANS BINNENDIJK,
Professional Staff Member,
Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country for major defense equipment tentatively estimated to cost in excess of $14 million.

Sincerely,

WALTER B. LIGON,
ACTING DIRECTOR,
Defense Security Assistance Agency.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., November 14, 1983.
In reply refer to: I-03099/83ct.
Dr. HANS BINNENDIJK,
Professional Staff Member,
Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tentatively estimated to cost in excess of $50 million.

Sincerely,

WALTER B. LIGON,
ACTING DIRECTOR,
Defense Security Assistance Agency.●

PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive prior notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point the notifications which have been received. The classified annex referred to several of the covering letters is available to Senators in the office of the Foreign Relations Committee, room SD-423.

The material follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., October 24, 1983.
In reply refer to: I-03927/83ct.
Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 84-07 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter of Offer to Korea for defense articles and services estimated to cost $50 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Director.

[TRANSMITTAL NO. 84-07]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Korea.
(ii) Total Estimated Value:

	Millions
Major defense equipment [1]	$34
Other	16
Total	50

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: A quantity of eight AN/AVQ-26 PAVE TACK pods with spare parts, support equipment, support, publications, technical assistance, and training.

(iv) Military Department: Air Force (YEK).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending 30 June 1983.

(viii) Date Report Delivered to Congress: October 24, 1983.

POLICY JUSTIFICATION

KOREA—AN/AVQ-26 PAVE TACK PODS

The Government of Korea has requested the purchase of a quantity of eight AN/AVQ-26 PAVE TACK pods with spare parts, support equipment, support, publications, technical assistance, and training at an estimated cost of $50 million.

This sale will contribute to the foreign policy objectives of the United States by helping to improve the security of a friendly country which has been and continues to be an impetus for modernization and progress in Eastern Asia. The sale of this equipment and support will enhance deterrence and contribute to the preservation of peace and stability on the Korean peninsula.

The sale of PAVE TACK will upgrade the tactical capabilities of the Republic of Korea Air Force (ROKAF) F-4E aircraft by providing it with a 24 hour, adverse weather, laser designator, target acquisition system. Because the system is designed as a pod installation, multiple aircraft are planned to be modified allowing for greater mission flexibility. The ROKAF personnel have the technical competence to operate and maintain the PAVE TACK system.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Aeronutronics Division, Ford Aerospace Corporation, of Newport Beach, California.

Implementation of this sale will require the assignment of two additional U.S. Government personnel to Korea for three months and three contractor representatives for one year.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., Nov. 4, 1983.
In reply refer to: I-04385/83ct.
Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 84-13 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter of Offer to Turkey for defense articles and services estimated to cost $4,167 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

You will also find attached a certification as required by Section 6200(d) of the Foreign Assistance Act of 1961, as amended, that this action is consistent with Section 620C(b) of that statute.

Sincerely,

PHILIP C. GAST,
Director.

[Transmittal No. 84-13]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) of the Arms Export Control Act

(i) Prospective Purchaser: Turkey.
(ii) Total Estimated Value:

	Million
Major defense equipment [1]	$3,253
Other	914
Total	4,167

[1] As defined in section 47(6) of the Arms Effort Control Act.

(iii) Description of Articles or Services Offered: A quantity of 160 F-16 C/D aircraft with standard and developmental support equipment, operational flight trainers, training devices and equipment, spare engines and engine modules, two years of initial spares, training, publications, technical orders, and services.

(iv) Military Department: Air Force (SFA).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: November 4, 1983.

POLICY JUSTIFICATION

TURKEY—F-16 C/D AIRCRAFT

The Government of Turkey has requested the purchase of a quantity of 160 F-16 C/D

aircraft with standard and developmental support equipment, operational flight trainers, training devices and equipment, spare engines and engine modules, two years of initial spares, training, publications, technical orders, and services at an estimated cost of $4,167 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Turkey in fulfillment of its NATO obligations; furthering NATO rationalization, standardization, and interoperability; and enhancing the defenses of the Western Alliance.

The Government of Turkey intends to use these aircraft to replace its aging fleet of 1950 vintage fighters whose useful life cannot be extended and whose military effectiveness as a deterrent to modern Warsaw Pact forces has diminished so as to be negligible. The Turkish Air Force has extensive experience with other, more modern jet aircraft such as the F-4E. That experience, an able work force, and the normal training associated with such a program will be sufficient for Turkey to integrate the F-16 into its existing defense structure. These aircraft will be provided in accordance with and subject to the limitations on use and transfer provided for under the Arms Export Control Act as embodied in the terms of sale. This sale will not adversely affect either the military balance in the region or U.S. efforts to encourage a negotiated settlement of the Cyprus question.

The prime contractor will be the General Dynamics Corporation of Ft. Worth, Texas.

Implementation of this sale will require the assignment of the following additional U.S. Government personnel and contractor representatives to Turkey: U.S. Government personnel—nine for seven years to provide contract administration services, one F-16 site activation specialist for 18 months, two mobile training team personnel for six months. Contractor representatives—Turkish industrial participation support will require seven representatives beginning in 1985 increasing to 19 by 1989 and diminishing to six in 1994, two instructors for 12 months, and three to five representatives to assist in base activation for three years.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

U.S. DEPARTMENT OF STATE,
Washington, D.C., November 4, 1983.

Pursuant to section 620C(d) of the Foreign Assistance Act of 1961, as amended (the Act), and the authority vested in me by Department of State Delegation of Authority No. 145, I hereby certify that the provision of Turkey of 160 F-16 C/D aircraft at an estimated cost of $4,167 million is consistent with the principles contained in section 620C(b) of the Act.

This certification will be made part of the certification to the Congress under section 36(b) of the Arms Export Control Act regarding the proposed sale of the abovenamed articles and is based on the justification accompanying said certification, and of which such justification constitutes a full explanation.

WILLIAM SCHNEIDER, Jr.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., October 28, 1983.

In reply refer to: I-04409/83ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 84-14, concerning the Department of the Air Force's proposed Letter of Offer to Turkey for defense articles and services estimated to cost $75 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

You will also find attached a certification as required by Section 620C(d) of the Foreign Assistance Act of 1961, as amended, that this action is consistent with Section 620C(b) of that statute.

Sincerely,

PHILIP C. GAST,
Director.

[Transmittal No. 84-14]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Turkey.

(ii) Total Estimated Value:

	Million
Major defense equipment [1]	0
Other	$75
Total	75

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: Cooperative logistics supply support (FMSO II) for follow-on spares and supplies in support of C-130H, F-4E, F/RF-5A, F-100C/D/F, RF/F-104G, T-33, T-37C, and T-38 aircraft and other systems and subsystems of U.S. manufacture.

(iv) Military Department: Air Force (KBR).

(v) Sales Commission, Fee, etc., Paid Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles of Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: Oct. 28, 1983.

POLICY JUSTIFICATION

TURKEY—COOPERATIVE LOGISTICS SUPPLY SUPPORT

The Government of Turkey has requested the purchase of cooperative logistics supply support (FMSO II) for follow-on spares and supplies in support of C-130H, F-4E. F/RF-5A, F-100C/D/F, RF/F-104G, T-33, T-37C, and T-38 aircraft and other systems and subsystems of U.S. manufacture at an estimated cost of $75 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Turkey in fulfillment of its NATO obligations; furthering NATO rationalization, standardization, and interoperability; and enhancing the defenses of the Western Alliance.

Turkey needs this logistics support system to maintain the readiness of the Turkish Air Force weapon systems of U.S. origin. The cooperative logistics support will be provided in accordance with and subject to the limitations on use and transfer provided for under the Arms Export Control Act as embodied in the terms of sale. This sale will not adversley affect either the military balance in the region or U.S. efforts to encourage a negotiated settlement of the Cyprus question.

Procurement of these items and services will be from the many contractors providing similar items and services to the U.S. forces.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Turkey.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

U.S. DEPARTMENT OF STATE,
Washington, D.C., October 21, 1983.

Pursuant to section 620C(d) of the Foreign Assistance Act of 1961, as amended (the Act), and the authority vested in me by Department of State Delegation of Authority No. 145, I hereby certify that the provision of Turkey of components and subassemblies for 15 UH-1H helicopters at an estimated cost of $27 million and cooperative logistics supply support (FMSO II) for follow-on spares and supplies in support of C-130H, F-4E, F-/RF-5A, F-100C/D/F, RF/F-104G, T-33, T-37C, and T-38 aircraft and other systems and subsystems of U.S. manufacture at an estimated cost of $75 million is consistent with the principles contained in section 620C(d) of the Act.

This certification will be made part of the certification to the Congress under section 36(b) of the Arms Export Control Act regarding the proposed sale of the abovenamed articles and is based on the justification accompanying said certification, and of which such justification constitutes a full explanation.

WILLIAM SCHNEIDER, Jr.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., October 23, 1983.

In reply refer to: I-04195/83ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 84-09, concerning the Department of the Army's proposed Letter of Offer to Turkey for defense articles and services estimated to cost $27 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

You will also find attached a certification as required by Section 620C(d) of the Foreign Assistance Act of 1961, as amended, that this action is consistent with Section 620C(b) of that statute.

Sincerely,

PHILIP C. GAST,
Director.

[Transmittal No. 84-09]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Turkey.

(ii) Total Estimated Value:

	Millions
Major Defense Equipment [1]	$24
Other	3
Total	27

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: Components and subassemblies for 15 UH-1H helicopters for final assembly in Turkey with essential assembly assistance services.

(iv) Military Department: Army (UQN).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: October 28, 1983.

POLICY JUSTIFICATION

TURKEY—COMPONENTS AND SUBASSEMBLIES FOR 15 UH-1H HELICOPTERS

The Government of Turkey has requested the purchase of components and subassemblies for 15 UH-1H helicopters for final assembly in Turkey with essential assembly assistance services at an estimated cost of $27 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Turkey in fulfillment of its NATO obligations; furthering NATO rationalization, standardization, and interoperability; and enhancing the defenses of the Western Alliance.

The sale of these helicopters will enhance the lift capability of the Turkish Army. The in-country assembly of these helicopters will enhance the Turkish Defense Industrial capability. The helicopter components and subassemblies will be provided in accordance with and subject to the limitations on use and transfer provided for under the Arms Export Control Act as embodied in the terms of sale. This sale will not adversely affect either the military balance in the region or U.S. efforts to encourage a negotiated settlement of the Cyprus question.

The prime contractor will be Bell Helicopter Textron of Fort Worth, Texas.

Implementation of this sale will require the assignment of one additional U.S. Government employee to Turkey for ten days and two contractor representatives, one for nine months and the other for six months.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

U.S. DEPARTMENT OF STATE,
Washington, D.C., October 21, 1983.

Pursuant to section 620C(d) of the Foreign Assistance Act of 1961, as amended (the Act), and the authority vested in me by Department of State Delegation of Authority No. 145, I hereby certify that the provision to Turkey of components and subassemblies for 15 UN-1H helicopters at an estimated cost of $27 million and cooperative logistics supply support (FMSO II) for follow-on spares and supplies in support of C-130H, F-4E, F-/RF-5A, F-100C/D/F, RF/F-104G, T-33, T-37C, and T-38 aircraft and other systems and subsystems of U.S. manufacture at an estimated cost of $75 million is consistent with the principles contained in section 620C(d) of the Act.

This certification will be made part of the certification to the Congress under section 36(b) of the Arms Export Control Act regarding the proposed sale of the above-named articles and is based on the justification accompanying said certification, and of which such justification constitutes a full explanation.

WILLIAM SCHNEIDER, Jr.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C. October 31, 1983.

In reply refer to: I-04028/83ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 84-17, concerning the Department of the Army's proposed Letter of Offer to Saudi Arabia for defense articles and services estimated to cost $271 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

PHILIP C. GAST,
Director.

[Transmittal No. 84-17]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Saudi Arabia.

(ii) Total Estimated Value:

	Millions
Major defense equipment [1]	$202
Other	69
Total	271

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: A quantity of 523 tracked armored vehicles comprised of 33 M578 and 19 M88A1 Tracked Recovery Vehicles, 24 M106A2 and 62 M125A2 Mortar Carriers, 18 M109A2 155mm Self-Propelled Howitzers, 80 M577A2 Command Post Carriers, 111 M992 Field Artillery Ammunition Support Vehicles, 156 M113A2 Armored Personnel Carriers, and 20 M113A2 Armored Ambulances, with concurrent spare parts, special tools, related communications equipment, technical manuals, major assemblies supporting these vehicles, 405 M2 .50 caliber machine guns, and 50 MX-155/GT Telephone Connecting and Switching Groups.

(iv) Military Department: Army (VFW, VFX, VFY, VFZ, VGA, and VGB).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Included in report for quarter ending September 30, 1983.

(viii) Date Report Delivered to Congress: October 31, 1983.

POLICY JUSTIFICATION

SAUDI ARABIA—TRACKED ARMORED VEHICLES

The Government of Saudi Arabia has requested the purchase of a quantity of 523 tracked armored vehicles comprised of 33 M578 and 19 M88A1 Tracked Recovery Vehicles, 24 M106A2 and 62 M125A2 Mortar Carriers, 18 M109A2 155mm Self-Propelled Howitzers, 80 M577A2 Command Post Carriers, 111 M992 Field Artillery Ammunition Support Vehicles, 156 M113A2 Armored Personnel Carriers, and 20 M113A2 Armored Ambulances, with concurrent spare parts, special tools, related communications equipment, technical manuals, major assemblies supporting these vehicles, 405 M2 .50 caliber machine guns, and 50 MX-155/GT Telephone Connecting and Switching Groups at an estimated cost of $271 million.

This sale is consistent with the stated U.S. policy of assisting other nations to provide for their own defense by allowing the transfer of reasonable amounts of defense articles and services. It will demonstrate the continuing willingness of the U.S. to support Saudi Arabia which is an important force for moderation in the region.

These tracked armored vehicles will be used in the mechanization of two additional Saudi Arabian Land Forces (SALF) infantry brigades. The SALF will have no difficulty in absorbing these vehicles.

The sale of this equipment and support will not affect the basic military balance in the region.

The principal contractors will be the FMC of San Jose, California, and the Bowen McLaughlin York Corporation of York Pennsylvania.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Saudi Arabia.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., October 28, 1983.

In reply refer to: I-04258/83ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are fowarding herewith Transmittal No. 84-15 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Egypt for defense articles and services estimated to cost $160 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Director.

[Transmittal No. 84-15]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Egypt.

(ii) Total Estimated Value:

	Millions
Major defense equipment [1]	$118
Other	42
Total	160

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: CHAPARRAL missile systems to include 450 MIM-72F missiles, 26 M48A2 Aerial Intercept Guided Missile Carriers with seven Forward Looking Infrared (FLIR) night sights, 28 M33 training missiles, support equipment, spare parts, and services.

(iv) Military Department: Army (UEY).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending 30 September 1983.

(viii) Date Report Delivered to Congress: Oct. 28, 1983.

POLICY JUSTIFICATION

EGYPT—CHAPARRAL MISSILE SYSTEMS

The Government of Egypt has requested the purchase of CHAPARRAL missile systems to include 450 MIM-72F missiles, 26 M48A2 Aerial Intercept Guided Missile Carriers with seven Forward Looking Infrared (FLIR) night sights, 28 M33 training missiles, support equipment, spare parts, and services at an estimated cost of $160 million.

This proposed sale will contribute significantly to U.S. foreign policy and national security objectives by helping to increase the security of a friendly country of vital interest to the United States.

Previously purchased Soviet systems for short-range, low altitude air defense are becoming increasingly obsolete. The CHAPARRAL missile system would provide a current technology air defense system to fill this void. Egypt plans to obtain operational training from the prime contractor through a direct contract. This sale is in consonance with the projected defense requirements plan for Egypt.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Ford Aerospace and Communications Corporation of Newport Beach, California.

Implementation of this sale will require the assignment of three additional U.S. Government personnel and two contractor representatives to Egypt for six weeks.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., November 14, 1983.

In reply refer to: I-04452/83ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 84-16 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Navy's proposed Letter of Offer to the Netherlands for defense articles and services estimated to cost $78 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Director.

[Transmittal No. 84-16]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: The Netherlands.

(ii) Total Estimated Value:

	Millions
Major Defense Equipment [1]	$65
Other	13
Total	78

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: A quantity of 900 AIM-9L SIDEWINDER missiles with support.

(iv) Military Department: Navy (ADX).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending 31 December 1982.

(viii) Date Report Delivered to Congress: November 4, 1983.

POLICY JUSTIFICATION

THE NETHERLANDS—SIDEWINDER MISSILES

The Government of the Netherlands has requested the purchase of a quantity of 900 AIM-9L SIDEWINDER missiles with support at an estimated cost of $78 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of the Netherlands; furthering NATO rationalization, standardization, and interoperability; and enhancing the defenses of the Western Alliance.

The purchase of these missiles will improve the air defense missile capabilities of the Netherlands' Air Force F-16 aircraft. NATO members already have similar missiles in their inventories, and the training and maintenance facilities to support the missiles are in existence.

The sale of this equipment and support will not affect the basic military balance in the region.

The principal contractors will be the Aeronutronic Ford Corporation of Newport Beach, California, and the Raytheon Company of Lowell, Massachusetts.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel to the Netherlands. One additional contractor representative will be required in the Netherlands for one year.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

THE FAILURE OF THE POLICY DEVELOPMENT PROCESS FOR FARM LEGISLATION

● Mr. DOLE. Mr. President, we are today witnessing a failure of the process by which U.S. agricultural policy has been developed for 50 years. There are those who, for vastly different reasons, will applaud such a failure. However, those of us who see that excessive support for or excessive opposition to farm programs are equally destructive to the legislative process by which they are developed find little to cheer about.

About 1 year ago, the administration conceived of the payment-in-kind program as a way of drastically reducing grain and cotton production in exchange for giving away burdensome government-owned stocks and writing off old loans. In return, the administration reasoned that Congress would be willing to freeze target prices at their 1983 levels in recognition of the much-improved reduction in inflation and interest rates since the farm bill was written in 1981.

Some of us in Congress were prepared to accept this exchange, or at least to work out some form of compromise which would lower the scheduled target prices. Others, however, felt that the provisions of the farm bill represent hard-won concessions for farmers which can in no way be exchanged or amended, but only added to. And so we spent the better part of the year arguing over the "fairness" of the target price freeze proposal. We argued so long that the administration was forced to include the higher scheduled target price in the 1984 wheat program announcement in August. This in turn forced the USDA to offset the higher target price with an equally high threshold acreage reduction program for eligibility. As announced, the wheat program is ungainly and unbalanced, and will probably not attract much participation. The result is expected to be record wheat production of at least 3 billion bushels and an increase in carryover stocks to more than 2 billion bushels by June 1985.

When Congress returned after the August recess, these facts and projections were clearly before us. They were also before the administration, which has equally good reason not to want a massive, price-depressing wheat harvest next summer. And yet, after another 3 months of debate and the active efforts of various farm organizations to get some correction of the program, we find ourselves now about to adjourn until late January with the August program still in place.

For its part, the House Agriculture Committee was at least able to get a bill passed on the House floor that would address the immediate concern of wheat producers. Unfortunately, the administration is opposing any further dilution of its effort to obtain an across-the-board reduction in target prices. Other concerns have been raised about certain provisions added to the House bill: Advance deficiency payments, haying and grazing privileges, summer-fallow treatment, and the delayed signup deadline of March 30.

I can appreciate each of these concerns, and would personally be prepared to take them out of the bill if that would obtain the support of the administration for the remainder. Unfortunately, the Office of Management and Budget has been unwilling to negotiate such an agreement. On the other hand, a number of Senators have been equally unwilling to discuss what provisions they would support in either a wheat or a target price bill. The heart of the House bill, H.R. 4072, is identical to a proposal I have tried to offer on the Senate floor three times since July. Each time, several of my colleagues have prevented its consideration but without coming up with any ideas of their own on how to work out the differences.

Now that the House has passed a wheat bill which the administration opposes, some of these same Senators are now saying that they would be prepared to accept it. Where were they last month? Where were they in September or before the August recess? They were back in their States taking credit for blocking the administration's program. But, with the exception of a few members such as the distinguished Senator from Oklahoma, Mr. BOREN, there was no effort to try to overcome the obstacles and work out a better deal for wheat farmers.

Mr. President, I regret that the legislation on the wheat program passed by the House late on Wednesday arrived too late for us to again attempt to reconcile continuing differences in this Chamber. We have been trying for the past 2 days to obtain approval on an amemdment from all concerned. But time has now run out. It is my continuing hope that we will have another opportunity to change the 1984 wheat program when Congress returns in January. I would, however, commend the distinguished Congressman from Washington, Mr. FOLEY, and the other sponsors of this legislation for their sincere effort to compensate for any lack of willingness on the part of the body or the administration to bridge differences and reach a final accord.●

AMENDMENT TO THE PELLY ACT REGARDING THE U.S./CANADA SALMON TREATY

● Mr. MURKOWSKI. Mr. President, I wholeheartedly support the amendment proposed by the senior Senator from Alaska. The State of Alaska is totally committed to sound conservation practices and has since statehood managed its fish resources to first provide for the maintenance of stocks and second to promote the development of our fisheries for maximum benefits. During the summer of 1983 our fishery managers restricted the troll fishery to the point that only 60 total fishing days were allowed. This represents a 64 percent, or 109 day, reduction from the seasons prior to 1980.

The State of Alaska has always managed its fisheries with the coastwise interests of the stock in mind. This year, the actions of our Canadian neighbors would indicate that they do not give the same priority to conservation that we do. For instance, the Canadians dramatically increased their fishing efforts on two major rivers that bisect the United States-Canada border. While Alaska severely restricted its fishermen from harvesting mature salmon bound to these rivers in the interests of conservation, the Canadians substantially increased their harvest. One can only believe that their motive was to increase the annual catch on these rivers to substantiate their claim for a larger share of this fishery.

As we resurrect negotiations for a treaty we find that the goal of conservation and enhancement of salmon stocks as embodied in an earlier draft of the treaty was not adhered to by Canada during the 1983 season. Prior to season openings Canada was quite vocal, and to the point of being threatening, expressed its intention of targeting U.S. stocks as they passed through Canadian waters if the United States failed to sign off on the draft treaty. While we felt the treaty was not equitable and decided not to sign, we did manage our 1983 season with the health of the stocks in mind. The same cannot be said of Canada.

The amendment before us now allows the Secretary of the Treasury to prohibit the importation of fish products from a foreign nation if that nation has been certified by the Secretary of Commerce to have conducted fishing operations in a manner or under circumstance which diminish the effectiveness of domestic conservation efforts for Pacific salmon. Clearly this authority is needed. Alaska, in the interests of conservation, has reduced its commercial harvest of salmon only to find its efforts were in vain because the fish were simply taken outside Alaska's borders. If this transfer of fish and livelihoods continues, the United States and Canada will find themselves without a healthy salmon resource.

This is a very simple amendment, yet its effectiveness could be far reaching. I would like to reassure my colleagues that any prohibition imposed by the Secretary of the Treasury would have to be in conformity with the General Agreement on Tariffs and Trade. I urge expeditious and favorable consideration of this important amendment.●

REGARDING THE RESIGNATION OF KENNETH M. DUBERSTEIN, WHITE HOUSE LIAISON

● Mr. LONG. Mr. President, it has come to my attention that Ken Duberstein has announced his pending resignation from the position of White House liaison to Congress. With that in mind, I would like to take this opportunity to express publicly my respect for the outstanding job that he has done in that position.

In all of his dealings with Congress, Ken Duberstein has been noted for his fairness, knowledge, and skill. His work has played an instrumental part in many of the key legislative efforts undertaken during the last few years. As liaison to the Congress, and prior to that as liaison to the House, Ken Duberstein has always been a most effective advocate for the President.

I know that my colleagues join me in wishing him well.●

URANIUM ENRICHMENT: THE NEXT PLACE TO CUT

Mr. HUMPHREY. Mr. President, there is still room in the energy budget for significant cuts. In specific, cuts can be made to good effect in the Department of Energy's (DOE's) uranium enrichment program. Such cuts, ironically would only reduce the cost of nuclear electricity.

Last Monday I held a hearing as chairman of the Senate Subcommittee on Regional and Community Development on DOE's enrichment program and how DOE plans to pay nearly $1.23 billion in fees to TVA—electricity neither produced nor used to keep this program going.

These fees, known as demand charges, are paid to TVA because DOE's predecessor agency, the Atomic Energy Agency, mistakenly contracted with TVA to buy far more electricity to run the Nation's uranium enrichment plants than was actually needed. Uranium is isotopically enriched by the Federal Government so that it can be used as reactor fuel by nuclear electric utilities.

In the late sixties and the early seventies the Government assumed a very high rate of growth in nuclear demand and therefore assumed that there would be a tremendous demand for Federal enrichment services. These growth assumptions turned out to be nearly 10 times too high.

Having contracted to buy enormous amounts of electricity from TVA to meet this mistakenly high projected demand for enrichment services, DOE is now stuck with the contract requirement that it pay TVA's fixed costs for gearing up to supply DOE's projected demand.

This $1 billion-plus Federal expenditure—which must be paid whether or not DOE uses the power—is itself upsetting. What compounds this bad situation is that these demand charges are part of the reason why DOE is currently having difficulty selling its enrichment services at a competitive price. Indeed, nearly 75 percent of the cost of producing enriched uranium from existing gaseous diffusion plants is attributable to the cost of electricity, and TVA, it turns out, charges 50 to 70 percent more for its electricity than DOE's other two electricity suppliers—Ohio Valley Electric Corp. (OVEC) and Electrical Energy, Inc. (EEI).

This price differential plus TVA's demand charges have a dramatic effect on DOE's enrichment costs. Enrichment is sold in units known as separative work units or SWU's. DOE's current enrichment cost is $138 per SWU. If both TVA demand charges were eliminated and TVA charged what OVEC and EEI do for electricity—about 25 mils per kilowatt—the General Accounting Office (GAO) determined that DOE could reduce its SWU price to $116 immediately.

Cost reductions of this sort could help DOE hold on to its domestic market, which is currently being undermined by foreign suppliers. Such reductions also would reduce the urgency of proceedings with all of DOE's $10 billion-plus new enrichment program, the gas centrifuge enrichment project (GCEP), which itself was conceived during the late seventies to

avoid the high electricity cost of using the existing enrichment plants.

Over $2 billion has been spent on GCEP to date on the first two of what DOE originally planned as an eight-building GCEP project. Because the total cost of building and financing all of GCEP's construction could exceed $10 billion, though, the project has been scrutinized by the Congressional Research Service, the General Accounting Office and the Congressional Budget Office. One of the concerns these agencies have expressed is that under several probable scenarios GCEP's capital costs exceed projected operational cost savings.

DOE currently is considering whether or not to defer construction of any additional GCEP buildings beyond the two currently under construction. It also is supposed to be negotiating with TVA and utilities outside of TVA on an agreement that would allow DOE to sell some or all of the TVA electricity that DOE is currently paying demand charges on.

Congress should watch these two DOE initiatives closely. If DOE is unable to reach agreement with TVA in the next 60 days so as to reduce demand charge payments, I will submit legislation requiring TVA to allow DOE to sell some or all of the electricity DOE is currently paying demand charges on. As for GCEP, it is essential that reason will prevail and that DOE only continue work on the first two buildings.

Mr. President, because the Senate will have to examine DOE's uranium enrichment budget with care when it returns in January, I ask that full texts of "Uranium Enrichment: Heading for the Abyss," recently published in Science Magazine; "Why Build a Uranium Pyramid?" an August 1983 New York Times editorial, and "America's Costliest Government Boondoggle," which appeared last fall in Fortune Magazine, be entered into the RECORD.

The material follows:

AMERICA'S COSTLIEST GOVERNMENT BOONDOGGLE

(By Tom Alexander)

The worst lapses in government judgment generally occur when the bureaucratic battle for turf coincides with the politicians' normal interests in pork barrel spending. One gigantic lapse is taking form in steel and concrete near Portsmouth, Ohio, at a site 60 miles south of Columbus. It's the Gas Centrifuge Enrichment Plant, or GCEP (pronounced "gee-sep"), a facility to convert uranium into fuel for nuclear reactors. So far some $1.2 billion has been spent on GCEP. Before it is completed in the mid-1990s, the estimated cost will be well over $10 billion, which makes it the largest U.S. government construction project at a single site.

Amid public flaps over smaller projects like the Clinch River breeder reactor ($3.6 billion), synfuel plants (up to $5.2 billion), or the Tennessee-Tombigbee Waterway ($3 billion, GCEP goes largely unnoticed outside the halls of Congress. But Congress's very own advisers, the General Accounting Office and the Congressional Research Service, recently issued reports questioning the need for the plant. Congressional committees and Department of Energy officials have tried to refute these attacks, arguing that the expensive new plant's centrifuge method will consume much less energy than enrichment facilities now being used. But they haven't blunted the main thrust of the reports: that weak uranium demand and a promising new enrichment technology using lasers may make GCEP unnecessary and unwise.

CARTER'S INSPIRATION

For the most part, the politicians have studiously ignored this argument. Even President Reagan's ruthless budget-cutters, who earlier considered killing GCEP, now support it. Their stated reason is that it's a sound business investment. A more likely explanation is that the Reaganites have totaled the strength of the pro-GCEP constituency and view a campaign against the project as an electoral liability. GCEP's major contracts and subcontracts are scattered among some 400 companies in 41 states. Jimmy Carter might have lost the 1976 election had he not won by a mere 11,116 votes in Ohio—and politicians conjecture that his inspired last-minute campaign promise to locate the next U.S. enrichment facility in that state tipped its vote in his favor.

The trouble with this kind of decision-making is that, unlike most other U.S. government functions, uranium enrichment is a business up against overseas competitors. Some of these competitors have begun negotiating sales to U.S. power companies. Political calculations are poor guides to the management of such a business. In fact, the building of GCEP appears to continue the kind of blundering that in just seven years has helped slash America's share of the foreign enrichment market from nearly 100 percent to only 35 percent.

Existing U.S. enrichment plants were built in the Forties and Fifties to serve military needs. Later they were used to produce fuel for the "light water" reactors that now predominate in nuclear electric plants around the world. The fuel for these reactors must be enriched by boosting the proportion of the fissionable uranium-235 isotope in the fuel above the level found in natural uranium.

A POWER-GUZZLING PROCESS

Though government-owned, all the present enrichment plants are operated by private contractors. They are located at Oak Ridge, Tennessee; Paducah, Kentucky; and Portsmouth, Ohio. All employ the gaseous-diffusion process, a fantastic guzzler of electric power. Operating at capacity, the three plants consume some 65 billion kilowatt-hours of electric power a year—three-quarters as much as the entire U.S. aluminum industry.

The cost of power—which since 1969 has been rising at an average rate of 13 percent a year compounded—primarily determines the price of enriching uranium. Enrichment services are sold by the "separative work unit," or SWU (pronounced "swoo"), which indirectly measures the increase in U-235 concentration in uranium fuel. Nowadays the cost of a SWU is about $140, up from $32 a decade ago. A typical 1,000-megawatt nuclear power plant requires about 100,000 SWU's a year. By law the Department of Energy, which inherited the U.S. enrichment plants from the old Atomic Energy Commission, is supposed to charge enough to cover all its costs. The DOE now has an order backlog of over $100 billion, about a third of it from overseas customers, in the form of contracts extending up to 30 years.

LANGUOR IN THE LABS

Since World War II, researchers at several of the national laboratories owned by the DOE have been exploring other enrichment processes, including centrifuges of the kind planned for GCEP. But the labs showed little sense of urgency about bringing these processes to market. For one thing, the U.S. government enjoyed a near-monopoly in the non-Communist world's commercial enrichment market for many years. So it long felt little need to introduce centrifuges, even though current versions consume only 5 percent as much electricity as the diffusion process.

Then, in the early Seventies, several events unfolded. One was a tremendous boom in nuclear power that caught the government short of enrichment capacity. In 1974 the U.S. had to stop booking orders until new capacity could be brought on line. This would have been the ideal moment to begin supplementing and replacing gaseous diffusion with the new centrifuge technology. Electric power costs had already begun their relentless climb. And a number of U.S. companies had expressed an interest in getting into the enrichment business. Some proposed using centrifuges, which suggests that the technology was ready. In fact, a European consortium called Urenco was already building a centrifuge plant; it began operations in 1977.

Unfortunately, U.S. enrichment planners were too thoroughly muddled in the Seventies to respond intelligently. In part the decision-makers were distracted by President Nixon's proposal to bring private industry into the enrichment business. Many companies were interested, including those that wanted to introduce centrifuge technology. But in the end, Congress refused to go along with the privatization idea. The government met its added capacity needs by upgrading the existing diffusion plants and proposed adding diffusion capacity at Portsmouth.

In 1978, when the enrichment order books were reopened, Congress passed a law requiring foreign customers to abide by safeguards aimed at preventing the use of nuclear fuel to make bombs. Unhappy over the U.S.'s past failure to keep up with demand and miffed by the new restrictions, many foreign customers began looking elsewhere—to the Soviet Union as well as Europe. The U.S. market share plunged.

The privatization issue never arose again after its defeat on Capitol Hill, and by 1976 Carter had been elected. His campaign promise to locate the new enrichment facility in Ohio was something he could hardly keep were the decision left entirely in private hands. However, he did decide to install centrifuges at the new Portsmouth facility instead of sticking with diffusion. In a competition among four companies, Goodyear, Garrett, and Boeing were selected to manufacture tens of thousands of centrifuges.

The loser in the centrifuge competition was Exxon Nuclear, a division of the oil company. By then it had spent $29 million responding to government encouragements to get into commercial enrichment. In addition to its work on centrifuges, Exxon Nuclear had been quietly collaborating with Avco Corp. on an enrichment process that, if it proved out, promised immense advan-

tages over both gaseous diffusion and centrifuges. The process, called Atomic Vapor Laser Isotope Separation (AVLIS), uses lasers to ionize U-235 atoms so they can be electromagnetically picked out of vaporized uranium. All told, the Exxon-Avco consortium, called Jersey Nuclear Avco Isotopes Inc., or JNAI, invested $75 million in laser separation.

LIVERMORE GETS FIRED UP

While diffusion and centrifuge technologies are capital-hungry, AVLIS is relatively cheap—and therefore beautifully suited to privatization. A laser facility might cost only a tenth as much to build as a centrifuge or diffusion plant of equal capacity, while electricity consumption and maintenance costs would be even lower than with centrifuges.

The government labs had also explored various types of laser enrichment, but were far behind JNAL, which actually separated a minute quantity of uranium in 1971. A year later, the government fired up its own AVLIS research at Lawrence Livermore National Laboratory in California Livermore has now spent almost twice as much—over $125 million—on AVLIS research as JNAI did. It says the technology could be on line by 1995, some seven years later than JNAI's researchers said they could have a demonstration laser plant in operation.

Unlike a national lab such as Livermore, where research often resembles an academic quest for theoretical perfection, JNAI was interested mainly in getting a laser enrichment facility working as soon as possible. It laid heavy emphasis on designing full-scale components such as gigantic lasers that could withstand tremendous punishment. Had JNAI been allowed to go ahead, its small laser plant would have been ready at about the same time Portsmouth's first complete centrifuge unit will start spinning out SWUs.

Since it couldn't lick the government, JNAI decided to try to join it. The consortium offered to donate all its laser patents and research results to the government, together with the services of its 90-man team. It hoped to get a government contract to build a laser demonstration plant. That offer has not received with open arms. Perhaps the DOE feared that too much commotion about an emerging and better technology would damage the prospects for GCEP, which it considered a more certain technological bet. And the famous not-invented-here syndrome probably played a part: Livermore's laser experts scoffed at JNAI's claim that AVLIS was near commercialization—even though JNAI was putting lots of its own money where its mouth was.

Seeking an independent judgment, the DOE asked its Energy Research Advisory Board, a panel of non-government experts, to look into the whole future of enrichment technology. In its report, issued at the end of 1980, the board substantially bought JNAI's claims. It estimated that with an accelerated program, a full-scale laser plant might be operating by the early 1990s, and that it would probably cost about a billion dollars to build the same enrichment capacity envisaged in the $10-billion GCEP project. Those laser-produced SWUs, it figured, would cost about $21 apiece, vs. $98 for GCEP's and $178 for a new diffusion plant's.

A HORRIFYING SUGGESTION

Nevertheless, because of remaining technical uncertainty about AVLIS in the face of projections of steep growth in nuclear power, the board recommended that the government press ahead with GCEP. But it should commit itself to installing only the first two increments of centrifuge capacity—totaling 2.2 million SWUs a year—rather than the nine million to 13 million SWUs the plant is ultimately designed for. Finally, the board recommended that the DOE combine the laser research going on at JNAI and Livermore Labs and—horror of horrors—let the private team lead the effort.

The political and bureaucratic battlers for turf and for GCEP managed to keep the AVLIS issue on hold well into the Reagan presidency. By March 1981, Exxon and Avco were ready to admit defeat. Tired of pouring out money at the rate of a million dollars a month, they dissolved their laser project and broke up the team—an appalling waste of a national asset.

Originally GCEP seemed necessary to meet rising demand for U.S. enrichment services. But even that justification has withered, partly because of continuing cancellations of nuclear plant orders and partly because of competition from foreign enrichment facilities. When GCEP was started in 1978, the DOE estimated that demand for U.S. enrichment services would reach 39.6 million SWUs a year by 1990, while the existing diffusion plants, running flat out, can produce only 27 million SWUs a year. Now the DOE puts 1990 demand at perhaps 26 million SWUs—well within the capacity of existing gaseous-diffusion facilities, which are currently running at only 36 percent of capacity. Mainly for this reason, a recent report from the Congressional Research Service questions the need for GCEP.

THE GAO WEIGHS IN

GCEP's champions have lately switched to defending the plant on economic grounds. Without it, they say, American SWUs will be priced out of the market because of the increasing cost of electrical power. This spring the GAO took issue with that argument. Based on its own estimates of demand—which are close to ones that DOE now uses—the GAO reiterated an earlier finding that the centrifuge plant is probably not needed. Using the DOE's assumptions about power and other costs, moreover, the GAO figured that SWUs could even cost more if the plant is built than if it isn't. That's because GCEP's huge capital costs, averaged in with those of older plants, would raise the cost of all U.S. enrichment in the near term. If cheaper technologies such as AVLIS were used instead, the GAO said, those costs would fall. Among many Congressmen, DOE officials, and GCEP contractors, this report wasn't particularly well received.

The government is not alone in being tricked into unnecessary spending by the shifting prospects for nuclear power. But the utilities are ruthlessly canceling and stretching out their nuclear plant orders, while government, with the powerful momentum of politics, plunges ahead.

The choices of what to do at Portsmouth are neither clear nor pleasant. Terminating GCEP forthwith would mean writing off the $1.2 billion spent so far and forking out cancellation fees of some $350 million to contractors. It might also leave the nation short of enrichment capacity if demand rises more than is now expected or unforeseen glitches impede laser technology. Continuing on schedule, on the other hand, would mean spending perhaps $9 billion more than has been spent already. Stretching out the project would merely add to overall costs. And both these courses could very well saddle the nation with an obsolescent enrichment process.

Our compromise would be to finish the first 2.2 million SWUs a year of capacity, or roughly one-fifth of the total planned. The government could then initiate a head-to-head competition—between centrifuges, lasers, and any other process that appears promising—for subsequent increments. This makes sense because many of the supporting facilities at Portsmouth could serve any process.

PORK BARREL ARITHMETIC

Unfortunately, in the inverted world of government-managed industry, the laser process may be handicapped by its very cheapness; it doesn't loom impressively in pork barrel calculations. But in their preoccupation with keeping GCEP intact, the politicians may well be jeopardizing the whole enrichment business. The French, Japanese, and Australians are pushing ahead on laser enrichment in hopes of capturing more of the $100 billion in enrichment orders projected over the next two decades.

That's another reason why enrichment should be turned over to private industry. Such problems as what to do about competition changes in demand, and new technology are precisely those that corporation managers are best equipped and motivated to handle—if they want to survive. So it's time to think once more about pulling the enrichment business out of the hands of government.

[From the New York Times, Aug. 24, 1983]

WHY BUILD A URANIUM PYRAMID?

In Portsmouth, Ohio, the Department of Energy has spent nearly $2 billion, with $7 billion more to go, on the nation's largest construction project. But the venture may be as useless as a pyramid, serving only to commemorate the Government's deficient business sense.

The new plant is designed to enrich natural uranium in order to make fuel for nuclear reactors. But there's a glut of enriched uranium, one that may last for years, depressing markets even when the plant is finished in 1994. And by that time the plant's technology may be outmoded and uneconomic.

The project could be more than a financial disaster. Selling competitively priced enriched uramium to other countries is the principal means of persuading them not to divert nuclear material to military uses. If the United States becomes locked into an uneconomic technology, this handle on proliferation will disappear.

The Department of Energy got itself into this horrendous fix with unrealistic predictions of demand for enriched uranium. Projected demand in the year 2000 has now fallen to a tenth of what was forecast. Enriched uranium is in glut because utilities are backing off from nuclear power, canceling orders for nuclear reactors and unloading fuel contracts. Yet the Department of Energy, which has three plants for enriching uranium by the technique of gaseous diffusion, has recently spent $1.5 billion to increase their capacity by 60 percent, none of which is now needed.

Worse, Washington is paying more than $100 million a year in penalties for electricity it ordered to run the gas-diffusion plants but now doesn't need. These fines will climb to $1.2 billion by 1992, according to an analysis by Colin Norman in Science. Shelby Brewer, the Energy Department's head of

nuclear power programs, now admits that "With 20/20 hindsight, the decisions were wrong."

Gaseous diffusion consumes electricity voraciously. To escape the costs of running gas-diffusion plants, the department in 1977 embarked on the vast Portsmouth plant, which is based on the less energy-guzzling technology of gas centrifuges. But this new technology is evolving so rapidly that the first generation of centrifuges will soon be obsolete. Meanwhile another new technology, separation of uranium isotopes by lasers, promises to be the most economical by far.

The enriched-uranium glut affords a breathing space in which to rethink the Federal program. Why not wait until the most advanced generation of centrifuges is available instead of wasting money on the earlier models? Why not cancel the $9 billion Portsmouth plant altogether and go straight to laser isotope separation, relying on the perfectly adequate gas-diffusion plants in the meantime? Better still, why shouldn't the Government get out of the nuclear fuel business altogether and let the decisions be made by industry?

Completing the Portsmouth plant, in whole or part, may look good to Ohioans but its overhead could prevent the United States from offering enriched uranium at competitive prices when the glut recedes. Failure to be ready with the best technology will cost America a lucrative market—and its best chance for influence in hindering the spread of nuclear weapons.

[From Science, Aug. 19, 1983]

URANIUM ENRICHMENT: HEADING FOR THE ABYSS

(By Colin Norman)

The federal government's $2.3 billion a year business enriching uranium for nuclear power plants is heading toward a major crisis. A victim of the plummeting fortunes of the nuclear industry and some disastrous miscalculations by the Department of Energy (DOE), it is caught with billions of dollars of construction in progress just as projected demand for enriched uranium is sinking like a stone. As a result, the enrichment program will soon have a mass of red ink on its books and a big fight with Congress on its hands.

At the center of the mounting controversy is a mammoth $10-billion enrichment plant that is now rising on the industrial landscape of Portsmouth, Ohio. Known as the Gas Centrifuge Enrichment Plant, or GCEP (pronounced gee-sep), it is the biggest construction project in the nation—a behemoth that will cost more than twice as much as the Clinch River Breeder Reactor.

The Department of Energy, which manages the enrichment program, argues that GCEP represents the best hope for getting the enrichment business onto a more stable economic footing in the 1990's. But to its critics, the plant is a boondoggle whose capacity is not needed and whose construction will drive up the price of enriched uranium in the near term. They claim that GCEP will be obsolete before it is completed, and argue that it should at least be put on hold until new technologies—based on lasers or advanced centrifuges—are available in the early 1990's.

Getting GCEP built in the face of growing opposition and dwindling demand for enriched uranium is not the only problem facing the program.

The government's three existing enrichment plants have recently undergone a major overhaul, costing $1.5 billion, to increase their capacity by 60 percent and improve their performance. Yet demand is so depressed that these expensively refurbished plants are now being operated at only about 35 percent capacity and one may soon have to be shut down.

A huge "secondary market" has recently emerged as utilities, saddled with surplus uranium they ordered several years ago under fixed contracts, are unloading the material to other utilities at substantial discounts. According to DOE estimates, there may be enough enriched uranium slopping around in the secondary market to meet worldwide demand for 2 or 3 years. The surplus is expected to grow in the next few years and will not be worked off until the early 1990's, which means that demand and prices will remain depressed for the forseeable future.

DOE is currently paying more than $100 million a year in penalties to the Tennessee Valley Authority (TVA) for electricity it had contracted to buy to operate enrichment plants but which is no longer needed. Next year, these penalties will be more than $200 million and by 1992, the accumulated payments will total a staggering $1.23 billion, according to a recent estimate by the General Accounting Office (GAO).

Ten years ago, the United States held a worldwide monopoly on sales of enriched uranium, but its share of the non-U.S. market has now slumped to about one-third and DOE's prices are being undercut by its foreign competitors. This price differential could worsen in the next few years as DOE tries to raise revenues to pay for GCEP.

How DOE got itself into this mess is relatively straightforward: in the 1970's it grossly overestimated the demand for enriched uranium and made a number of decisions it later came to regret. At the time, the policies seemed sensible, but "with 20/20 hindsight, the decisions were wrong," says Shelby T. Brewer, head of nuclear power programs at DOE.

A decade ago, the most pressing problem facing the enrichment program was how to build capacity fast enough to keep up with soaring demand for reactor fuel. The federal government began enriching uranium for the fledging nuclear power industry in the late 1960's, using three massive plants that were built in the 1940's and early 1950's to produce highly enriched uranium for nuclear weapons. The Atomic Energy Commission (AEC), which built and operated the plants, essentially ran a service business, enriching uranium for both domestic and foreign utilities and charging enough to cover costs. By 1974, so many nuclear plants were under construction or on order worldwide that the AEC calculated that demand for enriched uranium would exceed capacity by the early 1980's. The AEC then made the first of several decisions that would come back to haunt the enrichment program: it announced that it would accept no more new orders. The order books remained closed until 1978.

Because the United States was then the sole commercial supplier of enriched uranium in the non-Communist world, AEC's abrupt moratorium had far-reaching repercussions. One consequence was a major boost to Europe's enrichment business. With no competition for new orders, two groups which built enrichment plants in the 1970's—Eurodif, a consortium of French, Spanish, Belgian, and Italian government and private interests, and Urenco, a consortium of British, West German, and Dutch interests—picked up two-thirds of the enrichment business outside the United States by the end of the decade.

The United States, meanwhile, was scrambling to increase its own capacity. A 10-year effort to expand output from the three existing plants—located in Oak Ridge, Tennessee; Paducah, Kentucky; and Portsmouth, Ohio—was already under way. But even with this expansion, the AEC estimated in 1975 that as many as 8 to 12 new plants would be needed by the end of the century. Congress was duly persuaded to give the go-ahead for immediate construction of one new facility.

In 1977, the Carter Administration announced that the plant, to be built alongside the existing enrichment facility at Portsmouth, would use a new technology. The three postwar plants all employ a process called gaseous diffusion in which uranium hexafluoride gas is forced through thousands of porous barriers. Because lighter molecules containing the fissile uranium-235 isotope tend to diffuse through the barriers more quickly than those containing uranium-238, the concentration of fissile material increases as the uranium hexafluoride passes through the plant. The process has a major drawback: it is a voracious consumer of electricity. Since electricity prices were going through the roof in the 1970's, the Carter Administration decided that the new Portsmouth facility would use gas centrifuges, a novel but potentially much less energy-intensive enrichment technology. In this process uranium hexafluoride is spun at high speeds in a series of massive centrifuges. The new plant—GCEP—was originally scheduled to be in full production by 1986.

While all this was going on, however, the bottom fell out of the nuclear power business as utilities, faced with escalating construction costs and declining growth in electricity consumption, canceled or deferred scores of power plants. The impact on uranium enrichment has been dramatic. Since 1975, when Congress gave the go-ahead for GCEP, the projected demand for U.S. enriched uranium in the year 2000 has dropped by more than a factor of 10 (see chart). As a result, the GAO and the Congressional Research Service both concluded last year that DOE's existing gaseous diffusion plants have more than enough capacity to meet demand until the end of the century and beyond. In other words, the original justification for building GCEP has evaporated.

No matter; DOE now says that although GCEP may not be justified simply to meet rising demand, it is needed to stabilize the cost of enrichment and stave off foreign competition. Without it, "the United States would price itself out of the enrichment business," claims Brewer. In essence, DOE is saying that enrichment is no different from, say, steelmaking: in spite of worldwide overcapacity, the United States must build new, more efficient plants and retire its old ones if it is to stay competitive.

There is certainly good evidence that the United States is losing enrichment business and that it may lose a lot more. For one thing, thanks in part to those penalties DOE is paying TVA and to the rise of the dollar against European currencies, the substantial price advantage enjoyed by the United States in the 1970's has disappeared. It is now being undercut by Eurodif, Urenco, and the Soviet Union (which is now selling some enriched uranium on the international market). Then there is the secondary market. According to DOE estimates, some

two-thirds of the material in the secondary market is of European origin and it is being offered in the United States at substantial discounts.

The first indication of a shift in the market came in August 1982, when Florida Power and Light bought some European uranium on the secondary market. Four months later, South Carolina Gas and Electric became the first U.S. utility to sign a contract directly with Eurodif rather than DOE.

It is debatable, however, whether building GCEP is the best way to shore up the U.S. enrichment business in the long term, and the plant will certainly add to the economic and political problems in the short term.

The immediate difficulty is that the construction costs of GCEP in the next few years will push outlays on the enrichment program well above revenues from sales of enriched uranium. In 1987 alone, according to DOE estimates, the program will be about $500 million in the red. This means that either Congress and the Office of Management and Budget must approve a departure from the current pay-as-you-go policy, under which DOE balances costs and revenues on an annual basis, or DOE will have to raise its prices drastically. The former would make the program highly vulnerable politically, and the latter would certainly price the United States out of the enrichment business.

As for the plant's long-term economics, they depend on whether all or only part of the plant is built, how rapidly the state of the art in centrifuge technology advances, and how much further projected demand for enriched uranium sinks.

The current plan, which is now under review within DOE, is to build GCEP in eight modules, each of which is a massive process building housing thousands of entrifuges. The first two buildings are under construction, and their centrifuges are expected to be installed and running by 1988. The other buildings would be added in stages, with final completion of the entire plant scheduled for 1994. DOE anticipates that centrifuge technology will advance as GCEP is built so that the machines installed in the final buildings will be two to three times more efficient than those in the earlier modules.

By the end of this fiscal year, DOE will have spent some $1.8 billion on GCEP and, by the time the first two process buildings are completed, it will have gone through half the projected capital cost of the entire eight-module plant. (The total plant cost is now put at some $9 billion, in 1984 dollars.) The high initial capital cost is explained in part by the fact that DOE decided to construct central facilities capable of handling the work of all eight modules. This, of course provides a built-in incentive to finish the plant once the initial buildings are completed: late modules will be cheaper to build and, because they will employ more efficient machines, they will be far more productive.

DOE's current justification for building GCEP is that, because it will use only about 5 percent of the electricity consumed by a gaseous diffusion plant to produce a given quantity of enriched uranium, it will help reduce the long-term price of enrichment. But last year, GAO questioned that claim because it said, DOE was still using unrealistically high estimates of demand; at lower demand levels, GCEP's cost advantage disappears, GAO concluded. A report soon to be published by the Congressional Budget Office, however, will argue that GCEP will be cost effective if the advanced centrifuges now scheduled for only the final buildings were installed in the entire plant. This would mean ripping out the less efficient machines a few years after they are installed and replacing them with the advanced centrifuges.

In essence, this would require building part of the plant twice. That may reduce costs in the long term, but it would increase outlays in the short term and aggravate the political problem of getting Congress to come through with the money. It also invites the question, why install the less efficient machines at all? Why not put the whole thing on hold until the advanced machines are available? That, in fact, is precisely what Representative Richard Ottinger (D-N.Y.), a critic of GCEP, proposed last year.

In this regard, it should be noted that centrifuge development is proceeding so rapidly that the advanced machines could be ready much earlier than originally expected. According to Richard Grant, who is heading the centrifuge program for Boeing, key elements of the machines are already under test and commercial production could come as early as 1988-1989—some 3 to 4 years ahead of schedule.

There is, however, another factor that should play a crucial role in deciding what to do with GCEP: the development of a technology based on lasers that may offer substantial cost advantages over even advanced centrifuges. DOE, urged on by Congress, is now pumping about $100 million a year into the development of laser enrichment.

The process, first developed by scientist working for the Avco Everett Research Laboratory, involves subjecting a stream of atomic uranium vapor to a series of very finely tuned laser beams. Energy is absorbed only by atoms of uranium-235, which eventually lose an electron. The resulting uranium-235 ions are then collected by passing the vapor stream through a magnetic field, which deflects the ions while the neutral uranium-238 atoms pass straight through.

Avco Everett, in partnership with an Exxon subsidiary, spent some $77 million of their own funds developing the technology during the 1970's. But in 1980 they decided that the time was not ripe to build a private enrichment plant and proposed a joint venture with DOE to commercialize the technology. In the meantime, however, the Lawrence Livermore National Laboratory was working on a parallel laser process that by the early 1980's was also ready to be scaled up. For reasons that have never been adequately explained, DOE turned down the Avco Everett/Exxon proposal and, in April last year, announced that it would build a demonstration plant based on the Livermore process. (Avoc Everett disbanded its enrichment team, but has managed to salvage some of the work: it is now using the lasers in a Defense Department program to develop laser communications with submarines.)

When it selected Livermore, DOE planned to have a demonstration laser facility in operation by 1990, but it has recently brought forward the target date to 1987. (The speedup will be achieved by use of lasers being built at Livermore to separate isotopes of plutonium in a defense program.) As it happens, that is about the time when the advanced centrifuges are expected to be ready for commercial development.

This has led supporters of the laser program to argue that no firm commitment should be made to complete GCEP until both the laser process and the advanced centrifuges have been properly evaluated. DOE "should put everything [at GCEP] on hold as best they can and then compare the two processes," says James Davis, who is heading the Livermore effort. Davis has no doubts about which would win. The laser process at present promises to be much less capital-intensive than centrifuge technology, and its operating costs, although still somewhat uncertain, are expected to at least match those of advanced centrifuges.

So far, the enrichment program has attracted little interest on Capitol Hill beyond the committees that oversee DOE and appropriate the funds. GCEP, for example, has not attracted anything like the attention devoted to the much less expensive Clinch River Breeder Reactor. But that may change in the coming months as the program's problems become more widely known. Later this year, for example, Senator Gordon Humphrey (R-N.H.), a critic of GCEP, plans to hold hearings with a subcommittee he chairs that has jurisdiction over TVA, to look into the massive penalties DOE is forking over to the utility. And next year, Ottinger, who chairs a key House energy subcommittee, will get a crack at the program when it comes up for authorization.

Already, the House Committee on Science and Technology and the appropriations committees have put DOE on notice that there could be rough times ahead. They have approved funds for only the first two modules of GCEP and demanded a study of what should be done beyond that. DOE, meanwhile, has shaken up the management of the program, bringing in to head it John R. Longenecker, a 34-year-old engineer who formerly managed DOE's Clinch River program. Longenecker said in an interview that the whole program—including stopping GCEP—is under examination, and a new plan will be formulated by the end of the year.

The options facing DOE and Congress are complicated and painful. To cancel GCEP now would mean writing off the $1.8 billion already spent plus some $350 million in cancellation charges. It would also run the risk of seeing the operating costs of the gaseous diffusion plants climb steadily, with no relief if the laser process does not live up to expectations. But to continue with GCEP will require some major infusions of cash in the next few years from a Congress concerned about budget deficits and about hidden subsidies to the nuclear industry. Building GCEP now, moreover, may well preclude building a laser plant in the 1990's, even if laser technology ultimately turns out to be superior. The alternative, putting GCEP on hold to wait for advanced centrifuges or lasers, would incur considerable costs if the plant is later reactivated. Finally, if construction were halted after only two modules, the plant will be of dubious economic value because of those huge capital expenditures DOE has already sunk into central facilities for the entire eight-module operation.

One potentially attractive solution to all this is to turn the whole business over to private industry. Getting enrichment out of the federal appropriations process would mean that new construction could be financed by borrowing on the capital markets rather than from current revenues. Decisions would also be made on a strictly business basis, and industry, which stands to benefit from lower enrichment prices, would

bear the risks. The Reagan Administration, which is ideologically committed to getting the federal government out of running businesses, would very much like to turn enrichment over to the private sector, but it is not at all clear how it could be done.

One proposal, under consideration in the White House, is simply to announce that the federal government will not finance any more construction after the first two modules of GCEP. That would at least focus attention on how future capacity should be financed, but it would do little to help avert the budget crunch in the next few years. A more radical idea, put forward by the conservative Heritage Foundation, would be to turn over management of existing plants to a group consisting of utilities that currently have contracts to purchase enriched uranium from DOE. This management corporation would essentially lease the plants for a fee to pay off their depreciated value, and plan and raise capital for future plants. In any case, given the huge uncertainties facing the enrichment business, private industry is not leaping at the investment opportunity.

For DOE, the immediate problem is how to get through the next few years, especially in view of that huge secondary market depressing demand and prices. "Somehow," says Brewer, "we must get through the valley of the shadow—this secondary market problem—and emerge with the best technology." Billions of dollars are riding on how DOE chooses to do it.●

WILDERNESS RELEASE LANGUAGE

● Mr. HELMS. Mr. President, there are several wilderness bills referred for consideration to the Senate Committee on Agriculture, Nutrition, and Forestry. Four such bills passed by the House of Representatives, designating wilderness for New Hampshire, Wisconsin, Vermont, and my own State, North Carolina, were received in the Senate only 2 days ago.

I regret that these bills were not passed by the House until so late in the session, because the Senators from these States were all interested in completing work on these bills before Congress adjourns. I spoke personally with Senators HUMPHREY and RUDMAN from New Hampshire, Senators PROXMIRE and KASTEN from Wisconsin, Senators STAFFORD and LEAHY from Vermont, and Senator EAST from North Carolina, and explained that in the 2 days remaining in this session, the Committee on Agriculture, Nutrition, and Forestry just did not have time to give adequate consideration to these wilderness bills.

I want to make it clear to these Senators, and to others who may be considering the introduction of wilderness bills for their own States, that I intend for the committee to deal with these bills expeditiously when Congress returns for the 2d session of the 98th Congress.

As chairman of the Committee on Agriculture, Nutrition, and Forestry, I have been involved for some years in discussions concerning the management of national forests and the effect that wilderness designations have on that management. By law, our national forests are managed for a variety of uses that provide benefits to a wide segment of the people of the United States. Unlike national parks, national wildlife refuges, and national recreation areas, which are managed for preservation, our national forests are managed for multiple uses. These uses are specified in land management plans developed by the U.S. Forest Service, after much public input, years of scientific studies, and recommendations by professionals in the various disciplines that compose the staff of the agency.

The activities allowed in the national forests range from timber production to wilderness preservation. In between are other activities such as hiking, wildlife management, primitive and motorized camping, snowmobiling, mining, hunting, fishing, petroleum exploration, skiing, rafting, motor boating, and firewood cutting. In many ways, the U.S. Forest Service description, "Land of Many Uses," is an apt description of land that belongs to and is used for the productive benefit of all Americans, even if they never set foot in the national forest.

Although wilderness has become an accepted use in the national forests, the concept of preservation was never meant to take the place of multiple use management in the national forest system. That is the focal point of the current discussion in the Congress over the appropriate release language in wilderness legislation.

Thus, the problem relating to the wilderness bills currently pending in the Senate Committee on Agriculture, Nutrition, and Forestry have little to do with the amount of wilderness that each State will have. That should be up to the residents of each State. The problem has to do with language in each of these bills that would jeopardize the concept of balanced multiple use management for the national forest system.

Recently, serious questions have been raised concerning the possible deficiency of the release language in these bills. At the request of the chairman of the Subcommittee on Soil and Water Conservation, Forestry and Environment, Senator JEPSEN, the Congressional Research Service has prepared a paper which discusses some of the questions concerning the adequacy of the release language contained in each of these bills. This analysis highlights the current concern where it states "that a challenge to an initial forest plan could force an immediate revision of the plan, without any period of implementation. If so, another wilderness analysis for those areas could begin as early as 1 year after an initial plan has been completed."

Since these plans are due in 1985, the release language in these bills may provide only 1 to 2 years of management under the land management plans before wilderness restudy is required. The entire national forest system was studied for wilderness potential during the second Roadless Review and Evaluation (RARE II), a study completed in 1979. Even now, as a result of litigation, these same areas are being restudied for wilderness—a tremendous waste of taxpayers' money.

But, the analysis continues: "This provides no period of stability for the industry, and is arguably contrary to the intent of soft release language, as stated in House Report 96-1223. * * * The report language notwithstanding, a literal interpretation of the soft release language could force a reexamination of the wilderness potential of some areas as early as 1986."

The analysis also raises questions about the "possibility of litigation over a forest plan that does not examine wilderness in areas excluded from the RARE II study." The real danger is that such litigation could result in the closing down of the national forests for most multiple use activities under the release language contained in these wilderness bills. Failure to correct this deficiency could result in a management crisis in the national forest system soon after land management plans are issued in 1985.

In order that this information in this analysis of wilderness release language by the Congressional Research Service be more generally available to Members and others interested in this question, I ask unanimous consent that the analysis be printed in the RECORD at this point.

The analysis follows:

WILDERNESS RELEASE LANGUAGE

Recent wilderness bills have been hotly debated by several national interest groups. One focus of the debate is release language. Environmental groups support the version known as soft release, while the industry groups strongly prefer hard release language. This paper briefly outlines what release language is, why it was developed, and the concerns over the soft and hard versions.

WHAT IS RELEASE LANGUAGE

Release language identifies when the Forest Service must restudy areas for wilderness potential and gives directions for the management of roadless areas until they are restudied. The differences between hard and soft release are in the timing of the restudy and in the directions for management in the interim.

Soft release language permits the Forest Service to not restudy the wilderness option in the initial forest plans that are currently being developed under the directions of the Forest and Rangelands Renewable Resources Planning Act of 1974 (Public Law 93-378), as amended by the National Forest Management Act of 1976 (Public Law 94-588). (These laws are hereafter referred to as "the RPA as amended.")

In a specific example, soft release says:

With respect to the National Forest System lands . . . which were reviewed by the Department of Agriculture in the second Roadless Area Review and Evaluation (RARE II), except for those lands remaining in further planning upon the enactment of this Act . . . the Department of Agriculture shall not be required to review the wilderness option prior to the revision of the initial plans " . . . " [P.L. 96-560, sec. 107(b)(2)]

The forest plans being developed under the RPA as amended are 10-year plans. Since the initial plans are to be completed by 1985, wilderness consideration would likely begin around 1993, as the plans are being revised.

Hard release differs on its direction for restudying wilderness potential. Further study is not required in any forest plan completed before a specific date. For example, sec. 302(b) of S. 543 specifically states:

"National forest system lands in the States of Wyoming . . . shall be deemed, for the purposes of all current and future land management plans which are approved before December 31, 2000, . . . to have been given adequate consideration as to their suitability for inclusion in the National Wilderness Preservation System."

Since forest plans are expected to provide management for ten years, forests with plans approved in the summer of 2000 may not restudy wilderness potential until 2010.

The other differenece between hard and soft release is in the management direction for roadless areas until they are restudied. Soft release permits the Forest Service to plan for development in areas recommended for non-wilderness by RARE II. Specifically, for example:

"Areas . . . not designated as wilderness or for study by Congress, or remaining in further planning upon enactment of this Act need not be managed for the purpose of protecting their suitability for wilderness designation pending revision of the initial plans . . ." [P.L. 96-560, sec. 107(b)(3)]

Thus, the Forest Service can manage an area as wilderness, without congressional approval, if it desries. Hard release prohibits such management. Again using S. 543 as an example,

"National forest system lands . . . shall be managed for multiple uses other than wilderness . . ."

This prohibits the Forest Service from designating wilderness management for areas not designated by Congress. This does not imply that development in the 10-year plan is required, only that the lands cannot be planned as wilderness.

BACKGROUND

The Wilderness Act (Public Law 88-577) established the National Wilderness Preservation System in 1964 with an initial endowment of 9.1 million acres of national forestlands. The Act gave Congress the sole authority to add to the system, but directed the Secretary of Agriculture to review the 5.5 million acres of primitive areas managed by the Forest Service and then provide recommendations on which areas should be disignated wilderness to the President and the Congress.

The Forest Service administratively expanded the scope of the primitive area review and began the Roadless Area Review and Evaluation (RARE) in June 1970. Approximately 12.4 million acres in 274 areas were identified for the study by the Forest Service. However, this study evoked substantial criticism because eastern national forests, national grasslands, and all roadless areas of less than 5,000 acres were excluded. RARE was abandoned in 1972 before any recommendations were made because of a lawsuit claiming 44 million acres were improperly excluded from the study.

The Forest Service began a second national wilderness study, RARE II, in June 1977. This examination was broader in scope than the first effort, including over 62 million acres in 2,919 areas. The recommendations were issued on January 4, 1979. One quarter of the area reviewed (15.1 million acres) was recommended for addition to the wilderness system. Another 10.8 million acres was to be studied further in the Forest Service land use planning process. The remaining 36.2 million acres were recommended for nonwilderness, to be managed for uses other than wilderness: logging, grazing, recreational developments, wildlife habitat improvements, motorized recreation, and energy and mineral development. On April 16, 1979, President Carter presented the Congress with the Forest Service recommendations virtually unchanged; less than 1 million acres was shifted among the recommended categories.

RARE II was carried out as an acceleration of the planning process mandated for the national forests by the RPA as amended. Therefore, it differed from the original RARE study, which was conducted without congressional direction for Forest Service planning. RARE II was also done within the requirements of the National Environmental Policy Act of 1969 (NEPA, Public Law 91-190) because the RPA as amended requires that the forest plans be conducted in accordance with that law. NEPA requires a published assessment of the environmental impacts of significant Federal actions and requires that public concerns be addressed. Thus, public response was a significant factor in shaping the recommendations.

In July 1979, the State of California sued the U.S. Department of Agriculture because the State was dissatisfied with the RARE II recommendations for California. The State claimed that the analysis did not adequately consider the environmental consequences for 46 areas in the State that were recommended for uses other than wilderness. On January 8, 1980, a U.S. District Court judge ruled that the RARE II Final Environmental Statement, with respect to the 46 areas identified in the suit, did not contain sufficient site-specific data on wilderness values and did not consider an adequate range of alternatives. It was, therefore, an inadequate basis for management. The court issued an injunction to prohibit development in the disputed areas. The Forest Service appealed the decision, but on October 22, 1982, the 9th Circuit Court of Appeals modified, but basically upheld, the lower court ruling.

It was essentially this court ruling that brought about the development of release language by commodity groups. The forest industry feared that similar injunctions might result elsewhere, or that the court's reasoning would require the Forest Service to conduct another costly, more detailed, and very time-consuming wilderness study. Initial attempts to prevent either of these occurrences focused on a nationwide RARE II bill with nationwide release language that would prohibit the Forest Service from any further wilderness analysis ever. Bills were introduced in both Houses of Congress in the 96th and 97th Congresses, but no final action was taken on any nationwide wilderness bill.

Since the completion of RARE II, Congress has generally been considering wilderness designations in the national forests by individual States. Soft release language was a compromise worked out among the various interest groups in the consideration of H.R. 7702 in the 96th Congress, a bill to designate wilderness areas in California. Environmental groups recognized the industry's concerns because of the California lawsuit, and agreed that the Forest Service should not have to restudy wilderness potential in the initial forest plans that were then being started. The Committee Report (House Report No. 96-1223) makes it explicit that the intent was for the Forest Service to restudy the wilderness option for roadless areas when the management plans for a particular area were revised in the 1990s and roughly once a decade thereafter. As the report deals with the issue of wilderness study and forest planning, it is implicit that this compromise (soft release) would be used in future wilderness legislation.

CONCERNS OVER SOFT RELEASE

The forest industry has two concerns about the soft release language that appears in many of the wilderness bills currently before Congress. One concern is that the release language only applies to areas studied by the Forest Service in RARE II; other roadless areas are not protected from litigation over the lack of a wilderness analysis. It is difficult to establish the validity of this concern. The direction given to the Secretary of Agriculture in the Wilderness Act was limited to national forest primitive areas. However, the RPA as amended does give some direction that wilderness will be considered in national forest planning, in sec. 6(e)(1) and sec. 6(g)(3)(A).

The other concern over soft release is the language that allows wilderness potential to be ignored until the revision of the initial forest plans. The interpretation of "revision" is the key to the concern. Sec. 6(f)(5)(A) of RPA as amended directs plans to be revised "from time to time when the Secretary finds conditions in a unit have significantly changed, but at least every 15 years." The regulations for implementing forest planning give similar direction, although they limit the duration of the plans to 10 years [36 CFR 219.11(f)]. The current concern is that a challenge to an initial forest plan could force an immediate revision of the plan, without any period of implementation. If so, another wilderness analysis for those areas could begin as early as 1 year after an initial plan has been completed. This provides no period of stability for the industry, and is arguably contrary to the intent of soft release language, as stated in House Report 96-1223 (p. 54): "The Committee believes and expects, therefore, that the wilderness option for the roadless areas in nonwilderness multiple-use will not be reexamined in most cases until approximately 1993." The report language notwithstanding, a literal interpretation of the soft release language could force a reexamination of the wilderness potential of some areas as early as 1986.

HARD RELEASE

The industry has developed two adjustments to soft release language to address these concerns. The first adjustment is to apply release to all national forest lands in the given State, rather than just to areas studied in RARE II. The second adjustment is to not require wilderness consideration in any forest plans developed by the Forest Service until a specific date; December 31,

2000 is the preferred date. These two adjustments are the difference between soft release and hard release.

Environmental groups have expressed concern over hard release language. Their objections focus on the timing of future wilderness consideration. Hard release does not require wilderness study in any forest plan, initial or revised, that has been approved prior to December 31, 2000 in States where wilderness designations have been completed by Congress. Thus, a forest with a ten-year plan approved early in the year 2000 may not undertake a wilderness analysis until 2010. This is in contrast to the compromise, quoted from the Committee Report above, which expresses the expectation of wilderness study beginning in about 1993.

SUMMARY

Release language is that part of many wilderness bills that gives some direction to the Forest Service in the planning and management of the national forest areas that have been studied for wilderness potential. It developed following a court ruling that the RARE II Final Environmental Statement was an inadequate basis for deciding whether areas should be managed for wilderness or for alternative uses for 46 roadless areas in California. Concerns about additional Forest Service wilderness analyses has prompted Congress to develop release language. Soft release language was a compromise achieved in August 1980 to address the concerns of the industry while preserving some wilderness options for the future.

The timber industry has proposed some changes which address two primary concerns. First is the possibility of litigation over a forest plan that does not examine wilderness in areas excluded from the RARE II study. The second change addresses the possibility of an immediate reconsideration of wilderness if plans must be revised due to appeals or litigation. Their "hard release" alternative releases all national forests in a given State from wilderness study or management and does not require reexamination of wilderness in any forest plans completed by the Forest Service before a particular future date (generally December 31, 2000). Hard release language has been supported by the Reagan Administration in its testimony on wilderness legislation. In the 98th Congress, only one statewide bill has passed the Senate (S. 543 for the State of Wyoming), and it contains hard release language.

Environmental organizations tend to oppose hard release language. The primary objection is that the specific date could postpone future wilderness consideration for as much as 25 years, contrary to the compromise worked out in 1980. The House Committee on Interior and Insular Affairs has not reported any statewide bills which do not contain soft release language.●

IMPROVING THE SCHOOLS

● Mr. TRIBLE. Mr. President, the Presidential Commission's report on the state of American education was a clarion call to all of us to strive to improve our schools. One of the most innovative, and in my view, significant responses to the report's call for action was announced by Josiah Bunting, president of Hampden-Sydney College.

Hampden-Sydney, the Nation's 10th oldest college, maintains an unswerving commitment to educational excellence in the liberal arts. It has maintained this tradition despite the recent seduction of much of the academy by what is merely transitory or novel. Graduates of Hampden-Sydney are the intellectual heirs to all that is fine and noble in the Western tradition.

Hampden-Sydney's program will provide interest-free loans and scholarship grants to students who commit themselves to a career in public school teaching. After 2 or 3 years, the loans will be entirely forgiven. The program will add to the ranks of public school teachers young men whose training in the essentials of learning: Rigorous thought, clarity of expression, a sense of intellectual importance, is rarely equaled.

Mr. President, recently I held a series of hearings to hear the views of Virginia's parents, teachers, school administrators, and educational experts. Unanimously, they agreed that our public schools would benefit immensely from the character and habits of mind inculcated in those who study seriously the liberal arts. The program at Hampden-Sydney directly meets this need, and I want to commend President Bunting and the rest of the Hampden-Sydney faculty and staff for their foresight.

Mr. President, I ask that an extract of President Bunting's remarks be printed in its entirety.

The material follows:

NO PROFESSION MORE NECESSARY OR NOBLE

I welcome to this 208th session of the College our new Class of 1987; all our—in that singular phrase—old men returning (what a marvelous image that evokes!); our transfer students; our professors and staff, your families, and all the men of Hampden-Sydney—our grip in friendship and pride in our common bond of this magnificent old College. Those on the fourth floor of Venable may think it less magnificent than others; take comfort in the ground-breaking, this month, for a new group of dormitories at the northern edge of the campus, near Hampden House. Remember those alumni and trustees and friends—distant this evening—who have given or pledged almost three million to these new and needed buildings.

I hope fervently some of those who will live in them, and some of you here this night, will become teachers in our country's public schools. And I am going to propose something in a couple of minutes that may help you answer a vocation to teach the young, and to serve them all your days, or, in any case, perhaps to attract you to consider joining a profession whose ranks are thin and whose work is as vital as any.

Your bias, like mine, is for action. Our Society is loaded with diagnosticians and critics and spectators; but few of us are prepared to prescribe; fewer still to undertake that endless and unremitting commitment to see that sound prescriptions are administered and followed for as long as they may be needed.

In the present instance I mean the "huge incoherent failure" (as F. Scott Fitzgerald called it in The Great Gatsby) that American public education is becoming. I mean the unspeakable anomaly that, for our "most precious possessions," our little children, we arrange attendance at primary schools in classes of 30 or 40, and entrust their "tutelage" to the least able and worst-paid of our "recent" graduates and older professionals. No doubt there are praiseworthy exceptions, women and men who hear their vocations above the din and clamor of a society given, like Pliny's Rome, "to the arts of avarice," or, more darkly, to the thraldom of poverty. God bless them; society will not. They are become like Kipling's soldiers, living disregarded and pitied at the dusty limit of a vast commercial empire: praised in moments of palpable stress or crisis, but rewarded only grudgingly, and then forgotten.

It is indeed one of those instances in which a whole society can be indicted, "for its political and economic forces determine in what pursuits intellectual virtuosity will be awarded. Neither with status nor with prestige nor with money do we reward teaching. . . . There is a disturbing duplicity in a society that itself fails to create the conditions that would foster teaching competence and then complains of incompetent teaching. . . ." (Donna H. Kerr, "Teaching Competence and Teacher Education in the United States," Spring 1983, Teachers College Record.)

The data are known to us all. Twenty-three million Americans are functionally illiterate, including 13% of all 17-year-olds. In the past fourteen years numbers of available high school courses in such disciplines as chemistry, history, languages, and math have dropped by some 10%; while the enrollment in driver education has increased 75%. Meantime, the average salary of all public school teachers in Virginia, $18,700 in 1982 (less than half what a good metropolitan law firm pays a new associate just out of law school) is, in constant dollars, 15% less than it was in 1973. As for young people in this state who declare a primary professional interest in teaching: their average entering combined SAT scores last Fall (note the word "combined") was 796. In the largest of all Texas universities, whose main business is the professional training of teachers, recently available courses include the following: "Administering Leisure Delivery Systems;" "Motorcycle Safety and Riding Instruction;" "Materials for Rhythmical Activities."

The litany is old and distinctly dark, and the responses of declared candidates for president, in 1984, unencouraging. Of course there should be merit pay supplements for first-class teachers; of course starting salaries should be raised, and raised sharply, along with the local property taxes needed to meet them.

Above all, we must encourage our best and brightest to enter the profession; and the "we," in this instance, is Hampden-Sydney, this little College that stands out for everything in education most ignored, or shunned, or feared, or absent in public primary and secondary schools in 1983: precision, rigor, sustained hard work, insistence on fundamentals, absolute devotion to good teaching, academic antennae delicately poised to detect cant and mendacity; and it is a place lousy with "role models," for those who would teach.

My proposal is a modest one. It owes much to the work of Professor Larry Martin, Associate Academic Dean of the College, and to the generosity of an alumnus and dear friend of the College. Here it is. Beginning second semester this year, to

every Hampden-Sydney junior or senior intending a career in public school teaching, the College will offer interest-free loans of up to $1500.00 per year, entirely to be forgiven after two or three years' full-time teaching. In addition, it will set aside money in its Scholarship Fund to award outright grants to seniors already committed to public school teaching—that is, to young men who have successfully completed the first of several education courses required for state certification, enrollment in which we will arrange through Longwood College. It seems to me that a college like ours has an obligation to do this, just as you, as its citizens, and citizens of this troubled country, are obligated to think hard about devoting your energies and talents to the active solution of this desperate problem.

I remember once seeing a cartoon in an Army humor magazine, in which a recruiting sergeant had just made his re-enlistment appeal to several young soldiers. They were either slapping their thighs in helpless laughter or staring at the sergeant as though he were the Angel of Death. You are too polite to do either, but—I know—the thought of becoming school teachers evokes few congenial images and associations. You see yourselves rather, in the hazy congeniality of idle musing, as successful bankers, admired lawyers, fabulous architects, brilliant surgeons. You would be rich; and "beautiful people," handsomely clothed, refreshed by annual vacations in the West Indies, the beneficiaries of tax-free income from bond accounts, safely Republican in your politics, the orthodoxy of wealth or birth quietly driving or moderating your ambitions to give or to serve.

But try to see yourselves in ten or fifteen years as young parents of little children who are being taught by the least capable of all your contemporaries (for that is where public education is headed), or, better, and finally, try to see yourselves, members of this college of James Madison and Patrick Henry, as lifelong teachers of the young. There is no profession more necessary or noble, and there is none that needs you more.

THE WHEAT PROGRAM

● Mr. BOREN. Mr. President, for the past 4 months, several Members of the Senate and House have diligently worked to develop a wheat program, for the 1984 crop year, to replace the ill-conceived program offered by the administration.

The administration has tried to place blame on some of us here in Congress for not having a better wheat program this year. Mr. President, that is simply not true. All wheat State Senators and Congressmen have made repeated attempts to negotiate with the administration for a better wheat program. All efforts have proven to be futile as this administration continues to refuse to agree to any changes in the wheat program, except a freeze in the target price. Even at this late hour in the session, Mr. President, I have been working to bring to the floor the House-passed wheat program—H.R. 4072. Many others in this Chamber, including Senators DOLE, MELCHER, EXON, and others have been active in this effort.

The administration has stated that diversion payments are not economically feasible. It would seem to me that a savings of $3.3 billion over the next 5 fiscal years would not only be economically feasible, but fiscally responsible. Mr. Stockman feels that there is no need to allow grazing on diverted acreage—which does not cost the Government anything—or to provide a higher PIK payment. Yet, both of these provisions result in increased participation which in turn leads to a reduction in supply, higher farm prices, and lower Government costs. In all honesty, Mr. President, I do not believe this administration understands how agriculture works.

It is amazing to me that apparently nothing has been learned from the mistakes made over the past 3 years. Inadequate, pennywise commodity programs in 1981 and 1982 largely created the necessity for the multibillion dollar PIK program this year. Target prices did not cause the surplus situation; an inflexible farm bill did not cause the present oversupply. The surplus problem we are facing right now is the result of the poor administration of farm programs we have seen over the past few years. The administration claims that the 1981 farm bill does not provide enough discretion to the Secretary. If anything, Mr. President, it is just the opposite—the problem with the farm bill is that it provides too much discretion, it has allowed farm policy to be used as a political tool.

It is becoming more obvious, Mr. President, that this administration has completely failed to realize the purpose of having acreage reduction programs. Acreage reduction programs should be designed to reduce production significantly enough to increase the farm price, thereby reducing Government outlays over the long term. Perhaps, this administration is incapable of designing such a program because of its belief supply management is not proper. As some have said, the Department acts too late to implement programs it does not like, and therefore, the implementation and design of the program is extremely poor in quality. This is certainly the case with the administration's PIK this past year. I recognize the fact that without PIK this past year, we would be worse off than we are now. Still, there were better ways to achieve the same result. We did not have to have a PIK program, rather, we had to have a massive acreage reduction program.

Mr. President, I believe it would be very beneficial to take a look at what necessitated massive acreage reduction programs in 1983.

During the 1970's, the rhetoric that flowed out of the Nixon administration filled farmers with the belief that increased exports would take care of our agricultural problems. The farmers began to believe that there was no need to decrease their production, as the more they produced, the more they were told to produce. Secretary of Agriculture Butz urged farmers to plant fence-row to fence-row. Farmers were encouraged by the Government to plow out the fragile lands that were in permanent cover. Farmers were urged to rise up to the new challenge that lay in front of them—fill the demands of the ever-expanding market. A large part of that new market, it must be said, was the Soviet Union. The thought was then that we should sell the Soviets grain and they would have less cash for building up their defenses. The American farmers courageously did what they were asked to do—they produced. More land came into production in that one decade—the seventies—than ever before. Total cropland went up about 60 million acres, representing a 50-percent increase in crop acreage. During the seventies, the rhetoric that came out of Washington was let the free market take care of agriculture. This worked all right at times. However, at the same time the administrations of the seventies were arguing free market policies, they slapped embargo after embargo on various agricultural prices in order to keep farm prices down. To keep farmers in the production cycle during the times when farm prices were low, more credit was poured in the agricultural sector. The thought was that the credit would tide the farmers over until the free market could take care of them. We know, now, how very wrong that idea was—farmers do not want more credit; rather, farmers want a reasonable price for their labors. Despite the embargoes, the demand for agricultural products continued to rise and exports skyrocketed. During the seventies, the volume of agricultural exports tripled, and the value went from under $10 billion to over $40 billion.

In 1975, the United States and the Soviet Union negotiated a long-term agreement [LTA] on agricultural trade. One of the purposes behind the agreement was to provide a dependable outlet for U.S. grain. The agreement was intended to guarantee U.S. farmers a reasonable share of the Soviet market.

Under this 5-year long-term grain agreement, the Soviets agreed to purchase 6 million metric tons of U.S. wheat and corn, during each of the 5 years covered by the agreement. The Soviets could purchase an additional 2 million metric tons without consulting with the United States. Purchases of up to 8 million metric tons were guaranteed; in other words, protected from an embargo.

By the end of fiscal year 1979, the U.S. share of total Soviet grain imports had grown to 78 percent, or 15.3

million metric tons. At the beginning of fiscal year 1980, the Soviet Union made arrangements to purchase 25 million metric tons of U.S. grain, 19 million metric tons above the 6 million minimum required in the LTA. Only 4 days after the end of the decade of the seventies, President Carter declared an embargo on the exporting of grain products to the Soviet Union.

The embargo, declared on January 4, 1980, limited Soviet purchases to 8 million metric tons, thereby depriving American agricultural producers of a 17-million-metric-ton market. As a result of the embargo, the U.S. share of Soviet grain imports fell to a 9-year low of 23.5 percent.

During the 1980 Presidential campaign, President Reagan called the embargo a serious mistake and pledged to lift it immediately. Rather than immediately lifting the 1980 embargo, the President continued the embargo until late April 1981. In December 1981, the administration imposed an embargo of high technology goods; one effect of that embargo was an immediate cessation of grain purchases from the United States by the Soviets.

As many of us here know, this administration exhibited a great reluctance to renegotiate a new long-term sales agreement with the Soviet Union. This attitude resulted in the replacement of even more of our agricultural exports to Russia with exports from other countries.

On two occasions, this administration has had the opportunity to renegotiate the LTA—in September 1981, when it first expired and in September of last year, when the extension expired. In both of these cases, this administration allowed for mere extensions. This was somewhat expected, since President Reagan, on December 29, 1981, suspended further negotiations for a new LTA. This suspension, in effect, kept the embargo intact.

It was not until late this spring that the President allowed negotiations to begin again on a new LTA. Regretfully, the new LTA was not signed until late this summer.

The only beneficiaries of the embargo and the subsequent refusals to renegotiate a new LTA have been Argentina, Canada, Australia, and France. The American farmer, and the American citizenry at large, paid greatly for benefits to these other countries.

The 1980 embargo and this administration's suspension of negotiations until late this spring also affected our exports to other countries. With the embargo, we demonstrated that we were not a reliable supplier of grain. We could not guarantee delivery. Each time the administration merely extended the LTA, world opinion of our unreliability was reinforced.

Last fall, the administration provided a 1-month deal to the Soviets. Under this, Soviet contracts made during that month would be guaranteed of delivery for 6 months. The sad thing about this is that world opinion was again confirmed. We had to make a special 1-month deal or else we could not guarantee delivery.

Congress addressed the issue of our credibility as a reliable supplier when we adopted the contract sanctity provision as part of the Futures Trading Act of 1982. Yet, we have not regained our status in the world.

President Reagan's moratorium on negotiating a new long-term grain agreement with the Soviet Union was, in a way, worse than the actual embargo, as, at least, with the embargo, everyone knew where he stood—the farmer knew there was an embargo on, the Soviets knew it, et cetera. In contrast, the refusal to allow negotiations to begin kept everyone somewhat in the dark. While the embargo had been lifted and President Reagan bragged about lifting it, the American farmer wondered what had happened to their market.

Another example of President Reagan's foreign policy actions that have had an adverse effect on U.S. agricultural markets was the decision earlier this year to limit Chinese textile imports to the United States. This decision, alone, nearly destroyed a vital export market for U.S. grains. During the first 5 months of 1983, U.S. agricultural exports to China were down by more than 60 percent, when compared to the same period in 1982. In 1982, approximately 6.9 million metric tons of U.S. wheat were exported to China. By mid-June this year, known sales of U.S. wheat amounted to only 1.2 million metric tons.

According to the July 1, 1983 issue of the National Association of Wheat Growers' Report from Washington, "American wheat farmers will be forced to idle another 4 million acres to offset U.S. Government mismanagement of Chinese textile negotiations." The report further stated that over $550 million in wheat trade in 1983 had been lost. The result will mean lower wheat prices, reduced export earnings and a bigger burden for domestic farm programs. U.S. agricultural exports to China during the month of April dropped 80 percent to $30.1 million from $151.5 million a year ago, according to the article. China has been the United States biggest purchaser of wheat, buying over 8 million tons worth about $1.3 billion annually.

According to the U.S. Wheat Associates Newsletter of July 8, 1983, U.S. agricultural sales to China have declined sharply in fiscal year 1983, and USDA projects only $850 million in farm sales this year, down 44 percent from 1982. As was the case with U.S. mismanagement of the long-term grain agreement renegotiations with the Soviet Union, other countries have stepped in to take over the Chinese market that was once dominated by the United States. While U.S. wheat commitments for fiscal year 1983 total only 1.2 million metric tons, Argentine sales have increased to 3 million metric tons, compared to 94,000 metric tons in all of fiscal year 1982. The EEC has also stepped in and their sales to China could be greater than 1.5 million metric tons in 1983, compared to 666,000 metric tons last year. Additionally, the Canadians have taken advantage of the situation—their new long-term agreement with China has increased maximum of 4.2 million metric tons, up from 3.5 million metric tons. As is obvious, the administration's mismanagement has been disastrous for U.S. agricultural exports.

At this time, Mr. President, I want to commend the distinguished Senator from Kansas, Mr. DOLE, for his statement in the July 21, 1983, issue of the CONGRESSIONAL RECORD. He appropriately entitled his remarks as "Robbing Peter To Pay Paul: The Self/Inflicted Costs of Failing To Negotiate a Textiles Agreement." For those of you who may not have seen Senator DOLE's statement, I am going to repeat a few excerpts here:

Mr. President, I wrote the President yesterday because it appears that the principles of balance and coordination are in danger of collapsing regarding textiles trade, with a severe price to be paid by our farmers. Specifically, the continued delays concluding a new textile accord with China costs the United States millions of dollars in exports of agricultural and other products. Our farmers have been enormously patient with this situation, and are sympathetic with the concerns of the textiles industry. But the time has come to stop robbing Peter to pay Paul—the figures clearly demonstrate what a losing proposition we have, in part, inflicted on ourselves.

At this point, the Senator from Kansas inserted several tables illustrating the United States-China trade data, recent United States-China textiles trade data, and Chinese grain imports. I will omit the charts today. Senator DOLE points out that the—

U.S. exports to China fell approximately 30 percent the first 5 months of 1983 on an annualized basis compared to 1982 exports. The losses involve hundreds of millions of dollars, and the brunt is being borne by farmers. U.S. agricultural exports were down by more than 60 percent the first 5 months of the year, compared to the same period in 1982. The difference in dollar terms was $464 million.

The Chinese have enjoyed better harvests this year and U.S. prices occasionally have been high. But overall Chinese demand for wheat is not expected to diminish in 1983, and even where U.S. bid prices have been below other countries' offers, the Chinese have selected from the alternative sellers. Their purchases plainly are tied to our willingness to allow trade to be a two-way street. Because China must be able to sell to us if they are to buy from us, and because the United States has enjoyed a very favorable bilateral trade surplus in recent years—

thanks to agricultural exports—it is understandable why the Chinese are retaliating against our imposition of higher textile quotas, even if the U.S. position is perfectly justifiable. . . .

What I strongly object to . . . is the unwarranted delay in the negotiating process. The ever-increasing amount of lost sales due to delay is an unwarranted penalty on our farmers and other exporters. Further, there is no guarantee that these export markets, once lost, will ever be regained. Finally, a continued low level of exports threatens the United States-China agreement, and may cause much higher expense for the PIK program.

Mr. President, it is one thing to seek to attain specific negotiating goals; it is another to refuse to negotiate.

Mr. President, I commend my distinguished colleague from Kansas for bringing this matter to the Senate's attention last week. I believe his statement was very timely, in light of our discussion here today. The handling of the textile negotiations by this administration was disastrous. It cost us millions of dollars. It is ironic, the dollar loss of sales to the Chinese—$464 million—this year, is about the same as the fiscal year 1984 savings from a straight target price freeze, which is what the administration would like to see enacted. It appears that this administration wants the American farmer to bear the cost of its own mismanagement.

Trade protectionism and embargoes are only two of the examples of the inept administration of agricultural trade policy. Despite all the actions and decisions to the contrary, this administration still purports that an international free market really exists. It is for this reason that this administration has refused to negotiate any bilateral grain agreements with any country except the U.S.S.R. and China. Luckily, the agreements between the United States and the U.S.S.R. and the United States and China were developed prior to when this administration's term began. While this administration was ineptly handling our trade policy, the rest of the world has been busily soaking up our lost agricultural markets with long-term agreements.

According to the U.S. Wheat Associates Newsletter of July 8, 1983:

Bilateral multiyear grain supply agreements between the major exporting countries and generally their larger import markets continue to increase and are becoming a dominant element in world trade. Long-term agreements (LTAs) remain a major marketing tool of the wheat boards of Canada and Australia whose combined total exports account for about one-third of the world's wheat trade. As much as two-thirds of total Canadian export sales in the coming marketing year, estimated at 21.0 million metric tons . . . will be under specified LTA commitments. Australia maintains supply arrangements that cover at least half of its wheat sales which are expected to return to a traditional level of 11.0 mmt . . . next year. Argentine LTAs have also flourished in recent years, particularly for coarse grains, as export grain becomes a dominant element in the Argentine economy. . . . According to a compilation by the International Wheat Council of LTAs presently in force . . . up to 30.0 mmt (1.1 bil. bu) of the projected 95.0 mmt (3.5 bil. bu) world wheat trade . . . in 1983-84 will fall under LTA commitments . . . The U.S. government tends to oppose supply commitment pacts with U.S. export grain customers, with the exception of the Soviet Union and China. The U.S. policy response to the foreign governments seeking grain supply guarantees is generally that U.S. markets are always open to them on a commercial basis, generally sufficient supplies of grain are available year around, the U.S. is a dependable supplier, and that it is to the advantage of "customer to be free to purchase its requirements on the open market at competitive prices.

Mr. President, as the above indicates, the administration's unwillingness to accept supply agreements has resulted in many of our customers locking up supply agreements in future years with our competitors. The administration is clearly behind the times in this respect. Since 1980, Canada, Australia, and Argentina have entered into 22 long-term grain agreements. Right now, 30 percent of the world wheat trade is locked up in long-term agreements already. We should be out there scrambling to insure our farmers a fair share of the world market. Yet, this administration prefers to stay here in Washington, looking at the world through rose-colored glasses.

All of these actions, Mr. President, have played a key role in bringing us to the point we are today. Yet, there are many other aspects of this administration's policy which has served to beat down agricultural exports at every turn of the road. Despite the bleak outlook for U.S. agricultural exports this year, the administration decided to expand the cargo preference laws to include the Egyptian wheat flour sale earlier this year.

In February of this year, the administration decided that the 1-million-ton sale of wheat flour to Egypt would travel under cargo preference treatment. This required that at least 50 percent of it must be shipped on U.S.-flag vessels. USDA was required to pay the difference between the relatively low rates charged by ships of foreign nations and the much higher rates charged by U.S. firms. This decision by the administration cost the American taxpayers an additional $30 million.

For those who may not be aware of how this works, let me explain further. It takes about 1.3 million metric tons of wheat—48 million bushels—to produce one million metric tons of flour. As the sale to Egypt was originally arranged, 35 million bushels of CCC-owned wheat would be given to millers who would provide flour to Egypt. Since the total wheat required was 48 million bushels and CCC was releasing only 35 million bushels onto the market, free stocks of wheat would have dropped 13 million bushels and would have had a strengthening effect on prices. Now that effect is severely dampened. In order to pay the difference in shipping costs, the CCC had to release an additional 9 million bushels of wheat which will decrease free stocks by only 4 million bushels. As I stated a minute ago, this one decision cost the American taxpayers $30 million. When cargo preference is applied to wheat sales, it raises the cost of wheat by $1.28 per bushel. This, as is obvious, does not help us sell our agricultural commodities.

Additionally, this administration continues to sit on money allocated for export credits. This, in my opinion, is indefensible.

There is one other aspect, Mr. President, that needs to be mentioned as one of the primary reasons our exports are not as attractively priced as they once were—the strength of the dollar. Contrary to this administration's viewpoint, which argues that it is the loan rate which hurts our competitive edge in world markets, I believe the strength of the dollar has hurt us much, much more than the loan rate ever has. The Department, at least, seems to acknowledge that the strength of the dollar has a negative effect on agricultural exports. J. Dawson Ahalt, Deputy Assistant Secretary of Economics, testified on July 11, 1983, before the Government Information, Justice and Agriculture Subcommittee of the House Committee on Government Operations. In his testimony, he stated:

The increasing strength of the dollar—up 20 percent on average the last 2 years—has made U.S. farm products more expensive to foreign purchasers despite lower U.S. domestic prices.

On July 20, the Senator from Illinois, Mr. PERCY, spoke of the urgency of achieving proper alignment of major currencies to encourage world trade expansion. Senator PERCY shared with us the testimony of George Liney of the Ingersoll-Rand Co. As Senator PERCY pointed out, Mr. Liney emphasized "* * * that if the imbalance between the U.S. dollar and other major currencies continues, U.S. companies will be forced to transfer production facilities overseas and eventually supply the U.S. market with products from abroad." I believe Senator PERCY has brought the Senate's attention to a crucial matter. Yet, I wonder if the U.S. dollar remains strong, do we export our farmers, too? I would find it hard to believe I lived in the United States if we exported all our farmers. I remember a comment William Jennings Bryan made in 1896. He said—

Burn down your cities and leave our farms, and your cities will spring up again

as if by magic; but destroy our farms and the grass will grow in the streets of every city in the country.

I would hope, Mr. President, that the problem of the strong dollar would be corrected before we were forced to export our farmers.

Mr. President, the loan rate is not the problem that the administration tries to make it. The problem is, quite simply, the administration's monetary policy.

Thus, Mr. President, we have reviewed now an important part of the background to the situation we face today. The fence row to fence row rhetoric of the 1970's led the American farmers to a dependency on agricultural exports for stability. Yet the embargoes of the early seventies, the 1980 grain embargo which was perpetuated and perhaps worsened by this administration, this administration's utter mismanagement of U.S. agricultural export policy have all played a key role in creating the surpluses, and hence the costs of those surpluses, we have today. This administration's refusal to see what everyone else sees is simply indicative of someone looking at the world in unrealistic terms.

Yet, not only has this administration's agricultural export policy been a disaster, this administration's domestic policy for commodity programs has been a disaster. Couple these two together and it is a wonder we have any farmers left at all.

Over the past 3 years, we have seen that low farm prices result in higher Government costs. Yet, this administration continues its policy of low farm prices. Time after time, I have heard the Secretary of Agriculture say that the problem with agriculture in America existed because our prices are too high. This is the reason, the administration says, that our program costs are high. This, Mr. President, is totally untrue. The way our programs work is that the higher the farm price, the less the cost to the Government. Despite this fact, the administration insists upon pushing up Government costs by announcing very unattractive programs for the 1984 crops of wheat, feed grains, and cotton. As they stand now, participation will be low in these programs, thereby resulting in bumper crops. Bumper crops, in conjunction with weak export demand, leads to low farm prices which translate into higher Government costs. Right now, we could be looking at a 3 billion bushel wheat crop. With that size of a crop, ending stocks could rise to a record high of 1.8 to 2 billion bushels. That means we will see wheat fall below $3 a bushel. Considering the desperate economic situation on the farm today, we, as a nation, cannot afford another decline in farm income.

Mr. President, wheat farmers are not asking for a windfall; they merely want to survive. While I was back in Oklahoma during the recess, I had some farmers come up to me and ask me why they could not receive a cost-of-living increase. They asked why people up here expect them to receive the same prices they received in the 1950's, yet pay prices of the 1980's? In the 1950's, wheat prices were about the same as they are today—between $2.50 to $3.50 per bushel. During the 1950's, the farmer paid only 10 to 15 cents for a gallon of gasoline, compared to the $1-plus price of today. During the 1950's, a farmer could buy a new tractor for $5 to $10,000 compared to the $60,000-plus price of today.

Mr. President, I cannot justify why the farmer is not permitted to make a decent wage for his labors. When we talk about a wheat price of $4.45 per bushel, we are not talking about windfall profits to the wheat farmer; rather, Mr. President, we are talking about bare survival.

Since the administration announced the 1984 wheat program—the economic disaster wheat plan of 1984—the administration has told farmers all across the country that if they wanted a better wheat program, they needed to get Congress to enact it. I think we need to remind the administration that the wheat program can be improved without congressional action. In fact, if it were not for this administration's failure to do its job of designing proper programs, Congress would not have to get involved at all. Yet, due to this administration's failure to act, Congress had to step in last year and enact a paid diversion program and Congress needed to step in again this year to mandate a reasonable program, a fiscally responsible program.

Mr. President, I regret that we were not able to produce H.R. 4072 before we recessed, even though I did not like all the provisions included in that measure. In fact, it would be difficult for me to swallow a cut in the target price considering the already low rate at which it is now. The wheat program mandated in that bill is a compromise program at bottom. It will provide for a more effective acreage reduction program. Ending stocks of wheat would be decreased by 160 million bushels, thereby increasing the farm price by 20 cents. It would also save the Government money over the long run.

Mr. President, this morning I received a one-page memo from USDA entitled: "Reasons To Oppose the Consideration and Enactment of H.R. 4072, the Wheat Improvement Act of 1983." I believe it is important for us to consider carefully some of the reasons the administration opposes an improved wheat program. The administration opposes this program first of all because it claims that an improved wheat program provides inconsistent policy. The memo states that it—

. . . encourages producers, both domestically and internationally, to expand output through escalating target prices while at the same time encourages domestic producers to participate in acreage cutbacks.

It is true this wheat package encourages producers to participate in the acreage reduction program. By encouraging participation, producers are encouraged to reduce, not increase, production. The statement that producers will be encouraged to expand production because of the escalating target prices is simply an illogical, untrue statement. No one, in the United States or elsewhere, will receive the target price unless he decreases, not increases, his production. Additionally, Mr. President, this bill does not, I repeat, does not escalate the target price for wheat. Under current law, the wheat target price for 1984 is $4.45; for the 1985 crop, the target price will be $4.60. This bill sets the target price at $4.38 for both 1984 and 1985. That is a cut of 22 cents, far from an escalation as the memo states.

Second, the memo states this legislation will not reduce the deficit. This also is untrue. According to CBO, this wheat program will save $3.3 billion over the next 5 fiscal years. This estimate, it must be noted, is based on assumptions made in January, when we did not anticipate the large crop we had this year. USDA says the program will cost $400 million in fiscal year 1984–85. Maybe USDA is right. Yet, it seems to me that it would be worth spending $400 million to save $3.3 billion—the overall savings or costs are what we subtract or add to the deficit—not short-term outlays. To look at the program simply in the short term would be extremely myopic.

Finally, the memo states that this wheat package provides excessive incentives. One can hardly call it excessive if it saves $3.3 billion when compared to the administration's 1984 wheat program.

I think it is clear, Mr. President, that the arguments the administration puts forward against this bill just do not hold water.

Regretfully, Mr. President, we were unable to get H.R. 4072 considered before we recessed. I am certain that the administration's adamant opposition was not helpful to our effort to obtain Senate consideration of this measure tonight. I am hopeful, now, that the administration will develop a more effective wheat program during the recess. This administration has all the flexibility it needs to offer effective programs and fiscally responsible programs. If Secretary Block fails to take action, Congress will have to step in and do the administration's job. It is imperative, Mr. President, that Congress act in January if the administration is not going to. For the well-being of our wheat farmers, as well as our Nation as a whole, we will have to cor-

rect the administration's mismanagement of the wheat program.●

SUPERFUND IMPROVEMENT ACT OF 1984

● Mr. HUMPHREY. Mr. President. I rise today to insert in the RECORD a working draft of legislation entitled, the Superfund Improvement Act of 1984. The intention of this proposal is to insure that sufficient funds will be available in fiscal years 1984 and 1985 in order to carry out the necessary site cleanups under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA or Superfund).

When I joined with 77 of my colleagues here in the Senate in the closing days of the 96th Congress to support final passage of CERCLA, I was not alone in thinking that we had set in place a law that would allow the Environmental Protection Agency to move rapidly to protect the public health and environment from hazardous wastes that had been improperly or inadequately disposed of. Unfortunately, the program became embroiled in controversy, and there is strong evidence to indicate that EPA intentionally dragged its feet in implementing Superfund. Indeed, rather than moving quickly and efficiently to clean up hazardous waste sites, EPA created a cumbersome bureaucratic process that delayed actions for months. Only this year, under a new EPA Administrator, has Superfund begun to work as Congress had intended.

As passed, CERCLA established a $1.6 billion fund to pay for cleanup of hazardous waste sites. This $1.6 billion is financed in part by a tax on chemical feedstocks, and in part by direct Federal appropriations. The feedstock tax was authorized for a 5-year period, and it was expected that by the end of 1985 the entire $1.6 billion would have been appropriated. Today, however, we find that expenditures under Superfund fall far short of what Congress expected they should be. In an effort now on the part of EPA to play catch-up, it is not surprising that the identified needs far exceed the available funds in both the short and long terms.

A press release issued by the EPA on November 14, 1983, reveals that in the first 33 months of the Superfund program, approximately $171 million has been obligated by EPA for emergency response actions and long-term cleanup activities.

However, the total amount of the remaining funds are not immediately available because of authorization and appropriation limitations. The draft legislation that I am releasing today for public review and comment would make this remainder available immediately, and would thereby allow EPA and the States to get on with the vital task of cleaning up hazardous waste sites around the country.

In my own State of New Hampshire, the fiscal year 1984 allocation from Superfund will fall far short of our needs, and I believe that many other States find themselves in a similar predicament. EPA and the States are in a position to take action on a large number of sites, and yet they lack the funds to permit them to move as rapidly as they would like to. Congress authorized and appropriated $330 million from the Superfund for fiscal year 1984. This amount was provided at the request of the new Administrator, William Ruckelshaus, who felt that EPA could reasonably use more than the earlier EPA request. Nonetheless, nearly $700 million will remain of the original $1.6 billion fund at the end of fiscal year 1984. This is more than EPA can spend in 1 year, but all indications are that EPA could responsibly obligate some of these funds during fiscal year 1984. My proposed legislation would allow EPA the flexibility to solve this problem.

In a sense, this legislation will provide an interim measure for allowing prompt action under Superfund. There is no question in my mind that Congress will have to extend the Superfund program in some form beyond the end of fiscal year 1985. Whether the additional funds should be provided by a tax on chemical feedstocks, a tax on the amount of waste generated, or simple appropriations, is a question that Congress will face in looking beyond 1985. For the moment, though, it is essential that we insure sufficient funding through the end of the currently authorized program. The proposal that I am inserting in the RECORD today would accomplish this by speeding up authorizations under Superfund. I would hasten to point out that this is not adding to the overall $1.6 billion initial authorization.

This proposal also contains two other provisions intended to address other procedural problems that have arisen under Superfund. First, EPA would be required to undertake immediate response actions at municipally owned facilities on the national priority list, regardless of EPA's intentions to pursue enforcement actions against responsible parties for recovery of costs. Second, at the request of the chief public health officer or the Governor of a State, the President would be authorized to conduct the necessary studies and provide diagnostic services in order to assess the public health effects of releases of hazardous substances, pollutants, or contaminants into the environment. While the first of these largely reflects new EPA policies, the second would provide additional authority.

Mr. President, during the upcoming 2-month recess, I intend to discuss this proposal with State and local officials in New Hampshire, as well as with concerned residents. It is my intention to introduce a piece of legislation along these lines shortly after the Senate reconvenes next year.

I believe there is a strong recognition of the imperative of providing sufficient funds to insure that cleanups under Superfund proceed as rapidly as possible, and I sincerely hope that my colleagues here in the Senate will also have some thoughts and comments to offer on this working draft.

Mr. President, I ask that the text of the working draft of this legislation be printed at this point.

WORKING DRAFT

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Superfund Improvement Act of 1984".

SEC. 2. (a) Section 111(e) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 is amended by striking paragraph (4) thereof.

(b) Section 223(c)(2) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by—

(1) striking "for the following 12 months, and" in subparagraph (A);

(2) striking subparagraphs (B) and (C); and

(3) redesignating subparagraph (D) as subparagraph (B).

(c) Section 111(c)(3) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by striking "subject to such amounts as are provided in appropriation Acts,".

SEC. 3. Section 104(c) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by adding the following new paragraph:

"(5) In the case of any facility owned by a political subdivision of a State which is included in the priority list established under section 105(8)(B), the Administrator shall immediately commence response actions at such facility, notwithstanding any pending negotiations as to responsibility for the costs of such response actions or the requirements of paragraph (3)(C)(ii) of this subsection.".

SEC. 4. Section 104 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 is amended by adding the following new subsection:

"(j) The President shall undertake investigations, studies, surveys, and provision of diagnostic services under subsection (b) of this section and section 111(c)(4) to assess the effect on public health of a release into the environment of a hazardous substance, pollutant or contaminant, and the Administrator of the Agency for Toxic Substances and Disease Registry shall provide the assistance authorized by subsection (i)(4) and (5) of this section, upon the request of the chief public health officer or the Governor of any State.".●

MORTGAGE BOND PROGRAM

● Mr. SASSER. Mr. President, in about 6 weeks, the mortgage revenue bond program is scheduled to expire. The sunset date of December 31, 1983, was established before the program

had had time to prove itself. That is, in fact, the purpose of sunset clauses: to provide for thorough oversight and review of Federal programs to determine if continuation is warranted.

The mortgage bond program has been refined, improved and thoroughly reviewed since its origins in the late 1970's. It is now a cost-efficient mechanism for making homeownership possible for thousands of American families, continuation if warranted.

That opinion is shared by 76 Members of the Senate, who have joined with Senators ROTH, MITCHELL, and myself in cosponsoring S. 137, a bill to extend the sunset date of the mortgage revenue bond program. Very few bills in the history of the Senate have received that level of endorsement before coming to a vote. The level of support indicates an awareness in this body that access to affordable mortgage money for significant portions of the homebuying public is one of the linchpins of a healthy economy.

Mr. President, over 700,000 families have fulfilled the dream of owning their own home by means of the mortgage bond program. States and localities have issued over $40 billion in bonds through the third quarter of 1983, giving these first-time buyers their only opportunity to enter the housing market. Below-market interest rates provided to eligible low- and moderate-income buyers make it possible. Particularly during peaks in the interest rate cycle—notably during the housing depression of 1980-1982—the mortgage bond program has helped to match willing and eligible buyers with a mortgage credit pool within their financial means.

Mr. President, at this point I would like to make special note of the role that Tennessee has had in developing and fine tuning the mortgage revenue bond program. The Tennessee Housing Development Agency continues to provide national leadership to other State housing finance agencies in the sophisticated financing techniques involved in the program. THDA is also a leader in formulating and implementing eligibility criteria for buyers. A national sample of mortgage bond program participants indicated that 75 percent of the proceeds generated under the program have subsidized home purchases by families with incomes of less than $25,000; 91 percent to families with incomes less than $30,000. I take no small measure of pride and satisfaction that in Tennessee, the best financial minds in our State have brought their expertise to bear on the problem of housing opportunity for those in Tennesses of more modest means. They, and their colleagues across the country, should be allowed to continue this worthwhile and fiscally sound endeavor.

We were very close to seeing the sunset date for mortgage bonds extended. There was a provision in the tax bill in the House which would have carried out the intent of S. 137, to which I referred earlier. By a slim margin, the House of Representatives voted yesterday not to bring the tax bill to the floor. There may be no appropriate means available at this late hour in the first session of the 98th Congress to bring such legislation before the Senate. Thus, it appears that the sunset date will be met—against the will of over three-quarters of the Senate and probably a similar majority in the House.

I have been assured that the Senate Finance Committee intends to take this matter up next year. Perhaps when State legislatures begin to review the prospects of funding, through their own budgets, the housing programs that have been conducted with private capital through the bond markets, the real grassroots support for the mortgage bond program will become more visible. The Council of State Housing Agencies and the National Conference of State Legislatures have been vocal and active in their support for the program, working to avert the sunset date.

When the real impact of a possible termination of this program hits more, I expect we will have a burst of renewed enthusiam in Congress for putting mortgage bonds back on track.

Mr. President, I see this as a temporary halt—rather than a termination—of the mortgage bond program. We will be back next year.●

EXPLANATION OF ABSENCE FROM SENATE BUSINESS

● Mr. MURKOWSKI. Mr. President, last week I enjoyed the distinct pleasure and honor of traveling to Alaska with President Reagan on the first leg of his trip to Japan and Korea. I had the further honor and privilege of welcoming President and Mrs. Reagan to my State, which President Reagan declared to be "The new frontier of the world." My wife, Nancy, and I were proud to be able to share this experience with our fellow Alaskans.

Thereafter, a more somber problem demanded my immediate attention. Shortly after the President's departure from Elmendorf Air Force Base, I flew to Sitka, Alaska, to testify at an Environmental Protection Agency hearing to investigate and discuss EPA's tentative action severely affecting two southeastern Alaska pulpmills and the several thousand Alaskans who directly and indirectly rely upon those mills for jobs. On the following day I flew to Ketchikan, Alaska, to participate in a similar hearing.

The mills' variance requests are strongly supported by the people of Alaska. The following resolutions express their sentiment on the matter; and I ask that these resolutions and related materials be printed in the RECORD at this point.

The material follows:

RESOLUTION No. 83-240

Whereas, the City and Borough of Sitka is a unified Home Rule Municipality in Southeast Alaska which can be reached only by airplane or boat.

Whereas, Sitka was founded in 1806 as the Capitol of Russian America and served as the capitol of the Territory of Alaska until the turn of the century.

Whereas, in 1960 before ALP its pulpmill, Sitka had a population of only 1500. Today, Sitka has about 8400 citizens.

Whereas, the great majority of Sitka's population growth has been directly related to the economic stimulus of the ALP mill to the community.

Whereas, if ALP were forced to close, Sitka's economy would contract to the point where perhaps one-half our population would be forced to move for lack of work.

Whereas, with no road link to any other City, Sitkans must work in Sitka because there is no way to commute elsewhere.

Whereas, if people were forced to leave, many home mortgages would be put into default and construction would be non-existent for years. This is not an idle fear. Our neighbor, Skagway, has never fully recovered from the overbuilding 85 years ago.

Whereas, the Municipalities bonded indebtedness is predicated upon a tax bases of 8400 people. ALP pays approximately 29% of the real property tax in Sitka and the municipally owned electric utility is greatly dependent upon sales to ALP to pay the Revenue bonds on the newly completed 60 Million Dollar Green Lake Hydroelectric facility: Now, therefore, be it

Resolved by the Assembly of the City and Borough of Sitka, That Sitka strongly urges the United States Environmental Protection Agency to grant ALP a variance to enable them to continue BOD emissions at the 75 lbs/ton of pulp level so that the production of pulp and the continued existence of ALP will not be dealt a crippling blow and to avoid destroying the enonomy of Sitka, Alaska; and be it further

Resolved, That the Assembly of the City and Borough of Sitka hereby fully endorse the attached resolutions of the Sitka Chamber of Commerce and the Southeast Conference supporting the variances.

RESOLUTION OF THE GREATER SITKA CHAMBER OF COMMERCE

Whereas, Alaska Lumber & Pulp Co., Inc. (ALP) employs 500 people at its Sitka mill, is the largest employer in Sitka, and is one of two pulp mills in Alaska, and

Whereas, ALP employs 1,500 people throughout Southeast Alaska, and

Whereas, without the pulp mills, Southeast Alaska's sawmills and Native Corporations (including Sealaska Corporation and the Village Corporations) would have no market for their pulp logs thus severely impacting the economics of the sawmills and Native Corporations' operations and threatening their survival, and,

Whereas, the Environmental Protection Agency (EPA) has denied the requests from the two Alaska pulp mills for variances to enable them to continue to discharge a conventional, non-toxic pollutant known as BOD (biological oxygen demand 5-day test) at the 75 lb/Ton of Pulp level which was especially set for the Alaska pulp mills in 1974 because of the "peculiar land, energy and lo-

gistic constraints associated with [the Alaska mills]"; and

Whereas, it cost ALP approximately $45 million (1980 dollars) to reduce its BOD commission from 275 lbs/Ton of Pulp down to 75 lbs/Ton of Pulp and would cost approximately $50 million more to reduce its BOD emissions from 75 lbs/Ton of Pulp down to the 46.8 lbs/Ton of Pulp as requested by EPA; and

Whereas, such a vast amount of money is not available to ALP or any other company in the economically depressed timber industry, all of which should be known to EPA; and

Whereas, the Alaska Department of Environmental Conservation (ADEC), which supports the variances for the Alaska mills, has determined that continued discharge of BOD at the levels found acceptable by EPA in 1974 will not violate State water quality standards, and

Whereas, ADEC's finding in the above regard is corroborated by EPA's announcement on September 7, 1983 that it has granted secondary treatment waivers to Sitka, Skagway, and Wrangell because (in the words of EPA Regional Administrator Ernesta Barnes) those towns had "made convincing showings that their sewage effluents, with less than secondary treatment, will not harm the waters into which they are discharged", and

Whereas, in addition to causing no harm to the receiving waters granting the variances would avoid the necessity to either incinerate or land fill the additional sludge which would be detrimental to Sitka's air quality (as there is no place to land fill the sludge), and at a significant energy penalty; and

Whereas, former EPA Regional Administrator John Spencer issued a tenative decision on December 28, 1981 which would have granted the variances; and

Whereas, in a February 3, 1982 memorandum, EPA's Washington office staff recommended against approving Regional Administrator Spencer's Tentative Decision because it would increase the paper work burdens of the Agency; and

Whereas, the only other opposition to granting the variance (ironically) comes from a Lower '48 company which competes with ALP in Japan with pulp purchased from a mill in British Columbia which is not required to install any secondary treatment whatsoever; and

Whereas, for the above reasons the Sitka Chamber of Commerce finds that EPA's denial of the variances will destroy the timber industry in Southeast Alaska while providing no benefit to the environment of Alaska: Now, therefore, be it

Resolved, That EPA reconsider its decision not to approve the December 28, 1981 Tentative Decision of former Regional Administrator Spencer to grant the variances and approve former Regional Administrator Spencer's decisions or otherwise grant relief to the Alaska mills; and be it further

Resolved, That the Alaska Congressional Delegation, the Governor of the State of Alaska, the City and Borough of Sitka, concerned State and Regional organizations (especially the Southeast Conference and the Alaska State Chamber of Commerce which meets next week) use their utmost efforts to assist the Alaska mills in obtaining the variances or other suitable relief.

RESOLUTION OF THE SOUTHEAST CONFERENCE

Whereas, Alaska Lumber & Pulp Co., Inc. (ALP) and Louisiana Pacific Corporation (Ketchikan Division) (LPK) are critical components of the timber industry, not only for the people they employ directly, but also because without them, the sawmills and Native Corporations would have no market for their pulp logs, which in turn would threaten the survival of the sawmills and Native Corporations in Southeast Alaska, and

Whereas, the Environmental Protection Agency (EPA) has denied the mills' request for variances which would allow them to continue to discharge a conventional, nontoxic pollutant at a level which was especially set for the Alaska pulp mills in 1974 because of the "peculiar land, energy, and logistic constraints" associated with their mills; and

Whereas, neither ALP nor LPK, nor any other company in the timber industry could afford the millions of dollars it would cost them to make the reduction EPA is seeking, and

Whereas, the Alaska Department of Environmental Conservation has determined that continued discharge at the level which was acceptable to EPA in 1974 is not violating state water quality standards, and

Whereas, Region X of EPA recognized the merit to granting variances to the mills when it issued a tentative decision on December 28, 1981 which would have granted the variances, and

Whereas, it appears that EPA's Washington Office disapproved the tentative decision reached by the regional office because it would increase the paperwork burden of the agency, and

Whereas, EPA's denial of the variances would destroy the timber industry in Southeast Alaska while providing no benefit to the environment of Alaska,

Now therefore, be it resolved that EPA reconsider its decision not to approve the December 28, 1981 tentative decision of Region X to grant the variances and either grant the variances or other appropriate relief to the Alaska mills.

Be it further resolved that the Alaska Congressional Delegation and the Governor of the State of Alaska will use their utmost efforts to assist the Alaska mills in obtaining relief from EPA's unreasonable requirements.

RESOLUTION: 83-05

Whereas, Alaska Lumber & Pulp Co., Inc. (ALP) employs approximately 500 people at its Sitka Mill, is the largest employer in Sitka, and is one of two pulp mills in Alaska, and,

Whereas, without the pulp mills, Southeast Alaska's sawmills, and Native Corporations involved in logging would not have an Alaskan market for their pulp logs, thus severely impacting the economics of the sawmills, and Native Corporations operations in an already depressed timber market, and,

Whereas, the Environmental Protection Agency (EPA) had denied the requests from the two Alaskan pulp mills for variances to enable them to continue to discharge a conventional, non-toxic pollutant known as BOD (biological oxygen demand 5-day test) at the 75 lb/Ton of pulp level which was especially set for the Alaska pulp mills in 1974 because of the "peculiar land, energy and logistic constraints associated with (the Alaska mills)," and,

Whereas, it cost Sitka ALP approximately $45 million (1980) dollars to reduce its BOD emissions from 275 lbs/Ton of pulp down to 75 lbs/Ton of pulp, and would cost approximately $50 million more to reduce its BOD emissions from 75 lbs/Ton of pulp down to the 46.8 lbs/Ton of pulp as requested by EPA, and,

Whereas, this amount of money is not available to Sitka ALP or any other company in the economically depressed timber industry, all of which is known to EPA, and,

Whereas, the Alaska Department of Environmental Conservation (ADEC), which supports the variances for the Alaska mills, has determined that continued discharge of BOD at the levels found acceptable by EPA in 1974 will not violate State water quality standards, and,

Whereas, ADEC's finding in the above regard is corroborated by EPA's announcement of September 7, 1983 that it has granted secondary treatment waivers to Sitka, Skagway, and Wrangell because (in the words of EPA Regional Administrator Ernesta Barnes) those towns had "made convincing showings that their sewage effluents, with less than secondary treatment, will not harm the waters into which they are discharged", and,

Whereas, in addition to not causing any harm to the receiving waters, granting the variances would avoid the necessity to either incinerate or land fill the additional sludge which would be generated by meeting EPA's requirements and which in turn would be detrimental to Sitka's air quality (as there is no place to landfill the sludge), and at a significant energy penalty, and,

Whereas, former EPA Regional Administrator John Spencer issued a tentative decision on December 28, 1981 which would have granted the variances, and,

Whereas, in a memorandum (2/3/82) Washington's EPA office staff recommended against approving Regional Administrator Spencer's tentative decision because it would increase the paper work burdens of the Agency, and,

Whereas, the only other opposition to granting the variance comes from a "lower 48" company which competes with ALP in Japan with pulp purchased from a mill in British Columbia which is not required to install any secondary treatment whatsoever, and,

Whereas, the Sitka ANB is concerned that EPA's denial of the variances will greatly burden the timber industry in Southeast Alaska while not providing any environmental benefits;

Now therefore be it resolved, that the Sitka Alaska Native Brotherhood (ANB) demands that the Environmental Protection Agency (EPA) reconsider its decision not to approve the ALP requested variances, and approve the variances as tentatively approved by former Regional Administrator John Spencer in 1981, and,

Be it further resolved that the Alaska Congressional Delegation, the Governor of the State of Alaska, the S.E. Alaska Communities, concerned state, and timber organizations use their best efforts to assist the Alaska mills in obtaining their requested variances.

RESOLUTION SUPPORTING THE REQUEST FOR A VARIANCE FROM THE ENVIRONMENTAL PROTECTION AGENCY BY ALASKA'S PULP MILLS

Whereas, the Alaska Loggers Association is a management organization representing the timber industry in Alaska whose membership includes logging operators, pulp mills, saw mills, log towers, and others directly involved with the harvest and manufacture of timber; and

Whereas, the membership totals 95 employers whose employees in this industry are an estimated 3,000 wage earners; and

Whereas, the Alaska Loggers Association has an Associate Membership classification who furnishes regular members goods and services, at this time there are 232 members in this group; and

Whereas, all of the regular members have grave concern about their jobs, as do many associate members, if the mills should be forced to close; and

Whereas, it makes no sense for the Environmental Protection Agency to threaten the closure of the Alaska Pulp Mills by demanding millions of dollars of expenditures for water pollution control equipment which no company in the depressed forest industry has; and

Whereas, it will have no corresponding benefit to Alaska water quality; and

Whereas, the Alaska Department of Environmental Conservation, which supports the variances, prefers continued discharge to the receiving waters to the air emission or sludge disposal alternatives which would necessarily be required by meeting EPA's water pollution control demands; Now therefore, let it be

Resolved, the Alaska Loggers Association at its regular scheduled 26th Annual Meeting in Juneau, Alaska, on October 22, 1983, voted to support the Louisiana Pacific Ketchikan Division's and the Alaska Lumber & Pulp Company's request for a variance from the Environmental Protection Agency's water pollution control demands.

SEWARD CHAMBER OF COMMERCE,
Seward, Alaska.

Re Support of Alaska State Chamber of Commerce resolution (attached).

Hon. FRANK MURKOWSKI,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MURKOWSKI: At their meeting of October 18, 1983 the Board of Directors of the Seward Chamber of Commerce voted unanimously to support attached resolution of the Alaska State Chamber of Commerce. This resolution was passed by the State Chamber Board of Directors at their meeting of September 28, 1983.

The resolution states: "That EPA reconsider its decision not to approve the December 28, 1981 Tentative Decision of former Administrator Spencer to grant the variances and approve former Regional Administrator Spencer's decisions or otherwise grant relief to the Alaska mills; and that the Alaska Congressional Delegation, and the Governor of the State of Alaska, use their utmost efforts to assist the Alaska mills in obtaining the variances or other suitable relief;"

This issue is vital to continued operation of Southeast Alaska's sawmills and the economic stability of the timber industry. The Seward Chamber urges your support of this resolution.

Respectfully,

KEITH CAMPBELL,
President.

ALASKA STATE CHAMBER OF COMMERCE RESOLUTION

Whereas, Alaska Lumber and Pulp Co., Inc. (ALP) and Louisiana Pacific Corporation, Ketchikan Division (LPK), the only two pulp mills in Alaska, employ approximately 3,000 people directly and 6,000 people indirectly throughout Southeast Alaska; and

Whereas, without the pulp mills, Southeast Alaska's sawmills and Native Corporations (including Sealaska Corporation and the Village Corporations) would have no market for their pulp logs, thus severely impacting the economics of the sawmills and Native Corporations' operations and threatening their survival; and

Whereas, the Environmental Protection Agency (EPA) has denied the requests from the two Alaska Pulp mills for variances to enable them to continue to discharge a conventional, non-toxic pollutant known as BOD5 at the 75 lb/Ton of Pulp level which was especially set for the Alaska pulp mills in 1974 because of the "peculiar land, energy and logistic constraints associated with (the Alaska mills)"; and

Whereas, by EPA's own admission it would cost each of the mills millions of dollars to comply with the standards without the variances, and

Whereas, such a vast amount of money is not available to the Alaska mills or any other company in the economically depressed timber industry, as is known to EPA; and

Whereas, the Alaska Department of Environmental Conservation (ADEC), which supports the variances for the Alaska mills, has determined that continued discharge of BOD5 at the levels found acceptable by EPA in 1974 will not violate State water quality standards; and

Whereas, ADEC's finding is corroborated by EPA's announcement on September 7, 1983 that it has granted secondary treatment waivers to Sitka, Skagway, and Wrangell because (in the words of EPA Regional Administrator Ernesta Barnes) those towns had "made convincing showings that their sewage effluents, with less than secondary treatment, will not harm the waters into which they are discharged"; and

Whereas, in addition to causing no significant harm to the receiving waters granting the variances would avoid the necessity to either incinerate or land fill the additional sludge which would be generated by meeting EPA's requirements and which in turn would be detrimental to Alaska's air quality (as there is no place to land fill the sludge), and at a significant energy penalty; and

Whereas, ADEC has advised EPA that it would prefer continued discharge to the water rather than the land fill or incineration of sludge which would necessarily result from a reduction of BOD5 emissions to the water; and

Whereas, the former EPA Regional Administrator issued a tentative decision on December 28, 1981 which would have granted the variances to the mills; and

Whereas, in a February 3, 1982 memorandum EPA's Washington office staff recommended against approving the Regional Administrator's Tentative Decision because it would increase the paper work burdens of the Agency; and

Whereas, the only other opposition to granting the variances comes from a Lower '48 company which competes with the Alaska mills with pulp purchased from a mill in British Columbia which is not required to install any secondary treatment whatsoever; and

Whereas, for the above reasons the State Chamber of Commerce finds that EPA's denial of the variances will destroy the timber industry in Southeast Alaska while providing no benefit to the environment of Alaska;

Now therefore be it resolved, that EPA reconsider its decision not to approve the December 28, 1981 Tentative Decision of former Administrator Spencer to grant the variances and approve former Regional Administrator Spencer's decisions or otherwise grant relief to the Alaska mills; and

Be it further resolved that the Alaska Congressional Delegation, and the Governor of the State of Alaska, use their utmost efforts to assist the Alaska mills in obtaining the variances or other suitable relief; the

Be it further resolved, that copies of this resolution be sent to President Reagan, Vice President Bush, Senator Stevens, Senator Murkowski, Congressman Young, Governor Sheffield, EPA Administrator Ruckelshaus, EPA Regional Administrator Barnes, ADEC Commissioner Nevel, the U.S. Chamber of Commerce, the Alaska State Chamber of Commerce, the Southeast Conference, Alaska Lumber and Pulp Co., Inc., Louisiana Pacific Corporation, Ketchikan Division (LPK), the UPIU, AWPPW Local 783, IWA Local 193, IBEW Local 1547, IUOE Local 502, and such other organizations as the President of the Alaska State Chamber of Commerce believes would be helpful.

RESOLUTION No. 1353

Whereas, Louisiana-Pacific Corporation (LPK) employs 500 people at its Ketchikan mill, is the largest employer in Ketchikan and is one of two pulp mills in Alaska; and

Whereas, LPK supports the employment, directly or indirectly, of 1,200 to 1,500 people throughout Southeast Alaska; and

Whereas, without the pulp mills, Southeast Alaska's sawmills and Native Corporations (including Sealaska Corporation and the Village Corporations) would have no market for their pulp logs thus severely impacting the economics of the sawmills and Native Corporations' operations and threatening their survival; and

Whereas, the Environmental Protection Agency (EPA) had denied the requests from the two Alaska pulp mills for variances to enable them to continue to discharge a conventional, non-toxic pollutant known as BOD (biological oxygen demand 5-day test) at the 75 lb/Ton of Pulp level which was especially set for the Alaska pulp mills in 1974 because of the "peculiar land, energy and logistic constraints associated with (the Alaska mills)"; and

Whereas, it cost LPK approximately 52.5 million (1980 dollars) to reduce its BOD discharges from 275 lbs/Ton of Pulp down to 75 lbs/Ton of Pulp and would cost approximately $34 million (1980 dollars) more to reduce its BOD discharges from 75 lbs/Ton of Pulp down to the 46.8 lbs/Ton of Pulp as requested by EPA, and with total annual costs associated with each capital expenditure of 18.7 million and 9.6 million, respectively, for a total of 28.3 million; and

Whereas, such a vast amount of money is not available to LPK or any other company in the economically depressed timber industry, all of which should be known to EPA; and

Whereas, the Alaska Department of Environmental Conservation (ADEC) which supports the variances for the Alaska mills, has determined that continued discharge of BOD at the levels found acceptable by EPA in 1974 will not violate State water quality standards; and

Whereas, ADEC's finding in the above regard is corroborated by EPA's announcement on September 7, 1983, that it has granted secondary treatment waivers to the Cities of Sitka, Skagway, and Wrangell because (in the words of EPA Administrator

Ernesta Barnes) those towns had "made convincing showings that their sewage effluents, with less than secondary treatment, will not harm the waters into which they are discharged"; and

Whereas, in addition to causing no harm to the receiving waters, granting the variances would avoid the necessity to either incinerate or land fill the additional sludge which would be generated by meeting EPA's requirements and which, in turn, would be detrimental to Ketchikan's air quality (as there is no place to land fill the sludge), and at a significant energy penalty; and

Whereas, former EPA Regional Administrator John Spencer issued a tentative decision on December 28, 1981, which would have granted the variances; and

Whereas, in a February 3, 1982 memorandum, EPA's Washington office staff recommended against approving Regional Administrator Spencer's Tentative Decision because it would increase the paper work burdens of the Agency; and

Whereas, the only other opposition to granting the variance (ironically) comes from a "lower 48" company which claims it competes with LPK in domestic and export markets. Now, therefore, be it

Resolved, by the Council of the City of Ketchikan, Alaska as follows:

Section 1. The City Council of the City of Ketchikan, Alaska finds, based upon the aforementioned recitals and the Louisiana-Pacific Corporation, Ketchikan Division Variance Request Fact Sheet which is attached hereto and made a part hereof, that EPA's denial of the variances will destroy the timber industry in Southeast Alaska while providing no benefit to the environment of Alaska.

Section 2. The City Council therefore requests that EPA reconsider its decision not to approve the December 28, 1981, Tentative Decision of former Regional Administrator Spencer to grant the variances and approve former Regional Administrator Spencer's decisions or otherwise grant relief to the Alaska mills.

Section 3. The City Council, by copy of this resolution hereby requests that the Alaska Congressional Delegation and the Governor of the State of Alaska, use their utmost efforts to assist the Alaska mills in obtaining the variances or other suitable relief.

Section 4. The City Council hereby directs its City Clerk to send copies of this resolution to President Reagan, Vice-President Bush, Senator Stevens, Senator Murkowski, Congressman Young, Governor Sheffield, IPA Administrator Ruckelshaus, EPA Regional Administrator Barnes, and ADEC Commissioner Neve.

Section 5. This resolution shall be effective immediately upon passage.

RESOLUTION OF THE GREATER SITKA CHAMBER OF COMMERCE

Whereas, Alaska Lumber & Pulp Co., Inc. (ALP) employs 500 people at its Sitka mill, is the largest employer in Sitka, and is one of two pulp mills in Alaska, and

Whereas, ALP employs 1,500 people throughout Southeast Alaska, and

Whereas, without the pulp mills, Southeast Alaska's sawmills and Native Corporations (including Sealaska Corporation and the Village Corporations) would have no market for their pulp logs thus severely impacting the economics of the sawmills and Native Corporations' operations and threatening their survival, and,

Whereas, the Environmental Protection Agency (EPA) has denied the requests from the two Alaska pulp mills for variances to enable them to continue to discharge a conventional, non-toxic pollutant known as BOD (biological oxygen demand 5-day test) at the 75 lb/Ton of Pulp level which was especially set for the Alaska pulp mills in 1974 because of the "peculiar land, energy and logistic constraints associated with [the Alaska mills]"; and

Whereas, it cost ALP approximately $45 million (1980 dollars) to reduce its BOD emissions from 275 lbs/Ton of Pulp down to 75 lbs/Ton of Pulp and would cost approximately $50 million more to reduce its BOD emissions from 75 lbs/Ton of Pulp down to the 46.8 lbs/Ton of Pulp as requested by EPA; and

Whereas, such a vast amount of money is not available to ALP or any other company in the economically depressed timber industry, all of which should be known to EPA; and

Whereas, the Alaska Department of Environmental Conservation (ADEC), which supports the variances for the Alaska mills, has determined that continued discharge of BOD at the levels found acceptable by EPA in 1974 will not violate State water quality standards, and

Whereas, ADEC's finding in the above regard is corroborated by EPA's announcement on September 7, 1983 that it has granted secondary treatment waivers to Sitka, Skagway, and Wrangell because (in the words of EPA Regional Adminstrator Ernesta Barnes) those towns had "made convincing showings that their sewage effluents, with less than secondary treatment, will not harm the waters into which they are discharged", and

Whereas, in addition to causing no harm to the receiving waters granting the variances would avoid the necessity to either incinerate or land fill the additional sludge which would be generated by meeting EPA's requirements and which in turn would be detrimental to Sitka's air quality (as there is no place to land fill the sludge), and at a significant energy penalty; and

Whereas, former EPA Regional Administrator John Spencer issued a tentative decision on December 28, 1981, which would have granted the variances; and

Whereas, in a February 3, 1982 memorandum EPA's Washington office staff recommended against approving Regional Administrator Spencer's Tentative Decision because it would increase the paper work burdens of the Agency; and

Whereas, the only other opposition to granting the variance (ironically) comes from a Lower '48 company which competes with ALP in Japan with pulp purchased from a mill in British Columbia which is not required to install any secondary treatment whatsoever; and

Whereas, for the above reasons the Sitka Chamber of Commerce finds that EPA's denial of the variances will destroy the timber industry in Southeast Alaska while providing no benefit to the environment of Alaska;

Now therefore be it resolved, That EPA reconsider its decision not to approve the December 28, 1981 Tentative Decision of former Regional Administrator Spencer to grant the variances and approve former Regional Administrator Spencer's decisions or otherwise grant relief to the Alaska mills; and

Be it further resolved, That the Alaska Congressional Delegation, the Governor of the State of Alaska, the City and Borough of Sitka, concerned State and Regional organizations (especially the Southeast Conference and the Alaska State Chamber of Commerce which meets next week) use their utmost efforts to assist the Alaska mills in obtaining the variances or other suitable relief.

RESOLUTION

Whereas, the Environmental Protection Agency (EPA) has denied the Alaska Lumber & Pulp Co., Inc.'s (ALP) and Louisiana-Pacific/Ketchikan (LPK) 1980 requests for variances which would allow them to continue to discharge a conventional nontoxic pollutant called BOD5 in the amount of 75 pounds per ton, a level which was specially set for the two Alaska pulp mills in 1974 because of the "peculiar land, energy, and logistic constraints" associated with these mills; and,

Whereas, on March 9, 1983, the Department of Environmental Conservation (DEC), State of Alaska, in effect, supported the request of ALP and LPA for a variance from guidelines of best practical treatment at their Alaska pulp mills, and the Alaska department does not advocate additional treatment for removal of biological oxygen demand; and,

Whereas, the EPA currently is demanding a reduction in BOD5 output levels to 46.8 pounds per ton, and due to the adverse geographical nature of the land and unavailability of an additional power source the cost to ALP is estimated at $50 million and considered excessive and unaffordable due to the weak wood product markets; and,

Whereas, recently the EPA granted secondary treatment waivers to the cities of Sitka, Skagway and Wrangell because their sewage effluents with less than secondary treatment were proven to not harm the waters into which they are discharged, (many of the reasons why are comparable to the ALP mill's discharge in Sitka because of the geographical location); and,

Whereas, the citizens of Wrangell are still harnessed with the excessive cost of sewer and treatment, and the EPA could be repeating this error and causing the loss of 3,000 jobs in the timber industry; and,

Whereas, the city of Wrangell is a one industry city with a population of approximately 2,300 people and discontinued operations of ALP will destroy the economic base with a loss of five hundred jobs; and,

Whereas, one of the greatest economic problems of the United States is the negative balance of payments, and increasing the cost of timber processing may cause the mills to lose competitive advantages and be forced to cease operations; and,

Whereas, the ALP Wrangell sawmill is operated in conjunction with the ALP pulp mill, and anything adverse to the ALP pulp mill will certainly jeopardize the Wrangell mill's operations, causing the sawmill to operate inefficiently, because 25-35 percent of the harvested timber is pulp grade and cannot be utilized economically by the sawmills; and,

Whereas, the Alaska pulp mills are not significantly in direct competition with any ITT/Rayonier pulp mill in the United States, due to the area of marketing, but are in direct competition with a mill in Port Alice, B.C., where today no water treatment is in effect, and with a pulp mill in Africa that is now competing on the world rayon-pulp market without meeting clean water regulations; and,

Whereas, today, the U.S. trade deficits for May, June, July and August were $6.9 billion, $4.96 billion, $6.36 billion and $7.19 billion, respectively, as stated in the Wall Street Journal dated September 29, 1983, and the estimated deficit for the year may reach $65–$70 billion; and,

Whereas, the ALP mills, alone, export their products in an amount in excess of $100 million annually and thus contributes significantly to the U.S. balance of payments; and,

Whereas, on December 28, 1981, Region X of the EPA recommended a tentative decision which would have granted the variances; and,

Whereas, any further secondary treatment will create additional air pollutants and increased disposal of solid waste which would, in effect, be only a trade-off from one type of pollutant to another; therefore,

Be it resolved, That the Wrangell Chamber of Commerce, Wrangell, Alaska strongly urges the EPA to review the above facts and grant ALP and LPK a variance to continue discharging the BOD5 at 75 pounds per ton of pulp in order to prevent the economic destruction of Southeast Alaska; and,

Be it further resolved, That the Chamber endorses the resolutions concerning this matter from Alaska State Chamber, SE Conference, Sitka Borough Assembly and any other resolutions that currently are being accomplished to grant the foregoing variance.

RESOLUTION: RELIEF TO ALASKA MILLS

Whereas, Louisiana Pacific Corporation employs 500 people at its Ketchikan mill, is the employer in Ketchikan and is one of two pulp mills in Alaska, and

Whereas, Louisiana Pacific Corporation supports the employment, directly or indirectly, of 1,200 to 1,500 people throughout Southeast Alaska, and

Whereas, without the pulp mills, Southeast Alaska's sawmills and Native Corporations (including Sealaska Corporation and the Village Corporations) would have no market for their pulp logs thus severely impacting the economics of the sawmills and Native Corporations' operations and threatening their survival, and

Whereas, the Environmental Protection Agency (EPA) has denied the requests from the two Alaska pulp mills for variances to enable them to continue to discharge a conventional, non-toxic pollutant known as BOD (biological oxygen demand 5-day test) at the 75 lb/Ton of Pulp level which was especially set for the Alaska pulp mills in 1974 because of the "peculiar land, energy and logistic constraints associated with (the Alaska mills)", and

Whereas, it cost Louisiana Pacific Corporation approximately 52.5 million (1980 dollars) to reduce it BOD discharges from 275 lbs/Ton of Pulp down to 75 lbs/Ton of Pulp and would cost approximately $34 million (1980 dollars) more to reduce its BOD discharges from 75 lbs/Ton of Pulp down to the 46.8 lbs/Ton of Pulp as requested by EPA, and with total annual costs associated with each capital expenditure of 18.7 million and 9.6 million, respectively, for a total of 28.3 million, and

Whereas, such a vast amount of money is not available to Louisiana Pacific Corporation or any other company in the economically depressed timber industry, all of which should be known to EPA, and

Whereas, the Alaska Department of Environmental Conservation (ADEC), which supports the variances for the Alaska mills, has determined that continued discharge of BOD at the levels found acceptable by EPA in 1974 will not violate State water quality standards, and

Whereas, ADEC's finding in the above regard is corroborated by EPA's announcement on September 7, 1983, that it has granted secondary treatment waivers to Sitka, Skagway, and Wrangell because (in the words of EPA Regional Administrator Ernesta Barnes) those towns had "made convincing showings that their sewage effluents, with less than secondary treatment, will not harm the waters into which they are discharged", and

Whereas, in addition to causing no harm to the receiving waters, granting the variances would avoid the necessity to either incinerate or land fill the addition sludge which would be generated by meeting EPA's requirements and which, in turn, would be detrimental to Ketchikan's air quality (as there is no place to land fill the sludge), and at a significant energy penalty, and

Whereas, former EPA Regional Administrator John Spencer issued a tentative decision on December 28, 1981, which would have granted the variances, and

Whereas, in a February 3, 1982 memorandum, EPA's Washington office staff recommended against approving Regional Administrator Spencer's Tenative Decision because it would increase the paperwork burdens of the Agency, and

Whereas, the only other opposition to granting the various (ironically) comes from a Lower '48 company which claims it competes with Louisiana Pacific Corporation in domestic and export markets, and

Whereas, for the above reasons the Greater Ketchikan Chamber of Commerce finds that EPA's denial of the variances will destroy the timber industry in Southeast Alaksa while providing no benefit to the environment of Alaska, Now therefore, be it

Resolved, That EPA reconsider its decision not to approve the December 28, 1981 Tentative Decision of former Regional Administrator Spencer to grant the variances and approve former Regional Administrator Spencer's decisions or otherwise grant relief to the Alaska mills, and Be it further.

Resolved, That the Alaska Congressional Delegation, the Governor of the State of Alaska, the City of Ketchikan, the Ketchikan Gateway Borough, the City of Saxman, concerned State and Regional organizations (especially the Southeast Conference and the Alaska State Chamber of Commerce), use their utmost efforts to assist the Alaska mills in obtaining the variances or other suitable relief.

CITY OF WRANGELL, ALASKA: RESOLUTION NO. 10-83-184

Whereas, the Environmental Protection Agency (EPA) has denied the Alaska Lumber & Pulp Co., Inc.'s (ALP) and Louisiana-Pacific-Ketchikan (LPK) 1980 requests for variances which would allow them to continue to discharge a conventional nontoxic pollutant called BOD5 in the amount of 75 pounds per ton, a level which was specially set for the two Alaska pulp mills in 1974 because of the "peculiar land, energy, and logistic constraints" associated with these mills; and,

Whereas, on March 9, 1983, the Department of Environmental Conservation (DEC), State of Alaska, in effect, supported the request of ALP and LPK for a variance from guidelines of best practical treatment at their Alaska pulp mills, and the Alaska department does not advocate additional treatment for removal of biological oxygen demand; and

Whereas, the EPA currently is demanding a reduction in BOD5 output levels to 46.8 pounds per ton, and due to the adverse geographical nature of the land and unavailability of an additional power source the cost to ALP is estimated at $50 million and considered excessive and unaffordable due to the weak wood product markets; and,

Whereas, recently the EPA granted secondary treatment waivers to the cities of Sitka, Skagway and Wrangell because their sewage effluents with less than secondary treatment were proven to not harm the waters into which they are discharged, (many of the reasons why they are comparable to the ALP mill's discharge in Sitka because of the geographical location); and

Whereas, the citizens of Wrangell are still harnessed with the excessive cost of sewer and treatment, and the EPA could be repeating this error and causing the loss of 3,000 jobs in the timber industry; and,

Whereas, the city of Wrangell is a one industry city with a population of approximately 2,300 people and discontinued operations of ALP will destroy the economic base with a loss of five hundred jobs; and,

Whereas, one of the greatest economic problems of the United States is the negative balance of payments, and increasing the cost of timber processing may cause the mills to lose competitive advantages and be forced to cease operations; and

Whereas, the ALP Wrangell sawmill is operated in conjunction with the ALP pulp mill, and anything adverse to the ALP pulp mill will certainly jeopardize the Wrangell mill's operation, causing the sawmill to operate inefficiently, because 25-35 percent of the harvested timber is pulp grade and cannot be utilized economically by the sawmills; and,

Whereas, the Alaska pulp mills are not significantly in direct competiton with any ITT/Rayonier pulp mill in the United States, due to the area of marketing, but are in direct competiton with a mill in Port Alice, B.C., where today no water treatment is in effect, and with a pulp mill in Africa that is now competing on the world rayon pulp market without meeting clean water regulations; and,

Whereas, today, the U.S. trade deficits for May, June, July and August were $6.9 billion, $4.96 billion, $6.36 billion and $7.19 billion, respectively, as stated in the Wall Street Journal dated September 29, 1983, and the estimated deficit for the year may reach $65–$70 billion; and,

Whereas, the ALP mills, alone, export their products in an amount in excess of $100 million annually and thus contributes significantly to the U.S. balance of payments; and,

Whereas, on December 28, 1981, Region X of the EPA recommended a tentative decision which would have granted the variances; and,

Whereas, any further secondary treatment will create additional air pollutants and increased disposal of solid waste which would, in effect, by only a trade-off from one type of pollutant to another. Now, therefore, be it

Resolved by the Council of the City of Wrangell, Alaska to strongly urge the EPA to review the above facts and grant ALP and LPK a variance to continue discharging the BOD5 at 75 pounds per ton of pulp in order to prevent the economic destruction of Southeast Alaska and that the Council endorses the resolutions concerning this

matter from Alaska State Chamber, SE Conference, Sitka Borough Assembly and any other resolutions that currently are being accomplished to grant the foregoing variances.

ALASKA STATE CHAMBER OF COMMERCE: RESOLUTION

Whereas, Alaska Lumber and Pulp Co., Inc. (ALP) and Louisiana Pacific Corporation, Ketchikan Division (LPK), the only two pulp mills in Alaska, employ approximately 3,000 people directly and 6,000 people indirectly throughout Southeast Alaska; and

Whereas, without the pulp mills, Southeast Alaska's sawmills and Native Corporations (including Sealaska Corporation and the Village Corporations) would have no market for their pulp logs, thus severely impacting the economics of the sawmills and Native Corporations' operations and threatening their survival; and

Whereas, the Environmental Protection Agency (EPA) has denied the requests from the two Alaska Pulp mills for variances to enable them to continue to discharge a conventional, non-toxic pollutant known as BOD5 at the 75 lb/Ton of Pulp level which was especially set for the Alaska pulp mills in 1974 because of the "peculiar land, energy and logistic constraints associated with (the Alaska mills)"; and

Whereas, by EPA's own admission it would cost each of the mills millions of dollars to comply with the standards without the variances, and

Whereas, such a vast amount of money is not available to the Alaska mills or any other company in the economically depressed timber industry, as is known to EPA; and

Whereas, the Alaska Department of Environmental Conservation (ADEC), which supports the variances for the Alaska mills, has determined that continued discharge of BOD5 at the levels found acceptable by EPA in 1974 will not violate State water quality standards; and

Whereas, ADEC's finding is corroborated by EPA's announcement on September 7, 1983 that it has granted secondary treatment waivers to Sitka, Skagway, and Wrangell because (in the words of EPA Regional Administrator Ernesta Barnes) those towns had "made convincing showings that their sewage effluents, with less than secondary treatment, will not harm the waters into which they are discharged"; and

Whereas, in addition to causing no significant harm to the receiving waters granting the variances would avoid the necessity to either incinerate or land fill the additional sludge which would be generated by meeting EPA's requirments and which in turn would be detrimental to Alaska's air quality (as there is no place to land fill the sludge), and at a significant energy penalty; and

Whereas, ADEC has advised EPA that it would prefer continued discharge to the water rather than the land fill or incineration of sludge which would necessarily result from a reduction of BOD5 emissions to the water; and

Whereas, the former EPA Regional Administrator issued a tentative decision on December 28, 1981 which would have granted the variances to the mills; and

Whereas, in a February 2, 1982 memorandum EPA's Washington office staff recommended against approving the Regional Administrator's Tentative Decision because it would increase the paper work burdens of the Agency; and

Whereas, the only other opposition to granting the variances comes from a Lower '48 company which competes with the Alaska mills with pulp purchased from a mill in British Columbia which is not required to install any secondary treatment whatsoever; and

Whereas, for the above reasons the State Chamber of Commerce finds that EPA's denial of the variances will destroy the timber industry in Southeast Alaska while providing no benefit to the environment of Alaska. Now therefore be it

Resolved, That EPA reconsider its decision not to approve the December 28, 1981 Tentative Decision of former Administrator Spencer to grant the variances and approve former Regional Administrator Spencer's decisions or otherwise grant relief to the Alaska mills; and be it further

Resolved, That the Alaska Congressional Delegation, and the Governor of the State of Alaska, use their utmost efforts to assist the Alaska mills in obtaining the variances or other suitable relief; and be it further

Resolved, That copies of this resolution be sent to President Reagan, Vice President Bush, Senator Stevens, Senator Murkowski, Congressman Young, Governor Sheffield, EPA Administrator Ruckelshaus, EPA Regional Administrator Barnes, ADEC Commissioner Neve', the U.S. Chamber of Commerce, the Alaska State Chamber of Commerce, the Southeast Conference, Alaska Lumber and Pulp Co., Inc., Louisiana Pacific Corporation, Ketchikan Division (LPK), the UPIU, AWPPW Local 783, IWA Local 1983, IBEW Local 1547, IUOE Local 502, and such other organizations as the President of the Alaska State Chamber of Commerce believes would be helpful.

GREATER JUNEAU CHAMBER OF COMMERCE: RESOLUTION

Whereas, Alaska Lumber and Pulp Co., Inc. (ALP) and Louisiana Pacific Corporation, Ketchikan Division (LPK), the only two pulp mills in Alaska, employ approximately 3,000 people directly and 6,000 people indirectly throughout Southeast Alaska; and

Whereas, without the pulp mills, Southeast Alaska's sawmills and Native Corporations (including Sealaska Corporation and the Village Corporations) would have no market for their pulp logs, thus severely impacting the economics of the sawmills and Native Corporations' operations and threatening their survival; and

Whereas, the Environmental Protection Agency (EPA) has denied the requests from the two Alaska Pulp mills for variances to enable them to continue to discharge a conventional, nontoxic pollutant known as BOD5 at the 75 lb/Ton of Pulp level which was especially set for the Alaska pulp mills in 1974 because of the "peculiar land, energy and logistic constraints associated with (the Alaska mills)"; and

Whereas, by EPA's own admission it would cost each of the mills millions of dollars to comply with the standards without the variances, and

Whereas, such a vast amount of money is not available to the Alaska mills or any other company in the economically depressed timber industry, as is known to EPA; and

Whereas, the Alaska Department of Environmental Conservation (ADEC), which supports the variances for the Alaska mills, has determined that continued discharge of BOD5 at the levels found acceptable by EPA in 1974 will not violate State water quality standards; and

Whereas, ADEC's finding is corroborated by EPA's announcement on September 7, 1983 that it has granted secondary treatment waivers to Sitka, Skagway, and Wrangell because (in the words of EPA Regional Administrator Ernesta Barnes) those towns had "made convincing showings that their sewage effluents, with less than secondary treatment, will not harm the waters into which they are discharged"; and

Whereas, in addition to causing no significant harm to the receiving waters granting the variances would avoid the necessity to either incinerate or land fill the additional sludge which would be generated by meeting EPA's requirements and which in turn would be detrimental to Alaska's air quality (as there is no place to land fill the sludge), and at a significant energy penalty; and

Whereas, ADEC has advised EPA that it would prefer continued discharge to the water rather than the land fill or incineration of sludge which would necessarily result from a reduction of BOD5 emissions to the water; and

Whereas, the former EPA Regional Administrator issued a tentative decision on December 28, 1981 which would have granted the variances to the mills; and

Whereas, in a February 3, 1982 memorandum EPA's Washington Office Staff recommended against approving the Regional Administrator's Tentative Decision because it would increase the paper work burdens of the Agency; and

Whereas, the only other opposition to granting the variances comes from a Lower '48 company which competes with the Alaska mills with pulp purchased from a mill in British Columbia which is not required to install any secondary treatment whatsoever; and

Whereas, for the above reasons the Juneau Chamber of Commerce finds that EPA's denial of the variances will destroy the timber industry in Southeast Alaska while providing no benefit to the environment of Alaska;

Now therefore be it *Resolved*, that EPA reconsider its decision not to approve the December 28, 1981 Tentative Decision of former Administrator Spencer to grant the variances and approve former Regional Administrator Spencer's decisions or otherwise grant relief to the Alaska mills; and

Be it *Further Resolved*, that the Alaska Congressional Delegation, and the Governor of the State of Alaska, use their utmost efforts to assist the Alaska mills in obtaining the variances or other suitable relief; and

Be it *Further Resolved*, that copies of this resolution be sent to Senator Stevens, Senator Murkowski, Congressman Young, Governor Sheffield, EPA Administrator Ruckelshaus, EPA Regional Administrator Barnes, ADEC Commissioner Neve', the U.S. Chamber of Commerce, the Alaska State Chamber of Commerce, the Southeast Conference, Alaska Lumber and Pulp Co., Inc., Louisiana Pacific Corp. Ketchikan Division (LPK), the Sitka Chamber of Commerce and the Ketchikan Chamber of Commerce.

KETCHIKAN GATEWAY BOROUGH: RESOLUTION NO. 546

RECITALS

A. Ketchikan Pulp Company (now Louisiana-Pacific Corporation, Ketchikan Division) began its operations in Ketchikan, Alaska in 1954 with high environmental standards designed into the facility.

Throughout the nearly 30 years of operation in Ketchikan, numerous additions and modifications have been made to the process and equipment to maintain or improve on the original high level of environmental control.

B. The Water Pollution Control Act of 1972 (Public Law 92-500) created a new national system of permits for discharges of pollutants into the Nation's waters and no discharge of any pollutant is allowed without a permit.

C. The U.S. Environmental Protection Agency issued to Ketchikan Pulp Company (now Louisiana-Pacific Corporation, Ketchikan Division) a National Pollution Discharge Elimination System (NPDES) permit (Permit No. AK-000092-2) dated September 27, 1973, amended November 15, 1974 and modified June 30, 1975.

D. In November 1974 the Ketchikan Gateway Borough Assembly consented to the location of pollution control facilities to be financed by the Alaska Industrial Development Authority in support of Ketchikan Pulp Company's (hereinafter the "Company") project (revised in November 1976 and endorsed by the Assembly in January 1977) which was comprised of an in-plant modification and control program, a waste water collection treatment and discharge system, a spill prevention control and countermeasure plan, a solid waste disposal plan, air emission controls, and drinking water and waste water treatment facilities at the Company's sawmills and logging camps.

E. These secondary treatment projects were undertaken to suplement existing primary treatment installations so as to continue to comply with EPA's NPDES permit and to comply with the State of Alaska Permit (D.E.C. 71-2 permit).

F. The Company is once again confronted with possible exorbitant costs for environmental control with further additions to the secondary treatment plant, and has asked for a variance of wastewater treatment standard levels into Ward Cove. The Company has announced that it may have to cease operations rather than expend the millions of dollars required to comply with said standards.

G. In 1975 Regional Administrator Clifford V. Smith, Jr., Ph.D., P.E., U.S. Environmental Protection Agency, Region X, stated: "EPA is aware and emphathetic with the local economic situation and has no wish to close down industry."

H. The Alaska Department of Conservation has determined that any further levels of treatment beyond that required in 1980 will not significantly improve the water quality of Ward Cove.

I. In 1981 Regional Administrator John Spencer, U.S. Environmental Protection Agency, Region X, granted Tentative Approval of the variances. Now, therefore, be it

Resolved by the assembly of the Ketchikan Gateway Borough, Alaska, as follows:

Section 1. The Assembly finds the following to be true:

(a) The requirements of the Water Pollution Control Act of 1972 (Public Law 92-500) are applied in the same manner to sprawling urban areas as to isolated single industry communities resulting in disproportionate costs, thus providing no base for competitive profit and hence would mean assured economic failure, while at the same time offering little, if any, improvement in water quality.

(b) The Company has positively responded throughout the years to continually comply with and improve the level of environmental control while bearing the burden of a depressed timber industry.

(c) Louisiana-Pacific Corporation, Ketchikan Division, serves as the economic base of the community, contributing prosperity and stability to the area's people and closure of this viable industry would bring instantaneous unemployment to more than a thousand people and adversely affect another twelve thousand people.

Section 2. The Ketchikan Gateway Borough Assembly hereby declares its support of Louisiana-Pacific's request for a variance of wastewater treatment standard levels and applauds efforts by the Alaska's Congressional Delegation to secure relief from the existing inequitable and inappropriate requirements as applied to Alaskan mills.

Section 3. The Assembly further requests Alaska's Congressional Delegation to promote a review by the United States Congress of the Water Pollution Control Act of 1972 with the objective of establishing standards appropriate for differing locations and circumstances existing throughout the country in order to make the law equitable and yet assure high quality controls.

Section 4. The Borough Mayor is hereby authorized and requested to present a copy of this resolution to the hearing officer at the scheduled EPA Hearing to be conducted on November 9, 1983 in the Saxman City Hall.

Section 5. The Borough Clerk is hereby directed to mail a copy of this resolution to the United States Environmental Protection Agency, Region 10, 1200 Sixth Avenue, Seattle, Washington, 98101; Department of Environmental Conservation, State of Alaska, Pouch O, Juneau, Alaska 99801; Alaska's Congressional Delegation; and Louisiana-Pacific Corporation, Ketchikan Division, P.O. Box 6600, Ketchikan, Alaska 99901.

Section 6. This resolution is effective upon adoption.●

BALTIMORE POLYTECHNIC INSTITUTE

● Mr. SARBANES. Mr. President, today I would like to commend to my colleagues' attention the commemoration of a century of achievement by one of the most significant academic institutions in Baltimore, the Baltimore Polytechnic Institute, or "Poly" as it is more widely known.

The 1983-84 school year marks the 100th anniversary of the founding of this outstanding public high school. Originally called the Baltimore Manual Training School, Poly was the first secondary industrial supported by public funds and was in the vanguard of the movement to make education relevant to the needs of the community in an era of vast technological change. On March 3, 1884, with a $2,000 appropriation from the State of Maryland, the Baltimore Manual Training School received its first class of 25 boys.

One hundred years later, Poly has graduated more than 30,000 students and has a current enrollment of more than 2,000; approximately 80 percent of its graduates attend college. Known throughout the country for the quality of its preparation of young men and women for participation in engineering, the sciences, and other fields, Poly has not only served the people of Baltimore with dedication and distinction, it has greatly enriched the educational fabric of the entire Nation.

It gives me great pleasure to congratulate the Baltimore Polytechnic Institute on this historic occasion of 100 years of educational excellence. This century of accomplishment is briefly described in an article by Albert J. Silverman, former head of the history department of Poly, which appeared in the May 13, 1983, edition of the Baltimore Evening Sun. I ask that it be reprinted at this point in the RECORD.

100 YEARS LATER, POLY'S STANDARDS REMAIN HIGH

(By Albert J. Silverman)

This year, 1983, is the centenary of the founding of the Baltimore Polytechnic Institute. On May 1, 1883 the Board of School Commissioners of Baltimore adopted a resolution which called attention to the fact that pupils were leaving the public schools without a knowledge of the "mechanical arts." There had been no vocational training since 1865 when the Floating School of Baltimore, which offered instruction in seamanship and related subjects, ceased its operations, a victim of the Civil War.

On Oct. 30, 1883, the board voted to establish a school for manual training. From these two steps evolved the Baltimore Polytechnic Institute. On March 3, 1884, the Baltimore Manual Training School opened its doors on Courtland Street in what is now the St. Paul Place and Preston Gardens area. Its staff consisted of a principal and three instructors. In May of 1893, the name was changed to Baltimore Polytechnic Institute. In 1912, Poly moved to larger quarters at North Avenue and Calvert Streets. Fifty-five years later, it moved to its present site at Falls Road and Cold Spring Lane.

Until 1899, Poly was a general vocational school in everything but name. In that year, William R. (Billy) King became principal. King was a Naval Academy graduate and had seen action in the Spanish-American War. It was Poly's great good fortune that, before accepting the appointment as principal, he demanded and received from the school board permission to innovate and make whatever changes he thought desirable.

Taking the board at its word, the "lieutenant," as he was called, lost no time in stamping on the school the indelible and enduring imprint of his own forceful personality and educational philosophy. His uncompromising insistence on scholastic excellence was to bring Poly national acclaim and make him a legend among educators.

King set up two curriculum tracks: the Advanced College Preparatory Course, completion of which admitted students to the sophomore year of many colleges; and the College Preparatory Course. On each track, the sections moved from classroom to classroom en bloc, the students in each section following the same program of courses. This unique block scheduling was an important source of its strength.

Each student was required to spend two hours every evening on his homework. Also unique were the passing grade of 70 percent and the examination system. At the end of each semester, an entire week was devoted

to examinations. Each boy took a different exam each day, from 9 a.m. to noon, and was then permitted to go home to study for the next day's test. Students who failed three subjects were required to repeat the semester. State law mandated the completion of 18 Carnegie units for graduation from high school; at Poly students completed 23.

In math classes, each student went to the blackboard daily to work a problem. There were no study halls. Homework was checked and disruptive behavior wasn't tolerated. The "lieutenant" was not required to answer to the central office for the number of disciplinary suspensions he ordered.

All students were required to wear neckties, a badge of distinction which made Poly boys readily recognizable everywhere. Each teacher kept a supply of neckties—usually the loudest in their wardrobes—for students who came tieless. Discipline was excellent and teachers were not required to police the corridors or the cafeteria.

No deliberate effort was made to teach character and self-discipline; they were by-products of the total school undertaking.

In 1921 King was succeeded by Wilmer A. Dehuff, who was recruited from the Johns Hopkins faculty. Himself a Poly graduate, Dehuff was cast in the same mold as his redoubtable predecessor. "Like King, he was a stern disciplinarian and utterly unflappable. He had the same penchant for precision and order. His devotion to Poly was total and his tenure brought additional luster to the school. The media regularly referred to him as "Mr. Poly."

It has been Poly's good fortune that the men who have followed King and Dehuff have likewise been strong principals, for in the campus upheavals of the '60s and '70s Poly continued to remain a bastion of academic excellence. It did not escape attack however. From both the central office and the community came charges of critism, exclusiveness and curricular rigidity. Demands were made for course changes to provide relevance and for a relaxation of the dress code and discipline. The examination system and block scheduling were also assailed.

The principals and faculty, backed by the alumni association and strong voices in the community, resisted stoutly, and if Poly did not emerge entirely unscathed and unscarred from the fray, it managed to salvage most of its traditional ways of doing things—ways that made it unique and brought it honor and respect.

Today, Poly is still the outstanding public secondary school in the metropolitan area. In the National Merit Scholarship results recently announced Poly, not unexpectedly, carried off the lions share of the honors.●

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. BAKER. Mr. President, there is one item I put off because I see my friends glaring at each other, but I guess the time has arrived, and that is the resolution to make the Select Committee on Indian Affairs a permanent committee.

Mr. President, I hope that we can proceed to that at this time.

Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Senate Resolution 127.

Mr. MATHIAS. Mr. President, reserving the right to object, this is an important resolution which is made necessary by the operation of Senate Resolution 4, which was adopted by the 95th Congress, which in effect abolished the Committee on Interior and Insular Affairs and replaced it with the Committee on Energy and Natural Resources and which provided in the process that the Committee on Indian Affairs should be absorbed by the Committee on Energy and Natural Resources.

The operation of that resolution was postponed for 2 years, but that extension of time has now expired and, with the end of this session, the Committee on Indian Affairs will in fact cease to exist unless the resolution that is the subject of the majority leader's request is adopted tonight.

I know that there are those who have serious doubts as to whether the Committee on Indian Affairs should be made a permanent committee, but the Rules Committee by an overwhelming vote has recommended that that be the case. I hope that there will be no objection to it.

Mr. BAKER. Mr. President, I hope we can get the matter laid down. Then there would be adequate time for debate on the measure, I am sure, and we can see if we can work it out.

The PRESIDING OFFICER. Is there objection?

Mr. GARN. Mr. President, reserving the right to object, this has been a rather clean late night session, but I do not think at this late time by unanimous consent we should pass this and make this permanent at this time. I am chairman of the Banking Committee and we have interests, among our other housing responsibilities, in Indian housing. There has been no discussion with me, my staff, the minority staff in the Banking Committee, the minority ranking member of the Banking Committee, about jurisdiction and problems associated therewith. I would certainly be willing to accept a 1-year extension and we can work out the jurisdictional problems and then I may remove my objection to making it permanent. But I think it is not wise at 9:10 p.m., when everybody is gone, that we attempt to run through something that is not permanent and I am just not willing, as chairman of the Banking Committee, to give up jurisdiction over only a small part until that has been discussed and worked out.

I think people know me as one who is willing to negotiate. If I could put together the IMF amendment yesterday, I think I could work out some matters over jurisdiction over Indian housing, but I certainly cannot do it tonight and I am certainly not willing to allow this to become permanent until those jurisdictional matters are taken care of.

I would suggest that it is possible to amend it so that we have a 1-year extension and then that gives us plenty of time to work that out. I am sure we will be able to.

I will hold my objection for a moment.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. GORTON. Mr. President, reserving the right to object, unless the considerations which have been outlined by the Senator from Utah are met, I intend to object. My approach to this question is slightly different from that of the Senator from Utah. As a member of the Select Committee on Indian Affairs, I believe the committee would be both too small and too narrowly focused to be an appropriate functioning full committee of the Senate.

I prefer the solution which would be created by its going out of existence and its jurisdiction being transferred, I gather primarily, to the Committee on Energy and Natural Resources.

Nevertheless, at the time of the reauthorization, I told the chairman of the committee, Mr. ANDREWS, that I would not object to a further 2-year extension. I think the Senator from Maryland forgot to indicate that there have been several 2-year extensions of the committee in the past.

When the chairman—and I believe the ranking minority member—insisted that they wished a permanent committee, I offered for myself an extension of 5 years, which the chairman, Mr. Andrews, accepted.

I understand that that is not acceptable to the Senator from Montana, and I hope that in the next few minutes we can work out an agreement whereby the committee is extended for a short period of time.

I must say that I much prefer the proposal of the Senator from Utah. I have, however, a commitment to the Senator from North Dakota that I would support a 5-year extension; but unless and until we can work out this matter, I would object to the motion of the majority leader.

The PRESIDING OFFICER. Objection is heard.

Mr. MELCHER. Mr. President, would the Senator allow that to be withheld for a moment?

Mr. GORTON. I withhold it.

The PRESIDING OFFICER. The objection is withdrawn.

The Senator from Montana.

Mr. MELCHER. Mr. President, first of all, taking it in sequence, I have been in the group that worked out the creation of this select committee, and have been on the committee since then.

The chairman of the Rules Committee has stated it very accurately. The matter that is brought to the atten-

tion of the Senate tonight by the chairman of the Banking Committee, my friend from Utah, is the first time we have heard of this concern. Having heard of his concern, I can understand his concern.

However, the bill that was introduced by Senator ANDREWS—and I suspect I cosponsored it, as did others on the Committee on Indian Housing—this year was referred to the Select Committee on Indian Affairs. We have not had a letter from the chairman of the Banking Committee.

Mr. GARN. Mr. President, will the Senator yield?

Mr. MELCHER. I yield.

Mr. GARN. That is correct. I apologize for not being aware of this proposal.

I think the Senator knows that each of the committees has very wide jurisdiction.

I am not sure, but I was informed, to my surprise today, that I am a cosponsor of the bill. I do not know whether that is true or not. Someone suggested they thought I was. If I am, I certainly do not remember doing that.

Mr. MELCHER. I can assure the Senator from Utah that he is an original cosponsor of the bill.

Mr. GARN. In the future, I will make sure that my staff checks with me and that my initials are on things.

I want to make clear again that I do not necessarily object to what the Senator is attempting to do, and I am very sorry I was not made aware of this until today, that this was going to be brought up. If I had been, the Senator certainly would have received a letter.

So part of the problem is by omission and not by commission.

I still do not feel that any chairman of a committee should just give up a certain amount of jurisdiction in the last night of a session by unanimous consent. I am sure we can work it out. I do not know why it has to be made permanent tonight. I do not have any concerns about it, other than protecting the committee jurisdiction.

I thank the Senator for yielding.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. GARN. I yield.

Mr. MATHIAS. Mr. President, what I see developing here is a situation which will clearly cause the Committee on Indian Affairs to be merged into the Committee on Labor and Human Resources, in accordance with the original resolution. That is going to happen unless we can arrive at some agreement.

I do not underestimate the determination of the Senator from Washington and the Senator from Utah. They have a position here, and it is not a matter of first impression with me. I have had some discussion with them before we entered into this debate.

I would say, to use the words of the Senator from Mississippi, that the ox is in the ditch. The ox is in the ditch, Mr. President, and if we want to get the ox out of the ditch, we had better pull ourselves together here.

I believe that if we want to preserve any intention of the Rules Committee, which is to continue the existence of the Indian Affairs Committee, we had better agree to some kind of amendment, the amendment proposed by the Senator from Utah or the amendment proposed by the Senator from Washington.

I am prepared to urge the Senate to accept such an amendment, because I believe it is really the only alternative to the extinguishment of the Indian Affairs Committee.

Mr. GARN. Mr. President, will the Senator yield?

Mr. MATHIAS. I yield.

Mr. GARN. I simply say that I am not hung up on 1 year. Two years would be satisfactory. It is not my intention to try to cause a problem here tonight, so a 1-year extension I will be willing to agree to. I am not here to see that it goes out of existence tonight. That is not my purpose at all.

Mr. MELCHER. Mr. President, if I may complete my remarks, there is no difficulty with the Committee on Indian Housing and the Senator from Utah and the Banking Committee that I am aware of.

All the Select Committee on Indian Affairs is interested in doing is to pass a bill of which Indian housing is a part. That will not be a difficulty, I can assure the Senator from Utah, on behalf of our side of the committee. I feel confident that Senator ANDREWS and Senator GOLDWATER and Senator MURKOWSKI want the same.

Second, I should clearly state, on behalf of the chairman of the committee, Senator ANDREWS, that I know of nothing at all of any agreement to any 5-year extension.

However, whatever it is, we want to do as the Senator from Maryland has indicated—get the ox out of the ditch tonight.

We have been waiting here for several days, allowing various vehicles to go by, because the majority leader assured us that the resolution would be brought up on its own. So we are here now.

The Select Committee on Indian Affairs did not select to be the last affair of this session of Congress. [Laughter.]

We just happen to be here, and we will probably work something out before the night is over.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. BURDICK. Mr. President, I am a strong supporter of the need to have a permanent Select Committee on Indian Affairs and, I would encourage my colleagues to support this resolution.

The role of the Senate Select Committee is to discharge the historical and constitutional responsibilities of the Senate toward Indian affairs. The special expertise of a committee thoroughly knowledgeable on Indian affairs is necessary because of the complexity of statutory law and body of case law which has developed over 150 years through many decisions of the U.S. Supreme Court and lower Federal courts. This is compounded by the fact that Indian tribes are separate and distinct units of government and are not subdivisions of States or countries. They are acknowledged to possess certain governmental powers, but are neither States nor foreign nations—rather they lie somewhere between the two. Thus though they are located within State boundaries, tribes that are recognized by the Federal Goverment are generally considered as not subject to State authority, unless specifically rendered so by act of Congress. Though Indian tribes are endowed with certain aspects of sovereign status, they are subject nonetheless to the ultimate authority of Congress. Because of this anomalous position vis-a-vis the Federal system, I think it is important to have a permanent committee to assure that the Senate is fulfilling its specific constitutional obligations on Indian affairs.

It is also important to note that the committee is not solely an advocate for Indian interests. It also serves as a forum to air legitimate problems between Indians and non-Indians who must deal with complex Federal Indian policy questions created by dual jurisdiction of governmental entities. I know that this is a considerable problem in North Dakota, as well as other States.

In addition, the select committee has started to perform an important function of examining the entire Federal budget pertaining to Indian affairs. Its reports are important in understanding the impact and effectiveness of Federal programs and the self-determination policy which allows tribal governments to replace BIA management of programs on a contractual basis. I think that such a budget analysis will be extremely beneficial to assure that the Senate is effectively meeting the needs of Indian people and is actually helping them attain the goal of self-determination.

Mr. MELCHER. Mr. President, as the ranking Democrat on the Select Committee on Indian Affairs and as a Senator from a State with seven Indian reservations and an approximate Indian population of some 40,000, I have for many years been aware, sometimes painfully so, of the serious disputes and problems which arise within Indian tribes, between tribes and between Indian and non-Indian parties. Often these are prob-

lems which can only be resolved by the Congress. After all, Congress has not only ultimate responsibility for Federal Indian policy, but also under the Constitution, Congress has plenary authority in this area. I am pleased that 55 Senators recognizing this responsibility, have joined as cosponsors of this resolution establishing the Select Committee on Indian Affairs as a permanent committee of the Senate.

To put the issue of making the Indian Affairs Committee permanent in the proper perspective, I would like to briefly summarize the historical approach to Indian Affairs by the Congress. Under the Legislative Reorganization Act of 1946, the House and Senate Committees on Indian Affairs which had been in existence since the early 1800's were abolished. Legislative and oversight jurisdiction over Indian matters were at that time vested in subcommittees of the Committees on Public Lands in the House and Senate. Although several important pieces of legislation affecting Indians were enacted during the next 30 years, this subcommittee arrangement failed to produce a truly adequate forum for legislating appropriate solutions to problems affecting Indian people. Indian legislation could no longer be reported directly to the Senate from a full Indian Affairs Committee, and legislative jurisdiction over Indian affairs was fragmented in a number of committees. In the Congress, there were more than 10 committees in all responsible for Indian affairs, a situation which resulted in the disjointed and haphazard treatment of Indian affairs. In the Senate, Indian affairs was for a time under the jurisdiction of a subcommittee of the Interior Committee where Indian issues generally received only perfunctory attention.

Mr. President, this situation changed dramatically in April of 1977, with the establishment of the Select Committee on Indian Affairs pursuant to Senate Resolution 4.

The creation of the Select Committee on Indian Affairs at the beginning of the 95th Congress, fulfilled a primary recommendation made in the final report of the American Indian Policy Review Commission (AIPRC), the first comprehensive study of the Federal Government's Indian policy since 1928, and the first such study to have been conducted by Members of the Senate, House of Representatives, and Indian leaders.

The legislative record clearly shows that a committee devoted exclusively to Indian affairs is in the best interests of not only Indian people but also of all Americans and, of course, the U.S. Senate. The committee has proved to be an excellent and versatile forum for exploring alternative ways of mediating serious conflicts which have arisen between federally connected Indian interests and other public and private interests, in ways consistent with the legal rights of Indian tribes and the overriding Federal responsibility.

As an illustration of this point, I refer to the committee's role in resolving the Maine Indian land claim dispute during the 96th Congress and the Narragansett Indian claim in Rhode Island during the 95th Congress. In each case, longstanding and extremely complicated land claims were made by Indian tribes which had a dramatic impact on hundreds, if not thousands, of non-Indian landowners. In each case the Select Committee on Indian Affairs assisted in settlement agreements developed by the parties to the disputes by insuring, through extensive research, that all parties were adequately represented and that the proposed legislation was legally sufficient.

This kind of legislation will be a continuing responsibility of the committee. During this Congress we expect settlement legislation of the Cayuga claim in New York and the Catawba claim in South Carolina. Additionally, there may be land claims by 12 other eastern Indian tribes for ancestral lands taken during the 18th and 19th centuries in violation of the Indian Trade and Intercourse Act of 1970. It is the committee's continuing responsibility to provide all parties to these disputes with a forum for satisfactory, out-of-court settlements through hearings which identify and refine legislative settlements. Each of these items of legislation has resulted in enormous savings in legal expenses and costs to the United States, State and local governments, Indian tribes and private individuals.

The committee also entered the thicket of jurisdictional conflict between the States, Indian tribes, and the Federal Government by reporting and passing through the Senate, legislation which would have relaxed the Federal law governing jurisdiction in Indian country and provided necessary flexibility to States and Indian tribes to achieve solutions to jurisdictional conflicts at a local level. In addition, the committee developed a bill I introduced in the 96th Congress to strengthen the enforcement of Federal laws governing criminal conduct on Indian reservations by the establishment of a special magistrate with jurisdiction over Indian country and providing necessary enforcement authority to tribal and State police officers as well as Federal law enforcement authorities. Further consideration of the bill is awaiting broader input from Indians and non-Indians living on reservations.

In 1982, the committee conducted extensive hearings on legislation to remove one of the most serious obstacles to economic development on Indian reservations. This legislation which was enacted into law as the Indian Mineral Development Act of 1982, is designed to provide much greater flexibility to tribes to develop mineral resources than they have had in the past. This new law, Public Law 97-382, gives tribes broad authority and flexibility to develop their mineral resources in a timely, orderly, manner. The tribes can determine, at the outset, exploration and development schedules and can negotiate their share of expected profits. Under this law tribes can proceed to negotiate joint venture, service, operating, production sharing, or other agreements for mineral development and may receive a much greater return than under the traditional royalty leases which they were bound by in the past. This act opens the way for additional energy and mineral supplies needed by the country. The Department of the Interior will continue to serve as trustee for those resources.

During the 6 years the select committee has existed, it has considered over 200 bills, held 172 hearings and reported 80 bills which became public law. These figures represent a notable committee achievement by any standard.

The Select Committee on Indian Affairs has an imposing agenda which includes the continuing development of Federal policy on a variety of issues affecting Indian and non-Indians, ranging from jurisdiction and taxation to the protection and development of natural resources.

Mr. President, since its creation as a temporary select committee there have been two efforts, in the 95th and 96th Congress, to make the committee permanent. In each case the Senate saw fit to extend the life of the committee rather than make it permanent.

Therefore, the Senate must once again face the question of how it is to approach Indian issues since the committee is scheduled to terminate on January 2, 1984.

Although Indian people comprise only a very small segment of the total U.S. population, this country's responsibilities in the field of Indian affairs is not a small responsibility. As an increasingly vital area of domestic affairs, Indian issues affecting Indians and non-Indians must be accorded the fair and careful treatment they deserve.

Mr. President, significant progress has been made by the Select Committee on Indian Affairs, but our major work has just begun in providing the legislative solutions necessary to laying the foundation of a sound Federal Indian policy. During the next few years, Congress will have to consider sensitive issues relating to Indian land claims, natural resources, water and hunting and fishing rights, as well as oversight of Indian affairs agencies,

and programs. A separate committee on Indian affairs is the best forum for reaching equitable resolutions of these questions. To restructure Senate jurisdiction over Indian affairs in a standing committee beginning next year would mean a loss of untold dollars and work hours to the American taxpayers, and a loss of continuity in the steady and responsible legislative progress of this committee. For the Indian people, for the people that deal with Indians in business, education, or legal matters, the select committee's continuation is of utmost importance. For the non-Indian people who live on or near a reservation and for the States in Indian country the select committee's continuation is very important. For the Eastern and Southern States where Indian land claims have not been resolved the select committee's continuation is of great importance.

Mr. President, in the past 6 years, this committee has been the inspiration for the most thoughtful and responsible legislation on Indian matters in a very long time. After an energetic start that has led to the passage of more positive Indian legislation that this body has seen in decades, I firmly believe that the committee should continue to function in a permanent and stable manner without any question as to its future. I urge the Rules Committee to support this resolution and act on it as expeditiously as possible.

Mr. BAKER. Mr. President, I guess I am encouraged, so before there is an objection noted I wonder if the parties to this controversy might discuss it. I am prepared if they can reach an agreement to ask unanimous consent to proceed to the consideration of this matter with only one amendment in order and that amendment would be what the parties here can agree to.

So, if I may, unless there is some other matter to be dealt with at this moment, I will suggest the absence of a quorum and hope the parties will discuss it further.

Mr. BYRD. Mr. President, will the distinguished majority leader withhold his request.

Mr. BAKER. I will.

HAPPY BIRTHDAY, SENATOR STEVENS

Mr. BYRD. Mr. President, I want to remind our colleagues that this is an important day on the calendar. Sixty years ago today the distinguished majority whip was born. Today is Senator TED STEVENS' birthday.

I know that I speak for all of our colleagues in wishing Senator STEVENS a happy birthday and hoping for him many more birthdays in the years to come. Senator Stevens represents the largest State in area in the Union. As the majority whip, he plays an important role in the day to day operation of the Senate—a responsibility that he fulfills admirably and graciously. As a colleague and a friend, we have come to admire him for his fairness, his courage, his intelligence, and his grasp of great international and domestic issues. Senator STEVENS is a man of whom the people of Alaska and his colleagues in the Senate can be justly proud.

I join his friends all across America and throughout the Senate in wishing him a happy birthday, and in expressing to him my appreciation for his cooperation and courtesy in the years that we have served together in this distinguished body.

EXPRESSIONS OF THANKS AND APPRECIATION

Mr. BYRD. Mr. President, I think that this would be a good opportunity for me to say a few words that will not keep the Senate in late while Members are discussing an amendment.

To function well, any organization needs competent and dedicated people at every level. In order to enact good legislation, the Senate must be blessed not only by good Senators but with good staff assistants as well.

Senators in the 98th Congress were fortunate to have the assistance of a group of staff which disposes its responsibility cheerfully and competently.

As we end this first session of the 98th Congress on behalf of all my colleagues on this side of the aisle I wish to express appreciation to those staff people who are so dedicated, devoted, and untiring in their efforts to keep the wheels of the Senate turning.

I hesitate to start down the list by name, but I do wish to refer to some of these staff people and officers of the Senate by name.

So I wish to offer thanks on this side of the aisle for my colleagues and myself to Bill Hildenbrand, the Secretary of the Senate, and to his staff; to Larry Smith, the Sergeant at Arms and his staff; and to the Parliamentarian and the clerks who sit at the desk.

I wish to extend my thanks and our thanks to the Chaplain of the Senate, Dr. Halverson; to the pages, the doorkeepers, the security personnel; to Patrick Hynes and others on his staff in the Democratic cloakroom; and also to the people who sit at the tables here just in front of the majority leader and me—Howard Greene, John Tuck—I used to know a Governor Tuck of Virginia who served in the House of Representatives. I never asked John whether he was related to Governor Tuck or not. Perhaps I have not. That is an aside here.

I extend my thanks to Charles Kinney from Parkersburg, W. Va., and to Marty Paone, the newly married gentleman who sits at the desk in the well.

I save my deepest words of appreciation to the two ladies who sit at those tables. They are really phenomenal, phenomenal. I watched them here earlier today as I have watched them in past years, as all the pressures build up and so many Senators and Members of the House of Representatives and aides of Senators are calling on Elizabeth Baldwin and Abby Saffold. They are just absolutely fascinating ladies. They are always in the best of good nature and good humor. They accept their pressing responsibilities always in the finest spirit. We just simply could not do without them.

I think we selected two of the finest, in Abby and Elizabeth, the finest in the world for their very difficult jobs which require so much attention to detail, and they both have meticulously demonstrated that kind of ability and dedication.

Then, I would say, as I have mentioned the Secretary to the majority, I must also pay homage and my commendation to the Secretary to the minority, Patrick Griffin, and his fine staff.

And then there is the staff of the Democratic Policy Committee and the able director Robert Liberatore, and the able deputy director Dick McCall, who have worked closely with me and with other Democratic Senators as our scheduling and issues staff.

They help us by preparing summaries on legislation coming before the Senate, by recording our voting records, by helping us communicate with our constituents, and they staff our weekly caucuses and provide particularly important service to those of us who are in the minority in generating legislative initiatives.

I also wish to mention my leadership staff headed by Mrs. Barbara Videnieks who is my executive assistant, who works closely with me and in my leader's office and her staff who are well known to all Senators who visit my office. Barbara and her two assistants are hard working, pleasant, and do an excellent job of keeping my schedule and working with other Senators and the offices of other Senators.

There are hundreds of people who make the Senate run. We ought to remember also the restaurant workers who stay late at night when the Senate is in session; the maintenance workers, and many, many more. There is also the Capitol Physician, Dr. Cary and his staff.

Of course, the Deputy Sergeant at Arms is a lady, Mrs. Jeanine Drysdale-Lowe, who represents the minority as she works with the Sergeant at Arms Larry Smith. They work to provide the security necessary in these times and they work extremely well, particularly in light of recent events.

I also extend our thanks to Mr. G. Russell Walker, the Editor in Chief, Ms. Jeanie Bowles, the Assistant Editor, and all the Official Reporters of Debates, who are highly specialized and who often work for hours after we have closed the doors here. Long after the lights have gone off in the Chamber they are still at work.

I hope that if I have missed anyone, they will not feel that it was intentional. Certainly, it would be inadvertent.

I must mention those in the fourth estate who watch over us and help to keep us walking the straight and narrow path, representatives of the press and media.

I thank all of these fine people who have helped Mr. Baker and me and my colleagues to carry out our responsibilities.

I wish all of these people a wonderful Thanksgiving and cheerful Christmas season.

I should mention Mike Epstein who has been my extremely able representative of the Judiciary Committee staff.

Then I wish to thank all of my colleagues on both sides of the aisle. They are just great people and sometimes I guess they think that I do not do as well as I should, but they nevertheless are kind to overlook my shortcomings and it is a happy family, the Senate.

Mr. President, I also compliment the distinguished chief deputy whip and the deputy whips on this side of the aisle. The minority whip has been busy, of course, in connection with other matters, although he has been here a considerable part of the time. In his absence, the chief deputy whip (Mr. MATSUNAGA) and the other deputy whips have performed a very dutiful and fine job. I express my personal thanks to them.

It is a happy family, the Senate.

I have already spoken my fondness for the majority leader. I hope that he and his lovely wife have a good Thanksgiving, good Christmas—and I believe he has two grandchildren.

Mr. BAKER. Grandsons.

Mr. BYRD. Yes. He is proud of them. And as they grow older they will become more and more proud of their grandfather and their great grandfathers and other members of the Baker family who have served so ably in the Senate and House of Representatives.

So I hope everybody has a good Thanksgiving, good Christmas, and good rest and that we will come back in January ready to do business again. We all have a lot to be thankful for.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I am not as capable as the minority leader in delivering flowery speeches. But I want to say that which I have said before on the floor of the Senate, that I think the position of majority leader and the position of minority leader are two of the worst positions that our colleagues can give to any two men or women.

Because here we are at 9:30. The Senate is absolutely barren, with the exception of one Senator over there and a couple of others who are wandering around. But they are doing their job, passing bills which are every bit as important and effective as if there were great debate in connection with those bills.

Every morning they are here, the first ones; every evening they are here, the last ones. When we all go home and we are relaxing and sitting down for dinner, they are still on the floor of the U.S. Senate concerned about seeing that this body operates well.

I am very grateful to them. I say to both of them—because I think they do their jobs magnificently well—I do not think they could be any more attentive to their responsibilities than they are.

I think that every one of us in the Senate, rather than following the language of the minority leader, who just said that at times he may not do it as well as his colleagues think, I think we all respect him and believe in him and have a warm feeling toward him for being there constantly attentive, concerned, protecting the interests of this Senator and every other Senator who is a Member of this body.

And, in all fairness to the majority leader, there have been occasions when I wanted to be off the floor and I have asked the majority leader to protect my position and he has always indicated his willingness to do so. And I knew that his word was good.

With respect to the staff, you know, the majority leader and minority leader are the leaders of this body. So the people who work here give them a special kind of attention. And that is very understandable and that is the way it should be.

But the fact is that every Senator, every Senator, gets that kind of cooperation from the staff. And whether it is Abby or Charles or Marty or Liz or Bill or whomever it may be, with no exception, everybody tries to help the Senator when he is trying to do his job or she is trying to do her job.

I think we have a fantastic staff here—the fellows in the telephone room, Pat Griffin, and so many others that I will not try to enumerate each of their names, but I think we are indeed very fortunate.

I think the two leaders really—again, I repeat—have one rugged job. Everybody thinks it is great to be the majority leader or the minority leader. But I say to you, we are everlastingly grateful to you for seeing to it that this body functions as well as it does.

Mr. BAKER. Mr. President, I am grateful to the Senator from Ohio. It is a pleasure to work with him. He is my next-door neighbor, in the sense that the Capitol office is directly across the hall from my office. We frequently walk to the Chamber together and we frequently agree on issues; sometimes we do not. But I respect him and he contributes greatly to the Senate.

Mr. President, it would be redundant, indeed, for me to express my gratitude and admiration to and for the minority leader. But I want to say one thing, I feel a kinship to him in many ways, but never more than when he stumbled on a name or two.

Now, I want to tell a little story that really happened to me a long time ago that sort of illustrates why I am sympathetic.

First of all, Mr. President, I want it known that I have a terrible memory for names. I am awful. And that is not supposed to be true with politicians, but it is true with me, and I cannot help it.

To illustrate the point, my wife and I were in a receiving line once at a function in Tennessee. A lot of people came through. One particular person came through and I talked to him in an animated way. My wife turned to me and said, "I know why you didn't introduce me, you couldn't remember his name." And I said, "No, I couldn't remember your name." [Laughter.]

So I have a special sympathy for those who do not always instantly recall those names with which we are so familiar.

But, Mr. President, to make sure I did not mess up this time I asked my staff to write down their names. And I have it here.

My good friend John Tuck, whose name I probably would have remembered; might not have gotten Howard Greene or John Doney, but I know I would have gone on down the list.

And on the Democratic side, if it was limited to Marty and Abby and Charles, I would have been home free. But when I have to string it together, it overtakes these old synopses and cells, and I do not have a very good thing with names.

At this time of the year, it is always my pleasant duty to recognize the contribution that the staff has made to the operation of this body. And while they are too numerous to mention in their entirety, I would like to call the Senate's attention to some of those who make my job as majority leader, and the Senate's as a whole, a more pleasant and efficient place to work. And I also apologize to those whose names I may miss. They can be assured that I express my appreciation to them as well.

To the secretary for the majority, Howard Greene, to the assistant secretary, John Tuck, to Elizabeth Baldwin, to John Doney, to George Cartagena,

to Ann Haldeman, to Lynn Grant and Cynthia Oravecz, to Bob Dove and his parliamentarian staff, to Bill Farmer and Scott Bates, to Vince Del Balzo and the staff of the bill clerk's office, to Jim Thorndike and his assistant, Bill Lackey, to Fred Sparrow, the enrolling clerk, to Gerry Hackett, the executive clerk, to Russell Walker and all the Official Reporters who take down the voluminous words that we speak, and to the transcribers, to Jim Timberlake, the editor of the Daily Digest, to the doorkeepers, the pages, and to all the other people around the Capitol who assist us in so many ways, I express my appreciation and my wish to each of them for a very happy recess and holiday season.

Mr. President, I do not believe anyone would dispute—I know the minority leader would not—that this place would not function without that staff at these tables, as well as the staff in the cloakrooms and our friends the pages, who do an excellent job on both sides. They are unfailingly courteous; only occasionally knock over a glass of water, but they are very quick to try to clean it up.

Mr. President, it is a good family, as the minority leader said, and a hard-working family and a dedicated one.

But, Mr. President, it is late and I want to get on with the business at hand, which is to call the President of the United States and tell him we are ready to adjourn, which I will do shortly, and I intend to confer with my friends—they looked like a jury coming through the door. But I am advised the jury did not reach a verdict yet. So I want to talk to them for a minute.

Mr. BYRD. Mr. President, the majority leader spoke of his having forgotten his wife's name.

I think he was kind not to remember that several times I have come into this Chamber and said to him, "Hello, Robert."

Mr. BAKER. That is not so bad, because I get Bobby Baker's bills occasionally at my home. I wish he got some of mine.

Mr. BYRD. I thank the Senator from Ohio for his remarks.

Mr. Metzenbaum. Will the Senator yield for one question?

Mr. BAKER. Yes.

Mr. METZENBAUM. Mr. President, would the majority leader be good enough to indicate whether or not we have concluded the legislative agenda in toto, with the possible exception of the Indian Affairs Committee?

Mr. BAKER. Yes, Mr. President, we have. The leadership on this side does not intend to move a peg except for the adjournment resolution and hopefully a resolution to the Indian Affairs Committee problem.

Mr. METZENBAUM. On behalf of staff and this Senator, that is the nicest Christmas present you could have given us.

Mr. McCLURE. Will the Senator yield?

Mr. BAKER. Yes.

Mr. McCLURE. Mr. President, I have been sitting here somewhat bemused with the pace this evening. It is as though Members cannot tear themselves away.

I have been somewhat puzzled to know what the reason was. Then suddently it occurred to me. The debate really is not over the fate of the Select Committee on Indian Affairs, it grows out of the cynical appraisal with which some have viewed the majority leader's announcement when he said we would adjourn sine die on November 18.

I recall that there were one or two Members around here who responded in absolute disbelief, almost bordering on insolence, if I may say, in the expression of what they said about his predictions about when we would adjourn.

I even heard one Member say, "HOWARD BAKER, I have been here x number of years and every year you have told us when you were going to adjourn and you have never yet been right."

I think he pointed his finger in that conversation.

That Senator is on the floor tonight, and he is participating in this action tonight. I expect all he really has in mind is delaying us past the hour of midnight so he can say, "HOWARD BAKER, you have never been right."

Mr. GARN. That is not true. I am not delaying. [Laughter.]

Mr. BAKER. Mr. President, as someone was once heard to say, I have enjoyed all this I can stand.

Mr. President, I thank the distinguished Senator from Idaho.

I would now propose to pass the usual resolutions in connection with adjournment, and then before we do go out, I wish to confer with the principals involved in the Indian affairs controversy.

REPORT OF THE MAJORITY LEADER ON THE FIRST SESSION OF THE 98TH CONGRESS

Mr. BAKER. Mr. President, we stand today at the midpoint of the 98th Congress. Our first session is now complete, and the Senate has reason to be proud of the work we have done this year.

It was a year which saw us reform the social security system, enact a major jobs program, refine our strategic defense policy, rekindle a spirit of bipartisanship in our foreign relations, and establish a day of national tribute to a remarkable man and the civil rights movement he led.

The Senate also completed work on 11 of the 13 regular appropriations bills to provide funding for the Federal departments and agencies. This last achievement may seem to constitute only the routine performance of congressional duty, but it is an achievement that has eluded us too often in years past.

The committees of the Senate produced several other important legislative measures this year, as well, and these will be described in some detail later on.

Indeed, of the 568 bills brought to a vote in the Senate this year, 524 were enacted.

Yet, with all of this, we have just completed the shortest first session of Congress in 18 years. We have been in session 149 days and for almost exactly 1,000 hours in 1983.

While it may not have seemed that way during some late night and weekend sessions, as every shade of public opinion on dozens of controversial issues was aired on the Senate floor, this year has produced the most efficient session of Congress in recent memory.

It was never intended that the Congress, and more particularly the Senate, should be a model of governmental efficiency, and we have rarely been moved to make that claim. We do not make it today.

Still it should be said that we have done more important work in less time this year than most Congresses have done. I stress the word important because our total legislative output in 1983 has been spare by the standards of recent history. I believe the trend we have set this year is all to the good and ought to be encouraged and strengthened in years to come.

My colleagues will not despair in the news that they have only 1 year left to hear my sermon on the citizen legislature in this Chamber, but, while the opportunity still presents itself, the sermon will continue. I continue to believe we can do better by doing less.

I believe the Senate has sought much-needed remedy this year from a lingering case of legislative indigestion which comes from trying to do too much and doing it too long at a stretch.

We have begun this year to acknowledge in our deeds as well as our words that the American people suffer not from too little government but from too much. It is not a disgrace but a mark of distinction for us that this session of the Senate produced the smallest number of roll call votes in the past 14 years.

The laws we have passed have been, in the main, good laws of major moment. The laws we have not passed will, with rare exceptions, never be missed.

I am particularly pleased, Mr. President, that the Senate has distinguished itself this year by seeking and

finding bipartisan consensus on some of the most contentious issues of our time.

It is, I believe, a credit to all 100 Senators, to our committee chairmen and ranking members, to my colleagues in the party leadership on both sides of the aisle, and to the President of the United States that this attitude of cooperation should have been born anew in this year of special challenge.

We began the year trying to untie the Gordian knot of social security, and I for one predicted that it would be a tortuous process that might consume much of our time this year. It did not. A bipartisan Commission appointed by the President and ably chaired by the eminent economist Alan Greenspan produced some very good recommendations which the Congress in its wisdom quickly adopted.

The new year also found us laboring to put the unemployed laborers of America back to work. Again the spirit of bipartisanship infused our deliberations, and we enacted a major jobs program that both Republicans and Democrats could endorse with pride.

And the best jobs program of all—the program of reduced inflation, reduced interest rates and reduced taxes which the Congress had set in motion at the President's request 2 years ago—took hold dramatically this year and has put nearly 3 million people back to work in the past 12 months.

In the field of foreign affairs, the bipartisan spirit was equally strong. A bipartisan Commission on Strategic Forces, appointed by the President and chaired with distinction by Lt. Gen. Brent Scowcroft, reexamined the fundamentals of our nuclear arms policy and, in the course of that reexamination, recommended deployment of the MX missile. It recommended, as well, that we move to abandon the race to build ever-larger generations of multiple-warhead nuclear weapons, so as to save future generations of Americans from the fear and fearful costs of enormous nuclear arsenals.

The crisis in Lebanon this year led the Congress to adopt a War Powers Resolution which was the strongest bipartisan statement of American foreign policy in the last 30 years. It showed a strong Congress and a strong President working well together in the national interest.

While the national interest must always be paramount in our deliberations here, it must be said that this year was remarkable for the resolute refusal of Senators to stoop to demagoguery on issues of great importance or to seek political capital at the expense of the commonweal.

We could not have done what we did this year without that attitude of true statesmanship.

It must also be said, however, that Senators have made the most of every opportunity to join together in legislation issues that commonsense might suggest we keep asunder. We have sought all manner of curious legislative "vehicles" to carry our special causes forward, and none of these vehicles has been so small in comparison with its riders, nor so innocent in the midst of legislative iniquity, than the humble Olympic tariff bill.

This unpretentious measure was simply intended to permit free entry into the United States of the personal effects and equipment of athletes who will participate in the Olympic games in Los Angeles next year.

The bill sought to exempt from import duties the poles with which polevaulters will vault, the shoes with which runners will run, the weights which weightlifters will lift.

If ever there was a candidate for the unanimous consent calendar, the Olympic tariff bill was it. But on this last day of the first session, the Olympic tariff bill was still before us, having been grafted in the course of this year to tuition tax credit legislation, to budget rescission legislation, and in this lattermost day, to a delay in reporting of State and local tax refunds.

The fate of the Olympic tariff bill has shown in miserable microcosm that nothing has been simple in this session, but that at the end of the day, we have attended to the people's business with an especially potent and purposeful blend of lollygaggery and legerdemain.

In our inimitable way, we have given emergency assistance to the International Monetary Fund, passed a Caribbean Basin initiative, improved our dairy and tobacco programs, reformed and expanded the U.S. civil Rights Commission, endorsed a proposal for "building down" the global store of nuclear arms, established a national holiday in memory of the Reverend Dr. Martin Luther King, and given our advice and consent to dozens of executive appointments and international agreements.

All this in a 1,000 hours, according to our friends who keep this Résumé of Congressional Activity for the CONGRESSIONAL RECORD.

There is much yet for us to do in 1984, a year of high politics and low legislative expectations. I believe the Senate is prepared to prove its cynics wrong next year, to take constructive and even courageous action to reduce the budget deficit, reauthorize the clean water laws, rearrange the Nation's telephone system, revise the criminal code, revitalize math and science education, revisit banking deregulation, and more.

But not much more. The Senate has found that more is not always better, and we remain determined to serve the American people as best we can, even if that service requires our doing less.

In that spirit of common cause, and with my special thanks to every Member of this body for the talented service that each has rendered this year, I wish all of my colleagues, their families, and their staff members a most enjoyable holiday season, and I look forward to our reunion next January 23.

I ask unanimous consent that a summary of the Senate's major actions this year, as categorized by committee, be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

COMMITTEE SUMMARIES

AGRICULTURE

The Committee guided the enactment of several legislative items into law, including the Temporary Emergency Food Assistance Act of 1983, a program intended to distribute surplus commodities to needy Americans, and the Long Staple Cotton Act and the 1983 Tobacco Price Support Freeze, two bills designed to make those commodities more competitive on the world mark.

Additional Committee activity was directed to the passage and reporting of such items as the Dairy and Tobacco Adjustment Act of 1983, the Agricultural Export Equity and Market Expansion Act of 1983, the Aquaculture Authorization Act of 1983, the Highly Erodable Land Conservation Act of 1983, and the Native Latex Research and Target Price Freeze bill.

APPROPRIATIONS

The Committee reported to the Senate all 13 of the regular appropriations bills of which 10 will be enacted into law. Not since the first session of the 96th Congress have as many appropriations bills been signed into law.

The Committee has also guided Congressional approval of a major job stimulus initiative, two regular supplementals, and two continuing resolutions (including the first "clean" CR in recent memory).

ARMED SERVICES

The Department of Defense Authorization for fiscal year 1984, which consumed days and hours on the floor, was the result of long negotiations between the Congress and the Administration and between the House and the Senate. With the passage of this bill, Congress approved the remaining aspects of the strategic force modernization program.

In addition, the Committee reported and the Senate passed the Military Construction Authorization for 1984 and the Military Justice Act of 1984, which made significant revisions to the Uniform Code of Military Justice, including Supreme Court review of decisions of the Court of Military Appeals.

BANKING, HOUSING, AND URBAN AFFAIRS

With the passage of the Supplemental Conference Report yesterday, the Committee culminated its year-long effort on the International Monetary Fund and the fiscal year 1984 Housing Authorization (the first housing authorization bill in * * * years). That measure also included authorizations for the Export-Import Bank which helps U.S. companies compete overseas, and the Multi-National Development Bank Authorization.

The Committee reported, and the Senate passed, a major enhancement of the second-

ary markets for mortgages, thus making more funds available for housing construction.

The Committee also conducted extensive hearings on banking deregulation and the state of the banking industry to assess the impact of last year's major change in banking laws and to prepare for further banking legislation next year.

BUDGET

The Committee spearheaded this year's effort on reducing deficits through the adoption of an amended First Concurrent Budget Resolution which outlined the means to reduce the deficit by $120 Billion over the next three years. The Committee has also reported a reconciliation bill which contains just under $30 billion of those deficit reductions.

COMMERCE

The Committee guided Senate consideration of several major pieces of legislation this year including: the Ocean Shipping Act (the first major revision since 1960), the Cable Telecommunications Act (to facilitate cable franchising), the Aviation Drug Trafficking Control Act, and reauthorizations for NASA and NOAA.

The Committee also reported: the Universal Telephone Service Preservation Act (which helps protect local phone service), the FTC reauthorization, the Amtrak reauthorization, the Highway Safety Act, and the reauthorization for NSF.

ENERGY

The bulk of the Committee's business was directed to resolution of the natural gas issue. No less than 15 bills were introduced on that subject, including S. 1715, the primary committee decontrol vehicle. 29 days of mark-up and 8 days of hearings were held on that bill alone.

The Committee also reported S. 267, the coal slurry pipeline bill.

The Committee also produced legislation on other items such as dam safety, state wilderness, national trails and parks, and reclamation projects.

ENVIRONMENT AND PUBLIC WORKS

A major committee initiative this year was the reauthorization of the Clean Water Act. The committee has approved a measure that updates the nation's Clean Water law to respond to new information on the environmental impact of non-point source water pollution. The committee bill also makes needed changes in related regulatory and grant programs.

The committee also completed consideration of changes in the RCRA program. The bill tightens up existing procedure for the handling and disposal of toxic and hazardous wastes. The bill's provisions will enable EPA to more effectively deal with dangers posed by small amounts of pollutants that can cause long-term health and environmental damages.

FINANCE

The Committee had the task of formulating, reporting, and guiding passage of the recommendations of the Social Security Commission. This major reform legislation helps to insure the solvency of the Social Security system, on which 36 million people directly rely, until well into the next century.

The Committee also provided for the passage of two bills affecting Unemployment Compensation as well as the centerpiece of the Administration's Caribbean policy, the Caribbean Basin Initiative.

The Senate passed two other committee initiatives dealing with trade (the reciprocity bill) and inner city development (enterprise zones).

Measures pending further Senate consideration include tuition tax credits and legislation providing for women's equity in pension programs.

FOREIGN RELATIONS

The Committee initiated a nuclear buildown proposal for strategic arms control that is now incorporated in the negotiations with the Soviet Union. This proposal was essential to winning Congressional approval of further M-X development.

The Committee was also instrumental in the passage of the Lebanon-Multinational Force Authorization which approves the continued presence of Marines in Lebanon and prevented a major confrontation with the Administration over the War Powers Act.

The Committee also reported and aided Senate consideration of the State Department Authorization, the Lebanon Relief Act, Radio Broadcasting to Cuba, and the International Monetary Fund.

GOVERNMENTAL AFFAIRS

One of the committee's primary initiatives dealt with the Administration's proposed reorganization of those offices dealing with trade issues. After numerous hearings and mark-up sessions, the Committee reported S. 121, the Trade Department Reorganization Act.

The Committee also considered legislation dealing with government-wide issues including: Federal procurement policy, uniform financial auditing act which streamlines requirements for state and local governments, the Citizens' Commission for a More Effective Government, and enhancing competiton in contracting for Federal procurement.

JUDICIARY

The Committee guided Senate passage of two major reform bills: Immigration reform which deals with the problem of illegal aliens, and, Bankruptcy and Court Reforms to clarify the constitutionality of the bankruptcy courts and provide substantive changes in bankruptcy procedure.

The Committee has also reported to the Senate: major reforms in the criminal code to address the problems of violent crime and drug trafficking, Constitutional amendments dealing with abortion and prayer in schools, and revisions in the Freedom of Information Act.

Three items within the Committee's jurisdiction, the Martin Luther King holiday, reauthorization of the Civil Rights Commission, and regulatory reform, were held on the calendar for expeditious floor action.

LABOR AND HUMAN RESOURCES

The Committee guided the passage (by a vote of 75-0) of the Labor Management Racketeering Act to protect unions and their pension plans. The Senate has also passed bills within the Committee's jurisdiction dealing with health promotion and disease prevention and rehabilitation and education of the handicapped.

The Committee has reported legislation dealing with: the dissemination of information on dependent care facilities for children and the elderly, the improvement of math and science education, home health care, and the increase in poverty among single women.

RULES AND ADMINISTRATION

The Committee reported out S. Res. 66, an amendment to the Senate Rules which would allow and provide for the televising of Senate proceedings in a manner similar to that currently practiced in the House of Representatives.

Additional Committee work included the formulation of Senate Committee budgets along lines allowing for only modest percentage increases which still maintain costs at levels below those of 1980, and the Committee undertook the largest logistical shift in Senate history by administering the movement of 50 Senators' offices into the new Hart Senate Office Building. Also approved by the Committee was authority for the procurement of more sophisticated computer and word processing equipment for all Senators' offices.

SMALL BUSINESS

The Committee guided the enactment of the Commerce Business Daily Act, a procurement bill giving businesses noticers of opportunities to bid on government contracts, as well as the 8(a) pilot procurement program enhancing minority firm competetion in high tech federal procurement.

Additional committee work included the fiscal year 1984 reauthorizations for programs within committee jurisdiction as well as the Small Business Development Center Act which promotes the use of private capital in small business development and provides nation-wide management assistance.

VETERANS' AFFAIRS

The Committee guided the enactment of the Emergency Veterans Job Training Act.

The Committee provided for the passage of the Veterans Health Care Amendments of 1983, as well as a bill providing for the judicial review of Veterans Administration decisions. Additional legislation which would provide for a 3.5 percent cost of living adjustment for service disabled veterans, the Veterans Compensation and Program Improvement Amendments of 1983 was passed.

AUTHORIZING THE PRESIDENT OF THE SENATE AND THE PRESIDENT PRO TEMPORE OF THE SENATE TO SIGN ENROLLED BILLS AND RESOLUTIONS

Mr. BAKER. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The resolution (S. Res. 298) was read, considered by unanimous consent, and agreed to as follows:

S. RES. 298

Resolved, That notwithstanding the sine die adjournment of the two Houses, the President of the Senate and the President of the Senate pro tempore be, and they are hereby, authorized to sign enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

TENDERING THE THANKS OF THE SENATE TO THE VICE PRESIDENT AND PRESIDENT OF THE SENATE

Mr. BAKER. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The resolution (S. Res. 299) was read, considered by unanimous consent, and agreed to as follows:

S. RES. 299

Resolved, That the thanks of the Senate are hereby tendered to the Honorable George H. W. Bush, Vice President of the United States and President of the Senate, for the courteous, dignified, and impartial manner in which he has presided over its deliberations during the first session of the Ninety-eighth Congress.

TENDERING THE THANKS OF THE SENATE TO THE PRESIDENT PRO TEMPORE

Mr. BYRD. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The resolution (S. Res. 300) was read, considered by unanimous consent, and agreed to as follows:

S. RES. 300

Resolved, That the thanks of the Senate are hereby tendered to the Honorable Strom Thurmond, President pro tempore of the Senate, for the courteous, dignified, and impartial manner in which he has presided over its deliberations during the first session of the Ninety-eighth Congress.

AUTHORIZING THE PRESIDENT OF THE SENATE AND THE PRESIDENT PRO TEMPORE TO MAKE CERTAIN APPOINTMENTS AFTER THE SINE DIE ADJOURNMENT OF THE PRESENT SESSION

Mr. BYRD. Mr. President, I send a second resolution to the desk and ask for its immediate consideration.

The resolution (S. Res. 301) was read, considered by unanimous consent, and agreed to as follows:

S. RES. 301

Resolved, That notwithstanding the sine die adjournment of the present session of the Congress, the President of the Senate and the President of the Senate pro tempore be, and they are hereby, authorized to make appointments to commissions or committees authorized by law, by concurrent action of the two Houses, or by order of the Senate.

APPOINTING A COMMITTEE TO NOTIFY THE PRESIDENT CONCERNING THE PROPOSED ADJOURNMENT OF THE SESSION

Mr. BAKER. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The resolution (S. Res. 302) was read, considered by unanimous consent, and agreed to as follows:

S. RES. 302

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join a similar committee of the House of Representatives to notify the President of the United States that the two Houses have completed their business of the session and are ready to adjourn unless he has some further communication to make to them.

The PRESIDING OFFICER. Pursuant to the resolution just agreed to, the Chair appoints the majority and minority leaders as members of the committee to inform the President of the United States that the two Houses have completed their business of the session and are ready to adjourn unless he has some further communication to make to them.

AUTHORITY FOR CERTAIN ACTION DURING SINE DIE ADJOURNMENT AND UPON RECONVENING OF THE SENATE

Mr. BAKER. Mr. President, I ask unanimous consent that during the sine die adjournment of the Senate, messages from the President of the United States and the House of Representatives may be received by the Secretary of the Senate and appropriately referred, and that the Vice President, President pro tempore, and acting President pro tempore, may be authorized to sign duly enrolled bills and joint resolutions.

I further ask unanimous consent that during the adjournment of the Senate, committees may be authorized to file reports on Wednesday, December 14, between the hours of 9 a.m. and 3 p.m.

Finally, I ask unanimous consent that when the Senate reconvenes, the reading of the Journal be dispensed with, no resolutions come over under the rule, the call of the calendar be dispensed with, and following the recognition of the two leaders under the standing order, there be a period for the transaction of routine morning business not to exceed 1 hour in length with Senators permitted to speak therein for not more than 10 minutes each; provided further that the morning hour be deemed to have expired.

The PRESIDING OFFICER. Without objection, it is so ordered.

A GRATIFYING AND HARD-WON ACHIEVEMENT

Mr. McCLURE. Mr. President, just a moment ago I spoke rather facetiously of the motivation that may have led to our discussion this evening.

On a more serious note, I want to compliment the majority leader because I think this is the first time in many years, the first in an off year, that we have managed to complete our business this soon. And, second, perhaps the first time in the memory of any living man, including STROM THURMOND, that we have actually gotten done on the date the majority leader said we would.

There have been a lot of well-deserved eulogies and tributes paid to the leadership of the Senate on both sides of the aisle this evening, but I think there can be no more well-deserved tribute than simply saying HOWARD BAKER said we would do it and we did it.

It is an extremely gratifying and hard-won achievement which I think every Member, and indeed every citizen of the United States, admires.

Mr. LONG. Will the Senator yield?

Mr. McCLURE. I am happy to yield.

Mr. LONG. To the best of my memory it has never happened. This Senator from Louisiana has been here for 35 years and I can never recall a time that we got out of here when the joint leadership said we would get out. I am tempted to say, do not believe any of them. They are never able to deliver. Do not make any plans to do something the day we are supposed to adjourn because it will not happen on that day.

If I do say it, this is a historic occasion, that we actually will adjourn on the day the majority leader said. That is, if we make it.

Mr. McCLURE. The Senator is correct. I appreciate his comments.

Mr. President, I think you also have to recognize a great many Members of the Senate cooperated to make that possible, a great many Members gave up the opportunity to press a point, to raise an issue, to offer an amendment, to try to get a bill forward. But, again, that is a tribute to the leadership on both sides of the aisle that those Members, because of the persuasion of the majority leader and the minority leader on the other side of the aisle, being able to persuade Members to put aside those priorities of their own for the collective good of this body and to make good on the promise that HOWARD BAKER made.

Again I commend the distinguished majority leader.

Mr. BAKER. I thank the Senator, and I thank the Senator from Louisiana.

Now, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I expect that we shall be able to resolve the Indian Affairs matter as soon as certain language is prepared to accomplish that, which will be shortly. Meanwhile, the minority leader and I shall take our leave from the Chamber to perform duties enjoined on us by a resolution adopted with respect to informing the President of the United States.

In the meantime, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TEMPORARY SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. BAKER. Mr. President, the last piece of business this session is this disposition of the Indian Affairs Committee. I report to the Senate that the parties could not agree on a method for handling S. Res. 127. Therefore, an alternative proposal has been arrived at and agreed to. I shall now put a unanimous-consent agreement which I shall submit to the minority leader which will have the effect of leaving the original resolution (S. Res. 523) on the calendar but will provide for the continuation of the Indian Affairs Committee with all of its jurisdictional responsibilities until July 1, 1984.

Now, Mr. President, I ask unanimous consent that notwithstanding the provisions of Senate Resolution 4 of the 95th Congress, as amended, the Temporary Select Committee on Indian Affairs shall continue to exist until July 1, 1984.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BAKER. May I further say, Mr. President, that this is not the end of the matter. As I indicated to a number of Senators in our informal conference on the floor a moment ago, it will be the intention of the leadership on this side to proceed to this resolution or another resolution if it is mutually agreeable so that a more permanent disposition of this matter can be undertaken in the early months of the next session.

Mr. MELCHER. Will the majority leader yield to me?

Mr. BAKER. Yes, I yield.

Mr. MELCHER. Mr. President, I appreciate the remarks of the majority leader, and I feel that under the circumstances at this hour this is the best solution because it will delay the debate on the matter until there is time to do so and everybody's rights are protected and the full Senate is here.

REPORT OF COMMITTEE TO NOTIFY THE PRESIDENT

Mr. BAKER. Mr. President, I wish to report that obedient to the resolution adopted by the Senate, the distinguished minority leader and I as a committee on behalf of the Senate did call the President of the United States by telephone to advise him that we have completed our business and stand ready to adjourn sine die unless he has other business to ask us to transact.

The President indicated that he had no further request to make of the Congress. He wished the Senate well and a happy holiday season. He expressed his delight that we had completed a good schedule of work this year. As he put it, "We won some and lost some." He especially was pleased by the bipartisan approach to many important issues in the course of this year.

Mr. President, I yield to the minority leader.

Mr. BYRD. Mr. President, I have nothing to add, the majority leader having expressed with great accuracy the discussions with the President.

ADJOURNMENT SINE DIE

Mr. BAKER. Mr. President, I know the minority leader knows this, but in a moment we are about to perform one of our regular rituals, and that is, I believe almost without exception, when each session has begun, no matter how controversial the issues may be or the heat of the tempers may be during the day, we have begun it with a handshake and we end it that way.

Therefore, Mr. President, in preparation for that event, I move, in accordance with the provisions of House Concurrent Resolution 221, that the Senate stand in adjournment until January 23, 1984, at 12 noon.

The motion was agreed to, and at 10:04 p.m., the Senate adjourned sine die.

NOMINATIONS

Executive nominations received by the Senate November 18, 1983:

UNITED NATIONS

The following-named persons to be Representatives and Alternate Representatives of the United States of America to the 22d Session of the General Conference of the United Nations Educational, Scientific, and Cultural Organization.

REPRESENTATIVES

Jean Broward Shevlin Gerard, of New York.
Tirso Del Junco, of California.
Helen Marie Taylor, of Virginia.
Charles Z. Wick, of California.

ALTERNATE REPRESENTATIVES

Elliott Abrams, of the District of Columbia.
Frederick W. M. Guardabassi of Florida.
Joseph Carlton Petrone of Iowa.

NATIONAL COUNCIL ON THE HANDICAPPED

The following-named persons to be members of the National Council on the Handicapped for terms expiring September 17, 1986:

H. Latham Breunig, of New York (reappointment).
Michael Marge, of New York (reappointment).
Sandra Swift Parrino, of New York (reappointment).
Alvis Kent Waldrep, Jr., of Texas (reappointment).

EXPORT-IMPORT BANK OF THE UNITED STATES

John A. Bohn, Jr., of California, to be First Vice President of the Export-Import Bank of the United States, vice Charles Edwin Lord, resigned.

POSTAL RATE COMMISSION

Simeon Miller Bright, of West Virginia, to be a Commissioner of the Postal Rate Commission for the term expiring November 22, 1988 (reappointment).

U.S. ADVISORY COMMISSION ON PUBLIC DIPLOMACY

Priscilla L. Buckley, of Connecticut, to be a Member of the U.S. Advisory Commission on Public Diplomacy for a term expiring July 1, 1986, vice Leonard Silverstein, term expired.

U.S. POSTAL SERVICE

Ruth O. Peters, of Virginia, to be a Governor of the U.S. Postal Service for the remainder of the term expiring December 8, 1987, vice Paula D. Hughes, resigned.

IN THE FOREIGN SERVICE

The following-named career members of the Senior Foreign Service of the Agency for International Development for promotion in the Senior Foreign Service to the classes indicated:

Career members of the Senior Foreign Service of the United States of America, class of Career Minister:

Philip Birnbaum, of Maryland.
Irvin D. Coker, Maryland.
Donor M. Lion, of Virginia.
Leonard Yaeger, of the District of Columbia.

Career members of the Senior Foreign Service of the United States of America, class of Minister-Counselor:

Dennis P. Barrett, of Washington.
Martin Victor Dagata, of Maryland.
Robert Halligan, of Virginia.
Harlan Haines Hobgood, of Virginia.
Mary C. Kilgour, of Virginia.
Emerson Melaven, of Vermont.
Richard Charles Meyer, of the District of Columbia.
Arthur Mudge, of New Hampshire.
James A. Norris, of California.
Lois C. Richards, of Washington.
John A. Sanbrailo of California.

The following-named career members of the Foreign Service of the Agency for International Development for promotion into the Senior Foreign Service to the class indicated, and also for the other appointments indicated herewith:

Career members of the Senior Foreign Service of the United States of America, class of Minister-Counselor, and consular officers and secretaries in the Diplomatic Service of the United States of America:

William Anthony Sigler, of Virginia.
Gerald H. Zarr, of Maine.

Career members of the Senior Foreign Service of the United States of America, class of counselor, and counsular officers and secretaries in the Diplomatic Service of the United States of America:

John S. Balis, of Virginia.
Janet C. Ballantyne, of California.
John Stuart Blackton, of California.
Terrence J. Brown, of Virginia.
George Carner, of California.
Richard A. Cobb, of Florida.
Harold S. Daveler, of Pennsylvania.
Garber A. Davidson, Jr., of Maryland.
James Patrick Donnelly, of Florida.
B. Loc Eckersley, of Pennsylvania.
Stanley D. Handleman, of the District of Columbia.

Lawrence R. Hausman, of California.
Pamela B. Hussey, of California.
Michael Richard Jordan, of Virginia.
James Dellar Kraus, of Virginia.
Owen J. Lustig, of Indiana.
Roderick Fraser MacDonald, of Virginia.
Mark S. Matthews, of Florida.
William A. Meeks, of Virginia.
Ronald Lemoin Nicholson, of Virginia.
Carol A. Peasley, of California.
Richard J. Peters, of California.
John Daniel Pielemeier, of Indiana.
Robert S. Queener, of Maryland.
John Edward Roberts, of Colorado.
Steven William Sinding, of New Jersey.
Jesse L. Snyder, of California.
Thomas W. Stukel, of Virginia.
Charles E. Vann, of Florida.
Ronald Allen Witherell, of Connecticut.

IN THE PUBLIC HEALTH SERVICE

The following candidates for personnel action in the regular corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

1. For appointment:

To be assistant surgeon

Karen C. Carlson
Sevasti J. Dames
Arthur J. French III
Sandra L. Kweder
Mary A. Powers
Roger D. Prock

The following candidates for personnel action in the regular corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

1. For permanent promotion:

To be medical director

William P. Castelli
Dorynne J. Czechowicz
Laurence S. Farer
Clyde W. Farson
William T. Friedewald
Elba J. Garcia
Ralph H. Henderson
King K. Holmes
Luverne A. Husen
Donald R. Jasinski
Audrey F. Manley
Harold D. McDonald
Gary R. Noble
Robert H. Purcell
Robert F. Read
Kenneth C. Schneider
Benjamin C. Young, Jr.

To be senior surgeon

Myron J. Adams, Jr.
Gerald L. Brown
Mitchell H. Gail
Lillian Gavrilovich
James Giliam, Jr.
Gary Herschel Harding
Charles L. Hostetter
Stephen F. Jencks
John A. Knight, Jr.
Oliver M. Korshin
David L. Levin
Dolores Y. Loew
Osamu H. Matsutani
Lawrence W. Osborn
Kenneth M. Petersen

To be surgeon

William D. Brown
Vern W. Harpole
Stephen P. Heyse
Thomas M. Kessler
Philip D. Noguchi
Richard K. Rudy
Loren A. Zech

To be senior assistant surgeon

Edgar R. Cordivin

To be assistant surgeon

David W. Anderson

To be dental director

Thomas L. Austin
Louis F. Cannavale
William S. Driscoll
John Folio
James E. Standifer
Richard G. Weaver
Richard L. Webber

To be senior dental surgeon

Lynn J. Brown
Donald P. Butler
David B. Jones
Gary A. Kellam
Clifford C. Scharke
Conrad A. Schwalm
William D. Straube

To be dental surgeon

Robert J. Allen
Robert A. Best
Harold A. Black
Martin R. Cirulis
Stephen B. Corbin
John G. Devine
Benjamin F. Howar
John H. Lee
Russell K. Lemack
Francisco L. San Miguel-Mendez
Jerome J. Savel
Robert H. Selwitz
Daniel L. Speth
Gordon H. Tong
Mary E. Tope
Allan D. Valentine

To be nurse director

Juanita M. Barkley
Alicia M. Blessington
Ray Cameron
Dorothy Delooff

To be senior nurse officer

Vivien M. Demarest
Jeanette M. Scheppan
Marilyn K. Vanderven

To be nurse officer

Marianne M. Davenport
Michael K. Fire
Doris C. Haak
Aleta J. Kessinger
Frank J. Lang
Lorraine A. Maciag
Billy J. Moore
Mary M. Shoultz

To be senior assistant nurse officer

Janice M. Carico
Roger A. Monson

To be engineer director

Robert L. Ajax
William E. Barkley
Peter Y. Bengtson
Denis E. Body
George A. Carson
John K. Carswell
Robert M. Clark
Ronald F. Coene
Charles F. Costa
R. Frank Grossman
Herbert F. Klein
Kenneth J. Kronoveter
Robert E. Landreth
Pong N. Lem
George B. Martin
Howard D. Metz
Thomas M. Moore
Allen H. Palmer
George L. Pettigrew
Charles R. Phillips
Maris Pubulis
Donald G. Remark
Stanley J. Reno
Marvin Rosenstein
Fred G. Rueter
John L. Russell
William J. Wandersee
James V. Waskiewicz
Richard F. Wromble

To be senior engineer officer

George E. Anderson
Ronald Kent Anderson
Charles R. Bowman
Keith E. Enders
Kenneth W. Grimley, Jr.
John L. Hankinson
Wayne R. Mathis
William A. Mullen III
Wayne R. Ott
Charles W. Whitmore

To be engineer officer

Paul S. Arell
William M. Burch
Victor N. Byerly
Terry L. Christensen
Alwin L. Dieffenbach
Douglas C. Jensen
Paul J. Liebendorfer
Laurence D. Reed
Cecil P. Roper, Jr.
Elliot A. Shefrin
Mark A. Werre
Gordon H. Wilcox

To be senior assistant engineer officer

James T. Sorensen

To be scientist director

John J. Bartko
Robert F. Clarke
Alfred Hellman
Eugene H. Herman
Barry L. Johnson
Pantelis G. Rentos
Norman L. Richards
Jonathan Roberts
Ralph E. Shuping
Joel M. Solomon

To be senior scientist

Melvyn R. Altman
Roger L. Anderson
William A. Betts
John P. Burke
Jerry L. Chandler
James M. Everts
Zorach R. Glaser
Bobby J. Gunter
James C. Hill
Arthur E. Lagace, Jr.
James F. McTigue
Harvey P. Stein
Michael Weisberg

To be scientist

Hugh J. Hansen
Howard W. Kroll
John H. Sammons

To be sanitarian director

Larry O. Garten
Edwin O. Goodman
James F. Lawler
James M. Stewart

To be senior sanitarian

Raymond D. Beaulieu
Lee A. Bland Jr.
Joseph E. Burrow, Jr.
Walter L. McPartlin
Michael A. Randolph
John C. Yashuk
Webster Young, Jr.

To be sanitarian

Darryl B. Barnett
Steven F. Cohen
Terrance B. Gratton
Kenneth W. Holt
Donald R. Tillery

To be veterinary director

Richard P. Bradbury
William F. Cornett III
Dennis O. Johnsen
Richard A. Mason
James D. Small

To be senior veterinary officer

Samuel R. Adams, Jr.

To be pharmacist director

Richard R. Ashbaugh
Robert L. Ashmore
Thomas S. Bozzo
Robert L. Childress
George E. Conley
Raymond J. Farkas
Paul T. Farrell
Daniel Hausman
Willima P. Heffernan
Walter Jakubowski
Michael J. Kopcho
Edward L. Kruger
John J. Miescier
Jeremiah R. Toomey
Leighton H. Tooms

To be senior pharmacist

Edgar H. Adams
James V. Anderson
Richard J. Bertin
Norman C. Dittman
Robert A. Epstein
Bobby L. Golden
Ronald W. Horloff
John F. Mays
Jimmy R. Mitchell
Francis X. O'Sullivan, Jr.
Ronald J. Pytel
Timothy F. Svoboda
Charles P. Veach
Donald G. Weinand

To be pharmacist

Thomas J. Ambrose
Mark D. Anderson
David Barash
Michael G. Beatrice
John A. Boren
Dennis C. Dahl
Robert Dechristoforo
James E. Edge
Steven C. Garrett
Terrance L. Green
Norman A. Hadd
Steven K. Halstead
Samuel M. Hope
Rolley E. Johnson
Delbert G. Martin
James A. May
Craig R. McCormack
Roger L. McGhee
Gregory G. Moeller
Karl O. Nease
Paul F. Nelson
Robbin M. Nighswander
Barry W. Nishikawa
Steven L. Pettitt
Thomas G. Rotella
Karl W. Schilling
William B. Sisco
William P. Sleasman
Franklin D. Stottlemyer
Frankie L. Sutton
Edward D. Westmoreland

To be senior assistant pharmacist

Robert W. Boyce
Mary B. Forbes
Yana R. Mille
David L. Rosen
Gergory D. Thomas

To be dietitian

Donald M. Patin
Janice M. Rary

To be senior assistant dietitian

Gloria J. Stables

To be therapist director

Neil O. Hartman
Robert N. Parrette
Dale E. Swett

To be senior therapist

Timothy V. Reyburn

To be therapist

William M. Brown
Francis W. Levy, Jr.

To be senior assistant therapist

Leopold R. Labranche
Charles L. McGarvey
Ivana R. Williams

To be health services director

Erich W. Bretthauer
Thomas R. Fewell
Neil S. Goldstein
Kenneth D. Howard
Walter Kelsey Hunter
Stanley J. Kissel, Jr.
Joseph Scotto
Robert F. Swiecicki
Elizabeth S. Trever

To be senior health services officer

Reuben A. Baybars
Norman E. Childs
Lila R. Davis
Kenneth R. Envall
Robert B. Faoro
Gerald L. Gels
Robert T. Handren, Jr.
John E. Hubbard
Philip W. McClain
Philip M. McClean
Louise A. Meister
James W. Rolofson

To be health services officer

Martin T. Abell
Donald J. Benchoff
Robert N. Burns
Randal D. Carter
William M. Chapin, Jr.
Norman E. Dodds
Joseph Garcia, Jr.
Daniel J. Gouvea
Earl H. Handwerker
Bryan D. Hardin
Thomas Loftus
Lee H. Loomis
John T. Miller, Jr.
Johnny R. Rainey
Jon M. Rasmussen
Carl D. Reed
Idelle P. Smith
Robert Soliz
Edwin S. Spirer
John D. Wells
Wilhelmina Wilson
Sherman H. Wooding

To be assistant health services officer

Patricia E. Brooks
Barry M. Goldberg
Wayne T. Sanderson

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a) title 10 of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. Paul W. Bishop, xxx-xx-xxxx
Maj. Charles A. Blair, xxx-xx-xxxx
Maj. Edmond W. Boenisch, Jr., xxx-xx-xxxx
Maj. Douglas Burnett, xxx-xx-xxxx
Maj. Thomas M. Cooper, xxx-xx-xxxx
Maj. Jesse M. Deal, xxx-xx-xxxx
Maj. Paul B. Hoar, xxx-xx-xxxx
Maj. Willie D. Kyzer, Jr., xxx-xx-xxxx
Maj. Sandle M. Mackelprang, xxx-xx-xxxx
Maj. Theodore F. Mallory III, xxx-xx-xxxx
Maj. Edgar C. Martin, xxx-xx-xxxx
Maj. John T. Murphy, xxx-xx-xxxx
Maj. Ezequiel L. Ortiz, xxx-xx-xxxx
Maj. Gary R. Painter, xxx-xx-xxxx
Maj. David H. Rhodes, xxx-xx-xxxx
Maj. Lawrence R. Rice, xxx-xx-xxxx
Maj. John E. Scanlon, Jr., xxx-xx-xxxx
Maj. James P. Schneider, xxx-xx-xxxx
Maj. Gary E. Stamper, xxx-xx-xxxx
Maj. Richard B. Thobe, xxx-xx-xxxx
Maj. Spence L. Wilson, xxx-xx-xxxx
Maj. Paul J. Yelle, xxx-xx-xxxx

LEGAL

Maj. Robert L. Farnette, xxx-xx-xxxx
Maj. James A. Peden, Jr., xxx-xx-xxxx

MEDICAL CORPS

Maj. John W. Brazer, xxx-xx-xxxx

BIOMEDICAL SCIENCE CORPS

Maj. Jacquelyn D. Reid, xxx-xx-xxxx

CONFIRMATIONS

Executive nominations confirmed by the Senate November 18, 1983:

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for appointment to the grade of rear admiral.

Frederick P. Schubert.
Richard A. Bauman.

CONSUMER PRODUCT SAFETY COMMISSION

Sandra Brown Armstrong, of California, to be a Commissioner of the Consumer Product Safety Commission for a term of 7 years from October 27, 1983.

SECURITIES AND EXCHANGE COMMISSION

Charles C. Cox, of Texas, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1988.

COMMUNICATIONS SATELLITE CORPORATION

Neal B. Freeman, of Virginia, to be a member of the Board of Directors of the Communications Satellite Corporation until the date of the annual meeting of the Corporation in 1985.

DEPARTMENT OF LABOR

David A. Zegeer, of Kentucky, to be Assistant Secretary of Labor for Mine Safety and Health.

DEPARTMENT OF TRANSPORTATION

Ralph Leslie Stanley, of Virginia, to be Urban Mass Transportation Administrator.

CORPORATION FOR PUBLIC BROADCASTING

James T. Hackett, of Virginia, to be a member of the Board of Directors of the Corporation for Public Broadcasting for the remainder of the term expiring March 1, 1984.

DEPARTMENT OF THE INTERIOR

William P. Clark, of California, to be Secretary of the Interior.

DEPARTMENT OF TRANSPORTATION

James L. Emery, of New York, to be Administrator of the St. Lawrence Seaway Development Corporation for a term of 7 years.

James H. Burnley IV, of North Carolina, to be Deputy Secretary of Transportation.

CORPORATION FOR PUBLIC BROADCASTING

Harry O'Connor, of California, to be a member of the Board of Directors of the Corporation for Public Broadcasting for the remainder of the term expiring March 26, 1986.

DEPARTMENT OF TRANSPORTATION

Mari Maseng, of South Carolina, to be an Assistant Secretary of Transportation.

DEPARTMENT OF COMMERCE

Kenneth S. George, of Texas, to be Director General of the United States and Foreign Commercial Services.

FEDERAL MARITIME COMMISSION

Thomas F. Moakley, of Virginia, to be a Federal Maritime Commissioner for the term expiring June 30, 1988.

DEPARTMENT OF STATE

James E. Goodby, of New Hampshire, a career member of the Senior Foreign Service, class of Minister-Counselor, for the rank of Ambassador during the tenure of his service as U.S. Representative to the Conference on Confidence on Security Building Measures and Disarmament in Europe.

Deane Roesch Hinton, of Illinois, a career member of the Senior Foreign Service, class of Career Minister, to be Ambassador Extroaordinary and Plenipotentiary of the United States of America to the Islamic Republic of Pakistan.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

MISSISSIPPI RIVER COMMISSION

Brig. Gen. Jerome Bernard Hilmes, xxx-xx-xxxx U.S. Army, to be a member of the Mississippi River Commission, under the provisions of section 2 of an act of Congress, approved June 28, 1879 (21 Stat. 37) (33 U.S.C. 642).

FEDERAL EMERGENCY MANAGEMENT AGENCY

Robert H. Morris, of Maryland, to be Deputy Director of the Federal Emergency Management Agency.

EXECUTIVE OFFICE OF THE PRESIDENT

William Louis Mills, of Tennessee, to be a member of the Council on Environmental Quality.

ENVIRONMENTAL PROTECTION AGENCY

Joseph A. Cannon, of Virginia, to be an Assistant Administrator of the Environmental Protection Agency.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Samuel W. Speck, Jr., of Ohio, to be an Associate Director of the Federal Emergency Management Agency.

ENVIRONMENTAL PROTECTION AGENCY

Bernard D. Goldstein, of New Jersey, to be an Assistant Administrator of the Environmental Protection Agency.

John Arthur Moore, of North Carolina, to be Assistant Administrator for Toxic Substances of the Environmental Protection Agency.

Milton Russell, of the District of Columbia, to be an Assistant Administrator of the Environmental Protection Agency.

DEPARTMENT OF DEFENSE

Michael Ira Burch, of Florida, to be an Assistant Secretary of Defense.

Francis Carter Coleman, of Florida, to be a Member of the Board of Regents of the Uniformed Services University of the Health Sciences for the term expiring May 1, 1989.

IN THE AIR FORCE

The following officers for appointment in the U.S. Air Force under provisions of section 624, title 10 of the United States Code:

To be major general

Brig. Gen. Donald O. Aldridge, xxx-xx-xxxx FR, Regular Air Force.
Brig. Gen. Thomas C. Brandt, xxx-xx-xxxx FR, Regular Air Force.
Brig. Gen. Aloysius G. Casey, xxx-xx-xxxx FR, Regular Air Force.
Brig. Gen. Lewis G. Curtis, xxx-xx-xxxx FR, Regular Air Force.
Brig. Gen. John J. Doran, Jr., xxx-xx-xxxx FR, Regular Air Force.
Brig. Gen. William L. Doyle, Jr., xxx-xx-xxxx FR, Regular Air Force.
Brig. Gen. Michael J. Dugan, xxx-xx-xxxx FR, Regular Air Force.
Brig. Gen. Archer L. Durham, xxx-xx-xxxx FR, Regular Air Force.
Brig. Gen. Eugene H. Fischer, xxx-xx-xxxx FR, Regular Air Force.
Brig. Gen. Charles R. Hamm, xxx-xx-xxxx FR, Regular Air Force.
Brig. Gen. Elbert E. Harbour, xxx-xx-xxxx FR, Regular Air Force.
Brig. Gen. Winfield S. Harpe, xxx-xx-xxxx FR, Regular Air Force.
Brig. Gen. Jerry D. Holmes, xxx-xx-xxxx FR, Regular Air Force.
Brig. Gen. Bradley C. Hosmer, xxx-xx-xxxx FR, Regular Air Force.
Brig. Gen. John P. Hyde, xxx-xx-xxxx FR, Regular Air Force.
Brig. Gen. Hansford T. Johnson, xxx-xx-xxxx FR, Regular Air Force.

Brig. Gen. Buford D. Lary, xxx-xx-xxxx xxx-... FR, Regular Air Force.
Brig. Gen. Michael A. Nelson, xxx-xx-x... xxx-... FR, Regular Air Force.
Brig. Gen. Robert B. Patterson, xxx-xx-xx... xxx-... FR, Regular Air Force.
Brig. Gen. Randall D. Peat, xxx-xx-xxxx xxx-... FR, Regular Air Force.
Brig. Gen. Leonard H. Perroots, xxx-xx-xx... xxx-... FR, Regular Air Force.
Brig. Gen. Clifford H. Rees, Jr., xxx-xx-xx... xxx-... FR, Regular Air Force.
Brig. Gen. Arthur J. Sachsel, xxx-xx-xxxx xxx-... FR, Regular Air Force, Dental Corps.
Brig. Gen. Ellie G. Shuler, Jr., xxx-xx-xxxx xxx-... FR, Regular Air Force.
Brig. Gen. Charles P. Skipton, xxx-xx-xxxx xxx-... FR, Regular Air Force.
Brig. Gen. Larry N. Tibbetts, xxx-xx-xxxx xxx-... FR, Regular Air Force.
Brig. Gen. Claudius E. Watts III, xxx-xx-x... xxx-... FR, Regular Air Force.
Brig. Gen. Gordon E. Williams, xxx-xx-xx... xxx-... FR, Regular Air Force.

IN THE AIR FORCE

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of Sections 593, 8218, 8373, and 8374, Title 10, United States Code:

To be major general

Brig. Gen. Carl D. Black, xxx-xx-xxxx FG, Air National Guard of the United States.
Brig. Gen. Harold G. Holesinger, xxx-xx-x... xxx-... FG, Air National Guard of the United States.
Brig. Gen. Charles A. Sams, xxx-xx-xxxx xxx-... FG, Air National Guard of the United States.
Brig. Gen. James D. Shepherd, xxx-xx-xxxx xxx-... FG, Air National Guard of the United States.

To be brigadier general

Col. Thornton E. Becklund, xxx-xx-xxxx xxx-... FG, Air National Guard of the United States.
Col. Boyce O. Cranford, xxx-xx-xxxx FG, Air National Guard of the United States.
Col. Donald J. David, xxx-xx-xxxx FG, Air National Guard of the United States.
Col. Frank E. Dougherty, Jr., xxx-xx-xxxx xxx-... FG, Air National Guard of the United States.
Col. Harold C. Earnhardt, xxx-xx-xxxx FG, Air National Guard of the United States.
Col. Dale F. Egide, xxx-xx-xxxx FG, Air National Guard of the United States.
Col. Cecil W. Greene, xxx-xx-xxxx FG, Air National Guard of the United States.
Col. James J. Hourin, xxx-xx-xxxx FG, Air National Guard of the United States.
Col. Hoyal B. Kye, xxx-xx-xxxx FG, Air National Guard of the United States.
Col. John N. Olson, xxx-xx-xxxx FG, Air National Guard of the United States.
Col. Robert E. Preston, xxx-xx-xxxx FG, Air National Guard of the United States.
Col. James R. Roberts, xxx-xx-xxxx FG, Air National Guard of the United States.
Col. William G. Work, xxx-xx-xxxx FG, Air National Guard of the United States.

IN THE FOREIGN SERVICE

The following-named career member of the Foreign Service of the Department of Agriculture for promotion into the Senior Foreign Service as indicated:

To be career member of the Senior Foreign Service of the United States of America, Class of Counselor:

Frank A. Padovano, of Virginia.

IN THE ARMY

Army nominations beginning Filippo A. Balboni, and ending Bernard Blanchard, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on November 4, 1983.

Army nominations beginning Tommy A. Clark, and ending Darryl A. Williams, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on November 4, 1983.

IN THE AIR FORCE

Air Force nominations beginning Albert L. Abernathy, and ending Jerry F. Thomas, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on November 16, 1983.

IN THE COAST GUARD

Coast Guard nominations beginning Frederick A. Kelley, and ending Jerry W. Siemiatkowski, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on October 18, 1983.

Coast Guard nominations beginning John R. Huddleston, and ending Terry M. Cross, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on November 16, 1983.

IN THE NAVY

Navy nominations beginning Alfredo Zamora Acosta, and ending James R. Smythe, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on November 16, 1983.

Navy nominations beginning Christopher E. Abbott, and ending George F. Worsham, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on November 16, 1983.

MESSAGES FROM THE HOUSE RECEIVED DURING THE ADJOURNMENT

ENROLLED BILL SIGNED

Under the authority of the order of the Senate of November 18, 1983 and the provisions of Senate Resolution 298, the Secretary of the Senate, on November 21, 1983, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bill:

H.R. 2915. An act to authorize appropriations for fiscal years 1984 and 1985 for the Department of State, the United States Information Agency, the Board for International Broadcasting, the Inter-American Foundation, and the Asian Foundation, to establish the National Endowment for Democracy, and for other purposes.

Under the authority of the order of the Senate of November 18, 1983 and the provisions of Senate Resolution 298, the President pro tempore (Mr. THURMOND) signed the enrolled bill on November 21, 1983, during the adjournment of the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Under the authority of the order of the Senate of November 18, 1983 and the provisions of Senate Resolution 298, the Secretary of the Senate, on November 22, 1983, during the adjournment of the Senate, received a message from the House of Representatives, announcing that the Speaker had signed the following enrolled bills and joint resolutions:

S. 577. An act to provide for the conveyance of certain Federal lands adjacent to Orchard and Lake Shore Drives, Lake Lowell, Boise project, Idaho;

S. 1046. An act to clarify the applicability of a provision of law regarding risk retention;

S. 1341. An act to revise and extend the Education of the Handicapped Act, and for other purposes;

S. 1503. An act to direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain land in the State of Delaware;

S. 1837. An act to designate the Federal Building in Seattle, Wash., as the "Henry M. Jackson Federal Building";

H.R. 724. An act for the relief of Carlos Mebrano Gatson;

H.R. 2196. An act to extend the authorization of appropriations of the National Historical Publications and Records Commission for 5 years;

H.R. 2293. An act to revise the authority and responsibility of the Office of Federal Procurement Policy, to authorize appropriations for the Office of Federal Procurement Policy for an additional 4 fiscal years, and for other purposes;

H.R. 2395. An act to extend the Wetlands Loan Act;

H.R. 2479. An act to amend the act of March 3, 1869, incorporating the Masonic Relief Association of the District of Columbia, now known as Acacia Mutual Life Insurance Co.;

H.R. 2785. An act to amend the provisions of the Federal Insecticide, Fungicide, and Rodenticide Act relating to the scientific advisory panel and to extend the authorization for appropriations for such act;

H.R. 2906. An act to amend the Arms Control and Disarmament Act in order to extend the authorization for appropriations;

H.R. 3385. An act to stabilize the supply and demand for dairy products, to make modifications in the tobacco production adjustment program, to provide emergency livestock feed assistance, and for other purposes;

H.R. 3765. An act to declare that the United States holds certain lands in trust for the Las Vegas Paiute Tribe;

H.R. 4252. An act to to suspend the noncash benefit requirement for the Puerto Rico nutrition assistance program, to provide States with greater flexibility in the administration of the food stamp program, and for other purposes;

H.R. 4294. An act to name the Veterans' Administration Medical Center in Altoona, Pa., the "James E. Van Zandt Veterans Administration Medical Center", and to name the Veterans' Administration Medical Center in Dublin, Ga., the "Carl Vinson Veterans' Administration Medical Center";

H.R. 4476. An act to extend the authorities under the Export Administration Act of 1979, and for other purposes;

H.J. Res. 311. Joint resolution to proclaim March 20, 1984, as "National Agriculture Day";

H.J. Res. 324. Joint resolution to designate the week beginning January 15, 1984, as "National Fetal Alcohol Syndrome Awareness Week";

H.J. Res. 381. Joint resolution to provide for appointment of Samuel Curtis Johnson as a citizen regent of the Board of Regents of the Smithsonian Institution;

H.J. Res. 405. Joint resolution to extend the term of the Presidential Commission for the German-American Tricentennial, and for other purposes; and

H.J. Res. 421. Joint resolution providing for the convening of the second session of the 98th Congress, and for other purposes.

Under the authority of the order of the Senate of November 18, 1983 and the provisions of Senate resolution 298, the Vice President signed the enrolled bills and joint resolutions on November 22, 1983, during the adjournment of the Senate.

ENROLLED BILLS SIGNED

Under the authority of the order of the Senate of November 18, 1983, and the provisions of Senate Resolution 298, the Secretary of the Senate, on November 29, 1983, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bills:

S. 505. An act to designate the Federal building to be constructed in Savannah, Ga., as the "Juliette Gordon Low Federal Building";

S. 589. An act to authorize $15,500,000 for capital improvement on Guam, and for other purposes;

S. 974. An act to amend chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), to improve the quality and efficiency of the military justice system, to revise the laws concerning review of courts martial, and for other purposes;

S. 1099. An act to consolidate and authorize certain marine fishery programs and functions of the National Oceanic and Atmospheric Administration under the Department of Commerce;

S. 2129. An act to provide revised reimbursement criteria for small rural health clinics utilizing National Health Service Corps personnel;

H.R. 1035. An act to make certain technical amendments to improve implementation of the Education Consolidation and Improvement Act of 1981, and for other purposes;

H.R. 2755. An act to authorize appropriations for the Federal Communications Commission for fiscal years 1984 and 1985, and for other purposes;

H.R. 2968. An act to authorize appropriations for fiscal year 1984 for intelligence and intelligence-related activities of the U.S. Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes;

H.R. 3959. An act making supplemental appropriations for the fiscal year ending September 30, 1984, and for other purposes; and

H.R. 4185. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1984, and for other purposes.

Under the authority of the order of the Senate of November 18, 1983 and the provisions of Senate Resolution 298, the Vice President signed the enrolled bills on November 29, 1983, during the adjournment of the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that he had presented to the President of the United States the following enrolled bills and joint resolutions:

On November 21, 1983:

S. 450. An act to amend title 39, United States Code, to strengthen the investigatory and enforcement powers of the Postal Service by authorizing certain inspection authority and by providing for civil penalties for violations of orders under section 3005 of such title (pertaining to schemes for obtaining money by false representations or lotteries), and for other purposes;

S. 577. An act to provide for the conveyance of certain Federal lands adjacent to Orchard and Lake Shore Drives, Lake Lowell, Boise Project, Idaho;

S. 726. An act to amend and extend the Tribally Controlled Community College Assistance Act of 1978, and for other purposes;

S. 1046. An act to clarify the applicability of a provision of law regarding risk retention;

S. 1341. An act to revise and extend the Education of the Handicapped Act, and for other purposes;

S. 1503. An act to direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain land in the State of Delaware;

S. 1837. An act to designate the Federal Building in Seattle, Wash., as the "Henry M. Jackson Federal Building";

S.J. Res. 141. Joint resolution to designate the week of December 4, 1983, through December 10, 1983, as "Carrier Alert Week";

S.J. Res. 44. Joint resolution to authorize the President to issue a proclamation designating the week beginning on March 11, 1984, as "National Surveyors Week";

S.J. Res. 111. Joint resolution expressing the sense of the Congress with respect to international efforts to further a resolution in child health; and

On November 29, 1983:

S. 505. An act to designate the Federal building to be constructed in Savannah, Ga., as the "Juliette Gordon Low Federal Building";

S. 589. An act to authorize $15,500,000 for capital improvement on Guam, and for other purposes;

S. 974. An act to amend chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), to improve the quality and efficiency of the military justice system, to revise the laws concerning review of courts-martial, and for other purposes;

S. 1099. An act to consolidate and authorize certain marine fishery programs and functions of the National Oceanic and Atmospheric Administration unde the Department of Commerce;

S. 2129. An act to provide revised reimbursement criteria for small rural health clinics utilizing National Health Service Corps personnel.

PRESIDENTIAL APPROVALS

A message from the President of the United States, received on December 12, 1983, announced that the President of the United States had approved and signed the following bills and joint resolutions:

On October 31, 1983:

S. 96. An act to establish the Lee Metcalf Wilderness and Management Area in the State of Montana, and for other purposes.

On November 1, 1983:

S.J. Res. 57. Joint resolution to designate the week of November 2, 1983, through November 9, 1983, as "National Drug Abuse Education Week"; and

S.J. Res. 189. Joint resolution extending the expiration date of the Export-Import Bank Act of 1945.

On November 3, 1983:

S.J. Res. 121. Joint resolution to designate November 1983 as National Diabetes Month.

On November 4, 1983:

S.J. Res. 45. Joint resolution designating the week of November 20, 1983, through November 26, 1983, as "National Family Week."

On November 7, 1983:

S. 552. An act to designate the Federal building in Fort Myers, Fla., as the "George W. Whitehurst Federal Building and U.S. Courthouse"; and

S. 1944. An act to allow the obsolete submarine U.S.S. *Albacore* to be transferred to the Portsmouth Submarine Memorial Association, Inc., before the expiration of the otherwise applicable 60-day congressional review period.

On November 11, 1983:

S. 461. An act to amend the Ethics in Government Act of 1978 to make certain changes in the authority of the Office of Government Ethics, and for other purposes.

On November 15, 1983:

S.J. Res. 122. Joint resolution to designate the week of November 27, 1983, through December 3, 1983, as "National Home Care Week."

On November 16, 1983:

S.J. Res. 188. Joint resolution to designate the month of November 1983, as "National Christmas Seal Month."

On November 16, 1983:

S. 448. An act to authorize rehabilitation of the Belle Fourche irrigation project, and for other purposes; and

S.J. Res. 92. Joint resolution designating the week beginning May 13, 1984, as "Municipal Clerk's Week."

On November 21, 1983:

S.J. Res. 139. Joint resolution to commemorate the centennial of Eleanor Roosevelt's birth.

On November 29, 1983:

S. 376. An act to amend the Debt Collection Act of 1982 to eliminate the requirement that contracts for collection services to recover indebtedness owed the United States be effective only to the extent and in the amount provided in advance appropriations acts;

S. 807. An act to amend the boundaries of the Cumberland Island National Lakeshore;

S. 1168. An act to declare that the United States holds certain lands in trust for the Kaw Tribe of Oklahoma; and

S. 1837. An act designate the Federal building in Seattle, Wash., as the "Henry M. Jackson Federal Building."

On November 30, 1983:

S. 450. An act to amend title 39, United States Code, to strengthen the investigatory and enforcement powers of the Postal Service by authorizing certain inspection and by providing for civil penalties for violations of orders under section 3005 of such title (pertaining to schemes for obtaining money by false representations or lotteries), and for other purposes;

S.J. Res. 44. Joint resolution to authorize the President to issue a proclamation desig-

nating the week beginning on March 11, 1984, as "National Surveyors Week"; and

S.J. Res. 141. Joint resolution to designate the week of December 4, 1983, through December 10, 1983, as "Carrier Alert Week."

On December 1, 1983:

S. 577. An act to provide for the conveyance of certain Federal lands adjacent to Orchard and Lake Shore Drives, Lake Lowell, Boise project, Idaho;

S. 726. An act to amend and extend the Tribally Controlled Community College Assistance Act of 1978, and for other purposes;

S. 1046. An act to clarify the applicability of a provision of law regarding risk retention;

S. 1503. An act to direct the Secretary of Agriculture to release on behalf of the United State a reversionary interest in certain land in the State of Delaware;

S. 2129. An act to provide revised reimbursement criteria for small rural health clinics utilizing National Health Service Corps personnel; and

S.J. Res. 111. Joint resolution expressing the sense of the Congress with respect to international efforts to further a revolution in child health.

On December 2, 1983:

S. 505. An act to designate the Federal building to be constructed in Savannah, Ga., as the "Juliette Gordon Low Federal Building"; and

S. 1341. An act to revise and extend the Education of the Handicapped Act, and for other purposes.

On December 6, 1983:

S. 974. An act to amend chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), to improve the quality and efficiency of the military justice system, to revise the laws concerning review of courts-martial, and for other purposes; and

S. 1099. An act to consolidate and authorize certain marine fishery programs and functions of the National Oceanic and Atmospheric Administration under the Department of Commerce.

On December 8, 1983:

S. 589. An act to authorize $15,500,000 for capital improvement projects on Guam, and for other purposes.

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce that the Senate Small Business Committee will hold a full committee oversight hearing on December 19, 1983, on "Federal Contracting Opportunities for Minority and Women Owned Businesses: An Examination of the 8(d) Subcontracting Program" in Tacoma, Wash. The hearing will be held in the Tacoma City Council chambers on the first floor of the Tacoma Municipal Building, 740 St. Helens Avenue, Tacoma. The hearing will begin at 10 a.m. For further information, please contact Bob Wilson of the committee staff at 224-2130.

Mr. President, I would like to announce that the Senate Small Business Committee will hold a full committee oversight hearing on December 21, 1983, on "Federal Contracting Opportunities for Minority and Women Owned Businesses: An Examination of the 8(d) Subcontracting Program" in Pasco, Wash. The hearing will be held in the auditorium of the Columbia Basin College, located at 2600 North 20th Avenue, Pasco. The hearing will begin at 9:30 a.m. For further information, please contact Bob Wilson of the committee staff at 224-2130.

Mr. President, I would like to announce that the Committee on Small Business will hold a full committee hearing in Oklahoma City, Okla., on January 17, 1984, to be chaired by Senator DON NICKLES. The purpose of the hearing is to receive testimony on the obstacles facing small business concerns attempting to compete for Federal procurement contracts.

In addition, testimony will be sought on the impact on small-business resulting from labor surplus area considerations in the award of contracts by the Department of Defense. The hearing will begin at 1 p.m. and be held in a location to be announced. For further information, please contact William B. Montalto, the committee's procurement policy counsel, at 224-3099.

On January 24, 1984, the full committee of the Senate Small Business Committee will hold a hearing on Federal antitrust enforcement and its impact on small business. The hearing will begin at 9:30 a.m. and will be held in room 428A of the Russell Senate Office Building. For further information, please contact Michael Morris, committee counsel, at 224-5175.

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FOR THE PERIOD FROM JULY 1 TO SEPT. 30, 1983

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Richard Spees:									
Japan	Yen	54,240	226.00					54,240	226.00
Korea	Won	226,107	291.00					266,107	291.00
Hong Kong	Hong Kong dollar	1,873.10	264.00					1,873.10	264.00
Philippines	Peso	1,650	150.00		150.00			1,650	300.00
Wayne Schroeder:									
West Germany	Deutsche mark	1,915	720.00					1,915	720.00
Belgium	Belgian franc	4,324	80.00					4,324	80.00
United States	Dollar				713.00				713.00
Senator Bob Kasten:									
Italy	Lire	305,550	194.00					305,550	194.00
Turkey	Turkish lire	34,815	232.10					34,815	232.10
Israel	Dollar		200.00						200.00
Egypt	Dollar		252.00						252.00
Morocco	Dollar		150.00						150.00
Spain	Peseta	11,325	75.00					11,325	75.00
United States	Dollar				3,931.00				3,931.00
James Bond:									
Italy	Lire	305,550	194.00					305,550	194.00
Turkey	Turkish lire	34,815	232.10					34,815	232.10
Israel	Dollar		200.00						200.00
Egypt	Dollar		252.00						252.00
Morocco	Dollar		150.00						150.00
Spain	Peseta	11,325	75.00						75.00
United States	Dollar				3,805.00				3,805.00
Jane McGhee:									
Italy	Lire	305,550	194.00					305,550	194.00
Turkey	Turkish lire	34,815	232.10					34,815	232.10
Israel	Dollar		200.00						200.00
Egypt	Dollar		252.00						252.00
Morocco	Dollar		150.00						150.00
Spain	Peseta	11,325	75.00					11,325	75.00
United States	Dollar				3,805.00				3,805.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FOR THE PERIOD FROM JULY 1 TO SEPT. 30, 1983—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Day Weitzman:									
Italy	Lire	305,550	194.00					305,550	194.00
Turkey	Turkey Lire	34,815	232.10					34,815	232.10
Israel	Dollar		200.00						200.00
Egypt	Dollar		252.00						252.00
Morocco	Dollar		150.00						150.00
Spain	Peseta	11,325	75.00					11,325	75.00
United States	Dollar				3,805.00				3,805.00
Dwight Dyer:									
Bahrain	Dinar	48,375	129.00					48,375	129.00
Oman	Rial	69,863	202.50					69,863	202.50
Egypt	Pound	470.40	420.00					470.40	420.00
United States	Dollar				4,731.00				4,731.00
Richard Ladd:									
Bahrain	Dinar	48,375	129.00						129.00
Oman	Rial	69,863	202.50					69,863	202.50
Egypt	Pound	470.40	420.00					470.40	420.00
United States	Dollar				4,731.00				4,731.00
Senator Warren Rudman:									
Japan	Yen	28,431	117.00			25,830	106.30	54,261	223.30
Philippines	Peso	1,652	150.00			1,426.44	129.50	3,079.44	279.50
Richard Collins:									
Mexico	Dollar		75.00						75.00
Guatemala	Dollar		75.00						75.00
El Salvador	Colon	888.75	169.30					888.75	169.30
Costa Rica	Colon	3,232.50	75.00						75.00
Cuba	Dollar		82.00						82.00
Panama	Dollar		80.00						80.00
Nicaragua	Dollar		75.00						75.00
Honduras	Dollar		164.00						164.00
Mike Walker:									
Mexico	Dollar		75.00						75.00
Guatemala	Dollar		75.00						75.00
El Salvador	Colon	888.75	190.00					888.75	190.00
Costa Rica	Colon	3,232.50	75.00					3,232.50	75.00
Cuba	Dollar		82.00						82.00
Panama	Dollar		80.00						80.00
Nicaragua	Dollar		75.00						75.00
Honduras	Dollar		164.00						164.00
James D. Bond:									
Honduras	Lempira	1,134	63.00					1,134	63.00
Nicaragua	Cordoba	1,180	42.90					1,180	42.90
Sean O'Keefe:									
Norway	Dollar		406.00						406.00
Germany	Dollar		400.00						400.00
Italy	Dollar		150.00						150.00
United Kingdom	Dollar		294.00						294.00
France	Dollar		100.00						100.00
Senator Mark O. Hatfield:									
Philippines	Dollar				3,281.00				3,281.00
Sweden	Dollar		73.00						73.00
Denmark	Dollar		225.00						225.00
Austria	Dollar		606.00						606.00
Switzerland	Dollar		246.00						246.00
Total			12,130.60		28,952.00		235.80		41,318.40

MARK O. HATFIELD,
Chairman, Oct. 18, 1983.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS, FOR TRAVEL FOR THE PERIOD FROM JULY 1 TO SEPT. 30, 1983

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Philip A. Sampson:									
Sweden	Kroner	3,362	432.00						432.00
United States	Dollars				1,913.00				1,913.00
Mary B. Dornemann:									
Sweden	Kroner	2,890	371.00						371.00
United States	Dollars				1,660.00				1,660.00
Claire S. Gilmer:									
Sweden	Kroner	2,800	360.00						360.00
United States	Dollars				1,660.00				1,660.00
W. Donald Campbell:									
Sweden	Kroner	4,202	540.00						540.00
United States	Dollars				1,687.00				1,687.00
Robert E. Malakoff:									
Sweden	Kroner	4,202	540.00						540.00
United States	Dollars				872.00				872.00
Total			2,243.00		7,792.00				10,035.00

JAKE GARN,
Chairman, Oct. 7, 1983.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES, FOR TRAVEL FOR THE PERIOD FROM JULY 1 TO SEPT. 30, 1983

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
David Garman:									
Canada	Canadian dollar		328.70		873.08				1,201.78
James P. Beirne:									
Philippines	Peso	1,650	150.00					1,650	150.00
Japan	Yen	84,591	351.00					84,591	351.00
D. Michael Harvey:									
Canada	Canadian dollar		558.00		671.01				1,229.01
Elizabeth A. Moler:									
Canada	"		538.93		671.01				1,209.94
James T. Bruce III:									
Sweden	Swedish Kroner	5,043.55	648.00		1,635.00	752.35	96.27	5,043.55	2,379.27
Benjamin S. Cooper									
Bermuda	Dollar		360.00		332.50				692.50
Roger A. Sindelar:									
Netherlands	Dutch guilder	1,634.45	546.00					1,634.45	546.00
Belgium	Belgium Franc	4,228	79.00	900	15.00			4,228	94.00
Ireland	Irish pound	159.66	190.00		1,710.00			159.66	1,900.00
Total			3,749.63		5,907.60		96.27		9,753.50

JAMES A. McCLURE,
Chairman, Nov. 8, 1983.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FOR THE PERIOD FROM JULY 1 TO SEPT. 30, 1983

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Alan Cranston:									
Venezuela	Bolivare	1,219.05	81.00					1,219.05	81.00
Colombia	Peso	6,880	86.00					6,880.00	86.00
Panama	Dollar		80.00						80.00
Mexico	Peso	22,140	150.00					22,140.	150.00
Jeffrey T. Bergner:									
Germany	Deutche mark	736.92	276.00					736.92	276.00
United States	Dollar				1,631.00				1,631.00
Geryld B. Christianson:									
Spain	Peseta	56,737	375.00					56,737	375.00
Amendment to 3d quarter 1982:									
Christopher Manion:									
Italy	Lira	495.204	348.00					495.204	348.00
United States	Dollar				235.30				235.30
Janice O'Connell:									
Poland	Zloty	7,700.50	79.65	8,040	83.17			15,740.5	162.82
Hungary	Florint	5,280.3	118.37					5,280.3	118.37
Yugoslavia	Dinar	22,718	225.00	3,584	35.49			26,302	260.49
Italy	Lira	471,420	291.00					471,420	291.00
United States	Dollar				2,072.00				2,072.00
Alison Rosenberg:									
Great Britain	Pound	140.25	212.00		951.00				1,163.00
Barry Sklar:									
El Salvador	Colon	1,185	300.00					1,185	300.00
Costa Rica	Colon	2,492	63.00					2,492	63.00
Nicaragua	Cordoba	1,640	164.00					1,640	164.00
Honduras	Lempira	567	312.00					567	312.00
United States	Dollar				862.00				862.00
Bulcsu Veress:									
Poland	Zloty	14,500.50	150.00	8,040	83.17			22,540.5	233.17
Hungary	Florint	6,780.30	152.00					6,780.3	152.00
Yugoslavia	Dinar	22,718	225.00	3,584	35.49			26,302	260.49
Italy	Lira	471,420	291.00					471,420	291.00
United States	Dollar				2,276.00				2,276.00
Gerald F. Warburg:									
Venezuela	Bolivare	1,219.05	81.00					1,219.05	81.00
Colombia	Peso	6,880	86.00					6,880	86.00
Panama	Dollar		80.00						80.00
Mexico	Peso	22,140	150.00					22,140	150.00
Amendment to 1st quarter 1983:									
Senator Nancy Kassebaum:									
South Africa	Rand	400.06	399.00					400.06	399.00
Lesotho	Maloti	39.75	37.50					39.75	37.50
Zimbabwe	Zimbabwe dollar	205.00	225.00					205	225.00
Zambia	Kwacha	55.78	48.33					55.78	48.33
United States	Dollar				3,397.00				3,397.00
Philip Christenson:									
South Africa	Rand	400.06	399.00					400.06	399.00
Lesotho	Maloti	39.75	37.50					39.75	37.50
Zimbabwe	Zimbabwe dollar	205	225.00					205	225.00
Zambia	Kwacha	58.78	48.33					55.78	48.33
Morocco			150.00						150.00
United States	Dollar				3,420.00				3,420.00
Total			5,945.68		15,081.62				21,027.30

CHARLES H. PERCY,
Chairman, Oct. 17, 1983.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON THE JUDICIARY, FOR TRAVEL FOR THE PERIOD FROM JULY 1 TO SEPT. 30, 1983

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Elizabeth Greenwood:									
Mexico	Peso	36,760	250.00		483.00			36,750	733.00
Jerry Tinker:									
Mexico	Peso		375.00		755.00				1,130.00
Senator Jeremiah Denton:									
Switzerland	Swiss franc	990.40	460.00					990.40	460.00
Federal Republic of Germany	Deutsche mark	1,275.68	476.00					1,275.68	476.00
United States	Dollar				1,823.00				1,823.00
Joel Lisker:									
Switzerland	Swiss franc	990.40	460.00					990.40	460.00
Federal Republic of Germany	Deutsche mark	1,275.68	476.00					1,275.68	476.00
United States	Dollar				1,823.00				1,823.00
Melissa A. Rodgers:									
Switzerland	Swiss franc	990.40	460.00					990.40	460.00
Federal Republic of Germany	Deutsche mark	1,275.68	476.00					1,275.68	476.00
United States	Dollar				1,823.00				1,823.00
Jerry M. Tinker:									
El Salvador	Colanne	1,481.25	375.00					1,481.25	375.00
Honduras	Limpera	608	304.00					608	304.00
Guatemala	Questa		150.00						150.00
United States	Dollar				756.74				756.74
Total			4,262.00		7,463.74				11,725.74

STROM THURMOND,
Chairman, Sept. 15, 1983.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE, FOR TRAVEL FOR THE PERIOD FROM JULY 1 TO SEPT. 30, 1983

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Charles Andreae			1,255.00		4,610.00				5,865.00
Larry Kettlewell			820.00		2,884.00				3,704.00
Daniel P. Finn			1,255.00		4,610.00				5,865.00
Robin Cleveland			820.00		2,884.00				3,704.00
Scott Harris			492.60		836.00				1,328.60
Stephen Ward			302.00						302.00
Senator Lloyd Bentsen			302.00						302.00
Thomas Connolly			564.00		1,812.00				2,376.00
Total			5,810.60		17,636.00				23,446.60

BARRY GOLDWATER,
Chairman, Oct. 15, 1983

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON LABOR AND HUMAN RESOURCES, FOR TRAVEL FOR THE PERIOD FROM APR. 1 TO JUNE 30, 1983

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Michael P. Pillsbury:									
United States	Dollar				4,021.00				4,021.00
Senegal	Franc	26,575	91.00					26,575	91.00
Liberia			92.00				10.00		102.00
Ivory Coast			98.00						98.00
Nigeria			231.00						231.00
Zaire	Zaires	2,334.50	426.00					2334.50	426.00
South Africa	Rand	315,79	300.00	414	385.02			315,79	685.02
Zimbabwe	Dollar	57.73	78.00					57.73	78.00
Kenya	Shilling	799,00	75.00					799,00	75.00
Ethiopia			93.75						93.75
The Sudan			119.00						119.00
China	Yuan	704,00	375.00					704,00	375.00
Japan	Yen	87,123	113.00					87,123	113.00
Pakistan			151.50						151.50
Total			2,243.25		4,406.02		10.00		6,659.27

ORRIN G. HATCH,
Chairman, Sept. 16, 1983.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON LABOR AND HUMAN RESOURCES, FOR TRAVEL FOR THE PERIOD FROM APR. 1 TO JUNE 30, 1983

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Michael P. Pillsbury:									
Saudi Arabia	Riyal	238.70	70.00					238.70	70.00
Bahrain	Dinar	46.125	123.00					46.125	123.00
Kuwait	Dinar	22.861	78.50					22.861	78.50
Yemen			210.00						210.00
Iraq			142.00						142.00
Jordan	Dinar	84.956	237.00					84.956	237.00
Pakistan			151.50						151.50
Switzerland	Franc		86.00						86.00
United States	Dollar				3,133.00				3,133.00
Switzerland	Swiss franc	366	172.00					366	172.00
United States	Dollar				1,678.00				1,678.00
West Germany	Deutsche mark	426.70	170.00					426.70	170.00
Austria	Swiss franc		106.00						106.00
Switzerland	Franc	947.05	344.00					947.05	344.00
Spain	Peseta	10,657	75.00					10,657	75.00
United States	Dollar				1,930.00				1,930.00
Total			1,965.00		6,741.00				8,706.00

ORRIN G. HATCH,
Chairman, Oct. 4, 1983.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON LABOR AND HUMAN RESOURCES,FOR TRAVEL FOR THE PERIOD FROM JULY 1 TO SEPT. 30, 1983

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Nabers Cabaniss:									
Switzerland	Franc	594.60	276.17					594.60	276.17
West Germany	Deutsche mark	473.59	176.70					473.59	176.70
United States	Dollar				1,823.00				1,823.00
Total			452.87		1,823.00				2,275.87

ORRIN G. HATCH,
Chairman, Oct. 3, 1983.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), CODEL LUGAR, FOR TRAVEL AUTHORIZED BY MAJORITY AND MINORITY LEADERS, FOR THE PERIOD FROM MAY 27 TO JUNE 5, 1983

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Richard Lugar:									
United Kingdom	Pound	123.10	196.00					123.10	196.00
Belgium	Belgian franc	8,240	166.00					8,240	166.00
Federal Republic of Germany	Deutsche mark	426.70	170.00					426.70	170.00
Italy	Lire	375,500	249.00					375,500	249.00
Senator Orrin Hatch:									
United Kingdom	Pound	123.10	196.00					123.10	196.00
Belgium	Belgian franc	8,240	166.00					8,240	166.00
Federal Republic of Germany	Deutsche mark	426.70	170.00					426.70	170.00
Italy	Lire	375,500	249.00					375,500	249.00
Senator Dennis DeConcini:									
United Kingdom	Pound	123.10	196.00					123.10	196.00
Belgium	Belgian franc	8,240	166.00					8,240	166.00
Federal Republic of Germany	Deutsche mark	426.70	170.00					426.70	170.00
Italy	Lire	375,500	249.00					375,500	249.00
Senator Paula Hawkins:									
Italy	Lire	250,328	166.00					250,328	166.00
Howard O. Greene:									
United Kingdom	Pound	123.10	196.00					123.10	196.00
Belgium	Belgian franc	8,240	166.00					8,240	166.00
Federal Republic of Germany	Deutsche mark	426.70	170.00					426.70	170.00
Italy	Lire	375,500	249.00					375,500	249.00
Patrick Griffin:									
United Kingdom	Pound	123.10	196.00					123.10	196.00
Belgium	Belgian franc	8,240	166.00					8,240	166.00
Federal Republic of Germany	Deutsche mark	426.70	170.00					426.70	170.00
Italy	Lire	375,500	249.00					375,500	249.00
Joanne P. Novins:									
United Kingdom	Pound	123.10	196.00					123.10	196.00
Belgium	Belgian franc	8,240	166.00					8,240	166.00
Federal Republic of Germany	Deutsche mark	426.70	170.00					426.70	170.00
Italy	Lire	375,500	249.00					375,500	249.00
Jeff Bergner:									
United Kingdom	Pound	123.10	196.00					123.10	196.00
Belgium	Belgian franc	8,240	166.00					8,240	166.00
Federal Republic of Germany	Deutsche mark	426.70	170.00					426.70	170.00
Italy	Lire	375,500	249.00					375,500	249.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), CODEL LUGAR, FOR TRAVEL AUTHORIZED BY MAJORITY AND MINORITY LEADERS, FOR THE PERIOD FROM MAY 27 TO JUNE 5, 1983—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Mark Helmke:									
United Kingdom	Pound	117.55	187.18					117.55	187.18
Belgium	Belgian franc	8,240	166.00					8,240	166.00
Federal Republic of Germany	Deutsche mark	426.70	170.00					426.70	170.00
Italy	Lire	375,500	249.00					375,500	249.00
Patrick Balestrieri:									
United Kingdom	Pound	123.10	196.00					123.10	196.00
Belgium	Belgian franc	8,240	166.00					8,240	166.00
Federal Republic of Germany	Deutsche mark	426.70	170.00					426.70	170.00
Italy	Lire	375,500	249.00					375,500	249.00
Yvonne Hopkins:									
United Kingdom	Pound	123.10	196.00					123.10	196.00
Belgium	Belgian franc	8,240	166.00					8,240	166.00
Federal Republic of Germany	Deutsche mark	426.70	170.00					426.70	170.00
Italy	Lire	375,500	249.00					375,500	249.00
Delegation expenses:									
Great Britain							3,260.32		3,260.32
Netherlands							1,387.50		1,387.50
Belgium							3,562.01		3,562.01
Federal Republic of Germany							2,549.50		2,549.50
Italy							4,035.70		4,035.70
Total			7,967.08				14,795.03		22,762.21

Note: Delegation expenses include direct payments and reimbursements to the State Department and the Defense Department under authority of sec. 502(b) of the Mutual Security Act of 1954, as amended by sec. 22 of P.L. 95–384, and S. Res. 179, agreed to May 25, 1977.

RICHARD LUGAR,
Chairman of Delegation, Oct. 25, 1983.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), AUTHORIZED BY MINORITY LEADER, FROM JULY 1 TO SEPT. 30, 1983

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Frank Kelly:									
Honduras	Lempira	450	225.00					1,450	225.00
El Salvador	Colon	888.75	225.00					888.75	225.00
Nicaragua	United States dollar		300.00						300.00
United States	Dollar				975.00				975.00
Stephen E. Ward:									
Honduras	Lempira	450	225.00					450	225.00
Nicaragua	Cordoba	2,250	225.00					2,250	225.00
El Salvador	Colon	888.75	225.00					888.75	225.00
United States	Dollar				975.00				975.00
Kenneth R. Kay:									
Honduras	Lempira	450	225.00					450	225.00
Nicaragua	Cordoba	2,250	225.00					2,250	225.00
El Salvador	Colon	888.75	225.00					888.75	225.00
United States	Dollar				975.00				975.00
J. Michael Willard:									
Honduras	Lempira	450	225.00					450	225.00
El Salvador	Colon	888.75	225.00					888.75	225.00
Nicaragua	United States Dollar		300.00						300.00
United States	Dollar				975.00				975.00
Richard McCall:									
Honduras	Lempira	450	225.00					450	225.00
El Salvador	Colon	888.75	225.00					888.75	225.00
Nicaragua	United States dollar		300.00						300.00
United States	Dollar				975.00				975.00
Charles R. D'Amato:									
Turkey	United States dollar		375.00						375.00
Greece	Drachma	13,611	150.00					13,611	150.00
Israel	United States dollar		600.00		2,188.00				2,788.00
United States	Dollar				2,549.00				2,549.00
Total			4,725.00		9,612.00				14,337.00

SENATOR ROBERT C. BYRD,
Democratic Leader, Nov. 16, 1983.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), CODEL PELL, FOR TRAVEL AUTHORIZED BY THE MINORITY LEADER FOR THE PERIOD FROM AUG. 15 TO AUG. 31, 1983

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Claiborne Pell:									
Finland	Finmark	1,103.6	192.00					1,103.6	192.00
U.S.S.R.	Ruble		877.00					877	877.00
Italy	Lire	152,872	97.00					152,872	97.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), CODEL PELL, FOR TRAVEL AUTHORIZED BY THE MINORITY LEADER FOR THE PERIOD FROM AUG. 15 TO AUG. 31, 1983—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Russell B. Long:									
Finland	Finmark	1,218.6	212.00					1,218.6	212.00
U.S.S.R.	Ruble		979.00						979.00
Italy	Lire	458,616	291.00					458,616	291.00
Senator Dale Bumpers:									
Finland	Finmark	1,218.6	212.00					1,218.6	212.00
U.S.S.R.	Ruble		979.00						979.00
Italy	Lire	458,616	291.00					458,616	291.00
Senator Patrick Leahy:									
Finland	Finmark	1,218.6	212.00					1,218.6	212.00
U.S.S.R.	Ruble		979.00						979.00
Italy	Lire	458,616	291.00					458,616	291.00
Senator Howard Metzenbaum:									
Finland	Finmark	1,218.6	212.00					1,218.6	212.00
U.S.S.R.	Ruble		979.00						979.00
Senator Donald Riegle:									
Finland	Finmark	1,218.6	212.00					1,218.6	212.00
U.S.S.R.	Ruble		979.00						979.00
Italy	Lire	458,616	291.00					458,616	291.00
Senator Paul Sarbanes:									
Finland	Finmark	1,218.6	212.00					1,218.6	212.00
U.S.S.R.	Ruble		979.00						979.00
Italy	Lire	458.616	291.00					458,616	291.00
Senator James Sasser:									
Finland	Finmark	1,218.6	212.00					1,218.6	212.00
U.S.S.R.	Ruble		979.00						979.00
Italy	Lire	458,616	291.00					458,616	291.00
Senator Dennis DeConcini:									
Finland	Finmark	1,218.6	212.00					1,218.6	212.00
U.S.S.R.	Ruble		178.00						178.00
United States	Dollar				1,941.00				1,941.00
Patrick Griffin:									
Finland	Finmark	1,218.6	212.00					1,218.6	212.00
U.S.S.R.	Ruble		979.00						979.00
Italy	Lire	458,616	291.00					458,616	291.00
John B. Ritch:									
Finland	Finmark	1,218.6	212.00					1,218.6	212.00
U.S.S.R.	Ruble		979.00						979.00
Italy	Lire	458,616	291.00					458,616	291.00
Geo. W. (Bill) Ashworth:									
Finland	Finmark	1,218.6	212.00					1,218.6	212.00
U.S.S.R.	Ruble		979.00						979.00
Italy	Lire	458,616	291.00					458,616	291.00
Eric Newsom:									
Finland	Finmark	1,218.6	212.00					1,218.6	212.00
U.S.S.R.	Ruble		979.00						979.00
Italy	Lire	458,616	291.00					458,616	291.00
Jan Novins:									
Finland	Finmark		1,335.00						1,335.00
U.S.S.R.	Ruble	458,616	291.00					458,616	291.00
United States	Dollar				950.00				950.00
Jeanine Drysdale-Lowe:									
Finland	Finmark		1,335.00						1,335.00
U.S.S.R.	Ruble	458,616	291.00					458,616	291.00
United States	Dollar				950.00				950.00
Jan Demers:									
Finland	Finmark		1,335.00						1,335.00
U.S.S.R.	Ruble	458,616	291.00					458,616	291.00
United States	Dollar				950.00				950.00
Delegation expenses:									
Finland	Finmark						4,448.87		4,448.87
U.S.S.R.	Ruble						5,704.87		5,704.87
Italy	Lire						3,568.18		3,568.18
Total			24,445.00		4,791.00		13,721.92		40,957.92

Note: Delegations expenses include direct payments and reimbursements to the Department of State and to the Department of Defense under authority of sec. 502(b) of the Mutual Security Act of 1954, as amended by sec. 22 of P.L. 95–384, and S. Res. 179, agreed to May 25, 1977.

CLAIBORNE PELL,
Chairman of Delegation, Oct. 25, 1983.

ADDITIONAL STATEMENTS

NATIONAL BLIND WORKER OF THE YEAR

● Mr. RANDOLPH. Mr. President, on November 2, it was my privilege to speak to the National Industries for the Blind, an organization which dates its beginning back to 1938 and the enactment of the Wagner-O'Day Act. This law, which was amended in 1971 as the Javits-Wagner-O'Day Act, directs government procuring agencies to buy products manufactured in qualified workshops that employ blind or other severely handicapped individuals. In 1982 National Industries for the Blind, through its associated agencies, was responsible for the employment of 5,472 blind persons in 34 States, Puerto Rico and the District of Columbia. Two thousand six hundred and fifteen of the 5,472 individuals had handicaps in addition to blindness.

Each year National Industries for the Blind, with the cooperation of the General Council of Workshops for the Blind, selects a National Blind Worker of the Year, who is presented with the Peter J. Salmon Award. In 1983 this award was presented to Mr. Timothy Schmidt who is employed at the Arizona Industries for the Blind. It is my belief that this man's accomplishments should be recognized, and the following provides more information about Mr. Schmidt.

PRESENTATION OF THE 1983 PETER J. SALMON NATIONAL BLIND WORKER OF THE YEAR AWARD

TIMOTHY SCHMIDT EMPLOYED AT THE ARIZONA INDUSTRIES FOR THE BLIND

They say sorrow and misfortune are necessary to shape a man's character. Ask Timothy Schmidt about such things and he'll tell you about the past six years.

He'll tell you about his high school days when he and his family were told his vision was rapidly deteriorating because he had Retinitis Pigmentosa. Tim loves sports and being unable to play, he still graduated from high school with letters in football, basketball and baseball for managing the high school teams. He also attended a Junior College for two semesters, but says he lacked self-confidence and felt school was just not for him. During those years, Tim admits he was a depressed young man as he became totally dependent on his parents for this daily living needs. He found a job working at the Hyatt Hotel and was only there a couple of months when he made a decision that would change his life. Tim went to the State Vocational Rehabilitation Center in Phoenix for services where he was referred to Arizona Industries for the Blind. Tim found a home and immediately began on the job training as a teacher's aid in the Work Activities Center. Through his job, Tim gained self-confidence and the desire to become more imdependent.

In the summer of 1981, a major obstacle set him back many steps. Tim was hospitalized for major surgery and had a spleen removed at which time he just about didn't make it. After that, complications from infections set in where he returned to the hospital for additional surgery. It was doubtful he could return to work, but four months later he came back to Arizona Industries for his job. Tim was assigned to a production until that allowed him to progress at his own pace. From assembling small parts, he worked his way up to a machine operator that he thoroughly enjoys. Just when everything seemed to be coming together for Tim, personal tragedy once again wrecked havoc on his life. In December of 1982 Tim's brother, Mark, passed away. Tim was the youngest out of a family of ten children. Mark was the sixth brother that passed away during Tim's life. Two months after Mark died, Tim's father passed away.

Throughout such obstacles and personal tragedies, Tim has maintained an outstanding attendance record at Arizona Industries, and has reached a 107 percent productivity level as a level II machine operator.

According to Don Peterson, Arizona Industries Executive Director, and his fellow workers, Tim is a tremendous asset to the workshop and certainly an excellent choice for this year's award.

Ladies and gentlemen, it gives me great pleasure to introduce to you our 1983 Peter J. Salmon Blind Worker of the Year—Timothy Schmidt.

Tim, the NIB Board of Directors commends you for your accomplishments and on their behalf, I am honored to present you with this plaque naming you our Peter J. Salmon Blind Worker of the Year.●

PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point the notifications which have been received. The classified annexes referred to in two of the covering letters are available to Senators in the office of the Foreign Relations Committee, SD-440.

The materials referred to are as follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., November 18, 1983.
In reply refer to: I-04683/83ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 84-19 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Italy for defense articles and services estimated to cost $51 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Director.

TRANSMITTAL No. 84-19

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Italy.
(ii) Total estimated value:

	Million
Major defense equipment [1]	$11
Other	40
Total	51

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: A quantity of 150 basic Stinger guided missile systems, 450 missile rounds with ancillary equipment, support, and training.

(iv) Military Department: Army (XKS).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: 18 November 1983.

POLICY JUSTIFICATION

ITALY—STINGER SYSTEMS AND MISSILES

The Government of Italy has requested the purchase of a quantity of 150 basic STINGER guided missile systems, 450 missile rounds with ancillary equipment, support, and training at an estimated cost of $51 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Italy; furthering NATO rationalization standardization, and interoperability; and enchancing the defenses of the Western Alliance.

The Italian Government urgently requires this weapon system to fill a critical void in its air defense posture. These systems are planned to be deployed to selected infantry battalions.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Pomona Division, General Dynamics Corporation of Pomona, California.

Implementation of this sale may require the assignment of additional U.S. Government personnel or contractor representatives to Italy for technical and training support.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., November 18, 1983.
In reply refer to: I-04945/83ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 84-22 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Navy's proposed Letter of Offer to Spain for defense articles and services estimated to cost $250 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Director.

TRANSMITTAL No. 84-22

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective Purchaser: Spain.
(ii) Total Estimated Value:

	Millions
Major Defense Equipment [1]	$108
Other	142
Total	250

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: U.S. Government furnished equipment and support for two additional Spanish-built Guided Missile Frigates of the Oliver Hazard Perry Class (FFG-7) to include shipboard hardware; spares; technical data and manuals; and technical, engineering, and program management support.

(iv) Military Department: Navy (LDE, Amendment 1)

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: 18 November 1983.

POLICY JUSTIFICATION

SPAIN—EQUIPMENT AND SUPPORT FOR GUIDED MISSILE FRIGATES

The Government of Spain has requested the purchased of U.S. Government furnished equipment and support for two additional Spanish-built Guided Missile Frigates

of the Oliver Hazard Perry Class (FFG-7) to include shipboard hardware; spares; technical data and manuals; and technical, engineering, and program management support at an estimated cost of $250 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Spain; furthering NATO rationalization, standardization, and interoperability; and enhancing the defenses of the Western Alliance.

This is an amendment to a previously notified case and it is the second phase of an extensive modernization of the Spanish Navy's anti-submarine warfare (ASW) capability. The first phase included on Sea Control Ship (SCS), a small ASW aircraft carrier, and three Guided Missile Frigates (U.S. FFG-7 Class). This addition will provide for two more frigates. The ships are to be built in Spain from U.S. Navy plans and equipped, in part, with U.S. Government furnished material. ASW helicopters, ammunition, missiles, and torpedoes, insofar as releasability constraints permits, will be the subject of separated FMS cases. Acquisition of this equipment will strengthen Spain's capability to carry out its ASW patrol mission in the Atlantic and Mediterranean areas.

The sale of this equipment and support will not affect the basic military balance in the region.

The principal contractors will be the Sperry Rand Corporation of Great Neck, New York; Northern Ordnance Corporation of Minneapolis, Minnesota; General Dynamics Corporation of Pomona, California; Raytheon Corporation of Wayland, Massachusetts; General Electric of Orlando,Florida, Cincinnati, Ohio, Lynn, Massachusetts, and Syracuse, New York; IBM of Oswego, New York; and Hughes Aircraft Corporation of Fullerton, California.

Implement of this sale will require the assignment of any additional U.S. Government personnel or contractor representatives to Spain; however, it will prolong the no-site support in Spain by approximately five years.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

ADVANCE NOTIFICATION: PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that such a notification has been received.

Interested Senators may inquire as to the details of this advance notification at the office of the Committee on Foreign Relations, room SD-440.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., November 18, 1983.
In reply refer to: I-04669/83ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated February 18, 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tentatively estimated to cost in excess of $50 million.

Sincerely,

PHILIP C. GAST,
Director.●

ELEMENTARY AND SECONDARY SCHOOL RESEARCH ENDEAVORS

● Mr. INOUYE. Mr. President, at this point in our deliberations, I would like to inquire of my distinguished colleague (Mr. STAFFORD), the chairman of our Senate Education Subcommittee, whether, in his considered judgment, it is his committee's understanding and intention that our Nation's private elementary and secondary schools have a role and perhaps even a special responsibility to conduct various research endeavors.

● Mr. STAFFORD. I am most pleased to answer my colleague's question affirmatively. Unfortunately, there are very few private elementary or secondary schools in our Nation that have sufficient resources to develop comprehensive research programs. There are, of course, a number of laboratory schools, but it is my understanding that these are primarily, if not exclusively, located within a sponsoring college or university. There is, or course, one notable exception; the Kamehameha schools located in Honolulu, Hawaii.

● Mr. MATSUNAGA. I am most pleased that our distinguished chairman recognizes the pioneering efforts of the staff and faculty at Kamehameha schools, the important educational institution which is administered by the Bernice Pauahi Bishop Estate under the provisions of Princess Bernice Pauahi Bishop's will. The Princess' inheritance included approximately one-tenth of Hawaii's total land area. In her will, it is clear that she desired these lands to benefit Hawaii's children. The Kamehameha School for Boys opened on October 4, 1887. Seven years later, the school for girls opened. Today, the Kamehameha Schools/Bernice Pauahi Bishop Estate administers its own school which enrolls 2,850 students full time and 9,000 part time, or approximately one-quarter of all school-aged youth of Hawaiian ancestry. Further, another 24,000 individuals are served through workshops, demonstrations, lectures, and other short-term educational contracts.

● Mr. STAFFORD. This is indeed a most impressive accomplishment. However, from my recent review of the Kamehameha Schools/Bernice Pauahi Bishop Estate's Native Hawaiian educational assessment project, which was submitted earlier this year to Secretary of Education T. H. Bell, I think you should especially be proud of their clear commitment to quality educational research.

● Mr. INOUYE. I would fully agree with the chairman; however, I would like to take this opportunity to publicly express my appreciation, on behalf of the entire Hawaii congressional delegation, for his continuous support for our efforts to insure that Native Hawaiian children will receive the highest quality education. I am confident that as our committees review the forthcoming recommendations from the U.S. Department of Education in response to the Native Hawaiian educational assessment project, there will be a number of Federal programs which have been developed under his leadership that would be especially applicable to the unique needs of Native Hawaiians.

● Mr. STAFFORD. Of the total assets of the Kamehameha School/Bernice Pauahi Bishop Estate, approximately what percentage are currently committed to research endeavors?

● Mr. MATSUNAGA. Mr. Chairman, presently 5 percent of the annual budget is being utilized for educational research programs for improving the instructional methods and materials used in Hawaii's public school system.

● Mr. STAFFORD. That is indeed a most impressive figure and should serve as a benchmark for our other private elementary and secondary schools to strive for. In fact, I personally would be most pleased if, during this decade, we were able to use Kamehameha schools as a prime example of what our Nation's private elementary and secondary schools have the potential for becoming; that is, a true living laboratory combining practical expertise with ongoing quality research endeavors.

● Mr. INOUYE. There is no question in the minds of the trustees of the Bishop estate that these funds have been very well spent and that their ongoing educational research efforts have contributed singificantly to the quality of teaching being provided both at Kamehameha schools and in

our public school system. It is my hope and that of my colleague (Mr. MATSUNAGA) that, in the foreseeable future, research endeavors, such as the Kamehameha elementary education project, will become models for all native Americans, including Indian peoples. In this regard, I was most pleased to learn recently that the Kamehameha schools has recently begun a special collaborative demonstration project in an Indian school in Arizona, at Rough Rock.

● Mr. STAFFORD. This is indeed an excellent beginning.●

REAUTHORIZATION OF THE MINING AND MINERALS RESOURCES RESEARCH INSTITUTES

● Mr. ABDNOR. Mr. President, I am pleased to join the proposing legislation to reauthorize the Mining and Minerals Resources Research Institutes. It is essential for the growth and prosperity of this great Nation that the Federal Government continue to encourage research in mining and minerals at the college level. Students specializing in mining and minerals will be the future mineral engineers and scientists of this country, and they must be encouraged to excel in their field.

Technologically, we cannot afford to stand by and witness a continuing decline in the number of graduates with degrees in mining and mineral-related areas. International competitiveness in technology and security is a virtue. It is a challenge that holds great promise for the United States, and we must continue to move forward from the solid base we have already established.

I commend Senator WARNER for acknowledging the critical need for the extension of this worthwhile legislation. The success of our mining and mineral research in the present will have a direct impact on our success in the future. Let us not neglect our responsibility to science and technology by abandoning support for research institutes. I urge my colleagues to support the reauthorization of the Mining and Minerals Resources Research Institutes.●

CHILD NUTRITION PROGRAMS

● Mr. HEINZ. Mr. President, I have joined my colleagues, the Senator from Kentucky, Mr. HUDDLESTON, and the Senator from Mississippi, Mr. COCHRAN, in cosponsoring S. 1913, legislation for improvements in the child nutrition programs, such as the school lunch and breakfast programs and the child care food program.

The Omnibus Budget Reconciliation Act of 1981 forced a cut of $1.5 billion in child nutrition programs, resulting in over 3 million children and 27,000 schools dropping out of the school lunch and breakfast programs. S. 1913 would restore $150 million, or just 10 percent of what was cut in the 97th Congress.

I believe that we must continue to help defray the costs of school lunches for millions of American children who rely on them to fulfill a large part of their nutritional needs. Since the initial cuts in the school lunch program, too many children have dropped out of the program. We cannot abandon our commitment to insuring adequate nutrition for our children. Children are our greatest natural resource and a proper diet is essential to their healthy development. Specifically, this bill would lower the cost of a reduced-price school lunch from 40 cents to 25 cents. There is a continuing need for assistance and since most of the beneficiaries of the reduced-price program are from the families of the working poor, it is important that these further reductions would encourage more of these children to return to the lunch program.

A sound nutritional base is a prerequisite for a healthy and attentive child in the classroom. This legislation attempts to go beyond just the school lunch program by improving the child care food program (CCFP). This bill allows one additional meal and snack to the current two meals and one snack provided for in the CCFP. Too many children are now receiving less food and nutrition during the day as a result of the more than 30-percent reduction in this program since 1981.

This year, the administration recommended another $400 million reduction in these programs. However, the Senate rejected this proposal and restored $150 million to these programs through the first concurrent budget resolution. I was heartened to see that H.R. 4091, the companion bill sponsored by my friend and House colleague from Pennsylvania, Representative BILL GOODLING, passed the House on October 25.

Mr. President, it is ironic and sad that we should allow hunger and malnutrition to exist at all in this land of plenty. Although this additional money represents only 10 percent of the $1.5 billion reduction made in the 97th Congress, I believe that $150 million will provide the opportunity to restore urgently needed nutritional standards for these children. I urge my colleagues to support this worthy legislation.●

PROGRESS REPORT ON THE EDUCATIONAL, SCIENTIFIC, AND CULTURAL MATERIALS IMPORTATION ACT OF 1982

● Mr. DOLE. Mr. President, for the information of my colleagues and the interested public, I should like to make a brief progress report on the Educational, Scientific, Cultural Materials Importation Act of 1982 (Public Law 97-446; 96 Stat. 2346) enacted on January 12, 1983, and on Presidential Proclamation 5021 of February 14, 1983. This statute and Presidential proclamation, implementing the 1976 international convention known as the Nairobi Protocol to the Florence Agreement, are designed to facilitate further the international flow of educational, scientific, and cultural materials through the extension of duty-free treatment to materials not covered in the original Florence agreement, to which 68 countries now adhere.

Last year I sponsored the implementing legislation for the Nairobi protocol, and, joined by a number of Members who were cosponsors, was pleased that it was enacted last December with the Congress full support. At that time, I stated that the Nairobi protocol was important for three reasons: First, to broaden the benefits of the Florence Agreement for a particularly worthy group—the handicapped; second, to contribute to increased U.S. exports; and third, to contribute to greater international understanding by facilitating increased exchanges of those things that manifest our cultural heritage. I am gratified that the administration's expeditious implementation of the legislation demonstrates its shared commitment to fulfilling these purposes.

To encourage other countries to adhere to the protocol, Public Law 97-446 authorized the President to proclaim duty-free treatment for the materials covered by the protocol for up to 2½ years. This the President has done in Proclamation 5021, by eliminating U.S. duties for certain specified materials until August 12, 1985.

As of this time, 12 other countries have ratified the protocol and we are hopeful that the U.S. example will encourage many others which have adhered to the basic agreement to do so before August 12, 1985, when the United States must decide whether to make the temporary duty-free status permanent.

Some of the most important classes of materials affected are articles specifically designed or adapted for the use of physically or mentally handicapped persons (articles for the blind were already duty free). Under customs procedures not yet formalized in published regulations, an estimated $10 million to $12 million in value of such articles for the handicapped have received duty-free treatment since February 11, 1983. I want to compliment the Commissioner of Customs for his prompt implementation of this provision of Public Law 97-446 for the benefit of the handicapped persons of this country.

Another important class of products affected are audio, visual, and micro-

form materials providing to these products the same duty-free treatment which the original agreement extends to printed materials such as books, newspapers, periodicals, and music. The protocol in this instance has two alternative optional provisions: Annex C-1 is the more comprehensive and provides for unconditional duty-free entry; while annex C-2 subjects duty-free treatment to certain restrictions and administrative requirements such as direct importation by organizations, institutions, or associations approved by national authorities. Public Law 97-446 and proclamation 5021 are based on the broader provisions of C-1. Some of the other countries that ratified the protocol before January 12, 1983, have adhered to the less comprehensive annex C-2, but I am hopeful that the U.S. example will encourage these and other countries to adhere to annex C-1 before August 12, 1985. I am encouraged on this point by a recent resolution of the International Federation of Library and Information institutions—IFLA—which has been brought to my attention by the American Library Association. The resolution, the text of which is reproduced below, calls attention to the U.S. action and urges national library associations to recommend to their respective governments prompt adherence to the protocol and to the more comprehensive optional annex C-1 relating to audio, visual, and microform materials.

Mr. President, the provisions of the Nairobi protocol benefit particularly worthy groups, not only in this country, but in all countries that become signatories to it. Private sector initiatives, such as that demonstrated by IFLA, are important to the widest possible dissemination of the protocol's benefits. I congratulate the American Library Association, and the international federation of which it is a part, for their efforts on behalf of the protocol.

Mr. President, I submit the resolution on the Nairobi protocol adopted by the steering bodies of the International Federation of Library and Information Associations in November 1983 be printed in the RECORD.

THE NAIROBI PROTOCOL TO THE FLORENCE AGREEMENT, APPROVED BY THE GENERAL CONFERENCE OF UNESCO, NOVEMBER 30, 1976

Whereas, The Florence Agreement (Agreement on the Importation of Educational, Scientific and Cultural Materials) by eliminating import duties on books, periodicals, printed music and other educational, scientific and cultural materials in over 70 adhering countries has provided great benefits to libraries and their users, as well as to educational institutions and the general public; and

Whereas, a 1976 Nairobi Protocol (supplement) to the Florence Agreement making futher improvements in the original agreement is now in force in 12 countries; and

Whereas, most of the countries thus far adhering to the Protocoal have adopted optional Annex C-2 which severely limits the duty free import of audio, visual and microform materials rather than optional Annex C-1, which extends duty free status to these materials on the same basis as books and other publcations; and

Whereas, the United States of America has eliminated import duties on audio, visual and microform materials from all countries for a trial period of two years ending August 12, 1985, to encourage other countreis to adhere to the Protocol and optional Annex C-1; and

Whereas, the International Federation of Library Associations and Institutions, the International Publishers Association, the International Federation of the Phonographic Industry, and other international associations have long supported the Protocol and optional Annex C-1; now

therefore be it *Resolved*, That the International Federation of Library Associations and Institutions urge its component national associations to recommend strongly to their national governments prompt adherence to the Protocol and optional Annex C-1; and

be it further *Resolved*, that copies of this resolution be printed in the IFLA Journal and be sent to member associations of IFLA, to the Secretary-General of Unesco, to Unesco national committees in all countries adhering to the Florence Agreement and to the International Publishers' Association, the International Federation of the Phonographic Industry and other international associations concerned.●

PARENT TRAINING APPROVED IN S. 1341

● Mr. WEICKER. Mr. President, the following is information on parent training approved in S. 1341:

The parent training and information section (631 of part B), eligibility outlines requirements for receiving a grant. In order to receive a grant, a private nonprofit organization must have a board of directors or establish a special governing committee which has as a majority parents of handicapped children and includes professionals in the field of special education and related services. An organization which lacks a board as defined and needs to establish a governing committee must have a membership which represents the interest of individuals with handicapping conditions. Each parent training and information program shall have an advisory council to review the program and advise the governing board or committee.●

THE ANNIVERSARY OF THE CIVIL AIR PATROL

● Mr. DENTON. Mr. President, I wish to recognize the Civil Air Patrol on its 42d anniversary. The Civil Air Patrol is a volunteer civilian auxiliary of the U.S. Air Force.

For its anniversary on December 1, 1983, the Civil Air Patrol will dedicate the 0-1, "Big Dog" aircraft, and Memorial Park at Maxwell Air Force Base, its headquarters. The 0-1 aircraft, used by the Civil Air Patrol since its beginning in December of 1941, will stand as a tribute to the Civil Air Patrol members who have lost their lives in services to the Nation.

I wish to bring to the attention of my colleagues in the Senate that for 42 years, the volunteers of the Civil Air Patrol have compiled an enviable record of service during both war and peace. At present, Civil Air Patrol has some 67,000 volunteer members. They include more than 26,000 teenage cadets and 41,000 adult senior members. They wear a uniform similar to that of the Air Force but with special Civil Air Patrol insignia.

Air Force Brig. Gen. David L. Patton leads the Civil Air Patrol and is assisted by Brig. Gen. Howard L. Brookfield, national commander of Civil Air Patrol.

Established originally as a branch of the Office of Civilian Defense, CAP members flew privately owned small aircraft to aid in civilian defense efforts during World War II. It won fame for its antisubmarine patrol missions along the Atlantic and gulf coasts; patrol missions along the Mexican border, watching for enemy agents trying to sneak into this country; and airlift of small lots of vitally needed war supplies.

Control of the Civil Air Patrol was transferred to the Army Air Force in 1943. In 1946, convinced of its future usefulness in peacetime, Congress passed legislation incorporating Civil Air Patrol as a nonprofit, benevolent organization dedicated to humanitarian activities. In 1948, Congress passed further legislation making Civil Air Patrol an auxiliary of the U.S. Air Force and authorized the Secretary of the Air Force to provide a measure of support to the organization.

One of the principal things Civil Air Patrol does for the Air Force is provide aerial search capability at far lower cost. Just in the last 5 years, Civil Air Patrol crews have flown nearly 93,000 hours on more than 5,400 search and rescue or emergency service missions. They were credited with saving the lives of 425 persons and locating their search objective more than 3,000 times.

The Civil Air Patrol operates some 29,000 radios and has a national net that can be activated on very short notice for use in any national emergency. Civil Air Patrol, through its cadet program, provides a pool of talented, motivated young people from which the Air Force and the U.S. Air Force Academy draw many aviation career-mined members each year. This programs, designed to build better citizens and tomorrow's leaders, places teenagers in learning and leadership situations which benefit them throughout their lifetime.

Mr. President, we the people of the United States of America owe the

members, past and present, of the Civil Air Patrol a debt of gratitude for their 42 years of volunteer service. Have a happy anniversary, Civil Air Patrol, on December 1, 1983, and many more.●

DISAPPROVAL OF EDUCATION DEPARTMENT'S INTERPRETATION OF PUBLIC LAW 98-79

● Mr. STAFFORD. Mr. President, recent activities by the Department of Education compel me, as chairman of the Subcommittee on Education, Arts and Humanities, to submit a statement to clarify the Senate's position regarding section 7 of Public Law 98-79, the Student Loan Consolidation and Technical Amendments Act of 1983, and to express my strong disapproval of the way in which the Education Department is interpreting section 7.

As my colleagues are aware, I have long supported the activities of a decentralized system of State administration and implementation of the guaranteed student loan program, especially in light of the history of shortcomings of the federally insured loan program, which is now being phased out. It is important to remember that the expense to the Federal Government of the GSL program is mainly one of carrying costs, and it is the private sector which actually puts forth the capital for college students to use.

Over the years, many proposals have been made to dismantle the GSL program. In my mind perhaps the worst suggestion was that made by the Carter administration to expand the campus-based national direct student loan program into a massive, federally appropriated loan program in order to eliminate the participation of private banks and State guarantors in the system. I strongly opposed this effort, as well as another effort to create a national student loan bank, because I felt that the GSL program was working well through its administration at the local and State levels, and therefore no new Federal program was needed. Indeed, my colleagues on the Education Subcommittee and the Senate strongly shared my view.

The merits of decentralization should likewise be extended to secondary market activities, and more than half of all States, including my own State of Vermont, have or are in the process of establishing secondary market agencies to serve the lending community and students by freeing up capital much needed for student loans.

These State secondary markets and direct lenders are entitled, under the Internal Revenue Code, to issue tax-exempt student revenue bonds to carry out their student loan activities. In return for this privilege, the special allowance payment for such lenders and agencies is limited to one-half that paid to taxable lenders and institutions, thus reducing significantly the cost of the direct Federal subsidy.

Mr. President, the State secondary markets provide an invaluable service by insuring that assistance is available to all who need it. Unlike the Student Loan Marketing Association (Sallie Mae), which provides a national secondary maket for the purchase of selected student loans, the State secondary markets purchase loans at par and rarely require the minimum purchase constraints that Sallie Mae employs. These restrictive purchase policies effectively deny small lenders the same cash flow relief as large lenders and result in discrimination by lenders against those students who do not need to borrow large sums for their education.

In addition, the widespread use of State secondary markets results from well reasoned public policy goals. State agencies and secondary markets are tied very closely to State legislatures and elected State executives and are therefore more responsive to the principal participants in the program—students, parents, and local lenders. But the Student Loan Marketing Association, while authorized by Federal statute, is a profit making corporation, with responsibility to investors as well as to the students the GSL program is designed to serve. Its interests cannot be expected to be consonant with the public interest the same way the interests of State secondary markets can.

Such public interest and accountability are too important to leave to a single, profitmaking entity. Competition from State secondary markets works to keep the costs to the taxpayer to a minimum while making loans available to all types of lending institutions and therefore to a maximum number of eligible students. Indeed, Sallie Mae literally could not afford to meet the needs of all the States in this area.

Mr. President, section 7 of Public Law 98-79 contains a provision—adding a new section, 438(d)(1)(G), to the Higher Education Act of 1965, which restricts special allowance payments to State secondary markets and agencies in cases where certain threshold requirements are not being met. In particular, section 483(d)(1)(G) specifies that "the authority will not issue obligations for amounts in excess of the reasonable needs of student loan credit in that area." To implement this provision, the Education Department in September of this year, issued Bulletin 83#1-81E, entitled "New Legislative Requirements Applicable to Student Loan Authorities Issuing Tax-Exempt Obligations."

Mr. President, I believe it is plain to all that issuance of a bulletin of this impact without the appropriate period for public comment is highly irregular and may contravene the requirements of section 431 of the General Education Provisions Act. The broad authority the Department believes it derives from section 438(d)(1)(G) has never, to my knowledge, received any of the public input commonly part of a notice for proposed rulemaking. Instead, the Department is treating the bulletin as a final rule.

Second, Mr. President, the interpretation of section 438(d)(1)(G), as suggested by the bulletin, rests on a reading of legislative history which runs counter to the intent of the Senate in its approval of H.R. 3394, now Public Law 98-79. To guide this provision's implementation, the Department relies on a statement inserted into the CONGRESSIONAL RECORD by Congressman FORD. This raises some serious questions. Indeed, regardless of the Department's impropriety in relying on a statement which was not reviewable by House floor managers, Congressman FORD's suggestion that this provision's intent is to "police the amounts of capital raised through tax-exempt bonds to insure that excessive amounts beyond the reasonable needs of students are not being sold" does not on its face require the burdensome information demands placed on State secondary market and agencies by Bulletin 83#L-81E.

As chairman of the Subcommittee on Education, Arts and Humanities, I intended, in agreeing to section 438(d)(1)(G), to have the Department enforce this amendment as it has all the other requirements of the "Plans for Doing Business" of State agencies and secondary markets—as part of the regular audit procedure.

Instead, the Department not only demands information arbitrarily, but it demands that this burdensome information be submitted prior to approval of the business plan. The bulletin requires submission of information which is simply not available 30 days in advance of an issuance and, with respect to several of the Department's requests, is not available at all. The bulletin requires, for example, the issuers to supply data indicating the amount, terms, and maturity date of the obligations to be issued. Such a requirement suggests a glaring lack of knowledge about the bond market, a market in which such details are sometimes not certain until hours before bonds are issued since they are dependent on the status of the market at the time of issuance. Any information submitted by the State secondary market would be a guess at best.

The bulletin also requires the State secondary markets and agencies to project the activities of other sources of student loans liquidity, requiring submission of an estimate of the possible activity of other entities—including Sallie Mae—for the bond period

and an estimate of the unmet need for student credit. This is totally beyond ability of secondary markets and agencies; they have no basis on which to estimate future Sallie Mae activity, and there is no legitimate reason for requiring them to do so.

Mr. President, the Department is also requiring that State secondary markets and agencies State unequivocally that new loan volume would decrease unless currently held loans could be sold. The States are also required to declare the amount of such reduction and must submit letters from lenders attesting to their need for secondary market activities. Such projections are clearly speculative on the part of lenders, and the letters are redundant in the face of the signed commitments that many authorities have made with lenders in their States.

In short, the bulletin creates almost insurmountable problems for State secondary markets and agencies. It asks for data they do not have and cannot reasonably expect to obtain. It shows no coordination with already existing Treasury regulations concerning acceptable tax-exempt offerings. It has not been subject to public comment through the usual rule-making procedure. It has had the effect of delaying the issuance of student loan revenue bonds in more than 20 States.

Mr. President, the guaranteed student loan program has served as a fine example of how a Federal education program can work to target assistance to needy students through a shared Federal-State responsibility where there is a high degree of local control. It is a program which has worked so well because of a minimum of Federal intrusion.

According to the thinking of many administration representatives, the President was elected because he was committed to getting the Federal Government off the backs of the American people and returning control and decisionmaking to State and local levels. I am very disappointed that there are those within this same administration who favor a centralized Federal role rather than shared Federal/State responsibility and local control with a minimum of Federal intrusion for the GSL program.

Mr. President, as chairman of the Subcommittee on Education, Arts and Humanities, I strongly urge repeal of Bulletin 83#L-81E, promulgation of regulations that would implement the requirements of section 438(d)(1)(G) through the regular audit process, and expeditious approval of the "Plans for Doing Business" of the States with pending applications. Should the Department persist in its erroneous interpretation of the law, I shall fell compelled to address this issue at the earliest possible moment, through the authorizing process or a timely legislative vehicle.●

EVIDENCE REGARDING NUTRITIONAL STATUS OF LOW-INCOME AMERICANS

● Mr. HELMS. Mr. President, a good deal of attention has been focused by the media during the year on an alleged "resurgence of hunger in America." To examine these concerns, two subcommittees of the Committee on Agriculture, Nutrition, and Forestry have held several hearings addressing the subject of nutrition and reviewing existing Federal nutrition assistance programs.

On several occasions, claims made by witnesses at these hearings, or otherwise reported by the press, have received considerable public attention. However, on more than one occasion, the public reports have not been substantiated by the documentation presented by witnesses.

At other times, public reports have presented erroneous information which one can only hope is due to ignorance about the programs rather than deliberate misrepresentation.

NO REDUCTIONS

The first, fundamental misunderstanding which seems to exist is that massive reductions in spending for nutrition programs have occurred since President Reagan took office, the underlying assumption being that such reductions are a, or—for some—the cause for alleged nutrition program inadequacies.

In the food stamp program, for instance, the common perception seems to be that large reductions in benefits and participation were made in the past few years. That is not accurate. The most that can be said is that the rate of growth has been slowed. The program continues to cost more each year than it did the year before, and more people are being served by it each consecutive year.

Food stamp expenditures have increased by more than 42 percent in the past 4 fiscal years. In 1980, total cost for the 50 States and the District of Columbia was $8.3 billion. During fiscal year 1983, which ended September 30, 1983, the program cost $12 billion, not including $825 million for Puerto Rico which now operates a separate nutrition assistance program.

Similarly, average monthly participation, as recorded by the Department of Agriculture, has increased from 19.3 million people in 1980 to an estimated 21.6 million people during fiscal year 1983, excluding Puerto Rico. Monthly participation reached a new record high in March 1983 when the number of participants apparently peaked at 22.6 million. Such increases are striking evidence of the program's continuing responsiveness to serving the unemployed poor during the recent economic recession.

The perception of declining participation, however, came to the forefront during a hearing by the Subcommittee on Rural Development, Oversight, and Investigations on the effectiveness of Federal food, nutrition, and surplus commodity distribution programs in Denver, Colo., on June 13, 1983. Several mayors who testified at the hearing indicated that food stamp participation levels had dropped in their cities, implying that the cause was changes adopted by the Congress, some of which had been recommended by the Reagan administration. For instance, Ernest N. Morial, mayor of New Orleans, La., stated to presiding Subcommittee Chairman MARK ANDREWS, "Our food stamp allocation has decreased to the point where we are forced to cut back service to its 1978 levels."

However, information in the following chart—requested to substantiate the mayor's assertion—actually shows that the number of individuals participating in the food stamp program in New Orleans had increased markedly since 1978.

FOOD STAMP PROGRAM—ORLEANS PARISH HOUSEHOLDS, PERSONS, AND COUPONS, JANUARY 1978 TO JUNE 1983

	Households	Persons	Coupons
1978:			
January	25,974	86,256	2,594,251
February	25,835	85,881	2,598,042
March	26,085	86,477	2,626,688
April	25,900	85,767	2,610,297
May	25,855	85,713	2,623,863
June	25,811	85,471	2,632,435
July	25,745	85,424	2,782,039
August	25,923	85,715	2,858,384
September	25,718	84,897	2,753,558
October	25,802	84,769	2,748,741
November	26,028	85,078	2,760,710
December	25,986	84,817	2,734,531
1979:			
January	27,327	88,732	3,056,635
February	28,476	91,746	3,103,868
March	29,920	94,331	3,248,217
April	31,053	97,074	3,413,658
May	32,186	99,920	3,495,364
June	33,090	101,972	3,556,894
July	33,751	103,642	3,935,621
August	34,993	106,712	4,071,015
September	35,449	107,614	4,014,538
October	36,378	109,670	4,114,872
November	36,625	109,954	4,087,882
December	36,887	110,180	4,096,200
1980:			
January	37,467	111,404	4,342,366
February	37,967	112,393	4,414,143
March	38,679	113,746	4,477,508
April	38,840	113,738	4,443,822
May	38,777	113,506	4,412,662
June	39,245	114,535	4,464,098
July	39,641	115,273	4,399,632
August	39,972	115,702	4,406,219
September	40,268	115,903	4,320,552
October	40,650	116,194	4,330,387
November	39,960	114,351	4,255,104
December	40,194	114,659	4,246,262
1981:			
January	40,336	114,273	5,054,599
February	40,984	114,635	5,105,984
March	40,885	114,379	5,074,522
April	40,642	113,457	5,014,878
May	40,111	112,029	4,947,175
June	40,381	112,236	4,992,789
July	40,292	111,821	4,821,332
August	41,417	112,002	4,849,584
September	40,029	111,062	4,703,812
October	38,997	108,555	4,585,142
November	39,387	106,521	4,457,404
December	36,632	104,479	4,360,091
1982:			
January	35,945	102,381	4,232,758
February	35,747	102,126	4,236,345

FOOD STAMP PROGRAM—ORLEANS PARISH HOUSEHOLDS, PERSONS, AND COUPONS, JANUARY 1978 TO JUNE 1983—Continued

	Households	Persons	Coupons
March	35,697	102,403	4,259,909
April	35,191	101,424	4,193,534
May	34,666	100,658	4,163,820
June	34,761	101,362	4,198,539
July	34,628	101,095	4,104,434
August	34,673	101,619	4,144,593
September	34,726	101,528	4,139,919
October	35,056	99,902	4,530,479
November	34,510	100,725	4,667,198
December	35,072	102,455	4,767,674
1983:			
January	35,001	102,796	4,703,645
February	35,019	102,630	4,724,380
March	35,326	104,026	4,837,045
April	35,008	102,574	4,737,356
May	35,187	102,962	4,770,974
June	35,241	103,353	4,778,098

While June 1983 participation levels were lower than the October 1980 high in New Orleans, much of the decline took place before the budget reforms took effect in October 1981.

While some individual cities occasionally may have had declining food stamp rolls—at least partially attributable to population shifts away from major cities—overall national participation has increased as outlined in the accompanying table. This has been equally true since the budget reforms of 1981 and 1982. Only in the last several months has national participation declined—in response to lower unemployment rates and improved conditions.

The following table outlines national participation levels between October 1974 and June 1982 during which time all 50 States, the District of Columbia, Guam, the Virgin Islands, and Puerto Rico participated in the food stamp program.

FOOD STAMP PROGRAM PARTICIPATION OCTOBER 1974 TO JUNE 1982 [1] (INCLUDING PUERTO RICO)

Month	Persons participating	Bonus value of coupons	Average bonus per person
Fiscal year 1975:			
October 1974	15,223,777	314,886,399	20.68
November 1974	16,132,660	338,539,748	20.98
December 1974	17,182,938	365,669,941	21.28
January 1975	17,887,020	395,576,989	22.12
February 1976	18,617,398	406,189,882	21.82
March 1975	19,224,514	420,741,562	21.89
April 1975	19,287,101	420,781,567	21.82
May 1975	19,289,100	419,379,235	21.74
June 1975	19,196,589	418,928,485	21.82
Total 1975	[2] 17,064,196	4,385,501,248	21.42
Fiscal year 1976:			
July 1975	18,699,071	436,164,869	23.33
August 1975	18,626,234	435,705,390	23.39
September 1975	18,500,068	431,074,782	23.30
October 1975	18,653,000	434,553,774	23.30
November 1975	18,053,825	413,992,221	22.93
December 1975	19,021,223	440,259,940	23.15
January 1976	18,643,185	459,819,756	24.66
February 1976	18,559,432	457,027,495	24.63
March 1976	19,164,828	475,563,976	24.81
April 1976	18,580,628	455,764,064	24.53
May 1976	18,101,374	442,668,658	24.45
June 1976	17,981,717	443,910,267	24.69
Total 1976	[2] 18,548,719	5,326,505,152	23.93
Transitional quarter:			
July	17,372,937	428,244,895	24.65
August	17,494,200	429,461,328	24.55
September	17,060,688	410,682,001	24.07

FOOD STAMP PROGRAM PARTICIPATION OCTOBER 1974 TO JUNE 1982 [1] (INCLUDING PUERTO RICO)—Continued

Month	Persons participating	Bonus value of coupons	Average bonus per person
Total transitional quarter	[2] 17,309,275	1,268,388,224	24.43
Fiscal year 1977:			
October 1976	17,025,854	409,655,136	24.06
November 1976	17,170,049	416,726,323	24.27
December 1976	17,510,119	434,285,340	24.80
January 1977	17,352,879	424,066,067	24.44
February 1977	18,376,230	462,649,046	25.18
March 1977	17,758,163	437,602,680	24.64
April 1977	17,321,595	423,572,030	24.45
May 1977	16,971,194	413,130,401	24.34
June 1977	16,661,785	409,735,236	24.59
July 1977	16,146,943	406,230,273	25.16
August 1977	16,496,940	423,764,232	25.69
September 1977	16,134,044	405,533,160	25.14
Total 1977	[2] 17,077,149	5,066,949,924	24.73
Fiscal year 1978:			
October 1977	15,905,609	399,537,766	25.12
November 1977	15,966,834	402,258,939	25.19
December 1977	16,137,348	409,119,409	25.35
January 1978	16,311,293	434,621,918	26.65
February 1978	16,916,445	451,059,530	26.66
March 1978	16,863,866	465,383,918	26.60
April 1978	16,192,076	433,035,230	26.74
May 1978	15,872,950	427,127,655	26.91
June 1978	15,618,273	417,373,523	26.72
July 1978	15,426,103	434,304,953	28.15
August 1978	15,551,592	441,085,982	28.36
September 1978	15,247,636	424,307,471	27.83
Total 1978	[2] 16,000,835	5,139,216,294	26.77
Fiscal year 1979:			
October 1978	15,323,671	430,797,767	28.11
November 1978	15,408,456	436,791,010	28.35
December 1978	15,798,582	443,059,701	28.04
January 1979	17,322,114	524,476,300	30.28
February 1979	17,900,971	538,608,133	30.09
March 1979	18,369,271	543,932,986	29.61
April 1979	18,465,132	556,564,793	30.14
May 1979	18,362,389	552,996,286	30.12
June 1979	18,255,269	556,172,478	30.47
July 1979	18,394,616	617,416,804	33.57
August 1979	18,911,174	636,941,507	33.68
September 1979	19,323,029	642,431,663	33.25
Total 1979	[2] 17,652,890	6,480,189,428	30.59
Fiscal year 1980:			
October 1979	19,359,001	636,567,564	32.88
November 1979	19,587,139	641,692,776	32.76
December 1979	20,068,698	662,557,270	33.01
January 1980	20,421,092	718,681,654	35.19
February 1980	21,210,533	747,007,188	35.22
March 1980	21,528,632	758,572,144	35.24
April 1980	21,610,558	754,126,661	34.90
May 1980	21,527,178	749,230,614	34.80
June 1980	21,640,264	754,588,562	34.87
July 1980	21,853,649	755,073,492	34.55
August 1980	22,055,176	761,560,422	34.53
September 1980	21,989,734	745,721,141	33.91
Total 1980	[2] 21,070,971	8,685,379,488	34.35
Fiscal year 1981:			
October 1980	22,215,461	754,585,667	33.97
November 1980	21,876,657	742,073,307	33.92
December 1980	22,205,217	762,265,190	34.33
January 1981	22,459,001	937,068,861	41.72
February 1981	22,828,126	953,867,301	41.78
March 1981	22,978,213	965,358,288	42.01
April 1981	22,824,667	947,186,435	41.50
May 1981	22,617,474	936,174,653	41.39
June 1981	22,508,339	933,484,364	41.47
July 1981	22,244,354	909,409,663	40.88
August 1981	22,248,081	899,290,638	40.42
September 1981	22,161,149	889,148,357	40.12
Total 1981	[2] 22,430,562	10,629,912,724	39.49
Fiscal year 1982:			
October 1981	21,893,089	871,040,762	39.79
November 1981	21,761,843	855,338,403	39.30
December 1981	21,972,597	870,108,409	39.60
January 1982	22,018,099	863,066,664	39.20
February 1982	22,332,353	886,140,524	39.68
March 1982	22,696,103	897,787,040	39.56
April 1982	22,378,778	877,387,660	39.21
May 1982	22,174,506	861,682,087	38.86
June 1982	22,143,841	862,362,964	38.94

[1] In October, 1974 the program was operating nationally, having begun as a pilot program in 1961 in parts of 6 States. Beginning in July 1982, Puerto Rico began to operate a nutrition assistance program at an annual level of $825,000,000.

[2] Average.

Source: U.S. Department of Agriculture.

Since July 1982 Puerto Rico has operated a nutrition assistance program funded by a block grant authorized at $825 million annually. The following table shows national participation rates since (that is, excluding) the implementation of the Puerto Rico nutrition assistance program.

FOOD STAMP PROGRAM (EXCLUDING PUERTO RICO) [1] JULY 1982 TO SEPTEMBER 1983

Month	Persons participating	Bonus value of coupons	Average bonus per person
Fiscal year 1982:			
July 1982	20,271,238	783,596,459	38.66
August 1982	20,489,983	789,539,693	38.53
September 1982	20,493,257	790,179,822	38.56
Fiscal year 1983:			
October 1982	20,701,000	896,730,000	43.32
November 1982	21,050,000	914,412,000	43.44
December 1982	21,719,000	952,519,000	43.86
January 1983	22,104,000	960,446,000	43.45
February 1983	22,291,000	972,961,000	43.65
March 1983	22,607,000	984,980,000	43.57
April 1983	22,175,000	954,617,000	43.05
May 1983	21,859,000	930,220,000	42.56
June 1983	21,512,000	911,398,000	42.37
July 1983	21,150,000	897,449,000	42.43
August 1983	21,211,000	897,217,000	42.30
September 1983	21,055,000	887,697,000	42.16
Total	[2] 21,619,500	11,160,646,000	43.02
Total 12 mo	[2] 21,619,500	11,160,646,000	43.02

[1] Average participation under the nutrition assistance block grant in Puerto Rico averaged 1,627,490 people monthly between July and December 1982, the most recent months for which information was available.

[2] Average.

Source: Food and Nutrition Service, U.S. Department of Agriculture.

I continue to be disappointed by such city officials who apparently judge the success of various Federal welfare programs by how high the participation levels are. On the contrary, high levels of welfare participation indicate that at least part of the problem is likely to be poor economic conditions in those areas. I would hope city officials would discontinue extolling high food stamp participation in their cities and direct more time and effort in addressing real welfare problems, including economic development.

It has been somewhat ironic that the crescendo of charges about "hunger in America" has taken place as unemployment continues to be reduced and the economy is improving.

Indeed, the troubling aspect of the national statistics is that while participation levels inevitably increase dramatically in response to economic downturns, they rarely show commensurate reductions when the economy improves and unemployment recedes. There may be some level of reduced participation, but not to previous levels. Over time, the trend consistently has been toward increased food stamp participation, regardless of economic conditions.

Surely at least some of the recent reductions in participation observed in some cities has been the result of removing ineligible recipients. For instance, an audit performed by the Office of Inspector General of the Department of Agriculture found that, in New Orleans alone, 6,368 households had underreported their monthly

earned income by $100 or more—based on matching with wage files maintained by the Louisiana Department of Employment Security. Inasmuch as income is the single factor for determing the level of the monthly food stamp benefit allotment, significant overissuances were made to such households, including some who were not eligible for any benefits.

Most recent figures from the Department of Agriculture indicate that nationally 9.75 percent of all food stamp benefits are overissued, or issued in error—either to totally ineligible recipients or those who, while eligible, received more than their actual income would have warranted.

This error rate reflects wasted, misspent Federal tax dollars. Since the administration of the program is a State responsibility, such overissuances by State agencies administering the program are a cause for continued Federal oversight in order to prompt States to reduce these errors. The national average percentage of errors has been declining in recent years to the most recent level of 9.75 percent. However, because the program itself has grown enormously, the total dollar cost of these overissuance errors has remained fairly constant at over $1 billion annually.

The following table outlines the most recent error rates in the States:

FOOD STAMP QUALITY CONTROL REVIEWS—REGRESSED ERROR RATES—OCTOBER 1981 TO MARCH 1982

[Percent of dollars in error]

	Amount	Ineligible	Overissue	Underissue	Total
Connecticut	$5,537,213	6.56	6.98	2.89	16.45
Maine	5,384,559	3.40	4.39	1.91	9.70
Massachusetts	15,900,503	8.60	5.05	2.14	15.89
New Hampshire	2,106,607	9.21	6.39	2.05	17.65
New York	85,646,084	7.78	6.28	2.68	16.76
Rhode Island	3,168,473	4.55	4.16	3.31	12.02
Vermont	1,670,099	5.18	4.45	2.47	12.10
NERO	119,413,536	7.54	5.98	2.59	16.14
Delaware	2,366,156	2.31	3.69	2.51	8.51
District of Columbia	3,730,627	6.59	4.73	7.32	18.72
Maryland	15,463,432	5.15	5.52	1.66	12.33
New Jersey	23,165,917	4.80	3.70	2.41	10.94
Pennsylvania	38,617,004	6.83	5.04	1.45	13.70
Puerto Rico	73,271,436	3.64	4.80	1.85	10.29
Virgin Islands	1,568,106	4.12	4.27	0.95	16.45
Virginia	16,859,038	2.86	4.11	2.84	9.81
West Virginia	8,866,059	3.92	4.97	2.45	11.34
MARO	183,907,775	4.57	4.70	2.05	11.47
Alabama	23,371,646	1.93	3.49	2.07	7.49
Florida	38,590,234	3.54	7.23	2.16	12.93
Georgia	31,442,915	2.81	3.80	2.16	8.76
Kentucky	21,462,954	2.93	4.14	1.92	8.99
Mississippi	18,655,197	3.87	5.03	3.91	12.82
North Carolina	19,087,000	3.24	6.32	3.84	13.40
South Carolina	15,039,016	4.28	7.25	1.33	12.86
Tennessee	26,171,567	4.73	6.24	2.35	13.31
SERO	193,820,529	3.38	5.45	2.42	11.24
Illinois	44,011,654	2.92	4.76	2.15	9.83
Indiana	16,577,095	3.20	3.60	2.45	9.25
Michigan	35,453,836	4.39	4.69	2.30	11.39
Minnesota	6,537,442	4.71	5.52	1.56	11.81
Ohio	43,928,612	4.57	4.12	1.82	10.51
Wisconsin	8,516,300	6.61	4.02	4.15	14.78
MWRO	155,024,939	4.03	4.43	2.21	10.67
Arkansas	11,159,776	4.23	5.26	3.10	12.59
Louisiana	18,714,006	3.90	5.98	2.60	12.48
New Mexico	6,581,544	6.74	6.35	2.72	15.82
Oklahoma	5,551,142	4.11	3.40	3.97	11.48
Texas	43,982,691	4.09	6.72	2.27	13.08
SWRO	85,989,159	4.27	6.13	2.59	12.99
Colorado	6,315,624	9.74	4.84	2.70	17.28
Iowa	6,498,894	5.69	3.49	2.21	11.38
Kansas	4,337,575	6.46	3.69	1.60	11.75
Missouri	15,410,200	2.15	4.65	2.30	9.10
Montana	1,935,127	1.66	5.65	1.62	8.92
Nebraska	2,448,326	6.82	3.51	4.02	14.35
North Dakota	1,079,404	5.49	1.67	1.97	9.13
South Dakota	1,950,511	4.47	6.63	1.35	12.46
Utah	2,424,911	4.63	2.56	2.96	10.14
Wyoming	576,847	5.03	3.33	.75	9.12
MPRO	42,977,419	4.85	4.27	2.31	11.42
Alaska	1,648,507	14.32	6.89	1.98	23.37
Arizona	9,742,829	6.21	6.42	2.81	15.46
California	40,898,663	4.88	4.40	2.75	12.05
Guam	1,361,383	3.54	1.44	2.22	7.20
Hawaii	5,667,591	3.90	2.78	2.40	9.08
Idaho	3,172,338	3.57	3.80	1.52	8.89
Nevada	1,461,305	.25	1.20	1.56	3.01
Oregon	12,060,504	6.58	5.40	3.20	15.45
Washington	11,849,729	4.29	6.09	1.66	12.05
WRO	87,862,849	5.15	4.81	2.56	12.58
U.S. total	868,996,206	4.66	5.13	2.35	12.18

One would hope that mayors, and others, would regard participation declines favorably, particularly when they are attributable to the continued improvement in the economy or elimination of ineligible recipients. There is no de facto virtue in having large numbers of people on food stamps, and no cause for shame when reductions occur as a result of economic recovery and implementation of anti-fraud provisions.

State and local officials who administer the food stamp program simply must increase their commitment to improving the program administration, reducing errors, and thereby increasing the public perception of the program.

IMPROVED PURCHASING POWER

Some witnesses have stated or implied that food stamp buying power has declined under the Reagan administration, thus resulting in inadequate benefits for current food stamp recipients. Contrary to charges that food stamp buying power has declined, the converse is true. While the cost of food purchases for home consumption has risen 20 percent since 1980, average monthly food stamp benefits have risen 24 percent. Three years ago, according to the Department of Agriculture, the average monthly benefit was $34.35 per person. During fiscal year 1983—which ended September 30, 1983—the average benefit was $43.02.

Indeed, the relatively low rates of food price inflation have increased the relative value of monthly food stamp benefits during the Reagan administration.

The amount needed to purchase a low-cost adequate diet is set by the U.S. Department of Agriculture's thrifty food plan as translated into maximum monthly food stamp allotments for various household sizes, and updated annually for changes in food prices. For several years prior to 1980, allotments were indexed semi-annually; since 1980, annually. In 1980, the maximum allotment for a four-person household was $208, but actual thrifty food plan costs averaged $219.78 per month. Thus, monthly benefits were $11.78 behind actual food prices.

During fiscal year 1983, the maximum four-person household allotment was $253, and the actual average thrifty food plan was $253.69. Thus, monthly benefits averaged only 69 cents behind actual average food prices.

Indeed, the disastrous consequences of the high inflation policies of the Carter-Mondale administration can be seen from the following illustration.

The current weekly maximum allotment for a four-person household is $59—$253 divided by 4.3 weeks per month—up $4 from January 1981. If inflation had continued at the same rate as during the 4 years of the Carter-Mondale administration, the current allotment would have to be $69 per week.

No one has benefited more by the lower inflation rates of the past 3 years than the poor, including those on the food stamp program. Food dollars go further—regardless of income level. Thus, there is no economic basis for the frequent assertion that food stamp benefits are somehow inadequate.

Additionally, it should be remembered that participating households are expected to spend 30 percent of countable income—after certain deductions—for food. Food stamp benefits are designed to make up the difference between that and the amount needed for a low-cost adequate diet—that is, the thrifty food plan.

Households with no countable income receive maximum monthly allotments; those with higher incomes—relative to family size—receive lower allotments. Therefore, except in the cases in which the household's after deduction income is zero—so-called zero net income households—some income is judged to be available to the household for the purposes of purchasing food.

Except in the case of zero net income households—usually less than one-fourth of the entire caseload—households are expected to contribute from their own income to purchase food. Among these recipients with relatively higher incomes, food stamp benefits serve as a supplement to regular food purchases, and have never been intended to supply all of the household's monthly food needs.

The percentage of household income that is attributed as being spent on

food purchases is known as the benefit reduction rate. Since 1977, the benefit reduction rate has been 30 percent. Thus, for every additional dollar of countable income—after food stamp deductions—benefits are reduced by 30 cents.

Prior to 1977, households were required to contribute some 30 percent of their countable income to the Federal Government in return for the larger value food stamp benefits. This requirement for a cash contribution was known as the purchase requirement. The purchase requirement was fully eliminated in 1979; its elimination was phased out over 2 years, between 1977 to 1979. Elimination of the purchase requirement is largely attributed to be the single greatest cause for the rapid expansion of both cost and participation of what is now widely known as free food stamps. The Congressional Budget Office—CBO—has estimated that 70 to 80 percent of the growth in the program since 1979 can be attributed to the elimination of the purchase requirement.

Additionally, the elimination of the purchase requirement has reduced—indeed, possibly eliminated—the nutritional focus of the program. Since the elimination of the purchase requirement, the program has come to be more of an income transfer program inasmuch as free food stamps now replace money which might have been spent for food, freeing up such money for other, nonfood expenditures.

The Congressional Budget Office noted in 1980 that increased food stamp participation seemed to have occurred because during inflationary times—

> • • • Low and lower-middle income families choose to reallocate their limited incomes so as to select those commodities which are subsidized and thereby continue to maintain their real purchasing power in the non-subsidized goods. Since the elimination of the purchase requirement, the food stamp program has become more of a direct income transfer program, directly substitutable for nonfood purchases. Hence, the propensity to participate in the program increases with relatively high rates of inflation in nonfood, but still basic items.

While this tendency is accentuated in highly inflationary times, it holds true even with the modest inflation of more recent years.

CBO also analyzed the effect of reinstating the purchase requirement:

> It is not possible to accurately assess the impact of reinstating the purchase requirement on the nutritional status of food stamp households. It is generally agreed, however, that a food stamp program containing a purchase requirement is likely to be more effective in increasing food purchases per dollar distributed among participants than one without such a requirement.
>
> • • • Re-establishing the purchase requirement would decrease substitution, and increase the effectiveness of the transfer in increasing food purchases. It still remains unclear if increased food purchases, however, means improved nutritional status. (August 1, 1980, memorandum.)

The General Accounting Office has also substantiated the impact of eliminating the purchase requirement:

> The program effect was that the Food Stamp Program no longer served to require households to set aside sufficient resources to be able to obtain nutritious diets. It became an effort to supplement family income in the hope that households would wisely use enough non-food coupon resources for food. It also was responsible for the large influx of households into the program and the resulting steep escalation of program costs.
>
> In addition to emphasizing the Food Stamp Program as a nutrition program rather than an income supplement program, reinstatement of the purchase requirement could be expected to help control and possibly reduce program costs to the extent that households would drop out of the program or would be discouraged from participating. (April 29, 1981 letter.)

The idea that food stamp recipients may run out of benefits at the end of the month, as is sometimes claimed, does not account for the household's cash contribution—which is to represent 30 percent of countable income. At the same time, there is now a less secure guarantee that part of the household's income will be used to improve nutrition—or at least be spent on food—than under a purchase requirement system.

I sponsored legislation in 1981 to restore the purchase requirement for food stamp households except for those containing the elderly and disabled.

Additionally, food stamp benefits—whether for those with no income or for those who have some countable income—are predicated on being sufficient to obtain a low-cost nutritious diet. Food stamp recipients of any income level obviously may not have enough to last the month if they do not shop and prepare meals prudently. The level of food stamp benefits distributed to each family is not intended to be lavish, but rather sufficient to achieve a nutritious diet inexpensively. The food stamps will be exhausted prematurely if they are spent on high-cost foods and specialty items; they will not provide good nourishment if they are not spent on nutritious foods, but neither result is the fault of the program itself—before or since the Reagan administration.

SPARSE MEDICAL EVIDENCE OF HUNGER

Some of the charges made by witnesses and others in the public have centered around what they claim is the deteriorating health conditions attributable to poor nutrition.

Early in the year considerable attention focused on a report published by the Food Research and Action Center—FRAC—which claimed "that the steady decline in infant mortality rates is being reversed in recession-hit cities and States." This charge was repeated by Nancy Amidei, FRAC's executive director, at a subcommittee hearing on March 14.

Dr. Edward N. Brandt, Jr., Assistant Secretary of Health within the Department of Health and Human Services disputed the findings of the FRAC report at the same hearing. He concluded instead that infant mortality rates nationally have continued to decline. Dr. Brandt represented that the following table—which shows a consistent reduction in infant mortality—outlines national infant mortality statistics:

INFANT MORTALITY RATES BY RACE: UNITED STATES, 1940–82

[Rates are deaths under 1 yr per 1,000 live births in specified group]

Year	Infant mortality rate		
	Total	White	Black
1982 [1]	11.2		
1981 [1]	11.7		
1980 [1]	12.5		
1979 [2]	13.1	11.4	21.8
1978 [2]	13.8	12.0	23.1
1977 [2]	14.1	12.3	23.6
1976 [2]	15.2	13.3	25.5
1975 [2]	16.1	14.2	26.2
1974 [2]	16.7	14.8	26.8
1973 [2]	17.7	15.8	28.1
1972 [3]	18.5	16.4	29.6
1971 [2]	19.1	17.1	30.3
1970 [2]	20.0	17.8	32.6
1969	20.9	18.4	34.8
1968	21.8	19.2	36.2
1967	22.4	19.7	37.5
1966	23.7	20.6	40.2
1965	24.7	21.5	41.7
1964	24.8	21.6	42.3
1963 [4]	25.2	22.2	42.8
1962 [4]	25.3	22.3	42.6
1961	25.3	22.4	41.8
1960	26.0	22.9	44.3
1959	26.4	23.2	44.8
1958	27.1	23.8	46.3
1957	26.3	23.3	44.2
1956	26.0	23.2	42.4
1955	26.4	23.6	43.1
1954	26.6	23.9	42.9
1953	27.8	25.0	44.5
1952	28.4	25.5	46.9
1951	28.4	25.8	44.3
1950	29.2	26.8	43.9
1949	31.3	28.9	46.8
1948	32.0	29.9	45.7
1947	32.2	30.1	47.7
1946	33.8	31.8	48.8
1945	38.3	35.6	56.2
1944	39.8	36.9	59.3
1943	40.4	37.5	61.5
1942	40.4	37.3	64.2
1941	45.3	41.2	74.1
1940	47.0	43.2	72.9

[1] Provisional data.
[2] Excludes deaths of nonresidents of the United States.
[3] Deaths based on a 50-percent sample.
[4] Figures by color exclude data for residents of New Jersey.

Note.—Data are by State of occurrence.

Source: National Center for Health Statistics, Division of Vital Statistics and Division of Analysis.

Because of the considerable controversy that the original report had prompted and by Dr. Brand's categorical rejection of its conclusions, I felt that it would be helpful to get the views of some knowledgeable third party experts who follow infant health and mortality statistics. I requested recommendations for such knowledgeable third parties from the American Medical Association, the American Academy of Pediatrics, and various health professionals—both in academia and government.

Those who agreed to participate have very knowledgeable backgrounds

and approach infant mortality analysis from varying fields of study. For instance, the individuals who commented on the FRAC report and Dr. Brandt's testimony included statisticians, public health professors, an economist, and pediatricians.

Nine experts from around the country reviewed and commented on both the FRAC report and Dr. Brandt's testimony on behalf of the administration. These letters are in the record of the hearing for March 14. The consensus of these experts is clear. The FRAC report considerably oversimplifies infant mortality statistics and overstated, if not misrepresented, what can be observed from current trends.

Obviously all infant mortality is tragic, and we as a nation must continue to strive to reduce the levels which do exist. It is regrettable that some have played on the legitimate concern of the American people for the health of our Nation's infants by citing the inaccurate and misleading interpretation of such statistics used by FRAC.

One professor specifically noted the inaccuracy of FRAC's interpretation of infant mortality rates with regard to my hometown of Raleigh.

Dr. Earl Siegel, professor of maternal and child health and clinical professor of pediatrics at the University of North Carolina in Chapel Hill, stated:

Subsequent to dissemination of the FRAC report, an analysis of infant mortality trends in Raleigh, N.C., was undertaken. The number of infant deaths was much fewer than 100 (24-33) and the yearly infant mortality rate (1970-81) appeared to fluctuate randomly. For Raleigh, the increase between 1980 and 1981 reported by FRAC is not meaningful.

The comments of these health professionals will contribute to a more informed and rational discussion of the important issue of infant mortality.

Among the other comments—

Dr. Alvin M. Mauer, chairperson of the Committee on Nutrition of the American Academy of Pediatrics and director of St. Jude's Children's Research Hospital, Memphis:

The fluctuations that were observed in infant mortality data can easily be explained by random variation.

Dr. Donald A. Cornely, chairman of the Department of Maternal and Child Health at the Johns Hopkins University, Baltimore:

Fluctuation in infant mortality rates on an annual basis within states and cities are overwhelmingly due to the combination of infant death being a relatively rare event and the small number of live births occurring in many states and most cities in a single year.

Dr. Myron Wegman, dean emeritus, School of Public Health, University of Michigan, Ann Arbor:

Besides those factors influencing infant mortality per se, rates in cities and states are more subject than national rates to chance variation from year to year. Thus, in many states, particularly the smaller ones, one would not be surprised to find a higher level in a given year, despite an overall downward trend.

Dr. Ronald L. Williams, director, health data research facility, University of California, Santa Barbara:

It is my opinion that the evidence presented by FRAC cannot support their claim that there has been a real increase in infant mortality rates in any of the United States. Indeed, all available statistical information supports the view that the historic trend of declining infant mortality rates (is) continuing unabated, both nationally and for each state.

BOSTON CITY HOSPITAL STUDY

Another equally spectacular charge was made by Dr. Larry Brown at a nutrition subcommittee hearing conducted by Senator BOB DOLE on April 6. It was summarized in the following New York Times article:

A survey by a Boston hospital that found an unexpectedly large number of children with stunted growth may be an indication of "silent undernutrition" among America's poor, a Harvard health specialist said today. (New York Times, April 7, 1983, B15)

The implications of Brown's testimony—as evidenced by news reports—were that the findings from this study were a new development, that they were linked to nutrition program changes enacted during the Reagan administration, and that they may be occurring nationally.

However, there was absolutely no documentation in the testimony of subsequent answers to questions for any of the elements of this stark scenario. The most fundamental question in dealing with comparisons—especially those that are portrayed as very negative—is "compared to what?" There was no evidence that the stunting statistics peculiar to the Boston City Hospital were new; indeed, no comparisons were made with previous years to form a basis for analysis. Brown admitted in response to a follow-up question that:

Researchers do not know whether growth failure in this population (low-income children within Boston) was greater or less than a year ago, although prospective studies are being conducted.

No evidence was presented to suggest, much less prove, that levels of growth failure in Boston or elsewhere had any connection whatsoever to Federal nutrition programs, much less to specific changes made within the past 2 years. Indeed, there was not even any evidence that there had been any change; that is, an implied reduction in the level of Federal nutrition assistance received by the low-income households in the Boston City Hospital study.

Most unfortunate was the portrayal by the media that the study of one hospital in inner-city Boston had produced results which somehow might have ominous national implications. The New York Times headline for the story was "Study Cited as Sign of Health Peril to Children of Poor in U.S." Even Brown stated in his testimony, not quoted in the newspapers, that "the Boston City Hospital study does not permit generalization to the larger population."

Nonetheless, the fiction was launched, or at least perpetuated, that nutrition program changes of 1981 and 1982—designed primarily to remove higher income participants and eliminate abuses—were having a negative impact on low-income families.

INFORMATION FROM CENTERS FOR DISEASE CONTROL

The one rather significant piece of medical evidence which is available, and which does appear to represent data from a large part of the population, does not demonstrate a deterioration in key child health indicators.

The Centers for Disease Control (CDC) has been monitoring initial screening evaluations for infants and children from relatively low-income families; that is, those with incomes below 185 percent of poverty, $18,315 for a family of four enrolled in the WIC program and other public service delivery programs. According to the CDC, children enrolling in the WIC program have come to represent an increasing proportion of the initial screening visit data in these reports, and now constitute over 70 percent of initial visits. Again, I would emphasize that because the data reflects the nutritional status of children at the time of entrance into the programs, the data will not reflect any subsequent impact of these programs on nutritional status.

Dr. J. Michael McGinnis, Deputy Assistant Secretary for Health explained the significance of the CDC information:

The data were submitted from the 28 selected States and the District of Columbia which were participating in the CDC Coordinated Nutrition Surveillance System during the period January 1976 to December 1982. The findings indicate that the overall prevalence of linear growth stunting (low height-for-age) and of overweight (high weight-for-height) has declined slowly over the seven year period. The prevalence of growth stunting declined from approximately 9.5 percent to 8.5 percent and the prevalence of overweight declined from approximately 8.5 percent to 7.5 percent during this period. The decline in prevalence was observed principally in infants under 2 years of age. Older children showed little consistent change in the prevalence of abnormal growth indicators. The four ethnic groups with sufficient representation in the surveillance system data based to be evaluated statistically (white, black, Hispanic, and Native American) all shared in the decline in prevalence.

The prevalence of low weight-for-age and low weight-for-height remained at or below the five percent level which is "expected" to occur, since the cut-off for determining low values is the 5th percentile of the National

Center for Health Statistics reference population.

Similar evaluation of trends in anemia prevalence based on initial screening results in approximately 115,000 children per year from States also indicated an overall downward trend—from approximately 9 percent to approximately 7 percent prevalence over the 7 year period.

Trends in anemia were generally more variable than those in linear growth and overweight, but all ethnic groups showed the same overall pattern. Age group differences in anemia trends were not consistently observed.

It should be understood that the data tabulated by CDC cannot be taken as representative of U.S. children as a whole, but the information does represent the results of initial screening examinations conducted on approximately 200,000 infants and children per year from families enrolling in the WIC program and other, health programs. It is interesting to note that the caveat, that the CDC survey data may not be representative, was included in a New York Times story covering similar testimony—"Doctors Tell House Panel of New Data on Hunger," October 21, 1983—but not mentioned with regard to two other studies presented which covered only 400 people each and came to opposite conclusions.

Nonetheless, the CDC information is the most comprehensive the committee has had access to this year. The following 28 States as well as the District of Columbia participated in the submission of information used in the CDC survey: Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Florida, Idaho, Illinois, Indiana, Kentucky, Louisiana, Maine, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Jersey, North Carolina, Ohio, Oregon, Rhode Island, Tennessee, Vermont, Washington, and Wisconsin.

Dr. C. E. Butterworth, Jr., professor and chairman of the Department of Nutrition Sciences from the University of Alabama in Birmingham suggested during one nutrition subcommittee hearing that malnutrition in the United States was of such a serious proportion that it should be required to be listed on insurance claims and death certificates as a possible cause of hospitalization or death. Asked if he knew of any case in Alabama or elsewhere in which the cause of death was actually due to malnutrition, Dr. Butterworth provided one example of a 77-year-old woman in Alabama who died in 1978.

The implication in the hearing—and certainly of many news stories—that such events are a new and widespread occurrence is simply misleading. The sole example of malnutrition resulting in death presented to the committee this year took place 5 years ago, 2 years before Ronald Reagan became President.

Certainly all the members of the Committee on Agriculture, Nutrition, and Forestry are vitally interested in information on the health and welfare of people served by the array of Federal food and assistance programs, and of any eligible people who are not being served by these programs. However, the plethora of anecdotal illustrations supplied by witnesses, and often repeated by the media, have not proven helpful this year in seriously examining this issue. Rather, such stories have served only to confuse any search for factual information and particularly for information of sufficient scope as to give a picture of the national situation, rather than very isolated cases.

One of the most tragic components of the hungry—some of whom are not poor—is made up of mental patients who have been released prematurely from institutions, in response to a deinstitutionalization trend, and forced to fend for themselves. They may or may not elect to participate in Federal food assistance programs; but, precisely because of their mental condition, often they do not care for themselves even if they receive Federal assistance or have sufficient money. Many of these individuals represent the tragic consequences of alcohol and drug abuse.

There are many factors which contribute to poor nutrition, or even malnutrition. Some of these—such as those associated with alcoholism, anorexia nervosa, or other physical or mental illnesses—simply cannot be overcome through Federal nutrition programs alone and are not restricted to low-income families.

There are some middle- and upper-income families who have poor nutrition habits. However, what responsibility, if any, should the Federal Government assume with regard to feeding those who are not, by any standard, poor? These are issues on which media attention has not been focused.

The essential question for our committee to examine has been how well have the existing Federal food and nutrition programs responded to increased needs of poor Americans. Are there really, as some contend, millions of poor Americans going unserved by the Federal feeding programs? If so, is this in any way a result of reforms made in various food and nutrition programs in recent years?

It has been obvious from the outset that at least some critics have a particular, very specific bias. Many of those who have painted a picture of nutritional gloom have opposed in a partisan way the present administration from the outset. They now seek to conjure up an image of widespread hunger in an apparent effort to discredit the Reagan administration's broad economic program.

Americans are legitimately concerned that the Federal Government maintain appropriate food assistance programs to help the needy. In my judgment—based on the evidence thus far presented—there is no basis to deny that this worthy objective is being achieved.

Mr. President, I extend my best wishes to the President's Task Force on Food Assistance, appointed September 9, in their endeavors to examine the issue of hunger in the United States. I certainly hope that they are being presented with informative data which will give them a factual basis on which to make recommendations rather than the barrage of perceptions, impressions, and isolated incidents with which our committee has been presented in abundance.

Certainly, Mr. President, the subject of nutrition is an important one which concerns most Americans. Charges of hunger and malnurtition should not be bandied about lightly.

Aspersions about the Reagan administration's culpability in certain situations also should be examined in greater detail, rather than accepted, or reported by the media, as fact.

Several examples come to mind, again from subcommittee hearings.

Mayor Coleman Young of Detroit stated at one hearing that "half of the world's supply of butter is in warehouses' cold storage somewhere in the United States." Asked to substantiate his claim, he admitted that he had no idea whether such an assertion was factual.

Such unsupported claims are simply irresponsible at a time when careful examination and discussion of important nutrition-related issues is being attempted.

It is well known that dairy products have comprised the largest portion of surplus commodities owned by the Commodity Credit Corporation. In an attempt to reduce such Government-owned dairy stocks, the Senate just recently passed legislation aimed at reducing production and stimulating demand. Large as they are, however, there is nowhere close to half the world's supply of butter in USDA storage.

Two other mayors suggested that USDA has in surplus and should be making widely available bread, meat, vegetables, canned goods, sugar, and potato products. Such a recommendation is either the height of misunderstanding of the complex commodity programs, or of demagoguery.

The Federal Government does not own uncommitted surpluses of bread, meat, vegetables, canned goods, surgar, and potato products. Indeed, only in the case of sugar is there even a Federal price support program for an item included in the "wish list" of some of the mayors. While wheat is a

price support commodity, it is stored, if in surplus, in raw form or possibly as flour, but is never maintained as bread.

The notion that somehow there are massive quantities of surplus commodities being withheld from the American people is absolutely false. Those who spread such information, knowing it to be false, are doing a great disservice to the American public—taxpayers and recipients of Federal feeding programs alike.

Those commodities which are truly in surplus are being made available. Indeed, it is ironic that the Reagan administration, which initiated the commodity distribution concept for cheese in 1981, is sometimes criticized for somehow "not doing enough."

One witness at the same hearing, Lynn Pennetta, of community food and nutrition program with Denver Opportunity, Inc., made the statement that "there is powdered milk being dumped into the ocean." Again, asked to provide documentation, the full story is somewhat different.

While the thrust of the testimony made is sound as if this were a current occurrence, in reality the witness was reciting a news story 3 years old. Indeed, the alleged incident did not even occur during the Reagan administration, but rather in February 1980—during the Carter administration. Officials at the time indicated that the milk in question had gone bad.

Obviously, the committee will continue to monitor the nutritional status of low-income Americans and to insure that Federal food and nutrition programs are being operated effectively and efficiently. We look forward to the findings and recommendations of the President's Task Force on Food Assistance. We will certainly work with them and others who are willing to present factual information which can be a basis for sound decisionmaking with regard to these Federal programs.●

OUR ITALIAN PARTNERS IN THE MULTINATIONAL PEACEKEEPING FORCE

● Mr. PERCY. Mr. President, I want to take this opportunity to bring to the attention of my colleagues in the Senate the fine efforts of our Italian partners in the multinational peacekeeping force in Beirut.

In a recent article in the Washington Post, foreign correspondent Glenn Frankel reports on the effectiveness of the Italian contingent in the vast slums of southern Beirut. According to the article, the Italian forces maintain a highly visible profile around the Palestinian refugee camps of Sabra and Shatila. The soldiers have befriended many of the residents of the camp and operate a field hospital that treats civilians free of charge 24 hours a day. I was very impressed with their discipline and their spirit when I visited them in August of last year.

The Italian soldiers should be congratulated for their fine work in the MNF. Their efforts to date have been highly successful, and this is a tribute to their commanders, the attitude of the soldiers, and the support of the Italian Government. I attach the article from the Washington Post.

ITALIAN TROOPS KEEP PROFILE HIGH, CASUALTIES LOW IN BEIRUT SLUMS

(By Glenn Frankel)

BEIRUT.—The fortifications around both military headquarters are nearly identical—10-foot-high mounds of recently excavated soil, armored vehicles blocking the entranceways, machine-gun nests atop the roofs.

But that is where the similarities end between the U.S. Marine and Italian contingents of the multinational peace-keeping force here. There are striking contrasts in activities and attitudes that suggest these two forces have very different concepts of how best to keep the peace—and maintain their own safety—in the civil cauldron that is Beirut.

While the Americans are hunkered down in isolated and heavily defended positions around Beirut International Airport, the Italians patrol the vast slums of southern Beirut and maintain a highly visible vigil over the Palestinian refugee camps of Sabra and Shatila, scene of last year's mass murders. They also operate a field hospital that treats civilian customers free of charges 24 hours a day and dispenses several tons of free medication each month.

There are military differences as well. While U.S. ships and French warplanes rained shells and bombs on Lebanese insurgents in the eastern mountains in August, and French jets attacked Shiite radicals last week, the Italians have maintained a hands-off policy toward all of the rival factions here, sustaining at least a semblance of neutrality.

One statistic suggests the degree of their success: While the Marine body count here stands at more than 240 and the French at 76, the Italians have lost one dead in their 14 months in Beirut, despite the fact that their 2,195-man contingent is the largest here.

The Italians are shy about taking much public credit for their success here. They believe they are not immune to a terrorist strike such as the suicide truck bombs that killed nearly 300 Americans and French troopers last month.

"You never know, maybe the driver who was supposed to attack us had a headache that day or a flat tire, or maybe he decided he did not want to die," said Capt. Corrado Contatore, the Italian contingent's spokesman. "If the terrorists decide to attack us, they can attack in one hundred places—and they will not check with the local people first to see if they approve."

Perhaps so, but many observers believe it is the very visibility of the Italians, along with their jealously guarded impartiality, that offers them protection as they move amid the local population.

"You see these men?" asked Ali Sawan, a spokesman for Amal, the dominant Shiite militia organization, pointing to Italian soldiers guarding a Palestinian section of the Shiite Burj al Barajinah suburb. "Nobody does anything to them. That is because they do not support one side against another."

More than 200 Italian soldiers stand guard 24 hours over Sabra and Shatila to prevent any repetition of last year's mass slaughter. Many are on a first-name basis with the people they protect, and when Contatore—a big, mournful-looking man with a large mustache and nearly five years of service here with United Nations peace-keeping forces—drives down the rutted, rock-strewn alleys in his white jeep, he is greeted with smiles and waves from adults and children alike.

Every now and then, armed Amal fighters in the Shiite areas approach the Italian guards, sometimes playfully, sometimes not, according to one soldier. "Call it a Mediterranean challenge," he said. "We react by making it clear we control our area while they control theirs. It seems to work."

The centerpiece of the Italians' shrewd public relations effort here is their 75-bed field hospital. While it was ostensibly brought here to treat military casualties, its main customers are more than 1,000 civilian outpatients each month, nearly half of them children.

The one dentist, 20 doctors and 12 nurses handle everything from toothaches to malnutrition, bronchitis to bullet wounds. There are separate tents for pediatrics, radiology, orthopedics and surgery, and two ambulances. Those who require full-scale hospitalization are treated here, then transported to local hospitals.

"Anyone who wants care gets it," said Capt. Francisco Parisi, a surgeon and orthopedics specialist. "We don't care about the patient's religion or anything else."

When they first came to Beirut, the U.S. Marines also performed some popular social work in the slums, including care for orphans and rescue operations in the eastern hills during last winter's heavy snows. But all of that ceased abruptly in August after marine positions came under fire.

"When the shelling began, that's when our contacts with the community were withdrawn," spokesman Maj. Robert Jordan said. "We'd like to go back if the situation allowed it, but the first priority is to minimize conflagration and confrontation and you do that by minimizing contact."

Although no one here will say it publicly, the Italians are known to feel the U.S. approach has been too timid in avoiding dealings with residents and too aggressive in striking out at those suspected of attacking the marines. Most of all, the Italians are said to fear they too will be trapped in a cycle of reprisals between the western military forces and Shiite radicals.

But despite growing reservations about their mission, the Italians plan for now to remain and to maintain their distinctive approach, including their distinctive cuisine. While most marines wolf down cold freeze-dried food in plastic packets in their foxholes and bunkers, a typical Italian lunch last week consisted of pasta, turkey breast with cream sauce, buttered fresh vegetables and a half liter of wine.

A final contrast between the two forces is evident when they leave. Most of the marines came here filled with innocent optimism: they leave six months later much sobered and grim. For the Italians, who stay only four months with a week's home leave in the middle, it is a different story.

"Most of our soldiers are conscripts and I would say 75 percent did not want to come," Contatore said. "But by the time they go

home, most are very happy to have been here."●

COMMEMORATING HAYM SALOMON—REVOLUTIONARY WAR PATRIOT

● Mr. LAUTENBERG. Mr. President, the members of the Harry Korn Men's Club of Congregation B'nai Jacob of Jersey City, N.J., have worked to champion the memory of Haym Salomon, a Jewish Revolutionary War patriot, so that his contribution to American independence will not be forgotten. I commend them on their efforts.

January 6, 1983, will mark the 199th anniversary of the death of Haym Salomon. I would like to share with my colleagues some of the highlights of the life of this distinguished man who was dedicated to the success of the Revolution and who used his financial talents to assure this success. Haym Salomon was a hero in the fight for the independence of this country.

Salomon was born in Poland of Jewish-Portuguese ancestry. He left Europe in 1772 and came to New York with a knowledge of several languages and a background in finance. Here, he engaged in trade and involved himself in the move for American independence. In 1778, the British imprisoned him in the infamous Provost prison. After realizing his linguistic abilities, the British assigned Salomon to Lt. Gen. Leopold von Heister as an interpreter. In this capacity, he was given considerable freedom and resumed his lucrative career in trading. During this time, Salomon took advantage of this freedom to help American and French prisoners escape and to incite Hessian soldiers to desert to the American forces.

Salomon himself eventually escaped, leaving his wife, Rachel, a month-old son, and a considerable amount of capital. He fled to Philadelphia where he eventually opened up an office as a dealer in bills of exchange and other securities and sent for his family to join him. The business prospered, and he became a leading broker in the city and one of the largest depositors in the Bank of North America.

In 1781, the finances of the American Government were in shambles. Congress put Robert Morris in charge of stabilizing the Government's financial state. He came to rely on Haym Salomon as the broker for cashing foreign bills of exchange.

Salomon's devotion to the Revolution was further exemplified by his generous advances to the members of the Continental Congress and to officers of the army to keep them in service. It is quite likely that Salomon was never repaid by many of his debtors since he was penniless at the time of his death.

Mr. President, for years Haym Salomon's patriotic contributions to the American Revolution have been overlooked or ignored. Finally, in 1941, a statue depicting George Washington, Robert Morris, and Haym Salomon was erected in Chicago, which honored this great American patriot. The monument symbolizes not only the part that Salomon played in the Revolution, but also the idea that all faiths participated in the making of America. The inscription under Salomon's statue is quite fitting to a man worthy of our highest commendation. It reads "Haym Salomon: Gentleman, scholar, patriot—a banker whose only interest was the interest of his country."●

ASBESTOS HAZARDS IN AMERICA'S CLASSROOMS

● Mr. LAUTENBERG. Mr. President, asbestos is well known as a substance which poses serious long-term health hazards to people who are exposed to it for 20 or 30 years. People who have been in daily contact with asbestos have potential time bombs within them. At some point in the future, they are likely to develop lung cancer or other serious disorders such as asbestosis or mesiothelioma.

The possibility of being stricken with these diseases is frightening for all who have worked with or near asbestos, or been exposed to it. Congress recognized the need to protect workers from asbestos risks by passing legislation requiring occupational safety standards. It is imperative that we now fund programs to protect our schoolchildren, teachers, and school administrators. The Department of Education and the Environmental Protection Agency estimate that 14,000 schools in this country, used by 3 million children and 250,000 adults each day, contain asbestos which needs to be eliminated or contained.

To address this danger, a lot of money is needed—about $100,000 per school, or a total of nearly $1.4 billion. Unfortunately, the Senate tabled an amendment to the education appropriations bill for 1984 which would have provided $50 million in loans to schools to start this process. This funding would have given a sign to school officials, parents, and children that Congress recognizes the danger faced from asbestos in schools and is willing to start helping.

Mr. President, I hope that during the 2d session of the 98th Congress we will begin to provide assistance to schools to enable them to provide a health environment for children and teachers. A recent editorial in the New York Times expresses concern about the lack of interest in this problem by officials of the executive branch. I would like to share this editorial with my colleagues.

The editorial follows:

[From the New York Times, Nov. 13, 1983]

KILLER IN THE CLASSROOM

Every day some three million children are exposed in their schools to possibly dangerous amounts of asbestos. The deadly fibers flake from the ceiling, or crumble from insulation and piping. They cause no disease as they lodge in children's lungs. But in 20 to 30 years, the fibers will produce asbestosis, lung cancer and mesiothelioma.

The Reagan Administration has done nothing but wash it hands of the problem. It tried to palm off responsibility onto local school authorities by having them inspect themselves for loose asbestos. But it hasn't asked to know the results and doesn't require cleanup even when asbestos is found.

Many schools have found potentially dangerous amounts of asbestos but done nothing. Cleanup costs a typical school about $100,000, and it doesn't have the money. Although all were required to inspect for asbestos before June, the Environmental Protection Agency says about two-thirds failed to comply fully with the law.

This lethargy at the local level mirrors the apathy in Washington. The Administration has repeatedly denied funds. The Secretary of Education was charged by a 1980 law to address the problem with the help of a task force. It held its first meeting in three years last month. If the Administration can't rouse itself to tackle a proven cancer threat that jeopardizes the health of three million children, what does it care about?

Some 200,000 Americans are expected to die prematurely over the next two decades because of the fibers they inhaled in asbestos plants and dockyards long ago. Even the atmosphere in the schools affected worst doesn't threaten life on such a scale. Indeed, most probably have fewer asbestos fibers in their air than are not legally permitted in work places. That's ground for some reassurance, since risk depends on the degree of exposure.

But no amount of asbestos is so small as to be assumed safe. Children may be more susceptible than adults. They also breathe faster and thus inhale more of a room's dust. According to a recent estimate by the Service Employees International Union, there are probably 11,000 still uncleaned schools with unstable, fiber-shedding asbestos. They are attended by 3.24 million children and employ 650,000 adults.

In New Jersey, probably 90 percent of all schools built before 1979 contain asbestos in some form. Of those monitored by the Environmental Protection Agency—admittedly likely to be the worst cases—few keep proper records. In the view of Arnold Frieberg, the agency's regional coordinator for asbestos, only 5 percent have fully dealt with the problem. He doubts that things are much better in New York, though it, unlike New Jersey, provides matching funds for cleanup.

This is an Administration so intent on the right to life that it seeks to prolong the life of deformed infants, even over the judgment of parents, doctors, counselors and courts. Yet it won't pay to stop children from getting cancer while attending school.●

PLIGHT OF ETHIOPIAN JEWS

● Mr. TSONGAS. Mr. President, I am very proud to have introduced Senate Concurrent Resolution 55, approved

by the Senate on November 17, 1983, expressing concern for the plight of the beleaguered Jewish community in Ethiopia. It is my hope that the House of Representatives will concur in this resolution in the coming year and that it will be signed by the President.

Mr. President, the plight of the Jews of Ethiopia remains a matter of deep concern to me and to their other friends and supporters in the United States. Although they are not now being singled out by the Ethiopian national government for persecution, the Jews of Ethiopia continue to suffer from extreme privation, isolation, discrimination, and sometimes brutal mistreatment.

Ethiopia's Jews are sometime known as Falasha, which means "stranger" or "landless person." They have lived in Ethiopia for over 2,000 years. A thousand years ago they numbered over 500,000 people and enjoyed political and economic autonomy. Since then, however, their numbers have steadily dwindled and their living conditions have deteriorated as result of physical persecution, land confiscation, enslavement, and forced conversion to Islam or Christianity.

Today approximately 28,000 Jews remain in Ethiopia, living in the northwestern part of the country. Another 3,000 have managed to find their way to refugee camp facilities in neighboring Sudan, even though emigration from Ethiopia is barred under Ethiopian law and thus is highly difficult and dangerous. Camp living conditions are very poor, and hundreds of the Jewish refugees have died from malnutrition and disease.

Approximately, 4,000 Ethiopian Jews are living in Israel. Most of them have arrived in recent years, including approximately 1,600 of them this year. When I was in Israel last January, I was privileged to meet and talk with some of these immigrants. I was deeply moved by their courage, by the stories of the suffering they had endured prior to emigration, and by their fervent religious Zionism. My belief that all Ethiopian Jews who wish to emigrate to Israel should be permitted to do so was reaffirmed and strengthened.

Mr. President, I believe it is important to promote greater U.S. official and public awareness of the plight of these brave people. They have continued to endure religious persecution at the hands of local authorities, including closures of synagogues and schools as well as jailings and physical abuse. They also suffer, along with many other Ethiopians, from the effects of the worst drought to have beset that country and other regions of Africa in a decade. The U.N. Disaster Relief Organization has estimated that the drought threatens 3.2 million Ethiopians, and that up to 150 are dying each day due to drought and famine. Living conditions for the Jews and other Ethiopians are further aggravated by the ongoing armed strife between the government and rebel groups in the northern part of the country.

Mr. President, the U.S. Government over the years has made known to the Ethiopian authorities its concerns about the plight of the Jews and other groups in that country. The United States has also provided emergency food assistance to Ethiopia and other drought-stricken African nations. I would hope that our Government, through dialog with Ethiopia's rulers, will press for better treatment of the Jewish community and for acceptance of the right of Ethiopian Jews to emigrate—a right guaranteed to all people by the U.N. Declaration on Human Rights. Exchanges of high-level delegations with Ethiopia would help reinforce and expand this dialog. I also hope that the United States and other nations will respond as generously and expeditiously as possible to appeals by United Nations and other international relief organizations for further food, medical, and other supplies and equipment needed to combat the effects of the drought that is ravaging Ethiopia and more than 20 other African countries.●

ETHIOPIAN JEWS

● Mr. MOYNIHAN. Mr. President, during the final hours of the 1st session of the 98th Congress this body considered and passed Senate Concurrent Resolution 55 regarding the plight of Ethiopian Jews. This concurrent resolution calls on the President to express the concern of the United States for the welfare of Ethiopian Jews and, in particular, their right to emigrate freely. It also asks the President to seek ways to assist the long-persecuted Jews of Ethiopia. Senate Concurrent Resolution 55 is a timely and significant resolution, and I think it entirely fitting that its message be reiterated at every appropriate opportunity.

At the turn of this century there were more than 250,000 Jews living in Ethiopia. Today, the American Association for Ethiopian Jews estimates, the Jewish community in Ethiopia has declined to only 28,000. For centuries the Jews of Ethiopia have been subjected to enslavement, forced conversion, land confiscation, and brutal physical persecution. It is truly a testament to the courage and tenacity of this beleaguered people that there remains a Jewish community in Ethiopia today.

The surviving Jews of Ethiopia live in desperate conditions of disease and poverty. The hardship of the drought that plagues northern Ethiopia has been compounded for this small community by the severe officially sanctioned discrimination it must withstand. The present Government of Ethiopia, established through force of Cuban arms persists in pursuing a relentless program of persecution, in flagrant violation of the U.N. Declaration of Human Rights.

Above all Ethiopian Jews wish to emigrate to Israel, a nation which welcomes them as returning brothers and sisters. Yet the right to emigrate—a basic tenet of the U.N. Declaration of Human Rights—is not recognized by the Government of Ethiopia. In its February 1983 Country Report on Human Rights Practices, the U.S. State Department reports that, in November 1981, the Ethiopian Government issued a proclamation stating:

> That illegally leaving the country was a treasonable offense punishable by five to twenty-five years rigorous imprisonment, or in grave circumstances, death.

The report goes on to state that—

> Torture in Ethiopia is not prohibited by law and that prisoners and detainees in Ethiopia are sometimes subjected to cruel, inhuman, or degrading treatment.

This is what is in store for a Jew who wishes to emigrate from Ethiopia.

The continued persecution of Ethiopian Jews is especially disappointing given Ethiopia's proud history and its long record of leadership in the international community. Ethiopia is the oldest existing black African nation tracing its history continuously back more than 2,000 years. Except for a brief period shortly before the Second World War, when Fascist Italy invaded and occupied Ethiopian territory, Ethiopia has never been colonized or dominated by another nation.

In 1945, under the leadership of Emperor Haile Salassie, Ethiopia was one of the original 51 nations to found the United Nations—and the only black African nation among the founding members. This tradition of international cooperation and leadership in the community of nations has long since been rejected by the current Marxist Government of Ethiopia, a brutal regime maintained by Cuban troops and Soviet aid which ruthlessly persecutes political adversaries and religious minorities despite its commitments as a signatory of the U.N. Charter and the Declaration of Human Rights.

In an impoverished nation, the Jews of Ethiopia are the poorest. The drought that afflicts much of northern Africa is exacting a terrible toll on the small community of Ethiopian Jews. Aid to the northern region of Ethiopia—the home of the Ethiopian Jews and region hardest hit by drought and famine—has been undermined by political conflicts and insufficient transportation.

We must speak out—and we must act—on behalf of the Jews of Ethiopia before it is too late. History must never record a day when the United

States of America allowed a people to be eliminated from the Earth. The Government of Ethiopia and the world must know that we are concerned about the plight of Ethiopian Jewry. Our contribution in the form of food assistance ought to be generous, and our strong voice for the basic human rights of all people, unremitting.●

ETHIOPIAN JEWRY SENATE CONCURRENT RESOLUTION 55

● Mr. PERCY. Mr. President, on November 17 the Senate passed Senate Concurrent Resolution 55, a resolution on behalf of Ethiopian Jewry. The resolution expresses the concerns of the U.S. Senate for Ethiopian Jews, many of whom face simultaneously the tragic problems of disease, malnutrition, and difficulty in emigrating to Israel. I was pleased to be a sponsor of the resolution.

Currently about 4½ million Ethiopians may be endangered by a drought which has affected much of northern Africa. The Falashas—the Ethiopian Jews—face this danger as well. They are truly caught in a web of unfortunate circumstances.

Therefore, public attention should be focused on their plight. The Agency for International Development must consider all requests for urgent humanitarian aid for the victims of the drought. The United States expects other nations to contribute their fair share—and I would encourage our NATO allies to do whatever they can now—but the people of the United States expect us to try to meet the urgent pleas of people in need.

I am pleased that the resolution passed the Senate quickly, and that a majority of the members of the Foreign Relations Committee joined in cosponsoring the resolution. The resolution should give encouragement now to those who can take steps to help the Ethiopian Jews.●

THE SUFFERING IN ETHIOPIA AND THE PLIGHT OF ETHIOPIAN JEWS

● Mr. BURDICK. Mr. President, in the flurry of activity during the closing days of the last session, the Senate passed Senate Concurrent Resolution 55 which expresses the concern of the Congress for Ethiopian Jews.

The Senate accomplished a good deal of business in those final days, and we did not have time to give a full explanation of the desperate plight of the Ethiopian Jewish community and the need for this resolution. It is important that we do so now.

Ethiopians have suffered terribly in recent years. Many have been imprisoned and tortured, and many others have lost their lives at the hands of the current regime. The Ethiopian Jewish community has been particularly hard hit by the turmoil in Ethiopia. Since the 1974 revolution, thousands of Jews have been attacked and killed by both government and antigovernment forces. The surviving Jewish community suffers discrimination and religious persecution, and, like many of their countrymen, they continue to fall victim to poverty and disease.

The problem has worsened with the onslaught of the most devastating drought in a decade in Ethiopia. the drought has severely affected several provinces, including Gondar Province, where most Ethiopian Jews live.

A very bad situation for the Jews has therefore become even more desperate. Senate Concurrent Resolution 55 is intended to focus this Nation's attention on the suffering in Ethiopia, and particularly the misery of the Jewish community.

With the passage of this resolution, I hope our Government will vigorously pursue all opportunities to initiate a dialog with the Ethiopian Government on behalf of Ethiopian Jews. The United States must press for improvement in the living conditions of the Jewish community, and indicate our strong desire that all Ethiopian Jews who wish to emmigrate to Israel be allowed to do so.

Also, any efforts the United States can make to alleviate the famine conditions in Ethiopia will help not only Ethiopian Jews but also the millions of other Ethiopians whose lives are endangered by this drought.

The Agency for International Development has already responded to a U.N. appeal for emergency food and transport assistance, but conditions have deteriorated, and more must be done. UNICEF and private relief organizations have applied for some $5 million in additional assistance from AID, and I hope that AID will act quickly to meet these requests.

In passing Senate Concurrent Resolution 55, we have put before Congress and the American people the cry for help that has come from millions of Ethiopians. Their survival depends in large part on how the United States responds to this plea. We cannot let the Ethiopians down.●

THIS SOLVES HUNGER?

● Mr. HELMS. Mr. President, during the year, much attention has been focused on the subject of nutrition within the United States and about alleged instances of malnutrition and hunger. As I have noted on several occasions, the evidence presented thus far—certainly that presented to the Committee on Agriculture, Nutrition, and Forestry—does not support the broad allegations that have been made.

The rhetoric of administration critics has focused on the alleged inadequacies of Federal programs, presumably Federal food assistance programs for the poor. However, the legislation thus far introduced, and passed by the House, does not address this situation—be it real or imagined. Rather, the legislation primarily provides, in a way I find totally incongruous with the stated concerns of its supporters, increased Federal subsidies for nonpoor families.

While the basis for allegations about widespread hunger on a national scale is flimsy, to remedy the perceived shortcomings by increasing subsidies to middle and higher income families is all the more incomprehensible.

The legislation I am referring to is H.R. 4091, passed by the House on October 25, and a similar Senate bill, S. 1913, both of which make significant, and costly, changes in various child nutrition programs. In particular, most of the benefits go to nonpoor families.

I am concerned that some may have lent their support to the legislation without fully comprehending its specific provisions.

First, perhaps some background is in order. In most of the child nutrition programs, any child—regardless of family income—may participate in the federally supported programs. However, the level of Federal subsidy for each meal served, as well as the amount, if any, that may be charged, is dependent on the income status of the child's family.

Meals for which Federal subsidies, or reimbursements, are available are lunch, breakfast, and—in the case of children at child care centers and day care homes—a snack.

Students eligible for free meals in the various programs are those from families with incomes at or below 130 percent of the poverty line. This is the same as the gross income eligibility standard for the food stamp program. No charge is made for meals served to students participating in the free category.

Reduced-price meals may be served to students from families whose incomes fall between 130 and 185 percent of the poverty line. Such students may be required by the school to contribute as much as 40 cents of their own money for lunch, and as much as 30 cents for breakfast.

Paying students are those from families with incomes above 185 percent of poverty. There is no Federal limit on the lunch or breakfast price which may be charged to paying students.

The following table shows the current annual, as well as monthly, eligibility guidelines for free and reduced-price lunches as compared with 100 percent of OMB poverty guidelines.

INCOME ELIGIBILITY STANDARDS FOR FREE AND REDUCED-PRICED LUNCHES IN THE SCHOOL LUNCH PROGRAM,[1] JULY 1, 1983–JUNE 30, 1984

Household size	130 percent (free)		185 percent (reduced price)		100 percent	
	Month	Year	Month	Year	Month	Year
1	$527	$6,318	$750	$8,991	$405	$4,860
2	709	8,502	1,009	12,099	545	6,540
3	891	10,686	1,268	15,207	685	8,220
4	1,073	12,870	1,527	18,315	825	9,900
5	1,255	15,054	1,786	21,423	965	11,580
6	1,437	17,238	2,045	24,531	1,105	13,260
7	1,619	19,422	2,304	27,639	1,245	14,940
8	1,801	21,606	2,563	30,747	1,385	16,620
Each additional	+182	+2,184	+259	+3,108	+140	+1,680

[1] The eligibility standards that exist for the lunch program also apply with regard to the school breakfast program and to child care centers participating in the child care food program.

Federal subsidies are scaled in such a way that the largest subsidy per meal goes for children receiving free meals, a lesser amount for those receiving reduced-price, and a lower amount for those—above 185 percent of poverty—who pay for their meals.

The following table outlines the amount of the Federal subsidy for each category of meal:

FEDERAL ASSISTANCE, JULY 1, 1983 TO JUNE 30, 1984

[In cents]

	Free	Reduced price	Paid
LUNCH			
Schools[1] (lunch only) and child care centers (lunch or supper)	131.75	91.75	23
BREAKFAST			
Schools and child care centers[2]	62.75	32.75	9
SUPPLEMENT (SNACK)			
Child care centers	33.00	16.50	3

[1] Reimbursement rates are 2 cents higher in schools where 60 percent or more of children are eligible for free and reduce price school lunches.
[2] "Severe need" schools have higher reimbursement rates for free and reduced price meals—75.50 for free, and 45.50 for reduce price. Severe need schools are those which cannot afford to serve free and reduced price breakfast at the regular reimbursement rate, because over 40 percent of the children are eligible for free or reduced price lunches and because of unusually high preparation costs or local hardships.

Additionally, day care homes currently may receive Federal reimbursements for two meals and a snack daily. The reimbursement is fixed without regard to the income level of parents whose children receive such meals or snacks. The following table outlines the current reimbursement rates in such homes:

Reimbursement rates for family or group day care homes, July 1, 1983 to June 30, 1984

	Cents
Breakfast	52.5
Lunch/Supper	103.0
Supplement (snack)	30.75

Incredibly, over 70 percent of the increased expenditures under either H.R. 4091 or S. 1913 would be made on behalf of families in the paid and reduced price categories with incomes above 130 percent of poverty—$12,870 for a family of four. This is hardly an approach designed to help the poor.

Indeed, a significant portion of the costs of the bills—21 to 27 percent—is associated with increased Federal expenditures to those over 185 percent of poverty—$18,315 for a family of four. Certainly this is well above anyone's reasonable definition of poor.

The following memoranda from the Congressional Budget Office—prepared at my request—describe the individual provisions of the bills and the distribution of the impact of the benefits on the various income groups. Mr. President, I ask that the memorandum and attachments be printed at this point in the RECORD.

The material follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., October 14, 1983.

Hon. JESSE A. HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, D.C.

DEAR SENATOR HELMS: At the request of your staff, we have prepared the attached table showing estimates of the distribution by household income category of estimated increases in Child Nutrition and Special Milk Program spending that would result from enactment of H.R. 4091, the School Lunch and Child Nutrition Amendments of 1983. Income categories used in the distribution, which are the same as those currently used to determine eligibility for the three levels of reimbursement rates provided in most child feeding programs, were chosen at the request of your staff. Fiscal year 1985 was selected for analysis because it is the first full year during which the provisions of H.R. 4091 would be in effect.

A copy of the CBO cost estimate of H.R. 4091 is also attached for your information. Roger Hitchner (226-2820) is the CBO staff person who can answer questions about the analysis underlying the estimates.

Sincerely,

JAMES BLUM,
(For Rudolph G. Penner, Director).

ESTIMATES OF THE DISTRIBUTION OF CHILD NUTRITION AND SPECIAL MILK PROGRAM SPENDING INCREASES PROVIDED FOR IN H.R. 4091 AMONG HOUSEHOLDS WITH INCOMES WITHIN CATEGORIES CURRENTLY DEFINING ELIGIBILITY FOR FREE, REDUCED PRICE, AND PAID MEALS

[Fiscal year 1985, in millions of dollars]

Provision	Estimated 1985 cost	Income as a percent of poverty			Comments
		130 or less	130 to 185	185 or more	
Increase in Federal reimbursement for reduced price meals.	66	0	66	0	Benefits to childrens' families would result from decreases in the prices of reduced price meals.
Increase in eligibility guidelines for determining reduced price meals.	21	0	0	21	Benefits to reclassified childrens' families would result from decreases in the prices of meals or, for children not currently participating, decreases in the cost of providing meals from sources other than schools. All benefits go to households with incomes between 185 percent and 195 percent of the poverty level.

ESTIMATES OF THE DISTRIBUTION OF CHILD NUTRITION AND SPECIAL MILK PROGRAM SPENDING INCREASES PROVIDED FOR IN H.R. 4091 AMONG HOUSEHOLDS WITH INCOMES WITHIN CATEGORIES CURRENTLY DEFINING ELIGIBILITY FOR FREE, REDUCED PRICE, AND PAID MEALS—Continued

[Fiscal year 1985, in millions of dollars]

Provision	Estimated 1985 cost	Income as a percent of poverty			Comments
		130 or less	130 to 185	185 or more	
Additional funding to improve school breakfast program meal pattern.	40	34	2	4	Benefits are assumed to result from improved meal quality made possible by increased reimbursement rates. Benefits are distributed according to the distribution of total meals among the reimbursement rate categories.
Change in tuition limitation for private schools.	3	(1)	(1)	3	Distribution assumes change would primarily benefit households with incomes above 185 percent of poverty. Reliable distributional data are not available.
Addition of 1 meal and 1 snack to the child care food program.	15	7	2	7	Benefits would result from increased numbers of reimbursable meals, mostly snacks, served daily to participating children. The distribution of benefits is assumed to be similar to the current distribution of reimbursements among the three household income categories.
Exclusion of certain medical expenses from income of household.	5	0	3	2	This change would benefit households with sufficiently high medical expenses to allow the household to become eligible to receive reduced price rather than paid meals or free rather than reduced price meals. Distribution is based on data on the effects of the formerly allowed hardship deductions on eligibility.
Restoration of certain kindergartens to special milk programs.	10	3	1	6	Benefits are assumed to be distributed according to the distribution of the "free" and "paid" reimbursement rate groups observed in the Special Milk Program when it was allowed in schools. The "paid" group was distributed between the higher two income categories based on the observed distribution of lunches within these groups.
Total	160	43	74	43	
Percent distribution	100	27	46	27	

[1] Less than $500,000; figures may not add due to rounding.

Attached is a preliminary cost estimate of S. 1913, as introduced, and estimates of the

distribution of spending increases across income groups. The provision of the bill that provides payments to States for the transportation and storage of commodities was excluded from the distributional analysis.

PRELIMINARY ESTIMATES OF COSTS OF PROVISIONS OF S. 1913, AS INTRODUCED

[By fiscal year, in millions of dollars]

	1984 [1]	1985	1986	1987	1988
Increase in Federal reimbursement for reduced price meals	45	66	67.0	68.0	69.0
Payments to States for transportation and storage of commodities	10	14	15.0	15.0	16.0
Additional funding to improve school breakfast program meal pattern	32	40	40.0	40.0	40.0
Elimination of tuition limitation for private schools	1	4	4.0	4.0	4.0
Additional of 1 meal and 1 snack to the child care food program	12	15	16.0	16.0	17.0
Increase in authorization for nutrition education and training	3	8	8.0	8.0	8.0
Exclusion of certain medical expenses from income of household	1	5	5.0	5.0	5.0
Restoration of certain kindergartens to special milk programs	11	16	17.0	18.0	18.0
Delay of implementation of income verification requirements [2]	10				
State administrative expenses			1.8	2.2	2.2
Total	125	168	173.8	176.2	179.2

[1] Budget authority equals outlays in all estimates. Enactment on Dec. 1, 1983, was assumed in developing 1984 estimates.

[2] Estimate may be affected by a court decision expected within the next several weeks

PRELIMINARY ESTIMATES OF THE DISTRIBUTION OF SELECTED CHILD NUTRITION AND SPECIAL MILK PROGRAM SPENDING INCREASES PROVIDED FOR IN S. 1913 AMONG HOUSEHOLDS WITH INCOMES WITHIN CATEGORIES CURRENTLY DEFINING ELIGIBILITY FOR FREE, REDUCED PRICE, AND PAID MEALS

[Fiscal year 1985, in millions of dollars]

Provision	Estimated 1985 cost	Income as a Percent of Poverty: 130 or less	130 to 185	185 or more	Comments
Increase in Federal reimbursement for reduced price meals.	66	0	66	0	Benefits to childrens' families would result from decreases in the prices of reduced price meals.
Additional funding to improve school breakfast program meal pattern.	40	34	2	4	Benefits are assumed to result from improved meal quality made possible by increased reimbrusement rates. Benefits are distributed according to the distribution of total meals among the reimbursement rate categories.
Elimination of tuition limitation for private schools.	4	([1])	([1])	4	Distribution assumes change would primarily benefit households with incomes above 185 percent of poverty. Reliable distributional data are not available.

PRELIMINARY ESTIMATES OF THE DISTRIBUTION OF SELECTED CHILD NUTRITION AND SPECIAL MILK PROGRAM SPENDING INCREASES PROVIDED FOR IN S. 1913 AMONG HOUSEHOLDS WITH INCOMES WITHIN CATEGORIES CURRENTLY DEFINING ELIGIBILITY FOR FREE, REDUCED PRICE, AND PAID MEALS—Continued

[Fiscal year 1985, in millions of dollars]

Provision	Estimated 1985 cost	Income as a Percent of Poverty: 130 or less	130 to 185	185 or more	Comments
Addition of 1 meal and 1 snack to the child care food program.	15	7	2	7	Benefits would result from increased numbers of reimbursable meals, mostly snacks, served daily to participating children. The distribution of benefits is assumed to be similar to the current distribution of reimbursements among the three household income categories.
Exclusion of certain medical expenses from income of household.	5	0	3	2	This change would benefit households with sufficiently high medical expenses to allow the household to become eligible to receive reduced price rather than paid meals or free rather than reduced price meals. Distribution is based on data on the effects of the formerly allowed hardship deductions on eligibility.
Increase in authorization for nutrition education and training.	8	3	1	4	Benefits are distributed according to the distribution of children participating in the lunch program in the three reimbursement categories.
Restoration of certain kindergartens to special milk programs.	16	3	2	11	Benefits are assumed to be distributed according to the distribution of the "free" and "paid" reimbursement rate groups observed in the Special Milk Program when it was allowed in schools. The "paid" group was distributed between the higher two income categories based on the observed distributions of lunches within these groups.
Total [2]	154	47	76	32	
Percent distribution	100	30	49	21	

[1] Less than $500,000; figures may not add due to rounding.

[2] This total does not include costs of a provision that would provide States with funds for the transportation and storage of commodities. This provision, which is estimated to cost $14,000,000 in fiscal year 1985, was omitted because it would not be expected to have direct effects on participating children. Rather, it is expected that these funds would largely substitute for current State and local spending for these activities. The total estimated costs of this bill during fiscal year 1985 is $168,000,000.

Mr. HELMS. Mr. President, many of the provisions of the bills appear designed to reverse cost-saving reforms made in the child nutrition programs in 1980 and 1981. Simultaneously, the legislation would reverse the careful targeting of program benefits which was designed to insure that, during this time of scarce Federal dollars, Federal subsidies are made primarily on behalf of low-income families rather than middle- and upper-income families.

It is inconceivable to me that a fiscally responsible Congress would support adding $32 to $42 million in annual expenditures for those with incomes starting at almost twice the poverty line, especially when over $500 million annually is already spent by the Federal Government to subsidize meals for such families.

The administration has taken a justifiably firm position in opposition to the House-passed bill. The following letter from Deputy Secretary of Agriculture Richard Lyng outlines the administrations objections to the legislation. Mr. President, I ask that the letter be printed at this point in the RECORD.

DEPARTMENT OF AGRICULTRUE,
OFFICE OF THE SECRETARY
Washington, D.C., November 9, 1983.

Hon. JESSE HELMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HELMS: The United States Senate now has on its calendar H.R. 4091, a bill that would reverse a hard fought 1981 victory to control unnecessary federal spending. It would do so under the guise of fighting "hunger in America." However, stripped of its emotional rhetoric, nothing could be further from the truth.

The 1981 Omnibus Budget Reconciliation Act achieved much needed reforms in the child nutrition programs. That legislation targeted scarce federal resources to those in greatest need. Today, every needy child remains eligible for free school meals. Well over 10 million children receive free lunches each year, and over 3 million children benefit from free breakfasts. In addition, the Administration's special distribution of surplus commodities provides extra assistance to families in need.

H.R. 4091 would deliberately reverse the 1981 reforms with its reinstatement of excessive upper and middle income subsidies. An analysis of the bill by the Congressional Budget Office shows that 73 percent of the bill's spending would subsidize the nonneedy. None of the added funding would provide additional meals to the neediest school children.

H.R. 4091 is an unjustified attempt to increase deficit spending by providing irresponsible new entitlements for those who do not need them. It would increase the eligibility level for reduced price lunches to almost $20,000 for a family of four, as well as increase the subsidies for reduced price lunches in the National School Lunch and Child Care Food Programs and for breakfasts served in every participation category in the Child Care Food Program and the School Breakfast Program. It would also allow private schools that charge up to $2,500 in annual tuition to receive subsidies for meals. Parents who can afford such tuition need not turn to federal deficit spending to subsidize their children's meals. Clearly, subsidies such as these are little more than upper and middle income largess.

At a time of unparalleled need to control federal spending, we cannot justify this bill which adds $770 million to the deficit over a five-year period. H.R. 4091 is bad social policy and worse fiscal policy.

For all of these reasons, if H.R. 4091 were enacted, we would recommend that the President veto it.

Please join the Administration in strongly opposing H.R. 4091.

The Office of Management and Budget advises that there is no objection to the presentation of this report and that enactment of H.R. 4091 would not be in accord with the program of the President.

Sincerely,

RICHARD E. LYNG,
Deputy Secretary.

Mr. HELMS. Mr. President, the bills do not provide targeting of scarce Federal resources on needy children to address real or imagined nutrition needs. Rather, the "something-for-everyone" approach of the legislation even provides that high tuition private schools can receive Federal subsidies. Even with all the media stories about alleged "hunger in America," I have not heard any about "preppy hunger," which is what some are saying this legislation apparently seeks to end.

While the cost of this legislation is relatively small in terms of Federal dollars—approximately $160 million annually—it represents to the American people precisely the ill-conceived approach which has contributed, bit by bit, to $200 billion annual deficits.

Several days ago, Senators DOLE and DOMENICI sent out a most thoughtful letter outlining their concerns about this legislation. I ask that it be printed at this point in the RECORD.

The letter follows:

U.S. SENATE,
Washington, D.C., November 9, 1983.

DEAR COLLEAGUE: As strong supporters of child nutrition programs, we are taking this opportunity to explain our current position with regard to S. 1913 and H.R. 4091, which is pending on the Senate Calendar. Both would amend the National School Lunch Act and Child Nutrition Act. A similarly designed amendment may be offered to the Continuing Resolution when it comes before the Senate.

You are probably aware that a major lobbying effort has been launched to win your support of this legislation. We urge you to carefully review the bills, and we believe you will conclude, as we have, that despite well-intended motives, this legislative would seriously undermine the principles established in both the 96th and 97th Congresses to reduce entitlement spending while targeting benefits to those most in need.

We remain strongly committed to the goal of providing food assistance to the children of low-income families. The truth is, however, that these bills provide benefits primarily to non-needy children. At this time, when every effort should be made to control government spending, these bills will not only increase federal outlays by more than $150 million a year, but, as estimated by the Congressional Budget Office, they also direct over 70 percent of these benfits to families with incomes over 130% of the poverty line.

Most of the provisions included in this legislation simply repeal provisions adopted in both the Omnibus Budget Reconciliation Acts of 1980 and 1981. Child nutrition amendments in those acts significantly improved the targeting of federal benefits to those most in need. Examples of provisions repealed or significantly modified to lessen the current programs' targeting effects follow with our concerns:

These bills increase the federal reimbursement rate for meals served to non-needy children (reduced-price category). The bills also reduce the charge that non-needy students pay for their subsidized lunch from 40¢ to 25¢. Currently, reduced-price eligibility for a family of four is between approximately $13,000 and $18,315 annually, or 130 to 185 percent of the four-person poverty standard.

H.R. 4091 increases the reduced-price income standard from 185 percent to 195 percent of poverty, or for a family of four from $18,315 to $19,305. Under H.R. 4091, these families would receive a federal school lunch subsidy of nearly $162 for each child in school, up from $138 today.

These bills would also increase federal subsidies for school breakfasts, but again only in the non-needy (reduced-price) category.

H.R. 4091 would allow private school students paying an annual tuition of $2,500 to receive subsidized lunches. Parents of these private school students could surely afford the $36.90 annual subsidy that their children would receive as a result of this proposed legislation. The Senate bill would remove the current $1,500 limitation on participation for these institutions.

These bills would permit families with undefined medical expenses to deduct these expenses from their incomes to determine whether their children qualified for higher federal reimbursement rates. We feel the federal child nutrition programs should not become a new form of federal health subsidies.

Since many of the child nutrition programs are up for reauthorization next year (among them the WIC Program, Nutrition Education and Training, the Summer Feeding Program, and Child Care Food Program), we had already planned to take comprehensive action in addressing possible program changes at the time. If this reauthorization process were one or two years away, there might be a greater need to consider this kind of legislation more imminently. This is simply not the case. The provisions of these bills were constructed from options provided by an advocacy "wish list," and we believe that, until Congress takes serious action to address the looming deficits, we are not in a position to support unnecessary retreats from spending reductions enacted on a bipartisan basis during recent years.

We are committed to introducing legislation early next year which will preserve and protect these important programs while, at the same time, maintain the improved targeting achieved over the last few years. We urge you not be influenced by the heavy lobbying effort now underway and ask you to carefully examine these child nutrition proposals. We believe you will find that this legislation seriously erodes the progress we have made to target nutrition benefits on those most in need. If you have any questions with regard to these child nutrition amendments, please contact Christina Bolton at 4-6521.

Sincerely yours,

PETE V. DOMENICI,
Chairman, Committee on the Budget.
BOB DOLE,
Chairman, Subcommittee on Nutrition.

Mr. HELMS. Mr. President, the child nutrition programs in this country have attracted a consensus of support rarely achieved in public policy. I have been pleased to join with Senators DOLE and DOMENICI, and many others, in supporting these programs. I regret to see these worthwhile programs used as political pawns in a way that inevitably will splinter this consensus and erode the taxpayers' confidence in these programs.

I have outlined my concerns on the specific provisions of the bills in a letter to A. Craig Phillips, superintendent of public instruction in North Carolina. I ask unanimous consent that the letter be printed at the conclusion of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
Washington, D.C., October 26, 1983.

Mr. A. CRAIG PHILLIPS,
Superintendent, Department of Public Instruction, State of North Carolina, Raleigh, N.C.

DEAR CRAIG: Thank you for your recent letter regarding S. 1913 and similar House legislation, H.R. 4091, dealing with several child nutrition programs. You asked if I am a cosponsor of the Senate bill. No, and I do not intend to cosponsor the legislation. Allow me to elaborate on the reasons for this decision.

First, you surely must recognize the overall budgetary situation which we in the Congress confront. Both the Administration and the Congressional Budget Office forecast deficits of approximately $200 billion annually in the coming fiscal years.

Obviously such deficits can be controlled by two primary means—taxes and expenditures. I am unalterably opposed to further tax increases on the American people. Especially troublesome is that the most frequently-cited "cure" is to repeal the indexing of tax brackets which is to begin in January, 1985—a move which would impact most adversely against low and middle income taxpayers.

That leaves expenditures. While the sum of $160 million—the annual cost of the legislation you support—may seem minimal to you, it is only that much more that would be added to the existing deficits. It is, therefore, simply unaffordable.

As you know, Federal reimbursements for child nutrition programs generally are divided into three categories with varying levels of Federal support. Free meals are served to those with incomes below 130 percent of poverty—currently $12,870 for a family of four. Reduced price meals are served to those with incomes between 130 to 185 percent of poverty—thus up to $18,315 for a family of four. Reimbursements are even made on behalf of children from families above this rate at the "paid" rate.

My concern is intensified by the fact that—according to information supplied by the Congressional Budget Office—approximately 70 percent of the benefits under either bill would be distributed on behalf of children from families above 130 percent of poverty. In my judgment, it is totally incongruous that taxpayers from all income groups, including lower income taxpayers,

should be expected to finance increased expenditures for legislation which provides 70 percent of the money on behalf of households well above the poverty line, and many of which would by any definition be wealthy.

With regard to specific provisions of the bill, I am especially perplexed by the illogical expansion of the various child nutrition programs to high tuition private schools. As you know, one of the minor reforms of the Omnibus Budget Reconciliation Act of 1981 was to put a ceiling on private school participation. Only schools with tuitions at or below $1500 per year currently can participate. The Senate bill proposes to eliminate the tuition ceiling altogether, the House bill to raise it to $2500. It simply cannot support a return to the days when children in such exclusive schools would be eligible to receive taxpayers subsidized meals.

I also do not support the provision in the Senate legislation to delay important school lunch verification procedures. Like most Federal programs, even child nutrition programs are subject to fraud and abuse. Audits by the Department of Agriculture indicate that typically as many as 20 percent of all students receiving free and reduced price lunches—with larger Federal subsidies—are not eligible for the subsidized meals they receive. The Administration has been moving forward with a reform to increase the verification of income information supplied by families applying for Federally-subsidized free and reduced price meals, a provision which I wholeheartedly support and which I am sure the Congress would not want to see deferred.

The greatest expense associated with both bills is in increasing reimbursements on behalf of students receiving reduced price meals and reducing the maximum meal charges that schools may charge for reduced price lunches and breakfasts. The maximum allowable meal charges for lunch and breakfast were increased in the Omnibus Budget Reconciliation Act of 1981. Prior to those increases, the charges had not been increased for 11 years in the case of the lunch program, and 8 years in the case of breakfast. Obviously, it seemed reasonable to increase these rates to reflect more accurately the proportional costs of the meals and to permit schools to charge amounts which, together with the Federal subsidy, better reflect actual costs. These maximum charges do not seem at all unreasonable, and there has been no evidence that they have proven onerous in operation. Additionally, he increase in reimbursements for reduced price meals is a totally unjustifiable increased expense as is the provision in the Senate bill to provide further expenses for commodities.

The House bill is all the more inappropriate because it proposes to increase the income eligibility for reduced price meals from 185 percent of poverty to 195 percent. This amounts to raising the reduced price ceiling from $18,315 for a family of four to $19,305. I fail to understand the rationale for increasing Federal subsidies to such families who are clearly well above the poverty line.

While the pretext for increasing reimbursements for breakfast is claimed to be that of improving the nutritional quality, there is nothing inherent in raising reimbursements that will accomplish this objective. Both bills propose an increase in the Federal reimbursement of 6 cents per meal for all students. That amounts to a 67 percent increase for paying students, a 20 percent increase for reduced price students, and a 10 percent increase for free children, a totally illogical distribution in my judgment. Frankly, it seems that the provision has been added in a continuing effort to entice students and their parents to participate in a program that simply has provided a service for which there is little demand.

Both bills also propose to repeal a provision of the 1981 reconciliation legislation which limited Federal reimbursements to two meals and one snack per day in the child care food program. The bill would increase this to three meals and two snacks per day.

The Congressional Budget Office has noted that most of the $15 million increased cost would come from the addition of a second Federally reimbursed "snack". In all honesty, it seems to me entirely inappropriate to expect taxpayers to subsidize such snacks which can be, and usually are, prepared by the children's parents—if, indeed, they are needed at all.

The added cost associated with the snack is all the more exorbitant since day care homes would also be eligible for the added reimbursements. As you may know, recent information from the Department of Agriculture indicates that 75 percent of all children in such institutions are from households with income above 130 percent of poverty, 64 percent are from families above 185 percent of poverty—$18,315 for a family of four.

Another provision would repeal partially a change made in the 1981 reconciliation bill with regard to the special milk program. Both House and Senate bills would permit the special milk program to be available in kindergartens that already have full meal service programs—breakfast and lunch. Currently, only schools and kindergartens that do not have other meal service available are permitted to participate. This is because of the duplication that exists when Federally subsidized milk is provided to children who already receive milk with one or both meals and most of whom are in higher income levels.

The exclusion of certain medical expenses from income determination will complicate the process of certification for school officials. Additionally, according to the Congressional Budget Office, the only beneficiaries are those with incomes above 130 percent of poverty. Hence, the added administrative difficulty in order to increase the subsidy to higher income families seems inappropriate.

Both bills plan increases in the nutrition education and training program. While this program has a worthy goal—nutrition education—the program itself has had a questionable impact. Indeed, some have argued that the goals of nutrition education could be better advanced through other, consolidated education programs which would have less administrative overhead.

As you see, in addition to the overall budget difficulties we face, I believe the spending priorities in these bills are simply wrong. I think a more reasonable approach is one which I have introduced which would reinstate the income eligibility, or "means", test for participating families in the family or group day care homes. By so doing, reimbursements made on behalf of low income children—below 130 percent of poverty—would be increased, while subsidies on behalf of higher income children would be reduced. By making the day care home program the same as the existing school lunch and school breakfast programs and child care centers, benefits would be targeted more properly to the poor. Because such benefits are now concentrated on those of higher incomes, the provision would save approximately $45 million in the process, almost half of the amount now spent in day care homes.

I believe this principle is a sound one with larger ramifications. Increases in child nutrition, to the extent desirable, should be financed by making economies in other areas or these programs particularly those that currently subsidize primarily higher income families.

I hope you will excuse the length of this response, but I wanted to respond fully to explain why I am not cosponsoring the legislation about which you inquired.

I look forward to working with State Officials and school food service personnel in developing reasonable approaches to these important child nutrition programs.

With kindest regards.

Sincerely,

JESSE HELMS,
Chairman.●

SOVIET ANTI-ZIONIST COMMITTEE ANALYZED

● Mr. PERCY. Mr. President, an insightful article was published in the Jewish Week last month which clearly documents the terrible anti-Semitic campaign being waged against the Jewish citizens of the Soviet Union. The author, William Korey, director of international policy research for B'nai B'rith, is an authority on Soviet Jewish life and his analysis is worth close reading. I include his article in the RECORD following my remarks.

In his article, Korey reviews the development of the "Anti-Zionist Committee." My colleagues will recall that in July, 85 Senators signed a letter to Yuriy Andropov condemning the establishment of this committee. Dr. Korey states that "the anti-Zionist propaganda drive but thinly masks overt anti-Semitism." this is an ominous development that warrants constant monitoring and vigilance around the world.

The article follows:

[From the Jewish Week & The American Examiner, Inc., Nov. 4, 1983]

SOVIETS OPEN NEW DRIVE IN WAR ON JUDAISM

(By William Korey)

A Jewish policy has begun to take shape in the regime of Soviet Premier Yuri Andropov and its direction and character are ominous.

A special public form for legitimizing the policy, parts of which evoke the Nazi era and Stalin's last days, has been created to advance the policy that involves four features:

Ending emigration entirely.

Cutting off the Soviet Jewish community from relations with Jews abroad.

Intensifying forced cultural and linguistic assimilation.

Broadening of the anti-Zionist propaganda campaign, drawing into it new anti-Semitic elements that have their origins in the themes of the czarist Black Hundred and recent neo-Nazis.

(The czarist government, early in this century, encouraged the openly anti-Semitic "Union of the Russian People," whose so-called "fighting squads"—the Black Hundreds—were largely responsible for the pogroms that engulfed Russia in 1905. The movement continued until the outbreak of World War I.)

Last April, Pravda and other central newspaper carried an "Appeal" calling for the creation of an "Anti-Zionist Committee of the Soviet Public" and signed by eight Jews, most of whom had served in the past as apologists for the regime on Jewish issues.

The Appeal in part constituted a violent diatribe against Zionism, echoing conceptions which have been staples of Soviet propaganda since 1967 and which borrow from the epoch of the Doctors' Plot of 1953. At the same time, it called on all sectors of the public to join in a broad campaign against Zionism and participate in the work of the projected committee.

Shortly afterward, the appeal was broadcast on television and radio, giving it the widest public attention. Three weeks after it was launched, a meeting of representatives of a number of public organizations was held formally to announce the creation of the "Anti-Zionist Committee." Since then, branches have reportedly been formed in various places in the Soviet Union giving the central mechanism a depth for penetrating into the public arena.

The chairman of the committee, Col.-Gen. David Dragunsky, is a 73-year-old former tank corps commander. It should be noted that today the military leadership of the USSR is almost completely Judenrein. There are only a handful of Jewish military officials, who are leftovers from World War II era. Whether any Jews have been admitted in the past three decades to military academies is extremely doubtful.

Dragunsky's most recent significant public appearance in the Soviet press came on Sept. 5, 1979. On that date, he wrote a review in Pravda about a newly published work of Yuri Kolesnikov, who, significantly, is today a key member of the committee. The virulently anti-Jewish book, "The Raised Curtain," was published by the official Military Publishing House in Moscow.

All the obscene Streicher-inspired stereotypes, and the even earlier Black Hundred imagery, are there. Jews are linked to taverns (such as, plying non-Jews with liquor), smuggling and prostitution. But to this image is now added the macabre Soviet stereotype that ties the Jew to the Nazis and to Hitler himself. And one finds the anti-Semitic fare as well—the traditional image of the Jew as sinister and conspirational, cunning and subversive.

What was Dragunsky's observations about the anti-Jewish virulence of Kolesnikov? His review was one of rapturous acclaim. The book, he wrote, is "one of the first artistic works exposing that dangerous and current phenomenon, Zionism." Kolesnikov's linkage of "Nazi crimes" and the "Zionist top clique," Dragunsky said, is built upon a "documentary foundation."

And indeed, added Dragunsky, the linkage was not "accidental," because both Nazis and Zionists "put the purity of the race higher than anything else." The obscenity to which the Soviet "authority" on Zionism gives expression is deeply revealing.

The Anti-Zionist Committee has already performed one major function—a large-scale, two-hour press conference in June. What emerged was a clear indication of its purpose. It is designed as a vehicle of the authorities to promote and justify the Andropov Jewish policy with respect to emigration and Zionism. If a gloss and a sanction are essential to provide some apparent legitimacy, the committee, because of its distinctly Jewish membership, is seen as the appropriate mechanism.

The committee's press conference spelled out the new Andropov policy on emigration. Samuil Zivs, the deputy chairman, declared that the reason for the decline in Jewish emigration is that "family reunification has essentially been completed." Jews, he contended, no longer wish to leave because they have ceased to "succumb to Zionist lures."

Zivs, a Moscow legal official, who has frequently been used as an apologist by the Kremlin on specifically Jewish issues, was simply denying what is known to be true—that thousands of Soviet Jews are still anxious to emigrate. Over 300,000 Jews still in the USSR have asked for and received from relatives in Israel an affidavit, a process which constitutes the first stage in applying for emigration. An additional 10,000 Soviet Jews who have formally applied to emigrate to Israel have been refused at least once, and some many times.

Zivs called these statistics "the juggling of figures by Zionist propaganda." Clearly, he saw his task, and the task of the committee, to justify and legitimize a new policy even if it meant total fabrication.

The obvious reason for the fabrication is that any sort of truth would place the Soviet Union in violation of international and solemn agreements that it either signed or ratified. The Universal Declaration on Human Rights and the International Covenant on Civil and Political Rights make the right to leave a country a fundamental human right. The covenant was ratified by the USSR in October, 1973, and this international treaty is binding.

More immediate and serious is the wholesale abridgment of the Helsinki Final Act which the USSR signed on August 1, 1975, and which obligates signatories to "facilitate" and "expedite" the "reunion of families." The USSR has deliberately chosen to do violence to solemn obligations. And, through the Anti-Zionist Committee, to lie about it as well.

The second aspect of the Andropov Jewish policy—the severance of relationship between Soviet Jews and Jews abroad—was hinted at in the Anti-Zionist Committee's appeal. A crucial paragraph reads: "Soviet Jews reject with contempt attempts by Zionist propagandists to interfere in their life . . . Citizens of the USSR who are Jews are an inseparable part of the Soviet people."

The obvious intent was to warn Soviet Jews against having contacts with their "Zionist brethren" in the West. Zionism is portrayed in the appeal as the very embodiment of evil and subversion. Presented in this fashion, Jews are cautioned to avoid any semblance of contamination through contacts.

The Kremlin's attempts at cutting links, while continuing for some time, have now been stepped up. Mail from the United States, especially mail carrying a requested affidavit from a relative designed for emigration purposes, is often confiscated, returned or tampered with.

The sharpest warning by the Kremlin came in the form of a lengthy two-part article in Leningradskaya Pravda last April. Significantly, taking at its point of departure the creation of the Anti-Zionist Committee, the authoritative article focused on how Western Jewish tourists engage in "Zionist provacations," especially by spreading "the propaganda of racism and nationalism in our country."

Various examples are given to underscore the point. The warning is driven home in a concluding paragraph which, for the first time, hints that Zionism is to be treaded as a crime which will not "be allowed to go unpunished." Both tourists and Soviet Jews who meet with them today confront a serious challenge and threat.

The Leningradskaya Pravda article was written by a well-known specialist on so-called Zionist issues, B. Kravtsov, who has not been averse to exploiting anti-Semitic canards, sometimes of the most vicious type. In the two-part series, bigotory is utilized to emphasize a third purpose of the Anti-Zionist Committee—forced assimilation. Kravtos vigorously condemns the organization by Soviet Jews of private Hebrew and Yiddish literature, whether ancient or modern, or the Bible or simply Jewish history, are seen as subversive.

But Hewbrew is not to be rejected not only for its Judiac connection. It is declared to have not a "cultural" significance, but "rather an exclusively political significance." Zionism is what is meant by "political." And, to that end, "the Soviet public cannot accept the fact that Hebrew circles and all kinds of 'seminars' " are to be tolerated.

Harassment and intimidation of the Hebrew and Jewish history circles among Jews have been sporadically used during the past several years. But this is the first time that these circles are formally declared to be antithetical to Soviet law.

Forced assimilation has been a dominant feature of Soviet policy toward Jews since 1948. Virtually all formal Jewish institutional life and, especially Jewish schools, have been obliterated. Unlike any other ethnic group within the USSR, Jews are deprived of almost every public means for perpetuating their cultural heritage. Now they face even a threat to private means for Jewish and Hebrew self-education. Forced assimilation is clearly to be hastened.

The most disturbing aspect of Andropov's policy concerns the call in the appeal for a monumental and massive propaganda effort involving every section of the Soviet public and directed toward "the political unmasking of Zionism." The propaganda drive is "to be waged even more resolutely" than ever before.

The anti-Zionist propaganda drive but thinly masks overt anti-Semitism. Stereotypical images of the Jew dominate the paranoid descriptions of Zionism. Judaism, especially the concepts of the "Chosen People" and of the Messiah, is seen as the source of the Zionist evil. The Torah and the Talmud are presented as works preaching racism, hatred and violence.

Andropov's Jewish policy is beginning faintly to echo the public mouthings of hate during Stalin's last months of rule. Marx once observed that history tends to repeat itself first as tragedy and then as farce. The 1953 media saturation effort produced a near tragedy of massive proportions. It would be imprudent for the international civilized community to gamble upon the new Soviet saturation propaganda drive turning out to be mere farce.

RECOGNITION OF HAYM SALOMON

● Mr. BRADLEY. Mr. President, today in this strong and prosperous United States of America, we have committed ourselves to financing a better national security. And that will be accomplished at a significant cost to American taxpayers. The fiscal year 1984 defense appropriations bill authorizes our Government to spend $250 billion on defense. Clearly, this is an important commitment of our resources.

It is fitting that we recall the difficulties faced by the Continental Army of 1781. The United States lacked the resources to provide its meager army with more than moral support. The Revolutionary Government was desperate. Soldiers were unpaid, clothed in tatters, underfed, and underarmed. Revolutionary leaders, the Founding Fathers of this great Nation, struggled to secure the bare essentials. If it were not for the dedicated, patriotic efforts of a few ingenious American financiers, the outcome of the War of Independence may have been dramatically altered. The remarkable self-sacrifice and dedication to the goal of independence by the banker and merchant, Haym Salomon, established him as one of the most renowned of the patriot financiers of the Revolution.

Haym Salomon, a Polish immigrant who identified closely with the struggle for liberty, was quick to associate himself with the American patriots. His political activities caused his imprisonment by the British authorities. When the British learned of Salomon's linguistic abilities, they assigned him to a Hessian general as an interpreter. This assignment gave Salomon increased freedom which he used to urge their soldiers to resign or desert. When he was finally paroled, he resumed his livelihood as well as his revolutionary work. In 1778, Salomon was again arrested by the British, but this time he was given a death sentence. Somehow, he managed to escape. Leaving his family and fortune behind, Salomon fled to Philadelphia. Eventually Salomon, with the help of friends, opened a small office as a dealer of bills of exchange and other securities. He soon became a leading broker, rendering his services to the paymaster general of the French Army in America. He also acted as the sole broker of the American Government's Office of Finance in the sale of bills of exchange. Those efforts were vital to sustain the credit of the bankrupt U.S. Government. Salomon advanced loans without interest, and in many cases, without repayment, to pay the salaries of Government officeholders, Army officers, and to purchase soldiers' uniforms.

It is ironic that Salomon's selfless effort on the part of his adopted country resulted in his personal impoverishment. After the war ended, he suffered financial collapse and died, leaving his family penniless.

It is appropriate that Congress recognize the important contributions of Haym Salomon to the first effort to provide for our national security.

I therefore ask my colleagues to join with me in remembering Hyam Salomon, a champion of liberty and freedom, a patriot whose sacrifices and contributions to the American struggle for independence must never be forgotten.●

PLIGHT OF ETHIOPIAN JEWS

● Mr. LUGAR. Mr. President, I would like to express my concern for the plight of Jews in Ethiopia who have been subjected to severe deprivation and discrimination. This persecution has occurred from time to time in Ethiopia, but has worsened recently due to the drought in north and east Africa. The widespread famine resulting from the drought is believed to be affecting more than 4 million people in Ethiopia. Only about 600,000 of those hungry are now receiving Government food assistance, most of it from international donors.

Relief efforts are complicated by the prevailing internal situation in Ethiopia. A reported 2 million people are affected by the continuing civil war which has been concentrated in the northern provinces, the area occupied by the Falashas and most severely devastated by the drought. Roads have been destroyed and ground transportation delayed for weeks at a time, greatly hindering timely and effective relief.

Perhaps the most distressing element is the role the Government of Ethiopia has played in the persecution of the Falashas for their attempt to practice their faith. The Government has violated the most basic provisions of the U.N. Declaration on Human Rights. Judaism, as well as other religions, is condemned in Ethiopia, and emigration to Israel, a possible relief outlet for the Falashas, is considered treason. Failed attempts to emigrate result in severe persecution.

In the case of the Falashas in Ethiopia, more attention should be given to human rights considerations. The gross violations of basic human rights there should compel the international community to make a greater effort to provide relief for these and other oppressed people.●

PLIGHT OF ETHIOPIAN JEWRY

● Mr. GLENN. Mr. President, I am proud to be a cosponsor of Senate Concurrent Resolution 55, which aims at heightening the American public's awareness of the plight of Ethiopian Jews and expresses the sense of the Senate that steps should be taken to alleviate their suffering and assist them in their desire to emigrate to Israel.

The history of Ethiopian Jewry extends back thousands of years. At the height of their influence in the 10th century AD, they numbered over half-million. Through the ensuing centuries, because of physical destruction, religious persecution, land confiscation, enslavement and forced conversion, their numbers have dwindled to the present day total of about 25,000.

Following the socialist revolution in 1974, the Ethiopian Jews were caught in the crossfire between government armed forces, rebels and counter-revolutionaries. Thousands were killed, imprisoned and tortured. In the province of Gondar, where they are concentrated, Ethiopian Jews are still subject to religious persecution, imprisonment and torture—especially among Hebrew teachers and religious leaders. In addition, emigration is strictly forbidden, a clear violation of article 13 of the UN Declaration on Human Rights.

As if their plight were not dire enough, the worst drought in a decade in Ethiopia and in Northeast Africa has greatly affected Gondar province, where most of Ethiopia's Jews live. To complicate matters further, there is civil strife along the fronts of Tigre and Eritrea, two provinces adjacent to Gondar.

These tragic circumstances, of course, affect not just Ethiopia's Jews. Our concern for the latter should in no way lessen our concern or detract our attention from the millions of other Ethiopians now suffering from the terrible drought and civil warfare in their country. I call on the Reagan administration to seek out an improved dialog between the United States and Ethiopia that will hopefully bring about improvements in conditions for Ethiopian Jews and non-Jews alike.

The United States estimates that the current drought endangers over 3 million Ethiopians, and that fully 1 million face starvation. The U.S. Government has already responded by authorizing $6.7 million for emergency food aid this fiscal year, and $800,000 for transportation assistance. Two other appeals are before the Agency for International Development: First, a $3.5 million UNICEF appeal—pending since April—for food, medical, and relief supplies; and, second, a $1.6 million appeal from private relief agencies for transportation equipment, maintenance, and operation. I urge that AID respond positively to these appeals.

The plight of over 3 million Ethiopians—and the number is expected to increase if the situation worsens—deserves urgent and specific attention. No less compelling are the problems of

a small but significant subgroup of these troubled people, the Jews of Ethiopia. I hope and pray, especially during this holiday season, that the American people and Government will take the cause of all these distressed people to heart.●

OMB CIRCULAR A-122

● Mr. MOYNIHAN. Mr. President, I rise today to express once again my disapproval of the most recent proposal by the Office of Management and Budget to revise Circular A-122, a regulation entitled "Cost Principles for Nonprofit Organizations." I urge the OMB to withdraw this ill-conceived proposal. These regulations would restrict significantly the public activities of nonprofit organizations which receive Federal support. The revised regulations published this November 3 do, indeed, represent some small improvement over OMB's original proposed regulations last January. But OMB still has failed to demonstrate the need for such far-reaching regulations on the Nation's nonprofit organizations. Moreover, these regulations raise important questions about possible Federal infringement on first amendment rights, questions OMB still has failed to answer.

On March 8 of this year, I introduced a sense of the Senate resolution (S. Res. 8) expressing my concern about the constitutionality of Circular A-122, urging the OMB to abandon this effort to restrict the lobbying activities of nonprofit organizations receiving Federal grants or contracts. The next day, OMB withdrew the proposed regulations, pending further evaluation. This evaluation produced the revised regulations of November 3.

The Constitution grants Congress, not executive agencies, authority over Federal spending. Certainly, executive agencies with the consent of Congress, properly may regulate the use of Federal funds by public, city, and State agencies. But we must question the propriety of an executive agency—OMB or any other—deciding how a private nonprofit organization shall advocate its resources, including those received from the Federal Government, and the effect of such regulation on Government efficiency.●

EXTENSIONS OF REMARKS

REPRESENTATIVE KEMP'S SPEECH AT LIBERTY BAPTIST COLLEGE IS A BRILLIANT WORK

HON. VIN WEBER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. WEBER. Mr. Speaker, one of our colleagues, Representative JACK KEMP of New York, delivered a tremendous speech on November 1 at the Liberty Baptist College in Lynchburg, Va.

In this work, Representative KEMP again asks those who are serious about influencing the political process to grasp spiritual ideas when determining public policy. He demonstrates that ideas have consequences and that people with particular religious values have an obligation to be involved.

I commend this polemic work to my colleagues.

REMARKS PREPARED FOR DELIVERY BY CONGRESSMAN JACK KEMP

Reverend Falwell, President Guillermin, faculty and students, my friends:

I thank you for the privilege of speaking to you tonight, and for your warm hospitality to Joanne and me. We feel very much at home with those who take both their religious faith and their politics seriously.

I think it's a tribute to you and your students, Jerry, to provide such a forum in the political arena to politicians of different parties and different philosophies. A month ago, you extended your hospitality to Ted Kennedy, a bleeding heart liberal, and tonight you are turning the other cheek by inviting me, a bleeding heart conservative.

Many people ask, "How can you be a Christian and still be involved in politics?" But one can equally ask, "How can you be a Christian today and not be involved in politics?" Yet we must be clear about our motives. The doctrine of "election" means one thing to a theologian—and something else to a politician.

One of my favorite Broadway plays is "A Man for All Seasons," which is about Sir Thomas More. At one point in the play, Sir Thomas is asked for advice by an ambitious and budding young politician named Richard Rich. More says, "Why not be a teacher? You'd be a fine teacher. Perhaps even a great one." Rich replies, "And if I was, who would know it?" More answers: "You, your pupils, your friends, God. Not a bad public, that." What a beautiful answer! The notion that a thought or an occupation is not important unless everyone knows about it—this does not show an interest, but rather a lack of interest, in the inner life of the soul. It denies the reality of things which are known to ourselves and God alone.

If we are going to try to combine religion and politics, it must be as an expression of our faith—not the lack of it. An attitude that begins badly ends badly. Richard Rich finally provides the perjured testimony which condemns Sir Thomas to death. And at the trial we suddenly see Richard wearing the great seal of Wales over purple robes. More says to him, "Why Richard, it profits a man nothing to give his soul for the whole world . . . But for Wales?"

What I like best, though, about "A Man For All Seasons" is its insight into the life of Sir Thomas More. Thomas More was "poor in spirit," but he was also a good politician. In fact, he was respectably born and almost indecently successful—first as a scholar, then as a lawyer, then an Ambassador, and finally as Lord Chancellor of England. More also had a keen sense of humor, and his guest book was a sixteenth-century Who's Who. He adored, and was adored by, his family. In short, Sir Thomas More had more to part with than most men in this life—and yet he parted with everything, for the sake of his faith and his conscience; and he became an inspiration to later generations.

The critical issue, as usual in politics, was far from clear cut. Henry the Eighth wanted an excuse to divorce his first wife; but he also wanted an heir, to prevent another civil war which would plunge England into chaos. There must have been much force in Cardinal Wolsey's argument when he said, "All right, (it's) regrettable! But necessary, to get us an heir. Now explain how you as Councilor of England can obstruct these measures for your own, private, conscience." "Well," More replied, "I believe, when statesmen forsake their own private conscience for the sake of their public duties . . . they lead their country by a short route to chaos." It was More's Christian faith which made him take the road less traveled, and it made a difference to history.

G. K. Chesterton once described the attitude of all the great Christian heroes as "a paradox of great humility in the matter of their sins combined with great ferocity in the matter of their ideas." And I think this is the spirit we must have. We must dispel the delusion—whether it is held by ourselves or by others—that by talking about religious truth we set ourselves out as the standard for judging others. Only God can establish the standard, against which all of us fall short. But while we must strive towards it, our falling short must not prevent us from insisting on that standard—in the field of politics or anywhere else.

Last month Senator Edward Kennedy addressed you on the subject of "tolerance and truth." Much of what he said is valuable, and I commend him for saying it. To defend the truth while defending the right of others to disagree is the very essence of what it means to be an American. The Founding Fathers were firmly convinced of John Locke's argument for religious tolerance: "The care of souls cannot belong to the civil magistrate," Locke wrote, "because his power consists only in outward force; but true and saving religion consists in the inward persuasion of the mind, without which nothing can be acceptable to God," This heritage transcends political divisions between liberals and conservatives.

But Senator Kennedy left the distinct impression that there is some kind of tradeoff between religious truth and religious tolerance. He said, if I read him correctly, that there are even some areas of politics where religious values do not apply. But this is far from what the Founding Fathers intended. John Locke's argument for religions tolerance does not minimize differences about religious truth: the possibility of persuasion depends on them.

Leaving aside for a moment what "separation of church and state" means, it is clear what it cannot mean. It cannot mean that there is a separation of religious truth from politics, or that there can be a political part of our life which is sealed from the spiritual part of our life. Everything in the Jewish and Christian faiths, and the basic laws of the United States, rejects this idea. The law of Moses covers every aspect of life. And Jesus tells his disciples to be the salt, the yeast, and the light of the world. Does salt season only part of a broth? Does yeast leaven only part of the dough? Does light penetrate only part of the darkness?

Nowhere did Jesus make this more clear than when he spoke of "rendering unto Caesar," Jesus was asked whether it was lawful to pay tribute to Rome. His response was curious: He asked whose image was on the tribute coin. The lawyers answered, "Caesar's." Jesus replied, "Render therefore unto Caesar the things that are Caesar's, and unto God the things that are God's." What he did not have to spell out—because it was obvious to his audience—was that while Caesar's image is stamped on each coin, God's image is stamped on each child of God. Far from dividing life into a spiritual and a political realm, I think Jesus was saying that while civil government rightly claims a part of our life, God rightfully claims all of it.

When Christ was hauled before Pontius Pilate, Pilate said, "Don't you know that I have the authority to condem you?" Jesus replied, "You have no authority except that which has been given you from above."

The laws of the United States are also based on the idea that the government has no authority except that which has been given from above—and delegated by the people. "The God who gave us life gave us liberty at the same time," wrote Thomas Jefferson. This is not some temporary intellectual fashion from two hundred years ago. Only recently, in speaking of Poland's trade union "Solidarity," the Pope said "The right to free association" is "given by the creator who made man as a social being." The Declaration of Independence expands this idea into a philosophy of government:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness.—That to secure these rights, Governments are instituted among Men, derviving their just powers from the consent of the governed.

These self-evident truths are the basis for all of our civil rights and human freedoms. If there is no Creator, or if we cannot recognize him without violating the separation of

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

church and state, then there is no ground on which to base the separation of church and state.

The First Amendment prohibits Congress from establishing any official religion and from interfering with freedom of worship. Thomas Jefferson once wrote that this erects a "wall of separation between church and state." But Justice William O. Douglas wrote that "The First Amendment does not say that in every way and in all respects there shall be a separation of church and state." In what way is there, and in what way is there not, such a separation?

The answer is clear from the very same sentence of Jefferson. He says the separation of church and state is based on the belief "that religion is a matter which lies solely between man and his God, that he owes account to none other for his faith or his worship, (and) that the legislative powers of government reach actions only, and not opinion."

In other words, we have the right to absolute freedom of belief, and absolute freedom of worship, but not always the right to absolute freedom of action if it abuses the civil rights of others. For example, murder, theft, polygamy and tax evasion are all against the Constitution and punishable by law, even if they are motivated by sincere religious belief. Why? Because the rights of others are guaranteed by the same self-evident truths which guarantee freedom of religion. In this sense, there can be an absolute separation of religion and politics only if there is also an absolute separation between faith and action. By the same token, the laws of our land do not violate the separation of church and state, even though they presuppose a Supreme Being and coincide with most of the Ten Commandments. Self-evident truths are not always evident to everyone. But this does not stop them from being true—or from being the basis of our laws.

But if we believe that these self-evident truths are universal—that they apply at all times and to all people—can we fail to apply them to ourselves? According to the Declaration of Independence, the fact that "all men are created equal" means not one but two things. All human beings have the same human rights; but all citizens also have an equal voice in government. This places an extra burden on those who think they know what is right—to do what is right in the right way. Unfortunately, decisions made by a proper democratic majority are not invariably right. But those who insist on their equal rights do not always respect the equal right of others to participate in the decision. This means, in a sense, that the Founding of our government is never finished: each generation must try to bring the democratic law of the land into line with the "law of Nature and of Nature's God."

This is where we face the real test of our religious and political convictions. It is easy to be tolerant when we think the other person may be right; but tolerance is called for precisely when we are convinced that he is utterly wrong; and that given the force of law his wrong opinion may be causing great injustice and suffering to the innocent. Under these circumstances, the difficult process of mobilizing public opinion on the right side seems even longer than usual. It is frustrating to change unjust laws in a lawful way. But it is hard only because it is right. There are few greater tests of loving our neighbor than the working of democratic government.

The lesson for conservatives is that to be true to our religious beliefs we must become politically more inclusive. A true commitment to the principles of American government means that the party in power must be the government of all the people—including the people who voted against it. The Declaration of Independence says that, to the degree the rights of the minority are not protected, the government cannot have any "just powers." This means that the principle of the Good Shepherd is as necessary in government as in daily life: if we are all to move ahead, we can't leave anyone behind.

Where our actions affect others, religion and politics not only may but must often intersect. But we have to recognize that this is very much a two-edged sword. In government, as in our personal lives, the power to make the right choice is also the power to make the wrong choice. This does not mean we can avoid choosing. But it does mean we must be as jealous of the rights of others as of our own.

Senator Kennedy argued—and I agreed with him—that there are some kinds of action, dealing with "uniquely personal parts of our lives," in which the government has no right to interfere. On such issues, he said, religion may only appeal to the individual conscience, not to the coercive power of the law. Unfortunately, he did not tell us how to draw this line; and to judge by the examples he gave, I think he has drawn the line wrongly. The examples he gave of "uniquely personal" issues were prohibition and abortion. I think he may be right about Prohibition—because it involves the rights of only one person—but wrong about abortion—because the rights of two people are involved.

Only a few paragraphs later, Senator Kennedy reminded us that religion has been abused even to justify slavery. Yet he does not seem at all troubled that the argument used to justify abortion is the same argument which was used to justify slavery. The slave-owners argued that the slaves were their property, guaranteed by the Constitution. Those who favor abortion say that the Constitution guarantees their liberty, which is the right to the property of their own bodies. But in both cases, the rights of another person are also involved; and those who favor abortion, like those who favored slavery, must deny that the other person is a human being.

Alexis de Tocqueville wrote that, despite the separation of church and state in America, religion is the first of all political institutions here. What he meant was that our sharing the Judeo-Christian world view was the basis for the confidence of the minority in the decisions of the majority. But many of our political debates today result from the breaking down of this Judeo-Christian consensus. Many Americans no longer recognize the self-evident nature of the truths on which our country was founded. For them, the final authority of the law is no longer, as Francis Schaeffer puts it, "The infinite-personal God Who is there objectively whether we think He is there or not," and to Whom "not everything is the same."

For those who do not believe in this higher law, the only basis for our human laws is expedience or the will of the majority. When this happens, the original intent of the Constitution can be shifted by 180 degrees. As I pointed out earlier, rather than talking about "separation of church and state," it is more accurate to say that the First Amendment prohibits discrimination on the basis of religion. The Constitution establishes freedom for religion, not from it. But the First Amendment has lately been interpreted in such a way as to deny the equal protection of the laws to those who believe in God.

Many of these issues involve our schools. For example, children are permitted to form a club on school grounds to study Marxism, but not a club on school grounds to study the Bible. Students are permitted to distribute counterculture newspapers at school, but the Gideon Society is prohibited from distributing free Bibles. A Massachusetts school board is prevented from removing a book from the school library vulgar and offensive language—but the Supreme Court orders copies of the Ten Commandments removed from Kentucky classrooms. In that decision, the majority of the Supreme Court wrote that, "If the posted copies of the Ten Commandments are to have any effect at all, it will be to induce the school children to read, meditate upon, perhaps to venerate and obey, the Commandments." Yet the same Ten Commandments hang in the U.S. Supreme Court, apparently without ill effect.

Senator Kennedy seemed to say that to oppose such court decisions means that those who believe in God are trying to "impose their will" on others. I disagree. I think these are clear cases of equal protection of the law being denied on the basis of religious belief.

A court in New Jersey has ruled that children may not even observe a minute of silence at the beginning of the school day. Not just freedom of speech, but freedom of silence, is now suspect. This reminds me of the fussy parent who suddenly thinks it's too quiet and shouts: "Hey, you kids: whatever you're doing, cut it out!"

It is instructive to see how Jefferson himself dealt with the problem of religious nondiscrimination in public schools. When he founded the public University of Virginia, Jefferson established no school of theology, but he invited all religious sects who so desired to establish their own schools of religious instruction on campus, and offered free use of the campus facilities to their students. And he published regulations which said, "the students of the University will be free and expected to attend religious worship at the establishments of their respected sects, in the morning, and in time to meet their school in the University at the stated hour." Yet Jefferson's name is misappropriated to oppose exactly such non-discriminatory measures today.

What about those issues where Senator Kennedy feels religion has nothing to say? "I respectfully suggest that God has taken no position on the Department of Education," he told you, "and that a balanced budget constitutional amendment is a matter for economic analysis, not heavenly appeals. Religious values cannot be excluded from every public issue—but not every public issue involves religious values."

This is too neat, because it begs the question. Do Christians and Jews in public life face exactly the same choices as other citizens—or do they have a larger task? I think they have a larger task. We must be cautious in claiming that God is on our side; but we must never stop asking ourselves whether we are on God's side. The faithful must master their field of politics or economics or law or business or education. But in addition, they must suffuse those views with a Christian or Jewish perspective. No field of human endeavor can be unaffected by the knowledge that God is there, and

that not all is the same to Him; that there is right and wrong.

Like Senator Kennedy, I oppose the balanced budget constitutional amendment on it merits, because I don't believe a useful and workable amendment can be devised. But I deny the notion that prudent fiscal policy and sound money have nothing to do with right and wrong. Honest money is above all a matter of simple justice—justice between buyers and sellers, borrowers and lenders, between the past, the present, and the future. When the government's policies cause money to fluctuate wildly against the things money can buy. It is not just a "matter for economic analysis." It is a gross injustice that cries out for correction.

But of course, Senator Kennedy himself does not believe that fiscal policy has nothing to do with right and wrong. What is the "fairness issue" if not a statement about the morality of federal fiscal policy? And I think it is a legitimate topic of debate. But to President Reagan, fairness means equal opportunity to compete on the basis of merit, and equal protection of the laws; while to Senator Kennedy it means unequal treatment of individuals in an attempt to achieve equality of result. And the argument is not whether, but how, to feed the hungry. Senator Kennedy seems to think we measure compassion by the size of the Federal budget. But the medieval Jewish philosopher Maimonides said, "Anticipate charity by preventing poverty . . . This is the highest step and the summit of charity's golden ladder." A central feature of any debate over fairness must be the role of economic growth in public policy. I believe economic growth must come first, not because it is unherently more important than other personal and social goals, but because without growth, our progress as a nation toward one goal can be achieved only by impoverishing something of someone else.

In fact, I find it hard to think of a political issue that does not involve the choice between right and wrong in some way—not even foreign policy, which is supposed to be the realm of Realpolitik. I think few things are more dangerous to world peace and the advancement of democratic government than the kind of "moral relativism" in foreign policy which replaces the truth that "all men are created equal" with the notion that all governments are created equal. This doctrine paralyzes any purposeful action, because it renders, us incapable of making objective judgments between democracy and totalitarianism, between true human rights and manufactured "rights," between the free market and Marxism's denial of the right to private property.

Let us recall, in contrast, President Reagan's May 1981 speech at Notre Dame University:

The West won't contain Communism; it will transcend Communism. It won't bother to denounce it; it will dismiss it as some bizarre chapter in human history whose last pages are even now being written.

In other words, Soviet Communism is a negative, a denial of self-evident truths and basic human rights. The answer to a negative is not another negative, such as "anti-Communism." The only answer is a positive statement and application of the truths for which we stand.

The deterioration of American foreign policy since the Second World War, which reached its low point shortly before President Reagan was elected, is due neither to the power of Marxist ideology nor to Third World hostility nor to the realities of nuclear weapons. It is caused by the acceptance among too many American political leaders of the notion of moral relativism, which has replaced the doctrine of democracy and human rights. The same moral relativism is the philosophic ground of the historicism which underlies Marxist ideology. Adopting such a point of view is a formula for paralysis; it is quite literally disarming the American people.

There may be genuine moral fervor among those who favor unilateral disarmament or the nuclear freeze, but this is no substitute for facts. A true prophet does not cry "peace, peace," when there is no peace. It is no use to say that our intentions were good if our actions have made war more likely. We should tremble at the parallels with the 1930s, and at Winston Churchill's prophetic statement after the appeasement at Munich:

The people should know that we have sustained a defeat without a war . . . They should know that we have passed an awful milestone in our history . . . and that the terrible words have for the time being been pronounced against the Western democracies: "Thou art weighed in the balance and found wanting," And do not suppose this is the end; this is only the beginning of the reckoning. This is only the first sip, the first foretaste of a bitter cup which will be proffered to us year after year unless, by a supreme recovery of moral health and martial vigor, we arise again and take our stand for freedom as in olden times.

It is rightly said that if you can choose the site of battle or establish the issues of debate, your chances of success are greatly improved. I think this is why our geopolitical position has eroded so much since the Second World War, while the Soviet Union has established hegemony over larger and larger areas of the globe; we have been fighting on territory chosen by the enemy. The lack of a coherent relation between our political principles and our global strategy makes us constantly reactive, while the Soviets initiate actions on a broad front.

President Reagan has given us a much-needed new beginning in foreign policy, one which restores our American political ideas to their rightful place at the center of American foreign policy. I would state the principles as follows:

1. The central feature of the American political tradition is the legitimacy and superiority of democratic self-government which observes the God-given rights of man.

2. The first purpose of our involvement in world affairs is the defense of our nation and its vital national interests, as the birthplace and exemplar of modern liberal democracy.

3. It is our duty to support other established democratic governments—politically, economically, or militarily, depending on their needs and our capabilities.

4. It is our duty, in so far as it is possible and prudent, to assist democratic movements and peoples struggling under tyrannical regimes in these same three respects.

5. The greatest single threat to self-government in this world comes from Soviet imperialism, and it is our obligation as believers in peace, freedom and democracy to minimize Soviet global ambitions.

Followed seriously, such an American foreign policy strikes a lethal blow at the "scientific" claims of the oligarchs in the Kremlin. For it cuts away the ideological roots of Soviet authority by revealing Communism for what it is—a residue of world history rather than some inexorable wave of the future. Sadly, in the past an effective foreign policy based on democracy and human rights has too often been emptied on the left by vacuous moralism, and on the right by small-minded provincialism. The makers of American foreign policy should pay more attention to the truths which Americans live by, and less attention to whatever the elites in power happen to want. If they did, they would find that the American people, and the people of the world, are eager to embrace a vision whose foundations rest on the truths which Americans have defended for more than 200 years with their lives, their fortunes, and their sacred honor.

The efforts of those who cherish our Judeo-Christian heritage made an enormous difference in 1980. And they can do so again in 1984. Senator Kennedy quoted his brother, President John Kennedy, as saying, "I believe in an America where there is no (religous) bloc voting of any kind." While I admire and respect President Kennedy, and while this is a fine sentiment in the abstract, I hope that I never live to see such an America. Because when Americans stop voting on the basis of their spiritual heritage, they will have lost part of that which distinguishes them as Americans.

Tomorrow, President Reagan will sign into law a bill which passed Congress overwhelmingly, making Reverend Martin Luther King Jr.'s birthday a national holiday. I supported that bill, and I'll proudly be there at the signing ceremony. Dr. King did not think that personal religious beliefs have nothing to do with the public good. He was not content with the abstract statement of the truth that all men are created equal. He believed that abridgements of the civil rights of Americans which conflict with this truth must be eliminated. His life was dedicated to the idea that the reality of daily life as well as our ideals should reflect the equality and brotherhood of all people.

Martin Luther King and Jerry Falwell would disagree on many issues of public policy. But surely on this central idea they are united, as all Americans should be: Democracy without morality, or freedom without faith, is impossible. This belief is, so to speak, the tiny mustard seed out of which the great tree of democratic liberty took root and has its being.

Let us learn to be tolerant of sectarian differences. But let us never forget the moral truth that makes all tolerance possible. For as it is written in the book of John the Evangelist: "You shall know the truth, and the truth shall make you free."

Blessed indeed is the nation whose God is the Lord.

Thank you, and God bless you.●

TAX BILL RULE

HON. BARBARA F. VUCANOVICH

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mrs. VUCANOVICH. Mr. Speaker, I rise in support of the motion to defeat the rule on the Tax Reform Act of 1983. If the current rule is not defeated, there will be no opportunity to amend title VII to delete the $150 volume cap on industrial development revenue bonds.

In the State of Nevada, the availability of industrial development revenue

bonds (IDRBs) has been an important element in promoting economic development. Nevada has been greatly affected by the recent recession, particularly in its business sector. Dealing with economic change is one of Nevada's most critical problems because the State is shifting from an existing economic base dependent upon one or two major industries to an expanded economy involving many new industries and small businesses. What Nevada needs, and what both direct and indirect financial assistance to private enterprise can encourage are new jobs, new investment, and new companies to revitalize and diversify our economy. These benefits have already been realized through industrial development revenue bonds.

The reasons for my concern to place further restrictions on IDRB's is because I have seen the many advantages the IDRB program brings to Nevada. It enables small businesses whose expansion projects are not feasible through the normal private channels to obtain critical financing that enables these projects to proceed and thereby create new jobs. I do not want to see such a valuable economic development tool further restricted as the tax bill does to IDRB's.

Industrial development revenue bonds are not only important to the State of Nevada, but are essential to economic development for many other States in this Union. I, therefore, urge my colleagues to defeat the rule on H.R. 4170.●

LAFAYETTE COLLEGE DEDICATES ART CENTER

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. RITTER. Mr. Speaker, I would like to share with my colleagues a very special event that was held recently at Lafayette College in Easton, Pa. The event, the dedication of the Morris R. Williams Center for the Arts, marks a milestone in the school's history.

The completion of this center marks a new day for the study of and participation in the fine arts for not only the college community, but the larger community as well. For the first time in the school's history a fully integrated facility for the performing and visual arts will be under a single roof. Before completion of the new center, art students had to travel to classes throughout the campus to study in classrooms not originally designed for this type of study. For instance, theater students who had previously studied in the college chapel will be joined in the new center by art students who previously studied in biology labs. This new facility will enhance all the art programs at Lafayette.

Institutions do not survive on their reputations alone. They survive on the support and assistance they receive from graduates and from the community they serve. Few colleges have as dedicated a following as Lafayette. Lafayette alumni have found their vocations in all parts of the world and many have gone far in life. Very few of them have forgotten their alma mater. This fact was evident on September 30 as students, past and present, came to the Lafayette Campus for the dedication ceremony.

One individual stood above the rest on this day. His name was Morris R. Williams and it is for him that the center is named. Morris R. Williams, a 1922 Lafayette graduate, is an uncommon man. His accomplishments in life are extraordinary and are rivaled only by the amount of service he has given back to his community. Contributions from Morris Williams and his wife, Josephine that made construction of this $8.7 million arts center possible. In his remarks, Morris R. Williams said that "much has been said about this building and what it will do for Lafayette College, but it is impossible for me to express my feelings and emotions about this center which has become a reality today."

While in the U.S. Congress, it has been a great pleasure for me to benefit from the wisdom and the friendship of Morris "Monk" Williams. He has proven to be one of those outstanding Americans whose creativity and hard work over the decades provided new products and new jobs for citizens of the Lehigh Valley and America beyond. He was chairman of the board and treasurer of C. K. Williams & Co., a family-owned firm that produced pigments and fillers until it merged with Pfizer Inc.

Many others played an important role in the planning, design, and construction of the Morris R. Williams Arts Center. During the dedication ceremony, Walter Hanson, chairman of the Board of Trustees at Lafayette and another strong contributor to the art center, said:

> The Williams Center is, in fact, the fulfillment of a grand aspiration—a dream long cherished by the trustees and the members of the college family that there be an appropriate home for the arts on campus.

On this very important occasion, I take great pleasure in joining with other members of the Lehigh Valley in congratulating the students, faculty, and alumni of Lafayette College and wishing them well with their new arts center. I also think we can all be thankful for the leadership of individuals such as Morris and Josephine Williams, Walter Hanson, and Lafayette president, David Ellis. They are helping to mold the future leaders of tomorrow; no service is more important.●

AMERICAN APPROACH TO GUERRILLA WAR BEARS INVESTIGATING

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. GINGRICH. Mr. Speaker, in a recent article, military affairs specialist Bill Lind has asked some questions about the American approach to guerrilla war that bear investigating. I hope the key policy planners in the National Security Council and the Pentagon will look at these questions in the light of actual conditions in El Salvador. The article, published in the San Diego Union, October 8, 1983, follows:

THE KIND OF ADVICE MATTERS

(By Willian S. Lind)

The Reagan administration has apparently made a commitment to defend the current government of El Salvador. To that end, it has sent U.S. advisers to train and, in some measure, to direct the Salvadoran forces. In addition to the 55 official advisers, the U.S. effort includes military personnel attached to the embassy in San Salvador, training personnel in Honduras and the American command in Panama. The rationale is that U.S. military advice will improve the capability of the government's forces to the point where they can win the war.

This presumes, of course, that the advice we offer is helpful. But is it? Military reformers have been pointing out for some time that the quality of American military thinking leaves much to be desired. Are we in danger of exporting military advice that will weaken, rather than strengthen, the Salvadoran forces?

There are some questions we can ask to help determine whether U.S. advice will help or hinder the Salvadoran army:

1. Do we understand that, in a guerrilla war, if you are fighting battles you have already failed? The object in combatting guerrillas is to prevent the development of conditions in which guerrillas can operate, not fighting battles. One Salvadoran officer, Colonel Ochoa, was reportedly very successful in this regard. His forces protected the people rather than abused them, and the area under his command was largely free of guerrillas. Interestingly, the American military in El Salvador did not appreciate Ochoa's achievement, because he was not fighting battles.

2. What kind of people are we sending as advisers? The sergeants who do the technical training are no doubt competent, but what about the American officers who advise on strategy and tactics? Here we face two dangers, one from the "cowboys," the other from the "careerists."

Every military has its percentage of "cowboys"—officers who think war is a contest in machismo, in things like night parachute jumps and hand-to-hand combat training. Cowboys are generally too rigid to be good tacticians or strategists, and they, accordingly, make poor advisors. Unfortunately, while the Army's Special Forces and Ranger communities undoubtedly include some very fine officers, they also have more than the usual quota of cowboys. Those communities

have largely taken over the advisory effort. Has that put the cowboys in charge?

The other danger, that from the "careerists," is probably more serious. A careerist is someone to whom personal career success is everything. The threat from the careerist in El Salvador is that he will offer advice pleasing his superiors even if it is not helpful to those he is advising. There are reports this is already happening. The officers sent as advisers are already under heavy career pressure, because a tour in Central America takes them out of the usual career pattern. Such a tour is not itself a "ticket" for promotion and it takes time needed for getting other tickets punched. The advice they are supposed to offer is prepared at the Joint Staff level in Washington, not locally, and much of it is inappropriate. But officers who give the Salvadorans their own views instead of the wisdom from Washington jeopardize their careers. If an officer is a careerist to start with, how is he likely to respond to this pressure?

3. Are our advisers trying to learn from the local people or are they dismissing them as not worth listening to or learning from? Too often, our military comes in to other countries with pre-packaged, made-in-America solutions—solutions devised long before they have seen the problems. Yet if the locals try to tell us we have not understood the problems and the solutions won't work, we dismiss them as ignorant and push our approaches anyway. The attitude some American military personnel in San Salvador and in Panama reportedly have taken toward Salvadoran commanders who have been successful suggests this syndrome may already be a problem.

4. Are we training Salvadoran army units to be effective under local conditions, or are we just making them into carbon copies of U.S. units?

In Vietnam, one of our most tragic errors was turning the South Vietnamese army into a copy of our own—into an army dependent on massive logistics it could not afford, massive firepower it did not have and tactical rigidity the enemy could exploit.

Are we repeating the same mistake in Central America? When we bring Salvadoran units to Honduras or Ft. Bragg for training, do they leave trained as light "Jaeger" infantry, which is what a guerrilla war requires, or as U.S.-style line infantry? The U.S. has no Jaeger light infantry itself, so it may be difficult for us to train others in light infantry tactics. Do we teach the Salvadorans tactics that depend on equipment they don't have, can't afford, and couldn't maintain? If we train them to be line infantry instead of light infantry, the training is inappropriate. If we train them to depend on equipment they don't have, it is both inapproprate and infeasible.

5. Do we guide the operations of the Salvadoran army into predictable patterns? the most recent big operation, an operation heavily guided by the U.S., was prepared and planned long in advance in typical U.S. fashion. Not surprisingly, the government forces found the guerrillas long gone. When the enemy knows what you are going to do and when you are going to do it, he can avoid your strength and attack your weaknesses. Have we helped create a situation where the guerrillas can largely predict what the government will do?

If the U.S. advisory and training efforts are militarily incompetent, the Salvadoran army and government will grow steadily weaker relative to the guerrillas. At some point, the weakness will be sufficient to confront the administration with the choice of abandoning its commitment to the Salvadoran government or sending in American combat troops.

In the face of this prospect, questions regarding the quality of our advice and training take on considerable significance. They should be pressed home, and more than the usual bland assurances, calculated displays of indignation from the services and dog-and-pony show tours of the region should be demanded as answers. The price for avoiding some unpleasant issues now may well be the loss of American lives in the future.

OMAHA'S CENTER STAGE WINS INTERNATIONAL COMPETITION

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. DAUB. Mr. Speaker, each of us likes to believe that our home districts have the best of everything, but I come to the floor today with proof that Omaha, Nebr., has the best community theater troupe in the world.

Omaha's Center Stage Theater recently returned home with the first-place Gold Award from the Toyama International Amateur Theater Festival in Japan. Additionally, Bill Davis of Center Stage won the first-place award for best director.

Cast members of the 3-year-old theater company include Arlen Jay Bates, Kathy Tyree, Claudette Valentine, Charlene Shockley, Cheryl Hill, and Jonathan Wilson. They were victorious with their performance of Fats Waller's musical revue "Ain't Misbehavin'." Their worldwide competition included troupes from Belgium, West Germany, Bulgaria, the Soviet Union, Canada, Nigeria, Mexico, Czechoslovakia, Finland, Holland, Hungary, and Japan.

We may have lost America's Cup this year, but I know that my colleagues will want to join me in congratulating all those who worked so hard to bring home the gold to the United States of America from this prestigious international competition.●

ST. MARY'S HOSPITAL, LIVONIA, MICH.

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. PURSELL. Mr. Speaker, on December 8, St. Mary's Hospital in Livonia, Mich. will celebrate its 25th year of serving the health care needs of Livonia and the surrounding community. When St. Mary's opened its doors in 1959, it had a 175 bed capacity. Since then it has grown to 335 beds, with approximately 260 physicians on staff and over 1,100 employees.

Currently, St. Mary's provides general acute care for medical, surgical, family centered maternal care, and pediatric patients. Specialized units include intensive care, cardiac care, renal dialysis, rehabilitative medicine, mental health, emergency care, and speech therapy services. In 1982, St. Mary's treated over 12,650 patients, in addition to the 33,600 people who sought care in its emergency room.

I congratulate St. Mary's Hospital on its 25th anniversary, and thank the staff and employees for the outstanding medical care it has given the community during those years.●

ARIZONA RETIRED OFFICERS CALL FOR HEMISPHERIC SECURITY AID

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. RUDD. Mr. Speaker, the American liberation of Grenada and successful rescue of hundreds of American medical students from a potential hostage crisis has dramatically brought to light the need to refocus our Nation's commitment to the security of the Western Hemisphere.

The Arizona Council of Chapters of the Retired Officers Association recently adopted a straightforward resolution urging our Nation to take all necessary action, including economic and military support, to assure the security of our vital interests throughout the hemisphere. I commend our retired American officers for this statement, especially after the American public has just witnessed a blatant, although failed, attempt to expand the Soviet/Cuban influence into the Eastern Caribbean.

I submit to my colleagues the text of the Arizona Council of Chapters of the Retired Officers Association resolution, which predates our action in Grenada and subsequent strong support by the American people:

RESOLUTION

Whereas, in the Western Hemisphere, we exist in an adverserial relationship with competing economic and social systems; and,

Whereas, those competing systems have used, and will use military and/or paramilitary forces and/or arms shipments to destabilize national governments friendly to the United States; and,

Whereas, the destabilization of friendly national governments may be, *per se*, a threat to either the short or long term vital interests of the United States.

Now, therefore, be it resolved, that the Arizona members of TROA, in convention assembled, support all means, humanitarian, economic and/or force of arms taken by our

federal government necessary to assure the security of our vital interests throughout the Western Hemisphere.●

A TRIBUTE TO SUNNY SLOPE FARMS, INC.

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. CAMPBELL. Mr. Speaker, it is with great pleasure that I rise today to commend those who have organized and supported the National Endowment for Soil and Water Conservation. Furthermore, I am proud to announce to my colleagues, here assembled, that the 1983 State Conservation Award Winner from South Carolina, Sunny Slope Farms, is located in my congressional district. Sunny Slope Farms, owned and operated by Louis and Vincent Caggiano, has been recognized as outstanding in its use of soil and water conservation techniques.

Upon examining the record of Sunny Slope Farms, one finds that Louis and Vincent Caggiano are not newcomers to the practice of conservation. For example, Louis Caggiano is a former commissioner of the Cherokee Conservation District and a former member of the South Carolina Agriculture Commission. Vincent Caggiano has served as both the commissioner and chairman for the Cherokee district. Furthermore, Vincent has served as the chairman for the South Carolina Land Resources Commission, as president of the National Peach Council, and as a member of the State Executive Committee of the South Carolina Association of Conservation Districts.

Sunny Slope Farms has been a leader in South Carolina's conservation efforts for many years. Having been one of the first to utilize overhead irrigation techniques in the State, some 40 years ago, Sunny Slope Farms is now converting to the modern method of microirrigation, a move designed to save labor, energy, and water costs. Sunny Slope Farms has achieved complete vegetation of all orchards, waterways, and field borders, and indeed has instituted a comprehensive conservation program. Furthermore, Sunny Slope Farms serves the surrounding community by providing fire hydrants which utilize its water resouces for emergency use by the community fire brigade.

Mr. Speaker, it is this kind of effort and achievement which makes soil and water conservation in the United States possible with little or no cost to the taxpayer. I wish to commend these two gentlemen for their particular accomplishments, the National Endowment for Soil and Water Conservation for its interest and support, the South Carolina Land Resources Commission and all of those involved in soil and water conservation on every level.●

WILL WE WIN GRENADA BUT LOSE BRAZIL?

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. BARNES. Mr. Speaker, in the current issue of Foreign Policy magazine there appears an article on United States-Latin America relations by the noted expert, Dr. Abraham F. Lowenthal, that I hope all my colleagues will read.

Dr. Lowenthal argues that we have failed "to deal with the overriding fact of contemporary inter-American relations: the redistribution of power. Since the early 1960's, U.S. policy has failed to cope with hegemony in decline." All administrations since the Johnson administration, Dr. Lowenthal says, have "fought rear guard battles against Latin America's escape from U.S. control."

The Reagan administration is particularly guilty of this. Dr. Lowenthal argues that the administration's attempts to restore U.S. dominance with the threat or use of force "have been counterproductive, particularly in the large countries of the region. Latin America has rejected Reagan's revival of the 'big stick.'" In a strikingly prescient statement which was written well before the invasion of Grenada, Dr. Lowenthal states that "Reagan's resurrected approach to Latin America might regain Grenada while alienating Brazil and other key countries. That would be an unfortunate tradeoff, indeed."

Finally, Dr. Lowenthal argues that Reagan's efforts to restore U.S. hegemony occur at the expense of attention to more important problems: "The profound financial crisis affecting several major Latin American countries is a far greater threat to inter-American and global security than leftist revolutionaries in Central America." If he does not take action on this problem, Dr. Lowenthal argues, "Ronald Reagan could go down in history as the President who lost Latin America."

I include the last section of the article in the RECORD at this point, and hope my colleagues will take the time to read the entire article:

[From Foreign Policy magazine]

(By Abraham F. Lowenthal)

The underlying reason why inter-American tensions continue to accumulate goes well beyond the shortfalls of various U.S. policies. The fundamental flaw of U.S. policy toward Latin America and the Caribbean during the past 20 years is not the failure to implement proposed new policies but the failure to deal with the overriding fact of contemporary inter-American relations: the redistribution of power. Since the early 1960s, U.S. policy has failed to cope with hegemony in decline.

U.S. influence in Latin America reached its apogee after World War II. Between 1945 and 1965 the United States was the dominant economic, political, and military partner of most Latin American countries. Its hegemony over the Caribbean Basin was extended to all South America. In recent years, however, a pattern of international relations reminiscent of that prevailing in the 1920s has emerged in Latin America. Then the United States was a dominant but not a domineering power in South America, with significant but not exclusive influence. West European powers also had important South American interests and engagements. Several South American countries ranked as middle powers on the world scene. And U.S. intervention was confined to Central America and the Caribbean.

The postwar period of virtually unchallenged U.S. dominance in the Western Hemisphere is over. Increasingly self-confident and autonomous Latin American governments have diversified their economic, military, and cultural relationships. The U.S. share of Latin American exports fell from more than 48 per cent in 1950 to 34 per cent in 1980. There were about 800 U.S. military advisers in Latin America in 1965 but fewer than 300 in 1983. By the late 1970s, four or five countries outranked the United States in sales of heavy weapons to the region. The number of U.S.-government-sponsored visitors from Latin America fell from 1,450 in 1968 to only 521 in 1977.

In recent years, the Soviet Union, Japan, and the Federal Republic of Germany have dramatically expanded their presence in Latin America. Soviet trade with over a dozen Latin American countries totals more than $1 billion annually. The USSR has become Argentina's principal trading partner and sends trade missions and technical assistance to several other countries.[1] In 1979 the Soviet Union had diplomatic representatives in 19 Latin American countries, compared with only 3 in 1960. Japanese and West German involvement in Latin America is even more extensive. Between 1960 and 1980, Japanese-Latin American trade increased from $610 million to $14.6 billion. West German investment in Latin America is booming, and West German political and cultural foundations are extremely active in the region.

No U.S. administration to date has dealt systematically with the decline of U.S. hegemony in the Western Hemisphere. President John Kennedy's Alliance for Progress responded to and reinforced Latin America's transformations but attempted to reassert U.S. domination. President Lyndon Johnson sent U.S. troops to the Dominican Republic and allowed the Alliance to atrophy. The Nixon administration maintained a low profile in Latin America but intervened in Chile. All three administrations fought rear guard battles against Latin America's escape from U.S. control.

The Carter administration recognized Latin America's emergence but it never responded to the region's changed political economy. Carter took few steps toward restructuring the international economic order to give Latin American newly industializing countries improved access to the markets, capital, and technology of the in-

[1] See Robert S. Leiken, "Eastern Winds in Latin America," Foreign Policy 42 (Spring 1981).

dustrialized world. The Carter administration feared these steps would undermine marginal U.S. industries and thus never addressed this basic issue in contemporary inter-American relations.

Ironically, the one President with a strategic vision of and personal commitment to inter-American relations is the one least able to accept the underlying trend in the region. Reagan's policy is based not on understanding Latin America's evolution but on outdated axioms. It arises from a fear of hegemony lost, not from a vision of the future of Latin American relations.

The Reagan administration appears intent on ignoring or denying Latin America's emergence. It has attempted to restore U.S. dominance with threats of force, security assistance, support for friendly governments, and covert intervention against anti-U.S. movements. The administration's efforts have been counterproductive, particularly in the large countries of the region. Latin America has rejected Reagan's revival of the "big stick." In April 1983, for example, the presidents of Mexico and Brazil declared their opposition to U.S. intervention in Central America. Reagan's resurrected approach to Latin America might regain Grenada while alienating Brazil and other key countries. That would be an unfortunate tradeoff, indeed.

The Reagan policy also diverts attention and energies from important problems in the hemisphere. The profound financial crisis affecting several major Latin American countries is a far greater threat to inter-American and global security than leftist revolutionaries in Central America. The decline of U.S. influence in the Western Hemisphere will surely accelerate unless the United States sustains a major effort to help Latin American countries overcome the financial bind that ties their prospects to those of the United States. Otherwise, whatever his intentions and his efforts, Ronald Reagan could go down in history as the President who lost Latin America.●

LLOYD McBRIDE—A GREAT STEELWORKER, A GREAT AMERICAN

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. RITTER. Mr. Speaker, I would like to pay a tribute to a great American who passed away recently, United Steelworkers President Lloyd McBride, age 67 died at his home in Whitehall, Pa., on November 5, 1983. His passing ended an impressive and noteworthy career and one that is inspiring to many people.

Mr. McBride was born in Farmington, Mo., and grew up in St. Louis. At the tender age of 14, McBride took a job paying 25 cents an hour at Foster Bros. Manufacturing Co. In 1936, he was among the first workers at that plant to join the Steel Workers Organizing Committee, the forerunner of the United Steelworkers Union. After the plant was unionized, he became the first elected president of the newly chartered local 1295.

By 1940, he was president of the St. Louis Industrial Union Council of the CIO and organizer and staff representative of SWOC. Two years later, he became president of the Missouri State CIO Industrial Union Council. After serving in the Armed Forces during World War II, he returned to the steel union as a staff representative. In 1965 he became director of USW district 34 in 1965. In 1977 McBride became the fourth president of the USW in its 47-year history. He devoted his life to the needs and concerns of the steelworkers.

A solidly built, plain-spoken man with little formal schooling, he had a reputation as a nuts-and-bolts unionist. He worked his way up through the USW ranks and knew the union inside out. One of the things for which he will always be remembered is his pragmatism and desire to insure the survival of the union at all costs. He pushed for contract concessions with the industry in which steelworkers granted concessions of $1.25 in their hourly wage and agreed to other benefit reductions to help the Nation's ailing steel manufacturers is a strong example of this pragmatism. This was an extremely difficult process for the proud president of a proud union.

This attitude of accommodation brought some resentment but he held firm to the idea that without some concessions the industry would not be able to compete and more union workers would be permanently laid off. His leadership was insightful and inspiring and paved the way for improved relations between labor and management. As a member of the Executive Committee of the House Steel Caucus, I personally enjoyed working with Mr. McBride on a wide range of issues dealing with the state of the American steel industry.

Lloyd McBride dedicated his life to serving others and he will be sorely missed—both by the steelworkers and the American people he so ably served.●

TRIBUTE TO A MAINE EAGLE SCOUT

HON. JOHN R. McKERNAN, JR.

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. McKERNAN. Mr. Speaker, I would like to join my colleagues in honoring Kenneth Gaspar, from Troop 312 in North Berwick, Maine, who has been chosen to receive the coveted Eagle Scout award on November 20. Ken, the son of Charles and Lynn Gaspar, is an honor student at Noble High School.

Ken constructed a large map of North Berwick, which is displayed at the American Legion Quint Cheney Post No. 87, for his Eagle Scout project. The map, constructed on wood, provides details of North Berwick's points of interest and recreational facilities in addition to standard roadmap information. Over the years, Ken has been active in the school band and sports and has received many awards.

Within his troop, Ken has held many positions, including assistant patrol leader, patrol leader, assistant senior patrol leader, senior patrol leader and is a member of "The Order of the Arrow". He was also elected Honor Scout at Scout camp this summer.

I commend Ken's parents, friends, and Scout leaders for encouraging this young man in his pursuit of excellence. I wish the new Eagle Scout continued success in the future.●

BRITISH SUPPORT FOR U.S. LIBERATION OF GRENADA

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. GINGRICH. Mr. Speaker, Prime Minister Thatcher may be publicly critical of our action in liberating Grenada and rescuing American and British citizens, whose safety was threatened, but a wide section of British opinion has endorsed it.

I call to the attention of my colleagues the following article by Peregrine Worsthorne, Britain's leading columnist, which appeared on Sunday, October 30. Mr. Worsthorne writes that "the merest prudence should have counselled the United States to nip this danger in the bud, by comparison with which all other risks * * * fade into insignificance." And to the pedants who fall back on tortured interpretations of international law to rationalize their reluctance ever to use force in defense of right, Mr. Worsthorne answers: "* * * everybody knows that the law, particularly international law, can often be very asinine. If international law says that what the Americans are doing is aggression, then so much the worse for international law."

These two points, Mr. Speaker, are the essence of an action which saved lives, liberated a people from Marxist tyranny, and made the Caribbean a safer place.

[From the Sunday Telegraph (London) Oct. 30, 1983]

WHY REAGAN WAS RIGHT

(By Peregrine Worsthorne)

It is not so much what America has done in the East Caribbean this past week which is placing a strain on the Alliance as what Britain failed to do. For weeks it has been plain that the bloody disorders in Grenada had reached an Idi Amin stage about which

something ought to be done, in the interest of the region as a whole.

As leader of the Commonwealth, of which Grenada is a minuscule member, Britain might have taken the lead in trying to organise some form of joint police action. She did nothing, except talk about economic sanctions, etc. Nor, in the past few years, has Britain, or the Commonwealth, done anything to prevent Castro trying to turn Grenada into a Cuban colony. To all intents and purposes, Britain has effectively washed its hands of the Caribbean area, which has passed, as is natural and inevitable given its geographical position, into the United States' sphere of responsibility. It was the Commonwealth, not the Anglo-American Alliance, which was shown up last week as an empty sham.

Objectively speaking, there can be no responsible objection to what the United States has done in Grenada. To call the action an invasion of a sovereign independent nation is a legalistic quibble, since none of the East Caribbean islands can sensibly by regarded as separate States, least of all Grenada. Nor do their inhabitants so regard themselves. Mayhem on one island affects the whole, particularly in the field of tourism, which is the region's main source of wealth; and failing any other Caribbean policeman, the United States is the only available instrument for controlling mayhem.

So much is obvious. Equally obvious is what might have happened if the United States had not sent in the Marines. Can there be any doubt that the Cuban troops already there would have gained control? That really might have endangered the peace of the world. No, the United States is not paranoid about Cuba. That country did once invite Russian missiles in, and very well might allow Grenada to be used for the same purpose. Nobody concerned with averting thermonuclear war can possibly fail to regard that possibility with anything else but total horror. Having brought the world to the brink once, Cuba could all too easily do so again. So, of course, the merest prudence should have counselled the United States to nip this danger in the bud, by comparison with which all other risks—provoking third world opinion, etc.—fade into insignificance.

So far as I can gather, most so-called ordinary people in this country entirely understand and support what the United States has done in Grenada, and what they cannot understand is the lack of British support for such a commonsensical action. Not for them the elitist agonizing about the American action being comparable in iniquity to what the Argentines did to the Falklands or the Russians in Afghanistan. In the letter of international law the actions may be similar. But everybody knows that the law, particularly international law, can often be very asinine. If international law says that what the Americans are doing is aggression, then so much the worse for international law. A lawyer, like Sir Geoffrey Howe, may not be able to see the difference, but the man in the street can.

In any case all this progressive talk about the United States being in breach of international law is so much cant. The same organs of opinion which are now describing American "lawless" use of force in Grenada as aggression were equally critical of Britain's "lawful" use of force to prevent aggression in the Falklands. Why can't they admit that they will oppose Western use of force in all circumstances, particularly when the Western Government involved is of the hard Right?

Here, I think, we come to the heart of the problem. If the Kennedy Administration, of which British social democrats and the like, approved, had sent in the Marines, progressive opinion would have found nothing morally wrong. What they object to is not the action itself, but the man behind it, Ronald Reagan. Heaven forbid, it might even win him the next election.

Needless to say, these are not Mrs. Thatcher's reasons for regretting the action. Hers, it seems, really are based on principle, which is the most disturbing revelation of all to emerge from this whole sorry business. For the principle in which she believes suggests a degree of naïveté wholly unsuitable in a Tory. "Mrs. Thatcher," writes a liberal pundit, "would have nothing to do with a lawless act of intervention against a small Commonwealth country. She had gone to war in the Falklands to uphold sovereignty, and show that aggression must not pay. Those principles, reaffirmed with solders' blood, precluded British participation in an illegal military act, however hateful the political character of the regime which was to be overthrown."

Fine words, but are we to take them to mean that Mrs. Thatcher would feel bound to stand idly by if, say, the Republic of Ireland, having been taken over by a successful IRA coup d'état, invited the Russians to establish bases there? Would her principles prevent her in these circumstances from doing what was necessary to prevent a potentially hostile power from endangering Britian's vital interests?

One hopes not. Certainly no other British Prime Minister has ever allowed abstract principles to stand in the way of national security—except for that disastrous period between the wars when another lawyer, Sir John Simon, was Foreign Secretary—and with the Soviet Union around, replacing Nazi Germany, this is no time for a Conservative Prime Minister to develop delusions of innocence. But that is what she and her Foreign Secretary, judging by their extraordinary behaviour last week, seem to be doing.

In the 19th century, and well into the 20th, the United States did its best to disrupt the British Empire in support of liberal principles, missing no opportunity to embarrass this country in its task of upholding the pax Britannica. Ever since the war there have been sections of the Labour party who have sought to do the same kind of reverse moralistic hatchet job on the operations of the pax Americana. But the Conservatives, mindful of the lessons learned in their own imperial days, have hitherto always avoided high-minded sanctimony as much in respect of Russia, incidentally, as of America.

Could it be that these new Thatcherite Tories are going to prove themselves the heirs of Gladstone and 19th-century liberalism, as much in foreign as in domestic affairs, rejecting Disraelian ideas of statesmanship no less abroad than at home? By any pragmatic Tory criteria of international behaviour President Reagan was right to go into Grenada, and no previous Tory Government would have hesitated to give full-hearted support. But on this occasion, as on so many others, Mrs. Thatcher has turned traditional Toryism on its head.

So long as her liberal dogmatism applied only to economics, the objection of traditional Tories could be dismissed as the whining of "wets." And in any case even traditional Tories, in economic matters, are at least partly liberal, in the sense of wanting to roll back the interventionist frontiers of the State, etc. But once let Mrs. Thatcher's liberal dogmatism be seen to spread into international affairs as well—as it did last week—imposing absolute limits on how the interventionist power of the State may be used abroad as well as at home, and the traditionalist Tory critics will be on much stronger ground. Does she really think President Reagan was morally wrong to intervene in Grenada? It would appear so, and if it continues to appear so, then her authority as leader of the Tory party will begin to be challenged as never before.

For whereas an attempt to apply anachronistic Victorian morality in domestic affairs can be tolerated as an endearing eccentricity, trying to do the same in foreign affairs is a heresy for which there can be no excuse or forgiveness.●

QUESTION OF MEDICARE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. PAUL. Mr. Speaker, Dr. Hans Sennholz is one of the most prominent economists of our time. His consistent stand for individual freedom and for private property rights has strongly influenced me in my career in Congress. Dr. Sennholz is professor of economics and chairman of the economic department at Grove City College in Pennsylvania. In some 300 published essays and articles he has discussed nearly every aspect of the current trend toward political power and control. An in order to make the great writings and ideas of Austrian economists available in the English language he translated six books by Eugen von Bohm-Bawerk and Ludwig von Mises.

The following article on medicare was published in the Entrepreneur, a student newspaper at Grove City College, and it examines the current criticisms of the system.

THE MORAL QUESTION OF MEDICARE

(By Dr. Hans F. Sennholz)

It is time to brace ourselves for another financial crisis: the crisis of Medicare. Earlier this year the U.S. Congress was struggling with staggering Social Security deficits that were estimated at $180 billion over a seven-year period. Now the budget office is warning us of a $310 billion accumulated Medicare deficit by 1995. It is clear that the Health Insurance Fund is in serious financial trouble. In fact, it is facing insolvency within four years unless Congress will find a way to raise revenue or control soaring medical costs.

Politically the dilemma of Medicare is a dangerous issue. At any moment it may explode into a partisan fracas such as last year's bitter confrontation on Social Security. Vying for the votes of the elderly, the political parties may again accuse each other of callous disregard of decency, responsibility, and morality. But in the end they can be expected to cooperate again by raising the tax levies on some helpless taxpayers. The question of morality then will

be shelved until such time when Medicare needs to be rescued again.

To many observers, Medicare is an unfailing index of political immorality. Born from the transfer entitlement mentality in the 1960's, fostered by political power and government force, nourished by tax collectors and IRS agents, Medicare is a creature of politics. It takes income and wealth from some people in order to finance the medical bills of other people. It rests on brute political force that uses the instruments of government to benefit one social class at the expense of other classes.

According to all financial analyses, the distribution of personal wealth is directly proportional to the age of the individual. Young people as a class are much poorer than old people, most of whom managed to accumulate some measure of material comfort and wealth. But transfer policies are rarely guided by considerations of comfort and wealth; they are determined by political power and popular majority, which places youth at a distinct disadvantage in the political process. The elderly manage to vote themselves benefit entitlements and allocate the costs to younger people. They work through Medicare which seizes income and wealth from the poorer classes and bestows free medical benefits on their own.

The very existence of Medicare raises difficult questions of political morality. Is it moral for a political majority to seize income and wealth from one social class, in this case the younger poorer population, in order to benefit another social class? Is it right to use the apparatus of government to benefit one social class at the expense of others? Is it proper and just to establish permanent transfer agencies that redistribute income and wealth?

The moral question of Medicare raises many questions of individual conscience and behavior. Is it proper, fair, and moral for an individual to partake of the transfer benefits derived by political force? Someone's Medicare benefit is always a painful financial exaction from someone else. Is it moral for anyone to inflict such pains on others? In particular, the dear old lady in the mink and a six-figure bank account, is she acting morally when she inflicts the medicare pains on young people by claiming her benefits? The Medicare card in the pocket of an heiress to the Rockefeller, Ford or Mellon fortunes, is it not a glaring badge of political immorality? Is it not such a badge in anyone's pocket?

What are we to think of an affluent family whose aging mother depends for her medical needs on government and Medicare? What are we to think of sons and daughters who deliver their parents to Medicare? How are we to judge a Medicare society?

We do not find fault with the doctor who serves Medicare patients unless he becomes a spokesman and promoter of the system. After all, a doctor who is providing healthcare services to the sick and needy cannot be expected to search into the sources of the money he receives in exchange. He may even specialize in and concentrate on services rendered to Medicare patients because there is a profitable demand. And yet, he should not be faulted as long as he does not promote it, he himself does not use it, or urges his mother to use it. We may even applaud him when he reminds the dear-old-lady patient in mink of the poor taxpayers who are forced to pay her bills.

At the present, the federal government is a cost-reimbursement provider of health care for 43 million Americans—23 million on Medicare and another 20 million on Medicaid, which is the state-federal health-care program for the poor. Such a cost-reimbursement system invariably invites rising costs and soaring prices. Medicare costs have grown nearly 17-fold since 1967 to more than $60 billion this fiscal year. They have outpaced the growth rate for U.S. wages by two to one. At the present rate of growth they may some day claim the lion's share of all labor income.

Many critics of the Medicare system are questioning its medical effectiveness and cost efficiency. They are lamenting the health-cost inflation and are searching for solutions. But they rarely raise the crucial question of political morality. Should an immoral system be made more effective and cost-efficient? Or should it be reformed along the lines of Judeo-Christian morality? Can the cost issue ever be resolved without first solving the moral issue?

The moral reformers would like to extricate the government from the health-care business. To allow politicians and bureaucrats in any business, they believe, is to inject political immorality. After all, most politicians make decisions on the basis of popular majority rather than given morality. They take polls rather than reflect on basic principles of morality. But opinion polls provide no guideposts for questions of morality.

The moral reformers are concerned about the special interests of many politicians and elderly, together with some workers in the healthcare industry, that make it the special target of politics. Surely, in the lives of most people, food, clothing and shelter are more important than medical care. Most of the time they are more important also in the lives of the elderly. To sustain human life the farmer, butcher, baker, textile worker, carpenter, plumber, and many others are as indispensable as the doctor and nurse. Why then should the former be taxed so that the latter be subsidized? Why should health care of the elderly be singled out and be regulated and controlled by politicians?

Medicare reformers applaud anyone's effort to force Medicare cuts through Congress. They favor all efforts to trim costs by raising premiums and "co-payments," the share of the healthcare burden borne by Medicare recipients, or by any other device. In particular, they are demanding a "means test" that would eliminate the most glaring cases of political immorality, the Medicare cards issue to millionaires and billionaires, and all others who are more able to pay they medical bills than young people. They would extend the means test also to the children of the elderly claiming Medicare benefits. Why should affluent sons and daughters not be expected to cover the medical bills of their needy parents?

When children abandon the care of their parents to government and its institutions, both suffer tragic losses. Most of all, the children lose their possibility of growth in being human and moral. And in days to come, their iniquities will be visited upon them as their children imitate them.●

WHO ARE THE THUGS NOW?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. MICHEL. Mr. Speaker, one of the more memorable moments of the House debate over aid to the "contras" in Nicaragua—who are fighting the Marxist-Leninist-dominated Sandinista regime—occurred when a Democrat arose to denounce those he termed "thugs, brigands, and thieves."

Was he talking about the Marxist-Leninist thugs who have stolen a nation? No, he was condemning the contras, those who want to recapture the true revolution and give Nicaraguans democracy. That is the kind of misinformation we have to contend with.

It now seems that the initial honeymoon between the Sandinistas and Europeans who once supported them is now over. I therefore hope some of our home-grown critics of American policy in Nicaragua will start to use the same kind of harsh rhetoric against the real "thugs, brigands, and thieves"—the Sandinistas—that they have been reserving for those we help. The Europeans have at last caught on to what is happening in Nicaragua—is it not about time some Americans did as well?

At this point, I wish to insert in the RECORD, "Disillusion With Nicaragua Grows in Europe" from the New York Times, November 16, 1983.

DISILLUSION WITH NICARAGUA GROWS IN EUROPE

(By Stephen Kinzer)

MANAGUA, NICARAGUA, Nov. 15.—The Sandinista Government is losing political support in Western Europe because of its close ties to Cuba and its attitude toward its domestic critics, according to diplomatic and foreign policy analysts here.

"We were very enthusiastic about the Sandinista revolution because we thought it would be truly nonaligned," said a European diplomat. "But it seems clear by now that the Sandinista political project is to radicalize the regime and lean more heavily each day on the Communist bloc. Europeans are only now beginning to realize this."

Diplomats said the changing European attitude was shown most clearly in Spain, France and West Germany, while the Netherlands and Sweden remained staunch supporters of the Sandinista regime.

But they said it was unlikely that this change in attitude would result in a reduction of economic aid to Nicaragua. "Our aid is for the people of Nicaragua and is not contingent on our approval of the Government," explained an official responsible for overseeing several million dollars in European assistance to Nicaragua.

There had been reports that Nicaragua was seeking additional aid from France, which had provided modest assistance after the Sandinistas came to power in 1979. But diplomats here said that this request was for military aid and that it was not likely to be forthcoming.

In addition to a general concern that the Sandinista regime poses a threat to Western security, some European countries have specific complaints about Nicaragua foreign policy. Spain is concerned about allegations that Nicaragua has links to Basque separatists, and France disapproves of Nicaragua's close ties to Libya, knowledgeable officials said.

The disruption of Pope John Paul II's mass in Managua by Sandinista demonstrators earlier this year was said to have been a turning point in European public opinion toward Nicaragua. Specialists in Nicaragua foreign policy said that Spain and Italy, both heavily Catholic countries, had been shocked by the incident, and that press accounts in France had also been sharply critical of the Sandinistas.

Nicaragua's Interior Minister, Tomas Borge, visited Europe during September and October, and according to diplomats in Managua, received a mixed reception. They said he was closely questioned by some European leaders about the nature of the Sandinista Government. At the end of his tour, Mr. Borge traveled to Libya, where he reportedly received pledges of increased aid.

French officials said the Socialist Government of President Francois Mitterrand has lost much of its enthusiasm for the Sandinista cause. They said the Foreign Minister Claude Cheysson's decision to receive Mr. Borge for only a five-minute meeting reflected a change in French opinion. President Mitterrand's special adviser for Latin America, Regis Debray, was described as "extremely disappointed" by the turn of events in Nicaragua.

The Sandinista Government has criticized the role of the international military force in Lebanon, which includes French troops, and also expressed disapproval of the French role in Chad, where French troops have been sent to bolster the government against Libyan-supported insurgents. Diplomats said these expressions were viewed unfavorably in Paris. They also said that France considered Libya to be its principal adversary in Africa, and was uneasy about the friendly ties between Nicaragua and Libya.

In Spain, support for the Sandinistas was said to have declined because of a widespread view that members of the Basque separatist group E.T.A., which has taken responsibility for terrorist acts, have been sheltered in Nicaragua. Spanish intelligence agencies have compiled detailed dossiers on the ties between the E.T.A. and the Sandinistas, according to sources close to the Spanish Government.

An E.T.A. member, Gregorio Jimenez Morales, is being held in Costa Rica on charges that he went there from Nicaragua with orders to assassinate anti-Sandinista exiles. His case has received heavy coverage in the Spanish press.

ASSURANCES TO SPANISH LEADER

When Mr. Borge was in Spain, he publicly assured Prime Minister Felipe González that the Sandinistas were not assisting the E.T.A., and Mr. González said he accepted the denial. But some Government officials were said to remain unconvinced. In August, the Spanish consulate in the Nicaraguan town of León was defaced by unknown activists who painted pro-E.T.A. slogans on its walls.

"The matter of the E.T.A. is extremely delicate in Spain," said a Spanish diplomat in Managua. "Spaniards consider the E.T.A to be a threat to democracy, and do not look kindly on governments they believe are sympathetic to the E.T.A. cause."

West German officials said ther principal cause of their disillusion with the Sandinistas is what they consider Nicaragua's alignment with the Soviet bloc. Mr. Borge recently told reporters that he had received "some unfair questioning" during his visit to West Germany, and ascribed the criticism he received there to "political disinformation which has been given to the Government about out revolution."

Sources close to the Government said that West German officials had pressed Mr. Borge especially strongly on the subject of press freedom in Nicaragua. Mr. Borge was reportedly told that if the opposition newspaper La Prensa was closed by the Government, West Germany would reassess its program of aid to Nicaragua.

Winfried Pinger, a Christian Democratic member of the West German Parliament who is in Nicaragua for a visit, said in an interview today that "things are not going well in Nicaragua, obviously."●

KEN DUBERSTEIN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. LAGOMARSINO. Mr. Speaker, it was with a mixture of sadness and good wishes that I learned that Ken Duberstein will be leaving the White House next month to pursue a career in the private sector. My regret was assuaged only by the knowledge that B. Oglesby will become Chief of Congressional Liaison for the President.

Ken has done a yeoman's job during the past 3 years, both as House liaison under Max Friedersdorf and later as head of the office. His wit, steadfastness and determination have played a key role in the success of the President's initiatives here on the Hill. During the darkest hours, both figuratively and literally, he was there, working to snatch victory from the jaws of defeat. His legerdemain was acknowledged on both sides of the aisle, as was his helpfulness to Members of all persuasions. While he will be missed, I want to express my gratitude for all he has done, and extend my best wishes to him in his new pursuits. We will look forward to continuing the struggle as in the past with the sure hand of B. Oglesby.●

THE UNITED STATES NEEDS A MODERN DAY RESEARCH AIRPLANE PROGRAM

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. FUQUA. Mr. Speaker, today my colleague on the Committee on Science and Technology, Mr. GLICKMAN, challenged NASA to come up with an innovative and aggressive new research airplane program in a speech before the National Aviation Club. I believe that all Members of Congress will be interested in his remarks.

The remarks follow:

REMARKS BY REPRESENTATIVE DAN GLICKMAN, BEFORE NATIONAL AVIATION CLUB, THURSDAY, NOVEMBER 17, 1983

Aeronautics is a field which has propelled itself from obsolescence to new heights time and again. That cycle, brought upon aeronautics by its own technological advances, has historically amounted to self-regeneration:

In the 1920's, the radial engine made the fleet of airplanes in use at that time obsolete and revolutionized aeronautics.

In the 1930's, the all metal cantilever wing caused a similar upheaval and progress.

After World War II, development of jet and rocket engines made what were by then the largest fleets of civil and military aircraft in history obsolete, once again, and created a whole new generation of aircraft.

But the cycle seems to have broken down. Something has gone awry. In the early 1960's, obsolescence came again with the development of stainless steel B-70, the titanium SR-71, and the iconel X X-15. But this time we did not move beyond obsolescence. Instead, there has been something of a "let's live with it" reaction, or even an anti-technological attitute in the very same sectors which were out front before in taking advantage of new developments to keep aeronautical technologies right on top of things.

Earlier, leaders of NACA had not seen the promise of the jet engine and even viewed the pursuit of space like "shooting a lady out of a cannon." On top of that, there was an apparent ripple effect, with industry following suit in adopting a stagnant approach, instead of an aggressive one. The fear of liability suits on the basis that outdated technologies were deficient instead of just outmoded added to the "stay where we are" mentality.

The result was that innovative technical starts (the Dynasoar, the Aerospaceplane, the Aerospaceplane, Jr., the Orbital X-15, and the B-70) were cancelled. Development of a new fighter was dropped because it involved a technical leap forward. And innovative aeronautics was relegated to the new NASA which was preoccupied with the space program and had little time for what appeared to be less soaring challenges. In those early days, which I am afraid are being resurrected at NASA today, advances were overlooked and concentration focused on applying aeronautical techniques with which they felt safe.

After 20 years, the result was an America left with an optimized version of obsolete 1950's technology to meet civil and military needs which were continuing to march ahead. What we are left with is a monument to perfecting technical stagnation; it has left us without truly modern aircraft and, in this age of acute sensitivity to our defense needs, without a really modern bomber. Certainly, the B-1 does not take advantage by a long shot of all the developments that have come along over the last several decades.

In large part, the risk of seeing 21st century aeronautics stillborn can be put at the feet of those in NASA and the aeronautical community that think the new and innovative is—

To continue Prandtl's boundry layer suction experiments which date from 1904;

To dedicate millions of dollars of increasingly scarce resources to proving that the Reynolds number of a B-747 is "x" million; or

To document again that the aerodynamic characteristics of an airplane influence its spin performance.

What that amounts to playing with what is safe and reinventing the wheel . . . or propeller, if you will.

NASA, then, as I read it, has succumbed to holding the line. This agency, which was created with a vision of moving us to the forefront in the field of the future, has instead seen fit to develop policies thwarting creative innovation. In fact, they now have an absurd requirement, if you ask me, that requires detailed specification of the unknown to be submitted before beginning a research program. If we are indeed supposed to know the answers before the research begins, I ask you, is that really research? I fear that instead, we have gotten to the place where NASA's research requirements are geared more toward perpetuating their own bureaucracy than toward spurring the innovation we so badly want and desperately need to stay in front of the aeronautical field.

It is going to take a lot of turning things around. We are at a point where the lead time for bringing new technological innovations into production has gone from months or a year or two to fifteen years plus. That hasn't been the case in other industries, like computers, so I'm convinced it doesn't have to be this way. We need to shake things up a bit.

We all know that the productivity of an airplane is determined by speed, payload and fuel consumption. To improve that productivity, the answer is to go fast, and the way to go fast is to go high to reduce resistance. To get there is going to take a lot more than rhetoric. It is going to take concerted work on materials and propulsion.

At this point, we have several decades of catching up to do to get back on the cycle of overcoming obsolescence. We need to move the rotating engine to its ultimate performance by incorporating high temperature metals. We also need to move on to the Ramjet engine which could very likely hold the key to a new era of aeronautics.

But if we are going to do it, we have got to change NASA policy. To date, their reaction to laboratory and flight testing of Ramjet propulsion has been next to nothing, virtually non-existent. In fact, the X-15 was to have been the next test bed for supersonic Ramjet, but when difficulties developed, NASA didn't try to have them overcome. Instead they cancelled it all as too much of a bother. That kind of attitude is not going to get us moving; it is going to keep us stalled in our tracks!

In contrast to the present approach being taken by NASA, let me remind you that the post-war research airplane program literally revolutionized the entire world's means of travel at a cost of less than one Apollo Launch. Yes, prices have gone up, but it did show that, working together, a Government, military, industry team can be a powerful, progressive force.

Let me tell you a major reason why it worked: The research airplane program was not burdened with bureaucratic requirements. The goal was to pursue research itself.

To get things started again, so we don't lose our preeminence in aviation, I call on NASA today to take the lead . . . aggressively . . . in working with the private sector and the military to:

Develop a vigorous, but flexible modern day version of the research airplane program that would bring Government support, civilian and military, together with industry, in a cooperative, creative push. The governing philosophy should be a no-holds barred pursuit of new technologies and applications;

Focus on new materials and propulsion systems and incorporate them into new aircraft; and

Be bold enough to explore in manned flight the aeronautical region beyond the X-15 envelope.

Taken together, the result could very well be an acceptable SST. Instead of giving up on the SST because it is noisy, we should work to eliminate the noise problem. That can very likely be done by striving to incorporate technologies that will permit it to go higher and to go faster.

I must tell you, my friends, that I think we have gone through a couple of decades of denial and stagnation. It has hurt us, it has hurt us badly. If we want to get back on the track to aeronautical innovation on which we have progressed since the days of Kitty Hawk and Kill Devil Hills, we need to remember the very sage advice of Wilbur Wright when he said, "If we would have no risk we should just sit on the fence and watch the birds fly."

We've done that risk avoidance bit for too long already. I want NASA to stop fencesitting and to get things moving again. We've got to bring risk taking back into vogue. To do otherwise is to ignore the advice of Wilbur Wright and to turn our backs on the American approach to a dynamic industry.

I'm not ready to give up. I trust none of you are either.●

A SALUTE TO LUIGI ROSATO

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. GUARINI. Mr. Speaker, there is an "older young man" in my district, who all of his life has displayed a tremendous spirit of patriotism and appreciation for our United States. His genuineness, his humility, his love of God and country and family have been truly tremendous. He is Luigi Rosato, who was born November 11, 1884, a day special to all Americans and to Luigi because it is Veterans Day as well as his birthday—remembrances that he cherishes so well.

As a tribute to his Creator and to the United States, which he served during World War I as an enlisted man in the U.S. Army, Luigi insists each year that his family "bring me my uniform." Despite his creaking limbs and unsteadiness in recent years, Luigi reminisced about his annual ritual with his family at the Liberty Nursing Home in Jersey City where he is now in residence.

I believe this excellent article in the Jersey Journal of Friday, November 11, 1983, written by Jeff Pundyk, explains it all.

AT 100, HE CAN'T WEAR WW I UNIFORM ANYMORE

Luigi Rosato is 100 years old today—or he's 99. It depends on how you count.

Rosato was born in the Italian village of Bari, Italy. In Italy a baby is one on the day he's born; in the United States a child becomes one on his first birthday.

But it isn't his birthday that makes Nov. 11 special for Rosato. It's Veterans Day.

Rosato, who was born in 1884, is a veteran of both World Wars. During World War I, despite the fact that he wasn't an American citizen, Rosato enlisted in the U.S. Army. A talented horseman, he spent the war years training American Cavalrymen in Orangeburn, N.Y. During World War II, Rosto, by then in his late 50's, joined the New Jersey State Guard. He worked on the docks shipping supplies to Europe.

Each November 11 Rosato makes a demand. "Bring me my uniform." he orders. His brown World War I dress uniform is kept cleaned and pressed all year; the heavy boots are always shined, his felt hat spotless. In his uniform Luigi Rosato feels like a young man, he once said.

Rosato came to the United States in 1912. A butcher in Italy, he ran a coal and ice delivery service in Jersey City. He is the father of 12 children.

"He's a happy-go-lucky guy," his son Ralph said. "But he was tough. He made men of us."

Luigi Rosato, at 100 or 99, won't be wearing his uniform this year. He wants to but he's just not up to it. But that doesn't diminish his love for his adopted country or the pleasure he gets from Veterans Day.

"It's a very special day for him" Ralph said. "It always has been."

Luigi Rosato may not be eloquent in his speech, but he is more than eloquent in expressing his love for his adopted land. He has said America has "treated me darned good, permitting me to raise 12 children, earning my daily bread by delivering ice and coal through the streets of Jersey City."

It is my feeling that Edgar A. Guest had people like Luigi Rosato in mind when he wrote the following poem:

A PATRIOTIC CREED

To serve my country day by day
At any humble post I may;
To honor and respect her flag,
To live the traits of which I brag;
To be American in deed
As well as in my printed creed.

To stand for truth and honest toil,
To till my little patch of soil,
And keep in mind the debt I owe
To them who died that I might know
My country, prosperous and free,
And passed this heritage to me.

I always must in trouble's hour
Be guided by the men in power;
For God and country I must live,
My best for God and country give;
No act of mine that men may scan
Must shame the name American.

To do my best and play my part,
American in mind and heart;
To serve the flag and bravely stand
To guard the glory of my land;
To be American in deed;
God grant me strength to keep this creed.

Indeed if America had a few more Luigi Rosato's our international picture indeed would be improved.

Luigi Rosato has fought and worked for house and home. He echoes the thoughts of John Henry Jowett:

HOUSE AND HOME

Anyone can build an altar; it requires God to provide the flame.

Anyone can build a house; we need the Lord for the creation of a home.

A house is an agglomeration of brick and stones, with an assorted collection of manufactured goods; a home is the abiding-place of ardent affection, of fervent hope, of genial trust.

There is many a homeless man who lives in a richly furnished house. There is many a fifteen-pound house in the crowded street which is an illuminated and beautiful home.

The sumptuously furnished house may only be an exquisitely sculptured tomb; the scantily furnished house may be the very hearthstone of the eternal God.

My staff asked what he would like to have as a present from us. His response was, "The flag of my country which has protected my family."

Accordingly, on Wednesday, November 23, I will visit the Liberty Nursing Home in Jersey City to give Luigi the emblem of our country. I am sure each of you will authorize me to extend your best wishes to him at that time.●

INTRODUCTION OF NATIVE AMERICAN PROGRAMS ACT AMENDMENTS OF 1983

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. WILLIAMS of Montana. Mr. Speaker, today, along with 70 cosponsors, I have introduced the Native American Programs Act Amendments of 1983. This current law is due to expire on September 30, 1984, and this bill reauthorizes the Native American Programs Act for 3 fiscal years, 1985, 1986, and 1987.

The amendments included within the bill have already passed the House on June 7, 1983, as part of the Follow Through Amendments of 1983. The vote was 288 to 132. The single difference in this legislation is that it extends the authorization for 3 fiscal years.

The legislative mandate of the Native Americans Program Act as originally passed in 1974 is to promote economic and social self-sufficiency for American Indians, Alaskan Natives, and native Hawaiians. This act, which first passed in the 93d Congress established the Administration for Native Americans (ANA) within the Department of Health and Human Services. An HHS evaluation in 1982 found that the ANA mission of funding programs aimed at providing community or tribal self-sufficiency was working and resulting in job creation and placement, natural resources development, business development, and better linkages between the private sector and State and local government service delivery systems.

The return on the Federal investment averages three to one. In Montana, on the Blackfeet Reservation, an ANA funded program from a $250,000 ANA grant leveraged an additional $775,000. As a result of a $960,565 grant from ANA, the Laguna Pueblo in New Mexico built in diversified local Indian economy which enabled the tribe to establish a depot maintenance center for high technology military equipment with the Department of Defense. This is expected to provide this local Indian community a $2.3 million net profit in the first year and employ approximately 315 people. As a result of an ANA investment to the Mississippi Band of Choctow, the tribe has developed an 80-acre industrial park creating over 500 jobs and the establishment of several tribally-owned industries. The success of ANA is well documented.

The legislation which has been introduced today ensures that ANA will remain within the Department of Health and Human Services. Language stating that ANA is to remain within HHS is also contained within the fiscal year 1984 Labor, HHS, Education appropriations bill and was earlier included within the urgent jobs supplement (Public Law 98-8). The legislation also assures that grants will continue to be available to off-reservation applicants.

ANA is one Federal effort which allows Native Americans to have the primary say in determining how programs should best be designed to meet the particular needs of their tribe or community. This legislation, which has been introduced today will assure that the important work of the Native Americans Programs Act can continue.●

H.R. 4402—FEDERAL POWER ACT

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. GORE. Mr. Speaker, recently my colleague, the gentleman from Alabama (Mr. SHELBY), introduced legislation (H.R. 4402) amending the Federal Power Act to eliminate the preference for State and municipally owned utilities in the relicensing of hydroelectric projects.

Mr. Speaker, this is a very complex and controversial issue. There is still considerable dispute over whether there is in fact a relicensing preference. In 1980, the Federal Energy Regulatory Commission, after an extended proceeding, concluded that Congress in passing the Federal Water Power Act—now Federal Power Act—in 1920 intended to provide a relicensing preference. According to that FERC decision, the preference was essentially a tie breaker. In 1920, Congress provided that licenses for non-Federal development of hydroelectric facilities should be issued for a term no longer than 50 years. When the license expired, application for a new license could be submitted by the original licensee or any other party. If a municipality elected to compete for the license, the municipal preference would be relevant only if the municipal's plans were at least as good as those submitted by other license applicants, including the original licensee. That 1980 decision was upheld by the 11th Circuit Court of Appeals. The Supreme Court declined to accept review.

Understandably, those who had not prevailed before the FERC and the courts, specifically the investor owned electric utilities, announced their intent to amend the law so that they could retain control over this valuable public resource in perpetuity.

The situation has now changed. In September, FERC reversed its 1980 decision. At least three members of FERC now believe the Federal Power Act does not contain a relicensing preference. Their decision will undoubtedly be appealed to the Federal courts.

Because this issue is still in litigation, I believe any congressional action on H.R. 4402, or any other bill to amend the preference provisions of the Federal Power Act, is premature. But there are a number of other reasons why Congress should defer action at the present time.

First, the investor owned utilities who would have us change the law have not been harmed by its application. Indeed, the September FERC decision I mentioned concluded that even if there were a preference, the plans for the project submitted by the original licensee, Pacific Power & Light, were superior to those submitted by the new competing municipal applicant. Thus, there was no tie and the original licensee, PP&L, was awarded the new license. The only detriment to PP&L was the fact it was forced to compete in order to obtain a new license. Such competition is healthy, benefits the public, and should be encouraged.

Second, this is a complicated and, I might add, a politically charged issue. Congress struggled for nearly 6 years before enacting the Federal Water Power Act in 1920. The preference provisions were hotly debated throughout that period. What finally emerged was a compromise between those who favored public development of this resource and those who supported private development. Congress should devote the same careful attention to this issue today—an issue which raises fundamental questions of

control and management of a public resource and competition within the electric utility industry—as it did when the law was originally enacted.

Finally, legislation of this nature will almost certainly rekindle the long dormant public power-private power struggle. There is no reason to reopen these old battles, at least until the issue is finally resolved by the courts.

Mr. Speaker, on more than 30 different occasions during the past 75 years Congress, in passing various preference laws, has concluded that the power producing potential of the Nation's rivers and streams should first be made available directly to the public, avoiding where possible the toll gates of private companies. These preference laws have a long and distinguished history. Preference is a fundamental element not only of the Federal Power Act but of the Tennessee Valley Authority Act, the Bonneville Project Act, the Reclamation Act, the Flood Control Act of 1944, and numerous other laws. Preference has benefited not only consumer-owned utility systems, but, because the policy promotes competition within an essentially monopolistic industry, all electric consumers throughout the country. We should exercise great caution before embarking on a path which might undermine this important and longstanding public policy which has governed the development and use of an important public resource.

Mr. Speaker, the American Public Power Association released a statement today in response to the introduction of H.R. 4402. I believe my colleagues would like to have the benefit of APPA's direct comments on the bill, and I would like to include the statement in the RECORD.

APPA press release of November 17 follows:

PUBLIC POWER GROUP ATTACKS HOUSE BILL THAT WOULD RESCIND MUNICIPAL PREFERENCE

WASHINGTON, D.C., November 17, 1983.—A bill introduced in the House of Representatives yesterday by Congressman Richard C. Shelby (D-Ala.) to eliminate the preference granted municipalities in the relicensing of hydroelectric power facilities "would result in a perpetual grant of public resources to private companies," Alex Radin, executive director of the American Public Power Association, declared:

"The American Public Power Association regards Mr. Shelby's bill as a serious threat to a fundamental public policy regarding use of the nation's resources. We will oppose this bill with every means at our command," Radin said.

"Mr. Shelby and others who oppose the relicensing preference ignore an extremely important fact," Radin said. "The rivers and streams which drive these hydroelectric projects are public resources which belong to the nation as a whole, not to individual companies. Congress has always recognized and lived up to its responsibility to ensure that these public resources are used in a manner which promotes valid public policy goals.

"On more than 30 occasions over the past 77 years Congress has endorsed the policy goals underlying preference to public agencies," Radin said. "Congress has consistently found that preference would foster competition in an essentially monopolistic industry. Congress has deemed it appropriate to provide, through preference, an opportunity for local communities to exercise local control over an essential public service. Finally, Congress has stated time and again that the benefits of these public resources should flow directly to the public without passing through the toll gates of private, profit-oriented enterprises."

Radin said, "Mr. Shelby is now asking his colleagues to turn their backs on 77 years of history; to abdicate their responsibility to promote policy goals through the disposition of these resources. Under his bill, private power company monopolies which have already benefited from the use of public water resources would continue to control and reap profits from the resources in perpetuity, at the public's expense."

Representative Shelby's bill, instigated by the investor-owned electric utility industry, would do more than rescind provisions of the Federal Power Act that grant public entities a "first right" to the relicensing of hydroelectric facilities when there are competing applications for licenses to operate the projects. According to Radin, it would eliminate competition entirely and thereby preclude public agencies or others from proposing plans that would better utilize the public water resources. Radin said, "The elimination of competition in relicensing would harm all electric consumers."

According to the Federal Energy Regulatory Commission (FERC), there are 721 hydroelectric projects under license, 586 operated by privately owned electric utilities and other profit-making firms, and 135 operated by public entities. Original licenses were granted for up to 50 years and many are now expiring.

In a generic proceeding in 1980, the FERC concluded that Congress, in enacting the Federal Power Act, granted a preference to municipalities in the relicensing of hydroelectric power projects. This decision was later upheld by the courts, but in Sept. 1983, the Commission reversed itself. APPA and other groups now have asked for a rehearing of the most recent FERC decision.

"The introduction of this bill confirms the existence of the public preference in relicensing and makes clear that only Congress, and not the Commission, has the authority to change the law," according to APPA.

The American Public Power Association represents more than 1,750 local publicly owned electric utilities in the United States.●

ILLINOIS FOOTBALL

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. SIMON. Mr. Speaker, the Land of Lincoln is exceptionally proud this football season as teams the length and breadth of our State—from Carbondale to Rock Island to Champaign-Urbana and more—are topping their conferences, bringing distinction to our State and wonderment to the Nation.

At the University of Illinois, the Illini have streaked to their best season in years and now are headed for the Rose Bowl.

Southern Illinois University has rated first in its division, as has Augustana, and then there are Eastern Illinois, Northern Illinois, Illinois Valley and others.

It is certainly the winningest, hardiest, bowl-boundingest football year in our history. Coming hard on the heels of the White Sox pennant, we in Illinois can be forgiven for harboring the thought that we are presenting America with a 400-mile by 200-mile sports empire.

Our quarterbacks have passed for dozens of magnificent miles. Our running backs have plowed for yardage like a John Deere tractor. Our tackles are pulverizing front lines like a platoon of southern Illinois coal miners. And our coaches are sowing the seeds of future victories like an Illinois farmer sows wheat on the prairie.

The best is yet to come.●

WESTERN JUSTICE TAKES PLACE IN BIG TIMBER, MONT.—THANKS TO LOCAL HEROES

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. MARLENEE. Mr. Speaker, all too often people lament that "no one will get involved." That may be true here in the East, illustrated by the sad incident in which a woman was beaten and raped as a crowd watched. This unfortunate incident occurred in an eastern seaboard city.

I am proud to say that people in my home State of Montana do get involved.

I offer to my colleagues three articles from the Big Timber Pioneer, a weekly newspaper in Big Timber, Mont. The first article is a news story detailing the attempted abduction of a young Big Timber girl by a convicted out-of-State sex offender. The girl's life was saved by a group of local residents, led by four Big Timber male youths, who foiled the abduction and rescued the girl.

The second article is an editorial by the editor of the Pioneer, Beccy Oberly. I echo her thoughts: "We are so proud of these six men.* * *"

The third article is a letter to the editor by the local police undersheriff. I echo his thoughts: "We can be proud of our young people in Big Timber."

Mr. Speaker, people ask where all our heroes have gone. Some are alive and well and living in Big Timber, Mont.

BIG TIMBER YOUTH FOIL KIDNAPPER—JENNIFER FIKE ESCAPES UNHARMED

(By Beccy Oberly)

Fifteen-year-old Jennifer Fike was bouncing her basketball down McLeod Street on her way to a game about 4:30 last Wednesday afternoon when a vehicle pulled up beside her. Jennifer recognized the car. She had seen it twice before earlier in the week, once at the Post Office and once at Big T grocery store.

A stranger, a man, got out and came toward Jennifer.

What happened next is hard to believe. That such an event could take place in the quiet community of Big Timber is a surprise to all.

Mabel Grosfield and her sister were driving on McLeod when they noticed a basketball rolling in the street. They looked to the sidewalk and saw two people struggling.

Across McLeod Street, near the David Roys residence, four teenage boys were listening to music in a parked pickup truck. They heard noises out of the ordinary. Someone was screaming. They looked about and saw a man forcing another person into his car.

It took only an instant for the passers-by and the young men, Mike Mauland, Jesse Berg, Dan and David Roys, to realize Jennifer's struggle with John R. Crighton was not just "horsing around".

Jennifer was fighting for her life.

The assailant, a convicted sex offender with records in Idaho and California, was intent on kidnapping the SGHS freshman.

As Jennifer fought to free herself the four boys crossed the street to come to her aid. Crighton reached into his car and pulled out his gun. He turned the rifle on the young men. Realizing the danger, the boys stopped and backed up.

The distraction was enough. While Crighton was getting his gun, Jennifer was able to free herself. She ran from the man and collapsed on the ground. Crighton reentered his vehicle and drove off.

The two women driving by saw the gun, saw Jennifer had escaped, and saw the would-be kidnapper leave.

It wasn't until the boys reached the girl, crumpled in a heap and hysterical, they recognized her as their schoolmate. They took her inside nearby Starr Ford.

The Sheriff's office was called. Onlookers watched the 31-year-old Idaho Falls man drive away while Starr Ford employee Jim Esp got one of the company's trucks. Esp and a fellow worker, Bill Kinsey, followed Crighton through town. The pursued and pursuers drove to the west edge of Big Timber and eventually both vehicles stopped. Esp and Kinsey pulled in front of Crighton's car to prevent him from leaving. They waited for Sheriff's deputies to arrive.

But before the officers came, Esp and Kinsey heard a shot. Crighton had taken his rifle, put it to his head, and pulled the trigger.

The ordeal was over.

A special event to recognize the four boys and two men who came to the aid of Jennifer and chased the criminal is being planned.

"The good Lord knew what he was doing that day when he had everyone at the right place at the right time," Mike's mother, Doris Mauland, said.

"I'm just so thankful," Jean Fike, Jennifer's mother, summed up.

So are we all.

EDITORIAL BY BECCY OBERLY

The first reaction was disbelief. Something as terrifying as kidnapping couldn't happen here. Big Timber is too small, too isolated, too close-knit to let the real world come in.

But the real world did come in. And almost an uncomprehensible tragedy occurred.

Jennifer Fike is safe, and has resumed her life among her family and friends. Mike Mauland, Jesse Berg, David and Dan Roys, Jim Esp, and Bill Kinsey are safe. We are all so grateful for their immediate reaction to a kidnapping situation and their courage to pursue the criminal.

John Crighton is dead, and thus safe from whatever madness his mind and body led him to. Perhaps this, too, is for the best.

We are so proud of these six men who never stopped to think whether or not they should help. They just did.

We are so thankful that Jennifer instinctively struggled and thus eventually was able to escape.

Our heart swells to think of the quality of people who are our neighbors and friends. We hope we would be as brave as they.

LETTER TO THE EDITOR

THANK YOU.

To the EDITOR:

This is a letter to express my thanks and the Sheriff's Department's thanks to David Roys and Dan Roys, Mike Mauland and Jess Berg, Bill Kinsey and Jim Esp for "getting involved."

If these people hadn't got involved with the events that transpired this past week, I'm sure Big Timber would have been the scene of a tragedy. Too often we think that because we live in a small community that these things can't happen to us—but they can.

These boys chose to act and get involved even though a dangerous situation existed, possibly putting their own lives on the line. We can be proud of our young people in Big Timber. I've said before and I'll say again, we're blessed with great kids in this town.

Bill Kinsey and Jim Esp also immediately responded in the face of a dangerous situation.

I thank you. The Sheriff's Department thanks you. The community thanks you.

GEORGE AMES,
Undersheriff.●

THE CORPORATE TAX: IT'S ALL BUT DISAPPEARED

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Ms. KAPTUR. Mr. Speaker, I rise to express my strong support for the Tax Reform Act of 1983 and the accompanying revenue raising amendments. With deficits of $200 billion as far as the eye can see, this Congress has an obligation to meet its own budget resolution mandates. We cannot afford to sit and watch our economic recovery crumple under the weight of the enormous deficits. This deficit can only be reduced by getting Americans back to work and eliminating unfair tax breaks.

H.R. 4170 and the additional amendments which will be offered represent reasonable tax reforms. In 1983, corporate income taxes as a percentage of the Federal tax receipts fell to less than 6 percent, as compared to 25 percent in the 1950's and 1960's. It is only fair that we ask corporations to bear a share of the tax burden. At the same time, low- and middle-income families suffered most from the recession and were helped least by the 1981 tax cut. It is reasonable to expect upper income families, as well, to bear part of the burden of tax reform.

Let us not defer any longer the reform of an unfair tax system. Let us not continue to heap the burden of current spending on future generations. Let us not continue to borrow in order to subsidize unproductive tax breaks. We have met the reconciliation spending cuts. Let us now meet the budget resolution's revenue mandate.

In this context, I recommend to my colleagues the following article entitled, "The Corporate Tax: It's All But Disappeared" by Robert McIntyre which was carried in the Washington Post.

THE CORPORATE TAX: IT'S ALL BUT DISAPPEARED

(By Robert S. McIntyre)

Ask John Glenn what's wrong with Reaganomics and he'll tell you it's the "massive tax cuts for individuals which are the real cause of enormous deficits and resultant high interest rates." Ask the Ohio senator why he voted against last year's modest effort to raise taxes and reduce those deficits and he'll tell you the 1982 tax bill was too tough on business.

Glenn's views are not uncommon. They may well be in the mainstream among Senate Democrats. But they're wrong.

The real economic damage from President Reagan's 1981 tax program stems not from personal tax cuts but from the breathtaking changes in corporate taxes. Despite last year's successes in narrowing some business loopholes, the corporate income tax as a source of federal revenues has all but disappeared.

In four of the 12 months of the fiscal year recently ended, Treasury actually sent out more in corporate tax refunds than it collected in corporate tax payments. Overall in fiscal 1983, corporate income taxes totaled only $35 billion. That's less than 6 percent of federal receipts and a mere 4.4 percent of spending—quite a drop from the 25 percent of federal taxes corporations paid in the 1950s and 1960s, or even from the 15 percent they chipped in during the 1970s.

Why are America's corporations paying so little in taxes? Certainly, the recession has been partly responsible. But, as the Treasury Department dryly noted earlier this year, the eclipse of the corporate tax also reflects "business efforts to make use of improved depreciation schedules approved by Congress in 1981."

Aha! you say, so it's not all bad. At least we're getting some added capital investment in exchange for giving up on collecting corporate taxes. Well, not really. Capital spending is expected to decline in 1983 for

the second year in a row—the first time that's happened in the entire postwar era.

Although the explosion in corporate loopholes over the past decade—from $7 billion on the government's official list in 1970 to an expected $83 billion by 1986—has been relentlessly defended by Washington business lobbyists as beneficial to the economy, the actual results have been just the opposite.

Not only have the costly giveaways failed to lead to increased investment, not only have they helped send federal deficits soaring, but they also have seriously distorted business decision-making. Tax sheltering, rather than marketplace forces, has become the driving force behind many investment choices. Bad investments, entered into only for their tax advantages, have crowded out good ones.

What tax loopholes have given us in the way of "investment" is lots and lots of paper shuffling. For example, take the $485 million tax shelter engineered in the fall of 1982, in which 534 wealthy investors bought Metromedia, Inc.'s entire stock of billboards—with the understanding they'd sell them back in five years after milking the tax write-offs. Or the rampant trading in used office buildings currently under way in cities like Chicago, as investors seek "newly acquired property" to get better depreciation deductions. Or the 70 percent jump in syndicated tax shelters in the first three-quarters of this year, involving such highly productive assets as llamas and foreign stamps. Or the record-setting wave of corporate mergers in 1981 and 1982.

But what about personal taxes? Aren't 1981's "massive" individual tax reductions an even more important part of our fiscal problem? No.

To be sure, truly wealthy individuals were treated generously in 1981—to a grave fault, one might add. But most families earning less than $30,000 a year were stuck with net tax increases, after offsetting bracket creep and higher Social Security taxes. Overall, the net change in aggregate individual taxes, says the staff of the congressional Joint Committee on Taxation, is somewhere between a $6 billion increase and an $18 billion cut—a far cry from the $200 billion-a-year cost of the 1981 personal rate reductions that's often cited.

A recent Peter Hart poll shows that the public understands this reality rather precisely. It found that 42 percent of American voters believe their federal taxes have increased since Reagan took office, and 34 percent say their taxes have stayed the same. Only 6 percent felt they had benefited from significant tax reductions.

Ordinary taxpayers, who are left paying the taxes avoided by the politically powerful and who bear the brunt of the economic losses caused by deficits and tax-induced inefficiencies, have a right to be angry. And that anger will likely be a major force in the 1984 elections. It also may be the hidden time bomb in the Democrats' efforts to take full political advantage of the outrageous $200 billion deficits created by Reagan's tax and budget programs.

What do the Democrats propose to do about those deficits? Cut spending? Hardly. The liberal spending agenda is no cheaper than Reagan's conservative one.

That leaves raising taxes, and here there are two choices: taxes can be increased on those who are already paying their fair share, or they can be increased on those who aren't.

If the Democrats come across as favoring big tax hikes for average citizens, Reagan is ready to exploit that to deflect attention from his deficit problem. Walter Mondale's undenied charge that John Glenn has a record of supporting corporate special interests on tax matters suggests that the Ohio senator might well fall into the trap the president has baited.

Mondale, on the other hand, has begun to take on the special interests on tax policy. He's even gone so far as to single out banks, oil companies and "90,000 profitable corporations that pay no taxes at all" as potential targets for taxation.

Raising taxes by closing loopholes isn't just a Democratic issue—as Sen. Bob Dole proved last year. But a Democratic campaign based on tax reform would provide a clear alternative to the big-deficit, unfair tax policies of the Republican who will be running for reelection as president in 1984.●

OH BOY!

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. GARCIA. Mr. Speaker, I am happy to announce that Mike and Eileen Ferrell are the proud parents of a boy, Thomas Patrick.

Tom was born October 30, 1983, at Georgetown University Hospital in the District of Columbia at 1:46 a.m. He weighed 9 pounds 8 ounces and measured 22 inches in length at birth.

As my colleagues are aware, Mike is the staff director and counsel for the Subcommittee on Postal Operations and Services, which I chair. However, what my colleagues may not know, is that Eileen completed her requirements for a masters degree in health services administration at Georgetown University only weeks before the baby was born. Talk about the luck of the Irish.

I am told that Tom's big sister, Kate Brennan, thinks her "little buddy" is just great, and that his parents believe that with those big hands of his, he will be pulling down passes for the Washington Redskins someday.

I know my House colleagues join me in congratulating Mike and Eileen on the birth of their son and in wishing the entire Ferrell family much health and happiness in the years ahead.●

RECOGNITION FOR FRANK TERRAZAS OF PICO RIVERA, CALIF.

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. TORRES. Mr. Speaker, the city of Pico Rivera will honor Frank Terrazas on his 70th birthday this Friday, November 18, 1983. I have had the opportunity to work with Frank over the years and have come to admire his untiring commitment to his family and his community.

Frank was born on November 18, 1913, in El Paso, Tex. His family moved to East Los Angeles, Calif., in 1921. Frank attended local schools and graduated from my alma mater, Garfield High School. He also attended Southwestern University, Roosevelt School of Dramatics, and the Peoples Art Theater. Frank married his lovely wife, the former Lydia San Nicolas, on March 4, 1943. They have three beautiful daughters: Christina, Lydia and Maria. Frank and Lydia also have two granddaughters: Jacki and Lara. Since 1953 he and his family have resided in Pico Rivera, Calif. After many years of dedicated service as a master painter, Frank retired in February 1976 from the Lockheed Air Corp. of Burbank, Calif.

Frank's service to his community has spanned more than two decades. He has been both an appointed official to various boards and commissions and an elected official to the Pico Rivera City Council. In January 1960, Frank was appointed to the Pico Rivera City Parks and Recreation Commission. Two years later, in April, he was elected to the Pico Rivera City Council. His election in 1962 marked the beginning of a 20-year tenure on the city council. During this time Frank served as the mayor of Pico Rivera five times. In April of 1982 he retired from the city council.

Frank has also served as the president of the Southeast Mosquito Abatement District, and as its vice-president, past secretary, and as a member of the board of trustees. He has served as a member of the board of directors of the California Contract Cities Association, as a member of the executive board of the Committee of Mayors, and as a member of the board of directors of the Los Angeles County Sanitation District. In 1975 Frank was the chairman of the Pico Rivera Bicentennial Commission and a member of the League of California Cities Committee on International Municipal Cooperation. He was also instrumental in initiating the sister city program for Pico Rivera and served as one of the program's committee members.

Frank has been active in other community organizations and the California Democratic Party. He is a member of the American GI Forum, Pico Rivera chapter; the Optimist Club and the Pico Rivera Jaycees. Frank has also served as a member of the California State Advisory Commission on Criminal Procedure and as a member of the Blue Ribbon Committee on Assessment Practices. Since 1941 Frank has been an active member of the International Association of Machinists. In 1975 he was honored as "Democrat of the Year."

Mr. Speaker, I ask my colleagues to join me in thanking Frank for his dedicated service to improving the quality of life for others and for a job well done.●

A TRIBUTE TO LABOR LEADER MICHAEL J. COLLINS

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. GUARINI. Mr. Speaker, it is with great sadness that I report to our colleagues in the House of Representatives the passing of Michael J. Collins, a strong, sensitive, and straightforward man who was a driving force in the United Auto Workers labor union in New Jersey. As shop chairman of local 595, UAW, in Linden, N.J., for 6 years until his retirement in 1975, Mike Collins served as the leading negotiator for 5,000 auto workers.

Mike began working at the General Motors plant in Linden on November 14, 1939. He joined his fellow working men and women in local 595 of the UAW, where he became intensely involved in union activities. He displayed a remarkable talent at the bargaining table, where he soon established himself as a tough negotiator who fought hard to get a fair day's pay for a fair day's work. Part of the strength of his bargaining lay in his personal conviction that the men and women with whom he worked had much to offer in terms of input for improved quality of their automotive products and safe factory production procedures. Mike Collins saw that such advice was implemented at the plant.

The respect Mike Collins won for his negotiating skills helped him rise to the position of top negotiator in 1950; 4 years later, in 1954, Mike was elected president of local 595. During his term in office, Mike's superior organizational and leadership skills helped mold a local which is well known for is integrity and responsiveness to the auto worker's needs.

After stepping down from the presidency of local 595, Mike became a committeeman for the union, where he continued to work to represent the views of the membership at the bargaining table. He served in this capacity for more than a dozen years before he was elected shop chairman in 1969.

The shop chairman is one of the most influential positions within the General Motors family. At the bargaining table, the shop chairman is the chief spokesman for labor. It is his sensitivity, his negotiating prowess, and his awareness of the issues within the automobile manufacturing field and within his own union's membership that insures a fair and equitable pact. Truly, as attested by Tony Fernandez, the current president of local 595, Mike Collins had a superb grasp of these factors. Through his warm and caring manner, Mike Collins won the confidence of the men and women with whom he worked. He represented them with the assurance and competence of a man who is confident and who knows his business. He also won the respect of management, which admired his honesty, his shrewdness, and his bargaining talents.

Mike's other duties during his years in local 595 included positions as an executive board member and as vice president of the region No. 9 retired members council. In addition, he conceived of, and had implemented, the 30 and out retirement plan, which allowed for a worker's retirement after 30 years regardless of his age.

Tony Fernandez has told me that local 595's union hall will be renamed in honor of Mike Collins and the years of devoted work he gave to the auto workers in the Linden plant. I think this is most deserved, and I know Mike Collins' example will provide inspiration for years to come.

This commitment to his fellow man did not end with local 595. Mike Collins was devoted to a number of civic groups centered in his beloved hometown of Bayonne. His brother, Hon. Dennis Collins, is the mayor of Bayone, which is perhaps the most well kept, civically involved, and justifiably proud town in all New Jersey. I have been pleased to work with Mayor Collins in many areas, from community and economic development, to hospital work, to the city's many active social service programs.

Mike Collins spent his spare time away from work and the union with the New Frontier Club, St. Vincent's Church, and the Knights of Columbus. Also, he was a past president of the Blizzard Club, a civic and fraternal group with many pet projects in Bayonne.

Our heartfelt condolences go out to Mayor Collins, Mike's wife, Anne, his three daughters, Cathy, Dorothy, and Susan, and the family's five grandchildren. We will all miss him sorely.

It has been said: "To live in the hearts of those we love is not to die."

Mike Collins will be with us forever.●

THE NEW REVOLUTION IN NICARAGUA

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. MICHEL. Mr. Speaker, Jim Guirard, Jr., has written an excellent article about what he calls the new revolution in Nicaragua, a revolution against the Marxist-Leninists who dominate the Sandinista dictatorship. This new revolution is led by many ex-Sandinistas and is growing day by day. The question is: Why do so many in Congress oppose such a group?

We are told that the Contras, as they are called in Nicaragua, are really supporters of Somoza, the former dictator of Nicaragua. But this is demonstratively untrue as can be seen by the names of the new revolution leadership provided by Mr. Guirard.

Can it be that many in the House who feel the contras are nothing but "thugs, brigands and thieves" (to quote one of the diatribes made by Democrats against those who want to restore freedom to Nicaragua) simply are content in seeing the Sandinista government continue along the course they are on? Who knows? But we haven't heard very many harsh words against the Sandinistas from the Democrats.

Oh, yes, some lipservice to the idea of human rights and a formal acknowledgment that Sandinistas have abridged these rights are heard. But where is the rhetoric of abuse that apparently is reserved only for those who oppose the Sandinistas?

At this point, I wish to insert in the RECORD, "The New Revolution in Nicaragua" by Jim Guirard, Jr., in the Washington Times, November 17, 1983.

[From the Washington Times, Nov. 17, 1983]

THE NEW REVOLUTION IN NICARAGUA

(By Jim Guirard, Jr.)

Americans have long yearned to be on the "right side" of a truly popular revolution in Latin America—one in which the United States is not obligated, in the name of anti-communism, to prop up the repressive regime under attack. But now that there is just such a revolution in progress—the New Revolution in Nicaragua—the New York Times-Washington Post wing of the media is demanding that we oppose it and "finally accept" the old 1979 Sandinista Revolution instead.

The fatal flaw in this argument is that there is nothing left in the earlier revolution for an honest civil libertarian to accept. It has devolved into nothing more than a grisly dictatorship of the Gestapo-left—a fact which is becoming so obvious as to begin causing doubts among even the most pro-Sandinista of journalists.

Between the lines, all but the very most psuedo-liberal of them seem increasingly haunted by an honorable impulse to hold their noses when trying to explain why it is "acceptable" to hold hands with such vicious liberals—such fascists—as the Ortega brothers, Thomas Borge and Fidel Castro. But they still do recommend the old revolution over the new one.

Could it be that many of these journalists (like the House of Representatives, which has twice voted to prohibit U.S. aid to the New Revolution) fail to recognize:

The Sandinistas' total repudiation of the democratic goals which constituted their former legitimacy?

The Sandinistas' total subservience to the Cubans and the Soviets?

The pluralist, civil-libertarian sentiments of most of the New Revolution's political leaders—most of whom were leaders of the 1979 revolution as well?

Many lawmakers and journalists continue to hope naively that the Sandinista junta is merely "leftist," which falsely implies that it is liberal. Such people would do well to listen instead to what the Sandinistas say about themselves, to themselves, when they think Americans are not listening. Consider, for example, the following excerpt from a July 21, 1981 speech to fellow Sandinistas by Humberto Ortega, minister of defense and brother of Daniel Ortega, chief of the junta:

"We are not going to give ourselves a false name. Our revolution has a profoundly anti-imperialist, profoundly revolutionary, profoundly class nature. We are anti-Yankee, against the bourgeoisie . . . We guide ourselves by the scientific doctrine of revolution, by Marxism-Leninism . . . Without Sandinism we cannot be Marxist-Leninists, and Sandinism without Marxism-Leninism cannot be revolutionary . . . [so] we are making the effort to transform our society in a revolutionary way, not a reformist way."

Translation: Make no mistake about it, comrades. We believe in doing things the way Lenin did. We are dyed-in-the-wool communists, and we are going to stay that way.

Jose Esteban Gonzales, longtime enemy of Somoza and now exiled director of the Nicaraguan Permanent Commission on Human Rights, explains what this means to the now "liberated" people of Nicaragua:

"During the first few days of the revolution we refused to make comparisons (between the new government and Somoza) because there was a different situation. Now I say clearly the situation is much worse. During the Somoza regime the repression didn't affect the whole community but only those who were in conflict with the government. But now everybody in Nicaragua is affected—not just those who are directly political."

Congressmen and journalists who applauded Gonzales when he condemned Somoza now seem deaf, dumb, and blind to his testimony that the Sandinistas are much worse. They condemn him and the whole "Contra" group of revolutionaries as "thugs, thieves, and brigands"—the words of Rep. Tom Downey (D-N.Y.). They talk of Nicaragua's admittedly communist dictatorship in such powder-puff terms as "non-pluralistic socialism"—the words of Washington Post reporter on Central America, Karen De Young.

In effect, the House and the press are listening still to the hollow echo of a "revolution" which has lost the right to be known by that honorable name. And they turn a deaf ear to the cries for help from those who desire the democracy and pluralism which gave that earlier revolution its legitimacy—its soul. Such people as:

Alfonso Robelo, a leader of the first revolution and member of the original Sandinista junta;

Eden Pastora, military hero of the first revolution and ex-deputy defense minister;

Arturo Cruz, ex-member of the junta and ex-Sandinista ambassador to the U.S.;

Jose Francisco Cardenal, former vice president of the Sandinistas' Council of State;

Edgard Macias, anti-Somoza militant and head of the Popular Social Christian Party;

Jose Esteban Gonzales, head of the Nicaraguan Permanent Commission on Human Rights;

Violeta Chamorro, ex-member of the original Sandinista junta;

Pedro Joaquin Chamorro, Jr., former Sandinista supporter—publisher (like his father before him) of La Prensa;

Humberto Belli, anti-Somoza editor of La Prensa;

Jaime Montealegre, ex-vice president of the Sandinista Council of State;

Agustin Alfaro, ex-Sandinista consul general in New Orleans;

Miguel Bolanos, ex-official of the Sandinista security police;

Adolfo Calero, head of Nicaraguan Conservative Party; jailed by Somoza; now head of the Contras;

Archbishop Obando y Bravo, head of the Nicaraguan Catholic Church and former Sandinista supporter;

Carlos Coronel, ex-Sandinista minister of fisheries;

Alvaro Taboada, ex-Sandinista ambassador to Equador;

Francisco Fiallos, ex-Sandinista ambassador to Geneva;

Heraldo Montealegre, ex-Sandinista alternate governor of the World Bank;

Steadman Fagoth, leader of the Miskito Indians and former anti-Somocista.

The list goes on and on. Indeed, it grows each day as the Contras and allied groups gain recruits. The point is that in the defection of such leaders the "human rights" legitimacy of the old revolution (now deceased) has been transferred in the New Revolution—the "Nuevolucion," we should christen it.

If the revolution of 1979 merited "liberal" and "progressive" support, then the Nuevolution of 1983 merits it all the more. First, because the tyranny against which it is directed is more oppressive to Nicaraguans than was the Somoza regime. Second, because the Sandinista dictatorship is far more dangerous to neighboring peoples than Somoza ever was. Third, because so many of the same good people (absent the perfidious communists, of course) are leading this New Revolution as led the old one.

(Jim Guirard Jr., former administrative assistant to Senators Allen Ellender and Russell Long, is government affairs consultant in Washington.)●

DELAYING EFFECTIVE DATE OF SECTION 401(G) OF THE FEDERAL COURTS IMPROVEMENT ACT

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. RODINO. Mr. Speaker, I am today introducing a simple measure to delay the implementation of a regulation promulgated by the Judicial Conference relating to the case of sound recording in lieu of shorthand or mechanical reporting.

Last Congress our committee processed a major court reform measure, the Federal Courts Improvement Act of 1982. In that legislation was created the U.S. Court of Appeals for the Federal Circuit (Public Law 97-164). The Senate, on the floor, added to this legislation an amendment (sec. 401) to permit experimentation with new forms of court reporting in our Federal district courts.

Based on that law, the Judicial Conference recently promulgated a regulation authorizing use of sound recording in lieu of shorthand or mechanical reporting of district court proceedings. Section 401 of the act, which deals with court reporting, was never given serious examination by the House of Representatives or our committee. The primary thrust of that legislation was the creation of a Court of Appeals for the Federal Circuit: A major reform in our judicial system which had been eagerly sought by two successive Presidents, key members of their Cabinets and numerous spokesmen for the business, legal and public interest communities in the United States.

It was only at the very final stage of negotiating differences between the House and Senate versions of the legislation, that the question of transcribing judicial proceedings in U.S. district courts was raised. In order to achieve expeditious enactment of a longstanding Presidential and congressional objective, the managers of the House bill agreed to what became section 401 of Public Law 97-164. Many Members of the House had contacted our committee prior to final floor action expressing their concern that the Congress not rush to judgment on the court reporting issue, which had arisen only in the context of the counterpart Senate legislation, S. 1700.

It was clearly not our intent that electronic recording per se be introduced into the Federal court system in lieu of alternate methods. Rather, as the floor debate indicates, it was viewed as a subject of experimentation only. The committee clearly wished to have more information before the introduction of sound recording as the sole means of reporting in any of our district courts. The wisdom of that desire is demonstrated by developments since the enactment of the legislation. A survey of the U.S. magistrates under the auspices of the United States Court Reporters Assocation and the National Shorthand Reporters Association released in June of this year found that 70 percent of the magistrates, who have actually had experience with court reporting, favored the use of live court reporting as opposed to only 12 percent who preferred sound recording. Most importantly for our committee, 94 percent of those polled based this finding on accuracy of transcripts produced and 64 percent stated that protection of litigants' rights was a direct consideration in their response.

The Committee on the Judiciary has a responsibility to protect litigants' rights in our judicial system. Since the

enactment of Public Law 97-164, a whole new technology of court reporting has evolved, computer assisted transcription. A decision at this point in time to introduce tape recording into the Federal system may, indeed, limit the development of what may be a superior technology.

In view of the limited consideration of the court reporting issue during the process of enactment of Public Law 97-164, and given subsequent questions regarding the efficacy of alternatives, I believe that the Judicial Conference regulations regarding electronic reporting should be delayed until the Congress has had an opportunity to exercise its proper oversight responsibility and further examine the question.

This bill will merely delay the implementation of this regulation, now scheduled to go into effect January 1, 1984, until January 1, 1986. This additional time is required to allow Congress sufficient time to review the situation.●

THE PATENT AND TRADEMARK OFFICE PROCEDURES IMPROVEMENT ACT OF 1983

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. KASTENMEIER. Mr. Speaker, today, I—having been joined by the ranking minority member of my subcommittee (Mr. MOORHEAD)—am introducing the Patent and Trademark Office Procedures Improvement Act of 1983.

The bill is derived from an executive communication dated July 18, 1983 sent to you, Mr. Speaker, from the Secretary of Commerce, Malcolm Baldrige. Although I take no position on the bill at this time, I find the proposal to be a serious one, deserving of our scrutiny.

The general purpose of the bill is to amend the patent laws to improve administrative proceedings in the Patent and Trademark Office of the Department of Commerce for determining who is the first inventor of a given patentable invention. At present, these proceedings are known as interference proceedings. They are conducted in the Patent and Trademark Office between two or more adverse patent applicants or between one or more patent applicants and a patentee, all of whom are claiming the same patentable invention. Under existing law, the tribunal responsible for determining who is the first inventor, a Board of Patent Interferences, is not authorized to address all questions of patentability of the invention. This restriction on the Board's jurisdiction unduly complicates the procedures for obtaining patents for applicants involved in interference proceedings. By combining the Board of Patent Interferences with an existing board having patentability jurisdiction—the Board of Appeals of the Patent and Trademark Office, procedures for patent applicants and patentees involved in interferences will be simpler, more expeditious, and less costly. The merger of the Board of Patent Interferences with the Board of Appeals will also provide a uniform standard of patentability for the Patent and Trademark Office.

The proposed legislation is designed to secure the just, speedy, and inexpensive determination of every interference action. See, for example, rule 1, Federal rules of civil procedure. Hearings will have to inquire whether this important standard is met.

A brief sectional analysis of the proposed legislation follows:

SECTION 1

This section provides a short title for the act.

SECTION 2

This section changes the name of the Board of Appeals to the Board of Appeals and Interferences. The Board of Appeals and Interferences, in addition to performing the tasks by the Board of Appeals of reviewing adverse decisions of examiners on patent applications and of a board of patent interferences of determining priority of invention, will also determine patentability of invention in interferences.

SECTION 3

This section changes the name of the Board of Appeals to the Board of Appeals and Interferences. The $100 fee for requesting an oral hearing for appeals is not extended to requests for oral hearings in interference proceedings.

SECTION 4

This section changes the name of the Board of Appeals to the Board of Appeals and Interferences.

SECTION 5

This section authorizes the Board of Appeals and Interferences to resolve questions of both priority and patentability of invention in interferences. Consideration of both questions in an interference will permit the Board to resolve all issues arising in the interference and will more promptly settle the rights of the parties in the interference. The change to section 135(b) is intended to make clear that a patent applicant is barred from obtaining a claim copied from a patent unless the applicant presents the claim within 1 year from the date the patent issued.

SECTION 6

This section replaces the references to the Board of Appeals and the Board of Patent Interferences with references to the Board of Appeals and Interferences, and makes the necessary conforming changes with respect to appeals of decisions under sections 134 and 135. As the Board of Appeals and Interferences will be addressing questions of priority and patent ability of invention in interferences, appeals may be taken from final decisions of the Board on both questions.

SECTION 7

This section replaces references to the Board of Appeals with references to the Board of Appeals and Interferences. A conforming change continues to limit review under this section to decision on ex parte matters arising under 35 U.S.C. 134.

SECTION 8

This section replaces the reference to the Board of Patent Interferences with a reference to the Board of Appeals and Interferences. As the Board of Appeals and Interferences will be addressing questions of priority and patentability of invention in interferences, remedy by civil action may be had with respect to final decisions of the Board on both questions.

SECTION 9

This section replaces the reference to the Board of Appeals with a reference to the Board of Appeals and Interferences.

SECTION 10

This section replaces the reference to the Board of Appeals and the Board of Patent Interferences with a reference to the Board of Appeals and Interferences.

SECTION 11

This section replaces the references to the Board of Patent Interferences with references to the Board of Appeals and Interferences.

SECTION 12

This section replaces the references to the Board of Patent Interferences with references to the Board of Appeals and Interferences.

SECTION 13

This section provides that the individuals serving as examiners-in-chief of the Board of Appeals and the examiners of interference of the Board of Patent Interferences on the effective date of the act shall continue in office as members of the Board of Appeals and Interferences.

SECTION 14

This section provides that the act shall take effect 90 days after enactment.

In conclusion, I commend a reading of this bill to my colleagues.●

WORKING AMERICANS SHOULDER TAX BILL LEFT DUE BY BUSINESS

HON. JAMES J. FLORIO
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. FLORIO. Mr. Speaker, the American people have been hearing a lot lately about the problem of Federal deficits, and why it must be addressed if we are to avoid another recession 1 or 2 years from now. The sheer size of the deficit, increasing from $30 billion in 1981 to $207 billion this year, should be adequate incentive for the Congress and the administration to find a solution. What is even more alarming, however, is that the current economic upturn is having no affect whatsoever in shrinking the size of the deficit. On the contrary, the administration predicts annual $200 billion deficits for the foreseeable future. It is the administration's own economic forecasting that has Americans concerned that these deficits, accompanied by high interest rates, will strangle an economic recovery before it can take hold.

Americans are demanding that their Government reach a consensus to control these rising deficits before an opportunity for long-lasting prosperity is lost. To achieve such a consensus, however, agreement must first be reached on the cause of the Federal deficit. The President frequently proclaims to enthusiastic audiences that overtaxed Americans must not be further burdened in any deficit reduction plan. The President promises to veto any tax bill that comes before him. But to the President's mind, who are these overtaxed Americans? If he is talking about average working families, he is on target. Most families earning less than $39,000 a year are paying more taxes now than they did in 1981 when the administration came into office.

If working families are paying more taxes now than they did 3 years ago, where have all the administration's tax cuts gone?

A study prepared by the Joint Committee on Taxation, described in the following article, provides insight on who has benefited from the administration's tax program. While its conclusions were not unexpected, the study should be alarming to every American concerned with equity and fairness. The study finds that largely as a result of the administration's 1981 tax bill, most of the largest companies in America are paying little or no Federal tax. In 4 of the 12 months of the fiscal year recently, ended, the U.S. Treasury actually sent out more in corporate tax refunds than it collected in corporate tax payments. The major benefactors were the chemicals industry, insurance companies, financial institutions, and aerospace conglomerates.

What this means is that the corporate income tax has almost disappeared. In 1960, corporations in this country paid 23 percent of all income taxes. In 1982, it was 8 percent. Under this administration's policies it is going to go down further.

Perhaps working Americans would be somewhat comforted if all this untaxed corporate profit was plowed back into job-producing investments. Corporations, however, are doing very little investing to expand jobs. Capital spending, for example, is expected to decline in 1983 for the second year in a row—the first time that has happened since the end of World War II. Instead, much of this untaxed corporate profit has gone to engineer conglomerate mergers, producing precious little additional employment along the way.

While thousands of profitable companies paid no Federal taxes last year, and the average income tax on all companies was only 16 percent, personal income taxes contributed 49 percent of all Government revenues. Working families are footing half of all Government spending while little or no taxes are extracted from many in the business community.

I support the President when he says that Americans are overtaxed. Except for extremely wealthy individuals, most Americans have been carrying too much of the tax burden for too long.

But I am equally concerned with what the President does not say. Among administration officials there is a conspiracy of silence over the tax-free windfall many businesses gained when the President successfully pushed his 1981 tax bill. I have yet to hear one administration official acknowledge that working families are paying more taxes today because so many large corporations are paying so little because of the 1981 law.

Our Nation is facing a fiscal crisis. If nothing is done, the administration's current tax and spending programs will add nearly $1 trillion to the national debt in the next 4 years. If this debt is not reduced, interest rates will rise, major sectors will falter including housing and export industries, and another recession will be at our doorstep. Clearly the administration's deficit spending, forcing the Government to borrow at an unprecedented rate, cannot continue without someone paying for it.

The big question before the Congress and the President is who should pay?

The administration's budget programs have already cut deeply into spending for the unemployed, the poor, and the elderly. Government spending could be further cut, particularly in some of our defense programs. But our major social programs have already been pared back. Further cuts are not justified, expecially when you consider that the administration's own forecasts see unemployment continuing at a 10-percent level through 1984.

When devising a strategy to reduce the deficit, the Congress instead should look toward those who are not paying their fair share. I believe that most Americans are willing to sacrifice to achieve a greater good. But working families feel cheated when they believe that they are paying more because their Government allows others not to pull their fair share. We have a tax system in major need of revision. It is estimated that 90,000 profitable companies pay no taxes at all. I believe that Americans are justified to demand that before any deficit reduction plan further decreases their standard of living, their Government should first more fairly distribute the tax burden.

Mr. Speaker, I urge my colleagues to review the following article:

[From the Washington Post, Nov. 14, 1983]

U.S. Corporate Tax Share Drops

(By Jane Seaberry)

Taxes paid by the nation's corporations dropped from nearly 30 percent of federal receipts in 1950 to 8.1 percent last year while some industries on average paid no taxes at all and received refunds, according to a government study released yesterday.

At the same time, personal income taxes, as a percentage of total federal government receipts, grew from 39.2 percent in 1950 to 49 percent last year, the study by the Joint Committee on Taxation and the General Accounting Office said.

"The report shows that corporate contributions to the cost of running the country have gone down precipitously—in part because of the recession—while the percentage of federal receipts from personal income taxes has jumped up, despite personal tax cuts," said Rep. Don J. Pease (D-Ohio), one of two congressmen who requested the study.

The study classified 213 Fortune 500 companies into 29 industry groups and was combined with conclusions of studies from two previous years. Results were not included for industries that reported an aggregate loss or had abnormal tax rates. Some adjustments were made to reported income and taxes paid to compare industry tax rates fairly, the study said.

American corporations last year paid an average effective rate of 16.1 percent on income earned within the United States and 29.6 percent on worldwide income, the study said. However, some industries paid no taxes at all last year and received refunds, according to the study.

The chemicals industry paid the lowest effective U.S. tax rates, the study showed, with negative 17.7 percent, followed by the insurance industry, negative 6.3 percent; financial institutions, negative 3.8 percent, and aerospace, negative 0.6 percent. Negative tax rates generally reflect the amount corporations received in tax refunds, tax experts said.

The telecommunications industry paid 1.6 percent; railroads, 4.1 percent, and broadcasting, 8.9.

The telecommunications industry has more than 10 percent of total worldwide income computed in the survey, but paid 2.3 percent of its global income in foreign and U.S. taxes, the study said.

However, the study also said the industries studied are dominated by AT&T, and, if this firm is excluded, the average foreign and U.S. tax rates for all of the remaining companies would increase from 29.6 percent to 32.8 percent, and the rate just for U.S. taxes would increase from 16.1 percent to 18.9 percent.

In another example, Sears Roebuck & Co., which was included in the retail industry, was able to use a special tax provision applying to its insurance arm that reduced its effective tax rate and lowered the worldwide tax rate for retailers from 27.1 percent, which it would be excluding Sears, to 21.6 percent, which is the rate if Sears is included.

Those paying the highest effective U.S. tax rates last year were the rubber industry, 39 percent, followed by trucking, 36.9 percent; tobacco, 36.3 percent; paper and wood, 36.1 percent, and wholesalers, 36.1 percent.

"The tax system has become a punchboard of gimmicks," said Rep. Byron L. Dorgan (D-N.D.), who issued the study with Pease.●

INDUSTRIAL DEVELOPMENT BONDS

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. OBERSTAR. Mr. Speaker, I oppose the provision of H.R. 4170, the Tax Reform Act of 1983, which will place a per capita cap on industrial development bonds.

There is a need for reform of industrial development bonds; there have been abuses. The per capita cap, however, is not the right mechanism to correct the misuse of IDB's.

H.R. 4170 places a per capita cap of $150 on the volume of IDB's a State may issue and limits to $40 million the total amount of IDB financing through a single underwriter. These arbitrary limits will severely restrict States and local governments in meeting their development needs. H.R. 4170 will allot State governments 50 percent of the volume of IDB's, with the other 50 percent distributed among local governments according to population. Because Governors and State legislatures are given the authority to alter this allotment formula, H.R. 4170 may force State government projects to compete with those of local governments and large cities against small cities.

The State cap will also harm economically distressed areas, such as low-income urban or rural areas which will have difficulty competing with more affluent and politically powerful areas.

In addition, the cap will hurt disproportionately the aging industrial tier of the United States. The Northeast-Midwest region accounted for 65 percent of the total national volume of tax-exempt IDB's issued in 1980. These IDB's were used heavily to finance industrial expansion and economic development. Because these areas use a larger share of IDB's than other regions of the country and because we are now placing an arbitrary limit on IDB's, we are further limiting economic development in this region of the country, a region which clearly needs our assistance.

The new restrictions on IDB's will have serious and detrimental effects on pollution control and solid waste disposal facilities, airports, mass transportation and ports. As the Reagan administration seeks to curtail Federal programs in these areas, States and localities must be allowed to use IDB's to compensate for these cuts.

I commend the Ways and Means Committee for recognizing the importance of IDB's for multifamily housing and the Rules Committee for making in order an amendment to remove multifamily housing projects from the per capita cap.

The use of IDB funding for pollution control projects, airports and ports, and mass transportation is just as important and just as needed as funding for multifamily housing.

The Ways and Means Committee is asking us to approve this provision which will raise approximately $1 billion over a 3-year period without an opportunity for a separate vote. We are being offered other revenue options which will raise more substantial revenues and which will not unfairly hamper economic development in the most depressed regions of the country.

We will soon have the chance to vote for an amendment to be offered by my colleague from Ohio (Mr. PEASE) and other members of the Democratic Study Group who are troubled by the prospect of a $200 billion deficit and who realize that real revenue raising measures must be taken to assure the fiscal solvency of the Federal Government. We are being given the chance to vote on an amendment offered by my colleague from Connecticut (Mr. MORRISON) and myself which will place a responsible limit on the third year of the tax cut. These two amendments, which I strongly support, will help us to lower the deficit and restore fairness to our Federal tax system.

I am pleased that the rule gives the House the opportunity to vote on these amendments. We should have a similar opportunity with respect to the IDB provisions. The rule we are now debating will not allow debate and amendment on the industrial development bond issue. I therefore must reluctantly oppose the rule and urge a no vote by my colleagues on the resolution.●

A TRIBUTE TO WILLIAM "WILLIS" SABOGAL

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. GUARINI. Mr. Speaker, New Jersey, and especially the Hudson County community I represent, has been saddened this week because of the terrible ordeal William Sabogal, age 21, and his family are suffering.

William, known affectionately as "Willis" by his friends and family, is dying of stomach cancer. A bright, ebullient, young man, one of the nine children of Alice Sabogal, Willis has everything to live for—he has been a good son to his mother, and a good brother to his brothers and sisters, a good student at Trenton State College where he is in his fourth year of studies, a good friend, which he has proven time and time again as past president of the national fraternity Zeta Beta Tau.

Only a few short weeks ago Willis' life and spirit echoed the words of Bernard Shaw who wrote: "Life is no brief candle to me. It is a sort of splendid torch which I have got hold of for the moment, and I want to make it burn as brightly as possible before handing it on to future generations."

According to his family, Willis, suffering abdominal pains, went to the St. Francis Medical Center in Trenton where it was discovered that he had a malignant tumor which was inoperable. His family has been told he has "a few days to live."

John Kampfe, a skilled reporter for the Jersey Journal, wrote the following article which was featured in yesterday's Jersey Journal, through the compassionate understanding of Steve Newhouse, editor, and Milt Kerzner, city editor:

Only days to live, he inspires walk for research.

William Sabogal seemingly had everything going for him this fall.

The 21-year-old Jersey City man was entering his senior year at Trenton State College and, having accumulated a 3.3 grade point average over his first three years, he expected to graduate this June with a degree in business administration.

Nicknamed "Willis," Sabogal was active in several organizations at Trenton State and served as president of the Trenton chapter of the national fraternity, Zeta Beta Tau.

Then, a few weeks into the fall semester, Sabogal began to experience abdonimal pains. They grew worse and he checked into St. Francis Medical Center in Trenton.

"They took him to the hospital and the doctors found that he had a malignant (stomach) tumor," Sabogal's brother, Nestor, explained, "Then they were going to operate but when they opened him up, they found that it was too late."

The Lincoln High School graduate recuperated from the surgery and came home to

Jersey City while receiving radiation treatments at St. Barnabas Hospital.

Two weeks ago, Willis was admitted to St. Barnabas and his brother said it is only a matter of time.

The doctor told me that he gave him two weeks maximum to live, Nestor related. The doctor then called me Monday and said he didn't think he would last the week.

But, Willis is not alone in his final hours. His mother, Alice, five brothers and three sisters are with him. So are his 30 or so ZBT "brothers" as well as fellow Trenton State students.

Just before Willis went into the hospital for the final time, Nestor said, his fraternity placed him on their Homecoming Day float and paraded him into the college's football stadium amidst a cheering throng of well-wishers.

But, the fraternity's action did not stop there. This weekend, they will begin a "Walk for Willis" walk-a-thon to raise money for the American Cancer Society.

They will start at 11 a.m. at the Sloan-Kettering Memorial Institute in New York City—where Willis also received treatment—and will march through the Lincoln Tunnel, Union City and Jersey City on their way to Trenton.

Nestor said the fraternity hopes to raise as much as $15,000 for cancer research.

"They are going to be dragging a hospital bed as a symbolic gesture that the money they raise will help find a cure for cancer and empty hospital beds of cancer patients," Nestor related.

Representative Frank J. Guarini, whose office will accept donations from area residents and forward the money to the fraternity, will meet the walkers at Manhattan Avenue and Kennedy Boulevard in Jersey City Friday at about 4 p.m.

"This is an opportunity for all of us to do our bit to fight this dreaded disease," said Guarini, who also made a donation. "I am deeply impressed with the sincerity and thrust of the students involved."

Willis hoped he could join his "brothers" in their bike to Trenton, but his deteriorating condition has made that impossible.

"The way it looks now," Nestor said, "as the walk-a-thon is going on he might not make it. Every day he is worse. They just have him on drugs now to ease the pain."

Contributions can be made in care of Guarini's office at 15 PATH Plaza, Jersey City, N.J. 07306.

All of us are hoping for a miracle which will allow us to help Willis, who is fighting a condition, believing that nothing is impossible to a valiant heart.

Situations like this are indeed disturbing, because history will tell us that Alfred Tennyson wrote his first volume at the age of 18, and Alexander was a mere youth when he fought the Asiastic hordes which threatened to overwhelm European civilization. Napolean was only 25 when he conquered Italy, and the great English poet Chatterton was at his height at age 21. Newton made some of his greatest discoveries before age 25, and Byron, Raphael and Poe reached immortality while still in their 30's. Victor Hugo wrote a tragedy at 15.

We are all praying that such a miracle, with the help of the Lord and prayers of his family and friends, can keep Willis with us for many years. Indeed, he wears the rose of youth upon him. His young life reminds me of Eugene Field's poem:

LITTLE BOY BLUE

The little toy dog is covered with dust,
But sturdy and staunch he stands;
The little toy soldier is red with rust,
And his musket moulds in his hands.
Time was when the little toy dog was new,
And the soldier was passing fair;
And that was the time when our Little Boy Blue
Kissed them and put them there.

"Now, don't you go till I come," he said,
"And don't you make any noise!"
So, toddling off to his trundle-bed,
He dreamt of the pretty toys;
And, as he was dreaming, an angel song
Awakened our Little Boy Blue—
Oh! the years are many, the years are long,
But the little toy friends are true!

Ay, faithful to Little Boy Blue they stand,
Each in the same old place—
Awaiting the touch of a little hand,
The smile of a little face;
And they wonder, as waiting the long years through
In the dust of that little chair,
What has become of our Little Boy Blue,
Since he kissed them and put them there.

Please join me with your prayers for Willis. Also, please help us make the "Walk for Willis" sponsored by his fraternity brothers tomorrow from Sloan-Kettering Hospital in New York to Trenton, N.J., a success.

My district office at 15 PATH Plaza, New Jersey City, N.J. 07306 is receiving donations to the American Cancer Society for the "Walk for Willis" fund.●

AMERICA'S UNIVERSAL MAIL SYSTEM: WHY IT REMAINS ESSENTIAL

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1982

● Mr. GARCIA. Mr. Speaker, in light of the recent request by the Postal Service for an increase in the price of a first-class stamp, I thought my colleagues would be interested in the remarks of Mr. William Bolger, Postmaster General, to the Town Hall of California in Los Angeles.

His remarks follow:

AMERICA'S UNIVERSAL MAIL SYSTEM: WHY IT REMAINS ESSENTIAL

(By William F. Bolger)

Good afternoon, ladies and gentlemen. It is a pleasure and a great honor to return here to the Town Hall of California.

I speak to scores of audiences each year, and I must say—with all sincerity—that I have yet to encounter a more sophisticated and intellectually attentive audience than during my last visit here back in 1979.

You know, there is a certain irony to my job as Postmaster General of the United States. If the Postal Service were counted with the Fortune 500, we would rank as the nation's second largest retail chain, the second largest civilian employer, and—in terms of revenue—the largest transportation company.

And yet I would make a perfect candidate for one of those American Express Card commercials that ask: "Who is this man and what does his company do?" The fact is, the United States Postal Service is one of the least understood and most taken-for-granted enterprises in this country.

You might compare us to the electric utility or to the telephone company. Like them, we are an "infrastructure institution." We provide a vital service day-in and day-out—touching every American on a daily basis. And yet, like the phone and electric companies, we are never given a second thought unless something goes wrong.

Now, in my opinion, that's exactly as it should be. Our very "taken-for-grantedness" is eloquent testimony to the quality and reliability of the service we provide. But for the next hour or so—in my formal remarks and in the question-and-answer session that follows—allow me to bring the Postal Service into the lime light. Let's take a close, hard look at the sweeping changes that have taken place within the Postal Service. And let's assess what those changes mean for the American people.

In introducing you to today's Postal Service, I would perhaps best start off by telling you what we are not. We are not the Post Office Department. The Post Office Department ceased to exist in July of 1971—and with good reason. A very brief history lesson will explain.

For 27 years—from the end of World War II right through 1971—the Department ran an unbroken string of budget deficits and was an enormous drain on the Federal Treasury. In its last year, fully 24 percent of the Post Office Department's budget was financed out of taxpayer dollars—yet it still managed to run up a deficit of $166 million.

At the same time, the Department was suffering equally massive losses in terms of employee morale and consumer confidence. Postal facilities were old and crumbling. And the system of handling mail—hand-sorting letters into pigeon-holed cases—was essentially the same as in the days of Ben Franklin. Not surprisingly, in the last four years of the Department's existence, productivity was actually declining.

To make matters worse, the old Post Office was deeply entrenched in the political patronage system. From the Postmaster General on down, managers were—by and large—short-term political appointees with little knowledge of the mail system and no long-term stake in its health or imporvement.

By the late 1960s, the crisis within the Post Office Department had reached an acute stage. In October 1966, the Chicago Post Office—one of the largest postal facilities in the world—became log-jammed with a mountain of unprocessed mail; for a number of days, its operations all but ground to a stop.

And in the spring of 1970, the creeping paralysis went nationwide: A frustrated postal work force went on strike, virtually halting mail service in the United States. In the memorable words of then-Postmaster General Larry O'Brien, the Post Office was "in a race with catastrophe."

Congress' response to that crisis was the Postal Reorganization Act of 1970. The Reorganization Act was a landmark piece of legislation that embodied a simple but revolutionary idea: Take the Post Office out of politics . . . And put in its place a govern-

ment-owned "corporation"—run by an independent board of governors—and managed by professional executives. In short: Operate the Post Office like a business.

Twelve years into Reorganization, that is exactly what we are doing—and with a remarkable record of success.

As a matter of fact, the best way for me to introduce you to today's Postal Service is by speaking of it in just those terms—as a business—indeed, as one of the truly exceptional business enterprises in the United States today.

Now, I realize that in saying that, I'm cutting against the grain of some deeply held sterotypes. People are not yet used to thinking of the Postal Service as a business—much less an exceptional business. But in my view, it is high time those stereotypes were changed.

The Postal Reorganization Act refers to us as an "independent establishment of the executive branch." Others have called us a "governmental corporation." But I don't intend to get sidetracked in semantics. I think it is a lot more useful to examine the basic operational realities we have in common with private business.

To begin with, the Postal Service has budgetary autonomy and is required to live strictly within its income. In contrast to the massively subsidized Post Office Department, the Postal Service is a self-sustaining enterprise that does not receive one dollar of subsidy from Uncle Sam.

(Let me repeat this point, because it is essential to a true understanding of how the Post Office has changed. Today, the Postal Service is one of only a handful of Government agencies—among them Conrail and the Federal Deposit Insurance Corporation—that receive no subsidy from the Federal Treasury. Instead, like any private business enterprise, we now meet all our operating expenses strictly out of the revenues we earn.)

Of course, for the Postal Service to live within its income, efficiency and cost-control have become a major emphasis—some would say an obsession—of postal management.

Take, for instance, our record on productivity. After all, that is the key to cost-control in any business concern. Like most industrial enterprises, the Postal Service deals in a concrete, measurable service. And therefore we are able to cite hard productivity figures. The simple fact is that—by mechanizing our operations and implementing across-the-board efficiencies—the Postal Service has increased its labor productivity by a remarkable 49 percent since 1970.

I realize it's easy for statistics to pass in one ear and out the other without registering. But consider this: Compared to 1970—the last year prior to Reorganization—we are now delivering more than 34 billion additional pieces of mail to no fewer than 18 million additional addresses. And we do it all with 70,000 fewer postal employees.

In addition to these productivity gains, we have achieved other cost-efficiencies by contracting-out services to private business whenever it is feasible to do so. Like any business, we constantly scrutinize our operations to identify tasks that can be performed better and more cheaply by other businesses—by contractor-partners in the private sector.

Last year, the Postal Service awarded no fewer than 95,000 contracts for services as diverse as construction, marketing, data processing, printing and transportation. For transportation services alone, we spent $1.3 billion in 1982—and a comparable amount in 1983.

This contracting-out has been a big boost to small businesses. And it has been a key contributor to our success in controlling postal costs.

Another similarity between the Postal Service and private-sector business is that—in good years—our revenues exceed our expenses and we turn a "profit." Of course, we don't call it a "profit," we call it a "surplus."

In fiscal year 1982, the Postal Service earned an operating surplus of $802 million. For fiscal year 1983, our unaudited figures show a surplus of approximately $500 million. That will be our second surplus in a row—our third in the last six years.

And just like private-sector businesses, we distribute those "profits" to our shareholders. In the Postal Service's case, though, our "shareholders" are the citizens of the United States. And we don't send them a dividend check. Instead, we plow-back our earnings and put off the next rate increase for as long as our surplus revenues will carry us.

As a matter of fact, that "plow-back" process is at work right now. Several years ago, we projected that the Postal Service would need a rate increase in November 1983—next month. But thanks to our robust financial performance, we are now able to postpone the next rate increase until October of 1984—at the very earliest. I dare say that the Postal Service has some "shareholders" right here in this room—citizens and business-people who stand to save a significant amount of money as a result of that deferred rate increase.

Of course, there are other comparisons between the Postal Service and private businesses: the fact that postal employees are hired and promoted solely on the basis of merit, not political affiliation—the fact that we engage in collective bargaining with our employee unions—and the fact that the Postal Service actively markets its services to businesses and to the public.

But the most important similarity of all is that the Postal Service—no less than private businesses—operates in an aggressive, competitive marketplace.

You know, it constantly amazes me that people perceive the Postal Service as a comfortable monopoly, immune from competition. The reality is that our share of the communications marketplace has declined from 70 percent at the turn of the century to less than 20 percent in 1983. Today—as never before—we face extremely tough competitors on all fronts.

In the parcel post competition, our share of the business is dwarfed by United Parcel Service. We face a large number of rivals to our overnight Express Mail Service. And competition is no less intense in the so-called "monopoly" segments of the Postal Service's business.

Unsatisfied users of third-class advertising mail can and occasionally do shift their dollars to newspapers, magazines, and the various broadcast advertising media. For example, those newsprint ads that supermarkets like to send through the mail could just as easily arrive at your house as newspaper inserts. In addition, there are many alternatives to First-Class Mail, including local and long-distance telephone service, electronic banking and electronic mail.

On that score, the latest challenge to the Post Office is a new service offered by MCI Communications—they call it MCI Mail. I'm sure you have seen their advertisements in recent weeks. Their pitch is that hard-copy delivery and the Postal Service are obsolete and that MCI is (quote/unquote "the nation's new postal system."

Well, before you cart your local mailbox off to the Smithsonian, allow me to digress a few minutes to put MCI's claims in perspective.

First, let me point out that MCI is projecting that when their product turns its first profit in 1985, they hope to have a volume of 50 million pieces of mail a year. Fifty million pieces represent a grand total of about one-seventh the mail volume the Postal Service delivers each day!

MCI's boast that it is the "new postal system" is about like claiming that an automatic bank-teller machine on a street corner is the equivalent of a full-service financial institution like the Bank of America. As I see it, MCI Mail is just one more entry into the expedited-delivery segment of the mail business. It is an expensive, highly specialized service that does not begin to duplicate the comprehensive range of services provided by the Postal Service.

I submit that until MCI invents an electronic means of delivering parcels, catalogs, magazines, and 20-cent letters—until it decides to forward mail, issue money orders and do all the other things the Postal Service now does, then its claim of being "the nation's new postal system" will remain a tad bit premature.

A second point: The MCI ads say (and I quote) "the nation needs a whole new way to deliver mail" (close quote)—and they claim that they can reach "every deliverable address in the United States." How is this futuristic new product going to reach "every deliverable address in the United States?" Simple: MCI is going to print out messages in hard-copy, stuff them into envelopes, and then drop them off at the supposedly antiquated Post Office for delivery as First-Class Mail. As the French say: "The more things change, the more they stay the same."

MCI also claims (and I quote one last time from their ads) the "idea of carrying mail from one place to another hasn't changed since the days of Ben Franklin—The Post Office hasn't * * * kept up with the times." (close quote) Well, MCI can be excused for its ignorance of recent innovations in the mail industry. It is, after all, a telephone company.

But even MCI should be aware that the Postal Service has had an electronic computer-originated mail system for nearly two years now. We welcome MCI to the computer-originated mail club, but I must say we find it a bit amusing that they claim to be charter members. And if they intend to stay in that club, I would advise them to take a second look at their pricing structure. The Postal Service charges 26 cents for an E-COM letter; MCI charges $2 for the equivalent service.

When the dust settles, I predict that MCI's new venture will turn out to be just one more source of expanding mail volume for the Postal Service. MCI will no doubt bill its customers by First-Class Mail, and customer payments will be returned via First-Class Mail. What's more, a significant number of messages that are now handled by private overnight couriers will soon—courtesy of MCI—be dropped into the First-Class mailstream instead. We welcome their business.

Well, I think you see my point. But let me say this: I wish MCI the best of luck. We in the Postal Service are not strangers to competition; we have faced much stiffer chal-

lenges in the past. And we continue to have the greatest confidence in the longevity and appeal of hard-copy mail service.

Interestingly enough—returning to the subject of competition within the communications industry—Ralph Nader's consumer think-tank in Washington issued a study last January that said the Postal Service faces too much competition. Nader's Center criticized us for (and I quote) our "single-minded drive for efficiency" (close quote). And it said that this obsession with efficiency has put too much pressure on postal employees.

Well, I don't happen to agree with Mr. Nader's assertion that competition is bad for us. But I will say this: Today, postal operations are disciplined by a very basic realization. We in the Postal Service know that if we provide inadequate service—if we allow postal wages and costs to rise to excessive levels—or if we set our prices to high—then our customers will switch to other means of communications.

In short, as with other business enterprises, our success or failure is determined strictly in the give-and-take of the competitive marketplace. And I am proud to say that the marketplace has pronounced a resounding "yes" on the post-Reorganization Postal Service.

One index of that success is the very steady increase in the total volume of mail. Even in the teeth of the harsh 1981–1982 recession, our mail volume continued to rise; third-class mail volume alone was up 20 percent during the two years of the recession.

The success of Express Mail Service is another prominent index of our ability to compete. We have gone head-to-head with Federal Express and other top-flight private carriers since the mid-1970s. And we have proved lean enough and reliable enough to double our Express Mail volume every two years since 1976.

A different type of success index is provided by a Roper opinion poll that was released in June. Roper asked the American public what (quote/unquote) "value for the dollar" they get for each of 12 products and services. The 12 items included hospital care, telephone service, electricity, mail service and eight others.

Of those 12 services, one was rated the best value for the dollar; and that one was the Postal Service. Fifty-six percent of those polled rated mail service an excellent or good value; only 12 percent rated us a poor value. In contrast, health insurance came in a distant second with a 43 percent excellent or good rating. Telephone service was sixth with a 32 percent positive rating.

This, when you get down to it, is the ultimate key to our success in the communications marketplace: the value of the service we provide.

Not everyone is aware that postal rates have consistently lagged behind the general rate of inflation. And not everyone knows that Switzerland is the only nation in the western world with lower postage rates than the United States.

But people do understand at a gut, intuitive level what is and what is not a good value—both in terms of price and in terms of quality service. The evidence demonstrates that the Postal Service has amply met that test.

Now, to this point, I have talked at length about the Postal Service as a business—as an exceptional business. But I must also point out that there are critical respects in which we do not operate like a business—and never will.

For instance, the Postal Service operates a network of some 30,000 post offices in cities, towns and villages across this nation. As you can imagine, many of our smaller offices are highly "unprofitable" in a strict business sense.

A year ago, the General Accounting Office recommended that we close down 7,000 of those small post offices. GAO said that by doing so we would save up to $150 million by the end of the decade. But we said "no" to that recommendation because it would not have been in the public interest. It would destroy a vital component of the universal national postal system that this country depends on.

In addition, the Postal Service spends a great deal of money forwarding mail—handling the great volume of letters and parcels from abroad—and protecting the public against mail fraud and false mail advertising.

What's more, we are engaged in a number of community service functions; for example, the Carrier Alert Program, in which our letter carriers keep a special eye out for the well-being of elderly and disabled people on their routes.

Clearly, when you are talking about small post offices, the forwarding of mail and so on, you are talking about a great deal of overhead and very litte—if any—revenue in return. A purely profit-oriented enterprise couldn't and wouldn't provide those services. The bottom line wouldn't allow it.

But we in the Postal Service insist on a very different bottom line. Despite the fact that we now operate on a competitive, business-like footing, we have never lost sight of our mission as a public, governmental service. And I emphasize that word "service."

One thing we proudly inherited from the old Post Office Department was the Private Express Statutes—the legislation that gives us a partial monopoly over the delivery of letter mail. The Postal Service' responsibility—I should say, our "duty"—under those statutes is to provide this nation with a universal mail system at uniform rates for all.

For more than two centuries, universal, affordable mail service has been a critical building block of our commerce and our democracy. Indeed, mail service has been regarded as a basic, fundamental service that the U.S. Government provides to the people of the United States.

Now, I am very aware that there are those who do not share this belief. Some people would prefer to see the Private Express Statutes repealed and mail delivery opened up to free enterprise. But in my opinion those people seriously misread both America's traditions and the nature of the mail business.

The American idea of the proper role of government was perhaps best summed up by Thomas Jefferson. As Jefferson put it: "That government is best which governs least."

And most of us agree with him. Americans have traditionally held that government should not perform functions that can be handled fairly and efficiently by the private sector. For example, few of us would advocate that banks or major industries should be nationalized and operated by the state.

But by that same token, it is government's responsibility to provide certain basic services that the private sector and the free marketplace cannot adequately undertake. There are certain essential functions which—inherently—are better and more properly carried out by government. For instance, national defense, mass education, the building of urban transit systems, and mail service.

It is not a coincidence that every nation in the world has made the delivery of letter mail a function of government. The simple fact is that no private company or network of private companies could ever provide what the Postal Service provides: a universal mail system at uniform, affordable rates.

Within that mail system, it costs the same affordable 20 cents to mail a letter across LA from Burbank to Anaheim as it costs to mail a letter across-continent from Miami, Florida to Anchorage, Alaska. Americans can send a letter to any address in this nation—whether that address is in rural Montana or deep in the Louisiana bayous. And they know that a nationwide postal system with a vast network of post offices is in place—a system which will allow that letter to be delivered reliably and promptly.

That is the reason for the Private Express Statutes. Those statutes exist not to protect the Postal Service from competition, but to protect the American mailing public—to ensure for them a reliable, affordable, nationwide mail system.

But what would happen if the Postal Service were to lose its letter mail monopoly? Well, I won't deny that there would be dozens of private operators who could carry some of the mail more cheaply and turn a profit. But they could do so only by skimming the cream off the mail business. As savvy business-people, they would serve only the high-volume, low-cost areas such as downtown business and residential districts.

But who would deliver mail to high-cost, low-profit areas such as rural America? Who would deliver to sparsely populated suburbs? And to inner-city neighborhoods? And—more critically—would the quality and the price of that service be acceptable?

You know, the meaning of the Private Express Statutes was brought home to me in a vivid fashion earlier this year when United Parcel Service—our principal competitor in the parcel post market—announced that as of March it would cease operations in Alaska. Apparently, the expense and difficulty of serving that far-away state were not justified by the revenues and profits UPS got in return.

That, in a nutshell, illustrates the key difference between the Postal Service and private business—despite the many similarities we share in other important respects. The Postal Service will never abandon Alaska or any other community in the United States.

In my office back in Washington I have a plaque that was given to me by Senator Stevens of Alaska and by Elaine Childs, our contract stationmaster up in Prudhoe Bay. The plaque is fashioned from a piece of surplus steel from the Trans-Alaska Pipeline. And on its face is a map of Alaska, with Prudhoe Bay prominently marked.

It was presented to me in recognition of the Postal Service's uncompromising commitment to serving the people of Prudhoe Bay and the Alaskan bush. And it communicates to me a simple but profound message: It is the Postal Service's responsibility to provide the same service to Prudhoe Bay, Alaska as we provide to Los Angeles, California and Washington, D.C.—regardless of what it costs us to provide that service, and regardless of the difficulties involved.

When thousands of pipeline workers and oil people descended on Prudhoe Bay virtually overnight, then it was up to us to establish mail service to them as quickly and efficiently as possible.

That is precisely what the Private Express Statutes mean when they speak of universal national service at uniform rates.

And let me promise you today that—however much we in the Postal Service may talk about productivity, and cost-efficiency and competitiveness—we will never lose sight of what we are all about: Providing a basic, affordable service to every citizen of these United States. And providing that service with excellence.

Thank you very much.●

TRADEMARK REFORM ACT OF 1983

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1982

● Mr. KASTENMEIER. Mr. Speaker, today I am introducing a bill to modify two aspects of trademark law: One substantive and the other procedural. First, the bill clearly defines the appropriate test for courts to apply in determining whether a mark has become generic. Second, the bill provides for exclusive appellate jurisdiction over trademark cases in the U.S. Court of Appeals for the Federal Circuit.

Earlier this year an unusual development in trademark law occurred and was duly brought to my attention. A three-judge panel of the Ninth Circuit Court of Appeals decided to apply a new method for determining whether a product had become generic.[1] Under the ninth circuit test, courts are encouraged to look toward the purchaser's motivation, not just as to identity of the product, but also as to source. Thus, for a trademark to avoid becoming generic its user must convince a majority of the relevant public that a particular company produces the product. Thus, because such a test would be so difficult to meet, a number of well-known products such as TIDE, Crest, Mr. Clean, or Brillo could become generic.

Because the test used by the ninth circuit may cause extreme uncertainty in trademark law and practice, and because it represents such a substantial departure from prior law, this bill clarifies the test for determining genericism. Under the bill, "the exclusive test for determining whether a registered trademark has become a common descriptive name shall be whether a majority of the * * * public understands it to function as a mark or as a common descriptive name.

The second part of the bill consolidates trademark jurisdiction in the Court of Appeals for the Federal Circuit. When the Federal Court Improvement Act—enacted as Public Law 97-164—was under consideration by the Congress, this assignment of jurisdiction was part of the original bill. However, the bill that eventually passed did not include this modification.

The change in Federal court jurisdiction found in title II of the bill is, in part, a response to the kind of situation typified by the aforementioned ninth circuit case. Trademark law is by tradition and business practice national in scope. It is similar to customs and patents law. As a result, uniformity in trademark law appears desirable. One of the motivations for modifying the ninth circuit rule on genericism is to avoid the potential for conflicting circuit court rules. Situations like the ninth circuit decision will be far less frequent if title II of the bill is enacted, because there would be only one appellate court—with national jurisdiction—to decide trademark cases. Under current law the potential for conflict is substantial.

The U.S. Supreme Court—because of other docket pressure—rarely grants certiorari in trademark cases. Thus, for all but the rare trademark case, an appellate court decision is the final word. Title II of the bill would merely consolidate this jurisdiction in one court with nationwide jurisdiction.

I recognize that Congress should exercise great care in reaching results contrary to court decisions. In this case, however, the bill does not affect the parties to the litigation in question. All the bill does is to clarify congressional intent on what tests should be used to determine genericism.

I also recognize that the proposal to modify the court jurisdiction of trademark cases will be controversial among some trademark attorneys. Nonetheless, I would like these lawyers to know that without this jurisdictional change, my subcommittee runs the risk of becoming a quasi-appellate forum for litigation losses incurred in the Federal judical system or for unacceptable developments in trademark law such as arguably occurred in the ninth circuit. This is a risk that I would rather not face. It is my hope that we can work together to fashion an approach which will create greater certainty, efficiency, and uniformity in trademark law at the appellate court level.

Persons and organizations interested in commenting on this bill are urged to contact the Committee on the Judiciary, Subcommittee on Courts, Civil Liberties, and the Administration of Justice, 2137-B Rayburn House Office Building, Washington, D.C. 20515 (phone 225-3926).●

[1] *Anti-Monopoly* v. *General Mills Fun Group, Inc.*, 684 F.2d 1316 (9th Cir. 1982), *cert. denied* — U.S. — (February 22, 1983).

TRIBUTE TO KING DAVID KALAKAUA

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 16, 1983

● Mr. HEFTEL of Hawaii. Mr. Speaker, I would like to take this opportunity to honor one of the most artistic of Hawaii's monarchs, King David Kalakaua, who was born on this day in 1836 and whose most famous composition, "Hawaii Ponoi" was first publicly performed on this day in 1874.

"Hawaii Ponoi" was subsequently named the national anthem for the Kingdom of Hawaii and later, after statehood, the State song.

Kalakaua's active pursuit of the arts of Hawaii, most particularly the classical chants and the hula, is credited with saving them from extinction. King Kalakaua knew that the political survival of his kingdom depended on the cultural renaissance of the Hawaiian people.

It seems appropriate, on this day, to share with my colleagues the words to the beautiful "Hawaii Ponoi":

HAWAII PONOI

Hawaii ponoi
Nana i Koumoi
Kalani Alii,
Ke Alii

(Chorus)

Makua lani e
Kamehameha e
Nakaua e pale
Meka ihe. He.

Hawaii ponoi
Nana i na 'lii
Na pua mulikou
Na pokii

Hawaii ponoi
E ka lahui e
O kau hana nui
E u'i e.

[Translation]

(Hawaii's own true sons
Be loyal to your chief
Your country's liege and lord
The sovereign.

(Chorus)

(Father above us all
Kamehameha
Who guarded in the war
With his spear.

(Hawaii's own true sons
Look to your lineal chief
Those chiefs of younger birth
Younger descent.

(Hawaii's own true sons
People of loyal hearts
Thy only duty lies
Know and obey them.)●

TENTH ANNIVERSARY CELEBRATION

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mrs. SCHNEIDER. Mr. Speaker, I rise today in recognition of one of the most widely respected nonprofit agencies in America, the Foster Parents plan.

This organization, which was established 16 years ago, is celebrating its 10th year in Rhode Island as the national headquarters. The Foster Parents plan allows a unique relationship to exist between private citizens and needy children. There are over 180,000 worldwide participants in this institution, of which 40,000 are American parents. With their monthly contributions, these foster parents have given to children overseas whose lives would otherwise be devoid of nourishment, medical care, education and hope.

The Foster Parents program has proven to the world that a single, efficient organization, with the help of thousands of people, can indeed bring to disadvantaged children everywhere not only the necessities of daily life, but also instill incentives to strive toward a rewarding and productive life. It is because of this kind of commitment that I stand here today honoring the work of the Foster Parents plan.●

PHARMACY SECURITY DEVICES

HON. TIM VALENTINE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. VALENTINE. Mr. Speaker, public attention to the problems associated with drug abuse is usually turned toward the better known hard drugs—such as heroin and cocaine. But the abuse of pharmaceutical drugs, in terms of the numbers of addicts and the crimes spawned by those addicts, is just as great a threat to the stability of our society. The current Federal statute on controlled substances was passed in 1970 to stop drug abuse and to dry up sources for diversion of these products. But now, the drug traffickers are robbing retail pharmacists and their customers in dramatic daylight attempts to obtain these dangerous drugs. In response to this threat, and in an effort to stem the rising number of pharmacy robberies and burglaries, I am introducing legislation to amend the Internal Revenue Code of 1954 to provide a credit against income tax for security devices used to prevent the theft of controlled substances for certain pharmacies.

Mr. Speaker, the incidence of crimes committed in pharmacies, including robberies, burglaries, and even murders, in attempts to obtain controlled substances has more than doubled in recent years. I want to focus attention on this pervasive and widespread problem and to introduce legislation to provide incentives for pharmacies to purchase and install security devices for the prevention of theft. This is one way to stem the diversion of drugs from the professional community—pharmacists and doctors—to the addicts in the streets.

Obviously, there is deep concern in the pharmacy community about the rising number of robberies and burglaries it experiences. The Drug Enforcement Administration (DEA) has reported that since 1973, robberies of pharmacies to obtain controlled substances have increased by 160 percent, far in excess of robberies generally, which registered a 30-percent increase. In addition, DEA reports that approximately 12,823 pharmacies have been victims of such robberies, and nearly 25 percent of those controlled substance thefts involved armed robberies while 63 percent were afterhour break-ins. DEA estimated that community pharmacies were involved in 95 percent of all robberies with the remaining 5 percent occurring in hospitals.

The rise in night break-ins is particularly alarming. There were 3,763 pharmacies robbed during night hours, and 3,416 of those were break-ins for controlled substances. In the first three quarters of 1982, 2,078 break-ins occurred with approximately 11,509,400 dosage units stolen, and 1,037 armed robberies occurred with more than 2.5 million dosage units of controlled substances stolen.

The tragic byproduct of pharmacy robberies and burglaries is that one in five pharmacists and customers is threatened with bodily harm, and pharmacists have been killed during robberies of pharmacies, to say nothing of the economic and family losses.

Mr. Speaker, a 1974 study by DEA in the St. Louis, Mo., area found that security present in pharmacies not victimized by controlled substance thefts was better than in those that were. It is apparent that adequate security devices serve as a deterrent to pharmacy thefts. However, also noted in the study, Mr. Speaker, is the fact that individual security devices vary from pharmacy to pharmacy. By providing for a special Federal income tax credit for the purchase and installation of security devices, pharmacies would be able to select security systems to meet their individual needs and would have an economic incentive to do so.

Pharmacies suffer economic hardships from robberies and burglaries of controlled substances. This proposal would help defray the added cost of providing for needed security against robberies and burglaries, thereby helping to assure the safety of pharmacists and customers, and helping to assure the integrity of the drug distribution process.

The individual pharmacists must determine which security system best meets the individual needs of each pharmacy. Security system are readily available and represent an immediate form of relief for those pharmacies in need of additional security measures. The initial monetary outlays for increasing a pharmacy's security capability can range from a few hundred dollars for new locks to several thousand dollars for a complete security system.

Currently, a pharmacy can qualify for several existing tax breaks, such as: Depreciation of the security system, deduction of sales taxes as a business expense, an investment tax credit in the year of the purchase, and deduction of all operating and maintenance costs as business expenses. Providing a tax credit for the purchase and installation of security devices within pharmacies would provide an additional, more extensive economic incentive to help defray the expenses of curbing drug-related crime.

A pharmacist's normal professional duties include a responsibility to keep secure the pharmacy's controlled substance supply. A special income tax credit for those pharmacies improving or installing security systems will demonstrate to both the public and Government the need for increased awareness and concern for the problems pharmacists and pharmacies face on a day-to-day basis with controlled substance thefts.

Mr. Speaker, I present to this distinguished body my legislation to help thwart the problems of pharmacy break-ins and hope that all of you will join with me in an effort to combat this growing and serious problem in our communities.

Thank you, Mr. Speaker.●

ALEX MUNOZ, AMERICAN

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. RICHARDSON. Mr. Speaker, over 234 of our American sons were killed in the outrageous attack on our marines stationed in Beirut, Lebanon. As our troops in Lebanon continue to serve their country as peacekeepers in a troubled land, I think it is important to remember that the victims of that terrorist attack died for higher ideals that are the backbone of this country.

Those marines in Lebanon were serving their country to insure that you and I can speak freely, voice our opposition and our support of government publicly without fear of retaliation, travel this country and be unchecked

by barbed wire or stone walls, they were protecting the right to worship as we please. It is only fitting, Mr. Speaker, that the ideals for which they so valiantly fought and the quest for worldwide human rights are preserved in their memories.

Mr. Speaker, there was a 20-year-old marine from my Third Congressional District in New Mexico that fell victim to the terrorist attack on the U.S. Marine Corps facility in Beirut. Alex Munoz volunteered for duty in Lebanon. He unselfishly answered the call to protect our American ideals. I would like to draw my colleagues' attention to an editorial which recently ran in the Farmington Daily Times, a newspaper in my congressional district, which pays tribute to one of America's special sons:

[From the Farmington Daily Times, Oct. 28, 1983]

ALEX MUNOZ, AMERICAN

San Juan County is mourning the death of one of its sons in the terrorist attack on the U.S. Marine Corps facility in Beirut, Lebanon, last Sunday.

Pfc. Alex Munoz was among the more than 225 Marines who lost their lives in the attack. They were part of an international peacekeeping force assigned to Lebanon.

During a simple memorial service beneath the half-lowered flag in front of the Farmington Civic Center, public officials from the cities of Farmington, Aztec and Bloomfield and from the San Juan County government Thursday expressed condolences to the fallen Marine's parents, Jesus and Manuela Munoz, and to his five brothers and three sisters.

But even the sincere and heartfelt words of our elected leaders cannot adequately convey the genuine concern the people of San Juan County feel for the Munoz family. The family home is at Chaco Plant.

Even in our sorrow, we feel a sense of pride in the fact that a 20-year-old from our area was willing to lay down his life in what he believed to be a duty to his nation and fellow citizens.

A 1982 graduate of Bloomfield High School, Pfc. Munoz enlisted in the Marine Corps after graduation. He subsequently volunteered for duty in Lebanon.

If we were to write his epitaph, it would be:

Alex Munoz, American.●

THE U.S. ALTERNATE ENERGY NEEDS: THE SYNTHETIC FUEL PROGRAM

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. McKINNEY. Mr. Speaker, as my colleagues know, I have been a consistent supporter of the Synthetic Fuels Corporation and the need to develop domestic synthetic fuels production. As the Members prepare to recess, I would like to share with them some information regarding our energy situation.

The Council of the American Institute of Chemical Engineers recently endorsed a report entitled "U.S. Alternate Energy Needs: The Synthetic Fuel Program." This report was prepared by the Synthetic Fuel Task Force of the AIChE which was chaired by Fred W. Hammesfahr.

The task force's thorough analysis of our alternate energy needs and the conclusions and recommendations that followed that analysis will be worth my colleagues' time. For the Members' benefit I would like to condense the report in hopes that they give this message serious consideration.

At this point I would like to include in the RECORD the Executive Summary, highlights of the analysis, the conclusions and recommendations of the report.

EXECUTIVE SUMMARY

Lower demand for liquid and gaseous fuels because of the recession, conservation, and fluctuations in supply have blurred the urgency associated with the national synfuel program and brought into question the original rationales for the program. Concerned by these trends, the American Institute of Chemical Engineers (AIChE) has formed a Task Force of knowledgeable members and has charged them with developing an overview of the nation's synfuel activity, together with conclusions and recommendations.

From its study, the Task Force has concluded that:

1. There is a highly probable need for commercial scale synthetic fuel production in the United States by about the year 2000, with genuine possibilities for its abrupt need earlier.

2. Synfuel technologies are today noncompetitive, except in unusual circumstances. Therefore, synfuel capacity in the time scale needed will not be installed by free market forces.

3. To ignore the present predictions of declining U.S. hydrocarbon production in the hope that domestic oil will be found in quantities large enough to reduce our dependence on foreign oil would be risky and imprudent in the extreme.

4. To develop a nationally significant synfuel option by the latter years of the century requires starting *now* on the authorization, design, construction, and, ultimately, operation of the first generation pioneering commercial plants.

5. The national synfuel program needs vigorous government support if the nation is to avoid the hazard of being vulnerable to a partial or complete cut-off of foreign fuels. The justification for stronger government leadership and for proceeding now is national security, not economics.

6. The key step at which government support is needed is in bridging the gap from research to demonstrated replicable commercial capability. This step requires the building of pioneering commercial plants. They are capital intensive, high risk facilities. Recent experience shows private enterprise will not undertake their construction at this time solely on private sector funding.

The primary recommendations of the Task Force are:

1. The government should provide the strong initiatives and incentives necessary for a synfuel program that gives the country a synfuel option, significant against the national fuel requirement, no later than the year 2000 and, if possible, earlier.

2. The program should focus on transportation fuels, as these are products intimately and directly involved with national security from both a civilian and military perspective. For securing these products, the program should emphasize diversity of both process and resource.

3. R&D should be continued on fossil fuels with particular attention to the technical and financial problems involved in the scale-up of promising technical concepts to the pioneering plants.

4. The pioneering plants should be operated in a production, rather than experimental, mode for a period of years to allow the engineering profession to learn and to optimize the technology, including downstream processing and utilization.

5. The program should be planned to last to the turn of the century. This requires assignment of responsibility to some Federal energy entity for dealing with the problems of fostering the construction, monitoring the operation, and managing the improvement of the technologies in the first generation of plants over the fifteen to twenty years that will be required.

6. The industrial sector should be the builder and operator of the plants and the marketer of the products.

7. Present data indicate that synthetic fuel plants can be built to comply with current environmental impact standards. The Task Force recommends that clean air, clean water and hazardous waste disposal criteria also recognize the national priority need for synthetic fuel plants so that the evnironmental permitting process will be geared to work in concert with the plant construction and operating permits.

ANALYSIS HIGHLIGHTS

In summary, the logic to this point indicates to the Task Force that there is a highly probable need for commercial scale synthetic fuel production in the United States by about the year 2000, with genuine possibilities for its abrupt need earlier, and that the stakes at risk are high indeed.

Since, in the judgment of the Task Force it is impossible to predict today which specific technology or technologies will best fit the conditions of tomorrow, the Task Force supports, within the framework which will be developed below, the concept of resource and technology diversity being espoused by the SFC and mandated in the Energy Security Act of 1980.

The Task Force concluded that, against probable need for production quantities around the year 2000 and a possible need sooner, it is necessary to get started constructing pioneering commercial plants now.

If a program of pioneering plants is to start now, as this Task Force recommends, the basis for the decision to proceed is national security, defined in its broad sense to include not only supply of fuel to the military but also to include such closely related concerns as protection of the Nation's foreign policy options from pressures originating in threatened oil embargoes and protection of the dollar from the drain of excessive oil imports.

The first area in which leadership is needed is in the selection of the technologies chosen for research, development, or commercialization support. Those chosen should be those with the most direct link to the national security motivation.

A second area in which Government leadership is necessary is in its approach to the

funding and to the absorption of the abnormal risks inherent in a pioneering synfuel plant program.

While the Task Force feels that the fundamental motivations for the synfuel program are those earlier stated, it also notes that a diligently pursued program will contribute to the economic recovery of the United States. Valuable technical and operating capabilities in the energy industries now being lost will instead be put to work on a long range program vital to the long term health of the basic industries of the nation. While a secondary benefit, this is not negligible.

CONCLUSIONS

The Task Force Draws the following conclusions:

1. There is a highly probable need for commerical scale synthetic fuel production in the United States by about the year 2000, with genuine possibilities for its abrupt need earlier.

2. Synfuel technologies are today noncompetitive, except in unusual circumstances. Therefore, free market forces will not bring into existence the time scale needed.

3. To ignore the present predictions of declining U.S. hydrocarbon production in the hope that domestic oil will be found in quantities large enough to reduce our dependence on foreign oil would be risky and imprudent in the extreme.

4. All scenarios known to the Task Force for developing a nationally significant synfuel option by the latter years of the century require starting now on the authorization, design, construction, and, ultimately, operation of the first generation pioneering commercial plants.

5. The motivation for a synfuel program now is its contribution to the national security. This being the case, the program thrust should be to those fuels and products derived from crude oil which are essential to the civilian economy and to the military. Transportation fuels are the primary products meeting these criteria.

6. There are a variety of processes that produce military and civilian transportation quality fuels. The Task Force concludes that a reasonable diversity of these must receive support and be brought forward into pioneering plants.

7. The resource base for transportation fuels is suitably large. Coal and shale are its most important components, but tar sands have lesser, but still significant, potential.

8. The national synfuel program needs vigorous government leadership if the nation is not to be exposed to the hazard of being unable to respond to a cut-off of foreign oil. The reason for calling for government leadership is that the motivation for proceeding now is national security, not economics.

9. The key step at which government leadership is needed is in bridging the gap from research to demonstrated replicable commercial capability. This step requires the building of pioneering commercial plants. They are capital intensive, high risk facilities. Experience shows private enterprise will not undertake their construction at this time on private sector funding.

10. The call for government leadership and for the supply of initiatives is not to be confused with a call for government construction and operation. The Task Force believes the government has established contractual tools for the employing industry in design, construction, and operation and that it should use those tools aggressively.

11. Recognizing current economic conditions, legislative authorities adequate for the job that must be done should be given to the SFC or to an alternate government agency.

12. The proposed program, while directed to national security needs, nevertheless, offers significant positive contributions to the nation's problems of economic recovery and the long term economic health of its basic energy industries.

RECOMMENDATIONS

1. The government should provide the initiatives and support necessary for a synfuel program that gives the country a synfuel option, significant against the national fuel requirement, no later than the year 2000 and, if possible, earlier.

2. The program should focus on transportation fuels, for the military and for the civilian sectors. For securing these products, the program should emphasize diversity of both process and resource.

3. The government should undertake to absorb those high risk elements inherent to the first generation of pioneering plants that are beyond the control of industrial managements. These include, among others:

a. the need for product pricing that permits a profit to the operator which is reasonable in the light of the services and risks involved.

b. the vulnerability of pricing to the actions of foreign governments, some of whom may be or may become hostile.

c. the rate of inflation.

d. the time to get the final environmental permits.

4. R&D should be continued on fossil fuels with particular attention to the technical and financial problems involved in the scale-up of promising technical concepts to pioneering plants.

5. The pioneering plants should be operated in a production, rather than experimental mode, for a period of years to allow the engineering profession to learn and to optimize the technology.

6. The program should be planned to last to the turn of the century. This requires assignment of responsibility to some federal energy entity for dealing with the problems of fostering the construction, monitoring the operation, and forcing the improvement of the technologies in the first generation of plants over the roughly seventeen year period that will be required.

7. The industrial sector should be the builder and operator of the plants and the marketer of their products.

8. Clean air, clean water and hazardous waste disposal criteria should recognize the national priority need for synthetic fuel plants so that the environmental permitting process will be geared to work with plant construction and operating permits.●

ADDITIONAL FUNDS FOR ALZHEIMER'S DISEASE

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. BILIRAKIS. Mr. Speaker, I wish to commend the Committee on Energy and Commerce for including a new line authorization of $58.5 million for research on Alzheimer's disease. As a member of the Select Committee on Aging, I have a special interest in this area and am pleased to see the support that was given to the request of the Select Committee by other Members.

The establishing of an Interagency Task Force on Alzheimer's Disease and the support of research on the disease by the National Institute on Aging may help to provide a breakthrough on this disease which plagues our society. As many of you already know, the Select Committee on Aging has held a full committee hearing on Alzheimer's and will continue to research the problems connected with the disease by means of field hearings. Not only do these actions illustate the concerns of the select committee members, but also the request for additional funding by members of the committee focuses on the need for continued research.

I also want to mention that there are great efforts being made in the Tampa Bay area, at the University of South Florida Suncoast Gerontology Center, under the direction of Dr. Eric Pfeiffer. Although the center does not fall directly in my district, the training in geriatric care, the support groups which have been developed to meet family needs and the technical assistance spread throughout the bay area.

The additional funds authorized by the NIH bill will certainly allow for such worthy projects to continue. Hopefully, with the continued research, we will be able to find some clue to the cause of this dreaded disease and end the suffering of millions of Americans.●

INTERNATIONAL MAIL VIOLATIONS BY SOVIET UNION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. GILMAN. Mr. Speaker, we learned this week that the Soviets have turned down our Nation's latest proposal for curbing nuclear weapons.

I also note that many of my colleagues are concerned over the questions of how credible any Soviet agreement would be, if indeed both countries agreed somehow to a nuclear understanding.

The basis of our concern is the fact that many of the treaties we have signed with the Soviets are violated by the Soviets.

Recently the House Post Office and Civil Service Committee heard testimony on one of the most-often-broken treaties or agreements: The Universal Postal Union convention standards. The committee's Subcommittee on Postal Operations heard from 12 very credible witnesses, among them Mrs. Ruth Newman, the vice president of the Union of Councils for Soviet Jews.

Mrs. Newman delivered eloquent remarks relating to the wholesale forgery and fraud going on now in the international mails in the Soviet Union.

She touches upon tactics of the Soviets in interfering with international telecommunications as well.

Mr. Speaker, I am inserting her testimony at this point in the RECORD.

TESTIMONY BEFORE THE HOUSE POST OFFICE AND CIVIL SERVICES COMMISSION

(By Ruth Newman)

I speak on behalf of the Union of Councils for Soviet Jews, the oldest national Soviet Jewry organization, with affiliates in 34 states, and national headquarters here in Washington. In addition, the UCSJ has five international affiliates in England, France, Switzerland, Canada and Israel. Our 40,000 members are volunteers dedicated to the cause of freedom and dignity for Soviet Jews, though bettering their opportunities for emigration from the USSR and providing them with the moral and material support necessary to them in their struggle to live as Jews. In these frightening times of heightened Soviet anti-Semitism, our efforts on behalf of Soviet Jewry are more vital than ever before.

Before beginning my testimony, I would like to thank the Subcommittee on Postal Operations for inviting our participation in today's hearing.

The Soviet Union continues to violate international human rights and postal agreements flagrantly. They are signatories to the Universal Declaration of Human Rights, the Helsinki Accords and most importantly for purposes of this hearing the Universal Postal Union Constitution and Convention, yet they abrogate all of them. In all cases Soviet Jews are the victims of these policies, as are those brave Soviet citizens who hold dissenting views within their society.

The UCSJ has maintained person-to-person contact with Jews in the Soviet Union though its varied programs for more than fifteen years. Written communication often begins with simple friendly holiday greetings and develops into correspondences between friends. In my experience, there have been no completely uninterrupted correspondences. In recent times this practice of interruption and non-delivery of mail has grown ominously as authorities seek to further isolate Soviet Jews from their friends and relatives in the West.

With the cooperation of its affiliates across the United States, the UCSJ has provided literally hundreds of exhibits to this Committee demonstrating Soviet interference with registered mail to Soviet Jews. There is no way to gather all the proof, but surely the point is made in these exhibits.

American postal patrons routinely receive return receipts signed with an illegible scrawl, with the endorsements Delivered personally, Retour Parti, Retour Article 122 1 L'UPU 1979 or with no validation from the USSR. We are aware that legally postal clerks may sign return receipts, but the increasing frequency of this practice makes it difficult to justify as normal error margin the number of letters never received by the addressees after a clerk has signed the receipt. By employing this practice the Soviets are released from their obligation to indemnify the U.S. mailer even though the mail was not delivered. We have no desire to profit from sending registered mail and being indemnified for non-delivery, rather we seek to have that mail delivered to the addressees.

Mail is frequently returned to the United States marked "Inconnou". I provided several exhibits demonstrating this, including mail sent to a well-known woman refusenik whose address was verified for me by her friends in Moscow. She is still at the address shown on the envelopes, yet she does not receive her mail.

Soviet Jews want correspondence with the West. They try to let us know when that correspondence does not reach them in order to maintain that fragile link with their families and friends. I have with me return receipts bearing the addressees signatures and the messages: "Our letters are not getting through", "Dear friends, We keep on writing to you.", "We'll try to write from our vacations, this may help!?", "Dear Jeff, Thank you for your kind letter, We are writing to you." and "The letter has not been delivered. Please try again." (in reply to an inquiry). Obviously, some mail is reaching these people but their letters are not being allowed out of the USSR. They know there is interference with their mail because growing numbers of U.S. correspondents number their letters to Soviet Jews; that is, No. 1, No. 2, etc. When mail is interrupted it is then easy for the recipient to determine that some of their mail has been withheld.

A Leningrad refusenik told an American friend recently that when she went to the post office to purchase stamps a clerk showed her a sizable pile of return receipts which had been attached to her mail but never given to her to sign. Others tell of never receiving any mail. Some refuseniks ask visitors to inform their correspondents that they do reply to their letters, but they know these replies never leave the Soviet Union. There is a sufficient body of evidence to demonstrate that the Soviets maintain lists of their citizens who are never to receive mail, and whose mail is not to be sent out to the West.

Jewish cultural materials are not delivered to Soviet Jews. Religious articles are not admissible through the mails. Children's books, Hebrew-Russian dictionaries, etc. are either seized or returned to the senders. The seized items are the property of the senders, and the UCSJ believes they should be returned to the senders or that reimbursement should be made by the Soviet Union. Also, parcels containing gifts are frequently confiscated, contents are stolen or the parcels are returned with a fee for the return assessed on the sender. Many of the senders are poor elderly people or emigres working to build their lives in freedom; their parcels are sent at great personal sacrifice.

There are serious problems within our own United States Postal Service which I will not address now, as I understand other witnesses will develop them fully today.

As an ancillary, but significant, issue I would like to mention the growing difficulty in placing and completing telephone calls to the USSR. There is no longer direct dialing into the Soviet Union. Calls to Moscow must be booked exactly one week in advance and frequently are not completed. The number of circuits available for calls into the USSR was severely reduced last year.

Prisoners of Conscience in the gulag do not receive mail from their friends in the West excepting on rare occasions. They are not permitted to write many letters and obviously save those precious communications for their families. The Soviet penal code permits them to receive mail, but their return receipts are signed by someone else and only the Soviets know what happens to their mail.

The examples of Soviet abrogations of international agreements on human rights and specifically on postal matters are endless. Time does not permit me to develop the problem as it effects Soviet Jews more completely, I believe, however, that an examination of the hundreds of exhibits provided by the Union of Councils for Soviet Jews and its affiliates will provide the kind of material needed for purposes of this hearing.

On behalf of the Union of Councils for Soviet Jews, I would like to thank the Subcommittee on Postal Operations for inviting our participation in today's hearings. We are prepared to discuss our suggestions for dealing with the domestic and international postal problems raised here at your convenience.

To recapitulate the Union of Councils for soviet Jews recommendations regarding the roles of U.S. agencies in this issue:

(1) The USPS should be more vigorous in carrying out its contractual obligation to postal patrons who send registered mail to the Soviet Jews and others. When its legal means of response are exhausted, the Department of State should become actively involved, since the issue involves compliance with international agreements.

(2) Clearly written consumer-oriented guidelines should be prepared to enable postal patrons to follow the correct procedures for sending and following up on their registered mail. These USPS guidelines should be readily available in all post offices.

(3) Non-registered mail should be tallied, even unofficially, into the statistics on non-delivery of mail in the USSR. This would produce a more realistic appraisal of the issue and bring about a better response from our government.

(4) Postal clerks should receive in-depth training and re-training on international mail procedures.

International telephone communication has deteriorated dramatically. The Ministry of Posts and Telecommunications in Moscow is the responsible Soviet organization to which discussion can be directed on this matter, as well. Phones are disconnected, conversations are interrupted, messenger calls are not completed and operators are impolite to callers. On Yom Kippur weekend this year, callers trying to reach Odessa were told their calls could not be completed "because no Jews answer their telephones over the High Holidays". This is most ironic since the Soviets do not permit Jewish education for their citizens and religious observance is discouraged.

The problems are myriad and cannot be fully addressed in this setting. Hopefully today's hearings will provide the tools necessary for our government to take appropriate action.●

DELTA AIR LINES—THE QUIET AIRPORT NEIGHBOR

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. GINGRICH. Mr. Speaker, I want to bring to the attention of my colleagues an outstanding example of one corporation's response to the environmental concerns and problems affecting Georgians.

That corporation is Delta Air Lines.

Delta Air Lines has just completed refitting the engines on its last DC-8-61 airplane. That makes Delta's entire fleet comply with Federal airplane noise standards—well before the deadline set by the Federal Aviation Administration.

As the Congressman representing the thousands of people living near, or working at, the Atlanta Hartsfield International Airport—the home of Delta Air Lines—I praise Delta's commitment and enlightened attitude in supporting Federal airplane noise control standards.

Airplane noise is a problem that currently plagues 6 million Americans—including tens of thousands of people I represent. I have always been a strong supporter of noise control standards and noise control programs. Since first coming to Congress, I have worked hard to get Federal funds from the airport improvement program for the Atlanta Hartsfield International Airport. These funds go to programs to help the people suffering from airplane noise.

Delta, much to its credit, has spent a considerable amount of money to comply with Federal airplane noise standards. In fact, their commitment began in 1972 when the airline bought Boeing 727 airplanes with modified engines. These engines had some of the toughest noise control standards in the industry. Delta continued its tough stand to control airplane noise by actively supporting the Federal Aviation Administration's actions to regulate and set standards for airplane noise.

Delta's commitment to, and support for, Federal noise standards was based upon its recognition that airlines have an important responsibility to the communities it serves to do its part to bring relief to airport neighborhoods. As reflected in the statements of Delta's chairman and chief executive officer, Mr. David C. Garrett, Jr., during the congressional debate on this issue in 1979,

> These commitments have been made because of Delta's desire to be a good neighbor to the airport community and the long standing promise of the Federal Government to local airport operators and citizens to enforce this rule and effectuate noise reduction at the source. State and local governments and airport operators have placed great reliance upon airline industry compliance with the FAA's fleet noise rule and an abrogation of this commitment would force these authorities to impose a series of local uncoordinated operational restrictions to the detriment of our industry and the traveling public.

Delta's leadership within the industry and corporate citizenship deserves our praise and continued support as we work to provide relief for Americans from airplane noise.●

PROGRESS IS MADE ON BEHALF OF CHILDREN AND AND FAMILIES

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. PATTERSON. Mr. Speaker, in 1982, when the House of Representatives voted to establish a Select Committee on Children, Youth, and Families. It did so recognizing the radical and rapid changes in society which have affected the composition of the American family. At the beginning of this congressional session, the select committee embarked on its very difficult mission of assessing what the current trends are, and how we, as policymakers, might best direct our efforts toward improving the quality of life for our Nation's children and families.

As a member of the select committee, I have participated in work toward meeting the committee's objectives by examining the status of the American family, uncovering the difficulties which parents are currently encountering and proposing solutions on how to best meet the developmental needs of their children.

Everyday life for families and children today is far more complex than at any time in American history. Increased financial stress, brought on by long-term recession, unemployment and poverty, has resulted in severe problems for families. In the series of select committee hearings held this year, we have heard from health professionals, social and community leaders, parents and children throughout the country, each revealing separate, but related accounts of how recent socioeconomic changes have intensified the problems families are experiencing.

Through our regional hearings, our committee has learned that many communities around the country are engaging in concerted efforts to solve these problems. Where families are experiencing homelessness, inadeqate prenatal counseling and care, increasing drug and alcohol abuse, an upsurge in domestic violence, and rising incidents of teenage pregnancy; existing community networks are striving to provide aid. The most poignant fact which I have learned from our hearings is that social services and community-based organizations are stretched to the limit, and they cannot responsibly meet the demands now placed on them. New methods and additional resources must be found to help children and their parents cope in today's world.

I am very pleased that the House is considering a number of legislative proposals this week which will begin us on the course toward meeting these needs. In our efforts to amend Federal law to protect children, to increase funding authorization levels for community service programs, and to improve Federal guidelines for program effectiveness, I believe we have taken an important step toward achieving the goals of the select committee. This week, the House has demonstrated that it is willing to devise and to put into effect responsive public policy. I am greatly encouraged by our consideration of legislation which will greatly improve the well-being of our Nation's children.

H.R. 3635—CHILD PROTECTION ACT

The sexual exploitation of children through prostitution or pornography is a heinous crime. Unfortunate statistics report that the sexual abuse of children is increasing, yet no one is quite sure how many incidents actually do occur. Pedophiles who perpetuate the sexual exploitation of children do so often by enrapturing their victims through dependency, false pretense, and rationalization. Children become defenseless prey by their schemes and usually do not report abuses.

In 1977, Congress moved to stiffen penalties for persons engaged in commercial operations involving child pornography and prostitution. I supported the Protection of Children Against Sexual Exploitation Act in 1977.

This week, I supported amendments to the 1977 act to impose even more severe penalties against persons who are involved in child pornography or prostitution. Under the provisions of H.R. 3635, pedophiles who take advantage of children will be prosecuted, because evidence obtained through wiretapping, broadened obscenity rules, and an increase in the age of children protected from 16 to 18, will insure greater law enforcement. Children, for profit or perversion, must not be sexually exploited. I render my strong support for H.R. 3635 in an effort to prevent this tragic form of abuse.

H.R. 1904—CHILD ABUSE AMENDMENTS OF 1983

During the Education and Labor Committee's consideration of amendments to the 1977 Child Abuse Prevention and Treatment Act, much testimony supported the improvement of our Nation's ability to effectively curtail the upsurge in reported cases of domestic violence. Children often cannot find safe refuge in the midst of

family crisis and suffer repeated, brutal attacks to their physical and mental health. In recent years, the increased rate of domestic violence, including spouse abuse, wife battery and assaults against children, has caused great anguish and pain to the family and great harm to the strength and health of our society.

H.R. 1904 seeks to put an end to the silence which has for far too long hidden the grave extent of domestic violence. The committee's estimate that 1.5 million children are currently the victims of abuse and neglect is a frightening admission of the need for this bill's passage. I am pleased to have joined the gentleman from California, Chairman GEORGE MILLER, and other House colleagues in proposing the inclusion of a 3-year $65 million Federal grant to support community prevention and shelter programs to respond to family violence. In many areas throughout the country, we have found that emergency accommodations for women and children seeking immediate escape and shelter from violence have been woefully inadequate. This legislation will help to bridge that gap.

The National Center on Child Abuse and Neglect is reauthorized under this legislation to provide extended services to individuals and agencies to prevent child abuse. It will continue to coordinate training and counseling projects for police, health care professionals, social workers and parents involved in identifying and treating child abuse. In addition, it will provide technical assistance and information exchange resources vital to recognizing and reporting incidents of neglect. No single agency can eradicate the pernicious effects of sexual abuse all too commonly found in the home. The national center will, however, work in partnership with State and local organizations to educate, train, and treat the victims of sexual abuse.

H.R. 1904 also extends the original mandate of the 1974 act by improving adoption and foster care opportunities for children in need of a healthy home environment. Particularly in cases of children at risk due to physical, emotional or mental disability, H.R. 1904 will facilitate information exchange vital to child placement.

H.R. 4235—CHILD SUPPORT ENFORCEMENT AMENDMENTS

The startling and gruesome reports of domestic violence and child sexual exploitation have forced each and every Member of the House to search for causal relationships to explain why. As we explore the roots of these problems, we recognize the common element of financial stress among families. For single parents, who today comprise one out of every five households with children under 18, the demands of child rearing and employment bring on untenable burdens. Where economic opportunity for women continues to fall short of the financial obligations which women must meet to maintain a household and to care for their children, spousal support is crucial.

Unfortunately, in today's world 65 percent of divorced women with children receive little or no child support from their former spouses. Understandably, this fact forces many women from the work force to the public welfare system or leaves them without basic necessities while trying to juggle their roles as parent, employee, and sole provider.

I strongly support H.R. 4235, the Child Support Enforcement Amendments of 1983, because it provides single parents with greatly needed Federal help in reforming archaic and poorly functioning child support enforcement procedures. The bill requires States to enact laws to improve collection procedures for deliquent child support payments. This is accomplished through mandatory withholding of support from spousal income when payments are 1 month overdue. States are also permitted to offset State income tax returns for the amount of past-due support, place liens on property, inform consumer credit agencies, and allow either parent to trigger support payment through a public agency charged with child support recordkeeping.

As a long overdue means of enforcing court-ordered support, H.R. 4235 will protect even children whose parents do not reside in the same State. It further designates financing mechanisms for the administrative costs associated with child support collection efforts. Preliminary estimates reveal that effective enforcement will enable many families to become self-supporting, absent welfare dependency. In the long run, significant savings to the Federal budget will be possible. This will be achieved in concert with the improved livelihood of children living in single-parent households.

CHILD CARE INITIATIVES

Poverty for single-parent families will not be wholly dismissed through child support enforcement, but it is a necessary beginning. Expanded employment opportunities for our Nation's 5.3 million single mothers must also be developed. But, without accessible and affordable child care, most mothers will remain unable to work, or might be forced to leave latchkey children at home.

In total, over 7.4 million mothers with children under 6 years of age are members of today's labor force. The demand for child care services is steadily increasing in proportion to the number of working women. While many local communities have attempted to meet this need, alternatives need to be initiated.

Options for child care must be affordable, flexible and accessible. While some parents prefer community day centers to care for their children on a full-time basis, others may prefer more personalized care in the home of a State-registered provider. With fluctuating work schedules, part-time care in an area school or with a professional babysitter may be the most feasible solutions to other parents. No matter what the choice is for type of care, working parents should know that their children are being cared for in a safe and secure environment.

Employers who encourage child care programs have recognized that increased productivity, reduced absenteeism and improved employee morale are to their advantage. Safe children result in confident working parents, who are unlikely to change jobs quickly. Many employers who have participated in the organization, administration and construction of day care centers have reaped the advantages of tax breaks and positive public relations. Nonetheless, the limited availability of child care programs remains a problem, and many employers do not have the resources, the time or the funding to promote its development.

For this reason, I have introduced legislation to provide an added incentive for employers to help their employees locate suitable child care. The bill would provide a 50-percent credit to employers for contributions made on behalf of each employee dependent to a qualified day care plan.

The tax credit covers annual contributions up to $1,200 paid for a full-time plan or $600 for a part-time plan. A qualified dependent care plan can include various forms of day care, including onsite service, community center, in home or home provider care. It is not restricted to the type of care which an employer might provide; therefore, it expands the incentive for employers to offer day care plans to all employees with dependents.

This bill would also permit small business owners to use this tax incentive in cooperation with other area businesses to begin a day care center or to negotiate for a discount contract for employees at a designated facility. There are limitless ways that present child care needs can be met, and this legislation seeks to enhance these possibilities. The fact of the matter is that employers need a greater incentive to become more involved, and parents need employers to help in assuring that they can find an affordable child care situation.

This legislation must be viewed as a part of a greater policy framework to improve our current child care delivery system. A supportive Government, business and community partnership is the only way to assure the growing need for child care in the United

States will be adequately addressed. Incentives and innovation in this area must continue.

FUTURE GOALS

As the Select Committee on Children, Youth and Families continues its assessment of the status of the American family and how public policy might best be shaped to its benefit, I am inspired by the momentum gained by our achievements in this first session of the 98th Congress. In the coming year, I look forward to participating in endeavors which will complete the fabric of improvement we have made in the quality of life of our children and for future generations.●

MAN BEHIND THE BOY AWARD

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. RICHARDSON. Mr. Speaker, there are many unsung heroes in communities across this great Nation of ours. People who unselfishly give of their time, energy and of themselves for the benefit of others. Dave M. Thomas, Jr., of Farmington, N. Mex., is such a man. For the past 5 years, Mr. Thomas has been an active participant in the activities of the Farmington Boys Club.

Mr. Speaker, the Farmington Boys Club is a private nonprofit organization that serves 2,000 young men and women. The club's philosophy is to promote leadership and to provide direction to the youth of the community. For the past 21 years, the Boys Club has served the youth of the community well through its ongoing tutoring, education, recreation, and arts and crafts programs. The club gives the youth of the community a place to go after normal school hours.

Mr. Speaker, Mr. Thomas has served as a member of the board of directors of the Farmington Boys Club. He has sponsored a young American football league team and donated many personal hours and moneys to the club for the continued support of his community. This year, Mr. Thomas was honored with the Farmington Boys Club's most prestigious award, "Man Behind the Boy." I hope that my colleagues will join with me in recognizing the outstanding contributions Mr. Thomas has made to the youth of his community.●

LANDLORD TO START A PHONE NETWORK

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. BROYHILL. Mr. Speaker, the disastrous impact of House-passed legislation to continue the long-distance subsidy of local telephone rates is already being seen in the marketplace. Today, the AAA senior debt ratings of AT&T and its manufacturing subsidiary, Western Electric, have been placed on CreditWatch by Standard & Poors. The negative implications of this action reflect the adverse effect which S&P feels the Universal Telephone Service Preservation Act, passed by the House of Representatives on November 10, 1983, will have on AT&T and the Nation's telephone system.

During the debate on this legislation both in the Energy and Commerce Committee and on the House floor, I expressed strong opposition to the policy underlying this bill, which is to continue the anticompetitive practices of the past and to allow AT&T's long-distance rates to subsidize local telephone service. In an era of increasing competition in long-distance services, the requirement that AT&T continue to subsidize local rates severely handicaps AT&T's ability to compete and jeopardizes its future profitability. Although proponents of the legislation were unable to grasp this fact, it is obvious to S&P as evidenced by the action taken today.

By perpetuating the long-distance subsidy of local rates, the House bill also provides increased incentives for the development of private telephone networks which bypass local telephone companies. Such bypass is already occurring with existing technology and would be greatly speeded up if the House bill were to become law.

For example, an article in the New York Times on November 16, 1983, described a satellite communications network planned by a major New York office developer which will offer telephone equipment, long-distance service, and other communications services to tenants. If substantial numbers of tenants utilize this system, the New York Telephone Co. would face substantial loss of revenues.

The Congress is at a turning point in deciding whether this Nation's telecommunications network will move forward or backward. It is too late for the House to take remedial action. But I urge all Members of the Senate to pay close heed to the statement which Standard & Poors made today: Passage of the Universal Telephone Service Preservation Act would undermine the viability of AT&T and the entire telephone system of the United States.

The article follows:

AT&T, WESTERN ELECTRIC RATINGS PLACED ON CREDITWATCH BY S&P

NEW YORK.—The AAA senior debt ratings of American Telephone & Telegraph Co. and its manufacturing subsidiary, Western Electric Co., are placed on CreditWatch with negative implications in the wake of proposed federal legislation. The "Universal Telephone Service Preservation Act" was passed by the U.S. House of Representatives on November 10. If enacted in its current form, the bill would continue the system of local rate subsidy by long distance charges. This is contrary to the principles embodied in the Modified Final Judgement and the Federal Communications Commission's (FCC) access order, which are structural assumptions underlying S&P's current ratings. Under the present system, AT&T's long distance competitors pay only 55 percent of the subsidy borne by AT&T. In S&P's opinion, the proposed bill would institutionalize a competitive disadvantage for AT&T by creating additional costs and limiting long distance rate reductions the company might otherwise have offered to protect its market position. Such limitations on AT&T's ability to compete will likely result in an accelerated erosion of AT&T's long distance market share and jeopardize the profitability of communications operations that had been expected to support the AAA rating.

Western Electric's AAA rating has reflected its position as primary supplier to the Bell System. Following divestiture next January 1, that relationship will cease. Western Electric's business is decidedly cyclical. Also, its ability to succeed in competitive markets has not been demonstrated. Western Electric's rating is tied to AT&T's and would be lowered if AT&T's rating is downgraded.

While creditworthiness of AT&T and Western Electric is immediately vulnerable to the federal legislation, S&P is also concerned with the potential long-term negative impact on the regulated local telephone industry, including Bell operating companies. The bill would also grant state regulatory commissions sole authority to set depreciation rates and methods of capital recovery for local telephone companies, removing that authority from the FCC. This could lead to adversely low depreciation rates, reduced cash flow and retention of obsolete plant as state regulators strive to hold local telephone rates.

The short-term effects of the bill would be to keep local residential rates low by mandating continued subsidization through AT&T's long distance rates and the imposition of access fees on multi-line business customers. This would tend to maintain local company revenues and profits near term. However, subsidization can only result in large customers using readily available technology to bypass local telephone systems, depriving them of substantial revenues. Residential customers would thus be forced to bear a rising proportion of the costs of operating the local system, and rates would be forced much higher than under the FCC's access charge plan. In that event, maintenance of superior service and strong credit quality by local exchange companies would be open to serious question.

S&P will monitor the evolution of telecommunications legislation in Congress and will assess the impact of any bill enacted on all regulated telecommunications carriers.

For information please contact Jack Hardy, VP, (212) 248-2563 or Robert Waldman, (212) 248-4896.

[From the New York Times, Wednesday, Nov. 16, 1983]

LANDLORD TO START A PHONE NETWORK

(By Andrew Pollack)

Olympia & York, the largest office developer in North America and a major landlord in New York, said yesterday that it would tie together its buildings with a satellite communications network and would offer telephone equipment, long-distance service and other communications services to its tenants.

The private network for Olympia & York buildings would apparently be the largest example to date of a landlord's providing communications services for tenants. Some landlords are beginning to say that, in the electronics age, providing communications services to a building's tenants is as important as providing airconditioning.

The development could deal a blow to the New York Telephone Company, which faces a potentially huge loss of revenues if substantial numbers of Olympia & York tenants use the new network instead of phone company facilities for such things as phone calls, teleconferencing and transmission of data from computer to computer.

Such "bypassing" of the telephone company facilities could cause rates to rise for remaining customers. It has become an increasing concern of telephone company officials and of state and Federal regulators.

Olympia & York; based in Toronto, is the second-largest landlord for office space in New York, after Rockefeller Center. It owns 11 large office buildings in Manhattan, housing many leading corporations, and has several more buildings under construction. Those buildings, plus others in eight other cities, will be tied into the new network, which is called Olymplanet.

The real estate company said it had formed a joint venture to offer communications with United Telecommunications, the nation's third-largest telephone company after the American Telephone and Telegraph Company and the GTE Corporation. United Telecom, based in Westwood, Kans., will have the majority ownership in the venture, which intends to invest $100 million in the next several years. United Telecom's subsidiary, Isacomm, will offer satellite services to the venture.

Office park landlords are beginning to provide communications facilities as a way of luring new tenants and increasing their own profits. By aggregating the buying power of many smaller tenants, landlords hope to offer a savings to tenants on communications costs and to offer services that individual tenants cannot afford on their own.

TELECONFERENCING PLANNED

Olympia & York, for instance, intends to offer video teleconferencing, allowing tenants to have televised meetings with people in other cities. Such teleconferencing systems are too expensive for small companies, but an entire office building could afford such a system if all the tenants shared the costs. A company in an Olympia & York building in New York could thus have a televised meeting with its branch office in an Olympia & York building in Los Angeles.

Olympia & York also plans to offer data transmission between its buildings as well as discount long-distance phone service. It will also let tenants share the cost of a switchboard that offers such features as automatic forwarding of unanswered calls to another number. Tenants will not be required to take any of the services.

Arthur L. Harper, assistant vice president for service costs at New York Telephone, said Olymplanet was the largest and most immediate example of the threat that the local telephone company will be bypassed by big customers who opt to build their own facilities.

New York Telephone is especially vulnerable to having the cream of its business skimmed away because of the high concentration of big communications users in a small area of Manhattan.●

GENERAL REVENUE SHARING REAUTHORIZATION

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. GEJDENSON. Mr. Speaker, I rise today, first of all, to express my strong support for the reauthorization of the general revenue sharing program.

I am, however, deeply disappointed that the conference report on general revenue sharing reauthorization did not increase the funding level for the program over current levels. The House-passed resolution assumed an increase in general revenue sharing of $450 million per year. I would have preferred at that time to have seen an even larger increase, but was pleased that the program, which has had no inflation adjustment since 1976, was at least going to be increased 10 percent.

It does not seem fair, particularly since State and local governments have been among the hardest hit victims of the recent recession, for Congress to deny this minimal increase to this program. I am very sorry that Congress has missed this important opportunity to offer support to our States and localities during their worst financial crisis since the Great Depression.●

LEE SELLERS TO A NEW CAREER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. ANDERSON. Mr. Speaker, there are some men who never want to quit—and Lee Sellers, the assistant general manager of the Port of Long Beach in my congressional district, is one such individual. He just keeps going on and on.

In 1970, Lee completed a 30-year transportation-oriented career in the U.S. Army, retiring with the rank of colonel. He immediately joined the Long Beach Harbor Department as assistant director of port operations, and so quickly adapted to his civilian role that the following year he was named director of port operations. Five years later became the director of commerce, and in early 1977 he was appointed by the Long Beach Board of Harbor Commissioners to the position of assistant general manager. He has served in that capacity for more than 6 years.

On December 1, Lee will be honored by a retirement luncheon given by his many friends and coworkers to recognize him for his extremely significant accomplishments in advancing the interests of the Port of Long Beach.

While director of port operations, he conducted a study of all the multifaceted aspects of the port's operations, and as a result of this study he was able to implement numerous improvements speeding the flow of cargo across the docks and reducing costs to both the port and to the companies using its facilities. He continued his innovative approach to the port's operations as director of commerce, and during his tenure in that position the port saw a very significant increase in business attracted to it.

It was as assistant general manager that Lee Sellers made his greatest contribution to the port. As the second in command, due both to his previous experience and to his continual study of the port, he was able to effectively perform the duties of general manager during the periods of absence of that individual. And these were frequent, for in connection with the port's expansion and search for new business, both he and the port general manager traveled extensively abroad and in this country, representing the Port of Long Beach on numerous business trips and at meetings of port authorities from throughout the world.

Lee Sellers played a key role in the reorganization of the arrangements for operating RMS *Queen Mary*, now a major tourist attraction in southern California, and in negotiations which resulted in saving the Howard Hughes flying boat, the *Spruce Goose*, from destruction. This magnificent flying machine is currently co-located with the *Queen Mary*, with the two attractions complementing each other and bringing more tourists into Long Beach.

Although I could continue reciting Lee Sellers accomplishments with the Port of Long Beach, I would like to turn to his participation in the community and especially the numerous maritime organizations, including Long Beach-Los Angeles Propeller Club; the Southern California Foreign Trade Association; the American Association of Port Authorities; the National Defense Transportation Association; and the Military Airlift Committee. He has given of his time unstintingly toward furtherance to the

aims of these organizations, as he has also in the case of the Long Beach Rotary Club, the Long Beach Scottish Rite, and as an active member of the Virginia Country Club.

Lee Sellers has not yet officially announced what he will be doing following his retirement; but, Mr. Speaker, I have learned on good authority that he plans to start a third career, perhaps initially not as active as the two he has already completed. But, I am sure that when he gets into it he will soon be the driving dynamo we know him to be at the port. My wife Lee joins me in wishing Lee, and his wife Ruth all the best in the years ahead. And, we wish to express our sincerest thanks for the many contributions he has made to the port and to his community.●

H.R. 4461, AMERICAN COUNCIL FOR BETTER BROADCASTS

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. KASTENMEIER. Mr. Speaker, I am pleased to introduce legislation to provide a congressional charter for the American Council for Better Broadcasts, a 30-year old national nonprofit organization dedicated to the support of excellence in telemedia programing by educational means. It seeks to develop an actively participating public through the teaching of critical viewing skills and positive interaction with the industry.

ACBB's roots date from the early days of radio when a Wisconsin group recognized the importance of educating the consumer to become media literate. It became a national organization in 1953, and has kept pace with the development of new technology into the satellite age.

I salute the fine work that ACBB does, and the important role it plays in insuring that the electronic media operate to serve the public interest. Granting a congressional charter to the American Council for Better Broadcasts would be an appropriate recognition of its significant contribution.●

TAX REFORM ACT OF 1983

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. KEMP. Mr. Speaker, I rise in strong opposition to the rule providing for consideration of H.R. 4170, the Tax Reform Act of 1983.

We are nearing our adjournment target, and, hopefully, in a few days we will be returning to our districts to spend the next several months. We will leave here with the knowledge that this great country is in the middle of a powerful recovery without inflation. Over 2.8 million Americans have gone back to work since January. The GNP growth rate for the last 10 months is stronger than in any recovery in over 20 years. Our factories are working harder now than at any time in more than 2 years. Consumer and business confidence in the strength and durability of this recovery has never been stronger. It is not enough but it is a beginning and we must not jeopardize growth.

That is why I find it incomprehensible that this House would consider as one of its last acts, a bill that could impose massive tax increases on the already overtaxed working men and women in America. I can think of no quicker way to bring this recovery to a halt.

One of the amendments made in order by this rule is a so-called tax freeze proposal. It would essentially delay scheduled tax reductions designed to benefit small businesses and would continue the bias in our Tax Code against saving and investment. We are told that these are not tax increases, but tax freezes. Try to explain the difference to a small business attempting to make future investment and hiring plans. Try to explain the difference to working Americans who are already discouraged from saving by the tax system. It is time this Congress stop making promises to the American people and then turning around 1 year later and breaking them.

Another proposed amendment promises to pile another $31.7 billion in tax increases onto the $154 billion in tax hikes already enacted in the last 14 months. The amendment would adversely affect the depreciation schedules vital for business investment, impose minimum taxes on corporations, and impose a 10 percent surcharge on items the amendment's sponsors consider excessively luxurious.

Then, we have the amendment which proves that what Congress giveth, it feels no qualms about taking away. This amendment would cap the third year of the tax cut. Mr. Speaker, this amendment is unfair to millions of Americans. It is not just a one-shot deal; it will permanently distort the tax rate schedules for years to come.

If you are a single person making about $31,000 a year, this amendment would force you from a 28-percent marginal tax rate bracket to the 37 percent marginal tax rate. That is a 30-percent increase in the marginal tax rate on the next dollar of income you earn over $31,000.

This amendment also reimposes the marriage penalty on every married woman who is working to help maintain her family's standard of living. Do all of you who claim to support women's rights want to explain to the married women in your district why you believe they should pay a heavier tax burden?

If you want to present a real turkey to the American people, if you want to finish this session under the cloud of massive tax increases, if you want to spend the next several months explaining to your constituents why you don't believe they are paying enough taxes, then vote "yes" on the rule. But, if you believe the tax burden on working Americans is already too heavy, if you want the American people to continue to enjoy the fruits of this recovery, if you want to contribute to the strength and durability of this recovery, then you will join me in voting down this rule.●

THE INSIGHTS OF A CORPORATE LEADER

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. RICHARDSON. Mr. Speaker, I would like to share with my colleagues the remarks made recently by Robert O. Anderson, the distinguished chairman of the board of the Atlantic Richfield Co. to members of the National Press Club in Washington, D.C. Chairman Anderson is a fellow New Mexican. I have always admired his frank and open style and his deep commitment and dedication to insuring the economic well-being of this Nation. His insights about the world we live in provide us with a refreshing look at the challenges that lie ahead. I hope my colleagues will take the time to read this thoughtful piece. Unfortunately, the beginning of the audio tape was hazy and thus the transcript of Chairman Anderson's remarks picks up a minute or two into the speech; however, the gist of his comments are included.

The transcript follows:

I have elected to talk today . . . tremendous change in this city indicative of what's going on in the world, particularly I want to talk about the world that almost happened. In 1977, President Carter issued a . . . study on energy . . . that . . . April of that year, three or four months after he took office, and the basic premises in that report were not disputed. The basic premise was that we're in an energy-short world, that energy would be in critical supply throughout the indefinite future, that this country by 1983 would . . . importing 12 millions barrels a day of oil. There is a tendency on foreign oil . . . indefinitely.

If you took those projections, everyone did, and put them in a computer, it didn't matter what the model computer . . . you came out with some rather startling ideas. One, the world in 1983 would be a beehive of economic activity, that we would be

spending of our time scurrying around the world looking for additional coal, iron, copper, natural resources . . . would be high throughout the developed world. The developing world would find itself in a rapidly expanding mode as it participated in this enormous surge of growth. No one questioned it, more or less assumed it, I guess, that once the world economy headed in a certain direction, it would sort of automatically progress along those lines.

Six years later, we live in a totally different world than the world we were all counting was going to happen. The difference is enough that we now . . . but it is different enough to raise some questions that we of the free world will have to answer. The last four years we have seen a decline in worldwide economic activity. We are in troubled times, especially today a little more than a few days ago, a troubled world. And it does not seem at the moment to be much of an end to the present tunnel.

I relate a great deal to our economic policies, and particularly the direction of our monetary policy. And in saying that I would like to point out that I have been in favor of most of the monetary move in the last 20 years, as chairman of the 11th District Federal Reserve Bank for five years, great admirer of the system and great admirer of our country. But four years ago we elected to shift our monetary policy to a restrictive one. This is the greatest growth industry in the world the city of Washington, D.C. I sometimes think that it is the ultimate company town . . . It spends money. And it's reluctant to reduce that. Elected politicians know very well that the "pinch penny" doesn't do as well in a general election as the man with a little more largesse. I have yet to meet a politician running for office that does not have some little plan that everyone's going to like. It involves spending a little bit of money here and there. Spending money is maybe the disease of our democratic society.

The Federal Reserve, historically, targetted as money goes, on interest rates. We looked at interest rates and decided, you know, the economy needed a little encouragement, reduced the price of money by . . . the markets, and if it needed a little tightening up you went into the market and sold bonds and soaked money in the banks. Great care was given over those years to adopt a monetary policy that would fit both the national and our international needs. And I know, because I was in the system, at least as a public service chairman, and very careless trying to balance the dual role of the dollar as a foreign reserve currency and also as our domestic reserve currency.

In 1971 as all of you know we abandoned the so-called gold exchange standard, not a true gold standard but it was a more or less theoretical one, but still linked to the price of gold. In 1973, we discovered that having abandoned gold, we were having difficulties maintaining fixed parity with other major currencies, so we decided to float the dollar. That simply meant we offered the dollar for sale to anyone who wanted to buy it with other currencies at today's price, whatever price it was. Simply a commodity.

During the seventies the price of the dollar went down rather drastically, and by 1977 and 1978, the dollar, many of you who might happened to travel abroad at that time would know, the dollar became sort of a second choice currency, particularly.

Now, starting in 1979, the Federal Reserve decided that Congress was probably not going to balance the budget, an observation that's probably more true today than it was four years ago. And the only other alternative to trying to limit or restrict inflation was the expediency of restricting the money supply. Now, this is a fairly bitter medicine. I happen to think it is a useful economic practice in the short run, but I have very grave reservations about its use over a period of three or four years. As we restricted the dollar . . . literally to dry up the amount of money in circulation, two things happened: One, price of money went up. Less of it. People who wanted it ended up the foremost bidder, the most powerful bidder in the market being the federal government who, unlike you or I, does not have a banker who tells you how much they can borrow. They pay a high interest rate; they can turn around and borrow more money to pay the interest. Interest rates went up to 20 percent in fairly short order. And they have stayed at very high levels now for the past four years.

The side effect, when the dollar became a desirable currency, people from all over the world wanted to buy dollars and they brought their own currency here from everywhere, literally, and bought dollars, bought high-yielding bonds, debentures. The American money market was the best place to put money regardless where you lived in the world. So we attracted millions of dollars from countries all over the world, people whose public sector was short of money, money floated.

It helped pay our bills, it helped balance our budget, as long as we kept high interest rates, the dollar remained very valuable. And . . . came out of it. Now, the side effects of this . . . extremely undesirable. Most of the countries of the world when they pay their bills for foreign imports from outside the country have to buy dollars to pay their bills. Most of the world's commerce is done in dollars. The French government, when it pays for its crude oil, has to buy dollars and then turn around to the supplier and pay U.S. currency. In their case, that means the price of oil in France has doubled in the last three years, not because the price at the Persian Gulf has changed, but simply it takes twice as many francs to buy a barrel of oil today as it did three years ago, because it takes that many more francs to buy a dollar.

Conversely, those abroad who borrowed from this country during the seventies when the dollar was cheap, interest rates were relatively low, are suddenly confronted with the problem to pay off those dollars. They frequently have to pay twice as much in terms of their own currency. The carrying cost interest rates are probably doubled. An extreme case like Mexico where the currency has been devalued about six or seven times, the annual carrying cost today in terms of their internal currency is more than the total amount they borrowed during the seventies.

Now, the impact on the Third World by our monetary policy has been simply catastrophic. We look out and we see countries in financial duress. Latin America, we see it in Africa, the Middle East, Iron Curtain countries, not to mention our country which isn't doing all that well in terms of what we get. We have created an environment . . . dollar that is extremely difficult for the world.

In my opinion, it accounts for a great deal of the decline in economic activity. Today, the iron ranges of Northern Wisconsin, Minnesota, ... Range are shut in. There's hardly a copper mine operating in the United States. Our coal industry is declining, energy. Automobiles, simply go to Detroit to find out what happened to that. Our steel industry is shutting in rather than building. New plants throughout the United States either shut down or never started up. The automobiles that were going to be built have never been built. The majority of drilling rigs in this country are stacked and idle. The large part of the world's shipping fleet is at anchor . . . rusting. The shipyards today are breaking up many more ships than they were building a few years ago. A principal activity today is junk ships.

We are a world that is in, relatively speaking, economic decline phase. And I'm sorry I won't be here a week from Friday to hear Mr. Laffler talk about the booming eighties because I can guarantee you I am ready for it. And the rest of the world out there is somewhat.

Our foreign relations, generally speaking, have never been probably as fragile as they are today. And I think a great deal of it is due to the economic situation the world is confronted with. Unemployment is certainly unacceptable in this country. Organized labor is, labor community is more concerned than any time I have known them over the last four decades. We have exported jobs. When we all go on productivity binges to try to get our productivity up, it simply means we're trying to figure out how to get by with fewer people, which means a few more unemployed.

U.S. Steel buying ingot from abroad . . . from a nationalized English steel industry indicative. Our quoted in dollars and converted into any other currency because the strength of the dollar makes us not competitive. A Japanese car that two years ago cost $10,000, two million yen, that same car today costs about $8,000. Still two million yen, the full price in Japan. They're not dumping. We simply are pricing ourselves out of the market.

Now, the Federal Reserve, run by economists, we live in a world in the last 20 years, 10 years back, more, maybe more so, had really become very, very strongly affected by the economic community. They have the computers, they have the facts. They have orchestrated the recession that we have been through in the last four years. It was, to my knowledge, the only planned recession that we've ever had. It was planned to help eliminate inflation. It worked very well. But unfortunately, it's eliminated a few other things along with it.

What worries me today is the economic impresarios and concertmasters who try to orchestrate our recovery. They're discovering that they don't have the same orchestra out there that they had when they started the overture. That brass section, that was the steel industry; it's gone. The heavy woodwinds, the automobile industry, they're gone. They're down to a string quartet. And maybe heavy on the violins, but we're sort of lacking in some other departments.

Now, from what one reads, and I do read your papers, I gather that they're quite pleased with everything, and I would like to say from someone who comes from out there in the boondocks that the music that may play well in Washington, D.C., cannot even be heard out where I live. We still are people, small business people, . . . people, that are struggling for their existence. I read an article a week or two ago on the front page of the Washington Post, I think it was the front page, about a reporter who had left this great city and ventured out three or four hundred miles and had inter-

viewed some farmer and had been amazed at the conditions he found out there. Now, it's interesting that somebody has to go out three or four hundred miles to find that out, because those . . . have been there for a good many years.

But, in closing, I would like to make an observation that bothers me. One, as I said earlier, I am very concerned about the direction of our economic policy, and particularly the economists who are invaluable in decision making; they're not sure they should not be the decision makers themselves.

The other is the growing and continual isolation of Washington from the rest of this country. This is an enormous city. People come here. They're elected from all over the United States. The high majority of them never go back. They stay here. It's a fascinating city. Forty years ago, our New Mexico congressman, we had one, slept in his office to save a hotel bill. He had his uncle working for him, and some cousin as a secretary. That was his whole staff. He went home in June. He knew a hell of a lot about what was going on at home. And he came back here and he told his colleagues what was happening down there where he lived.

Today, we have really developed very high powered and professional breed of politicians. They're more Washingtonian than anything else. We send some nice clean-cut country boys up here and they come back with pinstriped suits, Kennedy-type haircuts. And you can hardly recognize them. If they are unlucky enough to lose public office, they more or less decide to stay here. They've sort of got their roots down. This isn't good for the country.

Isolation of this community is something that very genuinely worries me. There are a lot of people out there, and they rely on you. And you don't have to go too far to find it. An old cowboy friend of mine the other day said, you know, he said, I've got a great idea. He said, I'm going to advocate we trade Washington, D.C., for the Falkland Islands. Then we're going to give the Falklands to Argentina. He said, hell, everybody will be ahead.

At any rate, we do need better communication. We need a realization that what we do in this country absolutely * * * there's no way you can have domestic policy of any magnitude and don't have worldwide.

We have a tremendous responsibility to the fortune of the country * * * complicated way to have to live * * * fairly simple the facts of life.

And with that, it's been a pleasure here. I * * * the press over a good many years, sometimes more successfully than others, lived in an industry which caught a fair amount of flack, some deserved, some not. It's has been an exciting industry and it's always exciting to come down here. I won't say that mostly you have trouble when you come to Washington. You're a supplicant, but it's an education every time I walk through this great city. Thank you.●

DEVELOPMENTS IN CENTRAL AMERICA

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. BONIOR of Michigan. Mr. Speaker, I would like to call my colleagues' attention to some disturbing recent developments in Central America. At an October 1 meeting in Guatemala, which the head of the U.S. Southern Command attended as an observor, the military chiefs of Honduras, Guatemala, and El Salvador announced the revival of the long dormant Central American Defense Council (CONDECA).

According to a front page article in the New York Times of November 11, these Central American military leaders, joined by the military chief of Panama, held a secret meeting in Tegucigalpa on October 22 and 23 to discuss joint military action against Nicaragua. The group recommended a study of possible "legal instruments" which may "permit the security and Armed Forces of Panama and other Central American countries to participate in the action for the pacification of Nicaragua." It also called for the United States to provide a range of military support to the alliance, including "direct participation of the United States with all its resources . . . in cases of extreme crisis."

These developments are disturbing not only because of the possibility that they might pave the way for direct U.S. military intervention in the region, but also because the revival of the alliance itself threatens the future of democracy among our allies in Central America. This was made clear by the last week's events in Panama. On Friday, the Vice President of Panama Jorge Illueca, who is also President of the U.N. General Assembly, spoke to the Panamanian Parliament. He questioned the legality of Panama's participation in CONDECA and renounced any intention of his country to act militarily against Nicaragua.

I am inserting for the RECORD, excerpts from his remarks as reported by the Panamanian Domestic News Service and as printed in the U.S. Government's Foreign Broadcast Information Service (FBIS Daily Report 11/16/83).

Vice President Illueca spoke at great personal risk. Yesterday's Washington Post reports that his remarks so angered his country's National Guard that he was removed from his post as Vice President. I would also like to call this article to my colleagues because I believe it clearly indicates the difficulties many political leaders have encountered trying to protect such basic liberties as freedom of speech in the face of the growing military emphasis in the region.

The remarks referred to follow:

VICE PRESIDENT ADDRESSES NATIONAL ASSEMBLY

The problem we are facing is the democratic reconstruction of our national life. We must see that there is an established link between the Panamanian national struggle and the Panamanian position abroad. They cannot be separated. For this reason, when we read today in THE NEW YORK TIMES that a Latin American bloc is studying an action in Nicaragua, we saw that a falsehood was stated. It is said there that Panama is a member of an organization called CONDECA, the Central American Defense Council, and that the military leaders of Guatemala, Honduras, El Salvador, and Panama met to make a decision on an action in Nicaragua. This is completely false. It has been denied by General Noriega and Chunin Fabrega, our representative in Washington. They've stressed that Panama is not a CONDECA member.

Let it be clear: We are not CONDECA members. This newspaper stated that a CONDECA treaty was signed in 1974. Our response in clear: No public treaty is valid unless approved by the organization constitutionally established to do this, which is the National Assembly of Corregimiento Representatives. I am a witness to this because I have been foreign minister, and I know that there is no document at the Foreign Ministry which says that Panama is a member of an agreement that is repulsive to the international public, because it is clearly stated that the architect of that agreement was Anastasion Somoza, who is not favorably remembered. It is also said that the architect of this agreement is the Southern Command located in Panamanian territory. However, let the international press be very clear about one thing: Reports are issued every day saying that troops are sent from Panama to El Salvador, planes are sent from Panama to El Salvador, and arrangements are being made to invade Nicaragua. Gentlemen, our response is: When you say Panama, you are using the word incorrectly. You are referring to a foreign military base named Southern Command. But let it be clear: Our dignity demands that we be respected.

We also have a communique issued by Salvadoran organizations noting that CONDECA is threatening to invade El Salvador and Nicaragua. Well, we are not involved in that game. We are not involved in CONDECA games against Nicaragua. We demand respect for national honor.

I ask you—because I don't want to think that I am a man from a different dimension—do you want Nicaragua to be invaded? Tell me yes or no. [audience shouts: no]

But I'd like to hear you in a more decided manner. Are we against intervention? [shouts from audience] Do we favor the right of the people's self-determination?

Well, thank you, I will continue now. [laughter, followed by applause and chanting of slogans] I want to ask the honorable representatives and my compatriots to forgive me for having drifted from the text. I am going to conclude with these thoughts, which I hope are shared by all Panamanians.

Nations, as well as individuals, live up to a reputation. Panama—with the participation and support of all its citizens, putting aside any differences that may exist regarding the approach to the solution of internal problems—must maintain its position of independence, sovereignty, and intransigent nationality so that it can continue to be what it already is: an international instrument for dialogue, an effective intermediary between peoples and governments, a valid interlocutor with every ideology and, above all, an active instrument of progress and the unity of peoples who share the same language, culture, and traditions.

Panamanians must not allow the country's main destiny to be diverted to interior levels by the old demons of political diversion, private interests, and indifference

toward ethical values, because we would then be returning to an ominous past.

[From the Washington Post, Nov. 17, 1983]

AFTER REMARKS ON NICARAGUA—U.N. ASSEMBLY CHIEF LOSES PANAMA POST

(By Indalecio Rodriguez)

PANAMA CITY, Nov. 16—Jorge Illueca, the outspoken president of the U.N. General Assembly, has been fired as vice president of Panama after angering the country's powerful National Guard.

Presidential chief of staff Mario de Diego, emerging from a Cabinet meeting yesterday, told reporters Illueca had been replaced by former foreign minister Carlos Ozores.

Ozores said Illueca would retain his General Assembly post and now would be able "to carry out his functions in the United Nations without interruptions."

Illueca was named to the vice presidency in July 1982 when president Aristides Royo resigned and was replaced by Ricardo de la Espriella, who had been vice president. His term was to have ended in late 1984, as does that at the United Nations.

Illueca had angered the National Guard, Panama's strongest public institution, through a speech to the General Assembly Friday in which he denied published reports that Panama was participating in the Central American Defense Council, known as Condeca.

The New York Times reported last week that Panama was participating in plans by Condeca—which groups the rightist armies of Guatemala, El Salvador and Honduras—to isolate and possibly invade leftist-governed Nicaragua.

Illueca, 65, called Condeca an "agreement that is repulsive to the international conscience, because its principal architect was [the late Nicaraguan president] Anastasio Somoza, of unpleasant memory, and its father was the Southern Command," referring to the U.S. Southern Command, based in the Panama. "We are not in Condeca playing the game against Nicaragua."

Somoza and other regional military leaders established the council in 1963 as a force against communism. Nicaragua charges that recent Condeca talks, from which it has been excluded, have been dedicated to plans to invade Nicaragua.

Sunday, in a televised National Guard news program, an announcer said Illueca was "not authorized" to make the comments. An editorial Monday in the La Republica newspaper, which is believed to reflect the views of the National Guard, said Illueca's comments, made in an addition to his planned speech, "were made without authorization or consultation and could cause permanent and irreparable damage to our country."●

LETTER FROM VLADIMIR LIFSHITZ

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. FRANK. Mr. Speaker, 2 weeks ago I spoke out on behalf of Mr. Vladimir Lifshitz, a Soviet citizen who began a hunger strike to protest official harassment and the denial of permission to emigrate to Israel. His hunger strike goes on, a desperate attempt by a lone individual to attract some measure of recognition from the massive apparatus of the Soviet state. I believe Mr. Lifshitz's case is best expressed in the following piognant letter he wrote to Secretary Andropov:

MARCH 1983.

THE HONORABLE MR. ANDROPOV: I am writing this letter because my family and I are in a desperate situation and all other possible sources of getting help or protection under the law have been exhausted. We are deprived of our basic human rights which are considered to be the main purpose of struggle by all communists throughout the world.

For more than a year, we are trying to find out the reason for refusal to our request to leave the Soviet Union for family reunification in Israel. The only answer given to us was that our intention "contradicts the interest of the State." This does not explain the actual motives of the decision made by Leningrad authorities and, therefore, we do not have the right to be protected by Soviet law.

As a result of our application for emigration, both my wife and I lost our jobs and were not able to find new ones in accordance with our professions and qualifications, even though professionals in our fields are in great demand.

Being deprived of the basic right guaranteed by the Soviet Constitution—the right to work—I am being forced to obtain any unskilled job I can because otherwise I will be the subject of prosecution as a parasite. I registered as a freelance translator and tutor, but was not allowed to put advertisements on the bulletin board.

We are deprived of any rights of protection by State institutions. Our appeals to the Procurator's office, to the Minister of Internal Affairs, and even to the late Mr. Brezhnev, were left without an answer.

I am a Jew and I am deprived of the right to study Jewish history, language or culture. Any attempt at such studies is declared as an action against the law, as Zionist propaganda and is prosecuted by the Leningrad office of Internal Affairs.

I am asking for your help with the following:

(1) To obtain permission for our family to emigrate to Israel where we could reunite with the elderly sister of my mother-in-law and other relatives.

(2) If there are any meaningful and lawful reasons for withholding such permission, to let me know them, and in that case to let me and other refuseniks realize the right to obtain work in our professions and the right for national development—rights guaranteed by the Soviet Constitution to all Soviet citizens.

Finally, Mr. Speaker, I want to correct a mistake in my remarks of 2 weeks ago. When Mr. Lifshitz's plight was called to my attention 2 weeks ago by a cousin of his in the United States, I inferred incorrectly that she was seeking to have him join her in the United States. In fact, Mr. Lifshitz intends to emigrate to Israel where he can be reunited with his wife's aunt. In any event the important point is the Soviet Union's flagrant violation of its commitment under the Helsinki Final Act to expedite the reunification of families.●

THE RAOUL WALLENBERG NEW LEADERSHIP SOCIETY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. DOWNEY of New York. Mr. Speaker, I would like to share with my colleagues news of an important new organization—The Raoul Wallenberg New Leadership Society. The Wallenberg Society has been established in honor of Raoul Wallenberg, the Christian Swedish national, who saved more than 30,000 Hungarian Jews from German concentration camps during World War II. Wallenberg is believed to be a prisoner in the Soviet Union today.

According to Mr. Arthur Sanders, chairman of the society, the group's goals are "to preserve the memory of victims of Nazi persecution and to destroy the foundations for similar tides of barbarism." The society hopes to use educational and social-action programs to ignite a compelling desire to perpetuate the fundamental principles of dignity and mutual respect that even the Nazis, in all their inhumanity, could not extinguish. The group has been formed to address what many have seen as a surprising lack of awareness of high school students of the facts about the destruction of European Jewry. I believe the organization's declaration of purpose will underline their goals:

To preserve the memory of the victims of Nazi persecution, and to destroy the foundations for similar tides of barbarism.

We chose the honor ourselves with the name of Raoul Wallenberg because of the ideals which his life epitomizes.

A Swedish national, a Christian, Wallenberg could have lived through the days of the war in complacency and comfort.

Instead, he chose to jeopardize his life—time and time again—to save more than 30,000 Hungarian Jews.

We seek to stimulate young men and women, whose understanding of the Holocaust is, for the most part, limited to stories told by willing survivors and recorded history.

Through education and social-action programs, we shall ignite a desire to perpetuate the fundamental human principles that even the Nazis could not extinguish.

We wish to learn from the past, and to take that knowledge with us, into the future.

We wish not to incite one new faction of our generation against another—but to understand how hatred, especially anti-Semitism, can deteriorate into unimaginable horror.

We must warn ourselves, and our children, that we ignore history only at our own risk.

And we ignore the need to educate—and to caution—only at our own peril.

In 1946, in the Palace of Justice in Nuremberg, Germany, Robert M. Jackson, then a U.S. Supreme Court Justice, declared:

The suspended judgment with which we opened this case is no longer appropriate. The time has come for final judgment, and if the case I present seems hard and uncompromising, it is because the evidence makes it so.

It is our determination that the Raoul Wallenberg New Leadership Society will continue to adjudicate the case against Naziism, and combat the destructive fires of racial hatred in all its forms—as a memorial for the dead—and a lesson for the living.

Mr. Speaker, I urge my colleagues to take note of this new and dedicated initiative. Headquarters of the Raoul Wallenberg Society is at the Simon Weisenthal Center, 342 Madison Avenue, New York, N.Y. 10017.●

HARMON KILLEBREW

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. FRENZEL. Mr. Speaker, today I am pleased to honor an important figure in Minnesota and one of baseball's all time great players, Harmon Killebrew. Harmon Killebrew brought enterainment and excitement to my home State, but he also brought pride and dignity.

Killebrew hit more home runs than any other right-handed batter in American League history. He ranks fifth on the all time home run list behind only Hank Aaron, Babe Ruth, Willie Mays and Frank Robinson.

He led the American League six times in home runs and ranks third on the all time list for home run percentage—home runs per at bat—behind only Babe Ruth and Ralph Kiner.

Harmon Killebrew was one of the most dominant batters of the 1960's. During that decade he hit more home runs than anyone else in baseball.

Killebrew's brilliant career was more than home runs. His name was synonymous with the Minnesota Twins for 14 years. For Killebrew, there were no offensive language, no menacing gestures, no tantrums, on or off the field. He was a ballplayer, not a prima donna.

In addition to being named the Minnesota Twins Most Valuable Player (MVP) eight times, he was the American League MVP in 1969. Harmon ranks 9th on the all time list for base on balls, 18th in runs batted in, 28th in extra base hits, 29th in games played and 77th in runs scored.

More importantly, Killebrew personified what is good about baseball and America. He is a family man of high moral standards who has served as an idol for many Minnesotans. Nobody ever tried to tear off his cuff links, but he was a great example for young people—a man they could look up to.

He worked hard and gave his best in all aspects of the game. He graciously devoted his own personal time to help educate younger players—including such greats as Rod Carew—about the subtleties of baseball.

He had good days and bad, but his concern for the game and the people connected with it always shined through no matter what the pressures of the sport. His values eventually wore off on many of the young people who watched and admired him. He was in short, an unselfish father figure for thousands of young admirers.

Harmon Killebrew's professional and personal accomplishments should make him a valuable addition to baseball's Hall of Fame. Others must make that decision, but Killebrew is the king of gentleman-athlete I would like to see in the Hall of Fame.

We in Minnesota take pride in the many values Harmon Killebrew personified and we hope millions of baseball enthusiasts across the nation will encourage baseball writers to vote for his inclusion in the hall of fame.●

BOXING HALL OF FAME

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. HOYER. Mr. Speaker, I would like to take this opportunity to recognize two gentlemen who have contributed greatly to the sport of boxing in the Washington metropolitan area. Hotsy Alperstein and Jim Evans will be inducted into the Washington, D.C. Boxing Hall of Fame on November 18, 1983, in honor of their achievements and devotion to the manly art.

I have known Hotsy Alperstein for a number of years through our mutual work on behalf of the University of Maryland. He is a dear friend and I am pleased he will be honored in this way. Hotsy's boxing background goes back to his undergraduate days at the University of Maryland, where he was captain of the boxing team from 1939–42. Hotsy never lost a dual match in those 3 years, making it all the way to the finals of the Southern and Eastern Conference boxing tournaments. After college, Hotsy went into the Army during World War II, where he continued his boxing career, attaining the title of Welterweight Boxing Champion of the Middle East Allied Tournament in 1942. Hotsy resumed his close ties to boxing after the war, and today is a very successful businessman in the Washington area. He is a former president of the Maryland Terrapin Club and is active in the Maryland Alumni Association. His avid support for a variety of sports activities has enable many youths to pursue boxing's craft.

James E. Evans, known as "Mr. Jim" to the thousands of boys he has coached and counseled through the years, boxed in the amateur and professional ranks in the Richmond, Va. area in the 1930's and 1940's. After moving to Maryland in 1943, Jim helped to organize the Lanham Boys Club, over which he presided for 10 years, and helped to organize the boxing program for the Prince Georges County Boys and Girls Club. he was president of this club for 4 years.

Jim has coached at nearly every level in boxing, from the recreation and boys club level to the Golden Gloves, A.A.U. and A.B.F. levels. In 1962, Governor J. Millard Tawes appointed Jim to the Maryland State Physical Fitness Commission where he continued his exemplary involvement in the organization of boxing on the east coast. In 1975, when I was president of the Maryland Senate, I presided over the adoption of a resolution honoring and congratulating Jim Evans for his contribution to boxing and community activities. Jim now works as a coordinator for boxing in Prince Georges County and conducts clinics for coaches, judges, referees, and boxers themselves.

I find it proper and fitting that in a time when commitment and involvement with young people are sometimes only empty words and abstractions, we recognize the efforts of these fine men. They are certainly an inspiration for all of us to follow. Not only have they been active in the sporting world, but they have shown true community spirit in all their many endeavors.

Mr. Speaker, I am honored to commend these two fine men for their work in our community.●

CONGRESSIONAL STEEL CAUCUS QUARTERLY REPORT

HON. LYNN MARTIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mrs. MARTIN of Illinois. Mr. Speaker, in accordance with Executive Committee Order No. 1, I am respectfully submitting herewith the financial report of the Congressional Steel Caucus for the third quarter of 1983, for insertion into the RECORD. The report is as follows:

U.S. House of Representatives, Congressional Steel Caucus Quarterly Report—Fund Balance Statement—1983

Balance remaining (as of June 30, 1983)	$4,564.31
Total revenues (Clerk hire, dues, donations)	16,284.76
Total	20,849.07
Less expenses:	
July 1983	6,199.28
August 1983	4,401.17
September 1983	5,269.43
Total expenses	15,969.88
Total unexpected revenues (as of September 30, 1983)	4,879.19

U.S. House of Representatives, Congressional Steel Caucus Quarterly Report—Cumulative Statement of Expenses

Salaries	$13,264.70
Travel	
Stationery	220.06
Postage	63.25
Telephone	244.30
Publications	285.00
Equipment	1,843.18
Printing	
Miscellaneous	49.39
Total expenses (as of September 30, 1983)	$15,969.88

98TH CONGRESS—MEMBERS OF THE CONGRESSIONAL STEEL CAUCUS

Members who have paid dues as of November 17, 1983:

Sonny Montgomery, Bill Nichols, George O'Brien, Bill Coyne, Bill Clinger, Cardiss Collins, Ron Wyden, Bud Hillis, Donald Pease, Jim Oberstar, Gus Savage, Nick Joe Rahall, Ray Kogovesk, Bob McEwen.

Sam B. Hall, Robert Walker, Clement Zablocki, John Murtha, Richard Shelby, Ralph Regula, Mark Siljander, Tom Bevill, Tom Kindness, Stan Lundine, Henry Nowak, Robert Roe, Alan Mollohan, Mary Rose Oakar.

George Gekas, Peter Kostmayer, Robert Borski, Howard Nielson, Frank Guarini, Robert Davis, Joseph Kolter, Chris Smith, Jamie Whitten, Charles Wilson, William Goodling, Jack Edwards, Doug Barnard.

Joseph Gaydos, Doug Walgren, Bruce Vento, Lawrence Coughlin, Barbara A. Mikulski, Joseph Addabbo, Joseph McDade, Richard Schulze, Austin Murphy, Jack Fields, Doug Applegate, George Miller, Marty Russo, Don Ritter.

John Dingell, Dennis Eckart, James Martin, E. Thomas Coleman, Clarence Miller, Gene Taylor, Bud Shuster, William Ford, Tom Luken, Bob Edgar, Katie Hall, Louis Stokes, Gus Yatron, Harley O. Staggers.

Clarence Long, Ben Erdreich, Lyle Williams, George Brown, Thomas Ridge, Mel Price, Lynn Martin, Bill Young, Thomas Carper, Bernard Dwyer, Bill Emerson, William Lipinski, Marcy Kaptur.●

TAX REFORM ACT OF 1983

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. GEJDENSON. Mr. Speaker, I rise today in regard to the rule allowing for the consideration of H.R. 4170, the Tax Reform Act of 1983.

After much consideration, I am voting in favor of this rule, in spite of some serious reservations I have about it.

My reservations are based on the section of the legislation pertaining to industrial development bonds. I opposed the action taken by the Ways and Means Committee to severely restrict the use of these bonds, and feel that Members should be given the opportunity to vote on an amendment that would address the IDB question in a more reasonable fashion. Previous to the Rules Committee consideration of the bill, I wrote to each member of the committee urging them to grant a rule allowing such an amendment to be in order. Unfortunately, a majority of the Rules Committee members did not see fit to report out such a rule.

We are, however, in the final days of this legislative session, and there are several provisions of H.R. 4170 that have to be acted on before the end of the year. Namely, the mortgage revenue bond program will run out on December 31 without this legislation; fringe benefit taxation policy will be left in the hands of executive regulation; the insurance industry will face significant problems without this legislation; and the social security disability program, whose problems have been well-publicized, and for which solution is long overdue, would enter another calendar year without any attempt made to resolve its difficulties.

Furthermore, I do not feel that we can, in good conscience, leave for the year without at least attempting to address the problem of the huge Federal deficit, and this legislation provides us with the opportunity to do so. It is for all of these, I believe, good reasons, that I am reluctantly supporting this rule today.●

THE INDUSTRIAL COMPETITIVENESS ACT AND THE ADVANCED TECHNOLOGY ACT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. LaFALCE. Mr. Speaker, as chairman of the House Subcommittee on Economic Stabilization, I introduced on Thursday, November 10, H.R. 4360, a bill to improve the industrial competitiveness of the United States, known as the Industrial Competitiveness Act, and H.R. 4361, a bill to promote the commercial application and diffusion of advanced technology within industrial sectors in the United States, known as the Advanced Technology Act.

Mr. Speaker, these are important bills which I believe our colleagues will want to examine carefully. They represent proposals that would improve our economy's ability to meet the increasing competition of the international marketplace, and the Subcommittee on Economic Stabilization intends to move these bills as expeditiously as possible.

In order that Members may have an opportunity to examine the details of these two important bills, the section-by-section summaries of H.R. 4360 and H.R. 4361 follow:

H.R. 4360

SECTION-BY-SECTION SUMMARY OF INDUSTRIAL COMPETITIVENESS ACT

Section 1 states the title of the bill to be the "Industrial Competitiveness Act."

FINDINGS

Section 2(a) specifies the findings of the Congress.

Subsection (1) states that the preeminence of the United States in international industrial competition is seriously threatened and that United States domestic markets are no longer insulated from international competition.

Subsection (2) states that the United States has been slow to adapt to the new highly competitive global marketplace and to regard the industrial development of competing countries as a challenge and an opportunity.

Subsection (3) states that a major consequence of this failure to adapt is unnecessary plant closings, high unemployment, and a deterioration in the quality of jobs available for American workers.

Subsection (3) states that the United States must address the erosion of comparative advantage of its basic industries if it is to be successful in the globel marketplace.

Subsection (4) cites a number of factors that have hindered efforts to reverse the decline of American industry, including: (A) a long-term decline in relative productivity growth; (B) insufficient capital investment in the revitalization of basic industries and in the commercialization and diffusion of new technologies; (C) a lack of adequate "patient capital" to invest in smaller, innovative firms; (D) insufficient investment in civilian research and development in comparison with our major competitors; (E) systemic inefficiencies in the management and organization of business including adversarial labor-management relations and short-term time horizons; (F) a serious erosion in the institutional support for production, including a lack of high quality domestic and international economic data.

Subsection (5) states that helping to support the competitiveness of United States industries is a proper and necessary role for government, working with the private sector;

Subsection (6) states that industrial policy in the United States is composed of a variety of Government programs, subsidies, and regulatory oversight functions which are often neither coordinated, cohesive, nor consistent;

Subsection (7) states that, while our economy benefits when business, labor, government, academia and public interest groups work cooperatively, there exists no effective, high level forum for the development of consensus economic policies;

Subsection (8) states that the decline in United States industrial competitiveness endangers the economic stability of the Nation;

Subsection (9) states that such decline also endangers the ability of the United States to maintain our defense industrial base.

Subsection (10) states that it is imperative that Government, business, labor, academia and public interest groups act together to develop and coordinate long-range strategies for helping to assure the international competitiveness of U.S. industries.

Subsection (11) states that such strategies should be balanced by encouraging the development of emerging industries that can provide substantial economic growth and employment, and by directing resources into the revitalization of mature and linkage industries.

PURPOSES

Subsection (6) states that the Act has the following purposes:

(1) to develop recommendations for long-range strategies for promoting the international competitiveness of U.S. industries;

(2) to establish a Council on Industrial Competitiveness which will:

(A) gather and analyze information regarding the competitiveness of U.S. industries;

(B) create an institutional forum where national leaders with background and experience in business, labor, government, academia and public interest activities will identify economic problems inhibiting the competitiveness of U.S. industries, develop long-term strategies to address those problems, and create broad consensus in support of those strategies; and,

(C) make recommendations on issues crucial to the development of coordinated industrial strategies.

(3) to establish a Bank for Industrial Competitiveness with power and resources sufficient to supplement private and other public capital investment in the revitalization of mature or linkage industries and the development of emerging industries.

TITLE I—COUNCIL ON INDUSTRIAL COMPETITIVENESS

ESTABLISHMENT

Section 101 establishes in the Executive Branch of the Government an independent agency to be known as the "Council on Industrial Competitiveness."

DUTIES OF THE COUNCIL

Section 102 establishes the duties of the Council.

Subsection (1) directs the Council to collect and analyze relevant domestic and international data.

Subsection (2) directs the Council to monitor the changing nature of the United States industrial economy and its capacity to provide marketable goods and services in domestic and international markets and to respond to international competition.

Subsection (3) directs the Council to prepare and publish reports containing its recommendations with respect to industrial development priorities.

Subsection (4) directs the Council to create a forum or forums where national leaders with background and experience in business, labor, academia, public interest activities, and government will identify national economic problems, develop recommendations to address those problems, and create a broad consensus in support of those recommendations.

Subsection (5) directs the Council to establish industry subcouncils of public and private leaders to develop similar long-term strategies for sectors of the economy.

Subsection (6) directs the Council to provide policy recommendations and guidance to the Congress, the President, and the Federal departments and agencies regarding specific issues concerning industrial strategies.

Subsection (7) directs the Council to provide guidance and recommend lending priorities for the Bank for Industrial Competitiveness.

Subsection (8) directs the Council to report to the President and the Congress annually on the state of the national economy and the status of major sectors.

Subsection (9) directs the Council to review and evaluate specific policy recommendations developed by the industry subcouncils and submit them to the appropriate administrative agencies.

Subsection (10) directs the Council to intervene or otherwise participate in rulemaking, ratemaking, licensing, and other proceedings and deliberations before any of the departments and agencies of the United States in order to present its views as to the competitive impact of possible outcomes of those proceedings and deliberations.

Subsection (11) directs the Council to evaluate existing Government policies and business practices in terms of their competitive impact.

MEMBERSHIP

Section 103 (a) directs that the Council shall be composed of 15 members.

Subsection (a)(1) designates the Secretary of the Treasury as a member.

Subsection (a)(2) designates the Secretary of Commerce as a member.

Subsection (a)(3) designates the Secretary of Labor as a member.

Subsection (a)(4) designates the United States Trade Representative as a member.

Subsection (a)(5) directs that four members shall be appointed by the President, by and with the advice and consent of the Senate, from the business community. These members must have a broad understanding of the United States economy and the United States position in the world economy.

Subsection (a)(6) directs that four members shall be appointed by the President, by and with the advice and consent of the Senate, from the labor community. These members must have a broad understanding of the United States economy and the United States position in the world economy.

Subsection (a)(7) directs that three members shall be appointed by the President, by and with the advice and consent of the Senate, from the academic community or from among individuals who have been active in public interest activities. These members must have a broad understanding of the United States economy and of the United States position in the world economy.

Subsection (b) states that the Council shall not commence its duties until all members with background and experience in business, labor, academia and public interest activities have been appointed and have qualified.

Subsection (c)(1) states that a vacancy on the Council shall be filled in the same manner as the original appointment.

Subsection (c)(2) states that any member appointed to fill a vacancy for which the term has not expired shall be appointed only for the remainder of the term. The subsection further states that a member may serve after his term has expired until his successor has taken office.

Subsection (d) states that no member of the Council may serve more than two consecutive terms.

Subsection (e) states that not more than eight members of the Council shall be members of the same political party.

Subsection (f)(1) states that members of the Council chosen from business, labor, academia and public interest backgrounds, shall have six-year terms.

Subsection (f)(2) provides that the terms of the initial members of the Council chosen from business, labor, academia and public interest backgrounds shall be staggered.

Subsection (g)(1) directs that members chosen from business, labor, academia and public interest backgrounds shall be paid at a rate equal to the rate of basic pay payable for Level II of the Executive Schedule.

Subsection (g)(2) directs that members of the Council who are full-time officers or employees of the United States shall not receive additional pay for serving on the Council.

Subsection (h) states that eight members shall constitute a quorum. A lesser number may hold hearings if two-thirds of the entire Council approves such action.

Subsection (i) directs the Council to elect, by a two-thirds vote of the entire Council, a chairman from among the members chosen from business, labor, academia and public interest backgrounds. The Chairman shall serve full-time.

Subsection (j) states that the Council shall meet at the call of the Chairman or majority of its members.

Subsection (k) requires the Council to meet not less than six times in each calendar year.

Subsection (l) requires each member of the Council to designate one alternate representative to attend any meeting that the member is unable to attend. The subsection also provides that an alternate representative shall be considered a member of the Council for all purposes, including voting.

Subsection (m) provides that actions by the Council may be taken only on approval of two-thirds of the members of the entire Council.

Subsection (n) provides that the Council may procure temporary and intermittent services at rates of pay for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay for GS-16 of the General Schedule.

Subsection (o) authorizes the head of any other Federal agency to detail, on a reimbursable basis, any of its personnel to the Council to assist the Council in carrying out its duties, upon request of the Council.

EXECUTIVE DIRECTOR AND STAFF

Section 104(a) directs the Council to appoint an Executive Director who is to be the principal administrative officer of the Council. This section requires the Council to consult with the President and leaders of the Congress before appointing an Executive Director. The Executive Director is required to serve full-time.

Subsection (b) directs the Executive Director to appoint the personnel of the Council in accordance with the civil service and classification laws, within the limitations of the Council's appropriation.

POWERS OF THE COUNCIL

Section 105 describes the powers of the Council. The Council is authorized to hold hearings, take testimony, receive evidence, and sit and act at times and places it deems appropriate. The Council is also authorized

to administer oaths or affirmations to witnesses. Any member or agent of the Council can take any action the Council is authorized to take under this section, if the member or agent is authorized to do so by the Council. The Council may secure information necessary for the carrying out of its duties from other United States departments and agencies, upon request of the Chairman of the Council, and heads of other departments and agencies are authorized to furnish the information requested. The Council may accept, use, and dispose of gifts or donations of services or property, and may use the United States mails in the same manner and under the same conditions as other United States departments and agencies. The Administrator of General Services is authorized to provide administrative support services that the Council requests upon a reimbursable basis.

Subsection (g) of Section 105 authorizes the Council to issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence related to any matter the Council has the power to investigate under Section 102. The Council may require the attendance of witnesses and the production of evidence from any place within the United States and at any designated place of hearing within the United States. If a person subpoened refuses to obey the subpoena or refuses to provide or intentionally omits testimony or evidence requested, any appropriate court of the United States, as defined, can order the person to appear to produce evidence or give testimony requested, upon application by the Council. A failure to obey such a court order is punishable as contempt of court. Subpoenas are to be served in the manner provided under the Federal Rules of Civil Procedure for the United States district courts. Any court orders served upon application of the Council may be served in the judicial district in which the person subpoenaed resides or may be found. No person may be excused from complying with a subpoena issued under this section because the testimony or evidence required may incriminate him or subject him to a penalty or forfeiture. However, no person may be prosecuted or subjected to any penalty or forfeiture, after having claimed his privilege against self-incrimination, because of any matter about which he is compelled to testify or produce evidence. A person testifying under these conditions is not exempt from prosecution and punishment for perjury committed in his testimony.

Subsection (h) of Section 105 directs the Council to establish industry subcouncils of public and private leaders when and for such periods of time as the Council deems appropriate. These subcouncils are directed to examine the competitive problems facing specific industries in the economy and develop recommendations for ways of addressing these problems. The industry subcouncils are to report their findings and recommendations to the Council, which shall review them in preparing its own recommendations. Industry subcouncil members are to serve on a part-time basis.

REPORTS

Section 106 requires the Council to develop and submit reports.

Subsection (a) requires the Council, within one year after it comes into existence, to submit a report to the President and both Houses of Congress containing its recommendations regarding any changes in Federal policy necessary to improve the competitiveness of United States industries. This report must also contain the Council's recommendations regarding the timing and level of appropriations for certain activities of the Bank for Industrial Competitiveness established under Title II.

Subsection (b) requires the Council to prepare and submit an annual report to the President, both Houses of Congress, and the Bank For Industrial Competitiveness established under Title II containing the Council's recommendations regarding the major industrial development priorities of the United States and the policies necessary to implement those priorities. The annual report is to contain the findings and conclusions of the Council over the previous fiscal year, and any recommendations of the Council for necessary legislative or administrative action or action by the Bank for Industrial Competitiveness established under Title II. The report is to be referred by each House to the appropriate committee or subcommittee. The Council is to consult with each committee about the report and each committee is subsequently to submit to the appropriate House its views and recommendations with respect to the report.

Section 107 authorizes the appropriation of $50,000,000 for fiscal year 1984 to carry out the provisions of this title.

Section 108 defines certain terms used in this title.

TITLE II—BANK FOR INDUSTRIAL COMPETITIVENESS

Subtitle A—Bank for Industrial Competitiveness

Section 201 provides for the creation of the Bank for Industrial Competitiveness, a corporation established as an agency of the United States.

BOARD OF DIRECTORS

Section 202 (a) and (b) vest the powers of the Bank in a Board of Directors composed of 12 members, to be appointed by the President and 8 of whom must be confirmed by the Senate. The section establishes criteria governing selection of the Board members, as follows: Four members are to be chosen from among the members of the Council on Industrial Competitiveness, one each representing the Government, the business community, the labor community, and the academic or public interest communities. The other 8 members, who must be confirmed by the Senate, are to be chosen from among individuals with substantial experience and expertise in the fields of business investment, industrial development, or public or private finance.

Section 202(c) requires that all members of the Board must be appointed and qualified before the Bank may commence its duties.

Section 202(d) establishes procedures for filling vacancies on the Board. Any vacancy must be filled in the same manner as the original appointment, and the appointment is to be for the remainder of the term only.

Section 202(e) prohibits a Board member from serving more than two consecutive terms, and requires that not more than 7 members be of the same political party.

Section 202 (f) establishes 6-year terms for the non-Government members of the Board, and provides for staggered terms of appointment of from 1 to 6 years for the members first appointed.

Section 202 (g) establishes a pay rate equal to Level II of the Executive Schedule for non-Government members of the Board, and prohibits Government members from receiving additional pay for their service on the Board.

Section 202 (h) sets seven members as a quorum for the conduct of the Bank's business.

Section 202 (i) directs the President to designate a Chairman of the Board from among the members who are not members of the Council on Industrial Competitiveness.

Section 202 (j) establishes that Board meetings shall be at the call of the Chairman or a majority of the members.

Section 202 (k) authorizes the Bank to appoint such personnel as it considers appropriate, and establishes that such personnel shall be appointed and compensated in accordance with the provisions of the U.S. Code governing appointment, classification and pay rates. This subsection also authorizes the Bank to use the services of experts and consultants in accordance with laws governing use of such personnel by Government agencies, and sets the maximum compensation for such experts and consultants at the daily equivalent of the annual rate of basic pay for GS-16. Subsection (k) also authorizes Federal agencies to detail personnel, on a reimbursable basis, to the Bank, upon the request of the Bank.

Section 202 (l) establishes malfeasance in office as the only reason for removal of a Board member by the President.

POWERS OF THE BANK

Section 203 empowers the Bank to secure information from any department or agency of the United States, to accept, use, and dispose of gifts or donations of services or property, to use the United States mails in the same manner and under the same conditions as other United States departments or agencies, to obtain on a reimbursable basis administrative support services from the Administrator of General Services, and authorizes any Board member or agent of the Bank who is so authorized by the Board to take any action to execute these powers. Section 203 also directs the Board to adopt bylaws for the proper and efficient management of the Bank, and authorizes amendments to the bylaws.

GENERAL POWERS

Section 204 empowers the Bank to adopt, alter and rescind bylaws, rules, and regulations; to adopt and alter a corporate seal; to enter into agreements and contracts with persons and private or governmental entities; to obtain and dispose of property; to sue and be sued; to represent itself or to contract for representation in judicial, legal and other proceedings except for actions under the Federal Tort Claims Act; to establish committees and their functions as the Board deems necessary or desirable; to indemnify Directors, officers, employees and agents of the Bank; to utilize and pay for the services, facilities, and property of United States governmental entities; to procure insurance against loss in connection with its property and operations; to receive capital contributions and issue capital securities; to create divisions and departments; to deposit Bank funds in Federally insured accounts; to divest itself of obligations or equity securities it holds as a result of financial assistance extended under this title through refinancing, public sale, or other method; to prepare or authorize studies and reports, to convene meetings and conferences, and to pay the relevant costs and expenses; and to exercise any other lawful powers necessary to the Bank's establishment and authorized activities.

Section 204 also directs the Bank to invest moneys not otherwise required for immedi-

ate use in obligations issued or guaranteed by the United States, or in interest-bearing accounts secured by such obligations.

FINANCIAL ASSISTANCE FOR REVITALIZATION

Section 205 establishes a program for the Bank to provide financial assistance for the revitalization and modernization of certain industries in order to assist them to become more competitive.

Subsection (a) contains authorization for the provision of financial assistance, and specifies that the assistance may be in the form of loans, loan guarantees, and purchase of capital stock.

Subsection (b) specifies that such financial assistance is to be made available to business enterprises in mature or linkage industries.

Subsection (c) sets a maximum limit of no more than 30 percent of the cost of a project which may be provided through financial assistance from the Bank.

Subsection (d) establishes conditions which applicants must meet in order to receive financial assistance. The conditions are: (1) submission of a written request for assistance; (2) such request to be accompanied by a plan explaining why the assistance is needed and how it would be used; how the assistance would insure that the applicant will become more internationally competitive; what adjustment commitments will be made by parties with an economic interest in the applicant where the Bank determines such commitments are necessary; how the applicant prepares to meet its financing needs, including the 70% of non-Federal financing required for the project; and details concerning production, distribution, sales, and productivity improvement plans.

Subsection (d) also requires applicants to agree to submit to the Board for its approval, when and as the Board may require and covering such periods as the Board may determine, revisions to their plans and analyses reconciling their actual performance with their plans. Applicants must also agree to provide the Bank with audits of their financial statements conducted by independent public accountants.

Subsection (d) also requires that there be reasonable assurance of repayment of any loan or loan guarantee as a condition to extension of such assistance.

Subsection (e) authorizes the Board to establish additional standards and conditions for eligibility for financial assistance as it deems appropriate.

Subsection (f) directs the Bank to provide technical assistance and to serve as intermediary to assist prospective applicants in meeting the conditions for financial assistance.

Subsection (g) directs the Bank to consult with the Council on Industrial Competitiveness to insure consistency with the Council's recommendations, and to give priority to projects which will help achieve the Council's goals.

FINANCIAL ASSISTANCE FOR INNOVATION

Subsection 206 establishes a program for the Bank to provide financial assistance for innovation in certain industries in order to assist them to become more competitive.

Subsection (a) contains authorization for the provision of financial assistance, and specifies that the assistance may be in the form of loans and purchase of capital stock.

Subsection (b) restricts financial assistance under this section to business enterprises in emerging industries which require assistance in developing and marketing new products or technologies.

Subsection (c) limits financial assistance to no more than 30 percent of the funds necessary to carry out a project.

Subsection (d) establishes conditions which applicants must meet in order to receive financial assistance, which are: (1) submission of a written request for assistance; (2) the request to be accompanied by a plan which explains why the assistance is needed and how it would be used; how it would insure that the applicant will become more economically competitive; how the applicant proposes to meet all of its financing needs, including the 70% of non-Federal financing required for the project, and details concerning production, distribution, sales, and productivity plans.

Subsection (d) also requires applicants to agree to submit to the Board for its approval, when and as the Board may require and covering such periods as the Board may determine, revisions to their plans and analyses reconciling their actual performance with their plans. Applicants must also agree to provide the Bank with annual audits of their financial statements conducted by independent public accountants.

Subsection (d) also requires that there be reasonable assurance of repayment of any loan extended under this section.

Subsection (e) authorizes the board to establish additional standards and conditions for eligibility for assistance as it may deem appropriate.

Subsection (f) directs the Bank to provide technical assistance and serve as intermediary to assist prospective applicants in meeting the conditions for financial assistance.

Subsection (g) requires the Bank to consult with the Council on International Competitiveness to insure consistency with the Council's recommendations, and to give priority to projects which will best help achieve the goals of the Council.

TERMS AND CONDITIONS OF FINANCIAL ASSISTANCE

Section 207 establishes the terms and conditions under which the Bank may provide financial assistance under this title.

Paragraph (a)(1) contains authority for the Bank to make loans and to guarantee loan principal and interest, and to make commitments to make such loans and guarantees. The Bank is authorized to establish the terms and conditions for such loans and guarantees, including a requirement for the payment of loan origination fees.

Paragraph (a)(2) establishes specific conditions governing loans and loan guarantees, as follows: No loan or guaranteed loan may carry a maturity date longer than 30 years; loans or guarantees for capital projects may not carry a maturity date longer than the estimated useful life of the project; loans or guarantees for working or noncapital purposes may not exceed five years; and no loan or guarantee may be made later than one year after a commitment or agreement by the Bank to make such a loan or guarantee. Paragraph (a)(3) requires that loans, guarantees, or commitments to make loans or guarantees, shall contain such affirmative and negative covenants and other provisions as the Bank determines are appropriate to assure repayment. Paragraph (a)(4) authorizes the Bank to require security for loans and guarantees, and to take necessary steps to administer or liquidate collateral and to enforce any claim it may have against an applicant.

Paragraph (a)(5) requires that loans and loan guarantees bear a reasonable interest rate, and directs the Bank in making this determination to consider the objective of providing it with an appropriate return. The Bank is prohibited, however, from providing an interest subsidy on loans unless it has sufficient retained earnings to cover the amount of the subsidy. No loan or guaranteed loan may carry an interest rate lower than the Bank's own borrowing rate, or if the Bank has no obligations outstanding, lower than the borrowing rate of the U.S. Treasury.

Paragraph (a)(6) requires the Bank to charge and collect, at least annually, a loan guarantee fee of at least .5 percent of the principal. This fee may be higher in order to compensate the Bank for its administrative expenses related to the loan guarantee and to provide the Bank with an appropriate return.

Paragraph (a)(7) authorizes the Bank to modify, amend, or waive any term or condition which it deems desirable to protect the interests or advance the purposes of the Bank.

Subsection 207(b) establishes terms and conditions for the Bank's purchase of an applicant's capital stock.

Paragraph (b)(1) authorizes the Bank to purchase non-voting capital stock of an applicant business enterprise if the Board determines this method of assistance is in conformance with, and necessary to accomplish the objectives of, the applicant's proposal.

Paragraph (b)(2) requires that, before such stock may be purchased by the Bank, there be reasonable assurance in the applicant's proposal for the retirement, repurchase, or sale of any capital stock.

Paragraph (b)(3) requires that the terms of purchase of capital stock provide for either its mandatory retirement or repurchase by the applicant in not more than 30 years after issuance, or for reasonable assurance of sale of such stock by the Bank. The Bank is authorized to assign or transfer the stock for reasonable consideration, and to use the stock as security for its obligations.

Paragraph (b)(4) authorizes the Bank to require additional conditions in the terms governing purchase of capital stock in order to protect the interests or advance the purposes of the Bank. Such conditions may include provisions relating to dividends.

Subsection 207(c) limits the aggregate amount of financial assistance to any one business enterprise at any one time to no more than 10 percent of the Bank's paid-in capital plus the aggregate amount of obligations authorized to be outstanding, as specified in section 208.

Subsection 207(d) limits the aggregate outstanding amount of loans and loan guarantees made and capital stock owned, by the Bank at any one time to no more than the Bank's paid-in capital stock and surplus, plus the aggregate amount authorized to be outstanding under the provisions of section 208.

Subsection 207(e) authorizes the Bank to contract with recipients of financial assistance in order to participate in financial gains of the businesses or their security holders.

Subsection 207(f) limits the principal amount of loans which may be guaranteed by the bank to $17,000,000,000.

Subsection 207(g) terminates the Bank's authority to provide financial assistance ten years after the effective date of Title II.

CAPITAL STOCK; ISSUANCE OF OBLIGATIONS; AUTHORIZED INDEBTEDNESS

Section 208(a) establishes the Bank's capital stock at $8,500,000,000, to be subscribed

by the Treasury of the United States from funds appropriated for such purpose.

Section 208(b) authorizes the Bank to issue obligations, within the limits of its prescribed authorized indebtedness, to provide sufficient funds for carrying out its purposes. This section authorizes the Bank to determine, subject to the approval of the Secretary of the Treasury, the prices, timing, forms and denominations, maturities, interest rates, manner of issuance, and other terms and conditions of the sale of obligations, but prohibits any obligation from carrying a maturity date of longer than 30 years from the date of issuance. This section also prohibits the issuance of any obligation later than 10 years after the effective date of this title.

Section 208(c) authorizes the Bank to issue obligations to renew, refund, or pay other obligations, and to exchange such obligations or sell such obligations for the purpose of renewing, refunding, or paying obligations.

Section 208(d) limits the aggregate principal amount of obligations which may be outstanding at any one time to five times the paid-in capital of the Bank at that time, and authorizes the Bank to issue new obligations after the repayment of previously issued obligations, provided its outstanding obligations remain within the five-times paid-in capital limit.

Section 208(e) authorizes the Bank to utilize its revenues or other receipts and its assets as security for its obligations.

Section 208(f) prohibits the purchase by the Federal Financing Bank or any other Federal entity of any loan made, guaranteed, or committed to be guaranteed by the Bank.

Section 208(g) exempts directors and other persons who execute obligations from personal liability or accountability by reason of the issuance of obligations.

Section 208(h) authorizes the Bank to purchase its own obligations, subject to the limitations in section 303(b) of the Government Corporation Control Act.

Section 208(i) makes obligations of the Bank negotiable instruments, subject only to provisions for registration of ownership.

Section 208(j) exempts the Bank's obligations from State and local taxation, except estate, inheritance, and gift taxes.

Section 208(k) provides that obligations of business entities which are guaranteed by the Bank shall be subject to such taxation as would apply if they were not guaranteed.

Section 208(l) directs the Secretary of the Treasury to guarantee the borrowings of the Bank up to 100 percent of the initial Treasury capitalization, and authorizes the Bank to request the Secretary of the Treasury to guarantee additional obligations. The Secretary of the Treasury is authorized to issue such guarantees of additional borrowings, subject to advance appropriations.

POWER TO ENTER INTO AGREEMENTS RESPECTING OBLIGATIONS OF THE BANK

Section 209 authorizes the Bank to enter into agreements in connection with issuance of its obligations which may include: pledging of its assets, revenues, or receipts as security; setting aside and regulating reserve or sinking funds; limiting the issuance of additional obligations; providing for rights of subrogation of the United States to the rights of holders; transferring or vesting property, rights, powers, and duties in trust; specifying the acts of omissions which will constitute default on the part of the Bank and providing for the rights and remedies of holders in the event of default; and providing for any other matters affecting the security or protection of holders of obligations.

MONEYS OF THE BANK

Section 210(a) makes provision for payment of moneys of the Bank to the chief financial officer or other designated person, for deposit of such moneys in a bank or banks in the District of Columbia or other place in the United States designated by the Bank, and for the giving of security for such deposits if required by the Bank.

Section 210(b) directs that such moneys of the Bank which are not required for immediate use by the Bank, shall be invested in obligations which have been issued or guaranteed by the United States, or in interest-bearing accounts secured by such obligations.

Section 210(c) empowers the Bank to enter into contracts regarding custody, collection, securing, investment and payment of moneys of the Bank and of moneys held in trust, and provides that moneys held in trust and deposits of such moneys may be secured in the same manner as moneys of the Bank.

TAX STATUS OF BANK

Section 211 exempts the Bank, its franchise, capital, reserves, surplus, income, and property from Federal, State, and local taxation, except for real property owned in fee by the Bank, which shall be subject to the same State or local taxation as other similar property.

INSPECTION OF DOCUMENTS

Section 212 requires applicants for and recipients of financial assistance under this title to make available to the Bank for inspection and copying all accounts, books, records, memorandums, correspondence, and other documents relating to their financial affairs, and to provide the Bank access to their facilities and properties.

ANNUAL REPORT

Section 213(a) directs the Bank to provide an annual report to the President and the Congress giving details regarding its operations, revenues and expenditures and a balance sheet, and a schedule of its obligations, capital securities outstanding, and amounts issued and redeemed during the year.

TERMINATION OF BANK; WINDING UP OF ITS AFFAIRS

Section 214(a) provides that the termination date of the Bank shall be thirty years after the effective date of this title, but prohibits the Bank from providing new or increased financial assistance later than ten years after the effective date of this title unless such date is extended by the Congress.

Section 214(b) directs the Board beginning on the date when the Bank may no longer provide financial assistance, to begin the steps which are practical and reasonable for winding up the Bank's affairs at the time of its final termination.

Section 214(c) provides that on the termination date any contract or obligation for financial assistance shall be transferred to the Secretary of the Treasury.

Section 214(d) provides that, if on the final determination date, the Bank has not completed winding up its affairs, the duty of completing and winding up shall be transferred to the Secretary of the Treasury, who for such purposes is empowered to succeed to all the powers, duties, rights, and obligations of the Bank and the Board, and to assign the performance and exercise of such owners, duties, rights and obligations to any officer or officers of the United States in the Department of the Treasury.

Section 214(e) authorizes the Secretary of the Treasury, when he determines that the liquidation of any assets will no longer be advantageous to the United States and that all of the legal obligations of the Bank have been provided for, to pay into the general fund of the Treasury as miscellaneous receipts any unused balance of moneys of the Bank. This section also requires the Secretary to make a final report on the Bank to the Congress, at which time the Bank shall be deemed to be dissolved.

SEPARABILITY

Section 215 provides that if any part of this title is adjudged to be invalid by a court of competent jurisdiction, no other part of this title shall be affected unless such part is inseparable from the invalidated part.

TITLE II—BANK FOR INDUSTRIAL COMPETITIVENESS

Subtitle B—Secondary Markets for Industrial Mortgages

AUTHORITY

Section 220 authorizes the Bank to purchase industrial mortgages from any qualified financial institution. The Bank may hold and deal with, and sell or otherwise dispose of such mortgages, as it considers appropriate.

CRITERIA FOR PURCHASE OF INDUSTRIAL MORTGAGES

Section 221(a) authorizes the Bank to set priorities regarding the types of industrial mortgages it will purchase.

Subsection (b) defines certain other conditions that the mortgages purchased by the Bank must meet. Such mortgages must be secured by a security interest in machinery, equipment, or real property. Loans purchased must be for the financing of productive facilities and equipment for business activities conducted in the United States. The maximum term for mortgage loans purchased may not exceed the useful economic life of the property being purchased and may not under any conditions exceed 10 years for equipment and 20 years for productive facilities. The mortgages must be fully amortized over the life of the loan.

Subsection (c) authorizes the Bank to establish requirements and impose charges or fees for different classes of sellers or servicers of mortgages purchased.

Subsection (d) states that the Bank may not purchase an industrial mortgage under this section unless the outstanding principal balance of the loan when purchased is less than 80% of the value of the property which secures the mortgage; the seller of the mortgage agrees to retain for the life of the loan a participation of not less than 20 percent, the seller of the mortgage agrees to repurchase or replace the mortgage up on the Bank's demand if the mortgage is in default, under conditions set by the Bank; and the mortgage was originated less than one year prior to the purchase date.

Subsection (e) authorizes the bank to set aside any mortgages it holds under this section and, in consultation with the Secretary of the Treasury, to issue and sell securities based on these mortgages. The maturities and rates of interest of these securities are to be determined by the Bank, with the approval of the Secretary of the Treasury. The Bank is directed to issue or purchase from private sources insurance for no more than 15 per centum of the value of the securities. These securities are exempt securities under laws administered by the Securities

and Exchange Commission. Mortgages set aside by the Bank must be adequate to ensure that the Bank can make timely principal and interest payments on securities issued and sold. The Bank is directed to indicate in all obligations issued under this subsection that these obligations and the interest on them are not guaranteed by the United States and do not constitute a debt or obligation of the United States. Any obligations outstanding under this subsection may be purchased by the Bank at any time and price.

DEFINITIONS

Section 222 defines certain terms for purposes of this Act.

Subtitle C—Investment in Pubic Industrial Development Banks

INVESTMENT IN PUBLIC INDUSTRIAL DEVELOPMENT BANKS

Section 231 authorizes the Bank to invest in the stock of state, local or regional development finance institutions. The Bank must be given one or more seats on the Board of Directors of the institution in which it purchases stock, in accordance with its level of participation. The Bank is directed not to contract with institutions whose programs offer no reasonable prospect of a return on the investment.

CONDITIONS FOR PARTICIPATION

Section 232 defines the conditions for Federal participation. No state, region or locality is automatically entitled to Federal participation. A public financing institution wishing to participate must submit a plan to the Bank that describes the nature and purpose of its program and justifies the need for Federal participation. Federal participation in an individual financing institution may never exceed 50 percent of the financial resources of the institution. Each institution seeking Federal participation must have additional public financial resources. The Bank is authorized to enter into contracts that would allow the Bank to participate in any gains of the institution in which it has purchased stock.

CRITERIA FOR EVALUATING PROGRAMS

Section 233 establishes priorities that the Bank must adhere to in determining the public financial institutions in which it will invest. Priority must be given to those institutions which are engaged in the financing of innovation and the expansion of newer, smaller and more rapidly growing firms that are having difficulty obtaining long-term financing from other sources. Priority must also be given to certain specified types of programs. Federal financial participation is precluded in cases where an institution's programs have the potential to, or effect of, attracting existing business firms from other States.

Subtitle D—Authorization of Appropriations

Section 241 authorizes the appropriation of $8,500,000,000 beginning in fiscal year 1985 for carrying out the provisions of this Title.

H.R. 4361

SECTION-BY-SECTION SUMMARY OF THE ADVANCED TECHNOLOGY FOUNDATION ACT

Section 1 states the title of the bill to be the "Advanced Technology Foundation Act."

FINDINGS AND PURPOSES

Section 2(a) states the findings of the Congress to be that the United States makes insufficient investment in civilian research and development and that the United States is lagging behind its foreign competitors in the commercialization and diffusion of new technologies.

Subsection (b) states the purpose of the bill to be the creation of an Advanced Technology Foundation that will help move basic scientific concepts into commercial products or processes and assist in the diffusion of new technologies in industries.

ESTABLISHMENT

Section 3 establishes an independent agency to be known as the Advanced Technology Foundation in the Executive Branch of the Government. The powers of the Foundation are vested in a Board of Directors.

MEMBERSHIP

Section (4)(a) defines the membership of the Board and establishes selection criteria. The Board is to be composed of fifteen members. Five of the members are to be selected from members of the Council on Industrial Competitiveness, with regard to the groups represented; five members are to be appointed by the President, by and with the advice and consent of the Senate, and are to be selected from individuals with expertise in the fields of engineering, applied research, or related disciplines; and, five members are to be appointed by the President, by and with the advice and consent of the Senate, and are to be selected from industry, including small businesses.

Subsection (b) provides that the Board shall not begin its duties until the members to be selected from the fields indicated have been appointed and have qualified.

Subsection (c) provides that any vacancy shall be filled in the same manner as the original appointment was made. A member appointed to fill a vacancy the term of which has not expired is to serve only for the remainder of that term. A member may serve after his term has expired until his successor takes office.

Subsection (d) provides that no member may serve more than two consecutive terms.

Subsection (e) requires that no more than eight members of the Board can be members of the same political party.

Subsection (f) provides that the term of members of the Board who are not members of the Council is to be six years. The initial members are to serve staggered terms.

Subsection (g) provides that members of the Board who are not officers or employees of the United States are to be paid at a level equal to the rate for Level II of the Executive Schedule. Members who are officers or employees of the United States are to receive no additional compensation as a result of their service on the Board.

Subsection (h) provides that eight members of the Board constitute a quorum.

Subsection (i) provides that the Board shall elect a chairman by a two-thirds vote. The Chairman is to be selected from the members appointed from industry or from the fields of engineering, applied research, or related disciplines.

Subsection (j) provides that the Board is to meet at the call of the Chairman or a majority of board members.

Subsection (k) permits the Board to appoint whatever personnel it considers appropriate. These personnel are to be subject to Civil Service and classification laws. The Board is authorized to procure temporary and intermittent services at specified rates of pay. Heads of other Federal agencies are authorized to detail their personnel to the Board to assist the Board on a reimbursable basis.

POWERS OF THE FOUNDATION

Section 5 describes the powers of the Foundation. The Foundation is authorized to secure any information necessary to carry out its duties from other United States departments or agencies. The heads of other United States departments or agencies are authorized to furnish such information upon request of the Chairman of the Foundation. The Foundation may accept, use and dispose of gifts or donations of services or property, and may use the United States mails in the same manner and under the same conditions as other United States departments and agencies. The Administrator of General Services is authorized to provide administrative support services that the Foundation requests on a reimbursable basis.

FINANCIAL ASSISTANCE

Section 6 authorizes and directs the Foundation to make grants or loans or enter into contracts to facilitate the movement of basic scientific concepts into commercial products and foster the diffusion of the latest developments in applied research and technology throughout manufacturing sectors. The Foundation is directed to evaluate the status and needs of various industries regarding the development and successful commercialization of new technologies, processes, and products. In performing its duties, the Foundation is to consult with the Council on Industrial Competitiveness.

FEDERAL INDUSTRIAL EXTENSION SERVICE.

Section 7(a) directs the Foundation to establish a Federal Industrial Extension Service which is to facilitate the application of scientific and technological innovation in industries.

Subsection (b) describes the duties of the Federal Industrial Extension Service. The Service is directed to create a national referral service, coordinate any existing state industrial extension programs, provide grants and loans to carry out industrial extension plans and programs, involve technology producers in the dissemination of technology to industrial sectors, and develop an information management system for reviewing industrial extension projects and activities occurring at the state and local levels and in industrial sectors.

Subsection (c) defines the term "qualified institution."

CONDITIONS

Section 8 directs the Foundation to require that applicants receiving assistance make commercially valuable discoveries available to other industries. Where a license or royalty fee is charged to others for access to the discovery, the Foundation is to make arrangements to share in the income generated.

ANNUAL REPORT

Section 9 requires the Foundation to submit an annual report to the President, both Houses of Congress, and the Council on Industrial Competitiveness regarding the actions taken by the Foundation. The report is to include any recommendations for legislative or administrative action that the Foundation may have.

AUTHORIZATION OF APPROPRIATIONS

Section 10 authorizes an appropriation of $500,000,000 to carry out the provisions of this bill.●

IMMIGRATION REFORM

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. RICHARDSON. Mr. Speaker, there has been considerable attention focused on the fact that the Simpson-Mazzoli Immigration Reform and Control Act will not come to the House floor for a vote this year.

Mr. Speaker, I think it is important for supporters of the Simpson-Mazzoli approach to immigration reform to understand why the bill was so distasteful to Hispanic Americans. I think everyone agrees that something needs to be done about the immigration flow into this country, but I think that all of us concerned with controlling immigration must take this opportunity to develop a viable alternative that is sensitive to minorities while recognizing the concerns and needs of American workers.

Mr. Speaker, I would like to direct my colleagues attention to a thoughtful piece which ran in the Albuquerque Journal, a daily newspaper in New Mexico recently. I hope that my colleagues will take the time to read this opinion piece by Mr. Rene Anselmo, president of SIN Television Network.

The article follows:

[From the Albuquerque (N. Mex.) Journal, Nov. 10, 1983]

O'NEILL DID U.S. HISPANICS A FAVOR

(By Rene Anselmo)

The recent outcry in the press directed at Speaker of the House, Thomas P. O'Neill, Jr., for his refusal to take action on passage of the Simpson-Mazzoli immigration reform bill is ill founded.

For a bill twice passed by the Senate and hyped to the point of near hysteria in the press, it took an enlightened and courageous man to stand against the crowd and stop this legislation dead in its tracks in the Congress.

Hispanic-American groups have been protesting for years that any immigration act which contained employer sanctions and a national I.D. card requirement would discriminate against Hispanics, particularly Mexican-Americans living in the Southwest. Throughout the hearings on both the Rodino and the Simpson-Mazzoli immigration bills, the objections, concerns and protests of Hispanic groups were duly noted by our lawmakers and then duly ignored. Nobody gave a damn!

The attitude in Washington was that even if there were some validity to these fears of institutionalized discrimination, it was just the price that Hispanic Americans were supposed to pay. Pay for what? As stated by one of the nation's leading conservative magazines: "The payoff for the Hispanic lobby was to be an opportunity for most illegal residents to legalize their presence."

Lollipops! It just simply never occurred to the proponents of Simpson-Mazzoli that 15 million American citizens of Hispanic descent might not want to turn the civil rights clock back 40 years so that countless unknown illegal aliens of who knows what national origin could legalize their residence. No one would deny that something must be done to legalize the presence of undocumented people living in this country. Tying amnesty, however, to the acceptance of employer sanctions by Hispanic Americans made Simpson-Mazzoli nothing more than a cynical sham.

It is not American citizens of Hispanic descent who require amnesty. They need and want to retain their civil rights. Humanitarian appeals that passage of Simpson-Mazzoli would bring illegal aliens out of the netherworld of exploitation, fear and misery into the mainstream of American society also ring hollow. Everyone knows that this government, any government can grant amnesty to illegal aliens anytime it wants to. It doesn't need the racist provisions of a Simpson-Mazzoli bill to give vent to the crushing humanitarian urges of this bill's supporters.

Then again we hear the cry: "We must regain control of our borders!" I don't know of any American, Hispanic or otherwise, who would disagree with that statement. It might be appropriate, however, to remind our lawmakers that the social, political and economic forces that are driving people to take up illegal residence in this country are not the fault of American citizens of Hispanic descent. Nor is the corruption, the inefficiency and the inability of the Immigration and Naturalization Service to control our borders or to keep track of foreign visitors and students in the country, the fault of American citizens of Hispanic descent.

Senator Simpson is wont to make a great deal in the press that even the majority of Hispanic Americans are in favor of immigration reform. Well of course they are. Who, but a civic pervert wouldn't be? There is deep and widespread support within the Hispanic community for immigration reform. Non-discriminatory reform.

The problem with Simpson-Mazzoli is that it is a special interest bill. It has been the adamant insistence of the AFL-CIO and its membership at the Immigration and Naturalization Service that any immigration reform bill must contain employer sanctions which has stymied immigration reform for so long.

Immigration can be controlled. We can regain control of our borders. Hopefully next time around we will write immigration law that is in the national interest instead of what speaker O'Neill so astutely labeled "dog tag legislation".●

HOUSE JOINT RESOLUTION 402, FURTHER CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1984

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. SYNAR. Mr. Speaker, last week Congress passed yet another continuing appropriations bill to keep Federal agencies, whose appropriations bills have not yet been enacted into law, running for the rest of this fiscal year. I supported the bill, but not without apprehension and a good deal of frustration.

Strange things happen when we pass continuing resolutions. We end up voting for and against provisions in these bills which have nothing to do with keeping Government agencies running. We fail to face the tough job of voting on individual funding bills. Some bills, important bills, never come up because the pressure to consider them fades once we have a stopgap funding bill in place.

I supported the bill because I knew we should not shut the Government down because of our failure to perform our job properly. The House-passed bill would have funded the Government until February which would have given Congress extra time to pass the needed appropriations bills. Instead, the conferees brought back a bill to fund agencies until the end of the fiscal year, unless their appropriations bills are enacted into law. We therefore have taken the pressure off for debating the appropriations bills which still need to be enacted.

Besides the time extension, I have other concerns about what we did and what we failed to do when we passed this most recent stopgap measure.

We failed to bring a tax bill to the floor of the House for a vote. With the pressure off, we now will not see the passage of a tax bill this year. When the House passed the budget last spring, we said we would lower the budget deficits. We said we would do that by reducing spending and closing loopholes in the tax system to gain needed revenues. Well, we made some attempt to live up to that commitment—we did pass a reconciliation bill which came close to our targets. But, without a revenue raising bill, we are going to come dramatically short of meeting our deficit reducing responsibilities.

This is also the third year in a row that foreign aid programs have been funded under a continuing resolution. I realize our foreign aid program has come under criticism recently because we have been asking so many Americans to tighten their belts here at home due to the recession. We certainly would not assuage those criticisms by continuing to fund the foreign aid program in stopgap funding bills without full debate. The importance of our foreign program makes it deserving of full and open discussion before the full House.

I supported President Reagan's foreign aid request in 1981 and the increased funding included in this bill. I am convinced that we need a strong foreign aid program for two important reasons.

First, the Soviet Union outspends us in all types of foreign aid, including military assistance. In 1980, for example, the Soviet Union outspent us by $18.2 billion on economic assistance alone. In the critical category of military assistance, they outspent us by $1.4 billion. Certainly we cannot allow this Soviet effort to spread their influ-

ence around the world to go unchecked.

Second, foreign aid is roughly 1 percent of the Federal budget. From that small investment American businessmen and farmers get a hefty return. In fact, in 1980, recipients of aid bought $77.9 million worth of goods and services from the people in my State of Oklahoma.

We should bring these important facts out to the American people by upholding our responsibilities and bringing a foreign aid before this body for debate.

I also have great concerns about a provision added to the continuing resolution by the conferees regarding Synthetic Fuels Corporation price guarantees for the Great Plains gasification project in North Dakota.

On October 18, 1983, the Government Operations Subcommittee on Environment, Energy and Natural Resources, which I chair, reviewed the economic viability of this project. The sponsors have requested a substantial amount of financial assistance from the Synthetic Fuels Corporation, in addition to the loan guarantees they have received from DOE. Despite claims by the Great Plains' sponsors that the outlook for future energy prices would prevent the completion of the project, several studies commissioned by the Department of Energy and the subcommittee indicated that the project—over 90 percent complete—remained economically viable. According to these reports, the key to the project's financial attractiveness was and continues to be a substantial amount of tax benefits available to the participating parent companies.

Additionally, the Chief Financial Officer of the U.S. Synthetic Fuels Corporation, Mr. Edward Miller, testified before the subcommittee that, following a comprehensive financial review, it was his judgment that the project's present economics would not preclude completion and operation of the facility at this time. Based on this judgment, Mr. Miller concluded that the sponsors had not yet substantiated the need for SFC assistance.

In light of these findings, I strongly object to language inserted into the conference report directing the SFC to enter into direct negotiations with Great Plains for additional taxpayer subsidies. The question of the legality of such negotiations, notwithstanding such language, directly questions the Corporation's present and future ability to make decisions independent of the personal wants or wishes of Congress. The Synfuels Corporation was established as an "independent Federal entity" and, as such, congressional actions and/or executive intervention into the SFC decisionmaking process seriously threaten the integrity of the entire program. It is, therefore, my view that congressional actions undertaken to directly influence project specific decisions by the Corporation's Board of Directors are inappropriate and unwarranted.

I know many of my colleagues share my frustration over the passage of stopgap funding bills year in and year out to keep the Government in business. This process leads to lazy legislating and bad legislation. I look forward to working with my colleagues in the next year to move this process along so we can avoid this frustration in September 1984.●

WHY WE NEED FUNDAMENTAL CHANGE IN AMERICA

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. GINGRICH. Mr. Speaker, Richard Glass lives in my district. He works for the Department of Family and Children Services in Griffin, Ga. The other day he wrote me a letter that I think shows why we need fundamental change in our Nation at the most basic levels. I recommend it to those of my colleagues who are concerned about the current direction of America.

The letter follows:

DEAR MR. GINGRICH: A lady at work had passed out these questionnaires, and I volunteered to mail them as I wanted to write you a letter.

I work for the Dept. of Family and Children Services in Griffin, and work with the food stamp program. I have become more and more discouraged with our government, and its liberal give-away programs. A person is better off being poor, because the government will do their best to help them. Why doesn't the government think about the enormous tax burden I am having to pay, and help people like myself. I pay $78 in federal taxes twice a month! It makes me sick to see the way it is wasted.

Last year when Congress was looking at a hefty pay raise, one kept hearing that they needed it because of the expense of keeping up two homes. The salaries went up to about $67,000.00 or $68,000.00 a year! How about people like myself who can't even afford to buy a home, or people making $20,000.00 to $30,000.00 a year—less than half your salary—and trying to keep up one home?

The welfare programs need to be reorganized in this country! Why should I have to work to support people that are too lazy to work?

Allow me to share with you some things about food stamps. Before we can close a case, or reduce a person's food stamps, we have to give them 13 days of adverse action. If a person calls me on the 6th of October, tells me they have gone to work and brings in their first stub on October 20th, I have to wait until December to reduce their stamps! Why? 20 + 13 days come out to the 2nd of November. If I find out something the last two weeks of a month that would make that case eligible for less food stamps or allow it to be closed, I have to wait until the month after the next month to make any changes. The 13 day adverse action notice should be abolished, and tons of tax payers money would be saved.

Another area is voluntary quit. If a person voluntarily quits his or her job in the 60 days prior to application, without good cause, they are disqualified from the programs for 2 months, beginning with the month of quit. That is absurd! What about people that are already certified? Nothing is done about them! What our government is saying is that it doesn't care if you quit work, because we will give you food stamps. If a person quits his job before applying or even after they are certified, they should be disqualified for six months, regardless of the reason. This will again save money, but it will also help to put more responsibility on the people, and businesses would appreciate it more. People need to learn they can't just up and quit a job and expect tax money to support them.

How about a person getting fired? Nowhere do the regulations speak to it. A person can get fired today, and start drawing food stamps tomorrow. That is wrong! When a business deems it necessary to dismiss someone, the government should back them up and that person should not be eligible for six months. Why should the government feed someone when they get fired for not doing their job? Again, it goes back to supporting business and putting responsibility on the people.

Another area is household size. I have a case for 13 people in one house. No one works. The father gets SSI and RSDI, a daughter gets SSI and two more daughters get AFDC. That's over $1,000.00 a month in tax free income plus $452.00 a month in food stamps. Now, get this. There are 4 boys in that home, ages 27, 26, 24 and 23. Not a one of those boys works or has ever worked. Why should they? They have a place to live and food to eat. There is no incentive to make them work. I have numerous cases like this, and it really upsets me. When children reach the age of 18, they automatically become eligible for food stamps. It is wrong to leave them in the program.

How about old people? You would not believe the old people I have trying to live off between $304.00 and $400.00 a month in RSDI and SSI. The majority of them only get between $10.00 and $15.00 a month in food stamps. That breaks my heart. They are the ones that need help, and not the ones like the household I described earlier getting $452.00 a month in food stamps. Every old person should receive at least $30.00 a month in food stamps, and they could live off that. It is something that makes you think.

Another point related to welfare or AFDC is Medicaid. Changes are needed desperately in that program. Medicaid pays for 12 visits a year to the emergency room and most of the people will use that many visits. In my 25 years, I have been twice, and both for emergencies. These people go for a sore throat, a stomach ache or whatever. They won't wait and go to the doctor. Why should they? They are not having to pay for it? They should be allowed only one or two visits a year to the emergency room.

On Medicaid and AFDC, I really feel the program should be phased out. I know that is impossible but changes are needed and the government will have to do it. It shocks me that welfare people who come down here from the North receive $400.00, $500.00 and $600.00 a month in welfare! We need to be getting these people off that program and not raising the amount of their checks every year! AFDC should not pay for more

than one child, and two at the most. But I have some women drawing for five and six kids. Two should be the limit, and $200.00 a month nationwide should be the limit.

Why? Every week I see more and more 15, 16 and 17 year old girls applying for AFDC because they are pregnant. They come into the office and say "I want a check." All they're interested in is the checks. They could care less about the baby, their education, or the daddy. You ask about the daddy and they say "Well, I don't really know." You ask how they're going to pay for the hospital bill and they say "I want to apply for Medicare also." Disgusting! And our government supports it. The AFDC program and Medicaid are mushrooming and will continue to unless drastic changes are made. The government started it and is going to have to stop it by legislating morality. You could not believe the women I have that have children by 4 or 5 different men. They don't care. All they're interested in is that check and Medicaid. Or, how about these girls that are only 19, 20 and 21 years old and already have 3, 4 or 5 kids?

In addition to that, how about the daddys? Most of them don't work and could care less. They are not concerned with how many babies they father, because they know that they won't have to support them. My view is radical. Work camps need to be set up, and they should be sent there to work and make a contribution to society, instead of another unwanted baby. Let them plant trees, pick up trash along the highways or whatever. Give them something to do.

That brings up public housing. Here are these women on welfare, and others, living at the taxpayers cost. In the government projects their lights and gas are included in the rent which is only $13.00 a month! I won't pay anymore.

My question is why is one part of society having to support the other? We need to place responsibility on these people, and let them begin to support themselves, and to take the burden off the tax payer. As I said earlier, it must be nice to be poor, because you get food stamps, AFDC, Medicaid, public housing, you don't have to work, you don't have any responsibility and you don't need morals.

Mr. Gingrich, I am not expecting a letter in reply, and don't need one. I have had it with my job, and have lost confidence in our government. I just needed to vent my frustration. Friday, I had an elderly lady tell me to close her food stamps, because the $12.00 she got was not worth it. I had a black lady in for AFDC, with six kids by 5 different men. She told me our government owed her everything because of the way we treated her ancestors. I told her that was over 100 years in the past and we did not owe her one dime; and we don't.

There are so many inequalities. I do not see any hope. The changes would have to be radical and drastic. Thank you for listening, and allowing me to express my feelings.

Sincerely,

RICHARD GLASS.●

H.R. 4170

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. DASCHLE. Mr. Speaker, it is not very often that I rise in opposition to a rule bringing to the floor an important piece of legislation. By any definition, the bill whose rule we are considering today is an important piece of legislation. I feel it incumbent upon me to explain to the membership why I intend to vote against this rule.

The bill we are debating today, H.R. 4170, the Tax Reform Act of 1983, is in many ways an admirable bill. As a matter of fact, though I have some minor problems with some sections of them, I could, in the final analysis, vote to approve 10 of the 11 titles of the bill. For instance, title II is an excellent reform of life insurance taxation, a compromise which provides plugging of loopholes while at the same time being carefully enough crafted that it enjoys the full support of the life insurance industry.

Similarly, title IV provides some much needed simplification of the Tax Code in particular instances, and title V does a good job in clearly delineating the tax-exempt status of many fringe benefits, removing those fringe benefits from the cloud of uncertainty that has been hanging over them for many years. And while I might have some individual problems with elements of the other titles, there is nothing in them that I would consider so damaging to my constituents to warrant a negative vote. However, there is one title of the bill which caused my constituents serious concern. This is title VII, the tax-exempt bond provision.

Of course, even title VII has strong merits to recommend it. This title contains a 5-year reauthorization of the mortgage subsidy bond program. I am cosponsor of this reauthorization language, and would strongly urge passage. There are few more beneficial methods to make home ownership a realizable goal that the Federal Government can employ than mortgage subsidy bonds. However, this same title of the bill contains provisions establishing a cap of $150 per capita per State for private purpose tax-exempt bonds. Included in this cap would be all new issues for student loans. Originally, the cap figure also included multifamily rental housing bonds, but it is my understanding that a committee amendment will exempt the multifamilies from this cap.

While this last action is certainly a welcome one, and one which I applaud, the simple mathematics of the situation force me to the conclusion that the imposition of a $150 per capita cap on my State of South Dakota would work a real hardship on the residents of my State. The simple mathematics say this: In 1984, under the provisions of this bill, South Dakota, including all its local governmental subdivisions, will be empowered to issue private purpose tax-exempt bonds for all purposes, including student loans, to a total not to exceed roughly $105 million. After 1986, with the termination of small issue bond authority, that figure will drop to $73.5 million.

Now, let us look at what is actually going on in South Dakota at the present time, and see what effect such a cap would have on currently ongoing programs and projects. First, I am informed by the South Dakota Education Assistance Corp., that a new bond issue of $104 million is currently being assembled for the purpose of financing student loans. This is not a refinancing, or a rollover, or anything else. This is a new issue, all of which would fall under the cap being proposed. The cap has now, with this single issue, for all intents and purposes, been reached.

There you have it * * * the simple mathematics of the situation. If the planned cap does in fact go into effect next year, South Dakota's entire allotment could be taken up with one issue for student loans. What would happen, of course, is that this issue probably could not go forward in its entirety. There are numerous other uses in the State that are planned for tax-exempt revenue bonds, both for special purpose issues by localities, and State bonds for beneficial projects that would cut across county and municipality lines. A very partial list of these planned activities indicates that various local governments in my State would seek to issue at least, and this is a minimum figure, $170 million, all of which would theoretically belong under this cap. A realistic figure for planned tax-exempt issues in my State for the coming year would be somewhere in the neighborhood of $280 million.

Objection may be made that this is precisely the situation that this bill was crafted to address, that the issuance of bonds of this type are a drain on the Treasury that is getting worse every year, and that corrective action such as the proposed cap is necessary to recapture this lost revenue and reduce the deficit. To be perfectly frank, if I believed that this were true, I might be able to overcome my reluctance to vote for this legislation. But the committee's own figures indicate that for 1984 and 1985, the revenue increase would be a total of only $86 million. To be sure, in the out years of 1986 through 1988, the bill contemplates increased revenues of about $1.8 billion, but we have all seen how tax lawyers, when one avenue is closed, seem to find a superhighway just around the corner. My intuitive reaction to this estimate would be that the out year revenues would be considerably less than the projection, because new tax shelters would be found. This attempt to close a loophole is admirable, but frankly, unless a lot more loopholes are closed at the same time, there will be no significant revenue

gain. But even accepting the figures at face value, this provision would net revenues of about $2.6 billion over 5 years, the same 5 years in which we can envision addition deficits of nearly $1 trillion, if current policy remains in effect. A $2.6 billion saving would hardly be a scratch on an elephant compared to this deficit.

While not significantly reducing the deficit, this provision would work a real hardship on people throughout my State. College students who need loans for their educations, cities and counties that can only finance desperately needed development through tax-exempts, and the entire effort of my State to diversify its economy would all be victims of this legislation.

In many ways my State is a rich State—rich in the strength of its people, in its environmental quality, in its capacity to see a job that needs doing, and to do it. But in other ways, in purely economic ones, my State is not so rich. It does not have great energy reserves, on which it can levy severance taxes. It does not have an industrial base. It does not have a great deal of commercial activity, although we are working to improve that. South Dakota is a largely rural State, dependent on its agricultural and tourism industries for the great part of its business activities. Over the last 2 years, a combination of severe depression in the agricultural sector, and a lessening of Federal aid have not made South Dakotans' lot a particularly easy one. As a matter of fact, according to a recent Treasury study, South Dakota has lost, in the last 2 years, a greater percentage of Federal financial aid than any State in the Union, a full 27-percent decrease.

South Dakotans, however, are a pretty independent lot, who are fully committed to doing their share to reduce the Federal deficit, and they have taken these reductions with remarkably good grace. They have sought alternatives to Federal aid in their development and student loan programs, and have made beneficial use of tax-exempt bonding procedures in this effort. If this rug is pulled out from under them, knowing our State's resilience, it will not be the end of the world. But it will make the job harder, and I would like to spare my State that.

All the preceding notwithstanding, however, I would like to take this opportunity to congratulate Ways and Means Chairman ROSTENKOWSKI on the great bulk of this bill. Tax questions are some of the most volatile and emotion-ridden political issues that we are called to deal with, and the great majority of the provisions of this bill are a tribute to his legislative skill and his ability to overcome obstacles too numerous to mention in bringing forth a reasonable, sensible package that on the whole merits support. I deeply regret that the rule under consideration denies the membership of the House the opportunity, however, to have a separate vote on the tax-free bond provisions of title VII. Without such an opportunity, I cannot support the rule, and urge my colleagues to join me in voting for its defeat.●

THE SPIRIT OF SHARING

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. RICHARDSON. Mr. Speaker, Thanksgiving is a time for all of us to gather together with family and friends and count our blessings. I want to share with my colleagues a project we launched in New Mexico recently which captured a special feeling and appreciation for our peace keeping troops in Lebanon. The project exemplifies the spirit of sharing which is Thanksgiving.

Mr. Speaker, "The Great Chili Send Off" was launched after I returned from a congressional factfinding mission to Beirut. I had an opportunity to talk with some of our New Mexico marines while I was in Lebanon. The marines were appreciative of all the support they were getting, but said the one thing they missed was food from home.

Mr. Speaker, I made a promise to those marines to do all I could to see to it that they got some chili, salsa, piñon nuts, and tortillas from New Mexico. Participation in "The Great Chili Send Off" was so great that not only will New Mexico marines and their friends be able to savor the flavor of the food from New Mexico, but all 1,600 marines in Lebanon will be able to taste our traditional New Mexico cuisine; 1,670 pounds of food was collected from the drive.

Mr. Speaker, Lyn Tobin of the Eastern Airlines office in Albuquerque, N. Mex., jumped into the project at the onset. Eastern Airlines generously volunteered to fly the native New Mexico food from Albuquerque to Raleigh, N.C. Harold Panel of the Eastern Airlines office in Raleigh, N.C., got support from his employees to collect the New Mexico food and deliver it to the 2d Marine Air Wing in Cherry Point, N.C. Continental Trailways Albuquerque Bus Line Manager Tony Martinez and Genevieve Mathieu donated a bus to transport some of the collected canned goods from New Mexico to North Carolina.

From the beginning, the marines supported this project 100 percent. Marine Commandant Paul X. Kelley has assured me that our New Mexican food will be transported to Lebanon when space is available on military cargo planes. Lt. Col. Vic Russillo in Washington, D.C., helped to coordinate the effort and Capt. Royce Gibson at the 2d Marine Air Wing in Cherry Point, N.C., pitched in to make sure the delivery will run smoothly.

Mr. Speaker, in New Mexico the spirit of giving was tremendous. The Veterans of Foreign Wars, American Legion members, the Disabled American Veterans and the American GI Forum all joined in and established 17 separate collection centers throughout the Third Congressional District and in Albuquerque, Pete Jimenez of the American GI Forum volunteered his organization to maintain a central collection point and pack and deliver the food to Eastern Airlines in Albuquerque. Greg Dudley of the U-Haul Co. in Albuquerque and Walter Ramazzini of the Dura Box Co. in Albuquerque donated boxes and packing materials. The executive vice president of the New Mexico Restaurant Association, Jack Ruggs, gave of his time to supervise the packaging of the food collected. People in Mora, Taos, Belen, and Las Vegas, N. Mex., were turning on their ovens to cook up their specialty for our marines. The people of the small town of Bernalillo, N. Mex., got together and raised $500 to buy New Mexico specialties. In Gallup and Socorro, N. Mex., groups of children started class collection projects. The people of Espanola, Questa, Tierra Amarilla, Farmington, Rio Rancho, Grants, and Raton all had projects of their own going on and in each community veterans groups or local governmental officials all gave of their time to serve and maintain collection center sites. In Albuquerque, Frank Sainz of the Old Town Merchants Association got wind of the "The Great Chili Send Off" and launched a campaign to whip up 100,000 tortillas. Joe Maloof of the Maloof Distributing Co. in Albuquerque donated 30 cases of Coors beer. The New Mexico State Democratic party raised $60 to buy piñon nuts for the marines. The New Mexico State Agriculture Secretary W. P. Stephens and Jeanne Croust, the executive director of the International Connoisseurs of Red and Green Chili, convinced Bob Karsey, the manager of the Old El Paso Plant in El Paso, Tex., to donate 18 cases of Old El Paso brand chili.

Mr. Speaker, the spirit of giving involved in "The Great Chili Send Off" makes me proud to be a New Mexican and to be able to honor our marines with a gift from home this Thanksgiving.●

FOUR GENERATION NEWSPAPER FAMILY

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. PEPPER. Mr. Speaker, in May of 1983 Ms. Jane Dennery wrote a moving story in the Kansas Publisher about a four-generation newspaper family—the John D. Montgomerys in Junction City, Kans. In September 1888 the grandfather of the present president and editor entered the newspaper field in Junction City, Kans. The first publication was the Smoky Hill and Republican Union. This weekly developed into a daily on June 24, 1892, and from the beginning down through the four generations the family has expanded each organization until it now includes television as well as a very important daily at Junction City.

I knew just slightly the early-day John Montgomery, the founder of the Daily Union. He lived in Miami Beach, Fla., with his grandson John D. Montgomery, the present president and editor of the Junction City Daily Union, who has been for nearly 50 years my dearest friend, and he and his lovely wife and my late wife and I were as close as friends could be until the passing of my wife 4 years ago. John D. Montgomery is one of the finest and noblest men I have ever known, keen of mind, magnanimous of heart, a fine gentleman. He is an exceptional man.

He has had an illustrious career as a publisher, not only in the United States as a copublisher of the Junction City Daily Union, but as a founder and publisher of many newspapers in the Miami area in Florida from 1936 to 1949 and the founder and publisher for many years of the only English newspaper in Rio de Janeiro, Brazil.

John D. Montgomery has been for many years a member of the Democratic National Committee and one of the most stalwart and effective leaders in the Democratic Party. He has been active in outstanding financial institutions in his State. He has been a great and dedicated supporter of our Armed Forces and particularly has been the friend and supporter of the military establishment in Junction City. He has been the champion of innumerable causes of worthy character. He is the epitome of a great American.

The fourth-generation copublisher of the Junction City Daily Union and president of Montgomery Publications in Colorado is John G. Montgomery, the son of John D. and Mary Elizabeth Montgomery. He has had an illustrious background in newspaper publication including being assistant to the president of the San Francisco Chronicle for many years. He is carrying on in a great way the fine tradition of the Montgomery family.

The article to which I referred in the Kansas Publisher of May 8, 1983, by Ms. Jane Dennery tells the fascinating story of this great publishing family. These four generations of Montgomerys are among the great contributors to our Nation's progress. So I proudly, Mr. Speaker, ask unanimous consent to include in the RECORD immediately following my remarks the story of the four generations of Montgomerys in the Kansas Publisher of May 8, 1983, and I commend this story to my colleagues.

FOUR GENERATION NEWSPAPER FAMILY MOVES FROM "SHIRT-TAIL FULL OF TYPE" ERA TO TELEVISION

(By Jane Dennery)

The Junction City Daily Union began serving its community more than 120 years ago, only a few months before Kansas became a state.

This means that the Daily Union today is the third oldest continuously published newspaper in Kansas. It has been owned and managed practically all of that time by four generations of the Montgomery families.

The first issue of the weekly Smoky Hill and Republican Union was printed September 19, 1861, and 27 years later, newspaper pioneer John Montgomery, the great-grandfather of the current president and editor, entered the journalism picture in Junction City. That weekly publication developed into a daily on June 24, 1892, and from the beginning, down through the four generations, the organization has continued to expand.

At the helm of the Montgomery publications today is John D. Montgomery, 80, and his son, John G. Montgomery, 41. John Montgomery is president and editor, while "John Grey" is vice-president and publisher. They still share most of the responsibilities for the Daily Union and Weekly Republic at Junction City and the weeklies at Chapman and Lindsborg as well as their publications in Wamego and Fort Riley. When the Enterprise weekly ceased publication a few years ago, a special section was added to the Chapman Advertiser so that community would not be without a newspaper. The Montgomerys publish a twice-weekly newspaper, The Transcript, at Golben, Colo., and a weekly shopper is also printed there.

John Montgomery thoroughly enjoys relating some of the early-day newspaper history in which his grandfather, John Sr., was involved prior to and after coming to Junction City. The walls of his office are almost covered with photographs which tell the story of his predecessors and his own career, as well as that of his son.

The colorful publishing story of the Union's founder began when as a young boy in the early 1860's he went to work as an apprentice on the Morning Ledger at Fairfield, Iowa. His grandson and great-grandson tell the story of the moring of April 15, 1864, when "he went to the telegraph office in Fairfield and received the message telling of the assassination of President Lincoln. He went back to the office where he set the type by hand for the paper. Later, he delivered copies of the paper he had printed himself telling the people of the tragedy."

Following the Civil War, when towns were competing with each other to be the first to start a newspaper, the mayor of Ellsworth learned about the young printer at Fairfield, and persuaded John Montgomery to come west and start a paper in his little frontier town.

Enroute to Ellsworth, Montgomery stopped in Leavenworth to buy his type, stones and press, before proceeding to his new home town. He was stormbound a week in Brookville before reaching his destination less than 25 miles further west in November, 1870. In just a short time he had founded the Ellsworth Reporter.

A few years after the end of the cattle trade at Ellsworth, Montgomery sold his paper and returned to Leavenworth where he continued to work as a printer. From Leavenworth, he went to Manhattan and was part owner of the Manhattan Republic.

In 1888, he went to Junction City where with two partners he bought the Weekly Union from George W. Martin, then state printer. Four years later, the paper became a daily, and one of his partners continued to hold interest in the paper until Harry E. Montgomery, second generation publisher and son of the founder, purchased controlling interest.

Harry Montgomery was the Union's publisher from the time of the founder's death in 1936 until 1952. That was the year that a third generation Montgomery, today's John D. Montgomery, joined his father in the firm as co-publisher. Harry Montgomery died in 1959 and the son continued as publisher until 1973, when his son, John G., became today's fourth generation publisher of the Union.

The founder of the Union had watched the telegraph develop into the wireless, the wireless into the radio, and the radio into wirephoto. He watched the printing industry begin to develop from the hand press and "shirt-tail full of type" days to the beginning of a gigantic industry with its linotypes, high-speed rotary presses, thousands of miles of leased wires and complex organization. All of these innovations are pretty well taken for granted by media people today.

The Union, through the years, has continued to progress and expand right along with modern industry. "When the Daily Union moved into its new offices in 1965, only one of the three floors in the building was put to use," explains John Grey Montgomery. But in less than two decades the area is filled to overflowing with the latest in electronic equipment.

In 1974, they switched to offset to provide a more readable product with more distinctive pictures. A Sunday newspaper was added about two years later. The newspaper now owns more than a dozen video display terminals to help its reporting staff speed the news.

And the latest innovation to be added at the Montgomery plant is a new low-power television station, K6KZ, the first such station in Kansas. Publisher Montgomery points out it is a new concept created by the Federal Communications Commission to permit companies and individuals to own and operate "mini" TV stations with a limited coverage area. The new Junction City station reaches out approximately ten to 15 miles. Low-power stations may operate on any TV channel not used in the area and only on a noninterference basis.

When questioned about how the new television station would be linked with the newspaper, Montgomery said, "We think of it as a means of extending our coverage, rather than competition for our paper. However," he added, "it must be distinct

from the newspaper and stand on its own feet." The station went on the air on February 14, and so far the programming includes local, state and world news in capsule; announcements, job opportunities, news from Wall Street, and a number of specials like lifestyles, cooking, sewing, aerobics and sports picked up from an affiliated network. A three-times-a-day program of classified advertising is sold in a combination package with the newspaper, Montgomery explained. At present, he says, three full-time people and one part-time person are employed at the station.

Both father and son now in charge of the Montgomery publications had always included the family newspaper business in their career goals. However, each of them had a wide range of earlier experiences to bring home to Junction City when they returned to the paper that had been started by their parents and grandparents. That experience ranged from managing larger papers, foreign papers and even public relations.

For example John D. Montgomery was publisher and principal partner of the Brazil Herald for 33 years, the only English language daily newspaper in Brazil. He maintained an interest in that paper until last year. He founded and published the Miami Riviera of Coral Gables, Fla., from 1936 to 1941, and the Miami Beach Daily Sun-Tropics and the Miami Beach Daily Morning Star, and operated them until they were sold in 1949.

He was general manager of the Havana, Cuba, Daily Post and Evening Telegram for three years in the early 1930's. He was a partner in the national public relations firm of Carl Byoir and Associates with headquarters in New York City, for ten years prior to 1940. He has been on three round-the-world tours (one by steamship), and in 1930, traveled extensively in South America as a correspondent for the United Press.

He had some extensive hotel management jobs in his early career, and since 1924 has made 41 trips to South America, nine to Europe and one to Australia. "I just like to travel," he once told a reporter who was questioning him about his busy life.

After returning to Junction City in the early '50s to join his father, the later Harry Montgomery, John Montgomery became just as active in state affairs, democratic politics and newspaper circles as he had been previously. He served as Kansas Highway Commissioner from 1957 to 1961; he was chairman of the Kansas State Democratic Committee, director and vice-chairman of Kansas State Centennial Commission and first president of the Fort Riley Central Kansas Chapter Association of the U.S. Army.

He was director of the state chambers of commerce both in Florida and Kansas; he was democratic nominee for Congress in 1946 and 1964. On October 13, 1970, he was awarded the President's Medal by Association of the U.S. Army for outstanding service. He received the University of Kansas Distinguished Service Citation in 1971. He has served on the Kansas Board of Regents and in 1980 was elected director of the American Institute for Public Services.

John Grey Montgomery was born in New York City. He attended Phillips Academy, Andover, Mass., and received his B.A. from Yale University. In 1964, he received his M.B.A. degree from Stanford at Palo Alto, and immediately went to work for the San Francisco Chronicle, where he became assistant to the president, and continued in that position until 1973 when he returned to Junction City.

He was appointed Civilian Aide to the Secretary of the Army for Kansas in 1979, and held that office for two years. He has been an active member of the Junction City downtown redevelopment committee. He is a member of the Association of the U.S. Army, National Council of Trustees, and Association of the U.S. Army, Fort Riley, Central Kansas Chapter Chairman. He is a past president of the William Allen White Foundation. He received the Jaycees 1975 Outstanding Young Man of Kansas Award, and holds the Department of the Army, Patriotic Civilian Service Award.

Both John D. Montgomery and his only son, John Grey, have been prominent in practically all service and civic organizations in their home town, as well as in the army activities in adjoining Fort Riley.

Mary Elizabeth and John D. Montgomery observed their golden wedding anniversary in 1981. "Mary Liz", as she is identified in her popular column, "Incidentally", in the Union, has traveled extensively with her husband, and she, also, has played a prominent role in civic and service affairs in her hometown and throughout Kansas. John and "Mary Liz" have become a popular husband and wife team throughout Kansas and wherever they travel. "What they do they almost always do together," says one of their close friends in Junction City.

Jolana Montgomery (Mrs. John G.) writes a weekly column, "Corner On Arts". She is highly experienced in crafts and other arts, and her column deals with all areas of art, including drama and music.

The three children in the fifth generation of the Montgomery family may or may not carry on the journalistic careers of their fathers and grandfathers. The eldest, Michele, is married to Charles Kelly, an attorney in Overland Park, and she will enter the University of Kansas Medical School in the fall. So it's almost a sure bet that she will not be carrying on the family career. About his two sons and their future plans, John Grey says, "I've no idea what their plans will be. John D. II, is 16, and Robert Grey is only 8. They'll have to make their own choice about their business careers. Time alone will decide that."

"AN EYE FOR AN EYE"

(By Jane Dennery)

Two Kansas newspapermen you all know have had exciting medical experiences this spring and we are glad to report they are recuperating in fine shape. Both were back at their desks within a few days following major eye surgery.

"'An eye for an eye' takes on an entirely different meaning when it signifies good sight or bad," wrote Mary Liz Montgomery in her column on March 30 in the Junction City Weekly Republic. She was referring to her husband, John D., long-time publisher of the newspapers in Junction City, who underwent a cornea transplant on St. Patrick's Day in Kansas City.

The Montgomerys had waited for five weeks for the summons from their physicians that a suitable eye from the Kansas City Eye Bank had become available. They were aware that live corneal tissue is perishable, and they knew that when the call came they must be packed and ready. They received the all-important call in the early evening of March 16. "Can you be at the hospital at eight tomorrow morning?"

Mary Liz wrote that it was one of those dark, icy and misty nights and the next morning at four o'clock it was even darker and foggier. "Nevertheless, driving cautiously, we arrived at the hospital shortly after seven. By 10:30 the MIL [that's Mary Liz' way of saying "the man I love"], under general anesthesia, was getting a new cornea."

About 35 minutes was required for the operation, the third of its kind to be done by John's physician that morning. The transplant took place on Monday and by Thursday, our friend John was having a haircut in a club barber shop and lunch at a rooftop restaurant enroute back to Junction City. The day he arrived home, only five days after surgery, John was back in the office checking the mail. An optic pad adorns the left eye for several weeks and Mary Liz writes, "from then on we are hopeful his improved sight is back, barring future rejection of the tissue."

Yes, Mary Liz, "an eye for an eye" does take on a different meaning. Good luck from us all.

And at about the same time in March, Craig McNeal, co-publisher at the Council Grove Republicans, underwent cataract surgery. Because of a particular condition in Craig's eye, the surgery had first been judged "too risky", but at long last physicians assured him that the operation could be performed, and the first of the two eye procedures took place in Topeka. Craig is ecstatic with the results, and needless to say, so is wife Lorna, and parents Don and Lucile.

In his first column following his return to work, Craig wrote, ". . . it is good to be able to meet someone on the street and see who I am speaking to—with one eye, anyway."

And through it all, Craig has not lost his typical McNeal sense of humor. The past several years of waiting for surgery or no surgery, have not been easy. He wrote, "Several have called to ask if Memorial Hospital nurses are good looking. When you have cataracts you don't notice these things (at least that's what you tell your wife). I am anxious, however, to return late this year for surgery on the other eye. I'll give you a full scouting report then.

"And speaking of scouting reports, we found a good defensive line prospect for Kansas State. If the big male nurse who was in charge of placing my catheter can fight off offensive linesmen the way he handled me, he can play in the Big 8.

"There has to be something better than a catheter! In a country that is able to put men on the moon or leave them in orbit for several weeks or months, surely someone else has developed a better system. In fact, we plan to contact Memorial Hospital nurses today to have them write NASA concerning this matter. Please hurry, gals, I have to return in a few months."

Good luck to you, too, Craig.●

THE CONTEMPORARY RELEVANCE OF WILL ROGERS' HUMOR

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. CONYERS. Mr. Speaker, earlier this year The Reporter published an article by Daniel Crystal entitled, "'I See by the Papers': A Profile of Will Rogers." The Reporter is a bimonthly publication of the Passaic County,

N.J., Bar Association. It has been published regularly since about 1950, and its editor-in-chief presently is Jay Feldman.

Mr. Crystal's article, which I want to bring to the attention of my colleagues and am inserting in the RECORD, discusses how Will Rogers' humor is relevant to today's issues.

"I SEE BY THE PAPERS": A PROFILE OF WILL ROGERS

(By Daniel Crystal)

What if?

What if we had a spate of latter-day resurrections, and the great comics and political satirists of by-gone days came back to exercise their talents on the Reagan Administration and world problems today?

What if the likes of Mark Twain, Aristophanes or Finley Peter Dunne (of Mr. Dooley fame) were alive today to join Art Buchwald in lampooning the antics that go on in the District of Columbia?

More specifically, what if that cowboy-actor-writer-Puck of the early part of this century—Will Rogers—could turn his wit loose on the movie star-rancher currently in the White House?

There's no telling what the result would be. In some ways, Will Rogers may well have had the same view of government as Ronald Reagan does. But then, it's difficult to visualize Ronald Reagan writing the sharp comments that flowed from Rogers' portable typewriter for twenty years and more. Difficult? No, it's impossible.

Do you remember that international alert when there was a real danger that the nuclear missiles would start flying, but the President's Men didn't bother waking President Reagan? The musty archives of Rogersiana contain this sardonic comment:

"Here I go and make a week's mistake in my time, and arrive back in the midst of the most colossal rodeo of applesauce in the history of our national pastime. I honestly believe there are people so excited over this election that they think the President has something to do with running the country."

It's startling to see how many of Will Rogers' topical comments wear well and have continuing relevance today, fifty or more years after they were first written.

Have you been reading about the new tax hikes to make up for the massive tax cuts of a year ago? Here is vintage Will Rogers right on target for the 11:00 p.m. TV news:

"Well, all I know is just what I read in the papers. Congress just keeps us all on the jump all the time, waiting to see what they are going to do with us. One minute they are not going to have a sales tax, but they put a tax on about a third of things that are sold. Then they were asked to explain why it was that they taxed a boot, but didn't tax a shoe, or why they put a tax on caps but none on hats. That is just about as nonsensible as the things they did do."

"Well, it just looks like Congress took a list of everything made and shut their eyes and took a pencil and marked off some names and said, 'We will tax everything the pencil marks across'."

"They been investigating Wall Street, but there has been so much devilment going on there that one Committee can't dig it all out. They wanted to publish the names of the Firms that were implicated in the 'Bear Raids,' and the list was twenty-four thousand."

To those of us who were around and aware in those years when Will Rogers was pricking the bubbles of political pretensions it's thought-provoking to consider the welts that Rogers could raise on the hide of Ronald Reagan if he were alive today.

Just consider some of the script material he would have to work with:

Item: President Reagan has endorsed the proposed amendment requiring a balanced budget. This from the head of the Administration that may be 160 billion dollars in the red this year alone and which is calling for the spending of a trillion and a half or so dollars in the next five years. If the Greeks didn't have a word for it, there is one in Yiddish. That word is chutzpa (unmitigated gall, if you need a translation).

Item: Massa President in that big white house in the District of Columbia laid down the law prohibiting use of American technology by European countries with contracts to build the Soviet natural-gas pipeline. France, Italy, West Germany and Britain have told Massa to get lost. Nice going for unity in NATO.

Item: President Reagan's Secretary of the Environment, James D. Watt, has told the Ambassador of Israel to line up liberal American Jews behind support for the Reagan Administration's energy program (give our resources over to the power companies) or face loss of help for Israel. The Hobbs Act makes extortion a federal offense. In this writer's judgment, such letter also verges on blackmail for political purposes. So much for "law-and-order and the First Amendment."

Item: Ketchup is administratively determined to be a vegetable for school lunches. Reaganomics triumphs over botany and nutrition.

One could go on and on but why be redundant?

It must be noted though that there is an uneasy sense that some may think that we're digging in the rubbish heaps of ancient history to be writing about Will Rogers. True, he was unquestionably one of the best known men of his era and certainly among the best loved. But forty-seven long years have passed since that era and that fateful plane crash in the wilds of Alaska with his flying buddy, Wiley Post. It's questionable how many Reporter readers really know anything about him.

So we're dealing here with a profound generation gap.

Those old enough to have been around when he had a daily syndicated newspaper column read by forty million people and when he appeared each week on radio to jest about life as it was lived in these United States and the world will get a sense of nostalgia to read again the down-to-earth laughter about the human comedy. And they will share this contemporary's wonder about what Will Rogers would have done with the handsome movie cowboy who made it to the White House, largely because he learned, as an actor, how to read his script smoothly and with feeling yet.

Probably all those under 35 will have different feelings. They will have had no personal contact with him, his writings, or his movies, unless they've caught something about him on TV. And for those in their twenties, it may be a matter of "Rogers-who?"

If so, they're the losers.

We, on the wrong side of 40, of 50, or of 60, may envy what our younger colleagues have—youth—but we won some benefits and perks by being younger in an earlier historical period. We knew, or knew about, men and women who had stature and grace and of whom the younger folk unfortunately know only by reading, TV and hearsay. The world did not begin with our younger colleagues, and we older ones did gain some rich benefits by coming on the scene earlier than they did.

So this then has been research for the fun of it. It's been an attempt to put some of Will Rogers' writings into present-day context. It's a good-natured safari into his writings to gain some idea of just what he could have done with the wealth of comic material coming out of Reagan's America: Ronald Reagan and his smooth assurances that the Laffler Curve will be meaningful—somewhere, sometime, someplace; Nancy Reagan and her astute business deals to give publicity to designer clothing; the Moral Majority; Abscam and the current Neanderthals in Congress; Reaganomics; the Arms race and the danger of nuclear holocaust; and all the other political and social events of the last twenty years of this amazing century.

What that foray into the World of Will Rogers has shown is that by no means is all his writing anachronistic. Much of it continues to have bite and relevance.

The ever-receding promise that Reaganomics will give us back prosperity, morality and the five-cent subway fare had its counterpart in those far-off days when you and I were young, Maggie. Here's a glimpse of how Will Rogers, the drawling cowboy satirist, might have dealt with those promises, promises, promises:

"1930 was a year of 'under and over-estimation.' Nothing was guessed right all year. Optimism was over-rated and pessimism was under-rated."

Here is Rogers contemplating the Republican Party of 1928:

ORLANDO, FLA., *March 12, 1928.*

See by today's paper where Senator Borah made an appeal to the country to donate a dollar or more each to save the respect of the Republican Party. I just mailed $5 to make five Republicans respectable. Wish I could afford more, but this continued prosperity has just about got me broke.

NEW YORK, *April 16, 1928.*

I received my $5 back from Senator Borah that I sent him to clean up five Republicans. I even named the five that he was to clean up. He wasn't able to raise the fund because people realized that it was a lost cause. You can't make the Republican Party pure by more contributions, because contributions are what got it where it is today.

This was a noble idea of Borah's, but noble ideas don't belong in politics.

And here is Will Rogers ruminating on the trust Americans put in their then President (Franklin Delano Roosevelt):

"Americans haven't been as happy in three years as they are today. No money, no banks, no work, no nothing, but they know they got a man in there who is wise to Congress and wise to our so-called big men. The whole country is with him. Even if what he does is wrong they are with him. Just so he does something. If he burned down the Capitol, we would cheer and say, 'Well, we at least got a fire started anyhow.' "

Unquestionably, Rogers, if alive, could have a field day with the New Federalism. He commented early in the New Deal of the thirties about Government relief grants to the States. Will congratulated Texas on drawing the "Grand Prize."

"Twenty-nine million dollars last week—Texas did; New York got next prize of $24,000,000. Pennsylvania got third with $23,000,000. And they were all Republicans. Now I think that speaks awfully well of the

Democrats. They're not going to let even a Republican starve."

Rogers suggested a reason why California did not get so much:

"We only got about $14,000,000 or something like that. Now I don't want to criticize—but I think Mr. Hoover started to criticize a little too early, you know. I think he knocked us out of ten or fifteen million there. You can't knock the man that's paying you."

Are you worried about the chance of nuclear war or the implications of the Rapid Deployment Force and of another Vietnam somewhere in the world? Will Rogers anticipated you. He drawled once:

"Back home from South America. Must be American territory—I don't see any marines."

He had his own, tongue-in-cheek solution for the crime problem:

"We don't seem to be able to even check crime, so why not legalize it and put a heavy tax on it? Make the tax for robbery so high that a bandit couldn't afford to rob anyone unless he knew they had a lot of dough. We have taxed other industries out of business; it might work here."

Rogers anticipated also the PATCO (air traffic controllers) strike and the ruthless firing of the strikers by the Reagan Administration:

"I see where some line is going to make aviation pay by taking it out of the pilot's salary. When they start hiring cheap pilots, I will stop flying."

Will was tart on marriages that are as disposable as Kleenex. A change in California's marriage laws brought out his soft core satire:

"You know, when you got married in this State, you used to give three days' notice.

"That was longer than most of the marriages in California was lasting.

"So they did away with that. So now you don't have to file anything at all. In fact, you don't have to give your right name, according to this new law. You just pay a small amusement tax, that's all."

He thought too that Congress and politicians were funnier than any script writers could dream up with a whole collection of joke books to draw upon.

He went for the jugular of the ridiculous in American politics when he commented on the occasion that a senator arose to read into the Congressional Record one of Will's comments and another Senator objected to the procedure.

"This other Senator rose and said, does the gentleman yield?" Rogers declared. "They always call each other gentleman in there. By the tone they put in the word it would be more appropriate if they come right out and said, 'does the coyote from Maine yield? Then the man from Maine says, 'I yield', for if he don't the other guy keeps on talking anyhow. So the coyote from Maine says, 'I yield to the polecat from Oregon'."

"So when all the yielding and objections is over, the other Senator said, 'I object to the remarks of a professional joker being put into the Congressional Record'. Taking a dig at me, see. They didn't want any outside fellow contributing. Well, he had me wrong. Compared to them I'm an amateur, and the thing about my jokes is that they don't hurt anybody. You can say they're not funny or they're terrible or they're good or whatever it is, but they don't do no harm.

"But with Congress—every time they make a joke it's a law. And every time they make a law it's a joke.

"Joke Maker!' He couldn't have coined a better term for Congress if he had been inspired. But I object to being called a Professional. I am an Amateur beside them. If I had that Guy's unconscious humor, Ziegfeld couldn't afford to pay me I would be so funny.

"Of course I can understand what he was objecting to was any common sense creeping into the Record. It was such a novelty. I guess it did sound funny."

He let yet another barb fly at Congress when he commented:

"There is no credit to being a comedian, when you have the whole Government working for you. All you have to do is report the facts. I don't even have to exaggerate."

Will Rogers was never sharper than when looking askance at the Great Depression of the thirties. Shortly after the famous Wall Street crash in 1929, Rogers, then the highest-paid entertainer in the world, patriotically offered his services for the widespread campaign to restore confidence. "But you will have to give me some idea where 'Confidence' is," he added, "and just what you want it restored to."

In a tantalizing glimpse of what he could have done with Reaganomics as his theme, he commented on President Hoover's speech at Valley Forge reminding the country that it had encountered difficulties before. "He found somebody that was worse off than we are," Rogers chuckled, "but he had to go back 150 years in history to do it."

And in 1931 he described the whole tragedy so painfully reminiscent of today: "We got more wheat, more corn, more food, more cotton, more money in the banks, more everything in the world than any nation that ever lived ever had, yet we are starving to death. We are the first nation in the history of the world to go to the poor house in an automobile."

He took deadly aim at both major parties on November 11, 1923:

"If I was running I would be ashamed to let anybody know which one of those Parties I belonged to. Now, take the last three years, it looked like the Democratic Party was the best Party, But the 8 years previous to that it looked like the Republican Party was the best. The only way in the world to make either one look half decent is to keep them out.

"Now you take, for instance, a Republican. There is lots of People that won't speak or associate with one. They think they would catch some grafting Disease but I have met several of them and you take one, when he is out of office, and he is as nice a fellow as you would want to meet. You keep a Republican broke and out of office and pretty near anybody can get along with them.

"Now, on the other hand, take the Democrats. They are a great deal like France. France wants to so entirely crush Germany that they will never be able to rise up and attack them again. Well, that is the way with the Democrats. Every time they got in office and started to get ahead and accumulated something, why the Republicans would rise and crush them. They didn't even wait for 40 years like the Germans, but would generally pounce on them about every 4 years.

"You take a Democrat and a Republican and you keep them both out of office and I bet you they will turn out to be good friends and maybe make useful Citizens and devote their time to some work instead of 'lectioneering all the time."

His decent personality shone through everything he did. This last of the crackerbox humorists was sketched for all time by Dixon Wecter: "A shock of coarse black hair, later irongray, unruly as a schoolboy's, frank blue eyes lifted suddenly in shrewd appraisal, face weatherbeaten and crinkled by his contagious grin, and clothes that looked as if he had taken a long nap in them—this was the image of Will Rogers who 'just played his natchell self.'" That was the beloved figure who was read daily by 40 million people and listened to by many more in his weekly radio broadcasts.

He did not always jest. He wrote once:

"The greatest aid that I know of that any man could give the world today would be a correct definition of 'liberty'. Everybody is running around in a circle announcing that somebody has pinched their 'liberty'. . . . So the question arises, 'how much liberty can I get and get away with it?' Well you can get no more than you give. That's my definition but you got perfect 'liberty' to work out your own, so get in."

The world knew Rogers as "Will" but to his brother members of the Friars Club in Manhattan he was "Bill". Friar Joe Laurie told the following about him:

"I strolled into the library of the Friars Club one day and caught Bill reading a book. 'What are you reading, Bill?' I asked. 'I was just reading the Constitution of the United States and I was surprised to find how many rights the people really have!' answered Bill."

President Franklin Delano Roosevelt (FDR) was one of his friends, but that did not save the President from Rogers' shafts of wit. When the United States went off the gold standard, Roosevelt, according to reports, was very much annoyed when Rogers described the Supreme Court as "the nine old men in kimonos," who were going to force the Democrats to return the forty-one cents they had taken from the Republican dollar.

Rogers' recipe for humor was simple and straightforward and the man:

"A gag to be any good has to be fashioned about some truth. The rest you get by your slant on it and perhaps by a wee bit of exaggeration, so people won't miss the point."

We on the Reporter staff have proper humility. We don't pretend to be playing in the same league as William Penn Adair Rogers. That's why we lift so many quotes from him, Finley Peter Dunne, and the other bygone greats. What we do share is the feeling that, as Rogers once observed, "Politics is the best show in Ameria. I love animals and I love politicians and I love to watch both of 'em play either back home in their native state or after they have been captured and sent to the zoo or to Washington."

We also agree with Will Rogers' unique catechism for humorists which he once wrote out. We like to think that we've modeled ourselves on his Q. & A.'s on the subject of humor:

"What's the best way to start being a humorist?"

"Recovery from a mule kick is one way that's used a lot. Being dropped head downward on a pavement in youth has been responsible for a lot. But a discharge from an asylum for mental cases is almost sure fire."

"Is the field of humor crowded?"

"Only when Congress is in session."

"What talent is necessary? Must one be born with a funny bone in his head?"

"It's not talent, it's an affliction. If a funny bone is necessary, I would say that in the head is the best place to have it. That's the least used of a humorist's equipment."

And in that enlightening vein, we pass on to you the Rogers contribution to politics. After Herbert Hoover was nominated in 1927 by the Republican party and Governor A. E. Smith of New York by the Democrats, Will Rogers invented the Bunkless party with himself as the candidate for President:

"I want it understood first off that my platform is made out of the planks carried in by voters. Anybody with ten votes can have a plank. We are leaving room between planks for any wisecracks that we think should be inserted. We also will not give the farmer relief: we'll cure him of being a farmer."●

CALIFORNIA WELCOMES THE ARMY-NAVY GAME

HON. PETE WILSON

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Friday, November 18, 1983

● Mr. WILSON. Mr. President, today I would like to make my colleagues aware of an upcoming event which is a national tradition, the Army-Navy game.

For the first time, this historic game will be held in my home State of California. We as Californians intend to give a warm welcome to all visitors to the game.

I would also like to point out another first for this year's game. It will be the largest military airlift in peacetime history, with no cost to the Government or the taxpayers. There will be 4,500 Cadets from West Point and 4,500 Midshipmen from Annapolis attending the game. The money to cover the cost is from donations through the "Army-Navy 83 Foundation."

Eight thousand of the Cadets and Midshipmen will be hosted by California families with two or more per home. The remaining 1,000 will be staying in donated hotel and motel rooms.

California has always had a reputation for friendliness and generosity and I think this effort by the good people of my State will make all the participants of this traditional game eager to return to California year after year.●

ENVIRONMENTAL CHALLENGES FOR AMERICA

HON. CHARLES McC. MATHIAS, JR.

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Friday, November 18, 1983

● Mr. MATHIAS. Mr. President, with a new Secretary of the Interior in prospect, we would do well to keep in mind the advice of a man well versed in environmental matters, Russell E. Train, President of the World Wildlife Fund-USA.

Mr. Train, who is a former chairman of the Council on Environmental Quality and a former Administrator of the Environmental Protection Agency, gave the 1983 Marshall Lecture, sponsored by The Natural Resources Defense Council, at the National Academy of Sciences.

In his talk, Mr. Train outlined an environmental agenda for America that all who are concerned with the preservation and protection of the planet Earth should study. I ask to have excerpts from Mr. Train's speech, "The Environment—Fresh Challenges for America," printed in the RECORD.

The material follows:

Environmentalists have not created concern for the environment. We have encouraged it. We have helped develop public understanding of environmental issues. We have given leadership to the public debate over those issues. But it is plain that environmental concern is part and parcel of the way we Americans look at the world around us. We care deeply about the quality of life of ourselves and our children. This is a message that should be loud and clear to political leaders as well as to political aspirants throughout the country.

While we can look with some satisfaction on the record of the past several years, inevitably, we find that, as we make inroads on older problems, new and more difficult ones emerge and the task of coping with the older ones becomes more complex, and at times, more costly. For, as environmental concerns and costs become institutionalized, as they become more and more an integral part of everything we do, they themselves come up against other costs and constraints. and as they do, tradeoffs are required—at least in the short term.

We see this with dramatic clarity in the case of such complex problems as acid rain. The tradeoffs among such critical concerns as the biological health of lakes and forests, the electricity bills of millions of consumers, the demand for western as opposed to eastern coals, the enormous capital costs of scrubbers, the jobs of thousands of miners and the well-being of their families, the continuing uncertainties of science and technology, not to mention the crucial international relations of the United States and Canada—these are considerations that would challenge the wisdom of a Solomon. . . .

Over the long run, there is no inherent conflict between our major goals and concerns—environmental, economic, energy, agricultural, social. And, in my view, the major task for environmentalists is to push for convergent strategies, which enable us to move, over the long term, to the simultaneous achievement of these goals—strategies that will enable us to move to a long-term sustainable relationship between people and resources. . . .

Ideally, I think most Americans would agree that what we want, throughout our society, is to reach the point where, in every important decision we make or action we take, we assess and seek to offset in advance not only adverse environmental impacts but adverse social, economic and other major impacts as well—a process which would, in fact, enable us to achieve, at one and the same time, the most positive environmental, social, economic impacts possible. And that as I have said, requires the development of convergent strategies—strategies that do not force us to choose between energy and environment, or economic growth and environment, or jobs and environment—strategies that seek, instead to allow us to achieve our environmental and other goals together. . . .

My experience as head of the World Wildlife Fund has convinced me that the same kind of convergent approach is our only hope for slowing down and eventually stopping the rapid and widespread environmental destruction and degradation that are occuring in the developing world with the tragic and irretrievable loss of so much of the earth's biological capital.

The leaders of the developing world tended, until relatively recently, to regard development and the safeguarding of natural resources as mutually exclusive. That perception, however, is changing. Increasingly, the leaders of the Third World countries are recognizing that sustainable growth and economic development can only occur on an ecologically sound base. They are coming to understand that the kind of development they need—the only kind of development they can sustain over the long term—is the kind that allows people to make their living without destroying or impairing their cropland, pasture, forests and water supplies which are necessary both to meeting human needs and to supporting the diversity of other life on the planet.

The industrialized world is also coming to understand—slowly and belatedly—that the conservation and wise management of natural resources must be a prime objective of its efforts, public and private, to aid and encourage sustainable economic development in the developing countries. . . .

The key concept in trying to make common cause between development aims and conservation aims in the Third World is sustainability—by which I mean sustainability over the long term Development that relies simply or principally on the consumption of biological and other natural resources cannot be sustained over the long term. The only kind of development that can be sustained is the kind that uses those resources without destroying the resource base.

In short, conservation and development efforts in the Third World can only succeed to the extent that they combine to offer the poor a genuine alternative to the continued consumption of their natural capital.

I have emphasized the Third World as I have discussed international environmental issues. The facts are that it is in the tropics that the greatest biological riches of the planet exist, and it is in the tropics that exploding human populations are placing the most acute and devastating pressures on the natural resource base. For example, the tropical forests of the earth represent by far our greatest reservoir of natural genetic materials, and these are being depleted at a headlong rate with little or no regard for the long-range adverse impact on the biological stability of the planet. . . .

(I)t seems to me that we need to mount a truly major national effort toward building sustainability of resource use in the Third World—not necessarily involving vast sums of money but drawing upon the abundant technical skills of our people and exercising the full leadership of our government, engaging public and private sectors alike, particularly our multinational corporations. Corporate participation must be a crucial objective. Such a comprehensive, creative effort, enlisting the cooperation of other industrialized nations as well, is long overdue. It is a temptation on this occasion and from this platform to call such an effort a new

Marshall Plan—and it is a temptation to which I cheerfully succumb. Certainly such an American initiative could be equally significant as that earlier Marshal Plan in terms of future human well-being, world stability, and, thus, our own national self-interest.

The problems of much of the world may seem intractable, but they are our problems as well. I have no illusions about our ability to deal with those problems overnight. But let us begin. Let us no longer turn away from those problems, because I believe over the long run we do so at our peril. Let us embrace the opportunity for leadership. Let us create a new vision of the American role in the world that once again can engage the hearts and minds of our people, the idealism of our youth.●

SPORTS VIOLENCE ARBITRATION ACT OF 1983

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DASCHLE. Mr. Speaker, today I am introducing the Sports Violence Arbitration Act of 1983, a bill intended to deter and punish acts of excessively violent conduct that continues to plague professional sports.

Without question, excessive violence in professional sports has become a serious problem in the United States. In a recent season, 1,638 National Football League players missed two or more games with "serious injuries," and studies have revealed that football is so physically debilitating that a pro's life span is significantly shorter than that of most males. With basketball players throwing elbows and baseball players knocking down batters and sliding in with their spikes flailing, excessive violence has become an issue even in what the casual fan would consider "noncontact" sports. As athletes become more competitive, and as the pressures to succeed become stronger, the possibility of violent conduct during the game increases.

It is also clear that the public is very concerned with the problem of excessive violence in professional sports. According to a poll taken by Louis Harris and Associates, Inc., in April 1983, 49 percent of those polled believed sports in general are too violent; 69 percent thought violence is a serious problem in football; and 79 percent believed hockey has a major violence problem. Mr. Harris stated that the level of concern about violence cut across the board in terms of age, sex, and economic status, and warned the commissioner's of the National Football League that fans are very worried about what is happening to football.

However, the major professonal sports leagues have been both inconsistent and ineffective in disciplining players or clubs in order to deter them from engaging in excessively violent conduct, since the relatively lenient penalties, if imposed at all by the commissioners, have had very little deterrent value. For instance, only two players have been suspended for excessive violence in the NFL in its 64-year history, and although the National Hockey League began suspending more players last season, fighting is still rampant in the league.

Nevertheless, I beleive that the major leagues can act as the best policeman of their own games, if they are only provided with the incentive to establish an effective deterrent system. Consequently, this bill merely requires the major professional sports leagues to police themselves with very little intervention by the Federal Government which is a clear departure from the Sports Violence Act of 1980 sponsored by former Representative Ron Mottl which attempted to make excessively violent conduct a criminal act.

The Sports Violence Arbitration Act requires that all major professional sports leagues establish an arbitration panel that would have the power to force clubs and players to pay the costs of their excessively violent conduct.

The Sports Violence Arbitration Act defines excessive violent conduct to mean physical force or contact which creates a risk of injury and which is unnecessary for effective participation in the sport consistent with the competitive goals of the sport; is intended to injure; or, is intended to create a threat of injury. I believe this definition sets a clear and definite standard which will allow a neutral arbitration panel established by the major professional leagues to determine on a case-by-case basis what constitutes punishable violent conduct, as distinguished from the types of physical contacts which are a normal part of any physical or rugges sport.

The arbitration panel would hold a club financially liable for the excessively violent conduct of its players. The club would be required to pay the salary of a player injured by excessively violent conduct during the period of the injury, pay the injured player's medical expenses, pay the injured player compensatory damages if the player could not perform in the future, relinquish a draft choice or pay damages to compensate the injured player's club for loss of the player's services, and pay a fine for failure to properly supervise the conduct of its players.

Further, the player who engages in excessively violent conduct would be required to pay substantial fines and suffer suspension without pay. The severity of both penalties would be determined at the arbitration panel's discretion depending on the nature and the result of the conduct.

A grievance procedure complete with an evidentiary hearing and decision would be the vehicle for imposing disciplinary sanctions on clubs and players.

Additionally, while the bill only applies to professional sports, an effective change in the style of play at the professional level will have a positive influence on the conduct of the young athletes of America.

I believe this bill will achieve its purpose of effectively deterring excessively violent conduct in professional sports, if major professional sports leagues are required to establish an arbitration panel which will have the authority to use the bill's definite standard to determine unacceptable violent conduct, and to frequently impose severe disciplinary sanctions on players and clubs who violate the standard. By deterring excessively violent conduct, sports can once again become the games based on skills and ability that they are meant to be.

The concept of an arbitration system, which is the basis of the bill, was developed by attorneys Chris J. Carlsen of Sioux Falls, S. Dak., and Matthew S. Walker of San Diego, Calif., for their law review article entitled: "'The Sports Court: A Private System To Deter Violence in Professional Sports." The article, written while they were law students at the University of Southern California, was published in the Southern California Law Review: volume 55, No. 2, January 1982. Mr. Carlsen's and Mr. Walker's assistance in drafting the bill is greatly appreciated.

Mr. Speaker, I wish to insert the text of my proposed legislation be inserted into the RECORD at this point.

H.R. 4495

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Sports Violence Arbitration Act of 1983".

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act to reduce the number and costs of injuries resulting from the use of excessively violent conduct during professional sports events by establishing an arbitration system empowered to settle grievances resulting from such conduct.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "arbitration board" means any arbitration board established pursuant to section 4(a);

(2) "excessively violent conduct" means physical force or contact employed during a professional sports event which creates a risk of injury and which—

(A) is unnecessary for effective participation in the sport consistent with the competitive goals of that sport;

(B) is intended to injure; or

(C) is intended to create a threat of injury;

(3) "management representative" means any person or persons charged with the responsibility of representing professional sports club owners in collective bargaining matters;

(4) "player" means any individual who receives remuneration from a professional sports club for direct participation as a contestant in professional sports events; but such term does not include any manager or coach of a professional sports club, or any other individual employed by a professional sports club who does not directly participate in professional sports events as a contestant;

(5) "player representative" means any person or persons charged with the responsibility of representing players in collective bargaining matters;

(6) "professional sports club" means any professional baseball, basketball, football, hockey, or soccer club which employs players who regularly participate in professional sports events;

(7) "professional sports event" means any paid admission event in which players engage in athletic contests, competitions, or games which occur in or affect interstate or foreign commerce;

(8) "professional sports league" means any association of professional sports clubs whose members participate in professional sports events on a regular basis; and

(9) "league game official" means any individual who participates in professional sports events as an official, referee, or umpire and who has the responsibility at such events of enforcing the rules of play at such event.

ESTABLISHMENT OF ARBITRATION SYSTEMS

SEC. 4. (a) Each professional sports league shall establish an arbitration system in accordance with this Act for the arbitration of grievances resulting from the use of excessively violent conduct.

(b) Each arbitration system established pursuant to subsection (a) of this section shall comply with the following terms and requirements:

(1) The league will establish an arbitration board, which shall consist of three members, none of whom may be officers or employees of the Federal Government or of any State or local government.

(2) The management representative and player representative of each professional sports league shall select the arbitration board members by mutual agreement.

(3) The system shall include procedures for the investigation and arbitration of grievances, consistent with the requirements of section 5 of this Act.

(4) The system shall establish policies and rules relating to compensation awards, as defined in section 5(c)(1), which may be made by the arbitration board.

(5) The system shall establish policies and rules relating to disciplinary sanctions, as defined in section 5(c)(2), which may be imposed by the arbitration board.

ARBITRATION OF GRIEVANCES

SEC. 5. (a) Any player or professional sports club which sustains injury as the result of excessively violent conduct, or is the object of excessively violent conduct, may bring a grievance before the arbitration board against the player who allegedly engaged in such excessively violent conduct, and the professional sports club which employed such player.

(b) Any person who acted as a league game official at a professional sports event may bring a grievance before the arbitration board against any player who allegedly engaged in excessively violent conduct during such professional sports event and against the professional sports club which employed such player.

(c) Upon the bringing of any grievance, the arbitration board shall conduct an investigation and hold proceedings in accordance with the policies, rules, and procedures established by the Federal Mediation and Conciliation Service pursuant to section 8 of this Act. Upon the completion of such proceedings, the arbitration board shall issue a written decision and order. Such decision and order may include the following:

(1) An award of compensation to any party which sustained injury as a result of the excessively violent conduct which is the subject of the grievance. The award of compensation shall be paid by the professional sports club which employed the player who engaged in such excessively violent conduct.

(2) The imposition of disciplinary sanctions against the player who engaged in such excessively violent conduct, against the professional sports club which employed such player, or against both such player and such professional sports club. The disciplinary sanctions which may be imposed include fines, suspension from play without pay, and loss of a draft choice.

(d) The factors which the arbitration board shall take into account in fixing the amount of compensation awarded under subsection (c)(1) of this section shall include—

(1) the extent of any injuries sustained by any player injured as a result of such excessively violent conduct;

(2) the duration of any period during which such injured player was unable to participate in professional sports events as a result of such injuries;

(3) the amount of salary paid to such injured player by the professional sports club which employs such player during that period which such player was unable to participate in professional sports events as a result of such injuries;

(4) the amount of any medical or other expenses incurred by such injured player or the professional sports club which employs such player as a result of such injuries; and

(5) any other factors which the arbitration board may deem relevant

(e) The factors which the arbitration board shall take into account in imposing disciplinary sanctions under subsection (c)(2) of this section shall include:

(1) the extent of any injuries sustained by any player injured as a result of conduct;

(2) the duration of any period during which such player was unable to participate in professional sports events as a result of such injuries;

(3) the risk of serious injury which was created by the use of such excessively violent conduct, whether or not such conduct actually resulted in injuries;

(4) any prior history of excessively violent conduct on the part of the player who engaged in such excessively violent conduct;

(5) the apparent intent on the part of the player who engaged in such excessively violent conduct to cause injury; and

(6) any other factors which the arbitration board may deem relevant.

(f) Any fines assessed by an arbitration board under subsection (c)(2) of this section shall be used to defray any expenses incurred in the Administration of the arbitration system.

(g) The provisions of title 9, United States Code, shall apply to proceedings under this section to the extent that the provisions of such title are consistent with the provisions of this Act. Where the provisions of title 9 are inconsistent with the provisions of this Act, this Act shall control.

REVIEW OF ARBITRATION ORDERS

SEC. 6. (a) Not later than sixty days after the issuance of an order by an arbitration board under section 5 of this Act, any person adversely affected by such order may file a petition with the United States Court of Appeals for the circuit in which such person resides or has his or her principal place of business, for judicial review of such order.

(b) Upon the filing of a petition under subsection (a) of this section, the court shall have jurisdiction to review the order issued by the arbitration board in accordance with chapter 7 of title 5 of the United States Code. The court shall have authority to grant appropriate relief as provided in such chapter.

(c) For purposes of this section, an arbitration board shall be considered to be an agency within the meaning of section 701(b)(1) of title 5, United States Code.

ADDITIONAL REMEDIES

SEC. 7. Any player or professional sports club bringing an action before an arbitration board under section 5(a) of this Act shall not, by reason of such action, be barred from instituting a civil action in any court of competent jurisdiction based upon the occurrence which is the subject of the action brought before the arbitration board under section 5(c)(1) of this Act shall be reduced by an amount equal to the amount for any monetary settlement or award in any such civil action.

THE FEDERAL MEDIATION AND CONCILIATION SERVICE

SEC. 8. The Federal Mediation and Conciliation Service established pursuant to section 102 of the Labor Management Relations Act, 1947 (29 U.S.C. 172), is authorized and directed to establish policies, rules, and procedures applicable to arbitration proceedings under this Act.

ENFORCEMENT BY THE SECRETARY OF LABOR

SEC. 9. The Secretary of Labor is authorized and directed to bring an action in United States district court to enforce the requirements of this Act.●

SUPERGRASS—A NEW AND OMINOUS DEVELOPMENT IN NORTHERN IRELAND'S SAD AND TRAGIC HISTORY UNDER BRITISH DIRECT RULE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BIAGGI. Mr. Speaker, as chairman of the bipartisan Ad Hoc Congressional Committee for Irish Affairs, I have long been critical of many aspects of Britain's direct rule over the people of Northern Ireland. One of my more persistent complaints stems from the fact that this policy presupposes that fundamental legal, civil, and human rights for the community of Northern Ireland are waived. It is a policy which has no recongition for the basic rights of due process under

law. It is a policy born out of a reaction to the tragic cycle of violence which has afflicted Northern Ireland for far too long—violence which has both a civilian and official nature to it.

In recent months, the British Government has demonstrated still another example of its disregard for basic rules of law with its utilization of the so-called Supergrass informer trials. Hon. Peter T. King, comptroller of Nassau County, recently returned from a trip to Belfast where he served as an international observer at two of these trials, and he issued a report on his trip which I believe is meritorious and worthy of our most serious attention. I have worked for several years with Peter King and know first hand of his commitment to the cause of peace, freedom, and justice for Ireland. I also know of his distaste for the policies of the British Government which stand in the way of the achievement of that goal.

As the first session of the 98th Congress comes to a close, it is unfortunate that once again the full House and Senate have remained silent on the Irish question.

It is unfortunate that a number of substantive legislative proposals including several I have authored have languished without even the benefit of hearings before House and Senate committees. It is most unfortunate that our Air Force is actually entertaining a bid to award a $40 million contract to a Northern Ireland firm, Short Bros.—with a proven record of discrimination. All in all, the 1st session of the 98th Congress has done precious little to further the cause of peace and justice in Northern Ireland.

The membership of the Ad Hoc Congressional Committee for Irish Affairs and other concerned Members on both sides of the aisle will continue to press for the means to allow for a political solution in Ireland. We will do so not as interventionalists but as legislators dedicated to the cause of peace.

I urge my colleagues to pay close attention to the report of Mr. King and join me in communications to the British Government urging that they commit themselves to a peaceful political solution in Northern Ireland which restores human and civil rights for all.

Mr. King's report follows and on behalf of the ad hoc committee, I wish to thank him for sharing it with us.

THE DEATH OF THE CRIMINAL JUSTICE SYSTEM IN NORTHERN IRELAND

I just recently returned from Belfast, Northern Ireland, where I served as an international observer at the "Super-Grass" informer trials at the invitation of Relatives for Justice, a Northern Ireland based organization. During my stay in Belfast I observed proceedings in two of the informer trials (McGrady and Grimley); met with members of the legal profession, officials of the Northern Ireland Office, relatives of defendants and a representative of the Official Unionist Party; and visited a prisoner in Belfast's Crumlin Road Jail. Based upon these experiences, I have categorically concluded that the criminal justice system in Northern Ireland has become nothing but an extension of British military policy and that the informer cases against alleged members of the Irish Republican Army are "show trials" reminiscent of Stalin's Russia.

I realize the implications of such conclusions but the fact is that the criminal proceedings being conducted by the British against Northern Ireland's Catholic community would never be tolerated in the United States or England. Consider the following:

Defendants are being convicted on the uncorroborated testimony of informers.

Defendants are denied jury trials.

Most defendants—even those in non-capital cases—are denied bail and are imprisoned for as long as two years before being brought to trial. However, three members of the Royal Ulster Constabulary (Northern Ireland police), who were accused two weeks ago of murdering a Catholic, were granted bail.

Defendants are detained and interrogated by the police for up to 7 days during which time they are not allowed to speak or meet with anyone including their lawyers or family members.

Large members of defendants—as many as 38 in one case—are tried together in a mass trial despite the fact that the crimes they are accused of committing are totally unrelated.

Defendants are not allowed to assert the defense of entrapment.

Spectators are required to give their names and addresses before entering the courtroom,—a practice which is "inherently intimidating."

Defendants in one informer case (Pasty McGuirk) were denied their right to confront the informer before trial. Although a number of Northern Ireland's Judges have strong Unionist and Orange Order backgrounds, defendants are not allowed to request a Judge to disqualify himself because of prejudice.

Except for the media, spectators in the courtroom are not allowed to take notes and are thereby prevented from recording what they are observing. I was allowed to take notes for two days. However, on the third day I was ordered to stop by the Police who told me the Judge thought I was "a threat to the Judge's security."

Although the Police are allowed to sit among themselves and talk in the courtroom, I observed a defendant's wife being barred from court in the afternoon because she smiled at her husband when leaving the court that morning.

Although members of the unionist community are occasionally brought to trial on the basis of informer testimony, the overwhelming number of defendants in these cases are from the Catholic community.

Relatives visting prisoners in Crumlin Road Jail are made to wait on line outside the prison for up to one hour. They are subjected to public ridicule and have no protection from the elements.

Finally, I had occasion to meet with Fr. Denis Faul, an outspoken opponent of the IRA, who says Sunday mass in Long Kesh Prison Camp outside of Belfast from which 19 IRA prisoners had successfully escaped on September 25th. When Fr. Faul went to Long Kesh on October 2nd, he learned that the prison guards had been so enraged by the escape that they brutalized the prisoners who had not escaped. Attack dogs were turned loose in the prison and 18 prisoners were hospitalized for severe dog bites. Numerous other prisoners were severely beaten, particularly the prisoners who were recaptured. In all, 80 prisoners required hospitalization. The reaction of the Northern Ireland office to Fr. Faul's allegations was to threaten to keep him from Long Kesh if he persisted in speaking out.

Northern Ireland has become a police state. The last bulwark of a free society is an independent judiciary. The sad fact is that the Judges of Northern Ireland have allowed themselves to become an extension of the inhuman, oppressive military policy which characterizes British rule in Northern Ireland. Americans should be particularly concerned with this breakdown of justice in Northern Ireland because the United States and England share a common legal heritage. Moreover, as the leading voice for human rights in the western world, the United States can no longer remain silent while England carries on its tyrannical rule in Northern Ireland. If we as Americans do not speak out and condemn these brutalities, there will be blood on our hands as well.●

WHAT AND WHEN NEXT, MR. REAGAN?

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. CONYERS. Mr. Speaker, it is in the air—the apprehension in and out of Congress that the Reagan administration is bent on orchestrating a deeper, broader, and bloodier military thrust than any the United States has initiated since the Vietnam war. In the view of many, Grenada was just a dress rehersal.

Under the Reagan administration, the militarization of U.S. foreign policy—the use of force over diplomacy—has advanced at a staggering pace. First, through an arms buildup unprecedented in peacetime history. Then, through a display of force in virtually every corner of the globe without parallel in recent times. Finally, through the use of force, direct and covert, in one spot after another, placing diplomacy further and further out of reach.

When ordinarily cautious Presidential candidates, braving proadministration public opinion notwithstanding, issue repeated warnings about intensified military action, a respectful observer has to take note. After all, if the President is capable of intervening in one of the smallest island nations in the world, what else might he be capable of? Where will the militant propensities of this administration lead us? Into Nicaragua? Cuba? Deeper into Lebanon or the Persian Gulf?

Deep longstanding internal strife and conflict exist in every nation in which the United States is militarily involved, extending from the nations of Central America to the Middle East.

The United States is embroiled in a civil war in El Salvador, in which leftists are not just fighting rightists to destabilize the existing government, but in which a segment of the ruling group apparently is working closely with right-wing terrorists—the infamous death squads, whose bloody handiwork is strewn across the roads of that beleaguered nation.

At home and abroad, the CIA has unleashed what one veteran observer has called the biggest peacetime buildup in the American intelligence community since the early 1950's. Two years ago, the President signed an Executive Order which for the first time legalized CIA covert operations within the United States CIA funding is classified, though Congress may approve before adjournment $24 million in covert aid against Nicaragua's Sandanista regime. As was the case during the Vietnam era, CIA owned and operated private companies, involved in paramilitary operations, once again are surfacing in Central America. Firms with names such as Investair of McLean, Virginia, Summit Aviation of Middletown, Delaware and Armairco of La Jolla, Calif. have been publicly identified as supplying arms and aircraft to guerrilla groups in El Salvador and Honduras.

Compounding the ominous situation is an administration that displays a singular lack of interest in or keenness at diplomacy and a President who not only is inexperienced in foreign policy but who cherishes a good-guys versus bad-guys view of the world in which the flexing of military muscle is seen as a first step rather than a last resort in international conduct.

Communication and contact between the United States and the Soviet Union—a relationship upon which so much of the world's destiny depends—is at the lowest point in decades, despite the fact that military forces of both nations are poised for confrontation in several areas of the world. President Reagan is the first Chief Executive in 15 years who has not met or established personal contact with the leader of the Soviet Union. The danger of one or both of the superpowers initiating military action on the basis of misinformation, misperception, or miscalculation is acute.

America's military buildup throughout the world is massive, as a few examples indicate:

The Pentagon has placed the aircraft carrier, America, along with a sizable flotilla of attack ships and amphibious units off the Central American coast, under the guise of a 6 month long military exercise known as Operation Big Pine II.

In the Eastern Mediterranean off the Lebanese coast, the United States has three aircraft carriers, a battleship, 25 other ships and 2 amphibious assault units—the largest American armada ever in that region

The aircraft carrier Ranger, and a Marine attack force, equivalent to the military force used in the Grenadian invasion, patrol the Arabian Sea.

Buttressing this display of military power is a defense budget so huge that it defies any rational accounting. Total committed and requested military spending for the 5-year period, 1981-1986, is a staggering $2.3 trillion—more than the entire cost of the Nation's defense over the 25 years following World War II. The magnitude of the 5-year defense budget becomes clearer if one realizes that this amount is nearly equivalent to the total value of all tangible assets in the U.S. such as machines, personal, commercial and public goods including housing, commercial property, skyscrapers, shopping centers, highways, and Government buildings—except for the value of the land itself.

Central America is one likely area of intensified U.S. military intervention in the coming months. Against the Nicaraguan government the administration is supplying two separate anti-government factions based in Honduras and Costa Rica and training anti-government fighters in both nations as well as at three U.S. sites. The once-moribund Central American defense alliance, known as "Condeca," which excludes Nicaragua, has been reactivated and, according to sources at a Condeca meeting in Guatemala a month ago, has as its major aim the use of force against marxism in the region—a pointed reference to the Nicaraguan Government.

American armed intervention in Central American and the Caribbean has a rich and varied history. In this century alone the U.S. intervened on 26 separate occasions, excluding instances of covert operations such as occurred in Chile in 1972. For example, American soldiers occupied and adminstered Panama for 13 years between 1903 and 1920; occupied Haiti over 19 years; the Dominican Republic for 8 years; Nicaragua on six different occasions; Honduras, three times; and occupied Cuba twice between 1919 and 1922. The Reagan administration has revived the old habit of U.S. military interference in the Western Hemisphere.

The nations of the region offer ready pretexts for U.S. military intervention. American citizens, residents and tourists, live in all the nations. Internal instability of one kind or another is characteristic of most. Not widely known is the factional division and violence that existed in Grenada for over a decade. Its first leader, Eric M. Gairy, a conservative with whom the U.S. comfortably dealt, was known both for his fascination with the occult and flying saucers as well as his systematic use of mercenaries to kill off opponents. Not once during his entire rule, however, did an American President raise serious concern over the internal operation of the island. It was only after the government headed by Maurice Bishop, a socialist, began to construct a modern airport and runway did the Reagan administration raise questions about the regime. A tourist island like its neighbors—Barbados and Trinidad—Grenada lacked a full-sized airstrip, that its neighbors already had, in order to compete for tourist business. The Reagan administration chose, however, to view the new Grenadian airstrip as a military threat.

Among the critics of the United States invasion of Grenada, which included every major European ally, French President Francois Mitterand raised the most fundamental question of all:

> This (Grenadian) government certainly had the right to solicit help anywhere it wanted. A phase of violence and assassination began which ended in the action of the American forces. This in no way detracts from my condemnation of this intervention. I consider that the right of peoples to dispose of their own destinies must not become a simple verbal reference in the language of diplomacy.

Nicaragua today has all the elements that provoked the Reagan administration to invade Grenada. The government is avowedly Socialist. It has leaned on Cuba for economic and military support for what it perceives to be an imminent U.S. attack. It is rapidly arming itself, and the administration has signaled out the Nicaraguans as having a military force disproportionate to its neighbors—a dubious assertion that, nevertheless, serves as an all-too-familiar pretext of invasion, as it has in Grenada.

Reasonable persons may differ in their views of the motives behind the massive U.S. arms buildup, yet few disagree about the ominous turn of events toward superpower confrontation and the excessive reliance on military force. The nations of the world this year will have spent nearly $700 billion on military activity. Fifty thousand nuclear weapons are currently stockpiled, having an explosive force more than 5,000 times greater than all the arms in World War II. Throughout the world 25 million men and women are under arms.

Since World War II, 77 new and independent nations have joined the world community, and many of these came into being only after years of internal strain and nationalist struggle. The anticolonialism fury that began to sweep the world during the post-war years has not spent its force. Nationalist struggles continue to convulse the nations of Central America, the Middle East as well as other regions.

Over the past three decades, with very few exceptions, the U.S. Govern-

ment has chosen to view the nationalist struggles in Asia, Africa, and Latin America through the single-lens focus of fighting communism and ignoring nationalist aspirations for independence, that had little or no connection with Communist ideology. This has led to two tragic patterns: the alliance with conservative and reactionary regimes; and the tendency to push reformist factions or regimes into the communist orbit. Conservative regimes, typically, ignore or impede social and economic reforms and generally have proved to be intrinsically unpopular and unstable. Despite their efforts at communication and cooperation with the United States, reformist regimes, whether populist or socialist, are either given the cold shoulder, threatened, or cut off altogether, no matter how viable they may become over the long run.

In one nation after another, across several regions of the world, longstanding factional conflicts and civil wars now have the potential of igniting regional or global disasters. There are times when nations, particularly the major powers, can cross the dividing line between war or peace, when a single step leads to irreversible calamity.

If there is one overriding consideration in this nuclearized world, that is without historical precedent, it is to focus on reducing superpower tensions, preventing local conflicts from becoming massive confrontations, and ultimately putting a stop to the nuclear arms race—an increasingly uncontrollable machine in which every weapons advance, matched on both sides, can only lead to greater precision, sophistication, destabilization, and devastation.

It is said that the capital cities of Central America are beginning to resemble Saigon during the Vietnam war. If we are to avoid turning the entire region—and the world—into Vietnam-like rubble, the time has come for both the United States and the Soviet Union to reassert a creative and competent diplomacy in every arena of conflict and to rebuild a constant and clarifying contact between one another.●

OIL FLIGHTS

HON. MICHAEL A. ANDREWS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. ANDREWS of Texas. Mr. Speaker, I rise today to call to the attention of Congress and the country the efforts of a network of private corporations who have organized to help meet the needs of those Americans requiring life-saving organ transplants. Beginning January 1, 1984, a private program named oil industry lifesavings flights ("OIL Flights") will privide corporate aircraft, crew, and fuel for the emergency transport of human organs, donors, recipients and transplant surgical teams to organ transplant centers. In addition to providing equipment and personnel, OIL Flight members are contributing funds for the charter of aircraft where donated aircraft are unavailable.

OIL Flights was originated by Mr. J. B. Coffman, president and chief operating officer of Aminoil, Inc. Thirty-eight corporations have opted to participate in OIL Flights, and it is anticipated that additional participants will become involved prior to the program's commencement. The OIL Flights program will be administered by the Greater Houston Hospital Council, an organization comprised of over 100 health care entities located in and around Houston, Tex., the home of the 8,000 bed Texas Medical Center complex.

OIL Flights will concentrate its efforts in the area of organs which must be transplanted within a very short time following removal from the donor, such as liver, heart and pancreas. The OIL Flights program is designed to serve purely as a supplemental program and will not be in competition with other programs. OIL Flights will provide transportation services only and will not become involved in patient education, organ/recipient matching, or other transplant-related activities. OIL Flight services will be provided only at the mutual request of the surgical team and the hospital administrator.

This compassionate, humanitarian program is an excellent example of a community effort aimed at meeting the needs of our citizens. I applaud OIL Flights, its participants, and Greater Houston Hospital Council for their efforts to provide a key element in the provision of organ transplant medical services.●

STATEMENT BY JOE HOLSINGER ON CONGRESSMAN LEO J. RYAN

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LANTOS. Mr. Speaker, on September 20, 1983, the Subcommittee on Consumer Affairs and Coinage of the Committee on Banking, Finance and Urban Affairs held hearings on my bill to honor the late Congressman Leo J. Ryan by awarding him the Congressional Gold Medal.

Congressman Ryan's former administrative assistant, Joe Holsinger, was invited to participate in that hearing. Unfortunately, commitments in California prevented his being with us on that occasion. He did submit a written statement, but his testimony was not included in the published record of that hearing.

Mr. Speaker, I wish to place in the RECORD Mr. Holsinger's statement. Today—the fifth anniversary of the death of Congressman Ryan—is a particularly appropriate date for the House to take note of Joe's personal statement. I commend it to my colleagues.

STATEMENT BY JOE HOLSINGER, FORMER ADMINISTRATIVE ASSISTANT TO REPRESENTATIVE LEO J. RYAN

On November 18, 1978, Representative Leo Ryan became the first Member of Congress to be killed on active duty in the service of this nation. He was murdered by gunfire at an isolated airstrip in Guyana, South America, far from his home and country.

Leo went to Guyana as head of an official mission of the House Foreign Affairs Committee, to investigate persistent reports from some of his constituents that their relatives and hundreds more of American citizens were being enslaved under brutal circumstances in a remote colony called the Peoples Temple at Jonestown.

For several months, Leo Ryan had urged the State Department to conduct a thorough and independent investigation of those charges. The State Department response was consistent and firm. They said their reports from the American Embassy staff in Georgetown, Guyana, indicated a "benign," open situation at Jonestown. There was no need for further inquiry, they said.

Leo's own investigation, including depositions and sworn statements from concerned relatives, and a few returnees from Guyana, indicated a contrary finding of imminent danger to the lives and well being of Jonestown residents. Finally, convinced that only an on-the-scene investigation could determine the truth of the matter, Congressman Ryan decided to act. He requested and was granted official permission from the House Foreign Affairs Committee and the Speaker of the House to lead a Congressional mission to Guyana.

Leo's research included claims of physical and emotional violence, including organized suicide drills, connected with Jim Jones and the Peoples Temple. It also showed counter claims of a loving and sharing environment, of dreams of social justice, and of persecution of the Temple based on bigotry and intolerance. Before leaving on his mission, Leo said that he intended to keep an open mind as to the true nature of the colony in Jonestown. If he was granted entrance by Jim Jones, he would talk with the residents, including a specific list of people suggested to him by concerned relatives; he would personally escort anyone who wished to leave and would report his findings to the House of Representatives. If he was denied entrance, he would travel to the gates of Jonestown to document its closed nature and report that fact to the Members of the House.

Several media organizations, including NBC-TV, the San Francisco Examiner, the San Francisco Chronicle and the Washington Post learned of Leo's proposed mission and asked permission to go along. He decided to accede to the requests in the belief that their status as media representatives would help him get permission to enter Jonestown. He also believed that their presence would serve as a shield against any at-

tempt at physical violence. Ironically, the media representatives felt protected by Ryan's position as a Member of Congress.

Leo wrote to a number of his colleagues from both political parties, from the Foreign Affairs Committee and from California (since almost all of the Peoples Temple members were from California), asking them to accompany him on the mission. With one exception, they declined, citing the timing (following the 1978 general election), prior travel plans, and misgivings about the location and nature of the mission. The one exception was Representative Derwinski (Rep.) from Illinois, who accepted and then cancelled one day before the mission flew from New York City to Guyana.

The rest is history. Leo Ryan did gain entry to Jonestown and conducted himself and his mission with exemplary restraint and courage. He did lead several residents out of Jonestown and was assassinated at the Port Kaituma airstrip by a squad of gunmen sent by Jim Jones.

Leo thought of himself as a public servant. He believed deeply in his responsibility, as an elected representative of his constituents and his country, to make every effort to fulfill his duties. To him, that responsibility meant personal investigation of continuing claims of bureaucratic inefficiency, of injustice, and of violations of civil liberties or civil rights. He was a member and active supporter of Amnesty International.

As a member of the California State Legislature, Leo Ryan taught for two weeks in a Watts are high school in Los Angeles after the mid-sixties riots in that community to learn at first hand the conditions that had provoked those riots. He later became a voluntary inmate for several days at Folsom State Prison, a maximum security institution, to probe the causes of prison violence.

As a member of the House of Representatives Foreign Affairs Committee, Leo travelled to the Middle East and Western and Central Europe to determine for himself the nature of conflicts there and our national interests. As Chairman of the House Subcommittee on Environment, Energy and Natural Resources, he inspected the sites of dam disasters and flew to Newfoundland as a guest of Greenpeace to witness and try to stop the slaughter of baby seals for their pelts. His proudest accomplishment on that Subcommittee was an approved and published report on the magnitude and danger of our as yet unsuccessful efforts to dispose of nuclear wastes.

Leo Ryan possessed a searching, intellectual curiosity on the major problems of our world, on war and peace, on environmental degradation, on freedom of conscience and freedom of individual action. And he was a lonely man who was misunderstood and scorned on occasion by some of his colleagues because he followed his own judgment rather than political party decisions. He was best understood by his constituents in the 11th Congressional District, San Mateo County, California, who had felt his warmth and his compassion.

In his will, Leo asked to be buried in the Golden Gate National Cemetery "in a place where my ghost can look out over the San Francisco Bay, where I tried to help improve the life of all of us in that great place." He served in the submarine corps in World War II, and his body rests next to that of Admiral Chester Nimitz, a touch Leo would have appreciated.

Leo Ryan was a brave, dedicated and patriotic American who represented the best in our national ideals. His bust in the San Mateo County Hall of Justice bears the inscription: "Greater love has no man than this That he lay down his life for others."

I support the bill by Congressman Tom Lantos to award the Congressional Medal to the late Congressman Leo Ryan, as a tribute to his achievements and his memory.●

TAIWAN SIGNING SIGNIFICANT CONTRACTS WITH CALIFORNIA SUPPLIERS

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DYMALLY. Mr. Speaker, I wish to call the attention of my colleagues to two articles which appeared recently in the Fresno Bee and the Independent Record. The articles detail several contracts recently signed by Taiwanese officials and a number of suppliers in California and elsewhere in the United States. Taken together, the contracts represent considerable income for American farmers and manufacturers.

[From the Fresno Bee]

TAIWAN WILL SIGN CONTRACTS

The Republic of China on Taiwan will sign contracts today for $47 million worth of California products, including cotton, raisins and almonds.

The ceremony in Los Angeles marks the start of a two-month shopping trip that is scheduled to cover 25 states and result in the Chinese purchasing $600 million worth of United States goods and commodities. The ROC holds a $4 billion advantage in the $13 billion trade exchange between the two countries.

The American Cotton Shippers will sign a contract to provide 100,000 bales of California cotton for $35 million. The Chinese delegation will sign another contract for Arizona cotton when it visits Phoenix Oct. 6.

West Coast Growers and Packers of Selma will sign a $2.5 million contract to provide raisins, and Hansa-Pacific Co. of Gilroy will furnish almonds under a $1.98 million agreement.

Other California items will include computer systems, medical and telecommunications equipment, and diesel engines. California companies or groups involved will be Hewlett Packard, General Electric, Rolm, Omni Medical, Magnavox, Beckman Instruments, Borg-Warner, and Bausch & Lomb.

[From the Independent Record]

TAIWANESE BUY LOTS OF GRAIN

A Taiwanese trade delegation signed contracts at the Capitol Friday for more than $10 million worth of Montana grain.

Gov. Ted Schwinden said the sale was possible because the product is good and the friendship of the trading partners is strong.

Contracts signed Friday covered the sale of 34,500 metric tons of dark northern spring wheat and 26,000 metric tons of barley.

The bidding session in the governor's suite was attended by 22 delegates of the Republic of China's Eighth Annual Procurement Mission and nine Montana-affiliated grain companies.

Montana is one of 23 states included in this year's "buy American" trade mission from Taiwan.

At a dinner last night, a spokesman for the delegation noted that the group will be staying four days in Helena—longer than in any other state.

"The grain sold today is the kind of grain Montana is deservedly famous for," Schwinden said during opening remarks at the formal bidding session.

Schwinden said that he and other Montana grain farmers know from experience that foreign markets, particularly Taiwan, are important to them.

"Taiwan is the seventh largest trading partner of the United States," he said. "This market consumes the equivalent of one-fifth of the wheat that is produced in Montana each year."

He noted that 20 years ago, Taiwan was a rice-eating country and was not a market for U.S. grain.

"Last year, this market bought 27.5 million bushels of wheat, all but 3 million bushels from the United States," he said.

"To a state whose No. 1 industry is agriculture, these statistics take on special significance."

Schwinden said that since U.S. wheat producing states grow far more grain than the domestic market consumes, foreign markets are a key incentive for Montana producers.●

VETERANS' GRAVEMARKERS

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1982

● Mr. DASCHLE. Mr. Speaker, a number of veterans and veterans organizations in South Dakota have contacted me recently protesting a decision by the Veterans' Administration to prohibit upright gravemarkers in new sections of national cemeteries. Instead of upright markers, flat markets now must be used

The primary concern of these people is that in winter snow obscures the ability of friends and family to see the markers. Anyone familiar with South Dakota winters is well aware of the frequent adverse whether conditions which can leave a foot of snow on the ground in a matter of a few hours. Needless to say, flat gravemarkers could be invisible for months at a time.

The symbolic effect of upright gravemarkers is also a matter of concern. Veterans rightly view with pride their tall and proud service for this country and believe flat gravemarkers denigrate the hardship and sacrifices made on the field of battle.

Both of these points raise legitimate concerns and I am, therefore, introducing a House resolution calling for the Veterans' Administration to renew its practice of providing upright gravemarkers for veterans buried in national cemeteries. It does not seem like too much to ask and I am hopeful that the

VA will agree with the merits of this resolution.

H. RES. 382

Whereas veterans buried in national cemeteries are entitled to have memorial markers provided at their graves;

Whereas in the past veterans were entitled to have either upright or flat memorial markers provided at their graves;

Whereas the Veterans' Administration recently adopted a policy that prohibits the use of upright memorial markers at graves in new burial areas of national cemeteries;

Whereas inclement weather, especially snow, makes it difficult for the families and friends of veterans to view flat markers; and

Whereas upright memorial markers better symbolize the contributions made by veterans: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the Veterans' Administration should renew its practice of providing upright memorial markers at the graves of veterans buried in national cemeteries.●

CENTRAL LIQUIDITY FACILITY

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. ST GERMAIN. Mr. Speaker, I am today introducing, on behalf of myself and Mr. WYLIE, legislation to clarify the tax-exempt status of the National Credit Union Administration's Central Liquidity Facility.

This measure is designed to correct an oversight in the enactment of Public Law 95-630. The Central Liquidity Facility (CLF) was created by that statute as a central bank for credit unions. As constituted, it is a mixed ownership corporation, on budget, and located within the National Credit Union Administration, an independent Government agency.

It should also be noted, Mr. Speaker, that nearly a year ago the Justice Department issued an opinion that the CLF's obligations are backed by the full faith and credit of the U.S. Government. Therefore, all borrowings by the CLF will be done through the Federal Financing Bank, an arm of the Treasury Department.

In view of the above-mentioned facts, it makes no sense for the CLF to be potentially liable for Federal income taxes. My bill, therefore, would provide a permanent tax exemption, retroactive to October 1, 1979, for the Central Liquidity Facility.

I am proud to have as a cosponsor of this measure the distinguished ranking minority member of both the full House Banking Committee and, of the Financial Institutions Subcommittee, Mr. WYLIE.

Mr. Speaker, I introduce this legislation at this time to give all concerned an ample opportunity to familiarize themselves with the merits of the legislation, with the expectation that consideration of it will commence early in 1984.●

PATUXENT UNITED METHODIST CHURCH CELEBRATES 100TH ANNIVERSARY

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1982

● Mr. DYSON. Mr. Speaker, I rise today to pay tribute to the parish of the Patuxent United Methodist Church in Huntingtown, Calvert County, Md. The members of this church will join together to celebrate their 100th anniversary on November 19, 1983.

In Maryland's early days, prior to the construction of this church, citizens traveled by buggy, on horseback, and on foot, to homes in the community to share in the worship and love of God. On April 10, 1880, 2 acres of land were purchased for $50 and the dream of building a church to meet in became a reality. A new church was the goal of a group of determined people whose sacrifices, donations, and labor would see it through to completion.

On June 24, 1883, the cornerstone of Patuxent Chapel was laid by Rev. Daniel Wheeler, assisted by Rev. B. H. Nugent, pastor; Rev. Kinsey Jones, local deacon; and Lemuel Thomas, local preacher. Trustees at this time were John W. Brown, Robert Gray, and Abraham Hix. The building committee members were also present and included: E. Quile, Jacob H. Ray, Joseph Boarman, and the building contractor James Ennis. Tragedy struck in 1893 when fire destroyed the original structure. Within 7 months a new building had been constructed on the very same sight. This new structure was dedicated by Rev. J. W. E. Bowen, and once again due to the hard work and dedication of its members, the new church was debt free.

Today many of the members of this congregation are direct descendants of these founding members and they continue to join together to share the spiritual fulfillment and love of God each week. I am indeed proud to share this moment in history with the members of Patuxent United Methodist Church on their 100th anniversary.●

THE 75TH ANNIVERSARY OF ST. BRENDAN'S PARISH IN THE BRONX

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BIAGGI. Mr. Speaker, it gives me great pleasure to honor St. Brendan's parish in the Bronx on the occasion of its 75th anniversary. St. Brendan's, for the past 75 years, has not only served the spiritual and educational needs of its parishioners, but also contributed unselfishly to others who live in the community.

St. Brendan's parish was created in response to the religious needs of those immigrants, arriving from Italy and Ireland in the late 1800's and settling in the Norwood section of the Bronx, who sought religious, political, and economic freedom. Father O'Donovan, originally from County Cork, eagerly accepted the challenge and hard work of establishing a parish. He was ably assisted by the people of the parish, especially the lay trustees, M. B. Fitzpatrick and Alford J. Williams. Father O'Donovan first took a census of Catholics and learned he would have over 650 parishioners. He then summoned their aid in raising $2,000 as a deposit on seven lots at the southwest corner of 207th Street and Perry Avenue. This was accomplished in October 1908. A place of worship had to be found for use while the church was being constructed. Father O'Donovan's efforts found a small frame building on Webster near 205th Street which he rented and converted into a contemporary chapel. He celebrated mass there for the first time on Sunday, December 6, 1908. Because of the small size of the chapel two masses were offered that day.

With the spring came an eagerly awaited event—the laying of the cornerstone on Sunday, May 16 by the Right Reverend Monsignor Lavelle. In a few brief months St. Brendan's had been successfully launched. By September 9, 1912, St. Brendan's was also able to open its first parish school. There were 96 pupils from kindergarten to grade 5A. The classrooms were in the lower part of the new church. The able Dominican Sisters, under Sister M. Raphael's principalship, staffed the first St. Brendan's School. The school was an instant success and necessitated the enlargement of the teaching staff during the next few years. Many changes began to take place in the neighborhood around 1914. Apartment houses were built attracting many new families. The extension of the subway lines made the Bronx more accessible, and this, too, spurred a population increase in the parish. With so many newcomers

there was a need for a new and larger school. A fundraising drive with a goal of $40,000 was initiated. Within a very short period of time this goal was not only attained, but surpassed. St. Brendan's parishioners wanted their children to receive the best parochial school education possible and were willing to sacrifice to bring this about.

At this time World War I was being waged with many sons and daughters of St. Brendan's being called to serve, some to make the ultimate sacrifice of their lives. Their names and the names of those who died in subsequent wars are enshrined on the parish roll of honor. Throughout this period Brendanites did not neglect the needs of others outside the parish. In the 1920's the parish contributed funds to Fordham University and to the Christian Brothers at Manhattan College. The St. Vincent de Paul Society raised money for central European children who were war victims. The newly begun Catholic Charities of the Archdiocese also received contributions from St. Brendan's parishioners and this was in addition to supporting the school and amortizing the church debt.

Totally dedicated to quality education, Father Courtney did not lose interest in parish students after they graduated from elementary school. He organized an evening weekly Bible class for Catholic high school students that was conducted for many years. Father Courtney was also active in raising funds for scholarships for Catholic students.

The Rosary and Altar Society, one of the oldest parish societies, continued and implemented its valuable program. From the early 1920's on, the society furnished linens and laces for vestments as well as having designed and sewn albs. From its own treasury it had provided funds for refurbishing the sacristy. During Father Rafter's time, over 100 new members were recruited. The League of the Sacred Heart continued to grow. Their first Friday devotions provided spiritual sustenance. The league also provided for the showing of quality movies in the school hall. Father Rafter was responsible for instituting an invaluable release time program for Catholic public school students. As a result of this program the religious needs of nonparochial students were not neglected.

In addition to being a time of spiritual growth and renewal, it was a time for physical growth. The parish numbers continued to grow and led to the addition of two more classrooms to their exemplary school. Parishioners interest and support of a superior education for children has never slackened.

Such growth and change led to the realization that a new St. Brendan's Church was needed. Dedicated in 1967, it is truly a church of the times. The unusual shape, that suggesting a ship because of St. Brendan's life as a seafarer, dominates the landscape. Its soaring lines provide a sense of majesty, a sense of reaching up to God.

St. Brendan's church is a sincere and magnificent display of the faith of parishioners. Two years were spent in planning before the church was begun. All wanted the church not only to conform to the new liturgy but to be an expression of faith and devotion to St. Brendan and to the church. The results were resoundingly successful.

The people of St. Brendan's, never restricting their endeavors just to church or church related activities, worked to make the neighborhood and surrounding environs a safe and happy place in which to live.

A major factor in the well-being of any area is the availability and quality of its housing. In the 1960's and 1970's for whatever reasons, there was a deterioration in housing. Some landlords abandoned buildings; some tenants destroyed them. Without decisive leadership and action, this region could easily have become like the wastelands in other parts of New York City. But it did not. Why? Because Brendanites and their neighbors refused to succumb, refused to allow the downfall of a viable place in which to live and raise a family.

Gradually, block patrols, neighborhood coalitions, and tenant groups were formed. Parishioners and clergy met with police officers, landlords, tenants associations, and local business firms to plan together what could be done through their united efforts.

In 1974 all the different independent groups came together to form the Northwest Bronx Community and Clergy Coalition. Monsignor Costello was in great part responsible for its establishment, constantly offering his cooperation, urging people to provide financial support, and always being available for consultation.

The coalition encompasses a large area—North Kingsbridge, Fordham-Bedford, Belmont-Crotona, Bedford Park, Kingsbridge Heights, University Heights, South Fordham, Mosholu-Woodlawn, Kingsbridge-Marble Hill, and Jerome-Webster. It was and remains an enormous undertaking involving the concentrated efforts of countless people. Under its first president, Msgr. John C. McCarthy, who served admirably for two terms, the coalition promptly went to work—organizing, planning, and, more importantly, acting. Initially, two about to be abandoned buildings were saved, rehabilitated, and today are fully occupied and in prime condition.

This was just the beginning. During Monsignor McCarthy's terms as president up to today's president, Mrs. Ann Devenney, the coalition has undertaken at least 140 moderate rehabilitation projects. Utilizing local resources, members of the coalition have shown how much can be accomplished by people willing to work together for the common good.

Monsignor Costello was the driving force in the parish from the 1960's to the mid-1970's, and so he was deeply mourned at his death in 1977. But his successor was no stranger. He was Msgr. John C. McCarthy who had been the first president of the Northwest Bronx Community and Clergy Coalition. The current pastor, too, has had a distinguished career. Among other assignments prior to becoming pastor in 1977, Monsignor McCarthy had been with the New York Mission Band and had served as pastor of Holy Spirit Church.

Monsignor McCarthy quickly became an integral member of St. Brendan's. He has continued and expanded upon the work of his predecessors, with the full support of St. Brendan's parishioners and his staff: Father William J. Foley, Msgr. William B. O'Brien, and Father M. Philip Quealy, Deacon.

The societies have always performed their varied duties faithfully. They include the Holy Name, Altar Rosary Society, CCD, St. Vincent de Paul Society, Ushers Society, League of the Sacred Heart, St. Brendan's Development Fund, Catholic War Veterans, Legion of Mary, Boy Scouts, Cub Scouts Leisure Club, and CYO. These members are people who are more than concerned about their parish and community—they are people who act; people like Mrs. Ann Devenney, president of the Northwest Bronx Community and Clergy Coalition, who received an honorary doctorate in humane letters from Fordham University in May 1983 for her parish and community involvement; people like the late Edward O'Neil who worked to aid the 52d precinct where a plaque can be seen in his honor; and people like the Whalens who were instrumental in establishing a park at 205th Street and Perry Avenue. They are and were but a few of the scores of parishioners who during the 75 years of St. Brendan's existence, have made their presence count.

Parishioners of St. Brendan's can be justifiably proud of their parish—a parish which provides spiritual sustenance and growth, quality education not only within the parish, but within the neighboring area—Fordham University, Manhattan College, Mt. St. Ursula, Bronx High School of Science, and Fordham Prep, et cetera—an increasingly attractive area in which to live, and because of its proximity to Manhattan, an area 20 minutes from the largest labor market.

And so Brendanites now look ahead to the next 75 years. Physically, things have changed over the years, yet

much is the same—faith, determination, and reaching out to others have ever been a part of St. Brendan's and with the Lord's guidance ever will be.●

SMALL BUSINESS IN THE 1980'S

HON. JOHN CONYERS, JR.
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. CONYERS. Mr. Speaker, among the papers presented this spring at the Institute for Policy Studies' Conference on the Federal Budget was an analysis by Nina Easton and Ronald Brownstein of the effect President Reagan's antitrust policies are having on small business. Ms. Easton and Mr. Brownstein, who co-authorized "Reagan's Ruling Class," have proposed a number of specific policy changes in antitrust legislation which would benefit small business. I recommend to my colleagues excerpts of their essay, "Small Business in the 1980's," which follow:

Ronald Reagan came into office promising to "take immediate action to restore the health of small businesses." Portraying himself as an advocate of the small shopkeeper, a champion of the independent entrepreneur—although in fact many of his closest friends and advisers come from lucrative jobs atop corporate America—Reagan played on the fears and frustrations of small business owners by pointing the gun at Washington. Once big government got off their backs, Reagan promised, small businesses would thrive; "inflation, overregulation and overtaxation," he said in 1981, were at the root of small business's woes.

Although he claimed he was "working to bring about another revolution" that will unburden the small business owner, an examination of his administration's policies reveals that Reagan is accelerating a different revolution, one that has been evolving for decades, that is shifting control of the country's economy from the many to the few, that is slowly turning a nation of business owners into a nation of employees. The Reagan program is nothing less than a blueprint for economic concentration, a far-reaching threat to the survival of the nation's small business community.

This paper will examine one aspect of the Reagan Administration program—antitrust policies—to demonstrate how they are detrimental to small firms, and in doing so will lay out alternatives to the Reagan economic program designed to foster the health of the small business community.

ANTITRUST

With an approving nod from the Reagan administration, merging corporations managed to set a record in 1981—$82.6 billion in acquisitions. Before, "we were questioning acquisitions of $100 million," said FTC Commissioner Michael Pertschuk, "41 in 1977, 80 in 1978, 83 in 1979, and 94 in 1980. Subsequently, we began to track the $500 million transactions—from six in 1978 to 16 in 1979. Now we have reached the year of the multi-billion dollar deals.

The 1981 merger boom, virtually all observers agree, was partially spurred by the Reagan administration's hostile attitude toward most federal antitrust enforcement and its announced intention to revise merger guidelines that the Justice Department has been working under since 1968 in favor of more permissive policies toward corporate acquisitions. "The knowledge that [Justice Department antitrust chief William] Baxter is planning to rework the [antitrust] guidelines," wrote Business Week, "is already having an impact on the antitrust advice business gets. Lawyers are telling companies with potential deals that fall on the wrong side of the current guidelines that they have less to worry about, because Justice no longer supports those measures."

Reagan's antitrust policies—as expressed in public statements by Justice Department officials—will effectively eliminate the most powerful line of defense that small business has against unfair competition in the marketplace, and is facilitating further concentration in the upper realms of the economy. Economist Dennis Mueller, who has extensively studied corporate mergers, has commented: "I find it ironic that the Reagan administration is worried about bureaucracy in the government but is encouraging it in business. The decision as to where money flows will be made by fewer people, with less opportunity for the small businessman to have access to the capital market.

So far, federal antitrust laws have not prevented excessive concentration in many industries, nor, of course, has Justice Department or FTC enforcement succeeded in completely eliminating price fixing, predatory pricing and other abuses. Although the laws have had an undeniable, and unmeasurable, deterrent effect on big business, many would argue for the passage of stricter legislation.

The Reagan administration is moving in the other direction. In speeches and statements to the press, administration officials have repeated their intention to back off antitrust enforcement except where "economic efficiency" is threatened, primarily in cases of clear price-fixing. Said the Justice Department's chief antitrust official, William Baxter: "I intend to continue the division's vigorous prosecution of private horizontal restraints. Cartel-type behavior has no redeeming economic virtues.

But Baxter has much softer words for large corporate mergers. He says he intends to stop horizontal mergers—when a company acquires a direct competitor—only where they will increase industry concentration to the point where they make likely effective collusion among a small number of competitors. Of vertical mergers—those between producers, distributors, and suppliers in one industry—he says: "In my view there is no such thing as a vertical problem."

Baxter also look favorably upon most conglomerate mergers, in which the acquired company's line of business has nothing in common with that of the acquiring company. Although analysts agree that current antitrust laws do not effectively deal with conglomerate mergers, previous administrations have instilled potentially merging companies with a sense of caution, preveting an unknown number of possible acquisitions. But the Reagan administration follows the line set by Chicago School economists who argue that, as Attorney General William French Smith put it, "bigness is not necessarily badness. Indeed, they argue, mergers often increase efficiency.

The Reagan administration is also weakening enforcement efforts at the Federal Trade Commission. The FTC has protected small businesses through enforcement of the Robinson-Patman Act, a law designed to protect against price discrimination. And it has fought industry concentration, most notably through its "shared monopoly" case against the major cereal manufacturers begun in 1972, and a recently dropped case against the eight major oil companies. Those activities have earned the FTC, as one congressional staffer put it, the sobriquet "savior of small business."

Since taking office, the Reagan administration has made threats to eliminate the agency's antitrust arm, the Bureau of Competition, and even the agency itself. "If you eliminated the FTC," Budget Director David Stockman said, "The world would never know the difference.

After he made those remarks in February, 1981, Stockman proposed eliminating all funding for the Bureau of Competition. But when small business groups and members of Congress came to the bureau's defense, the administration backed off.

Perhaps in response to Reagan's threats, the FTC has already begun backing off from controversial cases. The commission dropped an extensive investigation of the auto industry in 1981, and gave up on an eight-year long suit against the country's largest oil companies. On January 15, 1982, the FTC dropped the cereal case as well.

Historically, the FTC's enforcement of the Robinson-Patman Act prohibiting price discrimination has been the agency's most important antitrust activity for small businesses. The current chairman of the FTC, James C. Miller III, has indicated that he will seek to ignore the law.

Robinson-Patman, often called the Magna Carta of small businesses, seeks to insure that small companies can buy merchandise at the same price and on the same terms as large businesses. The law also seeks to prevent large businesses from driving out smaller competitors by dropping prices in a selected area until small companies can no longer compete, then raising prices once these companies are eliminated.

But the FTC transition team, which Miller headed, concluded: "Small business is extraordinarily important to our economy. But even judicious selection of Robinson-Patman cases would constitute an inefficient means of supporting this segment of the economy.

A successful economic program, one that is supportive of the small business community, has to have one guiding principle: Contrary to Attorney General Smith's contention, bigness in business is not benign. Economic concentration, and the resulting concentration of political influence, is not only harmful to the competitive position of small businesses, but to the health of the economy as well.

Reagan administration officials argue that mergers tend to increase economic efficiency. But that assumption is not grounded in empirical evidence. A study by Professor Dennis Mueller of mergers in seven European counties revealed that all the acquired companies performed either at the same level, or, in may cases, at a lower level, than they had as independent firms.

Meanwhile, acquiring corporations are gaining numerous other advantages unrelatd to efficiency—including bigger advertising budgets, larger degrees of capital mobility, and greater access to capital. "You cannot look at competition without looking at bigness," said Jerry S. Cohen, former chief counsel for the antitrust subcommittee of the Senate Judiciary Committee. "If

you have one giant among 40 midgets, the giant is going to win no matter how efficent the midgets are."

There is a cost that small businesses must pay for increased concentration. As the Supreme Court said in 1967: "The substitution of the powerful acquiring firm for the smaller, but already dominant firm may substantially reduce the competitive structure of the industry by raising entry barriers and by dissuading the smaller firms from aggressively competing. But there is also a price to consumers in less competition: higher prices and a less innovative economy.

A truly progressive tax system would curb the merger boom, because large corporations would have less unearned cash with which to outbid and outspend the small one.

But additional measures need to be taken. The first could be support of legislation now dormant in the Senate, co-sponsored by Senator EDWARD KENNEDY (D-Mass.) and Senator HOWARD METZENBAUM (D-Ohio), which would prohibit companies with more than $2 billion in assets from acquiring any firm with $100 million or more—considered a "small business" in some industrial sectors—unless the acquiring firm sold off an equal amount of assets.

A similar proposal was made by Alfred F. Dougherty, Jr., former director of the FTC's Bureau of Competition. "Rather than banning any mergers or acquisition [it] would instead require that any large corporation, in order to make a sizable acquisition, divest a business entity or entities of comparable value to the entity or entities it plans to acquire. The proposal is thus intended to prevent the largest firms from rapidly increasing their size through the instantaneous route of merger or acquisition," Dougherty said. Such a "cap and spinoff" approach might well discourage the most wasteful aspects of corporate mergers: for example, the empire building and personal animus demonstrated in the recent Bendix-Martin Marietta-Allied Corp. spectacle.

In the late 1960s, Congress actively considered deconcentration legislation that would have restricted oligopolistic control of industries. Indeed, sentiment favoring such legislation was so widespread that even William Baxter, then a member of Johnson's Presidential Task Force on Antitrust Policy signed onto a June, 1968 report recommending such legislation. The task force's remarks on oligopoly remain relevant today:

Highly concentrated industries represent a significant segment of the American economy . . . An impressive body of economic opinion and analysis supports the judgment that this degree of concentration precludes effective market competition and interferes with the optimum use of economic resources. Past experience strongly suggests that, in the absence of direct action, concentration is not likely to decline significantly.

While new legal approaches might be developed to reduce concentration under existing law—a result which should be encouraged—the history of antitrust enforcement and judicial interpretation do not justify primary reliance on this possibility. For this reason we recommend a specific legislative remedy demonstrated to the reduction of concentration.

In addition to legislation that would deconcentrate concentrated industries, the task force recommended "additional legislation prohibiting mergers in which a very large firm acquires one of the leading firms in a concentrated industry." Such legislation would be aimed primarily at conglomerate acquisitions, which the task force believed to have been effectively out of reach for existing statutes. (It is worth noting that the task force also criticized the Robinson-Patman Act.)

Baxter and other Chicago school economists would argue that such recommendations have been rendered invalid by the development of a global marketplace in which U.S. companies must compete. Such arguments are sure to draw sympathy from many in Congress faced with high unemployment and declining industries back home. But here again, the failure of the Reagan program—which has spurred a far greater percentage increase in dollars spent on mergers than dollars spent on factories—presents the opportunity for reassessment. The first step might be the generation of data, through a new Temporary National Economic Committee that could probe the workings of the domestic and international economy and provide further recommendations. Certainly the performance of General Motors and other domestic auto manufacturers demonstrates that size itself is not the answer to international competition.

The hard times facing small business in 1982 result not only from the mounting economic inequities that favor their larger competitors, but the political failure to challenge those inequities. In Washington, small business lobbies often failed to distinguish the needs of their constituency from those of large businesses. Small business organizations have sought to defend government actions that protect small business—such as the Robinson-Patman Act—but have been among the most vituperative critics of government actions that protect workers, or the environment. Issues of more concern to large companies have clouded their agenda. One organization used a vote on synthetic fuels in its rating score card on how responsive legislators were to the needs of small business.

Synfuels subsidies are not the problem of small business. Government regulation is not why they are going out of business. Indeed, in a recent survey by the Institute for Constructive Capitalism at the University of Texas at Austin, only 1.4 percent of those small business owners surveyed listed government regulation as their most important business problem. Even when asked the loaded question, "What do you think is the single most burdensome federal regulation for businesses like yours?" over 40 percent responded "that they either did not know what the single most burdensome regulation was or that no regulations applied to businesses like theirs." Almost a fourth of the respondents listed taxes or preparing for taxes as the most burdensome regulation.

Looking further through the University of Texas survey points to the more serious problems: low demand, recession, cash flow, and high interest rates were the four major causes of difficulty cited. In these areas, policies pursued by the Reagan Administration often with the encouragement of small business leaders, have exacerbated already serious problems. If nothing else, the Reagan programs should demonstrate to small businesses that blind identification with large corporations takes them to a dead end. Supporting policies based on fairness to large and small business, labor and consumers alike, in tax, monetary, regulatory, and budgetary decisions, will not be an easy step for small businesses, who have been accustomed to clamoring for more when they are heard from at all. And it is not a step that will be taken soon. But the press of events is strong. Widespread business failure cannot be ignored. Responsible small business leaders, and those in Congress attuned to them, may soon be ripe for taking a new look at the politics of equity.●

GRENADA AND FREEDOM OF THE PRESS

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1982

● Mr. DASCHLE. Mr. Speaker, for the most part, there has developed a national concensus that President Reagan was right to order the invasion of Grenada earlier this month. In a situation characterized by chaos and confusion, the lives of a thousand American citizens were clearly in danger. The President's response was justified in this instance.

There was one part of the operation which was far less justifiable, however. During the first few days of the operation, American media representatives were totally excluded from Grenada. Our news came solely from government-controlled sources.

A thought-provoking commentary regarding this press exclusion was recently written by editor Glada Koerselman of the Le Mars, Iowa, Daily Sentinel. Mrs. Koerselman's concerns deserve serious attention, and I recommend them to my colleagues:

[From the Le Mars, Iowa, Daily Sentinel, Nov. 7, 1983]

LOST OUR FREE PRESS ON GRENADA

History is recorded by those who witness history in the making.

The Revolutionary War was the subject for painters and engravers. Photographers perfected the art during the Civil War. Americans saw the Marines raise the flag on Iwo Jima because a photojournalist was there.

The horror of war became real when TV cameras brought Vietnam into living rooms.

Books, movies and documentaries about war have fascinated millions of Americans.

Then came President Reagan's rescue, not to use the word invasion, of Grenada. We have government films. No journalists. No still and TV cameras focused by people willing to risk their lives, too, so Americans know what is going on and why.

A Democracy must rely upon trust to remain free. And that includes trust in a free press.

While journalists swarm through Lebanon, where there is much more danger, a news blackout was imposed on a tiny island at the backdoor of the United States.

Complete surprise on Grenada was the purpose. But surprise was gone the minute shooting began.

No freedom loving person can approve of the action on Grenada without a free press to report what happened.

Journalists and photographers on Grenada would have reported why a mental hospital not marked as a hospital was blown up. How medical students and Grenadians reacted the minute they say the Marines.

Government, any government, which hides its actions is suspect. And should be.

Through countless wars the American press has performed its duty. The United States may have won the battle on Grenada, but the American people have lost a free press to report what their government is doing.

And you know what's even sadder? Too many Americans believe it was right not to have the press with the Marines when they landed on Grenada●

NEW SCIENCE SERIES SPACES AN INSPIRATION TO CHILDREN

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DYMALLY. Mr. Speaker, there is a national concern for improving the quality of education in our Nation's schools. The recent report by the National Science Board Commission on Precollege Education in Mathematics, Science and Technology contains findings and recommendations that should lead to improving mathematics, science and technology education for all elementary and secondary students. But the students themselves must be inspired to take advantage of improved educational offerings if they are to derive maximum benefit.

I have just had the opportunity to preview a most significant and delightful television series on science and technology which I am eager to share with my colleagues in Congress. The series is called spaces, and its purpose is to introduce young people to careers in science and related fields. Spaces does that by highlighting the accomplishments of minorities and females in a way that provides role models and inspiration not only for minority children but for all children.

Spaces is an upbeat series. At a screening I hosted earlier this week for the Congressional Caucus for Science and Technology, I was deeply impressed with the reaction to Spaces and the opportunities the series presents.

I would like to recognize WETA television in Washington, D.C. for developing and producing the series, in association with Inter-American Research Associates. Special note must be given to the U.S. Department of Education for major funding and to the Alcoa Foundation for underwriting the costs of teacher's guides and posters for distribution in conjunction with Spaces. The series will premiere over PBS in mid-December.

Spaces has received some significant endorsements including that of the National Education Association. I give Spaces my personal rave review and plan to host and screen segments of the series in my home district. I urge all of you to watch and support the series and its significant effort to inform and inspire our children and their families about the excitement offered by a career in science.●

NUCLEAR LESSONS: TEACHING FOR "THE DAY AFTER"

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DOWNEY of New York. Mr. Speaker, On November 5, 1983, my colleague, BOB MRAZEK, and I had the opportunity to host a conference for educators on Long Island, to discuss the necessity and difficulty of teaching about nuclear war. The day held many lessons for all of us; the invited speakers were eloquent and illuminating and the audience of teachers, school administrators, and others who are concerned with the education of our children was exciting and appreciative.

I would like to share with my colleagues some of the material we covered that day. We can all learn a great deal from it:

MR. MRAZEK

I want to welcome all of you here this morning, and thank you for giving up a Saturday to be here. I know how tiring being a teacher can be; I substituted for a week about ten years ago, and it's the hardest thing I ever did. I was shot after the first week! Of course I remember how I used to treat substitutes. Everyone thought they had special qualities that would make you pay attention—and I realized how hard a job you do have.

Your job is complicated by some issues that I don't think we've addressed very seriously in the last thirty-five years. Those issues are issues that our generation has never asked for the responsibility of dealing with, but we all have the responsibility of dealing with the issue. Since the dawn of the human race one always had the chance, and ample opportunities, and the human species took advantage of those opportunities, to kill one another with abandon. However, it's only been within the last 35–40 years that we've developed the ability to destroy every living thing on the planet Earth within about a half hour's time.

As Americans I think it's fair to say that we have buried this issue from our collective consciousness for a long time. I remember in the early days, when I was growing up. If you went to school in the 50's you'll remember when we had those civil defense drills, when the idea was as long as you were under a desk or a cafeteria table or shielded your eyes somehow you were going to survive the nuclear holocaust. We, of course, know that that's not true. We also recognize that the accident that can set off a nuclear exchange can happen in any one of a variety of different scenarios. We have 39 Poseidon and Trident submarines at sea; Poseidons can deliver 180 warheads on our targets in the Soviet Union with tremendous accuracy. The Trident can deliver 240 warheads on the targets that were preselected for it to hit in the Soviet Union. Soon, the Trident will be able to deliver 400 warheads.

The men in those submarines are independent agents. It takes seven American sailors to launch 180 warheads that will destroy every Soviet city with more than a million people. One Soviet submarine, and they have more of them than we do can do an awful lot of damage in the United States of America. They do have more subs than we do; they're sitting right off the Atlantic coast right now. I don't know how many Soviet sailors it takes to launch its payload, but they can deliver more than 100 warheads on targets on the Eastern seaboard. They're bigger and dirtier warheads than ours are. They don't have to be very accurate. One of them dropping in Queens would take us all out—from Manhattan to the eastern part of Suffolk County.

A group of nuts on a Soviet sub—and it's not fun, incidentally, to be a Soviet sailor on one of those things because they leak radioactivity, they tend to sink a lot, and they disappear—but a group of people on a Soviet sub launching their payload means the end of the world.

We wonder what that fellow behind the President is doing with that black suitcase and maybe a lot of people have questions about what's in the suitcase. It isn't a red phone hooked up to Yuri Andropov. It's a data device hooked up to Cheyenne Mountain which will punch out certain information so that if that Soviet sub launches 100 warheads toward Washington or Boston or New York City or defense installations in the Northeast, the President has six to ten minutes before those missiles land on their targets, and he has no other option right now than to make one decison; to go with everthing we've got. That's the 350 B-52's each equipped with 16 long-range cruise missiles, that's all of our Titan missiles. Hopefully, communications last long enough, I suppose, from his perspective, to deliver our payload because one thing we don't want to do is allow our missiles and our retaliatory strength to be destroyed on the ground before we have a chance to retaliate.

There's no back-up system. There aren't ten Soviet generals and ten Pentagon generals sitting in a room someplace working out whether in fact an accident has taken place. There's nothing like that. The bottom line is we have a launch-on-warning system; they have a launch-on-warning system. If somebody fires off enough Pershings or ground launch cruise missiles in Europe, we all go with everything we've got.

What the film "The Day After" basically does is something that no other film has ever done before. Dr. Strangelove was a marvelous film. I've probably seen it thirty times. But it's one of those films you spend a lot of time laughing at because of the remarkably effective portraits that the film reveals when it comes to certain people in the Pentagon and people who make certain strategic decisions for our country and for the Soviet Union. And there have been films like "Five", with Harry Belafonte, which they shot on a Sunday morning on Wall Street, which tried to depict what it was like—and left all of those buildings standing there in their pristine glory. And "War Games", which is the film Peter Watkins shot over in London. No film has every graphically depicted the impact of a nuclear exchange quite like "The Day After".

You basically get to meet three families: a doctor at the University of Kansas Medical Center and his family (played by Jason Robards), a farmer, played by John McCullum (the fellow who appeared in Shenandoah a few years ago on Broadway), who lives out in Sidalia, Kansas, and a black non-commissioned officer who works in one of the mis-

sile silos sites. They deal with one accidental scenario—there are many others that could precipitate an exchange. The bottom line is that one scene in this film recognizes, for the first time, just how much we have buried from our collective consciousness this terrible threat.

The most awesome part of the film, for me, was when we see these people who are living from Lawrence to Sidalia, Kansas in a crescent-shaped arc where we have 150 Minteman missile silo sites, all of which the Soviet Union knows in detail. They know where our sites are, we know where theirs are. And these people—the farmers, the local people—have been living with these silo sites right down the block. And then, at a certain point in the film, after great technical virtuousity (because they spent $8 million on this film)—it's like in Dr. Strangelove when you found out what it was like to be flying in a B-52. Well, now you'll know what it's like when they go through the failsafe mechanisms to launch a Titan missile. But that moment when the farmer is sitting on the back of his tractor in the field, plowing up the back forty, and a guy is walking out of a barber shop, and the ground starts to tremble and this huge Titan missile starts to come out of its silo site—inching out of its silo site—it registers on their faces, and it registers on you, as they look up, and see down the horizon, all of those missiles tracking toward their targets in the Soviet Union, that it is the end of the world. That through stupidity, and an inability to communicate, the supreme horror behind this is that it is the end of the world. And you see 50,000 people sitting in a football stadium watching the University of Kansas play football, and they are so intent that they are looking down at the football field, and they don't see all of these missiles tracking toward their targets in the Soviet Union.

And fifteen minutes later four big warheads are air burst over that belt of South Kansas. And the rest of the film depicts in great graphic detail how people die after a Soviet nuclear attack on this country. It doesn't show what they die like in the Soviet Union, but I'm sure it's exactly the same way.

The physical degradation, the hair falling out, the scabs, the teeth falling out, the beautiful people. . . . The children that you see and get to know at the beginning of the film aren't so beautiful by the end of the film.

How do you teach about something like this and not make it political? I don't know. That's your job. A lot of people have been attacking this film as making a political statement. I don't think there's a political statement in the film. In the final analysis what we have to do, I think, in our society, is to explain, with a little more care, exactly what's at stake with these weapons. Because a lot of kids have probably already subliminally been affected by living under the threat of nuclear war and the constant tensions. But after these kids see this film there's going to be a lot more need, I think, to try to channel the reactions they're going to have in a direction that's healthy and positive and meaningful.

This isn't like going to see a film where the slasher goes through town on Halloween night and kills all the babysitters. This isn't like Psycho, as terrifying as that film was. This film doesn't leave you with much hope. So, basically, that's what this conference is all about. That's why Tom Downey and I decided to cosponsor it.

MR. DOWNEY

I began worrying about nuclear war when I was ten or twelve, and it was around that time that we had the Bay of Pigs invasion and the Cuban missile crisis. I could never understand why my parents weren't stocking the basement with tunafish and canned fruit so that we'd be able to survive a nuclear war.

I remember having conversations with my friends at the time, and saying, "You know, these nuclear weapons really scare the h . . . out of me!" One of my friends just said categorically, "Well, listen, it's the end of the world. My parents have told me that once these things go off there's no surviving." And I remember that day really quite vividly, saying "is it possible that people have actually designed the means by which all of us will die?" During the Cuban missile crisis I remember distinctly telling my mother and father, "Hey, look, this is serious! These things could start going off! I want to give myself a chance!" And I independently stocked the basement with tunafish and canned fruit.

"The Day After" deals with the people who stock their basements with tunafish and canned fruit. And it also deals with the very difficult process that we all go through—especially your students—in dealing with this question, and the process is known as denial. Simply—we can't deal with it, so we don't deal with it. How do you deal with the end of life on this planet as we know it?

It's not the sort of thing one says, "Well, I've got a whole new fresh way of thinking about it this morning!" You don't deal with it. The alarming thing, of course, is that there are an increasing number, by percentage, in all studies, of your students who are thinking about it all the time, and don't really know how to deal with it. What Bob and I have tried to do with the conference is to give you a way to think about it and for you possibly to teach it in preparation for the film "The Day After", which will be shown on November 20, a Sunday evening. And the guests we have will give you and me some insight into how you might deal with this problem, because as I go around to the schools in my Congressional District I find an alarming number of young people who think that there's going to be a nuclear war. That's got to have a profound impact on the way they think about themselves and their world. We want to try to give you a little help in focusing our attention on their concerns and what we can do about them.

Bob appropriately mentioned the fact that there are things where it is impossible to have two sides. This is one of them.

The fact is that we have, over the last few years, developed a series of attitudes in Washington and among policy planners that suggest that you can fight and win a nuclear war, that there's such a thing as limited nuclear war, and that we can beat the Soviets. And you even have the Presidents from time to time saying that, although they don't say that any longer.

This is simply a preposterous notion. In 1981 a study was done by the United Nations that indicated that if just 150 of the tactical nuclear weapons in Germany were used, in West Germany, the number of fatalities over a two-week period in West Germany would be five to six million. Now, that's an extraordinary number; it happens to be many millions more than Germany lost in all of World War II, and the idea that the war could be limited to one region or one area without it spreading across the planet is, of course, a risk that no one wants to take or even contemplate.

So we have to take political positions. I'm not going to urge one on you today. I suspect that a lot of people have come here with their own views, but, hopefully, we will learn together about more grave ways to deal with this question, and prepare ourselves for what Bob has graphically depicted as an "astonishing movie".

It will really change the way you think about these things, because it deals through the eyes of mortals with this question, and the unrelenting horror of what happens after a nuclear was is something that will not easily be forgotten.

DR. GADDIS SMITH

I want to thank Congressman Downey and Congressman Mrazek for creating this conference. They have sensed, as you've heard, that the film "The Day After", may have greater impact on the American people than any previous event of the nuclear age, save only the dropping of the original bombs in 1945.

It seems more than likely that the film will change the thinking of tens of millions, just as Jonthan Schell's book, The Fate of the Earth, changed the thinking of tens of thousands two years ago. And it's right, and proper, that we here today and many other groups around the country prepare ourselves for the film, and especially that we prepare to respond to the fears of our children and our students—fears which are a consequence of the nuclear age. They won't be a consequence of the film; the film will only bring them out and intensify them.

At the outset let me tell you a story that was told to me by someone who was there. Very recently, a group called the National Council for Children in Television held a meeting on this very subject, the film "The Day After". The participants had a chance to preview the film and then there was a panel discussion. One of the panelists was a teenager. His reaction should stand as a warning and a challenge to us all. He broke into uncontrollable, almost hysterical tears. When he finally could speak, he blurted out "What are you doing? You are destroying the world!" This was a cry of helplessness, a cry without hope.

And the question before us today, and before us as a nation, and before us as inhabitants of the earth, is: How can we respond? What can we do?

Our responsibilities as parents, as teachers, as citizens, are to help that boy, and he represents all of us. Help him to acquire an informed conviction that human intelligence and goodwill and determination can shape the future. And then from the conviction there should flow a determination to act.

There are many ways in which we as teachers can fulfill that responsibility which depend on our own experience and perspectives. There's political leadership, there's moral and religious teaching, there are the insights of literature, there are the insights of psychology, and there's the study of history.

I'm a historian, and thus will speak from that perspective. My theme is that the terrible possibility depicted in "The Day After" is not something arising like a tornado, an impersonal force of nature. It's rooted in our historical behavior. It's the result of past choices, and past failures of understanding, and from understanding those failures we can learn and we can talk.

Let me look first, very briefly, at some of the historical roots of armaments races and efforts at arms control, and then at the dangerous pattern of thought which contributes to arms races, and makes wars more likely, and, finally, at an alternative pattern of thought which offers some hope.

The place to begin, I would say, is 1914, the year when the first world war broke out, the war which set this century on its course of violence and escalating political upheaval. The First World War had many causes, but one of the most important was the race in land and naval armaments which had obsessed the adversaries during the previous decade. The two sides had been arming furiously and pressing forward in a technological competition in an effort to maintain superiority over the other, and because technology was changing so fast, they never could be sure they had those technologies, and that superiority. During the political crisis of the summer of 1914 each side feared that a first strike by the other might prove decisive. Therefore, each maneuvered to inflict rather than receive the first strike. There was no time for reflection, or for serious diplomacy. Every hour seemed to count. Germany, being the more efficient, struck first and within days all the great powers of Europe were wrapped in war. It was a sobering time, and it bears close historical study.

Three years later, 1917, the United States, led by President Woodrow Wilson, entered the war. Wilson soon developed an analysis of the causes of World War I in particular and of all war in general. That analysis gave high place to competition in armaments. In 1918 in his famous "Fourteen Points" Wilson announced a peace program and vision for the future. His fourth point called for "adequate guarantees given and taken that national armaments will be reduced to the lowest point consistent with domestic safety." That point was linked with the Fourteenth and most important point, a call for a world security organization "for the purpose of affording mutual guarantees of political independence and territorial integrity to great and small states alike".

Here was a dramatic and radical standard for arms reduction and a proposal to vitually end national armed forces. Of course, that proposal was not fulfilled, as we all know. It was worse than unfulfilled. It was discredited and ridiculed by self-styled "realists"—hard-nosed men, and they were all men, who believed that armed superiority was after all the one path to national advantage and security.

Even Wilson backed away from the radical implications of his program when he said that the reduction of arms "to the lowest point consistent with domestic safety" meant, in fact, the lowest point consistent with national safety. And since each nation was its own judge of what was necessary for national safety, or national security as we call it today, the impact of Point IV had evaporated. Next, the League of Nations, the world security organization that Wilson envisioned, never became effective—in large measure because the United States and the American people repudiated Wilson and we refused to join that organization. There was an avoidable mistake.

Nevertheless, the United States did take the lead in one promising effort at arms reduction and control immediately after World War I. That was in naval armaments, and under American leadership we succeeded in putting a ten year "holiday", or ten year freeze, on the construction of all of the strategic weapons of the sea of those days—those great battleships and aircraft carriers—and also a reduction—a cut—very very deep cuts—amounting to approximately 50 percent—in the existing strengths of the major naval powers of that time.

I believe that this naval limitation agreement, signed in 1922, was very useful. But, unfortunately, it was not self-supporting. It required the constant effort of all the powers to deal constructively with political and economic problems. Alas, this was not done—as the dreary history of the interwar period demonstrates. By 1934 that treaty had been repudiated, and we were on the way to the Second World War.

The Second World War witnessed the triumph of massive amounts of conventional armaments against the Axis and a secret arms race with Germany for the development of a new weapon of unimaginable power: the atomic bomb. Germany, of course, lost that race. The United States, with British assistance, acquired the bomb and used it twice against Japan in August 1945. As every knowledgeable leader realized, the world was in a new ballgame.

Could this new power be controlled? How? The outlook in 1945 was not propitious. The immediate lesson of history seemed to say that arms control was folly, that the United States must retain for its own use and the world's safety the greatest possible margin of armed superiority. The potential foe, after the defeat of the Axis powers, was of course the Soviet Union. In mid-1945 the first chilly breezes that were the prelude to Cold War were already being felt. The Soviet Union has been excluded from participation in the atomic bomb project during the war. But how long would it be before the Russians had their own bomb? Well-informed American scientists in 1945 said four years. Some less well-informed American military and political leaders scoffed and said the Russians had diffculty making a good saucepan, how would they possibly build an atomic bomb? The United States could retain its monopoly or at least superiority indefinitely.

And then there was another disturbing problem connected with this. Given the totalitarian nature of the Soviet government, was any agreement with Moscow possible? The thoughts of Secretary of War Henry L. Stimson on this point in 1945 are most illuminating. Stimson was 78 and about to retire after serving in various capacities under every President since Theodore Roosevelt. He'd been the cabinet officer directly responsible for the atomic bomb and for advising President Truman that it be used against Japan. His first thought as he looked into the clouded future was this: "If there is one thing I have learned in a long life it is that you must begin by extending trust if you are to win trust." Therefore, we should trust the Russians and invite them to become partners in a program for the international control of atomic weapons. But this thought collided with what Stimson knew about the closed nature of Soviet society. The moment he had the thought, he was beginning to reject it. He shifted his thinking and asked if there might be some way to use the American monopoly of the atomic bomb as an inducement or a lever to the Soviets to become an open society. He could think of no way. In September 1945 he retired and left the problem to others.

Meanwhile, scientists in the United States including Albert Einstein were getting more active in the debate and were advancing what has been called the three axioms, which were true in 1945 and they are true today:

1. There are no secrets. There are atoms in every country. The basic principles were known around the world then and it would not be long before the American monopoly was broken. It was impossible to attain scientific superiority in this area.

2. There is no defense. The power of atomic explosives is so enormous that it will destroy everything.

3. The old system of national competition, of arms races, of balance of power will not work. Atomic weaponry must be put under effective international control.

Let me quote a 1946 letter from Einstein in which he was seeking to raise money to bring these truths before the public. "This basic power of the universe cannot be fitted into the outmoded concept of narrow nationalisms. (3rd axiom) For there is no secret (1st axiom) and there is no defense (2nd axiom): there is no possibility of control except through the aroused understanding and insistence of the peoples of the world . . . we believe that an informed citizenry will act for life and not for death."

The American Government did take action in 1946—but in a manner pre-ordained to fail. I refer to the Baruch Plan of 1946—named for Bernard Baruch, the head of the American delegation to a United Nations meeting an atomic arms control. Baruch proposed an immediate ban on research and development of all atomic weapons everywhere in the world except in the United States. At the same time a UN agency would be established, operating without a veto. The UN agency would assume control of every aspect of atomic development, from prospecting and mining of raw materials, to peaceful uses, to research and development of weapons. The UN agency would have inspectors empowered to travel everywhere including, of course, the Soviet Union. The U.N. Agency would have its own weapons program, and would build its own weapons. When the UN agency was in full operation then and only then would the United States turn over its bombs. If any nation violated the regulations and began developing bombs of its own it would be subject to "swift and condign punishment" including possibly atomic bombing from the arsenal maintained by the UN agency.

American publicity presented the Baruch plan as an offer of unprecedented generosity; after all, we were giving up our atomic bomb after this whole scheme went into effect. But the Russians rejected it out of hand as a transparent device to maintain American superiority and prevent the Russians from protecting their own security. The Russians also rejected the idea of international inspection as a violation of sovereignty. There was stalemate and it lasted for a decade and a half.

But stalemate did not apply to the development of ever more powerful and numerous weapons. In 1949 the Russians exploded their first atomic bomb—precisely when American scientists had predicted. This precipitated a sense of panic in the United States; more accurately, within the higher reaches of the American government. Within a few months the National Security Council presented the famous report, secret until 1975, number 68—NSC-68—to Harry Truman. This document described the conflict between the U.S. and the USSR in the bleakest terms of total antagonism destined to last until one side or the other prevailed.

In regard to atomic weapons, NSC-68, in the year 1950, predicted a horrifying "window of vulnerability" (to use a phrase

from the 80's) occurring in 1954, the year I graduated from college. At that time, it was predicted, the Russians would have 200 atomic bombs and would be able to get 100 of them through American and European air defenses. These were bombs on the order of explosive size of the Hiroshima bomb. The 100 hits would destroy Western Europe and the United States as functioning societies. They probably were right in this prediction, but just get a sense of the change in scale between 1950 and now. A few voices within the United States—most notably the so-called father of the atomic bomb, J. Robert Oppenheimer—argued that the solution to this problem was to try again and harder, and on a more equitable basis, for international control. Others, led by Oppenheimer's rival physicist, Edward Teller, said the solution was to develop an even more horrifying, powerful weapon: the hydrogen bomb. Oppenheimer and diplomat George F. Kennan strongly opposed the development of the H-bomb. But Truman and his high advisers sided with Teller. The H-bomb was developed. Kennan soon departed the government for private life and a career of writing. Oppenheimer fared worse. He was declared a security risk and purged. In 1952 the United States exploded its first hydrogen bomb. The Russians followed a year later. The arms race was in full momentum.

The first progress in atomic arms control came in 1963 with the signing of the treaty banning test explosions in the atmosphere. The test ban treaty resulted from worldwide public outcry against the fallout from Soviet and American tests which was producing demonstrable health hazards to all mankind and also from the mutual shock received from the crisis over Soviet missiles in Cuba in 1962—the occasion when the two powers have come closest to war.

It is true that the test ban did not impede the development and deployment of more and newer weapons. Atmospheric tests were no longer necessary from an engineering or scientific point of view. But it was a small gain.

The next and most significant development began in the late 1960s with the mutual recognition that both sides now had the stockpiles and delivery systems to destroy the other many times over. Out of that recognition came the concept that there was some security in vulnerability. If both sides knew they would receive unacceptable damage in retaliation for any first strike, then both would be deterred from a first strike. This led to the 1972 treaty limiting anti-ballistic missile systems and the accompanying agreement on levels of strategic weapons for both sides: SALT I.

The doctrine of deterrence through mutually assured destruction held up fairly well through the 1970s and remained present, to a somewhat diluted degree, in the ill-fated SALT II agreements signed by President Carter and Brezhnev in June 1979, only to fall victim soon thereafter to the Soviet invasion of Afghanistan. SALT II, of course, has not been ratified and is not likely to be in the foreseeable future. That brings us to the last few years and to the perilous present—with its SS-20's, and pending deployment of Pershing IIs and cruise missiles, its MX missiles, and star wars scenarios of nuclear war in space. I will not discuss these events, for you can all follow them in the press. Instead I would like to shift gears and look at fundamental ideas—for ideas are ultimately more important than the statistics of missiles, throw weight, range, and accuracy.

The greatest obstacle in the realm of ideas to arms control, peace, and security is a pattern of thought which I will call militarism. By that I mean something deeper than the celebration of military values, more profound than polished boots, salutes, and chests full of medals. I mean a pattern of thought—almost a creed—about the nature of the human condition. This is a creed which knows no national boundaries. It is present in the United States, in the Soviet Union, in every powerful nation. Its specifics are not, in isolation, all wrong; there are aspects of it which are, in fact, accurate descriptions. But taken in its totality it is the source of our insecurity and the greatest obstacle to peace. In its American setting this creed could be defined as the belief that the principal purpose of the American government must be to maintain arms superiority over any potential foe. No other obligation can be allowed to interfere; the penalty of weakness is loss of freedom. I will present this creed in the form of thirteen propositions. No one person has ever to my knowledge espoused them all in quite this form. They are rather the distillation of hundreds of statements and attitudes. Parenthetically let me observe as a historian that those who adhere to these tenets tend to invoke the authority of "History" as if history were a law giver handing down absolutes in the manner of Newtonian physics. That is an attitude with which I profoundly disagree. Here are the tenets:

I. Wars have always been and always will be. Man is combative by nature. To attempt to abolish war is like attempting to abolish the weather. Wars are like tornadoes.

II. Wars are fought with the most powerful weapons available, whether they are rocks, crossbows, or atomic bombs. Any nation which limits its capabilities out of squeam- ishness, is doomed.

III. The only way to deter war or mitigate its worst consequences is through the maintenance of military superiority over the enemy. This is a variation of the old Roman maxim, "In time of peace, prepare for war." The historical authority invoked is very selective. There is a preference for looking at the coming of World War II, when lack of military preparedness was a factor, while neglecting World War I, where a race for preparedness brought on war.

IV. The existence of nuclear weapons has not changed the validity of points #1, 2, and 3. This is a direct denial of the three axioms of Albert Einstein and his colleagues at the beginning of the nuclear age, and it's a confirmation of another of Einstein's remarks, That atomic weapons have changed everything but our way of thinking.

V. There is no substitute for victory. One side will emerge from any war in a relatively better position than the other.

VI. Therefore, the United States must be prepared to fight a nuclear war and emerge in a better position than the Soviet Union.

VII. To be intimidated by the prospect of heavy casualties is to accept defeat in advance. These three propositions relate to the terrifying issue of protracted and deliberate nuclear war. One thinker close to the Reagan Administration has argued in public that the President should be ready to fight as long as best estimates do not exceed 100,000,000 American casualties. If the best estimates go above 100,000,000, well, time for second thoughts.

VIII. Arms control agreements are dangerous unless they increase the power of the United States over the Soviet Union. The adherents to the tenets of militarism proclaim this as a lesson of history.

IX. Conflict between the United States and the Soviet Union, as between freedom and totalitarianism, is irreconcilable.

X. This conflict will continue until one side prevails—with or without general war.

XI. Therefore, every American move and policy must be directed toward the enhancement of American power and the erosion of Soviet power.

XII. American nuclear policy cannot be safely left to the fickle whims of the democratic process, to people who are not informed, those who are not privy to the real terrible secrets, whether they are schoolteachers or Congressmen.

XIII. Those who challenge any of the above assertions are at best naive, they may well be appeasers, and doing the enemy's work wittingly or unwittingly. A variation on this is that the peace movement is the greatest threat to peace.

With two powerful antagonists like the Soviet Union and the United States holding to something like the above set of beliefs, the outlook for mankind seems grim indeed. There is no guaranteed way out, but there is, I would suggest, an alternative approach which the United States could follow which holds some hope. I must present it in very sweeping generalities as a first principle and five broad objectives with which, I think, the most hawkish hawk and all but the absolute pacifist could agree.

The general principle is a version of the Golden Rule—that we strive for and do not obstruct the fulfillment of security for others. We cannot build our prosperity on the poverty of others, our physical security on their fear, our life on their death. What we seek for ourselves we must seek for others.

The five objectives are:

1. to live in physical safety. Here we all agree—except perhaps the absolute pacifist. We do not want to be invaded by another country any more than we want our homes and persons to be attacked by thugs.

2. to have a decent standard of living. A defense policy which leaves us hungry, ill clothed, ill housed, in ill health, ill educated in order to have more guns is bankrupt.

3. to preserve the democratic process. As Americans we should value the ideas of the Declaration of Independence and the Constitution. We should value our individual civil liberties and our political participation in government. To lose these things is to be invaded just as much as if there were Russian soldiers on every street corner. Defense must defend more than space and material things.

4. to behave morally as individuals and as a nation. The fourth point is related to the third and to the principle of the Golden Rule. For those who think in religious terms, this is a matter of defending our souls. As individuals we would not wish to grow wealthy by murdering. We would thereby destroy our human worth. In like manner, national policies must preserve our moral worth. This in the broadest sense is the issue of human rights. If we fail to defend our respect for human rights, we lose all.

5. To provide for future generations. This is the main point of Jonathan Schell's powerful book The Fate of the Earth. And it's what the film, The Day After, is all about. What is the meaning of any of our actions if we put creation itself at risk?

It is my conviction that the United States can and should live up to the first principle and seek the five objectives and challenge at every opportunity the tenets of militarism

wherever found and that this can be done without diminishing our security. It is my further conviction that if we so behave we will rally much of the world to these ideals and ultimately reduce the paranoia characteristic (not without some cause) of the Soviet Union. When these things happen, substanital progress in arms control, and a real curbing of the arms race will be possible.

Let me return now to the film for a final word. It is, as you've heard, a devastating and accurate portrayal of the consequences of mankind's potential failure, specifically American and Russian failure. That failure flowing ultimately from blind reliance on the tenets of militarism. It could happen—of course it could happen—but our task, and here I repeat, is to speak to that hysterical youth who was in tears after watching the film and to speak to him and to teach that the fate depicted is not inevitable, and that our actions, based on understanding, can make a difference.

Thank you very much.

MRS. DEBORAH MEIER

We're having a conference of teachers in New York City on the topic of valuing children and the role of values in school. It's a related topic, and I promised to be back by this afternoon.

I think as elementary school teachers and as parents of young children we have some very special worries and special concerns. They range from whether we're imposing our values, whether we're being fair to a variety of viewpoints, whether we're propagandizing children, whether we're using them politically.

We're also, on the other hand, faced with the other balance of viewpoint of: are we being fair if we don't concern ourselves both as socially responsible citizens and as teachers, with the things children need to understand to grow up. But we are also, of course, concerned because we don't even know how we would go about propagandizing for our viewpoint if we even thought it was fair and legitimate to do.

And I'd like to suggest that, in fact, regardless of one's politics, the issue is best resolved by working it through with the normal means available to us as teachers and with the normal understanding we have of the learning-teaching process and of our own role within it.

No matter how extraordinary the circumstances, it's normal educational criteria that need to be re-established. Yes, we do have a right to have values as teachers. We have a right on this issue as we have it on anything else. No one doubts that it's okay if kids know that we're against racism, against anti-semitism, against fascism, against this or that. There is no need to be afraid that children will know our values. In fact, it is critical that as teachers they know that we are human beings with values and that we expect a commitment of values on their part also. That is in the nature of their humanness to have values. But it also true that as teachers it's important for us to think particularly about the way our values are expressed. And they are expressed frequently not so much in what we say but in what we do and how we act. The means and methods we use as teachers are our most powerful methods for sharing our values. The way we go about our task of teaching is the way our children are exposed to our values. Propagandizing kids is simply of no use; it's a method that doesn't help, and can't help create peace or develop the kind of active citizens needed regardless of our particular political viewpoint. The perfect slogan, in the mouth of a bright, precocious ten year old, isn't of any more than momentary public relations value. It is not going to stop war. A brilliant essay by a nine year old that expresses exactly the viewpoint we would most like to have held will not be of any help. We're back essentially to the same drawing board we have always faced as teachers; the traditional tasks are the same ones, only more urgently there.

To help children develop first of all the skills and knowledge to help them make judgments, to apply their intelligence to problems of all sorts, the most small problem and the most large—that's still our task.

Second of all, to give them a sense of their power to affect the world around them, in the matter of the way we teach the curriculum, the kind of things we teach about, and the experience they have within our school. To understand that what they think, how they act, and what happens to them is the outcome of human decisions that they can affect.

Thirdly, a sense of self-worth. I was reminded in a conversation I had driving out here this morning of a story about my son, and I was thinking and telling Tom Roderick that when my son was about twelve or thirteen years old he used to tear the house apart every June, every time the Yankees lost a game. And I used to think, I'm glad summer is coming, because since the best baseball team loses about a third of the games, I couldn't stand to go through the whole summer this way if he wasn't going away to camp! Because, literally, you would assume that his entire sense of self-worth was destroyed when the Yankees lost a game. His self worth, for whatever set of reasons, was entirely attached, and no amount of reasonable argument could persuade him that he was still a wonderful and marvelous boy despite the fact that the Yankees had lost a game, nor that he was any better a human being when the Yankees won a game. We were discussing whether this was a particular characteristic of men over women, but, in any case, it certainly is a characteristic we recognize sometimes in ourselves and certainly in others—the degree to which our self-worth is attached to symbols that make it impossible to reach us reasonably.

And so our task in school if we're to help children apply their intelligence is to deal with the question, also, of their sense of self-worth.

And, finally, it's their sense of caring about other people. Their caring about themselves, their caring about others, and therefore all the attributes which we think about, concern about the future and use of intelligence, relate to an assumption to one cares. If we really created environments that made an impact on these four qualities, that may be, in fact, as much as we can do as teachers to help children deal with problems and to help save the world for the future.

Now it's an interesting question and I want to think about this a little bit more than casually, because I believe we are in a period in which these values in relationship to teaching are under assault. I'm not here to largely speak about what I think that assault is upon education, but I think it relates to all four characteristics.

I think we are being told as teachers in language that is sometimes masked that in fact teachers are not experts, teachers are not to be valued, and that teachers most important characteristic is not in the area of their valuing or their giving children value, or their making decisions or giving children the capacity to make decisions, or their making choices nor giving children the opportunity to make choices. I think we are in a period right now in education in which the very concept of the teacher as a decision maker, of the teacher as a powerful component in the school process, the teacher as expert in what goes on in a classroom, is under attack. The notion of seeking foolproof, guaranteed, teacher-proof materials in schools, locking us into a variety of patterns with pre- and post- tests, in which children are ojectified and we are objectified, and in which the human characteristics of a school are under assault.

I do not think this is uniform. I think there are opportunities for both directions, but I think the question of the role of school and the role of teachers is a critical one which we can play a role in and which has a great deal to do, in the long run, with being able to education for peace.

The question of whether children can learn in a classroom in which teachers are not expected to think, but only to carry out orders, to ladle out prescribed curriculum, it seems to me, is central to the question of whether children can think and whether children see themselves as active agents of social change.

Either we do—and if we don't we are not involved in the classroom where children can believe themselves to have power.

So we have to start, it seems to me, right back at the issues which I think are central to teaching and central to the elementary classroom. But there is something different, and I think it's important to pause on that difference—why might children, who in all other respects are using the classroom in all of the ways I've described, why might they avoid using their considerable skill and intelligence to deal with this question of nuclear war?

This is the question posed by the file that we're discussing.

It's in part because one cannot even begin to solve the problem if we're afraid to acknowledge it. And there is no question that fear can indeed paralyze us, even if we haven't felt it, judged it, and care. And, unfortunately, the fear we're talking about is not only a rational one, it's a reasonable one. Fear does truly not come to us in a vacuum. They avoid subjects when the alternative to avoidance is despair. And I don't know an easy way out. Quite frankly, there are moments when I too would like to run away with my children and raise them somewhere where I don't have to deal with this question. Because the capacity to grow up caring, self-confident, self-worthy, and feeling a palpable sense of an actor, I think, is under enormous assault in the best of circumstances. I think it is enormously hard to imagine how children can grow up today with these intact. But, nevertheless, we can't all run away; we are stuck here, and children do pick up what goes on around them. Sometimes the fears they bring us, and sometimes the fears expressed by children about nuclear war are, no doubt (and I've often been told this, and there is some truth in it) stand-ins for other fears. Sometimes they are the same traditional fears children have always felt about night, the bogeyman, fear of danger and death. And it is a mistake to assume that every time children discuss war and the nuclear bomb they are responding to the same questions we have in mind when we hear those words. Sometimes, it's true, they are significant.

Children's fears have always been powerful and significant, but sometimes they are the same traditional issues that children have faced from time immemorial. On the other hand, there is something special about this fear and precisely our silence and our evasions are a mark to them that there is something special about it.

We're not as afraid to talk about other fears that children have. We have a special avoidance of this one, and our silence is a very powerful silence. And even if we have a hard time thinking of what the words are, our silence is more frightening and more scary than our language.

There are other analogies to this we know about, to do with race, or sex, or death. We know how amusingly we avoid the things that embarras us or that we're afraid to deal with. The lengths to which we will go sometimes to avoid speaking directly! If we're in a situation of race consciousness, the degree to which we will avoid pointing to the one black child in the room, saying "the black child"; we will describe her rather as "the child with the red shirt on, and the brown shoes", because we are embarrassed, afraid, and unsure how to deal with the question of race.

But our unsureness about how to deal with the questions of war and peace speaks very very loudly to children. Unfortunately, that doesn't solve it for us, because their fears are not unrealistic, and we do not know how to reassure them.

It's hard enough to reassure children about normal death, and normal fears, but with this one, we cannot say "Don't worry. It will be taken care of. It will go away". We cannot tell them just to march on picket lines, or hold up demonstrations, or write to the President. About a year ago we showed a movie in school about nuclear war. Unfortunately, I think it was a poor choice of movies to see. But, in any case, afterwards we were trying to reassure the children because they had been enormously frightened by it, and somebody brought up the possibility that we could all march on picket lines. And one little girl said, "No, that won't work. My mother marched last year on a picket line to save a hospital, and they closed it." And I thought, well, that's a child who has learned from experience and I haven't got a sure-fire experience to offer her in return. Now, picket lines are not an answer to their fears. They may be a useful way of responding to their fears, but they are not an answer.

What can we do? Well, first of all, for ourselves, we can involve ourselves. We can use our knowledge and our activity appropriate to our own power and our own politics as citizens. And, second of all, we can begin to listen to children. To start off, I think the most powerful thing we can do in the schools is to listen carefully. And to respond as simply as possible to what seems to be on children's minds. That's the lesson before this movie, it's the lesson afterwards.

A complex agenda and curriculum plan on our part, it seems to me, must always miss the boat. The first thing we have to start doing better in schools in general, and on this issue particularly, is to try to hear what the fears are children have, and to try to respond to them as they come up. And, thirdly, to include it where it seems natural and appropriate. But that means to avoid two enormous dangers I see among teachers who are socially conscious. It's to avoid trivializing the issue—coming up with little games or little lesson plans that we have which I think make light, not more serious, of it. I know teachers who will sometimes bring up the subject of nuclear war when they're trying to stop two children from having a fight on the playground. They'll imply "This is the kind of fight that leads to nuclear war!" I think that is not only trivializing, in fact; if that's the kind of fight that leads to nuclear war, we're stuck!

Similarly, there is a whole series of group awareness games we sometimes think of as activities to stop nuclear war. I think those are a misdirection of our energies.

And the other danger is the traumatizing of children by enormously powerful movies, descriptions, and stories to frighten them. Even a good artist knows that at a certain point great fear and very graphic depiction of reality blot out all feeling; they numb us; they do not increase our awareness. It has never been known that fear itself leads to enhancement of precisely the four traits we mentioned earlier: Our sense of intelligence and knowledge, our sense of power and responsibility, our sense of self-worth, and our ability to care.

Our confidence in the future is expressed in the act of teaching. It's the way we can help children have confidence in the future, too. It's the daily willingness to recognize that we help kids to grow if we take each step one at a time. The urgency of the issue of war and peace is not addressed any better by an urgent curriculum, no matter how critical and how deadly and how serious are the problems facing us. A sense of crisis in the way we respond in school is not a way to help children. It's not a way to help them grow up with a greater capacity to handle the problems facing us. It's no more true of war and peace than it is of reading, writing and arithmetic. When a school system is barraged with "It's time you teach this", "You'd better teach that", we know that to be given orders about what's necessary to do does not make it easier to accomplish the task. Each one of these tasks requires a belief in time and patience. That is part of the essential role and message we send children.

I don't know if you have looked at some of the national reports that have come out. I'm always amused when they have a series of eight points and one says, "Schools should teach study skills." I think to myself, I'm glad they told me, I'd forgotten all about that! Or, they say, "Schools should teach history, so that children will appreciate their heritage", and I think, Ah, I've got to do that! Tomorrow I'll start that! And I have the same feeling about this issue of war and peace. It is not enough for us to go away from here saying, yes, that's really very, very important. Tomorrow I'm going to start teaching about war and peace in school. It cannot be approached that way. It's approached by thinking of the kind of environment, the kind of intelligence and knowledge children need to begin to grow over time in to the kinds of people who can better and more effectively handle these issues. The notion of the future itself is at stake. And that is what most frightens me—the erosion of the belief that the world has a future.

I remember when we first started Central Park East School, which incidentally is a public school. Some of the children would want to talk about how long the school had been in existence and what our plans were. And I would at some point come to a point at which one of the children would say, "When my children are ready for school, can they come to school here, too?" And I'd say yes. "And my children's children?" And I'd say, "Yes, and their children's children's children, and so on", and they would love that, and they would go on, "And my children's children's children's children's children?" It's a powerful statement that they're saying over and over again—it's a reassurance of the powerful need to believe that there's a long past and a long future. That after me comes others, and that I make some difference in that sense.

Our ability to care, our ability to invest so much of ourselves in things, is based upon some magical, irrational, some call it religious, belief that the act we do today lives forever. That something in us remains after us. How else can we explain people's willingness to die for a cause, if not for the belief that there is something more powerful even than the moment, that goes on forever. The notion of continuity is essential to even the smallest acts of caring, and the smallest acts of caring are a way of expressing our confidence in the continuity of the human species, and of our possibility of making a difference by what we do now.

That is at the heart of all education. It's at the heart of our humanity, and it's at great risk today. Thank you.

DR. HERBERT PERR

In that little byplay about being able to see Stony Brook from New Haven on a clear day, someone said, and on a clear day you can also see forever. I think that's why we're here; we're hoping that, in someway, we, too, can see forever.

We're all here because of our deep concern for children and their growth. We're also here because we're concerned about our own self-preservation.

I'm here as the Vice-Chairman of Physicians for Social Responsibility, and I'm going to take just a few moments to tell you about the organization, after which we'll show the film, and I'll have some comments to make about children and the effect upon their psychological structure due to this threat of nuclear extinction.

The announcement that you received for this meeting contained a quote from H.G. Wells which said, "Human history becomes more and more a race between education and catastrophe." And I think, in a sense, that's what we, as Physicians for Social Responsibility, and I, personally, began to feel back in the early in the early 1950's.

At the outbreak of the Korean War in 1950-51, I developed quite an intense concern that the two explosions in Japan in 1945 were going to be repeated in the Korean episode. Like others at that time, I thought of all kinds of ways of protecting myself, like buying a mountain and burrowing inside and waiting until the dust settled. Well, nothing like that has, as yet, happened, but it was a fear and concern that humanity is embarked upon a voyage which is going to be catastrophic unless some rationality is brought in the deliberations among people. It's an exceptionally difficult thing to achieve, as everybody knows when you try to teach.

PSR was organized in 1961. Their intent, then and now, is essentially to educate themselves, the public, other scientists, and political leaders about the real effects of the misuse of nuclear energy in this way.

In fact, it was studies cosponsored by PSR early in the 60's that led to the worldwide concern over the radioactive contamination of children's baby teeth because the radioactive dust stirred up by the atmospheric testing came down to earth, settled on the fields, eventually found its way through the

food chain, and ended up in milk which children consumed.

For several years PRS was influential and then, for reasons not quite clear, but perhaps succumbing to the very psychological factors which all of us have, it became rather numb to the whole issue. They did not become aroused until the early 80's, when it became more clear that it was offical policy to consider both a limited nuclear exchange and a war, and that this could be "winnable". This kind of insanity had to be answered. Consequently, PSR has cosponsored many national and international meetings in the past three years where we attempt to bring to the attention of everybody the information that exists about the dangers.

We focused for the most part on the physical, medical, and ecological changes that would happen in a limited or all-out nuclear exchange. Recently, we have begun to pay far more attention to what is happening to the people who live under such a threat.

We're going to see a film cosponsored by Physicians for Social Responsibility—a series of interviews with children ranging in age from 7 to 18, after which I'll make some remarks about the problem.

(we paused for a showing of "in The Nuclear Shadow")

I don't find it easy to follow this, and just stand before you and talk. In the face of this wisdom, this feeling of love and care and communty, I think we see the kinds of things perhaps we're all striving for. But I do want to talk about some issues which we need to understand so that we can better become educators and communicators on this problem.

I think there's general agreement that children need certain basics. I don't think our society, or many societies, nurture these qualities in children. In fact, I often wonder at the protestations of how much we care for and love children when we deny them so many of the things that they need.

What do children need? They need consistency, they need to be respected, they need to have love, they need to have reassurance and enouragement, they need adults to be there to counsel them against their fears, both inner and outer. And the inner fears are perhaps more insidious because parents and educators don't see the kinds of fears that kids harbor.

We do all of this so that we can help set the scene—create a foundation—so that eventually our children are going to break from their basic needed dependency of infancy and become more adult and assume responsibility for themselves. They're going to learn how to regulate their behavior from the good incorporated rules of the society so that they can learn to control their hostility and aggression. They can learn to cope with challenges, demands, and the terrible temptations that are so evident in society. They learn to forego immediate satisfaction; delay gratification to work for long-term, worthy goals. And as part of this they have to internalize the important social values which ordinarily should emphasize such things as rationality, decreasing egocentricity, compromising, and developing some sense of altruism and a sense of connectedness with all others and all things in this universe.

This isn't quite what children are exposed to. They too quickly become aware, within the home, quite early, of secrecy, hypocrisy, deception, fear, weakness, and inconsistency. Their capacity for trust becomes shaken, in view of the kind of experiences that they have.

We raise the question, "Do kids really know about the dangers of nuclear war?" Certainly, business must know about advertising; they spend a lot of money on television to get their messages across, and they know that the few hours a day that children are getting their formal education, they're getting a universal education through one of the mass media. I don't need to go into detail about the kind of values that are transmitted in the media, nor to tell you about the countless thousands and thousands of images which are absorbed. I would suspect that since 1945 when the bombs were exploded and 1948 when television began, that images of destruction are part of the growing up of all children, unless for some reason they've been segregated from this kind of knowledge.

In the 1960's, extensive studies by Sybil Escalona, Milton Schwebel, and so on, of children's reactions to the whole business of the drills in schools, the Berlin crisis, the Cuba crisis, more latterly, Three Mile Island—studies that entail subjects going up to about 4000 children—indicated quite clearly that there was a fallout from these experiences of fear and anxiety, on to terror; feelings of helplessness, powerlessness, and unfortunately very often uncontrolled undissipated anger, and the worst, of course, hopelessness, were the result.

What does anybody do when they are faced with these kinds of noxious emotions? In truth, the human organism cannot function if these powerful emotions are to be allowed full play. So we call into operation our own special defense mechanisms. You can see, as you can see in adults, the same kinds of things taking place. The children that you saw interviewed talked about the fact that in the face of dread you make believe it isn't there. You deny. Denial is a terribly insidious, basically unconscious process by which we turn off the receptor machinery and proceed as if the conditions did not exist.

With denial in operation, you can see what you saw and say, well, it won't happen to me or it won't happen—besides—and besides—and besides. . . .

You take all the rationalizations you would need to counteract it. In view of fear of this kind, we can develop irrational optimism; we can develop just the opposite, and that is an illusion of power—that more power will make you feel more secure.

The truth is quite the opposite; more power, particularly with nuclear weapons, leads to insecurity.

As so many children said, "If there is going to be no future, what's the sense of planning to live your life as if there is?" There is the "me" focus, the "now" focus of immediate gratification. This has something to do with the way in which the child is going to be developing the roots of his future standards and values.

What goes with this too is an increasing sense of the dehumanization of other humans, which then makes it easier to be brutal toward other humans. Or of course there can be a reaction of passive withdrawal, and denial of the whole picture altogether.

I don't want to go into further detail about this. I think that these are things that you're familiar with. The question comes up, though—What do we do? What can we do?

I don't work with children as an educator, but I do think that there are things that adults have a responsibility to do, and can do:

1. They can represent for children a good example of what a thinking, caring, feeling human being is.

2. They can admit their fears to their children without losing face or stature.

3. They can be comforting in their admission of fear, even as they then say that they will try to work to make things better. I think this is really what kids want to hear. They want to hear that no matter what the problems, and surely catastrophic problems have faced people over the millenia, there is a basic optimism which must be nurtured, and I think we can nurture it by being fair, honest, open, and letting kids see how we feel as we try to deal with these problems in adult and rational ways. Thank you.

MR. ALAN SHAPIRO

I admire your heroism in sitting through all of these talks. I know it's very difficult, and what we're doing is probably not a very good teaching technique, to subject you to this without your having any real opportunity to talk yourselves.

A colleague of mine in a junior high school in New Rochelle has been making an effort to get other teachers in his school to recognize the importance of nuclear issues, and to deal with them with students. One of the teachers in the Science Department where he works kept insisting to him that he wanted "hard data", as he put it, that children really are thinking about these issues and that they concern them. Nothing my friend could say was going to change this person's need for this "hard data". With the thought of this teacher in mind, my friend went into his four ninth-grade classes, and, with no particular prelude, simply asked them to think seriously for a few minutes about their lives and then to list on a piece of paper five of the most important concerns that they had. That was the word he used—concerns—there was nothing about politics, nuclear issues, or the like.

The results showed that 48 of 90 students listed war and peace issues before anything else—family life, sex, occupational concerns. That was what was on their minds—war and peace, in some form or other.

That seemed to provide the hard data that this person I'm referring to wanted, and he somehow was convinced by that that students indeed did have this subject on their minds.

But any teacher who wants to assure himself or herself that such is the case doesn't have to do very much about it but to talk to some of the kids about what's on their minds, and, inevitably, it comes up.

In New Rochelle High School the other day, for example, the psychologist, social workers, and guidance counselors called a meeting because they felt that they had noticed an increased incidence of depression among high school students where I work and live. They felt it was enough a matter of concern that we should come together as a faculty and talk about it.

Now, obviously, there are lots of causes for teenage depression. But surely one of them has to do with the ominousness of the nuclear issue and the future that kids feel they are facing.

The role of the secondary school in nuclear awareness begins with the teachers and administrators of a school. These people have to confront the facts of the age that we live in, and their own fears and anxieties, which of course many adults simply don't want to do.

There is a marvelous opportunity to do this right now, through this film, The Day After. It's happened in some schools that I know of, including my own. The film, obviously, is going to have considerable impact on those people who see it. Isn't it the function of an institution that purports to be educational to offer those people who are affected in one way or another by such an event an opportunity to deal with it in a sensible manner? At meetings called in some schools that I know of the teachers have agreed that students be informed about this program and its nature. That students should not be urged to watch it, but told that if they do watch it, there will be opportunities for them to talk about their feelings and concerns after the film has been shown, in the high school and in other schools.

A number of the teachers in my school have agreed that what we will do, mostly, is to listen to what students say, and to be as careful as we can to record what we recall of what they have said. And then to meet among ourselves, and ask ourselves what it is that these kids are expressing, what sorts of information and misinformation they have, and what we, as a faculty, then do about it.

I say that the film offers an opening for this in a way which other things don't seem to have, because of the response I have seen among a lot of teachers in the area where I live. I'm pretty confident that the teachers are going to hear a good deal from students, and that it will be impossible to avoid the implications of what the students are saying. Out of such sessions came a marvelous opportunity for teachers and administrators in a secondary school to sit down together and begin to talk seriously about how we deal with these issues in the schools—which, at the present, we don't deal with. In fact, it would seem to me one of the intellectual and moral disgraces of our time that the issue has been so far, and in so many places, avoided.

Any program that deals with nuclear awareness has to have a couple of major outcomes, which I will try to sketch very briefly.

The first is global interconnectedness. At the time of the first moon orbit, when we first saw pictures from outer space of the earth, Archibald MacLeish wrote a column for the New York Times. He wrote, "To see the earth as it truly is, small, and blue, and beautiful, in that eternal silence where it floats, is to see ourselves as riders on the earth together." We are brothers and sisters even though all of us may not know that. There is a common earth that we share, and a common humanity that we have. And those people among our leaders who talk about any particular group of people, as President Reagan not long ago did, as the focus of all evil, are providing a terrible message to the people of our country, and to our children. What we have to understand as part of this global interconnectedness that we all share is that in addition, as human beings, all of us probably have deeply buried, irrational kinds of inner feelings that can lead almost all of us to become killers. We have to learn how to deal with those feelings. Students need to understand that, and to see all of us as having this interconnectedness. There is no enemy except, as "Pogo" has said, "It is us".

Connected with this idea of global interconnectedness is having students understand that we live in a world in which there is a great deal of economic, political, and social injustice. There are a billion people, we're told, who live in poverty. We know that there are any number of governments that routinely torture and repress their own citizens. We are aware that the richest fifth of the countries in the world have seventy-one percent of the world's product, and that the poorest fifth has two percent. That fact is important because we see all the time that in the "Third World", as it is called, all kinds of wars break out, civil and otherwise, and that these wars, in the kind of globally interconnected world that we live in today, inevitably seem to bring in the superpowers. Out of some third world dispute can easily come the war that will finish us all. So we have a practical interest in what happens to these people. The continuance of such injustice may well lead to disaster for us all.

In dealing with these things we're also dealing with certain kinds of values. We're going to have to learn how to overcome our self-centeredness, our rampant materialism; we're going to have to gain a greater reverence for life, and a sense of compassion and generosity for other people. If we're serious about those values, they're going to have to be reflected in the schools, as Debbie Mieir was talking about earlier. You can't simply lecture people on these subjects; they have to live it. Our schools are often hardly models of reverence for life, compassion, and generosity. You would never know that, however, from reports like "The Nation At Risk", which touches really on none of the matters that I'm talking about, and which seems to me to deal with a kind of excellence that simply means, more or less, more of the same kind of thing that the schools have been doing all along.

Another area that needs significant attention in our secondary schools is the one we call critical thinking. Dr. Smith provided almost the possibility of a course of study in critical thinking for the secondary school student. If one should put before students his thirteen ideas of the militaristic view of the world, and juxtapose them with other groups if looking at the world, you would have an ample opportunity to scrutinize closely the assumptions upon which our nation's and other nation's leaders tend to operate.

The Einstein quote has been referred to already, that "the unleashed power of the atom has changed everything except our ways of thinking." And thus we drift to unparalled catastrophe.

Changing ways of thinking has to do with the propositions that Dr. Smith mentioned. High school students are capable of dealing with them; capable of understanding, let us say, what military superiority, perhaps, meant during World War I and what meaning one might give it today.

There isn't any subject in the high school curriculum that isn't open to possibilities for instruction in nuclear awareness. Obviously, in a history class, students can compare, for instance, a speech by President Reagan with those criticisms that are put forward by other people—the freeze movement, for example. Not with the thought of indoctrinating students, but with the thought of having them understand that there are many different ways of coming at this problem and that all of them should be subjected to critical analysis and a student given the opportunity to make up his or her own mind. In a science class, the meaning of nuclear war, let us say, as it was presented in Parade magazine, the supplement to the Daily News, last Sunday, in Carl Sagan's article, would be a worthwhile area for student study. Not to speak of the ethics rarely discussed in science classes about the kind of technological opportunities for employment there are in the world. Why not open the business section of the New York Times on Sunday and tear out some of the ads for the various aerospace companies and consider the nature of the work that they do and the ethics of doing such work? Again, I'm not talking about telling students what they ought to do; on the other hand, it seems to me an imperative of our time that we give them opportunities to consider the kinds of work that people do in the world and what the consequences of that work may be.

Psychology classes—what better subject than the pathological behavior of the two superpowers and their leaders? Both of those leaders have a tremendous amount of nuclear power and both of whom seem determined to increase that power. Why? What is it about our leaders that leads them into such behavior? A profitable study for a psychology class could also be images of the enemy and where they come from. I asked a group of students the other day whom they regarded as enemies and all of them answered, the Russians. And then I asked them why, and where their ideas about the Russians came from. They began to fumble about why and where their images come from. That's a subject, it seems to me, for worthwhile examination.

ESR—Educators for Social Responsibility—the organization that I'm working with—has been providing a good deal of material lately to help teachers to deal with these issues. Books like "Dialogue: A Teaching Guide to Nuclear Issues", and "Perspectives: A Teaching Guide to Concepts of Peace" offer lots of ideas for teachers in any discipline, things that they can do with their students and not necessarily make any huge change in the curriculum as they now offer it, but, rather, to infuse into what they are doing certain themes.

Let me conclude by saying that out of such work it seems to me that one of the important values that we can help students to gain is a commitment to values and a commitment to act on what they think. Most of the students that I'm with during the day don't think that any kind of activity outside of a school of a social or political kind is worthwhile. That "they" have decided things for us, and that all we can do is hope for the best. The idea of committing oneself to a course of action, of being involved in something that one considers really important, and doing something about it, is alien to most high school students today in a way that wasn't alien in the sixties.

High school students need to have models of citizenship in action, to use a very old-fashioned term. A while back I was with my grandson for a couple of weeks for a vacation in Nantucket. During the course of a conversation in which we were talking about things that we would do in the future, young Eli, 8½ years old at the time, suddenly said, "if there is a world." It seems to me that the role of educators these days is to work toward a world in which 8½ year old children are not going to have such thoughts.

Thank you.

MS. CHERYL GUYETT

Let me join Alan in commending you for sitting here so long. The videotape I will show after a very short presentation on the Week of Education is only 21 minutes long; I encourage you to stay for it.

I'm happy to be here with you at the New York conference on nuclear lessons. This is one of a dozen conferences occurring across the country today, as opening activities for the National Week of Education on "The New Arms Race or New Ways of Thinking". If you're not familiar with the project, it is a national educational event being cosponsored by ESR and five other national groups. We feel that we're right now on the brink of a new arms race, and that it's going to be our minds that will decide which way we move on this, and that we can also turn to students because we are, actually, all students, to help us find answers, new ways of thinking and new ways of surviving.

Today you're united with educators and community members in Tucson, Arizona, New Haven, Connecticut, Chicago, New Orleans, Bozeman, Montana, Pittsburgh, and Madison, Wisconsin, who are discussing these same issues that we are today at their own conferences, Saturday, November 5.

You're united with educators in 4,000 schools this week that are involving their communities in dialogue, debate, and activities to find new ways of thinking about personal and national security in an increasingly interdependent world.

You're united today with schools in 49 of our 50 states, as well as schools in Canada and Europe, that are taking this week to explore ways of making their educational system more responsive to the demands of this nuclear age.

You're united with educators, lawyers, students, doctors, clergy, legislators and parents that are taking leadership roles and holding programs this week, calling attention to the need for local, as well as national, educational reform, and who are beginning to create programs to meet the challenges of nuclear age.

Perhaps by the end of his conference today, and surely by the end of this next week, you will realize that you're not alone in recognizing the need to reexamine the concepts of peace and concepts of conflict, the need to reshape education in our country, and the need to redirect national policy.

This week thousands of informed people will be taking steps to effect these changes.

Let me present a few of these people and their ideas to you. These programs that I chose are striking because of their location and also their emphasis.

You'll notice that their actions are taking place within the schools as well as the larger communities. Let's begin on the opposite coast in a small town that people like to retire to. It's appropriately called Paradise, California. Jim Umenhoffer, ESR Chapter Coordinator in Paradise, is beginning their week of education with a panel of religious leaders discussing the church's role in nuclear arms. It's not just any panel; it's a panel that brings together all of the major educational leaders in his area, as well as extremely conservative thinkers from gospel churches and four-square churches. Following this will be four parent-teacher nights of dialogue in his community to talk about cooperative problem solving and new ways of thinking in the schools that can reflect new values. Paradise grade school children will write letters to Soviet children during this week, and they will be translated by a professor at Chico University. Also during the week other professors and college students—something that could occur here at Stony Brook, too—will be getting together to create new learning activities. Then, during the year, these learning activities will be piloted in the Paradise public schools. Underlying all this activity in Paradise will be class activities throughout the week, directed, created, and evaluated by teachers.

A little this side of Paradise, in Missoula, Montana, we have the ESR chapter coordinator, Kermit Evans, doing his own program. He's coordinating American-Soviet communication in order, he says, to create a feeling that students can do something and be effective in preventing nuclear conflict. Again, Missoula, Montana is a conservative community; these are not radical undertakings. Students at Hellgate High School in Missoula will send Soviet High School students personal vignettes, care packages (I'm not sure what they're going to contain yet), and photographs of the community and the landscape. These intimate exchanges will occur with Soviet adolescents, as well as with a small community of Soviet Olympic wrestlers that ten years ago had visited Missoula, but the communication died, and they're trying to revive it. Also during this week Missoula students will visit a fallout shelter—think about it, write about it, and talk about it—and talk with a speaker from the Fiji Islands who is representing Nuclear Free Pacific. Kermit feels that it's time for his students in Missoula to realize that there's a greater community, something outside the world of Montana.

Traveling east of Montana to Syracuse, New York, at LeMoyne College, they'll hold a debate this Tuesday on the Bishops' Pastoral Letter. The striking feature about LeMoyne College's program—and it's something maybe you know but I didn't know and I was tickled to hear about it—is that this program was originated by the faculty senate, in great opposition to the President of LeMoyne College, who is Alexander Haig's brother.

Ithaca educators, this week, take to the Ithaca public school district. Their proposal, to mandate nuclear education for all students, if successful (and ESR Chapter Coordinator Dave Lehman thinks they will be) will join Milwaukee, segments of New York City, Cambridge, Massachusetts and Brookline, Massachusetts in mandating nuclear or peace studies for all of the students in the public school system.

Though not mandated in Portland, Oregon, peace studies have strong support from the Superintendent of Portland public schools, Mathew Profitt. He's only been there a year and a half, but he's not afraid to take a stand on this; he is also a black man in a predominantly white school district. What he plans to do is to take to cable television a program which will be shown to all teachers in the Portland Public School district, talking about ways that they can help to prepare themselves for their students' reactions to the film, The Day After. This will be followed up by a panel of school psychologists.

We are our own experts. In fact, we are our own best resource, and we're just beginning to realize this as educators. It'll be a while before our communities realize this. We have to act on it ourselves, first.

Hundreds of other educators are being mobilized by this film, The Day After, to train colleagues and neighbors to effectively respond to children's and adolescents' reactions to this film. There are many reasons why ESR has taken leaderhip on this issue. One is that they've been experienced in talking about reactions, fears, curiosities, for over two years now. Many of you, on your own, have been doing this for longer than two years, but now other people are being mobilized and we can help them in that; we can lead them, we can show them our experience and our knowledge.

All of us here today realize that children and adolescents are already aware of the threat of nuclear war. We've heard their discussions in and out of classrooms, we've seen them on the film today. We're familiar with the three significant findings in John Mack's research, William Beardslee's, and Sybil Escalona's research. These findings, to review them briefly, are:

1. Children as young as 5 years old are aware of the nuclear threat.

2. Most adolescents believe a nuclear war will occur in their lifetime and they don't feel future-oriented. You can say they feel hopeless, but adolescence is a time of unbounded optimism and so they experience this hill and valley syndrome where they are on the top, and they're thinking about longevity, and then they are plummeted down to the bottom.

3. The nuclear threat impairs development. There's nothing healthy about it. It's not going to bring about new courage. It has an unhealthy, counterproductive effect on children and adolescents, and it's pervasive.

As the film showed today, it's in the media, it's on TV, it will definitely be on TV Sunday, November 20. I don't know if you have tuned out from the adolescent music scene, but there's something extremely healthy occurring in new wave and punk music. It's talking in socially critical terms. If you start listening to the songs that students are singing in the hall, they are about nuclear war, as well as love.

ESR has realized we must respond to our students' emotional and intellectual needs. You don't start from where you want to start, you start from where we are, and you start from where they are.

We've developed two curricula, and you may be familiar with them. Unfortunately, I sold my "Perspectives" curriculum—the last one I had—on the plane—so I don't have it to show you today. The first, though, is "Dialogue: A Teaching Guide to Nuclear Issues". The second one follows up by trying to project a more hopeful and empowering viewpoint in the students that have begun to listen and talk and air their nuclear concerns.

It's our responsibility, then, to take the second step, and help them see how they can change. Help them draw on contemporary and historical models of changers and help to present them with a model in ourselves in the classroom.

We have identified and developed in our students skills necessitated by today's increasingly interdependent world. A survey of those skills as I see it is: negotiation, not compromise—it's not like we're going to compromise ourselves right out of existence, we're going to learn how to negotiate; tolerance for diversity and conflict; redefining peace—peace is not an absence of conflict, peace is a tolerance for conflict and a respect for diversity; talking about critical thinking—if we are entering the age of information, and most of our students are more computer literate than we are—we have to help them be able to synthesize, and to utilize all this information, to draw the truth from it.

Cooperative problem solving and information synthesis and analysis—these actually are the precepts of our country's founders and again there's nothing subversive about it. November 20 young people will be able to tune into a compelling simulation of nuclear destruction. I commend ABC-TV's courage

in showing this film; I and everybody else at ESR's national office—that's only four; we still are small, but, boy, are we powerful!—all trooped down, after putting in a day at the office, to watch a showing of "The Day After". By and large, we were devastated for two weeks. We felt tired, we felt lethargic, we didn't feel like going out and beating the streets, and furthering the work that we have done.

We have taken a leadership role. We have written a packet of materials which I would be glad to mail to you; we have taken initiatives in calling conferences, such as today's, and conferences across the country, to help other educators who have not ever even mentioned the word nuclear to students; just like in the 1970's, mentioning the word sex to students. Helping them to know how to begin, and to face something that we are so afraid of and to face the fact that we cannot offer protection, but we can offer ways to look at things that will offer us a way out of this current dilemma.

I want to say also that after this video I will be around for a while, if anybody wants to stay and talk about ESR or talk about the video. I would be glad to do that with you.

Thank you.●

IN TRIBUTE TO MRS. ODESSA FERGUSON ON THE OCCASION OF HER RETIREMENT

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DASCHLE. Mr. Speaker, over the past 30 years, Mrs. Odessa Ferguson has loyally served Members of the House, our staffs, and visitors. From her post in the Longworth Cafeteria, Mrs. Ferguson has become a legend in Washington and around the country.

It is my understanding that she plans to retire very soon. I am sure countless others will join me in saying that Mrs. Ferguson will be dearly missed on the Hill and in sending her our best wishes for every happiness in her well-deserved retirement.

The September 1982 issue of Guideposts magazine printed a moving story by Mrs. Ferguson, in which she told of her religious faith, how it gave her the strength to overcome a personal struggle with alcohol, and how she approaches every day with an optimism and courage that all of us admire and appreciate.

I would like to share with my colleagues the last few paragraphs of that story, which summarize the spirit that Mrs. Ferguson has shared with us for so many years:

My big test came when a new congressman showed up in the line. His campaign must have drained all the good will out of him because he was mean as a snake when he showed up at the Longworth cafeteria. The other workers ducked him.

So I got him. "Congressman, can I fix your eggs in any special way?"

He glowered. "I don't want 'em over!"

I figured he probably felt ill at ease during his first days on Capitol Hill, so I just smiled at him and said, "Cheer up, sir. Jesus loves you."

As days went by, I'd catch him looking at my Jesus pin. In about a week, when I asked him how he wanted his eggs, a smile flickered on his face. Then, just as if something suddenly melted inside of him, he broke out in a big grin and said, "Fix 'em any way you like, I know they'll be good."

From him I learned that when people seem mean or standoffish, it's usually because they are worried or insecure. If you speak up in a friendly way, their protective barriers drop and the real person shines out.

People shining out at each other. That's what keeps a job from getting dull. Any job!●

DYMALLY EXPRESSES GRATITUDE TO LEGIS FELLOWS DR. GERALD EDWARDS AND DR. ALDEN REINE

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DYMALLY. Mr. Speaker, I am pleased to call the attention of my fellow Members to an excellent program which brings to Congress senior members of executive branch agencies for 5 months of service in congressional offices. The program known as the Legis Fellows program is designed to give executive branch employees a first-hand experience of the procedures of the legislative branch of Federal Government. Dr. Edwards and Dr. Reine will soon conclude their work in my office, and I wished to take this opportunity to commend them for the excellent service they have given my office and to commend the Legis program for bringing such people to the Congress.

Dr. Edwards and Dr. Reine each bring more than 10 years of administrative experience to their fellowship work. Dr. Edwards has served in a variety of posts at the National Science Foundation over the years. He is currently senior program manager in the developing countries section of the Division of International programs. I was particularly pleased to learn that early in his career at the Foundation Dr. Edwards helped to initiate several programs which are aimed at improving the representation of minority persons in the sciences. Before coming to NSF Dr. Edwards was chairman of the chemistry department at North Carolina A&T. He has also worked in industry and taught at the Tuskegee Institute.

Dr. Reine came to my office from the Agricultural Research Service. For many years now he has been in charge of liaison with the traditionally black colleges and universities in the southern region. As such, he has been responsible for providing access to agricultural research grants to black scientists. Those grants have also helped black students gain crucial experience in research methods. Dr. Reine has been involved in developing annual budgets, project systems and equal employment opportunity plans for the southern region of the Agricultural Research Service.

The Congress is fortunate to have such seasoned professionals as Dr. Reine and Dr. Edwards serving fellowships here. Civil servants are a favorite target of Congress and the administration when it comes time to cut budgets. I think we do a disservice to the concept of public service as well as to the dedicated public servants who are exemplified by Dr. Edwards and Dr. Reine when we make them bear a disproportionate share of the budget tightening effort. The Government would be in sad shape indeed without the expertise of these individuals. Administrations come and go as do Members of Congress. We rely on our career administrators in Government to see that the Government functions smoothly regardless of changes at the White House and in the Congress. After observing the work of Dr. Edwards and Dr. Reine, I am convinced that the day to day functioning of our Government is in able hands.

I have been particularly pleased that during their tenure in my office, I was able to make use of their personal knowledge of their own agencies as well as their organizational skills to develop a very well attended conference for administrators of 2 and 4 year colleges in and around my congressional district. These institutions often do not receive their fair share of research grants. Thanks to Dr. Edwards and Dr. Reine, the universities in my area are now very well informed about grant opportunities at most of the Federal science-related agencies. If this were the only project in which these Legis fellows had participated, then I think their time would have been well spent. But Alden and Gerald have also been engaged in an in-depth analysis of the demographic characteristics and particular needs of citizens in my district. Because of their work, I am certain that my staff and I will be in an excellent position to respond with precision, speed, and even anticipation to the needs of our constituents. What I am saying, really, is that Dr. Reine and Dr. Edwards have helped my staff and me to better serve our constituents. For that and for the warm personal friendship they have created between themselves and everyone in our office, my staff and I are grateful. We wish both Dr. Edwards and Dr. Reine long and distinguished careers as senior executives in service to the citizens of this country.●

UNDERSTANDING THE CURRENT UPHEAVAL IN THE FINANCIAL SERVICES INDUSTRY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LaFALCE. Mr. Speaker, last week I was quite privileged to address a special conference on changes in the financial services industry sponsored by the National Italian American Foundation and the Bank of America. The conference commemorated A. P. Giannini, the founder of the Bank of America, and brought together a range of expert opinion on the shape of our system of banking and finance.

The topic of my talk was change in our regulatory structure. I spoke of the evolution of our system of regulation, and described the impact of economic and legal changes on that system.

Because it is imperative that we address the issues confronting the financial services industry, and because I feel that we must act in the coming legislative year, I thought that my remarks before the Giannini Conference might be useful for those of my colleagues who will be participating in the debate. Adapting our legal and regulatory structure to future needs demands, I believe, a good understanding of the current structure and its continuing evolution.

My remarks before the conference follow:

THE BANK REGULATORY STRUCTURE: A TIME OF TRANSITION

I am both pleased and honored to have been asked to contribute to today's program, particularly because this commemorative conference represents a very natural and productive alliance between the National Italian American Foundation and the Bank of America, found by a fellow Italian American, A. P. Giannini.

As you may know, Giannini entered the banking business quite by accident. At the age of thirty-two, retired from his first successful business as a wholesale produce merchant, Giannini became manager of his deceased father-in-law's estate and accepted as one of the responsibilities of management a directorship with a local bank board. One thing led to another, and he ultimately joined five other directors in resigning to organize their own bank, the Bank of Italy.

Opening in a renovated saloon in 1904, the Bank served mostly small enterprises and workers. Giannini had little expertise in banking, but he knew how to run a business, and he immediately began a seemingly unorthodox program of encouraging small loans, offering a range of services and quite literally walking the streets in search of potential depositors. Giannini challenged established notions of bankers throughout his career, and he took advantage of every new opportunity to expand his business. His success, of course, is legendary.

Today the banking industry is challenged again from the outside. Business people who have little expertise in banking are missing few opportunities to expand into the field, and a variety of "unorthodox" activities are proving quite successful. Retail business, insurance securities brokers, and financial conglomerates are challenging bankers on their own turf . . . and by some accounts, are winning the bankers' own game. These activities are raising important policy and regulatory questions.

THE HISTORICAL PERSPECTIVE ON REGULATORY CHANGE

Today, I'd like to discuss some of the policy questions that face us in the future. But in order to do so, I think it's first necessary for us to obtain a brief historical perspective for the debate over bank regulation as old as the nation itself.

Some economic historians have described three major periods in the history of bank regulation. The first period began at our country's inception, and ended about 1837. it was characterized by one underlying issue: who shall control the banks? The budding controversy over states' rights lent itself to the debate over banking regulation, as both the states and the federal government demanded the authority to charter banks. Ultimately, the nation's fear of "the money power," fueled by the populism of Andrew Jackson and the competitive instincts of state banks—which frowned on both the success and national branching power of the U.S. Bank—brought an end to the federal bank experiment. The demise of the Second Bank of the U.S. in 1837 ended, for a time, direct federal involvement in the banking business.

Phase two in our regulatory history was characterized by the proliferation of banks and a new focus on the issue of bank safety. My own state, New York, experimented with the legislated insurance of bank liabilities. By 1838, the state had the hard-learned experience of bank failures from the panic of 1837, so revised its laws to address the bank safety question by establishing minimum capital requirements, a method so successful that it issued in almost a century of unfettered bank expansion.

Several important developments occurred in the generation between 1837 and the Great Depression, and the foundation for our current regulatory structure came into being:

(1) The era of Civil War taught important lessons about the need for a national currency, and brought both national banking and a government backed currency into full fruition.

(2) Experiments with self-regulation and bank panics convinced bankers that they needed a government backed lender-of-last-resort. In one of the small ironies of history, the constituency which earlier decried government involvement found itself lobbying strenuously for government support of banking. Their efforts before fruit in the 1913 chartering of the Federal Reserve.

(3) Along with the wish for a lender-of-last-resort, bankers began to focus on the ever-present branching issue. National banks, which were prohibited from branching, found themselves as a competitive disadvantage with state-chartered banks, which could develop a system of branches within state boundaries.

Although I have not verified this historically, I suspect that the call of the national banks, and the motto of their campaign, had to be the necessity for a level playing field.

History does verify, however, that they did work arduously to circumvent the branching prohibition through the acquisition of interests in some banks, the establishment of state-chartered affiliates, and utilization of holding companies to acquire control of other banks.

I won't describe the long battle for branching powers, but will mention only the fact that McFadden Act of 1927 represented a hard fought compromise between branching opponents and those who argued that the stability of the system depended on broader authority for national banks.

Parenthetically, let me quote an economist from Citibank, Thomas Huertas, in describing the strategy of A.P. Giannini at this juncture: "In California, A.P. Giannini had succeeded in building a statewide branching system through a concerted acquisition program and deft use of the holding company device. Giannini then proposed to do across the nation what he had done in California. In 1928 his holding company acquired a new name, Transamerica Corporation, and a new bank, the Bank of America of New York, to go along with the Bank of Italy in California. From its bases on each coast Transamerica was poised to acquire banks in other states. By 1929, the nation was on the verge of nationwide banking."

During the period that Giannini was building his banking empire, policy makers faced another major issue of bank regulation: the separation of commercial banking, investment banking and insurance.

Again, New York state was in the forefront of legislative efforts to address such questions. A 1905 investigation of conflicts of interest culminated in a 1906 law prohibiting insurers in New York from owning and underwriting securities. The controversy over functional separation continued unabated until 1927, when Congress gave its approval to the continued existence of securities affiliates devised by banks as a means of getting around OCC limits on securities activities.

And then, two years later, came the economic disaster that would profoundly shape the nation's consciousness, its politics, and its financial structure. Many blamed the Great Depression on the bankers, and the entire catalogue of laws and regulations of the period following the crash can be attributed to a national urge to reform what was viewed as a failed system.

In the third phase of our banking history, the era following the Great Depression, safety and soundness became the primary motivator of bank regulation. A structure of distinct financial services was built, banks were insulated from competition, and regulators were ordered to make banking failsafe. Commercial and investment banking were segmented with the passage of the Glass-Steagall Act in 1933, and later legislation—the 1956 Bank Holding Company Act with its Douglas Amendment and further amendments in 1970—defined banking as a unique form of commercial enterprise.

The system worked for awhile, partially because of the high cost of handling and transferring funds. Regulations for a time did not symbolize barriers, rather they acted as neighborhood picket fences, keeping placid borders around distinct, well-manicured plots.

A NEW TRANSITION PERIOD

We have learned a great deal in our experience with banks and with bank regulations since the 1930s. Yet we find ourselves in many ways unprepared for the great transition we now confront.

The last ten years have taught us more about the potential of banking, and its risks, than the sum of the lessons of the last fifty.

The last five years has found us in a transition as profound as that of the 1930's. In the next five, we will probably see more changes than have occurred in any previous period of U.S. banking history.

What has caused this transition and how are we adjusting to it? The causes are many; the adjustments uncertain.

First, the causes: I think they can be summarized as (1) economic, (2) technological and (3) consumer changes. The nation is undergoing a complex economic transition. We have experienced soaring inflation, fought with the rough tools of monetary control and accompanied by unparalleled interest rate volatility. Interest rates went higher and stayed higher than any of us expected, with near-disastrous results in portions of our economy. In the international arena, too, we are suffering the results of economic upheaval and learning how mutually reliant one economy is with another, one nation with another.

These experiences have widened the eye of every banker and policy maker to include a world view that appears both disturbing and exciting in its challenge.

This economic turmoil has been exacerbated by the information generating capacity of the computer age. The practice of banking has been unalterably redefined by the tools of technology. The cost reducing effects of computer technology in combination with the holding company form of organization, says economist Edward Kane, "is shifting the focus of financial institutions from local to national and international clienteles and from stand-alone deposit and loan products to service packages that share facilities and customers with other financial service firms."

Finally, consumer awareness, consumer needs, and consumer demands have changed dramatically. Bank customers whether in New York City, Junction Flats, or Peoria, have all discovered the same things:

They have learned what it means to their pocketbooks to be "interest-rate sensitive";

They know that "financial sophistication" means that the bank is not necessarily the first stop with their savings, and

They've discovered they have, in general, a substantially larger income than their fathers and mothers with which to put their new knowledge to work.

All of these economic, technological, and consumer developments have been paralled by adjustments in the legal, regulatory and market structures within which banks operate. The legal framework, for example, began to be redesigned in 1978, with the passage of the International Banking Act. Observers credit the so-called "invasion" of foreign banks as being the catalyst for the 1978 Act. Our restrictive banking practices gave foreign operations an advantage in our markets, and Congress then acted to limit further encroachments.

More importantly, Congress broadened U.S. banks' authority to use Edge Act trade affiliates, taking its first "deregulatory" action. Realizing that issues arising from foreign bank activities would not go away, the Act also required the writing of an interagency report on interstate banking.

The 1978 Act itself was not radical in any sense, but it foreshadowed four years of intense debate on the shape of banking, and it laid the groundwork for the major legislation of 1980 and 1982.

The Depository Institutions Deregulation and Monetary Control Act of 1980 was landmark legislation, for it symbolized Congressional acceptance of the fact that banking had moved far beyond the ability of the constraints of the 1930's to be effective. In requiring a phase out of Regulation Q interest rate ceilings, and in establishing the mechanism of the Depository Institutions Deregulation Committee (DIDC) to manage the phase-out, Congress opted for the theory of enhanced customer service and greater competition through deregulation. The bill took other steps to stabilize the industry, including preemption of state usury restrictions, authorization of NOW accounts and share drafts and, for monetary control reasons, mandated reserves for all banks.

As sweeping as the changes were, the 1980 Act left many questions unanswered. For thrift institutions, the Act exacerbated growing problems, increasing the cost of funds while low-interest assets turned over more slowly. Banks still did not have the competitive tools to match the increased bidding for consumer funds through money market accounts.

A crisis in the thrift industry provoked House and then Senate consideration of emergency legislation. I won't retell the arduous campaign to develop the Depository Institutions Deregulation Act of 1982, but I will note that it came not a moment too soon. Final passage, on the last day of the 1982 session, at least stopped the hemorrhaging of some of our most pressing problems. The bill provided additional powers for regulators in salvaging failing institutions, it created a temporary government assistance program for those institutions, and it gave banks the power to compete for the interest-sensitive deposits that had been flooding to money market mutual funds. Thrift powers were expanded as well, following the reasoning that diversification could limit the risks of the long term lending that is the mainstay of the thrift business. President Reagan, when signing the bill, correctly identified the legislation as a profoundly important reform effort.

IMPACT OF THE TRANSITION PERIOD

In six years we have had three major pieces of reform legislation. Yet, Congress still has been unable to keep pace with the rapidly changing marketplace.

Why haven't we kept pace? The answer is quite complex, demanding a summary of activities within the financial services industry, mention of changes in the banking field, and assessment of the impact of change on the regulatory structure.

But, the banking industry itself has not been sitting idly by as its competitors capture an ever growing market share. Bankers have been driven as much by the realities of their profit statement as by the rigors of competition. As deregulation has pushed up costs, bankers are doing all they can to find new fee producing activities and products to support profit margins.

Discount brokerage has become an attractive adjunct to traditional bank business, and both banks and thrifts are rapidly moving into the field. Banks are also moving into other non-traditional financial markets: they have a variety of leasing activities, provide management consulting and data processing services, sell and in some instances underwrite insurance, and deal in a variety of real estate activities.

Costs and consumer access are just as important to bankers as to their non-bank competitors, and we are seeing the development of an entirely new delivery system. Brick and mortar branch networks are giving way to: shared ATM networks, interstate loan production offices, the use of deposit brokering services (which are provided by companies like Merrill-Lynch, of course), syndications, and credit and debt cards.

Bank portfolio structure is changing to reflect deregulation's impact, and the shift is likely to become a growing concern among the industry and among policy-makers. In general, the maturity structure of bank balance sheets is shortening, raising questions about the potential loan performance of financial institutions. Recent figures, covering the first half of 1983, show a dramatic, though certainly expected, growth in the level of short-term interest sensitive accounts. Money Market Deposit Accounts (MMDAs) grew by over $160 billion, while accounts paying below market rates decreased $33 billion.

In the marketplace, the last three years has brought a blizzard of new ideas and a confusing array of products and services. Non-traditional providers of bank-type services—insurance companies, brokerages, retail commercial enterprises—have moved into new markets, and there are unhindered by the regulatory restrictions on banks. Ironically, almost every service provided by a banker is now provider by someone who is not a banker. Bankers are regulated; nonbankers are not.

New bidders for consumer funds are devising a variety of instruments to access the market. Money Market Mutual Funds were the first of these products, Cash Management Accounts the more recent.

In addition to transaction accounts, nontraditional providers are developing loan products, cross-selling services, and providing round-the-clock interstate access to consumer funds.

The non-bank phenomenon has moved into full throttle, in spite of a Comptroller's moratorium designed to temporarily put the movement into slow gear. Now, in addition to Sears, Parker, Pen and Prudential, we have firms like Dreyfus, Beneficial, J.C. Penney, and Mutual Benefit Life Insurance Company plunging through the loophole that has become a golden ring. That loophole, the definition of a bank contained in the Bank Holding Act, as amended, describes a bank as an institution that both takes deposits and makes commercial loans.

Total securities holdings rose during the same period by an estimated 20 percent, mostly as a response to the flood of funds into short term, high cost accounts.

Loans, on the other hand, grew by only about 5 percent, with commercial and industrial loan growth almost flat, at about 1 percent.

This phenomenon is possibly of short duration, reflecting both the creation of new accounts and slow loan demand. On the other hand, some argue the "partial deregulation" may be creating an unintended reallocation of credit, biased toward short-term investment.

As the Chairman of the House Banking Subcommittee on Economic Stabilization, this concerns me greatly, and I intend to address, legislatively, the very serious concern that private capital markets are beset by structural gaps which are causing long-term problems for American industry. Much more about that another day.

I've talked a lot about changes in the banking industry, but in so doing, let us not forget the increasing threat of bank failure. This year will see more bank failures than in any year since World War II. Change has also brought that about. And, given the fluidity of the market place and the uncertainty about the shape of the industry in the future, banking may be becoming a risky

business. The willingness of Congress to tolerate that risk, and the variety of proposals to manage it, are the subjects of the next reform effort.

There is yet another aspect to this equation; one more variable to be considered in measuring the currents of contemporary change.

That variable is the regulatory structure. What impact is marketplace change having on our regulatory structure, and, more directly how are the regulators affecting the market?

Decreasing market segmentation and increasing competition have eroded the power of regulators to control events. Our regulators have responsibilities in two areas: monetary policy and financial system solvency. Deregulation—whether market created or legislated—is profoundly affecting both. Non-bank innovators are not subject to reserve requirements and, as a result, we may be losing control over the growth of the money supply. Unregulated financial institutions contribute to an information gap about monetary aggregates, thus increasing the difficult job of monetary control.

Bank solvency, as I noted, has become more of a problem in the competitive market. Bank earnings are subject to greater fluctuation and high risk activities become more attractive as a way to increase income. The interdependence of the banking system domestically and internationally means also that the soundness of the system itself is at greater risk. The shock of recent bank failures—Penn Square, Midland National—not to mention the concern over international lending activities—have prompted important questions about the way our regulatory system is performing its job of monitoring and managing individual bank solvency.

Bankers themselves, in an effort to better meet the challenge of competition, demand more freedom, are exerting intense pressure on the regulators to loosen restrictions on product line and geographical constraints. The regulatory structure is being remolded as a result, and we see increasing divisions among regulators and growing inconsistency in regulation.

Our regulatory structure, consisting as it does of a mix of national authority complicated by the system of state regulation, is easily used by institutions seeking greater regulatory leeway. Many argue, with considerable validity, that the competition for clients among our regulators virtually ensures the development of a more permissive regulatory system. Certainly, financial institutions are practiced at moving between regulators and pitting them against each other as a method of seeking competitive advantage.

Within the past several years, the dynamic of the regulatory system has been illustrated in the pace of regulatory change. In 1982, the Comptroller of the Currency took several important steps to expand the authority of national banks to engage in the brokerage business. As you may know, the U.S. District Court recently upheld the Comptroller's ruling that discount brokerage activities do not violate the Glass-Steagall Act, although the ruling did hold that such subsidiary activities are subject to McFadden Act restrictions on interstate banking. Interestingly, and illustrative of the point that regulation is becoming increasingly inconsistent, national banks are still able to engage in interstate discount brokerage by utilizing the holding company formation.

Complicating the Glass-Steagall issue further, the Federal Deposit Insurance Corporation (FDIC) issued a 1982 policy statement stating the insured nonmember banks and savings banks are not subject to Glass-Steagall restrictions on securities activities.

Seemingly intent on promulgating regulations to that effect, the FDIC is being challenged by some Congressional critics who argue that such a departure from previous policy is not within the powers of the agency and should rather be within the purview of Congressional reform efforts.

Another example of changing times, the non-bank bank, is a creation of the regulatory decision process. Although non-bank banks have been around for a decade, it was not until 1981 that they attracted investors outside of the banking industry. Gulf and Western utilized the loophole in 1981 to buy a national bank, notifying the OCC that the bank would not be involved in commercial lending. The bank was thus exempted from the controls of the Bank Holding Company Act.

Chrysler and American Express followed Gulf and Western, and the regulators then proceeded to turn their heads as non-banks slipped through. It was not until the application of Dimension Financial to charter 31 non-banks throughout the U.S. arrived on the Comptroller's desk that the regulators, the industry and the Congress fixed their stare on a virtual revolution in the financial industry.

Comptroller Conover provided the first stimulus for legislative action in April when he agreed to declare a moratorium on non-bank chartering at least until the end of this year—now, apparently, to be extended for a few more months. The rationale for such a moratorium was the need to provide time for Congressional deliberations, although the growing feud between the Fed and the Comptroller's office over the pace of deregulation demanded a cooling-off period. Fed Chairman Paul Volcker pressed the issue, advising Congress that a legislated moratorium would ensure Congress of an opportunity to enact reform legislation. In addition to proposing a new bank definition to close the non-bank loophole, Volcker, with a grimace for the South Dakota initiative allowing banks into the insurance business, also suggested a federal override of state laws that ran contrary to federal restrictions.

The moratorium issue quickly generated several legislative proposals. "By request" bills were introduced in the House and Senate, and Chairman St Germain took the opportunity to reject the whole non-bank movement, suggesting a moratorium which would—as he put it—"shut the barn door and bring as many horses back into the barn as possible."

The temporary moratorium also generated this year's version of the Treasury bill. The bill, introduced in July, would expand bank authority by utilizing the holding company structure to insulate, at least theoritically, the bank from the risks of non-bank activities. In concessions to the Fed, the Treasury bill proposed closing the non-bank loophole and left out earlier proposals to limit Fed regulatory authority. Controversial provision which offended all but commercial bankers ensured that the Treasury bill as written served only as a discussion vehicle, though it is apparent that portions of the proposal will resurface as potential legislation next year.

Since the July introduction of the Treasury bill, other proposals have come fast and furious. So fast, in fact, that Senator Garn has decided to introduce a legislative package including about twelve different ideas.

Ironically, this week we find ourselves back full circle to those hectic days in April when the issue was first discussed. Senator Heinz of Pennsylvania, impatient with Congressional inaction and expressing growing concern over the shape of our regulatory system, proposed to introduce two bills: a non-bank loophole closing measure, and a bill to prohibit states from allowing state-chartered banks from engaging in activities closed to federally chartered ones. He might also attempt to attach a moratorium on non-bank chartering to legislation in the Senate.

While Congressional activity—or non-activity—has generated increasing controversy, the tempo of change has continued unabated in the states.

South Dakota recently passed a law allowing state-chartered banks to "engage in all facets of the insurance business," so long as bank-owned insurers do not compete within the state. Citibank, Bank of America and others are purchasing South Dakota banks with the intention of using them to sell insurance products across the nation. Very little stands in their way because the 1945 McCarran-Ferguson Act allows individual states to regulate the entry of insurance carriers.

Similarly, banks are using the laws of Delaware and Maryland to effectively evade usury limits in other states. The Supreme Court in the 1978 case of *Marquette National Bank of Minneapolis* v. *First of Omaha Service Corporation*, 439 U.S. 299, ruled that credit card operations could charge the rates allowed in their home state when serving customers of another state where there exist lower legal limits.

Other states are initiating action that preempts federal law. California has passed a law allowing depository institutions to sponsor and control mutual funds—it will become effective July 1, 1984, or when Congress passes a similar law, whichever occurs first.

Reciprocity legislation, designed to promote limited interstate banking, is advancing in the legislatures of states in the northeast, south and northwest.

As a result of these activities, the anomolies of our regulatory system are becoming increasingly apparent. Banks have broader authority internationally than they do across neighboring state lines. States themselves have the ability to preempt federal restrictions on bank activity. These developments, in my judgment, necessitate a fundamental questioning of the framework of the regulatory system itself.

ADJUSTING TO CHANGE

There is little question that all of the pushing and pulling, feuding and arguing, reflect the uncertainty of change. They also reflect a vacuum left by the inability or unwillingness of Congress to keep pace with market innovation. Critics of the Congressional process argue that action to "organize" the deregulatory impulse should be, or should have been, taken this year.

Perhaps. But, in my view, we have overloaded the circuits. Rather than digesting and assimilating the impact of legal, regulatory, and industry changes, we have developed a painful and frustrating case of indigestion. Curing the ailment requires careful diagnosis of the problem, and it requires time. We need some breathing space. Exactly how much is open to question.

I should take a moment at this juncture to clarify what I've said. My thesis has been this: evolution of the regulatory structure is indistinguishable from marketplace evolution. In order to design an adequate framework for the future, we need to have a very good understanding of the materials with which we build. We have learned that experiments are sometimes costly, but not necessarily ill-advised. We know that rigidity in the structure weakens rather than strengthens it, and we understand that the speeding pace of change ensures early obsolescence and requires continuing adaption.

Our first tentative steps to deregulate the financial services industry has loosened a powerful engine. The complexity of the market response demands very careful analysis of the issues, and the goal of stability insists that the energies of the market be channeled in a productive direction.

We are now in the midst of a great experiment with deregulation. We have made a policy choice, a wise choice I believe, that savers should be eligible for market rates of return, but that choice has led to a whole range of intitiatives to cushion the impact of higher costs of funds on the banking system.

The question of whether our continuing goal of long-term economic growth will be met under this new structure has not been answered. The jury is out, and we are watching carefully to determine whether or not financial service providers will be able to meet society's needs. As policy-makers, we in Congress have to balance the need for competition, our tolerance for risk, and the consequences of our decision making on the economy as a whole. At this stage of the process, as we attempt to manage the indigestion-provoking rush of activity in the financial services industry, there are many questions to be addressed.

There is little doubt that a 1984 banking bill is going to be as essential as was legislation in 1978, 1980 and 1982. Congress must act as the arbiter between those who seek unregulated competition and those who desire a return to the ideals of an insured and totally regulated banking system. Neither extreme is appropriate; the challenge is to find a balance that promotes the goal of long-term economic growth, bank and system solvency, and fair competition.

The challenge is a difficult one, and I appreciate the opportunity that today's session has provided to discuss the important issues before us, because this conference's dialogue will better able us to meet that challenge.●

TAXING ROYALTY-INCOME-PRODUCING PROPERTIES

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MARKEY. Mr. Speaker, as a member of the Subcommittee on Oversight and Investigations of the Energy and Commerce Committee, I recognize the relationship between the development of our energy and natural resources and the taxation of the income produced from such properties. Consequently, I am quite concerned and have read with interest recent articles in national newspapers which have discussed the use by oil companies of what is known as a royalty trust in which these royalty-income-producing properties are distributed by a corporation to a trust for the benefit of its shareholders. Although this is done for tax avoidance benefits, I believe royalty trusts also raise questions with respect to orderly development of our Nation's energy resources, the danger of foreign ownership of those resources, and the availability, delivery, and production of energy resources at market costs to the consumer.

In addition, Mr. Speaker, it has come to my attention that producing States—particularly the State of New Mexico—are becoming concerned about the loss of State revenue from corporate and individual income taxes, property taxes and other taxes which might occur as a result of the use of these royalty trust devices and royalty schemes.

I, for one, believe that the royalty trust device should be explored for its potential tax avoidance at the Federal level as well. It would appear to me that the placement of royalty income-producing properties in a trust bypasses the potential collection of corporate taxes by making a corporate distribution of income-producing assets. I believe the use of royalty trusts should be investigated to determine the extent they may contravene present tax policy with regard to individual income taxes, the depletion allowance, dividend and capital gains transactions and corporate distributions and liquidations.

I am today writing the chairman of the Ways and Means Committee, the chairman of the Senate Finance Committee and the Secretary of the Treasury to request an immediate investigation on the impact of royalty trusts on Federal and State revenues.●

THE OMNIBUS DELEGATED POWERS SUNSET ACT OF 1984

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LEVITAS. Mr. Speaker, I am introducing legislation today which is intended to address one of the major concerns which is facing the Congress and our Government in the wake of the Supreme Court's June 23, 1983, ruling that the legislative veto is unconstitutional.

It is indeed staggering to consider the impact of this decision on Government today. The Supreme Court's decisions in INS against Chadha, and in the two subsequent cases which were handed down, Consumers Energy Council of America against Federal Energy Regulatory Commission (FERC) and Consumers Union of America against Federal Trade Commission, are truly landmark decisions which, until reversed, will fundamentally change the way in which our Government operates. We have, in my opinion, experienced a trainwreck in Government, and it is going to take some time to put the engine back on the tracks and get it moving again.

Certainly, one of the major questions to be answered is what becomes of the many laws on the books which contain legislative veto provisions. The legislation I am introducing today would deal with that problem.

An estimated 200 legislative veto provisions are contained in statutes now on the books, and it is unclear at this point whether or not the Supreme Court decision invalidates only the legislative veto provision, or whether or not the entire statute or the authority delegated under it becomes invalid as well under the decision. For in many cases, it is questionable as to whether or not Congress would have delegated authority to the executive branch without the chain of a legislative veto attached. It is going to take time to determine which of these laws will stand without the legislative veto procedure. But the question must be addressed.

The issue will most likely have to be resolved through careful analysis of the legislative history on each individual law, and possibly through litigation. But it is going to take time for the courts to decide the issue. I hope the Congress will move to repeal much of the authority it has delegated in many cases, and we should do so, for we cannot simply leave the authority unchecked. And, I think it is important that Congress address this issue head-on, and eliminate the uncertainty that will exist if we just wait for cases on the various provisions to wind their way through the courts.

The Supreme Court did not make it clear how it would rule in such cases in the future. In the *Chadha* decision, there was a severability clause, and the Court determined that the remainder of the law should stand. But in the *FERC* case, there was no severability clause, yet the Court still ruled that the rest of the challenged law stands.

Yet, the courts are now calling into question actions taken years ago under statutes now shadowed with constitutional questions emanating from the *Chadha* decision. The U.S. District Court for Southern Mississippi struck down the Reorganization Act of 1977 as unconstitutional, finding "no doubt that Congress intended the one-House veto provision to be an integral and inseparable part of the entire act. * * *" Equal Employment Opportunity Commission against Allstate Insurance Co., No. J82-0186(B), slip op. at 4 (D. S. Miss., Aug. 19, 1983). If this decision were to hold, and I doubt that it will,

the repercussions would topple significant government institutions. The ruling certainly points to the significance of the severability question.

In cases where the courts might rule that the legislative veto provision was severable, once again the risk arises that delegated authority will stand even if Congress would have been unlikely to delegate the authority without the legislative veto check. The difficulties of answering the severability question have prompted the former counsel for the House of Representatives to recommend a wholesale repeal of delegations of authority affected by the Supreme Court decision.

The clearest path is for Congress to legislate the answer to the severability question. For this reason, I am introducing legislation today which would, 180 days after its enactment, repeal all authority delegated where the chain of a legislative veto had been linked to that authority, unless during those 180 days, the Congress acted to reinstate the authority with or without an alternative son of legislative veto mechanism. This Super Sunset legislation would erase the uncertainty which now exists and which will continue to exist until Congress deals with the issue of severability.

The statutes referred to in this legislation are those cited in the list of congressional disapproval measures contained in Jefferson's Manual, Rules of the House of Representatives of the United States, 98th Congress. The delegated authority referred to in this list, which was delegated with a legislative veto provision which does not meet the Supreme Court's test of constitutionality under the *Chadha* decision, would be repealed unless Congress acts to change the legislative veto provision to one which meets the bounds of the Supreme Court case, or unless Congress re-enacts the delegation of authority with no legislative veto attached.

This Super Sunset bill will give the committees in the House a guide for dealing with the severability question. A quick glance at this list shows that we are dealing with issues which range across the spectrum, from foreign arms sales to war powers, to nuclear nonproliferation, to control of hazardous substances, to regulatory matters, to export controls, to immigration and other issues. Each committee must deal with the issues which fall under its jurisdiction. This legislation, I believe, will prompt them to do so.

I believe it is important that the Congress act expeditiously on this matter and move to erase the uncertainty and confusion resulting from the Chadha decision.●

A VICTORY FOR DRUG ENFORCEMENT EFFORTS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. RANGEL. Mr. Speaker, I rise to report to my colleagues the efforts of one pharmaceutical manufacturer to prevent the abuse of one of its products.

Winthrop Laboratories, a division of Sterling Drug, Inc., and one of the Fortune 500 companies located in New York City, earlier this year introduced Talwin Nx, a reformulation of one of its well-known prescription analgesics.

Talwin Nx was created to prevent the continued street abuse of Talwin when used with another drug, PBZ (tripelennamine). This combination of drugs in the street was known as "T's and blues."

At a cost of several million dollars, Winthrop Laboratories voluntarily reformulated Talwin by adding naloxone, a narcotic antagonist that blocks the high addicts might expect when injecting the combination of Talwin and PBZ. Federal agencies are currently assessing the impact of this most commendable effort upon misuse of these legitimate drugs.

An article on the history of this problem and Winthrop Laboratories' response to it appeared in the February 1983 issue of the "International Drug Report," published by the International Narcotic Enforcement Officers Association.

I insert the text of the article in the RECORD at this point for the information of my colleagues.

WINTHROP LABORATORIES REFORMULATION ELIMINATES POTENTIAL FOR MISUSE OF TALWIN

NEW YORK, N.Y.—Jan. 6, 1983.—Winthrop Laboratories, a division of Sterling Drug Inc., today announced the approval to market a reformulated Talwin 50 (pentazocine) tablet to include naloxone. This reformulation potentially eliminates the misuse of Talwin 50 in combination with a prescription antihistamine tripelennamine. The reformulated product will be called Talwin* Nx©.

"Talwin 50 is an effective analgesic for the relief of moderate to severe pain, available only on a physician's prescription. When the tablets are taken orally, as directed, the dependence potential of Talwin 50 is very low," said Dr. George S. Goldstein, Vice President and Medical Director of Winthrop Laboratories.

In recent years another oral use tablet, a prescription antihistamine tripelennamine, has been combined with Talwin 50 by street addicts and the mixture has been misused by injection. The most common street name for this illicit mixture is "T's and Blues."

Dr. Goldstein stated that "Winthrop requested approval for the new Talwin Nx combination tablet to prevent misuse of the product through injection. The effects sought by drug addicts and other misusers should not be achieved by combining the new Talwin Nx with tripelennamine. If misused by injection the naloxene will cancel the effects of Talwin."

Naloxene itself is inactive orally when taken up to 20 to 40 times the amount contained in the new combination. The addition of naloxene to Talwin tablets does not affect or alter in any way the safety and efficacy of Talwin when taken by mouth, as directed. Scientific tests demonstrate that the new Talwin Nx is pharmacologically equivalent to Talwin 50 when used orally.

Winthrop is expediting production of Talwin Nx. The new product will be available nationally in approximately 8 weeks. Until that time, Talwin 50 will continue to be prescribed appropriately for moderate to severe pain.

Since 1978, Winthrop has instituted a number of steps in an attempt to reduce or eliminate the T's and Blues phenomenon, including a program of monitoring the distribution of Talwin 50. "Winthrop Laboratories," said Dr. Goldstein, "is confident that the reformulation of Talwin 50 will be an effective answer to the problem of misuse of the drug by a small population of street addicts. At the same time, it will permit the continued availability of a safe and effective analgestic for the larger legitimate patient population."

"Winthrop Laboratories," said Dr. Goldstein, "appreciates the expenditious review by FDA scientists and considers this an excellent example of industry/government cooperation in the public interest."

GENERAL BACKGROUND

Talwin 50 (pentazocine)© is a safe and effective oral analgesic prescribed for the relief of moderate to severe pain.

Talwin was first synthesized in 1958 by Winthrop Laboratories, a division of Sterling Drug Inc. Talwin underwent extensive preclinical and clinical testing before the injectable form was marketed in the United States in 1967. Talwin 50 tablets were marketed in 1969. Over 12,000 patients were studied in clinical trials with no evidence of significant dependence potential.

In addition to its low potential for dependence, Talwin 50 tablets offer several advantages over morphine-like drugs. For example, its use produces less vomiting, constipation, respiratory depression, and euphoria than do opiates. As a result, Talwin 50 has found significant clinical application in post-operative care, trauma treatment, obstetrics, treatment of gastro-intestinal pain, treatment of the elderly, and treatment of those in chronic pain.

After 1969—with broad acceptance and extensive use of Talwin throughout the world—reports of dependence and abuse began to appear. It became evident that a low level of abuse accompanied the widespread prescription of Talwin in clinical medicine. Although abuse of any drug is indeed regrettable, no analgesic—no pain reliever—is totally without the potential for physical and/or psychological dependence.

Winthrop Laboratories immediately began tracking reports of abuse to develop a quantitative and qualitative analysis of the facts. By 1971, Winthrop had received a few reports of abuse involving the oral form of Talwin.

Throughout most of the 1970's, Talwin 50 abuse was relatively small. There was no subculture associated with it.

By the end of 1977, 360 million Talwin 50 tablets had been prescribed domestically for an estimated 10 million patients. Winthrop's reports of Talwin 50 abuse totaled 555—a

very small number reflecting an excellent record of safety and efficacy in relation to the amount of Talwin 50 prescribed.

Late in 1977, reports began to emerge of street misuse of PBZ* known generically as tripelennamine, in combination with Talwin 50. PBZ is a presciption antihistamine with a reputation as a valued therapeutic aid in proper medical use. It has, however, a documented record of misuse either alone or in combination with many other drugs dating back to 1957 when it was known as "Blue Velvet." The combination of PBZ with Talwin 50 has many street names; the most common is "T's and Blues."

The T's and Blues phenomenon has been limited chiefly to hard-core addict populations in several inner-city areas of the country. It is this misuse of PBZ with Talwin 50 that has drawn media and regulatory agency attention.

WINTHROP'S RESPONSE TO THE PROBLEM

Winthrop Laboratories supported the placement of Talwin 50 under Schedule IV of the Federal Controlled Sustances Act. This scheduling was effected in February 1979. It placed additional restrictions on the number of prescription refills that could be dispensed. It also required strict storage, accounting and record keeping by wholesalers, pharmacies, and other legitimate handlers, whose records were then subject to investigation by local and federal enforcement agencies.

Winthrop Laboratories voluntarily imposed quotas on distribution of Talwin 50 to specific geographic areas where street abuse was significant.

Winthrop Laboratories implemented a computerized monitoring system covering all purchase orders for Talwin 50 from wholesales and retailers nationwide. If an order was questionable or suspicious, the information was provided to government and regulatory authorities. This system continues.

Over the years, Winthrop—and others—have performed extensive research into the pharmacology of Talwin 50 when used alone or in combination with other drugs.

Winthrop believes that the introduction of Talwin with naloxone tablets, named Talwin Nx, will prove to be the most effective contribution toward the resolution of the T's and Blues problem. It is known that naloxone, already marketed as a pure injectable narcotic antagonist, functions by nullifying any effect the addict would expect from the infection of the combination of PBZ and Talwin 50. Naloxone is also known to be inactive when taken orally and has no effect on the efficacy of pentazocine.

The addition of naloxone does not affect or alter the safety and efficacy of the product when taken as prescribed. If crushed and injected in combination with PBZ, however, the naloxone should cancel the effects of the illicit combination altogether. The abuser will not achieve a heroin-like "high." The potential for misuse of Talwin Nx is believed that the T's and Blues phenomenon will be sharply curtailed and eventually eliminated.

Concurrent with the manufacture and distribution of new Talwin Nx, Winthrop has initiated a broad-base communications effort to advise all concerned—from health professionals and law enforcement agencies, to community groups and hard-core drug addicts—of the nature of the Talwin Nx formulation, and the risks involved in the misuse of the tablets by injection.

Injecting any tablet formulated for oral use can result in serious consequences. Such consequences may attend injection of insoluble substances commonly used as binders in tablet formulations such as Talwin Nx. Specific risks include pulmonary emboli (blood clots) and vascular occlusion (blocked blood vessels). Skin ulceration and abcesses are other possible consequences of injecting orally-intended drugs.

Winthrop Laboratories is confident that their development and introduction of Talwin Nx will help to eliminate the problem. Late in 1981, the FDA responded positively to Winthrop's request for the reformulation, with assurances that the proposed combination would be given high priority and prompt review provided certain formal requirements were met. Having met those requirements, the way was cleared for the availability of the new Talwin Nx tablet formulation.

TALWIN/NALOXONE

Winthrop Laboratories, a division of Sterling Drug Inc., has added naloxone to Talwin 50 tablets to prevent the misuse by injection of the oral product. In recent years, PBZ,[1] a prescription antihistamine known generically as tripelennamine has been misused in combination with Talwin 50. The two products have been crushed, dissolved together and injected intravenously to produce claimed heroin-like effects.

These effects cannot be achieved with the new Talwin tablets with naloxone, called Talwin Nx, a scheduled drug. Naloxone is inactive when taken by mouth. The addition of naloxone to Talwin 50 does not affect in any way the efficacy of Talwin tablets when taken orally, as directed.

CONSEQUENCES OF STREET MISUSE

As noted earlier, the amount of naloxone present in the new Talwin formulation (0.5 mg naloxone) has no action whatsoever when taken orally.

Naloxone has been added to Talwin 50 tablets specifically to discourage misuse through injection. If the new Talwin Nx formulation is misused by injection, the amount of naloxone present can have profound antagonistic actions. Severe, potentially lethal consequences may result from injection either alone or in combination with other drugs, such as PBZ, generically known as tripelennamine.

In brief, the naloxone will precipitate withdrawal symptoms in those misusers/addicts who are dependent on narcotics, such as heroin, morphine and methadone, or who have developed a dependence on T's and Blues using Talwin 50 formulated without naloxone. Withdrawal symptoms may occur with the injection of the new Talwin Nx. Symptoms include nausea, vomiting, sweating, increased blood pressure, hyper-irritability and trembling.

First-time misusers and others who have no other narcotic dependence may not become ill. However, injecting any tablet form intended for oral use—can cause serious consequences.

It must be emphasized that all misusers—addicts, occasional misusers, and first-time misusers—are still subject to the serious health consequences that may attend injection of insoluble substances commonly used as binders in tablet formulations such as Talwin NX. Specific risks include pulmonary emboli (blood clots) and vascular occlusion (blocked blood vessels). Skin ulceration and abcesses are other possible consequences of injecting orally-intended drugs.

[1] Registered trademark of Endo Laboratories.

The labeling for new Talwin Nx will include a warning:

"Talwin NX is intended for oral use only. Severe, potentially lethal reactions may result from misuse of this product by injection either alone or in combination with other substances."

NALOXONE

Naloxone injection (Narcan)[2] is frequently used in hospital emergency rooms to reverse the action of various commonly used and abused drugs including heroin, morphine, meperidine, codeine methadone and propoxyphene.

FORMULATION, TALWIN NX

The new Talwin naloxone combination tablet contains 50 mg of pen tazocine (hydrochloride) and 0.5 mg of naloxone (hydrochloride).

Naloxone is inactive when taken by mouth. Thus its addition to Talwin does not affect in any way the safety and efficacy of Talwin when taken orally as intended. However, if the new Talwin with naloxone formulation is solubilized, the ingredients are inseparable.

The new Talwin with the naloxone product is named Talwin Nx and will be packaged in the same bottle currently used for Talwin 50.

The color and shape of the product, however, have been changed. The original Talwin 50 is a round, peach-colored tablet. New Talwin Nx is a pale yellow, oblong-shaped scored tablet bearing the embossed identification "T-51."●

THE AIR TRAVEL COMPENSATION ACT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. ANDERSON. Mr. Speaker, we see in the news media occasional reports of multimillion-dollar awards of damages for victims of commercial air crashes. We are led to believe by these stories that the tort law system is working to assure fair and prompt compensation for claimants.

In fact, however, the system by which compensation is paid following major air crashes often results in waits of 3 years or more before compensation is received by claimants, requires the expenditure of large sums for legal and other costs and provides no assurance that all claims can be paid following a catastrophic accident.

Even though American Airlines and McDonnell Douglas conceded liability to passengers immediately after the DC-10 crash at Chicago in May 1979, nearly 20 percent of the claims are still outstanding—over 4½ years after the accident. Moreover, the defendants estimate that $1 will have to be expended—principally in legal costs—to deliver $2 in compensation to claimants in the process of settling these claims.

[2] Registered trademark of Ciba-Geigy Corporation.

Mr. Speaker, there is no excuse for these kinds of delays. The adverse economic consequences of a commercial aviation accident on surviving families are harsh—and they are immediate. Medical and funeral expenses must be paid, the sudden loss of a family member's earnings must be made up, the cost of replacing a family member's lost services must be met. The effect of delays in payment of compensation on a widow with school-age children is at best debilitating and at worst devastating; no important decisions affecting future family life—remarriage, vocational plans, selection of a residence and schools—can be made until the settlement comes through.

There is no excuse for the high transaction costs in settling the claims—especially when, as in most cases, claimants are not required to show who was at fault.

Finally, there is no excuse for failing to cover the contingency of uninsured losses following a catastrophic accident. Fortunately, we have never had such an accident, and we hope we never do. But the time for planning the process for payment of claims which exceed the amount of insurance coverage of the involved parties is before such an incident occurs—not after the fact. Otherwise, claims will go unpaid, air carriers and manufacturers face bankruptcy and the pressure for a Federal bailout may become insurmountable. The recent experience with asbestos claims ought to be lesson enough for us.

Mr. Speaker, I have introduced H.R. 4479 to address these needs. H.R. 4479 would require the prompt payment of fair compensation to all claimants, however large the aggregate amount of claims and without any U.S. Government bailout or industry bankruptcy. Assistance would be available immediately, and early settlements are encouraged. Claimants would have the right to select counsel of their choice but would not have to pay such counsel out of their awards. The confusion, delay and uncertainty inherent in the present system would be replaced by a uniform Federal compensation requirement which the industry is absolutely required to provide. In the bill, we leave it to the industry itself to sort out who was responsible for the accident; we do not impose upon claimants the delays inherent in resolving such disputes.

Several years ago I introduced a similar version of this legislation for consideration of interested parties. I am pleased to say that both the Air Transport Association, composed of the major air carriers, and the Aerospace Industries Association, composed of the major aircraft and engine manufacturers, support the approach embodied in H.R. 4479.

Mr. Speaker, over 293 million people board commercial airplanes in our country every year to fly some 260 billion passenger miles. I am not comfortable that we have discharged our responsibility in assuring that fair compensation will be paid promptly after any accident in the system—whatever the circumstances of the accident. I do not like the economic waste in the present system and the cost this imposes on consumers of air transportation. I commend H.R. 4479 to the Members of the House as a better way of providing fair and prompt compensation at a minimum cost following commercial aircraft accidents.●

MARYLAND PIONEERS TRAUMA TREATMENT

HON. CHARLES McC. MATHIAS, JR.

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Friday, November 18, 1983

● Mr. MATHIAS. Mr. President, yesterday I had the pleasure of participating in the opening session of the Sixth Annual National Trauma Symposium in Baltimore, Md., a very appropriate setting. Baltimore is home base for the Maryland Institute for Emergency Medical Services Systems and the National Study Center for Emergency Medical Systems which served as sponsors of this 2½ day conference. With Federal support for trauma care diminishing, the National Study Center has evolved through the efforts of the Maryland Institute to serve other regions or States in the country and throughout the world by providing information, expertise, and research material for emergency medical service systems. Experts in the field of emergency and trauma care have come to the center from as far as Alaska and Spain to develop or enhance EMS systems, trauma systems and services.

I invite my colleagues to visit the Maryland Institute and the National Study Center to see firsthand how these facilities carry out a national commitment to provide all Americans with quality emergency services. I think you will return convinced that the Federal Government along with States and localities should be prepared to make much larger investments in the care of trauma. Such an investment could only be to the profit of all of us.●

HYPOCRISY AT THE UNITED NATIONS: TIME FOR A RESOLUTION CALLING UPON SYRIA TO WITHDRAW ITS TROOPS FROM LEBANON

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LANTOS. Mr. Speaker, the appalling hyprocrisy of the United Nations was again demonstrated by the United Nations calling for the withdrawal of some foreign troops from Lebanon but not others. Several U.N. resolutions have been passed calling upon Israel to withdraw its troops, but no U.N. resolutions have even been introduced calling for Syria to remove its troops.

This onesided and irresponsible approach by the United Nations only serves to erode its legitimacy as a forum for solving international problems.

Mr. Speaker, it is universally recognized that the withdrawal of all foreign troops from Lebanon is in the interest of stability and peace in Lebanon and the entire Middle East.

In the agreement signed by Israel and Lebanon last May, Israel agreed to withdraw its forces from Lebanon if Syrian and Syrian-controlled forces also withdraw.

Even the Arab League refused to renew its request for the continued stationing of Syrian forces on Lebanese soil, and the Government of Lebanon has formally urged Syria to withdraw its forces.

In an attempt to restore some balance to a seriously unbalanced United Nations, Mr. Speaker, I have introduced House Concurrent Resolution 225. Joining me in introducing this resolution are my colleagues, Mr. BROOMFIELD of Michigan, the distinguished ranking Republican member of the Foreign Affairs Committee, and Mr. LOTT of Mississippi, the distinguished Republican whip.

Our resolution calls on the President to instruct the U.S. delegation to the United Nations to press for the immediate withdrawal of all Syrian and Syrian-controlled forces from Lebanon.

We invite our colleagues to join us in cosponsoring this most important resolution. The United Nations is long overdue in calling for Syria to withdraw its troops from Lebanon.●

HOW WILL ROGERS MIGHT REACT TO CURRENT EVENTS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. CONYERS. Mr. Speaker, the Passaic County Bar Association's interesting publication, The Reporter, is planning to publish a sequel to an article it published earlier this year about the contemporary relevance of Will Rogers' humor. The sequel, which like the first article is authored by attorney Daniel Crystal, speculates as to what Will Rogers might have said about recent events.

The sequel is scheduled for publication in the Christmas issue of The Reporter. Because of the timeliness of this article, The Reporter has agreed to let me insert it at this point in the RECORD.

BOATS IN THE BATHTUB; FLEETS ON "MANEUVERS"

(By Daniel Crystal)

There's more proof every day that what this country needs most is not a return to the long-gone five-cent subway fare or five-cent hot dog but instead a competent psychic or medium who can summon up the shade of Will Rogers to drawl out his tart comments on the zany passing scene.

Who's Will Rogers, you may ask in your understandable ignorance. Rogers, the "cowboy philosopher," was a universally loved, down-to-earth star of American musical comedy, stage, radio and motion pictures, as well as widely a syndicated columnist in the 1920s and '30s. The whole world mourned when in 1935—at age 56—he died in a plane crash in Alaska together with internationally known aviator Wiley Post.

There was a large chunk of genuine America in everything that Rogers wrote or said. He had a gift for reaching the heart of a complicated issue in laconic, dry words of common sense and amiable humor. An astonishing amount of what he said in those long-past days has more freshness and relevance in it than anything you read today—aside that is, from the writings of Art Buchwald and Russell Baker.

Newspaper in hand, Rogers made comments like this:

"Well, let's take another look at the newspapers. 'Youth for Peace March on Nation's Capital.' Now, I been reading a lot about that lately. Kids don't want us involved there in the Yangtze River and—what is it—the Sino-Japanese War? They've been marching to keep from going to war . . . seems to me they must be getting just about the same training they'd be getting in the military.

"But the joke's on the kids anyway. We ain't got no war over there. We say we ain't got no war . . . the League of Nations says we aint' got no war. Course the guys getting shot at say it's the best imitation they've seen yet."

We entertained ourselves some months back fantasizing in The Reporter what Will Rogers would be saying on his weekly radio program if he could be around to talk about the covert war in Nicaragua and the other headlines coming out of Foggy Bottom on the Potomac.

Recent developments sent us rummaging again through the pages of what's still available in the libraries of what he wrote in his books and the newspaper columns that he pounded out two or three generations ago.

Hat on the back of his head, chewing gum, looking quizzically at his audience, occasionally having his weather-beaten face break into a wide, sunny grin, Will Rogers in our fancy is telling the country about what that movie actor lately President of the United States, Ronald Reagan, has been up to lately.

"All that I know is what I read in the papers," Will would probably start. He usually did. And we muse on his continuing:

In my time, we didn't have TV and satellite programs. We just had to make do with the newspapers. Of course, we had more papers then than you do now, so that helped make up the difference.

For a good many years now, I've been making my living kidding the politicians. I grant you it's pretty unfair of me. After all, they've provided me with more hours of merriment than anything.

I've been reading about all that's been going on in Nicaragua, El Salvador and the other places that used to belong to the United Fruit Company, lock, stock and barrel. It's proving all over again that the main thing we do worst in this country is minding other folks' business.

I couldn't help feeling that I had seen the same movie before. Seems to me we were hearing exactly the same sort of stuff in my time. It isn't the first time that a President of the United States has stood up at a news conference and said something like, "My fellow Americans, America must lead the world, especially in Central America. We must show those poor deluded boobs down there that our way is the only way."

As far as I can see, our Man in the White House is once again setting out trying to help the world and our own Gross National Product.

The trouble with having a President who used to make his living as a movie actor is that he still thinks that the only script that works is the one that had a dozen of us Indians fall dead when the American cavalry fired at us. Seems to me that if the only ones who can call themselves Native Americans had had sense enough to have had a tough, restrictive immigration policy before the Pilgrims landed, a lot of this trouble might have been avoided. We would still have the buffalo and the tribes that were down in Nicaragua would still have their country free and clear.

Maybe I'm particularly interested in what's going on in Nicaragua because a lot of the folks down there has some Indian blood of one kind or another in them. I'm proud to say that so do I.

I was born in the Indian territory in what is now Oklahoma. My father was three-eighths Cherokee and my mother was quarter-blood Cherokee. I didn't get enough arithmetic in the schooling I had to be able to figure out just how much Indian that makes me, but still and all there's simply nothing in my life of which I am more proud than my Indian blood.

I was born in a little place called Oologah. Now, I have to admit that only an Indian can pronounce that, so I started claiming Claremont as my home, see.

You know, when the government sent the Cherokees out there to Oklahoma, they gave 'em a treaty in nice-sounding language that says, "You may have this land as long as the grass grows and the water flows." I guess the folks who wrote that treaty got jobs later writing greeting cards. Way I look at it, it was not only a pretty good line, it looked like a pretty good treaty, at least until they struck oil. Then the government lawyers and the sheriffs and marshals and U.S. soldiers all took the land back from us again. The treaty, they told us, refers to grass and water—it don't say nothing about oil. I don't know about the logic of all that, but they had the guns and we didn't anymore.

Every single time that the government shipped the Indians someplace, we always got handed that same treaty. It always said you may have this land as long as the grass grows and the water flows. Then, there came the drought and pollution, and now, of course, the government has solved the whole thing. They just put the Indians on land where the grass won't grow and the water won't flow.

Well, I'm not a preacher, but there's a lesson in there somewhere about what's going on in Nicaragua and El Salvador. Seems as though once the United Fruit Company has laid claim to some land, you can't pry them loose nohow. It appears that they got one of those grass-will-grow-and-the-water-will-flow treaties with the U.S. government, but they got better lawyers than the government and have found a way to make their treaty stick.

So, the way I figure it, President Ronald Reagan thinks that that script about having the Indians bite the dust is just what the doctor ordered for setting the policy for the Army, the Navy and the Marines. They're all getting their chance now to go to El Salvador and maybe to Nicaragua too.

Folks, you know, we'll send marines, military advisors or a spare battleship we've taken out of mothballs to any nation that can get ten people to say they want us.

It don't make any difference if those ten people are a little sleepy-eyed because they've been up all night taking their turn in the assassination squads. All they have to do to start writing checks on the CIA secret budget is to say, "We don't like Castro. Please send us by return mail a set of American military advisors and American cash."

Now, I've figured it out that the Reagan Doctrine has replaced the shopworn Monroe Doctrine.

You see what it is, this country's in the humanity business, just like Henry Kissinger and Ambassador Jeane Kirkpatrick say so often. We send our military advisors to El Salvador now to keep them folks from shooting each other. And, if necessary, we'll shoot 'em to keep 'em from shooting each other. We will also make sure that the folks who took our good CIA cash keep trying to put into effect the lessons we tried to teach the Vietnamese about 'Search and Destroy,' 'free-fire zones,' and the other bits and pieces of Southern Vietnamese talk that got drilled into our military advisors.

Still and all, this new Reagan policy is making some extra work for some of the Department of Justice lawyers. Seems they keep getting letters from the people who make Castro beds that all that talk about Castro is bad for their business. The lawyers for Castro beds claim that they had first dibs on the name Castro before Fidel Castro got to it, and their rights have to be respected. I understand one Department of Justice lawyer wrote them back and said 'You made your own bed; now you've just got to lie in it'.

It was all pretty much the same in my time in the twenties. We didn't have either the Peoples Republic of China or Taiwan then. It was China and Formosa. But we were showing them just the same kind of humanitarianism we are trying to show now by the new Reagan Doctrine.

At one point if you check your history books, the United States Marine Corps was enforcing American diplomacy all the way from the Yangtze River in China to the headwaters of Lake Managua in Nicaragua. Now, we're itching badly to get back to Lake Managua, but I don't read about anything like the same eagerness to send a gunboat up the Yangtse River. There's a lesson there. The way I figure it, there's one big thing that has changed since my time. The Joint Chiefs of Staff have agreed that the Chinese won't like it. They've also agreed that the Nicaraguans won't like it either, but the Chinese can do more about their dislike than the Nicaraguans can.

Let me ask you something, my fellow Americans, what would we say if the Chinese was to send a gunboat, or even a battleship, up the Mississippi? With their marines on it?

I mean, all they'd have to do was just say, "We're just protecting the investment of our cousins who are running businesses in New Orleans, Memphis and Hannibal, Missouri."

We know that the Russians and the Chinese have lots of guns. We're not convinced yet that the Nicaraguans and the rebels in El Salvador have enough guns to stop us. Oh, we know there's lots of guns in both those countries. The CIA paid for them and supplied them. We think though that they're safely in the hands of only those people that the CIA bought and paid for. If we pondered on the lessons of Vietnam, we might decide that we're wrong, or will be wrong soon. Don't bet on it though. Our government seems to have forgotten all the Vietnamese it ever knew.

I'm a man of peace myself. I see no humor in wars, real or undeclared, open or secret. And I don't see any reason for them. So I got a scheme to stop these wars. It's that no nation, including this one, should be allowed to enter into a war until it's paid in full for the last one. Now that ain't going to stop either them or us, but it'll slow all of us down considerably.

What it all comes down to is that we're all living in such a dangerous world that we ought to learn how to talk to each other and see if we can't work out our squabbles that way. Trade piano players and ballerinas, not missiles, is the idea. It has lots more chance of working than what we're doing now. Jawbone to jawbone is better than missiles to Moscow or Detroit.

Judging by past experience, though, I believe that President Reagan will go right on meddling in Central American and other foreign countries. It appears to be the nature of the office. Put a person, man or woman, in the White House and it seems as though he or she automatically reaches for a gun boat or a battleship or a map of the Bay of Pigs. It appears that the marines want a new stanza or two for their song, 'From the Halls of Montezuma to the Shores of Tripoli'.

The truth is that there's no other country that puts on as much airs, but doesn't know where it's really going, as this one.

And we try to do it all in secret. We did Cambodia in secret. We did Debategate in secret. We tried to do Nicaragua in secret, but so many politicians and generals and admirals saw a chance to get their names in the paper that it didn't stay secret very long.

I predict that it will take America fifteen years of steady taking care of our own business and letting everybody else's business alone to get us back to where everybody speaks to us again.

Still and all, I could be wrong about that. Only eight years ago our helicopters were taking off in a hurry from the roof of our Embassy in Saigon, Vietnam, after we'd been spending years trying to do there just what we're trying to do in Central America. And look at all the people who have been talking to us since. There are lots and lots of them, all lined up ready to receive their weekly CIA checks.

The way I look at it, our government doesn't seem able to understand things the way that the common people do in both Nicaragua and El Salvador. For some reason, the folks there just don't like the death squads that our CIA-paid buddies in those countries have been using. It even appears that they blame us and the CIA for those death squads.

The trouble is that the President and the people in the White House see things only through their own eyes. They don't take into consideration the angle or viewpoint that other people may have.

You see, everyone of us in the world has an audience to play to. We study them and we try and do something that we think will appeal to the great majority. We all have our own particular little line of applesauce for each occasion.

So I'm going to send a Mailgram to President Ronald Reagan. It says, "Let's be honest with ourselves and not take ourselves too serious and let's put ourselves in the other fellow's shoes."

If President Reagan is listening, I'd like to tell him what I mean by that that the chances are that if our folks thought about it for a minute, they might agree that we wouldn't like death squads either. Let's not condemn the other fellow for taking the same position that we would if the shoe was on the other foot or in our own coffin.

Well, I could go on and on about Nicaragua and El Salvador, but I have to leave some room to say something about Debategate.

I do have hope for the country, even though first we had Watergate and now we have Debategate.

We have been staggering along now for about 207 years under every conceivable horse-thief that could get into office and yet here we are, still going strong. I doubt if Barnum's circus has mounted as many kinds of species as has been in our government employ and in the Oval Office during its existence. As bad as some of them have been, they can't spoil it and also as good as some of them have been, they can't help it. So as bad as we are, we still think that we are better than any other nation, so what's the use to worry.

The American people are generous and will forgive almost any weakness with the exception of stupidity. Debategate helped Ronald Reagan two ways. First, it convinced the American people he wasn't stupid. Look at how well he answered all those questions from the reporters and came back at President Jimmy Carter just as if he had already read Jimmy's debatebook.

Second, it helped Ronald Reagan win the election, and we wouldn't be having a new Reagan Doctrine for Nicaragua if he hadn't won that election. You see, as our Government deteriorates our humor increases. So Ronald Reagan smiles and gives us a rehearsed ad lib, and some people say that he's just great. Of course, the people in the morgues in El Salvador aren't saying that, but then they don't vote in American elections.

I still have hope in this country. No one is going to spoil the country but the people. No one man can do it and all the people are not going to do it, so it's going to run in spite of all the mistakes that can happen to it.

Course, what we can do and do is to spoil other people's countries. Look at Vietnam for a starter. Now we're about to start on Nicaragua, but then the new Reagan doctrine isn't supposed to apply to this country. Except, that is, that the CIA has now got permission to pull off some of its dirty tricks in this country as well as in foreign countries.

But then, I suppose that what might be one classes' 'Liberty,' might be another classes's poison, course, I guess, absolute liberty couldent mean anything but that anybody can do anything they want to do any time they want to. Well any half-wit can tell you that wouldent work. So the question rises "How much liberty can you get and get away with it?" Well, you can get no more than you give. That's my definition, but you got perfect 'Liberty' to work out on your own, so get it.

I'm pretty broadminded and internationalist. I don't think that 'Liberty' should be reserved just for those that voted Ronald Reagan into office or belong to the 'Moral Majority.' The way I see it Liberty ought to be enjoyed fully by all the country—and by Nicaragua, El Salvador and all other places too. I think that the folks in Nicaragua and El Salvador ought to have the Liberty not to like death squads if they want to, even if those death squads are bossed by people who are taking our CIA money.

The difference between what President Ronald Reagan says with a perfectly straight face and what is really, cross-his-heart, true is something for all of us to ponder on.

Liberty don't work as good in practice as it does in speeches.

I'll have to wait till my next broadcast to say more. I'll just add in closing that there's one thing no nation can ever honestly accuse us of and that's Secret diplomacy or a Secret war. Our foreign dealings are an open book . . . generally a check book. The only exception is that the death squads still do their work at night.●

IN SUPPORT OF JOB POSTING LEGISLATION

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Ms. KAPTUR. Mr. Speaker, today I introduced, along with Congressman SIMON and Congressman LAFALCE, a bill which would require most employers to list job openings with State employment services. With almost 10 million workers unemployed, another 5 million working part time, and roughly 2 million too discouraged to look for employment, Congress must pass legis-

lation to ease the job search process. This legislation would provide an information service both simple and necessary: Jobseekers could go to one location to discover what employment opportunities exist.

We have tried voluntary job listing and this approach has failed. Only 5 percent of available jobs are currently listed with State employment services. Of the jobs that are listed, in 1981 half paid under $4 an hour and 40 percent lasted 150 days or less.

The bill provides reasonable exceptions to the job posting requirement. Only employers liable under a State's unemployment compensation law would be required to list job openings. States also can provide exceptions in the case of small employers, domestic services, and other similar circumstances.

This legislation is a small but important step toward solving our country's employment problems. A job posting requirement has worked effectively in other countries. It has also been endorsed in the recent report by the Democratic members of the Subcommittee on Economuc Stabilization titled: "Forging an Industrial Competitiveness Strategy." I hope my colleagues will join me in support of this bill.●

INTRODUCTION OF HOUSE CONCURRENT RESOLUTION 217 AND HOUSE CONCURRENT RESOLUTION 218 TO SUPPORT NASA'S SPACE SCIENCE PROGRAMS

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. FOWLER. Mr. Speaker, on October 1 we celebrated the 25th anniversary of the National Aeronautics and Space Administration (NASA). In the quarter century since its founding, NASA has helped to carry the United States and all humankind to new horizons. We have walked on the Moon, flown close by Mercury, Venus, Jupiter, and Saturn, and looked for life on the surface of Mars. We have gazed at distant galaxies from far above the disturbances of Earth's atmosphere. We have orbited weather, communications, navigation, and remote sensing satellites that have revolutionized our view of our own world. We have seen whole new industries created largely as a result of NASA's pioneering efforts, including such fields as computer science, solid-state electronics, and medical electronics.

NASA'S FIRST 25 YEARS

In short, NASA's first 25 years have been a time of great accomplishment: in making the United States preeminent in science and technology, in conveying a positive image of our country to people all over the globe, and in advancing our knowledge of the Earth and our place in the universe.

These achievements would not have been possible without a substantial national commitment of effort and resources. From the beginning of the space program the United States has spent more than $160 billion for all space activities. At the height of the program in the mid-1960's, the United States was spending close to 1 percent of our GNP on space and NASA employed 400,000 people on its payroll or by contract.

But as the Apollo program wound down, so did overall U.S. support for space exploration decline. Starting with fiscal year 1966, the NASA budget decreased in constant dollars, for 10 consecutive years. Even after several years of modest growth, it is estimated that the current NASA budget has only about 40 percent of the purchasing power of the 1966 budget. The NASA work force has dropped by more than half, down to a total of approximately 134,000. As a nation, we now expend only one-third of 1 percent of our GNP for all space activities; and over half of what we do spend goes to the Pentagon for military-related space programs rather than to NASA.

The results of this sharply reduced national commitment to the civilian space program have been predictable. The United States averaged 47 space launches a year during the decade of the 1960's, 26 launches a year during the 1970's, and only 16 launches a year so far in the 1980's. No American flew in space between July 1975 and April 1981. No American planetary mission has been launched since 1977, and until we approved the Venus radar mapper earlier this year, only one mission (the Galileo probe of Jupiter) had been authorized in that time period. Budgetary constraints led to the cancellation of a Halley's Comet rendezvous and the U.S. component of the international solar polar mission.

Our once unquestioned international leadership in virtually every field of space exploration is now being challenged by many competitors on many different fronts.

THE CURRENT STATUS OF AMERICA'S SPACE PROGRAM

Now, in 1983 on the occasion of NASA's 25th birthday, we are at a watershed for the American space program.

The successes of the Viking and Voyager missions to other worlds, of the space shuttle, and most recently of the infrared astronomical satellite, which may have discovered another solar system around the star Vega, have rekindled public interest in and support for space exploration. After initial attempts to severely curtail NASA's civilian space projects, the Reagan administration has adopted a position in favor of modest growth in these programs, and may in fact even give the go-ahead for preliminary work on space station development.

But the promise of more Federal dollars for our space program is no guarantee of a successful program. There is also a danger that an enlarged space program will not be a balanced one and that one or two major projects will crowd out smaller, less glamorous ones. Previous experience with the NASA budget and with such projects as the Apollo program and the space shuttle lends some credibility to these fears.

In response to these concerns, I am introducing two resolutions which are intended to insure a balanced and financially sustainable civilian space program. Specifically, my proposals would make long-range national commitments to NASA's space science programs in solar system exploration, astronomy and astrophysics.

SUPPORT FOR SPACE SCIENCE

I have chosen to give special attention to space science for three primary reasons. First, these programs are relatively small, totaling less than 14 percent of NASA's budget, or under $800 million a year. Thus, the type of multiyear commitment I am advocating can be accommodated even at a time of budgetary austerity.

Second, in part because of their small size the space science programs may be susceptible to "crowding out" by larger projects, like space station development, especially if these projects experience significant cost overruns. Even if this "crowding out" fear is exaggerated, failure to address these concerns could subject us to another counter-productive, debilitating "science versus engineering" debate like those that have surrounded the space shuttle program. Providing assurances for space science development can do much to avoid divisions within NASA and the country over the future course of the space program.

Finally, space science affords us the opportunity to achieve a truly remarkable jump in knowledge and understanding at relatively little cost. From the discovery of the Van Allen radiation belts which surround the Earth to the discovery of active volcanoes on Jupiter's moon Io, from the detection of quasars to the possible detection of another solar system many light-years away, from investigations of how solar activity affects our weather to a comparison of geologic activity on Earth and Mars, we have reaped enormous benefits from space science programs.

However, the space science programs have suffered from budget cuts and an uncertain political commitment. The hiatus we are now experiencing after the earlier "Golden Age" of space exploration in the 1960's and 1970's is

cause for particular worry about the future of the U.S. space science effort. In the words of a recent Congressional Research Service report, "The concern is that without an active space science program, the number of scientists involved in designing and developing these spacecraft and using the resultant data may dwindle to a point where there will be an insufficient member of highly qualified scientists in the future."

INTRODUCTION OF SPACE SCIENCE RESOLUTIONS

The measures I am introducing seek to produce high-priority scientific knowledge at an affordable cost and to provide the kind of continuity and sustained support necessary to achieve these goals. This long-term commitment is especially important for space science programs, which often span many years from concept development to launch and finally to data retrieval.

In particular, the two resolutions, one concerning astronomy and astrophysics and the other solar system exploration, detail specific priorities, programs, and funding levels that are meant to serve as guidelines for the Congress, NASA and the scientific community. These policy details are not merely my own recommendations but were taken in their entirety from the reports of two distinguished panels of experts in their respective fields: the Astronomy Survey Committee of the National Academy of Sciences—also known as the Field Report—and the Solar System Exploration Committee of the NASA Advisory Council. While the two reports cover different areas of space science and are somewhat different in scope, they are complementary and taken together they represent a comprehensive and balanced strategy for the conduct of the U.S. space science program over the next 10 to 20 years.

ASTRONOMY AND ASTROPHYSICS

House Concurrent Resolution 218 concerning astronomy and astrophysics, endorses the January 1982 report of the Astronomy Survey Committee, "Astronomy and Astrophysics for the 1980's." This report was the third decennial study of astronomy carried out under the auspices of the National Academy of Sciences (NAS). The previous two NAS surveys helped set the course for U.S. Astronomy in the 1960's and 1970's.

The 1964 NAS report, "Ground-Based Astronomy: A 10 Year-Program," made recommendations for the construction of optical and radio astronomical instruments. The 1972 report, "Astronomy and Astrophysics for the 1970's" covered space and ground-based programs and represented the first comprehensive set of recommendations from astronomy and astrophysics. Among its recommendations which were subsequently implemented were: the construction of the very large array radio telescope, the launch of high energy astronomical observatory satellites, and the improvement of optical and infrared detectors.

Planning for a successor survey to the 1972 report began in 1978 with the selection of a chairman and membership of a new Astronomy Survey Committee. The survey was requested by NASA and the National Science Foundation, which shared funding, and the committee was charged to develop priorities for a comprehensive astronomy and astrophysics program for the 1980's. The Astronomy Survey Committee held meetings between December 1978 and December 1980 and its report was transmitted in January of 1982.

The committee's recommendations, and my resolution, can be broken down into six major divisions: the overall scientific objectives for the astronomy and astrophysics program (which correspond to section 2 of the resolution); previously approved and ongoing programs (section 3); prerequisites for new research initiatives (section 4); major new programs (section 5); moderate cost new programs (section 6); small cost new programs (section 7); and programs for study and development (section 8).

In arriving at its recommendations the Astronomy Survey Committee—

considered the contributions that each proposed program could make in response to the scientific opportunities identified. The final priorities reflect primarily the scientific importance of each program. . . . In addition, however, the Committee took into account the technological readiness of each program, its ability to complement other programs (either present, planned or recommended in this report), and its cost. The recommendations identify those activities and facilities that the Committee believes will yield the maximum scientific return for the resources invested.

The total cost in new funding to implement the programs recommended in "Astronomy and Astrophysics for the 1980's" is estimated to be about $1.9 billion in constant 1980 dollars over a 10-year period. This level of effort is very similar to the $1.7 billion, in 1980 dollars, in new programs recommended by the 1972 report "Astronomy and Astrophysics for the 1970's."

SOLAR SYSTEM EXPLORATION

House Concurrent Resolution 217 is derived from the 1983 report by the Solar System Exploration Committee of the NASA Advisory Council, "Planetary Exploration Through Year 2000."

As I mentioned earlier, no U.S. planetary mission has been launched since 1977, and until the Venus radar mapper was authorized earlier this year, only the Galileo mission to Jupiter had been approved during that time. The primary cause of this decline in American solar system exploration was the vicious cycle that had developed by the midseventies: Declining planetary science budgets and demands for more sophisticated and more expensive missions led to fewer mission starts, and the smaller number of new missions reduced program balance, eroded the research base, and increased individual mission costs.

In response to these problems, in 1980 NASA formed the Solar System Exploration Committee (SSEC) to develop a new approach to planetary exploration which recognized the root causes of the problems, was based on the science strategies of the Space Science Board and NASA working groups, and resulted in specific, prioritized program recommendations.

The Solar System Exploration Committee issues its first report and set of recommendations for a basic core program earlier this year. The SSEC's second report, to be completed in 1984, will present recommendations for missions of greater technological challenge to augment the core program "as soon as national priorities permit."

In introducing its recommendations, the SSEC states that its report,

Is a joint effort by NASA and members of the scientific community to review the goals of solar system exploration; identify the essential attributes of a viable program in planetary sciences; and define new ways to reduce costs. Based on this intensive study, the SSEC has formulated a Core program which is intended to establish a long-term, stable base for the planetary sciences, in which scientifically exciting missions can be carried out within a framework of cost-saving innovations in both engineering and management.

The SSEC sets out four primary goals for the solar system exploration (corresponding to section 2 of my resolution):

Determination of the present state, origin, and evolution of the solar system;

Understanding of the Earth through comparative planetary studies;

Understanding of the relationship between the chemical and physical evolution of the solar system and the appearance of life; and

Surveying of the resources available in near-Earth space.

This last goal represents a new objective and is an essential first step in the potential utilization of extraterrestrial resources.

The SSEC core program (which is incorporated into section 3 of the resolution) is highlighted by recommendations for achieving: a balanced program of missions to the terrestrial planets, comets and asteriods, and the outer planets; an affordable program that achieves cost savings by the development of common spacecraft designs (Planetary Observers and Mariner Mark II) and a common mission operations system; a supportable program through a strengthening of planetary research and analysis; and an expandable program that can and should be augmented through international cooperation and increased American

support for technologically and scientifically challenging missions.

The initial SSEC core missions (contained in section 4 of the resolution) are: the Venus radar mapper, which we approved earlier this year; the Mars geoscience/climatology orbiter, which is now being considered for inclusion in the Reagan administration's fiscal year 1985 budget recommendations; a comet rendezvous/asteroid flyby; and a Titan probe/radar mapper.

Finally, section 5 of my resolution outlines the SSEC's candidates for subsequent core program missions.

The SSEC program was designed specifically with the goal of cost reduction in mind. It sought to achieve cost savings by:

Specifying focused, high priority science objectives for missions in the Core program and selecting missions which do not require the development of new technology and which have relatively unconstrained launch opportunities. Increased hardware inheritance is another key approach to reduced cost; this includes use of spare hardware; derivatives of industry-built Earth-orbital spacecraft and modular spacecraft design. Finally, the committee underscores the importance of automation and sharing of mission operations as two additional cost-saving approaches.

As a result, the total SSEC core program of strengthened research and analysis, and regular Planetary Observer and Mariner Mark II launches requires an annual funding level of about $300 million—in constant fiscal year 1984 dollars. This represents a sum only slightly above the recent historic lows in solar system exploration funding and is about one-third of the 1964 appropriations level for these programs.

CONCLUSION

The popularity of the current movie "The Right Stuff" and of the book and television series "Cosmos," plus the widespread media attention given to the Voyager missions and the recent possible discovery of the Vega solar system, all point to public interest and support for previous American space endeavors. The future of our space program, and of U.S. leadership in this prestigious and technology-expanding field, is in our own hands.

The programs recommended by the Astronomy Survey Committee and the Solar System Exploration Committee, which are endorsed by my resolution, offer us a way to gain valuable new insights about our world and our place in the universe all at an annual cost of about six one-hundreths of 1 percent of the Federal budget or fifteen one-thousandth of 1 percent of our gross national product. Surely we can afford such a price.

Implementing the missions called for in my resolution will help us to answer some of the most basic questions of science concerning such matters as: the origin and fate of the Universe; pulsars, quasars, and black holes; the formation of our solar system; the presence of life beyond our planet; and the geology, weather, and climate of Earth. Surely we cannot afford to fail to pursue such answers.●

PLO AGAIN DEMONSTRATES DISDAIN FOR THE LIVES OF INNOCENT CIVILIANS IN TRIPOLI FIGHTING

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LANTOS. Mr. Speaker, the pattern of disdain displayed by the PLO for the lives of innocent civilians is currently being played out once more in the long-suffering Lebanese port city of Tripoli.

The PLO terrorists were insensitive to the lives of children in Israel's border settlements or the lives of civilian airline passengers of many nationalities on aircraft they hijacked. Just as in the past, they now repay years of Lebanese hospitality by subjecting yet another Lebanese community to their bloody internecine war.

We are again witnessing the use of women and children as human shields for the terrorists as they position themselves and their weapons in the midst of Tripoli's civilian population.

The civilized world should be united in condemning with outrage this most recent game of Russian roulette with the lives of innocent Lebanese bystanders.●

TAX EQUITY FOR TENANTS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. OTTINGER. Mr. Speaker, today I am introducing the Tenants' Tax Justice Act which will allow tenants to claim their fair share of local and State property taxes, which are paid as part of their rent payments, as a tax credit for Federal income tax purposes.

The skyrocketing cost of housing in our country combined with exceedingly high interest rates have placed homeownership out of the reach of many of our citizens. At the same time, rental housing is fast disappearing and becoming prohibitively expensive for those in desperate need of decent, safe, and affordable homes to rent. This problem is especially critical for the communities of the Northeast. In Westchester County, the average price of a home is $155,000 and the average rent for a two-bedroom apartment is $561, not including utilities. As a result of these exorbitant housing costs, Westchester County is losing its young people and its senior citizens are rapidly becoming impoverished.

It is the intent of this bill to remedy the inequity in the tax law which discriminates against the increasing number of citizens who rent, whether by choice or necessity. This number of American families increased from 20 million in 1960 to over 28 million in 1981. In my own Westchester County, 329,809 people live in rental units or 39 percent of the total population.

The bill allows the tenant to claim a tax credit of 25 percent of the proportionate share of the taxpayer's State and local taxes when the rented unit is the taxpayer's principal residence. The formula for computing the appropriate share of rent to be credited shall be the ratio of the total number of square feet in the dwelling unit to the total number of square feet of all dwelling units in the building, excluding common areas. Also, the tenant is allowed to claim a credit for only the portion of the year during which he paid rent on the unit.

For example, a tenant who rents an apartment with 2,000 square feet for 1 full year in an apartment building wherein the total square footage is 20,000 square feet, excluding common areas, would be computed to have a proportionate share of 10 percent of the building's property tax. If the total property tax on the building was $5,000, then the tenant's share would be $500, and the credit which the tenant could claim would be 25 percent of $500, or $125. Since a tenant is only allowed to claim the credit for the portion of the year during which he pays rent on the apartment; then, for example, if he only lived in the apartment for 6 months his share of the property taxes would be $250 and his credit would be $67.50.

The bill gives equitable and progressive tax relief to those of our citizens who need it most. It will be of particular help to the 63 percent of the rented households with incomes of less than $15,000. The tax credit it provides would give needed relief to the disproportionately high number of minorities who rent—more than 7 million families or 56 percent of all dwelling units occupied by minority citizens. Also, the elderly are benefited by making the option of renting a more cost-effective one when they feel they can no longer maintain a home for reasons including economics, health and safety and thus desire the amenities of renting their home. In Westchester County, more than 73 percent of all minority families rent their homes and nearly 46 percent of our citizens age 65 and over rent their places of residence.

The tax credit would aid the decaying downtown areas of our older cities

by making these areas more attractive for both investment by landlords and as places to live for our citizens. This would assist in the reversal of the suburban flight which has caused much of the severe decline of our inner-city areas. Other proposed legislation, such as the Enterprise Zone Tax Act, recognizes the plight of older urban areas and the use of tax credits as an incentive for attracting and retaining industry and commerce in these areas. The Tenants' Tax Justice Act seeks to use this incentive for housing as a means for enhancing the livability and vitality of our urban areas.

The increased benefits accruing from the tax credit would make the option of renting more attractive and would serve as a stimulus for private sector rental housing production helping to reverse the downward spiral the country has been experiencing in multifamily rental housing production. In 1980, there were 544,000 rental units constructed in complexes of two or more nationwide. In 1981, this number had dropped to 447,300 and in 1982, it dropped even lower to 374,000.

In Westchester County, there has been no unsubsidized new construction of rental housing since 1974 and with the devastating cuts to the federally subsidized rental housing programs, this construction has also dried up. New housing in the county, both renter and owner occupied, reached its lowest level in 1981-82 than at any time since World War II. The situation for the renter is further exacerbated by the acceleration of condominium and coop conversion that is taking place in Westchester County, as in many areas throughout the country. In Westchester, 10 percent of all the present rental housing stock has been registered for conversion.

The increased rental housing production which this bill would encourage would have positive benefits for the ailing housing industry and allied building trades by creating jobs in these fields which have been severely hurt by the recession.

The Tenants' Tax Justice Act is designed to correct a serious inequity in our tax law which penalizes our citizens who rent, many of whom do so for reasons out of their control and others by choice. Our present laws only reward the homeowner with no similar tax relief for those who rent. The bill corrects this inequity which presently adversely affects the lives of millions of Americans. At the same time, it has positive and far-reaching benefits for our cities and construction industries.

H.R. 4547

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44H the following new section:

"SEC. 44I. REAL PROPERTY TAXES FOR INDIVIDUALS WHO RENT THEIR PRINCIPAL RESIDENCIES.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual who is the lessee of his principal residence, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 25 percent of the taxpayer's proportionate share of the State and local real property taxes imposed on the property used by the taxpayer as his principal residence.

"(b) LIMITATIONS.—

"(1) CREDIT MAY NOT EXCEED RENT.—The credit allowed by subsection (a) to the taxpayer for the taxable year with respect to property used by him as his principal residence shall not exceed the rent paid or incurred by the taxpayer on such residence during the calendar year in which the taxable year of the taxpayer begins.

"(2) DEDUCTIBLE RENT NOT TAKEN INTO ACCOUNT.—For purposes of this section, rent shall not be taken into account to the extent such rent is allowable as a deduction under this chapter.

"(c) PROPORTIONATE SHARE.—

"(1) IN GENERAL.—For purposes of this section, the taxpayer's proportionate share of the State and local real property taxes imposed on property used by the taxpayer as his principal residence shall be—

"(A) an amount equal to—

"(i) in the case of property so used with respect to which such taxes are separately stated, the amount of such taxes imposed on such property which are paid or incurred during the calendar year in which the taxable year of the taxpayer begins, or

"(ii) in the case of property to which clause (i) does not apply, the amount of such taxes attributable to such property under paragraph (2) which are paid or incurred during such calendar year,

multiplied by

"(B) a fraction the numerator of which is the number of days in the calendar year on which such property was used by the taxpayer as his principal residence, and the denominator of which is the number of days in such calendar year.

"(2) TAXES ATTRIBUTABLE TO CERTAIN PROPERTY.—For purposes of paragraph (1)(A)(ii), in the case of a principal residence which is located on property with 1 or more other dwelling units, the amount of State and local real property tax attributable to such residence shall be an amount which bears the same ratio to such tax imposed on the property on which such residence is located as the number of square feet of floorspace in such residence bears to the total number of square feet of floorspace in all dwelling units on such property. For purposes of the preceding sentence, there shall not be taken into account the amount of any floorspace which is a common area or which is used by the lessor for purposes of maintenance.

"(3) STATE AND LOCAL REAL PROPERTY TAXES.—For purposes of this section, the term 'State and local real property taxes' has the meaning such term has as used in section 164."

(b)(1) Subsection (b) of section 6401 of such Code (relating to amounts treated as overpayments) is amended by striking out "and 43 (relating to earned income credit)" and inserting in lieu thereof "43 (relating to earned income credit), and 44I) (relating to real property taxes for individuals who rent their principal residences)" and by striking out "39, and 43" and inserting in lieu thereof "39, 43, and 44I".

(2) Paragraph (2) of section 55(f) of such Code (defining regular tax) is amended by striking out "and 43" and inserting in lieu thereof "43, and 44I".

(c) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44H the following new item:

"Sec. 44I. Real property taxes for individuals who rent their principal residences."

(d) The amendments made by this Act shall apply to rent paid or incurred after December 31, 1982, in taxable years ending after such date.●

FEDERAL ANTIAVIATION NOISE LAWS AND DELTA AIR LINES LEADERSHIP

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LEVITAS. Mr. Speaker, November 23, 1983 will mark an important day in the fight to reduce the impact of aviation noise. On this day, Delta Air Lines will complete the reengining program it undertook to come into compliance with federally mandated noise regulations. Furthermore, Delta Air Lines will become the first major airline to bring its entire fleet into conformity with these regulations—in advance of the regulatory timeframe, at a cost of $180 million. Underlining this effort has been Delta's concern for the communities and the public it serves. It is this leadership that deserves to be noted.

When the specific Federal antinoise legislation was passed, Delta began the complete engine retrofitting process of its noncomplying airplanes which included 36 DC-9's, and its fleet of 13 DC-8-61's.

The abatement of aviation noise is a top priority for this Member of Congress. I was a principal author of, and served as a member of the conference on, the Aviation Safety and Noise Abatement Act of 1979. We worked to develop specific guidelines, and dates were set for the airlines to follow, so that the industry and the public would understand what and when to expect significant reduction in aviation noise. At that time, the airlines were put on notice that there would be no alterations to this schedule. While there have been those who have tried to make changes in this timetable, the Congress has firmly held to its promise to reduce aviation noise. This steadfast adherence to its promise has given airport operators throughout the United States the ability to work more cooperatively with the surrounding communities to address the local concerns pertaining to aviation noise.

When the full effect of this Federal law comes into being, the noise problems that people living near airports face will be significantly reduced.

I am well aware of the problem many of my constituents face from aviation noise. For that reason I have constantly worked with local officials, as well as FAA and the airport operators concerning further efforts to reduce noise at Hartsfield and Dekalb-Peachtree Airports. Studies are presently going on which could lead to the development of other plans to alleviate aviation noise.

Additionally I have ardently supported and fought for the authorizations of Federal funds in the airport improvement program which are made available to airports, such as Atlanta Hartsfield International Airport, to purchase property in areas surrounding the airport in order to further reduce the noise impact on the local community.

I think it noteworthy to say that the effects of Delta's reengining program of its DC-8-61's will reduce the noise impacted area by 90 percent, from 45 square miles to only 4 square miles.

Delta's leadership in moving quickly to support and comply with Federal noise regulations should be used as a model of cooperative interaction between the Federal Government, local communities and industry. For this Delta Air Lines should be congratulated for the speed in which it fulfilled its corporate responsibilities in reducing a problem that affects us all—aviation noise.●

A JOB WELL DONE

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LEWIS of Florida. Mr. Speaker, Kenneth M. Duberstein, the capable Assistant to the President for Legislative Affairs for the past 3 years, was one of the first persons to go out of his way to welcome me to Washington a year ago when I came to Washington to begin my first term in the House of Representatives.

Throughout the year, he always made himself accessible when I needed his expert advice or assistance. He was always able to help.

Mr. Duberstein has served his country and President well. He was a competent, dedicated and energetic member of the administration's team.

I regret Mr. Duberstein has decided to resign. The President's loss is the private sector's gain.●

LEAGUE MIDDLE SCHOOL: A SHINING EXAMPLE

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. CAMPBELL. Mr. Speaker, it is with great pleasure that I rise today to congratulate League Middle School of Greenville, S.C., for being named a national model school.

Last week, Presidential Assistant Lee Verstandig presented the school with the President's Excellence in Education Award. League was the only middle school in South Carolina to receive such a distinction, and only 1 of 3 schools in the whole State and 152 in the entire Nation. This is really a remarkable accomplishment, especially when you consider that a total of 150,000 schools were in contention for the award.

However, when you look at the record, the impressive performance of League Middle School, their recognition comes as no surprise. During the first school quarter, 160 students, which is 26 percent of the student body, made the honor roll, and 302 of the 610 students had a perfect attendance record. In the 1982-83 school year, 18 percent of the students made the honor roll each quarter, and the school had an average daily attendance of 95.3 percent. Further, League was selected in 1982 as the first middle school in the State to be designated "Palmetto's Finest," Mrs. Fanya Paouris was named Greenville County and South Carolina Teacher of the Year for 1983-84, and teachers Mary Tatham and Maxie Preshia were selected Young Educators of the Year in 1982-83 by the Wade Hampton Jaycees and Greenville Jaycees respectively.

In light of recent reports of a decline in U.S. educational standards, it is most refreshing to hear some of the comments made by those attending the ceremony honoring League Middle School. White House aide Verstandig, as he presented the award, noted, "You represent what is right about our education system. You at this school are the Nation's best." School board member Bob Dillion said, "Problems don't survive long at League Middle School. The dedicated faculty and staff simply will not let our children go without a good education." I second these opinions. League Middle School is a shining example of what any school can become when the winning combination of dedicated faculty, motivated students and a caring community come together. I would especially like to reocgnize State Representative Tom Marchant for his hard work in insuring that League Middle School would receive a recognition ceremony worthy of their great honor. It was a job well done.

Mr. Speaker, I am both pleased and proud to be the Congressman from a district that has demonstrated such a strong commitment to excellence in education, and I commend everyone involved on their efforts.

A TRIBUTE TO AARON COPLAND

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. GREEN. Mr. Speaker, as we approach winter and its short, cold days, it is difficult not to reflect upon our recent Appalachian spring. In 1944 Mr. Aaron Copland put Hart Crane's poem "Appalachian Spring" to music. The following year it received the Pulitzer Prize for Music and Music Critics Circle of New York Award for outstanding theatrical work of the season. This fine piece was only one of many musical masterpieces composed by Mr. Copland.

On last November 14, Mr. Copland celebrated his 83d birthday. A week from next Monday, November 28, 1983, the American Chamber Orchestra will present a concert at Carnegie Hall, in New York City, to honor this brilliant and original composer. It is evident from 20th century music that few U.S. composers were not influenced in some way by Aaron Copland's music. However, his contributions to society go further than as a conductor and narrator. He is a distinguished lecturer and author and has received honorary degrees from 13 universities throughout the United States since 1956. In November 1981, Queens College of the City University of New York renamed its music department the Aaron Copland School of Music.

Americans have been a prime force in 20th century classical music but perhaps none more notably than Aaron Copland. I should like to ask my colleagues to join me in deep and continued appreciation to the "Dean of American Composers" and express our best wishes to him.●

WESTSIDE SCHOOLS PLAN AHEAD FOR QUALITY

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DAUB. Mr. Speaker, a number of recent reports have painted a gloomy picture of America's educational system. These reports decry the movement away from the basics of education and the problems of diffused curriculums. This attitude was

reflected in the report issued by the Carnegie Foundation for Advancement of Teaching, in reference to the recent surge of computer education programs. The report concluded, "Virtually every piece of hardware introduced into the schools in the past three decades has been oversold, misused and eventually discarded." In light of this dismal report I have a "Success Story" to share. The Westside Community schools in Omaha not only continue to rank among the best schools in the State of Nebraska, boasting some of the top scholars in the Nation, but also are now implementing a well designed, comprehensive computer education program.

The computer education plan in the Westside schools is not a "quick fix" approach to improving education and updating the classroom. This program is a result of detailed planning and goal setting by a number of experts. It provides an educational program that is meticulously outlined for the next 3 school years and is designed to teach students beginning in kindergarten. This computer education program provides fundamental instruction in the elementary schools and continues to offer courses with increasing difficulty in junior high and middle schools followed by advanced programing instruction in high school.

Westside has had the foresight to describe a detailed curriculum for each level of instruction and the commitment required by the staff in terms of classroom time and inservice training. The program emphasizes various instructional strategies providing different levels of computer literacy to meet the individual interests of every student.

The Westside Community school system is not following a trend to improve education by throwing thousands of dollars at modern yet unworkable programs. This school system offers a program with well defined goals followed by steps to achieve successful results. The Westside Community schools are offering a computer education plan that continues to challenge students and succeeds in improving the education that is necessary to prepare our young people for the advanced society in which they live.●

TRIBUTE TO KEN DUBERSTEIN

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. HORTON. Mr. Speaker, I want to take this opportunity to extend my very best wishes to Ken Duberstein as he embarks on a new career path in the private sector with the firm, Timmons & Co., Inc. Ken has compiled an outstanding record of service to this administration and to the Federal Government generally. I wish him well.

I came to know Ken best during his tenure as Director of Congressional and Intergovernmental Affairs at the General Services Administration. My work as ranking minority member of the Government Operations Committee resulted in a close professional relationship when Ken served in this position. I came to admire Ken's ability to get the job done in an efficient and expeditious manner. He has always displayed an organized mind and an understanding of Congress, as well as the particular needs of Members, that can be matched by few.

As President Reagan's chief congressional adviser, I found Ken always accessible and responsive; his shoes will be hard to fill. Ken, my hat goes off to you for the outstanding work you did for the President, for the Congress and for me; I know our paths will cross in the future.●

THE PRICE TO BE PAID

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MARKEY. Mr. Speaker, Wayne Smith, who formerly headed the U.S. Interests Section in Havana, has written a thoughful and incisive article on the invasion of Grenada.

Mr. Smith is one of our Nation's most distinguished career diplomats. He has spent the great part of his life in the foreign service of his country, and has served as the closest thing this Nation has had to an Ambassador to Cuba in the last two decades. My colleagues would do well to consider Mr. Smith's insights. He knows what he is talking about.

I am inserting the text of Mr. Smith's article on the invasion of Grenada in the RECORD.

[From the Baltimore Sun, Nov. 11, 1983]

THE PRICE TO BE PAID

(By Wayne Smith)

No matter how you analyze it, the invasion of Grenada was not a fine hour for the United States.

There is no question of wasting tears over General Hudson Austin or the rest of the deposed military council; they were an unsavory lot who had risen to power only by murdering Prime Minister Maurice Bishop. Grenada is doubtless better off without them.

But the United States, unlike the Soviet Union, has never accepted the thesis that the end justifies the means. Quite the contrary, if the United States is to be true to its heritage and to be the hope of the Free World, it must remain committed to a rule of law.

As Prime Minister Margaret Thatcher of Britain pointed out, the Western democracies do not march in and change the governments of other countries just because those governments are bad. To do so would be to establish our own Brezhnev Doctrine.

It is true we live in a cruel world and to defend ourselves we must do things occasionally not altogether consistent with rule of law. But before the United States willfully violates international norms and conventions, it should have some absolutely compelling reason for doing so. There is not the slightest doubt that the invasion of Grenada violated those norms. There was no juridical basis for what we did. The question we must ask ourselves, therefore, is whether or not there was some compelling reason to invade. Was it so necessary that we were justified in setting aside international law?

A brief review of our announced motives suggests that the answer to that question is almost certainly no.

President Reagan at first said he had ordered the invasion to save the lives of the American citizens on the island. But it subsequently became clear that they had not been harmed or threatened; their lives were in no immediate danger. The situation was unsettled and the conduct of the new military council hardly inspired confidence. There may have been a potential danger to U.S. citizens, but, if so, they could have been evacuated. That is the normal procedure. But the administration was spoiling for a fight and used the presence of our citizens as a pretext. Thus, no serious effort was made to evacuate them.

The president also claimed that Grenada constituted a threat to the other Eastern Caribbean states and that their governments had asked us to intervene. It now appears, however, that we stimulated that invitation. And as to the threat, despite its enlarged army and the thousands of small arms stockpiled on the island, Grenada had no means of threatening its neighbors—at least not in any immediate sense. It had no navy, no air force, no amphibious or airlift capabilities. And anyway, the United States certainly could have assured the security of the other states simply by interposing a U.S. fleet. It was not necessary to land Marines.

President Reagan also asserted that Cuba had been on the verge of turning Grenada into a massive forward outpost for the spread of terrorism. The United States, according to the president, got there in the nick of time. (One could almost hear cavalry bugles as he spoke.)

But none of this was based on much more than the president's own mindset and need to justify his actions. Nothing in the captured documents just breathlessly released by the administration bears out any such conclusion, nor do the captured rifles and machine guns. For years, the Grenadian government under Maurice Bishop had been warning that the United States planned to invade Grenada. It had asked Cuba and the Soviet Union for arms with which to defend itself. And since the plan had been to create a people's militia, modeled after the 500,000-strong force in Cuba, thousands of weapons were involved. There was nothing in the military agreements with Cuba and the Soviet Union to suggest that Grenada was to be provided with amphibious or airlift capability. And if the rifles and machine guns were intended for terrorists on other islands, who was to have worn the 12,000 uniforms called for under the agreements? Terrorists do not usually wear uniforms; militia units do.

No. The evidence would indicate the military build-up on Grenada was essentially defensive in character. Until the morning of

October 25, one might have thought it also reflected a certain paranoia on the part of the Grenadian government. As the Marines came ashore, however, Maurice Bishop's fears were seen not to have been groundless after all.

As for the airfield, most specialists in matters of tourism disagree with the Reagan administration. They say Grenada does need such an airport if it is really to expand tourism to its full potential. A British company was participating in the airport's construction and had seen nothing sinister. The airfield was something the United States should have kept under careful surveillance, but it was certainly nothing to have lost sleep over. Had it ever been put to any military use which threatened us or anyone else, we could have taken it out with one bombing run.

More disturbing than the invasion itself was the way it was carried out and the attitudes it reflected. Even if for the sake of argument one accepted that there was justification for the invasion, there was clearly no imminent danger. There was ample time to consult with our allies. Yet, this was not done. The confidence of our allies was shaken and the NATO alliance—more important than a thousand Grenadas—was needlessly damaged. Nor did being isolated and condemned in the United Nations bother the president. To the devil with the rest of the world!

And was it really necessary to virtually ignore the War Powers Act? Should not Congress have been properly consulted before American troops were sent into combat? Apparently the president didn't think so. Nor did he think the American people needed to be informed. Newsmen were denied access to the island long after there was any rational need to do so. Why? What was there to hide? As it turned out military briefers, along with White House and State Department spokesmen, gave conflicting, inaccurate and often grossly exaggerated statements. "Thousands of Cuban troops" turned out to be fewer than 200. First there was a mass grave, then there was not. And we will probably never be sure how many Grenadians were actually killed. Was it necessary to misrepresent the facts to the American people?

And as for diplomacy, the Reagan administration still does not know what the word means. For almost two years, the Bishop government had been practically begging to begin a negotiating process with the United States. The administration was not interested. This reflects a now well-established pattern. Whether it be in Central America, the Middle East, or in Grenada, the administration either rejects diplomatic openings or grossly bungles them. It then ends up in a confrontational situation from which there are no easy exits. Landing Marines worked in Grenada, a tiny island defended by a company or so of Cubans and a few demoralized Grenadian soldiers. It will not work in Lebanon. It will not work in Central America. Yet, that is most definitely the direction in which we are heading—toward options which may blow up in our faces.

The invasion did produce some positive results. Grenadians will now be able to elect the first democratic government in their short history. A case could be made, too, that the invasion could have a healthy demonstration effect. The Soviets and Cubans may only have been helping Grenada to prepare its defenses, but the military buildup had had an unsettling effect in the Eastern Caribbean and verged on being adventuresome. Tensions may now be reduced, and perhaps Moscow and Havana will be more cautious in the future—if also more resentful.

Whatever gains there may have been, however, were more than offset by the loss of confidence among our allies and the damage generally to our reputation abroad. The American people do not yet realize just how deeply this action has undermined our positions in the world. The price for Grenada has yet to be paid.●

PATENT REFORM BILLS INTRODUCED

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. KASTENMEIER. Mr. Speaker, today I am introducing a series of bills aimed at reforming our Nation's patent laws. I wish to take this opportunity to briefly review the nature of the bills and express my intentions about how these legislative proposals will be evaluated.

The Subcommittee on Courts, Civil Liberties and the Administration of Justice of the Committee on the Judiciary, which I chair, has long had direct legislative and oversight responsibilities for the American patent system. Part of the subcommittee's job is to secure for the owners of intellectual property, including patent holders, a workable, efficient and vigorous set of laws to protect their creations. It is only through implementation of the constitutional mandate of encouraging the sciences and the useful arts that we will be able to spur the inventive spirit that has made our country a world leader. Indeed, our ability to foster innovation is a central element to our national security for without technological and scientific developments we could not maintain our current standard of living or hope for the diminution of unemployment caused by foreign competition.

The bills I have introduced are likely to be seen by most observers as mundane or technical in nature. Each of the bills addresses a specific, narrow concern in the patent law. However, without enactment of these bills and other housekeeping oriented measures (such as H.R. 2610, relating to alternative forms of patent protection) the patent system will not be responsive to the challenges of a changing world.

Before describing in greater detail each of the measures discussed above, I wish to make clear that these bills should not be seen as representing a final legislative work product. Rather, these bills were originally suggested by an ad hoc committee of patent law experts. These individuals (Rudolph J. Anderson, Robert B. Benson, Donald W. Banner, Homer O. Blair, Harry F. Manbeck, John E. Maurer, Pauline Newman, Donald J. Quigg, Richard C. Witte, Arthur R. Whale) worked long and hard to refine these proposals. The subcommittee is indebted to these individuals for their work in the public interest. Within the patent community there has been only a minimal amount of controversy about most of these measures. I fully expect, however, that some of these ideas will generate further interest as a result of the hearing process. Thus, in addition to describing the bills, I will endeavor to point out potential concerns which may arise during our consideration of these matters. Persons or organizations who wish to comment on these bills should contact the Subcommittee on Courts, Civil Liberties, and the Administration of Justice, 2137-B Rayburn House Office Building, Washington, D.C. 20515 (phone 225-3926).

The first bill, H.R. 4524, slightly modifies the rules applicable to foreign patent filings. Under current law cumbersome procedures require that each and every "illustration, exemplification, comparison or explanation" filed in a foreign country must be licensed, even though the original foreign filing was also licensed. This bill eliminates that dual licensing requirement. In addition, the bill eliminates the overly severe criminal sanctions for inadvertent filing of a foreign patent application without the requisite U.S. license. Thus, the only instances in which there would be a criminal penalty for nonfiling would be where the patent application had been the subject of a patent secrecy order, or if the failure to obtain a license was due to a deliberate intent to deceive.

The second bill, H.R. 4525, provides that unpublished information known to the inventor does not constitute prior art in the field of the invention, and therefore cannot serve to defeat the patentability of that invention. The provisions of this bill are only a first attempt at resolving this issue. This provision has the net effect of overruling In re Bass, 474 F.2d 1276 (C.C.P.A. 1973) and its progeny. This amendment, or a substantially similar bill, will be of material benefit to university and corporate research laboratories where the free exchange of ideas and concepts may have been hampered by the current state of the law with respect to what constitutes "prior art." See generally Shurn, "Is the Invention of Another Available as Prior Art? In re Bass to In re Clemens and Beyond," 63 Journal of the Patent Office Society 516 (1981); see also Waltersheid, "The Ever Evolving Meaning of Prior Art," Parts I-IV, 64 Journal of the Patent Office Society 457, 571, 632 (1982), 65 Journal of the Patent Office Society 3 (1983).

A third bill, H.R. 4526 contains two parts. First, the bill would bring the

U.S. patent law into line with those of most of our major trading partners by providing for international protection of process patents. Second, the bill provides that a product patent's protection cannot be avoided through the manufacture of component parts within the United States for assembly outside the United States.

This bill takes an approach which is not new to Federal law. Under 19 U.S.C. 1337(a) an aggrieved party can claim that goods are being imported into the United States which have been produced using a process protected by a U.S. patent. While the Tariff Act does provide some protection against this practice the potential remedies are clearly insufficent. A Tariff Act case is almost by definition extremely complex and expensive. Moreover, such a case turns not on questions of patent law, rather whether the importation is unfair. Finally, and most importantly, the remedy in such an action is insufficient. The only remedies in a proceeding under 19 U.S.C. 1337(a) are a cease and desist order and an order of exclusion. Thus, unlike a patent infringement case, under current law in a Tariff Act case, there is no damage remedy available to a person who holds a valid U.S. process patent when a product made by that process outside the United States is imported into this country.

I should note that this subject has also been addressed in earlier legislation by the ranking member of my subcommittee, Mr. MOORHEAD. See, e.g., H.R. 3577 and H.R. 4288. The earlier bills suggest two features which are not present in my bill; a presumption that an infringement has occurred if there is proof that it is substantially likely that the product was produced by the protected process patent, and reasonable discovery efforts have been exhausted. The net effect of the presumption is to shift the burden of proof to establish innocence to the alleged infringer if the two conditions precedent are met.

While I am sympathetic with problems which are likely to occur in such cases involving discovery in foreign countries, I am not yet convinced about the need for such a presumption. It is arguable, for example, that an innocent purchaser of gasoline (or other fungible product) would be placed in the difficult situation of having to establish that the product was not produced using a process subject to patent protection. In my view it will be possible to establish infringement in these cases without such a legislative presumption. Such a showing could be made by establishing that there are no other economically viable processes—other than the patented process—which could have produced the product at the same cost as it was made available in the U.S. market. Alternatively persons alleging infringement of a U.S. process patent could establish infringement through the identification of side effects in the product which occur only as a result of the use of the patented process.

My final concern about the presumption provisions found in the other bills is whether they will produce more, rather than less, litigation. It is possible that infringement cases will become more protracted because the parties will argue about whether reasonable discovery efforts have been exhausted than on the merits.

I hope that the hearing process will address both the merits of this proposal and these other procedural problems.[1]

The second part of this bill provides greater protection for U.S. patent holders when copiers produce all of the parts of a patented product in the country but who move offshore for final assembly before export. This proposal responds to a suggestion made by the Supreme Court in *Deepsouth Packing Co.* v. *The Laitrum Corp.*, 406 U.S. 518 (1972) for a legislative solution to this issue.

A fourth bill, H.R. 4527 provides that two or more inventors may obtain a patent jointly even though each inventor has not contributed to each and every "claim" found in the patent application. This technical amendment should be of benefit to universities and corporations which rely on team research. One question which has arisen about this bill is whether it is necessary in light of current case law which may make sufficient allowance for correction of misjoinder of an inventor. Another question is whether this amendment is consistent with the policy enunciated by section 102(f) of title 35 (relating to a requirement that patents issue to persons who have made an inventive contribution). Hopefully, the hearing process will answer these questions.

H.R. 4528, a fifth proposal, authorizes parties involved in patent interferences to arbitrate such disputes. This change parallels a provision of Public Law 97-297 which authorizes arbitration with respect to questions of patentability. This bill requires that the parties provide notice of the arbitration award to the Commissioner of the Patent and Trademark Office. Finally, the bill provides that the arbitration award is not enforceable unless the Commissioner has been given the requisite notice. Nothing in this bill abrogates the final authority of the Commissioner of Patents to determine the validity of a patent application. The bill also makes a technical change in section 135 of title 35.

Sixth, H.R. 4529 creates a new section 295 relating to licensee estoppel. Since the Supreme Court decision in *Lear* v. *Adkins*, 395 U.S. 653 (1969), the law has been settled that a party with a license from a patent holder may challenge the validity of the patent and continue to use the license. As the Court reasoned in Lear, to hold otherwise may work to encourage the continued existence of dubious patents. The perpetration of the advantageous market situation afforded by patent protection should be balanced by a relatively open process to challenge patent validity.

In the years since Lear, however, some commentators have suggested that the pendulum has swung too far toward protecting the rights of licensees in patent validity suits. See McCarthy, "'Unmuzzling' the Patent Licensee: Chaos in the Wake of *Lear* v. *Adkins*," 45 Geo. Wash. L. Rev. 429 (1977). For example, some courts have permitted a licensee to challenge the validity of a patent by seeking a declaratory judgment, pay license royalties into an escrow account and still be able to use the patent license if the patent is found valid. See, e.g., *Precision Shooting Equipment Co.* v. *Allen*, 196 U.S.P.Q. 502 (E.D. Ill. 1977). This situation is unfair to patent holders because they are forced to remain cash starved during the pendency of the patent validity litigation. The imbalance caused by this approach is particularly acute for a patentee who was forced to license the product in the first place because of a leak of adequate capital to work or produce the invention.

The bill provides that a licensee is not estopped from denying the validity of a patent which is the subject of the license. The bill makes unenforceable, as a matter of Federal law, any contract or license agreement that attempts to estop the licensee from challenging the validity of the licensed patent. Subsection (b) of proposed section 295 provides that the licensee and licensor both have the option of unilaterally terminating the license after assertion in a judicial proceeding of the invalidity of the licensed patent. Finally, the bill provides that during the life of any license which is subject to a judicial action asserting the invalidity of the licensed patent that the obligation of the licensee to continue to make payments under the license continues.

This latter bill raises several questions. First, is this change necessary in light of recent case law of a similar

[1] The bill also requires that before an infringement action may be brought successfully under section 271(e) the alleged infringer must be on notice that the product was made by a process patented in the United States. This notice requirement was added at the suggestion of the American Patent Law Association. Two questions arise with respect to the notice requirement. First, will uncertainty about the meaning of the term "on notice" become a cause of unnecessary litigation? Second, is the notice requirement necessary in light of the provisions of 2-312 of the Uniform Commercial Code (relating to a warranty against infringement)?

nature. See *Telectronics Pty. Ltd.* v. *Cordis Corp.*, 217 U.S.P.Q. 1374 (D. Minn. 1972). On the other hand, it is possible to argue that the lack of uniform case law on these questions is sufficient reason to provide for a nationally applicable result balancing the competing interests. Second, since the effective date provisions of the bill have the net effect of changing the nature of the contractual arrangements between the parties by modifying the nature of available judicial remedies, it must be questioned whether this bill should be prospective only in effect. The third, and more fundamental question, is whether permitting termination of the license agreement by the licensor after a challenge to the validity of the licensed patent will be used punitively to prevent the assertion of patent invalidity. Hopefully, as stated above, such questions will be addressed more fully in the hearing process.●

DRUG ABUSE PREVENTION AND THE PHARMACIST

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. JONES of Oklahoma. Mr. Speaker, I bring to the attention of my colleagues an article written by Sidney Cohen, M.D., and Helen Gouin, RPh.D. Cohen is an internationally renowned physician and considered one of the foremost authorities on alcohol and drug abuse. Helen Gouin, a former independent retail pharmacist, established the National Drug Education Center at the University of Oklahoma, and subsequently became Director of the Army Alcohol and Drug Program and Technical Activities for the U.S. Army. Both authors have a great interest in community health education with regard to drug abuse. They have collaborated on this article, which is directed to pharmacists and was published in the magazine of the National Association of Retail Druggists.

If we are going to address the abuse of both legal and illegal drugs in this country, the whole community must become involved. This article gives some suggestions to pharmacists, who fill the prescription drugs and who are the victims of drug-related crimes, as to how they can be helpful within their own communities in working with others to solve this national problem. I hope you find it informative also.

The article follows:

[From the NARD Journal, July 1983]

YOUR ROLE IN DRUG ABUSE PREVENTION

(By Helen Dunn Govin, RPh. D.)

A recent Report to the Congress by the General Accounting Office [1] stated that "the abuse [and misuse] of prescription drugs—most of which are obtained at the retail level [2]—results in more injuries and deaths to Americans than all illegal drugs combined. Prescription drugs are also identified in drug-related deaths and emergency medical situations more often than all illegal drugs combined. During 1980, prescription drugs accounted for 15 of the 20 controlled drugs reported most often to the Federal Government by hospital emergency rooms."

The Report further states that "a comprehensive approach using law enforcement, regulation, education and professional peer pressure is the best hope for controlling these drugs. This approach requires commitment by medical and pharmaceutical association, State and local government, and the Federal Government."

NARD has engaged in numerous anti-drug abuse activities and campaigns. Many of our members are very involved with such problems in their communities.

The independent retail pharmacist is the most accessible health professional in the community and seventy percent of the nation's prescriptions are filled in approximately 30,000 community pharmacies represented by the National Association of Retail Druggists. NARD members are trusted guardians of family health all over the nation, often in neighborhoods that have been abandoned by other members of the health professions.

The independent pharmacist is an active, highly respected member of the community who constantly demonstrates care and concern for the families he or she serves. It is only natural then for parents and their children to turn to their family pharmacist for questions or advice about drug abuse as well as for information about prescription drugs.

As a family pharmacist with evergrowing demands on your time, you may wonder why you have a responsibility for combating drug abuse in the community. The only permanent solution to alcohol and drug abuse is prevention—and prevention is largely a matter of education.

Law enforcement agencies attack the problem through drug suppression measures aimed at interdicting the supply of illegal drugs and placing strong controls on dangerous drugs through regulations. Pharmacy and medical practice laws provide standards for ethical practice, prescribing and dispensing, and set severe penalties for health professionals who do not comply.

In spite of all these countermeasures, drug abuse continues to be a major killer and destroyer of health and well-being in the United States. Countless lives are lost or ruined every day as we face the fact that we have a greater incidence of drug abuse than any other country in the world. The abuse of prescription drugs is becoming epidemic and this aspect of the problem cannot be handled by law enforcement alone. Alcohol and drug abuse have become one of the major health problems in our society today.

GETTING INVOLVED

While, at first thought, we may appear to be overstating the problem, if you have not been actively involved in the war against drug abuse, you will soon find that you are searching for ways to express to the community just how insidious the problem really is. It is like viewing the top of an iceberg that is undermining the entire community, the entire family structure as well as life itself.

You will be amazed to find how few families have remained untouched, how much alcohol and drug abuse goes on behind closed doors—or be even more startled at the degree of drug abuse that adults engage in socially. Your own family may have suffered. In spite of the fact that pharmacists have traditionally had less incidence of drug abuse than any of the other health professions, there are increasing numbers of pharmacists joining the ranks of impaired professionals.

You will learn that illicit trafficking in drugs is big business and, therefore, controlled and profited by some individuals at the highest levels in our country, as well as internationally. We could provide food and medical supplies for a major area of the world with the billions of dollars' profit made directly or indirectly from alcohol and drug abuse.

Aside from our need to assume even more responsibility for providing wellness in the community, combating alcohol and drug abuse gives us the opportunity to exercise our training and skills to the maximum. With a little brushing up on the non-medical use of drugs, no other member of the community is better equipped to educate the public about the dangers of alcohol and drug abuse than the pharmacist.

Independent pharmacists have another personal reason for making every effort to prevent drug abuse. Ninety percent of pharmacy crimes are drug related. Criminals seeking drugs are often "under the influence" at the time a crime is committed and do not hesitate to kill. Between 1973 and 1981, there were 11,786 pharmacy robberies to obtain controlled substances. Between 1976 and 1981 pharmacy robberies increased by 113 percent, while robberies of all types increased by only one-third during the same timeframe. Fighting drug abuse in the community has become a matter of self-preservation for the family pharmacist.

BECOME INFORMED

We stated previously that pharmacists were best equipped to educate the public about drug abuse. There is probably one very significant exception—the street wise young people in today's society. Don't sell them short. Many of them have seen and tried it all. They can tell you more good and bad effects of drugs than any textbook you used in Pharmacy School.

Arm yourself with current facts that you can back up because you will encounter a great deal of misinformation as well. You may be hard pressed to respond to statements that "drugs are fun" or "man, you oughta try that high before you knock it!" So before you pick up the gauntlet and join the fight, here are a few points to remember:

Credibility is everything—be prepared, be accurate.

Don't make value judgments—you may not agree, but you also may be expressing a minority opinion today.

Plan your attack. Aim at community leaders and younger children and converge on the middle group.

Study the people in your community—as a family pharmacist you should know them well.

Try not to be surprised at anything. Some of the questions will be real shockers.

Learn to deal with denial. It is one of the most difficult aspects of alcohol and drug abuse to confront. Both abusers and their families or spouses will deny the problem.

Learn about community organization, and then use it.

Make yourself available to the community but don't spread yourself too thin. Train others to help you.

Try simple methods of getting the word out about drug abuse that takes into consideration the vast lack of knowledge most people have about themselves and their health habits.

Be very careful not to talk down or "preach" to children or adults. If you turn them off in the first five minutes, you'll never get them back. Make rational, obviously informed, and persuasive statements.

Above all, know that fighting drug abuse is as much a part of our profession as providing drugs for therapeutic use.

SOME PREVENTION ACTIVITIES FOR FAMILY PHARMACISTS

Provide free literature about alcohol and drug abuse in your store. Have it geared to all ages and target groups.

Provide lists of alcohol and drug treatment services available in your community.

Provide literature on the dangers of drinking alcohol when taking prescription drugs and OTC preparations. Stress incompatibilities when talking to your customers about their prescriptions.

Organize parent/family groups in your community to fight drug abuse (NARD can provide more information upon request).

Enlist civic groups to assist in providing healthy alternatives to drug abuse, such as better summer activities, a youth job program, etc.

Organize a group of pharmacists, physicians and nurses to form a community speakers bureau.

Let your customers know that you are available for advice.

Control sale of drug paraphernalia in the community. Be sure that careless or busy pharmacists or clerks make legal sales of syringes and needles, with appropriate records.

Aggressively pursue suspected prescription forgeries and irrational prescribing practices.

Exchange information on suspicious individuals and details of any thefts with other pharmacists and physicians in your community.

Form a drug abuse alert system.

Provide training to your employees about alcohol and drug abuse.

Above all, be innovative. Every community is different, and you know yours well. If you have questions, write to NARD.

By this time, we hope we have convinced you that we, as family pharmacists, are needed to expand our involvement in the health and welfare of the families and communities we serve. This series in the NARD journal will assist you in becoming personally informed as well as suggest ways to mobilize your community for the fight against alcohol and drug abuse.

As a service to our members, NARD is developing a speaker's kit, counter cards and several other items to assist you in alcohol and drug abuse prevention activities. These items and a workshop featuring Dr. Sidney Cohen will be available at the convention in September.

NATIONAL INSTITUTE ON DRUG ABUSE [1]

Drug/drug class	Age 12–17	Age 18–25	Older adults—age 26 and older
Marijuana/hashish	31	68	20
Nonmedical Rx [2, 3]	7	30	9
Cocaine	5	28	4
Hallucinogens	7	25	5
Heroin	1	4	1

[1] 1979 National Service—percent of major age groups that ever used each drug or drug class.
[2] NIDA defines "nonmedical Rx" as a drug class that includes the recreational or nonmedical use of stimulants, sedatives, tranquilizers, and/or analgesics that are legally obtainable only with a doctor's prescription.
[3] Incidence of non-medical use of prescription drugs is second only to use of marijuana/hashish.

NATIONAL INSTITUTE ON DRUG ABUSE [1]

Drug	Type	CSA schedule	Drug mentions reported by—Emergency rooms	Drug mentions reported by—Medical examiners
Diazepam	P	4	16,603	346
Heroin	I	1	8,487	885
Methaqualone	PT	2	5,958	137
Flurazepam	P	4	4,538	92
Marijuana	I	1	4,513	10
PCP	I	2	4,441	43
Cocaine	I	2	4,153	265
D-Propoxyphene	P	4	2,964	326
Phenobarbital	P	4	2,861	225
Amphetamine	PT	2	2,658	37
Chlordiazepoxide	P	4	2,602	48
Methadone	P	2	2,500	376
Secobarbital/Amobarbital	P	2	2,183	144
Acetaminophen w/codeine	P	3	1,980	5
Pentazocine	P	4	1,914	66
Etchlorvynol	P	4	1,834	103
Speed	PT	2	1,808	0
Clorazepate	P	4	1,719	5
Oxycodone	P	2	1,498	3
LSD	I	1	1,452	2
Total P and PT			53,620	1,913
Total I			23,046	1,205
Total			76,666	3,118

P—Prescription drug; normally found in the legitimate market.
PT—Prescription-type drug; significant origins outside legitimate domestic market.
I—Illegal drug.

[1] Drug abuse warning network (DAWN)—top 20 controlled drugs abused in calendar year 1980.
For the same year, the total number of mentions by emergency rooms was 95,502 and the total number of mentions by medical examiners was 4,747.

ABOUT THE AUTHORS

Helen Dunn Gouin has been an active member of NARD for many years. She holds Bachelor and Masters degrees in Pharmacy from the University of Oklahoma. Mrs. Gouin became interested in community health education, particularly in regard to drug abuse, as an independent retail pharmacy owner in the early 1960s. She established the National Drug Education Center at the University of Oklahoma under a contract from the National Institute for Mental Health in 1967 and remained its Director until 1972 when she was employed to develop and implement an alcohol and drug abuse program for Army civilian employees. She has subsequently become Director of the Army Alcohol and Drug Program and Technical Activity for the Army. The program serves all military and civilian personnel in the Army worldwide.

Mrs. Gouin has written and published articles about pharmacy practices as well as the field of alcohol and drug abuse. She served as Chairman of the NARD Task Force for Women in Pharmacy and currently serves as a member of the Membership Committee.

Dr. Sidney Cohen is considered one of the foremost authorities on alcohol and drug abuse in the world. He received a degree in Pharmacy from Columbia University in 1930 and a degree in medicine from the University of Bonn, West Germany. In 1979, Dr. Cohen received an honorary Doctor of Sciences degree from Columbia University. Although too young to practice pharmacy at the time he received his degree, Dr. Cohen has continued to utilize his knowledge of psychopharmacology in the practice of internal medicine and psychiatry.

At present he is a Clinical Professor of Psychiatry, Neuropsychiatric Institute, U.C.L.A. He has held the position of Director of the Division of Narcotic Addiction and Drug Abuse, National Institute of Mental Health, and has written over 250 articles and books on alcoholism and drug dependence. At the present, Dr. Cohen edits the Drug and Alcoholism Newsletter for the Vista Hill Foundation in San Diego and serves on the editorial board of seven medical journals. He was one of the early researchers with LSD and more recently involved in marijuana and alcohol research as well as other abused substances.●

SOUR MILK

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LEACH of Iowa. Mr. Speaker, one of the oldest stories describing the dilemmas faced by elected representatives is the response of a Congressman to a constituent querying him about where he stood on a particularly controversial bill. The Congressman replied that some of his friends were for the measure, some were opposed, and that he wanted everyone to know that he stood steadfastly with his friends.

This dairy bill could not more epitomize the fundamental dilemma faced by elected representatives. Not only are consumer and taxpayer interests at odds with agricultural concerns, but the agricultural community itself is divided. As the Representative of one of the most productive agricultural districts in America, I find myself in the uncomfortable position of having to choose between friends, to vote on a measure that would benefit one important part of Iowa's economy at the expense of another.

At issue is whether to curb the escalating cost of the dairy program, which this year alone will amount to approximately $2.7 billion, by paying farmers not to milk, or to limit taxpayer liabilities and diminish incentives for overproduction by reducing the Government support level.

By and large, the dairy industry supports an approach that will pay farmers $10 for each 100 pounds of milk not produced. Cattlemen, pork and poultry producers prefer a simple reduction in dairy price supports. What is good for the goose is not perceived to be good for the gander.

The dairy community, particularly the larger producers and the larger milk cooperatives, contend that dairy farmers deserve Federal financial incentives to get production back in line with demand. The National Cattlemen's Association, National Pork Producers Council, and National Broiler Council point out, on the other hand, that such financial incentives will cause so many dairy cows to be moved to market that nonsubsidized meat producers will be caught in a market downswing, costing them $1.3 billion to $2.7 billion in the first 6 months of the program alone. And, if the generosity of the program—involving an average direct payment of $1,200 to farmers for each cow sent to market—proves as enticing as some suspect, the Congress may, as in the PIK program, have badly underestimated farmer participation. If dairy farmers apply sharp pencils to their balance sheets and cause the number of cows sent to market to be double the original projections of 1 million to 1.5 million, the impact on pork and beef prices next spring could be calamitous.

The Wall Street Journal, in fact, recently reported that for months the dairy bill has been burdening the livestock futures market. Just the expectation that the Government will lucratively pay dairy farmers to cull cows has helped prolong the current market depression. Speculators have been apprehensive that a meat glut will develop, driving livestock prices substantially lower. Thus, the day after this bill first passed the House the Journal noted:

> The nervousness over the dairy legislation caused hog and pork-belly prices to drop sharply despite several fundamental factors that normally would have been bullish.

It is no wonder the agriculture community is fractured over the dairy bill. While dairy farmers are in a bind, so are the far more numerous livestock farmers. As Glen Keppy—a leading Iowa pork producer—told me last week, "Many young farmers simply cannot stand another $2 drop in livestock prices."

In a belated effort to ameliorate the concerns of livestock and poultry producers, the House added an amendment to the bill requiring the USDA to modify or suspend the program if meat prices fall by 10 percent or more during a 10-day period. The problem is that the market will be negatively affected even before the culling program begins. The 10-percent criterion was mischievously cosmetic. Incredulously, it would theoretically have allowed a 30-percent drop in livestock prices in a 30-day period without Government action. Fortunately, somewhat stronger provisions are now in the bill, although established at the cost of transferring even more unwanted authority to the executive, authority the USDA warns it may be incapable of prudently exercising. The upshot is that the dairy industry will in effect be placing a ceiling on livestock prices for the 15-month duration of the program.

In this regard, it should be stressed that Members who have suddenly recognized the scandal likely to unfold as large operators seek multimillion dollar payments as they cull their cows now indicate they want to limit the scope of the bill. The problem is that large operators faced with the possibility of a payment limit being enacted next spring will move hastily to cull their herds in January. Disorderly marketing of beef is not going to be a speculative New Year's possibility. It will be a certainty. Payments limitations should have been put on before the provisions of the bill become operative instead of in the wake of an eminently forseeable market disaster.

The dairy legislation can be expected to change the fabric of dairy farming. If the Government is trying to reduce the number of dairy farmers by 30 percent, the very generosity of the dairy bill could be the vehicle. For, if farmers can make more money by not milking a few cows, presumably some will figure out they can make even more by culling their entire herds. A $1,200 per-cow average Government payment—the price will fluctuate with the productivity of the cow—coupled with a $450 market price, will provide a tempting monetary incentive for many dairy farmers to shorten their working day. While farmers who were paid to set aside part of their land in the PIK program this past year will be eager to plant fence row to fence row next spring, there may be no similar enticement for dairy farmers to return to their profession. Once a herd is sold, there are all sorts of built-in obstacles, psychological and otherwise, for the smaller farmer to return to milking.

The most profound result of the dairy bill could be its culling of farmers as well as cows. The flip side of inducing, with lucrative payments, dairy farmers to quit milking, is to force livestock farmers through bankruptcy or substantial losses to quit feeding.

Not only does the dairy bill have the potential of leaving a rancid taste in the mouths of many farmers, it could sour the public at large. In a time of unprecedented deficits, cost considerations must be taken into account. While statistics presented to the Congress were at rather extraordinary variance, the administration argued persuasively that paying farmers not to milk would cost the Government an additional billion dollars over the next 4 years and consumers several billion more.

More importantly, the precedent established in paying farmers not to milk is one of risk-free capitalism. Passage of this bill implies that a cycle will be instituted in which a dairy farmer will be paid to produce even though insufficient customers exist for his milk and then paid to cull herds even when nonsubsidized competitors will be injured by his doing so. At the dawn of this era of genetic engineering which is so rapidly changing the face of agricultural America, the long-term cost of this precedent is incalculable.

Rather than rewarding the larger milk producers who have been primarily responsible for the glut in America's milk and cheese production, many of us would preferred a more market-oriented approach, one which relieves smaller dairy farmers, who have not overproduced, of the 50 cents per-hundredweight assessment imposed by this legislation.

Historically, surpluses have curbed by reducing price supports. To set a new precedent, to pay for not milking, jeopardizes taxpayer sympathy, not only for future dairy legislation, but for all agriculture programs. Family farmers become particularly vulnerable when Congress lacks even the discipline to impose a ceiling on Government checks to nonmilking farmers. For instance, under the dairy bill, larger dairy farmers benefit disproportionately. For every 1,000 cows a commercial dairy feed lot operator culls, the Government will give him a check for $1,200,000 on top of the approximately $450,000 he will receive from the marketplace. The public can reasonably be expected to conclude such payments border on the scandalous, especially when the overproduction cycle is likely to be repeated again 15 months from now as genetically superior heifers come of age.

Rarely has legislation been brought before the House which is so blatantly good for one segment of an industry and so blatantly bad for another.

In a legislative body based on population apportionment it is difficult to insure that the concerns of a diminishing farm population are adequately represented. Representatives from agricultural districts must be given reason to hang together, or different segments of the farm community will surely hang separately. Robbing Peter to pay Paul, when both are brothers in agricultural production, is a prescription for legislative weakness, if not retribution. This inequitable bill should be vetoed.●

ALFONSIN GOVERNMENT FACES UNTIMELY CERTIFICATION

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. GEJDENSON. Mr. Speaker, in light of the recent elections in Argentina, I think it is important that the House turn its attention to U.S. policy with respect to that country. I would, therefore, like to submit the following piece on Argentina, written by the staff editor at the Council on Hemispheric Affairs, James M. Anderson:

ALFONSIN GOVERNMENT FACES UNTIMELY CERTIFICATION

(By James M. Anderson, COHA staff editor)

In defiance of a congressional ban on resuming U.S. military sales and credits to Argentina until "significant improvement" in human rights is achieved, the Reagan administration has signalled its intent to certify the lame-duck military junta as worthy of the aid—very possibly before the democratically-elected civilian government of Raul Alfonsin takes office next month.

Not only does the move threaten to thwart the president-elect's avowed intent to reestablish civilian control over the discredited military, but it also would violate existing congressional requirements that progress be made in accounting for the fate of the 15,000 to 20,000 disappeared Argentine citizens at the hands of the military during its so-called "Dirty War" against subversion. A number of congressmen have already promised to vote to nullify any such certification by President Reagan if it is attempted within at least six months.

In testimony Oct. 21 before the House Foreign Affairs Subcommittee on Human Rights, Assistant Secretary of State for Human Rights and Humanitarian Affairs Elliot Abrams confirmed that the administration is ready to certify that the Argentine military junta has fulfilled the requirements of the congressional legislation, including the release or bringing to justice of those held under the junta's National Executive Power (PEN). Although the PEN was revoked by the junta at midnight on Oct. 30, the day of the elections, the military still has not complied with the Congress' provisions relating to the disappeared.

In 1977, Sens. Edward D. Kennedy (D-Mass.) and Hubert Humphrey co-authored Section 620(B) as an amendment to the Foreign Assistance Act of 1961, prohibiting security assistance to Argentina on human rights grounds, which was enacted by Congress. In October 1981, the Senate, under heavy administration lobbying pressures, repealed the congressional ban and inserted in its place Section 708 of the Foreign Assistance Act. The new legislation stipulated that the president may resume military sales to Argentina only with a certification of human rights progress to the Speaker of the House and the Senate Foreign Relations Committee chairman, and mandated that "the President shall consider (1) efforts by the Government of Argentina to provide information of citizens identified as "disappeared"; (2) efforts by the Government of Argentina to release or bring to justice those prisoners held at the disposition of the national executive power (PEN)."

Inquiry into the fate of the disappeared has been made more difficult since the military government, under the guise of "national reconciliation," promulgated a self-amnesty law last September. The self-amnesty rendered those security force personnel implicated in the repression immune from prosecution. To date, the Reagan administration has remained silent on the decree.

The White House has prepared itself for Argentine civilian rule by appointing the controversial former ambassador to Guatemala and current envoy to Peru, Frank V. Ortiz, to the Buenos Aires post. Ortiz's renowned disinterest in human rights, and his closeness to the military high command in Guatemala City, alienated human rights advocates at Foggy Bottom, and eventually led to his removal from the post in June 1980. Already viewed as too cozy with the Romeo Lucas Garcia regime, Ortiz's fatal flaw came when the ambassador approved a U.S. Navy request—without consulting Washington—for the U.S.S. Manley, a navy destroyer, to pay a port visit in March of that year, just as the Carter administration was freezing its relations with Guatemala because of human rights abuses.

The election of Radical Party leader Alfonsin promises Argentines their best hope for national redress for the atrocities commited by the military. An outspoken human rights activist and co-founder of the Argentine Permanent Assembly for Human Rights, Alfonsin has condemned the military's self-amnesty, vowed to bring to justice those responsible for the crimes of the Dirty War, and promised to help the families of the disappeared prosecute their cases. Ortiz's nomination to Buenos Aires, however, could turn out to be a signal to the president-elect that he won't be able to count on noticeable moral support for his endeavor from the U.S. Embassy.●

EXPORT ADMINISTRATION ACT

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. ROTH. Mr. Speaker, this absolutely vital legislation EAA would be extended until February 28, 1984. At the same time, the House corrected an unconstitutional legislative veto regarding the export of Alaskan oil. This was an important action by the House, but it did not go far enough. The Export Administration Act should have been extended for a longer period in order to allow for thoughtful consideration of the legislation in the other body and the complex and difficult conference which will surely follow.

On several other occasions the House acted to extend the Export Administration Act, which expired on September 30, for brief periods. These proved insufficient and the result was the President being forced to declare a state of national emergency in order to have the authority to control exports.

The President's Executive order declaring the emergency under the provisions of the International Economic Emergency Powers Act (IEEPA) was warranted by the dangers created by the expiration of the Export Administration Act. With the expiration of this legislation there would be no legal prohibition against the export of U.S. goods and technologies to the Soviet Union and other potential adversaries.

Mr. Speaker, the IEEPA and the National Emergency statute were enacted by Congress as a comprehensive reform to the Trading With the Enemy Act, known as TWEA. This legislation was enacted in wartime at the turn of this century and gave the President very broad emergency powers which effected the domestic, as well as, the international economic relations of the United States. Congress sought to limit the use of the Trading with the Enemy Act to wartime circumstances. At the same time, the National Emergency law and IEEPA were enacted to give the President emergency powers in nonwartime situations.

At the time Congress enacted IEEPA, the legislative history takes note of the fact that an emergency situation would arise with the expiration of the Export Administration Act. In fact, the Trading with the Enemy Act was once invoked in order to permit the continuation of export controls until Congress reauthorized the statute.

It is my genuine hope that the various parties involved in the reauthorization of the Export Administration Act will work, following the beginning of the next session, to resolve their differences in a way which will protect this country's national security and encourage exports which are so vitally important to our economic security.●

CRYONIC SUSPENSION: A PROSPECT FOR IMMORTALITY

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SCHEUER. Mr. Speaker, we are poised on the frontier of phenomenal breakthroughs in many areas of medical science. One of the most promising of these areas of research is induced hypothermia—similar to suspended animation. Recently, physicians at Johns Hopkins University utilized this technique to stop the heartbeat and lower the body temperature of a cancer patient undergoing surgery. The unqualified success of this operation signals new and important advances which may have a substantial impact on the future of medicine and the law that will govern that new future. The noted legal scholar, Prof. George P. Smith, of Catholic University Law School, has provided some preceptive insights into the technological

advantages of Cryonics and how it will affect our legal structure.

For the interest of my colleagues, I am inserting Professor Smith's analysis:

CRYONIC SUSPENSION: A PROSPECT FOR IMMORTALITY

(By George P. Smith, II, professor of law, Catholic University Law School)

By* lowering the body temperature of a cancer patient 32 degrees from the usual 98.6 degrees for 41 minutes—stopping his heartbeat and inducing a state of hypothermia approximating suspended animation while performing surgery to remove a kidney growth which had spread through the vena cava into his heart—a group of physicians unwittingly advanced the possibility of at some time in the future allowing medical science of achieving a total body suspension in order to combat physical degeneration caused by such occurrences as cancer, heart disease, etc.[1]

Popular interest in cryonic suspension, or "deep-freeze" burial, was highlighted recently in a news story which reported a jury award of $928,594.00 in damages for breach of contract and fraud against a cryotorium—or place where the suspension of the cryon is conducted—for its failure to provide continuous suspension of two "dead" individuals. The cryons were thawed and their family maintained this legal action.[2]

The NBC television network, in a segment of its program, "Prime Time Saturday," broadcast on March 15, 1980, reported on the state of the art of cryonic suspension and found that approximately one hundred persons had contracted to be frozen upon death, for an initial cost of $12,000.00 and a current charge of $2,000.00 a year for maintenance thereafter. Another figure sets the costs of suspension at $60,000.00.[3] In 1976, some twenty-four bodies, or cryons, were then in suspension.[4]

CRYOBIOLOGY AND ITS PROGENY

Working with low temperature experiments in the 1950's, biologists designed the term, "cryobiology," in order to describe those investigations which were conducted well below normal body temperatures.[5] Cryogenics, then, refers broadly to the technology of low temperature experiments, while cryonics pertains to all disciplines and programs centered on human cold storage.[6]

A survey of the literature of cryobiology is replete with successes in the freeze-preservation of viable cell suspensions, blood serum and micro-organisms, semen and nonviable tissues used for transplantation, cryosurgery, advanced research into the freeze-preservation of large mammalian organs and the plethora of other exciting uses.[7] Although the experimentation and successes in transplanting human organs proceeds with definite success,[8] a total cryonic suspension of an entire human body and its revival has yet to be achieved.[9]

CHALLENGES TO LAW AND MEDICINE

The major concern of both law and of medicine in meeting the challenges presented by the developing use and eventual perfection of cryonic suspension is to organize itself in such a manner as to perform as full partners in this area where dynamic decisionmaking is demanded. Law must not be merely anticipatory to the challenges of the New Biology; rather, it must develop its basic postulates for action from, by, through and with medicine.[10]

*Footnotes at end of article.

The pivotal issue or question concerning the use and administration of a cryonic suspension process is the extent to which a physician may be guilty of malpractice. More particularly, the immediate challenge here is the need to clarify the legal-medicine definition of death, and where necessary, validate a new concept of cryonic suspension thus avoiding criminal liability for murder, and by such actions thereby modify the laws of inheritance.

THE PHENOMENON OF DEATH

Although attempts to draw sharp distinctions between the legal and medical definitions of death have been attempted by serious scholars,[11] the law generally treats the determination as one of fact—determined accordingly by the "ordinary standards of medical practice" in each community and guided by the customs and laws of each state.[12]

While not regarded as infallible, the standardized methods for determining death are: irreversible cessation of spontaneous circulation and/or respiration; absence of reflex in the eyes' pupil; absence of brain activity and absence of response to nerve stimulations.[13] As scientific advances continue, it may be expected that new criteria will be developed or a finer level of sophisticated application will be achieved in charting the occurrence of death. Owing to the rapid expansion of the technology of bio-medicine, it would be unwise for a statutory definition of death to be recognized which would structure criteria for diagnosing time of death. Regrettably, all too often the motivating forces behind the drive to evolve a uniform or statutory definition of death have been by many wishing to ensure a ready source for human transplantation.[14]

Meeting in Australia in 1968, the World Association put forth the argument against the use of a precise statutory definition of death by noting: "This definition (of the time of death) will be based on a clinical judgment supplemented if necessary by a number of diagnostic aids (of which the electroencephalograph is currently the most helpful). However, no single technical criterion is entirely satisfactory in the present state of medicine, nor can any one technologic procedure be substituted for the overall judgment of the physician." [15]

Interestingly, in 1981, The President's Commission for the Study of Ethical Problems in Medicine and Biomedical and Behavorial Research gave its unanimous approval, in drafting a Uniform Determination of Death Act, that death be redefined as an occurrence where: "(1) Irreversible cessation of circulatory and respiratory functions or (2) irreversible cessation of all functions of the entire brain; including the brain stem . . . A determination of death must be made in accordance with accepted medical standards.[16]

A NEW MEDICO-LEGAL DEFINITION

None of the current movement in clarifying the legal and medical concepts of death, is particularly heartening to either individuals presently in cryonic suspension or those anticipating its use. If one were "suspended" before death, the real issue becomes how should the law deal with this occurrence—especially from the standpoint of the disposition of a "decedent's" estate. A working definition of cryonic suspension would, thus, go far in easing potential difficulties in this field. Accordingly, cryonic suspension should be recognized and defined in law in medicine as that state where, under medical supervision, body temperature is lowered to such a degree that a condition of temporary cessation of vital processes is achieved.[17] Given this definition, the vexations Rules Against Perpetutities might not be a total bar to disposition of an estate.

LEGAL COMPLEXITIES IN ESTATE PLANNING

The Rule Against Perpetuities states that, "no interest is good unless it must vest, if at all, no later than twenty-one years after some life in being at the creation of the interest." [18] Its object as first formulated and applied is the same today: namely, to confine the vesting of contingent estates to a relatively short period after their creation.[19]

Since the cryonic suspension and revival process will probably extend over a number of generations, it would seem obvious that the Rule would be violated. Yet, an argument could be made that a cryon could remain in a state of cryonic suspension twenty-one years without being pronounced dead. At the conclusion of this period, a judicial determination whether a scientific breakthrough existed for a cure of the disease which befell the cryon had been made or was imminent. If one did in fact exist or was predictably in the process of being perfected, an additional period of time (e.g., five to ten year period) could be arguably allowed for the suspension to be continued and revivification completed. If contrariwise no such medical or scientific breakthrough had been achieved or was ascertainable in the immediate future, a final, legal determination of the cryon's "death" would be made and the estate settled.[20]

PREVENTING MURDER

In order to even encourage or allow physicians-scientists or lay persons to participate in the preparation of an individual for cryonic suspension before death, an exculpatory clause in the contract for suspension would have to be inserted which would have the effect of conferring an immunity from civil and criminal liability on the doctors, scientists and others for either failure to find a cure for the illness of those suspended during the period of suspension or for participating or supervising a surgical intervention (i.e., the initial suspension, itself) determined subsequently by a court to be life ending.

It would be wise, also, to have either a judicial recognition of the immunity from suit from a criminal prosecution for murder in connection with the acts of cryonic suspension undertaken by a physician on a living individual or, for that matter, a state statute which would admit as an absolute bar or total defense the acts undertaken to initiate the suspension.

Presently, to undergo a cryonic suspension, one must first be pronounced dead; and once such a pronouncement is made, in order to pay off a life insurance policy (since the policy is actually a death benefit), the insurance company needs a death certificate. If a legal and medical state of cryonic suspension were recognized, a suspension certificate might issue and the 1942 problems here of life insurance coverage would be resolved.[21] It is obvious that the proceeds from the policy would be used to meet the initial expenses associated with the suspension process and the maintenance of it over the years until revival.

In those cases where, after a determination of death is made, one seeks to have his or her remains cryonically preserved, the law should be less flexible than in the cases of the suspenion having been undertaken

before death. Indeed, to fail to recognize death as death would play havoc not only with the law of property and succession, but act to destabilize the very social and religious fabric of society.

A NEEDED PARTNERSHIP

Rather than wait until the reality of human cryonic suspension occurs in order to map a response strategy or actual mechanism, law and medicine should begin to anticipate and to plan now for this and the other rapid developments of the New Biology and of the brave, yet necessarily somewhat frightened new world which will come in its aftermath.[22] Only with a full and committed partnership between law and medicine can enduring progress—as opposed to unchartered chaos—be recorded as the benchmark of the 21st century.

FOOTNOTES

[1] Larry McShane, "Hopkins Saves a Life with New Technique," Washington Post, Oct. 12, 1983, at C1, col. 5.

[2] Time, June 22, 1981, at 71.

[3] Newsweek, July 7, 1980, at 8.

[4] Newsweek, August 16, 1976, at 11.

[5] Robert W. Prehoda, "Suspended Animation" (Philadelphia: Chilton Book Co., 1969), p. 9; Audrey U. Smith, ed., "Currrent Trends in Cryobiology." (New York: Plenum Brooks, 1970).

[6] Robert C. W. Ettinger, "Man Into Superman" (New York: St. Martin's Press, 1972), p. 251.

[7] F. M. Guttman, A Khalessi and G. Bendnikoff, "Whole Organ Preservation," Cryobiology, Vol. 6, (1970), pp. 339-346; Peter Mazur, "Cryuobiology, the Freezing of Biological Systems," Science, Vol. 168, (1970), pp. 939-949.

[8] Endre Nizsalovsky, "A Legal Approach to Organ Transplantation" (Budapest: Akademiai Kiado, 1974); Jesse Dukeminier, and David Sanders, "Organ Transplantation: A Proposal for Route Salvaging of Cadaver Organs," New England Journal of Medicine, Vol. 279, (1969), pp. 413-419.

[9] Basile J. Luyet, and Marie P. Gehenio: "Life and Death at Low Temperatures" (Normandy, Mo.: Biodynamics, 1940). The first cryonic suspension of a human took place, allegedly on January 12, 1967. See, Robert F. Nelson, "We Froze the First Man" (New York: Dell Pub. Co., 1968); Lucy Kavaler, "Freezing Point" (New York: John Day Co., 1970), p. 256.

[10] George P. Smith, "Manipulating the Genetic Code: Jurisprudential Conundrums," Georgetown University Law Review, Vol. 64, (1976), pp. 697-733; Warren E. Burger, "Reflections on Law and Experimental Medicine," in Ethical, Legal and Social Challenges to the Brave New World, p. 211 edited by George P. Smith, (Port Washington, New York: Associated Faculty Press, 1982).

[11] "Task Force on Death and Dying of the Institute of Society, Ethics and Life Sciences: Refinements in Criteria for Determination of Death," Journal of the American Medical Association, Vol. 221, (1972), pp. 48-53.

[12] Ibid.

[13] N.T. Jeddelah, "The Uniform Anatomical Gift Act and a Statutory Definition of Death," Transplantation Proceedings, Vol. 8, Supp. No. 1, (1976), pp. 245-249.

[14] John A. Robertson, "Organ Donations by Incompetents and The Substituted Judgment Doctrine," Columbia Law Review, Vol. 76, (1976), pp. 48-78; Jesse Dukeminier, "Supplying Organs for Transplantation," Michigan Law Review, Vol. 68, (1970), pp. 811-866.

[15] International Comments: "Declaration of Sydney," News Item, Journal of the American Medical Association, Vol. 206, (1968) pp. 657; Alexander M. Capron, and Leon Kass, "A Statutory Definition for Determining Human Death: An Appraisal and a Proposal," Vol. 121, (1972), pp. 87-118.

[16] "Minutes of the Eleventh Meeting of the President's Commission for the Study of Ethical Problems in Medical and Biomedical and Behavioral Research," Vol. 3, (July 9, 1983).

[17] Robert C.W. Ettinger, "The Prospect of Immortality" (New York: Doubleday, 1964), p. 3.

[18] John C. Gray, "The Rule Against Perpetuities" (Boston: Little Brown & Co., 1942), p. 1.

[19] Daniel M. Schuyler, "The New Biology and The Rule Against Perpetuities," University of California at Los Angeles Law Review, Vol. 15, (1968), pp. 420-435. See also, David Haber, "Cryonic Suspension—The Rule Against Perpetuities and Related Rules: The Proceedings of the First Annual Cryonics Conference," Unpublished Report, (1968), pp. 82 et seq.

[20] For a study of the detailed legal ramifications of cryonic suspension and The Rule Against Perpetuities, see George P. Smith, "Medical-Legal Aspects of Cryonics: Prospects for Immortality" (Port Washington, New York: Associated Faculty Press, 1983), Ch. 4

[21] See generally "Couch Cyclopedia of Insurance Law," edited by Ronald Anderson (New York: The Lawyers Co-operative, 1959).

[22] George P. Smith, II, "Genetics, Ethics and the Law" (Port Washington, New York: Associated Faculty Press, 1981), pp. 2, 10.●

TURKISH FEDERATED STATE OF CYPRUS

HON. LANE EVANS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. EVANS of Illinois. Mr. Speaker, the recent events in Cyprus have alarming implications for the security of that region as well as for international stability. The action of the Turkish Federated State of Cyprus in declaring itself to be an independent state on Cyprus is dangerous and threatens U.S. relations with the southern flank of NATO.

The population of Cyprus is 80 percent Greek speaking. The current Cypriot Government is internationally recognized by the global community. Over the past 9 years, the Cyprus Government has been faced with the difficult prospect of trying to maintain peace while combating armed resistance supported by the Turkish Army.

This latest action can only lead to further deterioration of peaceful initiatives in the Aegean region.

On November 17, I joined with a large majority of my colleagues in passing House Concurrent Resolution 220 which condemns this unilateral declaration and calls on the Turkish Government to withdraw its support for this declaration.

I believe that the United States must muster all of its moral force to prevent the breakup of the Cypriot nation. The Turkish Government which, by its encouragement and support for this blatant violation of international law, must bear a heavy burden for any disruption of the peace.

The citizens of each country must be allowed to determine their own future without outside intrusion. The Reagan administration must recognize the implications of is current policies in this region, must encourage a peaceful resolution of the conflicts in this important region and must support self-determination through democratic means for the people of Cyprus.●

INDUSTRIAL POLICY

HON. LARRY E. CRAIG

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. CRAIG. Mr. Speaker, recently, Mr. Robert Crandall, a senior fellow at the Brookings Institute, wrote a review of "The Next American Frontier" and "Industrial Renaissance." As we all know, the Brookings Institute is well known as a liberals haven. However, in this particular review by Mr. Crandall, we find out he does not accept the assertations of Mr. Reich, and in fact finds Mr. Reich's assumptions and conclusions to be mistaken completely. Contrary to Reich's contention, the industrial sector did not decline markedly from the mid-1960's to 1980. And since 1975, the United States has outperformed every major industrial nation except Japan. The industrial policies of foreign governments have not been the great success that Reich claims, but a dismal failure.

Crandall agrees rather with the conclusion drawn by William Abernathy, Kim Clar, Alan Kantrow in their study of the automobile industry: that international competition is essential to revive flagging industries. The problems of the American economy result from excessive wages, government subsidies and protection, and lack of competition, the conditions that a national industrial policy would proudly continue.

Along with my fellow colleagues, I do not support proposals to create a national industrial policy. We need an aggressive foreign economic policy that incorporates the strengths of the free market system. At this point, Mr. Speaker, I would like to insert into the RECORD Mr. Crandall's penetrating review of the two books.

CAN INDUSTRIAL POLICY WORK?

(By Robert W. Crandall)

Any traveler to the industrial belt between New York and Milwaukee can see that our manufacturing sector is in trouble, but how—he may ask—have we fallen so far and so fast? Two new books from different sides of the Charles River at Harvard give us very different answers and, correspondingly, different solutions to the problem.

Robert Reich of the John F. Kennedy School of Government argues in *The Next American Frontier* that the problem lies in the inability of industry to shift to new products and new markets. His book sounds the drumbeat for industrial policy, a prescription with obvious appeal to center-left politicians as they gear up for the 1984 campaign.

On the more conservative right bank of the Charles, William Abernathy, Kim Clark, and Alan Kantrow of the Harvard Business School see things differently. The problem with basic industry is that it has failed to adopt to increasing competition, changing technology, and new product demands. To

them, the solution to our difficulties can be found only through adjustments of management practices and labor relations. Obviously, their message has far less political sex appeal than Reich's and will fit less easily into 30-second commercials.

Reich argues we can no longer compete with newly industrializing countries in standardized products requiring high-volume production. We must convert immediately to industries utilizing "flexible-system" production technologies—that is, to industries producing precision-manufactured, custom-tailored goods using rapidly-changing technology. Industries such as chemicals, steel, automobiles, textiles, rubber, and electrical equipment have been declining since the mid-1960s. Reich tells us, and have no hope for a renaissance. Left alone, these industries will hang on to low-technology processes, frantically engaging in "paper entrepreneurialism." Large numbers of workers will be displaced without hope for employment, and the industrial regions of the country will stagnate.

According to Reich, it is government's role to encourage a revolutionary shift toward high-tech in the manner of Japan and even Germany and France. Over and over, we are told that Japan and some Western Europeans have seen the light, but we have not. Unemployment, stagnation, declining rates of profit and productivity growth, and a lagging standard of living are traced to the absence of an American industrial policy.

While Reich has correctly identified our need to move toward high-technology industries, his analysis of the urgency of such a movement is far from persuasive. German and French readers of his book will be amazed to read of their governments' apparent success in industrial policy. Since 1975, industrial production has grown even more slowly in France and West Germany than in the United States.

The industrial sector of the United States did not decline markedly from the mid-1960s to 1980. In fact, basic industry accounted for roughly 22 percent of our GNP in 1980, precisely the same share as in 1947. Our output per person remains above that of all but a few countries, such as Sweden and Switzerland (which have not exactly been refuges for the world's dispossessed over the 20th century). Reich's contrary conclusions are drawn from a period ending in 1979. Were he to extend his calculation to 1981, he would find that the United States has out-performed every major industrial country in the world except Japan since 1975. He discounts 1981-82 as a period of an "artificially" high dollar, but then fails to acknowledge the impact of an overvalued dollar on basic industries.

Abernathy, Clark, and Kantrow remind us that industries do not automatically pass through evolutionary stages from new technology through maturity to eventual decline. Their book draws heavily upon their recent study of the automobile industry for the National Academy of Sciences. While there is a danger in extrapolating from only one industry's experience, they are extremely persuasive in their diagnosis of at least this industry's ills. Serving a virtually protected U.S. market for large cars, the highly concentrated auto industry lost its dynamism as it organized simply to "get the metal out." Several generations of labor management antagonism followed the early paternalism of Henry Ford with the result that workers succeeded in bargaining for very high wages and highly detailed labor contracts. Management failed to maintain work incentives in the auto plants, and as a result the concern for quality and productivity languished.

The 1970s have brought to the auto industry both the disruption of intense foreign competition and a new wave of technological and organizational changes. To Abernathy, Clark, and Kantrow, these forces combine to provide the U.S. companies with an opportunity to revive their empires. Management must adjust, not by simply retooling for smaller cars, but by providing quality at a cost that is competitive with foreign automobiles. They argue that the market has sent Detroit a clear signal and that the Big Three are now beginning to respond to this signal.

Reich, on the other hand, does not believe that markets provide sufficient signals for such a change. In fact, he has a thorough disdain for the market, rarely even using the word except in a derogatory manner. "Free markets," for example, are mythical. We are told that investment by market-oriented manufacturers necessarily leads to excess capacity unless they collude. Managers looking for corporate acquisitions or a lowering of capital, are mere "paper entrepreneurs" who don't contribute to social product.

Nor do the authors agree on the possibilities for reforming labor relations in basic industry. Abernathy-Clark-Kantrow hold out hope for a change in management-labor relations that can have a "catalytic effect on the overall quality of manufacturing operations." While they do not prescribe wage moderation as part of this change, their data show that U.S. auto workers are paid 80 percent more per hour than their more productive Japanese counterparts. Reich agonizes over the painful wage cuts in the auto, rubber, and steel industries, failing to inform his readers that these wages had risen to levels 70 to 80 percent above the average U.S. industrial pay. These high wages are obviously part of the problem, but Reich ignores them. Such an analysis would not play well in Peoria—or in Detroit and Pittsburgh.

What is the alternative to a thorough, slogging reform of management practices and labor management relations in our basic industries? Reich tells us that it is a system of tax incentives designed to get dying industries to invest in human capital (their workers) and new technologies. In addition, he would establish regional development banks to loan money to dying industries for "restructuring." He fails to point out that past exercises in government subsidized training have been far from resounding successes or that subsidized restructuring in Europe has turned inefficient automobile and steel companies into outright basket cases.

Both books ignore the larger cause of our industrial difficulties—the disastrous macroeconomic performance of our economy since 1973. While U.S. industry is undoubtedly shifting to high technology products, this shift is a gradual one. Most basic industries (but not all) can and will recover when the U.S. and world economics begin to expand again and the dollar recedes somewhat. Cries for industrial policy are likely to result in content protection legislation for the automobile industry or huge loan guarantees for the steel industry. Abernathy, Clark and Kantrow demonstrate persuasively that open international competition is essential to rejuvenating Detroit. And past experience with loan guarantees in the steel or auto industry do not give us reason for believing that bureaucrats in Washington can allocate capital better than "paper entrepreneurs" in Wall Street. Nevertheless, everyone should read Reich's call for action to understand the 1984 presidential campaign. Unfortunately, far fewer will try to penetrate the Abernathy-Clark-Kantrow book because of its academic nature. Politicians more than one year from their next campaign would be well advised to make the effort.●

TO HONOR MARTIN LUTHER ON THE 500TH ANNIVERSARY OF HIS BIRTH

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LANTOS. Mr. Speaker, I rise today to join my colleagues in paying tribute to the great leader of the Protestant Reformation, Martin Luther, on the 500th anniversary of his birth.

Scholars and statesmen of widely varying backgrounds have accorded Luther the highest praise. One of today's leading journalists, George Will, noted that if you ask a number of thoughtful persons to list the 20 historical figures most important as makers of the modern world, one of those persons would certainly be Martin Luther.

In his theological dispute with leaders of the church of his time, Luther argued for the importance of the individual, as opposed to the institutional, route to salvation. The revolution in thinking that this theological debate perspective initiated was the beginning of the movement to acknowledge the importance of the individual, not only in spiritual, but in political, social, and economic matters as well.

In addition, Luther's contribution to Western culture—particularly in the areas of language, literature, and music—was enormous. He was one of the most intelligent, versatile, and prolific writers in history. His translation of the Bible into German established the standard for the modern German language and provided the impetus for translating the Bible into the vernacular in other European countries.

His inspiring hymns established a new standard for religious music. Some of the best known Protestant hymns, which still stir souls, were written by Luther. His religious treatises and pamphlets established a new standard for that type of writing.

Martin Luther, however, should also be remembered for his humanity and charity—he extended aid to the poor and unfortunate; he acted as an educator in fighting illiteracy; he truly cared about his fellow man.

Mr. Speaker, the attention this devout man from Wittenberg is receiving on the 500th anniversary of his birth reflects the universal recognition

of his importance. People of all backgrounds acknowledge his contribution.●

A SALUTE TO WVWI RADIO

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DE LUGO. Mr. Speaker, during the U.S. military intervention on Grenada last month and the resulting rescue of American citizens, constant complaints were heard from news media and correspondents concerning the news blackouts and censorship of information coming out of the Caribbean. While this may have constrained many of those who report the news, there is one radio station in my district that was not compromised at all by these circumstances and is highly deserving of praise from myself and this Congress.

In particular, I would like to applaud the very fine performance that WVWI Radio of the U.S. Virgin Islands carried out in broadcasting essential news of the Grenada situation, in establishing direct contact with ham radio operators on that island, and for acting as an essential relay station for conveying information to mainland radio and television stations. WVWI, which broadcasts with 5,000 watts throughout much of the Caribbean, became a recognized source of news and information for the numerous Grenadian immigrants who reside in the Virgin Islands as well as for those having relatives and friends living on Grenada.

Particular praise has to go to the manager and vice president of WVWI, Mr. Rick Ricardo. Rick, who has been with WVWI since 1970, was instrumental in establishing on short notice a makeshift network to convey the news coming from Grenada and sending it along to mainland stations, as well as to the citizens of the Virgin Islands and people throughout the Caribbean Basin. To illustrate WVWI's highly efficient and swift news gathering efforts and Rick Ricardo's firsthand knowledge of events, news about the landing by U.S. Navy "Seals" on Grenada before the landing of Marines and Army Rangers was actually reported by WVWI as soon as the day after the intervention began, while many mainland news media only reported this fact nearly 1 week after Rick and his highly professional crew had already done so.

Mr. Speaker, regardless of how we as Members of Congress view the intervention that took place on Grenada, I feel that all of us should applaud the efforts of the people at WVWI for shedding the light of news and information about this event and allaying the fears of uncertainty and doubt that many people might otherwise have had.●

AMENDMENTS TO NATIONAL FOUNDATION ON ARTS AND HUMANITIES ACT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. GILMAN. Mr. Speaker, I rise in support of H.R. 2751, which would finalize the transferral of the Institute of Museum Services from the Department of Education to the National Foundation on the Arts and Humanities. Although the IMS has, in de facto been transferred through the appropriations process, the statutory authority has not been transferred as well. Without this necessary change, the Institute of Museum Services must yet continue to report to the Department of Education, and is not included as an advisory member to the foundation.

The bill before us also increases the authorization levels for fiscal year 1984, with additions of $47.2 million for the National Endowment for the Arts, $44.8 million allocated to the National Endowment for the Humanities, and $3.9 million for the Institute of Museum Services. This brings us to authorization totals for fiscal year 1984 of $166.5 million for the NEA, $158.5 million for the NEH, and $13.5 million for the IMS.

This continued Federal support of the arts and humanities is necessary, not only for the cultural contribution made to society by all those involved with these programs, but also in maintaining Federal involvement which stimulates action by private-sector organizations. As a member of the Congressional Arts Caucus, I am pleased to endorse H.R. 2751, and urge my colleagues to vote for its adoption.●

EULOGY TO DR. CHIEN SHIH-LIANG

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SCHEUER. Mr. Speaker, all of us who know Dr. Frederick F. Chien, representative of the Coordination Council of North American Affairs for the Republic of China, were deeply saddened to learn of the recent death of his father.

After reading the eulogy of Dr. Chien Shih-liang in this month's issue of the Free China Review, it is easy to understand why Dr. Frederick Chien is such a marvelously attractive and talented individual who is held in such high respect and esteem by the entire Washington diplomatic community.

I commend this moving tribute to my colleague's attention.

IN PRAISE OF A FAMOUS MAN

When Chien Shih-liang was graduated in 1931 from Peking's prestigious National Tsinghua University, he was regarded by his professors and fellow students as a "whizkid from Hangchow"—young and exceptionally bright. But he was not contented with this natural endowment or his accomplishments in organic chemistry. He quickly rejected fat offers from a number of organizations, opting to continue his studies. In the summer of his graduation, he sailed with a few schoolmates to the United States to enroll at the University of Illinois. Three years later, he returned to China with his doctorate. From that time forward, he dedicated himself as a scholar and has been considered by others as being a treasure of China.

He began teaching at National Peking University, at age 26 the youngest professor. Then, when Peking was besieged by the Chinese Communists, the ROC government sent a special plane to bring Dr. Chien and a few other outstanding scholars to Nanking, and finally to Taipei.

In January 1949, he was appointed to a professorship and named dean of education at National Taiwan University. He assisted Fu Szu-nien, then president of the university, to make the university a model Chinese institution of higher learning. The students abandoned the black tunics and the hip towels tucked under the belts of the militaristic Japanese student body. Above all, academic freedom was assured, although the whole country was engaged in bitter warfare with the Communists.

When Fu suddenly died of a cerebral hemorrhage in 1951, Dr. Chien was the natural choice to replace him. In his subsequent 19 years a university president, the longest such tenure in Chinese record, Dr. Chien made NTU not only the largest university in Taiwan, but also of the world's prestigious universities. In addition to institutionalizing the curricula of the five colleges—law, science, engineering, agriculture, and medicine, he built up a number of excellent libraries and laboratories with assistance from the United States.

Dr. Chien's efforts, prior to Taiwan economic success to obtain U.S. assistance to develop the university were so strenuous that one reporter wrote this doggeral for circulation on the NTU campus:

"He opens his mouth for money,
He closes his mouth for money,
Who is that man?
Money is his surname."

In Chinese, chien means money. But Dr. Chien always ignored creature comforts for himself. He never budged from his dilapidated Japanese-style quarters, which must have a history of at least half a century.

Under his stewardship, National Taiwan University became the top goal of Chinese scholastic aspirants. Each year, the 100,000 high school graduates who take part in the highly competitive joint entrance examination for colleges, without exception, make National Taiwan University their first choice.

In 1970, Dr. Chien moved up to the presidency of the country's top academic institution—the Academia Sinica. Although a natural scientist himself, Dr. Chien gave equal importance to the social sciences and to biological studies at the academy. In his 13-year tenure, he increased the Academia's institutes from 9 to 13, with another 2 still in the preparatory stage.

Before Dr. Chien's presidency, the Academia had a reputation as an ivory tower, housing world famous scholars. It was Dr. Chien who made them involve themselves in the activities of the country by assuming leading posts in other cultural and scientific organizations.

Every other year, he would go abroad to meet Chinese scholars and solicit their advice. this year—no exception—was his last. On May 1, he launched visits to Germany and the United States, returning to Taiwan on June 16.

Dr. Chien suffered from high blood pressure and diabetes, and even before the trip, he felt indisposed. He would not cancel the trip simply because his meetings with the scholars had been long arranged. "I will not inconvenience them," he told his subordinates.

After returning from the strenuous 46-day trip, the 76-year-old scholar went right from the airport, not to his home but to his office. A week later, he could not stand up under this workload and checked in at the National Taiwan University Hospital for a physical check and for treatment of diabetes and coronary thrombosis. He was placed under intensive care, but at times fell into a kind of trance. Once, pointing out diagnostic files placed on a bureau, he scolded a nurse for failing to allow him to "process the official papers," mistaking the hospital ward for his office.

Dr. Chien passed away on the evening of September 15, 1983. He is survived by three sons, all of whom have made their own marks in this country. Robert Chien Chun, the eldest, is deputy governor of the Central Bank of China. His second son, Dr. Chien Hsu, a professor of physiology and director of circulatory physiology and biophysics at Columbia University, is also a member of Academia Sinica. His youngest son, Dr. Frederick F. Chien, was vice foreign minister of the Republic of China before taking up his present post as head of the Coordination Council of North American Affairs, the Republic of China's office in Washington, D.C.●

COLORADO RIVER DISASTER ASSISTANCE ACT OF 1983

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LEWIS of California. Mr. Speaker, one of the greatest disasters to confront my district and possibly the entire Southwestern portion of the United States occurred this summer when the water in the Colorado River became uncontrollable. Since the closing of Boulder Dam in 1936, the mighty Colorado River, which carved the Grand Canyon, had been kept under control. However, this year a serious problem developed because the storage reservoirs were unable to hold the great quantities of water flowing into them from the melting snow. Thus, extraordinary amounts of flooding water had to be released into the channels below. This flooding proved devastating to hundreds of people who both lived and operated businesses within the vicinity of the Colorado River. These people became victims through no fault of their own.

I believe the American people have a way of responding to those in need, particularly in a crisis situation. It is my sincere wish to provide the legislative vehicle to assist these victims at this time by introducing the Colorado River Disaster Assistance Act of 1983. This bill undertakes to restore these victims to economic security by compensating them for the tragic losses of home and property which they have sustained. Through the legislative process I want to enable these people to rebuild their livelihood under guidelines which will preclude such disasters in the future.

The Colorado River Disaster Assistance Act of 1983 would benefit hundreds of homeless victims for an estimated cost of $200 million. In 1976 this Congress responded without hesitation to help the victims of the Teton Dam disaster by coming to their aid with constructive legislation which sets the precedent for favorable consideration of the Colorado River Disaster Assistance Act. During field hearings at Yuma and Needles we heard the deeply emotional but factually honest testimony of these people who had suffered and who desperately need our help.

The Colorado River Disaster Assistance Act would not be a duplication of any insurance because it expressly provides that it will not include any award for reimbursement where an insurance company has already paid for the loss. Furthermore, this legislation provides against any duplication in that it has guidelines to coordinate with all other disaster relief organizations conducted by other Federal agencies under the Disaster Relief Act of 1934. This would allow the victims of the Colorado disaster to return to the economic standard of living they have worked their lives for and deserve. It will enable them to rebuild their homes. The Colorado River Disaster Assistance Act does not provide speculative reimbursement. It only compensates people for loss of property or income which they can reasonably show has been lost.

I sincerely hope that you will join, AL MCCANDLESS, HARRY REID, ROBERT BADHAM, CARLOS MOORHEAD, VIC FAZIO, DUNCAN HUNTER, DAVID DREIER, RICHARD LEHMAN, RON PACKARD, WILLIAM DANNEMEYER, GENE CHAPPIE, BILL LOWERY, CHARLES PASHAYAN, WILLIAM THOMAS, NORMAN SHUMWAY, ROBERT LAGOMARSINO, BOBBI FIEDLER, and other concerned Members and myself in cosponsoring this important bill.

The proposed bill follows:

H.R. 4536

A bill to authorize the Secretary of the Interior to make compensation for property and income loss caused by releases of water by the Bureau of Reclamation from dams located along the Colorado River, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress finds that without regard to the proximate cause of the damages resulting from certain releases of water authorized by the Bureau of Reclamation during 1983, it is the purpose of the United States to fully compensate any and all persons, for the losses sustained by reason of the releases. The purposes of this Act are (1) to provide just compensation for the losses of property and income resulting from the releases of water by the Bureau of Reclamation from dams located along the Colorado River, and (2) to provide for the expeditious consideration and settlement of claims for such property losses and income losses.

SEC. 2. All persons who can prove that they have sustained damage by reason of a loss of property or income directly resulting from releases of water during 1983 from the dams located along the Colorado River shall be entitled to receive from the United States compensation compatible with their proof thereof. As a condition precedent to receiving such compensation all claimants must show that they did not have prior notice that the use of the land by them was prohibited by an agency or agencies of the United States. Claimants shall submit their claims in writing to the Secretary of the Interior (hereinafter referred to as the "Secretary"), under such regulations as he prescribes, within one year after the date on which the regulations required by section 5 are published in the Federal Register.

SEC. 3. (a) The Secretary, or his designee for the purpose, acting on behalf of the United States, is hereby authorized to and shall investigate, consider, ascertain, adjust, determine, and settle any claim for money damages asserted under section 2. Except as otherwise provided herein, the laws of the States in which the various claims arise shall apply: *Provided,* That determinations, awards, and settlements under this Act shall be limited to actual or compensatory damages measured by the pecuniary injuries or losses involved and shall not include interest prior to settlement or punitive damages.

(b) In determining the amount to be awarded under this Act the Secretary shall reduce any such amount by an amount equal to the total of insurance benefits or other payments or settlements of any nature previously paid with respect to such property losses and/or income losses.

(c) Payments approved by the Secretary under this Act for property loss and/or income loss, claims, shall not be subject to insurance subrogation claims in any respect under this Act but without prejudice under other laws as provided in subsection (f).

(d) The Secretary shall not include in any award any amount or reimbursement to any insurance funds for loss payments made by such company or fund.

(e) Except as to the United States, no claim cognizable under this Act shall be assigned or transferred.

(f) The acceptance by the claimant of any award, compromise, or settlement under this Act, except an advance or partial payment made under section 4(c), shall be final and conclusive on the claimant, and shall

constitute a complete release of any claim against the United States by reason of the same subject matter. A release shall not, however, prevent an insurer with rights as a subrogee under its own name or that of the claimant from exercising any right of action against the United States to which it may be entitled under any other laws for payments made to the claimant for a loss arising from the subject matter.

(g) Any claim for damages which may be payable in whole or in part by a claimant's insurer, shall not paid by the Secretary unless and until the claimant provides written proof that the insurer was denied the claim or has failed to approve or deny such claim within six months of its presentment, and the claimant assigns to the United States his rights against the insurer with respect to such claim. Upon the acceptance of any payment or settlement under this Act, the claimant shall assign to the United States any rights of action he has or may have against any other third party, including an insurer.

SEC. 4. (a) In the determination and settlement of claims asserted under this Act, the Secretary shall limit himself to the determination of—

(1) whether the losses sustained directly resulted from the releases of water by the Bureau of Reclamation from dams located along the Colorado River, and for other purposes;

(2) the amounts to be allowed and paid pursuant to this Act; and

(3) the persons entitled to receive the same.

(b) The Secretary shall determine and fix the amount of awards, if any, in each claim within twelve months from the date on which the claim was submitted.

(c) At the request of a claimant, the Secretary is authorized to take advance or partial payments prior to final settlement of a claim, including final settlement on any portion or aspect of a claim determined to be logically severable. Such advance or partial payments shall be made available under regulations promulgated by the Secretary under section 5, which regulations shall include, but not be limited to, provisions for such payments where the Secretary determines that to delay payment until final settlement of the claim would impose a substantial hardship on such claimant. When a claimant pursues a remedy as provided for in section 9 of this Act, he shall be permitted to retain such advance or partial payments under a final court decision on the merits.

SEC. 5. Notwithstanding any other provision of law, the Secretary shall within thirty days after the enactment of this Act promulgate and publish in the Federal Register, final regulations and procedures for handling of the claims authorized in section 2 of this Act. The Secretary shall also cause to be published, in newspapers with general circulation in the States of Arizona, California, and Nevada, an explanation of the rights conferred by this Act and the procedural and other requirements imposed by the rules of procedure promulgated by him. Such explanation shall be in clear, concise, and easily understandable language. In addition, the Secretary shall also disseminate such explanation concerning such rights and procedures, and other data helpful to claimants, in the States of Arizona, California, and Nevada, by means of brochures, pamphlets, radio, television, and other media likely to reach prospective claimants.

SEC. 6. The claims program established by this Act shall, to the extent practicable, be coordinated with other disaster relief operations conducted by other Federal agencies under the Disaster Relief Act of 1974 (42 U.S.C. 5121) and other provisions of law. The Secretary shall consult with the heads of such other Federal agencies, and shall, as he deems necessary, consistent with the expeditious determination of claims hereunder, make use of information developed by such agencies. The heads of all other Federal agencies performing disaster relief functions under the Disaster Relief Act of 1974 and other Federal authorities are hereby authorized and directed to provide the Secretary, or his designee, such information and records as the Secretary or his designee shall deem necessary for the administration of this Act.

SEC. 7. (a) In order to expedite the repair and restoration of facilities damaged as a direct result of the releases of water by the Bureau of Reclamation from dams located along the Colorado River, and for other purposes, the Secretary is authorized and directed to enter into agreements with the owners of such facilities to finance the repair or reconstruction thereof, to the standards and conditions which are required under the current field working agreement by the Bureau of Reclamation and the Army Corps of Engineers, either by direct payment or through construction contracts administered by the Bureau of Reclamation to the extent the cost of repairs or construction are not covered by insurance. The cost of such repairs or reconstruction shall be nonreimbursable.

(b) In the interest of precluding any similar disaster in the future, the Secretary shall also cause to be published in newspapers with general circulation in the States of Arizona, California, and Nevada a full and complete description of the one-hundred-year flood plain, and shall not thereafter approve any permits or leases located therein without obtaining a written consent and waiver from the permittee or lessee. No owner of property within such flood plain shall receive any payment under this Act with respect to such property unless such owner has first executed in writing a waiver of all future claims of such owner against the United States for damage to such property resulting from floods.

SEC. 8. At the end of the year following approval of this Act and each year thereafter until the completion of the claims program, the Secretary shall make an annual report to the Congress of all claims submitted to him under this Act stating the name of each claimant, the amount claimed, a brief description of the claim, and the status or disposition of the claim including the amount of each administrative payment and award under the Act.

SEC. 9. (a) An action shall not be instituted in any court of the United States upon a claim against the United States which is included in a claim submitted under this Act until the Secretary or his designee has made a final disposition of the pending claim. A pending claim may be withdrawn from consideration prior to final decision upon fifteen days written notice, and such withdrawal shall be deemed an abandonment of the claim for all purposes under this Act. After withdrawal of a claim or after the final decision of the Secretary or his designee on a claim under this Act, a claimant may elect to assert said claim or institute an action thereon against the United States in any court of competent jurisdiction under any other provision of applicable law, and upon such election there shall be no further consideration or proceedings on the claim under this Act.

(b) Any claimant aggrieved by a final decision of the Secretary under this Act may file within sixty days from the date of such decision with the appropriate United States District Court, a petition praying that such decision be modified or set aside in whole or in part. The court shall hear such appeal on the record made before the Secretary. The filing of such an appeal shall constitute an election of remedies. The decision of the Secretary incorporating his findings of fact therein, if supported by substantial evidence on the record considered as a whole, shall be conclusive.

(c) Except to the extent otherwise herein provided, nothing in this Act shall be construed to prevent any claimant under this Act from exercising any rights to which he may be entitled under any other provisions of law.

(d) Attorney and agent fees shall be paid out of any awards hereunder. No attorney or agent on account of services rendered in connection with each claim shall receive in excess of an amount equal to 10 per centum of the amount paid in connection therewith, any contract to the contrary notwithstanding. Whoever violates this subsection shall be fined a sum not to exceed $10,000.

SEC. 10. For the purposes of this Act, the term "persons" means any individual, Indian, Indian tribe, corporation, partnership, company, municipality, township, association, or other non-Federal entity.

SEC. 11. If any particular provision of this Act or the application thereof to any person or circumstance, is held invalid, the other provisions of this Act shall not be affected thereby.

SEC. 12. There are hereby authorized to be appropriated such funds as may be required to carry out the purposes of this Act.

SEC. 13. This Act may be cited as the "Colorado River Disaster Assistance Act of 1983".●

THIRD DISTRICT CONSTITUENT POLL RESPONSES

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BONKER. Mr. Speaker, earlier this year I sent a newsletter questionnaire to the constitutents of the Third Congressional District in Southwest Washington.

More than 8,000 of my constituents responded, most during the months of August and September. Now that the responses coming into my office each day have dwindled to next to nothing, I have tabulated a large, scientifically-random sample of the returned questionaires.

I would like to share the results of this broad consitutent poll with my colleagues in the House. I believe the responses can shed some light on a number of current policy debates in the Congress.

Even a cursory glance at these results make it clear that sustained economic recovery and development of a coherent foreign policy are the two

issues most on the minds of my constituents. When asked what they considered the number one problem facing the Nation and the Congress, the residents of Southwest Washington listed Federal deficits, unemployment, military spending, Central American policy, and inflation as their five most serious concerns.

The thousands of poll responses I have received are helpful not only in identifying the problems facing Congress, but in pointing the way to positive, workable solutions as well.

In the area of economic policy, nearly 40 percent of my constituents believe Congress must act to bring down massive projected Federal deficits through a comprehensive program of further restraint in domestic spending growth, cuts in the administration's projected increases in military spending, and deferral or elimination of some of the President's 1981 tax bill. Another 33 percent believe deficit reduction measures should be focused upon the bloated Pentagon budget. Only 16 percent agree with the President that we must reduce the deficit through cuts in domestic spending alone.

In the area of tax policy, only 19 percent of my constituents as sampled by this poll believe Congress should preserve the entire third year of the President's 1981 personal income tax cut. Fifty-one percent support the House effort earlier this year to cap the third year of the tax cut at $700, and a full 30 percent believe Congress should defer this year's tax cut until the Federal deficit is reduced significantly or eliminated.

Nearly three-quarters of those responding are frustrated by the growing complexity and perceived unfairness of our Federal tax system, and would favor a simplified tax code with only three or four graduated steps based upon income, and far fewer deductions and exclusions.

Finally, a surprising two-thirds of my constituents—as measured by this poll sample—believe that the President's budget and tax policies have benefited primarily the wealthy in this country. By contrast, only 2 percent believe the poor have benefited most from Reaganomics.

On defense and foreign policy issues, only 14 percent of those responding support the President's request for military spending increases amounting to 10 percent real growth or more, after adjusting for inflation. Seven out of ten believe the President's request should be cut by at least 50 percent.

In the area of nuclear arms, a large majority believe the United States can best promote security and reduce the threat of nuclear war by initiating negotiations with the Soviet Union, aimed at achieving mutual and verifiable limitations and subsequent reductions in our nuclear arsenals.

More than six out of ten of my constituents sampled believe our Government should not be providing any military aid—whether in the form of troops, weapons, or training—to the Government of El Salvador and the rebel factions attempting to overthrow the Government of Nicaragua. Another 23 percent would allow only military supplies and training, but rule out any use of American troops.

Finally, the survey found a strong mandate for continued Federal funding of alternative energy sources, a strong Federal involvement in our Nation's elementary and secondary schools, and retention or strengthening of our Nation's air quality regulations.

Mr. Speaker, these results obviously cannot be construed to directly represent the views of all Americans, or even all residents of the Third Congressional District. But the figures I have outlined above do reflect the views of thousands of my constituents, and probably are not far off the mark from the views held by my district as a whole.

I ask that the complete, tabulated results of this third district constituent poll be reprinted in the RECORD, and I recommend these findings to the attention of my colleagues.

The information follows:

THIRD DISTRICT CONSTITUENT POLL, JULY 1983

1. What do you consider the number one problem facing the nation and the Congress during 1983?

The top five issues mentioned were:

Federal deficits—121 responses.
Unemployment—103.
Military spending—73.
Central America—28.
Inflation—24.

TAX AND BUDGET POLICY

2. Deficits. The President's 1984 budget projects of a budget deficit of nearly $200 billion. Many analysts believe such an enormous deficit could drive up interest rates again, choking off any hope of economic recovery. What do you think is the best way for Congress to reduce the deficit?

16 percent—Make deeper cuts in domestic spending only.

12 percent—Increase revenues by delaying or eliminating some of the President's 1981 tax bill.

33 percent—Make significant cuts in defense spending.

39 percent—A comprehensive program—restraint of domestic programs, selected tax increases, and cuts in military spending.

3. Fairness. Some observers have criticized President Reagan's economic policies, saying they have benefited the wealthy at the expense of middle and lower income people. Who do you think has benefited most from Reaganomics?

67 percent—The rich.

4 percent—Middle income groups.

2 percent—The poor.

27 percent—All groups have been treated more or less equally.

4. 3rd year of the tax cut. President Reagan's 1981 tax bill included a 25 percent individual tax cut over three years. Under the final 10 percent installment which took effect July 1, a family earning $20,000 would receive $164, a family earning $50,000 would receive $828, and a family earning $100,000 would receive $2,368. Many in Congress have called for repeal or modification of the July tax cut to help bring down the enormous federal deficit; others argue that such a move might hurt the recovery. Do you believe Congress should:

30 percent—Eliminate the third year of the tax cut until the deficit is under control. Deficit reduction: $30 billion.

19 percent—Preserve the third year of the tax cut.

51 percent—Cap the July tax cut at $700. Under this move, 95 percent of all families earning less than $50,000 would receive their full tax cut, but more wealthy taxpayers would be limited to a $700 tax break. Deficit reduction: $6 billion.

5. Flat rate tax. In response to the growing complexity of our federal income tax system, several so-called flat rate tax proposals are under consideration. One of the leading proposals would create a mildly progressive system, in which tax rates rise in only 3 or 4 small, graduated steps based on income, and most deductions would be repealed except mortgage payments, charitable donations, and medical expenses. Would you prefer such a plan over the current system?

73 percent—Prefer "flat rate" proposal.

27 percent—Oppose "flat rate" proposal.

DEFENSE POLICY

6. Military spending. The United States spent $215 billion on military programs in 1983. President Reagan's 1984 budget proposal calls for a 10 percent real increase in Pentagon spending, after inflation. Congress recently passed a budget resolution which cut the President's increase in half, allowing 5 percent real growth in defense spending after inflation. Which level of defense spending do you believe is necessary?

14 percent—10 percent real growth or more, as proposed by President Reagan.

70 percent—5 percent real growth of less, as proposed by Congress.

16 percent—Between 5 and 10 percent.

7. Reducing the threat of nuclear war. What do you think the United States' policy should be to reduce the threat of nuclear war and enhance world peace?

25 percent—Build up U.S. nuclear weapons in order to force the Soviet Union to bargain constructively.

57 percent—Immediately enter into negotiations with the Soviets, aimed at achieving mutual and verifiable limits and reductions in our nulcear arsenals.

18 percent—Unilaterally reduce U.S. stockpiles of nuclear weapons; put pressure on the Soviets to do the same.

8. Central America. The Reagan Administration sees the conflict in Central America primarily in terms of U.S.-Soviet interests. As a result, our policy has relied heavily on military assistance and covert CIA operations. Others argue that poverty and political repression are the real roots of the Central American conflict, and that U.S. policy should focus on economic development and negotiations between the rebels and the governments. Do you think:

14 percent—The United States should use whatever means necessary, including American troops and covert operations against Nicaragua, to support the government in El Salvador.

23 percent—The United States should provide military aid and training to friendly governments, but no troops.

63 percent—The United States should provide only economic assistance, and should press for a negotiated settlement between the opposing factions.

ADDITIONAL ISSUES

9. Energy priorities. The President's budget proposal for 1984 calls for an 80 percent cut in conservation, solar, and weatherization programs, and a 10 percent increase in federal nuclear energy funding. Do you agree with these energy priorities?

21 percent—Agree.

79 percent—Disagree.

10. Clean Air Act. Congress is likely to consider reauthorization of the Clean Air Act during this session. In your opinion, should this law be:

57 percent—Strengthened.

7 percent—Weakened.

36 percent—Left the same.

11. Education. A recent blue-ribbon commission has warned of a "rising tide of mediocrity" in American education. Do you believe federal spending on education should be:

44 percent—Increased.

40 percent—Left the same.

16 percent—Decreased.●

NATIONAL EMPLOY THE OLDER WORKER WEEK

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. ROYBAL. Mr. Speaker, the persistence of age discrimination and declining employment opportunities for older Americans require us to keep up our fight to improve job opportunities for those older workers who wish to continue working.

The facts about older worker employment problems are startling. According to data from the Bureau of Labor Statistics, unemployment among older workers is growing faster than among all other age groups. Once unemployed, older workers remain out of the work force nearly twice as long as young workers. Older workers are also three times as likely as younger workers to simply give up the job search and drop out of the labor force after a long period of unemployment.

The causes of these unemployment problems can be traced to persistent age stereotypes and widespread age discrimination in the work force. Recent national surveys indicate that 8 of 10 Americans believe age discrimination to be a problem for most older workers. Even most employers believe that age discrimination is a widespread problem. Overcoming these stereotypes will require a concerted national effort to promote the virtues of older workers and to change attitudes about them in the work force.

I am encouraged by what some companies are doing to hire and retain older workers. Programs such as job sharing, flextime, retraining and part-time jobs are being made available to older workers to encourage them to remain on the job. Studies indicate that older workers are productive and reliable and that employers can benefit from their expertise on the job.

To date the Federal Government has done very little to promote the interests of older workers. One exception, of course, is the senior community service employment program authorized by title V of the Older Americans Act. This program provides more than 60,000 low-income older workers with meaningful and productive jobs in their communities. It is essential that this program be continued and, if possible, expanded to help employ many more older workers.

Providing employment opportunities for the older worker is an important and necessary goal, not only for today but for the future. Moreover, those older Americans who are employed are four times as likely as all others to avoid the clutches of poverty.

For these reasons, I, Mr. PEPPER, and Mr. RINALDO, along with 22 of our colleagues in the House, today join with Senators HEINZ and GLENN in introducing a joint resolution to draw attention to the older worker and to encourage employers to generate employment opportunities for these workers. Specifically we are requesting that the President authorize the second full week of March in each year as "National Employ the Older Worker Week." During this week special programs would be scheduled around the country to inform employers and the public about older workers resources and to educate older persons about available employment opportunities. These activities should result in increased visibility of the need for employing older workers, a better understanding among employers of the benefits of employing older Americans, and wider employment opportunities for those older individuals who would like to make a contribution to society.●

THE MONETARY POLICY ACT OF 1984

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. VENTO. Mr. Speaker, over the course of the preceding decade our country was swept up in an economic maelstrom that has left layman and specialist alike, confused and disoriented, unsure of accepted knowledge, in fear of coming events, afraid to choose a course of action and beseiged by contradictory advice and exhortations. All of the economic troubles that we thought we could avoid, great depressions, great inflations, through the application of the economic science once again threaten us and our economic science seems to lie shattered.

Since the early seventies, our citizens have watched while prices inflated and unemployment rose simultaneously, occurrences we once thought incompatible. We coined some jargon to describe the new condition, stagflation, and we sought for explanations to give meaning to the description. We pointed to the OPEC price shocks of 1973 and 1979. We observed and lamented falling productivity. We looked and wondered over the pervasive interconnections between the world's national economies. And we lost sight, in 1980, of our common purpose, our consensus on a policy of national economic development that benefits every group of citizens, not just some at the expense of the others.

Even the challenges that we can foresee, the competition for world markets and supplies when the work force of a densely populated globe catches up, as an example, dictate that our natural and human resources must be developed to their fullest extent. Therefore, we must reach agreement on how these goals of growth, development, and effectiveness are to be approached.

What we must aim for is an economy that can be guided nationally so that we get maximum use of these resources and so that we thereby provide jobs at livable wages; a decent, safe living place; adequate food and nutrition; a long disease free life; education up to maximum capabilities; and an environment with room for constructive relaxation and recreation.

The version of economic science now ascendant appeals to equilibrium as a goal of national economic policy. But an equilibrium that does not provide housing, health care, education, and food, is not an equilibrium worth pursuing. It does not make sense to dismantle humanitarian programs so that an equilibrium can be achieved without "government interference," if, as it looks likely, that equilibrium means 50 percent unemployment of black youth; a growing gap between rich and poor; denial of education; denial of health care; and dissipation of our Nation's capital reserves.

We need to find an equilibrium that makes some sense. A first step toward such a goal is the legislation I am introducing today, the Monetary Policy Act of 1984.

Even though it seems that the tenents of monetarism seem less and less applicable to the decision that Congress is called upon to make, none of us can doubt that the supply of money and the speed at which it circulates has a considerable impact on the growth of our economy. Policymakers at the Federal Reserve hesitate to say what money is, let alone how to control its amount and velocity. It may

surprise many people to learn that the Federal Reserve itself did not realize until the early 1920's, that when they bought or sold Treasury bonds they were expanding and contracting the money supply.

Since 1979 when the Federal Reserve abandoned interest rate targets to concentrate on money growth, we know that we have suffered through the worst recessions in recent memory. Is there a cause-effect relationship? No one can answer this definitely, but aside from intense dissatisfaction with the conduct of business over at the Fed, Congress has been at a disadvantage in its oversight and analysis of monetary policy, because in fact most of the expertise has been concentrated in the Fed and in its Wall Street associates.

A Congressional Office of Monetary Policy would work in tandem with the Congressional Budget Office so that the Banking Committees of the House and Senate have the advantage of the same indepth research and analysis on monetary policy issues that the Budget Committees of the House and Senate get on fiscal policy issues.

Our ultimate goal is to attain an accelerating rate of growth in GNP so that our quality of life in this country will be continuously enriched. This means our economy must put more people to work and get more productivity from people already at work.

As we begin to systematically consider how we will put more people to work productively, an understanding of money and credit will be essential to be certain that monetary and fiscal resources are as productive as they can possibly be and public policy is working in a coordinated manner.

In a most general sense, money is numbers in circulation duly certified and limited by government. The limits are not, or should not, be arbitrary. They should be related to production and economic activity. Which has led a number of economists to suggest that we should be paying attention as much to the asset side of banking activity, to credit and productivity, as to the liability side of demand deposits.

A grant of bank credit should lead to an increase in the output of wealth. It should lead to increased employment. It should lead to increased wages and well being. It should lead to a steadily rising, adequate GNP so that working together we can produce a higher standard of living for everyone. The fact that we cannot count on credit to accomplish the results points up our inability and unwillingness to know and adequately understand what is happening to the credit side of our economy.

It can be argued that the 1973 oil price hikes resulted in the creation of a vast amount of credit. Our banks received deposits of oil revenues, in part because of a belief that they would put it to productive use. There should have been a major public policy debate on the policy guiding the use of that credit. But there was not, and the credit was squandered.

Even today, we have no systematic reporting of the statistics on credit that would serve as a basis for debate and decision—how much credit there is; where credit is located; how difficult credit is to obtain, how credit is being used.

In order to prepare ourselves in the Congress to properly carry out our responsibilities to our citizens for a rational monetary policy, then, the Monetary Policy Act of 1984 is an essential first step.

Mr. Speaker, I believe it is time that Congress equip itself to cope with the complexities of monetary policy making and the office which I propose in this legislation, the Congressional Office of Monetary Policy, will be a first important step toward this goal.

The office will supply us with unbiased information and analysis—first to the banking committees in both House and Senate, but also, fully and freely to other committees and to Members. It will provide us with an annual report on monetary aggregates, flows of funds and credit both at home and abroad, rates of growth of short and long-term debt, and the other critical facts we need to evaluate and formulate sound monetary policy. The office will be headed by a director appointed by the Speaker and President pro tempore at the recommendation of the banking committees. The office will have access to information and will receive assistance from congressional and executive departments.

We know from our experience with the Congressional Budget Office that such an independent, resourceful entity can vastly improve our ability to deal with problems facing our Government and Nation. A similar effort on the monetary side will bring similar benefits.

The increase in information made available to Congress by the proposed Congressional Office of Monetary Policy is an important step. But it is equally important that we make fundamental changes in the operation of the Federal Reserve and that we accept our responsibility for greater oversight on the activities of the Federal Reserve. One reason it has been difficult for Congress to adequately evaluate the monetary policy of the Federal Reserve is because the Federal Reserve's reports to Congress have focused on the growth or diminution of monetary aggregates to the exclusion of the more understandable and relevant economic indicators of interest rates, gross national product, real growth and unemployment. The Monetary Policy Act of 1984 would require the Federal Reserve to report to Congress on a quarterly basis concerning its plans for growth or diminution of monetary aggregates and the Federal Reserve Board's objectives for the effect of its policy upon gross national product, real growth, interest rates, and unemployment. The Federal Reserve has long claimed it does not determine our economic course. Certainly, fiscal policy, supply shocks, and administrative price setting by large firms all affect the economy. But the Federal Reserve is the single most concentrated source of power over our economic future. There is no reason that the policy of the Federal Reserve should be shrouded in the mumbo-jumbo of monetary aggregate information. The Congress and the American people may or may not agree with the Fed's policy, but we have a right to be told in understandable terms what the effect of the Fed's policy will be.

One of the most destructive phenomena occurring during the last 3 years has been the contradiction between fiscal and monetary policy. To reduce the potential for this to reoccur, the Monetary Policy Act changes the term of the Chairman of the Board of Governors. The act provides that after the expiration of the tenure of the current chairman, the term of the chairman will begin in July following the inauguration of the President.

The Federal Reserve is one of the few agencies of government which is not constrained by the normal authorization-appropriation process. Section 203 of this legislation provides Congress with its most important tool for effective oversight. It requires that any expenditure of funds by the Federal Reserve be subject to prior congressional approval.

I believe it is essential that we bring some discipline to the merger mania of recent years. The squandering of our country's capital resources has been precipitated by a head-long rush to take advantage of often inefficient and counterproductive corporate tax provisions. In spite of the tremendous commitment of capital, little benefit has been realized by such unbridled mergers or distorted tax structure to the American public. Equally disturbing is the fact that with the expiration of the Credit Control Act, the Federal Reserve and the Federal Government are powerless to discourage the waste of our credit resources. I believe it is absolutely essential that we reenact the Credit Control Act and provide the President with the ability to trigger this act during an economic crisis. This will enable our economy to conserve our credit resources and to limit the most damaging mergers and acquisitions, the Federal Reserve is empowered to prescribe limits on the use of credit for nonproductive purposes, including corporate takeovers. Additionally, in cases of financing in excess of $100,000,000 for corporate takeovers,

the Board may disapprove such financing if it would not result in increased employment, competition or gains in efficiency sufficient to outweigh the economic dislocation of nonproductive investment, such as restrictions on credit for more productive uses, undue concentration of resources, decreased and unfair competition and unsound banking practices.

I am well aware that the ability to disapprove certain lines of credit is a substantial new power. For this reason the Monetary Policy Act creates the Credit Control Act Advisory Committee. The committee will be composed of representatives from all segments of our economy and will advise the Federal Reserve and make recommendations to the Congress on productive uses of credit in relation to the need for balanced growth and development. With the Credit Control Advisory Committee and the increased accountability of the Federal Reserve to Congress, the critical need for credit conservation can be met in a responsible and productive manner.

Mr. Speaker, the Monetary Policy Act of 1984 is important legislation which can provide Congress and the American people with the tools to increase the balanced economic growth this country so desperately needs.●

AMENDMENT TO THE TRADE ACT OF 1974

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BREAUX. Mr. Speaker, I am introducing legislation which would amend sections 301(b) and 502(b) of the Trade Act of 1974. My purpose is to strengthen and further refine U.S. trade policy. The emphasis is on trade equity.

Specifically, under amendments to section 301(b), the President would be required to remove a generalized system of preferences designation from any country if the President has made a negative finding under section 301(a) of the 1974 Trade Act, that is, if he finds that country damaging a domestice industry due to unfair or improper trade practice which violate trade agreements with the United States or international trade rules. Under an amendment to section 502(b) of the 1974 act, the President would not be able to confer the generalized system of preferences status on any country applicant if the President, prior to the country making a request for GSP status, already had made a negative finding under section 301(a) of the 1974 statute with regard to that country.

Thus, the amendments would require the President to take away a country's existing GSP desingnation and, in addition, would prohibit a GSP status being conferred on any country applicant, if a negative section 301(a) finding has been made by the President. The removal of a GSP designation and the prohibition to granting one would be mandatory.

The generalized system of preferences is a trade-development vehicle, designed to assist, in particular, lesser developed countries, the United States permits eligible countries to enter specified goods into this country duty free. It is a trade concession we make and for which we do not expect nor require reciprocity.

It is reasonable and fair, though, to ask GSP beneficiaries, or those seeking GSP benefits, to live up to trade agreements or commitments with the United States, not to inflict damage upon nor discriminate against U.S. commerce, nor to violate international trade rules. GSP is a privileged trade status we confer and we should not permit any country who trades unfairly and violates trade agreements and rules so as to hurt U.S. commerce to continue as a GSP-designee nor to seek application for such designation.

Currently, Taiwan maintains a rice export subsidy program which is inflicting considerable damage on the U.S. rice industry and is in direct violation of the Tokyo Round of the Multilateral Trade Negotiations. Taiwan, thus far, has shown no willingness to stop the program.

Taiwan has been granted GSP status. Taiwan is not a party to the General Agreement on Tariffs and Trade nor to the Tokyo Round Multilateral Trade Negotiation Agreements. However, after enactment of the Taiwan Relations Act, Taiwan and the United States conducted themselves as though those agreements were in force between them. In light of its rice export subsidy program, Taiwan has not lived up to the undertakings with the United States regarding the trade agreements emanating from the GATT and the Tokyo Round of the Multilateral Trade Negotiations.

The U.S. Rice Millers' Association has filed a complaint against Taiwan under section 301 provisions of the "Trade Act of 1974," an action which I have supported. The U.S. Trade Representative has accepted the complaint for investigation. Our domestic rice industry continues in a depressed state and is facing its second year of projected decreases in rice exports, upon which it is dependent for about two-thirds of its crop.

Mr. Speaker, I offer these amendments in the spirit of fair trade. To ask that those to whom we grant GSP duty-free trade status to abide by trade agreements with us, not to damage U.S. trade, and to follow international trade rules is reasonable. It strikes a proper balance in our overall trade policy. I encourage Members to join with me and to cosponsor the bill.●

CONGRESSMAN RANGEL AWARDED DOCTOR OF LAWS DEGREE BY ST. JOHN'S UNIVERSITY

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SOLARZ. Mr. Speaker, recently one of our colleagues from New York, Congressman CHARLES RANGEL, the distinguished chairman of the Ways and Means Subcommittee on Oversight, was awarded a Doctor of Laws degree by his alma mater, St. John's University in New York.

I would like to take this opportunity to pay tribute to Mr. RANGEL, to the excellent work that he has done as a Member of this body, to his continuing interest in legal education, but above all to his unfailing commitment to the fight for social justice in this country.

His law school alma mater is one of the few in this country which currently can claim to have two Members of Congress, as well as the Governors of both of our largest States, California and New York as distinguished alumni. I constantly hear the praises of St. John's, since I am lucky enough to have two St. John's University alumni on my own staff.

Mr. Speaker, I ask that the citation issued by St. John's University honoring Congressman RANGEL be inserted in today's CONGRESSIONAL RECORD.

ONE HUNDRED AND FOURTEENTH COMMENCEMENT OF ST. JOHN'S UNIVERSITY, NEW YORK DOCTOR OF LAWS DEGREE: HON CHARLES B. RANGEL

Congressman Charles B. Rangel represents New York's 16th Congressional District, an area covering the neighborhoods of East and Central Harlem, the Upper West Side and Roosevelt Island. He is now serving his seventh term in the House of Representatives, having been first elected in November, 1970.

In the present 98th Congress, Mr. Rangel serves as the Chairman of the Ways and Means Subcommittee on Oversight. He is the third ranking member of the Ways and Means Committee. The Congressman is also the Chairman of the Select Committee on Narcotics Abuse and Control.

In addition to his Chairman responsibilities, Mr. Rangel is also a Deputy Whip for the Democratic Party in the House of Representatives.

In his initial term, Congressman Rangel was appointed by the Speaker to the Select Committee on Crime. He was influential in passing the 1971 amendment to the drug laws that authorized the President to cut off all military and economic aid to any country that refused to cooperate with the United States in stopping the international traffic in drugs. In 1976, he was appointed to the Select Committee on Narcotics Abuse and Control Mr. Rangel is regarded as one

of the leading Congressional experts on this subject.

He served as Chairman of the Congressional Black Caucus in 1974–75, and was also a member of the Judiciary Committee when it voted its historic articles of impeachment against former President Nixon. In 1975, he moved to the Ways and Means Committee, becoming the first Black to serve on this committee. Two years later, his colleagues in the New York Congressional delegation voted him the Majority Regional Whip for New York State.

Mr. Rangel was born in Harlem in 1930. He attended the old P.S. 89, the Frederick Douglass Junior High School and DeWitt Clinton High School. He enlisted in the U.S. Army and was on active duty from 1948 to 1952. He served with the Seventh Infantry Division in Korea and was awarded the Purple Heart and the Bronze Star for Valor.

Upon completion of his military service, Mr. Rangel returned to school. In 1957, he graduated from New York University as a Dean's List student with a B.S. degree. Three years later, he graduated from St. John's University School of Law, where he was on the Law Review. He was admitted to the New York Bar in 1960.

In 1961, the Congressman was appointed Assistant U.S. Attorney in the Southern District of New York by then U.S. Attorney Robert Kennedy. He was appointed by President Johnson as General Counsel to the National Advisory Commission on Selective Service in 1966, and was elected to the first of two terms in the New York State Assembly the same year.

Mr. Rangel's immediate family is his wife, the former Alma Carter, and their son, Steven, and daughter, Alicia.●

JUDGE CLARK'S NOMINATION

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LEVINE of California. Mr. Speaker, our colleagues in the other body have confirmed the nomination of Judge William Clark to be the Secretary of the Interior.

During 2 days of hearings on Judge Clark's conformation he would not give any assurances that he would reverse the disastrous policies of his predecessor, James Watt. It is important now, more than ever that the President gets a clear signal that there must be a change in this administration's environmental policies.

RICHARD L. OTTINGER and I introduced a resolution in the House today, expressing the sense of the House that the new Secretary should undertake immediate action to insure that the policies and programs of the Department of the Interior conform with the expressed will of Congress. The resolution also states that the Secretary should reverse policies such as developing wilderness areas and wildlife refuges; selling public lands; and refusal to purchase congressionally approved parklands, wildlife refuges, forests, and wild and scenic river areas.

The resolution is a bipartisan effort and has 45 original cosponsors. We urge you to join us as cosponsors and send a message to the administration that the American people want an end to this administration's dangerous assault on our environment.

The resolution follows:

H. RES. 385

SECTION 1. (a) The House of Representatives finds and declares that—

(1) the Department of the Interior under the leadership of Secretary James Watt and his subordinates has pursued policies that have significantly altered well-established programs which had enjoyed longstanding, bipartisan congressional support and broad public acceptance; and

(2) these policies have generated unprecedented public controversy, led to an unusual volume of litigation in which courts have frequently held that the Department was not acting in accordance with the law, and have caused the Congress to constrain the Department from pursuing many of these policies.

(b) The House of Representatives further finds and declares that, as examples of these policies—

(1) wilderness study lands have been dropped from congressionally mandated study inventories without regard for congressional requests that such lands continue to be studied fairly;

(2) purchase of congressionally authorized lands for inclusion within the National Park System have been delayed or halted; and

(3) plans have been prepared for extensive sales of public lands with insufficient regard for congressionally mandated planning requirements.

SEC. 2. (a) It is the sense of the House of Representatives that the new Secretary of the Interior should undertake immediate actions to insure that the policies and programs of the Department of the Interior—

(1) conform with the expressed will of Congress; and

(2) regain general public support and confidence.

(b) Such actions should include—

(1) an end to efforts to lease for energy development lands under study for possible congressional designation as wilderness or to eliminate such lands altogether from the wilderness study program;

(2) prohibition within wildlife refuges of intensified commercial development or other actions inconsistent with the purposes for which they were established;

(3) rejection of plans for the sale and disposal of millions of acres of public lands;

(4) resumption of urgently needed purchases of lands within authorized units of the National Park System, the National Wildlife Refuge System, the National Forest System, and the National Wild and Scenic Rivers System, and of funding for State and local acquisition of park and recreational lands; and

(5) establishment of policies of leasing public mineral resources under conditions of careful environmental protection.●

THE LONG-TERM IMPACT OF GRENADA

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. McEWEN. Mr. Speaker, now that the initial reaction to our Nation's rescue mission in Grenada is behind us, it is time we begin thinking about what the long-term impact of the operation will be.

The Cincinnati Enquirer printed an excellent editorial on the future consequences of Grenada. I ask that the article be printed in the RECORD and I hope Members will take a moment to read it.

The article follows:

[From the Cincinnati Enquirer, Nov. 14, 1983]

GRENADA: THE NATIONAL DEBATE NEEDS TO WEIGH THE OPERATION'S LONG-TERM IMPACT

The expectation must be that Grenada will be fading from the headlines in the weeks ahead and from the public consciousness.

U.S. military forces will gradually be withdrawn; U.S. financial aid will gradually undue the physical damage occasioned by the seven-day struggle for Grenada; the Grenadians themselves will gradually begin the work of restoring representative government—drawing heavily on their legacy as members of the British Commonwealth.

The debate about Grenada is unlikely to fade so quickly.

President Reagan's critics know the American people's passion for peace, their distaste for saber-rattling and casualty lists, their dislike of the image of the United States of America as a superpower that pushes other people around.

As the debate proceeds, consequently, it will be vitally important for all Americans to view the Grenadian operation for what it was and to assess it in terms of the entire hemisphere's security.

The plain fact is that Grenada was on the brink of becoming a Soviet-Cuban outpost in the New World.

It is not simply the caches of arms seized in Grenada—arms far beyond the needs of even a vastly expanded Grenadian armed force.

It is also the huge collection of treaties, memoranda, minutes and other documents seized in the operation's early hours.

Among them was a treaty under which the Soviet Union agreed to ship additional arms to Grenada by way of Cuba. Another was a treaty with Cuba under which Fidel Castro agreed to provide Cuban military officers to "take a more vigorous role at rather high levels in the Grenadian military." Yet another was a treaty providing for the shipment of Grenadians to the Soviet Union for military training.

Another document summarizes a Sept. 20 meeting of the Grenadian New Jewel Movement, which was in control of Grenada until the operation by the United States and Grenada's Caribbean neighbors. The meeting condemned the course pursued by Grenadian Prime Minister Maurice Bishop as "the petty bourgeois route . . . which would only lead to the deterioration of the party into a social democratic party and hence the de-

generation of the revolution." The Sept. 20 meeting agreed that "the party must be put in a Leninist footing."

That agreement signaled the deposing of Prime Minister Bishop and his subsequent execution along with most of his cabinet ministers.

To consider what had already happened in Grenada and to assess what was about to happen is to conclude that any American President who failed to do what President Reagan eventually did would have been grossly derelict in his duty to protect and defend the United States.

The operation against Grenada, to be sure, was not flawless.

There was a serious failure of intelligence—a failure to know the size and scope of the Cuban military presence. This is a failure that ought to give pause to those Americans who have devoted their energies during the past decade to weakening America's intelligence-gathering and assessing-apparatus.

The administration was wrong, we believe, in excluding the U.S. press from participation in the initial assaults.

But these are fly specks in comparison with the real issue. They will not detract from the historic importance of what was undertaken and what was achieved.

The choices that commanded President Reagan's attention last month in Grenada have a historic parallel in the choices that challenged another American President a generation earlier.

John F. Kennedy won the presidency on a pledge to substitute vigor for lethargy and forward movement for stagnation.

Among his inheritances was a plan devised by the Central Intelligence Agency for the invasion of Cuba and the demolition of the Castro dictatorship, which was then two years old and still consolidating its power.

The invasion began on schedule in April, 1961. But at a crucial moment, the President of vigor and movement seemingly lost his nerve. The invasion was allowed to fail.

The result was not only the humiliation of the United States as a paper tiger in coping with its own strategic interests, but the elevation of Fidel Castro to a heroic position in the Soviet world.

A year and a half later, President Kennedy came reluctantly to the conclusion that the Soviet Union had converted Cuba into a base from which to challenge the United States in a way it had never been challenged before. Soviet missilery for the first time had U.S. cities in its range.

Here was another opportunity to destroy the Castro experiment. But once again, the Kennedy administration drew back. Mr. Kennedy's biographers portray the Cuban missile crisis as his finest hour—an hour in which he cooly pulled the world back from the brink of nuclear war.

In reality, the United States was bluffed into the position of guaranteeing the Castro dictatorship against invasion.

In the months and years that followed, Fidel Castro drove out all of those who might conceivably have challenged his political power. Today he stands at the apex of a dictatorship sustained by a spy in every block, by an educational apparatus that indoctrinates the young with all the zeal of the Hitler Youth and by a permanent Soviet military presence that leaves him powerless to serve his people's real interests even if he should be moved to do so.

The seeds sown in the spring of 1961 and the fall of 1962 were taking root once more in Grenada—just as they have already taken root in Nicaragua.

Can anyone who surveys what the world now knows about Grenada entertain any doubts about Castro's plans for Nicaragua—or, for that matter, for El Salvador? Can anyone have any doubts about where the Nicaraguans and the El Salvadoran guerrillas get their arms, their technical guidance, their ideology? Can anyone imagine that those thousands of Cuban "teachers" who have descended upon Nicaragua are really teaching the ABCs?

October, 1983, will go down in history either as the beginning of the American people's awakening to the menaces that exist in their own hemisphere, or as the confirmation of many Americans' preference for delusion.●

THE FIRST THANKSGIVING: A SPECIAL DAY FOR THE RUSSIAN PENTECOSTALS

HON. RICHARD A. GEPHARDT
OF MISSOURI
HON. ROBERT A. YOUNG
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. GEPHARDT. Mr. Speaker, as Americans gather together this Thanksgiving Day to reflect on the religious and political freedoms enjoyed in the United States as well as the abundant life of our democratic society, it is well to remember that perhaps the most poignant Thanksgiving Day celebration for many Americans is their first one.

Although the accounts of the first Thanksgiving Day celebrated by the Indians and the Pilgrims outside the tiny and fragile settlement of Plymouth have been embellished over time, their struggle for freedom and survival has served as an inspiration to millions of other oppressed people around the world who have sought refuge on American soil.

This Thanksgiving will be the first for a small group of Russian Christians who fought against the Soviet authorities for the right to exercise their religious freedom and paid the price of 5 long years of living in the basement of the U.S. Embassy in Moscow before obtaining freedom. I wish to briefly recount their travail and hope their story will inspire others to cling to their own beliefs even in the face of adversity.

On June 27, 1978, to escape religious persecution by Soviet authorities, seven Russian Christians broke through the ranks of Soviet guards and sought refuge in the U.S. Embassy in Moscow. They became known as the "Siberian Seven." Their names are Peter and Augustina Vashchenko, their three daughters Lida, Lyuba, and Lila, and Maria Chmykhalov and her son, Timothy.

This story of courage attracted international attention as it touched the hearts of millions. The story remained in the news as this determined band of Christians made the Embassy their home and their prison for 5 long years. Behind this story is another one, of 20 previous years of conflict between Russian emigration officials, the KGB and the two God-fearing families who led the way to freedom. Their incursion into the Embassy was simply a consequence of their pursuit for religious liberty—a result of their refusal to be denied. The minute the Chmykhalovs and Vashchenkos crashed into the Embassy, they left behind them their entire world, all they knew and had lived with all their lives in Chernogorsk, a coal-mining center in Siberia, 2,000 miles east of Moscow. In all, 31 emigres from that sector had set their faces and their hearts firmly toward the free world in a frustrating battle for a goal they were willing to die for—freedom to worship according to their beliefs.

As members of the Russian Pentecostal faith, they had come under severe pressure of all types while under Soviet rule, because their beliefs conflicted so sharply with the ideology of the Soviets. The families had tried since 1963 to leave the country, but to no avail. Finally, after 15 years, in 1978, while in Chernogorsk, they received an official invitation from a Presbyterian church in America to emigrate to the United States. But, the Soviets again denied them exit visas. Later that same year, the Chmykhalovs and the Vashchenkos returned again to Moscow to petition the Embassy for help, this time carrying with them a petition from the U.S. State Department. But, the Soviet militiamen would not even allow them to pass, so they desperately pushed their way past the soldiers and rushed into the consulate, refusing to leave. An eighth member of the group, 17-year old John Vashchenko, was grabbed by the guards, captured and beaten almost to death, and sent back to Chernogorsk.

The Embassy's haven for the Siberian Seven consisted of 300 square feet of makeshift living area, with only the barest of accommodations. Peter and Augustina occupied one of the two beds, and Maria slept on the other. The remaining four younger people slept on the floor. Although subject to continual, nerve-racking harassment from both inside and outside the Embassy, the refugees bravely held on day to day not knowing even what the next hour would bring.

In January 1983, Lida Vashchenko left the Embassy after being hospitalized with complications from her widely publicized, 34-day fast. She was permitted to return to Chernogorsk, and then she was released from Russia at which time she chose to go to Israel. She encouraged the rest of the group to leave the Embassy so they could go back to Chernogorsk to be re-

leased from Russia. The group decided that it was time to leave the Embassy. They were allowed to return to their hometown. Then, just a few months later, on April 12, 1983, word reached them that they could emigrate from Russia.

On July 19, 1983, 16 members of both families landed in St. Louis and have been resettled in an area south of St. Louis with the help and generosity of the United Pentecostal Church. Still fearful for reprisals against their families in the Soviet Union, the resettled families have been reluctant to speak out against the repressive system they struggled so hard to escape.

I am sure many Americans will join me in wishing these brave people a Thanksgiving Day to remember.●

A BILL TO AMEND THE INTERNAL REVENUE CODE OF 1954 INTRODUCED

HON. THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. FOLEY. Mr. Speaker, today I introduce legislation which amends the Internal Revenue Code of 1954 to allow the investment credit with respect to taxable businesses conducted by certain religious communities exempt from tax under section 501(d) of such Code. This legislation addresses a statutory inequity relating to members of certain religious communities organized under section 501(d).

Section 501(d) of the Internal Revenue Code allows religious communities to engage in the operation of a community business which is exempt from taxation on the condition that members of such communities report as personal income a pro rata share of the organization's income. The pro rata share is then taxed at the member level as a dividend received from the community. In short, the religious community does not pay tax but its members do. Thus, a section 501(d) organization is more nearly comparable to organizations which pass through the tax burden on income (i.e., trusts, partnerships, and subchapter S corporations) than to other section 501 organizations.

Because the Code stipulates that religious communities organized under section 501(d) do not pay tax on income from exempt activities, the Internal Revenue Service has taken the position that members of such communities cannot receive the investment tax credit for business machinery purchased by the community. This interpretation, although consistent with existing provisions in the Internal Revenue Code, discriminates against members of section 501(d) organizations as compared with partners in a partnership or shareholders in a subchapter S corporation. Members of such organizations pay more tax because they are denied the investment credit available to partnerships and subchapter S corporations. In Kleinsasser against United States (1982), the ninth circuit court recognized the obvious problem but, because the Internal Revenue Code does not directly address the issue, denied the investment credit to section 501(d) organization members. The court's opinion, however, stated that the failure to provide for the investment tax credit apeared to be a legislative oversight and urged religious communities operating under section 501(d) to petition the Congress for relief.

The legislation I introduced today clarifies the Internal Revenue Code by extending the investment credit to section 501(d) organizations meeting the demonstrated stability requirements defined in the bill's eligibility provision. Paralleling the manner in which a religious community's business income is taxed under section 501(d), the legislation apportions pro rata among members the qualified investment and credit for each taxable year. The pro rata apportionment of the investment credit insures that the fractional amount of credit will be the same on each community member's tax return, thereby simplifying the filing and processing of those returns. In addition, the bill does not allow credit for investment in eligible depreciable property to members who claim another type of investment credit and prohibits the reallocation of any disallowed property credit to other community members.

At present there are only approximately 71 section 501(d) organizations nationwide. Any revenue loss resulting from extension of the investment credit to eligible religious communities, therefore, would be extremely minute. Indeed, this proposal enjoys the bipartisan support of a number of my colleagues on the Ways and Means Committee, including Representative CHARLES B. RANGEL, the distinguished chairman of the Subcommittee on Oversight, and Representative FORTNEY H. (PETE) STARK, the distinguished chairman of the Subcommittee on Select Revenue Measures.

Mr. Speaker, I look forward to working with the members of the Ways and Means Committee and the Members of the full House of Representatives to enact this important clarification of the Internal Revenue Code.●

THE ROLE OF RELIGION IN POLITICS AND GOVERNMENT

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. COURTER. Mr. Speaker, the appearance of Senator KENNEDY at Liberty Baptist College rekindled the debate on the role of religion in politics and government. A further contribution by Congressman JACK KEMP has been made, and I commend it to my colleagues' attention.

In his excellent speech, Congressman KEMP reaffirms the right and duty of all Americans to take political decisions and actions which are informed by the moral lessons we derive from religious belief. Far from being a case of religion meddling in politics, this is an entirely appropriate course for a nation of religious freedom, political diversity and deep moral tradition.

The following are excerpts from Congressman KEMP's excellent remarks:

[From the Washington Times, Nov. 15, 1983]

A TOLERANCE VERSUS TRUTH TRADEOFF?

(By Jack Kemp)

Last month Sen. Edward Kennedy spoke on the subject of "tolerance and truth." Much of what he said is valuable, and I commend him for saying it. To defend the truth while defending the right of others to disagree is the very essence of what it means to be an American.

The Founding Fathers were firmly convinced of John Locke's argument for religious tolerance: "The care of souls cannot belong to the civil magistrate," Locke wrote, "because his power consists only in outward force; but true and saving religion consists in the inward persuasion of the mind, without which nothing can be acceptable to God." This heritage transcends political divisions between liberals and conservatives.

But Kennedy left the distinct impression that there is some kind of tradeoff between religious truth and religious tolerance. He said, if I read him correctly, that there are even some areas of politics where religious values do not apply. But this is far from what the Founding Fathers intended. John Locke's argument for religious tolerance does not minimize differences about religious truth: The possibility of persuasion depends on them.

It is easy to be tolerant when we think the other person may be right; but tolerance is called for precisely when we are convinced that he is utterly wrong; and that given the force of law his wrong opinion may be causing great injustice and suffering to the innocent. Under these circumstances, the difficult process of mobilizing public opinion on the right side seems even longer than usual. It is frustrating to change unjust laws in a lawful way. But it is hard only because it is right. There are few greater tests of loving our neighbor than the working of Democratic government.

The lesson for conservatives is that to be true to our religious beliefs we must become politically more inclusive. A true commitment to the principles of American govern-

ment means that the party in power must be the government of all the people—including the people who voted against it. The Declaration of Independence says that, to the degree the rights of the minority are not protected, the government cannot have any "just powers." This means that the principle of the Good Shepherd is as necessary in government as in daily life: If we are all to move ahead, we can't leave anyone behind.

Where our actions affect others, religion and politics not only may but must often intersect. But we have to recognize that this is very much a two-edged sword. In government, as in our personal lives, the power to make the right choice is also the power to make the wrong choice. This does not mean we can avoid choosing. But it does mean we must be as jealous of the rights of others as of our own.

Kennedy argued—and I agree with him—that there are some kinds of action, dealing with "uniquely personal parts of our lives," in which the government has no right to interfere. On such issues, he said, religion may only appeal to the individual conscience, not to the coercive power of the law. Unfortunately, he did not tell us how to draw this line; and to judge by the examples he gave, I think he has drawn the line wrongly. The examples he gave of "uniquely personal" issues were prohibition and abortion. I think he may be right about prohibition—because it involves the rights of only one person—but wrong about abortion—because the rights of two people are involved.

What about those issues where Kennedy feels religion has nothing to say? "I respectfully suggest that God has taken no position on the Department of Education," he told you, "and that a balanced budget constitutional amendment is a matter for economic analysis, not heavenly appeals. Religious values cannot be excluded from every public issue—but not every public issue involves religious values."

This is too neat, because it begs the question. Do Christians and Jews in public life face exactly the same choices as other citizens—or do they have a larger task? I think they have a larger task. We must be cautious in claiming that God is on our side; but we must never stop asking ourselves whether we are on God's side. The faithful must master their field of politics or economics or law or business or education.

But in addition, they must suffuse those views with a Christian or Jewish perspective. No field of human endeavor can be unaffected by the knowledge that God is there, and that not all is the same to Him; that there is right and wrong.

Let us learn to be tolerant of sectarian differences. But let us never forget the moral truth that makes all tolerance possible. For as it is written in the Book of John the Evangelist: "You shall know the truth, and the truth shall make you free."●

WE SHOULD TAX DUTY-FREE WOOLEN FABRICS FROM VIRGIN ISLANDS

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SHANNON. Mr. Speaker, today, I am introducing legislation to remedy a longstanding problem involving the duty-free entry of woolen fabrics into the United States from the Virgin Islands. Senator GEORGE MITCHELL is introducing the same legislation in the Senate today.

Currently, woolen fabrics of Czechoslovakian origin are passing through the Virgin Islands in order to enter this country duty free. If those fabrics came directly from Czechoslovakia, they would be subjected to a 68.5 percent ad valorem tariff. Commerce Department statistics indicate that for the last 3 years substantial volumes of woolen materials have been imported from the Virgin Islands even though no wool weaving facilities are located in the area. Statistics further indicate that the Virgin Islands imported from Czechoslovakia 1.3 million square yards of fabric in 1980, and 1.6 million square yards in 1981. Woolen fabric is also entering the Virgin Islands from several other sources.

This bill would tighten the valuation criteria contained at general headnote 3(a) of the Tariff Schedules of the United States (19 U.S.C. 1202). Under the present language imports from the Virgin Islands enter the United States duty free if no more than 50 percent of their value is in the foreign materials. My legislation would change the valuation system to a method that is based on the GSP system. Imports would enter duty free if 50 percent of their value is in the cost of materials produced in the insular possession plus the costs of direct processing done in the insular possession. This would prevent the manipulation of valuation criteria that has permitted cosmetic changes to be presented as substantial changes in value. Under my bill, the value of any changes in the fabric in the Virgin Islands must be documented in terms of the cost of the materials and the costs of direct processing.

I believe that this legislation will correct what has become a substantial problem for American woolen fabric manufacturers. If the Czechoslovakian goods are in chief value Czechoslovakian, then they ought to be dutied as such. This bill will end the use of general headnote 3(a) as a camouflage for the avoidance of duties.●

THE DAY AFTER IN THE SOVIET UNION

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. GOODLING. Mr. Speaker, I would like to voice my support for House Concurrent Resolution 229 which urges the administration to pursue diplomatic means to encourage the Soviets to show "The Day After" on their television network. I would also like to thank Representatives LEVITAS and GLICKMAN for offering this resolution, which makes a very salient point that the media in this country has overlooked in all the publicity it has given this controversial program.

The makers of "The Day After" state that the film is apolitical; that no one power is blamed for the scenario, and that they wish only to point out what the end result would be should a nuclear conflict between the superpowers indeed break out. However, in all the media coverage of the program in advance of its showing has made absolutely no reference that I know of to the need for this film to be shown on both sides of the Iron Curtain if it is indeed to have a positive and apolitical effect. Instead of focusing on the fears of school children regarding a nuclear conflict, focus should be put on having this same issue be made a matter of public forum in the Soviet Union and the Warsaw Pact countries. For only when the leaders in the Kremlin are made answerable to their constituency can the matter of nuclear conflict be resolved. I admire the strength and the sincerity of those women in England who have stationed themselves outside the NATO base which is receiving the new Pershing missiles; at the same time, however, I would feel a lot better if Russian women could do the same at the gates of the Soviet bases where SS-20's are being deployed on a monthly basis, and where they have been continued to be deployed over the last 4 years without so much as a whisper of protest on either side of the Iron Curtain.

God forbid that such a scenario as is portrayed in "The Day After" ever come to pass whether in Lawrence, Kans., or in Kiev, Ukrainian S.S.R. But in order to turn the "Four Horsemen of the Apocalypse" aside, there must be equally open forums of debate in both the United States and in the Soviet Union. By airing "The Day After" on Soviet network, the leaders in the Kremlin would be able to demonstrate a measure of sincerity on their part of their willingness to put down the danger of a nuclear conflict. If on the other hand, they ignore the plea so clearly evident in House Concurrent Resolution 229 and in the film, "The Day After", they will make clear a sinister nature of the worst kind—against which we would have to be on our guard.●

THE FOURTH WORLD OF TERRORISM STRIKES AGAIN

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. YOUNG of Florida. Mr. Speaker, the terrorist assassination Tuesday of Navy Capt. George Tsantes, the U.S. military attache in Athens, represents not only an attack on one man and his family but an attack on the United States and all Americans.

The murder of Captain Tsantes is the latest show of hatred by international terrorists toward our Nation and our citizens. Last week terrorists struck within our own borders as they bombed the Capitol. Three weeks before that in Beirut, more than 200 marines, sleeping on a Sunday morning, died in a suicide terrorist raid.

These latest attacks on the American people should make it clear that we are now facing a new "Fourth World" organization of terrorism. This Fourth World band of countries and organizations seeks to destabilize the world through selected acts of aggression that occur without warning and whose perpetrators are in most cases never apprehended. Information gathered by our intelligence community makes it clear that nations such as Syria, Iran, Libya, and Bulgaria, all with documented communist ties, are the world leaders in support of terrorism. These nations provide money, weapons, and other resources to independent organizations in many nations, including the United States. This network of terrorism is just one part of the grand communist scheme to destabilize the world.

In the United States and throughout the world, hundreds of Americans have been killed and injured, and millions of dollars worth of property has been destroyed through terrorist attacks. How much more death and destruction must take place before free people recognize that we are dealing with a Fourth World of terrorism that possess a potential threat as great, if not greater, than any single military force?●

ELECTRIC CONSUMERS' RAILROAD ANTIMONOPOLY ACT

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SEIBERLING. Mr. Speaker, today I have introduced a bill designed to insure a greater measure of competition in the railroad freight industry as this service relates to hauling coal, ore, or grain—bulk products for which, in most cases, rail shipment is the only feasible possibility.

When Congress passed the Staggers Rail Act of 1980, it was our intent both to free the railroads from restrictive regulation which hampered their ability to earn a profit and, in the process, to provide regulatory protection to the captive shippers—those shippers who must move their product by railroad and are so situated that only a single railroad can provide the service. Under these circumstances, a basic premise of the deregulatory aspect of the Staggers Act—namely, that competition in the free market would act to restrain the railroads from raising freight rates too high—has proved untrue. In vast areas of the Nation, where bulk product shippers are dependent upon railroad freight service, there is no competition.

The Interstate Commerce Commission, which seems to be ignoring provisions of the Staggers Act concerned with protection for captive shippers, has proposed a system of nationwide rail rates for hauling coal which will result in doubling present already high rates within 5 years. If the railroads do not by that time achieve "revenue adequacy" as defined by the ICC and such annual increases are allowed to continue, present rates could be trebled within 8 years. The ICC proceeding titled ex parte 347 (sub. No. 1), will allow a 15-percent increase annually above any upward adjustments to cover the effects of inflation. (It should be noted that at this point, there is not a single class I railroad in the country rated revenue adequate by the ICC.)

Staff of the Commission have conceded publicly that the 156-percent annual increase proposed under this proceeding has provoked the most opposition among comments received on this proposal but have not suggested that there will be any reduction. Even it there is a small change in the 15 percent figure, every action by the Commission implementing the Staggers Act would support a belief that the annual increase will be too high from the standpoint of coal producers, coal users, such as industry and electric utilities, and the individual consumers of electricity.

One possible remedy for consumers and captive shippers that serve them would be to restore competition to rail service in areas now served by only one railroad. Though many such cases are natural, as opposed to contrived monopolies, the effect on shippers and consumers is the same—that is denial of the benefits of competitive prices. At the very least, the Committee on the Judiciary should consider whether new legislation is needed to amend the Sherman Act in such a way that captive shippers can be assured of fair and reasonable freight rates.

The bill I have introduced would make it unlawful for a rail carrier to deny to any shipper the use of a railroad facility which is the sole means by which such shipper can connect by rail with the trackage of a competing rail carrier or reach the destination of a shipment if such denial is with the intent to monopolize. It would further provide that a rail carrier shall be conclusively presumed to have denied use of such railroad facility with intent to monopolize if it has denied use of the facility upon reasonable terms to a shipper and is not permitting any other rail carrier to use that facility to transport the shipper's goods.

Our Nation depends heavily on the mining and use of coal to meet an important part of its energy needs. More than half of the Nation's electricity is produced by burning coal, and 80 percent of that coal is moved by railroads which are the sole carriers available. Without competition, these captive shippers have good cause to be concerned about what freight rates will be 3, 5, or 10 years down the track.

As you know, Mr. Speaker, fuel costs, including transportation, are passed through by utilities to the individual electricity consumers. It is important that we do what we can to make sure that consumers' costs do not result from unconstrained monopoly in freight hauling.●

THE MARINE CORPS MARATHON—THE BEST ONE YET

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. WOLF. Mr. Speaker, on Sunday, November 6, 1983 some 12,000 runners left the Marine Corps Iwo Jima statue to begin an arduous 26.2-mile run through the 10th Congressional District of Virginia and the District of Columbia.

This race, the eighth annual such event sponsored by the U.S. Marine Corps, was the biggest and the best one yet. Some 60 percent of the runners were first-time marathoners which is clear evidence of the growing public support of and interest in athletics and self-help health that is developing in our Nation.

Among the runners completing the race were two employees of this body—John Monahan from the Office of the Official Reporters of Debates and Hyde Murray, minority counsel of the House of Representatives.

John finished in a brisk 3 hours, 31 minutes, and 56 seconds, while Hyde, running his first marathon, completed the historic distance in 4 hours, 49 minutes, and 47 seconds.

This race, like all marathons, is in memory of the famous Phiedippider, who, in 490 B.C., ran from the plain of Marathon to the city of Athens with

the glorious news that the Greeks had defeated the Persians in what many historians perceive was the most important military battle in history.

The marathon is a test of true grit—both physical and emotional, and it is with special and personal appreciation that I take this opportunity first to congratulate our two marathoners, second to thank the U.S. Marine Corps and all the other groups and individuals who worked so hard to make this exciting event a success, and third to urge all Americans to seriously consider the ancient and enduring sport of running.●

REVIVAL OF THE LONG DORMANT CENTRAL AMERICAN DEFENCE COUNCIL

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BONIOR of Michigan. Mr. Speaker, I would like to call my colleagues' attention to some disturbing recent developments in Central America. At an October 1 meeting in Guatemala, which the head of the U.S. Southern Command attended as an observer, the military chiefs of Honduras, Guatemala, and El Salvador announced the revival of the long dormant Central American Defence Council (CONDECA).

According to a front page article in the New York Times of November 11, these Central American military leaders, joined by the military chief of Panama, held a secret meeting in Tegucigalpa to discuss joint military action against Nicaragua. The group recommended a study of possible "legal instruments" which may "permit the security and armed forces of Panama and other Central American countries to participate in the action for the pacification of Nicaragua." It also called for the United States to provide a range of military support to the alliance, including "direct participation of the United States with all its resources * * * in cases of exteme crisis."

These developments are disturbing not only because of the possibility that they might pave the way for direct U.S. military intervention in the region, but also because the revival of the alliance itself threatens the future of democracy among our allies in Central America. This was made clear by the last week's events in Panama. On Friday, the Vice President of Panama Jorge Illueca, who is also President of the U.N. General Assembly, spoke to the Panamanian Parliament. He questioned the legality of Panama's participation in CONDECA and renounced any intention of his country to act militarily against Nicaragua.

I am inserting for the record, exerpts from his remarks as reported by the Panamanian Domestic News Service and as printed in the U.S. Government's Foreign Broadcast Information Service (FBIS Daily Report November 16, 1983).

Vice President Illueca spoke at great personal risk. Yesterday's Washington Post reports that his remarks so angered his country's national guard that he was removed from his post as Vice President. I would also like to call this article to my colleagues' attention because I believe it clearly indicates the difficulties many political leaders have encountered trying to protect such basic liberties as freedom of speech in the face of the growing military emphasis in the region.

VICE PRESIDENT ADDRESSES NATIONAL ASSEMBLY

(Speech by Panamanian Vice President Jorge Illueca to the National Assembly of Corregimiento Representatives at Justo Arosemena Legislative Palace in Panama City—live.)

Mr. President; Messrs. Vice Presidents; Messrs. Ministers; Mr. Comptroller General; municipal, provincial, and national authorities; honorable representatives: In fulfilling my duties prescribed in the political Constitution of the republic, I have come here to present my report on the implementation of the budget and the national development plan during the period covering 12 October 1982 to 11 October 1983.

In my 1982 report, I explained the basic ideas of the executive branch regarding general guidelines for economic policy, the state budget, a public investment program, and our country's outlook for social development. I can add nothing new because these guidelines still apply as the groundwork of the Panamanian state's policy in the economic and social sphere, which is aimed at achieving an autonomous national development that guarantees the people's enjoyment of essential goods for a stable, secure, and dignified life.

As you well know, the improvement that we so anxiously expected has not occurred. The general behavior of our economy has deteriorated, and it can only take a positive turn if we outline and implement a group of very austere corrective measures. The new strategy is an emphasis on the production of exports without subsidies, a greater participation of the private sector in economic activities, a reduction of the role of the state as an active agent in the country, and the encouragement of competition within the economic system. Part of this strategy will be to lower the high levels of industrial protection. The medium-term strategy will be aimed at increasing coffee, cacao, meat, and fishmeal exports, as well as industrial exports.

In sum, the country's potential is included within the framework of the limitations that public and international credit impose on the country.

Honorable representatives, I have devoted the previous paragraphs to discussing economic, fiscal, and social problems and to presenting medium-range solutions that the government plans to carry out successfully. Allow me to discuss another basic aspect in the country's situation: the political aspect, which is now in the hearts and minds of our fellow countrymen.

The problem we are facing is the democratic reconstruction of our national life. We must see that there is an established link between the Panamanian national struggle and the Panamanian position abroad. They cannot be separated. For this reason, when we read today in the New York Times that a Latin American bloc is studying an action in Nicaragua, we saw that a falsehood was stated. It is said there that Panama is a member of an organization called CONDECA, the Central American Defence Council, and that the military leaders of Guatemala, Honduras, El Salvador, and Panama met to make a decision on an action in Nicaragua. This is completely false. It has been denied by General Noriega and Chunin Fabrega, our representative in Washington. They've stressed that Panama is not a CONDECA member.

Let it be clear: We are not CONDECA members. This newspaper stated that a CONDECA treaty was signed in 1974. Our response is clear: No public treaty is valid unless approved by the organization constitutionally established to do this, which is the National Assembly of Corregimiento Representatives. I am a witness to this because I have been foreign minister, and I know that there is no document at the Foreign Ministry which says that Panama is a member of an agreement that is repulsive to the international public, because it is clearly stated that the architect of that agreement was Anastasio Somoza, who is not favorably remembered. It is also said that the architect of this agreement is the Southern Command located in Panamanian territory. However, let the international press be very clear about one thing: Reports are issued every day saying that troops are sent from Panama to El Salvador, planes are sent from Panama to El Salvador, and arrangements are being made to invade Nicaragua. Gentlemen, our response is: When you say Panama, you are using the word incorrectly. You are referring to a foreign military base named Southern Command. But let it be clear: Our dignity demands that we be respected.

We also have a communique issued by Salvadoran organizations noting that CONDECA is threatening to invade El Salvador and Nicaragua. Well, we are not involved in that game. We are not involved in CONDECA games against Nicaragua. We demand respect for national honor.

I ask you—because I don't want to think that I am a man from a different dimension—do you want Nicaragua to be invaded? Tell me yes or no. (Audience shouts: no.)

But I'd like to hear you in a more decided manner. Are we against intervention? (Shouts from audience.) Do we favor the right of the people's self-determination?

Well, thank you, I will continue now. [laughter, followed by applause and chanting of slogans] I want to ask the honorable representatives and my compatriots to forgive me for having drifted from the text. I am going to conclude with these thoughts, which I hope are shared by all Panamanians.

Nations, as well as individuals, live up to a reputation. Panama—with the participation and support of all its citizens, putting aside any differences that may exist regarding the approach to the solution of internal problems—must maintain its position of independence, sovereignty, and intrasigent nationality so that it can continue to be what it already is: an international instrument for dialogue, an effective intermediary between peoples and governments, a valid interlocu-

tor with every ideology and, above all, an active instrument of progress and the unity of peoples who share the same language, culture, and traditions.

Panamanians must not allow the country's main destiny to be diverted to interior levels by the old demons of political division, private interests, and indifference toward ethical values, because we would then be returning to an ominous past.

REMARKS DENIED, REPLACED

Carlos Ozores Typaldos was appointed temporary vice president this morning, replacing Jorge Illueca, who is president of the 38th UN General Assembly. Ozores Typaldos' appointment as acting vice president, replacing Illueca, occurs after Illueca made serious charges before the National Assembly of Corregimiento Representatives and nearly jeopardized the government's position abroad. Illueca's remarks were subsequently denied by official spokesman of the national government.

[From the Washington Post, Nov. 17, 1983]

U.N. ASSEMBLY CHIEF LOSES PANAMA POST

(By Indalecio Rodgriguez)

PANAMA CITY, November 16.—Jorge Illueca, the outspoken president of the U.N. General Assembly, has been fired as vice president of Panama after angering the country's powerful National Guard.

Presidential chief of staff Mario de Diego, emerging from a Cabinet meeting yesterday, told reporters Illueca had been replaced by former foreign minister Carlos Ozores.

Ozores said Illueca would retain his General Assembly post and now would be able "to carry out his functions in the United Nations without interruptions."

Illueca was named to the vice presidency in July 1982 when president Aristedes Royo resigned and was replaced by Ricardo de la Espriella, who had been vice president. His term was to have ended in late 1984, as does that at the United Nations.

Illueca had angered the National Guard, Panama's strongest public institution, through a speech to the General Assembly Friday in which he denied published reports that Panama was participating in the Central American Defence Council, known as CONDECA.

The New York Times reported last week that Panama was participating in plans by CONDECA—which groups the rightist armies of Guatemala, El Salvador and Honduras—to isolate and possibly invade leftist-governed Nicaragua.

Illueca, 65, called CONDECA an "agreement that is repulsive to the international conscience, because its principal architect was [the late Nicaraguan president] Anastasio Somoza, of unpleasant memory, and its father was the Southern Command," referring to the U.S. Southern Command, based in the Panama. "We are not in CONDECA playing the game against Nicaragua."

Somoza and other regional military leaders established the council in 1963 as a force against communism. Nicaragua charges that recent CONDECA talks, from which it has been excluded, have been dedicated to plans to invade Nicaragua.

Sunday, in a televised National Guard news program, an announcer said Illueca was "not authorized" to make the comments. An editorial Monday in the La Republica newspaper, which is believed to reflect the views of the National Guard, said Illueca's comments, made in an addition to his planned speech, "were made without authorization or consultation and could cause permanent and irreparable damage to our country."●

TRIBUTE TO JUDGE JAMES C. CARTER

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. ROGERS. Mr. Speaker, the end of 1983 will also mark the end of what I can only describe as one of the most outstanding records of public service I have ever seen.

For the past 74 years, the 29th Judicial District of Kentucky has been served by James C. Carter as circuit judge. For the first 36 years, James C. Carter, Sr. provided the people of Monroe and neighboring counties with outstanding service. Since 1946, that same spot on the bench has been filled by his son, James C. Carter, Jr. Judge Carter, Jr. will retire in December, after his own career of leadership in the judicial system.

Mr. Speaker, I know of few, if any, families around the Nation that can equal this record of service. The current Judge Carter, a native of Tompkinsville, has also served as a lawyer, FBI agent, and mayor. He also was elected to a term as State representative in the Kentucky General Assembly, and later filled an unexpired term as Commonwealth attorney.

At a recent ceremony honoring Judge Carter's record of service to the 29th district, he was lauded as not only an outstanding jurist, but also as one of the best students of law in the State. He was praised for having "the patience of Job and the wisdom of Solomon." And citizens and fellow court colleagues in Monroe, Adair, Casey and Cumberland Counties applauded his singularly excellent record as judge and citizen.

Mr. Speaker, Judge Carter will celebrate his 80th birthday in December, just a few weeks before his retirement from the bench. Today, before my fellow Members of the 98th Congress, I ask all of you to join me in saluting a great jurist, a great citizen, and a great American—Judge James C. Carter, Jr.●

INDEPENDENT SOVIET PEACE MOVEMENT

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MARKEY. Mr. Speaker, today, I am joined by 33 of my colleagues, in introducing a resolution on behalf of the independent Soviet peace movement. In 1982, a group of Soviet citizens, not connected with the official Soviet peace apparatus, established an independent peace and disarmament organization. Since the group's founding, however, the Soviet Government has engaged in a systematic policy of harassing it, prohibiting its meeting and imprisoning its members.

I believe that Congress should strongly protest such Soviet repression of any citizen's basic right to support peaceful coexistence between the superpowers. The resolution that we introduce today states unequivocal congressional support for the right of independent Soviet peace groups to express freely their views and to organize and meet within the Soviet Union. The resolution also calls on the Soviet Government to honor its international human rights commitment and to stop harassing the group.

The founding of the Moscow independent peace group, formally called the Group for the Establishment of Trust Between the U.S.S.R. and the U.S.A., was announced at a press conference in Moscow on June 4, 1982. Foreign correspondents were invited to attend in person and to act as witnesses for the inauguration of this new venture. The initial membership consisted of the following people: Sergei Batovrin, a refusenik painter and spokesperson for the group, who had been in conflict with Soviet authorities when they closed down an unofficial art exhibit that he had organized; Vladimir Fleishgakker, a refusenik engineer; Maria Fleishgakker, also a refusenik enginer, who had been previously detained for staging protests; Sergei Blok, a physicist; Sergei Rozenoer, a refusenik mathematician; Mikhail Ostrovbsky, a refusenik dental technician; Ludmilla Ostrovskaya, a refusenik linguist; Igor Sobkov, a psychiatrist; Gennady Krochik, a physicist; and Boris Kalyuzhny, a mathematician. All original members of the group lived in or near the city of Moscow.

The group collected 40 signatures for its founding declaration. Its stated goal was to start a 4-way dialog among the governments and the peoples of both the U.S.S.R. and the U.S.A. It intended to establish contacts with the independent peace movements in East Germany and Hungary, and also with the peace movement in the United States. The group members stressed that they were not dissidents and that their goals were consistent with the declared goals of the Soviet Government. They said that if they were persecuted in any way, such action would most probably be the result of a misunderstanding rather than genuine antagonism by either side.

On June 8, 1962, the group appealed to the Governments of the U.S.S.R. and the U.S.A. to cease nuclear testing and to increase contacts between the citizens of their respective countries.

They submitted a detailed list of proposals in this regard, and sent an appeal to the Moscow City Council asking that Moscow be declared a nuclear-free zone. As an example of their openness, the group's members publicized their home telephone numbers, inviting people to call them if they had any other suggestions.

Between June 11 and 17, 1982, however, all those who had called the press conference were detained, questioned, and warned by Soviet authorities that their actions were seen as a provocation directed against Soviet society and a violation of Soviet law. The home telephones of group members were disconnected and their apartments were picketed by police and agents who prevented people from entering or leaving. Yet, the founders of the group had from the very beginning made it clear that their goal was identical with the proclaimed goal of the Soviet Government—that is, the preservation of peace. Their intention was not to oppose the official Soviet peace apparatus, but rather to work alongside it.

The Soviet Government claims that it has an official peace movement with more than 80 million members. The modest unofficial peace group was repeatedly warned, however, to end its activities. Although they have not criticized Soviet foreign policy, the group's activists have been accused of a deliberate provocation of rendering assistance to anti-Soviet propaganda. Tragically, the Soviet Government has engaged in organized harassment of this group, prohibiting meetings, confiscating materials, and threatening members. Peace group activists imprisoned or exiled include Oleg Radzinsky, Sergei Batovrin, Alexander Shatravka, Vladimir Mischenko, Vladimir Kornev, and Vladimir Gershuni.

We should be proud that in our country people are free to speak out against the nuclear arms race, as the nuclear freeze movement has done. People in all countries should have this same freedom. The resolution that we are submitting is intended to register congressional protest and to call world attention to the Soviet Government's blatant disregard for the basic human right to search for peace.

The following is a copy of the resolution:

RESOLUTION ON BEHALF OF THE INDEPENDENT SOVIET PEACE MOVEMENT

Whereas the United Nations General Assembly adopted the World Disarmament Campaign Resolution on December 13, 1982, which calls upon member states to facilitate the flow of information on peace and disarmament and allow citizens to freely and publicly express their views and to organize and meet publicly for that purpose;

Whereas the Universal Declaration of Human Rights and the Helsinki Final Act commit the Soviet Union to respect human rights;

Whereas an independent group of Soviet citizens created the "Group To Establish Trust Between the Union of Soviet Socialist Republics and the United States" in June 1982, to promote peace, disarmament, and increased social, cultural, and scientific cooperation between the United States and the Union of Soviet Socialist Republics;

Whereas the Government of the Soviet Union has engaged in a systematic campaign of harassment of the group, including disrupting meetings and news conferences, confiscating materials, detaining and interrogating members of the group for as long as two weeks, placing members of the group under house arrest, threatening members with loss of work and criminal prosecution, and obstructing their contact and communication within the Soviet Union and with the outside world;

Whereas Oleg Radzinsky, a founding member of the group, was arrested in October 1982, tried in October 1983, and sentenced to one year imprisonment and five years of internal exile;

Whereas Sergei Batovrin, a founding member and spokesman for the group, was detained in a psychiatric hospital and forced to emigrate in May 1983;

Whereas two supporters of the Moscow chapter of the group, Alexander Shatravka and Vladimir Mischenko, were tried and sentenced to three years and one year in labor camps, respectively, for "anti-Soviet slander" by attempting to circulate the Moscow Trust Group's "unofficial peace appeal" to workers;

Whereas Vladimir Kornev, the founder of the Odessa chapter of the group, was arrested on trumped-up charges and is currently being detained; and

Whereas Vladimir Gershuni, a signatory of the group's documents, was sentenced to forced psychiatric treatment in April, 1983: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress expresses its support for the right of independent Soviet peace groups to freely express their views and to organize and meet within the Soviet Union. The Congress calls upon the Government of the Union of the Soviet Socialist Republics—

(1) to honor its obligations under the World Disarmament Campaign Resolution adopted by the U.N. General Assembly by allowing the flow of information on peace and disarmament and by allowing citizens to freely express their views and to organize and meet publicly for that purpose;

(2) to cease its harassment of the "Group to Establish Trust Between the Union of Soviet Socialist Republics and the United States"; and

(3) to honor its obligations under the Universal Declaration of Human Rights and the Helsinki Final Act of the Conference on Security and Cooperation in Europe.

SEC. 2. The Congress requests that the President convey the sense of this resolution to the appropriate authorities in the Union of the Soviet Socialist Republics.

SEC. 3. The Clerk of the House of Representatives shall transmit a copy of this resolution to the President.●

HONORING MATER DEI VARSITY BASKETBALL TEAM

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. PATTERSON. Mr. Speaker, I am proud to have the opportunity to honor an outstanding group of high school athletes and their coaches from Mater Dei High School. Mater Dei is located in one of the largest cities in my congressional district, Santa Ana, Calif. Mater Dei has a history of excellence in both its academic and athletic programs. But this year is even more special than usual, and I would like my colleagues in the House of Representatives to join me in saluting the Mater Dei varsity basketball team of 1983 for their exceptional achievements.

These young men and their coaches have demonstrated the discipline and education it takes to be winners, and they have been blessed with the strong support from their high school, community, and families. The Mater Dei Monarchs have exhibited continued improvement in their pursuit of the 4A CIF basketball championship. This dedication to excellence led to the southern region title in 1983 and for the 1983-84 season. The Monarchs have the distinction of being the No. 1 ranked high school basketball team in the country, by Street & Smith magazine, a leading national periodical on basketball. As the top-rated high school team, the Monarchs will join us in our Nation's Capitol to play DeMatha High School—rated No. 2 in the country—and St. John's College High School, on December 20 and 21 of this year.

Coach Gary McKnight, assistant coaches Richard Schaaf, Pat Barrett, Dave Taylor, and team members Matt Beeuwsaert, Jim Dwyer, Mike Fielder, Steve Gorman, Chris Jackson, Pat Kelly, Tom Lewis, Mike Mitchell, Jim Motis, John Mounce, Chris Patton, and Todd Worthe are to be applauded for their fine efforts, hours of practice, sportsmanship, and teamwork, which has led to their success in the past and this season's ranking as the top high school team in the country.

It will be my pleasure to host the Mater Dei High School varsity basketball team next month in Washington, D.C. We can all be assured that these young men represent some of the best and the brightest of our Nation's future leaders. Please join me in wishing them well in the 1983-84 basketball season.●

CALIFORNIA JUNIOR HIGH SCHOOL

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MATSUI. Mr. Speaker, I would like to honor today California Junior High School in my district of Sacramento, Calif., which is now celebrating its 50th year anniversary. Through five decades of service, this fine institution has provided thousands of Sacramento public school children, including myself, with an outstanding, well-rounded social and academic education.

When the original California Junior High School was built in 1933, in the Moorish style of architecture, it was considered one of the loveliest buildings in the city. However, in 1975, the building had to be demolished because it failed to meet State earthquake safety standards. The new building constructed the following year, called California Middle School, retained many elements of the original building including the Moorish art water fountain, several chandeliers, and the massive wood entrance doors. Even more important, the new school retained the guiding spirit of the old: The cooperative commitment of faculty, parents, and students to the highest standards of educational excellence. Students of today—many of whose parents are graduates of the old school—are still being prepared to become the community leaders of tomorrow.

As a proud alumnus, it is with great pleasure that I congratulate my alma mater, California Junior High School, on its 50th anniversary.●

TAX TREATMENT OF SHIPPING INCOME

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SHANNON. Mr. Speaker, today I am introducing legislation that would reverse some little-known Treasury rulings that allow certain income derived from shipping goods between U.S. ports, or between a U.S. and a foreign port, to be treated for tax purposes in a way that defies rationality.

Our tax laws allow companies receiving income from foreign sources to take a credit against their U.S. tax for taxes paid on that income to foreign countries. The credit is subject to a limitation which is based on the ratio of foreign source taxable income to worldwide (i.e., foreign plus domestic) taxable income. The higher a company's foreign source income, the higher the limit on the credit it can take. Thus, it is to a company's advantage to have as much of its income as possible classified as foreign source rather than domestic.

Under existing IRS and Treasury rules, a company receiving income from the shipping of goods between two U.S. ports, or between a U.S. port and a foreign port, can treat that part of its income allocable to periods when the ship was outside U.S. territorial waters (the 3-mile limit) as foreign source income. The method of allocation varies depending upon whether the income is rental income (bareboat charter hire) or payment for transportation services. This means that income derived from shipping goods that both originate and are utilized within the United States, and whose only "foreign" connection is a particular shipping route, may be treated as foreign source. It is hard to find much logic in such a rule.

These rules are particularly advantageous to oil companies operating on the Alaskan North Slope, which already have a pretty good tax situation. Whether the resulting income is rental income or transportation services income, oil companies that ship their North Slope crude from Alaska to the Pacific Northwest, or from Alaska to Panama and then from Panama to the east coast will be able to claim foreign source treatment for most of it.

The bill that I am introducing would overturn these rules and establish a more logical method of determining the source of this type of shipping income. Rental and service income would be treated alike. Income earned for shipping from one U.S. port to another U.S. port would be entirely U.S. source income. Income earned for shipping from one U.S. port to a foreign port, for ultimate delivery to another U.S. port, would be half U.S. source and half foreign source income. Similarly, income earned for shipping goods from a foreign port to a U.S. port, where the goods originated at a U.S. port, would also be treated as half U.S., half foreign source income.

I hope that my colleagues will agree that these rules are good commonsense and will join me in supporting this legislation. The text of the bill is printed below:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 863 of the Internal Revenue Code (relating to items not specified in section 861 or 862) is amended by adding at the end thereof the following new subsection:

"(c) SOURCE RULE FOR CERTAIN SHIPPING INCOME—

"(1) IN GENERAL—Notwithstanding subsection (b)(1)—

"(A) all shipping income attributable to transportation between 2 ports located in the United States shall be treated as derived from sources within the United States, and

"(B) 50 percent of all United States connected shipping income shall be derived from sources within the United States.

"(2) UNITED STATES SHIPPING INCOME—For purposes of this subsection, the term 'United States connected shipping income' means—

"(A) any shipping income attributable to the transportation of any item from a port in the United States to a port outside the United States where such transportation is part of the transportation of such item for ultimate delivery to a port in the United States, or

"(B) any shipping income attributable to transportation of an item from a port outside the United States to a port within the United States where such transportation is subsequent to transportation described in paragraph (A).

"(3) SHIPPING INCOME—For purposes of this subsection, the term 'shipping income' means any income derived from, or in connection with—

"(A) the use (or hiring or leasing for use) of any vessel, or

"(B) the performance of services directly related to the use of any such vessel."

(b) The amendment made by subsection (a) shall apply with respect to transportation beginning after December 31, 1983, in taxable years ending after such date.●

PROTECT WOMEN'S RIGHTS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MILLER of California. Mr. Speaker, last August President Reagan spoke glowingly to the American Bar Association of his administration's commitment to "assure that every woman has an equal opportunity to achieve the American dream."

Four days later, his administration filed a brief with the Supreme Court designed to undercut the very best legal protection American women have against unequal access to education: Title IX of the Civil Rights Act of 1964.

Since the filing of that brief, the Department of Education's enforcement of this critical antidiscrimination provision has declined markedly. To compound its offenses, the Department this summer slashed the Women's Educational Equity Act program and the equity training and technical assistance program, the two Federal programs designed to assure educational equity for women.

In contrast to the regressive policies of this administration, which so badly impact on women, I am gratified that the House has voted overwhelmingly to reaffirm its commitment to title IX.

House Concurrent Resolution 190 says that title IX "should not be amended or altered in any manner which will lessen the comprehensive coverage of the law." I wholly concur with the letter and spirit of this resolution. Indeed, if anything is to be al-

tered, it must be an administration that willfully attempts to curtail the basic civil rights of women.●

EQUAL RIGHTS AMENDMENT

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. KOSTMAYER. Mr. Speaker, all too frequently this body seems preoccupied with procedure rather than substance. Today I would like to focus on the substance of the Equal Rights Amendment.

ERA is a short, direct statement of the principle that women are entitled to equal rights under the law of the United States. For over a decade opponents of equal rights for women have attempted to cloud the issue with arguments about the military draft and abortion. While these are important concerns, they are extraneous to this debate, what we are talking about here is a straightforward declaration which will demonstrate that the United States pays more than gratuitous lip service to the principle of equality for all Americans.

But the value of ERA is not just symbolic. The history of the equal rights movements in this country tells us that a national equal rights amendment is necessary on a practical level as well. We need ERA to provide guidance to judges in gender discrimination cases, where many legal questions remain unanswered. We need ERA to protect the advances women have made in the past, advances which current administration policies threaten to roll back. Most of all, we need ERA to halt the feminization of poverty in our Nation by guaranteeing that women and men have the same opportunities to earn a decent living and to support their families.

Opponents of ERA contend that women have already achieved equality, that the current statute-by-statute, State-by-State approach to gender discrimination is sufficient. Both assumptions are patently false.

All the hoopla surrounding a female Presidential appointment or the first space flight by a woman cannot hide the face that women earn 60 cents for every dollar made by men. Nor can high-sounding rhetoric justify the increasing poverty of households headed by women and corresponding Federal budget cuts in programs such as women's educational equity, child nutrition, family planning, and displaced homemaker assistance.

We do not need to look far for example of the danger in entrusting women's rights to the whim of government officials. The pending *Grove City* case, the Department of Education's attempt to limit the jurisdiction of title IX, is a concrete example of the current administration's insidious campaign to undermine this Nation's achievements in the struggle for equal rights for all Americans. It is also a clear warning that a constitutional amendment is the only way to insure that equal opportunity in all walks of American life is the rule, not the exception.

ERA is by no means a dead issue in Pennsylvania. In the past year I have received many letters from constituents who believe as I do that the failure to ratify ERA was only a temporary setback. The success of Pennsylvania's own State ERA has shown us the tremendous advances in educational and employment opportunities for women which are possible when a government is given a direct mandate to respect the rights of women.

I am deeply disappointed that ERA was defeated here this week by a vote of 278 to 147. We have waited far too long to recognize women in our Constitution. I urge this body to move swiftly in the next session to pass ERA.●

TOWARD IMPROVED AGING INFORMATION—THE NATIONAL CLEARINGHOUSE ON AGING

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BIAGGI. Mr. Speaker, today I am introducing legislation that would reestablish an information clearinghouse within the Administration on Aging. This clearinghouse would specifically be charged with the responsibility of providing consolidated and concise information on sponsored projects under title IV of the Older Americans Act. It would also set up a toll-free hotline to facilitate dissemination of information.

To date, the Administration on Aging has been sorely deficient in its dissemination and research responsibilities with projects supported through title IV of the Older Americans Act. The establishment of title IV—which is dedicated to research, education, and training—was specifically designed to support activities that would continue to enhance the delivery of services to seniors through other parts of the act.

We need to know what works best—and disseminate it to the widest possible audience—including service providers in the aging network—if we expect the Older Americans Act to remain responsive to our changing elderly population.

The national clearinghouse established under the 1978 amendments was eliminated in 1981. This elimination was accomplished, I believe, because there was insufficient emphasis placed upon dissemination of sponsored research from title IV. At the same time, the aging network faced a number of barriers of obtaining information on title IV because of lack of their own resources. Making information obtained about aging projects and programs sponsored through title IV was not a priority. Thus, it was easy to eliminate the clearinghouse because few people understood its functions—which themselves were of little value to the aging network or to policymakers.

The clearinghouse will be established under the auspices of the Commissioner of the Administration on Aging who shall appoint a director to head the new office.

The responsibilities of the clearinghouse will be to compile and disseminate to any person, on request, information relating to current and recently completed research, demonstration, evaluation, training programs and projects related to aging sponsored by Federal agencies.

The clearinghouse will be charged with publishing an annual report summarizing the findings of such projects. Copies of this report will be made available to all public and private nonprofit agencies, organizations and institutions who are concerned with improving the lives of older Americans.

Compilation of information regarding State laws important to our elderly population will also be the responsibility of the clearinghouse.

The national toll-free hotline within the clearinghouse will help disseminate the collected information and also answer questions regarding federally administered programs, services, and benefits for which senior citizens may be eligible. In addition, the hotline staff will cooperate with public information and referral services to insure that information is available concerning any programs and services, both public and private, for which senior citizens may be eligible.

The Director of the clearinghouse will have the additional responsibility of providing technical assistance to such public and private nonprofit agencies, organizations, and institutions whose purpose it is to assist older individuals to achieve any of the goals and objectives of the Older Americans Act. In providing this assistance, the Director shall base the technical assistance on the latest knowledge assimilated by the clearinghouse.

The annual report which the Director is mandated to publish will be based on information collected during the past year from all federally authorized projects. The first such report, however, will summarize the findings of projects dating back to 1978.

This bill will require all recipients of moneys under part B of title IV to submit to the clearinghouse a report containing a summary of the findings of the authorized projects, as well as a statement indicating how the project findings relate to the goals and objectives of the Act.

The objectives of this bill are as follows: First, to make title IV projects more directly responsive to the objectives and goals of the Older Americans Act; second, to further the knowledge of aging issues by collecting and disseminating the results of federally authorized projects; third, to operate a national aging hotline; fourth, to lend technical assistance to any public or nonprofit agency concerned with improving the lives of another citizens.

In my capacity as an original member of the Aging Committee and as a senior member of the Education and Labor Committee, I intend to work actively in both forums for the passage of this bill during the reauthorization process of the Older Americans Act.

I am introducing this legislation with the specific intent of raising the visibility of title IV programs within the act in order to make them useful to the widest possible audience. I do not believe that research can be done in a vacuum. It must be first accountable—and second—it must be useful to policymakers and service providers. Without this accountability—the $22 million that we currently spend on title IV to augment training, educational and research activities will be ill-spent. With this accountability—we can provide for a useful vehicle that can help generate support for increased funding for title IV.

I propose this bill at this time in order to provide for an open discussion with all interested parties who would benefit by the establishment of this clearinghouse. We share the same goals—improving the lives of older Americans—and their comments and suggestions will be useful to us as we consider this issue during the reauthorization process next year.●

ON THE 20TH ANNIVERSARY OF THE ASSASSINATION OF PRESIDENT JOHN F. KENNEDY

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MARKEY. Mr. Speaker, November 22, 1983, marks the 20th anniversary of the assassination of John Fitzgerald Kennedy, 35th President of the United States. That event, fixed forever in our memories, is cited by many social commentators as marking the border between national youth and maturity, between innocence and responsibility, between hope and resignation.

We remember the Kennedy administration often with wishful nostalgia as a time of anticipation when, as with most youth, we lived with a sense of the future. We may learn from the allusion that John Kennedy used upon conferring American citizenship on Winston Churchill: "He mobilized the English language and sent it into battle." So too has the spirit of John Kennedy left us with the ability to retrieve that hope of our youth. By giving the American people the hope of a new world, John Kennedy left us with a memory that is intact and strong.

But how, as adults, do we use the recollected hope of our youth? How can we mobilize that youthful anticipation, tempered by the reflection of our maturity, toward the achievement of peace and security in these final years of the 20th century? In his American University speech of 1963, John Kennedy spoke of a new agenda for foreign policy—an agenda that contained prophecy and retains relevance. At the crux of John Kennedy's vision of world peace and order was the hope that the world might be made safe for diversity. Again this spirit of hope brings us to an emphasis on tolerance, a basic social attitude that accepts different social, political, religious, and economic orders.

As we remember John Kennedy, it is proper for us to observe our present political atmosphere. Where is the acceptance of diversity? Where is the tolerance? Where is the hope?

It appears that the recent talk and action on the part of the present administration in all areas of foreign policy have firmly closed some avenues, removing flexibility of response and avoiding any semblance of toleration. The achievement of tolerance requires discussion, and discussion is becoming increasingly rare. In fact, we are not discussing with our adversaries; we are lecturing them. It is far too easy to let the rhetoric carry us into corners of no escape. If this happens, it will be a tragedy beyond measure or repair. Let us recall the Kennedy spirit, the time of hope and anticipation for a future of happiness, prosperity and peace. Let us mobilize that spirit to capture the initiative and remove it from the control of those governed by sterile and shortsighted strategies. Let us begin anew a dialog of reconciliation based upon tolerance and driven by hope.●

HONORING D-DAY AND THE GREAT AMERICAN SMOKEOUT

HON. GERRY SIKORSKI

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SIKORSKI. Mr. Speaker, Today, and since 1977, on every Thursday before Thanksgiving, the American Cancer Society sponsors the Great American Smokeout. The Smokeout is a good natured effort to encourage smokers to give up cigarettes for 24 hours with the hope they might meet the challenge to quit entirely.

According to statistics from the American Cancer Society, over 19 million people gave up smoking on Smokeout Day in 1982. Last year 4.5 million people made the full 24 hours without smoking, and 11 months later at least 1 million individuals were still not smoking.

I am particularly proud to recount the origin of this impressive program because its founder is from the 6th Congressional District of Minnesota. In 1974, Mr. Lynn R. Smith, now retired publisher of the Monticello Times newspaper, designated January 7th as "D-Day" and organized a series of events. The "D" in D-Day stands for "Don't Smoke", and that is what he has been urging people to do for the past decade. The first D-Day was a great success and the idea quickly spread when the Minnesota Division of the American Cancer Society held a statewide D-Day on October 7, 1974.

I am pleased to honor a man who has shown such foresight in alerting people to this major health issue and am proud to have Lynn Smith in my District. Below is an article on this years National Smokeout and Minnesota's D-Day by Mr. Smith which was printed in the Monticello Times, now published by his son.

The article follows:

A DAY TO STOP

(By Lynn R. Smith)

It's just a week away. November 17, 1983. Minnesota D-Day statewide/the Great American Smokeout nationwide.

It's that time of year when thousands and thousands of Minnesotans will join the millions and millions of Americans in quitting smoking for a single day . . . and possibly for good.

An estimated 19 million Americans attempted to give up cigarettes on the Great American Smokeout of 1982. A survey conducted by the Gallup organization showed 4.5 succeeded for a full 24 hours. A follow-up study of the 1980 Smokeout survey revealed that 11 months later more than one million smokers were still not smoking.

As simple as it seems, the plan can—and does—work.

Here in Monticello the Don't-Smoke-for-a-Day campaign has, in fact, been going on longer than anywhere else in the U.S.A. For it was here, as most Monticello people know,

that D-Day was born at the Monticello Times on Jan. 7, 1974.

In those nearly 10 years since, a large number of Monticello smokers have quit for good. Many more have tried. And will continue to try.

The case against cigarette smoking and its health consequences continues to strengthen year after year. These headlines of news stories—all from daily newspapers in 1983—pinpoint the continuing indictment of smoking.

"Lung Cancer Becoming Bigger Hazard for Women"

"Kids' Lungs Impaired If Mom Smokes"

"Jerry Lewis: Surgery Is Sure Way To Quit Smoking"

"Do Women Smokers Risk Cervical Cancer?"

"Smoke Raises Child's Risk of Ear Infection"

"Latest Warning: Smokers 'Hooked' "

It's only in very recent years that the physical addiction that can result from smoking has been recognized. Nicotine—the major pharmacologically active ingredient in tobacco—is the principal cause of the tobacco dependence that reinforces the addiction, states a major pharmaceutical company.

The reason four our of five smokers still fail in their attempts to quit is because of nicotine dependence. They're hooked. And the physical symptoms of tobacco withdrawal are often so intense they can defeat even a strong willpower.

Few will dispute the difficulty of quitting smoking. Millions and millions of Americans have quit, of course, over recent years. And given the very much heightened interest in physical fitness—and personal wellness—more and more will become ex-smokers.

Writing in American Health magazine, one psychologist says it's still self-reliance that remains essential to combating addiction. But before a change can take place, unhappiness with the addiction has to build to a point where it can't be denied or rationalized. Most addicts are confronted with a "moment of truth" before they ultimately kick the habit. "Once former addicts gain more from their new lives than from their old ways—feeling better, getting along with people better, working better, having more fun—the lure of the addiction pales," he writes.

Drug and chemical dependency is very much in the news forefront today. And well it should be. "Nicotine shares many features in common with other addictive drugs, morphine, amphetamine, and cocaine," states a doctor of the government-sponsored Addiction Research Center. Cigarette smoking should, in no way, be viewed as "relatively harmless."

Now how about a 1983 good news headline?

SMOKING AMONG MINNESOTA'S YOUNG MEN BELOW U.S. AVERAGE

This survey had shown that only about 30 percent of all Minnesotans age 20 or older smoke, compared with 33 percent nationally. And in the 25-34 age group, the smoking rate among Minnesota men was nine points lower than the national average. Credited for this are such things as the Minnesota Clean Indoor Air Act and D-Day campaigns.

D-Day 1983 could well be the key day in helping a lot more Minnesotans to begin a life free of nicotine addiction.●

AVIATION ISSUES PENDING

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MINETA. Mr. Speaker, the Aviation Subcommittee is in the midst of an extensive review of the issues surrounding airline deregulation and the sunset of the Civil Aeronautics Board, as called for under existing law. In the first session, we have held hearings on: The state of the airline industry under deregulation; the airline computer reservations systems and their impact on competition; Government regulation of the relationship between travel agents and the airlines.

Furthermore, we have begun hearings on small community service and the essential air service program. We now plan to complete those hearings in early February.

Beyond that our plans are to hold a hearing, probably in late February, on how the authorities transferred from CAB to the Department of Transportation should be structured and handled at the Department.

And then we would hold a final hearing, probably in March, on specific recommendations as to what should or should not be addressed in any legislation dealing with CAB sunset or any of the related economic regulatory issues. We would then be in a position to introduce and mark up legislation on any of these issues where we felt a legislative remedy was appropriate.

One of the subject areas we assume would be addressed in that final hearing would be the labor protection programs created by section 43 of the Airline Deregulation Act (ADA). While there are a wide range of issues and views associated with section 43, one issue which I think particularly requires comment is the issue of which employees should be covered by section 43. Under existing law, employees who on the date of enactment of the ADA, October 24, 1978, had an employment relationship with a carrier, and who had at least 4 years seniority with a single carrier, are covered by section 43. One question has been whether employees who had less than 4 years seniority should also be covered. In order to focus comment on this specific issue in our upcoming hearings, I am today introducing legislation which would amend section 43 to eliminate the 4-year seniority requirement for determining whether an employee is covered by section 43. The bill as introduced makes no other changes in the existing tests of whether an employee is covered.●

LEGISLATION TO ALLOW FINANCIAL INSTITUTIONS TO EARN INTEREST ON RESERVES

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. GARCIA. Mr. Speaker, today I am introducing legislation allowing financial institutions to earn interest on reserves if 50 percent of the money earned on reserves is loaned in distressed areas and if they have a Community Reinvestment Act rating of one. Under my legislation, banks would be meeting their public obligations by making loans in distressed areas or to neighborhood organizations in these areas.

The Federal Reserve requires individual depository institutions to hold some fraction of deposits in the form of reserves. As of July 1983, financial institutions had a reserve balance of approximately $22 billion. Banks and other financial institutions are interested, one might say anxious, to earn interest on these reserves. I think they should be allowed to earn interest on reserves if, as publicly chartered institutions, they meet their public obligation. Banks fail to meet their public obligation when they turn down neighborhood organizations with double loan packages simply because they come from distressed areas. My legislation encourages financial institutions to make loans in these areas.

By requiring financial institutions to loan 50 percent of the money earned on interest in distressed areas, we can rebuild these vital areas and at the same time provide jobs and a tax base where neither exist.

H.R. 4511

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Board of Governors of the Federal Reserve System shall pay interest on reserves held by depository institutions which satisfy the requirements of subsection (b).

(b) In order to qualify for the payment of interest on reserves pursuant to subsection (a), a depository institution—

(1) shall agree to make loans, in an amount equal to not less than 25 percent of all interest received pursuant to subsection (a), to nonprofit neighborhood organizations—

(A) which are located in qualified census tracts or areas of economic distress; and

(B) which will use such loans to perform, in the neighborhood involved, municipal services such as—

(i) providing day care services;

(ii) rehabilitating the stock of low- and moderate-income housing;

(iii) conducting crime watches;

(iv) providing garbage collection, fire protection, street maintenance, park maintenance, and snow removal services;

(v) sponsoring energy conservation projects; and

(vi) providing health care and drug abuse services;

(2) shall agree to make loans, in an amount equal to not less than 25 percent to all interest received pursuant to subsection (a), to businesses located in qualified census tracts or areas of chronic economic distress;

(3)(A) shall publicly disclose all information relating to the compliance of such depository institution with the provisions of the Community Reinvestment Act of 1977, including all records and correspondence of such depository institution regarding its efforts to comply with the provisions of such Act; and

(B) shall maintain a rating of 1 as determined under such Act; and

(4) shall publicly disclose every six months the number, dollar amount, and recipients of loans made to nonprofit groups and businesses described in paragraphs (1) and (2) and shall specify the percentage of their interest payments on reserves which such loans represent.

(c) Not less than 30 days before the Board of Governors of the Federal Reserve System makes any payment of interest on reserves under this Act—

(1) the Board shall publicly disclose all information, including the consumer compliance examination report, relating to the compliance of the depository institution involved with the provisions of the Community Reinvestment Act of 1977; and

(2) shall receive comments from any individual or group regarding the validity of the rating given such depository institution under such Act.

SEC. 2. (a) No loan made by a depository institution from amounts received as interest under this Act shall count towards satisfying the requirements of the Community Reinvestment Act of 1977.

(b) No present payments received under this Act may be used to increase the capital of any depository institution.

SEC. 3. For purposes of this Act—

(1) the term "area of chronic economic distress" shall have the same meaning given such term in section 103A(k)(3) of the Internal Revenue Code of 1954;

(2) the term "Board" means the Board of Governors of the Federal Reserve System;

(3) the term "nonprofit neighborhood organization" means an organization which—

(A) is organized as a private, voluntary, nonprofit corporation under the laws of the State in which such organization operates; and

(B) is responsible to the residents of the neighborhood in which such organization operates through a governing body, not less than fifty-one percent of the members of which are residents of such neighborhood; and

(4) the term "qualified census tract" shall have the same meaning given such term in section 103A(k)(2) of the Internal Revenue Code of 1954.●

DECISIVE DEALING ON THE DEFICIT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. PHILIP M. CRANE. Mr. Speaker, as we return to the real world of our districts to meet constituents and enjoy the holidays, I urge my colleagues to do some honest soul-searching on the Federal budget deficit. The following article by Willard C. Butcher outlines the only viable solution to this seemingly intractable problem. Simply put, Mr. Butcher is urging us to cut Federal spending. As the chairman of the Chase Manhattan Bank, Mr. Butcher knows something about balancing his own institution's ledger. We could put our own House in order if we would only follow his simple, yet timelessly profound, counsel.

[From the Detroit News, Oct. 17, 1983]

DEALING DECISIVELY WITH THE DEFICIT REQUIRES CUTS IN FEDERAL SPENDING

(By Willard C. Butcher)

Will Rogers once pointed out that, "The problem with letting off steam is that is clouds up the windows."

In Washington these days, a great deal of "steam" is being expended over our projected $200-billion federal deficit. Predictably, most people continue to be confused.

On one side are those who insist that the deficit is out-of-control and will surely lead to the economic ruination of the United States. On the other side are those who emphatically contend that a high deficit is acceptable—even salutary—as our economic recovery gains momentum.

In my view, unless the industrialized world deals decisively with the deficit problem, the prospects for long-term economic growth are, as Senator Paul Laxalt has put it, "a little terrifying."

In our own country, in order to finance our $200 billion deficit—and clearly it must and will be financed—we have only two choices:

First, we can divert savings from U.S. citizens and private industry or, second, we can print more money.

In the first instance, the Federal Reserve can again use the pricing mechanism to keep interest rates high and "crowd out" individuals and companies from the financial markets. This will lead us to another recession.

In the second instance, printing more money will lead us to reignited inflation.

Neither course alone—or even in combination—is palatable. Rather, we must find an alternative approach to cut the deficit and attain long-term economic growth.

Taxing our way out of the problem clearly is not the answer. Most tax increases reduce the real reward for providing labor or capital and thus increases the cost of production. Bay raising taxes and raising the cost of production, economic recovery is impeded, not helped. While at some point, it may be appropriate to raise certain taxes on consumption, any tax increases are incidental to our fundamental need.

The real solution lies in cutting spending.

The fact is that all government spending comes out of the private economy one way or another—through taxes, borrowing, or inflation. The true measure of the burden of government on the economy isn't what it collects, but what it spends.

So cutting government spending becomes our real economic challenge.

How do we do it?

We must concentrate on three areas—Social Security, medical care, and defense—which together account for nearly two-thirds of federal spending.

In Social Security, we should accelerate the conclusions of the 1983 Greenspan Commission. People are living longer today then when Social Security was conceived. Therefore, we should consider increasing the retirement age more quickly to 67 from 65 and, at the same time, eliminating the benefits for early retirement, except in the case of disability. In addition, we should scrutinize carefully elegibility procedures. Such refinements could save $20 billion annually at current income levels.

In medical care, the recently enacted changes in Medicare, under which the government pays uniform prices to treat particular ailments, is a step in the right direction. Similar proposals are needed to cut our burgeoning national medical bill.

As to defense, there are probably few Americans today who wish to see the U.S. military compromised. I certainly do not. But we simply must find savings in our defense budget—even as it grows. Specifically, we should give higher priority to which weapons systems we need and how we plan to pay for them in rational, multi-year procurement programs.

Competitive bidding, overlapping systems, and systems modernization—rather than replacement—also should be investigated thoroughly. And we should take a hard look at military pensions, which are growing by almost 13 percent per year.

Finally, we must reconsider immediately the whole area of "indexing" government benefits. The present system of tying benefit increases to the annual rise in the Consumer Price Index (CPI) helps institutionalize inflation. This must be changed. Sens. Danforth, Boren, and Wallop have called for indexing federal payouts to the CPI minus 3 percentage points to trim the deficit. Such measures should be considered seriously.

These are but a few alternatives to solve our deficit problem.

The deficit is neither "uncapable" nor "uncontrollable" nor "uncuttable," as some would suggest. But we can't begin to get at the deficit until Republicans and Democrats, liberals and conservatives alike agree, as House Budget Committee Chairman Jim Jones has put it, "to give up a little bit in the national interest."

We stand at a fork in the road. One road leads to sustained, noninflationary economic growth; the other to the junkyards of ever more serious economic ills. How we deal with the deficit will determine the direction we take.●

PENDING COMPROMISE LEGISLATION

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DORGAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

NOVEMBER 15, 1983.

DEAR REPRESENTATIVE: The pending compromise legislation concerning the International Fund authorization and international lending supervision, negotiated by Banking Committee Chairmen Fernand St Germain and Jake Garn, Chairman Paul Volcker, and the Reagan Administration, does not address the current debt crisis of developing nations in an appropriate manner and thus should be rejected by Congress. The legislation fails to couple the $8.4 billion in addi-

tional U.S. funding for the IMF with regulatory provisions that would facilitate resolution of the debt crisis. Absent such provisions, additional funds for the IMF will not lead to resolution of the debt crisis, but will, in fact, encourage banks to continue their present strategy of high interest rates, minimal new lending, and inadequate provisions for loan losses. The result will be continuing economic stagnation in many debtor nations, particularly in Latin America, and increasing risk of debt moratoria or even repudiation.

Larger banks have aggravated the economic problems that debt heavy developing nations have faced in adjusting to the world-wide recession of the last several years. At the very time that declining exports generated moderate balance of payments difficulties, the banks raised interest rates and fees on new and rescheduled loans and drastically curtailed new lending, thereby triggering extreme balance of payments deficits. Unable to obtain debt relief to reduce the deficit or new credit to finance it, the developing nations had only one option, a drastic slashing of imports. Yet drastic cuts in imports have produced deep recession and rapid inflation that now threatens the social fabric of many debt heavy developing nations.

The role of the banks has been most critical in Latin America. Latin American nations have been the heaviest borrowers among developing nations. According to IMF data exactly 50 percent of the $500 billion in external debt owed by the non-oil developing nations of Asia, the Middle East, Africa, and Latin America is owed by Latin American nations. Key Latin American nations have the highest debt/export ratios among developing nations: Argentina—424 percent; Brazil—359 percent; Chile—290 percent. Bank lending, as distinct from official credit or non-bank private lending, is particularly concentrated in Latin America. IMF data show that the bank share of total credit is 63 percent for Latin America, but only 32 percent for Africa, 30 percent for Asia, and 12 percent for the Middle East (data for non-oil countries). Moreover, U.S. banks are the predominant bank lenders in Latin America. Comparison of Federal Reserve Board and Bank for International Settlements data shows that as of year end 1982 43.4 percent of the credit extended to Latin America by banks from the industrial nations came from U.S. banks. Without doubt, the current debt crisis is primarily a Latin American problem and the behavior of U.S. banks is critical to any successful resolution.

During 1981 banks from the industrial nations extended $34 billion in net new credit to Latin America, according to Bank for International Settlements data. Yet, when balance of payments problems began to mount in 1982, the banks slammed on the credit brakes and provided only $2.8 billion in net new credit to Latin America from June 1982 to June 1983. This credit flow would have turned negative but for the several billion dollars that the banks, fearing a debt moratorium, provided to Mexico and Brazil on an "involuntary" basis. U.S. banks were particularly harsh in their credit curtailment, providing only $0.7 billion in net new credit to Latin America from June 1982 to June 1983, according to Federal Reserve Board data. Simultaneous with credit curtailment, the banks raised their spreads and loan fees on Latin American debt to historic highs.

The behavior of international banks has forced Latin American nations to make draconian cuts in imports. Morgan Guaranty Trust Company reports that imports in the first half of 1983, relative to the first half of 1982, declined 20 percent to 30 percent in Argentina and Brazil, 30 percent to 40 percent in Chile, Ecuador, and Peru, 50 percent in Venezuela, and 60 percent in Mexico. Slashing imports by means of severe devaluation and harsh fiscal and monetary restraint has resulted in deep recession and raging inflation. Morgan Guaranty estimates that for Argentina, Brazil, Chile, Ecuador, Mexico, Peru, and Venezuela the average (weighted by exports) real Gross Domestic Product declined 0.9 percent in 1982 and will decline another 3.9 percent in December 1981 to 105.8 percent in June 1983. Widespread unemployment and rising food prices have triggered riots in a growing number of Latin American cities.

Since a large share of developing nations' exports in recent years have been imported by sister developing nations, the forced decline in their imports also undercuts an important share of their export market. The World Bank reports that in 1981 the share of total exports going to developing countries was as follows for key Latin American nations: Ecuador—39 percent; Brazil—38 percent; Chile—31 percent; Argentina—30 percent; Peru—30 percent; Venezuela—29 percent.

Obviously, the deep cutback in Latin American imports has undermined U.S. exports. The Commerce Department reports that U.S. exports to 8 high-debt Latin American nations declined by $9 billion from 1981 to 1982 and then decline another $5.3 billion in the last half of 1983, relative to the 1st half of 1982. The U.S. trade balance with these 8 nations has switched from a $377 million surplus in the 1st half of 1982 to a $6.3 billion deficit in the 1st half of 1983.

Given the demonstrated instability of bank credit flows, the bankers' preference for short run profit protection rather than long run solutions, and the large number of banks involved, strong regulatory measures are needed to properly manage the debt crisis. Ideally, the locus for regulation would be the IMF, but the IMF, as presently structured, lacks the necessary leverage over multinational banks. Under the present circumstances, the best approach is for Congress to direct the Federal Reserve Board to regulate debt restructuring by U.S. banks, and for the Administration to negotiate with other industrialized nations for parallel regulation of their own banks. It is appropriate for the U.S. to take the first step, since the debt crisis is primarily a Latin American crisis, U.S. banks are the predominant bank lenders in Latin America, and the U.S. has a strong interest in stabilizing the economic of Latin America.

Appropriate legislation would direct the Federal Reserve Board to develop a debt restructuring plan for a debtor nation whenever it finds that (1) excessive debt service is undermining the nation's economy and (2) U.S. banks are major creditors of the nation. The plan should propose a lower interest rate and longer maturity on outstanding bank loans, and also incorporate the targets for new bank lending established by the IMF. Congress should also direct the Federal Reserve Board to require U.S. banks that decide not to follow the plan to establish substantial loan loss reserves on their loans to the debtor nation. Such reserves would be appropriate, since the loans would be riskier if not restructured, and also useful as an incentive for banks to conform to the plan.

Unfortunately, the compromise legislation fails on all fronts to provide the regulation needed to properly manage the debt crisis. First, U.S. bank regulators are not directed to develop debt restructing plans. The bill does instruct the U.S. Executive Director to the IMF to oppose IMF loans unless banks lower the rates on their loans. However, this provision is ineffective, in part, because it can be interpreted to mean only a slight lowering of the current high rates but more importantly because the pro forma position of the U.S. Executive Director will not be binding on the IMF. Second, the provisions in the House bill that would have prevented banks from charging excessive loan fees have been removed. Third, the bill does authorize the federal banking agencies to require U.S. banks to establish special loan loss reserves for country loans. However, under the criteria specified for requiring such reserves the banking agencies will continue their current practice of not requiring reserves for rescheduled country loans even though the country can only keep its interest payments current by borrowing additional funds.

Supporters of the current legislation contend that regulatory intervention in the debt management process will further discourage net new lending by banks. However, this view overlooks two key considerations. First, virtually all of the net loans going to Latin America represent involuntary leading that will continue under any debt management scenario. Second, and more important, regulatory intervention can encourage much more net new lending by using the option of imposing substantial loan loss reserves as a lever.

IMF appropriation without the necessary bank regulator provisions is likely to be counterproductive. Banks will view a beefed-up IMF as a more powerful debt collector and thus be less inclined to recognize the need for debt relief and also less inclined to establish appropriate loan loss reserves. This will increase the likelihood of unilateral debt moratoria or even repudiation, which in turn increase the long run risk to the banking system.

Congress should address to the debt crisis with creative legislation, rather than merely rubberstamp the banking industries' faltering appropach. Latin American economics, U.S. exports, and the long run stability of the banking system are too important to be sacrificed on the altar of short run bank profits.

Sincerely,

RALPH NADER,
JONATHAN BROWN,
Public Interest Research Group.●

THE SANDINISTAS: FORCE, NOT POPULARITY, LEGITIMATES POWER

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. PHILIP M. CRANE. Mr. Speaker, in the past 3 weeks I have met several times with leaders of the Fuerza Democratic Nicaraguense, FDN, or the Nicaraguan Democratic Force. These so-called contras have shared with me some very interesting facts, most of which have been largely ignored by

our country's media. Perhaps the most revealing piece of information given to me was an opinion poll which was conducted in August 1981, by Nicaragua's only independent newspaper, La Prensa. This poll was conducted in a professional and unbiased manner, and I believe that its results say much more about the situation in Nicaragua than the incessant stream of rhetoric that pours out of Managua ever could. I might also add that this poll has never been published in Nicaragua because it was censored by the Sandinista regime. In spite of constitutional guarantees of freedom of the press, prior censorship is practiced, and any story or article which criticizes or questions the ruling junta or its actions is strictly forbidden. I would like to share some of the interesting findings of La Prensa's poll.

First, 70.4 percent of the Nicaraguans want elections. The Nicaraguan people are not satisfied with the way the Sandinistas have run the government and are desirous of a chance to elect officials who more closely reflect their own views. A mere 28 percent of the population sympathizes with the current government or Frente Sandinista de Liberacion Nacional, FSLN, while 60 percent of the population feel either an attitude of skepticism or opposition toward the regime.

As you probably know, the Sandinistas have promised national elections in 1985, but the following comment, made by Minister of Defense Humberto Ortega, reveals the Government's real intentions with regard to the promised elections:

> The elections are meant to improve the revolutionary power, but not to raffle off who has that power, because the people, through their vanguard, the Frente Sandinista de Liberacion Nacional (FSLN) and its national directorate, have the power.

Does this statement leave any doubt as to the type of elections the Sandinistas will hold, if indeed they hold them at all? An "election" is but an ironic mockery of democracy if the winners are predetermined, but such elections have become the hallmark of communism. Cuba, of course, provides the perfect role model for the Sandinistas; in Cuban "elections," the public is allowed to choose between several candidates, all of whom are nominated by the Communist Party. No one else is even permitted to run, but the people are told that they elect their own representatives. Humberto Ortega's remarks portend just this type of "elections".

Second, religion is still extremely important to the Nicaraguan people. The Catholic leader Monsignor Obando enjoys the most popularity in the country with a percentage of 38 percent, while junta leader Daniel Ortega received only 13.5 percent. As the poll states:

> The people are not only in their majority Catholic, but they express themselves with enthusiasm and strength in favor of their church and pastors.

And 70.9 percent stated that a Christian education should be taught in the schools, while a mere 8 percent felt that a Marxist or Communist education should be taught.

In spite of such overwhelming popular support of religion, the ruling junta has declared:

> We guide ourselves by the scientific doctrines of the Revolution, by Marxism-Leninism . . . Our political force is Sandinismo and our doctrine is Marxist-Leninism. Marxism-Leninism is a fundamental part of the Sandinista ideology.

Furthermore, the Sandinistas have recently issued a new stamp complete with a picture of Karl Marx and portions of the Communist Manifesto.

Can this be considered a reflection of the popular will? Marx's caustic and unequivocal condemnations of religion as the "opiate of the people" and "tool" of the bourgeoisie, as well as Lenin's own efforts to literally wipe out religion in the Soviet Union from 1918 on, show the true attitude that the ruling junta has so proudly adopted. Religion, though tolerated now, will most certainly be repressed in the future, just as it has in the Soviet Union, Cuba, and the rest of the Eastern bloc countries. There is just no place for it in a Communist regime. The fact that nearly 54 percent of the respondents believe that the ruling junta has little or no respect for religion suggests that the Nicaraguans themselves are already aware of the Sandinista's attitude.

Third, 63.8 percent of the respondents said they had not received any benefits from the revolution; 22 percent feel worse than before the revolution and 41.8 percent feel the same. Despite the continued claims of the Sandinistas that the revolution was a "people's revolution," the people have reaped no benefits from it. On the contrary, many seem to be worse off than before. This may account for the fact that approximately 250,000 Nicaraguans have fled the country since 1979.

The following conclusion made in the poll is particularly important:

> It is easy to deduce that the majority of the respondents state a critical attitude toward the government or toward many of its measures.
>
> Those who answered the poll were, overwhelmingly, the poor people of the cities of Nicaragua. It was interesting to discover that in the poorest sectors, the degree of opposition or lack of enthusiasm with respect to the government is greater than in the middle income sectors.

It seems obvious that the Sandinista revolution has not kept its promises of being a people's revolution or of turning power over to the masses.

Fourth, the poll conducted by La Prensa also concludes that the great majority of the Nicaraguan people believe that private property should be conserved. They disapprove of ownership by the workers of a productive unit, and even more strongly disapprove of state ownership or nationalization of property. As the poll states:

> This fact is derived in part from the objective fact that the majority of the Nicaraguan population is either a small owner—either of property, business, or production goods—or is tied partially or through close family to those types of production. Nicaragua is not a country with a great proletariat divorced from the private ownership of the productive means.

What could be more directly opposed to the most basic tenets of Marxisteninism, where all property is the possession of the State?

These are but a few of the more interesting facts that La Prensa's poll documented. The most persistent and overriding conclusion that is drawn is that the Sandinista regime is not popular, nor does it enjoy widespread support. Its power comes from its use of force and repression and not from popularity. When we here in the United States can come to realize this, then we can take appropriate steps to support the people of Nicaragua and stop apologizing for its totalitarian, Soviet-backed government.

There may be some who claim that conditions have improved in Nicaragua since La Prensa conducted its poll in 1981. In fact, they have deteriorated considerably. Our colleague, Majority Leader JIM WRIGHT of Texas, in the October 20, 1983, CONGRESSIONAL RECORD stated:

> There is no question that the Sandinistas have very nearly completed a transition to a police state in Nicaragua. They have installed in each city residential block an informer whose official responsibility is to report to the government whenever there are meetings of as many as four or five people gathering in any home—reminiscent of Hitler's Nazi Germany.

Mr. WRIGHT continued, declaring:

> I do not think there is any question that they (the Sandinistas) do pose a threat to their neighbors, not only to those neighbors into whose territory they have sent armed guerrillas. Also that threat is felt in Costa Rica and Panama.

Furthermore, I suggest that my colleagues take a few moments and read the following article in the latest issue of the Economist. It clearly documents the most recent repressive and totalitarian tendencies of the Sandinistas.

A REVOLUTION BETRAYED

Whether Nicaragua goes to war depends largely on the dynamics of its revolution. This is now trapped in a vicious circle. The regime has been growing more repressive, so armed opposition to it has been increasing and this has led to further repression.

The slow death of a liberal newspaper symbolises, for many Nicaraguans, the end of the hopes aroused by the Sandinist revolution, just as the death of the editor of the same newspaper marked their beginning. In January, 1978, Pedro Joaquin Chamorro,

the editor of La Prensa, a sturdy crusader against the tyranny of Anastasio Somoza, was shot dead by the dictator's gunmen. From that moment on, the faltering guerrilla movement in Nicaragua gathered momentum, bringing about Somoza's overthrow the following year. Four years later, La Prensa is being quietly throttled, something Somoza never succeeded in doing.

The harassing of La Prensa began in earnest in January, 1982, when a mob stormed its offices and Sandinist soldiers moved in to occupy them. Three of the newspaper's employees were jailed for a year on a charge of having fired shots into the crowd. La Prensa's people say the only shots fired came into the building. Since then there have been six more mob attacks. In May, Sandinist soldiers fired on the building.

The government monopoly of paper has cut down on the allocation for La Prensa: its size has been reduced from an average of 32 pages to 12. Typewriters are scarce in Nicaragua as imports dwindle; the government, which controls imports, has stopped supplying the newspaper. Private advertising has all but disappeared, and the government places none of its own in La Prensa. Journalists are denied access to stories—by hospital authorities when reporting accidents, by army spokesmen when writing about the war.

Prior censorship was introduced in March, 1982, when Nicaragua's repeatedly extended state of emergency was first declared. Copy has had to be submitted to the censor's office at noon. It usually takes three hours to emerge, sometimes longer, so that the newspaper does not hit the stands—most of which refuse to stock it—until late in the evening.

Open criticism of the Sandinists is banned. So are such items as a report on an epidemic of meningitis in Nicaragua, a criticism of safety standards after the drowning of 29 people in a ferry accident in Lake Nicaragua, and a report of two "disappearances", allegedly at the hands of the security forces. When your correspondent called, too much had been cut out by the censor for the newspaper to appear at all that day.

The dozen political parties which registered under a Sandinist electoral law published last year (which says they must be faithful to the revolution) are without the means to get their message across. The grandly styled Social Democratic and Christian Revolutionary parties remain no more than small collections of individuals. Mr. Alfonso Robelo, the leader of the last significant political party, the Nicaraguan Democratic Movement, who belonged to the first Sandinist junta, fled abroad last year.

The Sandinists have promised an election for 1985. They explained that the six-year delay in holding an election is for "organizational reasons"; but no electoral rolls have yet been drawn up. The interior minister, Comandante Tomas Borge, has said that the purpose of the election is to "ratify" the revolution. "In fighting, the people have already cast their vote," claims a Sandinist slogan—taking a leaf out of Somoza's dictum that force legitimates power.

The forgiving revolution is no more. Many people were beguiled by the fact that the Sandinists, on attaining power, also abolished revenge-killings by their armed men, and quickly released 1,500 of the 5,000 National Guardsmen who had been captured. Since then, the revolution's attitude has gradually hardened.

The country's Permanent Human Rights Commission, formed in association with the Catholic church to report on Somoza's abuses, has been intimidated by mobs, by an enforced closure and by attempts to prevent its officials carrying out their work. The commission's director, Mr. José Esteban Gonzalez, fled imminent arrest last year, and has been sentenced to six years in jail in his absence. The government has set up its own human-rights commission, which gives the Sandinists a clean bill of health.

The permanent commission struggles on regardless. Its lawyers say, for instance, that in January last year the Sandinists destroyed at least six villages on the country's Caribbean coast and moved some 10,000 Miskito Indians to a guarded tent camp away from the Honduran border. The aim of the move was to keep the Miskitos from joining anti-Sandinist "contra" guerrillas operating across the border. Scores died resisting the Sandinists.

When Nicaragua's state of emergency was declared two months later, habeas corpus was suspended. Many political suspects have spent more than 16 months in prison without being charged. Special tribunals, presided over by local Sandinist commanders, have been set up to try "Somozists". Maximum sentences for such people were recently increased from five years to 10 years. Anyone sentenced to more than five years automatically has his property confiscated.

Dates of trials are fixed at short notice; defense lawyers often turn up to find that their clients have already been sentenced. The courts show little mercy: one youth got 16 years for daubing an anti-government slogan on a wall. About 2,000 National Guardsmen are still in prison. Some 2,000–3,000 people have been arrested for political offenses since the revolution. Ill-treatment is becoming common: in outlying areas, prisoners are often beaten up. One priest being transported from the Caribbean coast claims to have been dangled out of a light aircraft.

In Managua, several cases have been reported to the commission of prisoners undergoing solitary confinement for a month, having their breakfast served at suppertime to disorientate them, and being questioned in rooms with two walls painted white and two black—which is said to cause hallucinations after a time. A grim Latin American practice is being appended to these east European techniques: the number of desaparecidos in Nicaragua is growing. In 1981 there were only 13; in 1982, 15; in the first seven months of this year, 90. The families of these people say they were taken away by members of the security forces; the Sandinists claim that the missing have joined the contras.

In addition, some 300 people are missing in police custody. A handful of people have died "resisting arrest". The Permanent Human Rights Commission does not believe that the Sandinists set out to kill prisoners, but that those too badly hurt during questioning are put out of their misery. Set against the estimated 6,000 political killings last year in El Salvador, Nicaragua's human rights record is not all that bad. But the screw-tightening marks the death of an ideal.●

TRANSPORTATION POLICY AND ECONOMIC DEVELOPMENT

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. CONYERS. Mr. Speaker, the often specious assumptions which now guide Federal transportation policy and the deleterious effect these policies have on the economy are brought to light by Elliot Sclar, in his paper entitled "Transportation Policy and Economic Development," which forms part of the Institute for Policy Studies' 1983 budget study. Dr. Sclar chairs Columbia University's graduate division of urban planning, I want to share excerpts of his paper with my colleagues.

(Good roads, canals, and navigable rivers, by diminishing the expense of carriage, put the remote parts of the country more nearly upon a level with those in the neighborhood of the town. They are upon that account the greatest of all improvements—Adam Smith)

As an alternative to the view that private markets have been primary to the process of economic growth and development, let me pose the view that they have been secondary, and that it has been collective, largely public sector actions which have been primary in stimulating the impressive economic growth of this nation. Even the most cursory look at the economic history of the United States reveals that its growth and development have been predicated upon a public/private partnership. It has been the public sector's role to create the profitable opportunities to which a private market could respond and generate the goods and services demanded by consumers. A major element of that partnership has been the role of government at every level in the building and operation of transportation systems.

The Reagan administration is now in the process of putting into place its second budget, designed to translate its policy goals into reality. The last Carter budget for transportation contained spending authority for $23.7 billion (FY '81). The budget for FY '83 offered by the Reagan administration in February, 1982, requested an authorization of $18.4 billion. In dollar terms this amounts to a 22.36% cut in authorization in two years. In real terms, the cut is even larger, on the order of ⅓, depending upon the exact index of inflation used, and the exact amount of elapsed time. In order to understand how it is possible for the present administration to rationalize such large cuts in transportation spending, it is helpful to understand the assumptions of transportation reality with which their policymakers operate. Such information is never made explicit, but rather is implicit in the documents used to make policy. One of the most revealing of such documents is the initial "Recovery Program" which the Reagan administration used to launch the present recession. In that document, the ideological underpinnings and assumptions of the policymakers was much closer to the surface than in later writings and pronouncements. From a perusal of that document, along with other writings and public statements, I

have discerned three assumptions which I believe govern policy decisions in the area of transportation.

First, transportation service is similar to any other commodity bought or sold in the marketplace, and as such its costs should be paid by the consumer of the service. This assumption is flawed. Transportation cannot be treated as merely another service whose price and use are governed by the market. The central fact which must be recognized is that the benefits created by individual travel or goods shipment generally exceed those gained by either the traveler or the shipper. Given this larger benefit or externality, it is difficult or impossible for the price/use adjustment achieved in the marketplace to account properly for these benefits. Furthermore, the existence of good transportation between any two points creates a myriad of economic opportunities which would not otherwise exist. This implies an even further limitation on the market alone as arbitrator of future investment decision. Most major transport improvements undertaken in our history could not be judged adequate on the basis of future demand, extrapolated from present use. Each new improvement broke new ground in use. Each required massive public subsidy. Yet each is justified by the larger prosperity they brought into being. Consequently, transport policy must not be based on static thinking about markets and movements towards "equilibrium." Rather, the considerations must be rooted in far more dynamic thinking about growth and development.

The second assumption is that for greatest benefit to economic revitalization, the government should be a neutral force and should not act to encourage one form of transportation over another. Rather, the argument asserts, let market prices arrive at their balance and then let people decide unhindered by any form of government "coercion" whether they will travel, and, if so, where and how. Once again, nice sentiment, but no basis in reality. Our automobile-based cities and countryside did not come into being solely because of the market choices made by individuals. To be sure, the public did make choices. However, the public can only choose among available options. Government policy created these options. To a great extent, as a result of the lobbying and political pressure from automobile and highway interests, the federal government and the states developed massive programs which created the present automobile-biased system. Given the choice between an amply subsidized highway system and a poorly subsidized public transportation system, need one doubt the choices people make? Need one doubt how these choices would be shifted if the full cost of public investments benefiting automobile transport—investments dating back to the first highway act of Congress in 1916—were charged to the public, even without accrued interest expense? The doctrine of the neutral force is a farce.

The final assumption of Administration policy is that intercity and interstate passenger rail transport is a largely anachronistic mode. As with the case against fuel efficiency, the case against passenger rail is supported by studies rooted in a nondevelopmental view of passenger rail travel. The case against passenger rail travel rests largely on its high degree of underutilization (low load factors) and inability to achieve cost savings. Implicit in such studies is a static market equilibrium rather than a dynamic economic development approach to the matter. The simple reality which is not considered is the vital role which such travel could play in revitalizing many of the older areas of the nation if technology which would improve travel times was introduced into the system. Given the location of rail lines and rights-of-way, railroads could carry a major load of intermediate haul traffic. For example, a train trip from downtown Boston to downtown New York could be completed in under three hours if the necessary rail beds and locomotion equipment were in place. It requires no new or exotic technology. Such a system would be highly competitive with planes, which fly this route in under one hour, and would also be more fuel efficient. The reason is that the train shortcuts airport access and takes travelers from downtown to downtown.

ELEMENTS OF THE REAGAN TRANSPORTATION BUDGET PROPOSAL

Although there has been and no doubt will continue to be alternations in the actual dollar amounts of the budget, there is equally little double that this approach to transportation will not change, given the strong ideological orientation of the present administration. If fully implemented, the dollar value of the major elements of transport expenditure as proposed in February, 1981, would lead to approximately a $38 billion reduction in federal involvement in transportation between 1981 and 1986. This would be accomplished by a combination of reduced expenditures and increased taxes and fees. During the next five years, the specific elements of the proposed changes would:

1. Cut all operating subsidies from the federal government to local public transportation agencies.

2. Slow down and eventually halt all capital grants for mass transportation improvement.

3. Cut operating support for Amtrak.

4. Reduce support for the northeast corridor improvement program designed to decrease rail travel time between Boston and Washington.

5. Raise the fees paid by airline travelers and airplane users.

6. Reduce aid to the northeast rail system's major support, Conrail.

7. Limit support for highway construction.

The full budgetary impact of these changes can be interpreted in several ways. Let us look at the two most conservative approaches. We can assume that the Carter administration would have continued funding transportation at the same real dollar level as fiscal year 1981. In that case, they would have increased funding only enough to offset inflation. Assuming eight percent inflation as a rough approximation, the transportation budget by fiscal year 1986 would have risen to $34.82 billion. Over the five years, expenditures would have totaled $150.16 billion. A $38 billion reduction amounts to a cut of twenty-five percent. A more likely scenario, given the national mood, would be that spending would rise less than inflation. Assume that the $23.7 billion was held constant. Over five years, that would amount to $118.5 billion. In percentage terms, the proposed reduction would be just over thirty-two percent. Thus, the proposed budget for the present fiscal year is exactly on target with the initial stated policy goals of its "economic recovery" document: namely, a drastic cut in transportation spending.

The aggregate figures, however, mask the full impact of the loss. Included in the fiscal year 1983 budget request is an additional $451.3 million to offset the costs of breaking the air traffic controllers' union (PATCO), and an increase in funding for the Coast Guard of $143.5 million. In order to absorb these increases and still reduce the overall budget, it has meant even more drastic cuts for support programs for urban and rail transportation systems. In dollar terms, these decreases amount to a $1.438 billion drop in budget authorizations for fiscal year 1982 to 1983. Despite the extremely poor condition of the nation's bridges and roads, there is no request for additional funding over and above that needed to complete the interstate highway. A major difficulty in making clear the damage of this budget is the fact that more than most spending programs, transportation is very future-oriented. Consequently, it will not be until well after the Reagan administration departs the scene that the full impact of this short-sighted folly will be felt.

The results of such policy-cum-budget proposals would be far-reaching. In an immediate sense these proposals will:

End construction of rail mass transit systems.

Increase fares and taxes to support metropolitan mass transportation.

Slow down and perhaps halt new highway construction.

Increase the burden for highway maintenance and construction upon already strained state and local governments.

Eliminate operating subsidy for low density rail branch lines.

Eliminate assistance to Conrail.

Increase airline ticket prices.

Increase Amtrak ticket prices drastically.

Force the elimination of many intercity rail passenger routes.

Force the abandonment of the Northeast Corridor high-speed rail project.

Drastically increase the cost of heavy and bulk haulage by barge.

Increase highway speeds and hence traffic fatalities, through decreased traffic regulation.

The long-term consequences are worse. The circulation problems of cities in both the sunbelt and the snowbelt will only worsen. These problems, in turn, have major implications for the further growth and development of these areas. In the southwest, the lack of adequate mass transportation that threatens to curtail the further growth of Houston will be worse for a lack of federal support for rail transit construction. In the northeast, the remarkable revitalization which the Boston core has enjoyed will end if operating subsidies for effective mass transportation is halted. The boom in Manhattan building is running up against the limits of a declining transit system. Birmingham, the largest city in Alabama, faced the prospect of a complete shutdown in its bus-based mass transportation because of a lack of funds.

Taken as a whole, the Reagan approach to transportation could be characterized as supply side diseconomics. It should be the goal of the federal government to stimulate economic expansion in all its policies. The policy decisions which effect the creation, deployment and use of transportation infrastructure are among the most vital economic decisions that a government can make. They guide the investment of private capital by making areas more or less accessible. The present administration does not understand this connection. As a result, it presents us with a set of policies which show no awareness that transportation must be

judged not by the short-sighted constraints of partial equilibrium, neo-classical market economics, but rather, against the larger canvas of economic growth and development. Much has been made of the fact that this administration is trying to repeal the New Deal. Not enough has been said of the fact that it is also attempting to repeal over two hundred years of history in which boldness and future development have been the watchwords of transportation policy.

THE ALTERNATIVE

The starting point for a federal transportation policy and, hence, transport budget, should be fundamentally different from the current one. To begin, we must recognize that the government is not a neutral arbiter of the transport market. Not to take any positive steps to shape the transport system of the nation is surreptitiously to accept a declining transport system. Government must start from a recognition that transport infrastructure creation is the bedrock of a real supply side economics. Transportation opens up access to people and markets. It enhances life, because more people are able to travel to carry out their day-to-day affairs and other business which comprise society's economic activities. Good transportation makes the movement of goods less difficult, and hence, cheaper in private markets. Therefore, as part of government's responsibility for a positive leadership role in planning stimulating the development and redevelopment of the nation, it must take an activist stance towards its transportation policy.

As a starting point for proactive transportation policy, I would propose the five following principles:

1. Promote economic growth.
2. Equalize growth among the regions of the nations.
3. Stabilize urban and rural areas.
4. Insure equality of transport for all citizens.
5. Promote conservation of nonrenewable energy sources.

Let us briefly consider each of these elements. It is important to begin any review of transportation programs by remembering that the economic history of the United States is a history of its transportation development for all intents and purposes. Therefore, the first principle of transport policy is that projects be judged by their ability to stimulate the economic growth and development potential inherent in particular locations. Decisions cannot be based on internal project returns, but rather, against the larger externalities.

The second principle follows from the first. Decisions about the distribution of transport funds and projects will have a clear impact upon the relative rates of economic growth of the regions of the nation. Therefore, the regional implications of decisions must be weighed as a matter of policy. To permit significant differentials in growth rates to persist is to impose enormous social costs on the nation in both boom and bust regions. It is a national responsibility to insure interregional equity.

The third principle is designed to recognize that transportation plays a very vital intraregional role. The inability to build good regional transport networks in areas that are growing will have negative implications for their long-term growth. Similarly, permitting the continued deterioration of transportation systems in older regions represents an enormous waste of vital productive capacity.

The fourth principle is important as a human rights measure. It is not that the Constitution provides a "right to travel." Rather, it is the case that an inability to travel means that de facto groups and individuals are excluded from full participation in the society, at grave cost to themselves and others. A key element in the economic growth of the nation has been the ability to provide transportation access to increasing numbers of people. This improved access allowed for their participation in the labor market as well as the market for consumer goods. Whenever these options are limited, it contributes to the necessity for government to provide a range of income and service programs as part of its social policy. It is far easier to minimize the need for these programs by ensuring wider participation in the economy.

Finally, it is important to remember that nonrenewable energy is expensive and will in all likelihood become even more so in the coming decades. Currently, there is a worldwide oil glut that permits us to forget for a while. However, while no one expects that to last, the government has taken a rather nonchalant attitude towards discouraging energy-consuming transportation modes.

In addition to these principles of policy, it is important to delineate federal from state and local transportation responsibilities. The Reagan administration has made much of the importance of this separation. The difficulty with its approach is that it sees little need to do more than just pick up those programs which it can't foist on states and localities. What is needed is a thoroughgoing review of administration lines of authority and a separate review of fiscal responsibilities. I would have less quarrel with turning responsibilities over to states and localities if it were done in the context of a clear plan which recognized the interregional and intraregional implications of such a shift and made provision for them. Further, it is important not to use such an exercise as a shell game in which responsibilities are placed on states and localities while fiscal resources are cut. Unfortunately, that seems to be the real Reagan agenda.

The basis of any new delineation of authority should be along the following lines. It is important that the federal government see its primary responsibility as the active development and maintenance of national transportation routes as well as interregional coordination. States should be responsible for internal circulation of people and goods within their own borders and the coordination of regional circulation in conjunction with neighboring states and the federal government. Lastly, localities must be given primary responsibility for the local access of goods and people. It will not always be easy to separate these reponsibilities, but it is a reasonable goal.

A major difficulty with evaluating the Reagan proposals is that in some areas, cuts in spending may well be desirable, while in other areas increased expenditures would have "supply-side" effects because of the stimulus to economic development which they would provide. The Reagan administration has no economic development plan for the nation other than its metaphysical belief in tax cuts and business psychology. What is needed at this juncture is a sensible design for an economically healthy nation. It is only within the context of a such vision that it is possible to use transportation planning and development as a tool of economic regeneration. Transportation planning and development can help in targeting areas for specific types of growth and development patterns. It can create land use patterns that can make cities centers of work and leisure without social and economic segregation, and it can insure stability in the nation's regions. If this is not done, we will be doomed to bear the social and economic costs which the present mindlessness will impose upon us.●

A MORATORIUM ON THE EXPANSION IN FINANCIAL SERVICES

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. FLORIO. Mr. Speaker, the traditional structure of financial services in this country is rapidly changing. The changes result from permissive regulatory actions, creative lawyers, innovative legislating at the State level, and competitive forces in the marketplace.

None of these are acts of this Congress. Yet it was Congress that established the regulatory framework for our financial services. This condition should not be permitted to continue.

Today I have introduced a bill which would provide an orderly period for a review of the laws and marketplace conditions. After this review, Congress will have sufficient information for sensible decisionmaking.

The laws which are being tested by the marketplace and the regulators were put in place as a response to the financial collapse in this country some 50 years ago. None of us want a repeat of that kind of disaster. We know the public has confidence in our country's financial institutions. In large measure that confidence is built on the system of Federal regulation, Federal insurance, and a history of performance. We should not permit this system to be jeopardized by change for change's sake.

In hearings before the subcommittee I chair, witnesses described the breaking down of the division between banks, insurance companies, and securities firms. None of the witnesses established conclusively the need to abandon the existing structure. Regulators were unable to describe what the results of the changes would be. Indeed, representatives of industries expressed dismay at the changes, and urged a moratorium such as the one in this bill.

The bill establishes an impartial commission with a specific purpose, and specific time to report back to Congress. The moratorium that would be imposed is for the specific purpose of giving time for study. It is not an attempt to freeze the marketplace to benefit one type of financial service over another.

I urge my colleagues to study this bill and its purpose.●

H.R. 4465: THE CHILD CARE "CRUNCH" AND HOW FEDERAL LEGISLATION PROVIDING AN EMPLOYER TAX INCENTIVE WILL HELP

HON. JERRY M. PATTERSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. PATTERSON. Mr. Speaker, now is the time for action. We can no longer ignore the fact that our present child care services are inadequate to serve the children of our society. With 59 percent of all mothers in the labor force, and many among these are single parents, child care has become a pressing issue.

Children need security, supervision, and guidance. Most important, if parents are unable to provide full-time care for their children, they must have alternatives.

The options for child day care are broad. More and more communites are supporting and forming child care centers which include comprehensive programs of education, interaction, exercise, and nutrition. However, for many, these centers are inconvenient to home or work, are filled to capacity with extensive waiting lists, suffer from uncontrollable staff turnover due to insufficient wages, have limited and inflexible hours of operation, and are financially prohibitive. Center-based care, while a viable alternative, is likely not to be the choice of all parents.

Many parents have school-age children who require only part-time supervision. Parents with infants often find individual care cannot be administered at day care centers. Infants are often best given care in a home environment. In any case, the safety of the child is considered the most important feature of day care, especially for potential "latchkey" youngsters.

The major problems which make center-based care inadequate to meet the needs of parents seeking child care are similar to those presented by other types of care. Most child care programs are simply too expensive. Especially to the low-income wage earner, child care can eventually become a disincentive to work. For most working family households, child care is the third largest expense, following lodging and food costs. In 1981, Congress acknowledged this difficulty by extending the individual income tax credit which parents receive for payments made for child day care. This credit has assisted in defraying the annual cost of child care, but it is not enough.

Another problem is the accessibility of child care. Congress has sought ways to address this problem by encouraging employers to become involved in providing child day care for employees. Our Federal tax laws give favorable treatment to employers who establish onsite centers or provide employees with area child care services. But improvements in employer participation in child care can still be made.

The quality of child care services is another issue entirely. State and local government agencies generally establish the standards for day care. Some may require licensing of caregivers and inspection of facilities. Others maintain an on-going "registry" of day care providers assuring minimum health and safety standards, but relying less on a highly structured oversight process. When fiscal constraints mount, most localities will opt for lessening of regulatory requirements rather than eliminating a day care site altogether.

Overall, the most important element of quality care is education. It is the only way that parents, employers and providers can begin to meet the needs of day care for the 18.7 million children nationwide whose mothers work. It should be the primary function of the State or local government to establish standards and to educate citizens on how best to seek out quality care. The dissemination of up-to-date information on available care, coupled with a firm understanding of what to look for in a day care environment, is the only way parents will know their children are receiving quality care.

Many have sought ways the Federal Government might assist in meeting the child care crunch. I would like to suggest the consideration of H.R. 4465. This proposal should be viewed from the broad perspective of options available to working parents seeking day care services.

The legislation I have introduced grants a 50-percent tax credit to employers for contributions made on behalf of each employee dependent to a qualified day care plan. The tax credit covers annual contributions of up to $1,200 paid for a full-time plan—8-plus hours per day—or up to $600 for a part-time plan—2 to 8 hours per day.

A qualified dependent care plan can include onsite service, community centers, in-home care or home-provider care. It is not restricted to the type of care which an employer might provide; therefore, it expands the incentive for employers to offer day care plans for employees.

The advantages of reduced absenteeism, increased employee morale, and improved productivity have become obvious to many employers currently providing day care options to their employees. However, not all employers believe it is to their benefit to become involved in day care services. Especially for small businesses, the advantages appear minimal. There is nothing to entice an employer to seek a child care plan which may benefit one or two employee dependents, particularly if the employer receives no compensation or tax advantage for his efforts.

If a tax advantage is given to the small businessman, he may use it in a combination of ways. He might form a consortium, corporation, or partnership with other area businesses to establish an area child care facility. A shopping mall is a clear example of how this cooperative day care facility might be established. Further tax advantages might come to a small businessman under such a project, where in-kind contributions or services could be recorded as business expenses.

Small businessmen might also work together to negotiate a discount contract with an established area child care center. This could present employees with an option for child care which might otherwise be unavailable.

The individual small businessman might otherwise subscribe to an information clearinghouse to insure that his employees are included in the area network of information about quality care available in the community. Such a clearinghouse might provide educational materials on child care as well as referral services. The provider might in turn be paid through an employer-formed voucher system or direct billing. In any case, the employer would receive a tax credit for each dependent provided with full- or part-time care up to the ceiling of $1,200 per dependent per year.

This legislative proposal would operate in concert with the individual income tax credit provided to parents for the cost of child care. In addition, businesses investing in on-site child care facilities would continue to receive accelerated depreciation tax deductions which defray startup costs. Dual credit or deductions would not be allowed under H.R. 4465, nor would discrimination toward any employee or employee dependent be permitted.

Mr. Speaker, I urge my House colleagues to join me in supporting legislation to encourage greater employer participation in dependent care services for their employees. I would like to request that a summary of H.R. 4465 and the text of the bill be printed in the RECORD for their consideration and cosponsorship.

SUMMARY OF LEGISLATION

This legislation adds a new section 44(I) to chapter 1, section 44 of the Internal Revenue Code relating to credits against income tax.

Section 44(I) allows an employer a tax credit for 50 percent of the qualified dependent care assistance expenses paid or incurred on behalf of an employee. The credit allowed for any taxable year shall not exceed $600 times the average number of full-time qualifying employee dependents who receive dependent care assistance provided by an employer. A full-time qualifying employee dependent is one

who receives at least 8 hours of dependent care assistance each working day.

The credit allowed for any taxable year shall not exceed $300 times the average number of part-time qualifying employee dependents who receive dependent care assistance provided by the employer. A part-time qualifying employee dependent is one who receives at least 2 but less than 8 hours of dependent care assistance each working day.

Qualified dependent care assistance must meet the terms of section 129(d) of the IRS Code with respect to nondiscrimination of employees and their dependents.

The credit may not include any amount paid for property subject to the allowance for depreciation.

All of the conditions of section 44(c) with respect to employment-related expenses incurred for services provided outside of a taxpayer's household apply, including the provision that child care programs must comply with laws and regulations of a State or local government. This provision guarantees that as a condition of receiving a tax credit the care provider must meet State and local health, safety, and licensing standards.

An exemption is provided for the provision of section 44(d) which requires that a qualifying dependent care facility must provide care for more than six individuals. This exemption enables employers to contribute to child or infant care programs providing individual, in-home care, rather than solely center-based care.

The amount of the tax credit under this new section 44(I) shall not exceed the amount of the tax credits allowable through the withholding provision, the use of the gasoline and synfuels tax credits, or the earned income credit.

No amount paid or incurred by an employer will be treated as a qualified dependent care assistance expense if it is paid to a relative or child who is a dependent of the taxpayer.

H.R. 4465

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by inserting after section 44H the following new section:

"SEC. 44I. EMPLOYER EXPENSES FOR DEPENDENT CARE ASSISTANCE PROVIDED WITH RESPECT TO EMPLOYEES.

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the qualified dependent care assistance expenses paid or incurred by an employer during the taxable year.

"(b) LIMITATION.—

"(1) IN GENERAL.—The amount of the credit allowed by subsection (a) for the taxable year shall not exceed the sum of—

"(A) the product of—

"(i) $600, and

"(ii) the daily recipient average of full-time qualifying employee dependents for such year, and

"(B) the product of—

"(i) $300, and

"(ii) the daily recipient average of part-time qualifying employee dependents for such year.

"(2) DAILY RECIPIENT AVERAGE.—For purposes of paragraph (1), the daily recipient average is the average of the number of full-time or part-time qualifying employee dependents (as the case may be) on each work day of the taxable year who receive dependent care assistance provided by the employer.

"(c) QUALIFIED DEPENDENT CARE ASSISTANCE EXPENSES.—For purposes of this section—

"(1) QUALIFIED DEPENDENT CARE ASSISTANCE EXPENSES.—

"(A) IN GENERAL.—The term 'qualified dependent care assistance expenses' means any amount paid or incurred by the employer for dependent care assistance furnished pursuant to a program which would meet the requirements of subsection (d) of section 129 (relating to dependent care assistance programs) if such subsection were applied using the definition of dependent care assistance in paragraph (2).

"(B) AMOUNTS FOR DEPRECIABLE PROPERTY EXCLUDED.—Such term shall not include any amount paid or incurred for property of a character subject to the allowance for depreciation.

"(2) DEPENDENT CARE ASSISTANCE.—The term 'dependent care assistance' has the meaning given such term by section 129(e) except that section 44A(c)(2) shall be applied as if it did not contain clause (i) of subparagraph (D) thereof.

"(d) OTHER DEFINITIONS.—For purposes of this section—

"(1) FULL-TIME AND PART-TIME QUALIFYING EMPLOYEE DEPENDENT.—

"(A) IN GENERAL.—A qualifying employee dependent is—

"(i) part-time of such dependent regularly receives at least 2 but less than 8 hours of dependent care assistance each working day, and

"(ii) full-time if such dependent regularly receives at least 8 hours of dependent care assistance each working day.

"(B) QUALIFYING EMPLOYEE DEPENDENT.—The term 'qualifying employee dependent' means any individual who, with respect to any employee of the employer, is a qualifying individual within the meaning of section 44A(c)(1).

"(2) EMPLOYEE AND EMPLOYER.—The terms 'employee' and 'employer' include the respective meanings given them by paragraphs (3) and (4) of section 129(e).

"(e) SPECIAL RULES.—

"(1) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) for any taxable year shall not exceed the amount of the tax imposed by this chapter for such year reduced by the sum of the credits allowable under a section of this part having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43. For purposes of the preceding sentence, the term 'tax imposed by this chapter' shall not include any tax treated as not imposed by this chapter under the last sentence of section 53(a).

"(2) DENIAL OF DOUBLE BENEFIT.—No deduction or credit shall be allowed for any amount taken into account in computing the amount of the credit allowable by this section.

"(3) PAYMENTS TO RELATED INDIVIDUALS.—No amount paid or incurred during the taxable year of the employer shall be treated as a qualified dependent care assistance expense if such amount is paid or incurred to an individual—

"(A) with respect to whom a deduction is allowable under section 151(e) (relating to personal exemptions for dependents) to any employee of such employer for the taxable year of such employee ending within such taxable year, or

"(B) who is a child (within the meaning of section 151(e)(3)) of any employee and who is under the age of 19 at the close of the taxable year of the employee ending within such taxable year of the employer."

(b) Subsection (b) of section 6096 of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44H" and inserting in lieu thereof "44H, and 44I".

(c) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44H the following new item:

"Sec. 44I. Employer expenses for dependent care assistance provided with respect to employees."

(d) The amendments made by this section shall apply to taxable year [beginning] [ending] after ——.●

STATEMENT OF THE BRADLEY HILLS PRESBYTERIAN CHURCH ON PEACEMAKING IN CENTRAL AMERICA

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BARNES. Mr. Speaker, I recently received a statement on "Peacemaking in Central America," signed by 44 members of Bradley Hills Presbyterian Church in Bethesda, Md. Because I believe that this statement captures the essence of our interests and responsibilities in the area so well, I want to share it with my colleagues.

The statement follows:

PEACEMAKING IN CENTRAL AMERICA

As members of Bradley Hills Presbyterian Church, and in an effort to apply our Christian faith to our responsibilities as United States Citizens, we believe that:

The United States Government has a responsibility to protect our national security interests and our national political and economic interests in Central America;

We must respect the national sovereignty and independence of all the countries of Central America;

In protecting our interests, our Government should not unilaterally use military force or provide arms for others to use, if by so doing the peoples of the area suffer significant injury; and

Instead of using unilateral military force, our Government should strengthen and use the various international agencies which can influence events in the area, and work jointly with other countries in helping to bring justice and stability to the area.●

H.R. 3323—WASHINGTON WORKSHOPS AUTHORIZATIONS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. GILMAN. Mr. Speaker, I rise in support of H.R. 3323, Washington workshops authorizations. This worthy program has served over 20,000 students since its inception 16 years ago, and allows its participants to study our legislative process in depth

Because the program is geared primarily to economically disadvantaged students, in the last year it has become increasingly difficult for participants to pay tuition. Also, businesses and organizations that have contributed in the past have not been able to contribute as they might like due to the economic climate.

H.R. 3323 authorizes $100,000 for this program for fiscal year 1984. This is a one-time authorization, in order to alleviate some of the difficulties that both the students and the patrons have experienced of late. It is not anticipated that this will become a yearly occurrence, and for those reasons outlined earlier, I urge support of this legislation.●

NATIONAL ENTOMOLOGY WEEK

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. RAY. Mr. Speaker, I rise in support of House Joint Resolution 340, designating the week of November 27 through December 3, 1983, as "National Entomology Week." In doing so, I also want to encourage my colleagues to join as cosponsors of this measure, which appropriately recognizes the importance of the study of entomology.

Increased knowledge of the ecology, behavior, and dynamics of insects and related arthropods has yielded wide-ranging contributions. The science of entomology is vital to agricultural production, food protection, and health preservation. Representing a farming district, I am particularly aware that insects often compete for the same food and fiber that man needs. Our country's food supply is the envy of the world, and our agricultural production and the protection of these products from the field to storage, to processing, to retailing, and finally to the consumer's table is based upon the science of entomology. Therefore, it is fitting that we encourage greater public appreciation for this science.

Mr. Speaker, I also want to pay tribute to the outstanding individuals who dedicate their efforts and indeed their lives to the science of entomology. I particularly want to recognize two individuals who have been pioneers in the development of teaching and research in entomology at the University of Georgia: Dr. Horace O. Lund and Dr. C. R. Jordan.

A native of Minnesota, Dr. Horace O. Lund came to the University of Georgia in 1936 as a zoology instructor. In 1954, the university's department of entomology was established, and Dr. Lund was appointed as its chairman. In this capacity, he was instrumental in developing the teaching and research arm of the university's entomology program.

Dr. C. R. Jordan, originally from South Carolina, came to the University of Georgia in 1952 as head of the department of entomology's extension service. Dr. Jordan was largely responsible for bringing the entomology classroom to every community throughout the State of Georgia.

While both of these men have been retired for several years now, they continue to be held in respect at the University of Georgia by their former colleagues and throughout the State by the beneficiaries of their hard work. Their accomplishments are highly regarded.

I urge my colleagues to join in recognizing these outstanding accomplishments and in promoting public knowledge of them by cosponsoring House Joint Resolution 340. Entomologists throughout this Nation will be rewarded by this honor.●

IN SUPPORT OF H.R. 3323

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. CORRADA. Mr. Speaker, I rise in support of H.R. 3323, to authorize appropriations for grants to the Washington Workshop Foundation.

The Washington Workshop Foundation is a private nonprofit organization founded in 1967. Since then it has carried out a program to enable secondary school students from Puerto Rico and from the 50 States to learn about the Federal Government through seminars, meetings, and workshops with Government officials, professors, and others. Over its 16-year existence, the program has served more than 20,000 students to date. To date, the Washington Workshop Foundation has been sustained solely by contributions from community, civic, and corporate groups and tuition payments. However, the severe economic conditions during recent years have dramatically undermined students' ability to pay tuition and the capacity of businesses and organizations to contribute.

H.R. 3323, authorize appropriations of $100,000 in Federal contribution for 1 year, to be used for financial aid to economically disadvantaged students and their teachers to participate in the program. The foundation must make efforts to achieve participation of students and teachers from rural areas and small towns, as well as urban areas. This Federal contribution will enable about 230 additional students from Puerto Rico and the 50 States who cannot afford tuition to attend the program.

I urge my colleagues to support H.R. 3323 that will enable a substantial number of students from Puerto Rico and the Nation that cannot afford tuition to participate in the foundation's program promoting understanding of the Federal Government among young people.●

REWARDING TALENTED TEACHERS

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. WYDEN. Mr. Speaker, today I am joining my colleagues, Chairman PAUL SIMON, of Illinois, Congressman WILLIAM GOODLING, of Pennsylvania, and Congressman E. THOMAS COLEMAN, of Missouri, in introducing legislation which would be an important firststep in improving our Nation's schools.

The bill we are introducing, the Talented Teachers Act of 1983, H.R. 4477, addresses two of the problems cited by the National Merit Pay Task Force: Getting the best and the brightest into teaching and then keeping them there.

It is clear that we are not doing enough at the State and Federal levels to attract the best students to the teaching field—and once we have them, we are not providing the rewards and recognition needed to retain them. The result is that our most capable people are shying away from the teaching profession.

As the recently concluded Merit Pay Task Force reported:

> Students are not being encouraged to become teachers. Far too often the ablest young people feel challenged by opportunities in law, medicine and engineering rather than teaching. Academic scores for education majors, measured by college entrance examinations and grade point averages, show a marked decline over the last decade * * *. Too often we are not attracting the finest students to teaching, and too often we are not keeping the finest teachers.

What we propose is a modest, carefully tailored, approach to addressing the problems facing the teaching profession in America.

Under our bill, the Federal Government would establish two programs:

The first part of the act would establish a scholarship program at the State level to reward 10,000 outstanding high school students—who have graduated in the top 10 percent of their class—with $5,000 annual scholarships to pursue a degree in teaching. Scholarship recipients would agree to teach for 1 year for each year they receive a scholarship.

Under the second part of the act, a national fellowship program would be established to reward outstanding teachers. Teachers would submit proposals which, if approved by a national panel, would provide for as much as 1 year's sabbatical to pursue a program of professional growth.

This legislation is not the whole solution to the problems confronting the teaching profession. As the Merit Pay Task Force report concluded, issues including career advancement, pay increases, and workloads must be addressed as well to insure that the teaching profession in the United States is the best in the world.

The Talented Teachers Act of 1983 in no way establishes a national merit pay system or thrusts the Federal Government into the day-to-day operation of our schools. It does not obligate the Federal Government to a huge amount of spending. The total cost for operating the scholarship and fellowship program for the first year is under $75 million.

The concepts in the Talented Teachers Act of 1983 has been endorsed by a wide array of education leaders, as well as the National Education Association, the American Federation of Teachers, the American Association of Colleges of Teachers Education, the National PTA; and the American Association of School Administrators, each of which participated as members of the Merit Pay Task Force.

I urge my colleagues to join with us in supporting this legislation, which will help us to make the teaching profession more attractive, and move us further down the road to educational excellence in America.●

INTRODUCTION OF THE SUPPLEMENTAL MEDICAL INSURANCE IMPROVEMENTS ACT OF 1983

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BONKER. Mr. Speaker, today, I am introducing legislation that would expand medicare by offering its beneficiaries two additional supplementary medical insurance options. This proposal, while reducing out-of-pocket costs for the elderly and eliminating much of the confusion for providers and consumers, will not result in added costs for the program. The first option would allow beneficiaries to purchase more comprehensive coverage of services under medicare parts A and B. The second option would permit beneficiaries to buy coverage for outpatient prescription drugs used in the treatment of chronic illnesses.

The premium for the two new SMI options would be calculated to reflect the actual cost of benefit coverage. Therefore, there would be no cost to the Federal Government. Because of the medicare program's low administrative costs, the combined premium amounts for the two options would be lower than medicare beneficiaries now pay for more limited medigap coverage from private sector insurers. Elderly health care consumers would pay less for benefits they want and need.

When medicare was enacted in 1965 it was portrayed as a comprehensive solution to the health care financing problems faced by the elderly in this Nation. Cost sharing, in the form of copayments and deductibles, was made a part of the medicare structure and several necessary benefits were not offered.

Medicare was not and is not a comprehensive program. Part A of medicare, the hospital insurance program, helps eligible individuals pay for the costs of inpatient hospital services. After an initial deductible of $304 for each spell of illness, medicare pays in full for 60 days of care. A daily copayment of $76 is required from the beneficiary from the 61st through the 90th day. There is also a lifetime reserve of 60 days that is subject to a $152 per day copayment. Like the social security program, benefits provided by part A are financed through payroll taxes.

Part B of medicare, the supplementary medical insurance program, is voluntary. It pays for 80 percent of allowable and reasonable physician fees as well as several other nonhospital services. Part B enrollees pay monthly premiums of $13.70 that finance only about 25 percent of the cost of the program. The balance is funded through Federal general revenues. Most individuals covered by part A, choose to enroll in part B.

Without question medicare has been of immense assistance to the elderly in meeting their health care needs. Over 27 million older citizens are now covered by medicare. Since 1968 program spending has grown from $3.2 billion to over $50 billion. But this growth in medicare expenditures is not the result of an expansion in benefits. Rather, it is the result of uncontrolled health care costs, and a larger, older beneficiary population that is requiring more expensive types of care. The fact is that the average medicare beneficiary is no better off than in 1965. Over the past few years total health care costs not paid by medicare have increased as a percentage of senior citizen income. Today these costs are at the premedicare level of 20 percent.

Because certain medicare benefits have always required large copayments and deductibles, private insurance companies have offered supplemental, or medigap, insurance to cover these items. The cost of medigap insurance to the elderly consumer is typically $300 to $400 per year. Even these supplemental policies, however, often do not cover the full cost of other necessary items, such as outpatient prescription drugs, which are not currently part of the medicare benefit package.

In the past I have authored and actively supported legislation to expand medicare benefits and reduce costsharing. I firmly believe that this Nation has an obligation to assure that senior citizens get the health care services they need. Right now the average out-of-pocket cost per person totals over $800 per year excluding the cost of their part B premiums or medigap insurance. The 25 percent of the elderly who are poor or marginally poor cannot afford these costs. They cannot afford to be sick.

Unfortunately, the hospital insurance trust fund's financial problems make expansion of medicare benefits impossible in the near future. Rising health care costs in general, and the HI trust fund crisis, in particular, prompted my development of this bill as an interim approach. If we cannot expand benefits the least we can do is insure that medicare beneficiaries get the best coverage they can for the money they have to spend. This is the purpose of my bill. Its specific provisions are as follows:

First, each individual that chooses to enroll in the SMI, or part B, program would be given the opportunity to voluntarily select additional insurance coverage for most cost-sharing requirements under part A and part B. This medigap coverage would include all but the first hospital deductible in a given year, all copayments for hospital care above the 60th day, and all hospital care beyond the 60th lifetime day. All complicated spell-of-illness requirements would be eliminated. In addition, the 20-percent part B coinsurance requirements would be covered up to the reasonable charge level allowed by medicare. Enrollee premiums for this optional comprehensive insurance coverage would be calculated by medicare actuaries to reflect the actual cost of coverage. No new payroll tax or Federal general revenues would be required. The primary advantages to the medicare beneficiary would be the low cost of the premium, better coverage and less confusion about their benefits. If implemented immediately, the cost of the comprehensive coverage option would be about $18 more, which is considerably lower

than medigap insurers charge for similar coverage. Older Americans now spend over $8 billion on medigap insurance. Selection of this option would save them $1 billion annually.

Second, each individual who chooses to enroll in the SMI program would be given a one-time opportunity to voluntarily select coverage of outpatient drugs used in the treatment of chronic illnesses. As with the first option, enrollee premiums would be calculated by medicare actuaries to reflect the actual cost of coverage. A restricted drug benefit formulary would be developed by the Secretary of Health and Human Services as well as a prospective payment rates and claims processing system in which druggists would be required to take assignment for the payment of covered drugs.

The most recent data, gathered in 1977 indicates that older Americans spent over $1.5 billion annually on prescriptions; $1.2 billion of that amount came out of their own pockets. Because a substantial proportion of drug expenditures are paid for by a small percentage of the elderly with chronic illnesses, the SMI drug option would afford important protection against the heavy costs of long-term disease. The premium would be about $8 per month.

My bill offers substantial advantages to both consumers and providers of health care. Clearly, the enactment of the legislation would save medicare beneficiaries money. But the proposal would also be easy to administer because medicare already collects premiums and pays bills. Hospitals would no longer need to be bill collectors in their efforts to collect deductibles and copayments. Finally, physicians who take assignment would have all SMI benefits coordinated by medicare, thus eliminating some of their administrative costs and difficulties.

There will undoubtedly be criticisms levied against this bill on a number of fronts. Many will oppose it as they would any other expanded role for Government in the health care field. Others will say that additional, low-cost SMI protection would encourage adverse selection and greater utilization of service. I disagree with both of these possible criticisms. Adequate safeguards have been built in to discourage adverse selection and increased utilization. There is a 12-month waiting period for enrollees who initially reject and subsequently choose more comprehensive coverage of benefits under parts A and B. And, beneficiaries initially rejecting drug coverage would not be able to enroll at a later date.

I want to reemphasize that this bill is not intended as a solution to the health care financing problems facing our Nation's elderly. The cost-sharing burden placed on senior citizens under the present medicare program is intolerable and must be removed. It is because of my strong commitment to removal of this burden that my bill directs the HHS Secretary to report to Congress on alternatives for reducing cost-sharing elements of the medicare program. Hopefully, by 1988, when the report would be issued, legislative solutions to the HI trust fund crisis and health care costs in general will be in place.

I am disturbed by reports that the Social Security Advisory Council, often referred to as the medicare commission, will be recommending the expansion of the part B program in a manner that would raise premiums beyond the level necessary to cover changes in benefits in order to cover a portion of the HI trust fund's problems. As I understand it, their recommendation would be of little benefit to the elderly. In fact, it probably would result in a greatly increased cost-sharing burden for the sickest of our oldler Americans. Clearly, I would not be in support of this proposal.

My legislation is designed to ease the financial problems faced by senior citizens in meeting their basic daily needs. It is one way that we can act to guarantee that the gains we have made will not be eroded. I urge my colleagues to support this measure.●

INTERIOR WATCH

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MORRISON of Connecticut. Mr. Speaker, in light of the recent resignation of Department of the Interior Secretary Watt, and the subsequent nomination of William Clark to his post, I have decided to join with several of my colleagues in forming "Interior Watch." This group will provide a process by which Members of the House of Representatives will be able to debate Department of the Interior issues of significance and suggest alternate approaches to its policies.

Traditionally, the Department of the Interior has been responsible for the preservation and care of this Nation's public lands. However, under the direction of Secretary Watt and his appointees, it has turned into an Agency dedicated to the development and exploitation of our national parks, forests, and other publicly held lands.

Based on Clark's prodevelopment record during his tenure on the California Supreme Court, I can only conclude that James Watt's, and ultimately the Reagan administration's, shortsighted, antienvironmental policies will continue under his command.

I believe that "Interior Watch" will help put an end to precisely this sort of abuse by Interior's leaders. I hope my colleagues will join me in participating in this effort to return the Department to its intended purpose.●

CONDEMNATION OF DIVISION OF CYPRUS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. FORD of Michigan. Mr. Speaker, on November 17, the House of Representatives resoundingly voted 423-1 to adopt House Concurrent Resolution 220, condemning the proclamation of independence by the so-called Turkish Federated State of Cyprus. I voted with my colleagues in abhorrence of this unilateral action which has been recognized solely by the Government of Turkey, thus creating tensions in the NATO alliance.

Nine years ago, using military equipment supplied by the United States, Turkey invaded Cyprus and divided that island nation. That action violated both U.S. and international arms transfer laws by the misuse of arms supplied for the express purpose of maintaining the independence, territorial integrity, and security of Cyprus. This illegal act of aggression claimed the lives of thousands of Cypriots and forced 200,000 Greek-Cypriots to flee their homes, their lands, and their possessions. To date, well over 1,000 people remain missing.

The United States reacted to this disruption of a peaceful co-existence of Greek and Turkish Cypriots by imposing an embargo of further transfers of military hardware to Turkey. It was hoped that the embargo would compel Turkey to make concessions which would lead to the settlement of the Cyprus dispute. Turkey suspended all U.S. military operations within its borders in 1975, except for those operations used exclusively for NATO purposes, and indicated it was prepared to take futher action.

In a show of good faith, the arms embargo was lifted, an action which we had hoped would lead to progress in resolving the dispute. But Turkey did not want a reunification of Cyprus; Turkey wanted more control of the island and the permanent destruction and subsequent total control of Cyprus.

This latest act by the Turkish Cypriots occurred on the same day that President Reagan signed a foreign aid bill for Turkey. This measure provides almost $1 billion in assistance to Turkey based on the condition that Turkey cooperate fully with renewed efforts to bring a lasting, peaceful settlement to Cyprus.

For almost 10 years now, so many people have been left homeless, while their worldly possessions were given to

Turkish settlers brought to Cyprus. These colonizers, who were brought from mainland Turkey to artificially alter the demographics of the island, now live in the houses of the Cypriots who were forced to flee. I believe that House Concurrent Resolution 220 is a reaffirmation to the homeless of our dedication to press for a lasting resolution to the dispute in Cyprus.●

STATE UNIVERSITY OF NEW YORK

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. KEMP. Mr. Speaker, New York State is blessed with one of the great public universities in the world—the State University of New York. Since its inception in 1948, the State University has grown impressively not only in size but in stature. Its trademark has been to provide unusually high quality education to the widest spectrum of our population at an affordable price. State University has met this rather significant challenge with considerable success to a large extent due to the leadership displayed by its enormously dedicated and diverse board of trustees.

No one board member has served longer and with more distinction than James Warren, of Albany, N.Y. Earlier this year Mr. Warren retired from the board after 25 years of decisive and courageous leadership as a SUNY trustee.

On behalf of the people of New York State, I personally want to commend Mr. Warren for his tireless effort in bringing the benefits of higher education to so many thousands of our citizens.

A noted educator, the late Dr. Clifton C. Thorne stated:

> As Americans, it is our belief that people should be able to achieve the best that is in them. It is, therefore, our obligation to this and future generations that through the education of our citizens, we seek out and combat all obstacles which prevent such fulfillment.

It was in this spirit that the State University of New York was created. We are most gratified that James Warren has nurtured and strengthened that spirit for ourselves and for our children.●

IN SUPPORT OF THE TALENTED TEACHERS ACT

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SIMON. Mr. Speaker I rise in support of H.R. 4477, the Talented Teachers Act introduced today by my colleague, Representative RON WYDEN of Oregon.

As you know, Mr. Speaker, I served as chairman of the Merit Pay Task Force with Mr. WYDEN, whose energy complements his strong belief in the American educational system. His innovative thinking shaped two of the recommendations of the task force, which have now been incorporated in this bill, the Talented Teachers Act.

I particularly favor an approach like this bill, since its purpose is to encourage the best and most talented students to go into teaching and to reward especially talented teachers by allowing them to do additional research, study, or travel and use their knowledge to enhance their future teaching.

Immediate reaction to Federal scholarships and fellowships for talented teachers and students has been enthusiastic. The Washington Post and Fortune magazine have both endorsed the idea, and other education writers have lauded the proposal. In a hearing before the Postsecondary Education Subcommittee on teacher preparation on November 17, I asked four expert witnesses for their recommendations for improving the quality of the teaching force. Their reply was unanimous: A program of scholarships and fellowships for teachers.

It is particularly fitting, in addition, that the Talented Teachers Act be introduced during American Education Week. Teachers are a great national resource. We should honor and reward those who are doing an outstanding job, and who want to improve the profession. And we should do everything we can to encourage our top students to take up this noble profession.

I urge my colleagues to join the Members who served on the Merit Pay Task Force in cosponsoring H.R. 4477.●

POTENTIAL FOR ABUSE OF ROYALTY TRUSTS

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. KOSTMAYER. Mr. Speaker, there has been much recent publicity concerning the growth of royalty trusts. Royalty trusts have been used for many years as a tax device and as a method for making corporate distributions into a trust and subsequently providing trust unit holders with income equal to a predetermined percent of revenues, less certain expenses generated from specific oil and gas—or other—royalty property. While royalty trusts allow corporations to retain working control and influence over their properties, significant questions related to Government tax policy, national energy policy and needs, securities regulation, and foreign country investment in U.S. property are raised.

The last issue in particular, Mr. Speaker, causes me some concern. The growth of royalty trusts at least raises the question of whether a slow but concerted takeover of significant percentages of our national energy resources by foreign countries and investors is possible. Is there a need to limit the extent of foreign investment in such trusts so as to create a corresponding limit on foreign control?

It is to answer these questions, Mr. Speaker, that I have written Secretary of State George Shultz, and I ask that this letter be reprinted in the RECORD at this point:

HOUSE OF REPRESENTATIVES,
Washington, D.C., November 18, 1983.

Hon. GEORGE P. SHULTZ,
Secretary of State, Department of State, Washington, D.C.

DEAR MR. SECRETARY: I would like to bring to your attention a problem of some concern to the Congress and the Administration.

The battle for control of a major U.S. oil company by a syndicate of investors which may include significant foreign participation, raises once again the issue of alien ownership of interests in companies which have substantial holdings in U.S. oil and gas reserves. Specifically, in this instance, prospective ownership includes substantial Canadian and possible Arab interests.

The takeover issue is further complicated by the question of royalty trusts, a device utilized by the investment syndicate attempting the takeover, and which is claimed to increase shareholder's return on investment. The takeover bid, with the royalty trust issue, raises substantial new issues in the problem of alien ownership and squarely presents the question of whether further administrative or legislative action regarding reciprocity under the Mineral Lands Leasing Act of 1920 may be desirable. The questions raised involve national policy as to tax, energy, and leasing, as well as foreign ownership.

As you know, the question of foreign ownership arises under the "similar or like privileges" requirement of Section 1 of the Mineral Lands Leasing Act of 1920, 30 U.S.C. 181, pertaining to leasing of oil, gas, and other mineral deposits owned by the United States. The purposes of the provision are to protect U.S. mineral resources while at the same time keeping open investment opportunities available to us. I understand the reciprocity rule has been sparingly invoked; however recent developments in the energy marketplace, and prospective investments by foreign interests in U.S. mineral resources have spurred several recent country (Canada, Kuwait, Sweden, Cyprus) reviews and determinations by the Department of the Interior, one of them negative (Kuwait.)

The addition of the royalty trust device raises further questions for consideration in regard to alien ownership.

The royalty trust is a device designed specifically to increase return on investment to shareholders by passing income from certain oil and gas producing properties directly to shareholders without going through the corporation or paying corporate income tax. Through a royalty trust, a company

"spins off" substantial producing oil and gas properties into a trust for the direct benefit of stock holders. On the other hand such a trust depletes a corporation's reserves and reduces the income from which it may purchase, explore, and develop new reserves. The nature of the royalty trusts presents serious questions as to their compatibility with U.S. energy policy and the national need to maximize development and production of domestic reserves. Presumably leased federal holdings might be placed in such trusts. The royalty trust threatens to impose on this nation's energy development a massive "dead hand" of disincentives and depleting force.

The short-term income attractiveness of royalty trusts could further encourage further raids on U.S. companies and mineral resources by foreign investors. Powerful foreign financial interests, acting on their own or in concert with U.S. speculators, could arrange syndicated investments leading to control of voting shares and direction of corporate policy toward royalty trusts. Even investors from non-reciprocal nations might invest, perhaps through hidden or oblique corporation arrangements. Royalty trusts could allow the direct payment of income to foreign investors while avoiding substantial amounts of U.S. tax.

All these potential problems are raised by the growth of the royalty trust device. While I recognize that the Department of the Interior is the lead agency on determination of reciprocity under the Mineral Lands Leasing Act. I believe these issues raise important national security questions. Consequently, I would appreciate your comments on the potential undermining of U.S. energy policy through foreign owership of royalty trusts which control our domestic energy reserves.

Please also advise me of any recommended administrative or legislative changes needed to eliminate this potential risk to national security.

Thank you for your consideration of this request.

Sincerely,

PETER H. KOSTMAYER.

I am sending an identical letter to Marc Leland, Assistant Secretary for International Affairs at the Department of the Treasury, and the head of the interagency Committee on Foreign Investment in the United States.

I look forward to receiving responses from both the State and Treasury Departments, Mr. Speaker. The foreign investment issues are of great importance here, and just as the House Foreign Affairs Committee looked at the issue of investment in our domestic steel industry in September before the Subcommittee on International Economic Policy and Trade, so I believe these potential problems with investment in our oil and gas industry deserve review.●

PROGRESS IS MADE ON BEHALF OF CHILDREN AND FAMILIES

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. PATTERSON. Mr. Speaker, in 1982, when the House of Representatives voted to establish a Select Committee on Children, Youth, and Families, It did so recognizing the radical and rapid changes in society which have affected the composition of the American family. At the beginning of this congressional session, the select committee embarked on its very difficult mission of assessing the current trends and how we, as policymakers, might best direct our efforts toward improving life for our children and families.

As a member of the select committee, I have participated in the examination of the status of the American family, uncovering the difficulties which parents are currently encountering and proposing solutions on how to best meet the developmental needs of children.

Everyday life for families is far more complex in 1983 than at any time in American history. Increased financial stress afflicts more than just the poor. The recession and its dire consequences of unemployment and poverty has created particularly severe problems for some families. In the series of select committee hearings held this year, we have heard from health professionals, social and community leaders and parents throughout the country. Each hearing revealed separate, but related, accounts of how recent socio-economic changes have intensified the problems families are experiencing.

Through regional hearings, our committee has learned that many communities around the country are engaging in concerted efforts to solve many of these problems. Where families are experiencing homelessness, inadequate prenatal counseling and care, increasing drug and alcohol abuse, an upsurge in domestic violence, and rising incidents of teenage pregnancy; existing community networks are striving to provide aid. The most poignant fact which I have learned from our hearings is that social services and community-based organizations are stretched to the limit, and they cannot responsibly meet the full range of demands now placed on them. New methods and additional resources must be found to help children and their parents cope in today's world with today's stresses.

I am very pleased that the House is considering a number of legislative proposals this week which will steer us toward a course of at least beginning to meet these needs. This week, the House has demonstrated that it is quick to act in devising and putting into effect responsive public policy. I am greatly encouraged by our consideration of legislation which will greatly improve the well-being of our children.

H.R. 3635—CHILD PROTECTION ACT

The sexual exploitation of children through prostitution or pornography is a heinous crime. Unfortunately, statistics report that the sexual abuse of children is increasing, yet no one is quite sure how many incidents actually do occur. "Pedophiles" who perpetuate the sexual exploitation of children do so often by enrapturing their victims through dependency, false pretense and rationalization. Children become defenseless prey of their schemes and usually do not report abuses.

In 1977, I supported congressional action to stiffen penalties for persons engaged in commercial operations involving child pornography and prostitution.

This week, I vote to amend the 1977 act to improve even more severe penalties against persons, who for commercial reasons or otherwise, are involved in child pornography or prostitution. Under the provisions of H.R. 3635, pedophiles who take advantge of children will be prosecuted. Evidence obtained through wiretapping, broadened obscenity rules, and an increase in the age of children protected from 16 to 18, will insure greater law enforcement. Children, for profit or perversion, must not be sexually exploited. I render my ardent support for H.R. 3635 in an effort to prevent this tragic form of abuse.

H.R. 1904—CHILD ABUSE AMENDMENTS OF 1983

I am pleased to have joined Chairman George Miller and other House colleagues in proposing the inclusion of a 3-year, $65 million Federal grant to help support successful community prevention and shelter programs to respond to family violence. In areas throughout the country, we have found that emergency accommodations for women and children seeking immediate escape and shelter from violence have been woefully inadequate. This legislation will help to bridge that gap.

Children often cannot find safe refuge in the midst of family crisis and suffer repeated, brutal attacks to their physical and mental health. In recent years, the increased rate of domestic violence, including spouse abuse, wife battery and assaults against children, has caused great alarm.

H.R. 1904 seeks to put an end to the silence which has for far too long hidden the grave extent of domestic violence. The committee's estimate that 1.5 million children are currently the victims of abuse and neglect is a

frightening admission of the need for this bill's passage.

The National Center on Child Abuse and Neglect is reauthorized under this legislation to provide extended services to individuals and agencies to prevent child abuse. It will continue to coordinate training and counseling projects for police, health care professionals, social workers and parents involved in identifying and treating child abuse. In addition, it will provide technical assistance and information exchange resources vital to recognizing and reporting incidents of neglect. No single agency can eradicate the pernicious effects of sexual abuse all too commonly found in the home. The national center will, however, work in partnership with State and local organizations to educate, train and treat the victims of sexual abuse.

H.R. 1904 also extends the original mandate of the 1974 act by improving adoption and foster care opportunities for children in need of a healthy home environment. Particularly in cases of children at risk due to physical, emotional, or mental disability, H.R. 1904 will facilitate information exchange vital to child placement.

H.R. 4235—CHILD SUPPORT ENFORCEMENT AMENDMENTS

The startling and gruesome reports of domestic violence and child sexual exploitation have forced each and every member of the select committee to search for causal relationships. Without surprise, as we explore the roots of these problems, we recognize the common element of financial stress among families. For single parents, who today comprise one out of every five households with children under 18, the demands of child rearing and employment bring on untenable burdens. Spousal support can become critical.

Unfortunately, 65 percent of divorced women with children receive little or no child support from their former spouses. Understandably, this fact forces many women from the work force to the public welfare system or leaves them without basic necessities while trying to juggle their roles as parent, employee, and sole provider.

I strongly support H.R. 4235, the child support enforcement amendments of 1983, because it provides single parents with greatly needed Federal help in reforming archaic and poorly functioning child support enforcement procedures. The bill requires States to enact laws to improve collection procedures for delinquent child support payments. This is accomplished through mandatory withholding of support from spousal income when payments are 1 month overdue. States are also permitted to offest State income tax returns for the amount of past-due support, place liens on property, inform consumer credit agencies, and allow either parent to trigger support payment through a public agency charged with child support recordkeeping.

As a long overdue means of enforcing court-ordered support, H.R. 4235 will protect even children whose parents do not reside in the same State. It further designates financing mechanisms for the administrative costs associated with child support collection efforts. Preliminary estimates reveal that effective enforcement will enable many families to become self-supporting and absent welfare dependency. In the long run, significant savings to the Federal budget will be possible. This will be achieved in concert with the improved livelihood of children living in single-parent households.

CHILD CARE INITIATIVES

Poverty for single-parent families will not be wholly dismissed through child support enforcement, but it is a necessary beginning. Expanded employment opportunities for our Nation's 5.3 million single mothers must also be developed. But, without accessible and affordable child care, most mothers will remain unable to work, or worse still, might be forced to leave "latchkey" children at home.

For this reason, I am today introducing legislation to provide an added incentive for employers to help their employees locate suitable child care. The bill would provide a 50-percent credit to employers for day care contributions made on behalf of employee dependents.

The tax credit covers annual contributions up to $1,200 paid for a full-time plan or $600 for a part-time plan. A qualified dependent care plan can include various forms of day care, including onsite service, community center, in home, or home provider care. It is not restricted to the type of care which an employer might provide; therefore, it expands the incentive for employers to offer day care plans to all employees with dependents.

This bill would also permit small business owners to use this tax incentive in cooperation with other area businesses to begin a day care center or to negotiate for a discount contract for employees at a designated facility. There are limitless ways that present child care needs can be met, and this legislation seeks to enhance these possibilities. The fact of the matter is that employers need a greater incentive to become more involved, and parents need employers to help in assuring that they can find an affordable child care situation.

The legislation which I am introducing today must be viewed as a part of a greater framework of policy to improve our current child care delivery system. A firm Government, business, and community partnership is the only way to assure that the growing needs of child care in the United States will be adequately addressed. Incentives and innovation in this area must continue.

In total, over 7.4 million mothers with children under 6 years of age are members of today's labor force. The demand for child care services is steadly increasing in proportion to the number of working women. While many local communities have attempted to meet this need, nationwide we are falling far short of minimal availability of child care centers, alternatives need to be initiated.

Options for child care must be affordable, flexible and accessible. While some parents prefer community day centers to care for their children on a full-time basis, others may prefer more personalized care in the home of a State-registered provider. With fluctuating work schedules, part-time care in an area school or with a professional babysitter may be the most feasible solutions to other parents. No matter what the choice is for type of care, working parents should know that his or her children are being cared for in a safe and secure environment.

Employers who encourage child care programs have recognized that increased productivity, reduced absenteeism and improved employee morale are to their advantage. Well cared for children result in confident more productive working parents. Many employers who have participated in the organization, administration and construction of day care centers have reaped the advantages of tax breaks and positive public relations. Nonetheless, the limited availability of child care programs remains a problem, and many employers do not have the resources, the time, or the funding to promote its development.

FUTURE GOALS

As the Select Committee on Children, Youth and Families continues its assessment of the status of the American family and how public policy might best be shaped to its benefit, I am inspired by the momentum of our achievements in this first session of the 98th Congress. In the coming year, I look forward to participating in endeavors which will complete the fabric of improvements we have made in the life of our children and for future generations.●

DO NOT REWRITE THE BIBLE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. PHILIP M. CRANE. Mr. Speaker, recently I came across the following article in Newsweek magazine by Mr. Michael Golden, entitled "Don't

Rewrite the Bible," which illustrates perfectly the absurdity of exaggeration. The National Council of Churches' aberrant translation of key passages in the Bible to de-sex God and Jesus Christ should be noted only as a lesson against taking a legitimate idea beyond the boundaries of commonsense.

Golden stresses that differences between men and women should not be construed as signs of inferiority or superiority. One cannot learn to respect differences among people if we refuse to recognize them.

I commend Mr. Golden's article to my colleagues' attention.

[From Newsweek, Nov. 7, 1983]

DON'T REWRITE THE BIBLE

In line with our national obsession with obliterating distinctions between men and women for fear of being labeled sexist, the National Council of Churches has recently released the "Inclusive Language Lectionary," a modernized translation of key Bible passages. The council, an organization of major Protestant denominations, apparently feels that masculine references to such eminent authority figures as Jesus Christ and even God offend the sensibilities of its distaff members. Thus the new volume of Bible readings, meant to be used in public worship services, refers to God as "Sovereign One" rather than "Lord"; "King" becomes "Monarch" and "Son of God" becomes "Child of God." Women's lib, it seems, has gone otherworldly; indeed, nothing is sacred in our manic quest for a perfectly egalitarian society.

Now, bra burning may be one thing, but before we start tinkering with the Bible we should seriously consider just what we're doing with this semantic sleight of hand. Before I'm called a chauvinist pig and worse, let me state that I'm all for the women's movement and its primary goals—equality of opportunity in the workplace, shared responsibilities in the home, political power, financial independence and so forth. I am fervently against discrimination of any kind to any group. But when the Bible is called sexist and is rewritten, I believe we're going just a bit overboard.

PATERNAL

There is, after all, something to be said for tradition, especially when one's fundamental beliefs are at stake. I suppose a case could be made for the sexual neutrality of God; after all, at the risk of sounding sacrilegious, I submit that we can't really be sure what we're dealing with here. But for whatever historical, cultural, philosophical, psychological or theological reasons one wishes to choose, all the major religions have as their Almighty a paternal figure, whether it be God, Buddha, Allah, Muhammad or Confucius. And I suggest that this state of affairs in no way diminishes the status of women.

I cannot, for the life of me, understand why Jesus Christ must have his masculinity denied him for the sake of linguistic neutrality. What possibly can be accomplished by calling him (him?) the Child of God instead of Son of God? This may sound blasphemous, but what else is one to make of this bizarre form of heavenly hermaphroditism? Just how far do we go here? What becomes of all those magnificent Renaissance paintings depicting Jesus Christ with those sinewy muscles and dark beard?

By rewriting the Bible we are also opening up a Pandora's box for other traditions and disciplines. Perhaps there will be those who insist that history be rewritten. George Washington will no longer be referred to as the Father of Our Country; that appellation is blatantly sexist. How about Parent of Our Country? Not quite as catchy, but at least there is no paternal bias.

In the interest of fairness, of course, this gender genocide can work both ways. What will become of Mother Earth, Mother Nature, Mother Courage and Mother Goose? Certainly these maternal eminences must be neutered as well. Will we be reading to our children Parent Goose stories in the future? Will we arouse the wrath of Progenitor Nature?

There are instances where traditions can be changed in order to accommodate modern, nonsexist views, even when they are only token gestures. The National Weather Service avoided a storm of controversy several years ago when they began giving hurricanes and tropical tempests masculine as well as the traditional feminine names. Thus, we now have Tropical Storm Tommy as well as Hurricane Hilda, and meteorologists can no longer be accused of casting aspersions on the feminine temperament. But when we start looking skyward past those ominous clouds and gaze toward the heavens with an eye to eliminating sexual distinctions, then we're headed for trouble.

MATERNAL

In our egalitarian philosophy we are terribly afraid to admit that there are differences between sexes, or races, or nationalities or humans of any group at all. Somehow the possibility that physical or psychological differences of any sort exist strikes that fear that this will be equated with superiority or inferiority of certain groups. But the denial that differences exist, whether biological or otherwise, only leads to absurdities; indeed, it is a denial of our own humanity. We cannot respect differences among people unless we first admit to them. This is not sexism or racism; it is merely common sense. What the council has done in its rewriting of the Bible is not progressive or nonsexist it is merely absurd.

Instead of denying that differences occur between men and women, we should celebrate those differences. After all, Mother Earth—er, Ancestor Earth?—would be an awfully dull place if we couldn't distinguish between masculine and feminine characteristics. Different does not mean inferior. As one noted French—uh, Frenchperson—once said, "Vive la difference!"

And, for God's sake, let's leave the Bible alone!●

JOHN F. AISO

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MINETA. Mr. Speaker, it gives me great pleasure to rise today in honor of a great pioneer and a fine personal friend, John F. Aiso. John retired from his career as a legal scholar, practicing attorney, and jurist in February 1983, and on December 6, 1983, at a dinner sponsored by the Japanese American Bar Association and the California Asian Judges Association, John will be honored for the tremendous contributions he has offered throughout his distinguished legal career.

In 1922, John was the first American of Japanese ancestry to be elected as student body president of his California junior high school. He was never able to serve in that office because a group of parents in the community canceled the student government for the year rather than have an American of Japanese ancestry serve as president. Since this deplorable incident, John has waged a tireless and successful struggle to overcome racial prejudice and perpetuate excellence.

John was one of the very first Americans of Japanese ancestry to graduate from Harvard Law School in 1934. As a recently drafted buck private in the U.S. Army, John Aiso was called upon in November of 1941 to be head instructor at a brandnew Army Intelligence School at the Presidio in San Francisco. This school then became the Military Intelligence Service Language School, an institution that played an invaluable role in our war effort. John Aiso rose from his original rank of private to Lieutenant Colonel in his role as director of academic training at the MIS School.

John's appointment to the Los Angeles municipal court in 1953 was yet another milestone because John became the first American of Asian ancestry in the continental United States to serve as a judge. Then John proceeded to become a judge on the Los Angeles superior court and on the California court of appeals.

Although John is now retired, he continues to lead an active life. He is currently an elder at the Hollywood Presbyterian Church. He is active in the Military Intelligence Service Veterans Group, and the Japanese American Citizens League. John serves as a director of the Sumitomo Bank and as an adviser and consultant to O'Melveny & Myers, one of Los Angeles' largest law firms.

Mr. Speaker, I first met John in 1943 and have admired his courage and achievements ever since. John's contributions are truly extraordinary. Today I ask all the Members of this House to join me in honoring this dedicated citizen and in wishing him all the good fortune he deserves.

Thank you very much.●

PERSONAL EXPLANATION

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. PORTER. Mr. Speaker, on November 8, 1983, I voted "yes" on a portion of the gentleman from Texas (Mr.

WRIGHT) amendment to the continuing resolution (rollcall No. 429). I want the RECORD to show that I had intended to vote "no" to all parts of the gentleman's proposals to add substantially to the Federal deficit.

And on November 15, 1983, I was inadvertently detained when the House voted on the State, Commerce, Justice, and the Judiciary appropriation (rollcall No. 509). Had I been present and voting, I would have voted "yes." ●

HONORING KEN DUBERSTEIN

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LOTT. Mr. Speaker, when the 98th Congress convenes its second session in January, we will do so without the valuable counsel of Assistant to the President for Legislative Affairs Kenneth M. Duberstein. Ken is leaving the White House next month to join a consulting firm.

All of us, Mr. Speaker, have benefited from Ken's talent, his sense of fairness, and his distinguished background of public service. He has seen duty both as Director of Congressional and Intergovernmental Affairs for the General Services Administration and later as Deputy Under Secretary of Labor under President Ford. Prior to his current appointment, he served as Deputy Assistant to the President for Legislative Affairs.

Certainly the successes of the President in putting forward his domestic and foreign affairs agenda are due in large part to Ken's hard work on behalf of this administration.

Fortunately for us in the Congress, Ken's appointed successor is no stranger to the Hill, M. B. Oglesby. "B" was minority staff associate for the Committee on Energy and Commerce and served as an assistant to Representative ED MADIGAN, of Illinois, prior to being named Ken's deputy assistant.

Mr. Speaker, Ken Duberstein is a distinguished and respected talent. But more than that he has become a close personal friend. I wish him the very best in his next venture in life with his fine helpmate, Sydney.●

A BILL TO PROMOTE FURTHER DEVELOPMENT OF THE U.S. FISHING INDUSTRY

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing a bill that will promote the further development of the U.S. fishing industry at no cost to the Government or the taxpayers.

My bill will give to fish processing vessels the same exemptions from various maritime laws that are now given to fishing vessels, with one exception: Fish processing vessels will continue to be required to carry at least 75 percent U.S. crew.

This bill does not affect foreign-built or foreign-flag vessels. Such vessels would continue to be prohibited from fishing in U.S. territorial waters.

I include a section-by-section analysis of the bill in the RECORD:

SECTION-BY-SECTION OF A BILL TO AMEND SUBTITLE II OF TITLE 46, UNITED STATES CODE, "SHIPPING," RELATING TO FISHING AND FISH PROCESSING VESSELS

The bill amends title 46, United States Code, to ensure that the inspection and most of the manning exemptions and other provisions relating to fishing vessels throughout title 46 apply equally to fish processing vessels; makes the inspection exemptions for fishing and fish processing vessels permanent; and provides for the transportation of cargo and fishery personnel to and from fishing and fish processing vessels and remote communities in Alaska.

Clause (1) excepts a fishing or fish processing vessel from the definition of "freight vessel" in 46 U.S.C. § 2101(13) so that these vessels are not classified as freight vessels for inspection purposes when carrying the cargo for the fishing industry and remote communities in Alaska. This exception is the same as that afforded to oceanographic research and offshore supply vessels.

Clause (2) amends the definition of "passenger" in 46 U.S.C. § 2101(21) so that fishing personnel are not considered passengers when carried on board a fishing or fish processing vessel. This is the same exception as afforded persons employed in the offshore industry.

Clauses (3) and (4) add five definitions to 46 U.S.C. § 2101 for "fish", "fish processing", "fish processing vessel", "fishing", and "fishing vessel". These definitions are modeled after those in Sections 3 and 306 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. §§ 1802 and 1856). "Fish" for the purposes of title 46, however, includes highly migratory species. Further, a "fishing vessel" and "fish processing vessel" are limited to those vessels primarily engaged in or in support of commercial fishing. Therefore, a vessel could not be entitled to an exemption if fishing were incidental to its normal use, e.g., fishing with a rod and reel off a cruise ship.

Clause (5) amends 46 U.S.C. § 3302 regarding exemptions from inspection to state that a fishing or fish processing vessel is permanently exempt from inspection as a freight, passenger, or seagoing motor vessel. An exemption from inspection as a seagoing barge is also included for a fish processing vessel.

Clause (6) adds a subsection to 46 U.S.C. § 3302 to exempt fishing or fish processing vessels in operation prior to January 1, 1984, from inspection as a freight, offshore supply, passenger, seagoing motor, or small passenger vessel or a seagoing barge. This exemption would be limited to when these vessels are carrying cargo or 12 or less fishery personnel to or from another fishing or fish processing vessel or a fish processing facility and a remote community in Alaska. Remote communities in Alaska are those that do not receive regular service from commercial shipping lines. Thus, this would be the only source of receiving needed supplies. This exemption expires on January 1, 1989.

Clause (7) amends 46 U.S.C. § 3702 to state simply that the provisions on the carriage of liquid bulk dangerous cargoes do not apply to a fishing or fish processing vessel. However, if one of these vessels is not used exclusively for fishing or fish processing and carries flammable or combustible liquid cargo in bulk, it would be subject to regulation by the Secretary.

Clauses (8) and (9) amend 46 U.S.C. §§ 7111 and 7301, respectively, so that the provisions regarding licensing individuals and service on deck for merchant mariners' documents which apply to fishing vessels, apply equally to fish processing vessels.

Clause (10) amends 46 U.S.C. § 8104(c) to except a fish processing vessel from the 8-hour watchstanding requirement in the same manner as a towing vessel operated only for fishing or engaged in salvage operations.

Clause (11) excepts a fish processing vessel or a fishing and fish processing vessel used for transportation in the fishing industry and to remote communities in Alaska from the three-watch requirement in 46 U.S.C. § 8104(d) in the same manner as fishing vessels are currently excepted.

Clauses (12) and (13) amend 46 U.S.C. §§ 8701 and 8702, respectively, to except a fishing and fish processing vessel used for transportation in the fishing industry and to remote communities in Alaska from the requirement for merchant mariners' documents for unlicensed personnel and certain crew requirements in the same manner as a fishing, inland waterway, whaling, sailing school, or oceanographic research vessel, a barge, or a yacht is currently excepted.

Clause (14) amends 46 U.S.C. §§ 8301 (number of licensed individuals), 8302 (staff department requirements), 8701 (merchant mariners' documents), 8702 (unlicensed crew requirements), 10303 (provisions on foreign and intercoastal voyages), 10309 (replacement of personnel lost by desertion or casualty on a foreign or intercoastal voyage), 10311 (certificates of discharge for foreign or intercoastal voyage), 10313 (wages on a foreign or intercoastal voyage), 10314 (advances on a foreign or intercoastal voyage), 10504 (wages on a coastwise voyage), 10505 (advances on a coastwise voyage), 10509 (penalty for a seaman failing to begin a coastwise voyage), 10901 (proceedings on unseaworthiness), 11103 (slop chests), and 11106 (complaint regarding wages) that currently apply to a fishing or whaling vessel or a yacht so that they apply in the same manner to a fish processing vessel.

Clause (15) amends 46 U.S.C. § 11108, which currently exempts fishing vessels from withholding requirements of state tax laws, to apply equally to fish processing vessels.

Clause (16) amends 46 U.S.C. § 11109 (attachment of wages) so that it applies to individuals employed on a fishing or fish processing vessel in the same manner as it now applies to fishermen on fishing vessels.●

SUPPLEMENTAL APPROPRIATIONS BILL

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mrs. SCHNEIDER. Mr. Speaker, I would like to take this opportunity to explain why I voted in favor of the closed rule for the supplemental appropriations bill. In the past I have occasionally exasperated some of my colleagues by my unwillingness to support closed rules, and I have explained this as a general position that encourages complete and open debate. My exception today is predicated on two aspects of the vote today that are unusual. First, the pros and cons of the housing, IMF, and other appropriations have been extensively debated on the floor in this session. No unique circumstances that demand additional examination have been identified since those debates. It is justifiable under these circumstances to allow for a summary of the positions, followed by a vote.

My second reason for limiting the debate at this time is that to fail to do so would almost certainly result in our inability to act on this important legislation at this time. A vote for an open rule would be, in effect, a vote against the bill. I would rather the bill be voted up or down on its merits than defeated or delayed further by a procedural motion. I reserve the right to occasionally exasperate my colleagues in the future by refusing to vote for limiting debate.●

FATHER WRITES POEM ABOUT MARINE SON KILLED IN LEBANON

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. GEKAS. Mr. Speaker, the loss of life in Lebanon was not for nought. I would like to share a poem that was written by a constituent of mine from Sunbury, Pa. The poem relates the feelings of the father about his marine son who was killed in that horrible bombing.

OUR SON

(By Lucian E. Ray, Father of Gunnery Sgt. Charles R. Ray, U.S. Marines)

Our story starts back down the line
When a fifth grade boy at age of nine,
Approached a recruiter after school and said,
"Sir, I would join the pool"
The sergeant told him,
"You're much to young to join the corp"
"Come back again when you mature."
Eight more years passed,
Now was the time,
He determined then to join the line.
Through Boot Camp he worked,
With the thought in store,
I'll make my place within the corp.
He studied hard and learned the rules,
Had lots of help, was sent through schools,
Till finally there came the day,
When he at last Received the word
That he had passed,
A good Marine.
That's what I'll be,
You just wait
And you will see.
Fifteen years went by almost,
The orders came,
Beirut, the post.
T'Would be his base
With Peace, the goal at any cost.
Shipped out with many other men,
Never a thought of danger then.
Until the night there came a roar,
From an exploding truck on the bottom floor.
T.N.T. they later found,
Caused the whole building
To come crashing down.
Before the dust settled like a wreath,
Many Marines lay still in death.
Our son was one of many
They later found,
Cover within the crumbled ground.
Now buried back,
Here in the State,
I know it's true and do relate,
He passed the test
Of a true Marine,
One of the best.
And now at last,
Up there with God,
Where never more to roam,
He's passed the test,
He's with the best
He's finally made it home.
May he rest in Peace.

D.C. COUNCIL'S DIVESTITURE ACTION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. PHILIP M. CRANE. Mr. Speaker, recently, the D.C. City Council passed a bill instructing the city to divest its funds from South Africa and Namibia. The Council's purpose was to bring pressure upon the Government of South Africa to put an end to many of its social policies toward the black race.

The Director of Government Liaison for the Government of Namibia, F. Jariretunda Kozonguizi, has contacted me regarding the D.C. Council's disinvestment directive. As an official of the Namibia Government, Mr. Kozonguizi is most able to comment on the effects that divestiture will have on his country. In the following letter to me, Mr. Kozonguizi shows beyond doubt that divestiture will do more harm than good to the black people of both Namibia and South Africa.

Congress must take steps to stop the D.C. Council. I have therefore introduced legislation disapproving the Council's action. Not only is the D.C. Council trying to dictate U.S. foreign policy by ordering divestiture, but by this action they will only serve to injure vital American interests and the black people of South Africa.

I hope each one of my colleagues will take a moment to read the following enlightening letter by Mr. Kozonguizi.

OFFICE OF THE GOVERNMENT OF SOUTH WEST AFRICA/NAMIBIA,
November 17, 1983.

Hon. PHILIP M. CRANE,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN CRANE: Some of us who have held public office or positions of political leadership in South West Africa/Namibia are gravely concerned with the present propaganda campaign urging "disinvestment" in American companies engaged in operations in Namibia and South Africa. Namibia is a territory of South Africa by reason of a 1920 League of Nations mandate. In fulfilling the conditions of that mandate South Africa now provides 50 percent of Namibia's annual budget-amounting to $250 million this year.

South Africa is the only country in the world contributing this vital economic support to Namibia, and "disinvestment" will have a negative impact on the people of Namibia. We are a small country with a population of approximately one million persons in an area 1½ times the size of Texas. We have been involved for several years in negotiations to achieve full independence from our territorial status, to which South Africa and the international community have agreed within the framework of United Nations Resolution 435. Only a lack of U.N. impartiality and Angola's refusal to remove the Cuban troops supporting the SWAPO terrorist attacks against Namibia remain as road blocks.

On July 11, 1979 the duly elected and predominantly black National Assembly of Namibia enacted Public Law #3 abolishing racial discrimination and making it punishable by fine and imprisonment. Although the elected government resigned earlier this year, and the territorial government has reverted temporarily to the responsibility of the Administrator-General, this law is in full effect and is resulting in significant change.

The people of Namibia, like free people everywhere, not only want political independence but they want economic independence as well. Therefore, we must look to foreign investment from not only, the United States and members of the Western Five (Canada, Great Britain, France, West Germany), but other industrialized nations of the international community as well, so that our own internal development and productivity will provide the $250 million half of the budget now provided to us by South Africa each year. Obviously Namibia will not be able to achieve or support independence until we have developed a viable economic infrastructure capable of sustaining a $500 million annual budget. None of the front line states, Western Five, or other U.N. members helping us toward independence has offered to underwrite our independence by assuming the $250 million annual South African contribution.

Any type of economic sanction, including "disinvestment", while having a strong emotional appeal for us, and other people in America and throughout the world who oppose racial policies in South Africa, is not only fruitless, but can cause injury to work-

ing people of Namibia. Lack of U.S. investment in Namibia will delay our independence, and may make it impossible for the Republic of South Africa to continue the very substantial economic aid it has provided us since 1920.

Indeed, "disinvestment" thwarts and makes more difficult the burden of the economic assistance group to be established by the Western Five in implementation of Namibian independence plans.

Recently U.S. Undersecretary of State Eagleburger emphasized U.S. Government opposition to "disinvestment" in a public statement saying "proponents of corporate disinvestment—and of stockholders or pension manager sales of stock of firms operating in South Africa—would have America wash their hands of any association with that country. This apparent quest for symbolic disassociation is in reality a formula guaranteed to assure America's irrelevance to South Africa's future."

We are afraid that it will also assure America's irrelevance to Namibia's future, and that would be a disaster. We look to America for leadership in helping the internal impartial international supervision to achieve independence. We also look to American investment, as well as investment from others of the Western Five, to help us to develop our internal economic productivity which will generate the $250 million a year necessary for Namibia to sustain a productive and growing economy so vital to our indepenence.

We hope that you will consider all of these matters as you review the various legislative proposals now pending in the U.S. Congress which impose economic sanctions against Namibia and South Africa.

Sincerely yours,

F. JARIRETUNDU KOZONGUIZI,
Director of Government Liaison.●

TAIWAN BUYS AMERICAN GOODS

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. ZABLOCKI. Mr. Speaker, one of the anomalies of our relationships with Taiwan is that while we have no official diplomatic ties, Taiwan remains both a friend and one of the most important trading partners of the United States.

A recent article in the Madison, Wis., State Journal tells of a welcome visit to Wisconsin by Taiwan representatives on a shopping spree. I hope Taiwan's buyers call on us often, and also those from many other countries.

On their next visit, I hope Taiwan's shopping spree will be even more expensive and include, this time, some of Wisconsin's good beers which presently cannot enter Taiwan's markets.

Following is the news report from the Madison State Journal of October 22, 1983:

[From the Madison (Wis.) State Journal, October 22, 1983]

TAIWAN DELEGATION SHOPS IN MADISON

(By Thomas W. Still)

Kung-chao Ni and his friends are on a shopping spree. Not just your ordinary "buy-a-new-suit-at-Sak's binge, but a $600-million bender that will bring them to 28 American cities this fall.

They are part of Taiwan's eighth trade mission in six years to the United States, an excursion that stopped in Madison Friday to buy $18.6 million worth of corn.

About 120,000 metric tons of corn will be shipped by Wisconsin growers to nationalist China in March according to contracts awarded during a brief ceremony in Gov. Anthony Earl's office.

Ni, the director of Taiwans trade office in Chicago, said the latest "Buy American" mission is aimed at closing the trade gap that currently favors the island nation of 18.5 million people. Because Taiwan leans heavily on the U.S. for military supplies a narrowed trade deficit scores political gains that outweigh possible economic losses.

"Although we are currently enjoying a $2-billion or $3-billion advantage in trade, the deficit you (U.S.) suffer with us is much different than the type of deficit you have with Japan," Ni said.

More than 300 American companies have plants or offices in Taiwan, he said, and profit by that nation's capitalist economy.

"And, on average, we are buying between $800 million and $1 billion in weaponry per year. Those military purchases are not included in the two-way trade figures," Ni said.

Nationalist China is America's seventh-ranked trade partner. In the six months ending in July, Taiwan imported $2.5 billion in U.S. goods while total exports to this country were $5.9 million. Total U.S. imports in 1982 were $4.37 billion.

This year's "Buy American" spree is aimed at trimming that deficit by $600 million, of which $500 million would be agricultural purchases and $100 million would be industrial products. Purchases from previous missions totaled $5.9 million.

"We are a major market for U.S. products," said Ni, who stressed that Nationalist China will spend $1.6 billion this year on American farm products. That trend will continue, he explained, if for no other reason than the finite amount of arable land on Taiwan.

"Almost all of our grain needs, we have to import. Taiwan is a reliable market for farm products," he said.

Nationalist China has fears on the subject of military security, a fear that was implanted in 1949 when nationalist forces retreated to Taiwan to escape communist troops.

Officials there constantly worry that the People's Republic of China will invade the island, although communist China has kept its sword-rattling to a minimum in the past year.

"We are very much concerned about our security," Ni said, to the point that .40 percent of the national budget is spent on defense. But that defense would be vulnerable without American-made arms, he acknowledged.●

RECOGNIZING THE PUBLIC SERVICE OF ARLINGTON COUNTY TREASURER FLETCHER

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. WOLF. Mr. Speaker, the end of this year will mark the close of a long and distinguished public career for Bennie L. Fletcher, Jr., treasurer of Arlington County, in the 10th Congressional District of Virginia. Treasurer Fletcher will retire at the end of December after ably serving the people of Arlington County for some 30 years. I would like to cite some of the highlights of his career in public service.

Arlington County Treasurer Bennie Fletcher was educated at St. Bonaventure College and received the LL.B. degree from George Washington University. He is a veteran of World War II, having served 3½ years in the U.S. Army and received the Purple Heart for wounds incurred in battle. Prior to his service in the treasurer's office in Arlington County, he was a member for 4 years of the public utilities commission. He served as deputy treasurere of Arlington County from 1955 to 1971 and became county treasurer in 1972.

During his 12 years as treasurer, Bennie Fletcher has been custodian of over $150 million in tax funds each year from an expanding county economy. Through his efficient office management, he had directed a staff which has collected, disbursed, and invested these funds virtually without an increase in the number of employees in the treasurer's office. He brought the Arlington County treasurer's office from a totally manual system of collecting, recording, and accounting to an innovative automated electronic cash register system which has been a model not only for several other jurisdictions in the Commonwealth of Virginia, but in other States as well. His imaginative improvements in methods for investing county funds are reflected in the county's AAA bond rating.

One of the many assets Bennie Fletcher has brought to the office of county treasurer has been his accessibility to the public. He has been a "working treasurer" who is always available to meet with and listen to the taxpayers of Arlington County, earning him a reputation as a problem solver. In addition, his service on the retirement and finance boards and other committees and commissions both locally and statewide have brought valuable experience to the operation of the county treasurer's office

and the assistance provided to Arlington taxpayers.

Bennie Fletcher's community activities include memberships in the American Legion, also serving as past commander, and the Disabled American Veterans, Columbia Lodge AF and AM, Shrine, Elks, American Red Cross, and Better Sports Club of Arlington. He is also a member of the Virginia State Bar Association and the Virginia Treasurers' Association.

The people of Arlington County have been well served by the work of Treasurer Bennie Fletcher. On behalf of northern Virginians, I offer gratitude for his years of public service and wish him well in his retirement years.●

TAX INCENTIVES

HON. KENT HANCE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. HANCE. Mr. Speaker, today I am introducing legislation along with my distinguished colleague from Minnesota, Mr. FRENZEL, aimed at providing necessary tax incentives for our Nation's small business community. This bill, the Small Business Long Term Financing Act, encourages investment and capital formation in this vital sector of our economy.

Our legislation provides these incentive in three ways: by reducing and graduating corporate income tax rates, by establishing a capital gains deferral provision for investing in qualified small businesses, and by permitting certain arm's-length pension fund investments.

A brief description of the major sections of this legislation follows:

SMALL BUSINESS LONG-TERM FINANCING ACT

CORPORATE RATE REDUCTIONS AND GRADUATION

In 1977, Congress helped fill the critical need of small corporations for increased retained earnings by increasing the graduated surtax exemption up to $100,000. Small corporations were further assisted in 1981 when corporate rates were lowered slightly in the two lowest surtax brackets. However, high interest rates and the current recession make these reductions inadequate. During such poor economic times, businesses must retain earnings to remain stable. When small firms can afford to grow, the most effective way is through reinvestment of retained earnings.

While large corporations have seen their tax burdens dramatically reduced as a result of tax legislation passed in 1981, small corporations have realized only a marginal reduction in their corporate income tax burdens. Over the same time period, increases in payroll taxes have more than wiped out any benefits which may have been realized in the 1981 tax reductions for small business.

Further rate reductions and further graduations of the corporate income tax schedules would equalize tax burdens for small firms and provide much needed cash for reinvestment in the small business.

The bill would reduce the lowest corporate rate to 12 percent on the first 25,000 of taxable income. The maximum corporate rate of 46 percent would apply on taxable incomes over $200,000.

CAPITAL GAINS ROLLOVER

In light of the many difficulties small business people face when they attempt to raise capital, it is no wonder they resort to financing their businesses through debt or retained earnings. Current interest rates, however, make the first option very expensive, putting the borrower at a distinct disadvantage with equity-financed competitors. The tax code also offers little help. Historically, small firms have paid higher effective tax rates than big businesses.

As an encouragement for investors to invest in small business and as a way of keeping small business capital invested in small business, the Congress should consider allowing deferral of the capital gains tax on the sale of a capital asset if the proceeds are reinvested in a small business.

Such a deferral would be an incentive for many investors to move their funds into more productive small business investments. Small businesses are starving for long-term capital; deferral could be the key to unlock funds for their use.

This bill allows deferral of capital gains tax if the proceeds of the sale of an investment are rolled over and invested in a small business.

RETIREMENT INCOME ARRANGEMENTS

Prior to the enactment of ERISA in 1974, many small firms used their pension funds as a source of growth capital. ERISA severely restricted this practice. The law now prohibits a business from borrowing from its pension fund, even if the loan is fully secured, insuring that there is little or no chance of loss of the funds.

Before ERISA, the law encouraged small firms to set up pension plans to provide, at market cost, a ready source of funds for expansion. The more fully they funded the plans, the more money they had available for growth. The arrangement was beneficial for the business, its employees and the local community, where the funds were put to work instead of being sent to a money center for unrelated uses.

Prohibiting this type of transaction between the business and its pension fund penalizes everyone except big banks and the Fortune 500 firms to which they lend.

An amendment to ERISA is necessary to allow small businesses to borrow from pension funds. This proposal would allow borrowing from funds within very strict guidelines and on a fully secured basis to insure the pension fund against losses.

The bill allows employer-sponsored pension funds to lend funds to the employer on a basis which insures the safety of the pension's assets.●

THE 500TH BIRTHDAY ANNIVERSARY OF MARTIN LUTHER

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SPENCE. Mr. Speaker, I want to take this brief opportunity to observe the 500th anniversary, on November 10, of one of the handful of men in history who can truly have been said to have shaped the world with their thoughts words and deeds.

Martin Luther, who was born 500 years ago in Germany of peasant stock, was at various times a law student, a priest, a musician, a teacher, a reformer and, perhaps most importantly, a doubter and a questioner, both of himself and of the established order and authority of the religion of his day.

His principles and teachings became not only the inspiration for the religious Reformation of the Middle Ages but also strongly influenced the thinking of many of the philosophers on whose work American democratic government was founded. In his steadfast determination that man achieves salvation only by faith in Christ's sacrifices and not by works commanded, prescribed or even sold by the Church, Luther announced the ascendance of private judgment and individual conscience.

In his declaration that each and every believer is himself a priest, capable of reading and interpreting the scriptures and communing with God, Luther asserted an idea of equality and unalienable rights which remains a rich legacy to all of us today. This legacy, including not only his religious thought but also a rich musical and cultural heritage and an abiding sense of moral duty and family loyalty, have been especially precious to the many followers of the denomination which bears his name, many of whom settled and have nurtured the growth of South Carolina and my own Second District.

Martin Luther's individual accomplishments are too numerous to list, among them more than 400 books and treatises, 5,000 letters and many hymns and musical works still sung today. Certainly, his translation of the Bible into the German tongue of the common man was one of the greatest of his achievements. But I think one can hardly find higher praise than to say of a man, as we may of Luther on the quincentennial of his birth, that in his continual striving to improve himself, he improved the lot and lives of all men, in his time and for all time to come.●

HUMAN RIGHTS IN THE SOVIET UNION

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SMITH of Florida. Mr. Speaker, in the last 2 days the House passed several resolutions regarding human rights in the Soviet Union. I strongly believe that the United States must

demand Soviet compliance on human rights issues. Only through constant pressure will the U.S.S.R. change its treatment of Soviet Jews and other persecuted minorities. The minorities of the Soviet Union are faced by a tragic situation: They are harassed, intimidated, and subjected to continuing abuse because of ethnicity. Human rights do not exist in the U.S.S.R. Hundreds of thousands of men, women, and children are prisoners solely because of their political beliefs, religious, racial, or ethnic origins. These prisoners have committed no violent crime. All peoples deserve the right to decide their own fate, to freedom of expression, and to be free to leave their own country.

To protest the Soviet officials' inhumanity, I cosponsored House Concurrent Resolution 100, which expresses the sense of the Congress that policies of forced-labor contribute to world tensions and create concern about the validity of the international commitments of the Soviet Union. The Soviet Government operates the largest forced-labor system in the world. This system gravely infringes on the fundamental human rights of an estimated 4 million laborers in over 1,000 forced-labor camps. At the recent Madrid meeting of the Commission on Security and Cooperation in Europe, it became evident that the Soviet Union has turned drastically toward further violence and repression of human rights activists.

In particular, Soviet Jewry has been singled out for persecution and harassment. As a member of the 98th Congressional Class for Soviet Jewry, I am concerned about the plight of Soviet Jews. That is why I cosponsored House Concurrent Resolution 63, which expresses the sense of the Congress that the Soviet Union should comply with the Helsinki accords by pursuing a more humane emigration policy. This would give Soviet citizens, such as my adopted refusenik Dr. Yuri Tarnopolsky, the freedom to emigrate.

I encourage my colleagues to continue communications with Jews in the Soviet Union. If every concerned U.S. citizen sends constant and consistent messages to Soviet officials, the Soviets will realize Soviet Jewish emigration is a priority and a commitment of the United States. As a cosponsor of House Concurrent Resolution 177, it is my hope that the internationally acclaimed pianist Vladimir Feltsman will be granted the freedom to travel with his family to perform in the United States. Since applying for his exit visa to Israel in 1979, Feltsman has been able to play concerts only in his own one-room apartment. Not only has Feltsman been denied his cultural and religious identity, but he has been deprived of his music career.

I am pleased that the House has passed these three resolutions.

I am personally committed to doing everything I can to facilitate the free emigration of Jews from the Soviet Union. I will continue to speak out so that one day these citizens will have the fundamental rights that all human beings enjoy.●

BEST WISHES TO KENNETH DUBERSTEIN

HON. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MONTGOMERY. Mr. Speaker, I want to join with my colleagues in wishing the best to Kenneth Duberstein, who has announced he will leave his post as Assistant to the President for Legislative Affairs.

I think I can safely say that Ken has earned the respect and admiration of Members on both sides of the aisle for his untiring and very efficient work. He has served the President well in this very important position.

I have found Ken to be very professional and knowledgeable in his work here on Capitol Hill and it has truly been a pleasure to have worked with him. He has been an outstanding public servant.

I know my colleagues join with me in wishing him the best of luck as he again enters private business.●

TRIBUTE TO DAVID A. STEIN

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. WEISS. Mr. Speaker, on Sunday, December 4, a junior high school in my New York City district will be renamed the David A. Stein Riverdale Junior High School after a very special public servant.

David Stein, who died on April 8, 1982, was founder, editor and publisher of the Riverdale Press, a weekly newspaper serving the neighborhood of Riverdale in the North Bronx. Mr. Stein, in addition to being a fine newspaperman, used his publication as a vehicle for promoting community activism.

One year after his death, the school board approved a petition from the Riverdale Junior High School Parents' Association to rename the school.

David A. Stein was an integral part of this community—

The Parents' Association wrote at the time.

It is with both pride and respect that we wish to honor this revered community leader.

I would like to share with my colleagues a biography written shortly after Mr. Stein's death by his son, Bernard L. Stein, now editor and publisher of the Riverdale Press. The text is reprinted here:

DAVID A. STEIN: A LEGACY OF COMMUNITY ACTIVISM

When David A. Stein died on April 8, 1982, at the age of 71, he left behind not only one of the best weekly newspapers in the United States, but a community that took its shape from the fact that newspaper existed.

As Fred Friendly, Edward R. Murrow Professor of Journalism at Columbia University, noted in the eulogy he delivered at Mr. Stein's funeral, "his caring strengthened the glue that holds Riverdale together . . . what makes Riverdale more than just a fancy address is a weekly country newspaper that David and Celia Stein conceived three decades ago. They made a difference. Riverdale, Fieldston, Kingsbridge, Marble Hill, Spuyten Duyvil, often with diverse interests, were stitched together not by some kind of political force, but by a newspaper, the Riverdale Press."

Mr. Stein founded the Press with his wife, Celia, in 1950, when Riverdale was a semi-rural neighborhood of 3,000 families. It grew to become one of the largest weekly newspapers in the country, winning countless awards for excellence and community service, including eight national awards and three from the New York Press Association naming the Press best newspaper in the state.

Under David Stein's leadership, the Press fought battle after battle to preserve the character of Riverdale. He worked to keep its sweeping Hudson River shoreline, its wooded enclaves and gracious private homes from being overwhelmed by what he once called in an editorial "canyons of stone."

At the same time, Mr. Stein recognized that change was inevitable. He crusaded not for stasis, but for orderly growth and, above all, for planning and community participation. In news stores and in vigorous editorials, the Press fought for—and won—new schools, safer roads, expanded community centers and new parks.

PS 24, JHS 141, JHS 143 and John F. Kennedy High School all owe their existence, at least in part, to his efforts. In October 1951, the Press published its first editorial calling for relief for overcrowded classrooms at PS 7 and PS 81. By June 1952, reserving sites for junior and senior high schools to serve the students of Riverdale and Kingsbridge was being headlined in a Press editorial as "Riverdale's Number One Project." Thereafter, countless editorials needled, cajoled, thundered and hammered on the twin themes of the area's explosive growth and the need to plan ahead by reserving space for new schools and their actual construction.

During all these years, the news pages of the Press served as a rallying point for residents concerned to secure new schools. They were kept informed both of the city's plans (or the absence of plans) and of the organizing efforts of parents and others. As a parent and resident himself, moreover, Mr. Stein spent hours at the Board of Education in Brooklyn, arguing the mertis of the new schools with the board members and commissioners.

Other early Press crusades helped preserve the site of Seton Hospital as park land; saw that the 235th Street overpass was built to protect children going to and from PS 24; and brought about construction of the guard rails on the parkway that until

recent reconstruction kept cars from jumping lanes.

Mr. Stein's enthusiastic support helped the Kingsdale Volunteer Ambulance Corps come into being and contributed to the growth and strength of Riverdale Neighborhood House and the Riverdale Mental Health Association. He conceived the prize-winning Press campaign that focused the city's attention on Van Cortland Park and helped lead to the multimillion dollar rehabilitation plan for the park.

Of all the paper's victories over the years, perhaps its most signal achievement, and the one of which Mr. Stein was proudest, was the paper's contribution to winning a comprehensive zoning ordinance in 1954. The law protected the rest of Riverdale from the helter-skelter development that had obliterated the natural beauty of Spuyten Duyvil.

In a series of articles he wrote to commemorate what he called the "one law that saved Riverdale," Mr. Stein was characteristically modest. He hated to blow his own horn, so he touched lightly on his role in preserving Riverdale. But, in fact, it was his detailed, comprehensive articles that explained the complicated legal struggle and uncovered the issues at stake, exposed the counterattack of developers, and publicized community meetings and city hearings.

In a front page editorial just before the crucial hearing, he wrote what could stand as his credo for his career as a publisher, and a warning still relevant more than 30 years later. "I have a stake in Riverdale. This is my home. I want it to remain a community of which I can always be proud—a community that's a wonderful place in which to live and to raise a family.

"You have a similar stake in Riverdale's future. It makes no difference whether you moved in yesterday or have been here for half a century. Whether you own a home, or rent an apartment, as I do, you have a share in tomorrow.

"Proper planning can keep Riverdale a pleasant place to live, a friendly, neighborly community. Poor planning, or lack of a plan, will force Riverdale to deteriorate swiftly toward a cold, dark, overcrowded, ugly neighborhood—like altogether too many sections of the city."

Mr. Stein was born in Cleveland, Ohio on June 23, 1910, the son of Russian Jewish immigrants. He decided at the age of 12 to be a newspaper man during a stint as a copy boy on the Cleveland Press. He attended college at Ohio University in Athens, Ohio where he supported himself by waiting on tables and playing drums in the orchestra of a fellow student, Sammy Kaye.

At Ohio University, he edited the college newspaper which won an award as Ohio's best and was named to Mortar Board, the university's honor society. He graduated during the depression and was unable to find a job as a newsman. He took a job selling classified advertising for the Niles, Ohio Daily Times. He was promoted to a position at a small weekly, the Girard (Ohio) News, where he was reporter, editor, advertising man and janitor. He and one part-time office worker and part-time sports writer put out the 12-page weekly newspaper.

Eventually, he became managing editor of the NEA Feature Service of the Scripps-Howard organization in Cleveland. He was transferred to New York as managing editor of the headquarters bureau in 1944 and moved into the Riverdale apartment where he lived the rest of his life.

After leaving NEA, he headed his own public relations firm which coordinated publicity for New York Governor Herbert Lehman's successful Senatorial campaign against John Foster Dulles; and for the Mayor's Committee for New York's Golden Anniversary. To that period belonged what he once called "the most enjoyable job I ever did," ghost-writing the autobiography of Paul Whiteman, who was then in his heyday as a big band leader.

Mr. Stein was an editor at the Associated Press when he founded the Riverdale Press. In 1979, he retired as publisher of the Press turning over the paper's direction to his two sons, Bernard and Richard.●

NEIGHBORHOOD PREVENTION PROGRAM

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Ms. FERRARO. Mr. Speaker, last night in my community of Queens a dinner was held to honor Father Coleman Costello, the moving force behind a highly successful neighborhood Outreach drug and alcohol prevention program for young people in Queens County.

This 4-year-old program, known as Queens Outreach, has helped over 7,000 youngsters fight drug and alcohol abuse by providing neighborhood outreach and crisis intervention, psychological and short-term counseling, referral, and court liaison. The New York State Division of Substance Abuse Services is the primary financial support behind the program.

Father Costello is a "street priest" who for many years has worked in the community with troubled youngsters. Father Costello is also a friend. He is a highly visible, respected, and influential force as he reaches out to those in the community troubled by drugs or alcohol. Never preaching, Father Costello goes throughout our neighborhoods to pass the word to young people that help is available. The word is out as evidenced by the numbers of youngsters who have been reached successfully. Operating from a renovated abandoned candy store, Queens Outreach will open a 40-bed residential treatment center in the spring of 1984 thanks to a community development block grant.

Because the House of Representatives was in session late last evening, I was unable to attend the dinner honoring Father Costello. However, I want to mark this special occasion by sharing with my colleagues an article on this highly successful program which appeared recently in the New York State Division of Substance Abuse Services newsletter Outlook. Dedicated, caring, and committed leadership as one community official remarked are the elements behind the success of this remarkable Outreach project. The article follows:

OUTREACH CENTERS SERVE PARTS OF QUEENS

Four years ago, two people associated with a school drug prevention program in Queens, the Reverend Coleman Costello and Kathleen Riddle, saw the need to reach large numbers of young people in their area who were out of school, unemployed and using drugs. They sought to establish a neighborhood outreach center and eventually a short term residential facility to serve these youth.

In 1980 they formed the Queens County Youth Development Corporation and got the first project going, opening a storefront drug outreach center in Glendale, Queens, with the aid of State Division of Substance Abuse Services funds. Since then, the project has growth and a second center has opened, this one in Little Neck in eastern Queens, in 1981. These are now branches of the Queens Outreach Program, providing neighborhood outreach and crisis intervention, psychological assessement, short term counseling, referrals and court liaison to about 3,000 clients a year.

The Outreach Program is primarily supported by DSAS funds. The corporation also runs an office in Rego Park where counseling services are provided to employees of Union Local 808 whose personal problems are affecting their job performance, and it offers court advocacy and job development services to clients at both centers.

"It is a well-functioning program which provides much needed services to the community," remarked Julio A. Martinez, Director of DSAS. "The program has concerned and dedicated leadership and a committed and caring staff. We are very pleased with the program," he said.

Strong points of the Queens Outreach Program are its energetic leadership, caring staff, close relationship with the community and other local human services agencies, and its openness to meet the needs of its clients, according to a recent review by DSAS. Father Costello, for many years as "street priest" working with teenagers in Queens and well known in the community, continues street outreach with other staff workers at parks, playgrounds and other gathering places to meet youngsters who may be taking drugs or drinking alcohol.

Father Costello said his philosophy is to use a low key approach, never preaching, but informing the young persons that there is a place they can go for help if they are in trouble with drugs. Evidently the word has gotten around, because more clients are coming in the door than before and this has made it harder for the staff to keep up that degree of outreach.

At the centers, clients are given information to enable them to make a decision about their drug-taking and what treatment is available. The staff has been careful in guiding clients to individual treatment programs that are sensitive to the client's needs, the DSAS review found.

Counselors meet with the clients in person or with their families, and keep actively in touch with other clients by phone. Some of the clients are referred to other services quickly, while others may be in longer contact—for up to six months—with the program. Referrals may be made to treatment programs in New York City or elsewhere to psychotherapy centers, detoxification programs, hospitals, shelters, or Alcoholics Anonymous chapters.

The Glendale center now makes 80 referrals a month and the Little Neck center, 63 a month. If a placement doesn't result from

the referral, the agency follows up with the client to ask why it wasn't successful—and may look for another placement.

Among the additions to the program, a court liaison works in Queens County courts and acts as a resource counselor for the centers. This person interviews clients who come before the court with the purpose of presenting to the judge and client an alternative to incarceration.

In an effort to help youth of the area who come to the centers find available jobs, vocational counseling and referrals to job placement are provided to those who are students of schools in Queens District 11. The employment coordinator assesses the experiences and skills of the students in making her referrals, and spends considerable time finding out about job openings by contacting employers.

Early next year Queens Youth Development Corporation plans to open a short-term residential treatment facility for teenagers whose difficulties at home or in school are associated with alcohol and drug abuse. The program has raised several thousand dollars through community development funds. Under the plan, treatment would consist of six months' residency and six months of aftercare. While a resident, the client will receive individual, group and family counseling, educational and vocational training, and take part in cultural and recreational activities. Funding for some 40 beds is being sought.

FATHER COSTELLO WINS PRESIDENTIAL RECOGNITIONAL AWARD

The Reverend Coleman Costello was one of several persons and organizations on May 31 to receive a 1983 Presidential Recognition Award given on behalf of President Reagan for their volunteer work in community service in the New York City area. Father Costello was cited as the founder and director of the Queens Outreach Project, which helps adolescents with problems involving drug and alcohol abuse, family conflicts and unemployment. Under his guidance, the citation read, "the city's first short-term residential treatment center for troubled youngsters called 'Renewal' is being established."●

RUSSIANS AND THE SOVIET UNION

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MRAZEK. Mr. Speaker, in the aftermath of the U.S. invasion of Grenada, and the downing of KAL 007, a number of accounts have appeared in the news media of a deterioration in relations between the United States and the Soviet Union. These accounts have provided the American public with a useful and incisive analysis of some of the likely ramifications of recent world events.

However, it is disturbing to observe that a number of these reports have continued to refer to the Government in the Soviet Union as "Russian." This confusion reflects either a fundamental misconception of the differences between ethnic Russian culture and the Soviet system of government or a gross insensitivity to these distinctions. I believe it is important to set the record straight on this issue.

Russians are an ethnic group, just as Jews, Italians, and Irish are an ethnic group. Overall, Russians comprise close to 50 percent of the population of the Soviet Union. As a people, the Russian culture has produced some of the greatest literature and art the world has ever known.

When the Bolsheviks seized power in 1917, the name of the country—Russia—was changed to the Union of Soviet Socialist Republics. Although the Communists who assumed power has no clear cut political plan for the country, it is clear that Soviet leaders envisioned the creation of a unitary state, including the homogenization of all ethnic cultures with the Soviet State. These efforts notwithstanding, ethnic Russians continued to be a vibrant and separate culture within the Soviet Union.

In light of the recent cooling of relations between the superpowers, our insensitivity to the very important distinction between the words "Russian" and "Soviet" is particularly misleading to the American public. Equating Russians with Soviets only perpetuates a misconception in this country that Russians are somehow the enemy. In fact, many ethnic Russians are vehemently opposed to the Communist system of government and insist that the two words are actually opposite in meaning.

Alexander Solzhenitsyn has written—

For present day purposes the word "Russia" can serve only to designate an oppressed people which is denied the possibility of acting as one entity, or to denote its suppressed national consciousness, religion, and culture. Or else it can point to a future nation liberated from communism.

We should listen closely to Mr. Solzhenitsyn's words and be sure to draw this distinction carefully at every opportunity.●

DETROIT COMMUNITY GROUPS PROVIDE FOOD TO THE HUNGRY

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. CONYERS. Mr. Speaker, an estimated 200,000 Detroiters go hungry or have inadequate diets at the present time. Federal cutbacks in food stamp and other assistance programs, along with a 20-percent unemployment rate in the city, have contributed to this appalling situation. Were it not for the determined efforts of Detroit churches, community organizations, and voluntary associations that work around the clock to feed the hungry, the situation would be far worse. Acknowledgement is owed to these churches and organizations for the extraordinary support they offer needy human beings. The list that follows is not an exhaustive one, yet it indicates the extent of voluntary service—and the types of service—that exist in the city of Detroit in these difficult times.

DETROIT FOOD BASKETS ONLY

COMMUNITY ASSISTANCE PROGRAM (CAP)

Nardin Park Community Church, 5027 West Boston (East of Grand River), Detroit, Mich. 48204, 834-6633, Contact: Mrs. Collins: Hours: 9 a.m. to 3:30 p.m., Monday, Wednesday, and Friday.

A limited number of food baskets are available to low-income persons and those receiving General Assistance, ADC, Social Security, etc. Must live in the area bounded by W-Greenfield, N-Six Mile, S-Detroit River, E-Woodward. Persons must call before November 10, and provide information on their family and need so that eligibility can be determined.

VOLUNTEERS OF AMERICA

6060 Rivard (Near Russell), Detroit, Mich. 48211, 872-5000, to be used by agencies only, Contact: Steve Wiley.

Food baskets will be available to those in need. Applicants must have letter of referral from another agency, a priest or minister stating that need and verifying their family income; these letters must reach the above office by November 15, 1983.

Baskets will be distributed at the above office from 10 a.m. to 3 p.m. on the following days:

Monday, November 21 (for those with last names beginning with A to I).

Tuesday, November 22 (for those with last names beginning with J to R).

Wednesday, November 23 (for those with last names beginning with S to Z).

Those picking up baskets must present a copy of the letter which has been sent to the above office, plus valid identification.

FOOD BASKETS AND MEALS

MOTHER WADDLES PERPETUAL MISSION

3700 gratiot (West of Mount Elliott), Detroit, Mich. 48207, 267-9686, Contact: Mother Waddles.

Thanksgiving dinner will be served on Thursday, November 24, at 3 p.m., to anyone in need. Reservations are preferred but not required.

Food baskets are currently available to anyone in need. Screening to determine eligibility will be done by the Mission staff. Applicants will be accepted by referral and on a walk-in basis until November 15.

TABERNACLE MISSIONARY BAPTIST CHURCH

6125 Beechwood (North of Warren), Detroit, Mich. 48210, 898-3325, Contact: Mrs. Johnson.

Thanksgiving dinner will be served at the church on Thursday, November 24 beginning at 1 p.m., to anyone in need. Reservations are preferred.

A limited number of food baskets are available. Persons must call by November 21, so that eligibility can be determined.

MEALS ONLY

CAPUCHIN COMMUNITY CENTER

1760 Mt. Elliott (South of Kercheval), Detroit, Mich. 48207, 579-1330.

Thanksgiving dinner will be served on Thursday, November 24, from 11 a.m. to 1 p.m., to anyone who is in need.

DETROIT DEPARTMENT OF HEALTH—FOOD AND FRIENDSHIP PROGRAM

876-4559.

Thanksgiving dinner is available at Food and Friendship Centers for seniors (60-plus) and persons married to someone 60-plus, only for those who normally participate in the program. Dinner will be served on Monday, November 21 at the regular time scheduled for that site. Consult TIP pamphlet fi: food-free nominal charge for a list of sites.

DETROIT CITY RESCUE MISSION

3535 Third (North of Peterboro), Detroit, Mich. 48201, 832-1333, Contact: Mary Cutler.

Thanksgiving dinner will be served Wednesday, November 23, 3 p.m. to 4 p.m. to anyone who is in need.

GLORIOUS FREEDOM MISSION

4311 Third Avenue (West of Canfield), Detroit, Mich. 48201, 833-3330.

Thanksgiving dinner will be served only to those living in the Cass Corridor area who are in need. Call above number for date and time.

MANNA COMMUNITY MEAL

St. Peter's Episcopal Church, 1950 Trumbull (at Michigan), Detroit, Mich. 48216, 963-8708.

Thanksgiving dinner will be served on Thursday, November 24, from 9 a.m. noon in the basement of St. Peter's Church to anyone in need.

OAKLAND-LIVINGSTON HUMAN SERVICE AGENCY (OLHSA)

858-5167, Contact: Barbara Worgess.

Thanksgiving dinner will be served on Thursday, November 17, at all three OLHSA Nutrition Sites. A donation of $0.61 for the meal is suggested for any Oakland or Livingston county resident over 60; those under 60 are asked to pay $2.50. Interested persons should call the phone number listed above and ask which Nutrition Site is closest to them. Reservations are required.

SALVATION ARMY—HARBOR LIGHT

3611 Case (at Brainard), Detroit, Mich. 48201, 833-8288.

There will be a Thanksgiving dinner served on Thursday, November 25, from 11 a.m. to 3 p.m. to anyone in need.

UNITED NEIGHBORS

1196 Seldon, Building 705, apt. 250, Detroit, Mich. 48208, 831-1467, Contact: Rose Bell.

Thanksgiving dinner will be served at Faith Memorial Lutheran Church, 375 Trumbull, to anyone in need, on Sunday, November 27, from 12:30 p.m. to 5 p.m.●

TRIBUTE TO CHARLES SHAW

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. KOSTMAYER. Mr. Speaker, I have known Charles Shaw, who recently retired as the editor of the New Hope Gazette since I was 15 years old, when I moved with my family from New York City to Solebury, Bucks County, Pa.

I went to school with his son, Kip, and in adulthood have grown from being not just an admirer but a friend as well.

Charles' successor at the Gazette, Pat Jardel, wrote the following article about Charles' career shortly after his retirement from the Gazette.

ON THE ROAD TO SEMI-RETIREMENT

(By Charles Shaw)

(I feel I'm on the verge of something . . . I don't know what it is though—CHARLES SHAW, 1975)

Charles Shaw was born on June 25, 1911 and raised with his siblings in the western Pennsylvania hamlet of Charleroi. The son of a Monongahela—Ohio riverboard captain, he has told many stories of working summers on his father's steamboats. Contrary to rumors, Shaw was not born with a beard and shoulder length hair.

He was educated at Allegheny College and graduated in 1932. Shortly afterward, he walked into the pressroom of the McKeesport Daily News and pleaded for a job. The editor sent him out to see what he could dig up, and Shaw returned with a human interest story about a man who wanted to exchange his wife for a new stove. He was hired and put on the full-time payroll, amassing experience as a hometown reporter.

He moved onto the big city, working as a reporter and re-write man for the Pittsburgh Press, where he met his modern day colleague, Bill Allison. Still in his twenties, Shaw returned to McKeesport where he took over as editor of the Daily News, remaining there until 1939.

That year, he and his bride embarked on a rustic, trailer tour of the United States, landing in San Antonio a year later, broke and looking for a job. Although one account had him breaking into broadcasting as a department store radio Santa Claus, Shaw remembers that his wife Nancy used her radio experience to convince station KTSA in Texas that they would benefit by adding a weekly women's show. Through this association and the outbreak of WWII, Shaw was appointed the station's first news director to help dispatch the crunch of war news that the listeners craved.

It was in Texas that Charles met the legendary Edward R. Murrow, the world famous broadcast journalist who was on a national speaking tour that Shaw monitored locally. The two struck up a friendship, and crossed paths again in 1943 while Shaw was in London at the invitation of the British government to observe wartime communications. Murrow offered him a job and he was incorporated into the great CBS reporting team with such "giants" as Eric Sevareid, Charles Collingwood, Howard K. Smith, Bill Downs, Larry Lesueur, Richard Hottelet, William L. Shirer and others.

Shaw followed General George S. Patton into France but was sidelined when the jeep he was riding in was run over by a Nazi Sherman tank. He wrote of the harrowing experience in which NBC correspondent Tom Treanor was killed while riding in the back seat. Charles remembered that he had just offered to let Treanor ride shotgun, but he declined. Shaw broke his leg and was hospitalized, missing the Allied invasion and D-Day by just two weeks. After his hospitalization, he was assigned to Sweden where he reported on the German occupation until the conclusion of the war. He stayed on as head of the CBS London bureau for a year. In 1946 he gained national recognition when he was the sole journalist chosen to broadcast the opening session of the United Nations.

Later he covered the American occupation in Japan, then trekked into the foothills and the Sierra Maestra Mountains in turbulent Cuba to become one of the first reporters to interview revolutionaries prior to the take over of Fidel Castro.

Returning to the United States, Shaw settled into a position as news director and analyst for WCAU radio, and later WCAU-TV in Philadelphia. He claims the highpoint of that experience was witnessing and reporting the "political revolution" of Mayors Joseph Clark and Richard Dilworth during Philadelphia's so-called "Renaissance Period."

He suffered a personal setback when his 11-year-old son Brian died of cancer in the early 50s. Since he has been an advocate of the quest for Oncologic Hospital and the Fox Chase Cancer Center to aid terminally ill patients and hopefully discover a cure for the disease.

Television personality Shaw left broadcasting rather suddenly in 1962 over a news policy disagreement. He claimed that he was tired of the medium and ready to quit anyway, to return to his first love, newspapers. He chose the job as editor of the Gazette over multiple offers, sold his huge home on Philadelphia's Main Line, and moved his family into a 100 year old house on Waterloo Street.

"Country editor" Shaw redesigned the 16-page Bucks County New Hope Gazette. He personally covered Borough Council meetings and opening nights at nearby Princeton's McCarter Theatre. A typical edition of the Gazette under Shaw's direction might include a book review by Pulitizer prize-winning author James Michener or music columns by Paul Whitehead. He might raise the voters' ire by endorsing a Democratic candidate in heavily Republican central Bucks County, but Shaw's editorials always mirrored his conscience and his heart.

In 1965 he and his son, Kip, drove down to Selma Alabama to cover the controversial Civil Rights demonstration for page one of the Gazette.

His column "As I See It" (changed to "Only in New Hope" during his second hitch as editor) ranged from views of borough business to global politics, the length of women's skirts, hiked taxes or the goings on in Greenwich Village. By Shaw's own description, the Gazette was "a sophisticated journal edited from a personal viewpoint."

After four years, he retired . . . too early. He failed to settle down, traveling to California where he joined a Christian mystic occult group called the Holy Order of Man. He left that experience behind, claiming he was only one of two people over age 20. "I must have been the oldest hippie in the world," Shaw admitted.

He returned to Philadelphia, and newspapers, accepting a position as assistant city editor for the now defunct Evening Bulletin. In 1971 he retired again, moving on to Ohio. Gazette publisher Ralph Samuel called Charles in Ohio one day in 1975 and asked him to return to the Gazette when the need for a new editor arose. Shaw did, and the rest is recent history. He has been cranking out 52 issues a year, despite the emphysema and other minor ailments that have slowed his pace. Still in existence is the determination and journalistic expertise that propelled the 21-year-old local reporter from the McKeesport Daily News.

The Gazette has expanded from 16 pages in 1962 to a healthy 36 page product in 1983. Circulation has since doubled.

Shaw married Anna Mae Wallowitch in 1981 and has since moved to Doylestown

where he does most of his reading, writing and photography in a modest darkroom.

He marked his 72nd birthday on June 25, 1983, and reluctantly entered into retirement last Friday, pledging to continue to write "Only in New Hope" and continue his stylish observances of the area and the people he loves, as only Charles Shaw can do.

My guess, Mr. Speaker, is that of all the weekly newspaper editors in America in 1983, none has had a more extraordinary career than Charles Shaw.

He headed the London bureau for CBS where he first went to work for Edward R. Murrow and became closely associated with such distinguished American journalists as Charles Collingwood, Howard K. Smith, Richard Hottelet, and William L. Shirer.

He has been an important figure in the Philadelphia journalism community having served as news director for WCAU Radio and TV, and as assistant city editor for the Evening Bulletin which is no longer published but was at one time the largest newspaper in Pennsylvania.

This past June he turned 72 and was married to his second wife Anna Mae Wallowitch in 1981.

Mr. Speaker, now that Charles Shaw has retired, and I am free from my obligation of objectivity regarding the relationship between politicians and the press; I can say one of the reasons I like Charlie so much is because despite the fact that his paper circulated in an overwhelmingly Republican area, he continually endorsed me for Congress.

In fact, earlier this year, before his retirement, Charlie resigned in protest because he found himself in strong disagreement with some of the policies of his publisher.

The community was outraged, and the publisher, after relenting, implored Charlie to come back.

Charles agreed and continued to say whatever he wanted in his editorials, whether the publisher, or the local political establishment, or anybody else liked it or not.

He had a way of doing this without being cruel or unkind to people, and he knew that people, whether public figures or not, who are attacked in the press often do not have the chance to defend themselves. He gave everyone the chance to defend themselves. I do not believe, Mr. Speaker, that in the more than two decades I have known him he ever hurt another individual or was ever unkind to anyone in either his professional or personal responsibilities.

Even the people who disagree with Charles Shaw, and there are an awful lot of them in central Bucks County, found themselves liking him.

I am one of them, Mr. Speaker, and I will miss him terribly, not just because he supported me politically, but because he valued those things on which we finally judge ourselves as men and women: integrity, fairness, empathy, and simple decency.●

IN SUPPORT OF H.R. 1492

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. RODINO. Mr. Speaker, I join my distinguished colleague, Mr. GARCIA, in urging approval of H.R. 1492, to establish the Christopher Columbus Quincentenary Jubilee Commission, as amended by the Senate.

We have conferred with the author of the bill in the Senate, Senator MATHIAS, and are in agreement with the Senate amendments. These are largely technical, except for some additional language to clarify the Commission's role in acknowledging the Chicago World's Fair as one of the highlights of quincentennial celebrations during 1992.

The Commission will develop, encourage, and coordinate plans for appropriate ceremonies, commemorations, and educational activities to pay tribute to the courageous and dedicated Genovese navigator whose voyages of discovery were a milestone in the history of mankind. Christopher Columbus heroically braved the myth and mysteries of the unknown western seas to open the New World to civilization and colonization. So he is very rightly called the father of immigration.

But I envision, Mr. Speaker, that in 1992 we will do much more than celebrate Columbus' bold and daring venture. For the quincentenary year will give our Nation a truly national celebration, similar to our bicentennial in 1976. It will offer an opportunity for all Americans to reaffirm our faith in the future and our willingness to face with courage and confidence the grave challenges that confront our Nation.

In 1992 we will commemorate a magnificent human achievement. But we will also have a year to reflect on what problems can be overcome, what progress can be made, if we guide ourselves by the same virtues of determination, courage, faith, and vision that brought Columbus successfully through that long, dark, and lonely first voyage into an unknown world.●

FOREIGN INVESTMENT AND U.S. ENERGY RESOURCES

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BORSKI. Mr. Speaker, as a member of the Environmental and Energy Study Conference, I am concerned about the potential threat posed by foreign investment in American energy and natural resource properties. Anytime there is foreign investment in U.S. property, the degree to which such investment may allow foreign nations to exercise control over the use of our energy and natural resources deserves our attention.

There have been a number of articles in the national media in recent weeks which discuss the increased use of a device known as a royalty trust in which large corporations distribute royalty-income-producing properties to a trust for the income benefit of its shareholders. A royalty trust provides trust unit holders with income from oil and gas property. The trust units, sold and traded to the public, are listed on the national stock exchanges.

While I am concerned about the use of these devices for tax avoidance purposes, I believe one must also acknowledge the danger these devices pose for potentially unfriendly nations to invest in U.S. energy properties. Powerful foreign financial interests, already rich in oil resources, could through the purchase of royalty trust units on the national exchanges, seek to gain control over significant portions of American energy and natural-resource-rich property.

Further, the degree to which unfriendly nations may hide these arrangements through the use of obscure groups causes me additional concern. Foreign investment in these trusts could allow foreign nations to control our energy resources in a time of crisis, and prevent the United States from effectively managing public and private resources.

Mr. Speaker, for these reasons, I believe the use of the royalty trust device and the degree to which it allows hostile foreign investment in American energy resources should be investigated. There are important national security considerations that need to be examined. Consequently, I intend to write to the Secretary of State and the Secretary of Energy asking them to investigate the questions raised by the use of the royalty trust, and particularly the extent of foreign investment and ownership.●

CENTRAL AMERICA

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. ALEXANDER. Mr. Speaker, I would like to include in the RECORD a letter from a number of groups who are concerned about the drift toward military escalation in Central America.

I share their concern and their hope that the administration does not step up military activity while Congress is

away, or when we return, for that matter.

The people who have signed the letter I am inserting have labored long and hard for policies in Central America that are aimed at achieving peace and justice. I believe it is important that my colleagues have an opportunity to read their letter in full.

I would note that the adjournment resolution authorizes the Speaker of the House and the Senate majority leader to call Congress back in the event of military hostilities in Central America or elsewhere.

The full text of the letter follows:

To: The Honorable Thomas O'Neill, Speaker of the House of Representatives, The Honorable Howard Baker, Majority Leader of the Senate, The Honorable Robert Byrd, Minority Leader of the Senate, The Honorable Charles Percy, Chairman, Senate Committee on Foreign Relations, The Honorable Clement Zablocki, Chairman, House Committee on Foreign Affairs, The U.S. Senate, and The U.S. House of Representatives:

We, the undersigned, have joined together to express a common concern and sense of urgency regarding U.S. involvement of Central America. It is our firm belief, prior to the adjournment of Congress on November 18, that Congress as a whole and/or its leadership should seek and receive formal assurances from the administration that U.S. military involvement in Central America, direct and indirect, shall not be escalated without the full prior knowledge and consent of the U.S. Congress.

We do not make this appeal lightly. We are well aware of the number of serious issues currently before Congress which must receive your attention before adjournment. However, we believe U.S. national interests and public concerns would be served best by Congress pressing for such Presidential guarantees before leaving the nation's capitol for the next 8 to 10 weeks.

It is our understanding that congressional leadership plan to include a "callback provision" in its resolution adjournment. With the situation in the Middle East and Caribbean Basin so volatile, we support that decision as a prudent one. However, our concerns go beyond the need for congressional response after a crisis or escalation occurs. Rather, our focus remains with the decisonmaking process, prior congressional consultation and the right of citizens to make their opinions known before action is taken, especially if the case is to escalate the U.S. military role in Central America.

All analyses of the current situation in Central America point to dramatically heightened tension and warfare in the region during the next 3 to 4 month period, particularly with respect to the war in El Salvador, the border situatuion between Nicaragua and Honduras and increased paramilitary attacks by "contra" forces against the Sandinista government. It is not outside the realm of possibliity that U.S. response to the conflicts in Central America over the immediate period of time could include an escalation of U.S. military involvement or personnel in the Salvadoran war, increased U.S. support for the paramilitary forces attacking Nicaragua, the use of U.S. combat forces stationed in Honduras for purposes other than those of "an extended training exercise" or—more extreme—an invasion of Nicaragua, to name but a few of the possible cases.

Clearly, none of these situations may arise. However, any such action of this nature should not be undertaken without the prior knowledge and full consent of the U.S. Congress and the American people. As Congress shall not be in session for several weeks, we urge you to seek special safeguards: extraordinary times demand extraordinary measures.

We know that many Members of Congress and their congressional leadership share these same concerns. We leave it to your good offices to decide whether to insure such safeguards legislatively, through a written letter of agreement with the President or through a meeting with the President in which these concerns are thoroughly discussed. Our concern is that such guarantees be secured and that they be made public.

We understand the difficulties inherent in our request. But we feel strongly that Congress should not leave Washington without formal agreement from the President that Congress and the American people will not wake up some morning in December and January, turn on their radios and televisions and discover our nation even more deeply embroiled in the military conflicts of Central America.

Respectfully,

Bella Abzug.

Robert Z. Alpern, Director, Unitarian Universalist Association of Churches, Washington Office.[1]

Joan C. Baez, President, Humanitas International Human Rights Committee.

Robert S. Bates, Executive of Interpretation and Personnel Division of Overseas Ministries, Christian Church (Disciples of Christ).

Larry Birns, Director, Council on Hemispheric Affairs.

Robert Boehm, Chairman, Fund for New Priorities in America.

Nora Quiroga Boots, Director, Office of Latin America and the Caribbean, United Methodist Church/World Division.

Robert L. Borosage, Director, Institute for Policy Studies.

Leroy Burger, Director Jubilee Fund.

Robert C. Campbell, General Secretary, American Baptist Churches, U.S.A.

James A. Cannistraci, Assistant Pastor, Del Rey United Methodist Church.

Mia Adjali, Executive Secretary for Public Policy, United Methodist Church/Women's Division.

Luz Bacerra, Director of Social Involvement, Department of Church Women, Christian Church (Disciples of Chirst).

Margaret S. Bates, Senior Instructor (ELS) Language Service, Marion College.

Virginia Baron, Editor, Fellowship for Reconciliation.

Jane Blewett, Associate, Center of Concern.

Rev. Oscar Bolioli, Director, Office of Latin America and the Caribbean, National Council of Churches of Christ, U.S.A.

Rev. Wilson Boots, Superintendent, United Methodist Church.

Catherine Brousseau, Lobbyist, NETWORK (A Catholic Social Justice Lobby).

Margaret Cafferty, P.B.V.M., Vice-President, Leadership Conference of Women Religious.

Mary Canavan, S.C., Secretary, Leadership Conference of Women Religious.

Linnea Capps, Chairperson, War Resisters League.

Teresa Chopoorian, E.D.D., Associate Professor of Nursing, Northeastern University, Boston Committee for Health Rights in Central America.

Joseph Collins, Co-Founder, Institute for Food and Development Policy.

David Cortwright, Director, SANE.

Tyrone Crider, National Youth Coordinator, Operation PUSH.

A. Garnett Day, Director of Church and Community/Department of Church in Society, Christian Church (Disciples of Christ).

Richard Daggett Deats, Executive Secretary, Fellowship of Reconciliation.

Kathy Downey President, National Student Education Fund.

Fr. Robert S. Drinan, S.J., Professor of Law, Georgetown University Law Center.

David Dyson, Director of Union Label Department, Amalgamated Clothing and Textile Workers Union, AFL-CIO.

Joseph T. Eldridge, Director, Washington Office on Latin America.

Teresita Ferrera, Legislative Director, Women's International League for Peace and Freedom.

Ruth McDonough Fitzpatrick, Washington Delegate, National Assembly of Religious Women.

Libby Frank, Executive Director, Women's International League for Peace and Freedom.

Ramsey Clark, President, Disarmament Education Fund.

Rev. John Collins, Co-Director, Clergy and Laity Concerned.

Dr. Andrea Coolidge, World Peacemakers.

Mathew Countryman, Legislative Assistant, Friends Committee on National Legislation.

Jennifer Davis, Executive Director, American Committee on Africa.

Randy Day, Chairperson, United Methodist Church/Commission on Church and Society.

Patrica M. Derian, Former Assistant Secretary of State for Human Rights and Humanitarian Affairs.

Rev. Daniel P. Driscoll, M.M., Director, Office of Justice and Peace, Maryknoll Fathers and Brothers.

Barbara Dudley, President, National Lawyers Guild.

Gretchen Eick, Policy Advocate, United Church of Christ.

Garland S. Farmer, Vice-President and Treasurer, Division of Overseas Ministries, Christian Church (Disciples of Christ).

Catherine Fitman, S.P., Treasurer, Leadership Conference of Women Religious.

Helen Flaherty, S.C., Past President, Leadership Conference of Women Religious.

Delton Franz, Director, Washington Office, Mennonite Central Committee.

Frances Frenthold, Attorney, Commission on U.S.-Central American Relations.

David Halperin, M.D., Chairman, Mid-Maine Chapter, Physicians for Social Responsibility.

Joyce V. Hamlin, Executive Secretary for Public Policy, United Methodist Church/Women's Division.

Michael Harrington, National Co-Chair, Democratic Socialists of America.

Mary Jane Heisey, President, Jubilee.

Stephen Hellinger, Co-Director, Development Group for Alternative Policies.

Peter Henriot, S. J., Director, Center of Concern.

Haviland Houston, General Secretary, United Methodist Church/Board of Church and Society.

Rev. Robert E. Johnson, President, National Federation of Priests' Councils.

Charlie King, Chairperson, Youth Caucus, Americans for Democratic Action.

Dave McReynolds, War Resisters League.
Gasper LoBiondo, Director, National Office of Jesuit Social Ministries.
M. Frisco Gilchrist, International Human Rights Program, Christian Church (Disciples of Christ).
Ken Giles, New Jewish Agenda.
Morton Halperin, Director, Center for National Security Studies.
Philip Harndem, Publisher, "The Other Side" Magazine.
Richard Healey, Director, Coalition for a New Foreign and Military Policy.
Douglas Hellinger, Co-Director, Development Group for Alternative Policies.
Russell Hemenway, National Director, National Committee for an Effective Congress.
Dan C. Hoffman, Executive Secretary, Department of Africa, Division of Overseas Ministries, Christian Church (Disciples of Christ).
Jesse Jackson, President, Operation PUSH.
Beverly Keene, National Coordinator, Interreligious Task Force on El Salvador and Central America.
Maggie Kuhn, Founder/National Convener, Gray Panthers.
Frances Moore Lappe, Co-Founder, Institute for Food and Development Policy.
Sr. Barbara Lupo, M.M., Co-Director, Clergy and Laity Concerned.
Lindsay Mattison, Director, Center for Development Policy.
John McAward, Ph.D., Director of Human Rights, Unitarian Universalist Service Committee.
Ruth W. Messigner, Councilwoman, New York City.
Greg Moore, President, U.S. Student Association.
Ruth Nieland, Issue Writer, NETWORK (A Catholic Social Justice Lobby).
William J. Nottingham, Executive Secretary of East Asia/Pacific, Division of Overseas Ministers, Christian Church (Disciples of Christ).
Fred M. O'Regan, Co-Director, Development Group for Alternative Policies.
Maurice Paprin, President, Fund for New Priorities in America.
Catherine Pinkerton, C.S.J., President, Leadership Conference of Women Religious.
Dr. William J. Price, Directors, World Peacemaker.
Dave Quilter, Coordinator, Commission on U.S.-Central American Relations.
Jennifer Riggs, Director of Refugee and Immigration Ministers, Department of Chuch in Society, Christian Church (Disciples of Christ).
Ian McCrae, Director of Economic Justice/Department of Church in Society, Christian Church (Disciples of Christ).
Dr. Eli C. Messigner, M.D., Associate Professor, New York Medical College, Committee for Medical Aid to El Salvador—NYC.
Mary Miller, National Chairperson, Episcopal Peace Fellowship.
Bishop Ray Nichols, President, United Methodist Church/World Division—Global Ministries.
Rev. James P. Noonan, M.M., Superior General, Maryknoll Fathers and Brothers.
Sr. Mary O'Keefe, O.P., Washington Area Delegate, National Assembly of Religious Women.
Sr. Helene O'Sullivan, Director, Office of Social Concerns, Maryknoll Sisters.
Edward Parrish III, Director of Youth and Young Adult Ministries, Department of Church in Society, Christian Church (Disciples of Christ).
Rolland G. Pfile, Executive Secretary—Department of Church in Society, Christian Church (Disciples of Christ).
Johnette Putnam, O.S.B., Executive Committee, Leadership Conference of Women Religious.
Lora Ann Quinonez, C.D.P., Executive Director, Leadership Conference of Women Religious.
Maria Riley, O.P., Associate, Center of Concern.
Janet Roesener, C.S.J., Executive Committee, Leadership Conference of Women Religious.
Dr. Patricia Rumer, Regional Secretary, Latin America Office, United Church of Christ/Board for World Ministries.
Michael Schultheis, S.J., Associate, Center of Concern.
Richard S. Scobie, PhD., Executive Director, Unitarian Universalist Service Committee.
Dr. Joseph Short, Executive Director, OXFAM—America.
Jean Sindab, Executive Director, Washington Office on Africa.
Simon Smith, S.J., Executive Secretary, Jesuit Missions.
Edward F. Snyder, Executive Secretary, Friends Committee on National Legislation.
Margaret Swedish, Co-Coordinator, Religious Task Force on Central America.
Margery Tabankin, Former Director, VISTA, Commission on U.S.-Central America Relations.
David Thompson, Executive Director, Fund for New Priorities in America.
Sr. Marjorie Tuite, O.P., President, National Assembly of Religious Women, Director, Ecumenical Citizen Action, Church Women United.
Sister Melinda Roper, President, Maryknoll Sisters.
Leon Schull, National Director, Americans for Democratic Action.
Richard Shaull, Henry Luce Professor Emeritus of Theology, Princeton Theological Seminary, Commission on U.S.-Central America Relations.
Jack Sheinkman, Secretary-Treasurer, Amalgamated Clothing and Textile Workers Union.
Lawrence Simon, Director of Policy Analysis, OXFAM—America.
Lee Smith, Co-Coordinator, Religious Task Force on Central America.
Wayne S. Smith, Former Foreign Service Officer.
Ben Spock, M.D., Author, Lecturer and Political Activist.
Nancy Sylvester, I.H.M., National Coordinator, NETWORK (A Catholic Social Justice Lobby).
Doreen Thilghman, Associate Director, United Methodist Church/United Methodist Committee on Relief (UMCOR).
Mary Travers, Singer—Peter, Paul and Mary, Commission on U.S.-Central American Relations.
David A. Vargas, Executive Secretary for Latin America and the Caribbean, Division of Overseas Ministries, Christian Church (Disciples of Christ).
Dorothy Vidulich, C.S.J.P., Director, Justice and Peace Office, Sisters of St. Joseph of Peace.
Joe Volk, National Secretary of Peace Education, American Friends Service Committee.
Cora Weiss, co-Director, Riverside Church Disarmament Program.
Leland Wilson, Director, Church of the Brethren, Washington Office.
Leslie McKnight Yates, Legislative Coordinator, Campaign for Political Rights.
Mary Jo Zenk, Administrative Assistant to the Director, Center of Concern.
Edith Villastrigo, Legislative Director, Women Strike for Peace.
Dr. William L. Weiler, Director, Episcopal Church, Washington Office.
Peter Weiss, Vice-President, Center for Constitutional Rights.
John Womack, Robert Woods Bliss Professor of Latin America History, Harvard University, Commission on U.S.-Central America Relations.
Amy Young, Executive Director, International Human Rights Law Group.
Anne B. Zill, President, Fund for Constitutional Government.

[1] All organizations are for identification purposes only.●

REFUGEE EMERGENCY FUND

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SMITH of Florida. Mr. Speaker, today I am introducing legislation to authorize a $35 million fund for the INS to be used to reimburse State and local governments for expenses that might be incurred in any future refugee emergency.

In 1980, Florida was the terminus of the Mariel boatlift. During that action, State and local law enforcement and social agencies had to spend thousands of dollars to deal with the massive influx of people escaping from Castro's Cuba. In spite of the assistance that non-Federal officials gave to the Federal Government, which was responsible for permitting the entrance of these people, the local governments were not reimbursed for these extraordinary expenses. In addition, a number of Federal agencies expended funds that could have been spent on other assignments.

If such an emergency were to occur again in Florida or elsewhere, State and local agencies will be called upon to assist Federal agencies. I see no reason why local authorities should have to bear the cost of extra work for what is, after all, a Federal matter—the admission of refugees. My bill, therefore, would establish a special fund that could be tapped to reimburse non-Federal and certain Federal agencies for the extraordinary actions they may have to undertake if a massive influx of refugees occurs in the future.

Immigration and refugee admission are Federal responsibilities. If States are required to assist the Federal Government because of the States's proximity to the source of the refugee emergency, then the Federal Government should be required to reimburse the States for their efforts which, after all, benefit the entire country.●

THE EQUAL RIGHTS AMENDMENT

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. HARKIN. Mr. Speaker, I rise to express my deep disappointment that the equal rights amendment, House Joint Resolution 1, did not pass this past week. Women of this country have not been and still are not adequately protected from sex discrimination in economic and personal matters of this country. Adoption of the ERA is still much needed and long overdue.

We have seen tremendous changes in the economic activities of women since World War II. While only one-third of adult women participated in the labor force in 1950, over half do so now. Moreover, while only 12 percent of married women with children under 6 years of age participated in the labor force in 1950, 45 percent do so now. However, let us make no mistake about why women are working. Women usually return to the work force out of economic necessity, yet they continue to face limited opportunities in their attempt to compete in the job market.

The impact of discrimination on women needs to be reemphasized as we ponder the action taken in the House of Representatives on the ERA:

Women make less than 60 percent of what men make even when occupation, age, education, and experience are taken into account.

Women experience more limited educational opportunities at all levels of our educational system, whether technical schools, special math and science programs, or the military, which after all is the major training institution of people in this country.

Women can still be restricted from certain types of jobs, often the better-paying ones, by laws which restrict the occupations open to women, the number of hours women can work, and the conditions under which women can work. These so-called protective labor laws are discriminatory rather than protective, in that where women can perform equally to men, they may be prohibited from entering those occupations or from rising to supervisory positions within them.

Women who have chosen to be homemakers during their marriage can be penalized upon the divorce or death of their husbands because no economic value is put on their services in the home.

Older women are subject to discrimination in the receipt of socal security benefits because of sex-based assumptions underlying the program which fail to take into account the fact that women differ in marital status, length of time worked, and whether and how they mix work and homemaker responsibilities during their careers.

I could go on and on, but the women in this country deserve more. They deserve the equal rights amendment. The equal rights amendment simply requires that Government treat men and women equally under the law. The equal rights amendment is intended to eliminate sex-based distinctions that deny equality of rights from the law. The equal rights amendment is intended to insure that individual characteristics beyond just a person's sex be used in decisions affecting a person's employment, creditworthiness, insurance rates, and ability to enter academic or technical training institutions.

I believe that women—just as racial, ethnic, and religious groups in this country—have wide-ranging characteristics, abilities, interests, and dreams. It is inexcusable to deny the potential for productivity, achievement, and life satisfaction of the women in the United States through discriminatory legislation, regulations, and policies. The equal rights amendment is a simple step, yet a far-reaching one, in terms of fulfilling the most basic goals of this Nation's heritage—that all are equal before the law. I am sorry for us all that this fundamentally American bill was defeated.●

TARGETED TAX INCENTIVES AND DISTRESSED AREAS

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. NOWAK. Mr. Speaker, the House Ways and Means Committee conducted a hearing yesterday on the need to revitalize the Nation's older urban centers. In testimony before that distinguished committee, I outlined my program calling for a comprehensive approach for stimulating business activity in our cities. Therefore, for purposes of continuing the dialog on this most important issue, I am inserting into the RECORD my remarks from the Ways and Means Committee hearing:

TAX INCENTIVES AND DISTRESSED AREAS

Good Morning, Mr. Chairman and distinguished Colleagues on the Ways and Means Committee.

I would first like to commend you for holding these hearings concerning economic incentives to distressed areas, and thank you for the opportunity to express my views on this important issue. In particular, I am pleased to testify on my economic revitalization legislation, (H.R. 2375) the Enterprise Development and Industrial Revitalization Act of 1983.

The so-called "Enterprise Zone" idea has been the focal point for the discussion regarding the implementation of an urban revitalization program since the 96th Congress. Representing the district of Buffalo, New York, a city which has been suffering from long term economic deterioration marked by plant closings, business relocation and resultant high unemployment, I have been extremely interested in this debate.

As Chairman of the House Small Business Subcommittee on Tax, Access to Equity Capital and Business Opportunities, I held several hearings, released a report and introduced legislation on this subject, all designed to focus attention on the need to broaden the Enterprise Zone concept and present a well-balanced program which could effectively stimulate business activity in the Nation's older centers.

The basic tenet of the Enterprise Zone concept is to provide business with tax and regulatory relief as a means to stimulate business growth and expansion in distressed areas. However, I must emphasize that proposals which merely provide tax and regulatory relief are too narrow in focus and will not, by themselves cure our urban ills. For example, tax credits and deductions will not benefit start-up and early stage development firms which traditionally realize little or no profitability in the first few years of operation. Therefore, tax incentives should only be viewed as a component of a viable revitalization plan, and should merely complement existing Federal programs designed to assist business and economic development.

Many state governments have gone forward with their own Enterprise Zone packages and their experience has shown that tax breaks are only one portion of their entire economic program. A recent article in the Washington Post demonstrates this point by tracing the success of the Norwalk, Connecticut experiment. The Norwalk planners reiterate the notion that tax incentives can be extremely beneficial when used in conjunction with grants to assist start-up firms in capital formation and to train poor and disadvantaged workers. They also point out that funds for traditional public works programs are necessary for maintenance of a sound infrastructure base.

The reality of the infrastructure problem is that firms will never be encouraged to locate or remain in a neighborhood that does not provide a healthy commercial environment. In fact, several studies regarding business choice of location priorities, indicate that tax savings rank below the general livability of a community and the need for adequate city services, such as police and fire protection and a sound public infrastructure.

My proposal, therefore, would target $500 million of Economic Development Administration funds to assist in the maintenance of deteriorating infrastructure, and to create an environment which will be able to attract business enterprises.

In addition, a balanced plan should address the human capital needs of any community designed for revitalization. Many commentators claim that labor training potential is also a top priority in a business' decision to locate in a particular area. Further, our Nation is presently undergoing major structural changes involving increased automation and technological innovation, and a decline of our heavy industrial base. The resultant tragedy, in human terms, is a rise in the number of displaced industrial workers due, in large degree, to closing of antiquated industrial plants and increased competition from abroad. Many of these displaced workers have never held another position and presently lack the skills

necessary to adapt to our changing economic environment. Although the Job Training Partnership Act will provide a measure of relief for this human capital void, I believe that a well reasoned revitalization program must necessarily include other components to address the need to train unskilled, disadvantaged workers and retrain employees displaced by the country's structural transformation. My proposal, therefore, provides a ten percent jobs tax credit for increasing payroll expenditures over a base period amount, providing businessmen with an incentive to hire new employees. In addition, I broadened the 50 percent tax credit for hiring disadvantaged workers contained in the Administration plan by allowing this tax break to firms which employ displaced industrial workers.

Another essential component of a well designed incentives program to effectuate a commercial rebirth in these areas and to attract new and growing businesses, is previsions designed to specifically enhance the seed and working capital positions of these firms. A means to accomplish this task is to utilize the successful components of various Federal programs such as Small Business Administration loan programs by targeting a portion of existing resources to areas which demonstrate the most need. For example, my bill would increase the maximum loan level from $500,000 to $750,000 for loans granted to firms located in designated areas of distress. To ensure that the fundamental goal of job creation is attained, businesses receiving these funds would be required to provide adequate assurance that their venture would produce new employment opportunities. It is unfortunate to note that rather than targeting the SBA loan programs to promote maximum and effective utilization where there is an obvious need, the Administration continues to advocate the cutback or elimination of Federal programs such as this.

In addition to public funds, private investment capital is an abundant (often untapped) source of external capital, which should play an active role in he revitalization of distressed areas. In keeping with the Administration's philosophy of private sector involvement in strengthening the economy, any functional enterprise development design should include investment incentives for corporations and individuals. For example, the Small Business Investment Company program of SBA should be utilized to attract private capital to needy areas with job expansion capabilities. The bill increases the leverage amount for SBICs investing in these areas and allows them, in general, to borrow from the SBA on a four-to-one ratio as opposed to the current leverage ratio of three-to-one.

Another mechanism to lure private capital to distressed areas is to provide a deduction to individual investors for the purchase of stock in companies which locate in declining areas. Thus, my bill allows an individual a deduction in the amount of $20,000 ($40,000 for a joint return) for the purchase of stock of a small business located in a designated distressed area.

Finally, as previously stated, I concur with the concept of providing tax relief for firms locating in declining areas as a means to enhance small capital formation internally. Therefore, I have rounded out my job creation initiative by providing tax incentives geared to capital investment by qualified small businesses in designated distressed areas. These tax provisions are as follows: (1) An additional $50,000 of depreciable property may be expensed; (2) a ten percent investment tax credit would be allowed on the construction of new buildings; (3) an additional $400,000 of used property would be eligible for investment tax credit; (4) a 25 percent investment tax credit would be allowed on the renovation of buildings at least 20 years old; (5) the investment tax credit would be refundable up to $250,000; and (6) a two percent payroll based tax credit for contributions to employee stock ownership plans would be available.

On behalf of Andy Ireland, Chairman of the Small Business Subcommittee on Export Opportunities and Special Small Business Problems, I would like to point out an issue of immense importance to the small business community. This involves the expansion of the scope of the Regulatory Flexibility Act by certain Enterprise Zone proposals. These proposals would allow anyone going into business in the designated zone to be able to qualify for coverage under the Regulatory Flexibility Act. This Act was not intended to be a vehicle by which major corporations could operate subsidiaries under the guise of being a small business.

Although a well balanced revitalization plan should include tax incentives as a component, such incentives could be the least important. More specifically, it is essential that we maintain adequate financing for existing Federal programs to aid in creating a favorable business environment. Whatever plan is ultimately developed, it should ensure adequate funding for infrastructure improvements, job training programs and seed capital. Therefore, I believe that the magnitude of particular tax incentives can be scaled down to coincide with eventual revenue impact conclusions.

Again, thank you, Mr. Chairman, for the opportunity to express my opinions on this important issue. I would, of course, be willing to entertain any questions from this panel concerning my testimony or legislation.●

A CHRISTMAS MESSAGE

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LEWIS of Florida. Mr. Speaker, I would like to share with you and the other Members of the House a timeless and universal holiday message that was published last Christmas Day in the Post, a newspaper in West Palm Beach, Fla., in my congressional district.

Ms. Shari Spires, the article's author, crafted a beautiful family portrait and a sentimental reminiscence of past holiday seasons.

After reading it, I am sure you will agree with one of the judges for this year's 34th Annual Florida Press Club competition who gave Ms. Spires a first place award. The judge said:

I was impressed by the poignancy of Ms. Spires' Christmas reminiscence . . . this was a finely painted, touching family portrait, very personal but at the same time universal and skillfully done: The kind of writing that draws you in and makes you smile or ache or merely nod and say, "Yes, that's the way it is."

[From the Post, West Palm Beach, Dec. 25, 1982]

TO FAMILIES EVERYWHERE, MERRY CHRISTMAS

(BY SHARI SPIRES)

As you read this, I expect to be hearthside, gazing through a frosted window at the snow drifting across the stubble of an Iowa cornfield.

As I imagine it, the aroma of holiday cooking is floating out from the kitchen where my sisters and mother have been closeted since early morning.

A blue halo of cigarette smoke hangs over the living room where the menfolk are deep in debate over the livestock market, corn prices and grain subsidies. They pay little attention to the children running in and out through the litter of wrapping paper, nutshells and stray pieces of candy scattered into the carpet. Nor do they notice the television in the corner rolling on into perpetuity.

I, too, am in the living room, politely shooed here by my mother and sisters, who declare I'm only in the way in the kitchen. After all, I don't know where anything is or how anything works. I am a guest, you see, a stranger in my faimly home at Christmastime.

It has been 20 years since I spent Christmas Day with my family. Of the five of us, only my brother in Virginia, and I, live farther than an easy drive from our family home in northeastern Iowa. We are not faulted for our absences, for they understand how difficult and expensive holiday travel is, especially with families of our own. Through the years we have kept in touch with frequent telephone calls and summer visits.

It seemed enough for a while, but over the last 10 years since my three younger sisters married and had their families, I began to see a subtle change in our relationship. Strangely enough, it was the politeness that alerted me.

They were little things, actually, amenities a true guest would never notice. There was the uncharacteristic lack of protest from my mother when I grabbed the newspaper crossword puzzle. There were the matching and obviously new set of towels in the bathroom.

I also noticed they'd opened the heat vents to the second floor where I bedded down in the room with the private bath. I know for a fact, fuel bills being what they are, they don't usually heat the upstairs. Mother is fond of the theory that people sleep better in a cold room. I think she inherited the idea from my grandmother, whose bedrooms were so cold she used to store food in them. It was nothing to find a bowl of Jell-O and bananas on her dresser.

The other thing I notice is how mother has been apologizing to me for kicking off her shoes in her own living room, and the last time I was here she offered to cook breakfast and actually did my laundry. This is the sort of treatment you trot out for guests, not family . . . not my family anyway.

It's not that I don't appreciate the little extras my family is laying out for my visit. I know it's done in love, but I can't help but wonder what my sisters think of all this, especially when mother suggests one of them make a pot of coffee just so I can have a cup. Or worse, sends them out in the snow

to the grocery store to buy some sweet rolls for my breakfast.

Yet they never complain. To me they are only loving and polite—quite un-sisterly, if you ask me.

It's funny how siblings are too. I remember how as a child, I so resented the child-care chores which fell to me as the eldest. To my mind, the little ones had a better deal.

Now as I watch my mother lavish attention on my sisters' children, I am ashamed to say, I feel the same old pangs of jealousy. My own children never had that kind of grandmothering, through no fault of hers. She still had a housefull of her own when mine were born. Yet, even at my age, I am still possessive of my mother's attention.

Nowadays, because they live close by, it is my sisters and their husbands who, in a sense, do the family chores. They paint the family home, repair the roof, put up the storm windows in the fall and take them down in the spring.

It is my sisters who get the calls for help in the middle of the night. It is my sisters who spend most of July in mother's kitchen helping her can the jars of homemade pickles, jellies and jams, which are lovingly stuffed in my suitcase whenever I visit. My sisters are the ones who help with the spring cleaning and the extra cooking when mother entertains.

Then every so often, here comes big sis or brother. Who ever knows them, anymore? It has suddenly occurred to me that I do not know my sisters. I do not know their favorite foods, or colors or dreams. I do not know their disappointments or the brand of their sewing machines or the color of their spring coats. I have no idea what they fight about with their husbands or how much they spend on groceries each week. In Midwestern terms, you don't really know a person if you're not privy to these things.

I don't even know what to get my family for Christmas anymore. Last year I sent fruit.

I only know what I get in letters or on the telephone—little things like, "The garden is all burnt up," or "All the kids have the flu. I've been washing sheets all week."

But then, whatever do you say to someone you've seen maybe a month altogether over the last five years? Yet the letters come, filled with trivia, signed with love.

Together here, on Christmas Day, we do our best to pretend that all are equal in the fold, when, in fact, two of us are much loved strangers reaping more than our due.

For me, sitting here by the hearth, soaking up the joyful and querulous sounds of family, it's a cram course. I'm grabbing all the images I can for later in the year.

In April, will I remember how one of my sisters sounds exactly like my mother when she scolds her daughter and how that child is a carbon copy of my sister at that age? In July, will I still hear that easy kitchen camaraderie—their laughing at the burned giblets, their bickering over what should go into the candied yams?

Or will the essence of these precious moments be swallowed up in the everyday clutter of my life here in Florida. The great divider, I see, is not distance, but time.

I can only assume that our family ties must be very strong, if after 20 years, we still long for each other's presence. Perhaps it is traditionally so. "My people," my grandmother used to say of her sisters and brothers, as if they all physically belonged to her.

Sitting here on Christmas Day, I am reminded of another Christmas season when the five of us shared one miserable motel room in Des Moines, so we could take turns sitting with our dying father at a vetereans hospital. So little time and yet so many long, lonely hours in those pale green hospital corridors hung so cruelly in Christmas cheer.

Once near the end of our vigil my brother remarked, with a sort of amazement, that he really didn't know much about our lives anymore.

"Yet," he went on, "I still feel responsible for you, just like when we were kids."

The rest of us nodded. What, we wondered, had made us duty bound to our kin? We couldn't figure it out, but somehow we knew we'd always feel this way, no matter where we were.

I can still see my brother sitting there in that plastic chair, framed in a window of cold gray December dawn. He was smiling through his tears and telling us, "That's what family is all about."●

UPHOLDING THE CONSTITUTION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. WEISS. Mr. Speaker, I am entering the following article from the New Yorker of November 14, 1983, into the CONGRESSIONAL RECORD because it provides a thoughtful and educated analysis into the constitutional issues involved in the President's decision to deploy U.S. troops in the invasion of Grenada. It underscores the offenses of the President against the Constitution and analyzes the response of the American public. Most importantly, I believe, it points out something often forgotten: that our Founding Fathers intended that public debate take place before the commitment of U.S. troops to war, not after. Congress, therefore, was given the solemn duty of declaring war, and the American people were assured of representative government on this most vital national issue. I commend the following article to the attention of my colleagues and hope that they will carefully consider its message:

NOTES AND COMMENT

In theory, the United States is a constitutional republic, in which the powers of government are hedged about with checks and balances. In domestic affairs, the United States is a constitutional republic in practice as well. In foreign affairs, however, as the American invasion of Grenada makes clear, a new reality has grown up to supplant the old theory and the old governmental system that it defined. In this new reality, the President acts alone, and no one else has a voice—not Congress, not the press, not the public. All these parties, who are caught up in the consequences of a decision that they had no part in making, are left to respond as best they can to the fait accompli. The President acts. They only react. But in matters of war and peace—and especially in matters of war—reaction is by its nature feeble. The power to embark on war is a power to create a compelliing new reality. War itself unleashes strong impulses that may have little to do with the wisdom or lack of it in the reasons for going to war, and these impulses are likely to dominate public feeling about the event as a whole. When the troops are already in the field, fighting and killing and dying, the overwhelming impulse is to rally to their support, and, almost by implication, to the support of the cause in which they were sent. The time when debate about a military course of action might count is before the blood begins to flow, when alternatives still lie open. But now those who might counsel a different policy do not even know what is being planned until after the fact. Then, unable to reverse what is already history, they are consigned to the role of "critics"—of "Monday-morning quarterbacks," as it is said—who "carp and complain" but are impotent to do anything. The War Powers Act illustrates the dilemma. The framers of the Constitution wisely required the approval of Congress for a declaration of war, not for its continuation. But under the War Powers Act, of course, the President is permitted to get the war going, and the congressmen are, in effect, left, if they dare, to intervene in the combat, as though they were a sort of rearguard enemy that was threatening to undercut at home what the troops were trying to accomplish in the field.

In recent years, Presidents have found it difficult to restrain themselves from dispatching troops to foreign wars, for fear of being called "weak," or "soft on Communism," or what have you. How, then, are we to expect Congress to force a President to pull back troops already engaged in fighting? Indeed, as the response to the killing of our troops in Lebanon shows, the very fact of casualties gives the troops a rationale for continuing to fight which they may previously have lacked: they must keep fighting to show that they are not "running away" and to prove that those who have already died have not died in vain.

Of course, in a democracy, which is what the United States still is, however little we may choose to make use of the democratic machinery bequeathed to us, public opinion remains a powerful force—one before which even headstrong Presidents have bowed. In the Grenada invasion, however, not only was the public unconsulted beforehand but it was kept in the dark about events afterward, because of the news blackout that the Reagan Administration, in a break with American tradition, imposed on the war. A news blackout is a subversion of public opinion. It cuts public opinion dead at its very roots. The public, of course, still forms opinions—it can hardly do otherwise when its armies are fighting overseas—but those opinions may have little to do with what is really happening. Much, much later, when the facts trickle in—if it turns out, for example, that, contrary to official reports, the American students in Grenada were not in any immediate danger, that there were many civilian casualties, that most of the Cuban construction workers on the island really were construction workers, and not soldiers—the information, though it may reveal the truth about what we have done, has somehow lost its vividness and power. It has all the urgency and interest of last month's newspapers. By then, the die has been cast, and the people, dispossessed of their right to participate in the conduct of the people's business, have become a mere gallery of spectators of their own affairs.●

H.R. 4432: TRADE REORGANIZATION A REFORM WHOSE TIME HAS COME

HON. DON BONKER
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BONKER. Mr. Speaker, the United States is an integral part of a global economy. We can no longer ignore the clear fact that prosperity in this country depends on our ability to compete against foreign producers in markets around the world and within our own shores. Questions of export subsidies, industrial targeting, and tariff and nontariff barriers to trade and investment are no longer trivial matters of concern only to a handful of economists. These questions now go to the very heart of American economic health.

The vital importance of international trade and industrial competitiveness is undeniable. Yet the organization of the Federal Government's trade functions treats these issues as if they were of only passing significance. The policy structure in the executive branch is outdated, disjointed, and confusing. It fails to provide clear leadership or effective coordination. It stands in the way of a coherent trade policy. It blocks swift and effective responses to unfair trading practices. And it is a confusing maze of bureaucracy that frustrates American exporters.

Almost every department and agency in the Federal Government is actively involved in the formulation and implementation of trade policy. Among these, the three most important are the Office of the U.S. Trade Representative (USTR), the International Trade Administration (ITA) of the Department of Commerce, and the Department of Agriculture (USDA). These three agencies have broadly overlapping statutory responsibilities. Where one agency's mandate begins and another's ends is often impossible to determine. Jurisdictional confusion and conflict is a persistent problem that needlessly wastes time, dissipates energy, and duplicates effort.

The Cabinet-level interagency apparatus, which is responsible for leadership and coordination, is itself rife with confusion and indirection. In particular, the Reagan administration has created several Cabinet Councils, chaired by various department secretaries, that are in direct conflict with the Cabinet-level Trade Policy Committee. The Trade Policy Committee, which exists by statute, is headed by the U.S. Trade Representative and is supposed to be the top interagency group on trade. This conflicting structure detracts from whatever efforts there may be to develop an effective trade strategy.

Coherent strategies require coherent organization in the executive branch. To forcefully and effectively confront the realities of today's fiercely competitive world economy and the aggressive trade and industrial policies of foreign governments, the U.S. trade policy structure must be reformed. Reorganization would focus greater attention on the importance of trade to the U.S. economy, strengthen the formulation and implementation of U.S. trade policies, improve coordination between trade and industrial strategies, and increase the weight given to trade considerations in the broader context of U.S. domestic and foreign policymaking. We can no longer afford to ignore this important reform.

On Wednesday, November 16, I introduced H.R. 4432, along with Mr. ALEXANDER and Mr. GLICKMAN. This bill seeks to reorganize the trade functions of the executive branch in the following fashion:

One, it would dissolve the Department of Commerce in favor of a new Department of Commerce and Trade. The Secretary of the new Department would be responsible for conducting commercial—meaning nonagricultural—trade negotiations. Such negotiations would be conducted on a day-to-day basis by two Deputy Secretaries and a Chief Textile Negotiator, all with the rank of Ambassador. One of the Deputy Secretaries would be permanently assigned to the General Agreement on Tariffs and Trade in Geneva, with the rank of Chief of Mission. The new Department would have primary responsibility for developing commercial trade policy proposals for consideration by the Trade Policy Committee. Implementing commercial trade policies would be fully within the purview of the new Department. Two Under Secretaries would be created in the Department of Commerce and Trade: one for international trade and one for domestic commerce. The former would be responsible for the development of trade policy options and recommendations, promotion of American exports, administration of export controls and import programs, and analysis of the trade implications of investment and monetary policies. The Under Secretary for Domestic Commerce would be responsible for analyzing the competitiveness of important sectors of the American economy, studying methods of improving productivity and expanding the application of modern technology to all sectors of the economy, and developing Government strategies to enhance industrial growth and competitiveness.

While the new department would retain the Office of Patents and Trademarks, the U.S. Trade and Tourism Administration, the National Telecommunications and Information Administration, and the Bureau for Economic Analysis—all presently within the Commerce Department—it would be freed of many offices currently part of the Department of Commerce that are not central to the new Department's mission. The National Oceanic and Atmospheric Administration and the Bureau of the Census would become independent agencies. The Bureau of Standards would be transferred to the National Science Foundation. The Minority Business Development Agency would be transferred to the Small Business Administration. And the Economic Development Administration would be transferred to the Department of Housing and Urban Development.

The new Department would be given additional responsibilities for the operation of the Eximbank and the Overseas Private Investment Corporation. A Deputy Secretary in the new Department would become a member of the board of Eximbank, and the Under Secretary for International Trade would become vice chairman of the Overseas Private Investment Corporation.

As part of this reorganization, it is my hope to elevate and expand the role of the Foreign Commercial Service. With this in mind, the bill calls for the completion of a study on the advisability of enlarging the policy role of foreign commercial officers. The study would focus on the feasibility of providing regular rotations for foreign commercial officers to and from foreign posts and Washington-based policy positions, with an eye toward the establishment of a truly professional corps of international trade specialists.

Two, H.R. 4432 would create the post of Assistant to the President for International Trade. This individual would replace the U.S. Trade Representative as the President's principal adviser on trade issues and the chief coordinator of trade policies. The international trade adviser would be the chairman pro tempore of the Trade Policy Committee—the President would be chairman—and the small staff for the interagency group would be under his direction. With the leadership of the President and his trade adviser, the Trade Policy Committee would be responsible for coordinating policy among the various agencies and supervising international negotiations. In this way, H.R. 4432 preserves the White House's role as the "honest broker" of trade policy.

In fulfilling its mandate to supervise negotiations, the Trade Policy Committee, through a Subcommittee on Trade Negotiations, would advise the President on the appointment of delegations to trade negotiations and would recommend instructions for those delegations. In appointing negotiating teams, the President and the interagency groups are directed to

take into account whether a particular negotiation involves issues that are primarily agricultural or commercial in nature. In the latter case, the new Trade Department would head the delegation. In the former case, the USDA would head the delegation. In either instance, both USDA and the new Department for Trade would have the opportunity to be represented in some capacity.

Three, under this proposal, the Department of Agriculture would be given an explicit mandate to develop agricultural trade policy proposals for consideration by the Trade Policy Committee. USDA would also be given responsibility for implementing agricultural trade policies and negotiating agricultural trade agreements. To carry out this last task, a Deputy Secretary for International Trade Negotiations would be created within USDA. This individual would conduct day to day negotiations on behalf of the Secretary. In addition, the USDA would be given the opportunity to assign a permanent representative to the General Agreement on Tariffs and Trade in Geneva, who would have the rank of Deputy Chief of Mission.

Other approaches to reorganization which have surfaced over the past year are well intentioned but miss the mark. One proposal which deserves special attention is S. 121, introduced by Senator ROTH, reported by the Governmental Affairs Committee, and largely endorsed by the administration. S. 121 is a positive legislative effort that has gotten the ball rolling on this important and timely issue. There are several significant flaws in this bill, however, which require correction and which have prevented serious consideration of the bill in the House.

First, S. 121 ignores the plain fact that the primary source of power in any administration is the White House. Elevating the importance of trade considerations is policy decisions requires a strong White House based trade adviser. Merging USTR with the Office of the Secretary of International Trade and Industry, as the Senate bill suggests, would emasculate the responsibilities of the White House trade staff in favor of strengthening a line department. This would be a step backward, not forward.

Second, S. 121 unfairly submerges the interests of agriculture by ceding ultimate authority for the negotiation of trade agreements and coordination of trade policy to the new Secretary of International Trade and Industry. Regardless of the even-handedness of the new Secretary, he cannot realistically be expected to free himself of the bureaucratic bias of his department. Agriculture cannot and should not be forced to live with this distribution of power and trade policy.

Third, the Senate bill fails to forcefully and coherently address the issues of industrial strategy, which are so intimately linked with the issues of trade. Under a compromise plan agreed to in committee, the Senate bill establishes a rather weak and truncated industrial policy mechanism. While this compromise reflects an important step forward, I do not believe that it offers an approach to emerging competitive problems of American industry that is either effective or comprehensive.

There is little support in the House for the approach to reorganization offered by the Senate bill. This does not mean, however, that trade reorganization itself has no support on this side of the Capitol. A recent survey conducted by the House Export Task Force indicated that 75 percent of the House believes that trade reorganization in needed.

Moving reorganization in this body will require the presentation of a plan that recognizes the central role of the White House in brokering conflicting trade interests, reassures the agriculture community that its interests will not be sacrificed, maintains the status quo of congressional committee jurisdiction, and incorporates an industrial policy framework that is effective. I believe that H.R. 4432 satisfies all these requirements.

First, H.R. 4432 would retain, and indeed enhance, White House responsibility for coordination of trade policy. By reducing the size and limiting the day-to-day administrative responsibilities of the White House trade adviser, this proposal would make it possible for that adviser to enter the President's inner circle. The Office of the USTR, as presently constituted, has such a broad mandate and such a large staff as to be generally indistinguishable from a line department. In effect, USTR has become too large a bureaucracy to be a workable part of the White House. The current distance between the President and his trade adviser would be made even greater by the Senate bill since it would formally place USTR within a line department.

To elevate the status of the President's trade adviser within the White House, it is essential to reduce his staff and sharpen his focus. H.R. 4432 would do just that.

Second, this bill would insure that the interests of agriculture are not compromised by reorganization. If anything, this plan would elevate and strengthen the official status of USDA in the trade policy process. This is achieved by retaining White House control over coordination of trade policy and supervision of trade negotiations, and by devolving responsibility for the actual negotiation of agricultural trade agreements upon the Department of Agriculture.

Third, this reorganization plan explicitly establishes an office for industrial policy within the new Department of Commerce and Trade and creates a permanent Council on Industrial Competitiveness. This Council would be chaired by the Secretary of Commerce and Trade and would be composed of representatives from business, labor, Government, and the general public. The Council would be responsible for examining various sectors of the American economy, issuing reports on the competitive position of these sectors, and making recommendations for improving competitiveness and facilitating economic adjustment. The Council would also be a forum for working out differences between management and labor in industries that are facing significant structural change. The reports and recommendations of the Council would be purely advisory and by themselves would have no force of law.

It is important to emphasize that the industrial policy mechanism outlined in this bill is a bare bones framework that merely reflects the fact that the issues of trade cannot be separated from those of industrial health. The language in H.R. 4432 is not meant to be a new industrial policy proposal and is in no way intended to alter the course of the industrial policy debate that is currently underway in the House. It is my hope that as the House considers trade reorganization it will flesh out this section to fully reflect the body's position on industrial policy.

Finally, while H.R. 4432 would significantly alter the organization of the executive branch, it would not alter the boundaries of jurisdiction between congressional committees. Specifically, we have taken great pains to insure that the primacy of the Ways and Means Committee over trade policy and trade negotiations is maintained and reaffirmed.

In sum, enactment of H.R. 4432 would clearly delineate responsibilities for international trade policy, unify policy formulation and implementation functions, recognize the inextricable link between industrial and trade policies, and establish strong White House leadership. Reorganizing the executive branch in this fashion will be an important step toward making the American Government a strong and positive force for improved U.S. commercial competitiveness and expanded exports.●

NATIONAL EMPLOY THE OLDER WORKER WEEK

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. ROYBAL. Mr. Speaker, the persistence of age discrimination and declining employment opportunities for older Americans require us to keep up our fight to improve job opportunities for those older workers who wish to continue working.

The facts about older worker employment problems are startling. according to data from the Bureau of Labor Statistics, unemployment among older workers is growing faster than among all other age groups. Once unemployed, older workers remain out of the work force nearly twice as long as young workers. Older workers are also three times as likely as younger workers to simply give up the job search and drop out of the labor force after a long period of unemployment.

The causes of these unemployment problems can be traced to persistent age stereotypes and widespread age discrimination in the work force. Recent national surveys indicate that 8 to 10 Americans believe age discrimination to be a problem for most older workers. Even most employers believe that age discrimination is a widespread problem. Overcoming these stereotypes will require a concerted national effort to promote the virtues of older workers and to change attitudes about them in the work force.

I am encouraged by what some companies are doing to hire and retain older workers. Programs such as job sharing, flextime, retraining, and part-time jobs are being made available to older workers to encourage them to remain on the job. Studies indicate that older workers are productive and reliable and that employers can benefit from their expertise on the job.

To date the Federal Government has done very little to promote the interests of older workers. One exception, of course, is the Senior Community Service Employment Program authorized by title V of the Older Americans Act. This program provides more than 60,000 low-income older workers with meaningful and productive jobs in their communities. It is essential that this program be continued and, if possible, expanded to help employ many more older workers.

Providing employment opportunities for the older worker is an important and necessary goal, not only for today but for the future. Moreover, those older Americans who are employed are four times as likely as all others to avoid the clutches of poverty.

For these reasons, I, Mr. PEPPER and Mr. RINALDO, along with 20 of our colleagues in the House, today join with Senators HEINZ and GLENN in introducing a joint resolution to draw attention to the older worker and to encourage employers to generate employment opportunities for these workers. Specifically we are requesting that the President authorize the second full week special programs would be scheduled around the country to inform employers and the public about older workers resources and to educate older persons about available employment opportunities. These activities should result in increased visibility of the need for employing older workers, a better understanding among employers of the benefits of employing older Americans and wider employment opportunities for those older individuals who would like to make a contribution to society.●

GUAM ROTC UNIT WINS COVETED AWARD

HON. ANTONIO B. WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. WON PAT. Mr. Speaker, I have the great privilege of announcing publicly to my colleagues that 20 members of the University of Guam's Reserve Officer Training Corps (ROTC) have recently been awarded the coveted Warrior of the Pacific Trophy.

This award is bestowed each year to the unit which has 20 or more cadets attending 1 of 3 ROTC advance training camps and has achieved the highest overall score based on individual performance.

That the Guam ROTC unit should be singled out for this distinction is a signal honor to the faculty and cadets. I am very proud of this latest achievement which reflects the deep concern our young people in Guam have for military tradition.

The competition for the Warrior of the Pacific Trophy is fully supported by the Department of Army who recognizes that the pursuit of individual excellence is a trait to be encouraged and recognized officially at the highest levels. The trophy will travel to Guam from its present home at the University of Hawaii, which originated the award, and will be presented formally to the University of Guam in the near future. Each cadet who participated in the advance training camp will also be presented with a special decoration which they may wear on their ROTC uniforms.

It comes as no surprise to me or others in the Department of the Army that the members of the Guam ROTC unit should be the winners of the Warrior of the Pacific Trophy. Although the unit is one of the newest in the western region, in only a few short years, the cadets on Guam have established themselves as young men and women who strive to excel in military and academic affairs and are very proud of their heritage. For many years the people of Guam have served with distinction in various branches of the U.S. military. Today, over 5,000 Guamanians are on active duty. And wherever I go I hear stories praising the hard work Guamanians in the military perform from their commanding officers. Obviously, the members of the Guam ROTC unit who have won this latest award are intent in following those proud footsteps and I believe they have a bright and exceptional military career ahead.

To better understand how unique this award is, let me note that the University of Guam ROTC unit was only established in 1979.

For many years I and others had worked hard to persuade the Department of Defense to approve a ROTC unit for the islands. Our efforts were rebuffed for a number of reasons until I joined the Armed Services Committee and personally brought this matter to the attention of the Secretary of the Army. Following a factfinding study, the Army approved the development of a senior ROTC unit on Guam in 1979.

The first commander of the unit was Lt. Col. David W. Swanson, who assumed the job of professor of military science. I was sorry to hear that Colonel Swanson recently was reassigned. During his years on Guam he forged the basis for the high quality we see today in our local unit and certainly developed a wonderful sense of duty which continues to pervade the entire cadet corps and faculty.

Taking the colonel's place is Lt. Col. James J. Carlin, who is a man of considerable experience and is already doing what I understand to be a fine job at the university. He has some fine assistance in the persons of Capt. Stephen Strobel and Sgt. Maj. John Cato.

Last year the unit commissioned its first 11 cadets. The importance of that occasion was marked by the presence of the Honorable Harry N. Walters, then the Assistant Secretary of the Army for Manpower and Reserve Affairs, and now the Administrator of the Veterans' Administration. When Mr. Walters and I talked after his return from the graduation exercises, he told me that he was extremely moved and impressed by the tremendous patriotic spirit of the university's ROTC group and of the entire island itself.

Within the next several days, the unit will mark another first when the Army bars of a second lieutenant are pinned on the first young man from the Northern Marianas to be commissioned as an officer. This action came after Congress recently adopted legis-

lation I had written to permit young men and women from the Northern Marianas to serve as officers in the U.S. military.

The unit presently has 92 cadets enrolled in ROTC courses. And, as of November 1983, 30 cadets have been commissioned as second lieutenants in the U.S. Army with 20 more cadets to receive their bars in May 1984.

I am very proud of these young men and women. They deserve the recognition they have worked to achieve. They are a credit to their unit, their island, and their Nation. At this time I request that the names of the winning cadets be placed in the RECORD. Thank you.

THE WARRIOR OF THE PACIFIC TROPHY AWARD WINNER—UNIVERSITY OF GUAM ARMY ROTC

Adams, Sulinda D. (Corps Commander), 1214B Mango Drive, APO SF 96334..

Blanco, Harry C., P.O. Box 10351, Sinajana, Guam 96910.

Camacho, Edward C., P.O. Box 10408, Sinajana, Guam 96910.

Camacho, Robert D., P.O. Box 1020, Agana, Guam 96910.

Chargualaf, Peter J., P.O. Box 942, Agana, Guam 96910.

Cruz,[1] Anthony K., P.O. Box 8102, Merizo, Guam 96916.

Cruz, Diron J., P.O. Box 8102, Merizo, Guam 96916.

Cruz, Dorthy F., P.O. Box 21454, GMF, Barrigada, Guam 96921.

DeOro, Arthur A., P.O Box 1428, Agana, Guam 96910.

Dizon, Esther-Carmen D., P.O Box 2119, Agana, Guam 96910.

Edquilane, Roman L., 620 West O'Brien Drive, Anigua, Guam 96910.

Johnson, Shirleen J. B., 16 Santa Barbara, Dededo, Guam 96912.

Long, Dana M., P.O Box 3932, Agana, Guam 96910.

Manibusan, Janice P., P.O Box 3505, Agana, Guam 96910.

Merfalen, Vincent K.C., 38 Mata St., Talofofo, Guam 96914.

Pangelinan, Adriano B., Fourth ROTC Rgn. Sr. Instr. Gp., Seattle University, Seattle, WA 98122.

Pangelinan, Martin G. E., P.O Box 3684, Agana, Guam 96910.

Paulino, Kenneth P., P.O Box 2824, Agana, Guam. 96910.

Taimanao, Barbara T., P.O Box 21035, GMF, Barrigada, Guam 96921.

Torres, Eileen R., P.O Box 6702, Tamuning, Guam 96911.

[1] Also winner of one of seven $1,000 cash scholarships in national competition.●

PRIVATE PENSION PLAN ABUSES

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MRAZEK. Mr. Speaker, under your leadership and counsel, this body has not hesitated to protect and promote the rights of workers who are members of private pension plans. Indeed, it was your sensitivity to flagrant abuses in this area which resulted in landmark legislation being enacted. Today, Mr. Speaker, I regret to tell you that the predatory tactics of some employers continue to surface. Just recently, Mr. Eugene Tonissen alerted me to MCI Maintenance Corp.'s willful disregard for an established pension plan to the detriment of many workers and their families. Rather than recite the facts myself, I would like to place in the RECORD a copy of Mr. Tonissen's letter:

HUNTINGTON, N.Y.

Hon. ROBERT J. MRAZEK,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN MRAZEK: On June 1, 1982, MCI Maintenance Corp., an arm of MCI, purchased Western Union International, Inc. from the Xerox Corp. who had purchased Western Union International, Inc. several years before from American Securities, a holding corporation. During Xerox's ownership, the pension plan and all fringe benefits remained as they had been prior to the Xerox purchase. In fact, the purchase agreement that Xerox signed guaranteed that the pension plan would not be affected.

Enter MCI and by October 9, 1982, 9 percent of the work force had been severed. In November 1982, MCI unilaterally decided to stop accruing benefits for the management portion of the Pension Plan as of December 31, 1982 (the Union portion of the plan was covered under the contract which expires April 1, 1984). MCI states that they are allowed to do this as long as they do not touch the accrued benefits. They state that our benefits will be payable at age 65. The original Western Union International, Inc. Pension Plan consisted of a point system based on age plus years of service totalling 75 with a minimum of twenty years service. In November of 1984, after 28 years of service, I was scheduled to receive a pension of approximately $16,800 per year for life. By MCI deferring my pension from age 49 to 65, I will lose $16,800 times 16 years or $268,800. MCI has stated that we will fall under their pension plan now. However, it is so far inferior to the Western Union International, Inc. pension plan that it is of no replacement value at all. One of the other people affected by the MCI pension deferrment has prepared a comparison study of the MCI and Western Union International, Inc. pension plans and can provide you with a copy of this study on request.

As a consequence of MCI's action on the Pension Plan, 35 of us sought legal counsel and have started action in the First District Federal Court in New York. However, as you can imagine, the action is costly and over the last eight months it has been our attorney filing, their attorney answering, our attorney responding to their filing, their attorney responding to our response. I can now understand how justice can move so slowly.

I do not believe that when Congress took the time to formulate and pass The Employment Retirement Income Security Act of 1974 that they meant to allow a company to perform legal gymnastics to sidestep their pension obligations. Many of us have had job offers during our working careers with Western Union International. However, with the pension that we had to look forward to, we kept on working at Western Union International.

I believe that this is a bipartisan problem for the Congress. We are talking of a business or businesses that may or will attempt to sidestep their obligations through what they believe are legal loopholes. As a worker, a taxpayer, and what I consider to be a loyal citizen of this great country. I feel that Congress should look into this. What affects a few today could affect millions tomorrow. Remember, with our pensions curtailled, we could become a liability to the government while the offending company continues to take its profits.

Many of us on the Pension Defense Committee (what the 35 of have named ourselves) would be pleased to come to Washington to present our situation before a proper committee. Most of us are in our middle and late forties and may eventually find it difficult to find adequate employment.

Yours very truly,

EUGENE TONISSEN.●

HUBERT H. HUMPHREY STATESMAN AWARD

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SMITH of Florida. Mr. Speaker, I recently served as master of ceremonies at the 1983 Florida Democratic Party State Convention on October 21, 1983, in Hollywood, Fla. Mrs. Frances Humphrey Howard, the beloved sister of the late former Vice President Hubert H. Humphrey, spoke to the convention. Whether she was helping to build a world organization as an assistant to Eleanor Roosevelt, serving the Nation's outreach to other nations in the field of international aid, or more recently playing a vital role in enhancing health programs for our country's citizens, she has brought the Humphrey family qualities to the task at hand: Ebullience, intelligence, effectiveness, and a great belief in fairness.

Mrs. Howard presented the outstanding statesman award to Dr. T. Wayne Bailey. He has distinguished himself as the Florida Democratic State Committee national committeeman and chairman of the Stetson University Department of Political Science. With his warm heart, clear head, and steady hand, he has worked hard to achieve the Humphrey goals of a peaceful and humane world.

Mr. Speaker, I am submitting to my colleagues the following statement of Mrs. Frances Humphrey Howard on the presentation of this most distinguished award.

PRESENTATION OF 1983 FLORIDA DEMOCRATIC PARTY HUBERT H. HUMPHREY AWARD TO T. WAYNE BAILEY BY FRANCES HUMPHREY HOWARD

Chairman Whitehead, Congressman Smith, and other distinguished friends, it is a great pleasure and honor for me to present the Florida Democratic State Committee's Hubert H. Humphrey Outstanding Statesman Award to T. Wayne Bailey, Florida Democratic National Committeeman and Chairperson of the Department of Political Science, Stetson University. My brother

Hubert Humphrey would be delighted with the presentation of this Award to you, Dr. Bailey, for like him, you have combined a career as a political science professor with an active and effective involvement in public affairs. You have distinguished yourself as an able and long-time leader of the Florida Democratic Party. Your peers in the field of political science and your fellow Democrats in Florida and around the nation recognize that you well deserve this honor. Not only are you a hard working Democratic National Committeeman of Florida, but you have given yeoman service to the Democratic Party as a Member of the National Democratic Party Commission on Delegate Selection and have participated in the Commission of the Party Charter. You have contributed to the health and well-being of the Democratic Party. You are a party builder.

It is claimed by one of his former students that Dr. Bailey has broken the record for having the largest number of his own students in the profession of teaching political science. From the class of 1968, ten students now hold distinguished academic positions. Among his former students are Dr. Natalie Davis, Professor of Political Science of Birmingham Southern College, Dr. William Mishler, Director of the Political Science Program of the National Science Foundation; Dr. George Edwards of Texas A & M; and Dr. Darlene Walker of Houston, Texas. These and many other former students are scholars and leaders today. They affirm that their success is due in large part to the high academic and civic standards of Dr. Bailey. Dr. T. Wayne Bailey has demonstrated this commitment not only in the classroom, but in the community, in the Democratic Party of the State of Florida, and the nation.

When my brother spoke at the 1948 Democratic Convention that nominated that great Democrat Harry S. Truman, he urged the Democratic Party to move forward into the sunshine. With leaders like T. Wayne Bailey, the Florida Democratic Party and the National Democratic Party have moved into the sunshine. He well deserves the Florida Democratic State Committee's Hubert H. Humphrey Outstanding Statesman Award.●

TREATMENT OF JEWS IN ARAB COUNTRIES

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. PORTER. Mr. Speaker, I would like to call my colleagues attention to the situation facing Jewish inhabitants of Arab countries.

The Jewish people have traditionally been the victims of religious persecution. However in the wake of 20th-century political developments—notably, the establishment of independent Arab States and the birth of sovereign Israel—persecution of the Jews has greatly intensified. There property has been confiscated, their citizenship revoked and they are deprived of their elementary human rights, such as the freedom to emigrate.

The World Organization of Jews from Arab Countries (WOJAC) is sensitizing the world community to the horrible situation facing Jews in Syria, Iraq, and other Arab countries.

I have been joined by several of my colleagues in sending a letter of support to Mordecai Ben-Porat, cochairman of WOJAC in recognition of their work and am submitting a copy of this letter for inclusion in the CONGRESSIONAL RECORD.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., November 18, 1983.

Hon. MORDECAI BEN-PORAT,
Cochairman, World Organization of Jews from Arab Countries, Washington, D.C.

DEAR MR. BEN-PORAT: We take the occasion of your second international conference to commend the work of the World Organization of Jews from Arab Countries in shedding light upon the outrageously frequent and severe persecution of Jewish inhabitants in Arab countries.

Although Israel's enemies point to the Palestinian refugee problem to justify attempts to ostracize Israel from the world community, they ignore the plain truth: Jews in Arab countries—forced to live in hostile societies where hatred of Jews is a way of life—cannot own property, cannot vote, are denied the right to emigrate and are the subject of great suspicion, harassment and pogroms, especially during times of international conflict. On the other hand, Arabs living in Israel may own property, vote and have their own representatives in the Knesset, and hold many positions of responsibility, including serving in Israel's armed forces.

We believe that the world human rights situation would be greatly improved if Arab countries would follow Israel's example in the treatment of their refugee populations.

Those of us concerned with human rights in the world must have faith that calling attention to the plight of persecuted minorities will apply pressure sufficient to improve the treatment by repressive governments of our fellow man. In this regard we applaud your efforts, pledge our solidarity with your cause, and wish you success in your undertaking.

Sincerely,

JOHN E. PORTER,
(and 25 others.)●

THE NEED TO PROMOTE COGENERATION

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. WALGREN. Mr. Speaker, yesterday I introduced with Mr. BROYHILL of North Carolina, H.R. 4467, legislation which would permit cogeneration activities by gas utility holding companies. This legislation is simple and noncontroversial and is aimed at unlocking the regulatory handcuffs currently preventing the three principal distributors of natural gas in the Ohio Valley, Columbia, Consolidated, and National Fuels, from participating in cogeneration.

Cogeneration is an important tool in our effort to achieve energy independence; it is also a tool for economic growth. Cogeneration reduces industrial energy costs by lowering the cost of steam through more efficient fuel use. These savings are made possible because the electricity is generated at no cost to the industrial plant from formerly wasted heat or from more efficient fuel use achieved through cogeneration. This electricity is usually sold to the local electric utility. Thus, the steam requirements of industrial plants are provided at significantly lower cost through cogeneration than if the industry had continued to simply produce steam from its old conventional boiler.

A DOE-sponsored study calculates that cogeneration will produce 15 percent to 18 percent in average energy savings for the five major energy-consuming industries. Another DOE-sponsored study projects a potential cogeneration capacity of 42,824 megawatts for the United States. This is equivalent to the power generated from 100 average size central power stations.

As might be expected, cogeneration is beginning to catch on in most regions of the United States but, unfortunately not in the Ohio Valley. This machine shop of America is finding it increasingly difficult to compete with growing and mostly foreign competition. There have been more than 100 plant closings in this region over the past 4 years. Cogeneration offers heavy industry in the Ohio Valley a chance to become more competitive by significantly reducing production costs. For example, energy accounts for almost 30 percent of the materials cost of producing steel. Clearly, a substantial decrease of these energy costs would sharply reduce the cost of steel production. Industries supplying building products are also well represented in the Ohio Valley and consume even proportionately higher amounts of energy in manufacturing their products. Based on the above referenced DOE-sponsored study, estimates indicate that widespread adoption of cogeneration in the Ohio Valley could potentially save industry $1.29 billion of energy costs per year.

By bolstering the competitiveness of major Ohio Valley industries, cogeneration could help alleviate the region's high level of unemployment. West Virginia's unemployment rate of 19 percent is the highest in the country. Steel has an unemployment rate nearing 30 percent. The overall 13-percent rate of unemployment in the Ohio Valley is one-third higher than the national average.

The reasons that the Ohio Valley trails the other promising areas of the Nation in adopting cogeneration are clear:

Ohio Valley industries are not investing in cogeneration because their

first order of business is to improve and modernize aging plants.

None of the Ohio Valley electric utilities have shown any interest in owning and operating cogeneration facilities.

Private investors, such as the large engineering and contracting companies, are apparently more attracted to cogeneration projects in higher growth areas such as California and the Southwest.

Most of the gas utilities serving the Ohio Valley are not large enough financially to take on the major cogeneration plants needed by heavy industry, other than the three gas utility systems who are barred from doing so. Moreover, in many instances, these others lack the specialized personnel and experience which is required for third-party ownership.

In contrast, Consolidated has the financial resources, the expertise, and the desire to bring cogeneration to the Ohio Valley. Yet, Consolidated, along with Columbia and National Fuel Gas, who are equally well qualified, are the only three business entities in the United States which are not legally permitted to build, own, or operate cogeneration facilities.

Apparently the SEC does not object in principle to the ownership and operation of cogeneration facilities by the three registered gas utility holding companies. The concern of the SEC is based strictly on legal interpretation, not policy. Nonetheless, the proposed bill does nothing to the traditional jurisdiction of the SEC. The SEC will continue to retain jurisdiction over the financing of all cogeneration facilities owned by the three registered gas utility holding companies.

This legislation has a narrow and specifically defined objective—to eliminate the archaic regulatory barriers which prohibit only three gas utilities from engaging in cogeneration activities. The legislation does nothing to the traditional jurisdiction of the SEC which will continue to retain jurisdiction over the financing of all cogeneration facilities owned by the three registered gas utility holding companies. Passage of this legislation will provide a necessary shot in the arm to industry throughout the Ohio Valley, and I urge its passage.●

AGNET: A COMPUTER INFORMATION SYSTEM FOR AGRICULTURE

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BEREUTER. Mr. Speaker, the computer age has come to agriculture. My State of Nebraska is one of the leaders in computer technology as applied to agriculture.

This fall I had an opportunity to participate in a symposium sponsored by AGNET. We Nebraskans are rightfully proud of the AGNET system and the services it provides to agricultural producers in more than 40 States. True to its Nebraska heritage, AGNET is a pioneer in agricultural information systems, and today offers one of the broadest arrays of service to the American agricultural sector of all systems which are now available.

One of the featured speakers at this symposium was one of our State's prominent agricultural producers, Bob Weber. Bob is one of my key agricultural advisers, residing in the rural community of Dorchester, Nebr., which is located in my congressional district. He is a good friend who I count among a handful of individuals whose advice on agricultural policy I value highly.

I would like to share the text of Bob Weber's remarks with my colleagues in the Congress. They will learn a great deal about how a farmer—one of our State's best farmers—sees the need for computer technology.

The text of his speech follows:

USER INVOLVEMENT IN DECISIONMAKING PROCESS FOR DISSEMINATION OF AGRICULTURAL INFORMATION

INTRODUCTION

Finding an area of discussion relating to agriculture that would generate a gleam of excitement and anticipation in the eyes of both the speaker and the audience the past couples of years has been hard to come by. The general attitude of pessimism and gloom surrounding our general economy and, in particular, agriculture, has consumed many farm audiences and speakers. There is one notable exception to this mood, and that is the air of excitement found at the many computer workshops, electronic-information symposiums, and seminars, being held around the country today as the coined "age of information" comes of age in agriculture, and especially, as the newer generation of farmers eagerly devours every bit of available technology relating to this revolution.

I look around the room and see several friends and even relatives who certainly are qualified in this area of information technology and its application, and wonder why I consented to this presentation. They probably do also.

To give you some background as to my interest in this area. We were fortunate to have James Emal as the extension agent in my home county for a number of years. I remember several years ago when we were doing some budgeting for the coming year, we were especially concerned about the prospects for crop choices. Jim came out and spent a day with us using the new AGNET system terminal at our kitchen table, and we experimented with the crop budget program. Shortly after that, I went to the county courthouse and spent some time in Jim's office doing a feed mix program and some feedsheets. We also did a beef feeding projection. Obviously, we were hooked and recognized the benefits of having our own terminal. Because of those early experiences we have very high respect for AGNET and its potential for help in our job of managing a farming and feeding business.

If users are disappointed after using the AGNET system, it is not a problem of the system as much as a problem with their expectations or application of the information.

There appears to be a great deal of competition for the privilege of providing information. As we look at the various sources we have used to date, it becomes apparent to me that the Cooperative Extension Service and our land grant universities have delivered some of the most reliable, most usable, most logical services: I.E. AGNET and the new Agri-VIS system that is coming over the ETV signal. I might add that packaged information available from private systems like Pro Farmer, Agrivisor, FGL and so forth, I think, are the types of things farmers accept the best.

Many people are concerned about the direction of cooperative extension. It becomes apparent to me that cooperative extension is the obvious agency to become the lead vendor in the electronic information business. Farmers and ranches have historically responded well to their efforts. Likewise, their efforts have reflected conservative, accurate information. With our electronic age, their influence could be magnified.

The land grant universities must put top priority on information delivery especially to our rural communities of farmers and ranchers. The potential for electronic communication with farmers offers advantages currently not even dreamed of.

I would like to preface my remarks today with some general observations on agriculture today.

We currently are in the "age of information;" "the age of management." The singling out of the planning phase of the farm/ranch management certainly is logical. The availability of information is helping us focus on the planning part of farm management.

I believe that the popular public debate regarding farm size and organizational type frequently fails to recognize two obvious categories of farms: (1) those farms operated much like our forefathers (depending on physical skills and innate sixth sense for business, and a reluctance of formal planning.) Incidentally, many of these farms operate very successfully, and also come in many sizes. (2) Those farms making an obvious attempt to separate, isolate, and refine, the planning functions, in the operation of the farm business. It is this second grouping of farm businesses that is eagerly taking part in the information age. Likewise, there is even reluctance to participate on the part of the first group.

I would observe that, while currently one could find the full range of success/failure within each group, the rapid assimilation of information on the part of the second will create an ever-widening gap between the two by the end of the century.

It seems to me that information, at least to some extent, is going to have to be targeted to farms differently. Not all farms recognize the concept of division of labor, the separation, at least partially of labor and management. However, not everyone shares these views. It is apparant to me that the trend is for the more sophisticated farms to separate labor and management. It is these farms that will more effectively use in-house computer systems that can analyze raw facts and require less "packaging" of the data from outside sources. They will require computer software that handles that

data. On the other hand, the less sophisticated farms will require better packaging, and will not adopt micro-computer technology nearly so rapidly. And I would suspect that this latter group will be the larger of the two in number of units. Services such as Agri-VIS, here in Nebraska, will gain wide acceptance by all classifications of farmers. Since its introduction I have been amazed at the reference to it by farmers in casual conversation.

Having made these general remarks, in the remaining time I would like to comment in two areas: 1. General characteristics of information needed. 2. Comments on some of the workshop areas planned for this symposium.

From a public image point of view, nothing has succeeded quite like the seed corn cap. In fact, it has been so successful, you can see it in chic urban areas, ski slopes, as well as down on the farm. They convey every conceivable message. The way they are worn and by whom conveys additional messages.

Two of the reasons they are so successful with farmers are: (1) they meet an obvious need (everyone needs a cap); and (2) they are free. It is like the question, "Why don't farmers wear tennis shoes?"—because seed corn companies don't give away tennis shoes!"

Information must meet a need—a real, basic need. And it must be "free," or at least perceived to be very reasonable if it is to achieve the level of acceptance achieved by the seed corn cap.

We all want to think in terms of the latest electronic technology in regards to information delivery, but one shining star of success in this area exists today. Here in Nebraska to the point of being a "seed corn cap" of information.

The Nebraska Rural Radio Association and station KRVN Lexington, Nebraska, have set a standard for public agricultural information. I mention this, and specifically KRVN, because of the success they have enjoyed by meeting information needs of farmers and ranchers. Certainly there are some lessons to be learned here, in planning future delivery methods and systems, especially those publicly sponsored.

Radio offers obvious advantages in overcoming the problems of availability and accessability for all, low cost, and timeliness. Certainly market information has been the obvious target for delivery by radio. However, we need to work on refining the packaging of raw market data. If concerns continue to prevail regarding technological advantages bestowed on more-advantaged farms as compared to less-advantage farms, certainly radio offers equal availability to all and could be an equalizing factor. Public institutions certainly could justify providing innovatively-packaged market, weather, and management data for dissemination by radio. This is currently being achieved, however, I believe there is much future in this area even with the onslaught of home computers and personal satellite dishes.

As I prepared these remarks, it seemed logical to organize some comments surrounding the areas of discussion defined by this symposium. I certainly won't bore you with discussion on each of the areas, but rather will confine my comments to one or two observations in some of the areas.

I. *Financial management.*—This is an area I personally feel strongly about, and, frankly, feel somewhat inadequate in. Some of us out on the farm are just learning to feel comfortable in evaluating financial situations, conditions, and opportunities. Intensifying the effort from the land-grant universities to help farmers become more proficient in this area has to receive top priority. Other institutions, both public and private, have key roles—banks, PCA's, farm organizations, private management services. Farmers too long have relied on others to evaluate their financial health, long after the damage was done. Not many of us go to the doctor and ask, "How do I feel?" and this is what's happening with our bankers today.

II. *Market information.*—The packaging of market data has to be one of the most challenging dilemmas on the information scene today. Sometimes I think one of the problems is that we farmers expect too much from market information. Sometimes we have just enough information to be dangerous. The amount of wreckage around as a result of some market information is staggering. We can all cite personal examples. The taming of commodity exchange data so most users can reasonably achieve some desired goals is a monumental task, in my opinion. I think honestly, that is a goal most producers sincerely want to achieve, but few, very few, have achieved.

It is easy to say that everyone's marketing goals are the same, but because each of our personal situations is so different; types of resources, amount of resources, temperament, location, temperament, knowledge, temperament . . . the point is that to most of us, marketing turns into an emotional issue. We are constantly told that marketing is unemotional, and that we market for a profit, not the highest price. For anyone to totally expound this idea tells us that (1) He either hasn't done much with his own money involved; (2) He's an exceptional individual; or (3) He doesn't always tell the whole truth.

In visiting with a friend the other day on these subjects, we talked about the concept of marketing plan. This is an area that really needs a lot of work and development out in the country. Information can be a great deal more useful within the framework of a plan, as opposed to an unstructured, undisciplined, emotional approach.

Somehow, taking facts one step further to information, is a monumental challenge. A case in point—Currently producers are besieged by reports, crop reports, on-feed reports, inventory reports, stocks in all positions reports, slaughter reports. In general most producers don't feel good about these little jewels. They don't believe they are accurate; they don't think they produce favorable results as they seems to influence market prices; and they don't like to fill them out, especially accurately. And more specifically, I personally do not know of very many producers who can take these raw facts and transform them into any kind of market intelligence. With today's technology and expertise, couldn't we take these facts a little further down the road toward information? Certainly there are obstacles, and everyone wants to be impartial, and not get into the "opinion" area. KRVN radio has a little program called "marketing alternatives," aired daily. It, in my judgment, is a mixed bag, but it is innovative in its conception, and is one step beyond raw data. We need to really work in this area of refining market information.

Another example of what I speak of is the commentary on the cattle market on AGNET each Friday afternoon called cattle futures. Grain review by Jim Kendrick is a similar effort. These, to me, are helpful and move data into a more useable state.

III. Production management.—Our personal involvement with AGNET has opened some of the prospects for this type of management activity. I have a personal bias for something that I think is cost-related and that is the advantage of the electronic library concept for management programs. More producers will use this type of activity through promotion of AGNET-type programs. At least in the initial stages of use, the frustrations that producers encounter will overcome many who try to go it alone with in-house systems. They have made the investment, but the bottom line is—you just don't need to run a crop budget every week. It's these types of programs that we need to develop in the library situation.

CONCLUSION

I become enthusiastic when we embark on the areas of the information revolution and its possibilities for the individual producer. We must all agree that are no instant success stories, and the failure rate is disturbingly high among those who we think are adopting all of these latest innovations. This has to be one of the most frustrating things in agriculture today—that the young tigers of the 70's who were innovating in every area are the one posting sales bills today.

I think we must temper our enthusiasm with the fact that all the generations before us have generally succeeded in some difficult times without all these amazing aids. There have been some seat-of-the-pants operators who have been pretty successful in the past, and we probably would have to say there will be a few in the future. But realistically, most of us will need to hedge our bets with the available technology. The real challenge to those propagating this barrage of information will be to make it as friendly and inexpensive as possible.

I have been flattered to be a part of this distinguished gathering, and am eager to absorb some of the ideas that will be generated in the discussions to follow.●

ANNIVERSARY OF THE MOUNT AIRY METHODIST CHURCH, YORK COUNTY, PA.

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. GOODLING. Mr. Speaker, the congregation of the Mount Airy United Methodist Church, located in Lewisberry borough in York County, Pa., is celebrating the 100th anniversary of the founding and construction of the church. The celebration is taking place throughout 1983, and I would like to bring this anniversary, which is important to me, to the attention of my colleagues.

Started by a small group of dedicated area residents in 1883, "the little white church on the side of the hill" quickly became the lighthouse of the community. Times were not always easy, but Mount Airy United Methodist has been blessed over the years with many, many dedicated clergymen and parishioners who have helped it to grow and flourish.

It is churches like this one all over the country, "little white churches on the sides of hills" in every district in this vast country, that have provided the cornerstone for the American people to build the greatest nation on earth. Like Mount Airy, they deserve recognition for the role they have played in the history of the United States. Today is the day to honor the "little white church" in my district, and I hope my colleagues will join me in extending congratulations to the fine congregation there.●

THE SECONDARY MORTGAGE MARKET ENHANCEMENT ACT

HON. STEVE BARTLETT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BARTLETT. Mr. Speaker, I am today joining with the distinguished chairman of the House Banking Committee, Mr. ST GERMAIN, and a number of my colleagues to introduce legislation designed to enhance the liquidity of mortgage credit for home buyers in the United States. This legislation, the Secondary Mortgage Market Enhancement Act, will encourage the development of the secondary mortgage marketplace.

Enhancement of the secondary mortgage market is essential if the Nation's mortgage credit requirements are to be met through the rest of this century and the availability of home mortgages maintained for potential home buyers. The demand for mortgage credit will exceed $1.5 trillion in this decade alone. Traditional methods of mortgage financing will not be sufficient to meet this demand. The alternative to a serious shortage of mortgage credit which would threaten the social goal of homeownership is a healthy secondary mortgage market that this legislation will make possible through removal of existing legal and regulatory barriers which have discouraged the growth and development of mortgage-backed securities.

Legislation similar to this bill passed the Senate on November 17 as S. 2040 after extensive hearings in the Senate Banking, Housing, and Urban Affairs Committee. Adoption by the House will be a major victory for home buyers. Not only will a more efficient secondary market increase mortgage availability, it can bring about lower mortgage interest rates. It is important that the House thoroughly but expeditiously consider this legislation.

To assist my colleagues in considering this legislation, I will briefly review the structure and operation of the secondary mortgage market, explain the need for secondary market enhancement legislation, and then offer an overview of the provisions of the Secondary Mortgage Market Enhancement Act.

THE SECONDARY MORTGAGE MARKET

Before looking at how the Secondary Mortgage Market Enhancement Act would facilitate the operation of the private secondary market, it may be helpful to review what the secondary market is and how it functions.

The following is an excellent description of the secondary market contained in "The Secondary Market In Residential Mortgages" prepared by Freddie Mac.

The secondary market in residential mortgages is a network of mortgage originators who lend money to homebuyers and investors who buy mortgage loans. Primary mortgage lenders make loans to property buyers and underwrite and service the loans, which can be held in lenders' own portfolios or sold to investors. By selling the loans they originate, lenders obtain funds that they can use to make new mortgages. Investors who buy mortgage loans after they have been closed by primary mortgage lenders usually consider the loans as investments, and usually pay the lender a fee to continue servicing the loans.

In the past, the role of the secondary mortgage market was primarily to help solve regional differences in the cost and availability of mortgage credit.

Thrift institutions have traditionally been the primary originators of conventional mortgages; thus, the availability of mortgage money depended heavily on their deposit flows. In the 1960s and 1970s, thrifts originated as much as two-thirds of conventional mortgages.

There was a regional mismatch between these deposit flows and the demand for mortgage credit, however. In older, slower growing areas of the country, the supply of mortgage credit available for lending by thrifts exceeded the demand for it by homebuyers. At the same time, thrifts in the newer, faster growing regions faced great demand for new housing but had relatively few deposits to lend.

Through its purchases of mortgages in the faster growing regions and sales of mortgages in the slower growing regions, the secondary mortgage market redistributed the available mortgage money by transferring funds from capital surplus to capital deficit areas.

Today, in addition to redistributing funds, the secondary mortgage market links the capital and mortgage markets more closely through its sales of mortgages in forms that have attracted investment from outside the traditional mortgage investment community. The need for new sources of investment in residential mortgages has increased in recent years as the demand for mortgage credit nationwide has grown more rapidly than the deposit bases of traditional lending institutions.

Congress created three entities to encourage the operation of the secondary mortgage market: The Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal National Mortgage Association (Fannie Mae), and the Government National Mortgage Associatiion (GNMA).

Private secondary market entities make residential mortgage loan financing available by providing credit for innovative and traditional types of mortgages. The private secondary market is important to home buyers through their purchases of loans above the statutory loan limits of Freddie Mac and Fannie Mae. For a good description of the operation of the secondary mortgage market, I quote further from "the Secondary Market in Residential Mortgages":

The secondary market for residential mortgages has evolved into a multichanneled process, with the number and types of both mortgage originators and investors expanding as the market matures. The secondary market process includes both sales and purchases of mortgages.

Originators can choose to sell whole loans or participations to investors through direct sales, through sales to Freddie Mac or Fannie Mae, or through sales to a conduit such as a private mortgage insurance company. Many purchasers, like Freddie Mac, Fannie Mae, and other conduits, resell the loans to other investors by means of mortgage-backed securities. Other purchasers, including Fannie Mae, may hold purchased loans in portfolio and not sell them to another investor.

Originators can choose to convert mortgages into pass-through securities as GNMAs, as private issues, as Mortgage Participation Certificates (PCs) under Freddie Mac's Guarantor program, or as Guaranteed Mortgage-backed Securities (MBSs) under Fannie Mae's program.

Originators can also choose to sell mortgage-backed bonds. To do this, they locate investors through investment bankers and private placements.

There are important functions served by the secondary mortgage market for all the participants in the housing industry. The following reasons why lenders and investors participate in the secondary market illustrate why it views further development through lowered entry barriers effectuated through this legislation—taken from "The Secondary Market in Residential Mortgages":

1. Higher yields.—When interest rates are rising, lenders have the opportunity to make new loans at higher rates by selling existing loans and reinvesting in new mortgages at the higher rates. Lenders are able to turn over their portfolios rapidly and increase their total yields. When rates are declining, lenders are able to collect the difference between the rate charged the borrower and the yield required by purchasers of the loans and still offer savings to borrowers.

2. Increased originations—From the sale of loans, lenders may recapture 50 to 100 percent of their funds for reinvestment in new mortgages. To decide whether to sell loans, lenders compare the yield opportunity at the current primary market interest rate and the yield required to make the sale in the secondary market. If primary market rates exceed secondary market rates, lenders can sell at a profit and generate additional funds for lending with less capital.

3. Increased profits.—When lenders increase their origination activities by selling loans in the secondary market, they increase their income from origination fees. They also increase the effective yield of the money available for investment and often can make a profit on the sale.

4. Efficiencies.—As lenders increase their portfolios, the marginal cost of servicing each additional loan is reduced. Record keeping and calculations for taxes, insurance, amortization payments, collection on bad loans, and similar factors are generally performed by computer. Lenders gain efficiencies of servicing a larger portfolio because the greater the volume, the lower the cost per transaction.

Mortgages are attractive as investments for several reasons. First, government guarantees or insurance and private mortgage insurance assure the investor of repayment of all or part of the original principal balance. Second, the introduction of uniform mortgage documents, loan applications, appraisal forms, and underwriting standards for conventional mortgages make conventional mortgages more standard and more liquid. Thus, mortgages usually can be resold if investors need to recoup their funds.

The advent of mortgage passthrough securities has made mortgages more attractive to investors. Advantages investors gain by purchasing passthrough securities include the following:

First, a pass-through security provides a monthly cash flow to investors.

Second, during periods of rising interest rates, investors benefit by investing the monthly cash they receive at continually higher market rates.

Third, a mortgage security is liquid and can be traded as part of a total portfolio strategy. It is relatively high yielding and, although marketed at a long-term security's yield, its true weighted average life is similar to an intermediate-term security. Also, it can be used as collateral for short-term borrowings.

Fourth, because forward commitment markets exist for passthrough securities, investors can lock in current market rates or hedge against future market rates.

Fifth, future liquidity for passthrough securities is enhanced by the growth of the mortgage pass-through market.

THE NEED FOR SECONDARY MORTGAGE MARKET ENHANCEMENT LEGISLATION

There are two fundamental reasons why secondary mortgage market enhancement legislation is needed: the demand for mortgage credit will be greater than existing Federal agencies can provide, and, second, since changes in the traditional focus of thrifts are resulting in a lessened concentration on mortgage lending, other private entities should be encouraged to enter the secondary market.

Fannie Mae and Freddie Mac will simply be unable to meet the expected demand for credit during the rest of this decade. The result will be the impossibility of homeownership for many families and much more expensive and cumbersome mortgages for others.

The number of persons in the prime home-buying-age group, those between 25 and 39, will increase from 51.7 million in 1980 to 63.5 million in 1990. These 11.8 million people represent a 13-percent increase in the potential home-buying population. To accomodate the expected housing demand between now and 1990, housing production should average 1.65 to 1.75 million units, according to the National Association of Homebuilders. Fannie Mae estimates that $1.6 trillion in credit will be needed to finance this housing. The federally chartered agencies will not be able to meet this liquidity demand crunch; private sources are essential to meet the demand and keep the cost of mortgage credit reasonable.

Second, the deregulation of thrifts to give them broader asset and liability powers has and will continue to lessen their focus on mortgage lending. While savings and loans were still the largest originators in 1983 with 34 percent in the first quarter, they actually reduced their holdings of these loans during this period through secondary market sales. This is consistent with the trend toward the secondary market becoming the dominant source of funds for home buyers and the inevitability that the mortgage-backed security will be the main vehicle to attract capital to housing in the future. Because of the obvious importance of mortgage-backed securities to housing and residential mortgage finance, legislation is needed to remove the regulatory and statutory obstacles that restrict their competitiveness in the capital markets. This is the purpose of the Secondary Mortgage Market Enhancement Act.

PROVISIONS OF THE SECONDARY MORTGAGE MARKET ENHANCEMENT ACT

Title I

Title I contains a number of Banking and Securities Act amendments that will remove technical impediments to trading and investing in private mortgage-backed securities. Many of these impediments exist because mortgage-backed securities were unknown when most of the securities laws and statutes governing investments by financial institutions were enacted. Similarly, State restrictions concerning legal investments for various State-chartered or regulated institutions, pension funds, and trust managers have generally not reflected the extistence of mortgage-backed securities when they were enacted. Thus, amendments in this title will allow market flexibility in mortgage security transactions and expand the potential base of investors for such securities. This should substantially enhance the ability of private issuers of mortgage-backed securities to provide liquidity to mortgage lenders and reduce the cost of mortgage credit for home buyers.

Specifically, title I seeks to further involve the private sector in developing conduits to flow mortgage capital through to lenders and home buyers from lenders and investors. Title I includes: A rewrite of section 4(5) of the Securities Act of 1933 to update and broaden the applicability of the current transactional exemption from security registration requirements applicable to large transactions in mortgage-backed securities issued by financial institutions and sold to investors; a liberalization of existing statutory restrictions imposed on federally chartered financial institutions affecting their ability to invest in mortgage-backed securities; a preemption of State legal investment laws and regulations so that investment grade mortgage-backed securities may be liberally purchased by State chartered and regulated financial institutions, insurance companies, pension funds, trustees or other regulated entities as if they were Federal agency securities; a requirement of the Securities and Exchange Commission to provide a permanent procedure for the delayed or continuous registration of mortgage-backed securities pursuant to section 6 of the Securities Act of 1933; and authority for broker-dealers to extend credit in connection with the initial sale of securities exempt from registration under revised section 4(5) of the 1933 act in order to develop a forward trading market.

Title II

Title II places certain restrictions and makes various clarifications to the charter acts of Fannie Mae and Freddie Mac. It also provides new authority in certain areas for these federally chartered entities. Title II is designed to preserve the primary mission of Fannie Mae and Freddie Mac in the Housing market but allows for the equitable and appropriate development of the private secondary mortgage market.

Specifically, title II would: Amend the charter act of Fannie Mae to establish the level of commitments that it can enter into during fiscal year 1984; amend the Fannie Mae charter act to clarify that the statutory the mortgage limit applies to the total principal obligation of the mortgage; amend the Fannie Mae charter act to authorize the purchase of second mortgages and amend the Freddie Mac charter act to remove restrictions on the use of FHLMC loans; amend the Freddie Mac charter act to authorize it to purchase State agency insured loans and loans on manufactured homes; amend the Fannie Mae charter act to expand its board from 15 to 18 persons; require HUD to deal promptly with Fannie Mae requests for program approval; amend the Fannie Mae and Freddie Mac charter acts to raise the conventional multifamily loan

limit from 125 percent to 240 percent of the FHA section 207 limit; amend the Fannie Mae charter act to provide for GNMA commitment extensions; and require a report regarding mortgage prepayment penalties and their impact on secondary mortgage market activities.●

RECOGNIZING THE PUBLIC SERVICE OF VIRGINIA STATE SENATOR BRAULT

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. WOLF. Mr. Speaker, I would like to call to the attention of my colleagues the work of a leader in Northern Virginia who will be retiring at the end of this year from his long and distinguished career in public service—Adelard L. Brault, Virginia State senator from Fairfax. This public servant has given over 20 years in service to northern Virginia in his position as a lawmaker. He has ably served his constituency and I would like to cite some of the highlights of his public career.

Senator Abe Brault was educated at Catholic University of America in Washington, D.C., receiving the LL.B. degree, and served as a naval officer in World War II. He became a public office holder in June 1962, as a member of the Fairfax County Board of Supervisors and served in that position until January 1964. He was first elected to the Virginia State Senate in 1966 and served as senate majority leader from 1976 to 1980.

Senator Brault throughout his senate career has worked tirelessly on behalf of northern Virginia and the Commonwealth of Virginia. He was a major force behind the establishment of a State institution of higher learning in northern Virginia, George Mason University, and was a leader in developing the George Mason Law School. He has also been a strong supporter of Dulles International Airport and worked to promote that outstanding facility and to establish the highways surrounding it. In addition, Abe Brault worked with his colleagues in Richmond on a bipartisan basis to insure State support for the Metro system in northern Virginia, Northern Virginia Community College, and public television facilities in this area.

Abe Brault's civic activities include memberships in the Knights of Columbus and Benevolent and Protective Order of the Elks. He is a past president of the Fairfax County Bar Association, a member of the Virginia State Bar, District of Columbia Bar, and American Bar Associations, and a fellow of the American College of Trial Lawyers.

The people of northern Virginia have been well served by the leadership of Senator Abe Brault. His love for the Commonwealth and the people of northern Virginia has driven him to work for the best interests of northern Virginia and his leadership will be sorely missed. I wish him well in his retirement years.

MR. ANDROPOV, IT'S TIME FOR THE SOVIETS TO SAY YES ON ARMS CONTROL

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BROOMFIELD. Mr. Speaker, it is time for the Soviets to stop saying "nyet." For over a year President Reagan has made proposal after proposal at the nuclear arms control talks in Geneva. In return, the Soviets have given us the back of their hand, especially in the Intermediate Nuclear Force (INF) talks.

Recognizing the importance of arms control, the President has sought verifiable arms control agreements which would reduce nuclear arsenals on both sides and reduce the risk of war.

With these guidelines in mind, the administration initiated in November 1981 the ongoing INF talks with the Soviets. Our Government offered to cancel deployments of the Pershing II and ground launched cruise missiles if the U.S.S.R. would remove its SS-20 missiles. It is significant to note that it was the Soviet Union which destabilized the previous rough parity in missiles in Europe. They introduced new and more powerful missiles into the equation. It is noteworthy that the Soviets unilaterally introduced these missiles into the European theater without prior consultations with the United States. In other words, they did what they wanted to do even during the period of détente. Only after America's intentions to counter the Soviet buildup at the request of NATO were announced did the Kremlin decide to go to the negotiating table in Geneva.

Earlier, in 1981, the President announced his zero option plan which basically offers to cancel America's planned deployment of Pershing and cruise missiles if the Soviets are willing to remove their newly emplaced SS-20's. In 1983, the President announced at the U.N. new, more flexible arms proposals. The President took the initiative in the deadlocked Intermediate Nuclear Force negotiations. He offered the Kremlin an advantage in European-based medium-range nuclear weapons in exchange for equal global limits on such warheads. The Soviets immediately described his initiative as a sugar-coated ploy. Mr. Andropov later launched a barrage of denunciations that made it absolutely clear that he was not interested in the President's new offer.

In yet another series of negotiations, START, our Government is proposing reductions in the number of ballistic missile warheads on each side by one-third. We are also seeking further reductions in the overall destructive power of each side's arsenals. In these talks, which have been going on since 1982, the President has incorporated in his proposal the recommendations of the bipartisan Scowcroft Commisson, as well as congressional ideas on arms control, including the build-down concept. In short, the U.S. START proposals have been designed to provide for greater stability in order to move the United States and the Soviet Union away from more threatening nuclear weapons.

Mr. Andropov's counterproposal to our zero option offer was a weak one, at best. The Soviets know that their SS-20's in Europe give them a decided strategic advantage over the West in that area. They are willing to do just about anything to maintain that advantage.

An additional critical factor is verification. The Kremlin has been evasive on that issue. Arms control agreements with a highly secretive adversary like the Soviet Union cannot be based on trust alone. I am proud of our Nation's record in complying with and participating in arms control agreements. We cannot overlook the fact that there are nations in the world whose views on international agreements may be very different from our own.

Our country has demonstrated its willingness to modify our original negotiating positions. The Kremlin, however, has not been very forthcoming. Just today, the New York Times carried a story detailing Moscow's response to the newest U.S. INF initiative. A Pravda headline on the subject read, "Washington Practices Trickery Again." Since they cannot get their way, the Soviets are threatening to end their participation in the Geneva INF talks. Without a sense of compromise on the side of the Soviets, progress has been slow.

I believe that a review of the President's record provides ample evidence that he is making a good faith effort to obtain fair, equitable, and verifiable arms control agreements that will reduce the risk of war while assuring the security of the American people. This is especially true at the START and INF talks in Geneva. Let us not forget that the President has modified the U.S. negotiating position several times. He has tried to achieve a more balanced and equitable stance. He has also tried to prevent the outbreak of nuclear war. This is a goal that all of us can support. It is time for the Sovi-

ets to respond positively. Let us say "Yes" Mr. Andropov.●

THIRTY-FIFTH ANNIVERSARY OF THE UNIVERSAL DECLARATION OF HUMAN RIGHTS

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LEACH of Iowa. Mr. Speaker, 35 years ago, on December 10, 1948, the U.N. General Assembly adopted the Universal Declaration of Human Rights.

That document, which had as its purpose the establishment of a common understanding of the freedom and rights which the members of the United Nations under the U.N. Charter pledged themselves to promote, begins in article I with the proclamation that, "All human beings are born free and equal in dignity and rights." It enunciates those basic rights—such as the right to life, liberty, security of the person, equal protection of the law, religion, and expression—which are to be protected for all persons without regard to race, color, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.

The adoption of this declaration in 1948, however, was the first step of an ongoing effort to broaden international recognition and observance of human rights. Since the adoption of the declaration, the United Nations has drafted two binding human rights covenants which give international legal force to the principles enunciated in the declaration.

Tragically, in spite of the progress which has been made in expanding the rule of law in the field of human rights, these principles are frequently cast aside by various governments when other domestic security, political, and economic considerations intervene. For that reason, the considerable influence of the United States is as important as ever in promoting universal observance, in practice as well as in rhetoric, of these internationally recognized standards of human rights.

The United States is rightfully proud of the leadership role it played in the drafting of the Universal Declaration of Human Rights and of the model which our free and democratic society presents to the rest of the world. I am convinced, however, that our influence in international human rights matters would be significantly enhanced were we to ratify a series of human rights treaties, particularly the Genocide Convention and the International Covenant on Civil and Political Rights.

On this occasion, as we observe the 35th anniversary of the adoption of the Universal Declaration of Human Rights, I would urge the administration to expeditiously complete its review of these treaties and seek their ratification in the Senate. I can think of few more appropriate ways in which to observe this special anniversary.●

SPURLOCK'S RAIDERS

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DERRICK. Mr. Speaker, "Spurlock's Raiders," a special unit of the Washington, D.C., Metropolitan Police Department, is rapidly becoming one of the Nation's best-known law enforcement teams. The team's mission is to get hardened criminals off the streets. The repeat offender is its target. Capt. Ed Spurlock and his team members, all handpicked for special duty, have established quite an impressive record in a very short period of time.

In February 1982, Maurice T. Turner, Jr., Chief of Police of the Washington Metropolitan Police Department, made the decision to return approximately 100 men and women in administrative positions to field duties. When Chief Turner asked his staff for recommendations as to how these personnel could best help the city, Capt. Edward J. Spurlock, one of several outstanding captains on the Metropolitan Police Force, recommended a proactive perpetrator oriented tactical approach to the city's repeat offender problem. Chief Turner was impressed with the idea and approved the proposal.

Mr. Speaker, I have known Captain Spurlock for many years. He is a fellow South Carolinian. Ed Spurlock was raised in Oakway, S.C. Most of his family still resides there. He was graduated from Seneca High School in June 1959.

Following graduation, Ed joined the U.S. Marine Corps and attended the Espionage and Sabotage School in Washington, D.C., in 1960. He served 2 years with the American Embassy in Paris before being honorably discharged in 1963.

Following discharge from service, Hon. Marshall Parker, a close friend of the family and a former State senator from Oconee County, S.C. recommended to then Congressman Bryan Dorn that Ed come to Washington to pursue his long-time goal of law enforcement work. Under Bryan Dorn's patronage, Ed Spurlock began work as a private on the Capitol Hill Police Force. He was appointed to the Metropolitan Police Department on August 30, 1968. He attended American University while working on the force and received a bachelor of science degree in administration of justice on December 21, 1972.

On September 3, 1972, Officer Spurlock was promoted to sergeant. He became a lieutenant on January 19, 1975, and was promoted to captain and commander of sector III of the second district of the Washington Metropolitan Police Force on March 11, 1979.

Mr. Speaker, the record of Capt. Ed Spurlock, as a Member of the Metropolitan Police Department for 15 years, is an impressive one. He is the kind of person any chief of police would want to have to the street. He loves his work and he is a tough, but fair, law and order man. He believes in hard work and when he is given a task to do, he usually accomplishes his mission with great efficiency.

The repeat offender project headed by Captain Spurlock was formulated from a concept that a vast majority of criminal acts were being committed by a relatively small number of individual repeat or career criminals and that a unit designed to identify and arrest these career criminals woud prove highly successful in the department's overall effort to reduce crime within the District of Columbia. Until this project was established, the department had never experimented with the concept of identifying, prior to arrest, the active criminal currently responsible for the majority of the city's most serious crimes.

On May 3, 1982, the repeat offender project commenced full operation. From its inception, Spurlock has instilled a great deal of cohesiveness and enthusiasm among his superiors and fellow officers.

A most significant accomplishment of this project has been the development of cooperation with Federal agencies such as the Bureau of Alcohol, Tobacco and Firearms of the U.S. Treasury Department, who have made available their personnel to assist repeat offender project members in firearms cases. These agents work with repeat offender project personnel on a daily basis and begin an immediate records search on all confiscated firearms.

Chief Michael Flaherty, chief of police, Prince Georges County, Md., has detailed two detectives full time to the repeat offender project to serve as liaison and to work on mutual targets. This liaison has proven extremely successful and has been recognized by the issuance of a county council proclamation.

Chief Angus Maclean, of the Metro Transit Police Department, has detailed a detective to this unit on a full-time basis, also with considerable success.

The Police Foundation, a D.C.-based organization with an expressed mandate to foster improvement and innovation in American policing, is cur-

rently conducting a study of this project. The National Institute of Justice has endowed the foundation with a $100,000 grant to conduct the study.

Mr. Speaker, the success of this project depends on the cooperation between the Metropolitan Police Department and the surrounding police departments in Maryland and Virginia. We can already see good results from the efforts of community leaders in several jurisdictions. I hope it will continue.

The success of this program can also be directly attributed to the team commander, Captain Spurlock, and his strong leadership abilities. He has constantly been in the forefront of the operations of this unit, and he has demonstrated through perserverance his commitment to achieving the goals established for him in the repeat offender project program. The fine men and women who serve with Captain Spurlock have also contributed greatly to the success of this special unit.

Mr. Speaker, all of us are proud of the police department of this great city. It is one of the very best in the world, and has demonstrated its effectiveness time and time again under very difficult circumstances. We are proud of Chief Turner and the men and women who serve with him.

The people of Washington are fortunate to have Ed Spurlock as a member of the outstanding police department of this city. The people of South Carolina are equally proud of him. He is a professional in every sense of the word and is totally dedicated to his work. Every police department needs more leaders like him.

We wish Captain Spurlock and the men and women who serve on his team continued success as they continue to put their lives on the line every day to help make the Washington metropolitan area a safer place for all of us.●

TIME TO ACT

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SMITH of New Jersey. Mr. Speaker, the illegal immigration issue is a pressing national problem and the House of Representatives has a responsibility to address it. The difficulties posed by illegal immigration is a matter which we cannot "wish away" simply by ignoring it.

The current immigration bill represents a product of 10 years of bipartisan work. Some four administrations and a national task force have left their imprint on the immigration bill. On two occasions the Senate, with bipartisan majorities, has overwhelmingly passed the measure. Four House committees, with votes from both sides of the aisle, have carefully scrutinized the immigration bill. The major obstacle remaining is consideration by this body, the peoples House.

Representing the bipartisan spirit behind immigration reform, former President Ford and President Carter in a telegram signed by several others, wrote:

This problem is too serious for further delay. The Senate has adopted a bill. Now it is time for the House to act. The American people are impatient. The failure to bring this bill up will arouse cynicism about the will of the House to face tough issues, and dangerous feelings of animosity toward all immigration—legal and illegal alike.

It is imperative, Mr. Speaker, that this body proceed to enact immigration reform legislation. We cannot allow an issue of such paramount importance to our Nation to be politicized. It is time for this body to act.●

EDUCATIONAL COMMISSION CRITICIZED

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. PHILIP M. CRANE. Mr. Speaker, much has been said about the problem of education in this country and many solutions have been proposed. Recently, the National Science Foundation's Commission on Precollege Education in Mathematics, Science, and Technology proposed recommendations which have been criticized by policy analyst, Eileen Marie Gardner.

According to Gardner, the Commission's recommendations for solving the education problem requires massive Federal intervention in the educational system of this country, including $4.6 billion in Federal financial support. Besides the fact that such a solution would exacerbate the Federal deficit problem, Gardner stresses that a successful program to improve education requires more than just money and buildings. The human element—the support and dedication of the members of the communities, including the businesses, the teachers, the parents, even the children—plays a large part in the success of an education program.

I urge my colleagues to review and reflect on the following study by Eileen Gardner:

A FAILING GRADE FOR EDUCATION COMMISSION

The National Science Foundation's Commission on Precollege Education in Mathematics, Science, and Technology has just released its report—with spending recommendations guaranteed to bust the Federal budget and expand the deficit. Spending for education nation wide already absorbs a greater percentage of the gross national product than defense, and U.S. spending per pupil exceeds that of other industrial nations whose students outstrip American youngsters in virtually every academic category. Nonetheless, the Commission's answer to the problems of U.S. education is even more federal money. It urges an additional $4.6 billion in Federal support for education.

Of particular concern are the recommendations for model schools in math and science and for retraining elementary and secondary school teachers. Between 1977 and 1982, the Federal Government spent $108 million to establish specialized "magnet schools" designed to increase school integration and improve school quality. This program was relatively successful, mainly because spending money was but one element of a careful strategy. The startup rate for these schools was slow enough to allow time to rally solid community support, and the outlays were fiscally prudent—the maximum number of schools created during any year was 69, at a cost of $30 million in Federal funds. The success of these magnet schools was due in large part to nonfinancial factors—community involvement, commitment, and pride.

Strangely, the National Science Foundation's Commission wants the Federal Government to abolish the very factors that helped to assure the success of these magnet schools. The Commission proposes establishment of 2,000 magnet schools over a five-year period (400 schools a year—nearly six times the maximum in the earlier program) and has called upon the Federal Government, whose involvement in education has elicited sharp criticism recently, to finance 65 percent of the planning and start-up costs.

Such massive federal intrusion threatens the entire magnet school approach. It would undermine the critical delicate school/private sector partnership. The forging of creative and appropriately targeted partnerships, such as those between business and schools, is already taking place in many states and localities. But these partnerships lose their purpose and enthusiasm when the Federal Government tries to take over the function they were meant to serve. Successful magnet schools, too, have to be crafted at the local level and tailored to local circumstances. They cannot be produced on a Federal assembly line. Most important, bitter experience teaches that excessive Federal involvement leads to burdensome, inappropriate regulations and Federal control—precisely the kind of constraint that stifles local creativity.

The unfortunate recommendations on magnet schools are matched by the Commission's proposal to retrain 85 percent of the 1.17 million elementary school teachers, and the 200,000 secondary math and science teachers in summer and in-service institutes, at a whopping cost to the Federal Treasury of $3,000 per teacher. This would require unprecedented Federal action: retraining 1,164,500 teachers in an allotted 5 years would require a program six times the size of any previously attempted in this country. Between the late 1950's and the early 1970's, the National Science Foundation did oversee a model program in the form of institutes for the training of secondary school teachers. Institutes modeled on the program established by NSF may be appropriate for secondary teachers of math and science who must teach advanced subject matter, but they are hardly appropriate for retraining elementary school teachers, who require very different skills. The latter group can be retrained by college instructors and out-

standing high school math and science teachers at one-third the cost of an NSF institute. Moreover, special technology is now being developed to fill this retraining function. Once this is in place, the cost to the taxpayer will be reduced even further.

Given the intense debate over the proper role of the Federal Government and given the data that document a decline in academic outcome inversely to the rise in Federal input, these NSF Commission recommendations are ill-conceived—even foolhardy. Like so many proponents of increased Federal action to "solve" the education crisis, the Commission assumes that more money from Washington will meet the country's needs. They overlook the fact that successful initiatives spring from local groups and that many education deficiencies can be met with far more economic approaches.

The revitalization of education will not come from a centralized educational bureaucracy that uniformly imposes its will from above. Improvement will occur only when the states and localities take the initiative by designing programs that reestablish basic standards in the nation's schools and merit pay for teachers—and when school districts move effective control of the public schools out of the hands of the teacher's unions and into those of parents.●

CORCORAN BILL RENOUNCES YALTA

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. CORCORAN. Mr. Speaker, since World War II, Europe, the United States, and in fact the entire world has been haunted by Yalta and the spirit of this 1945 executive agreement. Yalta and other agreements signed by representatives of the United States during and shortly after World War II did not bring about peace and security for the rest of the world, but rather became a source of permanent unbalance and tension. Nor did these agreements serve as the final satisfaction of Soviet claims, but instead as a springboard for further Soviet expansion which has since spread over virtually all continents.

Yalta and other agreements were signed without the consent of representatives from numerous countries whose fate was being decided. In this sense the agreements were signed in clear violation of the Atlantic Charter and the principles on which our Nation was founded. Yet we signed such cynical agreements with the Soviet Union at the expense of Poland and several other countries, resulting in mass murder and the enslavement of hundreds of millions of people. That is why to this day, for millions around the world, Yalta still serves as a symbol of our betrayal of loyal allies. This problem will not disappear until we show the courage to deal with it.

I can assure you that while the people of central and eastern Europe appreciate our words of solidarity, they often wonder about our sincerity. If indeed our expressed words of solidarity are sincere, they wonder why the Western World has not yet renounced Yalta after 38 years. That is why Polish Americans and other captive-nation Americans are perhaps more vocal about Yalta now than at anytime before. Yalta is also associated with a sellout by the American people in general.

At present I am being flooded with petitions from all over the country asking the Congress to deal with the issue of Yalta. Mr. Speaker, the spirit of Yalta will continue to haunt us and much of the world until we clear the air regarding it.

At the request of tens of thousands of people representing the desires of millions here in the United States and around the world, I am today introducing legislation calling for the formal renunciation of the 1945 Yalta executive agreement.

With the passage of such a resolution, we will have shown the world that we as a nation are courageous enough to admit past mistakes. At the same time, we will be sending a message to people enslaved under Soviet totalitarianism that the United States has not forgotten about them, and that the United States continues to stand for the principles of freedom and independence for all. By renouncing Yalta, we will leave no question as to the sincerity of our expressed solidarity with the peoples of central and eastern Europe, even while they are temporarily held captive by the Soviet system of government.

There should be no objections to renouncing Yalta, especially when considering that this agreement was clearly violated with regard to the few positive aspects of the agreement, such as the guarantee of free elections. In fact, the agreement was never honored by the Soviet Union.

I sincerely hope that we will not keep the freedom-loving people of the world waiting much longer, and that the Members of this Congress from both parties will join in expressing our unity with all captive nations of the world by supporting this resolution.●

GOVERNMENT EMPLOYEES CAN REDUCE DEFENSE SPENDING

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. HUNTER. Mr. Speaker, we hear about waste in defense spending so frequently, that many Members have come to believe that the Defense Department is full of people throwing money away. Yesterday, Secretary Weinberger held a ceremony which proves this contention wrong. There are many fine individuals who work for the Defense Department who have worked hard to find ways to save money.

On Wednesday, November 16, a group of 15 people from the North Island Naval Air Rework Facility, in my district in San Diego, Calif., received the Secretary of Defense Award for Productivity Excellence. Others from the Army, Navy, and Air Force were also honored.

The North Island group was awarded for their development of a new way of repairing hydraulic aircraft equipment that saves the American taxpayers $1.8 million a year. This new method was conceived by a team of employees operating in a quality circle. The quality circle is made up of a group of employees that are most directly involved in aircraft repair and is similar to the quality of worklife concept in private industry.

The quality circle meets for 1 hour each week to explore possible money saving ideas. This group discovered that when hydraulic units came in for repair, they were being "over-processed"—that is, they were being totally overhauled and reconditioned. Instead, they proposed that an aircraft examiner be hired to locate only those items which needed work. The result: an annual savings of $1.8 million.

For every $1 spent in the quality circle program, $18 are saved. About 10 percent of the employees at North Island presently participate in quality circles and the program is expanding. The program has provided substantial savings at various facilities around the country. It is estimated that this and other DOD cost-saving programs have saved in excess of $70 million in the last year.

I commend all those Government employees who have worked so diligently and honestly for their country. They could simply look the other way and make no attempt to avoid wasting money. The taxpayers of this country owe them thanks for their efforts. I would particularly like to commend those individuals from North Island who have received this award: Ralph Carson, Marv Benson, Simon King, Thomas H. Johnson, Richard Ransdell, Salvador Gutierrez, Iven Cobb, Abraham Gumbayan, Thomas Jensen, Nicholas Mosley, Charles Cummings, Jody Smail, Jacob Bluford, Charles Moore, and Daniel McGhee.●

RESOLUTION ON MINIMUM DRINKING AGE

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. PORTER. Mr. Speaker, I would like to call my colleagues' attention to

a resolution passed by the Lake County Board in my district which advocates the adoption of 21 as the national minimum drinking age. The board has sent copies of this resolution to all Members of the House and Senate, along with a copy of a special report published by the Waukegan News-Sun, titled, "Blood Border."

As many of my colleagues are aware, I am a strong supporter of legislative efforts which will encourage the States to raise their minimum drinking age to 21.

Last spring I introduced H.R. 2441 which prohibits the use of Federal highway funds in any State in which the minimum drinking age is less than 21 for the consumption of alcohol. This strategy is similar to that used in the past for adopting 55 miles per hour as the nationwide speed limit in order to encourage energy conservation and reduce highway fatalities.

I submit for the RECORD a copy of the resolution passed by the Lake County Board, which specifically endorses my proposal:

RESOLUTION OF LAKE COUNTY BOARD, ILLINOIS

Mr. Chairman, your County Board presents herewith a Resolution urging the Congress of the United States to enact legislation establishing 21 as the national minimum legal age for drinking alcoholic beverages, and requests its adoption.

Respectfully submitted,

ROBERT P. NEAL
(and 22 others).

RESOLUTION

Whereas, alcohol-related traffic accidents cause 25,000 deaths and an economic loss of $21 billion annually in the United States; and

Whereas, drunken driving may well be the most pervasive and single most destructive form of lawlessness this nation has ever witnessed; and

Whereas, drunken driving is the leading cause of death among persons ages 15 to 24; and

Whereas, federal statistics compiled in eight states indicate that raising the legal drinking age to 21 years-of-age has reduced the number of night-time fatal accidents involving 18 to 21-year-old drivers by 28%; and

Whereas, Illinois, generally, and Lake County, specifically, have to face and cope with the problems of having a neighboring state with a lower drinking age; and

Whereas, the United States House of Representatives is considering a bill, H.R. 2441, that would establish the national minimum drinking age at 21. Now, therefore, be it

Resolved, by this County Board of Lake County, Illinois, That we do hereby urge the Congress of the United States to pass with dispatch H.R. 2441, or similar legislation that would establish the national minimum legal age for drinking alcoholic beverages at 21 years-of-age; and be it further

Resolved, That this Resolution be sent to all Members of the United States Congress as soon as practicable.

Dated, at Waukegan, Lake County, Illinois on this 11th day of October, A.D., 1983.●

FOR A UNITED CYPRUS

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BILIRAKIS. Mr. Speaker, I am submitting this statement as a means of reviewing and reaffirming the solid position taken by the U.S. Congress and the State Department in condemning the unilateral action of the Turkish-Cypriot community in declaring themselves a separate and independent state.

Let us, first, reflect on the actions taken by the House and Senate yesterday which clearly indicate the strength of congressional opposition to the Turkish-Cypriot move. The Senate, in unanimous consent, condemned this action, while the House, in an overwhelming vote of 423 to 1, likewise expressed its strong disapproval of the act of secession by the Turkish-Cypriot minority. Clearly, this is a matter of the utmost concern to Americans and it serves us well to examine this action's effect on our policies and interests.

As a member of the United Nations and of the U.N.'s Security Council, the United States must view the Turkish-Cypriot move in a very serious light. The unilateral declaration of independence violates a number of U.N. resolutions which call for the withdrawal of Turkish troops from Cyprus, request all states to respect the territorial integrity and sovereignty of Cyprus, and urge the island's two ethnic communities to come to terms. The recent announcement of secession is a direct and blatant rejection of those resolutions and undermines the efforts of the United Nations to help resolve the differences that separate the Greek and Turkish communities on Cyprus and prevent them from reuniting into one peaceful nation.

Let us also examine our position as a member of NATO, the Western alliance that includes both Greece and Turkey, which are the respective supporters of the Greek and Turkish ethnic communities on the divided island. The action by the Turkish-Cypriots, which has been fully supported by Turkey, has increased the already existing tensions between the two member nations of the southern flank of NATO and, unless it is reversed, the results may be devastating to the alliance itself, to both member nations, and to their relationships with the United States. It is action like this that will certainly please our Communist friends of the eastern block as they see NATO members standing in opposition to one another.

The question of human rights is another aspect of this matter which we must look at. What will happen to the missing prisoners who were captured in the 1974 invasion of Cyprus by Turkey? Are we to expect another "Berlin wall" to divide a nation? Will Turkey impose martial law in this new federation, instead of a democratic government in which the people rule? And finally, will we be held responsible for failing to act if there is a new outbreak of war which costs the lives of hundreds of innocents?

Finally, I believe it is essential to note the fact that this proclamation of independence was made after continuing U.S. aid to Turkey was approved. We must now question the wisdom of our decision and, I believe, consider reimposing the arms embargo against Turkey and suspending the $1 billion in military aid which was recently authorized.

We have acted wisely in strongly opposing the declaration of an independent state by the Turkish community on Cyprus and I believe we should continue to insist firmly on a reversal of this damaging decision.●

REUNION 84

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LIVINGSTON. Mr. Speaker, next year, June 6, 1984, will mark the 40th anniversary of D-Day and the beginning of the liberation of Europe. The Normandy invasion was the greatest assembly of men and equipment in our Nation's and the world's history. The invasion and the subsequent campaign to liberate Europe involved over 3 million troops. Thousands of brave Americans were among the soldiers from many nations who lost their lives in this greatest of invasions. Even more of our boys were lost in the subsequent campaign to liberate Europe.

Most Americans survived the Normandy campaign nevertheless, and now many are making preparations to go back to France next year to observe its 40th anniversary.

Mr. Speaker, they are calling it "Reunion 84". Soldiers from all the Allied Nations that participated in the D-Day invasion are planning to return to France next year. The French will be ready to welcome them with open arms.

From June through October of 1984 ceremonies are planned throughout the Normandy region to commemorate this most historic event. Some Americans will utilize the occasion to celebrate the fact that they are still alive. Others will be able to use Reunion 84 as an occasion to reflect on the reasons why we fought this massive campaign and the war itself. Everyone will be able to use Reunion 84 as an occasion to remember the ultimate sacri-

fice given by our brave troops in the cause of freedom.

Mr. Speaker, I urge members to make their constituents aware of Reunion 84. It is vital to all Americans who participated in the Normandy invasion and World War II that we do not forget the legacy of freedom they preserved for us.●

HUMAN RIGHTS IN TAIWAN

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LEACH of Iowa. Mr. Speaker, I was encouraged to learn recently that the authorities in Taiwan have permitted the early release from prison of Ms. Lin Wen-chen for medical treatment. Ms. Lin, as some of my colleagues may recall, was an active member of the Presbyterian Church in Taiwan who was among those imprisoned after the 1979 Human Rights Day rally in Kaohsiung. A number of other individuals, imprisoned in the wake of the Kaohsiung incident, have also been released somewhat before their prison terms were due to expire. While these latter releases are perhaps more symbolic than substantive, they are nevertheless welcomed.

As we approach December 10, the fourth anniversary of the Kaohsiung rally, I would once again urge the authorities in Taiwan to give sympathetic consideration to releasing the remaining individuals imprisoned in the wake of that incident, including Rev. C. M. Kao and former Assemblyman Lin Yi-hsiung. The divisions in Taiwanese society cannot be reconciled when decent men and women are jailed for exercising openly and honestly differences with their government.●

THE CHILLING EFFECTS OF NUCLEAR WAR

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. WEISS. Mr. Speaker, this weekend millions of Americans will gather together to view a television show about the aftermath of a nuclear war. Each viewer will be forced to focus on the possibility of a nuclear holocaust—a holocaust that has threatened increasingly in recent years to engulf us all. This exposure to an issue which is clearly beyond any other in importance to the world, will likely move many Americans to question the proliferation of nuclear weapons around the world and the suicidal policies of the two superpowers, which have brought us closer to the brink of annihilation than at any other time in the nuclear age.

However, in assessing the potential devastation caused by a nuclear war, it is important that we not delude ourselves into believing that the effects of nuclear war will be limited to "The Day After", the week after, or even a month after, a nuclear exchange. In fact, new evidence recently gathered by a team of scientists including astronomer Carl Sagan concluded that the long-term environmental consequences of nuclear war have been grossly underestimated. The scientists found that, in the event of even a limited nuclear exchange, the Northern Hemisphere would be thrust into "an unbroken and deadly gloom", the Sun obscured by smoke and dust from the blasts. Then, with temperatures throughout the world plummeting to minus 25 degrees Celsius, plants would die from lack of sun, causing shortages of food, and intensely radioactive fallout would expose half the land area to dangerous levels of radiation. This "epoch of cold and dark" would continue for months at least. It goes without saying that few human beings would survive.

All of these findings are contained in a recent article by Carl Sagan that appeared in Parade magazine on October 30. In order that we not overlook these findings, I ask that a copy of this article be included in the CONGRESSIONAL RECORD. I would also ask other Members to familiarize themselves with these terrifying new facts and to let their actions be guided by them.

THE NUCLEAR WINTER

(By Carl Sagan)

Except for fools and madmen, everyone knows that nuclear war would be an unprecedented human catastrophe. A more or less typical strategic warhead has a yield of 2 megatons, the explosive equivalent of 2 million tons of TNT. But 2 million tons of TNT is about the same as all the bombs exploded in World War II—a single bomb with the explosive power of the entire Second World War but compressed into a few seconds of time and area 30 or 40 miles across . . .

In a 2-megaton explosion over a fairly large city, buildings would be vaporized, people reduced to atoms and shadows, outlying structures blown down like matchsticks and raging fires ignited. And if the bomb were exploded on the ground, an enormous crater, like those that can be seen through a telescope on the surface of the Moon, would be all that remained where midtown once had been. There are now more than 50,000 nuclear weapons, more than 13,000 megatons of yield, deployed in the arsenals of the United States and the Soviet Union—enough to obliterate a million Hiroshimas.

But there are fewer than 3000 cities on the Earth with populations of 100,000 or more. You cannot find anything like a million Hiroshimas to obliterate. Prime military and industrial targets that are far from cities are comparatively rare. Thus, there are vastly more nuclear weapons than are needed for any plausible deterrence of a potential adversary.

Nobody knows, of course, how many megatons would be exploded in a real nuclear war. There are some who think that a nuclear war can be "contained," bottled up before it runs away to involve much of the world's arsenals. But a number of detailed analyses, war games run by the U.S. Department of Defense, and official Soviet pronouncements all indicate that this containment may be too much to hope for: Once the bombs begin exploding, communications failures, disorganization, fear, the necessity of making in minutes decisions affecting the fates of millions, and the immense psychological burden of knowing that your own loved ones may already have been destroyed are likely to result in a nuclear paroxysm. Many investigations, including a number of studies for the U.S. government, envision the explosion of 5000 to 10,000 megatons—the detonation of tens of thousands of nuclear weapons that now sit quietly, inconspicuously, in missile silos, submarines and long-range bombers, faithful servants awaiting orders.

The World Health Organization, in a recent detailed study chaired by Sune K. Bergstrom (the 1982 Nobel laureate in physiology and medicine), concludes that 1.1 billion people would be killed outright in such a nuclear war, mainly in the United States, the Soviet Union, Europe, China and Japan. An additional 1.1 billion people would suffer serious injuries and radiation sickness, for which medical help would be unavailable. It thus seems possible that more than 2 billion people—almost half of all the humans on Earth—would be destroyed in the immediate aftermath of a global thermonuclear war. This would represent by far the greatest disaster in the history of the human species and, with no other adverse effects, would probably be enough to reduce at least the Northern Hemisphere to a state of prolonged agony and barbarism. Unfortunately, the real situation would be much worse.

In technical studies of the consequences of nuclear weapons explosions, there has been a dangerous tendency to underestimate the results. This is partly due to a tradition of conservatism which generally works well in science but which is of more dubious applicability when the lives of billions of people are at stake. In the Bravo test of March 1, 1954, a 15-megaton thermonuclear bomb was exploded on Bikini Atoll. It had about double the yield expected, and there was an unanticipated last-minute shift in the wind direction. As a result, deadly radioactive fallout came down on Rongelap in the Marshall Islands, more than 200 kilometers away. Almost all the children on Rongelap subsequently developed thyroid nodules and lesions, and other long-term medical problems, due to the radioactive fallout.

Likewise, in 1973, it was discovered that high-yield airbursts will chemically burn the nitrogen in the upper air, converting it into oxides of nitrogen; these, in turn, combine with and destroy the protective ozone in the Earth's stratosphere. The surface of the Earth is shielded from deadly solar ultraviolet radiation by a layer of ozone so tenuous that, were it brought down to sea level, it would be only 3 milimeters thick. Partial destruction of this ozone layer can have serious consequences for the biology of the entire planet.

These discoveries, and others like them, were made by chance. They were largely unexpected. And now another consequence—by far the most dire—has been uncovered, again more or less by accident.

The U.S. Mariner 9 spacecraft, the first vehicle to orbit another planet, arrived at Mars in late 1971. The planet was enveloped in a global dust storm. As the fine particles slowly fell out, we were able to measure temperature changes in the atmosphere and on the surface. Soon it became clear what had happened:

The dust, lofted by high winds off the desert into the upper Martian atmosphere, had absorbed the incoming sunlight and prevented much of it from reaching the ground. Heated by the sunlight, the dust warmed the adjacent air. But the surface, enveloped in partial darkness, became much chillier than usual. Months later, after the dust fell out of the atmosphere, the upper air cooled and the surface warmed, both returning to their normal conditions. We were able to calculate accurately, from how much dust there was in the atmosphere, how cool the Martian surface ought to have been.

Afterwards, I and my colleagues, James B. Pollack and Brian Toon of NASA's Ames Research Center, were eager to apply these insights to the Earth. In a volcanic explosion, dust aerosols are lofted into the high atmosphere. We calculated by how much the Earth's global temperature should decline after a major volcanic explosion and found that our results (generally a fraction of a degree) were in good accord with actual measurements. Joining forces with Richard Turco, who has studied the effects of nuclear weapons for many years, we then began to turn our attention to the climatic effects of nuclear war. [The scientific paper, "Global Atmospheric Consequences of Nuclear War," is written by R. P. Turco, O. B. Toon, T. P. Ackerman, J. B. Pollack and Carl Sagan. From the last names of the authors, this work is generally referred to as "TTAPS."]

We knew that nuclear explosions, particularly groundbursts, would lift an enormous quantity of fine soil particles into the atmosphere (more than 100,000 tons of fine dust for every megaton exploded in a surface burst). Our work was further spurred by Paul Crutzen of the Max Planck Institute for Chemistry in Mainz, West Germany, and by John Birks of the University of Colorado, who pointed out that huge quantities of smoke would be generated in the burning of cities and forests following a nuclear war.

Groundbursts—at hardened missile silos, for example—generate fine dust. Airbursts—over cities and unhardened military installations—make fires and therefore smoke. The amount of dust and soot generated depends on the conduct of the war, the yields of the weapons employed and the ratio of groundbursts to airbursts. So we ran computer models for several dozen different nuclear war scenarios. Our baseline case, as in many other studies, was a 5,000-megaton war with only a fraction of the yield (20 percent) expended on urban or industrial targets. Our job, for each case, was to follow the dust and smoke generated, see how much sunlight was absorbed and by how much the temperatures changed, figure out how the particles spread in longitude and latitude, and calculate how long before it all fell out of the air back onto the surface. Since the radioactivity would be attached to these same fine particles, our calculations also revealed the extent and timing of the subsequent radioactive fallout.

Some of what I am about to describe is horrifying. I know, because it horrifies me. There is a tendency— psychiatrists call it "denial"—to put it out of our minds, not to think about it. But if we are to deal intelligently, wisely, with the nuclear arms race, then we must steel ourselves to contemplate the horrors of nuclear war.

The results of our calculations astonished us. In the baseline case, the amount of sunlight at the ground was reduced to a few percent of normal—much darker, in daylight, than in a heavy overcast and too dark for plants to make a living from photosynthesis. At least in the Northern Hemisphere, where the great preponderance of strategic targets lies, an unbroken and deadly gloom would persist for weeks.

Even more unexpected were the temperatures calculated. In the baseline case, land temperatures, except for narrow strips of coastline, dropped to minus 25° Celsius (minus 13° Fahrenheit) and stayed below freezing for months—even for a summer war. (Because the atmospheric structure becomes much more stable as the upper atmosphere is heated and the lower air is cooled, we may have severely underestimated how long the cold and the dark would last.) The oceans, a significant heat reservoir, would not freeze, however, and a major ice age would probably not be triggered. But because the temperatures would drop so catastrophically, virtually all crops and farm animals, at least in the Northern Hemisphere, would be destroyed, as would most varieties of uncultivated or undomesticated food supplies. Most of the human survivors would starve.

In addition, the amount of radioactive fallout is much more than expected. Many previous calculations simply ignored the intermediate time-scale fallout. That is, calculations were made for the prompt fallout—the plumes of radioactive debris blown downwind from each target—and for the long-term fallout, the fine radioactive particles lofted into the stratosphere that would descend about a year later, after most of the radioactivity had decayed. However, the radioactivity carried into the upper atmosphere (but not as high as the stratosphere) seems to have been largely forgotten. We found for the baseline case that roughly 30 percent of the land at northern midlatitudes could receive a radioactive dose greater than 250 rads, and that about 50 percent of northern midlatitudes could receive a dose greater than 100 rads. A 100-rad dose is the equivalent of about 1000 medical X-rays. A 400-rad dose will, more likely than not, kill you.

The cold, the dark and the intense radioactivity, together lasting for months, represent a severe assault on our civilization and our species. Civil and sanitary services would be wiped out. Medical facilities, drugs, the most rudimentary means for relieving the vast human suffering, would be unavailable. Any but the most elaborate shelters would be useless, quite apart from the question of what good it might be to emerge a few months later. Synthetics burned in the destruction of the cities would produce a wide variety of toxic gases, including carbon monoxide, cyanides, dioxins and furans. After the dust and soot settled out, the solar ultraviolet flux would be much larger than its present value. Immunity to disease would decline. Epidemics and pandemics would be rampant, especially after the billion or so unburied bodies began to thaw. Moreover, the combined influence of these severe and simultaneous stresses on life are likely to produce even more adverse consequences—biologists call them synergisms—that we are not yet wise enough to foresee.

So far, we have talked only of the Northern Hemisphere. But it now seems—unlike the case of a single nuclear weapons test—that in a real nuclear war, the heating of the vast quantities of atmospheric dust and soot in northern midlatitudes will transport these fine particles toward and across the Equator. We see just this happening in Martian dust storms. The Southern Hemisphere would experience effects that, while less severe than in the Northern Hemisphere, are nevertheless extremely ominous. The illusion with which some people in the Northern Hemisphere reassure themselves—catching an Air New Zealand flight in a time of serious international crisis, or the like—is now much less tenable, even on the narrow issue of personal survival for those with the price of a ticket.

But what if nuclear wars can be contained, and much less than 5000 megatons is detonated? Perhaps the greatest surprise in our work was that even small nuclear wars can have devastating climatic effects. We considered a war in which a mere 100 megatons were exploded, less than one percent of the world arsenals, and only in low-yield airbursts over cities. This scenario, we found, would ignite thousands of fires, and the smoke from these fires alone would be enough to generate an epoch of cold and dark almost as severe as in the 5000-megaton case. The threshold for what Richard Turco has called The Nuclear Winter is very low.

Could we have overlooked some important effect? The carrying of dust and soot from the Northern to the Southern Hemisphere (as well as more local atmospheric circulation) will certainly thin the clouds out over the Northern Hemisphere. But, in many cases, this thinning would be insufficient to render the climatic consequences tolerable—and every time it got better in the Northern Hemisphere, it would get worse in the Southern.

Our results have been carefully scrutinized by more than 100 scientists in the United States, Europe and the Soviet Union. There are still arguments on points of detail. But the overall conclusion seems to be agreed upon: There are severe and previously unanticipated global consequences of nuclear war—subfreezing temperatures in a twilit radioactive gloom lasting for months or longer.

Scientists initially underestimated the effects of fallout, were amazed that nuclear explosions in space disabled distant satellites, had no idea that the fireballs from high-yield thermonuclear explosions could deplete the ozone layer and missed altogether the possible climatic effects of nuclear dust and smoke. What else have we overlooked?

Nuclear war is a problem that can be treated only theoretically. It is not amenable to experimentation. Conceivably, we have left something important out of our analysis, and the effects are more modest than we calculate. On the other hand, it is also possible—and, from previous experience, even likely—that there are further adverse effects that no one has yet been wise enough to recognize. With billions of lives at stake, where does conservatism lie—in assuming that the results will be better than we calculate, or worse?

Many biologists, considering the nuclear winter that these calculations describe, believe they carry somber implications for life on Earth. Many species of plants and animals would become extinct. Vast numbers of surviving humans would starve to death. The delicate ecological relations that bind together organisms on Earth in a fabric of

mutual dependency would be torn, perhaps irreparably. There is little question that our global civilization would be destroyed. The human population would be reduced to prehistoric levels, or less. Life for any survivors would be extremely hard. And there seems to be a real possibility of the extinction of the human species.

It is now almost 40 years since the invention of nuclear weapons. We have not yet experienced a global thermonuclear war—although on more than one occasion we have come tremulously close. I do not think our luck can hold forever. Men and machines are fallible, as recent events remind us. Fools and madmen do exist, and sometimes rise to power. Concentrating always on the near future, we have ignored the long-term consequences of our actions. We have placed our civilization and our species in jeopardy.

Fortunately, it is not yet too late. We can safeguard the planetary civilization and the human family if we so choose. There is no more important or more urgent issue.

SOMETHING YOU CAN DO

A few hundred megatons is more than adequate to destroy a few hundred cities, constituting a death blow to either the United States or the Soviet Union. In the 1950s, when there were only a few hundred deliverable strategic weapons in the world, each nation announced that this was enough to deter the other from initiating a nuclear war. A few hundred strategic weapons is also somewhere around the threshold for triggering a nuclear winter. So is it really prudent to have more than 13,000 megatons and more than 50,000 nuclear weapons on the planet?

Several serious proposals have been made to moderate or reverse the nuclear arms race—all bilateral, verifiable by treaty and not compromising the security of the United States or the Soviet Union:

Build-down. An agreement under which each nation would destroy some number (two or three, say) of its nuclear warheads for every new one that it deploys. It has been advocated by Sens. Sam Nunn (D., Ga.), William Cohen (R., Maine) and Charles Percy (R., Ill.) and has received encouragement from the White House. There is concern, however, that the new systems might be more devastating than the old ones they replace.

Deep cuts. An agreement under which each nation would turn in, to a bilateral or multilateral commission, equal numbers or equal yields of the plutonium "triggers" that ignite the H-bombs. The triggers would then be consumed in nuclear power plants. It is advocated by Adm. Noel Gayler (ret.), former director of the National Security Agency, and former ambassador George Kennan, author of the U.S. policy of "containment" of the Soviet Union, both of whom are associated with the American Committee on East-West Accord, 109 11th St., S.E., Washington, D.C. 20003.

Nuclear freeze. This proposal has the more modest aim of preventing, mutually and verifiably, at least any further growth in the strategic arsenals. It was overwhelmingly supported by voters in the 1982 elections and was originated by Randall Forsberg. She is at the Institute for Defense and Disarmament Studies, 2001 Beacon St., Brookline, Mass. 02146.

These three proposals are not mutually exclusive. The Soviet Union has several times, including in addresses by its late President Brezhnev, indicated its support for massive cutbacks in the global strategic arsenals. I believe that a major bilateral reduction in nuclear armaments might be carried out safely—particularly if the ingenuity and dedication that went into developing strategic weapons systems in the first place were devoted to finding a way out of the deadly trap we have set for ourselves.

You can start doing something about it by writing two letters, one to U.S. President Ronald Reagan and the other to Soviet President Yuri Andropov, both c/o Parade, P.O. Box 4281, Grand Central Station, New York, N.Y. 10163. Parade will see that your letters are delivered and will report on the results in a later issue.●

TRIBUTE TO LLOYD McBRIDE

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. WALGREN. Mr. Speaker, many people across the country were deeply saddened by the death of Lloyd McBride, the president of the United Steelworkers of America. As the representative of the Pittsburgh suburb were he lived, I was privileged to know Lloyd as a large figure in organized labor, as a citizen, and as a friend.

Lloyd McBride became the president of the 1.2 million-member union in 1977 at a difficult time for workers in the steel industry. Since the late 1960's, employment in the steel industry has declined as imports and a deep recession have cut production. The historic failure of the domestic industry to reinvest in modern facilities increased the difficulties for steelworkers by triggering complete shutdowns of facilities—leaving whole communities of steelworkers in real distress. To lead a union responsibly during these times was a testimony to Lloyd McBride's wisdom and character.

In truth, Lloyd McBride did not seek the job; the job sought and found him. After 40 years of service to the union, Lloyd had decided to retire in 1977. But the retirement of former president, I. W. Abel and the divisive political turmoil within the union which fed on bad times, led to the union leadership asking Lloyd to serve as their next president. He led the union through times of major unemployment and through the only serious retrenchment of benefits and wage give backs in its history. Having played a major role in securing present benefits in the first place, it was not easy to lead the union toward the realization that some gains should be given in the interest of the American steel industry.

But it is a measure of the respect for Lloyd McBride's judgment and fairness that union members supported even this in response to his leadership.

Perhaps because he was not pursuing his own ambition in serving as president of the steelworkers, Lloyd had an openness about him that could only have been based on a settled understanding of himself and an inner peace. That openness made him an effective communicator, and his understanding of himself made him a strong negotiator. And yet, my overriding memory of him is a very gentle person who looked forward to his retirement so he could be with his grandchildren.

It seems not presumptuous to say that many people are better people for having known Lloyd McBride—and that organized labor and our country are better off for his life.●

ALL-AMERICANS IN THE CLASSROOM AND ON THE FIELD

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. PURSELL. Mr. Speaker, with the annual football showdown between the University of Michigan and Ohio State University coming up this weekend, college football is stirring considerable interest in my district.

As the year ends and postseason bowl games approach, the same is true throughout the land.

As excitement mounts over the achievements of our football teams, it is important to remember the academic side of college athletics. At the University of Michigan, at Ohio State, and at schools across the Nation, there are many scholar-athletes whose intellectual achievements and athletic accomplishments are equally impressive.

I would like to share with my colleagues the following profile on two such student-athletes at the University of Michigan: Stefan Humphries and Tom Dixon. They are representative of many of the fine, young people on our college campuses today. Such excellence deserves special attention, as provided in this article from the Detroit News. As a postscript to the article, I would like to add that Stefan Humphries is being considered for a Rhodes scholarship.

Tom Dixon and Stefan Humphries are All-American in the fullest sense * * * in the classroom and on the field.

The article follows:

U-M'S UNSUNG LINEMEN: SMART ON, OFF FIELD

(By Lynn Henning)

HUMPHRIES—ALL-AMERICA GUARD EYES MEDICAL CAREER

The jock image may have a tough go of it as long as Stefan Humphries is hanging around.

He is working at IBM this summer and preparing to resume both a football career and an academic program at Michigan this fall that by any standards is remarkable, if not slightly ridiculous.

That grade-point average again: 3.77 on a standard 4.0 scale. And the major? No cardboard curriculum here. Humphries is enrolled in engineering science—a prelude to postgraduate studies in bioengineering,

which, if everything goes right, ultimately will get him into medical school and on track toward his great ambition, becoming a doctor.

The only thing that may get in the way of those grand plans, at least temporarily, is that Stefan Humphries is an All-American offensive guard at Michigan.

In other words, he probably will have the chance to play pro football, for a lot of money, in either the NFL or the USFL. The prospect of a tough choice doesn't seem to bother him, however. While on a midday break at IMB, he folds his massive arms across his tie and contemplates the decision he probably will have to confront next year.

"Right now, I'm really looking ahead to the moment I have to make that decision," he says, speaking softly yet completely, avoiding as always any ums or uhs. "If playing football were worth my while, I could try and play and go to medical school in the off-season."

Which, for him, might not be the toughest trick. With a class load that looks as though it were designed by some academic sadist at MIT, Humphries moves right along, facing his classes while he knocks daylights out of defensive linemen.

His coach, Bo Schembechler, mentions the number of A-pluses Humphries has pulled from a U-M faculty that does not issue such grades cheaply, and, indeed, the transcript bears it out: A-pluses in such heady classes as Organic Chemistry, Introduction to Solid Mechanics, General Inorganic Chemistry and a breezy little course known as Analytical Geometric Calculus III.

Needless to say, Humphries has dispensed with the Intro to Jump Rope offerings so many athletes have been known to bone up on in order to stay eligible for Saturday's game. In Humphries' special case, his aptitude and intellectual tastes always have differed. While growing up in Broward, Fla., and attending St. Thomas Aquinas High School, Humphries accumulated a four-year grade average of 99 on a 100-point scale. It was good enough to make him valedictorian.

Since he arrived at Michigan three years ago as a student-athlete so rare that Sports Illustrated and 60 Minutes each did features on him, Humphries never has received lower than a B-minus in any class. This fall, he will chomp onto a classroom menu of Electrical Computing, Transport Processes and either Electromagnetics or Electrical Biophysics.

Obviously, he has had no trouble learning the Wolverine playbook.

"I've always liked math," he says adding with a straight face: "I've had to struggle like everybody else."

Humphries' classroom exploits are a little easier to fathom when one considers his remarkable lineage. His father, Thornton, is principal of a middle school in Fort Lauderdale, Fla. His mother, Maud, is a high school English teacher. Stefan is an only son, the baby of a family in which his three sisters also knew how to crack a book. Thorna has a master's degree from MIT and is a computer programmer with Xerox; Shawn is a medical doctor, establishing her residency in Washington, D.C.; and Faye works for the Fort Lauderdale Health Department.

"I suppose (his family's influence) is one of the reasons I'm satisfied more with what I'm doing in the classroom," he explained. "I always had the attitude the classroom is first and football second."

His priorities aren't at all obvious on the field. Humphries is another third-year starter who, at 6-foot-4, 262 pounds, ranks right up there with Caterpillar Tractor in terms of knockdown power.

"His upper-body strength is the story, along with phenomenal quickness," explained Schembechler. "He has real good feet, and great pullspeed."

It also happens that Humphries, having crammed his day full of books and blocks, can usually find some proper moments to socialize and get way from the grind. He is, despite his reserve, one of the more engaging athletes on the team—a quiet mixer who likes people and parties and who can be quite comfortable amid any group.

It was the social atmosphere at Ann Arbor that finally led him to choose Michigan over Notre Dame three years ago.

"I couldn't lose at either place, academically or athletically," he explained. "What it came down to was that I really enjoyed Michigan more. I really liked the players, and I figured if I was going to be here four years, I better like the people. I just felt more comfortable."

Well, he has felt more comfortable for three seasons of the year, anyway.

DIXON—6-2 CENTER DISPROVES "TOO-SMALL" WARNING

At lunch, he scans the menu repeatedly before deciding on a cheese-lathered specialty called the All-American burger. Its name is purely coincidental.

Tom Dixon will run conditioning sprints in a few hours, and the All-American burger—nice and light, assures the waitress—should be enough to hold the 6-foot-2, 253 pound senior until workouts are over and he and some buddies can go gorge on dinner.

His arms, thick as sandbags, are also in for a hot and heavy afternoon. After the running, Dixon will be in for 50 minutes of the most concentrated exertion a college athlete could imagine. It will combine aerobics with constant stress on a Nautilus machine—a workout, Dixon explains, that U.M. weight and conditioning guru Mike Gittleson designed to give the same benefits as a 2½ hour session with weights.

"The object is to totally fatigue the muscle" said Dixon, adding that fatigue is easily • • •

All of that happens virtually year round at Ann Arbor. All of it—the running, the sweat, the incredible rigors—is taken on by college athletes such as Dixon who figure that it's not only worth the effort, but it can actually be some fun.

"You'll occasionally see a kid who's playing and going through all this, and then he just decides this isn't for him," said Dixon, who heads into his third year as Michigan's starting center. "It still comes down to the idea that if it's not fun, it's not worth it. For me, a love for the game has to be there. And it is."

Dixon's passion for the game can be appreciated in other ways, of course. He is a center, after all. That guy in the middle who pulverizes and gets pulverized for four quarters each day. He's responsible for making all the blocks and snapping the ball to the quarterback, with each assignment calling for precision that isn't always appreciated by fans who react much more to a completed forward pass.

Dixon, thus, isn't big-celebrity material at U.M. Rather, he is the offensive line's anchor man. Its leader, too, as the drift from teammates suggests. He also should establish himself as the Big Ten's premier center this season and add a few more All-America memberships to the one (Football News) he collected last year.

"With guards and centers we've had at Michigan, he's as good as any who have played here," said Bo Schembechler, Michigan's head coach. "He's very good, with exceptionally good feet, and when you're dealing in the middle of the line, you want a guy who can make a lot of adjustments and who has a great concept of what's going on. With him, you have it."

A typical situation finds Dixon bouncing back from the huddle with his blocking assignment and quarterback Steve Smith's snap count in mind. Dixon settles over the ball weight on the balls of his feet, right hand on the leather, left arm resting across his left leg. He stares ahead at the middle guard. The mental balancing act now takes place. He must make the snap crisply, then try and beat the middle guard to the line before being knocked into the backfield.

He almost alway pulls it off.

"It was tough at first," said Dixon, who switched from guard to center following his freshman year. It's such an awkward position. You're not as protected, either and yet you have a responsibility to get the ball up before you do anything else."

When he was a senior four years ago at Bishop Dwenger High in Fort Wayne, Ind., Dixon was informed by schools such as Purdue, Ohio State and Notre Dame that, at 6-2, he was too short to be of great value to a big-time football power.

"I understood that," he says, a bit surprisingly "I actually appreciated it when those schools would come right out and say it rather than waste my time or theirs.

"The problem was that I was 6-2, 220, and so where do you put him? Is he quick enough for a linebacker? Is he big enough for middle guard or for the interior line?

U-M assistant Paul Schudel recruited him as a middle guard, and after deciding the Wolverines were more attractive than Michigan State (in a coaching transition, Muddy Waters just had succeeded Darryl Rogers), he signed with Michigan.

Four years later, Dixon is pulling off yet another balancing act—keeping his grades presentable as he prepares to burrow into another football season. He is managing a 3.4 grade-point average in his prelaw program and this summer is taking two courses.

The summer classes allow him to take a little lighter load this fall, his final year of football at Michigan. It's a season he wants to be remembered for, a season during which he wouldn't mind leaving some kind of standard for excellence on that field in Ann Arbor. If it so happens that it comes at an anonymous position, at a spot where your labors seldom are appreciated, so be it.●

FARM WOMEN'S MONTH

HON. SID MORRISON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MORRISON of Washington. Mr. Speaker, the close of the fall harvest season is a natural time to reflect upon our largest industry, agriculture. Though there are many ups and downs, triumphs and failures, one thing remains constant, the vital contributions of farm women. This Nation

is eternally indebted to those farm women who have endured the hardships of isolation, financial uncertainty, drought, cold, and often back-breaking work, to bring this country into agricultural and thus financial well-being. Not only do farm and ranch women assist in the agriculture business, a greater number of women are operating their own farms and ranches with success.

Not only do these women have the role of wife and mother in today's advanced agricultural world, they also have the role of equipment operator, budget director, sales promoter, computer specialist, legal expert, and government relations. With all the great strides farm and ranch women have made for agriculture in our Nation, it is entirely fitting that we honor these women for their contribution.

I am glad that John Block, the Secretary of Agriculture, proclaimed the month of November 1983 as "National Farm Women's Month" for all farm and ranch women in our Nation.●

HOW QUICKLY WE FORGET

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BILIRAKIS. Mr. Speaker, how quickly we forget. Two months ago, the Soviet Union deliberately and brutally destroyed an unarmed civilian airliner and murdered its 269 passengers, and the world was in an uproar.

A few days later, a member of the U.S. delegation to the United Nations tells other delegates that if they do not like meeting here in the United States, we would gladly help them to leave. When his remarks are made public, the American people cheer, but U.N. delegates call the remarks "shocking," "regrettable," and "a tactical error."

That same news story implied that many U.N. delegates were prepared to "forgive and forget."

What is to forgive and forget? Ambassador Charles Lichenstein's remarks? Or the Soviet Union's unequalled display of brutality?

The U.N.'s Universal Declaration of Human Rights says that:

> Everyone has the right to life, liberty and the security of person.

Were the passengers of Korean Air Lines flight 007 granted that right? I say "no."

Perhaps the rest of the world can forget, but we cannot—and must not—forget what the Soviets did. Even more, we can never forgive them.●

A SOVIET GAME CALLED CHICKEN OF THE SEA

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BROOMFIELD. Mr. Speaker, let me talk briefly about yet another Soviet violation of the rules—the harassment of U.S. naval vessels on the high seas. This practice is both dangerous and illegal. It creates the possibility of a serious confrontation which both the United States and the Soviet Union would regret. This Soviet game of intimidation must stop before it gets out of hand.

Yesterday, a Soviet warship collided with an American destroyer in the Arabian Sea. According to U.S. Navy reports on the incident, a Soviet guided missile frigate was harassing a U.S. aircraft carrier battlegroup in the Arabian Sea when it collided with the 7th Fleet destroyer *Fife*. Initial reports indicate that the Soviet vessel attempted to approach too close to the carrier, U.S.S. *Ranger*. In order to protect the larger ship, the destroyer attempted to head off the Soviet ship. Although the two vessels grazed hulls, damage appears to be minor to both vessels. Earlier in the day, the same Soviet vessel approached within 100 yards of the guided missile destroyer, the U.S.S *Benjamin Stoddert*, but moved away.

In referring to this incident, a Navy official said,

> It's another example of what we characterize as polite harassment—which could become very dangerous. It seems like it's becoming part of their standard operating procedure.

The U.S. Navy has launched an investigation and our Government plans to file a formal protest with the Russian Navy.

Just last month, the Soviets used similar tactics. In the aftermath of the tragic downing of the Korean airliner, Soviet naval vessels harassed both Japanese and American recovery vessels. These ships were clearly in international water and were attempting to locate pieces of wreckage from the airliner. Civilized nations cooperate in international rescue attempts, not hinder them.

This game of chicken of the sea is nothing new to the Soviets. Hundreds of incidents of this nature have occurred in the past. Some ships have suffered serious damage. Lives could have been lost on many occasions. Up to this point, cool heads have prevailed on both sides. Under certain circumstances, however, a ship's captain might believe that hostile activities are being planned, and decide to take appropriate action. Those who play with fire often get burned.

In response to past Soviet aggressiveness on the high seas, the United States and the Soviet Union signed the Incident at Sea Agreement in 1972. This accord provides a forum for lodging complaints and explaining operational difficulties. Although the number of near collisions dropped off, it is now feared that the progress made after the agreement was signed has been eroded.

I am amazed that the Soviet Union, a country which prides itself in being a peace-loving nation determined to have coexistence with the United States, would pursue such dangerous practices. I feel certain that should this harassment continue, a serious incident will occur which both nations will regret.

I am confident that all of my friends in this chamber will join me in suggesting that our Government raise this issue with the Soviets. We should suggest that they immediately cease this illegal and highly dangerous practice of harassing U.S. naval vessels.●

TWENTY-SECOND SESSION OF THE CONFERENCE OF THE FOOD AND AGRICULTURAL ORGANIZATION

HON. GUY V. MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MOLINARI. Mr. Speaker, the Food and Agricultural Organization (FAO) of the United Nations is currently conducting it's 22d biennial Conference in Rome, Italy—November 5–24). I was honored to serve as a congressional advisor to the U.S. delegation to the Conference. Although the full impact of the Conference will not be seen until the Conference concludes on November 25, I am confident that the spirit of cooperation and dedication exhibited by those attending will produce effective measures to combat the problem of world hunger.

John Block, Secretary of Agriculture, served as Chairman of the Conference. This is the first time the United States has served in this capacity since 1948 and is a tribute both to our country and to Secretary Block. He was most impressive in this leadership role and received praise and respect not only from me, but from other representatives of many nations. Secretary Block's staff was most competent and thorough and worked long hours to insure that the interests of our country were protected.

Four new members were elected to the FAO, bringing total membership to 156 member nations. Considering the makeup of members, I was encouraged to see that there was, at least on the surface, less politics involved than might be normally expected. Perhaps

this was due to the nature of the organization itself and it's mission to help alleviate the suffering of malnutrition and hunger which over 500 million people around the world are experiencing. Edouard Saouma, Director General the FAO, provided strong leadership which enabled the Conference to avoid such confrontations.

I was moved to hear Mr. P. Grupper, Minister of Agriculture of Israel, end his statement by saying:

> Now, with the first steps toward peace in the region international co-operation becomes all the more important. I am positively convinced that Israel can and will co-operate with Egypt and later on with all other countries in the region, in all spheres of agricultural development. . . . May the entire region, within a relatively short period, undergo an open change, not only through technology, but mainly by the ambitious vision of the human spirit.

I could not help but think that maybe food production could be one of the motivating factors to ultimately bring peace to the troubled Mideast region.

One of the major issues, possibly the most urgent, addressed at the Conference was the current crisis in Africa, particularly the Sub-Sahara regions. In a statement presented at the Conference, Adebayo Adedeji, U.N. Under-Secretary General and Executive Secretary of the Economic Commission for Africa, estimated that today 100 million Africans may be severely hungry and malnourished. One out of three African children dies of hunger and malnutrition-related diseases before reaching school age.

The problems of Africa are deep-seated and are not new. However, the area has been experiencing a drought which threatens 22 nations. Civil strife worsens the situation and often impedes the transport of food aid within a country. Many areas must cope with an acute infectious disease of cattle and other farm animals known as rinderpest. Finally, desertification, or the spread of the desert, threatens the livelihood of approximately 50 million people as wasteland creeps over available land for planting and grazing. In fact, overgrazing is one of the causes of desertification.

Secretary Block, in commenting on the U.S. food aid to Africa, announced a significant increase in American aid to the Sub-Sahara region. He stated, "I am pleased to announce that my government will provide an additional $25 million, bringing the total for this year to $50 million in direct emergency aid to help overcome the African crisis." This will bring a total of $550 million in aid to the African Continent this year.

Throughout the various meetings of the FAO Conference, the concept of self-help was stressed repeatedly. Indeed, many lesser developed countries have been successful in improving their agricultural production and take much pride in their achievements. To this end, the FAO, with the full support of the United States, is placing more emphasis on the importance of technical assistance and resolving the agricultural problems within countries. As Secretary Block emphasized in his remarks before the Society for International Development, developed countries must maintain their dedication to food aid; however, the key to agricultural advances does not lie in food aid but rather "in helping those nations grow, store and distribute food more effectively so they can meet domestic food demand and also earn income through exports."

A general theme throughout the Conference was that developing countries should demonstrate that, under their own particular circumstances, they are doing all that is possible to help themselves. A hope was expressed that there could be an expansion of credit so that nations could develop their own farming programs or expand those already in existence. Warring nations in particular have a unique problem in that they are forced to divert funds from agricultural programs to more military purposes.

Several food aid programs do have development components. For example, in the World Food Program—a division of the FAO—distribution of food aid is usually accomplished as a result of participation of men and women in projects aimed at improving their conditions and promoting eventual self-sufficiency in agriculture, education, and construction. Field officers and evaluation plans are set up to insure that aid is going to the intended recipients.

The U.S. Department of Agriculture works with U.S. AID, FAO, and other agencies to send over 800 technicians a year to countries to carry out assistance programs. In 1983, 271 U.S. scientists were involved in scientific exchanges aimed at resolving world agricultural problems. In addition, the Department has arranged training for over 70,000 foreign agriculturists at the rate of over 2,000 a year.

As an impetus to agricultural development, there has been an increased effort to promote the use of fertilizers. In the mid-1970's, a Commission on Fertilizers was established when serious worldwide fertilizer shortages occurred. The United States is a supplier of fertilizers to lesser developed countries and, although there is pressure to fund fertilizer aid through FAO operations, prefers to distribute fertilizer aid on a bilateral basis. Beside encouraging fertilizer production within a country, the use of fertilizer must also be encouraged. In the past, many would not use fertilizer unless they could double their investment in the fertilizer in terms of yield. In fact, when fertilizer was used, some had a return in his crop yield of 20 times over what he had paid for fertilizer. Clearly, this is one of the major requirements of developing countries and a concern of those present at the conference.

In a speech to the participants of the FAO Conference, Pope John Paul II spoke upon the issue of food security when he outlined its three objectives: One, to guarantee sufficient production; two, to stabilize as far as possible the flow of resources, especially for meeting emergencies; and three, to make all the resources necessary for continuous and organic development available to all those needing them. The Pope's concern stems from his belief that, "The right to have enough to eat is certainly an inalienable human right, and it imposes the obligation to insure that everyone really does have enough food."

Food security was also discussed at conference meetings. In an attempt to insure food security, several nations called for an international food bank. Although this may not be feasible, each nation should seek to provide their own system of reserves. The United States itself holds a food security wheat reserve of 4 million metric tons specifically aimed at backing up commitments made concerning food aid. Grain reserves are only one element of insuring world food security, and as mentioned above, increased food production in individual countries remains most important. It is the U.S. position that the General Agreement on Tariffs and Trade is the proper forum for a discussion concerning the problems of world agricultural trade.

This year, it has been suggested that an international gene bank—seed—be established by the FAO. This would enable lesser developed countries to have access to improved crop genetic materials as they may be developed. Although the United States supports this concept, there are certain patents and laws which would prohibit our Nation from being involved to the extent that some nations demand. In addition, this may duplicate work in this area which is being done by the United States, and other public institutions and private enterprises.

Finally, one function of every biennial Conference is to establish a program of work and budget. This year, the proposed working budget for the biennium is $451,627,000, a 0.5 percent net real program growth. According to terms of a previous agreement, the United States will again contribute 25 percent, further evidence to our commitment to the goals of the FAO.

Under our food for peace program—Public Law 480—over $40 billion of food aid has been provided since 1954. Aid through this program totalled $1.5 billion and will provide approximately 6.5 to 7 million tons in food aid in

fiscal year 1983. Tentative fiscal year 1984 food assistance under title I/III of Public Law 480 totals $738.5 million, as released by the U.S. Department of Agriculture in October of this year.

In addition, the United States made a pledge last year to provide $250 million to the world food program and also donates approximately 9 million tons of grain a year to the program.

In various speeches presented by delegates of several nations, there was some criticism of developed countries which are cutting down on their food production. When questioned later, Secretary Block gave a thorough explanation of reasons for this, such as our PIK program, whereby it is necessary to cut back to insure the survival of our farmers. Although we do have much undeveloped land, our farmers have had several difficult years and these programs are necessary for their future. Although production has been reduced, the United States will be able to meet all commitments for food aid which it has entered into.

The problem of the U.S. farmer has become so serious that the U.S. Government just ordered a halt on all farm mortgage foreclosures. The reason is obvious. In order to prevent a collapse of large segments of the agricultural industry, particularly small farmers, we must look for means to insure their survival. This not only will benefit the U.S. consumer, but at the same will provide long-term guarantees so that the farming industry will be able to continue to increase its productivity in the coming year and will be able to continue to assist, to whatever extent is reasonable and possible, in providing food to those throughout the world that so desperately need food supplies.

We can be proud of our representatives at the FAO Conference. As mentioned previously stated, Secretary Block was outstanding in his role as Chairman. Special mention must be made of our U.S. Representative to the FAO, the Honorable Millicent H. Fenwick. She has brought a new energy and interest to the FAO and is respected by her colleagues in the organization. We can rest assured that, after the delegates go home, Mrs. Fenwick will continue in her mission serving the poor and hungry.

My experience at the FAO Conference was informative and enlightening. Although there is no quick or easy solution to the problem of world hunger, it is encouraging to know that efforts are being made to eliminate the human suffering caused by the lack of food. I eagerly look forward to the conclusions and results of the 22d session of the Conference of the Food and Agricultural Organization later this month.●

1984: CIVIL LIBERTIES AND THE NATIONAL SECURITY STATE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mrs. SCHROEDER. Mr. Speaker, I would like to salute BOB KASTENMEIER on his 25th year in Congress. As chairman of the House Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice, he has presided over some of the most important civil liberties issues of our day. Earlier this month the subcommittee held excellent hearings on "1984: Civil Liberties and the National Security State."

Below is Chairman KASTENMEIER's opening statement:

"1984: CIVIL LIBERTIES AND THE NATIONAL SECURITY STATE"

This morning we begin the first two days of a series of hearings on "1984: Civil Liberties and the National Security State." Since George Orwell penned his famous novel of life under Big Brother, the year 1984 has had an ominous sound, threatening to ring in an era in which civil liberties would be crushed under the heel of the state. The very fact that we hold these hearings today is solid evidence that such a world has not yet arrived. But Orwell's "1984" was not intended to be a promise or even a prediction; it was a warning. The coming of the year 1984 thus offers a unique opportunity to examine the state of our civil liberties, as well as what the future may hold, in light of Orwell's fears and our own.

Among the most important themes developed by Orwell is the justification used by the State (Oceania) for the development of both secret surveillance over the activities of its citizens and control over information through the Ministry of Truth. In "1984" the rationale for repression was the existence of total war; in our era it may well be the creation, "in the last quarter century, of a new culture, a national security culture, protected from the influences of American life by the shield of secrecy." [1]

The evolution of national security as a predominant concern of the Federal Government appears to have been influenced by both increased international tensions and shifts in ideology. In the years that immediately followed the Second World War, concerns over national security produced statutes that reduced the flow of information (e.g. the Atomic Energy Act, the Patent Secrecy Act and the McCarran Act). These laws were enacted at a time of heightened sense of conflict in foreign affairs, and coincided with the rise of McCarthyism.

As the Nation passed through the Cold War phase, the country's laws and information practices gradually changed in the other direction. The Congress enacted measures aimed at protecting privacy (the Privacy Act, the Bank Records Secrecy Act, the Foreign Intelligence Surveillance Act, Title III of the Omnibus Crime Control Act (wiretapping)), as well as statutory safeguards on the free flow of information (e.g. the Freedom of Information Act, the Administrative Procedures Act, Sunshine laws).

In the recent past, however, the pendulum has begun again to swing back towards restrictions on civil liberties. As the witnesses will develop more fully in their testimony, in the past five years we have seen:

(1) an Executive Order to increase the ease of classifying documents;

(2) an Executive Order requiring government employees with access to sensitive information to undergo lie detector tests and sign agreements for prepublication review;

(3) renewed use of the McCarran Act to prevent "undesirable" political views from being heard by denying visas to certain foreign visitors;

(4) proposed restrictions on the Freedom of Information Act both legislatively and through litigation by the Justice Department;

(5) restrictions on the exchange of scientific communication through the application of export control statutes;

(6) Executive Orders that expand law enforcement authority to conduct political surveillance;

(7) attempted restrictions of access to nonclassified information (e.g. proposed DOE regulations, coercion of authors and writers not to publish, and threats to speakers at scientific conferences).

Most observers have previously viewed these developments in isolation. Whether these actions are the conscious result of a detailed strategy or the product of a consistent ideology is not central. Rather it is the net result that is most troubling.

As Jeremy Bentham said over a hundred years ago, "Secrecy, being an instrument of conspiracy, ought never to be the system of a regular government." For just as Orwell's grand inquisitor said "Power is not a means, it is an end"; similarly secrecy becomes an end. Any government tied to secrecy "will produce subtle changes in those who exercise it, in how they see themselves, and their willingness to manipulate and coerce in order to uphold the secrecy and thus shield themselves." [2]

Perhaps a final lesson from "1984" is that restriction on access to information risks weakening, not strengthening, any nation that adopts such a course because it rests on illusions. First, it is not possible—in light of current technology—to shut down the flow of trade, travel, exchange of scientific information, and press coverage enough to achieve the desired level of security. The second illusion is "that secrecy and controls are neutral, that they carry no risks of their own, no dangers of damaging creativity, innovation and research, no barriers to commerce, no dangers to judgment and to character, and no risks of encouraging negligence and corruption." [3] The final illusion is that a nation nurtured on the full and relatively free flow of information will tolerate such restrictions in the long term.

For the gravest danger of secrecy is that it undermines—indeed, is incompatible with—democracy. Information, full and free-flowing, is essential to government by the people. The best protection for our system of government, and therefore the best protection for our national security, lies in safeguarding individual liberties. For ultimately, it is those liberties that distinguish us from our enemies.●

[1] "The Senator Gravel Edition: The Pentagon Papers" at Vol. 1; xi (1971).

[2] "Secrets," supra, at 177.

[3] Ibid, at 285.

AGREEMENT ON TRADE LEGISLATION IS NEEDED NOW

HON. JAMES J. FLORIO
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. FLORIO. Mr. Speaker, my subcommittee has spent a great deal of time this year considering problems of international trade. We have held a total of 7 days of hearings on trade issues, during which we have heard extensive testimony on legislation to counteract unfair trade practices that make it hard for American industries to compete in foreign countries.

The so-called reciprocity bills which have been introduced in both the House and Senate have been supported by a broad-based coalition of business and industry groups as the best policy response to the unfair trade practices which have been identified. Although there is some disagreement over whether these bills are strong enough, there is solid, bipartisan support for the fundamental approach taken.

I am willing to work with the Committee on Ways and Means and the Committee on Foreign Affairs to develop compromise legislation that we can all support as I have done to this point. I believe we can reach agreement on a compromise bill for the full House to consider in the near future. I believe there is a long overdue need for the United States to take a firm stand in support of American business and industry in foreign markets.

I am concerned, however, that many of our citizens do not appreciate or fully understand the significance of the problems which American firms face abroad. While there is a general perception that many U.S. jobs are being lost as a result of greater foreign penetration of our own domestic market, there is less awareness of the relationship between jobs in the United States and access to foreign markets for American business and industry.

The fact is that over the last 15 years, the U.S. economy has become a truly international economy. From 1970 to 1982, the percentage of our GNP which is attributable to exports has grown from 6.6 to 11.3 percent. Almost 80 percent of all new jobs created in the United States over the last 3 years were export-related.

Unfortunately, however, the total volume of world trade is not growing as fast as it once did. Between 1952 and 1973, world trade grew at an annual rate of 7.1 percent. During the 1970's, this rate of growth slowed substantially, and since 1979, the growth rate has actually fallen each year. As a result, many nations have adopted a variety of trade restrictions designed to keep more competitive, more efficient U.S. industries out of their markets.

Many of these market restrictions are seriously hurting the performance of America's growth industries. For example, the U.S. pharmaceutical and insurance industries are more efficient, more competitive than perhaps any of their foreign counterparts. In addition, the pharmaceutical industry also happens to be the second largest industry in my State of New Jersey, employing more than 33,000 people there.

By any free trade standard, these U.S. industries ought to claim 20 to 30 percent of most foreign markets. Rarely, however, is the United States permitted to achieve this level of market penetration.

Mr. Speaker, earlier this year I visited Athens, Greece, to participate in meetings between members of the U.S. House of Representatives and delegates of the European Parliament concerning problems of international trade. While I was there, I had an opportunity to meet with representatives of American firms as well as officials of the Greek Government regarding the problems of American pharmaceutical and insurance companies operating in Greece.

Many of the problems I observed in Greece were also the subject of extensive testimony at the hearings my subcommittee has held. These problems include severe imbalances in the value of U.S. currency relative to foreign currency, inequitable tax burdens, unreasonable market access restrictions, and discriminatory treatment of U.S. industries.

Mr. Speaker, virtually every business representative I have heard from has said that these problems are getting worse, not better. Increasingly, American business is losing its position in foreign markets because of unfair restrictions and Government assistance to foreign industry.

For example, in the last 3 years the once thriving pharmaceutical market in Greece has become effectively closed to American firms. The combined impact of a 110-percent devaluation of the Greek currency since 1980 and the inability of American pharmaceutical firms to receive prompt and adequate increases in the government-controlled price of their products has made it impossible for these companies to remain financially viable. Estimates from the Pharmaceutical Manufacturers Association are that price increases of 80 percent would be required just to account for the effects of the currency devaluations that occurred through last fall. Additional devaluations are expected in the near future.

When I was in Greece I met with representatives of all 20 U.S. pharmaceutical manufacturers which were then doing business in Greece. Since then, three American drug firms have announced their plans to withdraw from the Greek market due to the impossible financial constraints under which they are being forced to operate.

The following excerpt from a letter written by the Pharmaceutical Manufacturers Association's Washington office describes the situation in Greece since my visit:

> Since the Congressman's visit to Athens in January, the financial situation of local subsidiaries of U.S. pharmaceutical firms has continued to deteriorate. The Government has taken initial steps to implement the recently enacted drug law providing for pervasive state involvement in the industry. Despite frequent promises the government has not authorized long-overdue price increases necessary to compensate for inflation and devaluation of the Drachma.
>
> On May 23 Prime Minister Papandreou summoned representatives from local multinational pharmaceutical company subsidiaries to see him on short notice. This apparently was his response to considerable local publicity given to the announcement by Merck Sharp & Dohme that it was closing its facility in Greece. Representatives of two U.S. firms and one Swiss firm saw the Prime Minister, who offered no encouragement that adequate price increases would be granted.
>
> In addition to Merck Sharp & Dohme, two other American drug firms have decided to close operations in Greece. Smith Kline Beckman announced its decision publicly. The third company, which to my knowledge has not made a public announcement yet, has manufacturing operations in the country and thus employs three to four times as many personnel as the other two companies I have cited.

Mr. Speaker, it is important to note that the decision of these companies to withdraw from the Greek market is nothing less than "an act of last resort" and comes only following the Greek Government's failure to act on their 3-year-old requests for price increases.

While in Athens, I met with several Greek officials concerning the need for drug price increases. I expressed my concern that some American companies had reached the point where they would have to withdraw products from the market in the near future if they did not receive price relief.

I pointed out to the Minister of Commerce that he had failed to take action on certain applications for price increases which had already been approved by his own pricing committee. I also spoke with the Minister of Health and Welfare who assured me that the recosting of drug prices would begin no later than mid-February and be completed by mid-March. Finally, I spoke with the President of the State Laboratory for Drug Control who assured me that all U.S. companies would be able to make a fair profit following the recosting operation. Furthermore, he promised me that the cost of at least 80 percent of all prod-

ucts would be adjusted by the end of March and the remaining 20 percent by the end of April.

Despite these assurances and promises, no price increase was granted until a few weeks ago. For some U.S. drug companies this increase was more than offset, however, by a large, new sales tax.

As a result, three American companies have been forced to take the highly unusual step of withdrawal from that market. The impact of this act will be felt not only by Greek consumers who may be denied quality American drug products, but also by Americans who produce the ingredients for these drugs for export.

Mr. Speaker, I also spoke with the Commerce Minister regarding actions the Government of Greece has taken to discourage U.S. insurance operations in that country. The state-owned bank of Greece has recently adopted the practice of steering insurance business of its commercial and individual customers to the Greek insurance companies affiliated with and controlled by state banks. Clearly, it is more than a suggestion when the state bank encourages a client for whom a loan application is being considered to insure with an affiliated insurance company.

Mr. Speaker, these are but two examples of the kinds of serious problems that confront U.S. industries trying to do business abroad. In these cases, as in the case of such other U.S. industries as agriculture, aluminum, petrochemicals, data processing, medical and dental equipment, and computers, the United States has achieved efficiencies and a level of competitiveness exceeded by none.

In fact, the Prime Minister of Greece cited the superior competitiveness of many U.S. industries as the principal reason for his government's restrictive trade practices about which I was complaining. His statements revealed very clearly to me the "double standard" which applies to trade relations between Greece, as well as many other countries, and the United States. On the one hand, he argued that the United States should open our markets more to Greek goods, and, on the other hand, he argued that restrictions on access to the Greek market were justified for many U.S. industries which he considered to be too competitive.

It is this double standard which I believe is at the heart of our trade problems. We must take steps now to make our trading partners realize that this double standard is no longer an acceptable element of trade relations with the United States.

For almost 50 years now, the United States has sought to establish fairer and more equitable trade relationships with other countries through the negotiation of agreements, providing for a mutual and equal, reduction in trade barriers. Because the United States has always had more open markets than most other nations, we have paid very dearly over the years for the concessions we have won from our trading partners. We simply can no longer afford to pay this price.

As a result, I support reciprocity legislation that would make it easier for the United States to impose restrictions on foreign imports to counter unfair trade practices of other nations. I believe the United States must be more aggressive and willing to take unilateral action in order to force our trading partners to open their markets to U.S. goods and services.

Again, Mr. Speaker, I am hopeful that the efforts of my committee, the Committee on Ways and Means and the Committee on Foreign Affairs will soon result in a compromise trade reciprocity bill on which the House can act. I hope my colleagues will give our efforts their favorable consideration.●

WHEN THE PRESIDENT RESTRICTS FREEDOM OF THE PRESS

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MARKEY. Mr. Speaker, Anthony Lewis, the eminent New York Times columnist, has recently received the Elijah Parish Lovejoy Award for courage and distinction in journalism.

I would like to congratulate Mr. Lewis on this award, which is richly deserved. Mr. Lewis has established a record of forthrightness and intelligence in his work that places him among the most distinguished of this Nation's journalists.

Mr. Speaker, the American people have an absolute right to know what their Government does. This implies an unfettered freedom of the press; without freedom of the press, there can be no democracy. In his acceptance speech, Anthony Lewis eloquently and cogently addressed this issue. I commend Mr. Lewis' speech to my colleagues, and ask that excerpts from it be printed at this point in the RECORD.

[From the Boston Globe, Nov. 18, 1983]

WHEN THE PRESIDENT RESTRICTS FREEDOM OF THE PRESS

(By Anthony Lewis)

WATERVILLE, MAINE.—A serious threat to freedom, one that should concern us urgently as journalists and citizens, is the secrecy campaign being carried on by President Reagan and his Administration. I use the word "campaign" deliberately. We are all aware that in the last three years the federal government has taken steps to increase secrecy. But I am convinced that they are more than isolated steps. They reflect a methodical, consistent and relentless effort to close off the sources of public knowledge on basic questions of national policy: to upset the Madisonian premise that American citizens must be able to examine public characters and measures.

We have a dramatic example at hand: the exclusion of the press from the invasion of Grenada. I make no point here of some special privilege for reporters; I do not believe in that. The point, rather, is one that has been made by Justice Powell: that in the modern world the public necessarily relies on the press to find out what is going on. To keep reporters away from Grenada was to keep the public ignorant, and that was exactly the idea. Moreover, it worked.

This is not the place to argue the merits of the invasion, the need for it. But the Reagan Administration was able for a week to control most of the facts bearing on those questions, to assure that during that crucial period the public heard only its version of events—and formed a lasting judgment on that basis. And so we heard that US forces were bombing and shelling with surgical precision and thus had avoided causing civilian casualties—only to learn at the end of a week that a mental hospital had been bombed.

A SOVIET ROLE ALLEGED

We were told by the admiral in charge, Wesley McDonald, that there were at least 1100 Cubans on Grenada, all "well-trained professional soldiers"; at the end of the week the State Department agreed with the Cuban government's estimate that fewer than 800 of its nationals were on Grenada—and said only about 100 were "combatants." President Reagan said that the Soviet Union had "assisted and encouraged the violence" in Grenada, the bloody coup, but there is simply no evidence of such a Soviet role.

I take those few examples from many in an important story by Stuart Taylor, Jr. in the New York Times of Sunday, Nov. 6. It filled a full page inside the paper—I wondered myself why it was not on Page 1—with careful, meticulous reporting of the inaccurate and unproven statements made by Administration officials during the Grenada operation, and of the facts concealed. But will public awareness ever catch up with the truth? I doubt it.

Anyone in the press who thought the public loved all of us and our business—and you would have to have been pretty silly to think that—must have been disabused in the Grenada affair. John Chancellor said his mail was running 10-to-1 against the protests that he voiced against the exclusion of reporters, and I think that was not untypical.

Standing up for the proposition that the press has a right—no, a duty—to examine the officially stated premises of a war is not going to be easy.

Secrecy in government more generally has been an objective of the Administration from the day it took office. The President, by executive order, has broadened the system for classifying documents; under the new rules and attitudes thousands of documents of the 1950s are being withheld from historians. The energy Department is proposing to punish the disclosure of all kinds of unclassified information related to nuclear energy—some of it, such as plans to dispose of nuclear waste, information that has been and should be subject to public debate.

BUREAUCRACY AT WORK

The Administration has greatly weakened the Freedom of Information Act by bureaucratic devices in administering it. By execu-

tive decisions it has kept Americans from traveling to Cuba and protected us from the dangerous opinions of such would be visitors as Rev. Ian Paisley of Northern Ireland and Salvador Allende's widow.

But the most important single action by President Reagan to insulate the government from informed criticism was his order last March imposing on more than 100,000 top officials in government a lifetime censorship system that would make them, even after leaving government service, submit for clearance substantially everything they want to write or say on national security issues: books, articles for newspaper Op Ed pages, even fiction. Before a future Cyrus Vance or Henry Kissinger could write about a disaster in Lebanon or an invasion of Grenada, he would have to submit his manuscript to censorship—very possibly by officials of a politically different administration.

The planners of the Reagan censorship will be entirely content if former officials are effectively unable to write for the New York Times or the Boston Globe, if manuscripts are tied up for years in a censorship labyrinth, if independent-minded men and women are discouraged from going into public service. They want to reduce public discussion of national security issues, and they are focused on that aim with fanatical purpose. They want the power to decide those issues themselves, in secret.

Notice something about the secrecy measures I have mentioned: Everyone of them was taken without asking Congress for legislation. Where is the legal authority for the President of the United States to impose a lifetime censorship system on officials apart from congressional statutes? In my opinion there is none. Why didn't this President ask Congress for such a system if it was urgently needed? The answer is evident: He knew he could not demonstrate the need, and he knew Congress would say no to the idea.

MANY OTHER INSTANCES

And the same evasion of Congress is there in so many other instances: the covert war on Nicaragua, the use of bureaucratic devices to cripple the Freedom of Information Act, the refusal to invoke the War Powers Act in Lebanon or Grenada. That consistent practice—the attempt to exercise power by Executive action—shows that more is at stake here than freedom of the press. The integrity of our constitutional system is at stake.

What can we do about the campaign for secrecy in government? There is a tendency in liberal America, and I am not immune from it, to look to the courts to save us from dangers to liberty. But in this situation it would be folly to rely on judges. The reason is simple. The Reagan Administration's secrecy measures are cloaked in claimed needs of national security, and judges are extremely reluctant to take a hard look at such claims.

The Supreme Court, for example, told by the Executive that Philip Agee, a CIA renegade, was threatening the country by his speech-making abroad, upheld the revocation of his passport in an opinion saying that Agee was not engaged in "speech." When there is talk of "national security," we cannot expect the Supreme Court to do much for the First Amendment—and even less if there is a second Reagan Administration and Justices William Clark and William French Smith join the bench.

Some lawsuits are unavoidable. But the press should certainly not rush into them with any great confidence in this area—not, for example, try to bring a test case challenging the exclusion of reporters from Grenada: an idea that I have heard is under discussion and that I think would fail disastrously.

What else, then? I think there is no alternative to fighting the threat of repression in the arena of Congress and public opinion. And despite the public's skepticism about the press these days, I believe there is hope in such a battle. The Senate, a Republican Senate, has recently adopted an amendment barring implementation of the lifetime censorship order until next April 15, while Congress studies it. There is a concern, a sensitivity that can be reached—if. The if, in my judgment is a convincing demonstration that what is involved in not just a fight between the press and the rest of the country, a fight between Us and Them, but is a struggle to preserve the rights of all citizens in a democracy.

FREEDOM IS INDIVISIBLE

The press has not always been effective or even adequately concerned about issues of democracy when its own ox is not being gored. You may see bigger headlines when a newspaper loses a case in the Supreme Court than when the President issues a sweeping order designed to impose on government a system of prior restraint just like the English press licensing system that the framers of our Constitution thought they were excluding forever from this country. But I think editors and reporters mostly now do understand that freedom is indivisible, that the press weakens its own safety if it cares only about itself or separates itself from the public interest in free and informed debate.

We are here because, nearly 150 years ago, an American newspaper editor defied a mob. Elijah Parish Lovejoy would not give up his opposition to slavery—or his right to express that belief. He paid with his life. I am honored and touched that Colby College has chosen me to help celebrate the Lovejoy tradition.

What is that tradition? The committee concerned here at Colby speaks of "the Lovejoy heritage of fearlessness and freedom." But those words convey a different meaning, a different urgency to every generation.

There are no mobs hunting abolitionist editors today; the American press is far more established than when Elijah Lovejoy moved his printing press from Missouri to Illinois in search of freedom to publish; judges have built the First Amendment into a house of many rooms. But there are new dangers to freedom, subtler but no less threatening than a lynch mob. But then it was not easy for Elijah Lovejoy to stand up to the mob in Alton, Ill.●

HARRISON TOWNSHIP LEGIONNAIRES: PATRIOTIC AMERICANS

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. GAYDOS. Mr. Speaker, it was my recent privilege to take part in the observance of the 63d anniversary of Harrison Township American Legion Post 48.

There is nothing unusual about an annual banquet nor a Veterans Day program to honor those who have served their country in the Armed Services. This program, however, was special because of the attitude of the people present toward their country and the values for which America stands.

It is not fashionable today, Mr. Speaker, for Americans to take part in an overt display of patriotism. Rather, it is more common to treat patriotism and love of country with cynicism. It is more fashionable to be critical of our country, its values, its institutions, and particularly of those who serve those values and institutions.

Not so, however, with the good people who gathered in the Harrison Township Legion Post Home on November 12, 1983, to pay tribute to two outstanding members of their community and to their friends and neighbors who served America in the past and who have gone before them to eternal rest. They made it plain they were gathered to bear witness to their continuing faith in America and to the freedom and values which they themselves had fought to preserve.

We of the older generation have not always done everything we should to pass on to our children the faith and values they need to deal with the troubled world. That is not the case, however, with those veterans of post 48 with whom it was my honor to spend an evening of shared companionship and renewed dedication to America.

I came away from that evening with renewed faith in the future of our country. I look forward with confidence because the new generation has been inculcated by the members of post 48 with the basic values they need to meet the sternest challenge. My confidence also was strengthened by the knowledge the older generation still can boast of people like the two outstanding citizens honored by post 48.

I extend warmest congratulations to Mrs. Helen Gillette, a former member of the Pennsylvania State Legislature, who was chosen "Citizen of the Year" and to post 48 member Raymond Nowikowski, who was named "Legionnaire of the Year." Their example of service to their community should serve as a model for us all and especially for the young people in whom the future of America rests.

Congratulations also must go to Post Commander Regis Brucker; to Ladies Auxiliary President Blanche Kapustik; and to banquet committee members Chester Mierzejewski, Leonard Plocki, Kazmer Sydlik, Louis Chernan, Steve Rzeczkowski, Plummer Crawford, Raymond Nowikowski, and Leonard Malak; and to all who helped make possible a most inspiring and rewarding evening.●

WHY THE UNITED STATES CAN'T AFFORD AN AD HOC TRADE POLICY

HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DINGELL. Mr. Speaker, I would like to reiterate my concern over the present course of trade policy in the United States. The refusal of many to acknowledge the need to establish a trade policy which is coordinated with domestic realities leaves the United States in the position of having ad hoc policies which result in contradictions and promote neither our economic nor our political self-interest.

The doctrine of pure free trade is the goal and intent of current policy. While it may present theoretical advantages, it is not a realistic policy. It may, in fact, be counterproductive when the realities of our position, as compared with the rest of the world, are taken into account. We must look at alternative policies objectively and not dismiss them out of hand as simply wrong.

A recent article in the Journal of Commerce by Ted Rowland entitled "Explore New Industry, Trade Options, United States Urged" presents a case in point. The article raises important issues regarding the consequences of letting the market remain the only determining force of our future well-being. Rowland argues that the effect of our current free trade policy in an economy where international trade is increasingly important to us is to allow the short-run profit interests of individual groups to override the long term national interests of our country.

National social and employment policy must be taken into account in determining the policies we adopt. This article analyzes the recent agreement between the United States and the People's Republic of China on the levels of trade in textile and apparel, and concludes that without increasing protection from products produced by low-wage workers in foreign countries, "[a]round two million of our poorest, least skilled workers * * * and tens of thousands of small businesses," may become unemployed and bankrupt. In addition, the article points out how trade policy increasingly has important ramifications for the fundamental social values held by Americans as they are set aside in order to compete in a so-called free trade system. The United States is the only nation playing by these rules today.

The Energy and Commerce Committee concluded in a recent report, "The United States in a Changing World Economy: The Case for an Integrated Domestic and International Commercial Policy," that our trade problems with Japan, which were responsible for over $20 billion of the total trade deficit of $36 billion in 1982, are:

* * * merely symptomatic of more general problems which arise from fundamental changes occurring in the world economy and in the position of the United States in that economy. The changes are profound and permanent. They will continue to threaten U.S. economic prosperity until the United States fashions integrated domestic and foreign economic policies which take adequate account of the new realities evolving in the world economy.

The domestic content bill recently passed by the House is one measure which seeks to integrate our domestic economic interests with our trade policy. With well over 2 million jobs associated with automobile manufacturing and its supplier industries, this legislation provides security for workers and communities all across the Nation.

But this is just one step. We must take a closer look at what costs we are bearing in order to maintain a market more open than any other country in the world. We must decide where our priorities should be. We must consider the effect on our social values if we must compete with other countries by entering a race to the bottom in wages and safety standards at work. The United States needs to take a pragmatic, realistic approach to trade issues, rather than having our policies dictated by the ideology of free trade.

This article discusses many of those issues we will have to confront in shaping such a policy. I commend it to my colleagues.

[From the Journal of Commerce. Nov. 9, 1983]

EXPLORE NEW INDUSTRY, TRADE OPTIONS, UNITED STATES URGED

(By Ted Rowland)

The many important ideas raised by Robert Reich and others in the "reindustrialization" debate are exciting because they speak to our real problems. We have only one economy, and our foreign trade and investment are parts of it. Revitalization of industry, therefore, is critical not only to make us competitive with foreign firms here and abroad but to keep our economy viable. It is not a question of "survival;" England has survived, but does not represent a future that most of us want.

Those seeking an "industrial policy" have opened debate and have succeeded in placing the issue on the public agenda. This is an important achievement.

Private industry has demonstrated amply that left alone it will choose among alternatives only to achieve its own success. Success in U.S. private industry means profit, and, in the main, profit in the short run. In the present world, this goal frequently is not compatible with our national economic and political self-interest. It frequently is not even in a company's long-term self-interest.

Success for our trade unions is "more." Here, too, our present national economic and political self-interest, and sometimes the unions' self-interests are not served well by such "success."

Success for politicians means getting re-elected, and raising money, which makes them vulnerable to special interest to able to deliver votes and/or money.

But success for our government is development and fulfillment of objectives that serve best the interests of most of our people. Because this is so hard to do, our founding fathers designed procedures and institutions that operate in slow and cumbersome ways. They devised a system of authority that guarantees contention, and the expression of conflicting interests. We have a complex "industrial policy" now, and it is not working well.

What we need is informed public debate. We need to define our objective as a nation, and to choose among various ways of trying to reach those objectives. We need to educate ourselves and each other. The issue is the kind of economy we need and want, to meet the future—not whether, in the abstract, we should have more or less protectionism, or more or less government intervention.

International trade is newly important for us, and complicates many of our economic and political problems. We deal with trade problems on a single-issue, ad hoc basis. This has worked, well or poorly—but worked—in the past. We are, by far, the largest, strongest, most productive, most open and most successful economy (by any standard) in the world. Whatever one can say about our system and our methods for solving problems, the achievements are visible and the visible alternatives are not "better." But our way of dealing with this set of problems is not working well now.

One international trade example may illuminate the complexity and difficulty of problems we face in the industrial policy quandary.

It is now our policy to encourage trade with the People's Republic of China, after more than 30 years of embargo by us. China is a developing nation. In order to begin to export to us, to cover at least part of the cost of its imports from us, China must find a product desirable on our markets which it can make well and in large volume, in an industry which preferably is labor and not capital-intensive, and industry relatively cheap and easy to expand. There are not many such industries. Textiles and apparel are among the few there are. Further, China is one of our largest customers for agricultural products, and, notably, our chief customer for cotton. In light of its heavy purchases of cotton and late start relative to competitors, China feels entitled to special consideration on quotas.

Our textile and apparel industries are among the most heavily protected, by vigorously applied quotas ("voluntary restraints"), very high duty-rates and protective interpretations of fact and law by customs and other government agencies. But domestic industry is terrified by the possibilities inherent in Chinese access to our markets. China is one of the worlds largest weavers and apparel makers and has a vast supply of low-cost labor. Some segments of our industries really are in trouble. Total import penetration, depending upon what you count and how, is at least 20 percent—domestic industry and unions claims almost 50 percent. Twenty years of intensive protection has not helped. U.S. wages in these industries are among the lowest of manufacturing pay. Unemployment is severe. Jobs have been lost permanently. In attempts to contain costs and increase profits, we have actually resorted again to the 1920s practice of homework—illegally—and sweatshops are common again. Prices have risen less than

in most other industries. Parts of the industries always were or have become world-class competitive. Nothing helps. Everyone agrees that without protection, further erosion of the industries is inevitable.

Political pressures are enormous. China resorted to an embargo against U.S. agricultural goods as a bargaining device in recent textile and apparel negotiations. U.S. agricultural exporters pushed for settlement of the dispute, noting that the value of our farm exports to China far outweigh the value of our textile and apparel imports from China. They continue to fight protection because it can hurt our exports. U.S. retailers, importers and what little consumer-oriented representation exists in the trade field press Congress to reduce or at least not expand protection. (One of many anomalies in this example is that perhaps as much as 25 perent of imports are brought in by members of the domestic industry association of apparel manufacturers.)

Domestic industry, with a powerful political connection to Southern delegations to Congress, applies steady pressure for ever-increasing protection, and uses protective laws at every opportunity. A current countervailing duty case against Chinese textiles and apparel reportedly involves more than a thousand tariff items. This case, if successful, will affect by precedent all other products exported to us from China.

The president, buffeted by strong and intransigent forces, each arguing in its own perceived self-interest, responds first to one, then another. Despite vigorous public defense of fair trade and free markets principles, Mr. Reagan twice has been forced to express support for increased protection and strong defenses of our textile and apparel industries. On the other side, he also was forced to conclude a quota agreement with China more favorable to that country than recent such agreements with other supplier nations.

These industries will not survive as we now know them without increasing protection. Around two million of our poorest, least skilled workers are involved, and tens of thousands of small businesses. Foreign relations, our industrial future, national security, education and vocational training, welfare, international trade policy and obligations, aid to developing nations, adjustment to economic change, immigration and labor, at least, are important policy issues involved in this one example.

Congress, the administration, Cabinet departments, regulatory agencies, agricultural interests, domestic industry, workers, consumers, communities, small business, trade unions, retailers, importers, exporters, transportation interests, ports, banks, insurance companies and more are directly affected players in this one ongoing complex of issues.

What are we to do? There are numerous options. There is much to say. We need to develop and implement a coherent set of policies which rise above ad hoc responses to self-interest demands. Unless we address the whole, we will be left with what we have—and nobody thinks that's good for themselves or for the United States.●

IMPROVIDENT LENDING POLICIES

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. RODINO. Mr. Speaker, Economist Lester C. Thurow recently wrote that the U.S. personal-savings rate has shrunk alarmingly and that the mammoth Federal deficits are soaking up all this money and more. This threatens, he says, "long-run economic failure."

Thurow blames loose credit practices for the dismal savings rate. The easy availability of credit almost eliminates the need to save, he says.

Consumer groups and others contend that improvident extension of credit is an important reason for the recent increase in personal-bankruptcy filings. They also assert that the lenders' current efforts to abolish the fresh-start concept of bankruptcy law and to turn the courts into their collection agencies will encourage sloppy lending practices and discourage incentives to save.

The November 23, 1983, Newsweek article follows:

[From Newsweek, Nov. 21, 1983]

WHERE CREDIT IS NOT DUE

(By Lester C. Thurow)

In the 1980 election campaign President Reagan rightly charged that Americans saved too little. To be competitive on international markets and to break out of the stagnation in our standard of living, Americans needed the latest equipment and technology. But that required investment and if someone is to invest, someone else must save to provide the necessary funds.

Under President Carter, personal savings was 4.1 percent of the GNP. But during those same four years the federal deficit amounted to 1.7 percent of the GNP. Since deficits represent funds borrowed from private savings but used to finance public consumption, any deficit represents negative savings. If the negative savings of the federal government are added to personal savings, only 2.4 percent of the GNP was being saved under President Carter. This was, and is, inadequate.

What has happened since then?

BIAS

In 1981 President Reagan proposed and enacted a personal-income-tax cut biased toward high-income groups on the ground that such a bias would provide more disposable income to those able and willing to save. But the strategy did not work. With the tax cut fully in place in 1983, personal savings was down to 3.3 percent of the GNP in the first nine months of the year.

The large tax cuts in conjunction with the big buildup in defense also raised the federal deficit to 5.7 of the GNP. As a result the net federal- plus personal-savings rate was actually negative—minus 2.4 percent of the GNP. Not only was the federal government diverting all of personal savings to public consumption, it was diverting a large fraction of business savings as well.

No country can compete and grow with a federal- plus personal-savings rate of minus 2.4 percent. That is simply a route to long-run economic failure.

If you look at personal-savings rates abroad (both West Germany's and Japan's are nearly three times higher), there is a simple explanation: less consumer credit.

For there are only three reasons why anyone saves—you a miser, you want to die rich or you want to buy something that you cannot afford without saving. While there are a few misers and a few whose only goal is to die rich, most saving occurs because people want to buy something that they cannot afford out of current income. But if it is possible to get what you want without saving, that is precisely what most people will do. And it is here that Americans have been geniuses. For we have built a society where it is possible to get almost anything without having to save.

But when I borrow $30,000 to buy the recreational vehicle that I want, not only don't I save, I subtract $30,000 from the pool of savings available for industrial investment. Someone else's $30,000 savings must be used to finance my consumption purchase.

What is officially measured as personal savings is not the gross amount individuals save, but net savings—personal savings minus personal borrowings to buy consumption goods. And the difference between low American savings rates and high German or Japanese savings rates is not so much in the differences in our gross personal-savings rates but in the amounts that we borrow back for consumption purposes. In 1982 consumption lending absorbed 66 percent of our gross personal savings.

ECONOMIC CARROT

The rest of the industrial world is simply much more restrictive when it comes to consumer credit—demanded down payments are larger, repayment must be faster, interest charges are not tax-deductible. Our industrial competitors simply don't allow consumer credit to eat up 66 percent of their gross personal savings. And if we are to raise America's savings rates we will have to do likewise.

When it comes to high personal-savings rates the key is not the economic carrot of lower taxes (people will simply consume their higher disposable incomes) but the economic stick of less consumer credit. If you cannot get what you want without saving, you will save. It's that simple.

Reducing the negative savings implicit in the federal deficit is as technically easy, and as politically unattractive, as raising the personal-savings rate. It will require a large tax increase. For whatever you believe about expenditure reductions, no one, and certainly not President Reagan, can devise $200 billion in expenditure reductions.

Thus, if we are serious about the need for more savings, we will have to start talking seriously about less consumer credit and more consumer taxes.●

PROJECT DEMOCRACY

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LEACH of Iowa. Mr. Speaker, the House this morning passed an omnibus State Department authorization bill which includes as a footnote funds for "Project Democracy." As part of

the compromise between the House and Senate on the issue, no funds were earmarked for political parties.

It would be my hope that the administration would take this note of congressional skepticism seriously and not use executive discretion to fund political parties. While at first blush political party involvement appears to have merit, especially given the destabilizing assistance Marxist regimes frequently give leftist parties, I have grave doubts about the efficacy of intrusions of this nature in the affairs of other states.

Political parties are not governments. Yet the activities of American political parties abroad will almost certainly be construed as U.S. Government sanctions, and indeed the advocates of Project Democracy admit they expect careful coordination of party efforts with the State Department to insure that American interests are advanced. In formulation, this all sounds reasonable, but what happens if a party comes to power in a foreign country that is opposed with funds distributed by our president's own political party? An American President would be placed in an untenable diplomatic position, jeopardizing U.S. relations with the country in question.

More perplexing is the problem of determining which partries and leaders to support in lands where cultures are radically different from our own. What happens, for instance, in a country like El Salvador if conservative Republicans urge the Republican National Committee to aid and abet the arch-conservative party led by Mr. D'Aubuisson while moderate Republicans urge support for the more centrist party of Mr. Duarte? Who makes these decisions; what professional background in foreign affairs will they have; and what extra-governmental pressures would be brought to bear? Would international funding decisions of this nature intrude in American politics as the Democratic Party supports one side in an election and the Republican the other? As immigration from Asia increases and our borders with our neighbors to the south break down, will candidates for Congress or the Presidency attempt to appeal to Asian or Hispanic voters by promising support to groups they might identify with in their foreign lands? Instead of advancing democracy in the Far East or Latin America, might Project Democracy funds be used to buy votes at home?

Democratic values imply sacrifice and local decisionmaking. Foreign assistance of this nature implies the reverse. In addition, a case can be made that all the money we currently have circulated in American politics is a weakness rather than strength of our system. Let us export the idea of democracy, not the dollars which too often are a grease of sin, not virtue.

Ironically, U.S. law restricts foreign monetary intrusion into our political process. Ironically as well, the very same people who most oppose public financing of elections at home most support public financing abroad. Project Democracy thus has the extraordinary shortcoming of not even reflecting our own laws and values.

As the leader of the free world and the possessor of elephantine power, the United States cannot act without facing the dilemma that well-intended policies may have counterproductive effects. The contribution to political party building that the Federal Republic of Germany makes in developing countries is impressive. But it is uncertain whether similar U.S. efforts would be equally salutary. Our role in world politics is simply different than the role played by West Germany. To admire and encourage German efforts in this area is indeed warrented, but to ape them is foolhardy.

American democracy shares a similar philosophical tradition with many European countries, but our political parties are "sui generis." Whereas many countries have parties of similar name—Christian Democrat, Social Democrat, and so forth—with similar positions on a political spectrum, no country has a party structure analagous to that of the United States. In America the Republican Party is generally more conservative than the Democratic, but we have a curious phenomenon that southern Democrats are often more conservative on social and fiscal issues than northern Republicans. In other democracies the parties are generally more ideological and diverse. Two-party systems like our own are outnumbered by multiparty ones like France, Italy, and Israel. The kind of consensus which hallmarks American democracy is seldom evident abroad even in systems as similar to our own as that of Great Britain.

The Constitution delineates precise roles for the Congress and the executive in foreign policy crafting. Whenever the Congress appears to differ with the executive, defenders of any given administraton's policy charge that America cannot provide coherent foreign policy leadership with 535 Secretaries of State—that is, 100 Senators and 435 House Members. Project Democracy raises the ante: Two more Secretaries of State—that is, the chairmen of the Democractic and Republican Parties—and 100 new assistant secretaries—the party chairmen from each state.

"Project Democracy" is high-minded, but I am convinced it is a scandal in the making. Either it will be used intrusively, running the danger of injuring the very forces we would like to assist, or be used more benignly to fund the foreign travel of American political leaders, in which case the American taxpayers may question rather strenuously the utility of such an expenditure.

If the underlying idea of U.S. political party involvement in Project Democracy is so persuasive, my advice is for the party chairmen to send out a fundraising letter. My guess is that such as effort would not pay for the paper, let alone the stamps, which might be a pretty good indication that Project Democracy is a pretty bad idea.●

ARTHUR ROSENBLUM: A MAN FOR ALL SEASONS

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. ROSTENKOWSKI. Mr. Speaker, as we approach the holiday season, I would like to share with my colleagues a warm story that recently appeared in the Chicago Sun Times. This story concerns a caring individual, Chicago's Circuit Court Judge Arthur Rosenblum.

Judge Rosenblum, a successful Chicago lawyer before assuming his present position on the bench, is a member of one of Chicago's outstanding families. His father and mother, Nettie and Max Rosenblum, came to Chicago in 1910 and were married nearly 70 years before Nettie Rosenblum passed away. Max Rosenblum still lives on the north side of Chicago, where for many decades, he ran a successful business that was characterized by hard work and concern for others. Max and his beloved Nettie raised two children, Arthur and his sister Idelle Weiner, who lives with her husband Nat in Florida.

Arthur Rosenblum reflects his father's and mother's sterling attributes. His wisdom and sense of fair play guide his judgements—both professional and personal. His legendary sense of humor is captured in the Bob Herguth column I insert in the CONGRESSIONAL RECORD for the benefit of my collegues. I believe the humor and kindness in these comments are evidence that Chicago's Judge Rosenblum is an individual whose generosity of spirit makes him a man for all seasons.

[From the Chicago Sun Times]

JUDGE RINGING OFF AS SANTA THIS YEAR

Chicago children start phoning Santa Claus soon, so Circuit Judge Arthur Rosenblum finally changed his hame number.

Rosenblum's number has been very close to Santa's. And for six Christmas seasons, youngsters kept misdialing and getting him instead of Mr. Claus.

"From November until after Christmas, I'd receive calls for Santa at all hours of the day and night," Rosenblum said in his Daley Center chambers.

"There'd be this little, thin, piping voice on the line saying, "Hello, Santa Claus?

"What am I going to do, be Scrooge? So I'd say 'Yes, this is Santa, little girl.' And the voice would say, 'No, this is a little boy.' I finally got pretty good at it. I'd ask if they'd been good. I'd say 'Ho, ho, ho.' They'd say, 'you promised me this and that last Christmas and I never got it.' I'd say 'My bag was too full,' or 'Rudolph the Red-nosed Reindeer had a cold,' or 'Wait till next year' if they called right after Christman. Then I'd ask for their mom and say, 'Madam, this is a wrong number. Your child thinks I'm Santa. I covered for you.' "

Santa, if you read this, bring Rosenblum something nice. He deserves it. He held the bag for you lots of times.●

HIGH TECHNOLOGY RESEARCH AND SCIENTIFIC EDUCATION ACT OF 1983

HON. JAMES SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SHANNON. Mr. Speaker, today I am introducing, along with several of my colleagues, legislation which represents an essential step toward insuring the continuation of America's position of technological leadership in the world. This leadership is one of our Nation's most important resources. Technological leadership and innovation are indispensable to the long-term growth of our domestic economy, to our competitiveness in world markets, and to a strong national defense. However, our once unchallenged pre-eminence in commerce, industry, science, and technological innovation is being overtaken by competitors throughout the world. Moreover, as the National Commission on Excellence in Education recently noted in its report, A Nation at Risk, "what was unimaginable a generation ago has begun to occur—others are matching and surpassing our educational attainments," particularly in the area of scientific education. This legislation provides a comprehensive approach to the problem of continued U.S. competitiveness.

A. EXPANSION AND IMPROVEMENT OF THE R&D CREDIT

First of all, the legislation improves and extends the R&D tax credit that was enacted back in 1981. That provision, which provides a 25-percent credit against a company's increases in R&D spending, has a sunset date of 1985. The bill would make the credit permanent.

At the time the credit was enacted, we were concerned with the close relationship between this country's R&D activities and U.S. economic growth, productivity gains, and competitiveness in world markets. While competitors such as Japan and West Germany had been steadily increasing their R&D spending and consequently experiencing high rates of growth in productivity, R&D spending in the United States had been stagnating, and productivity growth declining.

In today's highly competitive world markets, it is essential for U.S. companies to be constantly innovating and advancing, increasing productivity, and developing new technologies. If they don't, they will find that their products are quickly rendered obsolete by foreign competitors. If we want to retain our dominant position in world markets, it is thus extremely important to provide incentives for companies to engage in research and development. And there is evidence that the R&D credit provides just such an incentive. Surveys of R&D spending by U.S. companies have found that despite the recent recession, which led companies to reduce capital expenditures, R&D expenditures have showed substantial increases over the past couple of years.

These considerations are true today just as much as they were in 1981, and they will continue to be true for the forseeable future. Furthermore, it is important to recognize that most high technology companies do their R&D planning on at least a 5-year cycle, with the major portion of the expenditures occurring at the end of the cycle. Thus, a credit that expires in 1985 is already giving them difficulty in formulating their R&D plans. By making the credit a permanent part of the law, the bill will allow these companies to do their long-term planning in an atmosphere of certainty and continue the increased R&D spending that is so important to the health of our economy.

Besides making the credit permanent, the bill clarifies and narrows the definition of qualified research for purposes of the credit so as to insure that the credit is used for the purposes for which it was originally intended. It also makes depreciation of research equipment eligible for the credit, in order to eliminate the current disparity in treatment between lease costs of R&D equipment, which are eligible for the credit, and depreciation costs of purchased equipment, which are not. In exchange, the legislation eliminates the special 3-year ACRS category for research equipment, placing it in the standard 5-year category instead. To reflect the inclusion of research equipment depreciation as an eligible expense for the credit, "contract research expenses" for credit purposes are increased to 75 percent of the amount paid to others to do research on the taxpayer's behalf. Finally, the bill makes the credit available for the first time to start-up corporations which lack an active, ongoing business but wish to undertake research activities in order to create such as business; and facilitates its availability to qualified joint research ventures.

B. PROMOTION OF UNIVERSITY RESEARCH AND SCIENTIFIC EDUCATION

In colleges and universities around the country, education in mathematics, engineering, and the physical, biological and computer sciences has suffered from a chronic shortage of faculty and a severe lack of up-to-date scientific equipment upon which students and faculty can learn and perform research. For example, there now exist over 2,000 vacancies in university engineering faculties, with computer-related vacancies as high as 50 percent at some universities. Universities have difficulty in attracting high quality faculty not only because of their inablility to stretch tight budgets to compete with the salaries offered by private firms, but because of the antiquated laboratory facilities which they must offer such faculty for teaching and research. In university laboratories across the country, outdated equipment is the norm, and the cost of updating it runs into the millions. As a result, students graduate without any experience with the equipment with which they will be working in their future employment.

In addition, there has been a serious decline in basic research undertaken in this country. U.S. industry now spends only 3.6 percent of every research dollar on basic research, down from 7 percent in the mid-1960's. University basic research has been a major casualty of this declining emphasis on civilian basic research, because 60 percent of all basic research is conducted at universities. Industry today supplies only 3 percent of the R&D dollars brought to universities, compared with 11 percent in the 1950's.

The bill contains several provisions that should help deal with these problems:

One, credit for corporate payments to universities for basic research. The current R&D tax credit helps encourage corporate funding of university basic research by allowing 65 percent of the basic research contracted out by a company to a college or university to be counted for purposes of determining the increment in R&D spending. This legislation would improve that incentive by creating a new credit equal to 25 percent of that portion of a corporation's payments to universities for basic research which exceeds a fixed, maintenance-of-effort floor. That portion which is not in excess of the maintenance-of-effort floor would continue to be treated, as under present law, as contract research expenses.

Two, enhanced deduction for corporate donations of scientific equipment to postsecondary schools. The legislation expands the special charitable deduction now in the Code for corporate donations of scientific equipment to colleges and universities in several

ways: It clarifies that the property may be donated to any postsecondary school; eligible uses of the property are expanded to include direct education as well as research and research training; donations of computer software are made eligible for the deduction; donations of standard maintenance and repair service contracts made in conjunction with donations of hardware are made eligible for the deduction, freeing universities from the cost of servicing the equipment; and donations of state-of-the-art equipment used in the donor's trade or business are made eligible for the deduction.

Three, student grants, scholarships, and loan forgiveness. The legislation clarifies that scholarships, grants, and student loan forgiveness received by graduate students in the physical or biological sciences, mathematics, or engineering will be excluded from the students' gross income, even though they are required to perform future teaching services as a condition of receiving them.

The provisions of this bill have in many cases been taken from a number of bills which have been previously introduced but have been refined in consultation with the Treasury Department and interested groups. As a result, the Treasury Department has indicated that it supports the general thrust of the legislation and believes that a satisfactory agreement can be reached on whatever provisions it does not currently agree with. Thus, the bill we are introducing represents the first step toward bipartisan, administration-supported legislation to encourage industrial research, university research, and scientific education.

While we do not yet have a current revenue estimate of all of the bill's provisions, the overall cost of the bill is likely to be modest. The extension of the R&D credit will have no revenue impact until fiscal 1986. The revised definition of R&D eligible for the credit will likely increase revenues significantly compared to present law, since the present law definition permits taxpayers to take a broader interpretation of the credit provision. Finally, the university research and equipment donations provisions should lead to relatively minor revenue losses.

We have worked hard with Treasury and interested private groups to develop this bill for introduction before the end of this session so that it can receive careful review and consideration by members of Congress and interested parties between sessions. It is my hope that hearings can be held on the bill as early as possible next year and that Congress can then proceed to enact its provisions at an early date during the next session.●

JEFF KOTERBA NAMED TOP COLLEGIATE EDITORIAL CARTOONIST

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DAUB. Mr. Speaker, Jeff Koterba of Omaha, Nebr., has recently been named the Nation's best collegiate editorial cartoonist by the Society of Professional Journalists—Sigma Delta Chi. A junior at the University of Nebraska at Omaha, Jeff has been a cartoonist for the student newspaper, the Gateway, since 1980.

America has advanced editorial cartooning to a legitimate art form and a respected vehicle for political commentary. Our cartoonists have given us familiar national caricatures that run the gamut from the Democratic donkey to the Republican elephant, from Uncle Sam to Santa Claus. More importantly, they have given substance to the spirit of free speech and a free press.

We in Omaha are proud of Jeff Koterba's contribution to the field of editorial cartooning, and I know my colleagues will want to join me in congratulating Jeff on this prestigious recognition of his wit, his artistry, and his dedication to excellence in his work.●

ALTERNATIVE FARM PROGRAMS

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SMITH of Iowa. Mr. Speaker, on October 19, 1983, I appeared before the House Committee on Agriculture and made a statement concerning my ideas relative to alternative farm programs. I received a substantial number of requests for copies of this statement and so that it may be more accessible for those who want it, I insert a copy of the statement in the appendix of the RECORD.

It is as follows:

TESTIMONY OF CONGRESSMAN NEAL SMITH BEFORE THE HOUSE COMMITTEE ON AGRICULTURE REGARDING ALTERNATIVE FARM PROGRAMS

Mr. Chairman and Members of the Committee, I appreciate the opportunity to appear before you today to discuss alternatives to our present farm programs.

The statement I am making today is based on the assumption that the government's exposure for Commodity Credit Corporation losses and payments to farmers will be reduced. I am not addressing the question of whether farm program costs should or should not be reduced, but the general consensus seems to be that they will be reduced. The only Administration proposals for reducing exposure seem to be to reduce loan rates or price supports, but I think there is a better way.

The government's exposure under the Commodity programs is determined by multiplying the support price times the total volume to be supported. Instead of reducing the support price as a way of reducing exposure, I think it would be better to reduce the volume to be supported, and that there is a way to reduce the volume eligible for support which has several advantages compared to reducing support prices.

This approach should reduce government costs and at the same time be significantly more market-oriented, have built-in incentives for preventing soil erosion and other resource conservation, reduce the slippage in the programs, remove the incentive to convert excessive amounts of fertilizer to the production of commodities in surplus, and still provide a bridge to help farmers survive the inevitable agricultural cycles.

THE ALTERNATIVE TO LOWER SUPPORTS

The alternative program I am proposing would limit the total number of bushels of grain or units of production eligible for support in any given year to a portion of the "normal production" of each individual farm. The county ASCS committee now determines the base acreage of each farm in the county based on past production history and all of the product produced on eligible acreage is now eligible for a loan. I would instead give each farm a bushel or pound "normal production" base and I would limit the units eligible for support to a portion of normal production on each farm.

The U.S. allocation to the state and the state allocation to the county would continue to be based upon the total acreage times the average yield just as it is at the present time, but the allocation to each farm by the county would be on an equitable basis rather than based on history alone. Two farms of equal productive capacity would receive the same normal production base in bushels or pounds regardless of the history of producing a given crop in that county.

Since loans would be limited to the amount normally produced on each farm, a government incentive would not cause the individual farmer to increase fertilizer applications and raise yields per acre as is now sometimes the case; but would instead provide a floor of support for normal production. If the farmer wants to invest in additional inputs, he could do so but he would not be eligible for government supports on the excess above average production. If the producer prefers to use more acres less intensely cultivated or a conservation rotation which produces less per acre, he could do so without being penalized. Since the county committees' determination is based on a particular farms' ability to produce a crop, those farms that do not have a maximum production history in a particular crop because of rotation or conservation practices would not be excluded from receiving supports on an equitable basis with those who have used more intensive practices; nor would they be required to plant supported crops in order to preserve a base acreage for future years. This determination of the "normal production" for each farm would, of course, be subject to the regular appeals process using locally elected county committee members; and counties would still be allowed a reservation of 1½ percent to help take care of unusual circumstances.

This alternative approach would give farmers greater flexibility, permit greater efficiency, and reduce the slippage in farm

programs that results from farmers pouring excessive inputs into their best acres, and increasing the volume eligible for support in spite of the fact they have reduced acreage.

PRECEDENT FOR THIS ALTERNATIVE

There is precedent for this approach both as to limiting the volume eligible for support and as to determining allotments without regard to history. In 1961, I suggested a provision which limited the volume to be supported to the average yield on the base acreage. That provision which stayed in the law for two years stated:

"Price support for corn and grain sorghums shall be made available but not to exceed the normal production of the 1961 acreage of corn and grain sorghums of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage."

Also my amendment to the farm program adopted in 1963 permitted any State Committee to require county committees to establish a base acreage for each farm which was fair and equitable without regard to history. The only State in the country that used the 1963 provision was Iowa. The Iowa State ASCS Committee required each county to reallocate the acreage within each county to the farms on a fair and equitable basis and almost everyone, including most of those who had their base reduced, readily agreed that it was a more equitable way to distribute the benefits of a farm program. This had the advantage of removing the penalty against those who had used greater conservation measures or had had a livestock program.

LOWER LOAN RATES NOT NECESSARY

In response to those who are calling for reduced loan rates on the theory that it would somehow increase farm income by increasing the volume of sales, at present loan rates, it is not necessarily so. I don't think support prices are now too high to move the product. Increasing exports or consumption of the product at a profit is one goal of any government program. But, when grain is being sold at or below the cost of production, even if we could sell more at a lower price, it should not be our goal to move more of that product at such low prices. Some people have said Argentina sold corn cheaper than we did last year and therefore we should reduce our price. The fact is that when there is a world surplus, Argentina is going to sell corn cheaper than we do no matter what our price is because they do not have significant storage capacity and do not carry reserves for their customers. While many world customers prefer their kind of corn, they know they are not a dependable supplier. Argentina is at the mercy of the world market, whatever it may be. If we had dropped our price 15 cents last year, they would have dropped their 15 cents more and we would not have gained from that. I do not think our loan rates are too high at the present time to move the product that we should move, nor are they high enough to encourage increased production in other export countries. Therefore, I think it would be better to reduce the volume to be supported rather than reducing support prices and especially in view of the advantages in fairness and program effectiveness.

THE NATIONAL CAP

To arrive at a national cap on C.C.C. exposure, past and present programs have taken eligible acres from each farm, based on past production histories, and built up to a national total. In the year following a huge acreage (and probably a surplus), a larger acreage is allocated to each State and county. In the year following an abnormally low acreage (sometimes due to whether), a lower than normal acreage is allocated. When it appeared the crop might be too big, the Department then used various ways to entice acreage out of production.

Instead, I propose to arrive at a national cap on the bushels or quantity supported by using average disappearance for the past several years. This would greatly reduce the distortion and irrelevent criteria which presently results in larger allotments following increases in acreage and lower allotments following reduction in acreage which are often weather related or the result of some abnormal situation. I would also use actual disappearance to determine the proportion of total normal production to be supported. To do this we would take total disappearance, both domestic and export, for the last six years, discard the high and low figure and take the average. This average disappearance divided by total normal production would give us the proportion eligible for support. For example, instead of requiring a 10 percent acreage set aside on each farm in 1984, this approach might result in 90 percent of the total normal production on each farm being eligible for support.

FARMER-HELD RESERVE

I believe the centerpiece of our agricultural production and marketing program for basic commodities should continue to be a farmer-held reserve. It is working. In just the past few years, the farmer held reserve program worked five times to keep corn prices from going as low as they would otherwise have gone in times of surplus and four times the farmer-held reserve provided the grain needed so the United States could be a reliable supplier to our overseas customers and to the domestic meat producing industry. Without the reserve, a much larger cattle liquidation would be necessary in this market year. Also, when there is a reserve, the U.S.D.A dares to plan a production limitation program for those crops in surplus without the risk that a short crop would leave customers who had depended upon us without needed grain. We have an example right now of the disadvantages to farmers when there is no reserve isolated from the market. Because there is no isolated reserve of corn, the Administration is afraid to plan a 1984 program which assumes an average crop for fear there may be a less than average yield in 1984 resulting in a shortage. The Farmer-Held Reserve is not just the farmers' program, it is everyone's program. However, I think we should develop a gradual release mechanism which assures that excessive amounts of government-stored commodities will not be released.

TARGET PRICES

The question of continuing target prices and deficiency payments is entirely separate from my proposal. I do think the market-oriented incentives in my proposal reduce the need for target prices and deficiency payments, but my proposal would be an advantage either with or without target prices and deficiency payments.

In any event, deficiency payments and target prices haven't been used as the Congress intended. Instead of being used strictly for purposes of income support in years when prices are abnormally low, they are being used as a substitute for payments for diverted acres. They are a clumsy tool for this purpose and an inefficient way to pay for the cost of paying for diverted or reserved acres. This destroys the purpose of having deficiency payments to start with. To effectively prohibit the Department from using deficiency payments as a substitute for diversion payments, it would be necessary to require that any acres diverted as a condition for receiving support payments be paid for at some minimum percentage of support price times average yield.

USE AVERAGE MARKET PRICES

I again appeal to the Committee, as I have for the last 8 years, to change the method of determining support prices from those based on a percentage of the cost of production with minimums arbitrarily set by Congress, to basing the support price on a percentage of average market prices. My proposal is to base the support price on a six year average of the market price received by farmers, discarding the highest and lowest year. Using this type of moving average will smooth out the year-to-year volatility and provide a truly market-oriented basis for support. This approach, like that permitted in the cotton program, also insures against tinkering by the U.S.D.A. and O.M.B. We have seen the Department manipulate cost of production determinations by ignoring most of the land costs. Also, using cost of production rather than market price to determine support levels causes farmers to continue producing some commodities in great quantities at the very time they should be shifting their production to another commodity which is in greater demand. Cost of production simply does not provide a measure of the value of a commodity to society and eventually the product must move to the market. For example, at one time Tung Nuts were an important crop and they were a supported crop, but there is not enough demand for Tung Nuts to justify any support program. Even 10 percent of the cost of production would be too high a rate for Tung Nuts.

Using average market prices rather than cost of production to determine support levels provides some stability and reduces the severe impact of sudden price changes while at the same time permitting shifts from one commodity to another consistent with consumer demand. Many of the criticisms of the present system could be eliminated by using an average market price rather than cost of production to determine support levels.

In passing, I also want to point out that using average market prices for both wheat and feed grains eliminates problems that have arisen by arbitrarily setting minimum support prices in a relationship that does not coincide with their relative value in the market place. Under the present system, there have been recent years when wheat support prices have been too high compared to corn. Especially in the double crop areas, a substantial increase in wheat production occurred in 1979 and led to more trouble for wheat. At the present time, wheat is selling in some places in the country for less per bushel than corn, but that is not a normal circumstance. On the average, since 1965 corn has sold for 79 percent of the price of wheat while the support price of corn has only been 73 percent of the wheat support price. By using average market prices, the support levels for both in this relationship will fluctuate, but will be in accordance with the demand in the market which must eventually absorb the grain.●

A NEW LOOK AT McCARRAN-FERGUSON

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. RODINO. Mr. Speaker, the Subcommittee on Monopolies and Commercial Law of the Committee on the Judiciary will hold hearings during the 2d session of the 98th Congress on the antitrust exemption of the insurance industry. In 1945, Congress enacted the McCarran-Ferguson Act. Among other things, this act exempted the business of insurance from the antitrust laws to the extent that it is regulated by the States. Insurance is a national industry that touches almost every American. The industry has changed as have the needs of Americans.

The National Commission for the Review of the Antitrust Laws and Procedures, on which I was privileged to serve, recommended in 1979 a reexamination of the insurance industry's exemption from the Federal competition laws with an eye toward narrowing its scope. Congress has yet to undertake this inquiry. It is time we do so. I have therefore directed the subcommittee staff to begin preparations for indepth hearings on antitrust aspects of the insurance industry to be held during the second session. The inquiry will examine all relevant competitive aspects of the industry, including the high costs of many types of insurance and the responsiveness of the industry to changing needs and conditions among consumers who purchase insurance.●

CHILD CARE IS FOR EVERYBODY

HON. JOHN R. McKERNAN, JR.

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. McKERNAN. Mr. Speaker, I am worried about the children of our Nation. More than half of our children now have both parents in the labor force. Consequently, millions of children between the ages of 6 and 13 return home from school to an empty house. Two-earner families have become both an economic necessity and a reality: 27 percent of married women have husbands who earn less than $10,000, and 51 percent have husbands who earn less than $15,000. Women's earnings, and expertise, and the tax dollars they generate, are essential parts of both the national and the household's economies.

Furthering the problem, one in five children grow up in one-parent families; one-third of these families, headed predominantly by women, live below the poverty level. Yet, most jobs are still structured in traditional ways, with traditional working hours.

So where does this social change leave school-aged children between the end of the school day and the end of their parents' work day? It leaves them in empty houses, often bored, lonely or frightened, with the overwhelming responsibility of caring for themselves, and perhaps for younger siblings.

Our society is no longer one in which one parent remains at home to provide full-time child care; in some respects we are better for that change. But social change often carries with it a price—we now have a national child care problem. Millions of children are caring for themselves at home, alone, and, consequently, are subjects of loneliness, social isolation, fear, and physical harm and accident. In taking steps to address this problem, I commend to my colleagues the article which follows, "Child Care Is for Everybody," by former President Gerald Ford, honorary chairman of the Child Care Action Campaign.

CHILD CARE IS FOR EVERYBODY

(By Gerald Ford)

I am worried about the children of our nation

When Betty and I were married, almost 35 years ago, she was a career woman—a fashion coordinator for a large department store in Grand Rapids, Mich. Two weeks after our wedding, I was elected to Congress, and Betty, accepting the wifely role expected of her in those days, gave up her job to become the active partner of a young Congressman and the mother of the quickly growing Ford family.

Child care in our family followed the tradition of a mother who was at home. This was the accepted way when Betty and I were growing up in Grand Rapids, and it was still the way when Mike, Jack, Steve and Susan were young. Though we were both very busy during our years in Washington, we were never so busy that one of us was not always available for our four children. No matter what the crisis, one of us was always there. Usually, it was Betty. Looking at our children today, I have a great deal of pride in the child-rearing job we did.

But family life in America has changed. The old-fashioned family, in which grandparents lived with their children, has all but disappeared. More and more, brothers and sisters, sons and daughters move away from home to pursue their careers. Families no longer are able to get together for dinner every Sunday, as we did in our home. Many are lucky to have everyone together for an occasional Christmas.

And it is no longer traditional for mothers to stay home with the children. Driven by economic need or the desire for careers, more and more women—more and more mothers—are moving into the work place. About 50 percent of the nation's women have full- or part-time jobs outside their homes.

These changes give all of us reason to be concerned for our young people.

I harbor no great fear for my own grandchildren. Their parents are passing on the love and care that Betty and I showed them. But there are thousands of other children for whom I am afraid. Children who spend too many hours with no one to guide or supervise their activities. Children who spend too many hours staring vacantly into a TV set because they have never been encouraged to discover the incredible adventure to be found in the written word.

We can begin by acknowledging that—contrary to older assumptions—child care cannot be only the mother's concern. Men must be as active in caring for their children as women always have been. Parenting, these days, has to be fully shared by mother and father.

Being a father to my own children has been the most demanding and most rewarding opportunity ever offered to me. I have always tried to "be there" for my children, and I know that most American fathers want to "be there" too.

But with countless fathers and mothers working to make ends meet, there are now countless children who must share their parents with the outside world. For a large part of each day, they need the care of someone other than a parent.

That someone could be found within a good-quality child-care facility.

Like the majority of Americans, I have had a tendency to be wary of "child care." A few years ago, it was called "day care" and was viewed as a service for those mothers who couldn't afford to stay home (although, as the tag line usually went, home was "where they belonged"). Child care in those days was for the poor and underprivileged.

Fortunately, a lot of thinking has changed regarding the needs of women and the needs of working people—both women and men. I have participated in many discussions about these issues, and I've learned a great deal. My best source of information has been "built in"—Betty has always been active and outspoken about women's rights and roles. Some men of my "grandfatherly" years, I suppose, have found it hard to comprehend what has been happening to "our" women. I found my understanding easily through Betty's guidance.

I have come to realize that, today, universal access to quality child care is imperative in all our communities—urban and suburban, rural and industrial, middle-class and poor. We must all become part of the effort to provide this care. And this effort must start today.

Right now, there are not nearly enough quality facilities available througout the country. We can no longer accept the argument that by providing child care, or day care, we are enticing women out of their homes and away from their primary care responsibilities. Women are already outside the home and searching for quality care for their children. Nor can we continue to look at child care as being only for the needy. Today, any working parent needs to be able to find good care at a reasonable cost.

Moreover, without adequate child care facilities, we are forcing too many talented women who want to work to be part-time, temporary, marginal members of the work force. This underemployment of women saps the nation of a vital natural resource.

But not only are there not enough facilities, there also is not enough good information about child care available to parents. Few local communities have some central place where a father or mother can find out what kinds of facilities do exist nearby for taking care of children while their parents work.

What can we do about this deficiency in child care?

Child care is not a poor women's issue, or even a women's issue, although women have led the way. They have worked hard to tell us about the need for child care. They have organized their communities, churches and employers. They have presented their arguments to politicians.

Government has responded with programs such as Head Start and Aid to Families with Dependent Children, block grants to the states for social services, food subsidies for day-care centers under the Child Care Food Program and the Child Care Tax Credit for working families. But in these days of high deficits for federal, state and local budgets, government cannot do much more than it is now doing. Where, then, can help come from?

Very simply, and obviously, from men. It is time for the nation's men to take a more active part in the crusade for improved child care. There are many ways men can help. Being supportive at home and in the work place is a first step. But I'd like to suggest another way.

Some of the strongest and most influential organizations in our country—mainstays of many civic, economic and religious activities—were built by men and are still largely supported by men. I am talking about the Lions Clubs, Kiwanis Clubs, Rotary Clubs, Chambers of Commerce, American Legion, Elks, Masons, Boy Scouts, church and synagogue men's clubs and others.

All of these groups are committed to doing good works within their communities. I suggest that an effort be started to include child care in their good works. Men's groups can help by researching the need for child care in their area: by disseminating information about their dealings with businesses and private individuals to raise funds for child care; and by joining with women's groups to help spread the message.

Men's organizations can also work toward having their state legislatures, local councils and federal representatives adopt new or more generous incentive tax provisions for businesses that support local child-care facilities.

In 1975, during my administration, I favored legislation to provide a 20 percent tax credit for "employment-related" child-care expenses up to $2000 for one dependent and $4000 for two or more dependents. President Reagan signed the 1981 tax legislation that provided more generous tax credits for working parents. In 1983, Congress is considering proposals even more favorable to family income providers with children.

As individual husbands and fathers, we should endorse such legislation. We owe our children the valuable experiences that quality child care outside the home will open for them. And we will be helping to protect another national resource—our children.

For the sake of this country, its women and, most of all, the children. I hope more men will recognize that child care in the decades ahead is for them too.

(NOTE.—Former President Gerald Ford is honorary chairman of the Child Care Action Campaign. For further information about this organization, send a stamped, self addresed envelope to Child Care Action Campaign, P.O. Box 313, New York, N.Y. 10185.)●

COSPONSORS OF HAZARDOUS WASTE ENFORCEMENT AND CONTROL ACT

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. FLORIO. Mr. Speaker, I would like to take this opportunity to list those Members who requested that they be considered as cosponsors of H.R. 2867, the Hazardous Waste Control and Enforcement Act of 1983. These are in addition to the five original cosponsors; namely, Mr. LENT, Ms. MIKULSKI, Mr. ECKART, Mr. TAUZIN, and Mr. RICHARDSON.

Cosponsors: JOHN CONYERS, JR., MARIO BIAGGI, HOWARD L. BERMAN, BARBARA BOXER, ANTHONY C. BEILENSON, RICHARD OTTINGER, JAMES M. JEFFORDS, JAMES L. OBERSTAR, JOHN M. SPRATT, WILLIAM R. RATCHFORD, BRUCE F. VENTO, ROBERT A. ROE, DALE E. KILDEE, GEORGE C. WORTLEY, JOSEPH G. MINISH, JOHN J. LAFALCE, EDWIN B. FORSYTHE, WILLIAM J. HUGHES, WALTER FAUNTROY, BARNEY FRANK, EDWARD MADIGAN, GUY V. MOLINARI, FRANK J. GUARINI, PETER RODINO, FOFO I. SUNIA, EDOLPHUS TOWNS, BERKLEY BEDELL, RON WYDEN, FRANK HARRISON, PAT WILLIAMS, DENNIS HERTEL, NORMAN SISISKY, GERALDINE FERRARO, WILLIAM WHITEHURST, and MARTIN FROST.●

THE COAST GUARD—ALWAYS READY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. CONTE. Mr. Speaker, earlier today the House adopted a conference report on the Defense appropriations bill for fiscal year 1984 containing $300 million for the Coast Guard's acquisition, construction and improvements account. As I indicated during consideration of that conference report, these funds are vital to enable the Coast Guard to perform its many peacetime missions, as well as to enable the Coast Guard to be prepared to assume its military role in case of war or other emergency.

A recent article by Adm. James S. Gracey, Commandant of the Coast Guard, provides an informative summary of the Coast Guard's national defense activities and responsibilities. That article, which appeared in the November issue of the Reserve Officers Association "National Security Report," is well worth reading, and I commend it to the attention of my colleagues.

The article follows:

[From the Reserve Officers Association "National Security Report", November 1983]

COAST GUARD'S PEACETIME MISSIONS ARE WARTIME CAPABILITIES

(By Admiral James S. Gracey, USCG)

Many times, when one who doesn't wear a "True Blue" suit is asked about the Coast Guard, the response focuses on search and rescue, and sometimes these days, on drug interdiction. Those aspects about our service are very true, but they are only two facets of the national jewel that is the United States Coast Guard.

Coast Guard Cutters, and their forerunners, the ships of the Revenue Cutter Service, have served along with the other services, especially the Navy, in every major conflict since the Quasi-war with France in 1799. For a while, when there was no U.S. Navy, Revenue Cutters were it. In 1915, the act that created the Coast Guard by combining the Lifesaving Service and the Revenue Marine, specified that the Coast Guard ". . . shall constitute a part of the Navy, in war or when the President shall so direct . . ."

Until and through the 1930's, the seagoing activities of the Revenue Marine and the Coast Guard and one of our other forerunners, the Lighthouse Service, were centered on protection of the sea lines of communication in wartime, safety, facilitation of maritime transportation—and, of course, fighting smugglers as during prohibition. The International Ice Patrol, begun after the loss of the *Titanic*, is another aspect of the Coast Guard's role in promoting and protecting commerce on the seas.

In 1940, the Espionage Act added our Port Security mission. The Coast Guard began to patrol all facilities—to prevent sabotage, to minimize the potential for catastrophic events and accidents.

Port protection became a major Coast Guard function, and under the provisions of the Magnuson Act, has continued to be an important element of our national security. It means that the Coast Guard deals extensively with waterborne traffic in the ports, over the waterfront, and particularly with the movement, storage, and handling of hazardous materials.

Before World War II the Coast Guard's principal international endeavors were related to the prevention of smuggling, piracy and slavery. Since then, our peacetime international involvement has also focused on providing expertise in the Merchant Marine Safety field, on Long Range Aids to Navigation, on protection of the marine environment, on search and rescue, and on representing the U.S. in international maritime forums.

In the past several years, this activity has been complemented by increasing levels of training and assistance to government agencies in other countries who have missions similar to those of the Coast Guard . . . missions like search and rescue, smuggling interdiction, fisheries protection and pollution prevention and cleanup. The foreign demand for this comes about because the U.S. Coast Guard does for the U.S. what most of the small navies of the world are intend to do.

Feedback from many countries all over the world, from India to Nigeria and Norway to New Zealand, makes it clear that our presence and the international reputation of the Coast Guard in the protection of resources, enforcement of laws and treaties

and safety of life at sea are helpful in our diplomatic relations with these countries.

Today the Coast Guard is a force of some 39,300 active duty military personnel, 18,000 Ready Reservists (though only 12,000 in the Selected Reserve) and more than 6,000 dedicated civilian employees. We are augmented by about 40,000 volunteer Auxiliarists. We operate a substantial naval force of icebreakers, patrol cutters and tenders and we have a versatile helicopter and fixed wing air arm with air stations from Cape Cod to Hawaii and Kodiak, Alaska.

We are an Armed Force with important peacetime missions which translate into wartime capabilities. Our ships and aircraft conducting drug interdiction patrols, intercepting illegal aliens and rescuing survivors of casualties at sea are ready to conduct a variety of wartime missions . . . including surveillance and interdiction, anti-submarine warfare, sea lines of communications protection, and a wide variety of coastal defense elements.

Our port safety and pollution prevention operations in peacetime ensure that we maintain the skills necessary to provide a blanket of security over vital deployment and resupply ports in wartime. We provide a wide variety of Aids to Navigation that will be essential for sealift deployment and, as we found in Vietnam and Korea, are very important for intra-theater operations in wartime.

The Coast Guard has two principal wartime roles: support of strategic mobility and naval warfare. There's nothing new about either of these roles, but in these troubled times the emphasis and attention paid to both is increasing. More than 90 percent of the materials required to mount and sustain a military force deployment must move by sealift . . . the ships to carry that material must move promptly and safely . . . and the ports that serve them *must* be secure.

The sea lines of communication start in our nation's ports. Each port is different. Their activity has become very complex and will be even more so in wartime, when the volume of hazardous and critical cargoes will be even greater and when throughput time must be kept to an absolute minimum.

Add a liberal dose of opportunity for sabotage and terrorism to the variety of pressures and you get a fine recipe for mischief in an especially risky environment at an especially critical time. One of the Coast Guard's major obligations is to see to it that the United States does not get indigestion from that recipe.

During times of crisis the Coast Guard would support the mobility and deployment plans of the unified commanders through activation and implementation of port readiness plans, and would generally continue our peacetime missions as well.

In overseas ports, Coast Guard forces are set to act under the authority of the area military commander and in close cooperation with the overseas port operation units. Our forces will provide explosives loading supervisory services, hazardous materials handling supervision, waterside patrols and enforcement of safety and security zones.

Aids to Navigation in U.S. deployment ports are scheduled to receive top priority servicing and monitoring. Critical waterside facilities such as power plants and petroleum processing facilities will be closely monitored; and vulnerable choke points in servicing waterways will be patrolled.

Our authorities to license mariners and inspect ships will be used to ensure that materials are moved on safe ships by competent crews.

All of this requires planning. And that is probably the most difficult part of the job: To conceive, develop, and maintain realistic and effective plans. But it must be done, and done well, and it must be done in concert, with all involved sharing expertise, information and forecasts of needs and problems.

The Coast Guard is in the midst of a major review and update of our plans. Our Captains of the Port and Marine Safety Officers are right now working with the Joint Deployment Agency, the Military Transportation Management Command. Military Sealift Command and others, to ensure that preparedness planning is a fact—these efforts, coupled with the work that we do with the Federal Emergency Management Agency, will ensure we are ready to cope with an emergency of any kind . . . in war or peacetime.

That's not all of it, but it is an overview of Coast Guard activity that relates directly to National Defense. Small in number, but very proud of their motto, the folk in the "True Blue" suits are in fact "Sempter Paratus—Always Ready."●

A TRIBUTE TO MARTIN S. BLINDER

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LEVINE of California. Mr. Speaker, I rise in honor of Martin S. Blinder, a Los Angeles resident and a renowned art publisher who will celebrate his birthday today.

At the age of 37, Martin Blinder has emerged as a prominent leader in both his professional and charitable endeavors.

The owner of the San Fernando Valley-based Martin Lawrence Limited Editions, Blinder has earned a reputation as one of the leading art publishers in the world.

His enterprise, which distributes to nearly 1,000 galleries around the world, publishes the work of leading contemporary artists including Salvador Dali, Joan Miro, Victor Vasarely, Vaacov Agam, Peter Max, Yankel Ginzburg, and Hiro Yamagata.

A graduate of Adelphi University in 1968, Blinder was one of the youngest stockbrokers on Wall Street at the age 21. He later traded in the Dow Jones for a career in modern art, where he has since remained.

A patron and frequent charitable contributor to museums throughout the country, including the Los Angeles Museum of Art, the Hirshhorn Museum in Washington, D.C., and the Guggenheim Museum in New York City, Blinder also serves as president of the Research Foundation for Crohns Disease based at UCLA and is actively involved in several worthwhile causes.

This year Blinder has involved himself in a special project, the "Air and Space Bicentennial." Nationally acclaimed artists have joined him in his efforts, and President Reagan has agreed to serve as honorary chairman. The event commemorates man's first space adventure which took place in a hot air balloon in France 200 years ago.

Considered to be a leading spokesperson on art, Blinder has appeared in numerous television, radio, and newspaper interviews throughout the country.

In addition, Blinder has been honored by a Los Angeles City Council resolution. He is listed in "Who's Who in Business and Finance," "Who's Who in the West," and "Who's Who in American Art."

Most significantly, Martin has made the sensible and wise decision to join Janet Weiss in marriage next January.

It is a pleasure to share Martin Blinder's accomplishments with my colleagues, and I wish him years of continued success.●

MEDICAL REFORM—FIRST ON THE AGENDA FOR 1984

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BIAGGI. Mr. Speaker, I believe that as we close this first session of the 98th Congress—we must recognize that medicare and medicare reform will have to predominate our debate during our next legislative session.

As an original member of the House Select Committee on Aging, I plan to make medicare reform a central issue in my work next year. Clearly, if we are to assure that health care costs are not passed on to beneficiaries—we must act in a timely fashion to effect the necessary changes in the system to guarantee this fact.

As we consider the options before us—one issue is clear—reform cannot—in any fashion—come at the expense of savings that would be passed along to the elderly in the form of increased out-of-pocket costs or reduced benefits. I will vigorously oppose any legislation that seeks to provide for medicare savings in this fashion. What is needed—is a system of cost control that will be imposed upon the providers of health care. At the same time that we impose some form of cost control—we must also insist on mandatory assignment. In this fashion, we will assure that no elderly beneficiary will be turned away from a doctor's office for treatment. These two facts must be linked together in any reform legislation that is adopted.

Mr. Speaker, as we review our options, I wish to provide, for the benefit of my colleagues, a summary of recommendations advanced by the Governor of our great State of New York, Mario

Cuomo for medicare. This report, issued through the State Office for the Aging, under the direction of Eugene Callendar, makes some important recommendations that should be considered by all Members of Congress as we enter this debate.

For the benefit of my colleagues, I wish to insert in the RECORD a summary of the points advanced by the New York report. It would be my hope that these ideas would form the basis of a constructive dialog that will be required in the months ahead as we seek to secure the financial security of medicare—while at the same time—protecting those who depend upon medicare.

The report follows:

EXECUTIVE SUMMARY

This Report was prepared at the direction of Governor Mario Cuomo by the New York State Office for the Aging. The Report contains a comprehensive analysis of the problems facing Medicare, including an assessment of the impact of the Reagan Medicare reform proposal on New York State along with a set of recommendations designed to promote equitable reform of the Medicare program. The Report can best be summarized by citing its major findings and conclusions:

The Medicare program is currently facing two fundamental problems: a pending financing crisis and an increasing inability to protect the elderly against the rising cost of health care.

Both of the problems of Medicare stem from the nature of our current health care system which fosters the use of costly, highly technical and often unnecessary care.

The Reagan Medicare Reform proposal will not solve the problems of Medicare but will increase the burden of health care costs for the elderly as well as for state and local governments.

An equitable solution to the problems of Medicare can only be achieved through comprehensive reform of our health care system. Changes in Medicare alone will not solve the problems facing the program.

Reform of the health care system must include measures to strengthen Medicare's protection for the elderly which has seriously eroded to the point where the elderly will soon be paying more of their income out-of-pocket for health care then they did before Medicare was enacted.

Medicare's inability to protect the elderly results mainly from the program's failure to provide coverage for long term care and outpatient drugs as well as from the use of voluntary assignment by physicians receiving reimbursement under the program.

Expanded Medicare coverage for long term care would provide significant protection to the elderly as well as to state and local governments which are now heavily overburdened by the costs of long term care under the Medicaid program.

Changes in our health care system should not be left to competitive market forces alone. The government should take a leadership role in planning and promoting health care reform to ensure that our health care resources are allocated in an efficient and equitable manner.

Finally, there is a need for the federal government to develop a detailed plan of action for achieving comprehensive reform of our health care system so that the costs of health care can be contained in a way which does not deny people access to necessary care, regardless of their age or income status. All interested parties including state and local governments, health care providers and health care consumers should be involved in the development of such a plan.

RECOMMENDATIONS

RECOMMENDATION 1

In the development of Medicare reform proposals, it must be recognized that Medicare is facing two fundamental problems: A pending financing crisis and an increasing inability to protect the elderly against rising health care costs.

A sound and equitable solution to the difficulties confronting Medicare can be achieved only if the problems of Medicare are accurately defined. Recent public concern over Medicare has focused almost exclusively on the fiscal shortfall facing the program. However, this shortfall is not the only problem of Medicare. The program is also confronted with a growing inability to carry out its original purpose which is to protect the elderly against the rising cost of health care.

There is no question that Medicare provides many important benefits to the elderly. Yet, because it covers less than half of the elderly health care expenses, the program still leaves this population vulnerable to rising health costs. This limited protection has resulted in a situation where the elderly will soon (by 1985, under current law) be paying a greater proportion of their income for health care than they did before Medicare was enacted.

The failure to correctly define the problem of Medicare has led the Reagan Administration to put forth a Medicare reform proposal that is ill conceived and misdirected. The Reagan proposal would attempt to address the financing problem of Medicare through meaures designed primarily to increase the cost of health care for the elderly. This approach will not solve the problems of Medicare. Rather it will only exacerbate one of the two problems now confronting the program.

RECOMMENDATION 2

The problems of Medicare must be addressed within the context of the entire health care economy. Solutions to Medicare should be tied to comprehensive reform of our health care system.

The problems of Medicare are rooted in the inflationary nature of our health care system. The factors behind escalating health care costs are numerous, complex and permeate the entire health care economy. Changes in Medicare alone will not solve the problems facing the program.

A permanent reduction in the growth of health care costs can best be achieved through a reorientation of our health care system toward the delivery of less costly and more efficient services. Since the increasing intensity of care is a major contributor to rising costs, greater emphasis must be placed on assessing the benefits of new technologies and sophisticated therapies before their use is supported by publicly financed programs. Also, action should be taken to reduce the over supply of doctors and hospital beds which exist in many parts of the country. Greater emphasis should also be placed on disease prevention and health promotion, and on the use, where appropriate, of less intensive service modalities. For the elderly especially, alternatives to costly and often unnecessary institutional care should be expanded, including greater use of home care, physician extenders and hospice care. Strategies to bolster the caregiving capacity of families and other non-medical social supports should also be developed and fostered.

Since financing drives our health care system, efforts to change the system must include a plan to promote the coordination, and possible integration, of our multiple public and private health care financing programs so that reform can be achieved in the most effective manner possible.

In addition, methods for changing the structure of our financing programs should be pursued which provide incentives for cost efficiency without having an adverse impact on the quality of care. In particular, greater emphasis should be placed on the use of the capitation reimbursement plans where the income of the provider is based on a fixed amount for each person served rather than the number or nature of services provided to each person. If used properly, such capitation plans can effectively redirect provider behavior towards the more judicious use of our health care resources.

RECOMMENDATION 3

The government should play an active role in promoting health care reform and in ensuring that our health care resources are allocated in an equitable manner. The distribution of health care in this country should not depend on competitive market forces alone.

Health care is not a commodity whose production and distribution can be optimally achieved through purely competitive forces. Health care is a right of every American citizen, young and old, and access to health care should not depend solely on the ability to pay. While there is a place for competition in our health care system, it must not be allowed to dictate the nature of that system.

The competitive market approach to health is care now being espoused by the Reagan Administration and is incorporated in the cost-sharing and voucher provisions of the Reagan Medicare reform proposal. The competitive approach assumes that people have the necessary information, the financial capacity and the decision making authority to freely pick and choose the types of care best suited for their particular situation. However, none of these conditions currently exist in our health system to the extent that everyone would be able to compete on an equal basis for the limited health care resources which are available in this country.

Government has a moral responsibility to ensure that health care is allocated in an equitable and efficient manner as well as to ensure that quality standards are maintained. The government has a particular responsibility to ensure that health care is available to the elderly, the poor, and the disabled of our country.

Change in our health care system should be based on a policy formulation process that involves sound planning and implementation procedures. The Health Planning and Resources Development Act of 1974 provides the government with a framework it can use to stimulate rational reform of our health care system in a way which involves people at the community level in deciding how our health resources can best be allocated. This Act should be strengthened so that government can better assist in bringing about equitable reform in this critical area.

RECOMMENDATION 4

Development of Medicare reform must be conducted with the full participation of state governments whose health delivery and financing system will be affected by any change in the Medicare program.

As this Report shows, Medicare's limited coverage, especially with respect to long term care, has had a serious financial impact not only on the elderly, but on State Medicaid budgets as well. In addition, because Medicaid pays the Medicare premiums, deductibles and coinsurance for enrollees also covered by Medicaid, state government must pay for these costs as well. Consequently, efforts to increase cost sharing under Medicare, including those proposed by the Reagan Administration, would increase state Medicaid costs.

For too long the relationship between the states and the federal government has depended on the maximization of the other's fiscal resources. This has resulted in a seesaw system where one level of government tries to pass costs along to the other, with those persons in need of assistance getting caught in the middle of this cost-shifting game. It is time for the federal government to begin cooperating with the states financially and programmatically in all areas of health care reform so that the interests of the public can again become the paramount concern.

RECOMMENDATION 5

Medicare reform must include measures to ensure adequate protection for the elderly against rising health care cost.

Rather than putting forth proposals to increase the cost of health care for the elderly, action should be taken immediately to alleviate the financial burden now facing the elderly. In particular, coverage under Medicare should be expanded to ensure that the elderly can obtain necessary long term care services without experiencing financial devastation. This action would also protect state government from bearing the brunt of long term care costs under the Medicaid program.

In providing long term care coverage, special consideration should be given to the strengthening of community based services. Such measures would help redress the lack of balance in our long term care system which now favors institutional care. Also, assessment procedures should be used to ensure that Medicare enrolles in need of long term care receive the appropriate levels of care.

Action should also be taken to increase the use of assignment by physicians under the Medicare Part B program. Voluntary assignment has resulted in a severe financial burden for the elderly. Serious consideration should be given to the development of financial incentives for physicians to accept assignment. Such incentives could include the provision of special malpractice insurance or special reimbursement rates for physicians who accept assignment. Also, the processing of claims submitted to Medicare could be expedited. If incentives prove unworkable, then assignment should be made mandatory for all physicians.

Finally, steps should be taken to address the equity problem associated with the uniform application of Medicare cost-sharing requirements to different income groups. This problem, however, should not be solved through the imposition of a means test on benefits. Such an approach would be an affront to the dignity of older people and would also be very difficult and expensive to administer. Additionally, a means test might attach a "stigma" to the program which would limit participation by eligible elderly. A preferred approach would be to provide a refundable federal income tax credit to program enrollees who spend a disproportionate amount of their income on health care.

RECOMMENDATION 6

Efforts to reduce the utilization of health care by the elderly should be approached with caution. Such efforts may not result in significant cost savings, and could have a detrimental impact on the health status of many older persons.

The main intent of the Reagan proposal to increase cost sharing under Medicare is to reduce the elderly's use of health care. This proposal fails to take into account the fact that the use of health care in this country is determined more by the providers of care, especially physicians, than by the consumers of health care. Also, as the elderly tend to have more intense health care needs, discretion in utilization is often not possible. Furthermore, there is strong evidence that a reduction in the use of health care by the elderly could result in a decline in their health status.

In terms of the effect of utilization on health care costs, increases in the per capita use of health care has played a relatively small role in the dramatic growth that has occurred in our national health care expenditures. This has been especially true for the cost of hospital and physicians' services, the two areas where Medicare reimbursements are concentrated. Increases in the intensity of services as well as price inflation have been the major factors behind rising health care costs and consequently should be the prime targets of efforts to control such costs.

RECOMMENDATION 7

Debate regarding Medicare reform must not be carried out in a crisis environment. Deliberations should take place in an environment which places a premium on principles of sound public policy formulation. A public education effort should be undertaken to inform the public of the true nature of the problems facing Medicare. Also, a National Study Commission on Medicare should be established to develop a detailed plan for addressing the problems of Medicare.

The problems facing Medicare are larger and in many ways far more complex than those which confronted the Social Security Retirement System. Partisan politics must not be allowed to dominate the discussion of Medicare reform the way it did, the early consideration of Social Security reform. Government has a responsibility to ensure that solutions to Medicare are developed and debated in a constructive fashion. We must not subject the elderly to an unnecessary fear of losng their Medicare benefits.

A major public education effort should be undertaken to inform the public of the problems facing Medicare and the factors causing these problems which stem from the nature of our health care system. Such an effort will enable the public to fully participate in the reform of Medicare and our health care system.

The Congress should establish a National Study Commission on Medicare. Commission members should be broadly based and include representatives of Congress, state governments, the private insurance industry, health care providers and consumers.

The Commission should be charged with the development of a comprehensive plan to reform our health care system in a way which ensures an equitable and permanent solution to the problems affecting Medicare. The recommendations cited in this Report should serve as a framework for the Commission's deliberations.

The plan developed by the Commission should be debated by the public and the Congress before enactment into law.

Medicare is a cornerstone of this nation's commitment to the elderly. We have several years lead time before the financing problem in Medicare reaches crisis proportions. It is incumbent upon us as a society to take the necessary action now to make sure that reform measures are enacted which will avoid the crisis without having inequitable solutions forced upon our older citizens.●

NATURAL GAS POLICY AND THE 1983-84 HEATING SEASON

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. CLINGER. Mr. Speaker, the leaves have fallen here in Washington and we, here, are just beginning to feel the winter chill in the air, but in the 23d Congressional District of Pennsylvania, which I have the privilege to represent, there is already a blanket of snow covering the ground. As Congress prepares to recess, my constituents are preparing for the long winter heating season.

The point is, Mr. Speaker, that the winter heating season of 1983-84 is already upon us in the natural gas consuming States of the Northeast, like Pennsylvania. Once again this winter, my constituents face rising natural gas costs in the face of continued high unemployment. Last winter's 20 to 40 percent jump in natural gas prices caused serious economic problems in our region, which was already experiencing severe economic distress. Senior citizens on fixed incomes, farmers, low-income individuals and the unemployed were particularly hard hit. Already this year, these same natural gas ratepayers in Pennsylvania's 23d District face proposed rate increases of 3.2 percent or $38 per year for the average gas user.

Let us pause as we prepare to recess and ask what this Congress has done to ease the lot of the less advantaged in our Nation's frost belt. The answer is—pitifully little. The failure of Congress to act during these last 7 months of warm weather to pass responsible natural gas pricing legislation is unconscionable. I, along with some of my colleagues, have repeatedly urged this Congress to act to correct the natural gas market irregularities which cause consumers to pay higher and higher prices in times of gas supply surpluses. We have introduced legislation to require gas companies to provide the least-cost mix of gas to consumers and we have repeatedly urged the chair-

men of the appropriate committees to act. To date, no legislation has passed either house of Congress.

I cannot, in good conscience, recess for 2 winter months without a responsibly overhauled natural gas policy in place. I ask my colleagues to consider this as we move toward adjournment and ask that we rededicate ourselves to solving this serious and costly problem for our natural gas consuming constituencies.●

LEGISLATION REAUTHORIZING AND AMENDING THE INDIAN HEALTH CARE IMPROVEMENT ACT

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. UDALL. Mr. Speaker, today I am introducing legislation to reauthorize and amend the Indian Health Care Improvement Act. This legislation is based upon extensive oversight hearings the Committee on Interior and Insular Affairs conducted earlier this year in cooperation with the Senate Select Committee on Indian Affairs.

This legislation will build upon the fine record the Congress made in enacting the Indian Health Care Improvement Act in 1976 and the 1980 amendments to that act. It will continue our efforts to reform and improve the responsibility and capability of the Indian Health Service to provide health care to Indians and Indian tribes.

I have not made any extensive efforts to obtain cosponsorship of this bill because I wish to have it introduced prior to adjournment so that the concerned Indian and non-Indian public may have the opportunity of the holiday adjournment to study the bill and develop their position on the legislation. It will be my intent to schedule hearings on this legislation early in the next session.

Mr. Speaker, the responsibility of the United States to provide medical care and treatment to our Indian people is a longstanding one. Ironically, these efforts began as a part of our military campaigns against the Indian tribes. As early as 1802, Army physicians took emergency measures to curb contagious diseases among the Indian tribes in the vicinity of military posts. The first large scale smallpox vaccination of Indians was authorized by Congress in 1832.

Most of our treaties with Indian tribes, whether to secure peace or to obtain a cession of lands from the Indians, included a provision that the tribe involved recognized that it was "under the protection of the United States of America and no other sovereign whatsoever." These kinds of contractual commitments, founded upon the constitutional power of Congress to regulate commerce with Indian tribes, form the basic obligation, legal and moral, to provide health services to Indian tribes.

While many of the early treaties made reference to the need for medical care for Indians and attempted to meet those needs, it was not until the 1854 treaty with the Rogue River Indians of Oregon that a specific commitment was made. That treaty provided that, in return for the cession of a large tract of land to the United States, among other things, promised to provide "for a hospital, medicines, and a physician." Similar provisions were included in many other Indian treaties after that date.

There are some who will contend that the obligations and commitments assumed by the United States in these treaties, in return for the cession of lands and the conclusion of peace, are outdated and not relevant to our relationship with the Indian tribes today. But to the Indian people, these treaties are living documents and the loss of their homelands a living memory. With respect to health services, they feel that, through the cession of their most valuable lands, they have bought a prepaid health insurance policy from the United States.

In speaking of the promises made by the United States in Indian treaties, Justice Hugo Black, in the case of FPC against Tuscarora Indian Nation, stated, "Great Nations, like great men, should keep their word." To the extent that we have given the word of this Nation to see to the health needs of Indian people, whether generally or specifically, we should keep our word to the best of our ability.

Mr. Speaker, in the interests of the honor and integrity of our Nation, I would like to say to the House of Representatives that we have kept our word. Through the course of history—through treaty provisions—through acts of Congress, we have given our word that we would provide adequate health care to Indian people.

However, I cannot, in good conscience, say that we have fully lived up to our promises.

There is no question that great strides have been made in improving the health conditions of the Indian people. Since the transfer of the Indian health responsibility from the Bureau of Indian Affairs in the Department of the Interior in 1954 to the Department of Health, Education, and Welfare—now the Department of Health and Human Services—there has been slow, but steady progress in narrowing the health gap between the Indians and the rest of the population. But an intolerable gap still exists.

A few statistics comparing health conditions of Indians with the general population will serve to show the continued existence of that gap and the continued need on the part of Congress to increase its efforts to achieve a health parity for Indians:

Indians experience 250 infant deaths per 100,000 live births from sudden infant death syndrome as compared with 150 deaths per 100,000 for the Nation.

The incidence of tuberculosis among Indians is now at about 200 per 100,000 population, down from 2,500 per 100,000 in 1955. But the Indian death rate from TB is still 6½ times greater than the rest of the Nation;

The death rate comparison between Indians and non-Indians is 4½ to 1 for cirrhosis and chronic liver disease; 2½ to 1 for diabetes melitus; and 2 to 1 for pneumonia and influenza; and

The Indian death rate from alcoholism is 55 per 100,000 population as compared with 8 per 100,000 for the general population.

Mr. Speaker, except for the Defense Department and the Veterans' Administration, the Indian Health Service is the only comprehensive direct health care delivery system funded and operated by the United States for a distinct part of our population. It ought to be a model for the rest of the Nation, indeed, for the world. It is not.

In 1976, my committee reported the legislation which became the Indian Health Care Improvement Act. It was the intent and purpose of that act to make the IHS system that kind of model and to secure for our Indian citizens, as promised in our treaties and statutes, a health status comparable to the rest of the Nation. While the full intent of that act, as supplemented by the 1980 amendments, has not been achieved, I am happy to report that it has had a significant beneficial impact on the fulfillment of our Indian health responsibilities.

The bill I am introducing today, with bipartisan support, will build upon that record and will move us further down the road to the day when we can tell our Indian citizens that this Nation has, finally, lived up to its obligations and commitments in the field of Indian health.●

HOUSE JOINT RESOLUTION 169

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SHUMWAY. Mr. Speaker, last Tuesday the voters of the city and county of San Francisco, Calif., overwhelmingly passed an initiative which rejects the use of multilingual ballots. As the sponsor of a constitutional amendment H.J. Res. 169) which, among other things, prohibits the use of the bilingual ballot, I support and

applaud the outcome of the San Francisco initiative.

Since amendments to the Voting Rights Act were enacted in 1975, jurisdictions, where 5 percent of the voting age residents are members of a single language minority, have been required to provide voting materials in the applicable minority language as well as English. In San Francisco, where Asians and Hispanics comprise approximately a third of the city's population, ballots must be made available in Chinese, Spanish, and English.

Mr. Speaker, I firmly believe that the linguistic minority groups in our Nation must learn English if they are to become fully integrated into American society. Yet while few would deny that mastery of the English language is vital to our Nation's immigrants becoming full and participating members of society, official policies, such as those which recognize other languages as the accepted language of the ballot box, may actually impede the learning of English. It is time for the Federal Government to stop sending conflicting signals to the non-English-speaking people in America. U.S. naturalization laws, for example, state that a person must "read, write, and speak English in ordinary usage" to become a U.S. citizen. Our laws, however, also mandate that immigrants who vote, and thus exercise the highest privilege of U.S. citizenship, must be provided with ballots in their native language.

Mr. Speaker, we must not promote the segregation of our Nation's immigrants by legislating bilingual programs which enhance the dissimilarities between immigrants and the mainstream of American life. Rather, we must encourage those who wish to become contributing members of American society to learn the language of their new homeland. Abolishing the use of bilingual ballots in America is an important step toward reversing one of the many Government-sanctioned programs which have served to discourage proficiency in English and to impede the full integration of immigrants into American society. I therefore applaud the voters of San Francisco for saying a strong "no" to the bilingual ballot and encourage my colleagues in Congress to do likewise.

THE BAHA'IS IN IRAN

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BARNES. Mr. Speaker, as we move to recess for Thankgiving, I hope that all of us will remember the millions around the world who are not as fortunate as we are in the United States. Among the many persecuted are the Baha'is in Iran.

Since 1978, over 150 Iranian Baha'is have been executed by the Iranian Government, killed by mobs, tortured, burned, or beaten to death. Among these are members of the top leadership of the Iranian Baha'i community. Still more Baha'is have been arrested—including women and children—and pressured to reject the tenets of their faith. They continue to lose their jobs, see their holy places razed, their homes burned, their crops destroyed, and their children expelled from school. The Iranian Government continues, and has strengthened, it systematic efforts to annihilate the Baha'i community by eliminating its leaders and intimidating believers into recanting their faith.

The Iranian Government makes ridiculous allegations to justify its persecution of the Baha'i community. Prof. Firuz Kazemzadeh, secretary of the National Spiritual Assembly of the United States, has said:

With the spread of anti-Americanism in the last ten to fifteen years, it became fashionable to link the Iranian Baha'is to the United States where there exists a relatively large and active Baha'i community. . . . Since 1979 a new accusation has been added: cooperation with Zionism. The basis of this latest invention is the location of Baha'i holy places and of the Baha'i international administrative center in Israel.

Iranian Baha'is have been killed because of false charges of espionage, subversion, corruption, political conspiracy on behalf of foreign powers—this despite the fact that Baha'is strictly avoid disloyal and subversive activities. these allegations are a sham and are a smokescreen for religious fanaticism.

The Baha'i community in Iran—300,000 to 500,000 strong—comprises Iran's largest religious minority, and historically this community has always been the target of a hostile Shiite clergy. Today, Iranian Baha'is live under the threat of annihilation. Dr. Kazemzadeh explains that,

When the Iranian revolution broke out in 1978, the most radically conservative fundamentalist elements within the Shiite clergy were determined to purge Iran of everything they disliked: modernism, emancipation of women, the rights of minorities, academic freedom, nonconformist thought, opera and the theatre, most forms of music; but their strongest yearning was the the destruction of the Baha'is. Having achieved power, the old enemies of the Baha'i Faith could not but use that power to crush a religion and a community for whose eradication they have striven for 139 years.

The Baha'i faith teaches the development of good character, eradication of prejudices, equality of the sexes, the nuturing of individual potential, and universal compulsory education. Baha'is are enjoined from partisan political affiliations and must obey the laws of their respective states. Yet the Iranian Government publicly recognizes the Baha'i faith not as a religion, but rather as a political organization.

This gentle, peace-loving community has no way to fight back against the hostile Iranian regime. Many Iranian Baha'is have accepted the fate of death rather than to recant their faith. They live with the confiscation of property, the destruction of holy shrines, the murder and imprisonment of their leaders, the incitement of mobs against them, the desecration of graves, false accusations of espionage, and now an all-out attack on Baha'i religious institutions leaves no doubt of the ultimate aim of the current regime: the elimination of the Baha'i faith from Iran, the country of its birth 139 years ago.

The magnitude of the governmental assault on the Baha'i community cannot be overstated. At stake is the survival of an independent religion. To make matters worse, the Baha'is have no recourse for redress of grievances. For this reason, it is critical that those outside Iran vigorously protest—in a public way—the actions of the Iranian Government. Our greatest leverage is the weight of public pressure and criticism. We must publicly put the Iranian Government on notice and expose its genocidal, systematic pattern of persecution against the Baha'i community.

Glenford Mitchell of the National Spritual Assembly of the Baha'is of the United States said in his testimony last year before the House Foreign Affairs Subcommittee on Human Rights and International Organizations,

It is not our practice to demonstrate in public. Rather, we make appeals to the conscience of our fellow citizens and to those in authority. But the gruesome and unending lengths of the attacks upon the Iranian Baha'is push us toward making a public issue of their suffering.

There is indeed suffering, and the victims increase in number. I am thankful that we in the Congress are in a position to bring public attention to this problem. We can be an important and strong voice for this silent, persecuted community. I urge my colleagues to do what they can to help.●

BURT COUNTY PLAINDEALER DISCUSSES RESPONSIBLE JOURNALISM

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DAUB. Mr. Speaker, yesterday's edition of the Burt County Plaindealer of Tekamah, Nebr., carried an editorial entitled "Responsible Journalism."

It discusses, in the most unbiased terms I have seen, the conflicting needs of the news media to inform the American public and those of the military to assure the optimum safety of our troops during a military operation.

I share the concerns expressed in the editorial, especially those regarding the Public Broadcasting System in the fifth paragraph. The editorial follows:

RESPONSIBLE JOURNALISM

Now that the fury of battle and furor of outrage have died down somewhat in the aftermath of the Grenadan intervention by the United States, some comment might be in order about the "rights" of news media to provide "instant" coverage of rapidly developing military operations.

The nationally prominent television news personalities have all taken shots at the government for imposing a news blackout during the early hours of the American military involvement on this island of Grenada. They, and many daily newspaper officials, cried that the rights of the American public to know what their government is doing were violated by military commanders who barred press representatives from accompanying front-line troops to the battle sites.

Sober thought would tend to arrive at the conclusion that the safety of fighting troops and the success of a military operation should take precedence over the needs of news media to get their stories before the public. However, once the military situation becomes a matter of public knowledge and the element of surprise or operational success no longer depends on secrecy, then military leaders should provide all cooperation for legitimate news representatives.

Military leaders can still recall the conflict in Vietnam; and many of them, correctly or not, share the opinion that news reports which came out of that country during military operations were more negative than positive in nature. Many of those now high in command were then field officers who were sharply criticized in some news stories. For them, no news is good news.

The Reagan administration condoned and abetted the restrictions on news coverage of the Grenadan affair; and that should cause concern for those who feel that open government is better than a controlled press. But all Americans are entitled to responsible, accurate and objective reporting on governmental activities. That has not always been the case, and the Public Broadcasting System, which is at least partially funded by tax money, provided the most irresponsbile coverage of all. Daily broadcasts over public radio were almost entirely negative in their reportage of American involvement in Grenada. Correspondents for PBS looked long and hard to dredge up native critics and broadcast their objections to an American presence. There was little if any coverage of a grateful majority on the island.

Our position on the Second Amendment remains unchanged: a free press is vital to the welfare of a free nation. Yet we must acknowledge that Americans are entitled to responsible journalism that is objective in nature and truthful is essence. The broadcast and print should perhaps stop their whining and start restoring their own respectability.●

INFLUENCE OF THE U.S. CONSTITUTION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. PHILIP M. CRANE. Mr. Speaker, on September 29, 1983, President Reagan signed S. 118, a bill establishing a Presidential commission to coordinate our Nation's bicentennial commemoration of the U.S. Constitution. September 17, 1987, will mark the 200th anniversary of the Constitutional Convention's adoption of our Constitution. Congress has wisely seen fit to give the commission adequate time to appropriately plan the bicentennial activities. I was particularly pleased to see S. 118 enacted as Public Law 98-101, for I had the honor of introducing H.R. 1380, the counterpart of S. 118 in the House of Representatives.

Americans can be justly proud of the international significance of the Constitution. In addition, we can be grateful for the remarkable stability it has promoted within our Government during times of crisis. Not only is our Constitution the first and longest-lived written body of law in the world, it is by far the most influential.

In this vein, I urge my colleagues to read the following remarks by Dr. Albert P. Blaustein, an eminent authority on constitutions of the world. Dr. Blaustein, a professor of law at Rutgers University, has personally assisted the drafting of several constitutions in Third World countries. He has been a consultant on constitutional writing and revision for Peru, Bangladesh, Liberia, Zimbabwe, Vietnam, Korea, and the State of North Dakota. He has also authored numerous publications on the subject, including the 15-volume work, "Constitutions of the Countries of the World." Dr. Blaustein's comments serve as a powerful reminder of the inherent wisdom in the body of law which we in Congress are pledged to uphold. Mr. Blaustein's remarks follow:

INFLUENCE OF THE U.S. CONSTITUTION ABROAD

(By Albert P. Blaustein)

The United States Constitution and the expression of its spirit in the Declaration of Independence may be America's most important export. In the words of Venezuela's ex-ambassador to Washington, Enrique Tejera Paris, "in a dogmatic world," the U.S. Constitution is still regarded as "the greatest of dogmas." History records its influence—one which continues to be significant. Wrote historian Henry Steele Commager: "They (the Founding Fathers) embraced, with a kind of exultation, this opportunity to set the standards and provide the models that others would of necessity follow."

And indeed it has been a model. America's constitutional ideas and institutions have taken root on all six continents. The United States "invented" a different federal system, a president, and its own concept of judicial review. Of course there have been (and are) competing constitutional models—British, French, Soviet—but America's impact abroad continues to be both widespread and significant.

France's constitution-makers were the first to be influenced and their products in the 1790's drew heavily upon the U.S. example. English reformers at the same time revised their own view of the British constitution in light of the American experience. South American nations drew upon the United States model in the 1800's as they achieved independence from Spain. The European revolutions of 1848 again produced a borrowing of American ideas. And during the nineteenth century, the British Empire provided some reflections of the U.S. Constitution in Australia, Canada and South Africa.

Even more significant has been the influence of the U.S. Constitution in the twentieth century. The Constitution of Japan and the Constitution of West Germany were framed with the U.S. Constitution in the background. Although established during post-war occupation, both are widely accepted at home. Judicial review was incorporated into constitutions throughout Europe and South America by the creation of constitutional courts.

The Philippines, a former American colony, based its first constitution on the United States model, and in some respects, the present document still honors us by limitation. And the same is true of the constitution of Liberia, a nation populated in significant measure by descendants of American black repatriates with a history which has intertwined with the American heritage. But there is also United States influence in Indian constitutional law as Indian jurists often consult United States Supreme Court precedents.

Less known is the fact that Nigeria, by far the most populous country of Africa, broke from the British Westminster pattern in 1978 to adopt a new constitution cast in the American mold. Canada's 1982 Charter of Rights also has important U.S. borrowings, plus formulations on affirmative action which are certainly based on the American experience, if not the United States Constitution itself. And the legal adviser to Kirabati, formerly the British Ellice Islands in the far off Pacific, has written about the use of United States guidelines in drafting the 1979 constitution which established this new nation.

Without ignoring the differences in constitutional practice among nations, we are reviewing these influences on the eve of the celebration of the Bicentennial of our Constitution. While most of our fellow constitutional lawyers, political scientists, historians and other social scientists are studying the influence of the U.S. Constitution at home, we propose to investigate its impact abroad. We do so for three reasons. First, by examining the influence of United States constitutional concepts abroad we can learn which have traveled well—and thus which are best for future export. Second, by studying how the ideas of the United States Constitution fared in other times, other societies, and other circumstances—we can gain greater insights into our own constitutional understanding. And third, in the area of competition in the world of ideas, we will be organizing the evidence of the successes—and failures—of American ideology, and furthering world dialogue on the most basic principles of law and government.

Patrick Henry exclaimed that America "had lighted the candle to all the world." John Adams concurred, expressing the belief that the American experience would "spread Liberty and Enlightment everywhere in the world." Thomas Jefferson wrote "that we are acting under obligations not confined to the limits of our own society. It is impossible not to be sensible that we are acting for all mankind." Without descending into a self-congratulatory exercise which exaggerates the U.S. role or ignores the indigenous constitutional creativity of other people, scholars should research the influence of the American Constitution abroad to discover the extent to which Jefferson's proposition is true and still relevant two centuries later.●

FIRE AND THE CARELESS AMERICAN

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BLILEY. Mr. Speaker, we all know and respect Hal Bruno, ABC News political correspondent. What Members may not know is that Mr. Bruno is an expert on fire protection. In an article in the September 1983 issue of Firehouse magazine entitled, "Fire and the Careless American," Mr. Bruno brings to our attention the carelessness and indifference of too many Americans toward fire. In the article he cites a recent study showing how Western Europeans have become far more careful and responsible regarding fire through education efforts.

I urge Members to read this article and use it as a foundation for creating greater public awareness about the dangers of fire. I request that the article be printed in the RECORD at this point.

FIRE AND THE CARELESS AMERICAN

(By Hal Bruno)

WASHINGTON, D.C.—The sociology of fire is a field that needs further exploration. An in-depth study of why people cause fires and why the American public is not fire-conscious might provide some valuable clues that eventually could help reduce this country's fire death toll.

It doesn't take long for a firefighter to realize that people are indifferent and careless when it comes to the danger of fire. Respond to enough alarms and you begin to believe that a large percentage of the American population is either crazy or stupid. The human behavior patterns that cause fires are as foolish as the reckless actions that cause automobile accidents. Yet, there is no penalty for destroying lives and property in an "accidental" fire.

My own experience includes a wild-eyed man standing in front of his fully involved house, still wavering the blowtorch he had used to thaw frozen water pipes. I recall a woman who lit a gas stove while spreading a highly flammable paint remover on the kitchen floor. I'll never forget the worker who escaped from a blazing auto-body shop, but went back inside to get his coat on a warm spring day; or the lawyer who got out of his smoke-filled house, then went back to retrieve some papers he apparently valued more than his life. There have been so many who fell asleep while smoking in bed (or on a couch or chair) that I can't sort them out. How many times have you walked into a smoky apartment and seen lamps, television, radio and a hot plate all connected to the same electric outlet? There are days when it seems like everyone in town has gone out and left food cooking on the stove.

MAD BEHAVIOR PATTERN

I'm sure most of you have had similar experiences; this mad behavior pattern is familiar to everyone in the fire service. It has prompted Philip S. Schaenman, formerly with the U.S. Fire Administration and now president of the TriData Corporation, to embark on a study of social and cultural factors that cause Americans to be indifferent to the fire danger. He recently completed research comparing European and American concepts of fire safety and it has attracted considerable attention. In that study, Schaenman pointed out how European fire departments emphasize fire prevention, stronger fire codes and better construction in their cities, tougher insurance regulations and no easy payoff, fire-safety education in the schools and a public that is genuinely fire conscious.

His aim now is to find out why Europeans are more careful and why Americans are careless. "Why don't we learn from our fires?" Schaenman asks. "In Europe, they seem to learn that they have to be careful. We have a higher awareness of driving safety . . . but Americans don't have as much respect for fires." There is a totally different philosophy toward fire in Europe where an individual is held responsible for the fire he causes. In Switzerland, for example, there's a fine for causing a fire through negligence. In the United States, there's no penalty and a reward of insurance money—even if you own stupidity caused an accidental fire.

INDIVIDUAL RESPONSIBILITY

"We have a philosophy that everyone's responsbile for a fire rather than the individual who caused it," Schaenman relates, "but in the Old Testament of the Bible it's stated that if you have a fire that spreads to your neighbor's house, you're responsible." That leads to an interesting question: if the police can issue traffic tickets for running a stop sign or for reckless driving, why can't a fire officer issue a summons for careless or reckless action that caused a fire? The courts sometimes fine building owners and operators who violate fire codes; why not fine a tenant or homeowner who causes a fire by smoking in bed, or overloading electric circuits or careless use of flammable material? "If we do it for causing a traffic accident, why not do it for causing a fire?" Schaenman wonders.

A basic European approach is to make the person fire safe and not worry as much about products. In this country, the consumer movement has created a tendency to automatically blame products rather than people for fires. There's no doubt that some products have been faulty or inherently dangerous—and deserve to be kept off the market—but others might be reasonably safe if properly used by sensible human beings. "In Europe, the person using the product is considered more important than the product," says Schaenman. "In the U.S., the emphasis is on making the product idiot-proof."

Perhaps most intriguing and mysterious are the social and cultural factors that may contribute to a higher fire toll in the United States. It's obvious that we have more fires and more fire deaths in the slums; poverty and fire seem to go together in this country. Yet, Schaenman points out, the slum neighborhoods in Western Europe do not have a significantly higher fire incidence or loss of life than the rest of the city. He suspects part of the answer may lie in cultural values, and cites the example of Turkish and southern European migrants living in Germany. Even when they're crowded into tenements, their families remain intact and they supervise their children. "They're not left alone to play with matches and get into trouble," he explains.

REQUIRED COURSE

Education in the schools also may have a lot to do with it. Fire safety is a required part of the curriculum in European high schools, with homework and tests just like any other subject. In this country, kids may or may not be exposed to a fire-safety presentation in grade school and it's not something they're required to study as young adults. It indicates to me that projects like the National Fire Protection Association's "Learn Not to Burn" program deserve even more attention and support from the fire service. If we have driver education classes, why can't fire safety be made a required course in our schools?

At this stage, there's a lot we only suspect and a lot more we don't know about the human behavior that causes fires. Schaenman has made a start by pointing out that social and cultural attitudes toward fire differ between Europe and the United States. His new study of why this should be could provide some answers that will tell us what has to be done to create a fire-conscious American public.●

A TRIBUTE TO A PHILHELLENE

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. YATRON. Mr. Speaker, I would like to bring to the attention of my colleagues the efforts of my colleague from New Jersey, Representative JAMES J. FLORIO, in connection with matters of concern to all Greeks and Cypriots. Mr. FLORIO's trip to Greece last January and his continued efforts on behalf of Cyprus truly exemplify his concern for this very troubled spot in the Eastern Mediterranean. At a time like this, when Cyprus lies virtually partitioned as a result of the Turkish Cypriot leader's repugnant declaration of the independence of Turkish-occupied Northern Cyprus, the efforts of Members of Congress such as JIM FLORIO become even more crucial to the timely resolution of a conflict that has troubled the Mediterranean for the past 9 years.

I commend to the attention of my colleagues an article that appeared recently in the Greek newsletter Karpathos:

[From Karpathos, November 1983]

JIM FLORIO

Well known philhellene and friend of Karpathian Americans of the Greater New York Metropolitan area, Representative James J. Florio (D-NJ) officially visited Greece this past January. Congressman Florio attended the U.S. Congress-European Parliament exchange held in Athens for a week of European trade meetings.

Although Congressman Florio's trip focused primarily on trade relations between the U.S. and the European Community, his itinerary included also meetings with Greek government and community leaders.

Florio, chairman of the House subcommittee on Commerce, Transportation and tourism, attended an array of sessions with officials of the Greek Ministry of Commerce, the Greek Tourism Organization as well as the Hellenic-American Chamber of Commerce. Of particular interest is Congressman Florio's discussions with representatives of the Dodecanesian Federation of Athens, which took, place at the Hotel Grand Bretagne. Key issues included the Aegean and Cyprus which affect not only the security of the Dodecanesian Islands but the national security of Greece as well.●

UNIFIED SPACE COMMAND: MAJOR STEP TOWARD PRESIDENT REAGAN'S GOAL OF A STRATEGIC DEFENSE FOR AMERICA AND OUR ALLIES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. KEMP. Mr. Speaker, today's Washington Post carried a story of great significance. The Joint Chiefs of Staff have recommended unanimously that a unified command for military activities in space be formed and activated within 2 years. This important step toward President Reagan's goal of a strategic defense for America and our allies was taken after the President received a letter from 53 Members of the House supporting this proposal. I am very proud to be among the signers of this letter, which was initiated by our distinguished colleague from Colorado (KEN KRAMER) and am very pleased the Joint Chiefs have acted so expeditiously to propose this vital organizational change.

The letter to President Reagan and the Post article follow:

CONGRESS OF THE UNITED STATES,
Washington, D.C., Nov. 7, 1983.

The PRESIDENT,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: Your March 23rd call for the development of technologies that would make it possible to forge a new U.S. strategic policy based on defense rather than nuclear vengeance offered the American people a vision of hope.

If we have the courage and imagination to take up your challenge, we can assure ourselves, our children, our grandchildren, and all generations to come the priceless gift of a world free of the specter of nuclear war.

As you know, Mr. President, a major part of the task ahead is the establishment of the organizational structure and dedicated scientific, technical, and military team to implement your initiative. We believe a unified space command to coordinate and direct the space activities of all branches of the armed forces to be a vital element of this structure.

Formation of the Air Force Space Command a year ago created the foundation for a unified command. The Navy demonstrated that it recognizes the need for a coordinated military space effort by announcing plans to activate its own space command. The Army has expressed its support for a unified command, and the Air Force has recommended that its Space Command be made a unified, all-service command.

The aggressive Soviet military space program has achieved its spectacular successes through a unified effort.

Mr. President, we submit that the time is ripe for the formation of a unified U.S. space command. This would serve not only to advance a coordinated and efficient American space-defense program. It would also stand as a significant symbol of our commitment to "save lives rather than avenge them."

We respectfully urge you to act quickly to establish a unified space command building from the Air Force Space Command, and stand ready to work with you to achieve your goal of one day making nuclear weapons obsolete.

Sincerely,

ROBERT W. DAVIS,
Member of Congress,
KEN KRAMER,
Member of Congress.

[From the Washington Post, Nov. 18, 1983]

JOINT SPACE COMMAND SOUGHT

(By Fred Hiatt)

The Joint Chiefs of Staff have recommended that the Air Force, Army, Navy and Marines form a unified command for military activities in space, knowledgeable officials said yesterday.

The secret recommendation by the Joint Chiefs reflects the growing importance of space in U.S. military planning and a conviction on the part of many senior officers that the United States should "seize the high ground" before the Soviet Union has a chance to do so.

The recommendation now will be considered by Secretary of Defense Caspar W. Weinberger and the White House, where the views of the Pentagon's top five military officers are expected to be influential. The Joint Chiefs reportedly recommended that the unified command, which would be the sixth within the military, begin operating about two years from now.

The unified space command would control military satellites, military uses of the space shuttle and other systems and weapons that may be developed for war in space. It would also play a major role in attempting to develop a space-based defense against nuclear missiles as envisioned by President Reagan in his so-called "Star Wars" speech last March.

Spokesmen for the Joint Chiefs and for the Navy and Air Force declined to discuss the action, which took place at a Nov. 8 meeting of the Joint Chiefs in the Pentagon.

A unified command would present a victory for the Air Force, which would probably take the lead in its formation. Air Force officials have argued that a unified command could lobby more successfully for funds in Congress and would clearly establish space as a significant arena for military research and operations.

Navy officials have opposed the merger, arguing that a unified command would simply expand the defense bureaucracy. The Navy also believes that it is more dependent on space than any other service, because ships continually rely on satellites for navigation, but that its needs and resources might be swallowed up in an Air Force-controlled unified command more concerned with futuristic weaponry than current operations.

Reliable sources reported that the Joint Chiefs split 3 to 2 in favor of a unified command, with Chief of Naval Operations Adm. James D. Watkins and Marine Corps Commandant Gen. Paul X. Kelley voting no. According to these reports, the chairman of the Joint Chiefs, Gen. John W. Vessey Jr., joined Air Force Chief of Staff Gen. Charles A. Gabriel and Army Chief of Staff Gen. John A. Wickham in voting aye.

Another source said that, after thrashing the concept out in executive session, the Joint Chiefs emerged to approve the idea by a unanimous vote. Watkins could not be reached for comment.

The Navy was said to have been reassured by a two-year delay contemplated before creation of the unified command, which would give the Navy's space command—established less than two months ago—time to develop. The creation of the Navy command one year after the Air Force created its space unit was seen as an attack on the unified concept, but Watkins has said consistently that he would not oppose a joint venture in the long run.

Rep. Ken Kramer (R-Colo.) said the creation of a unified command would be "the single most important step toward fulfilling the president's vision" of a space missile defense system because it would establish an institutional lobby for the system.

Kramer, whose district includes the existing Air Force command, has been one of the strongest advocates of a unified command and introduced a "people protection act" that would mandate its creation.

The Air Force established its space command in Colorado Springs on Sept. 1, 1982, and the unified command probably would be headquartered there as well.

Currently the Navy has two unified commands, the Pacific Command, headquartered in Honolulu, and the Atlantic Command, in Norfolk Va. Army generals control the European Command, headquartered in West Germany, the Southern Command in Panama and the Readiness Command at MacDill Air Force Base, Fla.●

A SPECIAL ANNIVERSARY

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. GREEN. Mr. Speaker, it is my great pleasure today to bring to the attention of the House of Representatives the anniversary of two of my constituents.

The wedding anniversary of Fung-Lai and Hong-Yen Wong would be cause for celebration in and of itself, but this event is made doubly signifi-

cant by the fact that this couple has been married for 80 years.

Both are now 98 years old and live in the Chinatown Senior Citizen Center in New York City's Chinatown. Both emigrated from Canton, China; Hong-Yen arriving in 1908 and Fung-Lai in 1922. They have five children, all of whom live in the United States and 20 grandchildren. This remarkable couple will be honored at the Chinatown Senior Citizen Center on November 23, and I am pleased to report that I have been invited and will be in attendance.

Mr. Speaker, it is my privilege to represent New York's 15th District, which includes New York City's Chinatown. The Wong's anniversary should give us all cause to reflect on the great contributions that Chinese Americans have made to our Nation.

Their contributions to expanding our Nation's frontiers and serving as examples of neighborhood service and respect for the sanctity of the family are an integral part of the American way of life.

Chinese Americans have truly exemplified the melting-pot nature of our Nation today by becoming an integral part of our society while maintaining the uniqueness of their own national heritage. I know that all Members of the House will want to join me in congratulating the Wongs and wishing them continued good health.●

PROSPECTS FOR INF ACCORD

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LEACH of Iowa. Mr. Speaker, recently, observers of the United States-Soviet intermediate range nuclear force talks in Geneva have suspected that a negotiating breakthrough might be possible in the period between the huge antimissile demonstrations in Europe and the actual deployment of the NATO Pershing II and cruise missiles. Today, the prospect of such a breakthrough may have been given substantive impetus. Information released today in Bonn indicates that the Soviets have informally expressed their willingness to drop their insistence that non-NATO British and French missiles be included in NATO totals, suggesting that talks aimed at the reduction of non-NATO missile could take place "in a different forum." At the same time, the Soviets have offered to reduce the number of SS-20 missiles in Eastern Europe to 120 if the NATO countries were to renounce plans for the fast-approaching deployment of the so-called Euromissiles.

While the United States and other NATO countries have rejected the Soviet offer, and it is certainly premature to suggest that any accord is imminent, the new proposals indicate some encouraging flexibility on the part of the Soviets. NATO negotiators should be prepared to meet such flexibility with more of the same; the opportunity to compromise, however slight, should not be wasted.

The NATO powers should not be afraid to reconsider deployment, or at least the date of deployment, should it become evident that the Soviets are serious about working out an agreement.

Perhaps it will be possible to realize what was looking increasingly like a mad pipedream: The suspension of the dangerous action-reaction cycle of nuclear missile deployments which threaten not only Europe, but all of humanity. More than ever before, it is the time to avoid foolish intransigence and strive for flexibility and conciliation. Seizing the moment is not now a choice, it is an imperative.●

DEPARTMENT OF DEFENSE WASTE

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BILIRAKIS. Mr. Speaker, we have all been shocked by recent reports of waste in the programs of the Department of Defense—in specific, certain overcharges which were paid for military spare and replacement parts.

By now, many of the examples are well known to the public. It has been documented that over $1,100 was paid for a plastic stool cap with a material worth of 26 cents, that $430 was paid for a $15 claw hammer, and that $110 dollars of taxpayer money was used to purchase a 4-cent diode.

"Shock" is a natural enough reaction to such incredible reports, but this emotion should not obscure the issues or dictate our response to the serious matter of the procurement policies and practices followed by our Federal Government. Instead, I believe this Congress must enact effective legislation to address deficiencies in our procurement system. Shock must give way to reason and reason to intelligent action.

Therefore, last week, I voted to report H.R. 2133 and H.R. 4209 from the Small Business Committee—one of my three committee assignments in the House of Representatives. These bills are aimed at correcting the specific conditions which produced some of the cited overcharges, but they also attempt to increase competition and the involvement of small business in the Federal procurement system.

In this regard, it is important to remember that problems in our procurement system are anything but new. For example, in 1794, Congress authorized the purchase of six frigates to be delivered during the following year. It was not until 1798 and 1799, however, before the newly organized U.S. Navy finally received three frigates whose cost had increased from $115,000 to $315,000.

During the tenure of Abraham Lincoln, the Federal False Claims Act was approved after Federal troops, opening boxes of muskets on the battlefield, sometimes found sawdust instead of weapons. And, throughout the 1970's, there was a continuing stream of General Accounting Office reports detailing and criticizing Federal procurement practices as well as many reports of excessive cost growth in major weapon systems.

Congress and the executive branch have not ignored each and every warning of contract abuse, nor have they failed to take actions to improve the procurement system. The 1981 Carlucci memorandum on DOD procurement policies is a well-known example of a serious, broad-based attempt to instill efficiency and accountability into the purchase of defense requirements.

Unfortunately, however, like discovering boxes of sawdust, it sometimes requires unacceptable events to bring the full machinery of Government into action. In essence, while the administration has taken steps to control unwarranted defense expenditures, specific legislative changes are needed. Taxpayers cannot be expected to support a system which allows pricing and purchasing abuses to persist.

During the Small Business Committee investigation into spare parts procurement and its hearings on H.R. 2133 and 4209, it became readily apparent that one of the major reasons for reported abuses in the procurement system were institutional forces which worked against effective competition. First, it was revealed that formally advertised bids constituted only 6.7 percent of the value of all DOD procurement activities.

Under current law, advertised bidding is supposedly the preferred method of Government procurement. It must be used whenever "feasible and practical." However, and this is a big however, there are 17 separate exceptions to the requirement of advertised bids. One of the most disturbing of these "other methods" is the sole source award, where the Government purchases an item from only one manufacturer, without formal price competition.

H.R. 2133 seeks to modify this situation by providing that in the purchase of spare or replacement parts, a Federal agency cannot make a sole source award unless one of five narrowly defined exemptions have been met.

While this section of the bill would not affect all bid situations, most notably initial solicitations, it will address the problem of automatic, or nearly automatic, sole source awards which have contributed to some of the more spectacular spare part prices.

Second, a very serious problem encountered during the course of our hearings was the issue of "proprietary rights." Proprietary rights, in this context, generally refers to an ownership interest of a contractor in an item which is provided to the Government. As the current system operates, once a company claims a proprietary right, they can become the sole source for all future purchases of that item.

Therefore, H.R. 2133 directs the Office of Federal Procurement, in consultation with small businesses, to issue regulations on proprietary rights in order to better define when these rights are or are not justified. The intent is to avoid the situation, described during our hearings, where the Federal Government orders a proprietary item "by number" with little or no knowledge of what is being ordered, or what is a fair price for the product involved.

Third, consistent with the legislative jurisdiction of the committee, efforts were made in H.R. 2133 to increase the involvement of small business and increase overall competition in Federal procurement. At present, while small business accounts for 40 percent of the GNP of the United States, only 17 percent of Federal purchases are made from such concerns.

H.R. 2133 contains several technical provisions to insure that small manufacturers have a fair opportunity to bid for all Federal contracts and acts to direct certain low-dollar value contracts to small firms, as defined by the Small Business Administration. As shown by our committee hearings, large prime contractors are sometimes able to dominate spare parts procurement for the products they provide to the Government in addition to large-dollar value contracts for completed products.

With respect to H.R. 4209, this legislation seeks to compliment H.R. 2133 by assigning a "breakout" procurement center representative (PCR) to each major Federal procurement center. The breakout PCR would, among other duties, be responsible for reviewing sole source awards to find purchases which could effectively be broken out for competition.

A Small Business Administration study prepared for the committee in 1981 indicated that DOD, on average, saves 40 percent when it breaks out spare parts for competitive procurement. Testimony was also heard in committee concerning a breakout for one aircraft part which saved $1.5 million in 1 year, reducing the item price from $16,811 under a sole source arrangement to $6,310 under a competitive procurement. Therefore, H.R. 4209 attempts to provide personnel with the specific responsibility to seek out such competitive savings.

Altogether, H.R. 2133 and H.R. 4209 will not end the debate over Federal procurement policy, nor serve to mute all criticism of the Pentagon and its buying habits. If enacted, however, I believe this legislation will help to open up Federal procurement to the forces of competition, small business competition in particular.

Although a $430 claw hammer will not affect the security of our Armed Forces tomorrow, the misallocation of defense funds has a long-term debilitating effect on our security. In addition, taxpayers cannot be expected to support any system which violates the laws of supply and demand with such seeming elan. It is not too much for citizens to expect that their tax money will be spent wisely, and purchase a dollar's value for a dollar's worth.●

THE DRASTIC EFFECT OF BUDGET CUTS ON THE LEGAL SERVICES CORPORATION

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. RODINO. Mr. Speaker, the Washington Council of Lawyers recently conducted a survey about the effect of budget cuts on the Legal Services Corporation, the results of which I find extremely disturbing.

The Corporation's budget was cut 25 percent in 1981 and has since remained at that level. While I am pleased that the appropriations measure we have adopted includes an increase in LSC's funds, I fear that it will take substantially more than that to restore the legal services program to its former level of effectiveness.

The survey points out that in addition to the decrease in the number of staff attorneys, and the number of offices that were forced to close, there has been at the same time a dramatic increase in the eligible client population. High unemployment has forced more people into that category, and the legal needs of low income people have also become greater. The rise in bankruptcies and foreclosures, combined with new requrements and eligibility review procedures for public assistance programs, have caused more and more people to seek legal assistance.

While the quality of services provided remains high, the legal aid programs have been forced to close down specialized law units and training programs, which has an inevitable harmful effect on the scope and depth of services provided. And despite the laudable efforts of the private bar in filling the gap caused by budget cuts, it simply has not sufficed. In my home State of New Jersey, for example, hundreds of private lawyers have given freely of their time to represent low-income people. Still, there is an enormous unmet need, and many people are not receiving any services at all.

Perhaps most troubling is the conclusion of the survey regarding staff and client morale. Many respondents who work in legal services programs described a "sustained bunker mentality"—an understandable sentiment, given the uncertain history of the past few years. But most distressing is that clients have expressed anger at being turned away from the program, especially when they felt that the legal services program was their last resort. Our Federal policy of providing free legal aid to low-income people serves to bolster the faith of our citizenry in the judicial system. We claim to believe in equal justice under law, and the legal services program gives meaning to that phrase. It is saddening to me to imagine the disillusionment that must be felt upon being told that you will not, in fact, get your day in court.

Mr. Speaker, the same week that this survey was released, the Board of Directors of the Legal Services Corporation adopted regulations which will make it much more difficult for poor people to qualify for legal assistance. It is important to note, as well, that of the 26 individuals proposed by President Reagan to the Board of Directors, not a single one has been confirmed by the Senate. Once again, Congress has had to step in to protect legal services grantees from being administered by an unaccountable board. As the New York Times editorialized yesterday, "Mr. Reagan has not earned the right to set legal services policy."

I commend the Washington Council of Lawyers for their thorough and comprehensive report, and would recommend it highly to my colleagues. The results, however, distressing, should come as no surprise to anyone who is familiar with the last 3 years of the legal services program.●

THE SIN OF SYNFUELS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. KEMP. Mr. Speaker, during the second session of this Congress, we hopefully will have an opportunity to review the performance of the Synthetic Fuels Corporation (SFC). I believe our scrutiny will point out the glaring flaws behind the entire rationale supporting the SFC's existence.

The synthetic fuels program is trickle-down corporate welfare, pure and simple. The taxpayers of this country are being forced to subsidize unprofitable ventures of large companies. If these synfuels projects are economical, the market will fund them.

In fact, one company, Eastman Kodak, has recently built the country's first coal-gasification plant. The project is on schedule, within its budget, and expected to be highly profitable. The truly amazing part is that it has been built without a penny of Federal money and meets the test of the marketplace.

The Eastman Kodak plant shows that the SFC is a blatant example of the failure of industrial policy. If this company can build a profitable, privately financed synfuels project, then why do we need to direct $15 billion of the taxpayers' money toward the energy industry?

Despite the profitability of the Eastman Kodak plant, the estimated cost of SFC-sponsored synthetic fuels has soared to around $90 per barrel of oil equivalent, while the price of a barrel of oil has fallen to around $30. We are subsidizing dubious projects that cost two to three times as much as available fuel sources.

Some of the major oil companies have recently dropped out of proposed SFC projects. Not even the promise of massive Government subsidies and inflated guaranteed prices could convince companies like Exxon Corp., Sohio Corp. and Ashland Oil, Inc., to undertake synthetic fuels production.

Despite the departure of the major companies, who realize that these projects are unfeasible, the SFC is determined to dole out its $15 billion. The projects it is considering for subsidies are one the SFC earlier rejected as high-risk projects. Even former SFC officials admit that these projects are so questionable that the American taxpayers probably will be forced to pay most of the $15 billion in contingent liabilities to bail out the projects' sponsors.

I commend to my colleagues the following insightful article from the publication, Inquiry. The magazine's editor, Doug Bandow, has succinctly outlined the reasons why the synfuels program is a bad one, and why we should eliminate further commitment of the $15 billion for the sake of the American taxpayers.

I insert the full text of Doug Bandow's article in the RECORD:

GREASING THE WAY FOR BIG BUSINESS—THE SIN OF SYNFUELS

What a difference a year makes. Last year, the Senate Appropriations Committee sharply criticized the Synthetic Fuels Corporation (SFC) for not doing its job, that is, for not giving away the taxpayers' money. But this year, after the SFC subsidized its first project, the committee praised the corporation and said it "hoped that other negotiations will be as fruitful." Edward Noble, chairman of the SFC board, says that the corporation will unload its full $15 billion in subsidies in the coming months.

However, Victor Schroeder, until August the corporation's president, won't be handing out the money. It seems that Schroeder charged the taxpayers $19,500 for the real-estate broker's fee and $4,500 for the higher interest rate on his new Washington-area house; awarded fifty-one consulting contracts without competitive bidding, some to old colleagues, including one for $103,000 to redecorate the SFC offices; and agreed to help a board member on personal business with Mobil Oil while lobbying for the member's vote on a reorganization plan. After the Justice Department began an investigation and several board members demanded his resignation, Schroeder quit, though he will remain a member of the board and continue to collect the $10,000 annual part-time salary.

The corporation's rocky voyage—its 200 employees and $34.5 million annual operating budget have so far resulted in only two projects—comes after it was launched with great fanfare back during the "energy crisis" days of 1980. President Carter, after his pilgrimage to Camp David, envisioned an $88 billion program to marshal American technology and capital; Congress responded with the SFC and $20 billion, and promised $68 billion more if the corporation did a good job.

The rationale for subsidies was disarmingly simple. OPEC was holding America hostage and wrecking our economy; we had to develop domestic energy substitutes, such as synthetic fuels. The fuel was too expensive for the private sector to develop alone, so the government had to establish a "partnership" with the large energy companies. At little cost to the taxpayer, the feasibility of the new technologies would be demonstrated, and America would be energy independent.

But something went wrong. It seems that congressional mandates cannot repeal market forces. Synthetic fuels have been and always will be expensive to produce—no war on energy can change that.

For which reason private companies all over America—from Ashland Oil in Kentucky to Standard Oil in Wyoming to Exxon in Colorado—have been bailing out of synfuels projects. Michael Koleda, president of the National Council on Synthetic Fuels Production, opines: "The bottom line is that the free market isn't going to produce synthetic fuels. It's going to have to be public policy to develop them."

And Koleda is right. Only "public policy"—known as the taxpayers to most of us—can develop synfuels. But that doesn't mean it should.

The fundamental premises of the synfuels program are flawed. But even if there were rational economic reasons behind it, the government would be sure to turn it into pure political pork. It should come as no surprise, for example, that one project that has found favor with the SFC's management, despite a pessimistic staff assessment, is a peat-into-methanol process supported by Republicans in and out of the administration.

Moreover, there is no "bottom line" for the SFC. A spokesman for the corporation justified the installation of a sauna in the executive suite, at taxpayer expense, on the grounds that the SFC has to pay a lot to get good people and is "a private corporation." But, of course, that's nonsense. It has no competitors, and no shareholders to satisfy. Its goal is to give money away, not produce anything.

In any case, there are no good economic arguments for the program. Private firms are jumping off the synfuels bandwagon because it's not worth the money it would cost to build synfuels plants, not because they can't raise the money. Having the taxpayers provide the funds doesn't make a project worthwhile; it merely enriches the company building the plant.

The threat of the OPEC "monopolists" is also ritualistically trotted out. But, as we have observed before, OPEC is dead ["OPEC goes bust," April]. Conservation and switches to other, economical fuels have reduced the demand for oil; today OPEC only provides one-third of the West's oil, while it once provided half. Moreover, the reason to be independent of OPEC is to avoid paying high oil prices. Yet the price of synfuels has always been higher than OPEC's oil price. Paying $95 a barrel—the price the SFC is guaranteeing all synfuels comers to start with—is no bargain even if the price of oil doubled or tripled in real terms.

The most perverse impact of the subsidy program is the reduction in other forms of private energy investment. As Morton Kondracke observed in the New Republic when Carter first proposed the scheme, guaranteeing billions in loans "will sop up private capital, raise interest rates, and stimulate inflation. Construction jobs and boom towns may be created where the coal and shale are—in Montana, Colorado, and Utah—but there will be less money for investment in job-producing enterprises in the East, South, and West Coast."

Subsidized synfuels projects are becoming a heavier millstone around our necks every day. The Department of Energy guaranteed $2.02 billion in loans for the Great Plains project, but investors in the plant claim their projected $1.2 billion profit has been transformed into a $1.8 billion loss. So they're threatening to pull out unless they're bailed out.

Indeed, it seems that the more expensive and unjustified the federal props for the industry become, the more the politicians support them; Senator James McClure (R-Idaho), for example, says that the SFC's mission is "more important now than it was before." Because of the lack of enthusiasm in the private sector for building a host of synthetic white elephants, the late Senator Henry Jackson argued that "the government should give serious consideration to building those plants itself." And the corporation is doing just that, even after the Department of Energy sold its multi-million-dollar Synthoil and Synthane demonstration plants for scrap.

It's time to kill off the SFC. Representative Tom Corcoran (R-Ill.) has been fighting to slash the program, and the administration has begun to review the SFC's future. The question is not, as Energy Secretary Donald Hodel put it, "whether a free democratic society has the will to complete something it starts." It is whether such a society has the courage to admit that the government has made a big, and very expensive, mistake.●

ALCOHOL AND DRUG ABUSE IN THE RAILROAD INDUSTRY

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. GOODLING. Mr. Speaker, today I am introducing a resolution that commends the Federal Railroad Administration for its efforts, in conjunction with the Association of American Railroads, to address the problems of drug and alcohol abuse in our Nation's railroad industries, and encourages the FRA to persevere in this effort.

In 1975, the FRA, in cooperation with representatives of railroad labor and railroad management, began an intensive study to investigate the extent and seriousness of the alcohol and drug abuse problem in the railroad industry. The final results of this study were published in 1979 in a document known as REAP, report of the Railroad Employee Assistance project.

This report proved that there was an undeniable alcohol abuse problem in the railroad industry and that this problem was not being adequately addressed by railroad managment. The report also cited the inadequacy of the current disciplinary system.

As a result of this report, national attention focused on the current company nondrinking rules and on their inability to control the problem. There is presently a rule G of the Standard Operating Code for railroads. This rule, however, is not a Federal rule. The rule is adopted individually and is enforced differently on each railroad. There are many problems with the arbitrary enforcement of rule G. The Federal Railroad Administration held hearings this past summer to investigate the possibility of a Federal rule that would control the alcohol problem. On November 14 and 15, the FRA sponsored a conference to publicize and evaluate employee assistance programs and various labor/management agreements dealing with the application of rule G.

We should support the FRA's actions that address this serious safety problem and most importantly, give them encouragement to continue their efforts in conjunction with the American Association of Railroads.●

A SALUTE TO WALTER C. KELLEY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. STOKES. Mr. Speaker, it is a signal honor and a pleasure to join with my constituents in Shaker Heights, Ohio, in saluting an old friend, Mayor Walter C. Kelley. Walter Kelley is retiring as the mayor of that great suburban city after more than a quarter century of public service to the community.

During his tenure of service, Mr. Speaker, Walter Kelley has gained the respect and admiration of Shaker Heights residents and people throughout Cuyahoga County.

At this juncture, I would like to share with my colleagues the notable work of Walter Kelley on behalf of the people of Shaker Heights.

Mr. Speaker, Walter Kelley began his public service career in Shaker Heights in 1957. It was in that year that he assumed the position as law director for the city. After serving in that capacity for over 15 years, Walter Kelley was elected mayor of Shaker Heights in 1973.

During Walter Kelley's tenure as mayor, he amassed many achievements and improvements for the city. Some of those achievements include the $100 million rebuilding of the Shaker Heights Rapid portion of the regional transit authority, $5 million in waterline improvements, $5 million in road resurfacing, and $5 million in sewer work.

In addition to the aforementioned construction and rehabilitation projects, Mr. Speaker, under the leadership of Walter Kelley, the city's paramedic service was overhauled and the Cleveland area's first joint fire dispatching service was initiated.

Mr. Walter Kelley has been a motivating force in terms of city services and construction. Moreover, Mr. Speaker, he has been the catalyst for the city's spirit particularly through his constant attempts to make Shaker Heights a place where people regardless of their economic or racial backgrounds can live in harmony.

Mr. Speaker, along these same lines, Walter Kelley has been a strong supporter of integration and fair housing. Segregation has been resisted and integration promoted through the city's model housing program.

I believe that Walter Kelley's commitment to the community was best stated in 1977 when he said:

> We are committed to the proposition that Shaker Heights should continue to deserve its reputation as one of the most desirable communities in the country in which to live.

There is one final major point to make about the Kelley administration in Shaker Heights. As he leaves office for retirement, Walter Kelley leaves the city in its strongest financial position in recent history.

Mr. Speaker, Walter C. Kelley has made an indelible mark on the city of Shaker Heights and on the hearts of its residents.

We shall miss his sense of dedication and compassion at the helm of the city government. However, he has set a high standard for all of us to follow. At this time, Mr. Speaker, I salute Walter C. Kelley on the outstanding service he has provided to the city of Shaker Heights for more than 25 years.●

PEACE ACADEMY LEGISLATION

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. McEWEN. Mr. Speaker, the tragic events which have recently occured in Lebanon once again emphasize the need to establish a U.S. Academy of Peace and Conflict Resolution. The proposed academy would be an interdisciplinary institution dedicated to international peace studies at Wilmington College. In addition, the Academy would research and advance conflict resolution methods and skills. This humanitarian institution would serve everyone in both the private and public sectors.

The proponents of this Academy recognize that peace is a process—a way of solving problems. It does not consist of a magic and grand formula, but it is composed of a series of acts which allow men and nations to submit their disputes to a just and peaceful settlement. The Academy will facilitate the development and refinement of the necessary skills for men and nations to settle their quarrels. It will hopefully teach individuals how they must learn to live with one another through mutual tolerances.

Mr. Speaker, I strongly urge my colleagues to support H.R. 3088, the U.S. Academy of Peace and Conflict Resolution Act, which establishes this institution. The adoption of this measure will be an important first step in the development of a peace process. In my judgment, we have no more urgent task before us.●

THE CORPORATE TAX: IT'S ALL BUT DISAPPEARED

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. OTTINGER. Mr. Speaker, I would like to bring to my colleagues' attention a recent Washington Post op-ed piece entitled "The Corporate Tax: It's All But Disappeared." The author, Robert McIntyre of Citizens for Tax Justice, argues that the creation of the $200 billion deficits is caused less by Mr. Reagan's individual tax cuts than it is by his corporate giveaways. Not only have many corporations avoided paying Federal taxes but, in some cases, the Federal Gov-

ernment has actually given them money. For an administration which has severely cut Federal assistance for the poor and middle class, who honestly need the money, I find it very difficult to swallow its advocacy for establishing a welfare system for some of the most profitable companies in the world. Congress must take action against the balloning deficit but we must do it fairly. It is time that this Nation stops subsidizing our corporations at the expense of the American taxpayer. I urge my colleagues to read this article:

[From the Washington Post, Nov. 16, 1983]

THE CORPORATE TAX: IT'S ALL BUT DISAPPEARED

(By Robert S. McIntyre)

Ask John Glenn what's wrong with Reaganomics and he'll tell you it's the "massive tax cuts for individuals which are the real cause of enormous deficits and resultant high interest rates." Ask the Ohio Senator why he voted against last year's modest effort to raise taxes and reduce those deficits and he'll tell you the 1982 tax bill was too tough on business.

Glenn's views are not uncommon. They may well be in the mainstream among Senate Democrats. But they're wrong.

The real economic damage from President Reagan's 1981 tax program stems not from personal tax cuts but from the breathtaking changes in corporate taxes. Despite last year's successes in narrowing some business loopholes, the corporate income tax as a source of federal revenues has all but disappeared.

In four of the 12 months of the fiscal year recently ended, Treasury actually sent out more in corporate tax refunds than it collected in corporate tax payments. Overall in fiscal 1983, corporate income taxes totaled only $35 billion. That's less than 6 percent of federal receipts and a mere 4.4 percent of spending—quite a drop from the 25 percent of federal taxes corporations paid in the 1950s and 1960s, or even from the 15 percent they chipped in during the 1970s.

Why are America's corporations paying so little in taxes? Certainly, the recession has been partly responsible. But, as the Treasury Department dryly noted earlier this year, the eclipse of the corporate tax also reflects "business efforts to make use of improved depreciation schedules approved by Congress in 1981."

Aha! you say, so it's not all bad. At least we're getting some added capital investment in exchange for giving up on collecting corporate taxes. Well, not really. Capital spending is expected to decline in 1983 for the second year in a row—the first time that's happened in the entire postwar era.

Although the explosion in corporate loopholes over the past decade—from $7 billion on the government's official list in 1970 to an expected $83 billion by 1986—has been relentlessly defended by Washington business lobbyists as beneficial to the economy, the actual results have been just the opposite.

Not only have the costly giveaways failed to lead to increased investment, not only have they helped send federal deficits soaring, but they also have seriously distorted business decision-making. Tax sheltering, rather than marketplace forces, has become the driving force behind many investment choices. Bad investments, entered into only for their tax advantages, have crowded out good ones.

What tax loopholes have given us in the way of "investment" is lots and lots of paper shuffling. For example, take the $485 million tax shelter engineered in the fall of 1982, in which 534 wealthy investors bought Metromedia, Inc.'s entire stock of billboards—with the understanding they'd sell them back in five years after milking the tax write-offs. Or the rampant trading in used office buildings currently under way in cities like Chicago, as investors seek "newly acquired property" to get better depreciation deductions. Or the 70 percent jump in syndicated tax shelters in the first three-quarters of this year, involving such highly productive assets as llamas and foreign stamps. Or the record-setting wave of corporate mergers in 1981 and 1982.

But what about personal taxes? Aren't 1981's "massive" individual tax reductions an even more important part of our fiscal problem? No.

To be sure, truly wealthy individuals were treated generously in 1981—to a grave fault, one might add. But most families earning less than $30,000 a year were stuck with net tax increases, after offsetting bracket creep and higher Social Security taxes. Overall, the net change in aggregate individual taxes, says the staff of the congressional Joint Committee on Taxation, is somewhere between a $6 billion increase and an $18 billion cut—a far cry from the $200 billion-a-year cost of the 1981 personal rate reductions that's often cited.

A recent Peter Hart poll shows that the public understands this reality rather precisely. It found that 42 percent of American voters believe their federal taxes have increased since Reagan took office, and 34 percent say their taxes have stayed the same. Only 6 percent felt they had benefited from significant tax reductions.

Ordinary taxpayers, who are left paying the taxes avoided by the politically powerful and who bear the brunt of the economic losses caused by deficits and tax-induced inefficiencies, have a right to be angry. And that anger will likely be a major force in the 1984 elections. It also may be the hidden time bomb in the Democrats' efforts to take full political advantage of the outrageous $200 billion deficits created by Reagan's tax and budget programs.

What do the Democrats propose to do about those deficits? Cut spending? Hardly. The liberal spending agenda is no cheaper than Reagan's conservative one.

That leaves raising taxes, and here there are two choices: taxes can be increased on those who are already paying their fair share, or they can be increased on those who aren't.

If the Democrats come across as favoring big tax hikes for average citizens, Reagan is ready to exploit that to deflect attention from his decifit problem. Walter Mondale's undenied charge that John Glenn has a record of supporting corporate special interests on tax matters suggests that the Ohio senator might well fall into the trap the president has baited.

Mondale, on the other hand, has begun to take on the special interests on tax policy. He's even gone so far as to single out banks, oil companies and "90,000 profitable corporations that pay no taxes at all" as potential targets for taxation.

Raising taxes by closing loopholes isn't just a Democratic issue—as Sen. Bob Dole proved last year. But a Democratic campaign based on tax reform would provide a clear alternative to the big-deficit, unfair tax policies of the Republican who will be running for reelection as president in 1984.●

DOROTHY ELDRIDGE—NEW JERSEY'S FIRST LADY FOR PEACE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. RODINO. Mr. Speaker, on December 7 the New Jersey Committee for a Sane Nuclear Policy—N.J. SANE—will hold a very special celebration. That evening members, colleagues, and friends from throughout the State will gather for a reception to honor Dorothy Eldridge on her 80th birthday.

Dorothy Eldridge is a very remarkable lady, and I have been privileged to work with her in her capacity as director of N.J. SANE for many years. Her leadership, counsel, and support on many of the most grave problems confronting us as a nation—and indeed all of mankind—have been invaluable to me.

It is interesting to note that Dorothy is descended from a distinguished family heritage of patriotism and military service to our country. Her ancestors came here on the *Mayflower*, and fought both in our Revolution and on the Union side in the Civil War. Yet now Dorothy's commitment to our country's security and future is in the role of advocacy of nuclear arms control and as a peace activist.

This exceptional woman is a graduate of Mount Holyoke College, and while raising three children she also worked as a microbioligist at Hoffman-La Roche in Nutley, N.J. In 1958, concerned about the peril of nuclear tests, she founded N.J. SANE with a small band of people who shared her views to work for a nuclear test ban treaty. In 1959 she resigned her position with Hoffman-La Roche to become the full-time director of N.J. SANE.

Under Dorothy's dedicated and inspiring leadership, the fledgling organization grew and through the ensuing years has gained widespread respect and support. Once the Nuclear Test Ban Treaty became a reality, N.J. SANE devoted its efforts to seeking to educate the public to the fallacy of civil defense against nuclear attacks and to opposing our continuing engagement in the tragic Vietnam conflict.

In 1980, N.J. SANE joined with concerned church groups to establish an organization to promote the nuclear freeze. The new group organized the State on an assembly district basis to work for passage of a nuclear freeze referendum on New Jersey's ballot last November. The referendum received an outstanding 66 percent majority

vote in favor of a mutual, verifiable nuclear freeze. Most recently, Dorothy and N.J. SANE have been working to prevent the deployment of the cruise and Pershing II missiles in Europe.

Now entering her 81st year, Dorothy is both director of N.J. SANE and State coordinator of the New Jersey Freeze Campaign, and she plans to be active in next year's election campaigns.

I understand that the New Jersey State Legislature will issue a proclamation to commemorate Dorothy Eldridge's achievements and dedication. I can think of no one who deserves this more, and I join her many friends and admirers in paying tribute to Dorothy's work for peace. I believe she truly deserves the title of "New Jersey's First Lady for Peace."●

IOWA'S GOODS SOLD ABROAD

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. TAUKE. Mr. Speaker, I wish to bring the attention of the Congress to a news article which recently appeared in the Cedar Rapids Gazette. The article reports on the successful Taiwanese trade mission to Iowa last month. This trip by our friends from Taiwan was just one of a number of missions since 1979 which have resulted in purchases of over $5 billion in U.S. goods. The importance of these efforts, and of Iowa's contributions, to our national trade balance is quite clear.

I commend our many trading partners who have recognized the high quality and value of American agricultural and manufactured goods. And I offer this news report as encouragement to our continuing efforts to increase exports as a necessary approach to the creation of American jobs.

The article follows:

TAIWAN BUYS $36.3 MILLION IN IOWA CORN, BEANS

Des Moines.—Buyers from Taiwan filled their shopping carts Wednesday with 164,000 metric tons of Iowa corn and soybeans.

The Taiwanese trade mission paid $36.35 million for the grain—a price the head of the delegation termed "relatively high."

The purchase amounted to an estimated 4.5 million bushels of corn at an average price of $3.98 a bushel and 2.03 million bushels of soybeans at an average price of $9.10 a bushel.

Vincent C. Siew, director-general of the Board of Foreign Trade, told a news conference after the purchase was completed that the "price for today is relatively high" compared to the price paid by Taiwanese buyers in previous years.

The Iowa buying stop is one of 28 such stops the trade mission will make as it buys $600 million worth of American goods. Purchases are expected to include $500 million worth of American agricultural goods and $100 million worth of industrial goods.

Siew said that in the future, the trade mission will consider buying Iowa manufactured goods as well as agricultural products.

Most of the soybeans, he said, are intended for human consumption, while the corn will primarily be used for livestock feed. Taiwan, an island nation of 18.5 million people, imports 95 percent of its food.

Taiwan, which calls itself the Republic of China, is America's seventh largest trading partner. Members of the trade delegation said one of the purposes of the buying trip is to narrow the negative balance of trade the United States has with Taiwan. In the first six months of this year, Taiwan bought $2.5 billion worth of U.S. goods while selling the United States $5.9 billion worth.

The buying excursion was the eighth by Taiwan since 1978.

A total of 11 companies had bid on the corn sales and seven on the soybeans.

After the bids were opened and read, the Taiwanese selected the winning bidders and signed contracts with them in a ceremony in the rotunda of the Iowa Statehouse as Gov. Terry Branstad looked on.

Although some of the grain companies are from out of state, the Taiwanese said the grain must come from Iowa.●

YOUTH APPRECIATION WEEK

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DYSON. Mr. Speaker, I rise today to join with the Optimist Clubs in recognizing the youth of our Nation during Youth Appreciation Week, November 13 through 19. During this week many outstanding youths are being honored by Optimist Clubs for their outstanding achievements in the community.

Our youth represent one of the most important assets of our society and it is vital to recognize the accomplishments of these young people who will be our future leaders. I salute the work of the Optimist Clubs who devote themselves to the interests and concerns of our young people.

We must share equal responsibility for developing and recognizing the talents of our young people. Any effort we extend today will be greatly rewarded in the future.

Faced with the ever-changing and rapid pace of today's world, young students are constantly exposed to pressures of great magnitude. The Optimist Clubs of America have reached out with interest and concern to dedicate themselves to the needs of youth. I would like to express my deepest appreciation to the members of the Optimist Clubs for their efforts and extend my sincere congratulations to each young person receiving an award this week.●

HERO STREET, U.S.A.—A TRIBUTE TO NEIGHBORHOOD VETERANS

HON. LANE EVANS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. EVANS of Illinois. Mr. Speaker, too often, the lives of soldiers who never return from war are preserved only through memories and photographs. In the small town of Silvis, Ill., however, the people of Hero Street have built a lasting memorial to honor the eight men from their neighborhood who died in war.

The 22 families of this 1½ block long area have sent 78 sons to military service from World War II to the Vietnam war, and children of the families continue to join today. Most of the families are Mexican American, and the monument was built to resemble a Mayan temple—a symbol of their roots.

All year long the memorial on Hero Street represents those who have sacrificed themselves for their country, but especially on Veterans Day. Eight flags and eight white crosses are put up in remembrance of those who have died in battle, those individuals who truly are the heroes for which the street is named.

I want to share with our colleagues an article from the Chicago Tribune on the unique and admirable patriotism of this town of the 17th Congressional District.

The article follows:

THE STREET OF HEROES—NEIGHBORS REMEMBER SONS WHO WENT TO WAR

("The Street is really not much, just mud and ruts, but right now to me it is the greatest street in the world."—From a letter written by Claro Soliz shortly before he was killed in the Battle of the Bulge in World War II.)

(By Manuel Galvan)

SILVIS, ILL.—All the streets in this small, northwestern Illinois town have numbers for names, except one. They call it Hero Street.

Yet, Hero Street is all about numbers.

It is 1½ blocks long and used to be called Second Street. During World War II and the Korean War, the 22 families on this tiny street sent 57 sons off to the military. Eight of them, all Mexican-Americans, never returned alive.

The two Sandoval families alone sent 13 sons. Three were killed.

Hero Street reportedly contributed more men to military service in World War II and Korea than any other place of comparable size in the United States, according to the Defense Department.

By the end of the Vietnam War, the 22 Hero Street families had sent a total of 78 sons.

Children of the families keep joining the military to this day.

Mary Esther Munos recently began her second stint in the Air Force.

She is the daughter of Joe Munos, who served with the Navy in the South Pacific during World War II. Her uncle Johnny was killed in Korea.

"They went without any qualms," said John Masias, whose brother, Peter, was killed in Belgium during World War II. "You don't see no draft card burners here on Hero Street."

The parents of most of the families on Hero Street were born in central Mexico and followed the rails during the 1880s. They worked as railroad laborers, first in northern Mexico then San Antonio, Dallas, Topeka and eventually Silvis.

By 1905, Silvis was a railroad boom town. At first Mexicans lived in boxcars on railroad property. By the end of the 1920s, they moved to the west end of Silvis and took homes on Second, Third and Fourth Streets. Today, about a third of Silvis' population is Mexican-American.

"All the mothers used to call all the boys *hijos* [sons] because we were so close," Tony Terronez said. "We used to play over there on Billy Goat Hill."

The hill used to drop several yards straight down on Second Street. Some say it got its name because you had to be a billy goat to climb it. The boys of "Little Mexico" played on the hill: cops and robbers, cowboys and sometimes war.

"They were the first generation of Mexicans born here," said Joseph Terronez, a Silvis alderman, who pushed for the name change to Hero Street. "World War II came, and they sacrificed themselves just like any American."

Tony Pompa, who as a boy was fascinated by planes, became a tail gunner and died in Italy durng World War II when his plane was shot down.

Frank Sandoval was killed on the Burma Road in June, 1944. Ten months later his brother, Joseph, was killed in Germany. William Sandoval, who was not related, became a paratrooper and was killed in Holland.

Joe Gomez, who earned a Silver Star, was killed in Korea in 1950.

Billy Goat Hill is no longer here, the way it was. A third of it was cut away and a concrete monument fashioned into it. The memorial was designed to resemble a Mayan temple, a symbol of the boys' family roots.

Terronez lobbied for the monument and was aided by several groups, including the American GI Forum. His cousin, Tony Terronez, an engineer from Deere & Co., is the one who cut away part of the hill. The firm paid for his time and contributed machinery. A federal grant from the Department of Housing and Urban Development helped with the funding.

Hero Street Park was dedicated Oct. 30, 1971.

Today there is a playground for the children of the area. Where they once dropped a rubber ball into a hoop nailed to a tree, there is now a full basketball court. Where they once climbed through tight branches and hid, there is now a jungle gym. And the street, once mud and ruts, is now paved.

But no day is more special than Veterans Day, when eight flags and eight white crosses are set up on the memorial.

From the top of the monument you can look down on Hero Street and see American flags on every house, saluting the boys from Billy Goat Hill.●

UNIFIED SPACE COMMAND

HON. KEN KRAMER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. KRAMER. Mr. Speaker, as you may have seen, the Washington Post reported this morning that the Joint Chiefs of Staff has recommended that the Air Force, Army, Navy and Marines form a unified space command to coordinate and direct the space activities of the armed services.

This is wonderful news for anyone interested in making a safer world for our children and all generations to come. A unified command would bring to bear an integrated multitiered defense consisting of both ground-based and space-based defenses. By helping to provide a reliable layered strategic defense, it could bring us closer to a world where nuclear weaponry has been rendered obsolete.

As a long time advocate of such a command and as the sponsor of the People Protection Act, which calls for creation of this command, I am especially pleased that the Joint Chiefs now recognize and support the contribution a unified command could make toward achieving the President's goal of a safer world through a new space defense initiative.

I commend the Joint Chiefs for their recommendation and hope that the President will act to implement it as soon as possible.●

HONORING THE COMMITMENT TO SOUTH DAKOTA

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DASCHLE. Mr. Speaker, next year marks the 40th anniversary of the enactment of the Flood Control Act of 1944 and the creation of the Pick-Sloan Missouri basin program. Next year also marks the 40th anniversary of the commitment made by the Federal Government to the people of South Dakota to develop the water resources and irrigation potential of my State, a commitment which has still not been honored.

As a result of the flooding which periodically ravaged the States of the lower Missouri River basin and the devastating flood of 1943 in particular, Congress acted in 1944 to protect the property and preserve the lives of the residents of the lower Missouri River basin. To accomplish this objective, five main stem dams and reservoirs on the upper Missouri River were constructed between 1946 and 1969 which include the Oahe, Big Bend, Fort Randall, and Gavins Point Dams in South Dakota. As a consequence of the construction of these dams and reservoirs, 520,390 acres of among the most productive agricultural land in South Dakota were permanently flooded in order to prevent periodic destructive floods in the lower Missouri River basin. As compensation for this irrevocable loss of land, South Dakota was to receive the benefit of the irrigation of 972,510 acres.

Has the Pick-Sloan Missouri Basin Program been beneficial? For the residents of the States of the lower Missouri River basin, the answer is an unqualified yes. The estimate value of the property damage which has been avoided as a result of the Pick-Sloan Missouri basin program exceeds $1.5 billion. No longer is destruction of property and loss of life annually threatened by rampaging Missouri River waters. Barge transportation which only occurs in the lower Missouri River basin has been improved as the result of the construction of the main stem dams in the upper Missouri River basin. The flow of the Missouri River as it is released from the upper basin main stem reservoirs is managed to facilitate and aid the conduct of water borne commerce in the lower Missouri River basin including the extension of the season during which barge transportation is possible on the Missouri River. Further, residents of the lower Missouri River basin are beneficiaries and consumers of the hydroelectric power which is generated at the dams constructed on the main stem of the Missouri River in the upper basin. These are the benefits which have accrued to the people of the lower Missouri River basin as a direct result of the Pick-Sloan Missouri basin progrm. They are known. They are tangible. They exist. In sharp contrast, Mr. Speaker, 40 years after the enactment of the Flood Control Act of 1944, the people of South Dakota still await the irrigation benefits due to them from the Pick-Sloan Missouri basin program. Forty years have past since the Federal Government made a commitment to provide irrigation for 972,510 acres in South Dakota.

The people of South Dakota do not contest the benefits which the residents of the lower Missouri River basin States have received as a direct result of the construction of dams and reservoirs on the main stem of the Missouri River in South Dakota. South Dakotans rightfully value the preservation of life and protection of property made possible by controlling the waters of the Missouri River.

South Dakotans also do not seek to rewrite the history which made these substantial and significant benefits possible for the residents of the lower Missouri River basin States. The people of South Dakota, however, do

seek the fulfillment of the historical commitment made to them 40 years ago by the Federal Government to provide for the development of irrigation.

Today, I am introducing two authorizing measures in recognition of the commitment made to the people of South Dakota and the continuing obligation of the Federal Government to the people of my State. The introduction of these two measures is for the expressed purpose of encouraging and facilitating public discussion and comment and consideration by the Congress of promised irrigation and water resource development. The first measure, developed by State and local interests in South Dakota, authorizes the Secretary of the Interior to construct, operate, and maintain the central South Dakota water supply system, the CENDAK Unit of the Pick-Sloan Missouri basin program, South Dakota. The proposed CENDAK Unit will provide a water supply for the sprinkler irrigation of approximately 474,000 acres of land in Hughes, Sully, Hyde, Faulk, Spink, and Beadle Counties, for municipal and industrial purposes, including rural water uses, and other purposes. The second measure authorizes the Secretary of the Interior to construct, operate, and maintain the Lake Andes-Wagner Unit, South Dakota Pumping Division, Pick-Sloan Missouri basin program, S.D. The proposed Lake Andes-Wagner Unit will provide irrigation water for approximately 42,500 acres of land in Charles Mix County. Next year marks a quarter century of active local interest in and support for irrigation in Charles Mix County as indicated by the formation in 1969 of an irrigation district. In 1971, the Bureau of Reclamation commenced a scheduled 3-year study of the feasibility of irrigating 90,000 acres, but this study was never completed. As a further indication of local support for irrigation, a bond issue was approved in 1974 to continue the Bureau initiated study.

The obligation to the people of my State has been outstanding for four decades. It is in arrears. It is 40-years past due. Forty years is a long time to wait for the Federal Government to honor a commitment. It is too long.●

RETIREMENT OF WHITE HOUSE CONGRESSIONAL LIAISON KENNETH M. DUBERSTEIN

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. CONTE. Mr. Speaker, I would like to take this opportunity to say a few words in appreciation for a job well done by outgoing Assistant to the President for Legislation Kenneth M. Duberstein, who recently announced his retirement.

Ken brought to the job years of experience in Government relations, serving in the Ford administration in legislative and intergovernmental affairs in the Department of Labor and the General Services Administration. After a 4-year stint as vice-president and director of business/government relations for the nonprofit Committee for Economic Development, Ken joined the Reagan administration in the Office of Legislative Affairs. His contributions to the legislative process have been much appreciated by the Republican leadership and individual Members of the House and Senate.

In leaving the President's service, Ken brings to a close an outstanding career in legislative affairs work. Always accessible, outgoing, and informed, Ken painted his office with an aura of professionalism that was appreciated by Members of Congress from both sides of the aisle. To those of us who played major parts in putting together legislative packages that became law, Ken was a person to look to for honest, straightforward counsel on administration policy. His candor and wit will be missed in upcoming legislative business.●

TOM BRADLEY

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DYSON. Mr. Speaker, last month the State of Maryland and this Nation's trade union movement mourned the loss of a great citizen, a true friend and an uncommon leader. Tom Bradley, president of the Maryland State and D.C. A.F. of L.-CIO., died on October 27, 1983.

His passing away will be felt by people in every walk of life for many, many years to come. And that is only fitting because his life was in the public service; his heart and conscience though found a safe harbor in the trade union movement. He was dedicated to protecting and improving the lives of working men and women in Maryland and throughout the Nation. For those of us in public life, in elective office, in management and in the trade union movement, itself, Tom Bradley may best be remembered for his charming Irish manner and unwillingness to quit. He would always push and prod, and ask for, perhaps, more than the times would permit. But he would say, "if you do not push and prod and ask for a little more than you deserve, you are apt not to get even what you ought to get."

Henry Wadsworth Longfellow spoke of men like Tom Bradley in the Psalm of Life when he wrote that:

Lives of great men all remind us
We can make our lives sublime,
And, departing, leave behind us
Foodprints in the sands of time.
Footprints, that perhaps another,
Sailing o'er life's solemn main,
A forlorn and shipwrecked brother,
Seeing, shall take heart again.

One of Tom Bradley's closest friends, Mr. Ted Venetoulis, eulogized the passing of this great man who was literally snatched from the lives of his friends and family during the early autumn of his own life.

We gather here this memorable morning to pay tribute to a fallen crusader . . . to an individual who stood in life as a symbol for all of us who believe that a free society, like a family, must care for its own . . . and who now in death, stands as an inspiration for those of us who also believe that a free society must behave fairly and openly.

And as I look before me at this sea of somber faces—I see not only his beloved family, who will suffer his loss more than any of us . . . I see Tom's colleagues in the labor movement . . . I see supporters in the political world . . . I see those who sat across from him at the bargaining table, or sat next to him in hearing rooms . . . famous and familiar faces. But I also see the faces of people none of us might know—the faces of the workers for whom he argued . . . the consumers for whom he fought . . . the unemployed for whom he rallied—the young and old—the poor and forgotten—the volumes of voiceless Americans who knew that Tom Bradley was their champion . . . and who somehow sensed the magic of this man who dedicated his life not to the gaining of personal wealth, but to the sharing of society's opportunities . . . not so that his family could live in splendor, but that his workers could live in pride.

This dedication to his profession and his career required that he be wiser than those he faced—which inevitably he was. It required that he be tougher than the battle he had to fight—which usually he was . . . and it required that he be more pragmatic than the dreams he pursued—which often he wasn't.

It was that quality of chasing dreams, climbing mountains, of relentlessly arguing for an improved life for people who often needed so little to improve their lives that separated Tom Bradley from the crowd that plays in the public arena . . . who so often let their anxieties violate their principles. Tom Bradley never did.

The public saw Tom Bradley clipping credit cards to hold down interest rates . . . they saw him holding picket signs to hold down utility costs . . . they saw him chastising Presidents, Governors, State Senators, business leaders who were greedy, labor leaders who were equally greedy.

And some of us saw him working behind the scenes bringing together those who could resolve an issue before it became one. When he knew I knew the owner of a hotel that was about to be struck, he called and asked me to set up a meeting. "These guys are about to go to war," he said, "and it's over nothing." Bringing together a Major with an unfriendly union chief—he would maintain the trust of both. Bringing together the head of a utility with a consumer advocate he kept the confidences of both. Supporting one candidate over another he somehow kept the respect of both. Because when he gave his word he meant

it . . . when he asked you to do something, you knew it was the right thing to do.

But it was his family, his wonderful wife Jean; his children—Tom, Jr.; his daughters Kathleen, Karen, and Caroline; his brother and mother-in-law, Dee and his mother—who saw him as he really was—a gentle, firm, easy going and sensitive human being who would agonize over the aging of their dog, Mac . . . a father who was there during any hardship . . . a pushover who once seeing a wounded bird on the street, pulled his car to the side and gently cared for the distressed bird . . . a funny, witty, tender man whose entrance in a room inevitably filled it with warmth. They knew a man who could have the guts to slash at a President's economic program in front of television cameras, and who had the power to force a Governor to hold special sessions, but who, privately would wonder timidly if Rick Dempsey might autograph a score card for his grand kids.

Tom Bradley will live in the memory of his colleagues because he lifted the labor movement from a second class outfit that relied on the politicians for handouts—to a first class fighting machine that elected the politician it chose to elect. To be buttonholed by Tom Bradley was to be buttonholed by an institution that at the press of a button could smother your office with telegrams, letters and telephone calls—or at the sound of an election, field an army of envelope stuffers and door knockers.

The machinists in Maryland are paid better today because he lived . . . public employees receive fringe benefits they might never have gotten, because he lived . . . consumers are safer because he lived—hard hats and farmers . . . welfare mothers and small businessmen are better off because Tom Bradley passed through this earth and made a couple of stops in the steps of the State House, the corridors of Annapolis, the offices of Mayors and executives, the club houses of politicians and civic advocates.

The records will show that Tom Bradley died because of a heart attack.

But those of us who knew him, know the records will tell only a medical story.

Nothing could stop the heart of Tom Bradley—a heart big enough to carry the burden of anyone out of work . . . anyone living in a senior citizens home or a housing project or standing behind an assembly line . . . anyone who was the victim of greed or inequity or deception and did not have the power to speak on their own . . . a heart large enough to contain the hopes and dreams of his family and friends, of every member of our community.

Nothing could stop that heart—nothing did.

It was Emily Dickinson who wrote the words that so fit our friend Tom—

"Because I could not stop for death . . . He
kindly stopped for me;
The carriage held but just ourselves
And Immortality . . ."

Immortality for a west Baltimore machinist? Why not?

For what was finally stilled in this man was merely his body—not his spirit. In this moment of final rest he looms larger than the movement he led and will now walk side by side with great heroes he cherished—the Victor Ruethers and George Meaneys . . . the Franklin Roosevelts and Hubert Humphreys, the Martin Kings and John Kennedys.

To Tom Bradley, this partisan dreamer, this man of enormous trust and extraordinary gentleness, whose presence invaded our hearts and conquered our hopes, we say simply Good Night, Tommy—and as the Irish Folk song weeped . . . "We hardly knew ye . . ."●

JOHN M. MERRICKS STADIUM

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. HOYER. Mr. Speaker, this past Saturday saw the dedication of the football stadium at Crossland High School in Camp Springs, Md., in Prince George's County, which I represent, to John M. Merricks, Crossland's first football coach and a real inspiration to hundreds of young men during 15 years at the school.

John Merricks first started at Crossland in 1963. In his first year as coach, the team had a 7 and 3 record. By 1965 Crossland took over the Prince George's County AA crown and began their domination of this conference—a domination that would last 9 years. Throughout his tenure, he accumulated a record of 95–35–3, a record certainly to be proud of. He brought Crossland 5 Prince George's County Class AA titles and led the team to top 10 ranking in the Washington, D.C. area for 10 seasons.

During this time he also coached golf and tennis, was the school's physical education instructor and was involved with the selection of the pompom and cheerleading squads. He was president of the Prince George's County High School Coaches Association for five terms and helped establish the Maryland high school football championship playoffs in 1974. In his last year as coach, his team took the Class AA Region 2 championship and was a Maryland State semifinalist.

It was only because of severe illness that he missed the final two games of the 1975 season, and complications from this illness forced his retirement in 1978.

It was fitting that the dedication ceremony was held during Crossland's homecoming and the renewal of a longstanding football rivalry with Suitland High School. In keeping with their perfect record in this rivalry, Crossland beat Suitland 20 to 6.

Mr. Speaker, John Merricks was a man esteemed for his courage, his dedication and his perseverance. He knew how to groom and train young men, how to mold sometimes unmanageable spirits into a constructive, directed force, united by a common bond and goal.

Merricks Stadium will be a visible reflection to his memory and I know that all of us in the community will remember his outstanding contributions to our young people.●

CONGRESSIONAL AWARD CEREMONY

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. HOWARD. Mr. Speaker, our country has always had ways of awarding adults for bravery and public service. Unfortunately, our youth were never given much credit for their unselfish acts or contributions to society.

The Congress of the United States sought to remedy this through the establishment of the Congressional Award.

As the original sponsor of the legislation, I was proud on November 7 to host the first Congressional Award ceremony on the congressional district level. Many Members of Congress are in the process of establishing the program in their congressional districts. I urge them, and others who have yet to consider setting up the Congressional Award, to read the following article in the November 8, 1983, Asbury Park (N.J.) Press:

AREA YOUNG HONORED FOR CIVIC SERVICE

(By Mary T. Walsh)

WEST LONG BRANCH.—In 1969, Dr. Frank H. Arlinghaus Jr., disturbed by the social unrest of the time, particularly among young adults, wanted to do something to stress the positive achievements of teenagers and young adults.

So Arlinghaus went to Rep. James J. Howard, D-N.J., with an idea. Why not establish a congressional award to recognize the achievements of young people?

After years of lobbying and speaking with hundreds of congressmen and congressional aides, Arlinghaus, a physician from Rumson, has now seen his idea become reality.

Sixteen young people, who all live in the 3rd Congressional District, which Howard represents, last night received bronze medal and silver medal awards for their achievements in public service, personal development and physical fitness.

These medals, presented in a ceremony last night at Monmouth College, were the first in the country to be presented on a congressional district level.

In 1979, Congress approved legislation sponsored by Howard that established the awards.

"It teaches young people that they can establish a goal, work through it and not give up, achieve it and there's someone out there who cares about what they do," Arlinghaus said.

"For us, the youth of the 3rd district, this is a significant step in our lives," said Daniel T. Rosenberry, who received a silver award.

Rosenberry, a medical corpsman in the Navy, just returned from a hospital in Puerto Rico where he tended Marines and Army Rangers injured in the Grenada invasion.

"I did not do what I did for the recognition. None of us did," he said. "We did it for the experience, the learning and the encounters with other young adults in our community."

The bronze award is given to young people, ages 14 to 16, who have accumulated 200 activity hours. The silver medal is given to young people, ages 17 to 19, with 400 activity hours.

The following teen-agers received silver medal awards:

Jennifer G. Buchner, 18, Little Silver, an accomplished diver and flute player. Miss Buchner, a Red Bank Regional High School graduate, attends Massachusetts Institute of Technology and could not attend the ceremony.

Jonathan B. Crespy, 17, a Freehold Regional High School student. Crespy worked in a nursing home, taught physically and mentally handicapped people how to swim during the summer, and gave more than 330 hours of volunteer service to Freehold Area Hospital, Freehold Township.

Joseph J. Czarnecki, 18, Shrewsbury, a Red Bank Regional graduate. Czarnecki, who plays bass clarinet, entered state and national music competitions; was captain of his varsity soccer team and was voted most valuable player, and tutored other high school students with learning difficulties.

Dolores L. Dixon, 17, Red Bank, a senior at Red Bank Regional. Miss Dixon scored a 1,000 points on her high school basketball team, made 1,000 rebounds and was named All-State. She also served as a Sunday school teacher and assistant secretary at the Calvary Baptist Church, Red Bank.

Bruce Doole, 17, Shrewsbury, a student at Red Bank Regional. Doole traveled to Western Europe, Egypt and the Soviet Union to learn more about global affairs. He distributed fliers to more than 6,000 apartments and houses in two military housing areas in Kaiserslautern, Germany, informing residents what to do in case of evacuation and gave talks about the subject.

C. Darryl Hughes, 18, Shrewsbury, a Red Bank Regional graduate, is studying electrical engineering at Boston University. In high school, Hughes was editor-in-chief and chief photographer of the yearbook, which was nationally recognized. He also was one of two head acolytes of the St. Thomas Episcopal Church, Red Bank, and was co-chairman of the church's youth coalition.

Kevin J. Tumpey, 17, Ocean Township, a student at Ocean Township High School. He is an Eagle Scout and assistant scoutmaster. He also is a volunteer with the Oakhurst First Aid Squad and captain of the First Aid Cadets.

Rosenberry, 19, Atlantic Highlands, the Navy medical corpsman. In high school in Ohio, Rosenberry was an athletic trainer for his school football and wrestling teams and assisted in preventative treatment and rehabilitative medical procedures for the teams.

The following received bronze medal awards:

David S. Drisko, 15, Fort Monmouth, a Monmouth Regional High School student. Drisko conducted a fingerprint identification program in his community, with the cooperation of local law enforcement authorities.

Brian Fitzgerald, 14, Fort Monmouth, a student at Christian Brothers Academy, Middletown Township. He learned ceramics, participated in a year-round camping program and was a school safety officer.

Sandra M. Garrison, 15, Old Bridge Township. Miss Garrison has completed standard first aid training, learned to play the organ and has worked more than 120 hours as a candy striper at South Amboy Memorial Hospital.

John E. Kiernan, 16, Howell Township. He is an Eagle Scout, is a starter on his high school basketball team and a lecturer at church services.

Dion M. LaPoint, 14, Old Bridge Township. Miss LaPoint, as her personal goal, became fluent in Spanish, won the President's Physical Fitness Award and is a member of the Madison Central High School student council.

Richard Miller, 16, Old Bridge Township, a Madison Central High School student. He had major starring roles in comedy and musical productions, is a starter on his school baseball team and did volunteer work during the summer at one of Howard's district offices.

Michael C. Nason, 15, Eatontown, a Monmouth Regional High School student. He was recently selected to participate in a national talent search program sponsored by Johns Hopkins University, excelled in high school track and cross country and took part in conservation projects sponsored by the Monmouth County Parks System, his community and the Boy Scouts.

Tina Marie Sarno, 16, Old Bridge Township, Miss Sarno was a member of the Cedar Ridge High School color guard and was a Red Cross youth volunteer.

Robert M. Nogueira, principal of Red Bank Regional, saw five of his school's students or former students receive awards last night.

"They're all super youngsters who have a long list of achievements," Nogueira said. "Any way we can continue to recognize other young people should be encouraged.

"The public press is full of the mistakes young people make. Maybe we can publicize some of the noteworthy achievements young people make."

Margaret George, Miss LaPoint's mother, expressed a parent's view:

"I think that it's so important to feed their initiative and to constantly give them reassurance that you're with them, that they're not alone in their struggle for excellence."

Howard, who presented the awards, stressed, "In order to win this award of accomplishment, you do not have to win in a competition with anyone else. The competition is with yourself.

"We do not want the idea to get around that this is the Super Bowl of accomplishment for young people, but it is the goal of accomplishment for the individual."

A statewide pilot program was held last year in Minnesota in which 15 young people received awards. The awards will now be given out in each congressional district in the country.●

BONNEVILLE POWER ADMINISTRATION PROFESSIONAL EMPLOYEES

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BONKER. Mr. Speaker, for many years the hourly rated employees of the Bonneville Power Administration (BPA) have had their wages, hours, and working conditions established by the Bonneville Power Administrator, rather than standard civil service laws and regulations. This situation has enabled BPA to maintain a highly qualified and motivated force of blue-collar workers by compensating them at levels appropriate to their more specialized skills and job requirements.

The purpose of this bill is to give the Administrator similar authority with respect to professional employees of the BPA. There are several thousand professional workers who are now subject to the regular civil service laws and regulations, including wages and working conditions. The nature of BPA activities, which are widespread and unique in the Northwest, makes it difficult for BPA to remain competitive with regard to prevailing employment practices.

The bill will provide equal treatment for these professional workers by permitting the BPA Administrator to set compensation in accordance with prevailing practices but not subject to the limitations on compensation of the civil service laws.

This bill adds a new sentence to the Bonneville Project Act, authorizing the above procedure for professional, employees.●

SAVE THE CHILDREN

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. WILLIAMS of Montana. Mr. Speaker, recently, I had the privilege of chairing a congressional forum at Save the Children's Fifth Annual National Indian Child Conference in Spokane, Wash.

Over 1,000 American Indians gathered for 3 days to discuss current issues and propose solutions facing Indian children, families, and their communities.

The congressional forum held on August 25, 1983 heard from one young first grader, 12 young Indian students, and 16 adult witnesses. The constant theme which echoed throughout the testimony was the importance of reuniting the Indian children and young people to their families and cultures; reinforcing their pride in being Indian; and reaffirming their proud heritage-not only to Indians but to other citizens of the United States.

All of the young Indians testifying noted problems of: alcohol and substance abuse; youth unemployment; child custody and foster care; high dropout rates; alienation and suicide; and lack of economic and social opportunity for the full use of their activities and talents in becoming self-sufficient American Indians. Interestingly enough, all these young people stated that while they believe there is a federal trust relationship between Indian tribes and their people which must be

adhered to and protected, the solutions to Indian problems also must be found in the Indian communities, using local initiative and providing local solutions. These young people noted that they intended to hold their tribal leadership, their state leadership, and themselves responsible for working together to improve their communities and their lives.

Sixteen-year-old Harvey Anderson, reminded the Forum of the official policy commitment of the Federal Government as stated in the Indian Child Welfare Act. "There is no resource more vital to the continued existence and integrity of the Indian tribes than children, and the United States has a direct interest, as trustee, in protecting children who are eligible for membership in Indian tribes," Anderson noted. In education, for example, Anderson criticized school policies that call for the suspension of truants as only compounding the original problem. He suggested that more cultural heritage education by properly qualified Native American instructors and a greater emphasis on career planning would do a great deal to maintain the interest level of Native American children in school.

Marietta Martin, a 21-year-old Brigham Young University junior, told the forum that the growing problems of substance—drug and alcohol—abuse among young Indians are related to lack of appropriate recreational activities. The failure to provide children with alternative, healthy, well-structured recreational programs contributes to experimentation with these drugs. Furthermore, Martin reported that the lack of knowledge by parents of the harmful affects of substance abuse compounds this problem.

Don Tonnasket, president of the Spokane-based Eagle Spirit Youth Club raised the issue of youth unemployment. Tonnasket suggested that several governmental regulations inhibit equal opportunity, particularly income guidelines for job-training programs. Sherry Ames, a 16-year-old student, from Washington State addressed the problems created by the custody provisions of the Indian Child Welfare Act, which allows for the placement of Indian children in non-Indian households. Ames reported that this system results in a serious identity crisis for the child and threatens Indian cultural integrity. Ames urged the return of custodial control to the tribe as the only solution.

The star witness at the forum was first grader, Seahdom Edmo, of Portland, Oreg., who told us about an uncle who was caught in the rain and died close to a hospital with hypothermia. She said people saw her uncle and were afraid to help because they thought he was beaten up. Seahdom, at her young age, ask that Indian culture and religion be respected. She showed the forum a picture of an Indian sweat lodge important to Indian traditions, which she had drawn.

Mr. Chairman, these young Indian people who talked with the forum, were truly magnificent examples of the best of American youth. They had a spirit of "will do" about themselves and a down to earth approach about how they will solve the problems facing their people. Mr. Chairman, I told these young people that this conference is all about you: You are trying a little harder each day to improve the world and that trying is what makes your generation better and stronger than mine and each generation better than the generation before. Do not stop trying, or we are all in great trouble.

A number of American Indian expert witnesses appeared before the forum. All of these witnesses noted the severe cutbacks in Indian services under the Reagan administration and the devastating affects they were having on the Indian tribes and their people.

Dr. Marlene Bohohawk stated that it is important to have an accurate account of Indian history and to understand the effects of physical, mental, and social development. She noted that in the last 30 years, American Indians have made great strides in education. Dr. Bohohawk stressed the importance of focusing on the strength of Indian youth and their culture to help overcome Indian problems. She recommended that Federal and State departments of education work closely with Indian professionals—social workers, psychologists, educators, and physicians to develop appropriate training curriculum for educators. In doing this, Indian children will be provided with relevant materials which will help stimulate their interest in school.

Dr. Frank Clarke, an Indian physician, discussed the health, behavioral, and mental health problems facing young people. He traced these problems back to the destruction of the Indian family, and the relocation of Indian people to geographic areas of the country which was not their traditional homeland. He believes this cultural breakdown caused a breakup of the traditional child raising stands. Dr. Clarke sees this history illustrated in lack of parenting skills among Indian parents and lack of interest by Indian young people in achievement. In closing, Dr. Clarke noted the complexity of this problem and how it had been severely aggravated by budget cutbacks in health and social services of this administration.

Evelyn Blanchard, president of the Association of American Indian and Alaska Native Social Workers, noted that underlying all social services to American Indians, is fiscal matters. She noted the great concern of Indian people for the need to maintain funds for the National Indian Child Welfare Act at $15,000,000 in fiscal year 1985 as well as the importance of getting Congressional Oversight Hearings. Ms. Blanchard also highlighted the serious problems faced by Indian tribes with the Adoption Assistance Act because of a funding formula which did not reach many tribes, not under Public Law 638 provisions of the law. She noted concerns relating to cutbacks in Headstart, BIA, and public school education, Day Care, WIC, nutrition, and gifted and talented Indian children. Ms. Blanchard called on the U.S. Congress to look for a way to integrate all the programs relating to services for children.

Anne Medicine, Stanford University faculty member, and Russell Jim, Yakima tribal council member, both testified about Indian education. Ms. Medicine described the importance of the Indian Community College movement and cited the 17-percent enrollment increase of Indiana in higher education within recent years. She called on the U.S. Congress to support the Indian Community College bill with increased appropriations to stabilize their financial base and help fund libraries, laboratories, and faculty. She also stressed that Indians are the most underrepresented group in American Indian Education and that students currently enrolled have few role models or mentors. In conclusion, Ms. Medicine noted that if proper funding were maintained, the Nation would see Indian education as a "pot about to boil" with long-term potential Indian human resources which could be harnessed for Indian people as well as the Nation.

Russell Jim noted that Indian people and their children must be allowed to walk two roads—one which leads them to respect their culture and ancestors and the other which teaches them how to survive in the American society. He noted that children find this difficult to do when all the signs around them point to an assault on Indian culture and resources. He continued that America is raising a "nation of culturally deprived people."

Leo Haven, Navajo Nation, asked that the U.S. Congress look closely at Headstart, and BIA kindergarten, and other Indian education programs. He stated that these programs come from agreements in the treaties and other laws between the Federal Government and American Indians. Haven called on the Congress to live up to the obligations by properly funding the programs which the Reagan administration is trying to cut out.

Mr. Chairman, our forum concluded with a statement from Save the Children's American Indian Nations Director, Dr. Helen M. Scheirbeck. She described SCF's work among 45 Indian

tribes and communities through the local community volunteer committees. Dr. Scheirbeck noted that SCF's self-help approach to community development matches private funds with Indian initiative and volunteer skills to meet locally determined needs and priorities. She concluded by noting that the future of Indian children, families, and communities will be secured not by Washington, D.C. but by individual Indian people who set a vision for their tribes and communities and who work to create and sustain this vision. Washington, D.C.—the Federal Government—must keep its treaty and service obligations guaranteed to Indian tribes and their people stated Dr. Scheirbeck, but Indian people themselves must fashion their own plan and secure their own visions for their people. She finished by noting that SCF's programs provides a way to begin doing this.

Mr. Chairman, since 1980 there has been the largest absolute increase since poverty statistics gathering began in 1959. It also represents the greatest rate of increase over any 2-year period since 1959.

During the five previous presidential administrations, 6 million children left poverty. Now, with children falling back into poverty at a faster rate, another 2½ million children will become poor in the second 2 years of the current administration. That will mean 4½ million children. This increase in the population below the poverty level is as a result of cutbacks in social programs for both Indian and non-Indian groups.

We are serving 50,000 fewer children in child welfare services and with a drop of $350 million in the Federal food-stamp program, half a million children receiving food stamps have been affected by the cutbacks, he said.

Children make up half of the medicaid population, and 660,000 have lost Medicaid (in the past 2 years). Sixty percent of the AFDC (Aid to Families with Dependent Children) recipients are children, and 1 million lost those benefits.

Every hour $39 million is spent by the U.S. Department of Defense.

That's $650,000 a minute on defense while our children are improperly cared for. It is not a matter of not enough money, but a matter of the national will . . . It depends on where we put our priorities.

Mr. Chairman, I am pleased to be able to share these insights from Indian children and adults with the Members of the U.S. House of Representatives. I want to extend my particular thanks to Save the Children and its president, David L. Guyer for the opportunity to be a part of their 5th Annual National Indian Child Conference.●

THE PARITY IN CLEARING ACT

HON. DOUG BARNARD, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BARNARD. Mr. Speaker, today I have introduced the Parity in Clearing Act. In 1980, we passed the Monetary Control Act. Its section 107 was designed to cause the Federal Reserve System to begin to offer its services, at a price, to all depository institutions. Previously, it had provided its services only to those banks which were members of the Federal Reserve System.

One of the services the Federal Reserve sells is for the clearing of checks and other related evidences of funds transfers. In doing this, it competes with private banks which are in the same business. However, the Federal Reserve has the advantage of being able to pick up checks and other funds transfer items from depository institutions directly. In other words, as soon as the checks are picked up by the Federal Reserve, they are considered deposited.

This is not the case with other depositories in the clearing business. The checks are considered deposited only when they arrive at the premises of the depositories. To a degree, then, the Federal Reserve has an advantage over private depositories in the clearing business. That advantage is merely that the smaller banks who are putting their checks into the stream for collection feel there is more security in dealing with the Federal Reserve. Their checks are covered by all the laws protecting deposits as soon as the Federal Reserve picks them up. Not so with the private clearing depositories where the checks are exposed to risks while in transit.

The Parity in Clearing Act is designed to cure this inequity. When we passed the Monetary Control Act of 1980, we wanted fair competition between the Federal Reserve and the other depositories. The Parity in Clearing Act is designed to make more perfect that policy.●

INTELSAT

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. GEJDENSON. Mr. Speaker, I am pleased to have this opportunity to say a few words about Intelsat on the occasion of the selection of Richard R. Colino as Director General.

Intelsat, as I am sure many of my colleagues know, was established nearly 20 years ago with the goal of creating an international satellite system that can be used for worldwide communications. As it is accessible to all interested in all forms available, this international telecommunications network is of particular value to the developing nations who do not yet have the ability to develop their own satellite systems. In this way Intelsat assists the developing world in keeping pace with critical technological advances in communications developments.

Intelsat's 109 member nations have made tremendous gains in assisting developing nations in a manner that other large international organizations would do well to emulate.

Mr. Speaker, I insert a statement made by the Under Secretary of State for Security Assistance, Science, and Technology, Dr. William Schneider, on the occasion of the eighth Intelsat Assembly of Parties' confirmation of the selection of Richard R. Colino as Director General of Intelsat. I am heartened to see an American so knowledgeable in the field of satellite and international communications be appointed to this important post.

The statement follows:

U.S. STATEMENT ON CONFIRMATION OF RICHARD R. COLINO AS DIRECTOR GENERAL OF INTELSAT

Mr. Chairman, I am honored to express my government's pleasure and strong support for confirming the Board of Governors appointment of Mr. Colino as Director General of Intelsat. It speaks highly of Intelsat and its members' commitment to the future of the organization that so many well qualified candidates for the position of Director General were submitted for consideration.

We in the United States are greatly pleased that Richard Colino was the unanimous choice of the board and of this Assembly. Mr. Colino's years of experience in the management and operation of satellite systems, his deep knowledge of the Intelsat organization, his role in bringing Intelsat into existence in its present form, and his leadership contribution as Chairman of the Board of Governors are well known.

But those achievements are part of his distinguished past. Mr. Colino's experience and talents also will serve Intelsat's future as it enters a new era of maturity. Challenges lie ahead for Intelsat—to introduce new services in a commercially effective way and to accommodate new technologies. Mr. Colino is well prepared to fulfill the exacting task of leading Intelsat through the changing environment which it faces in coming years. We share your confidence in his ability to follow Mr. Astrain's legacy of effective leadership. We heartily congratulate Mr. Colino.

Mr. Chairman, this meeting of the Assembly of Parties is a unique occasion. We are saddened because this will be the last meeting of the Assembly of Parties for the man who guided Intelsat from its infancy to its maturity. Santiago Astrain has been the first and only Director General of Intelsat. We will miss his guidance, his wisdom and his steady and professional hand. At the same time, we are happy for Mr. Astrain, because he can look back on 10 years of what must be regarded by all as stunning accomplishments. He, and others in this

room, remember when Intelsat in its present form was no more than an idea.

Intelsat, under Mr. Astrain's leadership has succeeded in bringing the most advanced satellite technology to all areas of the world. It is truly an example of how technology can be harnessed effectively to promote economic advancement and understanding for all nations.

The United States is proud of the role it played in working with other countries to create the Intelsat system, which under Mr. Astrain's direction now numbers 109 nations. We will miss Mr. Astrain at the helm to guide us in the future, and we wish him happiness and success in his future endeavors.

Mr. Chairman, you can be assured of the continuing commitment of the United States to a strong and viable Intelsat and our continued interest in furthering the goals of this organization. In the coming years we look forward to working with Mr. Colino and the officers and staff of Intelsat.

Thank you, Mr. Chairman.●

OUR MARINES IN LEBANON

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. McEWEN. Mr. Speaker, eight marines from Ohio's Sixth Congressional District will be spending the upcoming holiday season in Lebanon as part of the multinational peacekeeping force. While these brave men will be away from their friends and families during this most special of all seasons, they can take some comfort in knowing that their mission is in the true spirit of that season—preserving peace.

The young men are: Cpl. Gregory A. Parker of Montgomery County; Cpl. David L. Phillips of Montgomery County; Cpl. Matthew S. Walters of Scioto County; Sgt. Kenneth J. Isham of Montgomery County; Sgt. Bobby G. Moore of Montgomery County; 2d Lt. Donald W. Sparks of Scioto County; Capt. Chris J. Gunther of Montgomery County; and, CWO David D. Huber of Warren County.

I wish to extend to these fine Americans my sincerest best wishes for a peaceful holiday season and offer the following prayer as comfort:

And seeing the multitudes, He went up into a mountain: and when He was set, His disciples came unto Him:

And He opened his mouth, and taught them, saying,

Blessed are the poor in spirit: for theirs is the kingdom of heaven.

Blessed are they that mourn: for they shall be comforted.

Blessed are the meek: for they shall inherit the Earth.

Blessed are they which do hunger and thirst after righteousness: for they shall be filled.

Blessed are the merciful: for they shall obtain mercy.

Blessed are the pure in heart; for they shall see God.

Blessed are the peacekeepers; for they shall be called the children of God.

Blessed are they which are persecuted for righteousness' sake: for theirs is the kingdom of heaven.

Blessed are ye, when men shall revile you, and persecute you, and shall say all manner of evil against you falsely, for My sake.

Rejoice, and be exceeding glad: for great is your reward in heaven: for so persecuted they the prophets which were before you.●

PROGRESSIVE CONSUMPTION TAX

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. HEFTEL of Hawaii. Mr. Speaker, I am sure that we in this House are leaving the meeting today, the last of 1983, with a feeling of extreme frustration at not having dealt with the enormous Federal deficit. Even the modest tax reforms and increases proposed by the House Ways and Means Committee and the Senate Finance Committee have failed to pass. Responsibility lies chiefly in the opposition of the White House to any tax increase with an election year approaching, and this is apparently concurred in by the leadership of this body.

In blocking revenue enhancement, as the White House prefers to call tax increases, the administration has made a dangerous gamble. It has wagered that monetary constraints alone will continue to check inflation, even in the face of a deficit of some $200 billion annually—at least until the election next fall. It is a bet the national economy cannot win, although the price of the deficits in both inflation and economic stagnation may not be paid until after the votes of the electoral college are counted.

To sustain the confidence of the Nation that the Federal Government will regain control of the deficit, it must be shown that there will soon be an increase in the level of taxation necessary to restore a fiscal balance. And that requires tax reform, for it will not do to superimpose an across-the-board raise in rates on the rickety tax structure we now have. The initiative for tax reform must come from the House of Representatives if we want a tax bill that is fair as well as adequate. It cannot be expected from the White House and is not likely to come from the Senate while it is under Republican control.

Under the tax reduction bills which have come to us from the administration over the past 3 years, the corporate income tax and the estate and gift taxes, once sources of considerable revenue, have been reduced to fiscal insignificance. Whereas during the 1970's they raised about 16 percent of all Federal taxes, during fiscal 1983 they scarcely raised 6 percent. At the same time, personal income tax rates were cut—mostly at the top. Necessarily, a greater part of the tax burden was shifted to the backs of the less affluent. Necessarily, revenues fell and the national debt rose.

Lacking a plan for tax reform, we in the Congress have been preoccupied with reacting to the incessant pleas of groups and their lobbyists for retention or extension of the scores of loopholes and tax shelters which we have created. Each session, the base of the personal and corporate income taxes has been further eroded. Many of the tax privileges serve worthy social purposes and I have voted for them, but I am deeply troubled that in constant tinkering with the Internal Revenue Code in the assistance of particular tax constituencies we have been distracted from our urgent responsibility of overall tax reform.

To get the attention of this House on fundamental tax reform, yesterday I introduced H.R. 4442, the Progressive Consumption Tax Act of 1983. It proposes a new tax form to replace the individual and corporate income taxes. It is new as a legislative proposal, but the idea has been mulled over in Washington at least as far back as World War II, when the Treasury prepared a similar measure. More recently, Martin Feldstein, Chairman of the Council of Economic Advisers, has spoken in support of a consumption tax.

A feature of the consumption tax which appeals to Dr. Feldstein, and to me as well, is that it would exempt all savings and investments. All savings, not merely the Keogh plans, IRA's and other special forms of saving which we have rather arbitarily favored. The economic and social justification for excluding savings and investments is that it will help expand the productive base and thereby increase employment. However, if any considerable amount of the enhanced investment goes into deals whereby corporations and wealthy individuals buy tax advantages instead of economic productivity, the reform becomes a fraud upon the general body of taxpayers. And that is where many of the investments stimulated by the misnamed Tax Equity and Fiscal Responsibility Act of 1982 have gone. I would remove the gaping loophole.

To prevent such abuses and restore the tax base, I am convinced that it is necessary to start afresh with a replacement of the income tax. That is what H.R. 4442 proposes to do. Yet, it would retain the basic structure of the income tax, put together over the last 70 years and familiar to taxpayers.

The progressive consumption tax begins by redefining income to include all receipts available to the individual for expenditure. That brings into the potential tax base all gifts and be-

quests, gains from barter, all capital gains, social security benefits, proceeds of stock sales, all dividends and interest received, as well as wages, salaries, and net business profits of the self-employed. From income so broadly defined would be subtracted all increases in savings and investments made by the taxpayer over the year. As now, costs of doing business or earning an income, such as travel expenses and union dues, would be deductible, as would charitable contributions, heavy medical costs, mortgage interest, and State or local income taxes. However, other provisions for exemptions, exclusions, deductions, and sheltering now granted under the income tax—more than 60 of them—would be removed to put all taxpayers with the same standards of living on the same footing.

To concentrate tax relief on the poorest families, where it is most needed, the bill proposes a personal exemption of $2,000 per taxpayer and dependent, double the exemption under the income tax. Tax rates, unspecified by the bill until congressional tax policy determines the amount necessary for replacing the income tax, would be graduated, so that persons spending more would pay at higher rates.

Administration of the progressive consumption tax would greatly resemble that of the income tax. On forms much like 1040, the taxpayer would list his income and deduct his itemized (or standard) deductions, then subtract net savings/investment for the year—or add net dis-savings or reduction in investment. Finally, personal exemptions would be subtracted and the amount of tax calculated from tables provided by the IRS.

There would be tax withholding, from interest and dividends as well as from wages and salaries. This would be done from withholding tables akin to those now in use for the income tax, but relating tax to amount of income and assumed average level of savings, instead of to income and assumed average level of deductions as is now the case.

Corporations would be taxed on their dividends, thus allowing for the deduction of all business costs and reinvestment of earnings. To insure that closely held corporations do not serve as devices for avoiding personal taxes, a minimum tax would be placed on those retaining the larger part of their net income.

One purpose of the bill is to encourage savings which are productivley invested. However, to limit the accumulation of wealth in families from generation to generation, H.R. 4442 also provides for restoration of the estate tax by greatly reducing the overgenerous credits allowed by the Economic Recovery Tax Act of 1981 Gifts and bequests would, of course, enter the taxable income of the recipient.

The purpose of H.R. 4442 is to stimulate debate in the Congress. We can usefully consider other alternative means of reforming the tax structure and cutting into the deficit. The value-added tax and flat income taxes have already been proposed. However, I submit that a progressive consumption tax, along the lines of H.R. 4442, offers a more equitable method of raising the large amounts of tax revenue which are desperately needed to restore fiscal solvency.●

CONGRESS BACKS DOWN ON SHOOTING ANIMALS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LANTOS. Mr. Speaker, I wish to express my deep and keen disappointment at the conference report language in the Department of Defense appropriations dealing with the use of animals in military medical training.

I laud the decision of the conferees to exempt dogs and cats from the horror of being shot, but this decision falls far short of solving the real problem.

It ignores the use, and potential abuse, of a wider range of animals—less familiar to the American public, but which are nonetheless capable of suffering. The Secretary of Defense made the wise decision to place a moratorium on the opening of the wound laboratory because of the potential dangers to animals and because of the wasteful expenditures of taxpayers money.

Surely, those issues will not be solved simply by protecting animals which are primarily household pets. Until the Defense Department proves to the Congress it is willing to adopt a responsible policy on the humane treatment of animals, the Congress should take a much stronger role and prohibit the use of animals in experimentation and training.●

RETHINK H.R. 4102

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. FISH. Mr. Speaker, just last Thursday, November 10, the House passed and sent to the Senate the bill H.R. 4102, dealing with telephone service in the United States.

I strongly support the concept of universal telephone service for all Americans, but I just as strongly opposed H.R. 4102 as the wrong way to go about assuring such universal service.

The bill was lacking in many substantive respects, and it was also at odds with consent decree effecting the AT&T divestiture. I raised that point in debate, and also requested sequential referral to the Judiciary Committee, unfortunately without success.

Just 7 days have passed since the measure left this House, and already we are seeing the fruits of our misguided efforts.

On November 17, yesterday, the rating agency Standard & Poor's Corp. placed the triple A ratings of AT&T and Western Electric on Credit Watch because of financial threats due to congressional action on H.R. 4102 on November 10.

And S&P's caution is not directed exclusively at AT&T, but also on the future of the local telephone companies, such as New York Telephone, which services most of my constituency. Quoting from S&P's news release,

S&P is also concerned with the potential long-term negative impact on the regulated local telephone industry, including Bell operating companies.

S&P pointed out further that the subsidization of local service by inflated long-distance charges and access charges levied only against multiline business customers would eventually lead to bypass of the local telephone systems by big businesses. They say,

Residential customers would thus be forced to bear a rising proportion of the costs of operating the local system, and rates would be forced much higher than under the FCC's access charge plan.

The Wall Street Journal reiterated this point in an article which follows as well.

Mr. Speaker, I wish to call the attention of my colleagues to this action on Wall Street as just the first of many negative consequences to be expected if H.R. 4102 becomes law. I urge that each Member rethink this entire issue with a view toward opposing the bill is and when it returns to the House for further action.

The article follows:

AT&T, WESTERN ELECTRIC RATINGS PLACED ON CREDITWATCH BY S&P

For immediate release, November 17, 1983.

NEW YORK.—The "AAA" senior debt ratings of American Telephone & Telegraph Co. and its manufacturing subsidiary, Western Electric Co., are placed on Creditwatch with negative implications in the wake of proposed Federal legislation. The Universal Telephone Service Preservation Act was passed by the U.S. House of Representatives on November 10. If enacted in its current form, the bill would continue the system of local rate subsidy by long distance charges. This is contrary to the principles embodied in the modified final judgment and the Federal Communications Commission's (FCC) access order, which are structural assumptions underlying S&P's current ratings. Under the present system, AT&T's long distance competitors pay only 55 percent of

the subsidy borne by AT&T. In S&P's opinion, the proposed bill would institutionalize a competitive disadvantage for AT&T by creating additional costs and limiting long-distance rate reductions the company might otherwise have offered to protect its market position. Such limitations on AT&T's ability to compete will likely in an accelerated erosion of AT&T's long distance market share and jeopardize the profitability of communcations operations that had been expected to support the AAA rating.

Western Electric's AAA rating has reflected its position as primary supplier to the Bell System. Following divestiture next January 1, that relationship will cease. Western Electric's business is decidedly cyclical. Also, its ability to succeed in competitive markets has not been demonstrated. Western Electric's rating is tied to AT&T's and would be lowered if AT&T's rating is downgraded.

While creditworthiness of AT&T and Western Electric is immediately vulnerable to the Federal legislation, S&P is also concerned with the potential long-term negative impact on the regulated local telephone industry, including Bell operating companies. The bill would also grant state regulatory commissions sole authority to set depreciation rates and methods of capital recovery for local telephone companies, removing that authority from the FCC. This could lead to adversely low depreciation rates, reduced cash flow and retention of obsolete plant as state regulators strive to hold down local telephone rates.

The short-term effects of the bill would be to keep local residential rates low by mandating continued subsidization through AT&T's long-distance rates and the imposition of access fees on multi-line business customers. This would tend to maintain local company revenues and profits near term. However, subsidization can only result in large customers using readily available technology to bypass local telephone systems, depriving them of substantial revenues. Residential customers would thus be forced to bear a rising proportion of the costs of operating the local system, and rates would be forced much higher than under the FCC's access charge plan. In that event, maintenance of superior service and strong credit quality by local exchange companies would be open to serious question.

S&P will monitor the evolution of telecommunications legislation in Congress and will assess the impact of any bill enacted on all regulated telecommunications carriers.

[From the Wall Street Journal, Nov. 18, 1983]

AT&T, UNITS FACE REVIEW OF BONDS BY RATING AGENCIES

(By James A. White)

Major rating agencies are reconsidering their assessments of bonds issued by American Telephone & Telegraph Co. and its units.

Standard & Poor's Corp. said AT&T and its Western Electric Co. manufacturing unit faced possible reductions of S&P's current triple-A credit ratings on their senior debt because of financial threats posed by pending congressional legislation.

Separately, Moody's Investors Service Inc., another leading rating agency, said it as reviewing its debt ratings for Bell operating companies, which it expects will result in some revisions both upward and downward. Moody's said it wasn't considering a change in the AT&T debt rating, which was downgraded last March to double-A-1 from triple-A.

S&P added AT&T and Western Electric to its CreditWatch list for issues under review for possible rating changes. It said proposals in Congress to block adding so-called "access charges" to local phone bills had "Negative implications" for AT&T's ability to lower its long-distance rates to compete more vigorously with discount carriers such as MCI Communications Corp. and the Sprint unit of GTE Corp.

"Such limitations on AT&T's ability to compete will likely result in an accelerated erosion of AT&T's long-distance market share and jeopardize the profitability of communications operations that had been expected to support the triple-A rating," S&P said.

In March, S&P reaffirmed its longstanding tripe-A rating for AT&T debt, putting it at odds with Moody's, which two weeks earlier had downgraded AT&T. S&P also downgraded the debt ratings of the Bell companies far less severely than the reductions made by Moody's.

Since then, specialists say, prices of Bell bonds have reflected S&P overall ratings more closely than Moody's ratings. S&P's Credit Watch announcement yesterday indicated however, that the agency was having second thoughts about retaining its highest credit rating for AT&T.

S&P also said Western Electric's "ability to succeed in competitive (equipment) markets has not been demonstrated," and that any reduction in AT&T's rating would produce a downgrading for Western Electric as well.

AT&T has about $8.5 billion in debt outstanding. Western Electric has about $1 billion debt outstanding.

An AT&T spokesman said the S&P action "didn't come as a total surprise" following the passage of a bill last week by the House of Representatives to block access charges. "We would hope that the Senate would take notice of this warning" from S&P regarding the financial impact of the House bill, the spokesman said. The Senate is scheduled to consider a variation of the House bill early next year.

Moody's said it also was concerned about the impact of congressional action. But it said that risk was already reflected in its double-A-1 rating for AT&T debt.●

BUDGETING FOR FEDERAL CREDIT ACTIVITIES

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LaFALCE. Mr. Speaker, last week I introduced a number of bills designed to address the serious issue of this Nation's industrial competitiveness in the world economy. Those legislative proposals resulted from extensive hearings which the Subcommittee on Economic Stabilization conducted over the need for a public response to those problems.

Today I am introducing further legislation, as a part of the package of proposals designed to address key issues affecting our industrial competitiveness, which deals with the important subject of Federal credit programs. Our government allocates billions of dollars each year through loans and loan guarantees, yet we have no effective mechanism for monitoring those lending programs or for controlling the volume of credit assistance extended. I believe these activities should be subject to the same kind of assessment and control that we now give to direct spending programs through the budget process.

This legislation would help to accomplish that through two procedures: First, it would incorporate in the budget resolution process the requirement of a credit budget which would set binding limits on both new Federal credit obligations and on the total volume of Federal credit outstanding. Second, it would require inclusion in the unified budget of the lending activities of the Federal Financing Bank, which are presently off-budget. While the Banking Committee shares jurisdiction over these matters with other committees of the Congress, the Subcommittee on Economic Stabilization intends to look closely at these proposals next spring. I believe that mechanisms such as are proposed in this legislation would give us a better understanding of the credit activities of the Government so that we can make more informed choices about how to allocate Federal credit in line with our national priorities.●

1984: THE YEAR OF THE GRAND CANYON

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. WIRTH. Mr. Speaker, I am today introducing a joint resolution which would proclaim the year 1984 as the "Year of the Grand Canyon." I am proud to be joined in this effort by over 40 of my colleagues.

This past summer, I was privileged to be among the increasing number of our fellow citizens to take the trip of a lifetime—a float trip through the heart of the Grand Canyon on the Colorado River. Among the countless memories which stand out from that trip, one reflection occurs repeatedly to me—that the grandeur and wonder of the Grand Canyon is truly indicative of the promise and beauty offered all citizens through the careful preservation of our natural heritage.

There are many reasons why I rise to offer this resolution proclaiming 1984 as the "Year of the Grand Canyon." Perhaps most importantly, I draw my colleagues' attention to the fact that 1984 marks the 20th anniversary of the Wilderness Act of 1964. That landmark legislation set our Nation on a careful and thorough course for considering the protection of our most precious public lands. I

feel strongly that the Grand Canyon is our Nation's most important symbol of such lands, and designating 1984 as "The Year of the Grand Canyon" is a fitting tribute to our continued national commitment to the preservation goals laid out in that important initiative of 1964.

The Grand Canyon offers countless scholars, scientists, and visitors a living laboratory for the study of the evolutionary processes of the Earth. Geologically, it is a remarkable site for the field study of the geological development of the great U.S. Southwest, providing a vivid example of the various stages of the Earth's natural development. Additionally, as the canyon's popularity has grown over the years, it has increasingly afforded us an opportunity for an ongoing examination of the biological ramifications of man's interaction with his physical environment.

In recognition of the Grand Canyon's unique scientific and cultural values, the United Nations Educational, Scientific, and Cultural Organizations (UNESCO) designated the canyon as a World Heritage Site in 1981. Adoption of this joint resolution will serve to draw attention to that designation, furthering the recognition of the Grand Canyon as a unique scientific resource.

Mr. Speaker, upon first seeing the Grand Canyon, President Theodore Roosevelt was moved to say:

> Do nothing to mar its grandeur . . . keep it for your children, your children's children, and all who come after you, as the one great sight which every American should see.

Despite the mounting pressures which have been brought to bear on the canyon by man's increasing presence in the area, that view and splendor which first moved Teddy Roosevelt to awe remains today. Adoption of this commemorative resolution will serve to recognize that fact, draw our citizens' attention to the very unique treasure we as a nation hold in the Grand Canyon, and reaffirm our resolve to, as President Roosevelt so aptly put it, "* * * preserve it as the one great sight which all Americans should see."

There is considerably more that can and should be said concerning the values of the Grand Canyon and the very special place that area holds in our Nation's natural heritage. I commend this resolution to the Members' attention and urge my colleagues to join with me in this effort to highlight this treasure.

H.J. RES. —

Whereas 1984 marks the twentieth anniversary of the passage of the Wilderness Act of 1964;

Whereas the 1984 World's Fair in New Orleans has adopted the theme of "World of Rivers";

Whereas the Colorado River is among our Nation's mightiest and most storied rivers;

Whereas the force of the Colorado River has contributed to the creation of one of the natural geological wonders of the world—the Grand Canyon;

Whereas the Grand Canyon is representative of the promise and wonder of the untamed force of nature;

Whereas the Grand Canyon is among our most precious and unique national geological and ecological treasures;

Whereas, in recognition of the unique scientific and cultural values of this area, the Grand Canyon was designated as a World Heritage Site in 1981 by the United Nations Educational, Scientific and Cultural Organizations (UNESCO);

Whereas the Grand Canyon annually draws countless visitors to view its wonders and utilize its unique recreational opportunities;

Whereas the Grand Canyon is facing unprecedented threats to its air quality and delicate ecosystems; and

Whereas it is important to reaffirm our national commitment to the protection of this national treasure for all future generations: Now, therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That 1984 is designated as "The Year of the Grand Canyon". The President is authorized and requested to issue a proclamation calling upon people of the United States to observe such year with appropriate ceremonies and activities.●

AMERICAN EDUCATION WEEK, 1983

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MURPHY. Mr. Speaker, in honor of the week, November 13 to 19, which was been designated as American Education Week, 1983, I would like to pay tribute to our Nation's teachers and education personnel for their commitment to our Nation's educational system.

This week has been declared for the purpose of observing and expressing thanks to teachers, parents, students, administrators, counselors, curriculum workers, librarians, cafereria and custodial workers, and all other professional staff. The joint effort displayed by these persons has brought about an increase in public support and recognition. This 63d celebration comes at a time of serious evaluation of our Nation's school and review of the Federal role in education. I believe that the commitment of Congress to education should be a priority.

The future of our country depends on America's schoolchildren, most of who are deeply influenced by their parents and teachers. Parents and teachers are forced to play several roles—they must be a disciplinarian, an instructor, and a counselor, to name a few. This daily challenge is essential to the inspiration and formation of mind during the adolescent years. Because the quality, excellence and achievement of our youth depends on the strength and support given by our educators, I firmly encourage a continual and consistent Federal role in America's educational system. It is, undoubtedly, the responsibility of Congress to insure that our children are prepared to realize their fullest potential in an increasingly complex society. By doing so, we will have reinforced the stability and success of America's future.●

NATION'S AQUIFER SYSTEMS

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DOWNEY of New York. Mr. Speaker, I am today introducing legislation to protect the Nation's sole source aquifer systems. Federal protection of these unique underground water systems is long overdue and, hopefully, will not be too late.

This legislation addresses the crucial link between land-use activities that take place on the land surface and the determination of ground water quality found beneath. But it goes much further. With the invaluable assistance of my colleague, TOM FOLEY, I believe we have designed legislation which addresses the many unique and creative management plans necessary to effectively protect aquifers nationwide. And Federal legal clout is provided to send a clear message as to how this Government is going to treat those who choose to contaminate our limited water resources.

The residents of my district, the Second Congressional District of New York, drink water from these underground reservoirs, or aquifers. In fact, all of the almost 3 million inhabitants of Long Island rely on aquifers for their water supply. But there are aquifers across the Nation, serving as the sole or principle source of drinking water for areas from New York to Florida to California to Washington State.

These underground reservoirs have a recharge zone through which precipitation and other surface runoff filters down into the water table. It is crucial to understand that the quality of the water reaching the aquifer depends on the nature of the overlying land and the degree of contamination of the inflowing water. Once contaminated, there is no practical means to cleanse the system. Recent facts for Long Island point to this growing problem.

On Long Island, in the counties of Nassau and Suffolk there are 992 public water wells. There have been 47 well closings due to the concentration of organic contaminants in excess of permissable levels. On the eastern end of Long Island, 1,500 private wells

have been contaminated by pesticides that have entered the system. Long Island, like so many metropolitan areas, is continuously being developed. Concurrent with such development is the vast array of possible sources of contamination. Septic tanks and their pollutant-laden liquid materials can leach into ground water supplies. Landfills are recognized as one of the most pervasive sources of contamination of ground water. Fertilizers and pesticides are widely used by homeowners and the agriculture industry and can remain in ground water for as long as 100 years. Household products, such as drain cleaners, solvents, disinfectants, and paint removers are another source of such pollution. As more roads crisscross the land, more and more stormwater runs across roads bringing animal wastes, road salts, and petroleum products into the ground water system. If we are to accept progress and development as inevitable and positive, we must accept as well the responsibility of protecting the environment that such development threatens.

We, in Congress, have long recognized the need to protect our surface waters. We also have directed billions of dollars toward the construction of wastewater treatment plants to reduce and practically eliminate the flow of untreated sewage into our surface waters. Time is running out, however, for any preservation of our ground water systems. We must stop and realize that the threat to ground water nationwide is simply too great for us to bear without remedy. Contamination would mean either the local ground water would have to be treated or potable water from distant sources would have to be transported to the area. These two options are prohibitively expensive; to address the problem in advance therefore is cost-effective.

While legislation has been introduced in the past to attempt to recognize the vital link between the use of surface land the quality of underlying ground water, none has met with any success in Congress. We have worked hard to put forward a more comprehensive and forceful approach. I look forward to widespread congressional support for this measure as it addresses a national threat, with the involvement and active participation of all levels of government. This legislation sets up no new or complicated regulatory structure. It establishes a framework for Federal, State, and local governments to work together cooperatively to plan and implement comprehensive plans for protection of sole source aquifers.

Further Federal authority is provided for public water systems reliant on sole source aquifers. These systems, under our legislation, would have the authority to bring legal action in Federal court against any person causing or contributing to the contamination of a water supply if the system is required to treat the drinking water to comply with regulations or to obtain alternative water supplies. And the Administrator or State will have the authority to order any person who has caused or contributed to the presence of any contaminant in a sole source aquifer to provide adequate supplies of potable water to the persons served by such public water system. Our legislation recognizes the historical importance and consistency which the Federal courts have brought to environmental protection.

While I have focused here on Long Island's situation, I reemphasize that this is a national problem; any region in the United States which is designated by EPA as a sole source aquifer may qualify for the special protection program. Such a designation is provided for sole or principle sources of drinking water, which if contaminated would create a significant hazard to public health. To stress the national dependence on sole source aquifers, I would like to include the following list of designated and proposed sole source aquifers as recently supplied by the EPA:

SOLE SOURCE AQUIFERS

DESIGNATED AREAS

1. Edwards Aquifer, Texas
2. Nassau-Suffolk Counties, Long Island, New York
3. Piedmont, Maryland
4. Northern Guam
5. Fresno County, California
6. Spokane-Rathdrum Valley, Washington/Idaho
7. Biscayne Aquifer, Florida
8. Buried Valley, New Jersey
9. Cape Cod, Massachusetts
10. Whidbey Island, and Camano Island, Washington State

PETITIONS UNDER REVIEW

1. Kings-Queens Counties, Long Island New York
2. Coastal Plain Aquifer, New Jersey
3. Ridgewood, New Jersey
4. Upper Rockaway, New Jersey
5. Vestal, New York
6. New Castle County, Delaware
7. Niagaran Aquifer, Wisconsin
8. Delaware Basin, New Mexico and Texas
9. Baton Rouge, Louisiana
10. Santa Cruz Valley, California
11. Santa Cruz-Avera Alter Aquifer, Arizona
12. York County/Piedmont Region, Pennsylvania
13. Nantucket Island, Mass.
14. Block Island, Rhode Island
15. Sardinia, New York
16. Schenectady, New York
17. Volusia-Floridian Aquifer, Florida
18. Carrizo-Wilcox, Bastrop, Texas
19. Desoto Parish, Louisiana
20. Scott's Valley, California
21. Snake Plain, Idaho

I look forward to the support of my colleagues on this important national effort. When this added protection becomes a reality, people not just on Long Island, but all over the country will have Congress to thank for their safe supply of drinking water.●

PERSONAL EXPLANATION

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. CLINGER. Mr. Speaker, on November 14, 1983, I was absent from the floor of the House of Representatives for the following vote. Had I been present, I would have voted in the following fashion: Rollcall No. 491, H.R. 3635, Child Protection Act, the House agreed to order a second, "yea."

In addition, on November 17, 1983, I was absent from the floor of the House of Representatives for the first vote of the day. Had I been present, I would have voted in the following fashion: Rollcall No. 520, Journal, the House approved the Journal of Wednesday, November 16, "yea."●

SENTENCING ACT OF 1983

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. RODINO. Mr. Speaker, the inefficiencies and inconsistencies of the sentencing practices in the Federal criminal justice system have been of deep and longstanding concern to me and to many others in this body.

To address these inadequacies, I am introducing today the Sentencing Act of 1983. This legislation is consistent with the policy decisions of the Committee on the Judiciary in the 96th Congress; including the establishment of sentencing guidelines.

Few question that Federal sentencing procedures need revision. One pervasive flaw in current Federal sentencing practice is unwarranted disparity in the sentences imposed. The absence of congressional guidance to the judiciary has all but guaranteed that, without apparent justification, similarly situated offenders convicted of the same type of offense will receive different sentences. This disparity exists in part because judges are not required to state their reasons for imposing a particular sentence and in part because the sentencing system is premised on the belief that individualized justice is served by making ad hoc predictions about the likelihood of rehabilitation in a prison environment or on probation. Thus, current law permits persons convicted of the same offense and with the same criminal history to receive different sentences based on suppositions about how long it will take them to be cured in prison.

Congress took a substantial step toward eliminating unwarranted sentence disparity in the Parole Commission and Reorganization Act of 1976

(Public Law 94-233). The direction provided to the U.S. Parole Commission by that act has largely resulted in similarly situated Federal inmates serving similar terms in prison. That act, however, has not enabled the Parole Commission to eliminate entirely such unwarranted disparity as is caused by the initial decision whether to incarcerate or by the sentencing court's setting parole eligibility at a later date than that which the applicable parole guideline establishes.

A second major problem current law is the lack of clearly delineated procedures for imposing sentence. Present law specifically authorizes only imprisonmet and fine. There is no sentence of supervised or unsupervised probation; restitution has only recently been added, and is not a separate sentence. There is also no explicit method of resolving factual disputes which materially affect sentencing decisions.

Finally, our current sentencing system relies far too heavily on imprisonment, an incredibly expensive method of attempting to deter criminal behavior. Its usefulness is limited to its ability to punish offenders and to remove them from society so they cannot commit additional crimes. It should thus be reserved for violent or career criminals from whom there is no other appropriate protection. Current Federal law contains no provisions stimulating the use of alternative sentences for nonviolent offenders, and conversely no encouragement to the imprisonment of dangerous criminals.

This bill incorporates procedural improvements and stiffer penalties for white-collar crimes that have been recommended by such groups as the American Bar Association and the National Legal Aid and Defender Association.

A number of procedural changes from other sentencing bills, including simplification and expansion of the defendant's right to appeal, have been made at the behest of the Judicial Conference.

The bill adopts a new alternative to the parole function—supervised release—designed to address legitimate criticisms of an earlier House approach.

I believe this legislation has a number of advantages over other sentencing proposals: First, it provides an efficient safety valve for prison overpopulation—supervised release; second, it emphasizes procedural due process through use of a detailed sentencing hearing to consider aggravating and mitigating circumstances; third, it controls prosecutorial discretion through plea bargaining guidelines; and fourth, it stresses incapacitation of violent criminals, balanced by the use of nonprison alternatives for nonviolent offenders; and fifth it provides more severe nonprison forms of punishment for white-collar crime.

This proposal addresses the significant deficiences from which Federal sentencing practices now suffer. It is a moderate program for reform that, I believe, can earn broad bipartisan support.

I am confident this bill can provide the framework for legislation that will reduce sentencing disparity; improve the quality of information available to the sentencing judge; protect against further prison overcrowding by insuring that expensive prison space is used efficienty, to incapacitate dangerous criminals; and encourage the development of effective alternatives to prison for nonviolent defenders.

It has now been over 10 years since I first introduced and have supported legislation to reform the sentencing procedures in our Federal courts. I believe this reform is essential to restore fairness to the system and reduce the alienation that the present system breeds.

The Committee on the Judiciary will make every effort to facilitate the enactment of fair and effective sentencing-reform legislation into law this Congress.●

THE BANKRUPT AIRLINE CONSUMER PROTECTION ACT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mrs. SCHROEDER. Mr. Speaker, on September 24, Continental Airlines declared bankruptcy and was granted protection from its creditors under Chapter 11 of the Bankruptcy Code. Three days later, the company promptly reopened its doors for business calling itself the New Continental Airlines.

Having voided employee contracts, withheld September paychecks for work already performed, canceled employee health insurance and other basic benefits, the "new" company resumed operations with the same "old" management, the same "old" aircraft, the same "old" headquarters, and the same "old" airport slots. The only "new" element at Continental was a drive to recruit pilots and flight attendants who would work for rockbottom wages.

Obviously, what is occurring at Continental is the ultimate game of corporate hardball. What is not clear is the amount of time it will take the courts to sort out the issues and rule on the appropriateness of this tactic. It will certainly take months and maybe years.

Meanwhile, there is a group of victims for whom no one is speaking. They are thousands of consumers who purchased by cash or check Continental tickets, and then had their investment rendered worthless by virtue of the bankruptcy. This is a grave injustice, particularly since Continental continues to operate and enjoy profits from many international routes protected by governmental agreements.

The injustice is redoubled because the Bankruptcy Court recently released $10 million to Continental to help finance its operations. Meanwhile, those who purchased Continental tickets by cash or check have not been repaid 1 cent of the $28 million they are owed. Nor is it clear how much of the $42 million charged by Continental customers has been credited.

In lieu of repayment, Continental announced that it would issue script that would allow these consumers equivalent flights. This script is of no use, however, to consumers who bought their tickets at any of the 51 cities where "The New Continental" discontinued service. Nor does the script respond to the concern many consumers may have about flying on an airline that is operating without benefit of its most experienced pilots, flight attendants and mechanics. Moreover, it would be unjust to force other airlines to honor Continental tickets because they would have to assume the Continental debt while their competitor continued to operate.

The bill which I am introducing today addresses the Continental situation by establishing a preference for pre-petition ticket holder refunds, on scheduled passenger airlines that attempt to continue operation under the bankruptcy code.

Thus, ticket holders on such a carrier will have full refundability available to them almost immediately if the carrier continues to operate. This should alleviate hardship to those least able to bear the loss (similar to the policy of the priority already given to such persons in the Code elsewhere, see 11 U.S.C. 507(a) (5)). It would recognize the public utility nature of airline service and provide a safety net for airline passengers caught in the wake of airline failures.

This bill will also have the beneficial effect of facilitating the continuation of business by carriers attempting to achieve successful reorganization under the bankruptcy code. Because, under present law, refunds to pre-petition ticket holders are unavailable until many months after bankruptcy proceedings begin, the airline's reputation with the public may be permanently damaged, making very difficult a successful resuscitation of its business. The latter objective is a primary policy of the bankruptcy laws.

It must nevertheless be recognized that there is a danger in making reorganization in bankruptcy too attrac-

tive to airline managers. There is evidence that management may be using the bankruptcy laws to solve ordinary business problems such as unwanted labor contracts. The example of the Continental Airlines "bankruptcy" is all too clear. Accordingly, there must be a disincentive to such abuses.

The "silent" victims of the sham bankruptcy at Continental are thousands of consumers, many of whom are retirees or otherwise of modest income. It is simply outrageous that the bankruptcy court is releasing their money to subsidize Continental operations while consumers are left holding the bag with worthless tickets.

A BILL To protect pre-petition ticket holders on airlines continuing to operate under the bankruptcy laws, and for other purposes:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, as follows:

SEC. 1. Title 11, United States Code, Section 1104(a) (Bankruptcy, Pub. L. 95-598, Nov. 6, 1978, 92 Stat. 2627) is hereby amended,

a. by deleting the period (.) at the end of paragraph (2) and substituting "; or", and

b. by adding at the end thereof the following new paragraph:

"(3) if the debtor is a direct air carrier within the meaning of 49 U.S.C. 1301(3), and the court finds that there are substantial numbers of persons who hold an otherwise valid ticket for passenger air transportation which transportation was not supplied by the debtor: *Provided,* that, notwithstanding any other provision of this Title, where the grounds set forth in this paragraph are found by the court upon the motion of any such ticket holder, the Trustee shall be appointed forthwith, without the necessity for further inquiry; and

Provided further, that such trustee, so appointed, shall be authorized and charged to provide for immediate refund of any such pre-petition tickets as an expense of the debtor in the ordinary course of business.

SEC. 2. The provisions of Section 1 shall be effective January 1, 1984 with respect to all proceedings under Title 11 of the United States Code commenced by petition filed after January 1, 1983.●

KENNETH M. DUBERSTEIN

HON. DICK CHENEY

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. CHENEY. Mr. Speaker, it was announced this week that Kenneth M. Duberstein is leaving his post as Assistant to the President for Legislative Affairs to take a position in private enterprise.

Mr. Speaker, I have known Ken for a good many years, since he served as Deputy Under Secretary of Labor for President Ford, and later when Ken was Director of Congressional Affairs for the General Services Administration during the Ford administration.

I was especially pleased when President Reagan named Ken to succeed Max Friesdersdorf as head of the administration's congressional liaison team. I was pleased because we all had been able to watch Ken's impressive performance as a part of that congressional liaison office, but also because I knew of Ken's deep roots and early experiences on Capitol Hill, and I knew that Ken fully understood the special relationship that must exist between the President and Congress if any administration, indeed, if our Nation, is to prosper.

Ken's early congressional experience was as an aide to former Senator Jacob Javits, and as a Republican staff assistant to the House Energy and Commerce Committee. He learned his lessons well, and took those lessons with him into his White House position.

Ken approached his job for the President with the belief that he could do the best job possible for President Reagan by doing the best job possible for the Congress. He saw his job as providing all of us with the fullest information possible regarding the programs, aims, and proposals of President Reagan. There is no better measure of the effective job Ken has done for President Reagan and the Congress both in fulfilling that goal than the record that has been written in the success of the full range of President Reagan's proposals in Congress.

Ken, the President, and the Nation all have done well.

Ken leaves public service with our thanks, our appreciation, and our admiration.

In leaving he has proven his devotion to the President, the Congress, and our country by insuring that his responsibilities will be filled without a break. Ken will be succeeded by M. B. Oglesby, who has been an essential part of Duberstein's team. B. has been tried, tested, and proven as good a successor as Ken proved to be in the post when he first moved into the central role 2 years ago.●

THE RELATIONSHIP BETWEEN FATHERS AND THEIR CHILDREN

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. FRANK. Mr. Speaker, recently there has been a growing awareness of the importance of the father-infant relationship. Dr. Michael Yogman, an outstanding man who is an assistant professor of pediatrics at Harvard Medical School and the associate chief of Boston Children's Hospital Division of Child Development has played a very active role in researching this relationship. On November 10, Dr. Yogman testified before the Select Committee on Children Youth and Families. His testimony challenged many of the long standing stereotypes surrounding the relationship between fathers and their children. Mr. Speaker, Dr. Yogman's findings are especially important in light of the changing roles fathers are playing in the care of their children. A condensed version of his testimony follows:

Ten years after prolific scientific study of the father-infant relationship, it is time to reflect on the significance of this research with regard to what we know about fathers and children, what we need to know, and what the policy implications are for public and private leaders. American families are undergoing a stressful transition during the 1980's and understanding and encouraging the father's active role in the family becomes one crucial means for preventing some of the adverse consequences of this stressful transition of children and youth.

Six points deserve elaboration:

(1) Fathers are increasing their involvement in family life across all sub-cultures and social classes. Between 1975 and 1981, men's participation in family work has continued to increase at the same rate as the period 1960-1970 so that these trends are long-term and likely to continue.[1]

(2) Within comtemporary Western society, the evidence that fathers and infants can develop a meaningful relationship right from birth is impressive. Furthermore, the similarities between the psychological experience of pregnancy and infant care for mothers and fathers are striking, even including the presence of psychosomatic symptoms in men during pregnancy such as nausea, vomiting, abdominal pain and backache. During the perinantal period, fathers are now almost routinely present during labor and delivery, and their support lessens maternal distress, shortens labor and may even improve pregnancy outcomes.[2] Fathers start out as quite similar to mothers in their competence and capability to interact with young infants. Their sensitivity to the baby's behavior and rhythms is almost identical to that of mothers and infants clearly delight in their play with both parents. A meaningful relationship between a father and his infant requires psychological availability as well as physical availability: neither alone will suffice.

(3) Fathers are more likely to be their infant's play partner and have a qualitatively distinct style of play that is more stimulating and arousing than play by mothers and infants.[3]

(4) Fathers' actual ongoing involvement with their children (as opposed to their capability for involvement) is influenced by forces within the family (mother's wishes and function as "gatekeeper", marital quality) and by forces outside the family, such as stress from maternal illness, premature birth or job loss and the conflict between employment demands and family involvement. Fathers express considerable dissatisfaction with employee policies which conflict with time available for family life.

---

[1] Pleck J. 1979. Men's family work: three perspectives and some new data. The Family Coordinator 28: 481-488.

[2] Anderson BJ, Stanley K. 1976. A methodology for observation of the childbirth environment. Paper presented to the American Psychological Association, Washington, D.C.

[3] Yogman M.W. 1981. Games fathers and mothers play with their infants. Infant Mental Health Journal 2: 241-248.

(5) The birth of an infant captures a father as well as a mother with a sense of excitement, hope, and an opportunity for renewal through a new generation. Dramatic changes in father involvement during the perinatal period have occurred: in 1972, only 27% of American hospitals allowed fathers to be present during birth; the figure now approaches 100% across all social classes and sub-cultures. This represents a dramatic change from ten years ago. Minimal brief, inexpensive interventions involving parental modeling and education have a dramatic effect on prolonging paternal involvement.[4]

(6) Father participation in school programs and involvement with older children seems to diminish rapidly after infancy. While a better understanding of this phenomenon is needed, conflicts between employment policies and family life and the lack of meaningful outreach programs for fathers of school-age children are likely explanations. Areas where policy interventions could be effective in sustaining greater father involvement in family life include courses in parenting, child care, and child development for school-age children of both sexes, changes in employment policies such as limited paid parental leave programs,[5] better outreach to fathers by schools, and changes in reimbursement incentives for health insurance plans so that counselling and human contact services (to help both parents respond to stress) are reimbursed on an equal basis with high technology, diagnostic procedures.

In conclusion, even when our social policies and programs satisfactorily reflect appreciation and greater knowledge of the father-infant relationship, men will still have to make personal choices regarding fatherhood. Our goal should be to make it easier for men to remain involved with their children. Any efforts to change policy toward fathers should aim to increase the options available to fathers as well as mothers rather than promoting alternative constraints. At the same time, shifts in parental responses to this period of stressful transition for the American family, should remain sensitive to the implications for children and their needs. Ideally, many families will continue to seek and to find an optimal balance between adult fulfillment and economic support from work and the responsibilities and emotional rewards of parenthood—the sense of delight, renewal, and creativity from observing one's infant grow up.●

ELECTRIC CONSUMERS PROTECTION ACT OF 1983

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LEVINE of California. Mr. Speaker, I join my colleagues in introducing the Electric Consumers Protection Act of 1983, which would amend the Federal Power Act to prohibit the use of municipal preference in relicensing hydroelectric facilities.

Local communities should be encouraged to acquire their own sources of power. Our laws should promote competition in the electric utility industry by helping smaller public electric systems compete with larger investor-owned utilities. However, this should not be done at the expense of the consumer.

If public utilities are allowed to take over projects that the private utilities have already built and integrated into their own power systems, public utility customers would clearly benefit at the expense of a much larger number of private utility customers. Private utility customers would not only have to pay for the more expensive forms of electricity which would have to replace the hydroelectric power, but in some cases, they would have to pay for construction of new powerplants. It would also leave the utilities vulnerable to fuel shortages and price increases.

I urge my colleagues to consider this legislation carefully and join us in protecting consumers by supporting the Electric Consumers Protection Act of 1983.●

LET US NOT LOSE HEADS OVER NUCLEAR RISK

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LUNGREN. Mr. Speaker, on November 20, 1983, ABC will broadcast "The Day After," a film depicting the effects of a full-scale nuclear war between the United States and the Soviet Union. It will focus specifically on a direct hit on Kansas City and what it would mean for the city and surrounding area. Everyone who has seen the film, as I have, can testify to its overwhelming emotional impact—its images of death and destruction can, and I believe are meant to, numb the mind.

I am deeply concerned that ABC would spend millions of dollars to produce and air a film that unfortunately meshes so perfectly with a current major Soviet propaganda campaign. I do not in any way contend that ABC did this intentionally. Nevertheless, the coincidence of timing is to be regreted. This Soviet campaign of fear, aimed at establishing self-doubt throughout Western Europe seeks to take advantage of the mass demonstrations in Europe. There can be no doubt: the Soviet Union's objective is to block the imminent deployment of Pershing II and cruise missiles in Western Europe, which are NATO's answer to Soviet SS-20 missiles already aimed at their targets.

Mr. Speaker, ABC has apparently chosen to ignore the historical context of present day mutual nuclear deterrence and thus, the need for rational discussion of the arms control issue in favor of an emotional appeal to despair. The broadcast of "The Day After" may well mark the first time that a major television network has attempted to influence public policy in such a blatant manner. Yet the fact remains that American lives in Kansas City or in Long Beach, Calif., will be lost as result of Soviet—not American—nuclear arms war. If many Americans realize that "The Day After" can occur only if we give the U.S.S.R. reason to believe that our own deterrent nuclear power is insufficient, then perhaps some real good can come from its airing.

David Broder, a syndicated columnist has written an excellent article which I would like to commend to my colleagues. In this article, Mr. Broder criticizes the script writers of "The Day After", as "holding an attitude that is dangerously wrong. It can bring on the catastrophe that all rational beings want to prevent." The article reads as follows:

LET US NOT LOSE HEADS OVER NUCLEAR RISK

(By David S. Broder)

Here is a snap quiz with a surprise answer. In the years following World War II America joined in a number of arrangements that were aimed at stabilizing the international scene. Which one has worked best?

Think for a moment. The United Nations was the most ambitious of those undertakings. It has been useful in some cooperative humanitarian and scientific efforts and some (but not all) efforts at mediating conflict. But it has fallen far short of its goal of providing a neutral international forum to which nations can turn for the resolution of disputes while renouncing the use of war.

Most of the regional security pacts have fared no better. Allies have quarreled among themselves or failed to provide effective common measures of defense. The North Atlantic Treaty Organization probably has been the most successful, but it was unable to prevent Soviet repression on its borders in Poland, East Germany, Hungary or Czechoslovakia—or even to keep its Greek and Turkish members from battling each other.

Serious problems also have afflicted the international finance system created after the war. While a worldwide depression has been averted and many nations have made spectacular gains, inflation has been endemic, trade and currency imbalances have sent dozens of countries reeling into recession, and the gap between have and have-not nations has worsened.

Remembering all this, it is accurate to say that the single most effective creation of the postwar world has been the system of nuclear deterrence enforced by the United States and the Soviet Union against each other and, implicitly, against all other nuclear powers in the world.

That system was designed for one purpose only: to prevent the outbreak of nuclear

[4] Parke R, Hymel S, Power T, Tinsley B. 1980. Fathers and risk: a hospital based model of intervention. To appear in: Sawin DB, Hawkes RC, Walker LO, Penticuff JH (eds) *Psychosocial Risks in Infant Environment Transactions.* Vol. 4, Bruner Mazel: New York. Dolby R, English B., Warren B. 1982. Brazelton demonstrations for mothers and fathers. Paper presented to International Conference on Infant Studies, Austin, Texas.

[5] Yogman, MW 1982. Social policy implications of research on fathers and infants. Paper presented to Congressional Science Fellows, Washington, D.C., March, 1982.

war. As we approach the end of the fourth decade of the nuclear age, a period in which there have been hundreds of other wars, it has worked to perfection. That is a statement that can be made about few other institutions or arrangements in this turbulent time.

The point is pertinent now, because it is evident that we are about to go through a period of highly emotional talk about the horrors of nuclear weapons and the terror of nuclear war.

As we near next month's start for the deployment of a new generation of nuclear weapons in Western Europe and the inevitable Soviet decision to retaliate by deploying new weapons of its own, Americans are getting a total-immersion course on the dangers of life and death in the nuclear age.

In the last few weeks I have read two hair-raising books on the subject: "S.I.O.P. The Secret U.S. Plan for Nuclear War," a nonfiction account by Peter Pringle and William Arkin, and "Trinity's Child," a novel about nuclear war by my colleague at the Washington Post, William Prochnau.

A couple of weeks ago a group of scientists held a conference in Washington on "The World After Nuclear War," presenting chilling evidence that a nuclear exchange would "destroy civilization as we know it, at least in the Northern Hemisphere."

Dramatizations of the tragic consequences of nuclear war can be seen at the movie theaters in the film "Testament" and on the home screen Sunday night with the much-publicized "The Day After."

All this is designed to produce a spasm of revulsion among Americans at the consequences of nuclear war. It will almost certainly have that effect. Coming at the start of a presidential campaign in which the Democratic challengers have been steadily increasing the rhetoric of their commitment to "end the nuclear arms race," the effect on policy decisions—both here and in Moscow—cannot be exaggerated.

So it behooves us to think clearly and calmly about the most important issue in the world. The potential of death and destruction on an unprecedented, almost unimaginable, scale has been there since we and the Soviets exploded our first nuclear weapons. That is why U.S. Presidents of both parties, over a period of more than 30 years, have accepted as an imperative both the maintenance of the nuclear deterrent and the pursuit of nuclear arms control. As Dwight D. Eisenhower said in the letter that I was privileged to quote a few months ago, the nuclear weapon forced us to see that the essential struggle is not nation against nation, but man against war.

The response that I received to the publication of this letter testifies that Americans understand that we must continue our effort to control the costs and the destabilizing effects of the nuclear-arms race. It is equally important that our rightful revulsion at the consequences of nuclear war does not blind us to the fact that the system of mutual deterrence has prevented that war from occurring.

Edward Hume, the scriptwriter of "The Day After," is quoted in the New York Times as saying, "I would like to see people start to question the value of defending this country with a nuclear arsenal."

That attitude is dangerously wrong. It can bring on the catastrophe that all rational beings want to prevent.●

THE YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY 50 YEARS OF SERVICE

HON. LYLE WILLIAMS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. WILLIAMS of Ohio. Mr. Speaker, December 7, 1983, marks a very significant event in the life of the Youngstown, Ohio, community that I represent. Fifty years ago on that date, the Youngstown Metropolitan Housing Authority was formed. Since that time, it has more than lived up to its purpose of providing decent, safe, and sanitary housing at rentals which low-income families could afford. Eleven thousand three hundred and ninety-three families who otherwise would have been relegated to unclean and dangerous living conditions have been able, through the authority's efforts, to live safer and healthier lives.

A list of the Youngstown Metropolitan Housing Authority's achievements reveals an outstanding record. Youngstown was the first city in America to inaugurate a slum clearance and low rent program. The first public housing project in the entire United States under Public Law 412 was Westlake Terrace homes in Youngstown constructed in 1939–40. The authority's jurisdiction has grown to include eight developments in four different communities. Past and present directors and board members of the YMHA must be lauded for their foresight and sound management of such a vast community service so vital to the residents of the 17th District.

For half a century, the Youngstown Metropolitan Housing Authority has provided invaluable and long-lasting community service. It has enhanced the quality of life in the Mahoning Valley. Congratulations are in order to commend the authority for the excellence of its endeavors over the past 50 years and also to extend very best wishes for its continued success in serving the Youngstown community.●

SOME INSPIRING WORDS ON OUR MILITARY MEN AND VETERANS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. HYDE. Mr. Speaker, last Friday, November 11, was Veterans Day, the day we honor those who, as President Lincoln said, gave their "last full measure of devotion." Veterans Day this year was particularly poignant as we reflect not only on those veterans who gave their lives in past wars, but on our recent losses in Lebanon and Grenada.

Last week, the Park Ridge Advocate and the Park Ridge Herald, both in my district, published articles pertaining to Veterans Day which I found particularly inspiring. I would like to commend these two pieces to the attention of my colleagues:

The articles follow:

[From the Park Ridge Advocate, Nov. 10, 1983]

LORD WHERE DO WE GET THESE MEN?

(By Anne Culhane)

"Lord, where do we get these men?" ". . . but if their sacrifice is not to be in vain, there must always be a home of the brave."

These were the thoughts of the U.S. Marine Commandant in Frankfort, Germany last week as he watched the removal of some 140 caskets from planes just arrived from Beirut, Lebanon. It was a grim sight even for this Marine seasoned by years of experience with war, combat and acts of international terrorism. Americans, including and especially those in our nation's Armed Forces, place a high value on human life. For it is the preservation of human life, and all that enhances it, which is the very reason for the U.S. military's existence.

Lord, where do we get these men? The grim sight in Germany would be grimmer still when it was repeated in the States, when the families of these latest victims of terrorism as well as those who had lost their lives in Grenada, would be face-to-face with the reality that their loved ones had been struck down in the prime of their lives. President Reagan repeated many of the thoughts expressed by the Marine Commandant when he joined with these families in a memorial service at Camp Lejeune. The bitterness one might expect was not evident as the families warmly applauded the President and held banners with the message, "God bless you, Mr. Presdient."

Lord, where do we get these men? Not from the street corners and factory sites where protesters denounce those who serve their nation's defense and security, unconcerned that they would not enjoy their right to protest under those governments which their words and actions support.

Lord, where do we get these men? Not from the classrooms where today young, impressionable students are taught that the United States is a war-monger nation, that freedom is no longer worth preserving, that pacifism is preferable to patriotism.

Lord, where do we get these men? From families all across this great land who realize that the struggle for freedom did not end with the American Revolution. From families who understand the meaning of the message on the banner which hangs in the chapel at the U.S. Marine base in San Diego: "Love is a daily decision." Love for a nation which must be supported and preserved now and in the future for, despite its faults, there is no other like it on the face of the globe. It is to the credit of the American people that they so overwhelmingly supported the recent U.S. action in Grenada, in recognition of this reality.

Armed conflict (war, if you will) is a terrible experience which must always be a means of last resort, in attempting to implement our nation's foreign policy. Our government has, and will continue, to use dialogue in its efforts to settle disputes with other nations. The major problem in this

area continues to be: How do you talk to a stone wall? At the same time, we cannot lose sight of the fact that when the day comes that nothing is worth fighting for or dying for, there will be little worth living for. Those who have taken up arms in defense of this nation and its values, at great risk to their own lives—veterans of the past and the recent past—deserve our deepest gratitude and continued support. God bless them all and may this nation continue to be home of the brave.

[From the Park Ridge Herald, Nov. 10, 1983]

VETERANS DAY FROM A VET'S PERSPECTIVE

(By Dennis A. Joyner, National Commander, Disabled American Veterans)

I was in Vietnam only 32 days when I was wounded. On Veterans Day, 1969, I found myself in an Army hospital, struggling to heal and pull my life back together after losing both legs and an arm.

There, in that hospital ward, I learned that everybody makes sacrifices in war. Some sacrifices are just greater than others.

I was in a hospital ward that contained pain and suffering, but that same ward was full to overflowing with courage, conviction and commitment.

The same courage my fellow veterans showed on the battlefield was everywhere on the ward. It was the courage to overcome pain and heal. It was the courage to pick up the pieces of physically broken lives and start anew.

You could look at the face of each patient in that ward and see the conviction that each brought to his personal struggle. It was that overpowering belief that "I will survive. I will heal. I will persevere."

And you saw through the pain and past the suffering that these young veterans had not lost their commitment to this nation and the values we cherish. If anything, for many, that commitment was made stronger by the battlefield they'd survived. They had seen, up close, what happens to a nation when its will is weakened. They had seen . . . and fought . . . the enemies of democracy and freedom.

These are some of the memories that come back to me every year on November eleventh. Memories of the kid down the hall screaming out his pain in the middle of the night. Memories of the sweat that poured from a friend's face as he learned to walk on a plastic leg. Memories of the grins and cheers that accompanied the news that a patient had healed and would be discharged from the hospital.

Yes, Veterans Day means much more than just another holiday. It gives me a chance to retrace such scenes of courage and sacrifice. I recall how glad I was to make it back home alive. And I remember the awesome courage of so many who didn't.

I remember other scenes, though—scenes I couldn't understand when I left the hospital and went back to civilian life and college. They were the scenes of a society that had been ripped down the middle by the controversy of the Vietnam War.

I saw the hostility generated by that war spill over into hostility toward the veterans who had fought that war. Veterans, more than any other group of people, have earned the right to call themselves Americans. Yet they were branded as traitors. Veterans spilled their blood in defense of the values that made this nation great. Yet they were accused of forsaking those values.

In the process of heaping scorn on Vietnam veterans, the prestige of all of America's veterans suffered.

When I saw what was happening, I feared for the future of America. For when you ridicule the defenders of a nation's values, you ridicule that nation.

My fears for America, however, were eased. They were tempered by the realization that no nation . . . anywhere in the world . . . can match the United States in its collective resiliency of spirit. We resolve our philosophical differences, heal our spiritual wounds, better than any group of people in the world. Our notions of freedom and democracy demand it of us. We are quick to defend those notions, quick to recognize our errors, and quick to ask compassionate solutions to our problems.

Was I better about losing three of my limbs during the war? Did I think it was worth the sacrifice in a war the United States didn't win? Did I feel guilt or shame about my service in Vietnam?

Would I do it all over again?

My answers to these questions, I have no doubt, are much the same as the answers given by the majority of this nation's veterans.

No, I'm not bitter about any sacrifices I made to serve my country. You serve, you sacrifice and you thank God you're a citizen of the greatest nation the world has ever seen.

The principles that make us serve our country affect millions of lives . . . not only in the United States, but around the world.

Those principles don't make us want to die in a war. But they make us proud to offer our life, if it will keep this country and its people free. Our willingness to fight to the death in defense of the precious freedoms we cherish is not an unusual American trait.

If you think only a few feel that way, look around you. Look here at Arlington National Cemetery and the row after row of brave Americans who felt freedom was worth fighting for. Look to the countless military cemeteries across this nation and around the world. Look to America's history, a litany of people who said, time after time, "What I've got here is too good, too dear to risk losing. I must fight—and fight to the death if need be—to defend this wonderful land called America."

Oh yes. I would do it all over again. America is worth it. The ideals for which our country stands are worth it. The American people—with their dedication to freedom and justice, here and throughout the world—are most certainly worth it.

But we are particularly reminded on this November eleventh that our fellow veterans are worth it. They're worth every bit of our loyalty and support. My fellow veterans—of all this nation's wars—are the strongest reason why I can say . . . I'm proud I served my country. I'm proud to call myself a veteran.

To the man who lost his sight in the explosion of an artillery shell in the trenches of World War I, say, "Be proud too!" To the nurse who continued to give medical aid to the wounded after she was captured at Bataan, I say, "Be proud!"

To those of us who came home from the wars in Korea and Vietnam to a society bent on stripping away that pride, I say, "That pride is not theirs to take. It's yours. You bought it with blood and pain and sacrifice. Be proud!"

When we were in uniform, we learned about things like discipline and dedication. As young soldiers, sailors, airmen or Marines we found true meaning for words like loyalty and duty. They were lessons etched on our souls by the realities of combat.

For most of America's veterans, those lessons are the foundation of our lives. Those same lessons are the reasons why America has no finer citizens than veterans.

Dedication . . . to our homes, our families, our communities, our nation. Loyalty . . . to all these things and the values that made this nation great. Duty . . . to God and the principles of democracy and freedom. And the discipline . . . to never turn our backs on our fellow veterans, to never forsake the values for which we fought so dearly and to never forget our pride in being a veteran.●

IMMIGRATION REFORM LEGISLATION

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BILIRAKIS. Mr. Speaker, I was dismayed when I learned last month of the decision to deny the House of Representatives the opportunity to consider the immigration reform legislation which has already passed the Senate. Even though I oppose certain provisions in the legislation such as blanket amnesty for illegals and the H2 language, and thus will vote against the bill if those are not changed, I do believe this country needs to develop an immigration policy, which we do not at present have.

It is obvious that our borders are out of control and it is for this reason that strong support for immigration reform has been espoused by Americans from every walk of life.

I would request Mr. Speaker, that this legislation be brought to the floor of the House so we can work our will.

To deny this body the opportunity to debate this bill is unfair to the Members of this body, and is most certainly unfair to the American people who want action on this measure now.

I would urge my colleagues on both sides of the aisle to express their support for timely and open debate on this issue by signing the discharge petition which has been filed. It is regrettable that we have to follow this route to bring legislation as important as immigration reform to the floor.●

TAX PENALTIES ON VOLUNTEER TRUSTEES OF PUBLIC CHARITIES

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. CONABLE. Mr. Speaker, it has come to my attention that the Internal Revenue Service has been adminis-

tering the penalty for willful nonpayment of Federal taxes in a way that potentially could discourage people from serving as unpaid, volunteer trustees of public charities. I am introducing a bill today which is intended to address this situation. Joining me as cosponsors are Representatives GUARINI, DUNCAN, RANGEL, and MOORE.

The penalty imposed under section 6672 of the Internal Revenue Code, is intended to insure that a business pays all Federal income, FICA and FUTA taxes required to be withheld from its employees. It does this by making the persons responsible for the payment personally liable for a penalty equal to the withheld taxes if the payment is not made and if the failure to make payment is willful.

When the penalty is imposed against a for-profit business, the IRS generally deems the chairman, president, treasurer, or other officers to be the persons responsible for any willful nonpayment of taxes. Where charities are involved, it appears that the IRS is erroneously assuming that the chairman, president, treasurer or other officers of the board of trustees of public, tax-exempt charities—hospitals, schools, community self-help organizations, and the like—are similarly responsible for the nonpayment of taxes. The penalty is levied against these trustees even though they are fully employed elsewhere, serve the charity on a purely volunteer, unpaid and partime basis, and have no responsibility over and often no knowledge of payroll, spending or management decisions of the charity's full time, paid, professional staff.

The IRS appears to be totally misinterpreting the role of volunteer trustees in charitable organizations. These unpaid community leaders generally function primarily as fundraisers, community spokesmen, or liaison to related groups. Often their sole function is to lend their prestige or name-recognition to the charity. Frequently, they are "do-gooders" who are otherwise engaged full time with their own employment or families. They are neither qualified nor expected to run the charitable institution and are not in any way responsible, and often are not even knowledgeable about the details of the charity's operations or finances, including taxes.

Nevertheless, the IRS has insisted that its presumptions about responsibility and willfulness apply to those holding offices as trustees of charities just the same as they do to officers of for-profit businesses. A Federal district judge in New Jersey recently stated that the IRS position "portrays the Government at its heartless, rigid, and Orwellian bureaucratic worst."

Those unfortunate individuals who have been entrapped by their willingness to give their time and energies to impecunious charitable organizations have suffered unnecessary anguish and expense. However, the IRS generally has not succeeded in collecting the tax penalties from these public-spirited citizens because they demonstrated in court that they, in fact, were not responsible for the failure to pay taxes.

These attempts by the IRS can only serve as a disincentive to other citizens who might donate their services and money in support of charitable institutions. Potential trustees and charitable leaders certainly will think twice before accepting a position as chairman of a fund drive or treasurer of a charity. Under the current IRS policy, trustees must subject themselves to the possibility of extraordinary personal liability or try to avoid such liability by personally assuming the burdensome responsibility for managing payrolls, creditors taxes, and other financial matters. There is no doubt but that this policy, if it continues, will have a chilling effect on the willingness of community leaders to serve as trustees of schools, hospitals, community organizations, and other public charities.

The bill simply provides that the penalty will not be applied "against a person serving as a trustee, director, or officer on a volunteer and part-time basis without compensation" of a tax exempt public charity in the case of any failure of the charity to pay taxes.●

PRESERVE THE CIVIL RIGHTS COMMISSION

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. GREEN. Mr. Speaker, I would like to bring to my colleagues' attention a very important statement by Jacqueline G. Wexler, president of the National Conference of Christians and Jews.

The NCCJ was founded in 1928 as the first systematic attempt to combat prejudice and bigotry by mobilizing educators, social scientists, and the clergy.

Ms. Wexler's message basically is that the U.S. Civil Rights Commission, which has been the focus of so much debate and division in this body, has been a significant force in helping to move America to greater interreligious and interracial understanding. Her plea is that this Commission not be used as a pawn by either political party.

Following is her statement:

STATEMENT

The current political controversy over the composition and future of the U.S. Civil Rights Commission presents a double challenge to civil rights and human relations organizations in the private, voluntary sector.

It is a challenge because the federal agency is one important symbol of the nation's commitment to equality for citizens of all races, religions, and ethnic backgrounds; for women and for men. Private organizations committed to civil rights have a vested interest in the health and independence of the Commission.

The National Conference of Christians and Jews cares about the future viability of the Commission. Our concern goes deeper than the partisan issues being highlighted in the press. We are concerned about it as an active embodiment of national conscience.

As President of the NCCJ, which for almost 60 years has championed civil and religious rights, I appeal to Republicans and Democrats to work together in preserving the integrity of the Commission.

The current conflict is also a challenge to private groups because it reminds us of our own responsibility to pursue vigorously the goals of fairness and justice. We must never expect government to provide the only symbol or to do all the work in the movement toward a truly unified, pluralistic society.

I am encouraging the 76 regions of the NCCJ across the country to respond to the controversy surrounding the Civil Rights Commission first, by intensifying the efforts of our own organization to promote the dignity and rights of all people and, second, by informing regional representatives in Washington of our concern that the Commission not be turned into a political pawn.●

HUMAN RIGHTS IN CHILE

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. CONTE. Mr. Speaker, the political upheaval in Chile has caught the attention of the international community in the past several months. Reports of human rights abuses, political persecution and civil rights violations are frequent and well documented. I hope that the present Government of Chile will respect internationally recognized human rights apparently denied to some Chilean citizens.

For the public record, I am including several individual cases compiled by Amnesty International regarding human rights abuses in Chile. I invite the Chilean Government to respond and hope that this troubled nation will establish an atmosphere of peace and stability through the democratic process.

The cases referred to follow:

CASE NO. 16—ANONYMOUS

Personal details: He is 17, unmarried and studying electronics at technical school.

State of health before arrest: He had been in good health.

Time and place of arrest and detention: He was arrested in Santiago in the first quarter of 1982. He was taken to the CNI centre in Santiago and about eight hours later was transferred to a prison for juveniles. Next day he was moved to the *Centro de Readaptacion*, where he was kept for 11 days.

Duration of alleged torture: He was tortured on one day while at the CNI centre.

Interrogation and torture: His account of events was as follows:

When he was arrested he was handcuffed, and in the car on the way to the interrogation centre he was slapped hard on the top of his head. When he arrived at the interrogation centre his left hand was handcuffed to a chair. During interrogation he was slapped on the side of the head punched hard twice near the left ear. He was also hit on the back with a rifle butt and kicked once on the back of the left leg. The interrogation lasted about an hour.

He was then taken back to his cell. Later three people came to interrogate him. During the interrogation he was electrically tortured for about 10 minutes with a black torch-like instrument measuring about 50cm by 5cm. At one end were two electrodes like those on an electric plug. He was wearing his own clothes and was given electric shocks with the device through his clothes on the inner sides of the wrists, his lower left arm, back, the lower left part of the thorax and the upper left part of the abdomen.

Later that day he was again questioned in the interrogation room. A dog was set on him. It jumped onto his chair but it was on a lead and he was not bitten.

He was also threatened with execution: one of the interrogators aimed a pistol at him. He was told his family were to be arrested and tortured in front of him, that he himself would be tortured again and that the dog would be set on him. That night he was sent to a prison for juveniles.

Early symptoms described: He had considerable pain where he was punched near the left ear and he heard a ringing noise in the ear for two or three days afterwards. The pain lasted two weeks.

The left side of the inside of his mouth bled for a day. For a short time he had difficulty concentrating. He also had difficulty falling asleep and took sleeping tablets. He was nervous and anxious. He was referred to a psychologist, whom he saw five times. He thought this was helpful.

Present symptoms described: He is still nervous, fearing particularly that something might happen to his family. He still feels rather depressed and weak but thinks the psychologist has helped him.

Medical documentation: Seventeen days after his arrest he was examined by a local doctor, who found signs of contusions near his left ear and his abdomen. The report states:

"He was struck on the ears *(telefono)*, was hit in the back with the butt of a weapon and electric shocks were administered to various parts of the body. He reported being bothered by a ringing sound in the ears, pain in the ear lobes and dizziness.

"Physical examination: Tenderness in the abdomen; tenderness in the ear cartilages.

"Diagnosis: Contusion of the ear and abdomen."

Clinical examination (two months after the alleged torture): The physical examination showed no abnormality.

He was tense, restless, fidgety and nervous. His relationship with the interviewer was poor. He was somewhat distant, his account of events was rather dull and his mood depressed.

Conclusion: The medical delegates found consistency between the torture alleged and the early and present symptoms.

There is in addition a report of an examination by a local doctor 17 days after the arrest. Its clinical findings are consistent with the alleged torture and the early symptoms described.

CASE NO. 17—ANONYMOUS

Personal details: She is 17 and undertaking a course in education. She is unmarried and lives with her parents but has a boyfriend who was at the time wanted by the CNI. He has since been arrested.

Previous state of health: As a child she suffered a trauma to the head but did not lose consciousness.

During the past two years she has briefly suffered from depression three times, tending to withdraw into herself and lose her appetite.

When under stress she often suffers from diffuse abdominal pain. She experienced this immediately before her arrest.

Time and place of arrest and detention: She was arrested in the first quarter of 1982 and taken to the CNI centre in Santiago. She was held there until the evening when she was put under house arrest. She was released without charge.

Duration of alleged torture: She was tortured and held incommunicado on one day.

Interrogation and torture: Her account of events was as follows:

At 6:00 am one day in the first quarter of 1982, she was woken up at home by four men in civilian clothes carrying submachineguns. Outside the house were about 20 more men in civilian clothes.

The house was searched and she was asked, among other things, where her boyfriend was and to give the location of various papers and "the weapons". When her replies were unsatisfactory she was beaten. The men said they had 20 days in which to get information from her and that anything might happen to her. Then she was handcuffed and tape was fastened over her eyes. The men removed some jewelery, her childhood drawings and a photograph of her boyfriend. They produced no warrant for her arrest. In the car they again questioned her about her boyfriend. When they reached the CNI centre they carried her down a flight of stairs, took off her own clothes and then dressed her in overalls and *zapatillas*. They then asked her for particulars about herself and photographed her, insulting her in various ways the whole time. She was examined by a doctor, who encouraged her to answer the interrogators' questions.

When the doctor had gone she was made to take a tablet which was said to be a tranquilizer, whereupon she became extremely tired and fell asleep. She was woken at about noon and made to walk up and down the hall for some 15 minutes. Then she went to sleep again in her cell.

Towards evening she was interrogated for about three hours. In the course of the interrogation she was threatened, derided and insulted. At about 10:00 pm her clothes were returned to her and she was driven back home. Several CNI agents were still there keeping her parents and sister under house arrest, which lasted until the following midday, the reason being that they wanted to get hold of her boyfriend. They were not tortured while under house arrest, but the CNI agents spent the whole time in the living-room watching them and listening to their telephone calls.

Résumé of alleged interrogation and torture: She was hit in the face a number of times. She was also insulted, derided and humiliated. She was given what she took to be a sleeping tablet.

When not being interrogated she was kept in a 2m by 2m concrete cell containing a concrete bunk. She was masked. She was offered food but could not eat it.

Medical examination and/or attention during detention: When she arrived at the CNI centre a person she thought was a doctor examined her by stethoscope and took her blood pressure. He encouraged her to cooperate with the interrogators.

Early symptoms described: She lost several kilograms; after release she had diarrhea and constipation alternately for about a week, and almost every day she had a stomach-ache which lasted for about half an hour. She also had headaches and slight dizziness, especially in the evening. She felt tired all day. She slept badly, had nightmares and had to take sleeping tablets. Her mood was one of gloom, and she felt unwell when she woke up in the morning. She tended to keep to herself, was irritable and did not react in her usual way. She was also nervous, frightened, emotionally labile and liable to weep easily.

She has been treated by a psychiatrist.

Present symptoms described: She still has most of the above-mentioned symptoms except for the diarrhea and constipation, which have disappeared. She has stopped taking sleeping tablets.

Medical documentation: There is a statement from a local doctor which indicates that she has been to a psychiatrist five or six times since her release. She has been very nervous and had two hysterical outbursts in which she cried, screamed and smashed things on the floor.

An evaluation made by the psychiatrist who treated her six weeks after the alleged torture states:

"To sum up, this is a case of an adolescent woman suffering from psychomotor agitation reactive to the psychological torture and the interrogation undergone at the CNI.

"The clinical picture has improved after intense psychotherapeutic and psychopharmacological treatment."

She no longer feels the need for psychiatric treatment.

Clinical examination (two months after the alleged torture): She was extremely tense throughout the interview. She spoke very fast, tripping over her words and gasping for breath a number of times. But her account was coherent and spontaneous and she answered questions sensibly. She still seemed very detached, as though keeping a very tight grip on herself.

She was very thin: she is 155cm tall and weighs only 38kg. Otherwise no physical abnormality was found.

Conclusion: The medical delegates found consistency between the torture alleged and the psychological symptoms described. There was consistency also between the medical documentation from a local doctor, the symptoms and the findings of the delegates' examination.

CASE NO. 18—SERGIO ARROYO PINOCHET

Personal details: He is 50 and a doctor. Before the military coup he taught at university but was then dismissed. After that he worked as a doctor for an industrial concern, but was dismissed after his arrest in 1974. Since then he has been in private practice. He is married and has no children.

State of health before arrest: He had diphtheria when he was eight. A tracheotomy was performed. He has been in good health since.

He has had one arm and one leg fractured.

Previous detention: On 23 April 1974 he was arrested and detained for 54 days. He

was held in an old educational centre in which about 40 doctors were imprisoned during the big round-up of doctors in 1974. He was not tortured and was held in reasonable conditions.

Time and place of arrest and detention: He was arrested on 20 May 1981 and kept in the CNI centre in Santiago from 20 May to 8 June. He was then transferred to Valparaiso prison where he was held until 9 July. Then he was moved to Cárcel Pública in Santiago where he remained until released on bail on 14 July.

Interrogation: His account of events was as follows:

At 7:00 pm on 20 May 1981 he was arrested at his office by three people in civilian clothes who said they were from the CNI. They had no warrant for his arrest. He was taken down to a car. They blindfolded him with tape and then drove for about 20 minutes until they reached the CNI centre. He was taken through an automatic door and down a flight of 12 steps. He was bodysearched, and his personal belongings were removed. He was blindfolded and medically examined. Unlike many others, he was allowed to keep his own clothes. He was put in a concrete cell measuring 2m by 1.5 m which contained a concrete bunk. The tape over his eyes was exchanged for a mask.

The following day, 21 May, he was interrogated for four or five hours. He was threatened with a variety of tortures. He was questioned and his political activities were commented on. His interrogator (whom he could see as he was not masked) was called "Doc" by the others. "Doc" was described as tall, heavy, with dark brown hair and glasses and aged about 45. He went through a long list of questions. That evening the subject was made to sign a 14-page "confession" which he was not allowed to read. For the next 17 days at the CNI centre he was not interrogated but sat alone in his cell feeling bored, lonely and anxious. Occasionally the monotony was broken by a few short, simple questions by his captors.

He could hear the other prisoners screaming, and once he heard a prisoner, who he thinks was unconscious, being thrown into a nearby cell. Later on he talked to this prisoner, who said that he had fainted under electric torture and had been given heart massage. He thought this prisoner had marks on his skin caused by electric torture.

The night before his release he was taken for a haircut and given another medical examination. The CNI agents had fetched some clean clothes from his home which he was allowed to wear.

On 8 June he was driven to see a judge who interrogated him for many hours. Afterwards he was transferred to Valparaiso prison, which he found much less threatening.

The thing he remembers most vividly about Valparaiso prison was the wonderful reception he received from the other prisoners and how glad he was to be with other people again.

Medical examination and/or attention during detention: On arrival at the CNI centre he was medically examined. He is convinced the person who examined him was a doctor because of the way medical questions were put and the correct procedures followed in the physical examination. (Appendix VI is a copy of the clinical record completed on his arrival at the centre.) He was examined also before transfer from the CNI centre.

While in prison he suffered from dermatomycosis. He was refused medicine for this but was able to get some via his family.

Early symptoms described: While at the CNI centre he suffered from dermatomycosis between the toes and had diarrhea, which lasted for two days. He had no mental symptoms.

Present symptoms described: He has none.

Clinical examination (12 months after detention): He appeared relaxed and well-balanced and he was cooperative.

He had a tracheotomy scar.

Conclusion: There is consistency between this descripton of the conditions in the CNI centre and other prisoners' descriptions. The subject emphasized that he, like two other doctors arrested at the same time, was given special privileges both at the CNI centre and in prison.●

STATEMENT OF THE PUBLIC POLICY COMMITTEE OF THE WOMEN'S NATIONAL DEMOCRATIC CLUB CONCERNING SUPPRESSION OF INFORMATION BY THE REAGAN ADMINISTRATION

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BARNES. Mr. Speaker, I recently received a statement of the public policy committee of the Women's National Democratic Club protesting the Reagan administration's "continuous encroachment upon the free flow of information so critical to preserving our democratic process." The statement cites the administration's press blackout during the Grenada invasion, and President Reagan's Executive order imposing lifetime censorship on Government officials with access to sensitive information. I include the statement in the RECORD at this point:

WOMAN'S NATIONAL DEMOCRATIC CLUB
PUBLIC POLICY COMMITTEE STATEMENT

The Public Policy Committee of the Woman's National Democratic Club expresses its adamant opposition to the Reagan Administration's continuous encroachment upon the free flow of information so critical to preserving our democratic process.

The Administration's recent and most blatant restriction was its news blackout imposed during the invasion of Grenada. The invasion was undertaken, we are told by government spokesmen, to protect American citizens and to restore a democratic government. A well-informed public, through a free and independent press, is a guaranteed right and an essential feature of our democratic process. This news blackout violates this underlying principle of democracy.

President Reagan, through Executive Order, seeks to impose lifetime censorship on government officials handling sensitive information during their careers. This Executive Order exceeds the traditional use of the Executive Branch's classification authority.

The Public Policy Committee is concerned about these and other censorship actions of this Administration. The committee urges a legislative review of the classification authority of the President.●

GEORGE WILL COMMENTS ON "CIVIL RIGHTS" FOR HANDICAPPED INFANTS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. HYDE. Mr. Speaker, much has been written about the recent case of Baby Jane Doe in New York and, formerly, Baby Boy Doe in Bloomington, Ind. One of the most eloquent essays that I have read on such Baby Doe cases—and the civil rights of all handicapped infants—appeared in yesterday's Washington Post.

Once again, George Will is one of the very few journalists in this country who is insightful and forthright enough to speak about the right-to-life of handicapped infants and the hypocrisy of those great liberal civil rights proponents who are either too blind—or too ignorant—to see their own double-standard. I commend Mr. Will's excellent analysis on the subject to my colleagues:

UNFASHIONABLE CIVIL RIGHTS

(George F. Will)

Civil rights "activists," so active denouncing President Reagan, have not noticed, or will not acknowledge, that he is significantly expanding civil rights protections. That is the importance of cases like that of "Baby Jane Doe" in New York.

The government is seeking medical records in the case of the infant born with spina bifida and excessive brain fluid. Without surgery the baby is expected to die within two years. The parents oppose surgery. Doctors say—guess, really—that the child would be "severely" retarded and would die as a young adult. The federal government may seek treatment the parents oppose.

The administration is not acting on an ideological quirk. It is giving a reasonable interpretation to a civil rights law, Section 504 of the Rehabilitation Act of 1973. Section 504 prohibits discrimination solely on the basis of handicap. The administration is not trying to sever Section 504 from medical judgment. There is no notion of an obligation for futile treatment that merely prolongs dying or extends life a short span. But treatment should not be withheld to cause the death of a newborn because parents decide, on the basis of doctors' guesses, that the child's life would be inconvenient, disappointing or without acceptable "quality."

After parents and doctors agreed in Indiana in 1982 to starve a Down's syndrome baby rather than perform routine surgery, Reagan ordered regulations requiring the posting in hospitals of notices that discriminatory denial of care to handicapped infants is prohibited. A hot line was established for reporting violations.

The New York Times, which favors aggressive federal action to protect the right to vote or to a safe work place, denounces the government as "Big Brother" when it moves to protect an infant's right to life. If a parent and an employer decided to employ the parents' healthy child at less than the minimum wage, The Times would demand a federal posse. But when the government

considers intervening to prevent parents and doctors from causing death by withholding treatment. The Times champions parental sovereignty.

Such sovereignty is highly conditioned. Parents cannot abuse or neglect their children, or keep them from schooling, or prevent them from receiving certain vital medical care, such as transfusions, on religious grounds.

The Wall Street Journal, which at least has a crazy consistency (it doesn't much like government, the Pentagon excepted) denounces the administration for "harassment" of parents and doctors and for expanding "the role of Washington in our lives." The Journal wants the rights of handicapped newborns allocated by the private sector, by parents and doctors. But surely even conservatives of the Journal's stripe can concede that the federal government, in addition to running the Navy, can legitimately protect babies from being condemned because of imperfections.

Many editorialists insist on deference toward doctors' judgments. In the Indiana case, a doctor testified that the baby should die because the baby would never achieve a "minimally acceptable" quality of life. The doctor decreed that "some" Down's syndrome persons are "mere blobs" and that he had never known a Down's syndrome person "able to be gainfully employed in anything other than a sheltered workshop . . . that could be self-supporting. . . . These children are quite incapable of telling us what they feel, and what they sense. . . ."

The moral squalor of that statement (should life-saving treatment be denied to all economically marginal persons?) is exceeded by its ignorance: I'll introduce the doctor Down's syndrome citizens—sorry, doctor, that's what they are—who work outside sheltered workshops and who can tell what they feel and sense about people like him. Clearly, some doctors claim authority concerning matters that are in no sense medical. Note the doctor's opinion about the "acceptable"—to whom? the AMA?—quality of life.

A person who calls the police to protect a child who is being abused next door is called a good citizen. A nurse who tells the government that a baby is suffering the ultimate abuse is denounced by editorialists as a "spy" or "police informant" or "busybody." A professor writes that the hospital notice and hot line "insult" all doctors as potential child abusers. But do child-abuse laws insult all parents? Editorialists who have favored sending civil rights enforcers, even the Army, into the South now express horror about "Baby Doe squads" descending on hospitals.

Why the hysteria? Perhaps it is because editorial writers consider doctors as peers—fellow professionals and equally infallible. It is one thing to urge federal enforcers on businessmen, but restricting the discretion of professionals is an affront. Furthermore, many members of the social stratum from which editorial writers come cannot cope with the fact of permanent defects, especially in children, defects that neither a new law nor a new antibiotic nor a new curriculum can cure. Parents who conjugate French verbs for their superbabies are unnerved by what they think is the meaninglessness of a life that will not include reading New York Times editorials.

But American history is a story of progressive inclusiveness as rights have been extended beyond healthy, white, property-holding males. America today is on the threshold of another great inclusion, that of handicapped, and especially mentally handicapped, persons. This is Ronald Reagan's doing, and he is getting neither help nor credit from the self-appointed custodians of the nation's conscience regarding civil rights.●

SUBSEABED EMPLACEMENT OF HIGH-LEVEL RADIOACTIVE WASTE

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. HUGHES. Mr. Speaker, as you know, the disposal of high-level radioactive waste is both a controversial and complex issue and one which, from a domestic standpoint, has received considerable attention from Congress.

One of the many options that has been discussed by the international community for disposing of high-level radioactive wastes is that of subseabed emplacement, which involves the burial of such wastes in sediments of the ocean floor. Subseabed disposal is intended to isolate the wastes from the marine environment for thousands of years, but the technology is a relatively new one which is still unproven.

The question of whether subseabed disposal is prohibited under international law, however, has not yet been fully resolved. Although the London Dumping Convention clearly prohibits the disposal of high-level radioactive wastes in the oceans, various Federal agencies have been "waffling" on the issue of whether the Convention's definition of disposal includes subseabed emplacement. The State Department has also failed to squarely address this question.

Mr. Speaker, the resolution that I am introducing today urges the United States to resolve this matter by recognizing that subseabed emplacement falls within the framework of the London Dumping Convention, which defines "dumping" as any deliberate disposal at sea of wastes or other matter from vessels, aircraft, platforms, or other man-made structures. Such an approach is fully consistent with the one that the House of Representatives adopted in approving H.R. 1761, which includes subseabed emplacement within the Marine Protection, Research and Sanctuaries Act's "ocean dumping" provisions.

The intent of this resolution is not to prohibit the subseabed disposal of radioactive wastes in the event that it becomes technologically feasible. Rather, it is intended to clarify that the London Dumping Convention is the appropriate international vehicle under which such disposal should legitimately be regulated. Although the Convention presently prohibits the disposal of high-level ratioactive wastes at sea, if subseadbed disposal is proven to be a safe disposal alternative with wide acceptance in the international community, the Convention could be easily modified. Until such time, however, the practice should not be permitted outside the framework of the Convention.

All too often, law follows in the wake of technology. Seabed emplacement is a prime example of how new uses of the oceans are being actively developed before we have clarified the applicable international legal regime. I believe it is extremely important that the development of such new technology proceed in a manner that assures that the oceans and mankind will be adequately protected from the risks associated with any radioactive waste disposal in the oceans.

The protection of the marine environment is the foundation upon which the London Dumping Convention was developed. It is important that the Convention not be eroded by carving out special exceptions from its provisions as new technologies are developed. Certainly, the internationally accepted policy of protecting the marine environment from the threat of pollution by high-level radioactive waste justifies giving special attention to this matter.

Before proceeding with subseabed emplacement, we need to make certain that the biological, geological, and oceanographic research necessary to assure that the technology is environmentally sound is undertaken. Without such assurances that the marine environment would be adequately protected from the threat of pollution by highly toxic and persistent high-level radioactive wastes, subseabed emplacement should be prohibited under the Convention.●

ESPANOLA VALLEY HIGH SCHOOL BAND MARCHES TO THE ROSE BOWL TUNE

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. RICHARDSON. Mr. Speaker, I want to share with my colleagues the excitement that is brewing in Espanola, N. Mex. On January 2, the Espanola Valley High School Band will represent a seven State region in the prestigeous Rose Bowl Parade in Pasadena, Calif.

Mr. Speaker, about 1 in every 10 students at Espanola Valley High School is a member of the marching band of: dancers, flag corps, instrumentalists, and percussionists. The 140 Sundevils rehearse an hour each morning and for an additional 2½ hours three afternoons a week. Over this summer, the

group practiced 4 hours a day, twice a week.

Mr. Speaker, all of the practice, dedication, and discipline that has gone into the preparation for marching in the Rose Bowl Parade in Pasadena, Calif., can only help to enrich the educational experience for the students of Espanola. I will be tuning in my television set to the Rose Bowl festivities and watch with pride as the members of the Espanola Valley High School Band debute on national television January 2.

Mr. Speaker, I hope my colleagues will take the time to read this thoughtful piece that recently ran in the New Mexican, a daily newspaper in my congressional district.

ESPANOLA HIGH BAND WILL PLAY FOR 300 MILLION

While millions of television viewers settle down to watch the Rose Bowl game January 2, the kickoff will be anticlimactic for a group of youngsters from Espanola Valley High School.

By game time, the 140-member Espanola school band will have marched, danced, twirled and played through the 5.5-mile route of the Tournament of Roses Parade in Pasadena, Calif. And they will have been one of only a handful of bands to do so.

Only 15 high school bands are chosen to play each year in the prestigious Rose Parade, according to Espanola Band Director Robert Felix. Eight of those are from California and seven from other states.

Other major bands that usually play in the parade include the U.S. Army Band, U.S. Marine Band, Salvation Army Band and the bands from the two Big Ten Conference schools that are playing in the Rose Bowl game.

The Espanola Sundevils will represent a seven-state region, Felix said, which includes Oklahoma, Nevada, Arizona, Colorado, Wyoming, New Mexico and part of Texas.

For marching bands, the event is like playing in the Super Bowl in January and the world Series in October. "This is the top event in the whole world," says Felix. "One and a half million people view it live. Worldwide, there are 300 million people watching it, which is scary."

Felix, 47, has been Espanola Valley High School band director for 10 years. Before that, he was junior high school band director in Espanola for nine years. The Santa Fe native, who has bachelor's and master's degrees in music, is a former professional musician and had his own nightclub band in the 1960s.

The Espanola group, Felix said, plans to play five songs during the parade route: "Ode to Joy, "New World Symphony," "Labamba," "Mirada" and "Broadway." All were approved by the parade committee.

The Rose Parade process began 1½ years ago for the Espanola group. While playing a four-day tour of the Los Angeles area in April 1982—which included shows at Disneyland and Knott's Berry Farm—a booking agent saw the band and suggested it was good enough to play in the Rose Parade.

From that suggestion, the long process of application began. Letters of recommendation were required from the two United States' senators from New Mexico, the district's congressman and governor.

A video tape of the band was also submitted—and in December the Espanola band was accepted. The group has been practicing nearly constantly ever since.

It rehearses an hour each morning and for an additional 2½ hours three afternoons a week. The band also plays at a football game each weekend—and sometimes practices on Sunday.

Over the summer, the group practiced four hours a day, twice a week.

The marching band is actually divided into four sections: dancers, flag corps, percussion and main band. Each has its individual role, but the strength of the Espanola band is that it's melded so tightly into one unit, Felix said.

About one in every 10 of Espanola Valley High School's 1,500 students is a member of the band—an unusually high percentage for a typical school band. Felix says that is because he offers a good band program that keeps the students challenged. That and "discipline . . . If the student does not have good discipline and a good attitude, we can't accomplish it," Felix says.

The band will fly to Los Angeles on Dec. 18, accompanied my 105 adults, mostly parents of band members. Before the Jan. 2 Rose Parade, the group will play at Pasadena City College, Disneyland and Magic Mountain. They'll return to Espanola on Jan. 3.

The Espanola School Board has bought $60,000 worth of new equipment and uniforms for the Rose Parade visit. The band's expenses, including lodging, meals and transporation, will be about $72,000, said Felix.

Through fund-rasing dinners and auctions, about $65,000 has already been raised for the group.

On Nov. 12, 10 a.m. to 6 p.m., a radio-thon is planned by two Espanola radio stations, KEVR-FM and KDCE-AM. While the band performs a six-mile march through downtown Espanola, the stations will field phone in pledges.

Anyone wishing to donate to the band may also do so by mailing contributions to Alex Salazar, treasurer, EVHS Band, Box 3055, FV (Fairview) Station, Espanola, N.M. 87533.●

TWENTIETH ANNIVERSARY OF PASSING OF PRESIDENT JOHN F. KENNEDY

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. FEIGHAN. Mr. Speaker:

It is the fate of this generation * * * to live with a struggle we did not start, in a world we did not make. But the pressures of life are not always distributed by choice. And while no nation has ever faced such a challenge, no nation has ever been so ready to seize the burden and the glory of freedom.

Those words of President John Fitzgerald Kennedy can tell us much of why the world mourned his passing and why his country recalls his life with devotion and affection. John F. Kennedy died senselessly, and his death has changed the way in which we view his life. For many he has become more than a martyr, more than a myth. His life is transformed into the stuff of legend, and on the 20th anniversary of his passing he is remembered in countless books, articles, and television retrospectives.

There is a reason for this, and historians will certainly reflect on why his memory still captures the imagination of so many. His youth, his vitality, and his ringing eloquence, all combined with a political vision of a more just society at home and a more peaceful world beyond our borders, transformed President Kennedy into more than an average politician. He is remembered because of what he represented and what he asked from all those who shared his vision—he asked us to give of ourselves, to dream, and to pursue excellence. Not a bad thing for a leader to ask his countrymen. And not a bad thing to reflect upon during the commemorations of this month.

Much has been written of the Days of Drums that followed the tragic events of November 1963. Much more will surely follow. But perhaps the legacy of John F. Kennedy was most aptly described by President Johnson when he wrote that:

In death as in life, John Kennedy stirred the hearts of all mankind—and with his words and works to guide us and inspire us, his life will not have been in vain.

The presidency of John F. Kennedy was brief and it was turbulent. The world and America were in the midst of profound upheaval. Yet during a time of crisis and conflict, John Kennedy spoke of hope, of opportunity, and of challenge. He saw beyond the turmoil of his time and addressed the promise of human achievement. His faith in the American people and his confidence in the capacity of free institutions to endure were devotedly held. That is why his commitment to arms control and his designation of civil rights as a moral issue were so compelling. He had a vision for our country, and he shared it with his countrymen. Americans responded. When we think of the progress in civil rights; or of the increased national commitment to helping the aged, and the sick, and the handicapped; or of the resolute defense of freedom; or of the conquest of Space; our minds turn to the memory of John F. Kennedy. He asked of us the commitment to join in the struggle, to be a part in the creation of a better world—a world free from the fear of war, a world where each man and woman could strive to:

Create a new social order, founded on liberty and justice, in which men are the masters of their own fate, in which states are the servants of their citizens and in which all men and women can share a better life for themselves and their children.

That is why we remember John F. Kennedy, and why his untimely death will be remember and mourned for many years to come.●

JUDGE CLARK'S CONFIRMATION

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LEVINE of California. Mr. Speaker, our colleagues in the other body have confirmed Judge William Clark to be the Secretary of the Interior.

During 2 days of hearings on Judge Clark's confirmation he would not give any assurances that he would reverse the disastrous policies of his predecessor, James Watt. It is important now more than ever that the President gets a clear signal that there must be a change in this administration's environmental policies.

RICHARD OTTINGER and I introduced a resolution in the House today, expressing the sense of the House that the new Secretary should undertake immediate action to insure that the policies and programs of the Department of the Interior conform with the expressed will of Congress. The resolution also states that the Secretary should reverse policies such as developing wilderness areas and wildlife refuges; selling public lands; and refusal to purchase congressionally approved parklands, wildlife refuges, forests and wild and scenic river areas.

The resolution is a bipartisan effort and has 45 original cosponsors. We urge you to join us as cosponsors and send a message to the administration that the American people want an end to this administration's dangerous assault on our environment.

I insert the text of the resolution with my remarks:

SECTION 1. (a) The House of Representatives finds and declares that—

(1) the Department of the Interior under the leadership of Secretary James Watt and his subordinates has pursued policies that have significantly altered well-established programs which had enjoyed longstanding, bipartisan congressional support and broad public acceptance; and

(2) these policies have generated unprecedented public controversy, led to an unusual volume of litigation in which courts have frequently held that the Department was not acting in accordance with the law, and have caused the Congress to constrain the Department from pursuing many of these policies.

(b) The House of Representatives further finds and declares that, as examples of these policies—

(1) Wilderness study lands have been dropped from congressionally mandated study inventories without regard for congressional requests that such lands continue to be studied fairly;

(2) purchase of congressionally authorized lands for inclusion within the National Park System have been delayed or halted; and

(3) plans have been prepared for extensive sales of public lands with insufficient regard for congressionally mandated planning requirements.

SEC. 2. (a) It is the sense of the House of Representatives that the new Secretary of the Interior should undertake immediate actions to insure that the policies and programs of the Department of the Interior—

(1) conform with the expressed will of Congress; and

(2) regain general public support and confidence.

(b) Such actions should include—

(1) an end to efforts to lease for energy development lands under study for possible congressional designation as wilderness or to eliminate such lands altogether from the wilderness study program;

(2) prohibition within wildlife refuges of intensified commercial development on other actions inconsistent with the purposes for which they are established;

(3) rejection of plans for the sale and disposal of millions of acres of public lands;

(4) resumption of urgently needed purchases of lands within authorized units of the National Park System, the National Wildlife Refuge System, the National Forest System, and the National Wild and Scenic Rivers System, and of funding for State and local acquisition of park and recreational lands; and

(5) establishment of policies of leasing public mineral resources under conditions of careful environmental protection.●

THE CLEAN AIR ACT: HAZARDOUS AIR POLLUTANTS

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. WIRTH. Mr. Speaker, for 13 years, the Environmental Protection Agency has had a mandate to protect public health from hazardous air pollutants—pollutants that can cause cancer and other serious illnesses. EPA has almost completely failed to carry out this mandate. There are dozens of substances in the air which are known or suspected hazardous pollutants. By controlling these pollutants, EPA could save hundreds, perhaps thousands, of lives each year. Yet in all this time EPA has listed only seven hazardous air pollutants, and has actually controlled the emissions of just four of these. EPA has had some three dozen substances under review for more than 6 years, with no decisions. The Agency's failures have been well documented in a recent General Accounting Office study, "Delays in EPA's Regulation of Hazardous Air Pollutants," prepared at the request of the distinguished chairman of the Energy and Commerce Committee, JOHN DINGELL.

Congress must amend the Clean Air Act to make EPA take the action necessary to protect the public health.

As a member of the Energy and Commerce Committee and its Subcommittee on Health and Environment, I have been deeply concerned about EPA's continuing failure to carry out the mandate to protect people from these pollutants. When Congress returns in January, I intend to introduce legislation to make EPA move on this threat to public health. This legislation will have four key features:

First, my legislation will accelerate EPA's review of the three dozen pollutants long locked in interminable EPA review. To make sure that EPA will act, this bill will provide, like legislation passed by the committee in the last Congress, that the pollutants shall be treated as hazardous should EPA fail to make the required decision.

Second, my legislation will reaffirm that the goal of the Clean Air Act is to protect public health. This is signified by the requirement for standards to protect public health with an ample margin of safety. EPA has attempted to turn this public health mandate into a dead letter. This cannot be allowed.

Third, my legislation will firmly establish a "state-of-the-art" technology floor for hazardous air pollutant standards. EPA's standards, and EPA's proposed standards still pending, do not require sources of hazardous pollutants to use technology even as good as that already employed by the industry leaders. These mediocre standards can no longer be tolerated.

Fourth, my legislation will establish a comprehensive permit program. Permits are necessary to assure that sources actually comply with the statutory requirements. Under current law, new sources of hazardous pollutants must obtain EPA approval prior to construction. My legislation will establish a workable permit program, which can be administered by the States, for both new and existing sources of such pollutants.

This legislation is necessary to protect the public health. Every year EPA delays, hundreds, possibly thousands, of lives are lost. I look forward to working with my colleagues on the committee and in the full House to bring about the reforms in EPA's hazardous pollutant program that are so urgently needed.●

JOINT RESOLUTION TO DESIGNATE 1984 AS THE "YEAR OF WATER"

HON. RAY KOGOVSEK

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. KOGOVSEK. Mr. Speaker, several of my colleagues and I are today introducing a joint resolution to designate 1984 as the "Year of Water." As we are all aware, this very precious resource is possibly the most sought after commodity in the history of humankind, and will continue to hold this status. Although not a rare commodity, it is, nonetheless, a fragile and precious resource, because without water, all life ceases to exist. Over the years, this country has developed unique systems of water management which have not only expanded the usable supply of annual yield, but also

protected the users' interests and the quality of the resource.

Let me make it very clear that I am not suggesting our water problems have been resolved to the extent that we can now sit back and watch the system in operation. At the very least, our work has just started. We are currently entering the critical times our predecessors forewarned would occur. Like it or not, we are facing a definite shortage of water in this Nation. Demands of available water supplies are increasing in the areas of agriculture, industries, and municipalities. Furthermore, as these demands increase, the availablity of quality water supplies tends to decrease because of irrigation return flows in saline areas, effluent discharges, and municipal and industrial wastes returned to our rivers and streams.

I think you will agree that the subject of water—quality and quantity—is with us every day of our lives. Yet, we must do more than simply recognize its existence, we must also recognize its importance. We must recognize what we have achieved in the area of water resource management, as well as closely examine the mistakes we have made in order to avoid making them again in the future. Most important, we must acknowledge that the quantity and quality of our water resources help to determine the progress we make in our daily lives.

In 1984, the U.S. Committee on Irrigation, Drainage and Flood Control will host the forthcoming 12th International Congress on Irrigation and Drainage in Fort Collins, Colo. The ICID will bring together water management professionals throughout the world to discuss new ideas and methodologies for controlling and putting our water resources to beneficial use. Therefore, we as a nation should join together in welcoming the International Congress on Irrigation and Drainage to this country, and demonstrate our strong commitment to heightened public awareness and concern for productive use of water resources. Mr. Speaker, I strongly urge my colleagues to join with me by enacting this most important joint resolution to designate the 1984 as the "Year of Water."●

DALLAS QUALITY OF LIFE RATED HIGH

HON. STEVE BARTLETT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BARTLETT. Mr. Speaker, as a former Dallas City Councilman, and now as a Dallas Congressman, I always have been excited about the quality of life we have in the Nation's seventh largest city. A Dallas Chamber of Commerce survey recently confirmed my view. More than three-quarters of Dallas County residents surveyed rated the quality of life in the Dallas area as excellent or good and more than half said the quality of their lives was improving.

The survey shows that in Dallas, ranking third nationally in the number of million-dollar-net-worth companies, our vibrant economic climate has created a sense of well-being many people can share. Almost 80 percent of respondents said they were "pretty well" satisfied or "more or less" satisfied with their current financial situation; 37 percent felt they would be even better off financially by the end of the year. Only 5 percent said they would be in worse financial shape. These feelings are not surprising since, even in a modest recovery, the Dallas area will create jobs faster than either the Nation or the State as a whole according to economic projections. Nonagricultural employment in the Dallas-Fort Worth metroplex is expected to grow 1.3 percent this year.

Likewise, survey respondents favorably rated the Dallas Police Department, the Dallas City Council, the city of Dallas government, the Dallas County government, the Dallas public schools, and the Dallas School Board. In fact, Dallas Mayor Starke Taylor was named most often as the leader in whom respondents had the most confidence.

While respondents' perceptions of the quality of life in Dallas County was overwhelmingly positive, they did identify what they saw as important problems facing Dallas. Traffic was rated the No. 1 problem facing the area. Education and crime also were highly ranked as problem issues. Looking ahead to 1988, half of the survey respondents saw issues associated with traffic, growth, and overpopulation as the areas' greatest problems. Again, this is not surprising. By the year 2000, 1 of every 12 Americans is expected to live in Texas according to predictions by a business researcher.

More than half of those interviewed said that education was a problem that would improve by 1988. Respondents backed that expectation by rating education as the function on which they were most willing to spend tax dollars.

Although minority respondents rated the quality of life lower than did the overall population of Dallas, they were more inclinded to believe the quality of life is improving.

While the poll shows that Dallas still has to make good on some of its promises, it also shows that the Dallas area holds out the kind of hope for personal and community development that inspired our national greatness.

I commend the Dallas Chamber of Commerce for their comprehensive poll. The survey will be conducted quarterly and made widely available in a chamber publication called Dallas Trendline. This periodic sampling undertaken by the chamber will make a significant contribution to the ongoing public debate on policy issues that is, and should be, occurring in Dallas.●

AGRICULTURAL EFFICIENCY AND EQUITY ACT OF 1983

HON. CHARLES W. STENHOLM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. STENHOLM. Mr. Speaker, I am today introducing the Agricultural Efficiency and Equity Act of 1983. This bill addresses what I believe will be one of the major issues of the next round of farm legislation.

No matter what kind of farm programs we pass in 1985—no matter what system of price supports, setasides, and all the rest that we eventually come up with—if it is even remotely like our present programs, we will need some means of assigning acreage bases and program yields. These are the basic administrative tools—the skeletal structure—of virtually any conceivable farm program.

An acreage base is simply the number of acres a farmer is assumed to plant to program crops. A program yield is a productive capacity associated with his particular farm. The base is normally used to administer any supply management program, and the yield to determine any program payment. We may end up with either or less extensive farm programs in 1985 than we now have, but in any case we will need these basic tools.

Our current system of bases and yields is a mess.

Right now, bases and yields are set by formulas contained in 4-year farm bills. This guarantees uncertainty for farmers at least every fourth crop, because every fourth year, when a new farm bill is written farmers must make planting decisions without knowing what base formulas Congress will come up with. That means farmers do not know what this year's planting decisions will mean for next year's acreage base.

There are other problems with the way we do things now. The present system is not consistent between crops; it leaves too much discretion to the Department of Agriculture; and it does not give farmers enough flexibility to respond to market and environmental conditions.

I believe it would be better to write base and yield formulas into permanent law. By doing this, we would give farmers a predictable benchmark to use in planning their operations. By holding hearings and getting a wide range of opinions, we would be able to write more equitable formulas. That, in turn, would mean more farmers would be satisfied with their bases,

and thus more willing to participate in farm programs. And higher participation will reduce surpluses and bring down taxpayer costs.

The Agricultural Efficiency and Equity Act of 1983 establishes a system that is equitable, flexible, and predictable. Each farm growing one of the program crops—wheat, feed grains, cotton and rice—would have an overall farm acreage base, determined by the average plantings of program crops during a rolling 5-year period. Within the farm acreage base, there would be a crop acreage base for each individual crop. This, too, would eventually be determined by a rolling 5-year average of planted acres. However, farmers would have substantial flexibility to make adjustments in their crop acreage bases in response to market signals or conservation needs, as long as they notified USDA in a timely manner and did not exceed their overall farm acreage base.

Farmers, of course, would remain free not to abide by their base limitations, but in that case they would not be eligible for price supports—just like the present practice.

My bill would also provide that program yields would be determined by a rolling 5-year average of actual production, with the highest and lowest yields omitted. Yields could be assigned to farmers on some other basis if actual records were unavailable.

This ia a complex bill dealing with a technical subject. I hope my colleagues will take the time to study it carefully. The changes it makes will lead to a more rational and workable system of administering farm programs. No judgment is involved here as to what kinds of agricultural policies the Nation should have, or even whether there should be an agricultural policy. But if there is such a program, then we will need this bill.

The Agricultural Efficiency and Equity Act is, I believe, a valuable first step along the road toward the 1985 farm bill. The Congress has a golden opportunity, with the bill, to begin a thoughtful and thorough reexamination of our Nation's agricultural policy—reexamination that can lead ultimately to a more prosperous agriculture and a more prosperous America.●

FRUSTRATED AND HOPELESS LIVESTOCK PRODUCERS

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. HUBBARD. Mr. Speaker, I have received a letter from my constituents, Danny and Rose Ann Cook, of Water Valley, Ky., who are livestock producers, one of the farming groups in western Kentucky and throughout the Nation who are experiencing severe difficulties.

I believe my colleagues will be interested in the writers' concerns about our Government's actions that have adversely affected them, particularly as the 1st session of the 98th Congress is drawing to a close. The Cooks are begging their lawmakers in Congress to help them. Their November 2 letter follows:

WATER VALLEY, KY., *November 2, 1983.*
Congressman CARROLL HUBBARD,
House of Representatives
Washington, D.C.

DEAR CONGRESSMAN HUBBARD: This is in response to your letter of October 25, 1983.

Farmers are in trouble. Right now, I don't need or want more debt. What I want and need is something like the PIK program. Why is it that Congress can give grain farmers grain not to grow grain and the only thing the government ever gives the livestock producer is a hard way to go?

I would like to point out that the PIK program is the reason for part of my dilemma. As much as the government wants to blame the drought entirely for the short crop, it cannot. I know for a fact that the PIK program destroyed 30 percent of the corn crop before it was planted, and long before anyone ever dreamed of the drought. Even with the drought, the corn crop would have been 30 percent larger without the PIK program, Block's blunder.

The PIK program was intended to raise the price of grain and it did. No one in the government could have given the slightest thought to what raising the price of grain would do to the livestock industry. This is clear because no one is so misinformed to believe that raising the price of feed would not be detrimental to the livestock industry. Since part of my problem comes because of a government program, I feel that the government OWES me some kind of help besides a loan. After all, when the row crop farmers needed help, the government gave them grain. So why can't you give me some grain or feed my pigs instead of selling it all to the Russians?

Now, back to the Farmers Home Administration. I doubt if I could get any kind of a loan from the FHA. In fact, the chances of FHA's letting me keep my farm past January 1, 1984, seem very, very slim. That is right—the government will probably foreclose on my own farm; put me out of my house in the dead of winter. If they do, I don't intend to look for a job. I intend to sign up for welfare and spend the rest of my life on welfare, because this government rewards the people who do nothing and punishes the people who work, the livestock producers.

Frustrated and hopeless, I am

Sincerely yours,

DANNY and ROSE ANN COOK.●

VALUABLE APPROACH TO EMPLOYMENT PROBLEMS

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DURBIN. Mr. Speaker, I want to make you and my colleagues aware of a valuable approach to some of our most vexing employment problems.

The Central Illinois Vocational Assessment Center, located in my district, is a dramatic example of what can be achieved when we all work together. This center in Decatur is the first of its kind in Illinois. It is unique in that four agencies have pooled their resources to establish a more spohisticated facility than any of them could have had individually.

The center, headed by Doug Sleade, serves as a clearinghouse to assess the job skills of the handicapped, unemployed, and laid-off workers. The program's key component is a $49,000 microcomputer screening system and other equipment which test manual dexterity, sorting ability, and other skills including reading and mathematics.

The project has been made possible by four agencies, which are all involved in job placement and training, pooling their resources and working together. These are the Illinois Department of Rehabilitation Services, Macon County Rehabilitation Facilities, Inc., Job Training Partnership Act—Service Area 19, and Richland Community College. Each of these agencies is involved in the evaluation, testing, and assessment of clients, primarily handicapped and disabled individuals and unemployed workers.

These four agencies used the Job Training Partnership Act as a means to coalesce some of their activities into a coordinated effort that has resulted in substantial savings. According to John Roark, director of the Macon County Employment and Training Grants Administration, if each of these agencies had continued to operate separately the combined cost would have been $147,224. The projected cost of operating the Central Illinois Vocational Center is $92,000. The net dollar savings that this coordinated effort has generated is $55,224. As each of the agencies' primary source of revenue is taxes, this is a substantial saving to the taxpayer.

Participation in this cooperative effort has not only saved tax dollars, it has also resulted in a saving in the time it takes for assessment to be made. In the case of some Department of Rehabilitation Services clients, the time for complete diagnostic evaluations has been cut from 6 months to 2 weeks. In the case of the Job Training Partnership Act clients, the time taken for assessment has been reduced from 2 to 3 weeks down to 2 days. This great saving in time for clients has been made possible through the acquisition of the automated assessment equipment that it was possible to purchase because of the resource saving in time spent in the evaluation periods is of inestimable personal value too. The sooner a person goes on to re-

training to employment the better it is for his morale.

The evidence of the savings in time and taxes from this cooperative venture means that this type of consolidation could be looked on as a model for others, not only in Illinois but throughout the rest of the country.

Working together is better than working separately. It is more efficient. By bringing similar services together under one roof, it avoids the duplication of effort and confusion among people who might not have understood the differences between the various agencies.●

CIVIL RIGHTS COMMISSION

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DYSON. Mr. Speaker, 20 years ago, Martin Luther King Jr. stood before the Lincoln Memorial and said "I have a dream"—simple words for a brave and bold idea of what America could be, and ought to be. In his dream he saw a society free of hatred, prejudice and violence. A society which harbors equal opportunity for all. At the time his dream was just that—a dream. It still is.

At the time of Dr. King's historic speech, the Civil Rights Commission had been seeking to secure that dream for 6 years. The legislation which brought the Commission into existence, the Civil Rights Act of 1957, marked a major breakthrough in positive Federal action in the field of civil rights. We tend to forget how recent civil rights laws are—this law was the first of its kind passed since reconstruction.

The act secured the right to vote for blacks. In addition, it established a bipartisan, six member Commission charged with investigating the broad area of civil rights. Authorized to investigate reports of civil rights denials and to appraise the Federal Government of policies designed to protect these rights, the Commission's investigative power has since been strengthened. It is now established as a national clearing house for civil rights information. In addition, its jurisdiction has been expanded to include sex discrimination.

For 26 years this Commission has functioned independently as a vanguard of social justice. For more than a quarter of a century it has served as the Nation's civil rights conscience.

It has uncovered evidence of civil rights abuses in all areas of its investigations. Its findings and recommendations have played a vital role in the enactment of civil rights legislation. It has taken the initiative in issuing extended reports on civil rights, calling attention to the great gap between the promise of the law and the plight of minorities. And it has not hesitated to criticize the administration, the Congress or specific agencies for inaction.

An historical review shows us how deeply racial discrimination has permeated our culture, laws and politics. And it explains why current civil rights issues represent a far more intransigent problem than those involving white immigrants or religious minorities.

The Civil Rights Commission is rooted in the experience of the Nation. The American system retains its vitality and validity through the continuous questions and challenges which emerge from our political process. The system of checks and balances, a major principle of this system, stresses the interdependence of the various units of Government and the need for compromise between them. It was the struggle for responsible and responsive Government that created the Civil Rights Commission.

These struggles, for civil rights and for responsible government, demand our wholehearted, honest support for the compromise agreement before us. Under this agreement, the six-member Commission will be replaced by an eight-member panel. Four members will be appointed by the President, four by the Congress. Members of both parties will be equally represented. Four of the Commissioners will serve 6-year terms, four will serve 3-year terms, and they may be removed only for just cause.

This is a fair compromise, one we can all live with. This Commission is vital to our political system, our Nation and the dream for this Nation we seek to fulfill. To rob the Civil Rights Commission of its independence would be to bankrupt its value and legitmacy—and our hope for genuine civil rights.●

POST EDITORIAL ON TRANSCRIPT ALTERATIONS

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BROOKS. Mr. Speaker, I commend to the Members' attention the editorial in this morning's Washington Post on the subject of the recently concluded investigation of the Committee on Standards of Official Conduct into alleged improper alterations of committee hearing transcripts. I share the editorial's praise for the quality of the committee's investigation, and I agree wholeheartedly with its statement that—

It is reassuring that this matter was handled expeditiously and thorougly and that the Committee concluded that these improper alterations were an isolated event, not a pattern.

The editorial follows:

WHEN EDITING IS "IMPROPER"

In September, Lester O. Brown, a staff member of the House Government Operations Committee, admitted that he had changed the transcripts of some joint committee hearings on EPA in a manner that made Republican members of the committee appear both uninformed and foolish. Mr. Brown was promptly fired by the committee chairman, Rep. Jack Brooks (D-Tex.). The House ethics committee, which had been charged by the House with investigating the matter and reporting by the end of the year, has finished with six weeks to spare.

The committee study was thorough and wide-ranging. Transcripts, galley proofs and page prints were meticulously compared. In the case of the EPA hearings, which were the main focus of the investigation, the committee spotted 3,808 changes in text between the original transcript and the 703-page printed hearing record. Almost all of these were standard editing changes to correct grammatical errors, to make prose flow more smoothly or to emphasize a point more clearly. Such changes are standard on the Hill and unobjectionable. Nevertheless, the ethics committee details exactly what form such "proper" changes may take and who may make them, providing guidance for future editors of these important documents.

In addition to these acceptable corrections, the committee found that some changes had been "improper," i.e., unauthorized, or changed the meaning of the text. Mr. Brown confessed to making some of these changes and claimed that he did not remember making others, but the committee found that he was solely responsible for all the improper variations. In the case of other alleged alterations of documents in different hearings, the committee found that there was no evidence that "improper" changes had been made.

The ethics committee is composed of an equal number of Republicans and Democrats, and not a single member objected to the filing of this report or filed dissenting views. The congressman who was the victim of the most serious changes, Rep. Robrt S. Walker (R-Pa.) has expressed satisfaction with the job done by the committee. It is not yet clear whether the Justice Department will bring criminal charges against Mr. Brown, but among the documents in the committee report is a psychiatric evaluation of Mr. Brown that may explain, though not, of course, condone, his conduct.

It is reassuring that this matter was handled expeditiously and thoroughly and that the committee concluded that these improper alterations were an isolated event, not a pattern. As the report emphasizes, the accuracy of official congressional documents cannot be overemphasized. Because they are the basis for understanding the legislative process, provide guidance for the executive branch in implementing the law and are often the cornerstone of judicial opinions interpreting the intent of lawmakers, their accuracy is essential to the workings of all three branches of government.●

MONMOUTH COLLEGE—50TH ANNIVERSARY

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. HOWARD. Mr. Speaker, today in West Long Branch, N.J., Monmouth College is celebrating its 50th anniversary. This is a proud day for many people, including myself, who have watched this school grow into an impressive educational institution and major center for community learning and activities.

Monmouth College was one of six junior colleges established by New Jersey in the fall of 1933 with funds from the Federal Emergency Relief Administration. At its beginning in the depths of the Depression, the fledgling institution operated in borrowed headquarters at Long Branch High School, conducting classes in the evening after the high school students had departed for the day.

Humble though it was, the school was the single source of hope for many of the area's young people. Going away to college or giving up hard-to-find jobs to attend class during the day was an economic impossibility. Monmouth College represented their only opportunity for higher education.

Some months after its opening, a local newspaper led with a feature about the miracle that had come to pass in the community: "Monmouth Junior College, First Institution of Higher Learning in the County, Proves Godsend to 350 Youths."

Monmouth College soon moved to independent status. In the half century since its founding, it has grown into a comprehensive institution, offering a wide range of baccalaureate and master's degree programs. The 125-acre campus, acknowledged to be among the most beautiful in New Jersey, includes modern academic and laboratory facilities. Its two landmark mansions have been entered on the National Register of Historic Places and are richly represented in the motion picture "Annie" filmed at the college in 1981.

From its 350-member charter class, enrollment has grown to more than 4,000. While most of the students are from local communities, there are representatives from across the United States and from 40 foreign nations. With commencement last May, Monmouth College had conferred approximately 20,000 degrees and served several generations of students.

Today Monmouth College is still the only senior institution of higher education in Monmouth County. By direction of Samuel H. Magill, Monmouth's fifth president, this 50th anniversary year is being observed less as an occasion to view the past than as an opportunity to plan new and more effective ways for increasing the college's usefulness to the community.

Noting the difficult era in which the college was founded, Dr. Magill has stated: "Many of the conditions present in 1933 are with us today. The economic situation is difficult. And there are skeptics who predict dark days ahead for institutions of higher learning. But remembering the courage and optimism of its founding leaders and students Monmouth can draw the kind of inspiration and confidence that will move the college purposefully, confidently ahead to a second half century of service.

"Our resolve must be to assure that to all those who enter its doors, Monmouth Colllege continues to prove a 'Godsend'."

Thomas H. Kean, Governor of New Jersey, has issued a proclamation in honor of the college. It follows:

PROCLAMATION

Whereas, Monmouth College was founded fifty years ago on November 20, 1983; and

Whereas, this momentous occasion will be celebrated with many activities bringing family, friends and alumni together to honor those who have contributed to the College's significant development over the years; and

Whereas, throughout Monmouth College's history, it has served admirably to meet the challenges of the decades, never compromising its resolve to serve the shore community's educational needs and offer each student the opportunity to develop to his or her full potential; and

Whereas, the College's first fifty years have been highlighted with many remarkable achievements; and

Whereas, the latest "first" for Monmouth College is the establishment of this State's first Governor's School for gifted high school students;

Now, therefore, I, Thomas H. Kean, Governor of the State of New Jersey, do hereby recognize Monmouth College on the occasions of the Fiftieth Anniversary of its founding and further commend the many years of quality education the College has provided.●

REPORT TO THE PEOPLE

HON. WILLIAM CARNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1983

● Mr. CARNEY. Mr. Speaker, I would like at this time to submit a "Report to the People" of the First Congressional District of New York. This report is a summation of votes cast, actions taken, and progress made by their U.S. Representative on their behalf in 1983. The tradition of this yearend report is a longstanding one, and I am proud to continue the tradition in this, my fifth year of service to the people of the First Congressional District.

This report lists the significant votes of the 1st session of the 98th Congress. This year, there were over 500 times in which I was called to the floor of the House to respond to a quorum call or to record my position for or against legislation. I regret that a personal tragedy required my absence for a short period of time in early June. Due to my brother's death, I, unfortunately, missed 34 votes, but still maintained a 92-percent voting record. In the closing hours of this first session, I would like to take the opportunity to look back over the important issues and decisions of what I consider to be a unique session of Congress.

Without question, 1983 has been a year of hard choices for Congress. Since 1981, Congress has embarked on a new course, combining new solutions to continuing problems, and returning to traditional American values. This year has been the acid test for our new course. From foreign policy matters to arms control to taxes to social security, this session of Congress presented issues which did not lend themselves to easy answers, only clear, difficult choices.

In the area of foreign affairs, this Congress has invoked the War Powers Act twice, once for the presence of our marines in Lebanon as part of an international peacekeeping force, and again, following the actions of the marines and rangers in Grenada, to save the lives of threatened Americans on that Caribbean island.

Since the passage of the War Powers Resolution in 1973, Congress has had an increasingly important role to play in the conduct of foreign policy and in the deployment of American forces on foreign soil. The resolution requires the President to consult with Congress when he commits American troops into international situations. In this session, it was Congress' decision on whether to support the continued use of forces in Lebanon and Grenada, or to demand from the Chief Executive immediate termination of our military's role. These events were further complicated by heinous acts of terrorism in Beirut, which have claimed over 200 American lives. Despite the dangerous role our marines must play, and the losses endured, Congress has stood fast on its position: that our marines remain in Lebanon as part of the international peacekeeping force for 18 months, unless circumstances permit an earlier withdrawal.

This is the proper signal to send to the world. The United States has important interests in this region: We wish to promote stability in the region by permitting Lebanon to peacefully choose its own form of government. We support Lebanon's quest for peace and democracy so that this tiny nation of strategic importance may join Egypt and our long-standing ally,

Israel, in working together to settle Middle Eastern strife, and to reduce the role of foreign powers who have a vested interest in promoting instability.

In the Grenada situation, Congress once again invoked part of the War Powers Resolution, section 4(a)(1), to the role of our military in the Caribbean. While Congress anticipates that the U.S. operation on that island will be of shorter duration, Congress has nonetheless recognized the role it has in this matter. In early November, a congressional delegation went to Grenada to see for itself whether the action taken to save American lives was justified. The collective opinion of the bipartisan group was that the proper decision had been made. In addition, there was tremendous evidence that this island was being prepared as a launching pad for Soviet and Cuban aggression in our hemisphere.

Different issues of defense and foreign policy raised themselves earlier this year, and demanded equally difficult decisions. In the spring of this year, the American approach to arms reduction was debated in the House of Representatives. The choice which this body faced was between a "freeze" of an almost unilateral character by the United States on its strategic nuclear weapons or to support the course which the U.S. Government has been pursuing in several talks with the Soviets: of negotiated, mutually verifiable reductions of our arsenals. I strongly supported this latter course as our most realistic hope for peace. While this body passed a more moderate version of the freeze resolution, I nonetheless believe that an approach calling for negotiated meaningful reductions of the nuclear arsenals best promotes peace without sacrificing our national security. The strategic nuclear arms reduction talks (START) will hopefully produce these necessary reductions of intercontinental ballistic missiles. The intermediate range nuclear force, or INF, talks are discussions which are designed to reach agreement on reducing the number of missiles that are, or will be, deployed in Europe.

Unfortunately, the realities of this world compel us at this time to pursue a dual-track approach to our national security. While undertaking efforts to reduce international tensions peacefully and to reduce the enormous stockpiles of nuclear weapons and conventional forces, the necessity exists to continue to modernize our forces in this rapidly advancing world of high technology. With this in mind, Congress in 1983, authorized and appropriated funds for the B-1 bomber, the MX missile program, the Pershing II ground lanuched cruise missile, and the cruise missile programs. Long Island will continue to contribute to our defense efforts, as funding was made available for the production of the F-14 Tomcat and A-6E fighter planes.

In 1983, there were issues apart from defense and foreign policy to which we devoted our attention. The economy remains the most prominent domestic issue. Since 1981, Congress has taken a new approach to the economic problems of this country. Today, there is finally a consensus on the dangers of continually high deficits and the need for Government to spend more sensibly. Since 1981, Congress has been making the difficult decisions, and sticking with a course which follows the twin paths of restrained Federal spending and a more prudent tax policy. I am a wholehearted supporter of this approach. I came to Congress 5 years ago vowing to reduce the heavy burden on the American taxpayer as part of our recovery efforts.

The signs are everywhere present that our efforts to stimulate the economy have been successful. All of the leading economic indicators show significant improvement in our economy, and show the positive effects of Congress' new course. In 1979 and 1980, the last years of the Carter administration, we experienced 2 years in a row of double-digit inflation. Today, the rate for the past 12 months has been 2.9 percent. From 1979 to 1982, taking into account quarterly variations, the gross national product stayed virtually at the same level. Since that time, we have been experiencing robust growth. The third quarter of this year had a growth rate of 7.9 percent, the preceding quarter experienced 9.7 percent growth. At the end of the Carter administration, the prime lending rate reached 21.5 percent. This year, the rate has been roughly 11 percent. In the improvement of our economy, unemployment figures were the last to improve. However, the October unemployment rate was 8.8 percent, a full 2 percentage points lower than the peak reached last year. This rate is still unacceptably high, but we are moving in the right direction, as this statistic falls.

Like the Nation as a whole, Long Island has benefited from the recovery. In Suffolk County, the September unemployment rate was 6.2 percent, down from a 6.6 percent in August. One year ago, the rate was 6.9 percent. The recovery is clearly helping Suffolk. In fact, the Suffolk County labor force has expanded dramatically in 1 year's time. In 1982, the force consisted of 647,800 individuals. Today the work force is 682,600—an increase of over 34,000 individuals.

On Long Island, the price of gasoline is of major importance to many First Congressional District residents who are commuters, or rely on their cars and trucks to make a living. When Congress voted to lift Federal controls on the price of oil, there were individuals who cried that prices would soar, and lower income level families would be hurt. Once again, the naysayers were wrong. In February of 1981, the price of regular gasoline was $1.40 a gallon. Today, that same grade of gasoline can be purchased for $1.18 a gallon. The price of gasoline has dropped a dime a gallon in the last year alone.

There have been special interest groups and naysayers who have attempted to resist the changes which Congress has undertaken to improve our economy. They have arised a banner of fairness and attempted to frighten Congress away from what is necessary by equating our efforts to curb spending with "hard-heartedness." However, we must ask these same people whether double digit inflation—which we were experiencing just prior to 1981—is fair. Is it fair when inflation, the cruelest tax of all, eats away at savings and fixed incomes which many people in our Nation—most notably the elderly—rely upon? Is a stagnant economy, paralyzed by unemployment, high interest rates, and inflation fair? Certainly not.

Congress has to act on the causes of our economic problems. The rate of growth of Federal spending has been a major cause of these problems. We have begun to make the hard decisions and to take action to slow the rate of Federal spending.

In addition to curbing Federal spending, Congress has attempted to promote savings and growth through a more sensible tax policy. In 1981, Congress implemented an across-the-board, 3 year, 25 percent reduction in the income tax rate. The third year of the cuts went into effect in July. Before the July tax cuts went into effect, there were individuals in Congress who attempted to renege on our promise to the American taxpayer. I opposed that attempt strongly. In a time in which Congress new policies of restrained Federal spending and less burdensome taxation are just starting to take effect, reneging on our commitment to promote savings and investment would send out the wrong signal. While this body passed the repeal measure, I am happy that Congress as a whole acted to preserve our commitment. The combination of Congress fiscal policies and new tax legislation has helped the average American family greatly. Compared to 1980 inflation rates and tax rates, the average American family in 1983 has roughly $3,200 more in purchasing power.

One of the major issues Congress considered in 1983 was the matter of social security. It had been clear for some time that the social security system was running out of money. Congress had to take action or the system would have exhausted its fund-

ing in August 1983. In 1982, a special Commission on Social Security Reform was created to study the problems and make recommendations. This Commission reported back to Congress early this year, and its proposals were the basis for the law which Congress passed in March. While the legislation staved off immediate insolvency, I was disappointed that the changes did not deal more with the underlying causes of social security's problems, causes which may again create problems in the future. The law which Congress passed relied chiefly on tax increases and general revenue funds to keep the system afloat. Clearly more was needed to insure the structural soundness or social security. It was unfortunate that political leaders and the media misinterpreted the issue: Those who did not support all of the changes were portrayed as being "against" saving social security. Nothing could be further from the truth. Those of us who opposed the bill opposed it because it did not do enough to put the system on a sound course for the future. On this issue, Congress did not make the hard choice. It opted instead for the quick fix, and we may see the same type of financial crisis again in the future.

The 1st session of the 98th Congress also had legislative efforts of particular importance to Long Island. Our Nation has made an important investment in high energy physics with the colliding beam accelerator (CBA) at the Brookhaven National Laboratory. When the Department of Energy announced in October that it was seeking a new project in high energy physics, I worked to assure that there would be a continuing role for the CBA physical facilities and the tremendously talented human resources assembled at the laboratory. Working with my colleagues on both the Appropriations Committee and the Science and Technology Committee, we pledged the continuing support of Congress to the Brookhaven Laboratory, to assure that it maintains its preeminent role in the area of high energy physics.

I have also devoted a great deal of attention to the protection of our Nation's drinking water, and especially our sole source aquifer, the source of Long Island's drinking water. The Federal Government has provided funding for a study of methods to remove agricultural contaminants from groundwater. Three scavenger waste treatment plants are also being constructed with $8 million in Federal funding to treat the cesspool wastes, a constant threat to groundwater purity, generated within four East End townships. Funded through a $500,000 Federal grant, the Brookhaven National Laboratory has worked to compile all existing information on Long Island's groundwater to form a single data base. That will permit a more scientifically sound approach to our drinking water problems.

In the House, I have worked on legislation to protect the sole source aquifers. My bill, H.R. 79, would allow communities to petition the State to create water recharge protection zones for critical areas. This bill would foster cooperation between Federal, State, and local governments to protect our aquifers, while leaving planning to the local authorities. Also pending before Congress at this time is H.R. 3200, the reauthorization of the Safe Drinking Water Act. I have met with the authors of H.R. 3200, and reached an agreement to consider incorporating my legislation in the safe drinking water reauthorization. It is my belief that this comprehensive bill will address the total spectrum of drinking water protection, including our sole source aquifers.

I look forward to serving the people of the First Congressional District in the 2d session of the 98th Congress and will continue to communicate with the people on our congressional district on issues of importance. The contribution of all those individuals who took the time this session to share their thoughts with me through letters, postcards, telephone calls, and visits are greatly appreciated. I look forward to continued input when Congress convenes for the second session on January 23, 1984.

The report follows:

Representative William Carney—Year-end report—98th Congress/1st Session

Date (1983) and legislative issue:	*Carney Vote*
January 3: Election of Thomas P. "Tip" O'Neill as Speaker of the House. (Adopted 260-155)	No
February 8: Reestablishing the House Select Committee on Narcotics Abuse and Control. (Adopted 290-77)	Yes
February 15: Granting a two year extension for Small Business Administration procurement programs for disadvantaged small firms. (Adopted 318-5)	Yes
February 15: Easing requirements to permit small businesses to compete for federal contracts. (Adopted 294-32)	Yes
March 1: Establishing an American Conservation Corps to provide conservation jobs for unemployed youth. (Approved 301-87)	No
March 2: Sensenbrenner amendment to Math and Science Act to provide $50 million in block grants to States for math & science programs. (Rejected 92-323)	Yes
March 3: Appropriating $4.8 billion for emergency jobs and recession relief. (Adopted 324-95)	No
March 9: Raising the Social Security retirement age from 65 to 67 after the year 2000 and dropping a plan to reduce benefit levels in the year 2000. (Approved 228-202)	Yes
March 9: Final passage of the Social Security Amendments Act of 1983. (Approved 282-148)	No
March 16: Amending nuclear freeze vote to call for verification by onsite inspection. (Approved 426-0)	Yes
March 16: Giving equal priority to arms reductions and a freeze as an objective of arms control negotiations. (Rejected 209-215)	Yes
March 21: Designating an additional 1.13 million acres of national forest land in Oregon as federal wilderness. (Approved 252-93)	No
March 22: Authorizing $43.2 million for House committees' investigative budgets for 1983. (Approved 262-141)	Yes
March 22: Adoption of the supplemental appropriations bill for fiscal year 1983 of $15.5 billion, including $4.6 billion for emergency jobs and recession relief. (Approved 329-86)	No
March 22: Agreeing to a Senate jobs bill amendment governing the distribution of jobs funds among states and requiring 75 percent of the discretionary funding to be spent in high unemployment areas. (Rejected 132-277)	Yes
March 23: Approval of first budget resolution for fiscal year 1984 of $936.5 billion. (Adopted 229-196)	No
April 12: Providing for federal acquisition, by exchange, of certain native-owned lands in Alaska. (Approved 366-18)	Yes
April 12: Designating an additional 2.33 million acres of national forest land in California as federal wilderness. (Approved 297-96)	No
April 13: Amending the nuclear freeze resolution to set a goal of scrapping two existing nuclear warheads for each new one deployed, instead of a flat freeze on weapons. (Rejected 190-229)	Yes
April 13: Amending the nuclear freeze bill to give priority to an immediate freeze, rather than having a freeze and reduction carry equal weight. (Approved 219-195)	No
April 20: Amending the nuclear freeze bill to require negotiations to consider the relative age and obsolescence of nuclear weapons. (Rejected 204-211)	Yes
April 20: Further amending the freeze bill to provide for vigorous programs of research and development and safety related improvements in US weapons. (Approved 407-3)	Yes
April 21: Zablocki substitute to Carney amendment giving nuclear freeze priority over 1979 NATO agreement to deploy intermediate range nuclear weapons. Carney amendment assured U.S. commitment to NATO allies if Soviets refused to reduce their intermediate range missiles. (Adopted 221-195)	No
April 21: Requiring the President to ensure that any freeze agreement is adequately verifiable. (Approved 374-6)	Yes
May 4: Passage of the joint resolution calling for a mutual and verifiable freeze on nuclear weapons. (Approved 278-149)	No

Date (1983) and legislative issue:	Carney Vote
May 9: Reauthorizing for three years a drug treatment program for federal offenders. (Approved 275–8)	Yes
May 9: Making it a federal felony to tamper with consumer products such as food, drugs and cosmetics. (Approved 292–0)	Yes
May 10: Authorizing a grant program funded at $170 million annually for fiscal years 1983–86 to help states combat crime. (Approved 399–16)	Yes
May 12: Approving $1.34 billion for the National Science Foundation in fiscal 1984, including $50 million for a new high-technology instrumentation program. (Approved 297–111)	No
May 12: Redirecting $5 million of construction funds and civilian research and development funds for a vitreous laboratory at Catholic University of America. (Approved 261–113)	No
May 12: Amendment reducing total authorizations of the civilian research and development programs to $2.97 billion from $3.29 billion. (Rejected 140–228)	Yes
May 12: Final passage authorizing $3.28 billion for civilian research and development programs for the Department of Energy in fiscal 1984. (Approved 230–132)	No
May 17: Passage of Critical Agricultural Materials bill to continue programs to develop agricultural crops that have a potential for producing materials of strategic or industrial importance. (Approved 326–96)	Yes
May 17: Continuation of housing and community development programs of the Department of Housing and Urban Development, the Farmers Home Administration and other agencies through September 1983. (Approved 418–6)	Yes
May 17: Authorizing $102.3 million in fiscal 1984 and $111.1 million in fiscal 1985 for the Securities and Exchange Commission. (Approved 322–100)	No
May 17: Authorizing $21.2 million for the U.S. International Trade Commission, $627.8 million for the U.S. Customs Service and $11.9 million for the Office of the U.S. Trade Representatives in fiscal 1984. (Approved 380–45)	Yes
May 17: Repealing provisions of 1982 legislation requiring banks and financial institutions to begin withholding taxes from interest and dividend income on July 1, 1983. (Approved 382–41)	Yes
May 17: Designating May 21, 1983, as National Andrei Sakharov Day in honor of the 62nd birthday of the dissident Soviet physicist who was exiled in the city of Gorky and refused permission to emigrate. (Approved 420–0)	Yes
May 17: Designating the week of May 22–28, 1983, as National Digestive Diseases Awareness Week. (Approved 408–13)	Yes
May 18: Citing Rita M. Lavelle, former assistant administrator of the Environmental Protection Agency, for contempt of Congress for refusing to testify in response to a subpoena of the House Energy and Commerce Subcommittee on Oversight and Investigations. (Approved 413–0)	Yes
May 18: Providing for House floor consideration of the bill to raise the public debt limit to $1.389 trillion through September 30, 1983. (Approved 263–156)	No
May 24: Permitting use of funds appropriated in fiscal 1983 to develop a basing method for the MX missile and to conduct MX test flights. (Approved 239–186)	Yes
May 24: Providing financial assistance to unemployed veterans facing foreclosure on home mortgages guaranteed by the Veterans' Administration. (Approved 394–23)	Yes
May 24: Increasing authorized funding levels for meals served under the Older Americans Act by $6.8 million in fiscal 1982, $16 million in fiscal 1983 and such sums as may be necessary in fiscal 1984. (Approved 386–31)	Yes
May 24: Authorizing the National Traffic Safety Board to spend $22.6 million for fiscal 1984. (Approved 372–43)	Yes
May 25: Supporting the May 17, 1983, agreement between Israel and Lebanon on the withdrawal of Israeli military forces from Lebanon and calling on Syria and the Palestine Liberation Organization to withdraw their forces from Lebanon. (Approved 408–0)	Yes
May 25: Appropriating $4.8 billion in supplemental funds for fiscal 1983. (Approved 309–92)	Yes
May 26: Permitting the use of funds appropriated in fiscal 1983 to develop a basing method for the MX missile and to conduct MX test flights. (Approved 223–167)	Yes
June 8: Amendment to fiscal year 1984 Treasury appropriations to prohibit the use of federal health benefits to pay for abortions unless the life of the mother is in danger. (Approved 226–182) (Carney paired "for")	Yes
June 14: Approving the elimination of the Jones Act Exemption, thereby strengthening US domestic waterborne commerce. (Approved 373–44)	Yes
June 14: Authorizing funding under Title III of the Marine Protection, Research and Sanctuaries Act to provide protection for nationally significant areas of the marine environment. (Approved 379–38)	Yes
June 14: Amending the Department of Defense Authorization to delete $19.4 million for procurement of an anti-satellite missile. (Rejected 177–243)	No
June 14: Prohibiting multi-year procurement contracts for the B–1 bomber. (Rejected 171–252)	No
June 14: Blocking the use of funds authorized for the M–2 fighting vehicle until the vehicle is subjected to certain tests. (Rejected 124–283)	No
June 15: Deleting $671 million for procurement of Divad anti-aircraft guns. (Rejected 134–283)	No
June 15: Eliminating $6.2 billion for procurement of B–1 bombers. (Rejected 164–255)	No
June 15: Amend DOD authorization to delete funding for binary chemical munitions and prohibit the procurement of binary munitions or their components. (Adopted 256–161)	Yes
June 16: Requiring the Secretary of Agriculture to make available to emergency food organizations federally owned farm commodities that are not obligated to other programs. (Approved 389–18)	Yes
June 16: Deleting all funds, amounting to $432.8 million, to procure Pershing II missiles. (Rejected 73–319)	No
June 22: Amendment to delete $127.5 million for the Los Angeles subway. (Rejected 139–280)	Yes
June 22: Appropriating $11.29 billion for the Transportation Department and related agencies in fiscal 1984. (Approved 250–156)	No
June 23: Passage of the tax rate equity act to place a $720 per return limit on the 10 percent individual income tax cut scheduled for July 1, 1983. (Approved 229–191)	No
June 28: Returning appropriations for the National Endowment for the Arts to fiscal 1983 levels. (Adopted 150–271)	Yes
June 28: Reducing funding in the Interior Appropriations fiscal 1984 bill by four percent across the board, with certain exceptions. (Rejected 206–213)	Yes
June 28: Appropriating $8.08 billion for the Interior Department and other related agencies in fiscal 1984. (Approved 272–144)	No
June 29: Adoption of the conference report on the bill to provide $55.7 billion for the Department of Housing and Urban Development and 17 independent agencies. (Approved 314–99)	No
June 29: Referring to the Rules Committee a resolution to create a select committee to investigate alterations of congressional hearing transcripts. (Approved 256–161)	No
June 29: Adoption of the conference report on the bill to appropriate $1.47 billion for Congress and its agencies in fiscal 1984. (Approved 241–175)	No
June 29: Adoption of the conference report on appropriating $14.3 billion for energy and water development in fiscal 1984. (Approved 337–82)	Yes
June 29: Appropriating $544 million in federal funds for the District of Columbia and $2.1 billion in funds from the District's own treasury. (Approved 296–124)	Yes
June 29: Enacting a substitute resolution to authorize $35.7 million for the Consumer Product Safety Commission for fiscal 1984, $37.5 million for fiscal 1985 and $39.4 million for fiscal 1986. (Adopted 238–177)	Yes

Date (1983) and legislative issue:	Carney Vote
June 30: Authorizing the Committee on Standards of Official Conduct to begin an investigation of alleged alterations of hearing transcripts. (Approved 409-0)	Yes
June 30: Adoption of the concurrent resolution providing for the commemoration of the 100th anniversary of the birth of the late President Harry S. Truman. (Approved 382-5)	Yes
July 12: Amendment to permit the Secretary of Commerce to waive federal rules, such as the Davis-Bacon Act, requiring that prevailing local wages be paid on federal construction projects, if the waiver would increase job opportunities in the affected area. (Rejected 148-270)	Yes
July 12: Authorizing $500 million in each of fiscal years 1984-1986 for Economic Development Administration grants to State and local governments to foster economic development by improving roads, bridges and other infrastructure items. (Approved 306-113)	Yes
July 12: Amending the Housing and Urban-Rural Recovery Act to prevent Federal funds for a new $900 million multifamily rental housing production program from going into communities that place rent control on projects built after the date of enactment. (Rejected 206-208)	Yes
July 13: Authorizing $15.6 billion in fiscal 1984 for Federal housing programs and to establish a new $900 million multifamily rental housing production program. (Approved 263-158)	No
July 14: Providing trade and tax preferences to nations of the Caribbean region under the President's Caribbean Basin Initiative. (Approved 289-129)	Yes
July 14: Amending Daylight-Saving Time law to allow States to exempt themselves from the additional two months of daylight-saving time. (Approved 221-187)	Yes
July 14: Passage of the bill to extend daylight-saving time by beginning it on the first Sunday in March rather than the last Sunday in April. (Rejected 199-211)	Yes
July 19: Requiring the Secretary of Agriculture to take bids from cotton producers for Federal acquisition of cotton under price support loans for use in the 1983 Payment-in-Kind (PIK) program (Approved 312-97)	No
July 20: Adoption of resolution to censure Rep. Daniel B. Crane, R-Illinois. (Approved 421-3)	Yes
July 20: Adoption of resolution to censure Rep. Gerry E. Studds, D-Massachusetts. (Approved 420-3)	Yes
July 20: Deleting $2.6 billion for procurement of 27 MX missiles. (Rejected 207-220)	No
July 26: Establishing a commission to advise Congress on the need to create a Federal agency to regulate professional boxing and set national standards for licensing and regulating the industry. (Rejected 167-254)	No
July 26: Requiring the U.S. representative to the International Monetary Fund (IFM) to vote for plans imposing lower interest rates and longer maturities on private bank debt when that debt is restructured under IFM direction. (Rejected 157-268)	No
July 26: Expressing the sense of Congress that U.S. allies should pay more of the cost of alliance defense. (Approved 329-82)	Yes
July 26: Limiting the number of U.S. military advisors in El Salvador to 55 and to limit the number of active duty military personnel in El Salvador to the number present on July 25, 1983. (Rejected 170-247)	No
July 26: Barring the deployment of U.S. combat troops to El Salvador, Nicaragua, Honduras, Guatemala or Costa Rica unless authorized by a joint resolution. (Rejected 165-259)	No
July 26: Barring deployment in Europe of Pershing II missiles before December 31, 1984. (Rejected 101-320)	No
July 26: Allowing the allocation of up to $7 billion worth of defense procurement contracts to firms in areas of high unemployment. (Approved 218-201)	Yes
July 26: Final passage of Department of Defense authorization for fiscal year 1984. (Approved 305-114)	Yes
July 28: Providing up to $200,000 from contingent fund of the House for investigations by the Committee on Standards of Official Conduct on drug use at the Capitol. (Approved 407-3)	Yes
July 28: Adoption of the conference report to repeal 10 percent withholding on interest and dividends and to provide trade and tax incentives to certain Caribbean nations. (Adopted 392-18)	Yes
July 28: Prohibiting support by U.S. intelligence for anticommunists in Nicaragua and to authorize $30 million in fiscal 1983. Approved 228-195)	No
July 29: Striking the $5.8 billion increase in the U.S. quota in the International Monetary Fund. (Rejected 181-226)	Yes
July 29: Appropriating $8.4 billion for the International Monetary Fund and concurring with a Senate amendment to reduce the amounts by $40 million. (Rejected 165-213)	Yes
July 29: Raising a Senator's pay by 15 percent to $69,800 a year and limiting the amount of outside earned income a Senator may receive at 30 percent of salary. (Approved 225-106)	No
August 1: Increasing taxes and changing benefits to restore solvency to the Federal railroad retirement and railroad unemployment compensation programs. (Approved 398-5)	Yes
August 1: Postpone the resolution to deny renewal of most-favored nation trade status for Romania (Approved 279-126)	No
August 2: Limiting the number of weeks of unemployment compensation any State could lose as a result of strictures in the extended supplemental unemployment compensation program that began on April 1, 1983. (Approved 338-84)	No
August 2: Expressing the sense of Congress that Federal nutritional programs should be protected from budget cuts. (Approved 407-16)	Yes
August 2: Establishing the Irish Wilderness Area for Federal protection of about 15,500 acres in the Mark Twain National Forest in Missouri. (Approved 406-18)	Yes
August 2: Designating the third Monday of every January as a Federal holiday in honor of the Reverend Martin Luther King, Jr. (Approved 338-90)	No
August 2: Reducing revenue sharing entitlement funding for local governments from $5 billion annually to $4.6 billion. (Rejected 176-248)	No
August 2: Final passage of the general revenue sharing program for fiscal years 1984-85 at a level of $5 billion. (Approved 381-35)	Yes
August 3: Amendment to instruct the U.S. representative to the IMF to oppose loans to communist dictatorships. (Approved 242-185)	Yes
August 3: Authorizing an $8.4 billion increase in U.S. participation in the IMF. (Approved 217-211)	No
August 4: Amendment to extend the life of the U.S. Commission on Civil Rights for five years rather than 15 years as provided in the bill. (Approved 400-24)	Yes
September 13: Authorizing $1 billion for State grant vocational rehabilitation programs. (Approved 324-79)	Yes
September 14: Condemning the Soviet Union for its destruction of a Korean civil airliner. (Approved 416-0)	Yes
September 15: Adoption of the conference report on the Department of Defense authorization for fiscal 1984. (Approved 266-152)	Yes
September 19: Motion to bar any amendments such as prohibitions on the use of Justice Department funds to block programs of voluntary school prayer. (Approved 245-120)	No
September 19: Passage of fiscal year 1984 appropriations for State, Justice and Commerce Departments and the Federal judiciary. (Approved 228-142)	No
September 21: Amendment to delete $5 billion FY 1983 authorization of the Community Renewal Employment Act and instead authorizes $3.5 billion in FY 1984 for the jobs program. (Approved 414-0)	Yes
September 21: Amending the Community Renewal Employment Act to prohibit the spending of the authorized funds if that would result in deficit spending by the Federal Government. (Rejected 166-258)	Yes
September 21: Passage of the bill authorizing $3.5 billion in fiscal 1984 for the Community Renewal Employment Act. (Approved 246-178)	No

Date (1983) and legislative issue:	Carney Vote
September 22: Amendment to prohibit the use of funds in the Labor, Education and HHS appropriations bill to pay for abortions. (Approved 231-184)	Yes
September 22: Passage of the $96.4 billion appropriations bill for fiscal 1984 for the Departments of Labor, Education and Health and Human Services. (Approved 310-101)	Yes
September 27: Granting federal power of eminent domain to certified coal slurry pipeline companies. (Rejected 182-235)	Yes
September 28: Providing authorization under the War Powers Resolution for continued U.S. participation in the multinational peacekeeping force in Lebanon for up to 18 months. (Approved 270-161)	Yes
September 28: Enactment of the joint resolution to provide continued funding, through November 15, 1983, for government agencies whose regular fiscal 1984 appropriations bill had not been enacted. (Approved 261-160)	Yes
September 29: Establishing a service under the Voice of America to be called "Radio Marti" to broadcast news and information to Cuba. (Approved 302-109)	Yes
September 30: Prohibiting the export of goods or technologies likely to be used in a nuclear production facility to any country that does not maintain International Atomic Energy Agency safeguards on all its peaceful nuclear activities. (Rejected 163-220)	Yes
October 5: Adoption of the conference report on the $7.9 billion fiscal 1984 appropriations for the Interior Department. (Approved 296-95)	No
October 18: Requiring the Secretary of the Treasury to coin and sell a national medal in honor of the armed forces who served in the Vietnam War. (Approved 410-0)	Yes
October 18: Amendment to the Export Administration Act to allow the President to control any product likely to be diverted to the Soviet bloc. (Approved 240-173)	Yes
October 18: Amendment to the Export Administration Act to allow the President to continue to require licenses for exports to Western nations. (Approved 239-171)	Yes
October 20: Motion to insert a provision to end support for anticommunists in Nicaragua on the condition that the Government of Nicaragua cease support for guerilla activities against other governments in Central America and the Caribbean. Motion to insert in Intelligence Authorizations bill rejected. (Rejected 193-223)	Yes
October 20: Final passage of intelligence authorizations prohibiting support by U.S. intelligence agencies for anti-communist operations in Nicaragua. (Approved 243-171)	No
October 20: Adoption of a conference report on Labor, HHS and Education appropriations for fiscal 1984. (Approved 323-79)	Yes
October 21: Adoption of conference report on extending until March 31, 1985 the program of Federal supplemental unemployment compensation for those who have exhausted all other State and Federal benefits. (Approved 300-5)	Yes
October 25: Adoption of the concurrent resolution deploring the assassination of opposition leader Benigno S. Aquino, Jr. in the Philippines. (Approved 413-3)	Yes
October 25: Amending the House Budget Reconciliation bill to delay the planned 4 percent pay raise for Federal civilian employees from October 1, 1983, to January 1, 1984. (Approved 245-176)	No
October 26: An amendment to the Department of Defense Appropriations bill adding $355.5 million to the Navy's shipbuilding program. (Rejected 85-342)	Yes
October 28: Final passage reauthorizing volunteer programs administered by ACTION for three years through fiscal 1986. (Approved 312-30)	Yes
October 31: Amending Hazardous Waste Control legislation to strike provisions allowing the Environmental Protection Agency to file civil actions in cases where the Justice Department fails to act within a specified time on EPA requests for litigation. (Adopted 215-165)	Yes
November 1: Invoking the provisions of the War Powers Resolution in regard to the U.S. involvement on the island of Grenada. (Approved 403-23)	Yes
November 1: Deleting multi-year procurement funds for the B-1 bomber from Department of Defense appropriations. (Rejected 175-247)	No
November 1: Deleting $2.2 billion from the DOD appropriations for procurement of 21 MX missiles. (Rejected 208-217)	No
November 2: Prohibiting the use of Defense Department funds on the deployment of U.S. armed forces participating in the peacekeeping force in Lebanon after March 1, 1984. (Rejected 153-274)	No
November 2: Final passage of Department of Defense Appropriations for fiscal 1984. (Approved 328-97)	Yes
November 4: Final passage of fiscal 1984 authorizations for maritime programs of the Department of Transportation. (Approved 281-35)	Yes
November 8: Amendment to continuing appropriations for $145 million to educate the children of illegal immigrants. (Approved 208-203)	No
November 8: Final passage of the joint resolution to make further continuing appropriations for Government agencies for fiscal 1984 (Rejected 203-206)	No
November 9: Conable amendment to Dairy Production bill to authorize the Secretary of Agriculture to reduce the Federal dairy support by as much as $1.50 (Rejected 174-250)	Yes
November 9: Final passage of the Dairy Production bill authorizing a paid diversion program for dairy producers. (Approved 325-91)	No
November 9: Adoption of the conference report to provide $10.5 billion in fiscal 1984 for the Departments of State, Justice and Commerce. (Approved 281-133)	No
November 10: Passage of the joint resolution to make further continuing appropriations for fiscal 1984 for those Government agencies whose regular appropriation bill had not cleared. (Approved 224-189)	No
November 14: Passage of the bill strengthening the Federal Child Protection Act relating the sexual exploitation of children. (Approved 400-1)	Yes
November 14: Amending the Immigration and Nationality Act to extend for two years the appropriations for refugee assistance. (Approved 300-99)	No
November 14: Granting a Federal charter to the 369th Veterans' Association (Approved 406-0)	Yes
November 14: Giving Federal recognition to the Polish Legion of American Veterans. (Approved 404-0)	Yes
November 14: Expressing the sense of Congress in support of civilian use of certain satellite-directed navigational aids developed by the Defense Department. (Approved 402-0)	Yes
November 14: Expressing the sense of Congress against the transfer of ownership or management of any civil meteorological satellite system to the private sector. (Approved 377-28)	Yes
November 15: Proposing an equal rights amendment to the Constitution under suspension of the rules where a two-thirds majority of the House was required. The vote was 278-147 which was not a two-thirds majority	No
November 16: Passage of conference report making supplemental appropriations for fiscal 1984. (Approved 372-51)	Yes
November 16: Passage of the child support enforcement bill. (Approved 422-0)	Yes●

CONGRESS MUST BE APPRISED OF THE ADMINISTRATION'S PLAN TO CONSOLIDATE BORDER FUNCTIONS

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BROOKS. Mr. Speaker, I am aware that the administration's Cabinet Council has proposed a consolidation of border inspection activities that will rearrange functions and personnel between the Immigration and Naturalization Service (INS) of the Justice Department and the Customs

Service of the Department of the Treasury. Basically, the contemplated change in border responsibilities would assign air and sea ports of entry to the Customs Service and land entry points to the INS. Such changes have been proposed in the past and, as the chairman of the Committee on Government Operations, I have been actively involved in this reorganization issue. I hope the administration will not attempt to implement these proposed changes until Congress has been consulted and the proper statutory authorization for such a reorganization is granted. I concur with the Senate Appropriations Committee's report on Further Continuing Appropriations, 1984, for Senate Joint Resolution 194, which directs "that implementation not be initiated during the adjournment of the Congress or 90 days thereafter."●

TAIWAN TRADE HELPS OKLAHOMA FARMERS

HON. GLENN ENGLISH

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. ENGLISH. Mr. Speaker, recently a trade mission from the Republic of China, Taiwan, visited Oklahoma and announced intentions to purchase $20 million worth of Oklahoma wheat, soybeans, and industrial parts.

Taiwan has purchased over $5 billion worth of American goods since 1979 and serves as an inspiring example for our other trading partners.

Following is a series of articles from the Enid Morning News, in Enid, Okla., that provide an excellent view of the trade relationship that has developed between Taiwan and Oklahoma.

The articles follow:

[From the Enid Morning News]

TAIWANESE PLAN ON BUYING OKLAHOMA WHEAT

(By Beth Lilley)

Leaders of the Republic of China, Taiwan, will begin spending some $20 million in Oklahoma when they open offers on grain tenders at 10 a.m. Tuesday in the Blue Room of the State capitol in Oklahoma City.

"We are considering buying more wheat in Oklahoma if the price is competitive," Vincent C. Siew, director general for the procurement delegation, said during a tour of the Enid area on Monday.

Tenders were given for a million bushels of hard red winter wheat—the type grown in Oklahoma—and for 25,000 metric tons of soybeans.

Among a dozen grain firms expected to make tender offers are Union Equity Cooperative Exchange, Enid, and Continental Grain, which has an Enid terminal elevator.

"Oklahoma is considered the most friendly state to Taiwan in the United States. We value this friendship and put Oklahoma to the top of our list when we are putting a trade procurement mission together," Siew said at a press conference Monday at the dairy farm of Mr. and Mrs. Derald Brainard near Carrier. "We reaffirm our strong committment and will try our best to buy more wheat from you."

But Siew did not say how much more wheat the procurement mission may purchase.

Taiwan pays cash for its purchases of U.S. grain and products.

During an interview at Union Equity, Siew said while Taiwan has no contract to buy, the group is also "looking for opportunities" to obtain high technology equipment. "We are interested in machinery to get rid of trash and water pollution treatments," he said.

The Republic of China is an island 236 miles long off the coast of mainland China. It has a population of 18 million people in an area one-fifth the size of Oklahoma.

Siew said "We grow some wheat, but the amount is insignificant to our needs. We don't have enough land. But we grow two crops of rice and two crops of vegetables and fruits."

Siew gave high marks to U.S. Wheat Associates and its member wheat commissions (which includes Oklahoma) for establishing baking schools in Taiwan in 1976.

He said, "We have 38 flour mills in Taiwan with a production capacity of 22 million metric tons of flour."

And those schools are good business, according to Dale Minnick, executive director of the Oklahoma Wheat Commission.

"The wheat commission baking school in Taipei has graduated a total of 3,550 students and the result has been that the Chinese have increased their wheat purchases from $21 million when we started the school to $120 million today." Minnick said.

This is Taiwan's eighth procurement mission to the U.S. and the fifth consecutive year it has come to Oklahoma to buy wheat. Minnick said, "They are the 16th largest, as well as one of the most consistent, buyers in the world of our hard red winter wheat."

The Chinese have a close working relationship with Lt. Gov. Spencer Bernard who accompanied them on the Enid tour and served as a host during the delegation's four-day stay in Oklahoma.

Siew said, "We are visiting 24 states in 55 days. Our stay in Oklahoma is the longest in any state." There were 32 members in the procurement delegation of which 26 were on the Enid tour.

The delegation will buy a total of $500 million in agricultural and industrial products during the mission. More than 80 percent of the purchases will be agricultural, Minnick said.

The Republic of China bought 8.2 million bushels of hard red winter wheat in 1981, Minnick said. In 1982, it purchased 24.2 million bushels of wheat of which 11.3 million bushels was hard red winter. With the exception of a small amount purchased from Canada, Taiwan purchased only U.S. wheat last year.

The delegation arrived in Oklahoma Friday night from Texas.

On Saturday the group attended the Oklahoma State University-Nebraska football game in Stillwater.

Monday, the group toured Union Equity, then had lunch at the Brainard farm. During the afternoon, the delegation got to ride Brainard's saddle horse, "Clyde," and ride with Ken Long in a new John Deer tractor while Long demonstrated a mold board plow. Vater's Implements had a Gleaner combine on display. Members of the Chisholm High School Future Farmers of America chapter took the delegation on tours of the farm and were in charge of parking cars for the approximately 100 guests.

During ceremonies at the Brainard farm, Enid City Manager Lyle Smith presented the trade team the keys to the city; the Oklahoma Wheat Commission and Bernard presented a plaque and Siew gave gifts to the Brainards for being hosts.

There were also welcoming addresses given by Jimmie Jarrell, president of the Oklahoma Farmers Union; and Jack Hesser, chairman of the Oklahoma Wheat Commission.

The delegation will leave Tuesday for Kansas City where they will buy more wheat and some corn.

EXPORTING OKLAHOMA GRAIN

The Republic of China has just purchased $20 million worth of Oklahoma wheat, soybeans and industrial parts.

Although that falls short of last year's $28 million total, officials say recession-plagued Taiwan is spending a higher percentage of its total American purchases in Oklahoma this year.

The mission of trade delegates also decided to double its Oklahoma wheat purchase, to 2 million bushels, and may buy more.

Significant grain sales to Taiwan later this year could ease some of the pressure on Oklahoma's bulging grain elevators and put more money into the pockets of wheat farmers and grain exporting firms.

The Republic of China grows some wheat, but far from enough to meet the needs of its people.

Consequently, it relies largely on the United States for its grain and light agricultural equipment.

The trade mission from Taiwan is on a 55-day tour which will take in 24 states. The group has been in Oklahoma the past few days, and delegates toured the Enid area Monday.

On Tuesday, the delegates bought two million bushels of Oklahoma wheat, valued at an estimated $10 million. They also purchased about $7 million worth of soybeans and $3 million worth of light agricultural equipment.

Oklahoma's export trade with the Republic of China has been steadily increasing each year since 1979, when the suspension of diplomatic relations between the United States and mainland China was lifted.

Last year, the Taiwanese bought 11 million bushels of Oklahoma wheat, up from 8 million the previous year.

It is unfortunate that a recession forced Taiwan to trim back its purchases.

Nonetheless, Oklahoma farmers are bound to benefit from continued export trade with the Republic of China. The prospect of further expanding the export market after Taiwan's economy improves also bodes well for this country.

ENID COOP SENDS GRAIN TO TAIWAN

(By Beth Lilley)

Union Equity Cooperative Exchange, headquartered in Enid, will ship nearly a million bushels of hard red winter wheat to Taiwan.

Taiwanese officials backed their words with action Tuesday when they doubled the amount of Oklahoma products they had planned to buy during the procurement mission.

Originally, the Taiwanese had offered tenders for 27,000 metric tons of hard red winter wheat and 25,000 metric tons of soybeans. During a visit to Enid Monday, the Chinese leaders said they buy more wheat if the price was competitive.

When bids on the tenders were opened Tuesday at the state capitol in Oklahoma City, leaders doubled their wheat purchase to 2 million bushels and signed the contracts.

Besides the grain contracts, the Taiwanese purchased some industrial parts for a total Okalahoma sale of $20 million.

Ed O'Rourke, Enid, vice president of exporting marketing for Equity, said his firm won a contract for half the wheat, the Bunge Corp., New York, won the rest.

O'Rourke said, "Actually, the contract is for 27,000 metric tons of hard red winter wheat. That's actually 992,125 bushels."

Equity's gulf shipping date is between March 10-31, 1984.

Bunge's shipping date is between July 10-31, 1984.

Taiwan pays cash for its U.S. purchases.

TAIWANESE FIND PLENTY OF FRIENDS

(By Beth Lilley)

It was like old home week for Lloyd Long of Garber when he met Monday with the procurement delegation from the Republic of China.

There was warm hand shaking and hugging when Long met Yu-Shiu Miao, chairman of the Wheat Importers Joint Committee, Taiwan Flour Mills Industry. But that greeting was mild compared to the bear hug the Garber farmer received from Big Brother—Shar Chou. Chou is secretary general of the Taiwan Flour Mills Association.

Long said he met the Taiwan officials in Big Sky, Mont., in the 1970s during a wheat trade mission. At that time, Long was a member of the Oklahoma Wheat Commission. In 1975, Long was among U.S. grain officials who toured Taiwan and again visited the Chinese leaders.

Shar Chou is called Big Brother because he is larger in size than most of his countrymen. An assistant in the press office of the Republic of China's Coordination Council of North America in Houston, said, "Everyone likes Big Brother and everyone remembers him."

Long said, "Miao was in California while I was visiting relatives there. He ran me down in California. He was about 100 miles away at the time. We had a great conversation. Over the years we have become good friends. And Big Brother, well, he's just a swell fellow."

While a 26-member procurement delegation from the Republic of China toured Enid Monday, their fellow nationalists were celebrating the 72nd anniversary of the overthrow of the Manchu dynasty.

Vincent C. Siew, director general, Board of Foreign Trade, said, "Today, (Oct. 10) is a national holiday in Taiwan. It's like your Independence Day. We became the Republic of China 72 years ago." The revolution of 1911 was lead by Sun Yat-sen.

Siew said this trip to Oklahoma has taught him the rules of football. He now understands why Americans stay glued to television sets when football games are being televised.

The Taiwan group were guests Saturday at the Oklahoma State University-Nebraska football game.

Siew said, "I learned a lot. It was my first time to watch and I learned the rules of football. Those guys get hurt. We don't play football in Taiwan. Our big sports are baseball and basketball."

Enid may have a sister city in Taiwan.

Lyle Smith, Enid's city manager, told the Taiwan procurement delegation Mayor John McMillen is in the process of working on "setting up" an affiliation.●

KEN DUBERSTEIN

HON. CHARLES W. STENHOLM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. STENHOLM. Mr. Speaker, it is safe to say that every Member of the 98th Congress has had occasion to become acquainted with Mr. Ken Duberstein, head of the Congressional Liaison Office at the White House. As the coordinator of the Conservative Democratic Forum, perhaps I have had even more opportunities to work with him in a bipartisan manner on issues affecting every American.

Ken has endeared himself to all those around him for his forthright manner, his hard work, and spirit of cooperation with Members of all political philosophies.

At a recent meeting of the Texas Breakfast Club, our guest speaker, Vice President George Bush, spoke of the wonderful spirit of bipartisan cooperation which he has experienced during his years of public service. My association with Ken confirms that such cooperation is both possible and desirable, as we work toward solutions of mutual problems. Ken was always open and honest in discussing issues from his perspective, and I admire and respect him for that. At times though, it was hard for a Jones County cotton farmer to communicate with a city boy from New York.

I join my colleagues in wishing him well in his future endeavors.●

COMMITTEE FOR THE FREE WORLD SUPPORTS U.S. ACTION IN GRENADA

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. HYDE. Mr. Speaker, although our rescue mission in Grenada has received the condemnation of most of the world community, it is heartening to know that although Government spokesmen say one thing, private individuals may feel quite differently.

A full-page advertisement in Sunday's New York Times, sponsored by The Committee for the Free World, which counts among its membership many distinguished members of the British Parliament, caught my attention.

I am pleased to share their message with my colleagues:

[From the New York Times, Nov. 13, 1983]

UNITED STATES ACTION IN GRENADA HEARTENS EUROPEANS

It is characteristic of free societies that, having particular spheres of national concern and being always answerable to their peoples, they do not and cannot act together as a monolithic bloc; in alliance, they move by consultation and not coercion. They are liable to disagree but able to do so in basic trust and friendship.

Regretting such accidents and errors of diplomacy that may have occurred on all sides and the political uses to which these may be put, we, the undersigned European politicians, academics, trade unionists, writers, and others, nevertheless heartily sympathize with the peoples of the Organization of East Caribbean States and fully recognize their grounds for fear and anxiety in the face of recent events in Grenada.

We welcome the result of the action taken by our American allies and members of the OECS to restore genuine democratic self-government in Grenada. The prospect that the people of Grenada will now have the opportunity after many years to take part in free elections heartens supporters of democratic governments throughout the world.

Mr. Kingsley Amis, CBE,[1] Mr. Jack Aspinwall, MP, Mr. Anthony Beaumont-Dark, MP, Dr. David Bell, The Lord Beloff,[1] Sir Frederic Bennett, MP, M. Guy Berger,[1] Prof. Alain Besançon,[1] Mr. Gino Bianco,[1] Sir John Biggs-Davison, MP, Rt. Hon. Sir Peter Blaker, MP, Mr. Lionel Bloch,[1] Prof. Jean Bonamour,[1] Rev. Alan Booth, OBE,[1] Prof. Raymond Boudon,[1] Mr. Gerald Bowden TD, MP, Antonio Cariglia MEP, Prof. Jean-Claude Casanova,[1] Rt. Hon. The Lord Chalfont, OBE MC,[1] Mr. Frank Chapple,[1] Sir William Clark, MP, Baroness Cox,[1] Prof. Maurice Cranston,[1] M. Jean-Marie Daillet (Deputy), Viscount De L'Isle, VC KG GCMG GCVO, M. Michel Drancourt,[1] Mr. Dennis Duncanson,[1] Dr. Iain Eliot,[1] M. Francois Fejtö, Prof. S. E. Finer, Prof. Antony Flew, The Rt. Hon. Sir Hugh Fraser MBE, MP, Mr. Gerald Frost,[1] Mr. George Gardiner, MP, Rt. Hon. The Lord George-Brown, M. Jerzy Giedroyc.[1]

Prof. Raoul Girardet,[1] Sir James Goldsmith,[1] Sir Philip Goodhart, MP, Mr. John Gorst, MP, Mr. Eldon Griffiths, MP, Sir John Hackett, GCB DSO MC,[1] Mr. Neil Hamilton, MP, Lord Harris of High Cross,[1] M. Michel Heller,[1] Mr. Alistair Horne, Rt. Hon: The Lord Houghton of Sowerby, CH, Mr. Nigel Howard QC, MP, Elizabeth Jane Howard,[1] Rt. Hon. David Howell, MP, Mr. Paul Johnson,[1] Mr. Robert B. Jones, MP, Sir Anthony Kershaw MC, MP, Dr. Arthur Kriegel,[1] Mr. Leopold Labedz,[1] M. Alain Laurent,[1] M. Branko Lazitch,[1] Admiral Sir Louis Le Bailly, CB, Mr. Edward Leigh, MP, Prof. Franck Lessay,[1] Mr. David Levy, Mr. Ian Lloyd, MP, Mr. Hugh Lunghi,[1] Prof. Donald MacRae,[1] Mr. Humfrey Malins, MP, M. Jacques Mallet, M. Pierre Manent,[1] Herr Golo Mann,[1] Mr. Morris McWhirter CBE, Mr. George Mikes,[1] Mr. Michael Morris, MP, Mr. Tom Normanton TD, MP, MEP.

Mr. John O'Sullivan,[1] Rev. Canon J. R. Porter, M. Jean Prumyène,[1] Mr. David Pryce-Jones,[1] The Lord Quinton,[1] Prof. David Regan, The Rt. Hon. Geoffrey Rippon, MP, Mr. Peter Rost, MP, Mr. Neville Sandelson,[1] Dr. George Schöpflin,[1] Dr. Roger Scruton,[1] Prof. Hugh Seton-Watson,[1] Sir Alfred Sherman,[1] Rt. Hon. The Lord Stewart of Fulham, CH, Mr. Tom Stoppard,[1] Mr. Peter Tapsell, MP, Mr. Dick Taverne QC,[1] Mr. Stefan Terlezki, MP, Mr.

Patrick Thompson, MP, Mr. George Malcolm Thomson, M. Olivier Todd,[1] Count Nikolai Tolstoy,[1] Mr. John Townend FCA, MP, Mr. T. E. Utley, Lord Vaizey,[1] Sir Patrick Wall, MC VRD, MP, Mr. Kenneth Warren, MP, Lord Weidenfeld,[1] Mr. Colin Welch,[1] Mr. Jerry Wiggin, MP, Mr. John Wilkinson, MP, Mr. Alan Lee Williams, Mr. Nicholas R. Winterton, MP, Mr. Peregrine Worsthorne,[1] Sir Woodrow Wyatt.

The Committee for the Free World—U.K., Jacqueline Wheldon, executive secretary, 31 Whitehall London SW1.●

RESTORING THE DEDUCTIBILITY OF NONBUSINESS LOSSES

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. GUNDERSON. Mr. Speaker, in August, 1982, Congress adopted omnibus tax legislation the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) that contained some 300 separate sections.

That legislation, while closing many loopholes in existing tax law and providing other necessary changes in our tax code, also contained a few misguided sections. The most prominent of these errors was the section providing for 10 percent withholding on interest and dividend income.

A less-known but equally onerous provision (sec. 203) now prohibits an individual who suffers a nonbusiness loss, such as a theft loss, from deducting that loss from his personal income tax unless the loss exceeds 10 percent of his gross income.

This is, to say the least, an arbitrary cutoff. After all, who is to say that a loss equal to 9 percent of one's income hurts less or can be absorbed better than a loss equal to 11 percent of one's income. For that matter, who among us can afford to absorb a personal loss of 10 percent of our income in a single year?

All this TEFRA provision will do is create additional hardship for individuals who have already suffered an unexpected loss. The least we, as a government, can do is cushion this blow by allowing the individual suffering the loss to deduct its full extent from his taxes.

I am, therefore, introducing legislation today that would repeal section 203 of TEFRA. Simply stated, my bill would put us back in the same situation and with the same rules as if section 203 had never been enacted. All nonbusiness losses permitted by section 165 of the Internal Revenue Code would be deductible regardless of the annual income of the individual incurring the loss—even those losses that already occurred in 1983.

I had hoped that the House would have considered omnibus tax legislation prior to the adjournment of this session so that I could have had a vehicle for the repeal of section 203. However, since that obviously will not happen, I am introducing it as separate legislation and encourage my colleagues to join me in cosponsoring it.●

THE STUDENT LOAN COLLECTION IMPROVEMENT AMENDMENTS OF 1983

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. ERLENBORN. Mr. Speaker, today I am introducing for the Administration the Student Loan Collection Improvement Act of 1983.

This legislation is directed at correcting a growing problem which poses the greatest threat to the future of our Federal student loan programs, student loan defaults.

The National Commission on Student Financial Assistance recently completed its work of reviewing these programs. As a member of that Commission, I was pleased with the Commission's finding that the rate of Federal student loan defaults had declined in recent years. What I was not pleased to learn was that the Congressional Budget Office has estimated that guaranteed student loan default losses in fiscal year 1984 are projected to be $524 million. In my view, this figure alone, regardless of the rate of default, requires us to take action to reduce this unnecessary loss.

The Student Loan Collection Improvement Amendments of 1983 is designed to reduce defaults and improve collections in the two major Federal student loan programs, guaranteed student loans (GSL's) and national direct student loans (NDSL's). Some of the most important provisions in the bill are as follows:

First, procedures for disbursement of GSL's would be altered to provide better assurance that the loans are used for educational purposes and to reduce the potential for aid duplication. New procedures would be established governing the issuing of loan checks to the student and the educational institution. For the auxiliary loan program, a notice of disbursement of a loan would be sent by the lender to the educational institution the student is attending. Statistics show that students who drop out of school shortly after receiving their loans are more likely to default than any other category of student loan borrower. These provisions seek to reduce the risks associated with this problem.

Second, procedures relating to the requirement for exchanging information with credit bureau organizations concerning students who have defaulted loans would be expanded and modified. The new provisions would authorize guarantee agencies, as well as the Secretary, to enter into agreements with credit bureau organizations to exchange information on borrowers in default. In addition, notice of a default would be sent to the defaulter's current or most recently attended postsecondary institution.

These provisions are designed to let students know that they will personally feel the consequences if they default on their loans. Providing information to credit bureau organizations will mean that a defaulter will have much greater difficulty obtaining credit cards, automobile loans and even housing loans. The providing of information to postsecondary institutions will also motivate students to make good on their loans.

Another provision in the bill would amend student eligibility requirements for loan and grant programs to provide that a student borrower may not owe a refund on loans or grants or be in default on any student loan at any institution. This provision would prevent students who have acted irresponsibly once with regard to Federal student loan or grant programs from getting an opportunity to default or defraud again. The provision would also create an additional incentive for students to begin repayment on loans received during their undergraduate education if they plan to attend graduate school in the future.

The bill would establish a 6-year statute of limitations on refunds on title IV grants and work-study funds as well as on the amount of time available for filing suit for the collection of GSL's and NDSL's in cases where the State statute of limitations applicable is less than 6 years. This extension of time available for the Federal Government, lenders, and guarantee agencies to seek legal redress on defaults and unpaid refunds will reduce the amount of funds lost as a result of short State statutes of limitation.

In addition. the legislation makes several other changes designed to improve our GSL and NDSL collection efforts. One of these causes me some concern. The bill as introduced would permit lenders, at their option, to require cosigners for guaranteed student loans.

I am concerned, Mr. Speaker, that while the requirement for a cosigner will no doubt lead to a reduction in GSL defaults, it could also reduce the access of some students to GSL's. Some students will have difficulty in persuading their parents or guardian to agree to cosign their GSL commitment. If these students are unable to find a cosigner, will they be unable to get a GLS? I would hope that when

[1] European members of the Committee for the Free World.

this legislation is considered by the Committee on Education and Labor this provision would be closely studied with an eye to addressing this potential problem.

Despite my reservations about the effect of this one provision, however, I believe that the recommendations included in the bill merit early consideration by the Committee on Education and Labor. It would be my hope that this legislation could be considered by the committee early in the second session.●

AMENDING THE DEFENSE PRODUCTION ACT

HON. ED BETHUNE

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BETHUNE. Mr. Speaker, last night, I appeared before the Rules Committee requesting that an amendment be made in order relating the Defense Production Act. The DPA expired on September 30, and legislation to extend that act was rejected by the full House several days later. No agreement could be reached on Senate passed amendments.

During the several intervening weeks, intensive negotiations have taken place in an effort to resolve the differences particularly as they relate to title III of the act. Despite the efforts by many in this House and the other body, no agreement has been reached.

Yesterday, the Senate added a straight extension of the act as an amendment to the supplemental appropriations/IMF/housing package. It was adopted without controversy.

This standby authority has been law for more than three decades. However, title III has not been used in the past. Substantial funding was provided for this title in fiscal year 1983 funding legislation, but remains unobligated. I and others had concerns that while the Congress was locked in a debate as to how these funds should be spent and how criteria and standards for program participation were to be structured, the Department of Defense could preempt this important process. Therefore, I prepared an amendment that I wanted to offer to the DPA provisions of this legislative package. I asked to appear before the Rules Committee and did so last night when it met in emergency session.

The amendment is simple and straightforward. It provides that Department of Defense may not "obligate, spend, or enter into any commitment to obligate or spend, any funds pursuant to title III," of the DPA.

The purpose of this amendment is to permit the respective banking committees and the Congress itself to come to agreement on how title III should be operated and structured in the future. The program is controversial. Projects seeking funding from the DPA are controversial. It is the responsibility of this Congress to decide how the program will operate, and under what terms and conditions. My amendment preserved the right to make those decisions to the Congress.

At the hearing, a member of the Rules Committee, Mr. BONIOR of Michigan, brought a letter to the attention of the Rules Committee. The letter, dated yesterday, is from the Under Secretary of Defense Richard DeLauer. According to the letter addressed to Senator GARN, chairman of the Senate Banking Committee—an identical letter was similarly sent to Chairman ST GERMAIN of the House Banking Committee—the Department of Defense publicly pledged to Congress that no obligations, expenditures, or commitments would be made pursuant to title III of the Defense Production Act before April 1, 1984, the period designated by the Senate provision to this bill.

The Rules Committee made the point that my amendment was moot on the grounds that limitations I was seeking were publicly conceded by the Department. With that knowledge and the assurances that our concerns were protected, I withdrew my amendment.

It is my hope that the House Banking Committee will address this matter early in the next session and that we are able to reach an agreement on this program promptly.●

WHY THE MARINES WENT IN

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. HYDE. Mr. Speaker, two stories on Grenada that have been downplayed by some of the press are the joyous greeting given our men by the Grenadian people and the rising swell of approval for our action in Europe.

I include in the RECORD an article which recently appeared in London's Daily Telegraph by that bright young conservative, John O'Sullivan. Mr. O'Sullivan demonstrates that the intervention was: First, strategically necessary; second, morally justified; and third, legal under international law.

And, may I add, it is a resounding success.

The article follows:

[From the London Daily Telegraph]

WHY THE MARINES WENT IN

(By John O'Sullivan)

There was one reaction among politicians and media people to the American invasion and/or liberation of Grenada that came with all the involuntary speed of a reflex. It was to compare the American action with the Russian invasion and occupation of Afghanistan.

This is not an argument that is open to the Marxist former Government of Grenada. For that Government supported the Soviet invasion at the United Nations. But there are undoubtedly some parallels.

In each case, a Marxist Government which had seized power in a coup allied itself firmly with the Soviet bloc. In each case, the Prime Minister became an unreliable Soviet ally, because of his ineffectiveness in Afghanistan, because he was reaching out for a compromise with the West in Grenada. In each case, the head was overthrown in favour of a more hardline pro-Soviet figure in a coup which had Soviet support and outside military assistance—the Russian invasion in Afghanistan, Cuban troops and Soviet advisers in Grenada.

But there the similarities end. America, which was strategically unable to intervene in Afghanistan, has prevented the success of a pro-Soviet—and bloody—coup in Grenada by a joint military operation with Caribbean countries. And there was no popular support at all in Afghanistan for the Soviet intervention—no radio hams shouting "We're free."—whereas there are a few scattered signs of relief in Grenada at the arrival of the 6th Cavalry.

There is, of course, a much more valid comparison. It is the intervention in Santo Domingo by U.S. troops in 1965. On that occasion, restoration of order was followed by speedy American withdrawal and a series of free democratic elections, in the most recent of which the moderate Leftist Opposition replaced the Government. Just such a result is apparently the aim of U.S. policy towards Grenada.

SECOND AIRPORT

Setting aside such extravagant analogies, let us consider the American action from three standpoints. Was it strategically necessary? Was it morally justified? And was it legal under international law?

The strategic case for intervention is a strong one. Under its new military masters, Grenada was more firmly in the Soviet camp than it had been under Mr. Maurice Bishop. There was a large Cuban presence, a military one it now appears, and Soviet military advisers (about half the number of United States military advisers in El Salvador). And a second airport, capable of taking Soviet military transports, was being built by Cubans, although the existing airport is more than adequate for the island's scanty tourist trade.

One need not suffer from anti-Communist paranoia to see these developments as a threat to neighboring Caribbean islands. Certainly most of their Governments do so. Grenada is also well-placed to assist insurgencies in South America, notably Venezuela, and Colombia, (where an as yet minor insurgency is now under way). Finally, since Grenada is 1,000 miles closer to Libya and Angola than is Havana, it would provide a useful staging post for arms transports to Nicaragua and thence to the guerrillas in El Salvador. This is no theoretical anxiety. The Brazilian government recently halted a Libyan plane which was ferrying arms there under the description of agricultural implements.

The moral justification is a simple one. It is that, without the American intervention, the people of Grenada would be governed by "a brutal group of Leftist thugs" whose sole title to government is successful murder

and armed force. Those who feel that they should continue to be governed in that fashion do so on two grounds. The first is that there is no evidence of support for foreign intervention—as the Financial Times leading article put it, the United States and its allies "were not invited in by any group on the island." This is somewhat naive. To call for American intervention in a Marxist dictatorship (and especially to call for it in vain) is a more perilous enterprise than writing Financial Times leaders.

It is argued, secondly, that America cannot be the policeman of the world. And certainly there are practical limits to President Reagan's power to overthrow tyranny. But it would be a very curious consistency to argue that since it is impossible to have done with all tyrannies, no tyranny whatsoever should be disturbed. It is still more curious that this argument is heard from political parties whose tradition in foreign policy is one of support for "peoples rightly struggling to be free."

What, finally, of the legal position? It has been argued confidently that as an act of aggression against a sovereign independent power, the United States intervention is clearly illegal. But three factors make that doubtful. In the first place, it is not entirely clear that Grenada remained a sovereign power in the full sense. Mr. Ian Ball's report, in which he pointed out that the Cuban Ambassador was the most powerful man in Grenada and that Cuban advisers amounted at times to one-tenth of the capital's population, suggests that at least some substance of independence had already been ceded to a foreign power.

One must also ask if a legitimate government controlled the country. It seems unlikely that anyone in the military junta had kissed hands on appointment as Prime Minister. (And those Conservatives who complain that the Americans have invaded a country of which the Queen is head are no friends of the monarchy. For they invite the retort: what protection had the Crown or the British Government offered Her Majesty's subjects in the last four years?) In which case, either a state of lawlessness prevailed, or—again—a military junta supported by foreign military force had seized power. In such circumstances, intervention to restore both order and national independence would be justified.

A third consideration is that American action was taken in response to a request from the Organisation of Eastern Caribbean States, acting under a Treaty to which Grenada is a signatory. The relevant article allows collective action for defence and "the preservation of peace and security." Such an interpretation of the treaty will doubtless be disputed.

But there is a more general justification—what Burke called "the rights of vicinage"—for states which feel themselves threatened by a neighbouring disorder to take remedial action.

It is clear that these various considerations impressed the Government because Ministers agreed to co-operate in political and economic sanctions against Grenada. That would have been the usual diplomatic error of taking action that was likely to be ineffective but certain to irritate. When the Americans decided on intervention Ministers then adopted a policy that was both undignified and untenable. They complained about the American action without opposing it. As a result, the Americans seem high-handed, they appear feeble and a hysterical wave of anti-Americanism is sweeping the media with the Afghanistan analogy invoked hourly.

SERVILE THATCHER

This anti-Americanism did not, of course, emerge from a vacuum. It has been latent for some time in public opinion and it is fed by the myth of "Loyal little Britain" let down again by the Yanks (or, in more personal terms, servile Mrs. Thatcher treated with contempt by President Reagan). This is both demeaning and untrue. President Reagan may have said some silly things during the Falklands War, but at every crucial point the United States came down firmly on the British side.

The tragedy of Grenada is that the Americans, though acting in defense of Western (including British) interests and democratic principles, have been presented by Government policy as endangering both.●

MARTIN LUTHER'S ANNIVERSARY

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. ROTH. Mr. Speaker, in honor of Martin Luther on the 500th anniversary of his birth, I would like to share with the Members of Congress an essay by T. J. Kleinhans of the Aid Association for Lutherans, the largest fraternal benefit society in the world. I am fortunate that this fine organization, which has been very active in promoting Martin Luther's cultural and religious contributions as well as being a leader in voluntarism at the local, State, and national levels, is located in my district, Appleton, Wis.

The essay by T. J. Kleinhans follows:

Martin Luther liked to say that he and all of us were stimul justus et peccator, "at the same time saint and sinner." Many of the harsh things he said about peasant, pope and Jew cannot be explained away or condoned. In his own life he often acted out the role of saint and sinner. He fought for public schools for women, but no one could credit him with a modern understanding of equal rights.

But for all his foibles, he was a giant of a man. He sometimes got so wrapped up in his writing that he wrote for 48 hours without stopping to eat or sleep. As a gardener he grafted his own apple trees and traded cutting and seeds with friend and foe all across Europe. As a singer and composer he corresponded with the most famous musicians of the Empire.

And without really intending to, he established the modern concept of the state and the individual freedom of every citizen. Three years before the outbreak of the Peasants' War in 1525 he cautioned the peasants that even severe oppression is not valid reason to revolt and shed rulers' blood. By the same token, however, he reminded the princes of their obligations to their serfs and the need to treat everyone as a valuable child of God.

Luther lived at a time when many of the serfs had deserted the land and moved to the towns to take up a trade. In this time of change and turmoil he found himself the leader of a movement that was undermining the foundation of the entire medieval system, not just what was church-related but also what was cultural and political.

In 1520 he wrote what is perhaps his most influential book, "The Freedom of the Christian Man." This set modern guidelines for the freedom of every citizen. He based it on a passage in 1 Corinthians 9:19: "Though I be free from all men, yet have I made myself servant unto all." In the book Luther made the point that by faith a Christian is master of all and subject to none, but in love he is a humble servant and subject to all.

Though Luther was basically a man of religion and did not distinguish between civil and religious beliefs, others soon developed his concepts. And what Luther said about every man being his own king and doing whatever he pleased did not allow for unrestrained license. He went on to point out that freedom belongs to all people, to the whole society. Thus everyone is responsible not just for himself but also for the well being of his neighbor and must therefore not interfere with the freedom of others.●

VIEWS OF THE TAXPAYERS OF THE SIXTH DISTRICT OF OHIO

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. McEWEN. Mr. Speaker, tabulations of the results of the Sixth District survey have been completed.

The response has been tremendous with nearly 10,000 citizens taking the time to fill out the survey and return it my office. Many of them added their own personal comments and suggestions. These are welcomed and valued.

I asked the experts, the people back home who have to live with the laws we pass, to share their opinions with their Congressman through this questionnaire. For the second consecutive year, the response of the hard-working taxpayers of the Sixth District reveals that they care and are concerned about the issues facing our Nation.

Since the survey dealt with issues that are of concern to all Americans, I think my colleagues will find the results interesting. The results are self-explanatory, but one point, in particular, caught my attention: The taxpayers of the Sixth District are firm in their belief that Federal spending must be reduced, the budget balanced and the tax burden on wage earners lowered.

The congressional survey combined with the thousands of personal letters, phone calls and visits, and the dozens of town meetings, office hours and open-door meetings back home, are invaluable to me as I am called upon to represent the voters of the Sixth District of Ohio in the many complex issues facing our country.

The questionnaire results follow:

I WANT MY TAX DOLLARS TO BE USED FOR . . .

Here is a list of the major areas where the federal government spends money. Next to each is the amount that is planned to be spent on them out of every $1,000 payment by the Federal Government as proposed by the 1984 budget proposal. Do you think this amount of money allocated to the following programs should be increased; left at existing levels; reduced; or completely eliminated?

	1984 budget proposal	Percent—			
		increase	Remain the same	Reduce	Eliminate
Medicaid, medicare and other health programs	$74	23.7	52.3	22.1	1.9
Income assistance (Welfare), housing and unemployment	74	10.9	34.7	47.9	6.5
Social services, employment and job training	14	24.2	38.8	28.3	8.7
Aid to education	16	30.9	44.3	18.2	6.6
Social security/other retirement [1]	244	25.4	59.6	12.7	2.3
Veterans benefits	30	24.4	62.1	12.5	1
Foreign aid	15	2.3	19.9	56.4	21.4
Space program	10	20.8	45.9	26.3	7
Community/regional development	8	11.8	41.5	32.2	14.5
Transportation (highways, harbors, airports, etc.)	30	20.5	58.2	18.7	2.6
Food stamps	13	7.1	26.2	43.6	23.1
Environmental; protection	12	19	45.3	30	5.7
Agriculture	6	25.6	49.8	19.8	4.8
Military retirement [1]	20	10.1	57.8	31.1	1
Military operations and maintenance [1]	84	23.9	55.4	20.3	.4
Military personnel	56	23.5	59.5	16.6	.4
National security	129	36.3	46.7	16.5	.5
Energy	4	33	47.5	14.4	5.1
Law enforcement	6	45.1	46.5	6.9	1.5
Interest on debt [1]	122	11	46.4	34.8	7.8
Total	1,000				

[1] Actions taken by earlier Congresses created a moral responsibility to make these payments.

	Percent—	
	Yes	No
Should a balanced budget be mandated by law?	72.5	27.5
Do you agree that voluntary prayer should be permitted in public schools?	89.7	10.3
You are scheduled to receive a 10-percent reduction in your federal income tax rates on July 1. Do you favor that reduction?	75.9	24.1
Should Congress allow parents a tuition tax credit for a child's college education?	55.9	44.1
A so-called "flat rate" tax has been discussed recently which would tax all Americans at the same or nearly the same rates, and eliminate most or all deductions. Would you favor such an idea?	62.9	37.1
Should the federal government do more to encourage the export of U.S. manufactured goods and agricultural products?	89	11
The equal rights amendment, approved by Congress in 1972 did not gain ratification by enough states to become law. Do you think the ERA should now be made part of the U.S. Constitution?	30.1	69.9
Should able-bodied welfare recipients be required to work for their benefits?	97.3	2.7
Do you support federal tuition tax credit for parents of students in private elementary and secondary schools?	32.9	67.1

ADDITIONAL VIEWS ON U.S. FOREIGN ASSISTANCE PROGRAM

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. HYDE. Mr. Speaker, on November 10, 1983, I commented briefly on the opportunities that existed for the Commission on Security and Economic Assistance, also known as the Carlucci Commission. On Monday, November 14, I attended the final meeting of the Commission. At that time, I indicated my willingness to go along with the consensus document presented as the final report. However, I asked and received permission from Chairman Frank C. Carlucci, Jr., to file additional views for publication along with the Commission report. It seems that this procedure is seldom used in the executive branch but, as my colleagues well know, it is a common procedure in Congress. By additional views, Members of Congress express their general support for legislation, but wish to add emphasis to areas not sufficiently highlighted in the report.

Because of the unfamiliarity of Carlucci Commission staff with this procedure, and an understandable reluctance to invite even more explanatory documents, there was a reluctance to receive additional views, even though the rules for their presentation were fulfilled scrupulously.

I, therefore, wish to submit these for the information of my colleagues and other interested parties. Given the extremely short time allowed for collecting signatures, I was gratified and privileged that several outstanding Members of the House and the President of the Heritage Foundation joined in these views. It is our hope that future bilateral and multilateral assistance programs take into account the ideas expressed herein which represent the concerns of many Americans in and out of Congress with the sometimes frustrating programs of U.S. foreign aid.

ADDITIONAL VIEWS

A new foreign assistance program, capable of receiving Congressional and public support is urgently required to assist the United States to carry out its foreign policy. We believe that our current foreign aid program is seriously, if not fatally, flawed in both philosophy and administration. The result of this has been the passage of only one foreign aid bill in the past five years. Therefore we applauded the formation of the Carlucci Commission and the opportunity it presented to re-evaluate our foreign assistance programs and process.

The Carlucci Commission was a unique opportunity to study the components of U.S. foreign assistance and justify a new, positive, and forward-looking program. Recommendations such as Country Approach to Program Development, Support for Policy Reforms, Promotion of the Private Sector, Improved Evaluation, and Flexibility in Economic Support Fund and Development Assistance Accounts are bold steps in the right direction.

Every effort was made to accommodate every viewpoint in an attempt to build a consensus document which would support our foreign aid program. Thus, while the report notes that our foreign aid program should be a tool of our foreign policy, it fails to state that this is the single most important criterion for judging our foreign assistance efforts.

By failing to identify more clearly our foreign assistance program as a tool of foreign policy, we also missed the opportunity to fully evaluate our foreign assistance program, its successes and failures, in this light.

We believe the time has come to chart a new course for foreign assistance, one which supports our foreign policy in our national interest, and which the American people will support. (In fact, a recent Sindlinger poll showed that the majority of Americans will support a foreign aid program which is bilateral and serves our national interest.)

America's foreign assistance program has been based on the assumption that it should be serving the needs of the world. Unfortunately, the very concept of need is highly subjective, and the "New Directions" approach has defined need very broadly. The

Commission's report leads the reader to the conclusion that our foreign assistance program has an obligation to fulfill these broadly-defined needs of the world's poor majority, that foreign assistance accounts are inadequately funded to meet these needs, and that substantial increase is essential. But no country or combination of donors can begin to supply assistance that matches world needs when defined in a broad context. Furthermore, America's international role cannot be based on such an open-ended commitment and retain support.

Consistent with United States foreign policy, we can outline here a few worthy needs to which bilateral assistance can be targeted and which, because they are readily justified, can merit the support of Congress and the American people:

DISASTER RELIEF

Americans have consistently proven very generous in responding to natural disasters. We have responded to economic disasters as well, even though these are often caused by the policies adopted by recipient countries themselves.

ECONOMIC GROWTH

We welcome the opportunity to help others introduce freer markets, greater competition, and increased reliance on indigenous private sectors. Countries such as Korea and Taiwan, which have adopted such growth-oriented policies, have been able to prosper without further United States assistance. These models and others illustrate a positive alternative that will further international cooperation and development.

We note the spectacular success of these and other countries with a high population density. As Thomas Sowell stated in his recent Harper's article, "there is little or no relationship between poverty and population density." A foreign assistance program that tallies up hungry mouths while overlooking willing hands will always fall short.

SECURITY THREATS

The Commission report wisely notes the increasing threats that exist throughout the world as the Soviet Union seeks a Third World empire through external aggression and internal terrorism. Americans will support military assistance to counter such threats, as well as assistance which strengthens the U.S. defense network.

MUTUAL COOPERATION

Recipients of United States foreign aid should have the freedom to be friendly to the United States. Assistance going to countries lacking a dedication to mutual cooperation is difficult to explain to Congress and the American people. Cooperative interests are not served by bestowing unencumbered assistance to Marxist Mozambique while severely restricting assistance to struggling democracies, such as El Salvador.

We were called upon to recommend changes in the foreign assistance program that could gain support in Congress and among the American people. After six months, we are left with a number of nagging questions. Why, after some years and some considerable expenditures are we isolated and even ostracized in the United Nations? Are the United States' foreign assistance policies self-defeating? Is more of the same the answer?

We think not.

Increased levels of funding will only make it more difficult to pass a fundamentally flawed program. Procedural difficulties in the legislative process or Executive branch do not explain the failure of foreign assistance on Capitol Hill or among the American people. Neither is it helpful to allege that a lack of support is based on a lack of understanding. We believe public and Congressional skepticism results in the inability to enact a flawed program. White House Conferences, Citizens' Networks, New Consultative Groups, Mutual Development and Security Administration, increased Development education, and increased funding will not ensure passage or support. (If we were to offer any procedural recommendation, it would be to abolish the International Development Cooperation Agency.)

The time has come to create a foreign assistance program which is built on bilateral cooperation, rather than resource transfers; one which helps spread individual liberty, establish alliances, and promote economic growth; one that serves the goals of United States foreigh policy rather than responding to endless needs.

United States foreign assistance must resume its role as a vital tool of United States foreign policy, spreading the message of opportunity, individual liberty, and mutual cooperation throughout the world.

WILLIAM S. BROOMFIELD,
JACK KEMP,
HENRY J. HYDE,
JERRY LEWIS,
Members of Congress.
EDWIN J. FEULNER, Jr.●

NEW CHINA EXPORT CONTROLS REMOVE A MAJOR OBSTACLE TO TRADE

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

Mr. SWIFT. Mr. Speaker, I would like to congratulate the Secretary of Commerce, Malcolm Baldrige, on the successful completion of a long and difficult process to liberalize controls on exports to China. The implementation of this new policy will allow U.S. firms to compete on a more equal footing with firms from other countries to supply China's needs and, as a result, support Chinese economic development.

Last spring, a delegation of members from the Energy and Commerce Committee visited China. During that trip, we heard frequently from our Chinese hosts about the difficulties and delays attendant to obtaining transfers of U.S. technology. Without question, this problem has been the most important impediment to the development of a mutually beneficial trade relationship between our two nations.

Now that the administration, under the prodding by Secretary Baldrige, has removed this barrier to increased trade between the United States and China, we in the Congress must help insure that this and other promising initiatives for stronger economic and commercial links with China are fully understood and exploited by the U.S. business community.

In this regard, I wish to thank my distinguished colleague from my own delegation, Mr. BONKER, for his help in inducing the administration to explain in more detail the new policy of controls on exports to China. His efforts to keep Congress and the business community informed of the developments in this area deserve our recognition and appreciation.

The Commerce Department has estimated that the volume of U.S. exports to China of manufactured products could double as a result of the new liberalized policy. For such growth in our economic and commercial relationship to continue, however, a number of other issues must be addressed and certain obstacles must be surmounted. As chairman of the Special Subcommittee on U.S. Trade with China, I am committed to working on these issues and to seek ways to ensure the continued growth of mutually beneficial economic and commercial relations between the United States and China. I welcome the advice and support of all my colleagues in achieving this goal.

IMPLEMENTATION OF 1979 NATO DUAL TRACK DECISION

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LEVITAS. Mr. Speaker, as we approach the possible deployment of the Pershing II missiles in Europe, I would like to share with my colleagues some remarks I made at a NATO meeting last month on this important issue. These remarks were made during the debate on a vote of confidence for necessary deployment of the missiles.

I hope my colleagues will agree with me that we must show the Soviet Union our resolve to go forward with the missile deployment if there can be no agreement in Geneva. The full text of my remarks follows:

REMARKS OF THE HONORABLE ELLIOTT H. LEVITAS, UNITED STATES REPRESENTATIVE, NORTH ATLANTIC ASSEMBLY, OCTOBER 7, 1983, THE HAGUE, THE NETHERLANDS

IMPLEMENTATION OF 1979 NATO DUAL TRACK DECISION

Mr. President and colleagues, make no mistake about it the world is carefully watching what we do today here in The Hague. They are watching to see not merely whether we adopt this resolution but they are watching to see the extent to which we demonstrate the consistency and unity of our purpose within the Alliance.

One has to only look at the front page this morning of a well-known international journal to see how carefully our deliberations are being reported to the world. The decision we make today may be the most significant signal that we in NATO can give

to the Soviet Union to demonstrate convincingly that we are resolute and will go forward with our deployment of modern INF weapons unless there is agreement in Geneva.

Because we are freely elected representatives of our respective peoples, the signal we send today from The Hague is of particular importance since our voice speaks for our populations and not merely parrots the views of our governments. If we don't speak clearly today it will encourage the Soviets. If we speak loudly and clearly that, more than any other action, might cause the Soviet Union to negotiate seriously, to walk through the open door of arms control, and reach an agreement. Therefore, we must today overwhelmingly reaffirm our commitment to the 1979 Dual Track Decision without any modification—and without any delay or postponement.

There are some voices who are, I think, naive, that today urge the delay in the deployment track in order, they say, to permit negotiations to continue. To heed these voices would be a tragic mistake because it would give the Soviet Union just the encouragement it needs to do nothing because they would have succeeded in what they set out to accomplish—a continued monopoly on INF weapons in Europe. The 1979 NATO decision, made in response to an unprovoked deployment by the Soviet Union of SS-20 missiles, was justified when it was made, and nothing has occurred to change the basis of that decision. Indeed, there are more SS-20's today than there were then, and the political conditions today are even more compelling than they were then. The Soviets have given us numerous stark reminders of their totalitarian system and their willingness to use force to extend their hegemony.

They have marched into Afghanistan.

They have placed a heel on the neck of the Polish people.

They have caused the ruthless destruction of a civilian airliner in the Far East, murdering 259 innocent human beings.

They have given us the examples within their own country of how they suppress their own citizens by imprisoning or by placing in mental institutions all of the Helsinki monitors and have shown us the examples of an Orlov and a Sakarov and a Scharansky.

Are those reasons to delay the 1979 decision? Or are they reasons to remain resolute?

The beginning of our INF deployment should not mean an end to negotiations. Any missiles which are deployed can be removed, if an agreement is reached. And no doubt the Soviet Union may soon break off arms control talks as another ploy in a deadly game. But if we have been willing to negotiate all the while they have continued to deploy SS-20's with hundreds of nuclear warheads, it seems hypocritical of them to argue for an end to negotiations because of our beginning this modest deployment in response to theirs.

The Soviet Union has tried every possible maneuver to have NATO abandon this decision. They have callously intimidated your countries and your people. They have treacherously offered false hopes and lures. They have insinuated themselves in legitimate peace movements and have been known to stage phoney peace demonstrations of their own. They have delayed at Geneva and they have demonstrated intransigence. And soon they may walk out of the arms control talks—at least for a while. They want to split the Alliance asunder. They want to maintain their monopoly of SS-20 missiles. They want no agreement, and they want to be sure that the Pershing II's and the Cruise Missiles are not deployed in Europe.

But they cannot have it both ways.

And all the while, NATO and the United States have demonstrated unity but also flexibility, as we have tried to achieve agreement in Geneva.

There has been the Zero-Zero option proposal. There have been interim reduction proposals. There have been proposals in the broader context for new methods counting warheads and now new arms' control proposals, with wide bipartisan Congressional support in the U.S., to end the nuclear arms race through the imaginative, new and bold concept of a mutual, guaranteed build-down that would inexorably drive us to smaller, de-Mirv'd nuclear systems. The build-down will soon capture the minds and hearts of all people who truly seek a peaceful and saner and safer world. And the build-down will assure us smaller nuclear arsenals and at the same time give both sides the stability of nuclear forces by having modernized and reliable systems.

Our Western systems of government and our values are worth defending and protecting against the Soviet threat. NATO is an alliance for mutual defense of those systems and values. We must not forget the consequences if we falter.

One day this week my daughter and I visited the Anne Frank house in Amsterdam. As we walked through those rooms and halls and climbed those steep and narrow stairs, the memory of what those walls had seen and heard could not be forgotten. It's meaning—beyond the human tragedy of a young girl and her family—was that where democracies do not deter the spread of tyranny through strength and through resoluteness of will, then surely the force of the tyrant will spread and prevail and snuff out freedom and life like a candle being extinguished.

Anne Frank's small voice still speaks to us as do the voices of present day victims of tyranny. They say to us: do not let them prevail. To do that—we must not delay—we must stand firm on the 1979 Dual Track Decision—only that will lower the threat of nuclear war and preserve our freedoms and way of life. Let us heed their voices. Let the Soviets hear ours—today.●

UNRECORDED VOTE

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. CONABLE. Mr. Speaker, on Thursday, November 17, 1983, I am recorded as not voting on rollcall No. 522. That vote was on H.R. 3435, a bill to revise and extend the Education of the Handicapped Act.

Had I been recorded, I would have voted "yea" on that measure.●

NATIONAL PARKS IN THIRD WORLD COUNTRIES

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SEIBERLING. Mr. Speaker, the November issue of Place magazine contains a fine article by Napier Shelton, formerly of the National Park Service, about national parks in Third World countries.

In 1982, the International Union for the Conservation of Nature and Natural Resources sponsored a World National Park Conference in Bali, Indonesia. This was the third such decennial conference and the first held outside the United States. Sixty-eight nations, including the United States, sent representatives.

Many formerly colonial countries inherited national parks from the colonial governments and a number of industrialized countries like the United States already have long-established national park systems. Nevertheless, the article states, the previous decade saw an increase of 82 percent in the total area covered by national parks, although only 2 percent of the Earth's land surface is included in protected areas.

Mr. Shelton notes that because most Third World countries are in tropical environments, which are far richer in species than are temperate climates, their parks represent a large segment of the Earth's biological heritage. At the same time, most of these countries are struggling desperately with poverty, disease, illiteracy, and high population growth. Moreover, the mass of their people usually do not understand the importance of preserving areas in their natural state.

For these reasons, the Bali conference focused on ways of helping national parks contribute to economic development, in order that the parks themselves can survive. One approach has been to stress the importance of the role of parks in watershed protection. In some countries, increased tourism and employment of local people in the new parks has helped increase their acceptability.

Since the value of national parks for protecting genetic resources is greater for developing countries, who have built multibillion-dollar industries in medicines and other products based on tropical species, finding a way to compensate tropical countries for preserving those genetic resources has been suggested as one way to assure their continued protection.

Interestingly enough, the article points out that as these countries become more industrialized and urbanized, the people tend to place a higher value on conservation of natural areas.

In the meantime, the author states, we, in the North, should increase our financial support for existing and additional Third World parks.

The full text of Napier Shelton's interesting article follows these remarks:

[From Place magazine, November 1983]

CAN THE THIRD WORLD AFFORD NATIONAL PARKS?

(By Napier Shelton)

National parks, though subject to numerous sorts of human and environmental erosion, seem to be fully accepted and highly valued in industrialized countries. Even if they had no scientific or economic importance, we would prize them as original works of nature, worth preserving for that reason alone.

Not so in the Third World. In most developing nations, government officials tend to see national parks primarily as prestigious tourist attractions, and local visitors, who usually are few, often view them as just good places to relax. The main national park purpose—that of preserving pristine samples of the earth's environments, which can at the same time be enjoyed by people—is poorly understood.

Meanwhile, the economic facts of life threaten to turn Third World parks into a luxury. The North can afford them. The South, perhaps, cannot.

Bali Barat National Park, on the Indonesian island of Bali, exemplifies many of these problems. Bali is not a paradise for all its inhabitants. As in much of the tropics, a swelling population puts many kinds of pressure on the land. Where this land happens to be a national park, conflicts multiply. The staff of Bali Barat struggles against poaching, mining of the coral reefs for lime, firewood cutting, and trapping of rare Bali starlings for sale to bird fanciers.

Most worrisome, and almost unsolvable, is the problem of poor farmers advancing up the mountainsides into the park in a desperate attempt to find firewood and grow enough food to survive. The steep, once-forested mountain slopes are now grass- and scrub-covered, with small terraced plots producing meager crops. When I passed by in the dry season, black patches marked recent fires. Such invasion of the mountainsides reduces their capacity to store water for the prime rice lands below and threatens the whole regional economy.

Indonesia's headaches at Bali Barat are repeated at many of her other national parks. Gunung Leuser, a large park in northern Sumatra, perhaps two thousand orangutans, and one of the very few viable populations of the endangered Sumatran rhinoceros. Unfortunately, its heavily forested mountain ranges wrap around a fertile rice-growing valley that has attracted far too many immigrants. There is no more good land for latecomers or the offspring of early settlers. Consequently, park officials have had a hard time holding the lid on this boiling pot of humanity, which increasingly seeks to exploit the slopes leading into Gunung Leuser National Park. Settlements established along the road through Gunung Leuser before its designation as a park threaten to expand and cut the park in two. The people do not understand the national-park idea at all. "The land belongs to our ancestors," they say.

The long-term solutions to such encroachment—greatly increased nonagricultural employment and control of population growth—may come too late to save large parts of Indonesia's national parks from destruction. In spite of the difficulties, the country presses on to create an exemplary national park system that is planned to occupy 10 percent of the land area. Recognizing Indonesia's great biological importance, groups such as the United Nations Food and Agriculture Organization and the World Wildlife Fund are giving assistance. It is a race watched with great concern by conservationists around the world.

Many other Third World countries have inherited national parks from the colonial era or have created new ones since independence. Because most are in tropical environments, which are far richer in species than are temperate ones, these parks represent a large segment of the earth's biological heritage. At the same time, most of these countries are struggling desperately with poverty, disease, and illiteracy.

In view of such critical human needs, how do the national parks of Third World countries stand a chance of surviving? Some answers were suggested at the World National Parks Congress held in Bali in 1982. This was the first such meeting to be convened in a developing country (the 1962 and 1972 conferences were held in the United States) and the first to focus on national parks in the context of national needs. Four hundred and fifty participants from sixty-eight countries shed their individual light on the Congress theme—"Parks for Sustainable Development." Implicit throughout were the assumptions that national parks, to survive, must contribute to economic development, and that conservation and development are interdependent, since sustained development requires healthy land and fulfillment of human needs reduces the pressure on that land.

In developing countries, perhaps the most persuasive of the practical arguments for national parks is their role in watershed protection. By maintaining natural cover on the uplands, parks moderate fluctuations in run-off and provide water for lowland towns and agriculture. They reduce the erosion that can lead to silt-filled impoundments and irrigation works.

The new Dumoga-Bone National Park in northern Sulawesi, Indonesia, is a good example. Planned in conjunction with a World Bank project, the park protects water supplies for the adjacent Dumoga Valley irrigation scheme as well as a large sample of tropical rain forest and its wildlife. Malawi, a poor country in southern Africa, has devoted a sizable proportion of its uplands to national parks to assure water or agriculture.

Uplands parks, because they often have steep slopes undesirable for farming and difficult to log, can be relatively easy to obtain. But the lowlands, home of the majority of plants and animals, especially in tropical rain forests, are coveted for all forms of exploitations and settlement. In such situations, the role of parks in preserving species with known or potential economic value in agriculture, medicine, or industry can help in defending the parks' existence. Malaysia's Taman Negara, a magnificent example of lowland rain forest that is periodically threatened by dam advocates, contains wild relatives of commercial Malaysian fruit species that could be important for genetic improvement of those fruits.

At present, however, the value of national parks for protecting genetic resources is of greater benefit to developed countries, with their multibillion-dollar investments in pharamaceuticals and other products based on tropical species, than to the developing countries that harbor these plants and animals. "In a sense," says Emil Salim, Indonesia's highly respected minister for environment, "we in the South are conserving our genetic resources for the North to exploit and enjoy." Finding a way to compensate tropical countries for this service, through taxes on biotic imports or other means, will help assure that parks stay parks.

Relations between parks and their immediate neighbors have always been a major problem in all countries, especially when resettlement is involved. Descendants of families moved out of Virginia's Shenandoah National Park in the 1920s still feel resentment. many villagers relocated during India's Project Tiger, a ten-year program to expand that nation's system of protected areas, no doubt have similar feelings, though attempts have been made to better their lot. In such cases, increased tourism and employment in the new parks can help to compensate for any losses involved. In the tropics, chances are that people living around a preserve want to hunt, fish, gather plants, cut wood, or farm in the park, which is likely to occupy territory they have traditionally used. The new restrictions may cause these people direct hardship.

Many papers at the World Parks Congress addressed this problem. One solution that not only redresses grievances but offers the local people new economic options has been worked out at Kenya's Amboseli National Park. At Amboseli, wildlife seasonally migrates onto adjacent Masai lands, competing with their livestock for forage. In addition, an important water source now lies within the park. The costs of the park to the Masai were obviously outweighing the slight benefits. They vented their displeasure by killing wildlife. But gradually a system was developed in which the Masai were paid an annual compensation and a pipeline was built to deliver water from the park to Masai livestock. The Masai were offered use of the park's school and medical facilities, were given jobs in the park, and were helped to build a tourist camp on their own land. As relations improved, the Masai stopped killing park animals; the rhino population increased from near extinction (seven) in 1977 to double that number in 1981.

In some places, slight relaxation of the usual hands-off policy toward national-park resources has seemed necessary to ease local burdens. Malaysia, for example, allows gathering of plant materials, and sometimes hunting, in some of its parks by long-established inhabitants of these areas. The impact has been slight. Norman Myers, an ecologist living in Nairobi, advocates cropping the animals along the borders of Tanzania's Serengeti National Park to improve relations with meat-hungry neighbors, though some wardens are appalled at the idea.

This kind of compromise seemed essential to Nepal's Royal Chitwan National Park, whose creation has led to an impressive increase in wildlife, but at a price. Each year a few villagers are killed by tigers or rhinos, livestock and crops suffer depredation from park animals, and the people must do without some park resources they formerly used. On the positive side, the regrowth of plant cover has lessened flooding, and the park has provided some employment. But the greatest benefit has come through giving permission each January for the villagers to collect grass, essential for thatch, within the park. It is not available in the denuded land outside, and under controlled harvesting the

villagers now have an assured, renewable supply in the park.

Such examples show that preservation can coexist with some degree of exploitation. The International Union for the Conservation of Nature and Natural Resources (IUCN), sponsor of the Parks Congress, recognized this some time ago when it established ten categories for protected areas, ranging from strict nature reserves, where only scientific research is allowed, to multiple-use areas. National parks fall in the second category in this hierarchy. In these days of increasing human need for the earth's resources, greater use of the less-restrictive forms of protected areas may be necessary.

Regulated cropping of animals, described in several papers at the Congress, seems one of the more successful steps in this direction. Poor people get protein, animal populations are maintained, and conservation receives local support. At the Chirisa Safari Area in Zimbabwe, for instance, wildlife provides good game-viewing for tourists and meat and income for locals. In Upper Volta, the UN Food and Agricultural Organization hopes to achieve similar results by developing a national park and adjacent game-cropping project. At the Reserva Nacional de Pampa Galeras in Peru, vicuñas have been brought back from near extinction and now provide a continuous source of meat, hides, and wool.

Besides providing examples of park involvement with local economies, the 1982 Parks Congress presented a good overview of the world situation. The preceding decade saw phenomenal growth—a 46 percent rise in the number of national park sites and an 82 percent increase in the total area. Still, only 2 percent of the earth's land surface is included in protected areas, and much less of our freshwater and marine zones. Many conservationists feel that 10 percent of each major ecosystem is needed to assure continuance of most species and their habitats. A few Third World countries such as Costa Rica have achieved this proportion, and some, like Indonesia, have 10 percent or more as a goal, but most remain near or below the 2 percent average. Meanwhile, suitable new areas and the money to manage them are becoming much harder to find, in both the North and South. Kenton Miller, chairman of IUCN's commission on national parks, is not alone in his view of the coming decade as "our last chance for setting aside protected areas." Clearly, that 10 percent is a most difficult goal.

At this time Third-World citizens generally do not appreciate the full range of national park values. They can recognize most of the economic contributions, such as watershed protection, tourist attraction, and employment opportunities. To some extent they grasp the importance of maintaining the habitats of species with economic value. And a privileged few have the wherewithal to enjoy holidays in pristine park settings. But the more intangible values—the use of parks for education and scientific research, and as places to experience truth and beauty—scarely enter public thinking outside of North America and Europe.

Yet all these values can play a part in development, which is a cultural in development, which is a cultural as well as economic process Sustained development requires healthy soils, air, and water and careful management of renewable resources like timber and other "economic" plants and animals. At the same time, it requires citizens who understand and appreciate their land and its human and natural history. As a country becomes industrialized and urbanized, its people are likely to feel a growing need for natural things, things their parents spurned in the early drift toward cities. A university professor in Malaysia tells me of judges and lawyers conversing at bar association meetings about the scarcity of birds in places where they once were abundant. A forest park outside Kuala Lumpur, Malaysia's million-person capital, is crammed on weekends.

The less restrictive forms of protected areas, where some exploitation such as timber extraction or animal cropping is allowed, understandably receive easier acceptance in developing countries. But even traditional national parks, where usually no exploitation is permitted, should gain appreciation in the Third World as development proceeds—a pattern we have seen in the North. Malaysia, one of the more advanced developing nations, seems to show early signs of this trend; young environmental groups there have helped to deter dambuilding in the country's premier national park.

Survival of national parks in the Third World thus may depend on the speed with which industrialization, as well as population stability, are achieved; both will take pressure off wild lands. Development may lead to conservation.

In the meantime, the outlook for Third-World parks can be improved if we in the North greatly increase our support for them. It seems only right, since we still benefit most from the use of tropical species, and in many places—from the great game plains of Africa to the bird lagoons of Sri Lanka—we constitute the majority of visitors to Third World national parks.

If this support is given, participants in the 2002 World Parks Congress may be able to report that national parks throughout the globe indeed are winning their race for survival.●

ERA AND THE FEMINIZATION OF POVERTY

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

Mrs. COLLINS. Mr. Speaker, if wives and female heads of households were paid the wages that similary qualified men earn, about half of the families now mired in poverty would not be poor. The equal rights amendment offers hope for women in poverty and their children.

We are all aware of the dramatically increasing numbers of single women heading households and its accompanying phenomenon—the feminization of poverty. More than half of the total number of poor families in this Nation are maintained by women, and almost three-quarters of minority children in female-headed households live in poverty.

Women's poverty is due to two causes that are basically female—women are disadvantaged in the labor market and women must often support and pay for child care for their children mostly if not totally on their own. Women often bear the economic as well as the emotional burden of rearing their child or children or caring for an older parent.

Many poor women must also deal with a social welfare system that was originally designed for men, a system which often exacerbates rather than reduces women's poverty.

The equal rights amendment will stimulate an examination of the disadvantaging impact of government welfare programs on poor women; it will stimulate the beginning of the process of creating a welfare system that will help reverse the feminization of poverty and help create new economic opportunities for women. The equal rights amendment will help strengthen prohibitions against discrimination in the marketplace. And in domestic relations law, under the equal rights amendment, laws and court orders will be based on the principle that each spouse contributes equally to the marriage; it will validate the view of marriage as a social, emotional, and economic partnership.

We are experiencing a crisis. An increasing number of the poor are women maintaining households alone. The equal rights amendment will help to curb the feminization of poverty. It offers new hope for women who are experiencing the stigmatizing and isolating effects of proverty.

I urge my colleagues to vote for its passage.

LEBANON'S CHILDREN

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Ms. FERRARO. Mr. Speaker, during my trip last spring to the Middle East I visited the refugee camps of Sabra and Shatilla, scene of the terrible massacres of September 1982 and scene also of squalor, poverty, and violence for decades. These places are called camps, but they are in fact slums. The health, safety, and future of the women and children who mainly live there are in both short-term and long-term danger.

Since my visit, all Lebanon has become once again a battleground. The Wall Street Journal recently published an article by Reporter Jane Mayer which explains how this persistent, this daily, this "normal" violence may be poisoning, forever, the ability of Lebanon to reestablish peace.

I commend this article to the attention of my colleagues.

LEBANON'S CHILDREN—THE ORPHANS OF WAR ARE SCARRED AND AFRAID, AND OFTEN VENGEFUL—USED TO LIVING IN VIOLENCE, THEY MAY PERPETUATE IT; MANY SEE PARENTS KILLED

(By Jane Mayer)

BEIRUT, LEBANON.—In a dusty little alley running between rude cinder-block houses here, a five-year-old boy named Fadi can be seen standing guard on most afternoons. As the older children come home from school, Fadi puts up his small hands and says, "You can't step here. My father was killed here."

Bullet holes still pierce the front of Fadi's house. Painted above them, in a scrawl of red graffiti, are the words "Death to the Phalange," a reference to the Christian militiamen who led the Chatilla massacre in which Fadi's father died in the summer of 1982.

Fadi is too young to read, but the message seems to have already got through. Without a flicker of remorse, the little boy relaxes his vigil long enough to say, "I want to buy a big gun and kill who killed by father."

Such words of revenge from the mouths of children are as common in Beirut as bomb-out buildings. This is particularly true among the thousands of children who, like Fadi, are orphans of this country's eight long years of war.

SCENES OF CARNAGE

They, and a whole generation of Lebanese children, have lived virtually their whole lives amid violence. When planes fly over, they instinctively cower under beds. When the shelling stops, they go out to play in the ruins of the neighbors' houses. In many cases they have witnessed scenes of carnage that most American parents wouldn't allow their children to see even at the movies—sometimes inflicted right in front of them on their own families.

In the chaos of Lebanon, with no central government offering social services and no cohesive school system tracking its students, little is known about the effects the war is having on these children. And little is being done to find out. But some teachers, doctors and social workers worry that the future of Lebanon may be as bloody as the present if too many Lebanese children are already too badly scarred.

For instance, Navvart, a chubby-cheeked seven-year-old with freckles and pigtails, isn't likely to forget the night last winter when elements of the Lebanese army broke into her home in Beriut and shot her pajama-clad father, whom they suspected of being an officer of the Palestine Liberation Organization.

"SOLDIERS CAME AFTER US"

"They shot him here," she says, pointing to her own little potbelly, "and here," she says, pointing to her chest. "We took him to the hospital, but the soldiers came after us. When the doctor took Daddy down to get X-rayed, the soldiers pulled him off the table, and then they hit him on the stairs until he died."

Like every child interviewed for this story, Navvart says she hates the war. At night she has nightmares about corpses. Even in the daylight the seemingly sturdy little girl, who likes American blue jeans and stories about elephants, says she is afraid that the next time she will be the one the soldiers will take away.

Navvart says she wants to be a doctor when she grows up. Then, in a sad echo of the thinking of her parents' generation, the thinking that has pitted rival political and religious clans against one another here for centuries, she adds: "But first I want to fight. I want to kill the people who killed my daddy."

Of course, many of the children just repeat what they hear their elders saying, and many will arrive at their own, different views as they grow up. But few of those who deal regularly with Lebanon's war-ravaged children think they will be able to emerge unscathed.

"BELIEVERS IN HUMANITY?"

"What do you expect of children deprived of the most basic things—children who have seen their mothers slaughtered in front of them like sheep?" asks a Palestinian physician. "Do you think these children will be angels? Do you expect them after seeing massacres to be believers in humanity?"

Teachers tell stories of students coming into class with machine guns and demanding better grades. Social workers say that youngsters are unruly, rude and often violent. Some experts, like Dr. Amal Shama, a Beirut pediatrician, fear that the effects may be long-lasting.

"There are no boundaries to civil behavior anymore," Dr. Shama says. "These kids have grown up in violence. I'm afraid violence will not only be the way they solve political problems but also the way they deal with everyday life. I'm afraid they may be a lost generation."

It is impossible to gauge how many children in Lebanon have been direct victims of violence. One study done at American University in Beirut concluded that although only about one in 10 participants had suffered physical harm, almost 10 out of 10 had witnessed it—an experience that severely upset many. Another study concluded that of all the kinds of suffering inflicted on children by the war, nothing, not even the experience of coming directly under fire, was as disturbing as losing a parent.

Orphans are particularly hard to trace in Lebanon because Islamic tradition, which classifies a child as an orphan even if only one parent is dead, also dictates that the extended family should care for the child if possible. Thus, many orphans are absorbed into other families. And many more are stranded in circumstances where no one ever really knows their full stories, sometimes not even their names.

An example is Dalal, a bright little blind girl who was found as a baby in the ruins of a mountain town by relief workers who still care for her. As she touches a reporter's hand, searching for sign language, she says in the English she has also mastered, "I don't know how I got here. I don't know why they fight." Asked her age, she says, "I think I'm seven years old," but, of course, no one is really sure. People are even less sure of Hamoudi, a boy from the same village who appears to have been permanently crippled. He can't speak, and he can't walk. The only things he can do are smile at the few people he knows and grimace and clutch his chest when planes fly over.

MORE THAN 21,000 ORPHANS

Most social agencies seem to agree that there are more than 21,000 war orphans in Lebanon, out of a total national population somewhere between two million and four million.

There are no government facilities for such children, but various sects provide for their own needy. Probably the largest institution for orphans in the country is the six-year-old Moslem Orphanage in West Beirut, a collection of ocher-colored concrete buildings behind an imposing wrought-iron gate. Inside, some 3,000 children, from infants to adolescents, eat, sleep, study and, sometimes in the evening, play kickball.

Mohammed Barakat, the director general of the orphanage, says that most of the children who reach him are deeply upset and deeply confused. "They don't know who to blame," he says. "Is it the Druze? The Christians? The Israelis? The Syrians?" In one recent case, he says, the answer was almost everyone. A brother and sister entered the orphanage after their father had been killed by Christians in the 1975–76 civil war, their mother had been killed by Israelis during the 1978 invasion, and the orphanage they had come to think of as home was destroyed during September's intense fighting between the Christians and the Druze in the Chouf mountains.

"The girl, who is nine, is doing better than her brother, who is 11," says Mr. Barakat. "He cried nonstop for two days when he got here, he was so sure someone was going to make him suffer again."

WATCHED MOTHER RAPED

During the civil war, Mr. Barakat says, one seven-year-old boy arrived at the orphanage after having watched his mother murdered by a militiaman who raped her with a broken bottle. The boy, now 13, "is always sad, always by himself," Mr. Barakat says. "He doesn't like to talk, because he doesn't like to think. These children feel impotent, frustrated. They have no confidence in themselves or their futures."

Generally, the orphans fall behind in their schoolwork by about two years. The little children seem obsessed with the war. When they are handed crayons and paper, says one orphanage administrator, "the first things they draw are guns, planes, and bombs hitting buildings. It's terrible. We have to tell them to draw flowers." And some, like a 12-year-old who saw his parents murdered by ax, seem bent on revenge. Mr. Barakat says the boy scarcely spoke for five years, but as soon as he was old enough to leave, he did, heading to his former home town in the south, where he joined the local militia.

Such cases distress Mr. Barakat, who nonetheless thinks it is still possible to break Lebanon's chain of violence. "You must rebuild a personality like a building," he says, "but it takes time and care. If just 10% of the money that's going into rebuilding roads in Lebanon went into restructuring the social relationships, maybe we could all live together."

PSYCHIATRISTS WONDER

Psychiatrists aren't so sure. They acknowledge that children are remarkably resilient and open-minded. "Seeing a parent blown up right in front of the child isn't necessarily predictive of violent behavior," says Dr. Elie Karam, a psychiatrist who works at St. George's Hospital in the Christian sector of Beirut. "But it will certainly have lasting effects."

Some children Dr. Karam has worked with have reacted by becoming withdrawn. One little girl, whose father was shelled when he stopped to pick up a bouquet of wildflowers she had dropped in a field, cried every night for two years, thinking she had killed him.

Another girl, who was 16 when her prominent journalist father was assassinated, was deeply affected by a photograph she saw of his corpse, with one arm exposed beneath a sheet. Every night she complained that her own arm was paralyzed. The only way her mother managed to get her to sleep was by

giving the child her father's scarf, which the girl would wrap her arm in before finally dozing off. Other children have developed stammers and lost their appetites and their hearing. One couldn't stop hallucinating that there was blood on the walls. Another kept hearing what he called "the voice of the bomb."

People who work closely with such children say that even those who seem adjusted have often lost something else—their childhoods. "They assume the role of the parents they lost," Dr. Karam says. "It makes them very serious very young."

Ahmed Qachqouch, a United Nations teacher in the Palestinian camp of Chatilla, where an estimated 120 children were orphaned by the 1982 massacre, says he sees the difference in his students. "They (the orphans) sometimes laugh and show their teeth," he says, "but it's not in their heart. They're smiling, but they're also always thinking. They tell each other stories about how their parents died as if it happened yesterday. They can't be like normal children."

So it seems with Zahra, a shy, delicate seven-year-old Palestinian girl with huge brown eyes and one skinned elbow. She stops in a schoolyard and haltingly tells how her mother was dragged down the street by her hair and then knifed in the stomach. As her eyes begin to water, she says, with obvious confusion, "I want to open a big ice-cream shop. I want to make dresses. I want to kill the soldiers."●

EQUAL RIGHTS AMENDMENT WILL SECURE FUTURE FOR WOMEN AND AMERICA

HON. GERRY SIKORSKI

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

Mr. SIKORSKI. Mr. Speaker, the most difficult, thankless, yet most noble struggles in American history have been those to achieve simple equality.

Traditional discussions of those struggles have focused on the great numbers: 200,000 killed in our Civil War, 25 million blacks, 70 million Catholics, 120 million women. But as I began my day this morning, as I washed my 2½-year-old daughter's face and combed her hair and fixed her Cheerios and tied her sneakers, I thought of her future.

Without equal rights for women protected by our Constitution, she can and will be denied an equal education. She can and will be cheated of 41 cents of every dollar of her rightful compensation for a job well done. She can and will be discouraged from certain careers, like sitting in this body. And she can and will be dispossessed of her rightful future.

God gave her certain talents, certain intelligence, and God knows America needs the unfettered contributions of all its children.

This amendment for equal rights will help secure it.

WORLD PARKS

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SEIBERLING. Mr. Speaker, I have already placed in the RECORD an article by Napier Shelton about national parks in Third World countries. I would like to follow that up by inserting another outstanding article, this one by Michael Frome, which was published in the May/June issue of National Parks magazine, the magazine of the National Parks and Conservation Association.

Michael Frome, one of the Nation's most distinguished and sensitive writers on natural resources management, and particularly national parks, points out that the national parks movement is a worldwide one, representing the best side of humankind. Its origins are traced back to the 19th Century English poet, William Wordsworth, who sang the praises of the countryside, while pleading for "national property in which every man has a right and interest, who has an eye to perceive and a heart to enjoy." Frome notes that the national park system in New Zealand came into being because the Maoris, the native people, wanted a particular sacred area protected.

Mr. Frome notes that Tanzania is one of the poorest nations in Africa, and yet it has created the Serengeti National Park, which is twice the size of Yellowstone and "one of the world's legendary places." In fact, Tanzania has set aside almost 25 percent of its total area to protect wildlife and nature.

I agree with Mr. Frome when he says that "all national parks are international parks, world parks held in trust by one country in behalf of people everywhere. Yellowstone is a vision across the globe to those who likely will never see it. So, too, are the great game parks of Africa * * *."

Mr. Frome's experience coincides with my own when he points out that the pressures and problems of protecting wild and natural areas are intrinsically the same the world over. As he says:

They derive from the misapplication of supertechnology, from uncontrolled population growth, from the infatuation of government agencies with dazzling and deceptive foreign aid development projects, and from commercialized supertourism bent on overexploiting the last nature sanctuaries on earth.

Saving national parks and their magnificent wildlife demands constant dedication, tougher enforcement, and tough laws against the importation of wild animals and products made from wild animals.

In the same issue of National Parks magazine there is an excellent statement by Paul C. Pritchard, president of the National Parks and Conservation Association, about the importance of private conservation organizations in the establishment and preservation of national parks in countries around the world. Certainly none has done a more outstanding job than his own organization and those in other countries may look upon it as a model.

Mr. Speaker, I offer both Mr. Frome's article and Paul Pritchard's statement for inclusion in the RECORD immediately following these remarks:

[From National Parks, May/June 1983]

WORLD PARKS

(By Michael Frome)

National parks are more than spectacles of nature or choice natural ecosystems, but truly the expressions of a worldwide movement representing the best side of humankind. We like to say that Yellowstone in 1872 became the first national park anywhere on earth. It was not the first preserve, however. Even as parks go, others were established shortly after Yellowstone, reflecting the desire among people, at all stations of life and in nations at various stages of development, to preserve something special as a gift to the future.

New Zealand, for instance, has an extensive national park system. It came into being because the Maoris, the native people, wanted a particular sacred area, Tongariro, protected and felt that a national park would prove the best means of doing so. In England, Wordsworth through his poetry sang the praises of the countryside, while pleading for "national property in which every man has a right and interest, who has an eye to perceive and a heart to enjoy."

If I were to choose one statement to summarize humankind's transcendence above its own wants and needs, it would be the 1961 manifesto of President Julius Nyerere of Tanzania. In terms of sheer materialism, his nation is among the poorest in Africa. Nevertheless, Serengeti National Park, one of the world's legendary places, is nearly twice the size of Yellowstone. With nine other national parks and sixteen game reserves, Tanzania has set aside almost 25 percent of its total area for wildlife and nature. As President Nyerere stated in his manifesto:

"In accepting the trusteeship of our wildlife, we solemnly declare that we will do everything in our power to make sure that our children's grandchildren will be able to enjoy this rich and precious heritage."

It hasn't been easy to save that "rich and precious heritage"—not in East Africa, nor in the "advanced" United States, nor in neighboring Canada with all its spaciousness, in South Africa, South America, Southeast Asia, or Europe. During the past few years I've journeyed to national parks in distant lands, interviewed resource professionals and concerned citizens. The pressures and problems, I find, are virtually the same the world over. They derive from the misapplication of supertechnology, from uncontrolled population growth, from the infatuation of government agencies with dazzling and deceptive foreign aid development projects, and from commercialized supertourism bent on overexploiting the last nature sanctuaries on earth.

I believe that all national parks are international parks, world parks held in trust by one country in behalf of people everywhere. Yellowstone is a vision across the globe to

those who likely will never see it. So, too, are the great game parks of Africa where herds roam across the grassy plains as bison in untold numbers once roamed across our own prairies. Thus, those are my parks, too; I feel pained when they are threatened and degraded and want to support efforts to save them. Hands and hearts extended across the planet may not be the total solution, but they are critically needed and will certainly help.

Awareness comes first. Following is a capsulized account of conditions in a cross section of world parks:

The Galápagos Islands comprise a national park of Ecuador, memorializing Darwin's classic work. But the resident human population on these Pacific islands has been allowed to treble since 1970 (to more than 5,000), causing disastrous inroads on the natural scene and severe impacts upon tortoises, iguanas, and rare birds. Meanwhile, numbers of tourists soar. They must be housed, fed, and transported. Officials talk about exercising strict control; but only a handful of wardens, with two patrol boats, is available to enforce regulations over two million acres. Visitors congregate on the most significant islands, constantly widening trails, trampling vegetation, harassing wildlife, and purchasing mementoes such as sea lion teeth, tortoise shells, and black coral. Ecuadorian naval vessels visit several times yearly; crews go ashore as they wish, to run roughshod over an area of land iguana studies or to paint graffiti on the rocks.

New Zealand, that South Pacific wonderland, has been afflicted, in the words of the Federated Mountain Clubs, with "steady erosion of the quality of our natural areas." Fifteen years ago the National Parks Act of 1952 was brushed aside to justify a devastating hydropower project in Fiorland, largest of the country's ten national parks. Then, at Mount Cook National Park, the tourist village was expanded, against the wishes of park administrators, urbanizing a majestic setting. Yet another plan has been advanced to double accommodations, with more buses, trucks, parking lots, sewage, solid waste, souvenir shops, and noise from sightseeing airplanes, which already depreciate the physical environment and reduce the natural area to an amusement park.

At Westland National Park on New Zealand's South Island I found a marvelous composition of glacier, mountain, and luxuriant mixed forest. Here the Native Forest Action Council was fighting to save one of the last native beech forests, at the edge of the park, from being logged to feed a government-subsidized mill and then to be replaced by a pine plantation. The National Parks Authorized, supported by such citizen groups, has urged inclusion of coastal state forests to ensure permanence and security to a national park extending "from mountains to the sea." It reminds me of the epic successful battle to rescue the rain forests on the western flank of Olympic National Park. Clearly, trees have more value than mere board feet.

Taman Negara National Park is the major tropical forest preserve on the Malaysia mainland. Most of the rest of the Malay forest has already been cut and exported. But lush Taman Negra safeguards 250 species of birds, the rare Malayan tiger, elephant, leopard, rhino, and wild ox, or seladang. Vistors come to stay at jungle lodges, observing wild-life amid trees festooned with huge orchids. Alas, Taman Negra now is endangered by a plan to dam the Tembeling River and flood part of the park with a reservoir. This hydro project would destroy valuable prehistoric sites and displace the Orang Asli, the native people. Malaysians have fought hard, through groups like the Malayan Nature Society, to protect their environment. Their land has been subject to massive change, with population resettlement schemes, industrial development, and intensive logging. Nevertheless, in the late 1970s a campaign to "Save Endau-Rompin" swept the country and induced the state government of Pahang to halt logging within the newly conceived Endau-Rompin National Park. The idea of Endau-Rompin, incidentally, came from a Peace Corps-Smithsonian volunteer, Rodney Flynn, to help protect the Sumatra rhino—a foreign aid project without price tag.

In East Africa, the great herds of elephants are vanishing. Rhinos, zebras, leopards, and cheetahs are declining steadily in number. Yes, there are impressive national parks and reserves, but all of them are plagued with problems of poaching for elephant ivory, rhino horn, and skins of the big cats. Simply stated, advanced nations have created an insatiable demand for products made from the wild animals of Africa. Saving the national parks and their wildlife demands tougher importation laws and tougher enforcement in the United States and other Western nations; pressure to terminate the ivory production centers in the Orient; and a movement to discourage the public from buying a piece of African wildlife to wear on one's back or display on a wall.

Serengeti, Amboseli, Tsavo, Lake Manyara, and other East African national parks also face external pressures induced by international aid programs. Billions of dollars are being poured into Africa (as well as into Southeast Asia and the Amazon Basin in South America), but very little of it is designed to enhance the quality of man's life on earth. Highways, ports, river-basin projects, and agricultural schemes based on forest conversion, drainage, pesticides, and fertilizers—these projects treat undeveloped nations mostly as sources of raw materials and outlets for finished products. The whole concept of "aid" and "development" needs to be redefined based on humanist concern, rather than commodity production and profitability.

Kruger National Park, showpiece of South Africa, embraces four million acres (twice the size of Yellowstone) of bushveld and savanna. It protects the largest variety of mammals in Africa, plus hundreds of species of birds and more than two thousand species of plants. But the wild northern section has been targeted by a government agency, Iscorp (for Iron and Steel Corporation), for mineral exploration. Based on the location of coal deposits nearby, the National Parks Board in 1979 approved such a study, resulting in indications of coking coal. A public furor in Kruger's behalf seems, at least for now, to have discouraged or deferred intrusion into the park. As Tol Peinaar, Chief Warden of Kruger, told me when I was there:

"If the survival of the country depends on it, we would have no other choice. But nobody has yet demonstrated an adequate study of alternatives."

South Africa is endowed with a superb system of national parks. The comeback and translocation of the white rhino, through careful research and conservation, is one of history's outstanding wildlife achievements. But all the parks face external pressures. Kruger, for instance, is losing natural buffers as a consequence of government-sponsored irrigation, agriculture, and forestry projects, diverting the flow of water and causing serious impacts on vegetation and wildlife. This calls to mind the debacle of our own Everglades. Such parallels tell me that technocracy in government is truly universal, that establishing national parks under one branch is not enough so long as other, more powerful branches are willing and able to preempt them.

National parks of England and Wales serve to underscore this point. I have been to all ten national parks, marveling at their heathery hills and moors, moody coasts, Bronze Age stone circles, Roman roads and walls, medieval barns, bridges, and castles, and living hill farms. British national parks differ from ours; they embrace large areas of privately held lands, revealing interplay of nature with the homes and labors of men and women through a thousand years of history.

Unfortunately, some of the loveliest areas of farmland and moor within the park boundaries have been lost, and additional areas are endangered. Lady Sayer, sparkplug of the Dartmoor Preservation Association, has summed up the scene in these succinct lines:

"As long ago as 1952 Harold MacMillan, as Minister for town and country planning, promised Parliament that in national parks amenity and access were to have priority over other interests and claims; but the promise has long remained unfulfilled, and the military training areas, the mineral extraction, the reservoir schemes, the commercial afforestation, the radio masts, and all the rest have gone expanding in national parks ever since."

The reason given by Lady Sayer for the retreat from great promise applies not only to Britain but to every country on earth, our own included:

"Nine times out of ten there are alternative sites available outside the national parks for these developments—alternatives that would spare our last surviving reserves of wild country; but almost invariably these alternative sites, which are more 'valuable' in calculable terms of cash price than open moorland, are ruled out by local planning authorities and by Whitehall because the lobbies of powerful vested interests are able to prevent their use."

There are success stories, too, in different parts of the world, demonstrating the validity and benefits of preservation. In this space, however, my goal is to accentuate the need of turning the negative into positive. I agree with Lady Sayer when she declares: "Wilderness still lacks an effective lobby in the corridors of power."

NPCA's forthcoming international conference on the future of national parks, bringing together representatives of citizen groups of various nations to Germany in early June, is a heartening development. Organizations and meetings of government representatives have their place, of course; but when it comes to building an "effective lobby in the corridors of power," the voice of the public constituency is paramount. The world needs the clear evocation of humanism and idealism that make preservation a desirable and undeniable essential of our time.

ACCEPTING THE CHALLENGE

(By Paul C. Pritchard, President, National Parks and Conservation Association)

Although the major challenge of the Bali conference was to address the relationship between parks and economic development, another issue raised there provides conservation leaders with a challenge for the coming years that may be just as far-reaching.

This conference reaffirmed the importance of the U.S. National Park System and private conservation groups (PCOs) continuing to serve as models for the 100-plus national park systems that have been developed around the world. As was repeatedly stated, the United States must continue to set the pace for protection. Our recent success in protecting Alaska's wildlands serves as a model for the world. Other nations may have dedicated larger areas, but our nation's deep, long-standing commitment to the protection of resources and our innovative spirit prove that preservation goals can be accomplished in a wide variety of circumstances as long as there is strong public support. Conservationists worldwide must take to heart the slogan: "Think globally; act locally."

One could clearly discern which nations represented at the conference had PCOs and which did not. Those without have paltry park systems subject to political whim and personality. One administration would designate a park, the next would build a dam in it. The nations with PCOs generally manifested a constitutional commitment to parks, clear protections for their parks and continuity from one party in power to the next. Park directors from seven nations asked conservation leaders to help set up PCOs in their countries.

A high standard of citizen involvement in support of parks in developing countries will assure a legacy of natural and historical features that will help their people maintain identity and continuity and find refreshment of the spirit as they face the challenges of the future.●

H.R. 4102

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mrs. SCHNEIDER. Mr. Speaker, I rise in support of H.R. 4102 and would like to bring to my colleagues' attention the actions of a group in Rhode Island attempting to improve the ability of consumers to represent themselves on all utility issues. The actions of these Rhode Islanders magnify the scope of the program created by section 230 of this legislation.

A citizens' utility board, or CUB, campaign is underway in Rhode Island. CUB would be a statewide membership organization made up of residential ratepayers working together to protect their rights as consumers on electric, telephone, gas, and water issues. CUB will be an independent, nonprofit organization funded by voluntary membership contributions. Contributions will be used to hire experts to work for consumers' interests.

The group in Rhode Island—as well as the groups campaigning in 15 other States—are interested in receiving a State charter to represent ratepayers and solicit for memberships through the billing mechanisms of the various public utilities. CUB would pay for any additional mailing expense. This mechanism would be tailored to the interests of each State, but would mirror to a large extent the language of section 230 of H.R. 4102.

The notices in the bills would describe CUB's activities and invite people to join. The right to enclose notices gives consumers the ability to get together and pool small amounts of time, money, and ideas to challenge the utilities when necessary. Without this right, the CUB would not have the access to the same captive audience as the utilities—their ratepayers.

CUB would not receive any tax appropriations nor would it be a State or Federal agency. It can be stated that the CUB concept is the self-help concept. CUB would depend on voluntary contributions and support of its membership.

CUB members would elect a board of directors, who would decide what CUB should do and how CUB resources should be spent. The directors hire staff to carry out CUB's work. Members participate in meetings, surveys, and community activities.

Because CUB depends on voluntary contributions, it must work for public support. If it does not perform, it will die. With this incentive, CUB cannot become the stereotypical lazy and wasteful bureaucracy we all criticize from this well. Nor would a CUB return to a State legislature or the U.S. Congress every year asking for tax money.

The model for Rhode Island's effort, and the basis for optimism and enthusiasm, is the successful CUB in Wisconsin. The Wisconsin Citizens' Utility Board Act became law in 1979. The first elected board of directors began working in 1980. Over the past 2½ years, the Wisconsin CUB has intervened in over 50 rate cases, saving consumers over $200 million in forgone rate increases. Over 80,000 ratepayers have joined CUB, making it the largest membership organization in Wisconsin. While the minimum contribution is $3, the average annual contribution is $9.85. People like CUB, and CUB works.

Representatives from business, labor, education, the elderly, consumers, and communities support CUB efforts. I recommend my colleagues contact the CUB Campaign in Rhode Island at: 34 Westminster Mall, Suite 316, Providence, R.I. 02903.

I would like to reiterate that in this time of more and more Federal spending, an organization that can offer lean, representative, and efficient service at no expense to the taxpayer should not be taken lightly. Thank you.●

INTERPARLIAMENTARY UNION MEETING IN SEOUL

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. HALL of Ohio. Mr. Speaker, I appreciate the opportunity allowed me to participate as one of the United States delegates to the 70th Interparliamentary Conference held in early October in Seoul, Republic of Korea. Although the Soviet Union and its allies boycotted the meeting, and in fact caused most of the Communist Party members from other non-Communist countries not to attend, the meeting was still widely representative of the full membership of the IPU. Delegates came from 68 countries and international observers from United Nations agencies and regional parliamentary groups followed the work of the session.

I would like to commend the exceptional leadership of our chairman, the gentleman from Florida, CLAUDE PEPPER. Chairman PEPPER represented the United States well in ever so many ways. He seemed to be everywhere—in caucus with representatives of the Western democracies, in a drafting committee on the Korean Airline tragedy, arguing the merits of improving the world trade and development system, meeting with the many individual delegates from Africa, Asia, and Europe who regard him so highly.

But what most touched the members of our delegation and from the other countries that attended the IPU Conference was CLAUDE PEPPER's beautiful homage to the victims of the bombing in RANGOON. The IPU Conference held a special evening session the Monday that followed this tragic incident. The meeting hall was packed full and particularly attentive when the distinguished chairman of our delegation moved to the rostrum; it remained hushed throughout his eloquent address.

It was very clear to me that CLAUDE PEPPER is so important in international circles where his reasoned judgment and articulate expression are inspiration for constructive dialog and productive effort.

With the Seoul Conference, the IPU has again offered recommendations for improvements in international organizations and practices. The objectives of the IPU are to promote peaceful change and strengthening of representative government. Some of the positions of the IPU majority are not ones that we in the United States

would support. However, I personally greatly appreciate the opportunity that the IPU provides for the free exchange of ideas even with those most radically opposed to our own values and way of life.

I have come away from this particular meeting with a much better appreciation about what we are up against in the world.

Finally, I would like to mention a few impressions about the Korean situation. Clearly much more progress is necessary in political evolution before we will look upon the political institutions in Korea as truly representative of popular will. Basic freedoms we take for granted—freedoms of expression and participation—are clearly not as respected as many Koreans want.

As friends of Korea, perhaps its closest, we in the United States can continue to offer our friendly encouragement for political progress. Moreover, we can help sustain the security support without which such progress will certainly not readily occur.

I particularly appreciated being designated by the Speaker to serve as a delegate to the recent IPU meeting in Korea which allowed me opportunities to exchange ideas and information with a broad group of fellow Parliamentarians and also allowed me the opportunity to gain better insight into the situation in Northeast Asia.●

TWENTY-FIVE YEARS OF FAVARH

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mrs. JOHNSON. Mr. Speaker, I would like to take a moment to draw attention to the fine work that is occurring in my district for developmentally disabled children, undertaken by a unique group of parents organized into the Farmington Valley Association for Retarded and Handicapped, Inc. (FAVARH). FAVARH is celebrating its 25th anniversary this year, and the success of this organization is a testimony to the power inherent in grassroots organizations and the valuable role they play in our community life. I think the following statement appropriately sums up the substantial accomplishments of a quarter of a decade of service to our Connecticut community and beyond:

25 YEARS OF FAVARH

Parent Power is amazing. When parents work together to help their developmentally disabled children, wonderful things happen—sometimes beyond their expectations; like FAVARH (The Farmington Valley Association for Retarded & Handicapped, Inc.) as it is today.

One day in 1958 a parent who had a retarded youngster advertised in a local paper in Connecticut's Farmington Valley asking other parents to meet with her. Seven families responded. They met for support, strengthening each other to feel less lonely, less like outsiders. As discussions led to action, they discovered that together they possessed an important commodity that they lacked individually—POWER. From that nucleus which gradually linked with similar groups grew a movement, leading to State and then the National Association for Retarded Citizens. They were swept along on the tide of common purpose—fostering education, habilitation, and rehabilitation services for their family members, resulting in service agencies nationwide such as FAVARH.

Today, the agency offers an extensive range of services for developmentally disabled and physically handicapped persons and their families.

FAVARH's Adult Vocational Program includes a Clerical Bindery, an Industrial Workshop and a Food Service Program in its own 125 seat restaurant.

A vocational rehabilitation department conducts in-depth evaluation and career exploration, and places clients each year in positions in private business and industry.

An extended counseling program pairs counselors with clients on a one-to-one basis, with the ongoing goal of helping clients to learn more about themselves.

Family counseling is also a vital part of the overall program. Project COPE, Concerned Outreach to Parents of Exceptional Children, assists parents of newborn or newly diagnosed developmentally disabled and physically handicapped children. Family counseling is available for those parents needing to examine their feelings and solve problems that arise as their children grow to adulthood.

FAVARH currently provides residential opportunity for six mentally retarded adults in its group home. It can also help locate independent or supervised apartments for appropriately qualified participants.

Now with silver in our hair and some tough battles and success stories for our base we are forging ahead with new programs aimed at maximizing the emotional, mental, physical and social potential of those here in the Valley who need us. We anticipate the challenge of the next 25 years as we glance back and realize what individual courage can overcome when sustained and marshaled through the support of friends.●

CLOSING OIL COMPANY TAX LOOPHOLES

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. EDGAR. Mr. Speaker, recent reports and estimates have told us that the Federal budget deficit could run well over $200 billion annually—yes, that is annually—for the next several years if not the rest of the decade. I will continue to argue that only through the appropriate adjustments in Government spending and the closing of tax loopholes used by large corporations to avoid the payment of taxes will we see any noticeable change in the Federal budget deficit. I am always looking for ways in which we can tighten our Tax Code so that those who should justly pay the tax do not avoid payment by utilizing loopholes.

I have read with great interest recent national media articles discussing the increasing use by big oil companies of a new device whose primary purpose is avoidance of the corporate tax. The device, known as a royalty trust, allows oil companies to take appreciated income-producing royalty property and distribute it to a trust for the income benefit of its shareholders. Not only does the royalty trust device allow big oil companies to avoid the corporate tax, but it saddles the small individual shareholder, the very person who is not as able to pay additional taxes, with further dividend and income taxes on the income produced by these trusts.

Congressional testimony and a recent Senate Finance Committee print have called for reform of the corporate tax portion of the Internal Revenue Code. Indeed, it was suggested that the tax ramifications of corporate property distributions should be investigated and appropriate reforms proposed.

Obviously, the royalty trust scheme, because it avoids the corporate tax, is one such distribution which should be investigated. Indeed, an increase in the use of the royalty trust by resource companies not only in the oil and gas business but in the mining and coal business as well could mean a loss of corporate taxes flowing to the Federal Government well into the thousands of dollars. Moreover, the fact that foreign nation investments in these trusts is allowed merits close scrutiny not only for its implications with regard to foreign interests controlling American energy property, but with regard to the fact that large amounts of income may flow to foreign investors who could then avoid payment of any U.S. tax altogether.

I am, therefore, suggesting that the use of the royalty trust device as one tax scheme which allows the avoidance of tax be fully investigated to the degree that it contravenes present tax policy with regard to corporate and individual tax collection, the oil depletion allowance, capital gains and dividend transactions and corporate distributions, and liquidations.

Having just seen a record budget deficit for fiscal year 1983, the time has come to act with all due speed in tightening up tax loopholes like the royalty trust. Any tax policy that allows corporations to avoid tax while making individual shareholders pay more tax is both inadequate and ineffective and can only mean a larger deficit in the future. Certainly such loopholes should be closed and the royalty trust device as used by the large oil companies to escape taxes should be at

the top of our list for both investigation and subsequent reform.●

VETERANS DAY

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BOLAND. Mr. Speaker, on November 11, Boston Globe columnist Mike Barnicle published a moving tribute to America's veterans.

Veterans Day has unfortunately become just another day off from work for many Americans. In the rush to take advantage of department store sales, we sometimes lose sight of who and what we honor each year on November 11. Mike Barnicle's words evoke powerful images of the sacrifices upon which our country has been built and for which we must be eternally grateful.

I would like to insert Mr. Barnicle's column at this point in the RECORD.

[From the Boston Globe, Nov. 11, 1983]

A DAY TO PAUSE AND REFLECT

(By Mike Barnicle)

We live in a land where the mist of time conceals the vanished years. We live in a country where there is no memory, no sun or seasons to be felt or enjoyed. We are the nation of the dead. We are the veterans of wars, fought on a stranger's soil.

Today is our day.

We grew up on the cobbled streets of cities and the flat plains of the heartland. We were Catholic, Protestant and Jew. We were black and white and brown and we carried the banner of our country across oceans and the borders of distant countries where people spoke in strange tongues.

We are at peace now, resting in a place where days pass like leaves caught in a wind. Our stories are frozen in history books that gather dust on library shelves.

Today is our day.

We are at Belleau Wood fighting for a thousand years of peace. We crossed the Atlantic on troop ships, part of a great expedition aimed at making the world a safer place.

Our ghosts still dance by the wooded acres of France where we became 21 forever. Our laughter and our fears were frozen into stone monuments that dot the countryside and stand as permanent reminders of sacrifice.

And today is our day.

We stood in a parade of suffering and sweat on Bataan. We fought through gray dawns and pitch-black nights. We carried rifles with hands meant for holding girls. We cut through layers of jungle to get to high ground and to hold it.

We stood against the enemy at Guadalcanal and we pushed him from the sea at Midway. We climbed mountains and built roads with blood.

We landed at Tarawa and jumped into Burma. We made our home in foxholes that looked out over the flat, steel-like waters of the South Pacific, waiting in the night while death came through the darkness like a subway train picking people up at different stops along a war zone.

And today is our day.

We played Taps for our brothers on Iwo. We shed tears for those who fell before us on Okinawa.

We walked on frozen feet across all of Belgium and crossed the Rhine as snow fell and colored the wounded earth white. We cracked the circle of German armor at The Bulge and opened a corridor into the heart of Berlin.

We came from Boston and from Vicksburg. We were born in Yankton, South Dakota, and in Selma, Alabama.

We worshipped in a universal church. Our skin color was the same because we were brothers under the flag.

We were fathers and sons and husbands. We were history's gift to a grateful nation.

We left steel mills and school rooms to fight for the luxury of peace. We left families only to have wars make us orphans of time.

We sit now, framed on mantels and pianos. Our medals lie in drawers and attic trunks.

And today, please remember, is our day.

We drummed our way across the frozen edges of the Chosun Reservoir and the Yalu River. We held the scorched desert-like ground of Pork Chop Hill.

We were in the infantry. We were in the Air Force. We were soldiers, sailors and marines.

We carried the colors up Route One toward Hue and went door to door around The Citadel. We died at Khe Sanh and suffered in the A Shau Valley while our country came apart at the seams.

We were never asked to debate or to protest. We were never part of political campaigns where our actions and our thinning numbers became focal points in hometowns where casualty lists became artillery for electioneering.

We would have liked to stand on our Main Streets and in our backyards to challenge the orders of old men who asked us to die before our time. We didn't because we had been called to duty and we want you all to know that we did not die in vain. Not in Europe, not in Vietnam or in Beirut or in Grenada. Not ever.

And today is our day.

We will see no more winters or spring afternoons when boys play baseball in the lingering dusk. We don't hold daughters in our arms or watch our sons escape from adolescence.

We don't feel the cold or the ocean breeze that caresses your face. We live in a land beyond pain.

We know no prejudice and origin does not matter. We laugh at discrimination and the whims of history because we are together now in a spot earned by sacrifice and paid for with our breath and our bodies.

We are the veterans of wars fought on strange soil. We are the honored rolls of the dead who disappeared into history so that, today, we could be remembered by all of you.●

RAILS RIDING HIGH: BUT OVER WHOM?

HON. WEBB FRANKLIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. FRANKLIN. Mr. Speaker, I recommend to my colleagues a recent article in Fortune magazine that concerns the enormous growth and expansion of the railroad industry in recent times and the impact of this new strength on competition. The article follows:

RAILS RIDING HIGH

Will success spoil the railroads?

Through the Seventies, the railroad industry was a wreck, with big bankruptcies and service cutbacks commonplace and nationalization seemingly just around the corner. Eventually Congress, urged on by the rail lobby, passed a series of programs to nurture the rails back to health.

Under the railroad deregulation act of 1980 the railroads have new flexibility to set rates. Guidelines proposed by the Interstate Commerce Commission permit rail lines to raise coal-shipping rates on their own by 15% above the inflation rate each year. While recession has damped rate hikes so far, that's expected to change as the economic recovery continues and the rails become freer from competition. A series of mergers, made possible by the permissive antitrust policies of the Carter and Reagan Justice Departments, have shrunk the number of major rail carriers to half a dozen.

With their costs lowered by the mergers and their balance sheets bolstered by perhaps $6 billion of tax benefits from the 1981 tax bill, rail companies have returned to profitability. Industry executives are using newly plentiful cash to continue diversifying into oil exploration, natural gas pipelines, and telecommunications. They are also eyeing the domains of their competitors—the truckers and barge lines. Just now, Burlington Northern is seeking ICC permission to acquire Federal Transport, a trucking company, and CSX hopes to swallow the largest U.S. water carrier, American Commercial Barge Lines.

The rail lobby is also in good shape politically. The most serious threat to the railroads, a bill that would make construction of coal slurry pipelines practical, was crushed in Congress recently. And the rails' effort to push up their competitors' costs through new taxes on truckers and barge operators has also met with success. "The last few years have been very, very satisfying," says William Dempsey, president of the Association of American Railroads. But the rails could blow it. Kidder Peabody railroad analyst Henry Livingston sketches one scenario: "They could get so big, and their lack of competitors could become so apparent, that the government would take tough antitrust action against them. Antitrust could become the new regulation." ●

MARIAN RUTH WYMAN

HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. PERKINS. Mr. Speaker, I take this means of announcing to the House the passing of Marian Ruth Wyman, my special assistant on the staff of the Committee on Education and Labor.

Mrs. Wyman died at her home in Washington on November 16, after a

long and valiant struggle against cancer.

She was a veteran of more than 30 years' service on Capitol Hill, having worked for former Representative Robert Mollohan before joining my own congressional office staff in 1954.

She was the wife of Dr. Alvin C. Wyman, a leading radiologist and medical educator at the George Washington University School of Medicine until his sudden and untimely death last March 28.

Dr. and Mrs. Wyman traveled extensively throughout the world, and I must say she always insisted upon being taken off the payroll during extended trips. Mrs. Wyman had a world view of things, and I considered her one of the best informed people I knew on foreign countries, foreign policy, and international occurrences.

As a member of my office staff, she was an expert in social security legislation.

When I became chairman of the Committee on Education and Labor in early 1967, one of my first acts was to place Mrs. Wyman in charge of committee expenditures and official travel as my special assistant. She ran her office with a tight hand and saw to it that full value was extracted from every penny of public funds expended. She set rigorous standards for committee expenditures, and I am enormously indebted to her for her administrative toughness, her willingness to take the heat, and her unwavering loyalty. She insisted that the committee's business was public business, and the committee's books and record were open to anyone who wanted to see them.

She also was an expert in Federal child nutrition programs and was widely known by professionals in this field throughout the Nation. Last year she was given a special citation for distinguished service by the American School Food Service Association.

Both Marian and Dr. Wyman were graduates of Cornell University and they maintained a keen interest in Cornell throughout their lives.

They were the parents of three outstanding daughters, Lorraine, Arlene, and Renee—two of them scientists and the other an attorney. Marian liked to joke that she had four "Doctor Wymans" in her family.

At the end, it was her stout-heartedness and courage in the face of ravaging illness and grief that gave inspiration to all of us who treasured her as a dear friend and colleague. There was no surrender to self-pity for her, no whimpering about the cruel blows that had been dealt to her, no knuckling under to an enemy she would never overcome.

During these last weeks she told her friends many times that what she wanted most was to stay in control of her life to the end. That hope was not in vain, for she was clearly in charge until she slipped into a coma and died a short time later.

Marian Wyman was a wise and generous friend, a knowing and compassionate wife and mother, a loyal servant of the public and a gallant lady who enriched all of us during her years among us. God give her rest at last.●

SECTION 221(g)(4) BUYBACK PROVISION

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. WYLIE. Mr. Speaker, the following colloquy was intended during the debate of the rule taking up the IMF housing amendment to the supplemental appropriations conference report. Unfortunately, time was restricted and Chairman ST GERMAIN and I did not get the time for the following colloquy:

● Mr. WYLIE. Would the gentleman from Rhode Island, yield?

● Mr. ST GERMAIN. I yield.

● Mr. WYLIE. I have a point of clarification. I would like to develop and see whether or not the chairman agrees with my interpretation.

There is in section 409, a provision that would eliminate the opportunity that lenders now have, and have had, since 1961, to tender mortgages insured under section 221(g)(4) to HUD after 20 years and receive the unpaid balance on the mortgage. This has been extremely useful in financing low- and moderate-income housing because it shortens the term of financing and thus, lowers the interest. In the last few years, the dramatic increase in interest rates has made it advantageous for mortgages to assign mortgages to HUD and take debentures at the "going rate" of interest. This should be prevented and I support the basic thrust of section 409. On the other hand, sponsors are currently relying on the section 221(g)(4) assignment option and have expended millions of dollars in reliance in this provision. I realize the bill is in such a procedural stance that an amendment is not in order. However, there is a point that needs clarification. At issue is the meaning of the term "commitment." The statute makes clear that this provision would not apply to those projects that had a "commitment to insure" entered into before the effective date of the act. Historically, there appears to be some question as to the exact meaning of the term "commitment."

In order to give those sponsors whose project applications are presently in the HUD pipeline some assurances, I think we should make clear the intent of the statute in using the term commitment also includes "conditional" commitments. This is intended to afford to those sponsors who have expended significant financial resources in developing their projects and already have conditional commitments, the opportunity to use the existing 221(g)(4) authority as long as they meet the requirements established by the Secretary. I am talking about the 221(g)(4) program only and this interpretation should not necessarily be used as a rule for any other similar programs. Does the chairman agree with that interpretation?

● Mr. ST GERMAIN, Yes, I agree.

The gentleman's understanding is correct. The term "commitment" then should refer to and include conditional commitments.●

A TRIBUTE TO STEPHAN KAMRASS

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DOWNEY of New York. Mr. Speaker, an 18-year-old student at Bay Shore High School in New York recently reminded me of several important lessons we all too often forget.

This young man, Stephan Kamrass, had been studying about the Korean and Vietnam wars for the last 2 years in school. Yet he gradually became aware that something was missing. For example, he noticed that on the street outside Bay Shore High School was a plaque for World War II veterans, but nothing for veterans of Korea and Vietnam. The more he learned, thought, and read about it, the more he came to believe that the absence of the memorial plaque was symbolic of a deeper attitude society held toward veterans of these wars. Americans often ignore Vietnam and Korean veterans, and act as if the wars never occurred. It is as if Americans try to erase all memory of these painful wars.

Yet unlike most, Stephan did not stop with this realization. Instead, he decided to do what he could to correct the wrong. Stephan organized teachers, students, and community leaders, raised money, obtained permission, and installed a plaque in commemoration of the Vietnam and Korean veterans on the wall of Bay Shore High School.

What are the lessons to be learned from Stephan's story? First, I was reminded of the importance of individual action—that what one person does can and will make a difference. It gave me added incentive to work toward the achievement of my own visions, and the strength to face them head on.

Second, it reminded me of the debt we owe America's veterans. Freedom

and liberty are not free, and one cannot truly understand patriotism and believe in the democratic ideals of our Nation unless we understand the sacrifice made by those who serve America in times of war. We cannot take for granted the lives of the young men and women who serve to protect our freedom and liberty. I was instilled with a renewed appreciation for the preciousness, and fragility, of human life.

But another tremendously important message was embodied in Stephan's closing remarks at the dedication ceremony. Stephan asked nearly 1,000 of his fellow students, teachers and parents to walk away with just one thought—that we must remain aware of the lessons of history. We cannot play ostrich with the lessons of prior wars, including those of Vietnam and Korea. A full awareness of these wars is key to decisions about present and future military decisions. Whether you think Vietnam was good or bad, a recognition of that war and its lessons is something to which all Americans should pay heed, because the lessons of Vietnam are part of the primer for American actions in Grenada, Lebanon, and in every other part of the world.

But moving from awareness to understanding, we must ask what are the lessons learned from Vietnam and Korea?

One lesson is that force must be used judiciously, and that when we apply force for political ends we need to have a very, very clear vision of what it is that we want to accomplish. The American people should—in fact, must—be part of that vision. They should concur in the decision for it is they who must be prepared, if military force is appropriate, for a long stay.

As a great world power, and as a democracy, we have tremendous responsibilities. We must be prepared for the reality that superpowers cannot, and should not, always turn to force. There are times when rather than risking the lives of American soldiers it might be more appropriate to use a neutral international force.

The young people who died in Grenada and Lebanon are the same kind of selfless, courageous Americans who died in Vietnam and Korea. I recently attended two memorial services for young men from my own district who gave their lives for their country in Grenada and Lebanon. These two deaths touched my district most immediately, but the deaths of all the Americans in Lebanon and Grenada have caused our entire Nation to grieve. As reflected in the many emotionally-charged phone calls and letters I have received, Americans are deeply sorrowful. And it is appropriate that our Nation is saddened at the loss of so many young Americans. It is the first time in many years that we have lost a great number of lives through military duty.

Yet this most recent tragedy should also bring more alive the lessons of Vietnam and Korea, along with a renewed respect for the veterans of those wars. It is important to remember veterans of prior wars as we debate Lebanon and Grenada, because in remembering them we teach ourselves lessons. In teaching ourselves lessons, we will obtain a better insight into the vision of the force that we may apply and the policy around which it is applied.

It is only by debating the conflicts in Grenada and Lebanon in the context of prior wars that we can make informed decisions in the present and the future. We must think through our military objectives, and weigh it against the total cost of military use. One unnecessarily lost life is too much.

Let me quote briefly from the plaque that will hang at Bay Shore High School. It comes from Woodrow Wilson's speech in 1917, at the end of World War I. He eloquently summarized the views I have toward these men who have sacrificed in Vietnam and Korea and Lebanon and Grenada:

> We cannot turn back, we can only go forward with lifted eyes and freshened spirit to follow the vision.

The plaque will remind students at Bay Shore High School of these important lessons. Let us each do our best, in our own ways, to remember them as well.●

EDUCATION OF THE HANDICAPPED ACT AMENDMENTS OF 1984

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MURPHY. Mr. Speaker, on November 17, 1983, the House passed the Education of the Handicapped Act Amendments of 1984. In addition to my statement prior to the passage of H.R. 3435, and in light of the fact that there will be no conference report due to the fact that the Senate has accepted the House bill without amendment, I am adding the following comments in order to insure that the legislation is devoid of ambiguity.

When Public Law 94-142 was passed in 1975, the Federal share of the funds required to educate handicapped children was designated at 5 percent of the cost beginning in 1977 and increasing to a ceiling of 40 percent by 1981. The Federal Government met its commitment for the years 1977 and 1978 but has failed to fulfill its commitment for the years following to the point that the Federal share of educating handicapped children reached an all-time low in 1983 of 8 percent. H.R. 3435 as amended increases authorization levels to a point whereby if fully funded the Federal share would constitute 8.5 percent of the cost of educating handicapped children; still well below the Federal commitment of 40 percent. While H.R. 3435 has been amended to increase the authorization slightly, it should be noted that the House has committed itself in legislation pending conference, H.R. 3520, to an authorization level of $1.5 billion for the State grant program.

Further, in section 635 of the bill an amendment has been added to reserve 10 percent of the funds for activities under section 631(c). It was our intent that this 10 percent be drawn from the funds included in section 631, 632, and 634 but not from section 633 which serves a separate purpose.●

THE REV. JOHN ADAMS

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SEIBERLING. Mr. Speaker, last year I nominated the Rev. John P. Adams of Fort Wayne, Ind., for the Nobel Peace Prize. At the request of the Nobel Peace Prize Committee, I did not publicize the nomination. Now that the selection for the 1983 Nobel Peace Prize has been made, I am at liberty to bring to the attention of my colleagues the lifelong accomplishments of Rev. John Adams.

John Adams has managed to exemplify an extraordinary commitment to peace throughout his career as a minister and as a member of the United Methodist Church's General Board of Church in Society. For 20 years, Reverend Adams has worked with the poor, with the oppressed, and with the downtrodden to improve their lot in our society.

In the 1960's, Rev. John Adams marched with Dr. Martin Luther King on behalf of civil rights for all Americans. He worked in Milwaukee during the fair housing crisis in that city in 1967. He worked in Jackson, Miss., and Gary, Ind., to defuse racial tensions in those cities, and he worked to assist the Poor People's March on Washington in 1968. He helped defuse tensions at Kent State University and at Wounded Knee, S. Dak. In 1978, Rev. John Adams contributed $13,000 of his own money to pay for food and medicine to assist the cross-country march to Washington by native Americans protesting the conditions governing their lives.

Since 1981, Rev. John Adams has ministered to his parishioners at the Wallen United Methodist Church. Today, he is fighting what may be his last battle, this time against cancer.

Characteristically, he brings to this fight the same good humor, dedication, and determination which he has shown all of his life.

Mr. Speaker, we assume that to qualify for the Nobel Peace Prize an individual must have had a major impact, however brief, on the pursuit of global peace. Yet Rev. John Adams' quiet example of a lifelong commitment to peace goes to the very core of what the Nobel Peace Prize is all about. John Adams may not have won the Nobel Peace Prize, but his life is a striking example that one man can and has made a difference.

A recent news article from the United Methodist Reporter, about Reverend Adams follows these remarks.

VETERAN CRISIS "BROKER" STILL FIGHTING CANCER SLOWS "JUSTICE MINISTER" JOHN ADAMS BACK IN PARISH

(By John A. Lovelace)

FORT WAYNE, IND.—For 14 years, the Rev. John P. Adams had a unique ministry amid conflict and violence.

As the staff member responsible for "Law, Justice and Community Relations" with the UMC's General Board of Church and Society, he represented—virtually WAS—the United Methodist Church and, several times, the National Council of Churches, in crisis situations throughout the turbulent late 1960s and entire 1970s.

His "parishioners" included families of students killed or wounded at Kent State University in 1970; American Indians and federal officials during the 71-day siege of Wounded Knee in 1973, and American hostages in Iran in 1980.

He marched with Father James Groppi during civil rights disturbances in Milwaukee in 1967; directed the National Council's liaison office for the Poor People's Campaign in 1968; got arrested (later dropped) as a demonstrator during the Poor People's 1968 march on Washington; helped cause his own board to be sued for $3 million in a libel accusation (later thrown out of court) in the aftermath of the Kent State shootings; organized an observers' corps at the Democratic and Republican national conventions in 1972 to help avert the Chicago-style violence of 1968; borrowed a typewriter to draft the peace settlement between the U.S. Justice Department and the American Indian Movement at Wounded Knee in 1973, and delivered mail to hostages in Iran, then resigned temporarily from the board in 1980 when he felt that he was no longer supported in his ministry.

Mention any of these and many other seething situations from that era and John Adams' name is almost certain to be linked with it. His mediating role in social conflict continued until he left the Board of Church and Society Jan. 1, 1981, as one of several persons terminated in a trimming-down of staff.

Mr. Adams returned to the parish ministry, accepting appointment to Wallen United Methodist Church on the north edges of this industrial town, only 40 miles from where he was born. And, he admits, he almost had to be re-born into the local church pastor's role after so many years away from it.

But the John Adams who greets visitors at the parsonage door today is the same gracious, soft-spoken minister who literally came under fire and verbal attack many times. He has not, however, escaped violence even as he ministers to his parish of some 500 members. For John Adams has cancer of unknown severity but clearly serious enough to have sapped the strength and stamina of the man who worked 20 to 22 hours a day for a week in at least one crisis situation.

A newly-laid brick walk leads from the driveway of the handsome, two-story parsonage around the side to patio doors opening into the study, which Wallen church officials converted from a family room as one of several concessions to his illness.

The only concession which John Adams requests as the interview begins is that he be allowed to sit in a high, wing-backed upholstered chair "because it supports my back better." His is cancer of the prostate, and the severest pains during his months of illness have focused on the lower back.

Because Mr. Adams detailed much of his ministry of peace-making in his 1976 autobiography, "At the Heart of the Whirlwind," published by Harper & Row, it isn't necessary to ask for a lot of facts on specific cases of conflict and confrontation. Rather he is asked to reflect on how he entered this unique ministry and what sustained him through those years as virtually a one-person operation.

"I had an indelible experience during World War II," he begins as if repeating an oft-told tale. "I was a bomber pilot and was shot down Sept. 12, 1944. I was in a German prison camp 8½ months. At age 21, that made a real impression on me, being literally hungry, and cold and under constant threat. We were not tortured but we were under rigid control. We would run outside and cheer the American bombers as they flew over on their missions into Germany, and four men were shot to death because they didn't get back inside soon enough.

"A chaplain from the Church of England was in that camp. He could have been released, but he chose to stay with the troops. Some 25 of us out of the 10,000 or so in the camp—all of whom had crashed or parachuted—began meeting with him. I decided then to go into the ministry.

"As soon as I was liberated and could get to a telegraph office, I wired Jane (the former Jane Dunnuck, his high school sweetheart and mother of their six children) that we were going into the ministry. We started college together that fall (1945) at Ohio Wesleyan University."

Mr. Adams credits his experiences both at Ohio Wesleyan and particularly at the Yale Divinity School with "opening up to this sheltered midwesterner" the powerful social element of the Christian gospel. Richard Niebuhr, Liston Pope and Halford Luccock are names he cites quickly as especially formative instructors.

"I had a little parish in New Haven where I did my field work at Yale, and that congregation really nurtured me into the ministry," he recalls.

Upon his graduation, pastorates back in Indiana, where his father was also a minister, started Mr. Adams on a fairly typical course. That changed abruptly when, as president of the Lake County Council of Churches, he was called with other local and state council officials to march with the Rev. Martin Luther King, Jr. from Selma, Ala., to Montgomery on behalf of civil rights for black Americans in 1963.

"I went fast and I didn't have time to prepare my people for it," he recalls. "But Bishop (Richard) Raines knew about it, and he held steady with me. Many of my parishioners reacted strongly to my involvement, and we lost a lot of key people."

Mr. Adams' participation in Selma and his other social action work in Indiana caught the attention of the Rev. Grover Bagby, head of the Church and Society board's human relations division. He was asked to join the staff to replace the distinguished black leader, the Rev. W. Aster Kirk.

As he writes in his autobiography, "The change required a considerable shift in the concept of the ministry, but it was a ministry that was as fully centered in the gospel of Jesus Christ as the one which I endeavored to perform as a pastor. The implications of the gospel remain the same whether within the interactions of a local church or in the dynamics of the wider society."

He is asked about his former style of operating, which came under some criticism at the time.

"Three weeks after I joined the board in June 1967, the riots started. It was a very difficult time. I was sent to a couple of places, and I came back and wrote a manual on how the church could respond in a crisis. I was in charge of very politically-charged work with various movements and with government at all levels. But I was almost always called into a local situation, and I always checked with Grover (Bagby) before I went. He kept in touch with Dudley (the Rev. Dudley Ward, general secretary) and with the division chairperson. He was a great facilitator for me."

Mr. Adams' book supports his recollection that he was almost always invited into crisis situations. Of his involvement in the 1967 elections in Gary, Ind., where blacks were afraid they would be robbed of their rights, he wrote, "I was asked to come to the city . . ." Of his role in responding to the "Black Manifesto" of 1969 which included "occupation of National Council and United Methodist offices in New York, he wrote, "I was invited to New York as part of a crisis team . . ." And so it goes throughout the incidents in his ministry.

What, he was asked, does he think of the term "troubleshooter" which was often used to describe his work? "I never liked it because it sounded like I could come in with a quick-fix," he replied. His preferred term, he said, one he used many times at the height of his remarkable ministry, was "brokering."

"I became convinced," he wrote, "that in our society the church does not need to be a protest movement in and of itself. Those who suffer . . . can and will speak for themselves. We must not take away their initiative but, in acceptable forums, support those who present their grievances to a society which can so easily ignore them . . . Nearly as important as identifying with those against whom society discriminates, I learned, is establishing and maintaining contact with those in official positions in governmental agencies which have the responsibility for relating to protest groups." Honors that he received both from "movements" and from government agencies testify that John Adams carried out his concept of the double-ministry role of reconciliation.

How important, he was asked, was it for you to work within the United Methodist heritage with its social creed and its tradition of supporting human rights?

"Indispensable," he responded immediately. "Absolutely indispensable." And our system was responsive. There was always support for our work (he frequently used the first person plural "our" or "we"), some-

times from strange places. I was never without the support of my bishop or my board. And being on the staff of the general board, I could especially appreciate the role of the episcopacy. It is a very necessary part of our ministry. Our bishops have given great leadership in this country and elsewhere, particularly in Iran . . . more than any other church."

But Mr. Adams moves easily from that singular commendation of the United Methodist system to an affirmation of the church in general. "I remember how amazed the families of the Kent State victims were that the church could help them pick themselves up and live through their problems. The resources were nearly always there, and there was always a switchboard function to be done. All I was doing was crossing wires, discovering the network of support and putting people in touch with each other. They trusted the church, so people would give me more and more connections.

My phone bills were immense, sometimes in the thousands of dollars per month. But that was the way we kept the networks going."

Who in the church, specifically in the United Methodist Church, is "keeping the networks going" now that he is back in the pastorate? Mr. Adams replied, "There is a start toward the United Methodist Conciliation Service. It is a small task force, and it is awfully slow. But they have a different role. We never packaged our work neatly. Jim Laue (Dr. James Laue, a University of Missouri sociologist and specialist in conflict resolution) has done it both ways. I wish he were on the task force." (Dr. Laue was formerly on the Church and Society board).

But John Adams speaks of his former ministry only when asked to. His energies now center on his parish and, necessarily, on his own health.

"I have to say it was anxiety-creating" he says with a chuckle, referring to his surgery last May and the resultant formation of "immense" blood clots. "But my urologist says I have had a remarkable kind of recovery, even if it is only temporary."

"I have thought a lot about my former ministry. I see now that I was absolutely driven, and it is an amazing thing to 'watch' myself in retrospect. Mine was a pretty hot environment, and I worked pretty hard. People would tell me, 'You are needed,' and I would go, no matter what the cost. But I know that is not a ministry I can perform from where I sit here.

"The Lord has given me a smaller world in which to minister. And in the midst of pain, one's beliefs can get pretty simple. It is interesting what part of one's faith becomes emphatic in a pain situation. And maybe my illness is a part of my preparation to minister in the parish. A woman in our congregation died recently of cancer, and it was a beautiful experience for me to minister to her and her family with some better sense of what she was going through.

"My disease got a run on me. For the first time in my life I am dealing with something I can't control. And I can feel the pain continue to spread. Just today I feel some pain in my head. I don't know what that means . . ."

In the 13th final chapter of his 1976 book, Mr. Adams wrote, "It is time to stop and reflect . . .

"We may become tired, but there's one thing we can always assume. God is present where there is human need, and the spirit of God is especially active where the issues of justice and freedom are at stake. This little credo, so simple on the surface, has a profound dimension to it. It means that God enters the unlikely places, calls improbable persons, assembles unpromising resources, and then works the will of His spirit."

John Adams may be one of those "improbable persons." He certainly has ministered in "unlikely places" like jail cells and tent cities and command posts. Now this quiet man, no longer "at the heart of the whirlwind," lives out his life and ministry in a quiet, understanding place. To talk to him and see him is to know that he has found peace within himself much like that which he helped bitter opponents find with one another through a unique era in American history when political dissent and religious conciliation intersected.●

THE UNFAIR BARRIERS TO U.S. WINE EXPORTS; WHY WE SHOULD ENACT THE WINE EQUITY ACT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. STARK. Mr. Speaker, on November 15, the chairman of the Ways and Means Trade Subcommittee held a very useful hearing on H.R. 3795, the Wine Equity Act.

Among the many facts presented was some excellent data on the incredible barriers facing U.S. wine exports in many nations—at the same time that we allow almost totally free entry of their wine products and other alcoholic products.

I would like to enter several of these examples of foreign trade barriers in the RECORD at this point. They present an overwhelming case for support of H.R. 3795, the Wine Equity Act. The examples are taken from the testimony of Mr. Arthur Silverman of the Wine Institute:

SPECIFIC EXAMPLES OF TARIFF AND NONTARIFF BARRIERS.

A. MEXICO

1. Tariff and non-tariff barriers have virtually prohibited the development of Mexico as a market for U.S.-produced wines. The tariff is 53.3 percent ad valorem and is based on the "official" or invoice price, whichever is higher. The official price is that established by the government. In addition to the tariffs, there is a bottling tax of 10 percent, a 5 percent ad valorem stamp tax, and a luxury tax of 17 percent.

2. In non-tariff measures, in addition to the label and certification requirements which are similar to many other countries, there is a quota. Imports are restricted to approximately 400,000 cases total, of which the U.S. share is approximately 25 percent. The administration of the quota also raises some questions since one California producer has been unable to get authority to ship even one case in over two years.

B. ARGENTINA

The administration of the regulations in Argentina effectively precludes the shipment of any U.S. wines. The tariff on bottled wine is 38 percent ad valorem, and the value added tax is 10 percent. There are labeling requirements, but the certification requirement, which must be obtained from the Argentine authorities proving that the chemical composition conforms to Argentine standards is the most difficult with which to conform. In order to obtain the certificate, three samples must be taken from each shipment after the merchandise reaches port. We understand that frequently the wine is found in non-conformance to the standard. The problem could be adjusted but the cost of returning the shipment to the United States and then re-shipping is prohibitive. No shipper is willing to continue exporting under those conditions.

C. CANADA

Canada is one of the few countries with a tariff lower than that in the United States. It is $0.24 per gallon, but the excise tax is $1.05. The major problems in Canada are the non-tariff measures. For example, the listing and mark-up policies of the provincial liquor control boards are used to limit sales of U.S. wine. As reported in the U.S. government's 854 alcoholic beverage study:

Provincial liquor control boards have discretion as to whether or not to accept a product for sale and have complete control over product display. Only Alberta and Prince Edward Island stock American wines in numbers comparable to their Canadian and European competitors. More typical is Ontario which lists 33 U.S. table wines alongside 223 Canadian and 212 French items. Foreign wines that are listed can be displayed only in the single bottle size and, those that fail to achieve a "satisfactory" level of sales, are de-listed. The Quebec Liquor Corporation is itself a bottler and marketer of "Quebec" wines which are mainly wines imported from Europe in bulk. These wines enjoy sole access to grocery store outlets in the Province."

Mark-up difficulty varies from province to province. The most significant differential occurs in the two major wine-producing provinces. In Ontario, imported wines are marked up approximately 125 percent, while domestic Ontario wines are marked up about 50 percent. Wines from other Canadian provinces are marked up approximately 100 percent. In British Columbia, imported wines, including wines from other Canadian provinces, are marked up only about 40 percent. Since the liquor control boards have complete discretion on pricing, these policies can effectively close a market to U.S. wines while allowing both Canadian and European wines to sell freely.

D. EGYPT

As a domestic market, Egypt is not particularly significant. However, there are more than 1 million tourists visiting Egypt annually, and the number is growing. The tourist hotel and restaurant market is worth developing. Similar markets occur in the Caribbean where the Bahamas and the Netherlands Antilles import far beyond normal domestic consumption.

The duty on wine in Egypt is 1800 percent ad valorem. In addition, there are certain other duties that vary from time to time, such as an economic development duty, consumption duty, and a military duty. In 1982, these amounted to approximately another 30 percent ad valorem. Recently, one U.S. exporter shipped 40 cases to Egypt as samples for several of the hotels in the area. The initial duty levied on the shipment was in excess of $9,000 (U.S.).

E. AUSTRALIA

The tariff for table wine in Australia is approximately $1.00 per gallon. There is

also a 15 percent sales tax that is levied on imported wines but not on domestic wines.

F. HONG KONG

The tariff in Hong Kong is approximately $5.00 per gallon and there are no taxes.

G. PHILIPPINES

The tariff on table wine in the Philippines is 50 percent ad valorem, and there are strict quota/currency controls. The central bank allocates approximately $12 million annually for the importation of alcoholic beverages.

H. SINGAPORE

Singapore is similar to the Caribbean islands and Egypt in that it has a substantial tourist trade. The tariff is currently reported to range between $5.00 and $44.00 per gallon depending upon the type of wine.

I. JAPAN

The current tariff on table wine is 280 yen per litre or 55 percent ad valorem whichever is less subject to a 199 yen per litre minimum. The maximum tariff rate at today's exchange rate works out to approximately $4.50 per gallon. The high tariff rate puts U.S. produced wine in the luxury wine category. The excise tax is then 50 percent ad valorem. In addition, there are a number of non-tariff barriers including labeling, certification and testing requirements.

J. EUROPEAN ECONOMIC COMMUNITY

There are ten countries currently members of the European Economic Community (EEC). Even though each country administers the import laws, they are governed by a common external tariff. The rate for table wine is 14.5 European currency units (ECU). An ECU is not an official currency, so each country reflects the tariff rate in its own national currency based upon an internal exchange rate established periodically by the EEC. That rate results in a current (September, 1983) U.S. dollar range of approximately 45 to 55 cents per gallon, depending on the country.

In addition to the tariff, there are a number of non-tariff barriers that effectively reduce or prohibit the importation of U.S. wines. These include a minimum reference price system, certain labeling requirements, and internal marketing and distribution systems.●

TRIBUTE TO THE REVEREND DR. JAMES EVERETT

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LONG of Maryland. Mr. Speaker, I join with my congregation of the New Shiloh Baptist Church of Turners Station, located in my district, to honor their pastor, Dr. James Everett, on his 30th year of service to their church.

Prior to arriving at the New Shiloh Baptist Church, Dr. Everett served congregations in North Carolina and Virginia, including the Mount Sinai Baptist Church of Ivor and the Mount Carmel Baptist Church of Portsmouth.

A graduate of Shaw University in North Carolina, Dr. Everett received his doctor of divinity degree from Howard University in Washington, D.C. An educator as well as a clergyman, Dr. Everett has also devoted time in preparing students for the ministry.

While ministering to the congregation of New Shiloh Baptist Church, and leading the members in raising the funds which paid for their beautiful new building, Dr. Everett has also found time to serve Baltimore County. He was president of the Baltimore County chapter of the National Association for the Advancement of Colored People and president of the Baptist Ministers' Conference.

As his congregation and family honor his many outstanding accomplishments during 30 years of service to the New Shiloh Baptist Church, I know that the people of my district join me in wishing Dr. Everett many more years in the ministry of the gospel.●

TAIWAN PURCHASES NEBRASKA WHEAT AND CORN

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BEREUTER. Mr. Speaker, in October of this year representatives of Taiwan were in Nebraska to buy $34.3 million worth of grain. The visit to Nebraska was part of Taiwan's cross country, "Buy American" trip.

Taiwanese trade with American farmers has enabled Nebraska participants to become more cognizant of the benefits of international grain trade. While enabling Nebraska's agriculturalists and industrialists to promote their wares, the trip also reflects the positive attitude toward trade relations between the United States and Taiwan.

I insert several articles from Nebraska newspapers printed in the CONGRESSIONAL RECORD. They refer to this important trade initiative.

[From the Lincoln (Nebr.) Journal, Oct. 14, 1983]

TAIWAN TO BUY $34.3 MILLION OF CORN, WHEAT

(By Dan Looker)

Representatives of the Republic of China agreed to buy $34.3 million worth of Nebraska corn and wheat Friday at a bid opening and contract signing ceremony in the governor's hearing room at the Capitol.

Although the contracts stipulate that the grain will originate in this state, one grain company representative at the ceremony said the identity of the wheat and corn is lost once it's mixed with other shipments at west coast and gulf coast terminal elevators, where it will be loaded onto ships destined for Taiwan.

Still, when Taiwan's Board of Trade Director Vincent C. Siew announced the value of the bids on 57,500 metric tons of wheat and 153,000 metric tons of corn, he was greeted by warm applause from Gov. Bob Kerrey, state agriculture officials and representatives of farm commodity organizations.

Friday's ceremony was part of Taiwan's 22-state cross-country "buy American" trip. Taiwanese trade representatives plan to buy $500 million in agricultural products and another $100 million in industrial goods at similar public ceremonies.

The low bidders for Nebraska wheat Friday were Columbia Grain, Agrex, and United Grain Corp. Continental Grain, Cargill, and Columbia Grain submitted low bids for corn. The firms submitted bids for seven different shipping dates between January and the end of May, 1984.

The practice of buying grain in individual states is unusual but, as one official with the U.S. Department of Agriculture in Washington explained: "It's very good politics for Taiwan because they're getting a lot of good press and of course that's countering the good will the mainland Chinese are trying to generate with their grain purchases."

[From the Des Moines (Iowa) Register, Oct. 20, 1983]

TAIWANESE SIGN DEALS FOR IOWA CORN, SOYBEANS

(By Dewey Knudson)

Members of a Taiwanese trade delegation signed contracts in Des Moines Wednesday to buy more than $36 million worth of Iowa-grown corn and soybeans.

Contracts were signed at a ceremony in the State Capitol as the Chinese delegation worked its way through a $600-million, 28-city shopping spree.

"The state of Iowa has been one of our major import associates in the past," said Vincent C. Siew, leader of the trade team and director-general of the Republic of China's Board of Foreign Trade. "We would like to expect closer trade relations with your state in the years ahead," he added.

The two-month procurement mission is the eighth Taiwanese trade trip to the United States in recent years, and three of the previous missions included stops in Iowa. Officials said the Chinese delegates bought $85 million worth of agricultural products on the previous visits.

Siew said the Chinese want to broaden the scope of Iowa purchases to include manufactured goods, and he invited Iowa industries to begin playing a role in future trade discussions.

[From the Columbus (Nebr.) Telegram, Oct. 12, 1983]

BUY AMERICAN MISSION SHOPS IN NEBRASKA

The director-general of the Board of Foreign Trade in the Republic of China and a delegation of business and government leaders from Taiwan will arrive in Nebraska Thursday on their $600 million "Buy American" cross-country trip.

Director-General Vincent C. Siew is among the trade mission that seeks to narrow the trade gap between the two countries.

Bids for about 57,500 metric tons of wheat and 150,000 metric tons of corn will be opened and the results announced in the Governor's Hearing Room in Lincoln Friday morning. Gov. Bob Kerrey will witness the signing of the contracts.

[From the Omaha (Nebr.) World-Herald, Oct. 14, 1983]

NEBRASKA GRAIN IS ON TAIWAN SHOPPING LIST

(By Kent Warneke)

Twenty-nine members of a special trade mission from Taiwan arrived Thursday night in Omaha with their wallets full. They'll leave Sunday with less money but with plenty of Nebraska wheat and corn.

It's grain Nebraska farmers are happy to see bought because it means a strengthening of trade relations between the United States and Taiwan and a promise of more transactions in the future.

The visitors are here as part of the $600 million "Buy American" cross-country trip, which takes the Taiwan delegation to 24 states in 52 days, according to Vincent C. Siew, director-general of the Republic of China Board of Foreign Trade.

TREMENDOUS EFFORTS

In Nebraska, bids for about 57,500 metric tons of wheat and 150,000 metric tons of corn will be opened and results announced this morning in Lincoln with Gov. Kerrey presiding over the ceremonies.

Dan McGuire, director of the Nebraska Wheat Board, said news of that action should bring a feeling of satisfaction to the state's wheat growers.

"The wheat growers in this state have made tremendous efforts to bring the delegation here," he said.

This is the eighth "Buy American" trip from Taiwan since 1978, Siew said. Previous trips have resulted in sales of $5.9 billion, including $2.7 billion for agricultural products.

He said the mission's current buying list is dominated by an estimated $500 million in agricultural products, with the remaining $100 million earmarked for industrial products.

Taiwan now imports 92 percent of its grain from the United States, up from 60 percent a few years ago, Siew said.

"The quality of the product here is good," he said. "But the price is still a little high."

But Taiwan will continue to buy agricultural products from U.S. farmers—although lower prices are offered from other countries—to show the strong commitment the country has to its U.S. trade relationship, Siew said.

From February through March of this year, the Republic of China imported $2.5 billion in U.S. goods, while exports to the U.S. were $5.9 billion, Siew said. The trade mission seeks to narrow that trade gap between the two nations, he said.

The delegation continues to stop in Nebraska partly because the wheat and corn produced here is of high quality, Siew said. "The other part is that we were invited to come here."

Taiwan also would be interested in purchasing industrial goods from Nebraska if the right product and opportunity arrives, he said.

"We are always looking for new suppliers and looking to create more business opportunities," Siew said.

WORTH TIME, COSTS

The wheat board's McGuire said Nebraska farmers have participated heavily in the U.S. effort to continue the sales to Taiwan. It's an effort, he said, that is worth the time and costs involved.

"The international market is very competitive now and many countries have shifted to other supplies," he said, "but Taiwan has been very consistent in dealing with the United States."

The visit to Nebraska by the delegation gives farmers a close look at a part of the sophisticated nature of international grain trade, McGuire said.

"And it also shows them that we need to continue to be aggressive promoters—which we plan to be," he said.

[From the Lincoln (Nebr.) Star, Oct. 15, 1983]

TAIWAN BUYS $34 MILLION OF LOCAL GRAIN

(By Dan Looker)

Representatives of Taiwan government and industry were in Nebraska Friday to buy $34.3 million worth of grain.

The purpose of the trip—to open bids from major grain companies—was no different than similar transactions taking place around the world every day.

Although the contracts stipulate that the grain purchased will originate in Nebraska, a grain company representative said, the identity of the wheat and corn is lost, once it's mixed with other shipments at West Coast and Gulf Coast terminal elevators. There it will be loaded onto ships destined for Taiwan.

The pomp and circumstance surrounding the 30-member Taiwanese delegation's visit here looked much like a diplomatic mission.

After Gov. Bob Kerrey witnessed the signing of sales contracts for 57,500 metric tons of Nebraska wheat and 153,000 metric tons of corn, the Taiwanese dined on filet mignon. The tab was picked up by marketing boards financed by Nebraska corn, soybean, sorghum and wheat farmers.

"This kind of visit benefits the friendship between two countries who cherish their freedom." Nebraska agriculture director Rob Raun said at the Friday luncheon.

Friday's ceremony was part of Taiwan's 22-state, cross-country "buy American" trip. Taiwanese trade representatives plan to buy $500 million in agricultural products and another $100 million in industrial goods at similar public ceremonies.

This is the eighth shopping mission conducted by the Taiwanese.

Although Taiwan has a two-to-one balance of trade advantage with the U.S., exporting more than it buys here, its total imports from this country reached $4.37 billion last year.

Taiwan's imports of U.S. grain have grown by about 15 percent a year for the past five years, Taiwanese Board of Trade Director Vincent C. Siew said Friday.

Taiwan now imports more than 90 percent of its grain from this country. To do that, it's cutting wheat purchases from Australia and Canada and corn buying in Thailand and South Africa.

Siew conceded that grain purchased in Thailand and Australia is cheaper due to lower transportation costs, "but the quality isn't as good."

The practice of going from state to state to buy grain is "very unique," he said. But his government is willing to finance that approach "to demonstrate our strong commitment, particularly to your farmers. We are very constant buyers."

An official with the U.S. Department of Agriculture in Washington added that the buying trip is "very good politics for Taiwan, because they're getting a lot of good press. And, of course, that's countering the good will the mainland Chinese are trying to generate with their grain purchases."

Taiwan buys about 4.5 million metric tons of corn, soybeans and wheat from the U.S. The mainland Chinese government has a five-year trade agreement with the U.S. to buy between 6 and 8 million metric tons.

In contrast to the smooth flow of American grain to Taiwan, the mainland Chinese embargoed its purchases of American grain this year over a snag in negotiations for another long-term agreement beginning in 1985.

The Chinese wanted to increase textile exports to the U.S. by 6.5 percent a year. When the U.S. rejected that proposal, the Chinese government stopped importing wheat.

A compromise agreement was reached last August.

But "the negotiations were so long and drawn out that there's considerable question about whether we'll even make our minimum 6 million bushel wheat export to China this year," a USDA official said.

Taiwan, hoping to stay on good terms with the United States, "tends to buy a larger volume here for political reasons," the official said.

The low bidders for Nebraska wheat Friday were Columbia Grain, Agrex and United Grain Corp. Continental Grain, Cargill and Columbia Grain submitted low bids for corn. The firms submitted bids for seven different shipping dates between January and the end of May 1984.

[From the North Platte (Nebr.) Telegraph, Oct. 11, 1983]

CHINESE GROUP TO VISIT STATE ON GRAIN-BUYING MISSION

LINCOLN.—A delegation from the Republic of China will arrive here Thursday as part of a $600 million "Buy American" cross-country trip, according to officials.

Included in the trip is a public tender offer for approximately 57,500 metric tons of wheat and 150,000 metric tons of corn at 11 a.m. today. Results of the tender offer will be announced Friday in the Governor's hearing room. Gov. Robert Kerrey will witness the signing of the contracts.

According to the Nebraska Wheat Board, the Republic of China is a very important market for U.S. wheat and corn.

The U.S. and the Republic of China currently have a five-year grain trade agreement, which lasts through June 30, 1986.

The shopping list for the buying trip is estimated to include $500 million in agricultural products and $100 million for industrial goods.

The total sale bill during buying missions, which began in 1978, is $5.9 billion. Purchases of industrial goods amount to $3.2 billion and agricultural goods $2.7 billion.

The delegation will remain in Nebraska until Sunday, officials say. During their stay, they will be guests of several state commodity boards.

Other cities included in the mission include Omaha, Denver, Kansas City, Des Moines, Chicago, Springfield, Ill., and Houston.●

APPOINTMENT OF C. W. BROWNING

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SKELTON. Mr. Speaker, I would like to bring it to the attention of this legislative body that the appointment of Mr. C. W. Browning to chairman of the National Association of County Agricultural Agents professional training program is of vital importance to the representation of agriculture both in Missouri and in the Nation as a whole. Missouri, with its many heartland agricultural communities, will find a strong leader in this chairman. Mr. Browning will be involved in national meetings and community affairs in pursuit of his plan to coordinate professional training programs for county agents who will integrate their knowledge of community affairs and interests with this committee's training programs.

Mr. Browning earned a master's degree in extension education from the University of Missouri-Columbia. His experience and education in this field will provide the committee and the Nation, with an excellent chairman.●

FORMER FBI SPECIAL AGENTS PAY TRIBUTE TO THE LATE SENATOR HENRY JACKSON

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. RUDD. Mr. Speaker, the men and women who have served our Nation as protectors of America's security and system of law enforcement have long recognized the unfailing dedication of the late Senator Henry W. Jackson to these aims.

For 42 years as a Member of the U.S. House of Representatives and U.S. Senate, Senator Jackson committed himself toward the strengthening of our Nation's defenses, whether through a more advanced military to deter outside aggression or a better equipped and manned domestic security capability.

The Society of Former Special Agents of the Federal Bureau of Investigation paid tribute to the many accomplishments of the late Senator Henry Jackson, and in doing so adopted a resolution urging Congress to be guided by the principles and belief in a strong America so well exemplified by our former colleague from the State of Washington.

The society's resolution is hereby included for the RECORD:

Whereas Henry W. Jackson, deceased, served the United States as Member of the United States House of Representatives and United States Senate for 42 years; and

Whereas Senator Jackson through appointment and service on important Senate Committees was exposed to a full knowledge of the need for a strong nation to deter and discourage threats to its security; and

Whereas Senator Jackson was also sensitive to domestic problems relating to social, economic, employment, human affairs, and also vitally interested and concerned for intelligence and security needs for the government; and

Whereas above all other consideration Senator Jackson was concerned for the total good of the United States and advocated a strong nation in its total defense, domestic security and armed forces; and

Whereas as a member of Congress he had by reason of his vision, sound judgment, commitment to principle, integrity, sincerity and dedication to the best interest of this country earned the respect of Congressional Colleague from both major political parties; and

Whereas the Society of Former Special Agents of the Federal Bureau of Investigation shared the concerns of Senator Jackson for the welfare and security of the United States including corrective legislation of the Federal Tort Claims Act: Now, therefore, be it

Resolved, That the Society of Former Special Agents of the Federal Bureau of Investigation extends to the wife and family of Senator Jackson deepest sympathy in their loss; be it further

Resolved, That the Society of Former Special Agents of the Federal Bureau of Investigation urges the former colleagues of Senator Jackson to be guided by his counsel and belief dedicated to maintaining a strong nation ever vigilant for its security and intelligence needs and ever concerned for the welfare of its people; be it further

Resolved, That this resolution be directed to the President of the United States and to Congressman Eldon Rudd with the request that this resolution be placed in the CONGRESSIONAL RECORD.●

CIVILIAN SPACE PROGRAM

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BROOKS. Mr. Speaker, I strongly support the provision in the conference report on H.R. 3959 providing $20 million of supplemental appropriations to the National Aeronautics and Space Administration for the partial funding of two shuttle-related projects. The shuttle program has been an astounding success thus far and will be the cornerstone of U.S. space activities for years to come. Activities funded by this legislation will help insure more economic shuttle operations in the future.

While I fully support this and other NASA programs, I am deeply concerned about the military's expanding influence over our civilian space activities. In this regard, the General Accounting Office (GAO) recently published a report entitled "Implications of Joint NASA/DOD Participation in Space Shuttle Operations." Completed at my request, the report points out that NASA has been forced into a major supporting role for DOD while at the same time having to significantly scale back its civilian initiatives. It concludes that the current trend toward more extensive agency integration can only mean continued difficulty in maintaining a strong civilian program focus. I believe it is essential that Congress determine what long-term impact this will have on the Nation's scientific and commercial exploitations of space.

GAO also investigated the Defense Department's proposal to build a shuttle operations and planning complex which would duplicate NASA Johnson Space Center mission control functions. Under this arrangement, DOD has the best of both worlds. While forcing NASA to place priority on military space requirements, DOD is expanding billions on its own space program.

According to GAO, justification for a separate military complex is based on the claim that Johnson Space Center is vulnerable to environmental and human threats. The GAO questioned this justification on the basis the center has not been seriously affected by an environmental threat and actions are being taken to provide tighter physical security. In addition, the Johnson Space Center director advised the Defense Department to go slow in its drive for separate facilities because NASA plans to modernize its system and enhance the capability to provide primary and backup shuttle control in case of serious incident. In this regard, GAO cited the risk of wholesale obsolescence of a new DOD facility by the time it is built if DOD's current computer system implementation plans are carried out. This could result in the waste of billions of dollars.

The greatest danger, however, may come from the interweaving of NASA's civilian mission and DOD's military activities. A sharp separation of the programs, though not necessarily the technologies, is vital if we are to maximize the thrust of creative space research and exploitation. NASA has a long history of technical achievements from which we have all benefited. This success, in my opinion, can be attributed to its status as an independent civilian research agency and its emphasis on developing new technologies needed to accomplish specific long-term goals. Without these key ingredients, as is currently the case, benefits similar to those previously derived from NASA's achievements are unlikely.●

TRIBUTE TO DR. R. BUCKMINSTER FULLER

HON. JOHN McCAIN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. McCAIN. Mr. Speaker, I would like to take this opportunity to pay tribute to an individual of exceptional character, devotion to the betterment of mankind, as a fellow Navy man, Dr. R. Buckminster Fuller. Dr. Fuller's passing was a loss to all inquisitive individuals seeking a better world for mankind.

Gil Slonim, president of the Oceanic Educational Foundation recently paid tribute to Dr. Fuller in testimony before the House Committee on Merchant Marine and Fisheries. I would like to set out his words for the benefit of my colleagues.

MOURNING A MARITIME GIANT

In closing, I ask the forebearance of the Committee to pay tribute to a remarkable man of soft voice, of slight stature, and a selfless dedication to his society—but exceptional contribution to the world. One whose recent death has saddened not only the many who drank of his oceanic vision—his wisdom of the sea, but people throughout the world mourn in admiration of his inventive genius, his versatility in the widest span of innovation, his uncanny ability to tie things together, to simplify, to get to the heart of the matter.

A world traveler, he spanned the globe tirelessly hundreds of times in his "Ghandi-like" teaching; there were no world boundaries for Bucky, nor his mind; his "World-Game" aimed at "making the world work", and everybody won. Above all, he wanted to make our world a better one, and he found the thinking of the seafarer precisely the pattern to foster his lofty aim. He moved with a light step, but he drove home his thoughts with the punch of a real heavyweight—with the spirit and spunk of the sea. Bucky gave our "common child"—oceanic education—a depth and richness, never to be gained had we not gotten to his sister to have him join our President's Maritime Advisory Committee.

An avid sailor, poet, scientists, geographer, mathematician, by far the most innovative mind of our age—this was the man who designed "Spaceship Earth." Dr. Fuller left as a legacy a Manual teaching us how we should "operate our planet". He asked only that mankind should educate itself away from its myopic ways, its shortsighted views and action, and turn to a world policy vision to keep this ship sailing. That policy pattern he found in the thought pattern of global, anticipatory, comprehensive, and perforce long-view of the seafarer—his "world man".

Buckminster Fuller lived a long, and finally rewarding life—he touched many people along the way, and they were inevitably better for the brush. But his inventive, contemplative, constructive life was hardly long enough to realize all his dreams, to see all of his ideas come to life; and he often mused as to why it took twenty-five years for his ideas to take hold. Surely his life span was by no means rewarding enough to give all men and women here on earth the insight of his inspirational oceanic teachings. Bucky was the first to bring the sea forward as man's master teacher; and he gave us a new perception of the significance of the seafarers' pattern of this policy thought. This was a remarkable first for many of us seafarers who had sailed the seas—for some thirty years.

MORE WITH LESS THE WAY OF THE SEA

For myself and my fellow Board Members of the Oceanic Educational Foundation the loss we feel is more personal, more direct, yes, even more profound, or so it seems. Dr. Fuller played a critical role in our pioneering educational thrust from its inception in 1970 to the day he passed away. It was his Keynote Address to our "Wealth and the World Ocean" Symposium that launched our Foundation. And it was he who drove home to all of us the importance of sending his maritime message, through the American educational process, to people throughout the world as to how well the master world ocean had taught us:

"Now there have evolved some new conditions for men, and strangely as a consequence of our own Navy. The fundamental something I find is the great difference between the ways of thinking about the sea and about the land. It is in no way understood by our world society at large, 99.9% of man being landed.

"At sea there is no law outside your own.

"In other words, at sea everything depends on doing more with less. The sea was the most extraordinary laboratory of engineering for doing more with less. So there is not a book, there is a not a chapter, there is not a sentence in any book about economics about doing more with less. Yet, the doing more with less that came out of our Navy has changed our world. And this is not in economics books; It is not in general policy either. And it has been entirely a fall-out of the sea that is making man a success on the land today. All this great change has come from the sea. That is why I want to emphasize the curve of doing more with less today, while we are thinking about the seas and what is opening up on the oceans for mankind."

His teachings are brought into relevance here today, by virtue of the fact, that this Committee has, with characteristic discernment, through its emphasis upon policy parameters linked to its initiatives to create NOAA as an independent agency within our government—the first full step in establishing a comprehensive, long-term, global national policy, to draw upon the full potential of the world ocean toward the betterment of the American people. Unquestionably, the significant overtones raise fundamental questions as to the American people's oceanic understanding. Here we would be wise to examine Fuller's oceanic thought. For this gives us the long-range, conceptual thinking the full depth deserved—to bring the seas back within the consciousness of American citizens as Mr. Forsythe has suggested—through public education.

In the numerous touching, heart warming, yet, sorrowful tributes written to eulogize R. Buckminster Fuller, at the time of his death, not a single one made mention of the tremendous influence the sea had exerted upon his thought and thesis, his inspiration to design not alone "Spaceship Earth", but to his basic dedication, the "more with less" theory of functioning at sea "which has changed our world". He was very proud of his service in the United States Navy in World War One, and of the time he attended the U.S. Naval Academy in Annapolis "learning about the sea". These experiences, so he said sent him on the route to his height in generalist thought aimed at synergistically bringing to the world a longer more comprehensive view toward human betterment. This he derived from the sea; and it was he who drove home the imperative for advancing Oceanic Education, enlightened oceanic policies to people throughout the world. How terribly important it would be for them, regardless of where they lived, to grasp the significance of the sea as the master maritime teacher, the stern disciplinarian that tested and toned our minds, stretched our creativity, our innovation, in the dynamic global adventure of sailing the seas.

Fuller, himself a scientist of world renown, taught us what is needed to "make our world work" is far broader than mere scientific knowledge; he emphasized, generalist that he was beyond being a scientist, that much of this learning, this much needed conceptual competence can be gained "sailing the seas":

"I think it is very important to begin to talk more about the oceans. They are the 'Great Teacher' that taught us engineering, taught us navigation, forced us to really develop mathematics, forced us to use the capabilities of the mind."

Tireless, relentless, compelling as he was, in his conviction—his commitment, Fuller embellished upon this many times: "On the vast oceanic expanse man is but a tiny dot; here, in his harnessing of the seas, his controlling his environment, it isn't muscle, but mind that counts."

We learned in the pages of the Washington Post, several days ago, that Admiral Rickover, "Remembers the Maine" to teach people the importance of technical know-how in the modern world; But Bucky Fuller, the carbondale, "Genius in Residence" turns to the sea, the precious thinking of the seafarer, to gain the pattern of policy, people throughout the world depend upon to build a better, a more rewarding, a more fulfilling future.●

PERSONAL EXPLANATION

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Ms. KAPTUR. Mr. Speaker, on August 3, the House of Representatives passed H.R. 2957, legislation to authorize an American quota of $8.4 billion for the International Monetary Fund (IMF). I voted against H.R. 2957. I opposed the request for the IMF quota increase for several reasons. First, I do not believe that the IMF lending activities address the problems faced by the poor in Third World nations. Export led development policies encouraged by the IMF have undermined the basis for long-term, needs-oriented development. Second, I believe that monetary and fiscal policies cannot be separated from development policies. It is imperative that we work for major changes in global economic development and trade arrangements. Third, I believe that the banks must be responsible for their own errors and that the U.S. taxpayers should not be

forced to pay for the mistakes of the large banks.

Mr. Speaker, I remain as opposed to the IMF funding increase today as I was in August. I had every intention of voting against the IMF conference agreement when it reached the House floor. However, today I am confronted with a vote not solely on IMF, but also on a legislative package, H.R. 3959, which includes important housing legislation and new measures for the Export-Import Bank to assist small business—programs which I actively supported. I think it is an abuse of the congressional process to attach the IMF quota increase to housing legislation that provides critical assistance to our cities and neighborhoods, as well as Ex-Im authority to assist small businesses. Because of the importance of these additional programs contained in H.R. 3959, I must reluctantly support this measure.

We have not had a comprehensive housing and community development bill in nearly 3 years. The lack of a housing authorization has been detrimental to our community and to our Nation. This legislation contains reauthorization of the community development block grant program (CDBG); the urban action grant program (UDAG); a new program for rental housing rehabilitation and production; extension of the FHA insurance program; assisted housing programs for the elderly and needy; a new neighborhood development program to aid in the assistance of jobs creation in neighborhoods, rehabilitation of the housing stock and other essential services; and the homeownership program under section 235. In addition, new Eximbank authority provides for a 6 percent total direct loans and loan guarantees set aside for small businesses in 1984. By 1987, that number will increase to 10 percent. By contrast, in fiscal year 1983, only 3 percent of the banks' assistance was for small business. Ohio is the Nation's third largest export State, but our small businesses have experienced difficulty in obtaining the necessary financing to enter the export market. The Eximbank protects and promotes American jobs by providing competitive financing so that American firms can compete with foreign firms that often receive financial assistance from their governments. This legislation will not only provide $15.6 billion for essential shelter and community development resources for our people, but it will also provide for jobs creation in the international market.

I feel an obligation to support these and the other significant programs contained in H.R. 3959. On the other hand, I deeply regret that the measure also includes the IMF quota increase which I oppose, but will have no opportunity to vote on separately.●

AMERICA'S COMMITMENT TO FREEDOM

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LEWIS of Florida. Mr. Speaker, as this year comes to a close, we need to reflect upon the important historical events which will have a lasting impact on our country's outlook, especially as we face trying times ahead.

The path of freedom is never easy. But like a patch of blue sky amid stormy foreign currents, the jubilant faces and open expressions of gratitude from the American students rescued in Grenada boosted our spirits and reminded us that the ideals for which this country stands are worth the fight.

As the details of the Grenada rescue mission unfolded, we heard sharp criticism from some who believed the President's action was presumptuous and selfish. Lest anyone continue to doubt that the students sensed they were in real danger, I want to share with you some of their remarks from a special ceremony at the White House last month:

MR. JEFF GELLER. President and Mrs. Reagan, distinguished members of the military, fellow students:

It is indeed a great honor to speak to you today. When I first spoke to the press and said that I wanted to thank President Reagan and the military, I never dreamed that I'd have a chance to do it personally.

I am here today to say a few words on behalf of the student body of St. George's University School of Medicine. I think that I can speak not only on behalf of the students but also on behalf of all the families of the students in expressing our gratitude to both you, Mr. President, and every member of the military that took part in our evacuation. We owe each and every one of you a debt that we can never repay.

I can recall the joy and pride that I felt as the rangers first emerged over the hill behind my dormitory. I looked out from my dormitory window and, upon hearing that they were Americans, I shouted for joy and thought to myself, "They haven't forgotten us, because we're Americans."

I think that we are often so caught up in criticizing our government and our military that we lose sight of the admirable qualities that they possess. Two weeks ago, I saw those qualities in action. For the American military, I have only praise. They acted in a manner that all Americans can be proud of.

Prior to this experience, I had held liberal political views which were not always sympathetic with the position of the American military. I think a lot of us who don't have a firsthand view are often skeptical when we hear that our military is involved in a faraway place. We don't always understand why our soldiers are fighting abroad. Well, let me say that I have learned a lot from this experience. It's one thing to view an American military operation from afar and quite another to be rescued by one.

We are a group of young men and women dedicated to study medicine so that we can save lives. Let us also remember that many lives were lost in saving ours. Let us honor those American men who gave their lives so that someday we can save others.

To you, President Reagan, I must add a special thank you. On behalf of my parents and of all the students' parents, thank you for bringing us back to the United States. There is truly no place like home.

MS. JEAN JOEL. I'm very proud and honored to be here today, and I believe I represent not only my own class but all of St. George's University School of Medicine when I say that I am grateful to the U.S. military for their actions. I never had so much faith or pride in my country than during the 24 hours I spent under war conditions in Grenada.

Probably the most poignant moment for me, personally, was Tuesday night, in the library that we converted into a makeshift medical unit. I thought about the fact that just 24 hours earlier I had been studying here and how abrupt the change was from academics to reality. They brought in a soldier with three bullet wounds in his right arm and chest, and the man was in excruciating pain. While I attempted to assist the extremely self-sufficient thoraic surgeon as he inserted a chest catheter for drainage, I thought about this man on the table. I mean, a total stranger to me, and yet, an American who was willing to jeopardize his life not only for my personal safety but for the causes of our country.

These professional men, with their unspoken dedication to the United States and to our standards of freedom and democracy, have my great respect. My experience in Grenada, especially in the library medical unit, has reaffirmed my personal dedication to medicine and my commitment to complete my education. But it has also reaffirmed my faith and respect in the citizens of our country, especially those citizens in the military. As a representative of St. George's University School of Medicine, I would like to thank President Reagan and the military for their concern for our personal safety and to say that among such company, I am proud to be an American.

Protecting life and liberty is not without cost. But when we grow weary of carrying the torch, let us remember the courage and commitment of the Rangers, who risked their lives to secure the safety of American students in Grenada, and be proud that we value American lives and are willing to guarantee their safety at home and abroad.●

THE FRAUDULENT SIN TAX

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. CONYERS. Mr. Speaker, among the proposals to raise revenue and reduce the Federal deficit is an attempt to levy additional taxes on tobacco and liquor. In the November 1983 issue of Penthouse, Nicholas Von Hoffman, the publicist and novelist, attacks the so-called sin tax approach. I want to share his very persuasive arguments with my colleagues at this point in the RECORD.

TAXING "SIN"—A POLITICAL FRAUD

Having spent themselves into exhaustion, the members of the national legislature are casting bloodshot eyes about for a way to pay the bills. Their notion of the craft of governance involves finding a pariah group, a detested or detestable collectivity who dare not object, and then taxing the hell out of 'em. Hence the proposal to pay for MX missiles and the officers' golf courses through the sin tax.

The sins in question are booze and tobacco. The sinners are the consumers thereof, who are supposed to be too ashamed of their vices to offer a mumbled word of opposition to their paying for the imbecilities and megalomanias of the White House and Pentagon.

By calling these excises sin taxes, elected officials hope they can escape political retribution. Taxing sin is the same as fighting sin, isn't it? So it follows that he who opposes the tax supports sin. In a nation with an alarming number of Methodists and Mormons, it's a plausible stratagem.

It's also an ancient one. In 1791, that otherwise admirable figure in American history, Alexander Hamilton, was casting about for a means to pay off the war deficit and to make the new federal government feared and respected. He came up with the then novel idea of taxing snuff. This did not sit well with the nascent tobacco industry, which compared the Secretary of the Treasury's tax to "famine, pestilence and sword." In time the snuff-tax opposition subsided, but the western farmers on whom Hamilton's new whiskey tax fell rose in revolt.

Farmers who made whiskey in Maryland, Kentucky, Georgia, the Carolinas, and Pennsylvania were furious. Aristocratic wine sippers in Philadelphia were taxing the drink enjoyed by horny-handed sons of toil. The pioneering farmers around Pittsburgh, Pa., still a collection of hogans and log cabins, insisted they had not fought the Revolution to exchange taxation tyranny in London for the same in Philadelphia. (Washington, D.C., that odious conurbation on the Potomac, had not yet been built.) To make clear their resistence to the sin tax, they waylaid several of Mr. Hamilton's tax collectors and tarred and feathered them.

Hence began the famous Whiskey Rebellion, which did not end until George Washington himself appeared at the head of an army of 15,000 men to put it down. In the end, two sin tax resisters were sentenced to death, but, as Hamilton said, since one of them was "little short of an idiot, the other a miserable follower," Washington pardoned the "poor wretches." By then the idea that the government should raise money by taxing the modest pleasures of honest working people was enshrined as the highest wisdom of political economy.

One reason Alexander Hamilton thought his sin tax was a jim-cracky good idea was that he did not approve of whiskey drinking. Ever since, people who do not like the way other people live and spend their leisure time and money have looked on sin taxes as a way of forcing the wayward to abandon evil enjoyments. It's the motorcycle-helmet argument again—"I'm going to make you do it for your own good."

Taxes should be imposed to pay for the public purposes of government. When they are used for moral uplift, for stimulating capital investment, or for entrapment of lawbreakers who have committed crimes having nothing to do with the tax code, the results are confusion, waste, inefficiency, and unfairness. The investment tax credits, the welter of depreciation schedules, shelters, deferments, and deductions that have become code words for the rich in making the middle classes pay, arise out of attempting to use taxation for something other than raising revenue. When the internal revenue system becomes the mechanism for manipulating the economy or guiding the private behavior of the citizenry, we're asking for the kind of chaotic breakdowns and massive resentments we're experiencing. People find ways to stop paying their taxes. With sin taxes, legislatures are often reckless to the point of defeating their own purposes. It's as though they think they can accomplish through taxation what they found out they could not do through Prohibition.

A few years ago a number of states thought they would jack up the tariff on cigarettes. It's a hard habit to kick, so smokers would have to pay, and smokers being a disorganized, defensive, and defenseless mass, they would not retaliate at the ballot box. The assumptions were right in one sense. As far as is known, few people gave up smoking and public griping was minimal. But revenues did not rise. Instead, a new industry was born, the interstate smuggling of cigarettes, with shipments of gigantic quantities of cigarettes moving from low-tax states into high-tax ones.

The official response was what you would expect. State troopers were taken off the necessary work of traffic safety and crime fighting to try to figure out which of the thousands and thousands of tractor-drawn semis, smoking down the highways, contained bootlegged ciggies. The money spent intuiting the contents of cargoes being dragged down interstates doubtless canceled out any revenue gains.

Give sin taxes possible credit for one public benefit. The high federal imposts on whiskey may have been responsible for the development, if not the actual creation, of stock car racing. Many of the men and mechanics who would go on to fame at Charlotte and Daytona learned their craft and perfected their skills outdriving and outspeeding Treasury Department revenuers in the mountains of the Piedmont. They were the ones who learned how to take cars in stock at the local automobile store and soup them up into high-performance vehicles. However, as inflation increased and the federal whiskey tax stayed steady in the sixties and early seventies, the price margins between taxed and untaxed booze shrunk to a point where risks in the illegal side of the business outweighed potential profits. The mountain stills were left to rust; the moonshiners went out of business and, with them, their supercharged delivery boys. If the sin tax is slapped on again, you can expect to see, as we have time and time again, a rebirth of moonshining. This may be good for the folk song and stock-car racing industries, but it is poor public policy nonetheless.

Sin taxers cannot be made to understand that righteousness will not eliminate the American addiction to free-market economic behavior. In states such as North Carolina, Ohio, and New Hampshire, where the slightest taint of socialism will be cause to drive a person from public life, the clergy and others united in foolishness have succeeded in socializing the liquor business.

The state has a monopoly on selling whiskey. All kinds of rationalizations are offered for the state liquor-store system. They say it's to keep gangsters and other undesirables out of the trade; they say it is to ensure that booze is not sold to minors; they say it is to curb public drunkenness. In actuality, organized crime has no foothold in the retail sale of liquor in states where it is permitted to be a private enterprise; as for that stuff about minors and drunkenness, if there is any difference in drinking patterns between monopoly and nonmonopoly states, it has thus far gone undetected.

The fact is that the state monopoly system is but a hidden way of applying the sin tax. Once it gets entrenched, it is next to impossible to repeal, since an entire class of civil servants whose work is running liquor stores has been created. Since these civil servants do as good a job of marketing as they do other things, residents of monopoly states are prone to shop in free-market states. For price and variety. Again, the sin tax has boomeranged.

It makes no difference. Government is getting ever deeper into the sin industry. The last decade has seen state after state decide that gambling is wrong unless the government is running it. Gambling, which used to be a crime, has been turned into a state monopoly; and where once the law tried to run organized crime out of gambling because it was wrong, the law now tries to run the mob out because the state is competing for the same dollar.

Government is as inept at running the gambling business as it is at merchandising liquor. But except for Las Vegas and Atlantic City, it seems the correct way to collect a sin tax on gambling is to get into the business. No matter—as with tobacco and alcohol, once again politicians have found another way to make sure working people pay more than their fair share of the cost of government.●

TAIWAN SIGNS TRADE AGREEMENT

HON. JOHN McCAIN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. McCAIN. Mr. Speaker, at a time when protectionist trade policies seem to be the dominant trend among our trading partners, it is welcome news indeed when we hear of events which run counter to this trend. The State of Arizona was recently a party to such an event. The other party was the Government of Taiwan through their eighth special-procurement mission.

I believe this action by the Taiwanese is heartening to those of us, in and out of Government, who support a U.S. trade policy based on fair and reciprocal policies, not protectionism. Taiwan's trade missions to the United States have resulted in over $5 billion in contracts for American goods since 1979. If all of our trading partners would take steps to follow this example, it could not help but improve our trade relationships.

For the benefit of my colleagues, I have printed below a couple of newspaper articles describing these contracts.

[From the Phoenix (Ariz.) Republic, Oct. 2, 1983]

STATE FIRMS, TAIWAN PLAN $19 MILLION TRADE DEAL

Contracts worth more than $19 million will be signed by trade partners from Arizona and Taiwan in a ceremony at 3:15 p.m. Wednesday in Gov. Bruce Babbitt's office, according to the international trade section of the state Office of Economic Planning and Development.

Items to be purchased by the procurement mission are 50,000 bales of Arizona cotton, valued at $17.5 million, orange concentrate worth $2 million and $119,000 worth of electronic parts.

Members of Taiwan's eight special-procurement mission will sign the contracts with Arizona firms.

On this trip, the Taiwan mission is expected to buy $500 million in American goods in its continuing effort to narrow the trade gap with this country. Taiwan is the seventh-largest trading partner of the United States. In its seven previous procurement missions, Taiwan has purchased $6 billion worth of American products.

Taiwan's 18-member delegation will be guests of six Arizona organizations at a reception and dinner at 5:30 p.m. Wednesday at Hotel Westcourt. Those who would like to attend the dinner, which costs $20 per person, should contact the international-trade section of the state Office of Economic Planning and Development.

Vincent C. Siew, director general of the board of foreign trade and leader of the Taiwan mission, will be the dinner speaker on "USA-Republic of China Trade Relations."

Sponsors of the reception and dinner are Arizona District Export Council, Arizona Agri-Business Council, Arizona Office of Economic Planning and Development, Arizona World Trade Association, Phoenix Foreign Trade Zone and Phoenix Chinese United Association.

[From the Phoenix (Ariz.) Gazette, Oct. 6, 1983]

TAIWAN, STATE GROWERS SIGN TRADE PACT

Representatives of the Republic of China and Arizona cotton and citrus growers have signed a $21 million trade agreement.

In a ceremony presided over by Gov. Bruce Babbit in his office Wednesday, agreements were signed for the sale of 54,800 bales of Arizona cotton valued at $19 million and 281,520 gallons of orange concentrate valued at $2 million.

The purchase was part of Taiwan's eighth special trade mission to the United States during which it is expected to buy a total of $500 million worth of American goods.

On four previous missions to Arizona, beginning in 1978, the Republic of China has bought $162 million worth of Arizona goods.●

DETECTIVES HUGH DORSEY AND FRANCIS SHIELDS

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. ACKERMAN. Mr. Speaker, I would like to recount for my colleagues an incident which occurred in Queens County, N.Y., almost 2 years ago. On December 16, 1981, Police Officer Anthony Abruzzo was brutally gunned down in Fresh Meadows while he was attempting to stop the robbery of his father-in-law, Mr. Joseph Mehran, one of New York's leading businessmen.

Although there was virtually no physical evidence left at the scene of the murder, New York City Police Detectives Hugh F. Dorsey and Francis M. Shields were able to solve the case and make arrests within a few months. Justice was served only because of the diligent and painstaking detective work and investigation that is the hallmark of the New York City Police Department.

To their credit, much of the effort put in by Detectives Dorsey and Shields was on their own time, without any extra compensation from the city. But it paid off this past May with the sentencing of the three brutal criminals who were convicted of the murder.

Mr. Speaker, this effort is typical of those the citizens of the Big Apple proudly call New York's Finest. I believe that all my colleagues in the Congress will join me in commending these officers for their outstanding efforts on behalf of a fallen colleague, and their toil in service to the people of the city of New York.

Detectives Hugh Dorsey, shield No. 1206, and Francis Shields, No. 2014, are fine examples of dedicated public servants who make their communities strong, healthy, and safe places in which to live, play, and work.

Mr. Speaker, these two individuals are more than just assets to the city of New York. They are keepers of the peace and leaders of outstanding commitment whose praiseworthy contributions serve as an inspiration to us all. They make it possible for the rest of us to conduct the daily business of our lives. For the unselfish contributions to the public that Detectives Dorsey and Shields and countless others like them have made day in and day out, we are all deeply indebted.

Mr. Speaker, I ask that the Members of the House of Representatives join me in lauding Detectives Hugh Dorsey and Francis Shields for outstanding service to the community, and for their dedication to their profession.●

RECOGNIZING ISRAEL'S CAPITAL

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SCHUMER. Mr. Speaker, there are three things wrong with the Reagan administration's continued refusal to move our Embassy to Jerusalem: It is illogical, it is an insult to a staunch ally, and it is a serious obstacle to peace.

The U.S. Embassy has been situated in Tel-Aviv every since the establishment of Israel in 1948. In 1950, when Israel moved its capital to Jerusalem, we refused to follow with our Embassy, presumably because the 1947 U.N. partition plan recommended the internationalization of the city. But the Arabs' outright rejection of the U.N. plan and their onslaught on the infant state of Israel prevented the implementation of this plan. As Eugene Rostow, Sterling Professor of International Law at Yale put it, "the U.N. recommendation for internationalization is still hanging there somewhere, but it has no legal standing." The U.S. Government seems to concur, for in our actions we recognize that the armistice borders of 1949, not the partition lines, are the legitimate borders of Israel.

West Jerusalem is clearly within the armistice borders and is therefore part of Israel. Our Ambassador regularly conducts Government business there, and so do all official visitors, from Presidents and Secretaries of State to various mediators and emissaries. Sadat, too, realized that his historic visit would be meaningful only if he addressed the people of Israel in their capital, Jerusalem.

For sure, the United States makes a pointed distinction between West Jerusalem, which it considers officially in Israel, and East Jerusalem, captured when Jordan attacked Israel in 1967. To the consternation of most Israelis and American Jews, a separate American Consulate in East Jerusalem services the West Bank, and official American visitors to Israel may not tread in East Jerusalem when on Government business. But the difference between the American definition of East Jerusalem as "occupied territory" and its recognition of West Jerusalem as part of Israel makes our reluctance to move the Embassy to West Jerusalem all the more glaringly illogical and inconsistent. After all, even by American definition, West Jerusalem is as much a part of Israel as Tel Aviv. Surely, Israel has the right to designate it its capital.

That we do not recognize this right is a gross insult to an ally. It implies a double standard and a condescension: In no other case do we presume to dictate the location of a nation's capital. But Israelis construe our arbitrariness as even more than an offensive political snub; it strikes at the very core of the Jewish rebirth in Israel. If there is one issue on which there is wall-to-wall consensus in Israel's body politic (with the possible exception of a tiny Communist minority), it is the irreplaceability of Jerusalem as its capital. In the past 3,000 years, since King David, the Jewish people have consid-

ered Jerusalem their capital. Throughout that time, Jerusalem has been the capital of no other nation. For Israelis, Jerusalem as capital is synonymous with independence, sovereignty and freedom.

But is it in America's interest to move the Embassy now? It is often argued that such a move would infuriate the Arabs and foreclose any chance for peace. I submit that the opposite is true. If the experience of the past few years, particularly since the introduction of the Reagan plan, has taught us anything, it is that the most important factor missing from the Mideast equation is Arab recognition of Israel's right to exist. Instead of welcoming the peace process that began with Egypt's recognition of Israel as a negotiating partner, the Arab regimes, from the Saudi monarchy to the pro-Soviet Syrians, have ostracized Egypt and continued to boycott negotiations with Israel. Their message is unmistakable: no matter what concessions Israel makes, and notwithstanding such sacrifices as the relinquishment of the whole Sinai they will not recognize Israel's legitimacy.

By denying recognition to Israel's capital, thus implying that Israel is a second-class nation whose legitimacy is indeed in question, we encourage these regimes to hope that sooner or later we shall acquiesce to their point of view. Conversely, moving our embassy to Jerusalem will serve notice that we shall not entertain any questioning of Israel's right to exist, and that her permanence is not negotiable. Perhaps then the Arab "rejectionists" will realize that only by joining peace talks will they be able to negotiate everything else.●

TRIBUTE TO ANTI-DEFAMATION LEAGUE

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MORRISON of Connecticut. Mr. Speaker, this year the Anti-Defamation League of the B'nai B'rith celebrates its 70th year of promoting civil liberties and supporting human rights in the United States and abroad. I am extremely pleased that my colleagues have joined with me in honoring the league by passing House Joint Resolution 408, designating November 12, 1983, as "Anti-Defamation League Day."

This resolution is particularly gratifying to me, as the league's Connecticut regional office is located in New Haven, in my district. Under the dedicated guidance of regional director Scott Feigelstein, this chapter has been active in a number of causes of concern to my constituents. It is currently working to encourage tough legislation to halt the troubling rise of arson aimed at public houses of worship, as well as pushing for stronger civil penalties for employers and landlords found guilty of ethnic harassment and discrimination. The league also is presently offering assistance to community groups around Connecticut seeking to upgrade neighborhood security and civilian "street-watch" programs.

The Connecticut regional office's work is, of course, only a small portion of the league's continuing international effort. At the time of its inception in 1913, the league was solely devoted to overcoming the deeply imbedded oppression and hatred that was being aimed at the Jewish people around the world. Through the ensuing decades they have broadened their mission to fighting racism and injustice no matter where it exists; no matter who is injured. With the simple, honest tools of understanding, education, and human decency the ADL has accomplished many of its worthy goals—often in the face of the harshest opposition and at great personal sacrifice to its members.

At the present time, the league maintains 30 local chapters in the United States and many more abroad. These chapters constitute a powerful network through which it can affect a broad range of issues. Its committed effort toward passage of laws attacking discrimination in housing, education, and employment are only a few examples of the ADL's legislative impact. In matters of local and community importance, the league has gained widespread respect for its intergroup relations programs which help today's youth overcome the destructive influence of prejudice and discrimination.

The Anti-Defamation League has set the highest standards of concern and participation in critical issues of our day. I am extremely proud to join with my colleagues in honoring it.●

SMOKE DETECTORS SAVE TEMPE, ARIZ., FAMILY

HON. JOHN McCAIN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. McCAIN. Mr. Speaker, I rise today to praise the attributes of a very simple and inexpensive safety device: The home smoke detector. Constituents from my district, the Carl and Kathy Wochner family of South Tempe, are gratified to know that their home safety planning dramatically paid off for them. When their house suddenly caught fire early one Sunday morning in October, due to a short circuit in an extension cord, their three strategically placed smoke detectors sounded alarms that were loud enough to wake members of the family sleeping at opposite ends of their home. Although the damage to the Wochner home was extensive, the $15 smoke detectors did save the lives of the family, thus, proving to be of far greater value than their retail price.

We easily overlook the importance of these safety devices as they remain passively attached to the ceilings of our homes. Private industry deserves much credit for developing smoke detectors, and the Federal Government should be recognized for educating the public on the smoke detector's benefits. The U.S. Fire Administration, in particular should be lauded for taking the lead in increasing public awareness of these life-saving devices.

Encouraged by success stories such as the Wochner's, the USFA has increased its efforts to improve fire detection equipment and spread the word on the value of smoke detectors. Director Louis O. Guiffrida, of the Federal Emergency Management Agency, now the parent agency of the USFA, has sponsored expanded research in related technology. FEMA's training and fire programs directorate, under the innovative guidance of Associate Director Fred J. Villella, has focused on projects which merge the technology of smoke detectors with that of hard wire systems. In other words, a home's telephone system is tied to the local firehouse and acts as an automatic alarm in case of fire. Thus officials are alerted when no one is home, or when panic strikes during an emergency, and simple telephone numbers for fire departments—even home addresses—are impossible to remember.

I applaud FEMA's efforts and wish to include in the RECORD an article about the Wochner family's experience which was published in the Tempe Daily News on October 4, 1983.

FAMILY THANKFUL FOR SMOKE ALARM

(By Tonia Twichell)

Without thinking much about it, Karl Wochner was taking care of his family while golfing one Sunday.

He and two sons were out on the links two weeks ago, but his wife, Cathy, and third son, Mike, were escaping a fire that devastated their new South Tempe home.

The two were asleep at opposite ends of the house at 8235 S. Pecan Grove Circle, when three smoke detectors sounded.

In the seconds it took to telephone the fire department and find each other in the 6,000 square foot, two-story house, black smoke was filling the hallways.

"The smoke detectors saved our lives," said 43-year-old Cathy. "I would absolutely tell the world that. That's what awakened us and got us out of the house."

Wochner, 40, who had taken sons, David, 14, and John, 12, with him, said he had the detectors installed because a Tempe ordi-

nance required them in all new houses and apartments.

"We never had them before," said Wochner, a Tempe lawyer who was an assistant city attorney for 12 years. "They were required, but I never really thought about them."

Assistant Tempe Fire Chief Cliff Jones said the Wochners' experience was just one example of how smoke detectors save lives.

But many older homes and apartments don't have them because the law applies only to new housing, Jones said.

And other homeowners sometimes let them fall into disrepair, he added.

"People get disenchanted with them and forget about replacing the batteries, or the wiring comes loose, and it's not repaired," Jones said.

A reliable smoke detector can be bought at hardware, lumber, drug and department stores for about $15, he added.

"We were sleeping when they went off," Cathy said. "He (Mike) thought it was his brother's alarm clock . . . When we left, I thought the whole house would collapse. In a matter of minutes, we would have been dead."

Once outside, they remembered their two dogs were trapped inside. But the smoke was too dense for them to go back.

Within two hours, firefighters found both dogs hiding in the house and revived them.

That wasn't all the firefighters did.

Before they chopped holes in walls and smashed windows for better ventilation, they removed hanging pictures of the boys as infants.

"The firefighters were so thoughtful, so warm and so human," Cathy said.

The fire in the house, where the Wochners had lived for seven months, started with a short circuit in an extension cord in the basement.

The Wochners, who are staying with friends, are cleaning their house and hope to move back within a year while it's rebuilt.

But the cost of repairs will be minimal compared to the price they could have paid, Cathy said.

"Just to have each other is enough," she said. "I would rather see the house in shambles than to lose my family."●

UNHCR MANDATE: REFUGEE RELIEF AND PROTECTION

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SOLARZ. Mr. Speaker, recently I was privileged to deliver the U.S. policy statement on refugees before the Third Committee of the U.N. General Assembly. Because of the vital importance of this issue, I include the text of the statement in today's CONGRESSIONAL RECORD:

STATEMENT BY HON. STEPHEN J. SOLARZ

Mr. Chairman, several years ago Pope Paul VI was asked how he thought the tensions and turmoil of our world could be reduced.

"If you wish peace," he said, "defend life."

Today I have the opportunity as a representative of the United States to welcome the High Commissioner for Refugees, Mr. Poul Hartling, who plays a vital role in protecting the lives of millions of refugees.

As a member of the United States Congress, I have the privilege of representing a district in Brooklyn, New York, with more survivors of the Holocaust than anywhere else in the United States. My constituents, who also number Soviet Jewish, Polish, Cambodian, and Cuban refugees, know all too well the terrible human tragedies produced by religious, political, and ethnic persecution, the impact of war and disaster, and the pain and sorrow associated with having to leave one's homeland and family without knowing what the next day will bring.

To me, to my constituents, and to all Americans the Third Committee of the U.N. has no more important continuing responsibility than to review and support and strengthen the lifesaving work of the United Nations in the field of refugees. For my government, I would like to assure Mr. Hartling of the United States' strong support and continued interest in his humanitarian endeavors. I believe that the response of a country and its citizens to the plight and problems of refugees says something about what kind of a nation it is.

My government has assigned a high priority to refugee issues. It has generously supported the care and maintenance effort of the UNHCR by contributing over half a billion dollars since 1975 and assigning some of its most dedicated and talented personnel to this cause. Most importantly in the last 8 years, we have also provided permanent resettlement opportunities to over 850,000 refugees—including 473,000 Vietnamese, 137,000 Lao, 90,000 Cambodians, and 146,000 Soviet and Eastern European refugees.

I am proud, too, of the generous response of American citizens: thousands of them, including my own son, have become personally involved with relief efforts abroad, while tens of thousands have aided in the resettlement and adjustment of the over two million refugees who entered the U.S. since the end of World War II.

Refugees in the U.S. have made enormous contributions to our society. They have enriched our cultural heritage, expanded our intellectual horizons, and strengthened our commitment to the individual freedom. Refugees can contribute much to any society and, based on our experience, we would encourage other nations to reconsider their ability to permanently resettle those refugees who have no hope of returning to their homelands.

Few subjects are of greater human concern for the international community than the plight of the world's refugees. Forty years ago the Bermuda Conference on Refugees established the principle that governmental funds could be channelled through international organizations to support relief and migration efforts for refugees. Unfortunately for the millions of refugees who perished between 1943 and the end of World War II, the League of Nation's Intergovernmental Committee on Refugees was not as effective as the UNHCR has been. Who knows what contributions to humanity might have been made by the men, women, and children who perished during the Holocaust. Each decade in the past half century has its record of refugees seeking escape from oppression. The human costs of such exoduses can be measured in the loss of people to the home country, often including the ablest and most spirited; the burden of added population to the receiving countries, whether near or far; and the terrible human toll on the refugees themselves.

As we look to the future there is a growing recognition of the need for a full international process of burden-sharing to aid refugees. Such a process needs to look for new ways to expand the circle of countries prepared to assist in caring for refugees. We also need to consider what can be done to anticipate and prevent refugee flows, in particular to reduce the size and duration of the massive exoduses that are occurring with increasing frequency. The rights of refugees need to be presevered and protected. At the same time the responsibility of states needs to be spelled out more clearly to reduce or eliminate the situations in which entire populations are forced to look to other countries for the minimum conditions of decent life.

This is especially evident as we recognize the growing difficulties that all refugee receiving countries, including my own, face in absorbing refugees. Even where refugee movements take place within a geographic region, they can have severe impact on the local populations and on economic development. The impact can be just as great if refugees are moved to distant third countries. The successful adaptation of some refugees should not obscure the hardship that the refugee experience imposes on all concerned.

If prevention is the best cure for a refugee problem, then the next best, clearly, is for refugees to be enabled to return freely to their homelands. Often this cannot take place right away but, in time, the factors that caused refugees to flee may change enough to make possible such voluntary repatriation. We have supported such efforts wherever proposed by the UNHCR, always insisting that there be safeguards to assure that the refugees' rights are protected.

Even if voluntary repatriation is not immediately in sight, it makes sense to care for refugees within their region. In many cases neighboring countries have ties of language or ethnic character which ease the acceptance of refugees and facilitate their longer-term integration. Such local resettlement also preserves the possibility of the refugees returning eventually to their homeland as conditions change.

Wherever possible we should try to develop programs aimed at easing the transition to refugee self-sufficiency and long-term solutions. We look to the UNHCR to take the lead in organizing the international aid effort in such a way as to engage the widest possible number of donors and to bring to bear the resources of the appropriate international agencies—the World Food Program, United Nations Childrens Fund (UNICEF), the World Health Organization, and the U.N. Development Program. Non-United Nations bodies such as the International Committee of the Red Cross (ICRC) and the League of Red Cross Societies, as well as private humanitarian organizations also play vital roles in refugee assistance programs. Through these organizations, as well as directly, the U.S. aids refugees in every part of the world. U.S. refugee assistance will amount to some $300 million in 1983, including Food for Peace commodities, and is likely to reach that total in 1984 as well.

The High Commissioner's responsibilities for refugees can be encompassed by two words: protection and assistance. But to fulfill those responsibilities requires that the High Commissioner be prepared to act in a wide range of circumstances.

In the field of protection, the High Commissioner's role has had to expand from the traditional emphasis on legal protection to an active effort to deal with physical at-

tacks on the very lives and persons of refugees.

We have supported the useful work undertaken to improve the protection of refugee settlements from military attacks. Because the subject bears a close relationship to existing principles of international law, it has been necessary to examine the proposals for their consistency with other aspects of legal doctrine. The objective and goal of the effort—to protect refugee camps against armed attack—has the wholehearted support of our government.

Recent attacks on Khmer refugees caused dozens of deaths and serious injuries and forced thousands of refugees to flee for their very lives. Fortunately, the Government of Thailand allowed the refugees to temporarily flee into Thailand, thus saving thousands of lives and reenforcing the great respect which the international community has for the Royal Thai government.

But, there is probably no sadder chapter in the history of refugee movements than the fate which has befallen thousands of boat people. Taking to the sea in small and fragile crafts, they have faced the perils of ocean storms and the even worse threat of brutal and vicious attacks by pirates. Refugees have been raped, robbed, beaten, marooned, and murdered. Fifty-five percent of those boat refugees reaching Thailand this year have been attacked—two and three times each.

The High Commissioner has played an important role in seeking a wide range of international support for the joint Thai-UNHCR anti-piracy program. We welcome the extension of that program and look for the development of an even more effective protection program with broader international participation that would reduce the risk of attack for all boat refugees no matter their destination in the region. Speaking personally, I have been active in the U.S. Congress, in my capacity as Chairman of the Asian Subcommittee of the House Committee on Foreign Affairs, in winning $5 million to expand U.S. support for this program. It is an initiative that illustrates a needed shift towards physical protection of refugees, supplementing the traditional UNHCR emphasis on legal protection. The High Commissioner's Director responsible for protection, Mr. P.M. Moussalli, deserves recognition for his continuing leadership in helping to consolidate efforts for these programs.

In the assistance area, the UNHCR continues to be responsible for a vast quantity of resources, which the High Commissioner has described as a ten-fold increase over a decade ago. The scope of programs has been documented this year, as in the past, in the annual report on UNHCR assistance. We commend the High Commissioner for the thoroughness of this report. As one who shares responsibility in the U.S. government for the authorization and appropriation of funds for refugee assistance, I can assure you, Mr. High Commissioner, of the importance we attach to having available such a dependable and comprehensive record of your assistance programs. I would urge that you even develop improved demographic analyses of refugee populations so that donor countries could more readily understand and project the types of assistance needed, particularly for women refugees, and respond more fully to both emergency care situations as well as self-sufficiency projects.

The international economic downturn of the last few years coupled with the size of refugee populations makes it all the more essential that the High Commissioner's programs not only be managed effectively but that they be seen to be so managed. The volume of resources now required for the benefit of refugees and the competition for contributions to humanitarian programs of various kinds require UNHCR to take on an increasingly active role in the operational management of the programs that are established under its leadership. Without good management resources are wasted, and donor confidence and support must necessarily wane.

Private voluntary agencies continue to function capably as "operational partners" for the High Commissioner's programs.

This week, coincidentally, was the 50th anniversary of one of these organizations, the International Rescue Committee. This organization is now providing health care, education, counselling, and support services to refugees in Asia, Africa, the Near East, Central America, and Europe.

Its roster of members and supporters reads like a Who's Who in International Humanitarian Affairs: Leo Cherne, the distinguished Chairman; Bayard Rustin, the International Vice President; and Elizabeth Copley Thaw, its Vice President and Executive Committee member, to mention just a few of IRC's illustrious board. No crisis in the past 50 years has been too dangerous, no destination too far or no population too large or too small to escape the attention, concern, and assistance of this determined group.

I salute them and all the NGOs who have so selflessly and so tirelessly been ready to provide care and aid to all refugees because of their commitment to humanitarian principles. But in many cases their traditional role is being supplanted by the leadership provided by the governments of countries giving asylum to refugees. Those governments are, of course, in the front line of any refugee emergency; but in more and more cases they are prepared to turn to, and welcome, the help available from the international community through the UNHCR and other responsible agencies. This means the UNHCR itself must be prepared to offer management services as well as technical expertise where needed. Those who suffer first and most when there is a management "gap" or breakdown are the refugees themselves. And for them there may be no second chance.

We welcome the steps the High Commissioner has taken to strengthen his organization's emergency response capability. In our view the UNHCR must be equipped to act promptly to provide an objective assessment of the scope of any refugee emergency and the support required from the international community for assistance as well as protection. There are often critical needs in the early days of an emergency which demand a high degree of professional commitment and expertise if an adequate response is to be available on a timely basis.

From this perspective my government has observed with approval the steps taken by the High Commissioner to establish an Emergency Unit. This new unit has already issued a handbook on emergency field operations and procedures as a guide for all UNHCR staff. The Emergency Unit has made significant contributions in preparing the international response to recent refugee emergencies in Honduras, Rwanda, and Uganda. We believe it would be useful for the High Commissioner to further regularize the structure of his office for initial emergency response and to establish additional guidelines on the relation of this structure to UNHCR offices in the field as well as at headquarters.

Other steps that the High Commissioner has taken to bolster his organization's effectiveness include the new Specialist Support Unit in the Assistance Division. The staff members of this unit have down-to-earth responsibilities: water supply, sanitation, rural settlement, public health, nutrition, and construction engineering. I list these responsibilities to underscore our view that this is the type of professional competence which UNHCR and its partner humanitarian assistance organizations must have to respond effectively to emergencies and to oversee the quality of services provided in on-going refugee programs. Otherwise, scarce resources and even local good will can be irretrievably lost.

We commend the High Commissioner for improvements in overall project management as well as program evaluation, which are vital to the efficient utilization of resources. We are confident that the High Commissioner is sensitive to the need to carry out such management functions with full regard for the sovereign responsibility of the countries in which the projects are located. Without the cooperation of host governments, the international community can do little to help in emergencies. Host governments must cooperate by facilitating access for those who need help and for those willing to provide it, in developing accurate estimates of refugee numbers and needs, and in establishing logistical supply arrangements.

We must also avoid any actions that might adversely affect the administration of relief operations for refugee populations or weaken broad donor support for them. Close consultations with donor and other interested countries in a region are essential.

My delegation wishes to take this opportunity to laud the generosity of numerous host governments and to praise the vital role of the many voluntary, non-governmental organizations which so often work in close cooperation with these governments and UNHCR to accomplish the actual delivery of assistance. Of equal importance is the significant, expert contribution of the Intergovernmental Committee for Migration which operates in close coordination with UNHCR in all parts of the world where refugees need help in arranging to move from one place to another and of the International Committee of the Red Cross and the League of Red Cross Societies.

I would like briefly to address the global refugee situation. Despite serious and sustained efforts to abate the conditions which create refugees, the population of those in need of international assistance continues to rise. Although more refugees are being provided international supervision, care, and maintenance, there are also more refugees.

In Africa, drought, political rivalries, military conflict, and ethnic and political persecution have created new populations in need of help. I would like to pay tribute to those African governments and peoples in Sudan, Somalia, Djibouti, and elsewhere, who accommodate large refugee influxes, even when this has meant sharing already scarce resources with the newcomers. Other U.N. agencies should take the refugee burden fully into account in granting economic assistance to developing countries which have accepted large numbers of refugees for asylum and resettlement and who deserve the support of the international communi-

ty. The U.S. will continue to consult with African governments on needed measures and programs to assist refugees in reaching self-sufficiency or enabling them to return to their countries of origin.

In Southeast Asia the Indochinese refugee crisis continues. Since 1975 close to two million people have risked every imaginable peril to flee the oppressive and restrictive regimes which now rule their homelands and which have resorted even to the use of illegal chemical warfare against their own people. The governments of the ASIAN states, humanely recognizing the plight of these desperate people, continue to provide first asylum to over 200,000 Indochinese. I commend these nations for their generosity to refugees and want to assure them that we will not forget their efforts on behalf of these suffering people. We must continue to devote ourselves to the effort of achieving a political solution which will end the motivation for flight and give Indochinese which will end the motivation for flight and give Indochinese refugees the possibility of returning to their homes freely and in peace.

Until this is achieved, however, we must alleviate the burden of caring for these refugees in the Southeast Asian countries of first asylum through support for maintenance in refugee camps, through increased protection for all refugees, particularly of women, and by providing timely resettlement opportunities. I would like to restate my own country's commitment to continue our resettlement programs for Indochinese and to call upon other countries to reexamine their programs to see if an expansion of their resettlement activities could be achieved. This would be a generous humanitarian gesture and a demonstration of support for the nations of the area that have carried the vital responsibility of first asylum.

The successful evolution of the Orderly Departure Program from Vietnam is an example of the role the High Commissioner can play in ameliorating humanitarian problems.

Without the UNHCR, more than 12,000 persons would not have been able to leave Vietnam legally and safely during the past twelve months. No doubt a larger number of refugees would have attempted the dangerous flight to freedom by boat or land, with many more deaths and more pirate attacks scarring the victims who escaped death at sea.

The Orderly Departure Program has made it possible for Asian-American children and their immediate families to leave Vietnam and come to the U.S. We look forward to an expansion of this program.

We hope the High Commissioner will soon be able to arrange with the Government of Vietnam for the release and orderly departure of those Vietnamese long held prisoner in re-education camps. May these brave men and women soon be given their freedom and allowed a chance to rejoin their families and to build their lives abroad if that is their wish. This remains a matter of the greatest humanitarian urgency.

In Pakistan we see the single largest refugee situation of today and an example of successful international cooperation in providing for the needs of refugees. Approximately one-third of Afghanistan's people have fled to neighboring countries because of the continuing occupation of Afghanistan by Soviet troops. Well over two million refugees are being cared for in Pakistan alone. Pakistan's compassion and organizational leadership and that government's patience in aiding these people are reactions worthy of emulation by all states faced with refugee responsibilities.

But this temporary burden must not become a permanent one. The international community must press for the withdrawal of all Soviet forces within the framework of the U.N. resolutions on this issue and for the cessation of the brutal attempt to subjugate Afghanistan. Such a Soviet withdrawal would not only allow the proud Afghan people to return with dignity to their homeland, but allow the Soviet Union to protect its legitimate security interests while considerably reducing the level of tensions not only in that region but throughout the world.

We continue to encourage and support UNHCR and other multilateral programs to aid refugees in other regions of the world. Time and again—as in Central America, for us a region close to home—we have seen the value of the High Commissioner's protection and assistance role. In compliance with his mandate, the High Commissioner's activities provide a non-political humanitarian shield for refugees behind which they can be helped in the search for the appropriate durable solution.

Through his "good offices" function, the High Commissioner has been of assistance to other groups in need. He has also taken an active role in assisting interesting governments, including my own, in training and educating their personnel in the implementation of international law and treaties on refugees and the principles of asylum.

The purposes of the UNHCR are as valid and needed today as they were at the time it was established as the successor of the International Refugee Organization. With the High Commissioner, we regret the continued need for an organization to serve those purposes—to respond to the consequences of what the cliche describes as "man's inhumanity to man." As long as fear of persecution drives people from their homes or makes them unable to return, the High Commissioner's task will continue. He will continue to have our wholehearted support.

We appreciate his leadership in the effort to provide greater protection under local and international law for those forced to flee and seek asylum. We encourage him to even greater efforts to defend the lives and well-being of refugees. Thank you, Mr. Chairman.●

SOCIAL SECURITY NOTCH

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. PICKLE. Mr. Speaker, following is a statement by Mr. Robert M. Ball on the social security notch problem.

Mr. Ball was Commissioner of Social Security for many years and is one of the most respected and knowledgeable persons who has worked on this program and a most able guardian of the program and its beneficiaries. I think the Members will be interested in his comments.

THE "NOTCH" PROBLEM

The 1977 Amendments to the Social Security Act changed the method of computing initial benefits because the 1972 benefit formula, when combined with high rates of inflation, resulted in benefits that were a higher percentage of the worker's earnings than had been intended. Had the 1972 benefit formula been left in the law unchanged and had high rates of inflation persisted, benefits would eventually have exceeded the wages they were intended to replace. No one favored such a result and the high cost that would have resulted. It was important to prevent this future unreasonable growth in benefits and this was accomplished by the 1977 Amendments which "stabilized the replacement rate," that is, people in the long-range future will receive the same percentage of recent earnings as is true for people retiring in the near future. The 1977 Amendments also slightly decreased replacement rates as compared to what they would have been if stabilizing the replacement rates had been the only objective.

People who reached age 62, became disabled or died in 1978 or earlier, were not affected by the change. They were already eligible for benefits before the first year the 1977 Amendments became effective, and it would not have seemed fair for Congress to reduce the benefits of those already eligible.

All those who reach age 62, become disabled or die in 1984 or later, will have their benefits computed under the new method and their benefits will be a somewhat lower percentage of previous earnings as was intended. (For the last five years there has been a transitional provision which for some people provided a level of benefits somewhere in between what the 1972 computation would have provided and the permanent provisions of the 1977 law.)

It is understandable that proposals have been made to raise the benefits of those who become eligible after 1978 because they may well be getting less than people eligible before that date. However they are getting benefits at the level intended by the 1977 amendments and at the level for which financing has been provided.

Benefit increases beyond what was intended in the 1977 Amendments cannot be absorbed by the present level of financing. The 1983 Amendments provided adequate financing for present law, but there is very little leeway during the next four years. After that the trust funds build rapidly.

The financing difficulty is illustrated by the bill introduced by Mr. Roybal, Chairman of the House Select Committee on Aging. The Roybal bill is estimated to cost $37.6 billion through 1987 and $92.6 billion through 1990. Regardless of the merits, such an increase in the cost of social security would jeopardize the short-run financial stability of the program and reopen the entire issue of social security financing. On the other hand, an increase in social security taxes to pay for these additional benefits—which would be at a level higher than the Congress had previously intended—does not seem likely to win majority support in the Congress and the signature of the President.—Robert M. Ball, U.S. Commissioner of Social Security (1962-73).●

TRIBUTE TO SIGMUND AND JEAN BARDACH

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BERMAN. Mr. Speaker, I rise in order to pay tribute to Sigmund and Jean Bardach. Mr. and Mrs. Bardach are being honored by Shaarey Zedek Congregation in North Hollywood for their many years of service to the congregation and to the Jewish community of Los Angeles.

Both Sigmund—or Sigi as he is known—and Jean grew up in Europe, where their Jewish values were strengthened by the onslaught of World War II and the Nazi occupation of their native countries. After each of them made their way separately to America, they met and married, eventually moving to North Hollywood in 1958. Since that time, they have been active members of the community. They are two of the most devoted supporters of traditional Jewish life in the San Fernando Valley, and their contribution to Shaarey Zedek have been invaluable. They have worked hard to organize, build and strengthen a religious institution that is so vital to the Jewish community, always giving freely of their time and effort, and frequently contributing more generously than seemed possible. Above all, they have made these contributions with modesty and quiet pride, but without fanfare, in keeping with the tradition of "tzedakah."

Mr. Speaker, I am proud to join with all those who will come together on Sunday, January 15, 1984, to honor Sigmund and Jean Bardach. No two people could be more deserving of such a tribute, as no two people have been so dedicated to furthering the cause of Jewish education and values, and improving the congregation they love so dearly as have Sigi and Jean.

I would like to extend my personal congratulations to them on this very happy occasion, and wish Mr. and Mrs. Bardach all the best of health and happiness in the future. Mazal Tov!●

HONORING MICHIGAN'S NEWLY NATURALIZED CITIZENS

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. HERTEL of Michigan. Mr. Speaker, I wish to congratulate the following newly naturalized citizens of the United States of America in the State of Michigan: Mr. Naji Hizam Alassri, Mr. Mohamed Ali Assaidi, Mr. Steve M. Z. Elturk, Mr. Abdula Mohamad Ashaif, Mr. Mladen Taseski, Mr. Shashikant Trimbak Nagle, Mr. Young-Keun Park, Mrs. Bushra Sabih Nakara, Mrs. Helen Hyun Choi, Ms. Yvette Rodeau Bouyer, Mrs. Gloria Victoria Kassar De Obeid, Mrs. Pamela Joyce Hummel, Mr. Samir Saha, Mr. Sabih Wadei Nakara, Mr. Tanveer Jamel, Mr. and Mrs. Benjamin Byung Joon Kim, Mr. Phil Bote Managahas, Mrs. Malti Bharat Patel, Mr. Angel Omar Moreyra, Miss Biljana Nastovska, Mr. Liaquat Mirza, Miss Maysoon Michael Kattula, Mrs. Smrita Pal, Mr. Glen Gary Wodnicki, Mr. George Bedros Mikhjian, Mr. Sharad Navnitlal Sheth, Mr. Augustin Suteu, Mrs. Raichel Andrews, Mrs. Mindora Jaciuk, Mr. Michael Jaddou, Mr. Corrado Orazio Scarnecchia, Mr. Francesco Enea, Mr. and Mrs. Raffele Domenico Annoni, Mr. Benedetto Lo Grasso, Mr. and Mrs. Bogdan Stanislaw Beszka, Mr. Chue Hom, Mr. Reinhold Herman Mattias Spiess, Mr. Adel Elias Ajini, Mrs. Amira Yermia, Mr. James Zvonko Saveski, Mr. Egon Armin Pridoehl, Mr. Surjit Singh Multani, Mr. and Mrs. John Antoni Lewandowski, Miss Letty Abijay Orotea, Mr. Bill Jaddou, Mr. Sami S. Samona, Mr. Trpko Niko Dimovski, Mr. Luigi Rastelli, Mr. Walid Yousef Fakhoury, Mrs. Kuei-Ying Chen, Mrs. Halina Derlik, Mr. Clarence Ferdinand Gloude, Mr. Jimmy Naoroji Deboo, Mrs. Matsuko Sandoval, Mr. Edwin Acierto Balido, Mrs. Alina Capo Noll, Mrs. Selma Bowson, Mrs. Alamao Naoroji Deboo, Mr. Sima Birach, Mrs. Margaret Anne Green, Mrs. Souad Maadarani, Mr. Jose Angel Villalobos, Mrs. Susan Hamame, Mrs. Freny Jimmy Deboo, Mr. and Mrs. Mario Liva, Mr. Mag Cruz Abueg, Mr. and Mrs. Stephen Gerrad O'Brien, Miss Leandre Villarosa Ga, Mrs. Virginia Domingo Meek, Mr. Giuseppe Soave, Mr. Zacarias Roman Lapid, Mr. Awni Issa Zoumot, Mrs. Rehana Parveen Barlaskar, Mr. Henry Kawka, Mr. and Mrs. Radoslav Sinjanovski, Mr. Rafiq Asgarally, Mrs. Elena C. Perez, Miss Vickie Heleen Imelda Chen, Mr. John Butzu, Mrs. Maria Lourdes Jabson Del Rosario, Mr. and Mrs. Asgarally Khan, Mr. Todor Gjorgjevski, Mr. Igor Dashevsky, Mr. Ajay Gupta, Mr. Rodolfo Roman Lapid, Mr. Tomislav Zdravko Nikolic, Mrs. Vera Cecilia Skalski, Mrs. Mirjana Matovski, Mrs. Gjyste Ljuldjuraj, Miss Sylvia Maria Hidalog, Miss Dijana Zafirovska, Mr. Liam Paul Doherty, Mrs. Naomi Mopera Amora, Mrs. Saeda Begum Kherie, Miss Laura Beatriz Sotolongo, Mrs. Shirley Anne Nichols, Mr. Sane Todorovski, Mrs. Jennifer Keum Paik, Mrs. Hema Nathan, Mr. Vinay Sankalchand Patel, Mrs. Minda Orzame, Miss Susan Lorraine Nichols, Mr. Vasko Stefanoski, Mr. Lee Jemil Najor, Mrs. Samia Saleh Kazak, Misses Donna Marie and Michelle Lee Elrod, Miss Melissa Ann Reeves, Miss Amanda Cowen, Miss Jamie Kim Smith, Misses Heather Christian and Susan Marie Martin, Mr. Michael Timothy Martin, and Miss Connie Soo Mee Kelly.

It is with great pleasure that I welcome the aforementioned citizenry of the United States of America. As citizens of the United States of America, it is important that we uphold the truths and principles upon which this Nation was founded, of which the foremost are liberty and justice for all. We are called to join the ranks of the men and women who fought and continue to struggle to make the United States of America a place where one has the freedom to live and work as one chooses and a place where those who enjoy the free exercise of their rights seek to promote respect for these inalienable rights elsewhere in the world. As these newly naturalized citizens pledge their allegiance to the United States of America, may we all be reminded of the great fortune we have to make our home here and the great responsibility we have to preserve and improve upon the free institutions of the United States of America.●

IN HONOR OF DEAN MORRISON

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. STARK. Mr. Speaker, on December 9, Planned Parenthood, Alameda/San Francisco, will mark the dedication of their building in honor of a long-time friend and supporter of Planned Parenthood—Dean Morrison.

Mr. Morrison was nominated to the Planned Parenthood League of Alameda in 1953 and served as president of that board in 1958, 1960, and 1961. After election to the national Planned Parenthood Federation Board, Mr. Morrison served as 1 of 10 delegates in 1963 to the International Planned Parenthood meeting in Singapore.

In the three decades that Mr. Morrison has been involved with Planned Parenthood, he has been the motivating force in the development and completion of the $630,000 capital campaign for the MacArthur Center in Oakland, the building that will be dedicated in his honor.

Dean Morrison has provided exemplary leadership and unswerving dedication to the basic tenets of Planned Parenthood family planning service, education, and advocacy for reproductive rights.

I join his many friends in saluting him for a job well done as he retires from the board of Planned Parenthood, Alameda/San Francisco.●

HELEN SUZMAN: A COURAGEOUS VOICE FOR CHANGE IN SOUTH AFRICA

HON. STEPHEN J. SOLARZ
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. SOLARZ. Mr. Speaker, during the debate on the recent referendum in South Africa, a dear friend of mine, Helen Suzman, a member of the Progressive Federal Party in the South African Parliament published a perceptive op-ed piece in the Washington Post.

Ms. Suzman, who has spent her life working for peaceful change in South Africa clearly and cogently explained her opposition to the constitutional change which would create a House of Representatives for the 2.5 million South African colored and a House of Delegates for 800,000 Asians, but leave South Africa's 22 million blacks disenfranchised. Because of the importance of understanding the position of the Progressive Federal Party in South Africa, I include this article written by the party's spokesperson on civil rights in today's CONGRESSIONAL RECORD:

[From the Washington Post, Oct. 6, 1983]

VOTING WHITE

(By Helen Suzman)

CAPE TOWN.—The referendum to be held in South Africa on Nov. 2, in which white voters will be asked to say "Yes" or "No" to the question posed by the National Party government—"Are you in favor of implementation of the Constitution 1983 as approved by Parliament?"—has several bizarre aspects. To begin with, the "Colored" and Asian people who are to be included in the new constitutional proposals, will not participate in the referendum, and the blacks, 70 percent of the total population, are excluded both from the referendum and from "Constitution 1983." The new parliament, if set up, will consist of three Houses—a House of Assembly for the 4½ million whites, a House of Representatives for the 2½ million Colored people, and a House of Delegates for the 800,000 Asians.

Blacks, explains the government, are already accommodated politically by local government structures in the urban areas, and nationally by a franchise in their ethnic rural "homelands." Needless to say, blacks living in townships like Soweto, close to Johannesburg, where many of the million people are third-generation urban-born, laugh at the quaint concept that they should exercise their right to vote in distant tribal areas in which they have never set foot. And homeland leaders like Chief Gatsha Buthelezi of KwaZulu, have expressed outrage that blacks are to continue to be denied any say in the parliament which passes the laws that govern their lives from the cradle to the grave.

It is indeed hard to comprehend how South Africa can today, in 1983, when race discrimination is outlawed throughout the civilized world, repeat the cardinal mistake made way back in 1910, when Union was formed: this was, however, in an era when colonialism and white domination were the accepted norms.

Another curious aspect of the referendum is the lineup of the "yeses" and the "noes." On the "yes" side are, obviously, loyal supporters of the National Party government, since the new constitution is its brainchild, conceived in its caucus and delivered at its party congresses. But also announcing support are some influential English-language newspapers, traditionally anti-government, together with a considerable number of English-speaking South Africans who usually back the official opposition, the Progressive Federal Party, which has fought the new constitutional proposals from the time of their first appearance in Parliament. The other extraordinary lineup in the referendum is that Andries Treurnicht and his supporters in his far-right Conservative Party, are voting on the same side as the liberal PFP, but for totally different reasons. The Conservative Party wants apartheid administered by whites only, and the PFP doesn't want apartheid at all. (The government wants apartheid administered by whites, Coloreds and Asians.) "Confusion was confounded!"

There are several reasons for the defection of the people who would normally go along with the PFP. They have fallen for the line put across by government spokesmen (who have a virtual monopoly of the state-owned radio and television) that the new constitutional proposals are a "step in the right direction," a line that has been enthusiastically endorsed in some diplomatic circles, particularly by those in favor of "constructive engagement" with South Africa. This is because of the inclusion of the two minority groups, the Colored and Asian people. They also cherish the hope that the government has a hidden agenda that will eventually bring blacks into the news dispensation.

Two factors are ignored. First, that the powers to be given to the Colored and Asian houses are so limited that they will not be able to change in anyway the three laws they most abominate: The Race Classification Act, which reduces them to second-class citizens, the Group Areas Act, which defines the right to own or occupy property on a racial basis, and the Separate Amenities Act, which lays down that public amenities may be segregated and need not be equal.

Secondly, including blacks in the new dispensation would be totally incompatible with the government's plan of "Grand Apartheid," to which it firmly adheres. This involves the creation of "independent" black states, and the concomitant deprivation of South African citizenship for blacks ethnically connected with such states. Four "independent" black states have already been created, with a fifth in the pipeline, and some 8 million people have already lost their South African citizenship.

Apart from the "step-in-the-right direction" school of thought, many people who admit that the new proposals are badly flawed and are likely to fail, say they intend to vote "Yes" on Nov. 2 because they believe that if a "No" vote prevails, the government will fall, Treurnicht and his C.P. will come to power and reform will be frozen for all time. In fact, the danger of a takeover by Treurnicht is grossly overrated. A recent public opinion poll showed he had only 12.8 percent support. Moreover, the forces for change in South Africa—economic forces, the process of black urbanization, and international pressure, will continue despite Treurnicht, and whatever the outcome of the referendum.

One thing is clear. Many black South Africans will interpret a "yes" vote as approval for their exclusion from the new Parliament, and as an endorsement of apartheid. Thus the credibility of moderate black leaders who eschew violence will be undermined, and racial polarization and the possibility of conflict, will increase.

Cynics note that the National Party has been spending a vast amount of money on full-page advertisements in the local press proclaiming "We're here to say . . . Vote 'Yes.' Don't throw your future away." This sturdy message appears to be a direct crib from the propaganda sheet used by Ian Smith when he was campaigning for the Rhodesian Front. The irony of using this failed declaration of intent appears to have escaped the government.●

TRIBUTE TO MARY LOU HOWARD

HON. HOWARD L. BERMAN
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BERMAN. Mr. Speaker, I would like to take this opportunity to pay tribute to Mrs. Mary Lou Howard. Mary Lou has just been named the Outstanding Citizen of the Year for 1983 by the Realtors of Burbank, Calif.

Mary Lou Howard is certainly deserving of this award. I have had the pleasure to work with her on many occasions in the past while she served the people of Burbank as their mayor, and a member of the city council for the past 4 years. She is the kind of public servant who puts an extra effort into every project that comes before her, and she has always gone out of her way to make Burbank a better place. Mary Lou played an important role in bringing the city government to the citizens of Burbank in town hall meetings, and in establishing the Burbank recycle program.

In addition, Mary Lou has been an active participant in SCOPE, a local organization for young, handicapped adults. She has given a great deal of time and effort, above and beyond her official duties as mayor and council member, to working with the handicapped.

Mr. Speaker, I am very happy to be able to join with so many others who recognize the contributions Mary Lou Howard has made to the Burbank community. As she is honored by the Burbank Board of Realtors on December 15, I would like to offer my personal congratulations and warmest wishes for continued success. I am proud to call Mary Lou Howard a friend, and I look forward to continuing to work with her on behalf of the residents of Burbank.●

CYPRIOT SITUATION

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. HERTEL of Michigan. Mr. Speaker, it is the policy of the United States to respect and insist upon the right of a people to determine their own form of government. Therefore, we vociferously denounce the Turkish intrusion into the internal affairs of Cyprus.

The Greek and Turkish Cypriots need to resolve their problems without external pressure or manipulation. It is imperative that we, as a nation committed to the right of self-determination, pledge ourselves to the task of insuring that Cyprus be able to exercise that right. We urge Turkey in the strongest terms possible not to encourage the partition of Cyprus into two zones, one Greek and one Turkish. It is the presence of 20,000 Turkish troops who have occupied the northern third of the island since 1974 that threatens to prevent successful negotiations between the two communities.

The declaration of independence by the Turkish Cypriot leader, Rauf Denktash, on November 15, 1983, violates the U.N. resolution of 1963 which established a U.N. peacekeeping force on the island to forestall violence and pave the way for a unified Cyprus. The President of Cyprus, Spyros Kyprianou, is seeking to peaceably avert the partition of the island. He has called for international condemnation of the Turkish Cypriot move and of the Turkish Government who supports the Turkish Republic of Northern Cyprus. The U.N. Security Council has responded by calling for a revocation of the unilateral declaration of independence by the Turkish Cypriots.

The United States of America is firmly committed to the right of self-determination and urges the Greek and Turkish Cypriots to pursue negotiations to establish a mutually acceptable form of government. We insist that Turkey relinquish her stranglehold on the northern part of Cyprus so as to permit the Cypriots to resolve their internal problems without external coercion.●

FRANK BERTINO RETIRES: BEST FOOTBALL COACHING RECORD IN NEW YORK STATE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BIAGGI. Mr. Speaker, on November 12, 1983, Frank Bertino, the winningest football coach in New York State, coached his last game at Riverdale Country High School. In that game, Riverdale beat Fordham Prep 28 to 6 to finish the season with a perfect 8 and 0 record. This was Bertino's 40th year as head coach and his 17th undefeated season. At this time I would like to pay tribute to this man and share some of the highlights of his career with my colleagues.

Frank Bertino was an All-County grid star at Port Chester High School before going on to Albright College in Reading, Pa., where he starred at end, playing both offense and defense. In 1944 he became the head football coach at the Riverdale Country High School. Since that time he has compiled and incredible 244-47-6 record, including 17 undefeated seasons. He has experienced winning streaks of 51 straight—over an 8-year period—and 21 straight.

As both a teacher and a coach, Frank Bertino has been a positive influence on the lives of countless youngsters. He produced many great played over the years. Among them are Calvin Hill, who made High School All-American as Bertino's quarterback in 1964 and went on to star at Yale University and later on in the NFL for Dallas, Washington, and Cleveland. Others included Don Zimmerman, Charles Beet, Bob Hazzard, and Tony Green of Yonkers, who recently made little All-American at Lafayette College. So many of Bertino's former players have gone on to become outstanding citizens. According to Bertino, "It's a great pleasure to see them come back as doctors and lawyers. I've had a dozen of their kids who played here, too."

Throughout his 40 years at Riverdale, Bertino's biggest supporter and fan has been his wife Flo. She has taken an active interest both in her husband's career and in the lives of his players. Her unbending support has undoubtedly been a source of great inspiration and strength for Bertino. In addition to his devotion to both his family and his players, Bertino has owned and operated the Nabby Day Camp in Mohegan Lake, 7 months a year.

Year in and year out he has consistently molded a winning team—compiling an incredible record over the last 40 years. Not only has he molded and produced winning football teams—he has molded and produced outstanding individuals. His influence has spread far beyond the gridiron. Frank Bertino is a shining example of the human spirit—consistently giving of himself for others and always bringing out the best a person had to offer. Frank Bertino is truly a legend in his own time.●

HOW TO SAVE $65,913 ON A ROLLS ROYCE, COURTESY OF YOUR FELLOW TAXPAYERS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. STARK. Mr. Speaker, recently I introduced a bill (H.R. 4135), to deny depreciation and the investment tax credit to the portion of an auto above $15,000. This bill is designed to stop the Tax Code and the great majority of taxpayers from subsidizing the use of luxury autos by a few businessmen. The $15,000 figure would be adjusted annually to reflect changes in the price index for autos. Mr. Speaker, I have nothing against people purchasing luxury autos—I just do not think the Tax Code should subsidize it.

The daily ads for expensive autos, with their slogans about "just in time for your 1983 taxes"—see the Washington Post business section, December 5—should be evidence enough for the enactment of this legislation.

But one of my constituents, an expert in taxes and accounting, sent me a letter expressing outrage about a type of mailgram he received from a California luxury auto dealer, offering him a commission for referring his wealthy clients to the auto company, and urging that he stress the tax advantages of buying a luxury auto. As the come-on said, a $109,000 Rolls Royce will generate $65,913 worth of tax benefits in 3 years.

Mr. Speaker, I would like to make this mailgram exhibit A in the case for the enactment of H.R. 4135. The text of the letter follows:

AN EXTRA INCENTIVE TO FURTHER YOUR CLIENTS—AND YOU

It's no secret that your clients rely heavily on your educated guidance. And that they are in a very select income range that enables them to portray any image they desire, which usually is carried over to the car they drive. Most likely many of your clients already drive the best and are enjoying the prestige and tax credits, but what about your other clients?

We at British Motors/Ferrari West are offering a unique opportunity for you to expand your careful guidance and service to your clients. We offer the image they desire, plus a solid investment with the tax credits they need. Using a new Rolls Royce as an example—the purchase price is $109,000, plus tax and license. The cumulative tax benefits for the first three years is as follows: First year, $21,923; second year, $44,198; third year, $65,913. With these kinds of figures, a luxury car isn't a luxury. It's a wise investment and something your clients will enjoy daily.

The above is only one example. We are the only dealership in the United States to offer the three most sought after automobiles in the world: Rolls Royce, Jaguar and Ferrari, plus Aston Martin, Lagonda and Alfa Romeo. Each of these lines offer substantial tax benefits to their owners. Of

course, each taxpayer should consult with his own tax preparer for specific benefits.

You know your clients and their needs. For any referrals you give us, you will receive a commission with each sale. This is a simple business proposition and you'll deal only with the principals of British Motors/Ferrari West in strict confidence. For complete details and full tax information, give us a call at (408) 373-3041. The enclosed card delineates your commission structure.

Sincerely,

BRUCE REDOING and GERRY BYRNE.●

AN ECONOMIC-INCENTIVE APPROACH TO CONTROLLING ACID RAIN

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. ASPIN. Mr. Speaker, our efforts to meet the issue of acid rain cleared a major hurdle this past summer with the long-overdue admission by the administration that man-made pollutants are indeed to blame, and that we face a truly serious threat to our environment.

Now, it seems, we can all at least agree on the problem. That is supposed to be half the battle. But before we can win it, we must agree as well on a plan of attack. There is still considerable disagreement in that area, and with good reason.

I have introduced a bill (H.R. 4483) that I think offers a more effective approach to controlling acid rain than other legislation now ending. My bill would create an economic incentive for coal-burning electric utilities and other coal users to reduce sulfur emissions in whatever way they determined would cost them—and therefore their customers—the least.

The approach to acid rain that's the standard of comparison in the House is the Sikorski-Waxman bill (H.R. 3400), now under consideration by the Health and Environment Subcommittee of the Energy and Commerce Committee. The bill's sponsors claim it will cut acid-rain-related emissions 10 million tons annually by requiring the installation of smokestack scrubbers at the Nation's 50 dirtiest coal-fired powerplants. It would cover the cost of doing this with a tax on virtually all electric bills. The idea is to clean up the air without forcing plants to stop burning high-sulfur coal, and so to spare the jobs of a lot of coal miners.

Because I think controlling acid rain should be one of the Nation's first priorities, I have cosponsored the Sikorski-Waxman bill, but I have a number of problems with the approach it takes. Most important is its inflexibility. Instead of encouraging utility companies to find their most efficient ways of cutting down on sulfur dioxide emissions, the bill locks them all in to the same technology. The bill also fails to address the problem of emissions from powerplants yet to be built, or from nonutility sources. Finally, I am not sure it is fair to tax all electricity, regardless of whether its generation contributed to the acid rain problem. After all, some electricity is generated cleanly.

My bill takes a different tack. It has four basic components:

First, a tax of 50 cents per pound would be imposed on the sulfur content of coal sold after December 31, 1983. The tax would apply only to sulfur content in excess of a level that should not pose environmental problems. Companies who manage to get the sulfur out either before or after burning coal would get a rebate. Since the costs of scrubbing away sulfur as mandated in the Sikorski-Waxman bill are less than 50 cents per pound, my tax-rebate plan should spur a sulfur dioxide emission reduction of at least the 10 million pounds projected by Sikorski-Waxman.

Second, existing electric utilities that install equipment to control sulfur dioxide emissions would be reimbursed for 90 percent of their costs with revenues from the tax. This subsidy would double the incentive of the tax-rebate program.

Third, the tax would apply to nonutility combustion and, therefore, curtail emissions here, too. Such coal burners accounted for almost 30 percent of all sulfur dioxide emissions in 1980, and their share of responsibility for the problem is growing.

Fourth, my bill would curtail acid-rain-related emissions from all coal-fired plants—those in existence now as well as those to be built in the future.

The economic-incentive approach to pollution control is not a new idea. West Germany has had some success taking a similar tack in cleaning up the rivers of the Ruhr Basin. Yet, in America, despite our reliance on market principles, examples are rare. I think we should harness the control of acid rain to the doctrines of free enterprise.

Let me see if I anticipate and respond to some of the criticism my bill is likely to draw.

Some will no doubt say that it is too uncertain, that it does not guarantee results as the Sikorski-Waxman command approach claims to. It is true my bill does depend on the self-interested individual responses of the companies at which it is directed. But that is not necessarily bad. The command approach is basically arbitrary and encourages continued quibbling over its quantitative standards, instead of attention to the problem.

Others will speculate that electric utilities would pass along the tax to the consumer, rather than work to reduce emissions, avoid the tax and gain the subsidy. But sooner or later, that would cost them business, and even utilities like a brisk business. Furthermore, in this day of activist consumer groups and public service commissions, it is unlikely that utilities could get away with charging higher rates to cover an acid rain control tax when a lower cost alternative is available.

There is bound to be opposition to my economic-incentive plan from the high-sulfur coal producing States, where indeed a certain number of jobs would be lost as low-sulfur coal became the fuel of choice. But, the bottom line is that more jobs would be gained in the mining and transport of low-sulfur coal than would be lost mining and transporting the high-sulfur variety. In many regions, the same people who lose their jobs mining high-sulfur coal could find new work mining low-sulfur coal without having to pull up stakes and move elsewhere. Still, on this issue, where you stand will depend on where you sleep. The things to keep in mind are that the net effect on employment from my bill is a plus and that the Sikorski-Waxman bill would spend nearly $60,000 a year of the consumer's money for every job it saved—more than $1 billion by 1995. For that kind of money, I think we need to look very closely at the alternative of finding spots in other industries for displaced high-sulfur coal miners. Sixty thousand dollars a head buys a lot of retraining.●

IN MEMORY OF JUDGE JESSIE SLATON

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. HERTEL of Michigan. Mr. Speaker, the sudden, cruel, violent, and malicious act committed by the Soviet Union on September 1, 1983, shocked and horrified the world. The attack on an unarmed civilian South Korean jetliner by a CU-15 Soviet fighter plane was inexplicable, inexcusable, and inhuman.

Aboard the KAL 747 were 269 passengers, of which 61 were American citizens. Among those Americans was a woman who welcomed challenge, the challenge to become the best and the most she could be, for herself and for others. Her name was Judge Jessie Slaton.

Jessie was born in Georgia and moved to Detroit at age 8. She began her illustrious career in 1933 when she became the first black woman ever hired as a secretary in Detroit City Hall.

When budget cutbacks ended her job at city hall, she went to Wayne State University where she became a

special education teacher and obtained advanced degrees.

Jessie became involved in the 1942 struggle of black workers who sought to exercise their right to move into the federally funded Sojourner Truth housing project in a predominantly white neighborhood. This experience led her to a career in law.

After Jessie graduated from the University of Detroit Law School in 1951, she worked in private practice and as an attorney for the city of Detroit. In 1972, she was appointed as a referee by the judges of the Detroit Traffic Court. Jessie was the first woman to hold such a post.

Jessie's lifelong dream was fulfilled, and her hard work rewarded, when, in 1978, she was appointed to the Wayne County Common Pleas Court by former Gov. William Milliken. In 1980, when she was forced to retire because of her age, Governor Milliken asked this vital 72-year-old woman to chair the State's crime victims compensation board. Jessie also had the distinct honor of swearing Governor Milliken in for his last term.

It was with great sorrow and a profound sense of loss that we received the news of Jessie's death and of the death of all those aboard the downed South Korean jetliner. We are outraged by the contemptuous Soviet disregard for human life and wish to, by honoring one of the victims of the tragedy, honor all of them. We pay tribute to Judge Jessie Slaton who met the challenge to be all that she could be and who faithfully served the city of Detroit and her country.●

IN MEMORY OF A GREAT EXPLORER: JUAN RODRÍGUEZ CABRILLO

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. STARK. Mr. Speaker, for many years, I have been aware of the fine social work of the Cabrillo Civic Clubs of California. These clubs have been an active group of public minded and charitable citizens, generally of Portuguese-American descent.

I have not been familiar, however, with the details of the career of the namesake of the clubs, Juan Rodríguez Cabrillo. Several of my constituents and club members all over the State of California have inquired about the possibility of honoring Juan Rodríguez Cabrillo through the issuance of a U.S. postage stamp.

To help evaluate the career of Cabrillo and to provide information for consideration by the Postal Service's stamp commission, I asked Prof. Lejeune Cummins of the department of history, California State University, Hayward, to provide a paper on Cabrillo's career. Professor Cummins was kind enough to help with this project, which involved a great deal of historic research in Spanish and English language documents.

Because of the national interest in Cabrillo among Americans of Portuguese heritage—and because of the general interest in our early explorers which is increasing because of the upcoming 500th anniversary of Columbus' discovery—I would like to include at this point in the RECORD Professor Cummins paper.

As the professor notes:

[Cabrillo] was the first mariner to see, explore and describe the coast of Alta California and its inhabitants. His interest in and references to the Chumash Indians of the Santa Barbara Channel constitute an invaluable source for the study of these important Native Americans. He also charted the route for navigating the Pacific coast from Mexico to California. With Juan Rodríguez Cabrillo the history of California begins.

These accomplishments certainly merit acknowledgement, and it is hard to imagine a more fitting form of recognition than that of a commemorative postal stamp of the United States.

The paper follows:

JUAN RODRÍGUEZ CABRILLO: HIS CONTRIBUTIONS TO THE DISCOVERY AND SETTLEMENT OF AMERICA

(Revised, November 1983)

(Prepared by Prof. Lejeune Cummins, Department of History, California State University, Hayward, Calif.)

The exploits of Juan Rodríguez Cabrillo in first exploring the coast of modern (Alta) California have stirred the imagination of students for many years. An abstract of the log of the expedition, first published in 1857, survives as one of only two major sources of the epochal voyage of 1542-3. The abstract provides sufficient data to establish Rodríguez Cabrillo as a skilled navigator, leader and explorer of the first rank in an age of celebrated mariners.

The lack of detailed source material has been a serious problem in establishing Rodríguez as a major historical figure in the annals of the exploration of North America. The original log of the expedition has been lost and such historical material as survives is imperfect and often contradictory. In addition to the abstract of the log, the most important source is the testimony given in a Guatemala law suit instigated in the 1560's by family heirs who were attempting to regain extensive property seized after the navigator died as a result of an accident during his voyage to California. The dearth of evidence has made Rodríguez Cabrillo a shadowy historical figure, a man of mystery whose origins and even nationality are not known.

Despite the problems arising from the lack of sources, enough is known to establish Juan Rodríguez Cabrillo as a major historical figure eminently worthy of commemoration for his feats in discovering, exploring and describing coastal California and her aboriginal inhabitants.

Juan Rodríguez Cabrillo first gained recognition in the Spanish conquest of Mexico. Landing on the Gulf Coast in 1520 with the expedition of Pánfilo de Narváez, he soon joined the army of Hernán Cortés in the siege of Tenochtitlán, the Aztec capital. He commanded a group of crossbowmen and may have helped to build a fleet of small brigantines for use against the Aztecs. Following that spectacular campaign, the Spaniards renamed the metropolis Mexico City and made it the seat of the richest and most important colonial center of any European power.

Further services in the expanded conquest of New Spain assured his status as one of the notable figures of his time. In 1522-3 he joined in the pacification of the Oaxaca area of southern Mexico. His next move was of critical importance in the sequence of events that eventually took him to California. Rodríguez Cabrillo decided to cast his lot with Pedro de Alvarado, who undertook the conquest of Guatemala in 1524-5. As a reward for his effective service under Alvarado he was granted extensive properties there which netted him a generous income. He evidently accompanied Alvarado to Spain in 1527-8, where he married Beatriz Sánchez de Ortega, the sister of a comrade in arms. In the decade that followed he prospered as an encomendero (grantee of Indian tribute and/or labor) and as Alvarado's shipbuilder. He also assumed family responsibilities, raising two sons and probably daughters as well.

The organization of the Viceroyalty of New Spain and the arrival of Antonio de Mendoza as the first Viceroy in 1535 gave direction to Spain's imperial quest for trade relations with Cathay and a colonial outpost in the western Pacific—or South Sea as the Spaniards then termed it. It also meant the eclipse of the conquistadors: the career of Hernán Cortés declined and that of Pedro de Alvarado seemed to be in jeopardy, particularly after an ill-conceived sortie to Peru.

The problems facing Viceroy Mendoza began with an imperfect geographical knowledge of the South Sea and of the "Northern Mystery." How could the broad sea be navigated? What lay to the north? Did the Río de La Señora offer a passage through North America? Were there Indians to the north to be Christianized? Were there "Other Mexicos?"

At this juncture Alvarado concluded a bargain with Mendoza. Alvarado had amassed a strong military and naval force for further conquests, and Mendoza was determined to use it to advance imperial goals. The agreement of November 29, 1540, provided for the division of Alvarado's fleet. One segment would be sent across the South Sea to the Spice Islands, and the other would be sent to explore the coast of North America. Mendoza assumed a half interest in the project and agreed that future expenses would be shared equally.

Rodríguez Cabrillo's role in the elaborate venture was to serve as second-in-command to Alvarado. He had assumed direction of shipbuilding activities in Guatemala and used his personal resources to help finance the enterprise. One of the larger vessels in the fleet, officially the *San Salvador*, was popularly referred to as the *Juan Rodrigues*, having been paid for by her owner and navigator.

Rodríguez Cabrillo served as *almirante* to Alvarado as the fleet moved up the west coast to New Spain, eventually anchoring at Navidad in the vicinity of Manzanillo. An Indian rebellion in Nueva Galicia (Jalisco) diverted the attention of the Spanish leaders. When the viceroy asked for assistance in quelling the outbreak, the impetuous Alvarado responded with his typical ardor.

While withdrawing from an attack on an Indian position, a horse fell on Alvarado, causing his death on July 4, 1541.

Delays and confusion ensued. Viceroy Mendoza assumed control of Alvarado's fleet and some time later placed Rodriguez Cabrillo in command. An earlier expedition headed by Francisco de Ulloa had coasted Lower California to the vicinity of Cedros Island. Cortés himself had attempted to colonize Lower California in 1535, naming the area Santa Cruz. But Ulloa was a lieutenant of Cortés and had no future. The viceroy dispatched Hernando de Alarcón and Francisco de Bolaños to explore the Gulf of California and coastal Lower California in the fall of 1541; Balaños retraced Ulloa's exploration, compiling information that would aid the main effort. He also seems to be the first explorer to have applied the name "California" to the peninsula.

The viceroy's instructions to Rodriguez Cabrillo have been lost, but it is possible to piece together their probable content. Based on Mendoza's orders to the two expeditions of 1541 and on his agreement of that spring with Alvarado, it is reasonable to assume that Rodriguez Cabrillo was given three main tasks to perform. He was probably instructed to establish geographical knowledge of the northern coast, in particular to search for a western outlet of a river that might flow across North America, to search for Indians who could be Christianized and to colonize California, if a suitable location could be found.

In early September 1541 a major earthquake devastated Santiago, the Spanish capital of Guatemala. Rodriquez Cabrillo and his fellow Guatemalans returned home to aid in the work of reconstruction of their new homeland. It was not until the spring of the following year that they were able to rejoin the fleet in Navidad.

Aboard his flagship the *San Salvador* Captain General Juan Rodriguez Cabrillo ordered the departure of the well equipped armada from Navidad on June 27, 1542. In addition to the flagship the armada consisted of the somewhat smaller *Victoria*, a third vessel of similar size and a small lighter, the *San Miguel*. Lesser among the leaders of the expedition were Bartolomé Ferrer, the chief pilot, Lorenzo Hernández, another pilot, and the shipmasters Antonio Correa, a Portuguese, and Geronimo de San Remo. Contrary winds delayed the California landfall several days and seemed to indicate that hostile seas would be a serious problem to the expedition. A month later the vessels reached the Cedros Island-Cape Engaño region, which marked the northernmost advance of the previous expeditions. The land thus far had been barren and apparently devoid of life, but north of Cedros changes were noted. Vegetation appeared and there were occasional sightings of Indians. "Vile" winds, rainstorms and rugged coasts marked the voyage as they slowly beat their way north during August and September. They anchored at night and occasionally found shelter in a bay.

At Puerto de la Posesion Rodriguez Cabrillo formally claimed the land for Spain. Indians appeared and through gestures indicated the presence of other bearded white men five days to the east. These men were undoubtedly members of a division of the Coronado expedition to New Mexico, and Rodriguez Cabrillo asked the Indians to deliver a message to his countrymen.

In mid-September the Spanish mariners noted ". . . beautiful valleys, groves of trees and level and broken country." On several occasions they observed heavy logs on the shore, possibly indicating the presence of a river. In late September they passed three islands which they name "Las Islas Desiertas" and saw smoke on the mainland.

On Thursday, September 28, 1542, the armada entered a "very good port," which they named San Miguel and which was later renamed San Diego. Thus begins the history of modern Alta California. Contact was made with Indians, most of whom fled. A few who remained explained that rumors of mistreatment of Indians by white men far to the east had provoked fear in the Indians. That night the Indians wounded three Spaniards who had gone ashore to fish. The next day the harbor was explored, and presents were given to the Indians. A "great tempest" passed through, but no damage was done because the port was "so good."

The following week the expedition worked its way up the coast of southern California. A landing was made on Santa Catalina Island, and the next day the expedition moved to the mainland in the vicinity of San Pedro. A few days later they entered Santa Barbara Channel, where the Spaniards marveled at the high level of Indian civilization. They took formal possession at an impressive town they named "El Pueblo de las Canoas." In fact the large plank boats which the Indians were using amazed the explores. They also noted that the Indian artifacts were skillfully crafted and the houses superior to any they had seen on the voyage. Food was abundant, and obviously the Indians were skilled seamen and fishermen. The praise which the Spanish accorded these Indians is substantiated by modern anthropologists, who highly consider the Chumash Indians. Friendly relations were easily established with these Native Americans. Gifts were exchanged, bartering was conducted, and the Indians even helped the voyagers make preparations for continuing their expedition. Stories of bearded white men to the east were heard again, and Rodriguez Cabrillo made another effort to communicate with them. Interest in these coastal Indians was great and the Captain General recorded the names of their towns in his log, an act which obviously reflected instructions given by Viceroy Mendoza.

The Santa Barbara Channel Islands attracted the attention of the explorers, who named them "Las Islas de San Lucas." They were well populated and contained many towns, but unfortunately these island Indians practiced warfare. The westernmost island had a harbor which provided shelter for the armada, and the Spaniards took formal possession, appropriately naming the island "La Posesión."

In proceeding north the expedition discovered a cape which they named "El Cabo de la Galera" (Point Conception), north of which they expected to find a large river. Bad weather became a major factor in late October; heavy winds and rain struck, and the vessels were unable to tack around the cape. The weather reminded them of that of Spain, ". . . very cold in the mornings and afternoons and with great storms of rain, heavy clouds, great darkness, and heavy air." They doubled back under the Cape to take shelter from the gale.

Rodríguez Cabrillo directed the resupply of the expedition, a task accomplished with the assistance of the Indians. On November 11, 1542, the armada sailed north again, passing the cape with "favorable winds." They noted a rugged coast without shelter and a range of very high snow-covered sierras. They endured a violent storm, and "a sea so high it was frightful to see. . . ." Within a week they reached a point opposite northern Monterey Bay, which they named "La Baía de los Pinos," taking possession without going ashore because of the heavy surf. Continuing north, the expedition reached Point Reyes, which was named "El Cabo de los Pinos." (Because of topographical and meteorological conditions, San Francisco Bay eluded early European mariners and was eventually discovered by a land party in 1769.) Just north of Point Reyes the expedition turned south to winter in the Channel Islands, where the armada anchored on November 23 in the harbor of La Posesión.

Tragedy befell Rodríguez Cabrillo at the winter anchorage. On January 3, 1543, a Spanish shore party was attacked by the Indians. The Captain General Observed the melée and led a group of companions to the rescue. As Rodríguez Cabrillo stepped ashore a foot slipped and his leg was fractured. As his condition worsened, he entrusted the command to Bartolomé Ferrer, the chief pilot, and instructed him to continue the exploration of the California coast. He died of complications shortly thereafter and was buried on one of the Channel Islands. His remains have never been found, but his headstone turned up in an archeological collection of the University of California. Rodríguez Cabrillo's acts of courage in helping his men and in ordering Ferrer to continue the expedition typifies the career of the gallant captain, who for the previous twenty-three years had served Spain so well in one of the great chapters of the expansion of Europe.

True to the trust placed in him, Bartolomé Ferrer resumed the exploration of the coast of northern California. On January 19, 1543, he ordered the fleet to sail for the mainland to secure provisions, but the vessels were hampered by high seas and had to seek shelter in the lee of the Channel Islands for three weeks. Ferrer recorded the "vile weather of wind and snow." About February 19 the exploration resumed. It was decided to search for Cabo de Pinos, which was located in a week. Shifting winds and high seas accompanied the explorers. The log noted that the wind came ". . . with great fury, the seas coming from many sides, which molested them very much or broke over the ships . . . . if the Lord had not aided them they could not have escaped." They found indications of a "very large river," and Ferrer took a sighting of 43° north latitude. When corrected for error, this reading would have put them in the area of the Eel or Klamath rivers in Humboldt County.

In early March the weather slackened, and the expedition started south, reaching the La Posesión, which they had renamed "La Isla de Juan Rodriguez," on March 5. A storm separated the vessels and Ferrer believed that the sea "had devoured" a ship. It was only at Cedros Island that the vessels were reunited at the end of the month. The armada returned to Navidad On April 14, 1543, completing one of the major voyages of discovery in the exploration of North America, although the feat was not recognized at the time.

When news of the death of Rodriguez Cabrillo reached Guatemala, the governor seized his properties for reasons not now known. His family was reduced to poverty, a sad commentary on official behavior relating to an important figure who had given his fortune and ulitmately his life for king and empire.

Juan Rodriguez Cabrillo has slowly emerged from virtual obscurity and is only now assuming his rightful place in history as a great navigator and explorer, whose feats of seamanship four and a half centuries ago can excite admiration today. He was the first mariner to see, explore and describe the coast of Alta California and its inhabitants. His interest in and references to the Chumash Indians of the Santa Barbara Channel constitute an invaluable source for the study of these important Native Americans. He also charted the route for navigating the Pacific coast from Mexico to California. With Juan Rodriguez Cabrillo the history of California begins.

These accomplishments certainly merit acknowledgement, and it is hard to imagine a more fitting form of recognition than that of a commemorative postal stamp of the United States.

SELECTED SOURCES

Books

Bolton, Herbert Eugene, ed. *Spanish Exploration in the Southwest 1542-1706.* New York: c. 1908, c. 1946.

Holmes, Maurice G. *From New Spain by Sea to the Californias 1519-1668.* 1963.

Instituto Histórico de Marina. *Colección de diarios y relaciones para la historia de los viajes y descubrimientos.* Madrid: 1943.

Moriarity, James R. III, ed. *Explorers of the Baja and California Coasts.* San Diego: 1978.

Morison, Samuel Eliot. *The European Discovery of America. The Southern Voyages A.D. 1492-1616.* New York. 1974.

Wagner, Henry Raup. *Spanish Voyages to the Northwest Coast of America in the Sixteenth Century.* San Francisco: c. 1929, Amsterdam, 1966.

Articles

Kelsey, Harry. "The California Armada of Juan Rodriguez Cabrillo." *Southern California Quarterly,* LXI (1979). 313-36.

Mathes, W. Michael. "The Discoverer of Alta California: Joao Rodrigues Cabrilho or Juan Rodriguez Cabrillo?" *Journal of San Diego History,* XIX (1973), 1-8.●

PLIGHT OF LUPUS VICTIMS

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MORRISON of Connecticut. Mr. Speaker, on October 23, 1983, I addressed the Lupus Foundation of America, Connecticut Chapter, Inc., regarding legislation affecting research on the disease lupus erythematosus. At the meeting I discussed this issue with the group's president, Ann Bartolomeo, victims of lupus and their families, and many concerned residents of my district. I would like to take this opportunity to share some of this information with my colleagues.

More people suffer from lupus than from muscular dystrophy, multiple sclerosis, or leukemia. Each year 50,000 people are diagnosed as lupus victims, and the disease claims 5,500 lives. Ninety percent of the country's 500,000 lupus sufferers are women, most of whom are blacks and Asians.

Lupus creates an allergy to the victim's immune system. Lupus patients suffer from severe rashes, arthritic conditions, anemia, and kidney, urinary tract, heart, blood, joint and central nervous system disorders.

I strongly endorse an amendment attached by Representative GLENN ANDERSON to the NIH authorization passed by the House on November 17. This amendment aims to increase public awareness of this disease by creating a coordinating committee on lupus erythematosus, the members of which will be the directors, or their designees, of those institutes within NIH which are currently involved in lupus-related research. The committee will meet four times a year and report annually to Congress on the breadth, progress and cost of all such research projects sponsored by the Federal Government.

Earlier this year I joined as cosponsor of House Resolution 191, which expresses the sense of the House that the Director of NIH should give priority to finding a cure for lupus. In addition, I supported the designation of October 16-24, 1983, as Lupus Awareness Week.

Through the commendable work of groups such as the Connecticut Chapter of the Lupus Foundation of America, attention is finally being focused on the plight of lupus victims. The predominantly volunteer membership of this group, founded by Marilyn Fousa of West Hartford in 1973, raises money to support lupus research and provides information to lupus patients, their families, libraries, and health professionals. Members such as Sally Marlowe, nurse practitioner, and Barbara Colby conduct important support groups for people affected by the disease. Members such as Bess Steingiser, R.N., contribute to the daily functioning of the organization. I commend the efforts of the Lupus Foundation of America, Connecticut Chapter, and hope that their example will serve us as an incentive to continue our search for a cure for lupus.●

PERSONAL EXPLANATION

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DARDEN. Mr. Speaker, on rollcall No. 489, the Rinaldo amendment to H.R. 4102, if I had been present, I would have voted against it. I was detained while seeing off my family and my constituents at the airport for their return to the Seventh District after my swearing in ceremony on November 10, 1983.●

OUR VETERANS

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. CORCORAN. Mr. Speaker, I recently came across two excellent articles which are poignant reminders of the fine people who have served our Nation, some of whom gave their lives to protect America. Although Veterans Day has passed, I think it is important to continue to remember the dedication and sacrifice of our veterans and so I would like to insert these news articles in remembrance of our veterans.

The articles follow:

[From the Park Ridge (Ill.) Advocate, Nov. 10, 1983]

LORD, WHERE DO WE GET THESE MEN?

(By Anne Culhane)

"Lord, where do we get these men?" ". . . But if their sacrifice is not to be in vain, there must always be a home of the brave."

These were the thoughts of the U.S. Marine Commandant in Frankfort, Germany last week as he watched the removal of some 140 caskets from planes just arrived from Beirut, Lebanon. It was a grim sight even for this Marine seasoned by years of experience with war, combat and acts of international terrorism. Americans, including and especially those in our nation's Armed Forces, place a high value on human life. For it is the preservation of human life, and all that enhances it, which is the very reason for the U.S. military's existence.

Lord, where do we get these men? The grim sight in Germany would be grimmer still when it was repeated in the States, when the families of these latest victims of terrorism as well as those who had lost their lives in Grenada, would be face-to-face with the reality that their loved ones had been struck down in the prime of their lives. President Reagan repeated many of the thoughts expressed by the Marine commandant when he joined with these families in a memorial service at Camp Lejeune. The bitterness one might expect was not evident as the families warmly applauded the President and held banners with the message, "God bless you, Mr. President."

Lord, where do we get these men? Not from the street corners and factory sites where protesters denounce those who serve their nation's defense and security, unconcerned that they would not enjoy their right to protest under those governments which their words and actions support.

Lord, where do we get these men? Not from the classrooms where today young, impressionable students are taught that the United States is a war-monger nation, that freedom is no longer worth preserving, that pacifism is preferable to patriotism.

Lord, where do we get these men? From families all across this great land who realize that the struggle for freedom did not end with the American Revolution. From families who understand the meaning of the message on the banner which hangs in the chapel at the U.S. Marine base in San Diego: "Love is a daily decision." Love for a nation which must be supported and preserved now and in the future for, despite its faults, there is no other like it on the face of

the globe. It is to the credit of the American people that they so overwhelmingly supported the recent U.S. action in Grenada, in recognition of this reality.

Armed conflict (war, if you will) is a terrible experience which must always be a means of last resort, in attempting to implement our nation's foreign policy. Our government has, and will continue, to use dialogue in its efforts to settle disputes with other nations. The major problem in this area continues to be: How do you talk to a stone wall? At the same time, we cannot lose sight of the fact that when the day comes that nothing is worth fighting for or dying for, there will be little worth living for. Those who have taken up arms in defense of this nation and its values, at great risk to their own lives—veterans of the past and the recent past—deserve our deepest gratitude and continued support. God bless them all and may this nation continue to be the home of the brave.

[From the Park Ridge (Ill.) Herald, Nov. 10, 1983]

VETERANS DAY FROM A VET'S PERSPECTIVE

(By Dennis A. Joyner, National Commander, Disabled American Veterans)

I was in Vietnam only 32 days when I was wounded. On Veterans Day, 1969, I found myself in an Army hospital, struggling to heal and pull my life back together after losing both legs and an arm.

There, in that hospital ward, I learned that everybody makes sacrifices in war. Some sacrifices are just greater than others.

I was in a hospital ward that contained pain and suffering, but that same ward was full to overflowing with courage, conviction and commitment.

The same courage my fellow veterans showed on the battlefield was everywhere in the ward. It was the courage to overcome pain and heal. It was the courage to pick up the pieces of physically broken lives and start anew.

You could look at the face of each patient in that ward and see the conviction that each brought to his personal struggle. It was that overpowering belief that "I will survive. I will heal. I will preserve."

And you saw throught the pain and past the suffering that these young veterans had not lost their commitment to this nation and the values we cherish. If anything, for many, that commitment was made stronger by the battlefield they'd survived. They had seen, up close, what happens to a nation when its will is weakened. They had seen . . . and fought . . . the enemies of democracy and freedom.

These are some of the memories that come back to me every year on November eleventh. Memories of the kid down the hall screaming out his pain in the middle of the night. Memories of the sweat that poured from a friend's face as he learned to walk on a plastic leg. Memories of the grins and cheers that accompanied the news that a patient had healed and would be discharged from the hospital.

Yes, Veterans Day means much more than just another holiday. It gives me a chance to retrace such scenes of courage and sacrifice. I recall how glad I was to make it back home alive. And I remember the awesome courage of so many who didn't.

I remember other scenes, though—scenes I couldn't understand when I left the hospital and went back to civilian life and college. They were the scenes of a society that had been ripped down the middle by the controversy of the Vietnam War.

I saw the hostility generated by that war spill over into hostility toward the veterans who had fought that war. Veterans, more than any other group of people, have earned the right to call themselves Americans. Yet they were branded as traitors. Veterans spilled their blood in defense of the values that made this nation great. Yet they were accused of forsaking those values.

In the process of heaping scorn on Vietnam veterans, the prestige of all of America's veterans suffered.

When I saw what was happening, I feared for the future of America. For when you ridicule the defenders of a nation's values, you ridicule that nation.

My fears for America, however, were eased. They were tempered by the realization that no nation . . . anywhere in the world . . . can match the United States in its collective resiliency of spirit. We resolve our philosophical differences, heal our spiritual wounds, better than any group of people in the world. Our notions of freedom and democracy demand it of us. We are quick to defend those notions, quick to recognize our errors, and quick to seek compassionate solutions to our problems.

Was I bitter about losing three of my limbs during the war? Did I think it was worth the sacrifice in a war the United States didn't win? Did I feel guilt or shame about my service in Vietnam?

Would I do it all over again?

My answers to these questions, I have no doubt, are much the same as the answers given by the majority of this nation's veterans.

No, I'm not bitter about my sacrifices I made to serve my country. You serve, you sacrifice and you thank God you're a citizen of the greatest nation the world has ever seen.

The principles that make us serve our country affect millions of lives . . . not only in the United States, but around the world.

Those principles don't make us want to die in a war. But they make us proud to offer our life, if it will keep this country and its people free. Our willingness to fight to the death in defense of the precious freedoms we cherish is not an unusual American trait.

If you think only a few feel that way, look around you. Look here at Arlington National Cemetery and the row after row of brave Americans who felt freedom was worth fighting for. Look to the countless military cemeteries across this nation and around the world. Look to America's history, a litany of people who said, time after time, "What I've got here is too good, too dear to risk losing. I must fight—and fight to the death if need be—to defend this wonderful land called America."

Oh yes. I would do it all over again. America is worth it. The ideals for which our country stands are worth it. The American people—with their dedication to freedom and justice, here and throughout the world—are most certainly worth it.

But we are particularly reminded on this November eleventh that our fellow veterans are worth it. They're worth every bit of our loyalty and support. My fellow veterans—of all this nation's wars—are the strongest reason why I can say . . . I'm proud I served my country. I'm proud to call myself a veteran.

To the man who lost his sight in the explosion of an artillery shell in the trenches of World War I, say, "Be proud too!" To the nurse who continued to give medical aid to the wounded after she was captured at Bataan, I say, "Be proud!"

To those of us who came home from the wars in Korea and Vietnam to a society bent on stripping away that pride, I say, "That pride is not theirs to take. It's yours. You bought it with blood and pain and sacrifice. Be proud!"

When we were in uniform, we learned about things like discipline and dedication. As young soldiers, sailors, airman or Marines we found true meaning for words like loyalty and duty. They were lessons etched on our souls by the realities of combat.

For most of America's veterans those lessons are the foundation of our lives. Those same lessons are the reasons why America has no finer citizens that veterans.

Dedication . . . to our homes our families, our communities, our nation. Loyalty . . . to all these things and the values that made this nation great. Duty . . . to God and the principles of democracy and freedom. And the discipline . . . to never turn our backs on our fellow veterans, to never forsake the values for which we fought so dearly and to never forget our pride in being a veteran.●

COMMITTEE ON VETERANS' AFFAIRS ACTIVITIES REPORT FIRST SESSION—98TH CONGRESS

HON. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MONTGOMERY. Mr. Speaker, the Congress can be proud of the opportunities we have afforded our veteran population through legislation for job training and placement, educational advantages, quality health care, home loans and mortgage assistance, compensation, insurance and pensions.

In the 1st session of the 98th Congress, over 160 pieces of legislation have been introduced that would affect the Nation's 28.5 million veterans, the 52.2 million members of their families, and the 3.1 million survivors of deceased veterans.

It has been said by many Members of this body that when the national priorities are set, funding for veterans programs should rightfully rank second only to national defense. That statement is right on target.

As a direct result of the largest budget in the Veterans' Administration's history—total budget authority is approximately $25.7 billion—the Department of Medicine and Surgery will add more than 2,000 employees and has already begun to undertake a major expansion and modernization program for its hospital system.

The VA medical budget for fiscal year 1984 is approximately $8.3 billion. Some of these funds will be used to prepare for the demands on VA medical facilities which are expected to more than double in the next 10 years as World War II and Korean veterans reach retirement age.

Just since 1981, we have passed legislation that provides inpatient treatment and priority for outpatient treatment of any disability that may have resulted from exposure to a herbicide while serving in Southeast Asia. We expanded the scope of the agent orange study to include exposure to other herbicides and chemicals.

We extended for 3 years the readjustment counseling program, and it has now been extended for yet another 4 years. We extended for 2 years the period of time Vietnam-era veterans with entitlement may use their GI bill.

We have established a small business loan program for service-connected disabled and Vietnam-era veterans; provided priority medical care and liberalized monetary benefits for former POW's; provided cost-of-living increases in monthly compensation and pension benefits for veterans and their families to offset inflation; authorized variable interest payments for home loans; increased job training and placement assistance for unemployed and underemployed veterans; and, in this Congress, the committee has worked diligently to expand and fine tune all veterans' benefits and services.

Mr. Speaker, let me explain briefly the committee's work during the 1st session of the 98th Congress and what we intend to do during the coming session and in future Congresses:

VA BUDGET

Among Federal agencies, the Veterans' Administration has the sixth largest budget outlay. The VA budget authority for fiscal year 1984 is $25.7 billion. This increase over fiscal year 1983 is attributable to increases in the medical care and medical research budget authority and in direct payments to beneficiaries and employers.

The budget authority for benefit programs is $15.310 billion, $204 million more than fiscal year 1983.

For the Department of Medicine and Surgery, budget authority enacted for fiscal year 1984 is $8.326 billion, an increase of $510 million over fiscal year 1983.

Included in the $598 million construction budget authority are 720 new nursing home care beds and three major outpatient clinic improvements.

The fiscal year 1984 appropriations also provides $31.4 million for veterans outreach centers, which includes $11.2 million for contracts to community-based mental health organizations for readjustment counseling.

SUMMARY OF LEGISLATION REPORTED BY HOUSE COMMITTEE ON VETERANS' AFFAIRS

Public Law 98-77—The Emergency Veterans' Job Training Act of 1983—Signed into law August 15, this 2-year emergency program is designed to get Vietnam and Korean veterans working again by providing on-the-job training opportunities. Employers will be paid 50 percent of the veteran's starting wage, up to $10,000, to help defray training costs. It is geared toward placing 50,000 Korean conflict and Vietnam-era veterans in good, permanent jobs.

This measure provides incentives to employers to hire and train veterans who have been unemployed for 15 of the 20 weeks preceding the date of application for participation in the program. Public Law 98-77 will provide a maximum of 15 months of training assistance to veterans with service-connected disabilities rated at 30 percent or more; for all other eligible veterans, the maximum period of training is 9 months.

The program calls for funding of $150 million for each year of the program. Public Law 98-151, further continuing appropriations for fiscal year 1984, contained $75 million while Public Law 98-181, the supplemental appropriations bill, contained the other $75 million for the first fiscal year. The termination date for this program will be extended to allow for those days lost while awaiting funding after the authorized October 1, 1983, start date.

The Congress is responsible for the establishment of this program. The administration did not support our efforts until the President officially signed the bill.

The program was needed because the unemployment rate among wartime veterans rose in February of this year to the highest level since World War II. Unemployment among Vietnam-era veterans, though somewhat improved, remains at levels significantly higher than among nonveterans of the same age. In June of this year, at least 619,000 Vietnam-era veterans were unemployed. The number of male Vietnam-era veterans unemployed in October was 504,000, an increase of 21,000 from September.

Public Law 98-160—Veterans' Administration Health Care Amendments of 1983—This act, signed by the President November 21, extends the termination date of the Vietnam veterans' readjustment counseling program for 4 years until 1988. There are now 136 such centers.

It increases the per diem rates paid by the VA to State nursing homes, hospitals and domiciliaries, and establishes a statutory advisory committee on women veterans.

In addition, the act calls for a study of certain stress-related disorders in Vietnam veterans and sets up a new study on the impact of radiation exposure incurred by veterans during atomic testing and during the occupations of Hiroshima and Nagasaki during World War II.

It also expands the VA day-care program as an alternative to hospital or nursing care and gives the VA authority to increase the rates of pay and to set qualification standards for respiratory therapists, physical therapists, and licensed practical or vocational nurses. This provision is designed to enhance the recruitment and retention of these key health-care personnel.

H.R. 2937—Veterans' Disability Compensation Amendments of 1983—The reconciliation bill, H.R. 4169, which passed the House October 25, 1983, incorporated this measure. It would provide a 4.1-percent increase in compensation for service-connected disabled veterans and in dependency and indemnity compensation for widows and children of veterans who died from service-connected causes. The increase would be effective April 1, 1984.

The Senate version, S. 1388, was passed by that body November 18, 1983. It contains a number of provisions not related to compensation. The House and Senate are expected to resolve their differences during the recess with a final version expected to clear the Congress early in the 2d session.

H.R. 2948—Veterans' Housing Benefits Amendments of 1983—The VA has now guaranteed over 11 million home loans. In order to reduce the amount of foreclosures and make certain that our veterans are given a reasonable chance to hold on to their homes, the committee reported legislation which received the overwhelming endorsement of the House by a vote of 394 to 23 on May 24.

H.R. 2948 would provide loans, at the VA Administrator's discretion, to unemployed veteran homeowners facing foreclosure through no fault of their own. If a veteran is 6 months or more delinquent in mortgage payments, he or she would be eligible for a loan to remove the delinquency and provide up to 6 months additional mortgage assistance, with the total assistance not exceeding $8,400.

Since it costs the Government approximately $7,600 to foreclose on a home, this relief would not only give the veteran a chance to get out of temporary financial straits, but it would save the Government money.

H.R. 1400—Veterans' Educational Assistance Act of 1983—This measure, jointly referred to the House Veterans' Affairs and Armed Services Committees and, subsequently reported out of Veterans' Affairs May 16, would establish a new educational benefits program that would serve as an incentive for recruiting and retaining quality military personnel in the numbers needed for a strong national defense.

It would provide a basic educational benefit of $300 per month for 3 years of service and an additional $300 per month for 5 more years of service.

Since the first GI bill, over 18 million veterans and active-duty personnel have received education benefits.

This new educational assistance program would, in keeping with previous GI bill programs, aid veterans in readjusting to civilian life following their military service.

Supporters claim this measure is timely and urgently needed because the manpower pool from which the Armed Forces will have to attract recruits is declining dramatically. The 18-year-old population has declined substantially and, by 1987, will have declined 20 percent—by 1.3 million—since 1982.

This decline in young men eligible for recruiting will continue in the 1990's. By 1991, 52.2 percent of eligible noncollege males will have to be recruited in order to maintain the current force level.

This legislation, which recently underwent hearings conducted by the Armed Services Committee, could be used by dependents of service personnel, at the discretion of the Secretary of Defense, if the service person remained on active duty for 10 years or if he or she retired after 20 years.

H.R. 2936—Expansion of the Board of Veterans' Appeals—The House and Senate are working on a compromise agreement which would expand the Board of Veterans' Appeals from 50 to 65 members. The current ceiling of 50 members was established in 1946 when the annual caseload of the Board was about 24,000. Since 1975, the load has increased from 26,000 cases to 42,000 in 1982. The average response time by the board rose from 69 days in 1975 to 483 days in 1982. Unless action is taken, this response time will increase to more than 500 days in 1983. The workload of the Board has outstripped its manpower, and this expansion would partially relieve the increasing burden.

The House passed the measure May 17 by a vote of 423 to 2. The Senate passed it on June 15 as part of S. 636, the Veterans' Administration Adjudication Procedure and Judicial Review Act. Final congressional action is expected in early February.

Public Law 98-105—Extends for 1 year the authority of the VA to provide certain contract medical services to veterans in Puerto Rico and the Virgin Islands.

H.R. 1961—The Agent Orange and Atomic Veterans' Relief Act of 1983—This measure, ordered reported by the committee on November 3, would provide a disability allowance for veterans who served in Southeast Asia during the Vietnam-era and suffer from three conditions presumably related to exposure to herbicides: Soft-tissue sarcoma, which must have become manifest within 20 years from the date of the veteran's departure from the Vietnam theater; porphyria cutanea tarda (PCT), a liver condition, within 1 year; and chloracne, a skin condition, also within 1 year. All benefits would terminate 1 year after the epidemiological study now being conducted by the Centers for Disease Control in Atlanta is submitted to Congress.

In addition, during the full committee markup of this legislation, the bill was amended to include the same disability allowance for veterans who participated in the testing of an atomic bomb or device, or who participated in the occupation of Hiroshima or Nagasaki during World War II, and who, within 20 years from the date of the veteran's participation in the test or occupation suffer from leukemia; polycythemia vera, a chronic bone marrow disease; or carcinoma of the thyroid.

The issue of illnesses or conditions which may be due to agent orange exposure has been a controversial and multifaceted topic.

Currently, there are more than 60 Federal studies being conducted on the epidemiology, mortality, and social effects of this high-profile dioxin/herbicide used as a defoliant during a portion of the Vietnam conflict.

Prior to H.R. 1961, Public Law 97-72 authorized the Veterans' Administration to provide medical treatment for any demonstrable illness that may be associated with agent orange or any herbicide exposure. The same treatment is to be provided to veterans presumably suffering from conditions linked to exposure to ionizing radiation.

The Centers of Disease Control study results on agent orange are expected sometime in 1989. The Congress has appropriated $54 million for fiscal year 1984 to help fund this study.

Public Law 98-190—Naming of Veterans' Administration Medical Centers for James E. Van Zandt and for Carl Vinson—Names the Veterans' Administration Medical Center in Altoona, Penn., the "James E. Van Zandt Veterans' Administration Medical Center," and names the Veterans' Administration Medical Center in Dublin, Georgia, the "Carl Vinson Veterans' Administration Medical Center."

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

The Subcommittee on Oversight and Investigations of the House Committee on Veterans' Affairs held eight oversight hearings during the 1st session of the 98th Congress:

1. March 29, 1983—Jackson, Miss.

This field hearing dealt with the admitting practices and quality of health care delivered by the Jackson VA Medical Center; the performance of the Department of Veterans Benefits Regional Office in the handling of compensation and pension claims, housing, and educational benefits; the implementation of Public Law 97-37, the Former Prisoners of War Benefits Act of 1981; and if recommendations made by the VA's advisory committee on former prisoners of war are being considered by local VA authorities.

2. March 30, 1983—Biloxi, Miss.

The subcommittee continued its oversight hearing on VA programs in the State of Mississippi. This hearing dealt specifically with admitting practices and the quality of health care delivered at the Biloxi VA Medical Center; status of VA's $88.5 million renovation and modernization program at the Biloxi and Gulfport divisions of the VA Medical Center; the status of the veterans outreach center in Mobile, Ala.; and the need for providing veterans with educational benefits in order to enhance recruitment and retention within the Armed Forces.

3. May 3, 1983—Washington, D.C.

This oversight hearing was conducted to determine the current status of federally conducted agent orange studies and to receive a report on the recently completed agent orange study done by the State of Tennessee's Select Committee on Veterans' Affairs.

4. May 24, 1983—Washington, D.C.

Reviewed the activities of Federal agencies which are conducting scientific studies and investigations into the health effects of low-level radiation exposure experienced by certain veterans; the Defense Nuclear Agency's reconstruction of exposure levels of nuclear test participants; and the VA's implementation of Public Law 97-72, the Veterans' Health Care, Training and Small Business Loan Act of 1981.

5. July 21, 1983—Washington, D.C.

Under title 38, United States Code, veterans are not entitled to a court review of decisions made by the VA's Board of Veterans' Appeals. The purpose of this oversight hearing was to consider the advisability of providing for judicial review of VA decisions.

6. July 26, 1983—Washington, D.C.

The subcommittee continued to hear testimony on the issue of judicial review of veterans' claims.

7. September 27, 1983—Washington, D.C.

The subcommittee received testimony on the report of the Veterans' Affairs Committee of the Association of Orthopaedic Chairmen dealing with health care procedures and practices in the Veterans' Administration.

8. November 16, 1983—Washington, D.C.

Review the adequacy of VA standard and procedures with respect to the funeral and burial services provided for veterans whose remains are unclaimed at VA medical centers.

SUBCOMMITTEE ON HOSPITALS AND HEALTH CARE

The Subcommittee on Hospitals and Health Care conducted 11 hearings during the 1st session of the 98th Congress:

1. February 16, 1983—Washington, D.C.

Dealt with H.R. 103, to amend title 38, United States Code, to increase the per diem rate payable by the Veterans' Administration to States providing domiciliary, nursing home, and hospital care to veterans in State homes; and VA authority to contract for certain medical services in Puerto Rico and the Virgin Islands.

2. March 3, 1983—Washington, D.C.

This hearing dealt with VA health care for women; and H.R. 1137, to amend title 38, United States Code, to establish within the Veterans' Administration an advisory committee on women veterans.

3. March 16, 1983—Washington, D.C.

A review of the VA medical construction program.

4. March 24, 1983—Washington, D.C.

A hearing on H.R. 1443, a measure seeking to extend by 1 year the period during which Vietnam-era veterans may request psychological readjustment counseling from the Veterans' Administration and to direct the Administrator of Veterans' Affairs to carry out a comprehensive study of the prevalence of post-traumatic stress disorder and related readjustment problems among Vietnam-era veterans; and oversight of the VA readjustment counseling program for Vietnam-era veterans.

5. April 25, 1983—Pittsburgh, Pa.

VA health care delivery in the mid-Atlantic region.

6. June 28, 1983—Washington, D.C.

Chiropractic services for veterans.

7. July 7, 1983—Chicago, Ill.

VA health care delivery in the Great Lakes region.

8. August 9, 1983—Boston, Mass.

VA health care delivery in the northeastern region.

9. September 8, 1983—Orlando, Fla.

VA health care delivery in the southeastern region.

10. October 22, 1983—Denver, Colo.

VA health care delivery in the midwestern region.

11. November 22, 1983—San Francisco, Calif.

VA health care delivery in the western region.

The field hearings in each of the VA's six medical regions provided information to the subcommittee which will be useful in formulating policy for the future of the VA hospital system.

SUBCOMMITTEE ON COMPENSATION, PENSION AND INSURANCE

The Subcommittee on Compensation, Pension and Insurance conducted seven hearings during the 1st session of the 98th Congress:

1. April 6, 1983—Washington, D.C.

The subcommittee heard testimony on H.R. 1312 and H.R. 2194, both dealing with expansion of the VA's Board of Veterans' Appeals.

2. April 19, 1983—Washington, D.C.

Received testimony on H.R. 2391, which concerns a cost-of-living increase for compensation and dependency and indemnity compensation.

3. April 26 and 27, 1983—Washington, D.C.

Testimony presented on H.R. 1961, dealing with benefits for veterans exposed to agent orange.

4. July 12, 1983—Washington, D.C.

The subcommittee continued to hear testimony on H.R. 1961, dealing with benefits for veterans exposed to agent orange.

5. August 2, 1983—Washington, D.C.

The subcommittee heard testimony on H.R. 1369, H.R. 1918 and H.R. 2735, to provide a special pension for veterans of World War I.

6. September 22, 1983—Washington, D.C.

Reviewed the disability compensation and dependency and indemnity compensation programs.

7. October 4, 1983—Washington, D.C.

Reviewed the VA insurance programs.

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

The Subcommittee on Education, Training and Employment conducted seven hearings during the 1st session of the 98th Congress:

1. February 23, 1983—Washington, D.C.

The subcommittee considered measures to provide assistance to the hundreds of thousands of unemployed veterans. The subcommittee also explored other avenues of employment and training assistance with emphasis on Veterans' Administration programs of on-the-job and apprenticeship training.

2. March 23, 1983—Washington, D.C.

The subcommittee reviewed the small business loan program for veterans within the Small Business Administration to determine action taken to help veterans obtain SBA loans.

During the 97th Congress, Public Law 97-72 authorized a small business loan program for veterans to be administered and funded by the Veterans' Administration, but the Administration has not requested the funds to implement the program.

In the appropriations continuing resolution, Public Law 97-377, which funded the Small Business Administration for fiscal year 1983, Congress included $25 million for direct business loans to disabled and Vietnam-era veterans in accordance with Public Law 97-72. In addition, $3 million was appropriated by Congress for an outreach program for the special consideration provision of Public Law 93-237, for disabled and Vietnam-era veterans seeking guaranteed SBA loans.

3. April 7, 1983—Washington, D.C.

The subcommittee conducted an oversight hearing on employment of veterans in the Federal Government. Included was a review of the provisions of the Veterans' Preference Act of 1944, as amended, the veterans' readjustment appointment (VRA) program and other provisions of title 5, United States Code, and title 38, United States Code, which relate to the employment of veterans in the Federal Government.

4. April 12, 1983—Washington, D.C.

The subcommittee conducted a hearing to review H.R. 1400 and other pending proposals to establish a peacetime GI bill, and the veterans education assistance program (VEAP) for post-Vietnam era veterans and members of the Armed Forces.

5. April 19, 1983—Washington, D.C.

The subcommittee met to consider H.R. 2355, the Emergency Vietnam Veterans Jobs Training Act of 1983, which would authorize a 2-year emergency Vietnam veterans job training program. H.R. 2355 was developed in response to the February 23 hearing when it was agreed that a priority issue was to reduce the high unemployment rate among veterans.

6. July 14, 1983—Washington, D.C.

The subcommittee reviewed the vocational rehabilitation programs for service-connected disabled veterans. Public Law 96-466 amended and improved this program to provide necessary services to enable veterans with service-connected disabilities to achieve maximum independence in daily living and, to the maximum extent feasible, become employable and to obtain and maintain suitable employment.

7. September 29, 1983—Washington, D.C.

The subcommittee met to review the Veterans Readjustment Appointment Authority (VRA), which authorizes a noncompetitive appointment to a Federal civilian job which may lead to competitive status and career or career-conditional tenure upon satisfactory completion of 2 years of service and education or training. The VRA program has been in effect for more than 13 years. This hearing was conducted to determine if the program should be continued and, if so, determine if it should be changed.

The subcommittee also considered the adequacy of the current level of educational payments made under the Vietnam-era GI bill. Testimony was presented to assist the subcommittee in determining if legislation to provide a rate increase in fiscal year 1985 is necessary and, if so, an appropriate amount.

The Subcommittee on Education, Training and Employment has legislative and oversight responsibilities for programs contained in title 38, United States Code, as follows: First, training and rehabilitation for veterans with service-connected disabilities; second, post-Vietnam era veterans' education-

al assistance; third, the Vietnam-era GI bill; and fourth, survivors and dependents' educational assistance.

In addition, the subcommittee has jurisdiction over job counseling, training and placement services for veterans, employment and training of disabled and Vietnam-era veterans and veterans reemployment rights.

The subcommittee also has oversight responsibility for education, training, and employment programs which affect veterans, but come under the legislative jurisdiction of other committees.

It is estimated that more than 651,000 veterans and their dependents will use these programs during fiscal year 1984 at a cost of about $1.2 billion.

During the 1st session of the 98th Congress, the Subcommittee on Education, Training and Employment recommended two bills to the full committee, both of which were ordered reported to the House on May 10, 1983:

H.R. 2355, which called for an emergency program of job training assistance for unemployed disabled and Vietnam-era veterans was reported on May 13, 1983. H.R. 2355, as amended to include veterans of the Korean conflict, was later approved by the Congress and signed by the President on August 15, 1983, and is now identified as Public Law 98-77, the Emergency Veterans' Job Training Act of 1983.

H.R. 1400 proposes a new educational assistance program for veterans and members of the Armed Forces. The bill was reported by the Veterans' Affairs Committee on May 16, 1983. H.R. 1400 is pending in the House Armed Services Committee, to which, along with the Veterans' Affairs Committee, it was jointly referred.

SUBCOMMITTEE ON HOUSING AND MEMORIAL AFFAIRS

The Subcommittee on Housing and Memorial Affairs conducted four oversight and legislative hearings during the 1st session of the 98th Congress:

1. April 14, 1983—Washington, D.C.

Dealt with oversight of the Veterans' Administration National Cemetery System; that is, available grave space in existing national cemeteries; proposed expansion plans; VA policy on columbaria for those cemeteries closed to ground burials; the State cemetery grants program; and the status of the six cemeteries currently under construction or undergoing expansion. Also under consideration were two other measures dealing with veterans' cemeteries: H.R. 2220, a bill to authorize the Administrator to make contributions for construction projects on land adjacent to national cemeteries in order to facilitate safe ingress or egress; and H.R. 2506, a bill to provide for a 5-year extension to permit States to apply for Federal aid in establishing, expanding, or improving State veterans' cemeteries.

2. April 21, 1983—Washington, D.C.

Oversight of the Veterans' Administration guaranteed home loan program; that is, its overall status; current activity and ability of the staff to manage workloads on a timely basis; impact of high unemployment and the subsequent increase in foreclosures on property management; and the status of the direct loan program. Also under consideration were three bills: H.R. 2618, a bill to provide mortgage assistance to veterans with loans guaranteed by the VA in order to avoid foreclosure of such loans; H.R. 2505, a bill to permit substitution of a veteran's housing loan entitlement when the veteran-transferee is not an immediate transferee; and H.R. 2664, a bill to expand the availability of loans guaranteed by the Veterans' Administration for the purchase of manufactured homes that are permanently affixed to a lot.

3. July 22, 1983—Santa Fe, N. Mex.

This oversight hearing dealt with the need for expanding the national veterans' cemetery and/or the need for a State veterans' cemetery, as well as how the VA guaranteed home loan program is working in the State of New Mexico.

4. October 27, 1983—Washington, D.C.

Involved oversight of the VA guaranteed home loan program, specifically, the status of the loan guaranty revolving fund and whether an appropriation request may be necessary in the future to assure the continued solvency of the program. For many years, this fund has been self-generating. However, the high foreclosure rates experienced during the last several years have served to deplete this account to the point where vendee loans sales are continually necessary to finance future program obligations.

PLANNING FOR THE FUTURE

Mr. Speaker, our veterans have helped insure our strength, our freedom, our security, and our image as "watchdog for human rights." During the coming decade, we must continue to insure that adequate benefits and services are made available to our veterans, affording them opportunities for educational and job training advantages, decent homes, and a prosperous future. They deserve the best we can offer. This includes expansion and improvement of health care services.

We must insure that adequate resources and facilities are available in the long term to:

(a) Provide medical care of the highest quality to eligible veterans;

(b) Provide first class educational opportunities to the VA medical staff;

(c) Ensure support of the medical research program; and

(d) Stand ready to provide backup to the Department of Defense health care system in time of emergency.

The "greying" veteran population will more than double in the next 10 years. A complexing factor in planning for their health care is their migratory pattern to the Sun Belt States. The increased medical care needs of these elderly veterans will require an increase in acute care capacity by 1990. We must plan carefully to insure adequate acute care and long-term (nursing home) facilities.

Consideration must be given to increasing the number of State nursing homes and use of private sector facilities as cost effective measures. By 1990, the VA will operate 84,000 acute care beds and provide nursing home care to over 47,000 veterans as compared to 24,439 in 1982.

Another concern is the increasing number of women in the armed services and the impact of women veterans on new types of health care services within VA facilities. As of September 1981, there were 742,000 female veterans, which represents 2.5 percent of all veterans. The population of women in the armed services in 1977 was 6 percent of the total force. In 1984, it is expected to double to 12 percent, which foretells of a significant increase in female veterans in future years.

There are political concerns of the VA health care delivery system that must also be addressed. There is a high priority on limiting domestic program expenditures as an element of overall economic recovery strategy. All department/agency programs are under intense scrutiny to assure effective management of their operations.

The private health care delivery system is under increasing congressional pressure to constrain costs, especially for Federal health programs—medicaid and medicare—which will cause the VA to constrain costs in order to be competitive in providing services to veterans. Restrictions in medicaid and medicare are causing more veterans to apply at VA hospitals for care. The burden on VA health care is destined to increase substantially. For this, we must plan carefully.

The Committee on Veterans' Affairs survey on outpatient care requirements commenced March 30, 1983, with a letter to all VA Department of Medicine and Surgery facility directors. They project that if the VA is to provide care and treatment for all currently eligible veterans on an outpatient basis, the following additional funds for fiscal year 1984 will be needed:

By region	
Northwestern	$26,719,453
Mid-Atlantic	44,802,421
Southeastern	88,238,565
Great Lakes	46,601,507
Midwestern	38,531,406
Western	74,999,183
Total	319,892,535

Obviously, current appropriations will not meet the medical needs of our veteran population unless a supplemental appropriation is enacted.

There will be an increase in outpatient care demand due to high unemployment, resultant loss of health insurance and, as mentioned before, the recent reduction in medicare and medicaid benefits. To compensate by limiting medical services is not acceptable. The Congress must support requests for increased medical care funding.

Mr. Speaker, in addition to medical care funds, we must continue to meet the level of support needed to fund the compensation program for service-disabled veterans and the survivors of those veterans who died while serving their country. The compensation program must continue to reflect our gratitude for the honorable manner in which these men and women secured for us a future of freedom and prosperity.

The best way to judge any nation is by the way it treats its veterans, its warriors. I believe we can truly say that we have treated our veterans well. In the year ahead, Mr. Speaker, the work continues to maintain and improve that treatment.

This Congress can be proud of its record in behalf of our Nation's veterans. Veterans' organizations have recognized and acknowledged the splendid accomplishments of the House during the 1st session of the 98th Congress.

Mr. Speaker, I am most grateful for the leadership you have provided, and I appreciate the strong support we have received from every Member of the House in assisting those of us who serve on the Committee on Veterans' Affairs.●

INTERNATIONAL CONDEMNATION OF TURKISH CYPRIOT ATTEMPT TO PARTITION CYPRUS

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Ms. FERRARO. Mr. Speaker, the attempt by the leaders of the Turkish Cypriot community, backed by the Turkish Government, to establish an independent state on the northern part of Cyprus has been roundly condemned by the community of nations. Both individually and in concert, concerned nations have denounced the attempt to create a Turkish Republic of Northern Cyprus as a violation of existing treaty obligations entered into in 1960 as well as the international legal order.

On November 17, this House joined in condemning the actions of the Turkish Cypriots and the Turkish Government for its part in recognizing the so-called new government. I strongly supported that effort.

Three weeks later, the situation has not improved. The Turkish and Turkish-Cypriot authorities are persisting in their lawless course. For the benefit of my colleagues who share my concern over this matter, I am having printed in the RECORD a letter written by Cyprus' Ambassador to the United States, the Honorable Andrew Jacovides. The Ambassador, responding to a Wall Street Journal editorial, clearly and forcefully outlines the history of the Cyprus issue and the reasons the recent action by the Turkish Cypriots is unacceptable.

Ambassador Jacovides makes reference in his letter to the universal outcry over this matter, including U.N. Security Resolution 541. The Security Council resolution deplores the declaration by the Turkish Cypriot authorities and calls upon all States to respect the sovereignty, independence, territorial integrity, and nonalinement of the Republic of Cyprus.

Among the many foreign policy issues which will rank high on the legislative agenda in 1984, I am sure we will be giving careful consideration to appropriate measures which will restore order to the troubled island of Cyprus. I urge my colleagues to read Ambassador Jacovides' letter and the U.N. Security Council Resolution 541, both of which follow:

THE ATTEMPT TO DISMEMBER CYPRUS

(By Andrew J. Jacovides, Ambassador of Cyprus)

As the "Ambassador from Cyprus" referred to in the Nov. 29 editorial "Cyprus, Once More," I find it incomprehensible that you would treat with such casual disregard the latest Turkish attempt to destroy the unity, sovereignty and territorial integrity of the Republic of Cyprus. The so-called "declaration of independence" by the Turkish Cypriot leadership and attempted secession of the part of Cyprus occupied by the Turkish armed forces—which could not have taken place without Ankara's knowledge and approval—drew immediate condemnation from the international community which demands its reversal.

This act is in flagrant violation of international law and specifically of the 1960 Nicosia Treaties, which guarantee that the territory of Cyprus remain "one and indivisible," exclude "separatist independence" and prohibit "any activity aimed at promoting, directly or indirectly . . . partition of the Island." Turkey is a signatory to these treaties. By promptly recognizing the newly declared pseudo-state (the only country to do so), Turkey violated its treaty obligations and confirmed its longstanding partitionist designs on Cyprus.

Hence the universal outcry, which you inexplicably label hypocritical, by the UN Security Council, the Council of Europe, the European Community, the Commonwealth Conference as well as by the U.S. (the Administration as well as both Houses of Congress) and most other states and of course Greece and Britain, cosignatories of the 1960 treaties.

Obvious likewise is the utter lack of political will or good faith in Turkish policy regarding a just settlement of the Cyprus problem. For years the Turkish Cypriot leadership professed support for the intercommunal talks, yet it has repeatedly deadlocked the dialogue with intransigence, preconditions, proposals devoid of substance and diversionary tactics. The Times of London commented that Mr. Denktash, the Turkish Cypriot leader, who "exists by courtesy of the Turkish occupation, continues to spin out, postpone and elude any negotiations with the Greek Cypriot leaders by a series of more or less ingenious pretexts." The New York Times accused the Turkish Cypriot leaders of having "repeatedly rebuffed attempts to unite them with the Greek community in a federal structure. This stalling feeds fear that the Turkish Federated State of Cyprus will declare itself independent and scuttle unification talks."

When talks were later convened, the Cyprus Government in a gesture of goodwill to allow the negotiations to proceed quietly, refrained for three consecutive years from taking the issue before the UN. That did not work and last May Cyprus appealed again to the General Assembly, which, after a full debate, passed yet another resolution calling on Turkey to withdraw her troops of occupation. Turkey, as usual, refused to comply while the Turkish Cypriot leaders refused to return to the negotiating table and stepped up threats to declare unilateral independence.

A personal initiative by Secretary General Perez de Cuellar this summer to reconvene talks on the basis of informal "soundings" presented to both sides was derailed when, following acceptance of the initiative by President Spyros Kyprianou, it was rejected out of hand by Mr. Denktash, who proposed instead a high-level meeting with the President. In the midst of consultations to set ground rules for such meeting, Mr. Denktash cynically sprang his "declaration of independence" on an outraged world, having received his green light from Ankara the day after the fiscal 1984 foreign-aid legislation for Turkey was approved by Congress and signed by President Reagan.

What Turkey began in 1974 by its invasion of Cyprus it now hoped to finalize. That invasion, which The Wall Street Journal appears to view as a kind of benign intervention, left thousands dead and some 1,600 persons missing and unaccounted for to this day. To call the forcible expulsion of 200,000 refugees an "Ataturk-style repatriation" strikes those who survived it as a cynical whitewash of the international crime visited upon the country by the Turkish Attila forces. A massive documentation and indictment of this crime can be found in the 1976 two-volume Report of the European Commission of Human Rights of the Council of Europe.

Your suggestion that the problem is really a religious one between "Christian and Muslim Cypriots" is so novel that it has never occurred even to Turkey—no stranger to sectarian violence—to present it in that light. Indeed, whatever intercommunal differences existed were unrelated to religion and were largely fomented by Ankara in order to induce an artificial separatism on the island as justification for eventual partition. This is well documented by numerous observers, including the late former Secretary General of the UN, U Thant, whose unimpeachable reports from the scene are more instructive of actual relations between

the communities in Cyprus than the dubious texts quoted by the editorial.

President Kyprianou has announced Cyprus's intention to pursue all available peaceful means to ensure that Turkey complies with the Security Council's resolution which calls for the reversal of the purported secession and for all states to withhold recognition of the "legally invalid" pseudo-state. To this end we count on the support of all fair-minded governments and people who value international legal order.

U.N. SECURITY COUNCIL RESOLUTION 541

The Security Council,

Having heard the statement of the Foreign Minister of the Government of the Republic of Cyprus,

Concerned at the declaration by the Turkish Cypriot authorities issued on 15 November 1983 which purports to create an independent State in northern Cyprus,

Considering that this declaration is incompatible with the 1960 Treaty concerning the establishment of the Republic of Cyprus and the 1960 Treaty of Guarantee,

Considering, therefore, that the attempt to create a "Turkish Republic of Northern Cyprus" is invalid, and will contribute to a worsening of the situation in Cyprus,

Reaffirming its resolutions 365 (1974) and 367 (1975),

Aware of the need for a solution of the Cyprus problem based on the mission of good offices undertaken by the Secretary-General,

Affirming its continuing support for the United Nations Peace-keeping Force in Cyprus,

Taking note of the Secretary-General's statement of 17 November 1983,

1. *Deplores* the declaration of the Turkish Cypriot authorities of the purported secession of part of the Republic of Cyprus;

2. *Considers* the declaration referred to above as legally invalid and calls for its withdrawal;

3. *Calls for* the urgent and effective implementation of its resolutions 365 (1974) and 367 (1975);

4. *Requests* the Secretary-General to pursue his mission of good offices, in order to achieve the earliest possible progress towards a just and lasting settlement in Cyprus;

5. *Calls upon* the parties to co-operate fully with the Secretary-General in his mission of good offices;

6. *Calls upon* all States to respect the sovereignty, independence, territorial integrity and non-alignment of the Republic of Cyprus;

7. *Calls upon* all States not to recognize any Cypriot State other than the Republic of Cyprus;

8. *Calls upon* all States and the two communities in Cyprus to refrain from any action which might exacerbate the situation;

9. *Requests* the Secretary-General to keep the Security Council fully informed.●

LAURA BELLE McCOY

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MORRISON of Connecticut. Mr. Speaker, I wish to pay a well-deserved tribute today to a brave and pioneering woman from New Haven, Conn., in my district. Laura Belle McCoy trained as a nurse and worked as a midwife, taught kindergarten, and was the first nonwhite salesperson at Malley's Department Store. In 1924 she opened the Dixwell Community House and served as its first associate director for 13 years. In 1928 she established the first black Girl Scout troop in America, Troop No. 24 at the Dixwell House. In 1939 she became the first nonwhite woman legislator in the United States when she was elected to the New Haven Board of Alders. One of the many achievements of her leadership as alderwoman was the appointment of New Haven's first black police officer.

For decades Mrs. McCoy has enriched the lives of those around her and her community as a whole. Laura Belle McCoy has been honored by many for her accomplishments, including a Special Bicentennial Pioneering Award given to her by President Gerald Ford. It is only fitting that we in Congress join in saying "thank you" to this woman for giving so much of herself to our Nation.●

INTERPRETING THE LAW ON "DIAL-A-PORN": H.R. 2755

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. KASTENMEIER. Mr. Speaker, during the deliberations in the House on H.R. 2755, a series of amendments were agreed to, including a slightly modified version of one offered by the Judiciary Committee. See CONGRESSIONAL RECORD H9356, November 8, 1983. As prime sponsor of the amendment accepted by the House, I believe some additional comments are in order.

In rising in support of my amendment to section 8 of the FCC authorization bill, the gentleman from Virginia (Mr. BLILEY) offered an interpretation of my amendment. I find the gentleman's remarks interesting. However, as the author of the amendment, I am constrained to note that his interpretation is not dispositive. While the gentleman and I successfully reached an agreement on acceptance of my amendment, there was no formal agreement as to its interpretation. On several points I respectfully differ from my colleague, and would like to clarify the record as to the proper interpretation.

First, as the gentleman correctly notes, the amendment deletes the terms "lewd, lascivious, filthy" from the bill, in accordance with Supreme Court cases limiting the regulation of speech to obscene or indecent language to the extent such regulation is permitted by the Constitution. See *FCC* v. *Pacifica Foundation,* 438 U.S. 726 (1978); *Miller* v. *California,* 413 U.S. 15 (1973). Thus, an earlier case cited by Mr. BLILEY, *Manual Enterprises* v. *Day,* 370 U.S. 478 (1962), was decided without the benefit of more recent Supreme Court refinements of first amendment protections and, therefore, reference to that case does not authorize the Federal Communications Commission to regulate beyond constitutional boundaries.

Second, the gentleman from Virginia comments at length on proceedings—in which he has previously participated—currently before the FCC. These proceedings are the subject of subsection (d) of amended section 223, which requires FCC action within 90 days on all complaints pending at the time of enactment. Ordering the FCC to act does not necessarily require the FCC to make a determination of obscenity, however. FCC action pursuant to subsection (d) could consist of an articulation of why the FCC was declining to exercise its statutory authority or prosecutorial discretion at that time. So long as the Commission has addressed and decided the question of when and how best to proceed and execute the policies set forth in section 223, the Commission's determination can be overturned only if there is a patent abuse of discretion. See *Moog Industries* v. *FTC,* 355 U.S. 411, 413-14 (1958). The Commission must, therefore, articulate the reasons supporting its determination so that a reviewing court can determine whether or not the Commission's discretion was exercised in a manner that is neither arbitrary nor capricious. See *Dunlop* v. *Bachowski,* 421 U.S. 560, 571 (1975).

Although the gentleman from Virginia is certainly entitled to comment on this or any inquiry currently before the FCC, the agency is not in any way bound by the gentleman's opinion.

Last, I would like to take issue with the restrictive interpretation by my colleague of the regulations to be issued by the FCC under section 223(b)(2) of my amendment. As noted in my own earlier remarks:

> Congress intends that the FCC promulgate reasonable time, place, and manner restrictions calculated to restrict access to prohibited communications by persons under 18 years of age.

Under the Supreme Court's holding in *Butler* v. *Michigan,* 352 U.S. 380 (1957), Congress cannot expect the FCC to impose blanket restrictions on dial-a-porn services if time, place, and manner restrictions are technically infeasible or impracticable. In Butler, the Supreme Court struck down as unconstitutional a statute that had the effect of preventing adults from having access to materials judged to have a potentially deleterious influence on children. Id. at 382-83. The

Court explained that the statute would have reduced the adult population to reading only what was fit for a child. Id. at 383. The principle is equally applicable here, and so we have carefully constructed section 223, as amended, to avoid reducing the adult population to hearing only what is fit for a child. We leave it to the FCC to prescribe the specific regulations that permit adult access while limiting children's access. If, however, no such regulations are feasible, then less restrictive measures rather than broader restrictions will have to suffice to avoid any constitutional infirmity.

I might also note my disagreement with the objection to a possible time restriction offered by the gentleman. In the first place, the reason for delegating responsibility to the FCC to issue regulations is to assure a hard look at very complex issues by an agency with great expertise. Questions of technical feasibility can be better answered by the agency than by the isolated comments of a single Member speaking without the benefit of a complete record. While time zone differences theoretically make it possible for a child in Alaska or Hawaii to call a dial-a-porn number in New York, it seems to me that parental responsibility must play a role here. If a family's telephone bill shows long distance calls—including any to a dial-a-porn number—it should be up to the parents, not the Congress or the FCC, to set rules which limit access by children to these messages.

I thank the gentleman from Virginia for his cooperation in working together with me on this issue, and I feel confident that the problem can be solved within constitutional guidelines.●

WOMEN'S CORRIDOR

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. COLEMAN of Texas. Mr. Speaker, a recent ceremony at the Pentagon marked the dedication of the Women's Corridor, which pays tribute to the women of our country who have served in the Armed Forces.

As long as there has been an American military, there have been women serving alongside. Since 1901, women have been an organized part of the military forces, and today, over 200,000 women proudly serve.

The Military Women's Corridor has been established to acknowledge the significant contributions being made by today's military women, to honor their dedicated predecessors, and to provide incentive for the women of tomorrow as they meet the challenges of the future.

The corridor was dedicated officially on November 16, 1983, and was marked by a speech by U.S. Supreme Court Justice Sandra Day O'Connor. She delivered a thorough and appropriate speech, and I want to take this opportunity to place it in the CONGRESSIONAL RECORD so my colleagues and the American people will have a better understanding of the role of American women who serve in our Armed Forces.

JOINT SERVICE HONOR CEREMONY, DEDICATION OF MILITARY WOMEN'S CORRIDOR AT PENTAGON, PENTAGON CENTER COURTYARD, WASHINGTON, D.C., NOVEMBER 16, 1983

I was very pleased to be asked by Secretary Weinberger to share in this important occasion with you. I have had a special interest in women in the Services ever since I was privileged to serve as a member of the Defense Advisory Committee on Women in the Services in 1973 and 1975. My work on that committee gave me the opportunity to meet with many of the top-ranking women officers in the Army, Navy, Air Force, Marine Corps, and Coast Guard. Among the very impressive women I encountered during those years were Major General Jeanne Holm (America's first two star woman general), Admiral Alene Durek (the first female rear admiral), and Major General Norma Brown.

I also met any number of enlisted women and women line officers at various military installations around the country. That was an inspiration. I developed enormous admiration for the uniformed women I met. They exhibited diverse talents, pride in their profession, belief in their country, and an earnest desire to perform their jobs well and to be respected for it on an equal basis with their male colleagues.

We must not forget, especially today, that women have made meaningful contributions to our national defense for the entire life of our country. There are dramatic examples of American women throughout our history who exhausted every means to be allowed to serve their country in the Armed Forces. At the Battle of Fort Washington during the American Revolution, Margaret Corbin helped her husband at a cannon until he was killed, and then took over until she too was felled. An invalid for life, she was ultimately voted a pension by Congress and honored by burial at West Point. Another woman combatant during the early years of our Republic was Deborah Sampson Gannett who, dressed as a man, managed to serve her country for three years as a private in a Massachusetts regiment. To escape detection by doctors when wounded, she removed, without medical assistance, a bullet from her thigh. In the War of 1812, Lucy Brewer was forced to masquerade as a man in order to join the Marines and serve aboard the frigate *Constitution*. Women worked more openly as nurses in the Civil War, and, with the advent of modern warfare in World Wars I and II, they no longer appeared as eccentric oddities in the military, but served as highly respected gunnery instructors, clerks, airplane mechanics, and even non-combat pilots. Thousands of women were decorated for bravery and meritorious service in World War II.

The 1960s and 1970s were years of great changes for all women in American society. Traditional stereotypes as to a woman's "proper place" gave way before the strong voices of women all across the nation who sought equality of treatment, especially in employment opportunities. In each and every state, laws that discriminated against women were scrutinized and removed from the books. People began honestly and openly to reexamine, and then change, some of the practices and thinking which had for so long prevented women from obtaining equal employment opportunities.

The military, of course, reflects society as a whole, and during this period, a fundamental change took place in the armed forces' recruitment and use of women. The number of women in the services increased by about 350%. Job classification barriers broke down with the sensible recognition that women could and should perform a wide variety of non-traditional jobs. Some of the dramatic changes I was privileged to see, and indeed to recommend as a member of DACOWITS, included the admission of women to the service academies, and the opening of many new occupations for women in all the services—including the first opportunities for women to train as pilots and navigators in the Air Force. By the end of the 1970s, the separate Women's Army Corps, the WAVES, and the WAFS, were all similarly assimilated into the mainstream of the armed forces.

Today, with some 190,000 women in the military service—about 9% of the active force—the United States now has more women in uniform than any other country in the world. Women can be found guarding the Titan II intercontinental ballistic missiles in Arizona, teaching male Army paratroopers how to jump in Kentucky, and refueling the giant C-5 cargo planes in mid-air some 26,000 feet above an air force base in New Hampshire. Women are performing all of these jobs as well, and frequently better, than their male counterparts. In all branches, female officers and enlisted personnel have proven that women can do the job and do it well. Both in and out of the military then, the gains that women have made in obtaining equal opportunity in the job market are now accepted across the land.

Indeed, in the 1980s, the military no longer simply reflects the general progress of women—it sometimes leads the way, providing unique opportunities for career advancement that may remain unavailable for women in the private sector. Many young women are attracted by the higher education, technical training, and better work offered by today's services. More importantly, they know that they will receive not only equal pay for equal work, but a chance to achieve authority and respect in a system that strictly rewards merit and dedication. As the growth rate of women in the services has stabilized in the 1980s, each branch has undertaken an important reexamination of the best utilization of women. By and large, the statistics show that women entering the armed forces today are generally better-educated than the men, have officer retention rates as high as the men, and that they share the same attributes of assertiveness and independence essential to military leadership. I am optimistic about the bright future for our uniformed women who have demonstrated their ability and their value in both peace and war.

Today then is a very happy occasion. It is clearly appropriate to provide a permanent corridor in the Pentagon to commemorate the serious and significant role of women in the armed forces. The struggle of persistent and determined women to be allowed to serve their country in occupations of their

choosing has been a long one and a remarkable one. Our country cannot afford to waste the human talent, skills, and resources of one-half of its citizenry. This corridor represents a concrete recognition that women have finally been not only accepted in the armed forces, but beneficially integrated into them and appreciated by them. To the women here today, I salute you. I cangratulate you. I encourage you to continue your efforts to serve our country with distinction and honor.●

SUMMARY OF ACTIVITIES OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, 98TH CONGRESS, 1ST SESSION

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. HOWARD. Mr. Speaker, the Committee on Public Works and Transportation reports herein on its activities during the 1st session of the 98th Congress.

My sincere appreciation goes to all committee members for their splendid cooperation in all committee endeavors. I want to express special gratitude to Congressman GLENN M. ANDERSON, who served with distinction as ranking member of the committee and as chairman of the Subcommittee on Surface Transportation. A word of thanks is due the subcommittee chairmen: Congressman ROBERT A. ROE, chairman of the Subcommittee on Water Resources; Congressman NORMAN Y. MINETA, chairman of the Subcommittee on Aviation; Congressman ELLIOTT H. LEVITAS, chairman of the Subcommittee on Investigations and Oversight; Congressman JAMES L. OBERSTAR, chairman of the Subcommittee on Economic Development; and Congressman ROBERT A. YOUNG, chairman of the Subcommittee on Public Buildings and Grounds.

My appreciation and sincere thanks go to Congressman GENE SNYDER, of Kentucky, the ranking minority member of the committee, for his leadership and cooperation.

To all the fine staff of the committee and subcommittees, I say thank you for a job well done.

This year the Aviation Subcommittee, chaired by Congressman NORMAN Y. MINETA, with Congressman JOHN PAUL HAMMERSCHMIDT serving as ranking minority member, has devoted major attention to airline deregulation and sunset of the Civil Aeronautics Board. Under the Airline Deregulation Act of 1978, the final phases of deregulation are scheduled to take effect on December 31, 1984, when the Civil Aeronautics Board will be terminated. Before that date, it may be desirable to enact further legislation clarifying which CAB functions will continue after sunset and which agencies will carry out these functions.

To prepare for consideration of this legislation, the subcommittee has been conducting extensive hearings on the performance of the airline industry under deregulation and on legislative proposals. Several of these hearings have already been concluded. In May and June the subcommittee held general hearings on the state of the airline industry under deregulation. These hearings focused on the effects of deregulation on the airline industry, the passengers and cargo it carries, the communities it serves, and on industry employees. The hearings also considered whether any basic changes were required in the deregulation of domestic routes and rates.

Subsequent hearings have dealt with narrower issues. In June the subcommittee held 3 days of hearings on computer reservation systems used by travel agents. During the past few years, the travel agent industry has automated the selling of airline tickets. Two large airlines market most of the computers used by the agents, other airlines, and consumers that the practices employed by these airlines in marketing computers are unfair to consumers and to competing airlines.

Some of the practices cited include preferential treatment in airline schedule displays for the carrier marketing the computers; the charging of varying rates to other airlines for access to the computers, allegedly for the purpose of weakening the competitive position of airlines competing with the host carrier; and use by the host airline of information gained through the computer to enhance its position with the travel agents. Following the hearing the subcommittee chairman and ranking minority member wrote to the Civil Aeronautics Board stating that the allegations at the hearing were sufficient to warrant prompt consideration by the CAB of remedial action. In response, the CAB recently began rulemaking proceedings to deal with the problem.

In July and October the subcommittee conducted hearings on whether the Government should continue to regulate relationships between airlines and travel agents and whether these relationships should continue to be immunized from the antitrust laws. Concern over this issue has been heightened by a Civil Aeronautics Board decision that under deregulation it is no longer appropriate for the airlines to be allowed to collectively agree to use only travel agents who do business in a prescribed manner and meet certain qualifications. The CAB's decision was intended to leave airlines free to continue to deal voluntarily with existing travel agents, but not to give the airlines antitrust immunity to collectively agree to prohibit use of other agents. A number of travel agents are concerned with the possible impact of the CAB's decision on their industry and legislation has been introduced to require continuation of the antitrust immunity which the travel agent agreement received before deregulation.

In August the subcommittee held its first day of hearings on the essential air service program, under which communities which received service by a certificated airline when deregulation was enacted are guaranteed a continuation of essential air service, supported by Government subsidy if necessary. The first day of hearings focused on the essential air service program in California. Subsequent hearings in Washington will consider the program on a national basis.

Hearings on airline deregulation and Civil Aeronautics Board sunset will continue during the early months of 1984.

Other action by the Aviation Subcommittee this year included passage of legislation to authorize funds for the National Transportation Safety Board for fiscal years 1984, 1985, and 1986; hearings and a subcommittee markup on legislation introduced by the chairman and ranking minority members of the full committee and subcommittee to establish aviation-related penalties, such as revocation of airmen certificates, for airmen and aircraft owners who use an aircraft for illegal drug trafficking; hearings on Federal Aviation Administration regulations pertaining to the appeal rights of airmen denied medical certificates in cases of cardiovascular disease; oversight hearings on the fiscal 1984 administration budget proposals for the FAA and CAB; and hearings on recent reductions in the staff of FAA inspectors who inspect air carrier operations and maintenance.

The Subcommittee on Economic Development, chaired by the gentleman from Minnesota, JAMES L. OBERSTAR, with the gentleman from Pennsylvania, WILLIAM F. CLINGER, JR., serving as ranking minority member, approved three major bills to stimulate economic recovery through job creation, to repair and improve the Nation's infrastructure, and to provide a better assessment of infrastructure needs.

Early in the session, the subcommittee, together with the Subcommittee on Economic Stabilization of the Committee on Banking, Finance and Urban Affairs, held hearings on legislation to extend the authorizations of the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965.

During the 97th Congress, there was an extensive review and evaluation of the existing economic development programs, and new authorizing legislation was developed. This legislation—H.R. 6100—was considered and passed

by the House on August 12, 1982, by a vote of 281 to 95. The Senate, however, failed to consider the bill. The updated authorization bill was introduced in the 98th Congress as H.R. 10.

The hearings on H.R. 10 and similar bills were held by the Subcommittee on Economic Development on February 12, and jointly with the Subcommittee on Economic Stabilization on March 1, 1983—Hearing Print 98-3. The bill with relatively few changes was reported by the full committee March 23 by a unanimous vote of 50 to 0—Report 98-52, part 1. The Banking Committee ordered the bill reported favorably by a voice vote on May 5, 1983—Report 98-2, part 2. On July 12, the bill passed the House by a vote of 306 to 113. The Senate took no action on the House-passed bill in this session.

This measure provides $1.5 billion over the next 3 years to assist local communities to develop and implement a long-term economic investment strategy. The National Development Investment Act revises the programs authorized by the Public Works and Economic Development Act by targeting funds to communities experiencing serious economic problems, such as unemployment above the national average, low per capita income, or a major plant closing. Grants can be used for the construction or repair of public facilities, establishing locally administered revolving loan funds to assist businesses in the area, technical assistance grants to prepare for development, and activities to facilitate economic adjustment and prevent economic dislocation.

In addition, title II of H.R. 10 extends both the highway and nonhighway programs of the Appalachian Regional Development Act. Finish-up funds are provided for the Appalachian area development programs through fiscal year 1988 and for the contruction of the Appalachian highway system through fiscal year 1991. A total of $399 million is authorized for the nonhighway program and 2.2 billion to finish up the highway programs through 1991.

H.R. 1244, the Federal Capital Investment Program Information Act of 1983, is another legislative proposal that is an outgrowth of hearings begun during the 97th Congress and reported by the committee in the 1st session of the 98th.

In September 1982, the subcommittee held 4 days of hearings on H.R. 6591, and on the general concept of capital budgeting for the Federal Government. Capital budgeting was examined for its desirability as a decisionmaking tool to help Government officials allocate limited funds in the most effective way to repair or replace our public facilities—Hearing Print 97-68. A report was prepared on these initial hearings—Committee Print 97-69—to provide background for further consideration of the subject in the 98th Congress.

Federal capital budgeting legislation similar to the bill considered in the 97th Congress was introduced in February as H.R. 1244. This bill was jointly referred to the Committee on Public Works and Transportation and the Committee on Governnment Operations. The subcommittee considered this and other bills referred to the committee on capital budgeting, job creation, and infrastructure repair policies at hearings held April 20, 21, 26, 27, and May 3, 1983—Hearing Print 98-13. At the May 3rd hearing, the Director of Management and Budget testified and expressed the agency's concern about the scope of information that would be required under the bill. In order to address these concerns, a substitute measure was developed with the assistance of OMB, and adopted in lieu of the original provisions of H.R. 1244. The committee ordered the bill reported on May 11, 1983, by voice vote—Report 98-153, part I. The Committee on Government Operations did not act on the bill in this first session.

This bill, as reported, would require the President, as part of the annual budget, to provide more detailed information on major Federal capital investment programs. This includes cost estimates and projections of the amounts needed to maintain, reduce, or improve the current level of services for basic infrastructure programs, such as highways, bridges, airports and related facilities, waste treatment facilities, water resources projects, and veterans' hospitals. It is intended to provide a practical way to evaluate and set priorities for long-term public works investment.

The third bill reported by the committee was designed to provide immediate jobs and assist in the repair of local public facilities. H.R. 2544, the Emergency Public Works Employment Act of 1983, was introduced and hearings were held on the bill in April—Report 98-202. The committee reported the bill on May 12 by a vote of 31 to 19.

The bill authorizes $3.2 billion for grants to areas of high unemployment for the construction, renovation, and repair of local public works such as water and sewer lines, roads, bridges, schools, and other public buildings. To insure that these funds will result in the quickest possible job creation, funds would be channeled through the Office of Revenue Sharing within the Department of the Treasury. Each project must be completed within 1 year. Local communities must give assurances that they will hire long-term unemployed and provide part-time jobs for young people who are experiencing the highest rate of unemployment. The House did not act on the bill in this session.

The committee looks forward to the completion of legislative action on these bills during the second session.

During the 1st session of the 98th Congress, the Subcommittee on Investigations and Oversight, chaired by Congressman ELLIOTT H. LEVITAS, with Congressman GUY MOLINARI serving as ranking minority member, conducted public hearings on 38 days and received testimony from approximately 200 witnesses. These witnesses represented levels of government ranging from local townships through Federal agencies in addition to private industry and citizen groups. A list of hearings held in 1983 is attached.

The subcommittee is charged with oversight of all legislative programs under the purview of the Committee on Public Works and Transportation. As such, these hearings reviewed activities of all the legislative subcommittees and were coordinated with the respective staffs so that useful information for legislation would be available at the earliest possible time.

The following is a breakdown of the various subject areas in which activity was undertaken and public hearings have been held:

AVIATION

A number of days of testimony were directed toward the rebuilding of the Nation's air traffic control system with the emphasis of the subcommittee being directed toward a safe restoration of traffic to the pre-August 1981 levels. The hearings touched on such specific items as stress, workload, training, safety problems, and attitudes of the working controllers.

The subcommittee also conducted a 1-day session on the problems associated with airport access, a continuing problem because of limited space and a growing number of new air carriers.

Hearings were also resumed on the subject of cabin safety and included such issues as fire, smoke, toxic fumes, breathing devices for passengers and flightcrews, emergency flotation devices, passenger seats, cabin interior materials, survivability of passengers, flightcrew training, and detectors for smoke and fire.

The subcommittee held the first day of what is expected to be a review of the Federal Aviation Administration's regulation of nine-passenger-seat-and-less aircraft.

A report dealing with the "Implementation of the International Air Transportation Policy of the United States" was released.

The series of hearings on the relationship of weather to aviation safety was completed, and it is expected that a report from the subcommittee will be completed in the early part of the 2d session of the 98th Congress.

WATER RESOURCES

The subcommittee continued the series of hearings dealing with the

subject of toxic waste. These hearings touched upon the implementation of the superfund law, victim compensation, contamination of water supplies, and examination of disposal sites.

The subcommittee also completed the work on the contempt of Congress citation against former EPA Administrator Anne Gorsuch Burford.

As a result of hearings touching on the performance of Rita Lavelle in administering the hazardous waste cleanup, Miss Lavelle's testimony was reviewed by the U.S. Department of Justice, taken before a Federal grand jury, and an indictment was secured for a perjury violation. That indictment resulted in a court trial in Washington, D.C., during November 1983 which terminated in Miss Lavelle's conviction for perjury before the subcommittee.

In February, the subcommittee held a joint hearing with the Water Resources Subcommittee on the backlog of water resource projects. Testimony from the General Accounting Office provided useful information for the legislative subcommittee which was reviewing that legislation.

A report on the claims of the Holy Cross Hospital was completed by the investigative staff for use of the Water Resources Subcommittee. That claim has been long-standing since the 1971 earthquake in California.

SURFACE TRANSPORTATION

A subcommittee field hearing was held in Michigan dealing with the Zilwaukee Bridge, a segmental concrete bridge under construction at the present time.

Staff is presently involved in an investigation of the Mianus River bridge collapse in the State of Connecticut, and will probably result in a field hearing early in 1984.

The reported difficulties with the Sunshine Skyway Bridge and Interstate 10, both in the State of Florida, are presently under review by the investigative staff.

A review of the programs of the Urban Mass Transportation Administration is underway and one hearing, in Miami, Fla., was conducted, with a long-range view toward future implications for the Federal program.

PUBLIC BUILDINGS AND GROUNDS

A long standing review of the management of the General Services Administration's handling of the lease at Waterside Mall in southwest Washington, D.C., was completed and a report is in preparation.

ECONOMIC DEVELOPMENT

The investigative staff assisted the legislative subcommittee with that subcommittee's hearings early in the year, and then conducted an oversight hearing covering 2 days in November at the request of that subcommittee chairman and ranking minority member.

In addition to subcommittee hearings, field reviews were conducted by Members and staff on matters covering aviation, water resources, surface transportation, and building and grounds.

During the 1st session of the 98th Congress, the Subcommittee on Public Buildings and Grounds, chaired by Congressman ROBERT A. YOUNG, with Congressman E. CLAY SHAW, JR., serving as ranking minority member, continued hearings on all policies of the Public Buildings Service of the General Services Administration and H.R. 630, a bill to establish public building policies for the Federal Government, to establish the Public Buildings Service in the General Services Administration, and for other purposes. The subcommittee continued to express concern over the extensive leasing program of the General Services Administration versus the construction of Government-owned public buildings.

The subcommittee held a hearing and received detailed information regarding proposals for restoration or extension of the west front of the U.S. Capitol Building. In addition, the subcommittee held a hearing and received testimony on current and proposed security measures relating to the Capitol buildings and grounds. The subcommittee also held a hearing on H.R. 4332, a bill to approve the master plan for the U.S. Capitol Grounds and related areas, and for other purposes. On June 15, 1983, the subcommittee reported favorably to the full committee H.R. 2896, a bill to amend Public Law 96-432 to increase the authorization for the acquisition of property for addition to the U.S. Capitol Grounds from $11,500,000 to $16,000,000.

On October 5, 1983, the subcommittee received testimony on H.R. 4025, a bill to authorize the Administrator of General Services to transfer to the Smithsonian Institution without reimbursement the General Post Office Building for use by the Smithsonian Institution for certain art galleries and related functions. H.R. 4025 authorizes to be appropriated to the Smithsonian Institution a sum not to exceed $35 million necessary for restoration of the facility.

The subcommittee reported favorably to the full committee H.R. 2605, a bill authorizing to be appropriated to the Secretary of the Interior $4,542,000 for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes. On May 16, 1983, H.R. 2605 was reported favorably by the full committee on Public Works and Transportation; however, the legislation was never considered by the House of Representatives.

BILLS ENACTED INTO LAW

"Nancy Hanks Center" and the "Old Post Office Building" (Public Law 98-1)—A bill to designate a "Nancy Hanks Center" and the "Old Post Office Building" in Washington, District of Columbia; authorize the Administrator of the General Services Administration, in consultation with the Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities, to erect at suitable locations at the Nancy Hanks Center appropriate markers or displays commemorating the accomplishments of Nancy Hanks; and authorize the Administrator of the General Services to expend not to exceed $50,000 to erect such displays and markers.

"Jack D. Watson Post Office Building" (Public Law 98-81)—A bill to designate that the United States Post Office Building to be constructed in Fort Worth, Texas, at the intersection of Meacham Boulevard and the Mark IV Parkway, shall hereafter be named the "Jack D. Watson Post Office Building".

"Phillip Burton Federal Building and United States Courthouse" (Public Law 98-85)—A bill to designate the Federal Building and United States Courthouse at 450 Golden Gate Avenue, San Francisco, California, as the "Phillip Burton Federal Building and United States Courthouse".

"Charles A. Halleck Federal Building" (Public Law 98-121)—A bill to designate that the Federal Building at Fourth and Ferry Streets, Lafayette, Indiana, shall hereafter be known as the "Charles A. Halleck Federal Building".

"Harold L. Runnels Federal Building" (Public Law 98-122)—A bill to designate that the building located at 200 East Griggs Street, Las Cruces, New Mexico, known as the Federal Building, shall hereafter be known as the "Harold L. Runnels Federal Building".

"Edwin D. Eshleman Post Office Building" (Public Law 98-128)—A bill to designate that the United States Post Office Building located at 1400 Harrisburg Pike in the vicinity of Lancaster, Pennsylvania, shall hereafter be known as the "Edwin D. Eshleman Post Office Building".

"George W. Whitehurst Federal Building and United States Courthouse" (Public Law 98-148)—A bill to designate that the building located at 2301 First Street, Fort Myers, Florida, known as the Federal Building, shall hereafter be known as the "George W. Whitehurst Federal Building and the United States Courthouse".

"Henry M. Jackson Federal Building" (Public Law 98-174)—A bill to designate that the building located at 915 Second Avenue, Seattle, Washington, known as the Federal Building, shall hereafter be known as the "Henry M. Jackson Federal Building".

"Juliette Gordon Low Federal Building" (Public Law 98-205)—A bill to designate that the Federal Building to be constructed at Telfair Square, Savannah, Georgia, shall hereafter be named the "Juliette Gordon Low Federal Building".

Section 2 authorizes the Administrator of General Services to accept and use contributions from individuals and private organizations for the design and construction of a memorial, commemorating the life and accomplishments of Juliette Gordon Low. The Administrator, in consultation with the Chairman of the National Endowment for the Arts and the national president of the Girl Scouts of America, shall determine the appropriate memorial, taking into account the cost of maintaining such memorial. The Administrator of General Services shall provide maintenance for such memorial.

Section 3 provides for the Secretary of Transportation to carry out a one year demonstration program on the effect of reducing the number of occupants to three for use of I-395 in Virginia.

Section 4 directs the Board of Trustees of the John F. Kennedy Center for the Performing Arts to assure that no additional memorials or plaques in the nature of memorials shall be designated or installed in the public areas of the John F. Kennedy Center for the Performing Arts, except for unique circumstances.

Section 5 provides for the Secretary of Transportation to carry out a one year demonstration program on the effect of reduced operating time periods for high occupancy vehicle lanes on I-66 in Virginia.

BILLS APPROVED BY THE HOUSE BUT NOT ACTED UPON BY THE SENATE

H.R. 593—June 6, 1983: To designate the New York Bulk and Foreign Mail Center at Jersey City, New Jersey, as the "Michael McDermott Bulk and Foreign Mail Center."

H.R. 1748—October 31, 1983: To name the building to be constructed in Lufkin, Texas, and leased to the United States as the "Colonel Homer Garrison, Jr. Federal Building."

H.R. 3238—October 3, 1983: To designate the United States Post Office Building in Flushing, New York, as the "Benjamin S. Rosenthal Post Office Building."

H.R. 3576—October 3, 1983: To designate a Federal building in Cincinnati, Ohio, as the "John Weld Peck Federal Building."

H.R. 4107—November 18, 1983: To designate the Federal Building in Salisbury, Maryland, as the "Maude R. Toulson Federal Building."

H.R. 4210—November 18, 1983: To designate the United States Post Office and Courthouse Building in Greensboro, North Carolina, as the "L. Richardson Preyer Federal Building."

H.R. 4403—November 18, 1983: To name the United States Court of International Trade at One Federal Plaza, New York, New York, the "Paul P. Rao United States Court of International Trade."

H.R. 4473—November 18, 1983: To designate the Federal Archives and Records Center in San Bruno, California, as the "Leo J. Ryan Memorial Federal Archives and Records Center."

PUBLIC BUILDING PROJECT RESOLUTIONS APPROVED PURSUANT TO THE PUBLIC BUILDINGS ACT OF 1959, AS AMENDED

Date	Place	Project
+ May 11, 1983	St. Louis, MO	Resolution providing for a study to investigate the feasibility and need for repair and alteration of a Federal Courthouse.
July 14, 1982 May 25, 1983	Montgomery, AL	Prospectus proposing succeeding lease at the Aronov Building, 474 South Court Street.
Nov. 29, 1982 May 25, 1983	Washington, DC	Prospectus proposing succeeding lease at 1919 M Street, NW.
Nov. 29, 1982 May 25, 1983	Washington, DC	Prospectus proposing succeeding lease at Thomas Circle South, 1121 Vermont Avenue, NW.
Nov. 29, 1982 May 25, 1983	Washington, DC	Prospectus proposing succeeding lease at the Indiana Building, 633 Indiana Avenue, NW.
Nov. 29, 1982 May 25, 1983	Washington, DC	Prospectus proposing succeeding lease at 1201 E Street Building, 1201 E Street, NW.
Nov. 29, 1982 May 25, 1983	Washington, DC	Prospectus proposing succeeding lease at 719 Thirteenth Street Building, 719 Thirteenth Street, NW.
Sept. 20, 1982 May 25, 1983	Washington, DC	Prospectus proposing succeeding lease at the Matomic Building, 1717 H Street, NW.
June 23, 1982 May 25, 1983	Washington, DC	Prospectus proposing succeeding lease at 1776 Pennsylvania Avenue, NW.
Aug. 17, 1982 May 25, 1983	Washington, DC	Prospectus proposing succeeding lease at the Pennsylvania Building, 425 Thirteenth Street, NW.
Aug. 17, 1982 May 25, 1983	Washington, DC	Prospectus proposing succeeding lease at the Paramount Building, 1735 Eye Street, NW.
Sept. 20, 1982 May 25, 1983	Atlanta, Ga	Prospectus proposing extension of lease at Pershing Point Plaza, 1365–1375 Peachtree Street.
Sept. 20, 1982 May 25, 1983	Chicago, IL	Prospectus proposing replacement lease at One North Wacker Drive.
Nov. 29, 1982 May 25, 1983	Chicago, IL	Prospectus proposing succeeding lease at Mid-Continental Plaza, 55 East Monroe Street.
Sept. 20, 1982 May 25, 1983	Des Plaines, IL	Prospectus proposing lease renewal option at O'Hare Lake Office Plaza, 2300 East Devon Avenue.
Nov. 29, 1982 May 25, 1983	Springfield, IL	Prospectus proposing extension of lease at the Washington Bicentennial Building, 300 West Washington Street.
Apr. 20, 1982 May 25, 1983	Boston, MA	Prospectus proposing succeeding lease at 100 Summer Street.
Sept. 20, 1982 May 25, 1983	Boston, MA	Prospectus proposing renewal of lease at the Analex Building, 150 Causeway Street.
Nov. 29, 1982 May 25, 1983	Burlington, MA	Prospectus proposing succeeding lease at 12 New England Executive Park.
Aug. 17, 1982 May 25, 1983	Newton, MA	Prospectus proposing succeeding lease at One Gateway Center.
Nov. 29, 1982 May 25, 1983	White Plains, NY	Prospectus proposing acquisition of space by lease for the U.S. Courts and General Services Administration Support Services in the central business district.
Sept. 20, 1982 May 25, 1983	New York, NY	Prospectus proposing succeeding lease at Two World Trade Center.
July 14, 1982 May 25, 1983	New York, NY	Prospectus proposing succeeding lease at the Western Union Building, 60 Hudson Street.
July 14, 1982 May 25, 1983	New York, NY	Prospectus proposing renewal of lease at One Astor Plaza, 1515 Broadway.
Sept. 20, 1982 May 25, 1983	Queens, NY	Prospectus proposing succeeding lease at One Lefrak City Plaza.
Aug. 17, 1982 May 25, 1983	Knoxville, TN	Prospectus proposing succeeding lease at the Northshore Building, 1111 Northshore Drive.
Nov. 29, 1982 May 25, 1983	Dallas, TX	Prospectus proposing extension of lease at 500 South Ervay.
Nov. 29, 1982 May 25, 1983	Houston, TX	Prospectus proposing extension of lease at One Allen Center, 500 Dallas Avenue.
Nov. 29, 1982 May 25, 1983	Bethesda, MD	Prospectus proposing succeeding lease at the Woodmont Complex, 8120 Woodmont Avenue.
Nov. 29, 1982 May 25, 1983	Hyattsville, MD	Prospectus proposing renewal of lease at the Center Building 1, 6505 Belcrest Road.
Sept. 20, 1982 May 25, 1983	Linthicum, MD	Prospectus proposing succeeding lease at Office Building No. 1.
Aug. 17, 1982 May 25, 1983	Rockville, MD	Prospectus proposing succeeding lease at the Rockwall Building, 11400 Rockville Pike.
Aug. 17, 1982 May 25, 1983	Silver Spring, MD	Prospectus proposing succeeding lease at the Willste Building, 7915 Eastern Avenue.
Aug. 17, 1982 May 25, 1983	Silver Spring, MD	Prospectus proposing succeeding lease at the Silver Spring Plaza, 8757 Georgia Avenue.
Nov. 29, 1982 May 25, 1983	Arlington, VA	Prospectus proposing succeeding lease at the Broyhill Building, 1000 North Glebe Road.
Nov. 29, 1982 May 25, 1983	Arlington, VA	Prospectus proposing succeeding lease at Crystal Square 4, 1745 Jefferson Davis Highway.
Nov. 29, 1982 May 25, 1983	Arlington, VA	Prospectus proposing succeeding lease at Crystal Plaza 34, 2121 Jefferson Davis Highway.
Aug. 17, 1982 May 25, 1983	Arlington, VA	Prospectus proposing succeeding lease at the Architect Building, 1400 Wilson Boulevard.
Aug. 17, 1982 May 25, 1983	Arlington, VA	Prospectus proposing succeeding lease at the Rosslyn Plaza Building C, 1601 North Kent Street.
Aug. 17, 1982 May 25, 1983	Falls Church, VA	Prospectus proposing succeeding lease at the Melpar Building, 7700 Arlington Boulevard.
Nov. 29, 1982 May 25, 1983	Springfield, VA	Prospectus proposing succeeding lease at the Sills Building, 5285 Port Royal Road.
Apr. 11, 1983 May 25, 1983	Los Angeles, CA	Prospectus proposing demolition of two warehouse buildings at Temple and Alameda Streets.
Apr. 11, 1983 May 25, 1983	Waltham, MA	Prospectus proposing construction of an extension to the Federal Archives and Records Center.
Apr. 11, 1983 May 25, 1983	Seattle, WA	Prospectus proposing construction of an extension to the Federal Archives and Records Center.
Apr. 27, 1983 May 25, 1983	Los Angeles, CA	Prospectus proposing preliminary engineering and design for the conversion of existing office space into new court facilities.
Apr. 27, 1983 May 25, 1983	Los Angeles, CA	Prospectus proposing preliminary engineering and design of repair and alteration for the Federal Building, 300 North LA.
Apr. 27, 1983 May 25, 1983	Washington, DC	Prospectus proposing preliminary engineering and design of repair and alteration for the West Heating Plant.
Apr. 27, 1983 May 25, 1983	Washington, DC	Prospectus proposing preliminary engineering and design of repair and alteration for the Steam Distribution Complex.
Apr. 27, 1983 May 25, 1983	Washington, DC	Prospectus proposing preliminary engineering and design of repair and alteration for the Interstate Commerce Commission-Customs Building.
Apr. 27, 1983 May 25, 1983	New Orleans, LA	Prospectus proposing preliminary engineering and design of repair and alteration for the F. Edward Hebert Federal Building.
+ May 25, 1983	St. Louis, MO	Prospectus proposing preliminary engineering and design of repair and alteration for the Courthouse-Customs Building.
Apr. 27, 1983 May 25, 1983	Asheville, NC	Prospectus proposing preliminary engineering and design of repair and alteration for the Grove Arcade Federal Building.
Apr. 27, 1983 May 25, 1983	Fort Worth, TX	Prospectus proposing preliminary engineering and design of repair and alteration for Warehouse 5, Federal Center.
Nov. 29, 1982 Aug. 3, 1983	Seattle, WA	Prospectus proposing succeeding lease for the National Oceanic and Atmospheric Administration.
Apr. 27, 1983 Aug. 3, 1983	New Orleans, LA	Prospectus proposing repair and alteration of the F. Edward Hebert Federal Building.
July 27, 1983 Aug. 3, 1983	Pittsburgh, PA	Prospectus proposing repair and alteration of the Post Office building.
Apr. 11, 1983 Aug. 3, 1983 (Deauthorized Nov. 10, 1983) (Reauthorized Nov. 11, 1983).	Portland, OR	Prospectus proposing construction of a Federal building for the Bonneville Power Administration.
June 2, 1983 Aug. 3, 1983 (Deauthorized Nov. 10, 1983) (Reauthorized Nov. 11, 1983).	Knoxville, TN	Prospectus proposing construction of a Federal Building.
+ Aug. 3, 1983	Long Beach, CA	Amended resolution providing for construction of a Federal building.
+ Aug. 3, 1983	Baltimore, MD	Resolution providing for a study to investigate the feasibility and need for consolidation of the Health Care Financing Administration.
+ Aug. 3, 1983	St. Louis, MO	Resolution providing for a study to investigate the feasibility and need for consolidation of Federal departments and agencies.
+ Aug. 3, 1983	Newark, NJ	Resolution providing for a study to investigate the feasibility and need for consolidation of Federal departments and agencies.
+ Aug. 3, 1983	Paterson, NJ	Resolution providing for a study to investigate the feasibility and need for consolidation of Federal departments and agencies.
+ Nov. 11, 1983	Newark, NJ	Resolution providing for construction of a Federal Building-U.S. Courthouse.

This year, the Subcommittee on Surface Transportation, chaired by Congressman GLENN M. ANDERSON, with Congressman BUD SHUSTER serving as ranking minority member, held hearings on highway and mass transit issues, coal pipelines, oil pipeline regulatory reform, oversight hearings on the Motor Carrier Act of 1980, the

Household Goods Transportation Act of 1980, and the Bus Regulatory Reform Act of 1982.

On May 2, the subcommittee held hearings in Half Moon Bay, Calif., on highway emergency relief assistance. On June 14, 15, and 16, the subcommittee conducted hearings to review the implementation of the Surface Transportation Assistance Act of 1982—Public Law 424. The subcommittee review included a report on the administration's progress in implementing the act, necessary technical and perfecting amendments to the act, time-sensitive amendments, and a discussion of other key issues affecting highways, highway safety, and public transportation.

Prior to the completion of the hearings, the House had passed on June 13, under suspension of the rules, H.R. 3103, a bill to provide emergency highway assistance to States affected by the abnormal amount of disasters that occurred during calendar year 1983. On October 25, the Senate considered H.R. 3103 with an amendment and passed the bill by a vote of 91 to 2. On November 1, the House agreed to the Senate amendment with an amendment and requested a conference. The Senate has not yet agreed to a conference and the bill is currently pending in the Senate.

On February 24, 1983, the House agreed to the unanimous-consent request that the Committee on Public Works and Transportation be discharged from further consideration of the bill, H.R. 1562, to repeal section 311 of the Federal Public Transportation Act of 1982. The Senate considered and agreed to H.R. 1562, the House-passed bill, on March 2, 1983. The bill was signed into law on March 16, 1983. This act repeals section 311 of the Surface Transportation Assistance Act of 1982, Public Law 98-6. This provision only affects the Metropolitan Atlanta Rapid Transit Authority and permits the Georgia General Assembly to implement the compromise on the construction decisions for the direction of the rapid transit line.

On March 24, 1983, the House concurred with the Senate passage of the Uniform National Standards for Regulation of Commercial Motor Vehicle Width on Interstate Highways bill, S. 926. This bill was signed into law on April 5, 1983. The act, Public Law 98-17, prohibits States, other than Hawaii, from establishing, maintaining, or enforcing, width limitations of more or less than 102 inches on the Interstate or other qualifying Federal-aid highways with traffic lanes designed to be a width of 12 feet or more as designated by the Secretary of Transportation. This act removes any discrepancy in the dates on which the length and width provisions must be implemented by the States by establishing April 6, 1983, as the effective date.

On April 13 and 19, the subcommittee held hearings on H.R. 1010, the Coal Pipeline Act of 1982. The legislation was jointly referred to the Committee on Interior and Insular Affairs. The legislation was reported by the subcommittee on May 18, 1982, and by the full committee on June 8, 1982—House report 98-64, part II. The Committee on Interior and Insular Affairs reported its version of the legislation on April 15, 1983. Both bills, as reported, provided for a delegation of the Federal power of eminent domain to coal pipeline applicants that had acquired proper certification from a Federal agency. Although both committees reported the legislation, the version reported by each committee differed in its approach. Subsequently, both committees agreed to a compromise version of H.R. 1010. The bill was considered by the House on September 15 and 19, 1983, and it was defeated by a rollcall vote of 235 noes to 182 ayes.

On November 9 and 10, 1983, the subcommittee held hearings on H.R. 2677, the Oil Pipeline Regulatory Reform Act of 1983. This was the first time that the committee held hearings on regulatory reform for the oil pipeline industry. The basic thrust of the legislation is to decrease the Federal Government's involvement in the pricing of transportation services performed by the oil pipeline industry. Jurisdiction for the economic regulation of the oil pipeline industry is vested in the Federal Energy Regulatory Commission. No further action was taken by the subcommittee during the first session of the 98th Congress.

On October 7 in San Ysidro, Calif., adjacent to the United States-Mexican border, the subcommittee conducted a hearing on the operation of foreign motor carriers in the United States. Congress addressed this issue statutorily twice in 1982. The Bus Regulatory Reform Act placed a 2-year prohibition on the issuance of operating certificates to foreign carriers of freight and passengers from nations contiguous to the United States, with a waiver mechanism that has been utilized with respect to Canadian motor carriers. The Surface Transportation Assistance Act of 1982 required that all foreign motor operators carry with them proof of insurance.

Because operating certificates are not required for many types of motor carrier service, the subcommittee had ample evidence to believe that considerable foreign trucking activity was continuing in the United States. The purpose of the hearing was to review this situation and its equity in light of the fact that U.S. carriers are prohibited from operating in Mexico.

Federal, State, and local officials, as well as interested members of the trucking community, participated in the hearing and joined subcommittee members on an inspection of border facilities and procedures used in implementing the 1982 laws.

Pursuant to a requirement of the Motor Carrier Act of 1980, the subcommittee conducted oversight hearings on the implementation of the act on October 25 and on November 16.

Among those presenting testimony on October 25 were representatives from the trucking and shipping communities and the Teamsters Union. Many of those representing carrier interests indicated their belief that the ICC has exceeded the authority vested in it by the act in its efforts to reduce regulations governing the motor carrier industry.

The shipping community was divided, with some stating that the act was working well and benefiting the public, while others reported that smaller shippers were being discriminated against.

On November 16, the subcommittee received testimony from a panel consisting of the four ICC Commissioners and representatives from the Department of Transportation, the Defense Department, and the American Insurance Association.

A principal issue at both hearings was a possible extension of the antitrust exemption for commercial motor carriers engaged in single-line ratemaking. This exemption will expire under the terms of the Motor Carrier Act on July 1, 1984. A 2-year extension of antitrust immunity was included among the amendments the House adopted to the Senate amendments to H.R. 3103. This legislation is pending in the Senate.

On October 26, the subcommittee conducted its statutorily required oversight hearings of the Household Goods Transportation Act of 1980 and the Bus Regulatory Reform Act of 1982. Among those presenting testimony were industry representatives and State officials.

During the 1st session of the 98th Congress, the Subcommittee on Water Resources, chaired by Congressman ROBERT A. ROE and with Congressman ARLAN STANGELAND serving as ranking minority member, continued its hearings in preparation for the drafting of H.R. 3678, the Water Resources Conservation, Development, and Infrastructure Improvement and Rehabilitation Act of 1983. In all, the subcommittee heard from 486 witnesses in the course of 33 hearings, 4 of which were held during 1983—hearing print 98-4. The subcommittee received oral testimony and written statements from Members of Congress, Federal, and State officials, representatives of local organizations and environmental groups, and interested citizens. The subcommittee also held a joint hearing with the Subcommittee on Investiga-

tions and Oversight on February 23, 1983, to receive testimony from the General Accounting Office and the Corps of Engineers on the contents of a report by the Comptroller General regarding the backlog of water resources construction projects.

The information gathered in the course of all these hearings, as well as a great deal of other information relating to the Nation's water resources needs, was extensively examined by the subcommittee, resulting in the development of a bill which both meets a large variety of water resources needs and establishes new policies for water resources development in the future.

The last Water Resources Development Act was signed into law in 1976. The last omnibus legislation authorizing the actual construction of Corps of Engineers projects was signed into law in 1970. The 1974 and 1976 Water Resources Development Acts consisted primarily of authorizations for advanced engineering and design of projects, rather than for their construction. As a result, over this 13-year period, a large backlog of proposed water resources projects has accumulated.

As ordered reported by the full committee on August 3, 1983, H.R. 3678 contains project authorizations, studies of potential water resources projects, modifications to authorized projects, and other provisions relating generally to the water resources development program of the Corps of Engineers. It also contains the creation of a program for assistance to communities for the construction, repair, and rehabilitation of water supply systems, the creation of a National Board on Water Resources Policy, and the deauthorization of a large number of older water resources development projects which have not been constructed.

During the 1st session of the 98th Congress, the Subcommittee on Water Resources also continued its hearings on possible amendments to the Federal Water Pollution Control Act, including proposed regulations of the Environmental Protection Agency for the establishment of water quality standards under the act. Fifteen days of hearings were held during 1983, beginning in February and concluding in November. During the course of these hearings and in the earlier hearings held in February, July, and September of 1982—Hearing print 97-73—the subcommittee received testimony from a total of 277 witnesses, including Members of Congress, Federal and State officials, representatives of local organizations and environmental groups, and interested citizens. During the 2d session of the 98th Congress, legislation based on information gathered during the hearings held in 1982 and 1983 will be developed.

On May 16, 1983, the Ocean Dumping Amendments Act of 1983, H.R. 1761, was reported by the Committee on Merchant Marine and Fisheries and sequentially referred to the Committee on Public Works and Transportation due to its jurisdiction over the bill's subject matter. H.R. 1761, as reported by the Committee on Merchant Marine and Fisheries, was very similar to the version of H.R. 6113 which was agreed to by both committees and which passed the House in the 97th Congress.

H.R. 1761 makes mandatory the existing discretionary authority of Environmental Protection Agency to designate ocean dumping sites. This will require the Environmental Protection Agency to perform the necessary studies leading to final site designation or denial of designation. Coupled with this is a mandamus provision permitting legal actions to compel site designation. Also included is a requirement that a schedule for studying existing dumping sites be submitted to Congress within 6 months. The sites which are currently being used either under an interim designation or a court order will be "grandfathered" until completion of site designation or denial of site designation.

H.R. 1761 differs from H.R. 6113 primarily in three areas. H.R. 1761 directs the Administrator of the Environmental Protection Agency and the Secretary of the Army to maintain quality assurance programs to assure the validity and accuracy of information used in connection with applications for permits and other activities undertaken pursuant to the act. A provision has been added providing that any person who knowingly makes a false statement or furnishes false information shall be punishable by a fine or imprisonment. Finally, the mandamus provision has been clarified to provide that it applies only to sites being used for dumping and cannot be used by a prospective applicant to force the designation of a new site. On July 21, 1983, the Subcommittee on Water Resources held a hearing on amendments to the Ocean Dumping Act, during which it received testimony from concerned Federal agencies and representatives from the port industry. Previously, the subcommittee had held a hearing on June 16, 1982, on the same subject matter—Hearing print 97-71—and on April 11, 1983, the full committee held a hearing in Asbury Park, N.J., on "Ocean Dumping of Dredged Material in the New York Bight Apex"—Hearing print 98-8. Drawing on information gathered during all three of those hearings, the subcommittee favorably reported H.R. 1761 to the full committee, which on August 1, 1983, favorably reported the bill as it had been amended by the Committee on Merchant Marine and Fisheries. On October 31, 1983, the House passed H.R. 1761, as amended, under suspension of the rules.

On September 24, 1983, the Subcommittee on Water Resources held a hearing in Houston, Tex., to receive testimony on damages and recovery efforts associated with Hurricane Alicia. During that hearing the subcommittee received testimony from Federal and local public officials and representatives of relief organizations and industries. The information received during that hearing will be most useful to the subcommittee when it further considers legislation to amend the Disaster Relief Act of 1974.●

NEEDED LEGISLATION INTRODUCED

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Ms. KAPTUR. Mr. Speaker, I would like to express my strong support for two bills recently introduced by Representative LAFALCE to address some of our economy's fundamental problems. H.R. 4360 and H.R. 4361 respond to recommendations put forth by witnesses who testified before the Banking Subcommittee on Economic Stabilization's long series of hearings on the American industrial competitiveness. Along with many of my colleagues on the Banking Committee, I am a cosponsor of this legislation. H.R. 4360 would establish both a council on industrial competitiveness and a bank on industrial competitiveness. The second bill, H.R. 4361 would promote the commercial application and diffusion of advanced technology within industrial sectors in the United States.

The need for this legislation should not be obscured by the current economic recovery. Fundamental problems remain in our economy, as can be illustrated by a discussion of the merchandise trade deficit and the rising level of structural unemployment.

The merchandise trade deficit has risen dramatically in the past few years. As recently as 1975, the United States had a positive merchandise trade balance. This year we can expect to run a trade deficit of $60 billion. In traditional industries such as consumer electronics, autos, steel, and machine tools, there were almost no foreign imports in 1960. Since then, our consumer electronics industry has been basically wiped out by foreign imports. In the other three industries, over 25 percent of the American market now consists of imports. Pat Choate of the TRW corporation, sums up the transition the U.S. economy is undergoing:

The new reality is that we are moving from a closed economy with relatively little involvement with trade to an open economy

that is intricately and irreversibly entwined with the global economy.

Better macroeconomic policies alone will not enable us to adjust to this new reality.

The structural problems of the U.S. economy have also taken a terrible toll on its workers. Almost 10 million Americans are unemployed today, while another 7 million have been forced to work part time or have given up hope of obtaining a job. The base level of unemployment—defined as the unemployment rate after full economic recovery—is higher than ever; 10 years ago it was estimated at 3 or 4 percent. Today, the Council of Economic Advisers estimates the rate as 7 percent. So, even if the recovery continues to boom, we can expect that over 7 million Americans would remain unemployed, and millions more would remain unemployed.

The declining competitive position of American industries and the resulting unemployment are painfully evident in areas such was my congressional district. The unemployment rate in the Toledo, Ohio area continues at double digit levels and the local economic recovery depends on the precarious health of the auto industry. Most disheartening of all is the plight of the thousands of dislocated workers. They have worked long and hard for the American economy, but the jobs they lost will not return, and they do not know what to do.

A wide array of industrial or microeconomic policies to solve the structural problems of the economy already exist. The Federal Government holds over $500 billion in outstanding loans and loan guarantees. Preferential treatment of industries through tax expenditures amounts to $40 billion per year. Government purchases of private sector goods total some $50 billion annually. On top of these programs, the Government bestows an assortment of other benefits through trade, antitrust and regulatory policies. The issue is not whether the United States should have industrial or microeconomic policies. We already have such policies. The issue is whether a better policy result would be achieved if such policies were determined in a coordinated approach. I believe it would.

The adoption of H.R. 4360 would help provide needed coordination. The bill would establish a council on industrial competitiveness composed of individuals drawn from business, labor, academia, Government, and representatives of other broad interests such as consumers. With the help of a research staff, its most important tasks would include reviewing existing industrial policies and integrating them into a coherent strategy. It would also develop a sophisticated data base and an analysis of the basic facts of the economy.

In short, the council would rationalize the use of the powerful policy tools the Government already applies. The Government would no longer approve trade relief intended to facilitate adjustment without a true understanding of the competitive position of the industry, the nature and adequacy of adjustment efforts to be undertaken, or the likely effect of the relief on import and export activity.

A council would neither be the central planner of the economy nor would it make decisions best left to the private sector. Instead, when the Government makes microeconomic decisions, the council would help insure that they are coordinated and reflect sound economic strategy. We have an institution, the Council of Economic Advisors, which analyzes macroeconomic policies. In the highly competitive world of industry today, we need a similar institution for microeconomic analysis.

H.R. 4360 would also establish a bank on industrial competitiveness targeted toward filling gaps in the captial market. The policies of this bank would flow from the council's recommendations. The bank could also be given the task of examining how existing credit programs could be better targeted.

I also strongly support H.R. 4361, the Advanced Technology Act. This bill would fund joint product development efforts and would promote the improvement of manufacturing processes. It would help attack the problem of the decline in the growth of U.S. productivity. From 1965–73, productivity improvement averaged 2.4 percent, from 1973–78 it averaged 4.8 percent, and since then there has been almost no increase in productivity.

Industrial policies will not solve all the problems our economy confronts, but they will help. We must begin to take an explicit look at our economy's structural problems. To quote from the report by the Subcommittee on Economic Stabilization, "Forging an Industrial Competitiveness Strategy":

In acting, of course, we run risks. New initiatives may falter, or fail to achieve the goals we set for them. But it is essential to consider that we run even greater risks by doing nothing. Putting our heads in the sand and allowing our problems to grow and fester may well put us at a permanent disadvantage in the international competitive struggle.●

REV. LEO C. BENKER

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. NOWAK. Mr. Speaker, I offer this statement to pay tribute to the memory of the Reverend Leo C. Benker, whose death on November 15, 1983, ended nearly a half century of service as a priest and community leader in the city of Buffalo.

For more than 30 years, Father Benker served as an associate pastor and pastor at St. Francis Xavier Church in the Black Rock section of Buffalo.

As the obituary that appeared in the Buffalo News on November 17 noted, Father Benker was well known "particularly for the visitations he regularly made to the sick and the elderly."

He was a compassionate man who will be missed by his many friends and admirers—the countless he ministered to—who were enriched by his life and inspired by his example of service to his fellow man.

Mr. Speaker, following is the article that appeared in the Buffalo News on November 17:

REV. LEO C. BENKER DIES; WAS PASTOR IN BLACK ROCK

A concelebrated Mass of Christian Burial will be offered at 10:30 a.m. Saturday in St. Francis Xavier Church, 157 East St., for the Rev. Leo C. Benker, 74, pastor emeritus of the church and a religious leader in the Black Rock section of Buffalo for more than 30 years.

Father Benker, who would have been 75 years old next week, died Tuesday (Nov. 15, 1983) in Millard Fillmore Hospital.

A native of the town of Boston, Father Benker was a graduate of the Diocesan Preparatory Seminary and attended Louvain University in Belgium and the fomer Our Lady of the Angels Seminary in Niagara Falls.

He was a classmate of Auxiliary Bishop Bernard J. McLaughlin, who will be the principal celebrant of the Mass of Christian Burial.

Father Benker was ordained in 1936 and served at several parishes before being assigned to St. Francis Xavier for the first time, serving as associate pastor from 1939 to 1958.

He was assigned for the next 10 years as a pastor or associate at various parishes and in 1968 returned to St. Francis Xavier as pastor. He served the parish from 1968 until 1981, when he retired and was named pastor emeritus.

Father Benker was well known in the Black Rock section, particularly for the visitations he regularly made to the sick and the elderly.

He will be buried in the priests' plot in St. Francis Xavier Cemetery on Niagara Street.

Nieces and nephews survive.●

EXPLANATION OF MISSED VOTES

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Ms. FERRARO. Mr. Speaker, prior commitments pertaining to congressional duties prevented me from being present to record my votes on several matters during the closing days of the first session of this Congress. Had I

been present for those votes, I would have voted as follows:

Rollcall No. 490: Agreeing to the conference report on House Joint Resolution 413, making further continuing appropriations for the fiscal year 1984, "yea."

Rollcall No. 491: Agreeing to a demand for a second on the motion to suspend the rules and pass H.R. 3635, "yea."

Rollcall No. 531: Agreeing to the conference report on H.R. 4185, making appropriations for the Department of Defense for the fiscal year ending September 30, 1984, "yea."

Rollcall No. 532: Agreeing to House Resolution 379, providing that the House agree to the Senate amendment to the House amendment to the Senate amendment No. 11 to H.R. 3959, making supplemental appropriations for the fiscal year ending September 30, 1984, "yea."

Rollcall No. 533: Agreeing to the conference report on House Joint Resolution 308, increasing the statutory limit on the public debt, "yea."●

MR. DOMINIC JOLLIE RETIRES

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LONG of Maryland. Mr. Speaker, I wish to honor today a man who has been both a dedicated civil servant for more than three decades and an outstanding leader of our community. Mr. Dominic Jollie will retire from his position as Director of Inquiries for the Bureau of Eligibility, Reimbursement, and Coverage of the Health Care Financing Administration on January 3, 1984. I know his presence will be sorely missed.

Dan began his career as a public servant over 30 years ago. In 1962, he began his first leadership role in volunteer organizations as chairman of the United Fund Campaign. During this time, he was also a consultant and worker for Saints Peter and Paul Orphan's Home. From 1965–67, he was a member of the Edgemeade Residential School and Treatment Center Advisory Committee and in 1967–68, a member of the Governor's Committee for Employment of the Handicapped. In the early 1970's, Dan became a member of the Bishop's Advisory Committee for Catholic Laymen, was appointed to the County Advisory Committee for Child Welfare Services, and became a member of the Cardinal Committee on Total Education.

Constantly concerned with the welfare and well-being of children, Dan worked at a summer camp for deprived youngsters from 1970–75, served as chairman of the Carroll County Child Welfare Services Advisory Board 1972–74, and was a consultant to the Carroll County Juvenile Court from 1971–74. Dan also brought his commitment to helping children home with him—he and his family personally took care of more than 40 foster children over a 4-year period (1971–75).

Currently, Dan is holding three positions of leadership in our community. As director of Carroll County's food stamp program, he developed a paper for the administration of a model food-stamp program to feed those in our country who go hungry day after day. As chairman of the Child Welfare Advisory Committee, Dan prepared the material which the Maryland State Legislature later used in drafting child abuse legislation. As building director for the same committee, he was instrumental in making it possible for 22 poverty-stricken families to have homes of their own. Recently Dan and his family have been the first in our county to begin taking in homeless senior citizens and acting as foster families for older people who have nowhere to go and no one to care for them.

Dan Jollie is an individual who has my deepest admiration for the level of concern and caring he has demonstrated for the well-being of his fellow man. He is an inspiration to his fellow Marylanders and a unique role model for young people. On his formal retirement, January 3, 1984, I wish to congratulate him for his extraordinary record as civil servant, humanitarian, and American citizen.●

THE CAPITOL BOMBING

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report into the CONGRESSIONAL RECORD:

The explosion of a bomb in the Capitol a few days ago raises again the question of how we prevent terrorism in the building which symbolizes and commemorates free and open government.

The bomb did not cause severe structural damage to the Capitol, but it blew out all the glass in the Senate corridor where it was hidden. In addition, furniture and doors were destroyed, valuable paintings were shredded, and plaster and floor tiles were demolished. There was $1,000,000 in damage, but fortunately there were no injuries. The Senate had planned to be in session late Monday night to work on an appropriations bill, and only its earlier than expected adjournment for the evening prevented the loss of many lives.

The next day was a tense one in Washington. Several government buildings and a subway station were closed temporarily after numerous bomb threats were received. The elevator that I often use on the way from my office to the House chamber was closed for a bomb search. Law enforcement officials warned that terrorist groups could strike again and ordered increased surveillance of courthouses, office buildings, embassies, and police stations. The bombing was part of an all too familiar pattern. There have been as many as 11 similar incidents in New York and Washington during the last twenty months, but still no arrests have been made. Likewise, those responsible for this incident have not been identified yet. The anonymous caller who announced the bomb claimed to be from a group called the "Armed Resistance Unit" and said only that the "action" was needed to protest American military intervention in Lebanon and Grenada.

The Capitol has seen sporadic violence from the time its construction began in 1793. It was set afire by British armed forces in 1814 and has been the site of the attempted assassination of a President, the fatal shooting of a Congressman, and many ugly quarrels since then. The most violent episode in the Capitol's history remains the 1954 incident in which three Puerto Rican nationalists in the house gallery sprayed the chamber with 30 pistol shots and wounded five Congressmen. The recent bombing was the third inside the Capitol. The first, which did only slight damage to a Senate reception room in 1915, was carried out by a college professor who opposed American arms sales in World War I. The second, which caused serious damage to a Senate restroom in 1971, was claimed by group of radicals who wanted to get the United States out of Vietnam. Another incident was almost added to the list a month ago when a foreign visitor tried but failed to set off a bomb in the House gallery. He was protesting world hunger. An average of 75 handguns, knives, and other weapons are now being taken from people in the Capitol each year.

The Capitol is often called "the citadel of democracy." Unlike a military citadel, however, it is not easy to defend. The Capitol is really a little city in itself, and its 16-acre expanse is busier than ever with the comings and goings of the people, their legislators, and Congress's employees. Within the Capitol is a dense complex of walkways, tunnels, staircases, elevators, post offices, libraries, shipping rooms, warehouse, printing shops, cafeterias, curio shops, restaurants, clerical offices, and legislators' private lobbies and cloakrooms. The Capitol welcomes two million tourists each year, all of whom want to see it and regard it as a highlight of their visit to Washington. The challenge is clear enough: how do we keep the Capitol safe for the conduct of the nation's business and, at the same time, open for millions to enjoy?

Most members of Congress believe that it would be unwise either to cut the people off from the great debates in the House and Senate or to limit the people's access to the wealth of art, history, and architecture that the Capitol contains. Transforming the Capitol into an American Kremlin is not the answer. The Capitol should be a place where the people are free to come and go. It is, after all, the people's building. But violence in the name of ideology is a constant threat, so more steps will have to be taken to make the Capitol secure.

A number of security-related changes had been planned for months and now have been made. Hallways around the House and Senate chambers are restricted. Many of the entrances of the Capitol are closed to all except Members of Congress and congressional staff, who are required to have

proper identification. Metal detectors have been installed inside the doorways through which tourists must pass. Members of the press must pass through detectors as well, and detectors have been positioned in the subways leading to the Capitol from the House and Senate office buildings. The Capitol's 1,200 policemen are active, patrolling corridors, guarding doorways, manning detectors, and searching packages and purses. A security system based on identification badges will be in pace next year.

Other security-related steps are being studied. One idea is to fence in the Capitol's grounds much as they were fenced in during the Civil War. Other ideas include installing sophisticated cameras to monitor suspicious people, using more dogs to sniff out explosives, bomb-proofing the chambers, erecting bullet-proof panels in the galleries, restricting public access to the galleries, changing traffic patterns in the parking lots to guard against car bombs, and putting in special scanners to detect non-metallic weapons.

All of this leaves me more than a little depressed. Members of Congress certainly must take every reasonable precaution to protect the Capitol. However, we should not go too far. The Capitol is a symbol of free and open government, so there is always the chance that dangerously unbalanced persons will slip in with the crowds who come to see their government at work. Most legislators understand that the openness of the Capitol makes an important statement about the kind of people we are and the kind of government we espouse. Public access to the Capitol must be maintained, even if there is some risk to those who work and visit there.●

SERGEANT YORK'S WIDOW BACKS REAGAN

HON. JOHN J. DUNCAN

OF TENNESSEEE

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DUNCAN. Mr. Speaker, Sgt. Alvin C. York was a symbol of American courage and quick wits. In World War I he single handedly captured 132 Germans, killing 25, in the Argonne Forest of France. Essentially a pacifist, he recognized his duty and enlisted in the Army in 1918.

Gracie Williams became engaged to Alvin York just before he enlisted, and married her when he returned home from the war. She recently reflected on the accomplishments of her husband, and the importance of military strength. The following article appeared in the November 10, 1983, issue of the Knoxville News-Sentinel.

SGT. YORK'S WIDOW BACKS REAGAN ACTION, WANTS HIM TO STAY STRONG

(By Ken Mink)

PALL MALL.—A woman whose husband went from squirrel-hunter to the most recognized hero of World War I says she feels President Reagan was right in invading Grenada and wants him to continue to "stay strong" . . . cause those Russians keep on building bombs."

Mrs. Alvin C. York, 83, widow of a man immortalized in film when he killed 25 Germans and single-handedly captured another 132 in the Argonne woods in France in 1918, had a recent chance to take a look at modern military warfare tools when she flew to California to view the unveiling of the U.S. Army's new Alvin York tank.

"While I was there, I finally got a chance to meet some of the people who were in the movie 'Sgt. York.' I got to talk to Joan Leslie, who played me in the film, and with June Lockhart, who played my sister. Never did get to meet Gary Cooper in all these years, though . . . and I had always wanted to."

She said she feels President Reagan is "doing the best he can do. We ought to stay strong—he's helping us do that."

Mrs. York, still relatively sprightly despite her age, says her famous husband was not the kind of person she was romantically interested in during her early teen-age years, even though they lived only a mile or so apart.

"Alvin was a little wild when he was younger. He drank some and got into fights. But then he started going to church and got saved. Then I became interested in him and we started seeing each other a lot at church."

Gracie Williams and York became engaged shortly before he enlisted in the Army.

"Alvin was really undecided about joining the Army," she said. "He was really against the idea of killing, but he wanted to do something to help his country. He finally decided to go ahead and join."

Once York had made his stunning capture of the Germans and had received the Congressional Medal of Honor, he returned to the hills and valleys of Fentress County as just another of the hill folk. His Medal of Honor was good enough to earn him $10 a month from the U.S. Government.

"People were all the time trying to get him to talk about the war, but he never would—not even to me or our children," she said. "Reckon he was not proud of what he had to do and just didn't want to talk about it."

Hollywood came knocking at the York family's doorstep several times after the war, but York kept turning down the idea of anyone telling his story on film. He finally relented when producers agreed to let Gary Cooper portray York.

"After Alvin agreed to let them do the movie, he still kept track of things to make sure they didn't tell anything that wasn't right. He had 'em to take out several things from the movie cause it just wasn't right."

Some of the mountain footage of the movie was shot near the York home in 1941. "That was actually Alvin driving some cows in one scene," she said.

York had come home from the war in May and married his mountain sweetheart in June. They went on to have 10 children, five of which are still alive—with the youngest son, Andrew (a park ranger living near the old family homestead), the only one living in the area.

"Alvin always felt he was no better than anyone else and didn't want to be treated no different," said Mrs. York. "He borrowed money to buy 400 acres of land in 1921 and opened a little store on the Wolf River (where his old grist mill is still operational). Lots of people feel Alvin helped pull this valley out of the Depression by providing shoes, mill, flour, lard and so forth—a lot of times free of charge—so they could get by."

One of the first things York did after returning to the East Tennessee mountains after the war was to establish a vocational school at Jamestown, so area youngsters could learn a trade. The school, York Institute, has flourished and is now the largest in the area. "Alvin always wanted to give children a chance to do better than what he did. He only finished the fourth grade."

York was a fantastic shot and earned what was good money in those days by collecting fox pelts. Pelts in those days brought about $5, a considerable sum in that era.

York was also a jovial fellow and loved to get involved in politics, though he never ran for public office. "He got out of it after it began to get rotten," she said.

Not all the attention the York family got after the war was good, she said. "Alvin got all kinds of mail, with a few people threatening to kill him. He didn't pay it no mind . . . he traveled right on."

Unlike today's film contracts, the York family did not get rich off the movie that went on to win 10 Oscar nominations (and which is playing in Knoxville this week at the Tennessee Theater, coinciding today with Veteran's Day), but Mrs. York does still get small residual checks now and then. "They're usually less than $100," she says. York also spent a lot of time traveling on speaking engagements after the movie came out, she said.

York suffered a stroke in 1954 and spent about 10 years in bed until his death at age 76 in 1964. He is buried at a cemetery only a few hundred yards from his old homeplace. His grave is decorated with an American Flag and a granite marker that has a hinged brass fitting that contained a color photo of him in uniform.

His fame even in death was so powerful that thieves broke loose the fitting and made off with the photograph a few years ago.●

AMERICA'S 14 TOP TAX SHELTER EXPERTS—PORTRAITS OF SHAME

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. STARK. Mr. Speaker, yesterday's junk mail yielded an envelope emblazoned with the question "Who are America's 14 top tax shelter experts?" Inside was a letter selling subscriptions to something called "Tax Shelter Insider," along with a book "Inside Tax Shelters Today."

At the head of the letter were 14 smiling portraits of the alleged American top tax shelter experts.

To me, being on such a list would be like a Congressman seeking nomination to the environmental groups' "Dirty Dozen" list. Or a movie producer seeking to get on the list of "10 worst pictures ever made."

But everyone to their own taste, they say. Still, I wonder what these 14 smiling faces tell their children when they ask "Daddy, what did you do for your country?" The answer would be "Why, I spent my time devising tax gimmicks, Rube Goldberg pieces of paper, and spreading cynicism throughout the Nation." That would

make a good epitaph for this baker's dozen.

I find this panel particularly scornful, because everyday I get letters and calls from tax practitioners and experts who have the public spirit to point out an abuse, an inefficiency, or an error in the tax laws, and who urge a solution. Everyday, groups are presenting ideas on how to simplify and reform our Tax Code so that it is fairer and more efficient. But these 14 have banded together to wallow in greed.

I think the Members might be interested in knowing some of the important topics that are discussed by this wonderful publication. Some of the great articles are: "How To Beat the New Underpayment Penalty," "Group Legal Defense Plans for Shelter Investors," "New Breed of Cattle Shelters," and "How To Choose a Shelter That Won't Destruct."

The prospectus states that this publication includes among its current subscribers high ranking corporate executives, doctors, small business owners, and celebrities from the world of sports and entertainment, apparently, all eager to reduce by whatever means possible their income tax responsibility.

The publication claims that it is the most authorative source of guidance because its professional advisory panel consists of 14 of the Nation's leading tax shelter experts. Each month they promise to alert you to what's happening in the "fast moving world of tax shelters."

That such a newsletter would be written and advertised, however, serves a purpose—the purpose of reminding us that the Tax Code is too complicated and compliance is collapsing, that we need to eliminate hundreds of pages of provisions, so that we can have a broader tax basis with a lower rate—a rate low enough to put "tax shelter experts" out of work, and make them do an honorable day's work.●

ILL-CONCEIVED INTERPRETATION OF TITLE IX

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. MORRISON of Connecticut. Mr. Speaker, over 10 years ago title IX of the Education Amendments of 1972 was passed into law. This landmark legislation, which denies Federal funding to any educational program or activity guilty of gender discrimination, has played an important part in the enormous gains that women have made in achieving access to education over the past decade by requiring educational institutions, as a condition of Federal aid, to abandon discriminatory practices in admissions, scholarships, athletic programs, faculty hiring, promotion, and pay scales.

Many of these gains are now being jeopardized by the current administration's efforts to weaken title IX by limiting its scope. In recent court cases the administration has argued that title IX should only be applied to each individually funded program within a given institution. This would mean that a school could openly discriminate in one aspect of its operations, while still receiving Federal funds for another.

The original intent of title IX was to prohibit schools from practicing sexual discrimination and to apply broad and meaningful penalties to those institutions which fail to meet the law. This is how title IX has been understood for the past 10 years, and there is no reason now to dilute this interpretation. Any educational institution which discriminates on the basis of gender in any way should be prohibited from receiving any Federal assistance, including student grant and loan programs, which provide significant financial support to these institutions.

On November 16, my colleagues and I voted overwhelmingly in favor of House Resolution 190, expressing the sense of Congress that title IX should be applied comprehensively and in a manner designed to eliminate sexual discrimination throughout the American educational system. I also recently joined a number of my colleagues in signing an amicus brief expressing these views to the Supreme Court in the current case of Grove City College against Pell.

The Federal Government should not subsidize any institution that condones or practices gender discrimination. I urge my colleagues to continue to speak out against the administration's limited and ill-conceived interpretation of title IX.●

PERSONAL EXPLANATION

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. CORCORAN. Mr. Speaker, due to previous commitments in Illinois, I was unable to be present and voting during several days just prior to the adjournment of the House at the end of the 1st session of the 98th Congress. Had I been present, I would have voted in the following way:

NOVEMBER 12, 1983

On rollcall 490, "yes" (paired for).

NOVEMBER 14, 1983

On rollcall 491, "yes."
On rollcall 492, "yes."
On rollcall 493, "yes."
On rollcall 494, "yes."
On rollcall 495, "no."
On rollcall 496, "yes."
On rollcall 497, "yes."
On rollcall 498, "yes."
On rollcall 499, "yes."
On rollcall 500, "yes."
On rollcall 501, "yes."
On rollcall 502, "no."

NOVEMBER 16, 1983

On rollcall 511, "yes."
On rollcall 512, "no."
On rollcall 513, "yes."
On rollcall 514, "yes."
On rollcall 515, "yes."
On rollcall 516, "yes."
On rollcall 517, "yes."
On rollcall 518, "yes."
On rollcall 519, "yes."

NOVEMBER 17, 1983

On rollcall 520, "yes."

NOVEMBER 18, 1983

On rollcall 527, "yes."
On rollcall 528, "yes."
On rollcall 529, "yes."
On rollcall 530, "yes."
On rollcall 531, "yes."
On rollcall 532, "no."
On rollcall 533, "yes."●

RESOLUTIONS ON NICARAGUA AND NUCLEAR MISSILES

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mrs. KENNELLY. Mr. Speaker, it is my privilege to draw my colleagues' attention to these three resolutions, and to insert them into the RECORD. The resolutions express the views of the Episcopal Diocese of Connecticut and the house of bishops of the Episcopal Church on Nicaragua and nuclear missiles in Europe.

THE EPISCOPAL DIOCESE OF CONNECTICUT

RESOLUTION RE: CRUISE/PERSHING II MISSILES PRESENTED BY: THE DIOCESAN PEACE COMMISSION

Whereas: the 67th General Convention, and the 198th Annual Convention of the Diocese of Connecticut approved resolutions calling for a USSR-US "Freeze" on the testing, production, and deployment of all nuclear weapons and missiles and new aircraft primarily designed to deliver these weapons, and

Whereas: the present intermediate-range nuclear weapons negotiations do not prohibit the proposed deployment of U.S. Pershing II intermediate-range ballistic missiles and ground-launched cruise missiles in Europe, and

Whereas: these two weapons systems can be perceived as extremely destabilizing new parts of U.S. nuclear strategy because of the first strike capability of both types of weapons and verification problems with cruise missiles.

Be it resolved that this 199th Annual Convention of the (Episcopal) Diocese of Connecticut declares its conviction that the installation of the new Pershing and Cruise

nuclear weapons, the so-called Euro-missiles, combined with the possibility of computer error, makes the danger of an atomic war by accident, miscalculation or intent greater than ever; and

Be it further resolved that this Convention, concerned that such deployment may set off further escalation of the arms race, calls on the President of the United States and the Congress to delay or to abandon altogether any plans to install these weapons and to intensify negotiations leading to a mutually verifiable reduction of nuclear arms.

Be it further resolved that the contents of this resolution be communicated to the Embassy of the USSR in Washington, D.C., and that Embassy Officials be asked to forward it to the Polithermo in Moscow, and

Be it further resolved that the contents of this resolution be communicated to the Connecticut Congressional Delegation to the Congress of the U.S.

Passed October 22, 1983 be a vote of: 238 in favor, 85 opposed and 7 abstaining.

Re: A Resolution passed by the House of Bishops on October 4, 1983

A RESOLUTION ON THE DEPLOYMENT OF NEW NUCLEAR MISSILES IN EUROPE

Be it resolved that the House of Bishops of the Episcopal Church declares its conviction that the installation of the new Pershing and Cruise nuclear weapons, the so-called Euro-missiles, combined with the possibility of computer error, makes the danger of an atomic war by accident, miscalculation or intent greater than ever; and

Be it further resolved that the House of Bishops, concerned that such deployment may set off further escalation of the arms race, calls on the President of the United States and the Congress to delay or to abandon altogether any plans to install these weapons and to intensify negotiations leading to a mutually verifiable reduction of nuclear arms.

A RESOLUTION OF NICARAGUA

Whereas we believe that solutions to current conflicts in Central America are best achieved through negotiation rather than by resort to arms,

Therefore be it resolved, that the House of Bishops of the Episcopal Church voices its opposition to efforts by the United States Administration to support forces seeking the overthrow of the present Nicaraguan Government by use of arms, calls for the withdrawal of all foreign land and naval forces from the region, and urges the Administration to support the efforts of the Contadora Group [1] seeking a way of peaceful negotiation for solving the human rights and justice issues, including those affecting the Miskito Indians; and

Be it further resolved that a copy of this resolution be sent to the President of the United States and to the Secretary of State.●

[1] This consists of various governments in Latin America.

THE 50TH WEDDING ANNIVERSARY OF THE POLVOROSAS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. STARK. Mr. Speaker, December 17 will be a special day in my district this year. On this date 50 years ago, Antonio and Rose Polvorosa were married at St. Leanders Church, San Leandro, Calif.

Antonio arrived in this country from Spain as a young boy in 1913. Rose came to America in 1915. Married in 1933, these new immigrants made the American dream work. They have contributed richly to the fabric of San Leandro.

Mr. Polvorosa has been an active participant in both local and State government. He has served on the San Leandro Planning Commission and the board of zoning adjustment. At the State level, Mr. Polvorosa was appointed to the first agricultural commission by Gov. Pat Brown, serving 8 years.

At work, Mr. Polvorosa showed his leadership abilities and his desire to help others. He served on the Alameda County Central Labor Council. He has been president of the Steelworkers Union.

Preserving their cultural heritage was very important to the Polvorosas. Mrs. Polvorosa founded Agustina de Aragon, the Spanish Women's Club in San Leandro. She also served as its treasurer. Mr. Polvorosa was president of the Spanish Iberico Club and is currently a member of the historical-cultural commission.

The great joys in the Polvorosas lives have been their three children, Julian, Daniel, and Helen. The Polvorosa children have added to Antonio and Rose's happiness with six grandchildren.

Mr. and Mrs. Polvorosa both remain active members of the Democratic Party. Mr. Polvorosa is currently serving on the Alameda County Advisory Commission on Aging. Mrs. Polvorosa is enjoying her friends, her grandchildren, and gardening.

Mr. Speaker, in every aspect of their lives, the Polvorosas have been and continue to be outstanding citizens. My hearty and warm congratulations to them on having reached a great milestone in their lives, their 50th wedding anniversary. Mr. and Mrs. Polvorosa may you have many happy returns.●

JAMES P. RADCLIFF

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LIPINSKI. Mr. Speaker, I would like to call attention to a young man who is both a leader and an inspiration in our community. On January 27, 1984, James P. Radcliff will become an Eagle Scout in the Boy Scouts of America.

Jim joined St. Richard's Pack 4442 as a Webelo in 1977, and earned all 15 activity badges and the Arrow of Light. In 1978, he joined Boy Scouts Troop 1442, earned 12 skill awards, 22 merit badges, and held the offices of den chief, patrol leader, and librarian. Jim continued his climb in the Boy Scouts organization, serving as a senior patrol leader and an assistant at the Owasippe Scout Reservation in Michigan on work weekends and summer camp. He also received the life guard BSA award.

In 1982, Jim joined Troop 474, sponsored by the Knights of Columbus, and served as assistant senior patrol leader. While a member of this troop, Jim completed the requirements to become an Eagle Scout. The final requirement was a service project collecting paperback books for the Chicago Alcoholic Hospital. He collected nearly 3,000 books.

Jim Radcliff typifies all that the Boy Scouts and America stand for: community service, hard work, and dedication. I join with Jim's family and friends in congratulating him on this impressive achievement, and wishing him further success in the Boy Scouts.●

MAYORAL CONFERENCE ON ALZHEIMER'S DISEASE

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Ms. FERRARO. Mr. Speaker, on November 3 the mayor's office of the city of New York sponsored a Conference on Alzheimer's Disease.

This disease affects 1.2 to 4 million middle-aged and elderly Americans. It is a degenerative brain disease that is not easy to diagnose, shortens the victims' life expectancy, and can ruin families both financially and emotionally.

During the past year the House Select Committee on Aging, of which I am a member, conducted several hearings on the disease and the Congress passed legislation providing for funds for research into the causes of this debilitating disease.

Because so many of our colleagues recognize the importance of this growing national problem, I would like to insert the remarks of Robert N. Butler, M.D., Brookdale professor, chairman of the Department of Geriatrics and Adult Development, Mount Sinai Medical Center; Rose Dobroff, D.S.W., director, Brookdale Center on Aging, Hunter College; Barry Reisberg, M.D., clinical director, geriatric and treatment program, New York University Medical Center; and Peggy Barnett, R.N., director of nursing, Jewish Home and Hospital for the Aged, which were presented at the conference.

ROBERT N. BUTLER, M.D., BROOKDALE PROFESSOR, CHAIRMAN OF THE DEPARTMENT OF GERIATRICS AND ADULT DEVELOPMENT, MOUNT SINAI MEDICAL CENTER

The challenge ahead

Only a few years ago a Mayoral Conference on Alzheimer's disease would have been beyond belief. This orphan disease has long been regarded inevitable and untreatable. The special challenge of this disease is to more effectively coordinate the resources we already possess as well as to commit new resources. Our efforts must clearly be of value to people and they must be cost-effective. We cannot wait until the "Baby Boomers" reach Golden Pond before we start to attack the problems of senility, nursing homes, home care and training in geriatrics.

We must distinguish between the words incurable and untreatable. Alzheimer's disease is not untreatable, although it is not presently curable. This is a very important distinction, because it bears upon the struggle for support of government and private third part insurance.

We must also alter systems of care. Brain damaged older persons have been "excluded at the gate" of mental, and other, hospitals and have been subjected to deinstitutionalization.

We must also sharpen our diagnostic practices.

We must alter hospital attitudes, since hospitals have not traditionally dealt with "senility," including Alzheimer's disease.

There is also a challenge to education. There must be great improvements in the curricula of medical, nursing and allied health schools to more effectively teach geriatrics and the specific diseases of older people, including senile dementia. So too, there must be teaching of social gerontology.

Another challenge is to revamp our financing mechanisms. Medicare was set up as if older people were young people. For example, there is no coverage for long term care.

"Spending down" for Medicaid is especially intolerable. This pauperizes many people, especially women.

The development of a blue-ribbon, bipartisan national Long Term Care Commission could deal with many long term care issues, including financing mechanisms.

The challenge of research includes research training. We need stable long term funding grants, beyond the classic three year cycle. There is a need for private sector funding as well as federal funding. Corporations and unions should contribute since "population aging" will affect worker performance. NIH funding must increase.

Finally, we have to be political, and become strong advocates to push city, state, as well as federal governments to more effectively respond with effective, imaginative policies to the century of old age. Today's generation of older persons are pioneers. There are generations at risk; the present and oncoming Baby Boom generations are at risk unless we act responsibly and prudently now.

ROSE DOBROFF, D.S.W., DIRECTOR, BROOKDALE CENTER ON AGING, HUNTER COLLEGE

The interdisciplinary approach

Mental impairment, regardless of its etiology, too often provides us with a painfully powerful demonstration of the consequences of the lines and boundaries which separate health services from social services, and the equally negative consequences of the battles for turf and status, which sometimes currupt the relationships among professionals who provide these services.

Alzheimer's disease highlights the need for a collaborative effort, for skillful and compassionate care, for attention to all of the elements in the social and physical environment of the person and the family. To offer adequate services, boundaries must be crossed and ways of working together created, maintained and improved. This is not to say that the boundaries that define agencies, and institutes and professions should be ignored or obliterated. Each profession has its own history, its own values and ethics, as well as markers of success and failure.

However, we would do best if our work is done with an identification and loyalty to our own organization but also with knowledge about and respect for, the other institutions and agencies we work with. It appears to me that the misery of those who suffer intellectual impairment and the tragedy of the families who must bear witness to this impairment requires our collective efforts and our cooperation, rather than competition among us.

Boundaries which define the responsibility and tasks of our professions and our own organizations do however, serve those whom we work with well; boundaries which include points of access and shared domain are ways of allocating responsibility. Boundaries which serve to divide the turf and allocate prestige and professional and organizatonal rewards corrupt the system and add an unnecessary and unconscionable dimension to the tragedy of this disease.

There is a loss in the reality that even with the extraordinary progress we have made in the last decades, there are still not enough services and programs in New York or elsewhere. There is also fragmentation of services; lack of accountability and continuity, blocked access and needless red tape and regulation which all too often reflect the absence of collaboration and cooperation. Is it any wonder that families feel such desperation when they confront systems and professionals which seem unresponsive to their needs?

The mentally impaired older person will be cared for best if the support and help of both family members and the service system can be absolutely counted on . . . if family members cannot count on public provisions and expert professionals then they, no less than their afflicted loved ones, will suffer.

In the end our society itself will be diminished by our lack of response to their need for our help.

BARRY REISBERG, M.D., CLINICAL DIRECTOR, GERIATRIC AND TREATMENT PROGRAM, NEW YORK UNIVERSITY MEDICAL CENTER

The interdisciplinary approach

Until very recently Alzheimer's disease was ignored, in its entirety, by laymen and physicians alike. In the past few years doctors have, for the first time, ceased to ignore Alzheimer's. The result has been an explosion of knowledge which can rapidly translate into practical strategies for the management and treatment of the disease. Hence, there is today an enormous amount that the physician can do for the Alzheimer's disease patient and for the family members who must share the trauma of this terrible illness. The physician's responsibility falls within five broad areas, namely: (1) diagnosis; (2) staging; (3) prognosis; (4) patient management; and (5) caregiver management and assistance.

1. Diagnosis

Until recently, the unique clinical features of this disorder had not been described. Hence, the illness was entirely a "diagnosis of exclusion" . . . because doctors did not recognize the unique clinical features of Alzheimer's disease, they attempted to diagnose it entirely by ruling out other conditions with which it might be confused. Family members should expect and demand an accurate diagnosis of this illness in the same way that they expect and demand an accurate diagnosis of any other illness.

2. Staging

The characteristics of Alzheimer's disease vary enormously, depending upon the severity of the illness process. Global, multi-axial and functional assessment stages of the illness have recently been described and validated. The latter, in particular, can be readily understood by physicians and laymen alike. These functional assessment stages are as follows:

1. Difficulty shopping and handling finances.
2. Difficulty choosing proper clothing.
3. Difficulty putting on clothing properly.
4. Difficulty handling the mechanics of bathing.
5. Difficulty handling the mechanics of toileting.
6. Urinary incontinence.
7. Fecal incontinence.
8. Speech ability limitation to a few words, only.
9. Muteness.
10. Loss of ambulatory ability.
11. Stuporous state.
12. Comatose state.

The family should receive from the physician not only an accurate diagnosis of the illness process, but also accurate information with respect to the stage of the patients illness.

3. Prognosis

Prognostic concommitants of the various stages of the illness have been examined. The family can thus obtain accurate information from the physician as to whether, and how rapidly, the patient might be expected to deteriorate.

4. Patient Management

At each of the stages described above, there are specific management strategies which the physician can provide the caregiver for managing Alzheimer's disease patient. In particular, the assistance needed on issues of violence, agitation, continence, and institutionalization.

In conclusion, in a very short time doctors have learned an enormous amount about the nature and progress of Alzheimer's disease which can be translated into assistance of immediate value to Alzheimer's patients and those who must share the burden of their illness.

PEGGY BARNETT, R.N., DIRECTOR OF NURSING, JEWISH HOME AND HOSPITAL FOR THE AGED

The interdisciplinary perspective

The Alzheimer's patient provides the ultimate challenge to care and in response to this challenge, professionals need to bring out the purest form of their practice.

Inherent in that challenge will be degrees of satisfaction and dissatisfaction. With this in mind, nurses are encourged to employ a broad conceptual model when planning the care for an Alzheimer's patient.

As recently as the fall of 1982, the literature reviewed presented a picture of uncertainty. Case management was based solely on a task methodology.

I would like to share with you some new and positive experiences and/or approaches emerging from facilities whose philosophies have structured care based on the following: a positive and professional commitment; and the application of research information as part of an unwavering interdisplinary approach to case management.

The positive professional commitment starts with the belief that fundamental nursing concepts can provide the direction needed for the nursing process for the Alzheimer's patient. This is accomplished by the (1) assessment of need (2) plans for care (3) implementation of the plan and (4) evaluation of the results.

The application of research information makes good care better when research findings and new technology are used on our nursing units. Particular applications include:

1. The Geriatric Rating Scale (by Plutnick and others) to teach and measure levels of function in the elderly.
2. The Kogan Scale to measure Attitude Towards older people.
3. The MSQ Mental Status Questionnaire (by Goldfarb) for clinical cognitive evaluation.

The Interdisciplinary Approach to case management is directed toward a positive outcome. Thus, team members work in concert to maximize the remaining potentials of the institutionalized Alzheimer's patient. As Dr. Barry Reisberg has pointed out, we must take the attitude that while "Mother may not be able to talk . . . she can certainly sing."●

AUSTIN-EAST FOOTBALL HAS RETURNED

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. DUNCAN. Mr. Speaker, the Roadrunners of Austin-East High School captured the AA State championship in Nashville, Tenn. The Roadrunners thus became the second Knoxville Football League team to win a State football chamionship since the playoff system was adopted in 1969. The team was also able to post a perfect record on its way to the championship.

In a hard fought contest the Roadrunners held a 10 to 7 lead over the Memphis University School. Despite a driving rainstorm, they were able to overcome the elements and the opposition. This was a team that would not be denied a championship it had sought since 1971. For all the struggles of the season, it was the memory over the past which drove these players ahead to victory.

In 1971, the school was suspended from competition in the State athletic association. It was a difficult time for Austin-East atheltics, but the players and fans maintained their pride and took the motto "We Shall Return." Despite these efforts, it was hard to keep up the competitive edge. The school could only take part in intramural sports. Promising athletes chose to attend other schools in the Knoxville area. The Austin-East football program floundered just as it was ready to produce a championship team.

Slowly the team began to rebuild, always keeping in mind the motto, "We shall return." Coach Sam Anderson worked hard to produce a championship team, but he shared the credit for victory with those in the East Knoxville community who kept the faith. "You work years to win a State championship," he said:

And when it happens it leaves a numbing effect. At that moment you wonder if that is all there is, but it hit me pretty good today.

When I saw the little children out here and the smiles on their faces, I knew what we had accomplished. It is a community thing. Our team just did not win a State championship. Our whole community did.

The whole community turned out to celebrate its victory, too. Over 2,000 fans filled the Dusty Lennon Stadium to congratulate the Roadrunners with standing ovations and cheers.

I am proud of the Austin-East Roadrunners. Not only have they won the State championship, but they have also given a lesson to all of us in fighting back. The Roadrunners have returned.●

MAYOR'S OFFICE IN NEW YORK CITY SPONSORS IMPORTANT CONFERENCE ON ALZHEIMER'S DISEASE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. BIAGGI. Mr. Speaker, as the ranking New York member of the House Select Committee on Aging I wish to share with my colleagues some of the information which emanated from a November 3 conference on Alzheimer's disease sponsored by the mayor's office.

The conference was a first of its kind to be sponsored by a unit of local government. It brought together experts from the fields of medicine, social work, academia, and public policy as well as law. It provided a unique forum for the exchange of ideas which is the first step toward developing a strategy on how to cope with this growing national problem.

Alzheimer's disease is a progressive debilitating illness which affects between 2 and 4 million Americans. Senile dementia of the Alzheimer's type is now the fourth leading cause of death among adults. Congress in this past year directed more funds into research into the causes of Alzheimer's but we have only scratched the surface. We must work to develop a comprehensive strategy to aid the victims of this horrible disease as well as their families. No longer should medicare and medicaid be nonresponsive to the plight of Alzheimer's victims.

At this point in the RECORD I wish to insert the remarks of the Commissioner of the Department for the Aging, Janet Sainer; the distinguished mayor of the city of New York, the Honorable Edward I. Koch; Prof. Anne R. Somers of Rutgers Medical School in New Jersey; Mr. Jerome H. Stone, president of the National Alzheimer's Disease and Related Disorders Association; and Marion Roach, author, "Another Name for Madness," all presented at the conference.

MAYORAL CONFERENCE ON ALZHEIMER'S DISEASE

JANET S. SAINER, COMMISSIONER, DEPARTMENT FOR THE AGING

Introductory Remarks at Morning Plenary Session

As we look at the demographic changes that are taking place today, we find that the elderly total population has grown over the past ten years with the 75 and over cohort rising 15 percent from 1970, while those over 85 years have increased by 37 percent. It is currently projected that as the aging population continues its upward spiral of living to an older age we can expect a tripling of the number of people afflicted with Alzheimer's disease in the next 50 years. Here in New York City alone there are probably upwards of 80,000 people who suffer from Alzheimer's disease and whose needs we ought to be addressing.

Hence, this conference . . . a public arena, if you will, in which to examine all aspects of this aptly called "silent epidemic" . . . what we seek to do is to bring much more awareness and understanding about the disease to the community at large . . . to reach out to all disciplines for assistance . . . to highlight the critical issues, to more clearly indicate our current knowledge . . . and to both look for future directions for public policy and to come forth with recommendations.

EDWARD I. KOCH, MAYOR, CITY OF NEW YORK

Mayoral address

Distinguished guests, ladies and gentlemen: We know too well the terrible statistics of this cruel disease . . . an affliction that has no known cause, prevention or cure.

As Mayor, I am proud to say that our city has nationally and internationally known experts who have taken a leadership role in addressing the issues that Alzheimer's presents. I am proud, too, that this city has so much expertise and talent to call upon in dealing with this disease. Despite these strengths much still needs to be done.

That's why I am strongly urging increased federal support to advance research and our knowledge base about Alzheimer's. Moreover, I support the expansion of activities and services that will effectively confront Alzheimer's and its grave impact on our society.

I look forward to the findings, information and recommendations that will come out of this conference. This shared wisdom will assist all of us in the days and years ahead. In the course of planning for this Mayoral Conference, it has become apparent that our efforts could not and should not begin and end with a one-day conference. There is a need for strong follow-up activities that will help to expand services to Alzheimer's patients and their families and will enhance coordination and knowledge about existing resources.

The City is determined that it will work hard to help establish a New York City Alzheimer's Resource Information Center—a coordinating service that will provide assistance such as the development of community education programs, including a speaker's bureau that would be responsive to local groups. The center would design and conduct appropriate workshops, conferences and lectures targeted to specific audiences. It would also provide counseling to families on entitlements, Medicaid eligibility requirements and housing options, and would give guidance and skilled direction on long-term care placement such as homecare and/or nursing home arrangementes.

This new Resource Information Center, I am happy to say, will be conducted under the aegis of the New York City Department for the Aging in close collaboration with the Alzheimer's Disease and Related Disorders Association, and with other New York City institutions and agencies which have made great contributions towards dealing with the needs and problems of Alzheimer's patients and their families.

I am especially pleased to announce that the Brookdale Foundation and its President, Mr. Stephen L. Schwartz, is joining this team effort with a special grant that will make this new service a reality. When added to the resources committed by New York City, this grant will have a real impact on Alzheimer's and related problems.

ANNE R. SOMERS, PROFESSOR, ENVIRONMENT AND COMMUNITY MEDICINE, UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY-RUTGERS MEDICAL SCHOOL

Major Issues in financing long-term care

Total annual costs of Alzheimer's disease are estimated at $20-$26 billion. Individual costs are often unbearable due to the many years over which they may have to be sustained. Aside from the small fraction of the elderly who are eligible for Medicaid, there is virtually no third-party coverage of any kind—public or private—to help Alzheimer's patients and their families.

This conference—one of the first to tackle head-on the broad and growing problems of chronic disease in America—hopefully will lead not only to greater visibility but to serious public and professional support.

What direction should remedial action take? There are many difficult problems involved in the development and financing of adequate long-term care programs. Among these, the following are particularly important and deserve prompt and careful consideration:

1. Appropriate long-term care population: aged-based or needs based?

2. Relation to other health care programs: mainstream or separate?

3. Primary financial responsibility: public or private?

4. Primary setting: institutional or community/home?

5. Cost controls: competition or regulation?

In most cases, the most desirable public policy will probably represent some reconciliation between the above dichotomies. As a practical next step my suggestion is that the rapidly growing Alzheimer's constituency follow the lead of Dr. Robert Butler and others who have suggested immediate creation of a high-level/private commission to study the whole problem of long-term care and strategies for its implementation. For the sake of our patients, our families, our future, ourselves, we dare not wait any longer!

JEROME H. STONE, PRESIDENT, NATIONAL ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION (ADRDA)

The personal perspective

Recently I testified at Congressman Edward Roybal's House Select Committee on Aging that Alzheimer's victims are costing the nation some 26 billion in actual layout of dollars without taking into effect loss of hours or weeks or months or work days, and not taking into consideration at all the additional emotional and financial burdens that families bear. Certainly a disease with such financial devastation must be recognized.

As for my personal experience, it is again a dark and devastating feeling that wells up when one thinks about the sorrows that this disease brings; for although Mrs. Stone has been the victim of Alzheimer's for 16 years, she was first diagnosed some 14 years ago.

Evelyn Stone was a beautiful, brilliant, outgoing, warm and personable woman who had brought up 3 lovely children, spoke 3 languages fluently, played the piano with the talent of a virtuoso and the violin as an arch angel, and from the onset of simple forgetfulness such as misplacing a key, to the next stage where in preparing a meal she would forget that she was even boiling water, to going from an immaculate and stylish dressed and coiffured woman to becoming addicted to one dress, and so on into endless stages of loss of memory; then loss of physical coordination; and then loss of control of bodily functions; then loss of control of swallowing and now as a complete invalid being fed by a nasa-gastric tube and single and double incontinence present—not cognizant of anybody, including me. This has been the devastation and the despair of an agonizing period in the life of my wife and family.

Going back over the primary period of this illness I can recall with much clarity that the neurologist that I had contacted pointed out that the disease from onset would last some 5-7 years and that my wife as a victim should probably be remanded to a nursing home as soon as possible to save the family the agonizing kinds of care necessary. This I did not accept, and still do not accept as she remains at home, even though home is a meaningless term to her, but I do feel that the best treatment of Alzheimer's patients remains massive doses of human care which only families can give, but given the present circumstances must be augmented by round the clock nursing care.

Out of this well of loneliness and despair, I am gratified that a mass movement has overtaken this silent epidemic—from this small beginning have come cascades of interest and compassion as expressed in the Alzheimer's Disease and Related Disorders Association, a national organization of 80 local chapters in 38 states and the District of Columbia; and over 350 family support groups in every state.

The Association's mission is to assist patients and families who are currently coping with the disease and to support research to discover the cause and cure. ADRDA's goals reflect this mission:

1. To support research and to diagnose these therapies, causes and cures for Alzheimer's disease.

2. To aid in organizing family support groups to give assistance, encouragement and education to afflicted families in their own localities.

3. To sponsor educational forums and disseminate information for both lay and professional people regarding Alzheimer's disease.

4. To advise government agencies, federal and state, of the needs of afflicted families, as well as a requirement to promote national research.

We are gratified that the Congress of the United States has seen fit to expand the Alzheimer's Disease Research budget from 0 dollars some 5 years ago to what I understand is the present appropriations bill for the 1984 budget of some $40 million for research.

It is more important than ever that governments, federal, state, and municipal, look at policies with respect to care of the victims and the families of Alzheimer's disease and judge them as being totally inadequate. Presently all of the rules and regulations under Medicare indicate that as a nation we cannot be bothered with long-term chronic disease. Insurance companies, only after some pressure and some education have learned that Alzheimer's is a brain disease and not one of "growing old". Social Security administrators must recognize that Alzheimer's victims, even though they may be able to write their name and know where they live in the primary stages, cannot adequately hold down any kind of a job, and thus must have disability payments.

A disease that is costing the nation some 26 billion dollars in the year of 1983 (and yet in research we have spent less than 25 million dollars in this past year) indicates an interest of 1/1000 of the cost to solve the problem on the part of this nation's public.

With the kinds of research that we are presently engaged in, and with the advent of additional dollars and additional scientists working on the present clues, we can get somewhere in finding the cause and the cures for this now irreversible brain disease.

MARION ROACH, AUTHOR, "ANOTHER NAME FOR MADNESS", NEW YORK TIMES MAGAZINE

The personal perspective

My name is Marion Roach. I wrote an article which appeared in the New York Times Sunday Magazine on January 16, 1983 on the subject of Alzheimer's disease. I am one of two daughters of a victim.

Late in 1979 I began to think that my mother was going mad. I called it madness—to myself—at first, because I thought her behavior impossible to understand or explain. I was looking for the proper name for madness.

My mother was an independent and willful person. She had been a precious only child, a good student, a beautiful sorority sister, an aggressive athlete, a newspaper reporter, a wife, a mother, a Girl Scout leader, a visiting nurse volunteer and a teacher at a bilingual preschool on the lower east side of Manhattan.

In the progression of her disease she has been forgetful, then frightened, depressed, angry, paranoid, hostile and incompetent. She is now completely dependent upon the aid of others. She cannot be left alone. She is repetitive and confused. She is agitated. I didn't know the full meaning of the word—agitated—until recently. It means that she cannot sit still. At all. She is always in motion, from chair to chair, room to room, out the door, up the stairs. She cannot read. She cannot drive. She cannot always form complete sentences. She frequently speaks rapid gibberish. She cannot bathe properly. She has no short-term memory. With the progression of her disease, she will almost assuredly lose control of all her bodily functions. She will have to be fed, cleaned and dressed.

She is one of the two million known people in America who are suffering from the fourth leading killer in this country and in New York City, in this age of modern medicine and progressive government, my sister and I can barely get a decent day's aid, an intelligent recommendation which is within our economic means or an understanding nod from anyone who has not experienced this disease first hand.

If the City of New York can serve as an example—a good example, I must believe of "the state of the art" of Alzheimer's disease, then my conclusion is two-fold.

First, there is an urgent need for education on all levels on the subject of Alzheimer's disease. From the doctor, to the families, to the life insurance companies, to the administrators of pension benefits, through all aspects of life, all races, economic and interest groups, we need to know what this disease is and how best to provide for the alive but incapable person.

Second is that for as few services as there are for the victims, the families and the health care professionals, there is rampant duplication and waste throughout our system of care. But what programs there are exist independently, many times without the knowledge of similar programs or the similar experience of other programs. Worse, some programs compete for attention, for funding, for recognition. We have, with the existence of our health care structure, the institutions and individuals to provide proper care. What we lack is the knowledge in some cases, the sensitivity, to best execute the goal.

As members of government, health care professionals, family members, and friends, you have before you an issue which affects every resident of this country. There is, for every person touched by this disease, a great deal to learn, a great deal to try and a great deal to accept. Our dilemmas must breed commitment. We must be committed to change; to change the attitudes toward diseases of the mind, to the problems of the elderly.

My mother is supposed to be in the prime of her life. She is suffering from a disease which is the leading cause of senility regardless of the age of onset. There is nothing natural about it. There is nothing acceptable about it. It is a horror and it is here, with us, and will be until we attack it in earnest.●

CHARLES MAMROTH AND DOROTHY SIBICK

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 18, 1983

● Mr. LIPINSKI. Mr. Speaker, recently Rhine Post VFW No. 2729 and its ladies auxiliary held a night to honor Charles Mamroth, senior vice commander of the third district and a member of Des Plaines Valley VFW No. 6863, and Dorothy Sibick, senior vice president of the ladies' auxiliary of the VFW third district. These are two outstanding citizens and I am proud to honor them on behalf of the citizens of the Southwest Side of Chicago.

Charles Mamroth served in the Navy from February 7, 1944, to November 21, 1947. He is married to Nane Annabell and has two children and two grandchildren. Charlie has worked his way up through the Des Plaines Valley VFW Post to become senior vice commander for the third district for 1983–84. He has served as a service officer, hospital chairman, trustee-assistant inspector, and junior vice-commander. Charlie has also served as an all-State commander in his post. Throughout his membership in the VFW, Charlie has been a dedicated and enthusiastic worker for area veterans, and for our community as well. I join with the members of VFW Post 6863 in congratulating Charles Mamroth on his many years of service.

Dorothy Sibick joined the Rhine Ladies Auxiliary Post No. 2729 in 1970, through her husband John's membership in the VFW. John served in the U.S. Army. Dorothy is also a member of the Veterans of Foreign Wars of the United States. She served as president of her VFW auxiliary post for 2 years, and currently serves as the hospital chairman and musician of her auxiliary. Dorothy held these top chairs on the way up to the presidency of her post: Guard, chaplain, and junior vice president. She will serve as the senior vice president of the Third District Ladies Auxiliary through 1984. Through all of her work at the VFW, Dorothy found the time to raise five children, and she has three grandchildren as well. Dorothy is recognized by all who know her as one who can always be counted on to help those around her in any way necessary. Along with the other members in her VFW post, I look forward to Dorothy Sibick continuing to serve her VFW post and our area for years to come.●